



INVESTMENTS

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B INVESTMENTS – 9M19 EARNINGS RELEASE

17 NOVEMBER 2019



I. Key Updates

Company	Key Updates
	<ul style="list-style-type: none"> ▪ TOTAL Egypt is on track to finalize the construction of 7 new stations in 2019; (i) 2 new stations opened in 2Q19, (ii) construction of another 2 stations completed in 3Q19 pending finalizing the licensing process to commence operations, and (iii) another 3 stations currently under construction expected to be completed before year-end ▪ TOTAL Egypt was awarded new contracts in 3Q19: (i) renewal of lubricants contract with an automotive dealer, (ii) a new lubricants contract in the industrial segment, and (iii) 9 new contracts in the Commercial Sales segment
	<ul style="list-style-type: none"> ▪ In 3Q19, Giza Systems' was awarded new projects worth EGP 1.4bn, a record high for a single quarter, which consist of key integration projects awarded in Egypt and Saudi Arabia as well as a USD 6mn project in Uganda, showing further expansion in the company's geographical coverage ▪ The company was also awarded the largest Smart Water Meters project in Saudi Arabia for a value of c. USD 30mn in 2Q19
	<ul style="list-style-type: none"> ▪ Ebtikar's injected capital reached EGP 727mn, of which EGP 150mn has been deployed by B Investments ▪ During 3Q19, Ebtikar increased its stake in Masary from 35.7% to 65.5%¹ ▪ Tamweel Holding launched its auto finance business line ▪ Tamweel Mortgage is currently ranked 2nd in YTD loan originations (EGP 403mn) as per the Financial Regulatory Authority (FRA) 3Q19 Mortgage Report
	<ul style="list-style-type: none"> ▪ Infinity Solar's 3 solar energy generating plants are all currently operational and generating income ▪ The three assets have collected all billed dues from the Ministry of Electricity
	<ul style="list-style-type: none"> ▪ In 2019, Gourmet launched 4 new stores, increasing its retail area by c. 75% to reach a total area of c. 2,000 sqm: <ul style="list-style-type: none"> ➤ 2 stores in Alexandria (first permanent expansion outside of Cairo) ➤ 1 seasonal store on the North Coast (Stella) ➤ 1 permanent store in East Cairo (Water Way 2)

Note (1): In November 2019, Ebtikar increased its stake in Masary to 69.8%



II. 9M19 Financial Highlights

9M19 FINANCIAL HIGHLIGHTS | CONSOLIDATED FINANCIAL PERFORMANCE



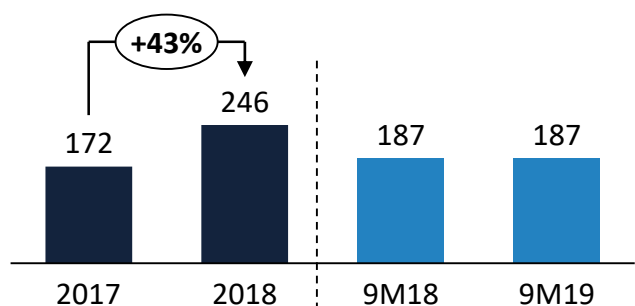
INVESTMENTS

Revenues

EGP 187mn

Revenues

EGP mn

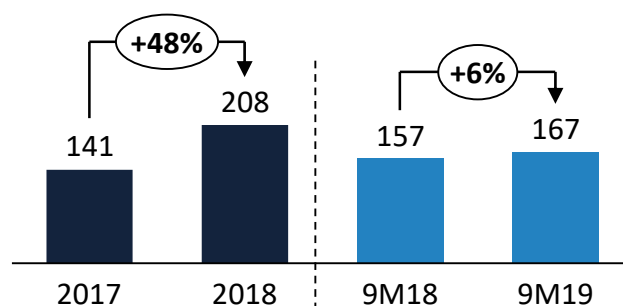


EBIT

EGP 167mn

EBIT

EGP mn

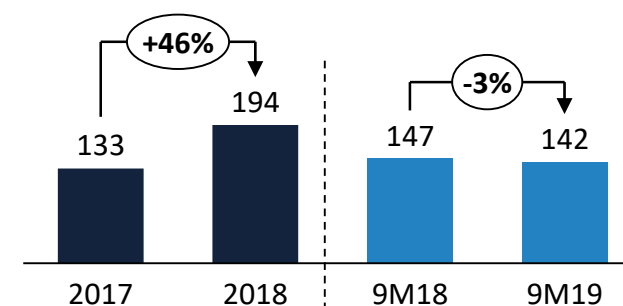


Net Income

EGP 142mn

Net Income

EGP mn



- B Investments recorded revenues of EGP 187.1mn during 9M19, compared to EGP 187.2mn 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 167mn compared to EGP 157mn during 9M19, implying a 6% growth Y-o-Y
- Net income after tax & minority interest reached EGP 142mn during 9M19, compared to EGP 147mn in the same period last year as a result of FX losses during 9M19

9M19 FINANCIAL HIGHLIGHTS | CONSOLIDATED FINANCIAL POSITION



INVESTMENTS



- B Investments assets amounted to EGP 1,738mn on September 30th 2019 compared to EGP 1,709mn on December 31st 2018, primarily due to solid performance of its portfolio investments
- B Investments continues to have no interest-bearing debt
- Total equity grew to EGP 1,701mn as of September 30th 2019

9M19 FINANCIAL HIGHLIGHTS | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	2017	2018	9M18	9M19
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	91.1	96.5
Finance Income	34.3	84.2	61.2	60.7
Reverse of Impairment in Notes Receivable	3.2	-	-	-
Provisions no Longer Required	-	2.5	2.5	-
FX Gain	-	1.8	1.9	-
Capital Gains	-	-	-	1.6
Other Income	7.4	4.5	4.3	0.6
Total Revenues	171.6	245.5	187.2	187.1
Expenses				
Management Fees	(11.7)	(16.3)	(11.6)	(13.9)
Consulting Fees	(10.7)	(16.3)	(12.8)	(5.5)
BOD Allowance	-	(0.2)	(0.2)	(0.1)
Depreciation of Investment Properties	(0.3)	(0.3)	(0.2)	(0.3)
FX Gains (Losses)	(4.0)	-	-	(16.7)
Provisions	(2.5)	-	-	-
Total Expenses	(29.2)	(33.1)	(24.9)	(36.5)
Impairment in Debtors	(3.1)	-	-	-
Impairment In Assets	(2.7)	-	-	-
Impairment in other debit balances	-	(3.0)	(3.0)	-
Net Profit Before Tax	136.6	209.4	159.3	150.5
Income Tax	(18.4)	(14.4)	(11.0)	(12.3)
Deferred Tax	13.4	(0.5)	(0.4)	4.5
Net Profit After Tax	131.7	194.5	147.8	142.7
Minority Interest	(1.5)	0.6	0.8	0.7
Net Profit After Tax and Minority Interest	133.2	193.9	147.0	142.1

9M19 FINANCIAL HIGHLIGHTS | CONSOLIDATED BALANCE SHEET













INVESTMENTS

EGP mn	2017	2018	9M19
Non-current assets			
Intangible Assets	2.7	2.7	2.4
Investments in Associates	314.6	389.8	433.2
Available for Sale Investments	141.3	141.3	141.3
Investments in Joint Ventures	190.8	427.4	504.7
Investment Properties	113.5	113.3	66.6
Loans to Associates ¹	94.7	105.3	102.8
Projects Under Construction	-	7.9	24.2
Total-Non Current Assets	857.6	1,187.6	1,275.2
Current Assets			
Treasury Bills	105.5	416.7	336.6
Due from Related Parties	1.2	1.2	4.1
Other Debit Balances	8.2	15.5	30.5
Cash and Cash at Banks	95.0	87.7	72.0
Debtors from Selling Investment Properties	-	-	19.2
Total Current Assets	209.8	521.1	462.5
Total Assets	1,067.4	1,708.8	1,737.7
Equity			
Issued and Paid-up Capital	584.5	800.1	800.1
Reserves	38.7	280.1	261.8
Retained Earnings	257.6	388.5	497.4
Net Profit for the Period	133.2	193.9	142.1
Equity attributable to shareholders of the parent company	1,014.0	1,662.6	1,701.5
Minority Interest	4.4	5.1	6.0
Total Equity	1,018.5	1,667.7	1,707.5
Non-Current Liabilities			
Deferred Tax Liability	8.9	9.4	4.9
Total Non-Current Liabilities	8.9	9.4	4.9
Current Liabilities			
Due to Related Parties	3.0	5.0	4.7
Accounts Payable and Other Credit Balances	8.3	6.6	4.6
Income Tax	18.4	13.2	12.3
Provisions	10.4	6.8	3.6
Total Current Liabilities	40.0	31.6	25.3
Total Equity and Liabilities	1,067.4	1,708.8	1,737.7

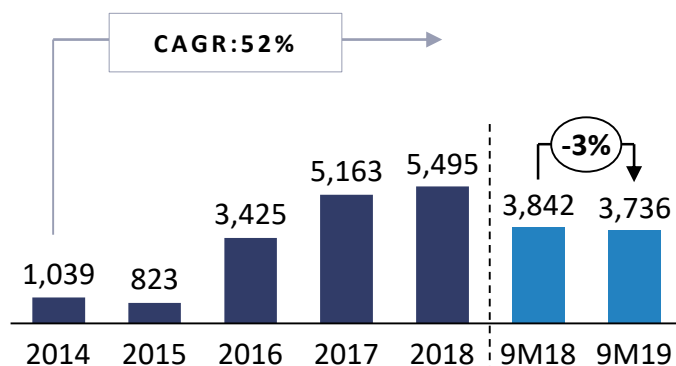
Note (1): Loans to Associates is a shareholder loan extended to the project companies of Infinity Solar

III. Portfolio Companies

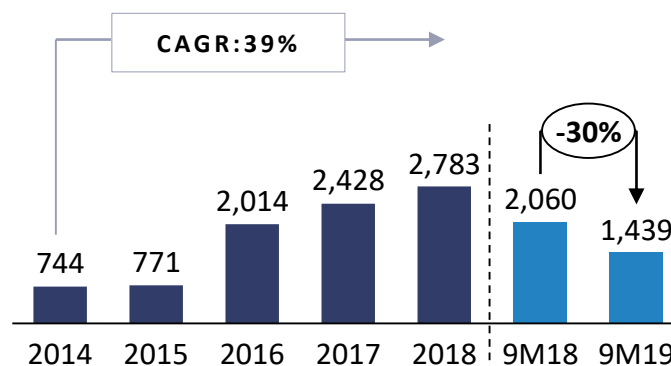
Sector	Real Estate	Oil & Gas	IT System Integration	Non-Banking Financial Services	Renewable Energy	Food & Beverage	Manufacturing
Company	 MADINET NASR HOUSING & DEVELOPMENT			 FOR NON BANKING FINANCIAL SERVICES			
Description	<ul style="list-style-type: none"> ▪ Madinet Nasr for Housing & Development (“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 235 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 designated vehicle to invest in the Non-Banking Financial Services sector through a partnership between B Investments and MM Group For Industry And International Trade ▪ Ebtikar is invested in electronic payments (Bee & Masary), microfinance (Vitas Misr), leasing, mortgage, factoring and auto finance (Tamweel Group) 	<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 ▪ The three solar energy generating plants are all currently operational and generating income 	<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 13 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

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 Misr are growth capital and buyout transactions

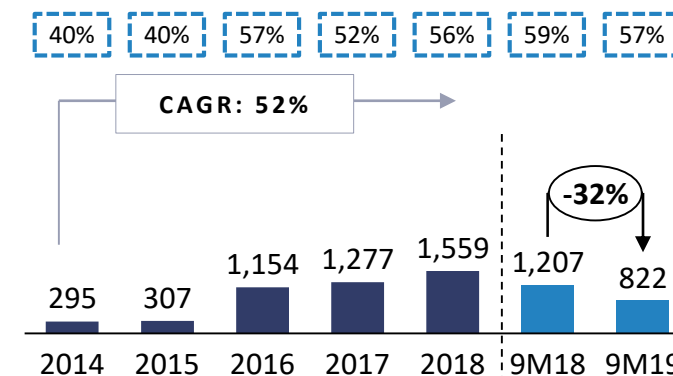
Pre-Sales (EGP mn)



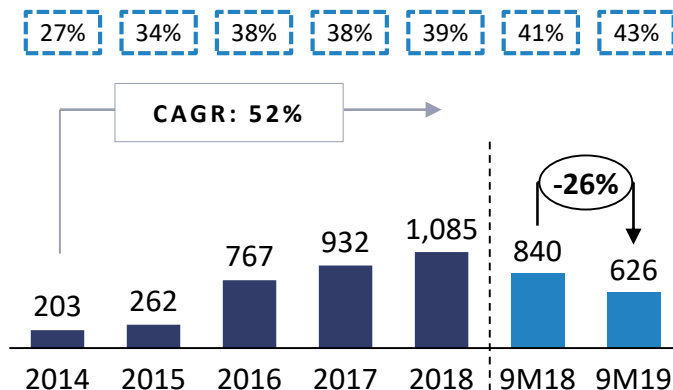
Net Revenues (EGP mn)



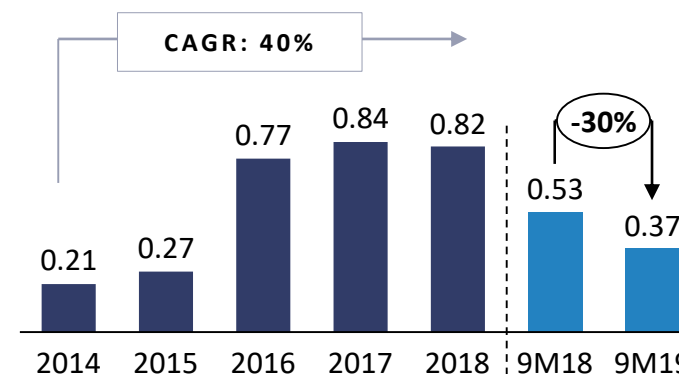
EBITDA (EGP mn)



Net Income (EGP mn)

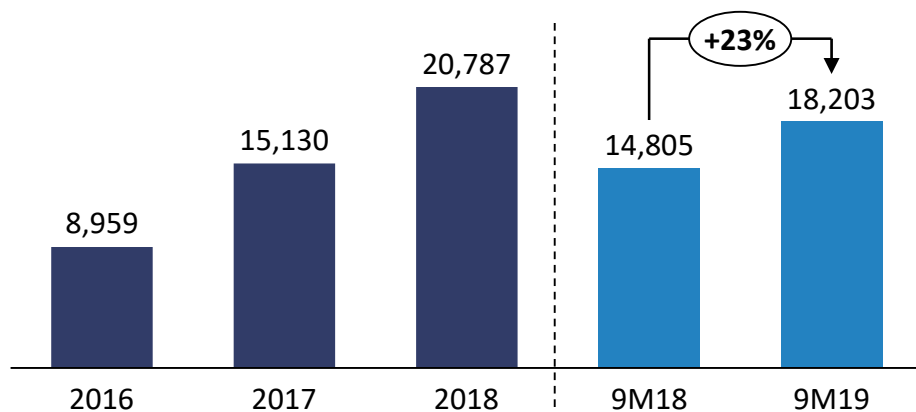


EPS (EGP)

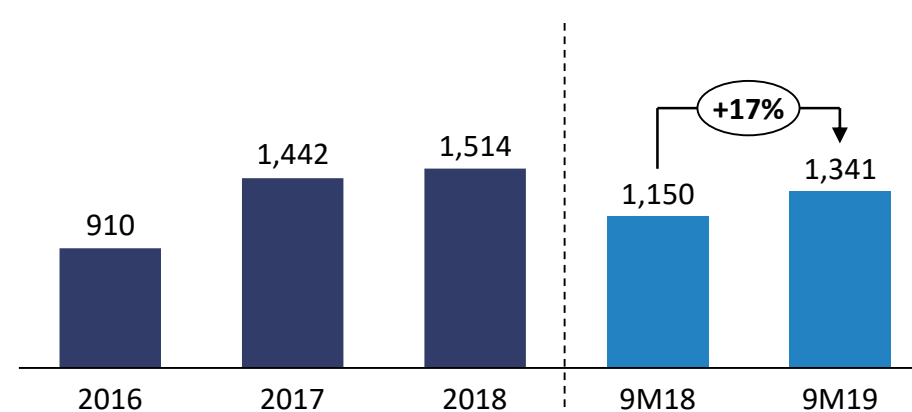


- Pre-Sales decreased by 3% during 9M19 compared to the same period last year due to less launches compared to last year and a softening real estate market. Pre-Sales were driven by launches in Sarai and the newly launched office park, Cobalt Business District
- Net revenues reached EGP 1.4bn, down from EGP 2.1bn during the same period last year on the back of less deliveries scheduled this year due to a gap year from 3 years to 4 years delivery policy, the decrease in contracted sales, and the increased returns
- Net Income reached EGP 626mn during the first nine months of 2019 vs. EGP 840mn during the same period last year

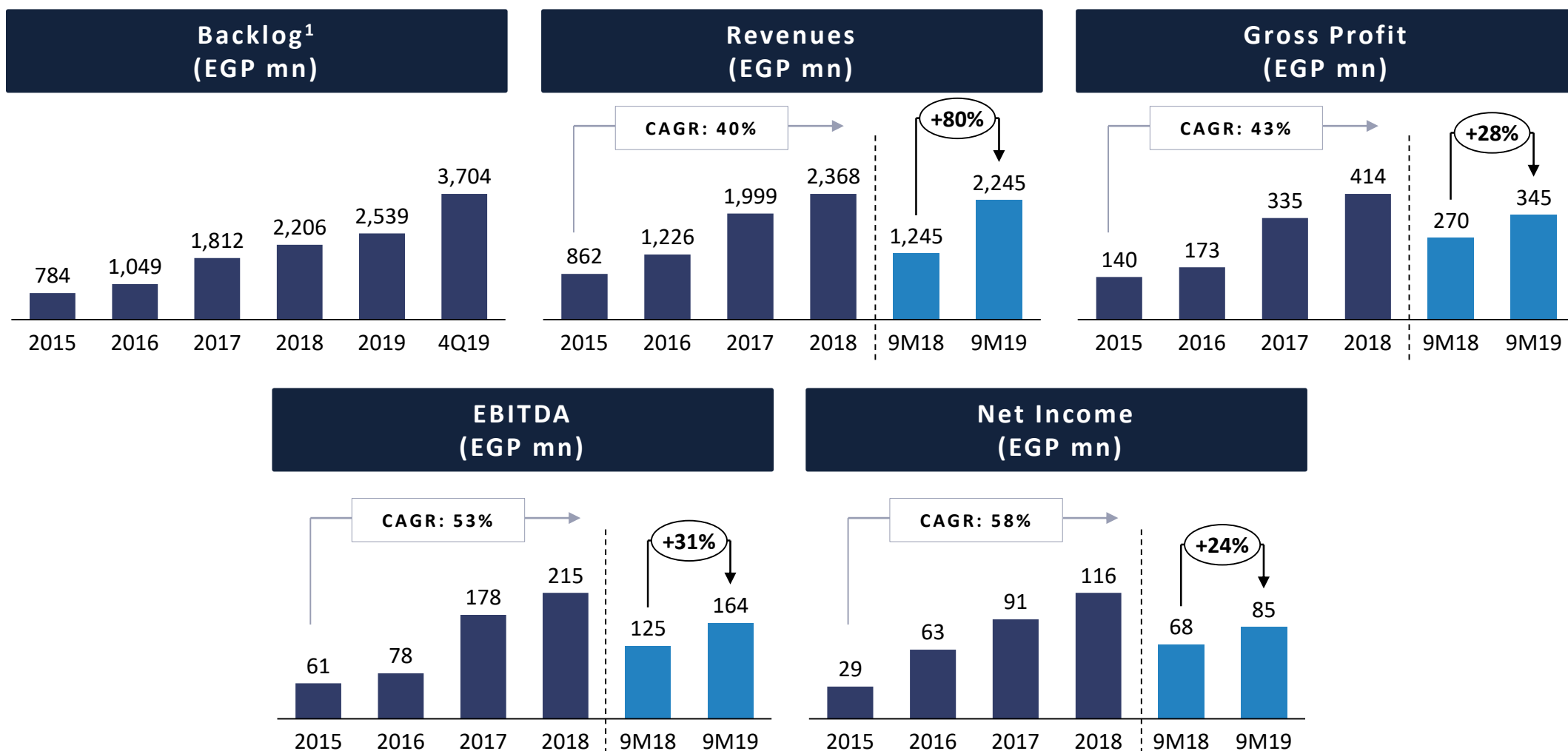
Revenues (EGP mn)



Gross Profit (EGP mn)



- TOTAL Egypt recorded revenues of EGP 18.2bn during 9M19 recording a Y-o-Y growth of 23%
- The growth in revenues is attributed to the recent increase in fuel prices that took place in July 2019

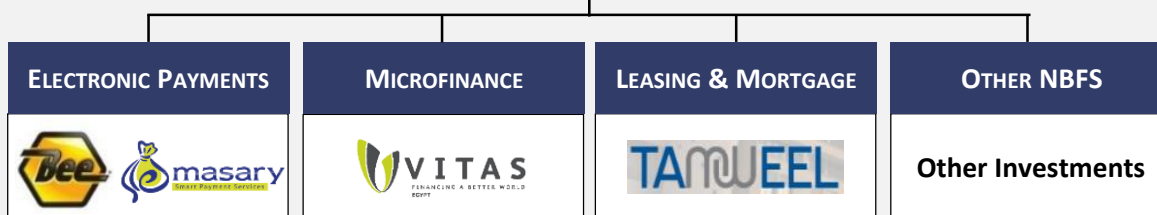


- Giza Systems' backlog as of September 30th 2019 reached EGP 3.7bn, driven by securing a significant amount of new awards during 9M19
- Giza Systems was awarded new contracts worth EGP 1.4bn in 3Q19 which was the highest awards for a single quarter, signaling strong growth going into FY 2020
- Revenues for 9M19 came in at EGP 2,245mn representing 80% Y-o-Y growth

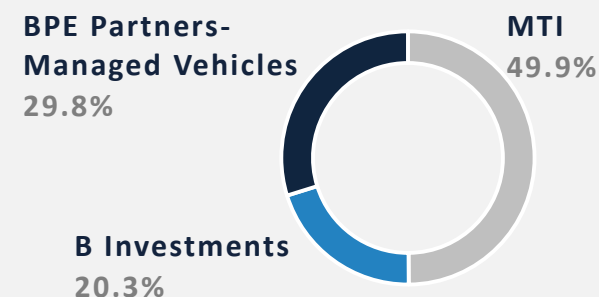
Key Updates

- Ebtikar is a holding company with an authorized share capital of EGP 750mn and an injected capital of EGP 727mn¹, of which EGP 150mn has been deployed by B Investments
- During 3Q19, Ebtikar increased its stake in Masary from 35.7% to 65.5%²
- Tamweel Holding has launched its auto finance business line
- Tamweel Mortgage is currently ranked 2nd in YTD loan originations (EGP 403mn) as per the Financial Regulatory Authority 3Q19 Mortgage Report

Portfolio Companies



Shareholding Structure



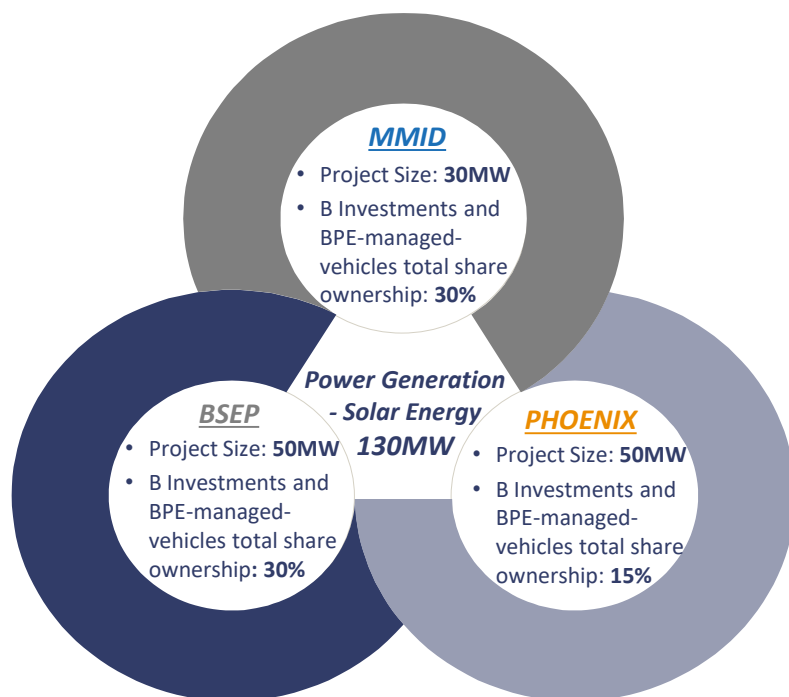
SECTOR	Electronic Payments	Microfinance	Electronic Payments	Financial Leasing - Mortgage Finance - Factoring - Collection - Insurance Brokerage
VINTAGE YEAR	2017	2017	2018	2019
TYPE OF TRANSACTION	Buyout / Growth Capital	Greenfield	Buyout / Growth Capital	Buyout / Growth Capital
OWNERSHIP	60.0%	50.0%	69.8%	46.0%

Note (1): As of November 6th, 2019

Note (2): In November 2019, Ebtikar increased its stake in Masary to 69.8%

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 are all currently operational
- The assets are generating revenues with positive cash flows and are on-track to issue dividends by year-end
- The three assets have collected all billed dues from the Ministry of Electricity

Commenced Construction	Mechanical Completion	Energization	COD ¹
✓	✓	✓	✓

Aerial Pictures

MMID

The 1st project to commence operation in its vicinity



BSEP

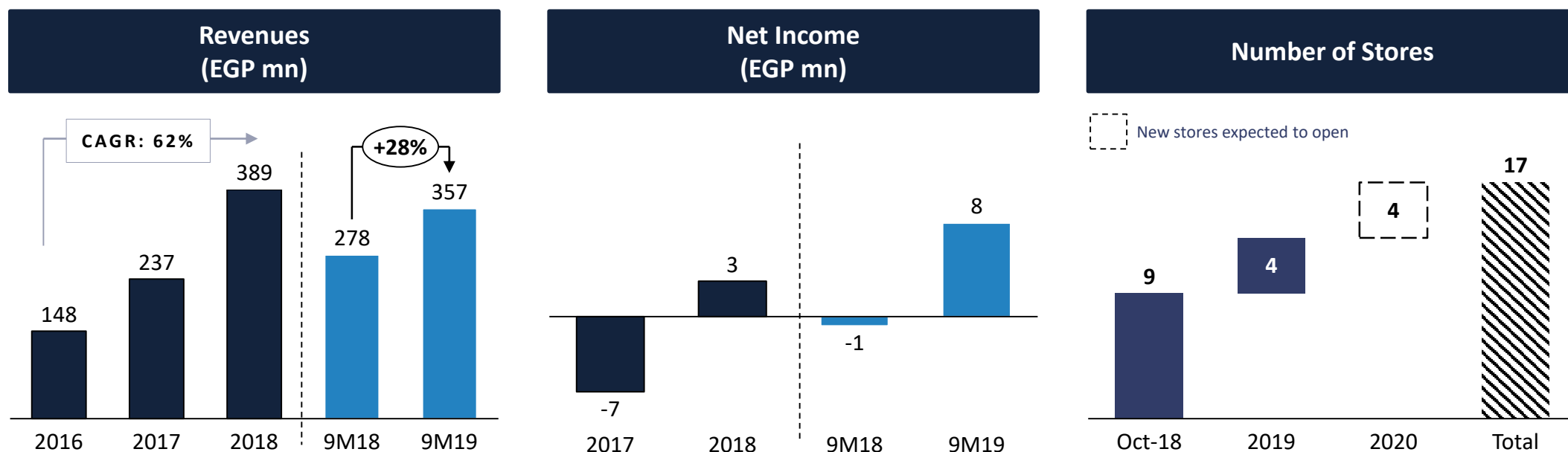


Phoenix



Partners & Stakeholders

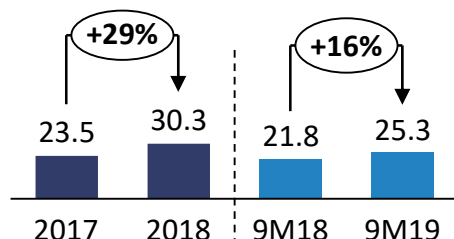




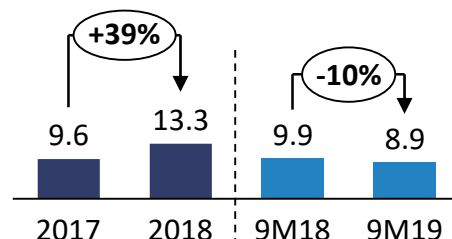
- Gourmet Egypt posted 9M19 revenues of EGP 357mn, up from EGP 278mn in 9M18, representing a 28% growth Y-o-Y
- The company posted net income in 9M19 of EGP 8mn, compared to a net loss of EGP 1mn during the same period last year
- Gourmet currently operates 13 stores across Egypt offering a wide range of groceries, high quality fresh produce and exclusive in-house developed and manufactured products
 - During the first 9 months of 2019, Gourmet successfully opened 4 new stores, increasing its retail area by c. 75% to reach a total area of c. 2,000 sqm

Metalart Key Financial Highlights

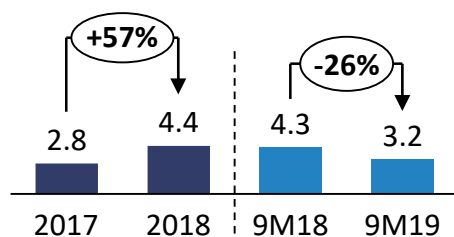
Revenue EGP mn



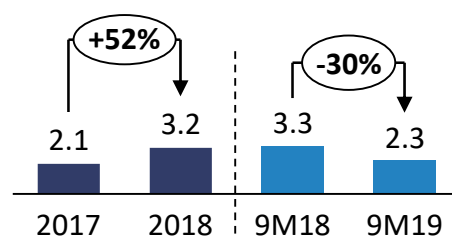
Gross Profit EGP mn



Operating Income EGP mn



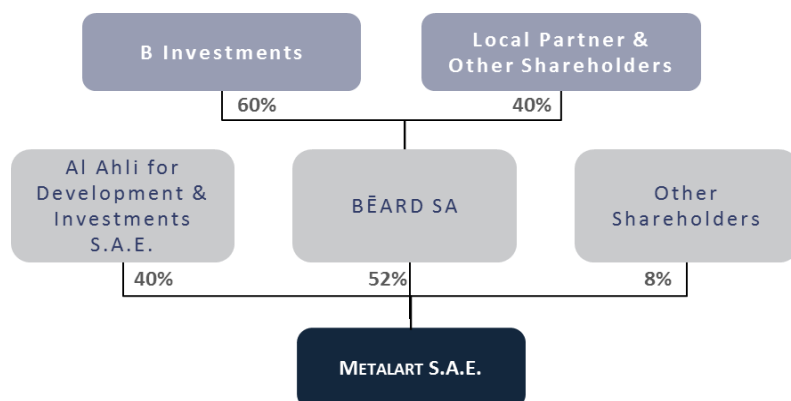
Net Income EGP mn



Key Updates

- During 9M19, the company recorded revenues of EGP 25mn compared to EGP 22mn during the same period last year
- The growth in revenue is attributed to the increase in hotel orders to the company on the back of the improvement in tourism; the company is on track to reach EGP 36mn in revenues this year
- 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 EGP 2.3mn, representing a Y-o-Y drop of 30%, equivalent of EGP 1mn, due to increased operational costs, mainly salaries and other G&A expenses
- Following the recent trend in the market, the company started using colored stainless steel to produce colored flatware and hollowware rather than copper and stainless steel

Metalart 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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