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Dear Bursa Kuwait Company
Greeting,السادة/ شركة بورصة الكويت
المحترمين
تحية طيبة وبعد،Subject: Analysts/ Investors Conferenceالموضوع: محضر مؤتمر المحللين/ المستثمرينTranscript for Q2 of the Financial Year 2023للموضوع: محضر مؤتمر المحللين/ المستثمرين

With reference to the above subject, and in the interest of Ali Alghanim Sons Automotive Company (ALG) to adhering with requirements of article No. (7-8-1/4) of Bursa Kuwait Rulebook. Kindly find attached the Analysts/ Investors Conference Transcript for Q2 of the financial year 2023.

بالإشارة إلى الموضوع أعلاه، وحرصاً من شركة أولاد علي الغانم للسيارات (الغانم) على الإلتزام بمتطلبات المادة رقم (7-8-1/4) من كتاب قواعد البورصة، نرفق لكم محضر مؤتمر المحللين/ المستثمرين للربع الثاني من السنة المالية 2023.

sincerely yours,

وتفضلوا بقبول فائق التحية والإحترام،

يوسف عبدالله القطامي
Vice Chairman
& CEO
نائب رئيس مجلس الإدارة
والرئيس التنفيذي





شركة أولاد علي الغانم للسيارات ش.م.ك.ع
Ali Alghanim Sons Automotive Company K.S.C.P

**Analysts/ Investors Conference Transcript
for Q2 of the Financial Year 2023**



Analysts/Investors Conference Transcript

For Q2 of the Financial Year 2023

Ali Alghanim Sons Automotive Company

Analysts/Investors Conference Transcript for Q2 of the Financial Year 2023 of Ali Alghanim Sons Automotive Company hold on Tuesday 08/08/2023.

Participants of Ali Alghanim Sons Automotive Company:

Mr. Yousef Al Qatami – Vice Chairman and CEO.

Mr. Chavijit Bawa - Chief Financial Officer.

Mr. Yousef Mustafa - Managing Director - Ali Alghanim & Sons Automotive Company.

Chairperson:

Mr. Hatem Alaa

EFG Hermes

**Hatem Alaa**

Hello, everyone. This is Hatem Alaa from EFG Hermes, and welcome to Ali Alghanim Sons Automotive second quarter 2023 results call. I'm pleased to have on the call today from Ali Alghanim, Yousef Al Qatami, CEO, Chavijit Bawa, CFO, and Yousef Mustafa, Managing Director. We'll start by a presentation from management, and then we'll open the floor for Q&A. As an initial reminder, to ask a question, you can either type it in the Q&A chat box, or you can click on the raise hand button and I'll unmute your line. Gentleman, please go ahead.

Yousef Mustafa

Thank you. Welcome, guys, to the call, and thank you for your time. As Hatem has mentioned, we're represented by our CEO and by the Vice Chairman, Yousef Al Qatami, Chavijit Bawa, our CFO, and myself, Yousef Mustafa, being Managing Director, Ali Alghanim & Sons Automotive. With regards to the small presentation that we've prepared for you today, to take you through the results, we're going to go through the Board of Directors, company overview and general accomplishments, financial overview, and then the Q&A session at the end, for whoever would like to ask a question or two. The Board of Directors, there is no change needed in the Board of Directors, nor the executive management team. They're still the same. Going forwards, you will see that we had a fantastic, strong first half of the year, with growing revenue versus the same period of last year of 43%. And on the profit side, 71% growth in profit versus the same period of last year. A very healthy profit growth.

In terms of our revenue split and gross profit split, you will see that the revenue in passenger cars is 78% of the total, and that's due to the enhanced supply and the healthy demand that led this growth in it. In after sales, there is growth in after sales, in general, but the growth in the passenger cars, basically, surpassed the growth in after sales, and hence, you will see that the share of revenue and profit in after sales has dropped a bit in comparison to last year. However, usually, like automotive businesses, it catches up later on, whenever the cars start coming back for service and body shop repair. Certified used cars at 4%, 3% in the commercial and heavy equipment, rental leasing is around 1%, almost the same, synergetic and technology initiatives almost to the same percentages they were last year. In terms of the financial overview, as mentioned, we have a fantastic growth versus Q2 last year of 32% revenue, and versus the first half of 43%.

In terms of net profit, Q2 on Q2 last year, we had a growth of 85% at 8.9 million in profit, and 71% growth versus the first half of last year, with 15.4 million profit coming in this year. Profit attributed to equity holders. In Q2 to Q2 this year, there is a 57% basically increase to 7.4 million, and to 13.4 million first half of the year versus first half last year, with 52% increase. Earnings per share attributed to equity holders, 59% increase to 27.09 fils per share, and 54%, if you want to compare it to, overall, the first half versus the first half last year to 48.95 fils. The income statement coming in very healthy with a revenue of Q2 23 of 63.8 million. The increase, as mentioned, in profit and revenue, is due to the volume increase in new car sales, with better supply than before, and the demand continuing to be strong for our products. The share of results something to notice is the share of results of equity accounted investees for Global Auto, which is BMW Egypt, at KWD 1.7 million for quarter two.

And the increase in expenses, as you notice, is in line with the increase in revenue, which is something, normal business and healthy to look at. In terms of the first half, if you want to take a look at the comparison, we came in at KWD 126.5 million in total in terms of revenue, and the equity accounted investees for Global Auto, which is BMW Egypt, for the first half will be a total of 1.49 million for the first half. The profit, basically, the earnings per share is 48.95, very strong performance for the first half. And as mentioned before, the supply is getting better, and the demand is continuing to be strong for our business. In terms of our balance sheet, very strong balance sheet, as you notice. The total assets went up from 188 million to 207 million as of end of June 23. Overall, very strong and healthy balance sheet for the business.

Cash flow coming in really strong from the operating activities with 20.5 million, approximately, as of end of June 23. And the increase is obviously due to the increase in sales in both cars and after sales, including parts and other activities. Our ratios are basically extremely strong still. The current ratio increase is due to the increase in inventory



predominantly. And the improvement in gross profit and net profit is due to the increase in vehicle volume. And the margin within the cars that we're getting from the suppliers, where still, the demand is very healthy for fully loaded and high spec cars within our line-up. The increase in net profit obviously improved every performance ratio significantly. Something that we would like to just allude to, which is during the time of the offering within our prospectus and the offering memorandum, our overall forecast for the year 23 was supposed to be 15.86 million basically the net profit attributed to equity holders.

As of the first half, we have already achieved 15.4 million in six months, so we're ahead of the forecasted figures that we have in the prospectus. And performance is getting better and better, with increased supply and enhanced supply in cars, and the continuous demand and bookings we have for our products. The floor is yours for any questions. Thank you.

Hatem Alaa Thank you. As a reminder, to ask a question, you can either type it in the Q&A chat box, or you can click on the raise hand button and I'll unmute your line. You can either type your question in the Q&A chat box, or click on the raise hand button. We'll take the first question from the line of Pratik. Your line is open, Pratik.

Pratik I have two questions. The first one is regarding I notice you have seen that prices of second hand cars are going down, because the supply is going back to normal. So, do you think, going forwards, it will have an impact on the new car sales volume? Because in Q1, you had a very strong growth in terms of the volume for the new cars, so I wanted to know your outlook about it. And the second, can you explain what exactly was the contributor of this increase in expenses by 40%? So, these are the two questions. Thank you.

Yousef Mustafa Thank you. With regards to your note on the used car drop in prices, you are right. If you look at it in certain markets, especially the US, where basically, it's a sign for deflation, where used car prices are dropping. However, in Kuwait, it's still in a different situation, where we're still continuing strongly, and the margins that we are making are still maintained. And if you look at the margin increase, you will notice that part of the total, or basically, the main part of increase from approximately 11% to 12%, is due to the share of results from Egypt. If you adjust to the share of results from Egypt, you will see that our margin on the net business overall is the same. So, there is no inflation in margins that we're making. We did not increase our margins. It's the model mix that we're getting, and the demand is still there for it. And we still hold a very healthy order book that covers well into the next trailing months, for example, on Land Rover, and some of the products within BMW and others.

In terms of the increase in expenses, it's going line in line, basically, hand in hand with the overall revenue and profit increase. For you to be able to sell more cars, you need to, basically, allocate more in marketing, you need to allocate more in terms of overtime, for example, for after sales, with the increase in after sales revenue. So, in general, it's going hand in hand, which is a normal course of business, like the years before.

Hatem Alaa Thank you. We'll take the next question from the line of the Belal Sabbah. Your line is open.

Belal Sabbah Thank you so much for the opportunity to ask questions, and congratulations on the quarterly results. Two questions from my end, please. First of all, on Egypt, you're obviously increasing your investment there and seeing the long-term opportunities that the Egyptian market offers. And I'm just wondering, in the meantime, first of all, do you see yourself injecting more capital there? Our understanding is it's very difficult currently to repatriate money outside of Egypt, due to lack of US dollar availability. So, even if you're delivering growth in Egypt, that might be difficult for you to pull out cash, in terms of upstreaming dividends, and so on. So, if you could just comment on that, and tell us what the strategy is, and then I'll follow up with my next question. Thank you.

Yousef Al Qatami In terms of strategy, going forward, in terms of investment, I think that has been done already. So, we've already expanded in Egypt. We've bought our locations. We bought the existing company. So, in terms of investment, the big chunks of money that are required have already been invested. So, that answers the investment part. In terms of dollar repatriation, it's not a problem, per se now, as we're not making enough profits to actually



send it. We are just starting the operation. I think, in Q1, it was still negative, so we have not gone through a cycle of giving dividends, but to our knowledge, it is not a problem of dividends per se. The problem in Egypt right now is turning the Egyptian pounds into dollars, and we have found solutions for that. So, nothing has been stopping us from dealing with dollars, in terms of dollar versus Egyptian pound, for the time being.

Even though there are problems that are happening, it's more expensive for you to switch to the dollar. But there are solutions offered in the Egyptian market. I don't have the time now to discuss them in detail, but there is more than one solution, actually. It's not only one solution. But there are ways of switching your Egyptian pounds to dollars, and these are happening, as we continue to expand our sales and get the cars from abroad. We need, obviously, to switch them back to dollars or euros, and that has been happening so far, and we've been successfully doing it to this point.

Belal Sabbah Thank you. That's clear. And I'm just wondering, on the Kuwaiti market, back to your core markets, obviously, the results show that the market is still performing very well, and your brands are doing very well. But are you starting to see signs of weakening demand, whether you know, it's consumers maybe going for lower priced models? And also, on the heavy truck segment, maybe you're seeing lower spending from corporates, etc., starting to come. Are you seeing any early signs of that?

Yousef Al Qatami It's actually, currently, the opposite. I think up until now, the market is only going back to what it used to be. So, it is not something that is out of the norm. And as now the volumes are coming in, and this is not us, I'm talking about the market, as the volumes are coming in, the demand is being met in a better way. Not fully met, by the way, but in a better way. So, I think we're going back to normal situations, rather than the COVID constraint production.

Hatem Alaa Thank you. I'll take a few questions from the chat. Questions from Rajat Bakshi. He has a few questions; I'll take the first two. Can you please discuss the trend in volumes and pricing for luxury and Chinese cars year-to-date and in the second quarter? And can you also comment on the contribution from Egyptian operations? How should we think about the contribution for the rest of the year and 2024? There are other questions on Egypt as well, asking, generally, if what we saw in the second quarter performance is the normal run rate for the Egyptian operation?

Yousef Mustafa In terms of pricing and margins, there is no change for our strategy on pricing and margin, whether before COVID or after COVID, and still continuing until today. Our margins are fixed, basically, on our cars, both the luxury and the Chinese models that we're running. They're very stable. There is no pressure from the market on us to reduce our margins on either. The demand is still super healthy, so there is no change in the way that we're pricing our cars. Just like before COVID and after COVID, we continue to be with the same margins. Just to give you an example, if you go to a website right now and you build, for example, a Range Rover, let's take that as an example, which everyone in this room, I think, acknowledges that it has the best pricing power. If you build it and you compare it to my selling price in the showroom, you will see that I am selling at or below the recommended selling price by the manufacturers.

However, the car, itself, in the market demands a premium of 25%. So, we are not trying to capitalise on that arbitrage, because it's not a long-term thing, and it will just destroy the value the company provides to its customers. So, in general, pricing power is still there. We did not capitalise on pricing power, because we don't want to destroy the relationship with the customers, unlike some other dealers, for example, who might have. In terms of Egypt, Egypt is doing really well. Looking at it from here, I think it would be very safe if you assume that whatever we achieved in the first half will be continuing towards the year end also. So, it's a very strong, solid operation. The demand is very strong. Whoever is in the room, who is aware of the Egyptian market, knows that us Alghanim Global Auto, basically, stopped taking bookings on cars, because the demand is so strong.

We don't know when we're going to be able to supply the cars, because of the constraints of supply still, in comparison to the overall market. So, the demand is there. Cars and bookings are well into next year, and maybe even beyond.



Hatem Alaa There is a part of the question on volumes for luxury and Chinese cars, if you can comment on that. And the last bit of the question is outlook for margins in general for the company for the rest of the year and 2024.

Yousef Mustafa The outlook on TIV, just like Yousef Al Qatami has mentioned, just give you an example, for you to feel at ease. When we said that we're going back to normal, the TIV, the total market in Kuwait for cars, is almost going back to its normal volumes before COVID, with a little bit of an increase, due to the usual increase and expansion in the economy. But we're still not there yet. So, we're going to be, basically, at normal volumes, hopefully, by year end or beginning of next year, where we are adjusting to the expansion of the economy, you will be at the right volumes, TIV wise, totally. And we have maintained our market share overall, and increased it, actually, also in luxury from the TIV. So, looking into going forward into volumes, assuming we're back to normal, adjusting to the economy's expansion, I think volumes are fully secured. And with the demand that we have and the bookings that we have, as I mentioned before, we are well covered well into next year for a big chunk of our volume overall.

Hatem Alaa Thank you. We'll take the next question from the line-up, Mohammed Al Talib from Ajeer Capital. Mohammed, your line is open.

Mohammed Al Talib Good afternoon. Great set of numbers. Just a couple of questions. So, regarding the backlog, can you just quickly remind me what the current number is, how many cars and the backlog?

Yousef Mustafa Around 2,600 units.

Mohammed Al Talib And regarding allocations, we all know, globally, the used car market and the new car market is slowing down. Are you seeing that weakness globally improving your allocations from suppliers?

Yousef Mustafa Yes. And that's why the enhance in supply is obviously related to that, and going back to normal production capacity of factories. But yes, we are seeing a better inflow of cars because of the slowdowns in some areas, especially on the eastern side, China and east Asia.

Mohammed Al Talib And currently, which of the brands is seeing the largest backlog?

Yousef Mustafa It's still Land Rover.

Mohammed Al Talib Sounds good. Thank you very much, and great set of numbers again.

Yousef Mustafa Thank you, Mohammed. Thanks a lot.

Hatem Alaa The next question from the line of Naveed Ahmed. Your line is open.

Naveed Ahmed I'll ask them one by one, just to make it easier. My first question is regarding the Egyptian operations. So, as you mentioned, the first quarter, there was a loss, the second quarter, profits of around 1.7 million. I just wanted to understand is the second quarter close to the normal operations of Egypt, or do you think that there is still significant growth that lies ahead?

Yousef Al Qatami The growth is very much possible lying ahead. However, the volumes need to be secured. I think the major difference between Q2 and Q1 is, basically, volume coming in. As you know, I mentioned earlier in the presentation, we already invested in Egypt, and part of that investment was taking over the past company, which has a fully-fledged payroll. So, obviously, you have a running payroll and you have running costs, and if the sales are not coming through, you'll get a loss and hence, that's why the first quarter went through that. Now, if we continue to get volumes similar to the second quarter, and you'll see this going forward as much as the second quarter, or a lot improved, if we can get higher volume in the market. To substantiate that, the demand, I think Yousef has already mentioned, is already into next year. So, it started demand perspective, that is covered. It's a matter of us getting the allocation for the cars that are necessary, in order for us to make the sales happen.



So, demand is there, down payments are there, everything is ready and as we get cars, these will be just simply delivered, rather than sold. I think it's covered for the whole of this year, and going into next year. So, as we get cars, the bottom line is, as we get cars, we will continue to see these numbers and better numbers, if we can get more cars.

Naveed Ahmed That's very clear. In terms of the quarter to date, I know it's only been one month and probably eight or ten days, how has the supply side been? Is it similar to second quarter levels, or is it lower?

Yousef Al Qatami That is going into the future. It's not something I can answer immediately now. But we are getting good allocation for the whole year. It's better than it used to be.

Naveed Ahmed My second question is related to the cash flows and some of the items in the cash flow from investing activities. I just wanted to clarify, so during the first six months of the year, there has been an investment in the PPE around KWD 4.4 million. I just wanted to understand what is this and related to that, the second item that I wanted some clarity upon is the loan advanced to the related party. I think this has to do with your Egyptian operations, so maybe if you can please kindly clarify that, as well?

Chavijit Bawa Yes. So, in the cash flow, as you see, we are talking about until June, about 6.8 million in investment in associates and others. This is primarily used for funding our Egyptian projects and as Yousef was mentioning, we have pretty much invested into Egypt by now, so that's what it is. What's your second question on that?

Yousef Al Qatami I think it was on the on the PPE. Because of securing better volume, unfortunately, for the past, let's say, three, four years, three years, let's say, we were not able to change our fleet of replacement cars and that was usually, actually, a source of income for us also in the past, because as we change them and we sell them through used cars, we get good margins on them also. Fortunately, now, because of the availability, not availability for the full availability of supply, but better supply, let's say, we were able to dedicate some of our cars to replacing our fleet and that's where the investment is coming from the PPE.

Yousef Mustafa We had to sacrifice some of the potential in new car sales, because the replacement cars fleet that we have, we have a unique value proposition to our customers, where we run a very big, extensive replacement vehicle, so we guarantee for our customer's luxury mobility, if they buy from us. What happens is, for example, you bring your car to service. If the car is going to stay overnight, then you get a replacement car immediately of the same make and similar series. That fleet is massive. You're looking at over 150 cars, and they got really old. We tried to refurbish them last year, and we did, but we said we need to sacrifice a bit on sales, and replace these cars and that's what we did throughout the quarter, and that was a big chunk of the PPE that you saw, the growth in PPE.

Yousef Al Qatami There is a delicate balance between how much money you make and how you take care of your current customers, which are obviously future potential customers that will make you money. So, we have to take care of the current customers also, and that's why we give them replacement vehicles.

Naveed Ahmed And my final question is related to the dividend policy. Is there any dividend pay-out ratio that you have in mind, especially as the business improves? As shareholders, how should we think of dividends?

Yousef Al Qatami We have already declared a dividend for the first half.

Chavijit Bawa And it is there in the financials. We declared it, and it's due now.

Yousef Mustafa It's going to be due, I think, on 21st August.

Naveed Ahmed But going forward, is there any dividend pay-out policy that you have in mind? Any percentage of the earnings that you think you will be able to pay out as dividends?

Yousef Al Qatami We're usually at around 80% of our profits going forward.



Chavijit Bawa So, if you look at our financial statements on 1st August, we proposed and cleared the dividend of 35 fils per share, which is about KWD 9.6 million.

Yousef Mustafa And going forward, we're aiming, within the same time, between 70% to 80% pay-out.

Yousef Al Qatami Officially, if you want it officially, as of last year, when we declared the dividend of 58 for this year, we announced our intention to repeat the same, or more, depending on our profits and if you compare first half to first half, if I'm not mistaken, it was around 24 fils for the first half of last year and now we're announcing 35 fils. In the second half, we announced a higher dividend, but let's see how the performance goes and then we announced our dividend for the second half accordingly.

Naveed Ahmed Excellent. Thank you so much.

Hatem Alaa Thank you. We'll take the next question from Alanoud Alrasheed. Your line is open.

Alanoud Alrasheed Congratulations on yet another, inshallah, solid set of results. I have a question, if you may enlighten me. I was reading a lot of articles that were talking about increasing salaries for Kuwaitis, particularly from the public sector. I was wondering if, in the past, this translated to higher demand for cars, or does this usually get spent on more discretionary items?

Yousef Al Qatami If it happens and it goes through, obviously, it will. In 2013, if I'm not mistaken, or 14, there was a huge...

Yousef Mustafa 25% pump, basically.

Yousef Al Qatami The whole Kuwaiti market, especially on the sectors of the oil companies, not us, the whole market had a huge boost because of that. So, to answer you, historically, yes. We've had boosts from increasing salaries in the market.

Alanoud Alrasheed Thank you. I appreciate it.

Hatem Alaa We'll take a few questions from the chat. What is the percentage of your passenger car sales in Kuwait that are leveraged, meaning that they are financed, both in the form of auto and personal loans?

Yousef Mustafa We don't have visibility on personal loans, because obviously, they take a personal loan and pay in cash. But the finance through normal auto loans is around 20% to 25% of total volume shift, so you can safely say around 25% and our estimation on personal loans is another ten percentage points. That's just an estimation, because we don't really have clarity or clear data on this. But 25% are arranged.

Hatem Alaa There are a few questions on backlog from Shabira and Fatima. What was the backlog at the end of last year and how long are the expected waiting times for key models and how much of the backlog is Range Rover and BM?

Yousef Mustafa It was around 2,700 units. Now it's 2,600 and a fraction unit, in comparison to end of last year. The overall split, in terms of the waiting, was still the same. The biggest chunk is in Land Rover, although there is an increase in supply, but whatever extra cars we got, we managed to secure demand to cover it. Looking into that, you will be looking at we are well into the next 12 month sales for a big chunk of our luxury volume secured already with a sizable down payment. So, our policy on down payment is still the same, it did not change. Around \$15,000 on Range Rover, and around \$5,000, approximately, on Defender and other models, like BMW. So, overall, we're still in a very healthy backlog. We would like to see it close even further. We're happy with it, but obviously, we'll be happier when this is translated to sales, and we go back to normal, where we have stock on hand, enough for us to be able to cope with extra demand that happens.



Hatem Alaa Thank you. Again, as a reminder, to ask a question, you can type it in the Q&A chat box, or click on the raise hand button and if your question has been answered, please lower your raised hand. A question in the chat. Can you comment on electric vehicle adoption in Kuwait? How does the segment look five years from now and has the government provided any sort of subsidy for electric cars in Kuwait?

Yousef Mustafa Total TIV in Kuwait, you're looking at around 100,000 plus, of which, there are only 56 cars sold, trailing 12 months' electric cars. The offering is there, but customers are not biting yet, when it comes to electric cars. So, with fuel prices being what it is in Kuwait, the need for electric cars is not there and obviously, electric cars are tried out in countries where there are subsidies from the government to basically make you choose an electric car, like the Nordic countries, the States, or Canada. In Kuwait, it's not the case, and we don't see it growing at any pace, to be honest, going forward. The volumes are almost, give or take the same, stagnant for the last two years. Although the offering in the market is increasing, in terms of number of manufacturers providing electric cars, but the overall volume for electric cars is not increasing.

There is no infrastructure yet also in Kuwait, in terms of charging stations. The government hasn't yet implemented any plans for charging stations, nor the private sector has and just to explain, and I know I'm taking one step a bit too much, but just to explain to you. For example, in the United States, if you own a fuel station and you would like to shift your fuel pumps to electric chargers, you can. In Kuwait, as a private sector, you cannot sell electricity. The only person who can sell electricity at a margin, not just pass it on as a cost, is the government. Hence, even the private sector does not have an incentive to start participating in creating an infrastructure of chargers in the country. That's beside, obviously, again, the main point, which is fuel prices, cheaper than water.

Hatem Alaa Thank you. I think we have a follow up question from Belal Sabbah. Your line is open.

Belal Sabbah Thank you. My question was answered.

Yousef Al Qatami I would just like to add to the electric visibility in Kuwait. As Ali Alghanim & Sons, you need to know that we are fully trained, as a workforce, in terms of handling electric cars. So, when we say that we don't see it coming quickly, that is the intention that we're seeing from the country. However, in terms of readiness for electric, the company will be fully ready for any electric shift that happens.

Yousef Mustafa And usually, the major Capex you occur when you want to go electric, as a car dealer, is the body shop, because the process of fixing an electric car is different than a petrol car, due to the high voltage battery. It's something that we have done a long time ago, and the term is we're an electrified dealer, meaning we're ready and certified to be able to take care of any need an electric car might need, whether it's body shop or service and repair. So, the Capex has been done a long, long time ago, both the body shop and the workshops are ready. Whenever the opportunity is there, we're the first to be able to seize it.

Hatem Alaa Thank you. There is a follow-up question from Fatima Aldoseri. Your line is open. Fatima, your line is open.

Fatima Aldoseri I just had a quick question regarding the Egyptian operations. Now, on your financial statement, your equity accounted investees, that would be your Egyptian operations, if I'm not mistaken. It looks like in the second quarter, they contributed around 20% to your bottom line. It's quite significant, compared to the first quarter, so I'm just wondering should we consider seeing a similar run rate, or is the profitability supposed to increase, and we're going to see a higher contribution to the bottom line going forward?

Yousef Al Qatami The contribution part, you have to say it differently, because once you take out the other shareholders' profits, and you look at profit attributable to shareholder, that's where the difference is from. So, as you know, if you take the results of it, in terms of what we own, it's a different contribution.



Yousef Mustafa It's around 800,000 for our share, which is the 16.7%. This is the total profit reported to German Auto, the SPV that we have with our partners, hence, you see that number. But our share from that is around 800,000, it's around 51% of that, you see it for the attributed equity holders versus the net profit of the company. It's accounted in it, also.

Fatima Aldoseri Perfect. Thanks.

Hatem Alaa Thank you very much. There are no more questions at this stage, so I would like to thank Ali Alghanim's management for their time today and thank you, everyone, for participating.

Yousef Mustafa Thank you.

Yousef Al Qatami Thank you.

Chavijit Bawa Thank you very much.

Hatem Alaa Thank you, everyone, and this concludes today's call. Have a good day.