



2019

# CFC Project

JORDAN PETROLEUM REFINERY COMPANY LTD.  
JOPT



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## **List of Acronyms**

<b>JOPT</b>	Jordan Petroleum Refinery Company.
<b>LTD</b>	Limited.
<b>MENA</b>	Middle East and North Africa.
<b>OPEC</b>	Organization of the petroleum exporting countries.
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats.
<b>ASE</b>	Amman Stock Exchange.
<b>GDP</b>	Gross Domestic Product.
<b>FCF</b>	Free Cash Flow.
<b>NOC</b>	National Oil Company.
<b>SDC</b>	Securities Depository Center.

## **1. Executive Summary:**

This project talks generally about energy industry and oil refinery, the energy sector is the most active sector around the world, especially oil refinery industry which all over the world depends on oil to satisfy their needs from energy.

MENA region is the richest spot in the world with crude oil its contain around 59% of oil reserve and its play a key position in energy industry.

These industry organized by global organization founded in Baghdad in 1965 called OPEC by the first five countries (Iran, Iraq, Kuwait, Saudi Arabia and Venezuela).

Now, we will go through a company works in energy industry especially in fuel & Gas supply in Jordan. Jordan has one company which monopolist refining fuel industry called Jordan Petroleum Refinery Company LTD. JOPT was establish in 1956 under the approval from prime ministry with total capital JD's 4 million and started its operation in 1957.

JOPT provides many produce to many areas around the Jordan, it has 82 gas stations providing oil derivatives and 65 tanks provide a distribution to many region inside the kingdom. Distribution is the link between the production and refining activities within the company on the one hand and between all customers.

Lately, the company finished JD28 million an acquisition deal with GULF Company to acquire their gas station totaling 55 stations, that will help JOPT to accomplish its expansion plan for coming years.

JOPT journey witnessed a lot of challenges and achievements, JOPT total capital in 2018 JD 100 million against JD 4 million in 1956 the company were established. A total asset of the company for 2018 was 1.44 billion with 5.1% growth. Net profit for the last year ended on Dec, 2018 increase by 3.9 million compared to 2017.

After reviewing JOPT financials we found that the value of firm operations was JD 665.06 million at the end of 2018 with 99.5 shares, that mean the intrinsic value of the firm is 2.24 JD Against JD 2.27 on December 31, 2018 in Amman Stock Exchange we recommend stockholders **"HOLD"** on JOPT's stock.

### **1.1 Global Outlook.**

The energy industry one of the most active industry around the world, which involves in production and sale all types of energy such as: fuel extraction, manufacturing, refining and distribution of these products.

Oil industry is transforming the crude oil into more useful product such as petroleum naphtha, gasoline and heating oil and products that are more chemical. Petroleum refineries are very large industrial complexes that involve many different processing units and auxiliary facilities such as utility units and storage tanks. Each refinery has its own unique arrangement and combination of refining processes largely determined by the refinery location, desired products and economic considerations.

The industry organizing by OPEC (Organization of the petroleum Exporting Countries) an intergovernmental organization of fourteen nations, the organizations coordinates and unifies the petroleum policies of its member countries and ensures the stabilization of oil markets.

The following table shows the OPEC current member countries According to OPEC:

**Table (1): OPEC Current Member Countries.**

Country	Region	Membership Years
Algeria	North Africa	1969 – till now
Angola	South Africa	2007 – till now
Ecuador	South America	1973 – 1992 2007 – till now
Equatorial Guinea	Central Africa	2017 – till now
Gabon	Central Africa	1975 – 1995 2016 – till now
Iran	Middle East	1960 – till now
Iraq	Middle East	1960 – till now
Kuwait	Middle East	1960 – till now
Libya	North Africa	1962 – till now
Nigeria	West Africa	1971 – till now
Congo	Central Africa	2018 – till now
Saudi Arabia	Middle East	1960 – till now
United Arab Emirates	Middle East	1967 – till now
Venezuela	South America	1960 – till now

Source: OPEC – [www.opec.org](http://www.opec.org)

## 1.2 Global Oil Demand

Global oil demand growth slowed sharply in 4Q, 2018 to 0.95 mb/d due to lower demand led by major consumers and major countries, which declined by 0.3 mb/d year-on-year. Large drop in demand were seen in Europe and Asia.

The forecasting says the demand will be sluggish caused and driven by oil prices recovery, which will move the attention to shale oil Industry. Especially the demand in the North America, which considered a main oil consumer globally, which is moving to use a shale oil. As well as some economics difficulties in Latin America (Argentina, Venezuela and Brazil).

The following table shows the five largest oil countries (Consumers) according to “U.S Energy Information Administration” in 2016.

**Table (2): The Five Largest Oil Countries (Consumers).**

Rank	Country	Oil Production (mbl/day)	Share of total production
1-	United States of America	19.69	20.0%
2-	China	12.79	13.0%
3-	India	4.44	5.0%
4-	Japan	4.01	4.0%
5-	Russia	3.63	3.7%

Source: EIA - [www.eia.gov](http://www.eia.gov)

## 1.3 Global Oil Supply

The world oil market is complex. Governments and private companies play various roles in moving crude oil from producers to consumers.

In some countries such as the United States (the largest oil producer country world wide) crude oil produced on private and public land and offshore waters. Most of these producing companies are independent, and they usually operate only in the United States or same country. The other companies often referred to as major oil companies. There are two types of companies supply crude oil to the global oil market:

1. **International oil companies**
2. **National oil companies.**

OPEC countries control about 74% of the world's total proved crude oil reserves, and in 2017 they produced 43% of total world crude oil. Each OPEC country has at least one NOC, but most also allow international oil companies to operate within their borders.

The following table shows the five largest oil countries (Producers) according to “U.S Energy Information Administration” in 2016:

Table (3): the five largest oil countries.

Rank	Country	Oil Production (mbl/day)	Share of total production
1-	United States of America	15.65	16.0%
2-	Russia	11.21	12.0%
3-	Canada	4.96	5.0%
4-	China	4.78	4.8%
5-	Iran	4.69	4.7%

Source: EIA - [www.eia.gov](http://www.eia.gov)

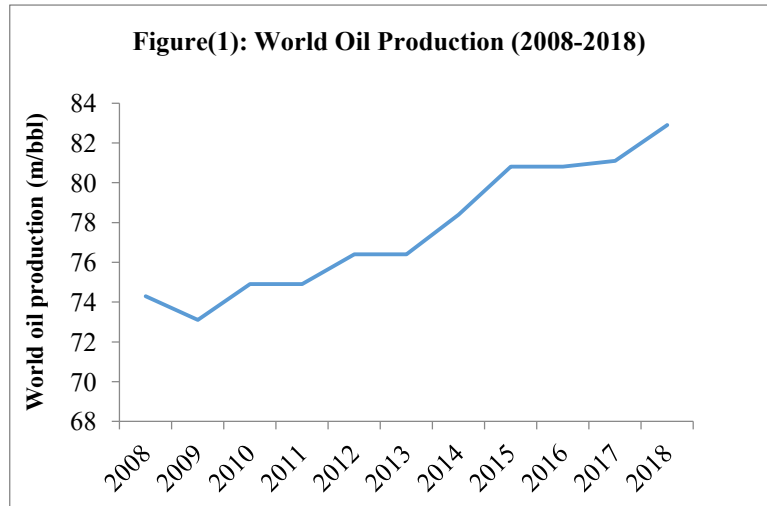
If we had a look on figure (1) which represents the historical production of oil for the last ten years (2008-2018) the supply increased about 11.50%. The production was 74.301 bbl/day in 2008 and increase by 2.07 million bbl/day with 2.78% growth.

The total production reach 82.85 million bbl/day increased by 2.17% growth, this increase in production level of oil caused by increase production from Non – OPEC countries.

The following Table and figure show the “world oil production of (2008-2018)” according to “U.S Energy Information Administration”:

**Table (4): World oil production**

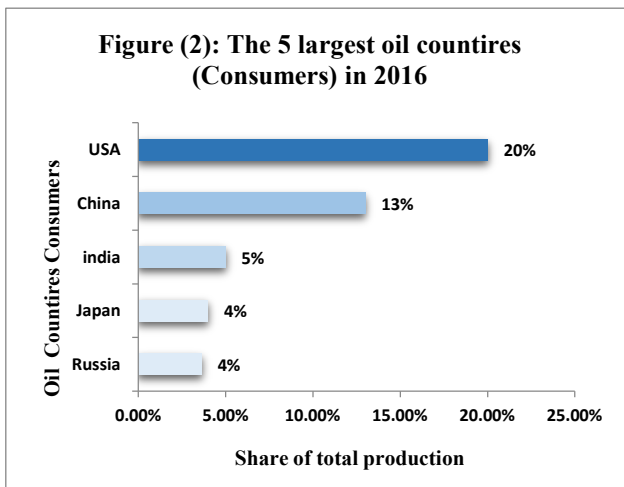
Year	World oil production (Million bbl/day)
	74.3
2009	73.1
2010	74.9
2011	74.9
2012	76.4
2013	76.4
2014	78.4
2015	80.8
2016	80.8
2017	81.1
2018	82.9



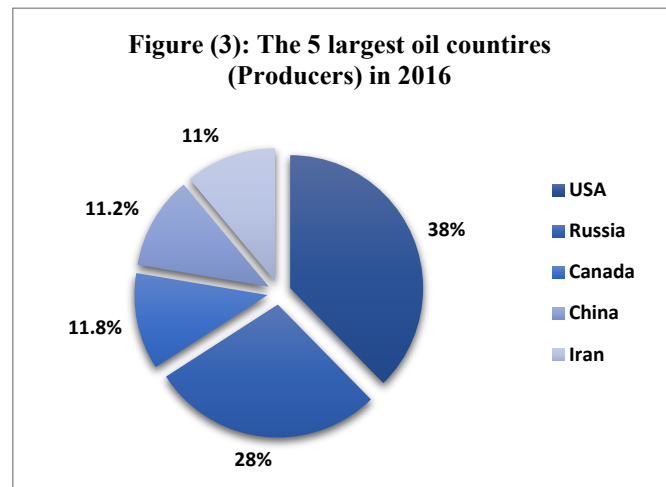
Source: EIA - [www.eia.gov](http://www.eia.gov)

Source: EIA - [www.eia.gov](http://www.eia.gov)

The following figures show the “five largest oil countries (Consumers)”, “five largest oil countries (producers)” according to “U.S Energy Information Administration” in 2016



Source: EIA – [www.eia.gov](http://www.eia.gov)



The following table below shows the five largest oil refiners for 2017:

Table (5): Five Largest Oil Refiners – 2017:

Source: Wikipedia- [www.wikipedia.org](http://www.wikipedia.org)

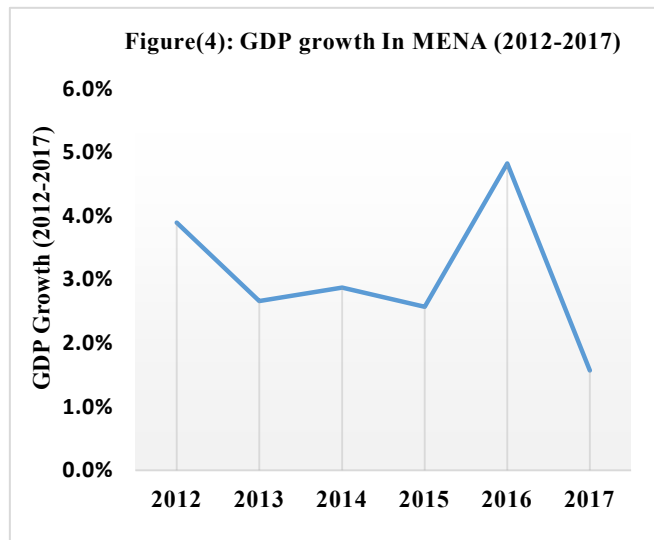
Rank	Company/ Group	Country	Capacity (Millions bbl/day)	Worldwide Reserves (bbl)
1-	Saudi Aramco	Saudi Arabia	12.5	260
2-	National Oil Infrastructure.	India	6.4	138
3-	Qatar Petroleum	Qatar	5.3	15
4-	Iraq National Oil	Iraq	4.4	99
5-	Petróleos de Venezuela.	Venezuela	4.1	116

## 2. MENA Area Outlook.

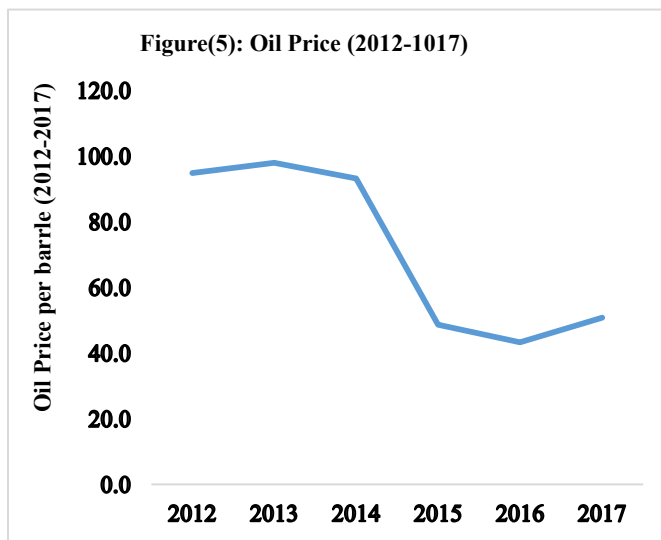
MENA is area, which plays a key role in oil production. Especially its covering a key position in geopolitics of energy its contains 59% of world oil reserves.

Most of economics in these countries depends on production and exporting of the oil to all over the world and its affects sharply with oil price volatility.

The following Figures show the “GDP Growth in MENA”, “Oil price (2012-2017)” and the effect of oil price on GDP growth rates between periods (2015 – 2017) according to World Bank site.



Source: World Bank – [www.worldbank.org](http://www.worldbank.org)



Source: World Bank – [www.worldbank.org](http://www.worldbank.org)

Governments in these countries decided take many actions and steps to minimize the risks of oil price volatilities by diversifying gross income of their countries, and adopting new regulatory reforms. And it’s trying to support economic growth by investment reforms to avoid much social pressure (Especially in Saudi Arabia).



## 2.1 MENA Area Demand.

Oil demand in Middle East and North Africa was affected by many factors such as geopolitical factors, oil price volatility and Iran nuclear program.

Oil demand in the 10 top-consuming Middle Eastern countries dropped to 6.36 mbl/d. Decrease in oil demand came from biggest consumer in MENA area. (Saudi Arabia), which declining by 0.36 mbl/d to 2.44 mbl/d. The Saudi decline was led by 0.12 mbl/d drop of crude oil. Which resulted from less construction activity, a price reform, a switch to natural gas in the power sector, and high emigration and the government more than doubled the price of gasoline with a knock-on impact on demand.

The following table shows the “Five largest oil countries (consumer)”, according to International Energy Agency:

**Table (6): Five Largest Oil Countries (Consumer).**

Rank	Country	Consumption (million bbl/day)
1-	Saudi Arabia	3.92
2-	Iran	1.95
3-	Egypt	0.82
4-	Iraq	0.82
5-	United Arab emirates	0.57

Source: EIA- [www.iea.gov](http://www.iea.gov)

## 2.2 MENA Area Supply.

Oil Supply in MENA facing many challenges, one of the most important challenge is increase oil production from Non- OPEC country (especially Russia), which pushed the gulf countries to cut their production by 1 million (bbl/day) in 2019 compare to Oct, 2018 levels.

Increase oil production by Non-OPEC countries will lead to surplus in oil supply, which will lead to decrease in oil prices. That nightmare will result to great effect in their growth economics.

The following table shows the “five largest oil countries (Producers) in MENA” according to “U.S Energy Information Administration Site”.

**Table (7): Five Largest Oil Countries (Producers).**

Rank	Country	Oil Production (mbl/day)	Share of total production
1-	Saudi Arabia	12.09	12%
2-	Iran	4.69	5%
3-	Iraq	4.45	4.5%
4-	United Arab Emirates	3.72	4%
5-	Kuwait	2.82	3%

Source: EIA - [www.eia.gov](http://www.eia.gov)

### 3. Local Market Outlook.

Jordan is a resource-scarce country. Jordan's energy sources are scarce, with Jordan importing more than 96% of its energy needs. The value of energy imports increased by 117% from JD 1.8 billion to about 3.9 billion. The main reason for this was the huge decrease in the volume of natural gas imports from Egypt, which resulted from continuous cuts in Egyptian gas.

Jordan's crude oil reserves are non-commercial, the following table shows the production of oil field and gas in Jordan was discovered between (1984 – 1987):

**Table (8): Oil and Gas Field in Jordan and their production level.**

Field Name	Production
Hamzah field of Azrqa Area	1.1 m/bbl
Risha Area	221 BCF

Source: [www.memr.gov.jo](http://www.memr.gov.jo)

On the other hand Jordan is one of the richest countries in shale oil reserves in the world. The proven reserves of oil shale in Jordan reach 40 billion tons, equivalent to 28 billion barrels.

The strategy of the energy sector in Jordan aims to introduce shale oil as an alternative to primary energy sources.

#### 3.1 Local Market Consumption.

As mentioned above, Jordan imports 96% of its needs from energy, but the demand for crude oil and oil derivatives declined by about 18% between 2014 and 2017 due to the decline in the Kingdom's imports of crude oil to about 2,795 thousand tons, the main decrease caused by declining in crude oil imports about 20% and start adopting solar energy systems.

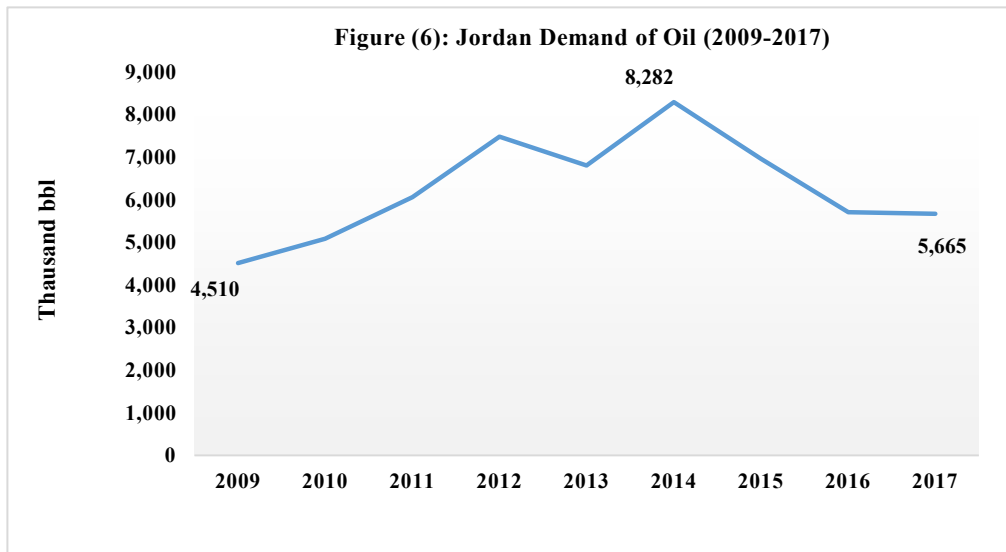
Table Below shows Kingdom's demand for oil and its derivatives "in Thousands tons" during ten years (2013-2017) according to Jordanian "Ministry of Energy and Mineral Resources":

**Table (9): Kingdom Demand for Oil and its Derivatives (2013-2017).**

Item	2013	2014	2015	2016	2017
Crude oil	3,170	3,221	3,513	2,978	2,795
Fuel Oil	685	1,232	848	0	0
Gas	280	282	335	327	368
Diesel	1,670	2,373	1,121	967	1,029
Gasoline	515	520	670	832	923
Aviation fuel	27	50	34	64	125
Coal	306	474	231	327	255
Others	146	130	203	210	170
<b>Total</b>	<b>6,799</b>	<b>8,282</b>	<b>6,955</b>	<b>5,705</b>	<b>5,665</b>

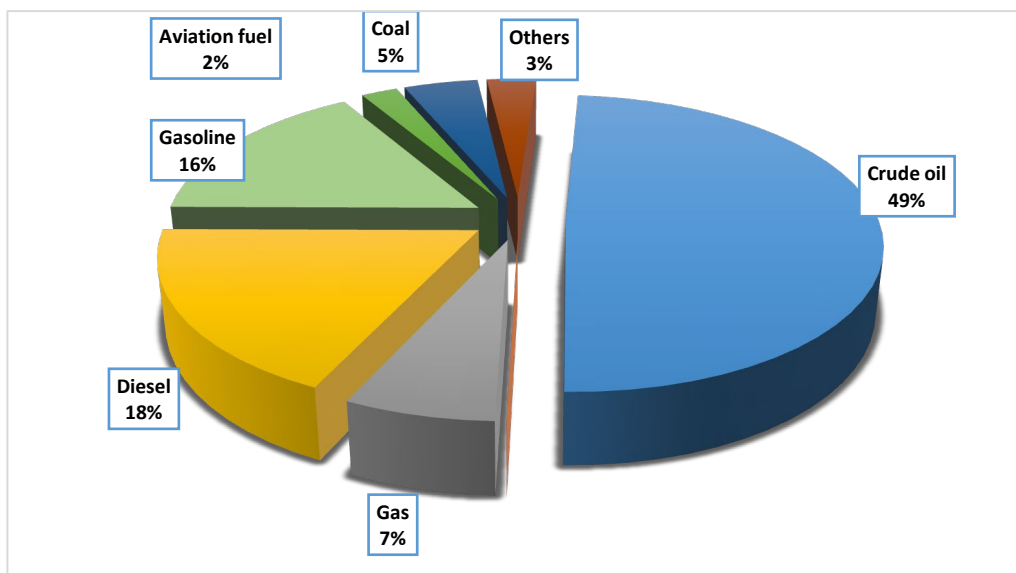
Source: [www.memr.gov.jo](http://www.memr.gov.jo)

The following figures show the “Jordan Demand of Oil (2009-2017)”, “Petroleum Derivatives Consumed (2009-2017)” according to “Ministry of Energy and Mineral Resources”.



Source: [www.memr.gov.jo](http://www.memr.gov.jo)

**Figure (5): Jordan demand of oil Derivatives (2017).**



Source: [www.memr.gov.jo](http://www.memr.gov.jo)

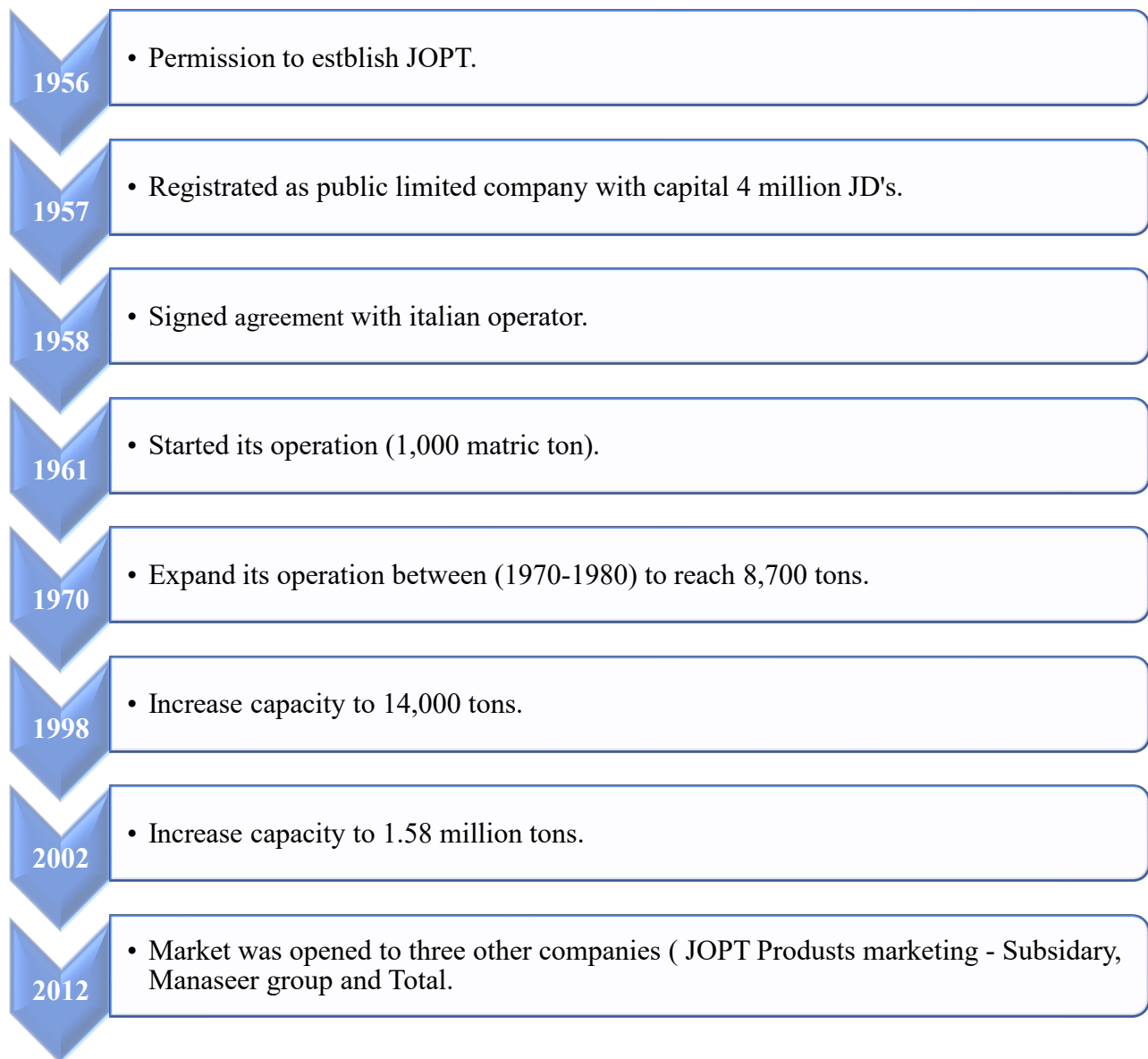
## 4. Company Overview.

- **Business Name:** Jordan Petroleum Refinery Company LTD - JOPT.
- **Main Objectives:** Manufacturing and refining petroleum and hydrocarbonic components, and manufacturing secondary derivatives resulted from the refining operations, also to storage, distribute and marketing these products.

### 4.1 About JOPT:

The idea of establishing Jordan Petroleum Refinery Company dates back to more than half a century when the idea was adopted by the then Ministry of National Economy, and there was a consensus on the importance of refining industry as a main source of energy for most of the economic activities and as a contributor to raising the Kingdom's revenues. As well as JOPT is the only refinery in Jordan and supplier of various petroleum products in local market.

### 4.2 Company historical milestones:



### 4.3 Company Products:

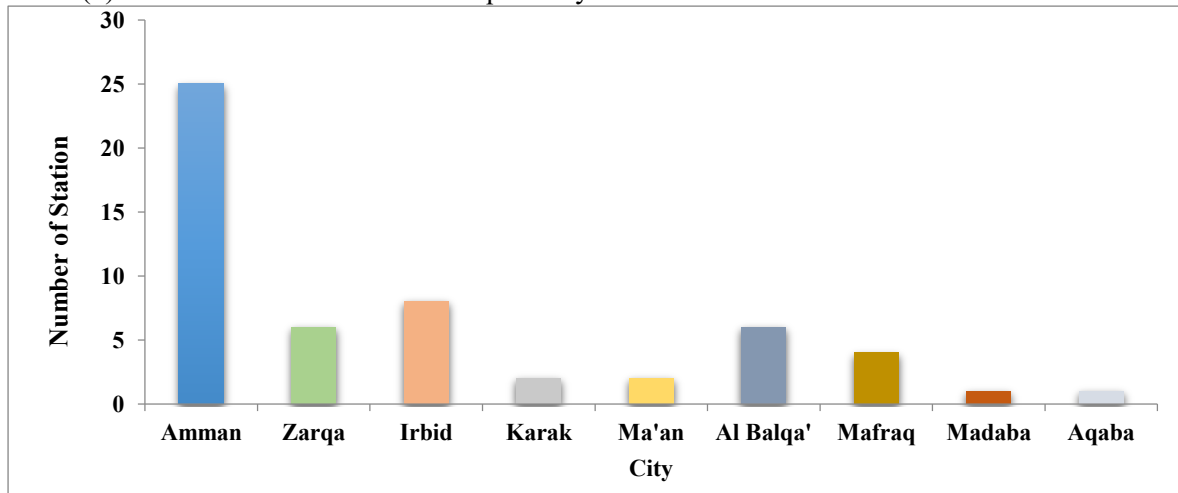
4.3.1	<b>Asphalt</b>	<ul style="list-style-type: none"> <li>- Blow Asphalt.</li> <li>- Liquid Asphalt.</li> </ul>
4.3.2	<b>Fuel (Gasoline)</b>	<ul style="list-style-type: none"> <li>- Gasoline (90).</li> <li>- Gasoline (95).</li> </ul>
4.3.3	<b>Lube Oil</b>	<ul style="list-style-type: none"> <li>- Industrial Diesel Engine Oil.</li> <li>- Railroad Diesel.</li> <li>- Engine Oil.</li> <li>- Automotive Gear Oil.</li> <li>- Compressor Oil.</li> <li>- Transmission Fluids.</li> </ul>
4.3.4	<b>Special Products</b>	<ul style="list-style-type: none"> <li>- White spirit: A kind of solvent that is sold to the paint factories by two stations owned by the company.</li> </ul>

### 4.4 Company Expansion:

Jordan Petroleum Refinery Company plans to expand its operations and network of stations across the kingdom.

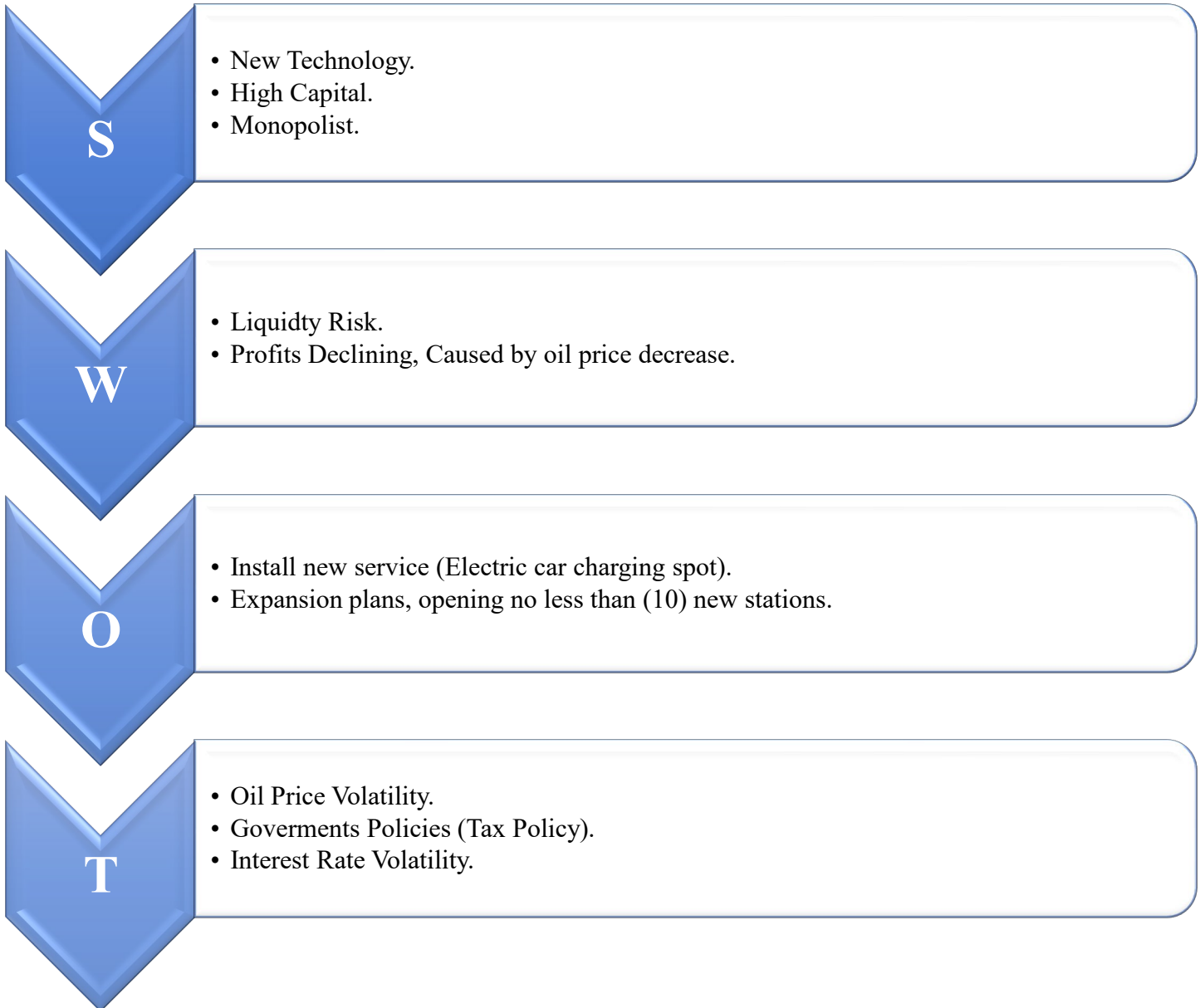
The expansion carried out through the Jordan Petroleum Products Marketing Company (Marketing Arm of JOPT), in a deal worth JD's 28 million JOPT acquired the GULF gas stations with total stations 55, as well as the company bought 12 gas stations from individual owners. With these new acquisitions, the number of gas stations own by JOPT went up to 82, as the refinery owned 15 stations.

Table (7): GULF Gas Station Which Acquired by JOPT:



## 5. SWOT Analysis of JOPT:

SWOT Analysis (Strength, weaknesses, Opportunities and Threats analysis): a framework for identifying and analyzing the internal and external factors that can have an impact on JOPT. It's very helpful to understand the strength and weaknesses of JOPT (Related to JOPT its self) and Opportunities and Threats (Related to Environment of JOPT).

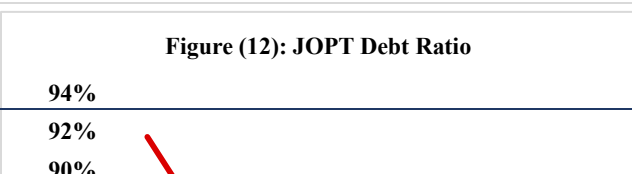
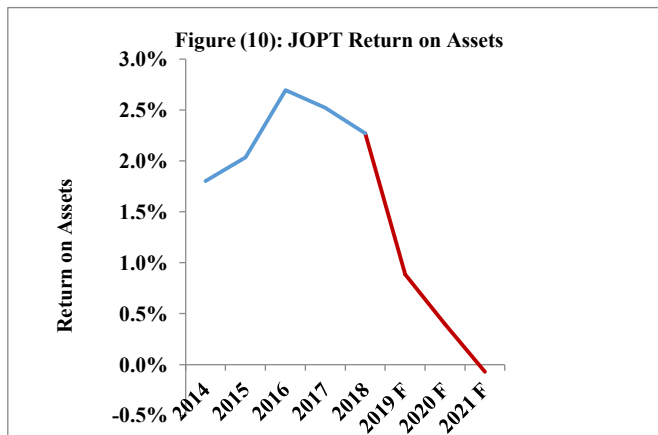
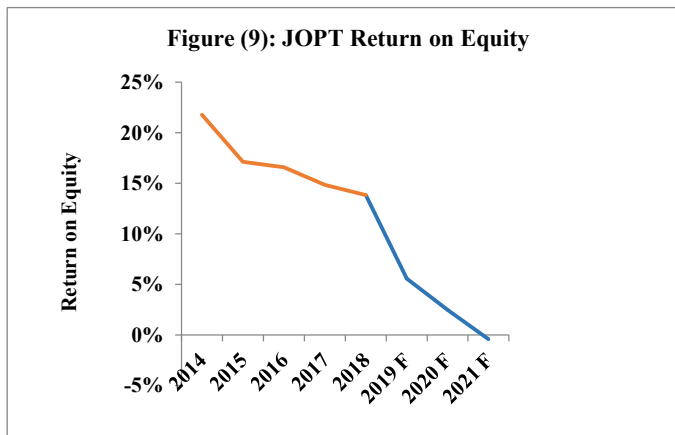
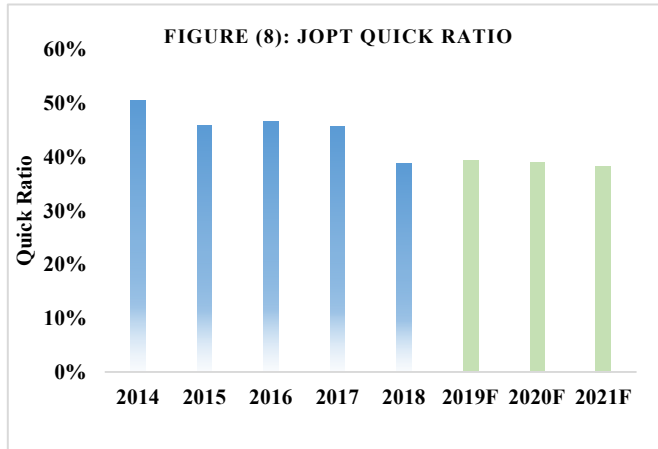
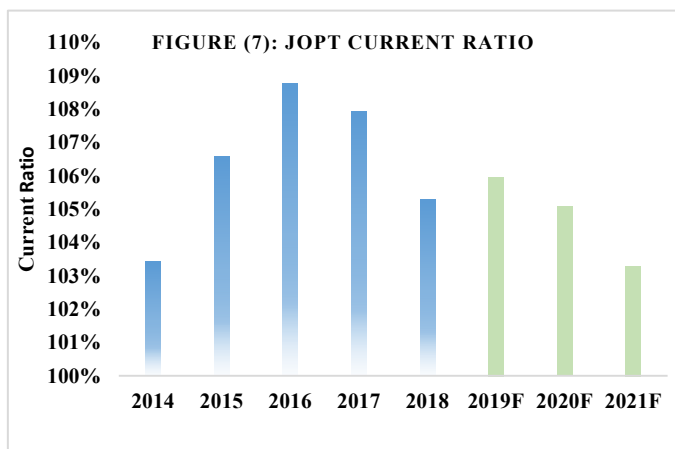


## 6. Financial Overview:

- Financial statements are written records that convey the business activities and the financial performance of JOPT. Company financial statement include two of these financials “Balance sheet” also known as “statement of financial position” the major components of balance sheet is “Assets, Liability and Owner equity”. Another statement is “Income Statement” also known as “Profit and Loss Statement” its measure the company performance over specific period of time.
- The purposes of using the financial statements of JOPT to determine its historical position against current position to know the company growth or decline in all assets, liabilities and owner equity. Another purpose of financial statement is comparing and indicate company current performance with its historical one to determine if the company in headway or not.
- Total JOPT Sales “Operating Revenues “had declined from 2014 through 2018 (by 62%), from JD’s 4.62 billion in 2014 to JD’s 1.73 billion in 2018, to 91,4 Million JOD in 2013 & finally to 114,3 Million JOD in 2014. By assuming negative growth as mentioned above, the forecasted sales will be JD’s 1.71 billion in 2019. The forecasted sales in 2020 will be JD’s 1.70 billion with an decrease of 0.83% compared to 2019. The trend of sales (declining) from 2014 till 2018 was due to the increase in oil price (from 98\$/bbl in 2014 to 71\$/bbl in 2018).
- JOPT Net Income had decreased by 1.68% from 2014 to 2018. Total Net Income (loss) was 32.4 Million JOD in 2014, 31.35 Million JOD in 2015, 34.06 Million JOD in 2016 and 31.9 Million JOD in 2018. The forecasted Net Income (loss) will be 12.79 Million JOD in 2019 with a decrease of 59.55% compared to 2018. The forecasted income will be 1.72 Million JOD in 2019 with a decline of - 0.83% compared to 2018 was due to increase in interest expense and high taxes on oil refinery.
- Total JOPT Net Equity had been increased by 54.4% from 2014 to 2018 due to the increase of net operating income for the same period. Total Net Equity was 148.96 Million JOD in 2011 & took increasing trend till reached 229.91 Million JOD in 2018. In 2019 it is expected to increase by 0.72% to reach 231.9 Million JOD due to the increase in 2019 net operating income (forecasting).
- The intrinsic value of the firm equity at the end of 2018 is JD 22.3 million that resulted from value of interest - bearing totaling JD 432.02 million subtracted from company operation in Dec, 2018 JD 665.06 million.
- The intrinsic value of the firm equity at the end of 2018 was JD 2.24 comparing with market price in Dec, 31 2018 was JD 2.27.

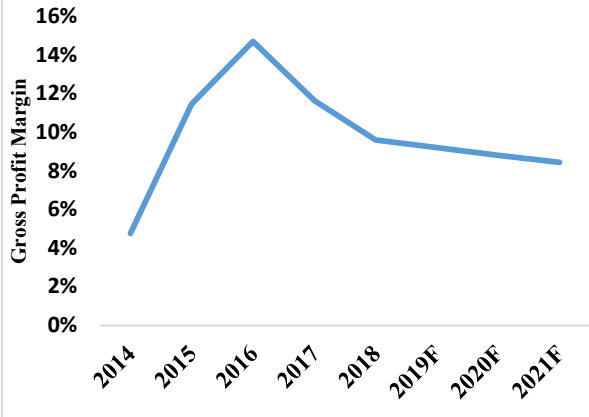
## 7. Ratio Analysis

- Multi types of data we can find in financial statement such as, company assets, liabilities and owner equity as well as we can find gross profit, cost of goods sold , net profit and more. These data can help us to calculate any ratio of JOPT that tell us about company performance.
- Ratio analysis is quantitative tools that help us to gaining insight company liquidity, operational efficiency and profitability by comparing the information in its financial statements.
- JOPT Average Current Ratio for the period 2014-2018 was 1.06 times. The trend for Current ratios for the same period was increasing from 1.03 times in 2014 to 1.05 times in 2018. Reason for that was increase in postdated cheques balance for the period 2014-2018 by 14,184 million.
- JOPT Average Quick Ratio for the period 2014-2018 was 45.33%. The trend for Quick ratio for the same period was declining from 50.42% in 2014 to 38.79% in 2018. Reason for that was decreasing in Account Receivable balance for the period 2014-2018 about 45.02%.
- Return on Assets, is in trend for period 2014-2018 was increasing by 26% which mean that JOPT Invest its Assets in effective way.
- Inventory Turnover Ratio has a good trend but Assets Turnover Ratio affected by decrease in Net Income resulted from declining of Operating Revenue. JOPT has to enhance it by developing more products and services to generate more Operating Revenues. Debt Ratio is in healthy trend because the company going to settle some of their debt with the government and their organization, no amendments are required.
- The following figures highlight specific ratio for JOPT for the period (2014- 2018):

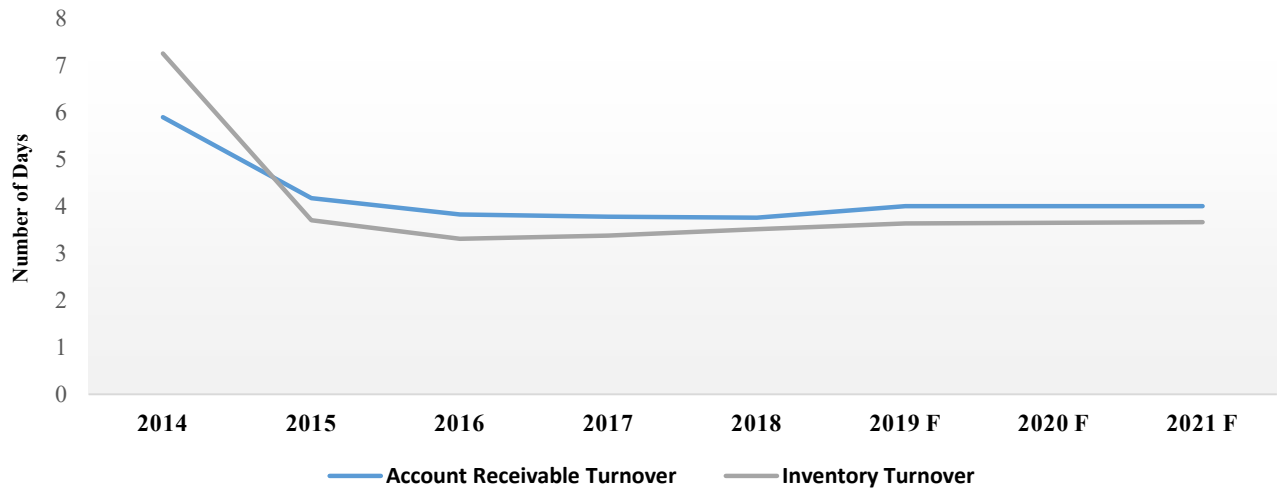




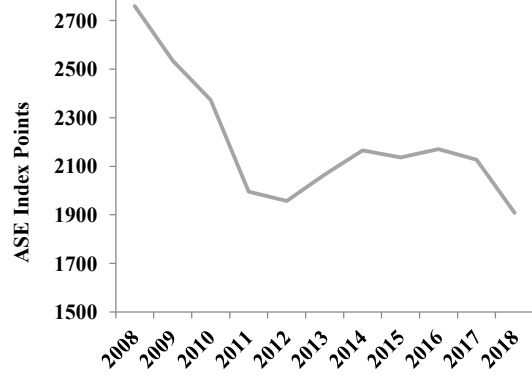
**Figure (11): JOPT Gross Profit Margin**



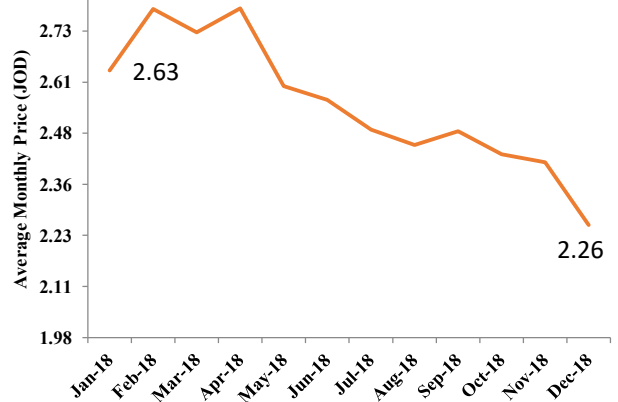
**Figure (12): JOPT Account Receivable and Inventory Turnover**



**Figure (13) ASE Index (2018)**



**Figure (14): JOPT Share Price (2018)**



## 8. Outlook & Valuation:

- In order to compute the cost of equity for JOPT, we have used the Capital Assets Pricing Model (CAPM).
- The following assumptions have been made in order to arrive at the intrinsic value of Jordan Jordan Petroleum Refinery Company LTD.
  - ❖ A Risk – free rate of 4.29%.
  - ❖ A return on the market index of -0.02%.
  - ❖ Beta -49.83% has been calculated.
  - ❖ The cost of equity derived from the above assumptions using the Capital Assets Pricing Model (CAPM) is 2.13%.
  - ❖ The cost of debt 51.08%.
  - ❖ Based on the above assumptions, the weighted Average Cost of Capital (WACC) works out to be 6.43%.
  - ❖ Tax Rate 20%.
  - ❖ Cash Flow constant growth rate of 1% has been assumed.

FCF Valuation (Thousands JOD)	2014	2015	2016	2017	2018	2019 F	2020 F	2021 F
EBIT	104,374,913	73,429,368	63,668,358	60,371,742	66,077,632	57,020,532	48,257,212	39,767,271
Tax Rate	17%	25%	26%	16%	15%	20%	20%	20%
NOPAT	86,923,465	54,733,351	47,069,253	50,735,176	55,877,504	45,616,426	38,605,770	31,813,817
Net operating working Capital	470,805,754	186,617,772	194,581,084	332,603,770	338,287,669	339,315,502	336,358,274	333,451,087
Net Fixed Assets	71,100,495	91,461,507	88,137,151	92,815,640	103,529,964	102,669,978	101,817,136	100,971,378
Total Operating Capital	541,906,249	278,079,279	282,718,235	425,419,410	441,817,633	441,985,480	438,175,410	434,422,465
NOPAT		54,733,351	47,069,253	50,735,176	55,877,504	45,616,426	38,605,770	31,813,817
Net Operating Capital		(263,826,970)	4,638,956	142,701,175	16,398,223	167,847	(3,810,070)	(3,752,945)
Free Cash Flow (FCF)		318,560,321	42,430,297	-91,965,999	39,479,281	45,448,579	42,415,839	35,566,762

### 8.1 Valuation of JOPT:

- Based on our future earnings projections and the above assumptions, the value of Jordan Petroleum Refinery Company LTD. Comes out to be 2.24 per share.

**(JOD)**

Value of Operation at the end of 2018	655,058,130
Add: value of non- operating Assets	0
<b>Total Corporate Value</b>	<b>655,058,130</b>
Less: Value of Interest – Bearing Debt	432,023,486
<b>Intrinsic Value of firm’s equity</b>	<b>22,303,465</b>
Number of shares outstanding	99,639,225
<b>Intrinsic Value Per Share</b>	<b>2.24</b>

The stock closed at JD 2.27 on December 31, 2018 in Amman Stock Exchange. We recommend our **“HOLD”** on JOPT’s stock.

## 9. References:

### Websites:

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10. [www.memr.gov.jo](http://www.memr.gov.jo)
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12. KAMCO Investment Company – Oil Report 2019.

**- Balance Sheet:**

<b>Assets (Thousands JD)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
Cash on Hand & at Banks	14,721	11,382	14,805	11,088	16,967	17,133	17,301	17,470
Account Receivables, Net	785,352	471,592	450,169	493,333	431,780	428,194	424,637	421,110
Notes Receivable	562,676	418,467	363,215	339,211	472,671	468,745	464,851	460,990
Post Dated Cheques	14,215	14,621	36,760	30,312	28,399	28,163	27,929	27,697
Short Term Investments	0	0	0	0	0	0	0	0
Inventory	264,010	205,090	220,122	316,869	268,127	257,329	256,281	255,187
Spare Parts	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>1,640,974</b>	<b>1,121,152</b>	<b>1,085,071</b>	<b>1,190,814</b>	<b>1,217,944</b>	<b>1,199,564</b>	<b>1,190,999</b>	<b>1,182,454</b>
Long Term Investments	5,816	6,790	4,286	3,302	2,846	2,822	2,799	2,775
Net Fixed Assets	71,100	91,462	98,657	100,007	103,530	102,670	101,817	100,971
Lands	22,042	20,759	32,194	47,387	55,856	55,392	54,932	54,476
Projects in Progress	18,095	7,298	6,270	10,028	25,944	25,729	25,515	25,303
Adjustment Account	-	-	-	-	-	32,459	40,465	41,618
<b>Total Fixed Assets</b>	<b>111,237</b>	<b>119,518</b>	<b>137,122</b>	<b>157,422</b>	<b>185,330</b>	<b>216,250</b>	<b>222,729</b>	<b>222,368</b>
Other Assets	40,609	35,739	27,274	23,943	34,101	33,818	33,537	33,258
<b>Total Assets</b>	<b>1,798,636</b>	<b>1,283,199</b>	<b>1,253,753</b>	<b>1,375,481</b>	<b>1,440,222</b>	<b>1,452,454</b>	<b>1,450,064</b>	<b>1,440,856</b>
<b>Liabilities (Thousands JD)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
Accounts and Notes Payable	593,278	501,446	490,515	488,687	378,586	363,340	361,860	360,316
Credit Banks	979,966	537,394	503,680	606,976	770,945	764,541	758,190	751,892
Short Term Loans	13,666	13,023	13,890	13,150	5,232	3,576	3,997	3,997
Accrued Part of L - T Loans	-	189	204	1,658	2,112	4,756	4,756	4,756
<b>Total Current Liabilities</b>	<b>1,586,909</b>	<b>1,052,052</b>	<b>1,008,289</b>	<b>1,110,471</b>	<b>1,156,875</b>	<b>1,136,214</b>	<b>1,128,804</b>	<b>1,120,961</b>
Long term Debt	62,761	61,574	48,393	50,872	53,437	84,252	83,908	83,550
<b>Total Liabilities</b>	<b>1,649,670</b>	<b>1,113,626</b>	<b>1,056,682</b>	<b>1,161,344</b>	<b>1,210,312</b>	<b>1,220,465</b>	<b>1,212,713</b>	<b>1,204,512</b>
<b>Shareholders' Equity (Thousands JD)</b>								
<b>Authorized Capital</b>	62,500	75,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Subscribed Capital</b>	62,500	75,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Paid-in Capital</b>	62,500	75,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Compulsory Reserves</b>	31,765	35,929	40,506	41,707	43,124	43,124	43,124	43,124
<b>Voluntary Reserve</b>	9,204	9,204	7,266	14,585	16,144	16,144	16,144	16,144
<b>Other Reserves</b>	-	-	-	2,653	-	-	-	-
<b>Cash Dividends</b>	11,250	7,500	20,000	20,000	20,000	20,000	20,000	20,000
<b>Accumulated Change in Fair Value</b>	2,792	2,673	2,536	2,081	1,628	1,628	1,628	1,628
<b>Retained Earnings</b>	28,874	35,841	21,952	23,434	37,877	51,093	56,456	55,448
<b>Total Shareholders' Equity</b>	<b>148,965</b>	<b>169,573</b>	<b>197,071</b>	<b>214,137</b>	<b>229,909</b>	<b>231,988</b>	<b>237,352</b>	<b>236,344</b>
<b>Non-controlling Interest</b>	2,580	3,426	4,812	9,678	11,137	-	-	-
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,798,636</b>	<b>1,283,199</b>	<b>1,253,753</b>	<b>1,375,481</b>	<b>1,440,222</b>	<b>1,452,454</b>	<b>1,450,064</b>	<b>1,440,856</b>

**- Income Statement:**

<b>JOD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
Operating Revenues	4,624,128	2,618,175	1,762,068	1,778,258	1,732,376	1,717,986	1,703,715	1,689,563
Operating Expenses	4,552,678	2,325,255	1,520,676	1,588,941	1,625,074	1,559,631	<b>1,553,278</b>	<b>1,546,647</b>
<b>Net Operating Income</b>	<b>71,449</b>	<b>292,920</b>	<b>241,391</b>	<b>189,318</b>	<b>107,303</b>	<b>158,355</b>	<b>150,438</b>	<b>142,916</b>
Other Operating Revenues	149,040	7,570	18,236	18,199	59,387	61,423	63,529	65,707
<b>Gross Profit</b>	<b>220,489</b>	<b>300,490</b>	<b>259,627</b>	<b>207,516</b>	<b>166,690</b>	<b>158,355</b>	<b>150,438</b>	<b>142,916</b>
Selling and Distribution Expenses	72,790	66,861	51,593	50,894	57,900	59,835	61,835	63,902
General and Administrative Expenses	11,471	14,851	15,174	12,488	11,167	11,239	11,311	11,384
Other Operating Expenses	28,853	142,349	126,192	80,762	28,545	27,261	26,034	24,862
Depreciation (period)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>Income Before Interest &amp; Tax</b>	<b>104,375</b>	<b>73,429</b>	<b>63,668</b>	<b>60,372</b>	<b>66,078</b>	<b>57,021</b>	<b>48,257</b>	<b>39,767</b>
Interest Expenses	65,434	31,374	17,588	21,190	28,373	41,027	41,027	41,027
<b>Net Income Before Tax</b>	<b>38,941</b>	<b>42,056</b>	<b>46,080</b>	<b>39,181</b>	<b>37,705</b>	<b>15,994</b>	<b>7,230</b>	<b>(1,260)</b>
Income Tax (Period)	6,511	10,708	12,014	6,254	5,820	3,199	1,446	-
<b>Net Income</b>	<b>32,430</b>	<b>31,348</b>	<b>34,066</b>	<b>32,927</b>	<b>31,885</b>	<b>12,795</b>	<b>5,784</b>	<b>(1,260)</b>

**- Financial Ratios:**

<b>Financial Ratio</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
<b>Liquidity Ratio</b>								
Current Ratio (Time)	1.03	1.06	1.07	1.07	1.05	1.06	1.06	1.05
Quick Ratio	50.42%	45.91%	46.12%	45.42%	38.79%	39.19%	39.15%	39.13%
<b>Profitability Ratio:</b>								
Return on Assets	1.80%	2.03%	2.70%	2.52%	2.27%	0.88%	0.40%	-0.07%
Return on Equity	21.77%	17.10%	16.57%	14.83%	13.82%	5.55%	2.47%	-0.43%
Gross profit margin	4.77%	11.48%	14.73%	11.67%	9.62%	9.22%	8.83%	8.46%
<b>Leverage Ratio:</b>								
Time Interest Earned	159.51%	234.05%	361.99%	284.90%	232.89%	138.98%	117.62%	96.93%
Debt Ratio	91.72%	86.79%	84.99%	84.88%	84.04%	84.03%	83.63%	83.60%
<b>Asset Management Ratio:</b>								
Account Receivable Turnover	5.89	4.17	3.82	3.77	3.75	4.00	4.00	4.00
Inventory Turnover	7.24	3.70	3.30	3.37	3.51	3.63	3.64	3.66
Assets Turnover	2.57	1.70	1.39	1.36	1.23	1.19	1.17	1.17

**- JOPT Profile:**

<b>Code:</b>	142041
<b>Reuters code:</b>	JOPT
<b>Address:</b>	Amman, Jabal Amman Area.
<b>Telephone:</b>	06/4630151
<b>P.O. Box:</b>	(1079) Amman 11118
<b>Email:</b>	addewan@JOPT.com.jo
<b>Registration Date:</b>	8/7/1956
<b>Listing Date:</b>	1/1/1978
<b>Main Objectives:</b>	Manufacturing and refining petroleum and hydro carbonic components, and manufacturing secondary derivatives resulted from the refining operations, also to storage, distribute and marketing these products.
<b>No. of Branches:</b>	7 (Inside Jordan)
<b>General Manager:</b>	Abd Al Kareem Al Alaween

**- Global Equity Ratings Definitions.**

<b>Global Rating</b>	<b>Definition</b>
<b>Buy</b>	Fair Value of the stock is $> 10\%$ from the current market price.
<b>Hold</b>	Fair Value of the stock is between $+10\%$ and $-10\%$ from the current market price.
<b>Reduce</b>	Fair Value of the stock is between $-10\%$ and $-20\%$ from the current market price.
<b>Sell</b>	Fair Value of the stock is $< -20\%$ from the current market price.