



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

## Analyst Conference

Q3 2022

November 08, 2022



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## AGENDA

Particulars	Page
BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM	4
COMPANY OVERVIEW AND ACCOMPLISHMENTS	6
FINANCIAL OVERVIEW	10
Q&A SESSION	20



# 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 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-Faris**  
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

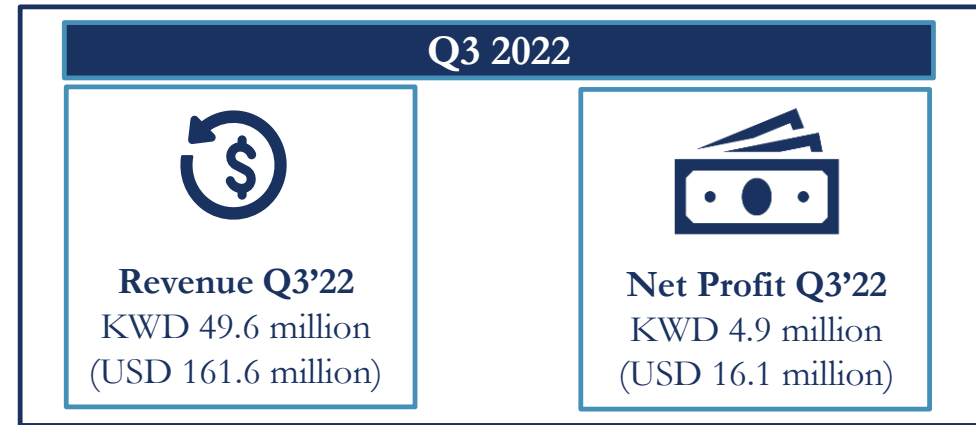
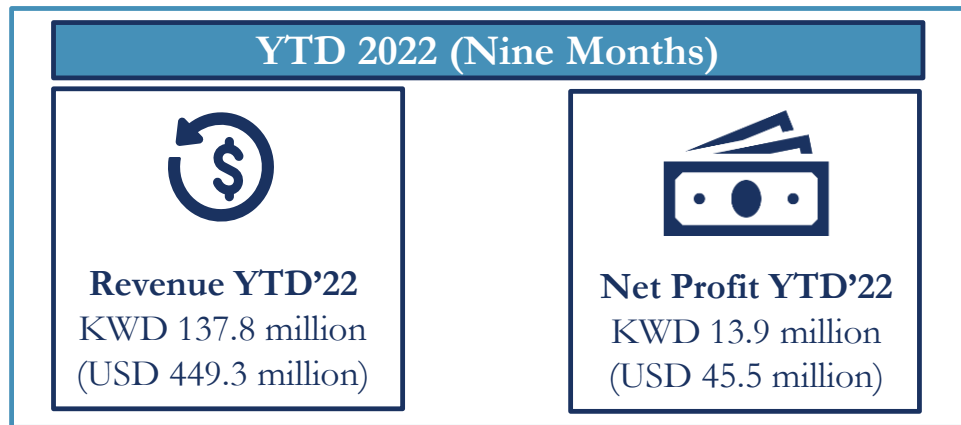


# COMPANY OVERVIEW AND ACCOMPLISHMENTS



## 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: KWD 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 – YTD (Nine Months) and Q3 2022

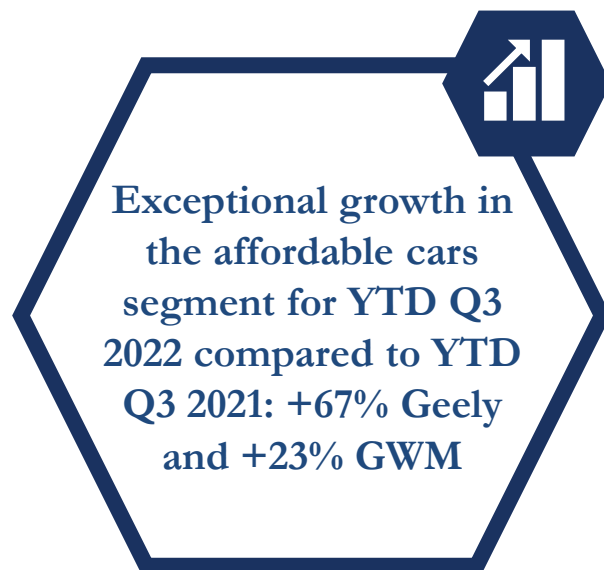
Passenger Cars	After Sales	Certified Used Cars	Commercial Heavy Equipment
<ul style="list-style-type: none"><li>• BMW</li><li>• Land Rover</li><li>• Rolls Royce</li><li>• McLaren</li><li>• MINI</li><li>• Geely</li><li>• Great Wall</li><li>• Haval</li></ul>	<ul style="list-style-type: none"><li>• Service</li><li>• Body Shop</li><li>• Parts and Accessories</li></ul>	<ul style="list-style-type: none"><li>• BMW</li><li>• Land Rover</li><li>• MINI</li><li>• Geely</li><li>• Haval</li></ul>	<ul style="list-style-type: none"><li>• MAN Truck &amp; Bus</li><li>• Putzmeister</li><li>• Hyundai</li><li>• Baoli</li><li>• Fassi</li></ul> <p>Servicing and spare parts sale</p>
<b>YTD</b> 72%	<b>YTD</b> 13%	<b>YTD</b> 6%	<b>YTD</b> 4%
<b>Q3</b> 72%	<b>Q3</b> 13%	<b>Q3</b> 5%	<b>Q3</b> 5%
Rental and Leasing	Synergistic Lines		Technology Initiatives
<ul style="list-style-type: none"><li>• Renting among the available selection of affordable, luxury and ultra luxury vehicles</li><li>• Leasing of vehicles</li></ul>	<ul style="list-style-type: none"><li>• Sale of Aftermarket Products:<ul style="list-style-type: none"><li>• Tires – Sumitomo, Roadstone, Kinforest</li><li>• Lubricants – Liquimoly</li><li>• Batteries – Exide, Livguard</li><li>• Sparkplugs – NGK</li></ul></li><li>• Technical inspections and renewal of vehicle registration for all types of passenger cars</li></ul>		<ul style="list-style-type: none"><li>• Luxury car booking service (Rove)</li><li>• Car valuation app (Oogoo)</li></ul>
<b>YTD</b> 1%	<b>YTD</b> 2%	<b>YTD</b> 2%	<b>YTD</b> 1%
<b>Q3</b> 1%	<b>Q3</b> 2%	<b>Q3</b> 2%	<b>Q3</b> 1%

**Note:** Segment revenue composition is calculated before intercompany eliminations & consolidations amounting to KWD 0.8 million for Q3'2022 and KWD 2.0 million for YTD 2022.





## ACCOMPLISHMENTS

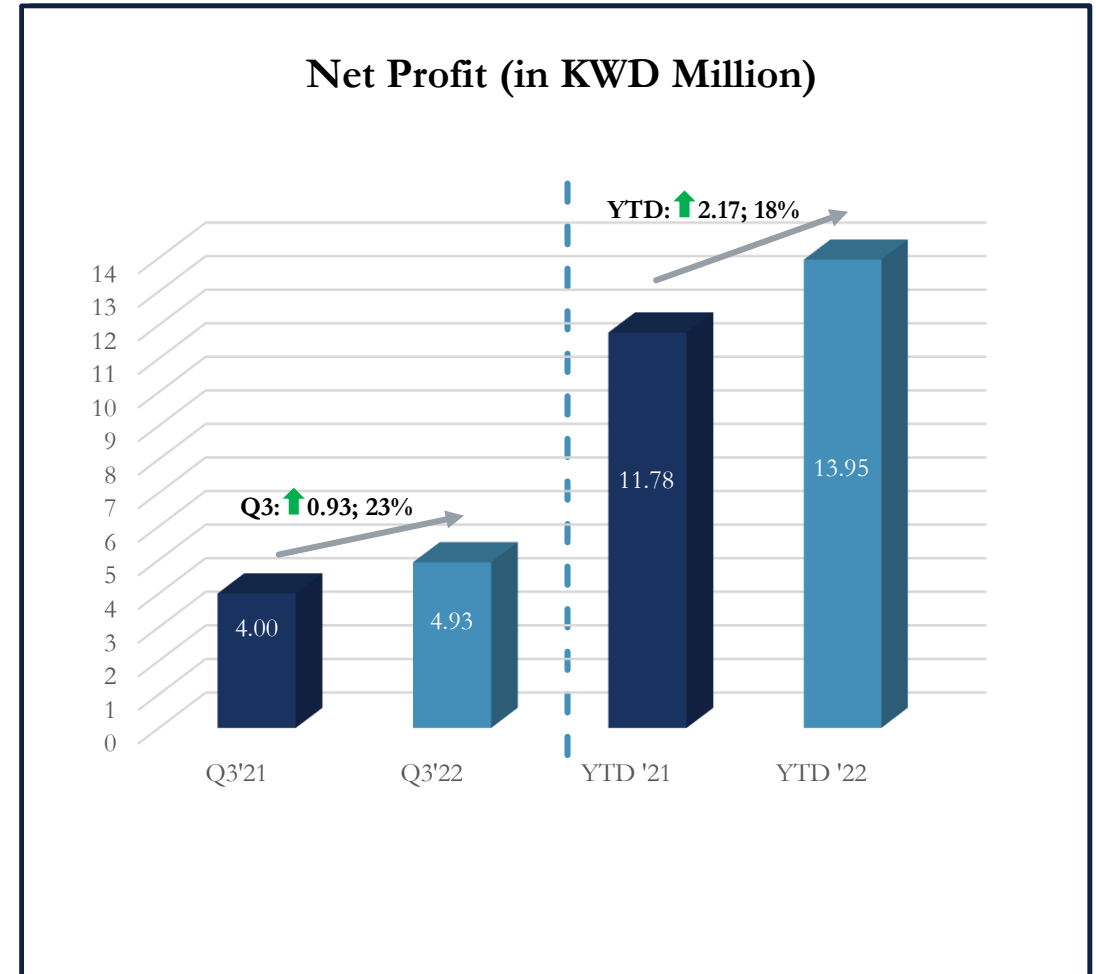
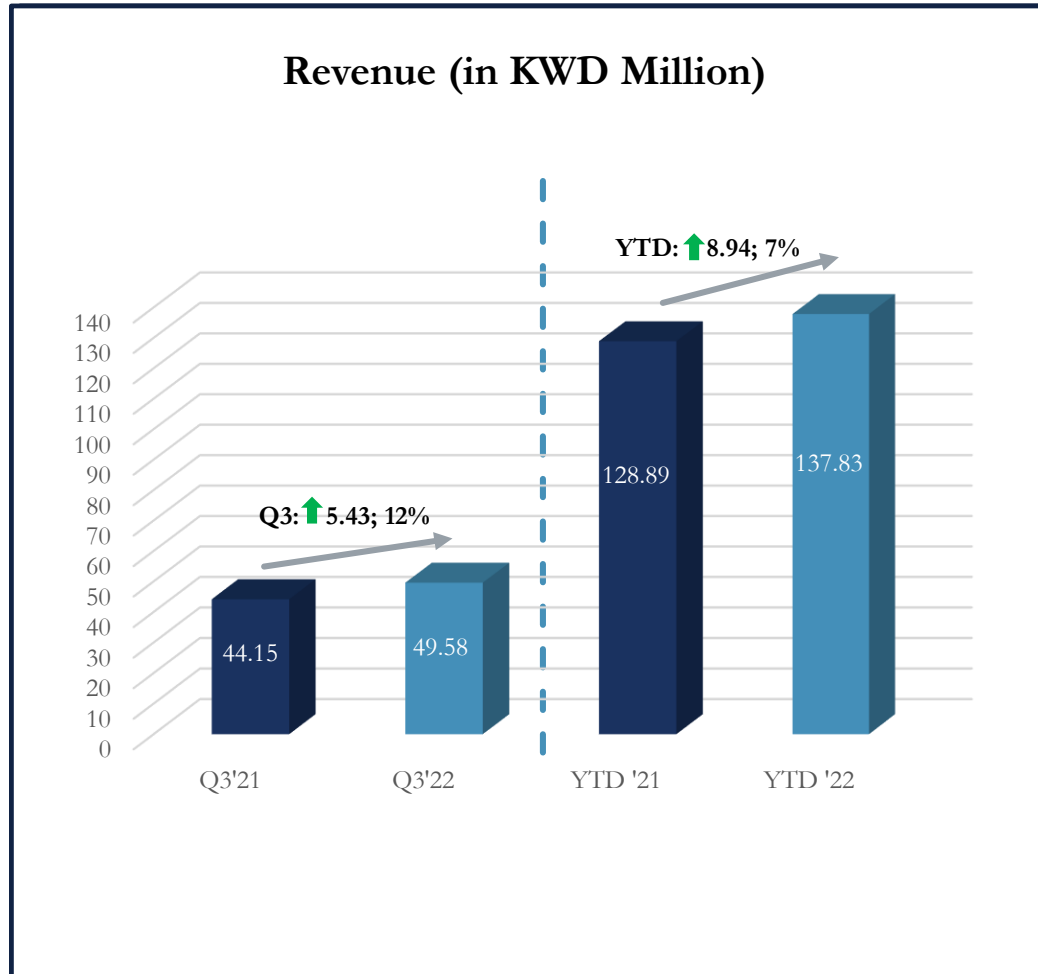




# FINANCIAL OVERVIEW

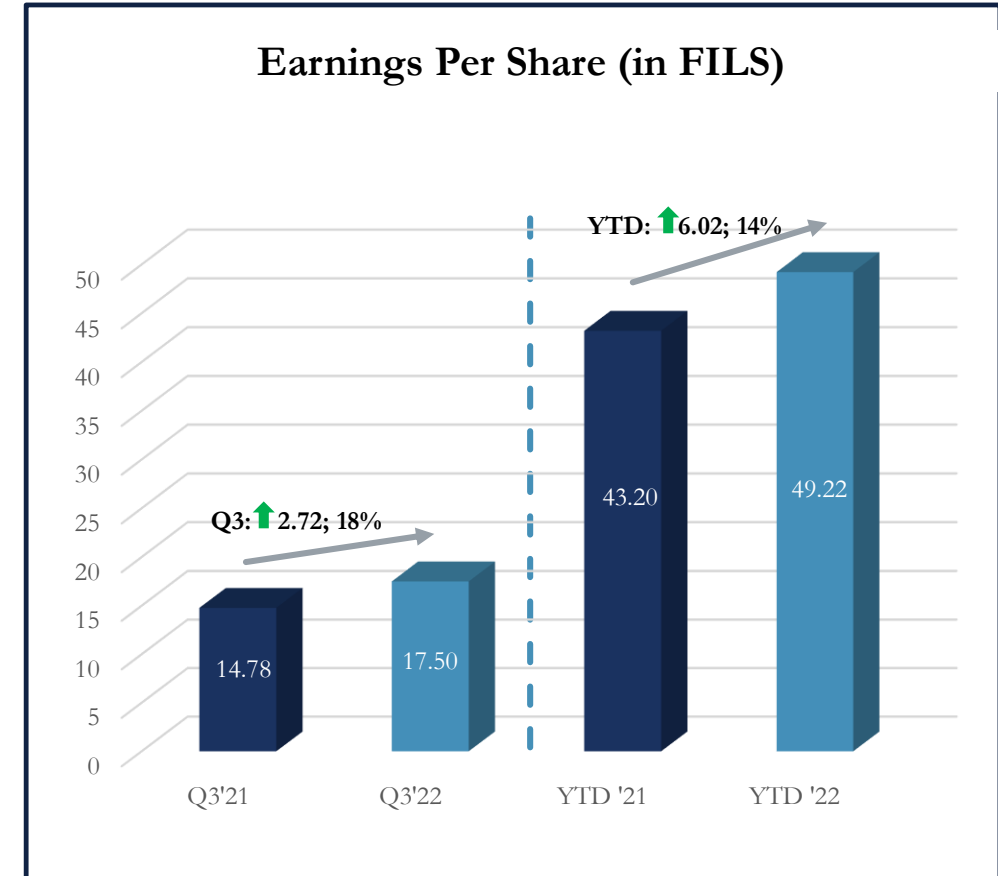
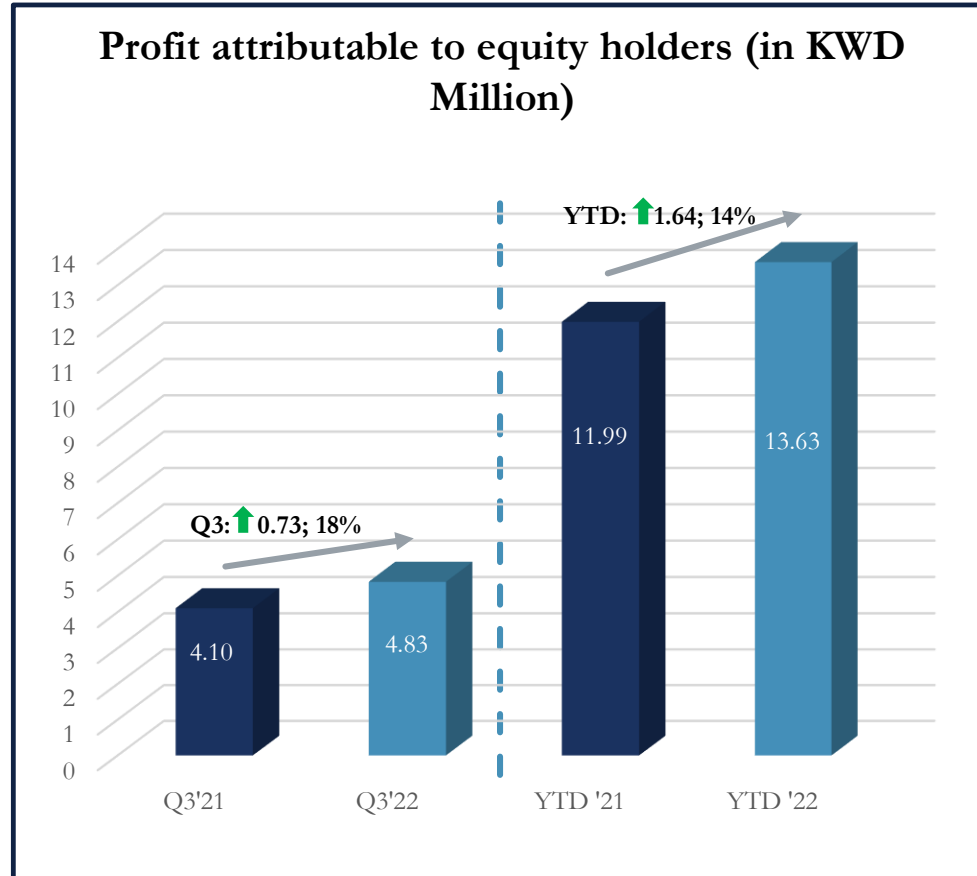


## FINANCIAL OVERVIEW: YTD (Nine Months) and Q3 2022





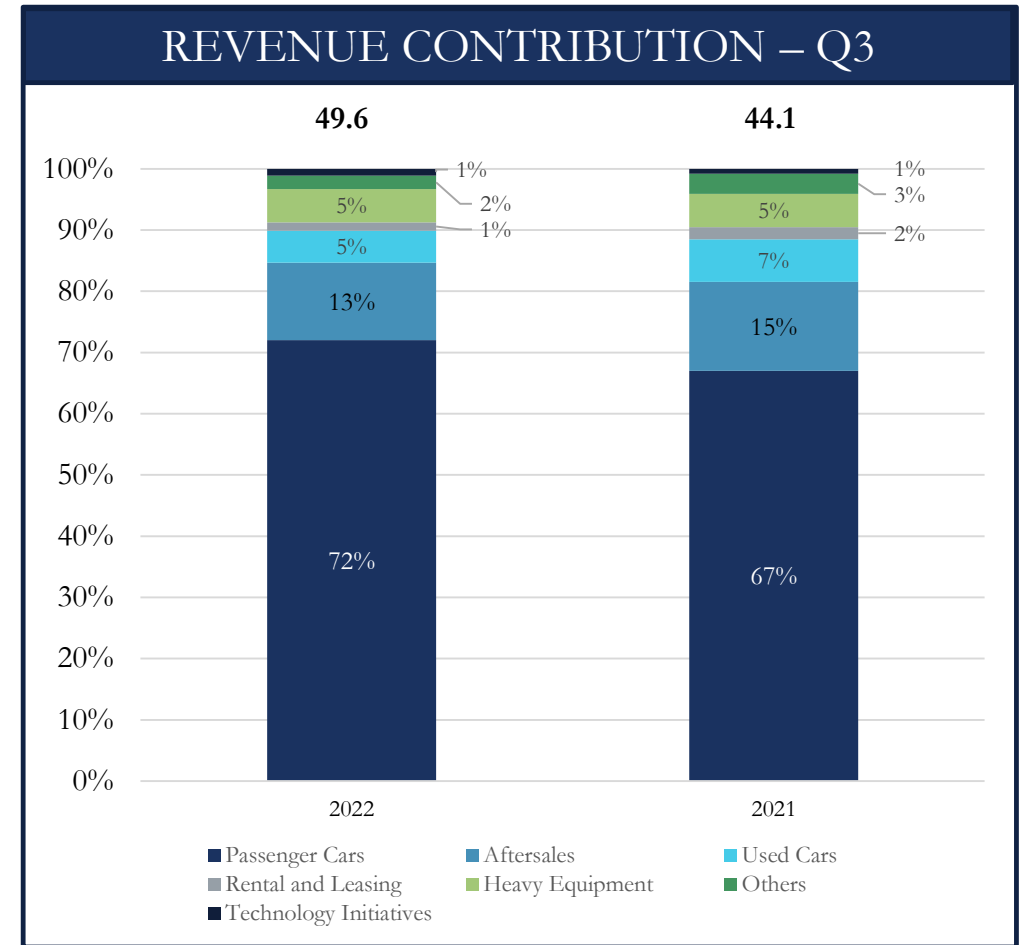
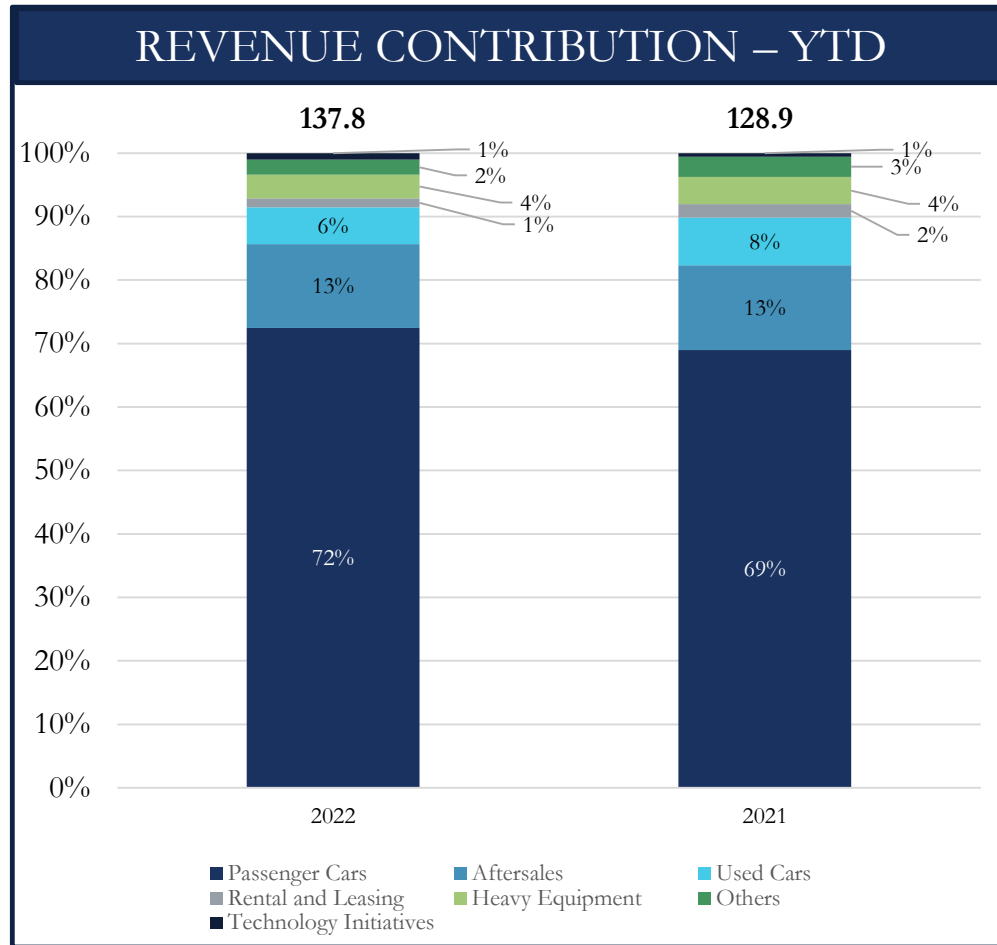
## FINANCIAL OVERVIEW: YTD (Nine Months) and Q3 2022



**Note:** As per offering memorandum the EPS for FY 2022 was 52 FILS, however already achieved till September 2022 is 49.22 FILS (95%)



## SEGMENT WISE REVENUE CONTRIBUTION (In KWD Millions)

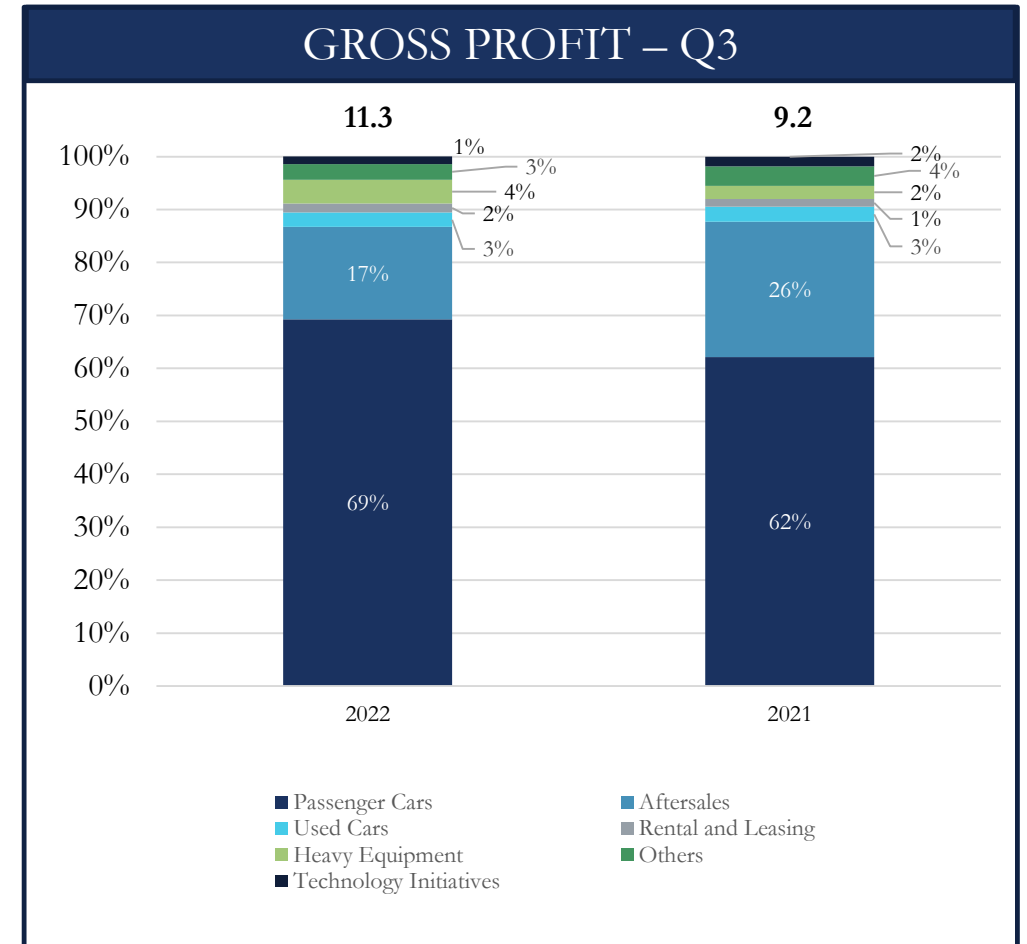
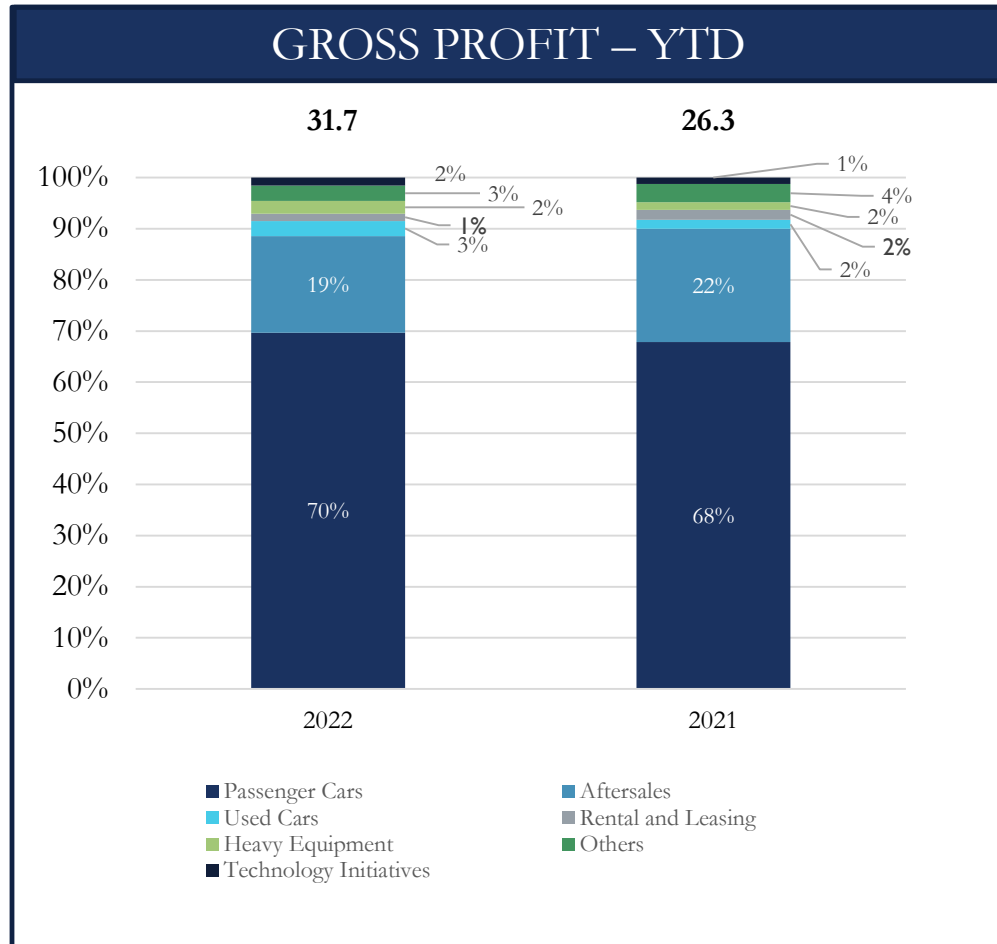


**Note:** Segment revenue composition is calculated before intercompany eliminations & consolidations amounting to:

- KWD 0.8 million for Q3'2022 and KWD 1.2 million for Q3'2021; KWD 2.0 million for YTD'2022 and KWD 2.9 million for YTD'2021.



## SEGMENT WISE GROSS PROFIT (In KWD Millions)



**Note:** Segment gross profit composition is calculated before intercompany eliminations & consolidations amounting to:

- KWD 0.02 million for Q3'2022 and KWD 0.18 million for Q3'2021; KWD 0.04 million for YTD 2022 and KWD 0.14 million for YTD 2021.



## INCOME STATEMENT: FINANCIAL HIGHLIGHTS (In KWD)

INCOME STATEMENT	YTD'22	YTD'21	CHANGE
<b>REVENUE</b>	<b>137,828,604</b>	<b>128,888,557</b>	<b>7%</b>
Cost of sales and services rendered	(106,070,169)	(102,575,956)	3%
<b>GROSS PROFIT</b>	<b>31,758,435</b>	<b>26,312,601</b>	<b>21%</b>
Other income	2,135,822	1,949,816	10%
Share of result of Associate	(302,374)	-	0%
Total Expenses (Distribution, Admin, Finance cost and others)	(19,643,537)	(16,485,755)	19%
<b>NET PROFIT</b>	<b>13,948,346</b>	<b>11,776,662</b>	<b>18%</b>
Profit attributable to equity holders of parent company	13,631,993	11,988,433	14%
<b>EARNINGS PER SHARE</b>	<b>49.22</b>	<b>43.20</b>	<b>14%</b>

- ⌘ Increase in revenue of Luxury & 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.
- ⌘ Expenses for YTD Sep'21 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 revenue of Luxury & Affordable brands and increase in margin of Luxury brands.

\*YTD 2022- January to September 2022 (Nine Months)



## INCOME STATEMENT: FINANCIAL HIGHLIGHTS (In KWD)

INCOME STATEMENT	Q3'22	Q3'21	CHANGE
<b>REVENUE</b>	<b>49,577,993</b>	<b>44,149,440</b>	<b>12%</b>
Cost of sales and services rendered	(38,257,094)	(34,894,816)	10%
<b>GROSS PROFIT</b>	<b>11,320,899</b>	<b>9,254,624</b>	<b>22%</b>
Other income	748,489	724,291	3%
Share of result of Associate	(302,374)	-	0%
Total Expenses (Distribution, Admin and Finance cost and others)	(6,838,743)	(5,979,198)	14%
<b>NET PROFIT</b>	<b>4,928,271</b>	<b>3,999,717</b>	<b>23%</b>
Profit attributable to equity holders of parent company	4,830,498	4,101,874	18%
<b>EARNINGS PER SHARE</b>	<b>17.50</b>	<b>14.78</b>	<b>18%</b>

- ☛ Increase in revenue from premium models of Luxury brands and Affordable brands contributed to growth in revenue.
- ☛ Increase in vehicle margin from Luxury brands positively impacting gross profit.
- ☛ Net Profit improved significantly due to increase in margins of Luxury brands.





## BALANCE SHEET: FINANCIAL HIGHLIGHTS (In KWD)

BALANCE SHEET	SEP'22	SEP'21	CHANGE
<b>Assets</b>			
Property, plant, and equipment	91,204,165	101,223,829	(10)%
Other non current assets	6,034,764	2,217,226	172%
Current assets	61,349,219	64,544,899	(5)%
<b>TOTAL ASSETS</b>	<b>158,588,148</b>	<b>167,985,954</b>	<b>(6)%</b>
<b>Equity and Liability</b>			
<b>TOTAL EQUITY</b>	<b>60,981,322</b>	<b>77,801,431</b>	<b>(22)%</b>
Non-current liabilities	38,968,206	36,724,119	6%
Current liabilities	58,638,620	53,460,404	10%
<b>TOTAL LIABILITY</b>	<b>97,606,826</b>	<b>90,184,523</b>	<b>8%</b>
<b>Total Equity and Liabilities</b>	<b>158,588,148</b>	<b>167,985,954</b>	<b>(6)%</b>

- ⌘ Property, plant, and equipment decreased due to retirement of rental vehicles and low replacement capex.
- ⌘ Other non-current assets increased mainly due to investment in an associate.
- ⌘ Current assets decreased due to drop in Cash as it was utilized for repayment of term bank debts, investment in associates and purchase of treasury shares.
- ⌘ Dividend payout and purchase of treasury shares resulted to decrease in equity value.
- ⌘ Increase in non-current liabilities is mainly due to increase in accumulation of service contracts.
- ⌘ Current liabilities increased mainly due to increase in customer advances (increased vehicle demand).



## CASH FLOW STATEMENT: FINANCIAL HIGHLIGHTS (In KWD)

CASH FLOW STATEMENT	SEP'22	SEP'21
Cash in operating activities before working capital changes	23,401,623	17,411,212
Changes in working capital	2,227,299	(834,164)
Other items	(204,520)	(182,694)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>25,424,402</b>	<b>16,394,354</b>
Capex + Investments	(1,617,806)	(1,625,598)
Investment in Associates + Treasury Shares & Others	(12,080,728)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(13,698,534)</b>	<b>(1,625,598)</b>
Loans and borrowings	1,711,956	(10,060,109)
Dividend and movement in payables to related parties	(11,071,040)	2,050,726
Finance cost and Others	(1,923,090)	(2,140,155)
<b>NET CASHFLOW (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(11,282,174)</b>	<b>(10,149,538)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>443,694</b>	<b>4,619,218</b>

- Improvement in free cash flow is due to increase in profits along with the positive cash flow from working capital.
- Increase in cash outflows from investing activities is mainly due to investment in associate and purchase of treasury shares.



## FINANCIAL OVERVIEW: KEY RATIOS - YTD (Nine Months)

KEY RATIOS		YTD'22	YTD'21
<b>LIQUIDITY RATIOS</b>			
Current Ratio	(Current Assets/Current Liabilities)	1.05	1.21
Quick Ratio	(Current Assets-Inventories/Current Liabilities)	0.57	0.74
Cash Ratio	(Cash/Current Liabilities)	0.33	0.51
<b>PROFITABILITY RATIOS</b>			
Gross Profit Margin	(Gross Profit/Revenue)	23.04%	20.42%
Net Profit Margin	(Net Profit/ Revenue)	10.12%	9.14%
<b>PERFORMANCE RATIOS</b>			
Return on Asset (ROA)	(Net Profit/ Average Assets)	9.12%	7.03%
Return on Equity (ROE)	(Net Profit/ Average Equity)	22.33%	15.93%
<b>SOLVENCY RATIOS (Cash not adjusted)</b>			
Bank Borrowing to Asset Ratio	(Debt/Total Assets)	0.15	0.16
Bank Borrowing to Equity Ratio	(Debt/Total Equity)	0.39	0.35

☛ Liquidity ratios dropped mainly due to drop in cash and cash equivalents as it was utilized for repayment of term bank debts, investment in associates & purchase of treasury shares.

☛ Profitability ratios improved significantly due to increase in vehicle margin of Luxury brands.

☛ Performance ratios improved due to increase in Net Profit.

☛ Bank Borrowing to Asset Ratio improved due to settlement of loans.

☛ Bank Borrowing to Equity ratio movement attributed to Dividend payout.

\*YTD 2022- January to September 2022 (Nine Months)



# Q&A SESSION

# THANK YOU

## For Investor Relations

Please Visit or Contact us on

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