



Boubyan Petrochemical Company

Investor Update – April 30th, 2023 results



شركة بوبيان للبتروكيماويات (ش.م.ك.)
Boubyan Petrochemical Company (K.S.C)

Boubyan Petrochemical Company – 4Q22/23 results

Business Highlights

- Boubyan achieved a net profit of **KWD 35.0mn** for FY22/23, despite a significant decline in dividend income from Equate Group.
- In 4Q22/23, Boubyan successfully completed its merger with EDU. As a result, EDU's assets and liabilities were transferred to Boubyan and are reflected in its investment portfolio.
- The Company realised a gain of **KWD 4.8mn by** exiting one of its investment securities.

Financial Highlights

- Boubyan reported a net income of **KWD 14.4mn** in 4Q22/23, compared to KWD 30.6mn in 4Q21/22 (*EPS of 27.24 fils in 4Q22/23 vs 58.69 fils in 4Q21/22*).
- Net income for FY22/23 reached **KWD 35.0mn**, compared to KWD 38.8mn last year (*EPS of 67.03 fils in FY22/23 vs. 74.55 fils in FY21/22*).
- The investment portfolio value reached **KWD 436.5mn** as of 4Q22/23, where the core investments (excluding Equate) accounted for 24.8% of the portfolio.



Core Investments Updates (1/2)



- In 2Q22/23, EDU reported a net income (excluding share of profit of Eyas) of KWD 1.38mn, reflecting a growth of 13% over KWD 1.22mn recorded during the same period last year.
- The increase in net income during the quarter was driven by improvement in the Company's share of profit from its associate, Sama Educational Co.



- EYAS achieved a net income of KWD 1.67mn in 2Q22/23, showcasing substantial growth compared to a profit of KWD 0.97mn in 2Q21/22.
- The increase in net income is a result of decline in general and administrative expenses due to cost optimization measures implemented, as well as increase in other income resulting from certain non-recurring income.



- Nafais maintained its strong performance during 4Q22, reporting a net income of KWD 2.98mn compared to KWD 3.17mn in the same period last year. The performance is largely consistent with the previous year.

Core Investments Updates (2/2)



- Al Kout reported a net income of KWD1.8mn in 1Q23, compared to KWD 2.07mn in 1Q22.
- The decline in net profit is primarily attributed to the share of loss reported by its associate. However, Al Kout achieved an increase in the operating profit, supported by the rise in Chloralkali prices, as well an increase in sales volume.



- Al Borg recorded a profit of SAR 6.3mn during 1Q23, compared to SAR 34.9mn during the same period last year. The decline in profit is mainly due to a significant decrease in revenue from COVID tests. Additionally, the revenue per test was impacted by market competition.
- It is worth noting that, Al Borg witnessed losses during in the last three quarters of FY22 but has begun to turnaround the business in 1Q23. The profitability is anticipated to improve in the upcoming financial periods, driven by the implementation of cost optimization plans and accelerated growth in B2C segment.



- Muna Noor posted a profit of OMR 1.36mn in 4Q22/23, a significant turnaround from a loss of OMR 98K in the same quarter last year. The improvement in profits came on the back of a robust sales growth and improved margins during the quarter. Additionally, there was a non-recurring income of OMR 863K contributing to the overall profit.

Boubyan's Investment Portfolio Reached KWD 436.5mn as of 4Q22/23

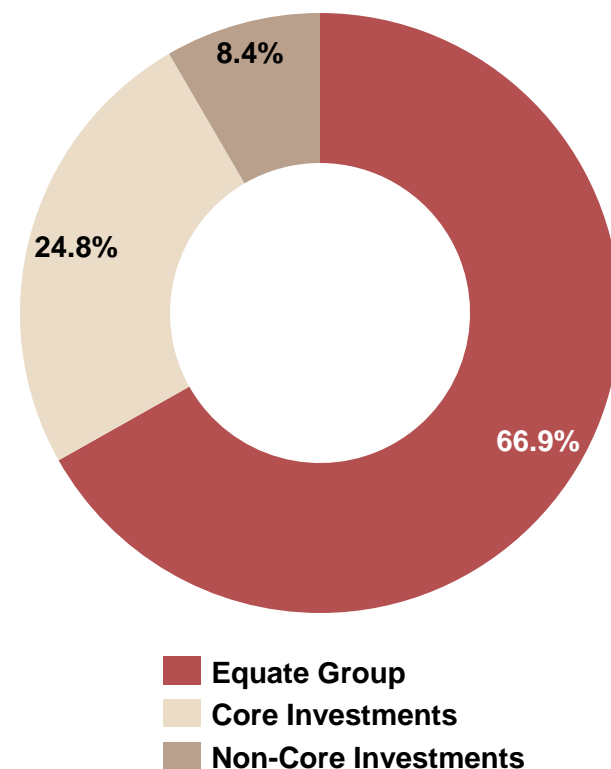
Amounts in KWD, millions

EQUATE Group	Ownership	Carrying Value
EQUATE	9.0%	178.7
The Kuwait Olefins Company (TKOC)	9.0%	113.2
EQUATE Group Total		291.9

Core Investments	Ownership	Carrying Value
Al Kout	54.1%	24.3
EYAS	62.8%	20.9
EDU Group	100.0% <i>(Post-merger)</i>	37.8
Nafais	21.1%	12.3
Muna Noor	100.0%	7.2
Al Borg	25.1%	5.7
Total Core Investments		108.2

Total Non-Core Investments	36.5
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Total Investment Portfolio	436.5
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Boubyan achieved a net income of KWD 14.4mn in 4Q22/23 compared to KWD 30.6mn in 4Q21/22

Amounts in KWD, thousands

Income	4Q22/23		4Q21/22		EPS Contribution (fils)	
	4Q22/23	4Q21/22	4Q22/23	4Q21/22	4Q22/23	4Q21/22
Equate Group	3,346.6	30,245.4	6.35	58.00		
Al Kout	949.8	638.0	1.80	1.22		
EDU (excluding the results of Eyas)	1,144.4	1,014.2	2.17	1.94		
Nafais	629.7	627.6	1.20	1.20		
Muna Noor Group	1,128.5	(78.1)	2.14	(0.15)		
Al Borg ML	123.1	1,239.4	0.23	2.38		
Eyas	934.2	543.2	1.77	1.04		
Total Core Investments income	4,909.6	3,984.2	9.32	7.64		
Total Non-Core Investments income	2,666.8	880.7	5.06	1.69		
Realised FVTPL gains - Bawabat Al-Kuwait	4,848.0	-	9.20	-		
Realised FVTPL gains - UK Land Fund	686.7	-	1.30	-		
Realised FVTPL gains - Others	-	25.1	-	0.05		
Interest and other income	1,443.1	163.3	2.74	0.31		
Foreign exchange gain	(2.1)	(6.0)	(0.00)	(0.01)		
Total other income	6,975.7	182.4	13.24	0.35		
Total income	17,898.7	35,292.7	33.97	67.68		
Expenses						
Finance cost	(2,581.4)	(1,284.9)	(4.90)	(2.46)		
G&A expenses	(392.0)	(1,045.9)	(0.74)	(2.01)		
Staff expenses	(123.3)	(126.0)	(0.23)	(0.24)		
Changes in fair value of FVTPL investments	(1.1)	(1,036.1)	(0.00)	(1.99)		
Board & Govt. Fees/Taxes	(450.0)	(1,196.8)	(0.85)	(2.30)		
Total expenses	(3,547.7)	(4,689.7)	(6.73)	(8.99)		
Net income	14,351.0	30,603.0	27.24	58.69		

Commentary

- Core investments income grew to KWD 4.9mn in 4Q22/23 from KWD 4.0mn during the same period last year.
- Non-core investments income grew to reach KWD 2.67mn in 4Q22/23 from KWD 881K in 4Q21/22.
- Net income reached KWD 14.35mn in 4Q22/23 compared to KWD 30.6mn in 4Q21/22. The significant variance in 4Q net income is primarily because during the previous year, Equate Group distributed the full year's dividend in the 4th quarter, whereas in the current year, interim dividends were distributed in each quarter.

Boubyan achieved a net income of KWD 35.0mn in FY22/23 compared to KWD 38.8mn in FY21/22

Amounts in KWD, thousands

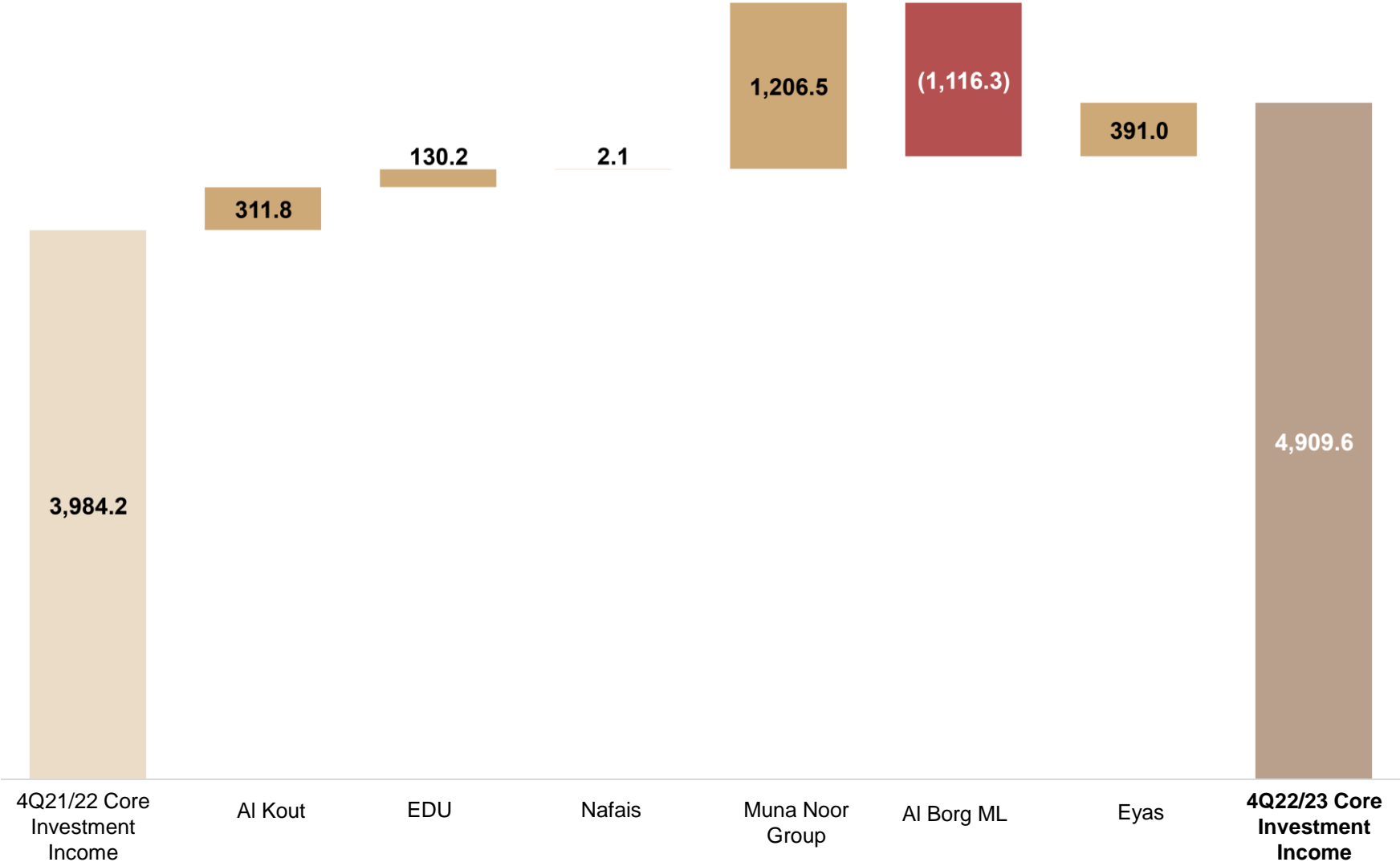
Income			EPS Contribution (fils)	
	FY22/23	FY21/22	FY22/23	FY21/22
Equate Group	16,843.1	30,245.4	32.22	58.17
Al Kout	5,252.3	3,098.4	10.05	5.96
EDU (excluding the results of Eyas)	4,463.2	3,389.2	8.54	6.52
Nafais	2,393.4	2,119.5	4.58	4.08
Muna Noor Group	1,574.2	(375.4)	3.01	(0.72)
Al Borg ML	(315.0)	2,669.2	(0.60)	5.13
Eyas	2,600.6	2,868.6	4.97	5.52
Total Core Investments income	15,968.8	13,769.5	30.55	26.48
Total Non-Core Investments income	3,337.5	1,344.8	6.38	2.59
Realised FVTPL gains - Bawabat Al-Kuwait	4,848.0	-	9.27	-
Realised FVTPL gains - UK Land Fund	686.7	-	1.31	-
Realised FVTPL gains – UACC	-	890.7	-	1.71
Realised FVTPL gains - NIC shares	-	361.5	-	0.70
Realised FVTPL gains - Others	250.2	142.8	0.48	0.27
Interest and other income	2,634.7	281.8	5.04	0.54
Foreign exchange gain	20.7	2.1	0.04	0.00
Total other income	8,440.3	1,679.0	16.15	3.23
Total income	44,589.6	47,038.7	85.30	90.47
Expenses				
Finance cost	(7,068.6)	(4,493.8)	(13.52)	(8.64)
G&A expenses	(1,182.0)	(1,668.4)	(2.26)	(3.21)
Staff expenses	(533.0)	(510.7)	(1.02)	(0.98)
Changes in fair value of FVTPL investments	(0.3)	(913.1)	(0.00)	(1.76)
Net impairments	-	703.8	-	1.35
Board & Govt. Fees/Taxes	(764.8)	(1,395.6)	(1.46)	(2.68)
Total expenses	(9,548.6)	(8,277.9)	(18.27)	(15.92)
Net income	35,041.0	38,760.8	67.03	74.55

Commentary

- During FY22/23, Boubyan's core investments income demonstrated strong growth, increasing by 16% to reach KWD 15.97mn, compared to KWD 13.77mn in the previous year.
- Non-core investments income grew by 148% to reach KWD 3.34mn in FY22/23 from KWD 1.34mn in last year.
- Despite a notable decline in dividend income from the Equate Group, amounting to KWD 13.4mn, Boubyan's net income for FY22/23 reached KWD 35.04mn, compared to KWD 38.76mn in FY21/22. This achievement can be attributed to the strong performance of both core and non-core investments, as well as the realized gain on the exit of certain FVTPL investment securities.

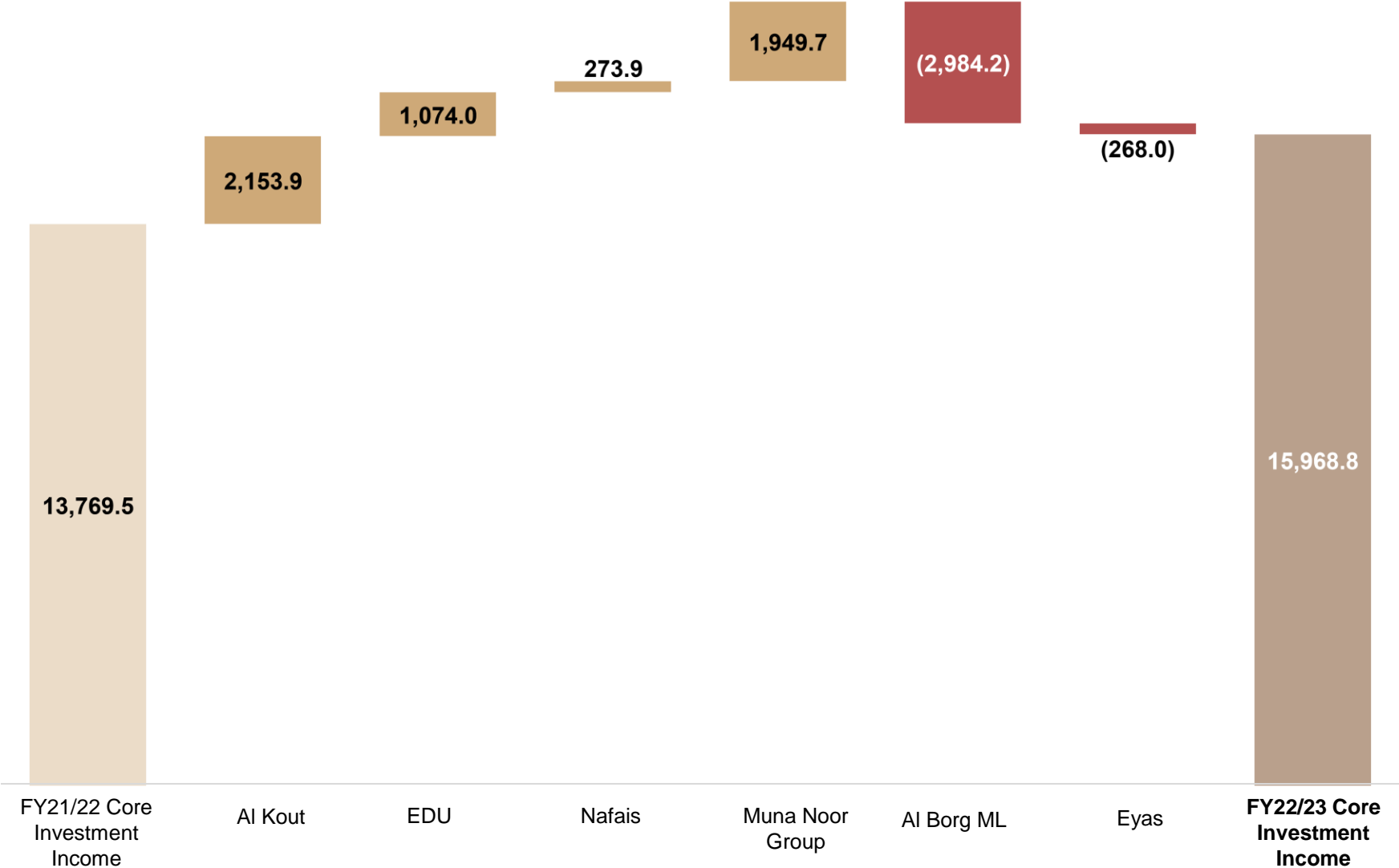
Core Investment Income Grew to KWD 4.9m in 4Q22/23

Amounts in KWD, thousands



Core Investment Income Reached KWD 16.0m in FY22/23

Amounts in KWD, thousands



Q&A

Thank you



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