



RNS Number : 1882R  
ADES International Holding  
13 June 2018

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**ADES International Holding Ltd**

**1Q2018 Operational Update**

London, 13 June 2018

## ADES International Holding Ltd Results for the three-month period ended 31 March 2018

**(London & Dubai, 13 June 2018)** ADES International Holding ("ADES" or "the Group"), the London-listed company providing offshore and onshore oil and gas drilling and production services in the Middle East and Africa through its subsidiaries, announces today its operational update for the three-month period ended 31 March 2018. The financial information included below is unaudited.

### Outlook

ADES continued its solid growth momentum, renewing and extending contracts for its rigs in Egypt with high-profile clients and enhancing its purchasing power to enable the Group to pursue value-accretive acquisitions.

In line with the Group's objective to expand its footprint in the MENA region, ADES completed its acquisition of three operational Saudi-based offshore rigs from Nabors Industries Ltd. The operating rigs will begin to generate revenue for ADES immediately and are expected to benefit the Group's performance during the second half of the year.

The Group is confident that its full year results for 2018 will be in line with management's expectations.

## Operational Highlights

- 1Q2018 utilisation<sup>1</sup> rate recorded 77%, maintaining a five-year average of 90%.
- Backlog<sup>2</sup> as of 31 March 2018 of USD 396 million.
- Recordable Injury Frequency Rate ("RIFR") of 0.56, equal to the IADC worldwide standard rate.
- Successfully renewed the existing contract for Admarine VI with GPC for two years, with a two-year additional extension option at the discretion of GPC.
- Successfully extended existing contracts for Admarine II and IV with Gulf of Suez Petroleum Company (GUPCO) for a short tenor, which were further extended to the end of the year.
- Launched operations for Admarine VIII and 88 with Suez Oil Company (SUOCO) and Belayim Petroleum Co. (Petrobel), respectively.

## Financial Highlights

- Revenues for the Q12018 were approximately USD 41.2 million, a 15% decrease YoY and 7% increase QoQ (Q4 2017: USD 38.6 million), reflecting discounts on daily rates provided to clients during the period.
- Cash and Cash Equivalents stood at USD 108.6 million<sup>3</sup>, giving a Net Debt of USD 95.6 million.
- Profitability margins are broadly in line with the Group's historical margins.
- Secured a USD 450 million syndicated credit facility for the purpose of funding potential acquisitions, refinancing the Group's existing debt and financing anticipated future working capital.

<sup>1</sup> Utilisation rate is calculated based on assets under contract.

<sup>2</sup> "Backlog" is defined as the total amount payable to the Group during the remaining term of an existing contract plus any optional client extension provided for in such contract, assuming the contracted rig will operate (and thus receive an operating day rate) for all calendar days both in the remaining term and in the optional extension period. This calculation assumes that the client will exercise its option to extend its existing contract at the current day rate and under the contracted terms regarding currency of payment. Backlog also includes move fees and lump sum mobilisation and demobilisation payments as applicable under the contract.

<sup>3</sup> Cash and Cash Equivalents include short-term investments in treasury bills.'

### **Commenting on the Group's performance, Dr. Mohamed Farouk, Chief Executive Officer of ADES International said:**

"During the first quarter of 2018, ADES continued its solid growth momentum, successfully renewing and extending multiple existing contracts with high-profile clients, a testament to ADES' exceptional quality of service and exemplary safety record.

"The build-up of our backlog is one of our main pillars for growth, which we are delivering by developing long-term relationships with our existing clients as well as actively participating in tendering activity to acquire new ones. In light of our accomplishments to date, we remain confident that we will maintain our growth trajectory and deliver for the remainder of the year.

"We are also in the process of expanding our footprint across MENA, with a continued commitment to become a key player throughout the region. Further to the USD 450 million credit facility secured in March, we recently finalised an SAR 525 million (equivalent to USD 140 million) credit facility in May 2018, which - combined with our IPO proceeds - strengthens ADES' purchasing power and provides us with increased flexibility in pursuing value-accretive acquisition opportunities.

"Finally, with oil prices showing strong signs of recovery year to date, we expect to see a marked improvement in global supply-demand dynamics and a resulting upward trajectory in day rates and tendering activity. This will support ADES' organic top-line growth and benefit our operating margins going forward."

## Enquiries

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## About ADES International Holding (ADES)

ADES International Holding extends oil and gas drilling and production services through its subsidiaries and is a leading service provider in the Middle East and Africa, offering onshore contract drilling as well as workover and production services. Its over 1,200 employees serve clients including major national oil companies ("NOCs") such as Saudi Aramco and Sonatrach as well as joint ventures of NOCs with global majors including BP and Eni. While maintaining a superior health, safety and environmental record, the Group currently has a fleet of ten jack-up offshore drilling rigs, three onshore drilling rigs, a jack-up barge, and a mobile offshore production unit ("MOPU"), which includes a floating storage and offloading unit.

[investors.adihgroup.com](http://investors.adihgroup.com)

## Shareholder Information

LSE: ADES INT.HDG

Bloomberg: ADES:LN

Listed: May 2017

Shares Outstanding: 42.2 million

## Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business

and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

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