



بوان
Bawan

EARNINGS PRESENTATION
Q2 2022

Table of contents

Disclaimer	03
Who We Are	04
Key Highlights	11
Macro Overview	13
Financial Perspective	20
Environmental Social Governance	29

Disclaimer

This presentation has been prepared solely for use as the earnings presentation of Bawan Company (or “The Group”). By attending or by reading this presentation, you agree to be bound by the following limitations:

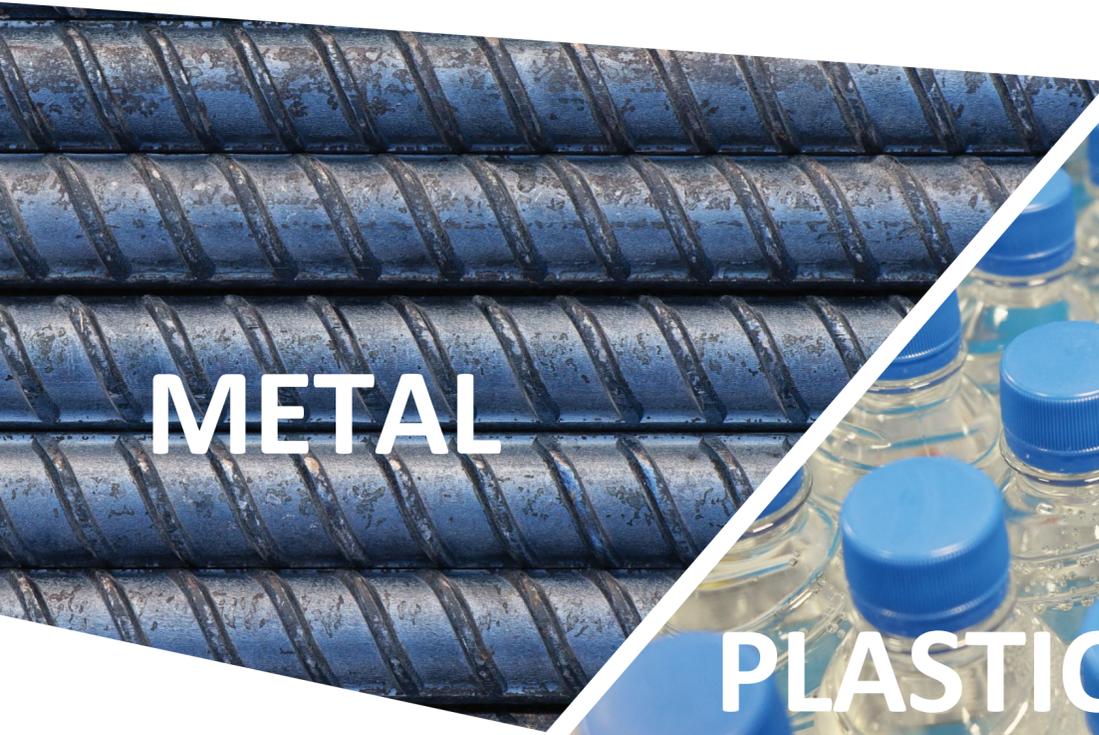
- The information contained in this presentation is for background purposes only and does not purport to be comprehensive and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation to buy or subscribe for any securities in any jurisdiction, or a recommendation in respect of buying, holding or selling any securities. No representation or warranty, express or implied, is made as to, and no reliance should be placed by any person for any purpose on the information contained in this presentation, fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation.
- Information contained in this presentation is subject to change without further notice, its accuracy is not guaranteed, and it may not contain all material information concerning the Company and its subsidiaries. We do not make any representation regarding, and assume no responsibility or liability for the accuracy or completeness of, or any errors or omissions in, to any information contained herein.

Who We Are



Who We Are

We operate in 5 sectors:



METAL



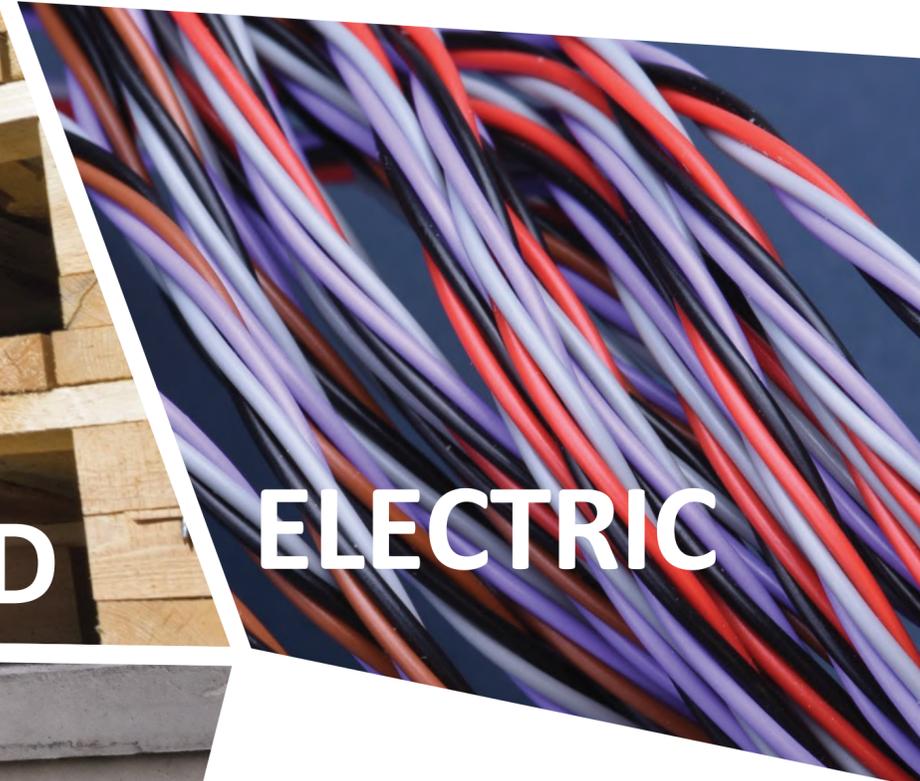
PLASTIC



WOOD



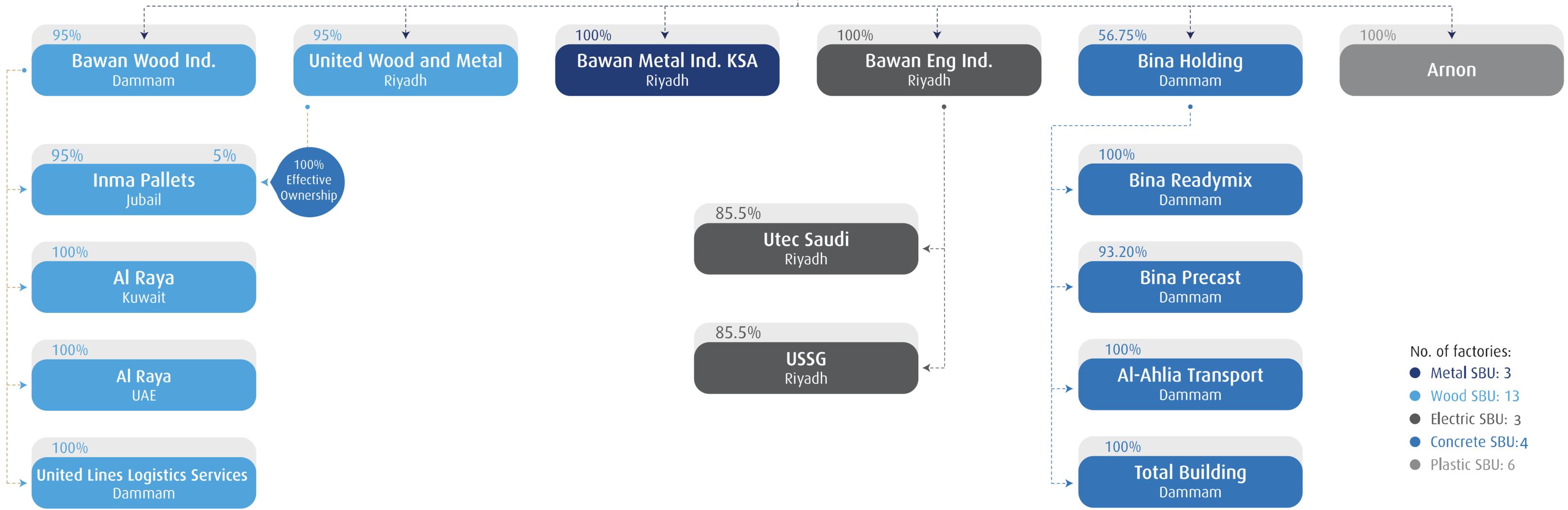
CONCRETE



ELECTRIC

Who We Are

Group Structure



No. of factories:

- Metal SBU: 3
- Wood SBU: 13
- Electric SBU: 3
- Concrete SBU: 4
- Plastic SBU: 6

Who We Are

Our Major Clients Expect
High Standards



Who We Are

VISION

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



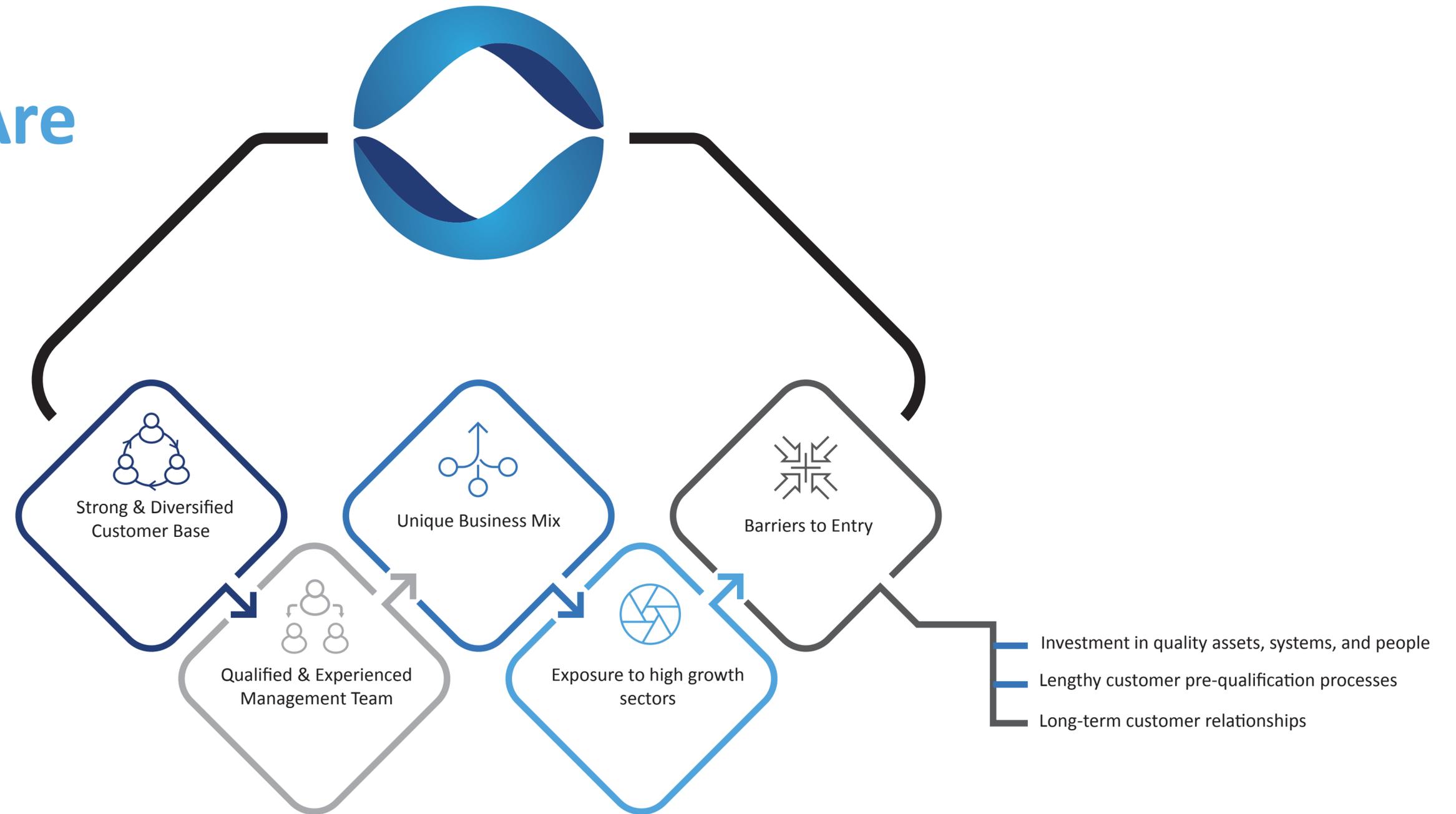
MISSION

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.



Who We Are

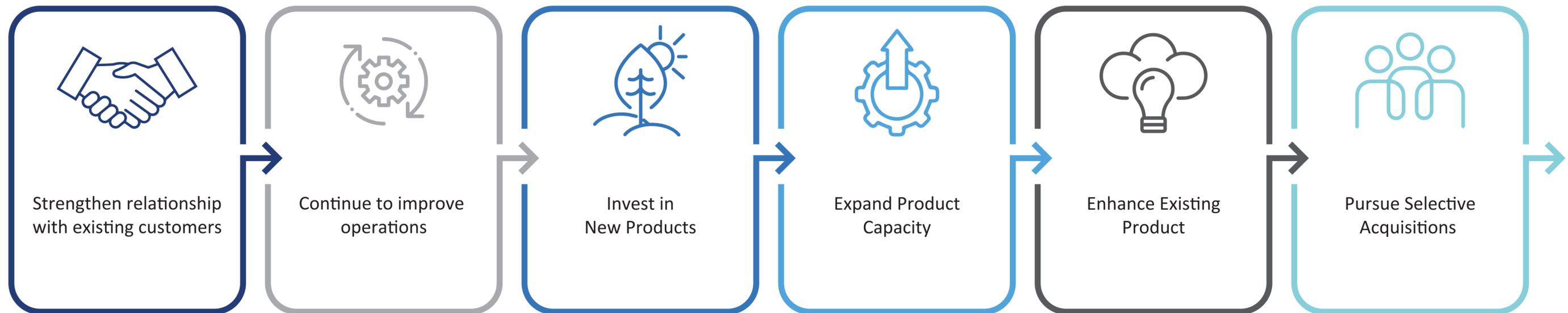
Business Case



Who We Are

Strategy

A well defined strategy enhanced by our core value



Key Highlights

Key Highlights

2022-YTD Jun		2021 YTD Jun	Change %
156.5	 Net operating Cash flow	127.5	↑ 22.8
644.4	 Net debt	627.3	↑ 2.7
2,304.6	 Total assets	2,278.7	↑ 1.1
94.9	 Net income	84.8	↑ 12
1,799.5	 Revenue	1,650.9	↑ 9

All Amounts in SAR Millions



Macro Overview

Macro Overview

Saudi Arabia Outlook (IMF)

"Favorable outlook supported by higher oil prices and increasing economic activity."

- 1- IMF revised its GDP forecast for Saudi Arabia in 2022 to 7.6%, an increase of 2.8% from Jan-22 projections and an improvement of 0.8% to 3.6% in 2023.
- 2- Fiscal Balance as a percentage of GDP is expected to see a surplus of 5.5% in 2022 and 4.7% in 2023 due to higher oil revenues.
- 3- Public debt as a percentage of GDP to stabilize at ~24.0% from 2022 and beyond.
- 4- Consumer spending rose by 10.2% year-on-year due to ease of local and global Covid-19 restrictions and a decline in local inflation to 1.6%.
- 5- Total Investment as a percentage of GDP to grow at a slower pace to reach 22.2% % of GDP in 2022 compared with 25.5% in 2021.

Source: IMF



Macro Overview

Saudi Arabia Outlook (IMF)

Economic Indicators		2021	2022F	2023F	2024F	2025F
GDP , constant prices	%	3.2	7.6	3.6	2.7	2.7
GDP , current prices	SAR BN	3,125.8	3,900.6	3,832.1	3,852.0	3,920.9
GDP per capita, current prices	SAR BN	88,152.3	107,847.3	103,876.4	102,368.3	102,155.0
Investments	% of GDP	25.5	22.2	22.7	23.1	23.3
Inflation, average consumer prices	%	3.1	2.5	2.0	2.0	2.0
Population	Persons	35.5	36.2	36.9	37.6	38.4
General government net lending/borrowing	SAR BN	(76.4)	215.8	181.9	168.2	168.2
General government net lending/borrowing	% of GDP	(2.4)	5.5	4.7	4.4	4.3
General government gross debt	% of GDP	30.0	24.1	24.5	24.4	23.9

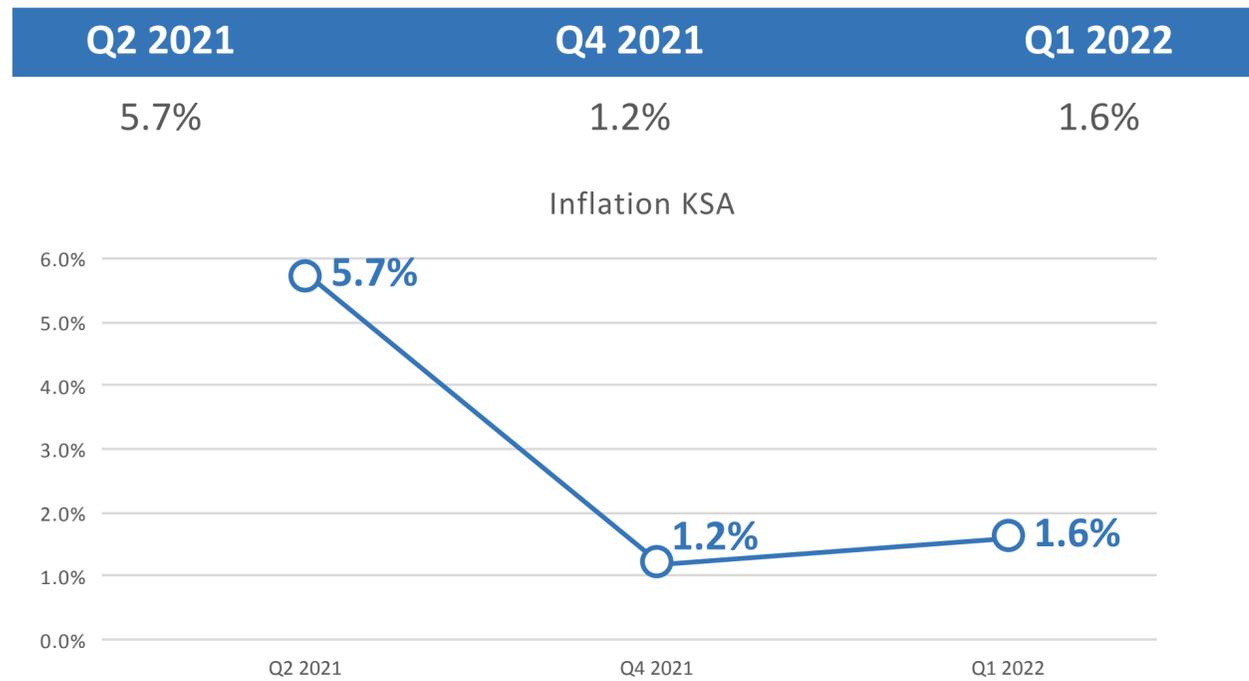
Source: IMF



Macro Overview

Inflation

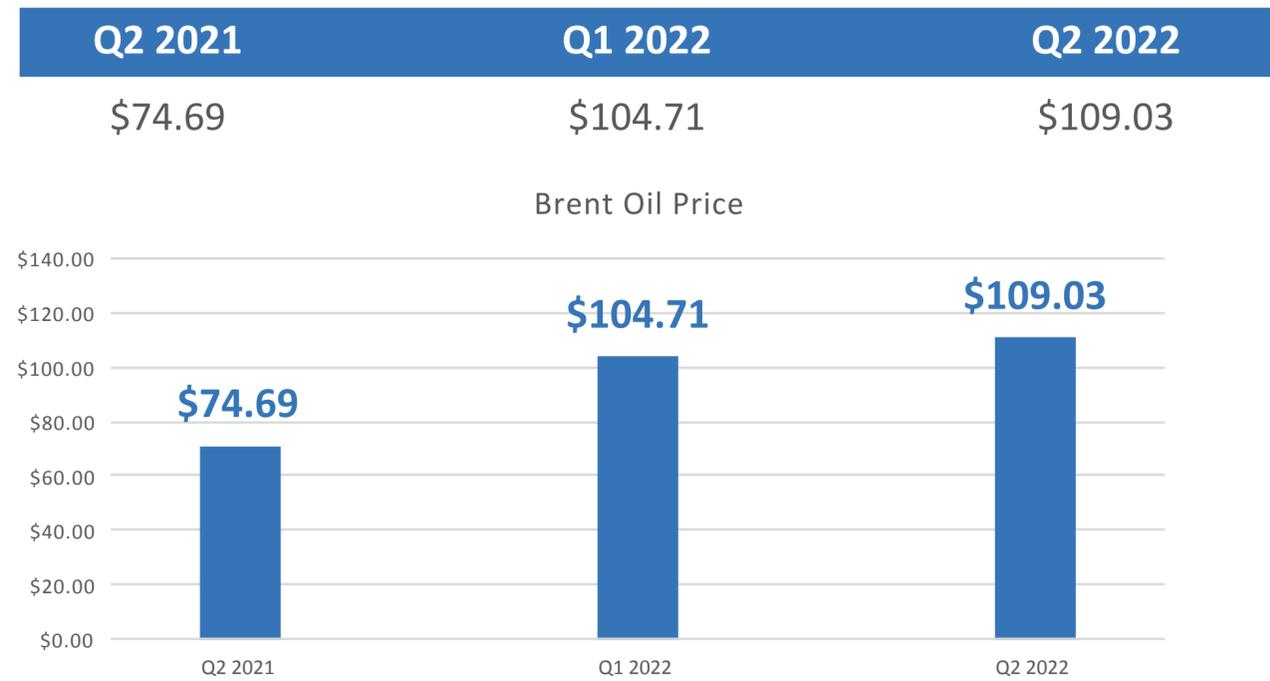
The inflation rate in Saudi Arabia for Q1 2022 was 1.6%, much lower than 5.7% in line with market expectations. The decline is due to the ease of Covid-19 restrictions.



Source: Argam

Brent Oil Price

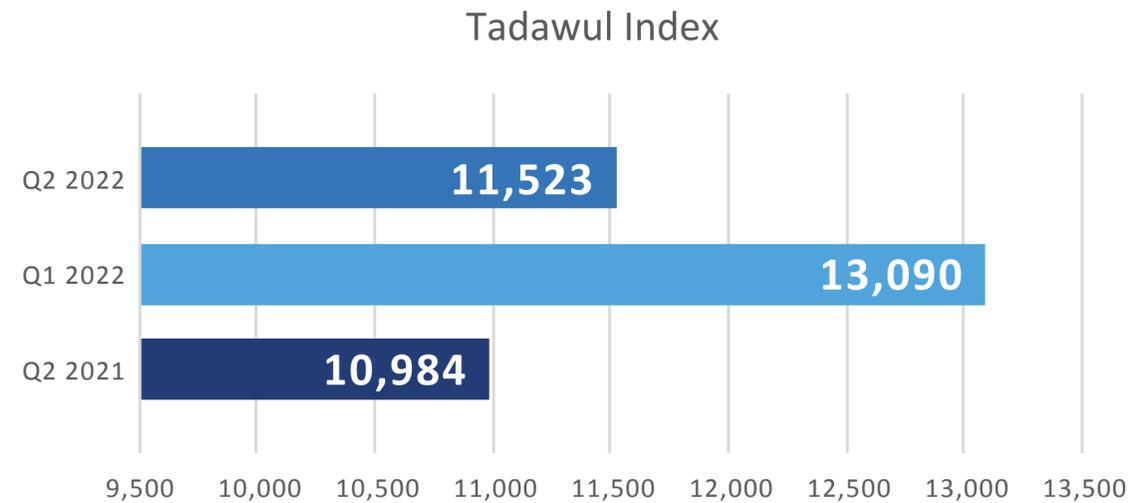
Brent oil prices jumped 4.1% QoQ in Q2 2022, mainly due to the Russian-Ukraine conflict and The US central bank is widely expected to raise interest rates



Macro Overview

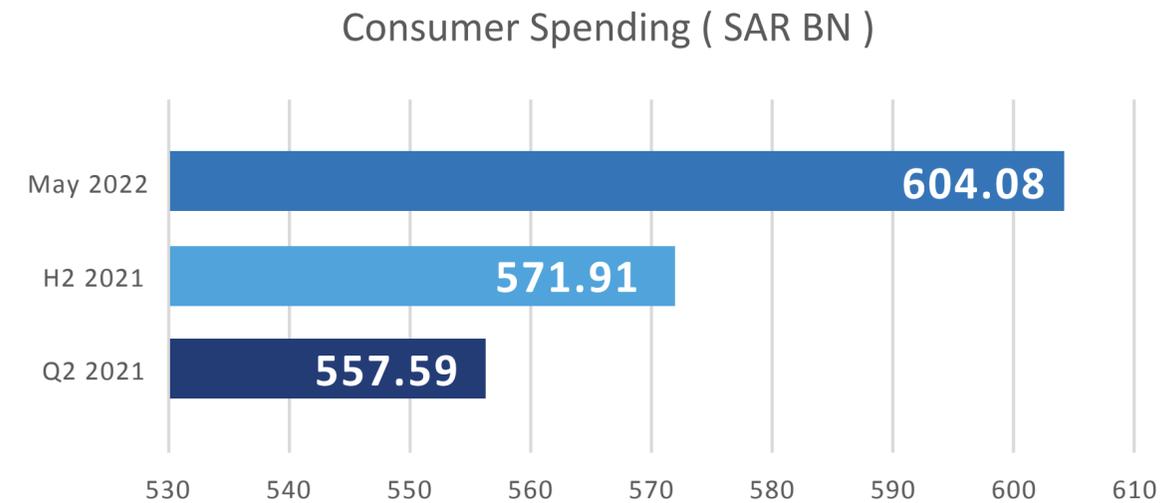
Tadawul Index

The Tadawul All Share Index (TASI) continued to trend lower as Q2 decreasing 12% QoQ. By the end of H1 2022. The decline was mainly due to the selling pressures the global markets are still witnessing, in light of geopolitical worries and tensions from the Russian-Ukrainian war and its negative impact on inflation rates and interest rate.



Consumer Spending

Consumer spending in Saudi Arabia increased 8% in June 2022 comparing to June 2021, POS transactions rose 19% year-on-year (YoY), Cash withdrawals saw an increase of 1% YoY, E-commerce sales through Mada cards increased 77% YoY.

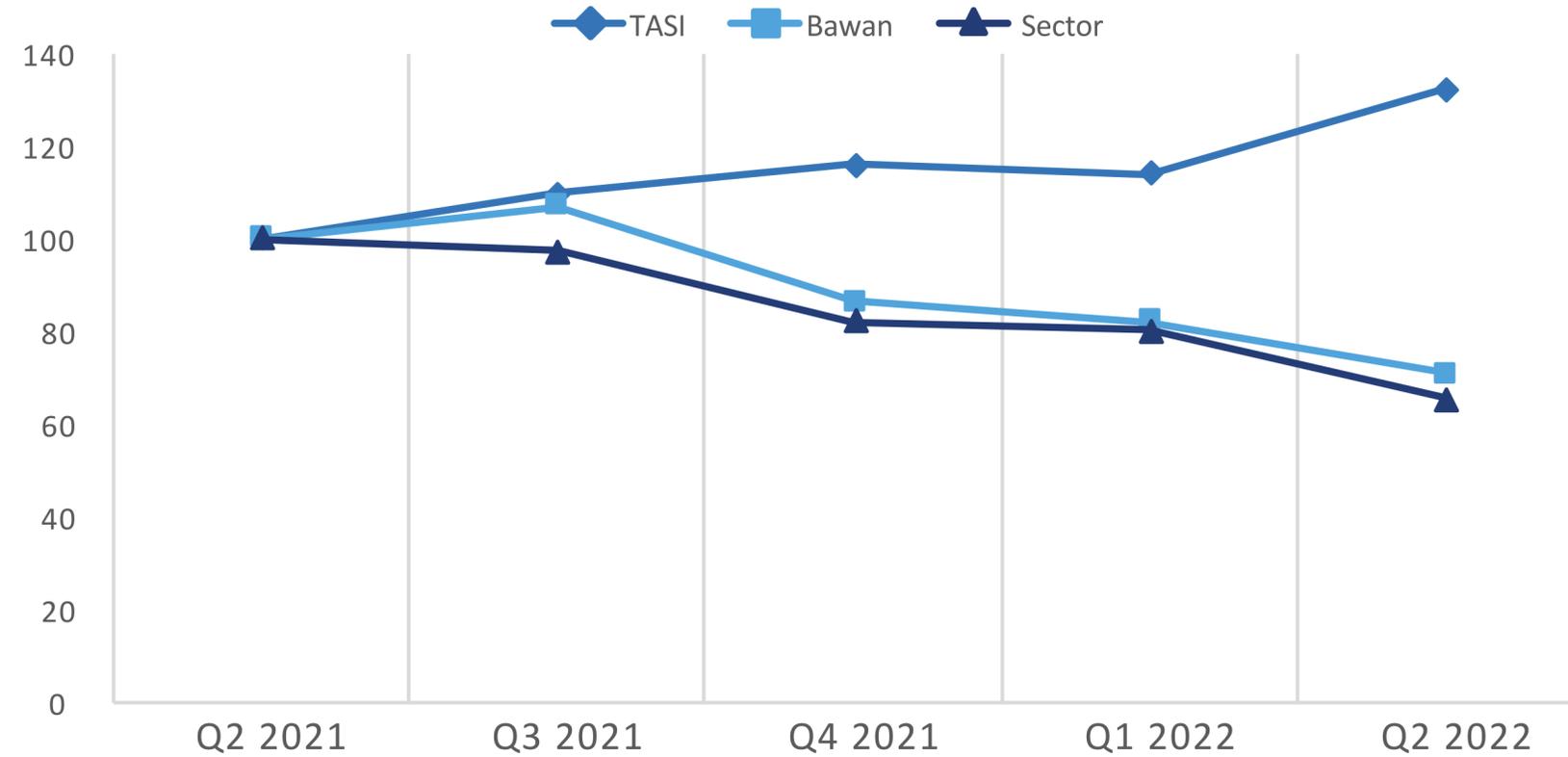


Source: Saudi Exchange



Macro Overview

Bawan Market Performance



Key Metrics	Q2 2022
Opening Price	SAR 33.20
Closing Price	SAR 28.70
Market Cap	SAR 1.72B
Shares Outstanding	60m
Price/earning	6.9
Price / book	2.06
Dividend Yield	5.6%

Source: Saudi Exchange



Macro Overview

Value Proposition

Dividends – The Company is committed to consistently paying in line with Company performance and policies.

Diversified business model – A unique mix of subsidiary companies to compliment the overall service offering, including metal, wood, concrete, plastic and electric segments

Strong ratios – The company operates with strong financials to highlight the strength in depth of the business.

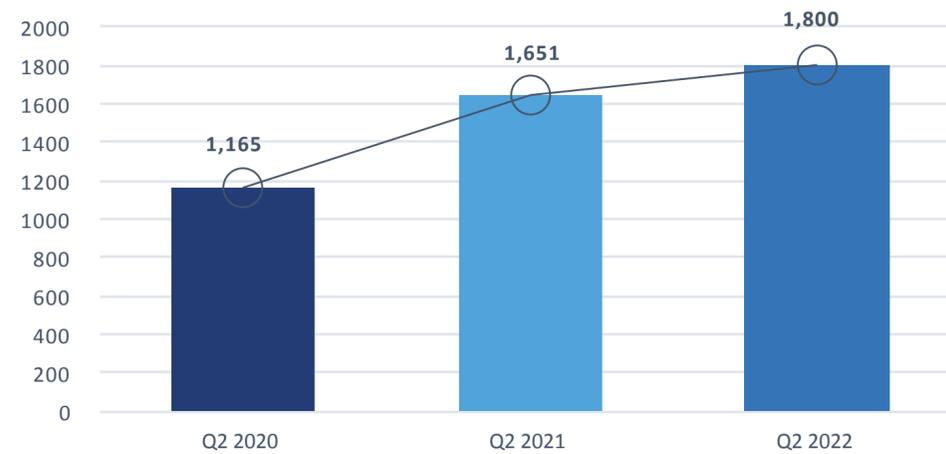
High cash flow – the Company has become extremely liquid with very high operating cash flow.



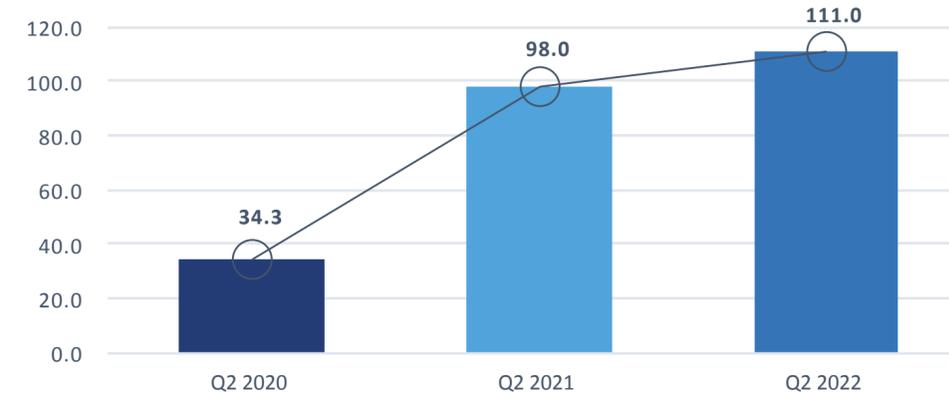
Financial Perspective

Financial Perspective

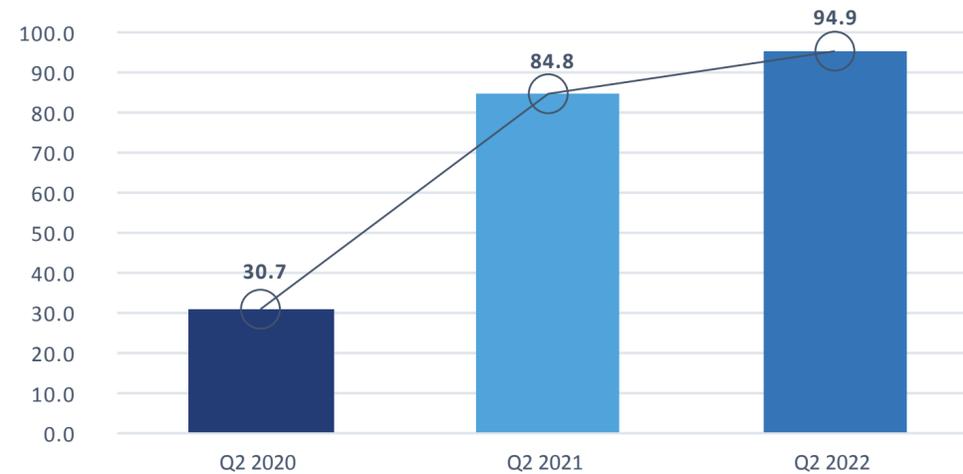
Revenue (SAR Million)



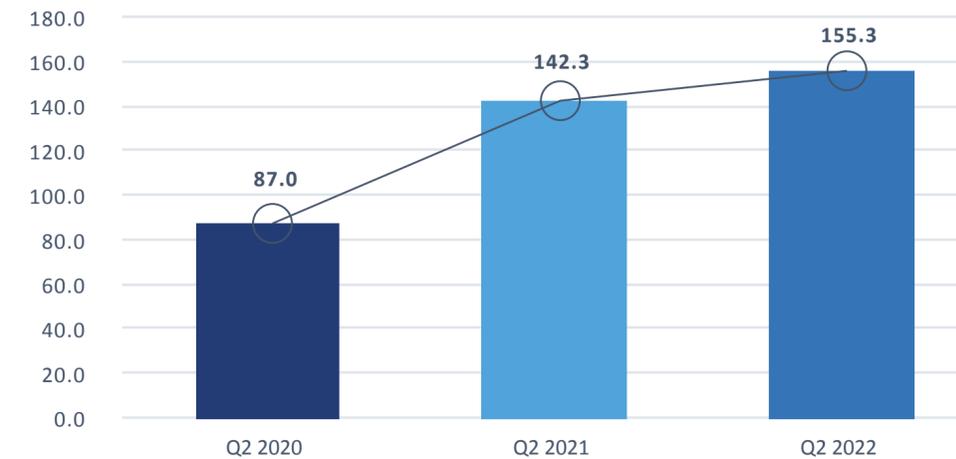
EBIT (SAR Million)



Net income (SAR Million)

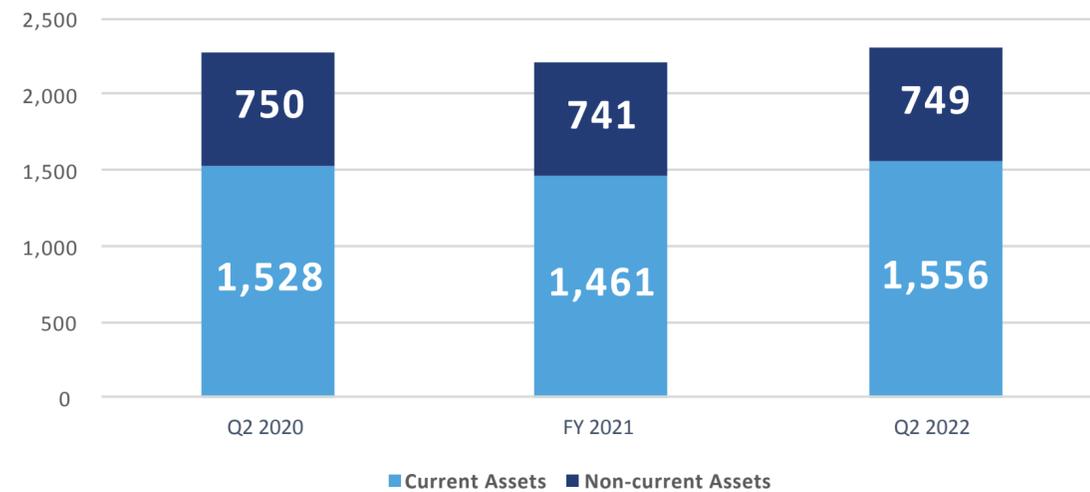


EBITDA (SAR Million)

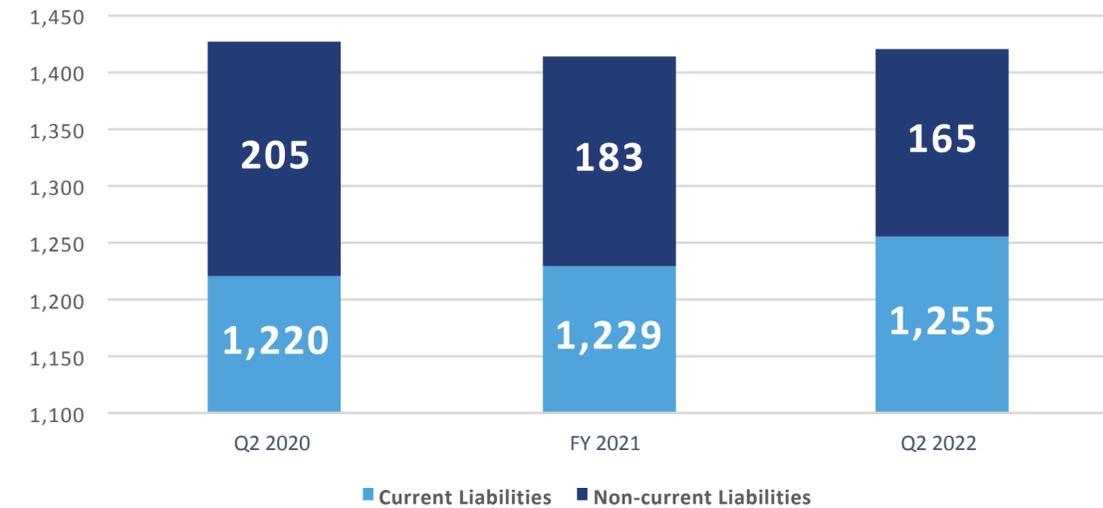


Financial Perspective

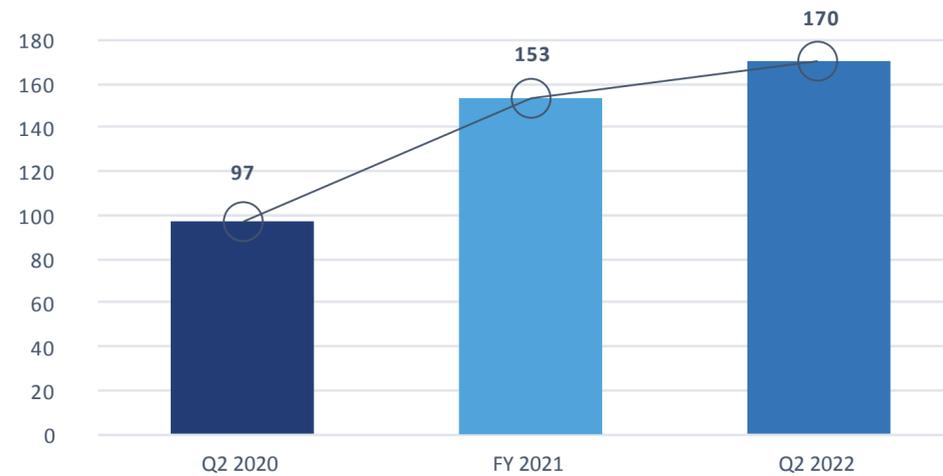
Assets



Liabilities



Cash Flow

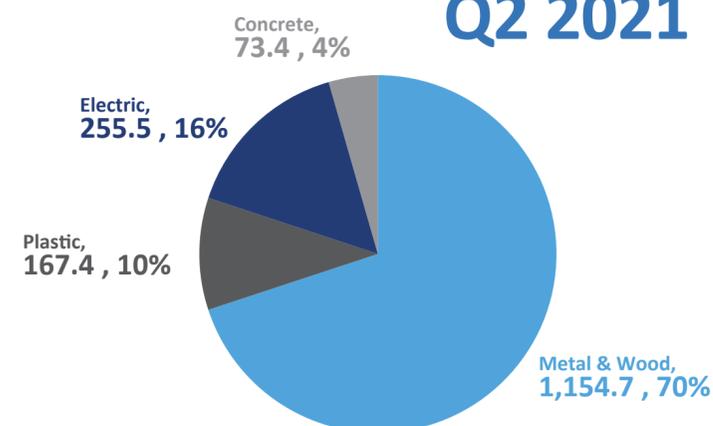


* Before working capital changes

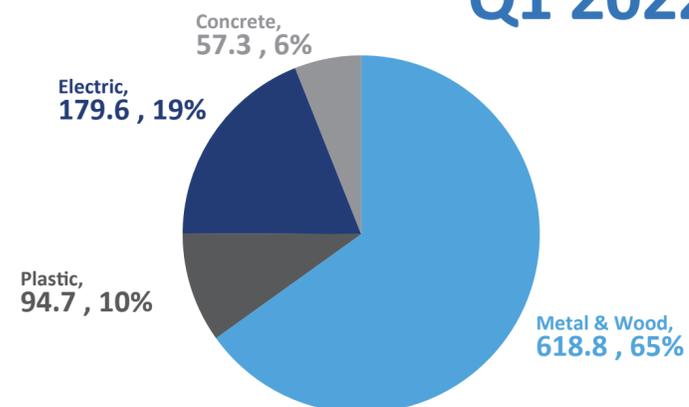


Financial Perspective

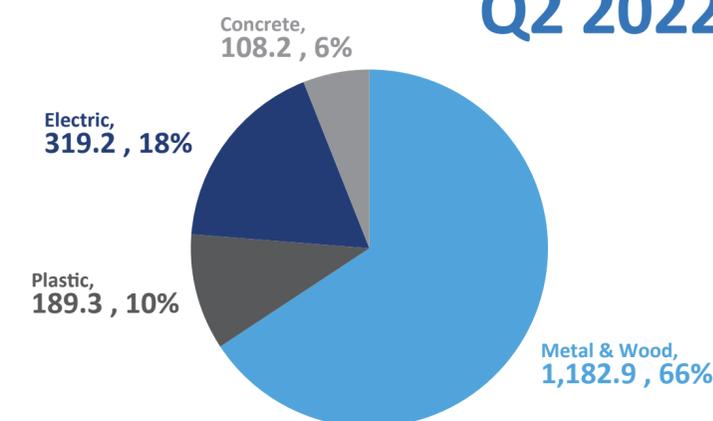
SEGMENT REVENUE Q2 2021



SEGMENT REVENUE Q1 2022



SEGMENT REVENUE Q2 2022

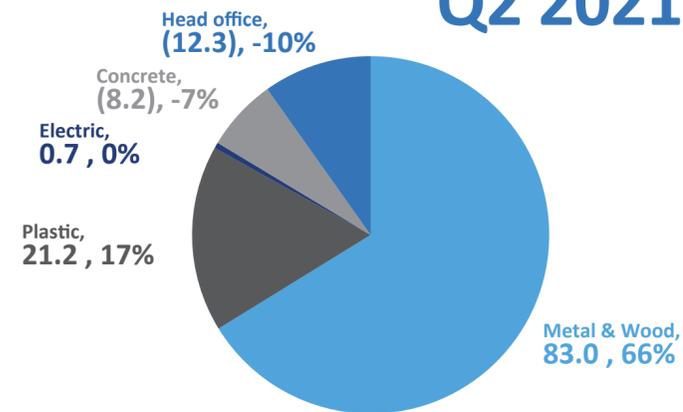


SAR Million

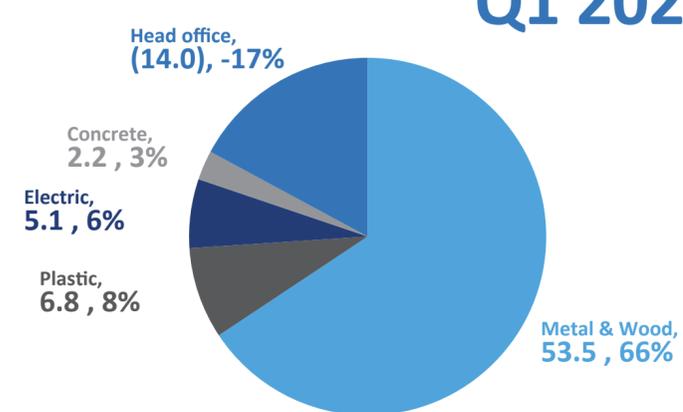
	YTD June 2021	YTD March 2022	YTD June 2022	H1 o H1
Metal & Wood	1,154.7	618.8	1,182.9	2%
Plastic	167.4	94.7	189.3	13%
Electric	255.5	179.6	319.2	25%
Concrete	73.4	57.3	108.2	47%
Total	1,650.9	950.4	1,799.5	

Financial Perspective

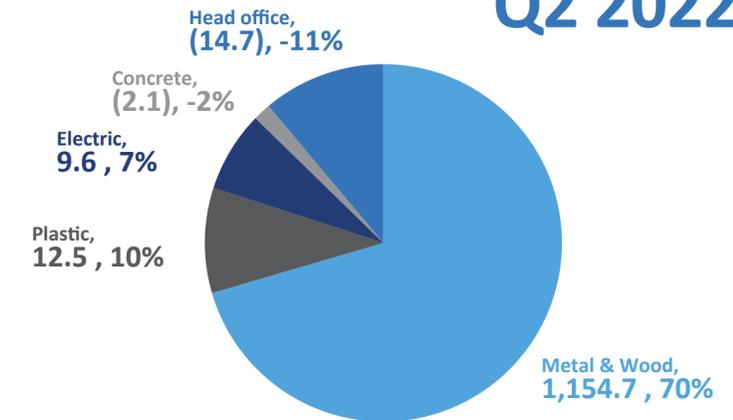
SEGMENT PROFIT Q2 2021



SEGMENT PROFIT Q1 2022



SEGMENT PROFIT Q2 2022

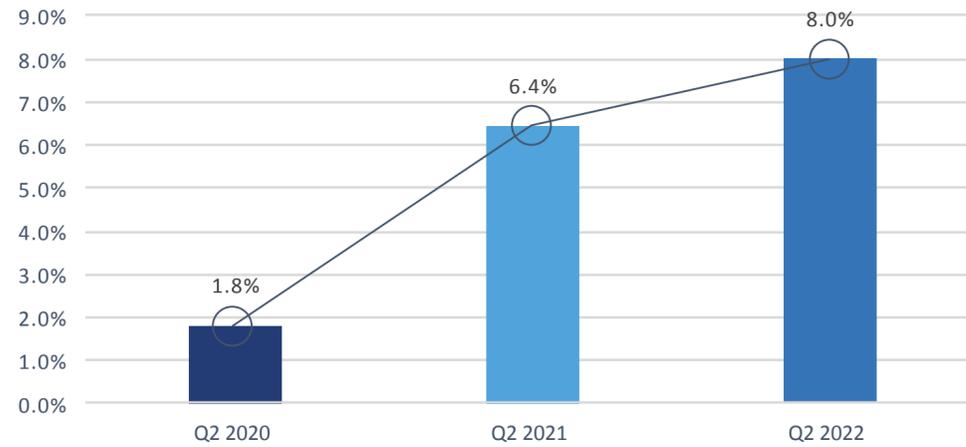


SAR Million

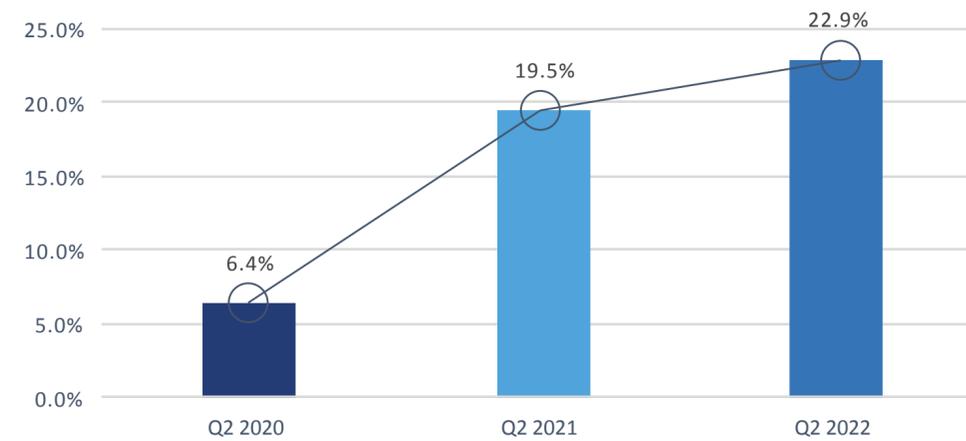
	YTD June 2021	YTD March 2022	YTD June 2022	H1 o H1
Metal & Wood	83.0	53.5	92.9	12%
Plastic	21.2	6.8	12.5	-41%
Electric	0.7	5.1	9.6	1367%
Concrete	(8.2)	2.2	(2.1)	-74%
Head office	(12.3)	(14.0)	(14.7)	19%
Total	84.3	53.6	98.3	

Financial Perspective

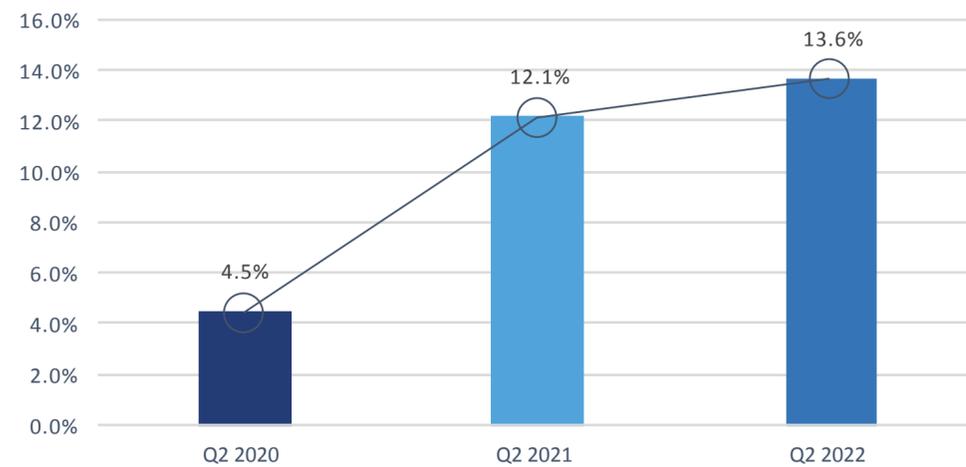
ROA



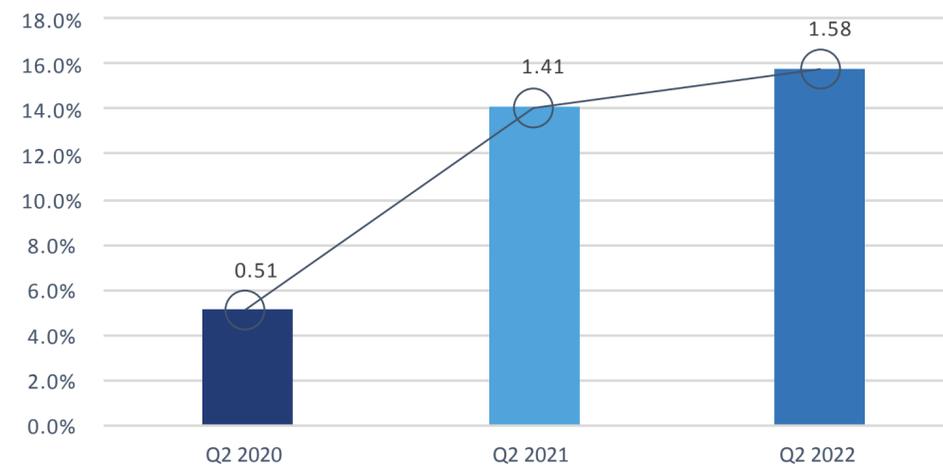
ROE



ROCE

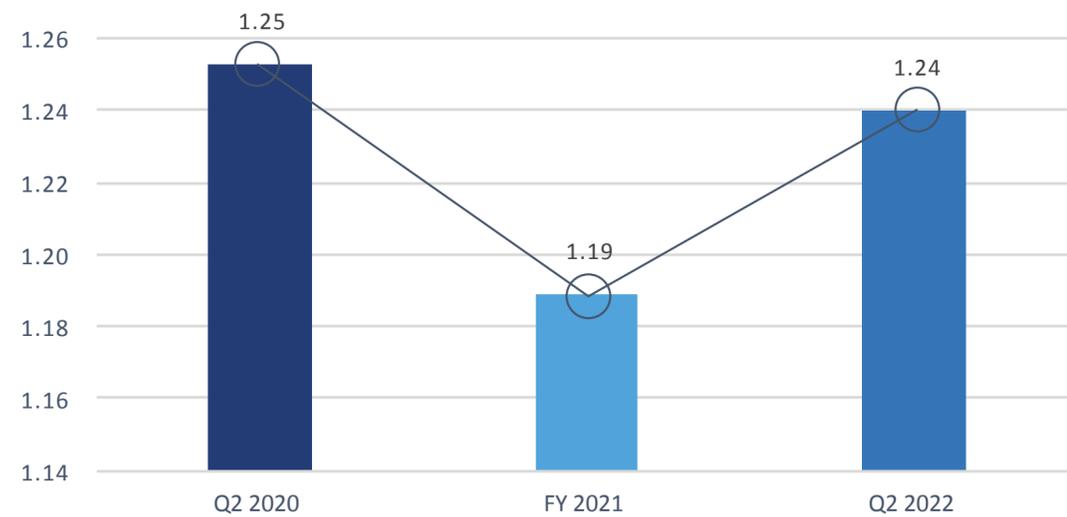


EPS

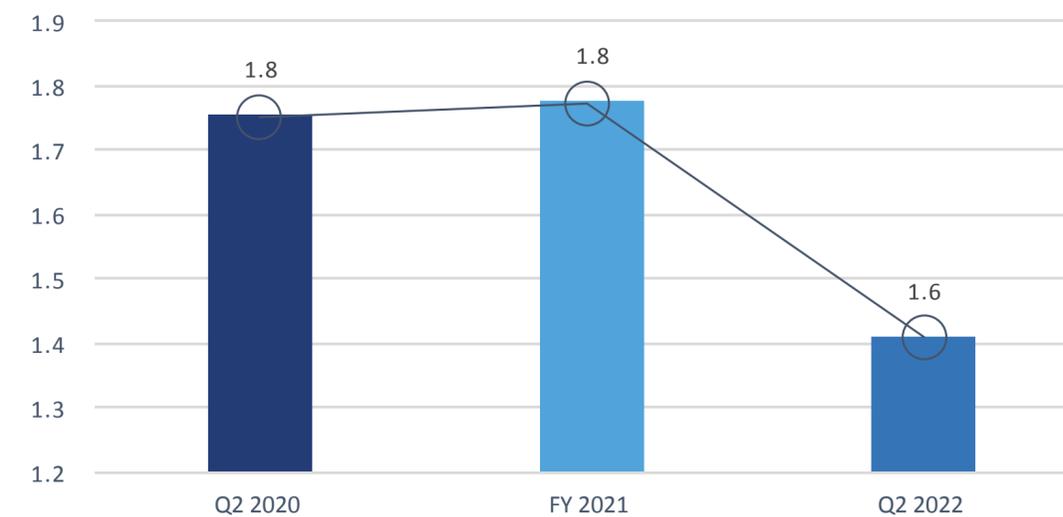


Financial Perspective

Current Ratio



Leverage

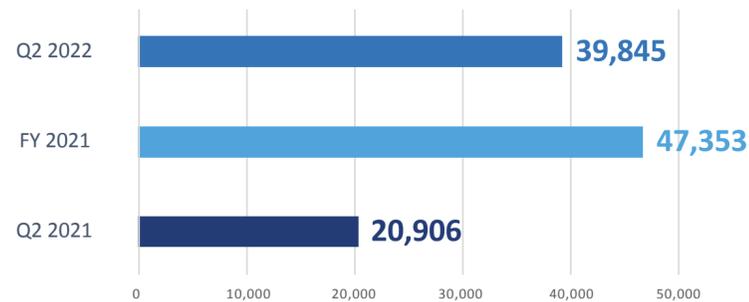


Financial Perspective



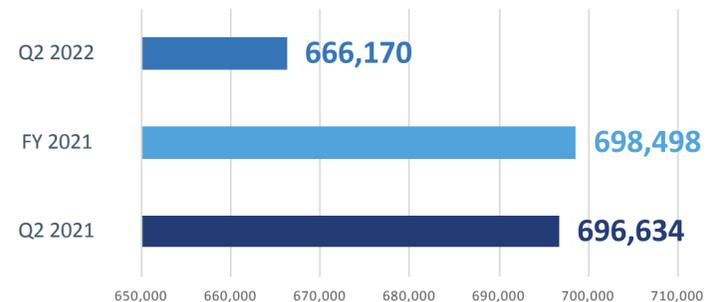
Capital Expenditure

Q2 2022	39,845
FY 2021	47,353
Q2 2021	20,906



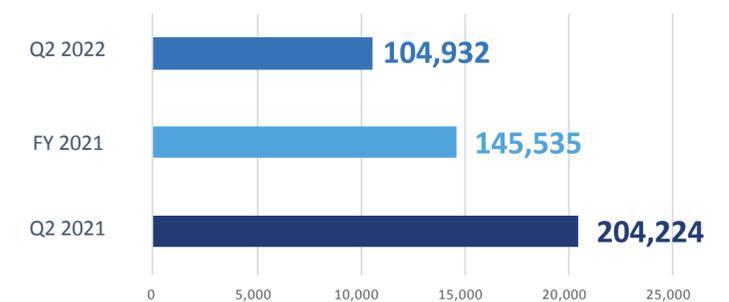
Short debt & current portion of LT

Q2 2022	666,170
FY 2021	698,498
Q2 2021	696,634



Long debt

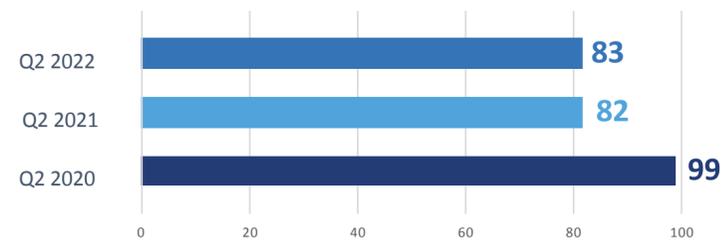
Q2 2022	104,932
FY 2021	145,535
Q2 2021	204,224



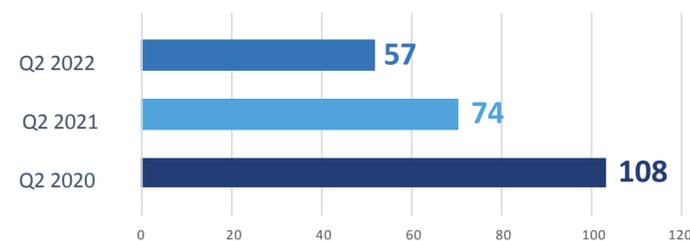
Financial Perspective

Cash Conversion Cycle

Inventory Days



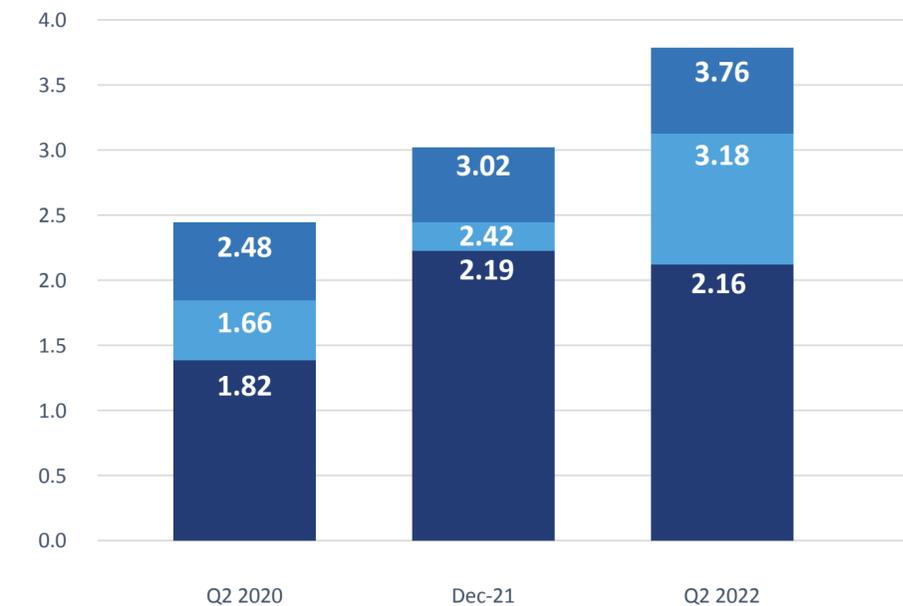
Receivable Days



Payables Days



Turnover Ratios



- Accounts Payable Turnover ratio
- Accounts Receivables Turnover ratio
- Inventory Turnover ratio



Environmental Social Governance



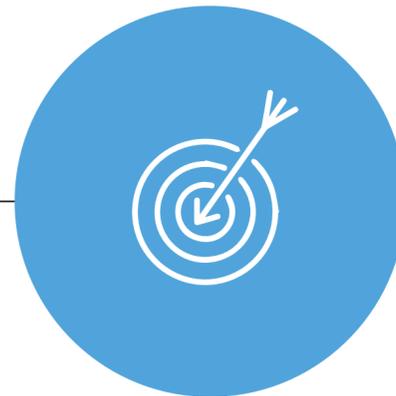
Environmental Social Governance

Q2 - 2022



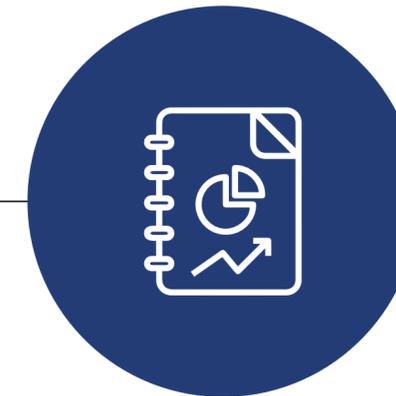
Contracted with leading ESG consultancy firm

Q3 - 2022



Developing ESG Strategy & Roadmap

Q4 - 2022



Publishing the first Annual ESG Report



Bawan was always committed to sustainability and corporate social responsibility best practices. After the publication of Tadawul's ESG disclosure guidelines in 2021, Bawan moved as one of the pioneers in the market to implement these national guidelines along with the global sustainability standards and initiatives to enhance its ESG performance in alignment with the national and global expectations

Q&A