



Qurain Petrochemical Industries Company

Investor and Analyst Update – Year Ended 31 March 2019

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2. MAJOR CORE INVESTMENTS
3. CONSOLIDATED FINANCIAL STATEMENTS

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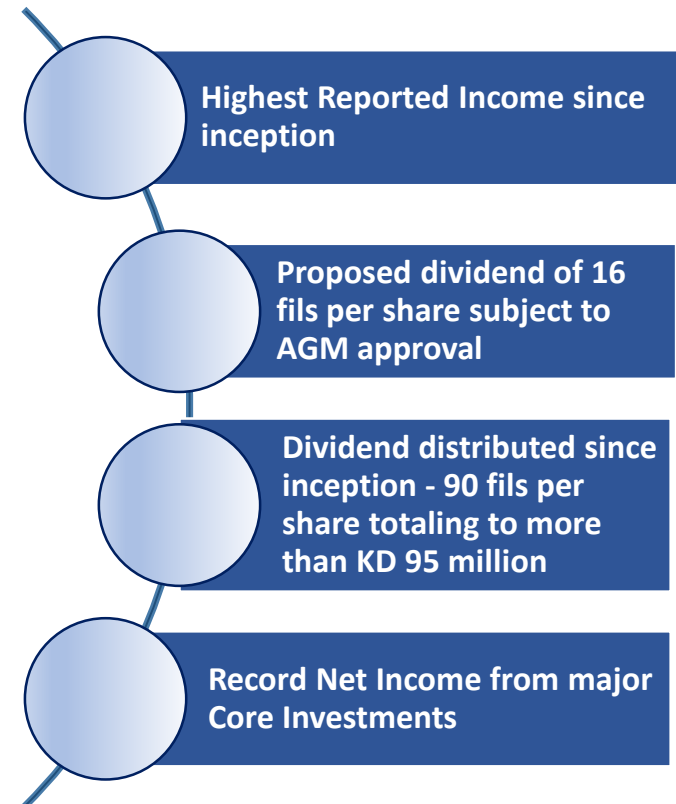
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FINANCIAL HIGHLIGHTS OF 2018-19

- QPIC recorded a net income of KD 45.3 million, 29%**↑** higher than the net income of the previous year. Earning Per Share (EPS), likewise, has increased to 43.6 fils, 29% **↑** higher than the EPS of 33.8 fils in 2017-18.
- The Total Income for the year 2018-19 was KD 110.8 million - **↑** up 8 % as compared to last year. The greatest contribution to the Total Income was by Global Equate (which includes Equate, The Kuwait Olefins Company and ME Global) and The Kuwait Aromatics Company (KARO).
- Total assets have increased **↑** by 9% to reach KD 731 million versus KD 672 million last year.
- Shareholder's Equity increases to KD 437 million from KD 387 million in 2017 – 18. Accordingly, the Book Value (BV) per share increased to 420 fils from 372 fils - 13% **↑** higher than the previous year.

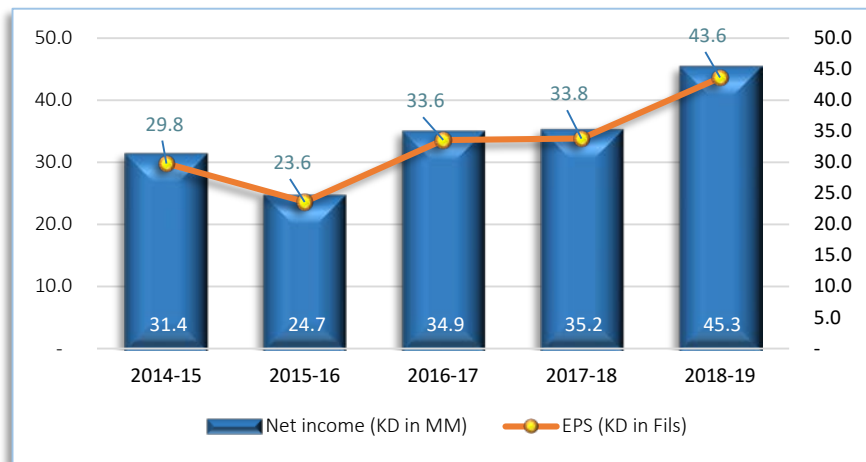
Now looking at our core investments -

- Global Equate achieved a net income of USD 1.56 billion, **38% ↑** higher than the previous year and the highest in it's history.
- The Kuwait Aromatics Company (KARO) also reported a record net income of USD 265 million - **84% ↑** higher than last year.
- SADAFCO's declared a net income of SAR 218 million for 2018-19, 16 % **↓** lesser than the previous year mainly owing to the exodus of expatriates from the country and other geo-political factors.
- NAPESCO also achieved a record net income of KD 11.8 Million in 2018, 20% **↑** higher than the previous year.

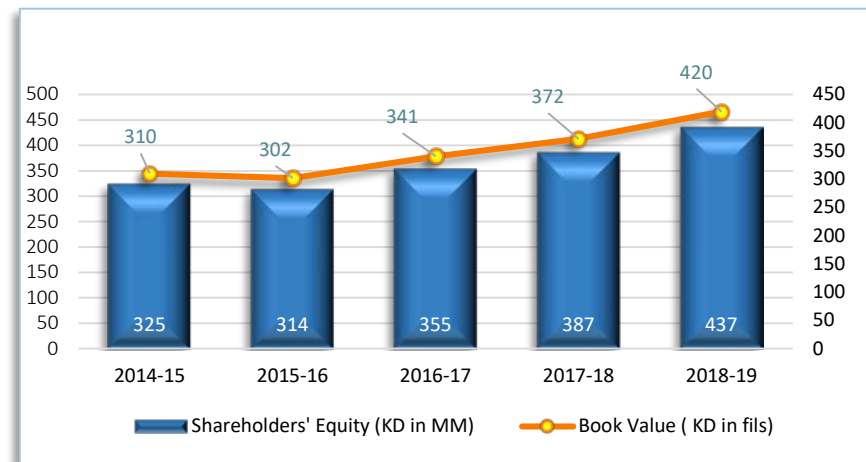


FINANCIAL HIGHLIGHTS OF 2018-19 - GRAPHS

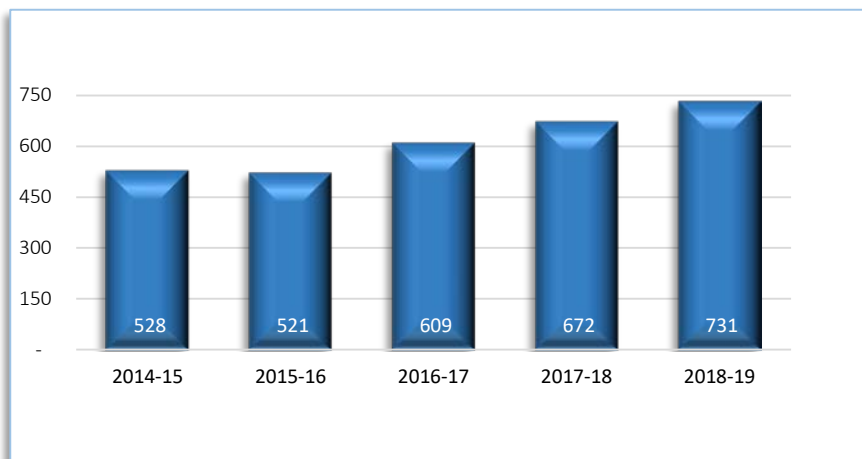
NET INCOME & EPS



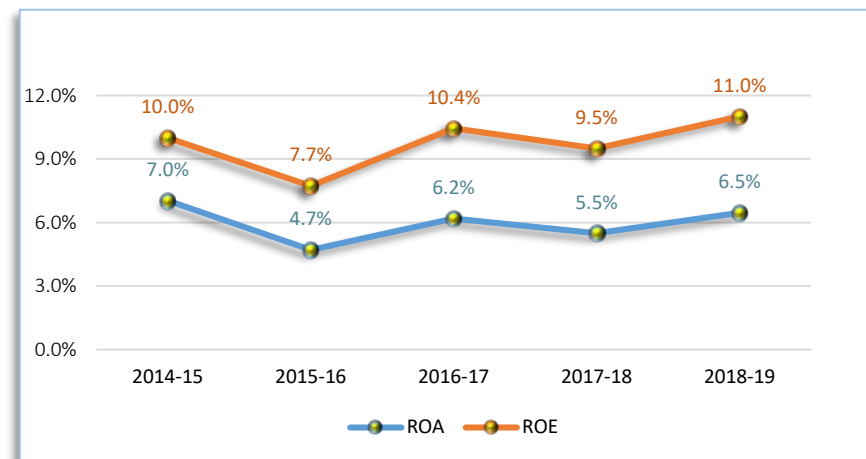
SHAREHOLDER'S EQUITY & BV PER SHARE



TOTAL ASSETS – IN KD MILLIONS



RETURN ON ASSETS & RETURN ON EQUITY



MAJOR CORE INVESTMENTS



Overview

- Equate & TKOC are jointly owned by PIC, DOW, Boubyan Petrochemical Industries and Qurain Petrochemical Industries Company (QPIC).
- Equate owns 100 % of ME Global

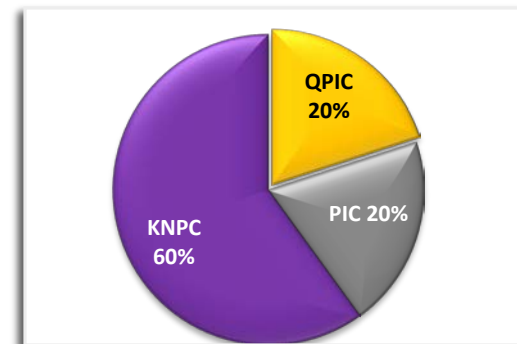
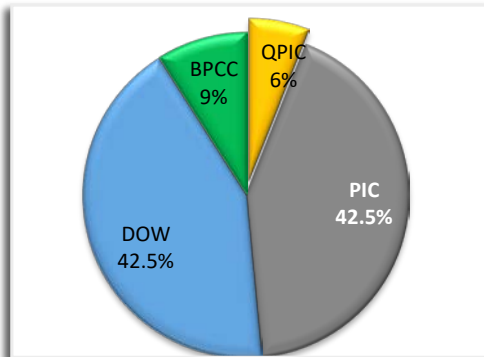
- Kuwait Aromatics Company (KARO) is jointly owned by Kuwait National Petroleum Company (KNPC), Petrochemical Industries Company and (PIC) and Qurain Petrochemical Industries Company (QPIC).
- KARO owns 100 % of Kuwait Paraxylene Products Co. (KPPC) and 57.5% of The Kuwait Styrene Co. (TKSC)
- The KARO Group Companies produce Benzene, Paraxylene and Styrene Monomer

Performance YE Dec 2018

- 2018 was a Record year for the company with a Sales Revenues of USD 5.8 billion and Net Income of USD1.56 billion
- Equate and TKOC declare 100 % of their Net Income as dividend.
- The QPIC share of 6% dividend is USD 93.2 MM (KWD 28.4MM) 38% ↑ higher than previous year USD 67.5MM (KWD 20.3MM)

- 2018 was a record year for the company with a sales revenue of USD 2.0 billion
- Net Income for the year was USD 265 MM
- KARO declared a dividend of USD 150 MM
- QPIC's share of 20% divided is USD 30MM (KWD 9. MM) 50% ↑ higher than the previous year USD 20MM (KWD 6MM)

QPIC's Share



MAJOR CORE INVESTMENTS



Overview

- SADAFCO is owned by Qurain Petrochemical Industries Company, Sameh Trading Company and other shareholders. It is listed on the Saudi Stock Exchange (Tadawul) since 2005.
- SADAFCO produces dairy and food products and is currently the leader in the UHT milk segment in Saudi Arabia.

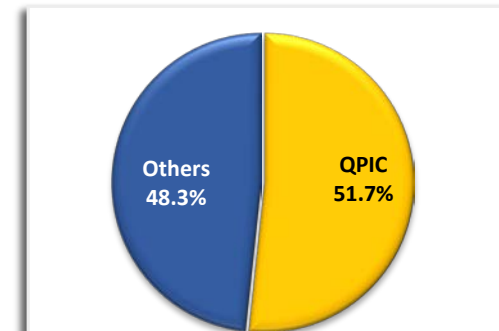
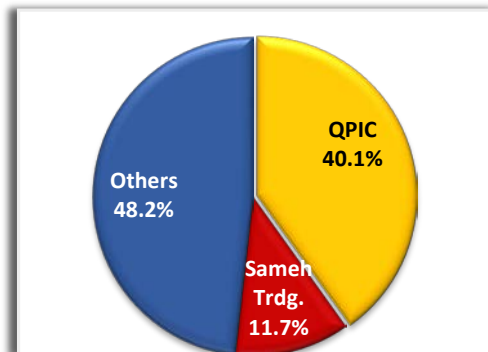
- NAPESCO is a profit making and dividend paying Company that is listed on the Kuwait Stock Exchange (KSE).
- It is primarily engaged in carrying support services for oil-well digging, maintenance and restoration operations.

Performance YE Dec 2018

- Reported a sales revenue of SAR 1.8 billion and a Net Income of SAR 218 MM
- Dividend of SAR 4 per shares declared during the year.
- Despite the Saudi market facing challenges, SADAFCO has reported a growth in sales revenues.
- The QPIC share (40.11 %) of dividend is SAR 52MM (KWD 4.20MM) similar to previous year SAR 52MM (KWD 4.11MM).

- Reported a Sales Revenues of KWD 33.5 MM
- 2018 was a record earning year for NAPESCO with Net Income of KD 11.8 MM
- Dividend of 70 fils per share was declared and distributed during the year.
- The QPIC share (51.7%) of dividend is KWD 3.0MM 20% ↑ higher than the previous year KWD 2.5MM

QPIC's Share



CONSOLIDATED STATEMENT OF INCOME

INCOME STATEMENT (KD '000)	Mar 2018	Mar-19	Variance	Variance
	(KD '000)	(KD '000)	(KD '000)	%
Revenues from goods and services	178,839	195,523	16,465	9%
Cost of goods and services	(110,828)	(131,935)	(20,992)	19%
Gross Profit	68,011	63,588	(4,527)	-7%
Dividend Income	20,890	28,846	7,596	38%
Share of results from associates and joint ventures	12,140	16,029	3,889	32%
Interest income and others	1,400	2,389	652	71%
Total Income	102,441	110,852	7,970	8%
Expenses				
General & Administrative expenses	(24,123)	(25,356)	(1,099)	5%
Selling & Distribution expenses	(22,357)	(21,603)	754	-3%
Earning before interest and taxes	55,961	63,893	7,625	14%
Interest expense	(2,621)	(2,513)	108	-4%
Earning Before Taxes	53,340	61,380	7,733	15%
Taxes , etc.	(1,190)	(1,577)	(387)	33%
Net Income	52,150	59,803	7,346	15%
Attributable to:				
Share holders of QPIC	35,198	45,333	10,135	29%
Non-controlling Interest	16,952	14,173	(2,789)	-16%
Consolidated Net Income	52,150	59,506	7,346	14%
EPS (Fils)	33.82	43.64	9.82	29%

BALANCE SHEET AS AT 31 MARCH 2019

BALANCE SHEET (KD '000)	Mar-18	Mar-19	% Variance
ASSETS			
Bank balances and cash	83,076	114,282	38%
Trade and other receivables	33,373	34,555	4%
Inventories	31,973	27,742	-13%
Financial assets at fair value through profit or loss	2,210	7,805	253%
TOTAL CURRENT ASSETS	150,631	184,384	22%
Financial assets at fair value through OCI	209,856	222,944	6%
Investment in associates and joint venture	90,078	91,483	2%
Goodwill and intangible assets	127,984	126,582	-1%
Property, plant and equipment	91,869	105,362	15%
Other assets	1,250	379	-70%
TOTAL NON CURRENT ASSETS	521,037	546,750	5%
TOTAL ASSETS	671,669	731,135	9%
LIABILITIES			
Current Liabilities			
Trade and other payables	47,166	60,861	29%
Borrowings	10,916	1,445	-87%
TOTAL CURRENT LIABILITIES	58,082	62,307	7%
Non Current Liabilities			
Employees' end of service benefits	12,081	13,225	9%
Borrowings	67,665	66,982	-1%
Other Non current liabilities	-	2,270	
TOTAL NON CURRENT LIABILITIES	79,745	82,477	3%
TOTAL LIABILITIES	137,827	144,784	5%
Equity			
Share capital	109,919	109,919	0%
Statutory reserve	26,243	30,934	18%
Voluntary reserve	26,498	29,046	10%
Retained earnings	111,669	134,054	20%
Unrealized gain on AFS investments	117,597	136,379	16%
Foreign Exchange reserves	7,557	9,570	27%
Treasury shares	-12,657	-13,363	6%
EQUITY ATTRIBUTABLE TO QPIC	386,827	436,538	13%
NON CONTROLLING INTEREST	147,015	149,814	2%
TOTAL LIABILITIES AND EQUITY	671,668	731,135	9%
Book Value Per Share – Fils	372	420	13%