

Renaissance H1 net slips on oil price fall

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DECLINING OIL PRICES took a toll on Renaissance Services' bottom line with the company reporting a net loss of 1.9 million rials for the first half of this year against a net profit of 10.9 million rials in the same period in 2014, according to a disclosure to the Muscat Securities Market (MSM) on Tuesday.

The company said that the net loss was after a write-off of unamortised loan arrangement costs of 3.2 million rials in Topaz. The earnings before interest, taxes, depreciation and amortisation (Ebitda) and operating profit were after one-off receivables provision of 1.9 million rials when it was

700,000 rials the previous year.

During the first quarter of the year, the company posted a net profit of 1.2 million rials against 5.4 million rials in the same period last year.

"The short leash that global politics keeps on the price of a barrel of oil continues to affect many market, so our new business in West Africa is sharing the market's difficulty in activating its considerable reserves," company chairman Samir J. Fancy said in a statement.

"The strength of our Caspian position and comparative stability in Mena keeps revenue flowing to our oil and gas businesses and we are continuing to see accommodation and service business volumes grow in Oman," he added.

Revenue held up to a similar level to last year, he said. The company garnered 117.9 million rials during the six months against 117.3 million rials. But Ebitda was down by 11.8 per cent at 36.6 million rials against 41.5 million rials last year.

"Nevertheless, positive Ebitda shows that businesses are generating strong and healthy cash flows. Higher finance costs and aggressive margin squeezes continue to put pressure on overall net profit. In addition, we are making provisions of 1.9 million rials for potentially vulnerable receivables in Topaz and Renaissance," his statement said.

Despite a generally tough market and tangle exposure to oil prices, the company's

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