A low-angle photograph of a modern, curved skyscraper with a glass facade, reflecting the sky. The building is the central focus, with its reflection visible on a dark, polished surface in the foreground. The sky is a clear, bright blue.

# Kamco Investment Company

Investors Presentation – 6M 2022

11 August 2022

**KAMCO**  
INVEST

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# Kamco Invest - A regional non-banking financial powerhouse

- > An independently managed subsidiary of KIPCO Group adopting the highest standards of corporate governance
- > Headquartered in Kuwait with offices in key regional financial markets
- > Provides a comprehensive range of investment solutions
- > Licensed by Kuwait's Capital Markets Authority & Central Bank of Kuwait
- > Listed on Boursa Kuwait
- > Proven track record
- > Strong relationships and access to one of the largest investors' community in the MENA region

## Business Offerings

### Asset Management

- > Fund Management
- > Portfolio Management
- > Advisory Service

### Investment Banking

- > Equity Capital Markets
- > Debt Capital Markets
- > Mergers & Acquisitions

### Brokerage

- > Equity Trading
- > OTC Trading
- > Research

## Regional Presence



### Kuwait

Regulated by Capital Markets Authority & Central Bank of Kuwait

### UAE

Regulated by Dubai Financial Services Authority

### Saudi

Regulated by Saudi Capital Market Authority

### Turkey

Representative Office

## Assets Under Management

USD **13.8bn**

- > The largest Asset Manager in Kuwait and the 8th largest in MENA Region, ranked by Forbes ME as of July 2021

**Forbes** Middle East

## Investment Banking Mandates

USD **30.0bn**

- > Managed / co-managed around USD9.7bn in Equity finance
- > Arranged around USD14.3bn in Conventional & Islamic Debt
- > Advised M&A mandates worth USD6.0bn

# Well positioned to better serve our clients

- › Specialized Wealth Management team covering the region
- › An extensive client base including sovereign wealth funds, government entities, corporates, family offices and HNWI

## Placement Power

- › Diversified offerings covering investment banking services, regional listed equities, private equities, real estate, among others
- › Offering funds, portfolios and investment programs

## Comprehensive Offerings

- › Competitive and award-winning performance for managed funds and portfolios
- › Successfully managed regional and international investment banking mandates

## Track Record

- › Customized investment solutions
- › Adopting highest standards of corporate governance

## Client Driven Approach

## Regional Footprints

- › Presence in key capital markets in the MENA region
- › Cross border products and services
- › Regional client base

## Insight

- › Research covering regional economies, industries, markets and equities

## Experienced Professionals

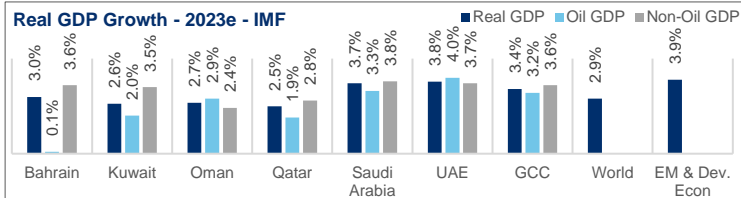
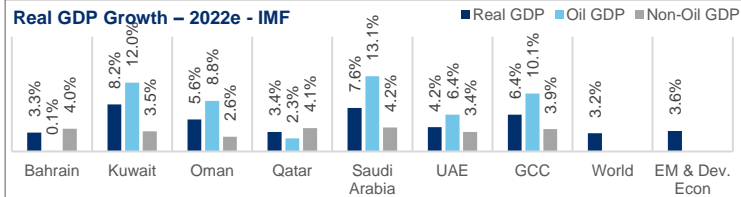
- › Multi industry, market and asset class expertise
- › Highly qualified investment managers



# Market Overview

# GDP growth and oil prices

- The increasing probability of a recession in key global markets affected the latest near-term GDP growth expectations. In its latest update to the World Economic Outlook, the IMF once again lowered global GDP forecast by 40 bps to 3.2% for 2022 and by 70 bps for 2023 to 2.9%.
- Advanced markets are expected to grow at a smaller pace of 2.5% this year after undergoing a downward revision of 80 bps while revisions for the EM & Developing Economies was marginally lowered by 20 bps to a growth of 3.6%.
- Growth in MENA economies is expected to remain elevated at 4.9% this year after a marginal downward revision of 10 bps. Saudi Arabia is forecasted to grow at 7.6%.

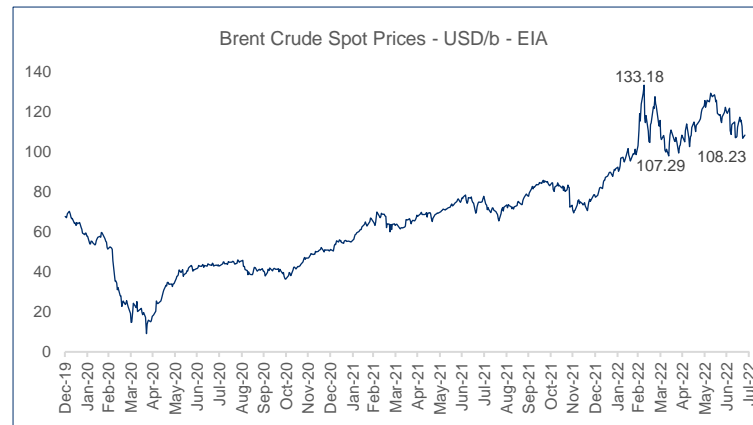


## Oil Market

- Oil prices remained volatile and hovered around the USD 100/b mark after fears of an impending global recession affected demand outlook for crude oil. Brent futures witnessed two consecutive months of decline during Jul-2022 for the first time since late 2020.
- Recently released manufacturing data showed a weakening trend for key global markets, including a surprise contraction in Chinese factory activity due to virus outbreaks.

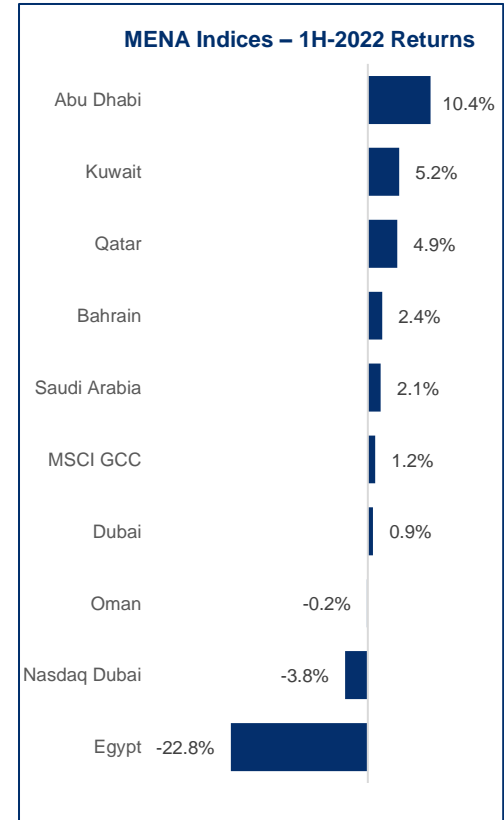
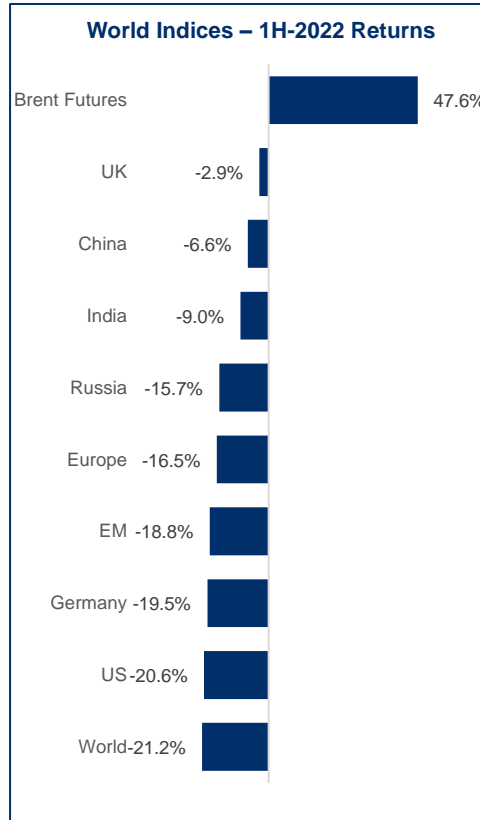
## Spot Brent Oil Price Performance

Q1 2022	Q2 2022	1H 2022
▲ 26.7%	▲ 12.9%	▲ 65.1%



# Capital markets performance

- › Global equity markets declined for the second consecutive quarter during Q2-2022 led by fears of an economic slowdown. All key markets declined during the quarter, barring China that witnessed a growth of 4.5% and the recovery seen in Russia. The MSCI World index dropped 16.6% during the quarter reflecting double digit declines in most major global equity markets. This further lowered 1H-2022 decline to -21.2%.
- › GCC equity markets also declined during Q2-2022 by 14.0%. Dubai and Saudi benchmarks witnessed the biggest declines during the quarter. In terms of sector, the Pharma & Biotech and Consumer Durable & Apparels sectors witnessed steep quarterly declines.
- › Nevertheless, despite the two consecutive months of decline, the GCC index remained in the green in terms of 1H-2022 performance at +1.2% with all headline GCC benchmarks in the green barring Oman that reported a decline of 0.2%. In terms of sectors, Energy and Banks still feature in the top five performing indices with gains of 15.8% and 5.3%, respectively, while Pharma declined by 32.7%.





# Business & Financial Performance



## Performance at a glance

- › KWD4.6mn net profit in 6M 2022
- › Fee income increased by 23.10%, representing 75.62% of total income
- › General & administrative expenses witnessed a marginal increase by 1.23%
- › Total liabilities dropped by 6.54%
- › Cash & Cash equivalent dropped by 5.06%

Fee Income (KWD mn)
Total Income (KWD mn)
General & Admin. Expenses (KWD mn)
Net Profits (KWD mn)"
Earnings Per Share (Fils)

6M 2022	6M 2021	Change
10.62	8.63	23.10%
14.05	15.94	(11.86%)
8.21	8.11	1.23%
4.65	6.30	(26.30%)
13.57	18.41	(26.29%)

Cash & Cash Equivalent (KWD mn)
Total Assets (KWD mn)
Total Liabilities (KWD mn)
Owners' Equity (KWD mn)*

30 June 2022	31 Dec 2021	Change
33.38	35.16	(5.06%)
126.92	129.73	(2.17%)
61.25	65.53	(6.54%)
62.04	60.44	2.66%

\* Attributable to Equity Holders of the Company

# Accomplishments

## Asset Management

- › Ranked as the largest Asset Manager in Kuwait and the 8th largest in MENA Region, *Forbes ME*, July 2021
- › Equities & Fixed Income
  - › Equity funds and managed portfolios continued to outperform their respective benchmarks
  - › Kamco Invest equity funds are amongst the best performing in Kuwait (6M 2022)
    - › Kamco Investment Fund (16.71%)
      - › Best conventional fund
    - › Kamco Premier Market Index Fund (10.0%)
      - › 3<sup>rd</sup> best conventional fund
    - › Al-Durra Islamic Fund (7.35%)
      - › Best Islamic fund

## › Real Estate

- › Acquired two real estate properties
  - › A Germany based property, fully leased to Commerzbank AG.
  - › A Dallas based property fully leased to Vistra Energy
- › The current international real estate properties stand at:
  - › Total AUM: USD1.7bn
  - › Regions: US, UK and Germany
  - › Total Area: 3.75mn square feet
  - › Average Annual Distribution: 7.8%

## › Venture Capital

- › Efforts to raise capital for “The JEDI Fund” continue through marketing initiatives directed to qualified investors in Kuwait following the approval granted by the Capital Market Authority.

## › Private Equity

- › Private Equity funds are at liquidation stage - exits are in process for several portfolio companies
- › The team is building transactions pipeline for Private Equity deals, evaluating a healthy pipeline of deal flows as well as working on new initiatives and products.

# Accomplishments

## Investment Banking

- › Successfully completed 6 transactions
  - › Four Mergers & Acquisitions transactions
  - › One Sukuk issuance
  - › One private placement for a family business
- › Several transactions in the pipeline, some are expected to close during 2022

## Brokerage

- › Service offered through Oula Wasata, Kamco Invest's brokerage arm
- › Continued to strengthen its competitive position and attracted new clients through its online trading platforms
- › Grew the trading value on Boursa Kuwait by 45% in comparison to period ended June 2021, with an increase of 42% in commission income generated for the same period.

## Regional Offices

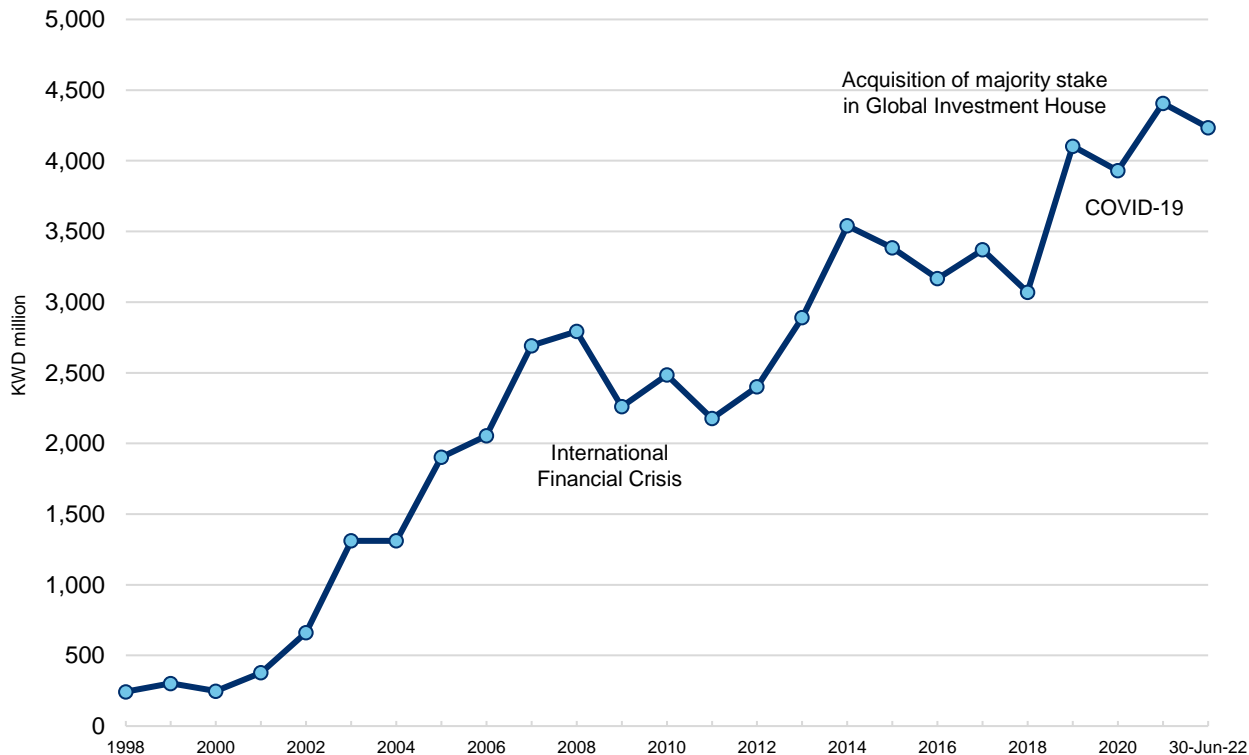
- › Regional offices continued to strengthen their presence in their respective markets
- › Increased their contribution to the company's core businesses; namely asset management

## Sustainability

- › Released our first Sustainability Report covering the year 2021
- › The report is in lines with multiple frameworks including
  - › Global Reporting Initiative (GRI)
  - › UN Sustainable Development Goals (SDGs)
  - › Boursa Kuwait ESG indicators
  - › The seven pillars of "New Kuwait" which fall under the Kuwait National Development Plan (KNDP).

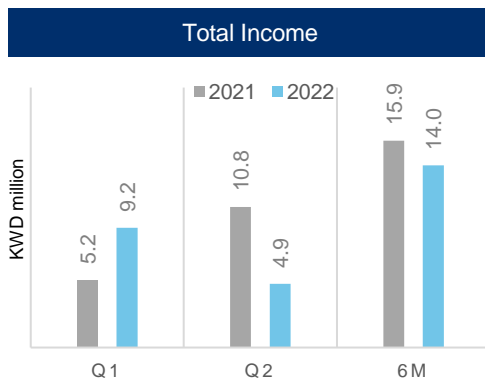
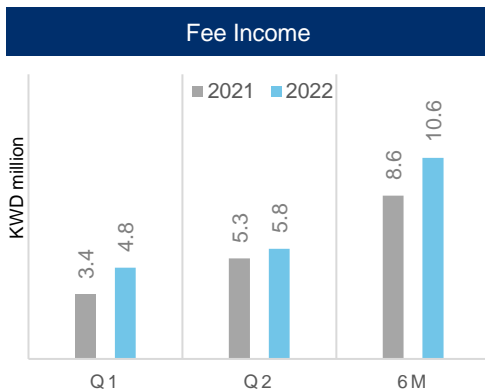
# Assets Under Management

- › AUM KWD 4.23bn (USD13.8bn) as of 30 June 2022
- › CAGR 12.9% since inception in 1998



# Financial Performance - Income Statement

- › Fee income increased by 23.10% and remains the core of our income representing 75.62% of total income
- › Total income dropped by 11.86%, to reach KWD14.05mn



## INCOME

	6M 2022 (KWD 000)	6M 2021 (KWD 000)
Fee income	10,620	8,627
Net gain on financial assets at fair value through profit or loss	1,038	4,032
Share of results of associates	1,323	1,793
Dividend income	328	222
Interest income	497	479
Foreign exchange loss	(142)	(176)
Rental income	326	325
Other income	55	634

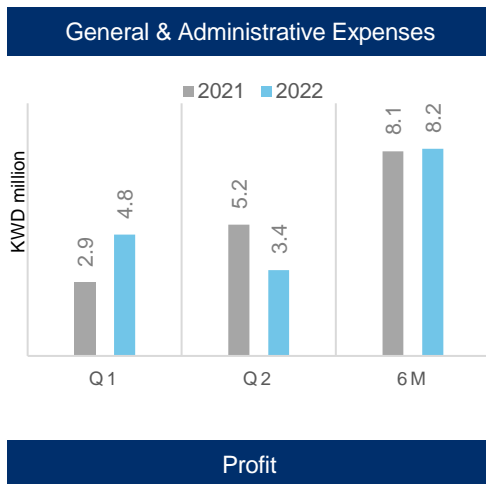
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	<b>14,045</b>	<b>15,935</b>
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# Financial Performance - Income Statement

- General and administrative expenses increased by 1.2%
- General and administrative expenses to fee income stood at 0.77x in 6M 2022
- Net profit of KWD4.65mn (6M 2021 KWD6.30mn)



## EXPENSES

General and administrative expenses  
 Finance costs  
 Provision for expected credit losses on financial assets  
 Reversal of provision for expected credit losses on loans and advances

## PROFIT FOR THE PERIOD BEFORE TAXATION

Taxation

## PROFIT FOR THE PERIOD

Attributable to:

Equity holders of the Company  
 Non-controlling interests

Basic and diluted earnings per share attributable to equity holders of the Company

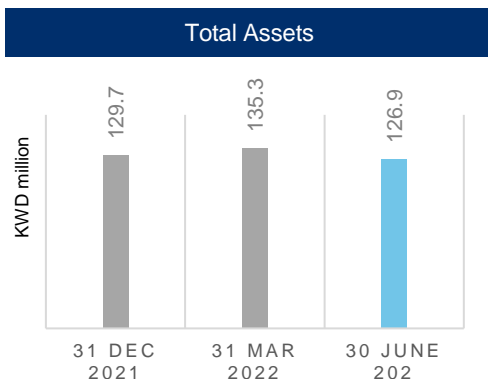
	6M 2022 (KWD 000)	6M 2021 (KWD 000)
General and administrative expenses	8,208	8,108
Finance costs	1,061	1,072
Provision for expected credit losses on financial assets	63	166
Reversal of provision for expected credit losses on loans and advances	(100)	(73)
	<b>9,232</b>	<b>9,274</b>
PROFIT FOR THE PERIOD BEFORE TAXATION	<b>4,813</b>	<b>6,662</b>
Taxation	(249)	(299)
	<b>4,564</b>	<b>6,363</b>
Attributable to:		
Equity holders of the Company	4,646	6,304
Non-controlling interests	(81)	59
	<b>4,564</b>	<b>6,363</b>
Basic and diluted earnings per share attributable to equity holders of the Company	<b>13.57 fils</b>	<b>18.41 fils</b>

# Financial Position – Assets

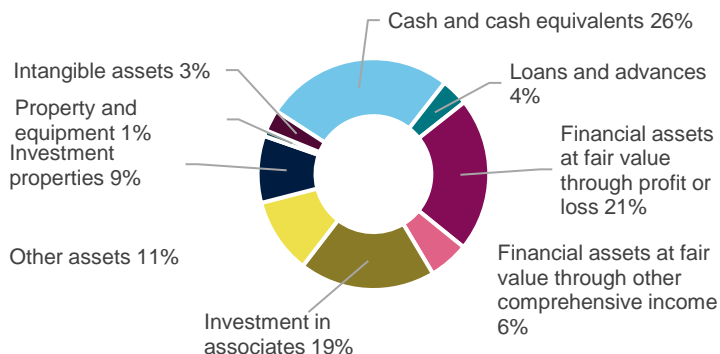
- › Total assets dropped by 2.17%

- › Cash & cash equivalents represents 26.30% of total assets

- › Investments to total Assets 45.9%



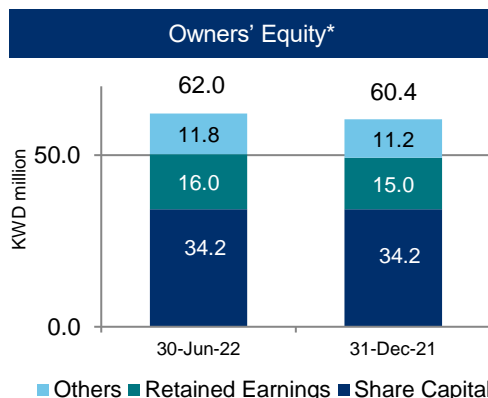
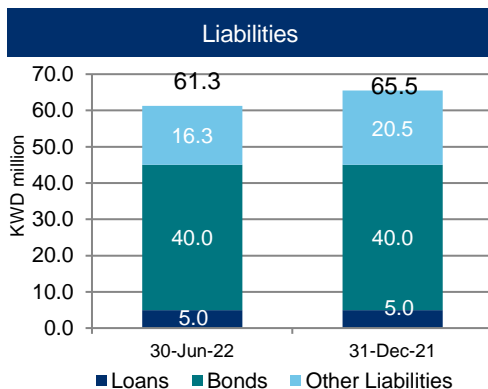
## Total Assets (30 June 2022)



	30 June 2022 KWD (000)	31 Dec 2021 KWD (000)
Cash and cash equivalents	33,382	35,160
Loans and advances	4,814	6,189
Financial assets at fair value through profit or loss	27,175	27,715
Financial assets at fair value through other comprehensive income	7,075	7,519
Non-current assets classified as held for sale	383	-
Investment in associates	24,060	22,805
Other assets	13,367	13,718
Investment properties	11,829	11,795
Property and equipment	1,031	956
Intangible assets	3,799	3,871
<b>Total assets</b>	<b>126,915</b>	<b>129,729</b>

# Financial Position – Liabilities & Equity

- › Total liabilities dropped by 6.54%
- › Owners' Equity stood at KWD62.04mn, up 2.66%
- › Net Debt to equity\* 0.19x (31 Dec 2021: 0.16x)
- › Credit Rating by Capital Intelligence (May 2022)
  - › "BBB" long-term
  - › "A3" short-term
  - › stable outlook



\* Attributable to Equity Holders of the Company

## LIABILITIES

Loans	5,000	5,000
Bonds	40,000	40,000
Other liabilities	16,250	20,534
<b>TOTAL LIABILITIES</b>	<b>61,250</b>	<b>65,534</b>

## EQUITY

Share capital	34,233	34,233
Share premium	9,089	9,089
Statutory reserve	6,823	6,823
Voluntary reserve	1,422	1,422
Revaluation Reserve	934	934
Cumulative changes in fair values	(7,355)	(7,494)
Foreign currency translation reserve	873	470
Retained earnings	16,023	14,960
<b>Equity attributable to equity holders of the company</b>	<b>62,042</b>	<b>60,436</b>
Non-controlling interests	3,623	3,759
<b>TOTAL EQUITY</b>	<b>65,665</b>	<b>64,195</b>
<b>Total liabilities and equity</b>	<b>126,915</b>	<b>129,729</b>





Share Information

## Share Information

Legal Name	Kamco Investment Company K.S.C. (Public)	
Date Established	16 September 1998	
Regulated By	Kuwait's Capital Markets Authority (CMA) and Central Bank of Kuwait	
Listing Date	20 October 2003	
Stock Ticker	KAMCO	
Bloomberg Ticker	KAMCO KK Equity	
Thomson Reuters Ticker	KAMC.KW	
Paid Up Share Capital	KWD 34,233,263.3	
Outstanding Shares	342,332,633	
Par-value per Share	KWD 0.100	
Fiscal Year	January - December	
Registrar	Kuwait Clearing Company	
Shareholder Structure	Major Shareholders owning over 5% › KIPCO Group Companies (United Gulf Bank, Burgan Bank)	62.92%



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