



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

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

Date: 20/08/2024

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M/S. Boursa Kuwait Company

Greeting,

**Subject: Analyst Conference Transcript for H1/Q2-2024 Period Ended
30 June 2024**

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 Q2-2024 was held through live webcast at 1:00 PM on Sunday 18 August 2024.

Kindly note that during the conference there was no disclosure of any material information had been discussed.

Attached the Analyst Conference Transcript and the presentation for Q2- 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

H1-2024

Period Ended 30 June 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 half 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 Group'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 Kannan**.

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

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



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

Good afternoon, everyone, and thank you for joining us for Gulf Cables Group's half-yearly earnings conference call of 2024.

As we anticipated during our first quarter conference call, Gulf Cables Group has shown significant progress in the second quarter compared to the first, although it does not match the performance of the first half of 2023. Our Cable business performed well, and we achieved notable results in our investment operations.

Our financial results should be considered in the context of ongoing regional and global political conflicts, as well as challenging economic conditions marked by weaker economic data, lower oil prices, stable inflation rates, and persistently high-interest rates. We have closely monitored these factors, particularly the serious regional political tensions, and the executive management has implemented necessary measures to safeguard productivity and profitability, including cost reduction initiatives that have improved our gross profit margin.

The Group's sales and contracting revenue saw a modest increase of 0.2 percent, signaling potential growth in the upcoming half-year. The group reported a net profit of KD 14.8 million, down from KD 16.6 million, with earnings per share at 71 fils compared to 80 fils in the same period last year, reflecting a decrease of 10.8 percent. Total revenue declined by 6.3 percent to KD 66.7 million from KD 71.2 million in the first half of 2023.

That concludes my overview of the Group's performance. I will now turn the call over to **Mr. Ahmed Tayem** to provide a detailed analysis of the Group's financial performance during this period.

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

Good afternoon everyone, and thanks for joining the call. I hope you are all doing fine.

I am very pleased to have this opportunity to take you through the financial results and financial position of Gulf Cables Group in respect of the first six months of 2024.

In this period, the total revenue of the Group declined by 6.3 percent, going down from KD 71.2 million in H1-2023 to KD 66.7 million in H1-2024. Our Sales & contracting revenue displayed a slight increase from KD 52.6 million in H1- 2023 to KD 52.7million in H1-2024.

EBITDA displayed a decrease of 10.2 percent in H1-2024, reaching KD 17.2 million compared to the previous figure of KD 19.2 million in H1-2023.



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The net profit also experienced a decrease of 10.7 percent, with KD 14.8 million in H1-2024, in comparison to KD 16.6 million in H1-2023. Earnings per share demonstrated a similar decrease.

When we see the financial position of the Group at end of June 2024, there was a 5.9 percent increase in total assets and 9.6 percent reduction in liabilities, stimulated by a decrease of 11.1 percent decrease in borrowings compared to the figures on December end 2023.

On the other hand, total equity displayed a significant increase of 9.3 percent reaching KD 252.1 million at the end of June 2024, compared to KD 230.8 million on December end 2023.

Furthermore, the Group's production increased by 2.1 percent in H1-2024, reaching 26.2 thousand MT, compared to 25.7 thousand MT in H1-2023.

Now as we move to slide number 6, financial overview of the Group for the first half of the year, we can find that total revenue of KD 66.7 million includes KD 49 million generated from cable sales, KD 14 million from investments, and KD 3.7 million from service contracts.

Breaking down the KD 49 million in total cable sales, KD 38.9 million is from our parent company in Kuwait, and KD 13.8 million is contributed by our subsidiary company in Jordan.

The revenue from investments decreased to KD 14 million in H1-2024, from KD 18.6 million in H1-2023. This decline was due to decrease of KD 5.3 million in the dividend income.

In terms of service contracts, our subsidiary, CARE Company earned a revenue of KD 3.7 million in H1-2024, marking an increase from the KD 2.4 million reported in H1-2023.

It is worth to notice that the total sales and contracting revenue of the Group shows a slight growth from KD 52.6 million in H1-2023 to KD 52.7 million in H1-2024.

Moving to the quarterly performance of Q2-2024, the total sales and contracting revenue for the Group witnessed a 17.8 percent increase when compared to Q2-2023.

On slide seven, focusing on the quarterly analysis of the parent company in Kuwait during Q2, we recorded an increase of 10.2 percent during this period. The major factor impacting the parent company's cable sales was the local private sector. Notably, their sales amounted to KD 15.5 million, representing a minimal decrease of 0.6 percent from the KD 15.6 million recorded in Q2- 2023.



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On the other hand, the public sector's contribution during the same period saw an upward movement, reaching KD 3.1 million in Q2-2024 compared to the previous year period KD1.4 million, a major increase of 121.4 percent.

Now in slide number 8, we are looking into the semi-annual breakdown of cable sales for the parent company in Kuwait, the prime force influencing our cable sales remains the local private sector, their sales in H1-2024 amounted KD 30 million, marking an 18 percent decrease from the KD 36.6 million recorded in H1-2023.

During the period, the public sector's contribution witnessed an increase, amounting to KD 4.1 million in 2024 as against KD 2.8 million in 2023. This increase was mainly due to increased demand from MEW.

As well as export sector displayed an increase, amounted to KD 1.7 million, from KD 1.4 million registered in the first half of 2023

In slide number 9, we have a comprehensive breakdown of the Group's production, and sales categorized by product and material, quantified in terms of weight.

Sales of medium voltage cables have demonstrated a decreased of 17 percent, while low voltage and other cables have seen reasonable growth, marking a 13.1 percent increase in H1-2024. The cumulative weight of total sales reflects a nominal rise of 0.4 percent.

In the area of production, the output of copper cables has experienced an increase of 8.4 percent when compared with H1-2023 figures. On the other hand, there was a decrease of 10.9 percent in the production of Aluminum cables compared to the year 2023.

In a broader perspective, the collective quantities of cables manufactured during the first half of 2024 have risen by 2.1 percent when compared with the comparative figures from 2023.

Moving to slide number 10 for the key financial ratios, the Group's gross profit margin saw substantial growth from 9 percent in H1-2023 to 14.6 percent in H1-2024. This increase can be attributed to the decreased cost of revenue resulted by the cost cutting efforts by the management.

In contrast, the EBITDA margin displayed a decrease, declining from 36.5 percent in H1-2023 to 32.7 percent in H1-2024, mainly caused by the decrease in dividend income. Furthermore, the net profit margin also showed a decrease from 31.5 percent to 28.1 percent.



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Analyzing leverage, we can find that the Group's leverage ratios displayed positive trends in H1-2024. The percentage of total debt to total assets declined by 3.6 percent, Debt to equity ratio by 5 percent, and the interest coverage ratio saw an increase of 1.3 in comparison to the figures from H1-2023

As we look at slide number 11, for the financial position and cash flow, the Group's total assets increased from KD 280.6 million in December 2023 to reach KD 297.2 million at the end of June 2024. This increase was mainly due to increase in the carrying value of investments in associates and increase in investments at fair value through other comprehensive income.

Total liabilities shows a drop from KD 49.8 million at the close of the year 2023 to KD 45.1 million at the end of June 2024, marking a significant decline of 9.6 percent. This decrease is due to the settlement of borrowings carried out during this period.

Also, the Group's total equity displayed a substantial increase of 9.3 percent, increasing from KD 230.8 million at the end of 2023 to KD 252.1 million in June 2024.

From a cash flow perspective, the cash flow from operating activities displayed a drop, from a net cash inflow of KD 4 million in the first six months of 2023 to a net cash inflow of KD 2.9 million in the same period of 2024.

In terms of investing activities, there was a cash inflow of KD 13.9 million in the first half of 2024, compared to a cash inflow of KD 23.1 million in the same period of 2023. This decline is mainly because of decrease in dividend incomes received during the first six months of 2024.

At the same time, there was a decrease in net cash outflow from financing activities. It was KD 18.7 million against KD 22.2 million during H1-2023.

In summary, the cash and cash equivalents shifted from KD 12.9 million at the end of June 2023 to KD 7.5 million at the end of the same period in 2024.

In the upcoming slide number 12, we look into our investments in associates. The Group's current effective ownership interest in all three associates remained constant as of the end of June 2024, with NIC standing at 26.98 percent, HEISCO at 28.33 percent, and Team Holding at 47.50 percent.

The carrying value of the Group's ownership interest in NIC amounted to KD 50.8 million, showing an increase of KD 2.9 million in comparison to the value of KD 47.9 million recorded at the end of December 2023.



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On the other hand, the values for HEISCO and Team Holding remained relatively stable at KD 30.8 million and KD 1.1 million, respectively.

Regarding the share of results, Gulf Cables' share of results in NIC reached KD 1.6 million in H1-2024, showing an increase from KD 1.1 million reported in H1-2023.

The Group's share of results in HEISCO for H1-2024 amounted to KD 1 million, against KD 0.7 million in H1-2023.

When we move to the last slide number 13, we can notice a remarkable increase in Gulf Cable's investment portfolio, which surged to KD 125.3 million at the end of June 2024, marking an increase of 17.1 percent in comparison to December 2023. This increase is mainly attributed to change in the fair value of the investments.

The majority of our holdings consist of quoted equity securities, making approximately 55 percent of our portfolio at the end of June 2024, followed by unquoted securities at 40.1 percent.

Around 98 percent of our investment portfolio at the end of June 2024 is categorized as fair value through other comprehensive income. These investments comprise equity instruments strategically held for medium to long-term objectives.

During H1-2024, the Group has investments of fair value through profit or loss for the value of KD 3 million compared to KD 3.2 million recorded at the end of 2023.

At the end of June 2024, managed funds accounted for KD 5.5 million. These funds incorporate investments in units of equity holdings.

Now, let me conclude my session. Despite the numerous challenges highlighted by our CEO, I am pleased to report that we have achieved a satisfactory performance during the first six months. We remain optimistic that this positive momentum will continue into the upcoming quarters of 2024.

That wraps up the overview of the group's financial performance. Thank you all for your attentive participation. I will now hand the podium back to **Mr. Basel**.

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

Ladies and gentlemen, we hope you carefully observed our presentation and are satisfied with the Group's performance given the economic and political challenges.



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

One of our primary aims is to ensure our esteemed shareholders receive high returns on their investments by exploring profitable opportunities, boosting sales, and reducing costs.

Looking ahead, we expect our core cable business to gain further momentum, as seen in the second quarter of this year. Several forecasts indicate a promising downward trend in inflation and interest rates. Notably, inflation in Kuwait fell below 3 percent in June 2024 for the first time in three years. Additionally, high oil prices and anticipated initiatives under the new government, along with political reforms, strengthen our outlook.

However, it's crucial to remain mindful of the ongoing or worsening conflicts in Ukraine and Gaza and disrupted logistics in the Red Sea, cast a shadow on our optimism.

That's all from my side, Now I hand over the call to **Mr. Mahmoud** Thank you.

Mr. Mahmoud El Mahmoud: Thank you, **Mr. Basel**. We will now start the question-and-answer session. We've already received two questions, so let's begin with that.

Q&A Session:

1. Could you please provide an update on the status of the new production line? When is it expected to be operational?

Mr. Basel Kanaan: Well... the relevant machines are already in its way to Kuwait as we planned. We are optimistic that everything will go according to schedule, and we aim to start production by the end of this year.

2. What is the reason for the positive movement in the gross profit margin?

Mr. Basel Kanaan: The management has been actively working to reduce the cost of revenue by exploring various options. A significant portion of our costs comes from raw materials, particularly copper and aluminum. We successfully negotiated better deals with our regular suppliers and identified new vendors offering cheaper prices. These efforts resulted in a reduction in the cost of revenue and an increase in our gross profit margin.

Mr. Mahmoud El Mahmoud: I suppose this is the end of our Q&A session and let us wind up this call. If you have any additional inquiries later, feel free to send them to our Investor Relations email address. We will attend to provide our answers at the earliest.

We thank everyone who attended this earnings conference call and look forward to meeting you all for the third quarter call and wish you all the very best.

H1-2024

Period Ended 30 June 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.**

Contents

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Performance Highlights



Total Revenue¹

↓ -6.3%

66.7m in H1- 2024
71.2m in H1- 2023



Sales & contracting revenue

↑ +0.2%

52.7m in H1- 2024
52.6m in H1- 2023



EBITDA

↓ -10.2%

17.2m in H1- 2024
19.2m in H1- 2023



Net Profit

↓ -10.7%

14.8m in H1- 2024
16.6m in H1- 2023



EPS

↓ -10.8%

71 Fils in H1- 2024
80 Fils in H1- 2023



Assets

↑ +5.9%

297.2m in Jun. 2024
280.6m in Dec. 2023



Liabilities

↓ -9.6%

45.1m in Jun. 2024
49.9m in Dec. 2023



Borrowings

↓ -11.1%

28.2m in Jun. 2024
31.7m in Dec. 2023



Equity

↑ +9.3%

252.1m in Jun. 2024
230.8m in Dec. 2023



Production Metric Ton ('000')

↑ +2.1%

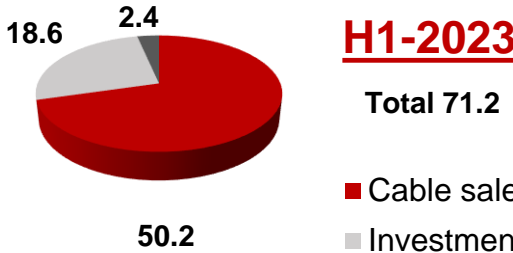
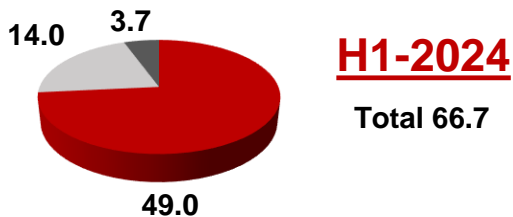
26.2MT in H1- 2024
25.7MT in H1- 2023

Note: all figures are in KWD

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

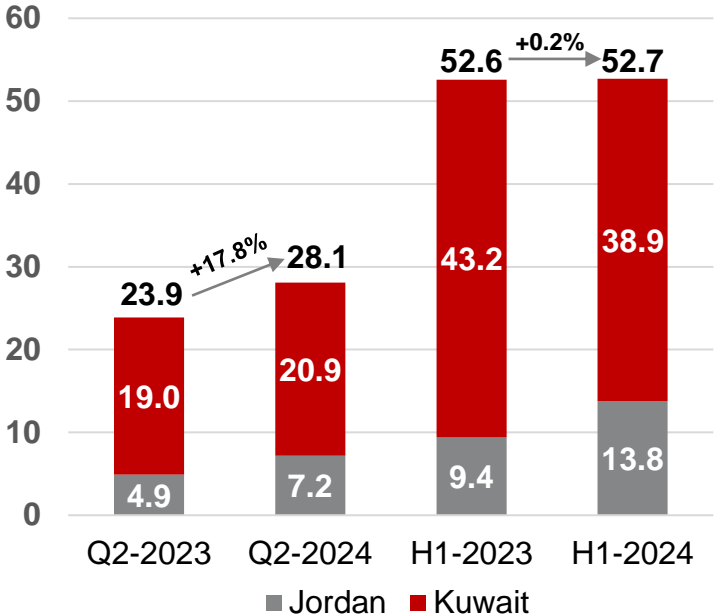
Financial Overview – Group

Total Revenue Breakdown
Million - KWD

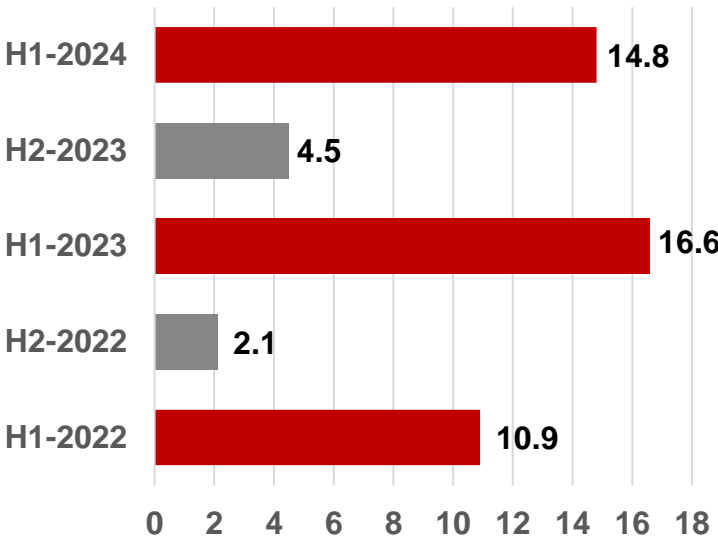


■ Cable sales
■ Investments
■ Service contracts

Sales & Contracting Revenue
Million – KWD



Net Profit- Quarterly Basis
Million - KWD

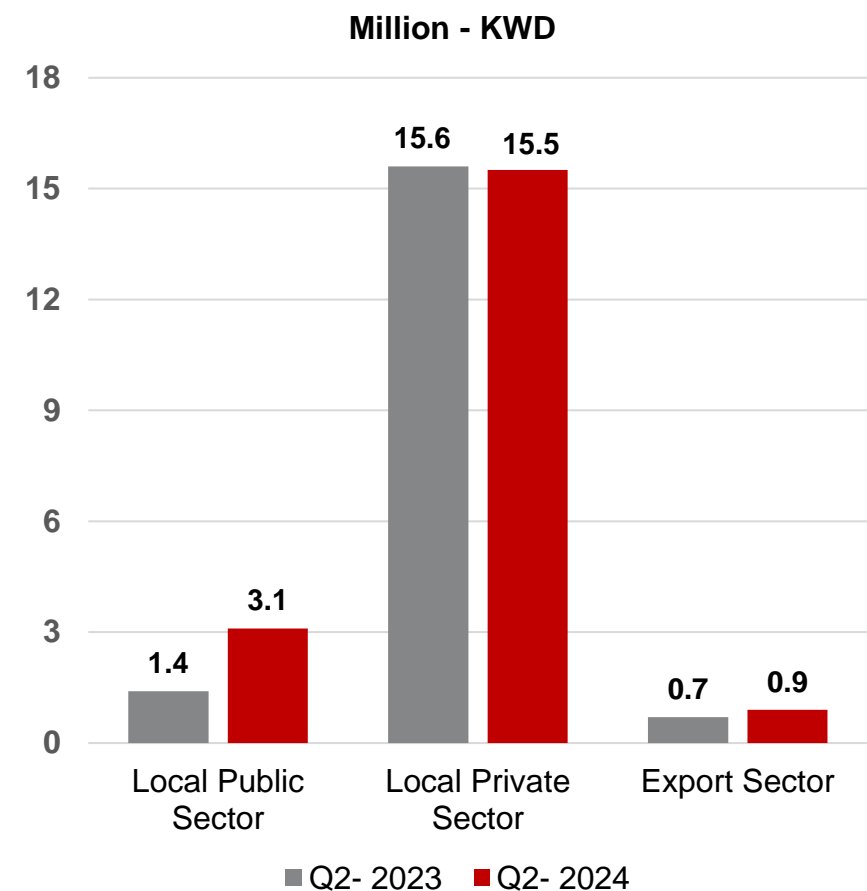


In H1- 2024:

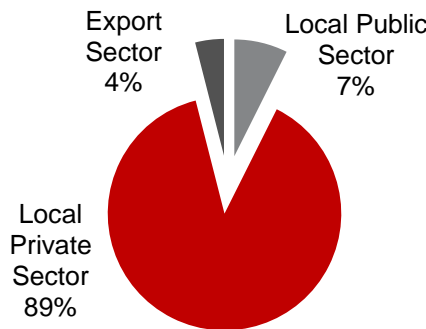
- Total revenue declined by 6.3% compared to H1-2023 from KWD 71.2m to KWD 66.7m
- Total Sales & contracting revenue for the Group saw an increase of 0.2% compared to H1-2023
- Sales & contracting revenue amounted to KWD 52.7m consists of revenue from cable sales by KWD 49.0m and service contracts revenue by KWD 3.7m
- The net profit for H1-2024 shows a decrease of 10.8% compared to H1-2023

Financial Overview - Gulf Cables Kuwait

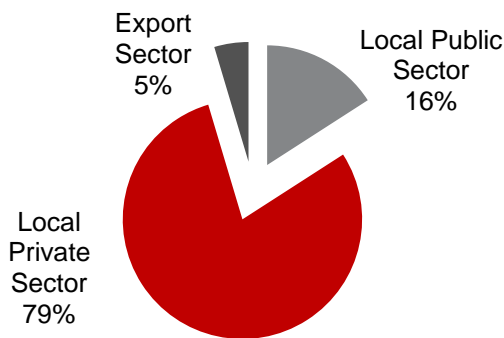
Breakdown of Cable Sales by Sector – Q2



Q2-2023



Q2-2024



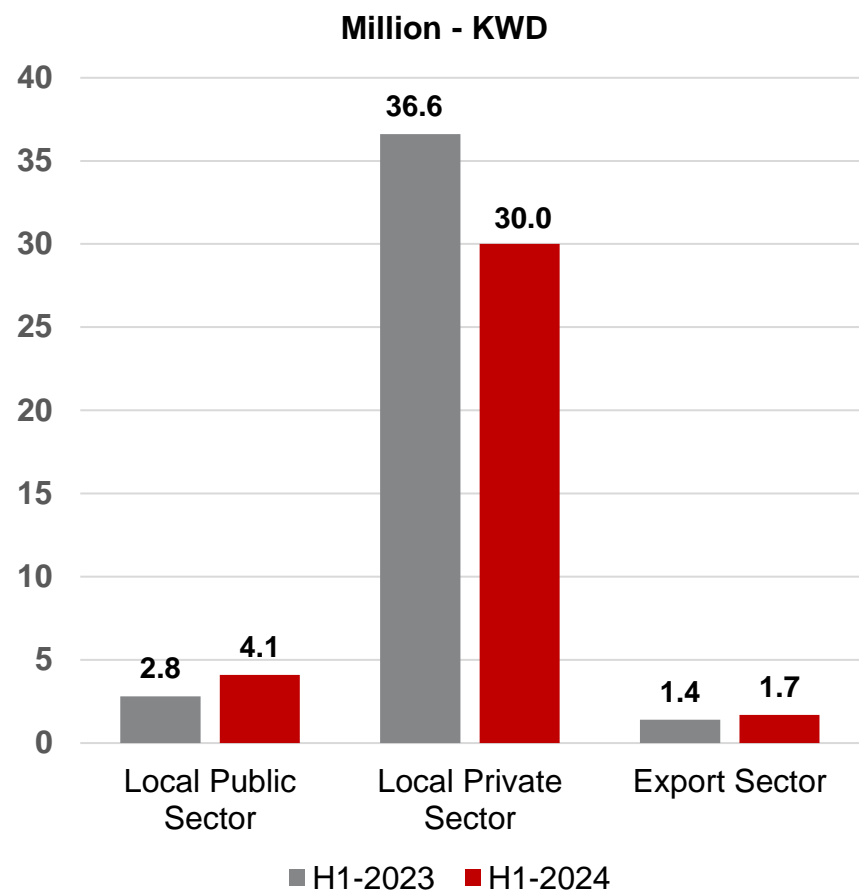
Description (Million, KWD)	Q2-2023	Q2-2024	Change	% Change
Local Public Sector	1.4	3.1	1.7	121.4%
Local Private Sector	15.6	15.5	-0.1	-0.6%
Export Sector	0.7	0.9	0.2	28.6%
Total Sales	17.7	19.5	1.8	10.2%

In Q2- 2024:

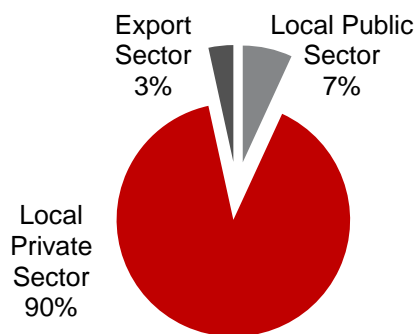
- Total sales experienced an increase of 10.2% compared to Q2-2023
- Local public sector shows an increase of 121.4% and private sector saw a nominal decrease in sales compared to Q2-2023

Financial Overview - Gulf Cable Kuwait

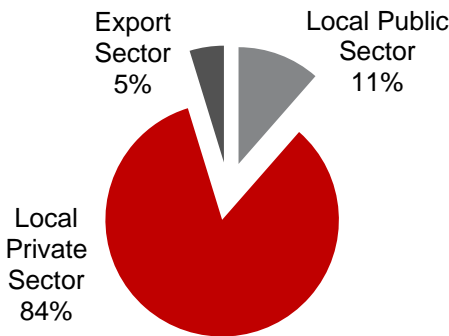
Breakdown of Cable Sales by Sector – H1



H1-2023



H1-2024



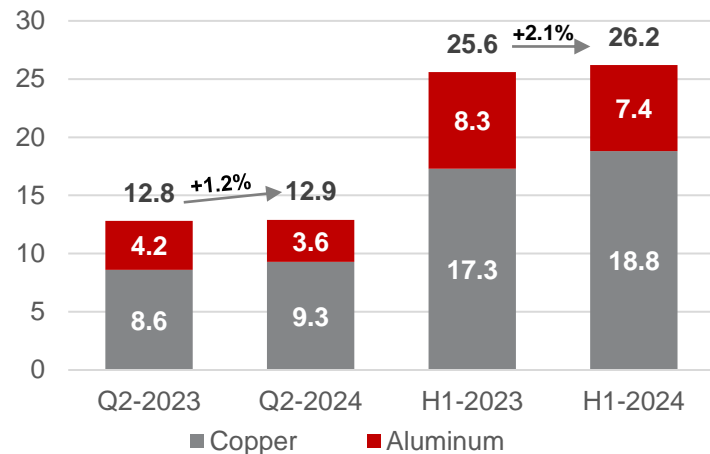
Description (Million, KWD)	H1-2023	H1-2024	Change	% Change
Local Public Sector	2.8	4.1	1.3	46.4%
Local Private Sector	36.6	30.0	-6.6	-18.0%
Export Sector	1.4	1.7	0.3	21.4%
Total Sales	40.8	35.8	-5.0	-12.3%

- Total sales decreased by 12.3% in H1-2024 due to decrease in sales to the Local Private Sector compared to first half of 2023
- Sales for the Local Public Sector increased by 46.4% compared to H1-2023 due to the increase in requirement from MEW
- Export Sector also shows an upward trend in H1-2024

Financial Overview – Group Sales and Production by Weight

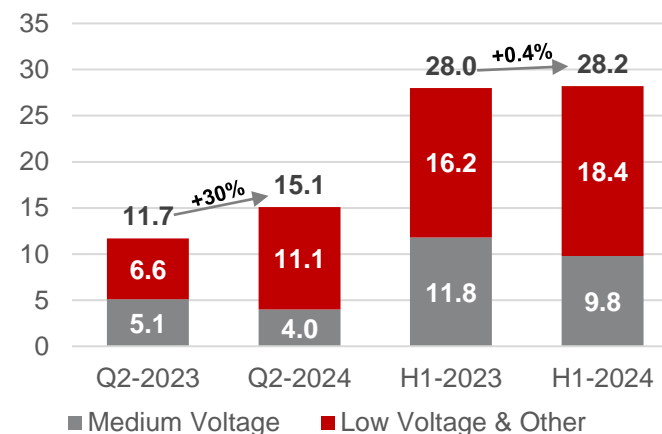
Production Breakdown by Material

Quantity in ('000') Metric Ton



Sales Breakdown by Product

Quantity in ('000') Metric Ton



In H1- 2024:

- Total cables sales weight experienced a nominal increase of 0.4% compared to H1-2023
- In production, copper cables saw an increase of 8.4%, whereas aluminum cables displays a decrease of 10.9%
- Overall, the total cables production increased by 2.1%

Sales Breakdown by Product	Q2-2023 MT	Q2-2024 MT	H1-2023 MT	H1-2024 MT	H1% Change
Medium Voltage Cables	5,073	4,041	11,820	9,806	-17.0%
Low Voltage and Other Cables	6,565	11,093	16,224	18,356	13.1%
Total Cables	11,638	15,134	28,044	28,162	0.4%

Production Breakdown by Material	Q2-2023 MT	Q2-2024 MT	H1-2023 MT	H1-2024 MT	H1% Change
Copper Cables (Low & Medium Voltage)	8,588	9,317	17,333	18,782	8.4%
Aluminum Cables (Low & Medium Voltage)	4,162	3,590	8,318	7,408	-10.9%
Total Cables	12,750	12,907	25,651	26,190	2.1%

Financial Overview - Ratio Analysis

Ratios	H1- 2023	H1- 2024	Change	FY2023
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Profitability

Gross Profit Margin - %	9.0%	14.6%	↑ +5.6%	12.9%
EBITDA Margin - %	36.5%	32.7%	↓ -3.8%	25.3%
Net Profit Margin - %	31.5%	28.1%	↓ -3.4%	20.6%
ROA on Average Assets - % (with investment income)	5.8%	5.1%	↓ -0.7%	7.4%
ROE on Average Equity - % (with investment income)	7.3%	6.1%	↓ -1.2%	9.2%

Leverage

Total Debt Percentage of Total Assets-%	13.1%	9.5%	↓ -3.6%	11.3%
Debt to Equity Ratio-%	16.2%	11.2%	↓ -5.0%	13.7%
Interest Coverage Ratio	19.4	20.7	↑ +1.3	12.7

Liquidity

Current Ratio	3.7	3.8	↑ +0.1	3.8
Quick Ratio	2.2	1.8	↓ -0.4	2.0
Working Capital to Total Assets	0.2	0.2	= 0.0	0.2

In H1- 2024:

- The Group's gross profit margin rose from 9% to 14.6%, primarily attributed to a decrease in the cost of revenue
- EBITDA margin shows a decrease from 36.5% to 32.7% in H1-2024. The EBITDA margin was affected mainly by reduced dividend income compared to H1-2023
- Net profit margin also diminished by 3.4% from 31.5% to 28.1%
- Both ROA on average assets & ROE on Average equity displayed decreasing trend
- Total debt percentage of total assets and debt to equity ratios showed improvement compared to H1-2023
- Debt to equity ratio saw a notable improvement of 5.0% over the same period
- Interest coverage ratio improved by 1.3 to reach 20.7 in H1-2024
- The current ratio experienced a nominal increase of 0.1 in H1-2024
- Quick ratio displayed a decrease of 0.4 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)	Dec. 2023	Jun. 2024	Change	% Change
Non-Current Assets	200.2	220.1	19.9	+10.0%
Current Assets	80.4	77.1	-3.3	-4.2%
Total Assets	280.6	297.2	16.6	+5.9%
Non-Current Liabilities	28.8	24.6	-4.2	-14.7%
Current Liabilities	21.0	20.5	-0.5	-2.5%
Total Liabilities	49.8	45.1	-4.7	-9.6%
Total Equity	230.8	252.1	21.3	9.3%
Total Liabilities & Equity	280.6	297.2	16.6	+5.9%

Cash Flow Statement (Million, KWD)	Jun. 2023	Jun. 2024	Change	% Change
Profit From Operations	16.6	14.8	-1.8	-10.7%
Non-Cash Adjustments	-15.8	-11.0	4.8	+30.5%
Changes in Working Capital	3.2	-0.9	-4.1	-129.9%
Net Cash Flow - Operating Activities	4.0	2.9	-1.1	-27.9%
Net Cash Flow - Investing Activities	23.0	13.9	-9.1	-39.7%
Net Cash Flow - Financing Activities	-22.2	-18.7	3.5	15.8%
Increase/Decrease in Cash and Cash Equivalents	4.8	-1.9	-6.7	-139.4%
Cash and Cash Equivalents at Period End	12.9	7.5	-5.4	-41.9%

In H1- 2024:

- Non-current assets increased by 10% in Jun.2024, driven by increase in the carrying value of investments in associates and investments at FVTOCI
- Current assets decreased by 4.2% in Jun.2024 compared to Dec.2023
- Non-current liabilities decreased by 14.7%
- Shareholder's equity witnessed a significant increase of 9.3%
- Cash inflow from operating activities decreased by 27.9% compared to H1-2023
- Cash inflow from investing activities, totaling KWD 13.9m, primarily consisted of cash dividends received
- Overall cash and cash equivalents decreased by KWD 5.4m resulting a 41.9% decrease compared to H1-2023

Financial Overview – Investments in Associates

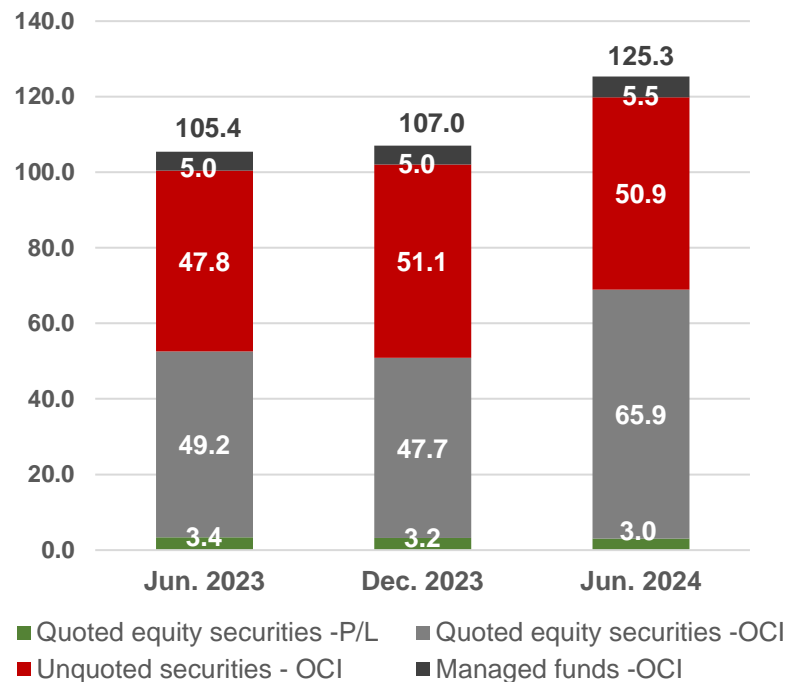
	NIC  شركة الاستثمار الوطنية NATIONAL INVESTMENTS COMPANY			HEISCO 			Team Holding 		
	Jun. 2023	Dec. 2023	Jun. 2024	Jun. 2023	Dec. 2023	Jun. 2024	Jun. 2023	Dec. 2023	Jun. 2024
GC Effective Ownership Interest	26.98%	26.98%	26.98%	28.33%	28.33%	28.33%	47.50%	47.50%	47.50%
Total Net Assets Value	175.9m	173.2m	183.7m	69.4m	74.1m	71.9m	2.3m	2.4m	2.3m
GC Carrying Value of Ownership Interest	48.7m	47.9m	50.8m	30.1m	31.4m	30.8m	1.1m	1.1m	1.1m
	H1-2023	Y2023	H1-2024	H1-2023	Y2023	H1-2024	H1-2023	Y2023	H1-2024
Profit for the Period /Year Attributable to Shareholders of the Parent Co.	4.2m	4.1m	5.8m	2.5m	7.2m	3.5m	0.06m	0.2m	0.06m
GC Share of Results	1.1m	1.1m	1.6m	0.7m	2.0m	1.0m	0.03m	0.08m	0.03m
Dividends Received from the Associate	6.0m	6.0m	3.2m	1.0m	1.0m	1.5m	0.2m	0.2m	0.06m

- GC carrying value of ownership interest in NIC increased by KWD 2.9m from KWD 47.9m in Dec.2023 to KWD 50.8m in Jun.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 1.6m in H1-2024 compared to KWD 1.1m in H1-2023
- Share of results of HEISCO moved up to KWD 1.0m in H1-2024 compared to KWD 0.7m in H1-2023

Financial Overview - Investments at FVTOCI & FVTP/L

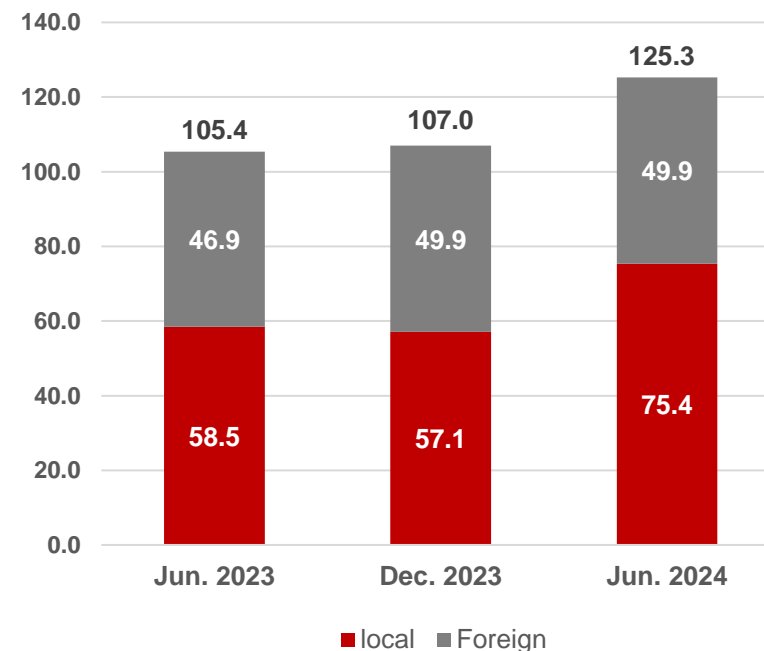
Investment Portfolio Breakdown

Million - KWD



Investments Geographical Breakdown

Million - KWD



In H1- 2024:

- Total investments at FVTOCI & FVTP/L increased by 17.1% from Dec.2023
- Dividend income recognized on investments at FVTOCI & FVTP/L amounted to KWD 11.5m down from KWD 16.8m in H1-2023
- Local investments now constitute 60.2% 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

	30 Jun. 2023	31 Dec. 2023	30 Jun. 2024
Assets (KWD)			
<u>Non-current assets</u>			
Goodwill	3,603,180	3,603,180	3,603,180
Property, plant and equipment	9,534,106	9,248,051	8,635,736
Right of use asset	598,060	489,322	380,584
Investments in associates & joint venture	82,350,549	83,034,820	85,247,578
Investments at fair value through other comprehensive income	101,970,845	103,795,144	122,237,368
	198,056,740	200,170,517	220,104,446
<u>Current assets</u>			
Inventories	32,529,088	37,937,162	40,888,374
Trade accounts receivable	28,810,854	27,647,083	22,564,343
Other receivables and prepayments	1,596,673	1,705,791	2,291,635
Investments at fair value through profit or loss	3,427,265	3,214,470	3,051,313
Cash and cash equivalents	13,765,791	9,965,807	8,324,872
	80,129,671	80,470,313	77,120,537
Total Assets	278,186,411	280,640,830	297,224,983

	30 Jun. 2023	31 Dec. 2023	30 Jun. 2024
Liabilities (KWD)			
<u>Non-current liabilities</u>			
Provision for employees' end of service benefits	4,752,088	4,879,549	5,087,134
Term loans	15,000,000	23,691,000	19,508,000
Islamic financing	12,164,474	-	-
Lease liabilities	287,485	293,408	33,007
	32,204,047	28,863,957	24,628,141
<u>Current liabilities</u>			
Trade accounts payable	3,855,322	3,914,516	2,966,899
Other payables and accruals	8,301,817	8,860,218	8,582,214
Lease liabilities	189,270	189,270	227,124
Term loans-current portion	6,484,495	7,466,495	7,844,495
Islamic financing -current portion	1,815,789	-	-
Due to banks	884,266	565,979	842,450
	21,530,959	20,996,478	20,463,182
Total Liabilities	53,735,006	49,860,435	45,091,323
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	(1,941,712)	(1,361,022)	(1,724,854)
Statutory, voluntary and general reserves	71,893,702	74,109,625	74,109,625
Other components of equity	57,576,336	58,867,251	79,321,300
Retained earnings	46,241,510	48,507,417	49,767,715
Total equity attributable to the owners of the Parent Company	223,923,042	230,276,477	262,572,242
Non-Controlling Interests	528,363	503,918	506,668
Total Equity	224,451,405	230,780,395	252,133,660
Total Equity and Liabilities	278,186,411	280,640,830	297,224,983

Consolidated Statement of Profit or Loss

	Q2-2023	Q2-2024	H1-2023	H1-2024
Revenue (KWD)				
Sales and contracting revenue	23,852,983	28,095,895	52,586,543	52,717,858
Cost of revenue	(21,458,405)	(23,251,87)	(47,849,166)	(45,035,737)
Gross profit	2,394,578	4,844,017	4,737,377	7,682,121
Change in fair value of investments at FVTPL	57,962	(113,338)	(35,829)	(171,899)
Dividend income	2,697,821	2,325,097	16,788,374	11,535,097
Other investment gain	50,613	58,002	62,539	37,374
Share of results of associates & joint venture	1,358,086	1,041,749	1,828,477	2,607,508
Interest & other income	133,741	78,444	208,745	142,437
Foreign currency exchange gain	91,874	150,437	234,025	276,316
	6,784,675	8,384,408	23,823,708	22,108,954
Expenses and other charges (KWD)				
General and administrative expenses	(1,486,033)	(1,589,255)	(3,213,122)	(3,170,419)
Commercial expenses	(611,946)	(761,369)	(1,504,580)	(1,446,898)
Provision (charge) / reversal for obsolete and slow-moving inventories	813	27,689	(185,751)	78,322
Provision charge for doubtful debts and other receivables	(1,955)	(1,113,389)	(597,214)	(1,228,695)
Finance costs	(456,763)	(380,572)	(943,956)	(787,989)
	(2,555,884)	(3,816,896)	(6,444,623)	(6,555,679)

	Q2-2023	Q2-2024	H1-2023	H1-2024
Profit before provision for taxation and Board of Directors' remuneration	4,228,791	4,567,512	17,379,085	15,553,275
Provision for taxation	(63,974)	(154,179)	(662,580)	(606,498)
Directors' remuneration	(77,500)	(76,250)	(155,000)	(152,500)
Profit for the Period	4,087,317	4,337,083	16,561,505	14,794,277
Profit for the period attributable to:				
Owners of the Parent Company	4,084,988	4,337,373	16,557,704	14,790,941
Non-controlling interests	2,329	(290)	3,801	3,336
Profit for the Period	4,087,317	4,337,083	16,561,505	14,794,277
Earnings Per share	20 Fils	21 Fils	80 Fils	71 Fils

Common Size Analysis - Consolidated Statement of Financial Position

	30 Jun. 2023	31 Dec. 2023	30 Jun. 2024
Assets			
<u>Non-current assets</u>			
Goodwill	1.30%	1.28%	1.21%
Property, plant and equipment	3.43%	3.30%	2.91%
Right of use asset	0.21%	0.17%	0.13%
Investments in associates & joint venture	29.60%	29.59%	28.68%
Investments at fair value through other comprehensive income	36.66%	36.99%	41.13%
	71.20%	71.33%	74.05%
<u>Current assets</u>			
Inventories	11.69%	13.52%	13.76%
Trade accounts receivable	10.36%	9.85%	7.59%
Other receivables and prepayments	0.57%	0.61%	0.77%
Investments at fair value through profit or loss	1.23%	1.15%	1.03%
Cash and cash equivalents	4.95%	3.55%	2.80%
	28.80%	28.67%	25.95%
Total Assets	100%	100%	100%

- The percentage of total non-current assets increased from 71.33% in Dec.2023 to 74.05% in Jun.2024, while the percentage of total current assets has decreased proportionately from 28.67% to 25.95%
- The percentage of total liabilities dropped from 17.77% in Dec. 2023 to 15.17% in Jun.2024, on the other hand the percentage of total equity attributable to the owners of the parent company rose from 82.05% to 84.66%

	30 Jun. 2023	31 Dec. 2023	30 Jun. 2024
Liabilities			
<u>Non-current liabilities</u>			
Provision for employees' end of service benefits	1.71%	1.74%	1.71%
Term loans	5.39%	8.44%	6.56%
Islamic financing	4.37%	-	-
Lease liabilities	0.10%	0.10%	0.01%
	11.58%	10.29%	8.16%
<u>Current liabilities</u>			
Trade accounts payable	1.39%	1.39%	1.00%
Other payables and accruals	2.98%	3.16%	2.89%
Lease liabilities	0.07%	0.07%	0.08%
Term loans-current portion	2.33%	2.66%	2.64%
Islamic financing -current portion	0.65%	-	-
Due to banks	0.32%	0.29%	0.28%
	7.74%	7.48%	6.88%
Total Liabilities	19.32%	17.77%	15.17%
Equity			
Share capital	7.55%	7.48%	7.06%
Share premium	10.48%	10.39%	9.81%
Treasury shares	-0.70%	(0.48%)	(0.58%)
Statutory, voluntary and general reserves	25.84%	26.41%	24.93%
Other components of equity	20.70%	20.98%	26.69%
Retained earnings	16.62%	17.28%	16.74%
Total equity attributable to the owners of the Parent Company	80.49%	82.05%	84.66%
Non-Controlling Interests	0.19%	0.18%	0.17%
Total Equity	80.68%	82.23%	84.83%
Total Equity and Liabilities	100.00%	100%	100%

Common Size Analysis - Consolidated Statement of Profit or Loss

	Q2-2023	Q2-2024	H1-2023	H1-2024
Revenue				
Sales and contracting revenue	100.00%	100.00%	100.00%	100.00%
Cost of revenue	-89.96%	-82.76%	-90.99%	-85.43%
Gross profit	10.04%	17.24%	9.01%	14.57%
Change in fair value of investments at FVTPL	0.24%	-0.40%	-0.07%	-0.32%
Dividend income	11.31%	8.27%	31.92%	21.88%
Other investment gain	0.21%	0.21%	0.12%	0.07%
Share of results of associates & joint venture	5.69%	3.71%	3.48%	4.95%
Interest & other income	0.56%	0.28%	0.40%	0.27%
Foreign currency exchange gain	0.39%	0.53%	0.45%	0.52%
	28.44%	29.84%	45.31%	41.94%
Expenses and other charges				
General and administrative expenses	-6.23%	-5.66%	-6.11%	-6.01%
Commercial expenses	-2.57%	-2.71%	-2.86%	-2.75%
Provision (charge)/ reversal for obsolete and slow-moving inventories	0.00%	0.10%	-0.35%	0.15%
Provision charge for doubtful debts and other receivables	-0.01%	-3.96%	-1.14%	-2.33%
Finance costs	-1.91%	-1.35%	-1.80%	-1.50%
	-10.72%	-13.58%	-12.26%	-12.44%

	Q2-2023	Q2-2024	H1-2023	H1-2024
Profit before provision for taxation and Board of Directors' remuneration	17.73%	16.26%	33.05%	29.50%
Provision for taxation	-0.27%	-0.55%	-1.27%	-1.15%
Directors' remuneration	-0.32%	-0.27%	-0.29%	-0.29%
Profit for the Period	17.14%	15.44%	31.49%	28.06%

In H1- 2024:

- The percentage of gross profit increased by 5.56% compared to H1- 2023 (from 9.01% to 14.57%)
- Dividend income shows a decrease of 10.04% to 21.88% in H1- 2024 from 31.92% in H1-2023
- Share of results of associates & joint venture shows an increase from 3.48% to 4.95%
- Expenses and other charges slightly increased by 0.18% to 12.44%
- Profit percentage decreased by 3.43% to reach 28.06% in H1-2024 from 31.49% in H1-2023



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

THANK YOU

