
KAMCO 2018 net profit reaches KD2.56 million

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KAMCO Investment Company (“KAMCO”), a leading investment firm with one of the largest AUMs in the region, announced its consolidated financial results for the year ended December 31, 2018. KAMCO reported a net profit attributable to the equity holders of KD2.56 million, which is an increase of 124% from KD1.14 million in 2017. Earnings per share increased to 10.77 fils compared to 4.80 fils in 2017. EBITDA for the period was KD5.19 million versus KD2.78 million in 2017, an increase of 87%. Total revenues increased by 91% to reach KD18.36 million in comparison to 2017.

While the Firm reported an increase in the operational expenses due to implementing its expansion plan, net cash generated from operating activities amounted to KD5.44 million. Total expenses for the period were KD15.68 million, a KD7.21 million increase as a result of higher financial and operational costs related to the Firm’s growth strategy, as well as other provisions.

In addition to the majority stake acquisition in Global Investment House (“Global”), the Firm’s performance was underpinned by an increase in fee income, a growth of KD3.22 million, from KD7.0 million in 2017 to KD10.22 million in 2018. The increase was mainly due to the growth in management and advisory fees driven by the rising level of assets under management and investment banking mandates. Fees from fiduciary activities for the full year were KD8.08 million, with a 16.69% increase in total assets under management to KD3.93 billion (including the effect of the acquisition). Investment banking mandate growth for the year was also strong, successfully closing 9 transactions worth around KD534 million.

Faisal Mansour Sarkhou, CEO of KAMCO, said, “We are moving forward towards fulfilling our vision to become the preferred asset management and investment banking player in the region. Despite challenging market conditions, we continue to maintain strong liquidity with a financial robust structure and the flexibility to harness the development of our integrated business model. In 2018, which also marks our 20th year anniversary, we increased our AUM with a long-term mindset taking advantage of opportunities during periods of disruption.”

Sarkhou added, “The acquisition of a 69.528% stake in Global was one of our key achievements for the year. We believe that this move will help us in enhancing our operational model, despite incurring additional one-off expansion related expenses this year. The strong investor confidence in KAMCO was seen in our bond issuance which was covered within an exceptionally short period, marking another successful transaction in 2018. In addition to achieving significant milestones throughout the year, we increased the number of portfolios under management and further increased the size of our international real estate portfolio.”

Commenting on the market performance during 2018, Sarkhou added, “GCC equity markets outperformed global peers with a yearly return of 12% amid high volatility in 2018 as compared to flattish returns in 2017. We have a positive outlook for 2019 given the stable macro-economic conditions, improvement in investment climate and increased investor confidence. However, geopolitics influence, and volatile energy prices remains an overhang on the region.”

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