

شركة القرين لصناعة الكيماويات البترولية ش.م.ك.ع.  
**QURAIN**  
PETROCHEMICAL INDUSTRIES COMPANY K.S.C.P.

REF: QPIC/TM/340/2022. Dated 10<sup>th</sup> November 2022

**Boursa Kuwait Company**  
**Kuwait**

السادة/ شركة بورصة الكويت  
المحترمين  
دولة الكويت

تحية طيبة وبعد،،،

Greetings,

**Subject: QPIC's Analyst/Investor Conference**  
**Call for the period ended 30 September 2022**

**الموضوع: مؤتمر المحللين/المستثمرين لشركة القرين**  
**لصناعة الكيماويات البترولية عن الفترة المالية المنتهية في**  
**30 سبتمبر 2022**

In reference to the above subject, and the requirements of article No. (2-4-8) "continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since QPIC has been classified in the premier market, kindly note that the analyst/investor conference was conducted through a conference call at 2:30 PM (local time) on Thursday 10/11/2022.

بالإشارة إلى الموضوع أعلاه، وإلى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن القرين تم تصنيفها ضمن مجموعة "السوق الأول"، نود أن نحيطكم علماً بأن مؤتمر المحللين/المستثمرين قد انعقد عبر مكالمة هاتفية جماعية في تمام الساعة الثانية والنصف عصراً (التوقيت المحلي) من يوم الخميس الموافق 2022/11/10

Please note that no material information has been circulated during the conference, and kindly find attached the presentation of the conference.

كما يرجى العلم بأنه خلال المؤتمر لم يتم تداول أي معلومة جوهرية، ومرفق لكم العرض التقديمي للمؤتمر.

Best regards,

وتفضلوا بقبول فائق الاحترام،،،

**Sheikh Sabah M. A. Al Sabah**  
**Vice Chairman & CEO**



الشيخ صباح محمد عبد العزيز الصباح  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي



شركة القرين لصناعة الكيماويات البترولية  
**QURAIN**  
PETROCHEMICAL INDUSTRIES COMPANY

# INVESTORS PRESENTATION

QPIC Earnings update  
for the six-months ended 30 Sept 2022  
(1H 2022/2023)

# DISCLAIMER

*This presentation is not an offer or invitation to subscribe to or purchase any securities.*

*No warranty is given as to the accuracy or completeness of the information in this presentation. You must make your own independent investigation and appraisal of the business and financial condition of Qurain Petrochemical Industries Co. hereby referred to as ("QPIC").*

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# **Financial Highlights**

## **for the six months period ended**

### **30<sup>th</sup> Sept 2022**

#### **(1H 2022/2023)**



# Financial Highlights for the first half (1H 2022/2023)

## Consolidated Income Statement

- 1 Sale Revenues increased by **↑ 31%** compared to same period last year mainly due to increased sales revenue from our subsidiaries.
- 2 Gross profit, too, has increased by **↑ 40%** compared to the same period last year.

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- 3 Dividend, interest and other income increased by **↑ 752%** compared to similar period previous year mainly due to receipt of interim dividend from Equate.
- 4 Share of Income from associates and joint venture has increased by **↑ 146%** as a result of share of income from new associate Advanced Technology Company (ATC).

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- 5 General and Administrative expenses have increased by **↑ 9%** mainly due to increased expenses from our subsidiaries.
- 6 Finance cost has increased by **↑ 586%** on account of cost relating to non controlling put option from SADAFCO.

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- 7 QPIC recorded a Net profit of KD 15.81 million, **↑ 372%** higher than KD 3.35 million for the similar period last year. Similarly, Earnings Per Share (EPS), has increased to 14.72 fils compared to EPS of 3.27 fils for the similar period last year.

## Consolidated Statement of Financial Position at 30 September 2022

- 1 Total current assets have increased marginally to reach KD 203 million.
- 2 Total assets have increased marginally to reach KD 827 million from KD 785 million as at March 31,2022, due to acquisition of additional 9% stake in Advanced Technology Company (ATC).

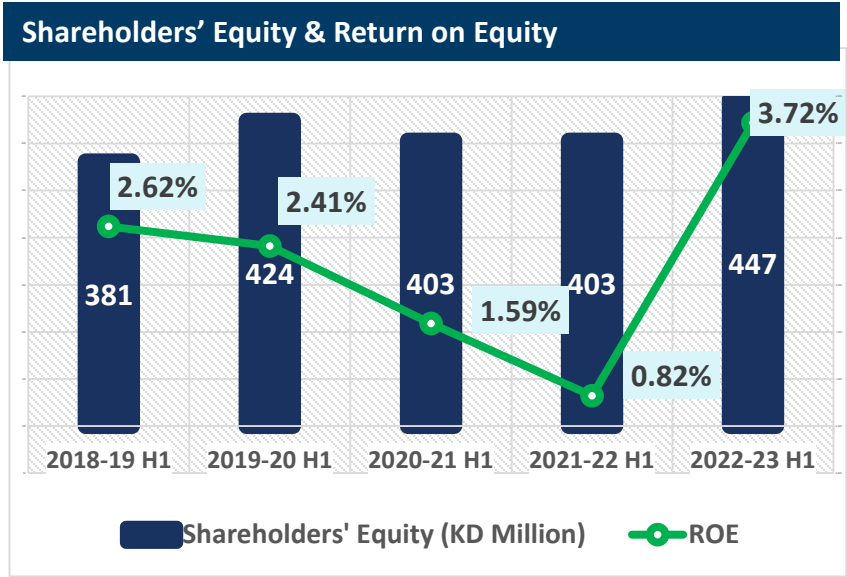
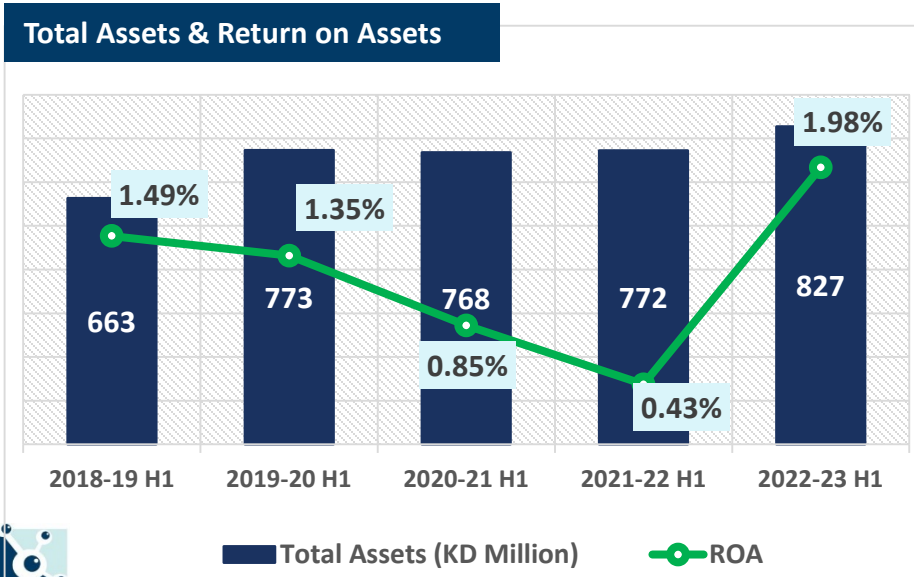
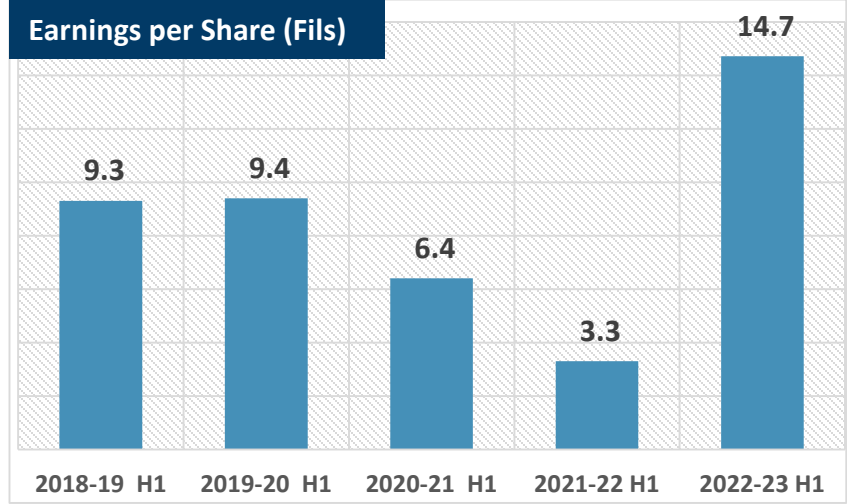
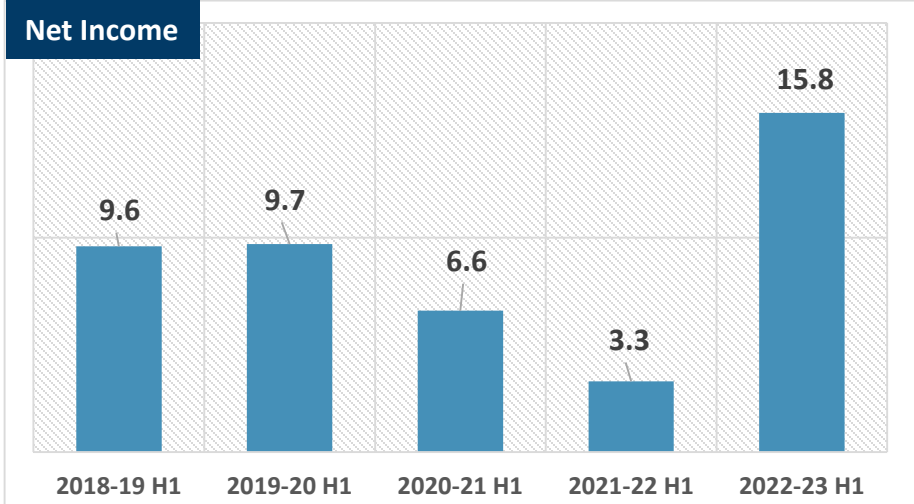
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- 3 Total liabilities have increased compared to last year due to increase in Trade payables and term loans during the period.
- 4 Total shareholders' equity has decreased on account of decrease in retained earnings due to dividend declaration.



# Historical Financial performance

In Kwd, million



# Consolidated Statement of Income

	Half year ended 30 September 2022	Half year ended 30 Sep 2021	Difference 30 Sep 2022	Difference (%) 30 Sep 2022
	KD	KD	KD	%
Sales	145,226,905	110,708,625	34,518,280	31%
Cost of sales	(101,205,925)	(79,244,862)	(21,961,063)	28%
<b>Gross Profit</b>	<b>44,020,980</b>	<b>31,463,763</b>	<b>12,557,217</b>	<b>40%</b>
Dividend, Interest and Other Income	9,257,946	1,086,998	8,170,948	752%
Share of results of associates	5,016,665	2,036,965	2,979,700	146%
General and administrative expenses	(13,812,627)	(12,726,377)	(1,086,250)	9%
Selling and marketing expenses	(13,248,390)	(12,367,558)	(880,832)	7%
Finance costs	(6,005,501)	(875,693)	(5,129,808)	586%
<b>Profit before provision for taxation, Board of Directors' remuneration</b>	<b>25,229,073</b>	<b>8,618,098</b>	<b>16,610,975</b>	<b>193%</b>
Provision for taxation	(437,862)	(79,810)	(358,052)	449%
Board of Directors' remuneration	(75,000)	(75,000)	-	-
<b>Profit for the period</b>	<b>24,716,211</b>	<b>8,463,288</b>	<b>16,252,923</b>	<b>192%</b>
Attributable to:				
<b>Shareholders of the Parent Company</b>	15,808,323	3,349,456	12,458,867	372%
Non-controlling interests	8,907,888	5,113,832	3,794,056	74%
	<b>24,716,211</b>	<b>8,463,288</b>	<b>16,252,923</b>	<b>192%</b>
<b>Basic &amp; diluted earnings per share attributable to shareholders of the Parent Co.</b>	<b>14.72 fils</b>	<b>3.27 fils</b>		





# Consolidated Statement Of Financial Position As at 30 September 2022

	As of 30 Sep 2022	As of 31 March 2022	Difference 2021-22 Vs. 2022-23	Difference 2021-22 Vs. 2022-23
<b>ASSETS</b>				
<b>CURRENT ASSET</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>%</b>
Cash and short term deposits	94,085,768	81,385,951	12,699,817	16%
Trade and other receivables	56,548,766	52,461,296	4,087,470	8%
Inventories	51,886,397	35,879,435	16,006,962	45%
Financial assets at fair value through profit or loss	918,897	1,406,279	(487,382)	(35%)
<b>TOTAL CURRENT ASSETS</b>	<b>203,439,828</b>	<b>171,132,961</b>	<b>32,306,867</b>	<b>19%</b>
<b>NON-CURRENT ASSETS</b>				
Financial assets at FV through other comprehensive income	205,002,171	204,900,893	101,278	-
Investment in associates	124,086,634	114,531,351	9,555,283	8%
Goodwill & Intangible assets	127,873,508	128,382,541	(509,033)	-
Property, plant, equipment and others	166,643,620	166,045,794	597,826	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>623,605,933</b>	<b>613,860,579</b>	<b>9,745,354</b>	<b>2%</b>
<b>TOTAL ASSETS</b>	<b>827,045,761</b>	<b>784,993,540</b>	<b>42,052,221</b>	<b>5%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables & others	85,907,277	73,247,200	12,660,077	17%
Borrowings	1,710,312	1,677,254	33,058	2%
<b>TOTAL CURRENT LIABILITIES</b>	<b>87,617,589</b>	<b>74,924,454</b>	<b>12,693,135</b>	<b>17%</b>
<b>NON-CURRENT LIABILITIES</b>				
Employees' end of service benefits	18,610,195	17,462,467	1,147,728	7%
Term loans	94,349,652	65,574,527	28,775,125	44%
Non-current Liabilities	5,156,721	7,383,247	(2,226,526)	(30%)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>118,116,568</b>	<b>90,420,241</b>	<b>27,696,327</b>	<b>31%</b>
<b>TOTAL LIABILITIES</b>	<b>205,734,157</b>	<b>165,344,695</b>	<b>40,389,462</b>	<b>24%</b>
<b>EQUITY</b>				
Share capital	109,919,258	109,919,258	-	-
Statutory, Voluntary and other reserves	79,000,544	76,428,589	2,571,955	3%
Treasury shares	(6,224,502)	(6,251,331)	26,829	-
Treasury Shares Reserve	7,411,247	7,411,247	-	-
Cumulative changes in fair value reserve	127,417,521	127,434,348	(16,827)	-
Retained earnings	129,273,503	132,793,267	(3,519,764)	(3%)
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>446,797,571</b>	<b>447,735,378</b>	<b>(937,807)</b>	<b>-</b>
Non-controlling interest	174,514,033	171,913,467	2,600,566	2%
<b>TOTAL EQUITY</b>	<b>621,311,604</b>	<b>619,648,845</b>	<b>1,662,759</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>827,045,761</b>	<b>784,993,540</b>	<b>42,052,221</b>	<b>5%</b>
Book value	406	435	(29)	(7%)



# Q&A

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We are pleased to receive your questions right now

Thank you for participating. Should you be interested in obtaining any further information relating to Qurain Petrochemical Industries Co. (QPIC), kindly refer to our dedicated “Investor Relations” section on QPIC corporate website - [www.qpic-kw.com](http://www.qpic-kw.com)





## X APPENDIX

- QPIC Inception
- QPIC Investment Portfolio
  - EQUATE GROUP
  - KARO – Kuwait Aromatics Co.
  - SADAFCO – Saudia Dairy & Foodstuff Co.
  - NAPESCO – National Petroleum Services Co.
  - UOP – United Projects Co.
  - JTC – Jassim Transport & Stevedoring Co.
  - ATC – Advanced Technology Co.
  - INSHA'A – Inshaa Holding Co.



# QPIC Inception

Qurain Petrochemical Industries Company (QPIC) was established in 2004 by the Government of Kuwait through its Petrochemical arm (Petrochemical Industries Company) to encourage local private sector participation in the petrochemical sector of Kuwait. The KIPCO Group became the major shareholder in 2008.



# VISION

To become a leading private holding company in the Energy, Petrochemical and Industrial sectors in Kuwait, and a key player in the GCC, consistently achieving shareholders expectations.

# MISSION

To achieve it through direct and indirect investments in new ventures and established companies, leveraging our market/industry knowledge and innovative investment approaches to create a diversified and balanced risk – return portfolio.



# Investment Portfolio

Through a well diversified and balanced portfolio, QPIC aims to maintain a positive and sustainable growth momentum. QPIC currently invests around 50% into Petrochemicals and Oil&Gas; while the balance is split into 4 other industrial sectors as follows:-

Petrochemicals	Oil & Gas Services	Dairy & Food Processing	Logistics & Power Rental	Healthcare	Basic Industries
<p><b>EQUATE Group</b></p> <ul style="list-style-type: none"> <li>EQUATE Petrochemicals</li> <li>MEGlobal</li> <li>The Kuwait Olefins Company (TKOC)</li> </ul> <p><b>Kuwait Aromatics (KARO)</b></p> <ul style="list-style-type: none"> <li>Kuwait Paraxylene Production Company (KPPC)</li> <li>The Kuwait Styrene Company (TKSC)</li> </ul>	<p><b>National Petroleum Services Company (NAPESCO)</b></p> <p><b>United Oil Projects Company (UOP)</b></p> <ul style="list-style-type: none"> <li>United Precision Drilling Co (UPDC)</li> <li>AlKhorayef United Holding Co (AKUH)</li> </ul>	<p><b>Saudia Dairy &amp; Foodstuff Company (SADAFCO)</b></p> <ul style="list-style-type: none"> <li>Mlekoma sp. (Poland)</li> </ul>	<p><b>Jassim Transport &amp; Stevedoring Company (JTC)</b></p>	<p><b>Advanced Technology Co. (ATC)</b></p> <ul style="list-style-type: none"> <li>Kuwait Medical Center Holding Co.</li> </ul>	<p><b>Insha'a Holding Company</b></p> <ul style="list-style-type: none"> <li>Bubiyah Readymix Co.</li> <li>EPO Gulf Specialties</li> <li>SANDCO Gen. Trd.</li> <li>BAYAN Gen. Trd.</li> <li>Tashyeed Combined Company (Kuwait Towers Factory)</li> </ul>
39%	10%	28%	13%	8%	2%

# EQUATE Group



➤ The EQUATE Group includes EQUATE Petrochemical Company, The Kuwait Olefins Company (TKOC) and MEGlobal.

➤ EQUATE was established in 1995 as Kuwait's first international petrochemical JV along with Dow Chemicals and commenced production in 1997. TKOC was further established in 2004 as the second JV thereafter with the exact same shareholders of EQUATE in order to further expand Kuwait's footprint as a global producer of petrochemicals. In 2015, EQUATE acquired 100% of MEGlobal, enabling EQUATE to become the world's second largest producer of Ethylene Glycol (EG).

➤ EQUATE currently owns and operates world-class petrochemical complexes in Kuwait, North America and Europe. It's products are marketed throughout Asia, the Americas, Europe, the Middle East and Africa and currently accounts for over 60% of Kuwait's exports in value from non-oil sources.

➤ In Q4 2019, Equate commissioned its Oyster Creek facility on the US Gulf Coast with a nameplate EG capacity of 750 KMT per annum.



ASSET CLASS	AFS
SECTOR	PETROCHEMICALS
REGION	KUWAIT, NORTH AMERICA & GERMANY
QPIC HOLDING	6 %

Production Capacity <i>(metric ton per annum)</i>					
Product	EQUATE	TKOC	MEG	Equipolymers	TOTAL
Polyethylene	1 million	-	-	-	1 million
Ethylene Glycol	550,000	600,000	2.1 million	-	3.24 million
PET	-	-	-	335,000	335,000



# KARO – Kuwait Aromatics Co.



➤ **Kuwait Aromatics Company (KARO)** was established in 2004 as a Kuwaiti Shareholding Company with a paid-up capital of KD 250 million to invest in the manufacture of Paraxylene, Benzene, and Styrene through the two below subsidiaries:

- **KPPC** is fully owned by KARO was established in 2006 as a shareholding company with an authorized capital of KD 250 million. The company commenced commercial production of Paraxylene, Benzene, and Heavy Aromatics in 2010, utilizing Naphtha from KNPC as a feedstock.
- **TKSC** established in 2004 with a capital of US\$140 million, is owned 57.5% by KARO and is a joint venture with Dow Chemicals. TKSC commenced commercial production in 2009.



<b>ASSET CLASS</b>	ASSOCIATE
<b>SECTOR</b>	PETROCHEMICALS
<b>REGION</b>	KUWAIT
<b>QPIC HOLDING</b>	20%

Production Capacity		<i>(metric ton per annum)</i>	
KPPC		TKSC	
Benzene	393,000	Styrene Monomer	450,000
Paraxylene	829,000		





# NAPESCO – National Petroleum Services Co.



- National Petroleum Services Company (NAPESCO) was **founded in 1993** as a private company offering pumping services to the Kuwait Energy Sector.
- **NAPESCO was listed in 2003** on Boursa Kuwait (Kuwait Stock Exchange).
- NAPESCO’s core activities involve services within:-
  - **Upstream Oilfield Services;** such as well-cementing, coiled tubing and intervention as well as filtration services.
  - **Downstream & Energy Services;** including a number of diversified activities with HSE, Engineering and Consultancy services being the core competencies, supported by state-of-art environmental laboratory and leading technologies in waste management.
  - **QHSE implementation.**

<b>ASSET CLASS</b>	<b>SUBSIDIARY</b>
<b>SECTOR</b>	<b>OIL &amp; GAS SERVICES</b>
<b>REGION</b>	<b>KUWAIT</b>
<b>QPIC HOLDING</b>	<b>61%</b>



# UOP – United Oil Projects



- **UOP** was incorporated in the early eighties under the name of Kuwait Chemical Manufacturing Company (KCMC), and is engaged in production and sale of acrylic and polyester resins.
- In 2005, the company’s management adopted a new strategy to include investments in the energy sector.
- UOP’s exposure to the upstream business is through its two associates:
  - **United Precision Drilling Company (UPDC)**, which was established in 2005 with Precision Drilling to cater to the Drilling Business requirement in Kuwait, with the objective of building the largest, most technically qualified and highly regarded Drilling organization. The current JV partner is ADES International Holding PLC.
  - **Al-Khorayef United Holding Company (AKUH)**, which is a subsidiary of Al-Khorayef, KSA in Kuwait. It offers pumping services to Kuwait Oil Company (KOC) and Joint Operation in Wafra.



<b>ASSET CLASS</b>	SUBSIDIARY
<b>SECTOR</b>	OIL & GAS SERVICES
<b>REGION</b>	KUWAIT
<b>QPIC HOLDING</b>	53%



# SADAFCO – Saudia Dairy & Foodstuff Co.



➤ **Saudi Dairy & Foodstuff Company (SADAFCO)** was established in 1976 with the formation of the Saudi Danish Dairy Company. It is currently the leading producer of UHT milk in Saudi Arabia with operations across the Middle East and it was listed on the Saudi Arabian Stock Exchange (TADAWUL) in 2005.



➤ It has an **extensive product portfolio** including plain and flavored milk, Laban, soy milk, evaporated milk, date milk and thick cream, tomato paste, feta cheese, crispy snacks, juices, flavored sparkling water and still water. **SADAFCO is the market leader in Saudi Arabia for UHT Milk, Tomato Paste and Ice Cream.**

➤ It has three manufacturing facilities, two in Jeddah and one in Dammam well supported by an extensive distribution network of 500 sale routes, with over 23,500 ambient customers and 18,500 customers of frozen products.

➤ In 2018, SADAFCO acquired a **76% equity stake in the polish dairy producer Mlekoma**, which operates two plants that are specialized in the production of powdered, condensed and fluid products as well as whole milk, cream, butter milk and fat filled powders that are exported to Europe, Africa, the Middle East and the far East.

ASSET CLASS	SUBSIDIARY
SECTOR	DAIRY & FOODSTUFF INDUSTRIES
REGION	SAUDI ARABIA & POLAND
QPIC HOLDING	40%



# JTC – Jassim Transport & Stevedoring Co.



- **Jassim Transport & Stevedoring Co. K.S.C.C. (JTC)** was founded in 1979 as an inland transportation company.
- JTC has been listed on Bursa Kuwait in October 2021 under the “Industrials” sector with the ticker name “JTCKW”
- The JTC brand is associated with four core activities that serve a variety of markets throughout Kuwait and selected GCC countries. JTC operate within four core sectors:



- **Ports Management;** such as handling general and containerized cargo, custom bonded warehouses and customs clearance support.
- **Contract Logistics;** such as general transportation and land transport solutions, bulk fuel, waste water supported by JTC’s open storage facilities and covered warehouses at Mina Abdullah.
- **Equipment Leasing;** rough terrain, all terrain, truck mounted and crawler cranes, as well as project & heavy lift to manage project logistics for bulk shipments, rig moves and oil field projects.
- **Power Rental;** catering towards power projects, oilfield operations and supported by JTC’s strong technical expertise, customized solutions and state-of-the-art equipment.



<b>ASSET CLASS</b>	SUBSIDIARY
<b>SECTOR</b>	LOGISTICS & POWER RENTAL
<b>REGION</b>	KUWAIT & SELECT GCC
<b>QPIC HOLDING</b>	60%



# ATC – Advanced Technology Company



Advanced Technology Company K.S.C.P.  
شركة التقدم التكنولوجي ش.م.ك.ع.



مستشفى الكويت  
KUWAIT HOSPITAL

- **Advanced Technology Company K.S.C. (ATC)** started operations in 1981 as a medical equipment supplier to the Kuwait healthcare sector. The Company has been listed on Bursa Kuwait Stock Exchange since 2007.
- ATC has established itself as the leading end-to-end total healthcare solutions provider capable of delivering over 95% of a hospital's requirement.
- ATC also holds 26.77% equity stake in Kuwait Medical Center Hldg. Co.

<b>ASSET CLASS</b>	ASSOCIATE
<b>SECTOR</b>	HEALTHCARE
<b>REGION</b>	KUWAIT
<b>QPIC HOLDING</b>	39%

## ➤ Products and Services:

- Diagnostic Imaging, Life-care Solutions
- Health Facility Infrastructure,
- Laboratory and Environmental Solutions
- Pharmacy Automation and Advanced Systems
- Medical and Surgical OR Solutions
- Infection Control, Rehabilitation & Oral Health
- Pharma, AgriVet, & CareTech
- Information Technology (HIS, EMR)
- Kitchen & Laundry
- Security & Audio Visual Solutions
- Healthcare Manpower
- Medical Home Care Services



# INSHA'A – Insha'a Holding Company

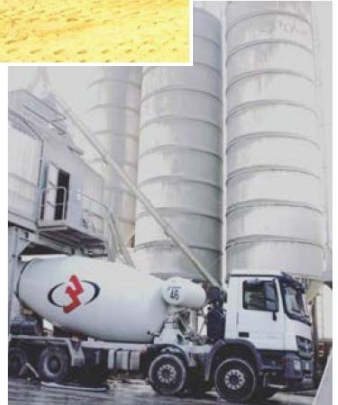


Insha'a Holding Company was established in October 2005 to meet the increasing demand on building and construction materials. The company specializes in ready mix, soil, sand, interlock, epoxy and other construction products through its five subsidiaries located in Kuwait.



ASSET CLASS	SUBSIDIARY
SECTOR	BASIC INDUSTRIES
REGION	KUWAIT
QPIC HOLDING	60%

Subsidiary	Ownership%
Bubiyan Ready-Mix Company	100%
EPO Gulf Specialties Company	50%
SANDCO for General Trade and Contracting Co.	50%
Bayan Establishment for General Trading and Contracting Co.	50%
Tashyeed Combined Company (Kuwait Tower Factory)	51%





# THANK YOU

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