



EQUATE Group

FY 2018 Earnings Presentation

MARCH 11, 2019

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Agenda

- ◉ Group Overview
- ◉ 2018 Financial Results Highlights
- ◉ 2018 Financial Review
- ◉ Outlook and USGC Update
- ◉ Q&A

“*EQUATE is the world's second largest producer of Ethylene Glycol, the raw material used mainly to manufacture polyester fibers.*”



Our Shareholders

EQUATE has a robust shareholder base comprising the Government of Kuwait and Dow Chemical, a global industry leader.

57.5% of owners are public shareholding companies.

PETROCHEMICAL INDUSTRIES Co.

◐ 42.5%

THE DOW CHEMICAL COMPANY

◑ 42.5%

BOUBYAN PETROCHEMICAL

◒ 9%

QURAIN PETROCHEMICAL

◓ 6%

Group Overview

EQUATE Group is a global manufacturer and distributor of petrochemical products



Distribution markets

Kuwait facilities mainly distribute to Asia and METIP*



Germany facilities mainly distribute to Europe

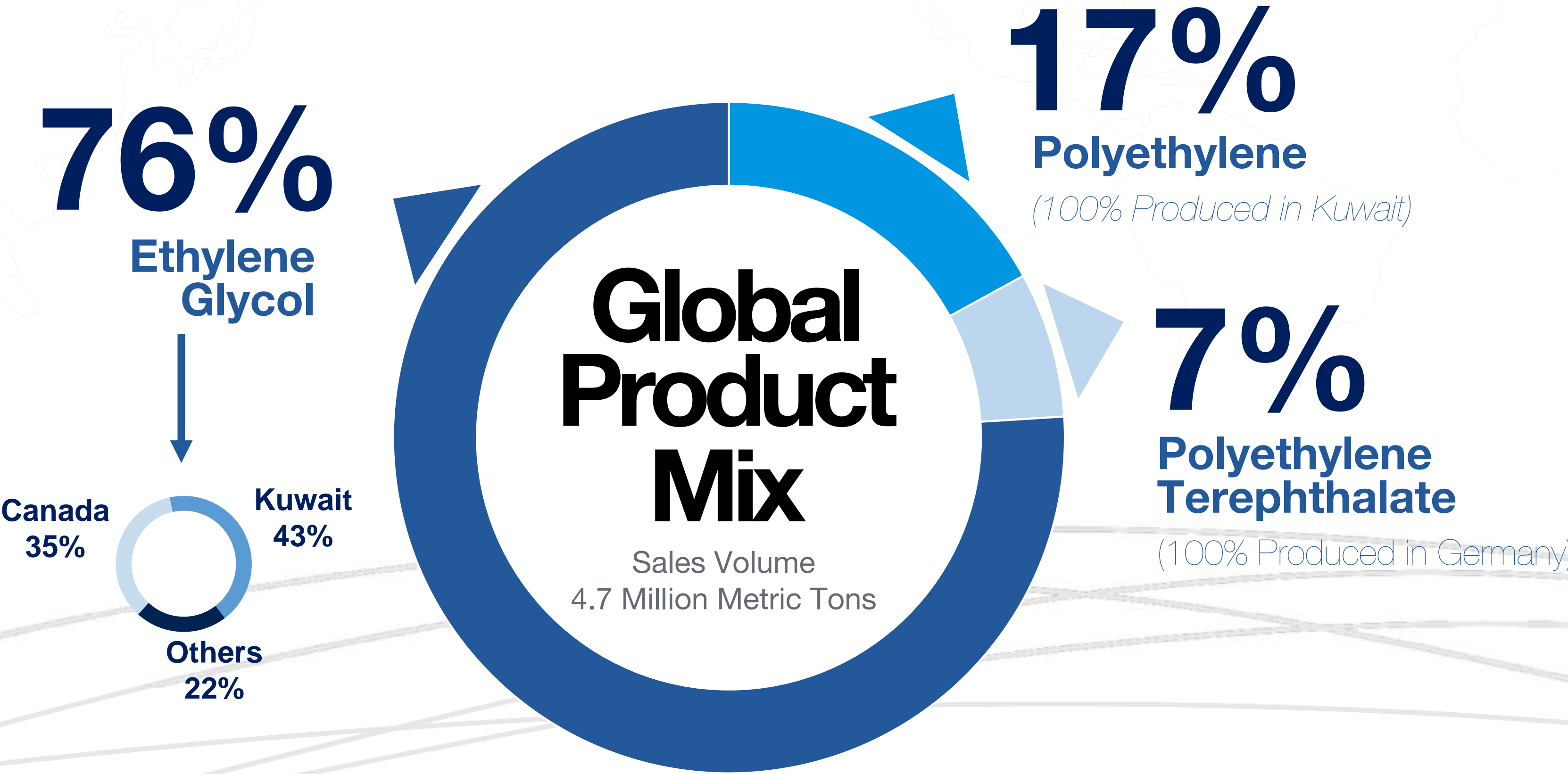


North America facilities mainly distribute to North America, South America and Asia



Credit Rating

MOODY'S	Baa2
STANDARD & POOR'S	BBB +

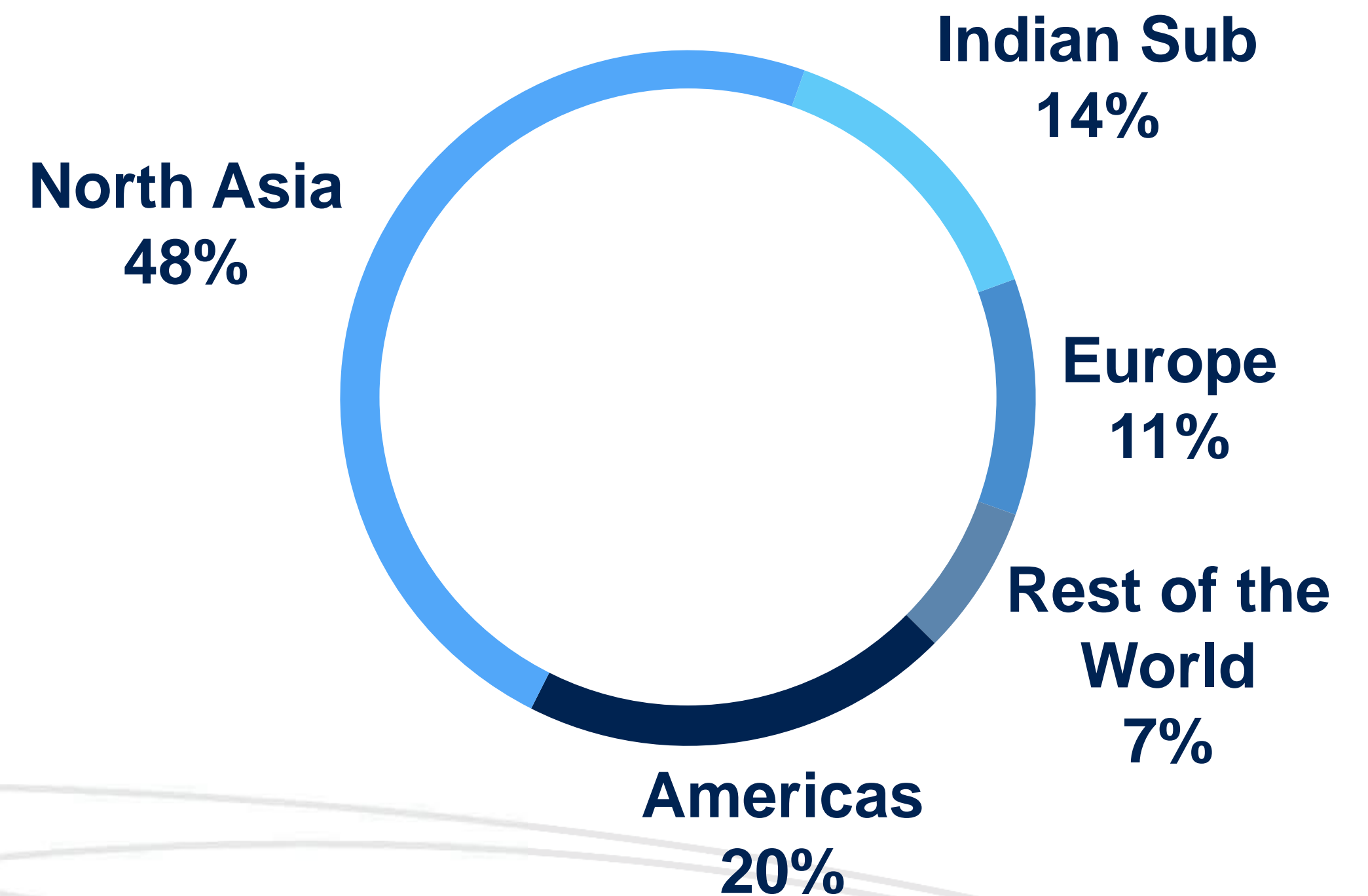


*METIP: Middle East, Turkey, and the Indian Subcontinent region

Group Overview - EG

**EQUATE
Maintains a
Strong Foothold
in Key EG
Markets**

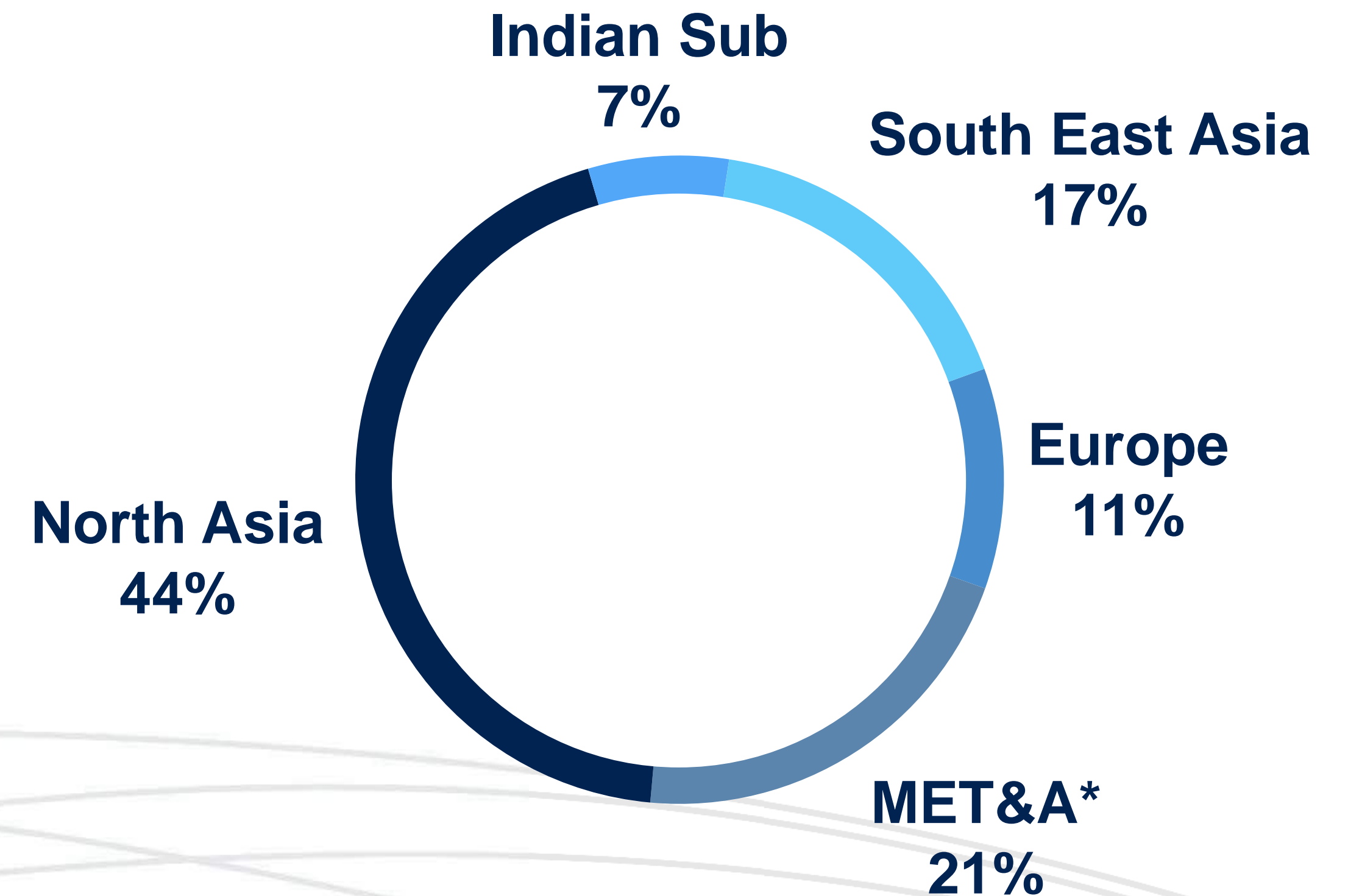
Group EG Sales by Region (2018)



Group Overview - PE

Group PE Sales by Region (2018)

**EQUATE is a
World Class
Producer of PE**



* Middle East, Turkey & Africa

Financial Results Highlights (\$MM)

Revenue

4,821

+13% vs 2017

EBITDA

2,121

+23% vs 2017

Net Income

1,560

+38% vs 2017

Net Debt to EBITDA

1.1x

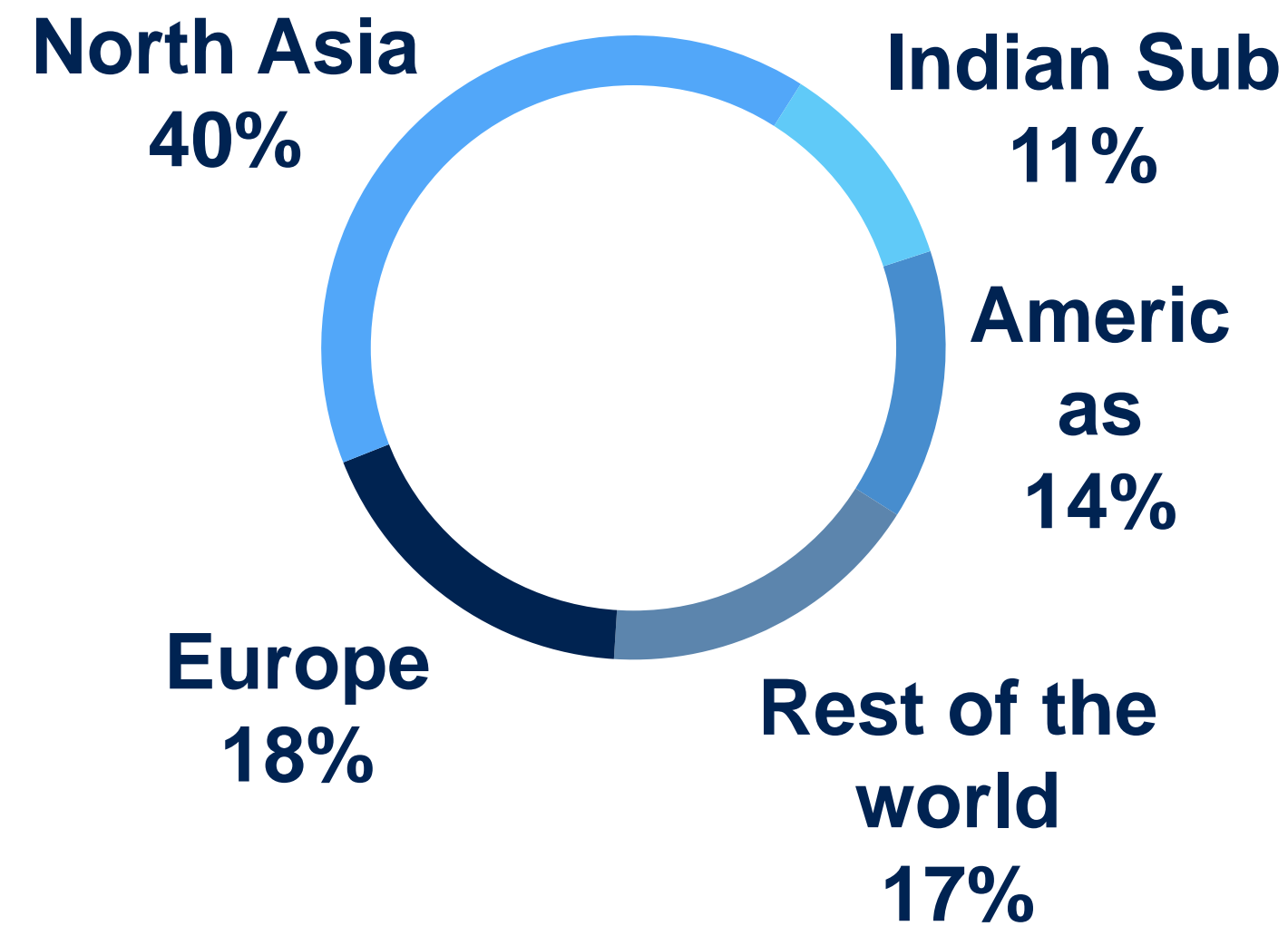
Volume ('000 MT)

4,694

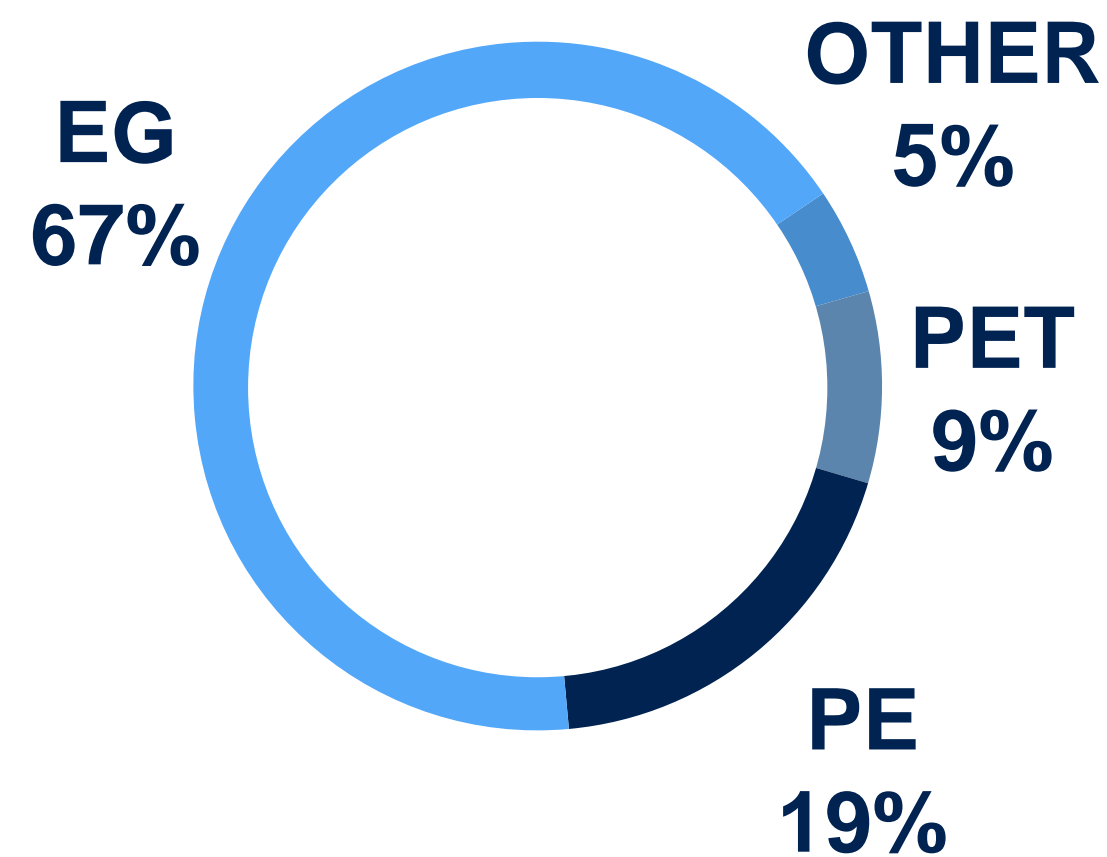
Financial Review

2018 Revenue

Revenue by Region



Revenue by Product



A Closer Look

EG Volume*: 3,603 +6%
Price: \$896 +5%

PE Volume*: 755 +2%
Price: \$1,218 +6%

PET Volume*: 336 +5%
Price: \$1,308 +18%

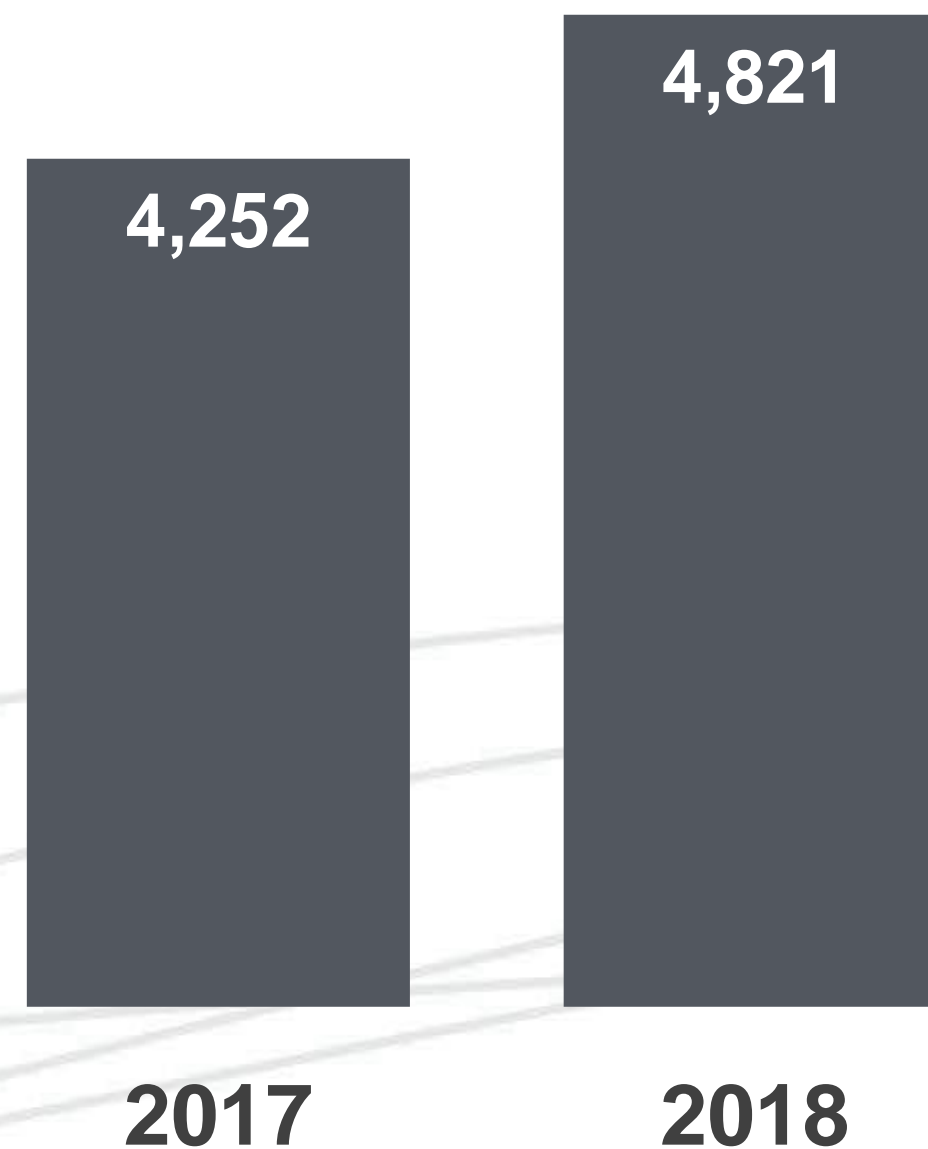
% Change compared to same period last year

The group reported FY18 total revenue of \$4,821 MM, a 13% increase compared to the same period last year.

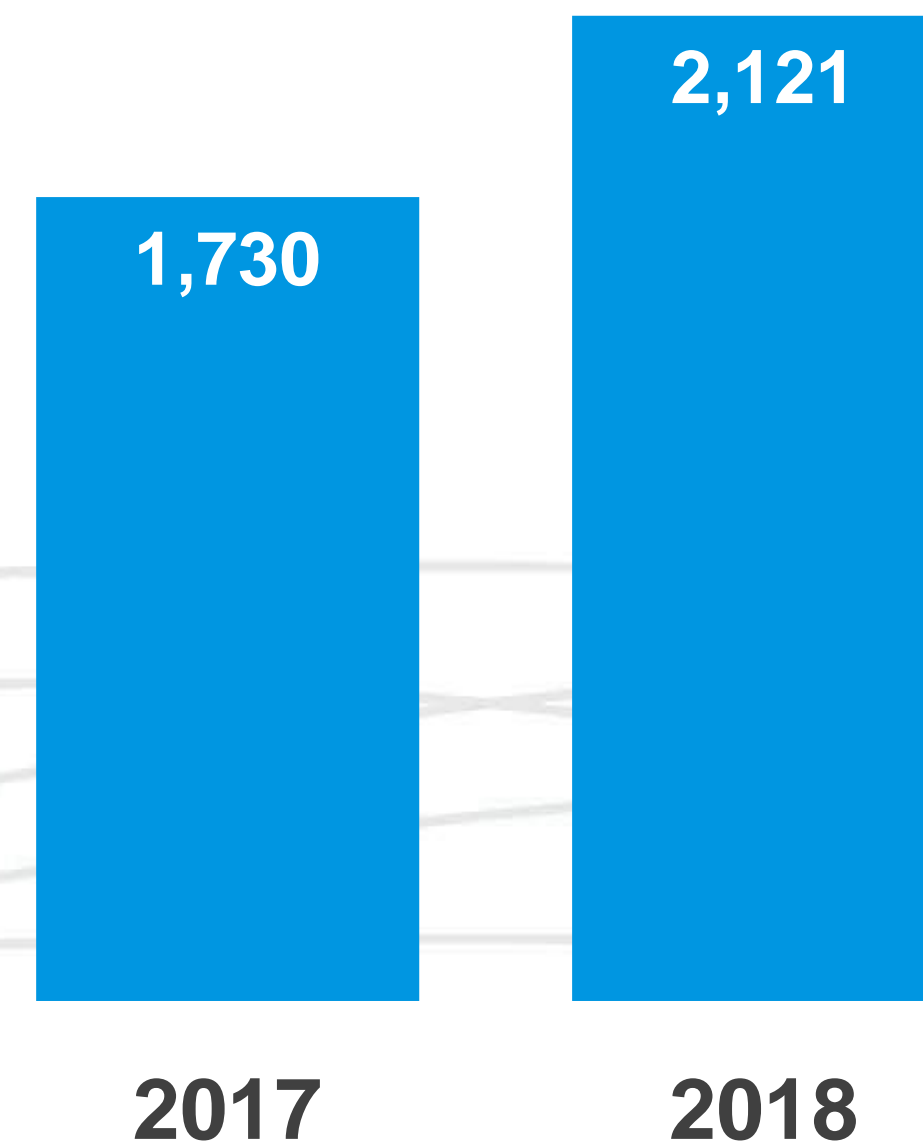
Profitability

Strong profitability with EBITDA Margin exceeding 44%, driven by operational excellence and effective cost management.

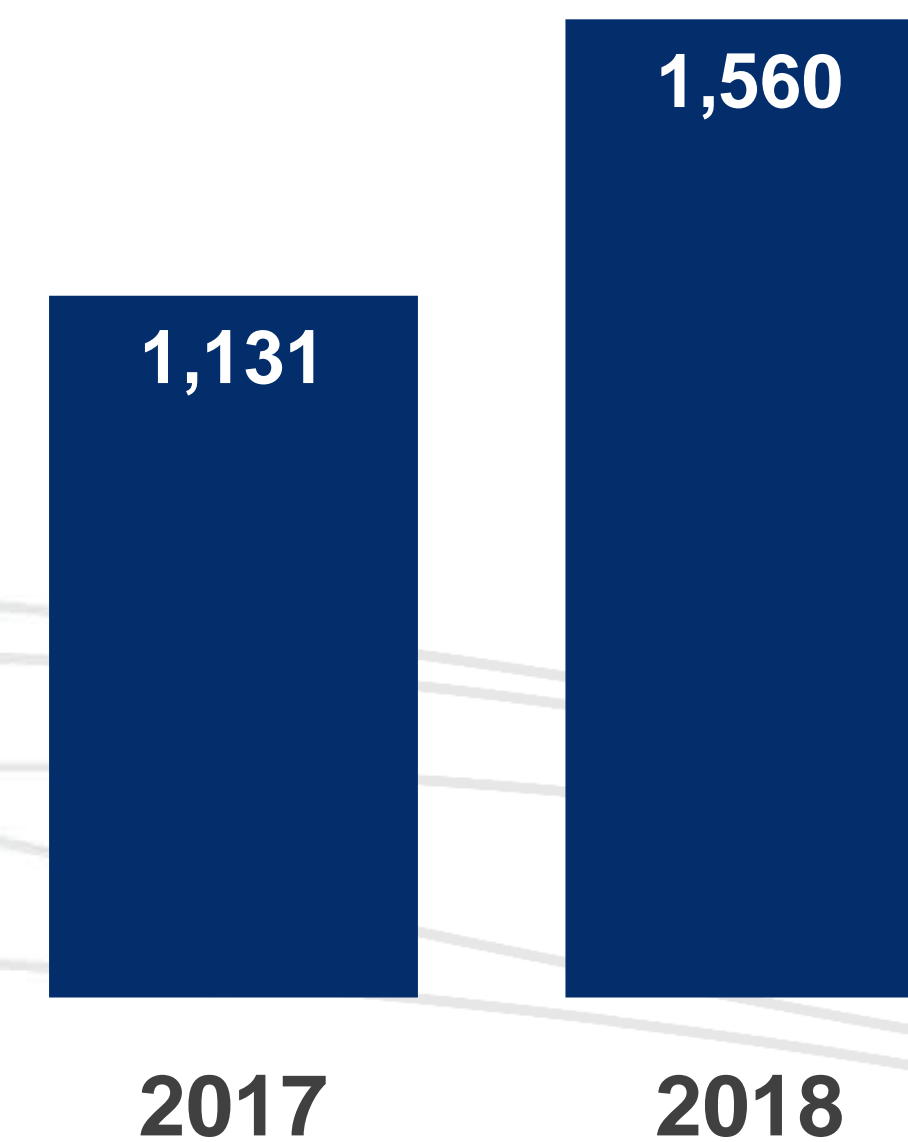
Revenue (\$MM)



EBITDA (\$MM)



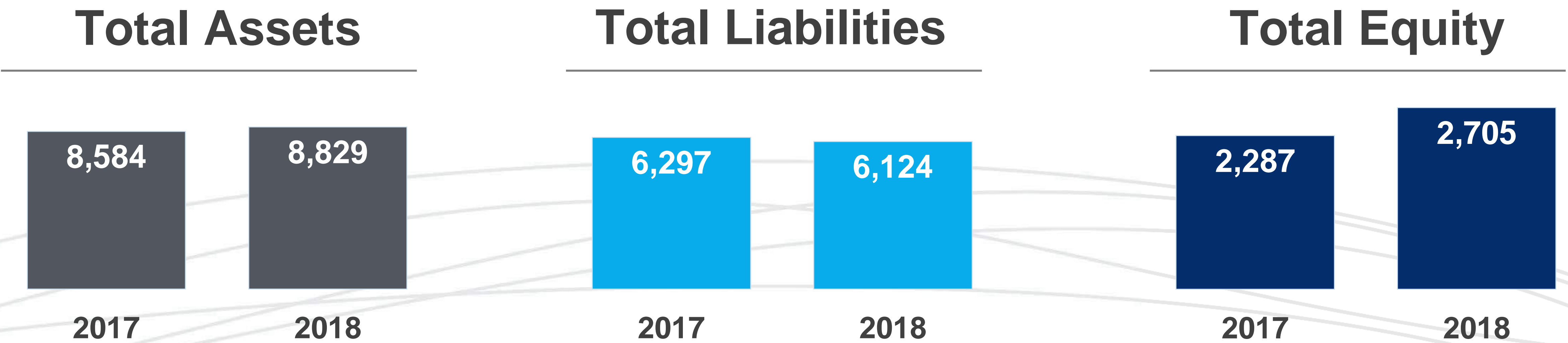
Net Profit (\$MM)



Financial Position (\$MM)



Cash on Hand	Gross Debt	Net Debt	EBITDA	Net Debt to EBITDA
2,239	4,650	2,411	2,121	1.1x



Cash Flow and Liquidity



Cash Flow

(In \$MM)

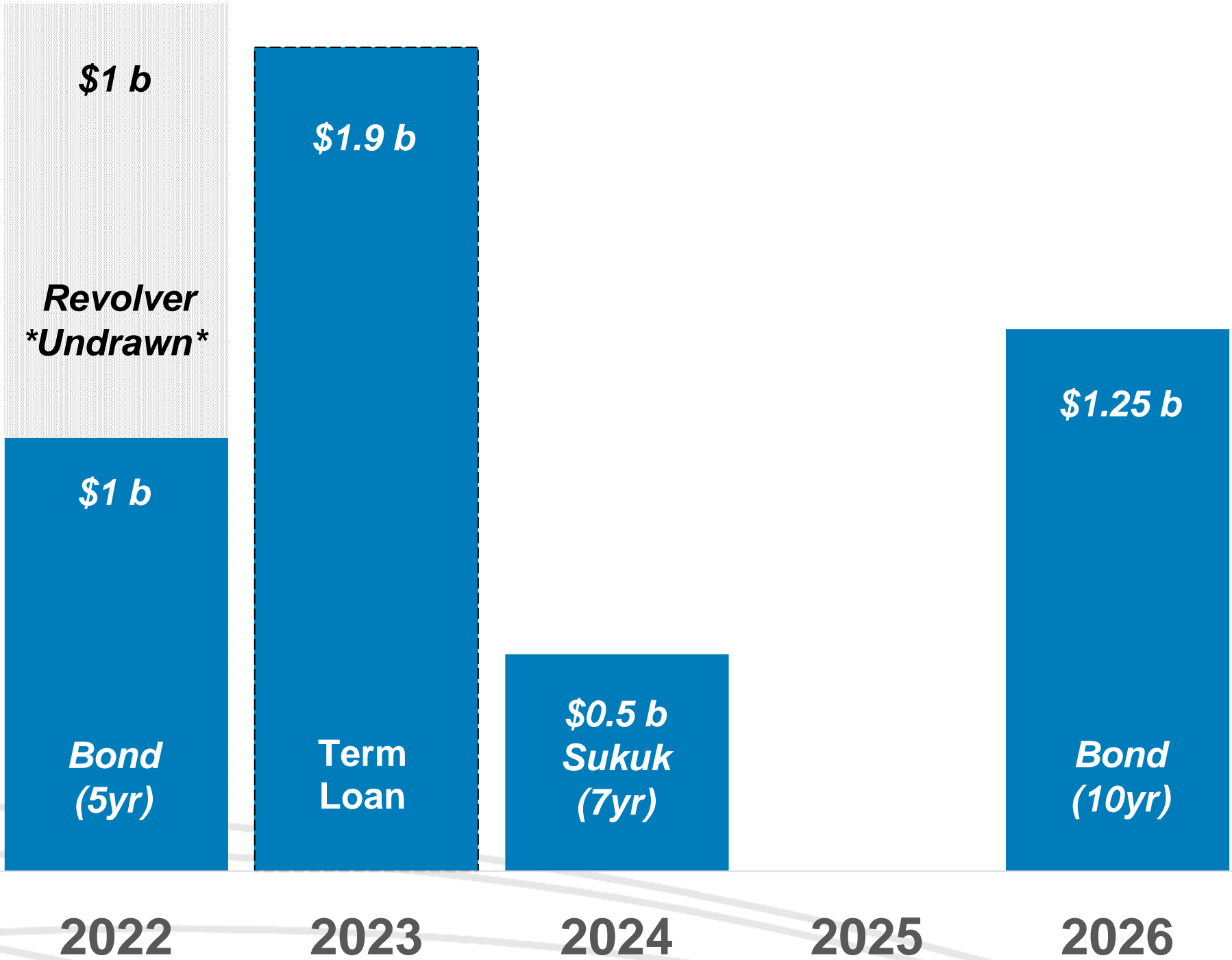
Cash flow from operating activities **2,132**

CAPEX **(622)**

Dividend **(1,131)**

Free cash flow 379

Debt Maturity Profile

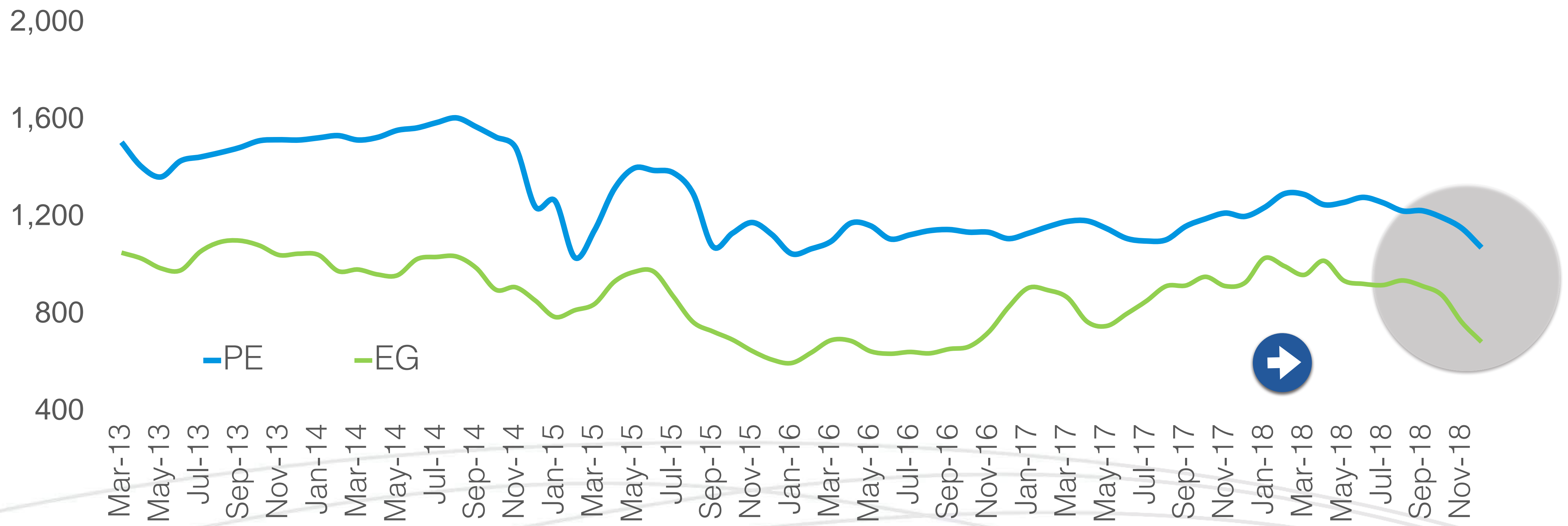


Outlook

Price Trend



PE + EG Prices



USGC Update

On line in 2019, US Gulf Coast project presents a significant growth opportunity for EQUATE.

- Leverages Dow's USGC infrastructure and low-cost, world-scale ethylene
- Enables further leveraging of MEGlobal's distribution footprint for EG
- USGC will further enhance asset mix and profitability



Safety & Sustainability

Operational Excellence

In EQUATE, operational excellence in EH&S goes hand in hand with top performance in reliability and assets utilization

2017 EH&S KPIs

Production 100% of plan

AMR 99%
Asset Mechanical Reliability

RIR 0
Recordable Injury Rate, accidents per 200,000 work hours.

PSCE 0
Process Safety & Containment Event. This applies to containment losses, reactive chemicals events and releases of hazardous process energy.

MVA 0
Motor Vehicle Accidents.

Safe Work Hours 64 million
The total of safe work hours without a day away from work case. This includes all employees, contractors and visitors.

NOV ZERO
Notice of Violation from EPA or any other regulatory authority due to non-compliance to the environmental regulation.

Sustainability

Integration of United Nations Sustainability goals by 2025

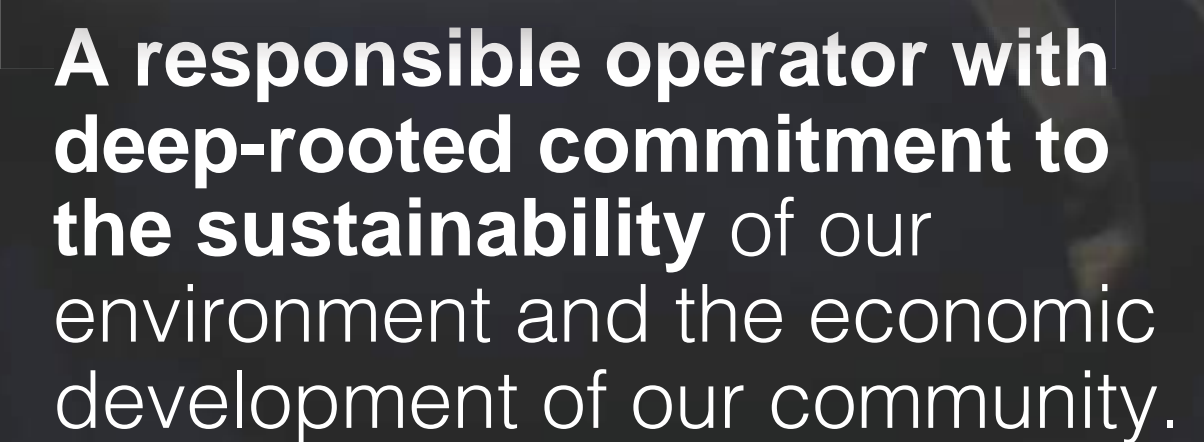
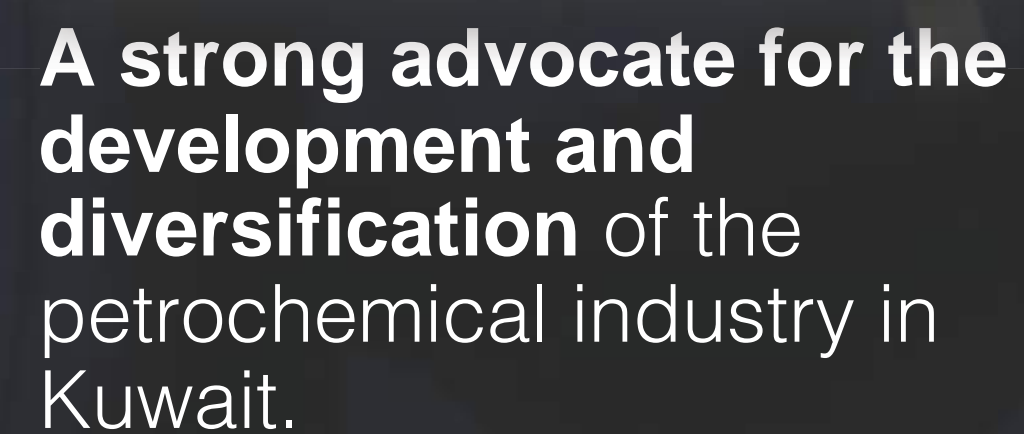


EQUATE is a responsible operator with deep-rooted commitment to the sustainability of the environment and the economic development of communities.

Since 2016, EQUATE strengthened its commitment to sustainability by adopting a strategy for the integration of the United Nations' 17 Sustainability Goals across EQUATE, **targeting integration by 2025 through three primary strategic focus areas: Environment, Economy, and Society.**

EQUATE has been maintaining the Responsible Care (RC 14001) certification since 2011 in Kuwait; and since 2004 for MEGlobal sites as per the RC code of practices in Canada.

We are



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