



Mesaieed Petrochemical Holding Company IR Presentation

31 March 2022

“one of the region’s premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products.”

Disclaimer

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “MPHC” and “the group” are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

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There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group’s products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this presentation are made as of the date of this presentation.

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GENERAL NOTES

Mesaieed Petrochemical Holding Company’s accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Mesaieed Petrochemical Holding Company’s share. Values expressed in US \$’s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Cash Realisation Ratio: $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$ • Debt to Equity: $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$ • Dividend Yield: $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$ • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow: $\text{Cash Flow From Operations} - \text{Total CAPEX}$ • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: $\text{Total Cash Dividend} / \text{Net Profit} \times 100$ • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: $\text{Production Volume} / \text{Rated Capacity} \times 100$ • VCM: Vinyl Chloride Monomer

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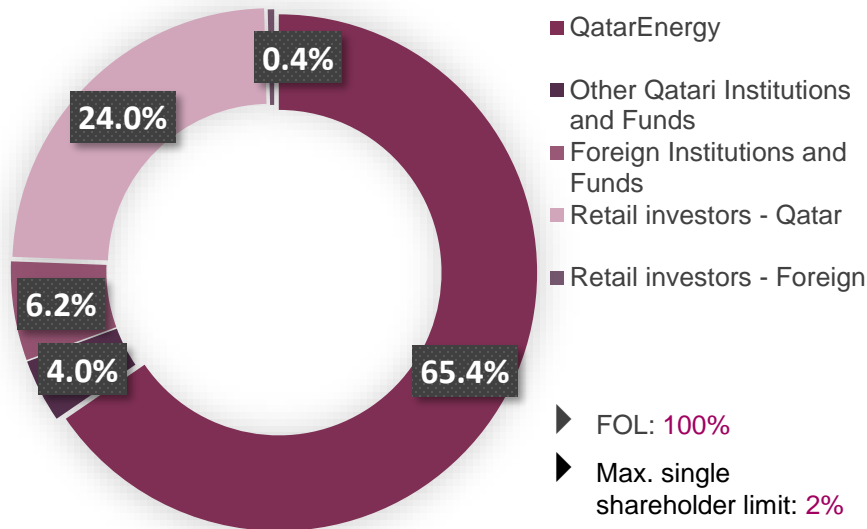
About MPHC

MPHC at a glance

Overview

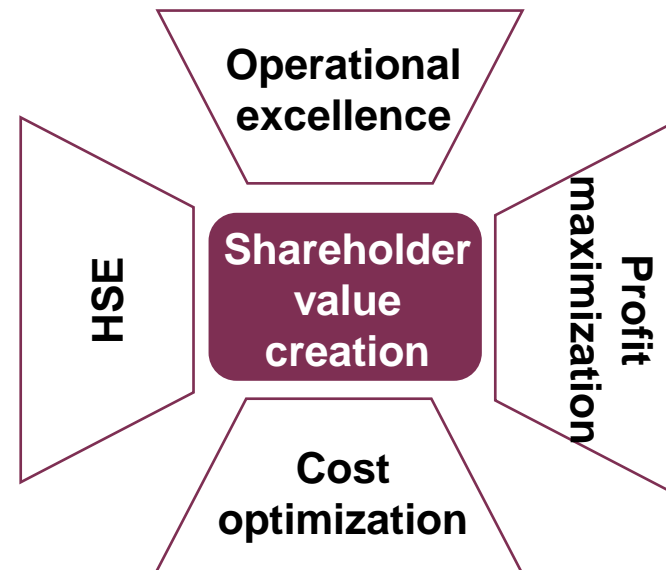
- Mesaieed Petrochemical Holding Company Q.P.S.C. (“MPHC” or “the Group”; QE ticker: MPHC) was incorporated on May 29, 2013 and was listed on the Qatar Stock Exchange on February 26, 2014.
- MPHC is among top 10 companies at Qatar Exchange by Market Capitalization.
- QatarEnergy provides most head office functions through a comprehensive service-level agreement.
- The operations of joint ventures remained independently managed by their respective Boards of Directors and senior management teams.

MPHC’s shareholding structure



Note: Shareholder data as of 31-Mar-22

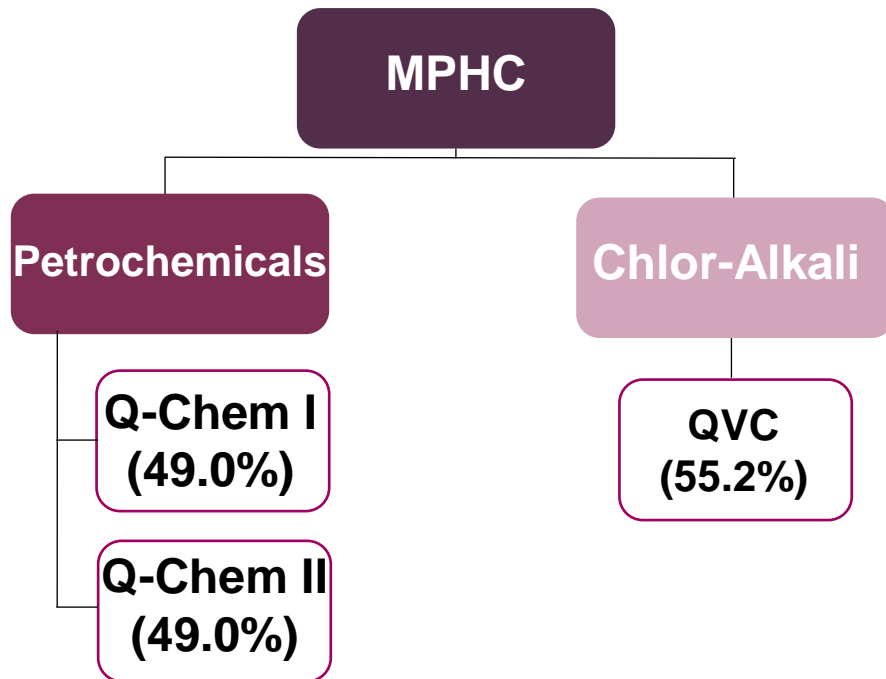
Core values



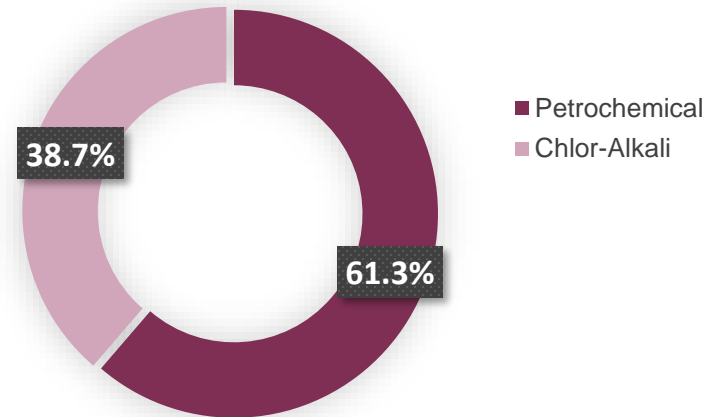
MPHC business segments at a glance

Business segments overview

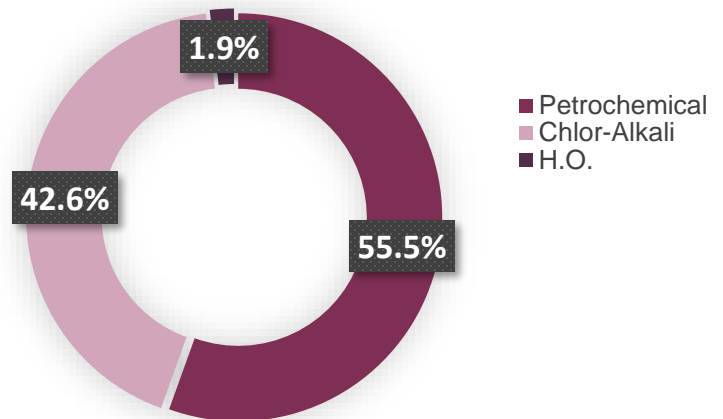
- Through its joint ventures companies, MPHC operates in **two** distinct business segments: **Petrochemical** and **Chlor-Alkali**;
- Production facilities are principally located in the State of Qatar.



Segments size by Revenue



Segments size by Net Profits



* All the investments in operating companies is in the form of Joint venture stake

Note: Revenue and net profit data as of 31-Mar-22



Competitive strengths

Competitive strengths

Low cost producer

- Assured feedstock supply
- Economies of scale and operationally diversified
- Synergy benefits

Strong financial position

- Solid liquidity position
- Strong cash flow generation with stable EBITDA margins
- Sound dividend record

Market leadership

- One of the region's premier diversified petrochemical conglomerates
- Dedicated marketing support in form of Muntajat

Experienced team

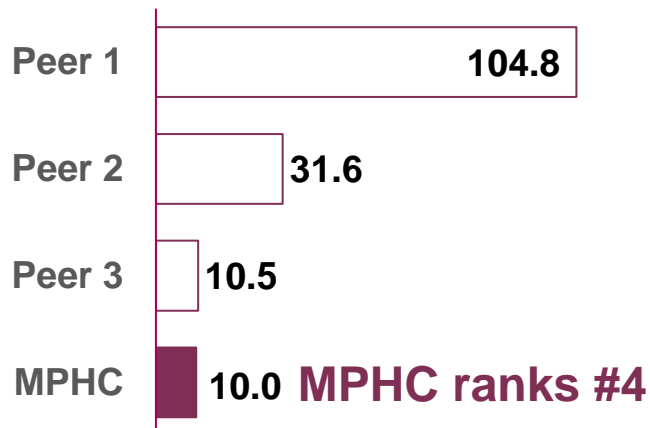
- Industry experts in the senior management team
- Reputable JV partners

Regional peers review

MPHC ranked #85 among
“2021 Forbes List of Top 100 Companies in the Middle East”

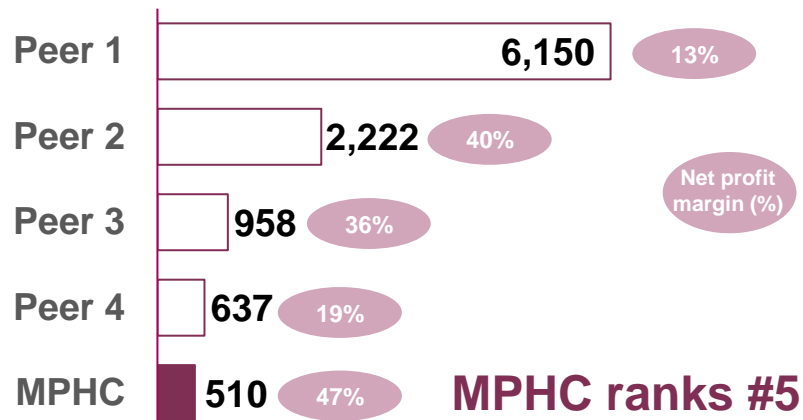
Competitive positioning versus regional peers

Market Cap. (USD' billion)



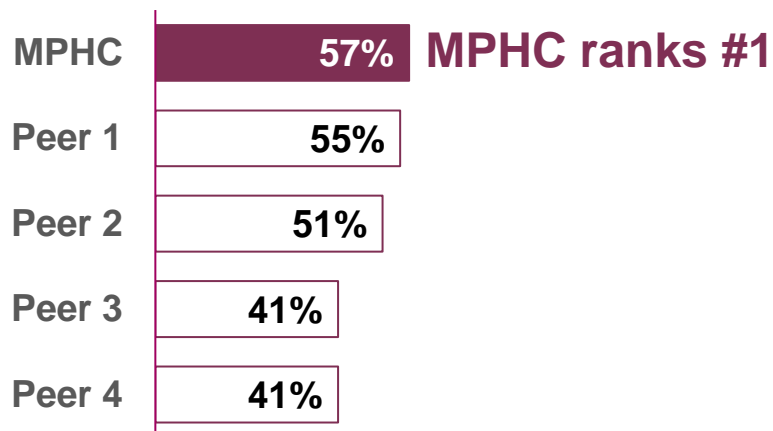
Note: Data as of 31-Mar-22

Net profit (USD' million)



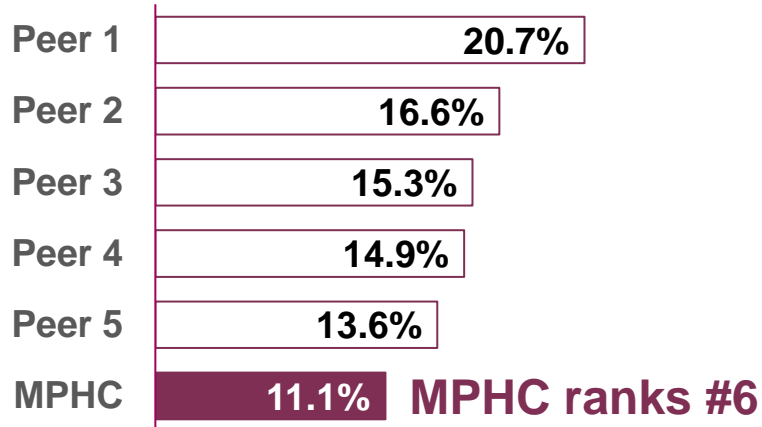
Note: Data as of YE-21

EBITDA Margins (%)



Note: Data as of YE-21

ROA (%)



Note: Data as of YE-21

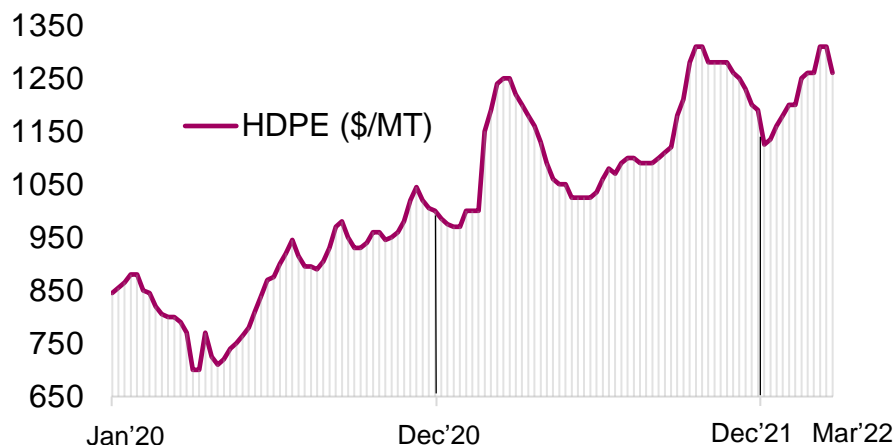
10 Note: Regional peers data include all listed companies in MENA region involved in production of petrochemicals and specialty chemicals, excl. fertilizers.



Macroeconomic updates

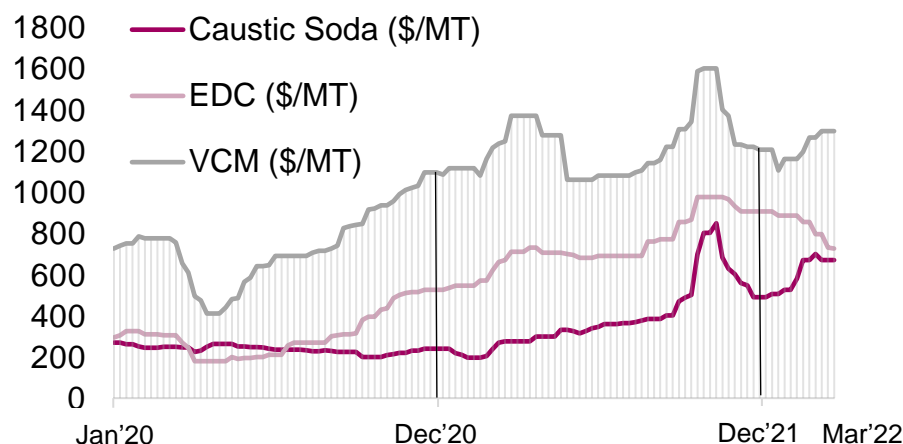
Macroeconomic updates

Petrochemicals



- Demand for most of the PE products slightly inched downward, as buyers remained cautious hoping for lower prices after reaching its peak in last year. Also, seasonal effects weighed on most of the commodities' demand, mainly during early parts of the year.
- Supply side was affected amid Russia-Ukraine conflict enforcing sharp rise in energy prices; specifically during later part of 1Q-22, challenging plant economics.

Chlor-Alkali



- Prices for most of MPHC's basket of chlor-alkali products demonstrated essentially balanced to bearish trends in line with other petrochemicals, except for caustic soda where strength was noted on the back of elevated end-product prices.

MPHC results

(For the three-month period ended 31 March 2022)

1Q-22 results at a Glance

Growth vs. 1Q-21

Revenue  9%
QR 970 million

EBITDA  13%
QR 543 million

Net profit  17%
QR 443 million

EBITDA Margin: 55.9%

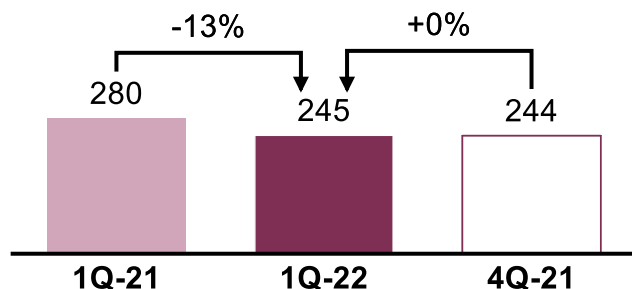
EPS: QR 0.035 RoAE: 12.1%

- Year-on-year results reflected constructive product price momentum carried forward from the latter part of last year
- Quarter-on-quarter results benefitted from higher sales volumes amid better plant utilization
- Robust liquidity position with closing cash and bank balances amounting to QR 3.0 billion as of 31 March 2022



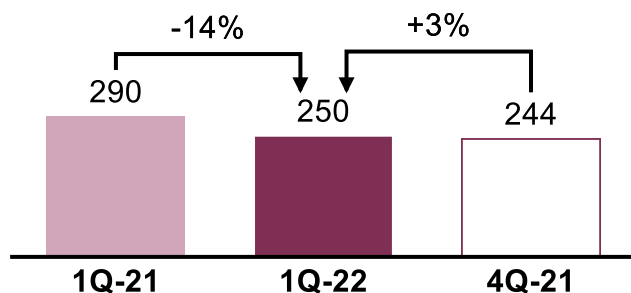
Operational performance review

Production (MT' 000)



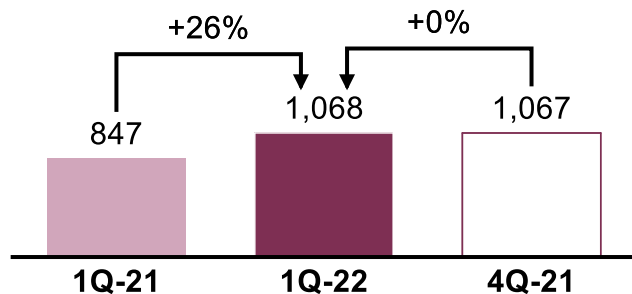
- 1Q-22 vs 1Q-21: production volumes declined on a year-on-year basis, mainly due to a largescale turnaround carried out at Q-Chem facilities during the current period.
- 1Q-22 vs 4Q-21: Production volumes remained flat versus 4Q-21, where volumes were affected due to a planned preventive maintenance shutdown carried out at the chlor-alkali facilities, offsetting the impact of Q-Chem's largescale turnaround carried out during the current period.

Sales volume (MT' 000)



- 1Q-22 vs 1Q-21: sales volumes declined on a year-on-year basis, mainly driven by lowered plant operating rates, amid large scale turnaround carried at Q-Chem facilities during the current period.
- 1Q-22 vs 4Q-21: sales volumes increased by 3% versus 4Q-21, largely remaining line with quarter-on-quarter movement in production volumes.

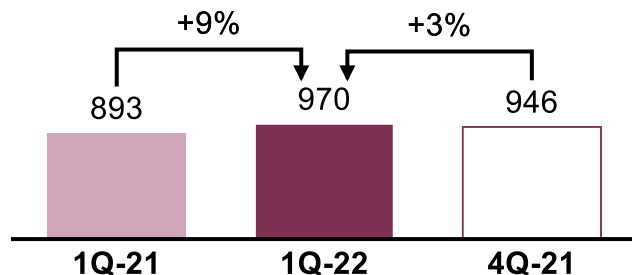
Selling prices (\$/MT)



- 1Q-22 vs 1Q-21: year-on-year price trajectories continue to remain elevated with continued support from heightened economic activity, persistent GDP growth and limited supply.
- 1Q-22 vs 4Q-21: quarter-on-quarter price trajectories remained flat as effects of higher energy prices were mainly offset by muted demand with cautious approach from buyers and seasonal effects.

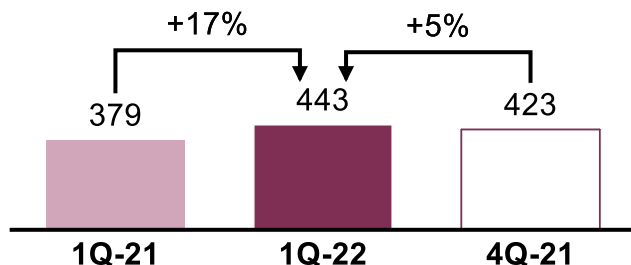
Financial performance review

Revenue (QR' million)



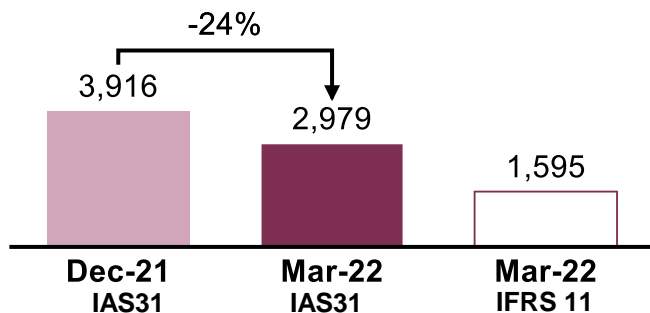
- 1Q-22 vs 1Q-21: revenue improved by 9% mainly due to higher selling prices, partially offset by lowered sales volumes.
- 1Q-22 vs 4Q-21: revenue slightly increased 3% on a quarter-on-quarter basis, with flattish selling prices and slightly higher sales volumes.

Net profit (QR' million)



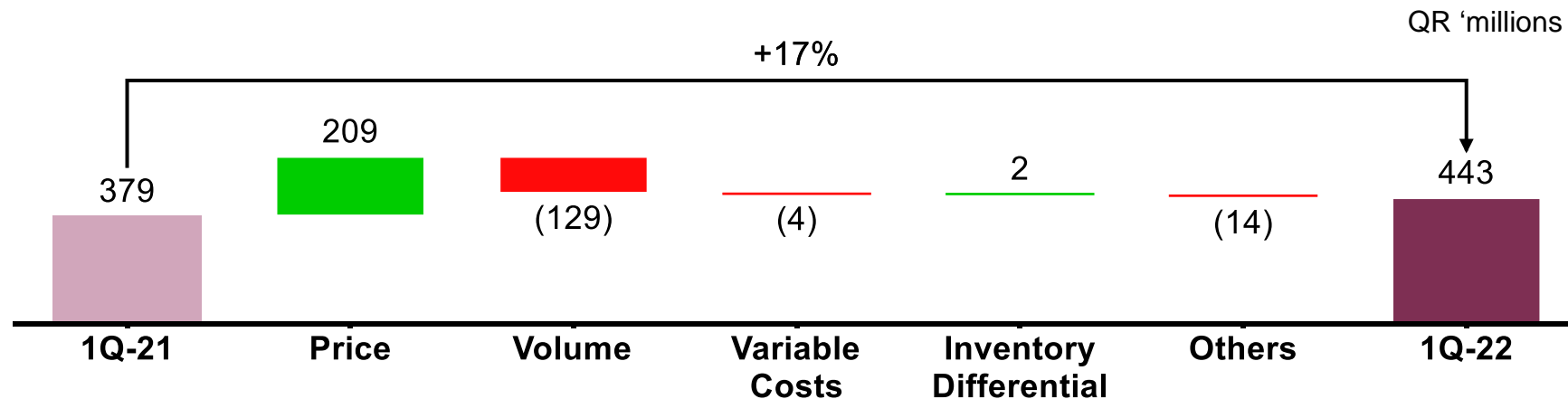
- 1Q-22 vs 1Q-21: Year-on-year results reflected constructive product prices momentum carried forward from latter part of last year.
- 1Q-22 vs 4Q-21: Quarter-on-quarter results benefitted from slightly higher revenues.

Cash & bank balances (QR' million)



- MPHC's share of cash and bank balances declined from last year, due to dividend payment made for FY 2021, partially offset by positive cash flow generation during 1Q-22.

Net Profit Variance Analysis



Net profits increased by **QR 64 million** due to:

Favorable variance

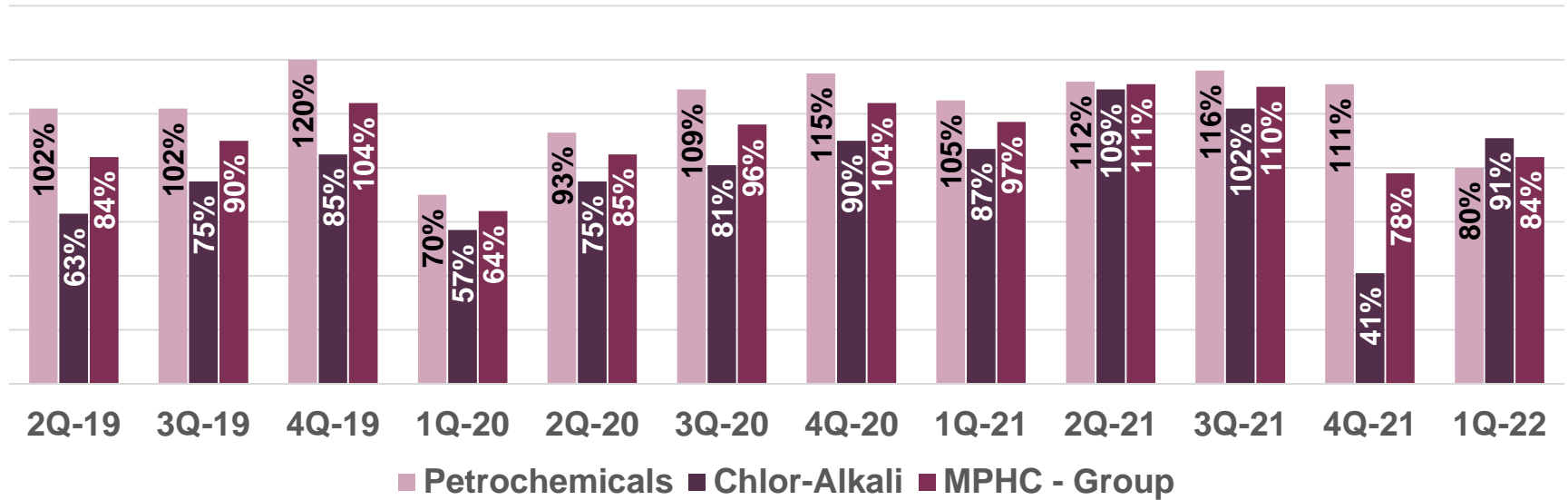
- Higher selling prices 26%;
- Favorable inventory differential due to lesser drawdowns;

Unfavorable variance

- Lesser sales volumes 14%;
- Slightly higher variable costs on account of higher prices offset by lowered volumes;
- Other expenses are higher primarily on account of increase in utilities and selling expenses.

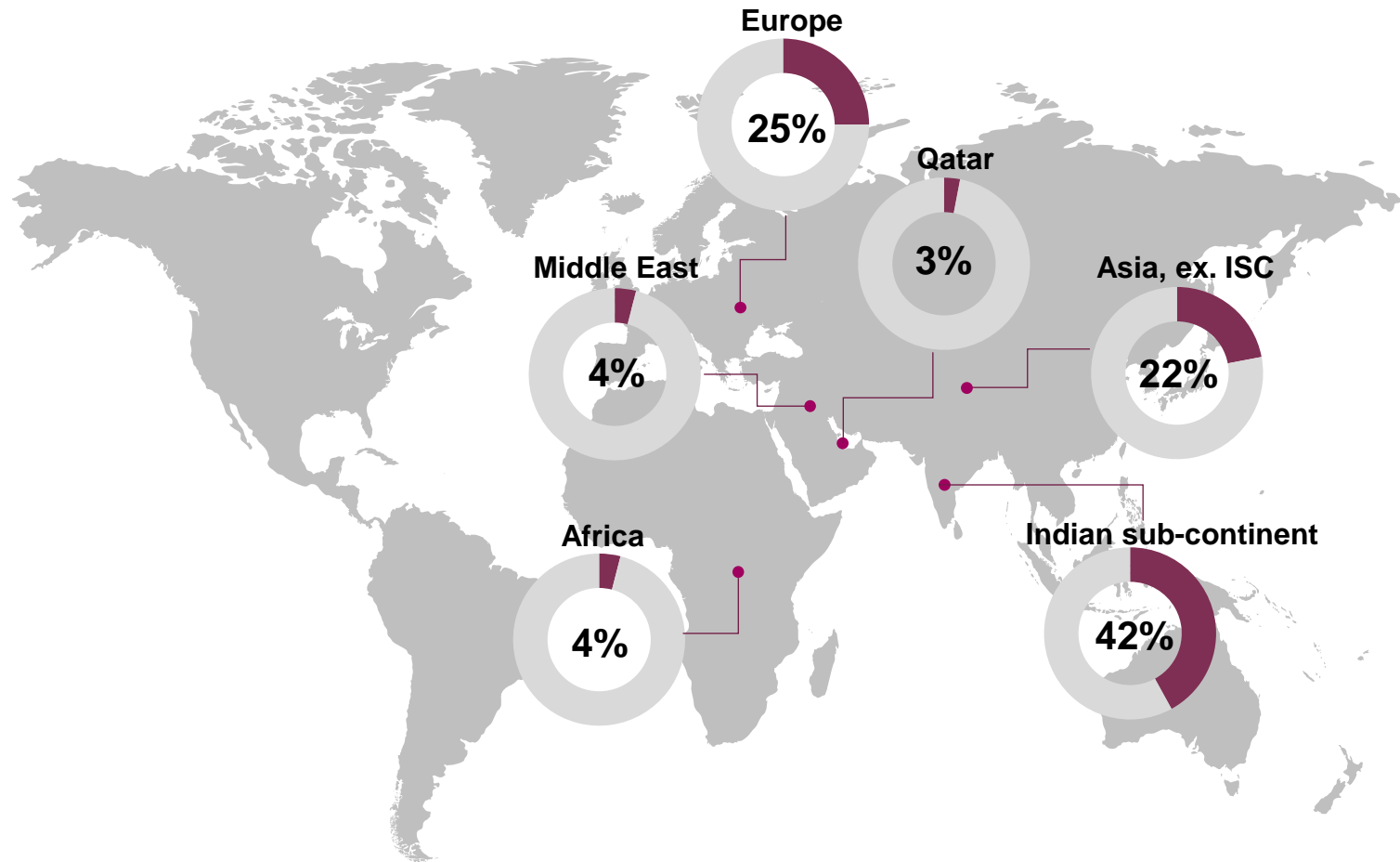
MPHC operating rates

Operating rates of MPHC segments remained stable



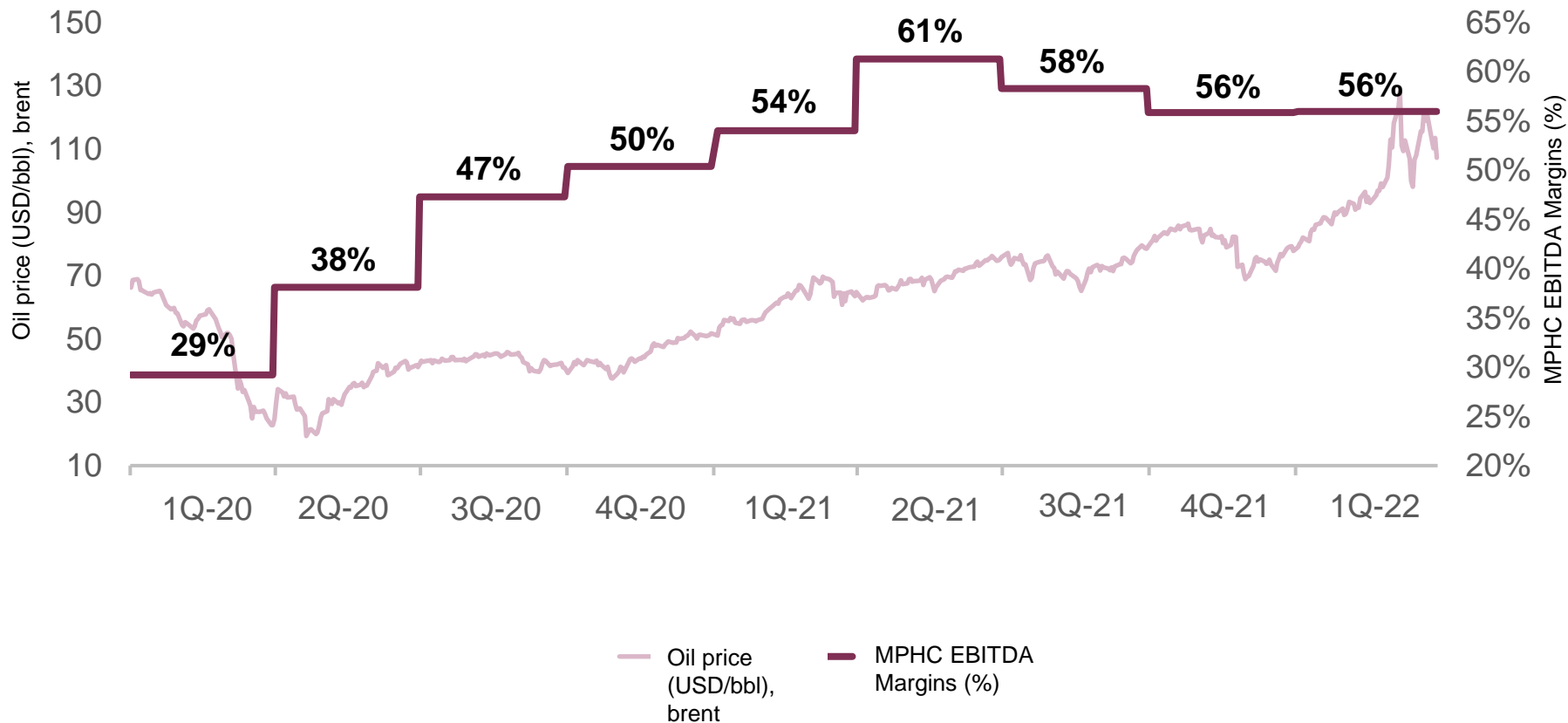
Geographic analysis – MPHC Group revenue

Asia including ISC remained MPHC's largest market, while its presence in Europe continued to be substantial



Robust EBITDA margins

Despite the volatile trends in commodity prices, MPHC's EBITDA margins continue to remain robust



Segmental results

(For the three-month period ended 31 March 2022)

Segmental Details: Petrochemicals

- **Q-Chem** and **Q-Chem II** are both owned 49% by MPHC, 49% by Chevron Phillips Chemical International Qatar Holdings L.L.C., and 2% by QatarEnergy;
- **Q-Chem II** also has an effective ownership of 53.85% in **Ras Laffan Olefins Company Limited** which owns an ethane cracker which provides ethylene feedstock to Q-Chem II;
- The companies in the segment are engaged in the production of a range of petrochemical products including:
 - **HDPE**: 397,000 MT PA (MPHC share);
 - **NAO**: 169,000 MT PA (MPHC share);
- All production facilities are based within the State of Qatar.

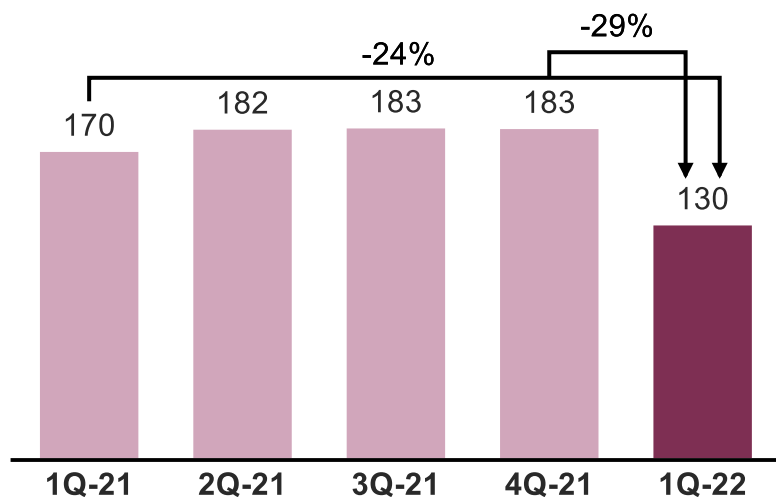


Segmental Details: Petrochemicals

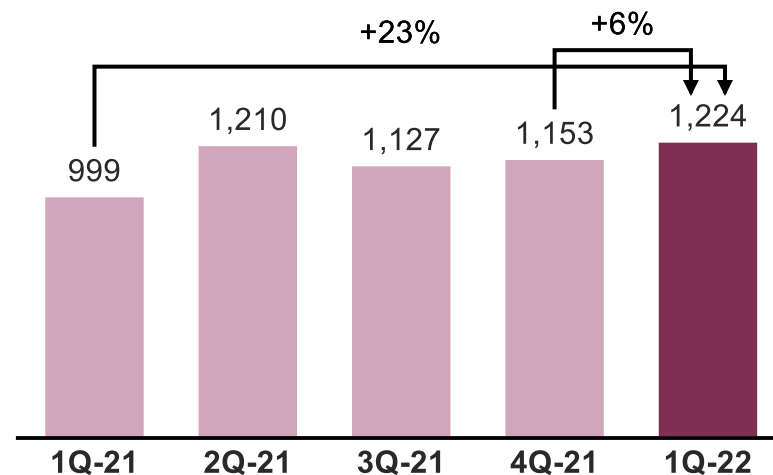
Analysis of production & selling prices

- Production:** Production down by **24%** compared to 1Q-21, as the segment had planned periodic turnaround at Q-Chem facilities during 1Q-22, which affected the overall operating rates for 1Q-22 in comparison to 1Q-21;
 - Production declined by **29%** during 1Q-22 in comparison to 4Q-21, due to Q-Chem's largescale turnaround carried out during 1Q-22.
- Selling Prices:** increased as compared to 1Q-21 by **23%**, on account of continued momentum from positive macro-drivers carried from the latter part of last year.
 - Selling prices increased by **6%** during 1Q-22 compared to 4Q-21, mainly on account of higher NAO prices which increased by 9%, amid better end-product demand, while HDPE prices only marginally increased by 1% versus 4Q-21.

Production (MT' 000)



Selling prices (\$/MT)

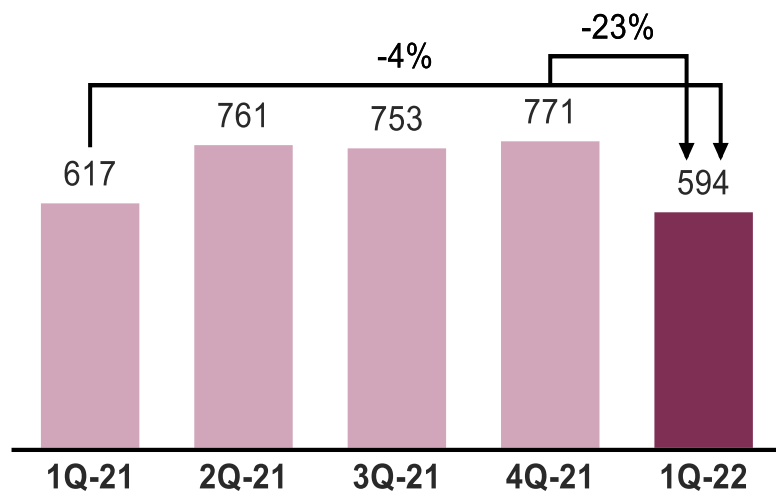


Segmental Details: Petrochemicals

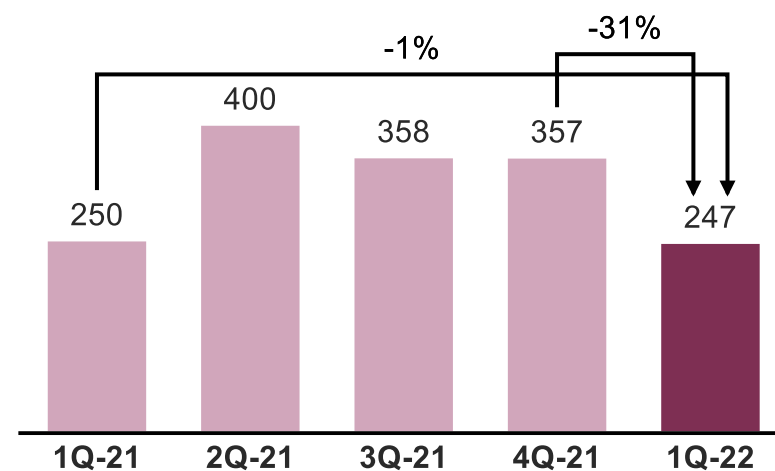
Analysis of segment revenue & net profit

- **Revenue:** QR 594 million, down by 4% as compared to 1Q-21 due to lower sales volumes (-21%), mostly offset by higher selling prices (+23%);
 - 1Q-22 revenue significantly down by 23% compared to 4Q-21 mainly on the back of lower sales volumes (-27%) amid lower production. However, average selling prices improved by 6%.
- **Net profit:** QR 247 million, down by 1% as compared to 1Q-21. Decline in profitability was mainly driven by lesser segmental revenue.
 - 1Q-22 net profit significantly down by 31% compared to 4Q-21, mainly due to decline in revenues for the segment.

Revenue (QR' million)



Net profit (QR' million)

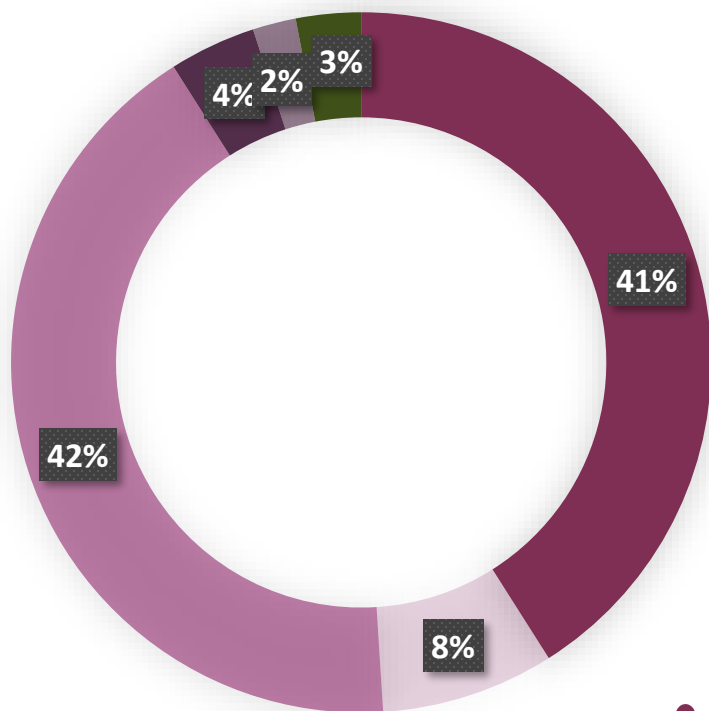


Segmental Details: Petrochemicals

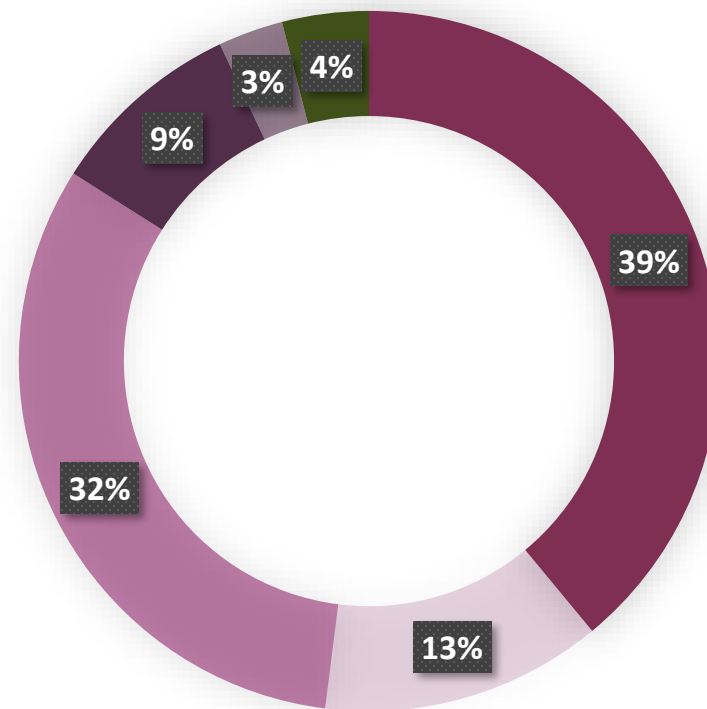
Geographical analysis of segment revenue

- Asia remains a main market for Petrochemical segment
- Europe and Indian sub-continent remain other key markets

1Q-22 Segment Revenue (%)



1Q-21 Segment Revenue (%)



- Asia, excl. ISC
- Indian sub-continent
- Europe
- Africa
- Middle East
- Qatar

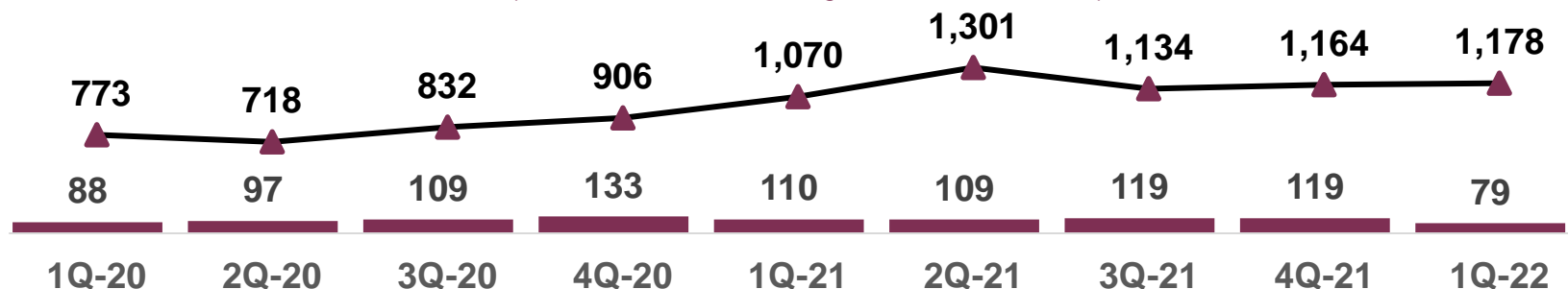


Segmental Details: Petrochemical

Key segment products analysis

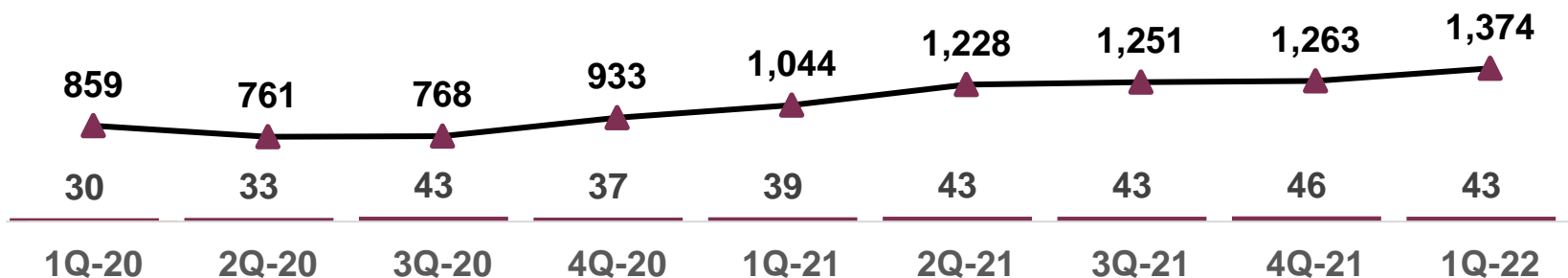
HDPE

(contributed ~59% of the segment revenue in 1Q-22)



NAO

(contributed ~33% of the segment revenue in 1Q-22)



- Decline in sales volumes during 1Q-22 was mainly attributed to Q-Chem’s largescale turnaround.
- Higher NAO prices was mainly linked to end-product demand, while HDPE prices only marginally increased during 1Q-22 due to softer demand offsetting the impacts of higher energy prices.



Segmental Details: Chlor-Alkali

- Qatar Vinyl Company Limited Q.S.C. (“QVC”) is owned 55.2% by MPHC, 31.9% by Qapco and 12.9% by QatarEnergy;
- QVC’s operations have been integrated with Qapco, bringing additional synergies to the group.
- The segment is engaged in the production of a range of chlor-alkali products
 - **Caustic Soda:** 215,000 MT PA (MPHC share);
 - **Ethylene Dichloride (“EDC”):** 110,000 MT PA (MPHC share);
 - **Vinyl Chloride Monomer (“VCM”):** 215,000 MT PA (MPHC share);
- All production facilities are based within the State of Qatar.

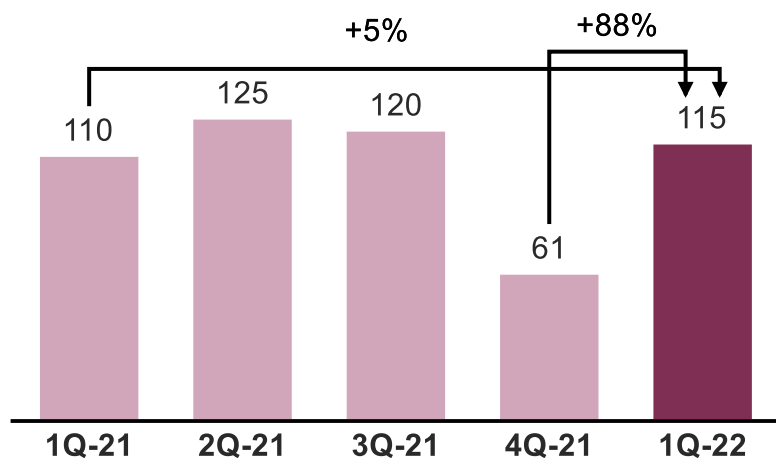


Segmental Details: Chlor-Alkali

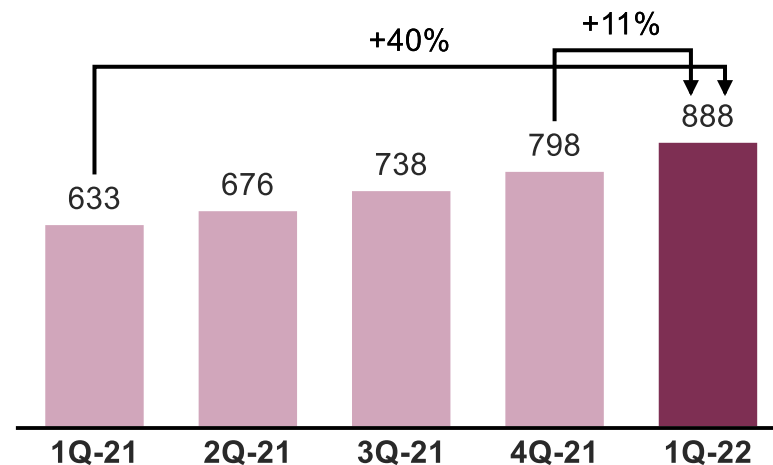
Analysis of production & selling prices

- Production:** Production increased by **5%** as compared to 1Q-21, as 1Q-22 had higher number of operating days versus 1Q-21;
 - Production increased during 1Q-22 by **88%** compared to 4Q-21, due to a planned largescale shutdown carried out during Q4-21 which affected previous quarter's production volumes.
- Selling Prices:** significant improvement in blended average selling prices, which increased by **40%** versus 1Q-21, complemented by continued strength from end-product industries (alumina/ aluminium, polymers).
 - Selling prices during 1Q-22 improved by **11%** compared to 4Q-21 mainly due to higher caustic soda prices which increased by 28% during the current period, capturing strength from aluminium industry being a key user of the chemical.

Production (MT' 000)



Selling prices (\$/MT)

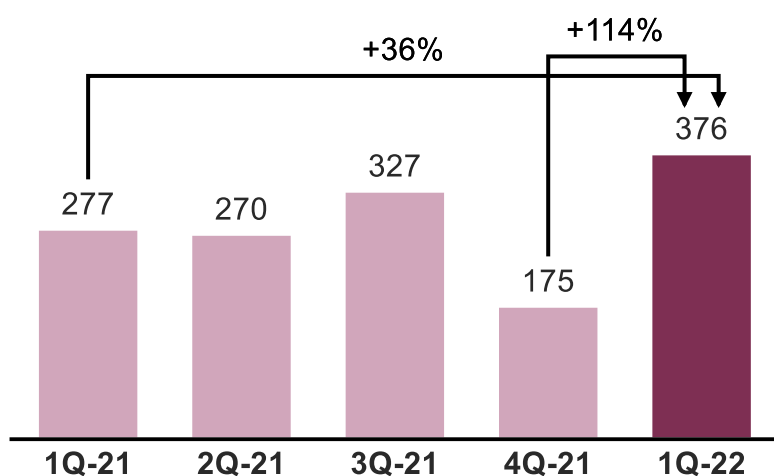


Segmental Details: Chlor-Alkali

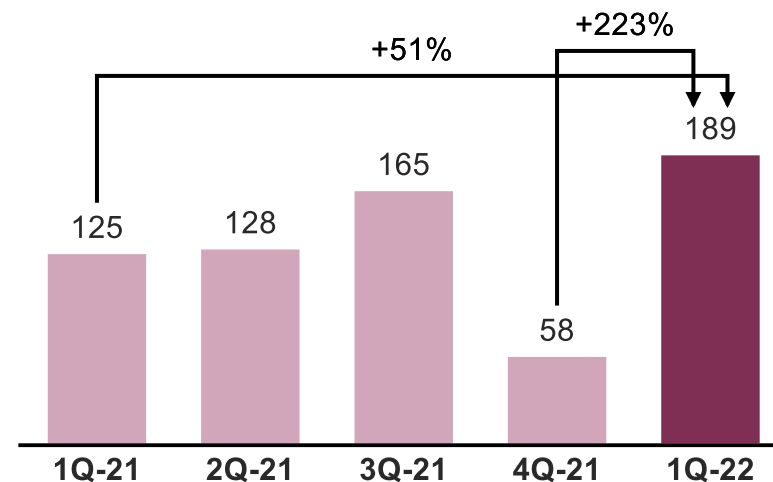
Analysis of segment revenue & net profit

- Revenue:** QR 376 million, up by 36% as compared to 1Q-21 due to higher product prices (+40%), slightly offset by lower sales volumes (-3%);
 - Revenue for 1Q-22 up by 114% compared to 4Q-21, mainly on the back of higher sales volumes (+93%) and better selling prices (+11%).
- Net profit:** QR 189 million, significantly up by 51% as compared to 1Q-21. Growth in profitability was mainly attributed to better selling prices.
 - Net profit increased significantly by 223% versus 4Q-21, on account of higher segmental revenue.

Revenue (QR' million)



Net profit (QR' million)

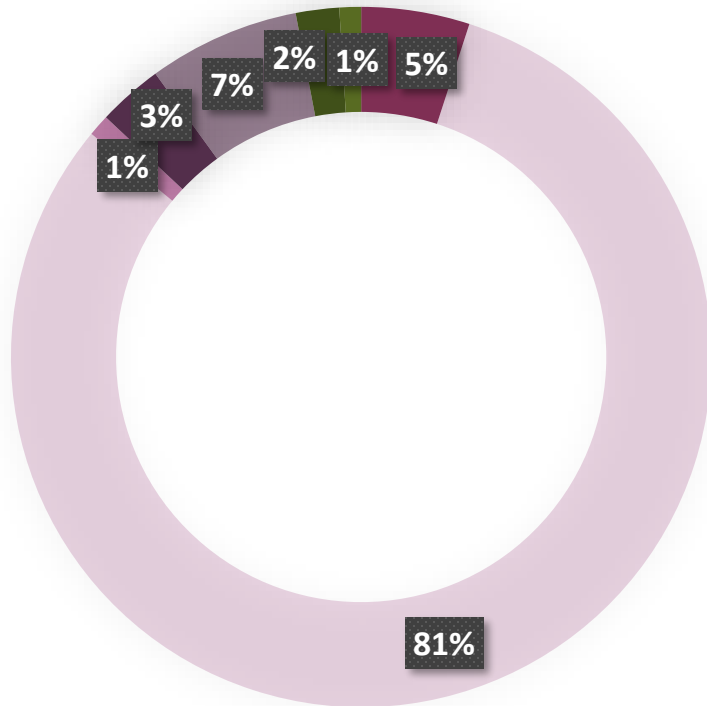


Segmental Details: Chlor-Alkali

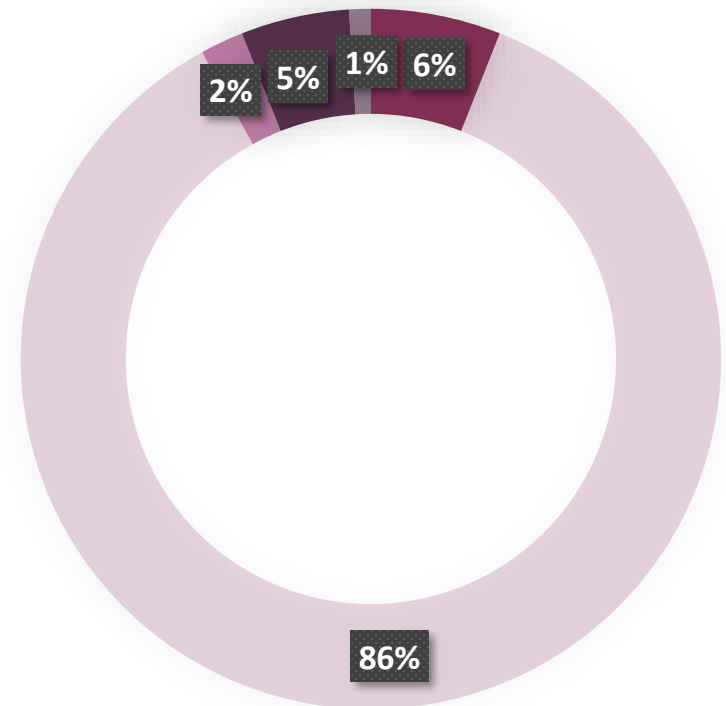
Geographical analysis of segment revenue

- Indian sub-continent and Asia remain a main market for Chlor-Alkali segment

1Q-22 Segment Revenue (%)



1Q-21 Segment Revenue (%)



- Asia, excl. ISC
- Indian sub-continent
- Europe
- Africa
- Qatar
- Middle East
- Americas

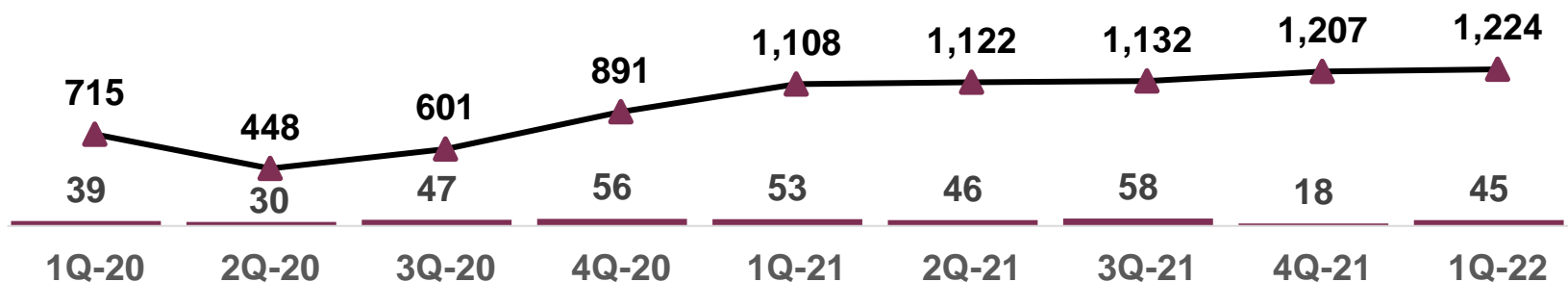


Segmental Details: Chlor-Alkali

Key segment products analysis

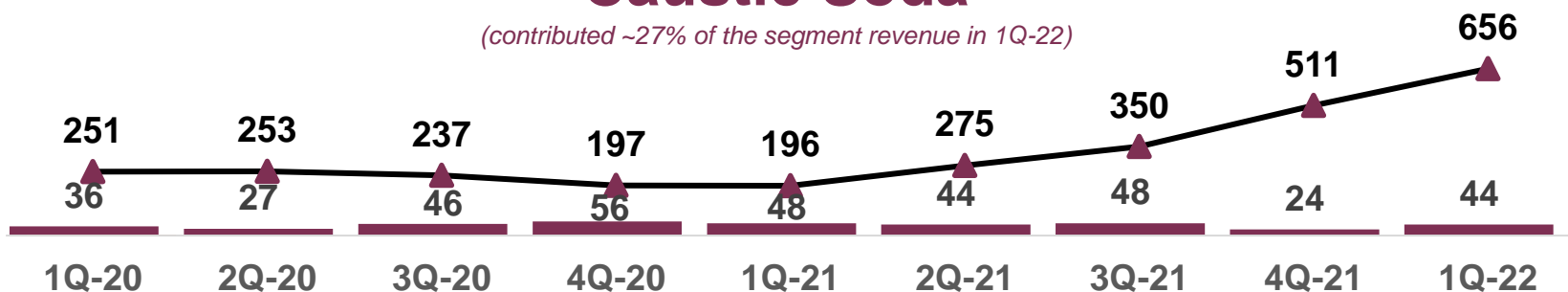
Vinyl Chloride Monomer (VCM)

(contributed ~52% of the segment revenue in 1Q-22)



Caustic Soda

(contributed ~27% of the segment revenue in 1Q-22)



- Sales volumes for VCM & Caustic Soda remained stable except for a dip during 4Q-21, where a large scale planned turnaround was carried out, which affected the sales volumes for the quarter.
- Selling prices for VCM rebounded underpinned by better demand for PVC, leading to VCM's positive price trajectory till date, coupled with supply constraints.
- Selling prices for caustic soda persistently declined throughout 2020 and Q1-21, due to continued demand concerns. However, starting from 2Q-21, caustic soda prices started to recover complemented by renewed demand for end products and higher energy prices.



CAPEX (2022F – 2026F)

CAPEX (2022F – 2026F) – MPHC share

- Cumulative CAPEX spend of QR 1.5 billion across all segments during 2022-2026;
- QChem/QChem II
 - CAPEX of QR 1.3 billion planned during 2022-2026;
 - Turnaround related CAPEX amounts to QR 343 million;
 - QR 46 million relates to new Furnace Project;
 - NAO tanks upgrade would require QR 31 million of CAPEX;
 - CAPEX relating to Dock jetty project would require QR 65 million;
 - Sulphur Silo project would require CAPEX estimated to be QR 55 million.
- QVC
 - QR 170 million CAPEX is planned for 2022-2026;
 - Power plant upgrade is estimated to require QR 14 million in form of CAPEX.
- The above forecasts do not include CAPEX relating to the new PVC plant recently announced by QVC.

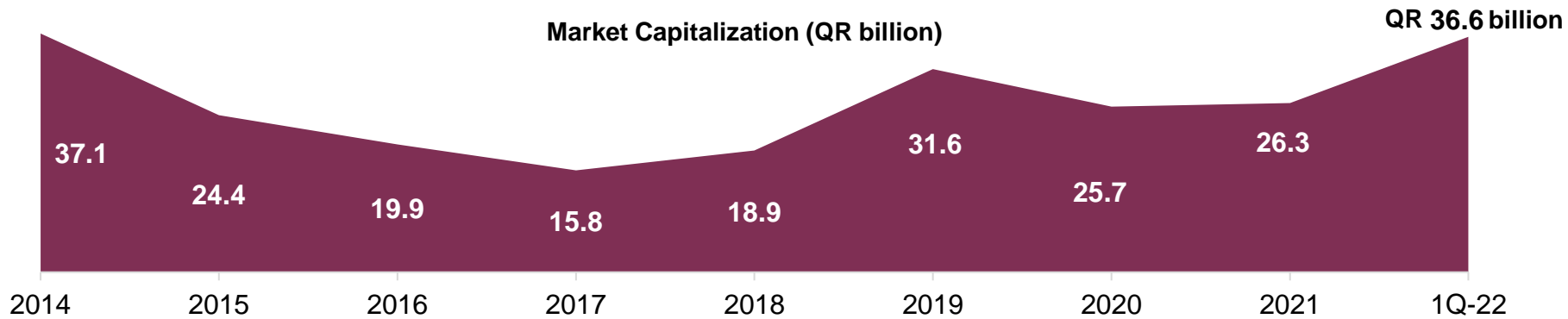
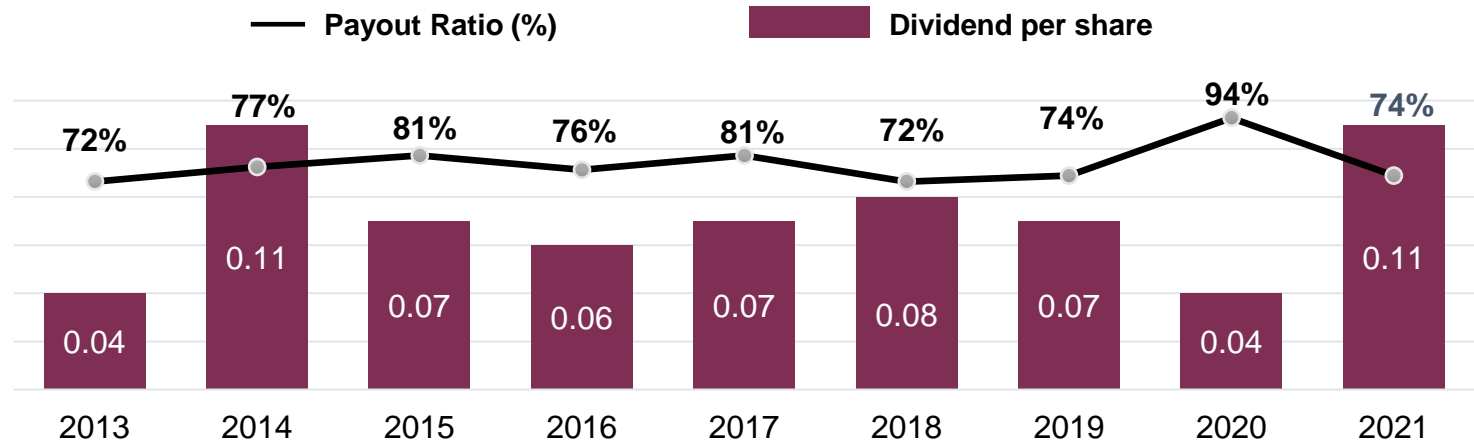
CAPITAL EXPENDITURE (Amounts in QAR' millions)						
Project Name	Category	2022	2023	2024	2025	2026
Turnaround related CAPEX	Turnaround	141.6	1.8	12.5	44.6	142.7
New 6th Furnace Project	Investment	41.0	4.8	0.0	0.0	0.0
Dock Jetty Upgrade	Safety	35.7	29.1	0.0	0.0	0.0
NZLD Projects	Environment	12.3	56.9	50.8	37.8	14.1
Sulphur Silo Project	Operational Necessity	0.9	10.0	33.7	10.2	0.0
NAO Tanks Upgrade	Operational Necessity	7.0	5.7	18.5	0.0	0.0
Power Plant upgrade incl. spare parts	Operational Necessity	6.6	7.5	0.0	0.0	0.0
Others		167.0	170.5	94.1	106.2	240.5
GRAND TOTAL		412.1	286.3	209.7	198.8	397.3

Note: The CAPEX figures for the years 2022-26 are based on the 2022 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2022 budget & business plan.

With current market conditions and commodity price trends, the forecasts as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these figures might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, among other factors, business environment, market dynamics, product prices etc. prevailing in that specific year. The Board may defer, delay or cancel projects based on market outlook and economics.

Dividends & Market Capitalization

Dividends & Market Statistics



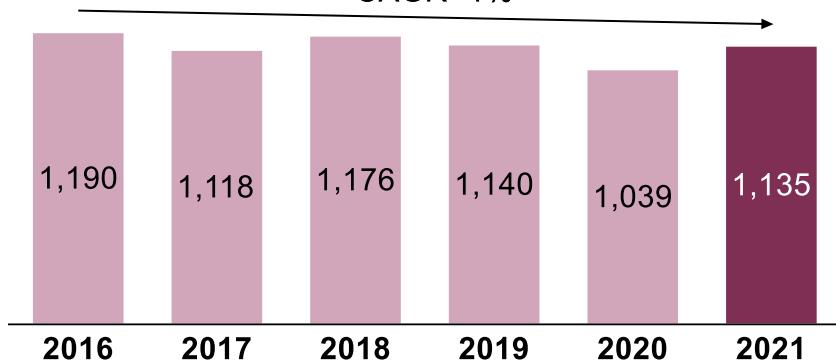
- To date, cash dividends totaling **QR 8.2 billion** have been distributed;
- MPHC was included in **MSCI Index** in May 2019.

Historical performance (2016 – 2021)

Historical performance (2016 – 2021)

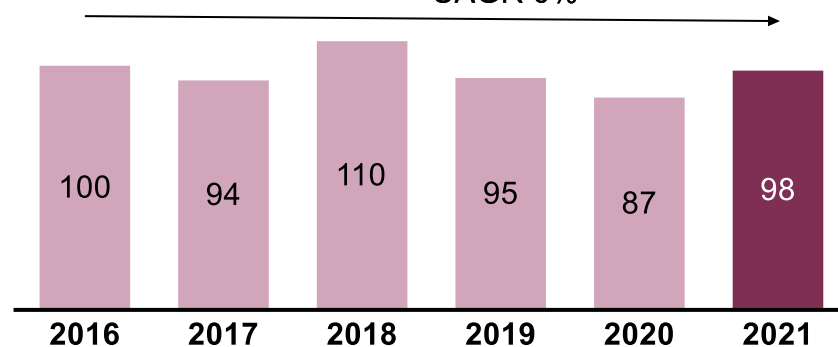
Production (MT'000)

CAGR -1%



Utilization (%)

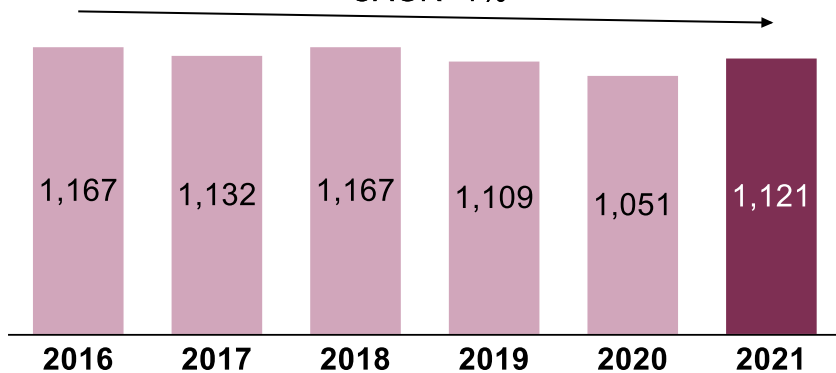
CAGR 0%



Production and sales volumes remained relatively stable ▪ Utilization moved in line with the production levels ▪ Selling prices reflected cyclical movements inline with the global commodity prices linked to macroeconomic conditions

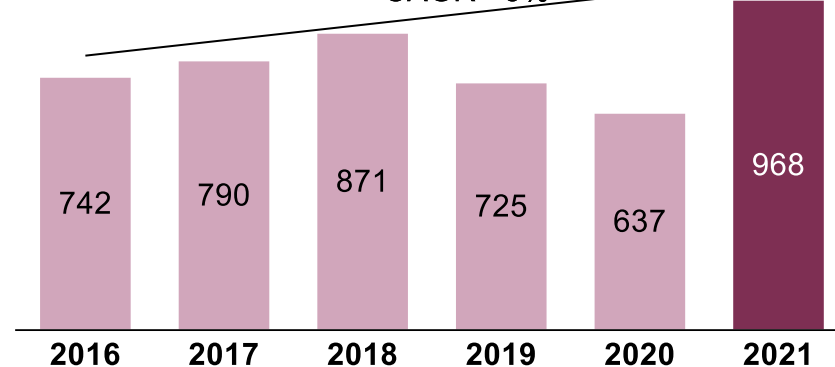
Sales Volume (MT'000)

CAGR -1%



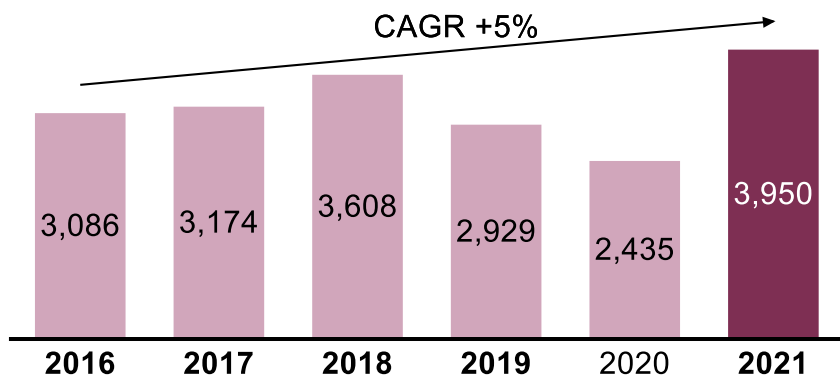
Average Product Price (USD / MT)

CAGR +5%

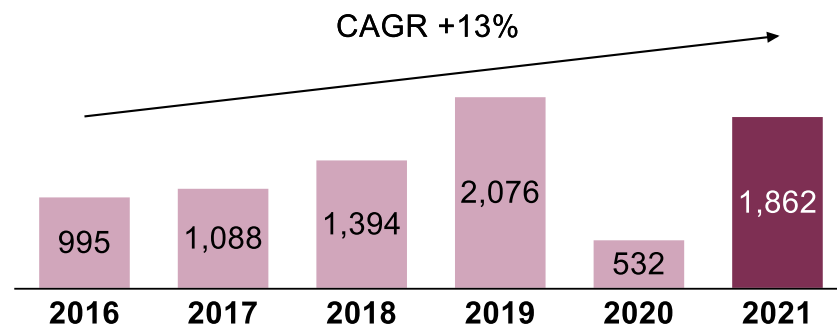


Historical performance (2016 – 2021)

Revenue (Million QR)

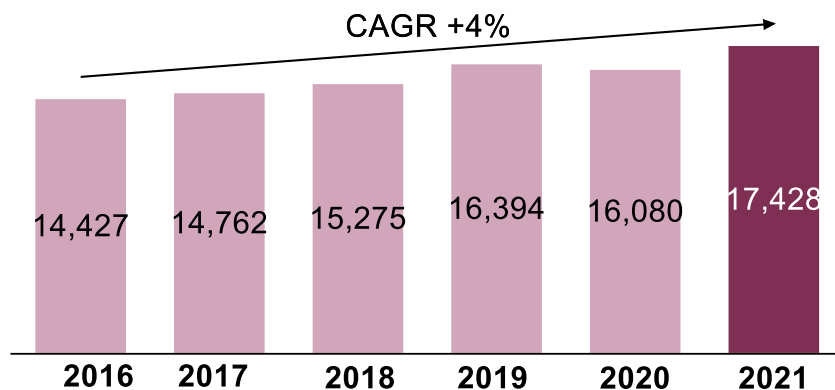


Net Profit (Million QR)

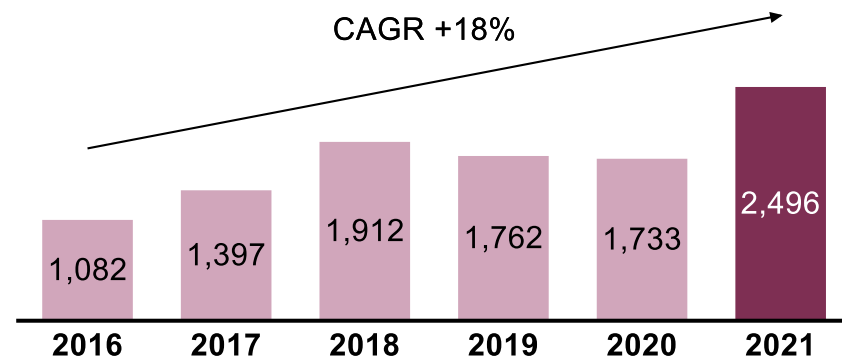


Both revenue and net profit witnessed movements, in line with product prices ▪ Total assets grew marginally, while the cash and cash equivalents remained robust

Total Assets (Million QR)



MPHC Head office Cash & Cash Eqv. (Million QR)



Governance Structure

Governance

Board Structure

- MPHC Board of Directors consists of seven (7) Directors, all of whom were appointed by the Special Shareholder, which is QatarEnergy.
- QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

Governance and Compliance

- MPHC is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company's AoA.
- The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementation whenever required.

Board Committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are Audit Committee and Remuneration Committee.

Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company's Manual of Authorities and the relevant regulations.

Governance

Remuneration

- **Board of Directors**

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

- **Executive Management**

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement

Disclosure and Transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

Shareholders rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

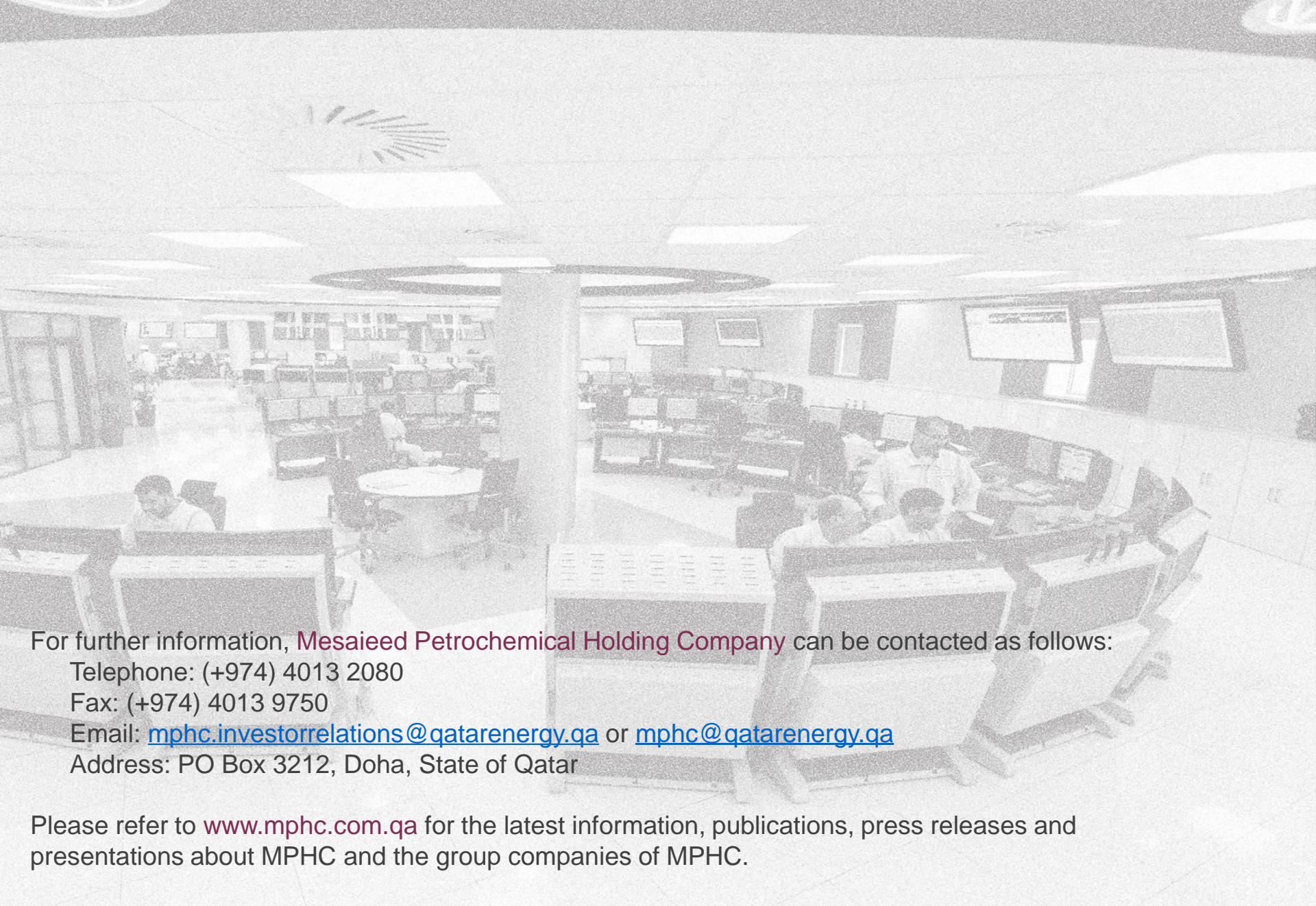
Company's control system

- The Company adopted an internal control system that consists of policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.
- The internal control framework is overseen by the senior Executive Management, the Audit Committee and the Board of Directors.

Sales and Marketing

Sales and Marketing

- Qatar Chemical and Petrochemical Marketing and Distribution Company (“Muntajat”), a wholly-owned company of the government of the State of Qatar, has the exclusive rights to purchase, market, sell and distribute the State’s production of **petrochemical** regulated products.
- Both of the segments’ products are marketed by Qatar Chemical and Petrochemical Marketing and Distribution Company.
- Muntajat integration with QatarEnergy completed during 2020, only related to the operational level, where the marketing team would still be independently managed, hence, this integration will not have any impacts on MPHC.



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Please refer to www.mphc.com.qa for the latest information, publications, press releases and presentations about MPHC and the group companies of MPHC.