



INVESTMENTS

Managed By

bpe partners

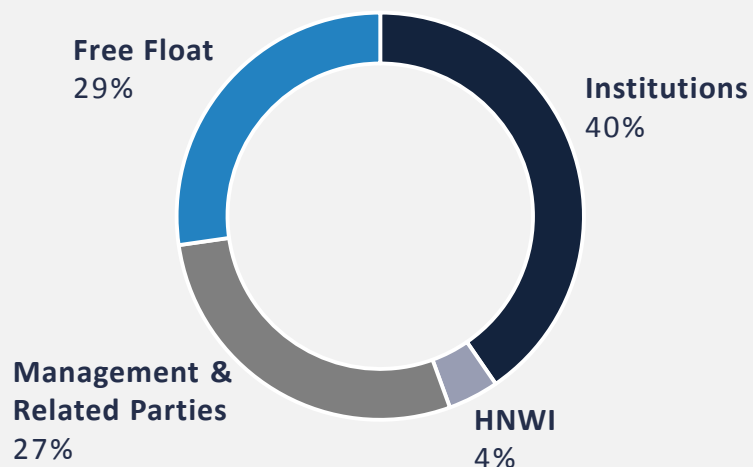
B INVESTMENTS – 1H19 EARNINGS RELEASE

AUGUST 2019

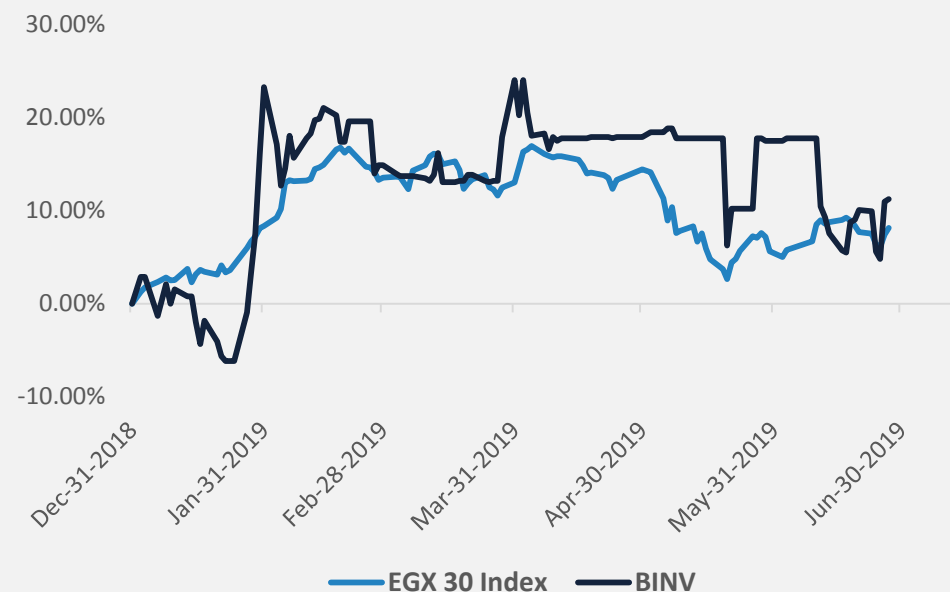


I. 1H19 Overview

Shareholding Structure



BINV Share Price vs. EGX (Rebased)



BINV Key Highlights

160,024,416

Outstanding Shares

EGP 1.36bn

Market Cap (27-Jun-19)

EGP 8.50 ▲ 8% YTD

Share Price (27-Jun-19)

EGP 577,334 ▲ 19% YTD

Average Daily Turnover (27-Jun-19)

1H19 OVERVIEW | 1H19 CONSOLIDATED FINANCIAL PERFORMANCE



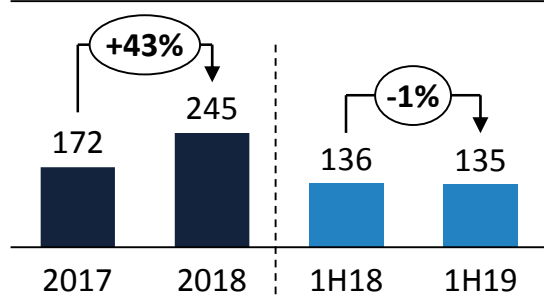
INVESTMENTS

EGP 135mn

Revenues

Revenues

EGP mn

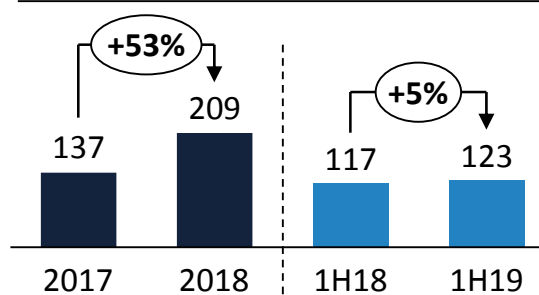


EGP 123mn

EBIT

EBIT

EGP mn

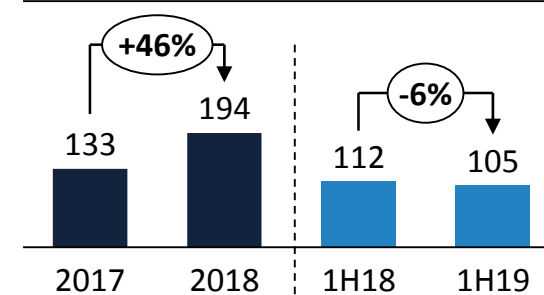


EGP 105mn

Net Income

Net Income

EGP mn



- B Investments recorded Revenues of EGP 135mn during 1H19, compared to EGP 136mn in the same period last year
- Revenues were mainly derived from share of profits from portfolio companies and dividends distributed by TOTAL Egypt as well as Finance Income
- EBIT came in at EGP 123mn compared to EGP 117mn in 1H18, implying a 5% growth Y-o-Y
- Net Income After Tax & Minority Interest came in at EGP 105mn in 1H19, compared to EGP 112mn in the same period last year as a result of FX losses during 1H19

1H19 OVERVIEW | 1H19 CONSOLIDATED FINANCIAL POSITION



INVESTMENTS



- B Investments assets amounted to EGP 1,711mn on June 30th 2019 compared to EGP 1,709mn on December 31st 2018, assets remained flat despite a dividend distribution of EGP 81mn in June 2019
- B Investments continues to have no interest-bearing debt
- Total Equity grew to EGP 1,680mn in 1H19

1H19 OVERVIEW | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	2017	2018	1H18	1H19
Revenues				
Dividend Income from Available for Sale Investments	22.6	26.2	26.2	27.7
Group's Share of Profits of Joint Venture and Associate Entities	104.1	126.3	67.7	64.3
Finance Income	34.3	84.2	34.4	43.0
Reverse of Impairment in Notes Receivable	3.2	-	-	-
Provisions no Longer Required	-	2.5	2.5	-
FX Gain	-	1.8	1.6	-
Other Income	7.4	4.5	4.0	0.4
Total Revenues	171.6	245.5	136.3	135.4
Expenses				
Management Fees	(11.7)	(16.3)	(7.0)	(9.2)
Consulting Fees	(10.7)	(16.3)	(10.3)	(3.1)
BOD Allowance	-	(0.2)	(0.2)	(0.1)
Depreciation of Investment Properties	(0.3)	(0.3)	(0.2)	(0.2)
FX Gains (Losses)	(4.0)	-	-	(12.3)
Provisions	(2.5)	-	-	-
Total Expenses	(29.2)	(33.1)	(17.6)	(24.9)
Impairment in Debtors	(3.1)	-	-	-
Impairment In Assets	(2.7)	-	-	-
Impairment in other debit balances	-	(3.0)	-	-
Net Profit Before Tax	136.6	209.4	118.7	110.5
Income Tax	(18.4)	(14.4)	(6.2)	(8.6)
Deferred Tax	13.4	(0.5)	(0.4)	3.2
Net Profit After Tax	131.7	194.5	112.1	105.2
Minority Interest	(1.5)	0.6	0.3	0.5
Net Profit After Tax and Minority Interest	133.2	193.9	111.8	104.6

1H19 OVERVIEW | CONSOLIDATED BALANCE SHEET











INVESTMENTS

EGP mn	2017	2018	1H19
Non-current assets			
Intangible Assets	2.7	2.7	2.6
Investments in Associates	314.6	389.8	425.1
Available for Sale Investments	141.3	141.3	141.3
Investments in Joint Ventures	190.8	427.4	462.4
Investment Properties	113.5	113.3	113.1
Loans to Associates ¹	94.7	105.3	103.1
Projects Under Construction	-	7.9	17.6
Total-Non Current Assets	857.6	1,187.6	1,265.1
Current Assets			
Treasury Bills	105.5	416.7	363.6
Due from Related Parties	1.2	1.2	3.9
Other Debit Balances	8.2	15.5	10.0
Cash and Cash at Banks	95.0	87.7	68.8
Total Current Assets	209.8	521.1	446.4
Total Assets	1,067.4	1,708.8	1,711.5
Equity			
Issued and Paid-up Capital	584.5	800.1	800.1
Reserves	38.7	280.1	272.5
Retained Earnings	257.6	388.5	497.4
Net Profit for the Period	133.2	193.9	104.6
Equity attributable to shareholders of the parent company	1,014.0	1,662.6	1,674.6
Minority Interest	4.4	5.1	5.8
Total Equity	1,018.5	1,667.7	1,680.4
Non-Current Liabilities			
Deferred Tax Liability	8.9	9.4	6.2
Total Non-Current Liabilities	8.9	9.4	6.2
Current Liabilities			
Due to Related Parties	3.0	5.0	4.6
Accounts Payable and Other Credit Balances	8.3	6.6	5.7
Income Tax	18.4	13.2	8.6
Provisions	10.4	6.8	5.9
Total Current Liabilities	40.0	31.6	24.8
Total Equity and Liabilities	1,067.4	1,708.8	1,711.5

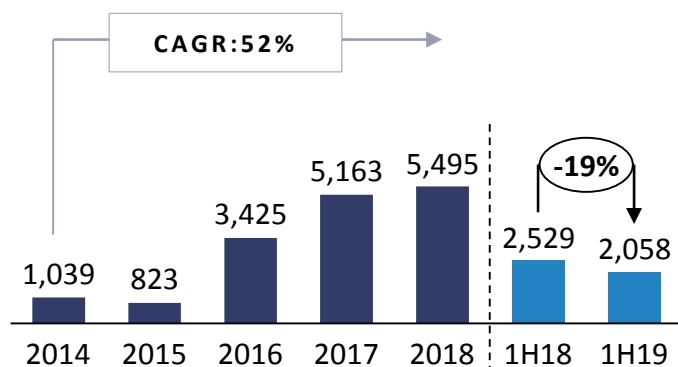
Note (1): Loans to Associates is a shareholder loan extended to the project companies of Infinity Solar

II. Portfolio Companies

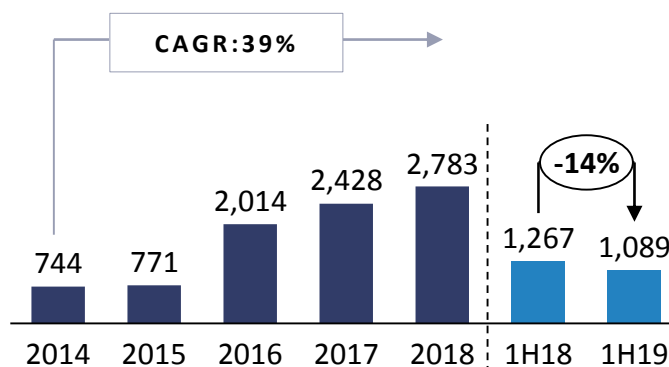
Sector	Real Estate	Oil & Gas	IT System Integration	Non-Banking Financial Services	Renewable Energy	Food & Beverage	Manufacturing
Company	 MADINET NASR HOUSING & DEVELOPMENT			 FOR NON BANKING FINANCIAL SERVICES			
Description	<ul style="list-style-type: none"> ▪ Madinet Nasr for Housing & Development (“MNHD”) is one of Egypt’s leading and most profitable listed mixed-use real estate developers ▪ The company caters to the growing middle and upper-middle market demand ▪ MNHD has a sizeable land bank; 9mn sqm at premium locations 	<ul style="list-style-type: none"> ▪ One of the largest downstream private sector players in Egypt with a network of 233 retail stations ▪ In partnership with B Investments, TOTAL Egypt acquired Shell and Chevron’s downstream networks in Egypt ▪ TOTAL Egypt operates four business lines: Retail Network, Commercial & Industrial, Aviation and Lubricants 	<ul style="list-style-type: none"> ▪ Giza Systems is one of the leading systems integration and engineering services (IT / BPO) platforms in Egypt, the Middle East and Africa ▪ The company offers a vast range of mission critical IT based solutions to a range of industries, aiding clients’ efficiency and effectiveness in running operations 	 <ul style="list-style-type: none"> ▪ Ebitkar is a holding company established through a partnership between B Investments and MM Group For Industry And International Trade and is the designated vehicle to invest in the Non-Banking Financial Services sector 	<ul style="list-style-type: none"> ▪ A portfolio of three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130MW ▪ The project is in partnership with Infinity Solar Energy SAE; a local solar power plant developer and ib vogt; an international solar developer established in Germany ▪ Commercial operations began 1Q19 	<ul style="list-style-type: none"> ▪ The Gourmet Group is comprised of 2 companies in the F&B sector: Gourmet Egypt (GE), a food retailer with 10 stores across Egypt; and Gourmet Food Solutions (GFS), which is comprised of 2 food manufacturing and processing facilities that cater to GE as well as to other F&B clients 	<ul style="list-style-type: none"> ▪ Established in 1888, BĒARD is one of the world’s leading Swiss brand names in the flatware and hollowware industry ▪ The company leverages on the vibrant hospitality sector in Egypt
Transaction Type	Buyout	Growth Capital	Management Buyout	Greenfield ¹ / Growth Capital	Growth Capital	Growth Capital	Management Buyout
Vintage Year	2006	2013	2006	2017	2017	2018	2006

Note (1): Ebtikar is considered a greenfield transaction as it is a holding company established by B Investments as the designated vehicle to invest in the Non-Banking Financial Services sector, yet all of its investments other than Vitas Mistr are growth capital and buyout transactions

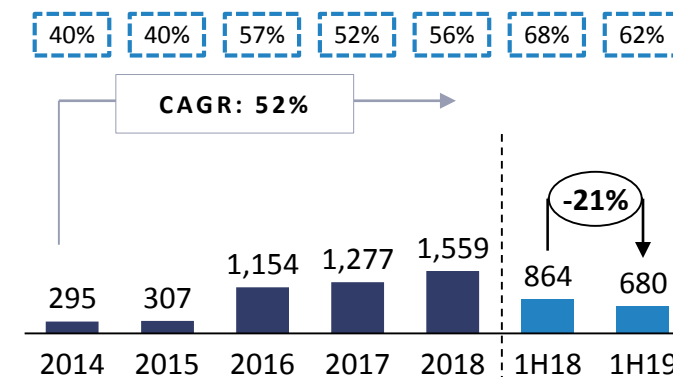
Pre-Sales (EGP mn)



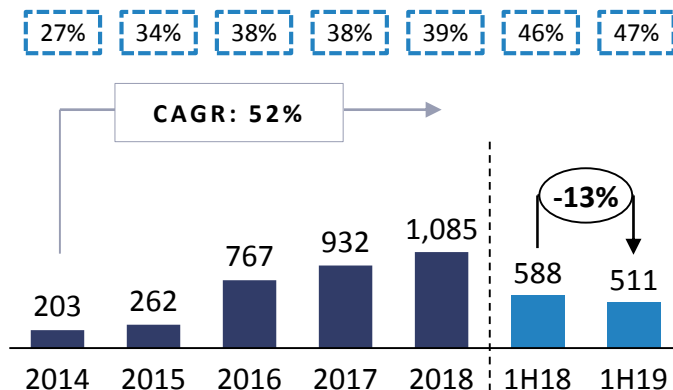
Net Revenues (EGP mn)



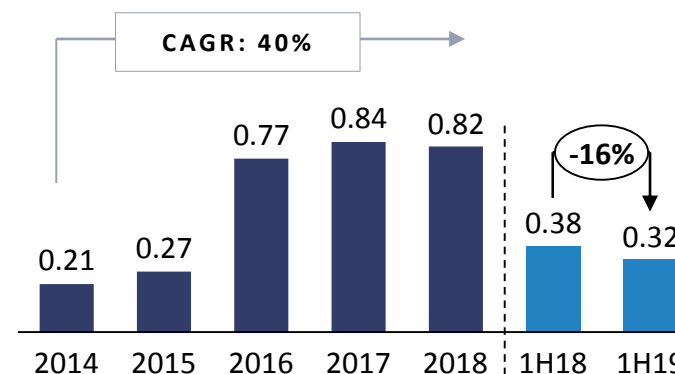
EBITDA (EGP mn)



Net Income (EGP mn)

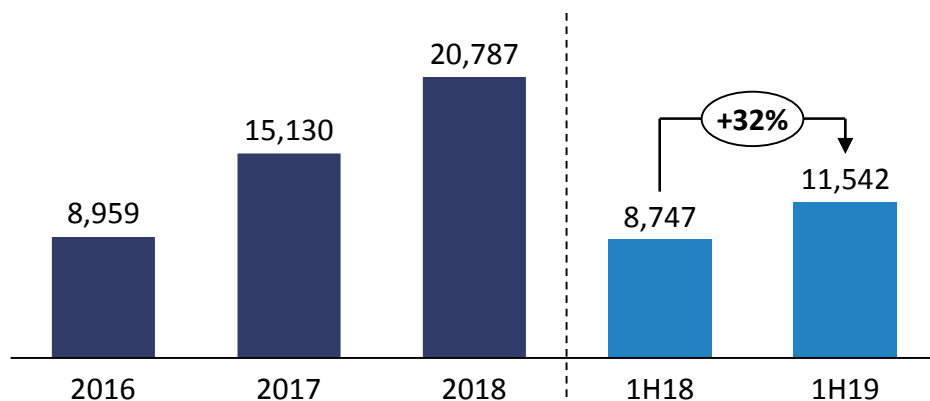


EPS (EGP)

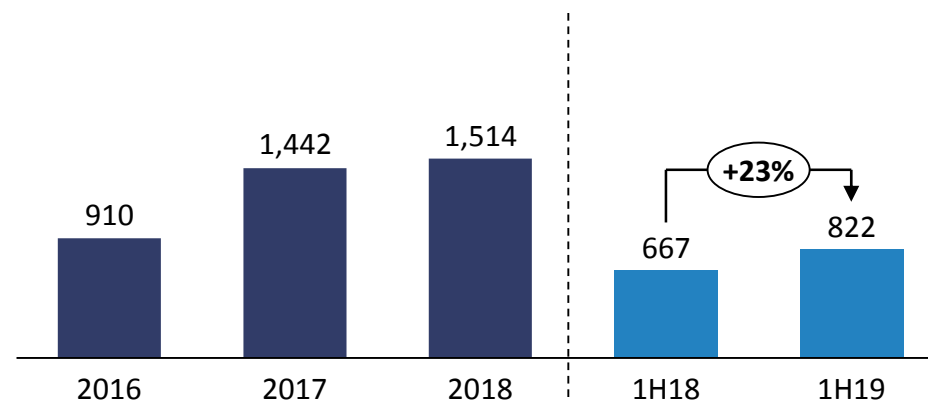


- Pre-Sales reached EGP 2.06bn in 1H19, compared to EGP 2.53bn in 1H18, on the back of the strategic postponement of new launches in Taj City to third quarter, which have officially been launched as of the date of this release
- MNHD recorded Net Revenues EGP 1,089mn compared to EGP 1,267mn in 1H18, due to decline in Pre-Sales
- Net Income came in at EGP 511mn compared to EGP 588mn during 1H18, on the back of the decreased Pre-Sales and Net Revenues

Revenues (EGP mn)

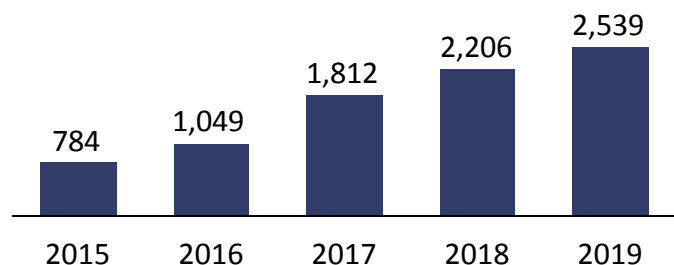


Gross Profit (EGP mn)

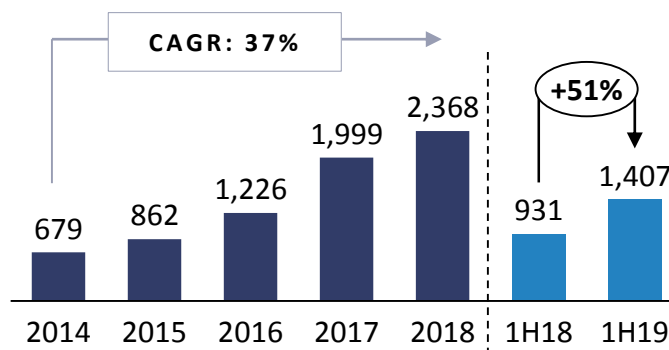


- TOTAL Egypt recorded Revenues of EGP 11.5bn during 1H19 recording a Y-o-Y growth of 32%
- The growth in Revenues is attributed to the increase in fuel price hikes that took place in June 2018 as part of its economic reform program implemented by the Egyptian government

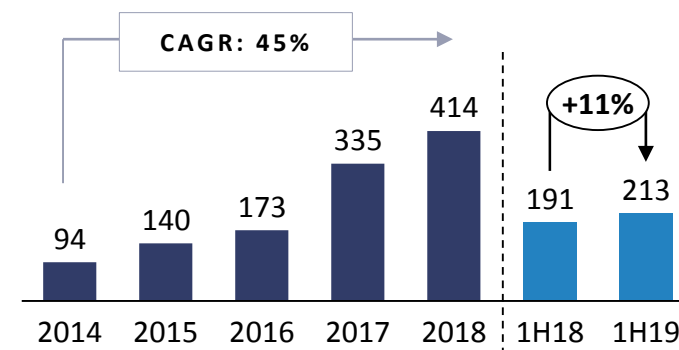
Backlog (EGP mn)



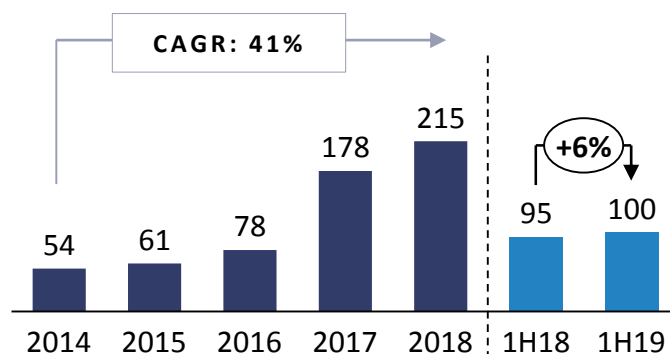
Revenues (EGP mn)



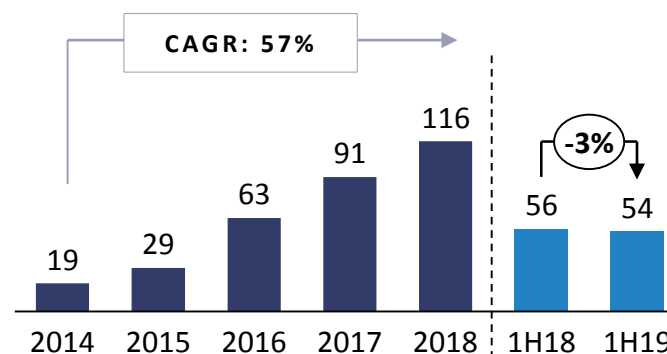
Gross Profit (EGP mn)



EBITDA (EGP mn)



Net Income (EGP mn)



- Giza Systems posted 1H19 revenue of EGP 1,407mn representing 51% Y-o-Y growth which is a substantial increase in total sales from last years results, on the back of winning larger contracts
- 1H19 Gross Profit and EBITDA came in at EGP 213mn and EGP 100mn respectively
- Giza Systems has secured a strong order book going into 2H19 providing a good indication for positive H2 results
 - The company was awarded the largest smart water meters project in Saudi Arabia for a value of c. USD 30mn in July 2019

Key Updates

- Ebtikar is a holding company established under the auspices of Law No. 159/81 with an authorized share capital of EGP 750mn and an injected capital of EGP 585mn as of 1/08/2019
- Major Updates:
 - In June 2019, Ebtikar officially acquired the shares of Tamweel Group of companies (Tamweel Mortgage Finance, Tamweel Financial Leasing, Tahseel, Overseas Insurance Brokerage) with an economic interest of 45.8%
 - In July 2019, Ebtikar increased its stake in Masary from 35.7% to 45.8%
 - In July 2019, Ebtikar increased its injected capital from EGP 475mn to EGP 585mn

Portfolio Companies



ELECTRONIC PAYMENTS



MICROFINANCE



LEASING & MORTGAGE



OTHER NBFS

Other Investments

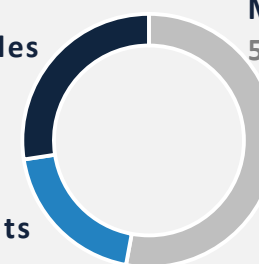


Shareholding Structure

**BPE Partners-
Managed Vehicles**
26.6%

B Investments
20.5%

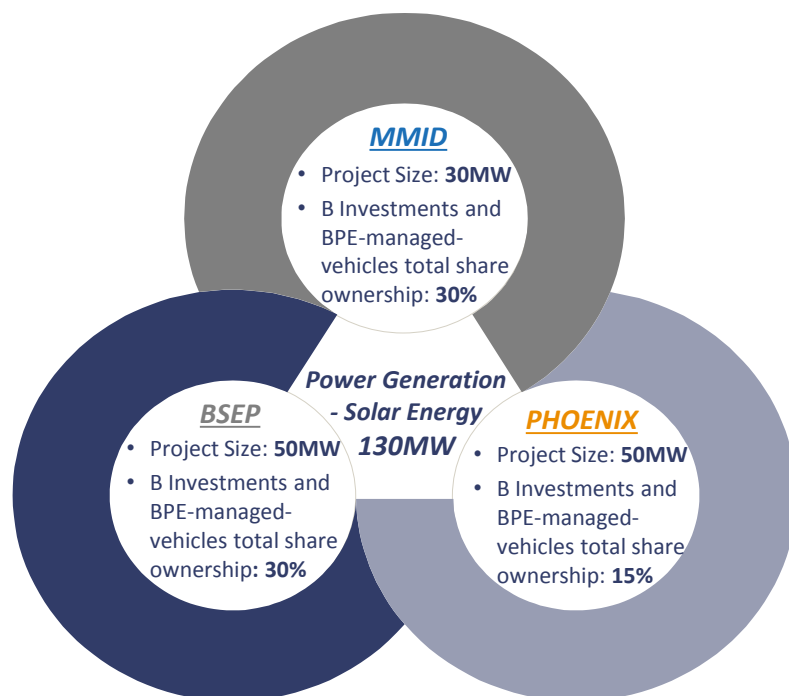
MTI
52.9%



SECTOR	Electronic Payments		Microfinance		Electronic Payments	Financial Leasing - Mortgage Finance - Factoring - Collection - Insurance Brokerage
VINTAGE YEAR	2017		2017		2018	2019
TYPE OF TRANSACTION	Buyout / Growth Capital		Greenfield		Buyout / Growth Capital	Buyout / Growth Capital
OWNERSHIP	60.0 %		50.0 %		45.8 %	45.8 %

Company Overview

- A portfolio of three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130MW
- The total cost of the projects is USD 190mn and is financed through equity and debt from international development finance institutions including European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC)
- The assets have secured long term sales agreements with the Egyptian government and payments are secured by the Ministry of Finance



Status Update

- MMID, BSEP, and Phoenix achieved Commercial Operation on February 6th, April 9th, and April 24th 2019 respectively
- The assets generated revenue of c. USD 7.5mn in 1H19 with positive cash flow, significantly de-risking the projects, and on-track to issue dividends by year-end
- All three companies have collected all billed dues from the Ministry of Electricity for 2Q19

Commenced Construction	Mechanical Completion	Energization	COD ¹
✓	✓	✓	✓

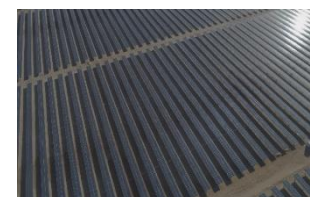
Aerial Pictures

MMID

The 1st project to commence operation in its vicinity



BSEP



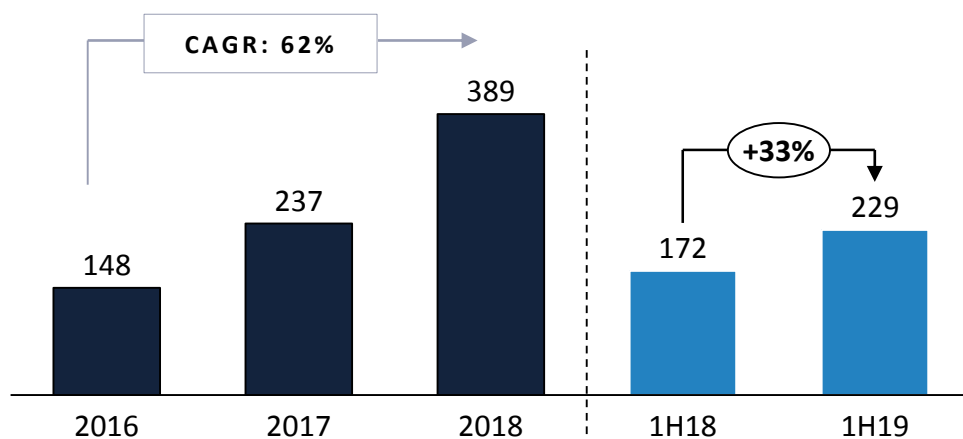
Phoenix



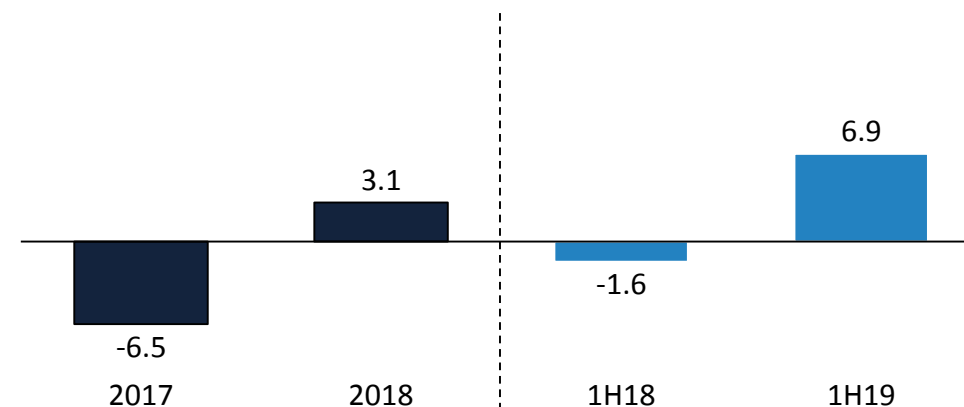
Partners & Stakeholders



Revenue (EGP mn)



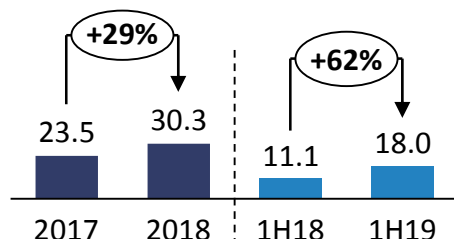
Net Income (EGP mn)



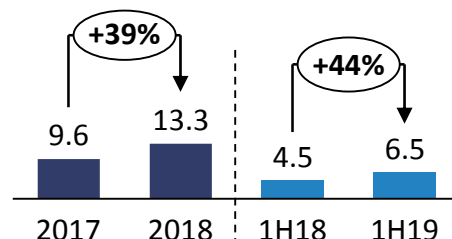
- Gourmet Egypt posted 1H19 Revenue of EGP 229mn, up from EGP 172mn in 1H18, representing a growth of 33% Y-o-Y
- Gourmet posted Net Income of EGP 6.9mn during 1H19, compared to a Net Loss of EGP -1.6mn in the same period last year
- In 2019, Gourmet successfully opened 3 new stores in Alexandria and the North Coast: 2 stores in Alexandria launched in May 2019 and an additional store in the North Coast, bringing the number of Gourmet's seasonal North Coast stores to 3
- Currently, Gourmet has 12 retail stores with expected additional stores to be opened in 2019

Metalart Key Financial Highlights

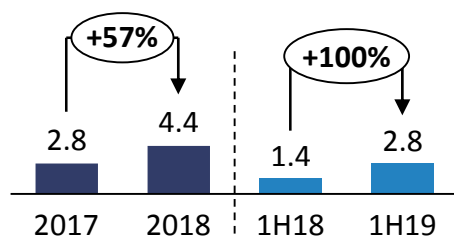
Revenue EGP mn



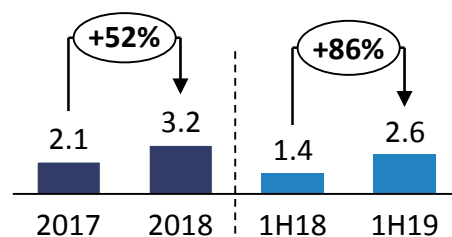
Gross Profit EGP mn



Operating Income EGP mn



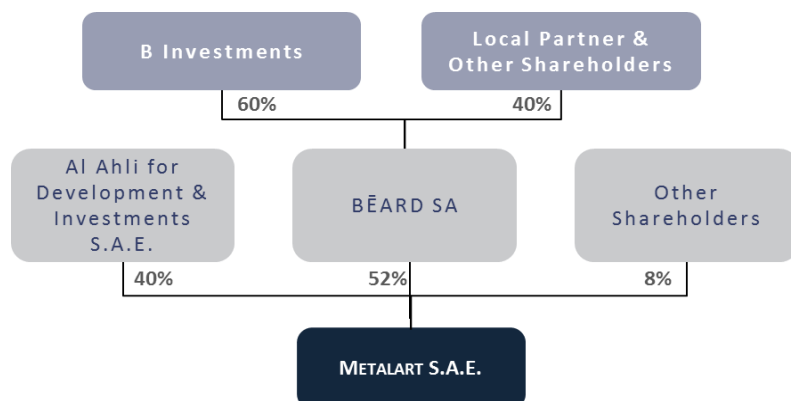
Net Income EGP mn



Recent Updates

- In 1H19, the company recorded revenue of EGP 18mn compared to EGP 11mn in 1H18. The growth in revenue is attributed to the increased hotel orders to the company on the back of the improvement in tourism
- The company also conducts follow-up orders and repairs services in order to increase its aftersales revenues
- Net Income for the period came in at c. EGP 3mn, representing a Y-o-Y growth of 86% and Net Profit margin of 14%
- Following the recent trend in the market, the company started using colored stainless steel to produce colored flatware and hollowware (specifically black) rather than copper and stainless steel
- In 1Q19, Metalart purchased an automated bending machine for EUR 45,000 which replaces a lot of manual labor, time consumption and is much more accurate than manual work
- The bending machine will allow the company to penetrate the hotel-furniture industry (producing customized furniture to hotels)
- The company is studying purchasing a coloring machine for EUR 80,000 through a bank loan from Banque Misr, allowing the company to penetrate the retail market through offering colored stainless steel products which are currently in fashion

BĒARD Shareholding Structure



New Market Opportunities

Metalart is studying moving towards producing colored stainless steel flatware through purchasing of the new coloring machine





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