

KUWAIT : 27/3/2025

الكويت في: 2025/3/27

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين،،،

**Subject: Analyst / investors**  
**Conference Transcript for Q4-2024**

**الموضوع : محضر مؤتمر المحللين / المستثمرين**  
**للربع الرابع من عام 2024**

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 (Q4/2024) was held through a Live Webcast on Wednesday: 26/3/2025 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 الرابع من عام 2024 قد انعقد في يوم الأربعاء الموافق 2025/3/26 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 (Q4/2024).

مرفق طيه محضر المحللين / المستثمرين للربع الرابع لعام 2024 .

Yours sincerely,

وتفضلوا بقبول وافر الاحترام ،،،



**Mahmoud Ahmed Abdelhamid** محمود أحمد عبد الحميد  
**Group Legal Dept. Manager** مدير الإدارة القانونية للمجموعة



الشركة المتكاملة القابضة ش.م.ك.ع.  
Integrated Holding Co. k.s.c.p

## Analyst / Investors Conference Transcript Q4 2024

**Mohammad Haidar** :Hello everyone and welcome to the Integrated Holding Company Fourth Quarter and Full year 2024 earnings call. This is Mohammad Haidar from Arqaam Capital, and we are joined today by Mr. Joseph Fernandes-group CFO and Mr. Mouath Al Rayyes, deputy CEO from Integrated Holding. If you have any questions, please type it in the chat box and send it to Arqaam Capital. Over to you Joseph.

**Mohammad Haidar** :Thank you, good afternoon and greetings to all the participants in this analyst call for Q4 2024.

The Company has made a significant turnaround by recording a net profit of KD6.88 million during the year 2024 which is higher by 67.7% as compared to the net profit of KD 4.10 for the year 2023. While the operating profit showed an increase of 57.3% along with the reversal of provision for doubtful debts based on realization, miscellaneous income on favourable claim settlement for the expenses, and gain in the foreign exchange contributed additional profit.

There is steady increase in the capacity utilization of the Equipment during 2024 however the revenue rates remain steady.

Demand for the equipment services in Qatar and KSA has shown good improvement with further scope for acceleration of the demand for our services. However, projects market in Kuwait is at bottom level and the recovery is very slow at this moment.

The total capital expenditure for the year 2024 was KD 20 million, of which KD15 million for the operations in Qatar, providing opportunity to target additional revenue and foster growth in the year 2025 onwards.

A cash dividend of 25 fills per share has been recommended by the Board of Directors.

Revenues for the year 2024 increased by 13% as compared to the revenues for the year 2023, while comparative revenue growth figure in 2023 vs 2022 was 27%. For the Q4 24 Vs Q4 23, revenue growth is 21%.

Net profit in Q4 2024 is KD 2.6 million showing an increase of 125% compared to Q4 2023 Net Profit of KD1.2 million. Net profit for the year 2024 is KD 6.9 million higher by 68% compared to KD 4.1 million net profit for the year 2023. Cost of sales and general and administrative expenses increased in proportion to revenue growth. However, finance cost increased by 31% due to the additional borrowings to fund additional capital expenditures which continued from the year 2023.

The share in the total revenue of the Kuwait region dropped to 38% of the total revenue during 2024 as compared to the share of 52% for the year 2023. Revenue share from outside Kuwait region increased to 62% from that of 48% for the year 2023. Revenue from Kuwait region dropped by 11.3% in 2024 since we mobilized part of the fleet to KSA. Qatar region revenues increased by 27% and it constitutes 42% of total revenues. Revenue from KSA region has more than doubled, now having a 16% share in total revenues.

Total revenue from equipment leasing is higher by 22% as compared to the corresponding period of the previous year and its contribution to total revenues is 77% currently vs 75% during the previous year. Port stevedoring revenues was lower by 5.7% compared to 2023 and its contribution to total revenue is 18%, down from 20% in the previous year. Transportation revenues was lower by 13% and is expected to increase in future years. Revenue from Oil field operation also declined by 25%, and expected to further drop during 2025.

Current asset increase is mainly due to an increase in receivables balance, due to the incremental revenue on credit basis during December 2024. Property and equipment increased on additional capital expenditures of KD 20m. Total borrowings is at similar level as last year. The increase in trade payables is due to capex creditors towards the purchase of cranes which is around KD 18m, and accordingly bank borrowings will increase by KD 7m during Q1 2025. Debt-to-equity ratio stands at 0.51 with no change compared to the previous year.

Revenue and net profit figures have been discussed in the previous slides. EBITDA margin to revenue increased to 34% and increase in finance cost by 31% as bank debt was at peak level during 2024. Net profit growth is at 68% during the current period.

The utilization of equipment has shown improvement and the utilization of the cranes during 2024 increased to 57% from 53% in 2023.

Total Capital Expenditure during the year 2024 was KD 20 million as against the target of KD 17 million, of which 75% for the projects in Qatar. Notably, 81% of this expenditure was dedicated to the procurement of cranes. Budgeted capital expenditure for the year 2025 is approximately KD 10 million.

That's all from my side, and I welcome any questions and clarifications.

**Mohammad Haidar :** Thank you Joseph. If you wish to ask a question, please type it in the chat box and send it to Arqaam Capital.

**Mohammad Haidar :** Could you give us a breakdown in utilization growth and the outlook for 2025?

**Joseph Fernands:** We have shown incremental trend in the utilization, and we expect based on that to touch 60%.

**Mohammad Haidar :** What was the utilization during Q4 2024?

**Joseph Fernands:** More than 58% in Q4 2024.

**Mohammad Haidar :** What is included in miscellaneous income? And what is the reason behind the sudden jump?

**Joseph Fernands:** It includes provisions for expenses and which was pending so we were not able to write it off in the previous year. After the settlement of the dispute, bank guarantee was cancelled, and based on that there was this extra provision to the income. Due to purchase of equipment in the Euro currency, we realized some profit in the form of foreign exchange gains and the breakup is shown in our financial statements.

**Mohammad Haidar :** As clarification, did you say that equipment rental rates was stable during 2024 across the three main countries.

**Joseph Fernands:** It was mostly stable. In very exceptional cases where higher capacity cranes we were able to get better rates.

**Mohammad Haidar :** Can you please provide an update on the projects in Qatar and the backlog?

**Joseph Fernands:** Qatar projects are going on full swing, and government has announced a lot of new projects that are available in the public domain. Still, a good number of projects are still to come.

**Mohammad Haidar :** Can you elaborate on the amount that was collected during November 2024 of QR 16m. Is it from short term or long term contracts?

**Joseph Fernands:** **Though the Court judgement on receivables claim was in our favour, defaulting customer party** delayed their payment, but finally they paid in full so we realized the net provision **written off** as a gain.

**Mohammad Haidar :** What percentage of the fleet is due for contract renewal in 2025 and 2026?

**Joseph Fernands:** Contract renewal of the fleet is based on our permanent contracts and temporary short-term contracts. We expect contracts, in the case of permanent equipment to continue another 2-3 years and that is around 18-22%. The remaining is on short term contracts that may be 3 months to 1 year. These are repetitive in nature and based on project implementation status. As per our business model, as we finish one project, we look at alternative projects and mobilize to other projects and during that period only there will be a slight slack in our utilization.

**Mohammad Haidar :** What is the outlook for KSA and how do you see the projects market there?

**Joseph Fernands:** Outlook is very promising, and we have mobilized a good portion of our equipment last year and in the year 2025 we will be getting better utilization. Based on new contracts we will be mobilizing additional equipment.

**Mohammad Haidar :** What is the total worth of the metro and railway line expansion project you mentioned in Q2 2024?

**Joseph Fernands:** We can provide a breakup once the contract is awarded to the main contractor. Currently we don't have clarity on expected contract value.

**Mohammad Haidar :** Moving to Kuwait, can you give us an update on the project backlog pipeline and when do you expect to see an acceleration in construction tenders?

**Joseph Fernands:** Kuwait projects at current levels are very low, and for the reason our revenues haven't been enough to accelerate growth. The next level of project activity is very difficult to predict currently.

**Mohammad Haidar :** Any specific projects in Kuwait that the group is looking to bid for in 2025?

**Joseph Fernands:** Once the contracts are awarded, then we can look at specifics. We are targeting petrochemical projects, which have been delayed since 2020, and we don't know when they are going to announce. These are good for our type of equipment. As for oil field contracts, we get small portions as a subcontractor which supports utilization.

**Mohammad Haidar :** Could you please provide guidance on EBITDA margin going forward?

**Joseph Fernands:** It is increasing but difficult to share percentages at this moment.

**Mohammad Haidar :** Can you please comment on the competition in each market?

**Joseph Fernands:** In Kuwait, competition is driving rates lower. While in Qatar since many of the projects are at peak levels and demand for equipment is high although there is competition, we have competitive edge. In Saudi, lots of players are there and our presence is smaller currently but based on our available equipment we will be able to overcome competition and move forward.

**Mohammad Haidar :** How much Capex will you spend in 2025 and 2026 in KSA and Qatar?

**Joseph Fernands:** We have estimated approximately KD 10m during 2025, of which 48% will go to Qatar and 30% to KSA, and the remaining to the Kuwait market. As for 2026, we don't have finalized plan yet.

**Mohammad Haidar :** Do you have a breakdown of incremental utilization by region?

**Joseph Fernands:** Cranes constitute a good number. Other equipment are showing improvement. During 2025 we expect good utilization improvement in earthmoving equipment along with cranes.

**Mohammad Haidar :** How do you think the contribution to sales from KSA will evolve in 2025?

**Joseph Fernands:** We spent a lot of resources in 2023 and 2024 to stabilize this. Our contribution level will improve in KSA.

**Mohammad Haidar :** Do you expect to borrow more to pay for the 2025 Capex?

**Joseph Fernands:** We will be borrowing an additional KD 7m during Q1 2025, mainly to settle our outstanding Capex liabilities, and in Q2 we will be borrowing smaller amount to Capex committed which is coming in Q2 and Q3. As for Q4, we will not be borrowing, and our focus will be to bring down the borrowing to improve our Debt-to-Equity ratio. By year end of 2025 we expect a Debt-to-Equity ratio of 0.55x.

**Mohammad Haidar :** What was the utilization in Qatar alone?

**Joseph Fernands:** It crossed 62%.

**Mohammad Haidar :** As Qatar share grows, how does that impact working capital? Better or worse give the nature of projects in the market?

**Joseph Fernands:** Our operations in Qatar are going well, and our utilization will improve during 2025. We are targeting 65% and above. Our working capital requirement will be minimal because of receivables and collection cycle, cash flow position have improved also in Qatar which will help us take care of other Capex and other expenses.

**Mohammad Haidar :** At the corporate level do you think the tax rate will go up to 15% in Kuwait?

**Joseph Fernands:** The announcement was made previously but we are not sure when it is going to be implemented.

**Mohammad Haidar :** Should we expect any reversals in 2025?

**Joseph Fernands:** We have collected during Q1 2025, but it is not substantial at approximately QR 3.4m and after that as per our estimate there is no immediate collection in Q2.

**Mohammad Haidar :** Why was the tax rate significantly higher this year. Should we expect this rate to continue?

**Joseph Fernands:** Qatar profit was higher, and we **provided 10% tax on profit**. Moreover, there was a tax claim from the tax authority for the previous year for QR 4.5m, which we have provided but also filed objection and appeal and in the due course we are sure to reverse this claim. The tax rate will be lower in 2025.

**Mohammad Haidar :** How do you explain the jump in non-Kuwait revenues in Q4?

**Joseph Fernands:** In Qatar there was a shutdown maintenance. We have provided additional equipment and cranes that worked on 24-hour basis that mainly contributed additional income, **and**, due to improvement in our operations in KSA.

**Mohammad Haidar :** Do you expect the same share for non-Kuwait revenues in 2025?

**Joseph Fernands:** For 2025, we are bullish on the revenues from Qatar and KSA, and it will be higher than current year.

**Mohammad Haidar :** Would a residential construction boom in Kuwait benefit your business?

**Joseph Fernands:** We don't expect a construction boom in the short term.

**Mohammad Haidar :** Do you expect any increase in rental rates for 2025?

**Joseph Fernands:** We expect an increase in rates post H1 2025, specifically in Q4 2025.

**Mohammad Haidar :** Why is the segmented revenue disclosure different in Q4?

**Joseph Fernands:** Our disclosure of segment revenue is the same as presented earlier, however each segment contribution is different comparing with the previous quarter which I explained in the presentation earlier in Slide 9. As an example, equipment leasing increased and stevedoring revenues is lower. Stevedoring revenues is mainly driven by volume of cargo we are handling. In Kuwait, if the construction market goes up, volumes go up, which improves revenues from stevedoring operations.

**Mohammad Haidar :** We have no other questions. Thank you for joining us today and we look forward to having you in the next quarter.

**Joseph Fernands:** Thank you everyone.



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Analyst Conference

Q4 & FY 2024 Results

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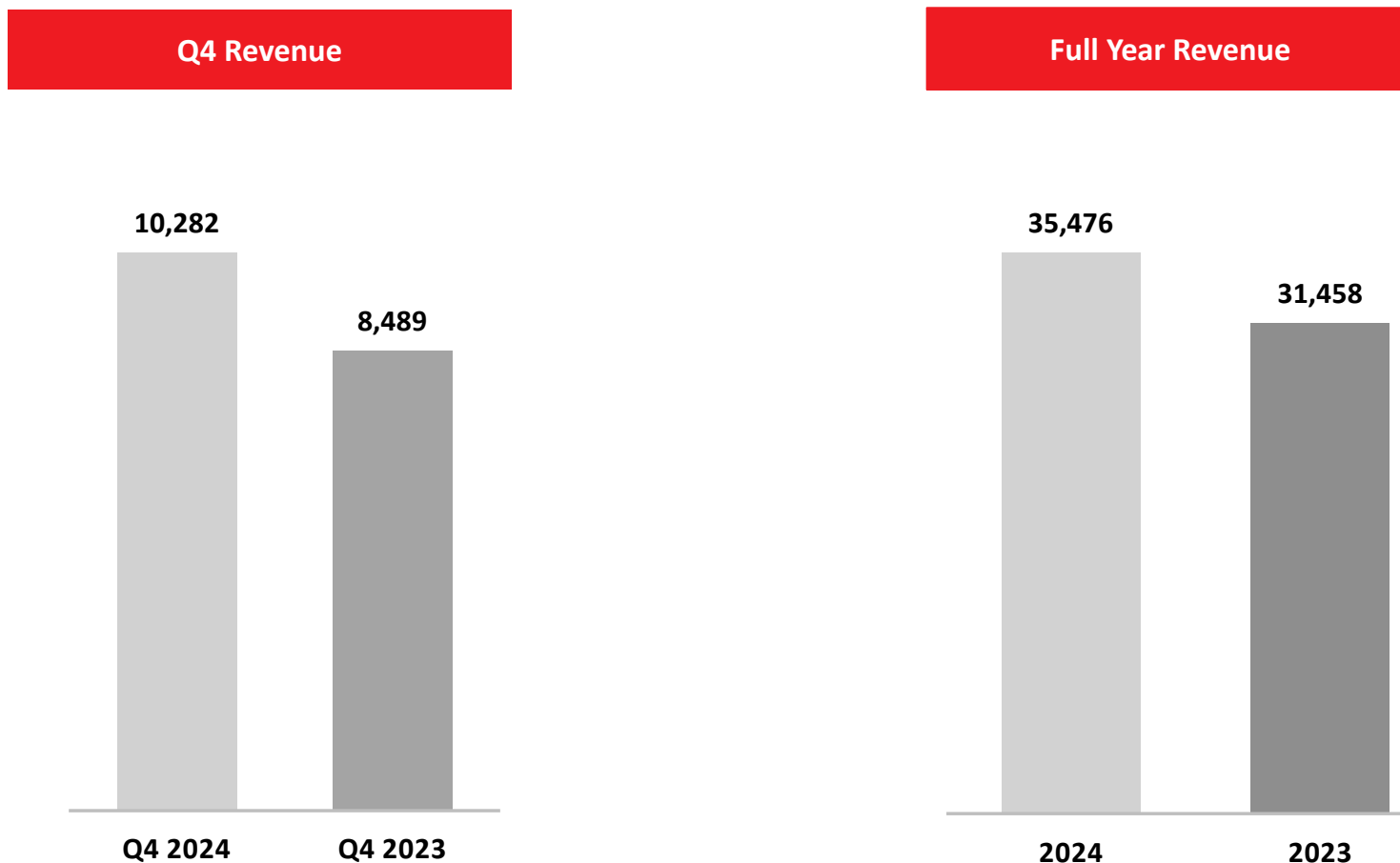
## IHC Overview



- The Company has made a significant turnaround by recording a net profit of KD6.88 million during the year 2024 which is higher by 67.7% as compared to the net profit of KD 4.10 for the year 2023. While the operating profit showed an increase of 57.3% along with the reversal of provision for doubtful debts based on realization, miscellaneous income on favorable claim settlement for the expenses, and gain in the foreign exchange contributed additional profit.
- There is steady increase in the capacity utilization of the Equipment during 2024 however the revenue rates remain steady.
- Demand for the equipment services in Qatar and KSA has shown good improvement with further scope for acceleration of the demand for our services. However, projects market in Kuwait is at bottom level and the recovery is very slow.
- The total capital expenditure for the year 2024 was KD 20 million, of which KD15 million for the operations in Qatar, providing opportunity to target additional revenue and foster growth in the year 2025 onwards.
- A cash dividend of 25 fills per share has been recommended by the Board of Directors.

## Financial Highlights

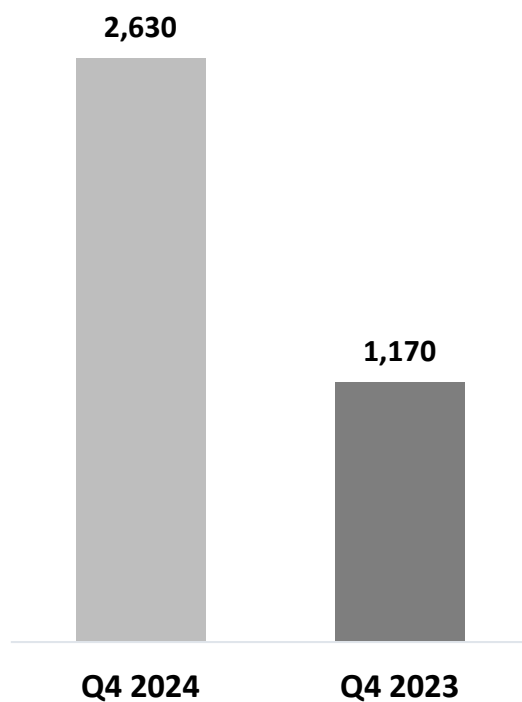
- Revenues for the year 2024 increased by 13% as compared to the revenues for the year 2023, while comparative revenue growth figure in 2023 vs 2022 was 27%. For the Q4 24 Vs Q4 23, revenue growth is 21%



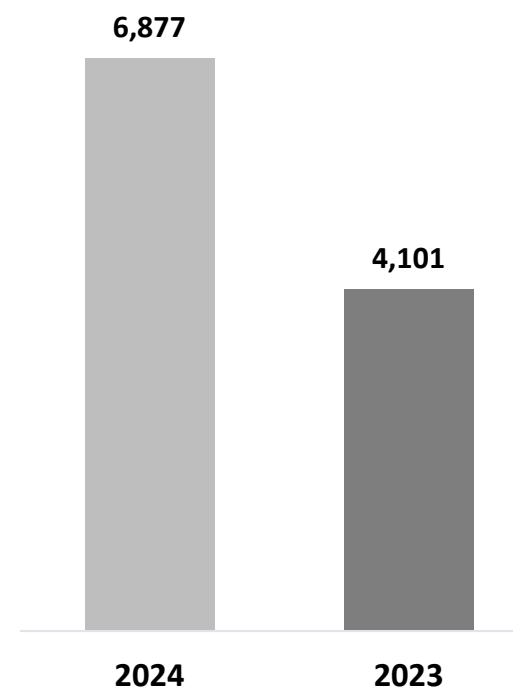
Note: Figures in KWD thousands

- Net profit in Q4 2024 is KD 2.6 million showing an increase of 125% compared to Q4 2023 Net Profit of KD1.2 million.
- Net profit for the year 2024 is KD 6.9 million higher by 68% compared to KD 4.1 million net profit for the year 2023.

## Q4 Net Profit



## Full Year Net Profit



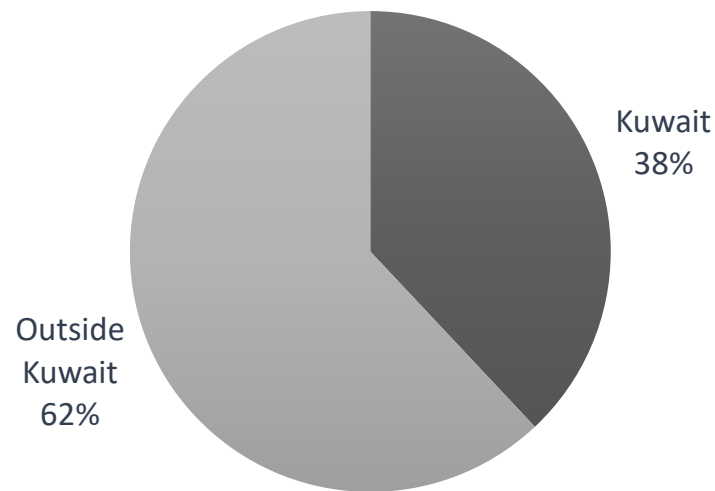
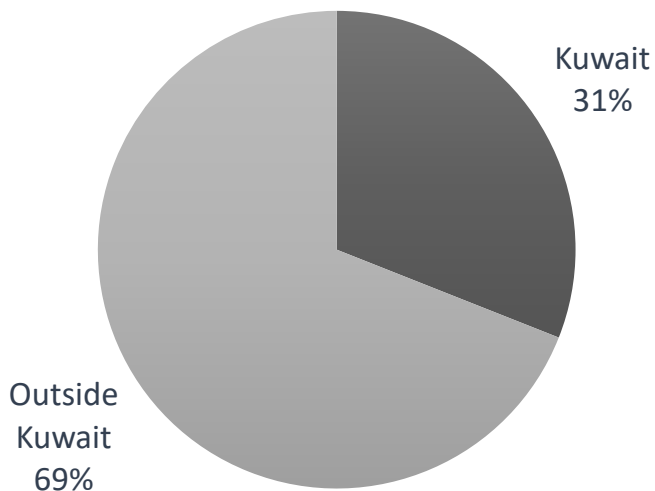
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# Revenue by Geography

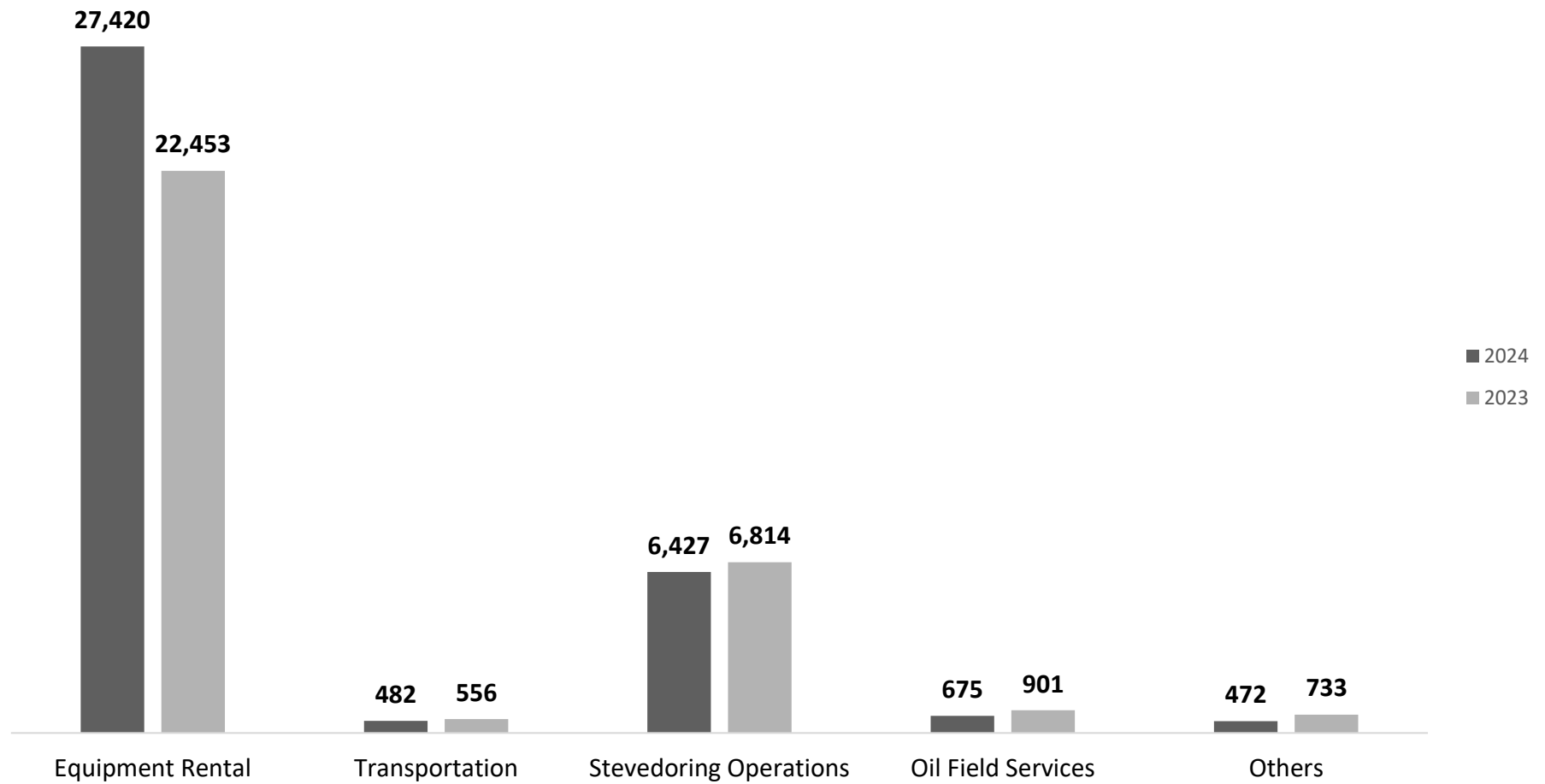
- The share in the total revenue of the Kuwait region dropped to 38% of the total revenue during 2024 as compared to the share of 52% for the year 2023. Revenue share from outside Kuwait region increased to 62% from that of 48% for the year 2023

Q4 2024

Full Year 2024



## Revenue Contribution by Operational Segment



Note: Figures in KWD thousands

## Financial Position

	31 Dec 2024	31 Dec 2023	Change (%)
Current Assets	20,145	18,213	10.6%
Property & Equipment	91,280	82,862	10.2%
Right-of-use Assets	448	519	(13.7)%
Intangible Assets	712	712	
Deferred Tax Asset	136	271	(49.8%)
<b>Total Assets</b>	<b>112,721</b>	<b>102,577</b>	<b>9.9%</b>
Borrowings	32,258	32,416	0.5%
Capex Creditors	8,033		
Trade & Other Liabilities	6,977	6,416	8.7%
Lease Liabilities	594	656	(9.5%)
Shareholders' Equity	64,859	63,089	2.8%
<b>Total Equity &amp; Liabilities</b>	<b>112,721</b>	<b>102,577</b>	<b>9.9%</b>

Note: Figures in KWD Thousands

## Statement of Income

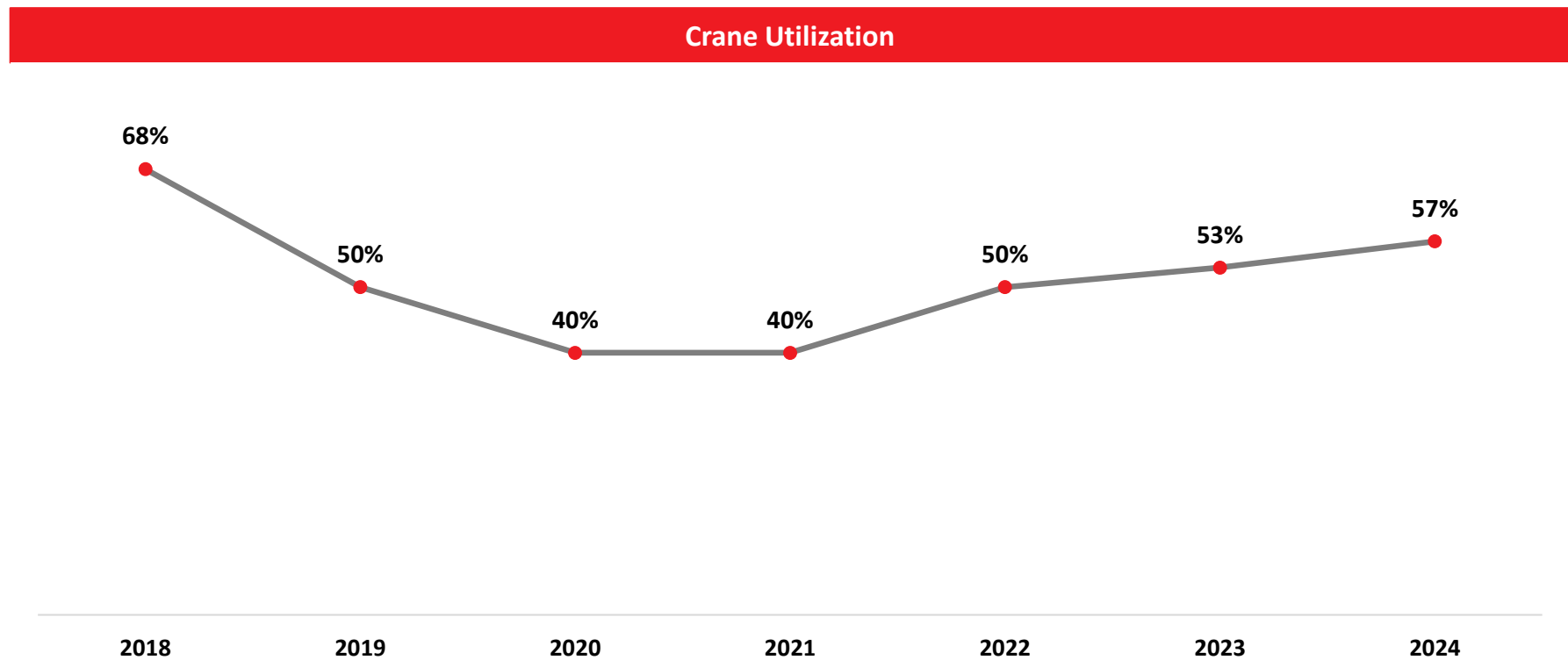
	Q4 2024			Full Year 2024		
	2024	2023	Change %	2024	2023	Change %
<b>Revenue</b>	10,282	8,489	21.1%	35,475	31,458	12.8%
<b>EBITDA</b>	6,790	4,206	61.4%	20,879	15,585	34.0%
<b>Depreciation</b>	(2,780)	(2,542)	9.4%	(10,819)	(9,641)	12.2%
<b>Finance Costs</b>	(532)	(461)	15.4%	(1,905)	(1,451)	31.3%
<b>Net Profit</b>	2,630	1,164	126.0%	6,877	4,101	17.2%
<b>Earnings Per Share (fils)</b>	10.40	4.60	126.0%	27.18	16.21	67.7%

Note: Figures in KWD Thousands



## Company Highlights

- The utilization of equipment has shown improvement and the utilization of the cranes during 2024 increased to 57% from 53%.



- Total Capital Expenditure during the year 2024 was KD 20 million as against the target of KD 17 million, of which 75% for the projects in Qatar. Notably, 81% of this expenditure was dedicated to the procurement of cranes.
- Budgeted capital expenditure for the year 2025 is approximately KD 10 million.

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