

# **Mannai Corporation QPSC**

## **1H'20 Financial Summary**

# Disclaimer

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- Future sales growth
- Market acceptance of our product and service offerings
- Our ability to secure adequate financing or equity capital to fund our operations
- Our ability to enter into strategic alliances or transactions
- Regulatory approval processes
- Changes in technology
- Price competition
- Other market conditions and associated risks

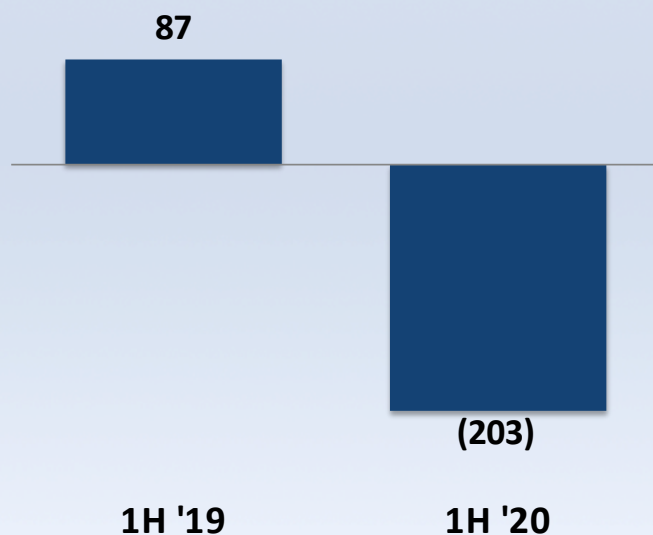
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## Impact of COVID-19 Drives First Half Loss

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### Net Profit



- COVID-19 closures impacting revenues and earnings across all major business units
- Damas loss of (80)m due to lockdown of retail outlets during March to June
- Information Technology loss of (56)m, down from 77m in 1H'19, as lockdown impacts ability to deliver IT projects
- Other Qatar business units deliver 3m, down from 29m in 1H'19

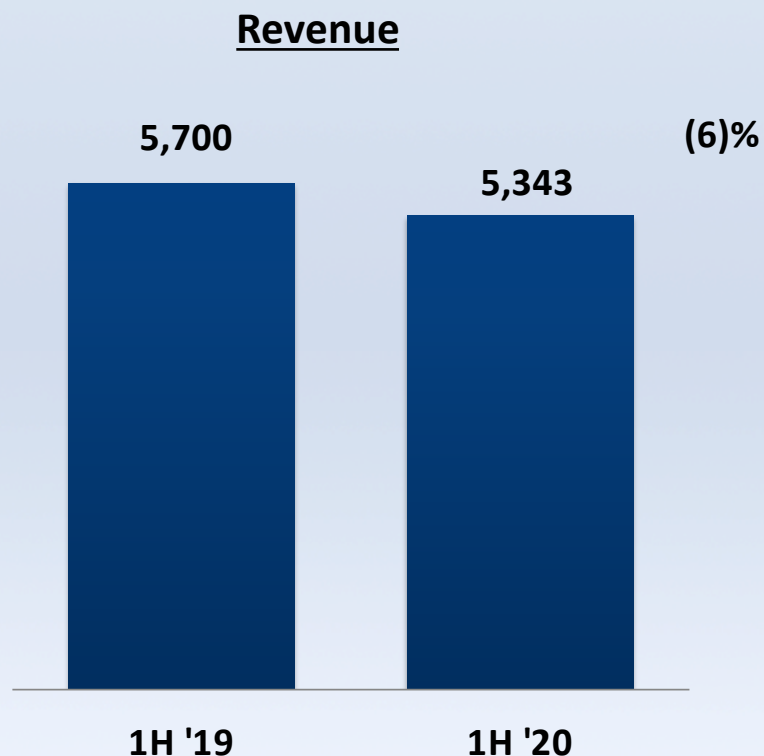
## Financial Highlights

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	<b>1H'20</b>	<b>1H'19</b>		
Revenues	5,343	5,700	(6)%	▼
EBITDA	257	536	(52)%	▼
General & Admin Expenses	622	567	10%	▲
Selling & Distribution Expenses	204	234	(13)%	▼
Finance Cost	197	205	(4)%	▼
Net Profit	(203)	87	Unfav.	▼
Capital Employed	9,033	8,940	1%	▲
Earnings Per Share	(0.44)	0.19	Unfav.	▼

## Revenues Down 6% Due to Impact of COVID-19

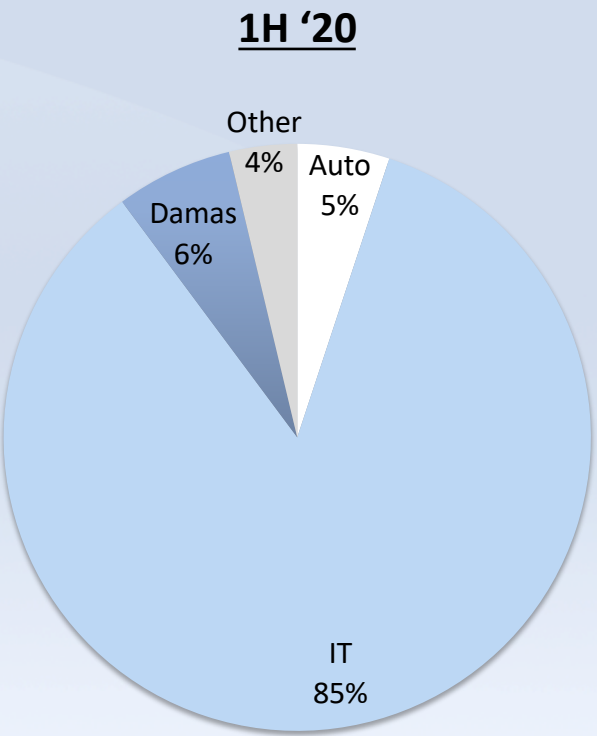
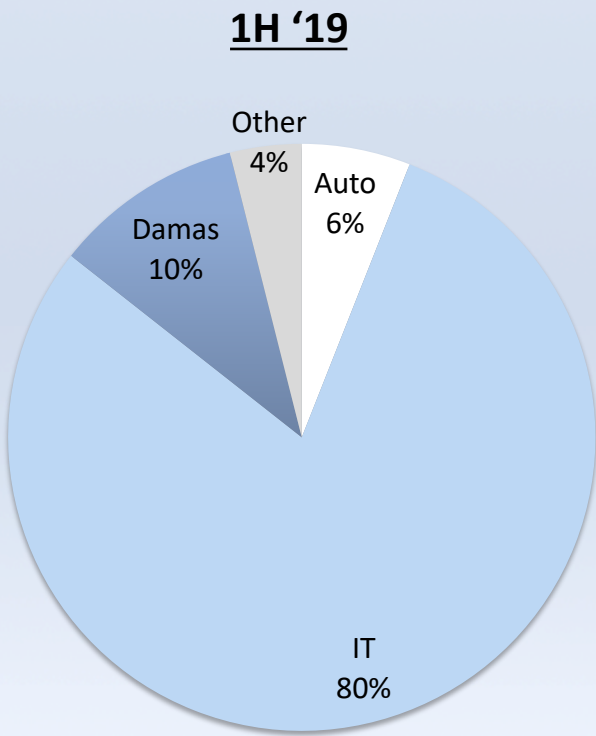
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- Information Technology flat at 4.5B as acquisition of IECISA Spain adds 386m of revenue, offsetting impact of COVID-19
- Damas revenues down 253m or 42% due to GCC-wide closure of retail outlets during lockdown
- Auto Group down 21% due to showroom and service centre closures for 3 months
- Other Qatar revenues down 11% as project-related deliveries were relatively less affected

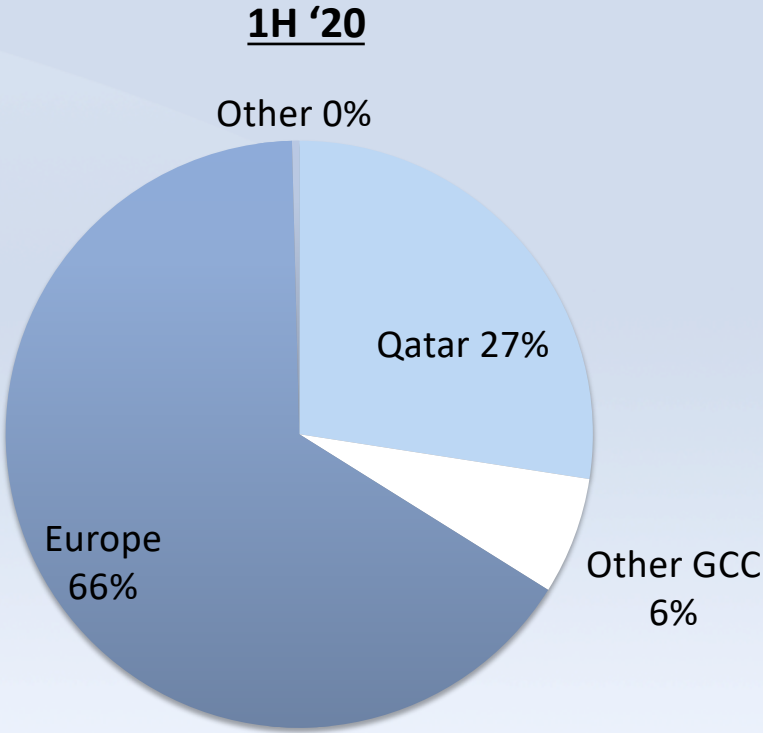
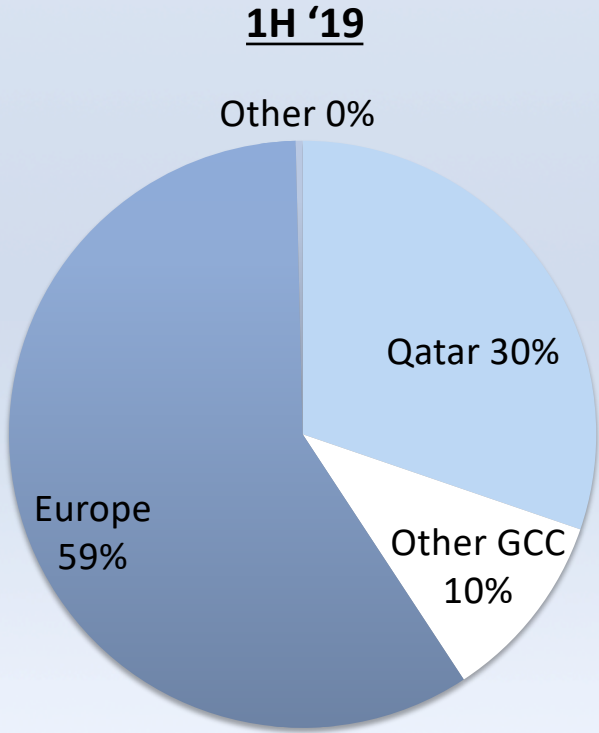
# IECISA Acquisition and COVID-19 impact increases IT to 85%

Revenue Mix



# Spanish Acquisition Increases Europe to Two Thirds of Sales

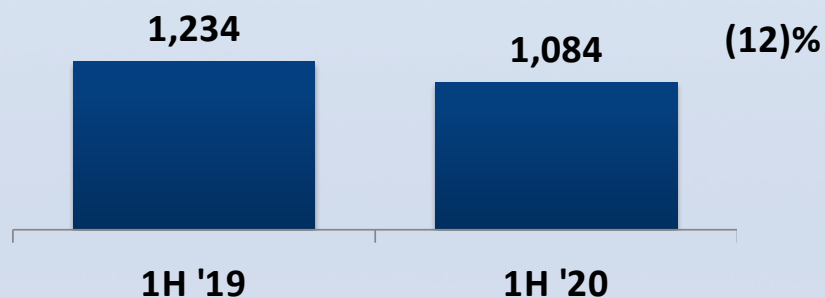
Revenue Mix



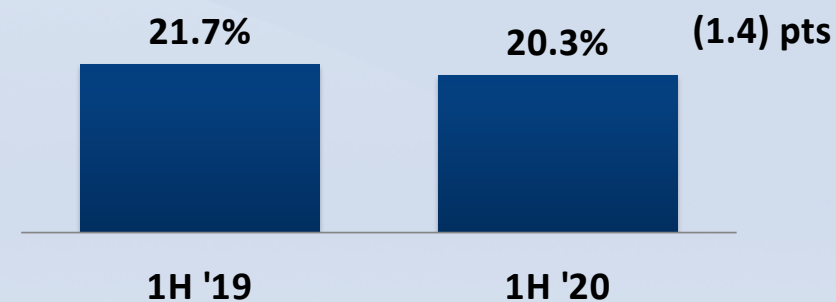
## Gross Profit Margin Compression Due to Sales Reduction

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### Gross Profit



### Gross Margin %



- Fall in Gross Profits due to 6% loss of sales due to COVID-19 related closures reducing the benefit of scale direct costs

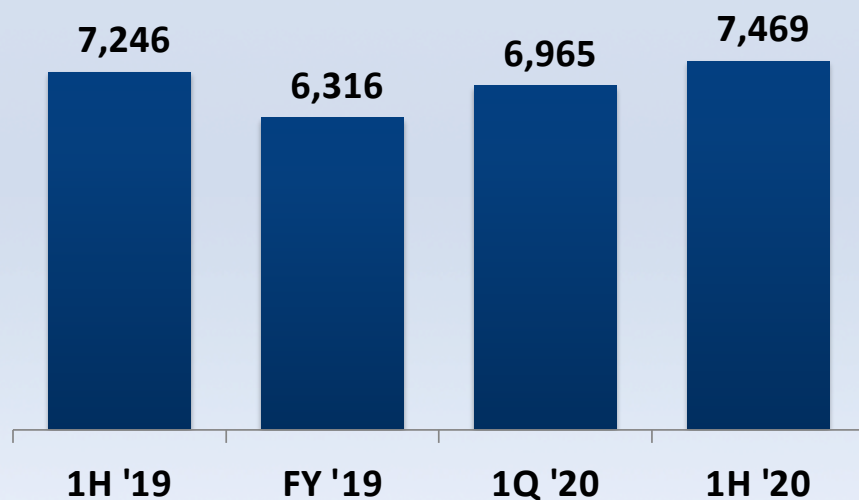
	<u>1H '20</u>	<u>V pts</u>
Information Technology	19.6%	(1.0) pts
Auto Group	22.0%	(0.9) pts
Damas	22.1%	(2.4) pts
All Other	31.3%	1.5 pts



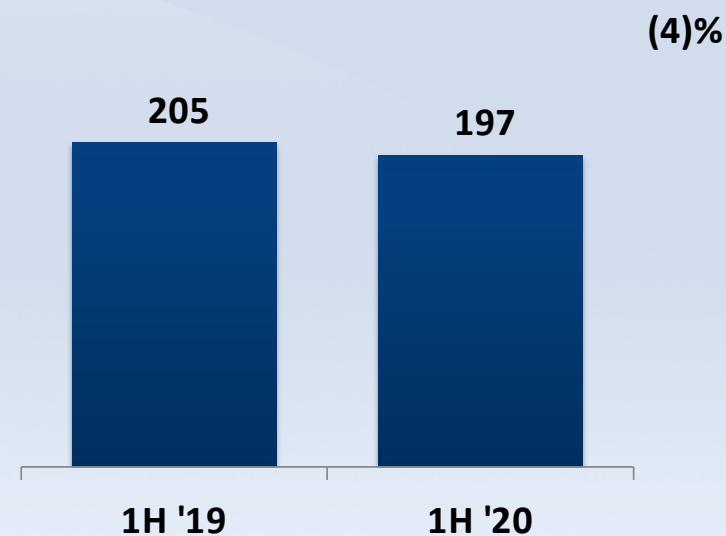
## Increase in Debt Driven by Acquisition

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### Total Debt



### Finance Costs



- Increase due to Gfi acquisition of IECISA for 992m

- Interest rates trending lower reducing finance costs

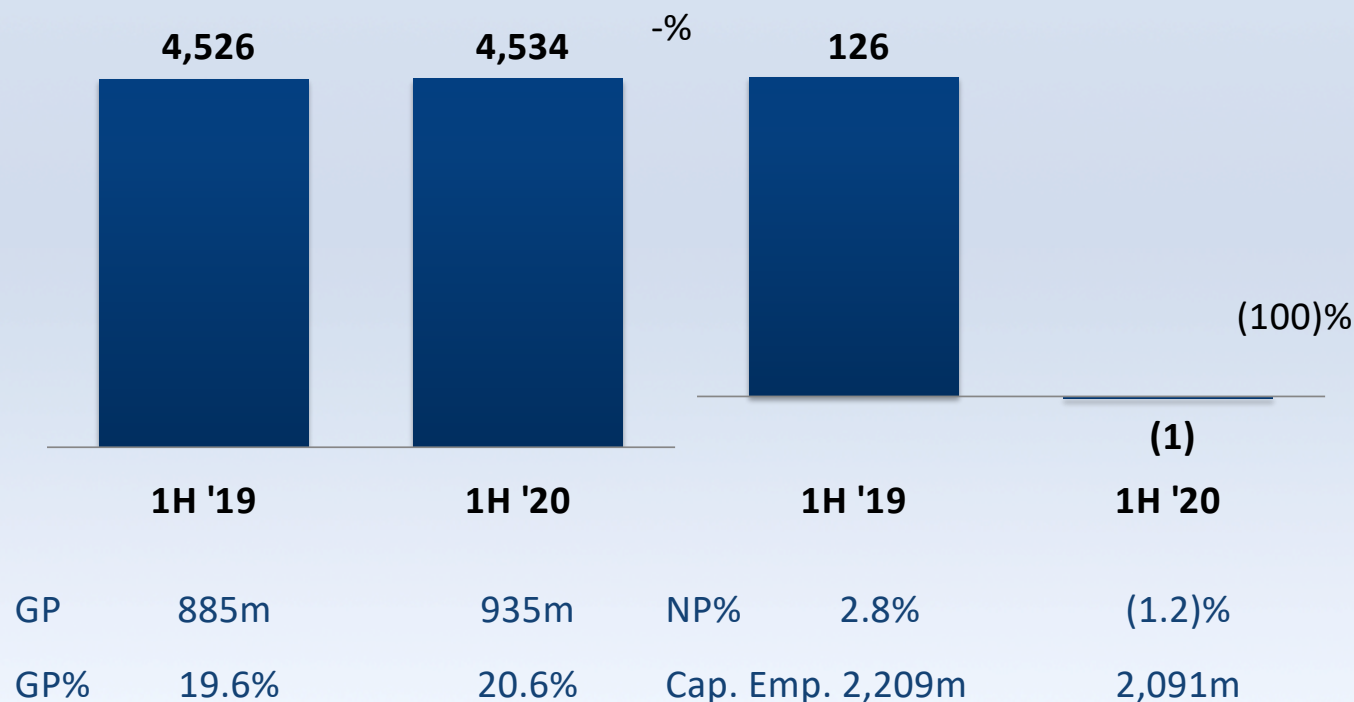
# Information Technology



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## Revenue

## Profit Before Tax



- Revenues flat as acquisition of IECISA in Spain adds 386m, offsetting COVID-19 impact
- Excluding acquisition, revenues down 9%
- Ability to advance existing backlog of projects impacted by lockdown, reducing access to client sites and ability to meet project milestones
- 2H'20 rebound underway

## Damas Jewellery

damas

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### Revenue

### Profit Before Tax

(42)%

598

345

(14)

(80)

1H '19

1H '20

1H '19

1H '20

GP	146.7m	76.3m	NP%	(2.4)%	(23.2)%
GP%	24.5%	22.1%	Cap. Emp	969m	892m

- Revenues down 253m or 42% due to GCC-wide closure of retail outlets during lockdown
- Post COVID-19 recovery plan underway to bring Damas back to profitability

## Auto Division

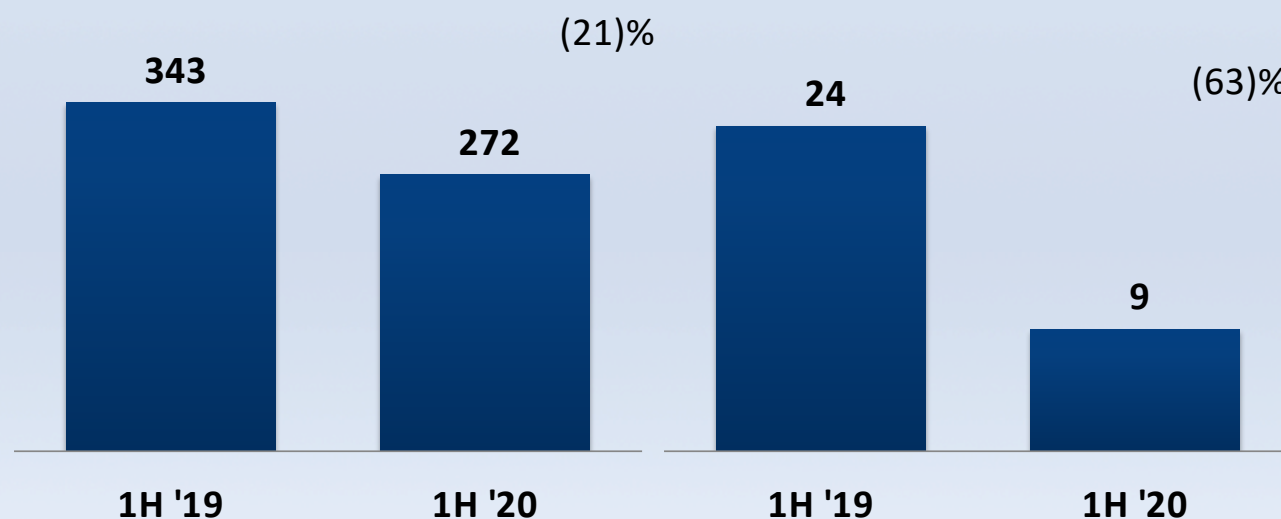
**GMC**



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### Revenue

### Profit Before Tax

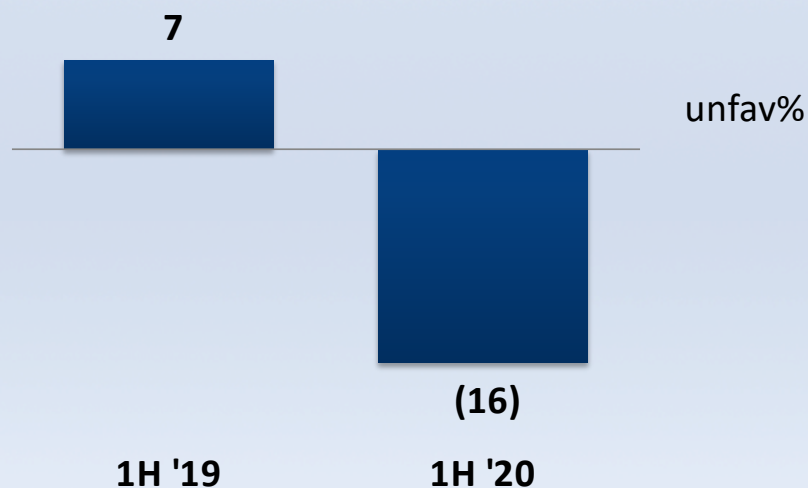


- Strong start to the year reversed by lockdown which closed retail and service facilities for 3 months
- Profitable result following 21% reduction on sales

GP	78.6m	60.0m	NP%	7.0%	3.3%
GP%	22.9%	22.0%	Cap. Emp.	468m	463m

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## Share of Profit



- Lockdown of retail outlets across UAE and KSA leads to losses compared to 1H'19
- Impairment of investment in Axiom of 284m recorded as a prior year restatement of 2H'19

# Energy and Industrial Markets



**TOSHIBA**

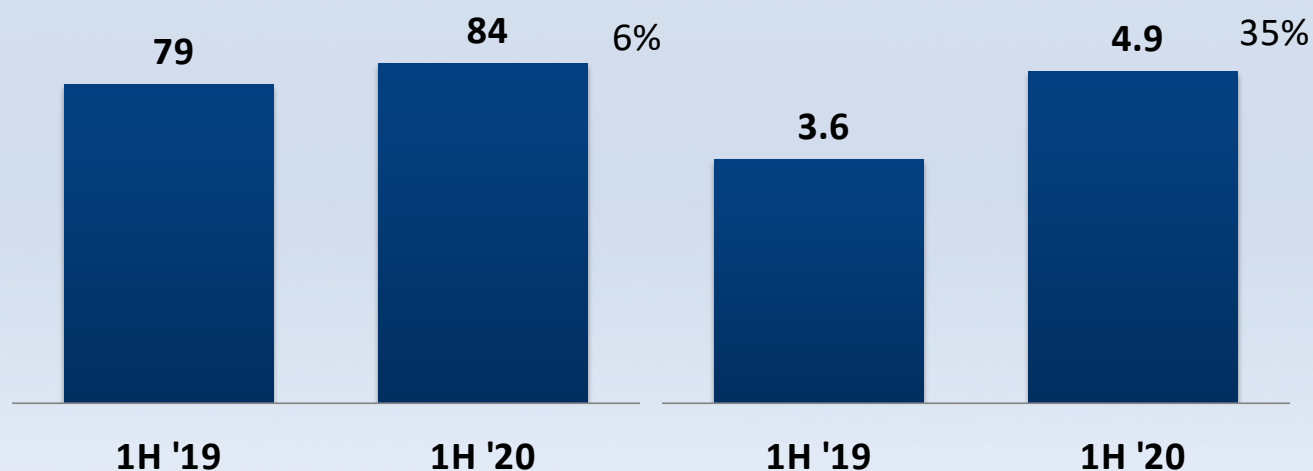


**SIEMENS**

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## Revenue

## Profit Before Tax



- Positive revenue and profit growth as construction and Qatar project-related activity continues during lockdown

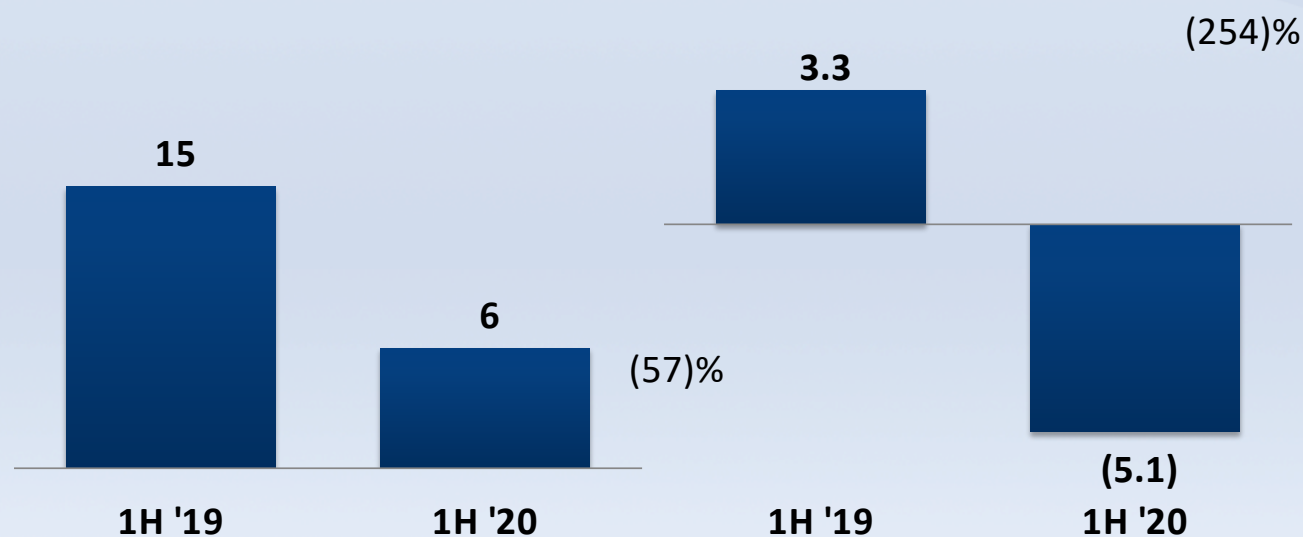
GP	14.6m	15.3m	NP%	4.6%	5.9%
GP%	18.6%	18.3%	Cap. Emp.	35m	42m

# Travel Division

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## Revenue

## Profit Before Tax



- Earnings severely impacted by travel restrictions since March
- Significant headcount reductions carried out to reduce losses

GP	13.3	5.0m	NP%	22.0%	(79.1)%
GP%	88.1%	78.0%	Cap. Emp.	31m	26m

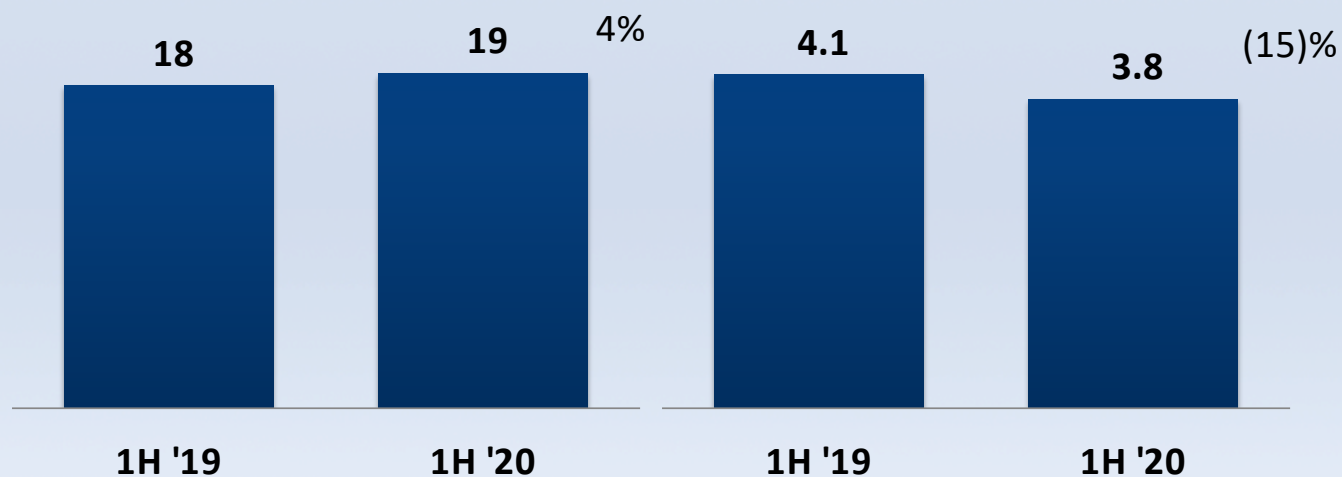
# Logistics



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## Revenue

## Profit Before Tax



- Warehouse impacted by Salwa Industrial Area lockdown, leading to loss of handling revenues and fees

GP	6.8m	6.0m	NP%	22.8%	18.5%
GP%	37.6%	31.8%	Cap. Emp.	11m	14m

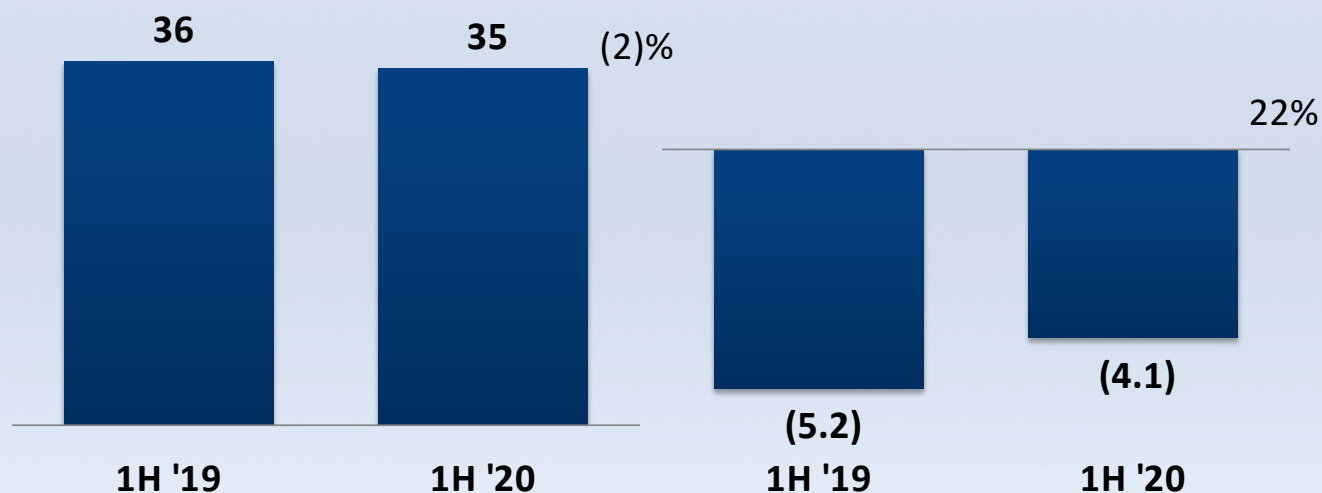


# Engineering

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## Revenue

## Profit Before Tax



- Ras Laffan location less impacted during lockdown allowing stable revenues and improvement in profitability compared to 1H '19

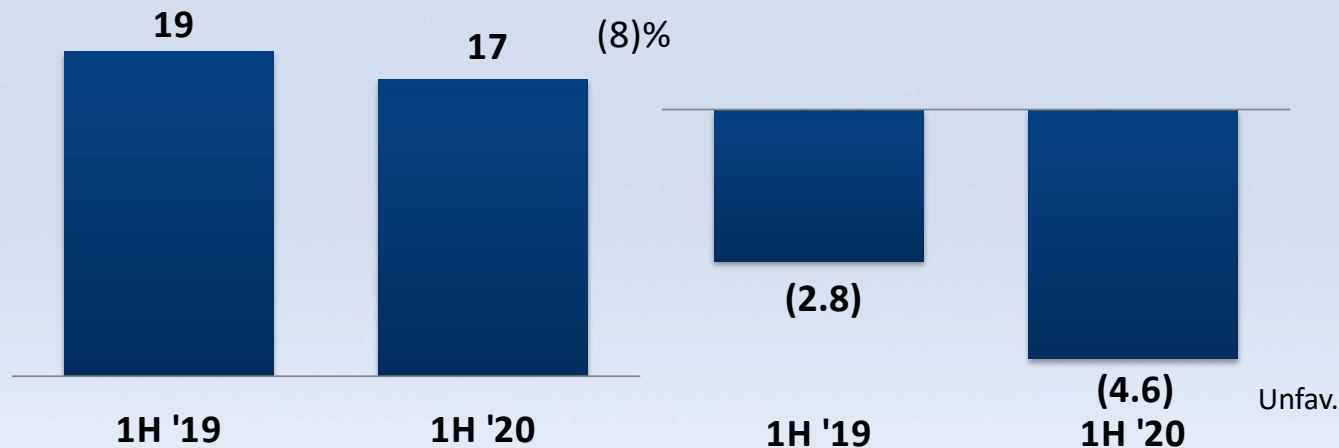
GP	4.9	5.8m	NP%	(14.7)%	(11.7)%
GP%	13.6%	16.6%	Cap. Emp.	5m	1m

## Geotechnical Services

QAR m

### Revenue

### Profit Before Tax



- Lockdown of Salwa Industrial Area impacted all laboratories, employees and geotechnical drilling equipment
- Outlook for 2H'20 positive after driven by strong geotechnical project backlog

GP	4.4m	3.8m	NP%	(14.8)%	(22.1)%
GP%	22.8%	22.0%	Cap. Emp.	18m	13m

**MANNAI CORPORATION Q.P.S.C**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the Period ended 30 June 2020**

QAR '000s

	30 June 2020 QR '000 (Reviewed)	30 June 2019 QR '000 (Reviewed)
Revenue	5,342,844	5,700,255
Direct costs	(4,258,745)	(4,466,039)
<b>Gross profit</b>	<b>1,084,099</b>	<b>1,234,216</b>
Other income	26,482	53,377
Share of result from joint venture and associates	(18,114)	30,487
General and administrative expenses	(622,330)	(567,460)
Selling and distribution expenses	(204,497)	(233,843)
Reversal / Impairment loss on financial assets and contract assets	(8,333)	19,047
<b>Profit before interest, tax depreciation and amortisation</b>	<b>257,307</b>	<b>535,824</b>
Finance costs	(196,975)	(205,054)
Depreciation and amortisation	(207,703)	(194,420)
<b>Profit for the period before tax</b>	<b>(147,371)</b>	<b>136,350</b>
Income tax	(55,750)	(47,815)
<b>Net profit for the period</b>	<b>(203,121)</b>	<b>88,535</b>
<b>Attributable to :</b>		
Shareholders of the Company	(202,791)	87,440
Non-controlling interests	(330)	1,095
	<b>(203,121)</b>	<b>88,535</b>

# Mannai Corporation QSC

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