



Boubyan Petrochemical Company

Investor Update – July 31st, 2023 results



شركة بوبيان للبتروكيماويات (ك.س.ج)

Boubyan Petrochemical Company (K.S.C)

Boubyan Petrochemical Company – 1Q23/24 results

Business Highlights

- Boubyan achieved a net profit of KWD 3.2 mn in 1Q23/24, despite a significant decline in dividend income from the Equate Group and the performance of the petrochemical sector subsidiaries.
- During the quarter, income from Boubyan's education portfolio reached KWD 2.63 mn, marking a 24% increase from KWD 2.12 mn during the same period last year.
- Boubyan has entered into an agreement, through one of its wholly-owned subsidiaries, to fully acquire a company providing early years and K-12 education. The completion of the transaction is pending regulatory approvals.

Financial Highlights

- Boubyan reported net income of **KWD 3.2 mn** in 1Q23/24 compared to **KWD 10.1 mn** in 1Q22/23 (*EPS of 5.92 fils in 1Q23/24 vs 19.45 fils in 1Q22/23*).
- The value of the investment portfolio as of 1Q23/24 amounted to **KWD 435.0 mn**, with core investments (excluding Equate) accounting for 24.7% of the portfolio.



Core Investments' Update (1/2)



- EYAS reported net profit of KWD 1.57 mn in 3Q22/23, compared to a profit of KWD 1.91 mn in 3Q21/22.
- The decline in profit during the quarter was primarily due to an increase in administrative expenses, mainly resulting from increased advertisement and marketing efforts. On a positive note, the newly developed College of Engineering & Architecture is now open for registration for academic year 2023-2024.



- Al Kout posted a net income of KWD 1.94 mn in 2Q23, compared to KWD 3.62 mn in 2Q22.
- The decrease in net income during the quarter was mainly due to a 26% decrease in sales of Chlor Alkali, driven by declining prices of caustic soda.



- In 1Q23, Nafais' net income reached KWD 2.62 mn from KWD 2.95 mn during the same period last year. The slight decrease in net income is a result of increase in direct staff costs at Mowasat Hospital.

Core Investments' Update (2/2)



- Muna Noor reported net profit of OMR 126 thousand during 1Q23/24, down from a net profit of OMR 226 thousand during the same period last year.
- The decline in profit was mainly caused by a delay in the execution of certain export orders and we anticipate a positive rebound in the following quarters.



مختبرات البرج الطبية
Al Borg Medical Laboratories

- Al Borg reported a loss of SAR 3.9 mn during 2Q23, a significant improvement from a loss of SAR 10.4 mn during the same period last year.
- The reduction in losses is driven by implementation of cost optimization measures and accelerated growth in the B2C segment.



شركة سما التعليمية
Sama Educational Co.

- Sama reported a net profit of KWD 3.39 mn in 3Q22/23, reflecting a notable growth of 17% over the net profit of KWD 2.90 mn in 3Q21/22.
- The increase in profit during the quarter was a result of a significant 44% rise in revenues from tuition fees, mainly driven by growth in ACA and the acquisition of KES.

Boubyan's investment portfolio reached KWD 435.0 mn as of 1Q23/24

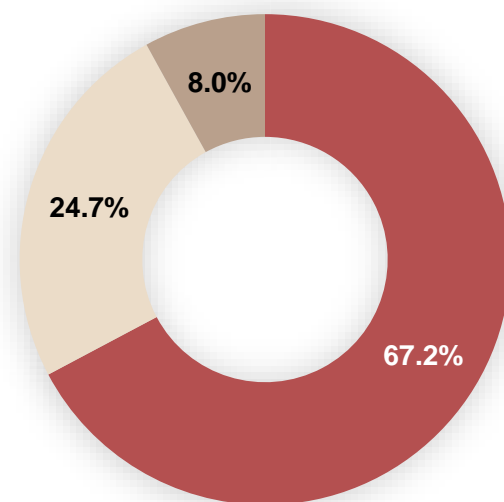
Amounts in KWD, millions

EQUATE Group	Ownership	Carrying Value
EQUATE	9.0%	179.1
The Kuwait Olefins Company (TKOC)	9.0%	113.4
EQUATE Group Total		292.4

Core Investments	Ownership	Carrying Value
Sama	41.7%	37.0
Al Kout	54.1%	22.6
EYAS	62.8%	21.8
Nafais	21.1%	11.1
Muna Noor	100.0%	7.0
Al Borg	25.1%	5.7
Afaq	90.3%	1.7
KVC	84.6%	0.8
Total Core Investments		107.6

Total Non-Core Investments	34.9
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Total Investment Portfolio	435.0
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■ Equate Group
■ Core investments
■ Non-core investments

Boubyan achieved net income of KWD 3.2 mn in 1Q23/24, compared to KWD 10.1 mn in 1Q22/23

KWD, thousands

Income	1Q23/24		1Q22/23		EPS Contribution (fils)	
	1Q23/24	1Q22/23	1Q23/24	1Q22/23	1Q23/24	1Q22/23
Equate Group	584.6	6,252.4	1.10	11.99		
Sama Education Co.	1,415.7	-	2.66	-		
Al Kout	1,047.8	1,960.6	1.97	3.76		
Eyas	987.4	1,062.6	1.86	2.04		
Nafais	553.8	664.9	1.04	1.28		
Afaq Education Co.	218.6	-	0.41	-		
Muna Noor Group	100.8	180.1	0.19	0.35		
KVC	4.5	-	0.01	-		
Al Borg ML	(74.1)	(252.1)	(0.14)	(0.48)		
EDU*	-	1,057.7	-	2.03		
Total core investments income	4,254.5	4,673.8	7.99	8.96		
Total non-core investments income	491.6	529.4	0.92	1.02		
Realised and unrealised FVTPL gains	17.3	7.7	0.03	0.01		
Interest and other income	1,151.9	666.3	2.16	1.28		
Foreign exchange gain	(1.3)	41.3	(0.00)	0.08		
Total other income	1,167.9	715.3	2.19	1.37		
Total income	6,498.7	12,170.9	12.21	23.34		
Expenses						
Finance cost	(2,869.5)	(1,404.2)	(5.39)	(2.69)		
G&A expenses	(270.3)	(309.0)	(0.51)	(0.59)		
Staff expenses	(123.1)	(152.2)	(0.23)	(0.29)		
Board & Govt. Fees / Taxes	(84.4)	(161.1)	(0.16)	(0.31)		
Total expenses	(3,347.4)	(2,026.4)	(6.29)	(3.89)		
Net income	3,151.3	10,144.4	5.92	19.45		

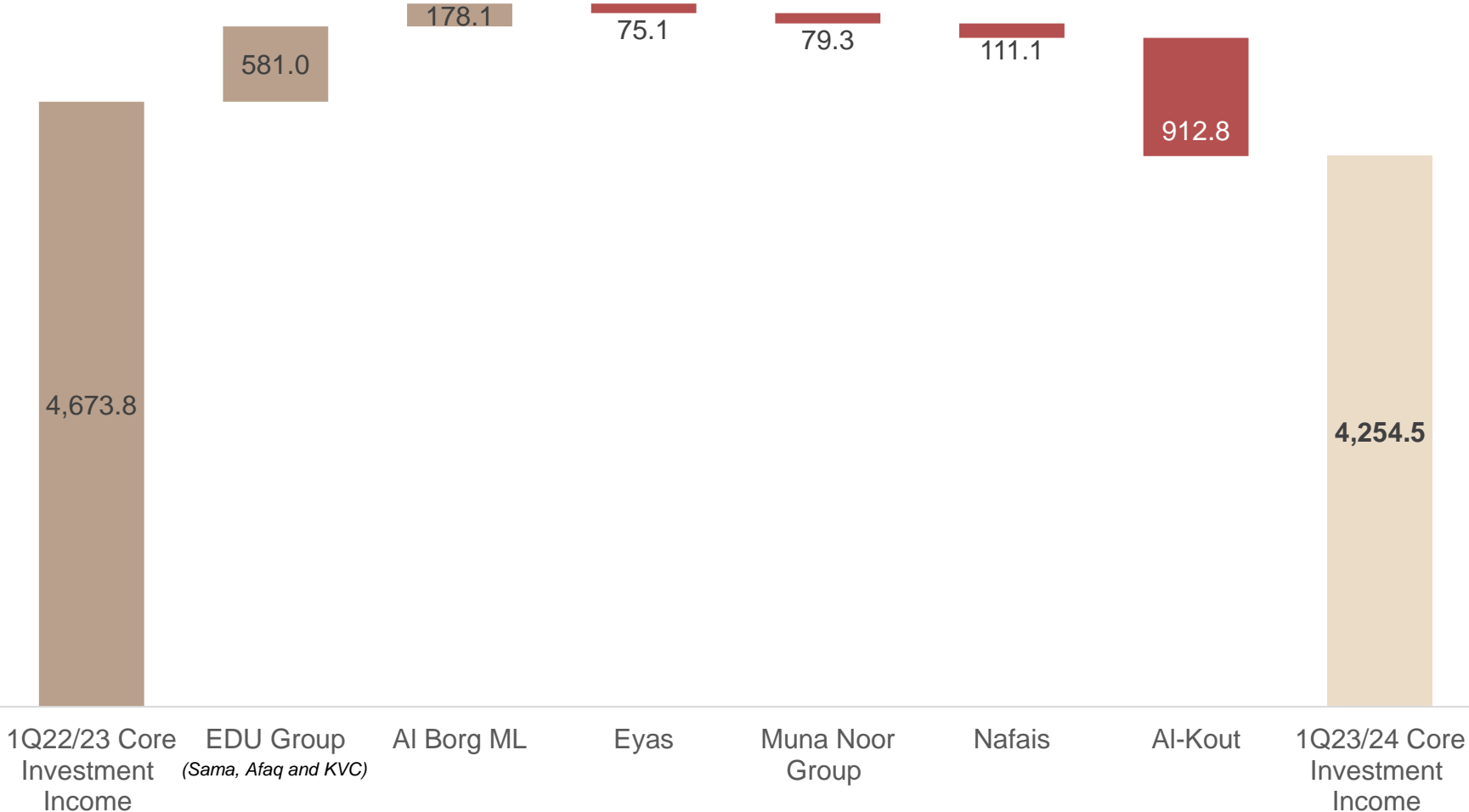
*Excluding Eyas

Commentary

- Core investments' income decreased to KWD 4.3 mn in 1Q23/24 from KWD 4.7 mn during the same period last year, primarily due to a decline in profitability among petrochemical sector companies.
- Non-core investment income decreased to KWD 0.49 mn in 1Q23/24 compared to KWD 0.53 mn in 1Q22/23.
- The overall net income declined to KWD 3.2 mn in 1Q23/24 from KWD 10.1 mn in 1Q22/23 as a result of the decrease in (i) dividend income from Equate Group; and (ii) income from core & non-core investments.

Core Investment Income reached KWD 4.3 mn in 1Q23/24

Amounts in KWD, thousands



Q&A

Thank you



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)