



ش. م. ك.  
مجموعة  
الصناعات الوطنية  
(القابضة)

**NI Group**

National Industries Group  
(Holding)

Head Office الإدارة العامة

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الكويت في 2021/4/5

إشارة ١٤٢ - ٢٠٢١/٤/٥

Mr. Mohammad Saud Al-Osaimi  
Chief Executive Officer- Bursa Kuwait Company  
Greetings,

السيد / محمد سعود العصيمي المحترم  
الرئيس التنفيذي - شركة بورصة الكويت  
تحية طيبة وبعد،،،

**Subject: Minute of Analyst / Investor  
Conference of NIND**

**الموضوع : محضر مؤتمر المحللين / المستثمرين لمجموعة  
الصناعات الوطنية القابضة ش.م.ك عامة**

With reference to the above subject, and as per article No. (8-4-2) Continuing Obligations in the Premier Market of Bursa Kuwait Rule Book issued as per decision No.1 for year 2018, and since NIND has been classified in the premier market.

بالإشارة الى الموضوع اعلاه وعملا باحكام المادة رقم (8-4-2) بشأن الالتزامات المستمرة للسوق الاول من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث تم تصنيف (صناعات) ضمن السوق الاول.

Kindly be informed that the Analyst/Investors Conference for the Financial year ended 31/12/2020 was held on Thursday 1/4/2021 at 1.00 pm through a live webcast, with **No** material information has been circulated during the conference.

يرجى العلم بان مؤتمر المحللين / المستثمرين للسنة المالية المنتهية في 2020/12/31 قد انعقد يوم الخميس 2021/4/1 في تمام الساعة 1.00 ظهراً عن طريق بث مباشر عبر شبكة الانترنت Live Webcast ولم يتم تداول اي معلومات جوهرية خلال المؤتمر.

Furthermore, attached is the minute of the Analyst /Investor Conference.

ويسعدنا ان نرفق لكم محضر مؤتمر المحللين / المستثمرين.

هذا للعلم والاحاطة.

This is for your information and notice.

وتفضلوا بقبول وافر الاحترام،،،

**Sincerely**

**Ahmed M. Hassan**  
Chief Executive Officer

احمد محمد حسن  
الرئيس التنفيذي



**Analysts/Investors Conference  
For the year ended 31 December 2020**

Edited transcript of National Industries Group Holding KPSC analysts/investors conference call for the year ended 31 December 2020 held on Thursday, April 1, 2021 at 13:00 Kuwait time.

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**Corporate participants:**

- Mr. Ahmad Mohammed Hassan, Chief Executive Officer
- Mr. Faisal Al Nassar, Deputy CEO of Finance and Administration
- Mr. Reyadh Al-Edrissi, Deputy CEO of Investment and Mega Projects
- Mr. Mubasher Sheikh, Chief Financial Officer

**Analysts:**

- Mr. Ahmad Ali Asiri, Financial Analysis Manager – MENA Equities Department from Kuwait Financial Centre K.P.S.C. "Markaz" – (via conference call)

**Introduction:**

**Mr. Ahmad Ali Asiri:**

Distinguished Attendees,

Good Afternoon Gentlemen.

Welcome to the National Industries Group Holding ("NIG" or the "Group") analysts/investors conference call for the year ended 31 December 2020. My name is Ahmad Asiri, I am the financial analysis manager of Kuwait Financial Centre "Markaz".

It is a pleasure to have with us today Mr. Ahmad Hassan – Chief Executive Officer of NIG, Mr. Faisal Al-Nassar – Deputy CEO of Finance and Administration of NIG, Mr. Reyadh Al-Edrissi – Deputy CEO of Investments and Mega Projects of NIG and Mr. Mubasher Sheikh – Chief Financial Officer of NIG.

We would like to thank you for attending the conference.

I would like to give the lead to Mr. Ahmad Hassan, NIG's Chief Executive Officer.

**Mr. Ahmad Hassan:**

Thank you Mr. Ahmad.

Good Afternoon Gentlemen, thank you all for attending.

I hope all of you are doing good and staying safe.

We begin the conference with the brief disclaimer similar to our previous calls, "The information set out in this presentation and provided in the discussion subsequent thereto does not constitute an offer or solicitation of an offer to buy or sell securities. It is solely for use at an investor presentation and is provided as information only. This presentation does not contain all the information that is material to an investor".

I would also like to refer you to our full disclaimer on **(Page 2)** of the analyst and investors presentation for the year ended 31 December 2020.

The call will include financial presentation laying out the financial performance of the Group. Afterwards, we will be having a Q&A session. Time allowing, we will answer all questions received, any unanswered questions or follow-up questions can be emailed on our investor relations email.

As you all are aware, with the roll-out of the COVID vaccine in most parts of the world, economic activities are gradually moving forward on slow pace. During the fourth quarter of 2020, we started to see a continuing recovery in the economic conditions all over the world as compared to the third quarter of 2020.

The global economic outlook remains uncertain due to increase in number of infections in the world, many countries went into partial or full lockdowns in the past few weeks, Kuwait is no exception as Government agencies introduced new curfew timings and strict SOPs to tackle fresh wave of COVID including its variants. However, International, GCC and Kuwait markets performed well in the second half of the 2020 as compared to the first half of 2020.

Now I will share with you a quick overview of the Group's performance for Q4 of 2020, as I have mentioned that markets recovered during the second half of 2020, NIG recorded a net profit amounting to KD 3 million or EPS (Profit) of 2.1 fils **(Page 15)** for the 4<sup>th</sup> quarter of 2020 ended 31 December 2020 as compared to the net profit amounting to KD 10.6 million or EPS (Profit) of 7.6 fils for the same period in 2019.

However, NIG reported a net loss amounting to KD 52.2 million or EPS (Loss) of 37.5 fils **(Page 15)** for the year ended 31 December 2020 as compared to net profit amounting to KD 46.4 million or EPS (Profit) of 33.3 fils for the same period in 2019.

I would like to hand over the call to Mr. Faisal Al Nassar our Deputy CEO – Finance and Administration to present the financial performance for the year ended 31 December 2020.

**Faisal Al Nassar:**

Thank you Mr. Ahmad,

Good Afternoon Gentlemen.

I hope all of you are well and staying safe.

The Group's total sales for the year ended 31 December 2020 amounted to KD 109.9 million as compared to KD 132.1 million for the same period in 2019. **(Page 13)**

The specialist engineering & chemical division reported an improvement in operating profit in the year 2020 amounting to KD 375 thousand as compared to the operating loss of KD 419 thousand for the same period in 2019. Total sales for the specialist engineering & chemical division for the year 2020 amounted to KD 60.4 million as compared to KD 70.5 million for the same period in 2019. **(Page 14)**

The building material division sales amounted to KD 36.2 million for the year ended 31 December 2020 as compared to KD 48.2 million for the same period in 2019 **(Page 14)**. The building material operating activities have been negatively affected by the spread of the Coronavirus (Covid-19) due to the disruptions caused by the decrease in demand and the limited new government projects in Kuwait.

The Group's hotel and IT services division sales amounted to KD 13.3 million for the year ended 31 December 2020 as compared to KD 13.4 million for the same period in 2019. **(Page 14)**

I would like to hand over the call to Mr. Mubasher Sheikh our Chief Financial Officer to present the financial position as of 31 December 2020.



**Mubasher Sheikh:**

Thank you Mr. Faisal,

Good Afternoon Gentlemen.

I hope everyone is fine and doing well.

The Group's total assets as of 31 December 2020 amounted to KD 1.19 billion as compared to KD 1.24 billion as of 31 December 2019. **(Page 17)**

NIG Shareholder's Equity as of 31 December 2020 amounted to KD 327 million as compared to KD 378 million as of 31 December 2019. **(Page 18)**

The "Net Debt to Equity Ratio" stands at 124% as of 31 December 2020 as compared to 118% as of 31 December 2019.

The Group's borrowings and bonds as of 31 December 2020 amounted to KD 612 million as compared to KD 629 million as of 31 December 2019, representing a reduction of KD 17 million or 3%.

I would like to thank you for your time this afternoon and now we open the floor for any questions.

# Q&A

**Mr. Ahmad Ali Asiri, Financial Analysis Manager – MENA Equities  
Department from Kuwait Financial Centre K.P.S.C. “Markaz”**

**What is the impact of COVID-19 on your Group's business activities for the year 2020?**

**Mr. Ahmad Hassan:**

The Group has endeavored to confront the impact of the new Corona epidemic on the Group's activities, and the most important priorities were to maintain the safety of employees and limit the spread of the virus within the Group factories and to deal with the repercussions of the epidemic with high flexibility to overcome this stage with the least damage and losses and to maintain meeting the market requirements of the Group products.

As I have mentioned earlier that currently the world is witnessing a surge in COVID cases from the start of 2021 and Kuwait has announced new partial lockdown from 7<sup>th</sup> March 2021. With the roll out of vaccines we are hopeful that situation will gradually improve to pre-COVID operational levels. Most of the markets in the world recovered in the second half of 2020. Our portfolio of financial assets at fair value through profit and loss reported a positive return of approximately 7% for the second half of the year 2020, matching the 7% appreciation of Bursa Kuwait all-share index for the same period.

We continued to implement effective cost rationalization program throughout the Group, which has resulted in a decrease of KD 2.4 million or 10% in general and administrative expenses for the year ended 31 December 2020 as compared to the same period in 2019.

**Mr. Ahmad Ali Asiri, Financial Analysis Manager – MENA Equities  
Department from Kuwait Financial Centre K.P.S.C. “Markaz”**

**Can you please advise the strategy of Ikarus Petroleum Industries Company (IKARUS)?**

**Mr. Reyadh Al-Edrissi:**

Ikarus' investment strategy focuses on acquiring a significant stake in assets operating in the Energy, Chemical and Petrochemical space and working actively to add value to the assets it holds while focusing on the opportunities which has a sustainable cash dividend.

In line with its strategy, Ikarus acquired a majority stake (60%) in a Saudi based Chlor Alkali company named MIDCHEM in 2018 which supplies key basic chemicals like Caustic Soda, Chlorine and Bleach to the local and Middle Eastern market. MIDCHEM has been making profits since its inception in 2012. While revenue increased at CAGR of 10% over 2012-2020 the net income increased at 14% over the same period.

Most of the products produced by MIDCHEM are also in one way or the other used in the fight against COVID as Caustic soda is used in the manufacture of soaps and Chlorine is used for disinfecting water as well as for making Sodium hypochlorite which has been officially accepted by the United States Environmental Protection Agency (EPA) as a chemical for disinfecting surfaces contaminated by COVID-19 virus.

Keeping in view of the increased demand for the Chlor-Alkali products, MIDCHEM embarked upon an expansion project in 2019 to increase the capacity of its products and to add a new product viz-Calcium Chloride to its product mix. The new product has great potential to increase MIDCHEM's revenue as there is a huge demand for this product in Saudi Arabia with only one manufacturer in the market. The project is expected to be operational in 2021.

The Ikarus' shareholders at the extraordinary general assembly held on 30 August 2020 approved to decrease the share capital of the Company by KD 6.7 million or 10%, for which the required approval from Ministry of Commerce and Industry was obtained on 12 October 2020. Subsequently, the proceeds were distributed to Ikarus shareholders.

**Mr. Ahmad Ali Asiri, Financial Analysis Manager – MENA Equities**  
**Department from Kuwait Financial Centre K.P.S.C. “Markaz”**

**How was the performance of Noor Financial Investment Company (NOOR) during the year ended 31 December 2020?**

**Mr. Faisal Al Nassar:**

Noor achieved a net profit of KD 11.9 million, an increase of 46.8% compared to the previous year. The Company also recorded a growth in Shareholders' Equity, reaching an amount of KD 66.9 million as of 31 December 2020 and the book value per share of 169.4 fils.

The total income of Noor in the Consolidated Statement of Profit or Loss for the year 2020 was KD 28.5 million representing KD 14.8 million share of profits of associates, KD 13.3 million revenue from the operations of the subsidiaries in the IT and hotel industries and KD 0.4 million from other investments. Recently, Noor's share price reached all-time high during the last ten years.

Noor's real estate portfolio was resilient despite the significant impact on the sector during the year. In line with the market recovery and the end of lockdown, Noor's rental income from real estate resumed during the third quarter of 2020 and the occupancy reached more than 90% in key properties. The value of Noor's investment properties amounted to KD 13.1 million as of 31 December 2020, which generated rental income of KD 473 thousand during the year despite the rent waived for part of the year due to the lockdown.

**Mr. Ahmad Ali Asiri, Financial Analysis Manager – MENA Equities  
Department from Kuwait Financial Centre K.P.S.C. “Markaz”**

**How was the performance of Group’s associates during the year 2020?**

**Mr. Mubasher Sheikh:**

The Group's share of result of associates amounted to KD 5.5 million for the year ended 31 December 2020 as compared to KD 15.8 million in the year 2019. Share of results of associates decreased due to decline in profits of associates mainly Mabanee Company, Kuwait Cement Company and Privatization Holding Company due to the lockdowns and the resulting supply chain disruption.

In the year 2020, Mabanee Company was included in the MSCI emerging markets indices, which was a great milestone for the company. Going forward, we are hopeful that this will create value for the Mabanee shareholders. Footfall at the Mabanee avenues mall remained less in the year 2020 as compared to 2019 and it is continued to have lower footfall taking into consideration the lockdowns and timing restrictions imposed on local malls and other retail outlets, albeit occupancy remain high in the mall, whereas the entertainment section of the mall is still not operational.

Despite the ongoing impact of Coronavirus pandemic, Meezan Bank Limited Pakistan – held through one of the Group’s local subsidiary Noor Financial Investment Company – recorded stronger than expected performance across the board. This year, the Bank set an all-time profitability record of PKR 22.4 billion (US\$ 139.5 million), growing 43% year on year and leading to a 34% return on equity. Market value of Noor’s 35.25% stake in Meezan Bank, which is carried at book value of KD 52 million, increased to KD 98.4 million as of 31 December 2020 compared to KD 84.4 million as of 31 December 2019, growing by 16%. For the year ended 2020, Noor’s share of profits of Meezan Bank stood at KD 14.8 million as compared to KD 10.8 million for the same period in 2019 representing a growth of more than 37%.

**Mr. Ahmad Ali Asiri:**

Thank you for attending the conference. I would request NIG's team to separately respond to any questions that they might receive from the participants.

If you have any further questions, please send an e-mail to NIG's Investor relations Department:

[Investor.relation@nig.com.kw](mailto:Investor.relation@nig.com.kw)

Presentation discussed during the session is available at NIG's web site.

From our side I would like to thank the management team of NIG for taking the call and I would like to thank all participants.



# NATIONAL INDUSTRIES GROUP HOLDING (K.P.S.C)



## Analysts and Investors Presentation

Year ended  
31 December 2020

1<sup>st</sup> April 2021



# DISCLAIMER



The information set out in this presentation and provided in the discussion subsequent thereto does not constitute an offer or solicitation of an offer to buy or sell securities. It is solely for use at an investor presentation and is provided as information only. This presentation does not contain all of the information that is material to an investor. This presentation has been prepared by, and is the sole responsibility of NIG.

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Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The company does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.



# INDEX



1. Introduction
2. Subsidiaries Outlook
3. Financial Performance
4. Financial Position
5. Subsidiaries Financial Performance

# ANALYST AND INVESTORS PRESENTATION

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## Introduction to NIG



# ABOUT NIG

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National Industries Group Holding (NIG) commenced its operation as a building materials manufacturing company founded back in 1961. NIG was listed on the Boursa Kuwait in 1984. NIG's growth from a building materials manufacturer to a multinational conglomerate is a great saga of dedication and commitment. Today, NIG manages several and manifold activities in core businesses including Building Materials, Petrochemicals, Oil & Gas Services, Mechanical Industries, Utilities, Real estate, Infrastructure, Financial Services and financial investments.



# ABOUT NIG

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Through the asset management expertise in managing financial portfolios, equity shares, and direct investment has brought home creditable and laudable profits to its shareholders.

The Group now owns major equities in various companies thriving in the financial investment and industrial investment sectors both regionally and internationally. NIG has spread its wings far and wide with simultaneous Investments in the Kingdom of Saudi Arabia, United Arab Emirates, United Kingdom and the United States with major equities in several prominent companies in the region including Oil & Gas and Petrochemical Companies.



# ANALYST AND INVESTORS PRESENTATION

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## Subsidiaries Outlook



# SUBSIDIARIES OUTLOOK



## National Industries Company – KPSC (NICBM)

NIC was established in Kuwait in 1961 to manufacture and market building materials and infrastructure products. NIC remains a leader in the construction and building material sector in Kuwait and GCC due to the expansion of its industrial base and its commitment to a product diversification strategy to guarantee income growth and an increase in shareholders' equity. NIC owns and operates 16 production plants and a quarry and has 1800 employees.





# SUBSIDIARIES OUTLOOK



## Ikarus Petroleum Industries Company - KSCC

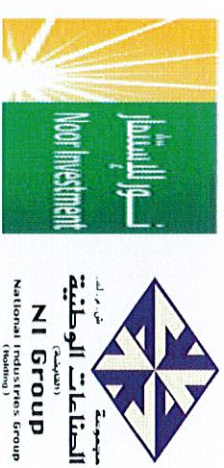
Ikarus Petroleum Industries is well established as a leading investor in the energy industry throughout the Middle East. The Middle East region is rapidly growing as a global center in the production of petrochemicals.

IKARUS owns a controlling stake in Middle East Chemical Company Limited which owns 100% of a KSA-based Chlor Alkali producer (SACHLO). SACHLO produces caustic soda, chlorine, hydrochloric acid and sodium hypochlorite.





# SUBSIDIARIES OUTLOOK



## Noor Financial Investment Company - KPSC

Noor Financial Investment Company (“Noor”) was established in Kuwait in 1996 and its shares were listed on the Kuwait Stock Exchange in May 2006. Noor is engaged in investment activities and financial services primarily in Kuwait, the Middle East, Asia, and other emerging markets. Noor offers a full spectrum of innovative and unrivalled investment and financial services which include both advisory and asset management.



**Meezan Bank**  
The Premier Islamic Bank





# SUBSIDIARIES OUTLOOK



## Al Durra National Real Estate

Al Durra National Real Estate Company was established in 2005 to provide leadership in the expanding real estate industry throughout the GCC countries and the MENA region.

## Proclad Group

Proclad Group has firmly established itself as one of the leading suppliers of integrated solutions to a diverse range of market sectors with manufacturing facilities in United Arab Emirates, United Kingdom and Europe. With a commitment to providing clients with the complete service, Proclad has developed a group of specialist companies through a combination of investment and acquisition.





# ANALYST AND INVESTORS PRESENTATION

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## Financial Performance



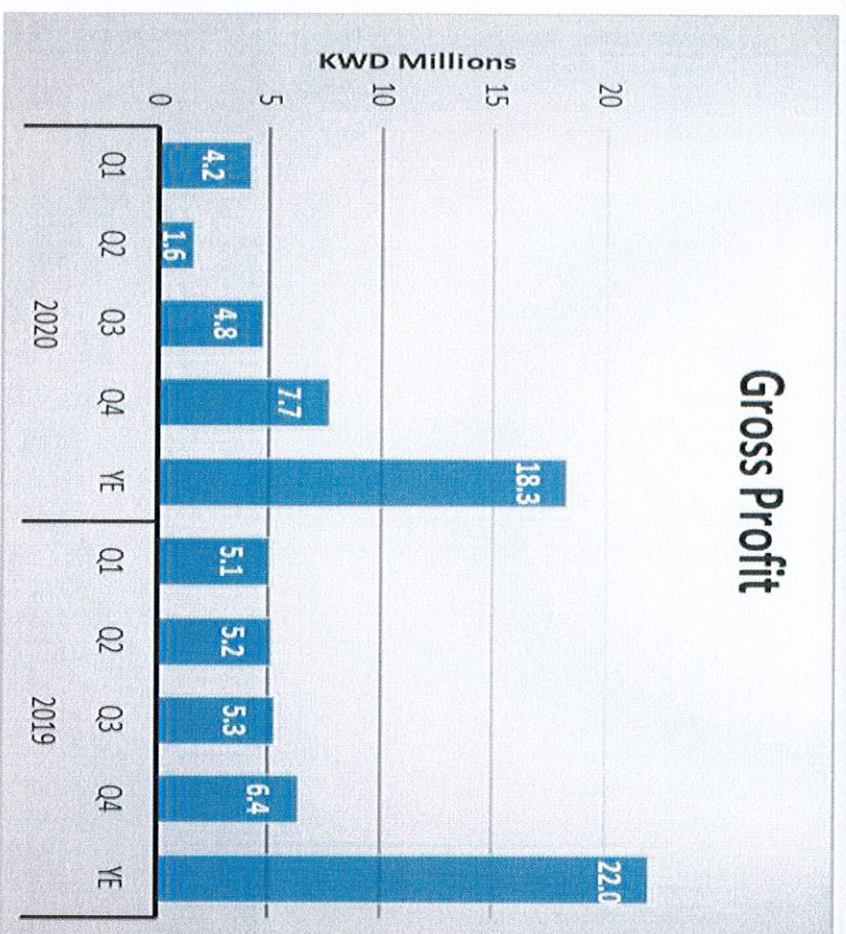
# FINANCIAL PERFORMANCE



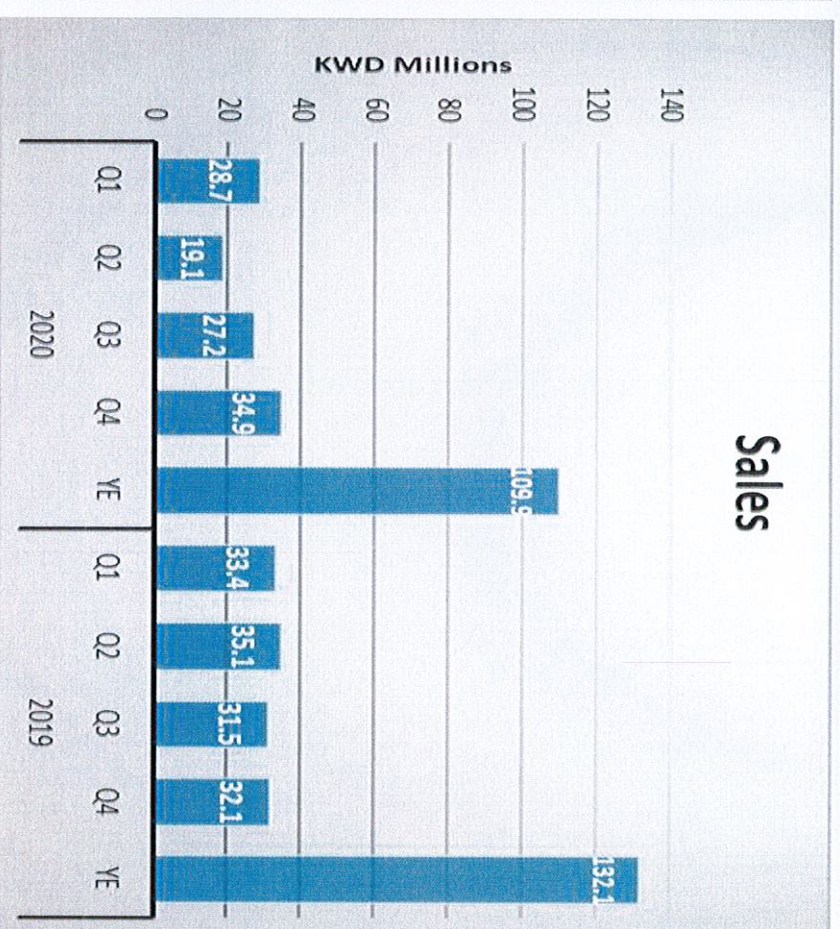
## Gross Profit and Sales

Year Ended 31 December 2019 & 2020

### Gross Profit



### Sales



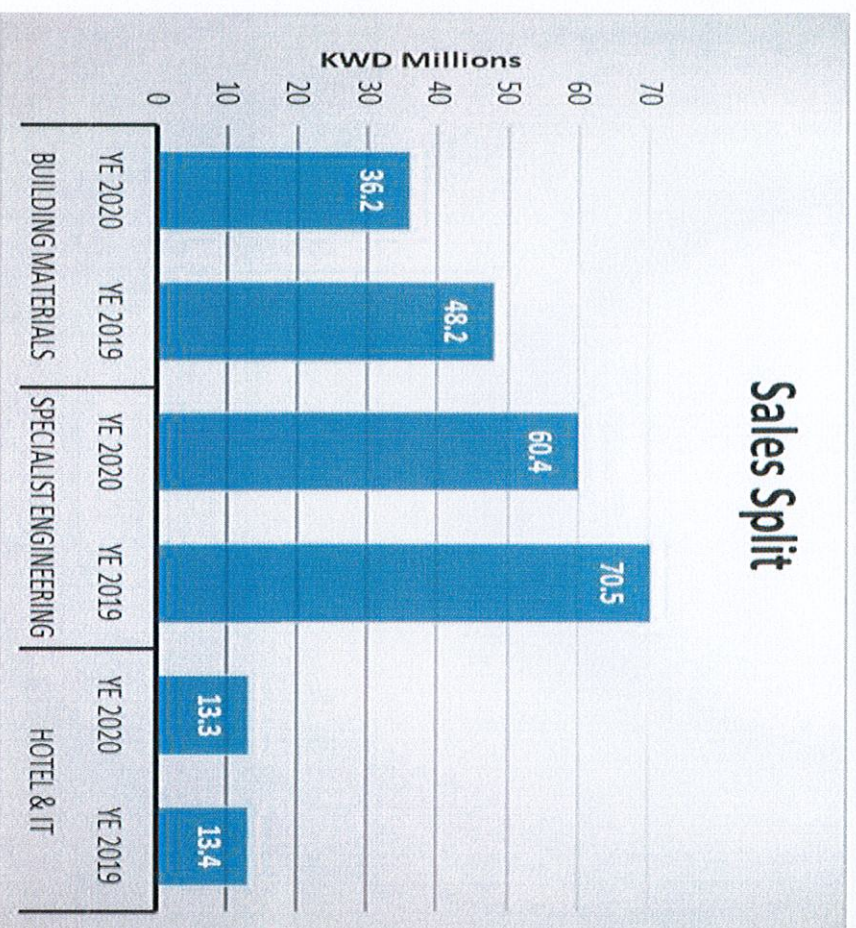


# FINANCIAL PERFORMANCE

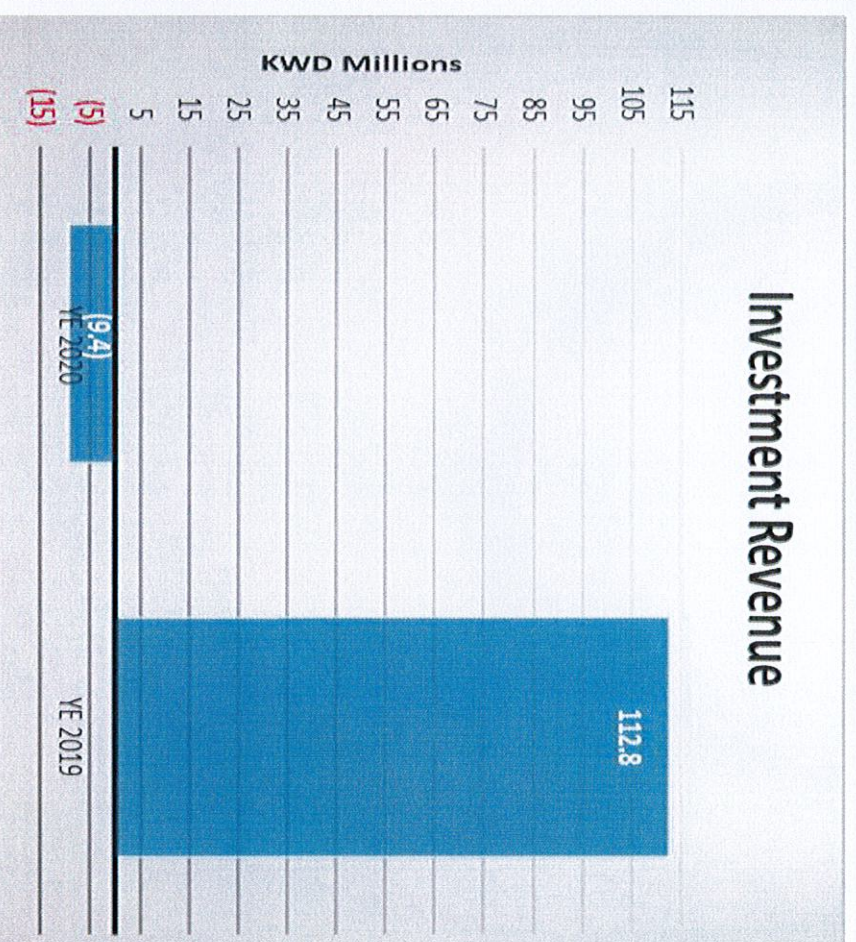


## Sales Split and Investment Revenue Year Ended 31 December 2019 & 2020

### Sales Split



### Investment Revenue







**Earnings Per Share & Net (Loss) / Profit  
Year Ended 31 December 2019 & 2020**





# ANALYST AND INVESTORS PRESENTATION

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## Financial Position

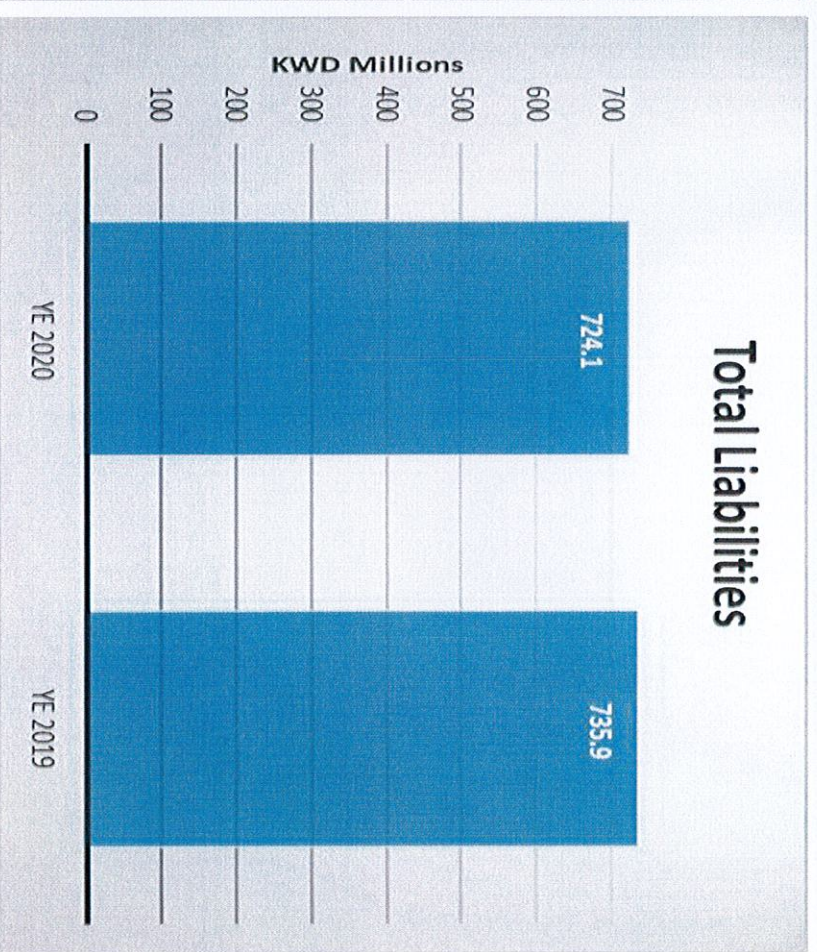
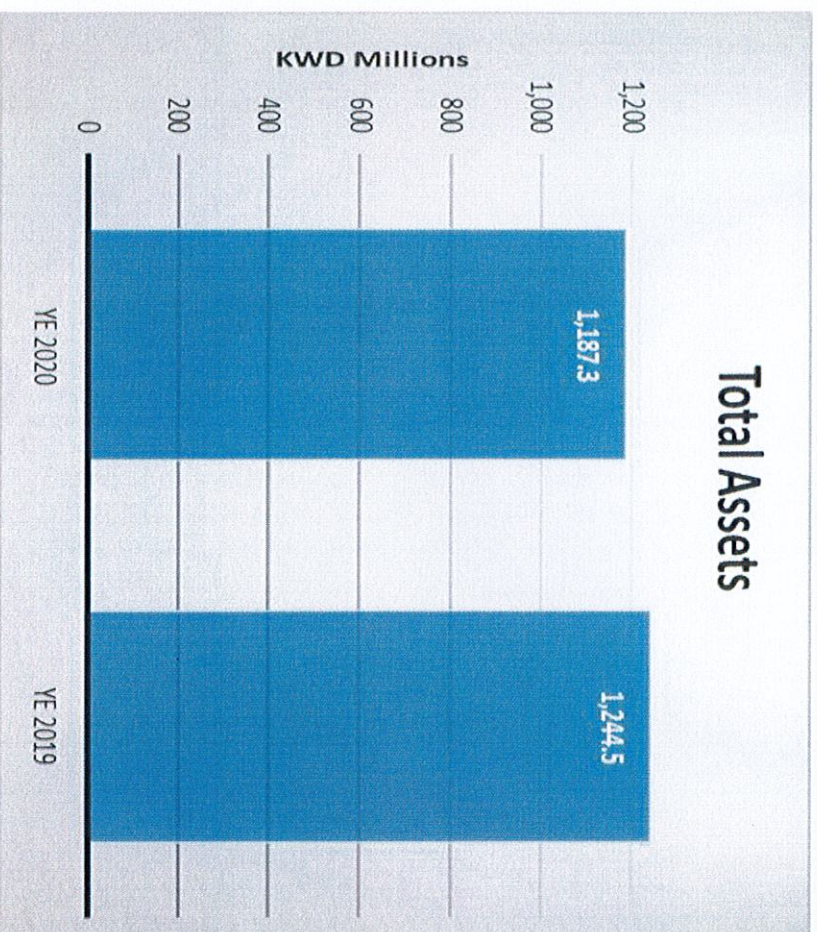


# FINANCIAL POSITION



## Assets & Liabilities

31 December 2019 & 2020





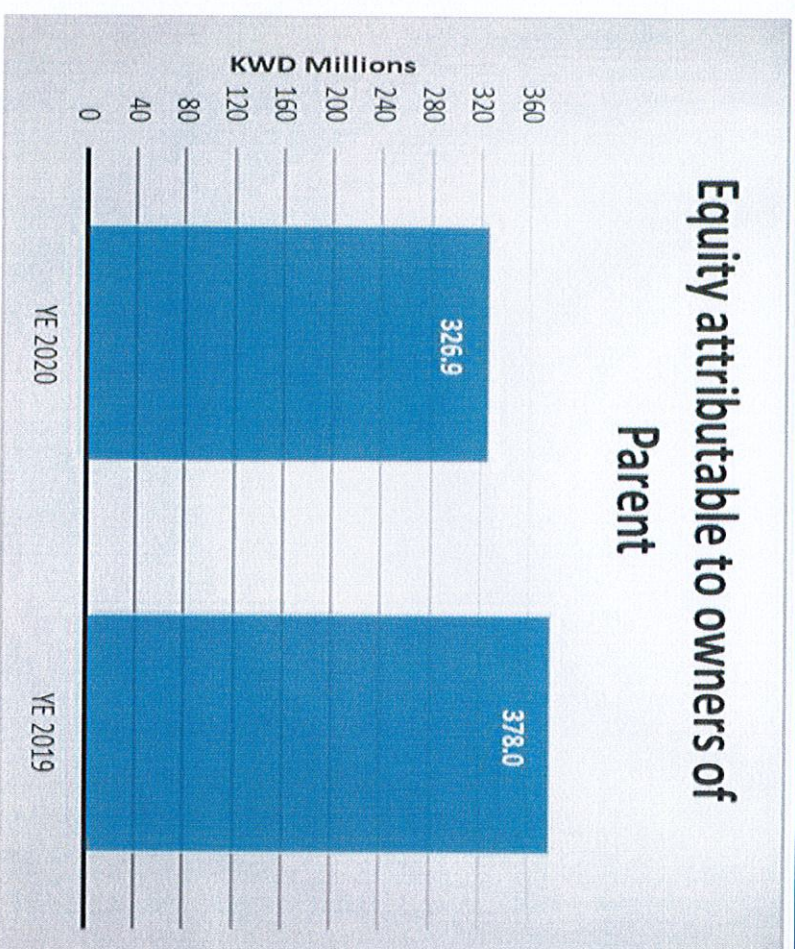
# FINANCIAL POSITION



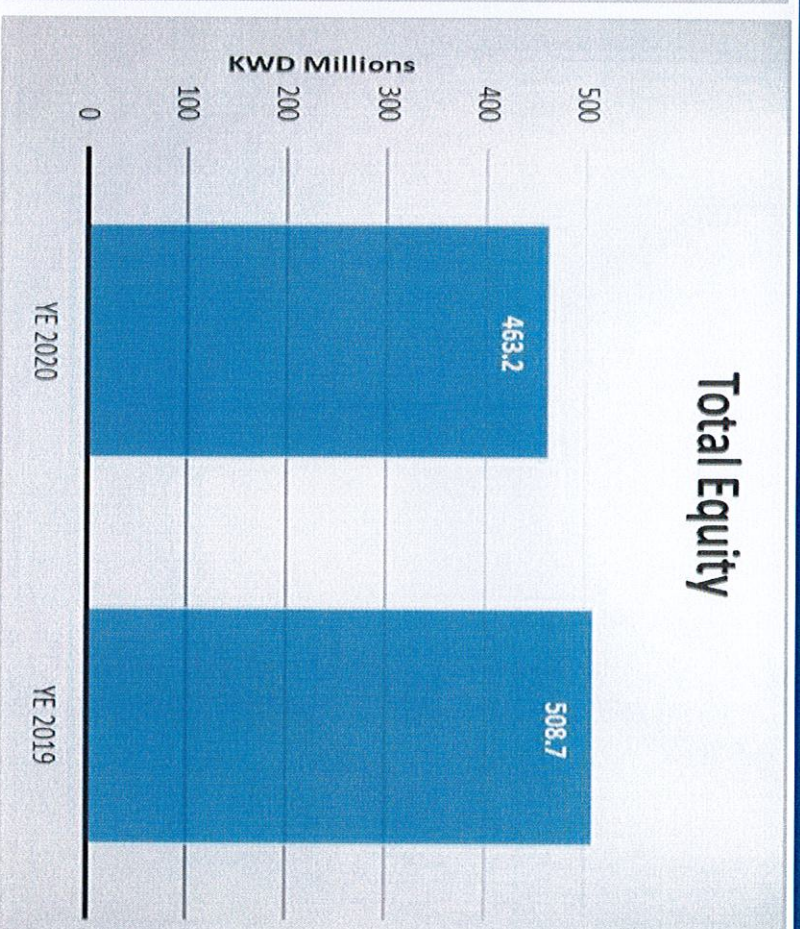
## Equity

31 December 2019 & 2020

### Equity attributable to owners of Parent



### Total Equity







مجموعة  
الصناعات الوطنية  
(م.ص.ك.)  
NI Group  
National Industries Group  
(Incorporated in the State of Qatar)

# ANALYST AND INVESTORS PRESENTATION

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## Subsidiaries Financial Performance



# SUBSIDIARIES

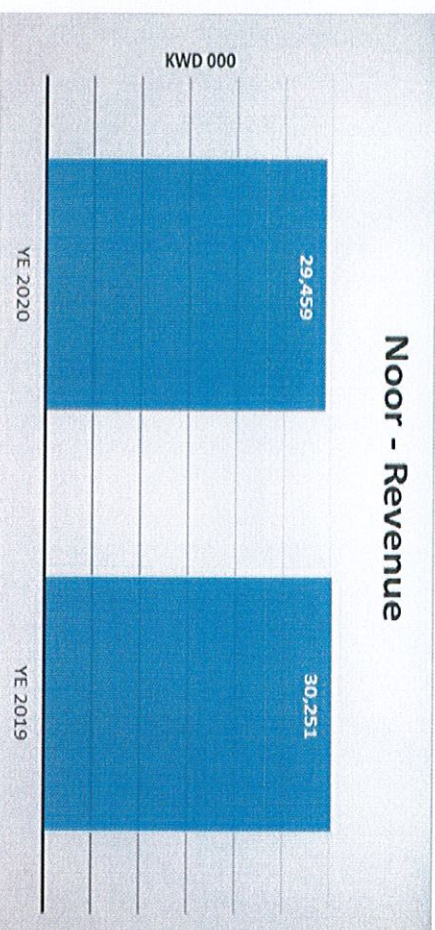
## FINANCIAL PERFORMANCE



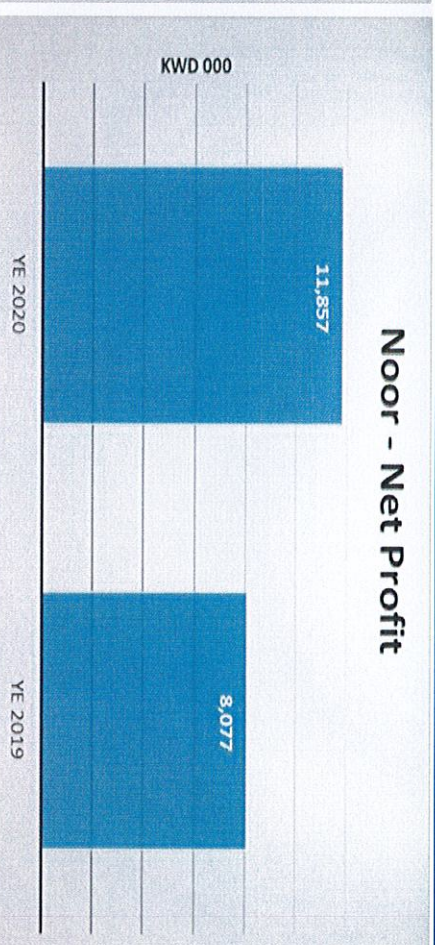
### Noor Financial Investment Company – KPSC (NOOR)

Year Ended 31 December 2019 & 2020

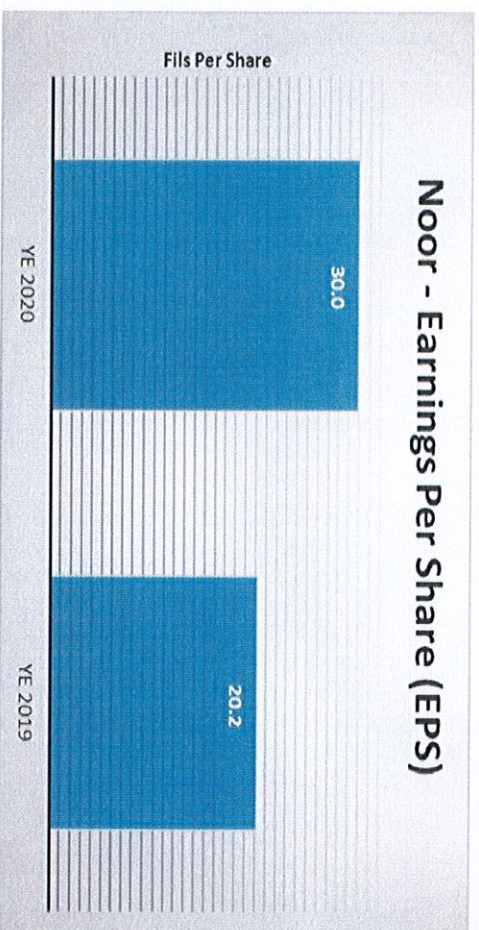
#### Noor - Revenue



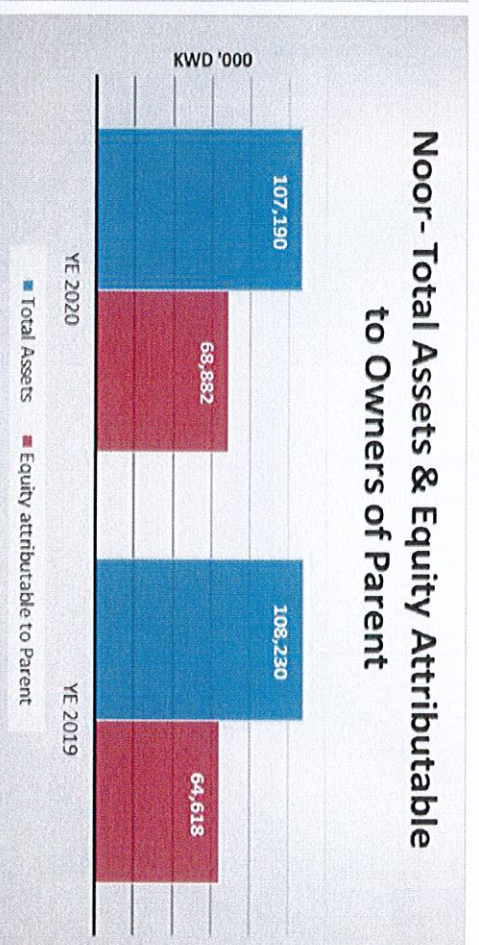
#### Noor - Net Profit



#### Noor - Earnings Per Share (EPS)



#### Noor - Total Assets & Equity Attributable to Owners of Parent





# SUBSIDIARIES

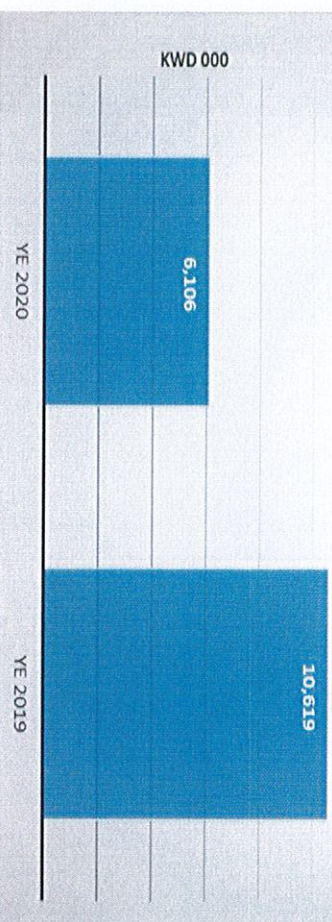
## FINANCIAL PERFORMANCE



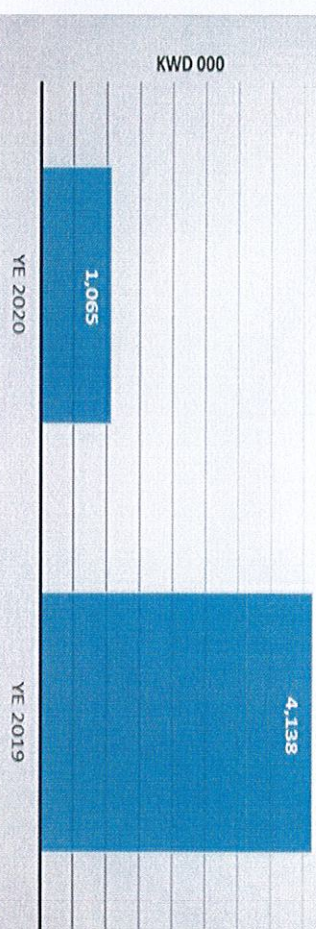
Ikarus Petroleum Industries Company – KSCC (IKARUS)

Year Ended 31 December 2019 & 2020

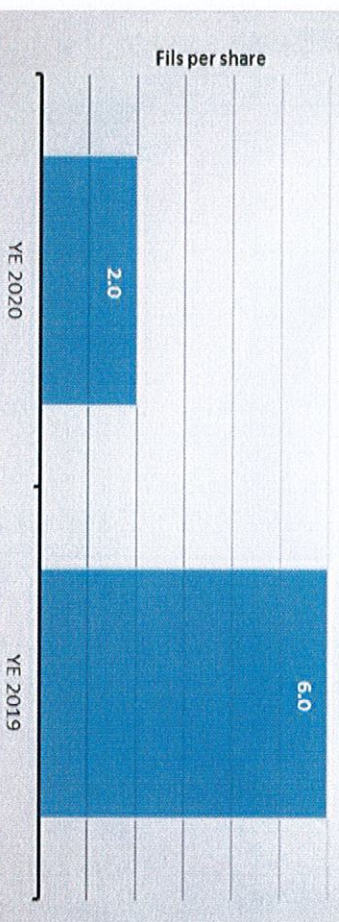
### Ikarus - Revenue



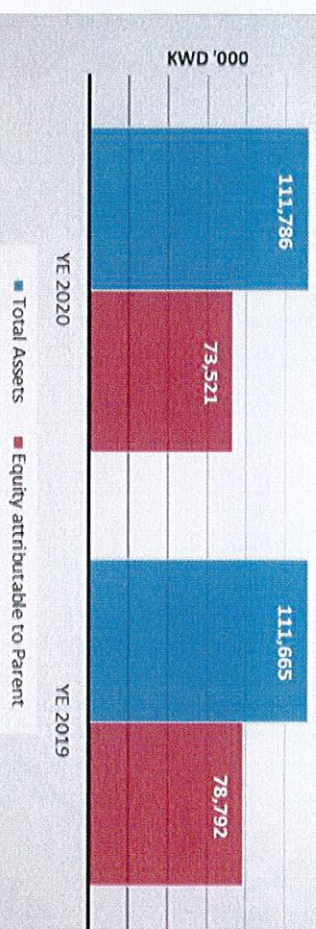
### Ikarus - Net Profit



### Ikarus - Earnings Per Share -(EPS)



### Ikarus- Total Assets & Equity Attributable to Owners of Parent





# SUBSIDIARIES

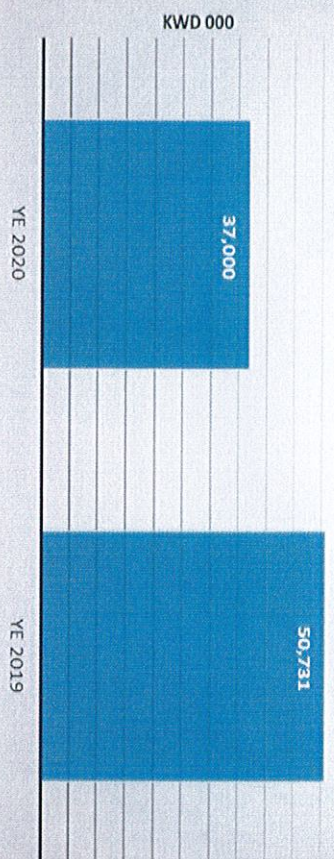
## FINANCIAL PERFORMANCE



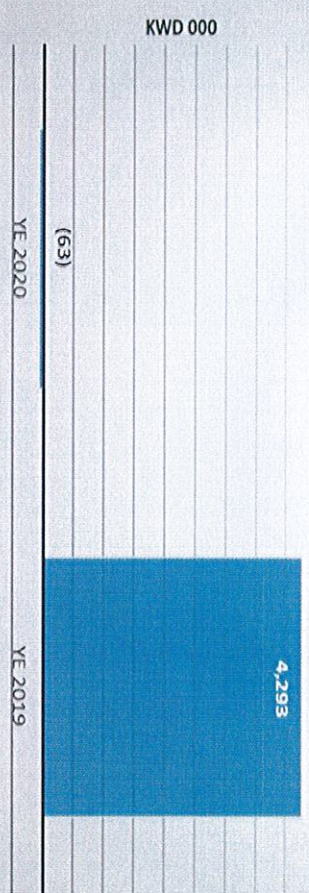
National Industries Company – KPSC (NICBM)

Year Ended 31 December 2019 & 2020

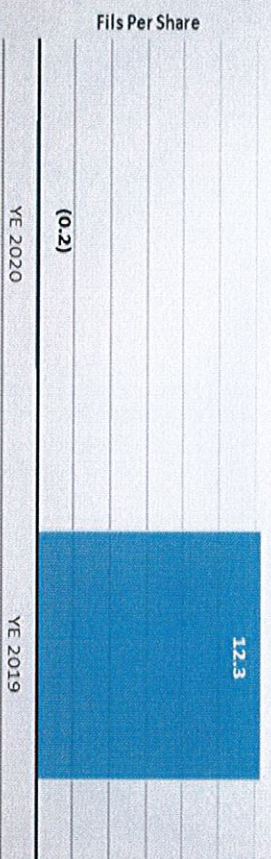
### NICBM - Revenue



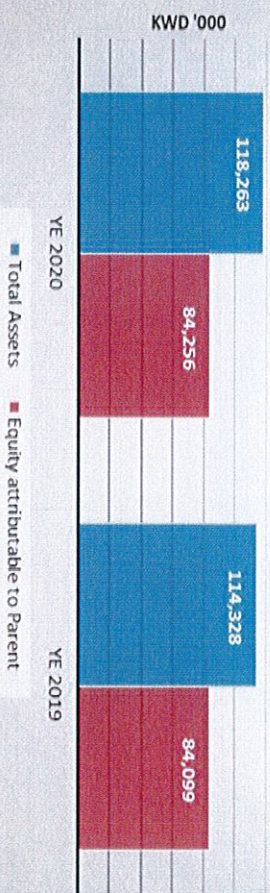
### NICBM - Net (Loss) / Profit



### NICBM - (Loss) / Earnings Per Share - (EPS)



### NICBM - Total Assets & Equity Attributable to Owners of Parent





# THANK YOU