

# **PRESS RELEASE**

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**For the period ended 31 March 2019**

# **MPHC DECLARES 2019 FIRST QUARTER NET PROFIT OF QR 281 MILLION**

- **Strong liquidity position with closing cash of circa QR 1.3 billion as at 31 March 2019.**
- **Tax refund of QR 33 million booked for the first quarter of 2019.**

**Doha, Qatar • 25 April 2019** - Mesaieed Petrochemical Holding Company (“MPHC” or “the group”; QE: MPHC), one of the region’s premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products, announced its financial results for the first quarter ended 31 March 2019 with net profit of QR 281 million.

## **Financial Results**

MPHC reported net profit of QR 281 million for the quarter ended 31 March 2019 with earnings per share of QR 0.22 (31 March 2018: QR 0.28), down on the corresponding period of the previous year by QR 76 million or 21%. The decrease in profit is primarily due to reduction in sales volumes and selling prices.

The group’s profit was also aided by the recognition of a tax refund of approximately QR 33 million for the quarter. The group continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. These contracting arrangements are an important value driver for the group’s profitability in a competitive market environment.

## **Segmental performance**

The petrochemical segment’s profit for the quarter as compared to the corresponding period of previous year was impacted primarily by the drop in selling prices. While the production and sales volumes marginally increased by 1%, the selling prices dropped by 12%.

The Chlor-Alkali segment’s profit reduced from previous year primarily due to decrease in sales revenue and other income. Sales revenue was impacted by the decrease in sales volumes by 10% and decrease in selling prices by 14%. Production was marginally lower by 2% from previous year.

## **Financial Position and Cash flows**

The closing cash position after the first three months of operations was a robust QR 1.3 billion as at 31 March 2019. The total assets at 31 March, 2019 was QR 14.6 billion, compared to QR 15.3 billion as at 31 December 2018.

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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 QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. 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 ( $\text{Net Profit} / \text{Number of Ordinary Shares outstanding at the year end}$ ) • 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 ( $\text{Closing market capitalisation} / \text{Net Profit}$ ) • Utilisation:  $\text{Production Volume} / \text{Rated Capacity} \times 100$  • VCM: Vinyl Chloride Monomer

## ABOUT MPHC

Mesaieed Petrochemical Holding Company Q.S.C. ("MPHC") was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of Qatar Petroleum's previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar. The main activity of MPHC is to act as a holding company: (i) Q-Chem is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. ("CPCIQH") (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHC (49%), CPCIQH (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, Ras Laffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QP (12.9%).

## CONTACT DETAILS

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