

شركة مجموعة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع. - الكويت

Gulf Cables & Electrical Industries Group Co. K.S.C.P - Kuwait

التاريخ: 2024/03/17

الإشارة: خ/ك/ 173 / 2024

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد ،،،

الموضوع : العرض التقديمي لمؤتمر المحللين للسنة المالية 2023

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

يرجى العلم بان الشركة عقدت مؤتمر المحللين للسنة المالية 2023 عن طرق البث المباشر على شبكة الانترنت وذلك في تمام الساعة الواحدة والنصف من بعد ظهر يوم الخميس الموافق 2024/03/14 ، 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 2023

وتفضلوا بقبول فائق الإحترام ،،،

الرئيس التنفيذي
باسل عمران كنعان



كابلات تنبض بالحياة Cables that pulse with life

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رأس المال المسدود والمدفوع د.ك. 20,993,131 Issued & Paid up Capital

2023

INVESTORS PRESENTATION

Year Ended 31 December 2023



Gulf Cables & Electrical Industries Group Co. K.S.C.P

شركة مجموعة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع



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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



Total Revenue¹

↑ +8.0%

122.1m in Y2023
113.0m in Y2022



Sales & contracting revenue

↓ -0.3%

102.2m in Y2023
102.5m in Y2022



EBITDA

↑ +43.4%

25.9m in Y2023
18.1m in Y2022



Net Profit

↑ +62.2%

21.0m in Y2023
13.0m in Y2022



EPS

↑ +62.8%

101 Fils in Y2023
62 Fils in Y2022



Assets

↓ -3.4%

280.6m in Y2023
290.6m in Y2022



Liabilities

↓ -19.9%

49.9m in Y2023
62.2m in Y2022



Equity

↑ +1.1%

230.8m in Y2023
228.3m in Y2022



Production Metric Ton ('000')

↓ -1.1%

50.3MT in Y2023
50.8MT in Y2022



Dividend

↑ +8.3%

65 fils² in Y2023
60 fils in Y2022

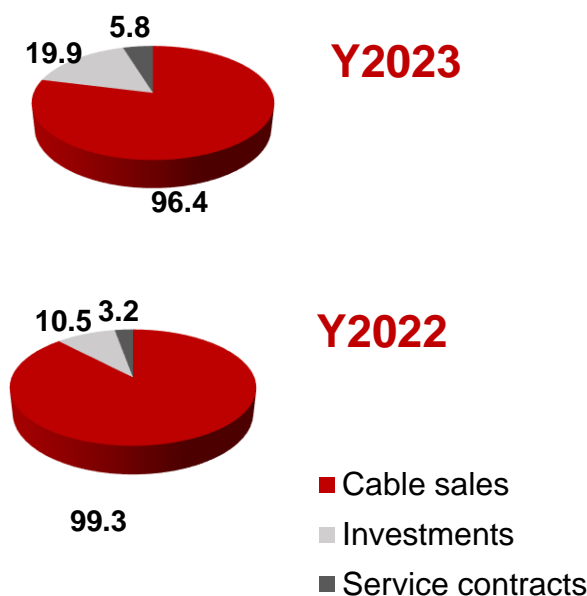
Note: all figures are in KWD

¹ Total revenue consist of cable sales, contracting revenue and investment revenue.

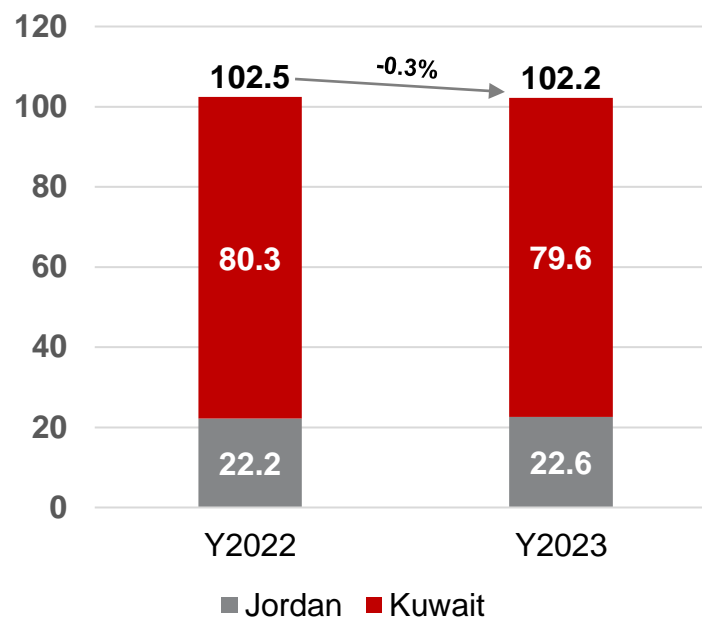
² Proposed by the Board of Directors and subject to General Assembly approval.

Financial Overview – Group

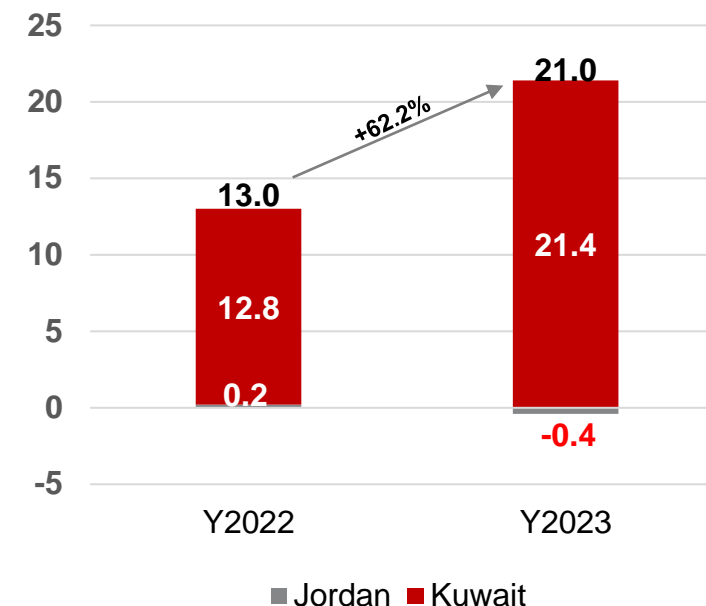
Total Revenue Breakdown
Million - KWD



Sales & Contracting Revenue
Million - KWD



Net Profit Breakdown by Country
Million - KWD

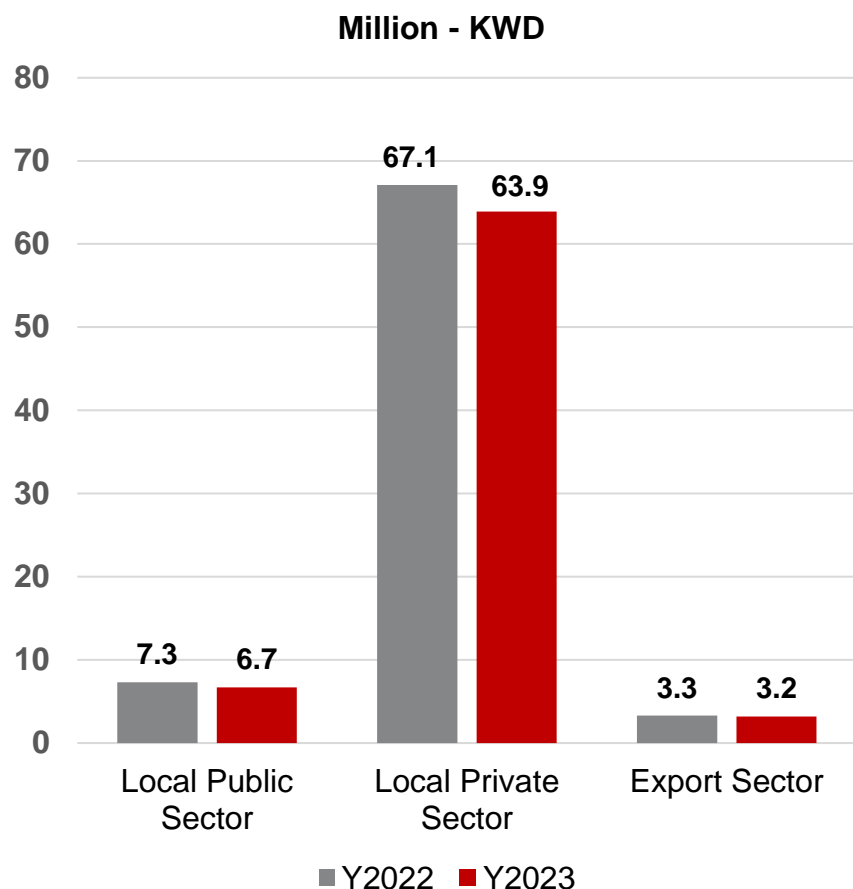


In Y2023:

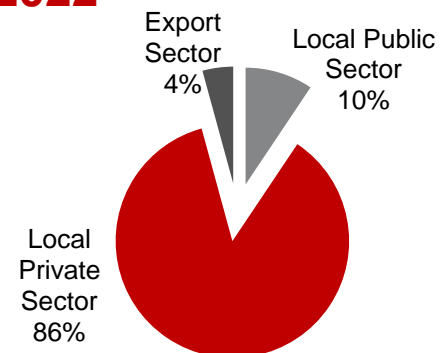
- Total revenue grew by 8% compared to Y2022 from KWD 113m to KWD 122.1m.
- Total sales & contracting revenue for the Group decreased by 0.3% compared to Y2022.
- Sales & contracting revenue from Kuwait consists of revenue from cable sales, amounted to KWD 73.8m and service contracts revenue, amounted to KWD 5.8m.
- Net profit for the Group increased by 62.2% compared to Y2022.

Financial Overview - Gulf Cables Kuwait

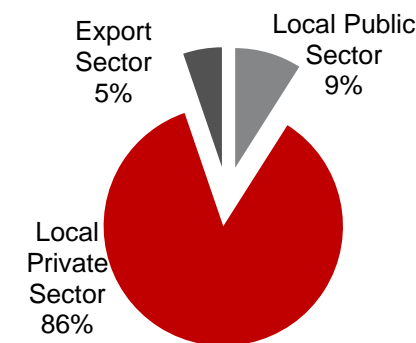
Breakdown of Cable Sales by Sector



Y2022



Y2023

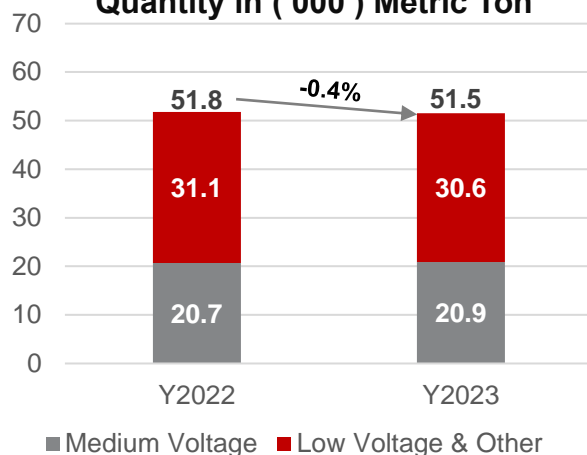


Description (Million, KWD)	Y2022	Y2023	Change	% Change
Local Public Sector	7.3	6.7	-0.6	-7.3%
Local Private Sector	67.1	63.9	-3.3	-4.9%
Export Sector	3.3	3.2	-0.1	-5.1%
Total Sales	77.7	73.8	-3.9	-5.1%

- In Y2023 Total sales decreased by 5.1% compared to Y2022 mainly due to decline in sales to Local Private Sector.
- Local Private Sector sales decreased by 4.9% mainly due to decrease in sales of medium voltage cables to the Local Private Sector for the PAHW projects.

Financial Overview – Group Production and Sales by Weight

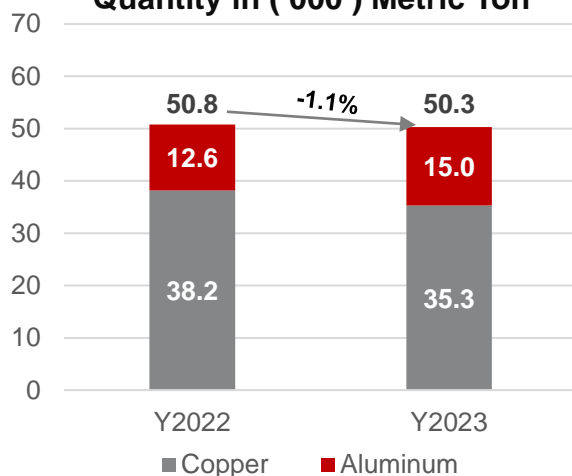
Sales Breakdown by Product
Quantity in ('000') Metric Ton



Sales Breakdown by Product (Weight)	Y2022 MT	Y2023 MT	% Change
Medium Voltage Cables	20,685	20,891	1.0%
Low Voltage and Other Cables	31,061	30,633	-1.4%
Total Cables	51,746	51,524	-0.4%

Production Breakdown by Material	Y2022 MT	Y2023 MT	% Change
Copper Cables (Low & Medium Voltage)	38,204	35,283	-7.6%
Aluminum Cables (Low & Medium Voltage)	12,627	14,984	18.7%
Total Copper & Aluminum Cables	50,831	50,267	-1.1%

Production Breakdown by Material
Quantity in ('000') Metric Ton



In Y2023:

- The sales weight of medium voltage cables shows a nominal increase of 1.0% compared to Y2022. The decrease in 11KV Copper Cable sales to PAHW projects was compensated by the increase in sale of 11KV Aluminum cables.
- In contrary, Low Voltage Cables sales displayed a decrease of 1.4% due to lower supply to MEW, contractors of various projects of PAHW & MEW.
- Total production weight also witnessed a decrease of 1.1%. Copper Cables shows a decrease of 7.6%. On the other hand, Aluminum cables displays an increase of 18.7%.

Financial Overview - Ratio Analysis

Ratios	Y2022	Y2023	Change
<u>Profitability</u>			
Gross Profit Margin - %	12.6%	12.9%	↑ 0.3%
EBITDA Margin - %	17.6%	25.3%	↑ 7.7%
Net Profit Margin - %	12.6%	20.6%	↑ 8.0%
ROA on Average Assets - % (with investment income)	4.3%	7.4%	↑ 3.1%
ROE on Average Equity - % (with investment income)	5.7%	9.2%	↑ 3.5%
<u>Leverage</u>			
Total Debt Percentage of Total Assets-%	15.3%	11.3%	↓ -4.0%
Debt to Equity Ratio-%	19.5%	13.7%	↓ -5.8%
Interest Coverage Ratio	8.3	12.7	↑ 4.4
<u>Liquidity</u>			
Current Ratio	3.7	3.8	↑ 0.1
Quick Ratio	1.9	2.0	↑ 0.1
Working Capital to Total Assets	0.2	0.2	▬ 0.0

- Group's gross profit margin increased slightly from 12.6% to 12.9% due to the decrease in cost of revenue on annual basis.
- EBITDA margin shows an increase from 17.6% in Y2022 to 25.3% in Y2023, this is because of the increase in Dividend income compared to Y2022.
- Total debt percentage of total assets and debt to equity ratios improved in comparison with Y2022 due to the settlement of borrowings amounted KWD 15.5m in Y2023.
- Interest coverage ratio increased to 12.7x with an increase of 4.4x.
- The Group displays a nominal increase in its current & quick ratios in Y2023.
- Working capital to total assets remained the same.
- Overall, all the financial ratios of the Group are showing healthy movements.

Financial Overview - Financial Position & Cash Flow Statements




Financial Position (Million, KWD)	Dec. 2022	Dec. 2023	Change	% Change
Non-Current Assets	210.8	200.2	-10.6	-5.0%
Current Assets	79.8	80.4	0.6	-0.8%
Total Assets	290.6	280.6	-10.0	-3.4%
Non-Current Liabilities	40.5	28.8	-11.7	-28.7%
Current Liabilities	21.8	21.0	-0.8	-3.5%
Total Liabilities	62.3	49.8	-12.5	-19.9%
Total Equity	228.3	230.8	2.5	1.1%
Total Liabilities & Equity	290.6	280.6	-10.0	-3.4%

Cash Flow Statement (Million, KWD)	Y2022	Y2023	Change	% Change
Profit From Operations	13.0	21.0	8.0	62.2%
Non-Cash Adjustments	-6.0	-14.9	-8.9	-146.2%
Changes in Working Capital	-2.8	-0.8	2.0	71.0%
Net Cash Flow - Operating Activities	4.2	5.3	1.1	28.2%
Net Cash Flow - Investing Activities	28.8	22.7	-6.1	-21.2%
Net Cash Flow - Financing Activities	-44.0	-26.7	17.3	39.4%
Increase / Decrease in Cash and Cash Equivalents	-11.0	1.4	12.4	112.3%
Cash and Cash Equivalents at Year End	8.0	9.4	1.4	17.1%

In Y2023:

- Non-current assets shrank by 5% in Dec 2023 compared to Dec 2022 due to decrease in investment in associates and investments at FVTOCI.
- Non-current liabilities considerably decreased by 28.6% as a result of settlement borrowings.
- Shareholder's equity shows an increase of 1.1%.
- Cash inflow from investing activities shows KWD 22.7m mainly due to dividends income received.
- Cash outflow for financing activities reached KWD 26.7m mainly as a result of an early settlement of borrowings amounted to KWD 15.5m and cash dividend paid to shareholders amounted to KWD 12.4m.

Financial Overview – Investments in Associates & Joint Venture

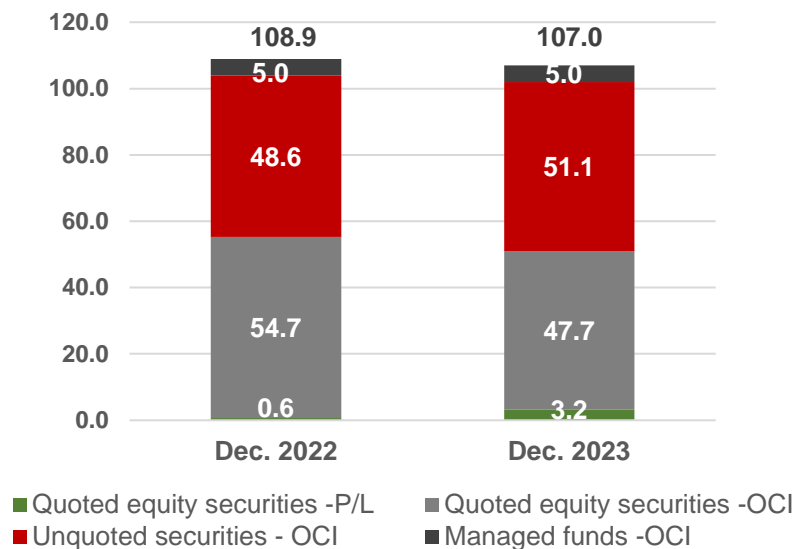
	NIC		HEISCO		Team Holding	
	 شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY		 HEISCO		 TEAM Holding Company	
	Dec. 2022	Dec. 2023	Dec. 2022	Dec. 2023	Dec. 2022	Dec. 2023
GC Effective Ownership Interest	26.98%	26.98%	28.33%	28.33%	47.50%	47.50%
Total Net Assets Value	198.8m	173.2m	70.7m	74.1m	2.7m	2.4m
GC Carrying Value of Ownership Interest	54.9m	47.9m	30.5m	31.4m	1.3m	1.1m
	Y2022	Y2023	Y2022	Y2023	Y2022	Y2023
Profit for the Year Attributable to shareholders of the parent Co.	8.7m	4.1m	5.6m	7.2m	0.1m	0.2m
GC Share of Results	2.1m	1.1m	1.6m	2.0m	0.03m	0.08m
Dividends Received from the Associate	9.6m	6.0m	1.0m	1.0m	-	0.2m

- GC Carrying Value of Ownership Interest in NIC shows a decrease of KWD 7.0m from KWD 54.9m in Dec.2022 to KWD 47.9m in Dec.2023 mainly due to dividend distributions.
- Share of results of NIC declined to KWD 1.1m in Y2023 compared to KWD 2.1m in Y2022.
- Share of results of HEISCO increased by 0.4m to KWD 2.0m in Y2023 against KWD 1.6m in Y2022.
- In Y2023, dividends received KWD 6.0m from NIC compared to KWD 9.6m in Y2022 and KWD 1.0m from HEISCO equaling Y2022.
- The Group has an investment of KWD 2.5m in the joint venture - Gulf & Riyadh Electric Wires, Cables and Electronic Manuf. Co. representing 50% ownership.

Financial Overview - Investments at FVTOCI & FVTP/L

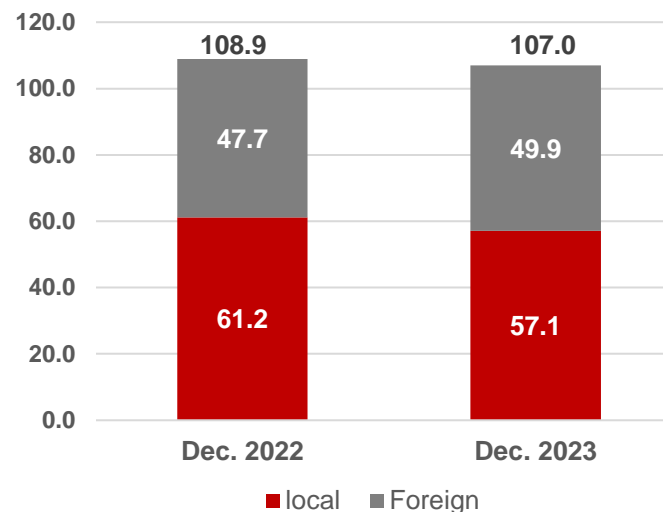
Investment Portfolio Breakdown

Million - KWD



Investments Geographical Breakdown

Million - KWD



- The investments at FVTOCI are held in equity instruments for medium to long term strategic objectives. The Group intends to hold these investments for a long-term period.

In 2023:

- Total investments at FVTOCI decreased by 4.2% from Dec. 2022 to Dec.2023.
- Total investments at FVTP/L increased from KWD 0.6m in Dec. 2022 to KWD 3.2m in Dec.2023.
- Dividend income recognized on investments FVTOCI & FVTP/L amounted to KWD 16.9m compared to KWD 6.8m in Y2022.

Appendix



Consolidated Statement of Financial Position

	31 Dec. 2022	31 Dec. 2023
Assets (KWD)		
Non-current assets		
Goodwill	3,603,180	3,603,180
Property, plant and equipment	9,261,814	9,248,051
Right of use asset	468,675	489,322
Investments in associates & joint venture	89,122,225	83,034,820
Investments at fair value through other comprehensive income	108,310,882	103,795,144
	210,766,776	200,170,517
Current assets		
Inventories	37,385,413	37,937,162
Trade accounts receivable	31,100,230	27,647,083
Other receivables and prepayments	2,028,887	1,705,791
Investments at fair value through profit or loss	596,767	3,214,470
Cash and cash equivalents	8,694,999	9,965,807
	79,806,296	80,470,313
Total Assets	290,573,072	280,640,830

	31 Dec. 2022	31 Dec. 2023
Liabilities (KWD)		
Non-current liabilities		
Provision for employees' end of service benefits	4,597,596	4,879,549
Term loans	17,500,000	23,691,000
Islamic financing	18,072,368	-
Lease liabilities	289,140	293,408
	40,459,104	28,863,957
Current liabilities		
Trade accounts payable	3,660,167	3,914,516
Other payables and accruals	8,937,217	8,860,218
Lease liabilities	151,416	189,270
Term loans-current portion	6,534,495	7,466,495
Islamic financing -current portion	1,815,789	-
Due to banks	668,952	565,979
	21,768,036	20,996,478
Total Liabilities	62,227,140	49,860,435
Equity (KWD)		
Share capital	20,993,131	20,993,131
Share premium	29,160,075	29,160,075
Treasury shares	(1,686,080)	(1,361,022)
Statutory, voluntary and general reserves	71,893,702	74,109,625
Other components of equity	65,297,391	58,867,251
Retained earnings	42,164,366	48,507,417
Total equity attributable to the owners of the Parent Company	227,822,585	230,276,477
Non-Controlling Interests	523,347	503,918
Total Equity	228,345,932	230,780,395
Total Equity and Liabilities	290,573,072	280,640,830

Consolidated Statement of Profit or Loss

	Y2022	Y2023
Revenue (KWD)		
Sales and contracting revenue	102,496,345	102,217,662
Cost of revenue	(89,558,281)	(89,034,410)
Gross profit	12,938,064	13,183,252
Dividend income	6,763,284	16,854,161
Other investment gain/(losses)	22,559	107,629
Change in fair value of inv, at FVTPL	(81,993)	(310,959)
Gain on Sale of Inv. at FVTPL	85,629	-
Share of results of associates & joint venture	3,760,024	3,206,016
Interest & other income	64,202	492,865
Foreign currency exchange gain	446,386	472,629
	23,998,155	34,005,593
Expenses and other charges (KWD)		
General and administrative expenses	(4,531,221)	(5,753,596)
Commercial expenses	(2,656,219)	(2,975,534)
Provision charge for doubtful debts and other receivables	(376,000)	(1,166,813)
Provision charge for obsolete and slow-moving inventories	(1,809)	(59,403)
Finance costs	(1,991,275)	(1,893,072)
	(9,556,524)	(11,848,418)

	Y2022	Y2023
Profit before provision for taxation and Board of Directors' remuneration	14,441,631	22,157,175
Provision for taxation	(1,175,642)	(833,253)
Directors' remuneration	(305,000)	(305,000)
Profit for the Year	12,960,989	21,018,922
Profit for the year attributable to:		
Owners of the Parent Company	12,948,313	21,039,534
Non-controlling interests	12,676	(20,612)
Profit for the Year	12,960,989	21,018,922
Earnings Per share	62 Fils	101 Fils

Common Size Analysis - Consolidated Statement of Financial Position

	31 Dec. 2022	31 Dec. 2023
Assets (KWD)		
<u>Non-current assets</u>		
Goodwill	1.24%	1.28%
Property, plant and equipment	3.19%	3.30%
Right of use asset	0.16%	0.17%
Investments in associates & joint venture	30.67%	29.59%
Investments at fair value through other comprehensive income	37.27%	36.99%
	72.53%	71.33%
<u>Current assets</u>		
Inventories	12.87%	13.52%
Trade accounts receivable	10.70%	9.85%
Other receivables and prepayments	0.70%	0.61%
Investments at fair value through profit or loss	0.21%	1.15%
Cash and cash equivalents	2.99%	3.55%
	27.47%	28.67%
Total Assets	100%	100%

- The percentage of total non-current assets has reduced from 72.53% in Dec. 2022 to 71.33% in Dec. 2023, on the other hand the percentage of total current assets has increased proportionately from 27.47% to 28.67%.
- The percentage of total liabilities has dropped from 21.42% in Dec. 2022 to 17.77% in Dec. 2023, on the other hand the percentage of total equity attributable to the owners of the Parent Company has risen from 78.40% to 82.05%.

	31 Dec. 2022	31 Dec. 2023
Liabilities (KWD)		
<u>Non-current liabilities</u>		
Provision for employees' end of service benefits	1.58%	1.74%
Term loans	6.02%	8.44%
Islamic financing	6.22%	-
Lease liabilities	0.10%	0.10%
	13.92%	10.29%
<u>Current liabilities</u>		
Trade accounts payable	1.26%	1.39%
Other payables and accruals	3.08%	3.16%
Lease liabilities	0.05%	0.07%
Term loans-current portion	2.25%	2.66%
Islamic financing -current portion	0.63%	-
Due to banks	0.23%	0.2%
	7.50%	7.48%
Total Liabilities	21.42%	17.77%
Equity		
Share capital	7.22%	7.48%
Share premium	10.04%	10.39%
Treasury shares	-0.58%	-0.48%
Statutory, voluntary and general reserves	24.74%	26.41%
Other components of equity	22.47%	20.98%
Retained earnings	14.51%	17.28%
Total equity attributable to the owners of the Parent Company	78.40%	82.05%
Non-Controlling Interests	0.18%	0.18%
Total Equity	78.58%	82.23%
Total Equity and Liabilities	100%	100%

Common Size Analysis - Consolidated Statement of Profit or Loss

	Y2022	Y2023
Revenue		
Sales and contracting revenue	100.00%	100.00%
Cost of revenue	-87.38%	-87.10%
Gross profit	12.62%	12.90%
Dividend income	6.60%	16.49%
Other investment gain/ losses	0.02%	0.11%
Change in fair value of inv, at FVTPL	-0.08%	-0.30%
Gain on Sale of Inv. at FVTPL	0.08%	-
Share of results of associates & joint venture	3.67%	3.14%
Interest and other income	0.06%	0.48%
Foreign currency exchange gain	0.44%	0.46%
	23.41%	33.27%
Expenses and other charges		
General and administrative expenses	-4.42%	-5.63%
Commercial expenses	-2.59%	-2.91%
Provision charge for doubtful debts and other receivables	-0.37%	-1.14%
Provision charge for obsolete and slow-moving inventories	0.00%	-0.06%
Finance costs	-1.94%	-1.85%
	-9.32%	-11.59%

	Y2022	Y2023
Profit before provision for taxation and Board of Directors' remuneration	14.09%	21.68%
Provision for taxation	-1.15%	-0.82%
Directors' remuneration	-0.30%	-0.30%
Profit for the Period	12.65%	20.56%

- The percentage of gross profit maintained without much variation compared to Y2022.
- Dividend income shows a considerable growth from 6.60% in Y2022 to 16.49% in Y2023.
- Expenses and other charges percentage increased by 2.27% to 11.59%
- Profit for the period percentage increased by 7.91% from 12.65% to 20.56%.



Gulf Cables & Electrical Industries Group Co. K.S.C.P

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Thank You



We Build the World Together

