

KUWAIT : 18/5/2025

الكويت في: 2025/5/18

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين،،،

Subject: Analyst / investors
Conference Transcript for Q1-2025

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 (Q1/2025) was held through a Live Webcast on Thursday: 15/5/2025 at 2:00 pm local time.

Please refer to the attachment for the minutes of the Conference (Q1/2025).


Yours sincerely,

الموضوع : محضر مؤتمر المحللين / المستثمرين
للقرب الأول من عام 2025

بالإشارة الى الموضوع أعلاه ، وعملاً بقواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين / المستثمرين للربع الأول من عام 2025 قد انعقد في يوم الخميس الموافق 2025/5/15 في تمام الساعة الثانية ظهراً وفق التوقيت المحلي عن طريق البث المباشر علي الانترنت (webcast).

مرفق طيه محضر المحللين / المستثمرين للربع الأول لعام 2025 .

وتفضلوا بقبول وافر الاحترام ،،،



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

Mahmoud Ahmed Abdelhaamid
Group Legal Dept.Manager

محمود احمد عبد الحميد
مدير الإدارة القانونية للمجموعة

Analyst / Investors Conference Transcript Q1 2025

Mohammad Haidar : Hello everyone and welcome to the Integrated Holding Company First Quarter 2025 earnings call. This is Mohammad Haidar from Arqaam Capital, and we are joined today by Mr. Joseph Fernands- 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.

Joseph Fernands: Thank you, good afternoon and greetings to all the participants in this analyst call for Q1 2025.

The Company continues to demonstrate a steady growth trajectory. However, revenue growth for Q1 2025 fell short of targets due to reduced activity during the holy month of Ramadan.

Net profit rose by 28% compared to Q1 2024, supported by a 6% increase in operating profit, gains from the sale of fully depreciated equipment, and the recovery of previously provisioned receivables in accordance with IFRS 9.

The Company made solid progress in strengthening its presence in the KSA market, which accounted for 19% of total revenue in Q1 2025.

Equipment utilization rates continue to trend upward, reflecting improved operational efficiency. However, revenue rates remain at historically low levels, which continues to constrain the pace of overall growth.

In Q1 2025, revenue grew by a modest 3% compared to Q1 2024, falling short of expectations. This slower growth is partly attributed to reduced business activity during the holy month of Ramadan. Net profit for Q1 2025 reached KD 1.818 million, marking a 28% increase from KD 1.417 million in Q1 2024, driven by improved operating performance and one-off gains.

In Q1 2025, the KSA region increased its contribution to the total revenue to 19%, up from 16% in 2024. Conversely, the Kuwait region experienced a 7% decline in its revenue share compared to Q1 2024, largely attributed to the nearing completion of the Bahrain project. Meanwhile, the Qatar region's revenue share edged up to 42% in Q1 2025 from 41% in Q1 2024, remaining consistent with its full-year 2024 share of 42%.

Equipment leasing and heavy lift contribute around 77% of total revenues, almost like Q1 2024. Port Stevedoring revenues contributed 18% of total revenues. Oil Field Services revenues dropped by 70% compared to Q1 2024, and the main reason being costumers stop contracting. Transportation revenues are not significant, however they are doubled on Q1 2025.

In the statement of financial position, the current asset position has increased by 10% due to the increase in receivables by 6% in-line with revenue, and increase in the cash balance of 31% over Q1 2024. Total bank borrowings is at KD 39 million, an increase of 15%. In the previous year in Q3 and Q4, capital expenditure was supported by suppliers credit up to 6 months for a total KD 8 million. Due to the increase in the total bank borrowings, debt-to-equity ratio increased to 0.59x vs. 0.51s as of 31 December 2024.

As for the statement of income, we have already discussed revenues and net profit. With improved operational performance, EBITDA shown a 12% increase over Q1 2024. EBITDA margin also improved to 59% as compared to 54% in Q1 2024.

There is a steady growth in the utilization of the equipment. The utilisation rate of the cranes during Q1 2025 increased to 62% from that of 57% in 2024. This increase in utilization is partly due to the fact that we reduced the fleet size by selling old cranes which were idle, hence a corresponding increase in revenues was not achieved with the increase in utilization rate.

Following two years of sustained capital expenditure, the company has implemented a temporary pause in Capex spending during Q1 and Q2 of 2025. In Q1 2025, total capital expenditure amounted to KD 0.52 million, primarily allocated to the acquisition of non-crane equipment. This investment was entirely categorized as replacement Capex and was geographically distributed as follows: 37% in the Qatar region, 33% in Saudi Arabia (KSA), and 30% in Kuwait.

Capital expenditure activity is expected to resume in Q3 2025, with total Capex for the full year projected at KD 8 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 : What is the total number of fleet as of the end of quarter?

Joseph Fernands : We have in total 2,475 from small to heavy equipment.

Mohammad Haidar: Can we have an update on capital projects in Qatar and Saudi Arabia?

Joseph Fernands : Projects are plenty in both countries. A lot of projects in study and design stages. In Saudi we have a lot of projects in oil fields, construction, refineries, power plants, and also the Neom site. In Qatar we have many projects in Qatar mainly Energy and NLG expansion. Earlier this week Ashghal in Qatar announced QR 81bn in development projects between 2025 and 2029. Information on various projects are available in public domain.

Mohammad Haidar : What is the reason of this spike in Saudi revenue contribution? Do you see it going up in the future?

Joseph Fernands : As we discussed in previous calls, we have been moving idle equipment from Kuwait to Saudi. Now this **has yielded** the results, and it is going to improve further. We expect good growth to come from the Saudi region.

Mohammad Haidar: How far is the company from getting the direct certification from Aramco?

Joseph Fernands : We are in final stage. We have completed all the requirements. However, recent news from them, Aramco are upgrading their certification system and there is a temporary pause on all bidders and not only us. **Otherwise, we will** get it in 1-2 months.

Mohammad Haidar: Is the Capex planned this year takes into account pickup in projects in Kuwait?

Joseph Fernands :No, we are not positive on the Capex for Kuwait projects. We will go for it only when those are awarded.

Mohammad Haidar: Do you have guidance on revenues for this year?

Joseph Fernands : As indicated earlier, we are targeting at least a 20% growth in revenues.

Mohammad Haidar: Any update on the long-term service contract with the Qatar Energy sector?

Joseph Fernands : With Qatar Energy and NLG, we have many projects where we work as subcontractors for a main contractor, and these are ongoing. Besides ongoing projects, new projects in Qatad Energy LNG will come up to increase the capacity to 141m tons per annum, from 77m tons before the implementation of NFE projects earlier.

Mohammad Haidar: When do you see revenue rates going up again?

Joseph Fernands : This was our expectation since the last two years. With projects going in full speed in 2024, it did not happen. Only we expect increase in higher capacity cranes, and this should come in Q3 onwards.

Mohammad Haidar: Do you think the debt law in Kuwait and pickup in mortgage will have a positive impact on the company?

Joseph Fernands: That won't have significant financial improvement.

Mohammad Haidar :Is that because you are not exposed to housing?

Joseph Fernands: We are not considering the housing market much, because the requirements for equipment for housing units is of smaller capacity, and revenue rates are not that attractive due to higher competition as compared to other jobs.

Mohammad Haidar: You mentioned guidance on revenues. Do you have guidance on net profit as well.

Joseph Fernands: Based on increase in revenues of 20% estimated, a 30% in net profit.

Mohammad Haidar: How do you see utilization levels this year and next year?

Joseph Fernands: Our target this year is to reach 66% by year end, and 70% next year.

Mohammad Haidar: Would you participate to renew your contracts with Qatar Shell and Qatar QP?

Joseph Fernands: With both companies, we have long-term contracts for heavy equipment supply. One for 3 years and one for 5 years and can be renewed. Qatar Shell and Qatar Energy are having new plant where we will be getting share in project through the EPC contracts and we will be working as a subcontractor.

Mohammad Haidar: Do you expect to see the same levels of one-offs in 2025 like last year?

Joseph Fernands: No, we have significantly collected most dues in the last year. Remaining balances will not be significant enough.

Mohammad Haidar: That concludes our call today. Thank you everyone for joining us.

Joseph Fernands: Thank you all.



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Analyst Conference

Q1 2025 Results

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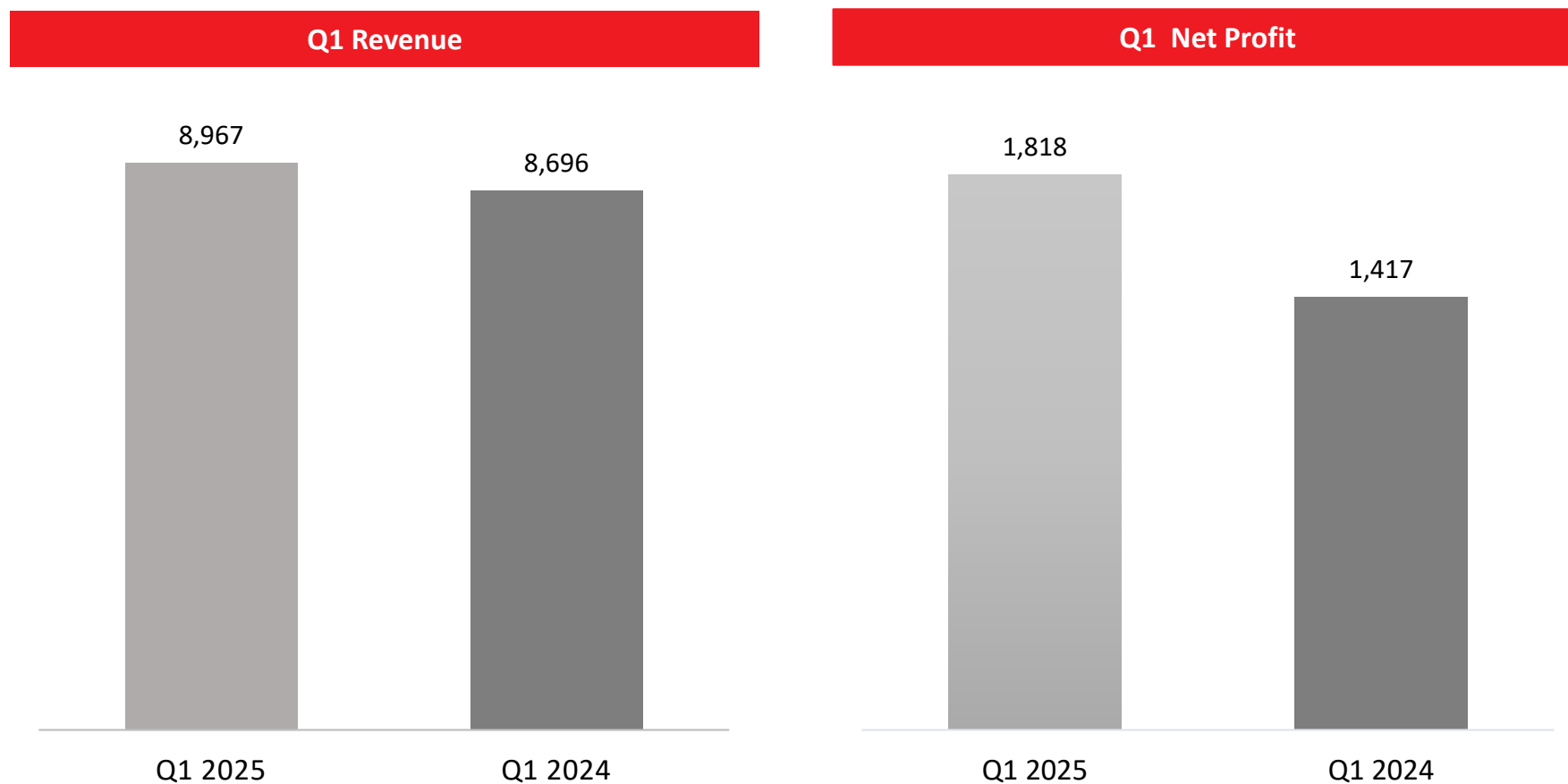
IHC Overview

- The Company continues to demonstrate a steady growth trajectory. However, revenue growth for Q1 2025 fell short of targets due to reduced activity during the holy month of Ramadan.
- Net profit rose by 28% compared to Q1 2024, supported by a 6% increase in operating profit, gains from the sale of fully depreciated equipment, and the recovery of previously provisioned receivables in accordance with IFRS 9.
- The Company made solid progress in strengthening its presence in the KSA market, which accounted for 19% of total revenue in Q1 2025.
- Equipment utilization rates continue to trend upward, reflecting improved operational efficiency. However, revenue rates remain at historically low levels, which continues to constrain the pace of overall growth.

Financial Highlights

Revenue & Net Profit

- In Q1 2025, revenue grew by a modest 3% compared to Q1 2024, falling short of expectations. This slower growth is partly attributed to reduced business activity during the holy month of Ramadan.
- Net profit for Q1 2025 reached KD 1.818 million, marking a 28% increase from KD 1.417 million in Q1 2024, driven by improved operating performance and one-off gains.

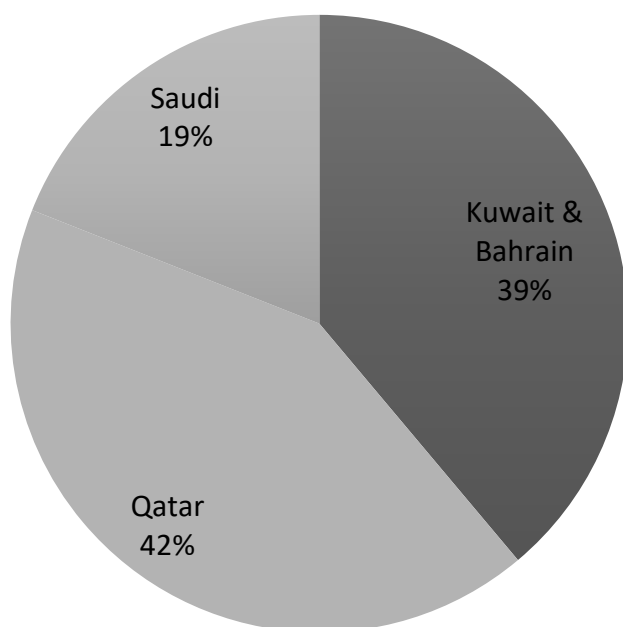


Note: Figures in KWD thousands

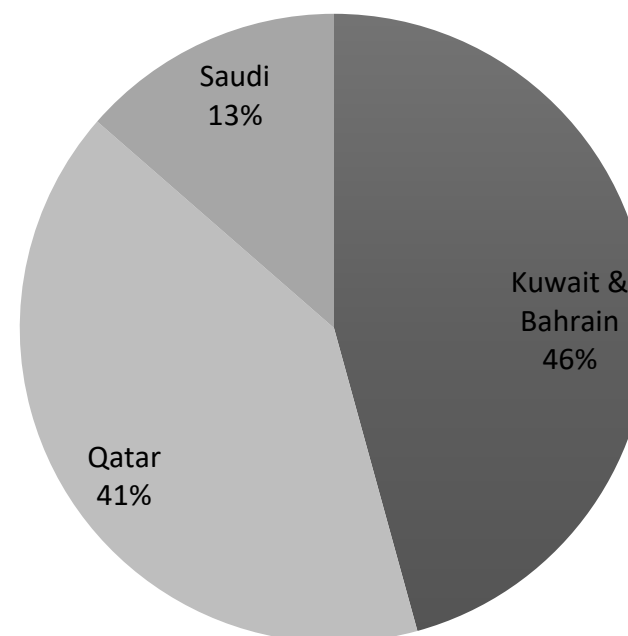
Revenue by Geography

- In Q1 2025, the KSA region increased its contribution to the total revenue to 19%, up from 16% in 2024. Conversely, the Kuwait region experienced a 7% decline in its revenue share compared to Q1 2024, largely attributed to the nearing completion of the Bahrain project. Meanwhile, the Qatar region's revenue share edged up to 42% in Q1 2025 from 41% in Q1 2024, remaining consistent with its full-year 2024 share of 42%.

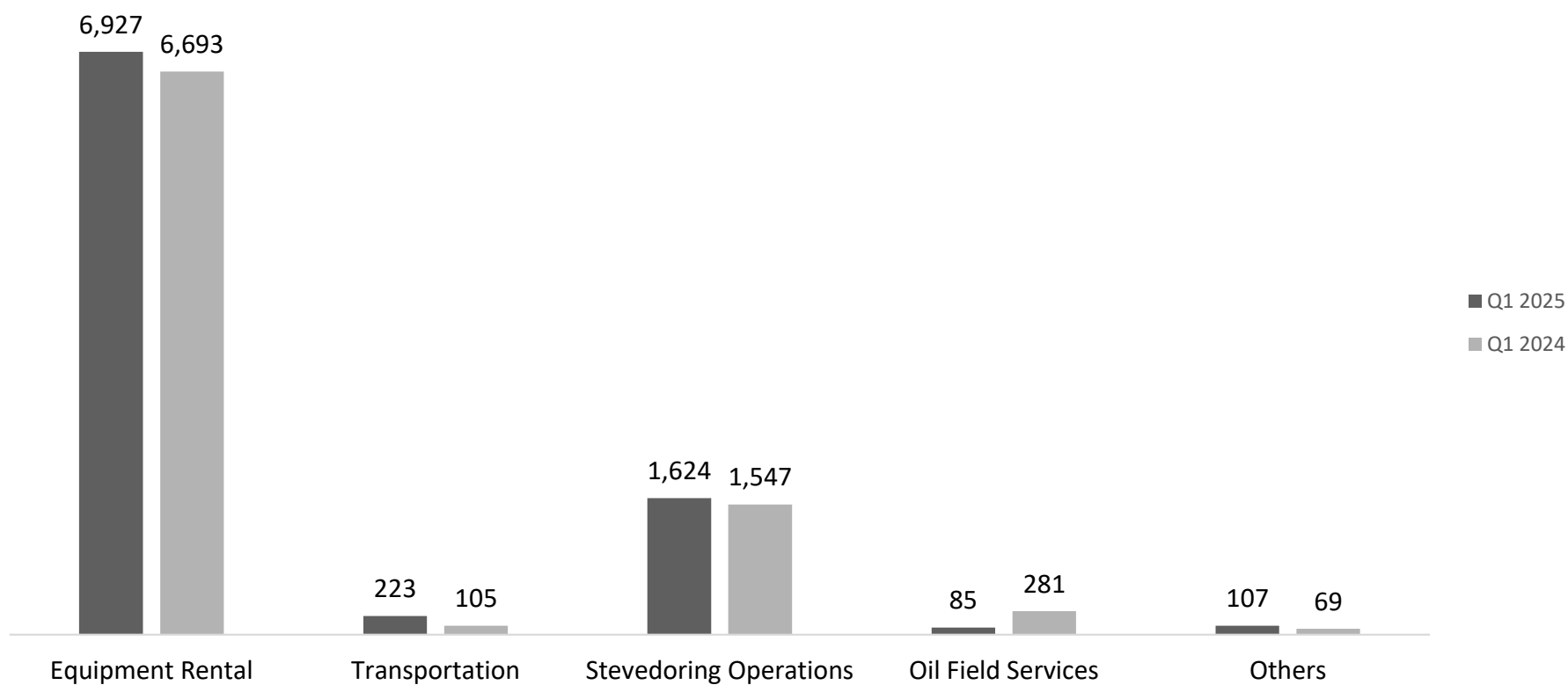
Q1 2025



Q1 2024



Revenue Contribution by Operational Segment



Note: Figures in KWD thousands

Financial Position

	Q1 2025	Q1 2024	Change (%)
Current Assets	23,259	21,133	10%
Property & Equipment	89,066	83,293	7%
Right-of-use Assets	429	496	(16%)
Intangible Assets	712	712	
Deferred Tax Asset	156	294	(47%)
Total Assets	113,622	105,928	7%
Borrowings	39,482	34,299	15%
Trade & Other Liabilities	6,795	6,532	4%
Lease Liabilities	602	663	(9%)
Shareholders' Equity	66,743	64,434	4%
Total Equity & Liabilities	113,622	105,928	7%

Note: Figures in KWD Thousands

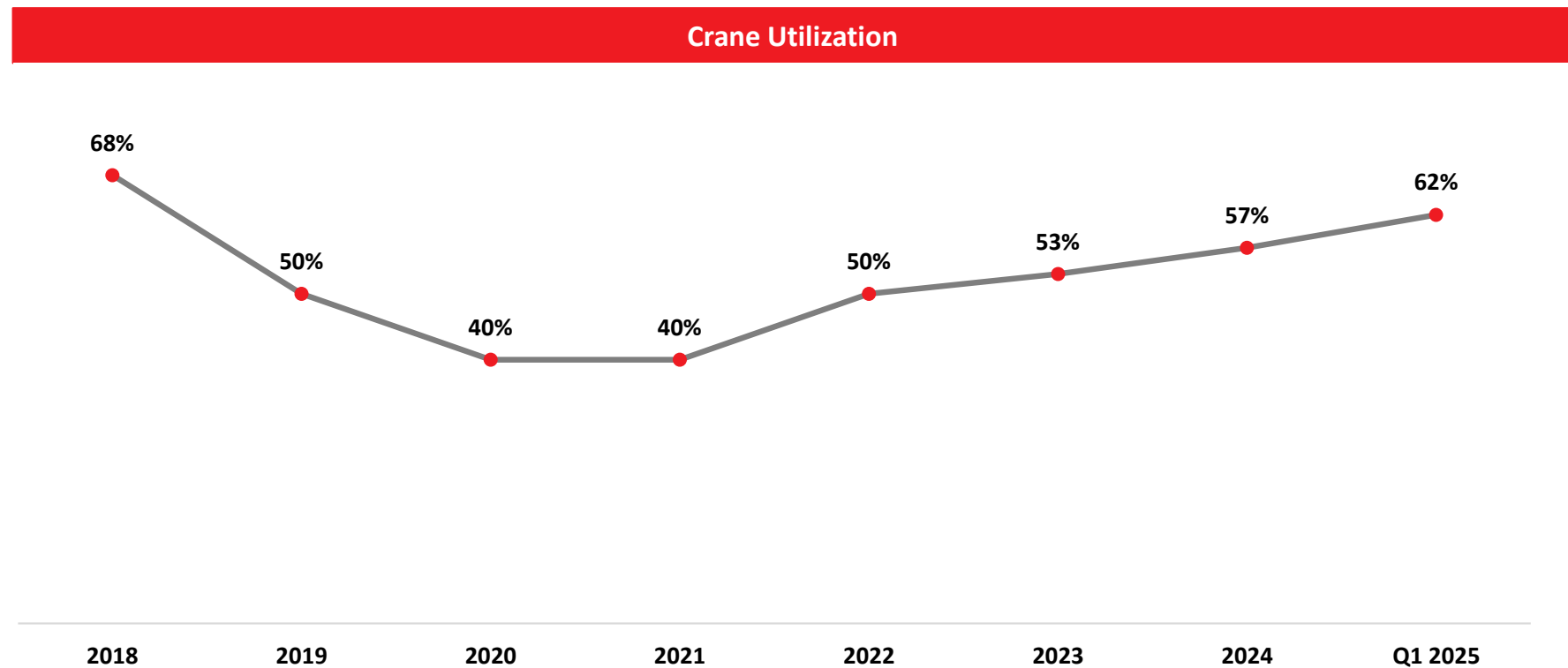
Statement of Income

	1 st Quarter			Full Year
	2025	2024	Change %	2024
Revenue	8,967	8,696	3%	35,475
EBITDA	5,260	4,676	12%	20,879
Depreciation	(2,793)	(2,654)	5%	(10,819)
Finance Costs	(486)	(450)	8%	(1,905)
Net Profit / (Loss)	1,818	1,417	28%	6,877
Earnings Per Share (Fils)	7.2	5.6	28%	27.18

Note: Figures in KWD Thousands

Company Highlights

- There is a steady growth in the utilization of the equipment. The utilisation rate of the cranes during Q1 2025 increased to 62% from that of 57% in 2024.



- Following two years of sustained capital expenditure, the company has implemented a temporary pause in Capex spending during Q1 and Q2 of 2025. In Q1 2025, total capital expenditure amounted to KD 0.52 million, primarily allocated to the acquisition of non-crane equipment. This investment was entirely categorized as replacement Capex and was geographically distributed as follows: 37% in the Qatar region, 33% in Saudi Arabia (KSA), and 30% in Kuwait.
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