



Boubyan Petrochemical Company

Investor Updated – 3Q18/19 results



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)

Boubyan Petrochemical Company – 3Q18/19 results

Business Highlights

- Boubyan continued to perform in line with its strategy to achieve non-Equate income of KWD20mn by 2020
- During 3Q18/19, Boubyan acquired a 20.4% stake in Kuwait Foundry for a total consideration of KWD6.6mn
- Boubyan is currently working on restructuring Warba Capital to improve its performance. It's stake in Warba has increased to 29.2% during the third quarter.

Financial Highlights

- Boubyan achieved a net income of KWD1.0mn as of 3Q18/19 compared to KWD0.1mn in 3Q18/19
- Reported EPS for 3Q18/19 is KWD 1.9 per share, against an EPS of KWD 0.2 per share
- The investment portfolio value reached KWD 493.4mn as of 3Q18/19 where the core investments (excluding EQUATE) accounted for 30% of the portfolio



Core Investments Updates



- Record results during 2018.
- Boubyan's share of dividends from EQUATE is \$139.9m (KD 42.35m)
- EBITDA for 2018 grew by 22.5% to \$2.12bn
- NI for the year grew by 38% to \$1.56bn
- EQUATE will continue strengthening its position in the EG market in 2019 by adding 750 KMT from the new Texas site later this year



- New board has been elected, where Boubyan Group appointed 3 board members representing it
- A new Chairman and CEO have been appointed, both of whom are ex-Equate top executives



- Boubyan continued to actively manage EDU and its cost cutting efforts which is positively impacting its bottom line
- EDU contributed KWD1.7mn to Boubyan's income in 3Q18/19 and is expected to continue this upward trend in the future



- Al Borg reported an accounting loss in the fourth quarter due to large provisions in the UAE subsidiary related to insurance claims rejection
- Despite the challenging markets in Saudi, Al Borg continued to expand its market share

Boubyan's investment portfolio reached KWD493.4 as of 3Q18/19

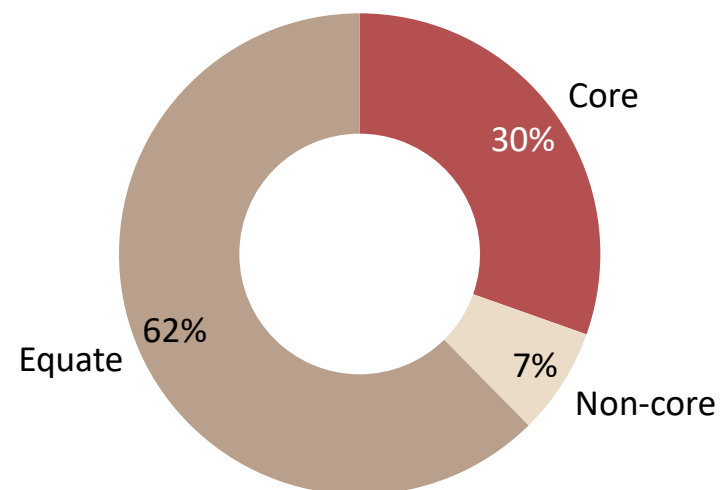
Amounts in KWD, millions

Core Investments	Ownership	Carrying value
EQUATE	9.00%	173.1
The Kuwait Olefins Company (TKOC)	9.00%	134.5
The Equate group		307.6

Core Investments	Ownership	Carrying value
EYAS	20.68%	17.2
EDU	82.70%	60.6
Al Kout	54.16%	30.1
Al Borg	24.00%	14.9
NAFAIS	21.12%	11.7
Awazel	20.78%	10.8
Muna Noor	100.00%	5.0
Total core investments		150.3

Total non-core investments	35.5
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Total investment portfolio	493.4
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Boubyan's reported net income grew to reach KWD1.0mn in 3Q18/19, against KWD0.1mn in 3Q17/18

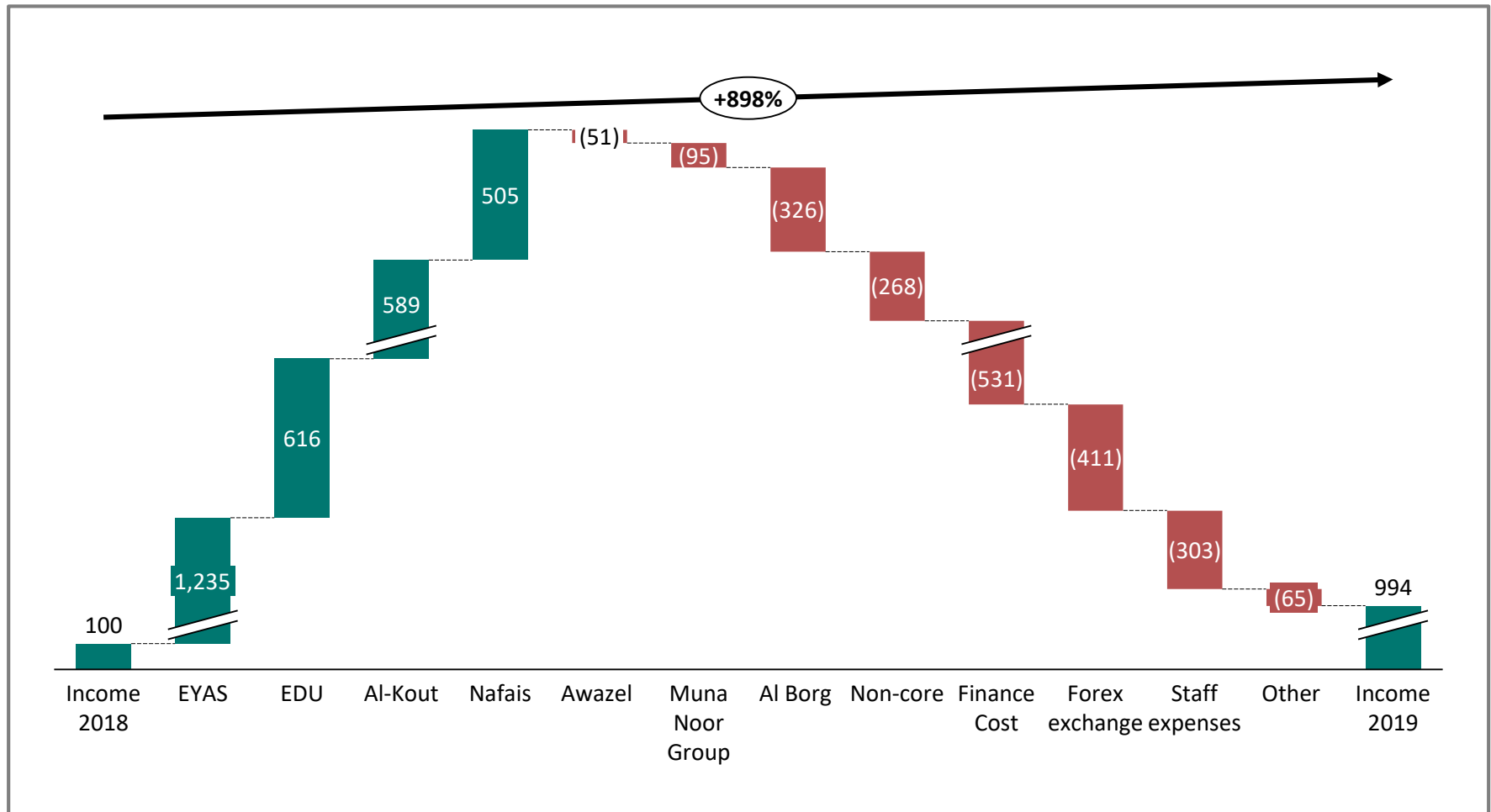
Income (KWD, thousands)	EPS Contribution			
	3Q17/18	3Q18/19	3Q17/18	3Q18/19
EDU	1,072	1,688	2.07	3.25
EYAS	-	1,235	NM	2.38
Al-Kout	113	703	0.22	1.35
Nafais	(187)	317	(0.36)	0.61
Awazel	114	63	0.22	0.12
Al Borg	218	(108)	0.42	(0.21)
Muna Noor Group	(233)	(327)	(0.45)	(0.63)
Total core investments	1,098	3,571	2.12	6.88
Total Non-Core	(63)	(331)	(0.12)	(0.64)
Other income/(Loss)	70	-	0.14	NM
Forex exchange	410	(0.9)	0.79	NM
Total other income	480	(0.9)	0.93	NM
Total income				
<i>Expenses</i>				
Finance Cost	1,486	2,016	2.87	3.89
Staff expenses	(175)	129	(0.34)	0.25
G&A Expenses	104	99	0.20	0.19
Total Expenses	1,415	2,245	2.73	4.33
Reported net income	100	994	0.19	1.91

Commentary

- Boubyan's core investments achieved a total income of KWD3.6mn in 3Q18/19, against KWD1.1mn in 3Q17/18.
- This was mainly driven by both EDU and EYAS that contributed KWD1.7mn and KWD1.3mn to Boubyan's income, respectively.
- Finance cost increased to KWD2.0mn given Boubyan's acquisitions during the quarter
- Reported net income grew to KWD1.0mn as of 3Q18/19 compared to KWD0.1mn in 3Q17/18

Boubyan's reported net income – 3Q18/19 vs. 3Q17/19

Amounts in KWD, Thousands



Q&A

Thank you



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