
Kamco Invest reports total revenue of KWD18mn in 2023 and recommends 5 fils cash dividends

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Kamco Invest announced today its financial results for the financial year ended 31 December 2023 reporting a net profit of KWD 748 thousand (EPS: 2.19 fils) compared to a profit of KWD5.5mn in 2022 (EPS: 16.08 fils).

Total revenue for the year stood at KWD18mn (2022: KWD24.5mn), while revenues from fees and commissions stood at KWD14.7mn, representing 81.6% of total revenue. The Company's performance was impacted by the economic and geopolitical challenges, high interest rates, slower business environment, and market performance.

Despite the challenges, the Company successfully raised over USD2.1bn for several products and transactions and grew its assets under management by 7.8% to reach USD14.9bn as of 31 December 2023.

Kamco Invest's equity funds and managed portfolios continued to outperform their peers and

respective benchmarks. During the year, the equity funds managed by the Company continued to rank amongst the top performers. Kamco Investment Fund was ranked the second best performing conventional fund whereas, Kamco Islamic Fund was the best performing Islamic equity fund in Kuwait according to the funds' performance information declared on the website of Boursa Kuwait.

During the last quarter, the company consolidated its expertise in real estate, private equity, and venture capital under the umbrella of Alternative Investments. As of December 31, 2023, the value of managed assets in this area exceeded USD2.2bn. The team distributed USD73.9mn to its clients during the year and assessed new investment opportunities for deal-by-deal investment offerings. Additionally, besides equity investments in real estate assets, the team ventured into a new asset class by investing in the private debt of real estate projects.

The Investment Banking team achieved significant success in 2023, completing 9 transactions totaling USD1.6 billion. These transactions comprised two merger & acquisition deals, four equity capital market transactions, and three debt capital market transactions. Notably, the equity capital markets team led rights issues for three major Kuwaiti banks, raising over KWD 220 million (USD 715 million) in new capital. These offerings accounted for 82% of the total value of rights issues offered by Kuwaiti listed companies in 2023, generating substantial market interest with total funded demand exceeding KWD 1.16 billion (USD 3.8 billion).

Network expansion and business growth remain central to the Company's strategy. In 2023, Kamco Invest bolstered its global presence by opening a new office in London. This office will initially focus on alternative investments, particularly in real estate. This addition to the Company's network, which already includes subsidiaries in Saudi Arabia and the UAE (Dubai International Financial Center), underscores its commitment to expanding in key financial and business hubs. The expansion aims to provide enhanced value and comprehensive turnkey services to clients and investors, further strengthening the contribution to fee income.

The company's brokerage arm, First Securities Brokerage Company, continued to expand its client base by leveraging its online trading platforms. It experienced growth in market share and contributed to Kamco Invest's overall income.

The Company enjoys a strong financial position with KWD59.7mn in shareholders' equity as of 31 December 2023. In its most recent review in May 2023, Capital Intelligence maintained its "BBB" long-term credit rating and "A3" short-term rating with a stable outlook.

The Board of Directors recommended to the Annual General Meeting a cash dividend of 5 fils per share.

Sheikh Talal Ali Abdullah Al Jaber Al Sabah, Chairman, said, “Despite the uncertainty and challenges in the capital markets, we are pleased with what we have achieved. Our strategic focus on our core businesses has helped us maintain a competitive edge. Moving forward, our commitment remains focused on core markets and on creating long-term value for our clients, shareholders, and other stakeholders.”

Faisal Mansour Sarkhou, Chief Executive Officer, commented, “Our achievements encompass various areas, including business growth, cementing our presence in key markets, the outperformance of our managed products, and the successful execution of numerous transactions, among other successes. These achievements are a testament to the team's expertise across multiple fields, the strength of our strategy, and the adaptability of our business model in navigating the ongoing changes and fluctuations in the global landscape.”

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