



Mesaieed Petrochemical Holding Company

IR Presentation

30 June 2021

“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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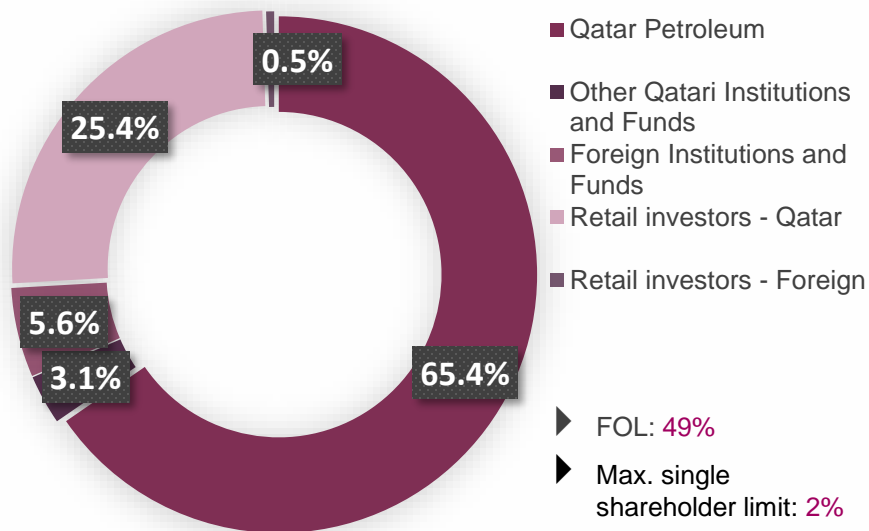
About MPHC

MPHC at a glance

Overview

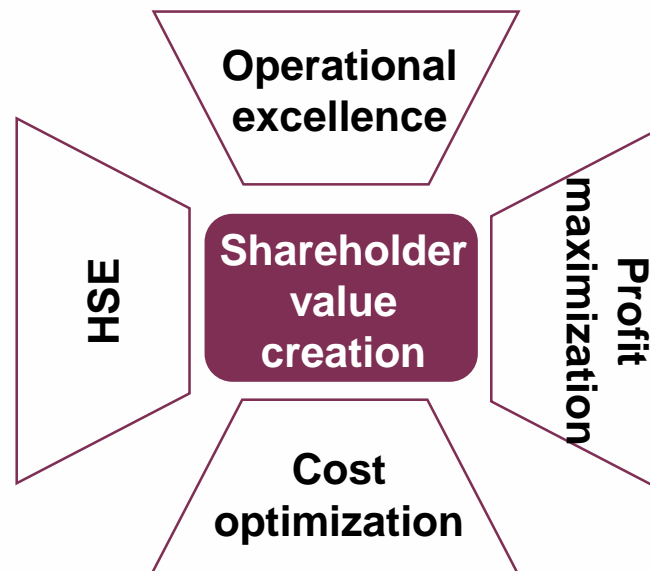
- Mesaieed Petrochemical Holding Company Q.P.S.C. (“MPHC” or “the Group”; QE ticker: MPHC) was incorporated on May 29, 2013 and was listed on the Qatar Stock Exchange on February 26, 2014.
- MPHC is among top 10 companies at Qatar Exchange by Market Capitalization.
- Qatar Petroleum provides most head 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 30-Jun-21

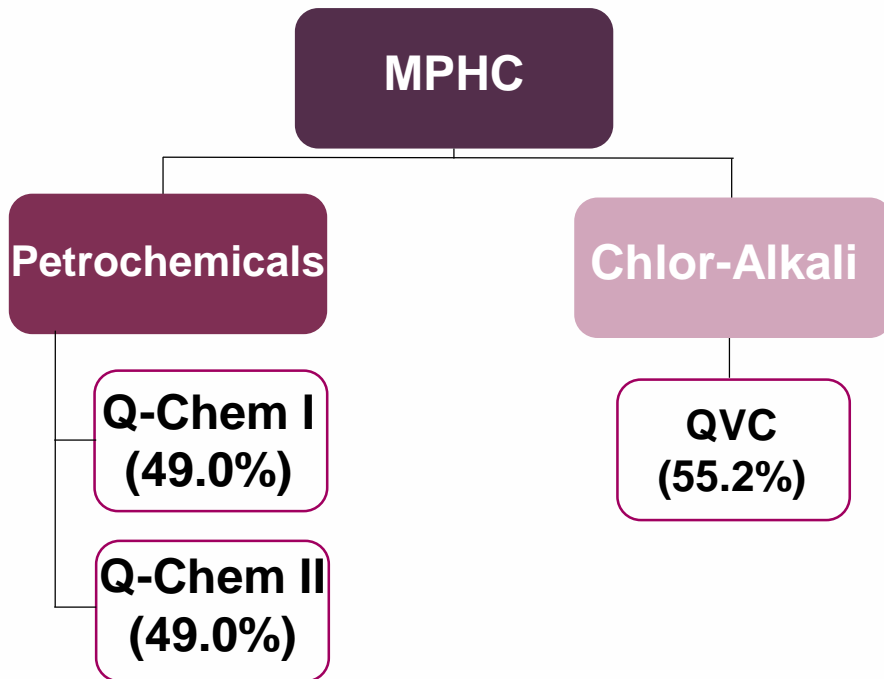
Core values



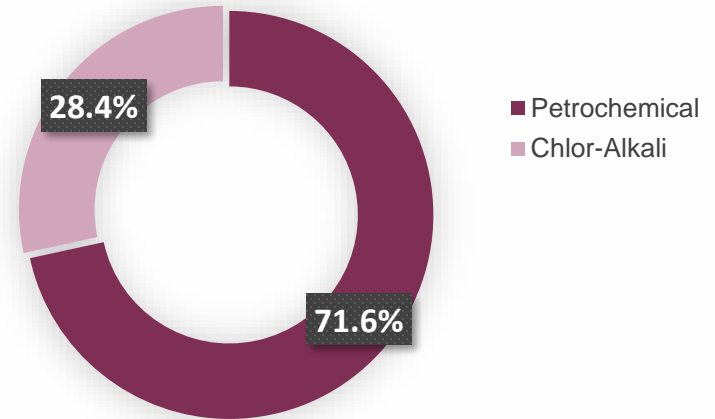
MPHC business segments at a glance

Business segments overview

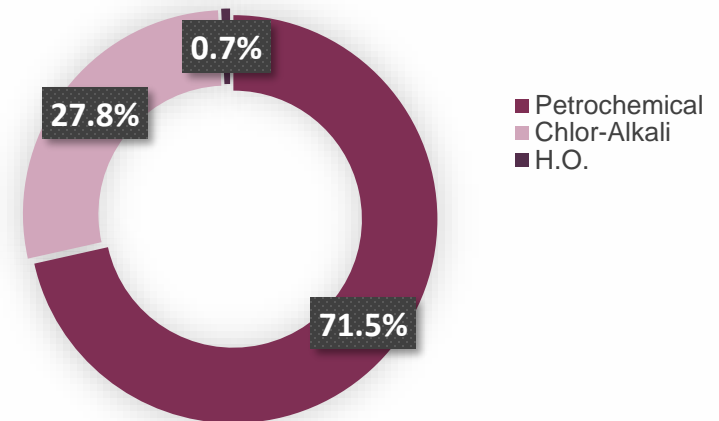
- Through its joint ventures companies, MPHC operates in **two** distinct business segments: **Petrochemical** and **Chlor-Alkali**;
- Production facilities are principally located in the State of Qatar.



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 30-Jun-21



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

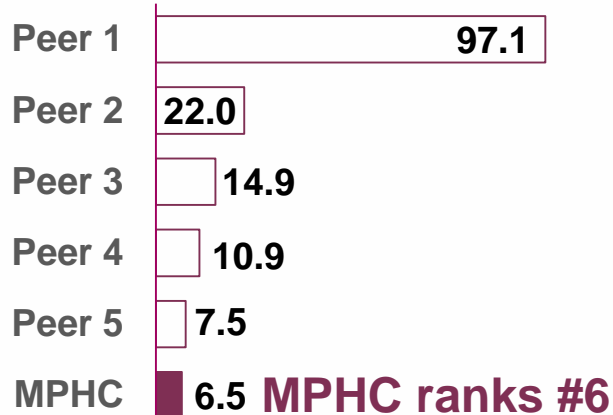
- Industry experts in the senior management team
- Reputable JV partners

Regional peers review

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

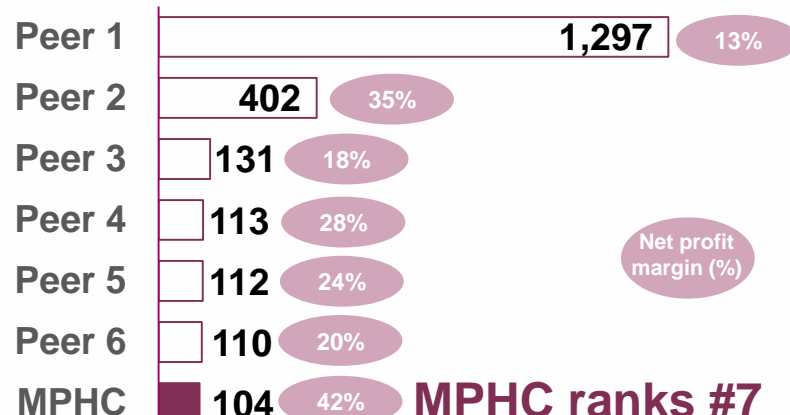
Competitive positioning versus regional peers

Market Cap. (USD' billion)



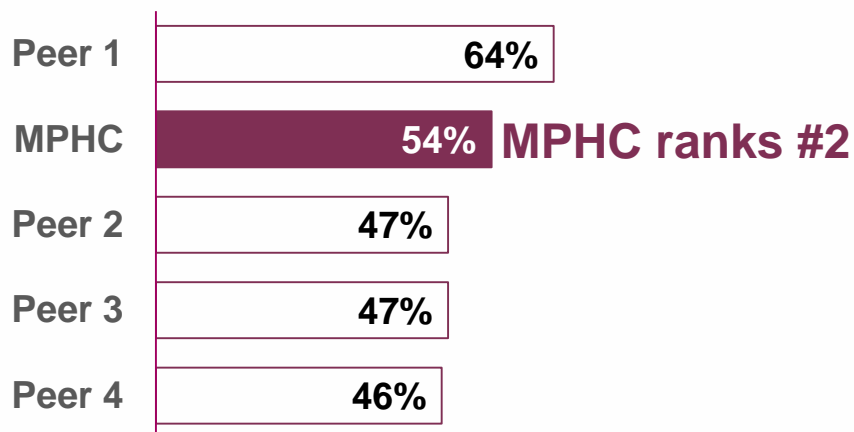
Note: Data as of 30-Jun-21

Net profit (USD' million)



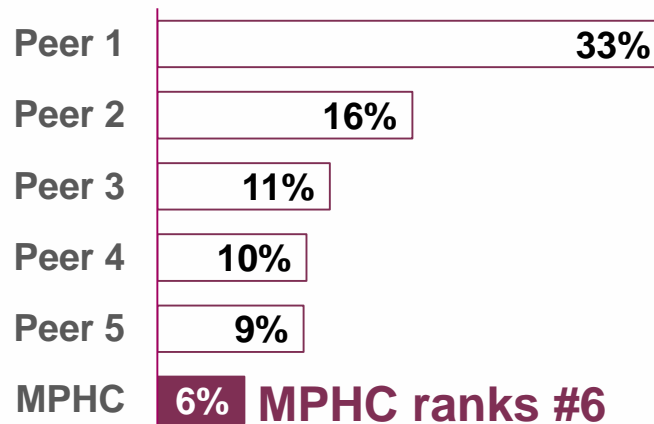
Note: Data as of 31-Mar-21

EBITDA Margins (%)



Note: Data as of 31-Mar-21

ROA (%)



Note: Data as of 31-Mar-21

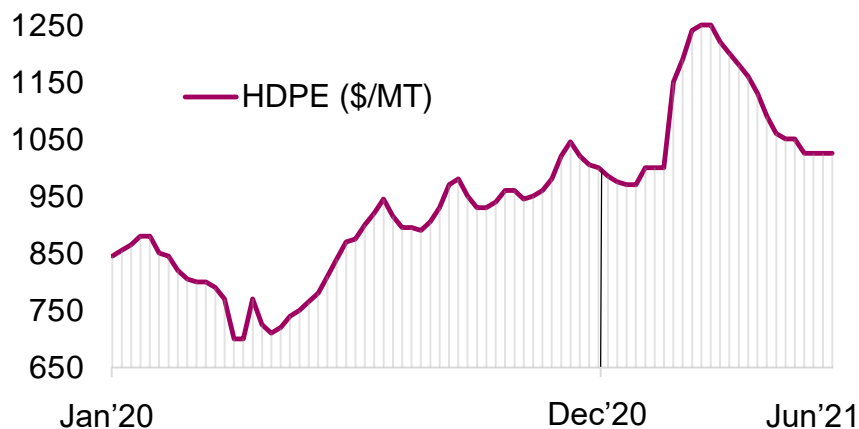
10 Note: Regional peers data include all listed companies in MENA region involved in production of Petrochemicals, Specialty Chemicals & Hybrids.



Macroeconomic updates

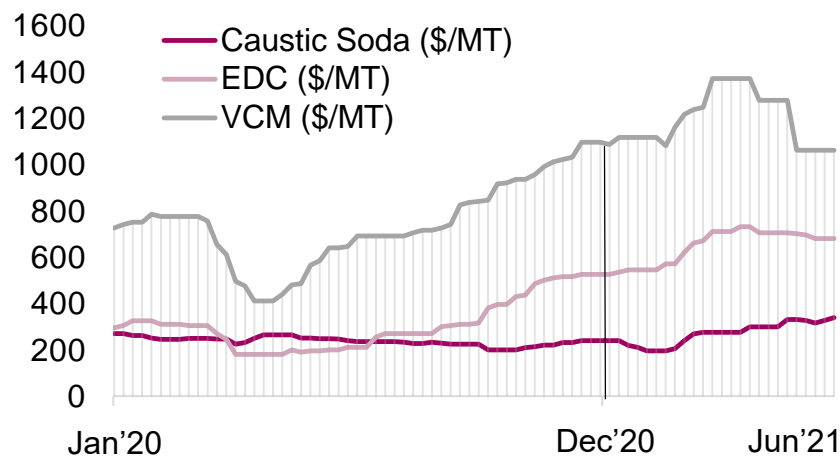
Macroeconomic updates

Petrochemicals



- Economic momentum carried forward from the tail end of last year on the back of ongoing vaccination campaign and easing of lockdowns in major markets, allowed sequential recovery and led to a stronger consumer demand and rising oil prices. In addition, industry supply constraints and global logistical bottlenecks remained evident throughout the period across industrial sectors, especially Petrochemicals. These macro imbalances enabled positive price trajectory for most of the petrochemicals and led to margin improvements.

Chlor-Alkali



- Renewed demand of end products (PVC, aluminium, polymers) on the back of constructive macroeconomic drivers and supply shortages in certain regions, allowed a sequential recovery in demand for chlor-alkali products and positively reflected on selling prices.

MPHC results

(For the six-month period ended 30 June 2021)

1H-21 results at a Glance

Growth vs. 1H-20

Revenue  97%
QR 1.92 billion

EBITDA  122%
QR 1.11 billion

Net profit  573%
QR 909 million

EBITDA Margin: 57.7%

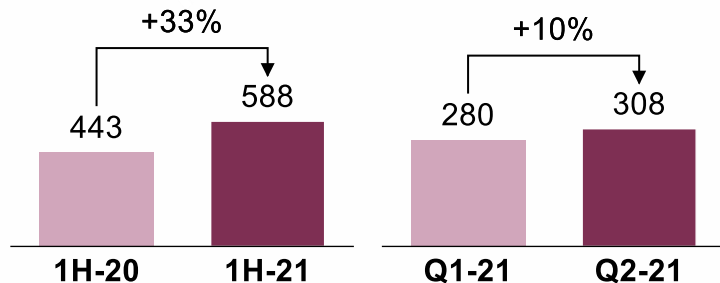
EPS: QR 0.072 RoAE: 8.2%

- Ongoing sequential product price recovery, underpinned by improved macroeconomic environment and supply constraints resulted in solid bottom line growth
- Robust liquidity position with closing cash and cash equivalents stood at QR 2.8 billion as of 30 June 2021
- MPHC's operations remained resilient as MPHC JVs continue to focus on ensuring safe, efficient and reliable operations



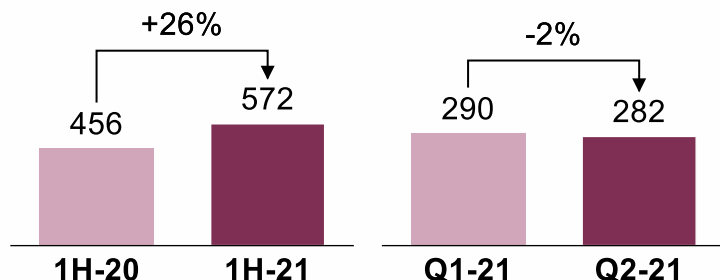
Operational performance review

Production (MT' 000)



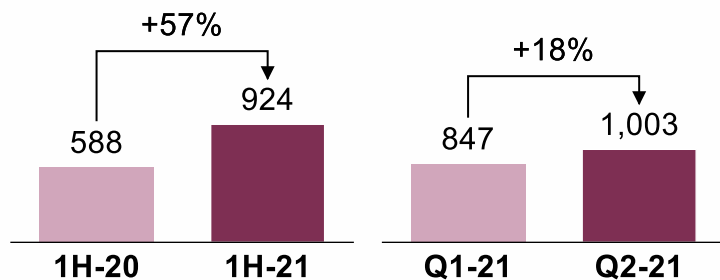
- 1H-21 production levels significantly up on 1H-20 due to lesser no. of days in relation to maintenance shutdowns during 1H-21 compared to same period last year. Major shutdowns were mainly conducted in Q1-20.
- Production volumes increased in Q2-21 vs Q1-21, on the back of higher plant operating rates during Q2-21 as compared to Q1-21.

Sales volume (MT' 000)



- 1H-21 sales volumes up on 1H-20 mainly due to improved production volumes.
- Sales volumes slightly declined in Q2-21 vs Q1-21.

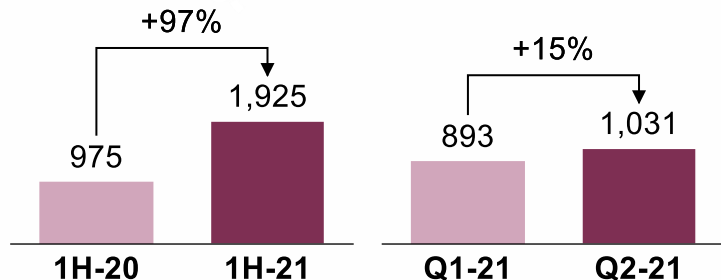
Selling prices (\$/MT)



- 2021 price improvements: due to demand recoveries for key MPHC products, driven by lifting of lockdown in major markets, optimism around vaccine roll-out and crude price recoveries; while supply constraints remained evident throughout the period.

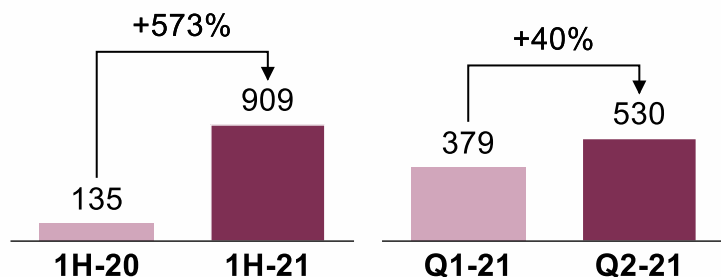
Financial performance review

Revenue (QR' million)



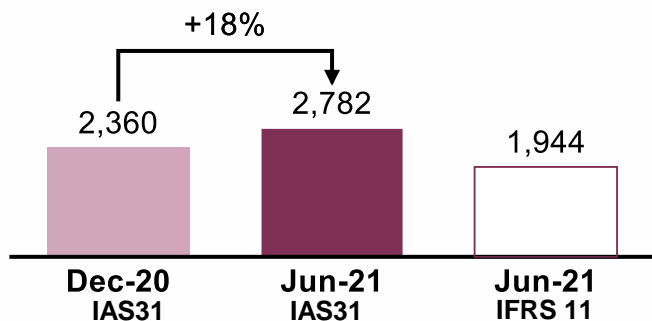
- 1H-21 Group revenue up on 1H-20 driven by higher prices and sales volumes.
- Q2-21 revenue up on Q1-21 by 15%, on account of improved product prices. There was a slight offset due to decline in sales volumes.

Net profit (QR' million)



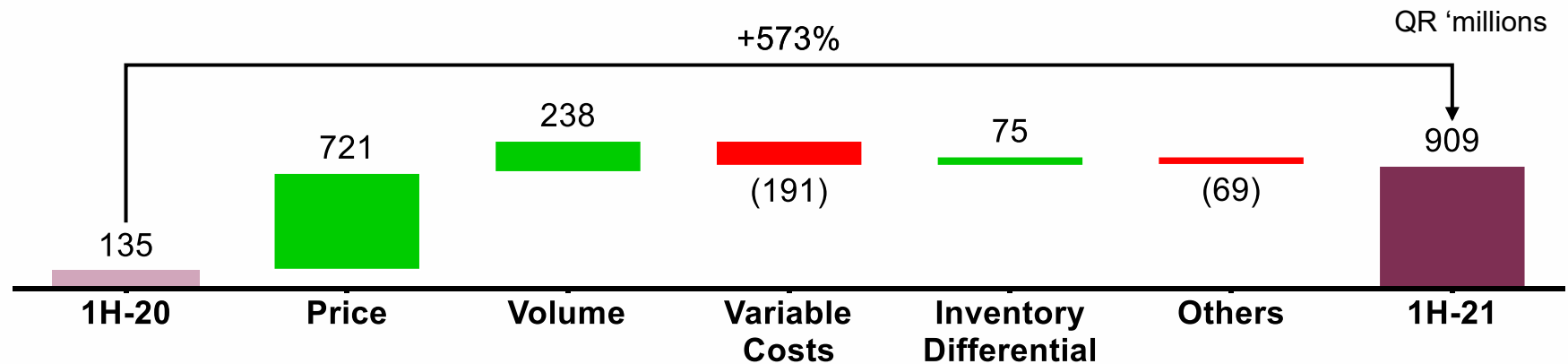
- 1H-21 vs 1H-20: results mainly impacted by higher sales volumes and improved selling prices.
- Q2-21 vs Q1-21: profitability improved mainly on the back of recoveries in selling prices.

Net cash/ debt (QR' million)



- MPHC's share of cash and bank balances increased from last year, on the back of robust cash flow generation during the period, partially offset by payment of 2020 dividends.

Net Profit Variance Analysis



Net profits increased by QR 774 million due to:

Favorable variance

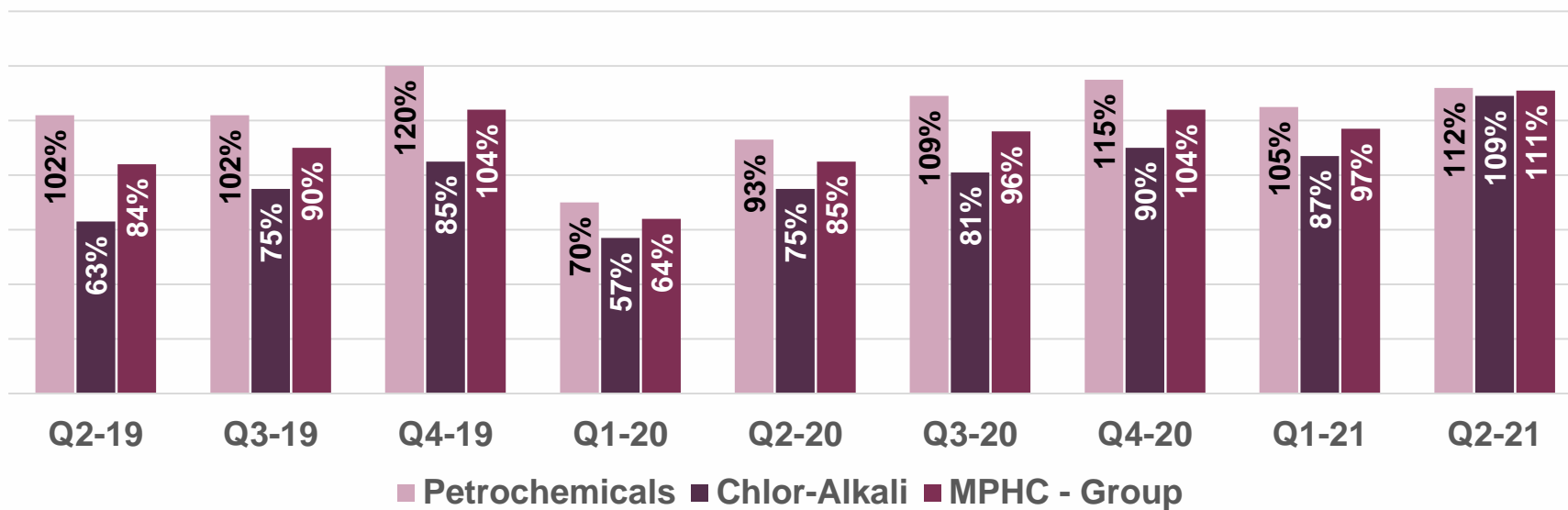
- Higher selling prices 57%;
- Higher sales volumes 26%;
- Favorable inventory differential due to lesser drawdowns.

Unfavorable variance

- Higher variable costs on account of increase in volumes and prices;
- Others are lower, due to lower interest income, provision for slow moving spares and prior year charges.

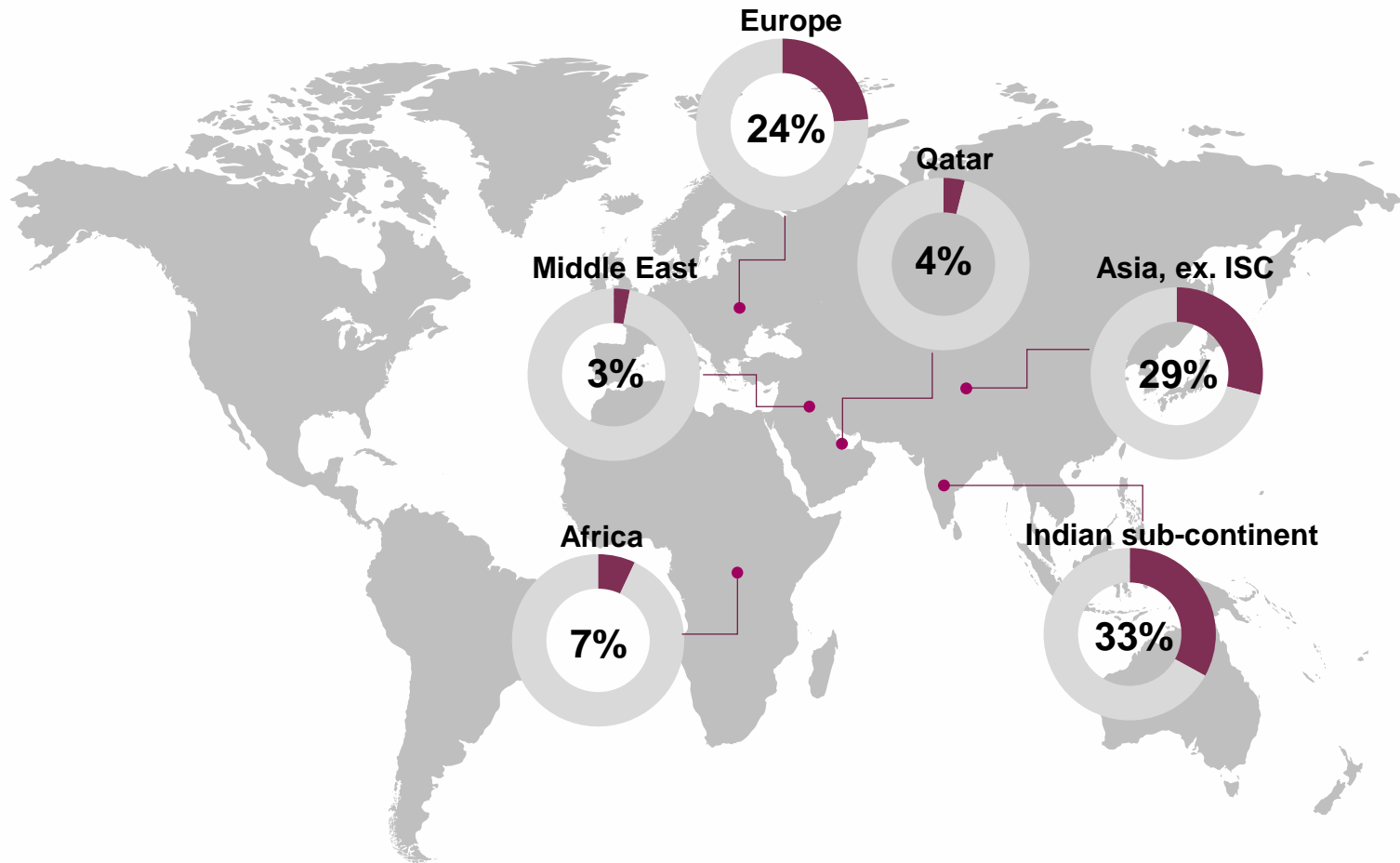
MPHC operating rates

Operating rates of MPHC segments remained stable



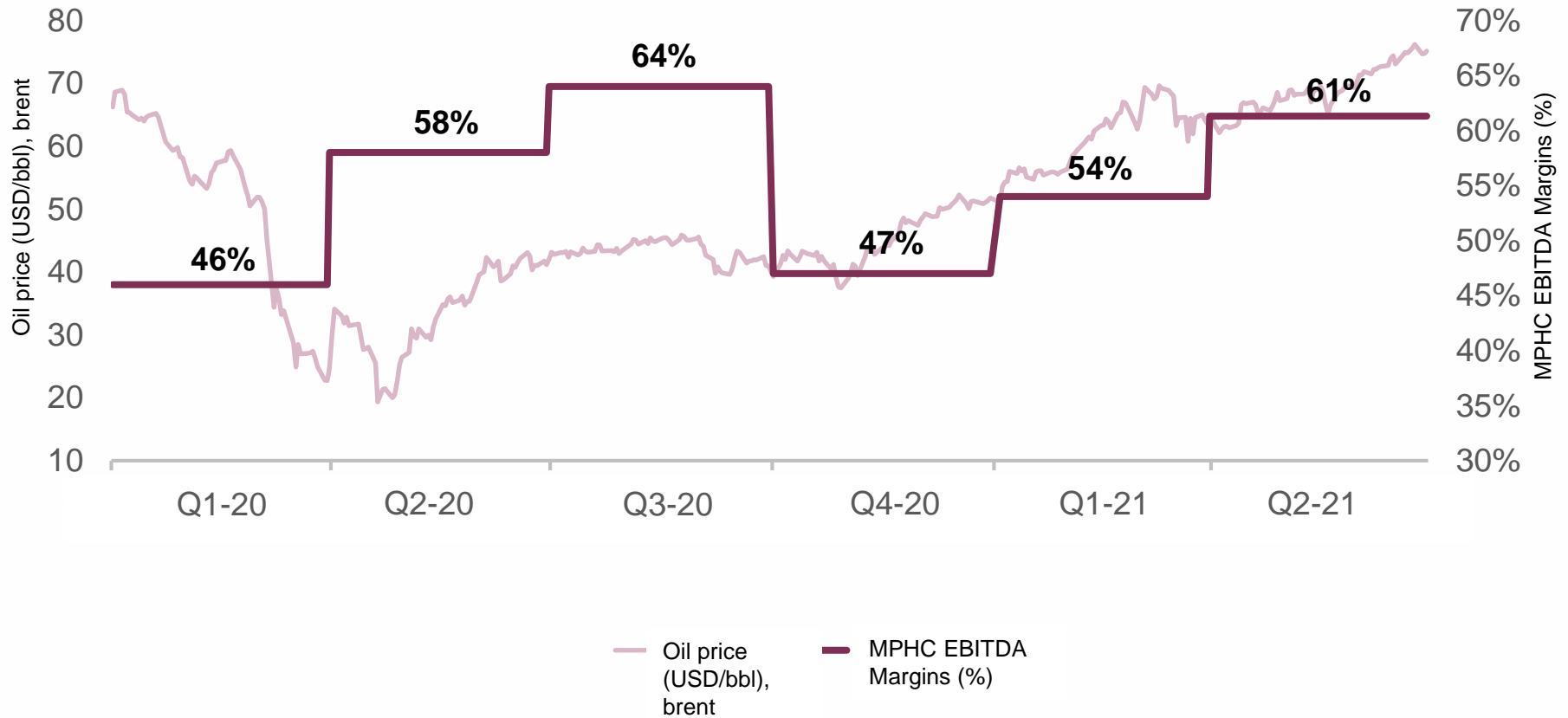
Geographic analysis – MPHC Group revenue

Asia 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



Segment results

(For the six-month period ended 30 June 2021)

Segmental Details: Petrochemicals

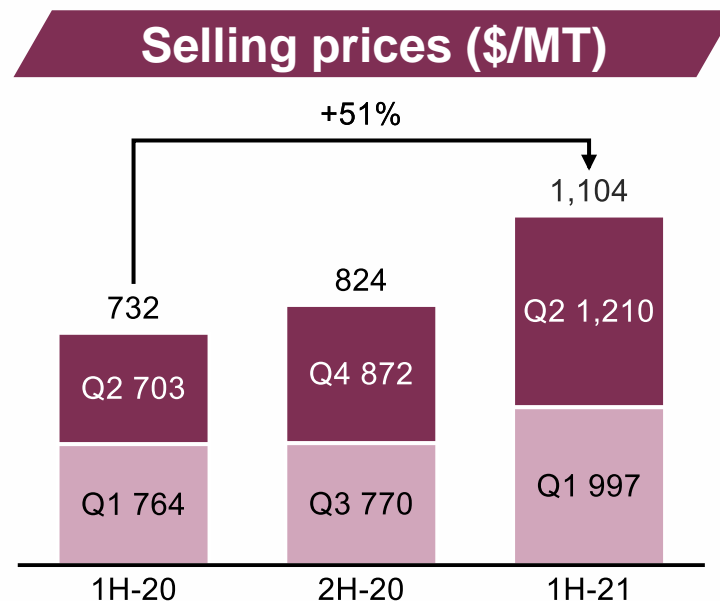
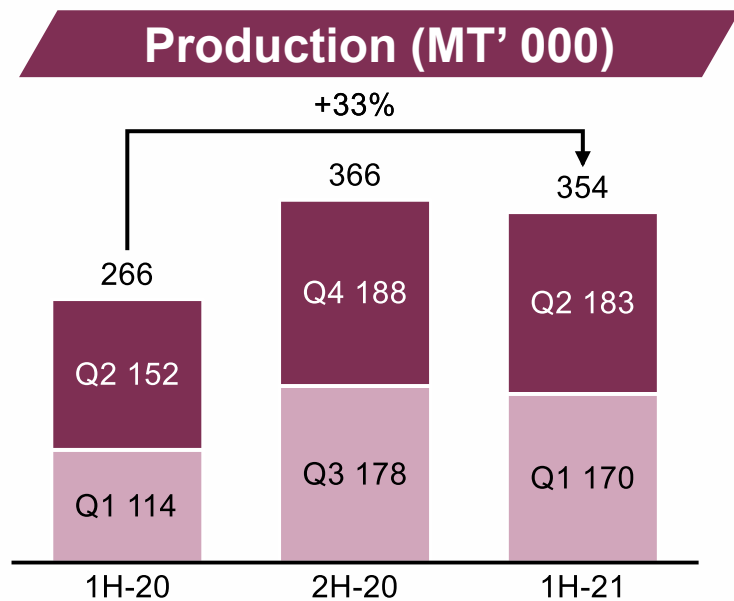
- Q-Chem and Q-Chem II are both owned 49% by MPHC, 49% by Chevron Phillips Chemical International Qatar Holdings L.L.C., and 2% by QP;
- Q-Chem II also has an effective ownership of 53.85% in Ras Laffan Olefins Company Limited which owns an ethane cracker which provides ethylene feedstock to Q-Chem II;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



Segmental Details: Petrochemicals

Analysis of production & selling prices

- Production:** Production up by **33%** compared to 1H-20, as the segment had planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected the overall operating rates for 1H-20 in comparison to the same period of current year;
 - Production increased during Q2-21 by **8%** compared to Q1-21, due to better plant operating rates in Q2-21 versus Q1-21.
- Selling Prices:** increased as compared to 1H-20 by **51%**, due to improved macroeconomic drivers supporting overall demand for petrochemicals supplemented by supply side constraints.
 - Selling prices improved by **21%** during Q2-21 compared to Q1-21, due to continued recoveries noted on demand side, on the back of continued macroeconomic tailwinds.

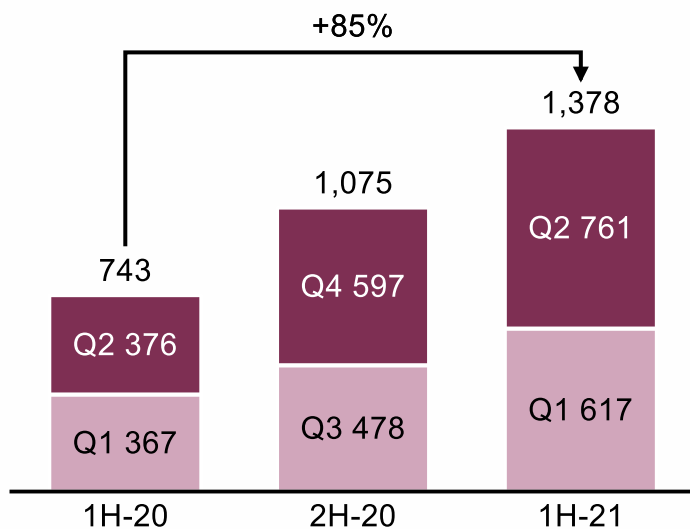


Segmental Details: Petrochemicals

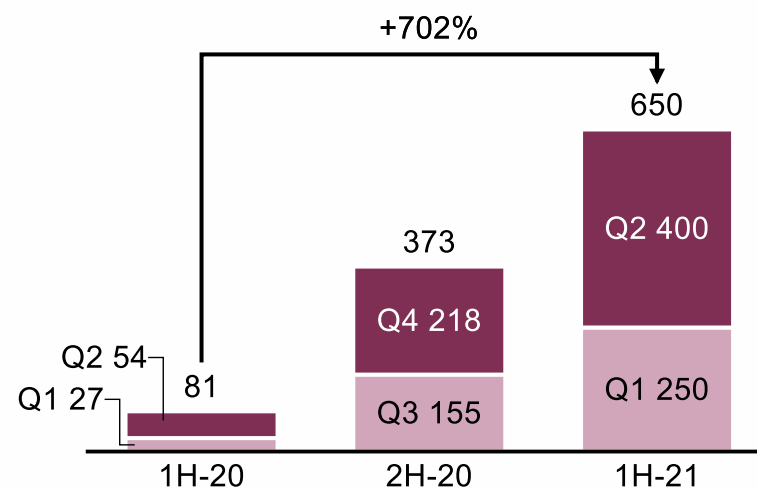
Analysis of segment revenue & net profit

- **Revenue:** QR 1.38 billion, up by 85% as compared to 1H-20 due to higher product prices (+51%) and enhanced sales volumes (+23%);
 - Q2-21 revenue up by 23% compared to Q1-21 on the back of improved selling prices (+21%) and slight increase in sales volumes (+2%).
- **Net profit:** QR 650 million, up by 702% as compared to 1H-20. Improvement mainly due to growth in segmental revenue.
 - Net profit increased in Q2-21 by 60% compared to Q1-21, mainly driven by improved revenues linked to better selling price levels.

Revenue (QR' million)



Net profit (QR' million)

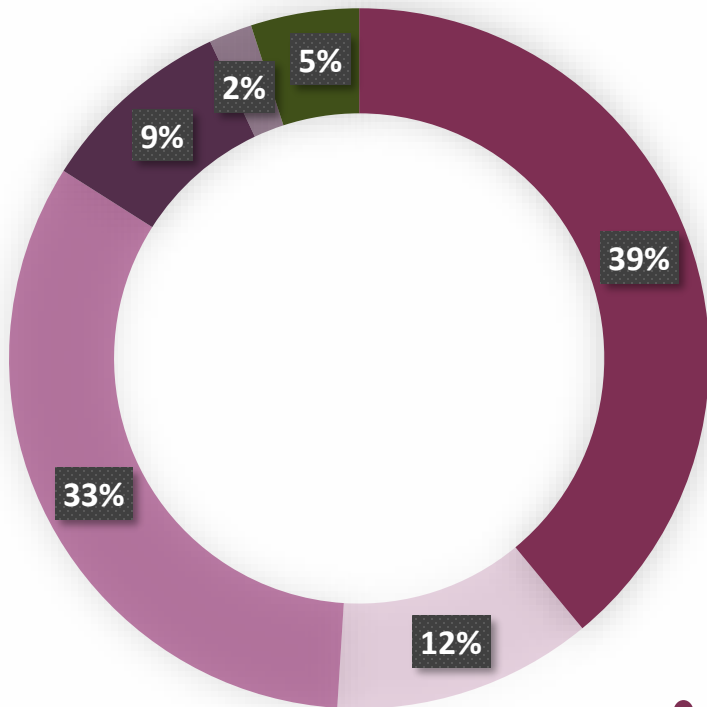


Segmental Details: Petrochemicals

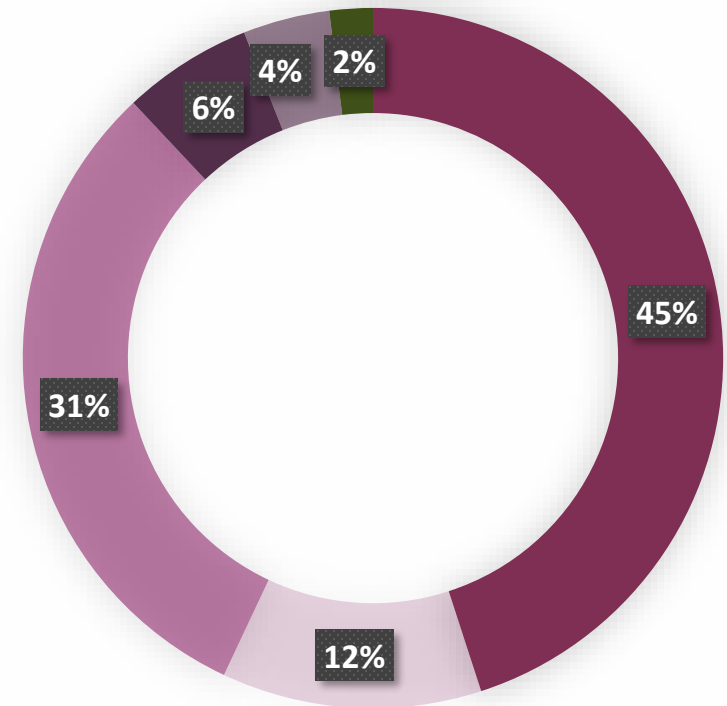
Geographical analysis of segment revenue

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

1H-21 Segment Revenue (%)



1H-20 Segment Revenue (%)



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

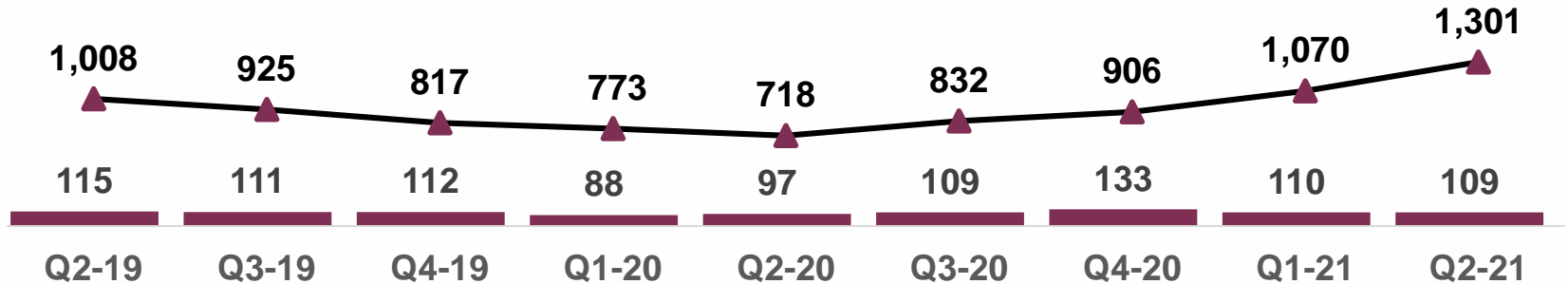


Segmental Details: Petrochemical

Key segment products analysis

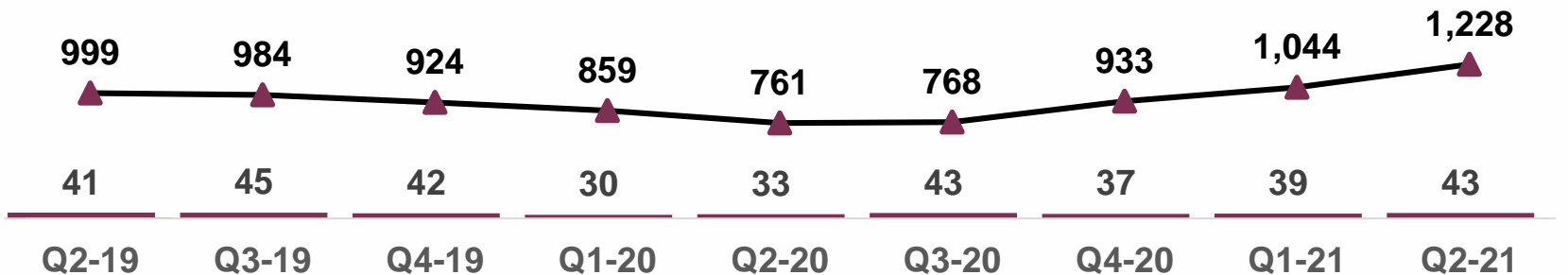
HDPE

(contributed ~64% of the segment revenue in 1H-21)



NAO

(contributed ~24% of the segment revenue in 1H-21)



- Sales volumes for HDPE & NAO remained stable since Q3-20 till date.
- Selling prices since Q3-20 showed rebound and continued the positive trajectory, amid improved macroeconomic dynamics creating renewed product demand while supply was constrained in certain parts of 2021.



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 QP;
- 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
 - Ethylene Dichloride (“EDC”): 110,000 MT PA;
 - Vinyl Chloride Monomer (“VCM”): 215,000 MT PA;
- All production facilities are based within the State of Qatar.

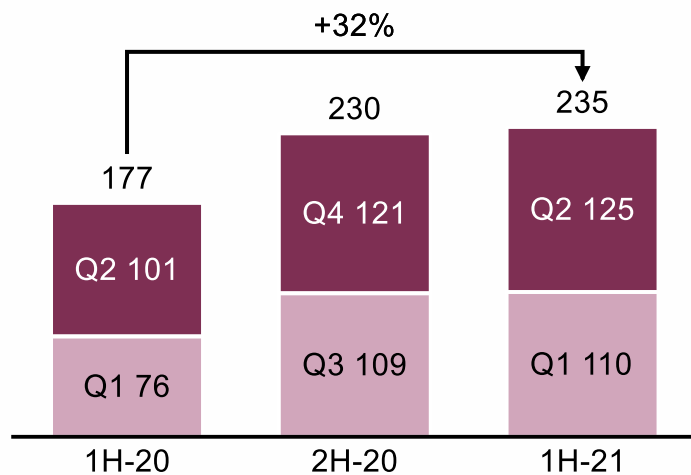


Segmental Details: Chlor-Alkali

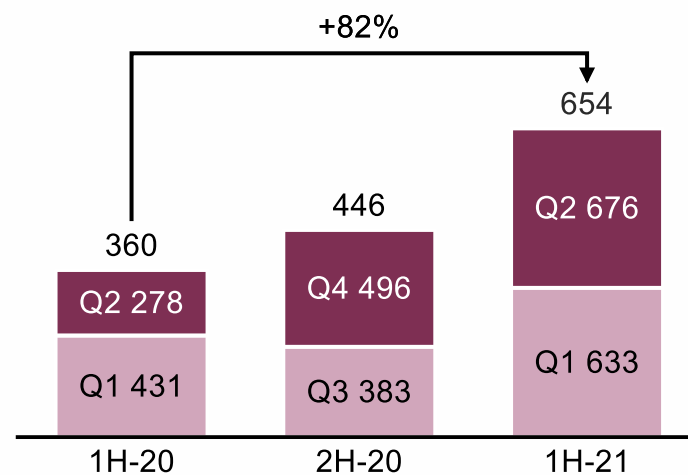
Analysis of production & selling prices

- Production:** Production increased by **32%** as compared to 1H-20, as 1H-20 was mainly affected by a major planned shutdown (specifically during Q1-20);
 - Production increased during the Q2-21 by **14%** compared to Q1-21, due to higher plant operating rates in comparison to Q1-21.
- Selling Prices:** Improved significantly as compared to 1H-20 by **82%**, due to renewed demand amid improved macroeconomic sentiments coupled with supply constraints.
 - Selling prices during Q2-21 improved by **7%** compared to Q1-21 due to continued macro recovery, reflecting in form of renewed demand for chlor-alkali products.

Production (MT' 000)



Selling prices (\$/MT)

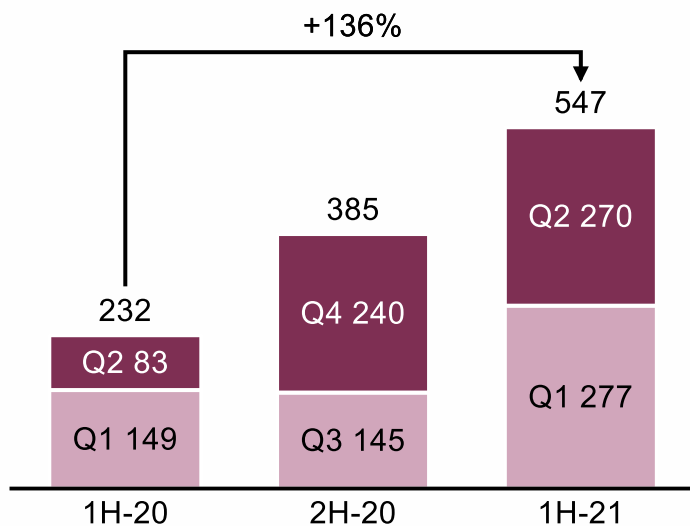


Segmental Details: Chlor-Alkali

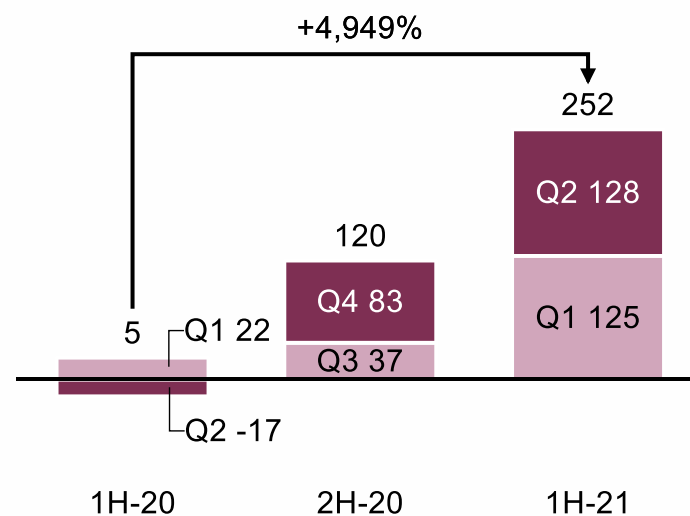
Analysis of segment revenue & net profit

- **Revenue:** QR 547 million, up by 136% as compared to 1H-20 due to higher product prices (+82%) and sales volumes (+30%);
 - Revenue for Q2-21, slightly down by 2% compared to Q1-21 mainly on the back of improved selling prices (+7%), partially offset by decline in sales volumes (-9%).
- **Net profit:** QR 252 million, significantly up by 4,949% as compared to 1H-20. Profitability growth was mainly due to better selling prices and improved production levels leading to improved sales volumes.
 - Net profit slightly increased by 2% in Q2-21, as compared to Q1-21.

Revenue (QR' million)



Net profit (QR' million)

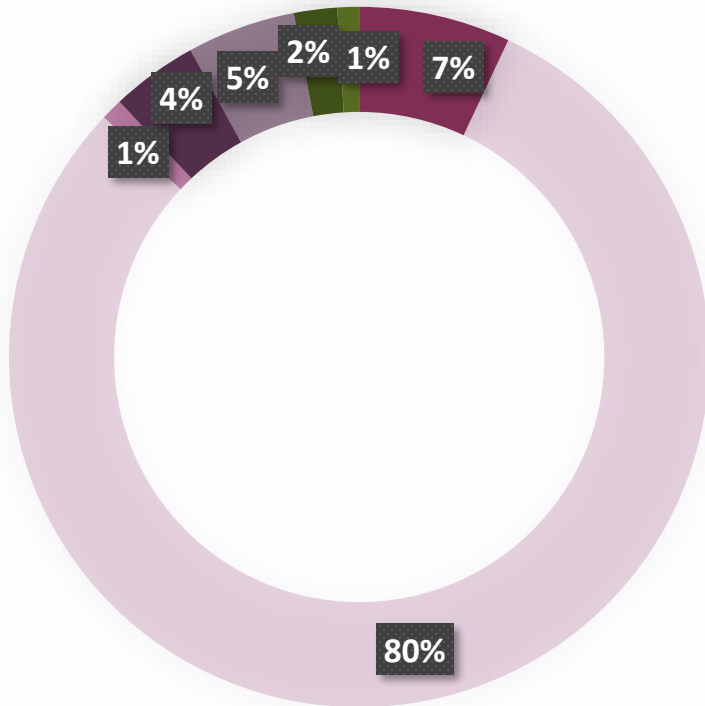


Segmental Details: Chlor-Alkali

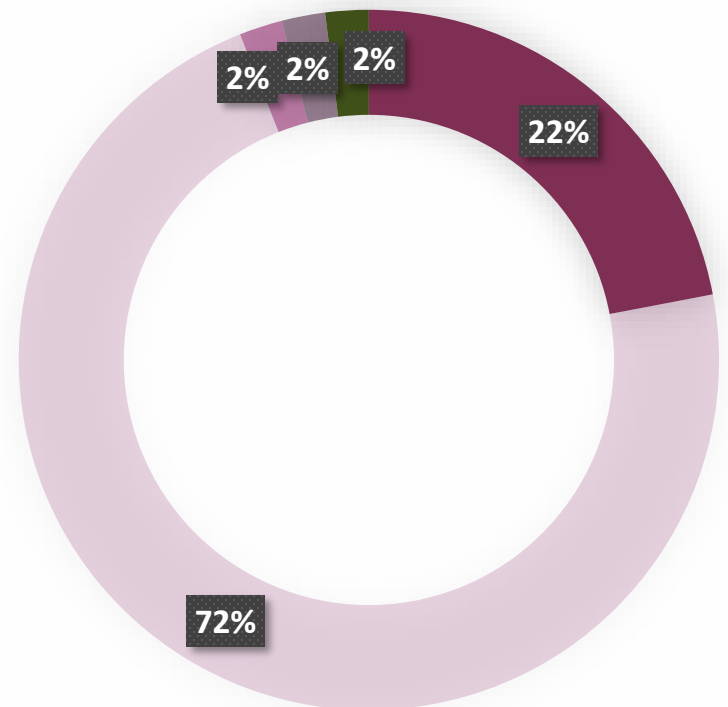
Geographical analysis of segment revenue

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

1H-21 Segment Revenue (%)



1H-20 Segment Revenue (%)



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

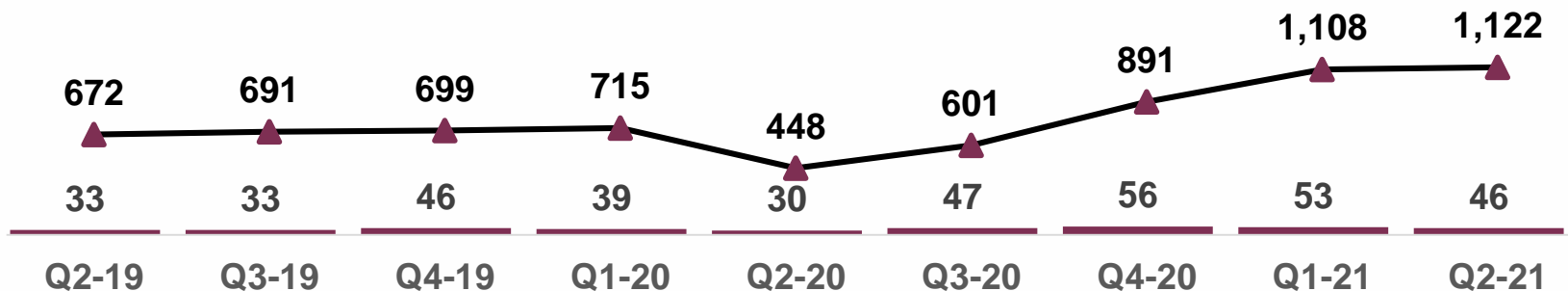


Segmental Details: Chlor-Alkali

Key segment products analysis

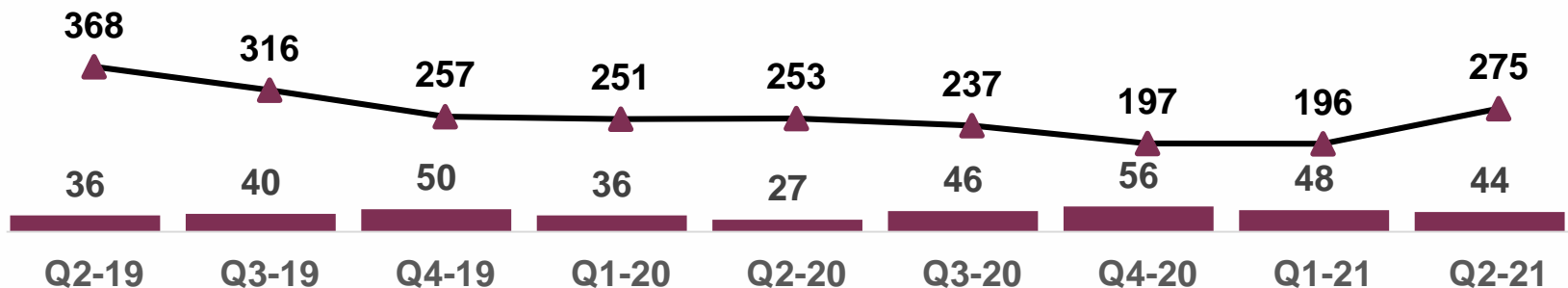
Vinyl Chloride Monomer (VCM)

(contributed ~43% of the segment revenue in 1H-21)



Caustic Soda

(contributed ~40% of the segment revenue in 1H-21)



- Sales volumes for VCM & Caustic Soda remained stable since Q3-20 till date.
- Selling prices for VCM rebounded starting from Q2-20 underpinned by better demand for PVC, leading to VCM's positive price trajectory till date.
- Selling prices for caustic soda persistently declined throughout 2020 and Q1-21, due to continued demand constraints. Starting from Q2-21, caustic soda prices started to recover complemented by renewed demand for end products.



CAPEX (2021f – 2025f)

CAPEX (2021f – 2025f) – MPHC share

- Cumulative CAPEX spend of QR 1.1 billion across all segments during 2021-2025;
- QChem/QChem II
 - CAPEX of QR 879 million planned during 2021-2025;
 - QR 128 million is planned for new Furnace Project.
 - NAO tanks upgrade would require QR 37 million of CAPEX.
 - CAPEX relating to Dock jetty project is estimated to be QR 85 million.
 - Sulphur Silo project would require CAPEX estimated to be QR 55 million
- QVC
 - QR 186 million CAPEX is planned for 2021-2025;
 - Power plant upgrade is estimated to require QR 42 million in form of CAPEX;

CAPITAL EXPENDITURE (in QR Million)

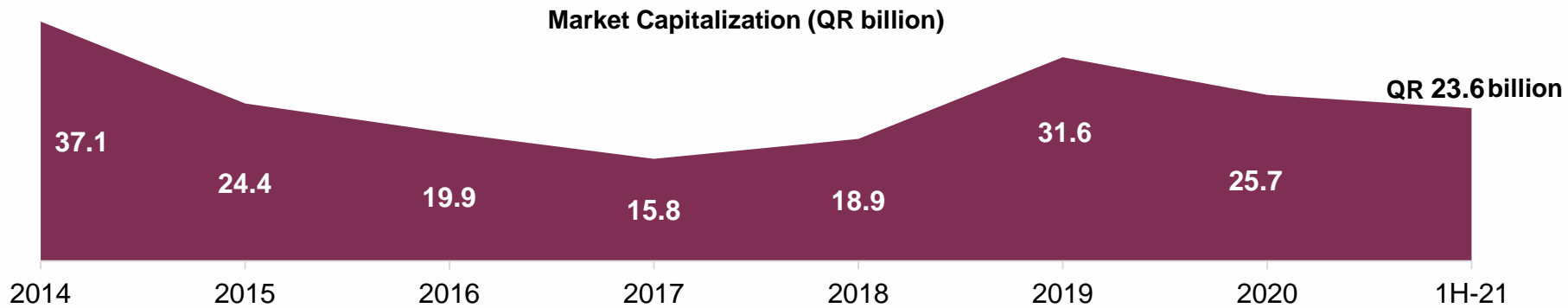
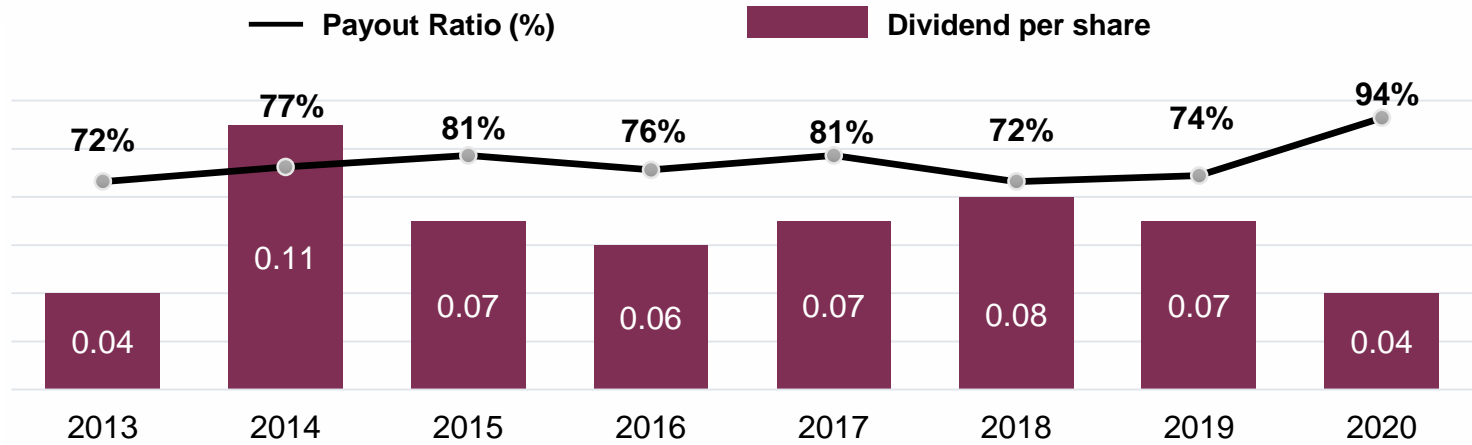
	2021	2022	2023	2024	2025
New Furnance	59.9	41.0	26.8	-	-
NAO Tanks upgrade	9.1	5.5	12.1	10.7	-
Dock jetty upgrade	35.7	34.8	14.1	-	-
Sulphur Silo Project	21.4	23.2	10.0	-	-
QVC power plant upgrade	19.6	22.0	-	-	-
Plant Turnarounds	35.7	124.0	1.8	8.9	35.7
Others	161.2	104.7	84.9	90.4	71.9
Total CAPEX	342.5	355.1	149.6	110.0	107.6

Note: The CAPEX figures for the years 2021-25 are based on the 2021 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2021 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 Statistics

Dividends & Market Statistics



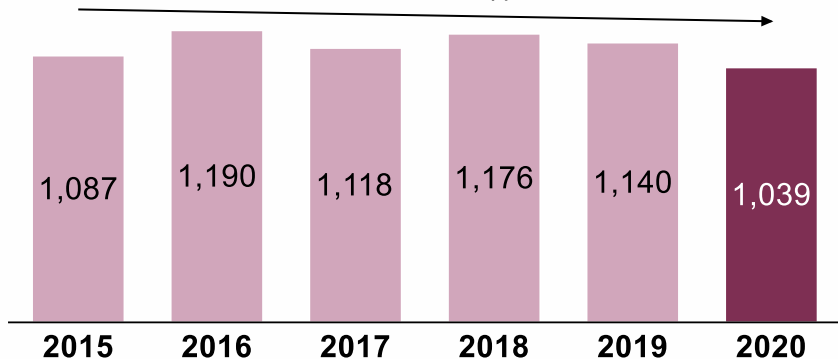
- To date, cash dividends totaling **QR 6.8 billion** have been distributed;
- MPHC was included in **MSCI Index** in May 2019.

Historical performance (2015 – 2020)

Historical performance (2015 – 2020)

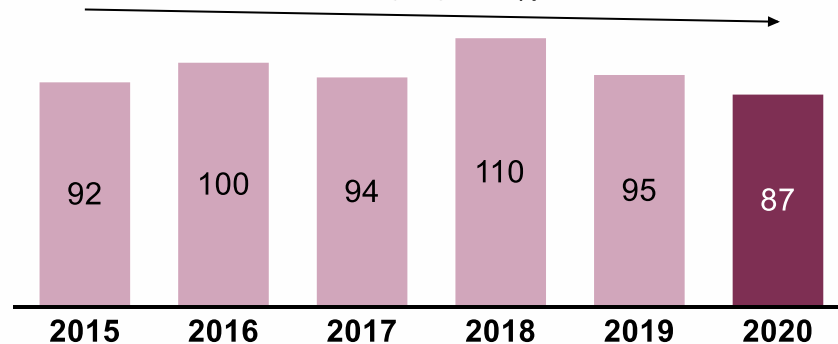
Production (MT'000)

CAGR -1%



Utilization (%)

CAGR -1%

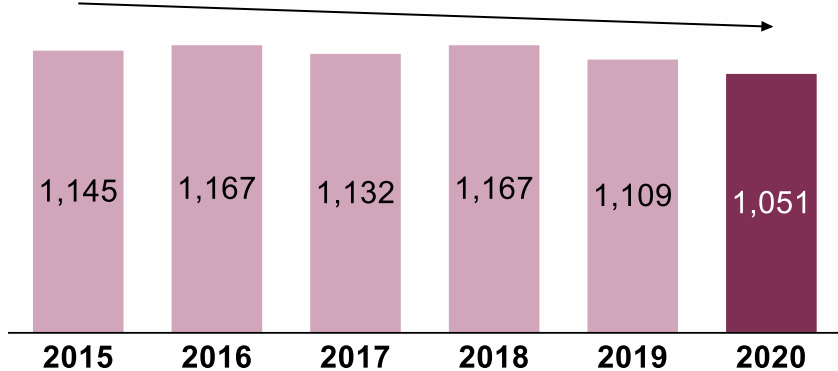


Production and sales volumes remained relatively stable since the incorporation of MPHC

- Utilization moved in line with the production levels
- Selling prices reflected cyclical movements inline with the global commodity prices linked to macro-economic conditions

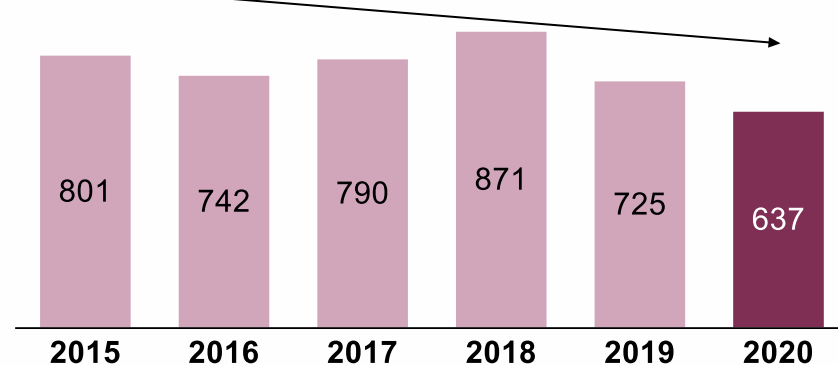
Sales Volume (MT'000)

CAGR -2%



Average Product Price (USD / MT)

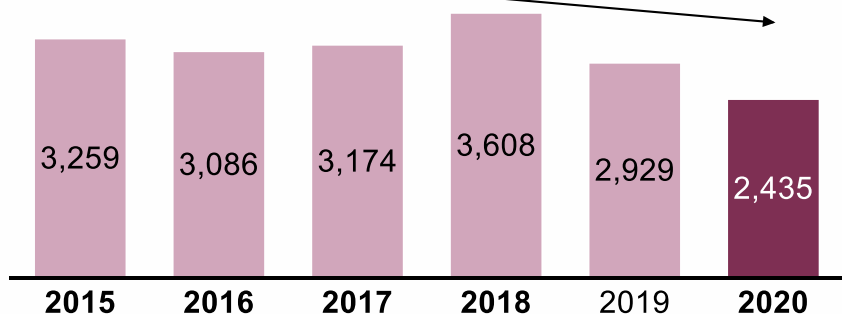
CAGR -4%



Historical performance (2015 – 2020)

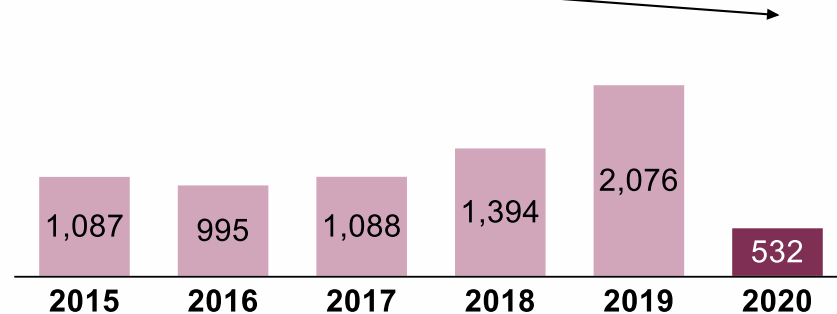
Revenue (Million QR)

CAGR -6%



Net Profit (Million QR)

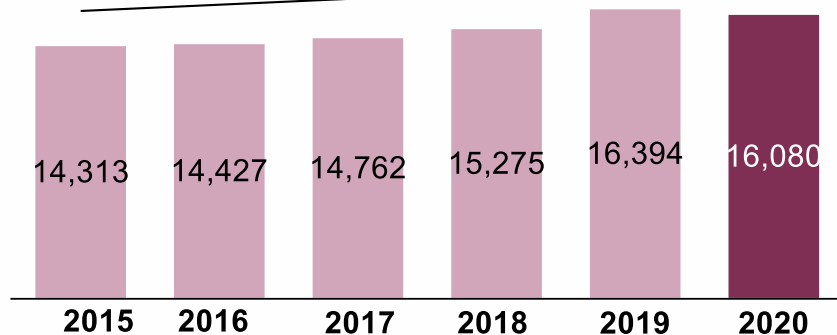
CAGR -13%



In line with product prices, both revenue and net profit witnessed movements ▪ Total assets grew marginally, while the cash and cash equivalents increased over the period

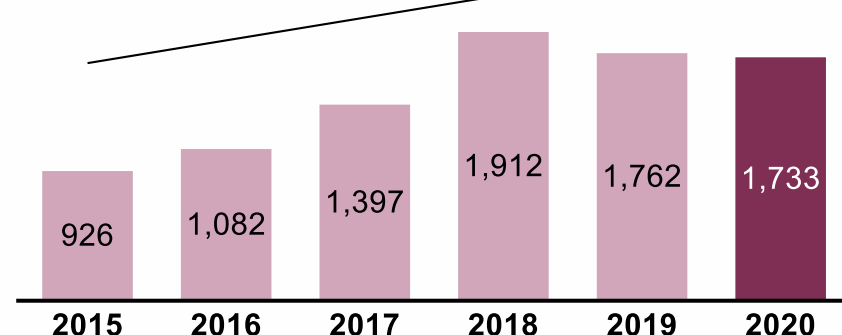
Total Assets (Million QR)

CAGR +2%



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

CAGR +13%



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 Qatar Petroleum. QP 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 Qatar Petroleum 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 QP 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.