



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

## Analyst Conference

Q4 2022

March 01, 2023

ALI ALGHANIM SONS AUTOMOTIVE COMPANY K.S.C.P



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## 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 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

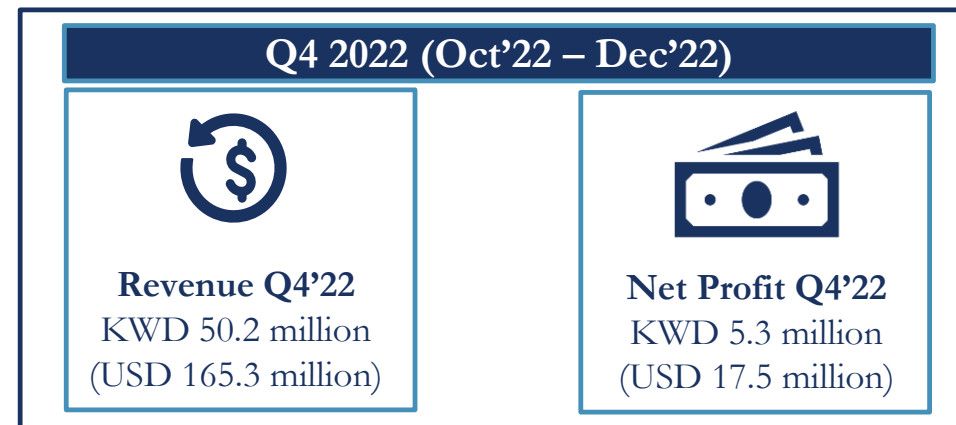
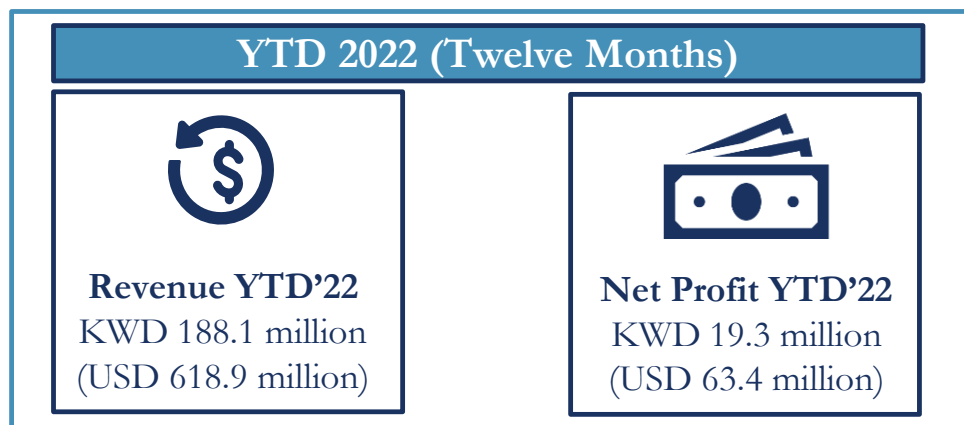


# COMPANY OVERVIEW AND ACCOMPLISHMENTS



## 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 3.291

**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 (12 Months)

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>
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 71%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 68%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 13%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 14%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 6%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 8%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 4%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 4%</div> </div>
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>
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 1%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 2%</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 2%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 3%</div> </div>		<div style="display: flex; justify-content: space-around;"> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2022 1%</div> <div style="background-color: #1a3d4d; color: white; padding: 5px;">2021 1%</div> </div>

**Note:** Segment revenue composition is calculated before intercompany eliminations & consolidations amounting to KWD 2.7 million for YTD 2022 and KWD 3.8 million for YTD 2021





## ACCOMPLISHMENTS

- BMW Jahra 3s Facility
- Geely Jahra 3s facility



Increased number of remote service stations across Kuwait to 15



Maintaining orderbook of 3,000+ confirmed bookings



Exceptional growth in the affordable cars segment

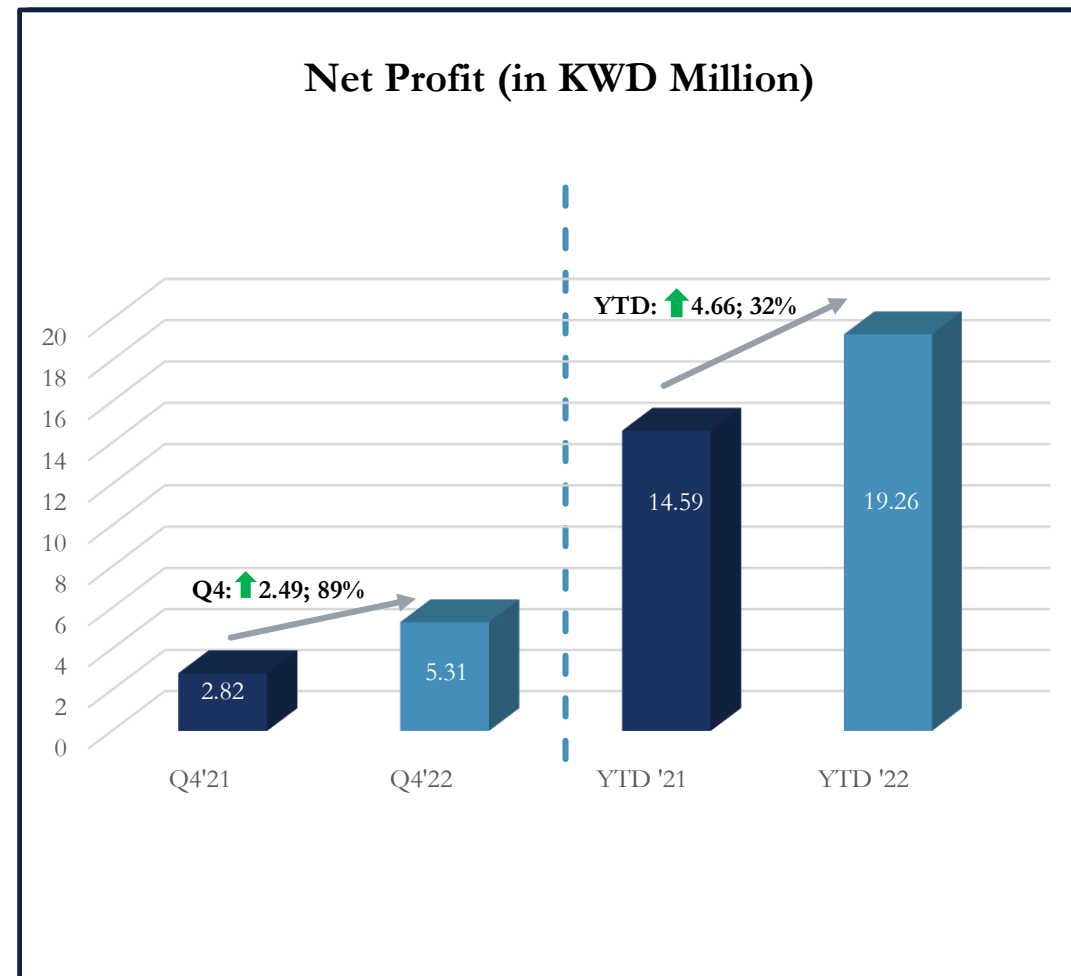
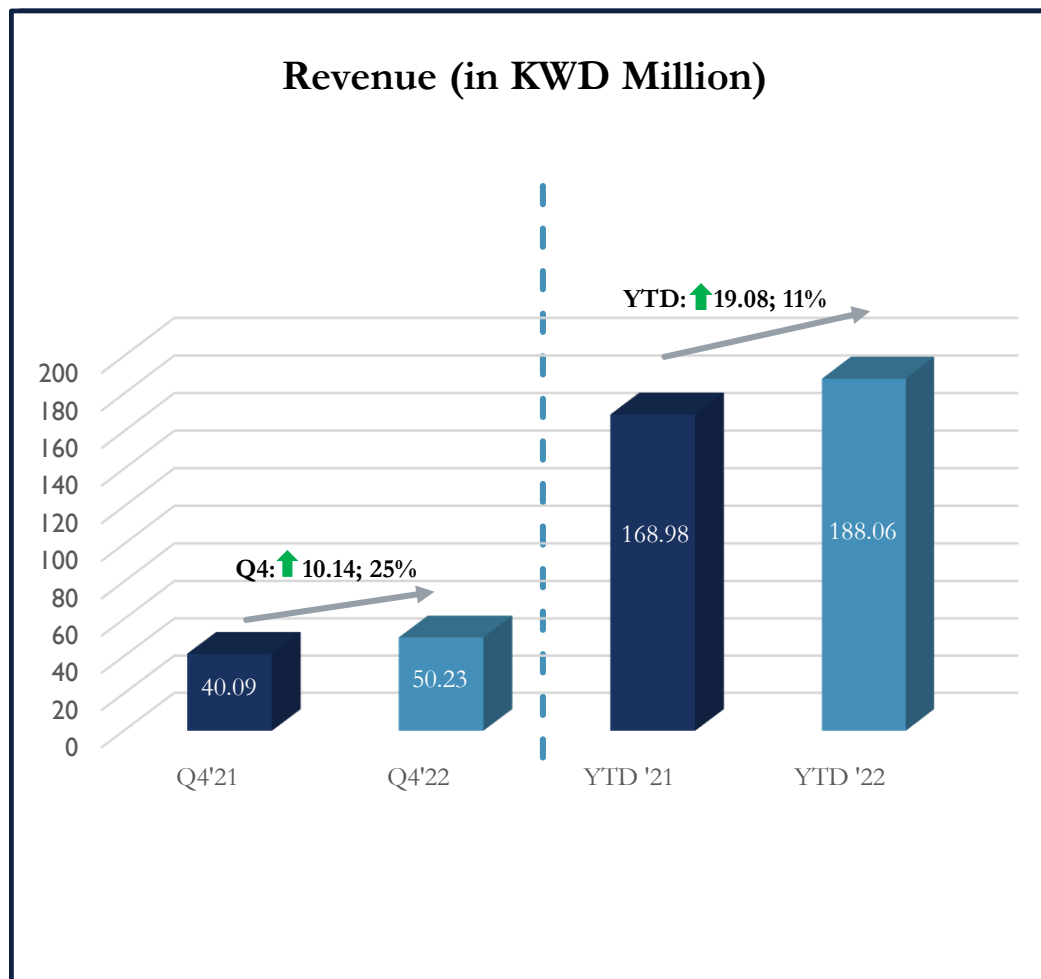




# FINANCIAL OVERVIEW

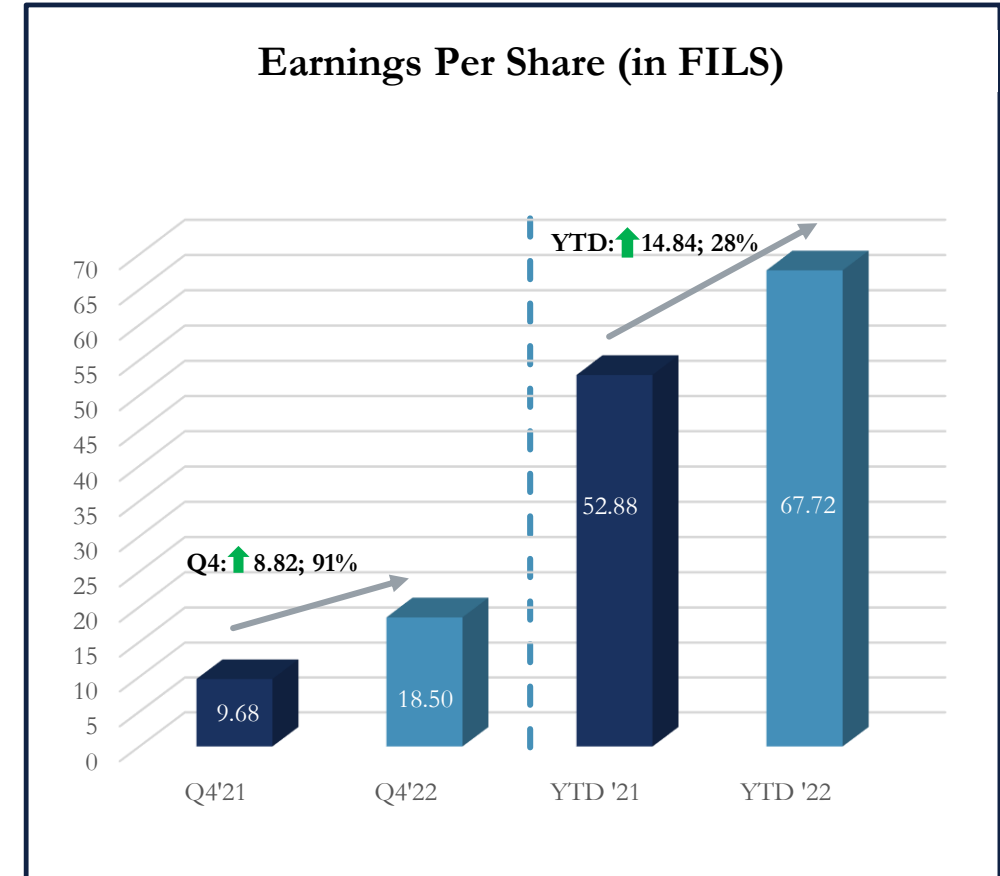
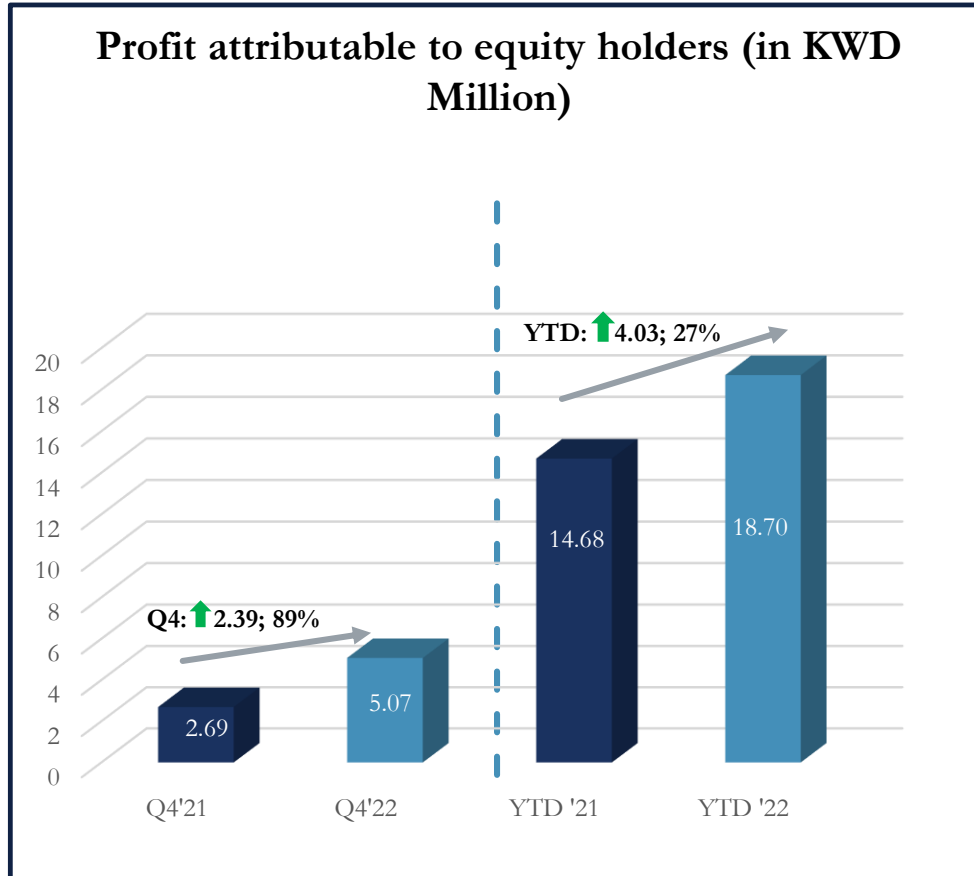


## FINANCIAL OVERVIEW: YTD and Q4 2022





## FINANCIAL OVERVIEW: YTD and Q4 2022



**Note:** As per offering memorandum the EPS for FY 2022 was 52 FILS, however already achieved for FY 2022 is 67.72 FILS (130%)



## INCOME STATEMENT: FINANCIAL HIGHLIGHTS – YTD (Twelve Months)

INCOME STATEMENT	Amount in KWD		
	YTD'22	YTD'21	CHANGE
<b>REVENUE</b>	<b>188,059,053</b>	<b>168,982,481</b>	<b>11.29%</b>
Cost of sales and services rendered	(144,385,220)	(133,359,928)	8.27%
<b>GROSS PROFIT</b>	<b>43,673,833</b>	<b>35,622,553</b>	<b>22.60%</b>
Other income	2,855,470	3,178,717	-10.17%
Share of result of Associate	(678,436)	(123,893)	447.60%
Total Expenses (Distribution, Admin, Finance cost and others)	(26,595,501)	(24,085,567)	10.42%
<b>NET PROFIT</b>	<b>19,255,366</b>	<b>14,591,810</b>	<b>31.96%</b>
Profit attributable to equity holders of parent company	18,704,850	14,675,517	27.46%
<b>EARNINGS PER SHARE</b>	<b>67.72</b>	<b>52.88</b>	<b>28.06%</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.
- ☛ Other Income was higher in YTD Dec' 21 due to miscellaneous income.
- ☛ Share of results of Associates comprises of expenses of Global Auto.
- ☛ Net Profit increased significantly due to increase in revenue from luxury and affordable brands and margins from luxury brands.

\*YTD- January to December (Twelve Months)  
ALI ALGHANIM SONS AUTOMOTIVE COMPANY K.S.C.P



## INCOME STATEMENT: FINANCIAL HIGHLIGHTS – Q4 (Oct – Dec)

INCOME STATEMENT	Amount in KWD		
	Q4'22	Q4'21	CHANGE
<b>REVENUE</b>	<b>50,230,449</b>	<b>40,093,924</b>	<b>25.28%</b>
Cost of sales and services rendered	(38,315,051)	(30,783,972)	24.46%
<b>GROSS PROFIT</b>	<b>11,915,398</b>	<b>9,309,952</b>	<b>27.99%</b>
Other income	719,648	1,228,901	(41.44)%
Share of result of Associate	(376,062)	(123,893)	203.54%
Total Expenses (Distribution, Admin and Finance cost and others)	(6,951,964)	(7,599,812)	(8.52)%
<b>NET PROFIT</b>	<b>5,307,020</b>	<b>2,815,148</b>	<b>88.52%</b>
Profit attributable to equity holders of parent company	5,072,857	2,687,084	88.78%
<b>EARNINGS PER SHARE</b>	<b>18.50</b>	<b>9.68</b>	<b>91.12%</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.
- ☛ Other Income was higher in YTD Dec' 21 due to miscellaneous income.
- ☛ Share of results of Associates consist of expenses of Global Auto.
- ☛ Net Profit improved significantly due to increase in margins of luxury brands.



## BALANCE SHEET: FINANCIAL HIGHLIGHTS

Amount in KWD

BALANCE SHEET	DEC'22	DEC'21	CHANGE
<b>Assets</b>			
Property, plant, and equipment	101,715,627	91,983,666	10.58%
Other non current assets	4,707,184	1,957,509	140.47%
Current assets	81,655,951	54,144,739	50.81%
<b>TOTAL ASSETS</b>	<b>188,078,762</b>	<b>148,085,914</b>	<b>27.01%</b>
<b>Equity and Liability</b>			
<b>TOTAL EQUITY</b>	<b>79,666,254</b>	<b>63,969,209</b>	<b>24.54%</b>
Non-current liabilities	31,409,905	33,525,600	(6.31)%
Current liabilities	77,002,603	50,591,105	52.21%
<b>TOTAL LIABILITY</b>	<b>108,412,508</b>	<b>84,116,705</b>	<b>28.88%</b>
<b>Total Equity and Liabilities</b>	<b>188,078,762</b>	<b>148,085,914</b>	<b>27.01%</b>

- ☛ Property, plant, and equipment increased due to revaluation of land.
- ☛ Other non-current assets increased due to Investment in an associate.
- ☛ Current assets increased due to increase in inventory.
- ☛ Equity increase is due to land revaluation surplus and current year profits.
- ☛ Decrease in non-current liabilities is due to settlement of bank loans.
- ☛ Current liabilities increased mainly due to increase in trade payables (shipments received) and customer advances (increased vehicle demand).



## CASH FLOW STATEMENT: FINANCIAL HIGHLIGHTS

CASH FLOW STATEMENT	Amount in KWD	
	DEC'22	DEC'21
Cash in operating activities before working capital changes	31,692,554	22,835,063
Changes in working capital	454,837	5,487,563
Other items	(261,269)	(315,116)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>31,886,122</b>	<b>28,007,510</b>
Capex + Investments	(2,511,997)	(1,989,631)
Investment in Associates + Treasury Shares & Others	(13,453,260)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(15,965,257)</b>	<b>(1,989,631)</b>
Loans and borrowings	(5,627,316)	(15,287,676)
Dividend and movement in payables to related parties	(11,615,007)	(10,514,780)
Finance cost and Others	(2,751,096)	(2,772,583)
<b>NET CASHFLOW (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(19,993,419)</b>	<b>(28,575,039)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,072,554)</b>	<b>(2,557,160)</b>

- ⦿ Operating Activities – Cash Inflow is due to increase in profits along with the positive cash flow from working capital.
- ⦿ Investing Activities – Cash Outflow is due to investment in associate and purchase of treasury shares.
- ⦿ Financing Activities – Cash Outflow is due to Dividend Payment and Loan settlement.





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

KEY RATIOS		YTD'22	YTD'21
<b>LIQUIDITY RATIOS</b>			
Current Ratio	(Current Assets/Current Liabilities)	1.06	1.07
Quick Ratio	(Current Assets-Inventories/Current Liabilities)	0.38	0.59
Cash Ratio	(Cash/Current Liabilities)	0.21	0.38
<b>PROFITABILITY RATIOS</b>			
Gross Profit Margin	(Gross Profit/Revenue)	23.22%	21.08%
Net Profit Margin	(Net Profit/ Revenue)	10.24%	8.64%
<b>PERFORMANCE RATIOS</b>			
Return on Asset (ROA)	(Net Profit/ Average Assets)	11.46%	9.26%
Return on Equity (ROE)	(Net Profit/ Average Equity)	26.81%	21.77%
<b>SOLVENCY RATIOS (Cash not adjusted)</b>			
Bank Borrowing to Asset Ratio	(Debt/Total Assets)	0.09	0.15
Bank Borrowing to Equity Ratio	(Debt/Total Equity)	0.21	0.35

\*YTD 2022- January to December 2022 (Twelve Months)

- ☛ Cash Ratio dropped due to drop in cash and cash equivalents as it was utilized for repayment of long term bank debts and investments.
- ☛ Quick Ratio decreased due to receipt of deposits from customers and increase in trade payables.
- ☛ 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 and Equity Ratio improved due to settlement of loans and Increased equity.



# Q&A SESSION



# THANK YOU

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