



Boubyan Petrochemical Company

Investor Update – 31 October 2019 results



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)

Boubyan Petrochemical Company – 2Q19/20 results

Financial Highlights

- Boubyan reported net income of KWD1.12mn in 2Q19/20 compared to KWD762K in 2Q18/19
- Reported EPS for 2Q19/20 is 2.19 fils per share, compared to EPS of 1.47 fils per share in 2Q18/19
- The investment portfolio value reached KWD484mn as of 2Q19/20 where the core investments (excluding EQUATE) accounted for 23% of the portfolio



Core Investments Updates (1/2)



- AlKout reported net income of KWD1.4mn for 3Q19, compared to KWD1.3mn in 3Q18. This is mainly due to increase of share in associate and decrease in finance costs for the period.
- In addition, AlKout successfully signed 2 tenders with the Ministry of Electricity and Water for a total value of KWD4.1mn



- Muna Noor Group recorded a NI of OMR -124k in 2Q19 vs OMR -1.2mn in 2Q18
- The restructuring and cost optimization efforts at Muna Noor group are bearing fruit and the group is on track to making positive Net Income next year



- Al Borg reported a net income SAR 22mn 3Q19, up from SAR 17.6mn 3Q18
- Al Borg continues to improve its regional presence and B2B segment which will continue improve its bottom line in the future

Core Investments Updates (2/2)



- In 3Q19, Nafais' net income increased to KWD3.5mn during the same period from KWD2.7mn last year
- This quarter's results include a non-recurring profit of KWD700k
- G&A expenses have slightly decreased as well



- In 4Q19, EDU reported a net income of KWD1.7mn, compared to KWD1.01 in 4Q18
- The difference in NI is mainly due to last year's provisions for expected credit losses and obsolete inventories



- EYAS reported a net income of KWD601K in 4Q19 compared to KWD693K in 4Q18
- The decline in tuition fees is mainly due to reduction of summer term from two sessions to one session

Boubyan's investment portfolio reached KWD485mn as of 2Q19/20

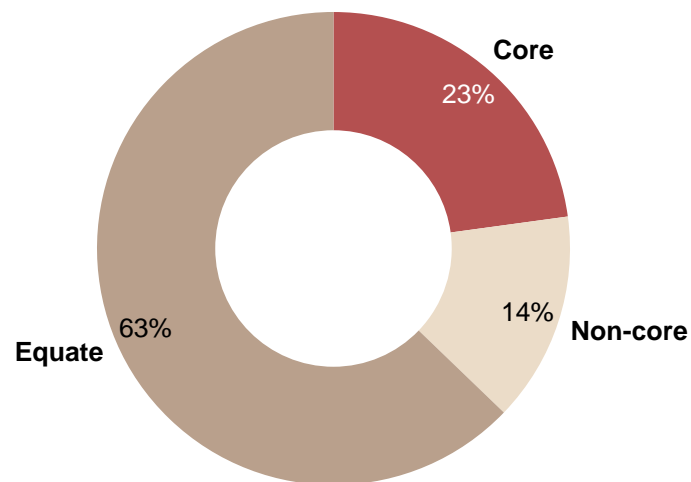
Amounts in KWD, millions

EQUATE	Ownership	Carrying Value
EQUATE	9.0%	173.0
The Kuwait Olefins Company (TKOC)	9.0%	131.4
The Equate group		304.4

Core Investments	Ownership	Carrying Value
EDU	83.0%	36.8
Al Kout	54.2%	25.6
EYAS	55.6%	31.1
NAFAIS	21.1%	9.1
Awazel	20.8%	4.0
Al Borg	24.0%	4.1
Total core investments		110.7

Total non-core investments 69.6

Total investment portfolio 484.7



Boubyan achieved a net income of KWD1.12mn in 2Q19/20, compared to KWD762K in 2Q18/19

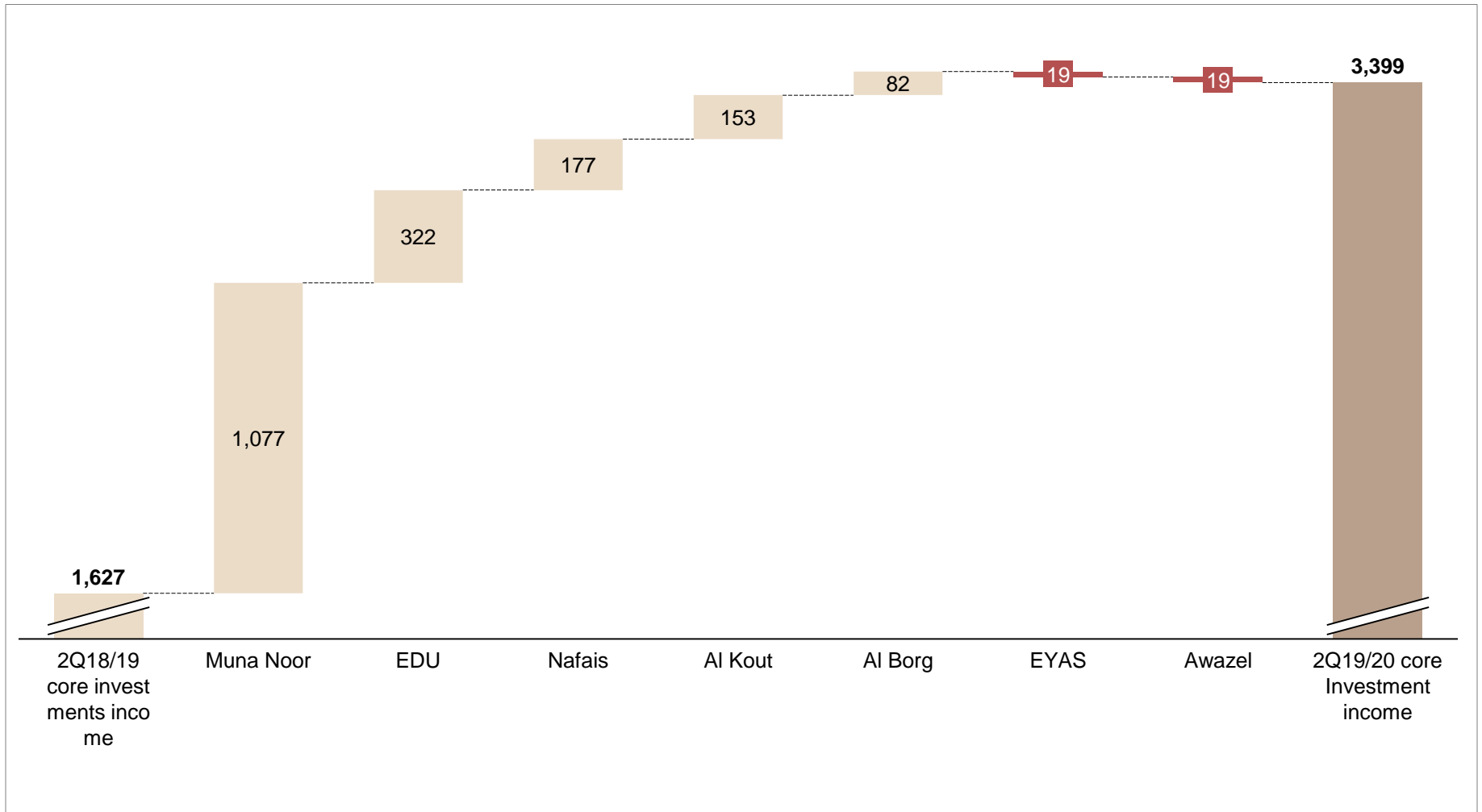
Income (KWD, thousands)			EPS Contribution	
	2Q18/19	2Q19/20	2Q18/19	2Q19/20
EDU	1,088.7	1,410.4	2.1	2.7
Al-Kout	619.8	773.1	1.2	1.5
EYAS	143.4	124.3	0.3	0.2
Nafais	569.7	746.5	1.1	1.5
Al Borg	342.3	424.1	0.7	0.8
Awazel	64.4	45.3	0.1	0.1
Muna Noor Group	(1,201.8)	(124.5)	(2.3)	(0.2)
Total core investments	1,626.5	3,399.2	3.1	6.6
Total Non-Core	67.2	399.0	0.1	0.8
Other income/(loss)	1,270.2	(116.1)	2.4	(0.2)
Forex exchange	(5.7)	-	-	-
Total other income	1,264.5	(116.1)	2.4	(0.2)
Total income	2,958.2	3,682.1	5.7	7.2
Expenses				
Finance Cost	(1,918.6)	(2,227.0)	(3.7)	(4.3)
G&A Expenses	(95.9)	(200.9)	(0.2)	(0.4)
Staff expenses	(122.5)	(121.4)	(0.2)	(0.2)
Board & govt. fees/Taxes	(59.2)	(10.5)	(0.1)	-
Total expenses	(2,196.2)	(2,559.8)	(4.2)	(5.0)
Net income	762.0	1,122.3	1.5	2.2

Commentary

- Boubyan's core investments achieved a total income of KWD3.4mn in 2Q19/20, compared to KWD1.6mn in 2Q18/19 driven by Boubyan's strategic initiatives and revenue improvement measures
- EDU's profits grew to KWD1.41mn during 2Q19/20 from KWD847K in 2Q18/19
- Muna Noor's improved gross margin, restructuring and cost cutting measures resulted in reduction of losses from -1.2m to -0.12m
- Finance costs increased to KWD2.2mn in 2Q19/20 on the back on Boubyan's ongoing acquisitions

Core investments income grew to KWD3.39mn in 2Q19/20 from KWD1.627m in 2Q18/19

Amounts in KWD, thousands



Q&A

Thank you



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