
Kamco Invest shareholders approve distribution of 10 fils cash dividend

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Kamco Invest held its eAGM for the fiscal year ended 31 December 2021 where shareholders approved all agenda items.

Shareholders approved the Board of Director's recommendation to distribute 10% cash dividend (10 fils per share), equivalent to KWD3.4mn, which represents 33% of the net profits.

The eAGM was chaired by the company's Vice Chairman, Entisar Abdul Raheem Al-Suwaidi, who discussed the Board of Director's report highlighting key milestones achieved during 2021. The Company achieved a net profit of KWD10.3mn (EPS: 30.14 fils) during 2021, compared to a net loss of KWD2.7mn (EPS: -7.85 fils) in 2020.

Al-Suwaidi said, "Total revenue during the year stood at KWD30.1mn (2020: KWD15.1mn), while revenue from fees and commissions reached KWD20.2mn (2020: KWD15.0mn), representing two-thirds of total revenues generated. The Company also enjoys a strong financial position with KWD60.4mn in shareholders' equity as of 31 December 2021 (2020: KWD50.0mn) and a "BBB" long-term credit rating and "A3" short-term rating with stable outlook by Capital Intelligence."

She added, “On behalf of the Board of Directors, we are proud to fully endorse and support the sustainability strategy and the issuance of the first sustainability report for the year 2021. This report will be a baseline of our current impact and will allow us to develop a more sustainable growth strategy, effectively manage and deal with changes and challenges as well as capitalize on opportunities that foster our Company’s longevity and our competitive advantage locally and internationally.”

Faisal Mansour Sarkhou, Chief Executive Officer, provided a detailed explanation of the operational performance for the year, which witnessed numerous milestones and achievements across various fields. During 2021, wealth managers worked closely with various business sectors, leveraging their diversified in-house expertise to provide clients with customized solutions and advice. This resulted in attracting new clients, strengthening relationships with existing clients and raising funds for new and existing products.

Sarkhou said, “We successfully raised over USD1.1bn for several products and transactions throughout the year, distributed around USD235mn to clients (capital and income distributions), and grew our assets under management by 12.8% to reach USD14.6bn by 31st December 2021.”

During the year, Kamco Invest’s equity funds and managed portfolios continued to outperform their peers and respective benchmarks. Following the strong performance, the Company’s funds maintained their positions amongst the top performing Kuwait equity funds.

On the other hand, the Private Equity team underwent a dedicated plan to exit legacy assets by successfully completing exits from four assets with the aggregate value amounting to USD130mn, with distributions of USD49.5mn to clients. The team also worked on several new initiatives and products, including the approval received from the Capital Markets Authority to market “The JEDI Fund”, a venture capital fund with joint emerging managers & direct investments, to qualified investors in Kuwait.

The Real Estate Investments team completed the acquisition of eight properties across four transactions on behalf of clients through our subsidiaries, in addition to two successful exits. The acquisitions and exits comprised assets from the US, UK, and Germany, in both the office and logistics sectors. The total value of the acquired real estate assets amounted to USD528mn, increasing the AUM of the real estate assets to USD1.36bn across 22 assets, and covering 3.35 million square feet. The activities during 2021 imply a net AUM growth of 15.8%.

The Special Situations Asset Management team, our tailored “winddown” asset management service offered to clients seeking value enhancement and optimal realization of difficult assets covering multiple asset classes with focus on the MENA region, has successfully executed the portfolios’ strategies and resulted in generating cash inflows of more than USD800mn since its inception in 2013 with USD51.6mn in 2021.

As for Investment Banking, the team successfully closed 22 transactions worth USD4.8bn and penetrated new markets including Saudi Arabia, Oman, Jordan, and Bahrain besides the previous activity in Kuwait, Egypt, and UAE. The transactions included six Mergers & Acquisitions transactions, six equity capital market transactions, and ten debt capital market transactions.

The Equity Capital Markets team concluded six transactions worth USD801mn. The transactions included the private placement and listing of a logistics company on Boursa Kuwait, the accelerated equity offering of a 26.2% equity stake in another Boursa Kuwait-listed company, and four follow-on offerings of listed companies on Boursa Kuwait Furthermore, the team launched iktatib.com, a new online subscription platform that held the first private placement in Kuwait solely relying on an online subscription platform.

The Mergers & Acquisitions team successfully concluded six landmark transactions during the year, including three sell-side and three buy-side transactions, totaling to USD336mn. The team acted as the exclusive sell-side advisor for the sale of a 60% stake in a UAE based pharmaceutical company, in addition to two sell-side mandates in the United States and Egypt. The team led the acquisition of a minority stake in a listed company on Boursa Kuwait and facilitated the acquisition of two insurance companies in Kuwait and Jordan by a local insurance group, where Kamco Invest was the exclusive buy-side advisor.

Concerning Debt Capital Markets, 2021 was another record year for the Company’s Debt Capital Markets activities, closing ten transactions worth USD3.7bn. The team managed nine bond and sukuk issuances in Kuwait, Saudi Arabia, Oman, and Bahrain, in addition to one debt advisory transaction worth USD330mn. The issuances included six USD international debt issuances and three KWD denominated debt issuances worth USD3.4bn. A notable transaction in 2021 was the pioneering role structuring an innovative debt capital instrument for the local capital market, the first bond issuance by an insurance company and first perpetual bond issuance denominated in Kuwaiti Dinar, representing an important milestone in Kuwait’s capital market.

First Securities Brokerage Company, Kamco Invest’s brokerage arm, continued to expand its client base in Kuwait and Jordan by leveraging on its online trading platforms. The company successfully completed the MD3 test for netting, which now serves as a new revenue stream. Furthermore, the company is awaiting approval from regulatory authorities on the application filed to be licensed as a qualified broker.

Regional offices continued to strengthen their presence in their respective markets by enhancing their offerings and increasing their contributions to the company's core businesses, namely asset management. Kamco Invest – Saudi continued to deliver high risk adjusted returns for the year for its managed Kamco Saudi Equity Fund. The fund is considered the second largest conventional Saudi equity fund and the largest fund managed by an independent investment company that is not affiliated with a local bank. Kamco Invest – DIFC had another good year by increasing their contribution to the Group's core business significantly, this included raising funds and the acquisition of new clients.

Sarkhou concluded, "Digital transformation remains a key component of our internal and external strategy, as well as key offerings. During the year, we developed "iktatib.com", a new online subscription platform which was successfully used to hold the first private placement in Kuwait that solely relied on subscribing online. Furthermore, we soft launched the first phase in the multiple development phases of the 'Kamco Invest App', an innovative and dynamic user-friendly platform that aims to transform the digital investment journey for registered users. With a wealth of existing and planned tailored services and solutions, Kamco Invest App is structured to attain a leading role in the digital investment services and solutions landscape."

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