



KUWAIT: 13/8/2022

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

**Subject: Analyst / investors Conference for second 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 : 11/8/2022 at 2:00 pm local time.

Please refer to the attachment for the minutes of the Conference (Q2/2022).

**Yours sincerely,**



**Integrated Holding Co (K S C P)**



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## **Analyses / investors conference minutes for the second quarter /2022**

**Mohamad Haidar:** Hello, everyone, and welcome to the Integrated Holding second quarter 2022 earnings call. We apologise for the delay. 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:** Thank you, Haidar. Apologies for the delay. Good afternoon and greetings to all the participants of analysis call for the second quarter year 2022. After having a good start in the Q1 2022, the performance for the Q2 has slowed down. While Q1 revenue was higher due to the seasonal nature of shutdown maintenance revenues, Q2 was with the normal rental activities which were at lower side due to the short working hours during Ramadan month and summer timings.

A revenue of KD12.4 million generated during the first half of year 2022, is 13% higher when compared with H1 of the previous year. Net profit for this period is KD 2 million vs KD 0.35 million in the corresponding period of the previous year.

Though there is normalcy in the day-to-day activities, there is hardly any progress in the project related activities, especially in Kuwait; whereas in other GCC, project related activities have started showing improvement.

During Q2 2022, a cash dividend of 10 fils per share has been distributed.

Let me move forward, giving highlights on the financial performance. Slide number six on revenue. The second quarter revenue of KD 5.5 million is lower by 2%, comparing KD 5.6 million in Q2 2021. In view of the good performance of Q1 2022, revenue for the first half of the year 2022 KD 12.4 million was generated, versus KD 10.9 million in the comparative period of the previous year.

Moving on to slide number seven on net profit. Net profit for the first half of the year 2022 is about KD 2 million versus KD 0.35 million in first half of year 2021. Though there was increase in the general admin expenses due to one-off expenses during quarter two, supported with the gain from the sale of equipment and foreign exchange gains, net profit of KD 0.58 million was earned during Q2 2022, which was higher than the net profit of KD 0.22 million in Q2 21.

Moving on to slide number eight on revenue contribution by geography. As per the revenue composition by geography, share of the revenue from outside Kuwait significantly increased. It is 55% versus 34% in the previous period and for Kuwait it is 45% versus 66% in the previous period. Outside Kuwait revenue includes revenue from Qatar, as well as from Bahrain.

Revenue contribution by operational segment is presented in slide number nine. Equipment leasing and heavy lift together contributes about 81% of the total revenue. It was 79% in Q2 21. Port stevedoring revenue constitutes to 11% of the total revenue and the stevedoring revenue is increased by 43% in the first half of 2022, compared with the first half of 2021. Transportation revenue is much lower and declining, as the company is discontinuing low profit margin operations and heavy lift transportation jobs have yet to pick up. Revenue from oilfields operations also declined in first half of 2022, but expected to pick up from quarter three onwards.

Moving to slide number ten on the financial position statement. The company is continuously maintaining good financial position. There is no noteworthy change in the assets and liabilities as at 30 June 2022. A few highlighting



elements are decline in the property and equipment due to the depreciation charge and lower additions of Equipment. Debt to equity ratio is 0.31 versus 0.36 as of 30 June 21.

Moving on slide number 11 on statement of income. Revenue and net profit have been discussed earlier. For the first half of year 2022, EBITDA is KD 6.2 million, an increase of 24% comparing with the previous period of 2021. However, for Q2 EBITDA is lower by 15% comparing with Q2 21 due to lower revenue and increase in the general and admin expenses.

Moving to slide number 13. Crane capacity utilisation. Revenue from cranes contributes around 70% of the total revenue. Utilisation for the cranes 46% for the second quarter is lower by 3% comparing with the first quarter of 2022.

Moving to other highlights. On capital expenditure, during quarter two 2022, KD 595,000 was spent on purchase of various equipment in Qatar. Additional CapEx for this year based on the delivery of the equipment is estimated at KD 4 million for the year 2022. Another update on KSA operation. The company is pursuing the mobilisation of resource for resuming operation in Saudi Arabia and expected to generate revenue from quarter four 2022.

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

**Mohamad Haidar** Thank you, Joseph. Operator, can you please open the floor for Q&A.

**Operator** If you'd like to ask a question, you can write your question via the Q&A chat box provided.

**Mohamad Haidar** We have a question, Joseph. Who are the major subcontractors in Kuwait from whom you receive contracts?

**Joseph Fernandes** Could you please repeat that, Haidar?

**Mohamad Haidar** Who are the major subcontractors in Kuwait from whom you receive contracts?

**Joseph Fernandes** The line is not clear, try again?

**Mohamad Haidar** The question is, who are the major subcontractors in Kuwait from whom you receive contracts?

**Joseph Fernandes** There are many EPC contractors, like Hyundai Engineering, Sinopec, JGC, etc. These companies, if they operate in Qatar and Saudi, we have good chances of getting the subcontract from them.

**Mohamad Haidar** We have another question. How much utilisation do you expect in Qatar and overall, once you start working fully-fledged on Qatar LNG expansion?

**Joseph Fernandes** The utilisation in Qatar is improving. It was very good in first quarter, there were many shutdown maintenance activities. Now, Q2 and Q3 a little slowdown and we expect to get the improvement in the utilisation in the year 2023.

**Mohamad Haidar** Thank you, Joseph. We don't have any other questions. Back to you for any final remarks.

**Joseph Fernandes** Thank you.

**Mohamad Haidar** Thank you, everyone, for joining today. We hope to see you again with us next quarter, please. Have a nice day.



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**Integrated Holding Co. KSCP**

Analyst Conference

Q2 2022 Results

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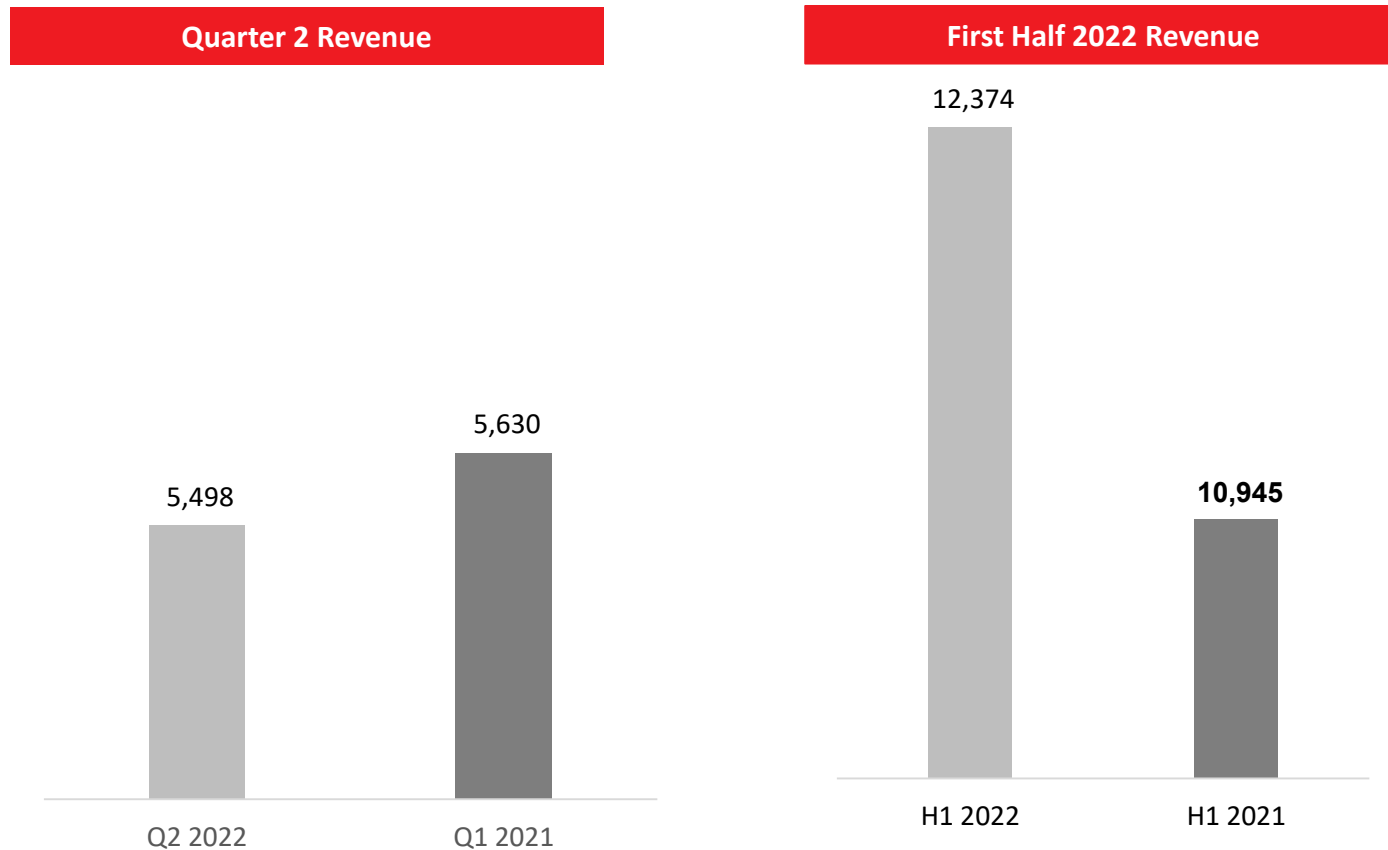
## IHC Overview

- After having a good start in the Q1 2022, the performance for the Q2 has slowed down. While Q1 revenue was higher due to the seasonal nature of shutdown maintenance revenues, Q2 was with the normal rental activities which were at lower side due to the short working hours during Ramadan month and summer timings.
- A revenue of KD12.4 million generated during the first half of year 2022, is 13% higher when compared with H1 of the previous year. Net profit for this period is KD 2 million vs KD 0.35 million in the corresponding period of the previous year.
- Though there is normalcy in the day-to-day activities, there is hardly any progress in the project related activities, especially in Kuwait; whereas in other GCC, project related activities have started showing improvement
- During Q2 2022, a cash dividend of 10 fils per share has been distributed.

## Financial Highlights



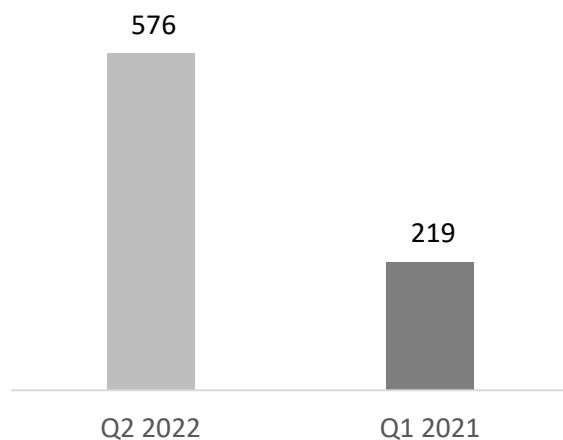
- Revenues shown a growth of 13% % YoY in H1 2022, however, Q2 2022 revenue is lower by 2% vs revenue of Q2 21.



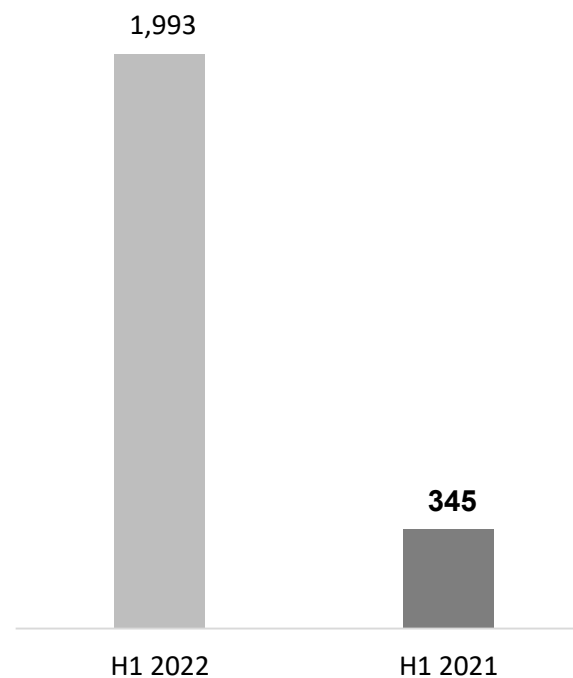
Note: Figures in KWD thousands

- In the first half of 2022 Net Profit increased to KD 2 million while it was KD345K in H1. For the Q2 2022 Net profit increased by KD 357K compared with Q2 2021

## Quarter 2 Net Profit

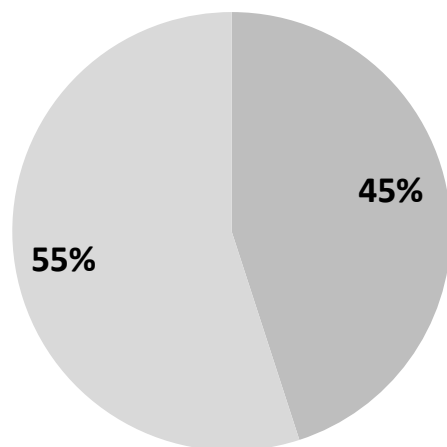


## Half Year Net Profit



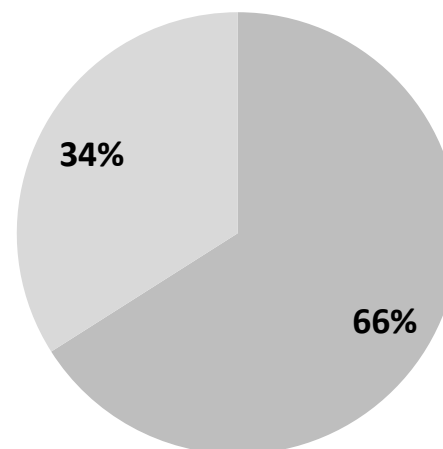
Note: Figures in KWD thousands

H1 2022



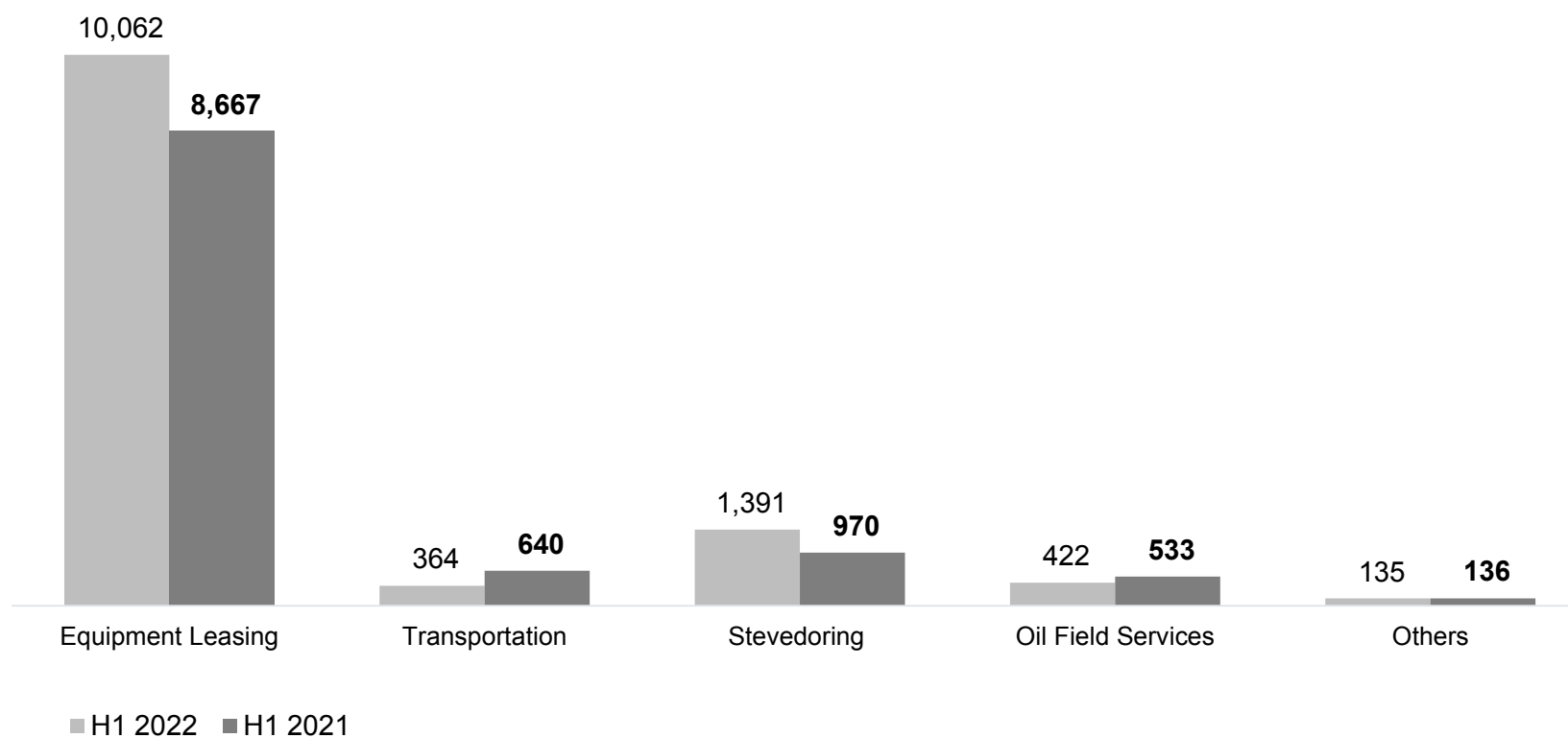
■ Kuwait ■ Outside Kuwait

H1 2021



■ Kuwait ■ Outside Kuwait

## Revenue Contribution by Operational Segment



Note: Figures in KWD thousands

## Financial Position

	H1 2022	H1 2021	Change (%)
Current Assets	20,915	17,287	21
Property & Equipment	71,887	79,209	(9.2)
Right-of-use Assets	554	610	(9.2)
Intangible Assets	828	827	(0.1)
Deferred Tax Asset	199	193	3.1
<b>Total Assets</b>	<b>94,383</b>	<b>98,126</b>	<b>(3.8)</b>
Borrowings	18,839	21,797	13.6
Capex Creditors	6,877	8,594	20
Trade & Other Liabilities	6,696	6,550	(2.2)
Lease Liabilities	665	701	5.1
Shareholders' Equity	61,306	60,484	(1.4)
<b>Total Equity &amp; Liabilities</b>	<b>94,383</b>	<b>98,126</b>	<b>3.81</b>

Note: Figures in KWD Thousands

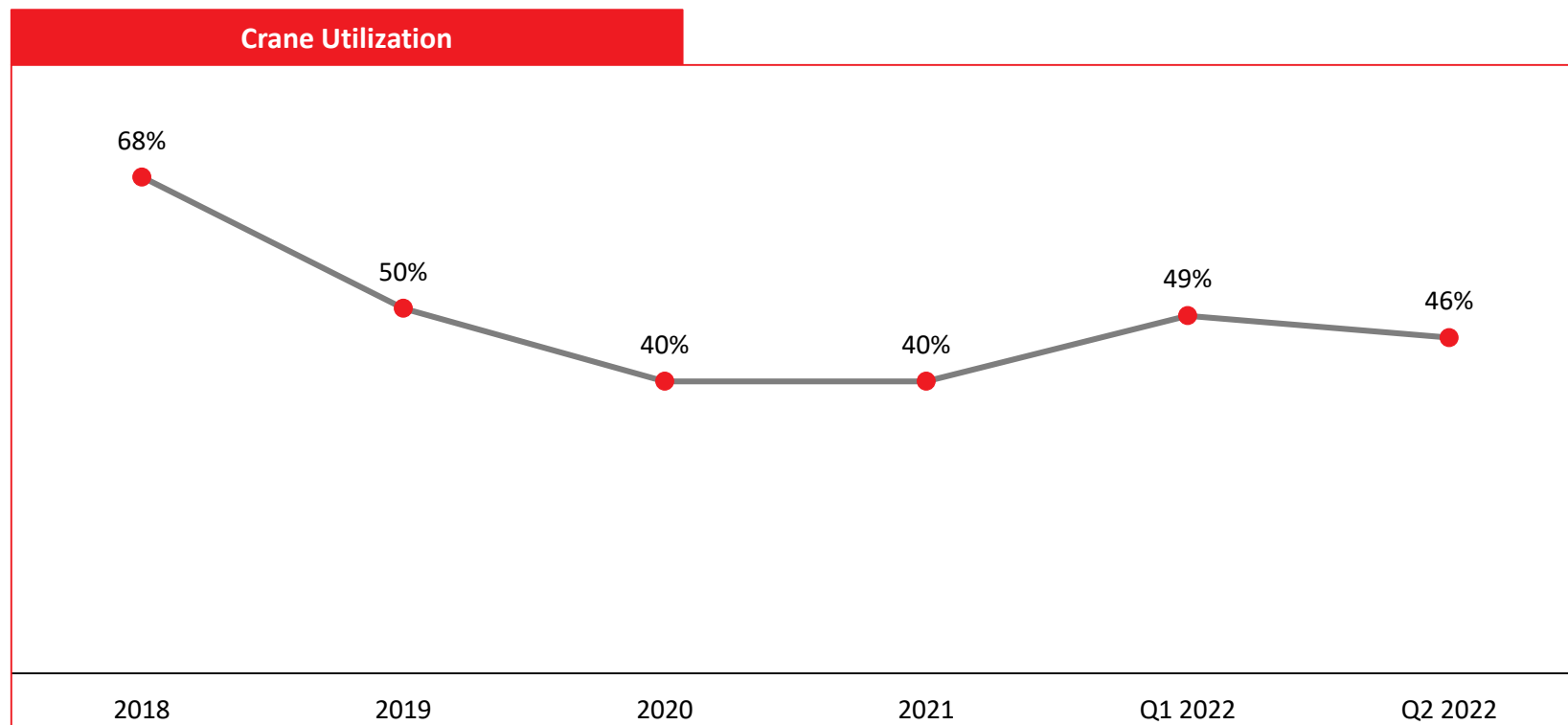
## Statement of Income

	Quarter 2			Half year		
	2022	2021	Change %	2022	2021	Change %
<b>Revenue</b>	5,498	5,630	(2.3)	12,374	10,945	13
<b>EBITDA</b>	2,366	2,789	(15.2)	6,169	4,987	23.7
<b>Depreciation</b>	(2,166)	(2,295)	5.6	(4,412)	(4,430)	0.4
<b>Finance Costs</b>	(145)	(150)	3.3	(301)	(309)	2.6
<b>Net Profit</b>	576	219	163	1,993	345	477.7
<b>Earnings Per Share (fils)</b>	2.28	0.87	163	7.88	1.36	477.7

Note: Figures in KWD Thousands

## Company Highlights

- Cranes, which contributes to the Revenue around 70%, has shown 3% decline in utilization during the second quarter of 2022.





- During Q2 2022 KD 595K was spent on purchase of various equipment in Qatar. Additional capex for this year is based on the supply of machineries estimated at KD 4 million for the year 2022.
- The Company is actively pursuing the mobilization of resources for resuming the operations in the KSA and expected to generate revenue from Q4 2022.

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