



INVESTMENTS

Managed By

**bpe partners**

**B INVESTMENTS – 1Q18 EARNINGS RELEASE**

**16<sup>TH</sup> MAY 2018**



**I. B Investments  
Financial Highlights**

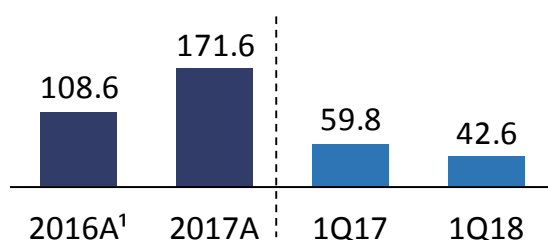
# FINANCIAL HIGHLIGHTS | 1Q18 CONSOLIDATED FINANCIAL PERFORMANCE



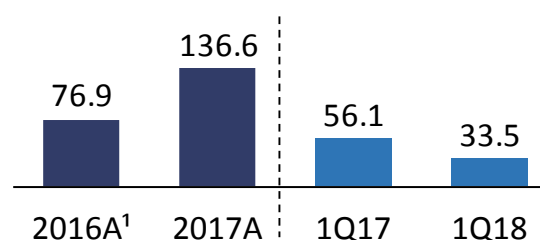
INVESTMENTS



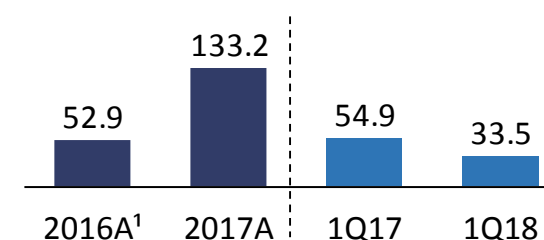
**Total Revenues**  
EGP mn



**EBT**  
EGP mn



**Net Income**  
EGP mn

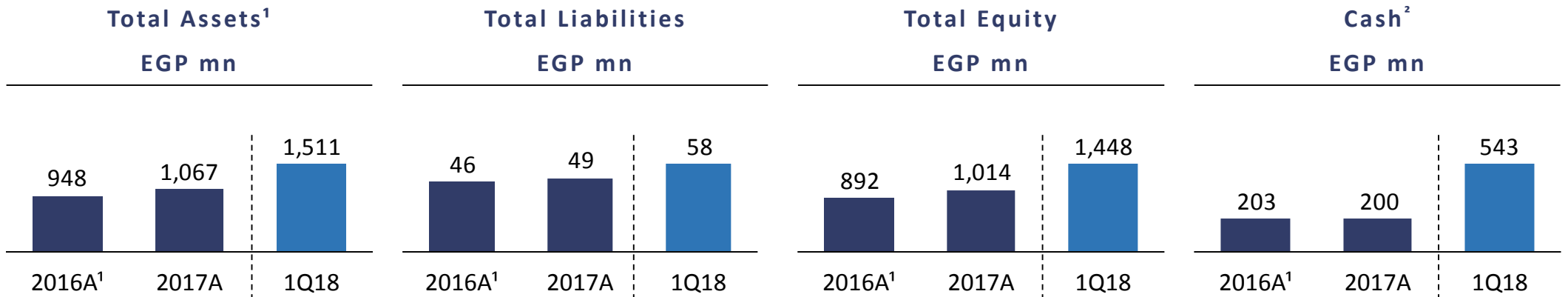


- B Investments' 1Q18 Revenues came in at EGP 43mn, in comparison to EGP 60mn in 1Q17. The decline is mainly attributed to the delay in receipt of TOTAL Egypt's dividends for FY 2017
  - TOTAL Egypt's General Assembly was held in April 2018 and accordingly declared dividends which will be booked in 2Q18. It is note worthy to mention that TOTAL Egypt's dividends for FY 2016 were declared and booked in 1Q17. TOTAL Egypt distributed dividends of EGP 26mn to B Investments compared to EGP 18mn in 1Q17, implying a growth in dividends of 48% on a Y-o-Y basis
- EBT reached EGP 34mn mainly due to the delayed distribution of dividends in addition to the increase in one off consultancy fees related to the company's Initial Public Offering
- B Investments recorded Net Income after tax of EGP 34mn on the backdrop of the reasons mentioned above
- On a Y-o-Y normalized basis (adjusting for dividends and one off consulting fees), Revenues, EBT and Net Income increased by 15%, 16% and 19% respectively to reach EGP 69mn, EGP 65mn and EGP 65mn

Note (1): FY 2016 figures are adjusted for a onetime FX gain of ~EGP 99mn that occurred in FY 2016 following the Egyptian Pound flotation in November 2016



# FINANCIAL HIGHLIGHTS | 1Q18 CONSOLIDATED FINANCIAL POSITION



- B Investments' assets grew by 42% in 1Q18 compared to the previous quarter primarily due to the capital increase concluded via the IPO and also due to 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 1.4bn on the back of the completed capital increase and growth in earnings

Note (1): Portfolio companies are recorded on B Investments' financial statements at book value (i.e. not recorded at market value)

Note (2): The current cash position does not include EGP 55.6mn that is related to the share price stability guarantee fund (that has now elapsed)

# FINANCIAL HIGHLIGHTS | CONSOLIDATED INCOME STATEMENT



INVESTMENTS

EGP mn	1Q17	1Q18
<b>Revenues &amp; Profits</b>		
Dividend income from available for sale investments	17.7	-
Group's share of profits of joint venture and associate entities	32.3	28.7
Foreign exchange differences	0.2	-
Finance income	2.3	9.9
Reverse of impairment in notes receivable	3.2	-
Provisions no longer required	-	2.5
Other income	4.0	1.5
<b>Total Revenue</b>	<b>59.8</b>	<b>42.6</b>
<b>Expenses &amp; Losses</b>		
Management fees	(2.9)	(2.9)
Consulting fees and other expenses	(0.6)	(5.3)
Depreciation of investment properties	(0.1)	(0.1)
Foreign exchange difference	-	(0.8)
<b>Total Expenses &amp; Losses</b>	<b>(3.6)</b>	<b>(9.1)</b>
<b>Net Profit for the Period before Tax</b>	<b>56.1</b>	<b>33.5</b>
Income tax	(1.3)	-
<b>Net Profit for the Period</b>	<b>54.8</b>	<b>33.5</b>
<b>Attributable as follow:</b>		
Shareholders' of the Parent Company	54.9	33.5
Non-controlling interests	(0.1)	0.1
<b>Net Profit for the Period</b>	<b>54.8</b>	<b>33.5</b>








# FINANCIAL HIGHLIGHTS | CONSOLIDATED BALANCE SHEET



INVESTMENTS

EGP mn	31/12/2017	31/03/2018
<b>Non-current assets</b>		
Intangible assets (net)	2.7	2.8
Investments in associates (net)	314.6	338.1
Available for sale investments	141.3	141.3
Investments in joint ventures (net)	190.8	209.5
Investment properties (net)	113.5	113.4
Loans to associates	94.7	96.6
<b>Total-non current assets</b>	<b>857.6</b>	<b>901.7</b>
<b>Current assets</b>		
Share price stability guarantee fund	-	55.7
Treasury bills	105.5	56.6
Due from related parties	1.2	1.3
Other debit balances	8.2	8.9
Cash and cash at banks	95.0	486.6
<b>Total current assets</b>	<b>209.8</b>	<b>609.0</b>
<b>Total assets</b>	<b>1,067.4</b>	<b>1,510.7</b>
<b>Equity</b>		
Issued and paid-up capital	584.5	584.5
Payment under capital increase	-	400.6
Legal reserve	10.6	12.8
Other reserves	28.2	28.1
Retained earnings	257.6	388.5
Net profit for the year attributable to shareholders of the Parent Company	133.2	33.5
<b>Equity attributable to shareholders of the parent company</b>	<b>1,014.0</b>	<b>1,447.9</b>
Non-controlling interests	4.4	4.5
<b>Total equity</b>	<b>1,018.5</b>	<b>1,452.3</b>
<b>Non-Current liabilities</b>		
Deferred tax liability	8.9	7.6
<b>Total non- current liabilities</b>	<b>8.9</b>	<b>7.6</b>
<b>Current liabilities</b>		
Due to related parties	3.0	5.1
Accounts payable and other credit balances	8.3	19.4
Income tax	18.4	18.4
Provisions	10.4	7.9
<b>Total current liabilities</b>	<b>40.0</b>	<b>50.8</b>
<b>Total equity and liabilities</b>	<b>1,067.4</b>	<b>1,510.7</b>

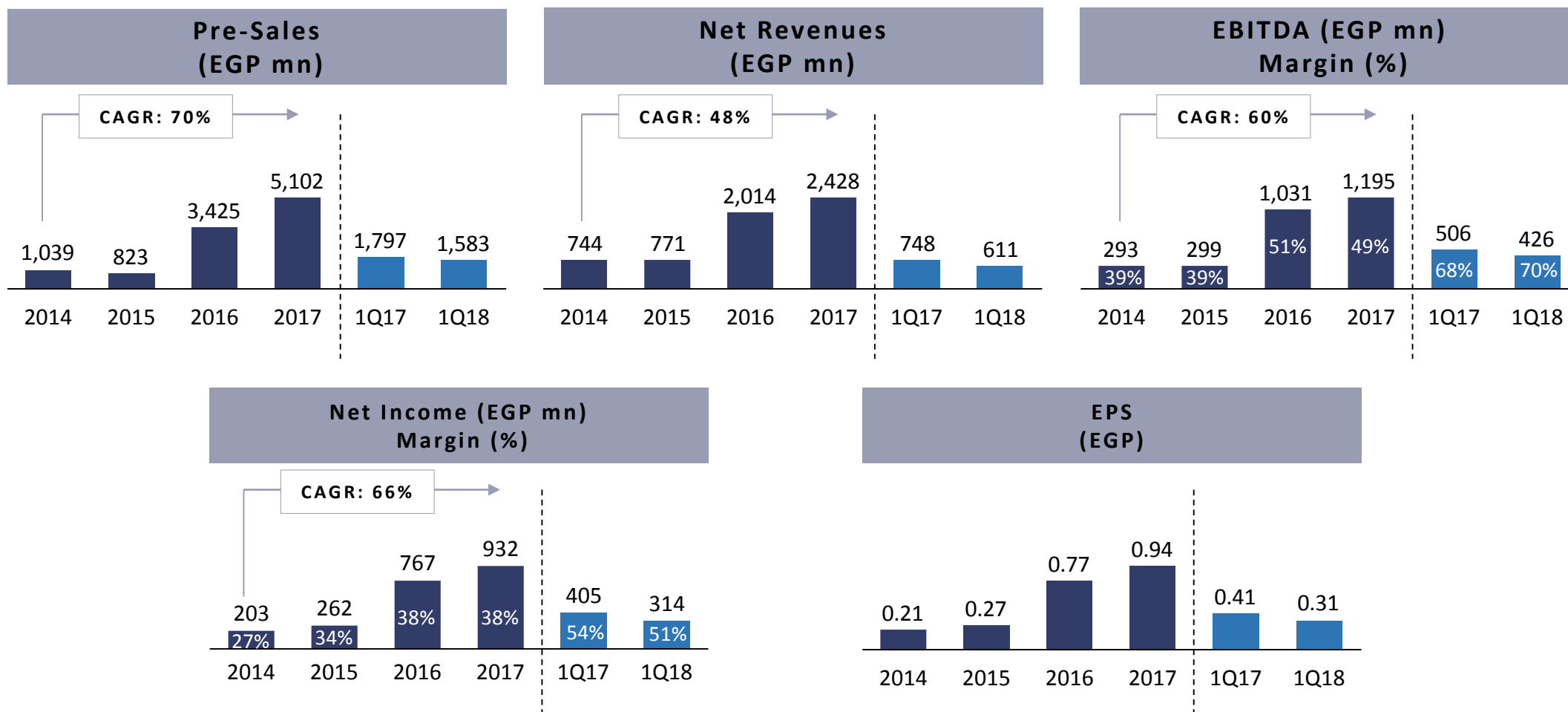
## II. Portfolio Overview

Company							
<b>Description</b>	<ul style="list-style-type: none"> <li>One of Egypt's leading urban real estate developers listed on the Egyptian Stock Exchange (MNHD) with a land bank of 9 million sqm</li> </ul>	<ul style="list-style-type: none"> <li>One of the leading systems integration and engineering service providers in Egypt and the MENA region</li> </ul>	<ul style="list-style-type: none"> <li>One of the largest downstream private sector players in Egypt operating in the retail, aviation, lubricants and industrial market segment</li> </ul>	<ul style="list-style-type: none"> <li>Established in 1888, BĒARD is one of the world's leading Swiss brand names in the flatware and hollowware industry</li> </ul>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1473 393 1630 500">  <ul style="list-style-type: none"> <li>Bee is one of Egypt's pioneering e-payment solution providers, boasting a network of 35,000 retail outlets</li> </ul> </div> <div data-bbox="1675 393 1910 475">  <ul style="list-style-type: none"> <li>Vitas Misr is a joint venture between Ebtikar and Vitas Group; a leading international microfinance player headquartered in the United States of America</li> </ul> </div> </div>		<ul style="list-style-type: none"> <li>A portfolio of three solar power plants located in Benban, Egypt with a total capacity of 130MW; in partnership with leading international and local developers and EPC contractors</li> </ul>
<b>Vintage Year</b>	2006	2013	2006	2006	2017	2017	2017
<b>Type of Transaction</b>	Buyout	Growth Capital	Management Buyout	Management Buyout	Growth Capital	Greenfield	Growth Capital





**A. MNHD**

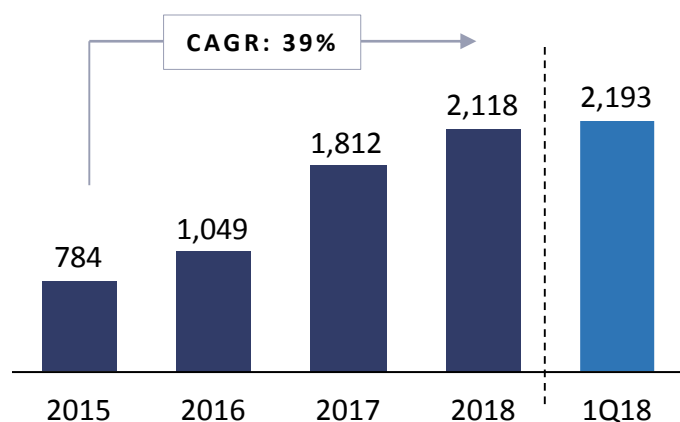


- MNHD recorded EGP 1.5bn in pre-sales for 1Q18 down from EGP 1.7bn recorded during the same quarter last year
- The decrease in pre-sales is due to the timing of the launch of Taj City's Lake Park Studios, which launched in the second half of March 2018 . As a result, the company experienced lower Net Revenues, EBITDA and Net Income in 1Q18 compared to 1Q17
- During 1Q18, MNHD recorded EGP 1bn contracted sales from the pre-sales of EGP 1.5bn that was achieved
- The company's pre-sales in 1Q18 exceeded its pre-sales in the last 3 quarters

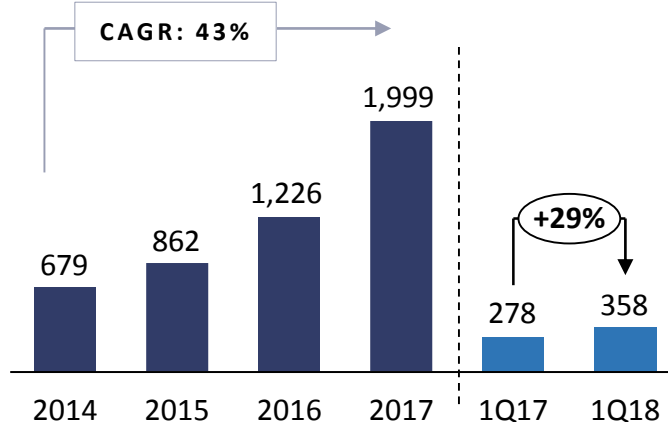


## **B. Giza Systems**

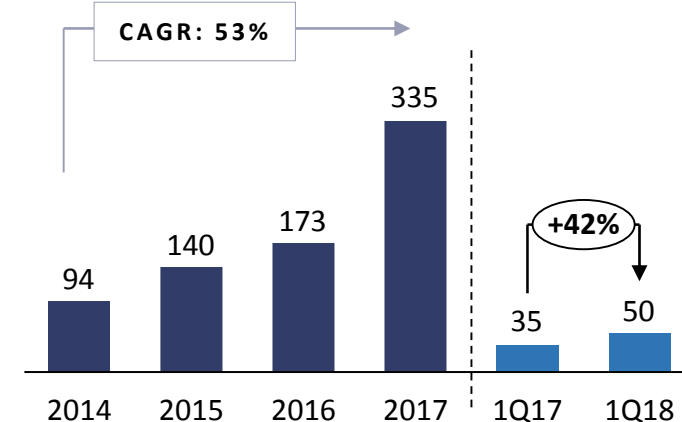
## Backlog (EGP mn)<sup>1</sup>



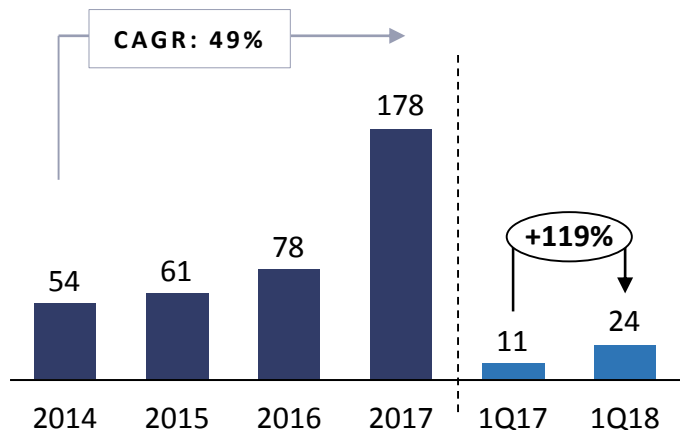
## Revenues (EGP mn)



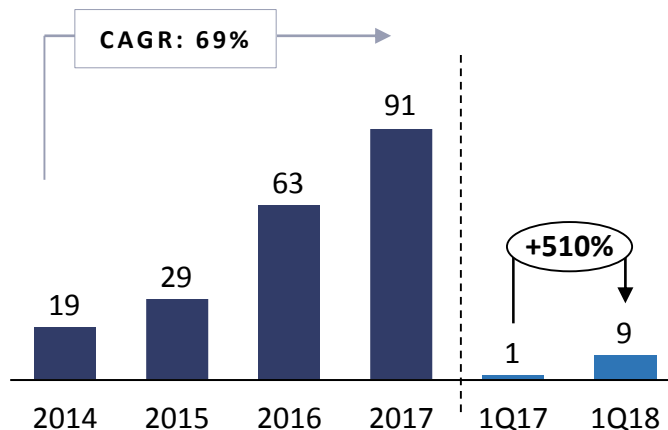
## Gross Profit (EGP mn)



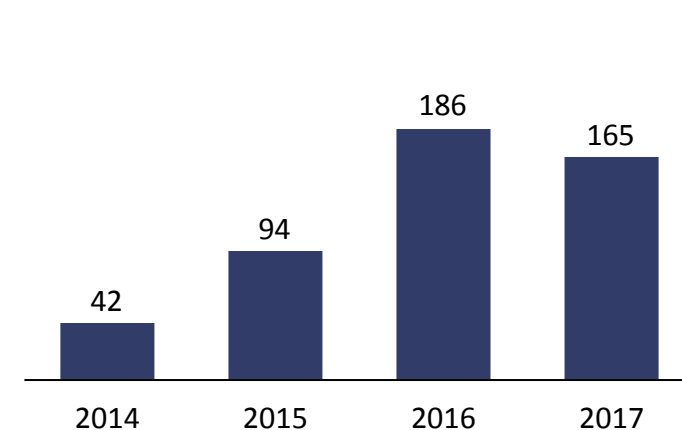
## EBITDA (EGP mn)



## 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 (Jan 1st for each year)

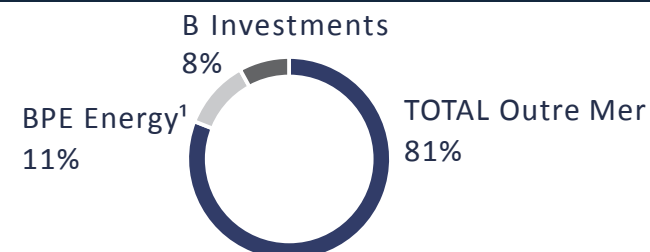


**C. TOTAL Egypt**

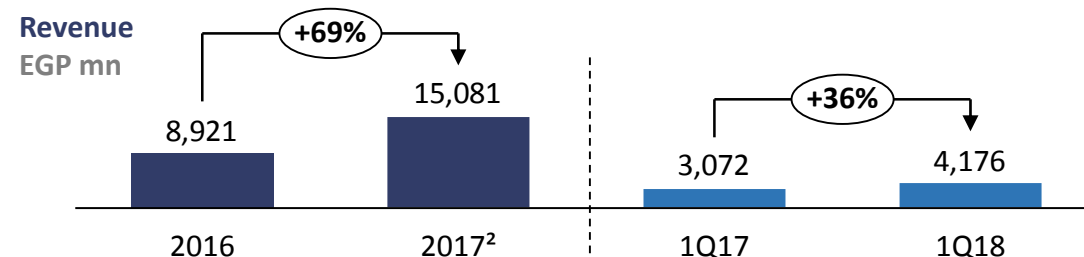
## TOTAL Egypt Overview

- TOTAL Egypt operates in four main business lines in the downstream space: i) Retail Network, ii) Aviation & Bunkering, iii) Lubricants and iv) Commercial & industrial fuel supply
- In 2013, B Investments invested in TOTAL Egypt to acquire Shell and Chevron down stream businesses in Egypt. Today and post the acquisition of Shell and Chevron, TOTAL Egypt is the second largest private player in Egypt
- Owns and operates 246 newly branded and refurbished retail stations with fully integrated convenient stores and services, under the brand name Bonjour
- Leading position in the commercial and industrial fuel supply segment with innovative products and a well balanced distribution network
- Dominant position in the private aviation fuel market and a growing market share in the lubricants business

## Total Egypt Shareholding Structure



## Financial Highlights



## Business Segments

I

### Retail Network



- Egypt's 2nd largest private retail network with 246 stations in 2018
- Host of complementary offerings (e.g. Bonjour Shops, Café Bonjour, Starbucks, TBS, TOTAL service oil change, TOTAL Wash)

II

### Commercial & Industrial



- Offers bulk deliveries as well as on-site filtration for Egyptian industrial companies
- Leading provider of HFO (Heavy Fuel Oil) for cement furnaces in Egypt
- "TOTAL Commercial Card" program in place, allowing industrial clients to track and control their consumption

III

### Aviation & Bunkering



- 100% owned 11 KM3 fuel storage facility in Mostorod, TOTAL Egypt also owns a depot in Suez
- Operates in Cairo International Airport and Marsa Alam Airport
- Strong market share in Cairo International Airport
- Exclusive jet fuel provider to Marsa Alam Airport

IV

### Lubricants



- Caters predominately to the automotive sector
- Operates through a blending facility in Alexandria owned through a JV with Oil Libya (TOTAL 65% - Oil Libya 35%)
- Market leader in Car Dealer segment & growing player in the industrial Channel

Note (1): BPE Energy is the co-investment vehicle in this transaction

Note (2): 2017 figures are based on standalone audited financial statements



**D. BEARD**

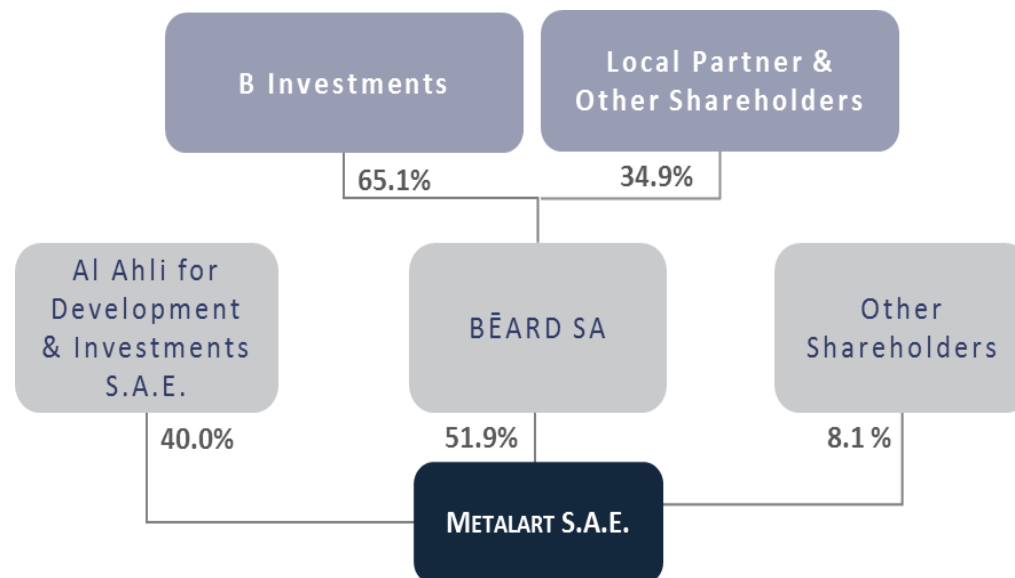
## BĒARD Overview

- 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 holloware
- 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 holloware
- 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



## BĒARD Shareholding Structure



## Metalart Key Statistics - 2017

+80	Countries of Distribution
EGP 23mn	Total Revenue
EGP 10mn	Gross Profit
EGP 3mn	Operating Profit
EGP 2mn	Net Profit



**E. Ebtikar**

## OVERVIEW

- In June 2017, BPE Partners established an investment vehicle under the name of “Ebtikar for Financial Investment” as the designated vehicle to invest in the non-banking financial services sector
- Ebtikar’s objective is to invest in microfinance, electronic payments, leasing, mortgage, factoring, consumer finance and any other related non-banking financial services
- The company currently has an authorized share capital of EGP 200mn<sup>1</sup> and a subscribed and paid-in capital of EGP 120mn<sup>1</sup>
- To date, Ebtikar has two investments in its portfolio; TBE Egypt for Payment Solutions and Services “Bee” – one of the leading electronic payment solution providers and Vitas Misr for Microfinance – a greenfield microfinance company
- 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 greenfield joint venture with Vitas Group a leading international microfinance player

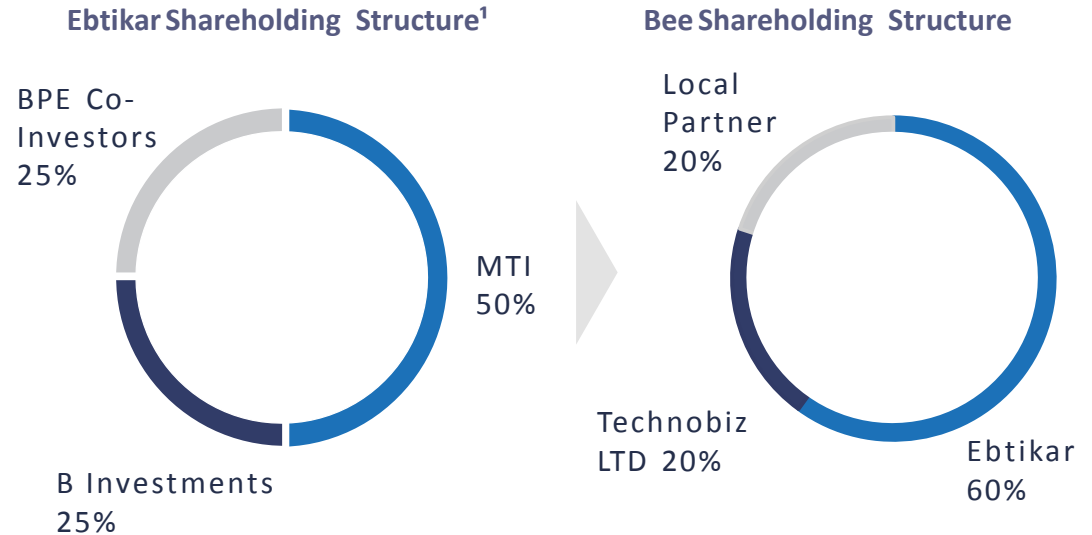




## Bee Overview

- Bee was founded in 2010 by the Singapore-based; Technobiz Equipment PTL LTD; a leading payment solution provider that operates in Asia and the Middle East
- Bee is recognized as the support hub for all operations for neighboring countries in the near future
- Bee offers payment collection services to key service providers such as Mobile Network Operators and also provides payment services to end users through its retail network of over 35,000 retail outlets that extends throughout Egypt; serving clients through alternative channels for bill payments and e-top up services
- In October 2017, Ebtikar made its first investment in the non-banking financial services sector acquiring a 60% stake in Bee; in a growth capital transaction

## Bee Shareholding Structure



## Bee provides the retail outlets with 3 solutions for the PoS system

1

Retail Outlet Acquires A Bee PoS



Mobile App. & Printer



PoS Terminal



Web Access to PoS outlets

2

Retail Outlet Pays Deposit & Starts Operating

- The retail outlet must make a deposit to start accepting payments (as working capital for the retail outlet) which will generally last 2 days of ordinary business
- As the reserves run out, the Bee headquarters is notified and a sales rep/runner is dispatched to go collect the money and top up the retail outlet's PoS terminal
- Cash Cycle is 2-3 days
- Transaction time is 4-7 seconds

3

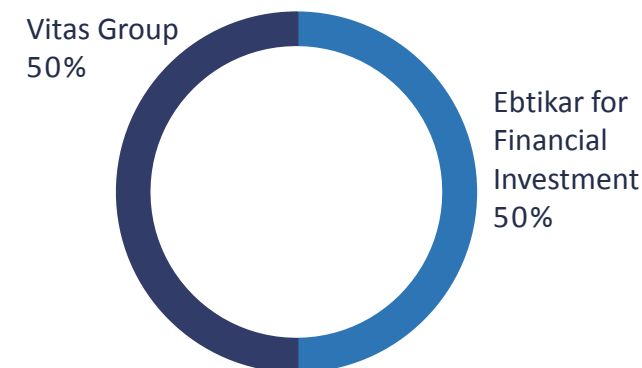
Revenue Sharing

- Bee's revenue is comprised of the commissions generated from the sales of service providers (eg. telecom operators) against collection of money for bill payment and top-up services
- Revenues are shared with the service providers and agents
- Commission is expensed to MNOs and to retailers (merchants/agents)
- Note, commission is expensed to the end user in the case of utilities.

## Vitas Misr Overview

- Ebtikar’s second investment is a greenfield microfinance institution “MFI” - Vitas Misr for Microfinance “VM”; established as a joint venture between Ebtikar and a leading international microfinance player - Vitas Group “VG” based on equal partnership
- VM was incorporated in November 2017 with an authorized capital of EGP 200 million and issued/paid-in capital of EGP 20 million; to be increased to EGP 85 million by the end of 2018
- In February 2018, Vitas Misr was granted the microfinance preliminary license by the FRA and is expected to receive the final license and begin operations by July 2018
- VG (US based) was founded as a for-profit holding company in 2006 by Global Communities (GC); in order to commercialize and consolidate GCs’ microfinance operations in the Middle East and Romania. VG is a majority shareholder in a number of MFIs; in Lebanon, Romania, Jordan, and Iraq and has a minority shareholding in Palestine
- GC is an international NGO that operates in over 25 countries worldwide, and has pioneered some of the most successful microfinance programs for over 30 years. GC has extensive experience in microfinance globally and specifically in the Middle East region
- VM aims at capitalizing on Egypt’s widely unbanked population through adopting international best practices with developed standards and procedures

## VM Shareholding Structure



### Vitas Group Key Statistics - 2017

<b>USD 227mn</b>	Total Portfolio Outstanding
<b>97,000</b>	Number of Active Borrowers
<b>120</b>	Total Number of Branches
<b>16,735</b>	Number of Fulltime Jobs Created

### Global Communities Footprint

Region	# Countries
Americas	6
Africa	8
Europe	4
Asia	8

### Vitas Group Footprint

Subsidiary or JV	Country	Percentage Owned
Vitas Romania		99%
Vitas Lebanon		99%
Vitas Iraq		99%
Vitas Jordan		51%
Vitas Palestine		1%
<b>Vitas Misr</b>		<b>50%</b>



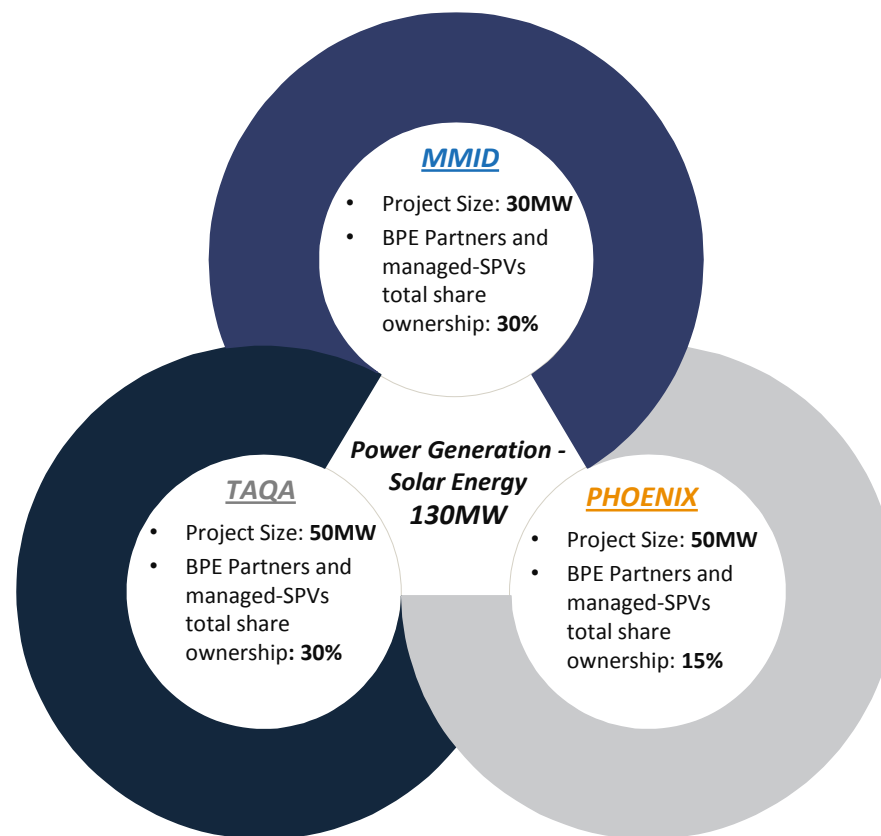
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# F. Infinity Solar

## Infinity Solar Overview

- A portfolio of three solar power generation plants located in Ben Ban, Egypt for a total capacity of 130MW; 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 projects are scheduled to begin commercial operation in December 2018
- 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 Overview



### Partnerships





## IR CONTACTS

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