



شركة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع.  
Gulf Cable & Electrical Industries Co. K.S.C.P

cables that pulse with life

الإشارة : خك / ٢٦١ / ٢٠٢٢ / ٢٠٢٢

Date: 07 APR 2022 التاريخ :

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد ،،،

الموضوع : العرض التقديمي لمؤتمر المحللين للسنة المالية 2021

عملا بالاحكام الواردة في المادة رقم (7-8) التزامات الشركة المدرجة من قواعد البورصة ، حيث تم تصنيف شركة الخليج للكابلات ضمن مجموعة السوق الاول.

يرجى العلم بان الشركة عقدت مؤتمر المحللين للسنة المالية 2021 عن طرق البث المباشر على شبكة الانترنت وذلك في تمام الساعة الواحدة والنصف من بعد ظهر يوم الخميس الموافق 2022/04/07 ، علما بانه لم يتم تداول اي معلومات جوهرية خلال المؤتمر . وسوف نقوم لاحقا بالافصاح عن محضر المؤتمر خلال 3 ايام عمل من تاريخ المؤتمر.

مرفق طيه العرض التقديمي للمستثمرين للسنة المالية 2021

وتفضلو بقبول فائق الإحترام ،،،



الرئيس التنفيذي  
باسل عمران كنعان





# 2021

## Investors Presentation

Year Ended 31 December 2021



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## Our Vision

ACHIEVE GCC **PRODUCT INNOVATION LEADERSHIP**  
AND EXPAND OUR **PREMIER POSITION** IN OUR CORE MARKETS,

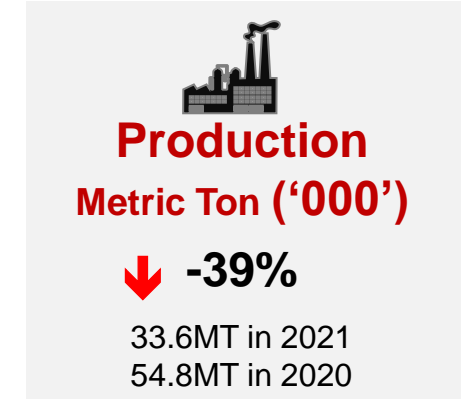
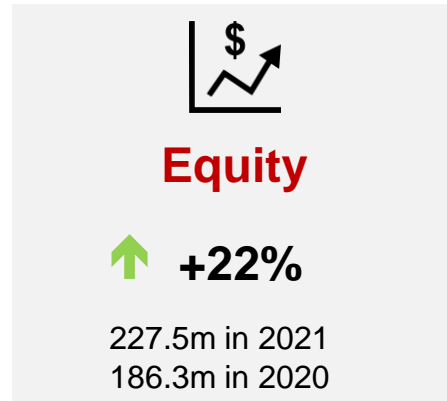
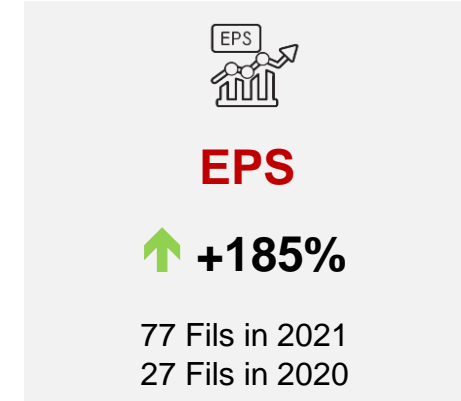
WHILE DELIVERING **ABOVE-MARKET GROWTH**,  
**SUPERIOR PROFITABILITY** AND **STRONG CASH FLOW GENERATION**  
TO PROVIDE SHAREHOLDERS WITH **ATTRACTIVE RETURNS**,

YET MAINTAIN **ABSOLUTE INTEGRITY**  
AND IN CONFORMITY WITH THE **HIGHEST ETHICAL STANDARDS.**

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# Performance Highlights



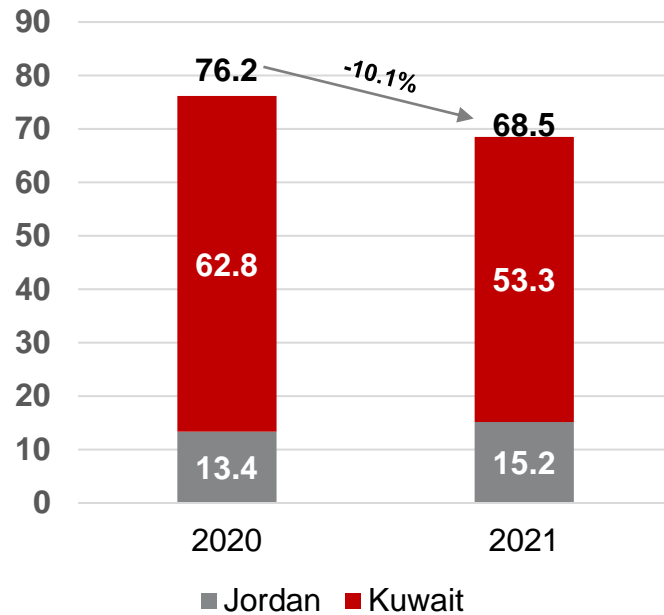
**Note:** all figures are in KWD

<sup>1</sup> Total revenue consist of cable sales, contracting revenue and investment revenue.

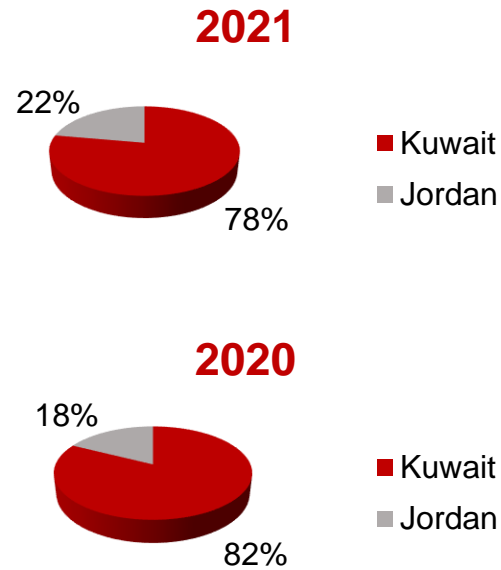
<sup>2</sup> Proposed by the Board of Directors and subject to General Assembly approval.

# Financial Overview - Group

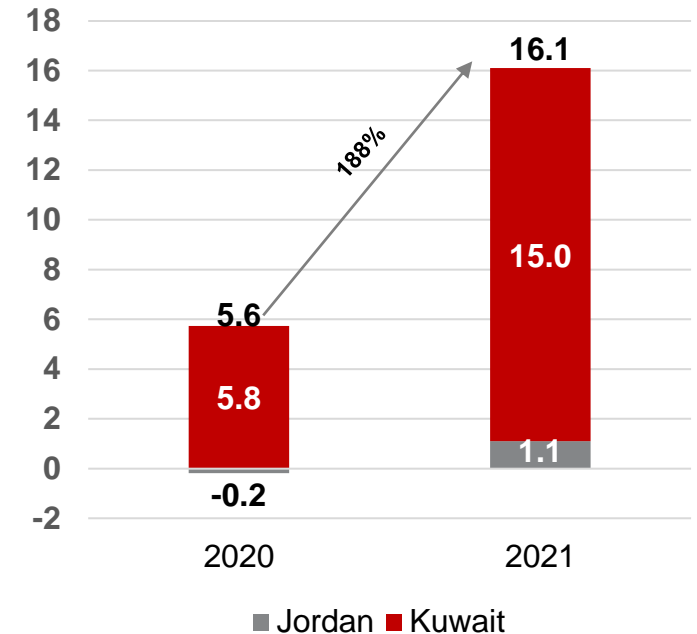
**Sales & Contracting Revenue**  
Million - KWD



**Sales & Contracting Revenue Breakdown by Country**



**Net Profit Breakdown by Country**  
Million - KWD

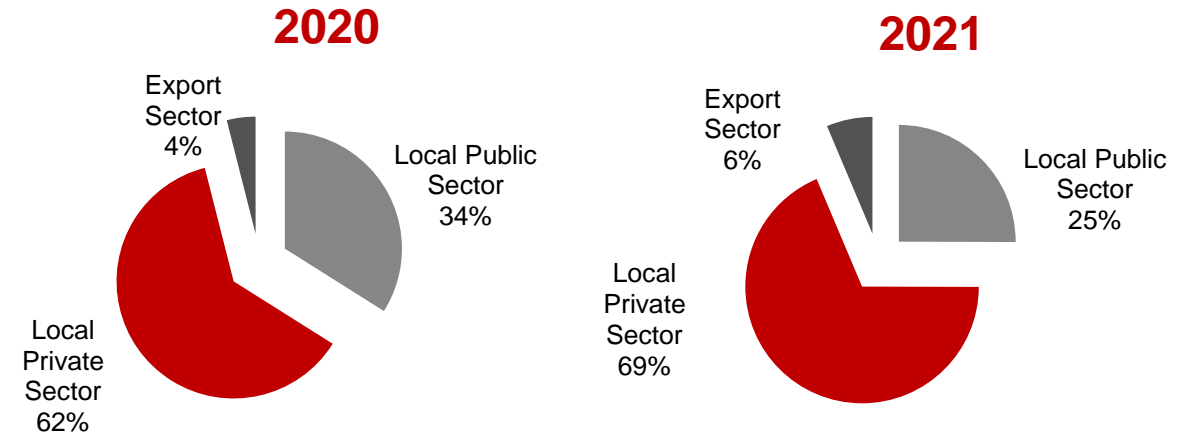
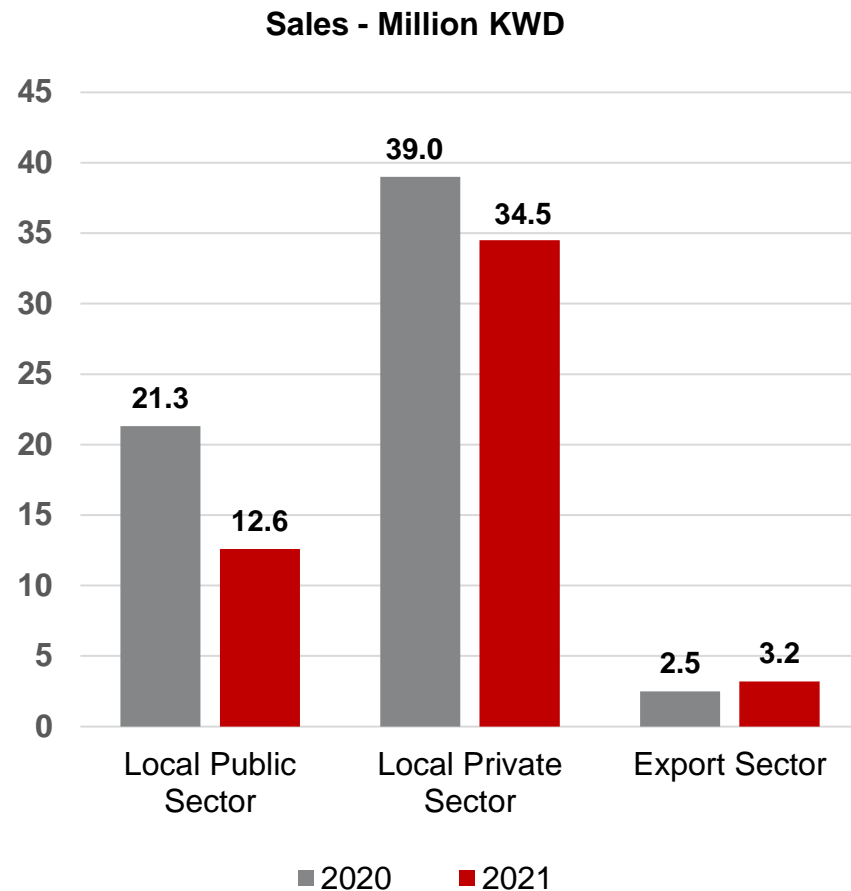


**In 2021:**

- Total sales & contracting revenue for the Group decreased by 10.1% compared to 2020.
- Gulf Cable - Jordan increased its share in total revenue from 18% in 2020 to 22% in 2021.
- Net profit for the Group increased by 188% compared to 2020.

# Financial Overview - Gulf Cable Kuwait

## Breakdown of Cable Sales by Sector



Description (Million, KWD)	2020	2021	Change	% Change
Local Public Sector	21.3	12.6	-8.7	-40.8%
Local Private Sector	39.0	34.5	-4.5	-11.5%
Export Sector	2.5	3.2	0.7	28.0%
<b>Total Cable Sales</b>	<b>62.8</b>	<b>50.3</b>	<b>-12.5</b>	<b>-19.9%</b>

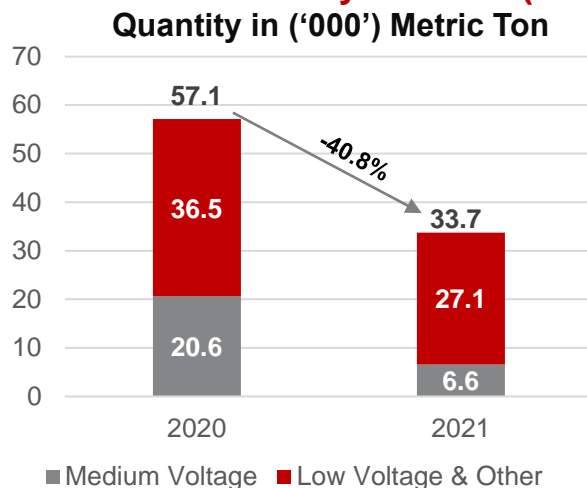
Total Cable sales decreased by 19.9% in 2021 mainly due to:

- Sales for the Local Public Sector declined by 40.8%, mainly due to decrease in medium voltage cables sales compared to 2020.
- Sales for the Local Private Sector declined by 11.5% compared to 2020 due to the impact of higher of metal prices and less projects.
- Export Sector sales showed a 28.0% growth as movement to GCC markets eased.

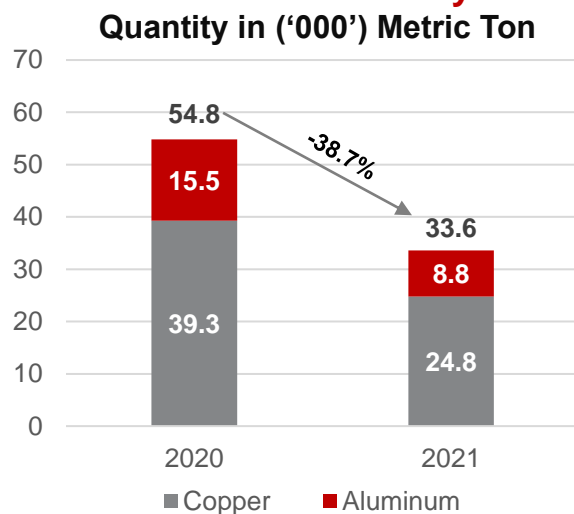


# Financial Overview - Production and Sales by Weight

## Sales Breakdown by Product (weight)



## Production Breakdown by Material



Sales Breakdown by Product (Weight)	2020 MT	2021 MT	% Change
Medium Voltage Cables	20,607	6,637	-67.8%
Low Voltage and Other Cables	36,452	27,130	-25.6%
<b>Total Cables</b>	<b>57,059</b>	<b>33,767</b>	<b>-40.8%</b>

Production Breakdown by Material	2020 MT	2021 MT	% Change
Copper Cables (Low & Medium Voltage)	39,304	24,772	-37.0%
Aluminum Cables (Low & Medium Voltage)	15,480	8,794	-43.2%
<b>Total Copper &amp; Aluminum Cables</b>	<b>54,784</b>	<b>33,566</b>	<b>-38.7%</b>

### In 2021:

- The sales weight of medium voltage cables decreased by 67.8% as a result of significant decrease in sales to governmental sector. Sales to local projects were also less compared to 2020.
- Continued higher metal prices led to a drop in the quantities of cables production by 38.7% and total cables' sales by 40.8%.

## Financial Overview - Ratio Analysis

Ratios	FY2020	FY2021	Change	
<b><u>Profitability</u></b>				
Gross Profit Margin - %	11.5%	19.8%	↑	8.3%
EBITDA Margin - %	10.4%	28.3%	↑	17.9%
Net Margin - %	7.3%	23.5%	↑	16.2%
ROA on Average Assets - % (with investment income)	2.8%	6.2%	↑	3.4%
ROE on Average Equity - % (with investment income)	3.1%	7.8%	↑	4.7%
<b><u>Leverage</u></b>				
Total Debt Percentage of Total Assets-%	1.8%	22.8%	↑	21.0%
Debt to Equity Ratio-%	2.0%	31.7%	↑	29.7%
Interest Coverage Ratio	17.2	51.0	↑	33.8
<b><u>Liquidity</u></b>				
Current Ratio	7.8	4.4	↓	-3.4
Quick Ratio	4.5	2.6	↓	-1.9
Working Capital to Total Assets	0.4	0.2	↓	-0.2

- Group's gross profit margin increased from 11.5% to 19.8% between 2020 to 2021. This was partly due to reduced cost of sales and due to the government tenders awarded with relatively high profit margins due to preferential advantage for national products.
- The Group's outstanding debt increased by KWD 68.5m which led to the increase in debt ratios for 2021.
- Interest coverage ratio reached 51x as EBIT for 2021 increased by 162%
- The Group saw its current ratio levels decline from 7.8x in 2020 to 4.4x in 2021 mainly due to the increased borrowings and decrease in current assets.

## Financial Overview - Financial Position & Cash Flow Statements



Financial Position (Million, KWD)	Dec. 2020	Dec. 2021	Change	% Change
Non-Current Assets	105.0	229.3	124.3	118.5%
Current Assets	97.8	87.1	-10.7	-11.0%
<b>Total Assets</b>	<b>202.8</b>	<b>316.4</b>	<b>113.6</b>	<b>56.0%</b>
Non-Current Liabilities	3.9	69.2	65.3	1,660.5%
Current Liabilities	12.6	19.7	7.1	56.8%
Total Liabilities	16.5	88.9	72.4	439.2%
Total Equity	186.3	227.5	41.2	22.1%
<b>Total Liabilities &amp; Equity</b>	<b>202.8</b>	<b>316.4</b>	<b>113.6</b>	<b>56.0%</b>

Cash Flow Statement (Million, KWD)	FY2020	FY2021	Change	% Change
Profit From Operations	5.6	16.1	10.5	189.9%
Non-Cash Adjustments	-1.1	-8.3	-7.2	-693.0%
Changes in Working Capital	-19.2	5.8	25.0	130.0%
<b>Net Cash Flow - Operating Activities</b>	<b>-14.7</b>	<b>13.6</b>	<b>28.3</b>	<b>-192.2%</b>
Net Cash Flow - Investing Activities	28.8	-74.9	-103.7	-359.9%
Net Cash Flow - Financing Activities	-12.3	54.1	66.4	538.5%
<b>Increase / Decrease in Cash and Cash Equivalents</b>	<b>1.8</b>	<b>-7.2</b>	<b>-9.0</b>	<b>-508.0%</b>
<b>Cash and Cash Equivalents at Period End</b>	<b>26.2</b>	<b>19.0</b>	<b>-7.2</b>	<b>-27.7%</b>

### In 2021:

- Non-current assets grew by 118.5% due to increase in the investment in associates and in fair value of Investments at FVTOCI.
- Current assets of the Group decreased by 11.0% mainly as a result of cash dividend distributed during the current period to the shareholders (50 Fils/share for 2020) and decrease in inventories balance.
- Non-current liabilities increased mainly as a result of the long-term borrowings for acquiring associate companies and allocated from the identifiable net assets of the acquired subsidiary.
- Shareholder's equity increased by 22.1%.
- Cash inflow for financing activities reach to KWD 54.1m in 2021 mainly as a result of borrowings for the acquisition of associate Companies.
- Cash outflow for investing activities reach to KWD 74.9m in 2021 for the acquisition of subsidiary and associate Companies.

## Financial Overview – Investment in Associates

	NIC	HEISCO	Team Holding
	 شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY	 HEISCO	 TEAM Holding Company شركة تمسك القابضة
GC Ownership %	<b>25.4%</b>	<b>28.3%</b>	<b>47.5%</b>
Total Net Assets Value	<b>216.8m</b>	<b>68.9m</b>	<b>2.6m</b>
Profit for Year 2021	<b>24.4m</b>	<b>6.4m</b>	<b>0.3m</b>
GC Carrying Value of Ownership Interest	<b>55.0m</b>	<b>19.5m</b>	<b>1.2m</b>
Gain on bargain purchase	<b>10.8m</b>	---	---
Goodwill	---	<b>10.4m</b>	---
GC Share of results	---	<b>0.3m</b>	<b>0.1m</b>

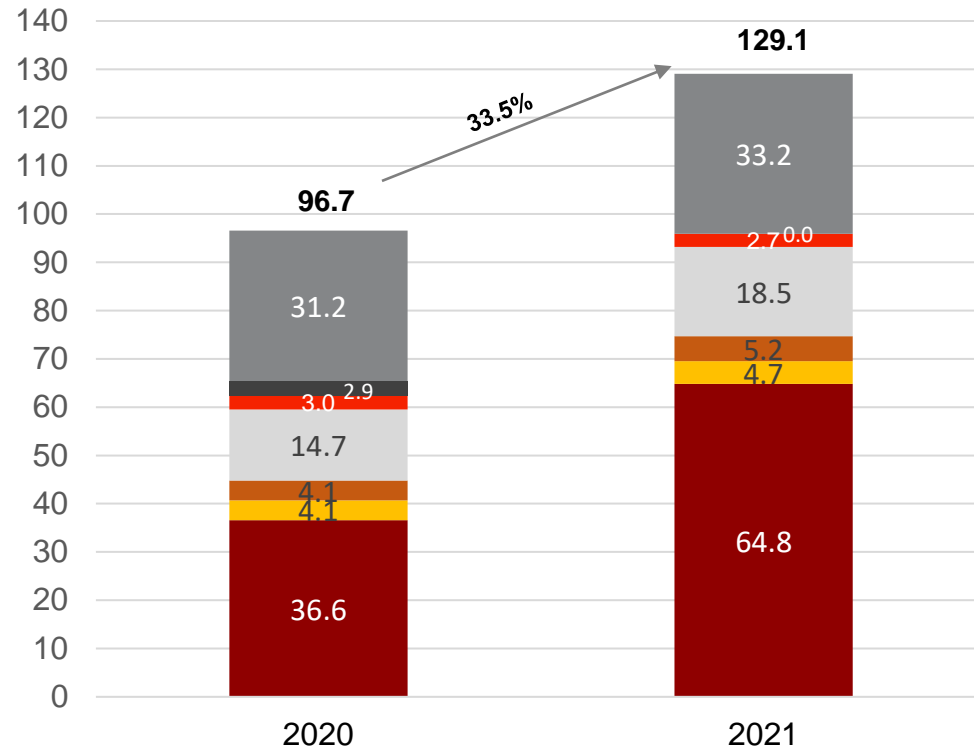
- During 2021, the Group acquired a 25.4% stake in National Investments Co. (NIC) and a 28.3% stake in Heavy Engineering Industries & Shipbuilding Co. (HEISCO).
- GC share of results of NIC amount represents (Nil) as GC recognized NIC as an associate company at the end of December 2021.
- HEISCO share of results amount represents one month only (December 2021) as GC recognized NIC as an associate company at the beginning of December 2021.

Note: Full year 2021 figures in KWD.

# Financial Overview - Investments at FVOCI

## Investment Portfolio Breakdown

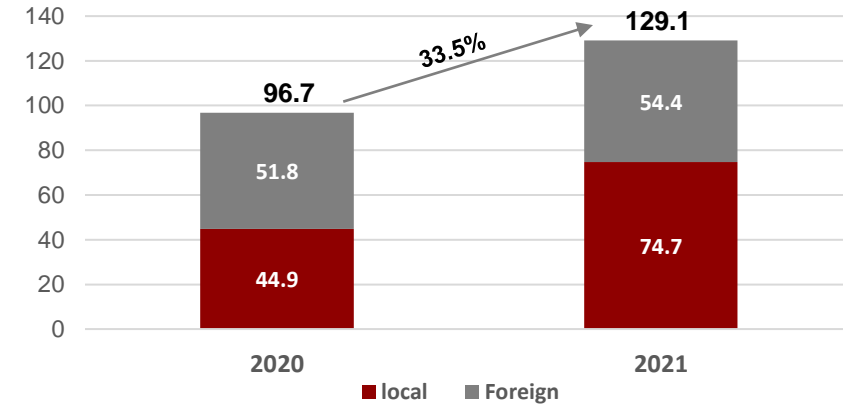
Million - KWD



- Foreign unquoted securities
- Foreign managed unquoted securities
- Foreign unquoted securities held through managed portfolios
- Foreign quoted securities held through managed portfolios
- Local managed funds
- Local unquoted securities held through managed portfolios
- Local quoted securities held through managed portfolios

## Investments Geographical Breakdown

Million - KWD



- These investments are held in equity instruments for medium to long term strategic objectives. The Group intends to hold these investments for a long-term period.
- Local managed funds include investments in units of equity investments. Fair value of these investments is determined using net asset values reported by investment managers.

### In 2021

- Total investments at FVOCI increased by 33.5% compared to 2020.
- Gain on sale of investments amounted to KWD 1m compared to KWD 10m in 2020.
- Dividend income on investments held at the end of the period amounted to KWD 1.4m compared to KWD 3.1m in 2020.

# Appendix

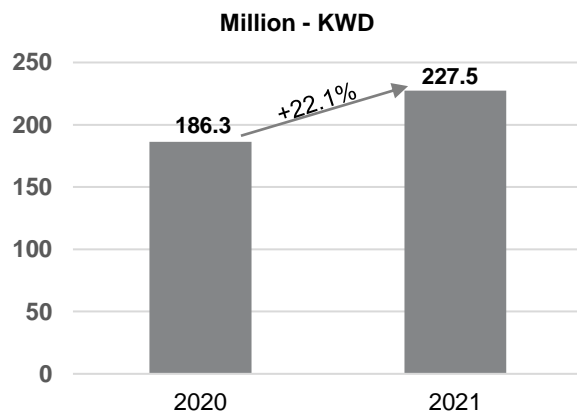


# Consolidated Statement of Financial Position

	31 Dec. 2021	31 Dec. 2020
<b>Assets (KWD)</b>		
<b>Non-current assets</b>		
Goodwill	3,603,180	-
Property, plant and equipment	9,771,992	7,160,670
Right of use asset	612,883	-
Investment in associates	86,168,913	1,103,929
Investments at fair value through other comprehensive income	129,097,281	96,671,328
	<b>229,254,249</b>	<b>104,935,927</b>
<b>Current assets</b>		
Inventories	35,196,042	41,319,685
Trade accounts receivable	31,788,814	29,606,122
Other receivables and prepayments	1,134,062	657,532
Cash and cash equivalents	18,981,488	26,257,513
	<b>87,100,406</b>	<b>97,840,852</b>
<b>Total Assets</b>	<b>316,354,655</b>	<b>202,776,779</b>

	31 Dec. 2021	31 Dec. 2020
<b>Liabilities (KWD)</b>		
<b>Non-current liabilities</b>		
Provision for employees' end of service benefits	4,410,937	3,929,186
Terms loans	26,334,495	-
Islamic financing facilities	38,000,000	-
Lease liabilities	428,888	-
	<b>69,174,320</b>	<b>3,929,186</b>
<b>Current liabilities</b>		
Trade accounts payable	2,038,235	1,702,884
Other payables and accruals	9,662,081	7,179,352
Lease liabilities	151,416	-
Term loans-current portion	5,818,161	3,646,476
Islamic financing facilities-current portion	2,000,000	-
Due to banks	-	18,694
	<b>19,669,893</b>	<b>12,547,406</b>
<b>Total Liabilities</b>	<b>88,844,213</b>	<b>16,476,592</b>

## Total Net Assets Value



<b>Equity (KWD)</b>		
Share capital	20,993,131	20,993,131
Share premium	29,160,075	29,160,075
Treasury shares	(575,724)	(454,480)
Statutory, voluntary and general reserves	70,459,281	68,740,454
Other components of equity	82,741,073	47,981,962
Retained earnings	24,227,964	19,437,247
<b>Total equity attributable to the owners of the Parent Company</b>	<b>227,005,800</b>	<b>185,858,389</b>
Non-Controlling Interests	504,642	441,798
<b>Total Equity</b>	<b>227,510,442</b>	<b>186,300,187</b>
<b>Total Equity and Liabilities</b>	<b>316,354,655</b>	<b>202,776,779</b>

## Consolidated Statement of Profit or Loss

	31 Dec. 2021	31 Dec. 2020
<b>Revenue (KWD)</b>		
Sales and contracting revenue	68,490,740	76,148,034
Cost of revenue	(54,929,195)	(67,390,625)
<b>Gross profit</b>	<b>13,561,545</b>	<b>8,757,409</b>
Dividend income	1,614,982	3,069,163
Other investment losses	(19,563)	(2,664)
Share of results of associates	411,251	39,578
Gain on bargain purchase of an associate	10,834,531	-
Interest and other income	39,669	129,613
Foreign currency exchange gain	201,756	342,653
	<b>26,644,171</b>	<b>12,335,752</b>
<b>Expenses and other charges (KWD)</b>		
General and administrative expenses	(5,070,842)	(3,701,465)
Commercial expenses	(1,794,983)	(1,576,008)
Provision for doubtful debts– net	(1,810,016)	(365,912)
Provision for other receivables	(57,900)	-
(Provision)/reversal of provision for obsolete and slow-moving inventories – net	(27,074)	143,095
Finance costs	(350,316)	(397,079)
	<b>(9,111,131)</b>	<b>(5,897,369)</b>

	31 Dec. 2021	31 Dec. 2020
<b>Profit before taxation and Directors' remuneration</b>	<b>17,533,040</b>	<b>6,438,383</b>
Taxes relating to overseas subsidiary	(279,744)	-
Provision for contribution to KFAS,NLST & Zakat	(821,203)	(567,609)
Provision for directors' remuneration	(310,000)	(310,000)
<b>Profit for the Year</b>	<b>16,122,093</b>	<b>5,560,774</b>
<b>Profit for the year attributable to:</b>		
Owners of the Parent Company	16,057,067	5,571,085
Non-controlling interests	65,026	(10,311)
<b>Profit for the Year</b>	<b>16,122,093</b>	<b>5,560,774</b>
<b>Earnings Per share</b>	<b>77 Fils</b>	<b>27 Fils</b>



## Common Size Analysis - Consolidated Statement of Financial Position

	31 Dec. 2021	31 Dec. 2020
<b>Assets (KWD)</b>		
<b><u>Non-current assets</u></b>		
Goodwill	1.14%	-
Property, plant and equipment	3.09%	3.53%
Right of use asset	0.19%	-
Investment in associates	27.24%	0.55%
Investments at fair value through other comprehensive income	40.81%	47.67%
	<b>72.47%</b>	<b>51.75%</b>
<b><u>Current assets</u></b>		
Inventories	11.13%	20.38%
Trade accounts receivable	10.05%	14.60%
Other receivables and prepayments	0.36%	0.32%
Cash and cash equivalents	6.00%	12.95%
	<b>27.53%</b>	<b>48.25%</b>
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>

- The percentage of total non-current assets has risen from 51.75% in 2020 to 72.47% in 2021, on the other hand the percentage of total current assets has dropped from 48.25% to 27.53%.
- The percentage of total liabilities has risen from 8.13% in 2020 to 28.08% in 2021, on the other hand the percentage of total equity attributable to the owners of the Parent Company has dropped from 91.65% to 71.76%.

	31 Dec. 2021	31 Dec. 2020
<b>Liabilities (KWD)</b>		
<b><u>Non-current liabilities</u></b>		
Provision for employees' end of service benefits	1.39%	1.94%
Terms loans	8.32%	-
Islamic financing facilities	12.01%	-
Lease liabilities	0.14%	-
	<b>21.86%</b>	<b>1.94%</b>
<b><u>Current liabilities</u></b>		
Trade accounts payable	0.64%	0.84%
Other payables and accruals	3.05%	3.54%
Lease liabilities	0.05%	-
Term loans-current portion	1.84%	1.80%
Islamic financing facilities-current portion	0.63%	-
Due to banks	-	0.01%
	<b>6.22%</b>	<b>6.19%</b>
<b>Total Liabilities</b>	<b>28.08%</b>	<b>8.13%</b>

	31 Dec. 2021	31 Dec. 2020
<b>Equity</b>		
Share capital	6.64%	10.35%
Share premium	9.22%	14.38%
Treasury shares	-0.18%	-0.23%
Statutory, voluntary and general reserves	22.27%	33.90%
Other components of equity	26.15%	23.66%
Retained earnings	7.66%	9.59%
Total equity attributable to the owners of the Parent Company	<b>71.76%</b>	<b>91.65%</b>
Non-Controlling Interests	0.16%	0.22%
<b>Total Equity</b>	<b>71.92%</b>	<b>91.87%</b>
<b>Total Equity and Liabilities</b>	<b>100%</b>	<b>100%</b>

## Common Size Analysis - Consolidated Statement of Profit or Loss

	31 Dec. 2021	31 Dec. 2020
<b>Revenue</b>		
Sales and contracting revenue	100.00%	100.00%
Cost of sales and Contracts with Customers	-80.20%	-88.50%
<b>Gross profit</b>	<b>19.80%</b>	<b>11.50%</b>
Dividend income	2.36%	4.03%
Other investment losses	-0.03%	0.00%
Share of results of associates	0.60%	0.05%
Gain on bargain purchase of an associate	15.82%	-
Interest and other income	0.06%	0.17%
Foreign currency exchange gain	0.29%	0.45%
	<b>38.90%</b>	<b>16.20%</b>

<b>Expenses and other charges</b>		
General and administrative expenses	-7.40%	-4.86%
Commercial expenses	-2.62%	-2.07%
Provision for doubtful debts– net	-2.64%	-0.48%
Provision for other receivables	-0.09%	-
(Provision)/reversal of provision for obsolete and slow-moving inventories – net	-0.04%	0.19%
Finance costs	-0.51%	-0.52%
	<b>-13.30%</b>	<b>-7.74%</b>

	31 Dec. 2021	31 Dec. 2020
<b>Profit before taxation and Directors' remuneration</b>	<b>25.60%</b>	8.46%
Taxes relating to overseas subsidiary	-0.41%	0.00%
Provision for contribution to KFAS,NLST & Zakat	-1.20%	-0.75%
Provision for directors' remuneration	-0.45%	-0.41%
<b>Profit for the Period</b>	<b>23.54%</b>	<b>7.30%</b>

- The percentage of gross profit increased by 8.30% compared to prior year (from 11.50% to 19.80%), due to decrease in the cost of sales percentage.
- Gain on bargain purchase of an associate recognized this year
- Expenses and other charges percentage increased by 5.56% to 13.30%
- Profit for the year percentage grew by 16.24% compared to the prior year 2020.

# Thank You

