



Date: 08/08/2022

إشارة: IR/ALG/43/2022

التاريخ: 2022/08/08

Dear/Boursa Kuwait Company
Greeting,

السادة/ شركة بورصة الكويت
تحية طيبة وبعد،

Subject: Analysts/ Investors Conference

الموضوع: اجتماع مؤتمر المحللين/ المستثمرين

Meeting for Q2 of the Financial Year 2022

للمربع الثاني من السنة المالية 2022

With reference to the above subject, and in the interest of Ali Alghanim Sons Automotive Company (ALG) to adhering with requirements of article No. (7-8-1/3) of Boursa Kuwait Rulebook, we would like to inform you:

بالإشارة إلى الموضوع أعلاه، وحرصاً من شركة أولاد علي الغانم للسيارات (الغانم) على الالتزام بمتطلبات المادة رقم (7-8-1/3) من كتاب قواعد البورصة، نود إفادتكم بما يلي:

- The company (ALG) has conducted the Analysts/Investors Conference for Q2 of the FY 2022 via a live webcast at 1:00 pm on Monday 08/08/2022 (Kuwait local time). There was no new material information discussed during the conference.
- Attached is the presentation of the Analysts/ Investors Conference for Q2 of FY 2022.

- عقدت الشركة (الغانم) مؤتمر المحللين/ المستثمرين للمربع الثاني من السنة المالية 2022 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 1:00 من ظهر يوم الأثنين الموافق 2022/08/08 (وفق توقيت دولة الكويت). ولم يتم الإفصاح عن أي معلومات جوهرية جديدة خلال المؤتمر.
- مرفق العرض التقديمي لمؤتمر المحللين/ المستثمرين للمربع الثاني من السنة المالية 2022.

sincerely yours,

وتفضلوا بقبول فائق التحية والإحترام،

Yousef Abdullah Al Qatami
Vice Chairman & CEO

يوسف عبدالله القطامي
نائب رئيس مجلس الإدارة
والرئيس التنفيذي



نموذج الإفصاح عن المعلومات الجوهرية

Disclosure of Material Information Form

Date:	08/08/2022	التاريخ:
Name of The Listed Company:	اسم الشركة المدرجة:	
Ali Alghanim Sons Automotive (K.S.C.P)	شركة أولاد علي الغانم للسيارات (ش.م.ك.ع)	
Material Information	المعلومات الجوهرية	
<ul style="list-style-type: none"> ▪ The Ali Alghanim Sons Automotive Company (ALG) has conducted the Analysts/Investors Conference for Q2 of the FY 2022 via a live webcast at 1:00 pm on Monday 08/08/2022 (Kuwait local time). There was no new material information discussed during the conference. ▪ Attached is the presentation of the Analysts/ Investors Conference for Q2 of FY 2022. 	<ul style="list-style-type: none"> ▪ عقدت شركة أولاد علي الغانم للسيارات (الغانم) مؤتمر المحللين/ المستثمرين للربع الثاني من السنة المالية 2022 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 1:00 من ظهر يوم الاثنين الموافق 2022/08/08 (وفق توقيت دولة الكويت). ولم يتم الإفصاح عن أي معلومات جوهرية جديدة خلال المؤتمر. ▪ مرفق العرض التقديمي لمؤتمر المحللين/ المستثمرين للربع الثاني من السنة المالية 2022. 	
Significant effect of the material information on the financial position of the company	أثر المعلومات الجوهرية على المركز المالي للشركة	
No significant effect of the material information on the financial position of the company	لا يوجد أثر للمعلومات الجوهرية على المركز المالي للشركة	





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

Q2 2022

August 08, 2022

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This presentation has been prepared by ALG and reflects the management's current expectations and strategy which relates to future events that are subject to certain and uncertain risks.

The presentation does not contain all the information which is considered material for investment decisions. Furthermore, the information and views reflected therein are subject to change without notice to the investors.

Certain sections of this document contain “forward-looking statements”, which are based on current expectations and reasonable assumptions. However, ALG cannot assure that the aforementioned shall be achieved and we would like to note that there are countless potential risks, uncertainties and unforeseen factors that may cause the results to fluctuate substantially from the forward-looking statements contained in this document.

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We would like to also note that neither entity nor person shall have the right of action in court against ALG in relation to the accuracy or completeness of the information contained in this presentation.



AGENDA

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BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

BOARD OF DIRECTORS



Eng. Fahad Ali Alghanim
Chairman
Non - Executive



Mr. Yousef Al Qatami
Vice Chairman
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

EXECUTIVE MANAGEMENT TEAM



Mr. Yousef Al Qatami
Chief Executive Officer



Mr. Chavijit Singh Bawa
Chief Financial Officer

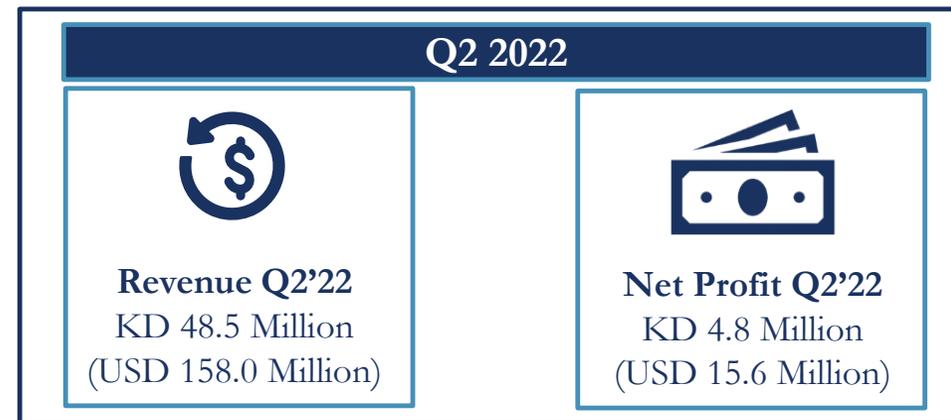
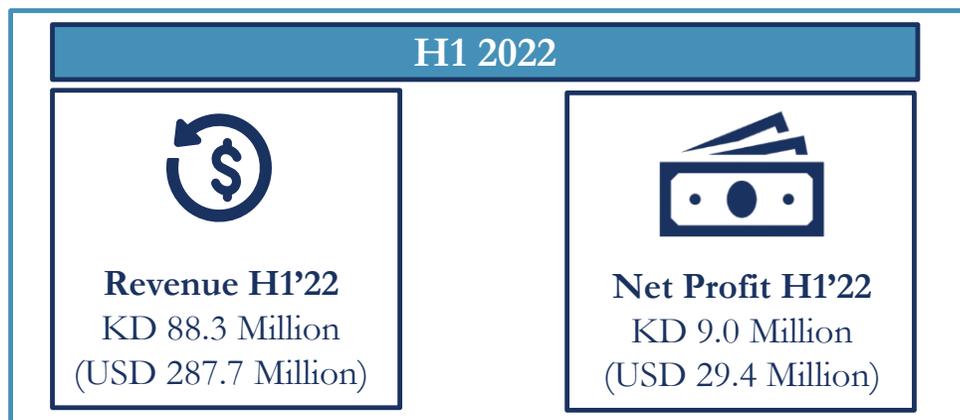


COMPANY OVERVIEW AND ACCOMPLISHMENTS



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.



*Conversion rate: KD 1 = USD 3.26

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





COMPANY OVERVIEW – REVENUE BREAKDOWN – H1 and Q2 2022

Passenger Cars	After Sales	Certified Used Cars	Commercial Heavy Equipment
<ul style="list-style-type: none"> • BMW • Land Rover • Rolls Royce • McLaren • MINI • Geely • Great Wall • Haval 	<ul style="list-style-type: none"> • Service • Body Shop • Parts and Accessories 	<ul style="list-style-type: none"> • BMW • Land Rover • MINI • Geely • Haval 	<ul style="list-style-type: none"> • MAN Truck & Bus • Putzmeister • Hyundai • Baoli • Fassi <p>Servicing and spare parts sale</p>
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 73%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 75%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 14%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 13%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 6%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 6%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 3%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 2%</div> </div>
Rental and Leasing	Synergistic Lines		Technology Initiatives
<ul style="list-style-type: none"> • Renting among the available selection of affordable, luxury and ultra luxury vehicles • Leasing of vehicles 	<ul style="list-style-type: none"> • Sale of Aftermarket Products: <ul style="list-style-type: none"> • Tires – Sumitomo, Roadstone, Kinforest • Lubricants – Liquimoly • Batteries – Exide, Livguard • Sparkplugs – NGK • Technical inspections and renewal of vehicle registration for all types of passenger cars 		<ul style="list-style-type: none"> • Luxury car booking service (Rove) • Car valuation app (Oogoo)
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 1%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 1%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 3%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 2%</div> </div>		<div style="display: flex; justify-content: space-around;"> <div style="background-color: #003366; color: white; padding: 5px;">H1 1%</div> <div style="background-color: #003366; color: white; padding: 5px;">Q2 1%</div> </div>

Note : Segment revenue composition is calculated before intercompany eliminations & consolidations amounting to KD 0.6 Million for Q2' 2022 and KD 1.2 Million for H1' 2022 .
: Above figures are rounded off.



ACCOMPLISHMENTS



BOD proposed interim dividend of 23.78 FILS which is 3% of IPO share price



Exceptional growth in the affordable cars segment for H1' 2022 compared to H1' 2021: +63% Geely and +86% GWM



Over 2000 paid customer bookings on the premium car segment



Opening new facilities in Al Jahra
BMW 3S Facility (Q3' 22)
Geely 3S Facility (Q4' 22)



Continued excellence in OEM retail standards and sales processes achieving 100% scores in Q2' 2022



Successful launch of the BMW 7 series flagship model with around 100 cars confirmed bookings

Launch of exciting new product lines on the Affordable segment including:



Geely Monjaro - Full-sized SUV targeting high volume Affordable cars (September 2022)



Geely New Emgrand - Economy Sedan targeting fleet sales (November 2022)



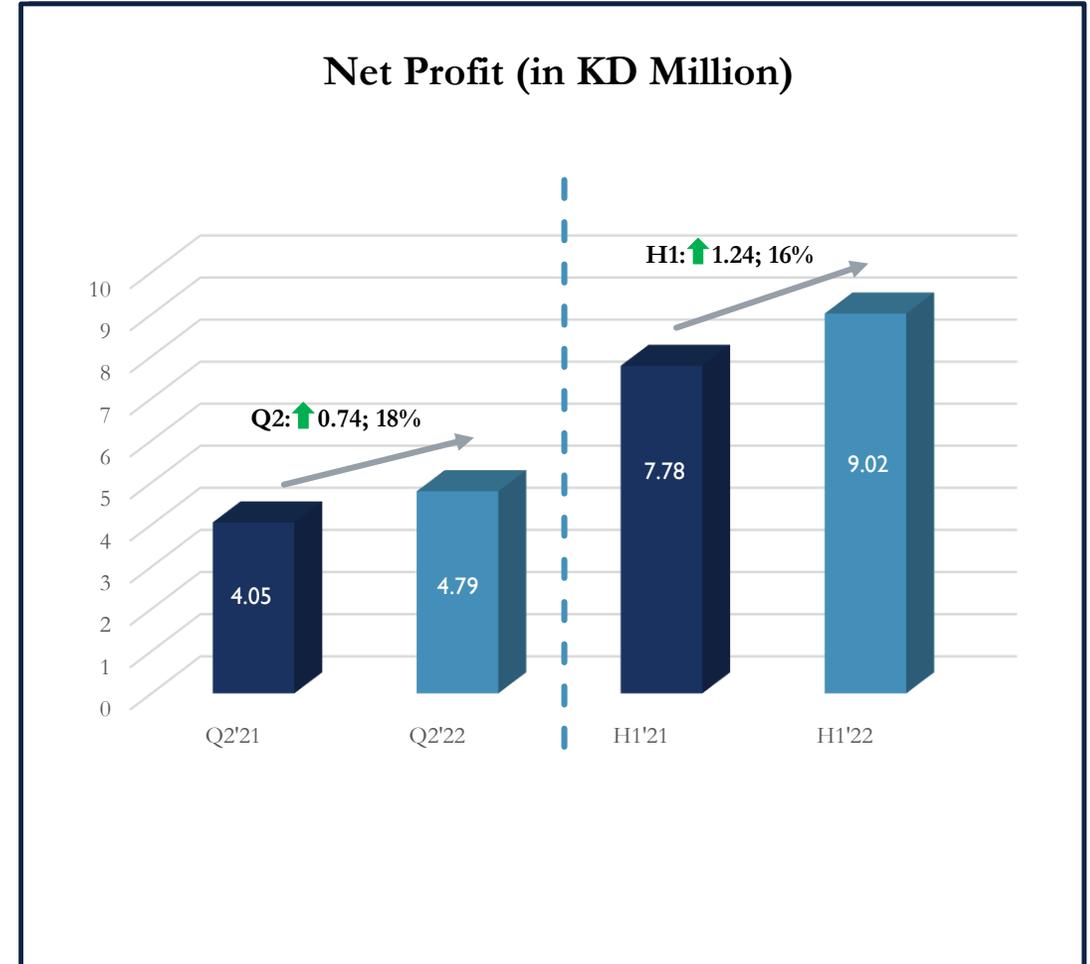
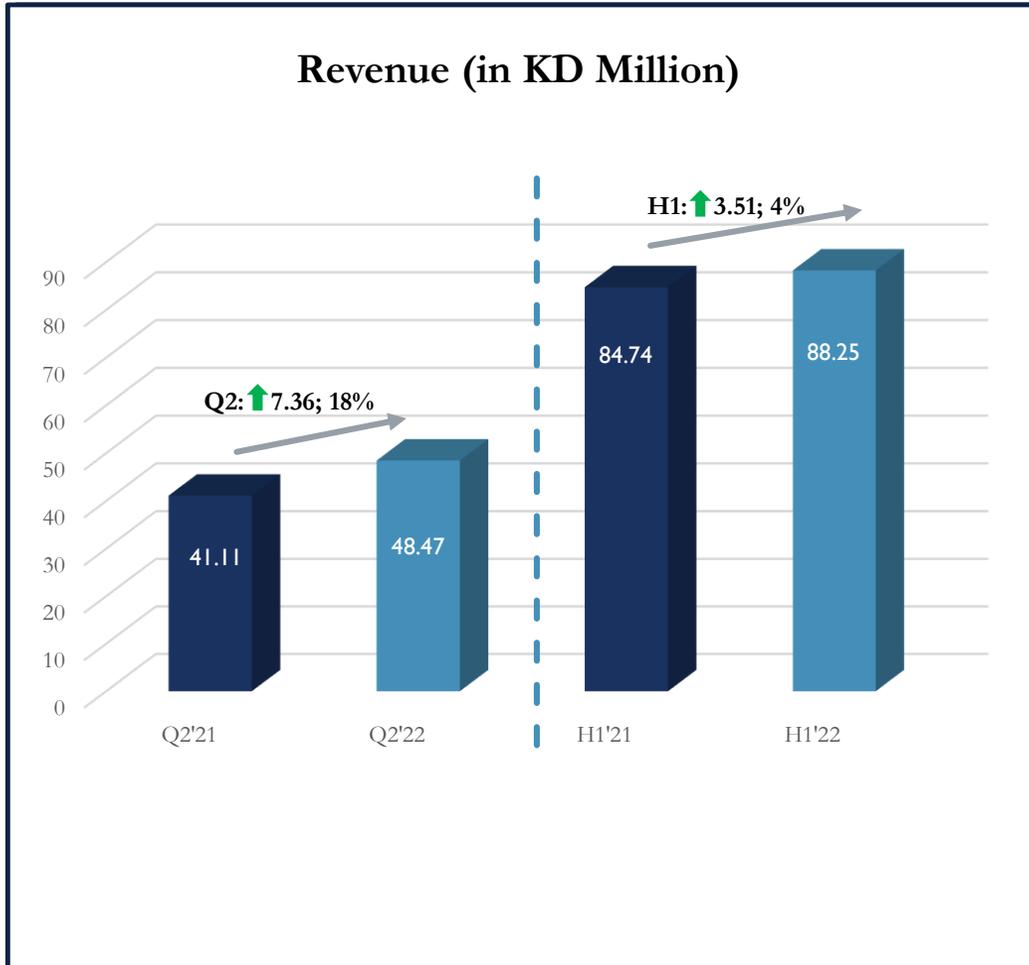
Tank - A whole-new anticipated brand under Great Wall Motors that will introduce a full line of SUVs targeting the Japanese car makers such as Nissan and Toyota. (September 2022)



FINANCIAL OVERVIEW

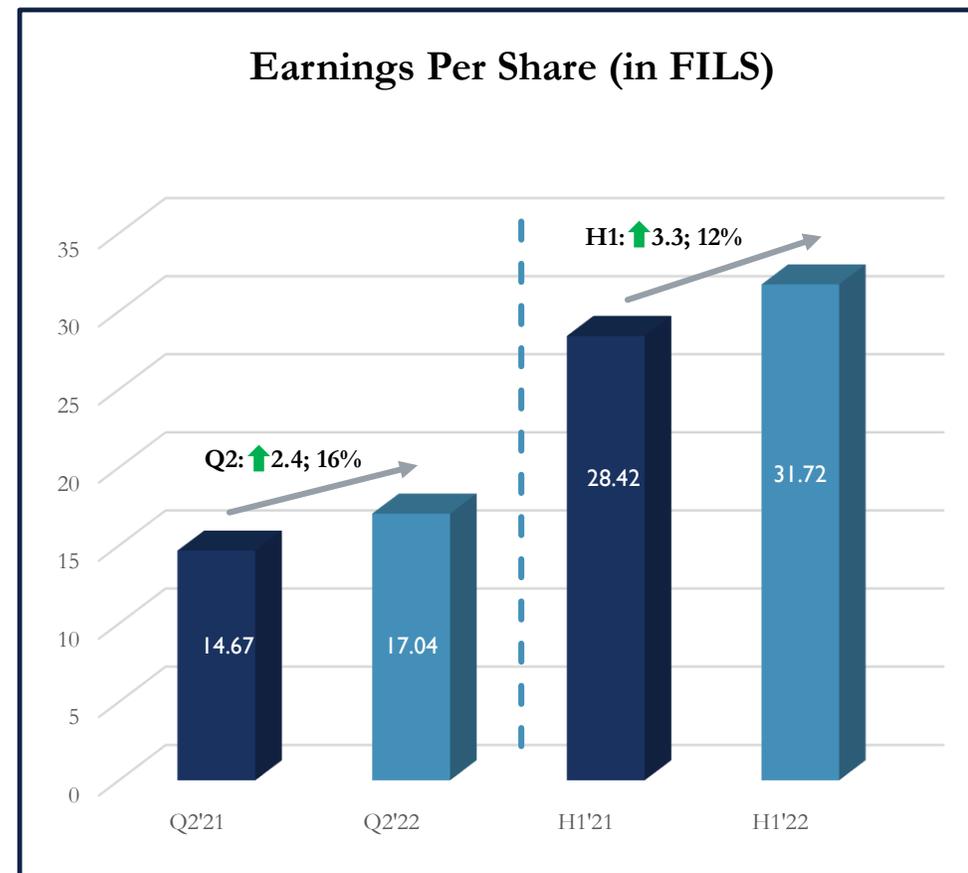
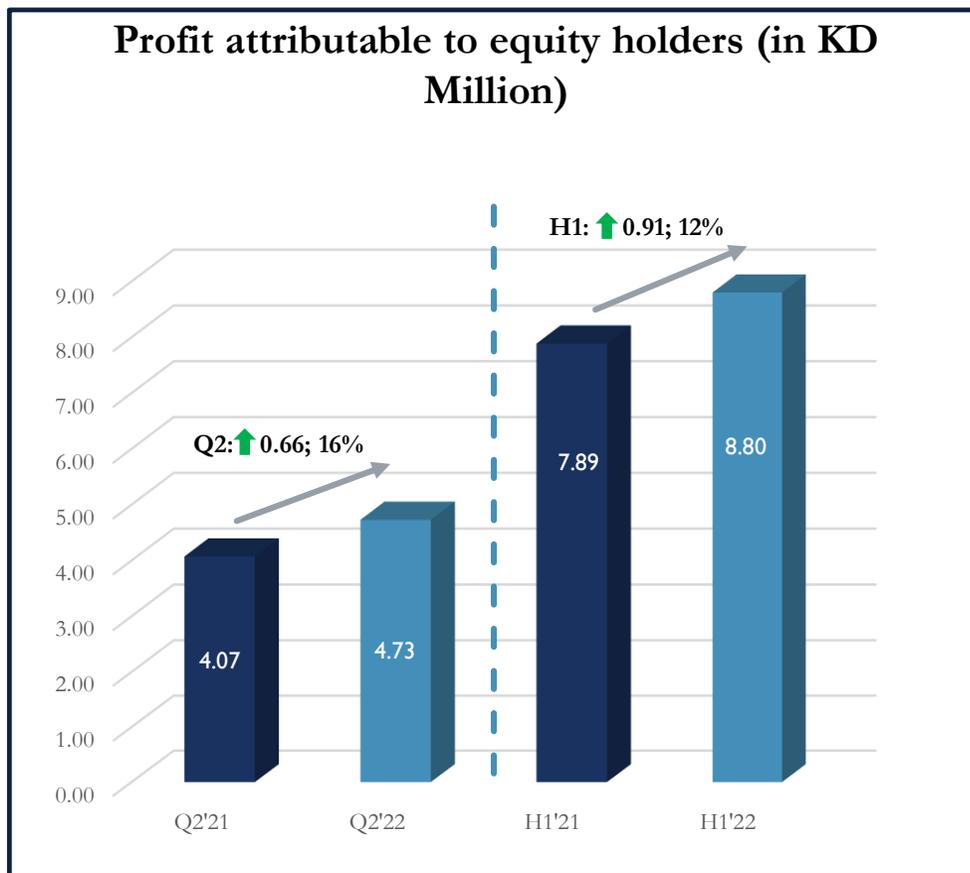


FINANCIAL OVERVIEW – H1' 2022





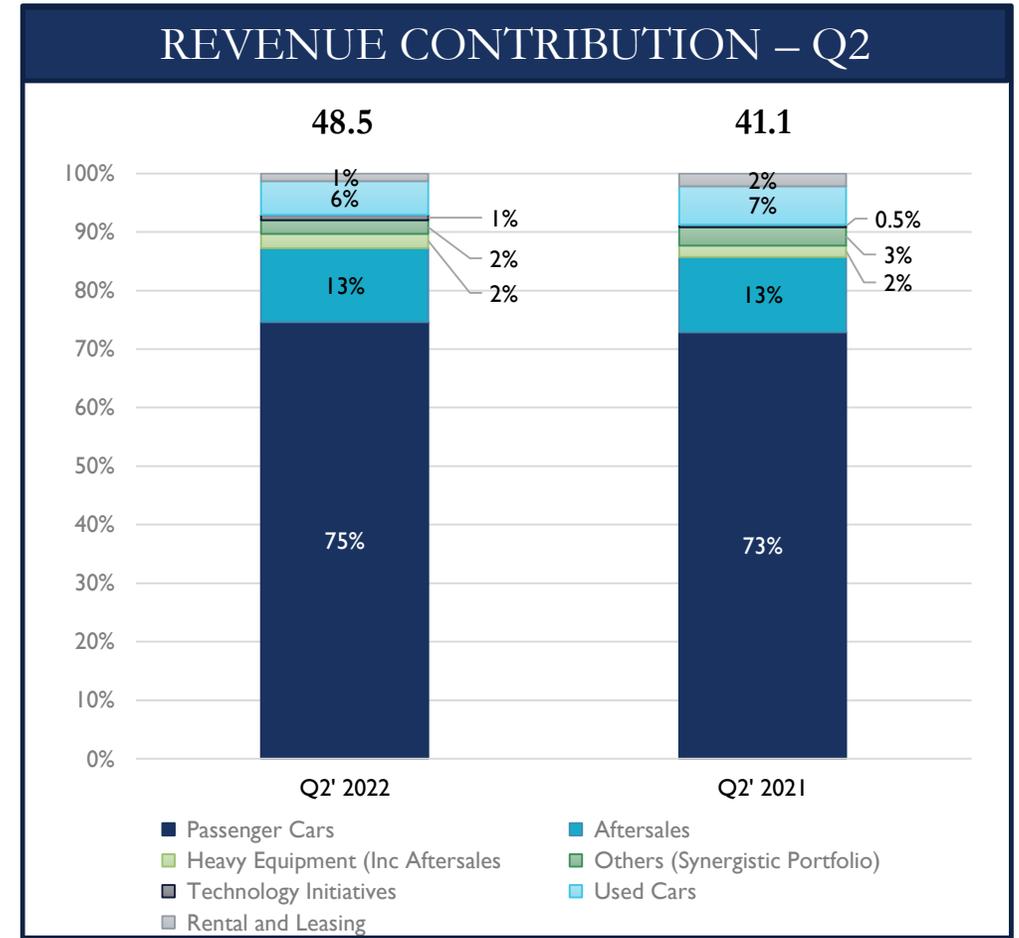
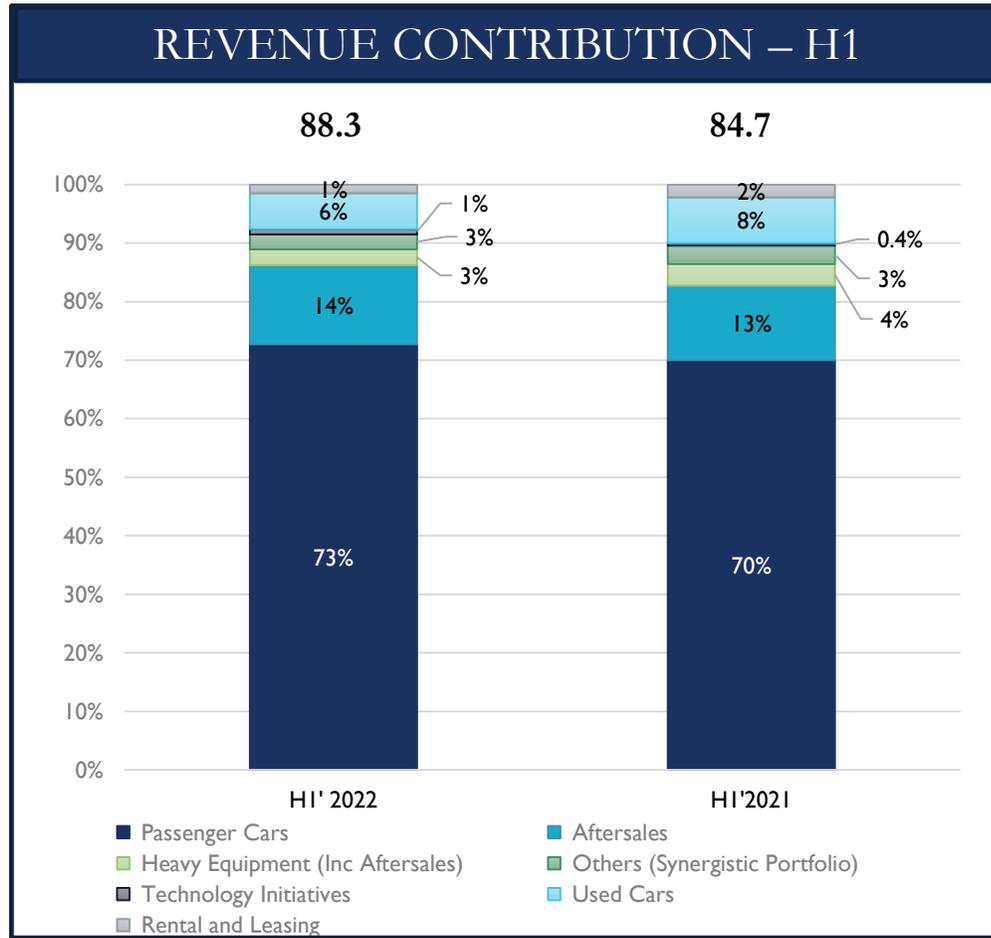
FINANCIAL OVERVIEW – H1' 2022



Note: As per offering memorandum the EPS for FY 2022 was 52 FILS, however already achieved till H1 2022 is 31.72 FILS (61%)



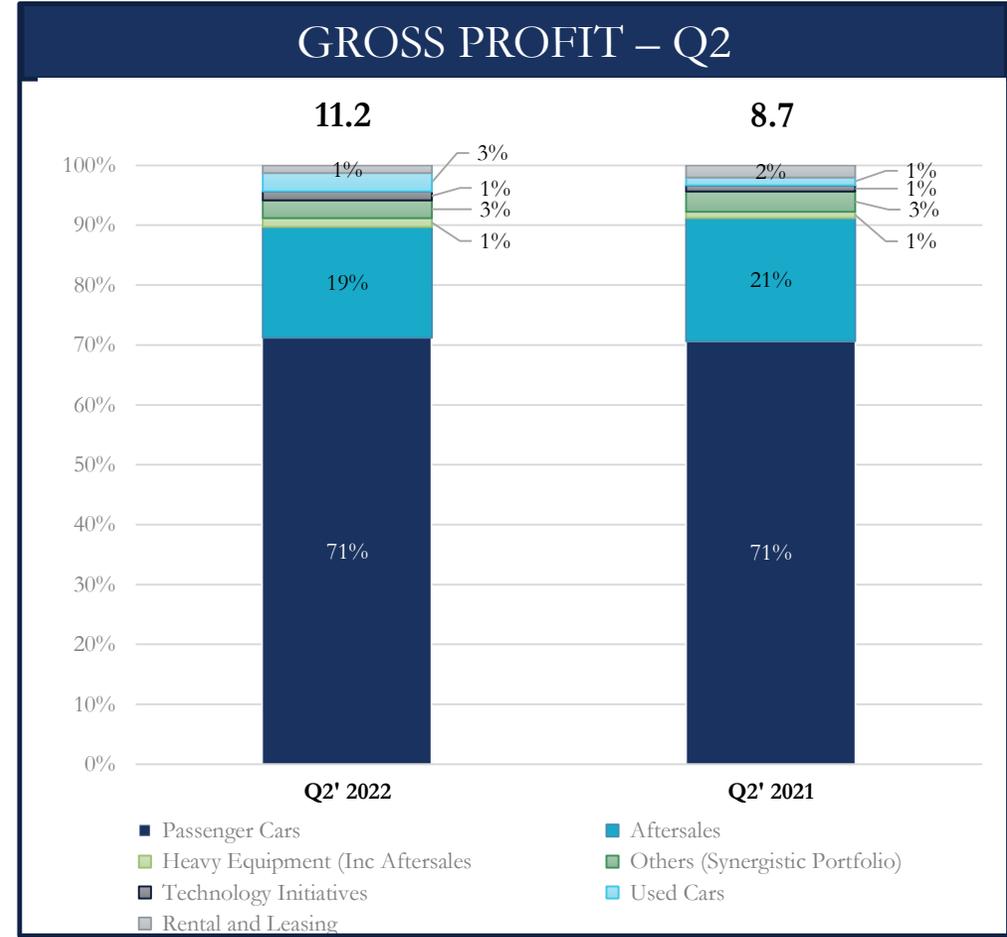
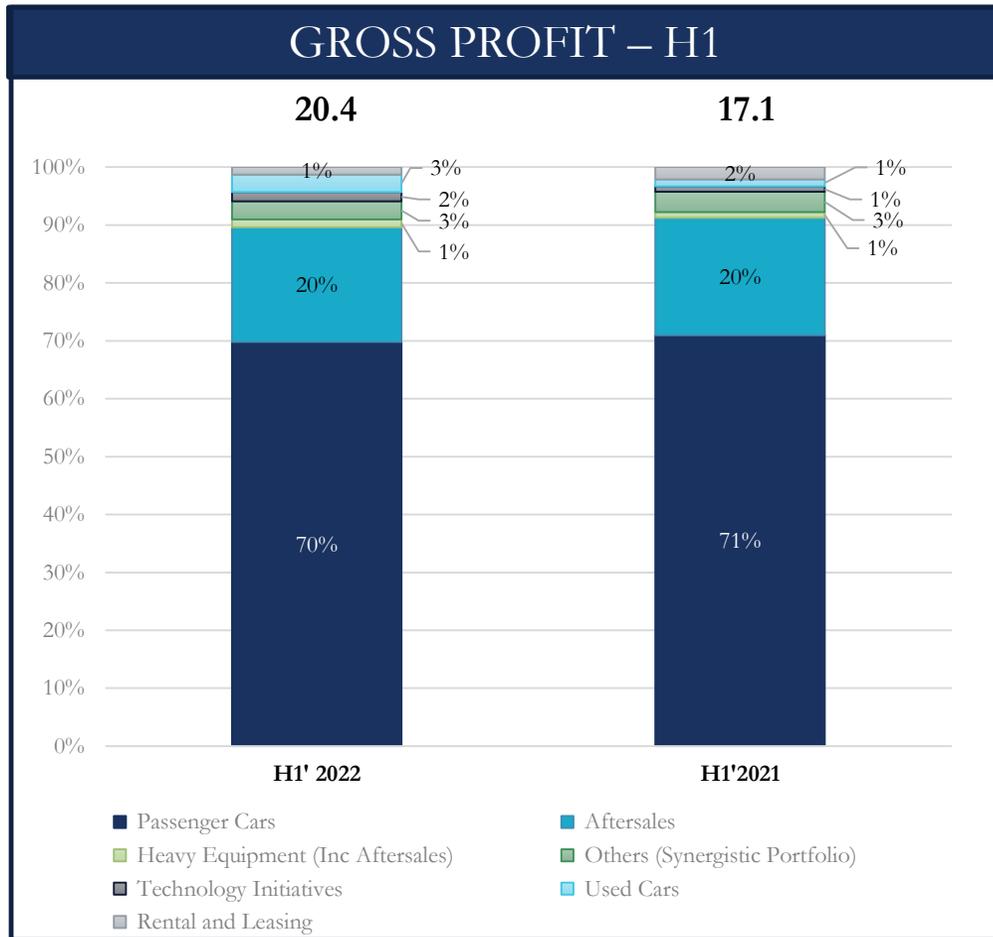
SEGMENT WISE REVENUE CONTRIBUTION (In KD Million)



Note: Segment revenue composition is calculated before intercompany eliminations & consolidations amounting to:
 - KD 0.6 Million for Q2' 2022 and KD 0.8 Million for Q2' 2021; KD 1.2 Million for H1' 2022 and KD 1.7 Million for H1' 2021.
 : Above figures are rounded off.



SEGMENT WISE GROSS PROFIT CONTRIBUTION (In KD Million)



Note: Segment gross profit composition is calculated before intercompany eliminations & consolidations amounting to:
 - KD 0.007 Million for Q2' 2022 and KD 0.004 Million for Q2' 2021; KD 0.02 Million for H1' 2022 and KD (0.02) Million for H1' 2021.
 : Above figures are rounded off.



INCOME STATEMENT - FINANCIAL HIGHLIGHTS (In KD)

INCOME STATEMENT	H1' 22	H1' 21	CHANGE
REVENUE	88,250,611	84,739,117	4%
Cost of sales and services rendered	(67,813,075)	(67,681,140)	0.2%
GROSS PROFIT	20,437,536	17,057,977	20%
Other income	1,387,333	1,225,525	13%
Total Expenses (Distribution, Admin, Finance cost and others)	(12,804,794)	(10,506,557)	22%
NET PROFIT	9,020,075	7,776,945	16%
Profit attributable to equity holders of parent company	8,801,495	7,886,559	12%
EARNINGS PER SHARE	31.72	28.42	12%

☛ Increase in sales of affordable brands contributed to growth in revenue.

☛ Increase in vehicle margin of luxury brands along with increase in sale of affordable brands positively impacting gross profit.

☛ H1'21 expenses is lower due to significant write back of provisions; on normalization increase is not significant.

☛ Net profit increased significantly due to impact of increase in sales of affordable brands and increase in margin of luxury brands.



INCOME STATEMENT - FINANCIAL HIGHLIGHTS (In KD)

INCOME STATEMENT	Q2' 22	Q2' 21	CHANGE
REVENUE	48,465,886	41,110,413	18%
Cost of sales and services rendered	(37,304,791)	(32,446,324)	15%
GROSS PROFIT	11,161,095	8,664,089	29%
Other income	650,145	598,424	9%
Total Expenses (Distribution, Admin and Finance cost and others)	(7,018,057)	(5,209,904)	35%
NET PROFIT	4,793,183	4,052,609	18%
Profit attributable to equity holders of parent company	4,728,946	4,071,241	16%
EARNINGS PER SHARE	17.04	14.67	16%

- ☛ Increase in revenue from premium models of luxury brands contributed to growth in revenue.
- ☛ Increase in revenue & vehicle margin of luxury brands positively impacting gross profit.
- ☛ Q2' 21 expenses is lower due to significant write back of provisions; on normalization increase is not significant.
- ☛ Net profit improved significantly due to impact of increase in margins of luxury brands.



BALANCE SHEET - FINANCIAL HIGHLIGHTS (In KD)

BALANCE SHEET	JUNE' 22	JUNE' 21	CHANGE
Assets			
Property, plant, and equipment	91,828,970	100,670,623	(9)%
Other non current assets	2,042,797	2,215,513	(8)%
Current assets	58,581,874	67,861,430	(14)%
Assets held for sale	5,572,625	-	-
TOTAL ASSETS	158,026,266	170,747,566	(7)%
Equity and Liability			
TOTAL EQUITY	66,518,516	73,873,545	(10)%
Non-current liabilities	28,664,729	43,754,747	(34)%
Current liabilities	61,302,980	53,119,274	15%
Liability directly associated with asset classified as held for sale	1,540,041	-	-
TOTAL LIABILITY	91,507,750	96,874,021	(6)%
Total Equity and Liabilities	158,026,266	170,747,566	(7)%

- ☛ Property, plant, and equipment drop is related to: retirement of rental vehicles and low replacement capex.
- ☛ Current assets decreased due to improvement in receivables and repayment of term bank debts.
- ☛ Reduction in non-current liabilities is mainly due to settlement of bank debts (KD 19 Million)
- ☛ Current liabilities increased mainly due to increase in strong vehicle demand resulted in increase in customer advances received for booking vehicles.



CASH FLOW STATEMENT - FINANCIAL HIGHLIGHTS (In KD)

CASH FLOW STATEMENT	JUNE' 22	JUNE' 21
Cash in operating activities before working capital changes	13,819,251	10,734,441
Changes in working capital	2,700,394	(3,813,355)
Other items	(91,777)	(127,363)
NET CASH FLOWS FROM OPERATING ACTIVITIES	16,427,868	6,793,723
Capex & Investments	(900,246)	(1,100,865)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(900,246)	(1,100,865)
Loans and borrowings	(8,451,126)	(725,856)
Dividend and movement in payables to related parties	(4,768,784)	2,039,262
Finance cost and other	(1,490,688)	(1,269,361)
NET CASHFLOW (USED IN) FROM FINANCIANG ACTIVITIES	(14,710,598)	44,045
NET INCREASE IN CASH AND CASH EQUIVALENTS	817,024	5,736,903

- ☛ Improvement in free Cash flow is due to increase in profits along with the positive cash flow from working capital.
- ☛ Reduction in debt is due to settlement of loans.



FINANCIAL OVERVIEW – KEY RATIOS

KEY RATIOS		H1' 22	H1' 21
LIQUIDITY RATIOS			
Current Ratio	(Current Assets/Current Liabilities)	1.02	1.28
Quick Ratio	(Current Assets-Inventories/Current Liabilities)	0.52	0.72
Cash Ratio	(Cash/Current Liabilities)	0.33	0.53
PROFITABILITY RATIOS			
Gross Profit Margin	(Gross Profit/Revenue)	23.2%	20.1%
Net Profit Margin	(Net Profit/ Revenue)	10.2%	9.2%
PERFORMANCE RATIOS			
Return on Asset (ROA)	(Net Profit/ Average Assets)	5.9%	4.6%
Return on Equity (ROE)	(Net Profit/ Average Equity)	13.8%	10.8%
SOLVENCY RATIOS (Cash not adjusted)			
Bank Borrowing to Asset Ratio	(Debt/Total Assets)	0.09	0.22
Bank Borrowing to Equity Ratio	(Debt/Total Equity)	0.21	0.50

☛ Liquidity Ratios dropped mainly due to drop in Cash & Cash equivalents on account of repayment of Loans & Bank Borrowings.

During H1'22 the Net Bank Borrowings (incl. of cash) is +ve KD 6.8 Million.

☛ Profitability ratios improved significantly due to increase in margins of luxury brands.

☛ Performance ratios improved due to increase in Net Profit.

☛ Solvency ratios improved due to settlement of loans.



Q&A SESSION

THANK YOU

For Investor Relations

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