



Qurain Petrochemical Industries Company

Investor and Analyst Update – First Quarter Ended 30 June 2019

1. DISCLAIMER
2. FINANCIAL HIGHLIGHTS – Q1 2019-20

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HIGHLIGHTS OF FIRST QUARTER 2019-20

Consolidated Income Statement

- 1 Sale Revenues have increased ↑ by 15 % compared to the same period in the previous year due to increased sales from our subsidiary SADAFCO
- 2 As a result the Gross Profit has increased by ↑ 10% also as compared to the similar period last year.
- 3 Realized and unrealized loss on financial assets through profit and loss (FVTPL) of KD 63,144 versus a gain of KD 210,302 shows a ↓130% fall in value as a result of the current market conditions.
- 4 Share of Income from associates have decreased by ↓ 8% owing to a lesser share of income from our associates KARO during the quarter.
- 5 Selling and marketing expenses have increased by ↑22% versus last year resulting in account of increased sales.
- 6 QPIC recorded a Net Income of KD 4.78 million, ↓8% lower than for the similar period previous year. Similarly, Earnings Per Share (EPS), has decreased to 4.61 fils, ↓ 8% lower than the EPS of 5.00 fils in 2018-19.

Consolidated Statement of Financial Position

- 1 Current assets have increased by ↑3% than the previous year on account of increased trade receivables and inventories from our subsidiaries.
- 2 Total assets have increased by ↑ 9% to reach KD 799.08 million on account of the acquisition of 60% stake in Jassim Transport Company (JTC) for KD 42 million.
- 3 Current liabilities have increased by ↑96% compared to last year on account of the purchase consideration of KD 42 million payable to JTC, which has been paid on 09 July 2019.
- 4 Total shareholders' equity has decreased by ↓3% on account of net effect of current period income of KD 4.78 million and Dividend payable of KD 16.53 million for the year 2018-19.

CONSOLIDATED STATEMENT OF INCOME

	Three months ended 30 June 2019 KD	Three months ended 30 June 2018 KD	Difference 30 June 2018 KD	Difference 30 June 2018 %	Better or Worse 2018 %
Sales	50,755,465	44,288,493	6,466,972	15%	↑
Cost of sales	(34,558,425)	(29,529,144)	(5,029,281)	17%	↓
GROSS PROFIT	16,197,040	14,759,349	1,437,691	10%	↑
Dividend, Interest and Other Income	1,296,738	1,424,672	(127,934)	(9%)	↓
Realized and Unrealized Gains at fair value through profit or loss	(63,144)	210,302	(273,446)	(130%)	↓
Share of results of associates	3,146,578	3,429,389	(282,811)	(8%)	↓
General and administrative expenses	(5,535,745)	(5,671,141)	135,396	(2%)	↑
Selling and marketing expenses	(5,735,631)	(4,717,080)	(1,018,551)	22%	↓
Finance costs	(677,840)	(553,458)	(124,382)	22%	↓
Profit before provision for taxation, Board of Directors' remuneration and taxation related to a subsidiary	8,627,996	8,882,033	(254,037)	(3%)	↓
Provision for taxation	(160,835)	(163,730)	2,895	(2%)	↓
Board of Directors' remuneration	(37,500)	(37,500)	-	-	-
Profit for the period	8,429,661	8,680,803	(251,142)	(3%)	↓
Attributable to:					
Shareholders of the Parent Company	4,775,477	5,193,235	(417,758)	(8%)	↓
Non-controlling interest	3,654,184	3,487,568	166,616	5%	↑
	8,429,661	8,680,803	(251,142)	(3%)	↓
Basic & diluted earnings per share attributable to shareholders of the Parent Co.	4.61 fils	5.00 fils	(39) fils		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Current year YTD 30-Jun 2019 KD	Previous year YTD 31-Mar 2019 KD	Difference YTD 31-Mar 2019 KD	Difference YTD 31-Mar 2019 %	Better or Worse 2018 %
ASSETS					
CURRENT ASSETS					
Cash and short term deposits	108,168,600	114,281,755	(6,113,155)		
Trade and other receivables	43,521,964	34,555,141	8,966,823		
Inventories	30,245,514	27,741,862	2,503,652		
Financial assets at fair value through profit or loss	7,846,532	7,805,466	41,066		
TOTAL CURRENT ASSETS	189,782,610	184,384,224	5,398,386	3%	↑
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income	223,333,882	223,322,875	11,007		
Investment in associates	94,388,359	91,483,254	2,905,105		
Goodwill & Intangible assets	141,909,153	126,582,387	15,326,766		
Property, plant and equipment	143,791,232	105,361,802	38,429,430		
Right of use assets	5,872,147	-	5,872,147		
TOTAL NON-CURRENT ASSETS	609,294,773	546,750,318	62,544,455	11%	↑
TOTAL ASSETS	799,077,383	731,134,542	67,942,841	9%	↑
LIABILITIES AND EQUITY					
LIABILITIES					
Current liabilities					
Trade and other payables	120,825,245	60,861,428	59,963,817		
Borrowings	1,409,547	1,445,193	(35,646)		
TOTAL CURRENT LIABILITIES	122,234,792	62,306,621	59,928,171	96%	↑
NON-CURRENT LIABILITIES					
Employees' end of service benefits	15,009,860	13,224,715	1,785,145		
Term loans	66,730,102	66,981,890	(251,788)		
Non-current Liabilities	428,972	312,520	116,452		
Non-controlling interest put option	2,066,786	1,957,873	108,913		
Lease Liability	4,446,998	-	4,446,998		
TOTAL NON-CURRENT LIABILITIES	88,682,718	82,476,998	6,205,720	8%	↑
TOTAL LIABILITIES	210,917,510	144,783,619	66,133,891	46%	↑
EQUITY					
Share capital	109,919,258	109,919,258	-		
Statutory reserve	30,934,331	30,934,331	-		
Voluntary reserve	30,812,629	30,812,629	-		
Treasury shares	(15,163,184)	(13,363,430)	(1,799,754)		
Share based payment reserve	144,222	121,722	22,500		
Other Reserve	(1,949,308)	(1,888,883)	(60,425)		
Cumulative changes in fair value reserve	136,244,250	136,378,657	(134,407)		
Foreign currency translation reserve	9,118,832	9,569,569	(450,737)		
Retained earnings	122,296,467	134,054,397	(11,757,930)		
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	422,357,497	436,538,250	(14,180,753)	(3%)	↓
Non-controlling interest	165,802,376	149,812,673	15,989,703		
TOTAL EQUITY	588,159,873	586,350,923	1,808,950		
TOTAL LIABILITIES AND EQUITY	799,077,383	731,134,542	67,942,841	9%	↑