



# Ali Alghanim Sons Automotive Company K.S.C.P.

Analyst Conference

Q2 2023

August 8, 2023



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# AGENDA

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# BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

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# BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM



## BOARD OF DIRECTORS



**Eng. Fahad Ali Alghanim**  
Chairman  
Non - Executive



**Mr. Yousef Al Qatami**  
Vice Chairman and CEO  
Executive



**Mr. Ali Marzouq Alghanim**  
Member of the Board  
Non - Executive



**Mr. Mohammad Khaled Alghanim**  
Member of the Board  
Non - Executive



**Mr. Ali Abduljaleel Behbehani**  
Member of the Board  
Non - Executive



**Mr. Ahmad Meshari Abdulwahab Al-Fares**  
Member of the Board  
Independent Director



**Mr. Jehad Mohammad Ahmed Al-Qabandi**  
Member of the Board  
Independent Director

## EXECUTIVE MANAGEMENT TEAM



**Mr. Yousef Al Qatami**  
Chief Executive Officer



**Mr. Chavijit Singh Bawa**  
Chief Financial Officer



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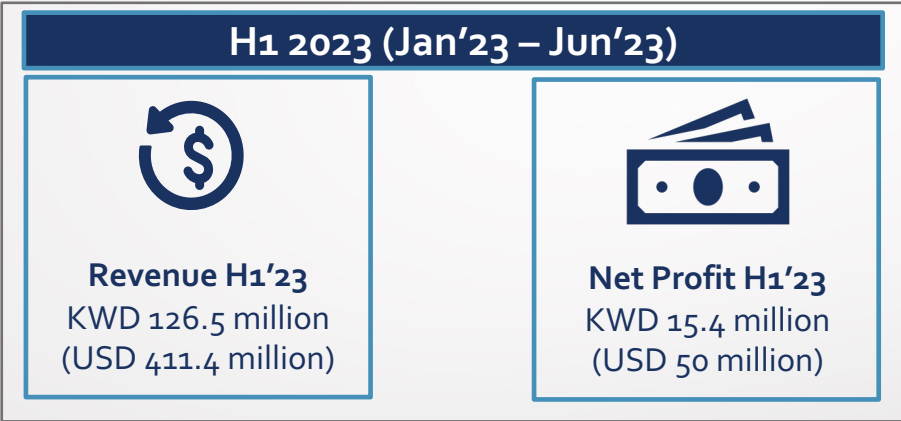
# COMPANY OVERVIEW AND ACCOMPLISHMENTS

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# COMPANY OVERVIEW: PERFORMANCE HIGHLIGHTS

A large-scale Kuwaiti shareholding company comprising of a group of automotive businesses that supply the Kuwaiti market, and some of the Arab Markets, with the finest international automotive brands and services.

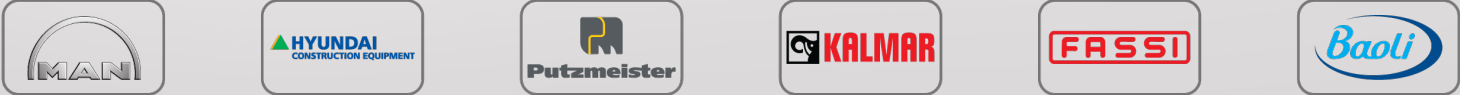


**Brands:** Ali Alghanim Sons Automotive deals with numerous brands in the category of Passenger Cars, Heavy Commercial Equipment and Auto parts

Passenger Cars



Heavy Commercial Equipment



Auto Parts





# REVENUE & GROSS PROFIT BREAKDOWN– H1 2023

Passenger Cars	After Sales	Certified Used Cars	Commercial Heavy Equipment																								
<ul style="list-style-type: none"> <li>• BMW</li> <li>• Land Rover</li> <li>• Rolls Royce</li> <li>• McLaren</li> <li>• MINI</li> <li>• Geely</li> <li>• Great Wall</li> <li>• Haval</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 78%</td> <td>H1'23 75%</td> </tr> <tr> <td>H1'22 73%</td> <td>H1'22 70%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 78%	H1'23 75%	H1'22 73%	H1'22 70%	<ul style="list-style-type: none"> <li>• Service</li> <li>• Body Shop</li> <li>• Parts and Accessories</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 11%</td> <td>H1'23 16%</td> </tr> <tr> <td>H1'22 14%</td> <td>H1'22 20%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 11%	H1'23 16%	H1'22 14%	H1'22 20%	<ul style="list-style-type: none"> <li>• BMW</li> <li>• Land Rover</li> <li>• MINI</li> <li>• Geely</li> <li>• Haval</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 4%</td> <td>H1'23 2%</td> </tr> <tr> <td>H1'22 6%</td> <td>H1'22 3%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 4%	H1'23 2%	H1'22 6%	H1'22 3%	<ul style="list-style-type: none"> <li>• MAN Truck &amp; Bus</li> <li>• Putzmeister</li> <li>• Hyundai</li> <li>• Baoli</li> <li>• Fassi</li> </ul> <p>Servicing and spare parts sale</p> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 3%</td> <td>H1'23 2%</td> </tr> <tr> <td>H1'22 3%</td> <td>H1'22 1%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 3%	H1'23 2%	H1'22 3%	H1'22 1%
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Rental and Leasing	Synergistic Lines	Technology Initiatives																									
<ul style="list-style-type: none"> <li>• Renting among the available selection of affordable, luxury and ultra luxury vehicles</li> <li>• Leasing of vehicles</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 1%</td> <td>H1'23 1%</td> </tr> <tr> <td>H1'22 1%</td> <td>H1'22 1%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 1%	H1'23 1%	H1'22 1%	H1'22 1%	<ul style="list-style-type: none"> <li>• Sale of Aftermarket Products:             <ul style="list-style-type: none"> <li>• Tires – Sumitomo, Roadstone, Kinforest</li> <li>• Lubricants – Liquimoly</li> <li>• Batteries – Exide, Livguard</li> <li>• Sparkplugs – NGK</li> </ul> </li> <li>• Technical inspections and renewal of vehicle registration for all types of passenger cars</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 2%</td> <td>H1'23 2%</td> </tr> <tr> <td>H1'22 3%</td> <td>H1'22 3%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 2%	H1'23 2%	H1'22 3%	H1'22 3%	<ul style="list-style-type: none"> <li>• Luxury car booking service (Rove)</li> </ul> <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>H1'23 1%</td> <td>H1'23 1%</td> </tr> <tr> <td>H1'22 1%</td> <td>H1'22 2%</td> </tr> </tbody> </table>	Revenue	GP	H1'23 1%	H1'23 1%	H1'22 1%	H1'22 2%							
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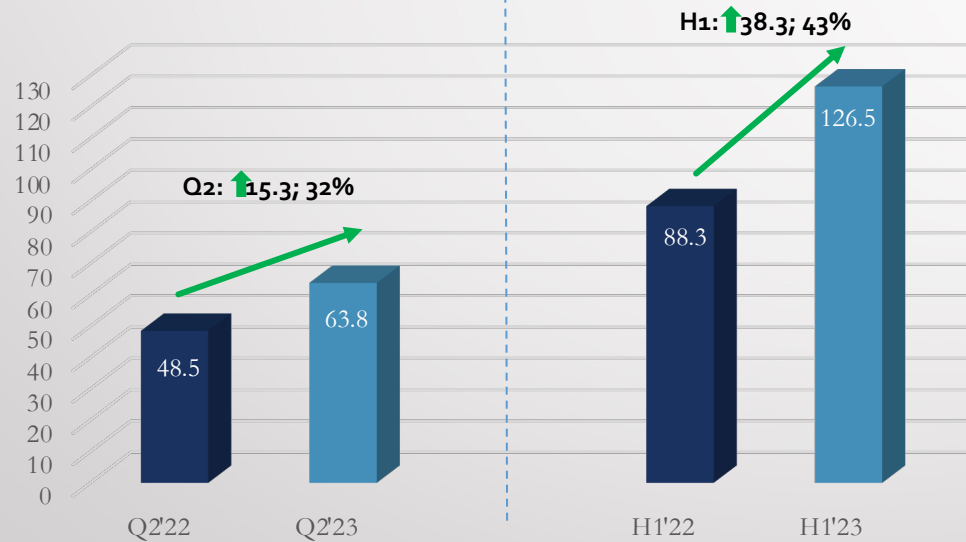
# FINANCIAL OVERVIEW

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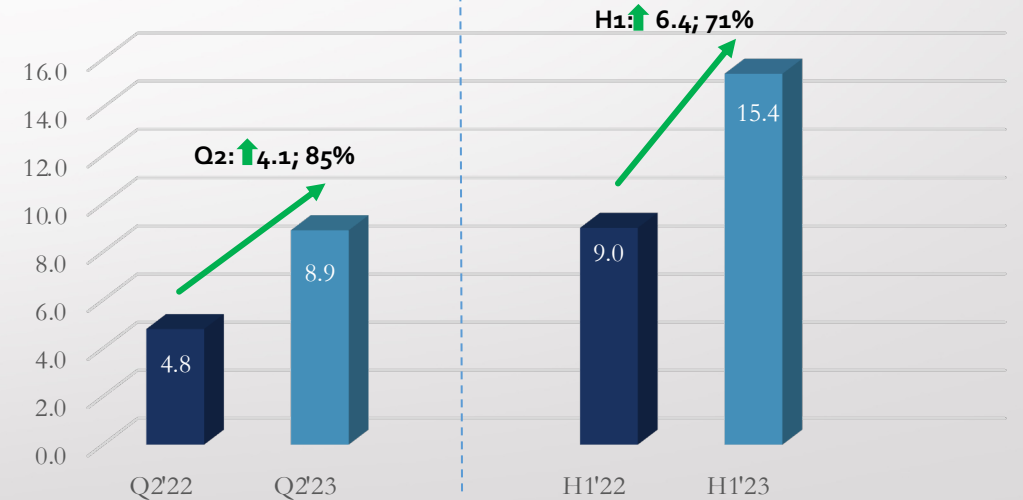


# FINANCIAL OVERVIEW: Q2 2023 & H1 2023

Revenue (in KWD Million)



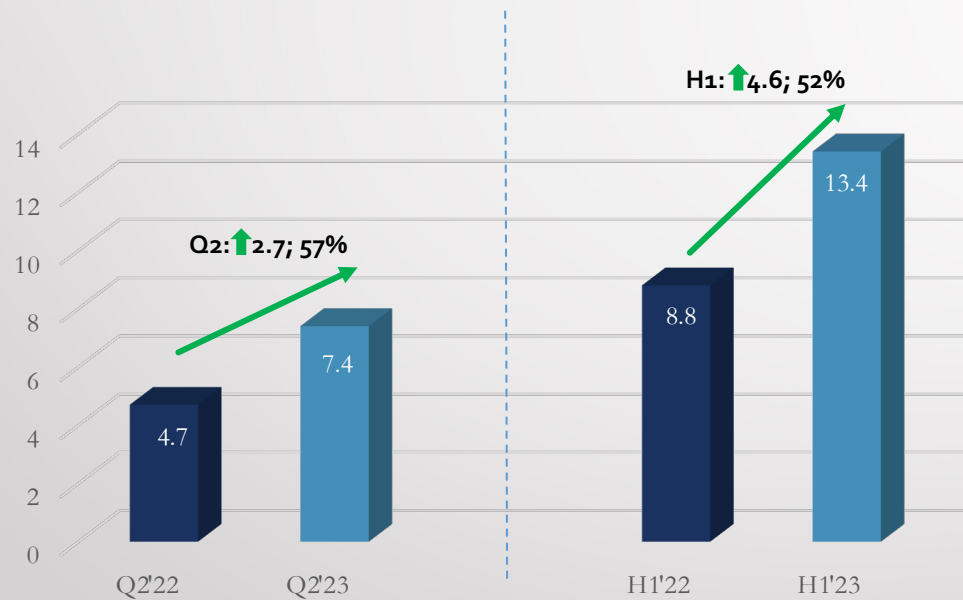
Net Profit (in KWD Million)



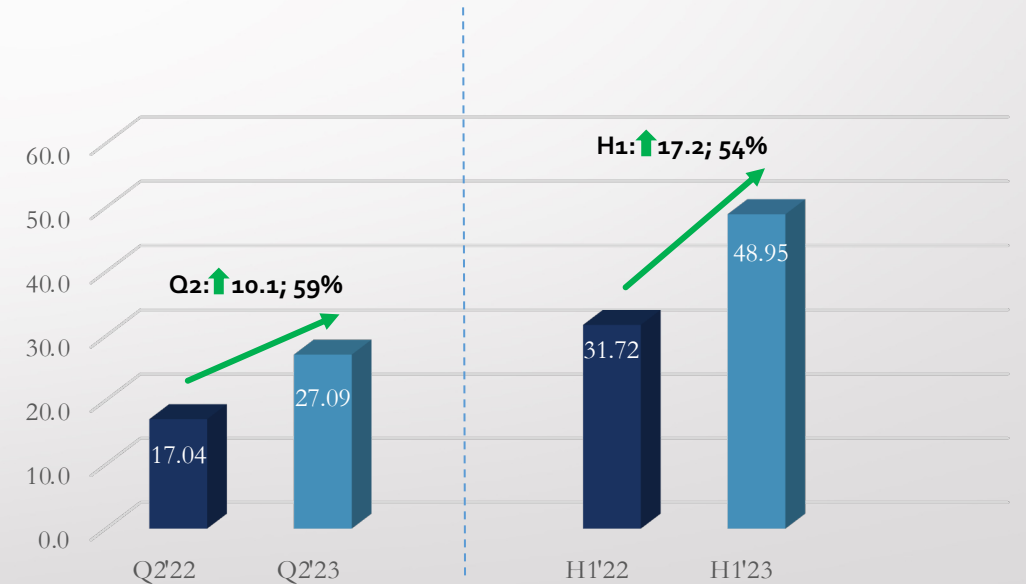


# FINANCIAL OVERVIEW: Q2 2023 & H1 2023

Profit attributable to equity holders  
(in KWD Million)



Earnings per share attributable to equity holders  
(in FILS)



# INCOME STATEMENT – Q2 2023

Amount in KWD

INCOME STATEMENT	Q2'23	Q2'22	CHANGE
<b>REVENUE</b>	<b>63,809,158</b>	<b>48,465,886</b>	<b>31.66%</b>
Cost of sales and services rendered	(48,240,045)	(37,304,791)	29.31%
<b>GROSS PROFIT</b>	<b>15,569,113</b>	<b>11,161,095</b>	<b>39.49%</b>
Other income	708,589	650,145	8.99%
Share of results of equity-accounted investees	1,729,788	-	-
Total Expenses	(9,145,989)	(7,018,057)	30.32%
<b>NET PROFIT</b>	<b>8,861,501</b>	<b>4,793,183</b>	<b>84.88%</b>
Profit attributable to equity holders of parent company	7,424,864	4,728,946	57.01%
<b>EARNINGS PER SHARE</b>	<b>27.09</b>	<b>17.04</b>	<b>58.98%</b>

- ⌘ Increase in Net Profit led by Revenue & Gross Profit is due to volume increase.
- ⌘ Share of results of equity-accounted investees consist of share of income from Global Auto.
- ⌘ Increase in expenses are in line with increase in revenue.





# INCOME STATEMENT – H1 2023

Amount in KWD

INCOME STATEMENT	YTD '23	YTD'22	CHANGE
<b>REVENUE</b>	<b>126,502,366</b>	<b>88,250,611</b>	<b>43.34%</b>
Cost of sales and services rendered	(95,812,140)	(67,813,075)	41.29%
<b>GROSS PROFIT</b>	<b>30,690,226</b>	<b>20,437,536</b>	<b>50.17%</b>
Other income	1,245,020	1,387,333	(10.26%)
Share of results of equity-accounted investees	1,496,790	-	-
Total Expenses	(18,029,892)	(12,804,794)	40.81%
<b>NET PROFIT</b>	<b>15,402,144</b>	<b>9,020,075</b>	<b>70.75%</b>
Profit attributable to equity holders of parent company	13,415,468	8,801,495	52.42%
<b>EARNINGS PER SHARE</b>	<b>48.95</b>	<b>31.72</b>	<b>54.32%</b>

- ⌘ Increase in Net Profit led by Revenue & Gross Profit is due to volume increase.
- ⌘ Share of results of equity-accounted investees mainly consist of share of income from Global Auto.
- ⌘ Increase in expenses are in line with increase in revenue.

# BALANCE SHEET

Amount in KWD

BALANCE SHEET	JUN'23	DEC'22	CHANGE
<b>ASSETS</b>			
Property, plant, and equipment	102,408,048	101,715,627	0.68%
Other non current assets	9,823,906	4,707,184	108.70%
Current assets	95,090,461	81,655,951	16.45%
<b>TOTAL ASSETS</b>	<b>207,322,415</b>	<b>188,078,762</b>	<b>10.23%</b>
<b>Equity and Liability</b>			
<b>TOTAL EQUITY</b>	<b>85,227,057</b>	<b>79,666,254</b>	<b>6.98%</b>
Non-current liabilities	38,197,937	31,409,905	21.61%
Current liabilities	83,897,421	77,002,603	8.95%
<b>TOTAL LIABILITY</b>	<b>122,095,358</b>	<b>108,412,508</b>	<b>12.62%</b>
<b>Total Equity and Liabilities</b>	<b>207,322,415</b>	<b>188,078,762</b>	<b>10.23%</b>

# CASH FLOW STATEMENT

Amount in KWD

CASH FLOW STATEMENT	JUN'23	JUN'22
Cash in operating activities before working capital changes	20,516,675	13,819,251
Changes in working capital	(8,055,498)	2,700,394
Other items	(59,455)	(91,777)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>12,401,722</b>	<b>16,427,868</b>
PPE & Intangible Assets	(4,183,504)	(900,246)
Investment in Associates & Others	(6,843,812)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(11,027,316)</b>	<b>(900,246)</b>
Net movement in Islamic Finance payables & Finance Costs	7,193,552	(8,799,272)
Dividends Paid to Equity Holders & NCI	(10,126,970)	(4,820,165)
Lease Liability & Movement in Payables	3,016,257	(1,091,161)
<b>NET CASHFLOW (USED IN) FROM FINANCING ACTIVITIES</b>	<b>82,839</b>	<b>(14,710,598)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,457,245</b>	<b>817,024</b>

Net Profit Increase contributed to positive Cash flow.

# KEY RATIOS – H1 (JAN – JUN)



KEY RATIOS		H1'23	H1'22
<b>LIQUIDITY RATIOS</b>			
Current Ratio	(Current Assets/Current Liabilities)	1.13	1.02
Quick Ratio	(Current Assets-Inventories/Current Liabilities)	0.40	0.52
Cash Ratio	(Cash/Current Liabilities)	0.20	0.33
<b>PROFITABILITY RATIOS</b>			
Gross Profit Margin	(Gross Profit/Revenue)	24.26%	23.16%
Net Profit Margin	(Net Profit/ Revenue)	12.18%	10.22%
<b>PERFORMANCE RATIOS</b>			
Return on Asset (ROA) <sup>TTM</sup>	(Net Profit/ Average Assets)	14.03%	9.63%
Return on Equity (ROE) <sup>TTM</sup>	(Net Profit/ Average Equity)	33.79%	22.56%
<b>SOLVENCY RATIOS (Cash not adjusted)</b>			
Bank Borrowing to Asset Ratio	(Debt/Total Assets)	0.12	0.09
Bank Borrowing to Equity Ratio	(Debt/Total Equity)	0.29	0.21

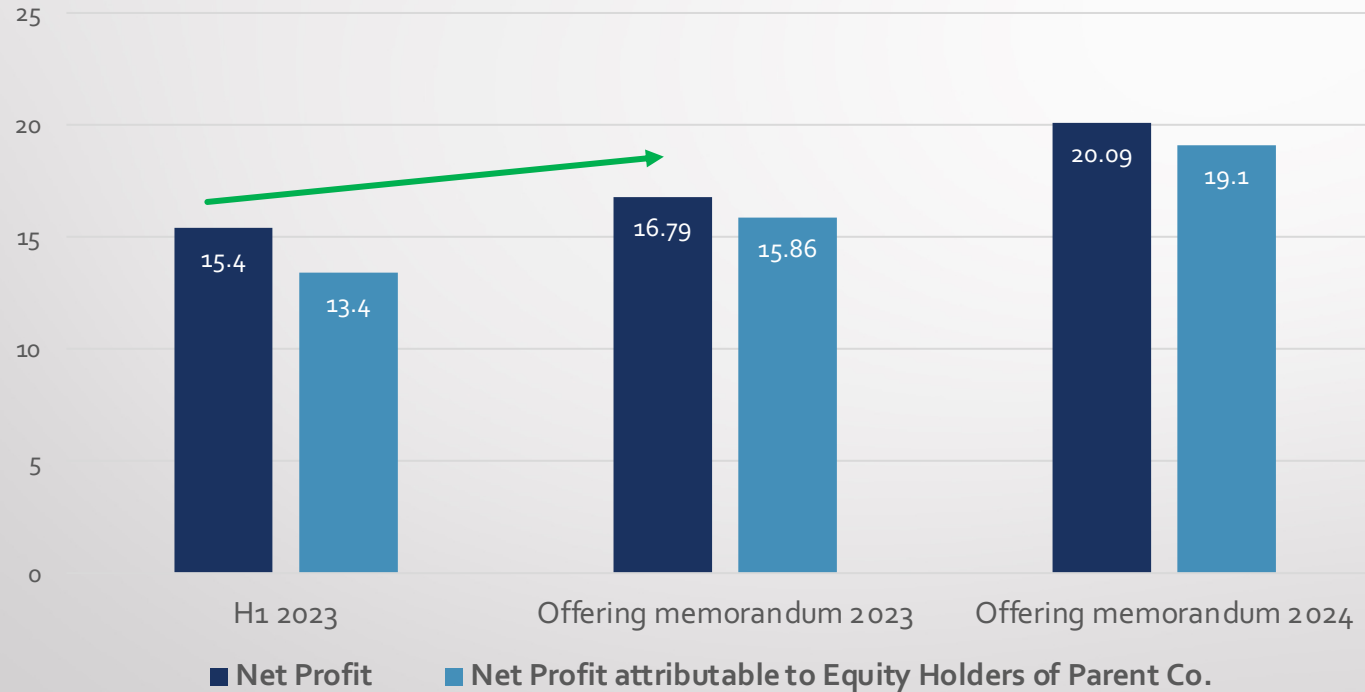
- ☛ Current Ratio increased mainly due to increase in inventory.
- ☛ Improvement in Gross Profit & Net Profit Margin is due to increase in vehicle volume and margin.
- ☛ Performance ratios improved significantly due to increase in Net Profit.





# Strong performance and ahead of our forecast

Net Profit (in KWD Million)



- We achieved 92% of the 2023 Forecasted Net Profit mentioned in the Offering Memorandum within 1<sup>st</sup> Half of the year.
- We achieved 85% of the 2023 Forecasted Net Profit attributable to Equity Holders of the Parent Co. mentioned in the Offering Memorandum within 1<sup>st</sup> Half of the year.



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# Q&A SESSION

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# Thank you

For Investor Relations

Please Visit or Contact us on

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