

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

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



Date: 18<sup>th</sup> May 2025

Reference: CM/AR/064/2025

التاريخ : 18 مايو 2025

إشارة : CM/AR/064/2025

To: Bursa Kuwait

المحترمين

السادة / شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،،

**Subject: Disclosure of material information**  
**Analyst conference 1<sup>st</sup> quarter for the**  
**financial year 2025:**

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

Reference to Our disclosure dated 12/5/2025 & article No. (7-8) "Listed Company Obligations" of Bursa Kuwait rulebook.

بالإشارة إلى إفصاحنا المؤرخ في 2025/5/12، وإلى المادة (7-8) "التزامات الشركة المدرجة" من كتاب قواعد البورصة.

We would like to inform you that The Analyst conference was held on 18/5/2025 at 2:00 pm (local Time).

نحيطكم علماً بأن مؤتمر المحللين قد إنعقد بتاريخ 2025/5/18 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

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

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Chairman



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

<b>Date</b>	18 <sup>th</sup> May 2025	18 مايو 2025	<b>التاريخ</b>
<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	<b>إسم الشركة المدرجة</b>
<b>Material Information</b>	<p>The Analyst conference was held on 18/5/2025 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 2025/5/18 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>	<b>المعلومة الجوهرية</b>
<b>Significant Effect of the material information on the financial position of the company</b>	Not Applicable	لا ينطبق	<b>أثر المعلومة الجوهرية على المركز المالي للشركة</b>

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.

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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 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.

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

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



3M-2025 | Virtual Summit

INVESTOR PRESENTATION

## Agenda

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# Disclaimer

## FORWARD - LOOKING STATEMENTS

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## 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, including business updates, upcoming projects, and company 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), and NEOM.



# HEISCO's Strategy



- **Expansion of New Fabrication Facility in Saudi Arabia:** HEISCO has achieved a significant milestone in its strategic expansion by declaring a 75% stake acquisition in Gulf Sky Factory (GSF) in Saudi Arabia. Once the process is finalized; it will enhance 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. Additionally, a storage yard is being built at the project site to facilitate Saudi Aramco's inspection.

## 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

↑34%

47.11 3M-2025

35.25 3M-2024



## NET PROFIT

↑4%

1.61 3M-2025

1.54 3M-2024



## EBITDA

↑21%

3.82 3M-2025

3.17 3M-2024



## EPS

↑4%

8.94 3M-2025

8.57 3M-2024



## ASSETS

↑9%

222.49 3M-2025

204.61 FY-2024



## EQUITY

↑2%

79.21 3M-2025

77.57 FY-2024



## LIABILITIES

↑13%

143.27 3M-2025

127.04 FY-2024



## BORROWINGS

↑16%

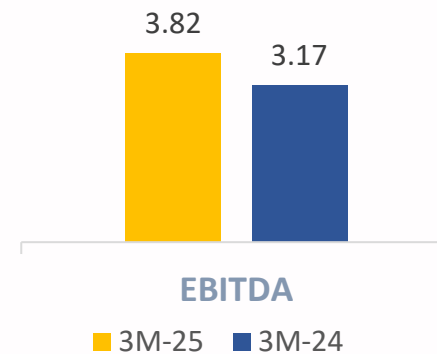
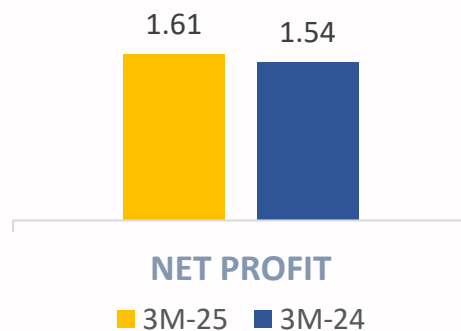
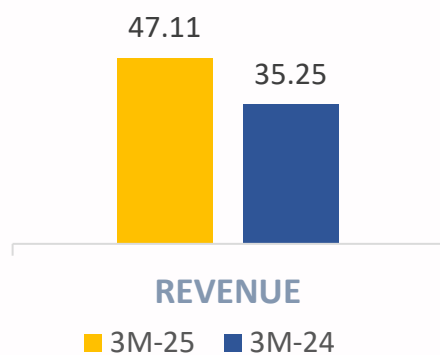
47.60 3M-2025

40.94 FY-2024



# FINANCIAL OVERVIEW – CONSOLIDATED

KD' Million

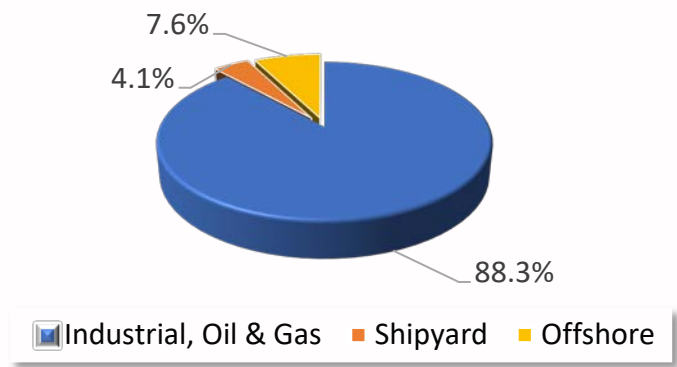


## BREAKDOWN OF REVENUE BY BUSINESS LINE - CONSOLIDATED

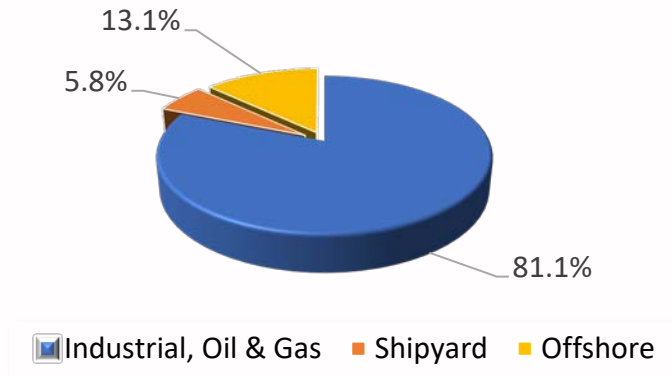
KD '000

BUSINESS LINE	3M 2025	3M 2024	3M 2025	3M 2024	% Change
INDUSTRIAL, OIL & GAS	41,624	28,598	88.3%	81.1%	45.5%
SHIPYARD	1,925	2,033	4.1%	5.8%	-5.3%
OFFSHORE	3,564	4,620	7.6%	13.1%	-22.9%
TOTAL REVENUE	47,113	35,251	100%	100%	33.7%

3M-2025



3M-2024



## COMMON SIZE ANALYSIS-STATEMENT OF INCOME - CONSOLIDATED

	3M-2025	3M-2024	3M-2025	3M-2024
<b>Revenue</b>	47,114,483	35,252,986	100.00%	100.00%
Cost of sales	(43,145,304)	(32,040,255)	-91.58%	-90.89%
<b>Gross Profit</b>	<b>3,969,179</b>	<b>3,212,731</b>	<b>8.42%</b>	<b>9.11%</b>
Other income	108,785	99,640	0.23%	0.28%
General and administrative expenses	(1,454,217)	(1,333,905)	-3.09%	-3.78%
Investment income / (loss)	(497)	(545)	0.00%	0.00%
Expected credit loss on financial assets	(244,363)	(11,688)	-0.52%	-0.03%
Finance costs	(577,217)	(352,823)	-1.23%	-1.00%
Foreign exchange gain/(loss)	(92,292)	(47,246)	-0.20%	-0.13%
Profit before contribution to taxes	<b>1,709,378</b>	<b>1,566,164</b>	<b>3.63%</b>	<b>4.44%</b>
Contribution to Kuwait Foundation for Adv. of Sciences	(12,649)	(12,523)	-0.03%	-0.04%
National Labour Support Tax	(60,581)	(6,440)	-0.13%	-0.02%
Zakat expense	(24,232)	(2,576)	-0.05%	-0.01%
Net profit for the period	<b>1,611,916</b>	<b>1,544,625</b>	<b>3.42%</b>	<b>4.38%</b>

Earning per share (fils)

8.94	8.57
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## RATIO ANALYSIS - CONSOLIDATED

PROFITABILITY	3M -2025	3M-2024	CHANGE	FY-24
Gross Profit %	8.42%	9.11%	↓-0.69%	9.44%
EBIT %	4.85%	5.44%	↓-0.59%	7.02%
EBITDA %	8.12%	8.99%	↓-0.87%	10.15%
Net Profit Margin -%	3.42%	4.38%	↓-0.96%	5.56%
ROA	0.78%	0.83%	↓-0.05%	4.67%
ROE	2.03%	2.05%	↓-0.02%	11.70%
ROCE	2.22%	1.99%	↑0.23%	11.52%
LEVERAGE	3M -2025	FY-24	CHANGE	
Total Debt % of Total Assets %	21.40%	20.01%	↑1.38%	
Debt to Equity	1.81	1.64	↑0.17	
LIQUIDITY	3M -2025	FY-24	CHANGE	
Current Ratio	1.15	1.17	↓-0.02	
Quick Ratio	1.02	1.02	-	
Working Capital to Total Assets	0.13	0.15	↓-0.02	



# FINANCIAL POSITION / CASH FLOW - CONSOLIDATED

## Consolidated Statement of Financial Position - 31 Mar 2025

	Kuwaiti Dinars	
	3M - 2025	FY-2024
NON-CURRENT ASSETS	81,401,016	77,449,867
CURRENT ASSETS	123,210,628	106,393,751
TOTAL ASSETS	204,611,644	183,843,618
NON-CURRENT LIABILITIES	21,851,276	23,496,523
CURRENT LIABILITIES	105,189,364	86,314,665
TOTAL LIABILITIES	127,040,640	109,811,188
EQUITY	77,571,004	74,032,430
TOTAL EQUITY AND LIABILITIES	204,611,644	183,843,618

## Consolidated Statement of Cash Flow - 31 Mar 2025

	Kuwaiti Dinars	
	3M-2025	3M-2024
PROFIT BEFORE CONTRIBUTION TO BOD REMUNERATION	1,709,378	1,566,164
ADJUSTMENTS FOR NON-OPERATING / CASH	3,319,245	2,667,011
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	5,028,623	4,233,175
CHANGES IN WORKING CAPITAL	(5,860,542)	(5,454,497)
NET CASH GENERATED FROM OP ACTIVITIES	(831,919)	(1,221,322)
NET CASH USED IN FROM INVESTING ACTIVITIES	(2,201,260)	(2,084,723)
NET CASH USED IN FROM FIN. ACTIVITIES	6,172,302	6,119,012
INCREASE IN CASH & CASH EQUIVALENTS	3,139,123	2,812,967
CASH & CASH EQUIV. AT BEGINNING OF PERIOD	3,353,120	4,475,842
CASH & CASH EQUIV. AT PERIOD END	6,492,243	7,288,809

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

ASSETS	3M-2025	FY-2024	3M-2025	FY-2024
<b>Non Current Assets</b>				
Right-of-use-assets	3,424,923	1,295,654	1.54%	0.63%
Property, plant and equipment	78,186,243	77,072,929	35.14%	37.67%
Investment securities	1,643,167	1,605,511	0.74%	0.78%
Trade and other receivables	1,568,627	1,426,922	0.71%	0.70%
<b>Total Non-Current Assets</b>	<b>84,822,960</b>	<b>81,401,016</b>	<b>38.12%</b>	<b>39.78%</b>
<b>Current assets</b>				
Inventories	15,888,006	15,474,550	7.14%	7.56%
Contract assets	64,417,044	54,988,521	28.95%	26.87%
Trade and other receivables	50,791,432	49,114,728	22.83%	24.00%
Cash and bank balances	6,573,243	3,632,829	2.95%	1.78%
<b>Total Current Assets</b>	<b>137,669,725</b>	<b>123,210,628</b>	<b>61.88%</b>	<b>60.22%</b>
<b>TOTAL ASSETS</b>	<b>222,492,685</b>	<b>204,611,644</b>	<b>100.00%</b>	<b>100.00%</b>

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

<b>EQUITY AND LIABILITIES</b>	<b>3M-2025</b>	<b>FY-2024</b>	<b>3M-2025</b>	<b>FY-2024</b>
<b><u>Equity</u></b>				
Share Capital	18,024,152	18,024,152	8.10%	8.81%
Statutory reserve	10,946,089	10,946,089	4.92%	5.35%
General reserve	11,739,170	11,739,170	5.28%	5.74%
Foreign currency translation reserve	-451	628	0.00%	0.00%
Investments revaluation reserve	496,373	458,718	0.22%	0.22%
Retained earning	38,008,606	36,396,872	17.08%	17.79%
Non-controlling interests	5,557	5,375	0.00%	0.00%
<b>Total Equity</b>	<b>79,219,496</b>	<b>77,571,004</b>	<b>35.61%</b>	<b>37.91%</b>
<b><u>Non-Current Liabilities</u></b>				
Post employment benefits	18,977,080	18,507,406	8.53%	9.05%
Lease liabilities	2,592,506	337,601	1.17%	0.16%
Due to banks	1,420,000	1,904,163	0.64%	0.93%
Trade and other payables	993,423	1,102,106	0.45%	0.54%
<b>Total Non-Current Liabilities</b>	<b>23,983,009</b>	<b>21,851,276</b>	<b>10.78%</b>	<b>10.68%</b>
<b><u>Current Liabilities</u></b>				
Lease liabilities	848,504	858,364	0.38%	0.42%
Contract liabilities	340,587	1,844,099	0.15%	0.90%
Due to a company	-	-	0.00%	0.00%
Due to banks	46,186,024	39,044,075	20.76%	19.08%
Trade and other payables	71,915,065	63,442,826	32.32%	31.01%
<b>Total Current Liabilities</b>	<b>119,290,180</b>	<b>105,189,364</b>	<b>53.62%</b>	<b>51.41%</b>
<b>Total Liabilities</b>	<b>143,273,189</b>	<b>127,040,640</b>	<b>64.39%</b>	<b>62.09%</b>
<b>Total Equity and Liabilities</b>	<b>222,492,685</b>	<b>204,611,644</b>	<b>100.00%</b>	<b>100.00%</b>





# THANK YOU



**GULF DREDGING**





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