



CFC Project 2017

Arab Potash Company (APOT) – Jordan

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List of Acronyms:

1 – APOT

(Arab Potash Company)

2 – JOD

(Jordanian Dinar)

3 – ASE

(Amman Stock Exchange)

4 – SWOT

(Strength, Weaknesses, Opportunities, Threats)

5 – PESTEL

(Political, Economic, Social, Technological, Environment, Legal)

6 – IPNI

(International Potash Institute)

7 – CAPM

(Capital Assets Pricing Model)

8 – WACC

(Weighted Average Cost of Capital)

1 - Investment Summary:

Arab Potash Company is a Shareholder company that includes a group of subsidiaries, it's one of the main mining factories in Jordan, and in fact more than 90% of its production is exported to global market, whereas mining forms 20 % of Jordan GDP (APOT) Contributes 7% of it.

APOT Produce 3 % of global Potash Production, Exporting to several countries especially China & India.

In 2016, the total sales for the APOT were about 367.6 million JD, comparison with 2015 sales (527, 5 million JD) with decrease in sales of 30% ,decrease in sales was 30 % therefore, 2016 total profit was 67,4 million JD comparing to 2015 total profit which was 131,1 million JD, with decreasing was about 49 % , the reason of falling back that one of the production factories stopped more than 4 months for maintenance.

Otherwise , the expectation is to increase global potash production , yet the expectation report from world banks shows the rapid increase in population, therefore increase the need of food production that need potash.

IPIN is a non-profit organization established in 1952 aims the optimal use of fertilizers to achieve the highest productivity and quality the best use of potash fertilizers, the organization has many labs in central Europe, Africa, Asia and Latin America.

The demand expectation on potash is rising regionally, so that to cover the needs of plant fertilizers according to rapid population growth in the region. And the produce of potash is limited on two countries Jordan & Israel

The region surrounding rely on phosphate also to cover their need which is produced in many countries like Morocco, Saudi Arabia ,Jordan ,Israel ,Tunisia and Egypt

We recommended to "***BUY***" in Arab Potash Company Stock on the Market Price Because Market Price now is under value which we expected to be positive growth on the market price; fair value of the company stock is JOD 27.91 per share compared with a closing price on 31.12.2016 is JOD 19.18 per share.

2 - Industrial Analysis:

2.1 Introduction:

Potash is considered one of the most important plant nutrients through manufacturing fertilizers of potash, on the other hand it's contained the human body and animals in the element of potassium permanganate and there is no effective alternative to this element of the industrial chemicals.

Potassium plays a vital role in the growth of crops and plants by helping to combat the cold and drought because of the high content of chlorine also its important in milk production and animal nutrition, for more potassium is one of the seven elements contributes in the composition of the crust and its used in many industries like glass, explosives, medicine & soap, furthermore potassium is 17% of sea water salts component.

All of this shows the importance of potash as commodity common core, its essentials for both flora and fauna, its main element in many industries, consequently potash is important for human being.

2.2 Global Market:

There are limited countries in the world that owns large amounts of potash. Canada is one of the largest countries which has 46 % of the world potash reserves, followed by Russia with 35% .otherwise, the consuming countries depends on importing large quantity of potash to cover their need of it, especially Latin America & Asia.

There are 12 countries produce potash all over the world, some of them like china produce small quantities that are not enough to cover domestic consumption and they need to import large quantities from other countries

Potash is used in agricultural products where potash fertilizers are an essential element of plant composition therefore it's important for main crops such as wheat, rice, barley and corn. Otherwise potash is used in manufacturing and mining. A point of view India, China, North America and Brazil consuming 60% of potash production.

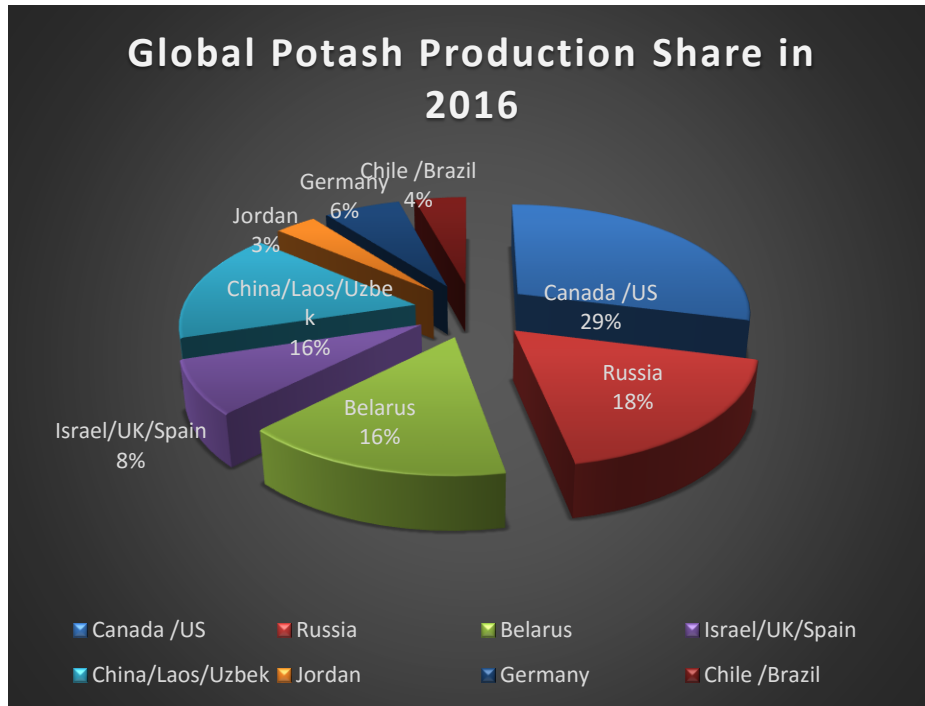
The use of potash has not been widespread in poor and emerging countries. For 20 years, the demand for potash has increased from these countries because of the high population density and as a result the need to increase food production to cover the rising demand of food.

Due to political and economic developments globally in recent years, this led to fluctuation and decline in demand for potash and the emergence of a global food crisis led to the reduction of demand, otherwise the international monetary fund indicates the global population increased from 2012 to 2016 for about 4.8% this increase is to several reason and because of global food crisis.

Global potash production reached 52.60 million tons in 2005 and continued to rise in demand to reach 59.60 million tons in 2016, a rise of 12% over 10 years. This is a small increase, comparing to population increase that is due to food & financial crisis during this period of time, which effected mainly on demand of potash.

The following table shows the production volume of producing countries in 2016

Figure (1)



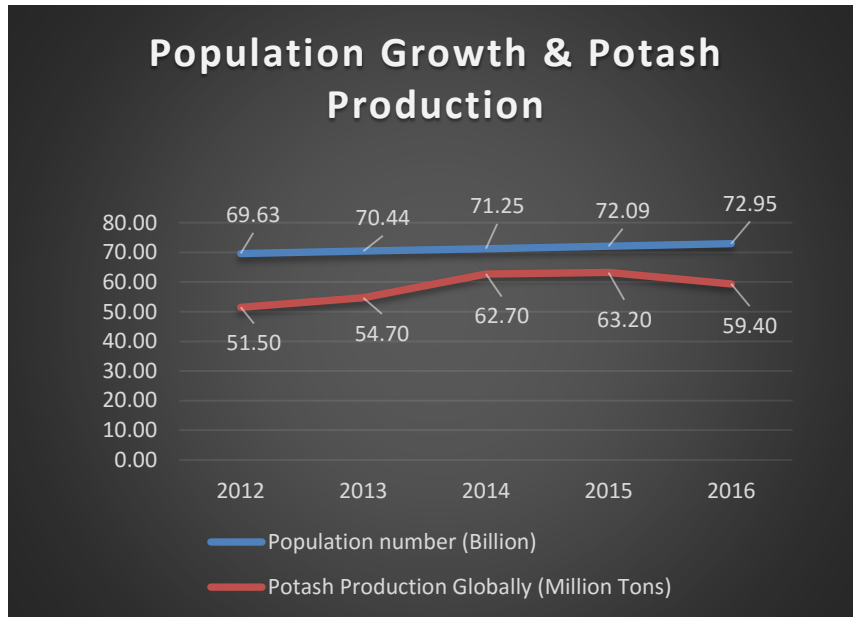
Source: www.fertecon.agra-net.com

We noticed that there is increasing in the global demand for potash over the last five years yet of the increase of global population. As the statistics of the International Monetary Fund indicates the global population increase during the period 2012-2016 about 4.8 %.

Hence, there is a positive relationship between the increase in the population and the increase in the demand of potash yet it is important for corps and food.

The diagram below shows the relationship between population Growth and potash production worldwide.

Figure (2)



Source: www.worldbank.org, www.fertecon.agra-net.com

It is also worth noting that there is a strong competitor of potash, which is phosphate, as it is also involved in the basic components of crops and mining industries. It also has direct relationship with the increase of the population and the need for food. The global production of phosphate is about 261 million tons in 2016.

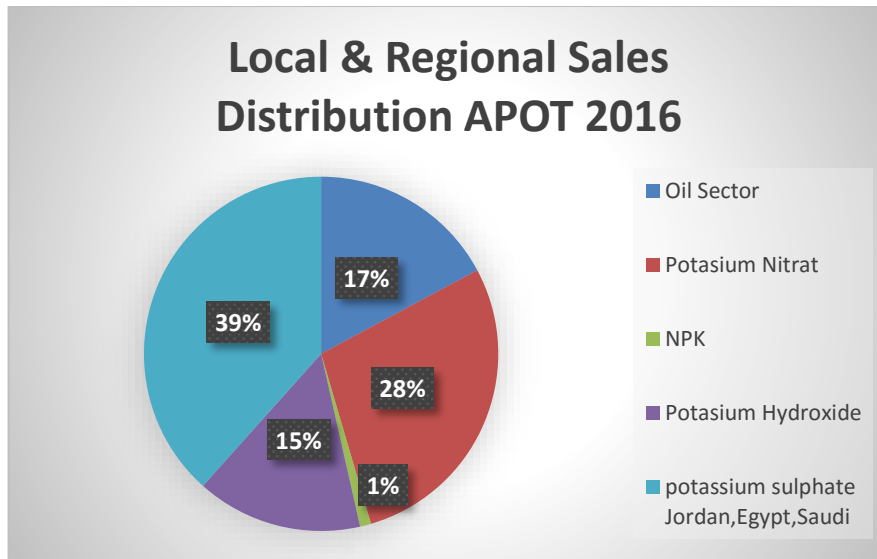
2.3 Market Regions:

In Middle East and North Africa, there are few sources of potash limited in Jordan and Israel. The productivity ratio is very low compared to global production of potash. This region has a geographical advantage that is easy to supply, especially for countries that consume large quantities of potash near the region. Such as China and India, which reduces the financial burden of importing countries in terms of transport costs, Potash industry is also an important economic contributor for these producing countries.

Region country depends on phosphate to cover shortages in potash; Morocco is the second largest producer of phosphate in the world, where Morocco contains about 75% of world stocks of phosphates, which make it the largest producer of phosphate in the region, this in turn competing the potash industry.

The diagram below shows the Local & Regional Sales Distribution by APOT in 2016

Figure (3)



Source: www.ase.com.jo

2.4 Local Market:

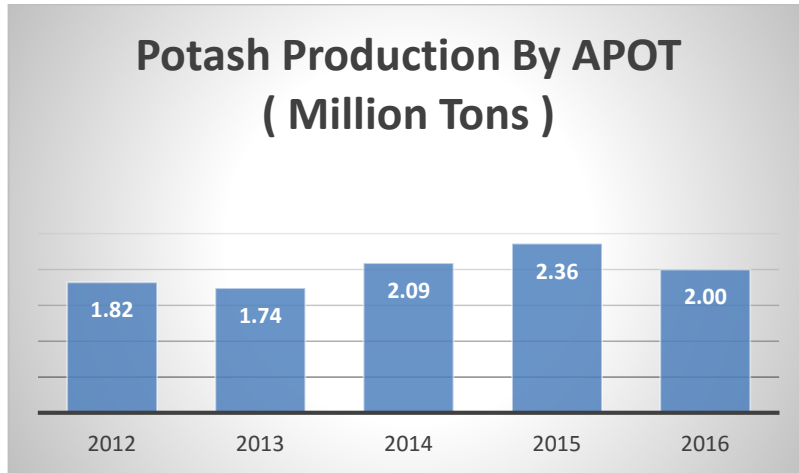
Jordan is one of the world leading producers of potash. Jordan shares 3% of the world production of potash and depending on the export of a large part of the production abroad, where Jordan located in the middle of the continents and the sea window in the Gulf of Aqaba makes it close to the most consuming countries of Potash in China and India.

Potash production is considered an important national economic growth in GDP, where manufacturing and mining sector formed for about 20% of Jordan GDP in 2016. Potash shaped 7% of it; therefore, the potash industry is considered one of the most important tributary for national Jordanian economy.

Potash industry in Jordan has undergone advanced stages over the past years, the quantity of production has increased from 1.9 million tons in 2012 to 2.36 million tons in 2015 then decreased in 2016 to 2.00 million tons yet of closing one of producing factories for maintenance furthermore, Arab Potash Company is considered the only potash producing company in Jordan and has an exclusive concession from the government to extract and manufacture potash in Jordan.

The diagram below shows the Potash Production from 2012 – 2016 by Arab Potash Company in million tons.

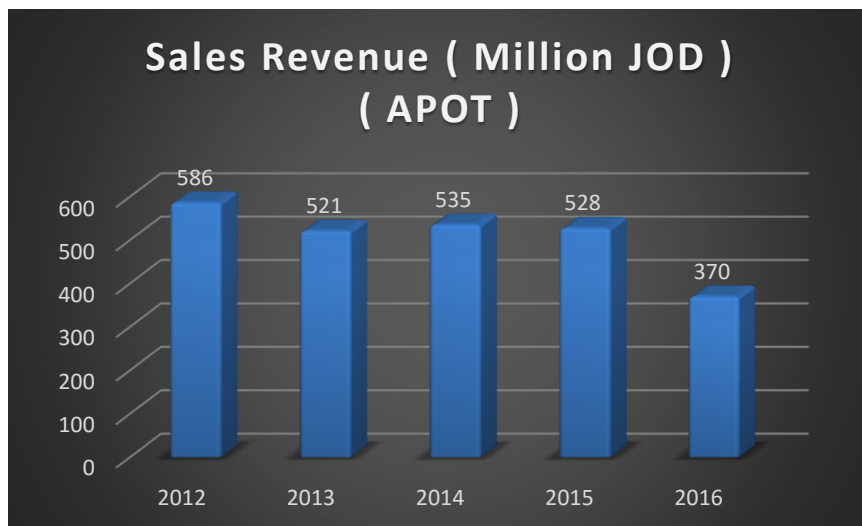
Figure (4)



Source: www.ase.com.jo

The diagram below shows the Potash Sales Revenue from 2012 – 2016 by Arab Potash Company in million JOD.

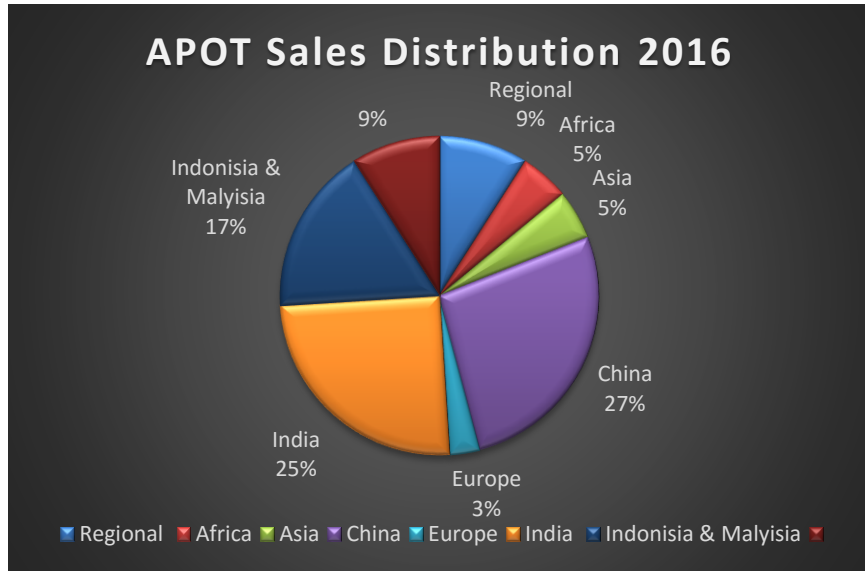
Figure (5)



Source: www.ase.com.jo

The diagram below shows the Potash Sales Distribution in 2016 by Arab Potash Company.

Figure (6)



Source: www.ase.com.jo

3 - Company Overview

The Arab Potash Company established in 1956 The Government granted the concession to the Potash Company for a period of 100 years, after which the government fully controls the company and its contents free of charge, The Company headquarter is located in the Jordanian capital Amman and employs 2250 employees in 2016.

One of the company's main objectives:

1 - To extract chemicals and salts from the Dead Sea and to establish industries for the use of extracting materials.

2 - Potash Company produced a lot of items such as Potassium, calcium, Moisture Company making fertilizers & Industrial Grade for the productions.

The value of property, buildings and equipment in the company amounted to 1.1 billion dinars at the end of 2016 and after deducting the consumption ratio 232 million dinars.

Potash Company has a number of subsidiaries as follow:

1 - Arab Fertilizers and Chemicals Industries Company (KEMAPCO)

The main objective is to produce potassium nitrate fertilizer and calcium phosphate.

2 - Magnesia Jordan Company (JORMAG)

The main objectives are the production of magnesium oxide and magnesium derivatives

3 - Nimeera Co. For mixed salts and mud

The main objectives are to fill and buy Karnalite and the cosmetics industry through clay in the Dead Sea.

4 - Jordan Dead Sea Industries Company (JODICO)

The main objective is to find new investments to incubate it.

Associated Companies:

1 - Promina Jordan Company (JBC)

Main Objectives are to produce bromine and its derivatives.

2 - Japan Fertilizer Company

Main Objectives are to produce compound fertilizer and is marketed in Japan through the Japanese partner.

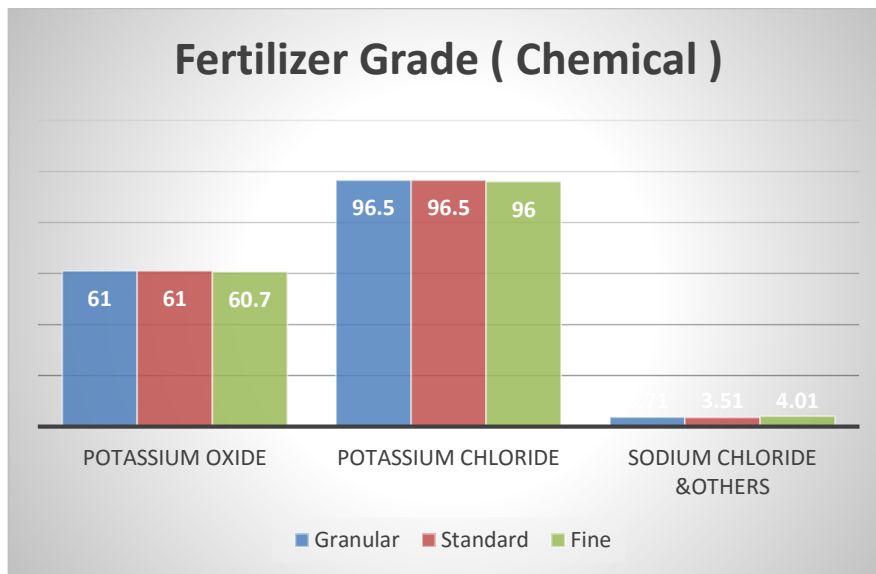
3 - Jordanian Industrial Ports Company (JIBC)

Main Objectives are to rehabilitate the industrial port in the Gulf of Aqaba to accommodate large quantities of production for export to the world.

4 - Salt Al Safi Jordan Company (under liquidation)

Table Blow is showing stage of extraction, fertilizers grade and chemical grade elements in the production process.

Figure (7)



Source: www.arabpotash.com

4 - Strategic Breakdown

4.1 SWOT Analysis

The analysis includes the internal factors affecting on the performance of the company moreover the strengths and weaknesses points, which reflects the company evaluation and its work also includes the analysis of external factors that affecting the performance of the company. And external opportunities and Threats, which also reflected in the assessment of the company.

Strength

- 1 - Occupational Safety 2 million hours of work without injuries.
- 2 - Exclusive governmental concession for mining and potash extraction.
- 3 - Implementation of international and local quality standards.
- 4 - High profits effect of the gross domestic product.

Weakness

- 1 - High production costs due to high energy prices.
- 2 - Lack of support for research and development of products.
- 3 - Delay in maintenance for the factories.
- 4 - Stop production for maintenance for long time.

Opportunities

- 1 - Increasing world population growth.
- 2 - Renewal of the memorandum of understanding with Chinese company Sinecom.
- 3 - Expansion of fertilizers and chemicals production for the European and Asian markets.
- 4 - Establishing alternative energy projects to reduce high energy costs.
- 5 - Completion of the construction of the Industrial Port in the Gulf of Aqaba in partnership between the Potash and Phosphate Companies.
- 6 - Expand production of chlorine and heavy water to maximize revenue.

Threats

- 1 - Low prices of potash globally.
- 2 - The entry of new competitors in the global markets.
- 3 - Factors surrounding the region.
- 4 - Exchange rate fluctuations globally.

4.2 PESTLE Analysis

Sometimes which is referred as PEST analysis, this concept used as a tool to follow the environment they are operating in or planning to launch a new project, product, service PESTLE is a reminder, which in its expanded form means P for Political, E for Economic, S for Social, T for Technological, L for Legal and E for Environmental. It gives eye view of the complete environment from many different approaches that one wants to check and track of while contemplating on a sure idea or plan

The outline has experienced certain changes, as experts of marketing added positive things as E for Ethics to impart the element of demographics .outline while using the studying market

Political

Foreign factors have affected the decline in potash prices and as a result, the sale of products at international prices due to these factors, but the concession granted to the company by the government and the lack of competitors in the domestic market in addition to the presence of only one competitor in the region had a company.positive impact on the

Economical

Decreasing global Price for Potash it was Main negative effect on the net income for the company However, the mining industry still accounts for about 20% of the GDP and 7% of Jordan's exports.

Social

The company attracts the various categories of its work, which reduces the unemployment rate locally and the social contributions of the company through the pension funds and by working to enhance the social role.housing provided

Technological

The company uses advanced technology in manufacturing and introduces technology to the development of factories, noting that there is weak funding of research and Development that company's products in the terms of global.affect

Environmental factors

The company is a strategic partner in supporting the local community; contributing annually JD 8 million in environmental development and supporting local and community activities due to the environmental pollution factors that leave it as waste process industrial.

Legal

There are a number of court cases relating to labor rights.

5 - Financial Ratio's & Performance Analysis:

The financial performance for Arab Potash Company is good for the last 5 years also the balance sheet is strong this was affected on income statement, however, there is a decrease in net income for the company in 2016 as a result of closed one factory for maintenance around 4 months this reason was decrease production quantity.

There are also some problems regionally & globally affected on the productions & demand as:

1 - Decrease global price for potash.

2 - Decrease global demand the main reason political & war issue, especially in the Middle East, despite an increase in the global population, according to the World Bank report about 4% yearly.

Meanwhile, on income side the total revenue increased in last 3 years in 2015 total revenue rising to 527 million JOD but decrease in 2016 to 369 million JOD the reason we mentioned but in the second quarter for 2017 the total revenue ,%before the decrease was around 30 was reached 202 million JOD compared with 156 million JOD for the same period in 2016 that's a mean increase around 23 % in the total revenue.

Also net income was 131 million JOD in 2015 Decreased in 2016 for 67 million JOD the but in the second quarter for 2017 the net income was reached ,%decrease was around 49 43 million JOD compared with 29 million JOD for the same periods in 2016 that's mean the increase around 33% in the net income.

The earnings before income & tax there is volatility in the company's core operations but the .company achieved good net income the range was between 67 - 198 million JOD

The profitability ratios for the company is good for the last year also the company effect on GDP for the country around 3 % also potash shape 7 % from total export material in Jordan the profit margin for the company in last year around 30% - 25 % also the cost was 70 % - 75 % from total revenue.

Also a liquidity ratio for the company is excellent a liquidity around 5 - 8 times, which means the company can cover all liabilities that are mean company can make any expansion from their money.

NOTE: total loan decreased from 1,347 million JOD in 2013 to 85 Thousand JOD in 2014 this effect was showing through evaluation process also the total interest was 1,366 million found some parts of loan counted with other ,in 2016 with total loans 34 thousand JOD so liabilities.

5.1 Ratio Chart Gallery:

Figure (8)

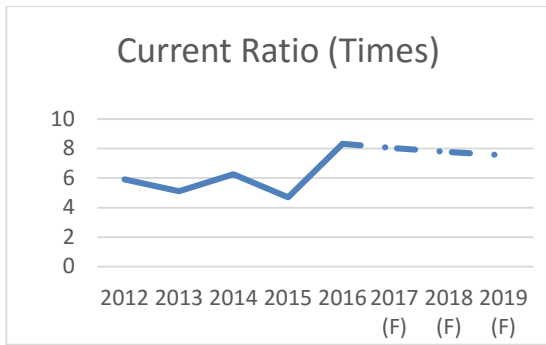


Figure (9)

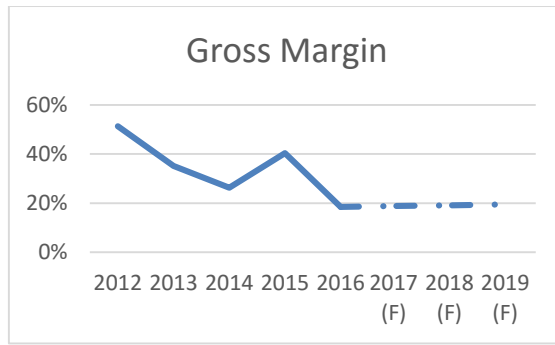


Figure (10)

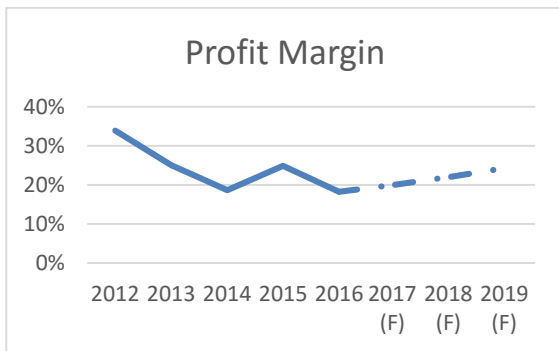


Figure (11)

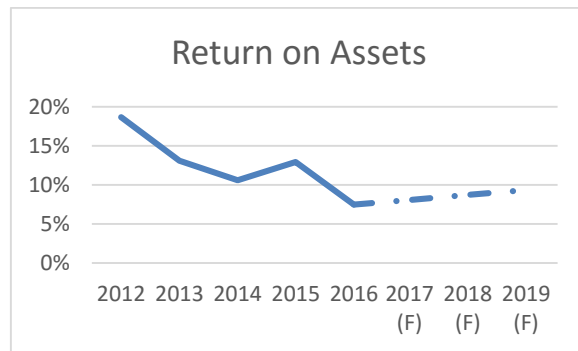


Figure (12)

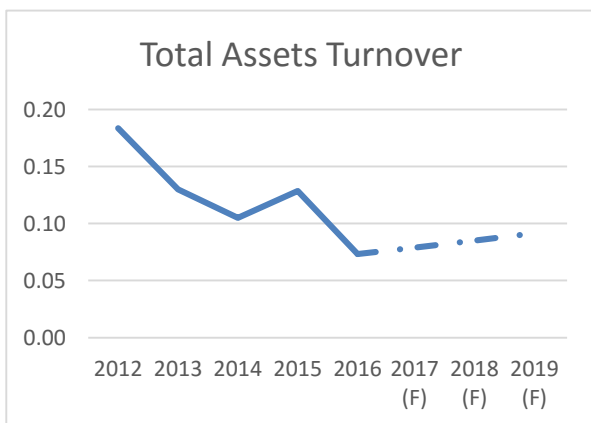


Figure (13)

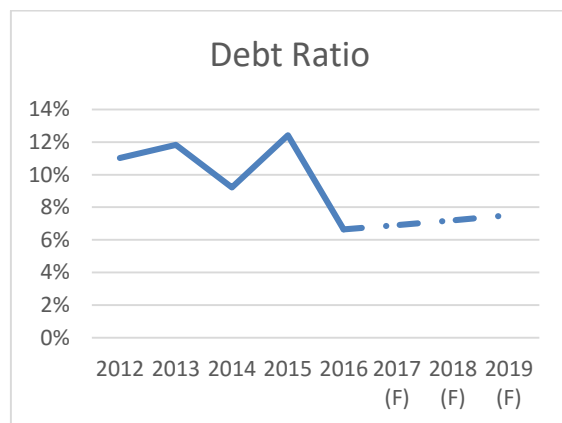


Figure (14)

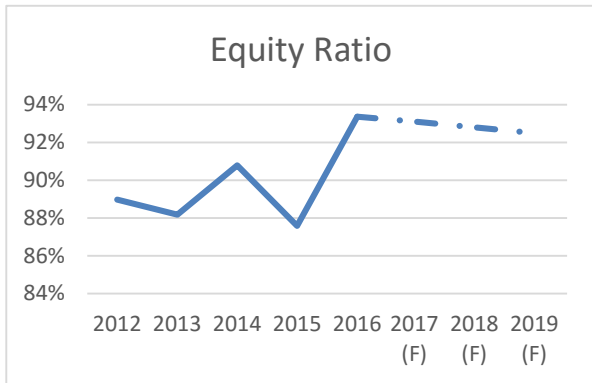


Figure (15)

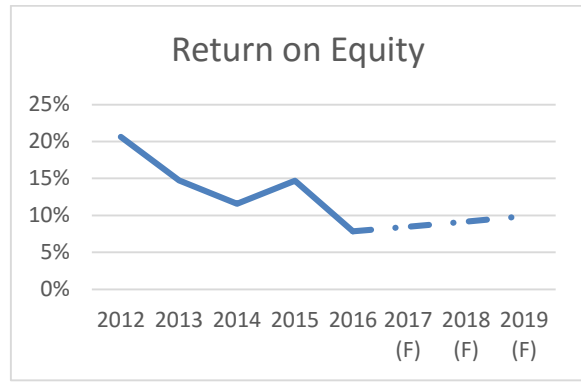
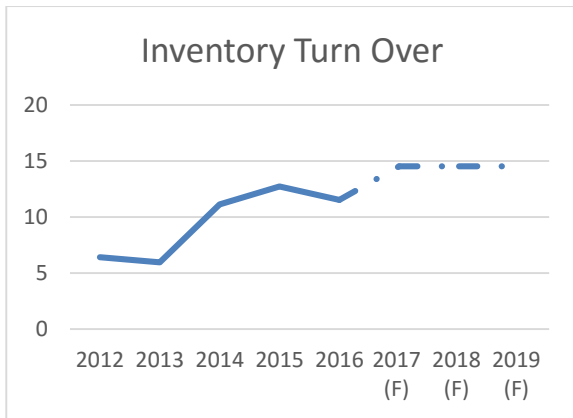


Figure (16)



6 – Assumption & Evaluation

This paper shows the assumptions & approaches used in this report to evaluate APOT Fair Value

6.1 Table below including the assumption used in this evaluation

Risk Free (Rf)	2.08%
Market Return (Rm)	0.021%
Beta	-2.67%
Cost of Equity (CAPM)	2.13%
Cost of Debt	14.66%
Weighted Average Cost of Capital (WACC)	13.11%
Tax Rate	9%
Cash Flow Constant Growth Rate	0%

ITEM	2012	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
EBIT	231,882	148,965	110,846	163,433	72,924	81,409	90,978	101,776
TAX RATE	29,716	17,212	10,529	31,691	4,124	4,169	4,215	4,262
NOPAT	201,731	131,634	100,256	131,623	68,721	77,169	86,676	97,437
NET OPERATINGWORKING CAPITAL	436,175	371,252	333,845	402,346	294,601	282,938	271,597	260,863
NET FIXED ASSETS	379,001	333,947	291,846	244,082	232,078	227,436	222,888	218,430
TOTAL OPERATING CAPITAL	815,176	705,199	625,691	646,428	526,679	510,374	494,485	479,293
NOPAT	436,175	371,252	333,845	402,346	294,601	282,938	271,597	260,863
NET OPERATING CAPITAL		-64,923	-37,407	68,501	-107,745	-11,663	-11,341	-10,734
FREE CASH FLOW		306,329	296,438	470,847	186,856	271,275	260,256	250,129

6.2 Fair Value of APOT

Based on the above assumptions and the expected for future earning, the fair value of Arab Potash Company equivalent to JD 27.91 per Share

Weighted Average Cost of Capital (WACC)	13.11%
Cash Flow Constant Growth Rate	0%
Value of Operation at the end of 2016	1,907,413
Added: Value of Non-Operating Assets	0
Total Corporate Value	1,907,413
Less: Value of Interest - Bearing Debt	25,469
Intrinsic Value of the Firms Equity	1,881,944
Number of Shares outstanding	67,434
Intrinsic Value per share	27.91

According to fair value in last table and compared with the closing price for APOT share in Amman stock exchange as of 29.12.2016 (last day work in 2016) was JOD 19.18

So, we recommend to "**BUY**" Arab Potash Company Shares at Market Price.

7 – Appendix:

7.1 Income Statement:

Arab Potash Company								
Income Statement (Thousands Jordanian Dinners)								
Description	2012	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Operating Revenue (Sales)	586,268	521,209	535,465	527,527	369,651	377,044	384,585	392,277
Operating Expenses (Cost of Sales)	285,557	337,913	394,958	314,114	301,493	306,160	310,865	315,608
Gross Profit	300,711	183,296	140,507	213,413	68,158	70,884	73,720	76,668
Administrative Expenses	22,106	17,202	22,579	23,964	17,752	18,462	19,201	19,969
Selling & Distribution Expenses	16,338	17,094	18,917	20,140	17,836	18,549	19,291	20,063
Depreciation (Period)	64,212	63,836	62,749	63,527	64,706	66,058	67,439	68,848
Other Operating Expenses	49,883	25,949	13,330	23,698	4,063	4,104	4,145	4,186
Net Operating Income	212,384	123,051	85,681	145,611	28,507	29,769	31,083	32,451
Other Revenue	29,672	37,772	35,514	30,810	52,790	60,181	68,606	78,211
Other Expenses	10,174	11,858	10,349	12,988	8,373	8,540	8,711	8,885
Income Before Interest & Tax	231,882	148,965	110,846	163,433	72,924	81,409	90,978	101,776
Finance Costs & Bank Charges	3,344	1,027	641	609	1,366	1,778	1,821	1,821
Income before tax	228,538	147,938	110,205	162,824	71,558	79,631	89,157	99,955
Income tax expenses	29,716	17,212	10,529	31,691	4,124	4,169	4,215	4,262
Board of Directors Remuneration	0	65	0	0	0	0	0	0
Net Income	198,822	130,661	99,676	131,133	67,434	75,462	84,941	95,693

7.2 Balance Sheet:

Arab Potash Company								
Balance Sheet Statement (Thousands Jordanian Dinners)								
Description	2012	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Assets								
Non-Current Assets								
Fixed Assets, Net	379,001	333,947	291,846	244,082	232,078	227,436	222,888	218,430
Project in Progress	17,957	26,928	39,683	68,932	76,088	83,697	92,066	101,273
Long Term Investment	79,590	87,943	105,461	134,379	140,516	162,999	189,078	219,331
Other Assets	27,187	22,650	22,624	22,018	46,228	51,775	57,988	64,947
Total Non-Current Assets	503,735	471,468	459,614	469,411	494,910	525,907	562,021	603,981
Current Assets								
Account receivables	78,958	52,480	61,546	68,453	52,349	53,716	54,790	55,886
Inventories	60,332	53,126	17,924	31,462	20,922	21,246	21,572	21,901
Spare parts & supplies	48,327	54,040	52,313	42,533	40,511	44,967	49,914	55,404
Other current assets	62,565	69,864	62,267	68,309	56,822	65,345	75,147	86,419
Cash on hand & bank balance	329,536	304,437	294,759	338,463	255,140	242,383	230,264	218,751
Total Current Assets	579,718	533,947	488,809	549,220	425,744	427,657	431,687	438,361
Total Assets	1,083,453	1,005,415	948,423	1,018,631	920,654	953,564	993,708	1,042,342
Equity & Liabilities								
Equity								
Paid in Capital	83,318	83,318	83,318	83,318	83,318	83,318	83,318	83,318
Compulsory Reserve	50,464	50,464	50,464	50,464	50,464	50,464	50,464	50,464
voluntary Reserve	80,699	80,699	80,699	80,699	80,699	80,699	80,699	80,699
Accumulated Change in Fair Value	57	263	58	114	3	3	3	3
Cash Dividends	208,294	124,977	99,982	99,982	83,318	83,318	83,318	83,318
Retained Earning	541,083	546,767	546,461	577,613	561,730	553,874	555,497	567,872
Adjustment	0	0	0	0	0	35,933	68,743	98,222
Total Equity	963,915	886,488	860,982	892,190	859,532	887,609	922,042	963,896
Liabilities								
Non-Current Liabilities								
Long - Term Loans & Notes Payables	1,198	119	85	51	17	9	9	9
Other non-Current Liabilities	20,032	14,147	9,106	9,326	9,918	12,596	15,997	20,316
Total Non-Current Liabilities	21,230	14,266	9,191	9,377	9,935	12,604	16,005	20,324
Current Liabilities								
Account & Notes Payables	26,835	31,239	28,941	25,535	25,433	25,797	26,180	26,580
Accrued Part of Long Term Loans	6,529	1,228	34	34	36	36	36	36
Other Current Liabilities	64,944	72,194	49,275	91,495	25,718	27,518	29,445	31,506
Total Current Liabilities	98,308	104,661	78,250	117,064	51,187	53,351	55,661	58,122
Total Liabilities	119,538	118,927	87,441	126,441	61,122	65,956	71,666	78,446
Total Equity & Liabilities	1,083,453	1,005,415	948,423	1,018,631	920,654	953,564	993,708	1,042,342

7.3 Financial Ratios:

<i>Financial Ratios:</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017 (F)</i>	<i>2018 (F)</i>	<i>2019 (F)</i>
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<i>Liquidity Ratio</i>								
Current Ratio (Times)	5.9	5.1	6.2	4.7	8.3	8.0	7.8	7.5
Working Capital (Million)	481,410.000	429,286.000	410,559.000	432,156.000	374,557.000	374,305.916	376,026.530	380,239.715

<i>Profitability Ratio</i>								
Gross Margin	51.29%	35.17%	26.24%	40.46%	18.44%	18.80%	19.17%	19.54%
Margin Before Interest and Tax	39.55%	28.58%	20.70%	30.98%	19.73%	21.59%	23.66%	25.94%
Profit Margin	33.91%	25.07%	18.61%	24.86%	18.24%	20.01%	22.09%	24.39%
Return on Assets	18.66%	13.10%	10.58%	12.93%	7.47%	8.10%	8.73%	9.36%
Return on Equity	20.63%	14.74%	11.58%	14.70%	7.85%	8.50%	9.21%	9.93%

<i>Activity Ratio</i>								
Total Assets Turnover (Times)	0.184	0.130	0.105	0.129	0.073	0.079	0.085	0.092
Fixed Assets Turnover (Times)	1.55	1.56	1.83	2.16	1.59	1.66	1.73	1.80
Inventory Turn Over	6.41	5.96	11.12	12.72	11.51	12.47	13.06	13.48
Account Receivable Turn Over	1.9	2.0	1.7	2.0	1.1	1.4	1.6	1.7
Working Capital Turn Over	1.2	1.2	1.3	1.2	1.0	1.0	1.0	1.0

<i>Debt Ratio %</i>								
Debt Ratio	11.03%	11.83%	9.22%	12.41%	6.64%	6.92%	7.21%	7.53%
Equity Ratio	88.97%	88.17%	90.78%	87.59%	93.36%	93.08%	92.79%	92.47%

7.4 DuPont Analysis Tree:

DuPont Analysis							
Arab Potash Company							
1 Operating Profit Margin							
Gross Revenue	(-)	Fixed Expense	(-)	Variable Expense	(=) Net Operating Income		
369,651		48,024		301,493	20,134		
Net Operating Income	(+)	Other Income	(-)	Interest Expense	(=) Net Income		
20,134		52,790		1,366	71,558		
Net Income	(+)	Interest Expense	(+)	Gross Revenue	(=) Operating Profit Margin ← Earnings		
71,558		1,366		369,651	19.73%		
2 Asset Turnover Ratio							
Gross Revenue	(÷)	Total Assets	(=)	Turnover Ratio	← Turns		
369,651		920,654		0.40			
3 Return on Assets (ROA)							
Earnings	(x)	Turns					
Oper. Profit Margin	(x)	Turnover Ratio	(=)	Return on Assets			
19.73%		0.40		7.92%			
4 Return on Equity (ROE)							
Total Liabilities	(÷)	Total Equity	(=)	Debt/Equity Ratio	← Leverage Ratio		
61,122		859,532		7.11%			
Interest Expense	(÷)	Total Liabilities	(=)	Average Interest Rate	← AIR		
1,366		61,122		2.23%			
Return on Assets	(+)	Return on Assets	(-)	Average Interest Rate	(x)	Debt/Equity Ratio	(=) Return on Equity
7.92%		7.92%		2.23%		7.11%	8.33%

7.5 Arab Potash Company Profile:

Name	Arab Potash				
Legal Description	Public Shareholding Co.	Economical Sector	Industry	Status	Active
Authorized Capital	83,317,500	Subscribed Capital	83,317,500	Paid Up Capital	83,317,500
Registration No.	27	Registration Date	07/07/1956		
Institution No.	200000529	Operation Date	18/02/1958		
Auditor	Ernst & Young	Legal Adviser	Jawad M.d. Al – Zeidat		
Address	P.O.Box	1470	Postal Code		11118
	Country	Jordan	City		Amman
	Phone	+962 6 5200520	Fax	+962 6 5200098	
	E-mail	info@arabpotash.com	Website	www.arabpotash.com	

7.6 Definitions of Global Equity Ratings:

Equity Rating	Definition
Buy	Fair Value is > 10% from the current Market Price
Hold	Fair Value is between +10% and -10% from current Market Price
Sell	Fair Value is < -20% from current Market Price
Reduce	Fair Value is between -10% and -20% from current Market Price

8- References:

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www.arabpotash.com

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