



KUWAIT: 20/11/2022

Mr.Mohammad Saud Al-Osaimi
Chief Executive Officer-Boursa Kuwait
Dear Sirs,

Subject: Analyst / investors Conference for Third quarter 2022

With reference to the above subject, and pursuant to the requirements of Boursa Kuwait Rules , as per Resolution No.(1) /2018 kindly note that the quarterly Analyst/ Investors Conference was held through a Live Webcast on Thursday : 17/11/2022 at 2:00 pm local time.

Please refer to the attachment for the minutes of the Conference (Q3/2022).

Yours sincerely,

Integrated Holding Co (K S C P)



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Integrated Holding Co. K.S.C.P.



Analyses / investors conference minutes for the third quarter /2022

Mohamad Haidar: Hello, everyone, and welcome to the Integrated Holding Company third quarter 2022 earnings call and webcast. This is Mohamad Haidar from Arqaam Capital, and we are joined today by Mr Joseph Fernandes, Group Financial Controller from Integrated Holding, and Mr Muath AlRayes, Head of Investor Relations from Integrated. Over to you, Joseph.

Joseph Fernandes: Good afternoon to you all, and greetings to all the participants of analyst call for the third quarter of year 2022.

After the slowdown in Q2 2022, third quarter has shown growth in terms of revenue and profit by way of normal operations. Compared with Q2 2022 revenue, the third quarter revenue has increased by 13%. For the first 9 months of the current year, total revenue reached KD18.6 million which is higher by 20% compared with the revenues of 9 months of 2021. Also, the operational profitability has improved during Q3 2022.

The net profit for the 9 months period reached KD 2.5 million vs KD 0.3 million in the corresponding period of the previous year. The progress in the project related activities is slow in Kuwait and revenue rates are still at the lower end, which is one of the reasons for the lower profitability. We expect revenue rates will improve in the year 2023.

We expect temporary setback in the operations in Qatar during the FIFA World Cup period due to the closure of few sites for the construction works. The Company has mobilized a few equipment's for resuming the operations in KSA and has started operations in Q4 2022, but it is at slow phase. To the new locations deployment of trained and approved manpower is a challenge and we expect improvements in the operations by Q2 of 2023.

Highlights on the financial performance is shown in slides 6 and 7. Slide number 6 is on revenues. Q3 revenue of KD 6.2m is higher by 33% compared to KD 4.7m in Q3 2021. For Q2 2022, revenue was KD 5.2m. YTD 9M revenue is KD 18.6m which is higher by 20% compared to a revenue of KD 15.6m in previous year's corresponding period.

Moving on to slide number 7 is on net profit. Net profit for the first 9 months of the year 2022 was about KD 2.5m versus KD 0.265m in 2021.

Moving on to slide number 8 on revenue contribution by geography. Kuwait and Bahrain operations share in the total revenue for the 9-month period is 59% while it was 73% in the previous year. Qatar operations' share in total revenues increased to 41% while it was 27% in the previous year.

Slide 9 on revenue contribution of each operational segment. Equipment leasing and heavy lift together contributes about 77% of the total revenue, also it was 77% in the previous year corresponding period. Port stevedoring revenue constitutes to 14% of the total revenue, while it was 10% in the previous year. The stevedoring revenue increased by 65% in the nine-month period of 2022, compared with the previous year corresponding period revenue.



Transportation revenue is much lower and declining, as the company is discontinuing non-profit operations. Revenue from oilfields operations also declined in 2022 but expected to bounce back in the year 2023.

Slide number 10 on the statement of financial position. The company is maintaining good financial position. There is no noteworthy change in the assets and liabilities as of 30th September 2022. Total bank borrowings as of 30th September 2022 is KD 20m, an increase by KD 1.3m compared with the outstanding as of 30th June 2022. However, Capex credit liabilities have been reduced by KD 3.9m in Q3 2022, and Capex amount for the 9M period is KD 1.4m. Debt-to-Equity ratio stands at 0.32x versus 0.35x as of 30th September 2021.

Moving on slide number 11 on statement of income. Revenue and net profit have been discussed earlier. The EBITDA for the 9-month period is KD 9.2m versus KD 7.1m, an increase of 30% compared to the 9-month period of 2021. Q3 EBITDA also increased by 43% as compared to Q3 2021 EBITDA.

Slide number 13 on company highlights. Revenue from cranes contribute 68% of the total revenue. Utilization for the cranes increased to 50% in Q3, it was 46% in Q2 2022.

Moving on to slide number 14 on capital expenditure. Total capital expenditure on purchase of equipment is KD 1.4m as of 30th September 2022. Total capital expenditure for the year 2022 is estimated at KD 5m.

That is all from my side, and welcome to any questions and clarifications required on this presentation. Thank you all for joining. Over to Mr Haidar.

Mohamad Haidar: Thank you, Joseph. If you have questions, please type them in the chat box and send them directly to Arqaam Capital.

Mohamad Haidar: We have the first question from Mohammad Salem. Can you please update us on the status of the new potential projects in the region in general, and specifically in Qatar.

Joseph Fernandes: We have good projects lined up in Qatar. As earlier quarter we analysed the LNG project which is going to come up immediately after FIFA World Cup. We expect it to begin in Q1 of 2023, and to pick up in Q2 onwards.

Mohamad Haidar: Thank you Mr. Joseph. As a reminder, if you have questions, please type them in the chat box and send them directly to Arqaam Capital.

Mohamad Haidar : A follow up question from Mohamad Salem, what about the potential projects in Saudi Arabia?

Joseph Fernandes: There are Mega -or Giga- projects lined up in Saudi Arabia. The market is very huge, and potential is also huge. That it a reason we have made our small beginning in the Saudi region and expect work in KSA to start in Q1 2023 and to see good results thereafter. The challenge is to mobilize the resources and employ qualified and



approved operators from Aramco and meet projects requirements. Markets are huge and we are preparing to take the opportunity.

Mohamad Haidar: Thank you Mr. Joseph. We have a question from Aashish Agarwal. He is saying that the most profitable years for Integrated were 2017 and 2018 when net margin was close to 35%. Can you comment on the demand situation currently versus previous years?

Joseph Fernandes: Well, the current situation is lower rates while in 2017 and 2018 the rates were higher. And we have the scope for better utilization and improvement in the revenue rates. We expect to reach to that period in 2024.

Mohamad Haidar: And he is also asking, what is your utilization rates expectations in Q4 2022 and 2023.

Joseph Fernandes: Our expectations is to maintain the same rate, there is a possibility of lower rates because of slowdown in Qatar operations during the World Cup. In 2023, utilization will improve and will depend on the project implementation. We expect slow growth in 2023 utilization.

Mohamad Haidar: Thank you Mr. Joseph. We have a question from Zohaib Pervez. How much slowdown is expected in Qatar due to the FIFA World Cup?

Joseph Fernandes: Well, it is difficult to estimate at the present. Though the sites in the oilfield areas are continuously working, and only civil construction sites which are located nearby to various stadiums and airports will be closed during world cup matches. We can't quantify at this moment.

Mohamad Haidar: We also have a question from Zohaib. Integrated pulled out of Saudi Arabia before, what is the company doing different this time around?

Joseph Fernandes: Well, in the year 2015-16 we had a collection challenge in KSA and at the same time demand for equipment picked up in Kuwait and other places. So, we pulled back the equipment from KSA to Kuwait and made good use of them during 2016-17-18. Now we must go the other way around as the demand for equipment in Kuwait has reduced, so we will move to KSA based on the current Megaprojects implementation phase.

Mohamad Haidar: Another question from Zohaib. Have projects picked up in Kuwait? Can you give some colour?

Joseph Fernandes: Well, still we are not very clear about the new big projects coming up.

Mohamad Haidar: Thank you Mr. Joseph. As a final reminder, if you have any questions, please type them in the chat box directly to Arqaam Capital.

Mohamad Haidar: It appears we don't have any further questions. Thank you Mr. Joseph and Mr Muath for your time today. Thank you everyone for joining, and we hope to see you with us the next quarter. You may now hang out.

Joseph Fernandes: Thank you.



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Analyst Conference

Q3 2022 Results

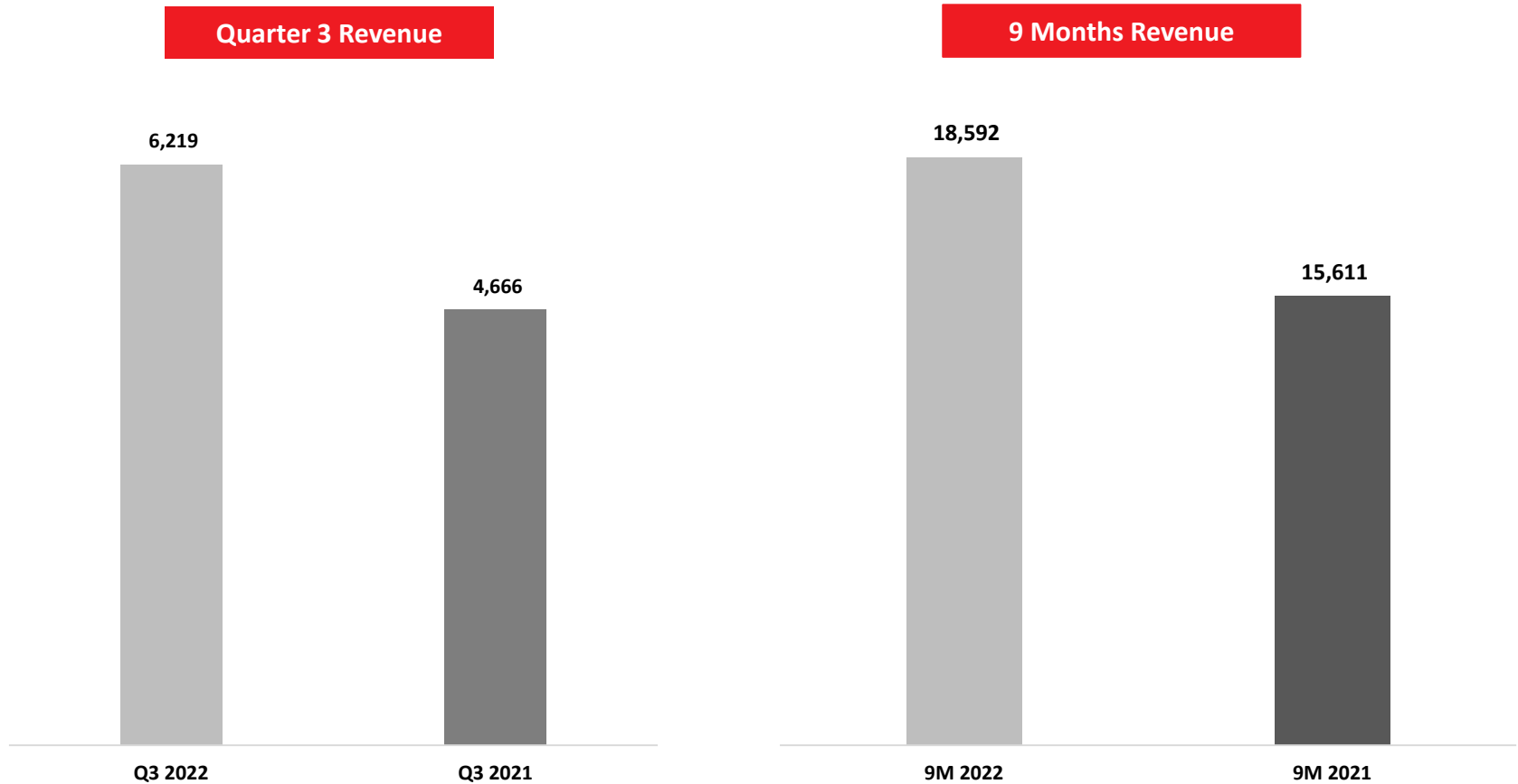
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IHC Overview

- After the slow down in Q2 2022, third quarter has shown growth in terms of revenue and profit by way of normal operations. Compared with Q2 2022 revenue, the third quarter revenue has increased by 13%.
- For the first 9 months of the current year, total revenue reached KD18.592 million which is higher by 20% compared with the revenues of 9 months of 2021. Also, the operational profitability has improved during Q3 2022. The net profit for the 9 months period reached KD 2.5 million vs KD 0.265 million in the corresponding period of the previous year.
- The progress in the project related activities is slow in Kuwait and revenue rates are still at the lower end, which is one of the reasons for the lower profitability. We expect revenue rates will improve in the year 2023.
- We expect temporary set back in the operations in Qatar during the FIFA World Cup period due to the closure of few sites for the construction works.
- The Company has mobilized a few equipment's for resuming the operations in KSA and has started operations in Q4 2022, but it is at slow phase. To the new locations deployment of trained and approved manpower is a challenge and we expect improvements in the operations by Q2 of 2023.

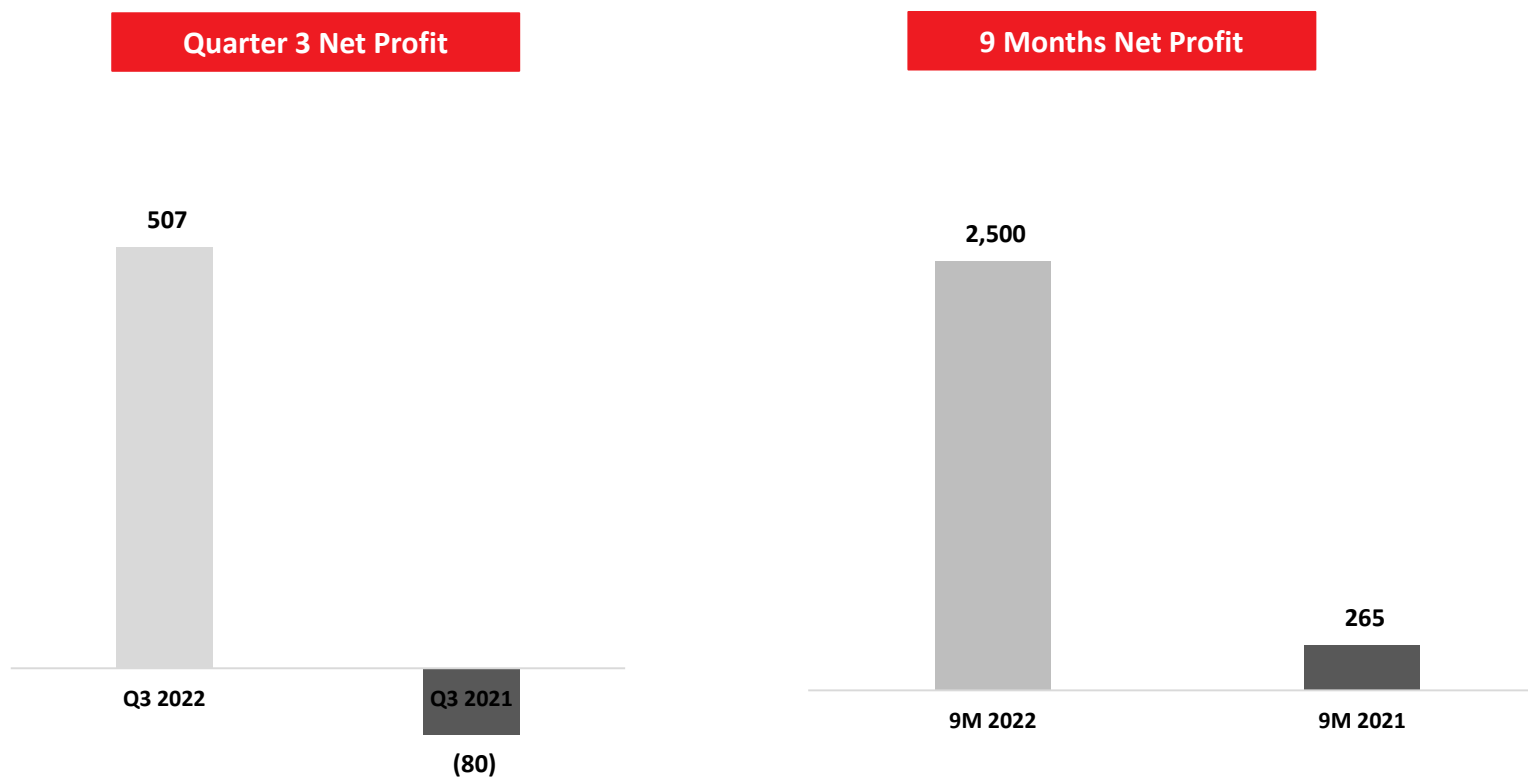
Financial Highlights

- Revenues shown a growth of 20% YoY in 9 months of 2022, and 33% increase in the revenue comparing with the revenue of Q3 2021.



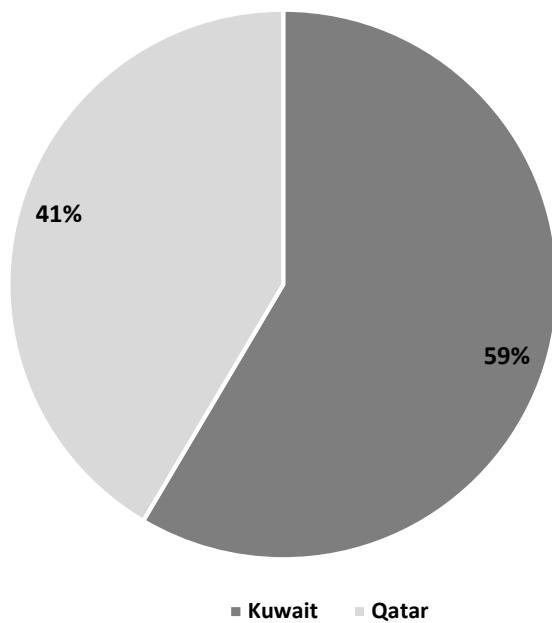
Note: Figures in KWD thousands

- For the first nine months of the year 2022 Net Profit increased to KD 2.5 million while it was KD265K in the previous year 9 months period. For the Q3 2022 Net profit was KD 507K, whereas it was Net Loss of KD80K in the Q3 of 2021

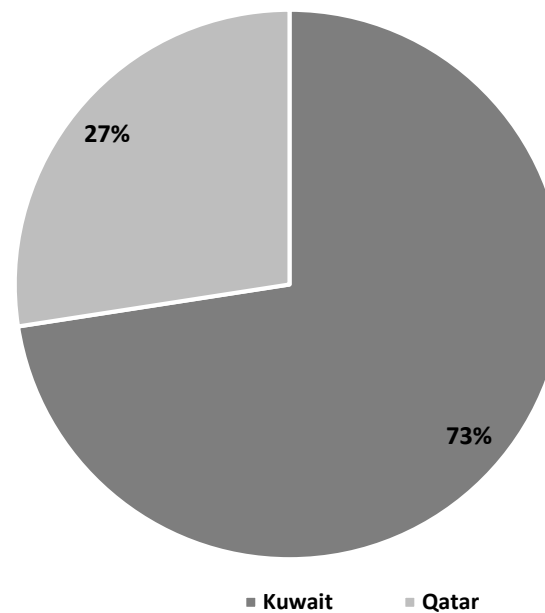


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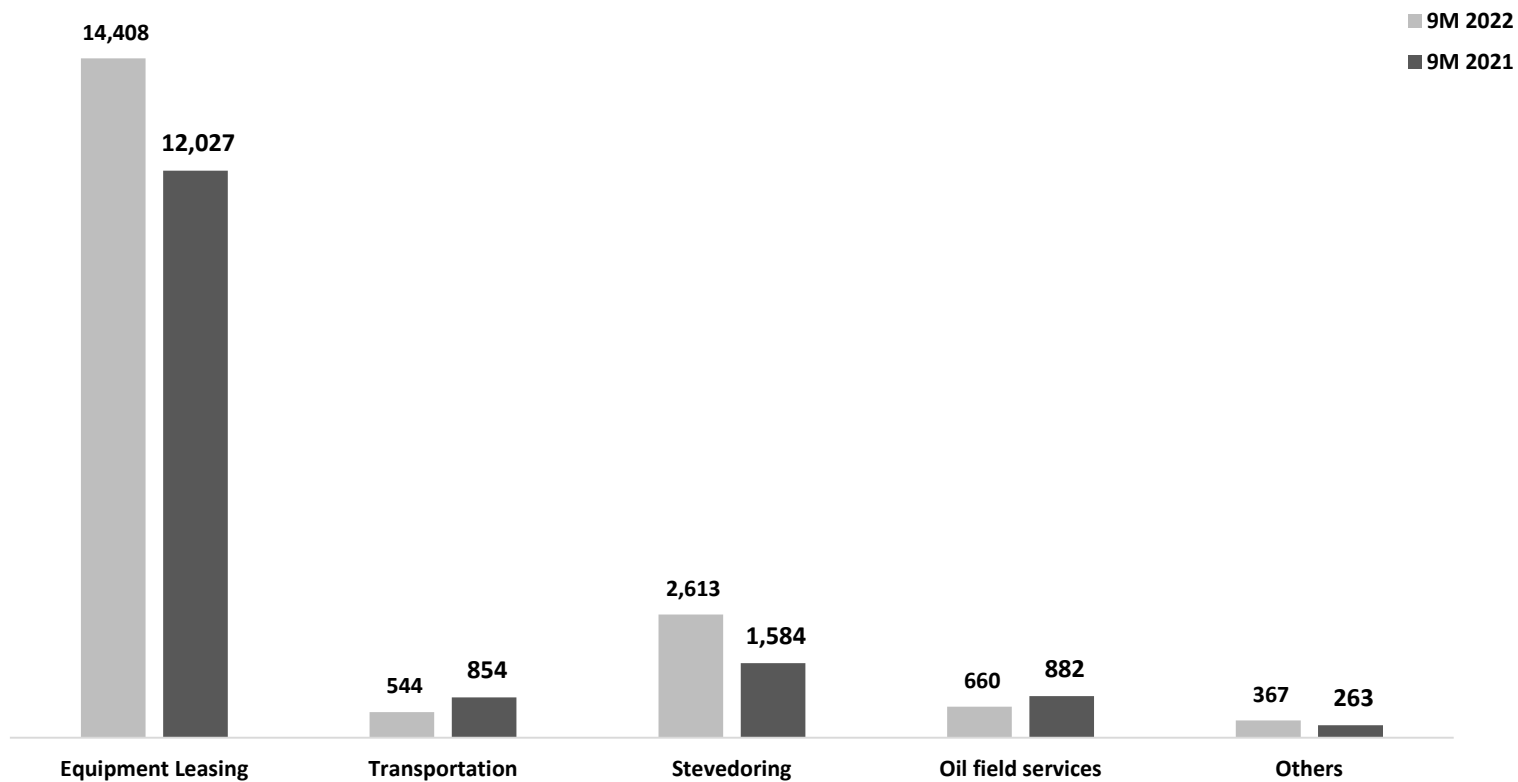
9 Months 2022



9 Months 2021



Revenue Contribution by Operational Segment



Note: Figures in KWD thousands

Financial Position

	9M 2022	9M 2021	Change (%)
Current Assets	20,603	17,819	15.6
Property & Equipment	70,478	77,444	(9)
Right-of-use Assets	562	597	(5.9)
Intangible Assets	828	827	0.1
Deferred Tax Asset	288	193	49.2
Total Assets	92,759	96,880	(4.3)
Borrowings	20,160	20,968	(3.9)
Capex Creditors	2,993	8,477	(64.7)
Trade & Other Liabilities	6,727	6,337	6.2
Lease Liabilities	674	691	(2.5)
Shareholders' Equity	62,205	60,407	3.0
Total Equity & Liabilities	92,759	96,880	(4.3)

Note: Figures in KWD Thousands

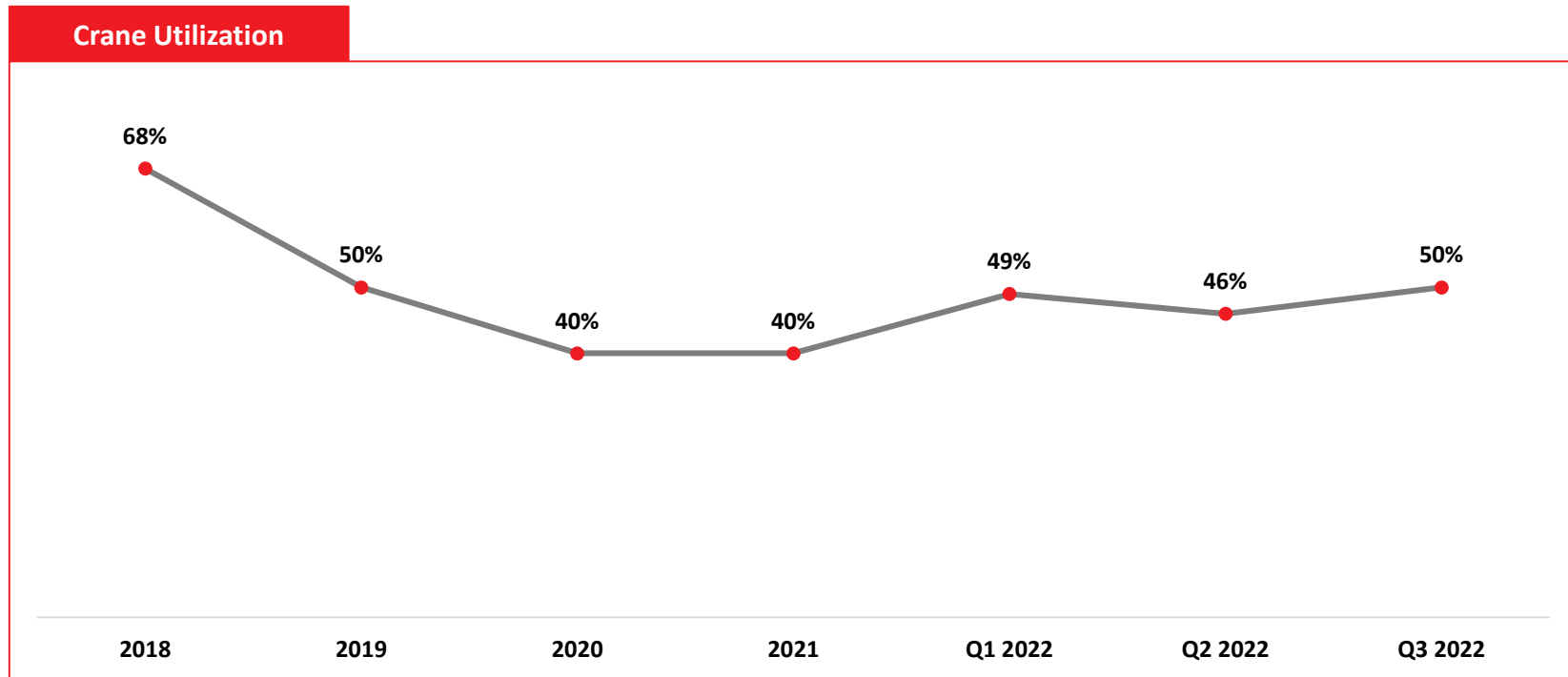
Statement of Income

	Quarter 3			9 Months		
	2022	2021	Change %	2022	2021	Change %
Revenue	6,219	4,666	33.3	18,592	15,611	19.1
EBITDA	3,034	2,118	43.2	9,203	7,105	29.5
Depreciation	(2,361)	(2,234)	5.7	(6,773)	(6,664)	1.6
Finance Costs	(180)	(196)	(8.2)	(481)	(505)	(4.7)
Net Profit	507	(80)	734	2,500	265	843
Earnings Per Share (fils)	2.03	(0.32)	734	9.91	1.05	843

Note: Figures in KWD Thousands

Company Highlights

- Cranes, which contributes to the Revenue around 68%, has shown improvement in the utilization by 4% during the third quarter of 2022.



- During the first nine months of 2022 KD 1.4 million was incurred for the purchase of various equipment in Qatar. Total capital expenditure on equipment purchases for this year is estimated at KD 5 million to cater the demand for the equipment mainly in Qatar.

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