



Boubyan Petrochemical Company

Investor Updated – FY2017/18 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

Core investments

- Boubyan acquired several industrial companies: Muna Noor (Manufacturing), Kout Industrial Projects (Industries), Awazel (Manufacturing) and Al Borg Medical Laboratories (Healthcare)
- Recently, Boubyan forayed into the education and health care sector through its acquisition of Educational Group Holding



Educational Holding Group



Al Kout Industrial Projects



Arabian Waterproofing Industries



Al Borg Medical Labs



Nafais Holding Company



Muna Noor Group of Companies

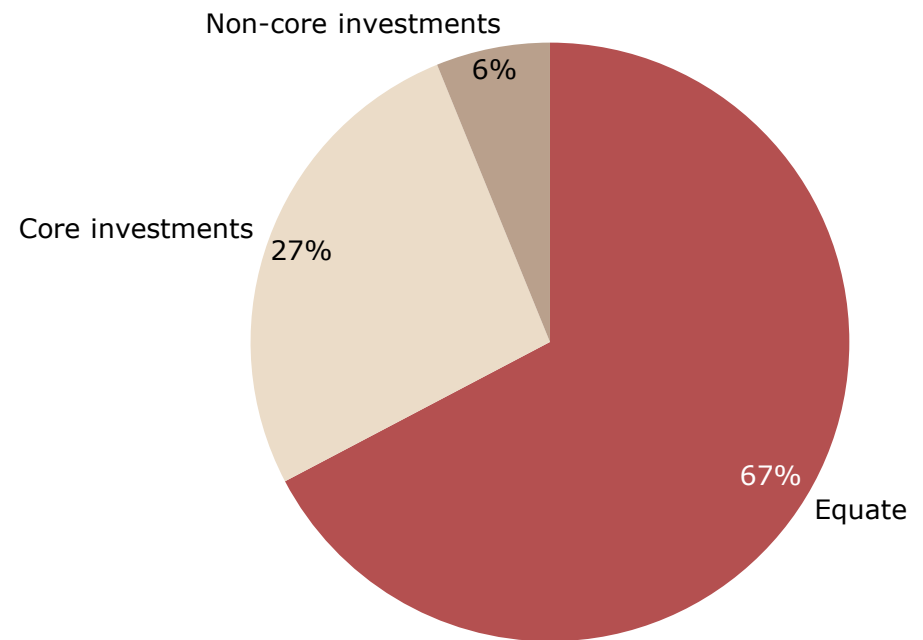
Boubyan at a Glance

Amounts in KWD

EQUATE	Ownership	Carrying Value
EQUATE	9.00%	172,959,075
The Kuwait Olefins Company (TKOC)	9.00%	133,590,313
The Equate group		306,549,388

Core Investments	Ownership	Carrying Value
EDU	82.70%	56,579,075
Al Kout	46.47%	23,300,319
Al Borg	24.00%	14,379,350
Awazel	20.78%	10,725,706
NAFAIS	21.12%	10,268,321
Muna Noor	100.00%	5,729,095
Total core		120,981,866

Total non-core	28,036,506
Total Investment Portfolio	455,567,760



Boubyan made three acquisitions during FY2017/18 for a total amount of KWD91.6mn

- In line with its strategy to enter into new industries through acquisitions, Boubyan has made three acquisitions during FY2017/18 – investing KWD91.6mn in total
- Boubyan will continue to seek investment opportunities across all fields that are in line with the company's strategic vision



Educational Holding Group

- Acquired 53.34% through an auction in May 2017
- Acquired additional 25.13% in August 2017 through MTO
- Total deal value is KWD61.5mn
- Boubyan owns 82.70% as at 30 April 2018.



Al Kout Industrial Projects

- Boubyan already owned 24.75%
- Acquired additional 21.7% through a stock market auction.
- Total deal value is KWD16.8mn.
- Boubyan owns 46.47% as at 30 April 2018.

Boubyan's normalized net income witnessed considerable growth in FY2017/18

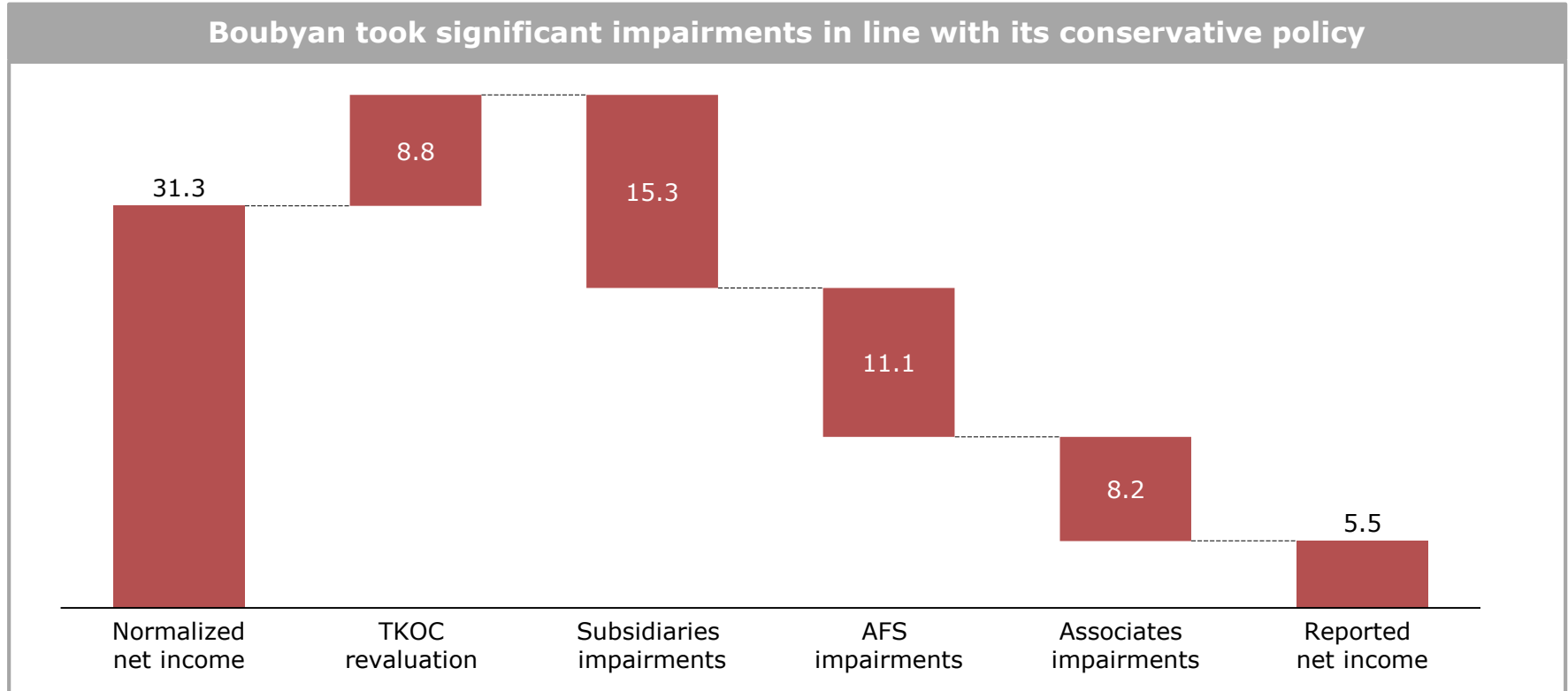
Income (KWD, thousands)	4/30/2017	4/30/2018	(EPS)	(EPS)
Equate	18,541.5	30,343.6	36.0	58.9
Educational Group	-	2,973.3	-	5.8
Muna Noor Group	(312.2)	(1,179.7)	(0.6)	(2.3)
Nafais	-	2,274.1	-	4.4
Awazel	1,258.2	461.2	2.4	0.9
Al Borg	1,623.7	1,031.1	3.2	2.0
Al-Kout	1,397.1	1,485.6	2.7	2.9
Total core investments	3,966.7	7,045.6	7.7	13.7
Total non-core investments	749.9	414.2	1.4	0.8
Other income/(Loss)	224.7	92.7	0.4	0.2
Foreign exchange gain/(loss)	(209.9)	474.2	(0.4)	0.9
Other income	14.8	566.9	0.0	1.1
Total income	23,272.9	38,370.3	45.0	74.5
Expenses				
Finance Cost	(2,659.6)	(5,229.8)	(5.2)	(10.2)
Staff expenses	(1,139.9)	(853.6)	(2.2)	(1.7)
G&A Expenses	(516.9)	(814.6)	(1.0)	(1.6)
Board & govt. fees/Taxes	(382.4)	(238.4)	(0.7)	(0.4)
Total Expenses	(4,698.9)	(7,111.4)	36.1	13.9
Normalized Net Income	18,574.0	31,258.8	34.7	60.7

Commentary

- Equate had a strong year on the back of recovery in commodity prices
- Income from core investments grew by 78% in FY2017 due to the acquisition of new core assets
- Muna Noor recorded losses in 2018 and is undergoing major restructuring
- Core investments in Saudi (Awazel and Al Borg) had a challenging year due to slowing down of economy
- Al Kout continued to perform well due to strong prices of main commodities
- Finance cost grew due to acquisitions made this year (KWD68.1mn of additional debt raised in FY2017/18)

In continuation of the conservative approach, Boubyan took KWD 35 million in impairments

Amounts in KWD, mn



- The value of TKOC rose due to improvement in commodity price outlook mainly oil and gas
- Asset values were brought down to the lower end of their market values, allowing investors to make their own assessments of the market value

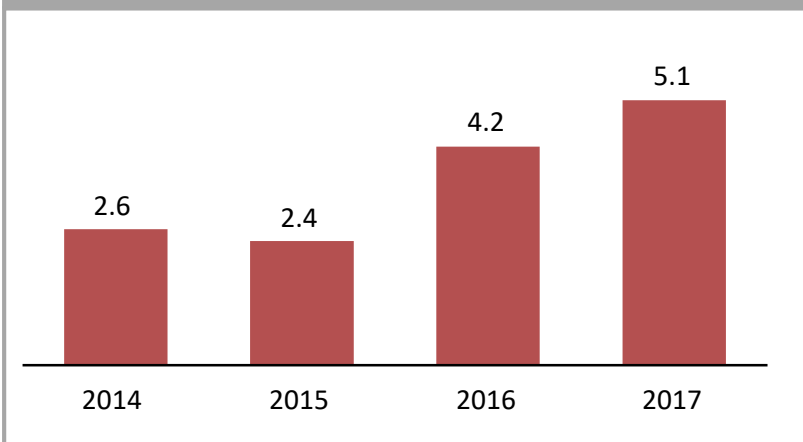
Equate had a strong year in 2017, propelled by the recovering commodity prices

Amounts in USD, mn

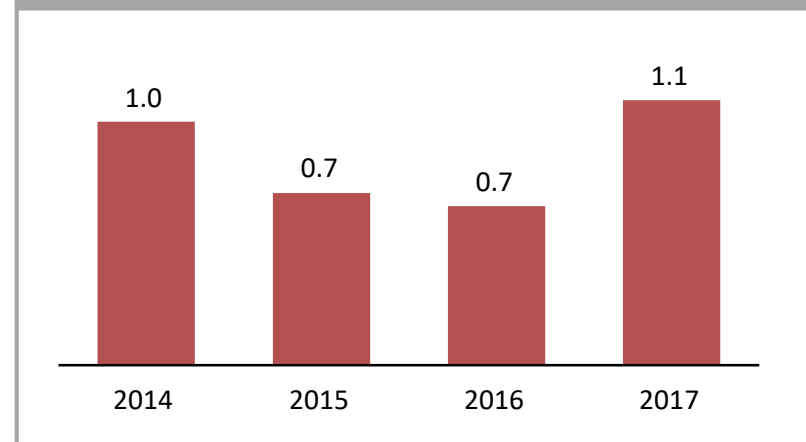
Summary

- The EQUATE Group is a global producer of petrochemicals and the world's second largest producer of Ethylene Glycol (EG).
- The Group has industrial complexes in Kuwait, North America and Europe that annually produce over 5 million tons of Ethylene, EG, Polyethylene (PE) and Polyethylene Terephthalate (PET).
- EQUATE's performance has improved in 2017 due to recovering commodity prices and increased volume due to the acquisition of MEGlobal in late 2016.

Revenue



Net income

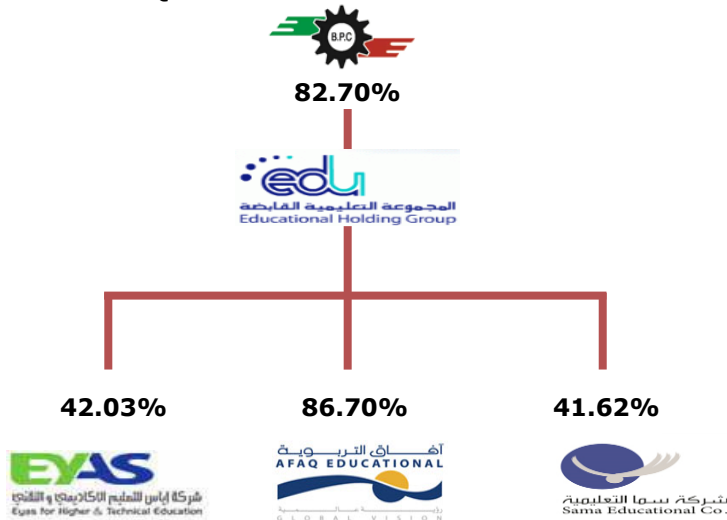


Core investments summary - Educational Group Holding

Amounts in KWD, mn

Background

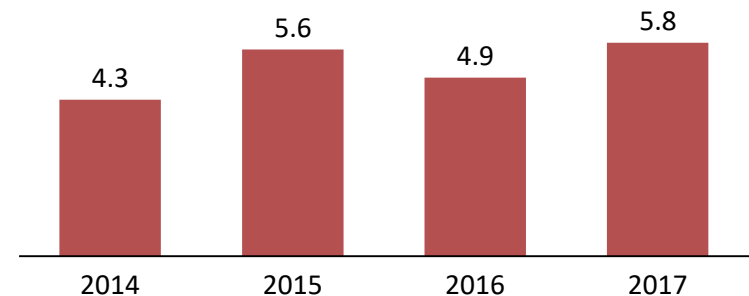
- Educational Group Holding ("EDU") was established in 1982 to offer educational services in Kuwait that include Arabic, bilingual and special needs schools
- Subsidiaries and associates include EYAS, SAMA and AFAQ



Summary financials (31 August)

KWD, millions	2014	2015	2016	2017
Revenue	10.4	12.0	11.4	11.7
Net income	4.3	5.6	4.9	5.8
Assets	61.5	61.1	46.5	48.1
Liabilities	21.3	18.4	3.8	3.3
Equity	40.2	42.7	42.7	44.8

Net income



Core investments summary – Al Kout Industrial Projects

Amounts in KWD, mn

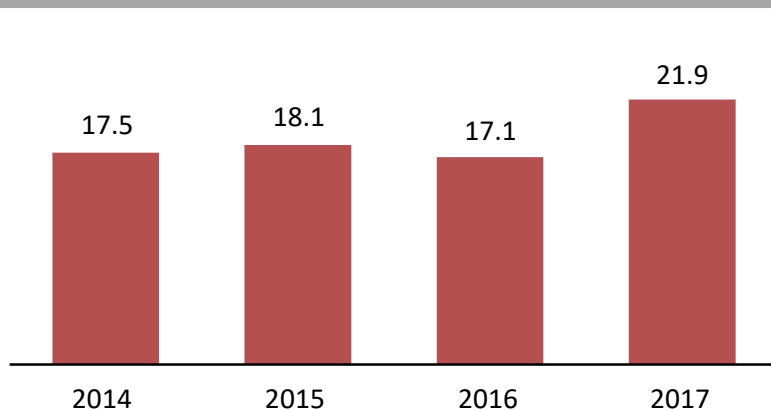
Background

- Established in 1993, Al Kout industrial Projects operates a chloralkaline plant that mainly produces chlorine based compounds (mainly chlorine, caustic soda and hydrochloric acid)
- The company directly operates two plants – one in Kuwait and another in Abu Dhabi, UAE
- Boubyan acquired a 24.76% stake in 2006 and increased its stake to 46.46% in 2018

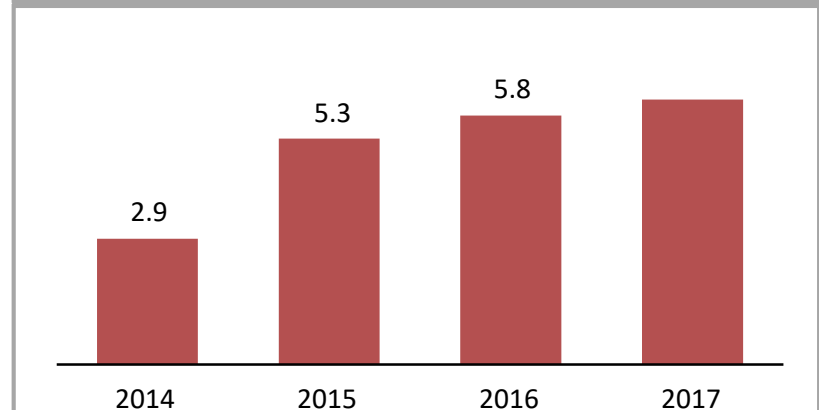
Summary financials (December 31)

KWD, millions	2014	2015	2016	2017
Revenue	17.5	18.1	17.1	21.9
Net income	2.9	5.3	5.8	6.2
Assets	31.6	34.0	37.4	37.6
Liabilities	4.4	4.4	5.7	5.0
Equity	27.4	29.7	31.7	32.6

Revenue



Net Income



Core investments summary - Awazel

Amounts in KWD, mn

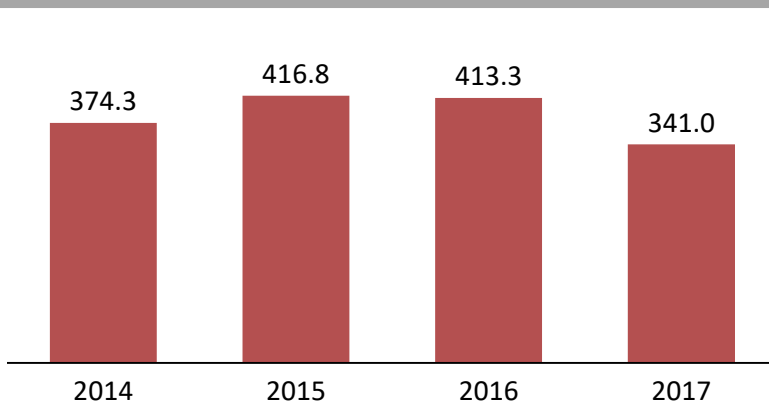
Background

- Established in 1981 with the opening of an oxidation plant & membrane production lines in Jeddah & Riyadh
- The largest manufacturer of bitumen (Asphalt) based waterproofing material in the Middle East, exporting its products to the GCC, Middle East, Southern East Asia, Africa and Eastern Europe
- Boubyan acquired a 20.78% stake in 2004

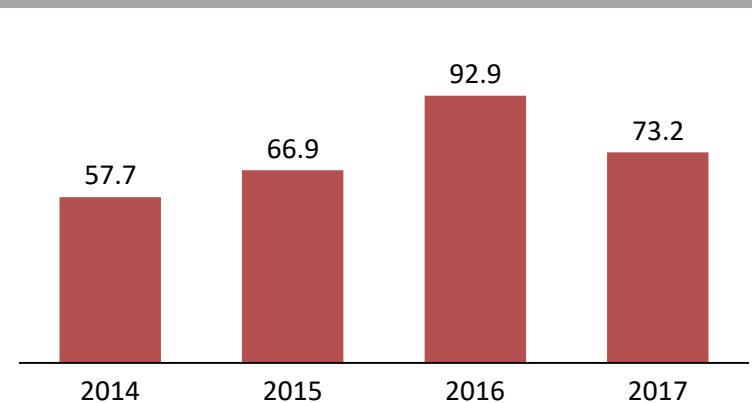
Summary financials (March 31)

KWD, millions	2014	2015	2016	2017
Revenue	29.9	33.3	33.1	27.3
Net income	4.6	5.4	7.4	5.9
Assets	32.4	36.2	37.3	38.6
Liabilities	4.6	5.8	5.6	4.8
Equity	27.8	30.4	31.6	33.8

Revenue



Net Income



Core investments summary - Awazel

Amounts in KWD, mn

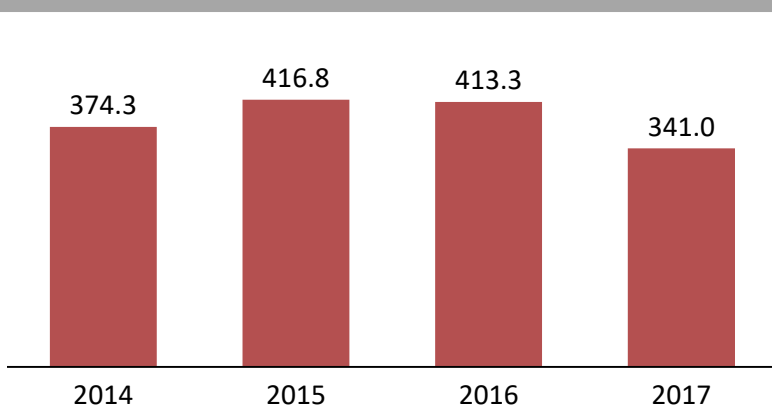
Background

- Established in 1981 with the opening of an oxidation plant & membrane production lines in Jeddah & Riyadh
- The largest manufacturer of bitumen (Asphalt) based waterproofing material in the Middle East, exporting its products to the GCC, Middle East, Southern East Asia, Africa and Eastern Europe
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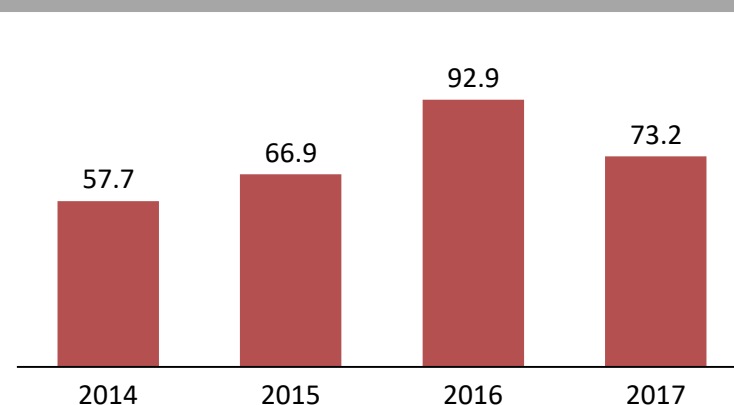
Summary financials (March 31)

KWD, millions	2014	2015	2016	2017
Revenue	29.9	33.3	33.1	27.3
Net income	4.6	5.4	7.4	5.9
Assets	32.4	36.2	37.3	38.6
Liabilities	4.6	5.8	5.6	4.8
Equity	27.8	30.4	31.6	33.8

Revenue



Net Income



Core investments summary - Muna Noor

Amounts in KWD, mn

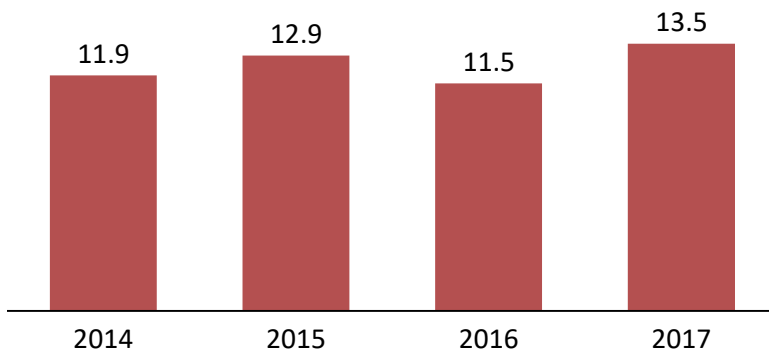
Background

- Established in 1975 in Oman as a plastic pipe manufacturer
- Offering unique pipe solutions for modern, unconventional and economic pipe laying applications in dredging, desalination, water and sewage, irrigation, oil and gas, telecoms, industrial, mining, construction and infrastructure sectors
- Boubyan acquired a 100% stake in 2005

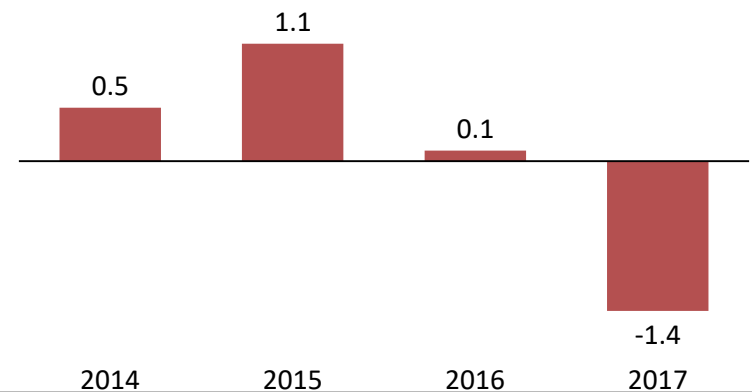
Summary financials (March 31)

KWD, millions	2015	2016	2016	2018
Revenue	16.7	11.9	12.9	13.5
Net income/(loss)	1.3	0.5	1.1	(1.4)
Assets	21.9	27.3	30.5	28.3
Liabilities	8.8	14.8	17.0	15.9
Equity	13.0	12.5	13.5	12.4

Revenue



Net Income



Core investments summary - Al Borg Medical Laboratories

Amounts in KWD, mn

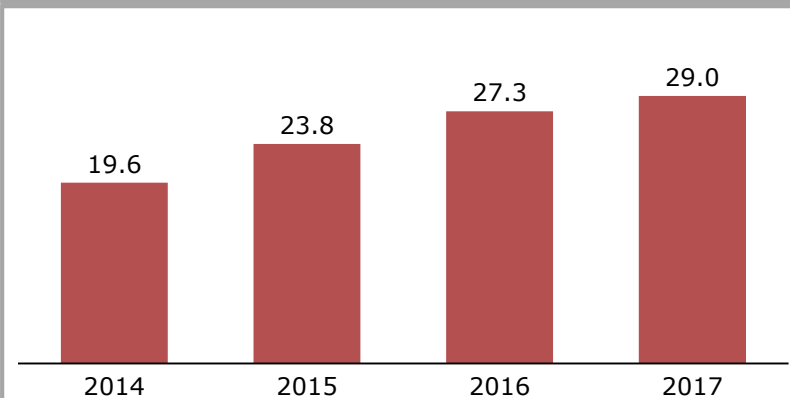
Background

- Established in 1998 in Saudi Arabia offering broad range of routine, specialized and sub-specialty laboratory tests.
- One of the largest chain of private laboratories with 28 branches covering KSA, 4 branches covering UAE, 2 branches in Qatar, 1 branch in Oman: 3 branches in Sudan and 1 branch in Ethiopia
- Boubyan acquired a 20% stake in 2012 and increased its stake to 24% in 2016

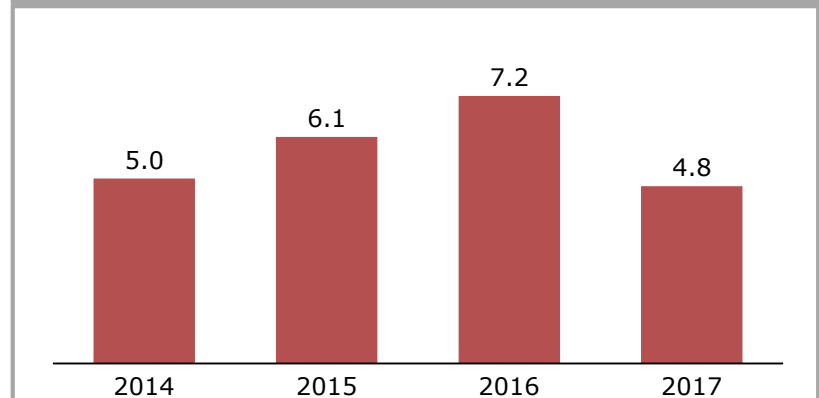
Summary financials (December 31)

KWD, millions	2014	2015	2016	2017
Revenue	19.6	23.8	27.3	29.0
Net income	5.0	6.1	7.2	4.8
Assets	14.8	18.6	26.2	42.0
Liabilities	5.3	7.3	7.4	18.4
Equity	19.6	23.8	27.3	29.0

Revenue



Net Income





Q&A

Thank you



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)