



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 2025**



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Analysts/Investors Conference Transcript for Q2 of the Financial Year 2025 of Ali Alghanim Sons Automotive Company hold on Sunday 17/08/2025.

Participants of Ali Alghanim Sons Automotive Company:

Mr. Yousef Al Qatami – Vice Chairman and CEO

Chairperson:

Mr. Abdullah Kandeel

EFG Hermes



- Abdullah Hello, everyone. This is Abdullah from EFG Hermes. I would like to welcome you all to Ali Alghanim Sons Automotive Company's Second Quarter of 2025 Earnings call. I am pleased to have on the call from the management of Ali Alghanim, Mr. Yousef Al Qatami, Vice Chairman and CEO. We will start with a short presentation from the management, then we'll open the floor for the Q&A session. If you would like to ask a question, please use the raise hand function or type it in the chat box. Management, you now have the floor. Please go ahead.
- Yousef Al Qatami Thank you. Welcome to our second analyst conference of the year. We'll start with our Board that's been stable so far, including our two independent Board members.
- In terms of the company overview, for Q2 results we achieved revenue of KD 64.5 million and net profit of KD 9.1 million and in terms of year to date '25, we have achieved KD 142 million, and KD 18.7 million in net profit.
- For the revenue breakdown, what is noticeable here is that used cars went up and passenger cars went down. This is more of a technicality, because we had a conference car deal, and these cars were new and then they switched to used, so our eventual sale was used. So, in reality, the percentages are the same, but due to the technical sale of the used cars, there's a huge shift in used cars versus passenger cars.
- In terms of financial overview, for the revenues year to date, we were up about 9.39%, down from Q2'24 of 2.56%; however, our net profit was up at 10.58%, even though our net profit as compared to Q2'24 was down 3.95%, we were up for the attributable to shareholders from our side, as you can see there's a slight increase of 0.57% for Q2 and year to date is around 8.7%.
- In terms of the income statement, our revenue was down around 2.5%. However, we have controlled our cost of sales and increased our margins, and therefore this took our earnings per share up a little bit on Q2 of last year at around 0.22%.
- In terms of the income statement, for the half year our revenue is up 9.39%, our gross profit is around 6.5% up; therefore, giving us an earnings per share for the year to date at around 8.49% up.
- In terms of the balance sheet, there's around KD 10 million increase, and that is mostly coming from the increase in equity. Total of non-current and current liabilities is around the same.
- In terms of the cash flow statement, we can find that the cash flow from operating activities before working capital is very solid for this year, coming in at around KD 24.7 million versus KD 21.4 million in June of '24. The changes in working capital increase was mainly due to last year, we had extended credit terms, special extended credit terms that were basically paid up this year, and that's the only difference in the changes in working capital, and not so much the stock versus the payment terms.
- In terms of the key ratios, our liquidity, profitability and performance ratios around are around the same. Our gross profit margin has been very strong at 23.74% and our net profit margin is coming in at 13.13%. So are our solvency ratios are around the same as we had last year.
- All of you have our financials for the details, so if you have any questions, please, I open up the floor to any questions that you might have. Thank you.



- Abdullah Thank you so much. Mr. Yousef. As a reminder, if you'd like to ask a question, please use the raise hand function or type it in the chat box. We will be taking the first question from the chat box from Abdul Mohsen Alhamad. It says, "Thanks for the call. Sales momentum slowed down sequentially in Q2 versus Q1 2025 and Q4 2024. Can we look at Q2 sales as the base for the rest of the year?"
- Yousef Al Qatami We hope that that is not the case. Now, as some of you know, in Kuwait there were external factors that were involved would change the customer behavior, but we're seeing now stability in these factors, so hopefully going forward it should be better.
- Abdullah Thank you. As a reminder, if you would like to ask a question, please use the raise hand function or type it in the chat box. Okay, we have received another question from Abdul Mohsen. It says, "Are there any plans to expand into new locations?"
- Yousef Al Qatami There might be. We are studying plans of expansion. We're continuously studying these plans. Nothing has been set so far, but always in our minds. However, we do have a plan already approved in terms of expanding locations in Iraq. We are currently in Baghdad and Erbil, and we have plans to open another one in Baghdad and Sulaymaniyah and Basra.
- Abdullah Thank you. We will be waiting for a moment until more questions come in. If you would like to ask a question, please use the raise hand function or type it in the chat box.
- Okay, there's another question in the chat from Alanoud Al Rashid. It says, "Hello, please pardon my ignorance, but can you further explain the shift towards used cars? Are you witnessing any softness in consumer spending?"
- Yousef Al Qatami No, no, it wasn't a shift. It was more rather a technicality. So, we had a large conference in Kuwait, and these cars were supplied with 7 Series, which we usually sell in new cars. Due to the technicality of them being used for a few days and returned, they were eventually sold as used cars rather than new cars, that's what caused the major shift. This should normalize going onwards, for the rest of the period, not the first half, obviously, because that's finished, but for the rest of the period it should be normalized.
- Abdullah Thank you so much. Another reminder that if you would like to ask a question, please use the raise hand function or type it in the chat box.
- We have received another question in the chat. It says, "Can you please elaborate on the trends in luxury versus Chinese sales? Can we assume the difference in margins are still the same?"
- Yousef Al Qatami Yes, however, the Chinese segment in general is growing. From our side, I'm not going to talk about the market, but from our side, we've also been holding our market share in the luxury market. So, fortunately, it has not been affecting our market share in the luxury segment versus other companies that might have been effected, but from our side we are maintaining our luxury and we're growing with Chinese.
- Abdullah Thank you so much. Another reminder, to ask a question use the raise hand function or type it in the chat box.



Okay, I believe there are no more questions. So, I would like to pass back the floor to the management for any concluding remarks.

Yousef Al Qatami

Thank you for attending our analyst conference. I'd like to mention that with the challenges we had in the Kuwaiti market, we've still been able to achieve a good result compared to last year. So hopefully, as things stabilize in the Kuwaiti market, as well as geographically in our Iraq and Egypt, which are both having a good performance, we should have a better future inshallah for all of us. Thank you.

Abdullah

Thank you so much. This concludes today's call.