



INVESTMENTS

Managed By

bpe partners

B INVESTMENTS — EARNINGS RELEASE (9M18)

14TH NOVEMBER 2018

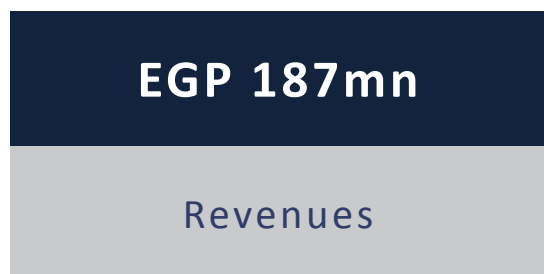


I. Financial Highlights

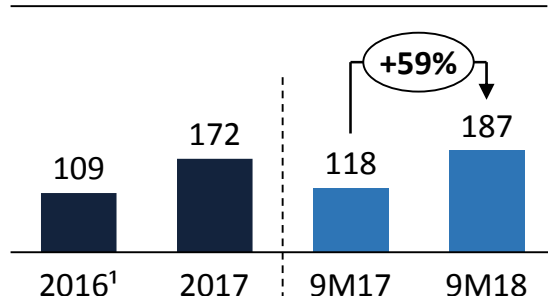
FINANCIAL HIGHLIGHTS | 9M18 CONSOLIDATED FINANCIAL PERFORMANCE



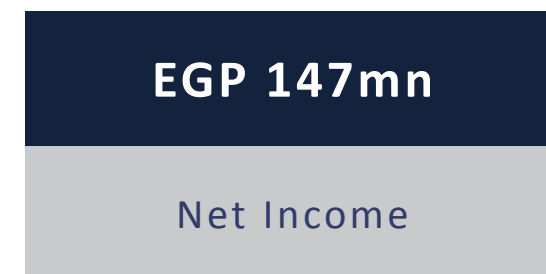
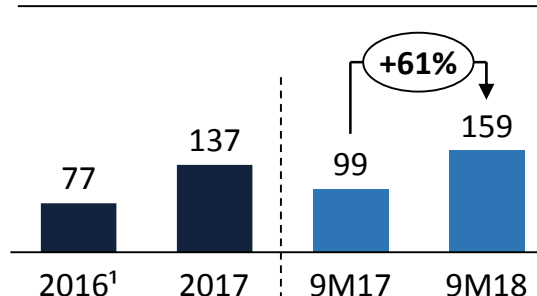
INVESTMENTS



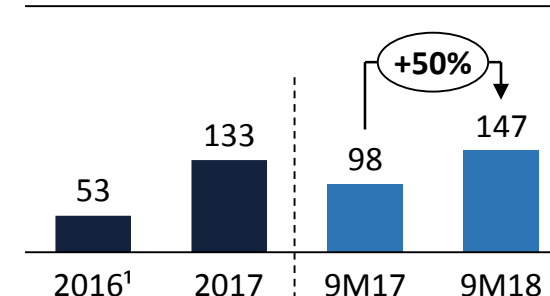
Revenues
EGP mn



EBT
EGP mn



Net Income
EGP mn

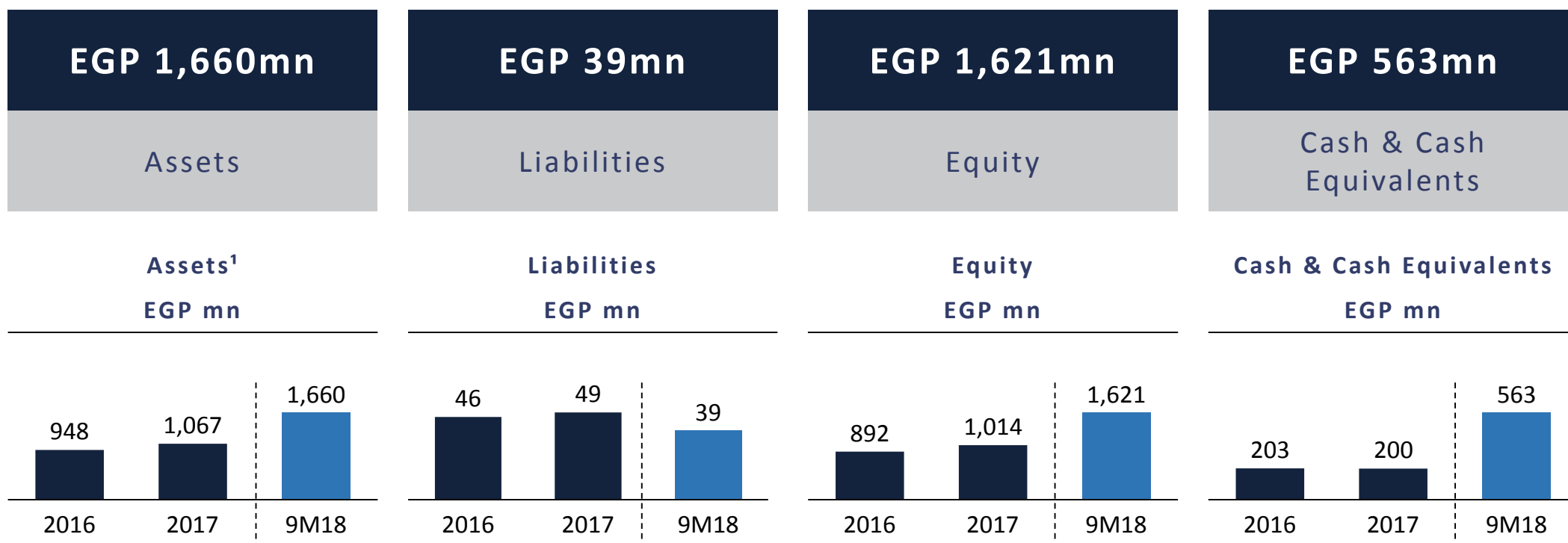


- B Investments recorded Revenues of EGP 187mn during 9M18, implying a 59% increase from the same period last year
- Revenues were mainly derived from dividends declaration and share of profits from portfolio companies, in addition to Finance Income;
 - TOTAL Egypt declared dividends of EGP 26mn during 9M18 compared to EGP 18mn during the same period in the previous year, implying a growth in dividends of 48%
 - B Investments' share profit in portfolio companies grew by 16% on the back of their strong performance, specifically MNHD and Giza Systems as well as Ebtikar for Financial Investment
- EBT grew by 61% to reach EGP 159mn, despite the increase in one off consultancy fees related to the company's Initial Public Offering
- B Investments recorded Net Income After Tax of EGP 147mn during 9M18, implying a growth of 50% compared to 9M17, on the backdrop of the reasons mentioned above

FINANCIAL HIGHLIGHTS | 9M18 CONSOLIDATED FINANCIAL POSITION



INVESTMENTS



- B Investments' assets grew by 56% during 9M18 compared to the company's position in FY 2017 primarily due to the capital increase concluded via the IPO and 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 1.6bn on the back of the completed capital increase and growth in earnings

FINANCIAL HIGHLIGHTS | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	9M17	9M18
Revenues		
Dividend Income from Available for Sale Investments	17.7	26.2
Group's Share of Profits of Joint Venture and Associate Entities	78.8	91.1
Finance Income	14.1	61.2
Reverse of Impairment in Notes Receivable	1.2	-
Provisions no Longer Required	-	2.5
FX Gain	-	1.9
Other Income	5.9	4.3
Total Revenues	117.8	187.2
Expenses		
Management Fees	(8.7)	(11.6)
Consulting Fees	(2.9)	(12.8)
BOD Allowance	-	(0.2)
Depreciation of Investment Properties	(0.2)	(0.2)
FX Gains (Losses)	(4.0)	-
Amortization of Accounts Receivables	-	(3.0)
Amortization of Intangible Assets	(2.7)	-
Total Expenses	(18.6)	(27.9)
Net Profit Before Tax	99.2	159.3
Income Tax	(2.4)	(11.0)
Deferred Tax	-	(0.4)
Net Profit After Tax	96.8	147.8
Minority Interest	1.5	(0.8)
Net Profit After Tax and Minority Interest	98.2	147.0

FINANCIAL HIGHLIGHTS | CONSOLIDATED BALANCE SHEET











INVESTMENTS

EGP mn	31/12/2017	30/09/2018
Non-current assets		
Intangible Assets	2.7	2.7
Investments in Associates	314.6	373.1
Available for Sale Investments	141.3	141.3
Investments in Joint Ventures	190.8	284.9
Investment Properties	113.5	113.4
Loans to Associates ¹	94.7	102.9
Payments under Acquisition of Investments	-	65.1
Total-Non Current Assets	857.6	1,083.4
Current Assets		
Treasury Bills	105.5	414.1
Due from Related Parties	1.2	1.7
Other Debit Balances	8.2	11.8
Cash and Cash at Banks	95.0	149.0
Total Current Assets	209.8	576.6
Total Assets	1,067.4	1,660.0
Equity		
Issued and Paid-up Capital	584.5	800.1
Legal Reserve	10.6	255.5
Other Reserves	28.2	24.8
Retained Earnings	257.6	388.5
Net Profit for the Period	133.2	147.0
Equity attributable to shareholders of the parent company	1,014.0	1,615.9
Minority Interest	4.4	5.3
Total Equity	1,018.5	1,621.2
Non-Current Liabilities		
Deferred Tax Liability	8.9	9.3
Total Non-Current Liabilities	8.9	9.3
Current Liabilities		
Due to Related Parties	3.0	4.8
Accounts Payable and Other Credit Balances	8.3	6.9
Income Tax	18.4	9.9
Provisions	10.4	7.9
Total Current Liabilities	40.0	29.5
Total Equity and Liabilities	1,067.4	1,660.0

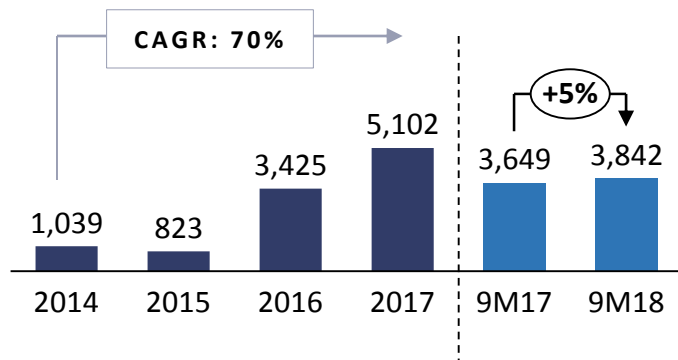
Note (1): Loans to Associates is a shareholder loan extended to the project companies of Infinity Solar

II. Portfolio Companies

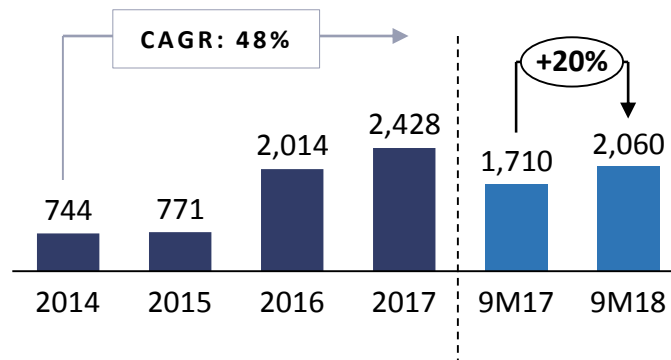
Sector	Real Estate	Oil & Gas	IT System Integration	Non-Banking Financial Services	Renewable Energy	Food & Beverage	Manufacturing
Company	 MADINET NASR HOUSING & DEVELOPMENT			 FOR NON BANKING FINANCIAL SERVICES			
Description	<ul style="list-style-type: none"> ▪ Madinet Nasr for Housing & Development (“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 246 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 are expected to start Q1 2019 	<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 8 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

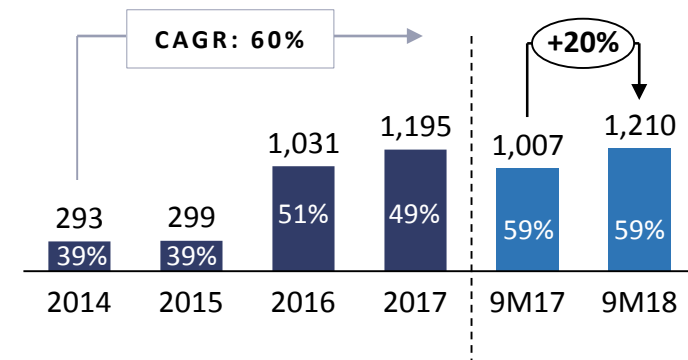
Pre-Sales (EGP mn)



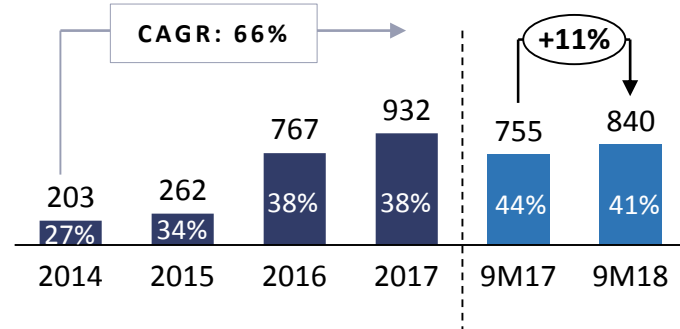
Net Revenues (EGP mn)



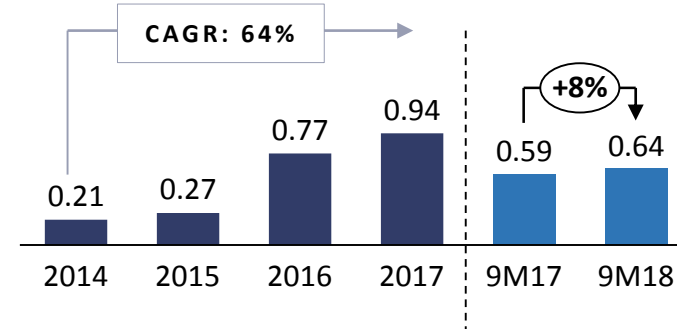
EBITDA (EGP mn) Margin (%)



Net Income (EGP mn) Margin (%)

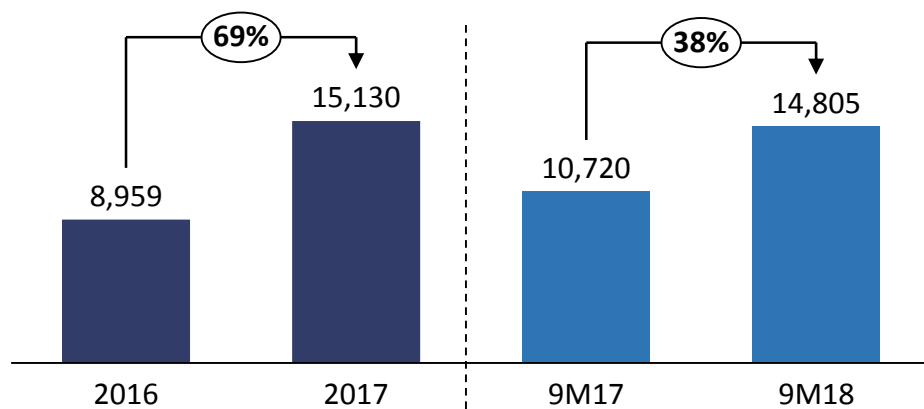


EPS (EGP)

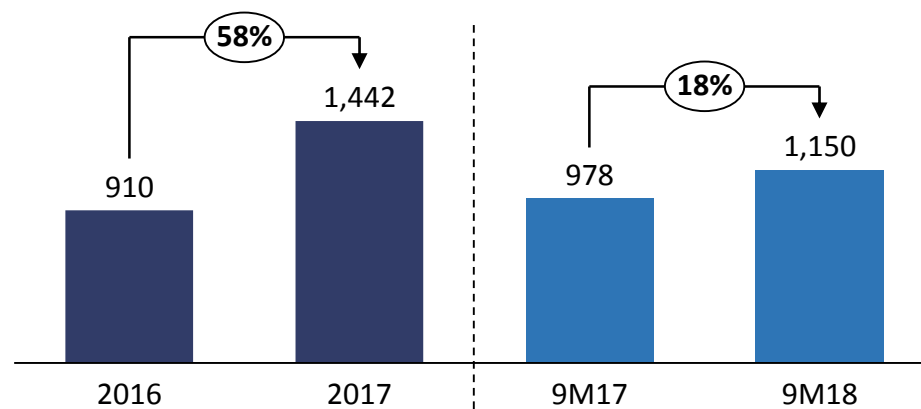


- Net Revenues grew by 20%, reaching EGP 2bn compared to EGP 1.7bn in the same period last year. The increase was attributed to the company delivering a record number of units, reaching 511 units during 9M18 and implying a Y-o-Y increase of 126%
- Net Income increase by 11% to reach EGP 840mn compared to EGP 755mn during 9M17. The increase in Net Income was lower than the growth in Net Revenues due to lower margins with regards to deliveries compared to new sales

Revenues (EGP mn)

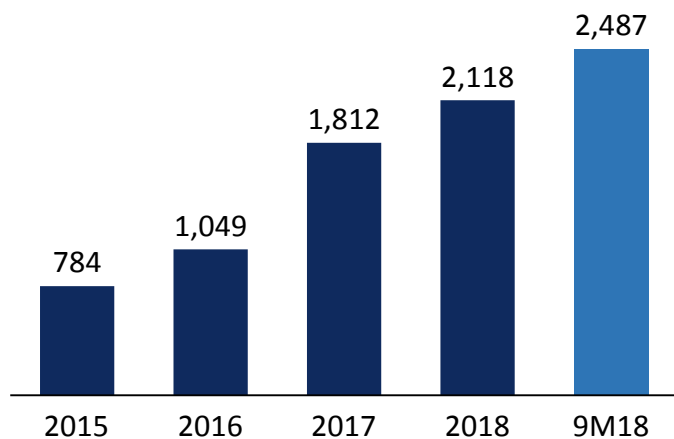


Gross Profit (EGP mn)

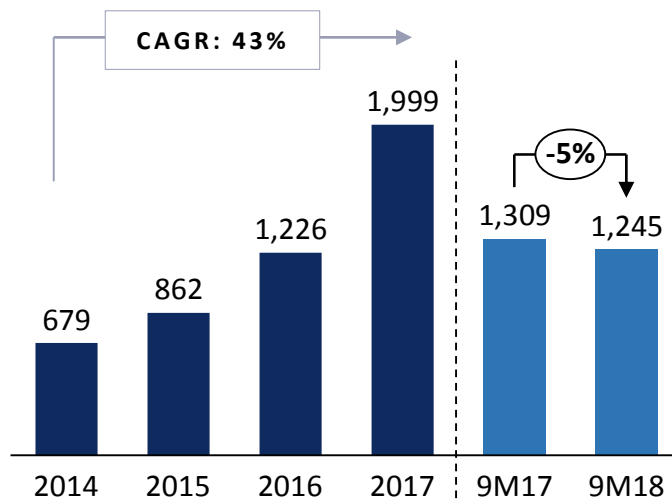


- TOTAL Egypt recorded Revenues of EGP 15bn up from EGP 11bn during 9M17 and implying a growth of 38% Y-o-Y
- The growth in Revenues is attributed to the increase in fuel prices due to fuel subsidy cuts by the government as part of its economic reform program
- Gross Profit increase was lower than the growth in Revenues due to the mix of lower-margin products in the company's sales during the period

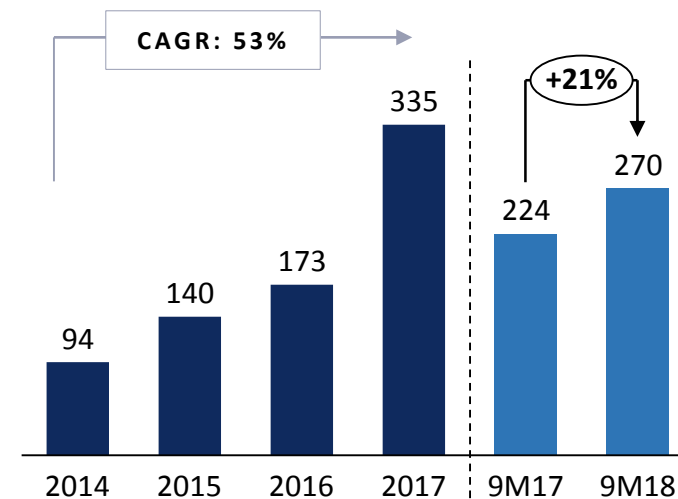
Backlog¹ (EGP mn)



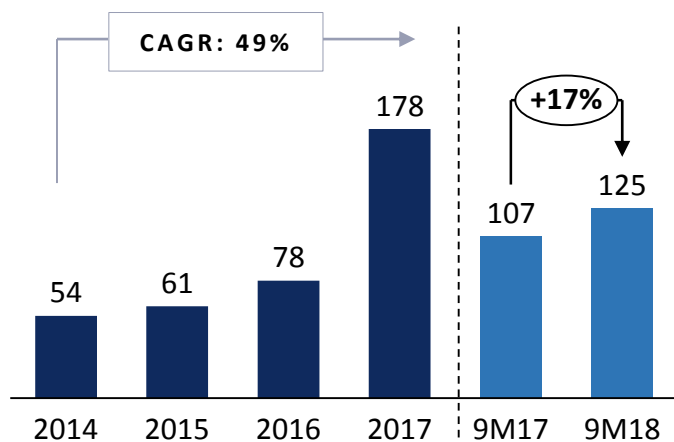
Revenues (EGP mn)



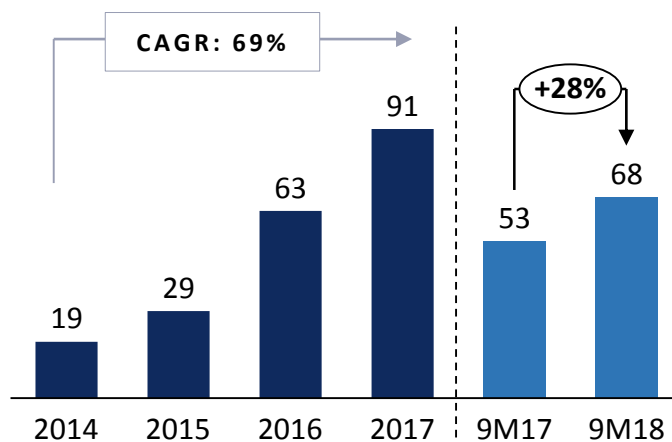
Gross Profit (EGP mn)



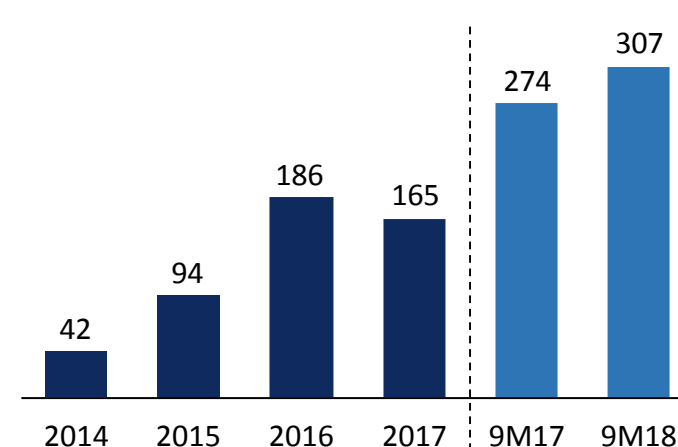
EBITDA (EGP mn)



Net Income (EGP mn)



Net Debt (EGP mn)



Note (1): Backlog refers to the total value of projects on hand at the beginning of each year/period (January 1st for every full year and October 1st for 9M18)

EBTIKAR FOR FINANCIAL INVESTMENT AT A GLANCE..

- In June 2017, B Investments established an investment vehicle under the name of Ebtikar for Financial Investment (“Ebtikar”) as the designated vehicle to invest in the Non-Banking Financial Services sector; B Investments holds a 21% stake in the company
- The company currently has an authorized share capital of EGP 750mn and a subscribed and Paid-in Capital of EGP 363mn¹
- To date, Ebtikar has four investments in its portfolio:
 - TBE Egypt for Payment Solutions and Services “Bee” – one of the leading e-payment solution providers
 - Vitas Misr for Microfinance – a greenfield microfinance company
 - Tamweel Group – a group of companies operating in the Leasing, Mortgage Finance, Factoring, Insurance Brokerage and Collection
 - Applications & Payment Systems Development (APSD) “Masary”, an e-payment and collection solution provider for mobile network operators
- Ebtikar successfully concluded its first investment by acquiring 60% of TBE Egypt for payment solutions and services S.A.E “Bee”; a leader in the e-payment and cash collection sector in Egypt
- Ebtikar’s second investment was the establishment of “Vitas Misr for Microfinance” a 50:50 greenfield joint venture with Vitas Group, a leading international microfinance player
- As part of a consortium including TCV and Acquire for Investments, Ebtikar acquired c.37% of Tamweel Group from Orascom Development Egypt. Jointly the consortium acquired an 87% stake in the group of companies
- Ebtikar completed its fourth investment in the Non-Banking Financial Services space by acquiring a c.36% stake in Masary; the second largest e-payment provider in Egypt



Note (1): As of 01/10/2018

Note (2): Ebtikar signed a share purchase agreement to acquire the Tamweel Group of companies in May 2018 and is currently in the process of completing the transaction and achieving the necessary regulatory approvals

Infinity Solar Overview

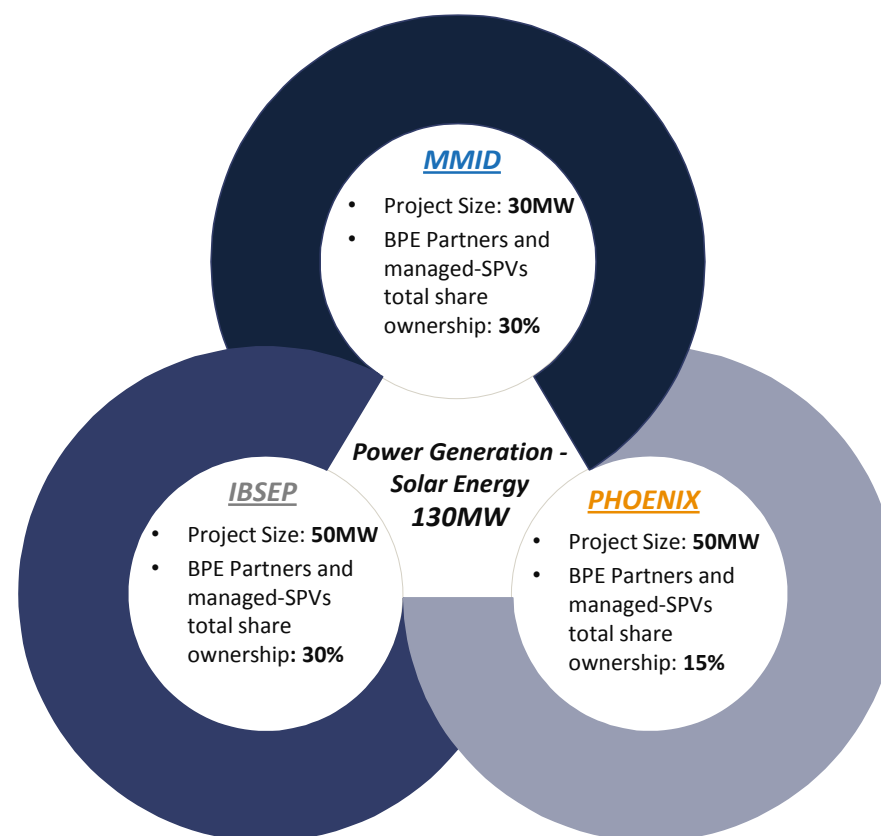
- A portfolio of three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130MW
- The project is in partnership with Infinity Solar Energy SAE, an Egyptian renewable energy developer and ib vogt, an international solar developer and EPC contractor established in Germany
- 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

Status Update

- Construction of the three solar power plants commenced during January 2018 making them among the first to start construction in the Ben Ban Solar Park
- MMID achieved mechanical completion, while the remaining two projects are expected by year-end
- The projects drew down an amount of USD 90.7 million on the debt, with USD 55.7 million remaining
- The projects are on budget and schedule with a target to begin commercial operation during the 1Q19

Project Overview

Ownership is distributed evenly between B Investments and BPE-managed-vehicles (ownership below represents the total equity stake)



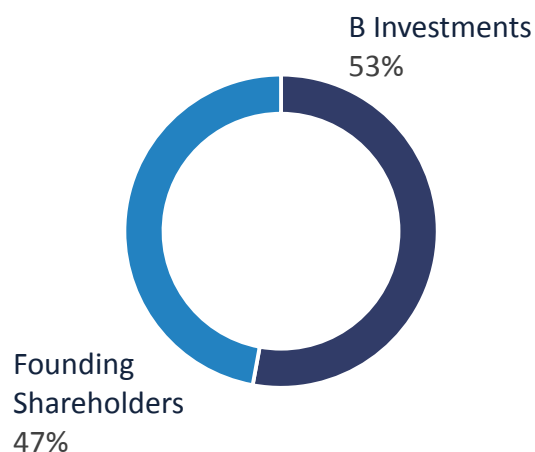
Partners & Stakeholders



Gourmet Overview

- The Gourmet Group (Gourmet) was established in 2006 and is one of Egypt's leading food retailing and food manufacturing companies. Gourmet's current operations are comprised of two business lines:
 - Food retailing through Gourmet Egypt (GE)
 - Food manufacturing through Gourmet Food Solutions (GFS)
- Gourmet currently operates 8 stores across Egypt offering a wide range of groceries, high quality fresh produce and exclusive in-house developed and manufactured products
- Gourmet's in-house products include ready-cooked meals, oriental specialties, pastas, soups, bakery items, dairy, gelato and confectionary. The company's food manufacturing operations also cater to restaurants, hotels, cafes, and other food retailers
- B Investments' investment in Gourmet will be utilized to further expand the food manufacturing business as well as the retail operation by expanding current stores and opening additional stores to meet Gourmet's growing demand
- Gourmet enjoys a strong brand name that is associated with high quality products

Shareholding Structure



Key Highlights

Revenues (2018E)	EGP 380mn
Number of Employees	c.600
GE's Branded Products	>300
GFS Clients	>100

Business Segments

1

Retail ("GE")



- GE currently operates 8 stores strategically located across Egypt and is expected to open 2 additional stores and a delivery hub in 2019, in addition to expanding current stores

2.a

Meat & Poultry ("GFS")



- GFS' meat and poultry division includes a butchery, a beef processing unit, and a poultry processing unit
- The beef and poultry processing units prepare ready-for-sale meat cuts as well as value-added solutions

2.b

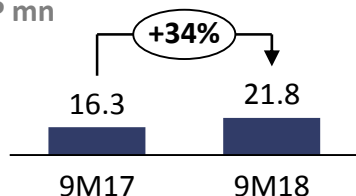
Kitchen ("GFS")



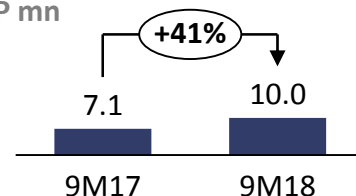
- GFS' kitchen is staffed with a 5 star hotel-trained culinary team
- The kitchen is comprised of several business lines including: oriental kitchen, bakery, pastry, pasta kitchen, ice cream laboratory, and garde manger

Metalart Key Financial Highlights

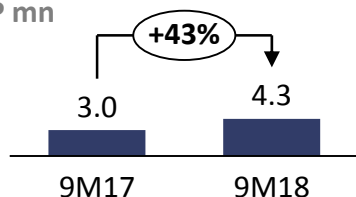
Revenue EGP mn



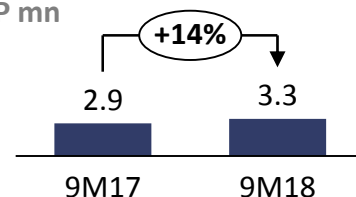
Gross Profit EGP mn



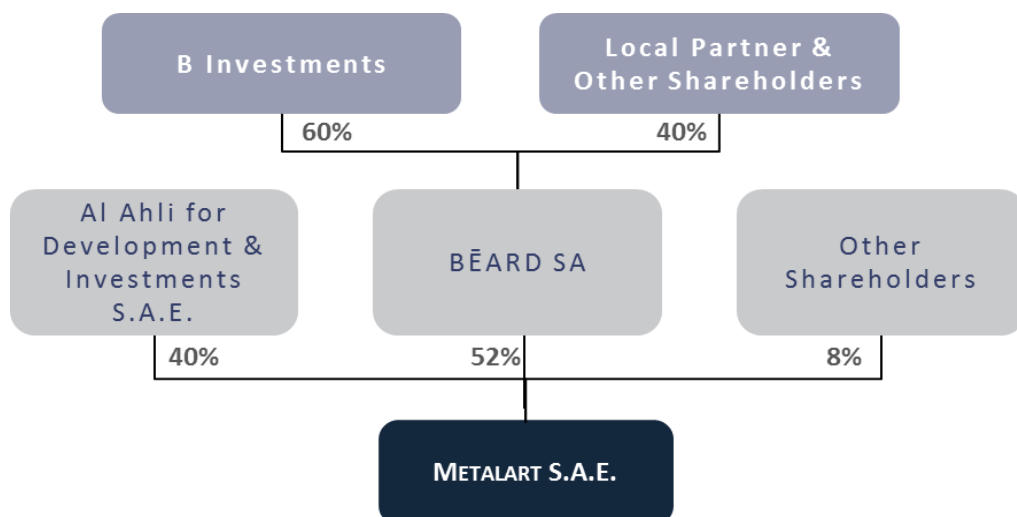
Operating Income EGP mn



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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