

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

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



Date: 18th August 2025

Reference: CM/AR/092/2025

التاريخ : 18 أغسطس 2025

إشارة : CM/AR/092/2025

To: Boursa Kuwait

Greetings,

المحترمين

السادة / شركة بورصة الكويت

تحية طيبة وبعد،،،

Subject: Disclosure of material information
Analyst conference 2nd quarter for the
financial year 2025:

الموضوع: إفصاح عن معلومات جوهرية
مؤتمر المحللين للربع الثاني من السنة المالية 2025 :

Reference to Our disclosure dated 12th Aug. 2025 & article No. (7-8) "Listed Company Obligations" of Boursa Kuwait rulebook.

بالإشارة إلى إفصاحنا المؤرخ في 12 أغسطس 2025، وإلى المادة (7-8) "التزامات الشركة المدرجة" من كتاب قواعد البورصة.

We would like to inform you that The Analyst conference was held on 18th Aug. 2025 at 2:00 pm (Kuwait local Time).

نحنيطكم علماً بأن مؤتمر المحللين قد إنعقد بتاريخ 18 أغسطس 2025 في تمام الساعة 2:00 ظهراً حسب التوقيت المحلي لدولة الكويت.

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

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

The Analyst conference transcript & presentation will be published within 3 days from the conference date.

وعليه سوف يتم نشر محضر المؤتمر والعرض التقديمي 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



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 August 2025	18 أغسطس 2025	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 18th Aug. 2025 at 2:00 pm (Kuwait 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 2025/8/18 في تمام الساعة 2:00 ظهراً حسب التوقيت المحلي لدولة الكويت.</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
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.

*The issuer of this disclosure bears full responsibility for the soundness, accuracy, and completeness of the information contained therein. The issuer acknowledges that it has assumed Care of a Prudent Person to avoid any misleading, false, or incomplete information. The Capital Markets Authority and Boursa Kuwait Securities Exchange shall have no liability whatsoever for the contents of this disclosure. This disclaimer applies to any damages incurred by any Person as a result of the publication of this disclosure, permitting its dissemination through their electronic systems or websites, or its use in any other manner.

*يتحمل من أصدر هذا الإفصاح كامل المسؤولية عن صحة المعلومات الواردة فيه ودقتها واكتمالها، ويقر بأنه بذل عناية الشخص الحريص في تجنب أية معلومات مضللة أو خاطئة أو ناقصة، وذلك دون أدنى مسؤولية على كل من هيئة أسواق المال وبورصة الكويت للأوراق المالية بشأن محتويات هذا الإفصاح، وبما ينفي عنهما المسؤولية عن أية أضرار قد تلحق بأي شخص جراء نشر هذا الإفصاح أو السماح بنشره عن طريق أنظمتها الإلكترونية أو موقعهما الإلكتروني، أو نتيجة استخدام هذا الإفصاح بأي طريقة أخرى.



رئيس

مدير



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

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

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



H1/Q2-2025 | 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	10
6	Financial Overview	11
7	Appendix	12
8	Q & A	18

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.

This presentation has been prepared by, and is the sole responsibility of, Heavy Engineering Industries and Shipbuilding Co. KSCP ("Group"). The information herein may be amended and supplemented and may not as such be relied upon for the purpose of entering into any transaction.

This document is furnished to you solely for your information. You may not reproduce it or redistribute it to any other person.

No person shall have any right of action against the Group or any other person in relation to the accuracy or completeness of the information contained in the presentation. Nothing in this presentation shall form the basis of any contract or commitment whatsoever.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and if given or made such information or representation must not be relied upon as having been authorized by or on behalf of the Group.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/ transaction. Past performance indicative of future results. The Group is under no obligation to update or keep current the information contained herein.

This Presentation may contain forward -looking statements that involve assumptions, risks, and uncertainties. These statements may be identified by such word as "may", "plans", "expects", "believes" and similar expressions or by their context. The Group does not assume any obligation to update its views of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

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

To become the customers' first preferred Company for Shipbuilding, Ship Repair & Maintenance, Fabrication, Oil & Gas Construction, Civil Works, Industrial Maintenance, Dredging and Offshore services in Kuwait and other Middle East and North African regions.

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

HEISCO is a dynamic group of companies committed to maintaining sustained growth by meeting its customers' schedules and quality requirements. HEISCO provides its customers value-added services at competitive prices by evolving efficient cost-control measures and regularly upgrading our resources.

HEISCO's activities are performed through a wide range of fields :

- 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

Introduction

This report provides an overview of HEISCO's key activities and strategic initiatives. HEISCO, as a group, achieved significant milestones in revenue growth, project execution, and operational efficiency, positioning us for continued success in the coming quarters.

HEISCO continues to strengthen its market presence across the Gulf region, with a strategic focus on expanding operations, securing key approvals, and forming strategic alliances. The company is actively pursuing projects in various sectors, including oil & gas, refineries, power, and infrastructure. With a strong commitment to regional growth, HEISCO has extended its footprint into Saudi Arabia and pursuing relevant qualifications in Qatar, Oman, Bahrain, and Iraq with a view to enhancing its construction, maintenance, and fabrication capabilities.

By fostering key partnerships with EPC contractors and leveraging strategic initiatives, HEISCO remains well-positioned to capitalize on emerging opportunities and drive sustainable growth across its target markets.



HEISCO's Strategy

Business Updates

Regional Expansion Strategy

HEISCO strives to expand into key markets across Kuwait, Saudi Arabia, Qatar, Oman, Bahrain, and Iraq, focusing on Civil, Mechanical, Electrical, and Instrumentation Construction, maintenance as well as Fabrication services within the Oil & Gas, Refineries, and Power sectors.

Expansion in Saudi Arabia

HEISCO expanded operations into Saudi Arabia, enhancing its construction capabilities in the region aligned with the Kingdom's Vision 2030 development initiatives. Supporting its vision, we prioritize the recruitment and development of Saudi nationals in our workforce by working closely with the Human Resource Development Fund (HRDF) and other government agencies. Timely and efficient resource mobilization, including equipment and materials, is crucial for successfully completing construction projects. A dedicated logistics team will ensure timely resource delivery, prioritizing local suppliers to reduce costs and support local businesses.

- **Key Approvals in KSA:** HEISCO's KSA Branch has received approvals from prominent entities, including Saudi Aramco, Sabic, Saudi Electrical Co. (SEC), Red Sea Development Co., National Water Co. (NWC), NEOM, MAADEN, and SASREF.



HEISCO's Strategy



- **Expansion of New Fabrication Facility in Saudi Arabia:** HEISCO is in the final stage of acquiring Gulf Sky Factory (GSF) in Saudi Arabia to strengthen its fabrication capabilities and broaden its operational footprint in the region.
- **Strategic Initiatives:** An experienced consultant has been engaged to obtain Non-GBS Scaffolding Services PQ approval from Saudi Aramco, supporting our expansion strategy in Saudi Arabia. A storage yard has been completed and is currently operational. It is now awaiting inspection for Non-GBS Specialized Scaffolding Contractors' Qualification Approval by Aramco.

Expansion of Subsidiary Operations

Gulf Dredging (GD): Our subsidiary, GD, has secured approvals from Saudi Aramco, NEOM, and Red Sea Global, enabling direct bidding and facilitating strategic expansion in KSA. Due to logistical constraints, GD is currently targeting offshore and marine construction projects in the Eastern province and plans to move to other regions after establishing a stronger base.

Engineering Hub in India: HEISCO established a subsidiary, "HEISCO Engineering India Pvt. Ltd." in India headquartered in Chennai to strengthen the company's EPC capabilities and delivering high-quality engineering solutions across multiple industries while supporting its expanding business activities.

HEISCO's Strategy

Key Approvals in Other Markets

- HEISCO has secured approvals from Qatar Energy for the manufacturing of storage tanks, pressure vessels, and columns, as well as from Bapco in Bahrain for general mechanical and shutdown maintenance services.
- HEISCO and GD have registered with the Oman Tender Board to expand operations through a client-focused marketing strategy.

Strategic Partnerships:

- HEISCO continues to establish key alliances with EPC contractors to enhance project execution and ensure effective collaboration. These partnerships play a crucial role in successfully achieving project objectives across its expanding regional operations.



PERFORMANCE HIGHLIGHTS – CONSOLIDATED

KD' Million
& EPS in Fils



REVENUE

↑43%

94.02 H1 -2025

65.94 H1 -2024



NET PROFIT

↑13%

3.95 H1 -2025

3.50 H1 -2024



EBITDA

↑20%

8.36 H1 -2025

6.98 H1 -2024



EPS

↑13%

21.96 H1 -2025

19.42 H1 -2024



ASSETS

↑5%

213.82 H1 -2025

204.61 FY-2024



EQUITY

↓-3%

75.26 H1 -2025

77.57 FY-2024



LIABILITIES

↑9%

138.55 H1 -2025

127.04 FY-2024



BORROWINGS

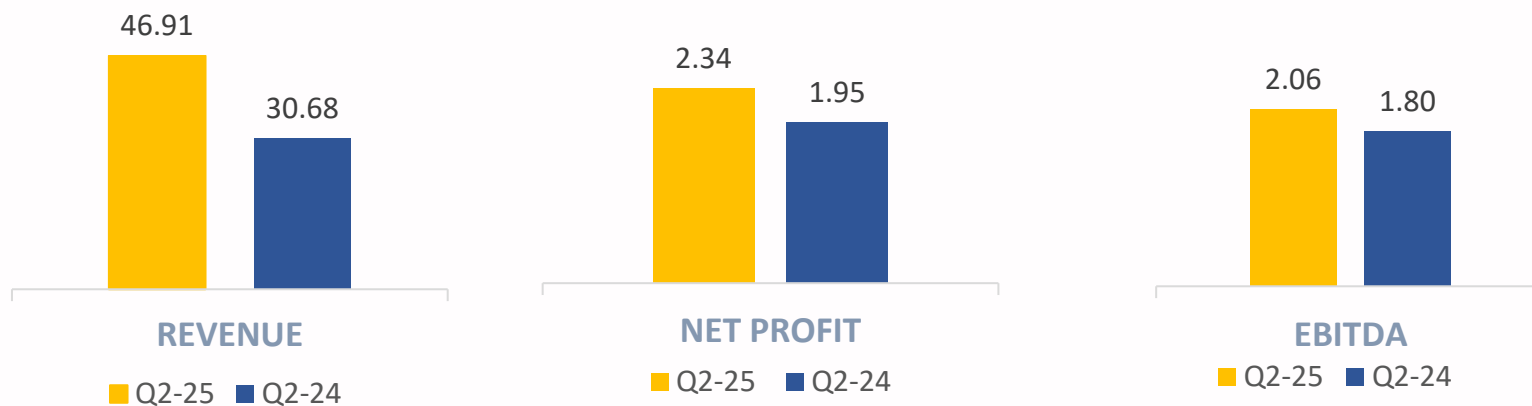
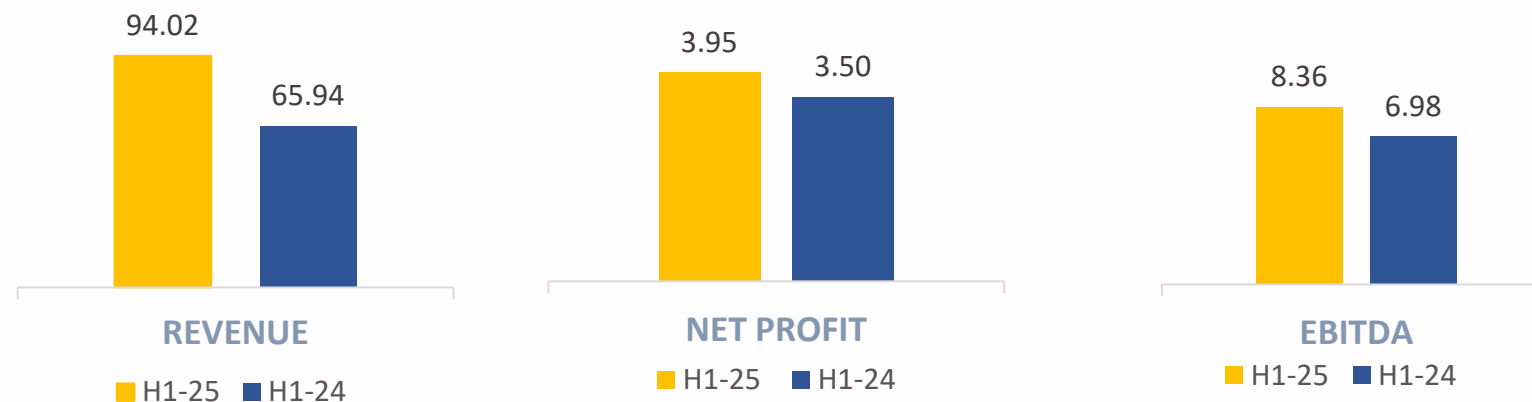
↓-4 %

39.42 H1 -2025

40.94 FY-2024

FINANCIAL OVERVIEW – CONSOLIDATED

KD' Million



BREAKDOWN OF REVENUE BY BUSINESS LINE - CONSOLIDATED

KD '000

BUSINESS LINE	H1 2025	H1 2024	H1 2025	H1 2024	% Change
INDUSTRIAL, OIL & GAS	82,704	53,348	87.96%	80.90%	55.03%
SHIPYARD	4,298	4,226	4.57%	6.41%	1.71%
OFFSHORE	7,019	8,369	7.46%	12.69%	-16.14%
TOTAL REVENUE	94,021	65,943	100%	100%	42.58%

BUSINESS LINE	Q2 2025	Q2 2024	Q2 2025	Q2 2024	% Change
INDUSTRIAL, OIL & GAS	41,080	24,749	87.58%	80.64%	65.99%
SHIPYARD	2,373	2,193	5.06%	7.15%	8.21%
OFFSHORE	3,454	3,749	7.36%	12.21%	-7.86%
TOTAL REVENUE	46,907	30,690	100%	100%	52.84%

COMMON SIZE ANALYSIS-STATEMENT OF INCOME - CONSOLIDATED

	H1-25	H1-24	H1-25	H1-24	Q2-25	Q2-24	Q2-25	Q2-24
Revenue	94,021,407	65,942,896	100.00%	100.00%	46,906,924	30,689,910	100.00%	100.00%
Cost of sales	(85,941,982)	(59,754,014)	-91.41%	-90.61%	(42,796,678)	(27,713,759)	-91.24%	-90.30%
Gross Profit	8,079,425	6,188,882	8.59%	9.39%	4,110,246	2,976,151	8.76%	9.70%
Other income	126,093	729,681	0.13%	1.11%	17,308	630,041	0.04%	2.05%
General and administrative expenses	(2,896,524)	(2,317,783)	-3.08%	-3.51%	(1,442,307)	(983,878)	-3.07%	-3.21%
Investment income / (loss)	84,569	84,534	0.09%	0.13%	85,066	85,079	0.18%	0.28%
Expected credit loss on financial assets (net)	(20,164)	(109,660)	-0.02%	-0.17%	224,199	(97,972)	0.48%	-0.32%
Finance costs	(1,160,701)	(819,409)	-1.23%	-1.24%	(583,484)	(466,586)	-1.24%	-1.52%
Foreign exchange gain/(loss)	(27,958)	(175,912)	-0.03%	-0.27%	64,334	(128,666)	0.14%	-0.42%
Profit before contribution to taxes	4,184,740	3,580,333	4.45%	5.43%	2,475,362	2,014,169	5.28%	6.56%
Contribution to Kuwait Foundation for Adv. of Sciences	(35,172)	(31,229)	-0.04%	-0.05%	(22,523)	(18,706)	-0.05%	-0.06%
National Labour Support Tax	(136,244)	(34,506)	-0.14%	-0.05%	(75,663)	(28,066)	-0.16%	-0.09%
Zakat expense	(54,497)	(13,803)	-0.06%	-0.02%	(30,265)	(11,227)	-0.06%	-0.04%
Net profit for the period	3,958,827	3,500,795	4.21%	5.31%	2,346,911	1,956,170	5.00%	6.37%
Earning per share (fils)	21.96	19.42			13.02	10.85		

RATIO ANALYSIS - CONSOLIDATED

PROFITABILITY	H1 -2025	H1-2024	CHANGE	FY-24
Gross Profit %	8.59%	9.39%	↓-0.79%	9.44%
EBIT %	5.69%	6.67%	↓-0.99%	7.02%
EBITDA %	8.90%	10.59%	↓-1.70%	10.15%

Net Profit %	4.21%	5.31%	↓-1.10%	5.56%
ROA	1.92%	1.85%	↑0.07%	4.67%
ROE	5.26%	4.87%	↑0.39%	11.70%
ROCE	5.39%	4.81%	↑0.58%	11.52%

LEVERAGE	H1 -2025	FY-24	CHANGE
Total Debt % of Total Assets %	18.44%	20.01%	↓-1.57%
Debt to Equity	1.84	1.64	↑0.20
Interest Coverage Ratio	4.61	6.14	↓-1.53

LIQUIDITY	H1 -2025	FY-24	CHANGE
Current Ratio	1.12	1.17	↓-0.05
Quick Ratio	0.96	1.02	↓-0.06
Working Capital to Total Assets	0.07	0.09	↓-0.02

FINANCIAL POSITION / CASH FLOW - CONSOLIDATED

Consolidated Statement of Financial Position - 30 June 2025

	Kuwaiti Dinars	
	H1 - 25	FY-24
NON-CURRENT ASSETS	85,164,922	81,401,016
CURRENT ASSETS	128,655,831	123,210,628
TOTAL ASSETS	213,820,753	204,611,644
NON-CURRENT LIABILITIES	23,847,003	21,851,276
CURRENT LIABILITIES	114,705,539	105,189,364
TOTAL LIABILITIES	138,552,542	127,040,640
EQUITY	75,268,211	77,571,004
TOTAL EQUITY AND LIABILITIES	213,820,753	204,611,644

Consolidated Statement of Cash Flow - 30 June 2025

	Kuwaiti Dinars	
	H1 - 25	H1-24
PROFIT BEFORE CONTRIBUTION TO BOD REMUNERATION	4,184,740	3,580,333
ADJUSTMENTS FOR NON-OPERATING / CASH	6,289,891	5,108,443
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	10,474,631	8,688,776
CHANGES IN WORKING CAPITAL	6,178,927	(12,634,342)
NET CASH GENERATED FROM OP ACTIVITIES	16,653,558	(3,945,566)
NET CASH USED IN FROM INVESTING ACTIVITIES	(3,520,982)	(3,091,673)
NET CASH USED IN FROM FIN. ACTIVITIES	(9,524,810)	10,605,840
INCREASE IN CASH & CASH EQUIVALENTS	3,607,766	3,568,601
CASH & CASH EQUIV. AT BEGINNING OF PERIOD	3,353,120	4,475,842
CASH & CASH EQUIV. AT PERIOD END	6,960,886	8,044,443

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

ASSETS	H1-2025	FY-2024	H1-2025	FY-2024
<u>Non-Current Assets</u>				
Right-of-use-assets	3,237,624	1,295,654	1.51%	0.63%
Property, plant and equipment	78,202,260	77,072,929	36.57%	37.67%
Investment securities	1,653,437	1,605,511	0.77%	0.78%
Trade and other receivables	2,071,601	1,426,922	0.97%	0.70%
Total Non-Current Assets	85,164,922	81,401,016	39.83%	39.78%
<u>Current assets</u>				
Inventories	18,055,231	15,474,550	8.44%	7.56%
Contract assets	55,205,132	54,988,521	25.82%	26.87%
Trade and other receivables	48,353,582	49,114,728	22.61%	24.00%
Cash and bank balances	7,041,886	3,632,829	3.29%	1.78%
Total Current Assets	128,655,831	123,210,628	60.17%	60.22%
TOTAL ASSETS	213,820,753	204,611,644	100.00%	100.00%

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

EQUITY AND LIABILITIES	H1-2025	FY-2024	H1-2025	FY-2024
Equity				
Share Capital	18,024,152	18,024,152	8.43%	8.81%
Statutory reserve	10,946,089	10,946,089	5.12%	5.35%
General reserve	11,739,170	11,739,170	5.49%	5.74%
Foreign currency translation reserve	-514	628	0.00%	0.00%
Fair valuation reserve	506,643	458,718	0.24%	0.22%
Retained earning	34,047,022	36,396,872	15.92%	17.79%
Non-controlling interests	5,649	5,375	0.00%	0.00%
Total Equity	75,268,211	77,571,004	35.20%	37.91%
Non-Current Liabilities				
Post employment benefits	19,752,512	18,507,406	9.24%	9.05%
Lease liabilities	1,807,754	337,601	0.85%	0.16%
Due to banks	1,300,000	1,904,163	0.61%	0.93%
Trade and other payables	986,737	1,102,106	0.46%	0.54%
Total Non-Current Liabilities	23,847,003	21,851,276	11.15%	10.68%
Current Liabilities				
Lease liabilities	848,504	858,364	0.40%	0.42%
Contract liabilities	517,193	1,844,099	0.24%	0.90%
Due to banks	38,128,709	39,044,075	17.83%	19.08%
Trade and other payables	75,211,133	63,442,826	35.17%	31.01%
Total Current Liabilities	114,705,539	105,189,364	53.65%	51.41%
Total Liabilities	138,552,542	127,040,640	64.80%	62.09%
Total Equity and Liabilities	213,820,753	204,611,644	100.00%	100.00%



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