

OMAN CABLES INDUSTRIES SAOG
Unaudited Results for nine months period ended 30 Sep 2022

Report of the Board of Directors

Oman Cables Industry (SAOG) "Oman Cables" has the pleasure in submitting the report on the performance of the Parent Company and the Group for nine months period ended 30 Sep 2022.

Parent Company: "Oman Cables".

The Group: Oman Cables and its two fully owned subsidiaries: Oman Aluminum Processing Industries SPC in Sohar "OAPIL" and Associated Cables Private Ltd in India "ACPL"

Health and Safety of Employees

The policies and procedures of the Group focus on a safe workplace, identifying hazards, assessing risks to safety and health, training staff with an overall goal of avoiding occupational diseases and reducing the frequency and severity of injuries.

With a constant focus on Covid-19 evolution, the Group is implementing various projects - such as '6S', 'Zero and beyond'* aimed at protecting the health and safety of the employees within and outside the company boundaries.

*6S is the structured activity of creating a safe and organized work environment, stands for Sort, Set in Order, Shine, Standardize, Sustain, Safety.

Zero and beyond is a philosophy that includes safety in every aspect of our lives and in everything we do.

Group Performance

The Sales of the Group for the nine months period ended 30 Sep 2022 were Rial Omani (RO) 197.8 million compared to RO 169.1 million for the same period last year, increase of 16.9%. The Group Net Profit after tax (NPAT), for the period is RO 7.9 million compared to RO 4.8 million during the same period in 2021, increase of 66.4%. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 12.9 million compared to RO 8.4 million during the same period in 2021, increase of 54%.

Oman Cables (Parent) Performance

Sales of Oman Cables for the nine months period ended 30 Sep 2022 were RO 140.8 million compared to RO 129.9 million in the same period last year, increase of 8.4 %.

The NPAT for the nine months period ended 30 Sep 2022 was RO 5.9 million as compared to RO 3.7 million for the same period in 2021, increase of 59%. EBITDA for the period was RO 9.4 million compared to RO 6.2 million during the same period in 2021, increase of 52.6%.

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The recovery on business environment continues with the support of the oil prices. The Company continues to work on a sustainable growth, to increase value through innovation, investing in people and knowledge, boosting continuous transfer of technology and centering strategy on sustainability. All this while carefully managing inflation, keeping fixed costs under control, focusing enterprise risk management and compliance, and strengthening financial discipline.

Oman Aluminum Processing Industries SPC, Sohar (OAPIL) (subsidiary) and Associated Cables Private Ltd (ACPL), India (Subsidiary)

OAPIL continues to focus on product mix while implementing various actions to mitigate metal fluctuations and supply chain related challenges and constraints. The results for the nine months ended 30 Sep 2022 have consistently improved compared with the same period in 2021.

ACPL with the support of the Group continues to focus on Indian market with aim to increase market share, while strengthening efficiencies and design to cost activities to gain competitiveness. The results of the first nine months are encouraging with a significant volume growth even if affected by the increase in the prices of raw material.

Oman Cables is recognizing the support extended by various Government Authorities and wish the best for our beloved Oman to further develop under the leadership of His Majesty Sultan Haitham bin Tariq, in line with Oman Vision 2040.

**On behalf of the Board of Directors
Oman Cables Industry SAOG**

OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for nine months period ended 30 September 2022
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)**

	As on 30 September 2022 Group RO'000	As on 30 September 2022 Parent Company RO'000	As on 31 December 2021 Group RO'000	As on 31 December 2021 Parent Company RO'000
ASSETS				
Non-current assets				
Property, plant and equipment	23,423	15,053	25,399	16,428
Right-of-use assets	3,322	2,386	3,473	2,494
Intangible asset	395	395	436	436
Investment in subsidiaries	-	7,790	-	6,387
Financial assets at amortized cost	1,001	1,000	1,010	1,000
Financial assets at fair value through other comprehensive income	244	244	244	244
Deferred tax assets	130	130	86	-
Total non-current assets	28,515	26,998	30,648	26,989
Current assets				
Inventories	26,261	22,273	26,925	22,214
Derivative financial instruments	-	-	2,830	2,830
Trade and other receivables	66,724	53,840	63,264	47,810
Cash and cash equivalents	23,291	19,184	18,409	18,330
Short term deposits	11,932	11,932	8,850	8,850
Total current assets	128,208	107,229	120,278	100,034
Total assets	156,723	134,227	150,926	127,023
EQUITY AND LIABILITIES				
Equity				
Share capital	8,970	8,970	8,970	8,970
Share premium	978	978	978	978
Legal reserve	4,445	2,990	4,445	2,990
General reserve	15,222	14,069	15,222	14,069
Retained earnings	83,316	78,281	77,773	74,854
Other reserves	(818)	(740)	1,569	2,405
Total equity	112,113	104,548	108,957	104,266
Non-current liabilities				
Deferred tax liability	260	(48)	897	582
Leases liability	3,460	2,447	3,464	2,529
Employees' end of service benefits	1,451	1,270	1,422	1,259
Total non-current liabilities	5,171	3,669	5,783	4,370
Current liabilities				
Trade and other payables	33,390	23,638	28,893	17,298
Bank borrowings	3,230	-	5,197	-
Leases liability	172	172	262	172
Derivative financial instruments	870	870	572	-
Taxation	1,777	1,330	1,262	917
Total current liabilities	39,439	26,010	36,186	18,387
Total liabilities	44,610	29,679	41,969	22,757
Total equity and liabilities	156,723	134,227	150,926	127,023
Net assets per share	1.250	1.166	1.215	1.162

UNAUDITED CONSOLIDATED INCOME STATEMENT

	9 Months ended 30 September 2022 Group	9 Months ended 30 September 2022 Parent Company	9 Months ended 30 September 2021 Group	9 Months ended 30 September 2021 Parent Company
	RO' 000	RO'000	RO'000	RO'000
Sales	197,765	140,813	169,137	129,920
Cost of sales	(178,437)	(127,260)	(156,561)	(120,841)
Gross profit	19,328	13,553	12,576	9,079
Other income	386	341	283	236
Administrative expenses	(3,900)	(3,196)	(3,439)	(2,739)
Selling and distribution expenses	(5,155)	(2,820)	(3,449)	(2,228)
Net allowances for credit loss	(335)	(335)	(135)	(114)
Operating profit	10,324	7,543	5,836	4,234
Finance costs	(1,066)	(783)	(591)	(350)
Finance income	173	165	358	357
Profit before income tax	9,431	6,925	5,603	4,241
Income tax expense	(1,466)	(1,076)	(815)	(562)
Profit for the period	7,965	5,849	4,788	3,679
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company	0.089	0.065	0.053	0.041
Gross profit margin	9.77%	9.62%	7.44%	6.99%
Net profit margin	4.03%	4.15%	2.83%	2.83%

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	9 Months ended 30 September 2022 Group RO' 000	9 Months ended 30 September 2022 Parent Company RO'000	9 Months ended 30 September 2021 Group RO'000	9 Months ended 30 September 2021 Parent Company RO'000
Profit for the period	7,965	5,849	4,788	3,679
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss, net of tax:				
Net movement in hedging reserve, net of tax	(2,392)	(3,145)	(1,366)	(740)
Net movement in foreign currency translation reserve, net of tax	5	-	(10)	-
Other comprehensive (loss)/ income for the period	(2,387)	(3,145)	(1,376)	(740)
Total comprehensive income for the period	5,578	2,704	3,412	2,939