



Boubyan Petrochemical Company

Investor Update – 31 January 2020 results



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)

Boubyan Petrochemical Company – 3Q19/20 results

Business Highlights

- Continued strong operational and financial performance across the core investment portfolio
- Significant progress on BPC's 2020 vision: to achieve KWD20mn from the core investment portfolio (excluding EQUATE Group)
- Divestment of two non-core investments resulting in KWD 1.85mn in profits

Financial Highlights

- Boubyan reported net income of **KWD1.2mn** in 3Q19/20 compared to KWD1.0mn in 3Q18/19
- Reported EPS for 3Q19/20 is **2.30 fils** per share, compared to EPS of 1.91 fils per share in 3Q18/19
- The investment portfolio value reached **KWD480.8mn** as of 3Q19/20 where the core investments (excluding EQUATE) accounted for 22.5% of the portfolio



Core investments updates (1/2)



- In 1Q19/20, EDU's profitability remained steady with KWD2.1mn in reported net income
- Several undergoing projects across the schools that are expected to improve operational performance and positively reflect the company's bottom line in the future



- EYAS's net income remained steady and reached KWD2.2mn during 1Q19/20



- In 4Q19, Nafais net income increased to KWD3.6mn from KWD1.7mn during the same period last year
- The improvement is mainly due to the improving operating revenue and the decline in G&A expenses

Core investments updates (2/2)



- Awazel reported a net income of SAR10.5mn in 3Q19/20 compared to SAR7.4mn in 3Q18/19
- The company's sales have improved across the region.



- Al Borg reported losses of SAR6.0mn in 4Q19
- However, the Company reported a positive net income of SAR 49.4mn for FY 2019 compared to SAR 37.7mn in FY 2018



- Muna Noor's net losses shrank to KWD 0.16mn as of 3Q19, compared to KWD 0.32mn in 3Q18
- The company has continued to carry out its operational measures to improve sales and cut costs

Boubyan's investment portfolio reached KWD481mn as of 3Q19/20

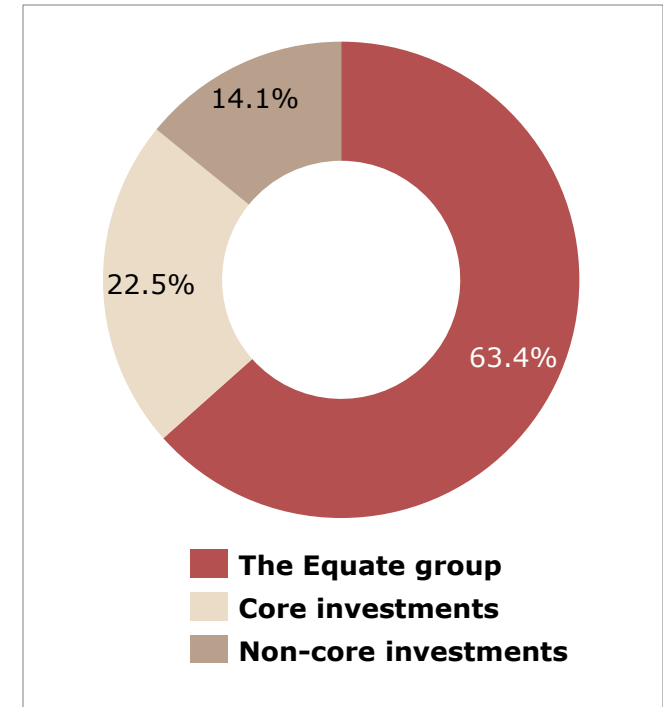
Amounts in KWD, millions

EQUATE	Ownership	Carrying Value
EQUATE	9.0%	173.3
The Kuwait Olefins Company (TKOC)	9.0%	131.7
The Equate group		305.0

Core Investments	Ownership	Carrying Value
EDU	83.1%	14.6
Al Kout	54.1%	32.2
EYAS	55.6%	44.5
NAFAIS	21.1%	9.8
Awazel	20.8%	4.1
Al Borg	24.0%	2.8
Total core investments		108.0

Total non-core investments	67.9
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Total investment portfolio	480.8
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Boubyan achieved a net income of KWD1.2mn in 3Q19/20 compared to KWD1.0mn in 3Q18/19

KWD, thousands

Income	3Q18/19		3Q19/20		EPS Contribution	
					3Q18/19	3Q19/20
EDU	1,688.1	1,709.1			3.24	3.38
Nafais	317.1	690.3			0.61	1.36
EYAS	459.8	450.7			0.89	0.89
Awazel	62.5	177.6			0.12	0.35
Al Borg ML	(107.6)	(116.0)			(0.21)	(0.21)
Muna Noor Group	(327.4)	(162.8)			(0.62)	(0.32)
Total core investments	2,092.49	2,748.9			4.03	5.45
Total non-core investments	421.3	237.6			0.81	0.48
Gain on sale of ARAMCO shares	-	1,602.9			-	3.12
Other income	726.0	705.1			1.39	1.40
Forex exchange	(0.9)	27.7			NA	0.04
Unrealized losses of FVTPL*	-	(596.4)			-	(1.16)
Impairment of Warba Capital	-	(1,208.7)			-	(2.35)
Total other income	725.2	(1,072.4)			1.39	(2.07)
Total income	3,239.0	3,516.9			6.22	6.98
Expenses						
Finance Cost	(2,017.5)	(2,050.8)			(3.87)	(4.06)
G&A expenses	(98.8)	(176.7)			(0.19)	(0.35)
Staff expenses	(128.8)	(117.2)			(0.25)	(0.23)
Board & govt. fees/Taxes	-	(13.3)			-	(0.03)
Total expenses	(2,245.1)	(2,357.9)			(4.31)	(4.67)
Net income	993.9	1,159.0			1.91	2.30

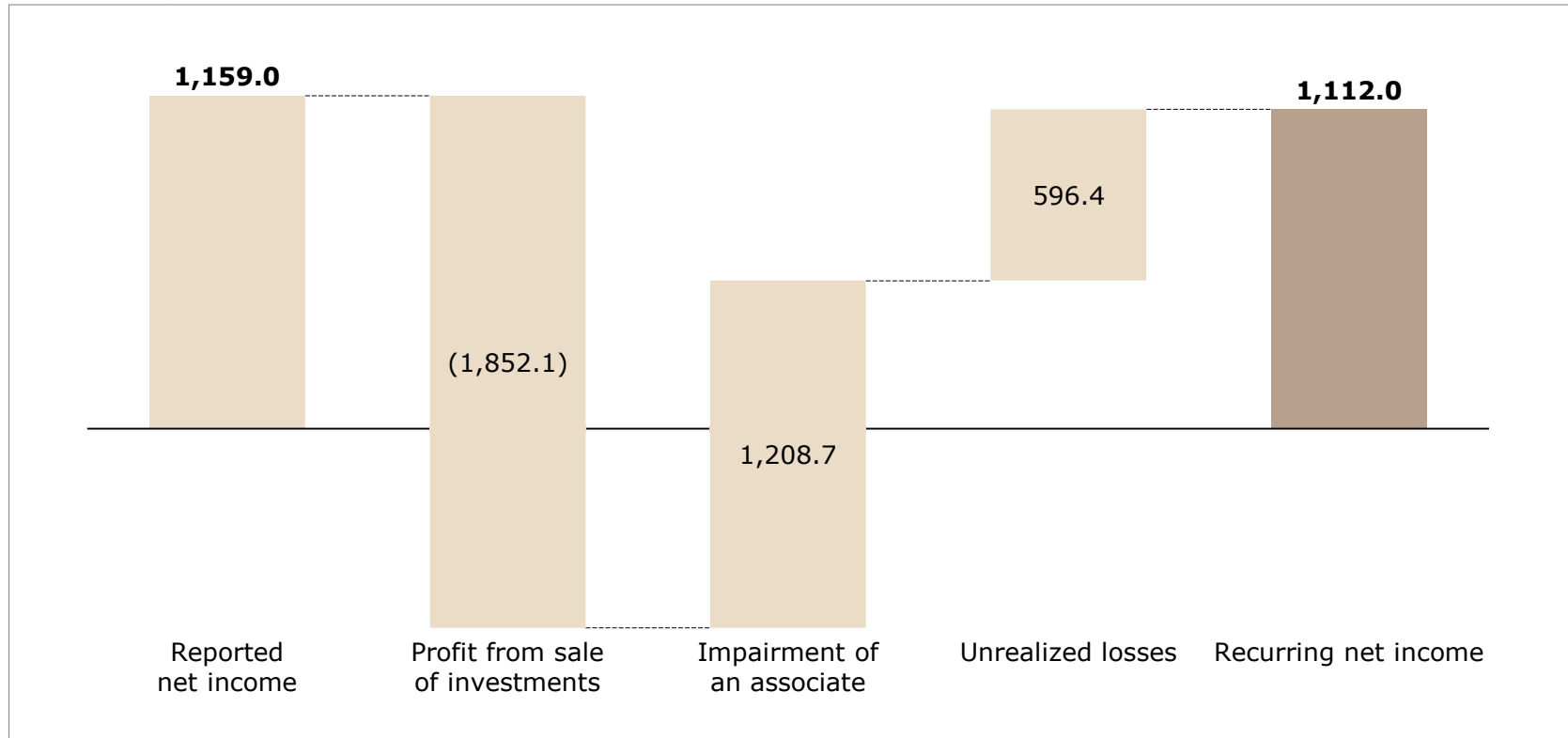
*Investments at fair value through profit and loss

Commentary

- In 3Q19/20, Boubyan subscribed to ARAMCO's IPO and was allocated 3.3mn shares. BPC sold its entire shareholding and recorded KWD1.6mn in profits
- Core investments income grew to KWD2.7mn in 3Q19/20 from KWD2.0mn during the same period last year due to the improved bottom line achieved by most investments
- Boubyan continued its conservative approach and took an impairment of KWD1.2mn of its associate Warba Capital
- Reported net income grew to KWD1.2mn in 3Q19/20 from KWD1.0mn in 1Q18/19 on the back of its core investments income and ARAMCO's successful exit

BPC achieved recurring net income of KWD1.1mn in 3Q19/20

Amounts in KWD, thousands



- Sale of investments represent divestment of two non-core investments
- Impairment of an associate is related to Warba Capital
- Unrealized losses are due to the decline in fair value from an unquoted investment

Q&A

Thank you



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