



# HALF YEAR INVESTORS INFORMATION GUIDE

Presentation Of The Financial Statements For The  
Period From 1 January 2020 To 30 June 2020

# QATAR CINEMA AND FILM DISTRIBUTION

The company owns a distinguished real estate portfolio, which is a group of properties fully leased to Qatar Airways, in addition to other properties that are also fully leased.

The company owns a portfolio of securities on the Qatar Stock Exchange market, which is a diversified and liquid able portfolio, which makes the company have the financial ability to seize quick opportunities in case it needs any investment liquidity.

The main activity of the company is the operation and management of cinemas, and the company has a distinguished number of Cinemas in lively and crowded commercial complexes, in addition to a new cinema that will be in the cultural district of Katara

The company relies on the revenue generation process on several sources in order to ensure continuity and sustainability in its operations, and as a result of to the spread of the Corona pandemic crisis, the strategy followed by the company has proven its great success in facing the changes that may suddenly occur in the world.

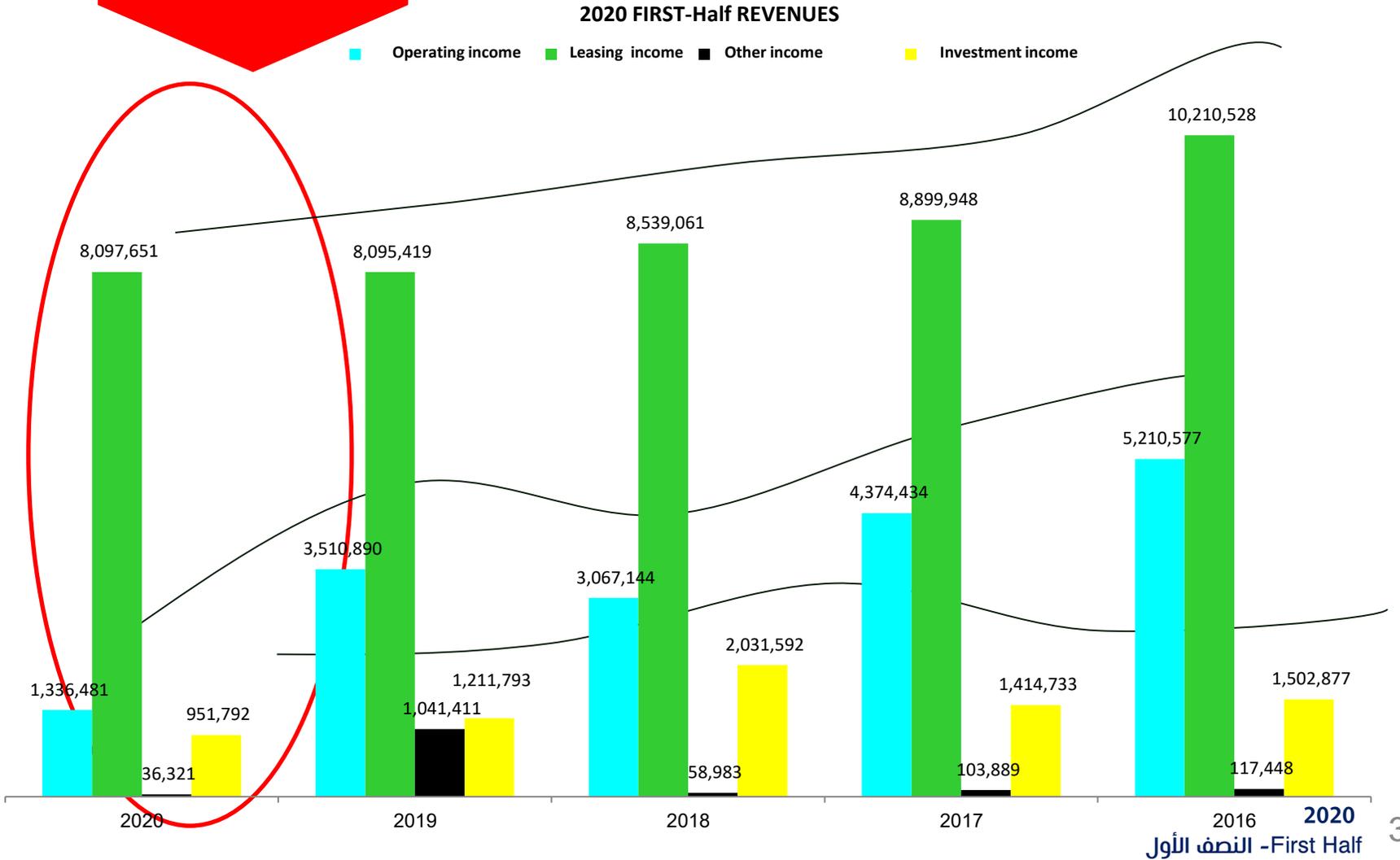
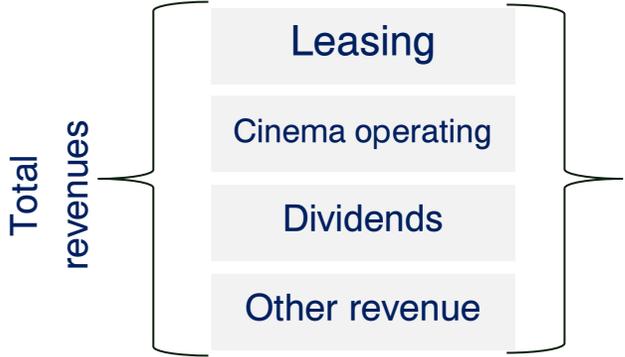
The company relies on 4 sources to generate revenues

- The main activity specialized in operating and managing cinemas.
- The real estate activity, the company has a combination of distinguishing real estate assets which fully leased for credible companies and institutions.
- The stock portfolio in the stock market, which is capable of immediate liquidation.
- Other revenues resulting from the other profit distribution.

# REVENUES AND PROFITABILIT

REVENUES came from various sources to avoid the risks of relying on a single source income

The company's total revenues achieved 10.42 million QR during the first half of 2020, and it generated from various sources to avoid the risks of relying on a single income source. **leasing revenue** represents 77.7% of the total revenues, which represents the largest share of the company income. **Cinema operating revenue** achieved 12.82% of the total revenues, **Dividends revenue** amounted to only 9.13% of the total revenue. The remaining percentage remains for **other income**. , decreases 2020's First half total revenues decreased by 25% in comparison with the same period in 2019.



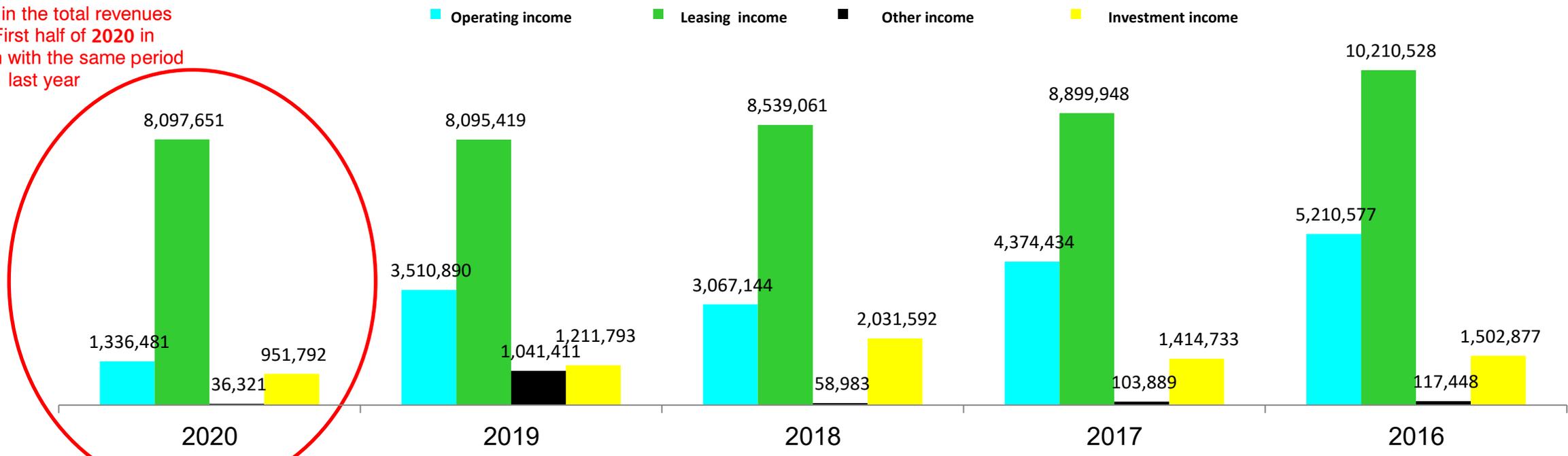
# REVENUES AND PROFITABILITY

## Sustainability in real estate leasing revenue

**%-25**

Decrease in the total revenues during First half of 2020 in comparison with the same period last year

2020 FIRST-Half REVENUES

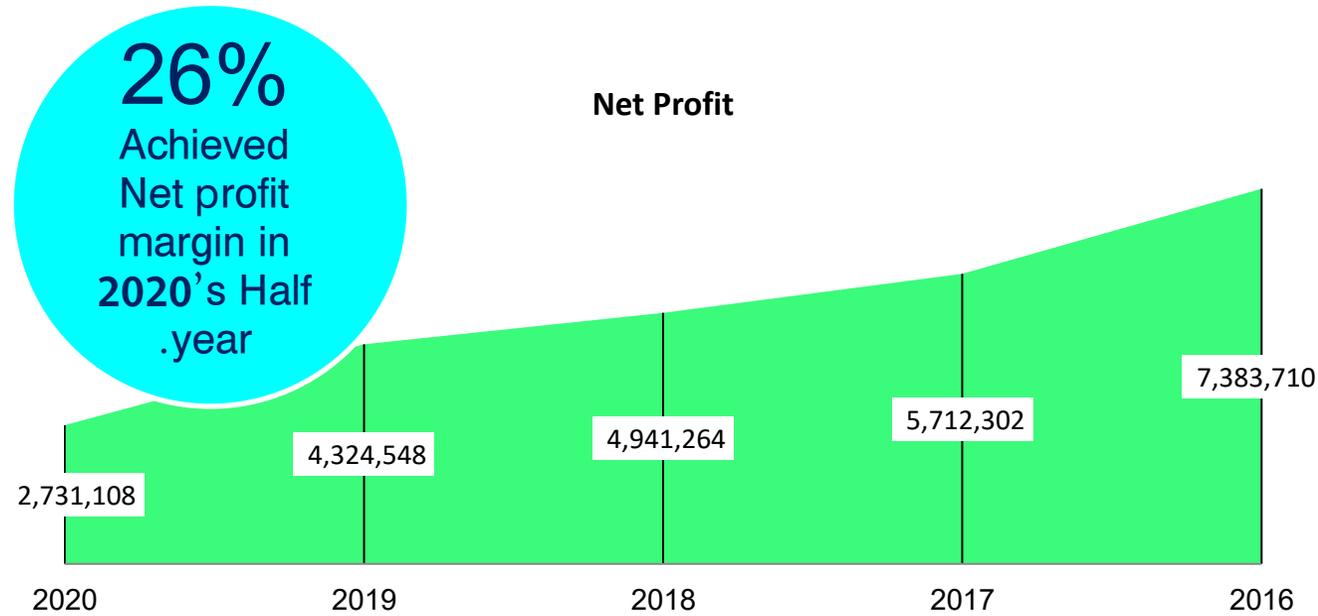


Despite the challenges faced by the real estate sector, The company still able to achieve revenues from real estate leasing activity which supports the financial performance during the first half of 2020. the real estate leasing revenue decreased slightly by only 1% during 2020's first half compared to the same period in 2019. On the other side, the cinema operating revenue decreased by 62 % in 2020's first half in comparison to the same period in 2019. and the real estate leasing revenue represents the biggest part of the income, which paid in advance that's helping the company to make a good performance.

Value by Million QR

Source: financial statements report in June 2020

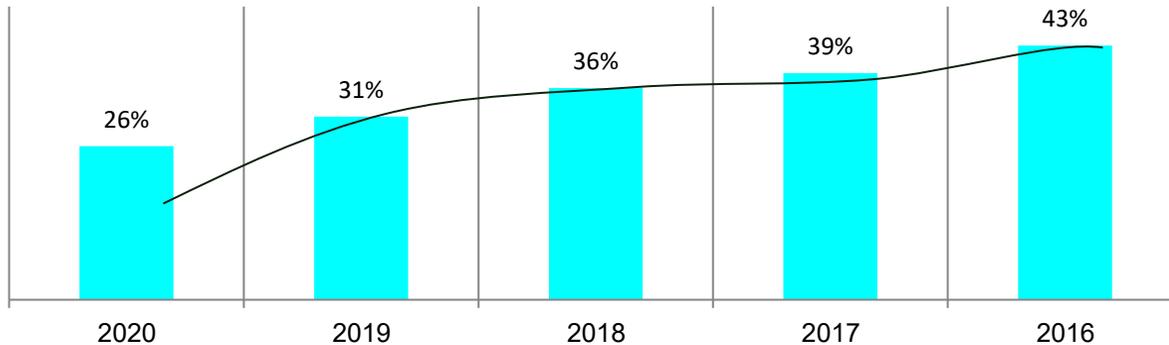
# REVENUES AND PROFITABILITY



Net profit decreased in 2020's first half by 37% approximately compared to the same period in 2019, and the company achieved about 2.73 million QR net profit with \* approximately profit margin rate 26 %/, the Net Profit decrease is due to the following:-



## NET PROFIT MARGIN



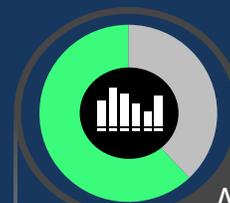
Value by Million QR

Source: financial statements report in June 2020

- Closing of the company's cinemas since 12/3/2020 which led to a decrease in cinematic operating revenues.
- In addition to Income for the comparable year, 2019 included other income from end-of-service disputes for two employees amounting to 788 thousand QR.
- An increase in expenses due to adding a new expense, such as the rent of the Katara's Cinema, Which amounted approximately to 870899QR.

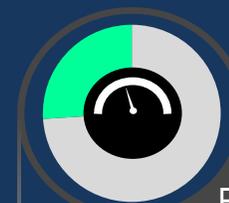
Net profit margin = net profit / Total revenue\*

Comparing 2020's First half total revenues by same period in the last two years.



%78

Real estate leasing revenue



%13

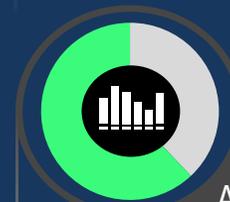
Cinematic Operational revenue



%9

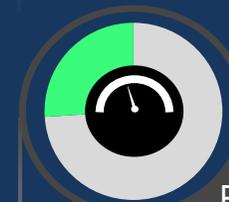
Investment and other revenues

**%25**  
Decrease in the total revenues in Q2 compared to the same period in last year.



%59

Real estate leasing revenue



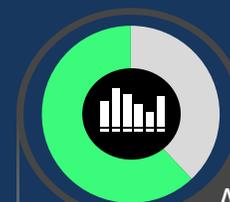
%25

Cinematic Operational revenue



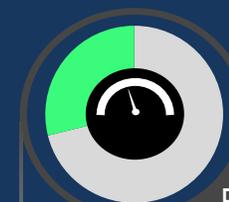
%16

Investment and other revenues



%63

Real estate leasing revenue



%22

Cinematic Operational revenue



%15

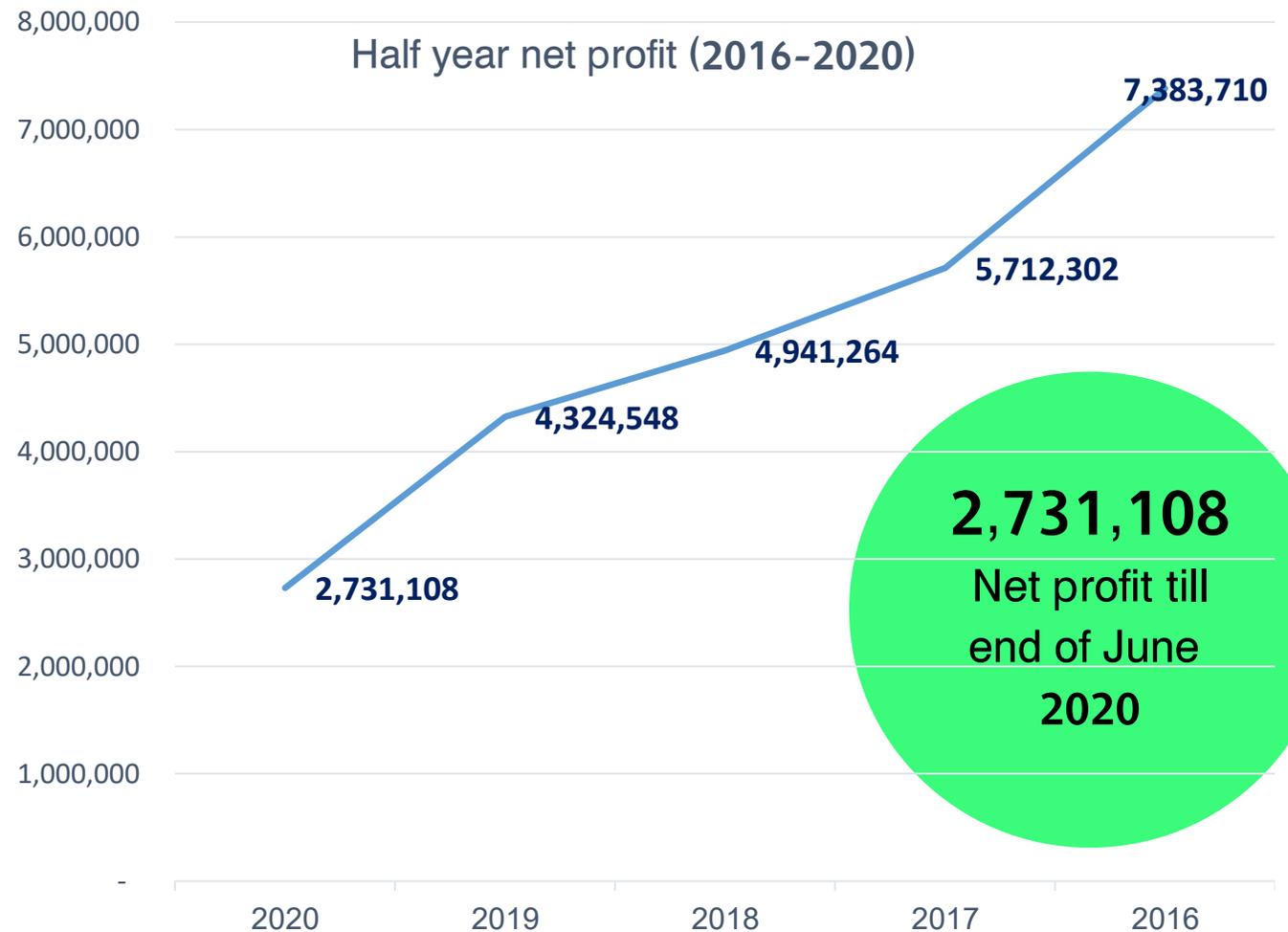
Investment and other revenues

Value by Million QR

Source: financial statements report in June 2020

# NET PROFIT

- ❑ Net profit decreased in 2020's first half by 37% approximately compared to the same period in 2019, achieved 2.73 million QR net profit with a 26% profit margin. The net profit decrease is due to the following:
  - Closing of the company's cinemas since 12/3/2020 which led to a reduction of cinematic operation revenue
  - Income for the comparable year 2019 included other income from end-of-service disputes for two employees, amounting to 788 thousand QR.
  - Increase in expenses due to adding a new expense, such as the rent of the Katara's Cinema, Which stood to 870899 QR.
  - A decrease in delivered dividends distributing from other companies valued by 260,001 QR

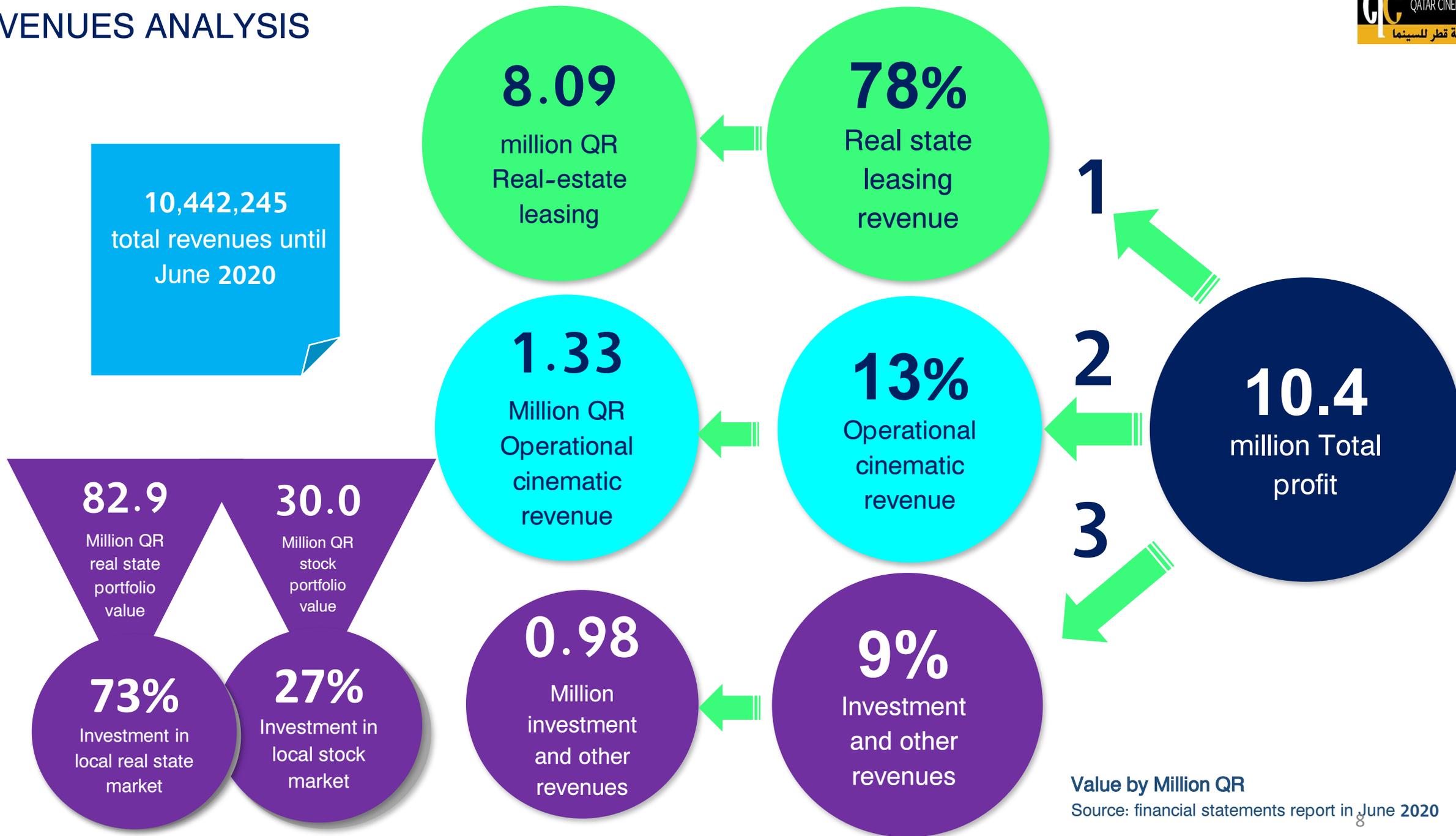


Source: financial statements report in June 2020

International Accounting Standard for Financial Reporting (IFRS 16)

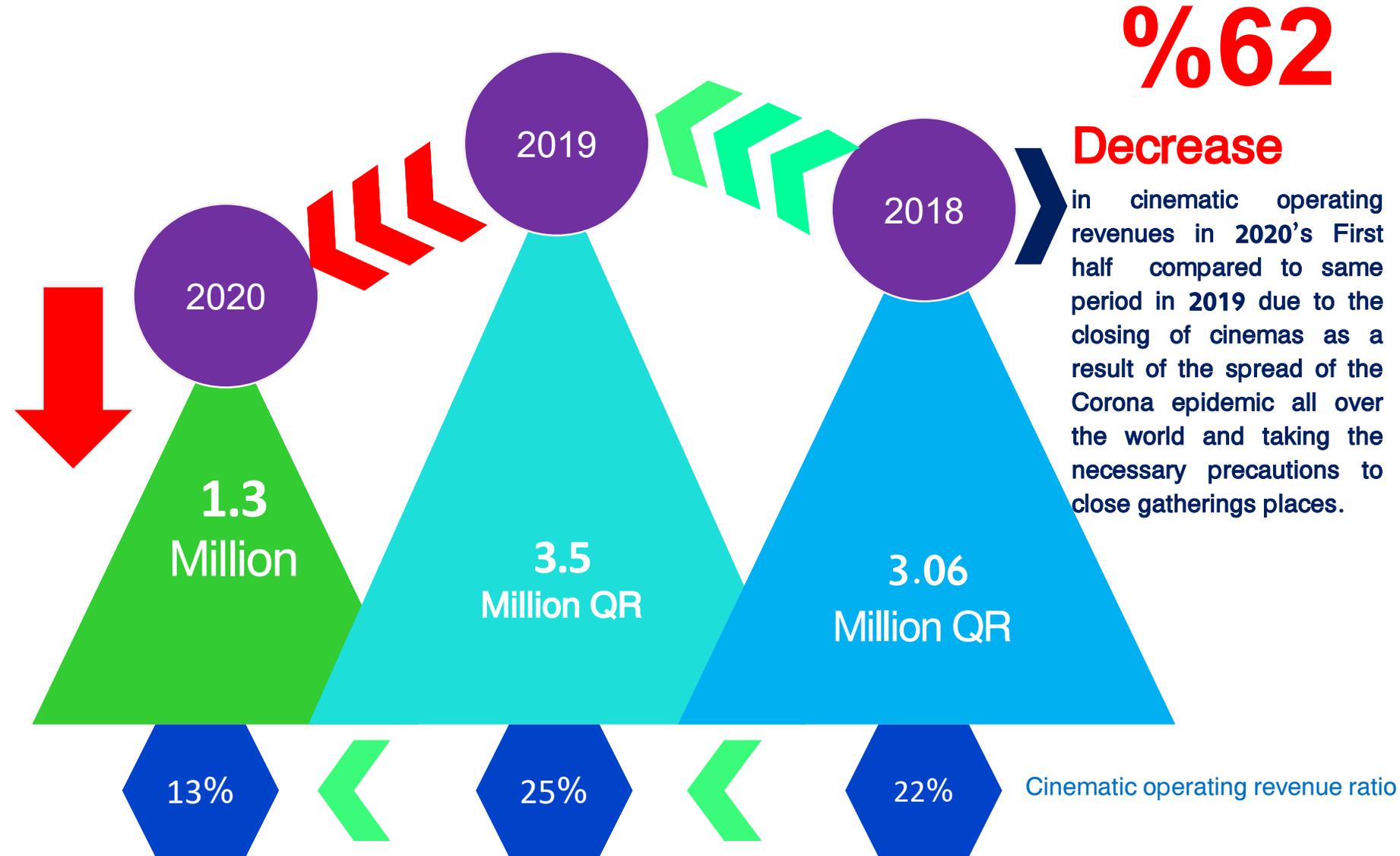
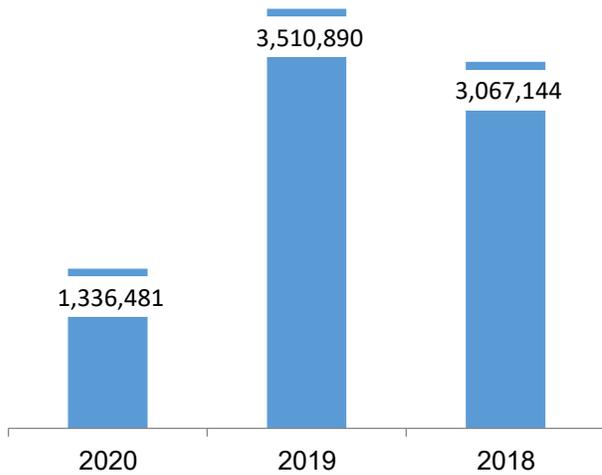
# REVENUES ANALYSIS

10,442,245  
total revenues until  
June 2020



# CINEMA OPERATING REVENUE

As a result of closing of cinemas in mid of March 2020, cinematic revenues decreased by 62%.

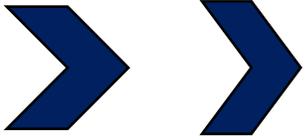


Value by Million QR

Source: financial statements report in June 2020

# PROFITABILITY BEFORE DEPRECIATION AND INTEREST EXPENSE

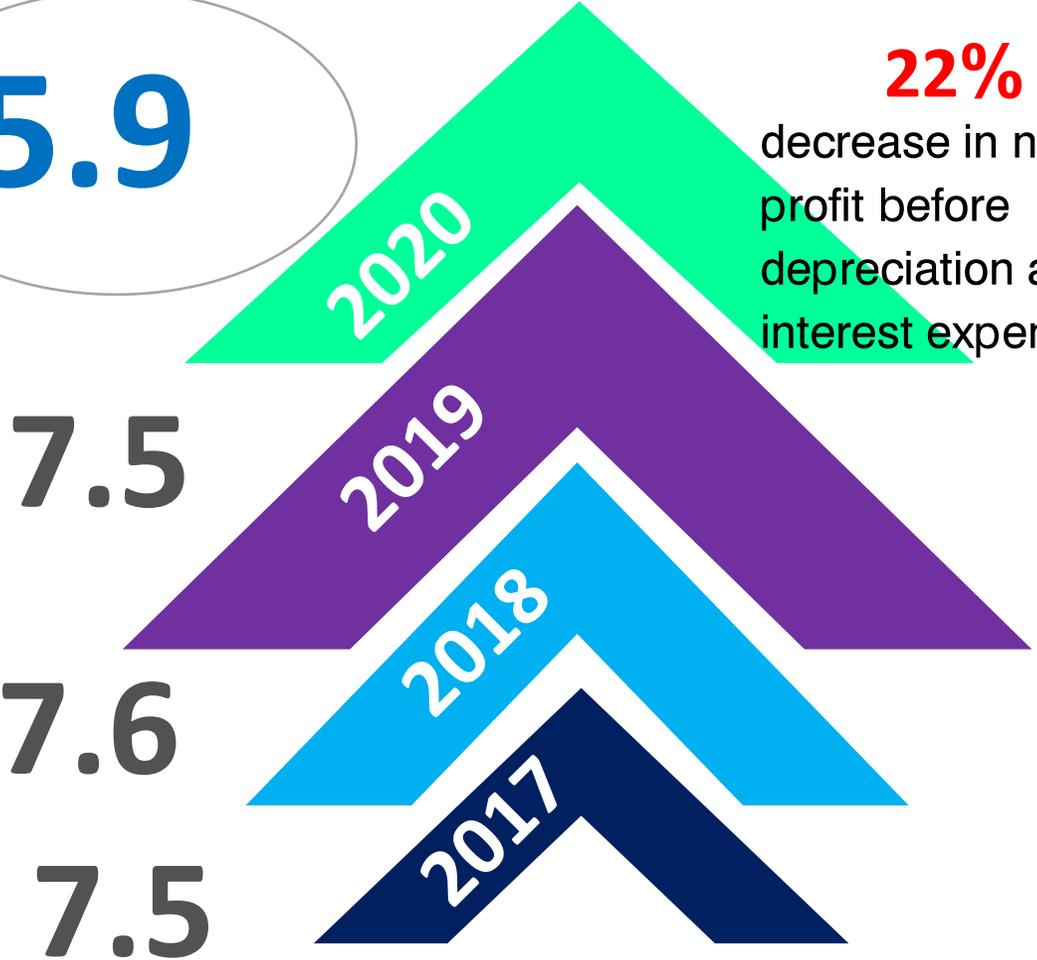
Profit before depreciation and interest in 2020' first half.



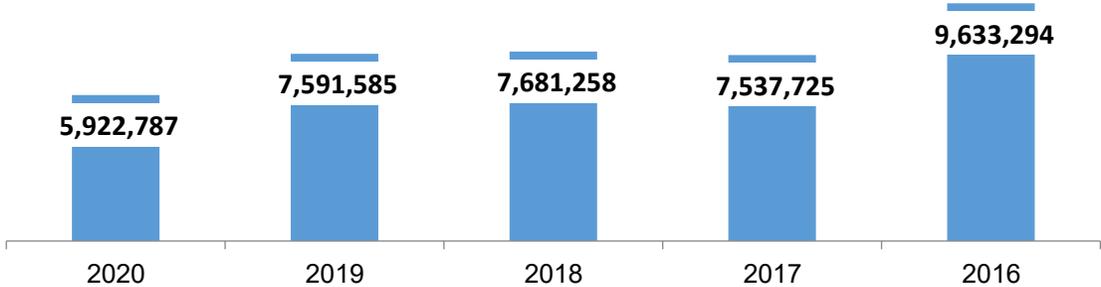
5.9

**22%**  
decrease in net profit before depreciation and interest expense

Net profit decreased before depreciation and interest deduction during 2020's first half by 22% approximately compared to the same period in 2019 achieving Net profit before depreciation and interest deduction valued by 5.9 million QR with a 57% profit margin before depreciation and interest deduction, due to the decrease in dividends and Cinematic operation and revenues.



Net profit decreased before depreciation and interest deduction

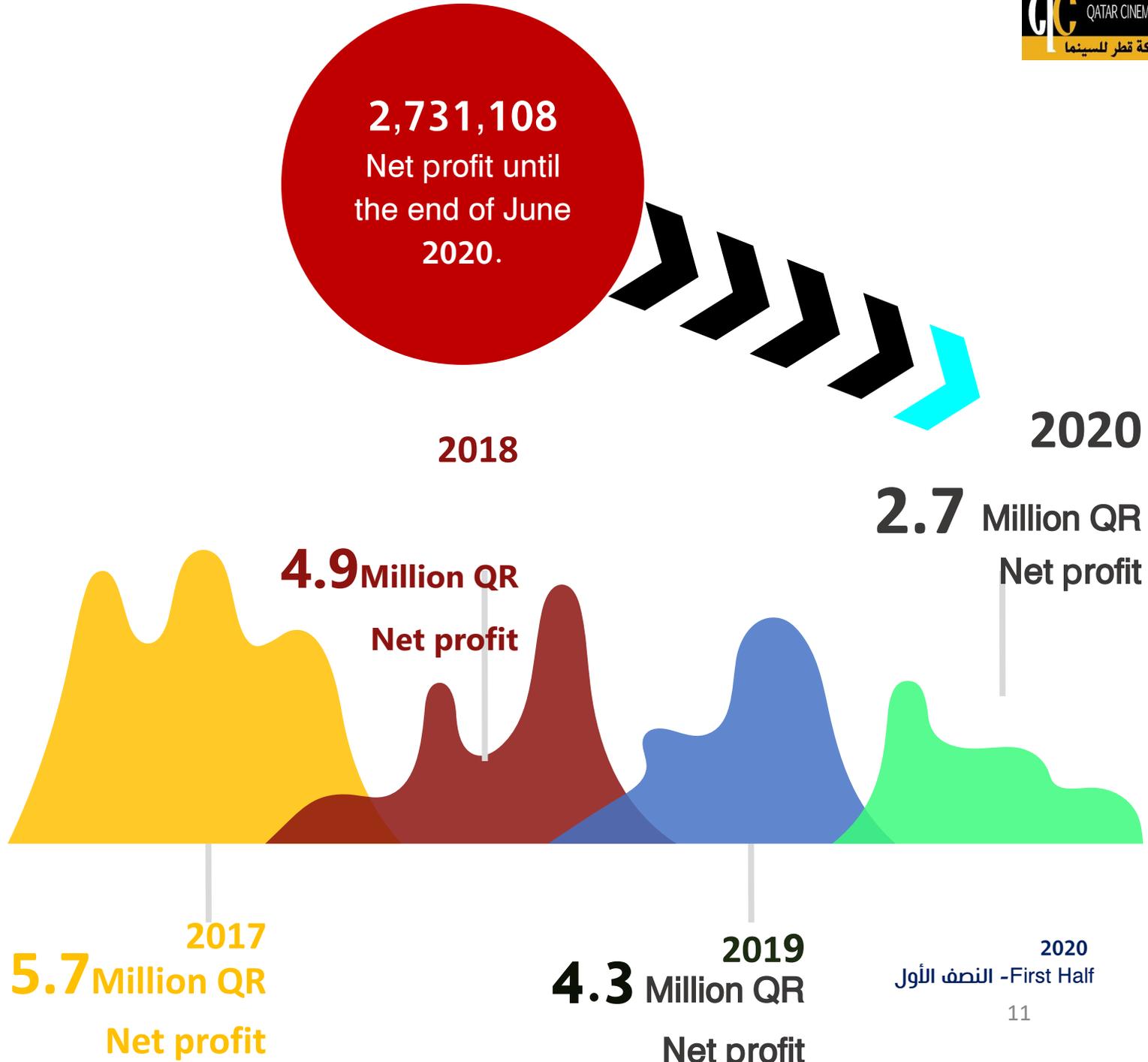


2020  
الاول - First Half

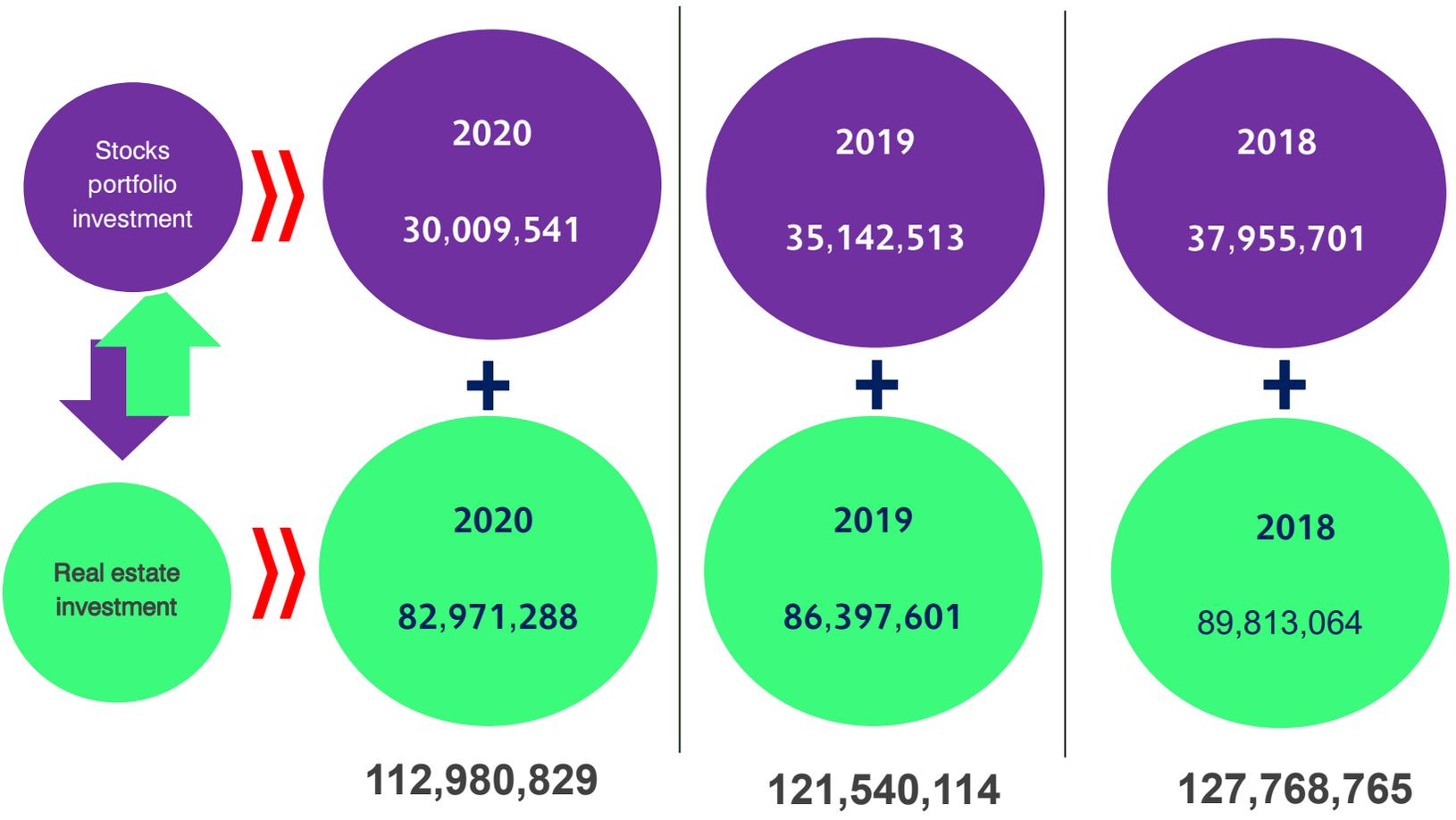
# NET PROFIT

Net profit decreased in 2020's first half by 37% approximately compared to the same period in 2019, achieved 2.7 million QR net profit with about 26% profit margin. the net profit decrease is due to the following:

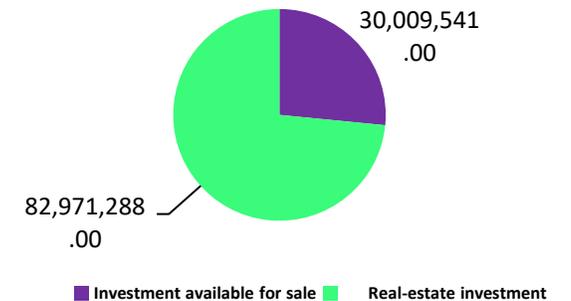
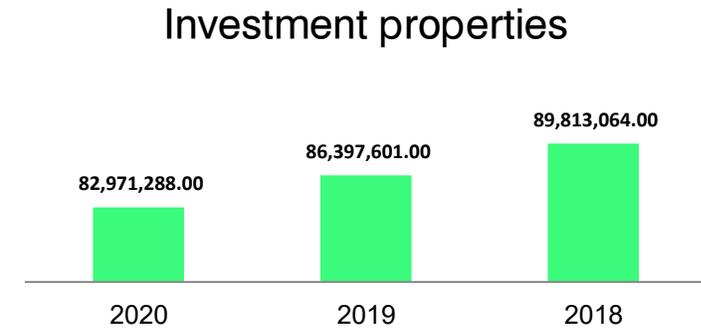
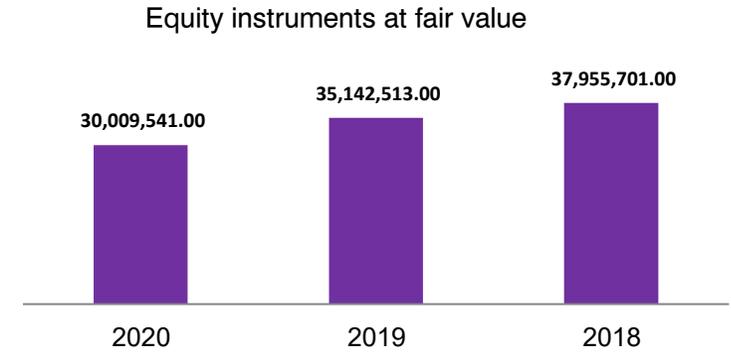
- A decrease in the Tickets sale revenues by 2.1 million QR due to the closing cinemas from the middle of March 2020.
- A decrease in other revenues by 1,005,090 QR in comparison with 2019 as a result of the ruling in favor of the institution in judicial disputes.
- increase in expenses due to adding the value of Katara's Cinema rent value (amounted to 870,899 QR) due to using International Accounting Standard for Financial Reporting (IFRS 16



# INVESTMENT AND INCOME DIVERSIFICATION

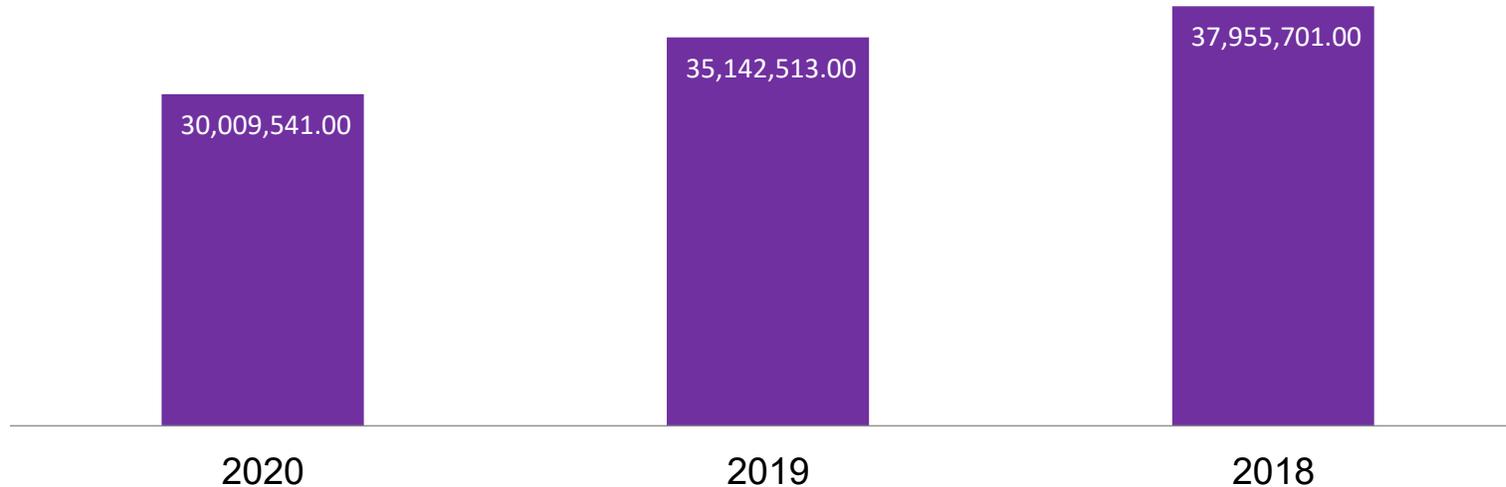


The total Investments amount to approximately 113 million QR, distributed between 27% for available for sale equity investments and 73% for real estate investments.

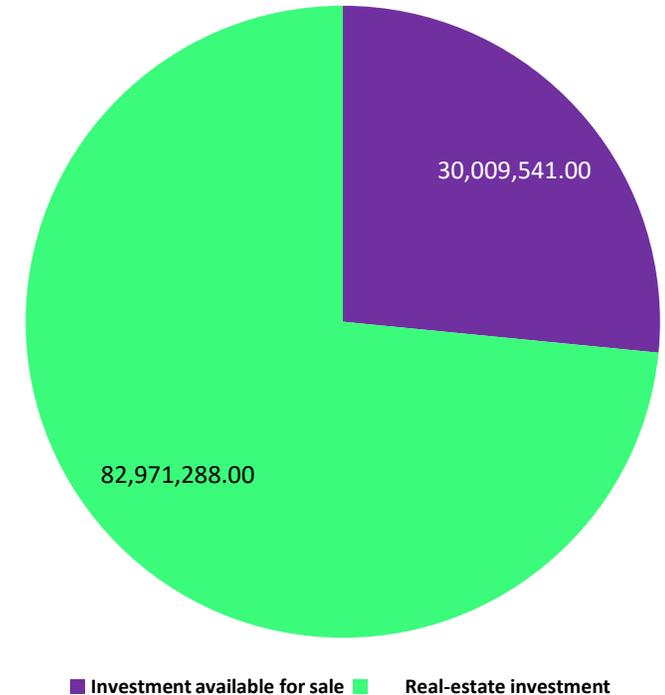


# INVESTMENTS DIVERSIFICATION

## Equity available for sale with fare value



- Investment activities and other revenues contributed by 9% of the total revenues.
- The company's stock market investments constitute 27% of the total investments.
- The net value of the company's investments in the real estate sector constituted the largest share from its investments, which represents 73% of the total investments. The company's real estate investments worth 82.9million QR.



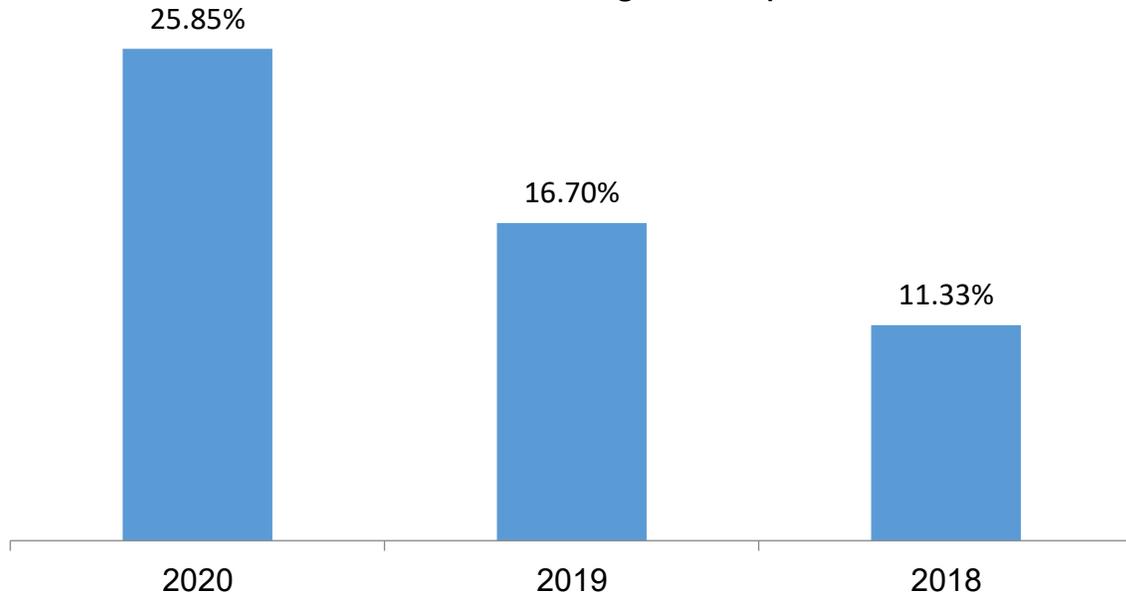
Value by Million QR

Source: financial statements report in June 2020

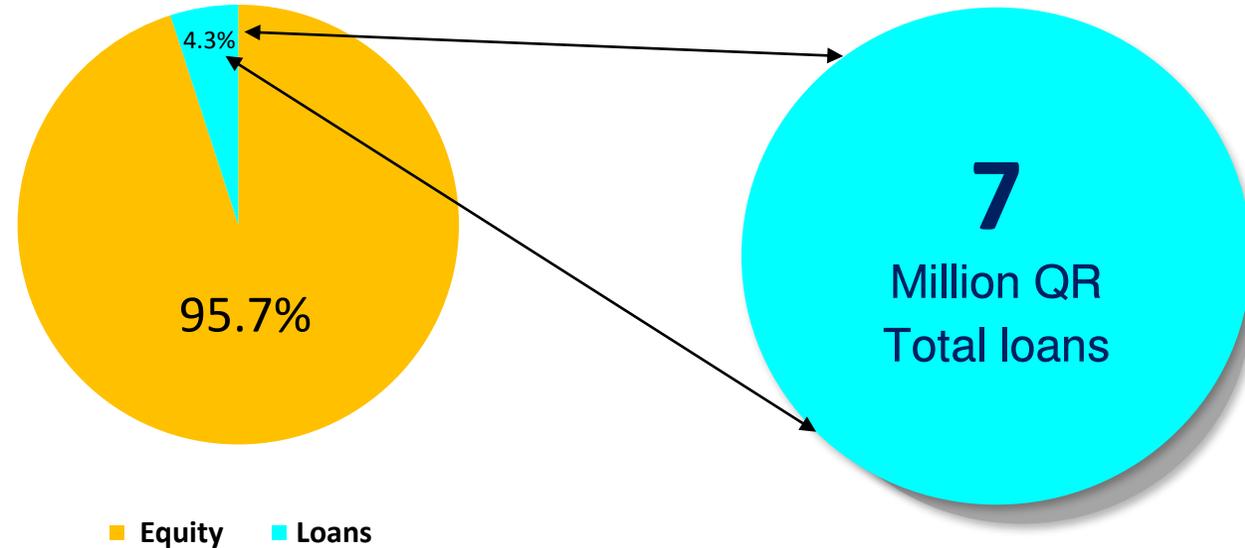
2020  
الأول-الانصف الأول

# FUNDING STRUCTURE AND INTEREST EXPENSE

Interest coverage from profits ratio



FUNDING STRUCTURE



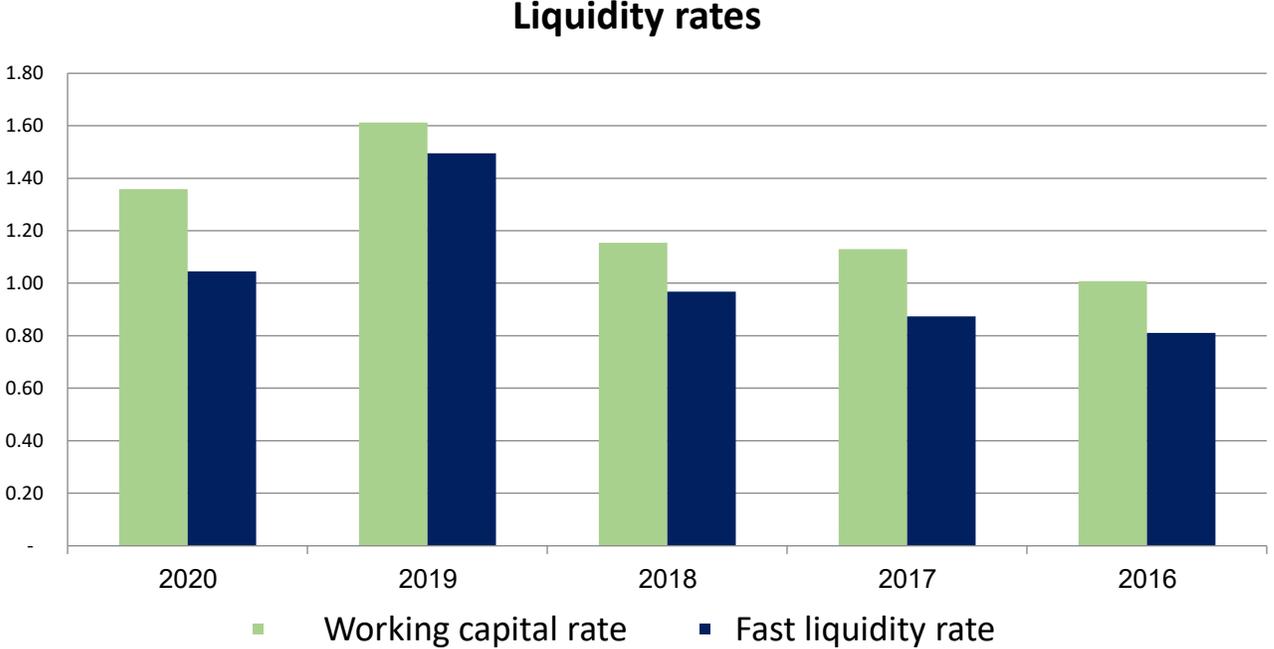
- The Company has limited reliance on loans to finance its assets.
- The company finances only 4.3% of its assets through loans and 95.7% through equity and other liabilities.
- The loan value in June 2020 amounted to 7 million QR.

Value by Million QR

Source: financial statements report in June 2020

# LIQUIDITY AND CASH

The Working Capital Rate **1.36**  
 The Quick Liquidity Rate **1.04**



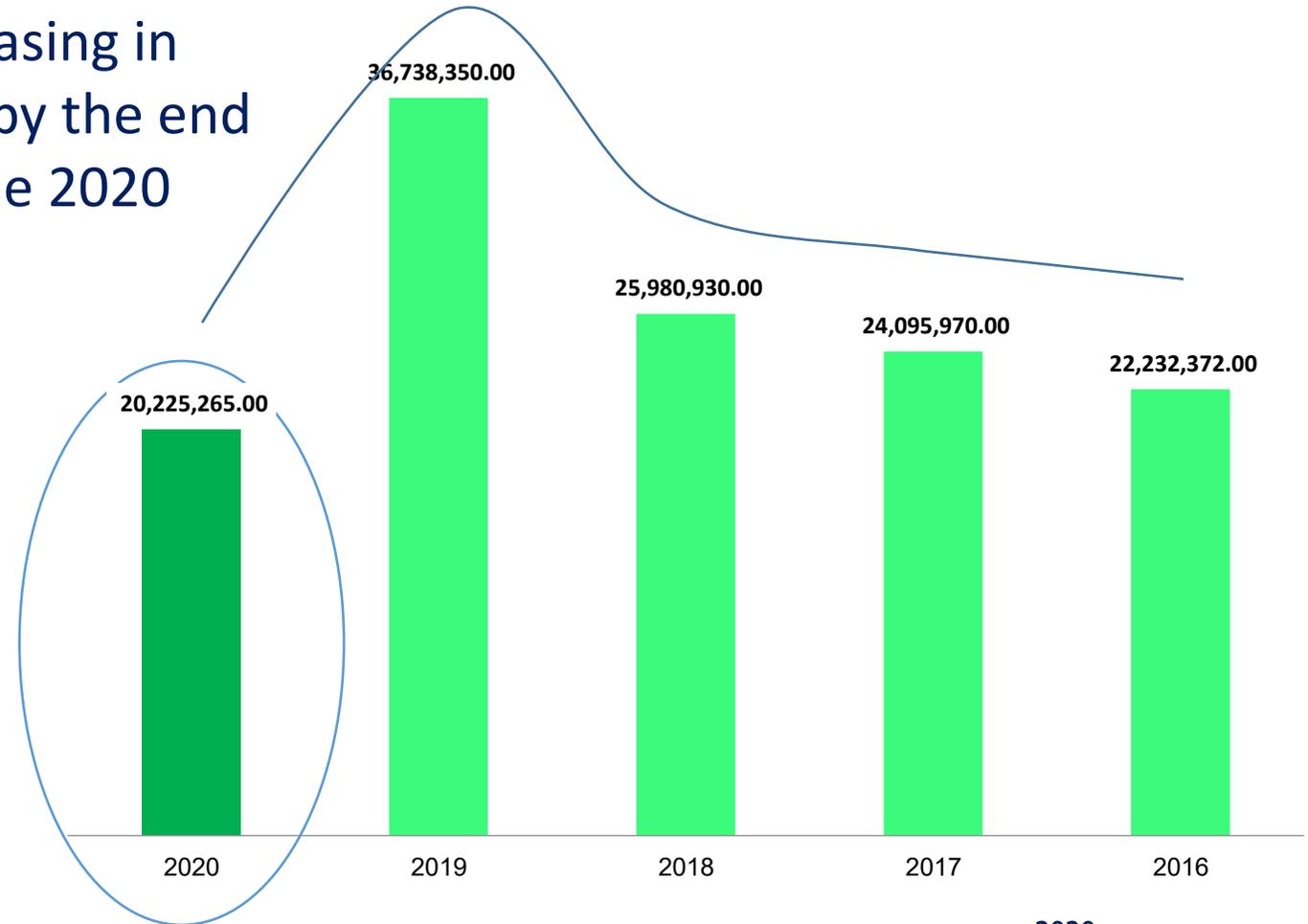
The Working Capital rate(Current Assets/Current Liabilities) stood at **1.36** in June **2020**, which means that the Company can pay its short-term liability **1.36** times through its current assets. The quick liquidity Rate (cash/current liabilities) stood at **1.04** times for the same period, which means that the Company can repay its short-term liabilities through cash **1.04** times approximately in June **2020**

Clarification :  
 The Working Capital rate :Company ability to pay its short-term liability through its current assets.  
 The quick liquidity Rate :Company ability to pay its short-term liability through its cash

# CASH AND BANK ACCOUNTS

**%45-**  
Decreasing in liquidity by the end of June 2020

CASH AND BANK ACCOUNTS BALANCES



- At the end of June 2020, the company's liquidity decreased by 45% and valued by 20,225,265 QR at the end of June 2020.
- The liquid cash decreased due to the use of money for long-term investments, which used in its cinema's under progress works that will yield a more return in the future, indicating that the company is pursuing expansion behavior instead of saving the surplus cash.
- The difference will be shown clearly in the liquidity moving to the expansion of the operational activity, where there exists a significant growth in the volume of work under progress.

# GROWTH IN PROPERTIES AND WORK IN PROGRESS (CINEMAS)



**%212** **16.0**



5.1

3.7

5.5

June 2020



June 2019



June 2018



June 2017

The company aims to expand its cinematic operating activity by developing its cinemas on international standards by approximately 10 Million QR. In addition to obtaining the returns which come from the right to operate and use a new cinema building with a value of 9,049,168 QR, which raises the value of its tangible assets and may generate additional revenue in the future.

Value by Million QR

Source: financial statements report in June 2020

decrease in assets  
in comparison with  
Q2 2019. **%6.8**

163 million QR is approximately the value of the company's assets by the end of June 2020, which is a result of the value decrease of available for sale assets and Decrease of liquidity however the increase of properties and equipment's value.

**163**

Million QR assets value decreased by the end of June 2020 compared to the same period in 2019 by a 6.8% decrease.

**12**

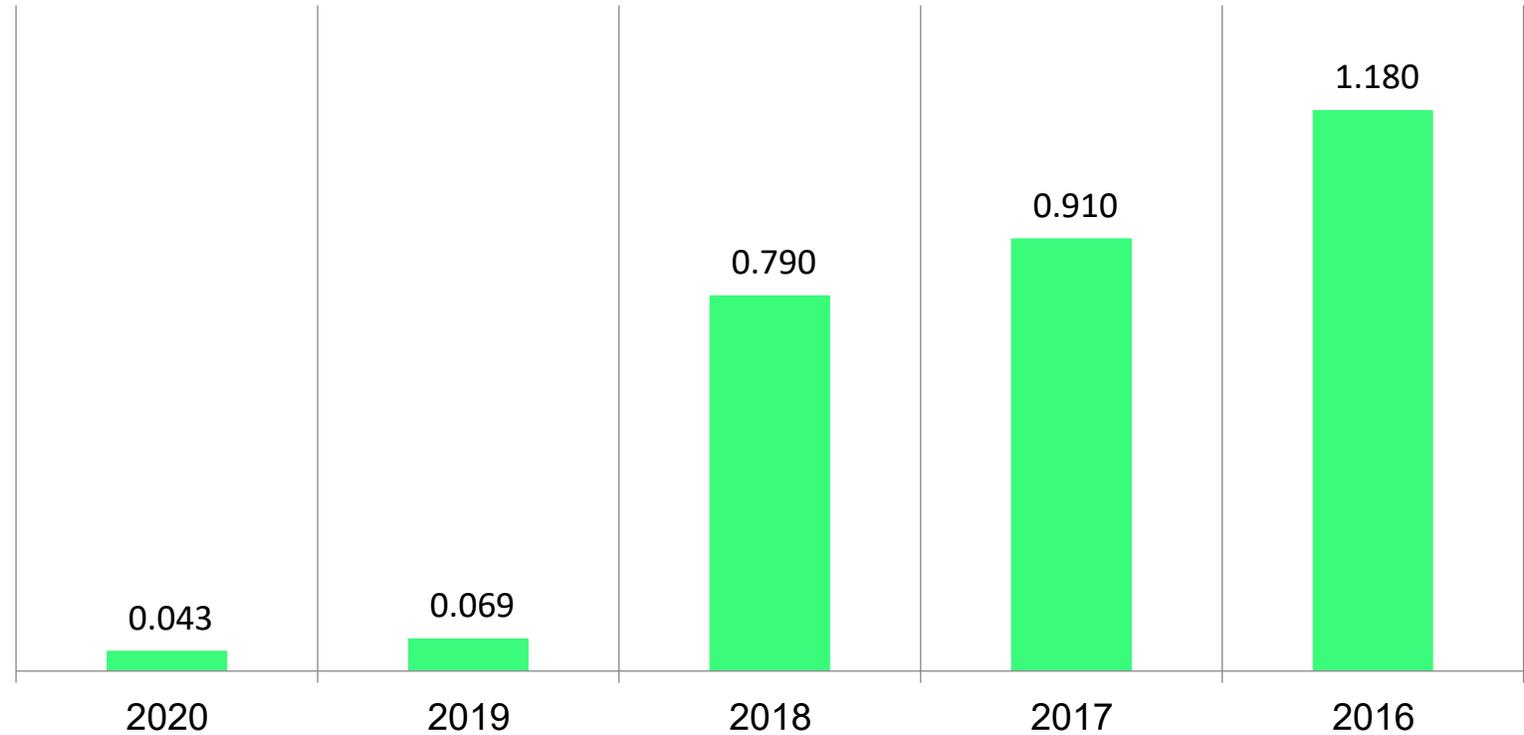


Value by Million QR

Source: financial statements report in June 2020

# EARNING PER SHARE

Till the end of June 2020, Earning per share reached 0.043 QR while earning per share reached 0.069 QR for the same period by the end of 2019, recorded a decrease in the first half of 2020.



Value by Million QR

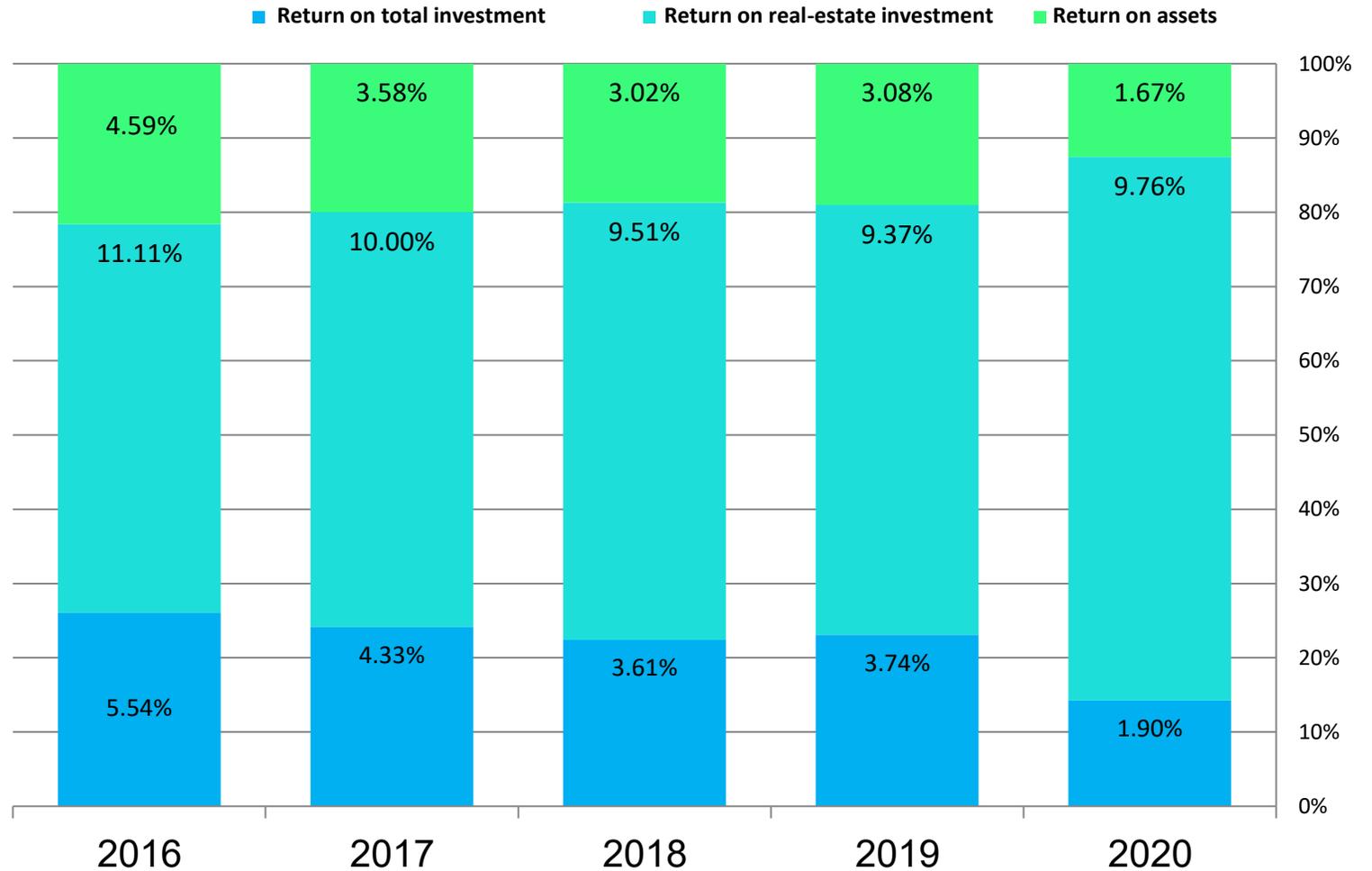
Source: financial statements report in June 2020

# RETURN ON INVESTMEN

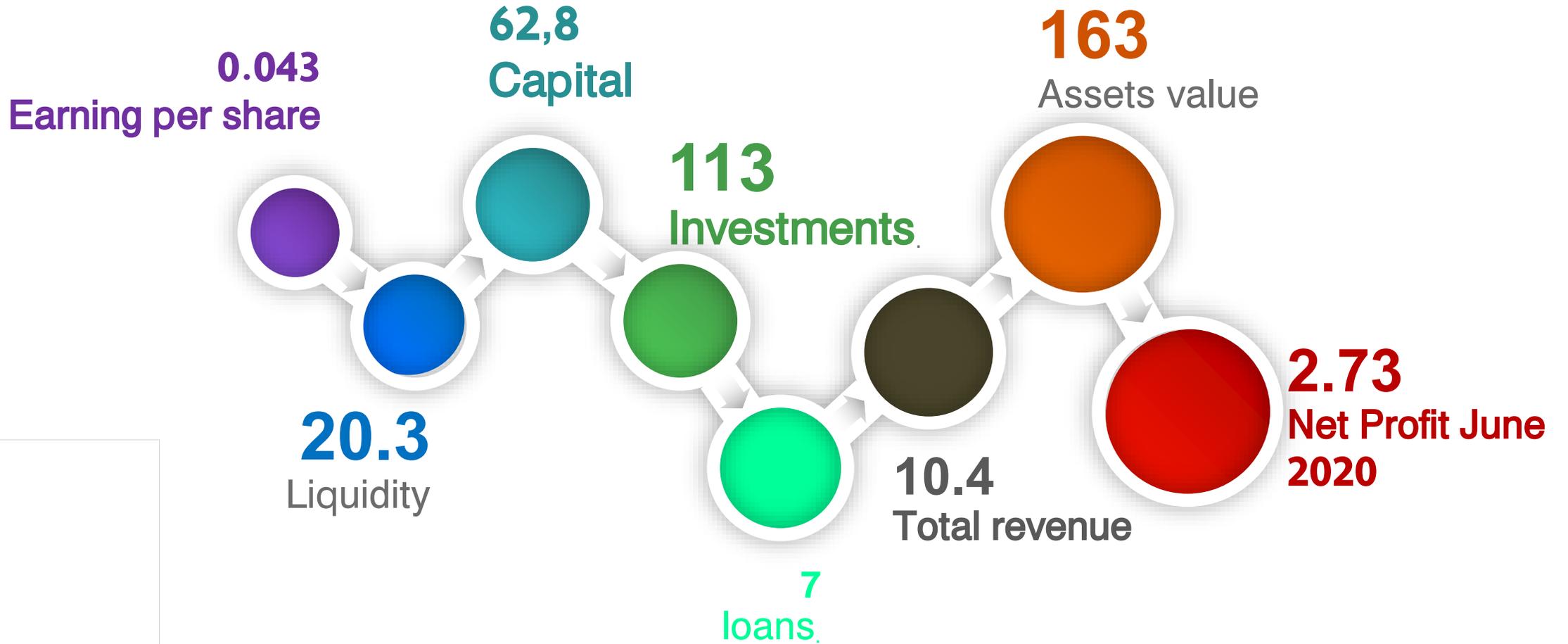
Return on Real estate investment represented almost 9.79% during the first half of 2020. Real estate investment is the most income-generating activity in the company. Totally, The return on the investment in the company represents 1.9% of the total invested amount of money for the first half in 2020. The total return on the total assets of the company is 1.67% of the total assets for the first 6 months in 2020.

The return on investment and return on assets rates decreased in the first 6 months of 2020 as a result of the increase in the amounts invested in business under progress for the development of cinemas that have not been completed and therefore have not returned their revenue yet, in addition to lower profits achieved.

## RETURN ON INVESTMEN



# QATAR CINEMA AND FILM DISTRIBUTION



## MAJOR NEWS

- 1**  12<sup>th</sup> February: CINEMA DISCLOSES ITS ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2019 AND THE AGM TO BE HELD ON 09/03/2020  
The statements show that the net profit is QR 6.38 Million Compared to net profit amounting to QR 8.45 Million For the same period of the previous year.
- 2**  9<sup>th</sup> March: THE AGM OF QATAR CINEMA ENDORSES ITEMS ON ITS AGENDA AND APPROVES THE DISTRIBUTION OF 10% CASH DIVIDEND.
- 3**  7<sup>th</sup> APRIL: CINEMA DISCLOSE ITS 1ST QUARTER FINANCIAL STATEMENTS ON APRIL 26, 2020.
- 4**  25<sup>th</sup> APRIL: CINEMA DISCLOSES ITS FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020.  
Company disclosed the interim financial statement for the three-month period ended March 31, 2020. The financial statements revealed a net profit of QR 1.46 Million comparison to net profit QR 3.14 Million For the same period of the previous year.

## MAJOR NEWS

**5**  19<sup>th</sup> July: CINEMA DISCLOSES THE SEMI-ANNUAL FINANCIALS ON August 12, 2020

**6**  25<sup>th</sup> July: CINEMA ANNOUNCES THAT INVESTORS RELATION CONFERENCE CALL WILL BE HELD ON 16 AUGUST 2020

**7**  12<sup>th</sup> August: CINEMA DISCLOSES ITS FINANCIAL STATEMENTS FOR THE 1ST HALF OF 2020  
 Qatar Cinema & Film Distribution Company disclosed its reviewed financial statements for the period ended on 30.06.2020. The statement shows that the net profit is QR 2.73 Million Compared to net profit amounting to QR 4.32 Million For the same period of the previous year.  
 Earnings per Share (EPS) amounted to QR 0.043 For the period ended June 30, 2020 compared to EPS amounted to QR 0.069 for the same period of the previous year.

## Doha- Qatar

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