



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

Date: 24/11/2024

Ref.: GC/804/2024

M/S. Boursa Kuwait Company

Greeting,

**Subject: Analyst Conference Transcript for Q3-2024**

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

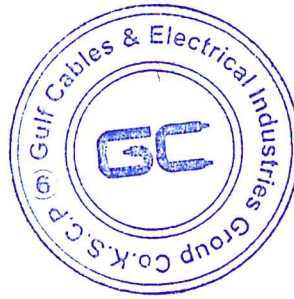
We would like to advise that Analysts/Investors Conference for Q3-2024 was held through live webcast at 1:00 PM on Thursday 21 November 2024.

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 Q3- 2024.

Best regards

**Basel Omran Kanaan**  
Chief Executive Officer



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Tel.: +965-24645500 - Fax : +965-24675305 - 24675850  
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**Gulf Cables & Electrical Industries Group Co. K.S.C.P**

# Earnings Conference Call

## 9M/Q3-2024

Period Ended 30 September 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 everyone and thank you for joining us today for Gulf Cables Group 9M/Q3-2024 earnings conference call.

I am **Mahmoud El-Mahmoud**, Deputy Investment Manager of Gulf Cables & Electrical Industries Group. Joining us for today's call are **Mr. Basel Kanaan**, the Chief Executive Officer of Gulf Cables Group, and **Mr. Ahmad Tayem**, the Executive Director of Finance, for this call.

Before we proceed, please note that some comments in this presentation may qualify as forward-looking statements. These statements represent our organization's expectations but are subject to risks and uncertainties that could cause actual results to differ significantly, potentially affecting the outcomes and financial impacts of the plans outlined. It is important to exercise caution and not rely solely on these forward-looking statements.

Please note that Gulf Cables Group is under no obligation to update its views on these risks and uncertainties or to publicly disclose any revisions to the forward-looking statements made during this presentation. We also advise you to review the complete disclaimer included in today's presentation. By participating in this presentation or accepting any copies of the slides, you agree to adhere to these stated limitations.

Our program for today is as follows:

**Mr. Basel Kanaan**, the Chief Executive Officer, will provide an overview of the Group's performance.

**Mr. Ahmad Tayem**, the Executive Director of Finance, will deliver a presentation on the Group's financial performance.

Following these presentations, we will take questions in the order they will be received during the call.

With that, I now hand over the mic to **Mr. Basel Kannan**, our Chief Executive Officer.



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

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

Good afternoon, everyone, and thanks for joining us for the first nine months earnings conference call of 2024.

An overview of the results indicates that Gulf Cables Group delivered moderate performance in the first nine months of 2024, maintaining healthy results compared to the same period in 2023, with notable progress in the third quarter relative to Q3 2023. Our cable business performed well, leading to higher gross profit over the nine-month period, though net profit experienced a decline.

Overall, there are positive developments for our valued shareholders, as improvements are evident in sales, production, and key financial position indicators.

The board and management remain committed to responding and adapting to each challenging situation. The board consistently seeks strategic investment and divestment opportunities that benefit our trusted shareholders. Meanwhile, the management actively pursues cost reduction measures and the adoption of the latest technologies to enhance productivity. Our new production line is currently in the installation phase and is set to commence production in early 2025.

The Group's total revenue remained consistent with 2023 levels, while sales and contracting revenue showed a promising growth of 3.6 percent. The Group reported a net profit of KD 16.8 million, down from KD 18.3 million, primarily due to a decrease in dividend income during the period compared to the first nine months of 2023. Earnings per share also reflected an 8 percent decline, at 81 fils compared to 88 fils for the same period last year.

These results must be assessed in the context of current local and global economic in addition to the political conditions. Key challenges include reduced oil production of Kuwait in accordance with OPEC's cap, which the IMF predicts could lead to a 3.2 percent contraction in real GDP in 2024. Additionally, the central bank rate remains relatively high at 4 percent, despite recent cuts. Further complications arise from logistical risks in the Red Sea, which have significantly impacted the timely delivery of raw materials and increased freight and insurance costs, particularly affecting our subsidiary company's operations in Jordan.



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That's all from my side at present. Now, I invite **Mr. Ahmed Tayem** to take you through the Group's financial performance in detail for the first nine months of 2024.

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

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

Let me use this podium to take you through the financial results and position of Gulf Cables Group for the first nine months of 2024.

During this period, The Group's total revenue stood at KD 95.4 million in nine months of 2024 equaling the nine months of 2023.

EBITDA decreased by 8.2 percent in nine months of 2024, reaching KD 20.3 million, which was KD 22.1 million in nine months of 2023.

The Group's net profit decreased by 8.1 percent to KD 16.8 million in comparison to KD 18.3 million and earnings per share is 81 fils compared to 88 fils.

As told by our CEO, the financial position factors have improved a lot showing the financial base and strength of the group. Also, Total Assets increased during the nine months by 7.1 percent to reach KD 300.5 million against KD 280.6 million on 31st December 2023

Total liabilities decreased by a phenomenal 10.5 percent as of 30th September 2024 in comparison to 31st December 2023 supported by the decrease of 10.5 percent in the borrowings, from KD 31.7 million on 31st December 2023 to KD 27.7 million on 30th September 2024.

And to add more delight to shareholders, the group's total equity displayed a considerable growth of 10.9 percent to 255.9 million on 30 September 2024 compared to KD 230.8 million on December 31 2023.

The Group's production shows an increase of 4.4 percent in nine months of 2024 to reach 39.4 thousand MT vs 37.7 thousand MT in nine months of 2023.

**Now moving to slide number 6,** regarding the revenue analysis of the first nine months of the year. The total revenue KD 95.4 million comprises of KD 74.2 million from cable sales jointly for parent company in Kuwait and the subsidiary in Jordan, KD 15.9 million from investments, and KD 5.3 million from service contracts of subsidiary in Kuwait.



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Breaking down the KD 74.2 million in total cable sales, KD 52.6 million is from Kuwait, and KD 21.6 million is contributed by Jordan.

The revenue from investments experienced a decrease to KD 15.9 million in nine months of 2024, from KD 18.6 million in nine months of 2023. This decrease is mainly as a result of decline in the dividend income.

In terms of service contracts, our subsidiary, CARE Company for Buildings and Cities Cleaning Contracting, generated a revenue of KD 5.3 million in the first nine months of 2024, producing an increase of KD 1.3 million from the KD 4 million reported in the first nine months of 2023.

The total sales and contracting within the Group increased from KD 76.8 million in nine months of 2023 to KD 79.5 million in the current nine months, with a period to period increase of 3.6 percent.

Looking to the quarterly performance of the third quarter of 2024 alone, the total sales and contracting revenue for the Group witnessed a remarkable 10.8 percent increase when compared to 2023.

**In the next slide, number 7**, for the quarterly analysis for the cable sales of the parent company in Kuwait during third quarter, the total sales witnessed an increase of 10.6 percent in comparison to third quarter of 2023. The major factor impacting this increase is the growth in local private sector sales, recording KD 14.8 million, showing a notable growth of 13.7 percent from KD 13 million recorded in third quarter of 2023.

The export sector also witnessed upward trend, showing an increase of sales by 57.4 percent, with a sale of KD 1.5 million

On the other hand, the public sector's contribution during the same period saw a decreasing movement, with KD 1.3 million in third quarter of 2024 compared to the previous year's KD 1.9 million, resulting a 34.5 percent decrease.

**Proceeding to slide number 8**, in respect of nine months breakdown of cable sales for the parent company in Kuwait we can see a decline of 5.9 percent, though we registered a growth in the third quarter. It was due the sharp decline of sales in the first quarter and the sole factor is the local private sector. Their nine months sale is KD 44.8 million, with a 9.6



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percent decrease from the KD 49.6 million recorded in 2023. The major contributing factor is sales of cables to the contractors of PAHW projects.

During the period, the public sector's contribution displayed an increase of 11.4 percent, amounting to KD 5.4 million in 2024 in contrast to KD 4.8 million in 2023.

Sales in the export sector also shows a notable increase of 36.6 percent amounted to KD 3.3 million.

**In slide number 9**, the Group's production and sales categorized by product and material, stated in terms of weight.

Sales of medium voltage cables have decreased by 10.4 percent, while low voltage and other cables have displayed a 17.2 percent increase in nine months of 2024. The cumulative weight of total sales reflects an overall rise of 5.9 percent.

Regarding production, the output of copper cables has experienced a growth of 6.2 percent compared with nine months of 2023 figures. On the other hand, there has been a minor 0.4 percent increase in the production of Aluminum cables compared to 2023.

To summarize, the collective quantities of cables manufactured during the nine months of 2024 have risen by 4.4 percent when compared with the corresponding figures from 2023.

**In the next slide, number 10**, we can see the Group's ratio analysis, gross profit margin saw an upward movement from 11.4 percent in nine months of 2023 to 13.8 percent in nine months of 2024. This increase is because of the decreased cost of revenue resulted by the effective cost-cutting efforts by the management. In contrast, EBITDA margin displayed negative growth, decreasing from 28.8 percent in nine months of 2023 to 25.5 percent in nine months of 2024, due to the decrease in dividend income received during the period.

Additionally, The Group reported a nominal 0.6 percent decline in Return on Assets (including investment income) and a 1.2 percent decline in Return on Equity, during the nine months of 2024, compared to the corresponding period in 2023.

In terms of leverage, the Group's leverage ratios continue to display improvements during the nine months of 2024. The percentage of total debt to total assets improved by 4.0 percent, the debt-to-equity ratio improved by 5.6 percent, and the interest coverage ratio saw an increase of 1.7 compared to the nine months of 2023.





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When we see the liquidity ratios, current ratio shows a decrease of 0.2 and quick ratio with 0.6 decrease, whereas, working capital to total assets ratio remained steady without any changes.

**In the upcoming slide, 11**, shows the Group's financial position and cash flow, where the total assets increased from KD 280.6 million in December 2023 to reach KD 300.5 million at the end of September 2024. This increase happened mainly due to the increase in investments at fair value through other comprehensive income (FVTOCI) and the increase in the investment of associates.

Non-current liabilities shows a drop from KD 28.8 million at the end of the year 2023 to KD 24.2 million at the end of September 2024, marking a significant decline of 16.2 percent. This decrease is attributed to the settlement of borrowings carried out during the period. Current liabilities also experienced a decline of 2.7 percent, totaling KD 20.4 million on 30 September 2024.

The most significant part in this slide is the Group's total equity displayed an increase of KD 25.1 million resulting a notable growth of 10.9 percent, gaining from KD 230.8 million at the end of 2023 to KD 255.9 million in September 2024.

From the cash flow statement, we can recognize that cash flow from operating activities displayed notable improvement of 333.3 percent, from a net cash inflow of KD 1.2 million in the nine months of 2023 to a net cash inflow of KD 5.2 million in the same period of 2024. The increase can be attributed mainly to the increase in the collections on trade accounts receivables.

In terms of investing activities, there was a cash inflow of KD 12.6 million in the nine months of 2024, compared to a cash inflow of KD 23.1 million in the same period of 2023 resulting a 45.5 percent decline. This decline is mainly because of decrease in dividend income received during the period.

In summary, the cash and cash equivalents reduced from KD 10.2 million at the end of September 2023 to KD 7.4 million at the end of the September 2024, with a 27.5 percent decrease.

**In the next slide number 12**, we oversee our investments in associates. The Group's current effective ownership interest in NIC and HEISCO remained stable as of the end of September 2024 in comparison of end of December 2023 with NIC standing at 26.98 percent, HEISCO





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at 28.33 percent. There was a slight increase of 2.5 percent in Team Holding to reach 50 percent.

The carrying value of the Group's ownership interest in NIC amounted to KD 52.4 million, showing an increase of KD 4.5 million in comparison to the value of KD 47.9 million recorded at the end of December 2023,

On the other hand, the carrying values for HEISCO and Team Holding remained relatively stable at KD 31.3 million and KD 1.2 million, respectively.

Regarding the share of results, Gulf Cables' share of results in NIC is KD 2.8 million in the first nine months of 2024, showing an increase from KD 0.6 million reported in nine months of 2023. The Group's share of results in HEISCO for nine months of 2024 amounted to KD 1.4 million, against KD 1.1 million in nine months of 2023.

**In the last slide of my presentation**, we describe about our investment portfolio. Total investment increased to KD 127.7 million by end of September 2024, compared to KD 107 million at the end of December 2023. This increase is because of the change in the fair value of the investments and due to discontinuing the application of the discount on the fair value of Boursa Kuwait investment as we completed the lock in period.

Most of our holdings consist of quoted equity securities, making approximately 55.3 percent of our portfolio at the end of September 2024, followed by unquoted securities at 40.3 percent. Around 97.8 percent of our investment portfolio is categorized as fair value through other comprehensive income. These investments comprise equity instruments strategically held for medium to long-term objectives. At the end of September 2024, the Group has investments of fair value through profit or loss for the value of KD 3.6 million compared to KD 3.2 million recorded at the end of 2023.

Also, managed funds accounted for KD 5.7 million. These funds incorporate investments in units of equity holdings.

When we see the geographical allocation, local quoted securities classified as FVTOCI & FVTP/L, forms 60.4 percent of our portfolio, at the end of September 2024.

I am now wrapping up this session and pleased to report that our performance in the first nine months of 2024 has been quite satisfactory. We look forward to continuing this performance as we move into the last quarter of the year.



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That covers the overview of our group's financial performance. I would like to express my gratitude to all of you for your active participation.

I will now pass the call back to **Mr. Basel** for some valuable insights.

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

As we expressed in our half yearly conference call, we continued our positive momentum and delivered improved results in the third quarter of 2024, a trend we expect to continue into the next quarter also supported by several favorable factors.

The expected decline in inflation rate and recent discount rate cuts by the central bank are promising signs of growth for the local Kuwaiti economy.

Additionally, timely and efficient execution of the pending projects and other infrastructure developments under the new government's leadership brings further optimism.

However, it's important to remain aware of the escalating global and regional conflicts, which have now reached inter-nation tensions a matter of serious concern.

That's all from my side, now over to you **Mr. Mahmoud** Thank you.

**Mr. Mahmoud El Mahmod:** Thank you, **Mr. Basel**. We will now open for the question and answer session. We've already received questions, so let's begin.

### Q&A Session:

**1. How do you see the performance of the Jordanian subsidiary given the volatile regional situation and logistic issues?**

**Mr. Basel Kanaan:** The intensifying conflict in the region and disruptions to shipping in the Red Sea are certainly concerning for our subsidiary in Jordan due to their location. However, our management team is highly experienced and efficient to handle such challenges as evidenced by a 34.2 percent increase in sales during this reporting period compared to 2023.

Despite these challenging conditions, we remain optimistic about their future performance.

**2. Could you provide more details regarding the sale of the investment in Foulath Holding Co.?**

**Mr. Ahmed Tayem:** The board held in October to review the non-binding offer to sell our 10 percent ownership in Foulath Holding Co. and granted the approval on the offer, conditional upon the completion of due diligence process. Several procedures



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still need to be completed, and necessary updates will be provided to our esteemed shareholders in compliance with the rules and regulatory bodies.

**Mr. Mahmoud El Mahmoud:** I suppose this is the end of our Q&A session so let us wind up this call. If you have any additional inquiries, feel free to send them to our Investor Relations email address: [investor.relations@gulfcable.com](mailto:investor.relations@gulfcable.com) ,and we will provide our answers at the earliest.

We thank everyone who attended this earnings conference call and look forward to meet you all in the year end call. We wish you all the very best.

# 9M / Q3-2024

Period Ended 30 September 2024

## INVESTORS PRESENTATION



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

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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

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# Performance Highlights



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

**0.0%**

95.4m in 9M-2024  
95.4m in 9M-2023



## Sales & contracting revenue

**+3.6%**

79.5m in 9M- 2024  
76.8m in 9M- 2023



## EBITDA

**-8.2%**

20.3m in 9M- 2024  
22.1m in 9M-2023



## Net Profit

**-8.1%**

16.8m in 9M-2024  
18.3m in 9M-2023



## EPS

**-8.0%**

81 Fils in 9M-2024  
88 Fils in 9M-2023



## Assets

**+7.1%**

300.5m in Sept. 2024  
280.6m in Dec. 2023



## Liabilities

**-10.5%**

44.6m in Sept. 2024  
49.9m in Dec. 2023



## Borrowings

**-12.8%**

27.7m in Sept. 2024  
31.7m in Dec. 2023



## Equity

**+10.9%**

255.9m in Sept. 2024  
230.8m in Dec. 2023



## Production Metric Ton ('000')

**+4.4%**

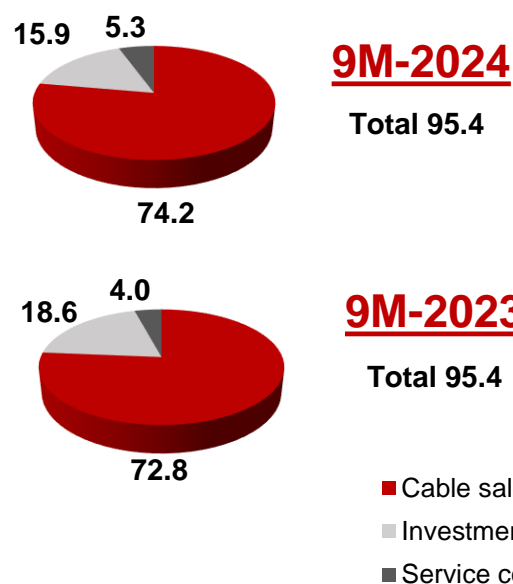
39.4MT in 9M-2024  
37.7MT in 9M-2023

**Note:** all figures are in **KWD**

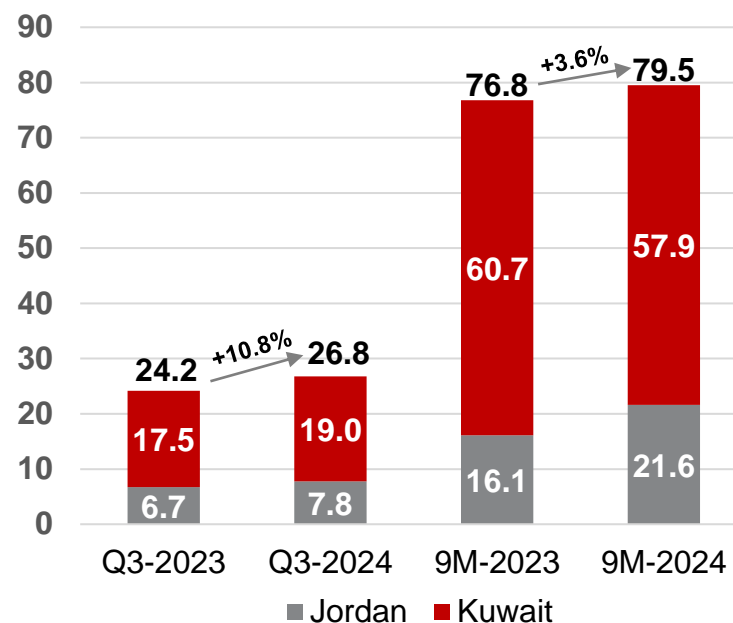
<sup>1</sup> Total revenue consist of cable sales, contracting revenue and investment revenue.

# Financial Overview – Group

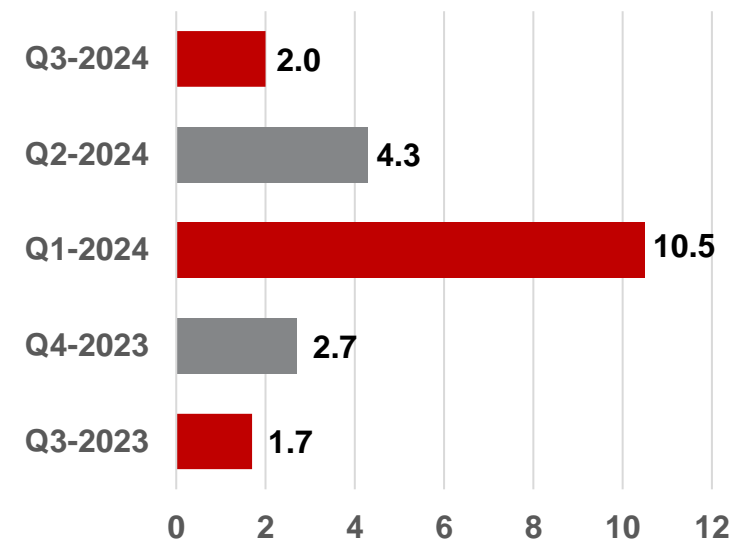
**Total Revenue Breakdown**  
Million - KWD



**Sales & Contracting Revenue**  
Million – KWD



**Net Profit- Quarterly Basis**  
Million - KWD

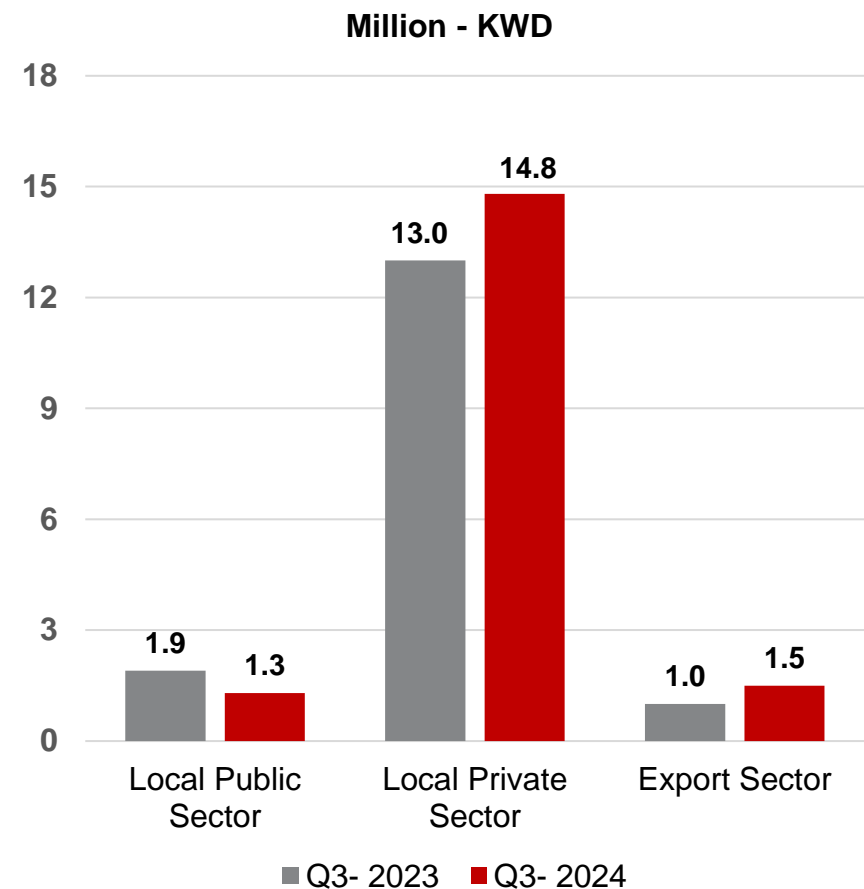


**In 9M- 2024:**

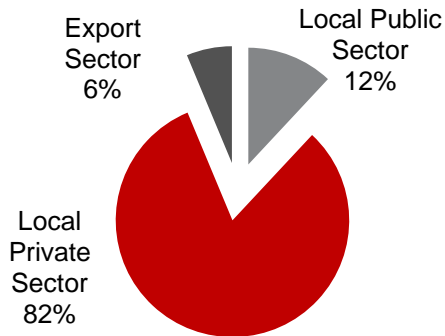
- Total revenue remained constant compared to 9M-2023. However, Total Sales & Contracting revenue for the Group saw an increase of 3.6%.
- Sales & contracting revenue amounted to KWD 79.5m which consists of revenue from cable sales by KWD 74.2m and service contracts revenue by KWD 5.3m
- The net profit for 9M-2024 shows a decrease of 8.1% compared to 9M-2023.

# Financial Overview - Gulf Cables Kuwait

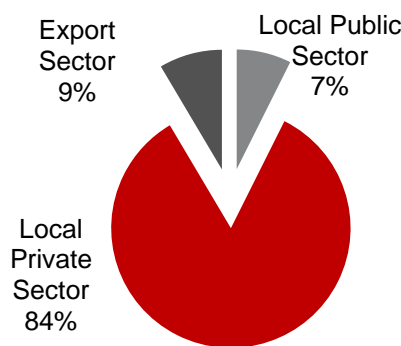
## Breakdown of Cable Sales by Sector – Q3



Q3-2023



Q3-2024



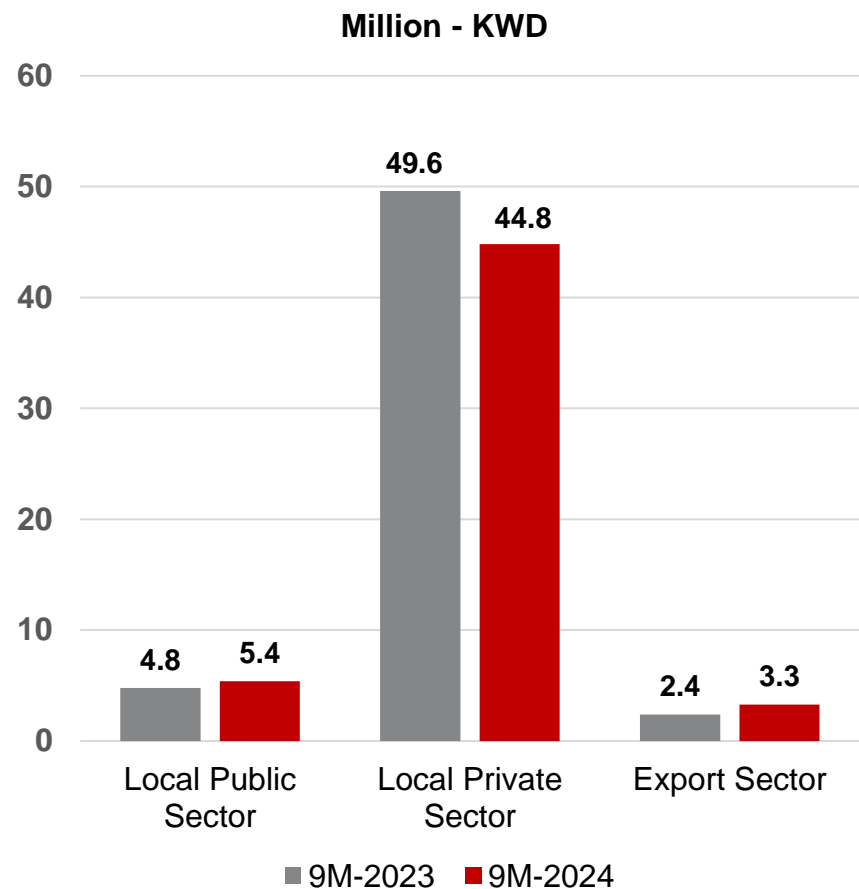
Description (Million, KWD)	Q3-2023	Q3-2024	Change	% Change
Local Public Sector	1.9	1.3	-0.6	-34.5%
Local Private Sector	13.0	14.8	1.8	13.7%
Export Sector	1.0	1.5	0.5	57.4%
Total Sales	15.9	17.6	1.7	10.6%

In Q3- 2024:

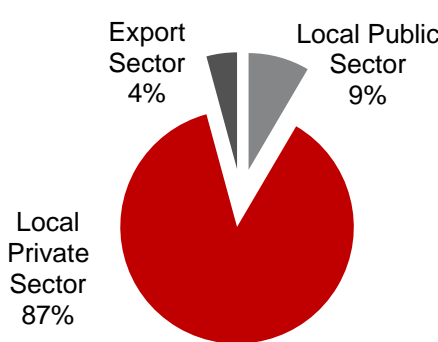
- Total cable sales experienced an increase of 10.6% compared to Q3-2023.
- Local public sector shows a decrease of 34.5% whereas Local private sector displays an increase of 13.7%.
- Export Sector also shows an increase of 57.4%.

# Financial Overview - Gulf Cables Kuwait

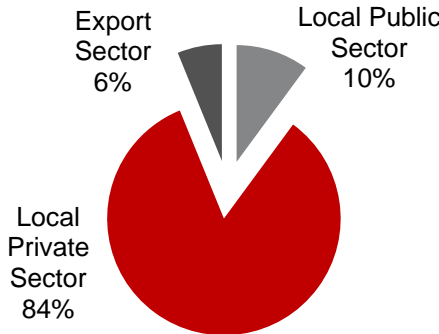
## Breakdown of Cable Sales by Sector – 9M



9M-2023



9M-2024



Description (Million, KWD)	9M-2023	9M-2024	Change	% Change
Local Public Sector	4.8	5.4	0.6	11.4%
Local Private Sector	49.6	44.8	-4.8	-9.6%
Export Sector	2.4	3.3	0.9	36.6%
Total Sales	56.8	53.5	-3.3	-5.9%

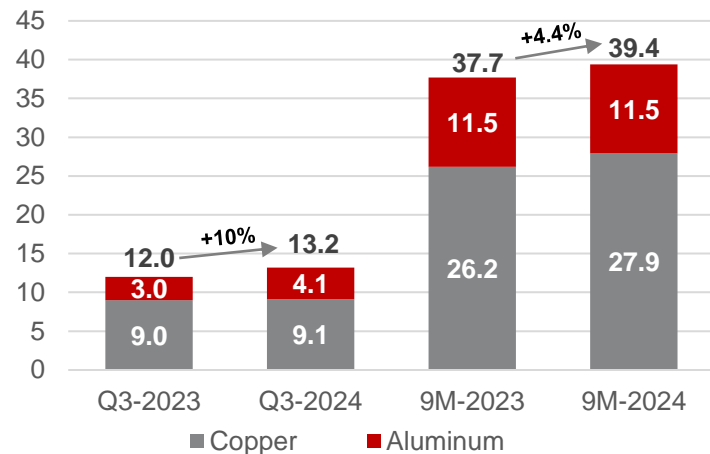
In 9M- 2024:

- Total cable sales decreased by 5.9% in 9M-2024 due to decrease in sales to the Local Private Sector compared to 9M-2023.
- Sales for the Local Public Sector increased by 11.4% compared to 9M-2023 due to the increase in requirement from MEW.
- Export Sector also shows an upward trend in 9M-2024.

# Financial Overview – Group Sales and Production by Weight

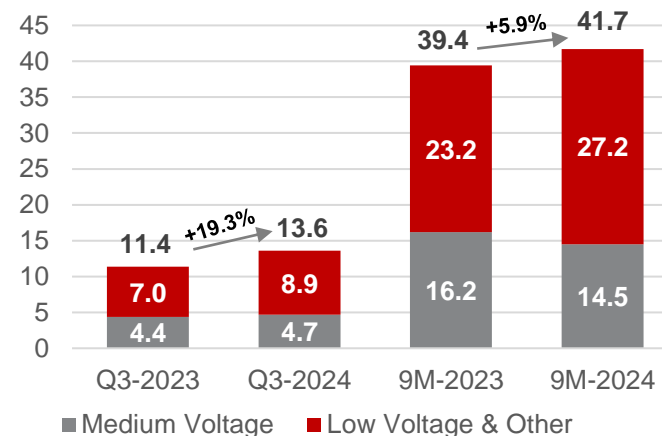
## Production Breakdown by Material

Quantity in ('000') Metric Ton



## Sales Breakdown by Product

Quantity in ('000') Metric Ton



### In 9M- 2024:

- Total cable sales weight witnessed an increase of 5.9% compared to 9M-2023 due to increased supply of LV Cables to MEW and PAHW projects.
- In production, copper cables saw an increase of 6.2% and aluminum cables 0.4%.
- Overall, the total cables production increased by 4.4%.

Sales Breakdown by Product	Q3-2023 MT	Q3-2024 MT	9M-2023 MT	9M-2024 MT	9M% Change
Medium Voltage Cables	4,393	4,719	16,213	14,525	-10.4%
Low Voltage and Other Cables	7,018	8,887	23,243	27,243	17.2%
<b>Total Cables</b>	<b>11,411</b>	<b>13,606</b>	<b>39,456</b>	<b>41,768</b>	<b>5.9%</b>

Production Breakdown by Material	Q3-2023 MT	Q3-2024 MT	9M-2023 MT	9M-2024 MT	9M% Change
Copper Cables (Low & Medium Voltage)	8,909	9,084	26,243	27,866	6.2%
Aluminum Cables (Low & Medium Voltage)	3,124	4,085	11,442	11,493	0.4%
<b>Total Cables</b>	<b>12,033</b>	<b>13,169</b>	<b>37,685</b>	<b>39,359</b>	<b>4.4%</b>

# Financial Overview - Ratio Analysis

Ratios	9M- 2023	9M- 2024	Change	FY2023
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## Profitability

Gross Profit Margin - %	11.4%	13.8%	↑ +2.4%	12.9%
EBITDA Margin - %	28.8%	25.5%	↓ -3.3%	25.3%
Net Profit Margin - %	23.8%	21.1%	↓ -2.7%	20.6%
ROA on Average Assets - % (with investment income)	6.4%	5.8%	↓ -0.6%	7.4%
ROE on Average Equity - % (with investment income)	8.1%	6.9%	↓ -1.2%	9.2%

## Leverage

Total Debt Percentage of Total Assets-%	13.2%	9.2%	↓ -4.0%	11.3%
Debt to Equity Ratio-%	16.4%	10.8%	↓ -5.6%	13.7%
Interest Coverage Ratio	14.6	16.3	↑ +1.7	12.7

## Liquidity

Current Ratio	3.9	3.7	↓ -0.2	3.8
Quick Ratio	2.1	1.5	↓ -0.6	2.0
Working Capital to Total Assets	0.2	0.2	= 0.0	0.2

### In 9M- 2024:

- The Group's gross profit margin rose from 11.4% to 13.8%, primarily attributed to a decrease in the cost of revenue.
- EBITDA margin shows a decrease from 28.8% to 25.5% in 9M-2024. The EBITDA margin was affected mainly by reduced dividend income compared to 9M-2023.
- Net profit margin also diminished by 2.7% from 23.8% to 21.1%.
- Both ROA on average assets & ROE on Average equity displayed decreasing trend.
- Total debt percentage of total assets showed improvement of 4.0% compared to 9M-2023.
- Debt to equity ratio also saw a notable improvement of 5.6% over the same period.
- Interest coverage ratio improved by 1.7 to reach 16.3 in 9M-2024.
- The current ratio experienced a decrease of 0.2 in 9M-2024.
- Quick ratio displayed a decrease of 0.6 in the same period.
- Working capital to total assets ratio remained steady without any changes.

# Financial Overview - Financial Position & Cash Flow Statements

Financial Position (Million, KWD)	Dec. 2023	Sept. 2024	Change	% Change
Non-Current Assets	200.2	224.7	24.5	+12.2%
Current Assets	80.4	75.8	-4.7	-5.8%
<b>Total Assets</b>	<b>280.6</b>	<b>300.5</b>	<b>19.9</b>	<b>+7.1%</b>
Non-Current Liabilities	28.8	24.2	-4.7	-16.2%
Current Liabilities	21.0	20.4	-0.6	-2.7%
<b>Total Liabilities</b>	<b>49.8</b>	<b>44.6</b>	<b>-5.2</b>	<b>-10.5%</b>
<b>Total Equity</b>	<b>230.8</b>	<b>255.9</b>	<b>25.1</b>	<b>10.9%</b>
<b>Total Liabilities &amp; Equity</b>	<b>280.6</b>	<b>300.5</b>	<b>19.9</b>	<b>+7.1%</b>

Cash Flow Statement (Million, KWD)	Sept. 2023	Sept. 2024	Change	% Change
Profit From Operations	18.3	16.8	-1.5	-8.1%
Non-Cash Adjustments	-14.7	-11.1	3.6	-24.5%
Changes in Working Capital	-2.4	-0.5	1.9	-79.2%
<b>Net Cash Flow - Operating Activities</b>	<b>1.2</b>	<b>5.2</b>	<b>4.0</b>	<b>333.3%</b>
Net Cash Flow - Investing Activities	23.1	12.6	-10.5	-45.5%
Net Cash Flow - Financing Activities	-22.2	-19.8	2.4	10.8%
<b>Increase/Decrease in Cash and Cash Equivalents</b>	<b>2.1</b>	<b>-2.0</b>	<b>-4.1</b>	<b>-195.2%</b>
<b>Cash and Cash Equivalents at Period End</b>	<b>10.2</b>	<b>7.4</b>	<b>-2.8</b>	<b>-27.5%</b>

## In 9M- 2024:

- Non-current assets increased by 12.2% in Sept.2024, driven by increase in the carrying value of investments in associates and investments at FVTOCI.
- Non-current liabilities decreased by 16.2%.
- Shareholder's equity witnessed a substantial increase of 10.9%.
- Cash inflow from operating activities increased by 333.3% compared to 9M-2023 mainly due to collections on trade accounts receivable.
- Cash inflow from investing activities, totaling KWD 12.6m, primarily consisted of cash dividends received.
- Overall cash and cash equivalents decreased by KWD 2.8m resulting a 27.5% decrease compared to 9M-2023.



## Financial Overview – Investments in Associates

### NIC



شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

	Sept. 2023	Dec. 2023	Sept. 2024
GC Effective Ownership Interest	26.95%	26.98%	26.98%
Total Net Assets Value	172.7m	173.2m	189.6m
GC Carrying Value of Ownership Interest	47.8m	47.9m	52.4m
	9M-2023	Y2023	9M-2024
Profit for the Period /Year Attributable to Shareholders of the Parent Co.	2.5m	4.1m	10.2m
GC Share of Results	0.6m	1.1m	2.8m
Dividends Received from the Associate	6.0m	6.0m	3.2m

### HEISCO



	Sept. 2023	Dec. 2023	Sept. 2024
GC Effective Ownership Interest	28.33%	28.33%	28.33%
Total Net Assets Value	70.9m	74.1m	73.6m
GC Carrying Value of Ownership Interest	30.5m	31.4m	31.3m
	9M-2023	Y2023	9M-2024
Profit for the Period /Year Attributable to Shareholders of the Parent Co.	4.0m	7.2m	5.1m
GC Share of Results	1.1m	2.0m	1.4m
Dividends Received from the Associate	1.0m	1.0m	1.5m

### Team Holding



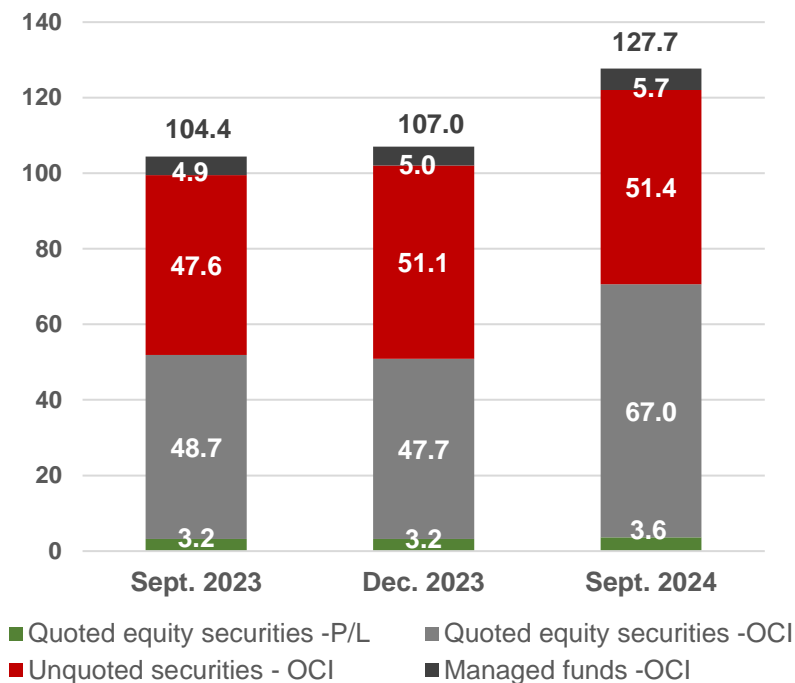
	Sept. 2023	Dec. 2023	Sept. 2024
GC Effective Ownership Interest	47.50%	47.50%	50.00%
Total Net Assets Value	2.3m	2.4m	2.3m
GC Carrying Value of Ownership Interest	1.1m	1.1m	1.2m
	9M-2023	Y2023	9M-2024
Profit for the Period /Year Attributable to Shareholders of the Parent Co.	0.1m	0.2m	0.08m
GC Share of Results	0.05m	0.08m	0.04m
Dividends Received from the Associate	0.2m	0.2m	0.06m

- GC carrying value of ownership interest in NIC increased by KWD 4.5m from KWD 47.9m in Dec.2023 to KWD 52.4m in Sept.2024, However in HEISCO and Team Holding remained relatively unchanged compared to Dec.2023.
- Share of results of NIC increased significantly to KWD 2.8m in 9M-2024 compared to KWD 0.6m in 9M-2023.
- Share of results of HEISCO also increased slightly to KWD 1.4m in 9M-2024 compared to KWD 1.1m in 9M-2023.

# Financial Overview - Investments at FVTOCI & FVTP/L

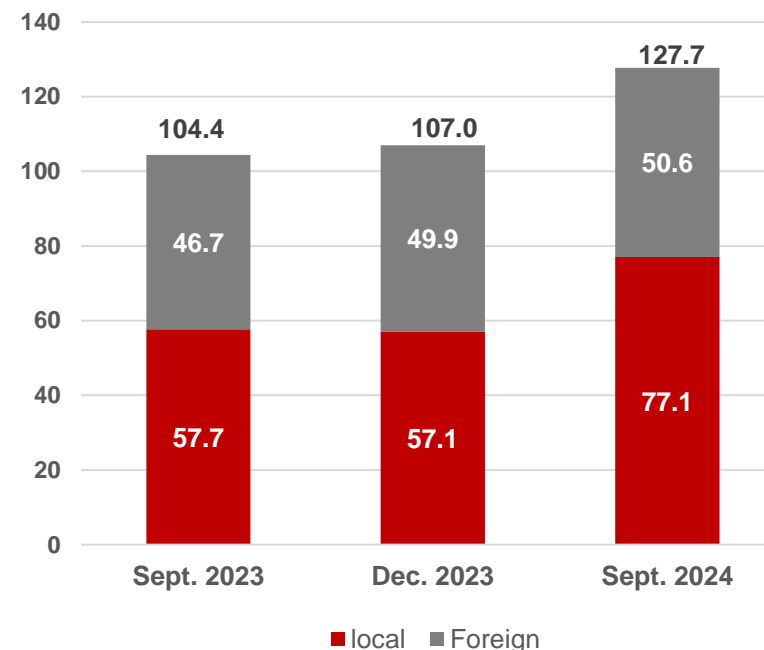
## Investment Portfolio Breakdown

Million - KWD



## Investments Geographical Breakdown

Million - KWD



### In 9M- 2024:

- Total investments at FVTOCI & FVTP/L increased by 19.3% from Dec.2023.
- Dividend income recognized on investments at FVTOCI & FVTP/L amounted to KWD 11.5m down from KWD 16.9m in 9M-2023.
- Local investments forms 60.4% of the total investments, moved up from 53.4% in Dec. 2023.



# QUESTIONS & ANSWERS



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



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# APPENDIX



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

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# Consolidated Statement of Financial Position

	30 Sept. 2023	31 Dec. 2023	30 Sept. 2024
<b>Assets (KWD)</b>			
<b><u>Non-current assets</u></b>			
Goodwill	3,603,180	3,603,180	<b>3,603,180</b>
Property, plant and equipment	9,256,840	9,248,051	<b>9,266,648</b>
Right of use asset	543,691	489,322	<b>326,214</b>
Investments in associates & joint venture	81,938,683	83,034,820	<b>87,421,599</b>
Investments at fair value through other comprehensive income	101,132,093	103,795,144	<b>124,073,350</b>
	<b>196,474,487</b>	<b>200,170,517</b>	<b>224,690,991</b>
<b><u>Current assets</u></b>			
Inventories	36,878,121	37,937,162	<b>44,872,169</b>
Trade accounts receivable	29,136,885	27,647,083	<b>17,440,271</b>
Other receivables and prepayments	1,652,747	1,705,791	<b>1,628,560</b>
Investments at fair value through profit or loss	3,227,203	3,214,470	<b>3,593,317</b>
Cash and cash equivalents	11,025,529	9,965,807	<b>8,265,849</b>
	<b>81,920,485</b>	<b>80,470,313</b>	<b>75,800,166</b>
<b>Total Assets</b>	<b>278,394,972</b>	<b>280,640,830</b>	<b>300,491,157</b>

	30 Sept. 2023	31 Dec. 2023	30 Sept. 2024
<b>Liabilities (KWD)</b>			
<b><u>Non-current liabilities</u></b>			
Provision for employees' end of service benefits	4,819,256	4,879,549	<b>5,125,536</b>
Term loans	15,558,000	23,691,000	<b>19,030,500</b>
Islamic financing	11,710,526	-	<b>-</b>
Lease liabilities	290,447	293,408	<b>34,623</b>
	<b>32,378,229</b>	<b>28,863,957</b>	<b>24,190,659</b>
<b><u>Current liabilities</u></b>			
Trade accounts payable	2,775,850	3,914,516	<b>2,455,010</b>
Other payables and accruals	8,556,436	8,860,218	<b>9,117,486</b>
Lease liabilities	189,270	189,270	<b>227,124</b>
Term loans-current portion	6,396,495	6,182,000	<b>6,910,000</b>
Islamic financing -current portion	1,815,789	-	<b>-</b>
Short term loans	500,000	1,284,495	<b>834,495</b>
Due to banks	826,499	565,979	<b>887,468</b>
	<b>21,060,339</b>	<b>20,996,478</b>	<b>20,431,583</b>
<b>Total Liabilities</b>	<b>53,438,568</b>	<b>49,860,435</b>	<b>44,622,242</b>
<b>Equity (KWD)</b>			
Share capital	20,993,131	20,993,131	<b>20,993,131</b>
Share premium	29,160,075	29,160,075	<b>29,160,075</b>
Treasury shares	(1,971,996)	(1,361,022)	<b>(2,236,199)</b>
Statutory, voluntary and general reserves	71,893,702	74,109,625	<b>74,109,625</b>
Other components of equity	56,366,555	58,867,251	<b>81,548,316</b>
Retained earnings	47,976,100	48,507,417	<b>51,778,785</b>
<b>Total equity attributable to the owners of the Parent Company</b>	<b>224,417,567</b>	<b>230,276,477</b>	<b>255,353,733</b>
Non-Controlling Interests	538,837	503,918	<b>515,182</b>
<b>Total Equity</b>	<b>224,956,404</b>	<b>230,780,395</b>	<b>255,868,915</b>
<b>Total Equity and Liabilities</b>	<b>278,394,972</b>	<b>280,640,830</b>	<b>300,491,157</b>

# Consolidated Statement of Profit or Loss

	Q3-2023	Q3-2024	9M-2023	9M-2024
<b>Revenue (KWD)</b>				
Sales and contracting revenue	24,223,141	26,829,989	76,809,684	79,547,847
Cost of revenue	(20,174,863)	(23,527,559)	(68,024,029)	(68,563,296)
<b>Gross profit</b>	<b>4,048,278</b>	<b>3,302,430</b>	<b>8,785,655</b>	<b>10,984,551</b>
Dividend income	65,787	13,500	16,854,161	11,548,597
Other investment gain	(101,415)	131,262	(74,705)	(3,263)
Share of results of associates & joint venture	14,611	1,692,524	1,843,088	4,300,032
Interest & other income	177,769	96,163	386,514	238,600
Foreign currency exchange gain	140,558	156,597	374,583	432,913
	<b>4,345,588</b>	<b>5,392,476</b>	<b>28,169,296</b>	<b>27,501,430</b>
<b>Expenses and other charges (KWD)</b>				
General and administrative expenses	(1,251,055)	(1,401,997)	(4,464,177)	(4,572,416)
Commercial expenses	(676,368)	(570,295)	(2,180,948)	(2,017,193)
Provision (charge) / reversal for obsolete and slow-moving inventories	11,024	67,624	(174,727)	145,946
Provision charge for doubtful debts and other receivables	(13,148)	(910,839)	(610,362)	(2,139,534)
Finance costs	(474,044)	(372,379)	(1,418,000)	(1,160,368)
	<b>(2,403,591)</b>	<b>(3,187,886)</b>	<b>(8,848,214)</b>	<b>(9,743,565)</b>

	Q3-2023	Q3-2024	9M-2023	9M-2024
<b>Profit before provision for taxation and Board of Directors' remuneration</b>	1,941,997	2,204,590	19,321,082	17,757,865
Provision for taxation	(122,660)	(105,708)	(785,240)	(712,206)
Directors' remuneration	(77,500)	(76,250)	(232,500)	(228,750)
<b>Profit for the Period</b>	<b>1,741,837</b>	<b>2,022,632</b>	<b>18,303,342</b>	<b>16,816,909</b>
<b>Profit for the period attributable to:</b>				
Owners of the Parent Company	1,734,590	2,011,070	18,292,294	16,802,011
Non-controlling interests	7,247	(11,562)	11,048	14,898
<b>Profit for the Period</b>	<b>1,741,837</b>	<b>2,022,632</b>	<b>18,303,342</b>	<b>16,816,909</b>
<b>Earnings Per share</b>	<b>8 Fils</b>	<b>10 Fils</b>	<b>88 Fils</b>	<b>81 Fils</b>



# Common Size Analysis - Consolidated Statement of Financial Position

	30 Sept. 2023	31 Dec. 2023	30 Sept. 2024
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Goodwill	1.29%	1.28%	<b>1.20%</b>
Property, plant and equipment	3.33%	3.30%	<b>3.08%</b>
Right of use asset	0.20%	0.17%	<b>0.11%</b>
Investments in associates & joint venture	29.43%	29.59%	<b>29.09%</b>
Investments at fair value through other comprehensive income	36.33%	36.99%	<b>41.29%</b>
	<b>70.57%</b>	<b>71.33%</b>	<b>74.77%</b>
<b><u>Current assets</u></b>			
Inventories	13.25%	13.52%	<b>14.93%</b>
Trade accounts receivable	10.47%	9.85%	<b>5.8%</b>
Other receivables and prepayments	0.59%	0.61%	<b>0.54%</b>
Investments at fair value through profit or loss	1.16%	1.15%	<b>1.20%</b>
Cash and cash equivalents	3.96%	3.55%	<b>2.75%</b>
	<b>29.43%</b>	<b>28.67%</b>	<b>25.23%</b>
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## In 9M- 2024:

- The percentage of total non-current assets increased from 71.33% in Dec.2023 to 74.77% in Sept.2024, while the percentage of total current assets has decreased proportionately from 28.67% to 25.23%.
- The percentage of total liabilities dropped from 17.77% in Dec. 2023 to 14.85% in Sept.2024, on the other hand the percentage of total equity attributable to the owners of the parent company rose from 82.05% to 84.98%.

	30 Sept. 2023	31 Dec. 2023	30 Sept. 2024
<b>Liabilities</b>			
<b><u>Non-current liabilities</u></b>			
Provision for employees' end of service benefits	1.73%	1.74%	<b>1.71%</b>
Term loans	5.59%	8.44%	<b>6.33%</b>
Islamic financing	4.21%	-	<b>-</b>
Lease liabilities	0.10%	0.10%	<b>0.01%</b>
	<b>11.63%</b>	<b>10.29%</b>	<b>8.05%</b>
<b><u>Current liabilities</u></b>			
Trade accounts payable	1.00%	1.39%	<b>0.82%</b>
Other payables and accruals	3.07%	3.16%	<b>3.03%</b>
Lease liabilities	0.07%	0.07%	<b>0.08%</b>
Term loans-current portion	2.30%	2.20%	<b>2.30%</b>
Islamic financing -current portion	0.65%	-	<b>-</b>
Short term loans	0.18%	0.46%	<b>0.28%</b>
Due to banks	0.30%	0.20%	<b>0.30%</b>
	<b>7.56%</b>	<b>7.48%</b>	<b>6.80%</b>
<b>Total Liabilities</b>	<b>19.20%</b>	<b>17.77%</b>	<b>14.85%</b>
<b>Equity</b>			
Share capital	7.54%	7.48%	<b>6.99%</b>
Share premium	10.47%	10.39%	<b>9.70%</b>
Treasury shares	-0.71%	(0.48%)	<b>(0.74%)</b>
Statutory, voluntary and general reserves	25.82%	26.41%	<b>24.66%</b>
Other components of equity	20.25%	20.98%	<b>27.14%</b>
Retained earnings	17.23%	17.28%	<b>17.23%</b>
<b>Total equity attributable to the owners of the Parent Company</b>	<b>80.61%</b>	<b>82.05%</b>	<b>84.98%</b>
Non-Controlling Interests	0.19%	0.18%	<b>0.17%</b>
<b>Total Equity</b>	<b>80.80%</b>	<b>82.23%</b>	<b>85.15%</b>
<b>Total Equity and Liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Common Size Analysis - Consolidated Statement of Profit or Loss

	Q3-2023	Q3-2024	9M-2023	9M-2024
<b>Revenue</b>				
Sales and contracting revenue	100.00%	<b>100.00%</b>	100.00%	<b>100.00%</b>
Cost of revenue	-83.29%	<b>-87.69%</b>	-88.56%	<b>-86.19%</b>
<b>Gross profit</b>	<b>16.71%</b>	<b>12.31%</b>	<b>11.44%</b>	<b>13.81%</b>
Dividend income	0.27%	<b>0.05%</b>	21.94%	<b>14.52%</b>
Other investment gain	-0.42%	<b>0.49%</b>	-0.10%	<b>0.00%</b>
Share of results of associates & joint venture	0.06%	<b>6.31%</b>	2.40%	<b>5.41%</b>
Interest & other income	0.73%	<b>0.36%</b>	0.50%	<b>0.30%</b>
Foreign currency exchange gain	0.58%	<b>0.58%</b>	0.49%	<b>0.54%</b>
	<b>17.94%</b>	<b>20.10%</b>	<b>36.67%</b>	<b>34.57%</b>

<b>Expenses and other charges</b>				
General and administrative expenses	-5.16%	<b>-5.23%</b>	-5.81%	<b>-5.75%</b>
Commercial expenses	-2.79%	<b>-2.13%</b>	-2.84%	<b>-2.54%</b>
Provision (charge)/ reversal for obsolete and slow-moving inventories	0.05%	<b>0.25%</b>	-0.23%	<b>0.18%</b>
Provision charge for doubtful debts and other receivables	-0.05%	<b>-3.39%</b>	-0.79%	<b>-2.69%</b>
Finance costs	-1.96%	<b>-1.39%</b>	-1.85%	<b>-1.46%</b>
	<b>-9.92%</b>	<b>-11.88%</b>	<b>-11.52%</b>	<b>-12.25%</b>

	Q3-2023	Q3-2024	9M-2023	9M-2024
<b>Profit before provision for taxation and Board of Directors' remuneration</b>	8.02%	<b>8.22%</b>	25.15%	<b>22.32%</b>
Provision for taxation	-0.51%	<b>-0.39%</b>	-1.02%	<b>-0.90%</b>
Directors' remuneration	-0.32%	<b>-0.28%</b>	-0.30%	<b>-0.29%</b>
<b>Profit for the Period</b>	<b>7.19%</b>	<b>7.54%</b>	<b>23.83%</b>	<b>21.14%</b>

## In 9M- 2024:

- The percentage of gross profit increased by 2.37% compared to 9M-2023.
- Dividend income shows a decrease of 7.42% compared to 9M-2023.
- Share of results of associates & joint venture shows an increase from 2.40% to 5.41%.
- Expenses and other charges increased by 0.73%.
- Profit percentage decreased by 2.69% to reach 21.14% in 9M-2024 from 23.83% in 9M-2023.



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