Press Release

Drake & Scull

DSI Records AED 2.39 Billion in Revenue and AED 58 Million in Operating Profit in H1 2015

Order Backlog closes at AED 13.24 billion as of June 30th 2015

H1 2015

- H1 2015 Revenue reached AED 2.39 billion compared to AED 2.35 billion recorded for the same period in 2014
- Net profit for H1 2015 is AED 34 million
- Operating profit for the period is AED 58 million as compared to AED 79 million reported for the same period in 2014
- EPS for the period is AED 0.015
- Total new project awards for the first half of the year reached at AED 1.42 billion
- Total backlog closed at AED 13.24 billion as of June 30th 2015

Q2 2015

- Q2 2015 Revenue reached AED 1.28 billion compared to AED 1.10 billion recorded in Q2 2014, an increase of 16% YoY
- Q2 2015 Net Profit is AED 6 million
- Q2 2015 Operating Profit is AED 16 million
- EPS for the period is AED 0.004

Press Release

[UAE, 11th August, 2015] Drake & Scull International PJSC (DSI), a regional market leader in the integrated design, engineering and construction disciplines of Civil Contracting, Mechanical, Electrical and Plumbing (MEP), Water and Power, Rail and Oil and Gas reported today total Revenue of AED 2.39 billion and Net Profit of AED 34 million for the first half of 2015 ended June 30th.

The company achieved a 2% YoY growth in Revenue in H1 2015. 37 % of the consolidated group revenue was generated in KSA which remains the largest market for DSI in H1 2015. Operations in the UAE picked up momentum and contributed 28 % of the group revenue; up by 7% as compared to the same period in 2014. Operations in Qatar improved and contributed 16% of the group revenue for the period, up by 8% compared to last year.

Revenue from the Engineering business reached a record high contributing 60% of the group revenue, up 11% as compared to the same period in 2014.The General Contracting business contributed 35% of the group revenue, down by 8% as compared to the same period last year.

Operating profit for H1 2015 was AED 58 million down by 27% as compared to the same period in 2014. The decline in the operating margins is attributed to delays and cost overruns on projects across several markets.

Total new project awards for the first half of the year reached AED 1.42 billion taking the group Backlog value to AED 13.24 billion as of June 30th 2015. The Engineering and General Contracting businesses constituted 87% and 13% of the new project awards secured in the first half of the year respectively. The UAE comprised the largest share of the new awards accounting for 75% of the group awards and Oman comprised 25% in H1 2015. The majority of the new awards were secured in the hospitality sector which accounted for 58% of the group awards while the commercial and residential sectors stood at 24% and 18% respectively.

Commenting on the results, Khaldoun Tabari, CEO and Vice-Chairman of Drake & Scull International PJSC, said, “We have met our top line target for the first half of the year; however, we continue to face pressure on our margins as a result of the delays on several projects.

Despite the bearish business sentiment across the sector, we’ve started Q3 2015 on a positive note with AED 305 Million worth of new projects in Kuwait and we remain focused on improving our operation efficiency and increased focus on collections across all markets.”

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About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader delivering world class quality projects via end to end solutions that provide integrated design, engineering and construction disciplines of General Contracting, Mechanical, Electrical and Plumbing (MEP), Water and Power, Rail, Water and Wastewater Treatment, Waste to Energy and Oil and Gas, through People, Innovation, and Passion.

DSI established its first office in Abu Dhabi in 1966, and has since expanded operations to encompass offices in Dubai, Abu Dhabi, Egypt, Kuwait, Oman, Saudi Arabia, Qatar, Jordan, Algeria, Iraq, India, Thailand, as well as managing projects in Europe and other parts of North Africa.

DSI's main business streams include Drake & Scull Engineering, which serves as the MEP and Water & Power arm, Drake & Scull Construction (DSC), which is the General Civil Contracting unit, Drake & Scull Oil & Gas, which undertakes oil pipelines and related petrochem projects, Drake & Scull Rail, Germany based Passavant Energy & Environment which focuses on Water and wastewater treatment as well as waste to energy and Drake and Scull Development, focusing on the Infrastructure sector.

In 2008, DSI offered 55% of its shares to the public and the IPO was oversubscribed 101 times. Ernst & Young ranked the IPO among the top 20 global IPOs in 2008.

DSI has since then used the funds to integrate, establish and acquire businesses that complement its corporate strategy of expansion into new markets, via organic and inorganic growth.

The fully Integrated Management Systems, certified to ISO 9001:2008, ISO 14001:2005 and OSHAS 18001:2007 standards are compliant with leading building, health and safety regulations, as well as sound environmental and energy management procedures.

DSI is a leader through experience, and has established a regional leadership position over 48 years of successfully completing the most complex projects on time, within budgets and matching set quality parameters.

DSI has delivered more than 700 projects around the world in the last five decades catering to aviation, residential, mixed use, power plants, district cooling plants, hospitality, healthcare, renewable energy, data centers, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

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