



**HEISCO**

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

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

Date : 18<sup>th</sup> November 2024

Reference: CM/AR/164/2024

التاريخ : 18 نوفمبر 2024

إشارة : CM/AR/164/2024

To: Boursa Kuwait

المحترمين

السادة / شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،،

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

الموضوع: إفصاح عن معلومات جوهرية - إفصاح مكمل  
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 المدرجة" 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).

نحنيطكم علماً بأن مؤتمر المحللين قد انعقد 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،،،



مرزوق ناصر الخرافي

رئيس مجلس الإدارة

Marzouk Naser Al-Kharafi  
Chairman

Copy For: Capital Markets Authority.

- نسخة إلى : هيئة أسواق المال



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Authorized Capital : KD 22,000,000

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**نموذج الإفصاح عن المعلومات الجوهرية**  
**Material Disclosure Form**

<b>Date</b>	18 <sup>th</sup> November 2024	18 نوفمبر 2024	التاريخ
<b>Name of the listed company</b>	Heavy Engineering Industries & Shipbuilding Co. K.S.C. (Public)	شركة الصناعات الهندسية الثقيلة وبناء السفن (ش.م.ك) عامة	إسم الشركة المدرجة
<b>Material Information</b>	<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 &amp; 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</p> <p>وعليه سوف يتم نشر محضر المؤتمر والعرض التقديمي خلال 3 أيام من تاريخ عقد المؤتمر.</p>	المعلومة الجوهرية
<b>Significant Effect of the material information on the financial position of the company</b>	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 انعكاس 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.



[Signature]

[Signature]



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

HEAVY ENGINEERING INDUSTRIES & SHIPBUILDING CO. K.S.C (Public)



9M/Q3-2024 | Virtual Summit

**INVESTOR PRESENTATION**

## Agenda

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# Disclaimer

## FORWARD - LOOKING STATEMENTS

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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.

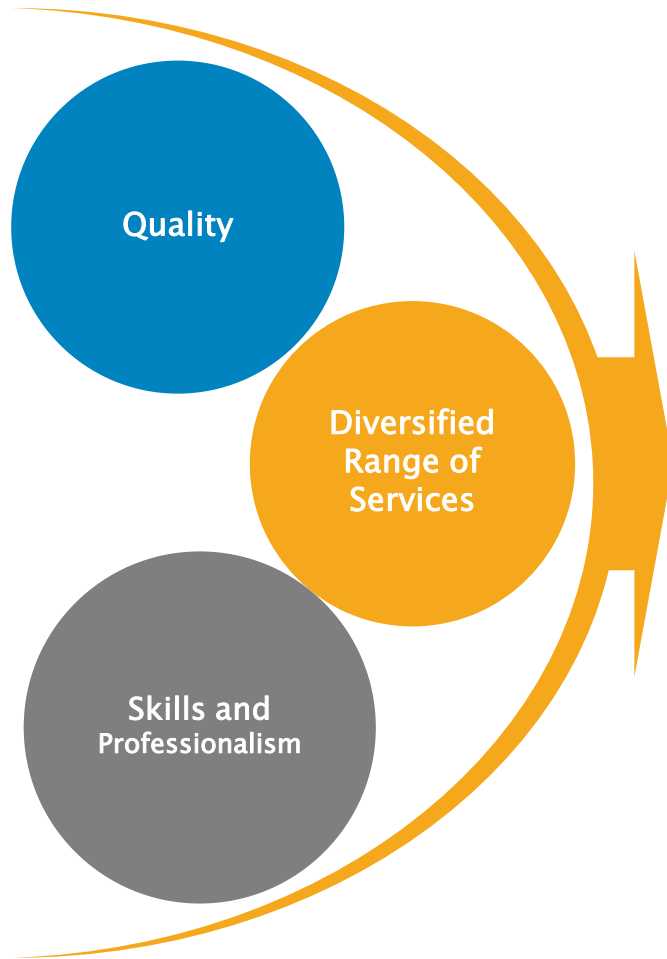


## HEISCO's Strategy



- 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

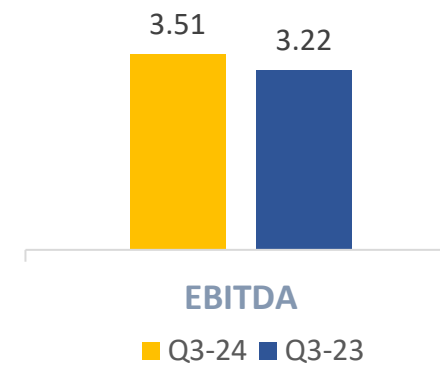
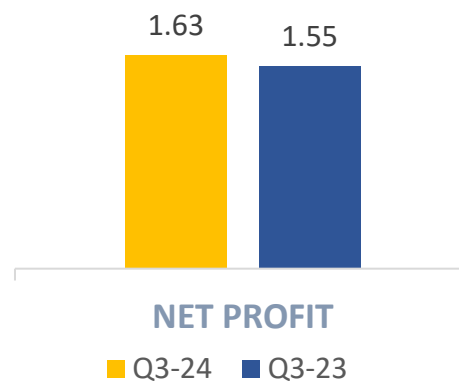
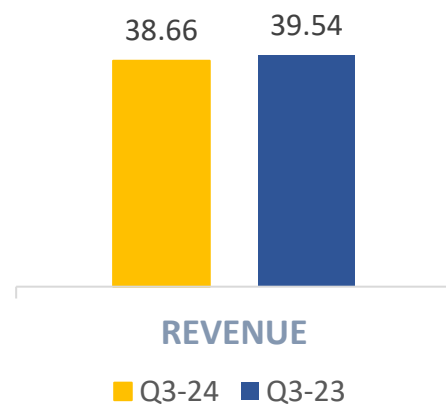
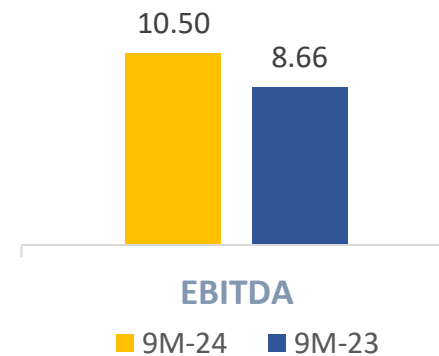
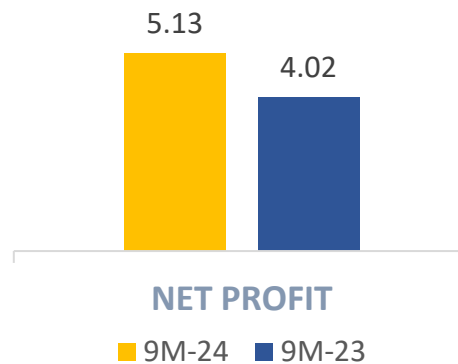
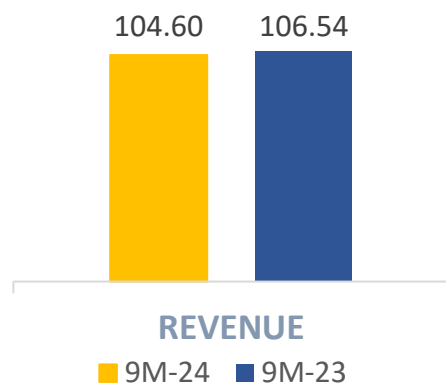
↓ -7%

33.24 - 9M-2024

35.90 - 9M-2023

# FINANCIAL OVERVIEW – CONSOLIDATED

KD' Million



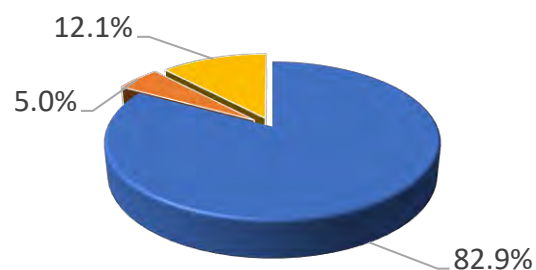


## BREAKDOWN OF REVENUE BY BUSINESS LINE - CONSOLIDATED

KD '000

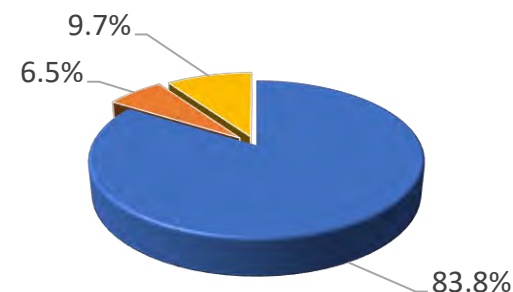
BUSINESS LINE	Q3 2024	Q3 2023	Q3 2024	Q3 2023	% Change
INDUSTRIAL, OIL & GAS	32,053	33,139	82.9%	83.8%	-3.3%
SHIPYARD	1,927	2,553	5.0%	6.5%	-24.5%
OFFSHORE	4,685	3,847	12.1%	9.7%	21.8%
TOTAL REVENUE	38,665	39,539	100%	100%	-2.2%

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
<b>Revenue</b>	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%
<b>Gross Profit</b>	<b>8,997,865</b>	<b>6,786,344</b>	<b>2,808,983</b>	<b>2,046,908</b>	<b>8.60%</b>	<b>6.37%</b>	<b>7.26%</b>	<b>5.18%</b>
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%
<b>Profit before contribution to taxes</b>	<b>5,302,920</b>	<b>4,225,180</b>	<b>1,722,587</b>	<b>1,635,237</b>	<b>5.07%</b>	<b>3.97%</b>	<b>4.45%</b>	<b>4.14%</b>
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%
<b>Net profit for the period</b>	<b>5,137,266</b>	<b>4,026,673</b>	<b>1,636,471</b>	<b>1,559,729</b>	<b>4.91%</b>	<b>3.78%</b>	<b>4.23%</b>	<b>3.94%</b>
<b>Earning per share (fils)</b>	<b>28.50</b>	<b>22.34</b>	<b>9.08</b>	<b>8.65</b>				

## 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
<b>TOTAL ASSETS</b>	<b>198,144,316</b>	<b>183,843,618</b>
NON-CURRENT LIABILITIES	19,572,802	23,496,523
CURRENT LIABILITIES	104,918,564	86,314,665
<b>TOTAL LIABILITIES</b>	<b>124,491,366</b>	<b>109,811,188</b>
EQUITY	73,652,950	74,032,430
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>198,144,316</b>	<b>183,843,618</b>

## 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
<b>NET CASH GENERATED FROM OP ACTIVITIES</b>	<b>6,564,797</b>	<b>11,834,394</b>
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)
<b>INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>841,858</b>	<b>(1,975,535)</b>
CASH & CASH EQUIV. AT BEGINNING OF PERIOD	4,475,842	5,559,459
<b>CASH &amp; CASH EQUIV. AT PERIOD END</b>	<b>5,317,700</b>	<b>3,583,924</b>



## COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

ASSETS	9M-24	9M-23	FY-23	9M-24	9M-23	FY-23
<b><u>Non Current Assets</u></b>						
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%
<b>Total Non-Current Assets</b>	<b>80,706,093</b>	<b>74,289,065</b>	<b>77,449,867</b>	<b>40.73%</b>	<b>40.95%</b>	<b>42.13%</b>
<b><u>Current assets</u></b>						
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%
<b>Total Current Assets</b>	<b>117,438,223</b>	<b>107,121,501</b>	<b>106,393,751</b>	<b>59.27%</b>	<b>59.05%</b>	<b>57.87%</b>
<b>TOTAL ASSETS</b>	<b>198,144,316</b>	<b>181,410,566</b>	<b>183,843,618</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

<b>EQUITY AND LIABILITIES</b>	<b>9M-24</b>	<b>9M-23</b>	<b>FY-23</b>	<b>9M-24</b>	<b>9M-23</b>	<b>FY-23</b>
<b>Equity</b>						
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%
<b>Total Equity</b>	<b>73,652,950</b>	<b>70,880,144</b>	<b>74,032,430</b>	<b>37.17%</b>	<b>39.07%</b>	<b>40.27%</b>
<b>Non-Current Liabilities</b>						
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%
<b>Total Non-Current Liabilities</b>	<b>19,572,802</b>	<b>22,540,655</b>	<b>23,496,523</b>	<b>9.88%</b>	<b>12.43%</b>	<b>12.78%</b>
<b>Current liabilities</b>						
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%
<b>Total Current liabilities</b>	<b>104,918,564</b>	<b>87,989,767</b>	<b>86,314,665</b>	<b>52.95%</b>	<b>48.50%</b>	<b>46.95%</b>
<b>Total liabilities</b>	<b>124,491,366</b>	<b>110,530,422</b>	<b>109,811,188</b>	<b>62.83%</b>	<b>60.93%</b>	<b>59.73%</b>
<b>Total Equity and Liabilities</b>	<b>198,144,316</b>	<b>181,410,566</b>	<b>183,843,618</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



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# THANK YOU



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