



INVESTMENTS

Managed By

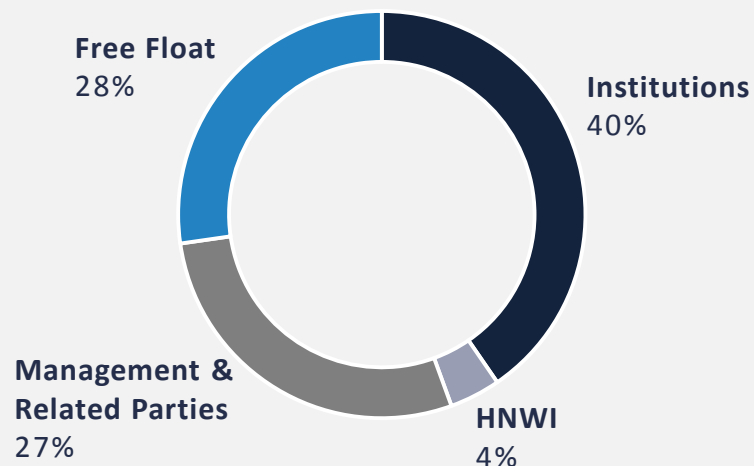
bpe partners

B INVESTMENTS — EARNINGS RELEASE 1Q19

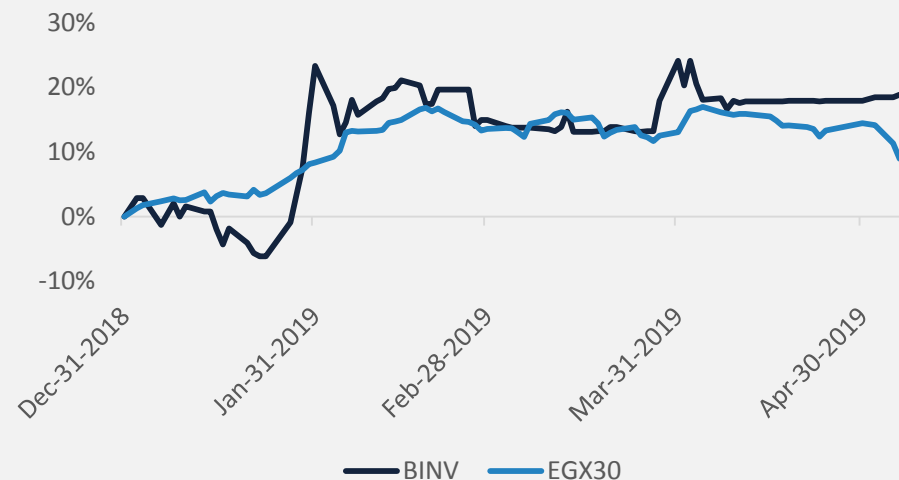
MAY 2019



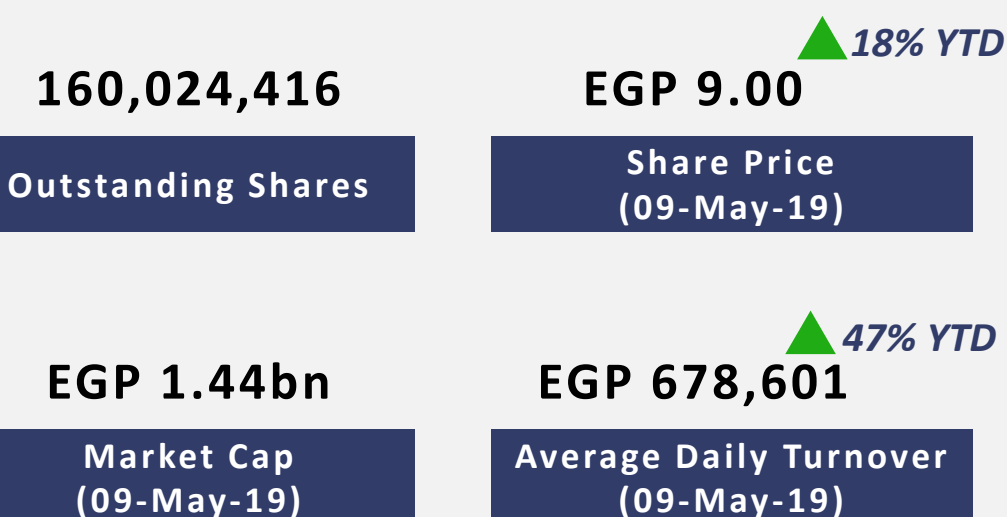
Shareholding Structure



BINV Share Price vs. EGX (Rebased)



BINV Key Highlights



Analyst Coverage

Institution	Recommendation	Target Price	Upside	Date
CI Capital	Buy	13.0	50%	Oct-18
Naeem	Buy	14.3	65%	Jan-2019
EFG Hermes	Expected Initiation of Coverage by 3Q19			

B Investments was one of Naeem Research's top stock picks for 2019



I. Consolidated Financial Highlights

FINANCIAL HIGHLIGHTS | 1Q19 CONSOLIDATED FINANCIAL PERFORMANCE



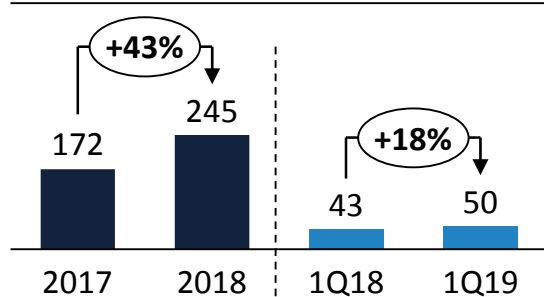
INVESTMENTS

EGP 50mn

Revenues

Revenues

EGP mn

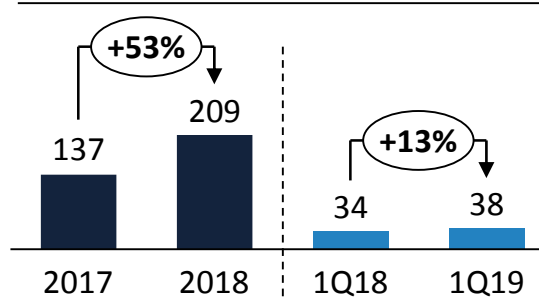


EGP 38mn

EBT

EBT

EGP mn

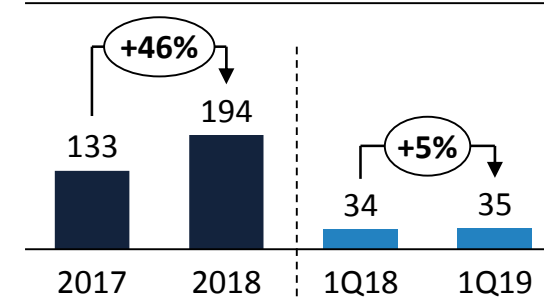


EGP 35mn

Net Income

Net Income

EGP mn



- B Investments recorded Revenues of EGP 50mn during 1Q19, implying a 18% increase from the same period last year
- Revenues were mainly derived from share of profits from portfolio companies and Finance Income
- EBT grew by 13% Y-o-Y to reach EGP 38mn
- B Investments recorded Net Income After Tax & Minority Interest of EGP 35mn during the period implying a growth of 5% compared to the same period last year

FINANCIAL HIGHLIGHTS | 1Q19 CONSOLIDATED FINANCIAL POSITION



INVESTMENTS



- B Investments' assets grew by 19% during 1Q19 compared to the company's position on 31/12/2018 primarily due to the increase in the equity value of portfolio companies
- B Investments continues to have no bank debt and the nature of the liabilities are non-interest bearing
- Total Equity grew to EGP 1,695mn on the back of growth in earnings

FINANCIAL HIGHLIGHTS | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	2017	2018	1Q18	1Q19
Revenues				
Dividend Income from Available for Sale Investments	22.6	26.2	-	-
Group's Share of Profits of Joint Venture and Associate Entities	104.1	126.3	28.7	27.4
Finance Income	34.3	84.2	9.9	22.6
Reverse of Impairment in Notes Receivable	3.2	-	-	-
Provisions no Longer Required	-	2.5	2.5	-
FX Gain	-	1.8	-	-
Other Income	7.4	4.5	1.5	0.2
Total Revenues	171.6	245.5	42.6	50.2
Expenses				
Management Fees	(11.7)	(16.3)	(2.9)	(4.6)
Consulting Fees	(10.7)	(16.3)	(5.3)	(1.5)
BOD Allowance	-	(0.2)	-	(0.1)
Depreciation of Investment Properties	(0.3)	(0.3)	(0.1)	(0.1)
FX Gains (Losses)	(4.0)	-	(0.8)	(6.0)
Provisions	(2.5)	-	-	-
Total Expenses	(29.2)	(33.1)	(9.1)	(12.3)
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	33.5	37.9
Income Tax	(18.4)	(14.4)	-	(3.8)
Deferred Tax	13.4	(0.5)	-	1.3
Net Profit After Tax	131.7	194.5	33.5	35.5
Minority Interest	(1.5)	0.6	0.1	0.3
Net Profit After Tax and Minority Interest	133.2	193.9	33.4	35.2

FINANCIAL HIGHLIGHTS | CONSOLIDATED BALANCE SHEET











INVESTMENTS

EGP mn	2017	2018	1Q19
Non-current assets			
Intangible Assets	2.7	2.7	2.6
Investments in Associates	314.6	389.8	412.3
Available for Sale Investments	141.3	141.3	141.3
Investments in Joint Ventures	190.8	427.4	447.1
Investment Properties	113.5	113.3	113.2
Loans to Associates ¹	94.7	105.3	104.1
Projects Under Construction	-	7.9	13.4
Total-Non Current Assets	857.6	1,187.6	1,234.0
Current Assets			
Treasury Bills	105.5	416.7	409.0
Due from Related Parties	1.2	1.2	1.5
Other Debit Balances	8.2	15.5	18.3
Cash and Cash at Banks	95.0	87.7	79.3
Total Current Assets	209.8	521.1	508.2
Total Assets	1,067.4	1,708.8	1,742.1
Equity			
Issued and Paid-up Capital	584.5	800.1	800.1
Legal Reserve	10.6	255.5	256.3
Other Reserves	28.2	24.7	24.7
Retained Earnings	257.6	388.5	578.8
Net Profit for the Period	133.2	193.9	35.2
Equity attributable to shareholders of the parent company	1,014.0	1,662.6	1,695.1
Minority Interest	4.4	5.1	5.5
Total Equity	1,018.5	1,667.7	1,700.6
Non-Current Liabilities			
Deferred Tax Liability	8.9	9.4	8.1
Total Non-Current Liabilities	8.9	9.4	8.1
Current Liabilities			
Due to Related Parties	3.0	5.0	4.4
Accounts Payable and Other Credit Balances	8.3	6.6	6.2
Income Tax	18.4	13.2	17.0
Provisions	10.4	6.8	5.9
Total Current Liabilities	40.0	31.6	33.4
Total Equity and Liabilities	1,067.4	1,708.8	1,742.1

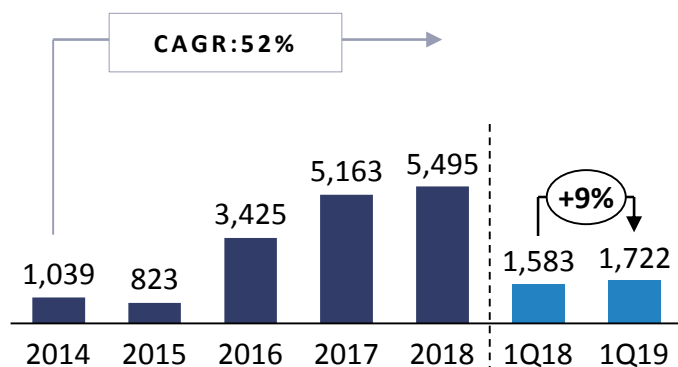
Note (1): Loans to Associates is a shareholder loan extended to the project companies of Infinity Solar

II. Portfolio Companies

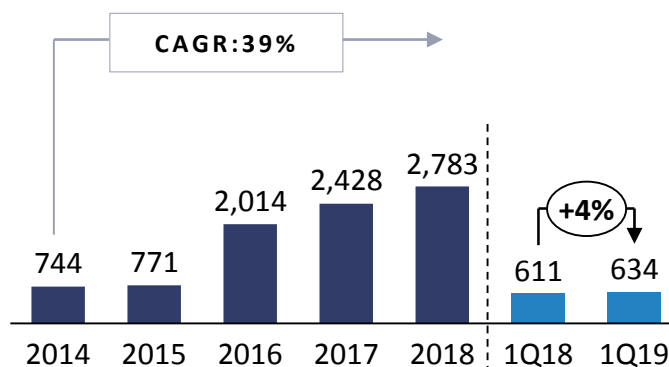
Sector	Real Estate	Oil & Gas	IT System Integration	Non-Banking Financial Services	Renewable Energy	Food & Beverage	Manufacturing
Company	 MADINET NASR HOUSING & DEVELOPMENT			 FOR NON BANKING FINANCIAL SERVICES			
Description	<ul style="list-style-type: none"> ▪ Madinet Nasr for Housing & Development (“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 in 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

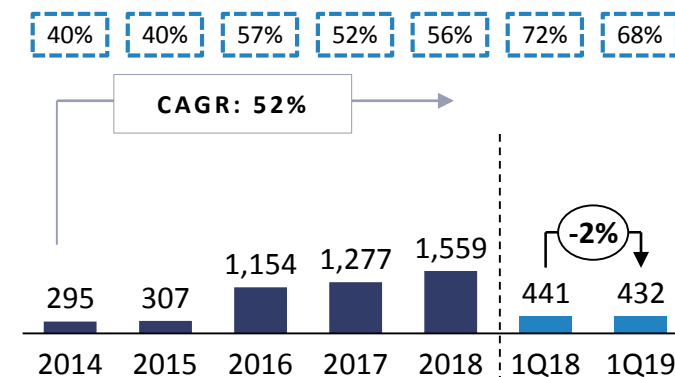
Pre-Sales (EGP mn)



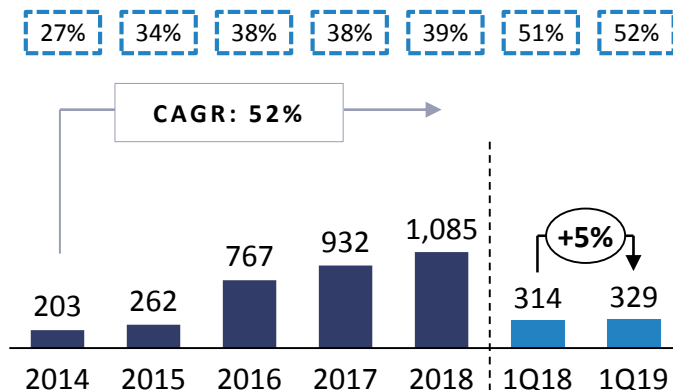
Net Revenues (EGP mn)



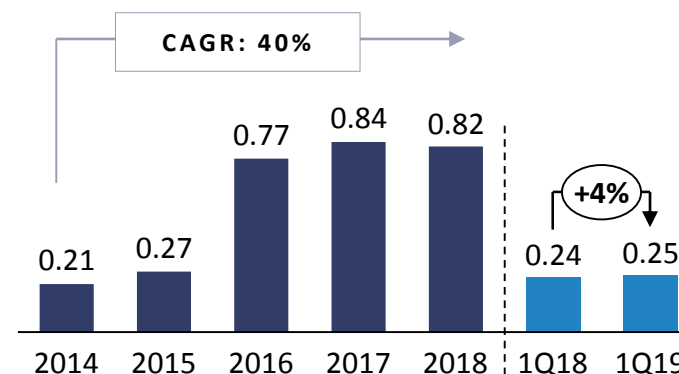
EBITDA (EGP mn)



Net Income (EGP mn)

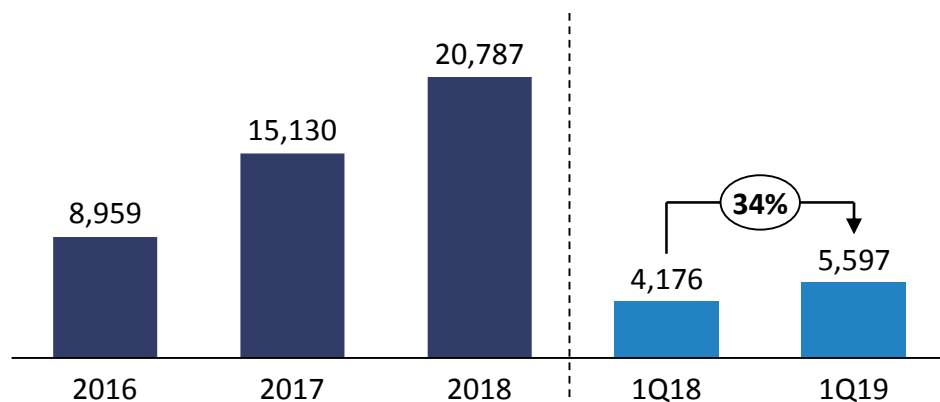


EPS (EGP)

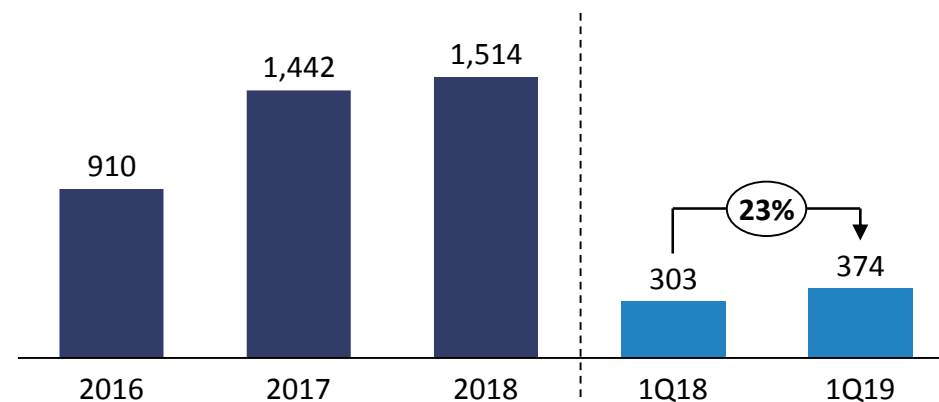


- Pre-Sales increased by 9% to reach 1.72bn in 1Q19, compared to 1.58bn in 1Q18 on the back of reservations and commercial sales
- Net Revenues grew by 4% Y-o-Y, reaching c. EGP 634mn compared to EGP 611mn in 1Q18. The increase was attributed to the growth of Pre-Sales
- Net Income increased by 5% to reach c. EGP 329mn compared to EGP 314mn during 1Q18. The decrease in EBITDA margin is mainly on the back of higher deliveries (with lower margins) in 1Q19

Revenues (EGP mn)

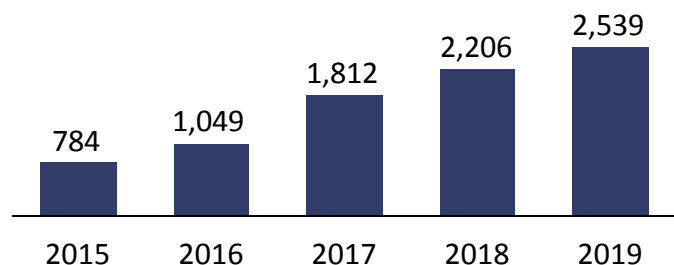


Gross Profit (EGP mn)

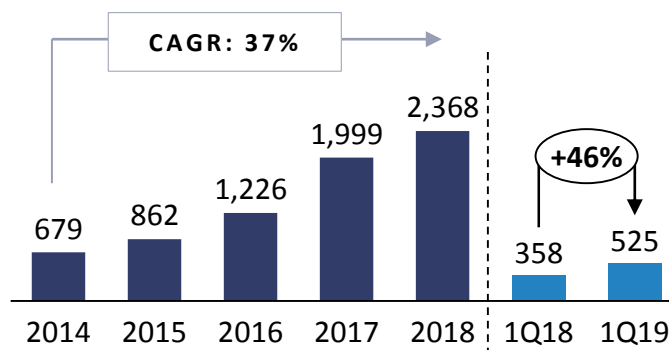


- TOTAL Egypt recorded Revenues of EGP 5.6bn during 1Q19 recording a Y-o-Y growth of 34%
- The growth in Revenues is attributed to the increase in fuel prices due to fuel subsidy cuts by the government as part of its economic reform program

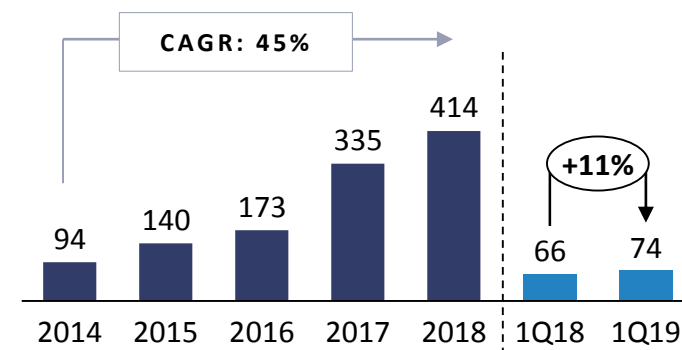
Backlog (EGP mn)



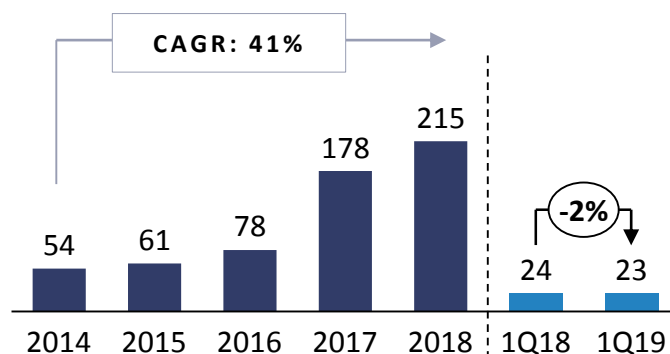
Revenues (EGP mn)



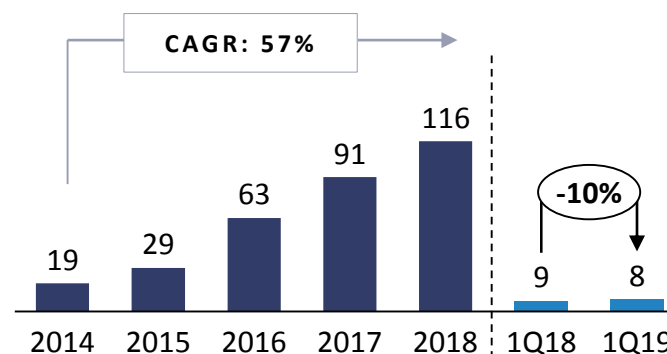
Gross Profit (EGP mn)



EBITDA (EGP mn)



Net Income (EGP mn)

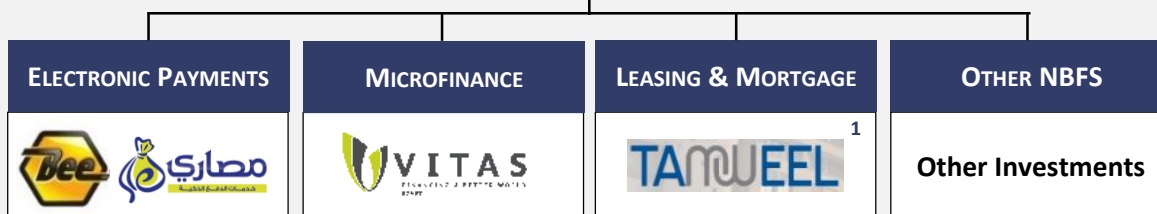


- Giza Systems posted 1Q19 Revenue and Gross Profit of EGP 525mn and EGP 74mn respectively, representing 47% and 12% growth respectively
- EBITDA and Net Profit dipped slightly due to the increase in SG&A on the back of the increased size in awarded 2019 contracts
- Backlog remains strong through 2019 with the award of multiple large projects

Company Overview

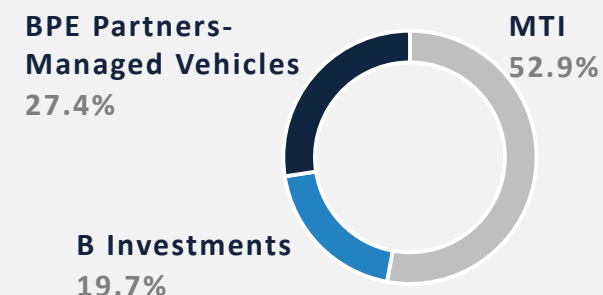
- In June 2017, BPE Partners established an investment vehicle under the name of “Ebtikar for Financial Investment” along with MM Group for Industry and International Trade (MTI) as the designated vehicle to invest in the non-banking financial services (NBFS) sector; aiming to invest in microfinance, electronic payments, leasing, mortgage, factoring, consumer finance and any other related NBFS
- Ebtikar is a holding company established under the auspices of Law No. 159/81 with an authorized share capital of EGP 750 mn and a subscribed and paid-in capital of EGP 441.6 mn as of 31/03/2019
- One of the main focus areas of Ebtikar is to create synergies between its portfolio and affiliate companies by offering integrated products and services
- Two major updates during 1Q19; Vitas Misr received the final operating license by FRA and has began disbursing microfinance loans and Ebtikar has received the final approval from the FRA on the acquisition of Tamweel Group

Portfolio Companies



SECTOR	Electronic Payments	Microfinance	Electronic Payments	Financial Leasing & Mortgage
VINTAGE YEAR	2017	2017	2018	2018
TYPE OF TRANSACTION	Buyout / Growth Capital	Greenfield	Buyout / Growth Capital	Buyout / Growth Capital
OWNERSHIP	60.0 %	50.0 %	35.7 %	45.4 %

Shareholding Structure



Note (1): Awaiting share transfer execution

Infinity Solar Overview

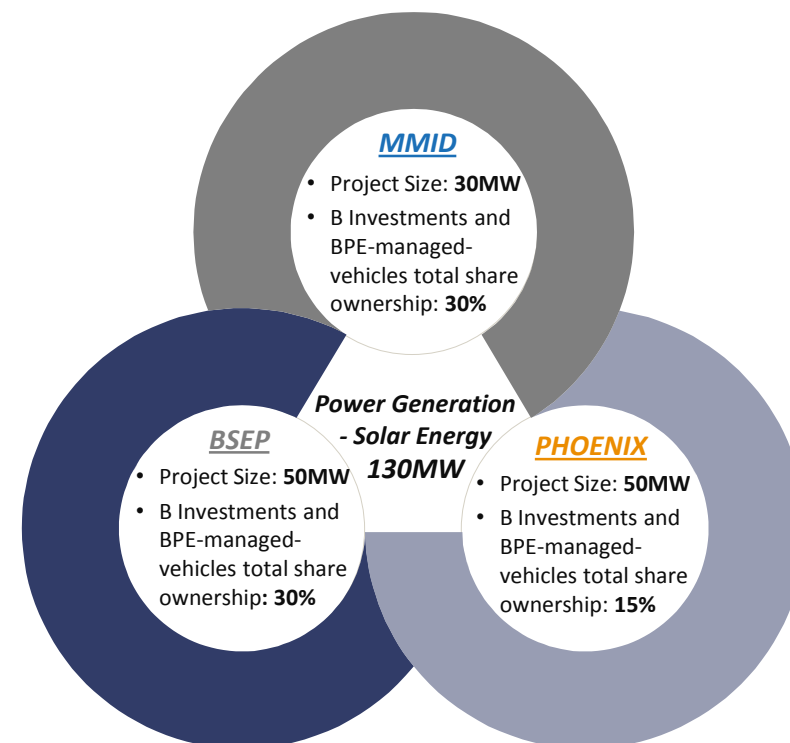
- A portfolio of three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130MW
- The project is in partnership with Infinity Solar Energy SAE, an Egyptian renewable energy developer and ib vogt, an international solar developer and EPC contractor established in Germany
- 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 projects are part of the second round of the Feed-in Tariff program (FiT), selling electricity to the Ministry of Electricity
- The FiT is a program established in 2015 by the Ministry of Electricity to encourage renewable energy and private sector involvement in energy generation
- The assets have secured long term sales agreements with the Egyptian government and payments are secured by the Ministry of Finance

Project Achievements

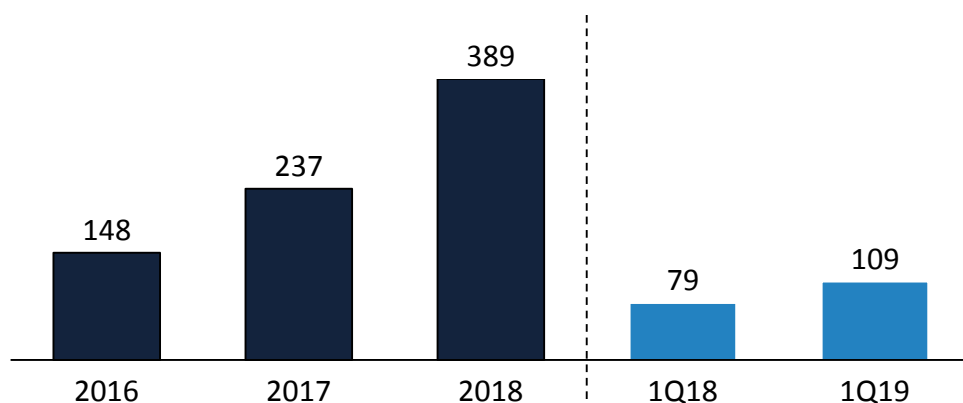
	Commenced Construction	Mechanical Completion	Energization	COD ¹
MMID	✓	✓	✓	✓
BSEP	✓	✓	✓	✓
Phoenix	✓	✓	✓	✓

By commencing operations, the assets start generating revenue and become cash flow positive, resulting in a higher value asset

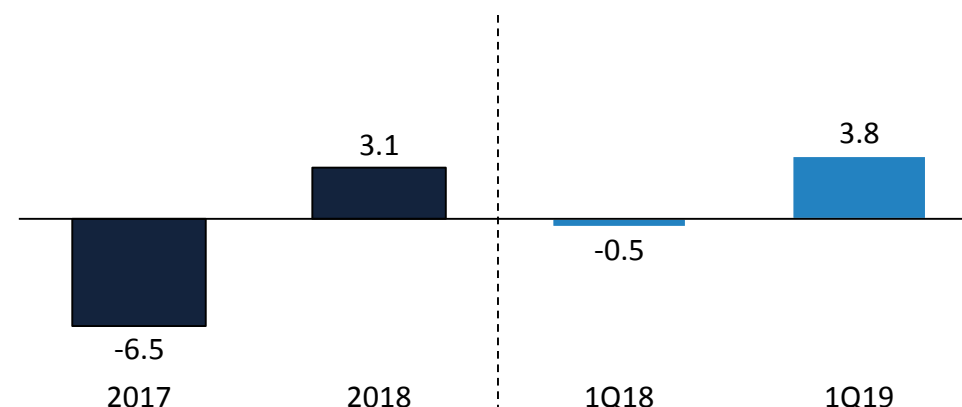
Infinity Solar Overview



Revenue (EGP mn)



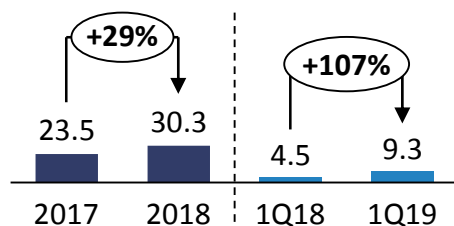
Net Income (EGP mn)



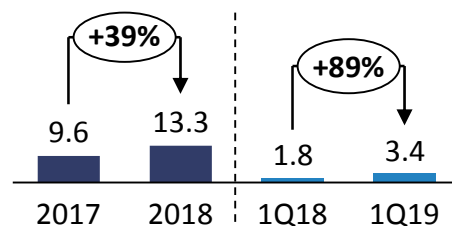
- Gourmet Egypt posted 1Q19 Revenue of EGP 109mn, up from EGP 79mn in 1Q18, representing a growth of 37% Y-o-Y
 - Revenue figures are in line with the year-end budget which are expected to exceed EGP 500mn
 - It is noteworthy to mention that 1Q19 did not witness opening of any new stores and thus, revenues were generated from existing stores
- Gourmet posted Net Income during 1Q19 of EGP 3.9mn, compared to a Net Loss of EGP c. 0.5mn in 1Q18
- First retail expansions in Alexandria successfully launched in May 2019, with additional stores expected to open throughout the year

Metalart Key Financial Highlights

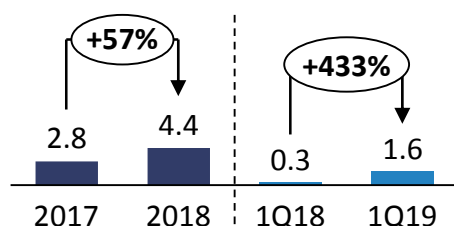
Revenue EGP mn



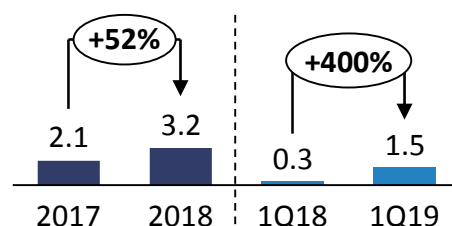
Gross Profit EGP mn



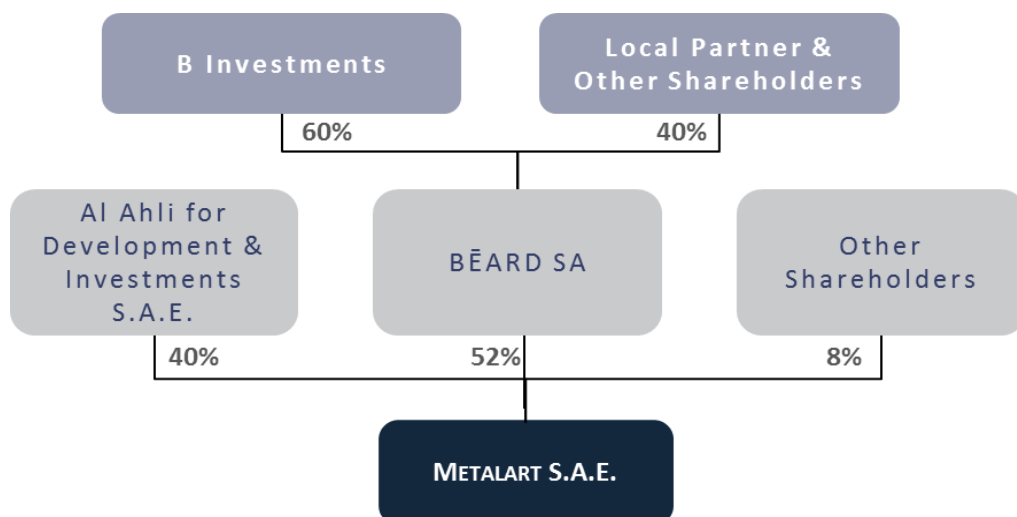
Operating Income EGP mn



Net Income EGP mn



BĒARD Shareholding Structure



BĒARD Overview

- Established in 1888 and based in Switzerland, BĒARD SA is a global player in the manufacturing of high-grade stainless steel and silver-plated flatware and hollowware
- The company was founded by Noel BĒARD and began as a distributor of chinaware and glassware to hotels in Switzerland
- The BĒARD brand built a reputation for high quality and cemented its position as the leading high-end manufacturer and distributor of silver-plated flatware and hollowware
- BĒARD offers a wide range of top quality products with innovative designs that appeal to both private households and the hospitality sector on a global level
- BĒARD SA operates in Egypt through Metalart S.A.E, an Egyptian Joint Stock company owned by BĒARD SA and other shareholders
- Through a management buyout, B Investments and the local partner acquired the brand name and moved the manufacturing facility to Egypt

Geographical Coverage





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