



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

Analyst Conference

Q1 2023

May 16, 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.



*Conversion rate: KWD 1 = USD 3.065

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—QUARTER 1, 2023



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 <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>Q1'22 70%</td> <td>Q1'22 68%</td> </tr> <tr> <td>Q1'23 78%</td> <td>Q1'23 74%</td> </tr> </tbody> </table>	Revenue	GP	Q1'22 70%	Q1'22 68%	Q1'23 78%	Q1'23 74%	<ul style="list-style-type: none"> • Service • Body Shop • Parts and Accessories <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>Q1'22 15%</td> <td>Q1'22 21%</td> </tr> <tr> <td>Q1'23 11%</td> <td>Q1'23 17%</td> </tr> </tbody> </table>	Revenue	GP	Q1'22 15%	Q1'22 21%	Q1'23 11%	Q1'23 17%	<ul style="list-style-type: none"> • BMW • Land Rover • MINI • Geely • Haval <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>Q1'22 7%</td> <td>Q1'22 3%</td> </tr> <tr> <td>Q1'23 4%</td> <td>Q1'23 3%</td> </tr> </tbody> </table>	Revenue	GP	Q1'22 7%	Q1'22 3%	Q1'23 4%	Q1'23 3%	<ul style="list-style-type: none"> • MAN Truck & Bus • Putzmeister • Hyundai • Baoli • Fassi • Servicing and spare parts sale <table border="1"> <thead> <tr> <th>Revenue</th> <th>GP</th> </tr> </thead> <tbody> <tr> <td>Q1'22 3%</td> <td>Q1'22 1%</td> </tr> <tr> <td>Q1'23 3%</td> <td>Q1'23 2%</td> </tr> </tbody> </table>	Revenue	GP	Q1'22 3%	Q1'22 1%	Q1'23 3%	Q1'23 2%
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Rental and Leasing	Synergistic Lines	Technology Initiatives																									
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Note: Segment revenue composition is calculated before intercompany eliminations & consolidations - KWD 0.6 million for Q1'2022 and KWD 2.1 million for Q1'2023.
Segment gross profit composition is calculated before intercompany eliminations & consolidations - KWD 0.01 million for Q1'2022 and KWD 0.16 million for Q1'2023.



ACCOMPLISHMENTS

Signed a dealership contract for the Geely brand in the Egyptian market through one of our subsidiaries



McLaren (Kuwait) received "2022 Retailer of the year" award for Middle East & Africa Region



Maintaining orderbook of 2,700+ confirmed bookings



Exceptional growth in Affordable, Luxury and Ultra Luxury car segment





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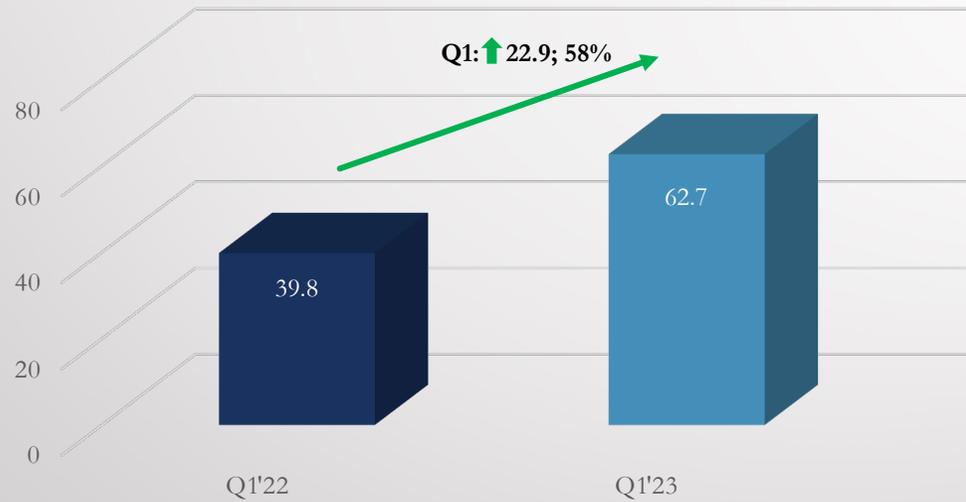
FINANCIAL OVERVIEW

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FINANCIAL OVERVIEW: QUARTER 1, 2023

Revenue (in KWD Million)



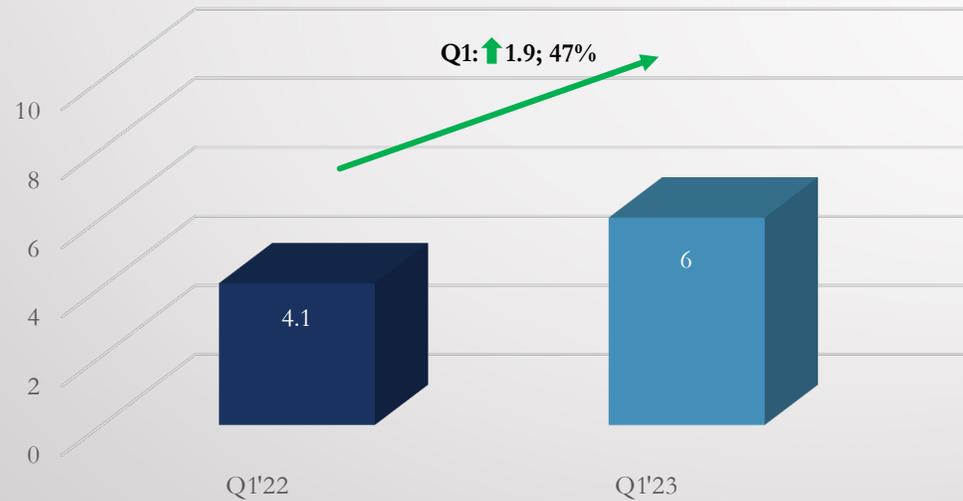
Net Profit (in KWD Million)



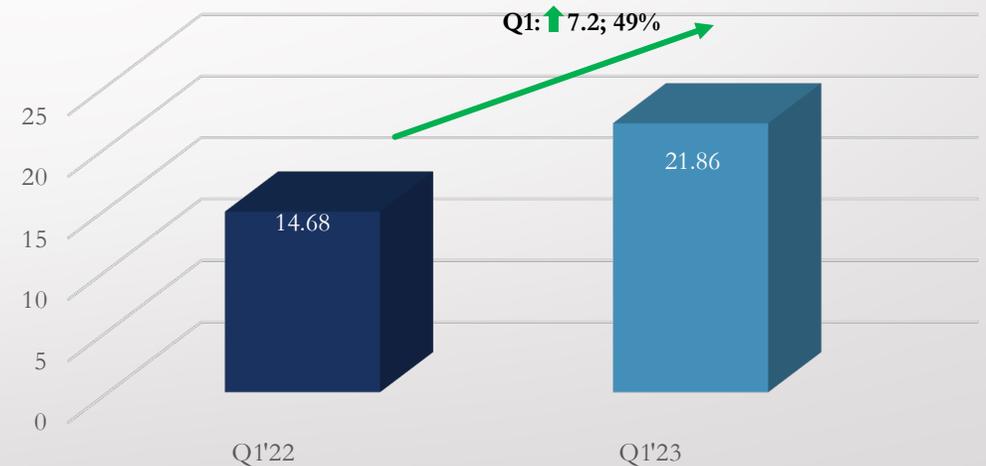


FINANCIAL OVERVIEW: QUARTER 1, 2023

Profit attributable to equity holders
(in KWD Million)



Earnings per share attributable to equity holders
(in FILS)





INCOME STATEMENT

Amount in KWD

INCOME STATEMENT	Q1'23	Q1'22	CHANGE
REVENUE	62,693,208	39,784,725	57.58%
Cost of sales and services rendered	(47,572,095)	(30,508,284)	55.93%
GROSS PROFIT	15,121,113	9,276,441	63.01%
Other income	536,431	737,188	(27.23%)
Share of results of equity-accounted investees	(232,998)	-	-
Total Expenses	(8,883,903)	(5,786,737)	53.52%
NET PROFIT	6,540,643	4,226,892	54.74%
Profit attributable to equity holders of parent company	5,990,604	4,072,549	47.10%
EARNINGS PER SHARE	21.86	14.68	48.91%

- ⚡ Significant Increase in Net Profit led by Revenue & Gross Profit is due to volume increase and vehicle product mix.
- ⚡ Share of results of equity-accounted investees consist of share of loss from Top Car and Global Auto.
- ⚡ Increase in expenses are in line with increase in revenue.

BALANCE SHEET

Amount in KWD

BALANCE SHEET	MAR'23	DEC'22	CHANGE
ASSETS			
Property, plant, and equipment	102,360,119	101,715,627	0.63%
Other non current assets	4,039,154	4,707,184	(14.19%)
Current assets	88,412,352	81,655,951	8.27%
TOTAL ASSETS	194,811,625	188,078,762	3.58%
Equity and Liability			
TOTAL EQUITY	77,144,090	79,666,254	(3.17%)
Non-current liabilities	33,761,567	31,409,905	7.49%
Current liabilities	83,905,968	77,002,603	8.97%
TOTAL LIABLITY	117,667,535	108,412,508	8.54%
Total Equity and Liabilities	194,811,625	188,078,762	3.58%

- ☞ Property, plant, and equipment increased slightly due to additions in ROU (New Storage Location).
- ☞ Current assets increased mainly due to increase in cash and short-term deposits.
- ☞ Equity drop is attributed to dividend declared during the period.
- ☞ Current liabilities increased due to dividend declared during the period.

CASH FLOW STATEMENT

Amount in KWD

CASH FLOW STATEMENT	MAR'23	MAR'22
Cash in operating activities before working capital changes	9,643,132	6,575,235
Changes in working capital	1,041,656	6,747,320
Other items	(15,374)	(50,574)
NET CASH FLOWS FROM OPERATING ACTIVITIES	10,669,414	13,271,981
Capex	(1,920,527)	(362,446)
Movement in receivables	(3,215,855)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(5,136,382)	(362,446)
Net movement in Islamic Finance payables	1,870,327	(6,290,120)
Dividend Paid and Movement in payables	1,234,895	(665,236)
Finance cost and Lease Liability payment	(848,933)	(664,508)
NET CASHFLOW (USED IN) FROM FINANCING ACTIVITIES	2,256,289	(7,619,864)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,789,321	5,289,671

Operating Activities – Cash Inflow is due to increase in profits along with the positive cash flow from working capital.



KEY RATIOS – Q1 (JAN – MAR)

KEY RATIOS		Q1'23	Q1'22
LIQUIDITY RATIOS			
Current Ratio	(Current Assets/Current Liabilities)	1.05	0.99
Quick Ratio	(Current Assets-Inventories/Current Liabilities)	0.47	0.59
Cash Ratio	(Cash/Current Liabilities)	0.28	0.42
PROFITABILITY RATIOS			
Gross Profit Margin	(Gross Profit/Revenue)	24.12%	23.32%
Net Profit Margin	(Net Profit/ Revenue)	10.43%	10.62%
PERFORMANCE RATIOS			
Return on Asset (ROA) ^{TTM}	(Net Profit/ Average Assets)	12.45%	9.29%
Return on Equity (ROE) ^{TTM}	(Net Profit/ Average Equity)	30.9%	22.33%
SOLVENCY RATIOS (Cash not adjusted)			
Bank Borrowing to Asset Ratio	(Debt/Total Assets)	0.09	0.11
Bank Borrowing to Equity Ratio	(Debt/Total Equity)	0.24	0.26

- ☞ Current Ratio increased due to increase in inventory.
- ☞ Quick Ratio & Cash Ratio drop is mainly attributed to increase in trade payables, customer deposits and Dividend payables.
- ☞ Improvement in Gross Profit Margin is due to increase in vehicle margin.
- ☞ Performance ratios improved due to increase in Net Profit.
- ☞ Solvency ratios improved due to increase in assets & equity.



Strong performance and ahead of our forecast

Net Profit (in KWD Million)



- Our financial performance has exceeded our forecast with 49% growth in EPS attributed to equity holders
- Net profit in 2022 is almost at offering memorandum 2024 forecast
- The net profit in Q1 2023 is 32.6% of offering memorandum 2024
- Minimized exposure to increased interest rate as debt net of cash is positive
- The company has achieved outstanding financial results and surpassed the growth forecasted in offering memorandum



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Q&A SESSION

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Thank you

For Investor Relations

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