



Kamco Investment Company  
Investors Presentation – 6M 2023

16 August 2023

**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 **14.4**bn

- > Ranked the largest Asset Manager in Kuwait and 6th largest in the Middle East by Forbes ME for the year 2022

**Forbes** Middle East

## Investment Banking Mandates

USD **35.5**bn

- > Managed / co-managed around USD9.9bn in Equity finance
- > Arranged around USD15.9bn in Conventional & Islamic Debt
- > Advised M&A mandates worth USD9.7bn

# 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

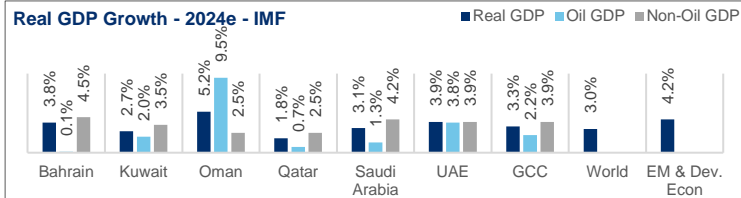
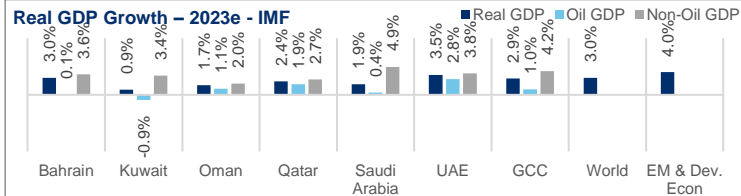
- › Multi industry, market and asset class expertise
- › Highly qualified investment managers



# Market Overview

# GDP growth and oil prices

- Global economic growth for 2023 underwent a marginal upgrade to 3.0% by the IMF followed by flat growth rate of 3.0% in 2024. This growth remains well below historical averages and was affected by rising interest rates aimed at containing inflation. Growth in EMs is expected to remain elevated at 4.0% for 2023 followed by 4.1% in 2024, whereas advanced economies are expected to trail.
- Growth in the Middle East region is also expected to be smaller-than-expected mainly led by steep downward revision in real GDP growth for Saudi Arabia for 2023 reflecting the oil output cuts.
- That said, non-oil growth in the Kingdom remains strong led by implementation of new projects. The aggregate worth of projects in pipeline in the GCC stood at around USD 2.0 Trillion.



## Oil Market

- Average crude oil prices recorded fourth straight quarterly decline during Q2-2023 mainly led by fears of a steeper slowdown in global growth that will impact demand for oil and oil products. Oil traded around the low USD 70/b levels and reached the lowest level in 18 months by mid-June.
- Continued rate hikes affected sentiments for the oil markets, although the first pause in rate hikes in June-2023 after 10 consecutive rate hikes provided some relief. Also, positive datapoints from China resulted in partial recovery in prices by the end of the quarter.

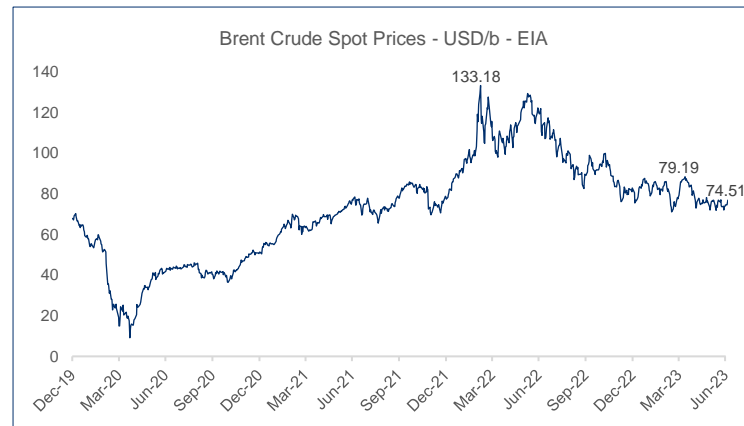
## Spot Brent Oil Price Performance

Q1 2023 Avg (q-o-q)

▼ 8.6%

Q2 2023 Avg (q-o-q)

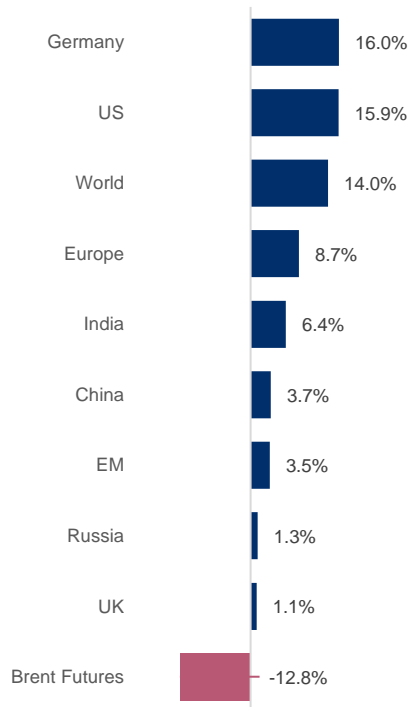
▼ 3.8%



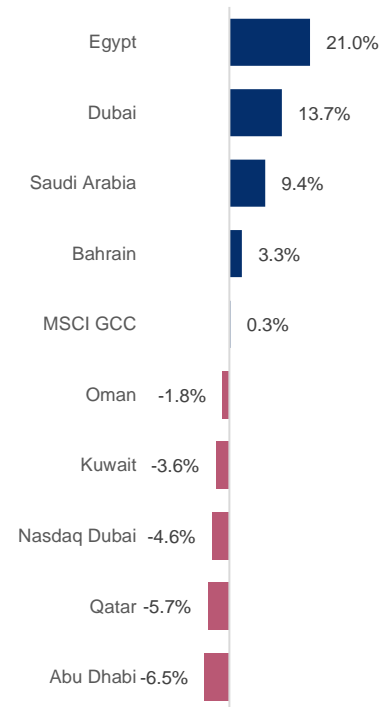
# Capital markets performance

- › Global equity markets witnessed growth for the third consecutive quarter during Q2-2023 led by a broad-based rally in developed markets. The US equity market was up by 8.3% as tech stocks witnessed strong gains reflected in the 12.8% gains in the Nasdaq Composite index. Japan's Nikkei witnessed the strongest growth in 11 quarters at 18.4%.
- › On the other hand, EMs showed a marginal decline of 0.1% following declines recorded in China, Russia and Mexico. Within the EM universe, Brazil and India showed strong growth during the quarter.
- › GCC equity markets also witnessed gains during Q2-2023 than came after four consecutive quarters of declines. However, the growth was uneven and was mainly led by positive performance of UAE, Saudi Arabia and Bahrain partially offset by declines in the rest of the three markets.
- › On the sectoral front, there was positive performance in almost all sectors in the GCC with only the capital goods sector seeing a marginal q-o-q decline. Large-cap sectors like Banks and Energy were up by 3.0% and 9.6%, respectively.

## World Indices – 1H-2023 Returns



## MENA Indices – 1H-2023 Returns





# Business & Financial Performance

## Performance at a glance

- › KWD1.7mn profits in Q2 2023, 6M profits KWD0.1mn
- › Fee income dropped by 41.3%
- › General & administrative expenses dropped by 14.0%
- › Total liabilities increased by 2.2%
- › Cash & Cash equivalent dropped by 30.9%
  - › Distributed 10% cash dividends in Q2
  - › Acquired a stake in Floward

Fee Income (KWD mn)
---------------------

Total Income (KWD mn)
-----------------------

General & Admin. Expenses (KWD mn)
------------------------------------

Net (Loss) Profit* (KWD mn)
-----------------------------

Earnings Per Share (Fils)
---------------------------

Cash & Cash Equivalent (KWD mn)
---------------------------------

Total Assets (KWD mn)
-----------------------

Total Liabilities (KWD mn)
----------------------------

Owners' Equity (KWD mn)
-------------------------

6M 2023	6M 2022	Change
6.24	10.62	-41.3%
8.53	14.05	-39.3%
7.06	8.21	-14.0%
0.10	4.65	-97.8%
0.30	13.57	-97.8%

30 June 2023	31 Dec 2022	Change
25.76	37.30	-30.9%
129.13	129.45	-0.2%
64.75	63.38	2.2%
59.29	62.51	-5.2%

\* Attributable to Equity Holders of the Company

# Accomplishments

## Asset Management

- › Assets under management grew by 5% to reach USD14.4bn
- › 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 2023)
    - › Kamco Investment Fund
      - › 2<sup>nd</sup> best conventional fund
    - › Kamco Premier Market Index Fund
      - › 4<sup>th</sup> best conventional fund
    - › Al-Durra Islamic Fund
      - › 2<sup>nd</sup> best Islamic fund
- › Real Estate
  - › The team is working on new deals and initiatives.
  - › The current international real estate properties stand at:
    - › Total AUM: USD1.81bn
    - › Regions: US, UK and Germany
    - › Number of Assets: 21
    - › Total Area: 4.01mn square feet
    - › Average Annual Distribution: 7%

- › 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.
  - › Participated in the Pre-IPO Series C investment round raised by Floward, the go-to online flowers and gifts destination operating in 37 cities in nine countries across MENA and UK.

## Investment Banking

- › Continued to advise their clients on several transactions
- › Successfully completed:
  - › Largest KWD bond issuance in the real estate sector
  - › Capital increase for a local bank
- › Several transactions in the pipeline expected to close during 2023 across Equity Capital Markets, Debt Capital Markets, and Mergers & Acquisitions (M&A).

# Accomplishments

## Brokerage

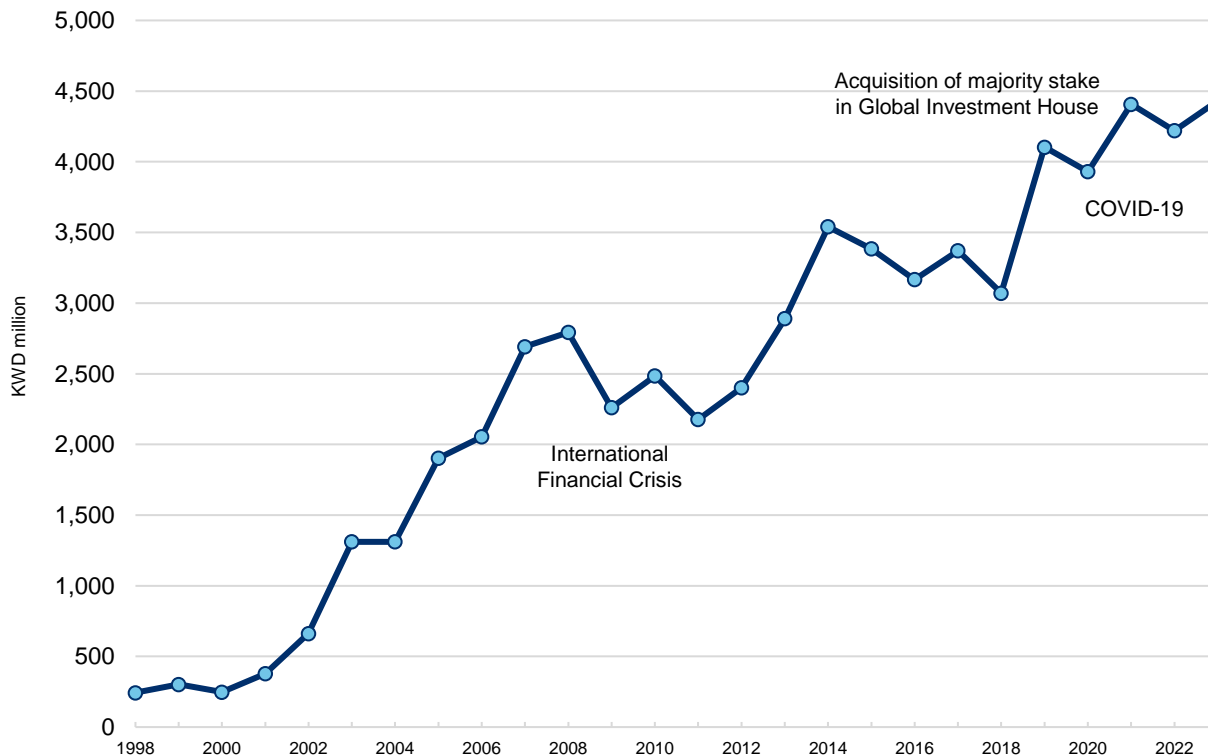
- › Service offered through Oula Wasata, Kamco Invest's brokerage arm
- › Continued to strengthen its competitive position and attracted new clients through its online trading platforms
- › Multiple factors, including decreased liquidity, lower oil prices, interest rate hikes, and global economic uncertainties, impacted the company's trading performance and commission income during the period in comparison to 6M 2022
- › Although earnings from listed shares fell short of predications, Oula Wasta managed to somewhat offset this gap by generating income from Over the Counter (OTC) and unlisted shares

## 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
- › Two significant announcements in Saudi Arabia during the quarter
  - › The appointment of a new Chief Executive Officer to spearhead the expansion efforts in the Saudi market
  - › Plans to relocate its offices to the prestigious King Abdullah Financial District (KAJD) in Riyadh.

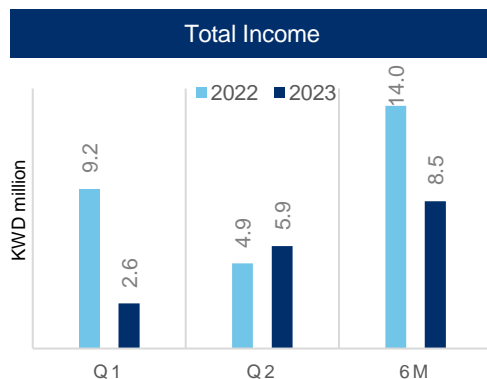
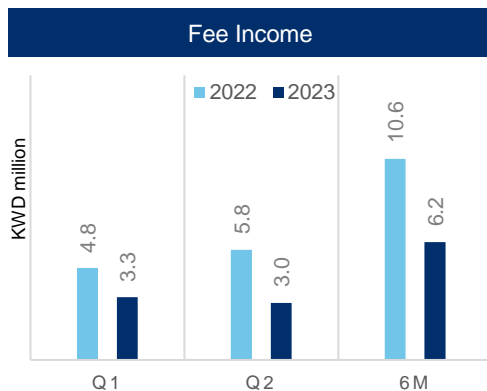
# Assets Under Management

- › AUM KWD 4.4bn (USD14.4bn) as of 30 June 2023
- › CAGR 12.6% since inception in 1998



# Financial Performance - Income Statement

- › Fees remain the core of our income



## INCOME

	6M 2023 (KWD 000)	6M 2022 (KWD 000)
Fee income	6,238	10,620
Net (Loss) gain on financial assets at fair value through profit or loss	501	1,038
Share of results of associates	(53)	1,323
Dividend income	468	328
Interest income	668	497
Foreign exchange gain (loss)	172	(142)
Rental income	453	326
Other income	82	55

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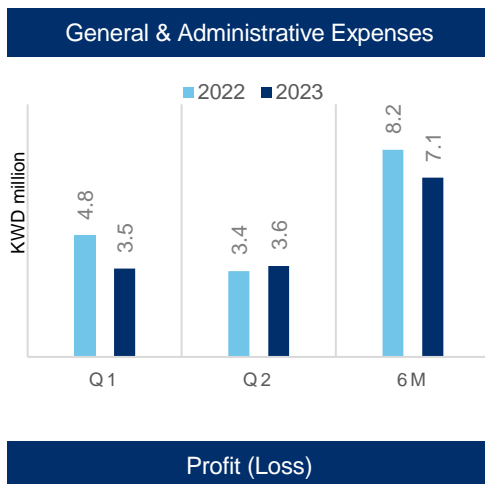
**8,530**      **14,045**

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# Financial Performance - Income Statement

- › General and administrative expenses dropped by 14.0%

- › General and administrative expenses to fee income stood at 1.13x in 6M 2023



## EXPENSES

General and administrative expenses  
 Finance costs  
 Provision for (reversal of) expected credit losses on loans and advances, net  
 (Reversal of) provision for expected credit losses on financial assets

PROFIT FOR THE PERIOD BEFORE TAXATION

Taxation

## PROFIT FOR THE PERIOD

Attributable to:

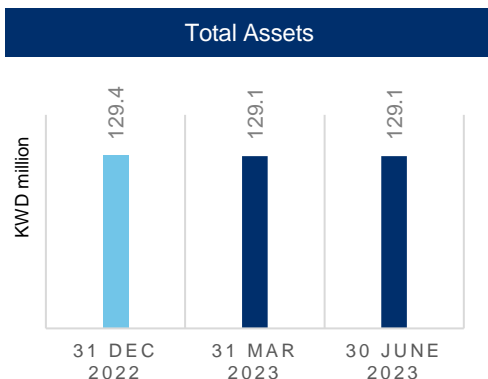
Equity holders of the Company  
 Non-controlling interests

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

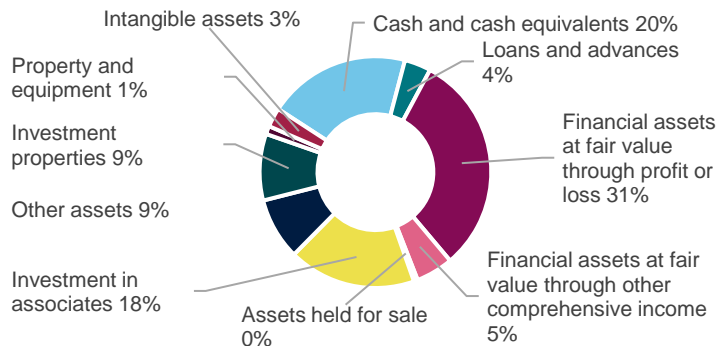
6M 2023 (KWD 000)	6M 2022 (KWD 000)
General and administrative expenses	8,208
Finance costs	1,061
Provision for (reversal of) expected credit losses on loans and advances, net	(100)
(Reversal of) provision for expected credit losses on financial assets	63
<b>8,410</b>	<b>9,232</b>
<b>120</b>	<b>4,813</b>
<b>(5)</b>	<b>(249)</b>
<b>115</b>	<b>4,564</b>
<b>103</b>	<b>4,646</b>
<b>12</b>	<b>(81)</b>
<b>115</b>	<b>4,564</b>
<b>0.30 fils</b>	<b>13.57 fils</b>

# Financial Position – Assets

- › Total assets dropped by 0.2%
- › Cash & cash equivalents represents 20.0% of total assets
- › Investments to total Assets 54.6%



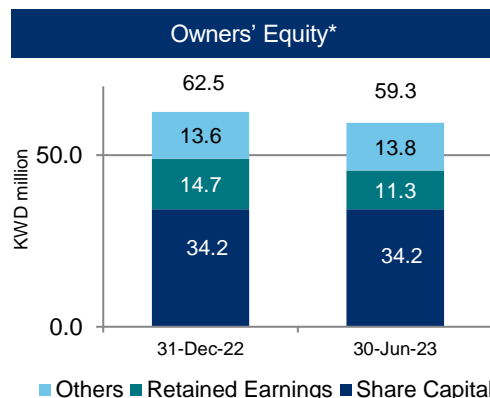
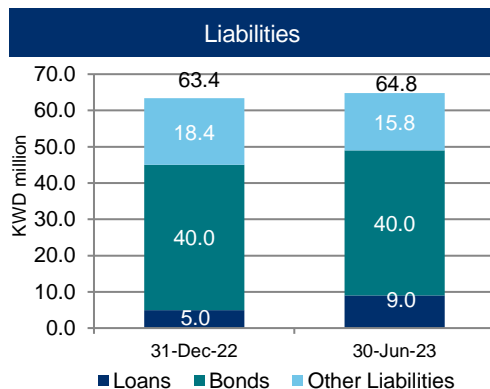
## Total Assets (30 June 2023)



	30 June 2023 KWD (000)	31 Dec 2022 KWD (000)
Cash and cash equivalents	25,760	37,298
Loans and advances	4,784	4,808
Financial assets at fair value through profit or loss	40,057	26,937
Financial assets at fair value through other comprehensive income	6,735	6,723
Assets held for sale	708	706
Investment in associates	23,000	23,157
Other assets	11,151	12,706
Investment properties	12,002	12,001
Property and equipment	1,475	1,460
Intangible assets	3,455	3,650
<b>Total assets</b>	<b>129,127</b>	<b>129,447</b>

# Financial Position – Liabilities & Equity

- › Total liabilities increased by 2.2%
- › Owners' Equity stands at KWD59.3mn
- › Net Debt to equity\* 0.39x (31 Dec 2022: 0.12x)
- › Credit Rating by Capital Intelligence (May 2023)
  - › "BBB" long-term
  - › "A3" short-term
  - › stable outlook



\* Attributable to Equity Holders of the Company

## LIABILITIES

Loans	9,000	5,000
Bonds	40,000	40,000
Other liabilities	15,752	18,383

## TOTAL LIABILITIES

<b>64,752</b>	<b>63,383</b>
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## EQUITY

Share capital	34,233	34,233
Share premium	9,089	9,089
Statutory reserve	7,414	7,414
Voluntary reserve	2,013	2,013
Revaluation Reserve	934	934
Cumulative changes in fair values	(6,641)	(6,689)
Foreign currency translation reserve	905	852
Retained earnings	11,342	14,661

Equity attributable to equity holders of the company	59,288	62,508
Non-controlling interests	5,086	3,556

## TOTAL EQUITY

<b>64,375</b>	<b>66,064</b>
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## TOTAL LIABILITIES AND EQUITY

<b>129,127</b>	<b>129,447</b>
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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%



kamcoinvest.com