



# Investors Information Guide - September 2020

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

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 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 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 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 the spread of the covid-19 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 own 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 PROFITABILITY

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

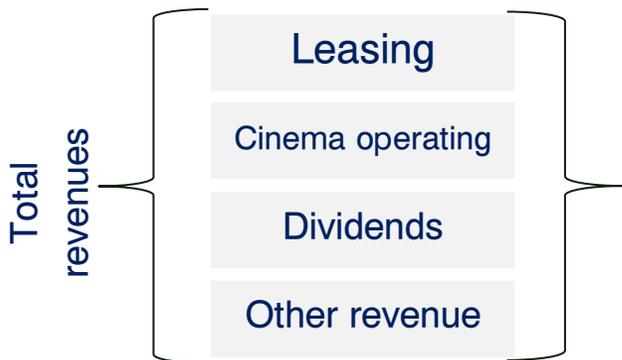
The company's total revenues achieved 14.35 million QR during the period between 1st Jan and 30th Sept 2020,

Revenues generated from various sources to avoid the risks of relying on a single income source.

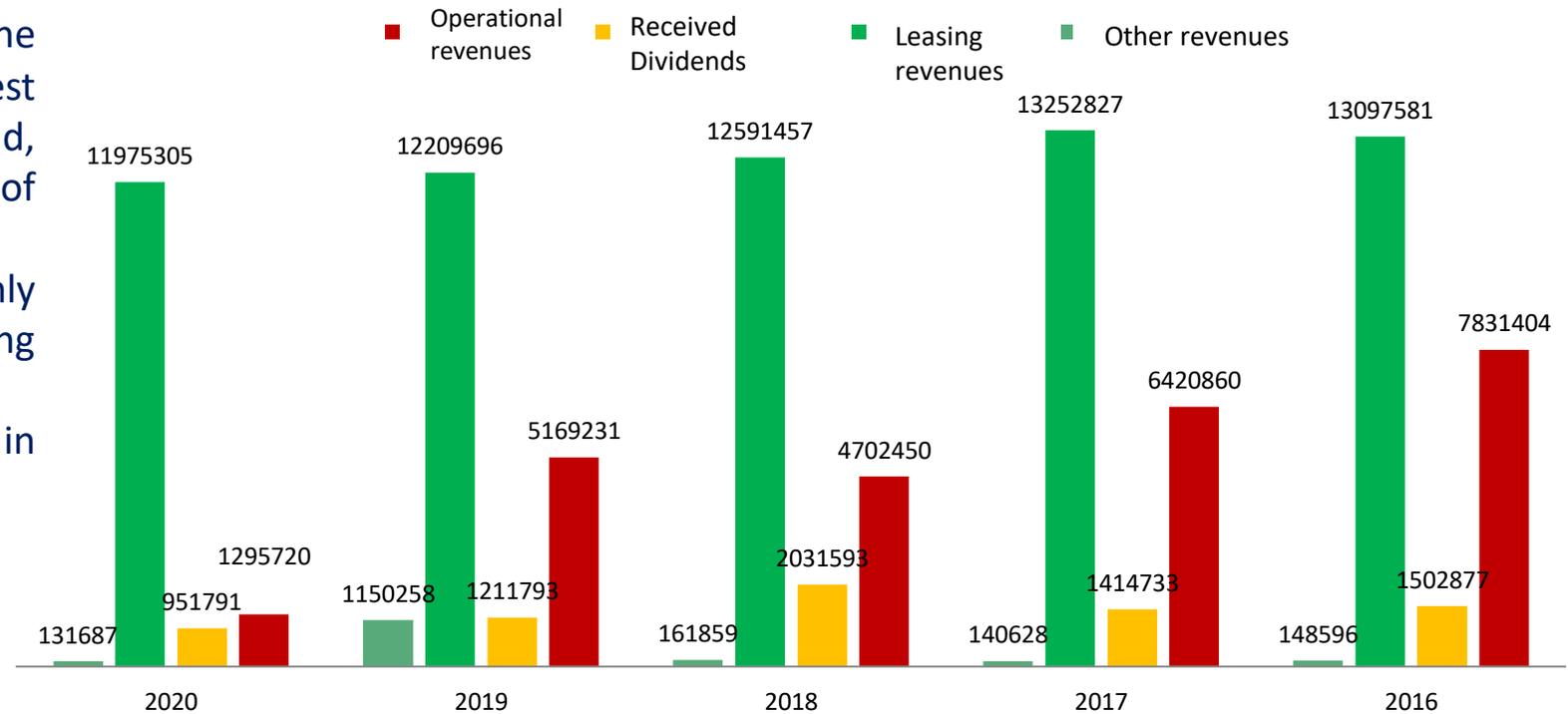
First, **leasing revenue** represents 83.4% of the total revenues, which represents the largest share of the company income. Second, **Cinema operating revenue** achieved 9% of the total revenues.

Third, **Dividends revenue** amounted to only 6.6% of the total revenue The remaining percentage remains for **other income**.

The periodic revenues decreased by 27% in comparison with the same period in 2019.



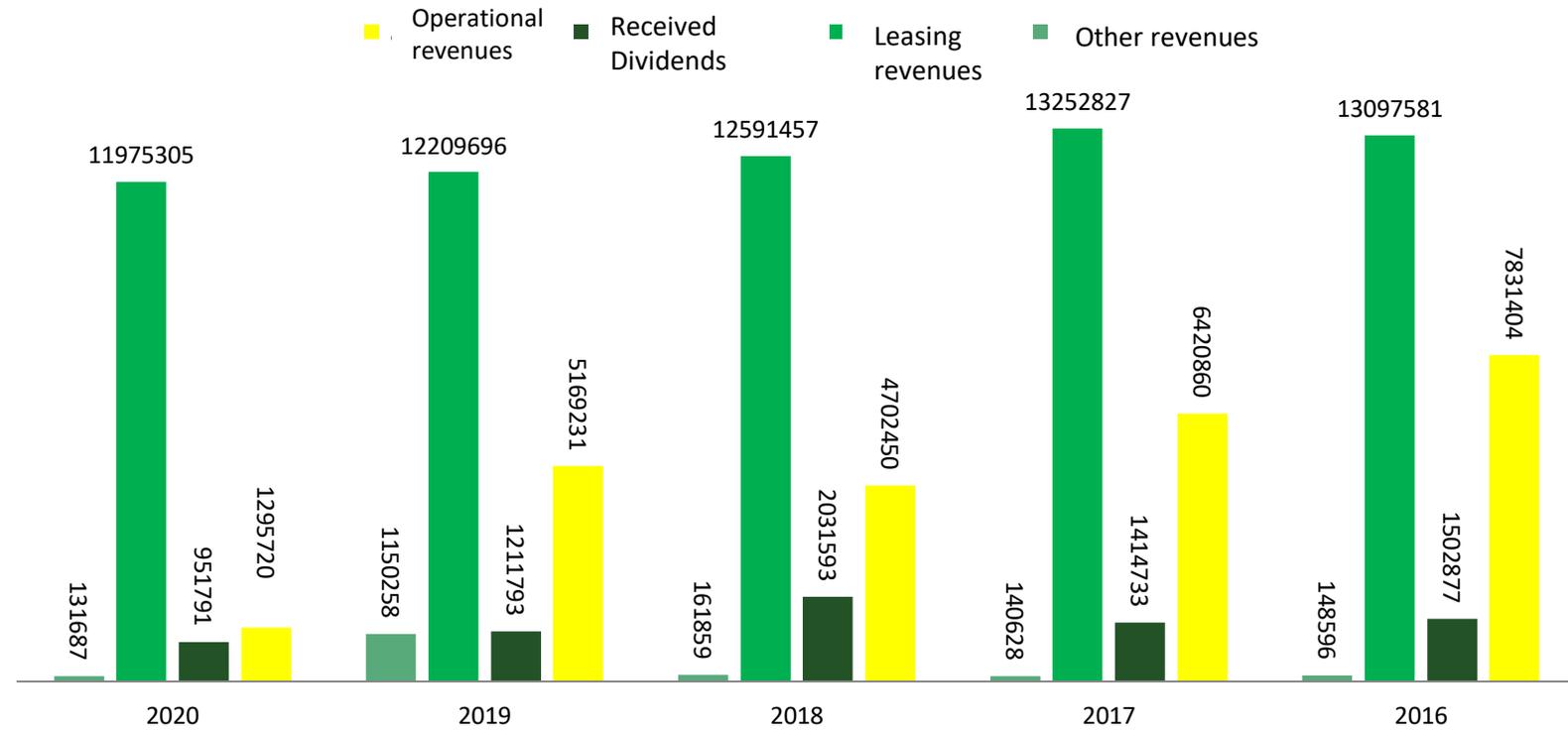
## Revenues and profitability



# REVENUES AND PROFITABILITY

Despite the challenges faced by the real estate sector, The company still able to achieve revenues from real estate leasing activity which supported the financial performance during the first 9 months of 2020. The real estate leasing revenue decreased slightly by only 1.9% during 2020's first 9 months compared to the same period in 2019. On the other side, the cinema operating revenue decreased by 74.9% in 2020's first 9 months in comparison with 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.

## Sustainability in real estate leasing revenue



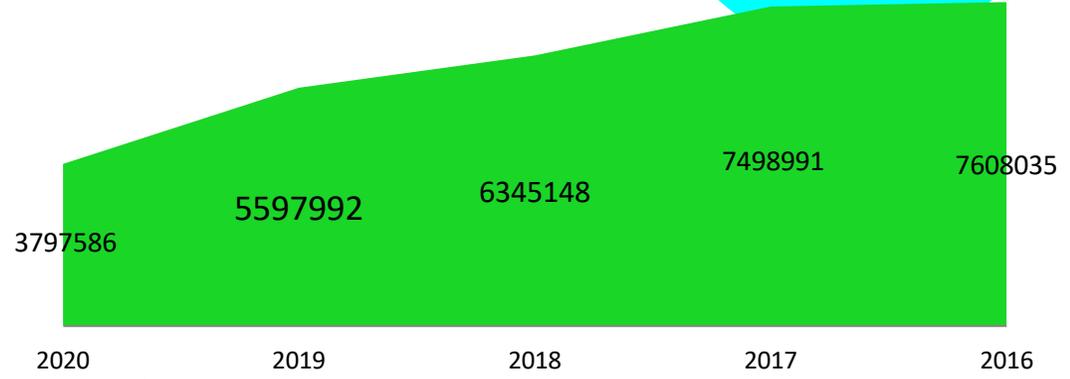
**-27%**

Decrease in the total revenues during the period between 1<sup>st</sup> Jan to 30<sup>th</sup> sept 2020 in comparison with the same period last year

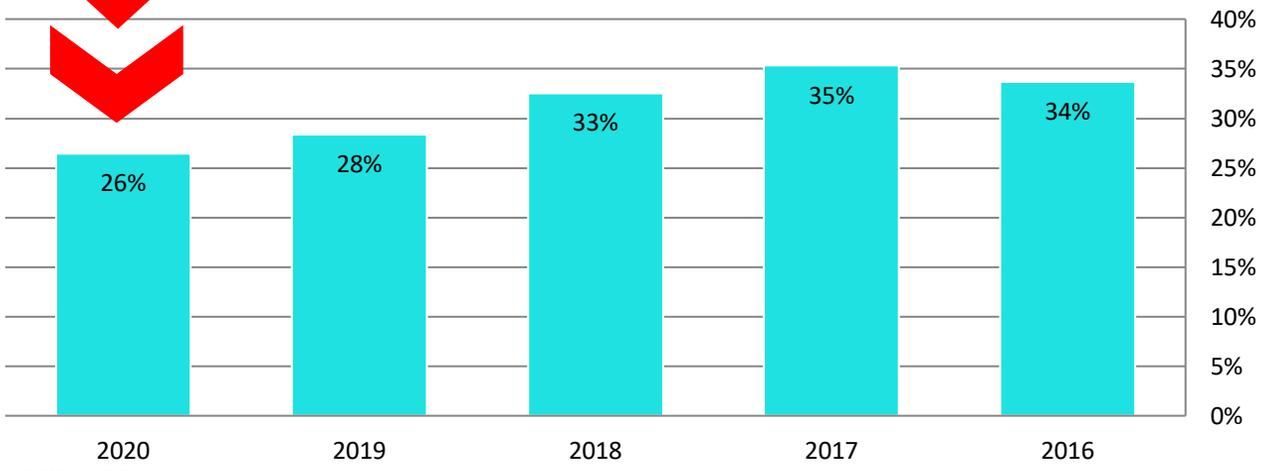
# REVENUES AND PROFITABILITY

**26%**  
Achieved Net profit margin in 2020's first 9 months

**3.8**  
Million QR net Profit



## NET PROFIT MARGIN



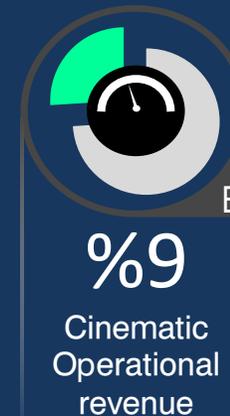
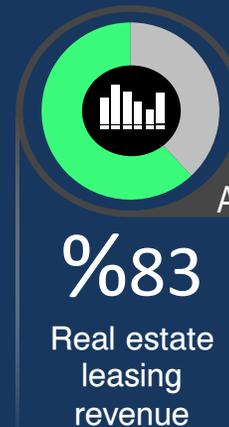
Value by Million QR  
Source: financial statements report in September 2020

Net profit decreased in 2020's first 9 months by **32.2%** approximately compared to the same period in 2019, and the company achieved about 3.8 million QR net profit with \* approximately profit margin rate of 26 %, the Net Profit decrease is due to the following:-

- Closing of the company's cinemas since 12/23/2020 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 one employee amounting to 971706 QR.
- An increase in expenses due to adding a new expense, such as the rent of the Katara's Cinema.

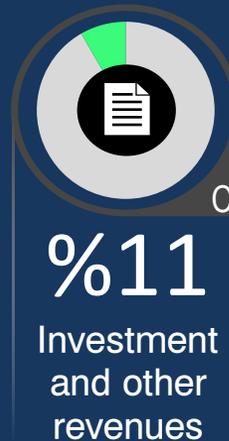
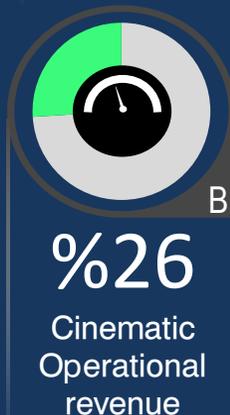
Net profit margine = net profit / Total revenue\*

Comparing 2020's First 9 months total revenues by same period in the last two years.



**%27**

Decrease in the total revenues in 2020 compared to the same period in 2019.



Value by Million QR

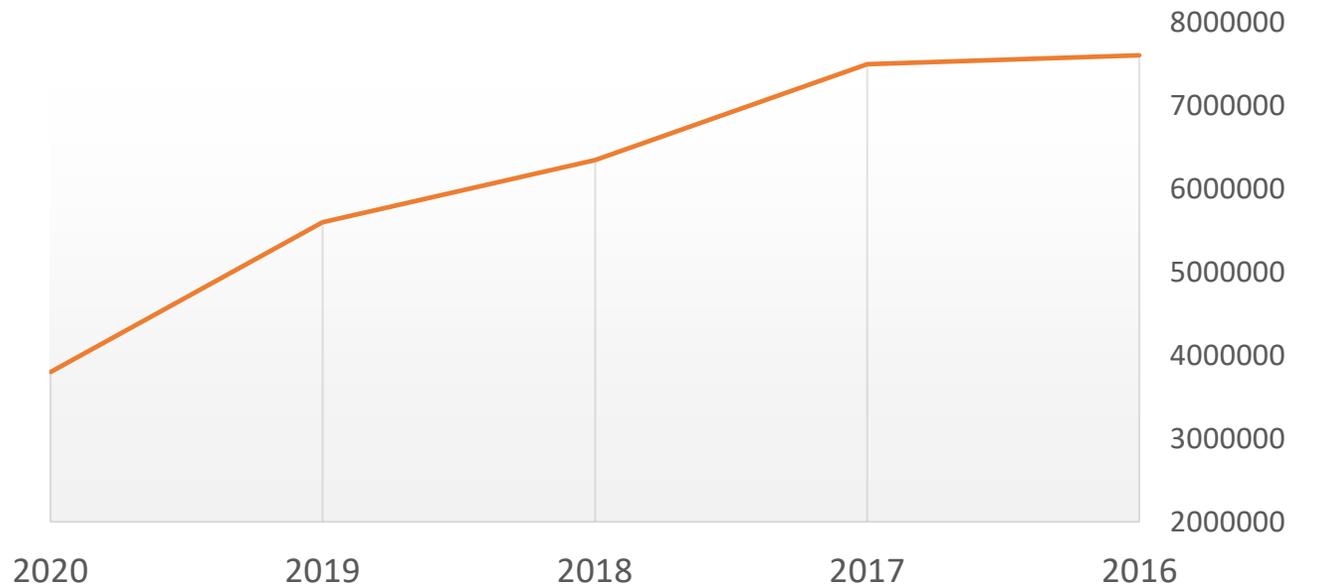
Source: financial statements report in September 2020

# NET PROFIT

❑ Net profit decreased in 2020's first 9 months by almost **32%** compared to the same period in 2019, achieved approximately 3.8 million QR net profit with a 26% profit margin. The net profit decrease is due to the following:

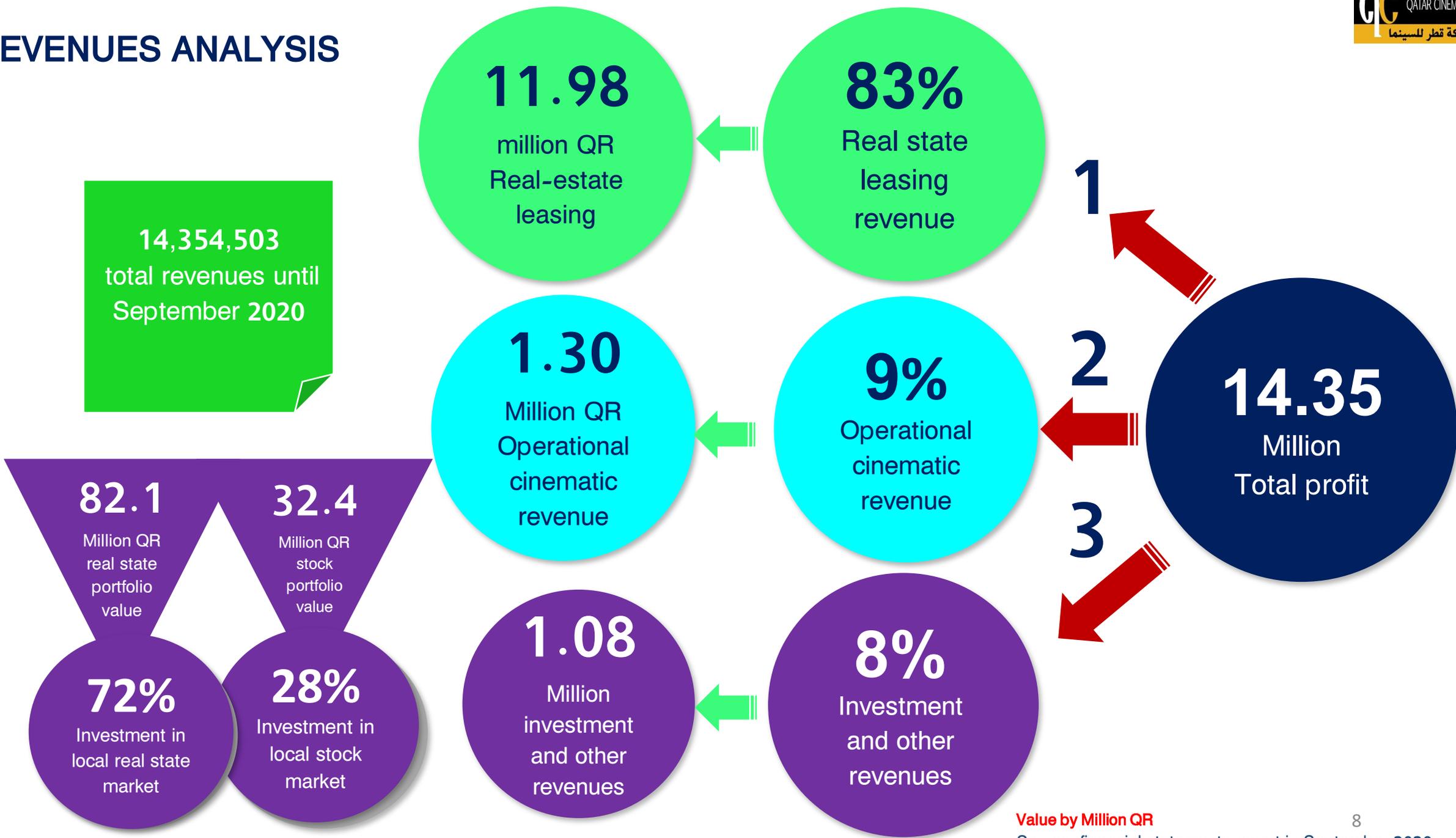
- Closing of the company's cinemas since 12/23/2020 which led to a reduction of cinematic operation revenue
- Income for the comparable year 2019 included other income from end-of-service disputes for an employee, amounting to **971,706QR**.
- Expenses increase due to adding a new expense, such as the rent of the Katara's Cinema.

**3,797,586**  
Net profit till  
the end of  
September  
**2020**



# REVENUES ANALYSIS

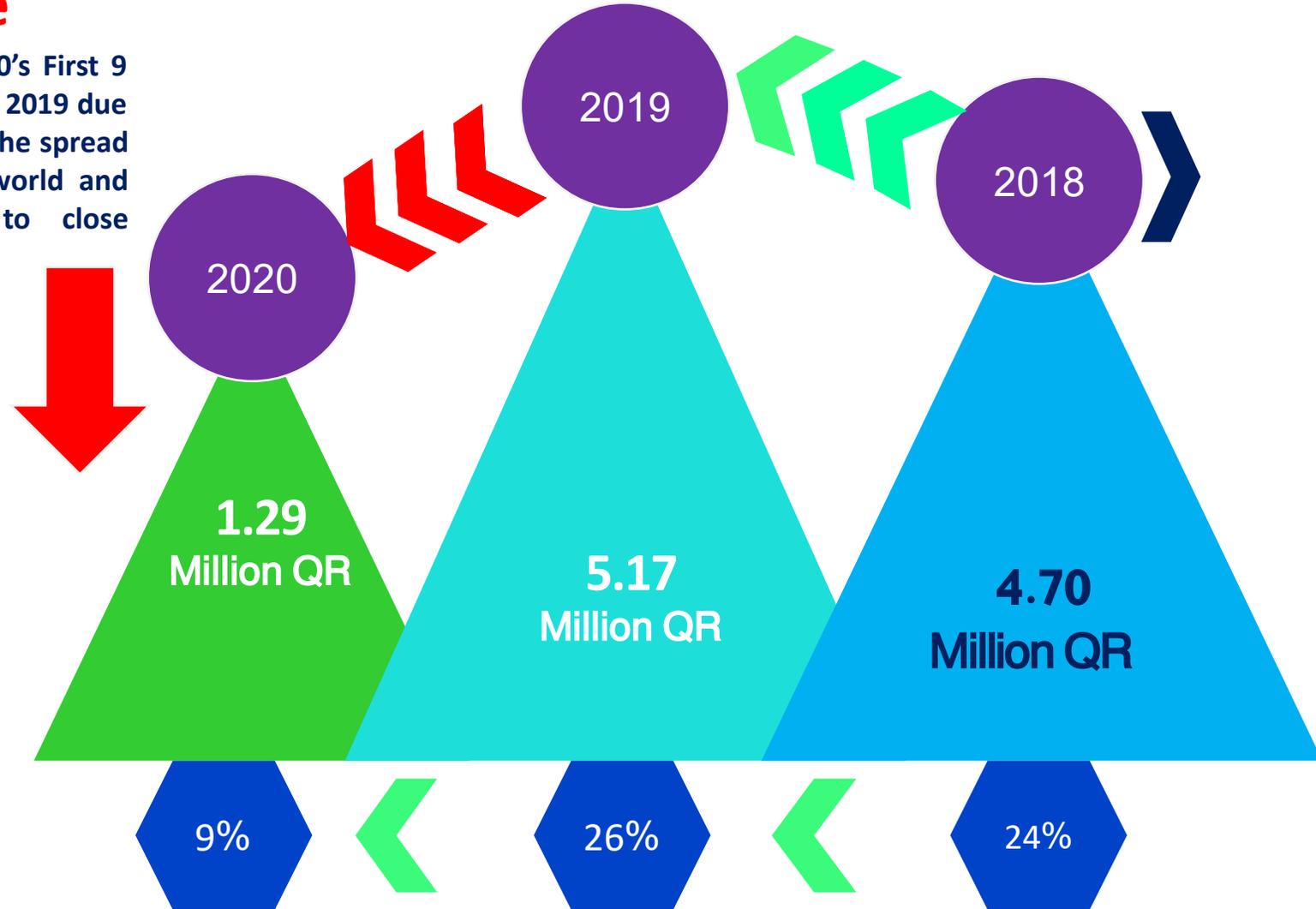
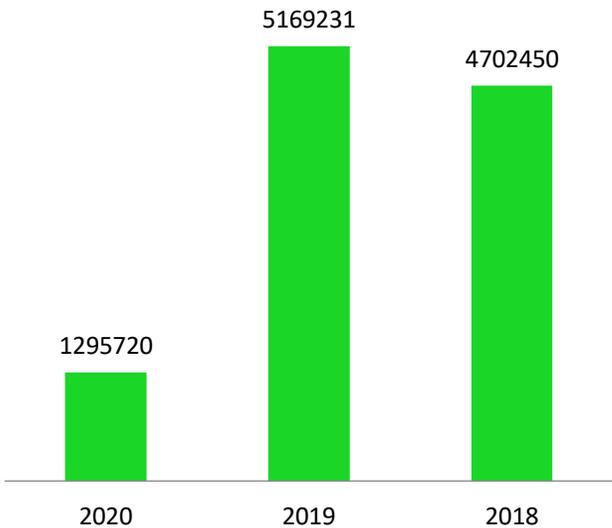
**14,354,503**  
total revenues until  
September 2020



# CINEMA OPERATING REVENUE

**%75 Decrease**

in cinematic operating revenues in 2020's First 9 months compared to the same period in 2019 due to the closing of cinemas as a result of the spread of the Corona epidemic all over the world and taking the necessary precautions to close gatherings places.



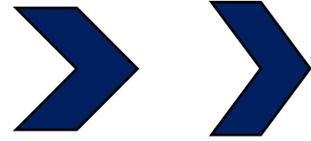
Value by Million QR

Source: financial statements report in September 2020

cinematic Operational revenue value

# PROFITABILITY BEFORE DEPRECIATION AND INTEREST EXPENSE

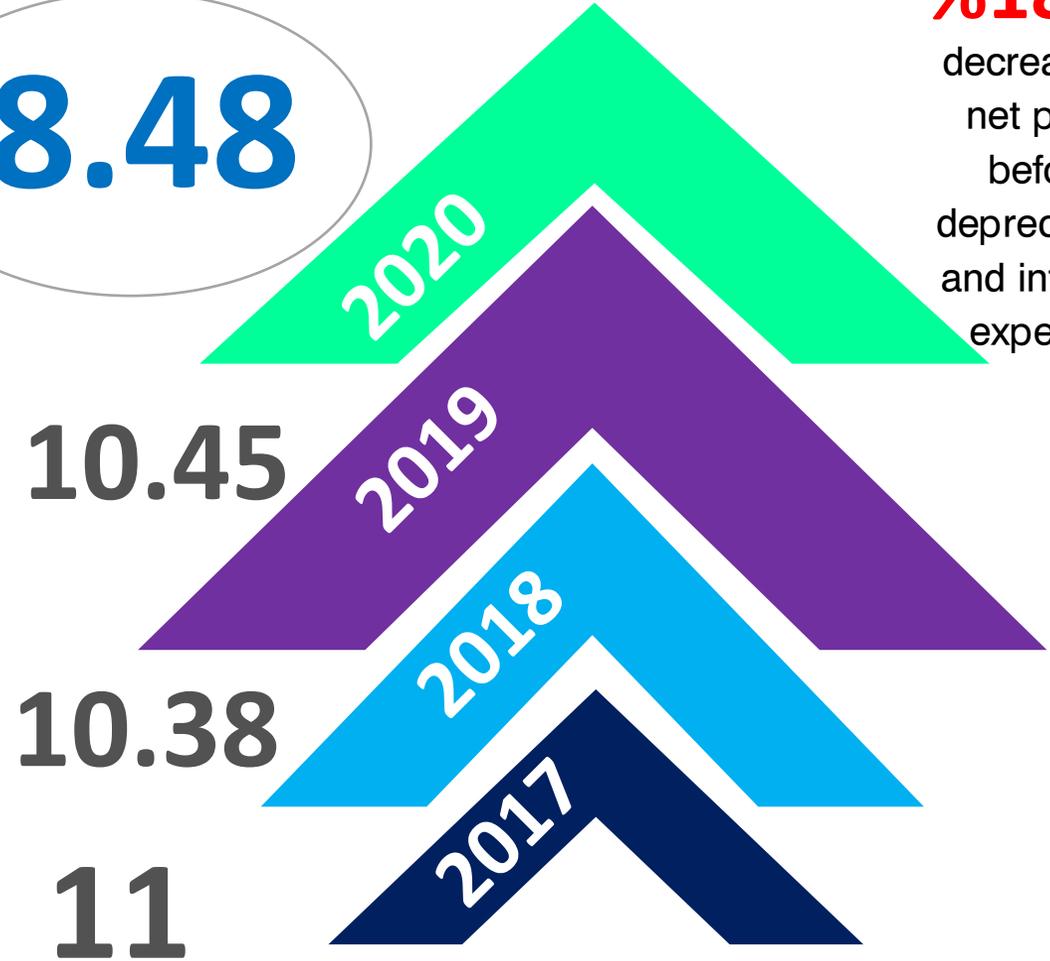
Profit before depreciation and interest expense in 2020



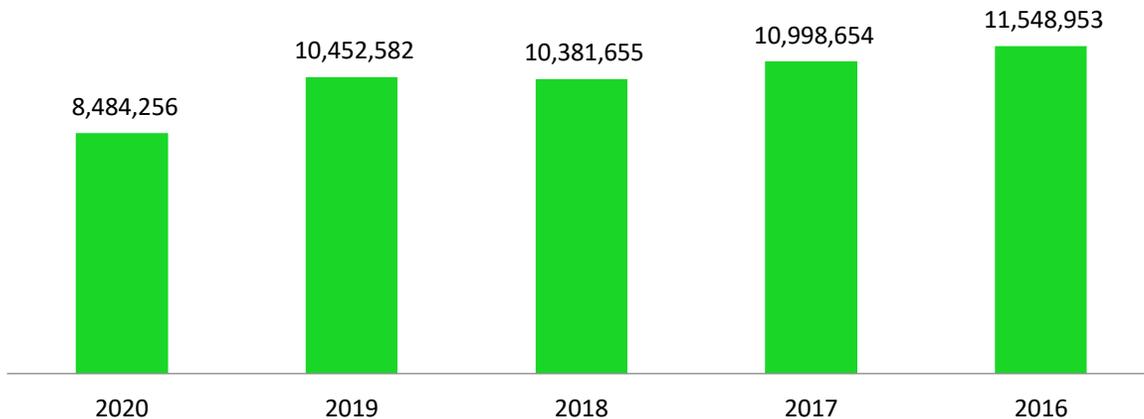
8.48

**%18.8**  
decrease in net profit before depreciation and interest expense

Net profit decreased before depreciation and interest deduction during 2020's first 9 months by 18.8% approximately compared to the same period in 2019 achieving Net profit before depreciation and interest deduction valued by 8.48 million QR with a 59% profit margin. the net profit reduction comes as a result of the decrease in dividends and Cinematic operation and revenues.

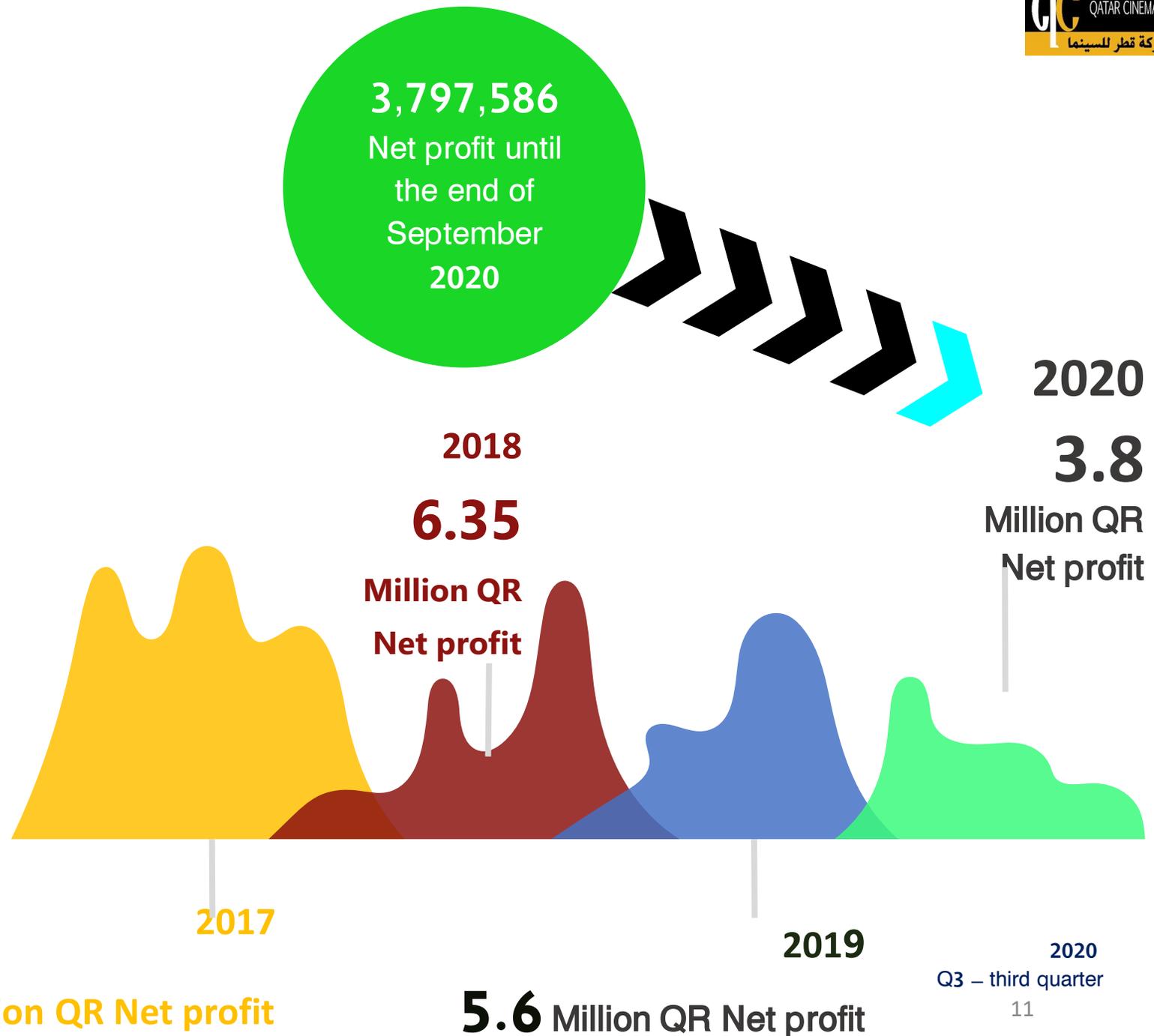


Net profit decreased before depreciation and interest deduction

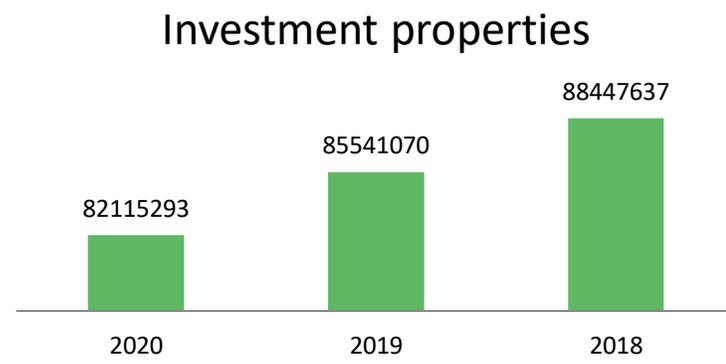
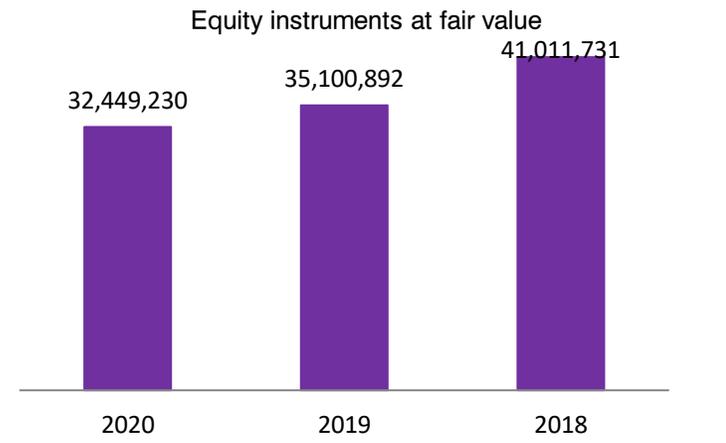
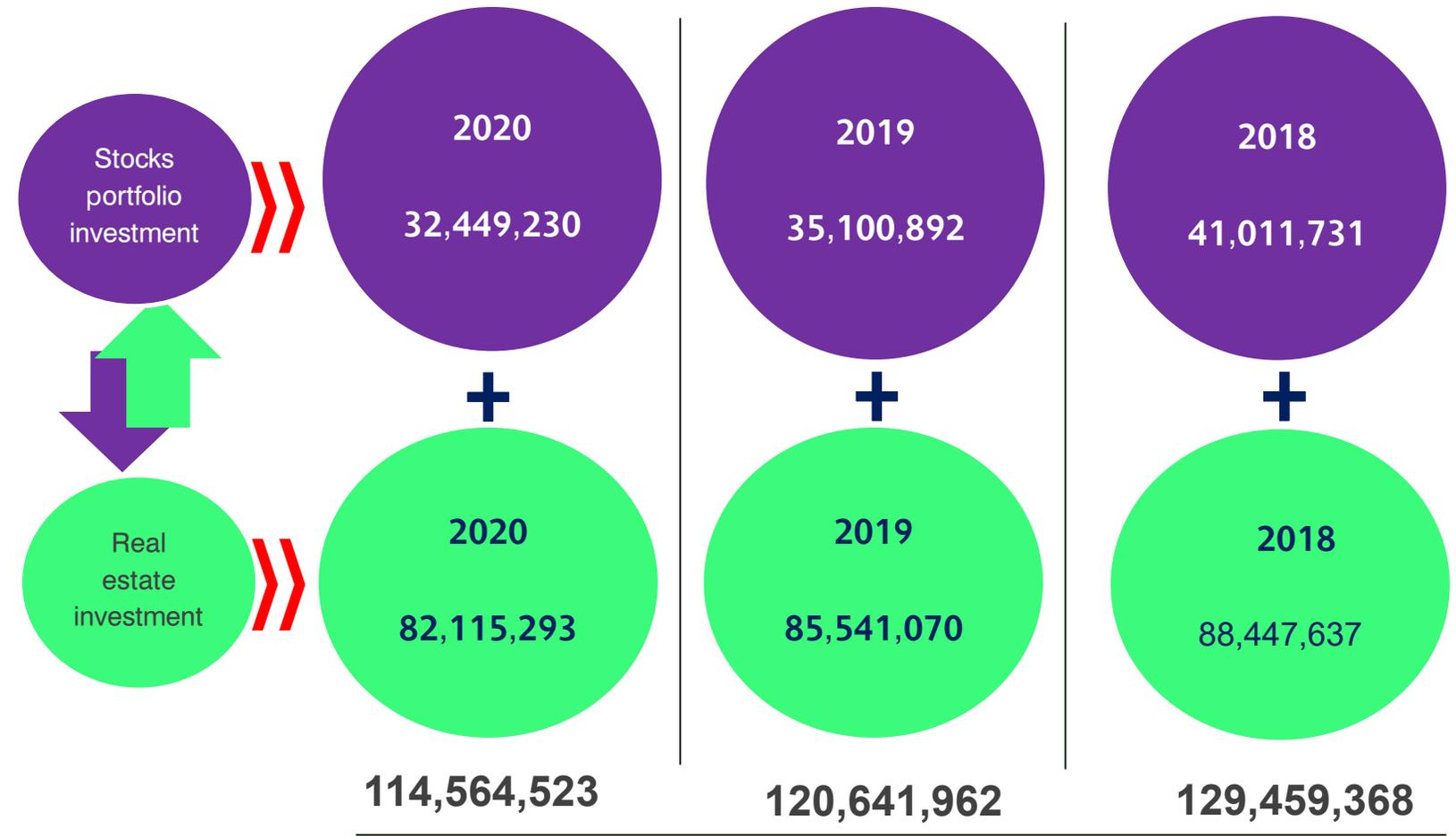


# NET PROFIT

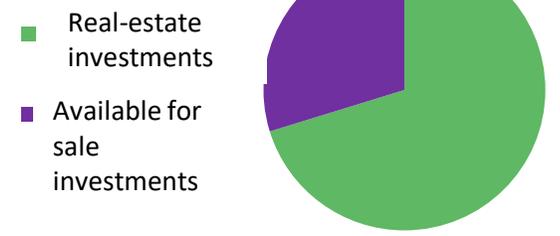
- Net profit decreased in 2020's first 9 months by 32.2% approximately compared to the same period in 2019, achieved 3.8 million QR net profit with about 26% profit margin. the net profit decrease is due to the following:
  - A decrease in the Tickets sale revenues by 3.88 million QR due to the closing cinemas from the middle of March 2020.
  - A decrease in other revenues by 1018571 QR in comparison with 2019 as a result of the ruling in favor of the institution in judicial disputes.
  - increase in expenses because of adding the value of Katara's Cinema rent value due to using International Accounting Standard for Financial Reporting (IFRS 16).



# INVESTMENT AND INCOME DIVERSIFICATION

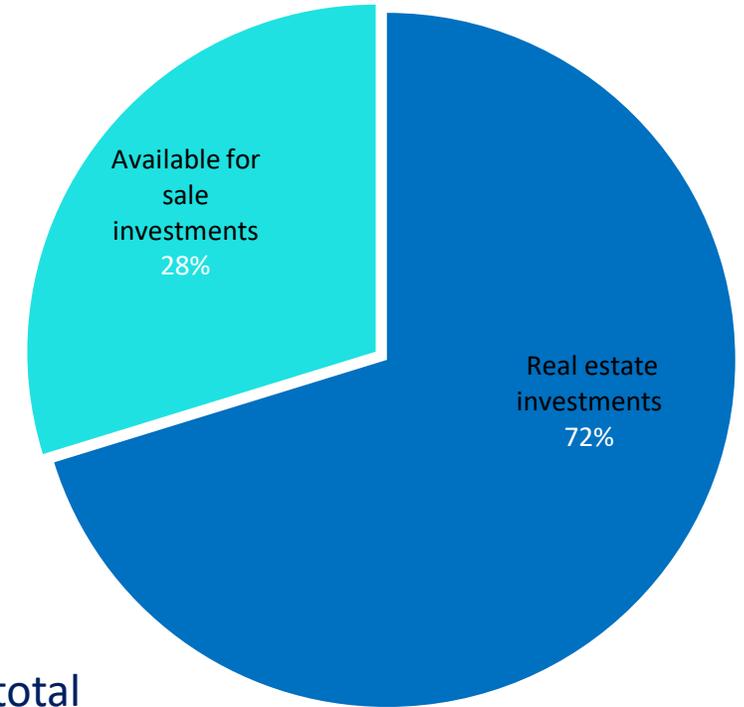
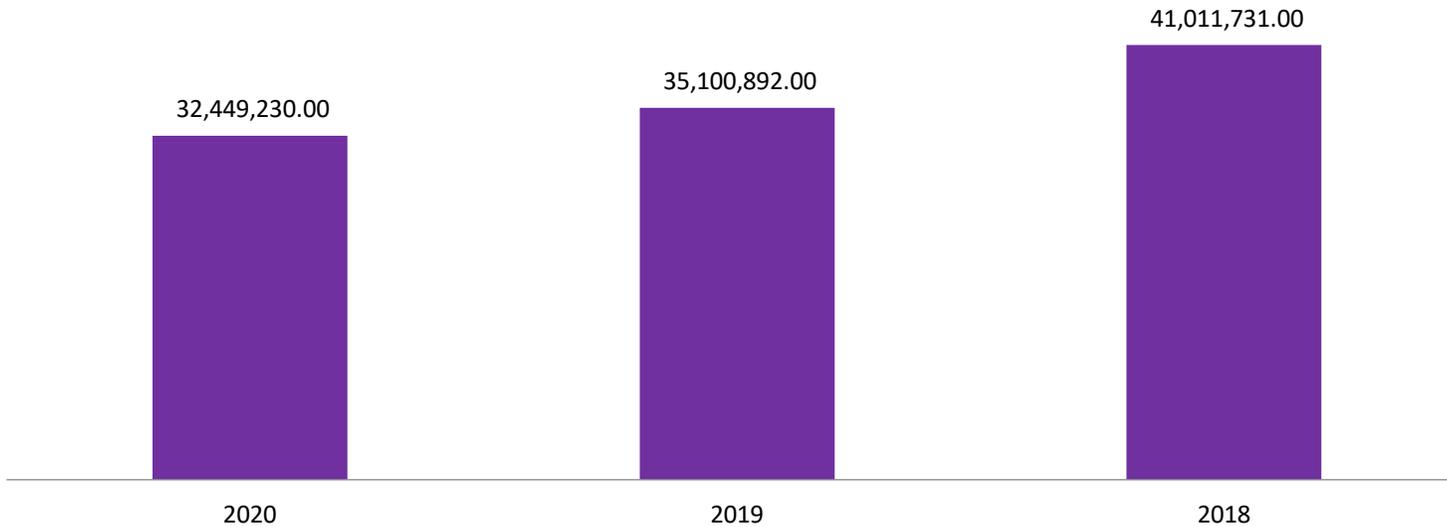


The total Investments amount to approximately **114.56** million QR, distributed between 28% for available for sale equity investments and 72% for real estate investments.



# INVESTMENTS DIVERSIFICATION

Equity available for sale with fare value



- Investment activities and other revenues contributed by 8% of the total revenues.
- The company’s stock market investments constitute 28% of the total investments valued by 32 million QR.
- The net value of the company's investments in the real estate sector constituted the largest share from its investments, which represents 72% of the total investments. The company's real estate investments worth

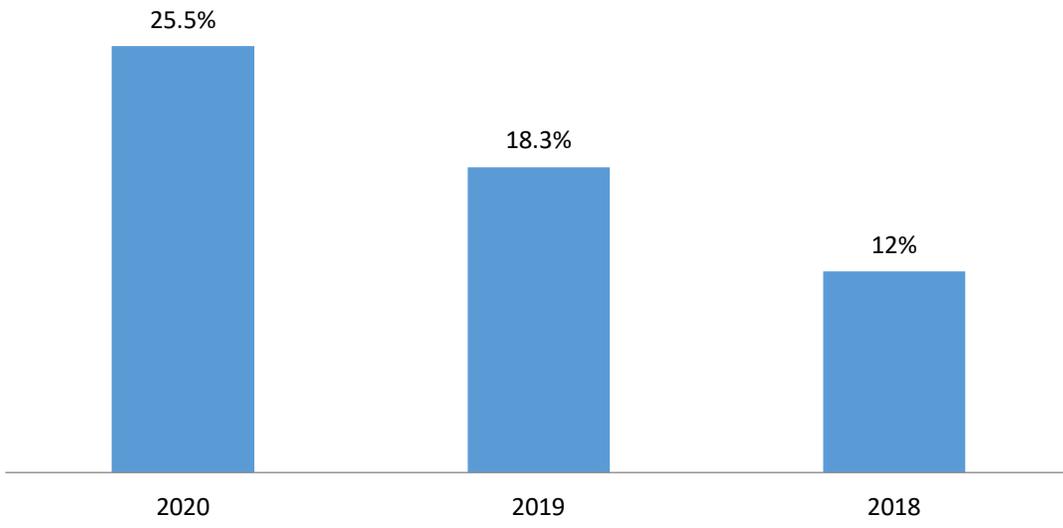
Value by Million QR

82.12 million QR.

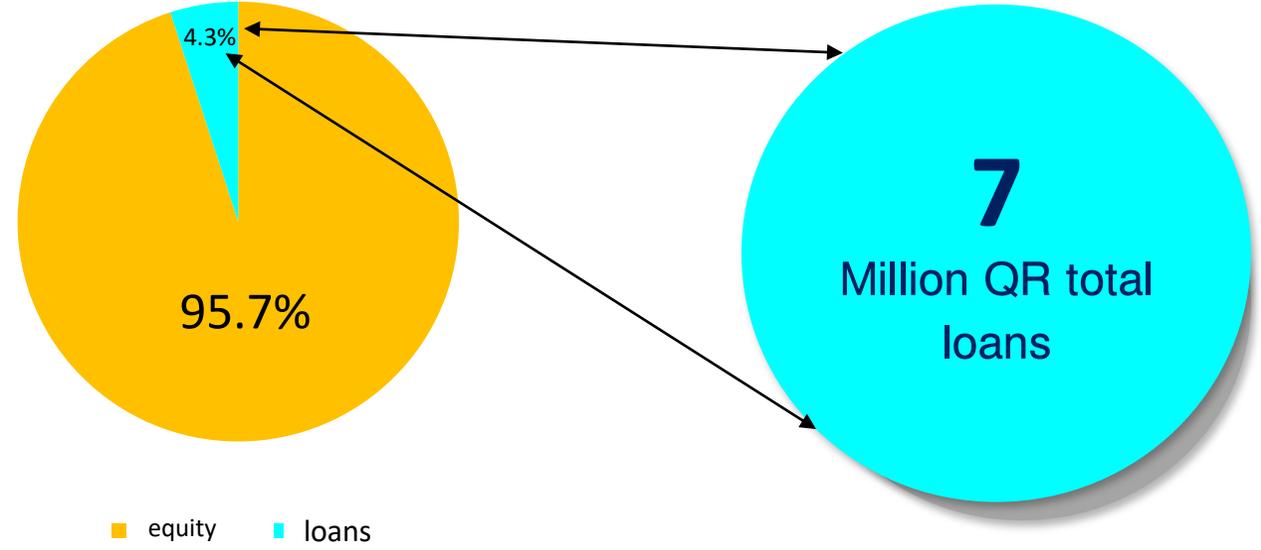
Source: financial statements report in September 2020

# FUNDING STRUCTURE AND INTEREST EXPENSE

Interest coverage from profits ratio



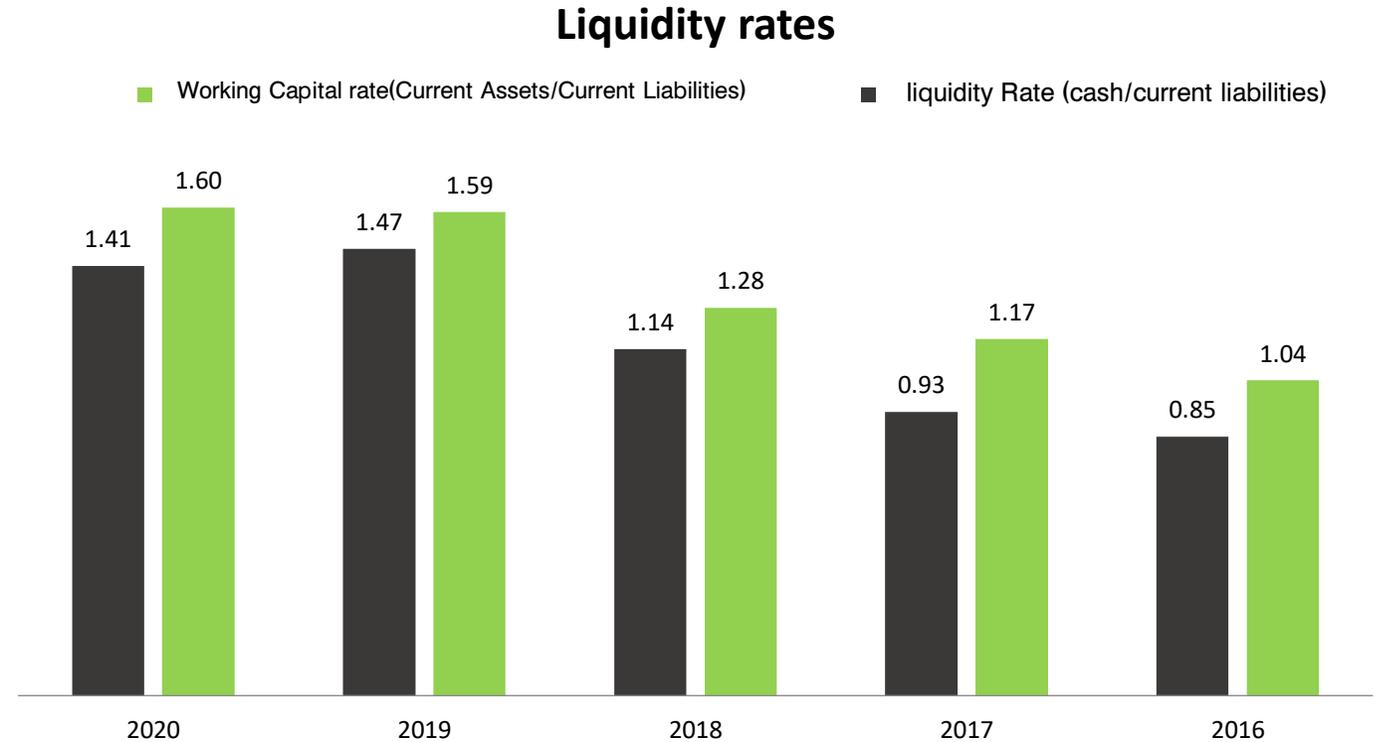
FUNDING STRUCTURE



- 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 September 2020 amounted to 7 million QR.

# LIQUIDITY AND CASH

The Working Capital Rate **1.6**  
The Quick Liquidity Rate **1.41**



The Working Capital rate (Current Assets/Current Liabilities) stood at 1.6 in September 2020, which means that the Company can pay its short-term liability 1.6 times through its current assets. The quick liquidity Rate (cash/current liabilities) stood at 1.41 times for the same period, which means that the Company can repay its short-term liabilities through cash.

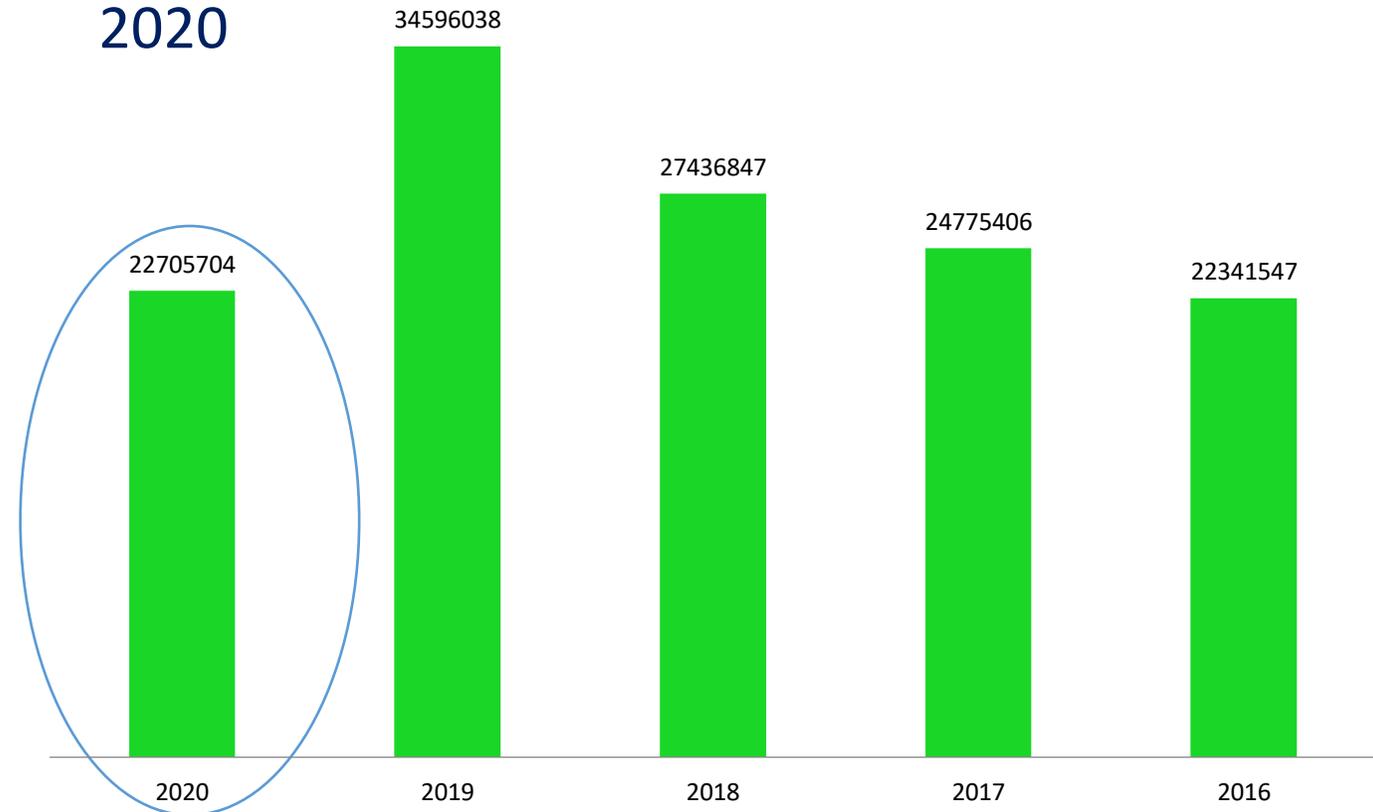
: Clarification  
 .The Working Capital rate :Company ability to pay its short-term liability through its current assets  
 The quick liquidity Rate :Company ability to pay its short-term liability through its cash

# CASH AND BANK ACCOUNTS

- the company's liquidity decreased by 34.4% and valued by 22,705,704 QR at the end of September 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, in addition to a 53% reduction in the loan value.
- 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.

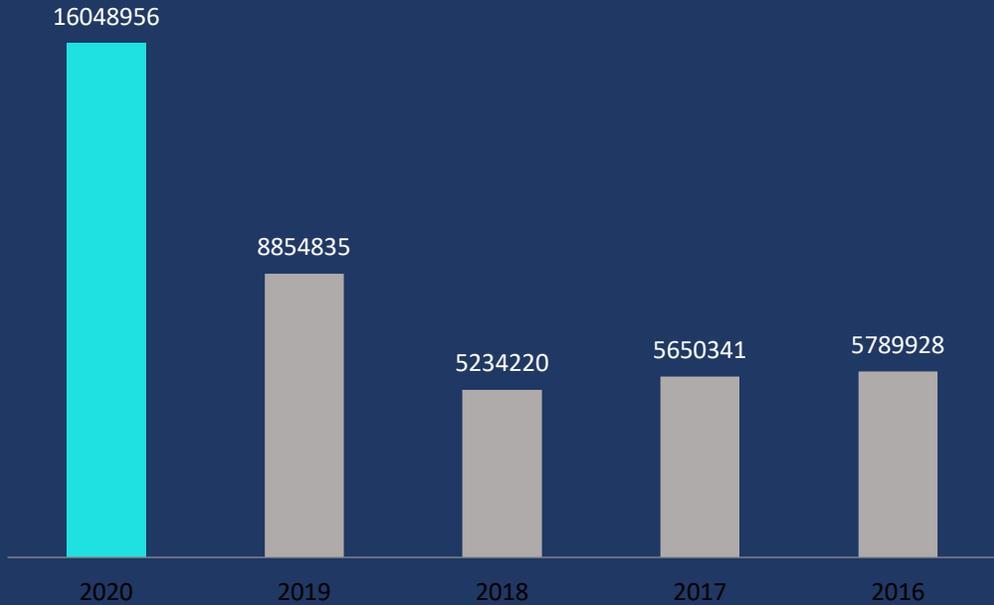
**34.4%-**  
Decreasing in  
liquidity by the  
end of  
September  
2020

CASH AND BANK ACCOUNTS BALANCES

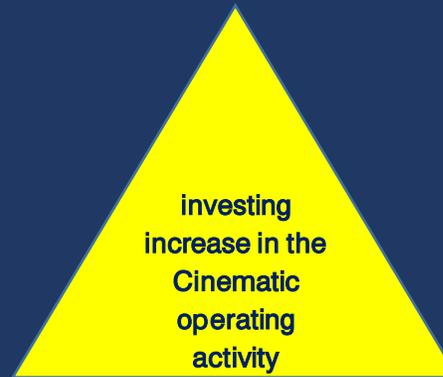


# GROWTH IN PROPERTIES AND WORK IN PROGRESS (CINEMAS)

## Properties and equipments



**%212** **16.0**



8.9

5.2

5.7

September 2020



September 2019



September 2018



September 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 September 2020

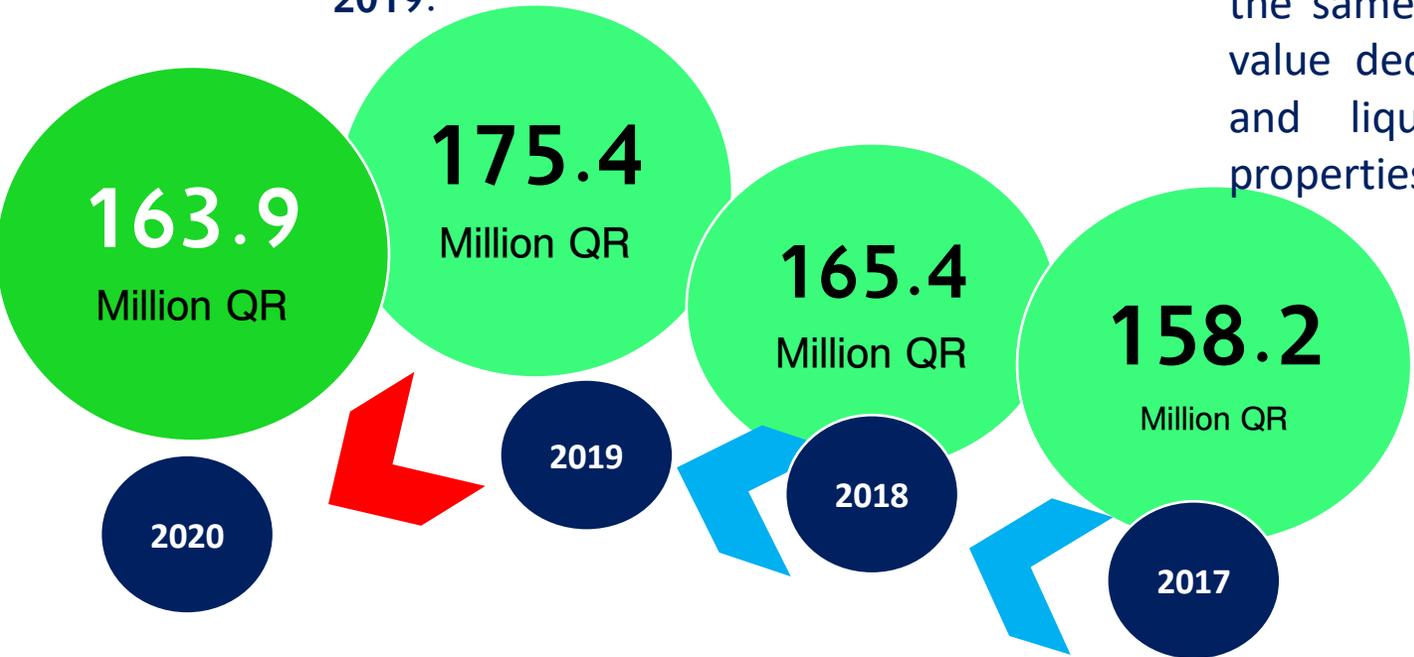
# ASSETS

decrease in assets in comparison with Q3 2019.

**%6.5-**

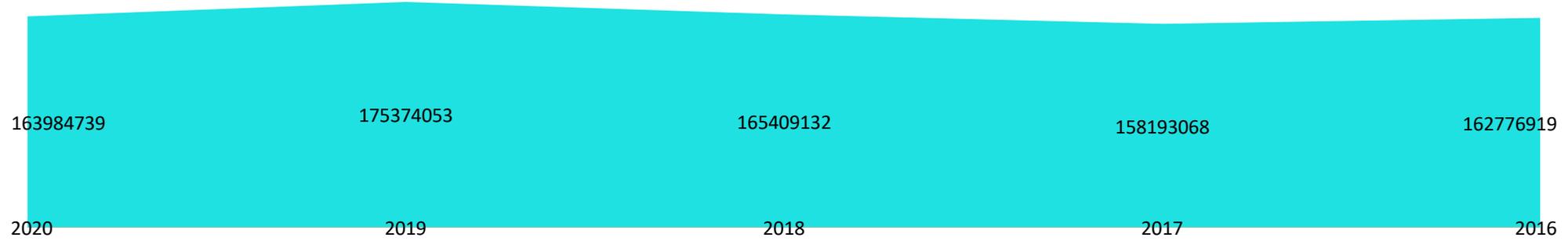
163.9 million QR is approximately the value of the company's assets by the end of September 2020 which means a 6.5% decrease in assets value in comparison with the same period in 2019 as a result of the value decrease of available for sale assets and liquidity despite the increase of properties and equipment's value.

**163.9**



Million QR assets value decreased by the end of September 2020 compared to the same period in 2019 by a 6.5% decrease.

**11**

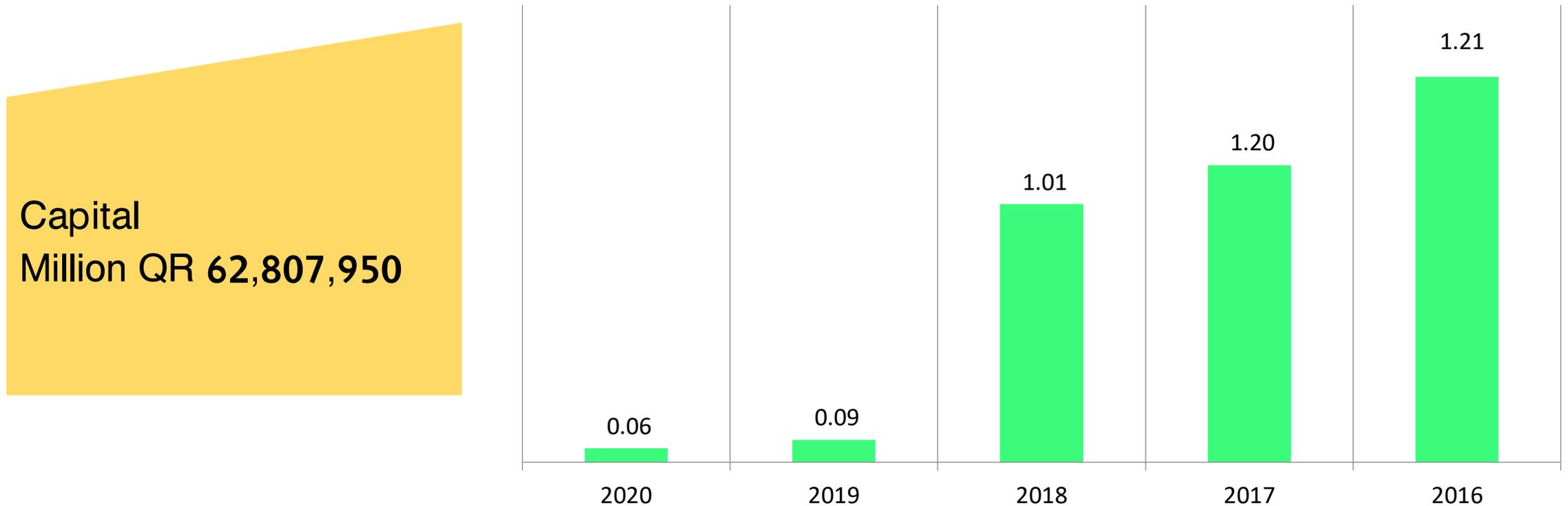


Value by Million QR

Source: financial statements report in September 2020

# EARNING PER SHARE

Till the end of September 2020, Earning per share reached 0.06 QR while earning per share reached 0.09 QR for the same period by the end of 2019, recorded a decrease in the first 9 months 2020.



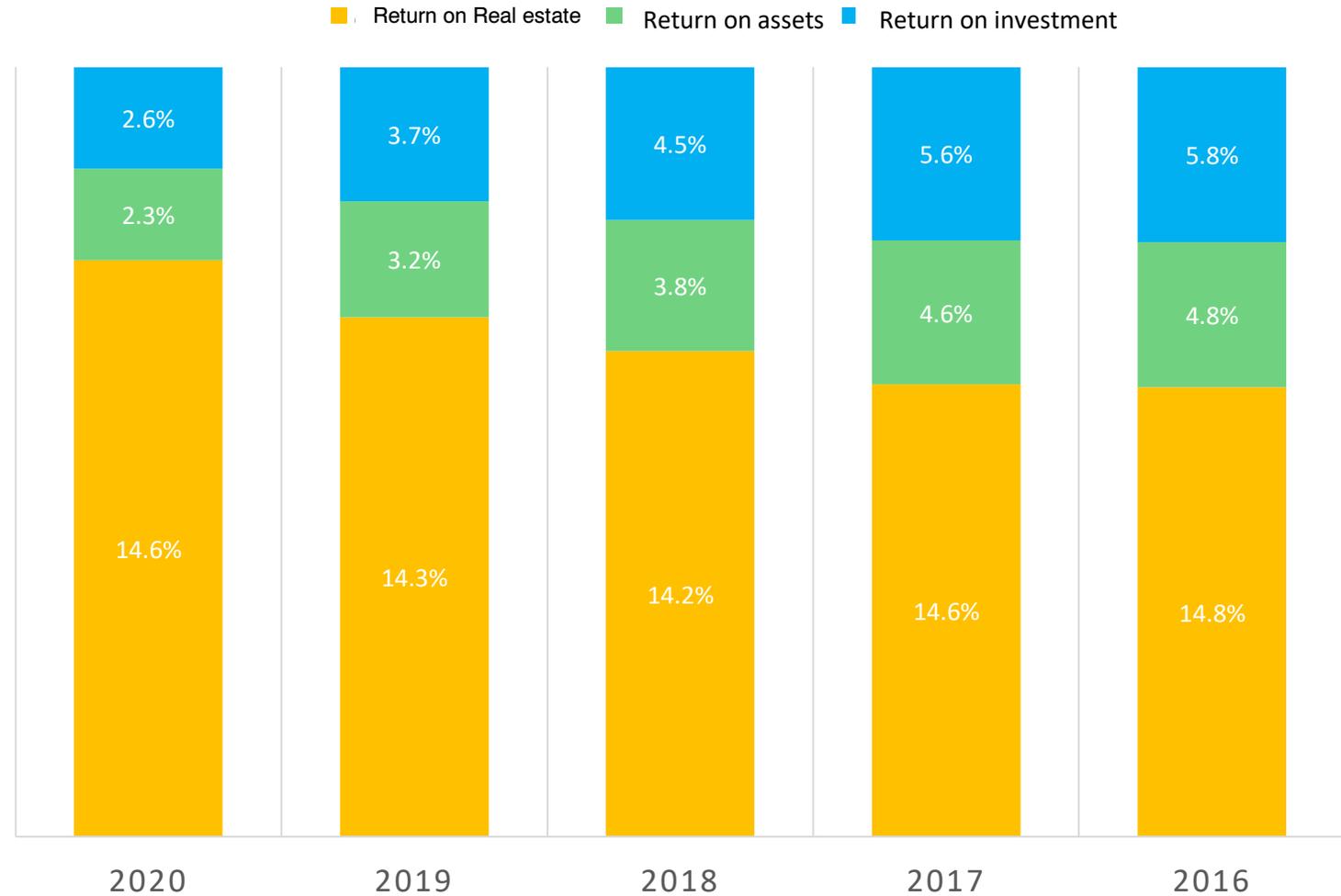
Value by Million QR

Source: financial statements report in September 2020

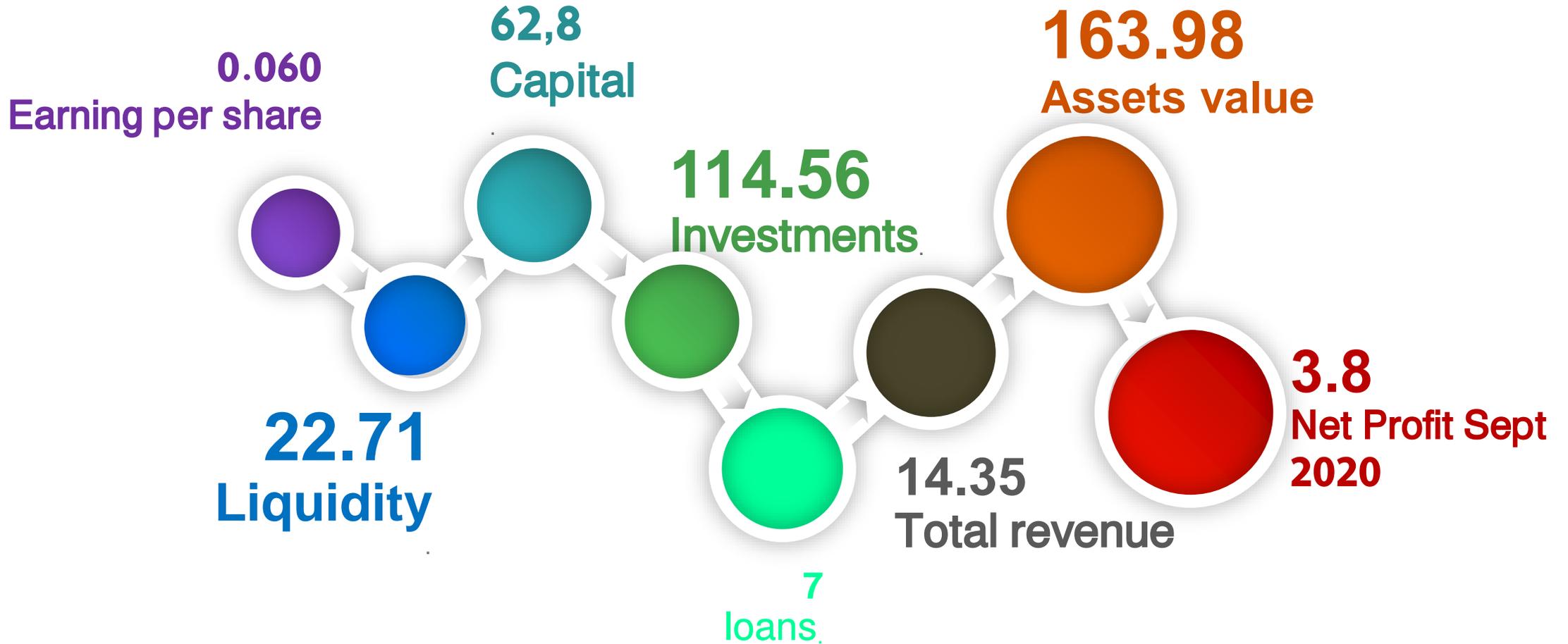
# RETURN ON INVESTMENT

Return on Real estate investment represented almost 14.6% during the first 9 months of 2020. Real estate investment is the most income-generating activity in the company. Generally, The return on the investment rate represents 2.6% of the total invested amount of money in the first 9 months in 2020. The total return on the total assets rate is 2.3% of the total assets for the first 9 months in 2020.

The return on investment and return on assets rates decreased in the first 9 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 as a result of corona pandemic.



# QATAR CINEMA AND FILM DISTRIBUTION



Value by Million QR

Source: financial statements report in September 2020

## 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**  25th July: CINEMA ANNOUNCES THAT INVESTORS RELATION CONFERENCE CALL WILL BE HELD ON 16 AUGUST 2020

**7**  12th 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.

## MAJOR NEWS

**8**  **6<sup>th</sup> October** : Qatar Cinema & Film Distribution Co. discloses its financial statement for the period ending 30th September 2020 on 25/10/2020.

**9**  **11<sup>th</sup> October** : Qatar Cinema & Film Distribution Co. announces that the conference call with the Investors to discuss the financial results for the Quarter 3 2020 will be held on 28/10/2020 at 12:00 PM , Doha Time.

**10**  **25<sup>th</sup> October 2020** Qatar Cinema & Film Distribution Co. discloses the interim financial statement for the nine-month period ending 30th September , 2020 . The financial statements revealed a Net Profit of QR 3,797,586 in comparison to Net Profit QR 5,597,992 for the same period of the previous year. The Earnings per Share(EPS) amounted to QR 0.06 as of 30th September , 2020 versus Earnings per Share(EPS) QR 0.09 for the same period in 2019 .

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