



Boubyan Petrochemical Company

Investor Updated – 1Q18 results



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)

Boubyan at a Glance

Background

- Boubyan Petrochemicals (established in 1995) is the first private-sector company in Kuwait to invest in the government-controlled petrochemical. In 1995, Boubyan became a local private sector participant in the newly formed entity Equate.
- Boubyan has evolved into a holding company with investments in petrochemicals, industrials, education and healthcare



- Since its establishment in 1995, Equate continues to be the single largest investment in Boubyan's portfolio – contributing more than 80% of net income (Boubyan currently owns 9% of Equate)
- In recent years, Boubyan continued to build its assets to reduce reliance on Equate by entering into other sectors

Highlights

- Boubyan acquired a 20.6% in EYAS for Higher and Technical Education, the owner of Gulf University for Science and Technology. The total direct and indirect stake in EYAS is 55.4% as of 1Q18, making EYAS a subsidiary of Boubyan
- Boubyan stock has been added to the FTSE Emerging Market Index due to the improved liquidity on the stock market



Educational Holding Group



Al Kout Industrial Projects



Arabian Waterproofing Industries



Al Borg Medical Labs



Nafais Holding Company



Muna Noor Group of Companies

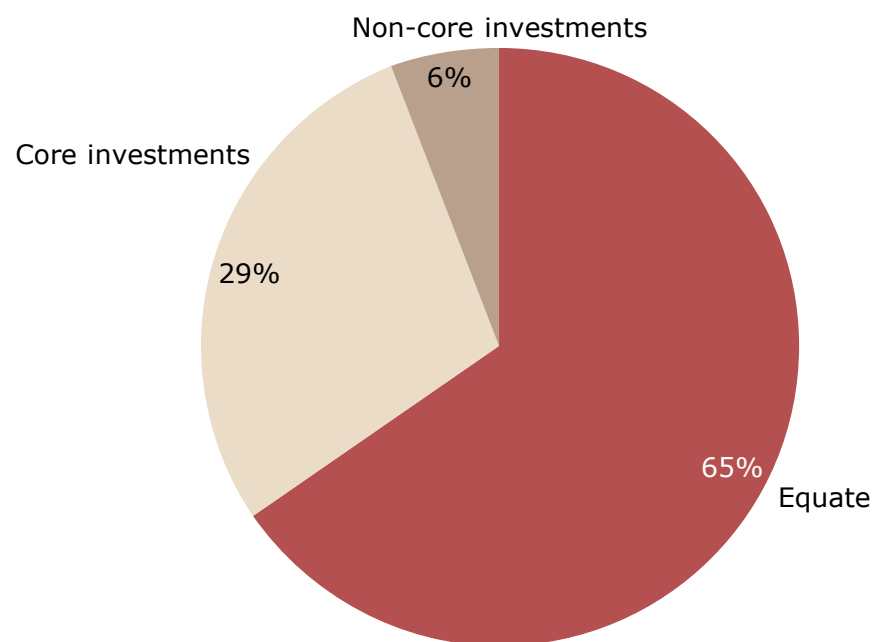
Boubyan at a Glance – Investment Portfolio as of 1Q18

Amounts in KWD

EQUATE	Ownership	Carrying Value
EQUATE	9.00%	173,107,418
The Kuwait Olefins Company (TKOC)	9.00%	134,345,311
The Equate group		307,452,729

Core Investments	Ownership	Carrying Value
EDU	82.70%	58,110,728
Al Kout	46.47%	21,684,025
EYAS	20.68%	15,290,375
Al Borg	24.00%	14,661,587
NAFAIS	21.12%	10,856,458
Awazel	20.78%	10,741,941
Muna Noor	100.00%	5,140,734
Total core		136,485,847

Total non-core		28,024,787
Total Investment Portfolio		471,963,364



Boubyan's normalized net income witnessed considerable growth in 1Q18 compared to 1Q17

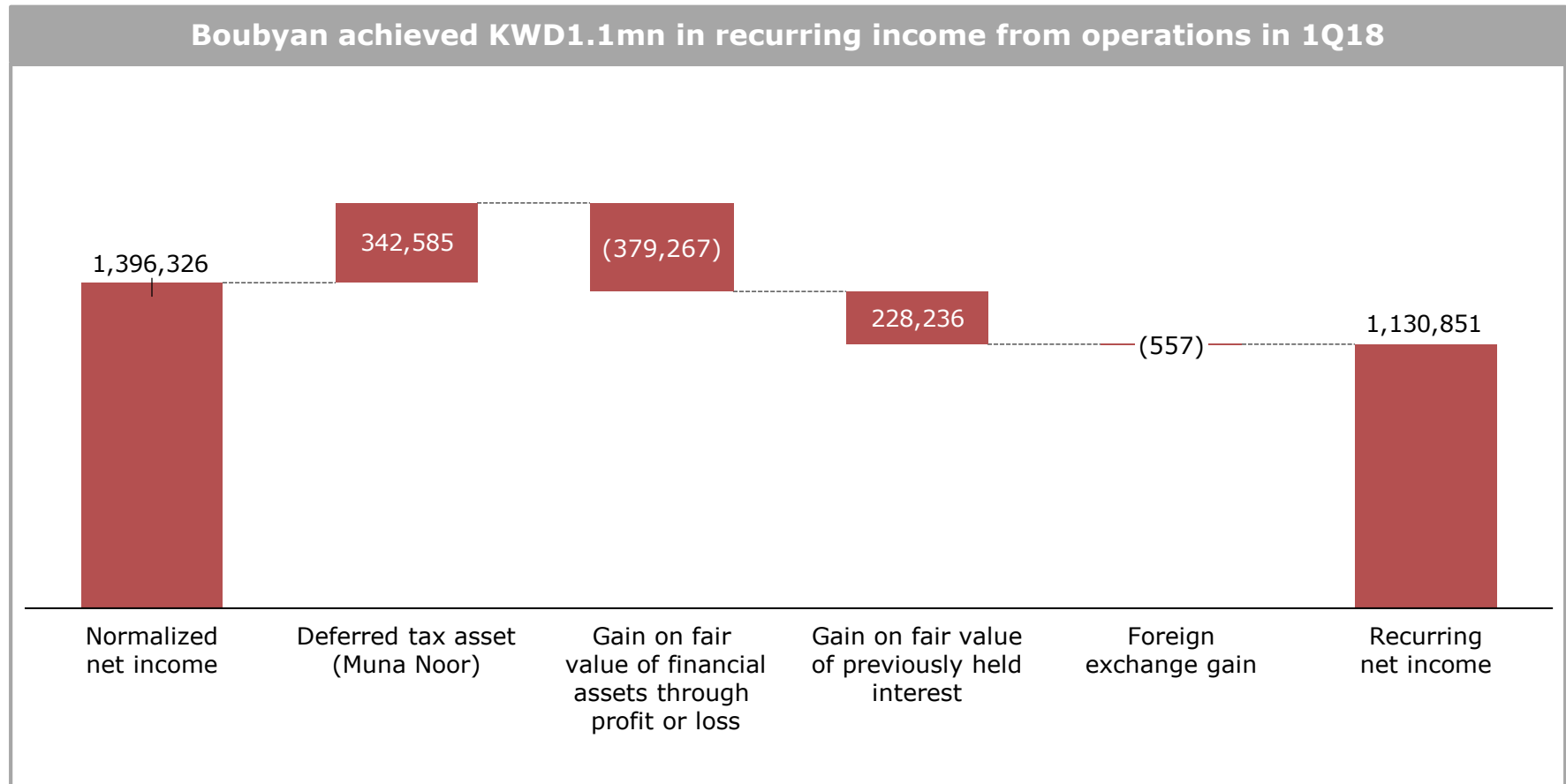
Income (KWD, thousands)	1Q17		1Q18		EPS Contribution	
	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18
Educational Group	-	1,489,857	NM	2.88		
Al-Kout	509,386	727,636	0.98	1.40		
Nafais	743,667	588,139	1.44	1.14		
Al Borg	326,939	199,197	0.63	0.38		
Awazel	110,755	64,420	0.21	0.12		
Muna Noor Group	(141,062)	(588,361)	(0.27)	(1.14)		
Total core investments	1,549,685	2,480,888	2.99	4.79		
Total non-core investments	389,886	910,744	0.75	1.76		
Other income/(Loss)	1,779	12,513	NM	0.02		
Foreign exchange gain/(loss)	287,682	(557)	0.56	NM		
Other income	289,461	11,956	0.6	NM		
Total income	2,229,032	3,403,588	4.30	6.57		
Expenses						
Finance Cost	(1,040,443)	(1,751,851)	(2.01)	(3.38)		
Staff expenses	(147,116)	(132,793)	(0.28)	(0.26)		
G&A Expenses	(82,530)	(91,980)	(0.16)	(0.18)		
Board & govt. fees/Taxes	(27,058)	(30,638)	(0.05)	(0.06)		
Total Expenses	(1,297,147)	(2,007,262)	(2.50)	(3.88)		
Net Income	931,885	1,396,326	1.80	2.70		

Commentary

- Boubyan continued to diversify its income stream during this quarter
- In 1Q18, total income from core investments reached KWD2.5mn compared to KWD1.5mn in 1Q17
- Tuition fees revenue is generated from EDU's subsidiary AFAQ, which operates Arabic and Special Needs schools
- Jubail integrated packaging was completely written off during 1Q18 which impacted sale of goods
- Finance cost increased to KWD1.8mn on the back of the increase in borrowings to finance new acquisitions

Boubyan's recurring net income – 1Q18

Amounts in KWD, mn



- Boubyan recorded non recurring income of KWD607,503 due to revaluation of EYAS's previously held stake, and other financial assets through P&L
- Boubyan wrote off the deferred tax asset for Muna Noor amounting KWD342,585 which represents a one time non recurring expense
- Recurring income for the first quarter ended July 2018 is KWD1,130,850



Q&A

Thank you



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