



HEISCO

شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامه)

Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)

Date : 18th November 2024

Reference: CM/AR/164/2024

التاريخ : 18 نوفمبر 2024

إشارة : CM/AR//164/2024

To: **Boursa Kuwait**

Greetings,

المحترمين

السادة / شركة بورصة الكويت

تحية طيبة وبعد،،،

Subject: Supplementary Disclosure of Analyst conference 2nd quarter for the period Ended on 30/9/2024:

الموضوع: إفصاح عن معلومات جوهرية - إفصاح مُكمل
مؤتمر المحللين للربع الثالث للفترة المنتهية في **2024/9/30**:

Reference to Our disclosure dated 12/11/2024 & article No. (7-8) "Listed Company Obligations" of Boursa Kuwait rulebook.

بالإشارة إلى إفصاحنا المؤرخ في 2024/11/12 ، وإلى المادة (8-7) "التزامات الشركة المُدرجة" من كتاب قواعد البورصة.

We would like to inform you that The Analyst Conference was held on 18/11/2024 at 2:00 pm (Local Time).

نحيطكم علماً بأن مؤتمر المحللين قد إنعقد بتاريخ 2024/11/18 في تمام الساعة 2:00 ظهراً حسب التوقيت المحلي.

Kindly note that no material information has been revealed during the conference.

كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر.

Conference Presentation is attached herewith, and the Analyst Conference Transcript will be published within 3 days from the date of conference.

مرفق طيه العرض التقديمي، وسوف يتم نشر محضر المؤتمر خلال 3 أيام من تاريخ عقد المؤتمر.

Yours Sincerely

وتفضلوا بقبول وافر التقدير والاحترام،،،



زرزوق

مرزوق ناصر الخرافي

رئيس مجلس الإدارة

Marzouk Naser Al-Kharafi
Chairman

Copy For: Capital Markets Authority.

- نسخة إلى : هيئة أسواق المال



Tel : +965 24624000 Fax : +965 24830291 P.O.Box : 21998, Safat 13080, Kuwait

Email : heisco@heisco.com Commercial Reg. No : 20735

Issued and Paid-Up Capital : KD 18,024,151.700 Authorized Capital : KD 22,000,000

www.heisco.com

نموذج الإفصاح عن المعلومات الجوهرية
Material Disclosure Form

Date	18 th November 2024	18 نوفمبر 2024	التاريخ
Name of the listed company	Heavy Engineering Industries & Shipbuilding Co. K.S.C. (Public)	شركة الصناعات الهندسية الثقيلة وبناء السفن (ش.م.ك) عامة	إسم الشركة المدرجة
Material Information	<p>The Analyst conference was held on 18/11/2024 at 2:00 pm (local Time).</p> <p>Kindly note that no material information has been revealed during the conference.</p> <p>The Analyst conference transcript & presentation will be published within 3 days from the conference date.</p>	<p>مؤتمر المحللين إنعقد بتاريخ 2024/11/18 في تمام الساعة 2:00 ظهراً حسب التوقيت المحلي.</p> <p>كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر وعليه سوف يتم نشر محضر المؤتمر والعرض التقديمي خلال 3 أيام من تاريخ عقد المؤتمر.</p>	المعلومة الجوهرية
Significant Effect of the material information on the financial position of the company	Not Applicable	لا ينطبق	أثر المعلومة الجوهرية على المركز المالي للشركة

Significant Effect on the financial position shall be mentioned if the material information can measure that effect, excluding the financial effect resulting from tenders or similar contracts.

يتم ذكر الأثر على المركز المالي في حال كانت المعلومة الجوهرية قابلة لقياس ذلك الأثر، ويستثنى الأثر المالي الناتج عن المناقصات و الممارسات وما يشبهها من عقود.

If a Listed Company, which is a member of a Group, disclosed some material information related to it and has Significant Effect on other listed companies' which are members of the same Group, the other companies' disclosure obligations are limited to disclosing the information and the financial effect occurring to that company itself.

إذا قامت شركة مدرجة من ضمن مجموعة بالإفصاح عن معلومة جوهرية تخصها ولها إنعكاس مؤثر على باقي الشركات المدرجة من ضمن المجموعة، فإن واجب الإفصاح على باقي الشركات المدرجة ذات العلاقة يقتصر على ذكر المعلومة والأثر المالي المترتب على تلك الشركة بعينها.



للإفصاح



شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامّة)
HEAVY ENGINEERING INDUSTRIES & SHIPBUILDING CO. K.S.C (Public)



9M/Q3-2024 | Virtual Summit

INVESTOR PRESENTATION

Agenda

		Page
1	Disclaimer	3
2	Vision & Mission	4
3	About HEISCO	5
4	HEISCO's Strategy	6
5	Performance Highlights	9
6	Financial Overview	10
7	Appendix	12
8	Q & A	17

Disclaimer

FORWARD - LOOKING STATEMENTS

This information set out in this presentation and provided in the discussion subsequent thereto does not constitute an offer or solicitation of an offer to buy or sell securities. It is solely for use as an investor presentation and is provided as information only. This presentation does not contain all the information that is material to an investor.

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ROUNDING ADJUSTMENTS

Certain monetary amounts, percentages and other figures included on this presentation have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated, may not be the arithmetic aggregation of the percentage that precede them.



HEISCO's Vision

HEISCO will become the customer's first preferred Company for Shipbuilding, Ship Repair, Fabrication, Construction, Industrial Maintenance, Dredging and Offshore services inside Kuwait. HEISCO also aims to expand its business operations in Middle East and North Africa.

HEISCO's Mission

HEISCO aims to expand its business operations, focusing on countries such as Saudi Arabia, Qatar, Oman, Bahrain and Iraq. The company intends to identify potential business opportunities in these regions in the Oil & Gas, Refineries & Power sectors in Civil, Mechanical, Electrical & Instrumentation Construction and Fabrication Services

About HEISCO

We are determined to provide complete service to our customers in Shipbuilding, Ship Repair, Fabrication, Construction, Industrial Maintenance, Dredging, and Offshore works. We are committed to achieving sustained growth by meeting our customers' schedules and quality requirements. We will provide value-added services at competitive prices by evolving efficient cost-control measures and regularly upgrading our resources.

HEISCO's wide ranging fields of activities and capabilities are performed through:

- Shipyard
- Oil & Gas Construction
- Industrial Maintenance
- Fabrication Services
- Trading
- Testing & Calibration
- Quality Control & Testing
- Scaffolding Services
- Galvanizing Plant
- Onshore & Offshore (through Gulf Dredging & General Contracting Co. K.S.C. (Closed) – subsidiary company.
- Technical Specialized Manpower Supply (through HEISCO for Technical Specialized Manpower Supply Co. W.L.L. – subsidiary Company)

HEISCO/Gulf Dredging has branches in Iraq and Kingdom of Saudi Arabia to expand its services and take advantage of emerging markets in the region.

HEISCO's Strategy



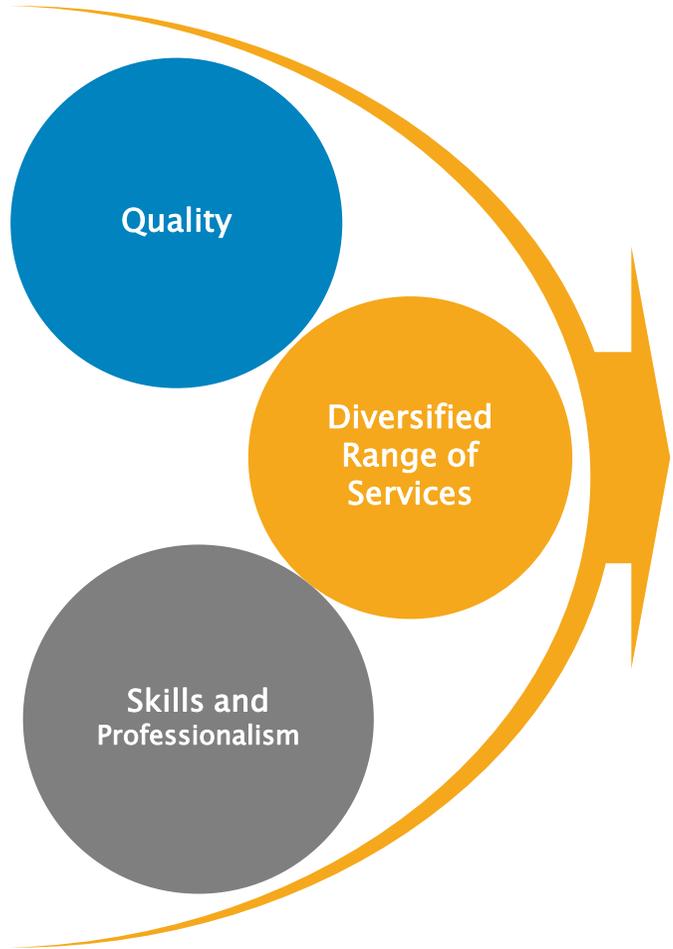
- Established a subsidiary company, HEISCO Engineering India Pvt. Ltd., based in Chennai, India, to enhance our Engineering and Design capabilities to support the group's expanding business activities and to serve various clients in the region.
- Finalizing the site acquisition process to establish cutting-edge manufacturing and service facilities within Jubail Industrial City, enabling us to capitalize on the promising opportunities available in Saudi Arabia.
- Enlisted the expertise of a seasoned consultant to secure Non-GBS Scaffolding Services PQ approval from Aramco, as part of our strategy to enhance and broaden our scaffolding business operations in Saudi Arabia. A storage yard is under construction at our project location to facilitate inspection by Aramco.
- Received approval for the category of In-plant Projects and Safety Qualification from Aramco, allowing us to fully engage in direct bidding opportunities in KSA. Nonetheless, we aim to secure additional subcontracts as we continue to acclimate ourselves to the Saudi market.
- Our subsidiary, GD, has successfully acquired approvals from Aramco, NEOM, RedSea Global, and other pertinent authorities, granting it the capability to engage in direct bidding. GD now aims to broaden its business operations in KSA through strategic expansion initiatives.

HEISCO's Strategy



- SABIC has approved HEISCO KSA Branch as a Service Provider and Advanced Prequalification for the categories, Manufacturing Equipment, Heat Exchanger and Tank Maintenance, and Scaffolding services.
- Saudi Electricity Co. has approved HEISCO KSA branch for Mechanical works (Pumps).
- NEOM has approved HEISCO KSA branch as a Vendor, Red Sea Development Co. as a Contractor, and National Water Company (NWC) as a Service Provider.
- We obtained Qatar Energy PPML approval for Pressure Vessel and Column (less than 75mm thickness, CRA solid and clad, including Slug Catcher) and Fixed Roof Storage Tank with a diameter greater than 25 meters.
- As a Qatar Energy Project Preferred Manufacturer, we plan to establish a branch in Qatar or appoint a local agent to participate in direct bidding.
- Obtained BAPCO PQ approval for shutdown and routine maintenance services and plans to expand similar business activities in Bahrain.
- We are devising strategies to broaden our business presence in Iraq, particularly in the promising oil sector, by engaging directly with clients and establishing partnerships with well-respected international contractors.

HEISCO's Strategy



- KPC has approved HEISCO as an Engineering, Procurement and Construction (EPC) contractor.
- HEISCO obtained CAPT approval for Mechanical works (Category 1) in addition to the approvals for Civil works (Category 1) and Electrical works (Category 2).
- Focuses on potential projects in Offshore and Marine Construction in the region and associating with suitable potential partners in the respective countries to strengthen our participation in tenders/bids.
- Aims to target potential markets in the Oil & Gas, Refineries & Power sector in Civil, Mechanical, Electrical & Instrumentation Construction and Fabrication services in Kuwait, Saudi Arabia, Qatar, Oman, Bahrain, and Iraq.
- HEISCO and GD have registered with Oman Tender Board aiming to expand its business by developing a solid marketing strategy tailored to the clients' specific needs and preferences.
- As per BAPCO's requirement, We intend to establish a workshop facility in Bahrain or find a suitable local company who can rent out its fabrication/ manufacturing facilities, upon award of a project.

PERFORMANCE HIGHLIGHTS – CONSOLIDATED

KD' Million



REVENUE

↓ -2%

104.60 - 9M-2024

106.54 - 9M-2023



NET PROFIT

↑ 28%

5.13 - 9M-2024

4.02 - 9M-2023



EBITDA

↑ 21%

10.50 - 9M-2024

8.66 - 9M-2023



EPS

↑ 28%

28.50 - 9M-2024

22.34 - 9M-2023



ASSETS

↑ 8%

198.14- 9M-2024

183.84- FY-2023



EQUITY

↓ -1%

73.65 - 9M-2024

74.03 - FY-2023



LIABILITIES

↑ 13%

124.49- 9M-2024

109.81 - FY-2023



BORROWINGS

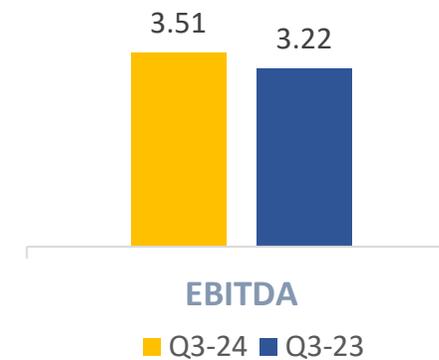
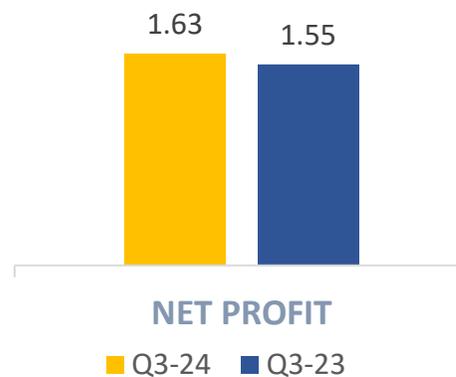
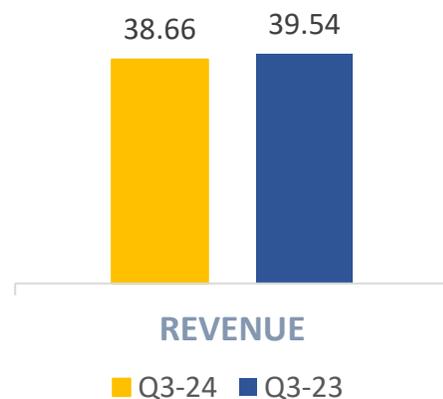
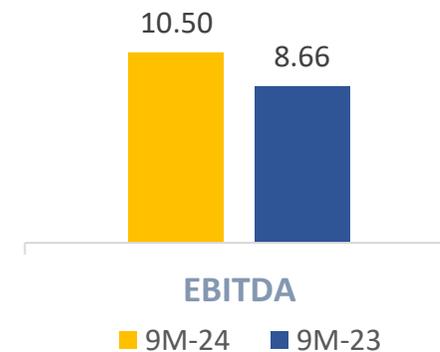
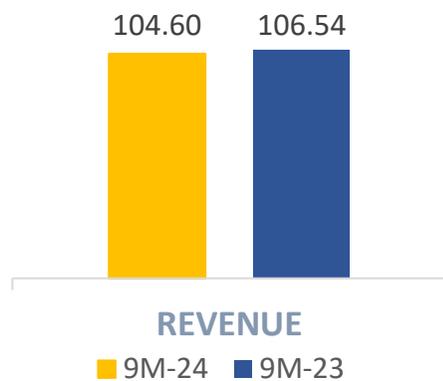
↓ -7%

33.24 - 9M-2024

35.90 - 9M-2023

FINANCIAL OVERVIEW – CONSOLIDATED

KD' Million

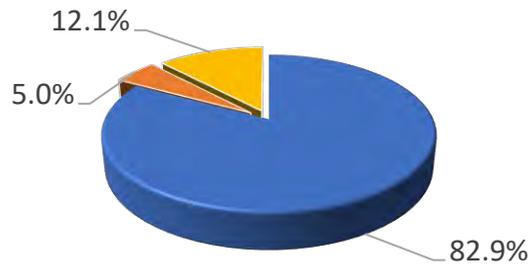


BREAKDOWN OF REVENUE BY BUSINESS LINE - CONSOLIDATED

KD '000

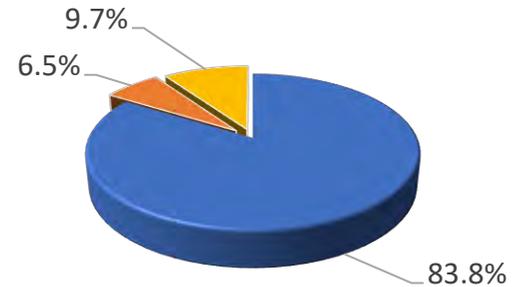
BUSINESS LINE	Q3 2024	Q3 2023	Q3 2024	Q3 2023	% Change
INDUSTRIAL, OIL & GAS	32,053	33,139	82.9%	83.8%	-3.3%
SHIPYARD	1,927	2,553	5.0%	6.5%	-24.5%
OFFSHORE	4,685	3,847	12.1%	9.7%	21.8%
TOTAL REVENUE	38,665	39,539	100%	100%	-2.2%

Q3~24



Industrial, Oil & Gas Shipyard Offshore

Q3~23



Industrial, Oil & Gas Shipyard Offshore

COMMON SIZE ANALYSIS-STATEMENT OF INCOME - CONSOLIDATED

	9M-24	9M-23	Q3-24	Q3-23	9M-24	9M-23	Q3-24	Q3-23
Revenue	104,609,550	106,540,363	38,666,654	39,540,493	100.00%	100.00%	100.00%	100.00%
Cost of sales	(95,611,685)	(99,754,019)	(35,857,671)	(37,493,585)	-91.40%	-93.63%	-92.74%	-94.82%
Gross Profit	8,997,865	6,786,344	2,808,983	2,046,908	8.60%	6.37%	7.26%	5.18%
Other income	873,886	970,697	144,205	742,592	0.84%	0.91%	0.37%	1.88%
General and administrative expenses	(3,106,608)	(3,002,531)	(788,825)	(1,011,641)	-2.97%	-2.82%	-2.04%	-2.56%
Investment income / (loss)	118,272	118,095	33,738	33,676	0.11%	0.11%	0.09%	0.09%
Expected credit loss on financial assets (net)	(170,574)	625,324	(60,914)	365,639	-0.16%	0.59%	-0.16%	0.92%
Finance costs	(1,298,194)	(1,370,678)	(478,785)	(540,863)	-1.24%	-1.29%	-1.24%	-1.37%
Foreign exchange gain/(loss)	(111,727)	97,929	64,185	(1,074)	-0.11%	0.09%	0.17%	0.00%
Profit before contribution to taxes	5,302,920	4,225,180	1,722,587	1,635,237	5.07%	3.97%	4.45%	4.14%
Contribution to Kuwait Foundation for Adv. of Sciences	(42,878)	(29,232)	(11,649)	(10,774)	-0.04%	-0.03%	-0.03%	-0.03%
National Labour Support Tax	(87,697)	(120,911)	(53,191)	(46,239)	-0.08%	-0.11%	-0.14%	-0.12%
Zakat expense	(35,079)	(48,364)	(21,276)	(18,495)	-0.03%	-0.05%	-0.06%	-0.05%
Net profit for the period	5,137,266	4,026,673	1,636,471	1,559,729	4.91%	3.78%	4.23%	3.94%
Earning per share (fils)	28.50	22.34	9.08	8.65				

RATIO ANALYSIS - CONSOLIDATED

PROFITABILITY	9M-24	9M-23	CHANGE	FY-23
Gross Profit %	8.60%	6.37%	↑2.23%	7.92%
EBIT %	6.31%	5.25%	↑1.06%	6.42%
EBITDA %	10.04%	8.13%	↑1.90%	9.79%

Net Profit Margin -%	4.91%	3.78%	↑1.13%	4.84%
ROA	2.71%	2.30%	↑0.40%	3.95%
ROE	6.98%	5.68%	↑1.29%	9.61%
ROCE	7.08%	5.99%	↑1.09%	9.66%

LEVERAGE	9M-24	9M-23	Change	FY-23
Total Debt % of Total Assets %	16.78%	19.79%	↓-3.02	13.80%
Debt to Equity	1.69	1.56	↑0.13	1.48
Interest Coverage Ratio	5.08	4.08	↑1.00	5.14

LIQUIDITY	9M-24	9M-23	Change	FY-22
Current Ratio	1.12	1.22	↓-0.10	1.23
Quick Ratio	0.97	1.08	↓-0.11	1.07
Working Capital to Total Assets	0.06	0.11	↓-0.04	0.11

FINANCIAL POSITION / CASH FLOW - CONSOLIDATED

Consolidated Statement of Financial Position as at 30 Sep 2024

	Kuwaiti Dinars	
	9M-24	FY-23
NON-CURRENT ASSETS	80,706,093	77,449,867
CURRENT ASSETS	117,438,223	106,393,751
TOTAL ASSETS	198,144,316	183,843,618
NON-CURRENT LIABILITIES	19,572,802	23,496,523
CURRENT LIABILITIES	104,918,564	86,314,665
TOTAL LIABILITIES	124,491,366	109,811,188
EQUITY	73,652,950	74,032,430
TOTAL EQUITY AND LIABILITIES	198,144,316	183,843,618

Consolidated Statement of Cash Flow - 30 Sep 2024

	Kuwaiti Dinars	
	9M-24	9M-23
PROFIT FROM OPERATIONS	5,137,266	4,026,673
CHANGES IN WORKING CAPITAL	1,427,531	7,807,721
NET CASH GENERATED FROM OP ACTIVITIES	6,564,797	11,834,394
NET CASH USED IN FROM INVESTING ACTIVITIES	(6,263,145)	(8,677,350)
NET CASH USED IN FROM FIN. ACTIVITIES	540,206	(5,132,579)
INCREASE IN CASH & CASH EQUIVALENTS	841,858	(1,975,535)
CASH & CASH EQUIV. AT BEGINNING OF PERIOD	4,475,842	5,559,459
CASH & CASH EQUIV. AT PERIOD END	5,317,700	3,583,924

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

ASSETS	9M-24	9M-23	FY-23	9M-24	9M-23	FY-23
Non Current Assets						
Right-of-use-assets	1,272,514	305,964	1,898,896	0.64%	0.17%	1.03%
Property, plant and equipment	76,185,044	70,402,473	72,400,692	38.45%	38.81%	39.38%
Investment securities	1,626,051	1,667,129	1,735,595	0.82%	0.92%	0.94%
Trade and other receivables	1,622,484	1,913,499	1,414,684	0.82%	1.05%	0.77%
Total Non-Current Assets	80,706,093	74,289,065	77,449,867	40.73%	40.95%	42.13%
Current assets						
Inventories	15,744,594	12,357,187	13,743,236	7.95%	6.81%	7.48%
Contract assets	69,253,995	53,659,792	54,428,110	34.95%	29.58%	29.61%
Trade and other receivables	26,842,225	37,319,889	33,356,024	13.55%	20.57%	18.14%
Cash and bank balances	5,597,409	3,784,633	4,866,381	2.82%	2.09%	2.65%
Total Current Assets	117,438,223	107,121,501	106,393,751	59.27%	59.05%	57.87%
TOTAL ASSETS	198,144,316	181,410,566	183,843,618	100.00%	100.00%	100.00%

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

EQUITY AND LIABILITIES	9M-24	9M-23	FY-23	9M-24	9M-23	FY-23
Equity						
Share Capital	18,024,152	18,024,152	18,024,152	9.10%	9.94%	9.80%
Statutory reserve	10,946,089	10,946,089	10,946,089	5.52%	6.03%	5.95%
General reserve	10,780,757	10,021,936	10,780,757	5.44%	5.52%	5.86%
Fair valuation reserve	479,258	520,336	588,802	0.24%	0.29%	0.32%
Retained earnings	33,418,671	31,363,931	33,689,023	16.87%	17.29%	18.32%
Non-controlling interests	4,023	3,700	3,607	0.00%	0.00%	0.00%
Total Equity	73,652,950	70,880,144	74,032,430	37.17%	39.07%	40.27%
Non-Current Liabilities						
Post employment benefits	17,787,032	19,439,543	19,752,216	8.98%	10.72%	10.74%
Lease liabilities	87,815	141,136	914,301	0.04%	0.08%	0.50%
Due to banks	364,163	964,163	964,163	0.18%	0.53%	0.52%
Trade and other payables	1,333,792	1,995,813	1,865,843	0.67%	1.10%	1.01%
Total Non-Current Liabilities	19,572,802	22,540,655	23,496,523	9.88%	12.43%	12.78%
Current liabilities						
Lease liabilities	858,364	97,959	858,206	0.43%	0.05%	0.47%
Contract liabilities	479,288	179,307	266,335	0.24%	0.10%	0.14%
Due to a company	0	709,566	0	0.00%	0.39%	0.00%
Due to banks	32,876,125	34,943,765	24,410,872	16.59%	19.26%	13.28%
Trade and other payables	70,704,787	52,059,170	60,779,252	35.68%	28.70%	33.06%
Total Current liabilities	104,918,564	87,989,767	86,314,665	52.95%	48.50%	46.95%
Total liabilities	124,491,366	110,530,422	109,811,188	62.83%	60.93%	59.73%
Total Equity and Liabilities	198,144,316	181,410,566	183,843,618	100.00%	100.00%	100.00%



GULF DREDGING



THANK YOU



GULF DREDGING





HEISCO - Shipyard - Shuwaikh Port
P.O. Box 21998, Safat 13080, Kuwait
Tel.: + 965 24624000 / 24835488
Fax : + 965 24830291 / 24624001

HEISCO - Oil & Gas - Mina Abdullah
P.O. Box 10155, Shuaiba 65452, Kuwait
Tel.: + 965 23253000
Fax : + 965 23262142 / 23253001