



KUWAIT : 16/8/2023

الكويت في: 2023/8/16

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين،،،
تحية طيبة وبعد،،،

SUBJECT: Corrective Announcement

With reference to the above subject and further to our letter dated 16/8/2023 regarding the disclosure for the Transcript of the Analysts Conference.

الموضوع : إعلان تصحيحي

بالإشارة الى الموضوع أعلاه ، والهاقاً لكتابنا المؤرخ 2023/8/16 فيما يخص إفصاح الشركة المتكاملة القابضة (ش م ك ع) عن محضر مؤتمر المحللين.

Attached is Form No. (11) of the corrective declaration.

مرفق طيه نموذج رقم (11) الإعلان التصحيحي.

Yours sincerely,

وتفضلوا بقبول وافر الاحترام،،،

Mahmoud Ahmed Abdelhamid
BOD Secretary

محمود احمد عبد الحميد
امين سر مجلس الإدارة



الشركة المتكاملة القابضة ش.م.ك.ع.
Integrated Holding Co. K.S.C.P

Appendix (11)

ملحق رقم (11)

Corrective Announcement Form

نموذج الإعلان التصحيحي

Date:	16 / 8 / 2023		التاريخ
Name of Listed Company	INTEGRATED HOLDING COMPANY (KSCP)	الشركة المتكاملة القابضة (ش م ك ع)	اسم الشركة المدرجة
Title of the Announcement	Transcript of the Analysts Conference	محضر مؤتمر المحللين	عنوان الإعلان
Date of the last announcement	16/8/2023		تاريخ الإعلان السابق
The False statement of the Previous announcement	Attached is the presentation for the second quarter of 2022	إرفاق العرض التقديمي الخاص بالربع الثاني لعام 2022	البيان الخطأ في الإعلان السابق
Mistake Correction	Attached is the presentation for the second quarter of 2023	مرفق طيه العرض التقديمي للربع الثاني من عام 2023	تصحيح الخطأ
Reasons of Mistake	Attach by mistake	إرفاق بالخطأ	بيان أسباب الخطأ




الشركة المتكاملة القابضة ش.م.ك.ع.
Integrated Holding Co. K.S.C.P.



KUWAIT : 16/8/2023

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To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين،،،

تحية طيبة وبعد ،،،

**Subject: Analyst / investors
Conference for Second quarter 2023**

**الموضوع : محضر مؤتمر المحللين / المستثمرين
للربع الثاني من عام 2023**

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 Monday : 14/8/2023 at 2:00 pm local time.

بالإشارة الى الموضوع أعلاه ، وعملاً بقواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين / المستثمرين للربع الثاني من عام 2023 قد انعقد في يوم الأثنين الموافق 2023/8/14 في تمام الساعة الثانية ظهراً وفق التوقيت المحلي عن طريق البث المباشر علي الانترنت (webcast).

Please refer to the attachment for the minutes of the Conference (Q2/2023).

مرفق طيه محضر المحللين / المستثمرين للربع الثاني لعام 2023 .

Yours sincerely,

وتفضلوا بقبول وافر الاحترام ،،،

Mahmoud Ahmed Abdelhamid
BOD Secretary

محمود احمد عبد الحميد
امين سر مجلس الإدارة



الشركة المتكاملة القابضة ش.م.ك.ع.
Integrated Holding Co. K.S.C.P

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An ISO certified co. (9001:2015, 14001:2015, 45001: 2018)

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Analyst / Investors Conference Q2 2023 Report

Mohammad Haidar : Hello everyone and welcome to the Integrated Holding Company Second quarter and First half of 2023 earnings call and webcast. This is Mohammad Haidar from Arqaam Capital Research, and we are joined today by Mr. Joseph Fernands- group financial controller and Mr. Muath Al Rayes, head of investor relations. Over to you Joseph.

Joseph Fernands: Thank you, good after noon and greetings to all the participants in this analyst call for the Q2 2023.

The first half of 2023 has shown strong revenue growth and consistent net profit. While net profit hasn't kept pace with revenue growth, operational profitability has notably improved. Net profit growth was affected by factors like increased provisions for doubtful debts as required by IFRS 9, and reduced income from equipment sales compared to the previous year.

The company is expecting an improvement in the execution of major projects in Qatar by Q4 2023 and is set to capitalize on rising demand for equipment. IHC has selectively procured additional equipment tailored to project needs.

The acceleration of project execution in Qatar and KSA is expected to drive increased revenue rates starting Q4 2023, presenting an opportunity for growth.

Now we move to highlights of financial performance. Q2 revenues was KD 7.7m, higher by 40% as compared to Q2 2022. Total revenues for H1 2023 was KD 15.3m, higher by 23% as compared to the revenues of H1 2022.

Net profit in Q2 2023 increased by 73.3% compared to Q2 2022. However, the net profit for H1 2023 remained nearly on par with the net profit of the corresponding period of last year. Notably in Q1 2022 we saw a strong profit due to the shutdown maintenance projects in Qatar. As explained earlier, net profit growth was affected by provisions for doubtful debt as per the IFRS 9 and lower income from the sale of equipment. In addition, finance costs also increased due to increase in interest rates and additional borrowings to fund capital expenditure.

As for revenue composition by geography, share of the revenue from the Kuwait region was 54%, and 46% from the outside region which includes revenues from Qatar, Bahrain, and KSA.

Now for the revenue contribution by operational segment. While the total revenue of equipment leasing was similar to the corresponding period of last year, its contribution to the total revenue declined to 69% from 81% in H1 2022. Port stevedoring revenues recorded significant growth and its contribution to total revenues doubled to 22% in H1 2023 compared to 11% in H1 2022. Transportation revenues is much lower and declining as the company is discontinuing non-profitable operations. Revenue from Oil Field operations is steady, contributing 3% to the total revenues.

In the Statement of Financial Position, notable changes are in the property & equipment and borrowing. For H1 2023, Capital expenditures of KD 10.9m has contributed to the increase while total borrowings increased to KD 29.3m compared to KD 25.7m in H1 2022. During Q2 2023, cash dividends of 15% has been distributed. Due to the additional borrowing, Debt-to-Equity ratio increased to 0.48x while it was 0.42x as of 30th June 2022.

Moving to the Statement of Income, revenues and net profit were discussed earlier. Q2 2023 revenues growth was not in-line with that of Q1 2023. The rental activity was lower due to the Ramadan and Eid holidays in April and June. For H1 2023, EBITDA was at KD 8.1m vs. KD 6.2m in H1 2022, an increase of 32%.

Revenue from cranes contributed 68% of total revenues and showed a slight improvement in utilization to 51%.

As for capital expenditure, aligned with our equipment upgrade strategy to accommodate new projects we have invested a total of KD 10.9m in capital expenditure during H1 2023. Significant 73% of this expenditure was directed towards projects in Qatar. Approximately 98% of the capital expenditure was towards the procurement of the cranes. Moving forwards our projections indicate an additional capital outlay of approximately KD 3m for the later part of 2023 in occurrence with our established plans.



That is all from my side, and now I'm open for Q&A. Over to Mr. Haidar and thank you all for joining.

Mohammad Haidar : Thank you Mr. Joseph. As a reminder, if you wish to ask a question, please type it in the chat box and send it directly to Arqaam Capital.

Mohammad Haidar : Can you please talk about the performance of the port segment, and what is the current margin and utilization?

Joseph Fernands : As indicated in my explanation earlier, port contribution revenue has doubled almost compared to H1 of last year. When we increased revenue, margins automatically increased. Based on our current level of operations, we are operating at approximately 75%-80%.

Mohammad Haidar : A follow up question on this point. How do you expect the port segment revenues to grow going forward?

Joseph Fernands: At this moment we don't expect much. Fluctuation will be there. We expect growth to come at a slower rate.

Mohammad Haidar : Has Integrated seen any tangible movement for the North field expansion in Qatar?

Joseph Fernands: The phase of implementation is improving, and we are significantly benefiting in Q3 and Q4 2023.

Mohammad Haidar : Have you been awarded contracts in KSA?

Joseph Fernands: We are working there as subcontractors, and we have multiple contracts that we are now executing.

Mohammad Haidar : Can you please also talk on how are the Qatar operations doing? How should we think about revenue growth and margins going forward?

Joseph Fernands: Well, Qatar operations will be showing significant growth. However, revenue rates have not increased. In case revenue rates increase by Q4 as we expect, then our margins can go up another 10%-15%.

Mohammad Haidar : What is the current fleet size?

Joseph Fernands: In total we have 2,400 equipment of different sizes and categories from cranes to smaller industrial equipment.

Mohammad Haidar : How much additions are expected in Qatar?

Joseph Fernands: Utilization is expected to go 60% and above by Q4. Fleet size is currently approximately 240, to become 300 by year end.

Mohammad Haidar What is the planned Capex for 2024, and how much of it is for Qatar operations? Are you done with all Capex for the port segment?

Joseph Fernands: Capex for 2024 is not finalized yet. We want to execute the current projects and foresee how new projects will improve our current equipment utilization. By Q4 2023, we will be able to project Capex for 2024.

Mohammad Haidar : Integrated crane utilization rate is around 50% and yet the majority of Capex is directed to cranes itself. How should we look at it? Do you expect utilization to grow to 80% or so?



Joseph Fernands: Well, to increase utilization we are looking into two levels. One is increasing the utilization of the idle fleet, and the other is for the new fleet. When we buy the new fleet, we know for which projects they are going to be used so that new crane fleet additions will not compromise the increase in utilization target.

Mohammad Haidar : How are the margins of stevedoring vs. cranes? Can you provide a figure?

Joseph Fernands: It is very hard to quantify. Margins in cranes are high if we have higher utilization whereas the margins for the ports depends on the number of operations coming. They are not comparable.

Mohammad Haidar : What is included in other revenues?

Joseph Fernands: We do projects where we supply materials, equipment, and implementation for specific operations for specified duration like 3 months or 6 months.

Mohammad Haidar : Can you please discuss the Kuwaiti operations, and how does current pricing compare to pre-Covid level. Do you expect prices to go back to the pre-Covid levels in terms of revenue and profitability?

Joseph Fernands: We are not optimistic with the growth of Kuwaiti operations in the time being. It is still at low level. Margins are low and rates are not picking up. For the next year, we don't forecast any significant growth in the Kuwaiti market.

Mohammad Haidar : What is your forecast pertaining utilization rates by year-end?

Joseph Fernands: We are targeting a 60% by December 2023, and we are trying our best to meet the target. We hope that demand increase from Qatar and KSA in Q4 will help in that.

Mohammad Haidar : What is the plan around leverage going forward given the Capex outlook. Can you please also comment on the dividend policy.

Joseph Fernands: Leverage wise, our target is to limit debt-to-equity to 0.5x which we are very close to. During Q3, it might be a little higher but before year end 2023 we will be within our target. Regarding dividend policy, we can't provide guidance, it is purely discretionary with the Board of Directors based on the financial performance of the company.

Mohammad Haidar : What is the current split in international revenue between Qatar and KSA?

Joseph Fernands: For H1 2023, KSA contributed around 4% of the total revenue and Qatar contributed around 34%.

Mohammad Haidar : It appears we don't have any further questions. Thank you everyone, and we hope to see you in the next quarter.

Joseph Fernands: Thank you Mr. Haidar and thank you to all the participants.



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Integrated Holding Co. KSCP

Analyst Conference

Q2 2023 Results

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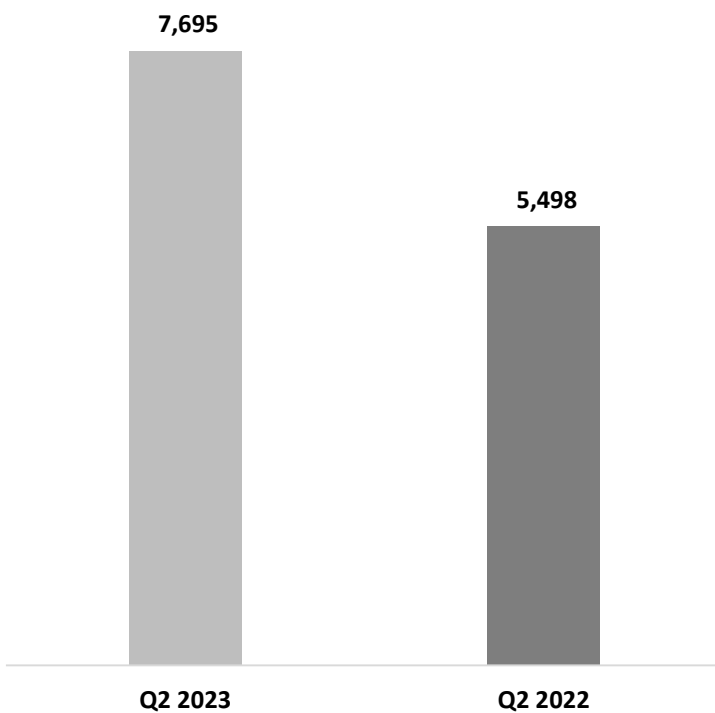
IHC Overview

- The first half of 2023 has shown strong revenue growth and consistent net profit. While net profit hasn't kept pace with revenue growth, operational profitability has notably improved. Net profit growth was affected by factors like increased provisions for doubtful debts as required by IFRS 9, and reduced income from equipment sales compared to the previous year.
- The company is expecting an improvement in the execution of major projects in Qatar by Q4 2023 and is set to capitalize on rising demand for equipment. IHC has selectively procured additional equipment tailored to project needs.
- The acceleration of project execution in Qatar and KSA is expected to drive increased revenue rates starting Q4 2023, presenting an opportunity for growth.

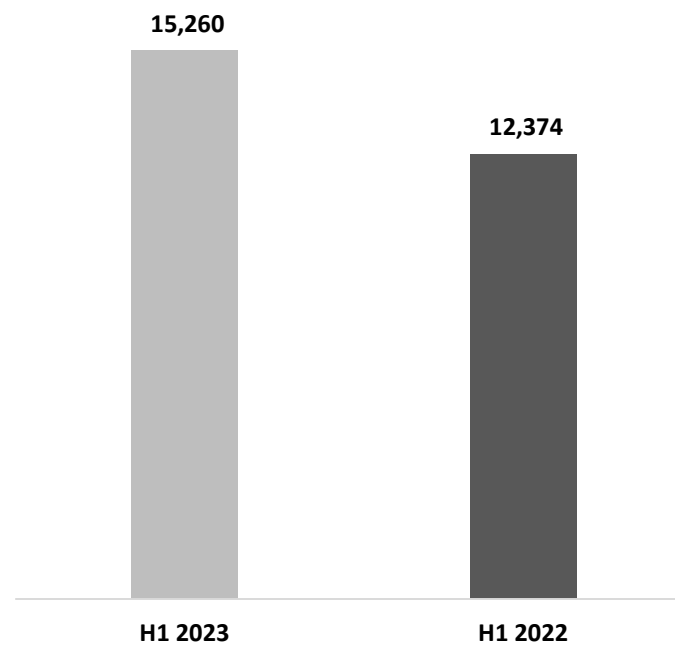
Financial Highlights

- Revenues have displayed a robust growth of 23.3% in H2 2023, with Q2 2023 exhibiting an even more impressive revenue growth of 40% compared to the same period in the previous year.

Q2 2023 Revenue



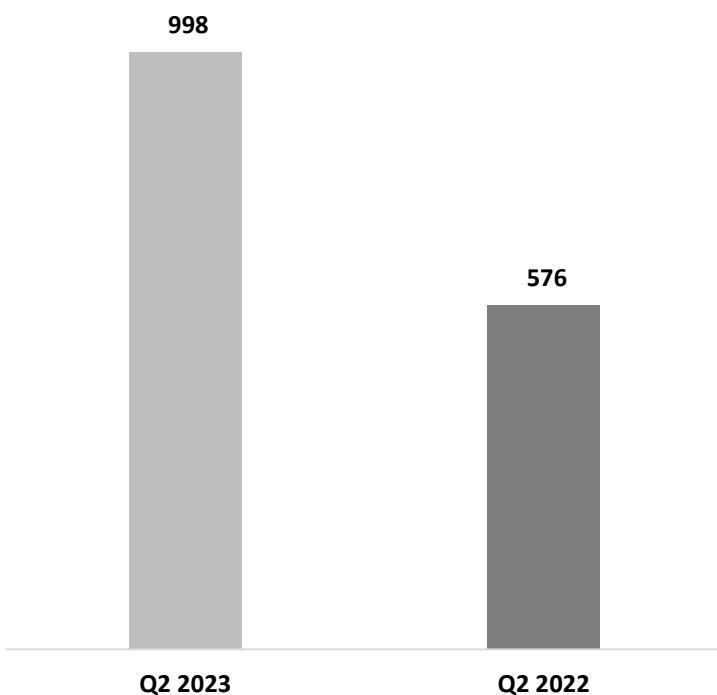
1H 2023 Revenue



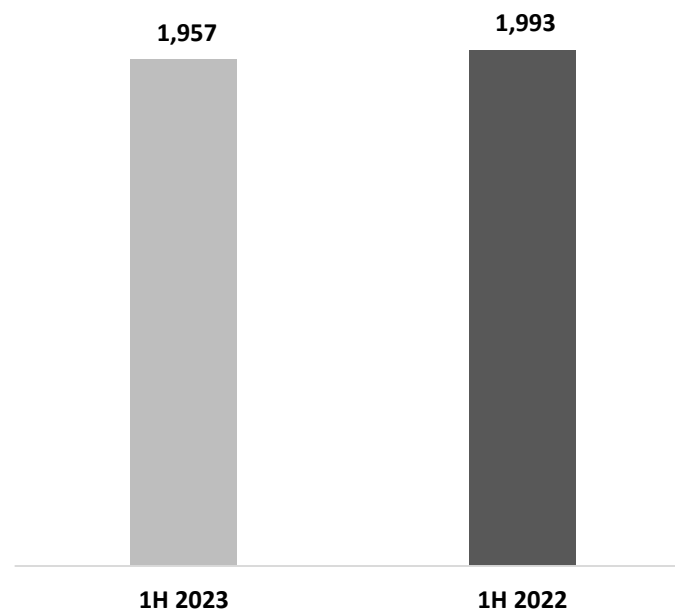
Note: Figures in KWD thousands

- Net profit in Q2 2023 increased by 73.3% compared to Q2 2022. However, the net profit for the first half of 2023 remains nearly on par with the net profit from 2022. Notably, Q1 2022 saw strong profits due to the shutdown maintenance projects in Qatar.

Q2 2023 Net Profit



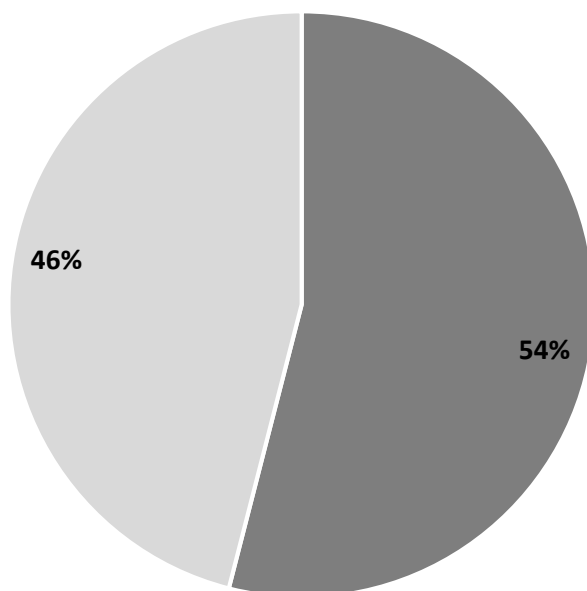
1H 2023 Net Profit



Note: Figures in KWD thousands

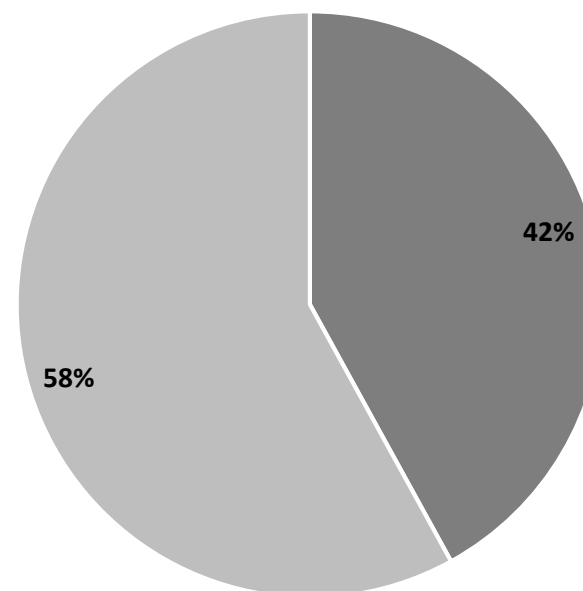
- The Kuwait region accounts for 54% of the total revenue in the first half of 2023

H1 2023



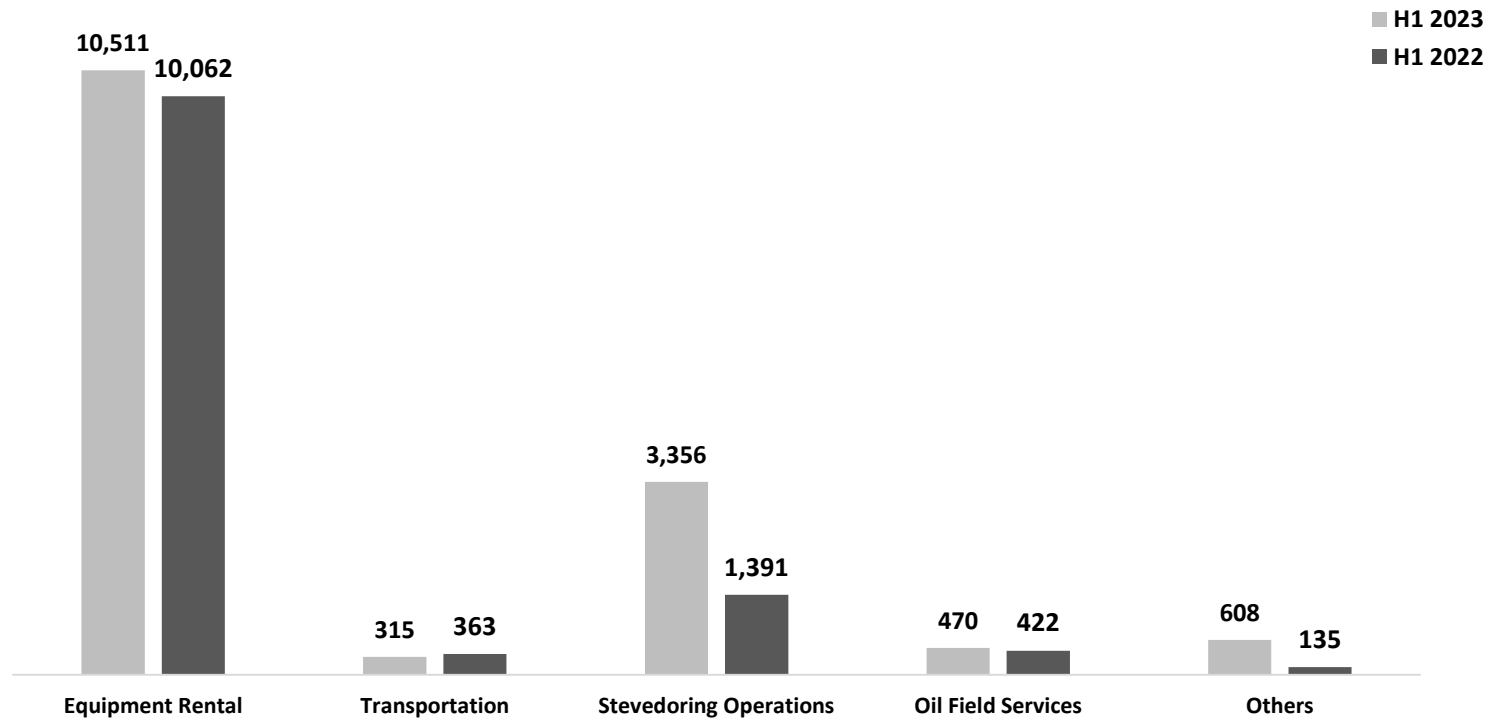
■ Kuwait ■ Outside Kuwait

H1 2022



■ Kuwait ■ Outside Kuwait

Revenue Contribution by Operational Segment



Note: Figures in KWD thousands

Financial Position

	H1 2023	H1 2022	Change (%)
Current Assets	18,934	20,915	(9.5%)
Property & Equipment	76,571	71,887	6.5%
Right-of-use Assets	670	554	20.9
Intangible Assets	712	828	(14.0%)
Deferred Tax Asset	270	199	35.7%
Total Assets	97,157	94,383	2.9%
Borrowings	29,300	18,839	55.5%
Capex Creditors		6,877	
Trade & Other Liabilities	6,335	6,696	(5.4%)
Lease Liabilities	661	665	(0.6%)
Shareholders' Equity	60,861	61,306	(0.7%)
Total Equity & Liabilities	97,157	94,383	2.9%

Note: Figures in KWD Thousands

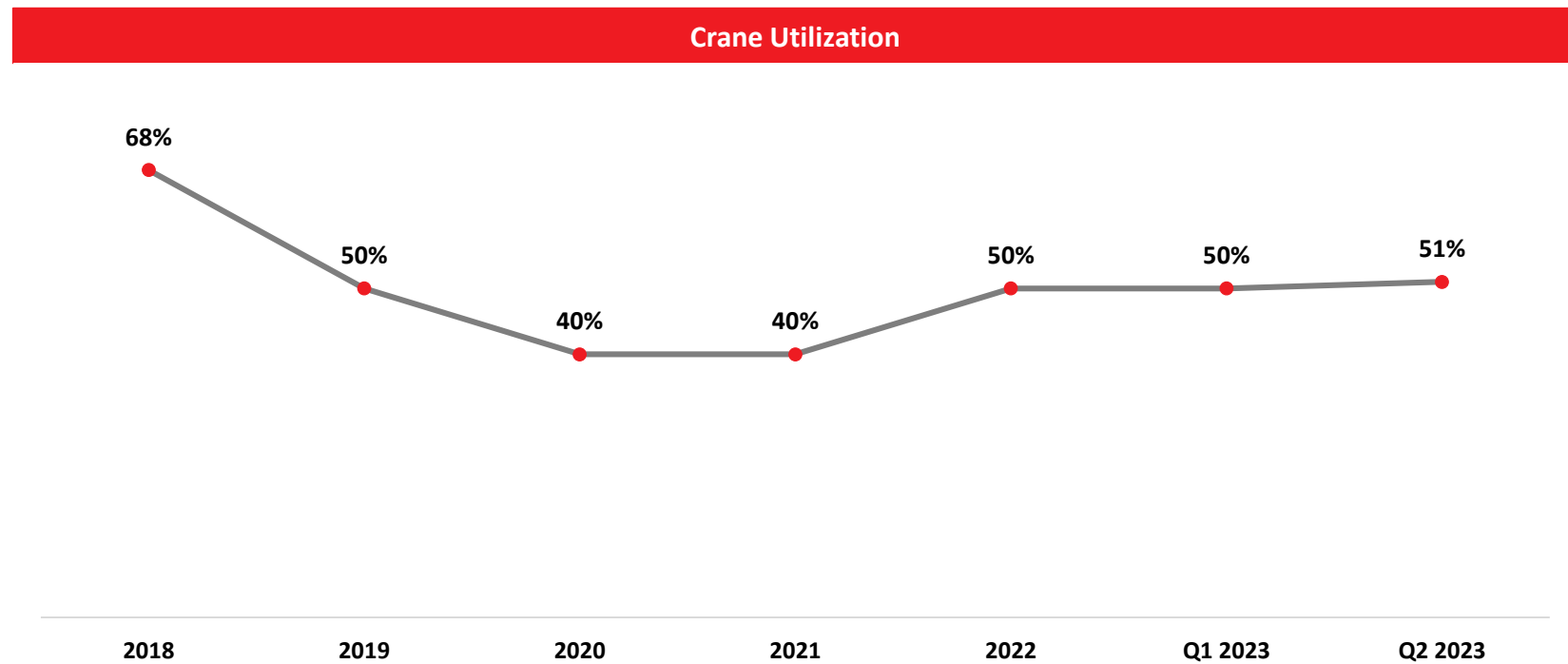
Statement of Income

	Quarter 2			Half year		
	2023	2022	Change %	2023	2022	Change %
Revenue	7,695	5,498	40.0%	15,260	12,374	23.3%
EBITDA	3,978	2,366	68.1%	8,141	6,169	32.0%
Depreciation	(2,324)	(2,166)	7.3%	(4,595)	(4,412)	4.1%
Finance Costs	(347)	(145)	139.3%	(607)	(301)	101.7%
Net Profit	998	576	73.2%	1,957	1,993	(1.8%)
Earnings Per Share (fils)	3.95	2.28	73.2%	7.73	7.88	(1.9%)

Note: Figures in KWD Thousands

Company Highlights

- The utilization of equipment, particularly cranes, which accounts for 68% of the total revenue, improved slightly to 51%.



- Aligned with our equipment upgrade strategy to accommodate new projects, we invested a total of KD 10.9 million in capital expenditures during the first half of 2023. A significant portion, specifically 73% of this expenditure was directed towards projects in Qatar. Approximately 98% of the capital expenditure was towards the procurement of cranes.
- Moving forward, our projections indicate an additional capital outlay of approximately KD 3 million for the latter part of 2023, in accordance with our established plan.

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