



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

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

التاريخ: 2024/05/19

اشارة: خ/ك / 3/3 / 2024

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد ،،،

الموضوع : العرض التقديمي لمؤتمر المحللين للربع الأول من عام 2024

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

يرجى العلم بان الشركة عقدت مؤتمر المحللين للربع الأول من عام 2024 عن طرق البث المباشر على شبكة الانترنت وذلك في تمام الساعة الواحدة من بعد ظهر يوم الأحد الموافق 2024/05/19 ، 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 للربع الأول من 2024 .

وتفضلوا بقبول فائق الاحترام ،،،



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باسل عمران كنعان



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

Q1-2024

Period Ended 31 March 2024

INVESTORS PRESENTATION



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.**

Contents

- **Performance Highlights**
- **Financial Overview**
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Performance Highlights



Total Revenue¹

↓ -18.3%

35.3m in Q1- 2024
43.2m in Q1- 2023



Sales & contracting revenue

↓ -14.3%

24.6m in Q1- 2024
28.7m in Q1- 2023



EBITDA

↓ -15.7%


11.9m in Q1- 2024
14.1m in Q1- 2023



Net Profit

↓ -16.2%

10.5m in Q1- 2024
12.5m in Q1- 2023



EPS

↓ -16.7%

50 Fils in Q1- 2024
60 Fils in Q1- 2023



Assets

↑ +10.2%

309.2m in Mar.2024
280.6m in Dec.2023



Liabilities

↓ -7.5%


46.1m in Mar.2024
49.9m in Dec.2023



Loans & Financing Facilities

↓ -9.9%


28.1m in Mar.2024
31.2m in Dec.2023



Equity

↑ +14.0%

263.1m in Mar.2024
230.8m in Dec.2023



Production Metric Ton ('000')

↑ 3.0%

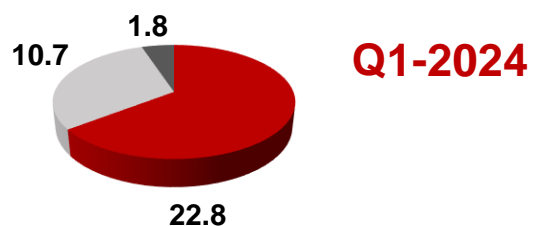
13.3MT in Q1- 2024
12.9MT in Q1- 2023

Note: all figures are in KWD

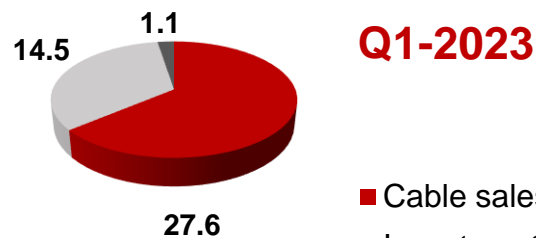
¹ Total revenue consist of cable sales, contracting revenue and investment revenue.

Financial Overview – Group

Total Revenue Breakdown
Million - KWD



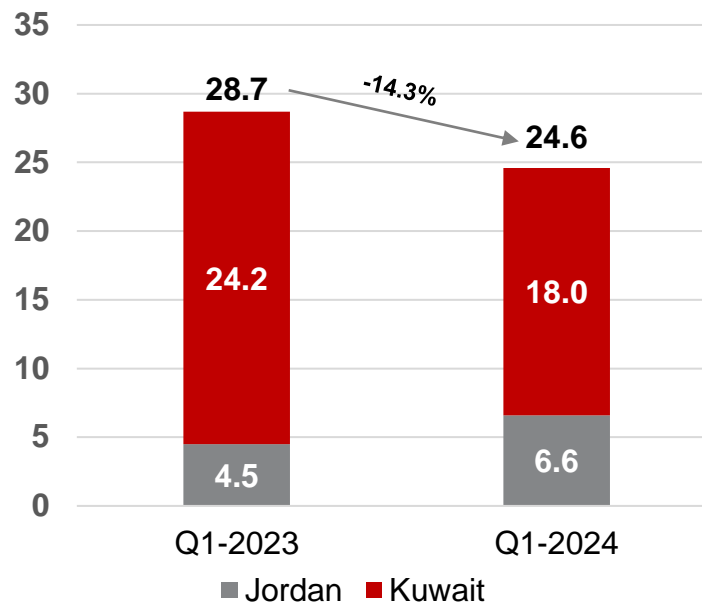
Q1-2024



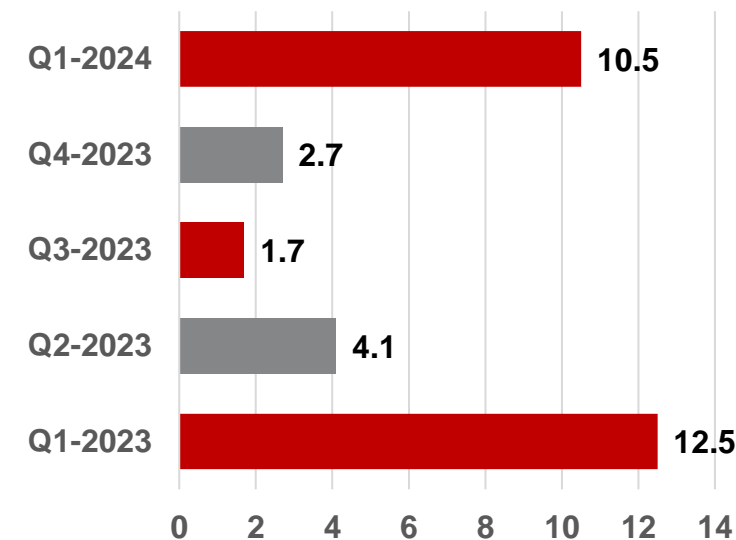
Q1-2023

- Cable sales
- Investments
- Service contracts

Sales & Contracting Revenue
Million – KWD



Net Profit- Quarterly Basis
Million - KWD

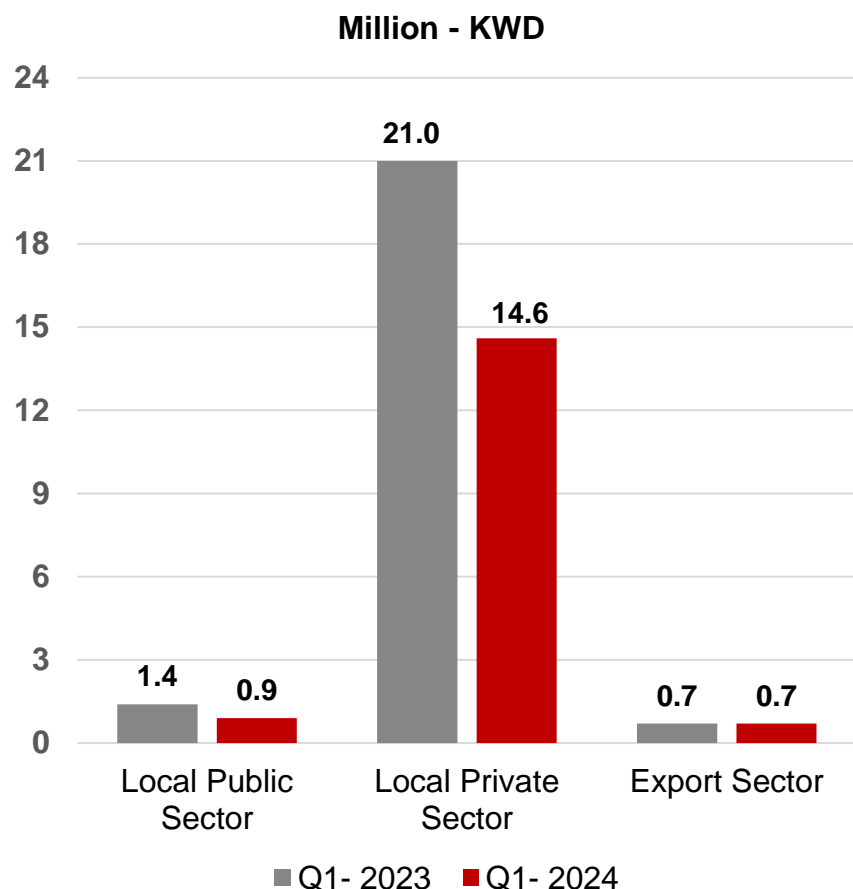


In Q1- 2024:

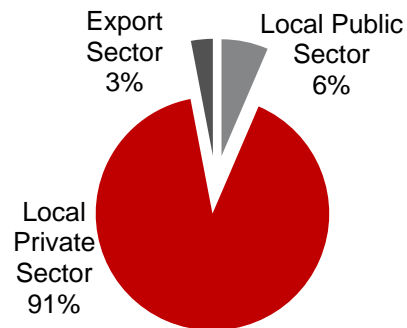
- Total revenue declined by 18.3% compared to Q1- 2023 from KWD 43.2m to KWD 35.3m.
- Total Sales & contracting revenue for the Group saw a 14.3% reduction compared to Q1-2023.
- Sales & contracting revenue amounted to KWD 24.6m consists of revenue from cable sales by KWD 22.8m and service contracts revenue by KWD 1.8m.
- The net profit for the Group also declined, showing a 16.2% decrease compared to Q1-2023.

Financial Overview - Gulf Cables Kuwait

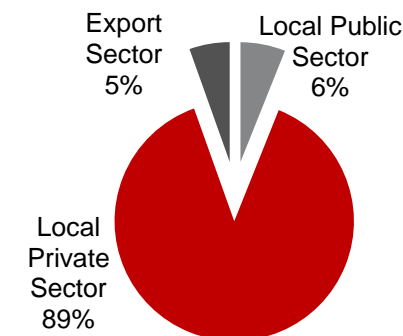
Breakdown of Cable Sales by Sector



Q1-2023



Q1-2024



Description (Million, KWD)	Q1-2023	Q1-2024	Change	% Change
Local Public Sector	1.4	0.9	-0.5	-35.7%
Local Private Sector	21.0	14.6	-6.4	-30.6%
Export Sector	0.7	0.7	0.0	0.0%
Total Sales	23.1	16.2	-6.9	-29.7%

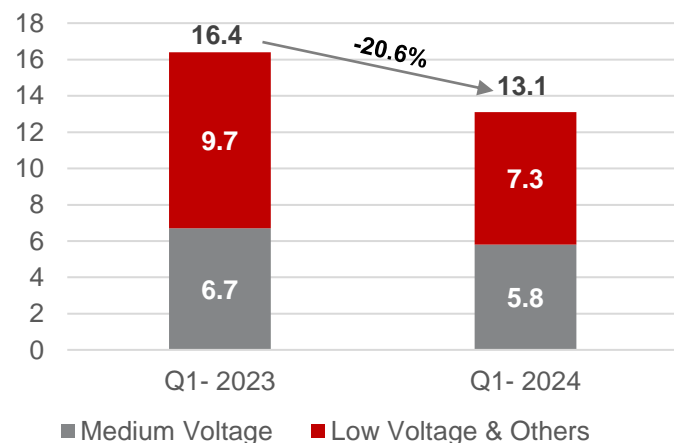
In Q1- 2024:

- Total sales experienced a drop of 29.7% compared to Q1-2023, primarily attributed to the absence of major private sector projects and reduced tenders from MEW and PAHW.
- Both the local public and private sectors saw a decrease in sales compared to Q1-2023.

Financial Overview – Group Sales and Production by Weight

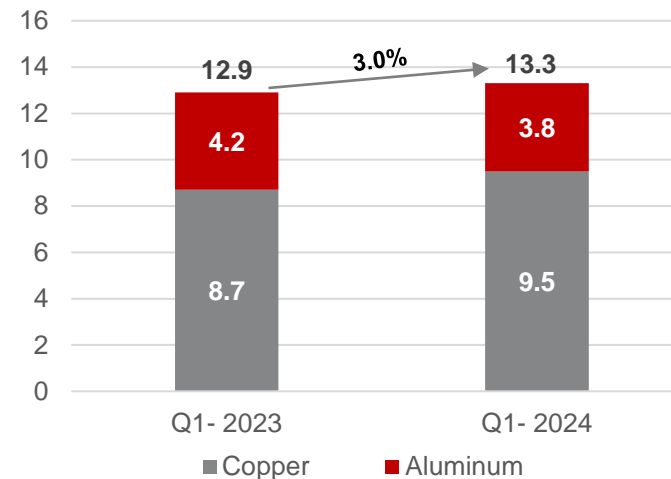
Sales Breakdown by Product

Quantity in ('000') Metric Ton



Production Breakdown by Material

Quantity in ('000') Metric Ton



Sales Breakdown by Product	Q1- 2023 MT	Q1- 2024 MT	% Change
Medium Voltage Cables	6,747	5,765	-14.6%
Low Voltage and Other Cables	9,659	7,263	-24.8%
Total Cables	16,406	13,028	-20.6%

Production Breakdown by Material	Q1- 2023 MT	Q1- 2024 MT	% Change
Copper Cables (Low & Medium Voltage)	8,745	9,465	8.2%
Aluminum Cables (Low & Medium Voltage)	4,156	3,818	-8.1%
Total Copper & Aluminum Cables	12,901	13,283	3.0%

In Q1- 2024:

- Total cables sales weight experienced a decrease of 20.6% compared to Q1-2023.
- In production, copper cables saw an increase of 8.2%, whereas aluminum cables displays a decrease of 8.1%.
- Overall, the total cables production rose by 3.0%.

Financial Overview - Ratio Analysis

Ratios	Q1- 2023	Q1- 2024	Change	FY2023
<u>Profitability</u>				
Gross Profit Margin - %	8.2%	11.5%	↑ 3.3%	12.9%
EBITDA Margin - %	48.9%	48.1%	↓ -0.8%	25.3%
Net Profit Margin - %	43.4%	42.5%	↓ -0.9%	20.6%
ROA on Average Assets - % (with investment income)	4.4%	3.5%	↓ -0.8%	7.4%
ROE on Average Equity - % (with investment income)	5.5%	4.2%	↓ -1.3%	9.2%
<u>Leverage</u>				
Total Debt Percentage of Total Assets-%	13.2%	9.3%	↓ -3.9%	11.3%
Debt to Equity Ratio-%	16.5%	10.9%	↓ -5.6%	13.7%
Interest Coverage Ratio	28.0	28.0	= 0.0	12.7
<u>Liquidity</u>				
Current Ratio	3.7	4.1	↑ 0.4	3.8
Quick Ratio	2.2	2.1	↓ -0.1	2.0
Working Capital to Total Assets	0.2	0.2	= 0.0	0.2

In Q1- 2024:

- The Group's gross profit margin rose from 8.2% to 11.5%, primarily attributed to a decrease in the cost of revenue.
- EBITDA margin shows a slight decrease from 48.9% to 48.1% in Q1-2024. The EBITDA margin was affected mainly by reduced dividend income compared to Q1-2023.
- Total debt percentage of total assets and debt to equity ratios showed improvement compared to Q1-2023.
- Debt to equity ratio saw a notable improvement of 5.6% over the same period.
- The interest coverage ratio remained unchanged at 28.0x.
- The current ratio experienced a nominal increase of 0.4 in Q1-2024.
- Quick ratio displayed a nominal decrease of 0.1 in the same period.
- Working capital to total assets ratio remained consistent without any changes.

Financial Overview - Financial Position & Cash Flow Statements


Financial Position (Million, KWD)	Mar. 2024	Dec. 2023	Change	% Change
Non-Current Assets	223.9	200.2	23.8	11.9%
Current Assets	85.3	80.4	4.8	6.0%
Total Assets	309.2	280.6	28.6	10.2%
Non-Current Liabilities	25.2	28.8	-3.6	-12.6%
Current Liabilities	20.9	21.0	-0.1	-0.5%
Total Liabilities	46.1	49.8	-3.7	-7.5%
Total Equity	263.1	230.8	32.3	14.0%
Total Liabilities & Equity	309.2	280.6	28.6	10.2%

Cash Flow Statement (Million, KWD)	Mar. 2024	Mar. 2023	Change	% Change
Profit From Operations	10.5	12.5	-2.0	-16.2%
Non-Cash Adjustments	-9.8	-12.7	2.9	23.4%
Changes in Working Capital	0.5	-0.4	0.9	258.3%
Net Cash Flow - Operating Activities	1.2	-0.6	1.8	317.6%
Net Cash Flow - Investing Activities	8.7	13.6	-4.9	-35.8%
Net Cash Flow - Financing Activities	-3.6	-8.3	4.7	56.5%
Increase in Cash and Cash Equivalents	6.3	4.7	1.6	34.5%
Cash and Cash Equivalents at Period End	15.7	12.7	3.0	23.2%

In Q1- 2024:

- Non-current assets increased by 11.9% in Mar.2024, driven by increase in the carrying value of investments in associates and investments at FVTOCI.
- Current assets also rose by 6.0% in Mar.2024 compared to Dec.2023, mainly due to cash dividend received.
- Non-current liabilities decreased by 12.6%.
- Shareholder's equity witnessed a significant increase of 14.0%.
- Cash inflow from operating activities surged by 317.6% compared to Q1-2023.
- Cash inflow from investing activities, totaling KWD 8.7m, primarily consisted of cash dividends received.
- Overall cash and cash equivalents increased by KWD 6.3m.

Financial Overview – Investments in Associates

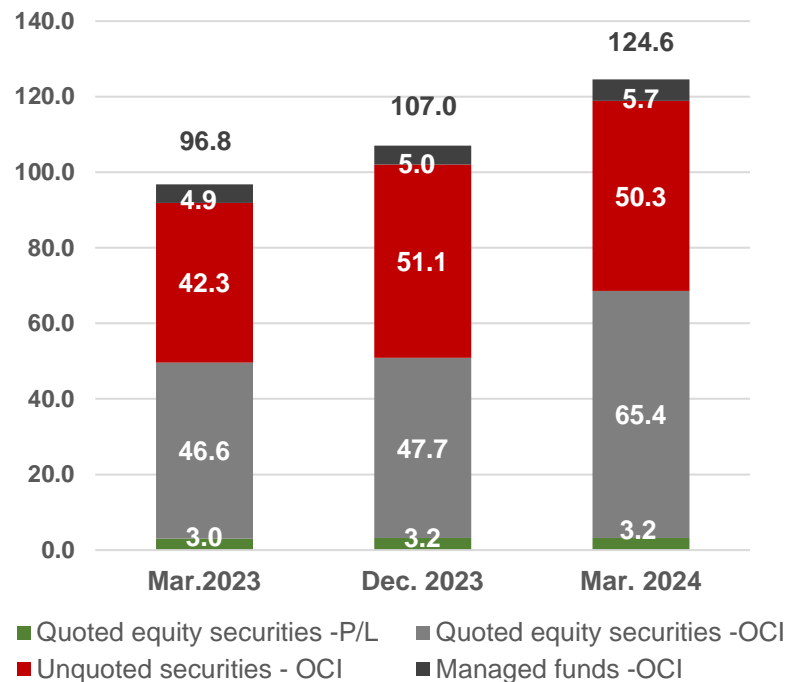
	NIC			HEISCO			Team Holding		
	 شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY			 HEISCO			 TEAM Holding Company Building Your Future		
	Mar. 2023	Dec. 2023	Mar. 2024	Mar. 2023	Dec. 2023	Mar. 2024	Mar. 2023	Dec. 2023	Mar. 2024
GC Effective Ownership Interest	26.98%	26.98%	26.98%	28.33%	28.33%	28.33%	47.50%	47.50%	47.50%
Total Net Assets Value	192.9m	173.2m	195.8m	71.3m	74.1m	75.5m	2.7m	2.4m	2.4m
GC Carrying Value of Ownership Interest	53.2m	47.9m	54.0m	30.6m	31.4m	31.8m	1.3m	1.1m	1.1m
	Q1-2023	Y2023	Q1-2024	Q1-2023	Y2023	Q1-2024	Q1-2023	Y2023	Q1-2024
Profit for the Period /Year Attributable to Shareholders of the Parent Co.	1.1m	4.1m	4.1m	0.7m	7.2m	1.5m	0.04m	0.2m	0.03
GC Share of Results	0.3m	1.1m	1.1m	0.2m	2.0m	0.4m	0.02m	0.08m	0.01
Dividends Received from the Associate	-	6.0m	-	-	1.0m	-	-	0.2m	-

- GC carrying value of ownership interest in NIC increased by KWD 6.1m from KWD 47.9m in Dec.2023 to KWD 54.0m in Mar.2024.
- The carrying value of ownership interest in HEISCO and Team Holding remained nearly unchanged compared to Dec.2023.
- Share of results of NIC increased to KWD 1.1m in Q1-2024 compared to KWD 0.3m in Q1-2023.
- Share of results of HEISCO doubled to KWD 0.4m in Q1-2024 compared to KWD 0.2m in Q1-2023.

Financial Overview - Investments at FVTOCI & FVTP/L

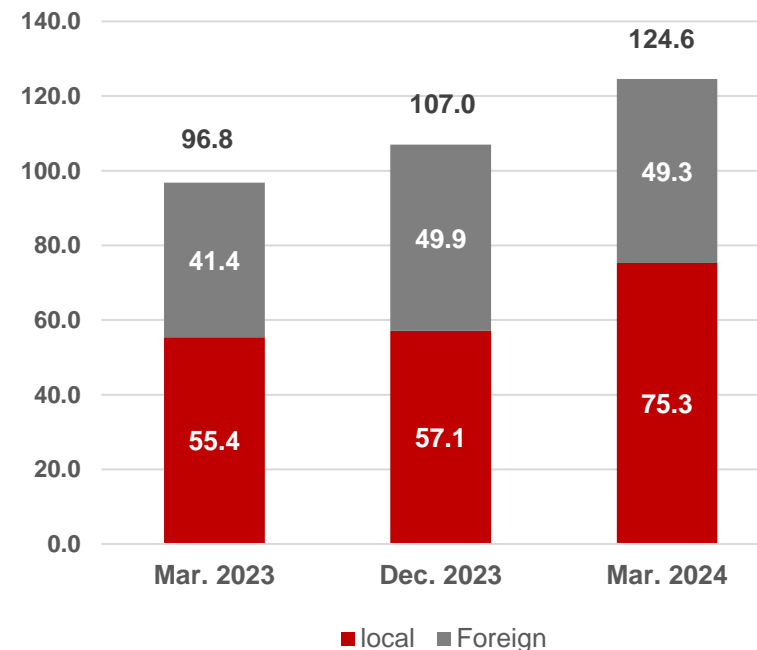
Investment Portfolio Breakdown

Million - KWD



Investments Geographical Breakdown

Million - KWD



In Q1- 2024:

- Total investments at FVTOCI & FVTP/L increased by 16.4% from Dec.2023.
- Dividend income recognized on investments at FVTOCI & FVTP/L amounted to KWD 9.2m down from KWD 14.1m in Q1-2023.
- Local investments now constitute 60.4% of the total investments, up from 53.4% in December 2023.

APPENDIX



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

Consolidated Statement of Financial Position

	31 Mar. 2023	31 Dec. 2023	31 Mar. 2024	31 Mar. 2023	31 Dec. 2023	31 Mar. 2024
Assets (KWD)						
<u>Non-current assets</u>						
Goodwill	3,603,180	3,603,180	3,603,180			
Property, plant and equipment	9,349,507	9,248,051	8,948,027			
Right of use asset	432,623	489,322	434,953			
Investments in associates & joint venture	87,673,637	83,034,820	89,558,140			
Investments at fair value through other comprehensive income	93,845,042	103,795,144	121,390,472			
	194,903,989	200,170,517	223,934,772			
<u>Current assets</u>						
Inventories	33,345,220	37,937,162	41,442,816			
Trade accounts receivable	33,841,423	27,647,083	22,101,270			
Other receivables and prepayments	1,320,474	1,705,791	2,169,005			
Investments at fair value through profit or loss	2,983,048	3,214,470	3,164,651			
Cash and cash equivalents	13,701,281	9,965,807	16,386,737			
	85,191,446	80,470,313	85,264,479			
Total Assets	280,095,435	280,640,830	309,199,251			
Liabilities (KWD)						
<u>Non-current liabilities</u>						
Provision for employees' end of service benefits	4,616,790	4,879,549	4,981,945			
Term loans	15,000,000	23,691,000	19,985,500			
Islamic financing	12,618,421	-	-			
Lease liabilities	291,843	293,408	258,515			
	32,527,054	28,863,957	25,225,960			
<u>Current liabilities</u>						
Trade accounts payable	2,509,588	3,914,516	3,728,491			
Other payables and accruals	11,040,892	8,860,218	8,131,601			
Lease liabilities	151,416	189,270	227,124			
Term loans-current portion	6,684,495	7,466,495	8,094,495			
Islamic financing -current portion	1,815,789	-	-			
Due to banks	980,075	565,979	714,086			
	23,182,255	20,996,478	20,895,797			
Total Liabilities	55,709,309	49,860,435	46,121,757			
Equity (KWD)						
Share capital	20,993,131	20,993,131	20,993,131			
Share premium	29,160,075	29,160,075	29,160,075			
Treasury shares	(1,686,080)	(1,361,022)	(1,596,960)			
Statutory, voluntary and general reserves	71,893,702	74,109,625	74,109,625			
Other components of equity	48,863,000	58,867,251	80,945,386			
Retained earnings	54,637,082	48,507,417	58,960,985			
Total equity attributable to the owners of the Parent Company	223,860,910	230,276,477	262,572,242			
Non-Controlling Interests	525,216	503,918	505,252			
Total Equity	224,386,126	230,780,395	263,077,494			
Total Equity and Liabilities	280,095,435	280,640,830	309,199,251			

Consolidated Statement of Profit or Loss

	Q1- 2023	Q1- 2024
Revenue (KWD)		
Sales and contracting revenue	28,733,560	24,621,963
Cost of revenue	(26,390,761)	(21,783,859)
Gross profit	2,342,799	2,838,104
Change in fair value of inv, at FVTPL	(93,791)	(58,561)
Dividend income	14,090,553	9,210,000
Other investment gain/(losses)	11,926	(20,628)
Share of results of associates & joint venture	470,391	1,565,759
Interest & other income	75,004	63,993
Foreign currency exchange gain	142,151	125,879
	17,039,033	13,724,546

Expenses and other charges (KWD)		
General and administrative expenses	(1,727,089)	(1,581,164)
Commercial expenses	(892,634)	(685,529)
Provision (charge) / reversal for obsolete and slow-moving inventories	(186,564)	50,633
Provision charge for doubtful debts and other receivables	(595,259)	(115,306)
Finance costs	(487,193)	(407,417)
	(3,888,739)	(2,738,783)

	Q1- 2023	Q1- 2024
Profit before provision for taxation and Board of Directors' remuneration	13,150,294	10,985,763
Provision for taxation	(598,606)	(452,319)
Directors' remuneration	(77,500)	(76,250)
Profit for the Period	12,474,188	10,457,194

Profit for the period attributable to:		
Owners of the Parent Company	12,472,716	10,453,568
Non-controlling interests	1,472	3,626
Profit for the Period	12,474,188	10,457,194
Earnings Per share	60 Fils	50 Fils

Common Size Analysis - Consolidated Statement of Financial Position

	31 Mar. 2023	31 Dec. 2023	31 Mar. 2024
Assets (KWD)			
<u>Non-current assets</u>			
Goodwill	1.29%	1.28%	1.17%
Property, plant and equipment	3.34%	3.30%	2.89%
Right of use asset	0.15%	0.17%	0.14%
Investments in associates & joint venture	31.30%	29.59%	28.96%
Investments at fair value through other comprehensive income	33.50%	36.99%	39.26%
	69.58%	71.33%	72.42%
<u>Current assets</u>			
Inventories	11.90%	13.52%	13.40%
Trade accounts receivable	12.08%	9.85%	7.15%
Other receivables and prepayments	0.47%	0.61%	0.70%
Investments at fair value through profit or loss	1.07%	1.15%	1.02%
Cash and cash equivalents	4.89%	3.55%	5.30%
	30.42%	28.67%	27.58%
Total Assets	100%	100%	100%

- The percentage of total non-current assets increased from 71.33% in Dec.2023 to 72.42% in Mar.2024, while the percentage of total current assets has decreased proportionately from 28.67% to 27.58%.
- The percentage of total liabilities dropped from 17.77% in Dec. 2023 to 14.92% in Mar.2024, on the other hand the percentage of total equity attributable to the owners of the parent company rose from 82.05% to 84.92%.

	31 Mar. 2023	31 Dec. 2023	31 Mar. 2024
Liabilities (KWD)			
<u>Non-current liabilities</u>			
Provision for employees' end of service benefits	1.65%	1.74%	1.61%
Term loans	5.36%	8.44%	6.46%
Islamic financing	4.51%	-	-
Lease liabilities	0.10%	0.10%	0.08%
	11.61%	10.29%	8.16%
<u>Current liabilities</u>			
Trade accounts payable	0.90%	1.39%	1.21%
Other payables and accruals	3.94%	3.16%	2.63%
Lease liabilities	0.05%	0.07%	0.07%
Term loans-current portion	2.39%	2.66%	2.62%
Islamic financing -current portion	0.65%	-	-
Due to banks	0.35%	0.2%	0.23%
	8.28%	7.48%	6.76%
Total Liabilities	19.89%	17.77%	14.92%
Equity			
Share capital	7.49%	7.48%	6.79%
Share premium	10.41%	10.39%	9.43%
Treasury shares	(0.60%)	(0.48%)	(0.52%)
Statutory, voluntary and general reserves	25.67%	26.41%	23.97%
Other components of equity	17.45%	20.98%	26.18%
Retained earnings	19.51%	17.28%	19.07%
Total equity attributable to the owners of the Parent Company	79.92%	82.05%	84.92%
Non-Controlling Interests	0.19%	0.18%	0.16%
Total Equity	80.11%	82.23%	85.08%
Total Equity and Liabilities	100%	100%	100%

Common Size Analysis - Consolidated Statement of Profit or Loss

	Q1- 2023	Q1- 2024
Revenue		
Sales and contracting revenue	100.00%	100.00%
Cost of revenue	(91.85%)	(88.47%)
Gross profit	8.15%	11.53%
Change in fair value of inv, at FVTPL	(0.33%)	(0.24%)
Dividend income	49.04%	37.41%
Other investment gain/ (losses)	0.04%	(0.08%)
Share of results of associates & joint venture	1.64%	6.36%
Interest & other income	0.27%	0.26%
Foreign currency exchange gain	0.49%	0.51%
	59.30%	55.74%

Expenses and other charges		
General and administrative expenses	(6.01%)	(6.42%)
Commercial expenses	(3.11%)	(2.78%)
Provision (charge)/ reversal for obsolete and slow-moving inventories	(0.65%)	0.21%
Provision charge for doubtful debts and other receivables	(2.07%)	(0.47%)
Finance costs	(1.69%)	(1.65%)
	-13.53%	-11.12%

	Q1- 2023	Q1- 2024
Profit before provision for taxation and Board of Directors' remuneration		
	45.77%	44.62%
Provision for taxation	(2.08%)	(1.84%)
Directors' remuneration	(0.27%)	(0.31%)
Profit for the Period	43.41%	42.47%

In Q1- 2024:

- The percentage of gross profit increased by 3.38% compared to Q1-2023, attributed to a decrease in the cost of revenue.
- Share of results of associates & joint venture grew from 1.64% in Q1-2023 to 6.36%.
- Expenses and other charges percentage decreased by 2.41% to 11.12%.
- Profit for the period percentage slightly decreased from 43.41% to 42.47%.



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