

Renaissance Services posts revenue of RO108mn in H1

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Renaissance Services registered total revenue of RO107.8mn from continuing operations in the first half of 2016 against RO117.8mn in the same period of the previous year, according to a company filing with the Muscat Securities Market on Sunday

Net profit came in at RO2.7mn for the six-month period ended June 30, 2016, against a net loss of RO1.9mn in the corresponding period of 2015. Renaissance, however, posted a net loss after minority interest of RO1.5mn for the first half of this year against a net loss of RO4.7mn in the same period of 2015.

"Oil price remains comparatively low and this continues to affect our business performance, but has not affected our ability to make important contract gains that will deliver superior performance in the years ahead," Renaissance said in the chairman's report.

Revenue at Topaz Energy and Marine, a subsidiary of Renaissance Services and supplier of offshore support vessels, fell to RO57.7mn in the first half of 2016 from RO67.5mn in the same period of 2015. The offshore support vessel (OSV) sector appears one of the worst affected within



the oil & gas industry in the prevailing oil price crisis, Renaissance said.

While Topaz's core markets in the Caspian are stable, the company said MENA and Africa are under pressure due to the migration of vessels from the dormant Asian market, under-cutting rates at a time when market activity is already depressed.

"As a result there is ever-increasing need for companies to cold-stack vessels; and the industry, including Topaz, shall have to again review vessel valuations and potential impairment at the end of the year," Renaissance said.

"In spite of this, Topaz continues to outperform its global peers. This is because Topaz has shown prudence and foresight in

the structure of both its business model and financial model."

Renaissance said it continues to see the effects of the current low oil price on its service businesses. Occupancy in the oil-fields, it added, remains ten per cent lower than the previous year.

The company said it would open the first phase of its Renaissance Village in Duqm in the second half of the year. "We expect occupancy build-up to be slow in the initial months of operation. Duqm remains a bright area of activity in the economy with projects progressing, albeit a little slower than planned. We expect our Duqm project to be an ever-increasing engine for growth in 2017 and the year ahead," Renaissance added.