

About MPHC FAQs

Financial Performance

Why are 2014 profits lower than the extrapolated 4 month's results for 2013?

The 2013 annualised EPS was QR 1.46 per share, while the 2014 actual EPS was QR 1.43 per share - a difference of less than 2%. This is a normal variation in annual profits, and was primarily due to slightly higher shut-downs in 2014.

Did MPHC achieve its 2014 budget?

Consolidated profit exceeded budget by over 20%.

Given the strong cash position, why wasn't the 2014 dividend higher? Does the group have a dividend policy?

The 2013 annualised cash dividend was QR 1.05 per share, while the 2014 actual cash dividend was QR 1.10 per share - an increase of 5%, even though net profit was slightly lower. It is essential that the Board recommends a cash dividend in line with its stated policy - to maximise the payout ratio while maintaining adequate liquidity for the group's capital investments, working capital and financing needs, and the principles of financial prudence.

Business Plans & Strategy

What are the group's 2015 budget expectations?

Consolidated earnings in 2015 are expected to be impacted by planned major maintenance shut-downs for MPHC's newest facilities, and the effects of the prevailing economic conditions on international price levels of the group's key products. No changes in the operating cost structure are expected, however, as the group is budgeted to continue to benefit from competitively priced ethane feedstock and fuel gas supplied by Qatar Petroleum under long-term agreements, and also to continue to be eligible for tax refunds subject to the fulfilment of specified conditions of the Public Revenue and Tax Department. Liquidity levels are expected to remain strong due to the muted capital expenditure program and relatively low debt.

How will the current downturn in oil prices affect MPHC?

The group benefits from several competitive advantages, like strong leadership and management teams, cost-advantaged feedstock, integrated plants, and a diverse base of worldwide clients. In addition, the group companies are all well-established, profitable entities with good operational track records. As such, it is our firm belief that the group is well-positioned to withstand the challenging economic times ahead.

Does the group have any future expansion plans?

As previously communicated, Qatar Petroleum is conducting a number of detailed feasibility studies in order to take advantage of the ethane feedstock available following the decision not to proceed with the proposed Al-Karaana Petrochemical Project. These studies will be conducted in collaboration with Qapco, Q-Chem, and Ras Laffan Olefins Company Limited.

Are there any plans to buy out the foreign partner in Q-Chem?

The foreign partner in Q-Chem and Q-Chem II is Chevron Phillips Chemical International ("CP Chem"), who are a founding shareholder in both companies. CP Chem are an experienced international company, and considered to be an important partner in the joint venture. It is our belief that their participation in the joint venture adds value and is to the advantage of all shareholders. There are no plans to change this shareholding structure.

Are there any plans to add further companies to MPHC?

There are no such plans at this stage.

Qatarisation

What are the Qatarisation levels within the group?

Total headcount within the group is almost 1,400 employees, with Qataris comprising 14%. All companies have targets and goals to increase the number of nationals.

What is the percentage of MPHC's public shareholders, and how are they distributed between Qatari and non-Qataris?

A total of 25.7% of MPHC's issued share capital is held by the public, with Qataris owning 99.4% of the publically held shares.

General

Are there any plans for MPHC to be included in the MSCI Qatar Index.

Inclusion is a decision of MSCI, and subject to MPHC meeting strict trading and liquidity criteria.

Are there plans to have Independent Directors on the Board?

There are no such plans at this stage. However, senior management will periodically review the composition of the Board to ensure it maintains the right balance between experience and expertise.

How will Muntajat affect the group's marketing operations?

From the beginning of 2015, Muntajat will have commenced marketing for all of the group's products. The transition of marketing activities to Muntajat is the result of careful planning between the companies to ensure that such activities are transparent and seamless to customers. As a specialised marketing company, we are confident that Muntajat will add value to MPHC.