

# EARNINGS PRESENTATION

## FY 2021



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# COVID 19 UPDATE

- The Group is continuing its operations without any significant disruption after implementing the necessary business continuity procedures and ensuring required precautionary measures. As the COVID-19 situation is still fluid and evolving, currently it is difficult to measure the complete extent and duration of the economic impact. However, management believes, based on its assessment of the situation and available information, that there is no significant impact on the Group's financial performance and that the Group has sufficient liquidity and access to financing facilities to continue to meet its financial obligations for the foreseeable future as and when they become due.



# Who We Are

We operate in 5 sectors:



**PLASTIC**



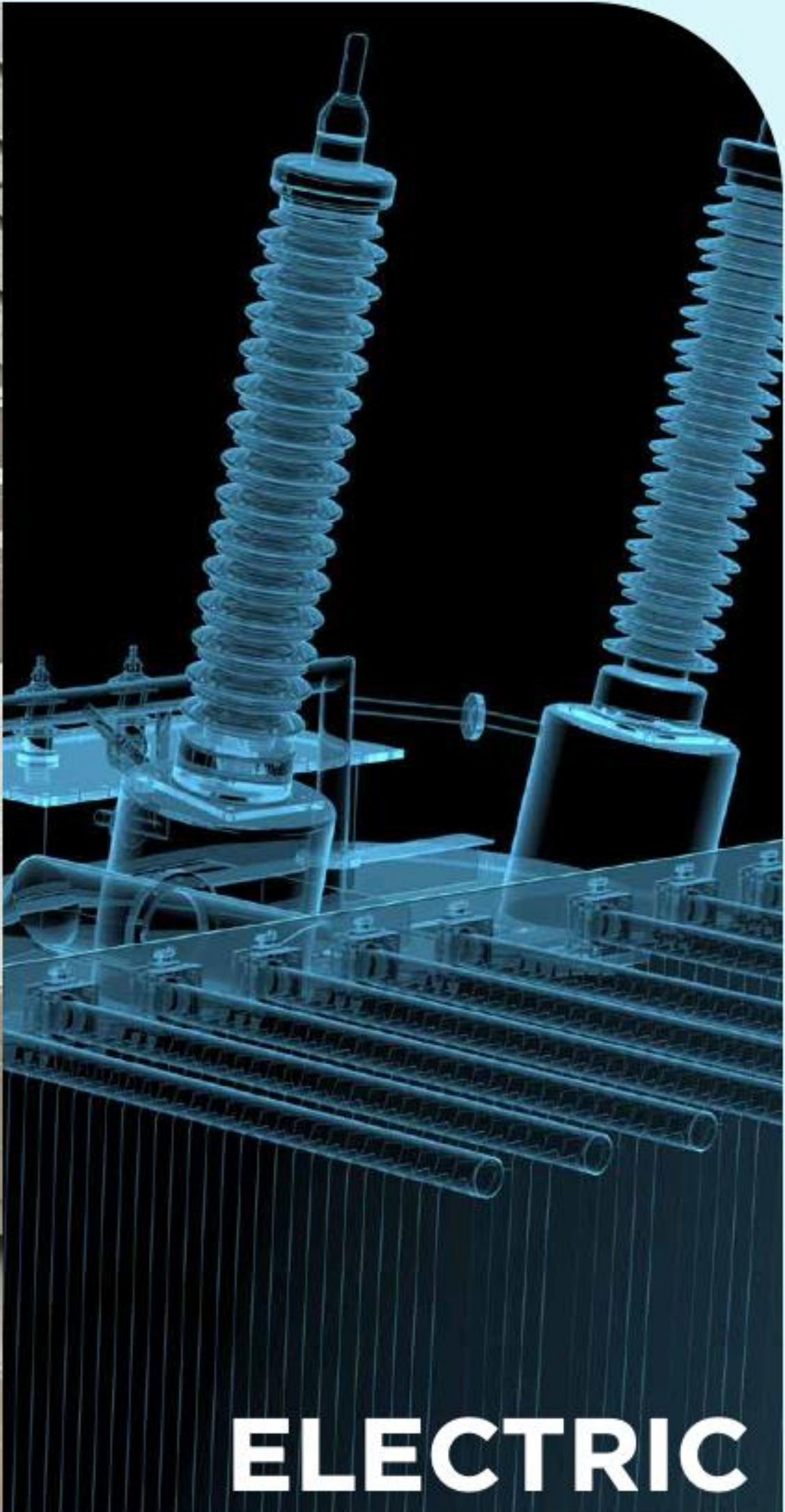
**WOOD**



**CONCRETE**



**ELECTRIC**

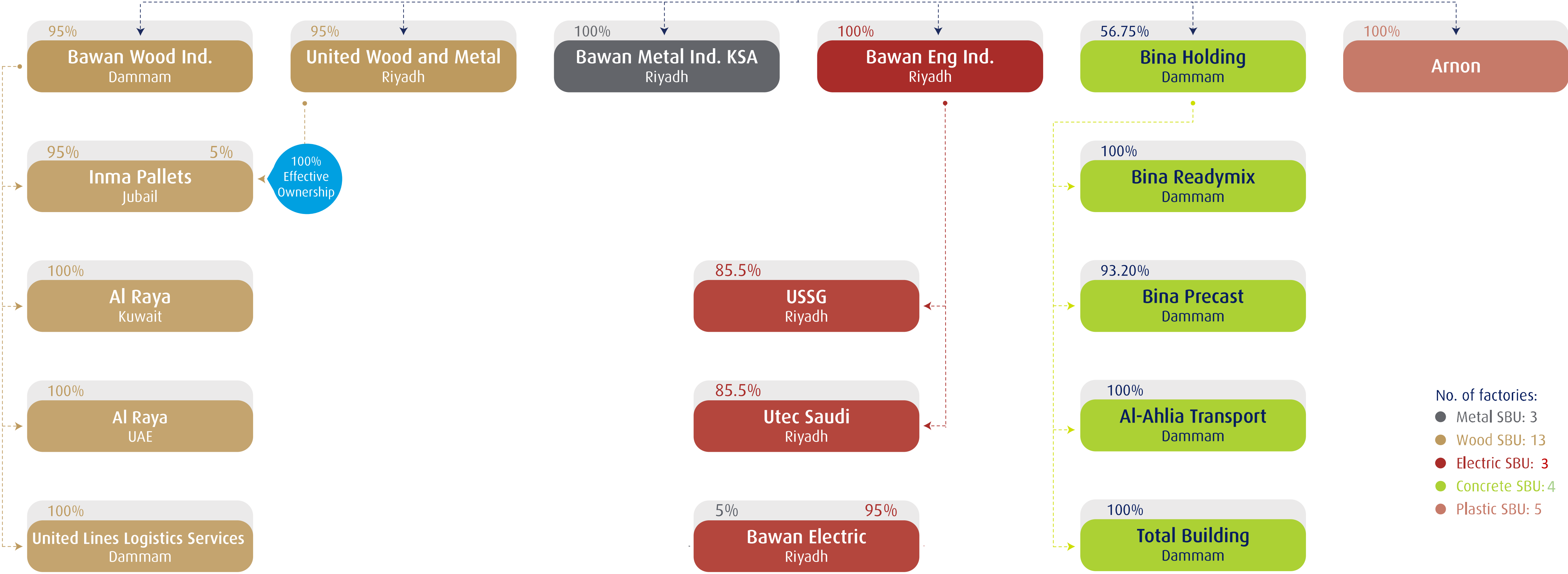


**METAL**





# Group Structure



No. of factories:

- Metal SBU: 3
- Wood SBU: 13
- Electric SBU: 3
- Concrete SBU: 4
- Plastic SBU: 5

# Our Factory Locations



# Our Major Clients Expect High Standards





# Key Highlights

- On February 11,2020, one of the plastic sector factories caught fire which resulted in damage to assets having a net book value of SR 17.69 million.
  - During 2021, management agreed a final claim settlement with the insurance company of SR33 million.
  - Insurance claim resulted in a net gain of SR 15.31 million
  - During the year 2021, the Group received SR 9.60 million and the balance will be received shortly.
- On 28/01/2021 United Transformers Electric Company Ltd. (Utec Saudi) (a subsidiary owned indirectly by 85.5%) has signed a shares sale contract with Industry Technology Electric Company (Algerian partner / the buyer), to sell its entire 49% equity stake in Utec Algeria, with a value of USD 8.0 million (equivalent to SAR 30 Million approximately), accordingly the legal procedures related to the transaction have been completed, as the ownership of the shares has been transferred and the sale amount has been received, but It should also be noted that in coordination between the parties of the deal, some terms of the agreement were amended, including the value of the deal to become USD 7.1 million approximately equivalent to SAR 26.6 million approximately.



# VISION



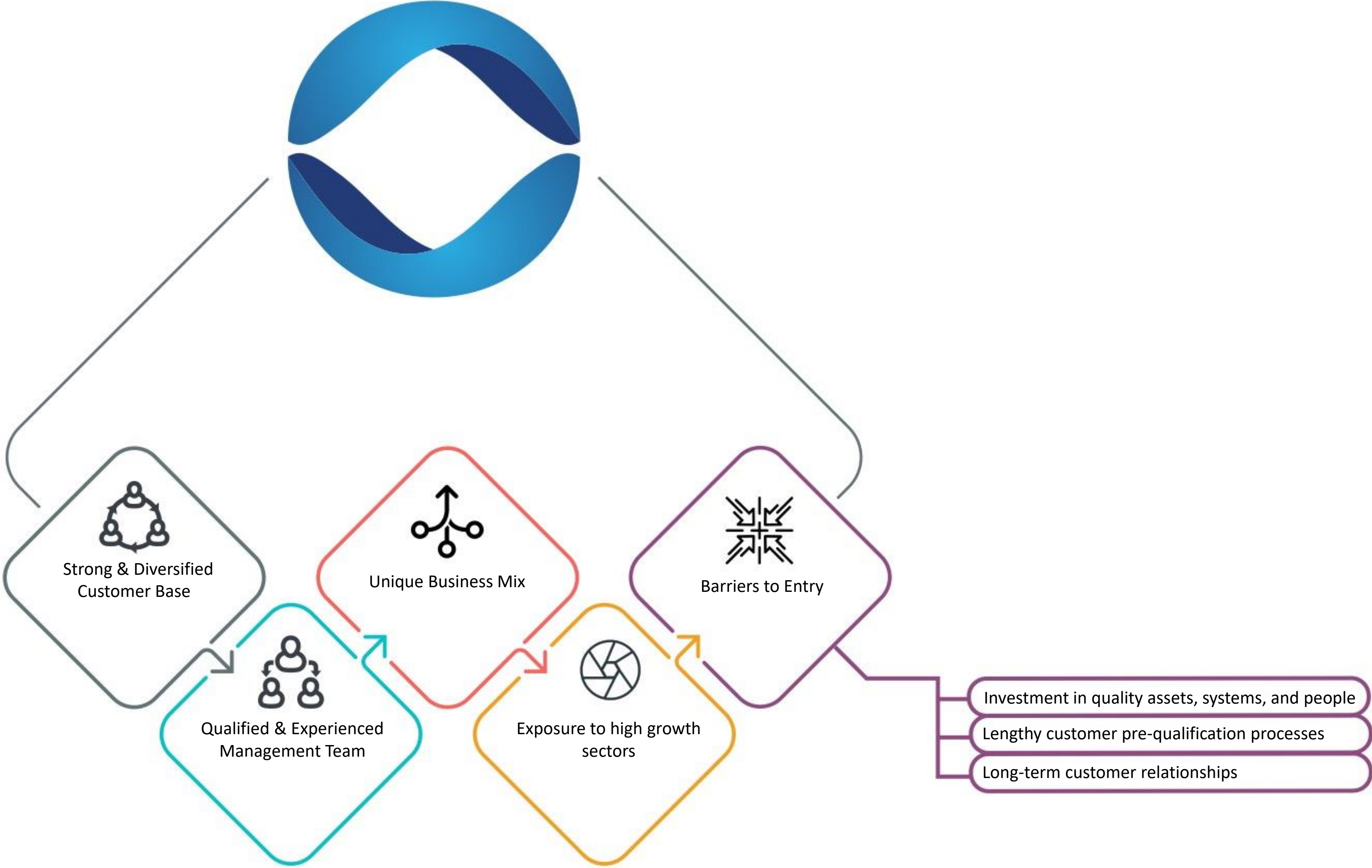
Bawan strives to become the leading group in the Kingdom of Saudi Arabia and the Middle East in the building materials sector.

# MISSION



To enhance Bawan's customers loyalty by providing market-leading and innovative products and services, through its existing sectors and new sectors in the future.

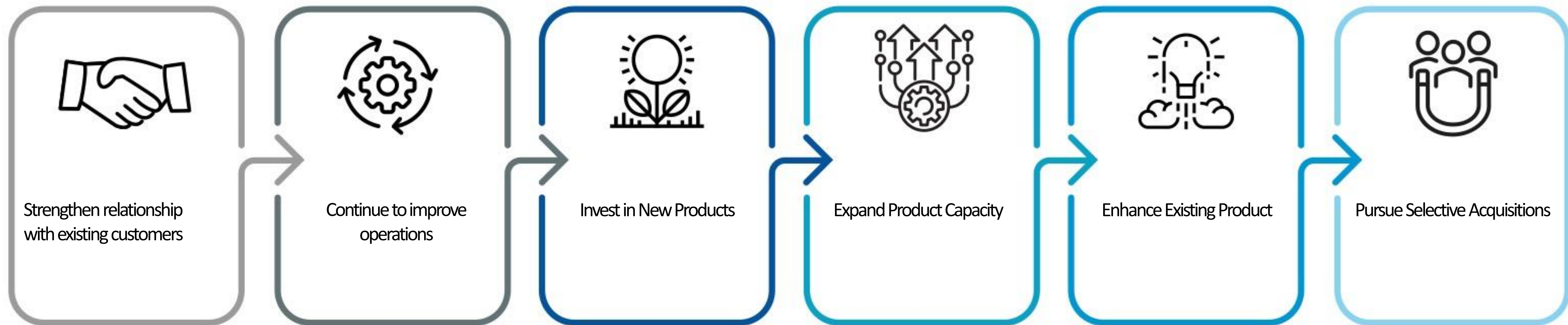
# Business Case





# Strategy

A well defined strategy enhanced by our core value

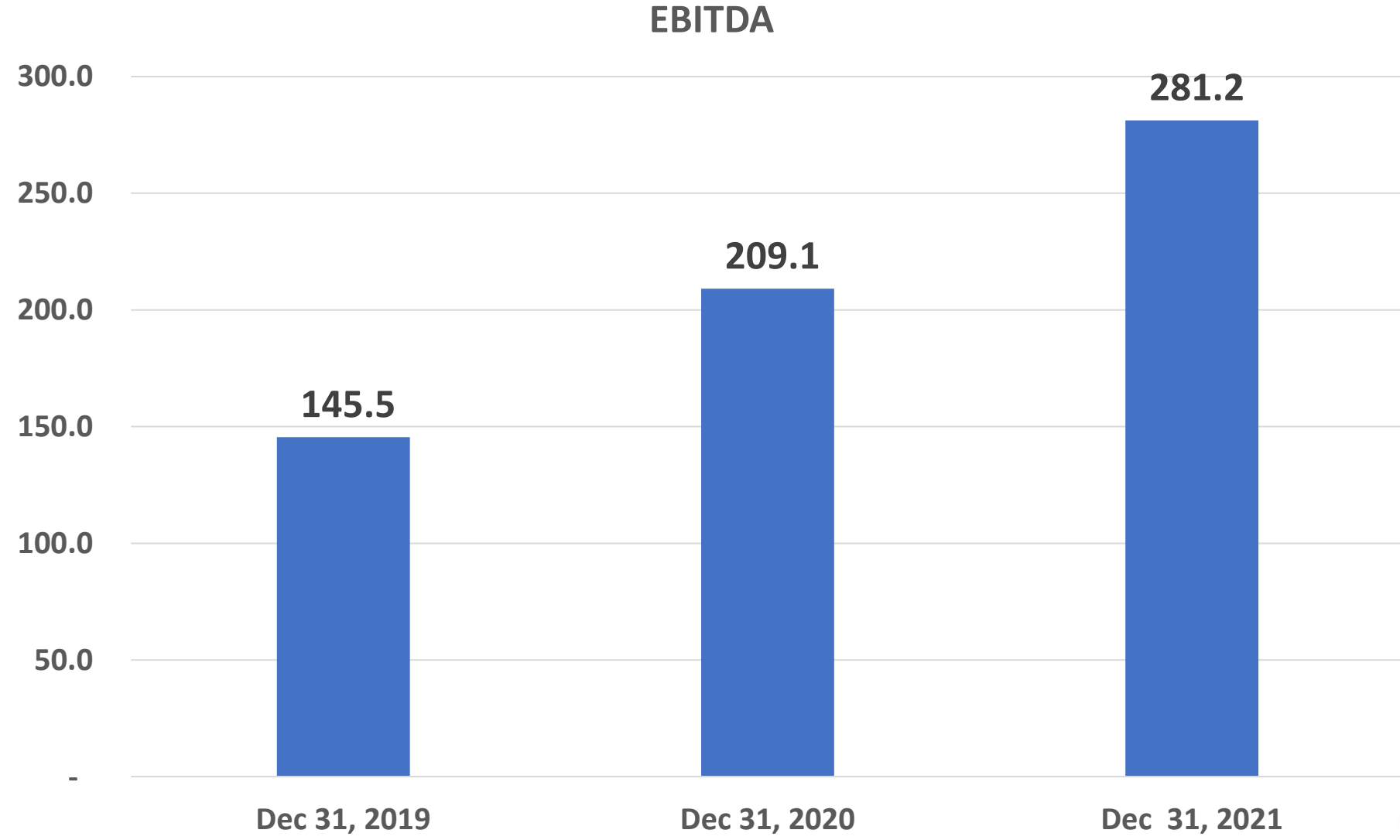
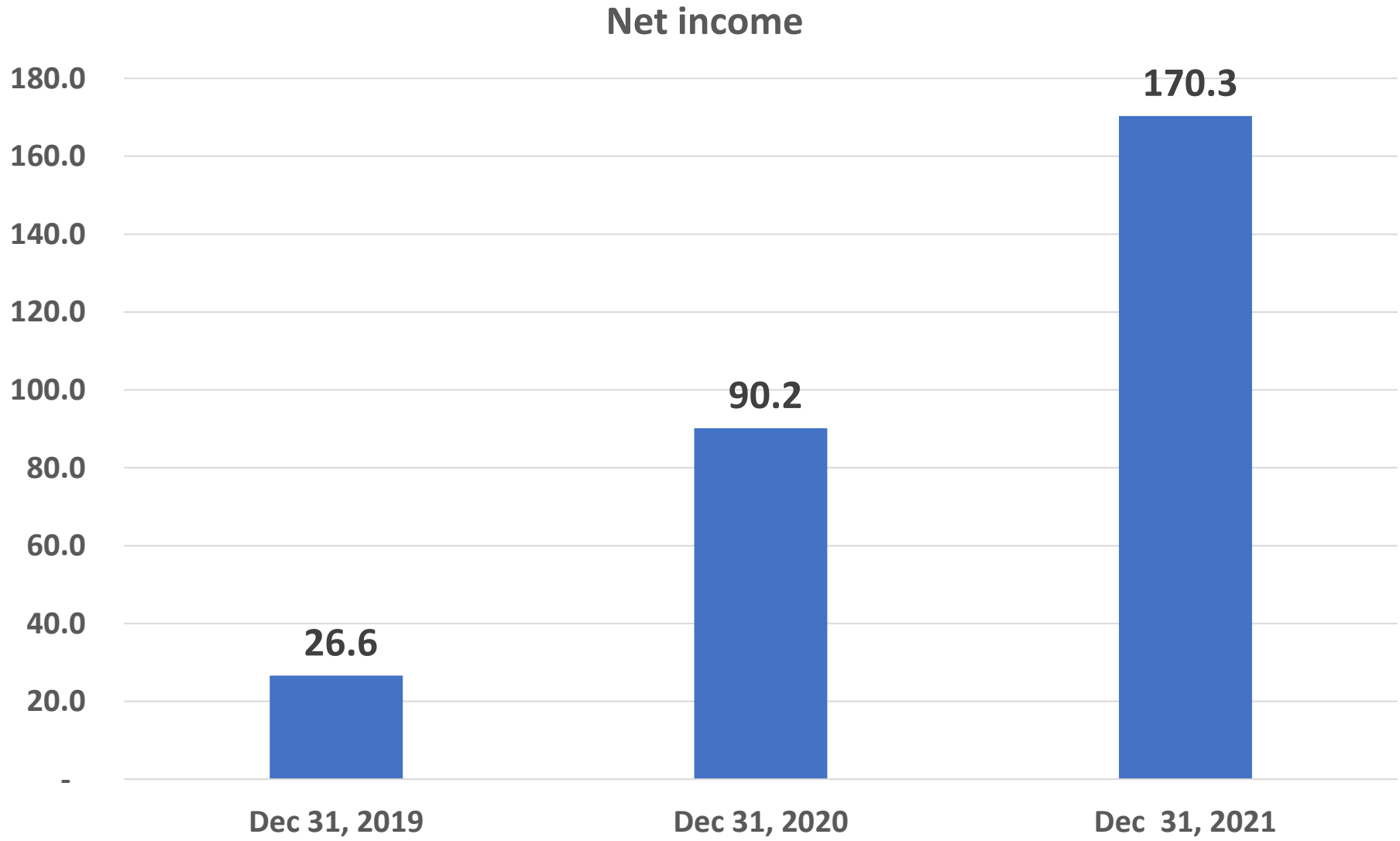
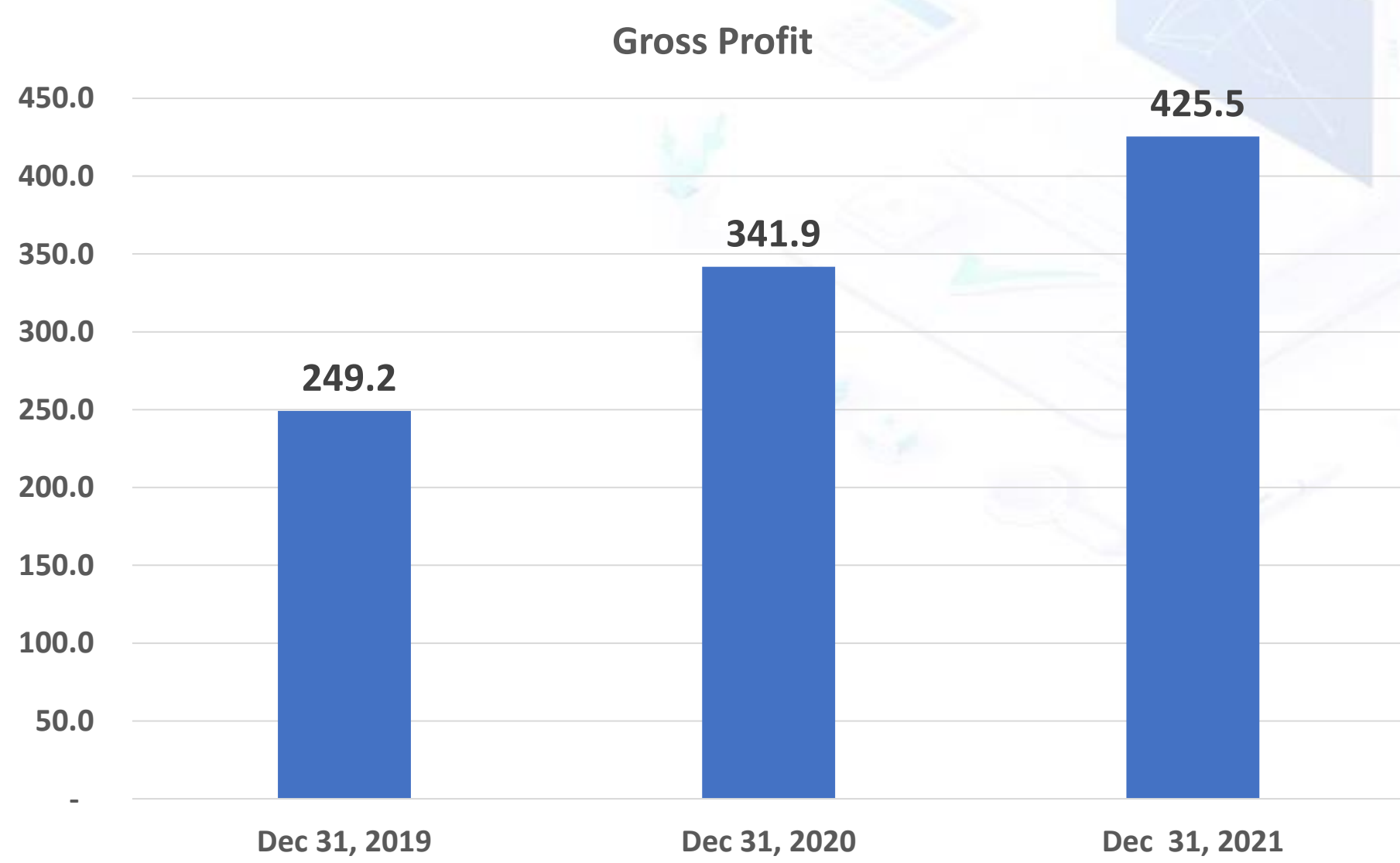
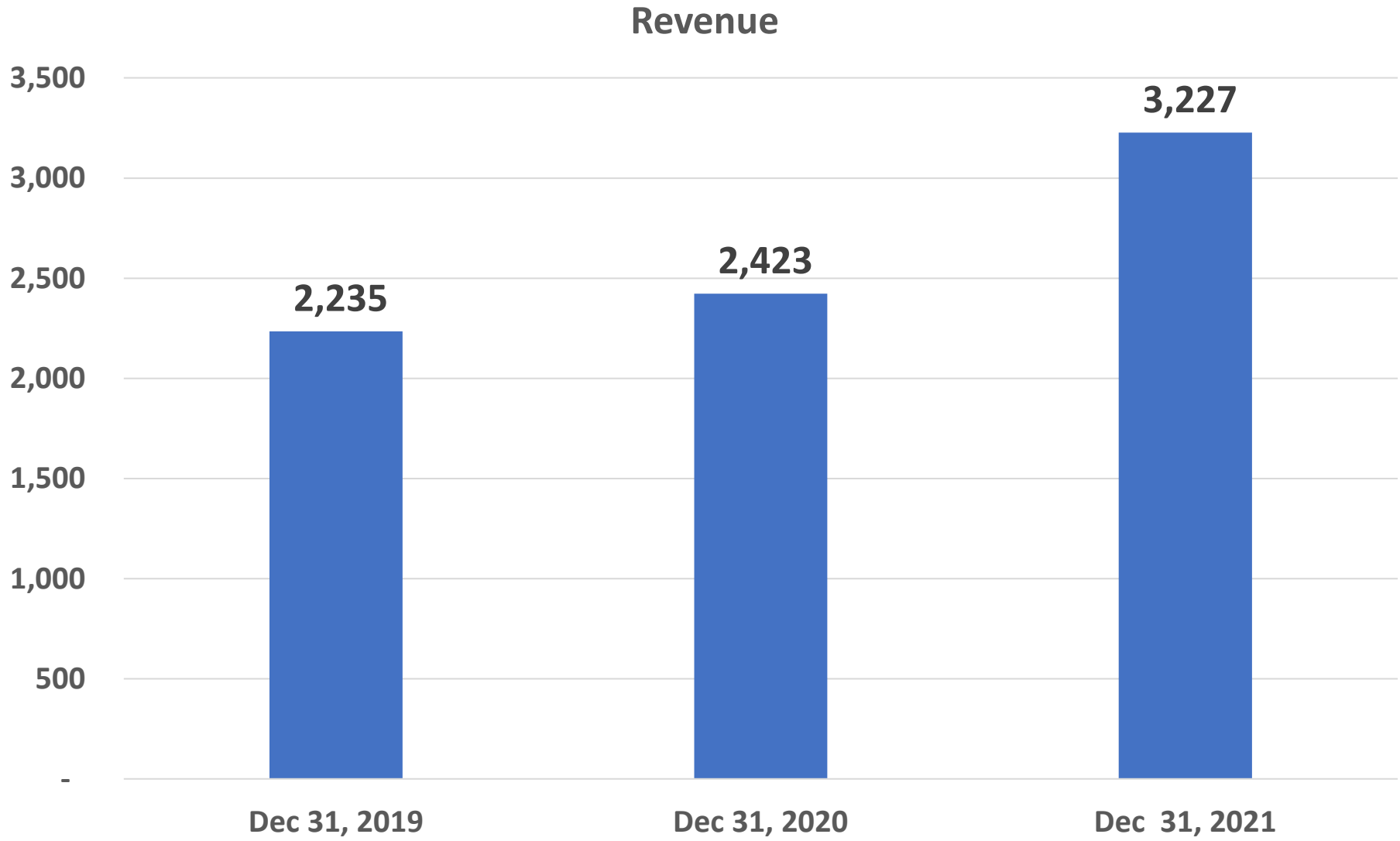


# Financial Perspective





# Operations Evolution

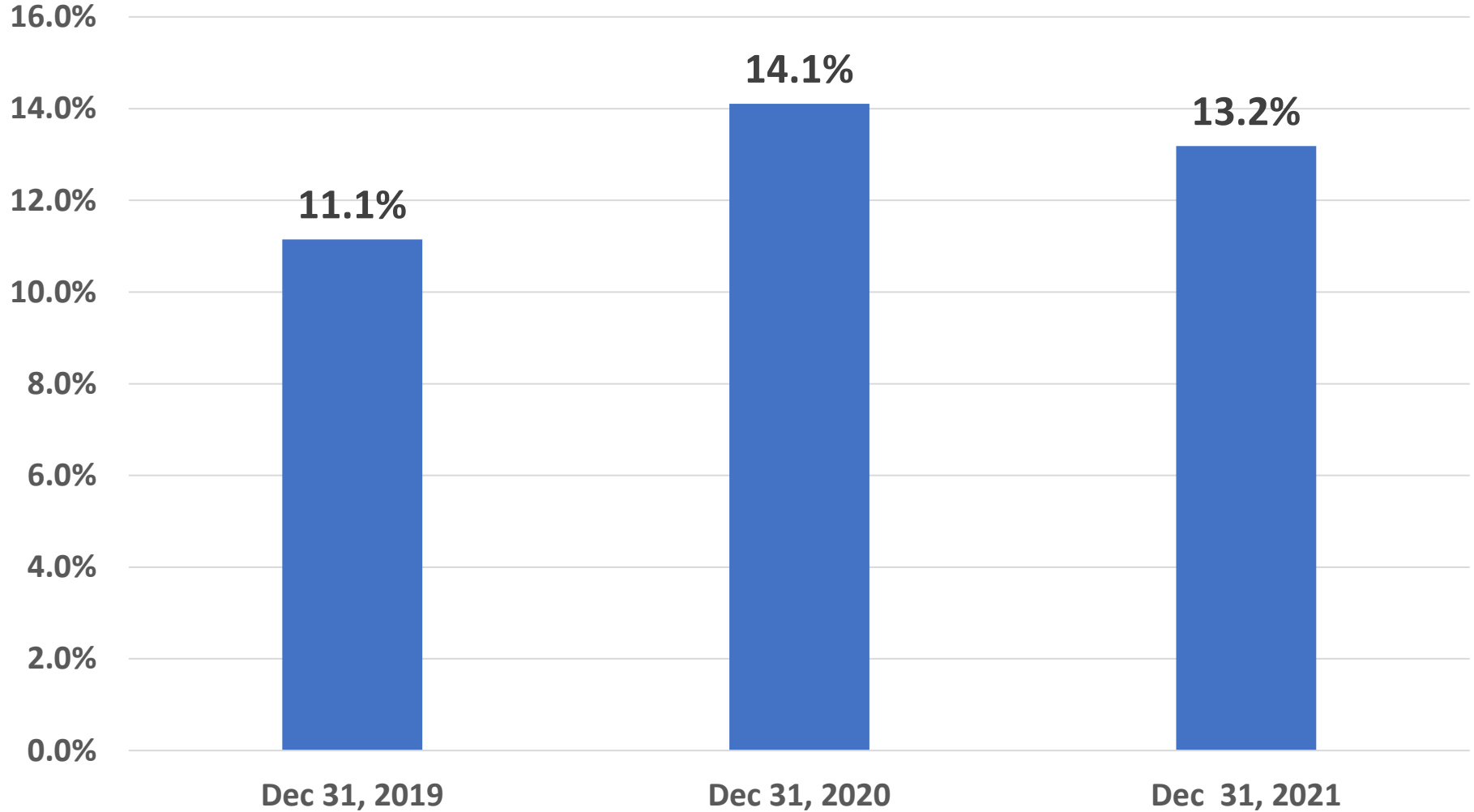


Numbers are in Saudi Riyal Million & are YTD Dec

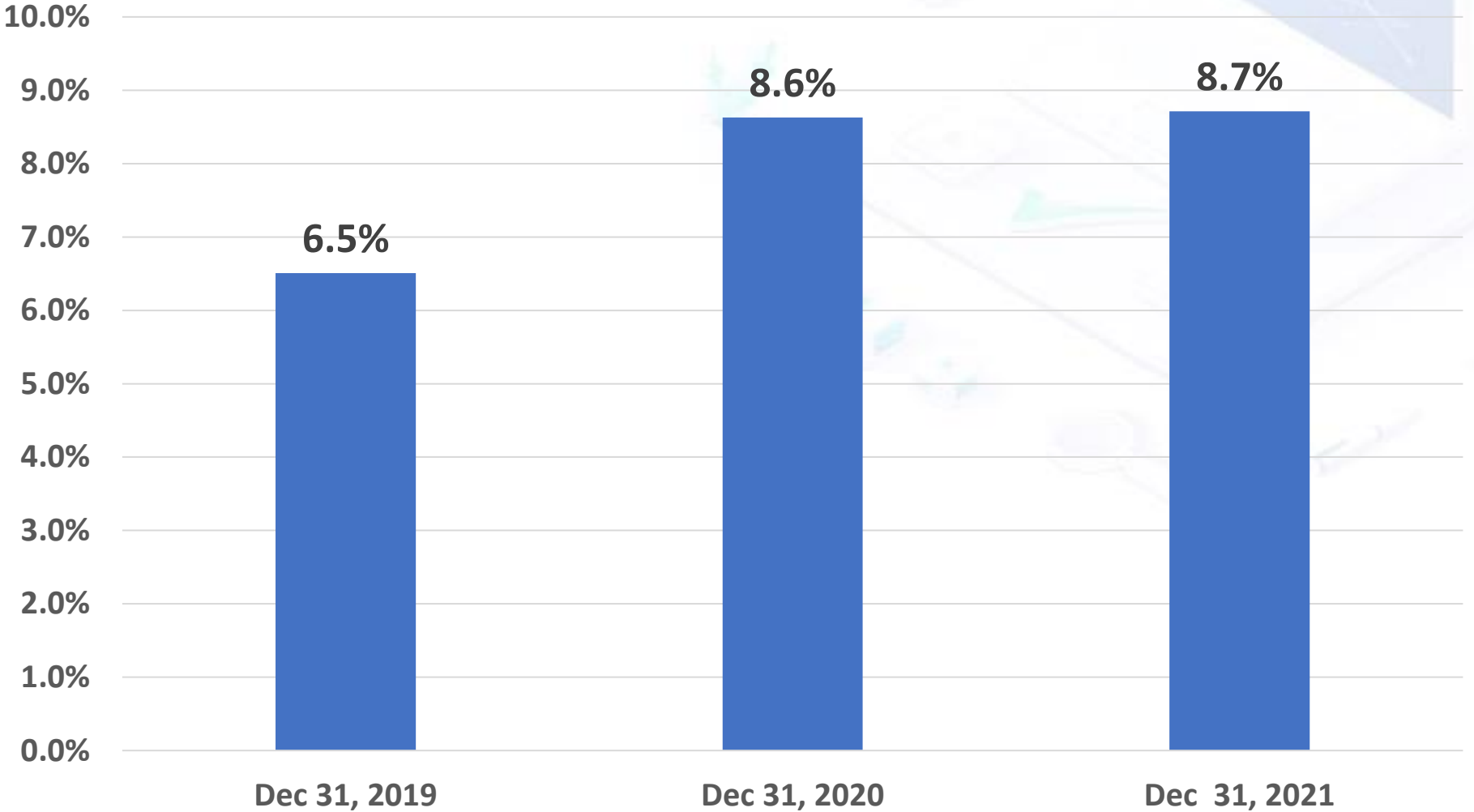


# Margins Evolution

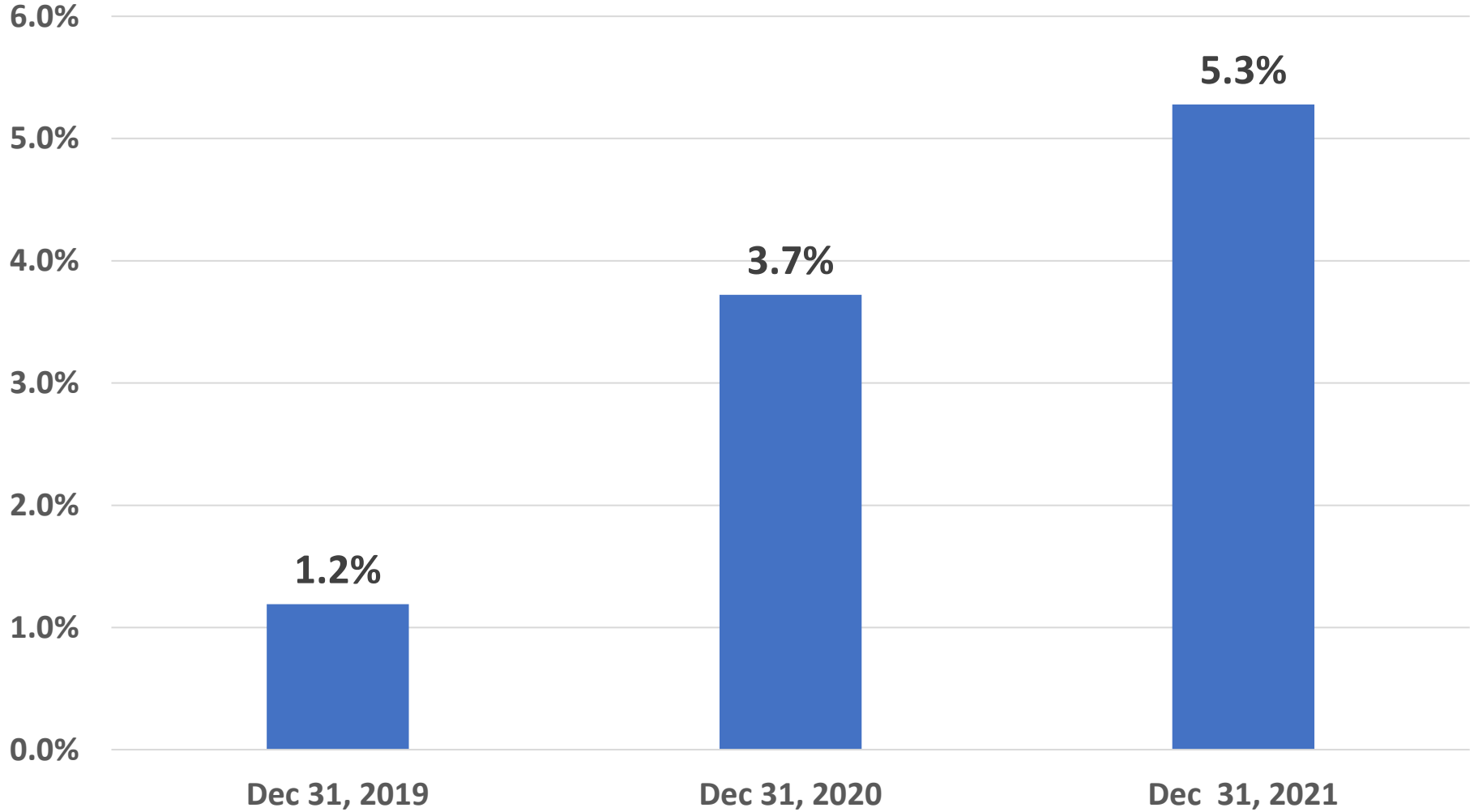
Gross Profit Margin



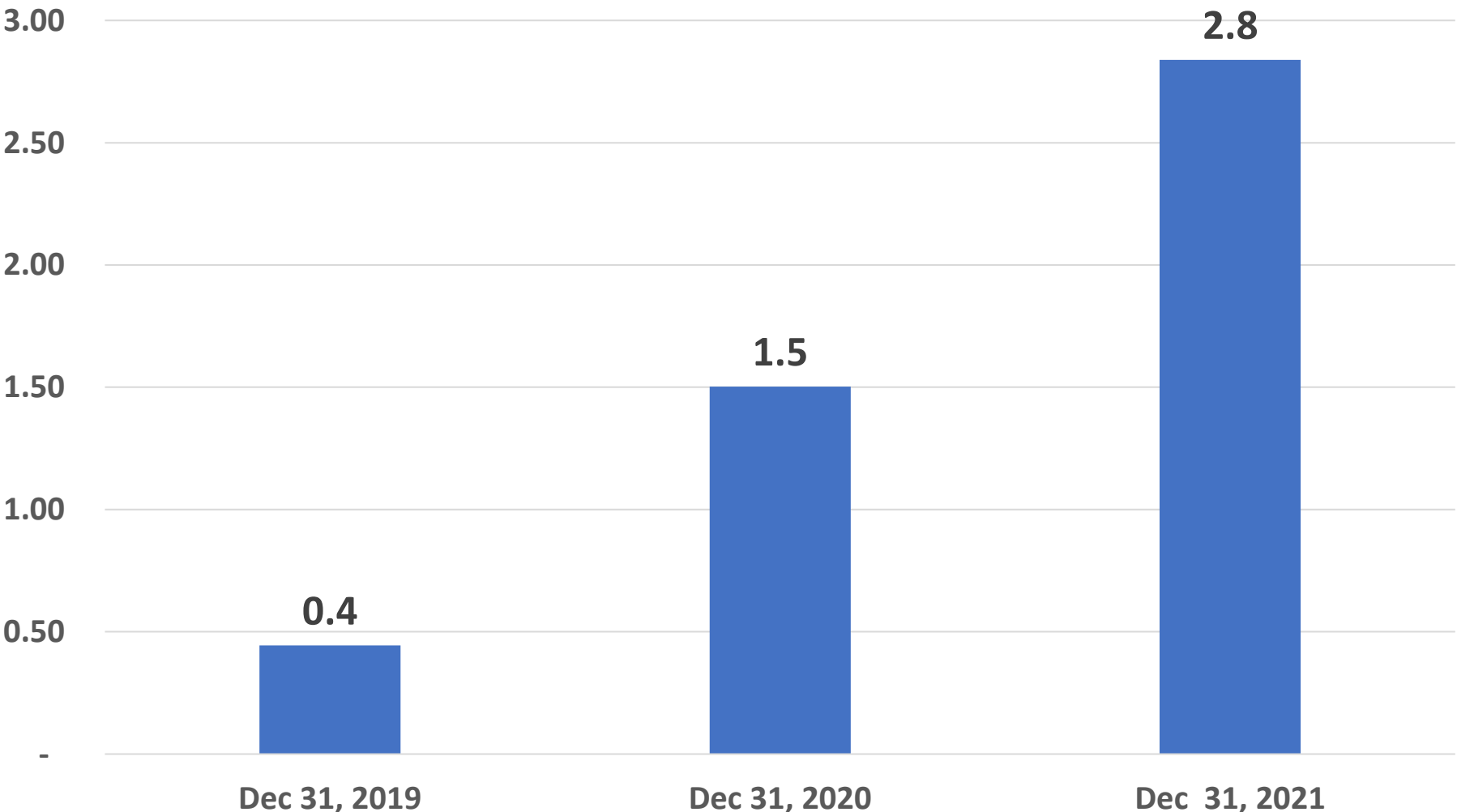
EBITDA Margin



Net Income Margin



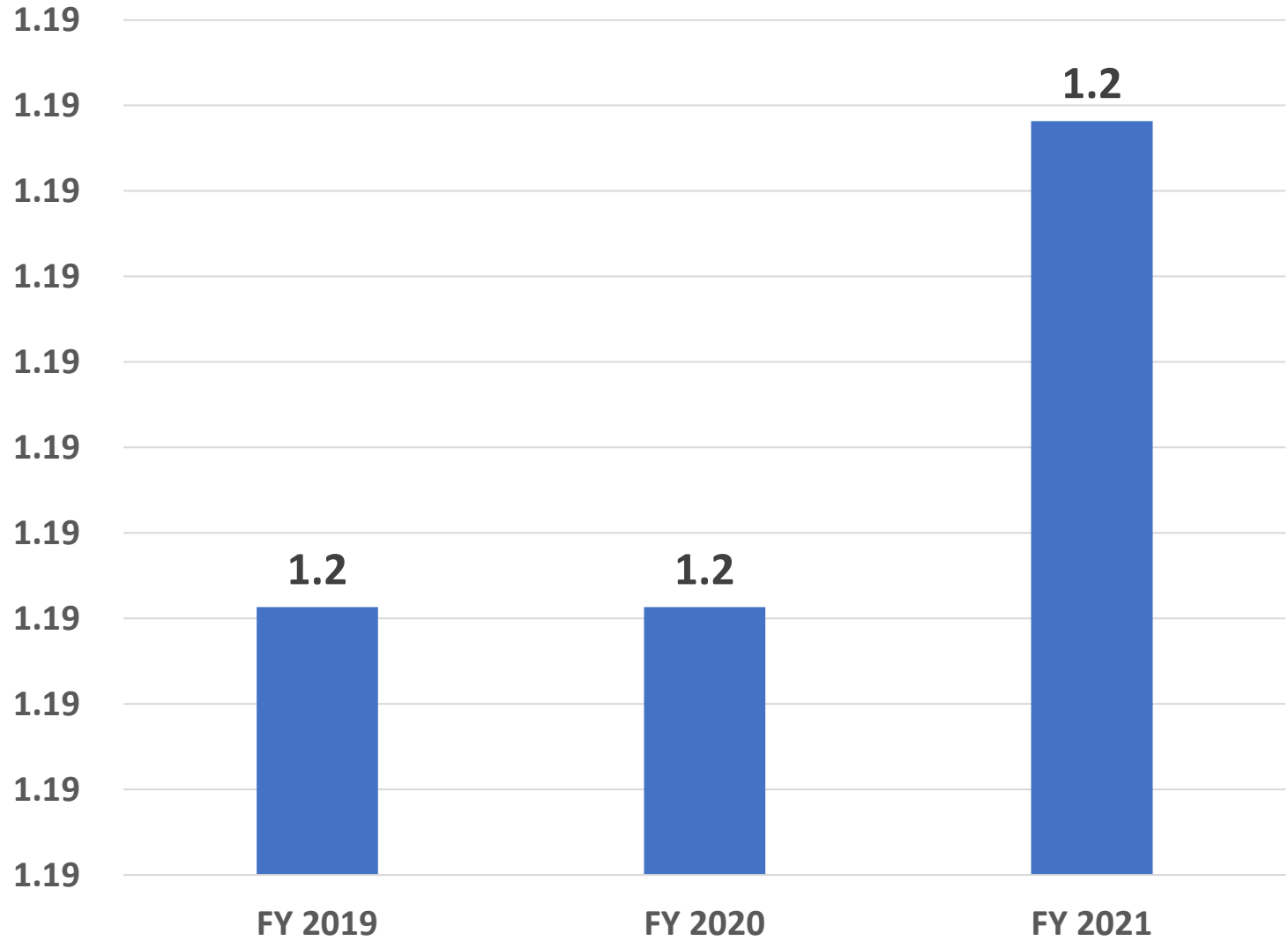
EPS



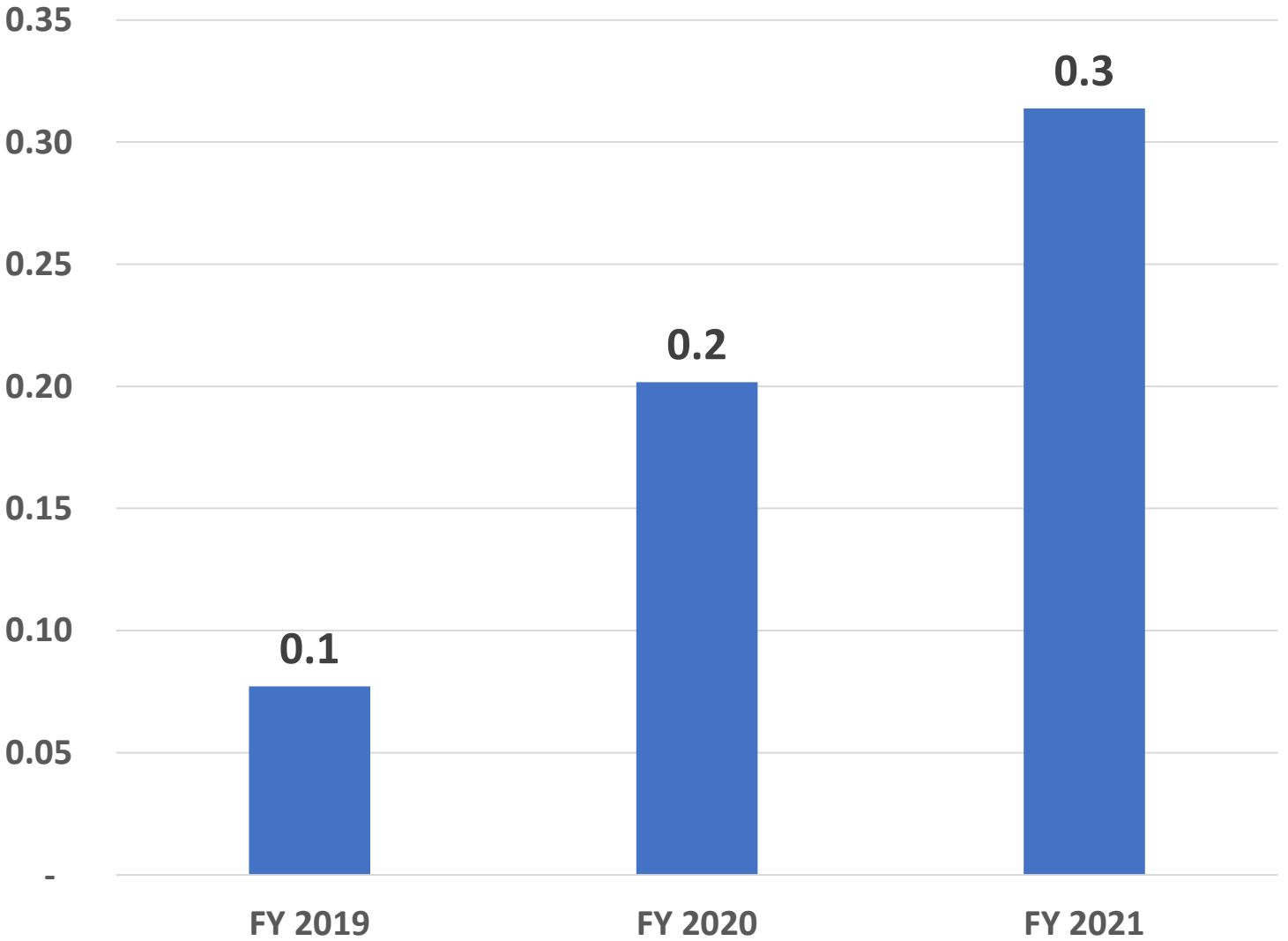


# Liquidity

Current Ratio

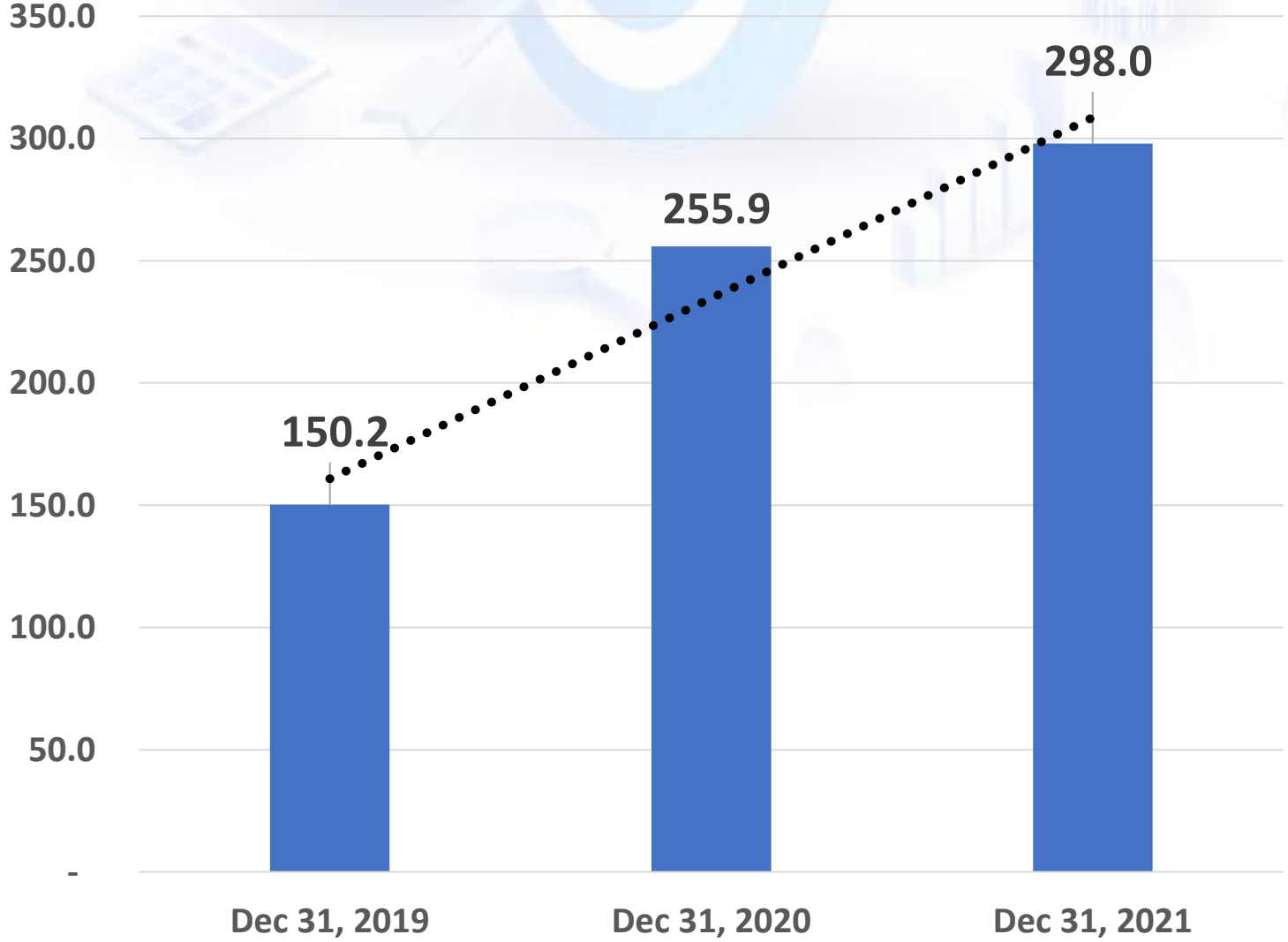


Debt Service Coverage Ratio



Annualized

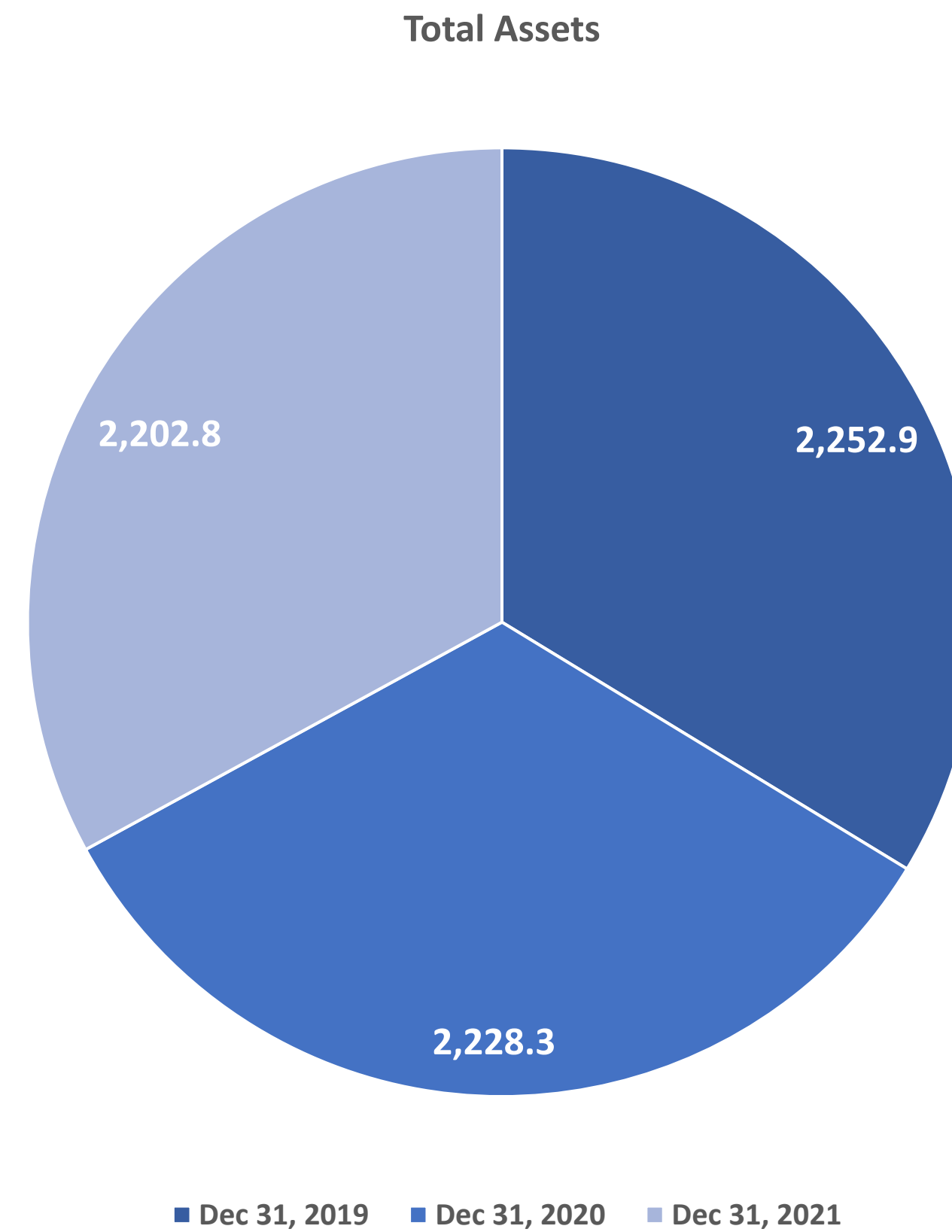
Operating Cash Flows



Numbers are in Saudi Riyal Million

\* Before working capital charges

# Assets



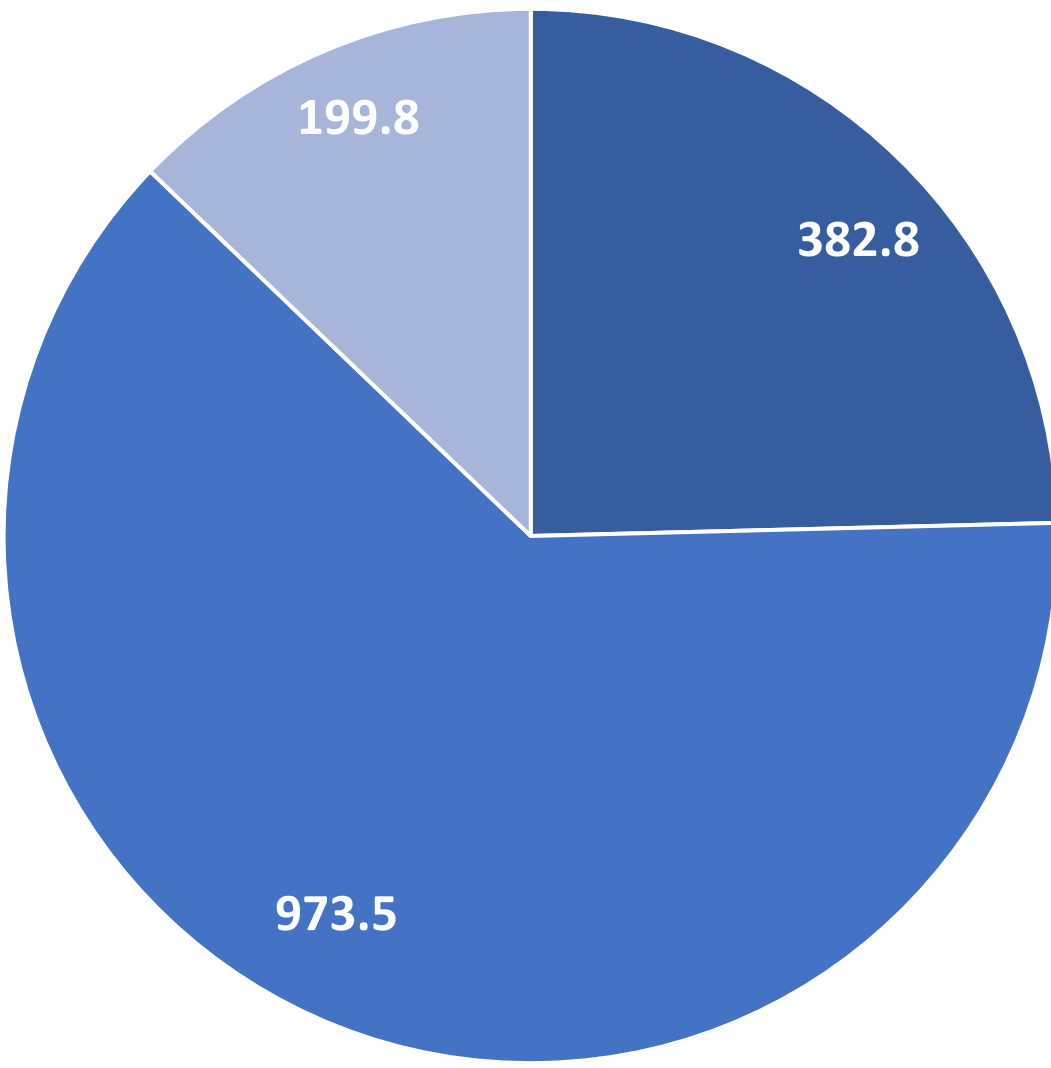
*Numbers are in Saudi Riyal Million*





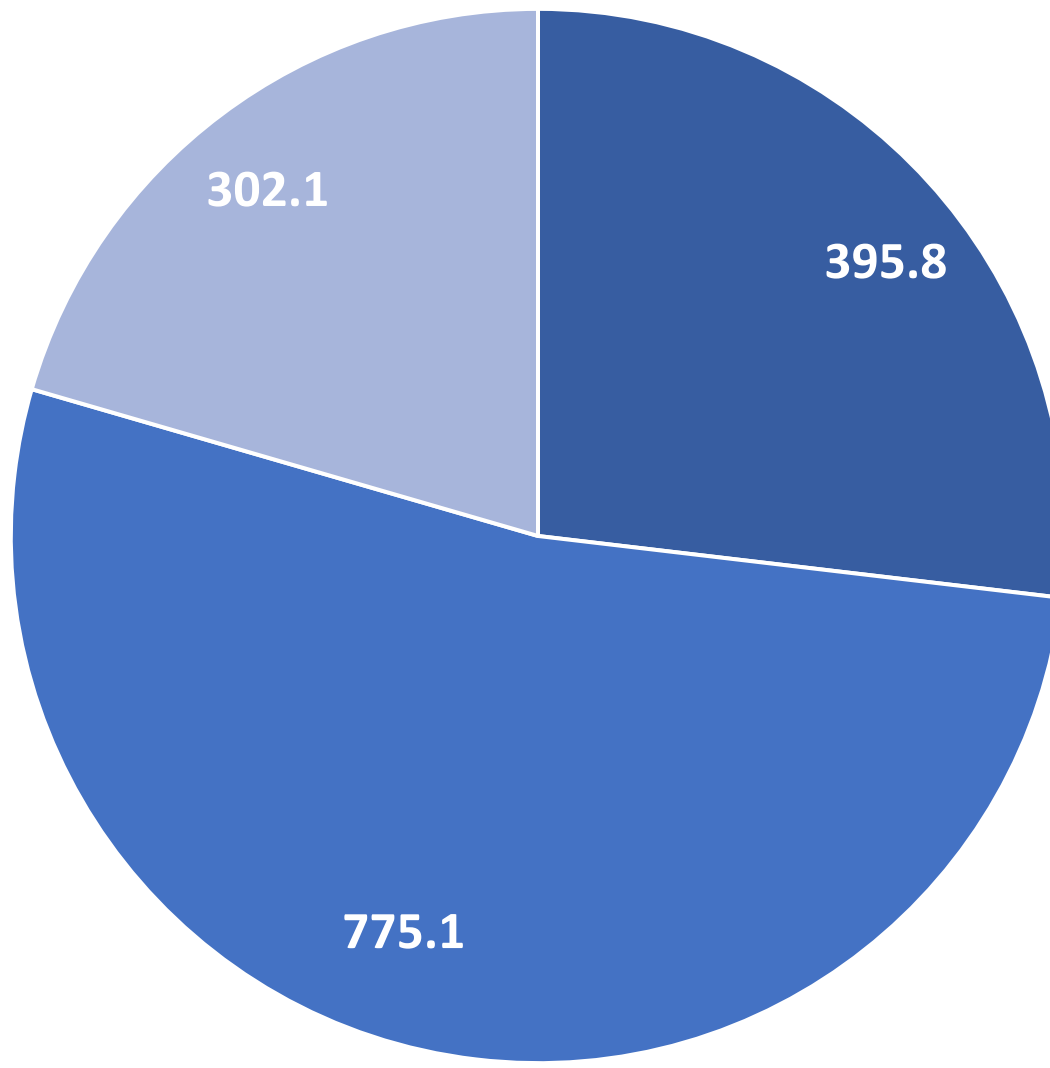
# Liabilities

Dec 31, 2019



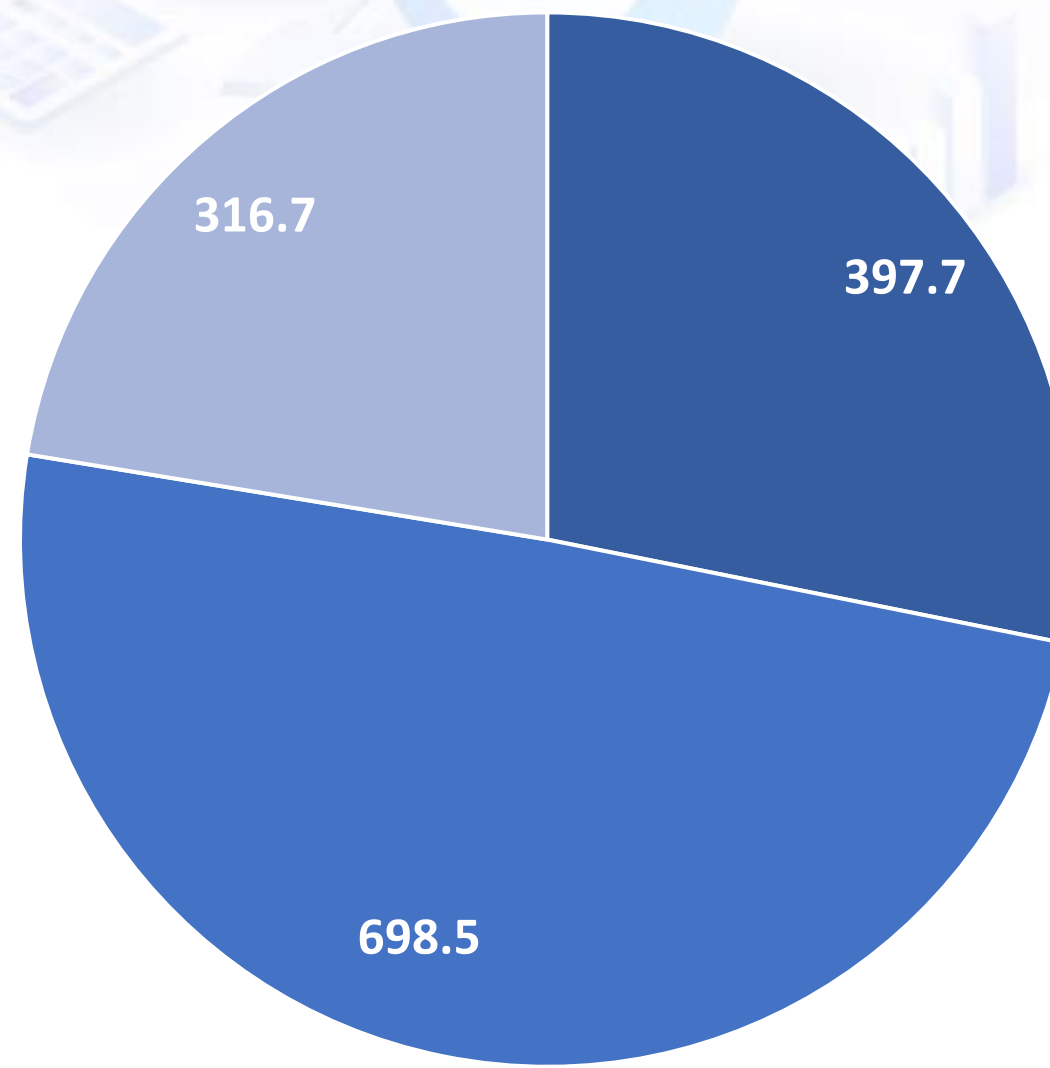
■ Accounts payable ■ Loans ■ Other

Dec 31, 2020



■ Accounts payable ■ Loans ■ Other

Dec 31, 2021

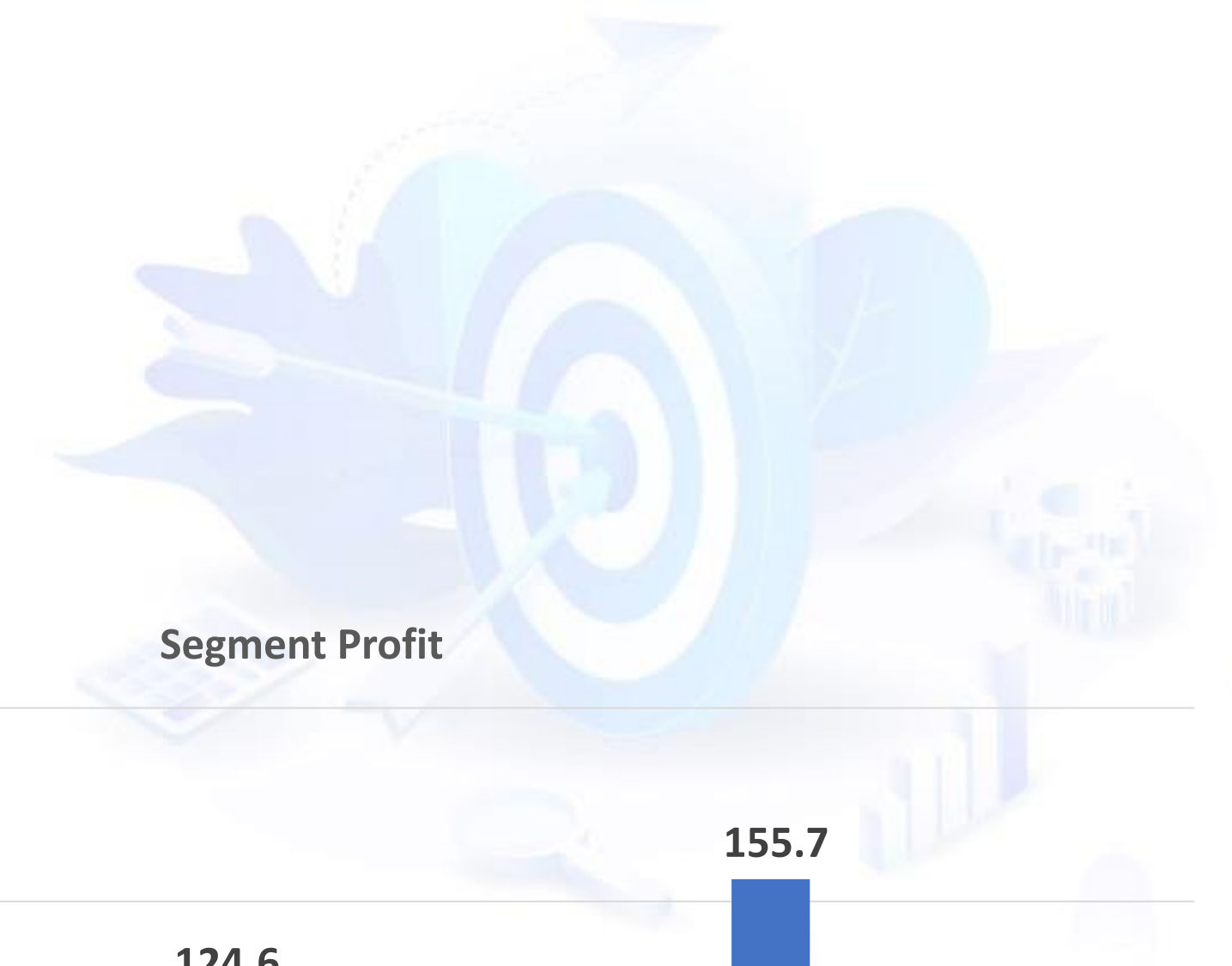


■ Accounts payable ■ Loans ■ Other

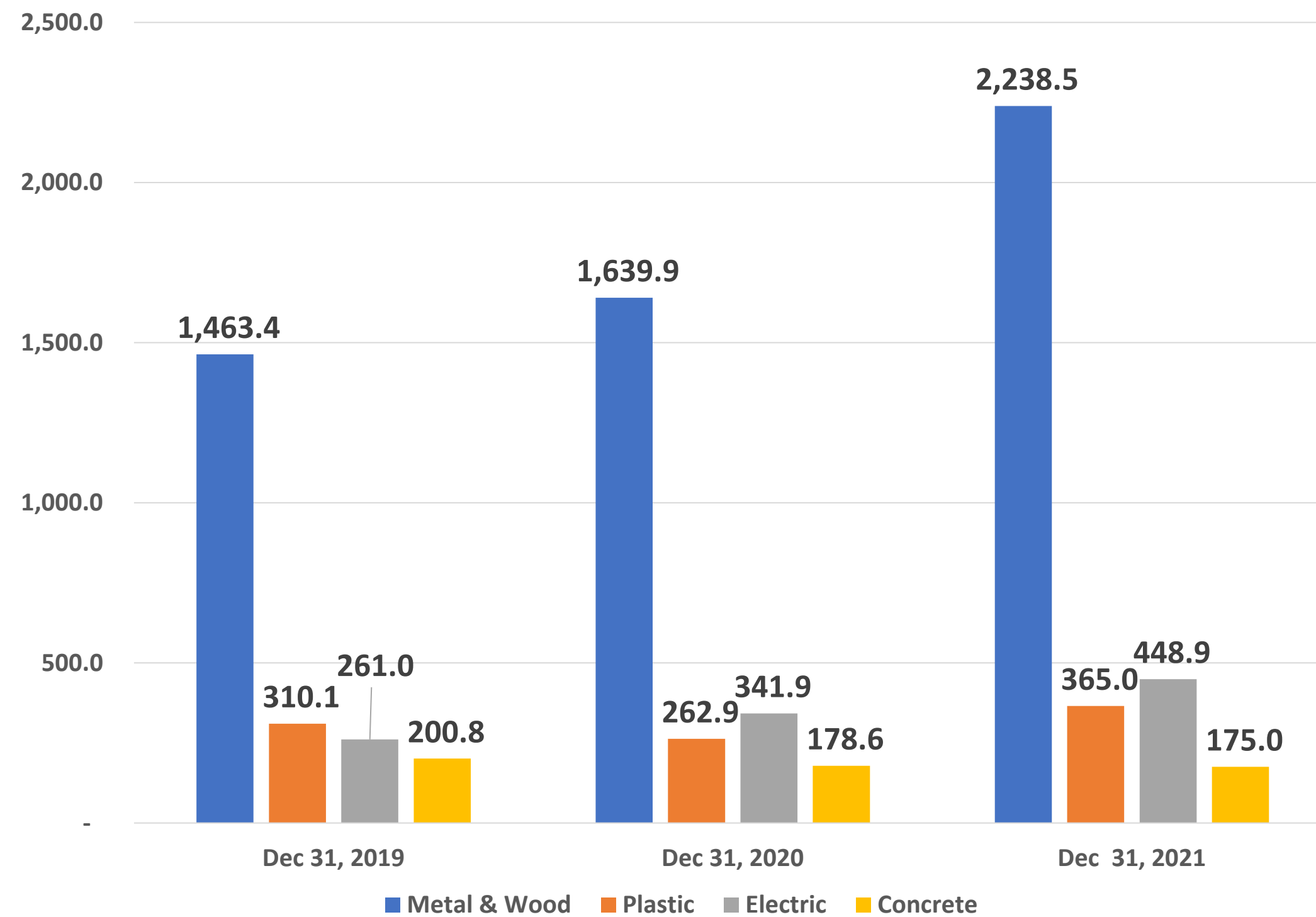
*Numbers are in Saudi Riyal Million*



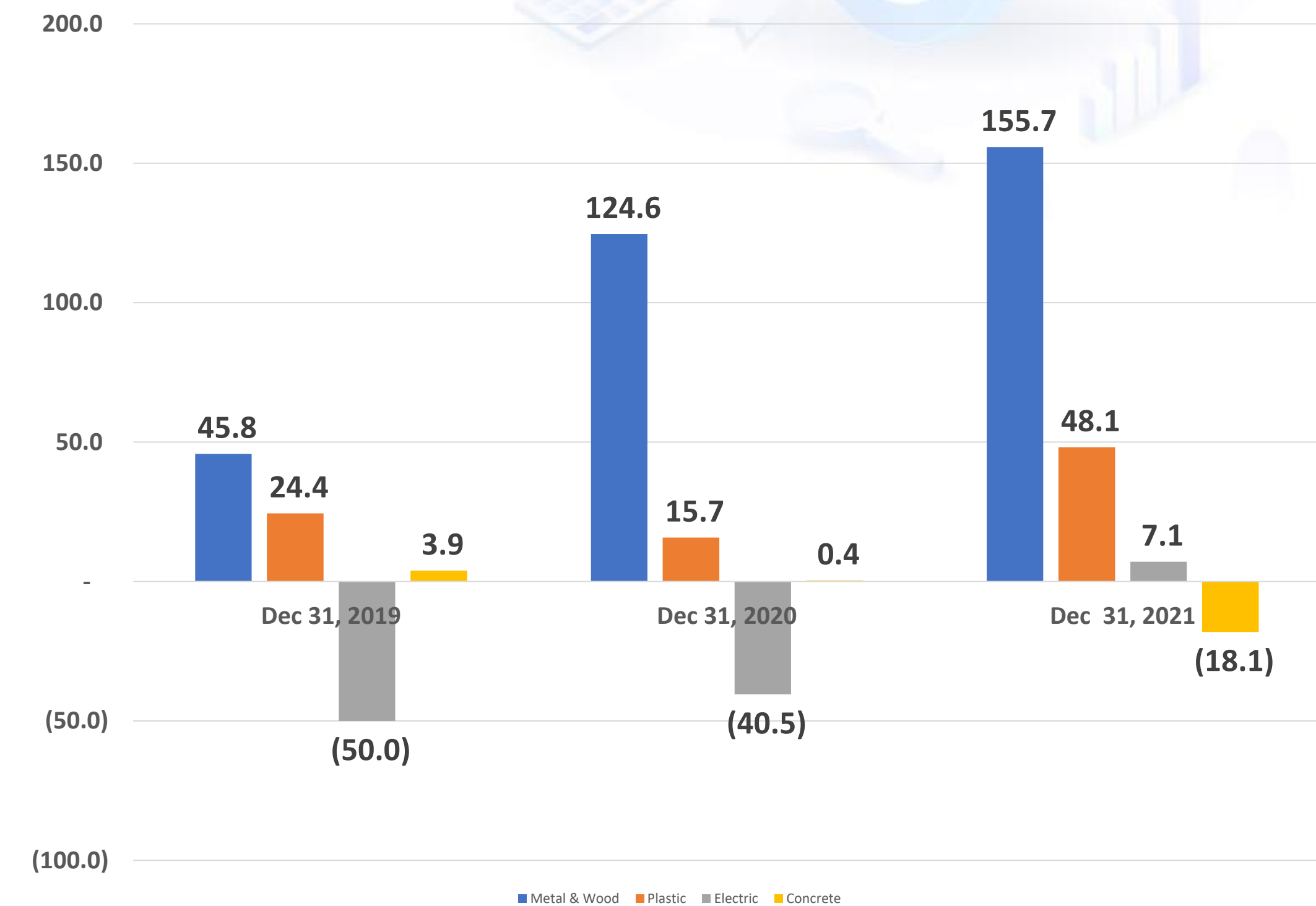
# Group Operating Segments



Segment Revenue



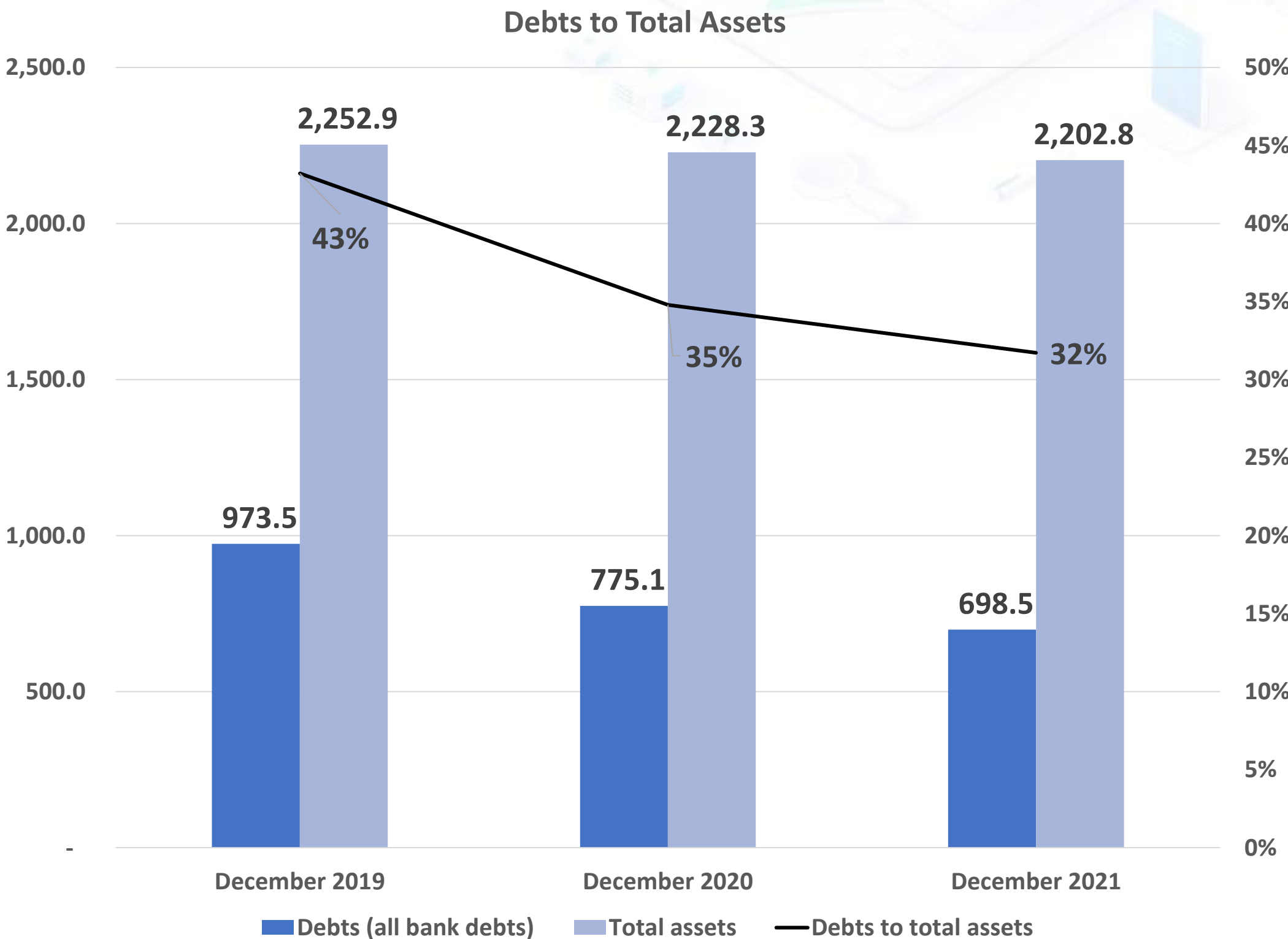
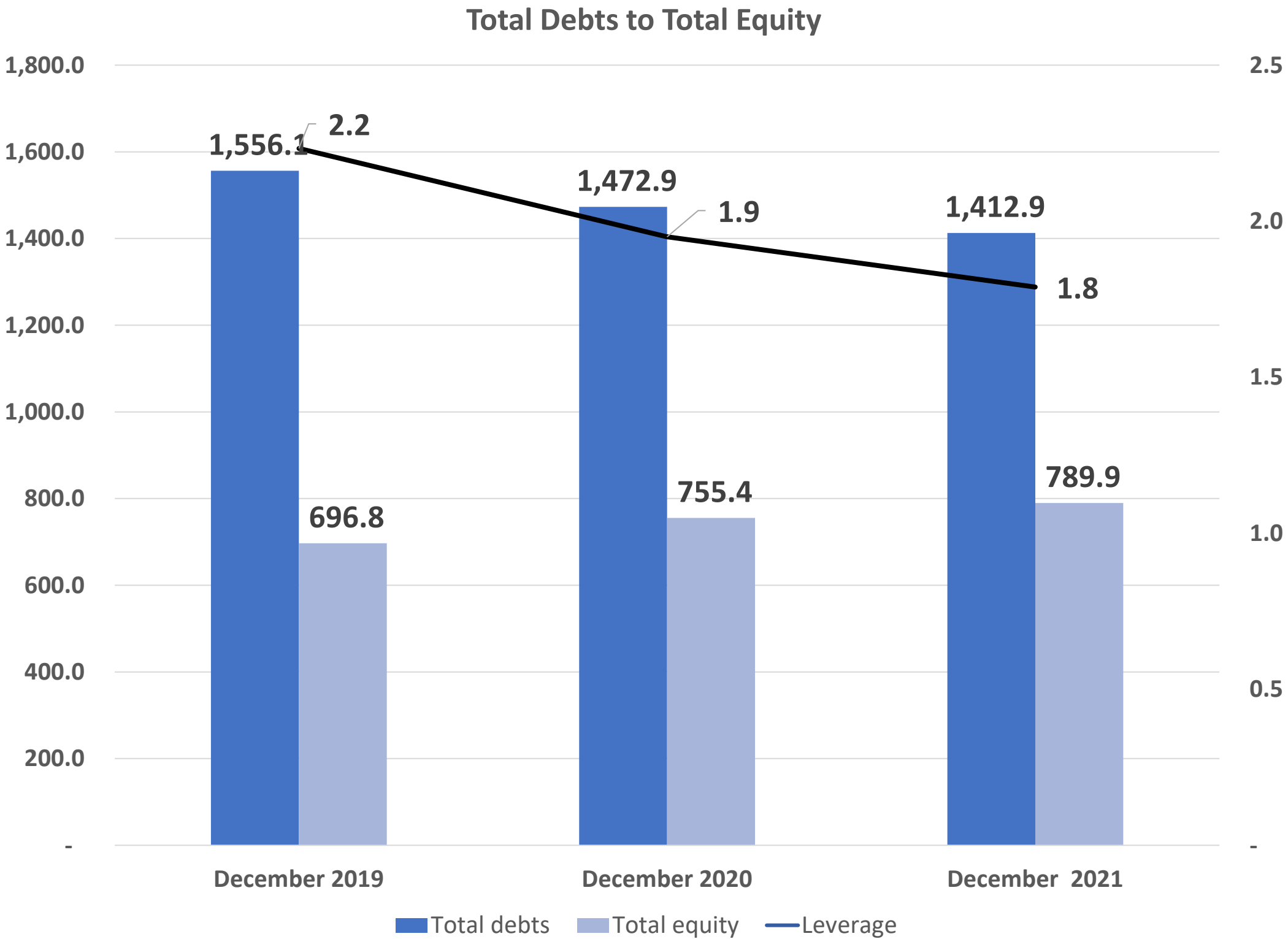
Segment Profit



Numbers are in Saudi Riyal Million



# Leverage Level

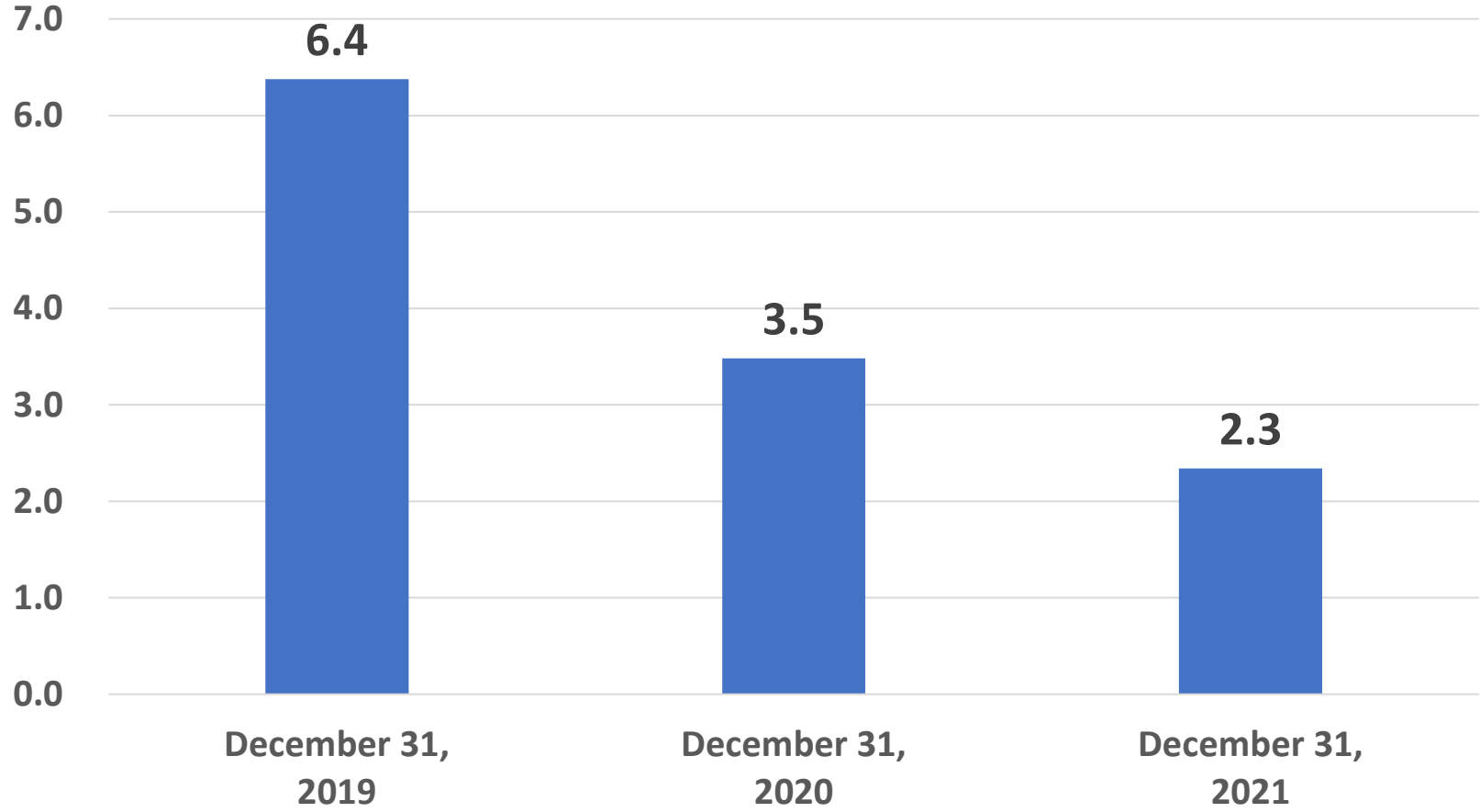


Numbers are in Saudi Riyal Million  
 Debts comprise all bank debts and SIDF Loans  
 Total debts comprise total liabilities

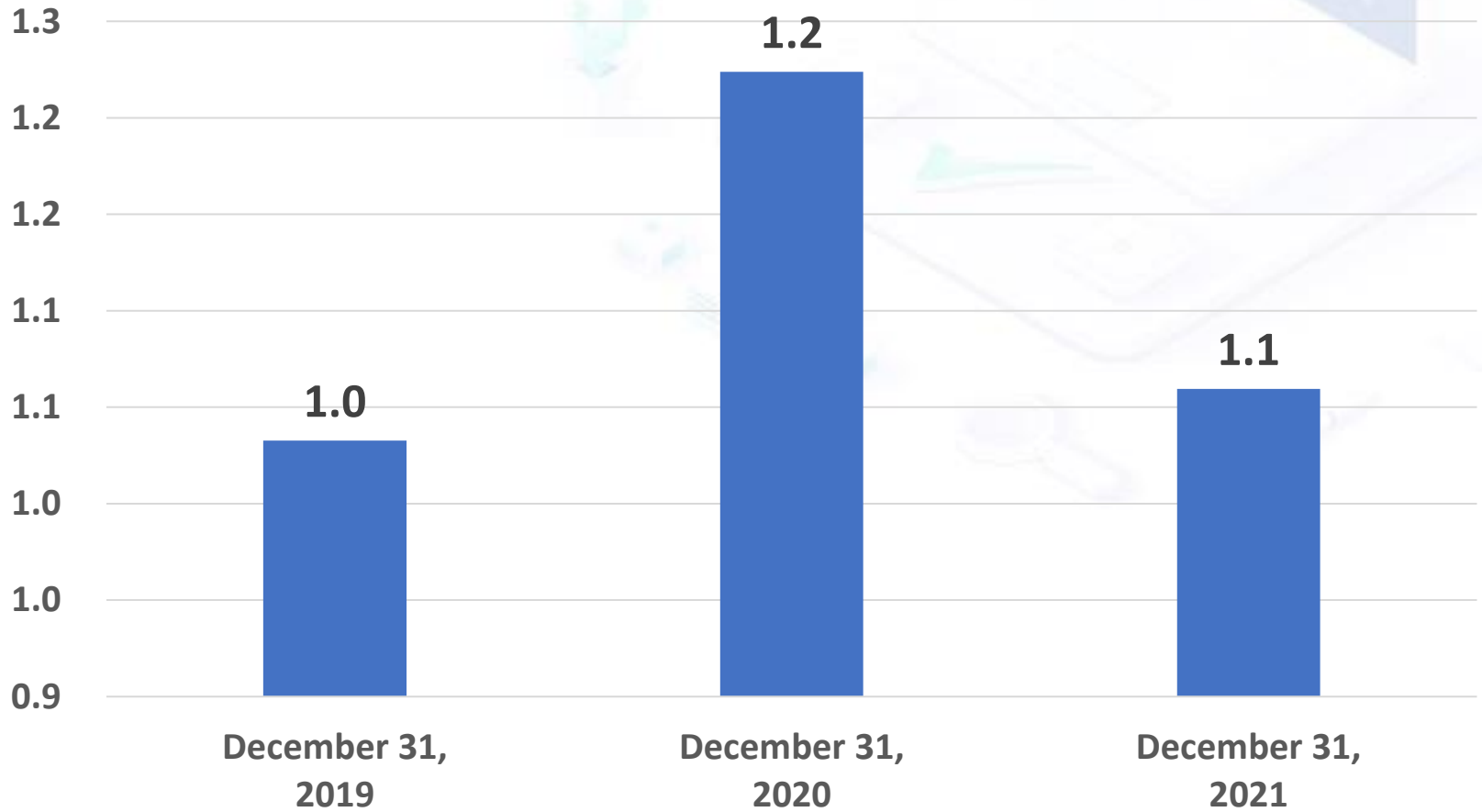


# Efficiency Ratios & Profit Evaluation

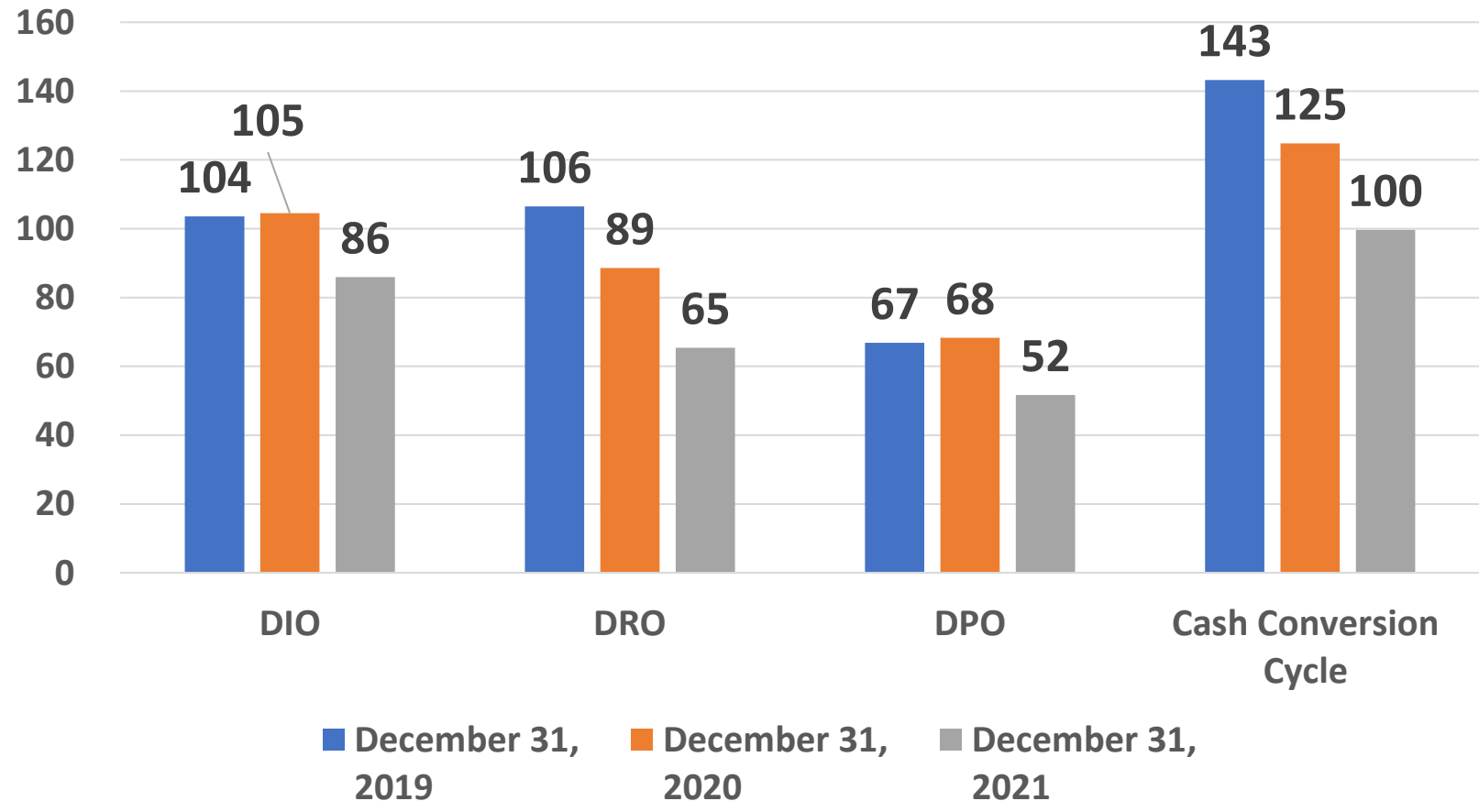
Net debt / EBITDA



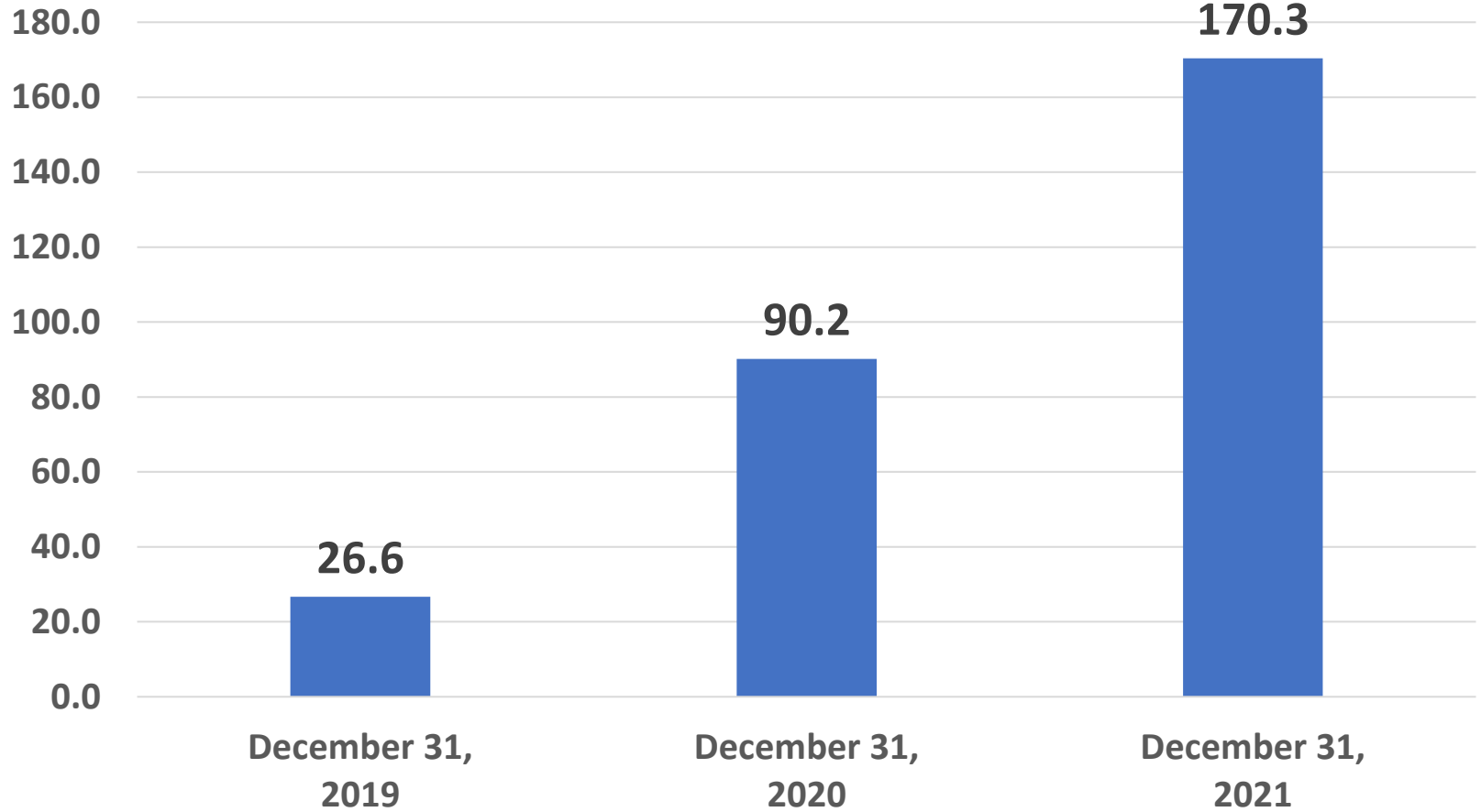
CFO/EBITDA\*\*



Efficiency Ratio (In Days)



Net Profit\*



DIO: Days inventory outstanding  
 DRO: Days receivables outstanding  
 DPO: Days payable outstanding  
 CCC: Cash conversion cycle

\*in Saudi Riyal Millions  
 \*\* CFO Before Working Capital Changes





# Dividends



# Historical Dividends

Year	Net income/Losses (SAR Million)	Total amount distributed (SAR Million)	Ratio to Distributable Profit (*)
2015	88.1	65.0	82%
2016	119.1	69.0	64.4%
2017	71.0	48.0	75%
2020	90.2	60.0	74%
2021	170.3	90	59%

No profits were distributed for the year 2018 and 2019, as the company had losses of SR 218.4 million in 2018, and there was no distributable profit according to the policy for the year 2019.

Distributable profit represents the net income after transferring 10% to statutory reserve.



# Appendix





# Statement of Income

	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
	SR'000	SR'000	SR'000
Revenue	2,235,233	2,423,285	3,227,410
Cost of sales	(1,986,037)	(2,081,420)	(2,801,938)
<b>Gross profit</b>	<b>249,196</b>	<b>341,865</b>	<b>425,472</b>
Selling and distribution expenses	(81,427)	(75,525)	(86,429)
Administrative expenses	(105,971)	(106,735)	(128,585)
Expected credit loss (ECL) allowance	(9,099)	(31,203)	(16,560)
<b>Operating profit</b>	<b>52,699</b>	<b>128,402</b>	<b>193,898</b>
Gain on disposal & fair value gain on investment at FVTPL	13,118	1,859	4,063
Other income	11,408	8,601	12,166
Finance charges	(45,164)	(29,859)	(18,840)
<b>Profit before zakat</b>	<b>32,061</b>	<b>109,003</b>	<b>191,287</b>
Zakat	(6,806)	(16,003)	(19,111)
<b>Profit from continuing operations</b>	<b>25,255</b>	<b>93,000</b>	<b>172,176</b>
Loss from discontinued operations	(3,512)	(8,256)	(2,112)
<b>Profit for the period</b>	<b>21,743</b>	<b>84,744</b>	<b>170,064</b>
Non-controlling interests	4,889	5,424	278
<b>Profit attributable to owners of the Company</b>	<b>26,632</b>	<b>90,168</b>	<b>170,342</b>
Added back:			
Finance charges	45,164	29,859	18,840
Zakat	6,806	16,003	19,111
<b>EBIT</b>	<b>73,713</b>	<b>130,606</b>	<b>208,015</b>
Added back:			
Depreciation and Amortization	71,755	78,476	73,226
<b>EBITDA</b>	<b>145,468</b>	<b>209,082</b>	<b>281,241</b>
Weighted average number of shares (in thousand)	60,000	60,000	60,000

\* Plastic segment was acquired effective January 1, 2019



# Statement of Financial Position

	December 31, 2019	December 31, 2020	December 31, 2021
	SR'000	SR'000	SR'000
Property, plant and equipment	827,763	730,759	709,840
Right-of-use assets	21,857	19,967	18,485
Goodwill and other intangible assets	15,880	12,798	10,119
Other non-current assets	4,230	3,340	2,913
<b>Total non-current assets</b>	<b>869,730</b>	<b>766,864</b>	<b>741,357</b>
Inventories	553,945	637,945	681,258
Trade receivables (including related parties)	620,292	555,583	601,220
Investment in financial assets at FVTPL	48,775	25,491	-
Other current assets	160,162	158,440	178,917
Assets relating to disposal group classified as held for sale	-	84,009	-
<b>Total current assets</b>	<b>1,383,174</b>	<b>1,461,468</b>	<b>1,461,395</b>
<b>TOTAL ASSETS</b>	<b>2,252,904</b>	<b>2,228,332</b>	<b>2,202,752</b>
Equity attributable to owners of the Company	626,174	692,519	739,513
Non-controlling interests	70,630	62,900	50,389
<b>Total equity</b>	<b>696,804</b>	<b>755,419</b>	<b>789,902</b>
Loans	290,861	138,539	80,541
Lease liabilities	21,282	19,547	17,322
Employee defined benefit liabilities	79,780	85,088	85,562
<b>Total non-current liabilities</b>	<b>391,923</b>	<b>243,174</b>	<b>183,425</b>
Trade payables (including related parties)	382,849	395,785	397,672
Due to banks	663,301	518,646	552,963
Loans-current portion	19,300	117,891	64,994
Other current liabilities	98,727	146,473	213,796
Liabilities relating to disposal group classified as held for sale	-	50,944	-
<b>Total current liabilities</b>	<b>1,164,177</b>	<b>1,229,739</b>	<b>1,229,425</b>
<b>TOTAL LIABILITIES</b>	<b>1,556,100</b>	<b>1,472,913</b>	<b>1,412,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,252,904</b>	<b>2,228,332</b>	<b>2,202,752</b>



# Summarized Cash Flows

Cash Flow from Operations before working capital changes

Investing cash flows

Financing cash flows

Cash and cash equivalents

	Dec 31, 2019 SR'000	Dec 31, 2020 SR'000	Dec 31, 2021 SR'000
Cash Flow from Operations before working capital changes	150,211	255,872	297,952
Investing cash flows	(322,190)	(22,394)	6,696
Financing cash flows	32,332	(180,383)	(161,256)
Cash and cash equivalents	45,899	47,012	40,305

*\* Before working capital changes*





# Q&A

