



Press Release

Drake and Scull International announces 2019 audited financial results

The Company recorded Net Profit of 262 million dirhams compared to net loss AED 5.1 Billion recorded for the same period last year.

Operations Stabilized and Restructuring Progressing.

Dubai, UAE, 09 June 2020: Drake & Scull International PJSC (DSI), a regional market leader in the integrated design, engineering and construction disciplines of Mechanical, Electrical and Plumbing (MEP), Water and Power, and Oil and Gas reported today its audited financial results for the year ended December 2019, reporting a net profit of AED 262 million.

- **2019 Revenues stood at AED 681 million compared to AED 798 million in 2018.**
- **Gross Profit of AED 8 million in 2019 compared to Gross Loss of 952 million in 2018.**
- **Profit from continued operations reached AED 234 million in 2019 compared to a loss of AED 4,930 million.**
- **Total Negative Equity has been improved from AED 4,748 million in 2018 to AED 3,987 million in 2019.**

DSI recorded a revenue of AED 681 million for the full year and the backlog remained stable at AED 625 million, which includes AED 309 million from Joint-Ventures, driven by on-going operations in the UAE, Germany, Algeria, Kuwait and Iraq.

Gross profits the period stood at AED 8 million and the Net profit for the year stood at AED 262 million compared to net loss AED 5,092 million recorded for the same period last year.

Shafiq Abdelhamid, Chairman of DSI, said: "The Board of Directors and I would like to thank the executive management for their vision, tenacity, and their tremendous efforts in stabilizing the company which will enable the restructuring to be completed this year. I would also like to extend my thanks and deep gratitude to the Securities and Commodities authority for their efforts and continuous support. The team at DSI has worked tirelessly for the past year to tackle the real challenges of dealing with the huge losses recorded in 2018, and the burden left by the previous management. The financial restructuring is progressing with the lead banks, and we have made real efforts to reach out to all the trade creditors ahead of finalizing the restructuring



proposal which will need the continued support of all stakeholders. Once the restructuring is complete it will position DSI so as to be able to regain its position as profitable international MEP contractor".

"In line with our restructuring plan and strategic roadmap, our objective in 2019 was to re-focus the company on its core business activities of MEP Contracting, Water and Energy and Oil & Gas; while strengthening our balance sheet/financial position by implementing the pillars of the restructuring strategy as approved by the Shareholders by reducing operational costs and closely monitoring our projects. Operational productivity and efficiency will also be a key factor in maintaining DSI's competitive edge, and we will continue to actively work on winning new projects while working on completing existing ones." Finally we will continue to engage with all our stakeholders, including regulators, financial lenders, trade creditors and employees to ensure that Drake & Scull emerges from the last few years of difficulties as a strong UAE company".

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About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader of world-class integrated design, engineering and construction projects. DSI's main business streams include engineering (MEP), construction, oil & gas and water & wastewater. The company operates across the GCC and the rest of the Middle East as well as Europe.

DSI has completed more than 700 projects around the world in the aviation, residential and mixed-use real estate, power plant, cooling plant, hospitality, healthcare, renewable energy, data center, petrochemical, rail, commercial, government, leisure and infrastructure sectors.

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