



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

**Analysts/ Investors Conference Transcript
for Q1 of the Financial Year 2026**



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Q1 of the Financial Year 2026
Ali Alghanim Sons Automotive Company

Analysts/Investors Conference Transcript for Q1 of the Financial Year 2026 of Ali Alghanim Sons Automotive Company held on Sunday 17/05/2026.

Participants:

Mr. Yousef Al Qatami – Vice Chairman and CEO

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

Mr. Arpit Bohara - Chief Financial Officer

Chairperson:

Mr. Abdullah Kandeel

EFG Hermes



Abdullah Kandeel Hello, everyone. This is Abdullah Kandeel from EFG Hermes. I would like to welcome you all to Ali Alghanim Q1 2026 Earnings Call. I am pleased to have on the call from the management of Ali Alghanim, Mr. Yousef Al Qatami, Vice Chairman and CEO; Mr. Yousef Mustafa, Managing Director; and Mr. Arpit Bohara, CFO. We will start with a short presentation from the management, and 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 Mustafa Thank you, Abdullah, and good afternoon, everyone. I will take you today through our Q1 results. Just as a highlight to start with, we have managed to achieve KWD 57 million in revenue. Our total net profit is KWD 5.4 million. Earnings per share is KWD 12.2, and we have managed to maintain a 12-month trailing 30.89% return on equity. There is no change in the Board and the executive management in the company, so I'll jump directly to the company overview. The company overview for this quarter has been some sort of a resilience quarter as we have managed to maintain a very good operating cash flow. It actually now is plus KWD 2.6 million.

The total equity have increased by 7.53% and the bank debt-to-equity improved to 0.59 and the current ratio have improved to 1.33. As I've mentioned before, our trailing 12-month return on equity is 30.89%. The decline in revenue and the profit for the company attributed to equity holders is due to the current geopolitical situation that we're facing. And we're going to go through details of how we managed to optimize the operation to basically fend off the current situation that we're going through.

In terms of revenue breakdown, what really benefited for us is the diversification that we have within our revenue streams, and we have increased our diversification this quarter in quarter 1 by adding motorbikes to our portfolio. It's the first motorbike brand that we added, BMW Motorrad, which will help diversify even more. We couldn't have managed to get to these results if we did not work tirelessly to diversify our portfolio overall between luxury segments, multiple geographical expansions and the entry-level brands that we have like Geely and Great Wall Motors.

The revenue mix is standing at 63.7% in passenger cars and bikes, 11.9% in used cars. And the good thing about used cars is it's kind of countercyclical. So whenever there is pressure on the economy, usually also used cars, just like our affordable sector works even better. And in terms of aftersales, it's 13.5%, which is a very sticky revenue stream that we have, whatever car park that we're running is coming back to us. It's a very sticky revenue stream. Commercial standing at 4.9% and others, which include our technological arms like Ogo and Rove are standing at 6%. To go into more details of our financials.



As you can see, the profit attributed to the parent company is standing at KWD 4.8 million and the earnings per share standing at 12.2 fils. The Q1 is considered very strong considering what's happening in the region. We remain solid in terms of profit. Although many, as you can see from the announcements around us in the market, many of the other companies who announced results, especially in the retail sector in the region have already started facing losses while we stayed in a healthy profitable quarter. In terms of the income statement details, the gross margin have expanded slightly.

We have applied very strong pricing discipline to make sure that we maintain and defend our profitability. As you can see the COGS went down almost by the same percentage that the revenue went down with to maintain our profit. And the net selling expenses is down 12.78% to make sure that we fund the drop in revenue and profit operatingly efficiently. The equity investees accounted for almost KWD 0.45 million positive. Overall, the business has been challenging, but we have managed to further streamline our operation to maintain a very profitable quarter considering the situation.

In terms of the balance sheet, our current liabilities are down, and we have managed even to optimize our inventory management to make sure that we sell what we have and sell it profitably. Most companies, sometimes they might panic and they start some sort of a fire sale, which is something that we didn't do, and that is reflected in our gross margin. And even with that, we have managed to reduce our inventory and hence, the working capital in a very healthy manner. The cash flow, we have a very strong operating cash flow, as you can see, a plus KWD 2.8 million. That's a proper swing from last year.

We have a very, very solid cash flow for the quarter, and we're looking forward Inshallah to make it even better for the quarters to come. Overall, we're very happy with the position and the ratios. In terms of the ratios, as you can see, the current ratio improved. The quick ratio is doing really well. The cash ratio is very strong. Our gross margin, as I had mentioned, had expanded a little and the net profit margin is still very strong at 9.5%. The return on equity, as mentioned, is 30.89% and the return on assets is 11.84%. Given the conditions that the region is going through, we're very happy with the results that we have got to. In terms of solvency, bank debt/assets has improved to 0.2. Bank debt/equity has improved to 0.47. This was a quick presentation on the quarter, and I will leave the floor for any questions if you have. Thank you.



Abdullah Kandeel Thank you so much management for the presentation. We will now 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. Maybe a question from my end until we receive more questions. If you could please comment on the market trends you're seeing going into Q2? Have you seen maybe some recovery? And also, have you seen maybe a shift towards the affordable segment? Just maybe a quick comment on that.

Yousef Al-Qatami This quarter is an issue of getting the supply. So we're constrained on the supply because of the logistics that are happening. However, we're managing through the supply to sell whatever we have. So it's not a matter of shifts. It's a matter of working with what we have in terms of logistics. However, we did start positively the quarter, and we're looking forward to have a strong one given the logistics constraints that we have.

Abdullah Kandeel Thank you so much. This is a reminder that if you would like to ask a question, please use the raise hand function or type it in the chat box.

A final reminder that if you would like to ask a question, please use the raise hand function or type it in the chat box.

Since there are no further questions, I'd like to thank you so much, management and pass the floor back to you for any concluding remarks.

Yousef Al-Qatami Thank you for your time. Hopefully, we're looking for a strong year-end from now to year-end. With Insha'Allah the situation getting better for all GCC countries.

Abdullah Kandeel Thank you, management. Thank you, attendees. This concludes today's call.

Yousef Mustafa Thank you.

Arpit Bohara Thank you.



ALG

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

Analyst Conference | Q1 FY 2026

May 17, 2026

Boursa Kuwait | Ticker: ALG

Q1 2026 HIGHLIGHTS

KWD 57M

Revenue

KWD 5.4M

Net Profit

12.20 fils

EPS

30.89%

Return on Equity ^(TTM)

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AGENDA

01 **Board & Executive Management**
Leadership team and governance

02 **Company Overview**
Business segments & Brands

03 **Financial Performance**
Profitability, Financial position, Cash flow & Key ratios

04 **Q&A Session**
Open discussion

01

**Board of Directors &
Executive Management**

BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT

Eng. Fahad Ali Alghanim

Chairman

Non-Executive

Mr. Yousef Al Qatami

Vice Chairman & CEO

Executive

Mr. Mohammad Khaled Alghanim

Board Member

Non-Executive

Mr. Ali Marzouq Alghanim

Board Member

Non-Executive

Mr. Ali Abduljaleel Behbehani

Board Member

Non-Executive

Mr. Jehad M. Al-Qabandi

Board Member

Independent

Mr. Ahmad M. Al-Fares

Board Member

Independent

EXECUTIVE MANAGEMENT

Mr. Yousef Al Qatami

Chief Executive Officer

Mr. Arpit Bohara

Chief Financial Officer

02

Company Overview

A large-scale Kuwaiti shareholding company comprising automotive businesses supplying Kuwait and select Arab markets with world-class brands and services.

Q1 2026 PERFORMANCE AT A GLANCE



KWD 57M

Revenue

▼ 27.10% YoY



KWD 4.81M

Net Profit – Parent Co.

▼ 36.00% YoY



12.20 fils

Earnings / Share

▼ 36.36% YoY



30.89%

Return on Equity ^(TTM)



KWD 2.6M

Operating Cash Flow

▲ 144.21% YoY



KWD 107.6M

Total Equity

▲ 7.53% YoY



0.47x

Bank Debt-to-Equity

Improved from 0.59x

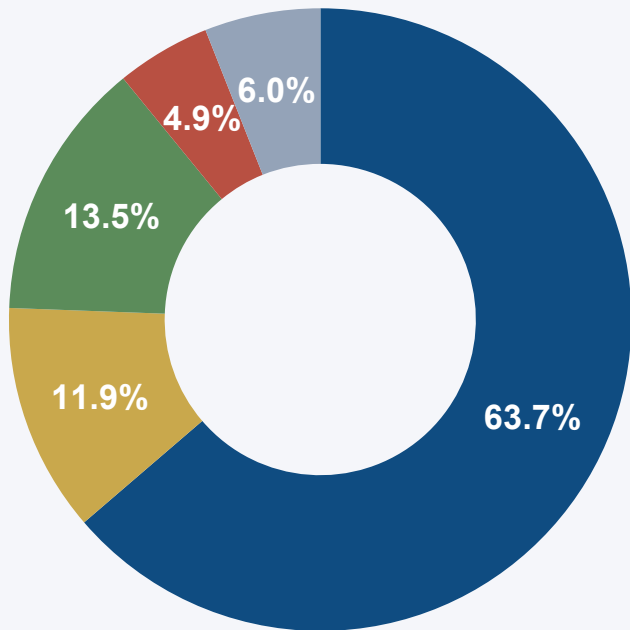


1.33x

Current Ratio

Improved from 1.13x

REVENUE BREAKDOWN – Q1 2026



■ Passenger Cars / Bikes ■ Used Cars ■ Aftersales ■ Commercial HE ■ Others

Passenger Cars/ Bikes (63.7%)

BMW, Land Rover, Rolls-Royce, McLaren, MINI, Geely, Great Wall, Haval, Mazda

Core growth driver

Used Cars (11.9%)

BMW, Land Rover, Rolls-Royce, McLaren, MINI, Geely, Great Wall, Haval

Certified pre-owned program captures trade-in and resale value

Aftersales (13.5%)

Service, Body Shop, Parts & Accessories

Recurring revenue engine — follows new car sales growth with a lag

Commercial HE (4.9%)

MAN Truck & Bus, Putzmeister, Hyundai, Baoli, Fassi, Bull

Infrastructure-linked demand in Kuwait and regional markets

Other (6.0%)

Synergistic 2.2% | Rental & Leasing 2.9% | Technology 0.9%

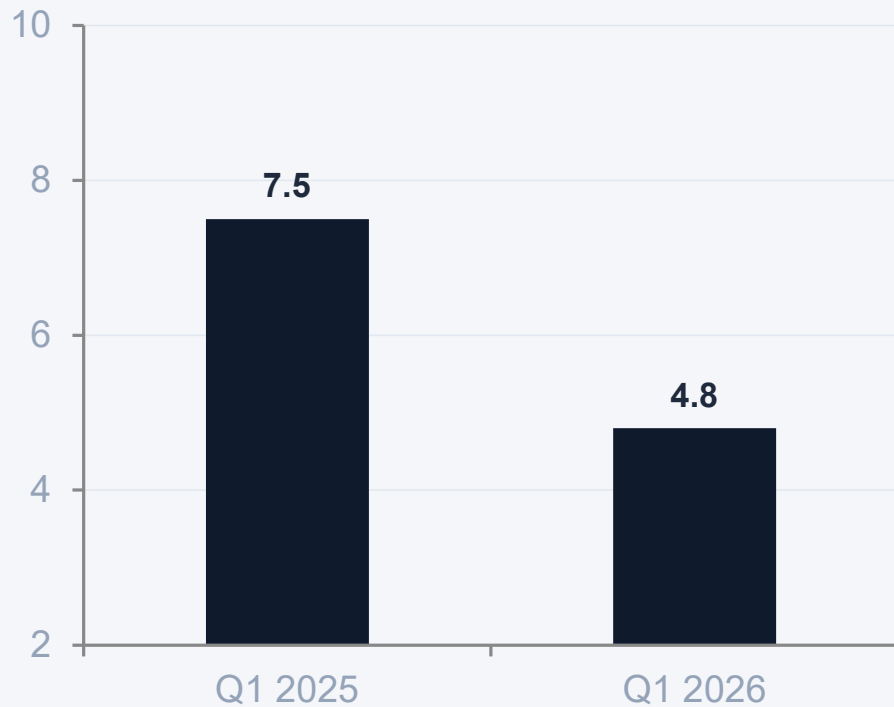
Tires, Lubricants, Batteries, F&I, Rove Luxury booking Service, Technical Inspections, Vehicle Rental & Leasing

03

Financial Performance

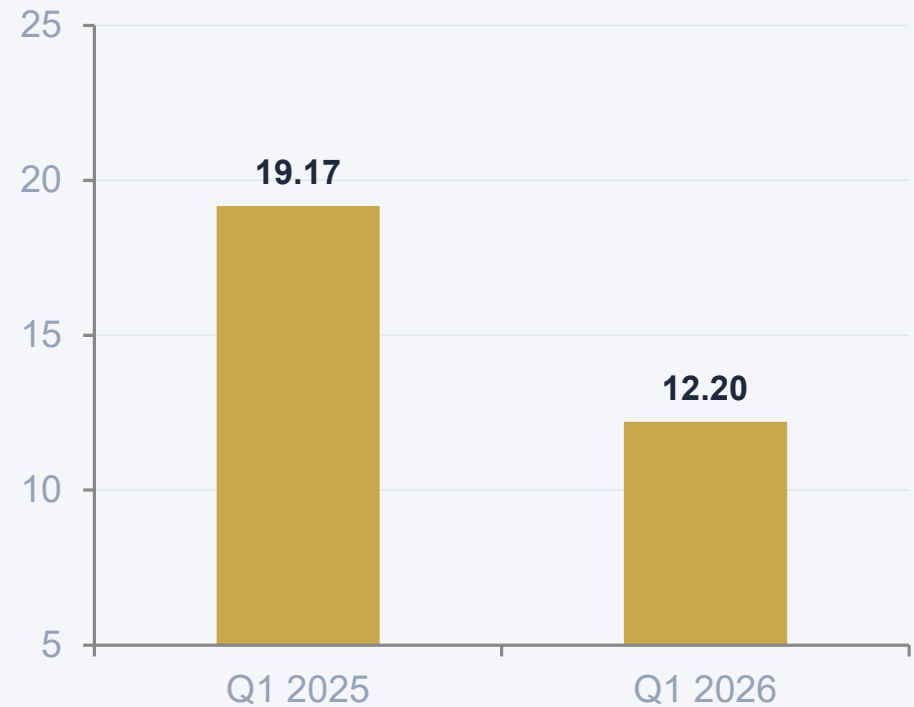
EPS & PROFIT – Parent Co.

Profit attributable to Parent Co. (KWD Million)



▼ -36.00% YoY

EPS attributable to Parent Co. (fils)



▼ -36.36% YoY

INCOME STATEMENT

Amount in KWD

Income Statement	Mar 2026	Mar 2025	Change %
Revenue	56,719,112	77,800,190	(27.10)
Cost of Sales & Services Rendered	(43,994,413)	(60,435,211)	(27.20)
Gross Profit	12,724,699	17,364,979	(26.72)
Share of Equity-Accounted Investees	453,502	1,132,548	(59.96)
Net Expenses (S&D, Admin & Others)	(7,787,452)	(8,928,345)	(12.78)
Net Profit	5,390,749	9,569,182	(43.67)
Profit attributable to Equity holders	4,809,249	7,514,483	(36.00)
Earnings Per Share (fils)	12.20	19.17	(36.36)

BALANCE SHEET

Amount in KWD

Balance Sheet	Mar 2026	Dec 2025	Change %
ASSETS			
PPE (Incl. Investment Properties)	122,139,552	122,083,623	0.05
Other Non-Current Assets	24,438,496	26,908,337	(9.18)
Current Assets	113,989,789	125,534,070	(9.20)
Total Assets	260,567,837	274,526,030	(5.08)
EQUITY & LIABILITIES			
Total Equity	107,641,597	117,697,342	(8.54)
Non-current Liabilities	67,258,303	57,375,265	17.23
Current Liabilities	85,667,937	99,453,423	(13.86)
Total Liabilities	152,926,240	156,828,688	(2.49)
Total Equity & Liabilities	260,567,837	274,526,030	(5.08)

CASH FLOW STATEMENT

Amount in KWD

Cash Flow Statement	Mar 2026	Mar 2025
Cash from Operating activities before WC changes	8,568,577	12,477,772
Changes in Working Capital	(5,891,930)	(17,846,406)
Other items	(81,837)	(500,686)
Net Cash from Operating Activities	2,594,810	(5,869,320)
PPE & Intangible Assets	(3,094,021)	(2,972,112)
Investment in Associates & Others	(1,182,767)	-
Net Cash from Investing Activities	(4,276,788)	(2,972,112)
Net movement in Finance Payables & Finance Cost	5,649,112	13,142,302
Dividends Paid to Equity Holders & NCI	(61,982)	(66,234)
Lease Liability & Other movements	(4,071,523)	(246,846)
Net Cash from Financing Activities	1,515,607	12,829,222
Net Movement in Cash & Cash Equivalents	(166,371)	3,987,790

KEY RATIOS

LIQUIDITY		
Ratio	Mar 26	Mar 25
Current Ratio	1.33	1.13
Quick Ratio	0.46	0.37
Cash Ratio	0.26	0.21

PROFITABILITY		
Ratio	Mar 26	Mar 25
Gross Profit Margin	22.43%	22.32%
Net Profit Margin	9.50%	12.30%

PERFORMANCE		
Ratio	Mar 26	Mar 25
ROA ^(TTM)	11.84%	14.21%
ROE ^(TTM)	30.89%	40.02%

SOLVENCY		
Ratio	Mar 26	Mar 25
Bank Debt/Assets	0.20	0.21
Bank Debt/Equity	0.47	0.59

Q & A

We welcome your questions

Thank You

INVESTOR RELATIONS

Website: <https://alg.com.kw>

Email: investors@alg.com.kw

Telephone: +965 2224 6000

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