



INVESTMENTS

Managed By

bpe partners

B INVESTMENTS — EARNINGS RELEASE (FY 2018)

MARCH 2019



I. Financial Highlights

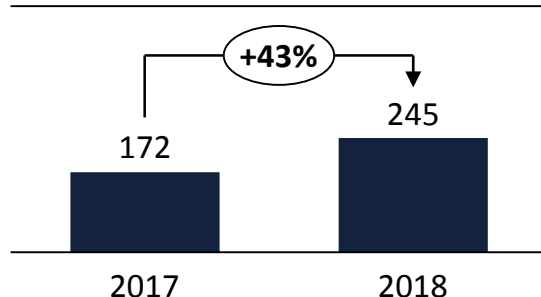
FINANCIAL HIGHLIGHTS | FY 2018 CONSOLIDATED FINANCIAL PERFORMANCE



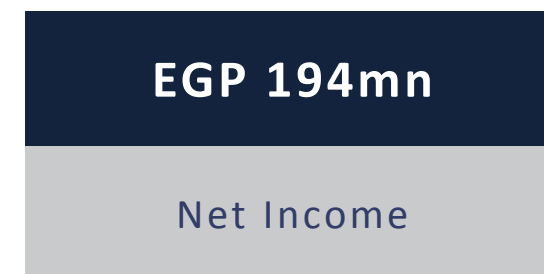
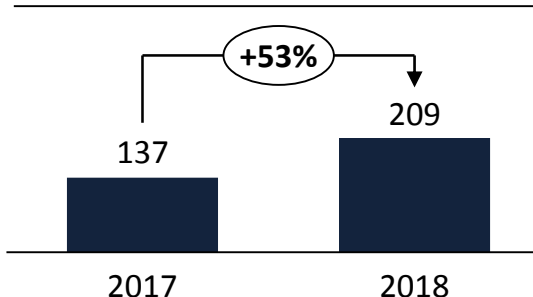
INVESTMENTS



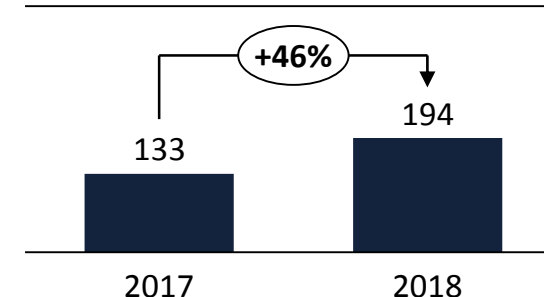
Revenues
EGP mn



EBT
EGP mn



Net Income
EGP mn



- B Investments recorded Revenues of EGP 245mn during FY 2018, implying a 43% increase from the same period last year
- Revenues were mainly derived from dividend distributions and share of profits from portfolio companies, in addition to Finance Income;
 - TOTAL Egypt distributed dividends of EGP 26mn compared to EGP 22mn during FY 2017, implying a growth in dividends of 16%
 - B Investments' share profit in portfolio companies grew by 21% on the back of their strong performance, specifically MNHD and Giza Systems as well as Ebtikar for Financial Investment and Gourmet Egypt
- EBT grew by 53% to reach EGP 209mn, despite the increase in one off consultancy fees related to the company's Initial Public Offering
- B Investments recorded Net Income After Tax & Minority Interest of EGP 194mn during FY 2018, implying a growth of 46% compared to FY 2017, on the backdrop of the reasons mentioned above

FINANCIAL HIGHLIGHTS | FY 2018 CONSOLIDATED FINANCIAL POSITION



INVESTMENTS



- B Investments' assets grew by 60% during FY 2018 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 1,663mn on the back of the completed capital increase and growth in earnings

FINANCIAL HIGHLIGHTS | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	2017	2018
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
Finance Income	34.3	84.2
Reverse of Impairment in Notes Receivable	3.2	-
Provisions no Longer Required	-	2.5
FX Gain	-	1.8
Other Income	7.4	4.5
Total Revenues	171.6	245.5
Expenses		
Management Fees	(11.7)	(16.3)
Consulting Fees	(10.7)	(16.3)
BOD Allowance	-	(0.2)
Depreciation of Investment Properties	(0.3)	(0.3)
FX Gains (Losses)	(4.0)	-
Provisions	(2.5)	-
Total Expenses	(29.2)	(33.1)
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
Income Tax	(18.4)	(14.4)
Deferred Tax	13.4	(0.5)
Net Profit After Tax	131.7	194.5
Minority Interest	(1.5)	0.6
Net Profit After Tax and Minority Interest	133.2	193.9

FINANCIAL HIGHLIGHTS | CONSOLIDATED BALANCE SHEET











INVESTMENTS

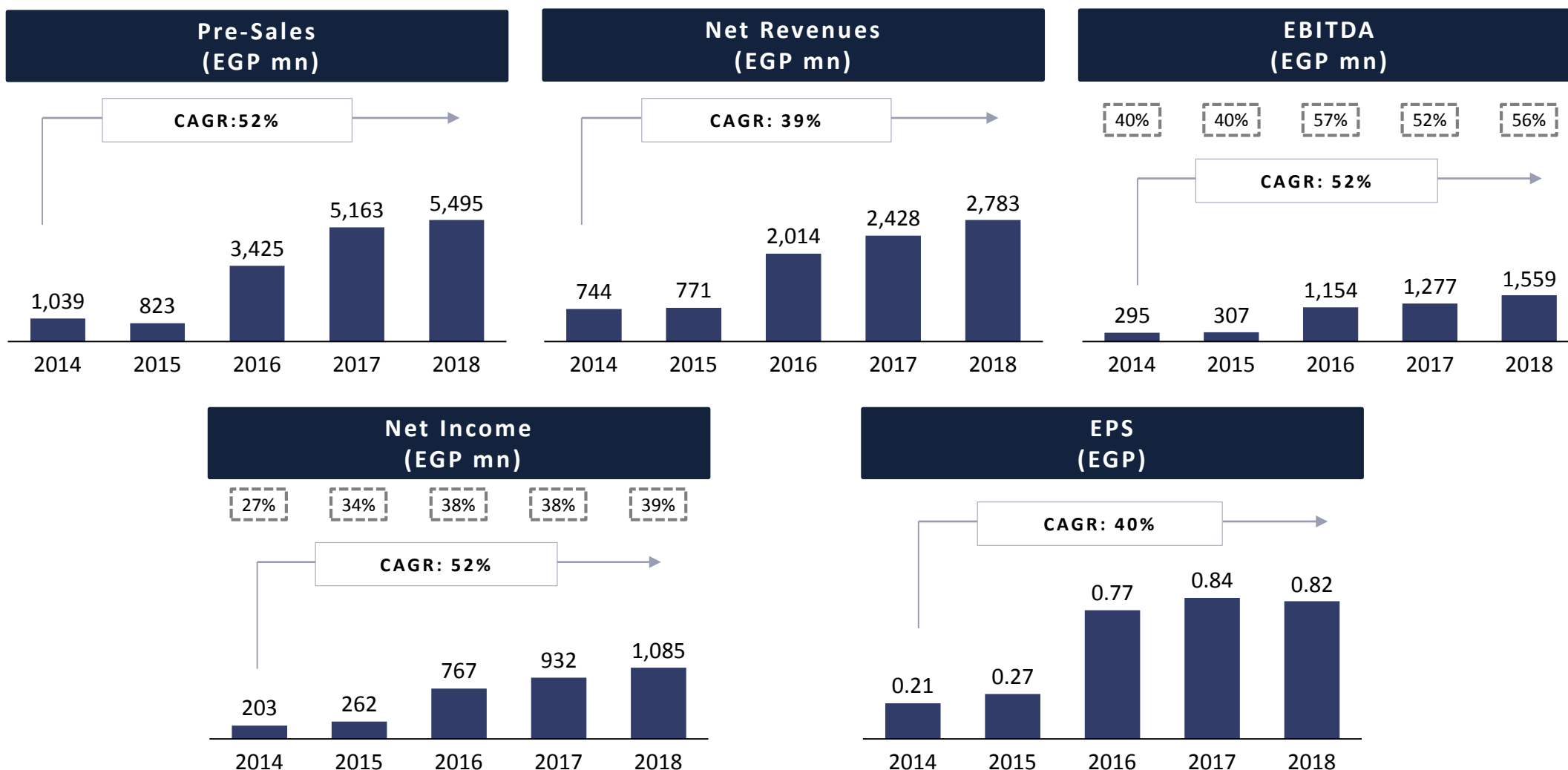
EGP mn	2017	2018
Non-current assets		
Intangible Assets	2.7	2.7
Investments in Associates	314.6	389.8
Available for Sale Investments	141.3	141.3
Investments in Joint Ventures	190.8	427.4
Investment Properties	113.5	113.3
Loans to Associates ¹	94.7	105.3
Projects Under Construction	-	7.9
Total-Non Current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

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

II. Portfolio Companies

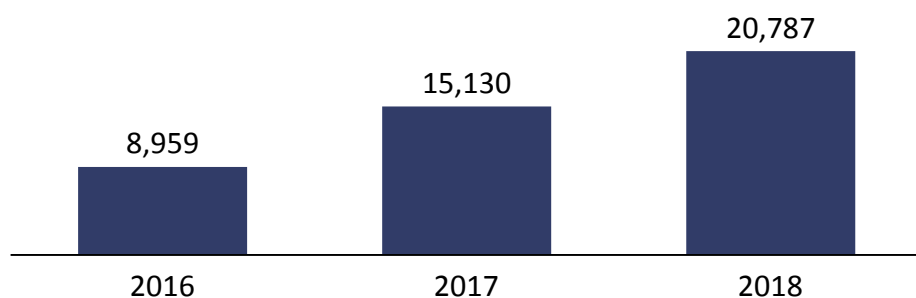
Sector	Real Estate	Oil & Gas	IT System Integration	Non-Banking Financial Services	Renewable Energy	Food & Beverage	Manufacturing
Company	 MADINET NASR HOUSING & DEVELOPMENT			 FOR NON BANKING FINANCIAL SERVICES			
Description	<ul style="list-style-type: none"> ▪ Madinet Nasr for Housing & Development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

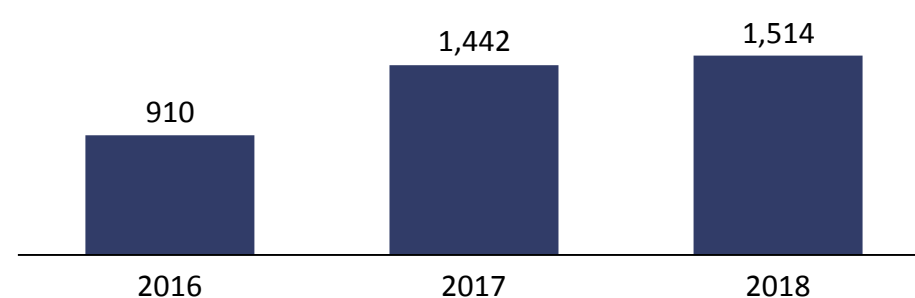


- Net Revenues grew by 15% Y-o-Y, reaching c. EGP 2.8bn in FY 2018 compared to EGP 2.4bn in FY 2017. The increase was attributed to the company delivering a record number of units, reaching 788 units during FY 2018 and implying a Y-o-Y increase of 46% as well as a 6% increase in the company's contracted sales
- Net Income increased by 16% to reach c. EGP 1.1bn compared to EGP 932mn during FY 2017. The slight increase in EBITDA & Net Income margin is mainly on the back of land sales, which have significantly higher margins

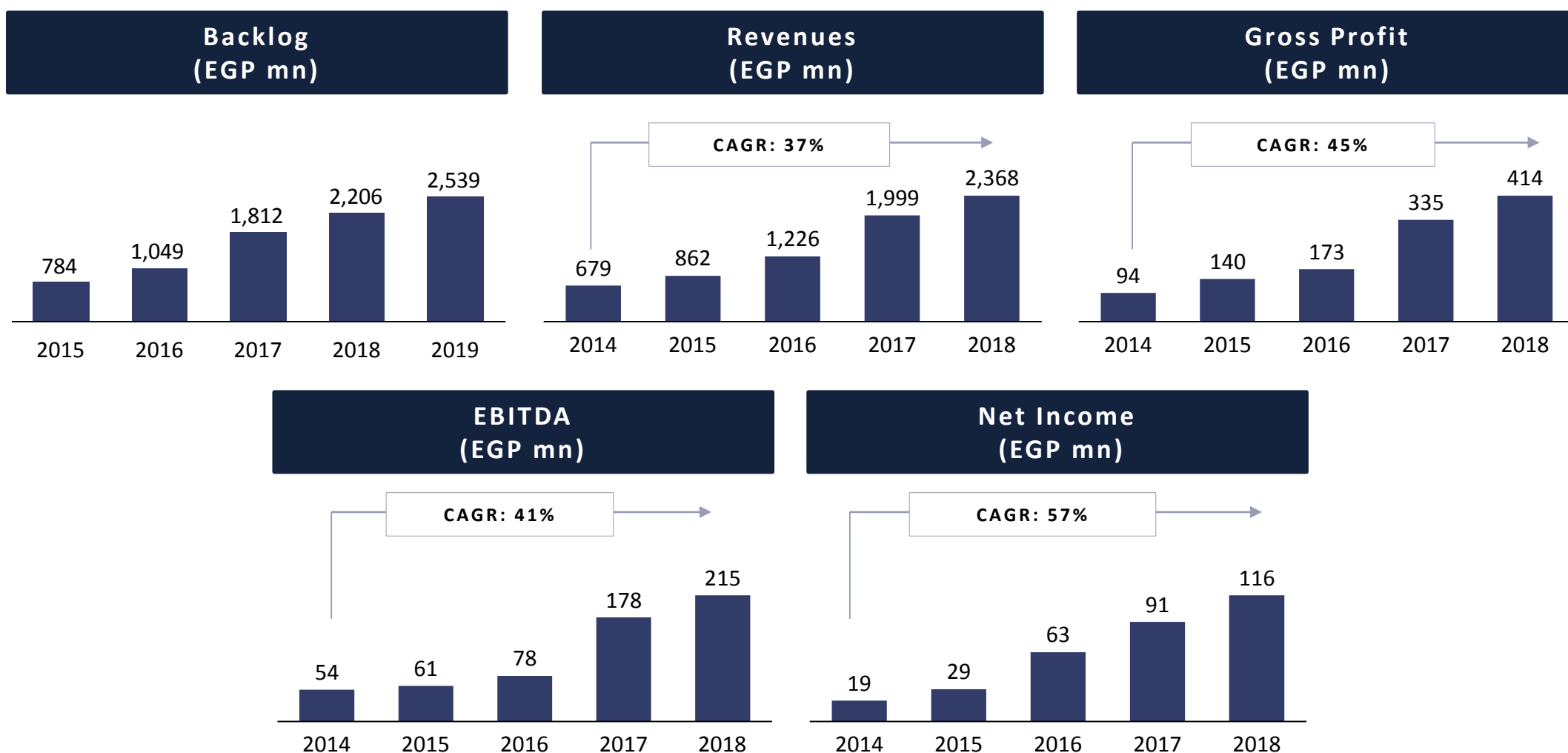
Revenues (EGP mn)



Gross Profit (EGP mn)



- TOTAL Egypt recorded Revenues of EGP 21bn up from EGP 15bn during FY 2017 and implying a growth of 37% 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

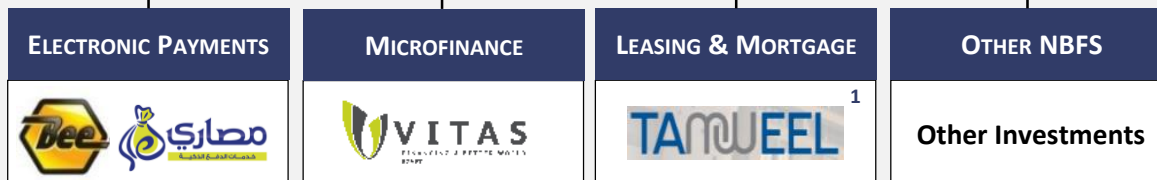


- Giza Systems Backlog going in to FY 2019 came in at EGP 2.5bn which represents a 15% Y-o-Y growth, mainly resulting from the company's ability to capitalize on numerous opportunities in the Egyptian market which has grown significantly due to several national infrastructure projects & initiatives
- Revenues grew by 18% to reach EGP 2.4bn compared to EGP 2.0bn in FY 2017. The increase can be attributed to the strong backlog going into the year as well as the growth in the number of new contracts/projects that were awarded to the company during the year
- Net Income in FY 2018 amounted to EGP 116mn which represents a 27% growth from FY 2017 net income which came in at EGP 91mn

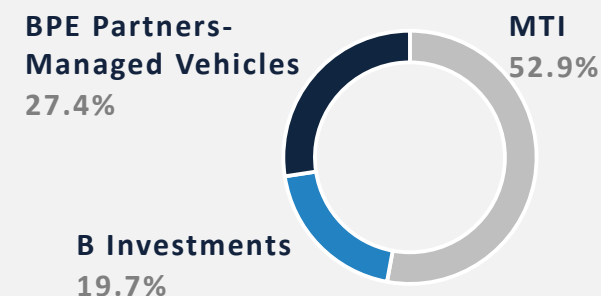
Company Overview

- 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 750mn and a subscribed and paid-in capital of EGP 398.4mn
- One of the main focus areas of Ebtikar is to create synergies between its portfolio and affiliate companies by offering integrated products and services

Portfolio Companies



Shareholding Structure



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 %

Note (1): Awaiting FRA's approval on the transaction

Infinity Solar Overview

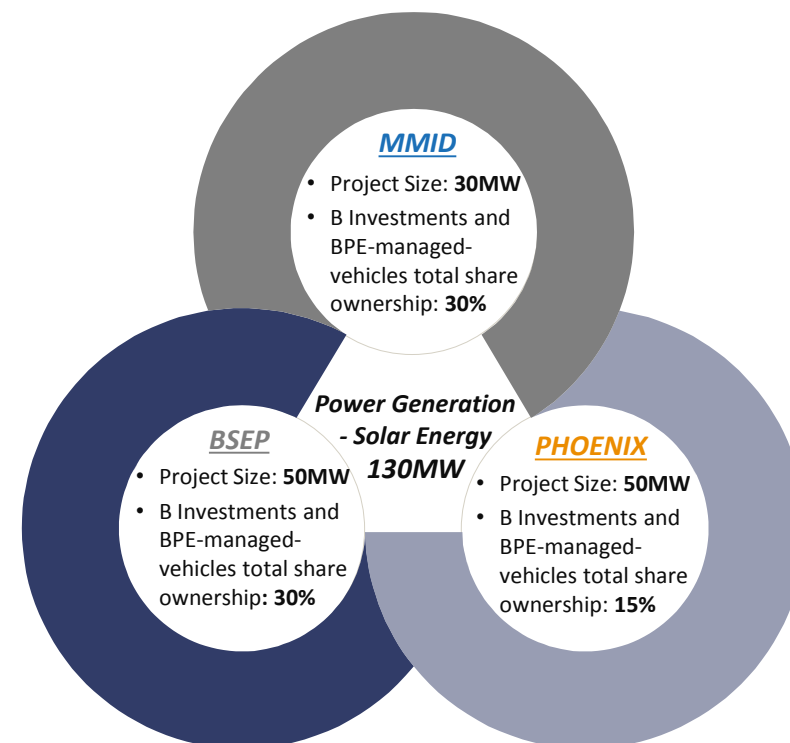
- A portfolio of three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130MW
- The project is in partnership with Infinity Solar Energy SAE, an Egyptian renewable energy developer and ib vogt, an international solar developer and EPC contractor established in Germany
- 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	✓	✓	✓	Expected April 2019
Phoenix	✓	✓	✓	Expected April 2019

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

Project Overview



Gourmet Egypt Overview

- Gourmet was established in 2006 and is one of Egypt's leading food retailing and food manufacturing companies. Gourmet's current operations constitutes two business lines:
 - Food retailing through Gourmet Egypt (GE)
 - Food manufacturing through Gourmet Food Solutions (GFS), comprised of 2 facilities: GFS Kitchen and GFS Meat & Poultry
- In September 2018, B Investments invested EGP 125mn (comprised of a secondary stake of EGP 65mn and a capital increase of EGP 60mn) in Gourmet, for a 53% stake in the company
- Gourmet currently operates 10 stores (6 of which are permanent in Cairo, 2 express in Caro, and 2 seasonal in the North Coast) offering a wide range of groceries, high quality fresh produce and exclusive in-house developed and manufactured products
- Gourmet enjoys a strong brand name that is associated with high quality products
- The company's food manufacturing operations also cater to restaurants, hotels, cafes, and other food retailers
- Gourmet's in-house products include:



Shareholding Structure

Founding Shareholders
47%



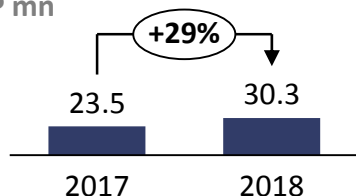
B Investments
53%

Key Highlights

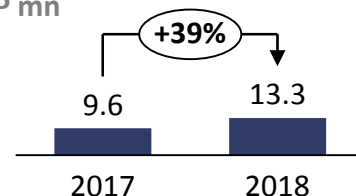
Revenues (2018) ¹	EGP 375mn
Number of Employees	c.600
GE's Branded Products	>300
GFS Clients	>100

Metalart Key Financial Highlights

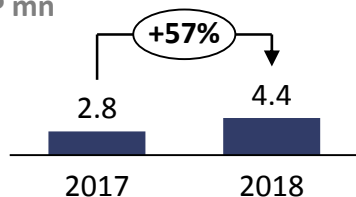
Revenue
EGP mn



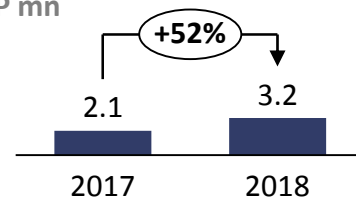
Gross Profit
EGP mn



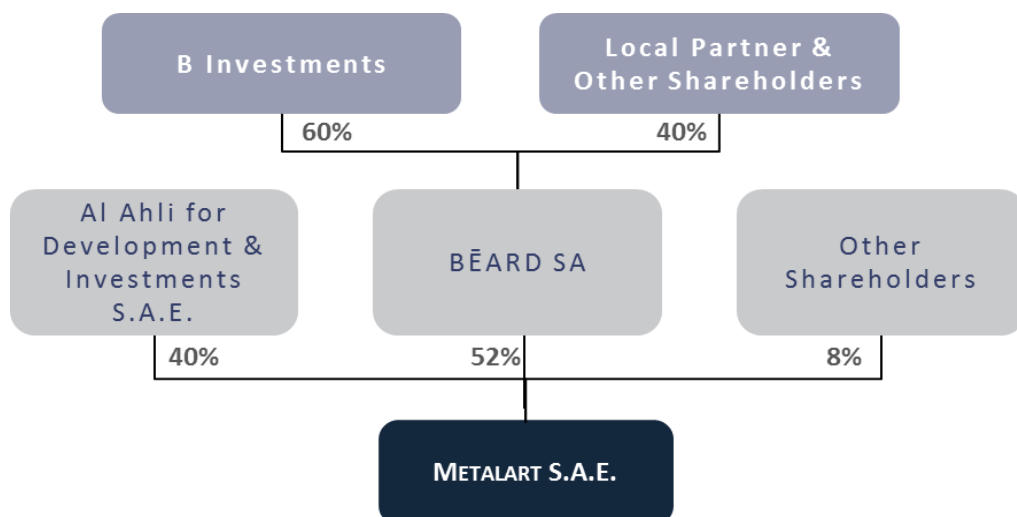
Operating Income
EGP mn



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





IR CONTACTS

Omar El Labban

Head of Investor Relations

Email: olabban@bpepartners.com

Telephone #: +2 (02) 24610304

Omar Barakat

Investor Relations Officer

Email: obarakat@bpepartners.com

Telephone #: +2 (02) 24610322

Ramy Mahfouz

Investor Relations Officer

Email: rmahfouz@bpepartners.com

Telephone #: +2 (02) 24610319

B Investments Holding S.A.E

Nile City Towers, South Tower, 7th Floor,
2005A Corniche El Nil, Cairo 11221, Egypt

www.binvestmentsegypt.com



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