

# Mannai Corporation QPSC

## FY'20 Financial Summary

# Disclaimer

Mannai Corporation Q.P.S.C. cautions investors that certain statements contained in this document state Mannai Corporation's management's intentions, hopes, beliefs, expectations, or predictions of the future and, as such, are forward-looking statements.

Mannai Corporation management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:

- 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

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within Mannai Corporation.

The Mannai Corporation undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise.

## Financial Highlights

QAR m

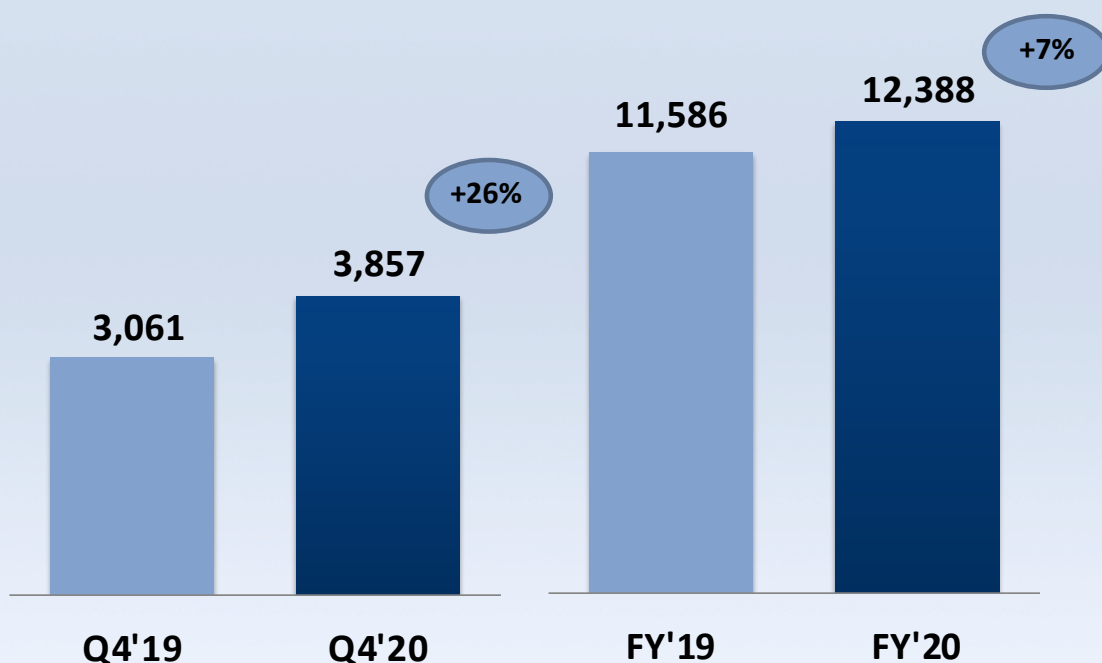
	<u>FY'20</u>	<u>FY'19*</u>		
Revenues	12,388	11,586	7%	▲
Gross Profit	2,648	2,506	6%	▲
EBITDA	984	797	23%	▲
General & Admin Expenses	1,251	1,130	11%	▲
Selling & Distribution Expenses	414	471	(12)%	▼
Finance Cost	390	405	(4)%	▼
Net Profit	14	(81)	fav.	▲
Capital Employed	9,179	7,913	16%	▲
Earnings Per Share	0.03	(0.18)	fav.	▲

\* FY'19 Restated for 284m adjustments related to Telecom Retail segment

## Revenue Growth of 7% as 2H Offsets 1H COVID-19 Decline

QAR m

### Revenues

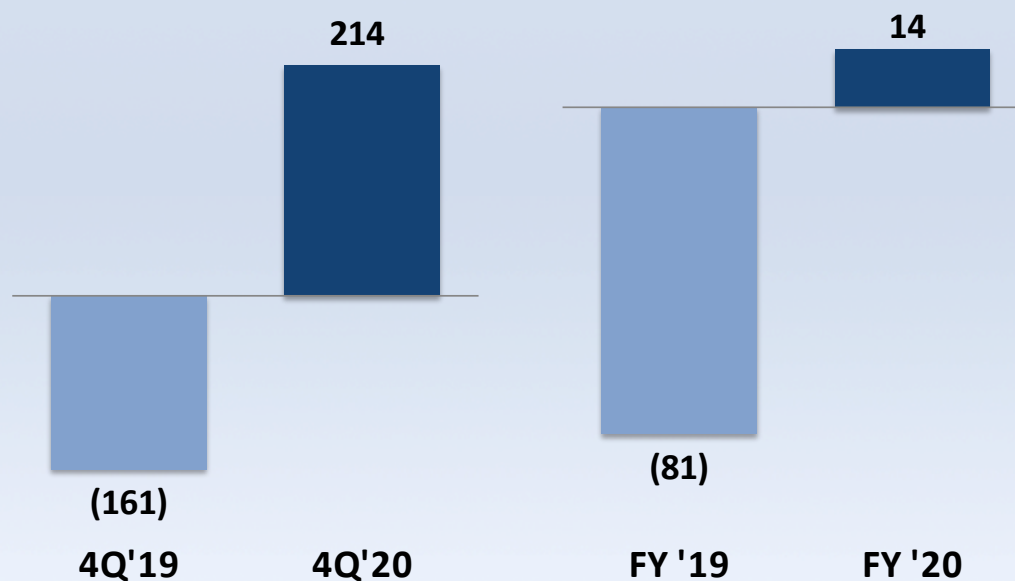


- 2H'20 Revenue growth of **1,160m or 20%**, offsets 1H'20 decline, leading to an increase of **802m or 7%** in FY'20.
- Information Technology Revenues improve by **1,359m or 15%** due to the acquisition of IECISA.
- Jewellery Revenues down by **426m or -35%** due to 1H'20 retail store closures due to COVID-19.
- Auto Group down **100m or 14%**; 2H'20 down **29m or 8%**.
- Other Qatar Revenues down **14%**.

## 4th Quarter Group Profit of 214m Transforms FY'20 to Profit of 14m

QAR m

### Net Profit

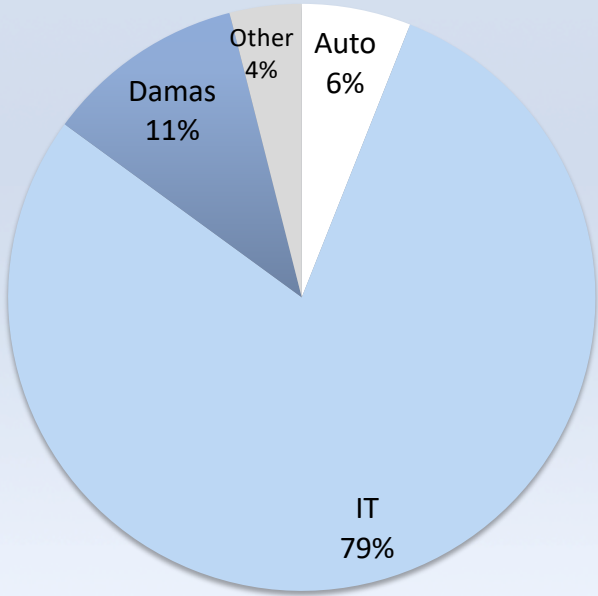


- **FY'20 Profit of 14m**, increase of **95m** over **FY'19**.
- **4Q'20 profit of 214m**, improvement of **375m** compared to **4Q'19**; up **92m** or **75%**, after adjusting for Telecom Retail impairment adjustments.

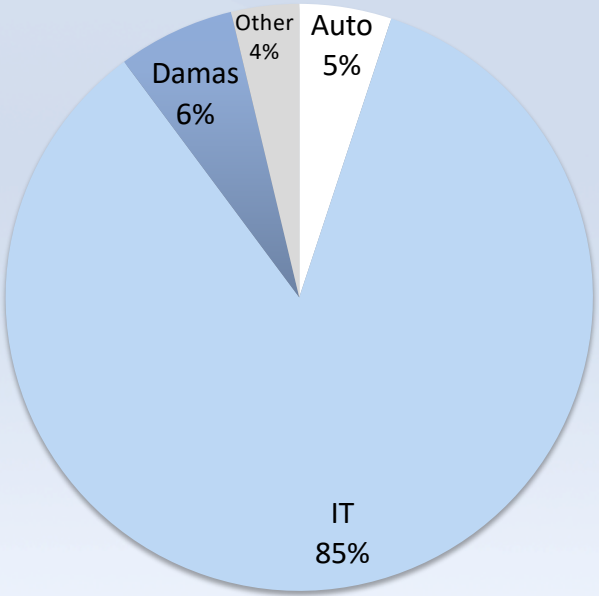
# IECISA Acquisition Impact Increases IT Revenue Share to 85%

Revenue Mix

FY'19

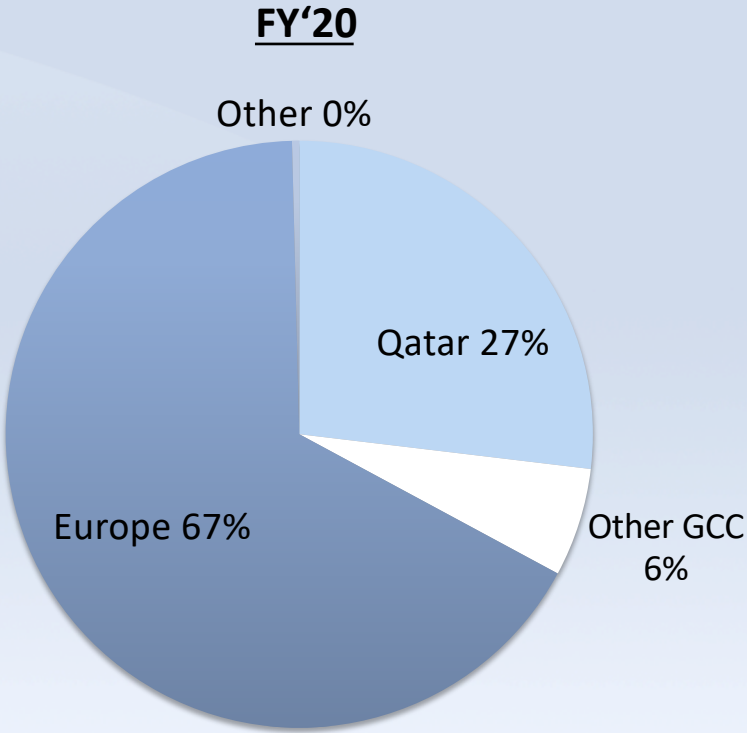
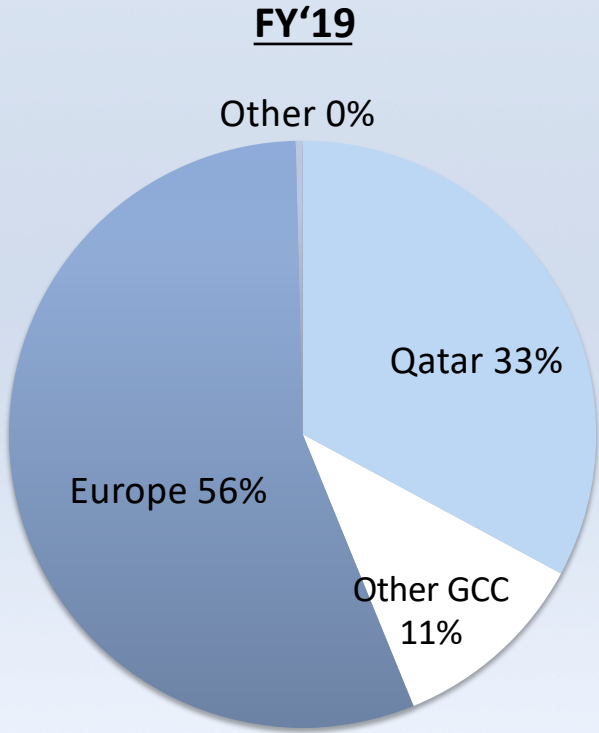


FY'20



# IECISA Acquisition Increases Europe to Two Thirds of Sales

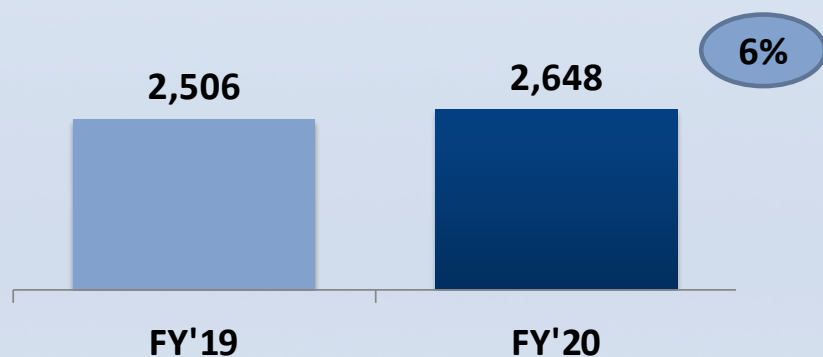
Revenue Mix



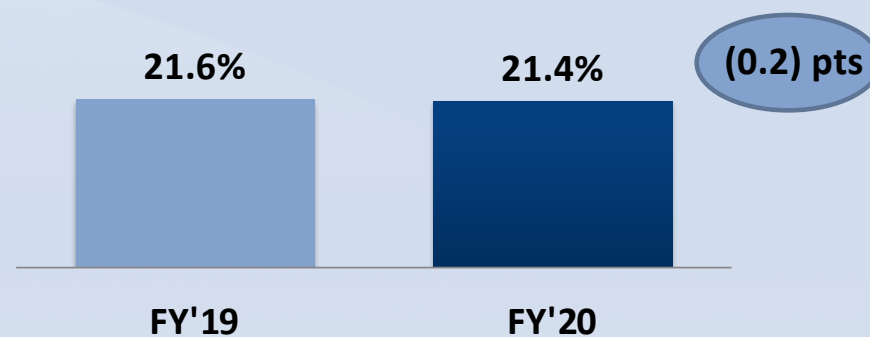
# Gross Profit Margin Compression Due to Sales Reduction

QAR m

## Gross Profit



## Gross Margin %



- **Gross Profit** growth of **6%** driven by **Information Technology** growth of **238m**, up **12%**, offsetting COVID-19 impact in remaining businesses.
- Gross Margin improvement in Damas to **24.6%**, up **5.5pts** due to shift towards Non-Gold and reduced promotions.
- Overall margins lower by 20bps due primarily to margin pressure in Information Technology as well as Auto Group

	<u>FY'20</u>	<u>V pts</u>
IT	20.8%	(0.5) pts
Auto Group	20.7%	(2.0) pts
Damas	24.6%	5.5 pts
All Other	30.3%	(2.9)pts



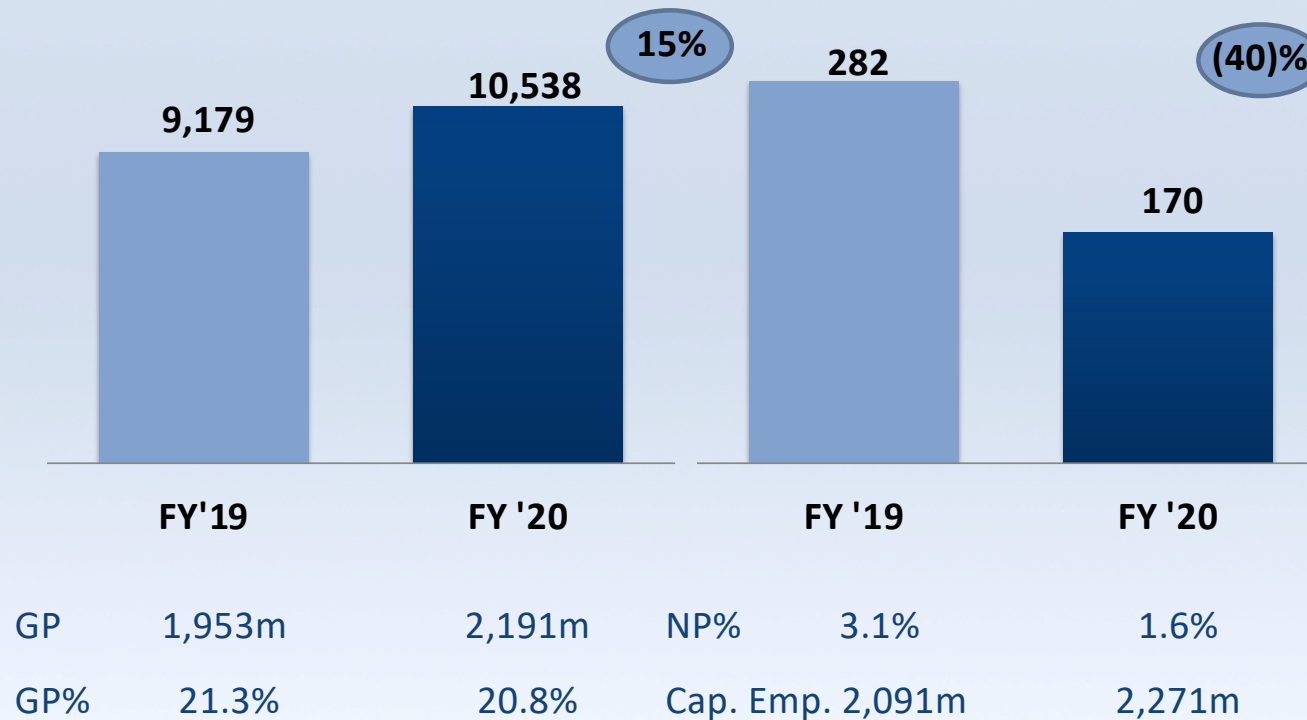
# Information Technology



QAR m

## Revenue

## Net Profit



- Revenues growth due to the acquisition of IECISA in Spain adds 1,759m, offsetting COVID-19 impact
- Excluding acquisition, revenues down 4%
- Revenues impacted by lockdown, reducing access to client sites, and ability to meet project milestones and supply chain disruption
- 2H'20 net profit rebound following 1H'20 loss of -56m

## Auto Group

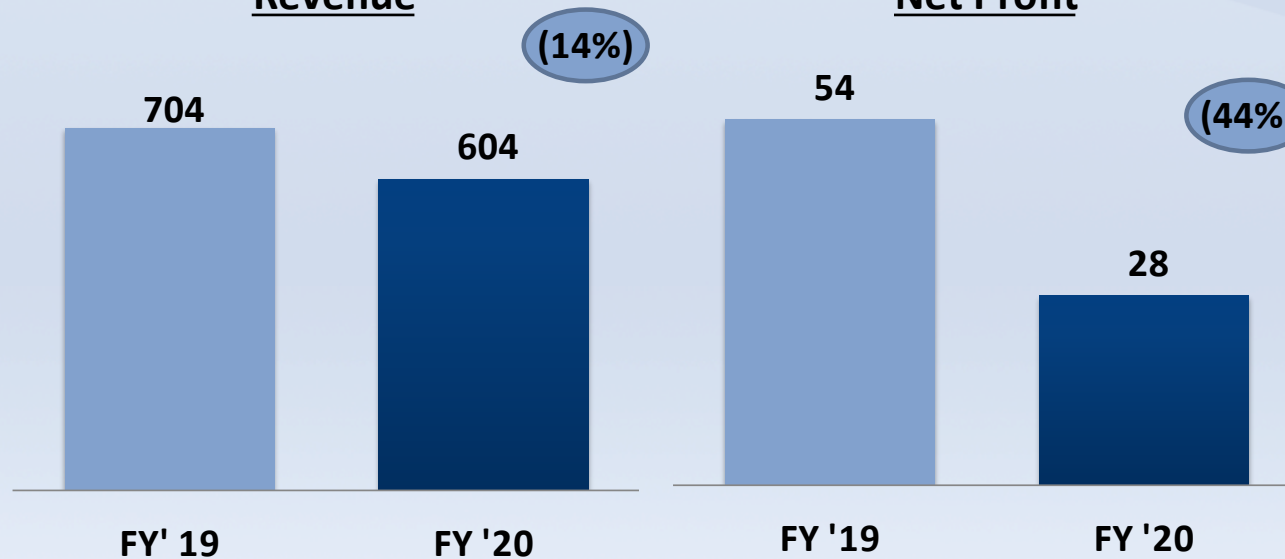
GMC



QAR m

### Revenue

### Net Profit



- Strong start to the year reversed by lockdown which closed retail and service facilities for 3 months.
- 2H'20 revenues down **8%** as units sold improve relative to 1H'20.
- Supply chain challenges delayed launch of new Escalade and 2021 models to Q1'21. Positive outlook for 1H'21.

GP	159.8m	125.0m	NP%	7.7%	5.0%
GP%	22.7%	20.7%	Cap. Emp.	468m	432m

# Energy and Industrial Markets



**TOSHIBA**

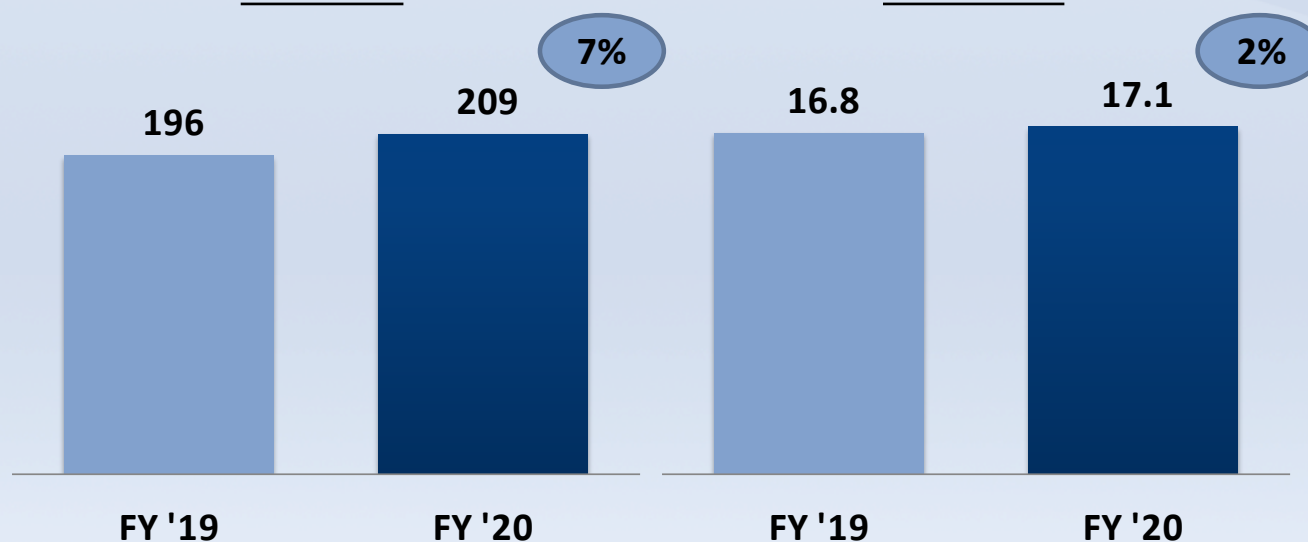


**SIEMENS**

QAR m

## Revenue

## Net Profit



- Positive revenue and profit growth as construction and Qatar project-related activity continues during lockdown
- Orders up 36% to 203m due to major infrastructure project success

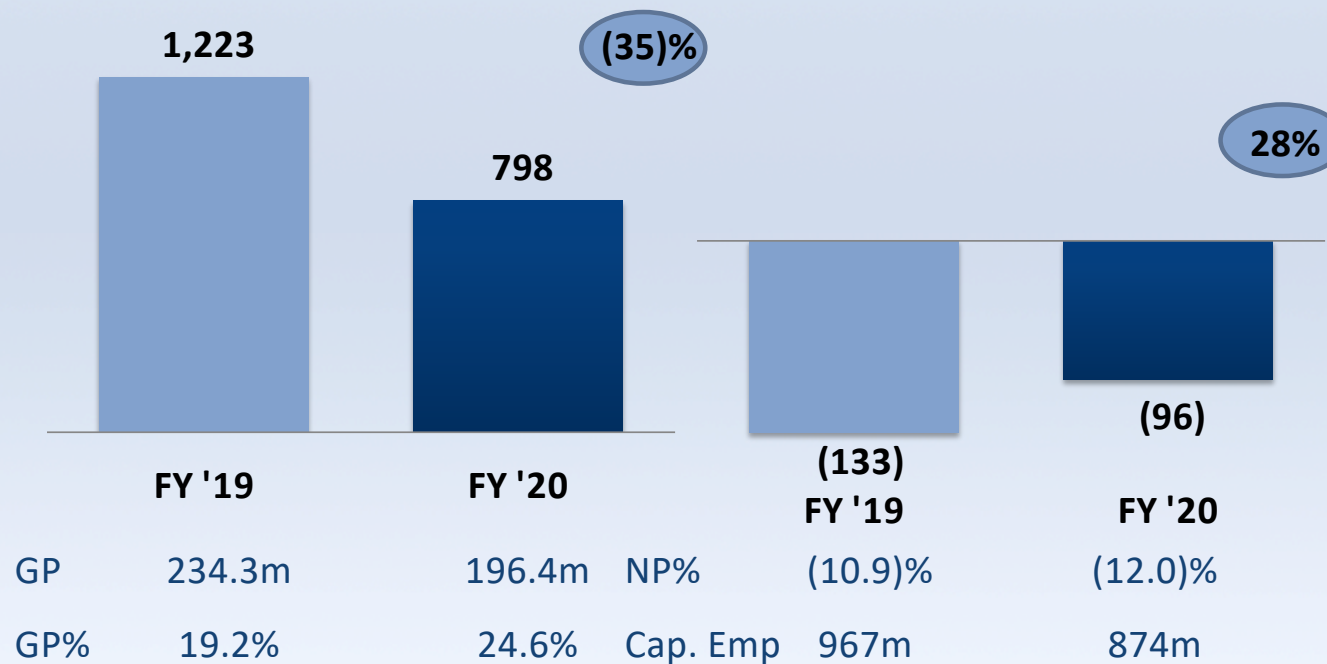
GP	38.9m	38.6m	NP%	8.6%	8.2%
GP%	19.9%	18.5%	Cap. Emp.	35m	65m

## Jewellery Trading

QAR m

### Revenue

### Net Profit

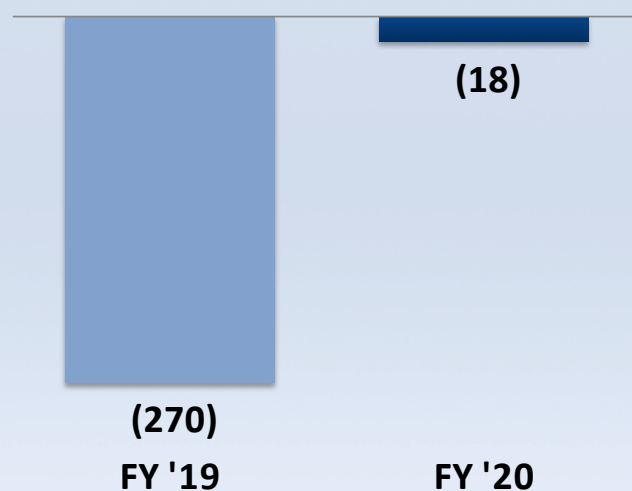


- Jewellery Revenues down by **426m** or **-35%** due to 1H'20 retail store closures due to COVID-19.
- Improving revenue and profit trend in 4Q'20 puts business on positive trajectory for 2021

## Telecom Retail

QAR m

### Share of Profit\*



- Lockdown of retail outlets across UAE and KSA resulted in losses in 1H'20
- 2H'20 losses limited to -2m as environment improved
- Axiom impairments of 284m recorded as a prior year restatement of FY'19

\* FY'19 Restated for 284m adjustments related to Telecom Retail segment

# Travel Division



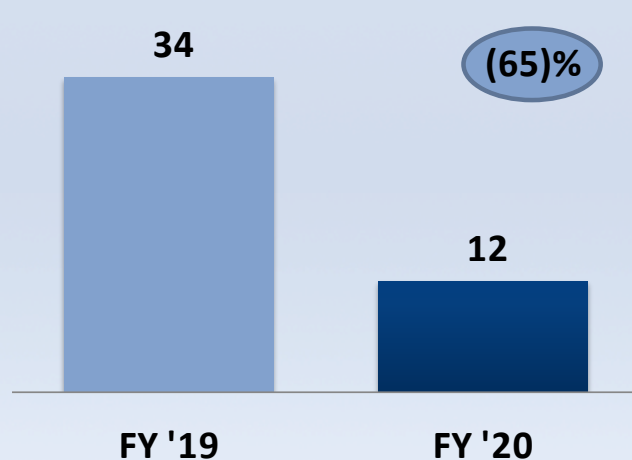
MANNAI AIR TRAVEL  
MANNAI CORPORATION QSC



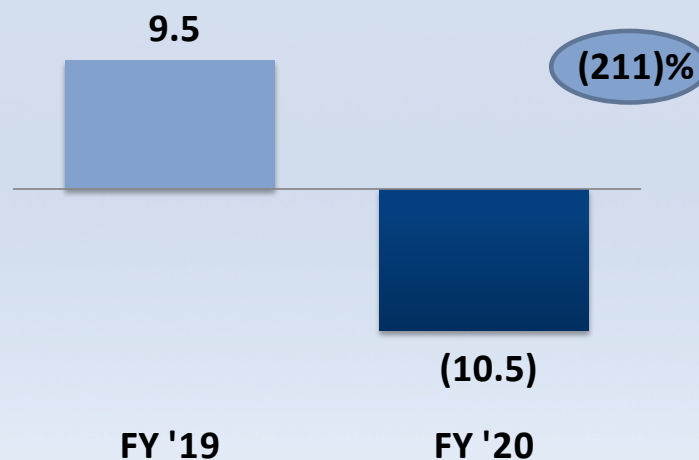
VFS.GLOBAL  
EST. 2001

QAR m

## Revenue



## Net Profit



- Earnings severely impacted by travel restrictions since March
- Significant headcount reductions carried out to reduce losses
- Limited improvement in 2H'20

GP	28.8	9.6m	NP%	28.0%	(87.6)%
GP%	85.3%	79.9%	Cap. Emp.	31m	19m

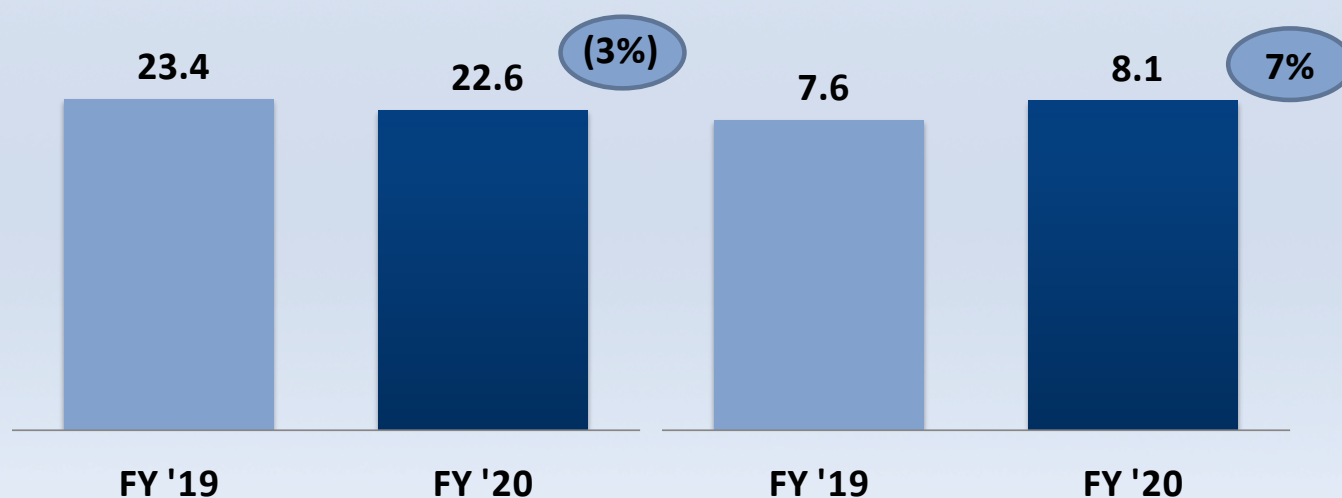
# Logistics



QAR m

## Revenue

## Net Profit



- Slight dip in 1H'20 revenues due to industrial area lockdown, leading to loss of handling revenues and fees
- Profit rebound in 2H'20 leading to full year growth in profit of **7%**

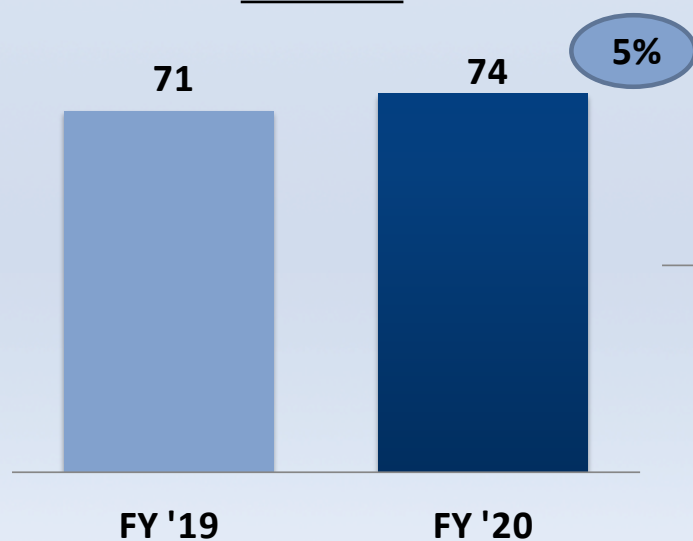
GP	13.0m	12.7m	NP%	32.6%	36.1%
GP%	55.7%	56.4%	Cap. Emp.	11m	14m



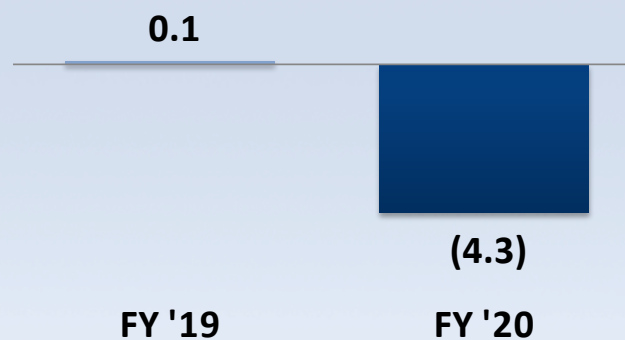
# Engineering

QAR m

## Revenue



## Net Profit



- Productivity impacted due to lockdown
- Outlook promising following 19% growth in orders and 87% growth in backlog during FY'20

GP	10.2	11.5m	NP%	(0.1)%	(5.8)%
GP%	14.4%	15.5%	Cap. Emp.	5m	1m

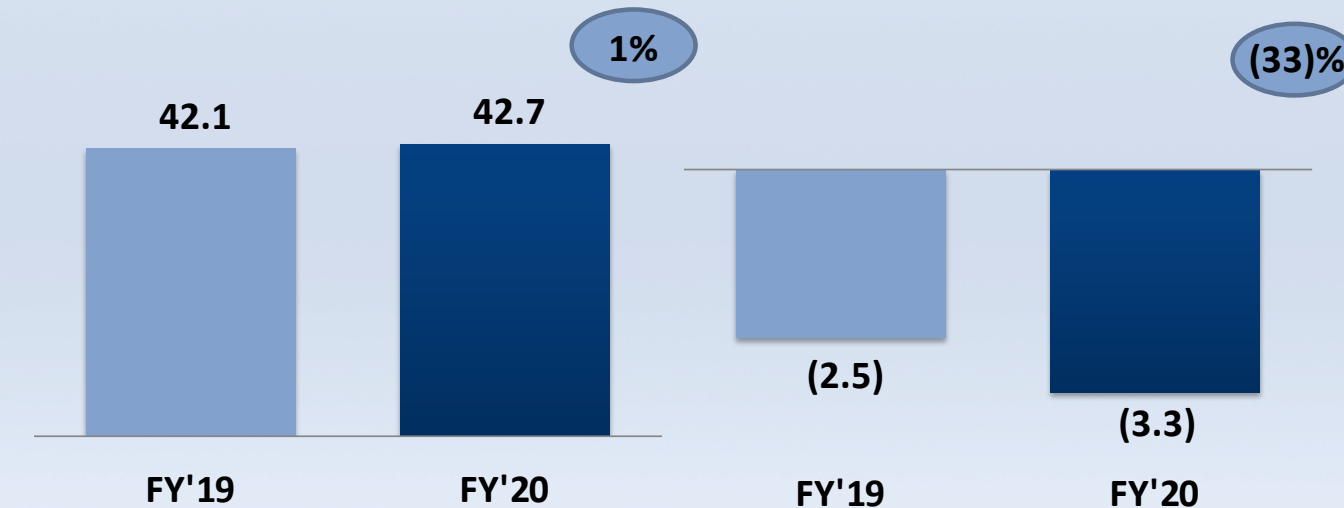


## Geotechnical Services

QAR m

### Revenue

### Net Profit



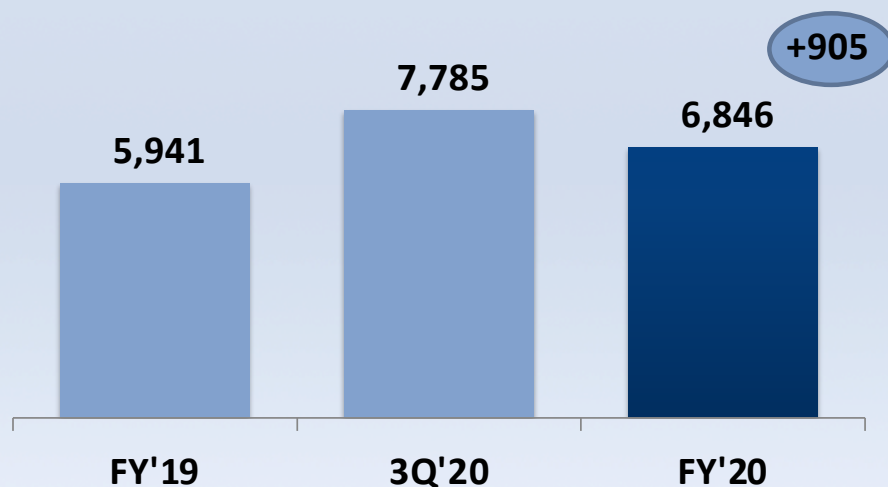
- Lockdown of Salwa Industrial Area impacted all laboratories, employees and geotechnical drilling equipment
- Outlook for 2021 positive after driven by strong project backlog of 119 Million

GP	11.2m	12.5m	NP%	(5.9)%	(7.7)%
GP%	26.7%	29.2%	Cap. Emp.	18m	15m

## Increase in Debt Driven by IECISA Acquisition

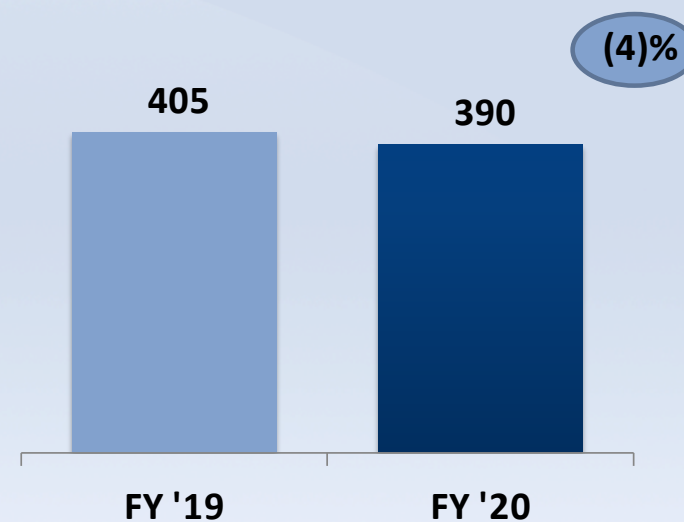
QAR m

### Net Debt



- Strong Q4 cash generation reduces net debt by 800m
- Increase due to Inetum acquisition of IECISA for 1,036m
- Debt decrease of 131m net of acquisition

### Finance Costs



- Interest rates trending lower reducing finance costs, offset by acquisition increase

**MANNAI CORPORATION Q.P.S.C**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the Year Ended 31 December 2020**

	<b>31 Dec 2020 QR '000</b>	<b>31 Dec 2019 QR '000</b>	<b>Variance vs. Last Year</b>	<b>V% Fav / (Unfav)</b>
Revenue	<b>12,388,482</b>	11,585,656	<b>802,826</b>	<b>7%</b>
Direct costs	<b>(9,740,366)</b>	(9,079,504)	<b>(660,862)</b>	<b>(7)%</b>
<b>Gross profit</b>	<b>2,648,116</b>	2,506,152	<b>141,964</b>	<b>6%</b>
<i>Gross Profit Margin %</i>	<b>21.4%</b>	21.6%	<b>(0.3)%</b>	
Other income	<b>63,659</b>	96,352	<b>(32,693)</b>	<b>(34)%</b>
Share of result from joint venture and associates	<b>8,393</b>	(227,104)	<b>235,497</b>	<b>(104)%</b>
General and administrative expenses	<b>(1,251,482)</b>	(1,130,662)	<b>(120,820)</b>	<b>(11)%</b>
Selling and distribution expenses	<b>(413,606)</b>	(471,386)	<b>57,780</b>	<b>12%</b>
Reversal / Impairment loss on financial assets and contract assets	<b>(70,921)</b>	23,609	<b>(94,530)</b>	<b>(400)%</b>
<b>Profit before interest, tax depreciation and amortisation</b>	<b>984,159</b>	796,961	<b>187,198</b>	<b>23%</b>
Finance costs	<b>(389,733)</b>	(405,210)	<b>15,477</b>	<b>4%</b>
Depreciation and amortisation	<b>(450,836)</b>	(371,262)	<b>(79,574)</b>	<b>(21)%</b>
<b>Profit for the period before tax</b>	<b>143,590</b>	20,489	<b>123,101</b>	<b>601%</b>
Income tax	<b>(129,142)</b>	(101,328)	<b>(27,814)</b>	<b>(27)%</b>
<b>Net profit for the period</b>	<b>14,448</b>	(80,839)	<b>95,287</b>	<b>(118)%</b>
<b>Attributable to :</b>				
Shareholders of the Company	<b>14,312</b>	(81,848)	<b>96,160</b>	<b>(117)%</b>
Non-controlling interests	<b>136</b>	1,009	<b>(873)</b>	<b>(87)%</b>
	<b>14,448</b>	(80,839)	<b>95,287</b>	<b>(118)%</b>

# Mannai Corporation QSC

**Tel: +974-4455 8888 Fax: +974 4455 8880**

**[www.mannai.com](http://www.mannai.com)**

## **CONTACTS**

### **Investor Relations**

**Ewan Cameron  
Chief Financial Officer**

**Abayazeed Ahmed  
Investor Relations Officer**

email: [investor.relations@mannai.com.qa](mailto:investor.relations@mannai.com.qa)

Tel (Direct) : +974-44558844