

MEPCO announces Q1 2018 results: net profit increases 15%, operating profit up 12% on previous quarter

- **Net profit of SAR 28.1 million up 763% on Q1 2017 and by 15% on previous quarter**
- **Gross profit increased 96% from Q1 2017 and by 16% on previous quarter**
- **Operating profit increased by 227% from Q1 2017 and by 12% on previous quarter**
- **Sales revenue increased 35% from Q1 2017 and by 10% on previous quarter**

Jeddah, Saudi Arabia, 9 May 2018: The Middle East Paper Co. ('MEPCO'), the region's leading vertically-integrated paper manufacturer, has announced its interim financial results for the period ended 31 March 2018. Sales revenue increased by 35% compared to the same period in 2017 and by 10% on the previous quarter, to reach SAR 225 million. Profitability levels improved, with operating profit of SAR 35.1 million increasing by 12% on the previous quarter and by 227% compared with Q1 2017. Gross profit of SAR 62.1 million increased by 16% on the previous quarter and by 96% on Q1 2017. Earnings per share (EPS) of SAR 0.56, compared with SAR 0.07 in Q1 2017, improved by 763%.

Commenting on the results, **Eng. Sami Safran, CEO of MEPCO**, said:

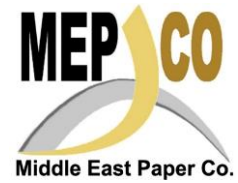
"It is pleasing to see that our earnings in the first quarter are much improved compared with the same period in 2017. We've achieved considerable improvement in financial performance compared to the same period last year. This is the consequence of hard work within the Company, not only to align with international best practice standards, but to overhaul the business' infrastructure and processes in such a way as to guarantee efficiency and cost competitiveness."

Dr. Mohamed Saleh Darweesh, CFO at MEPCO, commented:

"On quarterly basis, the main reasons for improvements in net profit, gross profit and operating profit are increases in sales value and average selling prices, decreases in finance cost because of reduction in average borrowing levels and average borrowing rates."

Total comprehensive income for the quarter amounted to SAR 28.1 million as compared to SAR 3.3 million for the same quarter last year, an increase of 763%, compared to total comprehensive income of SAR 22.8 million for the previous quarter, increasing by 23%. Total shareholders' equity during the current period amounted to SAR 750.5 million, compared to SAR 696.7 million for the same period last year, increasing by 7.7% (there are no minority rights).

MEPCO is the leading vertically-integrated paper manufacturer in the Middle East, offering a diverse range of containerboard and specialty paper products serving the packaging, construction, furniture, and paper core industries around the world. The Company is listed on the Saudi Stock Exchange, Tadawul.



PRESS RELEASE

MIDDLE EAST PAPER CO. (MEPCO) INTERIM CONSOLIDATED FINANCIAL RESULTS

For the three months ended 31 March 2018

All figures are in SAR '000

ELEMENT	CURRENT QUARTER	SAME QUARTER PREVIOUS YEAR	% CHANGE CURRENT	PREVIOUS QUARTER	% CHANGE PREVIOUS
NET PROFIT (LOSS)	28,076	3,253	763%	24,485	15%
GROSS PROFIT (LOSS)	62,104	31,670	96%	53,720	16%
OPERATIONAL PROFIT (LOSS)	35,086	10,733	227%	31,343	12%
EARNING PER SHARE, RIYALS	0.56	0.07	763%		

-Ends-

About MEPCO

MEPCO is the leading vertically-integrated paper manufacturer in the Middle East, offering a diverse range of containerboard and specialty paper products serving the packaging, construction, furniture, and paper core industries around the world. MEPCO supplies its products to the local Saudi market, as well as the GCC, Middle East and Africa. Furthermore, the Company has developed a growing presence in South Asia, the Americas, and Europe. The Company’s innovative approach to doing business enables it to deliver a significant environmental and economic benefit to its home market. The use of energy- and water-efficient production processes enables MEPCO to offer environmentally-friendly and recyclable products to the market. Through its wholly-owned subsidiary, WASCO, MEPCO’s raw materials are sourced from locations across the Kingdom, securing business sustainability while providing measurable benefits to the Saudi economy. MEPCO is listed on the Saudi Stock Exchange, under Tadawul symbol ‘MEPCO’. For more information about MEPCO, click [here](#).

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