
Kamco Invest reports a net profit of KWD1.7mn for the second quarter of 2023

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Kamco Invest announced its financial results for the period ended 30 June 2023. The Company returned to profitability during the second quarter reporting a net profit of KWD1.7mn (EPS: 4.87 fils), a 60% increase compared to Q2 2022 profits which stood at KWD1.0mn (EPS: 3.04 fils).

For the six-months period, the Company recorded a net profit of KWD0.1mn (EPS: 0.3 fils) compared to KWD4.6mn during the same period in 2022 (EPS: 13.57 fils). Total revenue dropped to KWD8.5mn (6M 2022: KWD14.0mn), reflecting the impact of reduced business activity stemming from negative market sentiments, elevated interest rates, rising inflation, and concerns about a possible recession, in addition to market performance.

Assets under management grew by 5% to reach USD14.4bn as of 30 June 2023, attributed to new money raised in various products and solutions during the period. Equity funds and managed portfolios continued to outperform their respective benchmarks. Al-Durra Islamic Fund was ranked amongst the top performing Islamic equity funds in Kuwait. Similarly, Kamco Investment Fund and the Kamco Premier Market Index Fund were also ranked amongst the top performing conventional equity funds in Kuwait. Kamco Investment Fund received three awards from Refinitiv Lipper for 2023 in recognition of the fund's exceptional performance and risk-adjusted returns.

The Private Equity team continued to undergo plans to exit legacy assets held by the private equity funds and work on new initiatives and products. The team is also building transactions pipeline for private equity deals and is evaluating a healthy pipeline of deal flows which resulted in the Company's participation in the Pre-IPO Series C investment round raised by Floward, the go-to online flowers and gifts destination operating in 37 cities in nine countries across MENA and UK.

The Investment Banking team continued to advise their clients with several transactions in the pipeline expected to close during 2023 across Equity Capital Markets, Debt Capital Markets, and Mergers & Acquisitions (M&A). The team successfully managed transactions on behalf of its clients that amounted to over KWD0.8bn during the first half of the year. During the second quarter, the team successfully acted as the issuance advisor and subscription agent to the capital increase for a Kuwaiti bank and Joint Lead Manager on the largest KWD bond issuance in the real estate sector. In recognition of its performance within Investment Banking, Kamco Invest was awarded the prestigious "Best Debt Bank in the Middle East" by Global Finance.

First Securities Brokerage Company, Kamco Invest's brokerage arm, continued to strengthen its competitive position and attracted new clients through its online trading platforms. The decrease in liquidity on Boursa Kuwait was reflected in the company's trading value and commission income during the period in comparison to last year.

Regional offices continued to expand their presence in their markets by improving their services and contributing more to the company's core businesses, particularly in asset management. The Company made two significant announcements in Saudi Arabia during the first quarter, which included the appointment of a new Chief Executive Officer to spearhead the expansion efforts in the Saudi market, as well as plans to relocate its offices to the prestigious King Abdullah Financial District (KAFD) in Riyadh.

Total assets as of 30 June 2023 stood at KWD129.1mn, whereas shareholders' equity stood at KWD59.3mn. The Company also enjoys a strong financial position and a "BBB" long-term credit rating and "A3" short-term rating with stable outlook by Capital Intelligence in their latest review in May 2023.

Commenting on the results, Faisal Mansour Sarkhou, Chief Executive Officer, said, "We continue to navigate through an intricate economic landscape marked by elevated interest rates, inflation, and potential recession risks. Our growth in assets under management and the performance of our funds and managed portfolios reflect our ongoing pursuit of effective client-centric strategies. As we move forward, our focus remains firmly on leveraging our core strengths and expertise to overcome market challenges and deliver sustainable growth for all our stakeholders."

Media Contacts

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