

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

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

Date: 21/05/2024

Ref: GC/398/2024

M/S. Bursa Kuwait Company

Greeting,

Subject: Analyst Conference Transcript for Q1-2024

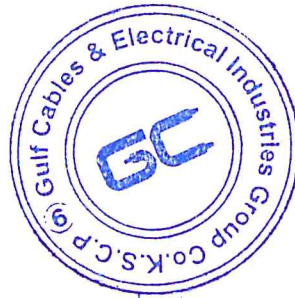
As per requirements stipulated in article No. (7-8) "Listed Company Obligations" of Bursa Kuwait Rule Book, and since Gulf Cables Group Co. has been classified under the Premier Market category.

WE would like to advise that Analysts/Investors Conference for Q1-2024 was held through live webcast at 1:00 PM on Sunday 19 May 2024.

Attached the Analyst Conference Transcript for Q1- 2024.

Best regards

Basel Omran Kanaan
Chief Executive Officer



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

Earnings Conference Call

Q1-2024

Period Ended 31 March 2024



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Speakers from Gulf Cables Group Management:

Mr. Basel Kanaan- Chief Executive Officer

Mr. Ahmad Tayem - Executive Director of Finance

Mr. Mahmoud El Mahmoud – Deputy Investment Manager

Transcript

Mr. Mahmoud El Mahmoud: Good afternoon, ladies and gentlemen and welcome to you all to Gulf Cables Group’s results conference call for the first quarter of 2024. This is **Mahmoud El Mahmoud**, Deputy Investment Manager at Gulf Cables & Electrical Industries Group. Today, we have on the call with us, **Mr. Basel Kanaan** Gulf Cables’ Chief Executive Officer and **Mr. Ahmad Tayem** Executive Director of Finance.

Before we begin, I would like to bring to your attention that certain comments in this presentation may constitute forward-looking statements. These comments reflect the organization’s expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements.

Gulf Cables does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein. Also, I would like to draw your attention to our full disclaimer in the presentation for today’s call. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

We will answer your questions after the management’s presentation and in the order that they are received. Additionally, you can send any follow-up questions to our Investor Relations email address. Without further delay, I now hand the conference over to the Chief Executive Officer, **Mr. Basel Kanaan**.

Thank you, and over to you, **Mr. Basel**.



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Mr. Basel Kanaan: Thank you **Mr. Mahmoud,**

Good afternoon everyone and happy to see you all here for our first quarter earnings conference call for 2024.

While our performance this quarter may not have reached the exceptional levels of the same period last year, I'm pleased to report that we have achieved satisfactory results for the Group despite many unfavorable global and local economic conditions as well as continued geopolitical tensions.

Unfortunately, we have experienced a decline by 18.3 percent in total revenue reached to KD 35.3 million and net profit by 16.2 percent amounted to KD 10.5 million compared to the first quarter of last year. These declines can largely be attributed to factors beyond our control, as you're all aware. Earnings per share stood at 50 fils, down from 60 fils in the comparative period.

Our cable sales, for instance, have been impacted by unfavorable local market conditions, particularly those tied to public sector projects and tenders. We have to understand this in light of the fact that the value of awarded projects in Q1 2024 notably decreased to merely KD 98 million only.

Despite observing a decline in dividend income in our investment sector compared to the first quarter of 2023, we have impressive results from our associate companies.

Management was fully conscious of the coming challenges which prompted in implementing strict cost control measures to mitigate their impact. Looking ahead, we anticipate this period to be the toughest of the year. We remain optimistic that we will perform better in the upcoming quarters, especially with a more favorable economic and political landscape.

That concludes my remarks for now. Our Executive Director of Finance, **Mr. Ahmad Tayem,** will provide a detailed and comprehensive analysis of our financials shortly.

Thank you all, over to you **Mr. Ahmad.**



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Mr. Ahmad Tayem: Thank you **Mr. Basel,**

Good afternoon, everyone, and thank you for joining the call. I trust you all are well. It is an honor to be here today to walk you through our Group's financial performance for the first quarter of 2024.

Let us start with the performance highlights in **slide number 5**

A quick look at the slide indicates a decrease in revenue but a positive trend in our financial position.

Our total revenue saw an 18.3 percent decline from KD 43.2 million in Q1 2023 to KD 35.3 million in Q1 2024. Similarly, sales and contracting revenue dropped by 14.3 percent from KD 28.7 million to KD 24.6 million during the same period.

Moving on, EBITDA decreased by 15.7 percent in Q1 2024, amounting to KD 11.9 million compared to KD 14.1 million in Q1 2023. Net profit also experienced a decline of 16.2 percent, totaling KD 10.5 million with 50 fils EPS in Q1 2024 versus KD 12.5 million with 60 fils EPS in Q1 2023.

However, there are positive indicators in our financials. Total assets increased by 10.2 percent, while total liabilities decreased by 7.5 percent as of March 31, 2024, compared to December 31, 2023. Loans and financing facilities also decreased by 9.9 percent from KD 31.2 million on 31st December 2023 to KD 28.1 million on 31st March 2024.

A significant highlight is the 14 percent surge in shareholders' equity, reaching KD 263.1 million from KD 230.8 million as of December 31, 2023.

In terms of production, we witnessed a 3 percent increase, recording thirteen thousand three hundred metric tons compared to twelve thousand nine hundred metric tons in Q1 2023.

Slide number 6 shows the segmental and geographical analysis. Total revenue for Q1 2024 consists of KD 22.8 million from cable sales, KD 10.7 million from investments, and KD 1.8 million from service contracts.

- Total cable sales KD 22.8 million consists of KD 16.2 million from parent company in Kuwait & KD 6.6 million from our subsidiary company in Jordan.
- Investments revenue KD 10.7 million includes KD 9.2 million from dividend income and KD 1.5 million from share of results of associates.



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- Our subsidiary CARE for Buildings and Cities Cleaning Contracting Co. reported KD 1.8 million in service contracts revenue in Q1 2024 compared to KD 1.1 million in Q1 2023.

GC Kuwait reported KD 18 million in sales & contracting revenue, while GC Jordan reported KD 6.6 million in Q1 2024 compared to KD 24.2 million & 4.5 million respectively in Q1 2023.

In the third diagram, we can see the net profit analysis of the Group for the past five quarters beginning from Q1 2023.

Now slide number 7, describes cable sales in Kuwait. The total cable sales in Kuwait decreased by 29.7 percent in Q1 2024 compared to Q1 2023. As always, the largest contributor to our cable sales was the local private sector with KD 14.6 million sales in Q1 2024 compared to KD 21 million in Q1 2023.

Public sector contribution was merely KD 0.9 million against KD 1.4 million in Q1 2023.

As explained, both the sectors displayed a decline in sales.

Slide number 8 shows the Group's sales & production breakdown by product & material measured in weight. The sales of medium voltage cables decreased by 14.6 percent and low voltage cables sales by 24.8 percent in Q1 2024 compared to the period last year.

Accordingly, the total cable sales weight shows a decline of 20.6 percent compared to Q1-2023.

When we see the production chart for Q1 2024, the quantities of cables produced has increased slightly by 3 percent to 13,283 metric tons from 12,901 metric tons in Q1 2023.

Moving on to the major financial ratios in **slide number 9**, the Group's gross profit margin surged from 8.2 percent in Q1 2023 to 11.5 percent in Q1 2024. This increase was due to the decrease in cost of revenue resulted by the strict cost cutting efforts by the management.

EBITDA margin decreased slightly from 48.9 percent to 48.1 percent and net profit margin also decreased from 43.4 percent to 42.5 percent.



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Both ROA and ROE which are inclusive of investment income have a declining look. ROA down by 0.8 percent and ROE by 1.3 percent in Q1 2024.

But the Group's leverage ratios displayed noticeable improvements in Q1 2024. Total debt percentage of total assets improved by 3.9 percent and debt to equity ratio improved by 5.6 percent in comparison with Q1 2023.

In **slide number 10**, we see the Group's financial position which shows positive movements compared to December 2023. Total assets have risen from KD 280.6 million at the end of year 2023 to reach KD 309.2 million at the end of March 2024. This is mainly due to increase in investments in associates and investments at fair value through other comprehensive income carrying values.

Noncurrent liabilities dropped from KD 28.8 million at the end of year 2023 to KD 25.2 million at the end of March 2024, a drop of 12.6 percent and current liabilities also declined by 0.5 percent to reach KD 20.9 million.

Accordingly, total liabilities reduced by 7.5 percent compared to December 2023.

The Group's total equity rose significantly by 14 percent adding KD 32.3 million to the December end figure of KD 230.8 million to reach to KD 263.1 million at the end of March 2024 mainly due to the increase in the cumulative changes in fair value of our investments.

When we see the cash flow statement, the net cash flow from operating activities shows an increase of 317.6 percent from KD 0.6 million cash outflow in Q1 2023 to KD 1.2 million cash inflow in Q1 2024.

In investing activities, net cash flow from investing activities has a cash inflow of KD 8.7 million in Q1 2024 with a decrease of KD 4.9 million compared to cash inflow of KD 13.6 million. This cash inflow is because of the dividend income received during the quarter period.

There is a net cash outflow from financing activities of KD 3.6 million in Q1 2024 compared to net cash outflow of KD 8.3 million in Q1 2023.

To summarize, the cash and cash equivalents at the end of March 2024 have an increase of KD 3 million to reach KD 15.7 million from KD 12.7 million at the end of March 2023.



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Moving forward to **slide number 11** for our investments in associates. Group's current effective ownership interest remained same in all of associates comparing with end of December 2023.

Group's carrying value of ownership interest in NIC has increased by KD 6.1 million from KD 47.9 million at the end of December 2023 to KD 54 million at the end of the reporting period.

The carrying value of ownership interest in HEISCO was KD 31.8 million with a slight increase from KD 31.4 million at the end of December 2023.

Team Holding remained the same with KD 1.1 million.

Group's share of results in NIC amounted to KD 1.1 million in Q1 2024 compared to KD 0.3 million in Q1 2023 with a significant growth nearly three times.

Share of results in HEISCO doubled in Q1 2024 against KD 0.2 million in Q1 2023.

The last slide, number 12, Which analyses our investments at FVTOCI & P/L. The volume of the investment portfolio of the Group increased by 16.4 percent to KD 124.6 million as of end of March 2024, compared to KD 107 million at the end of December 2023. This is due to the increase in fair value of the Investments as we mentioned earlier.

During this period, dividend income recognized on investments at fair value through other comprehensive income and fair value through profit or loss amounted to KD 9.2 million down from KD 14.1 million in Q1-2023.

Total value of quoted securities, amounting to KD 68.6 million accounts 55 percent of our portfolio classified as FVTOCI & P/L, as well as managed funds amounted to KD 5.7 million at the end of March 2024. These funds are local and include investments in units of equity investments. Fair value of these funds is determined using the net asset values reported by investment managers.

The investments at fair value through other comprehensive income represents 97 percent of our investment portfolio amounted to KD 121.4 million at the end of March 2024 which are held in equity instruments for medium to long-term strategic objectives. The Group intends to hold these investments for a long-term period. Also Gulf Cables continues to hold several equity stakes across different sectors and geographies to mitigate the market risks.



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The Group's total investments at fair value through profit or loss remains the same with KD 3.2 million compared with the end of year 2023.

Finally, if we have a look at the geographical breakdown investment portfolio chart, we can notice that at the end of the reporting quarter, local investments accounted KD 75.3 million of the total investments, rose from KD 57.1 million in December 2023.

That's all for the financial performance of the Group. Thank you all for listening to me, now back to **Mr. Basel** for the conclusion.

Mr. Basel Kanaan: Thank you **Mr. Ahmad**.

Ladies and gentlemen, I hope you paid close attention to the presentation delivered by our Executive Director of Finance. As we look forward for the year, particularly focusing on the next quarter, we hold an optimistic view that our performance will notably improve, considering various local and global factors.

In Kuwait, the downward trend in inflation rates is noteworthy, with a gradual decline from an average of 3.7 percent in Q4 2023 to 3.4 percent in February and further to 3.0 percent in March. Additionally, the bolstering effect of high oil prices and the anticipation of project awards totaling KD 6.3 billion in the year 2024, contribute significantly to our optimism regarding the Kuwaiti economy.

Moreover, factors such as the potential easing of geopolitical conflicts, projected growth in the GCC region, robust data from the US, and promising indicators from China form the base of our positive outlook

However, we must acknowledge certain challenges that could tamper our optimism. These include the ongoing production cuts by OPEC, which are slated to continue until June with the possibility of extension, weaker data from the European Union, soft global growth, and the persistence of elevated interest rates. These factors pose downside risks to our optimistic projections.

With that, I conclude my remarks and now invite **Mr. Mahmoud** to oversee the question-and-answer session. Thank you.

Mr. Mahmoud El Mahmoud: Thank you **Mr. Basel**. Let us now open the floor for the question and answer session. We have already received some questions to answer so let us begin with that.



Q&A Session:

- 1. We observed a significant 29 percent decline in cable sales in Kuwait compared to the first quarter of 2023, any specific reasons behind this?**

Mr. Basel Kanaan: Yes, there has been a notable decline in sales compared to the first quarter of 2023. If we look into our sales records of 2023, we experienced increased sales during the first quarter of 2023 compared to the remaining three quarters of 2023, primarily due to major orders secured in 2022 from both the private sector and PAHW. The bulk of these orders were delivered in the first half of 2023, resulting in notably higher sales during Q1 2023. However, the factors I outlined in the opening session have caused to the decline in sales during the first quarter of 2024. But we are optimistic that this trend will not continue in the next quarter, as we currently have many orders in the execution phase. Furthermore, the prospect of awarding more projects from the government is expected to boost our sales in the remaining quarters of 2024.

- 2. At the end of period, there was a substantial sum of KD 15.7 million in cash and cash equivalents. What is the reason for maintaining this cash reserve?**

Mr. Ahmad Tayem: It happened as a result of receiving KD 9.2 million in dividend income at the close of the quarter, which we subsequently converted into short term fixed deposits with local banks in April and subsequently will be used for distribution of the cash dividends to our shareholders.

- 3. What was the effect of the post-lock-in period on Group's Bursa Kuwait shares of Q1 results?**

Mr. Ahmad Tayem: As we earlier disclosed in Bursa in March, the restriction on selling of the shares for five years has been lifted during this period, and the discount previously applied to the market value of the shares has been discontinued.

As a result, there has been an increase in the fair value of the investments effected on our financial position in the first quarter of current year.



Mr. Mahmoud El Mahmoud:

It seems there are no further questions at this time. However, should you have any additional inquiries, please do not hesitate to send them to us, and we will gladly provide you with the necessary responses.

We extend our sincere gratitude to each of you for your active participation in this call and for your interest in the Group's performance during the first quarter of 2024. We also express our appreciation to the management team for their presence in this conference call.

We look forward to meet you all again for the second quarter conference call of the year.

Thank you very much.

Q1-2024

Period Ended 31 March 2024

INVESTORS PRESENTATION



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

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ROUNDING ADJUSTMENTS

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated, may not be the arithmetic aggregation of the percentages that precede them.

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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- **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%

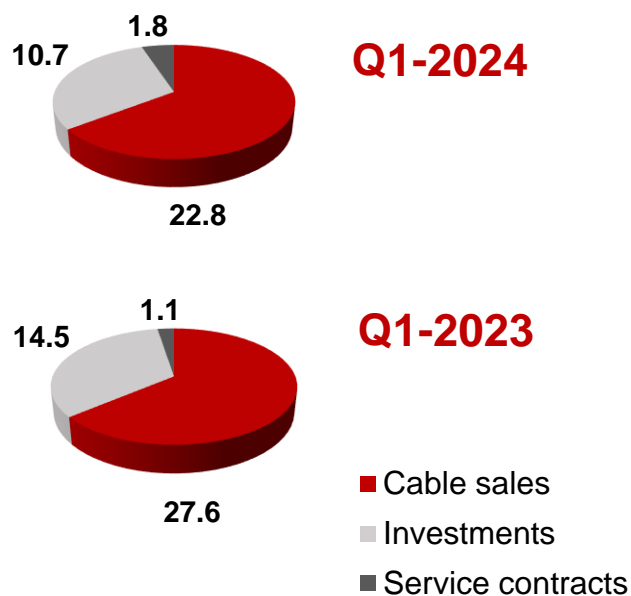
13.3MT in Q1- 2024
12.9MT in Q1- 2023

Note: all figures are in KWD

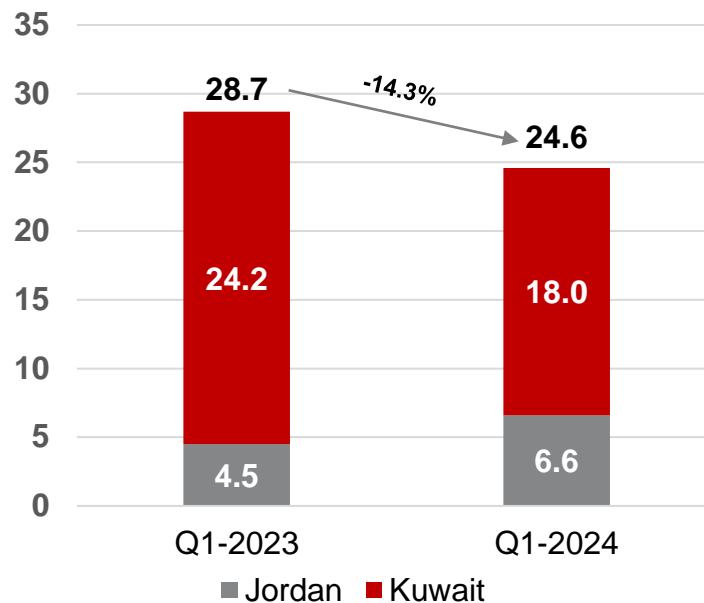
¹ Total revenue consist of cable sales, contracting revenue and investment revenue.

Financial Overview – Group

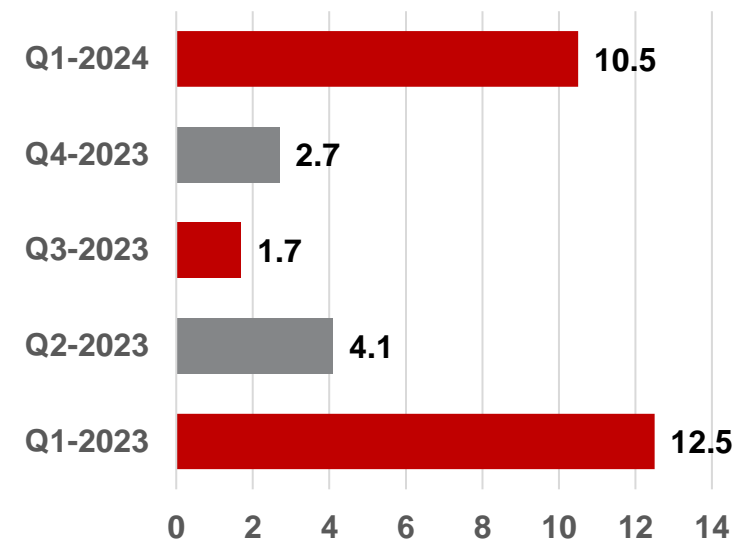
Total Revenue Breakdown
Million - KWD



Sales & Contracting Revenue
Million – KWD



Net Profit- Quarterly Basis
Million - KWD

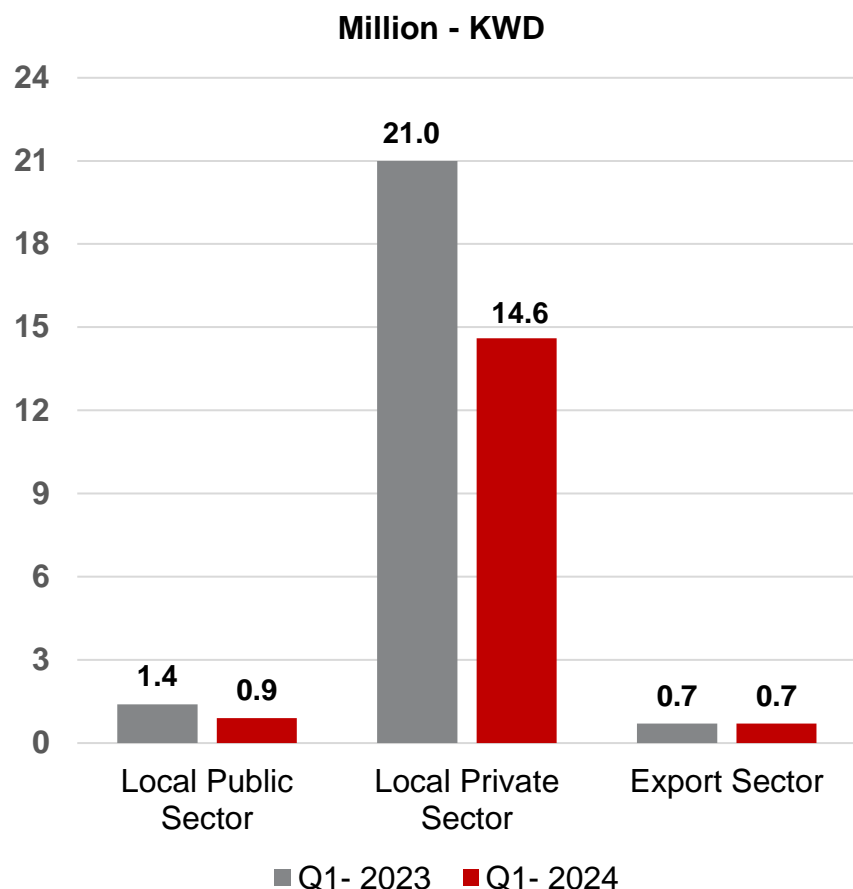


In Q1- 2024:

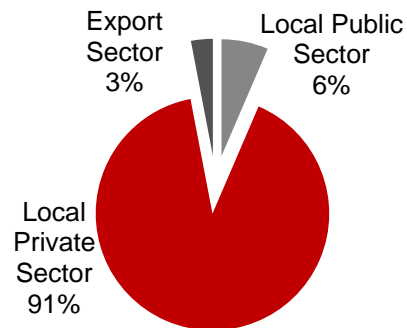
- Total revenue declined by 18.3% compared to Q1- 2023 from KWD 43.2m to KWD 35.3m.
- Total Sales & contracting revenue for the Group saw a 14.3% reduction compared to Q1-2023.
- Sales & contracting revenue amounted to KWD 24.6m consists of revenue from cable sales by KWD 22.8m and service contracts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

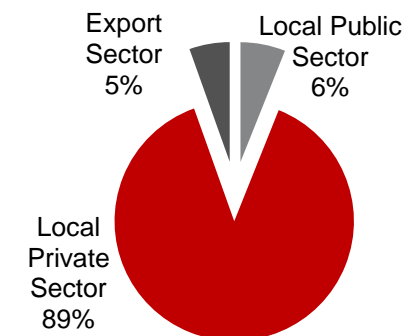
Breakdown of Cable Sales by Sector



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%

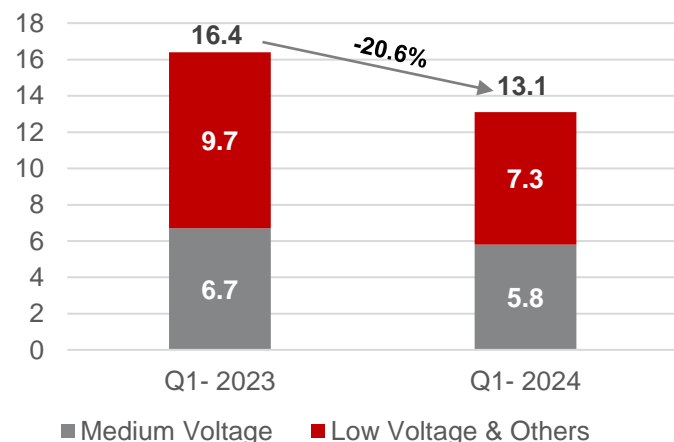
In Q1- 2024:

- 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

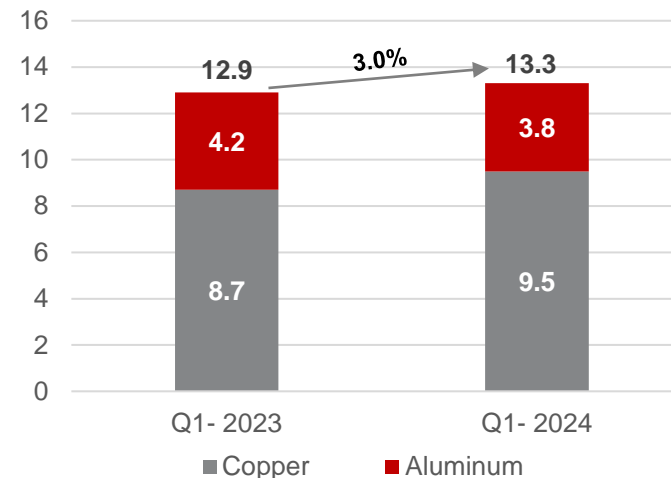
Sales Breakdown by Product

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

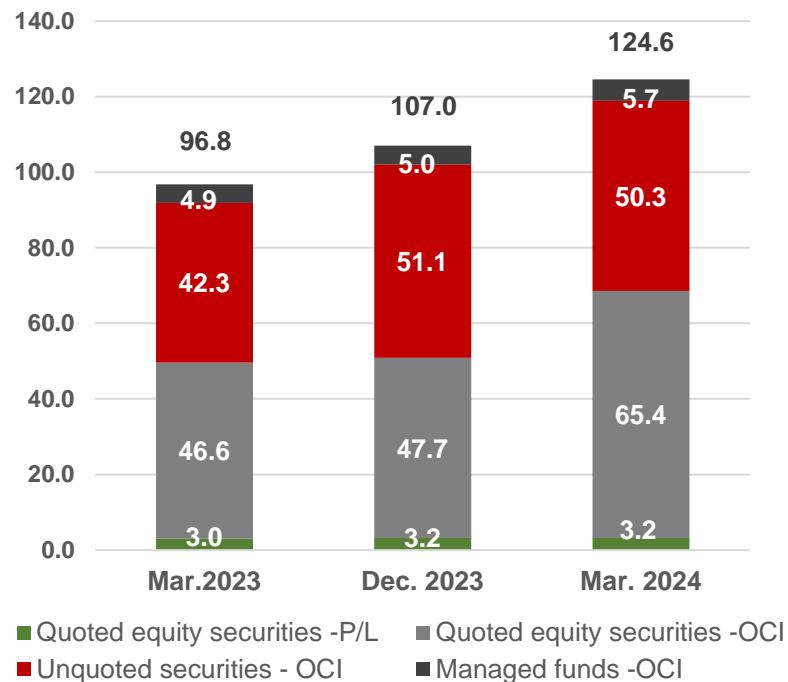
	NIC			HEISCO			Team Holding		
	 شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY			 HEISCO			 TEAM Holding Company Building Your Future		
	Mar. 2023	Dec. 2023	Mar. 2024	Mar. 2023	Dec. 2023	Mar. 2024	Mar. 2023	Dec. 2023	Mar. 2024
GC Effective Ownership Interest	26.98%	26.98%	26.98%	28.33%	28.33%	28.33%	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

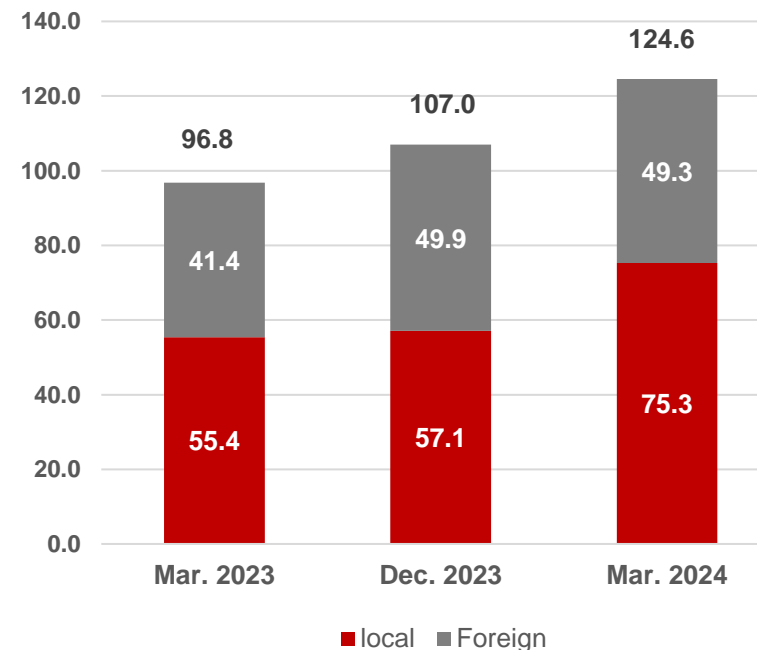
Investment Portfolio Breakdown

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
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

	31 Mar. 2023	31 Dec. 2023	31 Mar. 2024
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
شركة مجموعة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع

THANK YOU

