



# Boubyan Petrochemical Company

## Investor Update – October 31, 2023



شركة بوبيان للبتروكيماويات (ش.م.ك.)

Boubyan Petrochemical Company (K.S.C)

# Boubyan Petrochemical Company – 2Q23/24 results

## Business Highlights

- Boubyan achieved a net profit of **KWD 2.9 mn** in 2Q23/24, despite a significant decline in dividend income from the Equate Group.
- Income from core investments witnessed a growth of 46%, driven by the education portfolio's strong performance, generating earnings of KWD 2.2 mn compared to KWD 0.9 mn during the same period last year.
- Following the reporting date, the Group secured the Competition Protection Agency's approval to acquire 100% equity interest in The English Education Providers Group (EPG), a Kuwaiti company operating pre-schools and schools across the country. The transaction is in the final stages of closing.

## Financial Highlights

- Boubyan reported net income of **KWD 2.9 mn** in 2Q23/24, compared to KWD 6.5 mn in 2Q22/23 (*EPS of 5.50 fils in 2Q23/24 vs 12.56 fils in 2Q22/23*).
- The value of the investment portfolio as of 2Q23/24 amounted to **KWD 437.7 mn**, with core investments (excluding Equate) accounting for 25.5% of the portfolio.



# Core Investments' Update (1/2)



- EYAS reported a net loss of KWD 12K in 4Q22/23, compared to a net loss of KWD 361K in 4Q21/22. This improvement was mainly driven by the optimization of operating costs at GUST.
- Additionally, student registrations for the Fall 2023 semester have increased by 18% compared to Fall 2022 semester, indicating positive prospects for FY23/24.



- Al Kout posted a net income of KWD 1.9 mn in 3Q23, compared to KWD 2.5 mn in 3Q22.
- The decrease in net income during the quarter was primarily due to a 14% decline in sale of Chlor Alkali, reflecting the decline in prices.



- In 2Q23, Nafais' net income witnessed a 10% growth, reaching KWD 2.9 mn from KWD 2.6 mn during the same period last year. This increase was a result of an increase in revenues from medical services.

# Core Investments' Update (2/2)



- Muna Noor reported a net profit of OMR 390K during 2Q23/24, compared to a net loss of OMR 27K during the same period last year. The increase in net profit is mainly due to the improved gross margin of the Company, rising from 8% in 2Q22/23 to 21% in 2Q23/24.



مختبرات البرج الطبية  
Al Borg Medical Laboratories

- Al Borg reported a loss of SAR 7.5 mn during 2Q23, compared to a loss of SAR 7.2 mn during the same period last year. Amidst ongoing operational streamlining, Al Borg is steadfast in its commitment to implementing measures aimed at enhancing operational efficiency and strengthening financial resilience. These strategic initiatives are expected to yield positive results in the upcoming financial periods.



شركة سما التعليمية  
Sama Educational Co.

- Sama reported a net profit of KWD 4.4 mn in 4Q22/23, up from KWD 3.0 mn in 4Q21/22.
- The increase in profit during the quarter was a result of a 26% rise in revenues from tuition fees, driven by growth in ACA and KES.

# Boubyan's investment portfolio reached KWD 437.7 mn as of 2Q23/24

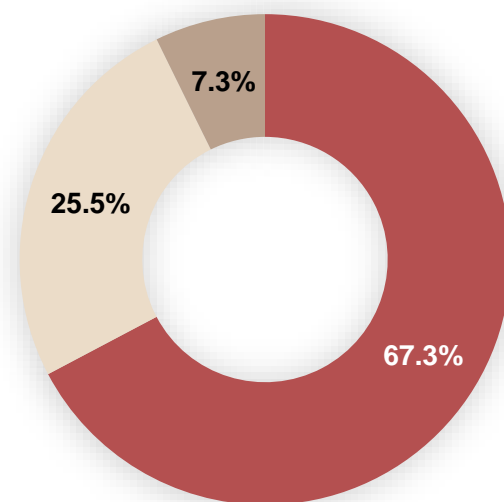
Amounts in KWD, millions

EQUATE Group	Ownership	Carrying Value
EQUATE	9.0%	180.3
The Kuwait Olefins Company (TKOC)	9.0%	114.1
<b>EQUATE Group Total</b>		<b>294.4</b>

Core Investments	Ownership	Carrying Value
Sama	41.7%	38.8
Al Kout	54.1%	23.6
EYAS	62.8%	21.7
Nafais	21.1%	11.7
Muna Noor	100.0%	7.3
Al Borg	25.1%	5.4
Afaq	90.3%	2.0
KVC	84.6%	0.8
<b>Total Core Investments</b>		<b>111.4</b>

<b>Total Non-Core Investments</b>	<b>31.9</b>
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<b>Total Investment Portfolio</b>	<b>437.7</b>
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■ Equate Group  
■ Core investments  
■ Non-core investments

# Boubyan achieved net income of KWD 2.9 mn in 2Q23/24, compared to KWD 6.5 mn in 2Q22/23

*KWD, thousands*

Income	2Q23/24		2Q22/23	
	2Q23/24	2Q22/23	2Q23/24	2Q22/23
<b>Equate Group</b>	<b>1,382.0</b>	<b>5,610.9</b>	<b>2.59</b>	<b>10.76</b>
Sama Education Co.	1,819.7	-	3.41	-
Al Kout	1,031.1	1,360.9	1.93	2.61
Eyas	(12.4)	(201.4)	(0.02)	(0.39)
Nafais	606.7	551.4	1.14	1.06
Afaq Education Co.	347.3	-	0.65	-
Muna Noor Group	313.2	(21.8)	0.59	(0.04)
KVC	2.7	-	0.01	-
Al Borg ML	(292.6)	(148.9)	(0.55)	(0.29)
EDU*	-	1,074.8	-	2.06
<b>Total core investments income</b>	<b>3,815.8</b>	<b>2,615.0</b>	<b>7.15</b>	<b>5.01</b>
<b>Total non-core investments income</b>	<b>403.9</b>	<b>(49.5)</b>	<b>0.76</b>	<b>(0.09)</b>
Realised and unrealised FVTPL gains	26.1	242.3	0.05	0.46
Interest and other Income	822.0	3.5	1.54	0.01
Foreign exchange gain	(1.8)	16.1	(0.00)	0.03
<b>Total other income</b>	<b>846.3</b>	<b>261.9</b>	<b>1.59</b>	<b>0.50</b>
<b>Total income</b>	<b>6,448.2</b>	<b>8,438.3</b>	<b>12.08</b>	<b>16.18</b>
<b>Expenses</b>				
Finance cost	(3,085.1)	(1,379.7)	(5.78)	(2.65)
G&A expenses	(269.0)	(259.1)	(0.50)	(0.50)
Staff expenses	(121.9)	(136.9)	(0.23)	(0.26)
Board & Govt. Fees / Taxes	(35.4)	(114.0)	(0.07)	(0.22)
<b>Total expenses</b>	<b>(3,511.4)</b>	<b>(1,889.7)</b>	<b>(6.58)</b>	<b>(3.62)</b>
<b>Net income</b>	<b>2,936.8</b>	<b>6,548.6</b>	<b>5.50</b>	<b>12.56</b>

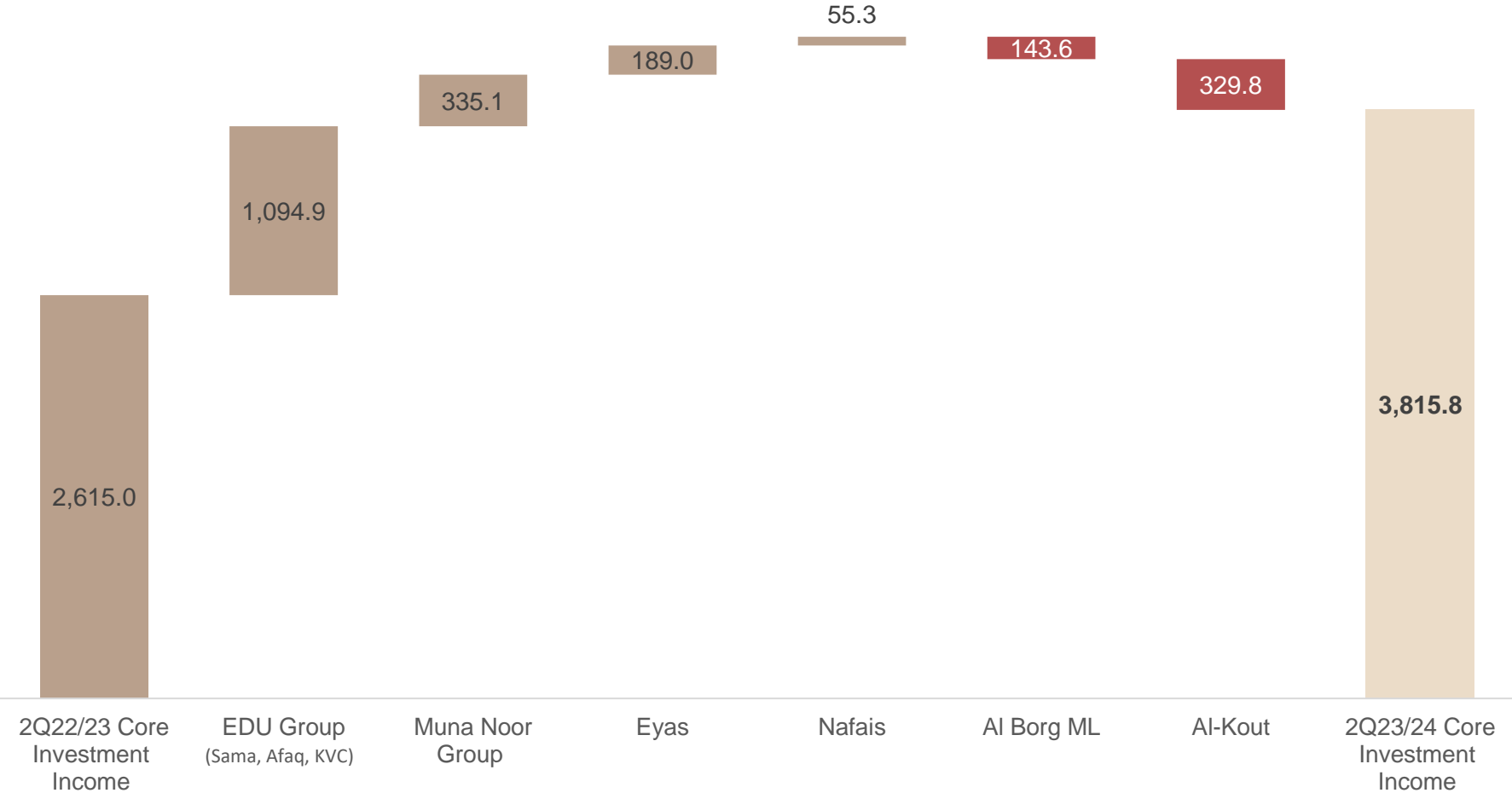
\*Excluding Eyas

## Commentary

- Core investments' income increased to KWD 3.8 mn in 2Q23/24 from KWD 2.6 mn during the same period last year.
- Non-core investment income increased to KWD 0.4 mn in 2Q23/24 compared to a loss of KWD 0.05 mn in 2Q22/23. The increase is mainly due to income from Boutiqaat.
- Net income declined to KWD 2.9 mn in 2Q23/24 from KWD 6.5 mn in 2Q22/23 as a result of: (i) decrease in dividend income from Equate Group; and (ii) an increase in finance cost.

# Core Investment Income reached KWD 3.8 mn in 2Q23/24

Amounts in KWD, thousands



Q&A

Thank you



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Boubyan Petrochemical Company (K.S.C)