
Kamco Invest holds virtual investor conference for analysts, its shareholders and bondholders to discuss 3M 2021 financial results

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1. [Home](#)

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Kamco Invest held its live virtual investors' conference on Tuesday 18th of May 2021 for analysts and the Company's shareholders and bondholders to discuss the Company's performance during the three months ended 31 March 2021.

Participating in the conference were Faisal Mansour Sarkhou, Chief Executive Officer, Hana'a Taha, Chief Financial Officer and Moustafa Zantout, Director of Marketing & Investor Relations who started by giving a brief introduction on the company and an overview on the major events that took place during the period under review which affected the overall business environment.

Global economies were still recovering from Coronavirus pandemic which disrupted government entities, the private sector, and economic cycles since March 2020. Vaccinations continue to hold the key to future economic growth and resumption of activity.

During the quarter, Brent Crude Oil increased by 22.7% to reach USD66.54 and global equity markets witnessed mid-single digit returns supported by positive returns for EU and US markets while emerging markets reported relatively lower returns. MSCI GCC Index increased by 12.7%, with Abu Dhabi and Saudi reporting the highest increase by 17.2% and 14.0% respectively, and Boursa Kuwait

was up 4.1%.

Sarkhou presented a detailed overview of the Company's business and financial performance during the first quarter of 2021. The Company continued to provide services to clients without interruption and achieved several business accomplishments.

The Company reported a net profit of KWD1.5mn (EPS: 4.52 fils) compared to a net loss of KWD4.6mn during the same period in 2020 (EPS: -13.50 fils). Total revenue for the period reached KWD5.2mn (Q1 2020: KWD0.4mn), with fee & commission income amounted to KWD3.4mn, representing 65% of total revenue.

Sarkhou highlighted the core business functions despite the slow of business since March 2020. As at end of March 2021, assets under management stood at KWD4.02bn (USD13.3bn), an increase of 1.04% during the period. Since inception of the company in 1998, the assets under management grew at a compounded annual growth rate of 13.4%.

Kamco Invest's equity funds and managed portfolios continued to outperform their respective benchmarks and income generating properties were acquired in the UK amounting to GBP72.3mn. The Special Situations Asset Management team continued exit negotiations with several parties on behalf of clients. The Asset Management team also worked to launch several investment offerings including leveraged fixed income in addition to venture capital.

The Investment Banking team successfully played the role of Fiscal and Principal Paying Agent for the redemption of Burgan Bank's KWD100mn subordinated T2 Capital Securities. The team also acted as issuance advisor and subscription agent to the rights issue of a listed company on Boursa Kuwait and was the exclusive buy-side advisor to an insurance group to acquire 66% of a non-listed insurance company.

First Securities Brokerage Company, Kamco Invest's brokerage arm, continued to provide its services to clients without interruption while increasing market share and attracting new clients through the online trading platform. The company successfully completed the MD3 test for netting, which is a new line of revenue stream for the company.

Taha discussed Kamco Invest's rationalization of its cost base where general and administrative expenses dropped by 31.6% in the 3 months period compared to 3M 2020 to reach KWD2.95mn, thanks to the measures taken by the Company to cope with the market conditions and the

The Company enjoys a strong financial position with KWD52.7mn in shareholders' equity as of 31 March 2021 (an increase of 5.3% in comparison to end of December 2020) and a "BBB" long-term credit rating and "A3" short-term rating with stable outlook by Capital Intelligence in their latest review in June 2020. Total assets increased by 1.4% compared to 31 December 2020 to reach KWD120.3mn as of 31 March 2021, with cash and cash equivalents representing 25.7% and prop-book investments representing 44.6%.

She also touched on the Company's total liabilities, which were reduced by KWD0.9mn in Q1, down 1.3%, to reach KWD64mn at the end of March 2021, loans reduced by 13.1% and net debt-to-equity ratio reached 0.29x (31 December 2020: 0.3x).

Sarkhou concluded by stressing that Kamco Invest is committed to the highest standards of transparency, especially during these unprecedented times the global economies and capital markets are witnessing. He added that although the virtual conference was not a regulatory requirement, the management team at Kamco Invest took this initiative as an opportunity to share the Company's performance and key developments with shareholders and bondholders, as well as analysts and answer their queries.

Media Contacts

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