



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 2025**



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Ali Alghanim Sons Automotive Company

Analysts/Investors Conference Transcript for Q1 of the Financial Year 2025 of Ali Alghanim Sons Automotive Company held on Monday 19/05/2025.

Participants:

Mr. Yousef Al Qatami – Vice Chairman and CEO

Mr. Chavijit Bawa – Chief Financial Officer

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

Chairperson:

Mr. Hatem Alaa

EFG Hermes



Hatem Alaa

Hello, everyone. This is Hatem Alaa from EFG Hermes. Welcome to Ali Alghanim Sons Automotive, First Quarter 2025 results Call. I'm pleased to have on the call today from Ali Alghanim, Yousef Al Qatami, Vice Chairman and CEO; Chavijit Bawa, CFO and Yousef Mustafa, Managing Director. We'll start by some comments from the executive management before opening the floor for your questions. As an initial reminder to ask a question, you can either type it in the chat box or you can click on the raise hand button and unmute your line

Gentlemen, please go ahead.

Yousef Mustafa

Thank you, Hatem. Welcome, good day to all. Today we're going to take you through the results for Quarter 1 2025 and we're going to start with the agenda, the Board of Directors, the Company Overview, Financial Overview and at the end, the Q&A session.

In terms of Board of Directors, no change in the Board of Directors, two independent Board of Directors to make sure that oversight is actioned. In terms of the company overview, we had our highest first quarter ever with revenue of 77.8 million Kuwaiti dinars and net profit of 9.5 7 million Kuwaiti dinars.

In terms of the split of the revenue, as you can see, there is fantastic growth in the used car side of the business. It constituted 15% of the revenue versus 7% the year before. Healthy growth in used cars, which in act basically made the revenues from the other sectors look less in percentage, but there is no drop overall, as there is a growth in the revenue overall—67% on passenger cars, 10% of after sales, 15% as mentioned in used cars, commercial and heavy equipment, standing at 3%; 2% in rental leasing, 2% in synergetic lines, and 1% in our technology initiative focused with Rove our own Uber-like service in Kuwait.

In terms of financial overview, you have, as mentioned, revenue growth of 21.13% in quarter-over-quarter. In terms of net profit, 29.2%— the growth, capitalizing on operating— better operating cost usage for our business. Hence, you see the difference between the growth in the revenue and the growth in net profits.

Profit attributed to equity holders, growth of 18.96%. In terms of earnings per share, attributed to equity holders 18.89% versus Quarter 1 last year. By the way, the distribution here— the earnings per share here is based on the total number of shares after the 30% increase in share to equity holders. It normalized with the Quarter 1 last year, to give you like to like comparison.

In terms of income statement, as mentioned, the growth is stated in revenue. As you can see, the overall gross profit standing at a very good growth of 12.04%, share of results from equity accounted investees, very positive at 1.13 million with 113% and net expense is optimized, as you can see, hence, the oversized growth in profit versus growth in revenue.

Balance sheet, very strong balance sheet. Overall, the change is minimal in terms of assets. Non-current assets, the growth is around 54.62% and the current assets at 6.5%.

Cash flow from operating activities before working capital is at 12.4 million Kuwaiti dinars. Healthy growth. However, the change in working capital is due to a one-time effect, which is a normalization to the payment terms with our suppliers. Since COVID, basically the payment terms and since the war on Gaza, the payment terms have changed to allow for the extended period that the goods take until they reach our ports. With things going back to normal, the normalization in the payment terms have this one off effect. As you can see, a change in working capital growing, which we're looking to normalize going forward in Quarter 2 and onwards.



Our ratios, as you can see, is extremely healthy. We still maintain a very healthy leverage and very healthy return on assets and return on equity overall. Something to note, our gross profit margins with the gross profit that you can see versus Quarter 1 is still standing at 22.32%, very healthy gross margin, and the net profit margin actually even grew, which focuses on our optimization of our operation and leveraging the operation cost that we have.

I will leave it now for any Q&A, if you guys have any.

Hatem Alaa Thank you. To ask the question, you can either type it in the chat box or you can click on the raise hand button and unmute your line.

There was very strong revenue growth for the Iraqi business in the quarter and the financials. I think revenue grew more than doubled. What's the reason for that?

Yousef Qatami The Iraqi business is growing anyway, but also there was a deal that was of significant revenue that added to the growth that we already have there. So it's two-fold.

Hatem Alaa This explains the increasing contribution for used cars as well, right?

Yousef Qatami No, the used car has nothing to do with that. The used car business came from Kuwait.

Hatem Alaa Question from AlRasheed, Can you share the reason behind the increase in the used car sales this quarter?

Yousef Mustafa The increase in the used car sales came basically from increasing sales and more activities on trade-in and the sale of retired company assets and leased cars that showed an increase in used car sales overall. It's a healthy growth and we're hopeful that it's going to grow even further.

Hatem Alaa There seem to be no more questions.

Yousef Qatami Okay, Hatem, just to close off, I'd like to mention a couple of things. Obviously, in the recent months, we've signed on new franchises in order to make our expansion in the future and our numbers stronger. As you know, we finished— and we announced this in the market already, we finished with the couple of franchises in Iraq and Egypt. This is something we're looking to continue to work with in the future. We're already working on some more. As you know, we continuously look for more franchises, and this is a strategy that we're continuing to do into the future, Inshallah.

Thank you everyone for having us and looking forward to Quarter 2 results.

Hatem Alaa Thank you very much Ali Alghanim's management for your time today, and thank you everyone for participating. This concludes today's call. Thank you.