

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

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

Date: 17/03/2024

Ref: GC/ 221 /2024

M/S. Boursa Kuwait Company

Greeting,

**Subject: Analysts/Investors Conference Presentation for 2023**

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

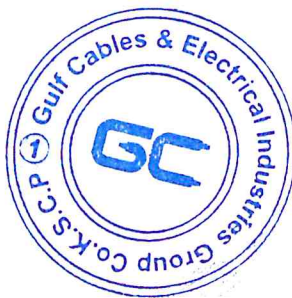
WE would like to advise that Analysts/Investors Conference for 2023 was held through live webcast at 1:30 PM on Thursday 14 March 2024, kindly note that during the conference there was no disclosure of any material information had been discussed.

We will disclose the Conference Minutes of Meeting within 3 working days after the Conference.

Attached is the Investors Presentation 2023 for your reference.

Best regards

**Basel Omran Kanaan**  
Chief Executive Officer



**Cables that pulse with life** كابلات تنبض بالحياة

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# 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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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.**

# Contents

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



## Total Revenue<sup>1</sup>

↑ +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 fils<sup>2</sup> in Y2023  
60 fils in Y2022

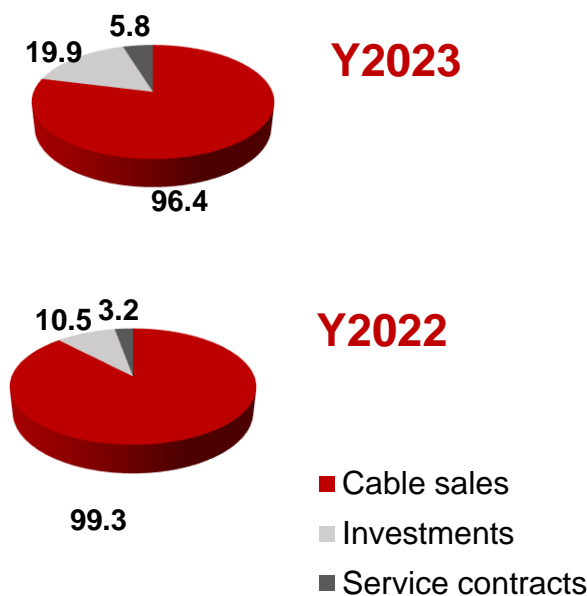
**Note:** all figures are in KWD

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

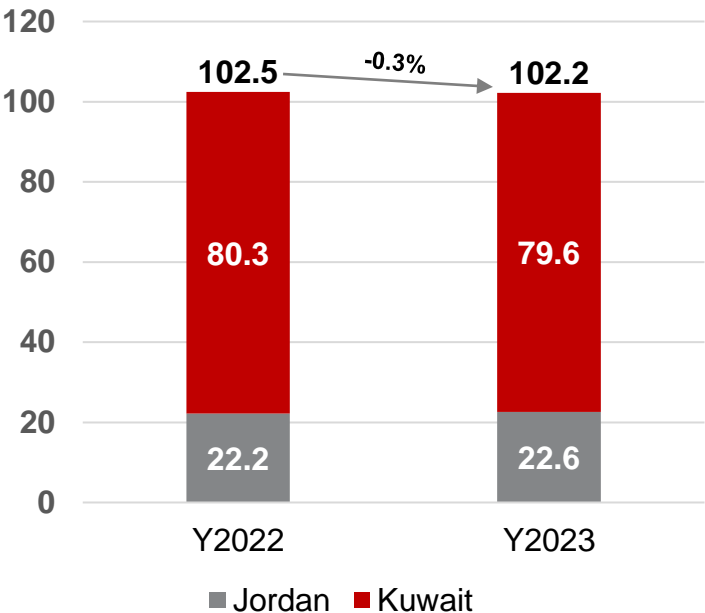
<sup>2</sup> Proposed by the Board of Directors and subject to General Assembly approval.

# Financial Overview – Group

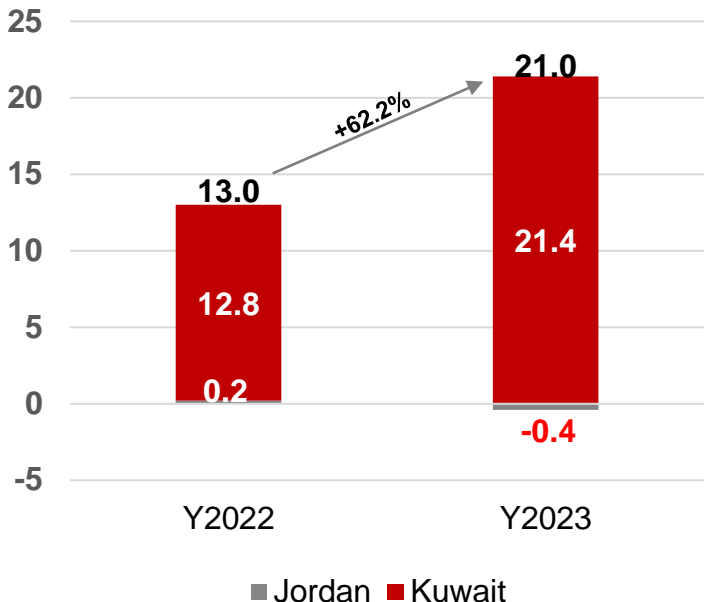
**Total Revenue Breakdown**  
Million - KWD



**Sales & Contracting Revenue**  
Million - KWD



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

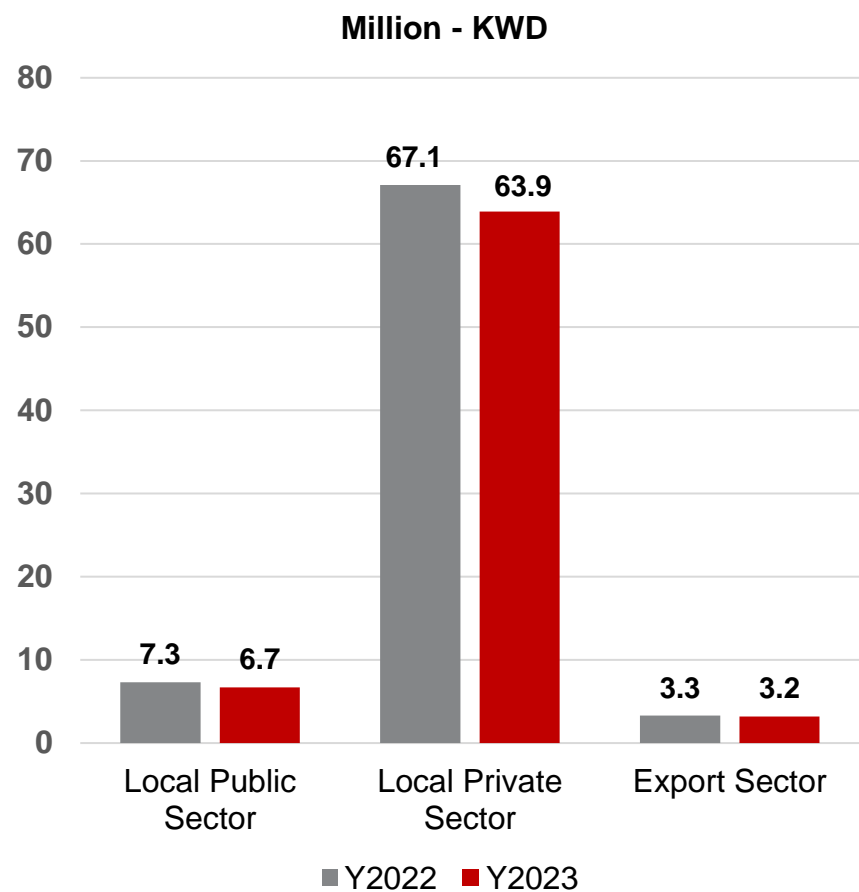


**In Y2023:**

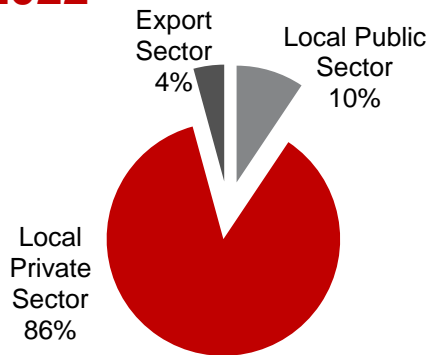
- Total revenue grew by 8% compared to Y2022 from KWD 113m to KWD 122.1m.
- Total sales & contracting revenue for the Group decreased by 0.3% compared to Y2022.
- Sales & contracting revenue from Kuwait consists of revenue from cable sales, amounted to KWD 73.8m and service contracts revenue, amounted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

# Financial Overview - Gulf Cables Kuwait

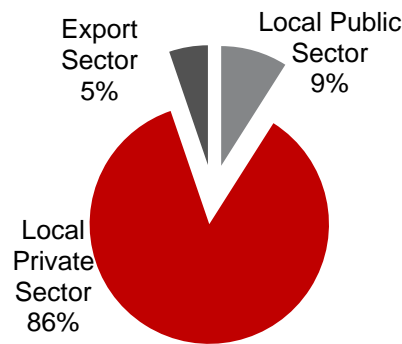
## Breakdown of Cable Sales by Sector



Y2022



Y2023



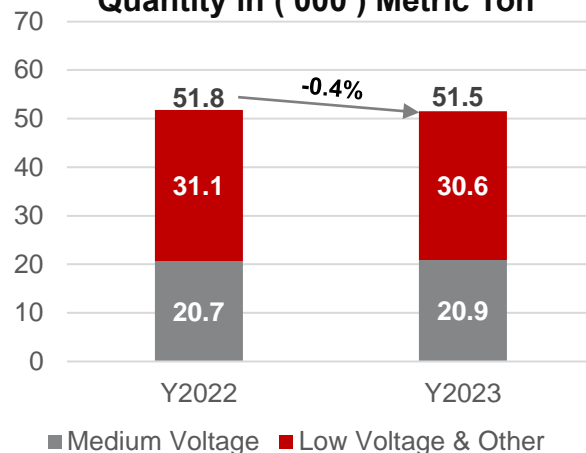
Description (Million, KWD)	Y2022	Y2023	Change	% Change
Local Public Sector	7.3	6.7	-0.6	-7.3%
Local Private Sector	67.1	63.9	-3.3	-4.9%
Export Sector	3.3	3.2	-0.1	-5.1%
Total Sales	77.7	73.8	-3.9	-5.1%

- 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

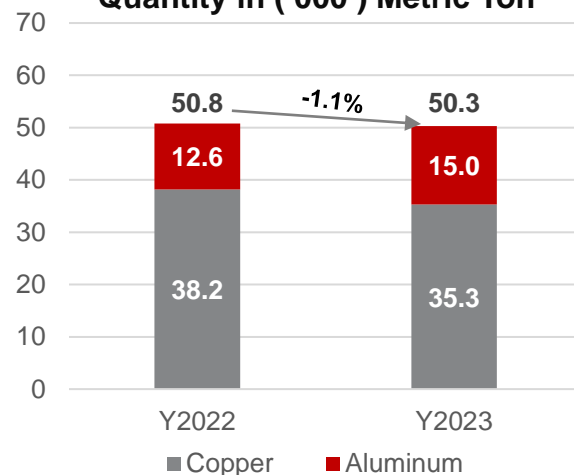
**Sales Breakdown by Product**  
Quantity in ('000') Metric Ton



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%
<b>Total Cables</b>	<b>51,746</b>	<b>51,524</b>	<b>-0.4%</b>

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%
<b>Total Copper &amp; Aluminum Cables</b>	<b>50,831</b>	<b>50,267</b>	<b>-1.1%</b>

**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
<b><u>Profitability</u></b>			
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%
<b><u>Leverage</u></b>			
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
<b><u>Liquidity</u></b>			
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%
<b>Total Assets</b>	<b>290.6</b>	<b>280.6</b>	<b>-10.0</b>	<b>-3.4%</b>
Non-Current Liabilities	40.5	28.8	-11.7	-28.7%
Current Liabilities	21.8	21.0	-0.8	-3.5%
<b>Total Liabilities</b>	<b>62.3</b>	<b>49.8</b>	<b>-12.5</b>	<b>-19.9%</b>
<b>Total Equity</b>	<b>228.3</b>	<b>230.8</b>	<b>2.5</b>	<b>1.1%</b>
<b>Total Liabilities &amp; Equity</b>	<b>290.6</b>	<b>280.6</b>	<b>-10.0</b>	<b>-3.4%</b>

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%
<b>Net Cash Flow - Operating Activities</b>	<b>4.2</b>	<b>5.3</b>	<b>1.1</b>	<b>28.2%</b>
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%
<b>Increase / Decrease in Cash and Cash Equivalents</b>	<b>-11.0</b>	<b>1.4</b>	<b>12.4</b>	<b>112.3%</b>
<b>Cash and Cash Equivalents at Year End</b>	<b>8.0</b>	<b>9.4</b>	<b>1.4</b>	<b>17.1%</b>

### 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

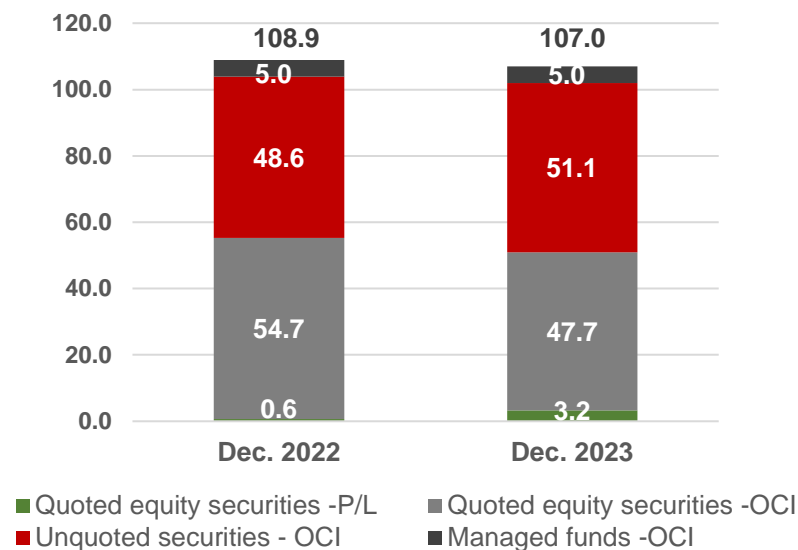
	NIC		HEISCO		Team Holding	
	 شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY		 HEISCO		 TEAM Holding Company	
	Dec. 2022	Dec. 2023	Dec. 2022	Dec. 2023	Dec. 2022	Dec. 2023
GC Effective Ownership Interest	26.98%	26.98%	28.33%	28.33%	47.50%	47.50%
Total Net Assets Value	198.8m	173.2m	70.7m	74.1m	2.7m	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

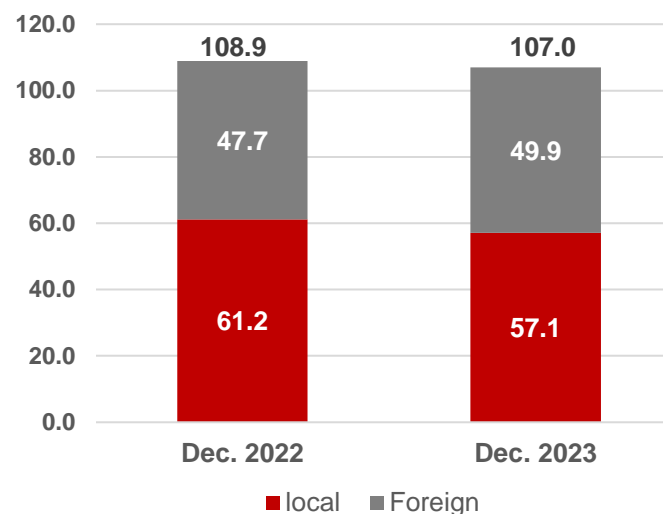
## Investment Portfolio Breakdown

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

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# Consolidated Statement of Financial Position

	31 Dec. 2022	31 Dec. 2023
<b>Assets (KWD)</b>		
<b><u>Non-current assets</u></b>		
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
	<b>210,766,776</b>	<b>200,170,517</b>
<b><u>Current assets</u></b>		
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
	<b>79,806,296</b>	<b>80,470,313</b>
<b>Total Assets</b>	<b>290,573,072</b>	<b>280,640,830</b>

	31 Dec. 2022	31 Dec. 2023
<b>Liabilities (KWD)</b>		
<b><u>Non-current liabilities</u></b>		
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
	<b>40,459,104</b>	<b>28,863,957</b>
<b><u>Current liabilities</u></b>		
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
	<b>21,768,036</b>	<b>20,996,478</b>
<b>Total Liabilities</b>	<b>62,227,140</b>	<b>49,860,435</b>
<b>Equity (KWD)</b>		
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
<b>Total equity attributable to the owners of the Parent Company</b>	<b>227,822,585</b>	<b>230,276,477</b>
Non-Controlling Interests	523,347	503,918
<b>Total Equity</b>	<b>228,345,932</b>	<b>230,780,395</b>
<b>Total Equity and Liabilities</b>	<b>290,573,072</b>	<b>280,640,830</b>

# Consolidated Statement of Profit or Loss

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

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



# Common Size Analysis - Consolidated Statement of Financial Position

	31 Dec. 2022	31 Dec. 2023
<b>Assets (KWD)</b>		
<b><u>Non-current assets</u></b>		
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%
	<b>72.53%</b>	<b>71.33%</b>
<b><u>Current assets</u></b>		
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%
	<b>27.47%</b>	<b>28.67%</b>
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>

- 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
<b>Liabilities (KWD)</b>		
<b><u>Non-current liabilities</u></b>		
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%
	<b>13.92%</b>	<b>10.29%</b>
<b><u>Current liabilities</u></b>		
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%
	<b>7.50%</b>	<b>7.48%</b>
<b>Total Liabilities</b>	<b>21.42%</b>	<b>17.77%</b>
<b>Equity</b>		
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%
<b>Total equity attributable to the owners of the Parent Company</b>	<b>78.40%</b>	<b>82.05%</b>
Non-Controlling Interests	0.18%	0.18%
<b>Total Equity</b>	<b>78.58%</b>	<b>82.23%</b>
<b>Total Equity and Liabilities</b>	<b>100%</b>	<b>100%</b>

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

	Y2022	Y2023
<b>Revenue</b>		
Sales and contracting revenue	100.00%	100.00%
Cost of revenue	-87.38%	-87.10%
<b>Gross profit</b>	<b>12.62%</b>	<b>12.90%</b>
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%
	<b>23.41%</b>	<b>33.27%</b>
<b>Expenses and other charges</b>		
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%
	<b>-9.32%</b>	<b>-11.59%</b>

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

- 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%.

# Thank You



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

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