

Date: 16th May 2024

التاريخ : 16 مايو 2024

Reference: CM/AR/069/2024

إشارة : CM/AR/069/2024

To: Boursa Kuwait

المحترمين

السادة / شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،،

Subject: Disclosure of material information
Analyst conference 1st quarter for the
financial year 2024:

الموضوع: إفصاح عن معلومات جوهرية
مؤتمر المحللين للربع الأول من السنة المالية 2024 :

Reference to Our disclosure dated 13/5/2024 & article No. (7-8) "Listed Company Obligations" of Boursa Kuwait rulebook.

بالإشارة إلى إفصاحنا المؤرخ في 13/5/2024، وإلى المادة (7-8) "التزامات الشركة المدرجة" من كتاب قواعد البورصة.

We would like to inform you that The Analyst conference was held on 16/5/2024 at 4:00 pm (local Time).

نحنيطكم علماً بأن مؤتمر المحللين قد إنعقد بتاريخ 2024/5/16 في تمام الساعة 4:00 عصراً 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

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



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

نموذج الإفصاح عن المعلومات الجوهرية
Material Disclosure Form

| | | | |
|--|--|---|--|
| Date | 16 th May 2024 | 16 مايو 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>We would like to inform you that The Analyst conference was held on 16/5/2024 at 4:00 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>نحيطكم علماً بأن مؤتمر المحللين قد إنعقد بتاريخ 2024/5/16 في تمام الساعة 4:00 عصراً 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.

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.

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.

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.



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

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



3M-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 | 8 |
| 6 | Financial Overview | 9 |
| 7 | Appendix | 11 |
| 8 | Q & A | 16 |

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)

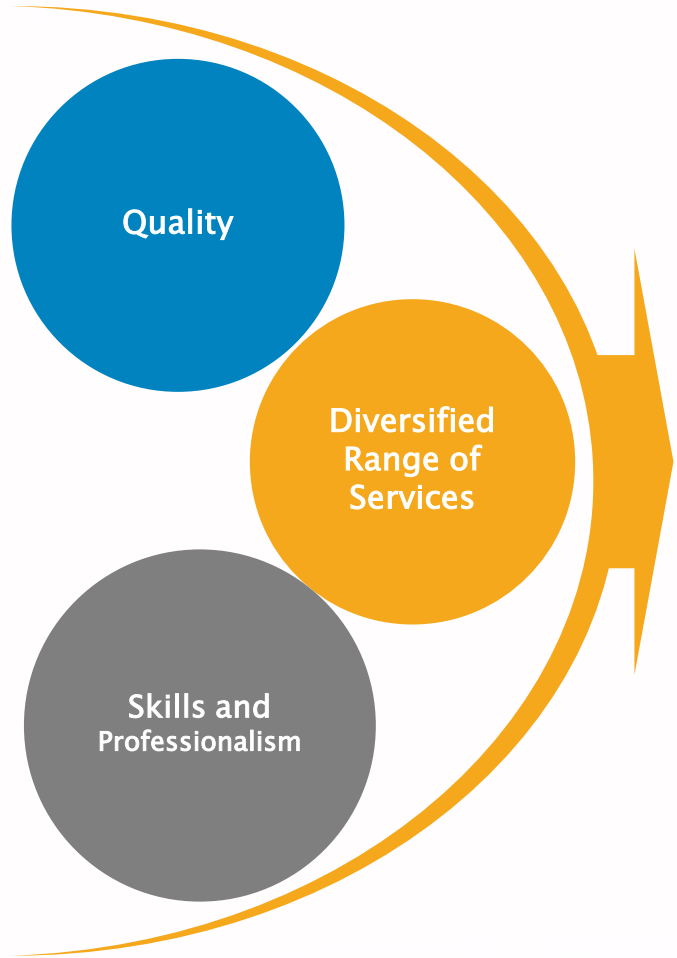
HEISCO/Gulf Dredging has branches in Iraq and Kingdom of Saudi Arabia to expand its services and take advantage of emerging markets in the region.

HEISCO's Strategy



- Establishing a Private Limited Co for Engineering and Design in Chennai, India, to enhance our ability to support the group's expanding business activities and to serve various clients in the region. Currently, we are in the final stages of securing office premises and facilities.
- Finalized the site acquisition process to establish cutting-edge manufacturing and service facilities within Ras Al-Khair 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 in the In-plant Projects category 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



- 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.
- Registered with Qatar Energy as a Project Preferred Manufacturer and plans to establish a branch / 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.
- 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, provided we are awarded with a project.
- 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.
- 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.

PERFORMANCE HIGHLIGHTS – CONSOLIDATED

KD' Million



REVENUE

↑6%

35.25 3M-2024

33.22 3M-2023



EBITDA

↑49%

3.17 3M-2024

2.12 3M-2023



NET PROFIT

↑117%

1.54 3M-2024

.71 3M-2023



EPS

↑117%

8.57 3M-2024

3.96 3M-2023



ASSETS

↑5%

193.15 3M-2024

183.84 FY-2023



EQUITY

↑2%

75.52 3M-2024

74.03 FY-2023



LIABILITIES

↑7%

117.62 3M-2024

109.81 FY-2023



BORROWINGS

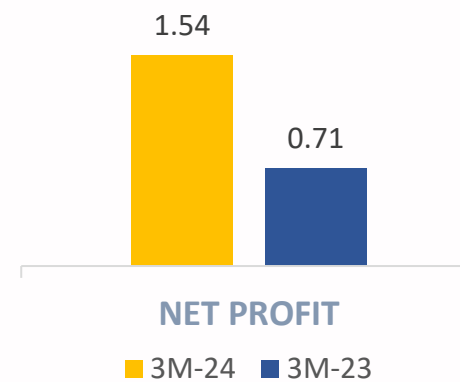
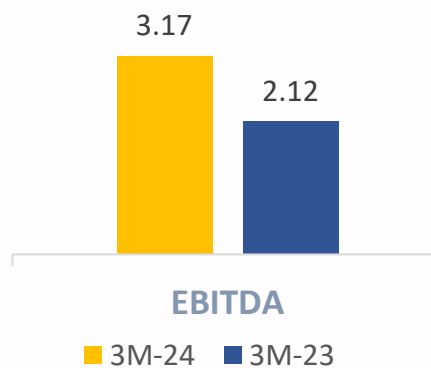
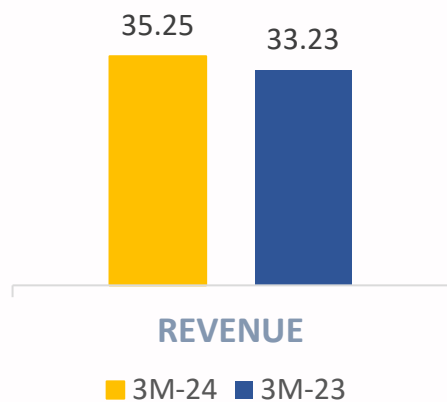
↑25%

31.68 3M-2024

25.37 FY-2023

FINANCIAL OVERVIEW – CONSOLIDATED

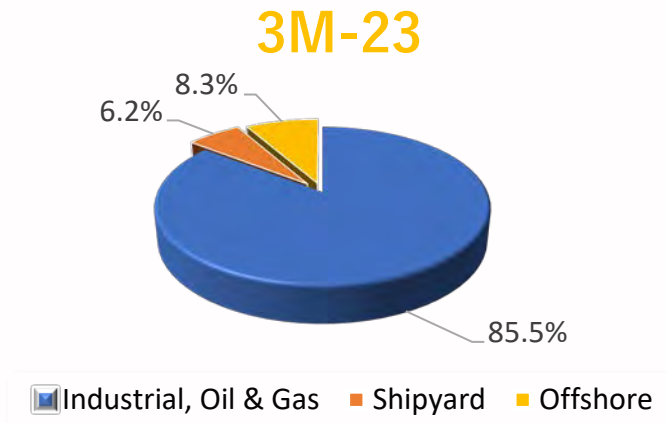
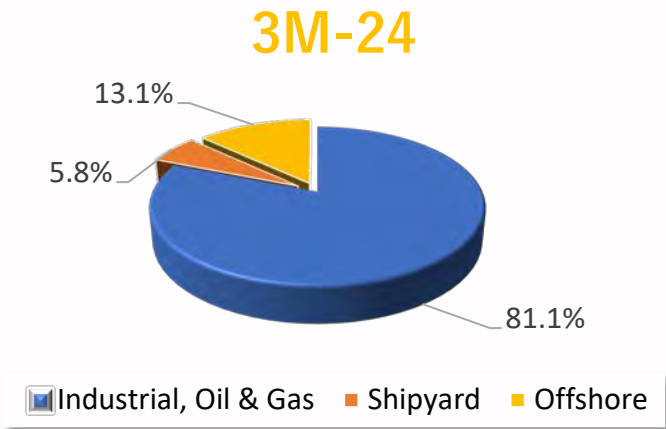
KD' Million



BREAKDOWN OF REVENUE BY BUSINESS LINE - CONSOLIDATED

KD '000

| BUSINESS LINE | Mar-24 | Mar-23 | Mar-24 | Mar-23 | % Change |
|-----------------------|---------------|---------------|-------------|-------------|-------------|
| INDUSTRIAL, OIL & GAS | 28,598 | 28,420 | 81.1% | 85.5% | 0.6% |
| SHIPYARD | 2,033 | 2,056 | 5.8% | 6.2% | -1.1% |
| OFFSHORE | 4,621 | 2,748 | 13.1% | 8.3% | 68.2% |
| TOTAL REVENUE | 35,252 | 33,224 | 100% | 100% | 6.1% |



COMMON SIZE ANALYSIS-STATEMENT OF INCOME - CONSOLIDATED

| | Mar-24 | Mar-23 | Mar-24 | Mar-23 |
|--|------------------|------------------|--------------|--------------|
| Revenue | 35,252,986 | 33,224,362 | 100.00% | 100.00% |
| Cost of sales | (32,040,255) | (31,483,677) | -90.89% | -94.76% |
| Gross Profit | 3,212,731 | 1,740,685 | 9.11% | 5.24% |
| Other income | 99,640 | 146,405 | 0.28% | 0.44% |
| General and administrative expenses | (1,333,905) | (907,406) | -3.78% | -2.73% |
| Investment income / (loss) | (545) | (582) | 0.00% | 0.00% |
| Expected credit loss on financial assets (net) | (11,688) | 116,904 | -0.03% | 0.35% |
| Finance costs | (352,823) | (400,554) | -1.00% | -1.21% |
| Foreign exchange gain/(loss) | (47,246) | 48,856 | -0.13% | 0.15% |
| Profit before contribution to taxes | 1,566,164 | 744,308 | 4.44% | 2.24% |
| Contribution to Kuwait Foundation for Adv. of Sciences | (12,523) | (6,625) | -0.04% | -0.02% |
| National Labour Support Tax | (6,440) | (17,437) | -0.02% | -0.05% |
| Zakat expense | (2,576) | (6,975) | -0.01% | -0.02% |
| Net profit for the period | 1,544,625 | 713,271 | 4.38% | 2.15% |
| Earning per share (fils) | 8.57 | 3.96 | | |

RATIO ANALYSIS - CONSOLIDATED

Financial Overview-Ratio Analysis

| PROFITABILITY | Mar-24 | Mar-23 | CHANGE | FY-23 |
|---------------------------------|---------------|---------------|---------------|--------------|
| Gross Profit % | 9.11% | 5.24% | ↑3.87% | 7.92% |
| EBIT % | 5.44% | 3.45% | ↑2.00% | 6.42% |
| EBITDA % | 8.99% | 6.39% | ↑2.60% | 9.79% |
| Net Profit Margin -% | 4.38% | 2.15% | ↑2.23% | 4.84% |
| ROA | 0.83% | 0.41% | ↑0.42% | 3.95% |
| ROE | 2.05% | 1.00% | ↑1.05% | 9.61% |
| LEVERAGE | Mar-24 | Mar-23 | CHANGE | FY-23 |
| Total Debt % of Total Assets % | 16.40% | 20.96% | ↓-4.55% | 13.80% |
| Debt to Equity | 1.56 | 1.49 | ↑0.07% | 1.48 |
| Interest Coverage Ratio | 5.44 | 2.86 | ↑2.58% | 5.14 |
| LIQUIDITY | Mar-24 | Mar-23 | CHANGE | FY-23 |
| Current Ratio | 1.18 | 1.25 | ↓-0.07 | 1.23 |
| Quick Ratio | 1.02 | 1.11 | ↓-0.09 | 1.07 |
| Working Capital to Total Assets | 0.09 | 0.12 | ↓-0.03 | 0.11 |

FINANCIAL POSITION / CASH FLOW - CONSOLIDATED

Consolidated Statement of Financial Position as at 31 Mar 2024

| | Kuwaiti Dinars | |
|-------------------------------------|--------------------|--------------------|
| | 31-Mar-24 | 31-Mar-23 |
| NON-CURRENT ASSETS | 79,140,005 | 72,589,429 |
| CURRENT ASSETS | 114,016,831 | 104,977,037 |
| TOTAL ASSETS | 193,156,836 | 177,566,466 |
| NON-CURRENT LIABILITIES | 21,070,919 | 22,204,483 |
| CURRENT LIABILITIES | 96,556,788 | 84,015,824 |
| TOTAL LIABILITIES | 117,627,707 | 106,220,307 |
| EQUITY | 75,529,129 | 71,346,159 |
| TOTAL EQUITY AND LIABILITIES | 193,156,836 | 177,566,466 |

Consolidated Statement of Cash Flow - 31 Mar 2023

| | Kuwaiti Dinars | |
|--|--------------------|------------------|
| | 31-Mar-24 | 31-Mar-23 |
| PROFIT FROM OPERATIONS | 1,544,625 | 713,271 |
| CHANGES IN WORKING CAPITAL | (2,765,947) | 2,908,510 |
| NET CASH GENERATED FROM OP ACTIVITIES | (1,221,322) | 3,621,781 |
| NET CASH USED IN FROM INVESTING ACTIVITIES | (2,084,723) | (3,539,278) |
| NET CASH USED IN FROM FIN. ACTIVITIES | 6,119,012 | 1,310,477 |
| INCREASE IN CASH & CASH EQUIVALENTS | 2,812,967 | 1,392,980 |
| CASH & CASH EQUIV. AT BEGINNING OF PERIOD | 4,475,842 | 5,559,459 |
| CASH & CASH EQUIV. AT PERIOD END | 7,288,809 | 6,952,439 |

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

| ASSETS | Mar-24 | Mar-23 | FY-2023 | Mar-24 | Mar-23 | FY-2023 |
|---------------------------------|--------------------|--------------------|--------------------|----------------|----------------|----------------|
| Non Current Assets | | | | | | |
| Right-of-use-assets | 1,669,252 | 352,447 | 1,898,896 | 0.86% | 0.20% | 1.03% |
| Property, plant and equipment | 73,457,122 | 66,543,619 | 72,400,692 | 38.03% | 37.48% | 39.38% |
| Investment securities | 1,687,669 | 1,841,716 | 1,735,595 | 0.87% | 1.04% | 0.94% |
| Trade and other receivables | 2,325,962 | 3,851,647 | 1,414,684 | 1.20% | 2.17% | 0.77% |
| Total Non-Current Assets | 79,140,005 | 72,589,429 | 77,449,867 | 40.97% | 40.88% | 42.13% |
| Current assets | | | | | | |
| Inventories | 15,226,406 | 11,870,579 | 13,743,236 | 7.88% | 6.69% | 7.48% |
| Contract assets | 53,778,161 | 46,771,476 | 54,428,110 | 27.84% | 26.34% | 29.61% |
| Trade and other receivables | 37,334,916 | 39,181,834 | 33,356,024 | 19.33% | 22.07% | 18.14% |
| Cash and bank balances | 7,677,348 | 7,153,148 | 4,866,381 | 3.97% | 4.03% | 2.65% |
| Total Current Assets | 114,016,831 | 104,977,037 | 106,393,751 | 59.03% | 59.12% | 57.87% |
| TOTAL ASSETS | 193,156,836 | 177,566,466 | 183,843,618 | 100.00% | 100.00% | 100.00% |

COMMON SIZE ANALYSIS - STATEMENT OF FINANCIAL POSITION - CONSOLIDATED

| EQUITY AND LIABILITIES | Mar-24 | Mar-23 | FY-2023 | Mar-24 | Mar-23 | FY-2023 |
|--------------------------------------|--------------------|--------------------|--------------------|----------------|----------------|----------------|
| Equity | | | | | | |
| Share Capital | 18,024,152 | 18,024,152 | 18,024,152 | 9.33% | 10.15% | 9.80% |
| Statutory reserve | 10,946,089 | 10,946,089 | 10,946,089 | 5.67% | 6.16% | 5.95% |
| General reserve | 10,780,757 | 10,021,936 | 10,780,757 | 5.58% | 5.64% | 5.86% |
| Investment revaluation reserve | 540,876 | 694,923 | 588,802 | 0.28% | 0.39% | 0.32% |
| Retained earnings | 35,233,519 | 31,655,859 | 33,689,023 | 18.24% | 17.83% | 18.32% |
| Non-controlling interests | 3,736 | 3,200 | 3,607 | 0.00% | 0.00% | 0.00% |
| Total Equity | 75,529,129 | 71,346,159 | 74,032,430 | 39.10% | 40.18% | 40.27% |
| Non-Current Liabilities | | | | | | |
| Post employment benefits | 17,916,888 | 18,275,911 | 19,752,216 | 9.28% | 10.29% | 10.74% |
| Lease liabilities | 909,148 | 213,310 | 914,301 | 0.47% | 0.12% | 0.50% |
| Due to banks | 664,163 | 1,264,163 | 964,163 | 0.34% | 0.71% | 0.52% |
| Trade and other payables | 1,580,720 | 2,451,099 | 1,865,843 | 0.82% | 1.38% | 1.01% |
| Total Non-Current Liabilities | 21,070,919 | 22,204,483 | 23,496,523 | 10.91% | 12.50% | 12.78% |
| Current liabilities | | | | | | |
| Lease liabilities | 858,206 | 97,959 | 858,206 | 0.44% | 0.06% | 0.47% |
| Contract liabilities | 303,705 | 311,707 | 266,335 | 0.16% | 0.18% | 0.14% |
| Due to banks | 31,019,580 | 35,946,330 | 24,410,872 | 16.06% | 20.24% | 13.28% |
| Due to a company | - | 1,419,426 | - | 0.00% | 0.80% | 0.00% |
| Trade and other payables | 64,375,297 | 46,240,402 | 60,779,252 | 33.33% | 26.04% | 33.06% |
| Total Current liabilities | 96,556,788 | 84,015,824 | 86,314,665 | 49.99% | 47.32% | 46.95% |
| Total liabilities | 117,627,707 | 106,220,307 | 109,811,188 | 60.90% | 59.82% | 59.73% |
| Total Equity and Liabilities | 193,156,836 | 177,566,466 | 183,843,618 | 100.00% | 100.00% | 100.00% |



GULF DREDGING



THANK YOU



GULF DREDGING





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