



Investment Holding Group Q.P.S.C

Investor Presentation

For the Six Months Period ended 30 June 2020

1	Introduction	•
2	Operating Environment	•
3	Business Review	•
4	Financial Overview	•
5	Appendix	•

- Investment Holding Group W.L.L. (the “Company” or “IHG”) was registered as a limited liability company in 2008 to consolidate the investments of the Company that were made in various companies since 1975. The legal status of the Company was converted to a Qatari public shareholding company effective 11th May 2017.
- IHG is registered in the State of Qatar under CR. No. 39127.
- IHG is one of the Qatar’s leading companies with diversified business activities, that operates at different levels such as construction and contracting, specialized contracting (mechanical, electrical and plumbing), supply of building materials, safety equipment, wooden products, fire fighting systems, and other related materials, in addition to food, chemical and consumable supplies
- The Group has maintained a consistent rate of growth in profits and investment returns.

Consolidated Statement of Financial Position

	June 30, 2020 QR. ‘000	December 31, 2019 QR. ‘000
Total Assets	1,412,556	1,422,203
Total Liabilities	577,936	603,812
Total Shareholders’ Equity	834,620	818,391
Equity attributable to the shareholders of IHG	811,480	796,078

Consolidated Statement of Profit or Loss

	June 2020 QR. ‘000	June 2019 QR. ‘000
Total Revenue	150,914	211,697
Gros Profit	35,843	52,073
Gross Profit margin	24%	25%
Net Profit for the period	16,229	29,441
Net Profit attributable to the shareholders of IHG	15,402	27,838
Net Profit margin	11%	14%
Earning Per Share (QR/share)	0.019	0.034

Operating Segment Revenue

	June 2020 QR. ‘000	June 2019 QR. ‘000
Contracting	6,395	36,540
Specialized contracting	82,412	101,879
Trading	37,156	45,581
Water treatment and related maintenance	24,951	27,697

1	Introduction
2	Operating Environment
3	Business Review
4	Financial Overview
5	Appendix



Mission

To contribute to the development of the local economy, deliver steady and sustainable returns for our shareholders while it diversifies its investments in a variety of sectors, including construction, manufacturing, engineering, education, healthcare, trading, hospitality and real estate.



Vision

To invest to grow organically and inorganically in order to be recognized as a market leader in each sector in which it invests in, by achieving sustainable growth and maintaining high quality performance building on its core values, people and expertise.



Strategies

- ❖ Activate management on the portfolio companies, to guarantee work continuity and optimize profit. In fulfilling this strategy, IHG management will regularly review the strategic plans developed by subsidiaries' management to ensure being responsive to the changing business environment in which the Group and its subsidiaries operate.
- ❖ Diversify the Group's investments portfolio in an aim to diversify its income, minimize risk, boost bottom line and improve the Group's cash flow. In our diversification, we are targeting companies in defensive industries with high profit margins and low risk levels.
- ❖ Deleverage the Group's balance sheet to reduce interest payments, resulting in an increase in the cash flow. This will enable the Group to reinvest in new opportunities and guarantee a sustainable growth.
- ❖ Bolster the Group's relationship with existing clients by addressing their demands and maintaining the highest quality standards at the same time.
- ❖ Establish and leverage on strategic partnerships and joint ventures with industry leaders in order to increase success rate in obtaining new project work and strengthen the Group's brand and reputation.
- ❖ Sustain revenue growth and profitability through project selection by focusing on markets where the Group can capitalize on its expertise and track record and through targeting specialized projects with high profit margins.
- ❖ Secure the Group's financial position by establishing and maintaining strong relationships with banks in Qatar, to ensure self-sufficiency for existing capital needs and maintaining healthy levels of liquidity. Additionally, we are actively targeting the areas for reducing operational costs and increasing efficiencies of our portfolio companies, while complying with the highest standards of quality and safety.
- ❖ Foster a working environment that promotes professional growth through provision of training and development to employees in order to attract, develop and retain the best available personnel for positions of substantial responsibility.

Board of Directors

	Name	Designation
1	HE Ghanim Sultan Al-Hodaifi Al-Kuwari	Chairman
2	Khalid Ghanim S Al-Hodaifi Al-Kuwari	Vice Chairman
3	Sheikh Nasser bin Ali bin Saud Al Thani	Board Member (Independent, Non-Executive)
4	Hamad Abdulla Shareef Al Emadi	Board Member (Independent, Non-Executive)
5	Omer Abdulaziz Al-Marwani	Board Member (Independent, Non-Executive)
6	Abdul-Rahman Ghanim S Al-Hodaifi Al-Kuwari	Board Member (Non-Independent, Non-Executive)
7	Mohammed Ghanim S Al-Hodaifi Al-Kuwari	Board Member (Non-Independent, Executive)
8	Sultan Ghanim S Al-Hodaifi Al-Kuwari	Board Member (Non-Independent, Non-Executive)
9	Hamad Ghanim S Al-Hodaifi Al-Kuwari	Board Member (Non-Independent, Non-Executive)
10	Abdul-Aziz Ghanim S Al-Hodaifi Al-Kuwari	Board Member (Non-Independent, Non-Executive)

Board committees

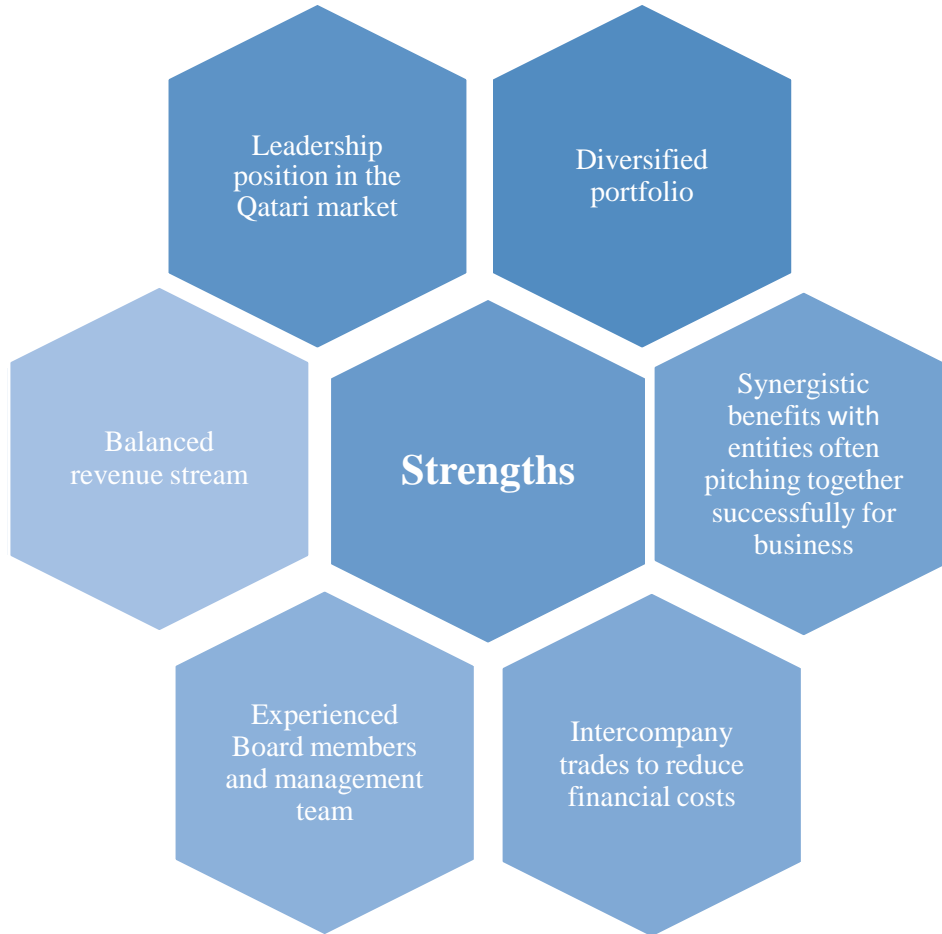
Group Board Nomination and Remuneration committee	Designation
Sheikh Nasser bin Ali bin Saud Al Thani	Chairman
Khalid Ghanim Sultan Al Hodaifi Al Kuwari	Member
Hamad Abdulla Shareef Al Emadi	Member
Hamad Ghanim Sultan Al Hodaifi Al Kuwari	Member

Group Board Audit and Risk Management committee	Designation
Omar Abdul-Aziz Al-Marwani	Chairman
Sheikh Nasser Ali S Thani Al-Thani	Member
Walid Ahmed Al Saadi	Member – Board Advisor

Executive Management

Name	Designation
Samer Wahbeh	Group Chief Executive Officer
Mohamed Ghanim Al Kuwari	Deputy CEO
Mohamed Abdulla	Group Chief Financial Officer
Sanaa Daakour	Head of Legal Affairs
Mohamad Rizk	Group Head of HR and Administration
Asmaa Belal	Investor Relations Officer

1	Introduction
2	Operating Environment
3	Business Review
4	Financial Overview
5	Appendix

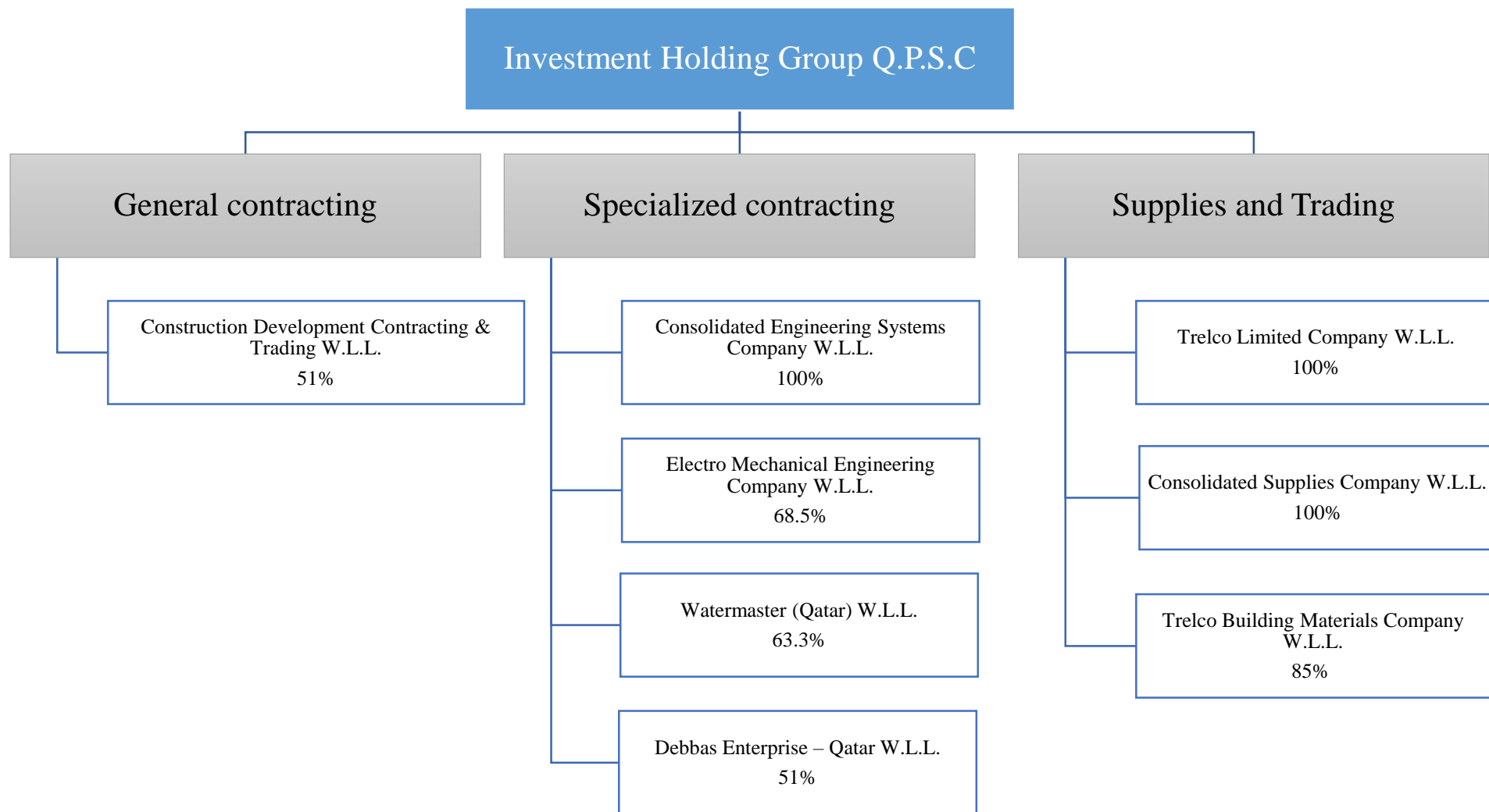


Opportunities

The Group aims to benefit from the economic growth in the country, especially in non-oil sectors, including healthcare, education and transportation, along with those related to the hosting of World Cup in 2022.

Exploring opportunities arising by the economic diversification in the local market, as part of the Qatar National Vision 2030

The Group capitalize on the country's positive sentiment in terms of new business and investment opportunities emerging from the country's objective for self-sufficiency in food production and manufacturing.



- Established in 2006
- Specialized in fire fighting and low current systems associated with commercial and residential complexes, industrial plants and military establishments. Also specializes in lighting and electrical installation material for different applications
- Certificates awarded ; ISO 9001:2015, ISO 14001:2015 and 18001:2007.



Consolidated
Engineering Systems
Company W.L.L.
(CESCO)



Consolidated Supplies
Company W.L.L.
(CSC)

- Established in 1977.
- A supply and trading company serving diverse market sectors including information technology and communications, security, engineering, construction, transport, materials, services, energy and consumer products.
- TLC specializes in the trading of industrial materials & chemicals, oil & gas, water treatment, agricultural & health chemicals.
- One of the major suppliers of imported foods and beverages, beauty cosmetics and other consumer goods in Qatar
- Shares of Trelco Limited were transferred to IHG in 2008



Trelco Limited
Company W.L.L.
(TLC)



Watermaster Qatar
Company W.L.L.
(WMQ)

- Established in 2002, CSC is a multidivisional company which is specialized in fire extinguishers refilling and servicing, supply and maintenance of electrical, lighting, sanitary-ware and personal protective equipment.
- CSC supplies other building materials such as safety equipment, power tools, hand tools, plumbing materials, lighting fixtures, binding wires and other accessories, which are commonly used in construction projects.
- Established multiple divisions with international brand names including Waiss and Hammer Man being distinguished products for sanitary ware and personal protective equipment respectively, which are exclusive trademarks for CSC.

- Established in 2006
- A leading specialized contracting company in the wellness industry, specializing in water-related projects encompassing Water Features, water/ waste water treatment, wellness & pools and musical fountains.
- Provides design of the treatment plants, sub water networks as well as supply, installation, commissioning and maintenance of the treatment plants.
- Completed around 170 projects in Qatar.
- Certificates awarded ; ISO 9001:2015, ISO 14001:2015 and 18001:2007.

- Established in early 2005
- A civil contracting company which provides a full range of construction services.
- Executed many projects including turnkey projects, design & build, maintenance & renovation and value engineering.
- More than 70 completed distinguished projects
- The Company established structural, MEP and architectural divisions, qualifying it to execute most of the construction works in house.
- Certificates awarded ; ISO 9001: 2008 and ISO 14001: 2004

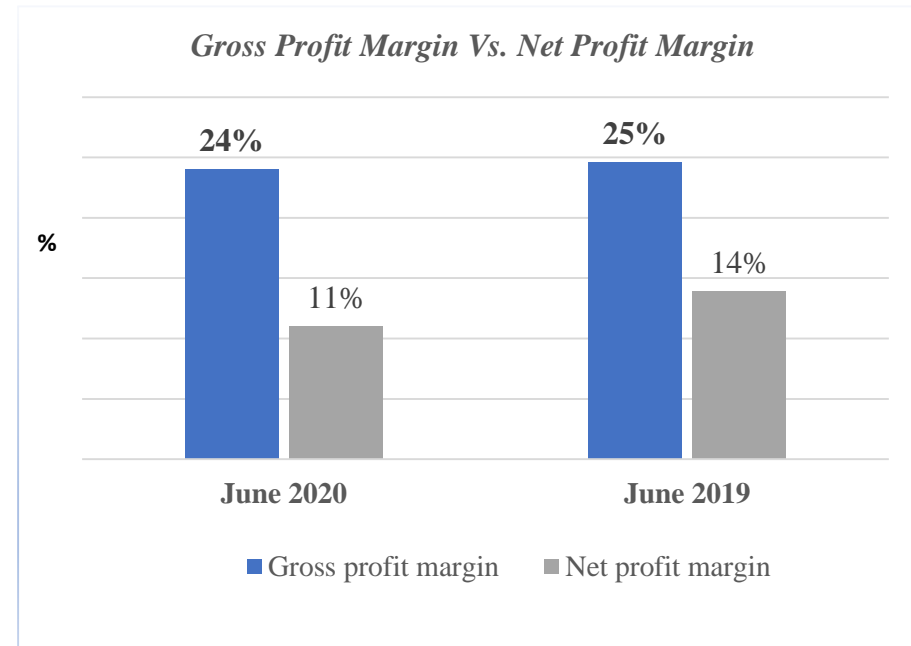
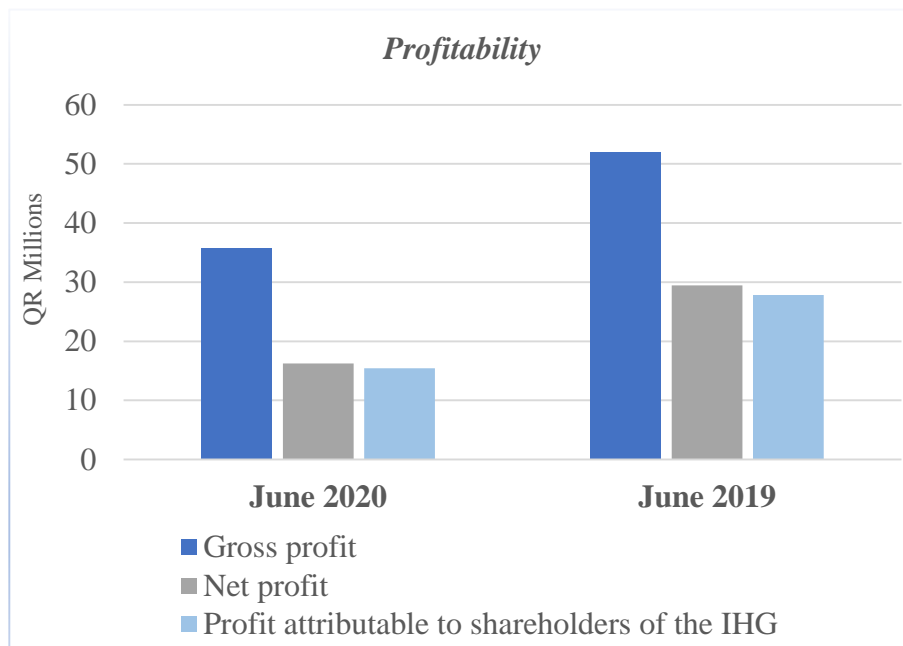


- Established in 2005.
- A premier provider of construction and contracting services in Qatar.
- Provides various mechanical, electrical and contracting activities. Its areas of specialty include installation and maintenance of HVAC, plumbing, drainage and water supply systems. It also specializes in supply, installation and maintenance of high voltage and low voltage equipment, in addition to low current, security and building management systems.
- Certificates awarded ; ISO 9001:2015, ISO 14001:2015 and ISO:45001:2018.

- Established in 2006, in partnership with Debbas Holding – Lebanon.
- An electro mechanical contracting company.
- Specialized in the electromechanical projects and services such as mechanical, electrical, plumbing, low voltage works, data center infrastructure in addition to street lighting installations.
- Structured to tackle the entire process from design support, planning and comprehensive engineering to complete execution and integrated facility management services
- Certificates awarded ; ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007.

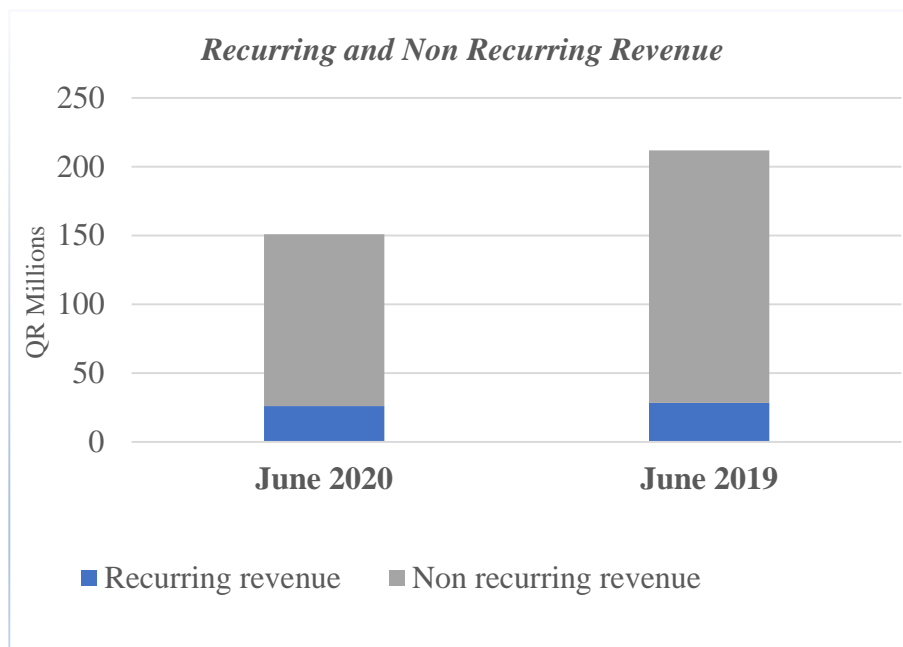
- Established in 2008.
- One of the leading providers of building materials, including (but not limited to), prop pipe supports, scaffolding, soft wood species, hard wood species, engineering panels and wood-based panels engineering products.
- Offers wide range of wooden products to its clients, mainly the civil contracting companies, joinery and wood works factories, governmental projects, factories, and individuals.
- Certificates awarded ; ISO: 9001:2015.

1	Introduction
2	Operating Environment
3	Business Review
4	Financial Overview
5	Appendix

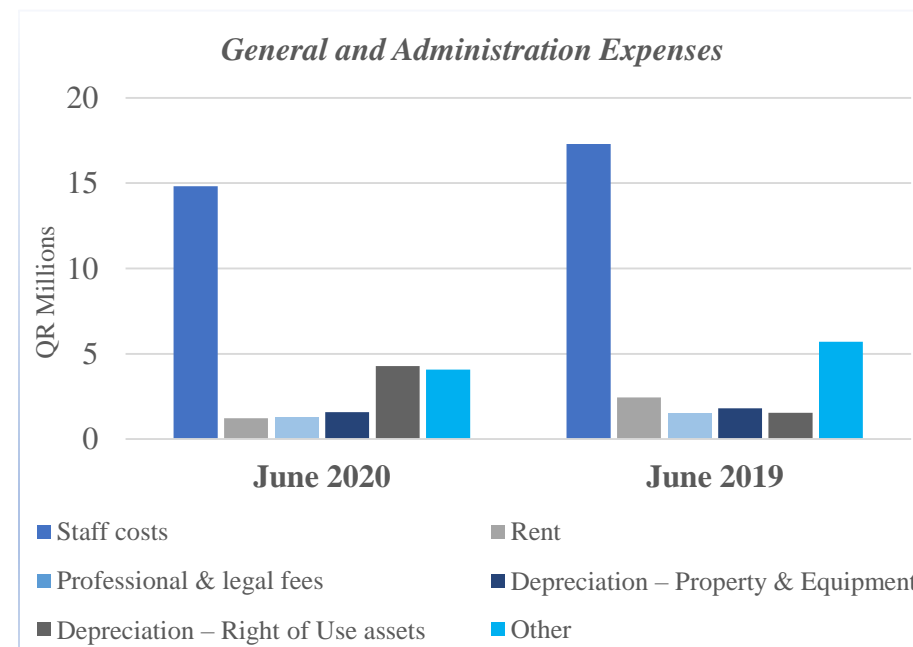


	June 2020 QR. Millions	June 2019 QR. Millions
Gross profit	35.8	52.1
Net profit	16.2	29.4
Profit attributable to shareholders of IHG	15.4	27.8

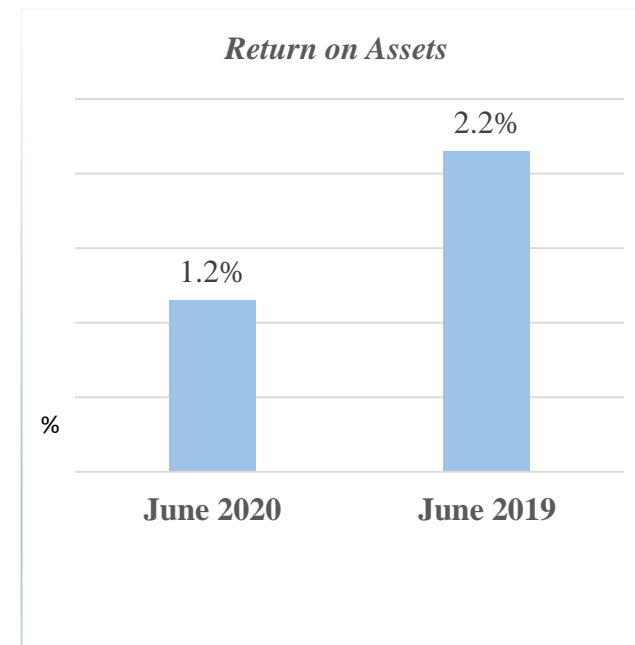
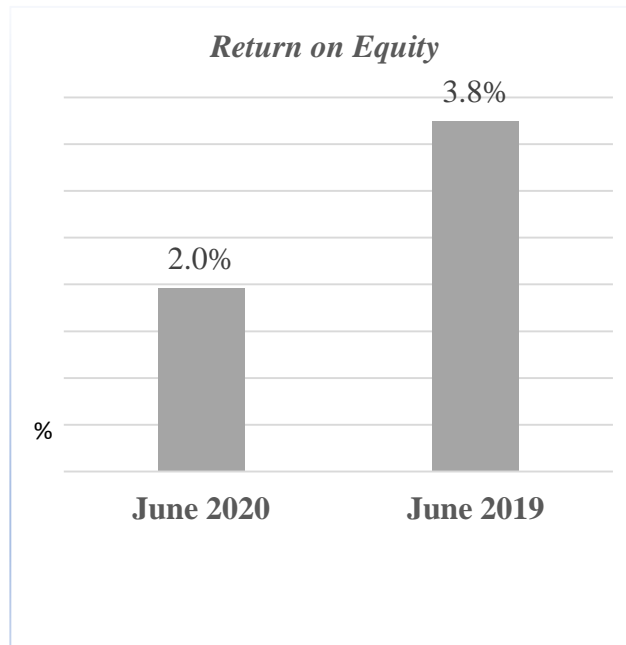
	June 2020 %	June 2019 %
Gross profit margin	24%	25%
Net profit margin	11%	14%



	June 2020 QR. Millions	June 2019 QR. Millions
Recurring revenue	26.0	28.2
Non recurring revenue	124.9	183.5
Total Revenue	150.9	211.7



	June 2020 QR. Millions	June 2019 QR. Millions
Staff costs	14.8	17.3
Rent	1.2	2.4
Professional & legal fees	1.3	1.5
Depreciation – Property & Equipment	1.6	1.8
Depreciation – Right of Use assets	4.3	1.5
Others	4.1	5.7



Earning per Share:

Profit for the period attributable to shareholders of IHG/Weighted average number of shares outstanding during the period

Return on Equity:

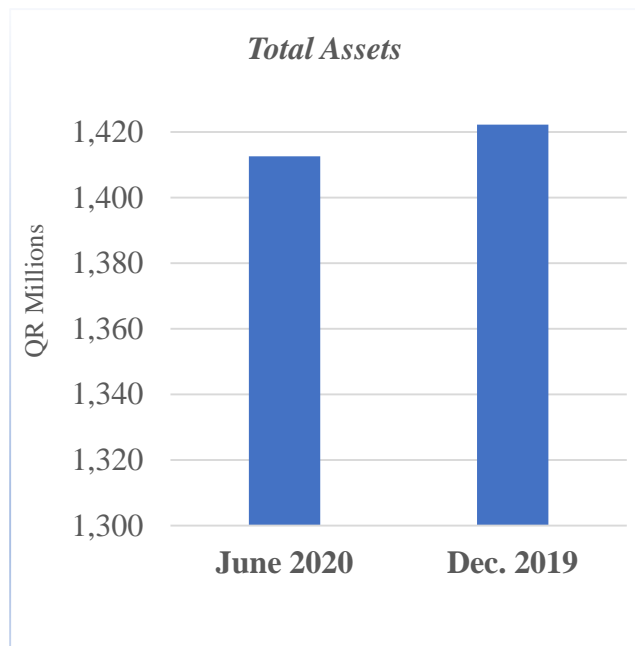
*Net profit for the period / Average Total Equity**

**Average Total Equity=(Beginning Equity+ Ending Shareholders Equity)/2*

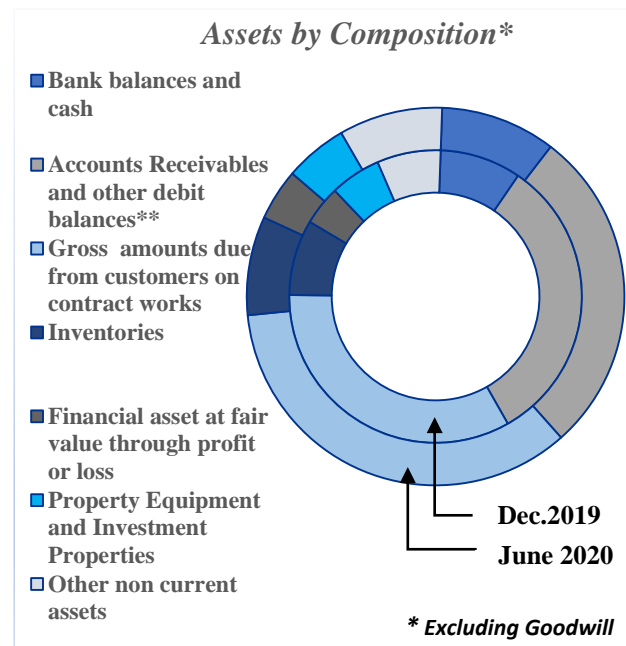
Return on Assets:

*Net profit for the period /Average Total Assets***

***Average Total Assets=(Beginning Total Assets + Ending Total Assets)/2*

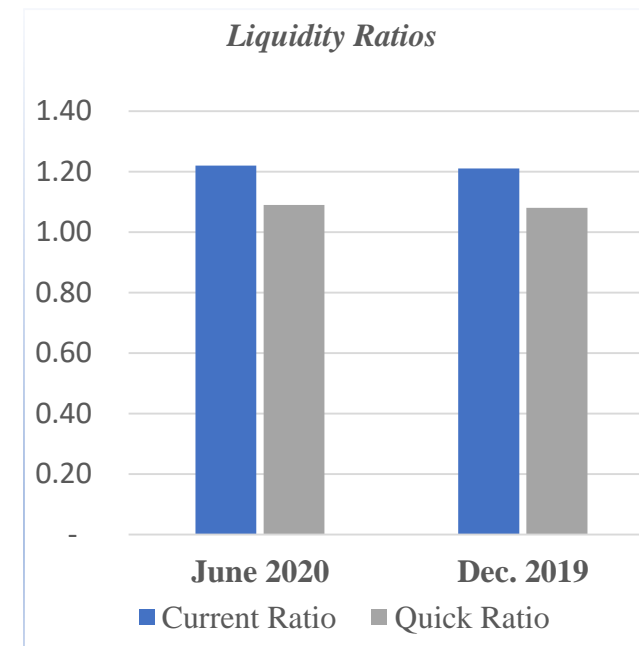


	June 2020 QR. Millions	Dec. 2019 QR. Millions
Total assets	1,412.6	1,422.2



	June 2020 %	Dec. 2019 %
Bank balances and cash	10%	9%
Accounts Receivables and other debit balances**	28%	32%
Gross amounts due from customers on contract works	35%	34%
Inventories	9%	8%
Financial asset at fair value through profit or loss	4%	4%
Property Equipment and Investment Properties	5%	6%
Other non current assets	9%	7%

** Accounts receivables and other debit balances include accounts receivable and other debit balance and due from related parties



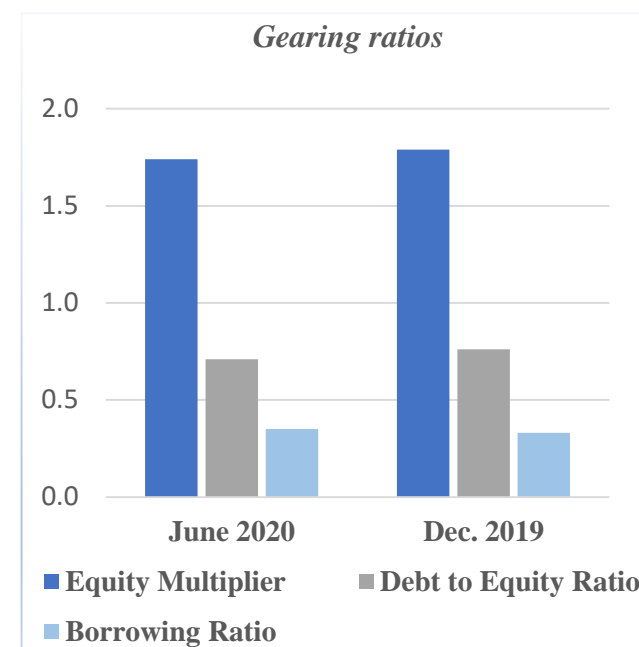
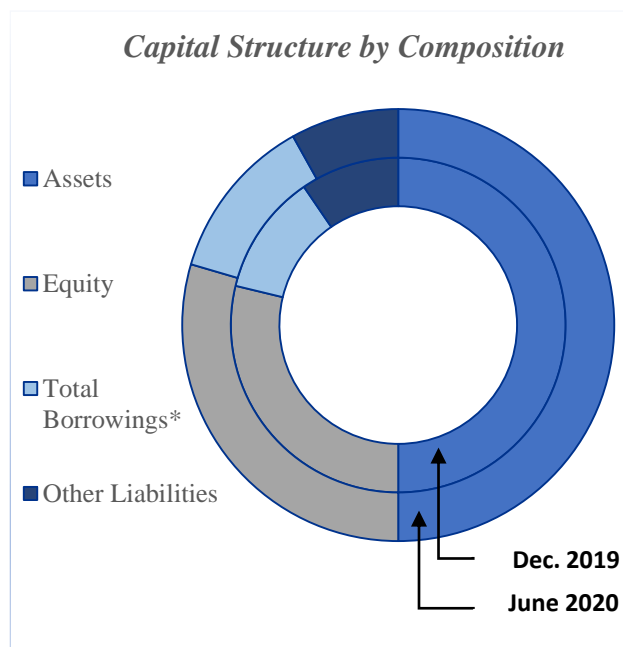
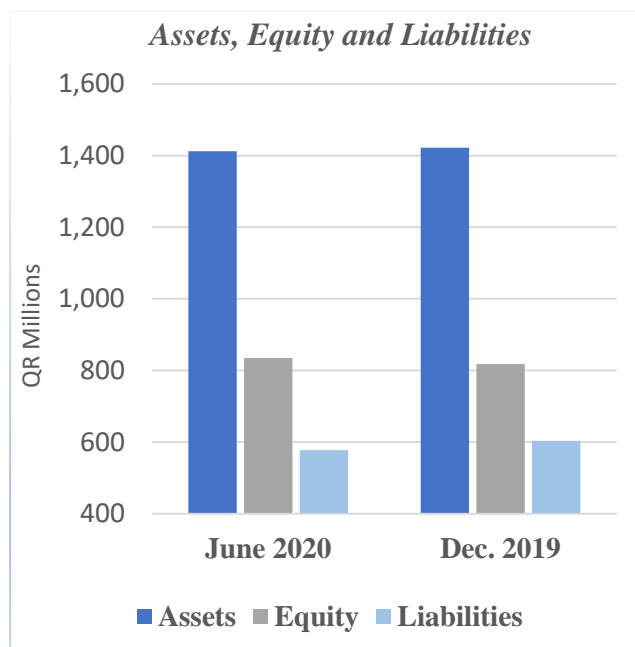
	June 2020 Times	Dec. 2019 Times
Current ratio	1.22	1.21
Quick ratio	1.09	1.08

Current Ratio:

Total current assets/Total current liabilities

Quick Ratio:

(Total current assets – inventories)/Total current liabilities



	June 2020 QR. Millions	Dec. 2019 QR. Millions
Assets	1,412.6	1,422.2
Equity	834.6	818.4
Liabilities	577.9	603.8

	June 2020 %	Dec. 2019 %
Assets	50%	50%
Equity	30%	29%
Total borrowings*	12%	12%
Other liabilities	8%	9%

* Total borrowing represent all bank facilities and bank overdrafts

	June 2020 Times	Dec. 2019 Times
Equity multiplier	1.74	1.79
Debt to equity ratio	0.71	0.76
Borrowing Ratio	0.35	0.33

Equity Multiplier:

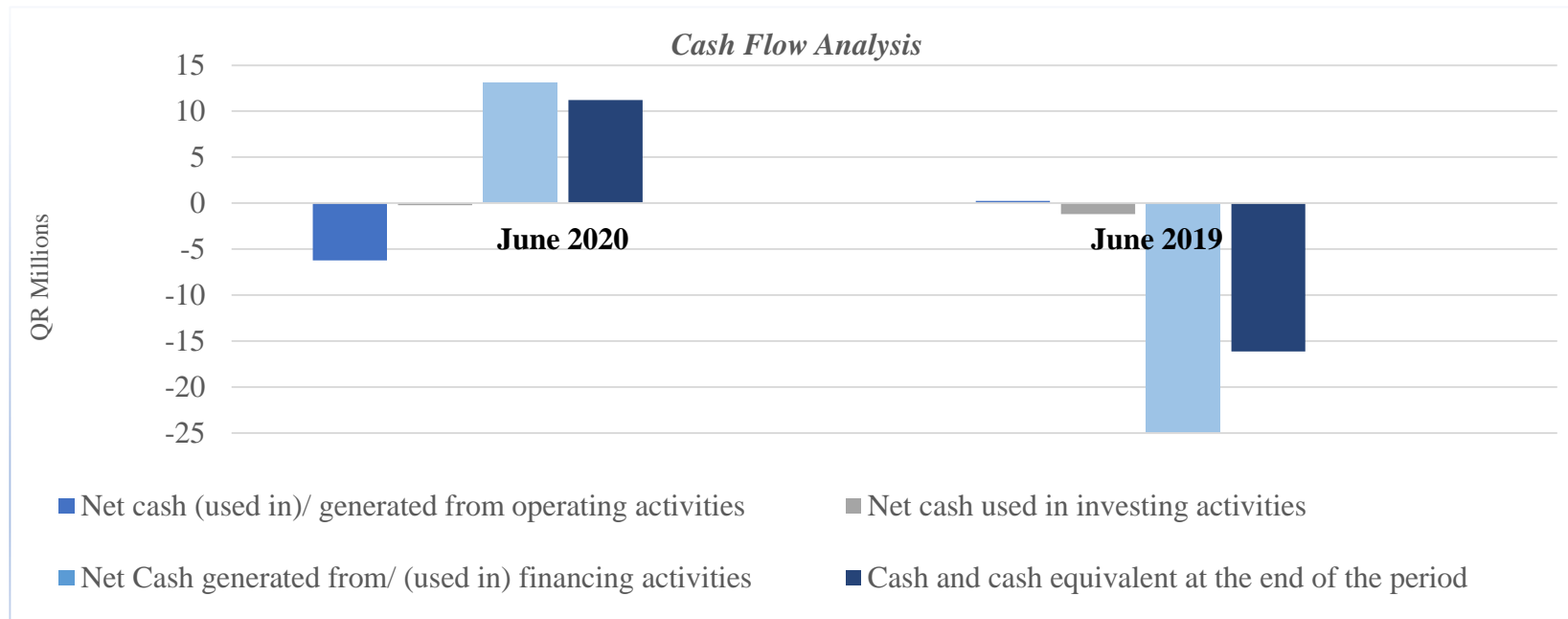
Total assets/ Total Shareholders' equity

Debt to Equity Ratio:

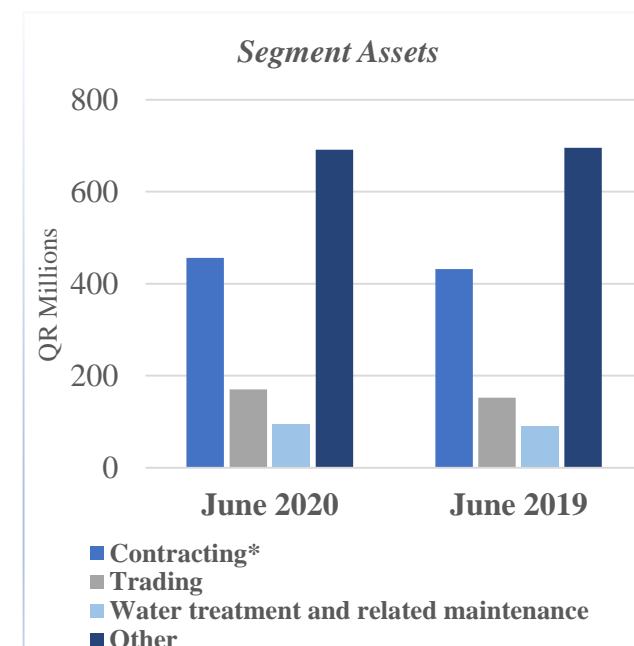
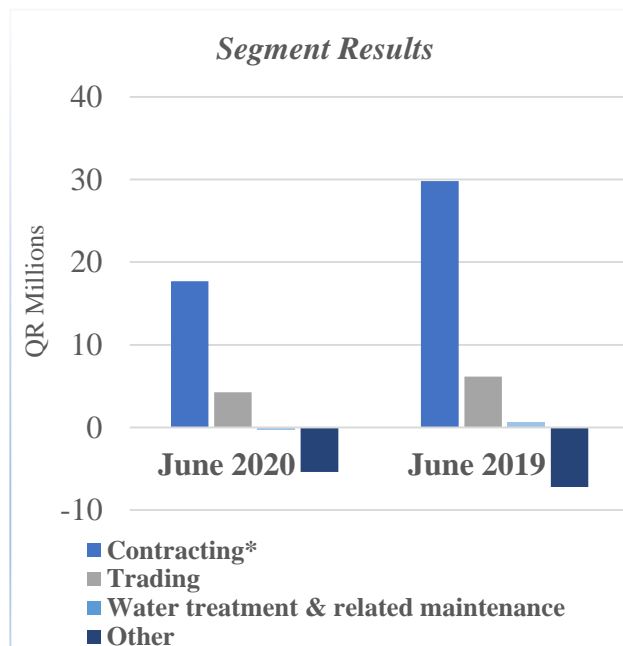
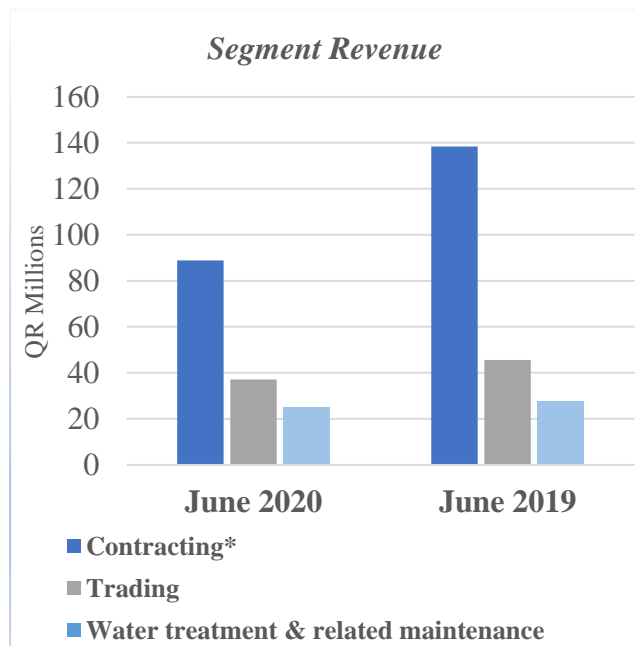
Total liabilities / Total Shareholders' equity

Borrowing Ratio:

Interest bearing loans and borrowings / Total Shareholders' equity



	June 2020 QR. Millions	June 2019 QR. Millions
Net cash (used in)/ generated from operating activities	(6.2)	0.2
Net cash used in investing activities	(0.2)	(1.2)
Net Cash generated from/ (used in) financing activities	13.1	(24.9)
Cash and cash equivalent at the end of the period	11.2	(16.1)



	June 2020 QR. Millions	June 2019 QR. Millions
Contracting*	88.8	138.4
Trading	37.1	45.6
Water treatment & related maintenance	25.0	27.7

	June 2020 QR. Millions	June 2019 QR. Millions
Contracting*	17.7	29.8
Trading	4.3	6.2
Water treatment & related maintenance	(0.3)	0.6
Other	(5.4)	(7.2)

	June 2020 QR. Millions	June 2019 QR. Millions
Contracting*	456.0	432.1
Trading	170.5	151.9
Water treatment & related maintenance	94.5	89.6
Other	691.5	695.7

* Contracting segment represent the contracting and specialized contracting segments.

1	Introduction
2	Operating Environment
3	Business Review
4	Financial Overview
5	Appendix

Consolidated Statement of Financial Position

	June 2020 QR. '000 (Reviewed)	Dec. 2019 QR. '000 (Audited)
ASSETS		
Current assets		
Bank balances and cash	69,287	63,910
Accounts receivables and other debit balances	176,010	203,939
Gross amounts due from customers on contract work	245,262	237,235
Due from related parties	20,237	25,149
Inventories	59,282	59,483
Total current assets	570,079	589,717
Non-current assets		
Retention receivables	53,407	36,888
Financial assets at fair value through profit or loss	31,000	31,000
Goodwill	711,492	711,492
Investment properties	22,128	22,817
Right of use Assets	8,837	13,119
Property and equipment	15,614	17,171
Total non-current assets	842,478	832,486
Total assets	1,412,556	1,422,203

	June 2020 QR. '000 (Reviewed)	Dec. 2019 QR. '000 (Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	830,000	830,000
Legal reserve	11,851	11,851
Other reserves	(152,508)	(152,508)
Revaluation reserves	14,398	14,398
Retained earnings	107,738	92,337
Equity attributable to the shareholders of the parent	811,480	796,078
Non – controlling interests	23,140	22,313
Total equity	834,620	818,391
Current liabilities		
Bank overdrafts	58,068	59,332
Borrowings	207,874	185,593
Lease liabilities	4,741	8,472
Due to related parties	29,768	43,795
Gross amounts due to customers on contract work	3,106	4,059
Dividend Payable	3,678	3,829
Accounts payable and accruals	161,393	183,659
Total current liabilities	468,628	488,738
Non-current liabilities		
Borrowings	83,333	87,796
Lease liabilities	4,252	4,796
Retention payables	64	615
Provision for employees' end of service benefits	21,659	21,868
Total non-current liabilities	109,309	115,074
Total liabilities	577,936	603,812
Total liabilities and equity	1,412,556	1,422,203

Consolidated Statement of Profit Or Loss and Other Comprehensive Income

	Six months period ended 30 June 2020 QR. '000 (Reviewed)	Six months period ended 30 June 2019 QR. '000 (Reviewed)
Revenue	150,914	211,697
Direct costs	(115,071)	(159,624)
Gross profit	35,843	52,073
Other income	14,386	13,227
Fair value gain on investment properties	(353)	1,945
General and administrative expenses	(27,256)	(30,267)
Finance costs	(6,391)	(7,536)
Profit for the period	16,229	29,441
<i>Profit for the period attributable to:</i>		
Equity holders' of the parent	15,402	27,838
Non-controlling interests	827	1,602
Total profit for the period	16,229	29,441
Other Comprehensive Income		
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Revaluation surplus from transfer of property and equipment to investment property	--	14,625
Total other comprehensive income for the period	--	14,625
Total comprehensive income for the period	16,229	44,066
<i>Attributable to:</i>		
Equity holders' of the parent	15,402	42,463
Non-controlling interests	827	1,602
Total comprehensive income for the period	16,229	44,066



IHG

Investment Holding
Group Q.P.S.C

Thank You.



Investor Relations department



+974 44681810



Investor.relations@ihgqatar.com



www.ihgqatar.com.com

