



Kamco Investment Company

Investors Presentation - 9M 2020

November 2020

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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 **12.6**bn

- > "Fifth Largest Asset Manager in the Region" (Moody's asset management report September 2019)
- > Competitive performance
- > Various asset classes, strategies and markets

Investment Banking Mandates

USD **23.1**bn

- > Managed / co-managed around USD8.6bn in Equity finance
- > Arranged around USD8.9bn in Conventional & Islamic Debt
- > Advised M&A mandates worth USD5.5bn

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

How did 9M 2020 look like?

- > The world witnessed COVID-19, an unprecedented pandemic which disrupted government entities, the private sector and economies around the world since March 2020
- > Governments have taken measures to prevent its spread including closure of public and private sectors
- > The impact has been tremendous on humanity and businesses around the world with new trends and behavioral changes leading to the formulation of new standards

Oil Market

- > Oil price dropped to USD9.12 / b on 21 April 2020
- > Oil price traded in a tight range of USD 35-40 a barrel during Q3-2020.
- > OPEC monthly production at 24.4 mb/d as of Sept-2020, as OPEC+ implemented additional cuts to manage oil price and demand.
- > Oil demand growth once again came under serious doubt as Covid-19 cases started rising towards end of Q3

Brent Oil Price Performance

Q1 2020	Q2 2020	Q3 2020	9M 2020
▼ -65.5%	▲ 81%	▼ -0.5%	▼ -38.0%

Impact of COVID-19 in Kuwait

24 Feb 2020
First confirmed
COVID-19 case
in Kuwait

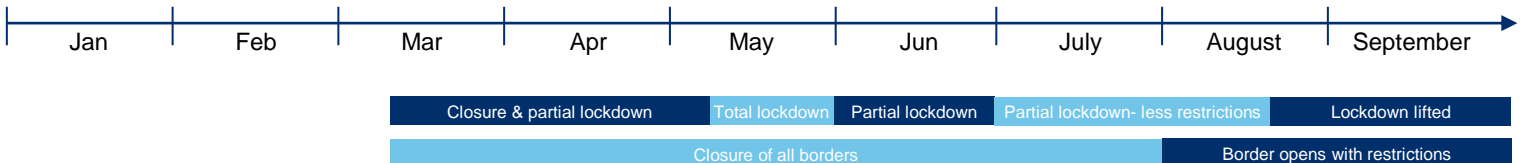
12 Mar 2020
Beginning of the
closure period

31 May 2020
Start phase 1 of
returning to
normal

30 June 2020
Start Phase 2:
Resuming work
with up to 30%
capacity with
restrictions

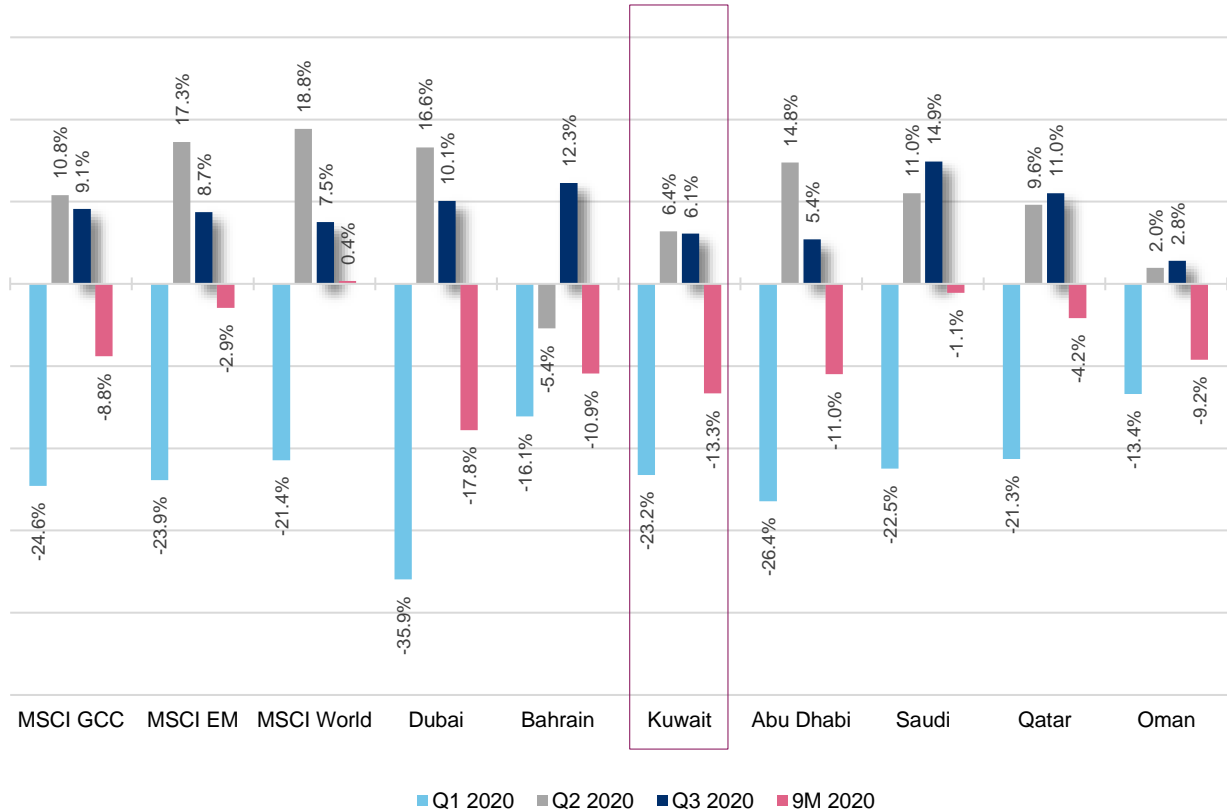
28 July 2020
Start Phase 3:
Working capacity
increased to less
than 50% with
restrictions

18 August 2020
Start Phase 4:
Working capacity
increased to more
than 50% with
enforced safety
measures



Capital Markets Performance

- › Markets globally continued to see a recovery during Q3-2020 but the gains were smaller as compared to Q2-2020.
- › Despite the gains, most markets continue to remain in the red in terms of 9M-2020 returns.
- › The decline in MSCI GCC Index reached 8.8% during 9M-2020
- › Boursa Kuwait dropped 13.3% in 9M 2020





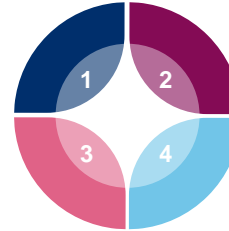
Business & Financial Performance

Strategy & accomplishments

- › Since the beginning of the pandemic, several scenarios and measures were studied to be taken in accordance with government regulation and the impact of these decisions on business continuity
- › A strategy has been devised consisting of four pillars

Maintaining the health and safety of all employees, the company's most important assets

Guaranteeing complete readiness to return to full activity after passing this stage



Safeguarding the interests of all stakeholders to bypass the stage with minimal damage

Committing to social responsibilities by providing needed support

During 9M 2020, Kamco Invest continued to provide its clients with interruption-free services while achieving several business accomplishments

- › Successfully attracted investments from clients amounting to over USD148mn
- › Distributed USD39mn to clients
 - › capital distribution USD28mn
 - › income distribution USD11mn
- › Equity funds and managed portfolios continued to outperform their respective benchmarks
- › Three funds recognized by the 2020 Refinitiv Lipper Fund awards
- › Acquired two income-generating property portfolios in the US & UK, raising the managed

real estate value to over USD1.2bn

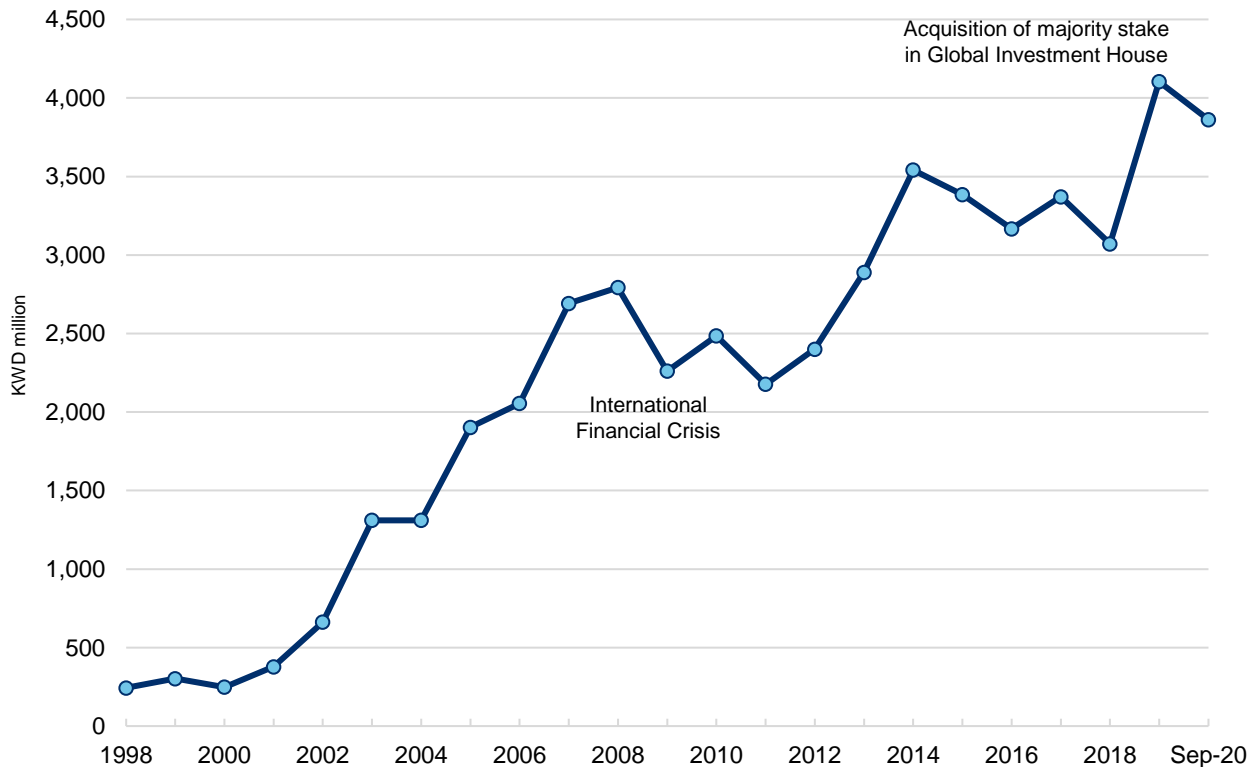
- › Exited two managed US properties generating above target returns to our clients
- › Continued exit negotiations with several parties on behalf of clients
- › Launched a strategic initiative to support companies in battling the ongoing crisis and signed new advisory mandates
- › Played the role of joint lead manager for three debt capital market transactions for a total

amount equivalent to USD1.3bn

- › two regional offerings in USD
- › one offering for a local bank in KWD
- › Played the role of exclusive sell-side advisor to a healthcare group in Egypt
- › Oula Wasata, Kamco Invest's brokerage arm,
 - › continued services clients without interruption
 - › increased market share
 - › attracting new clients through the online trading platform

Assets Under Management

- › AUM KWD 3.9bn (USD12.6bn) as of 30 September 2020
- › CAGR 12.6% since inception in 1998



Ensuring a seamless workflow during the pandemic

Human Resources

- › Workforce remains in good health, and employees are encouraged to prioritize their personal and family health while adhering to instructions issued by various authorities.
- › Company remained fully operational remotely during the full and partial lockdowns.
- › Certain employees were available in the Company's premises from time to time on an as needed / rotational basis

Technical Resources

- › Technology resources (systems, servers, tools, software, licenses etc.) remain active & available
- › Remote access to resources provided as required, emphasizing confidentiality of stakeholder information
- › Expedited our digitization drive which was key to our post-merger strategy

Financial Resources

- › Sufficient liquidity to maintain operations as usual
- › The Company continues to generate fee income from its core activities
- › Continuously review various items of expenditures to rationalize expenditures and preserve financial resources

Performance at a glance

- › KWD2.5mn net profits in Q3, KWD1.4mn losses in 9M

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

- › Slow of business affected fee income (drop of 18.7% in Q3 and 9.4% in 9M)

- › Total income impacted by market performance

- › General & administrative expenses down 17% in Q3, 28% in 9M

- › Total liabilities dropped by 13.9% in Q3, up 19.9% in 9M

Q3		
2020	2019	Change
3.53	4.34	-18.7%
6.67	4.94	35.1%
3.33	4.02	-17.0%
2.54	-0.18	-
7.41	-0.75	-

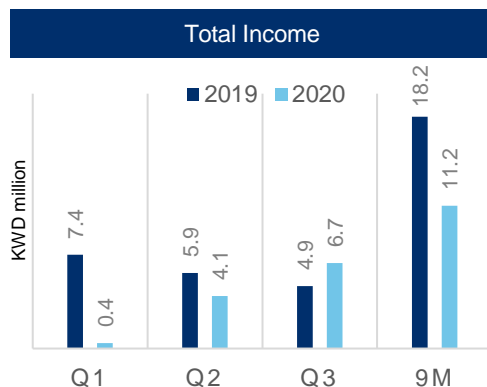
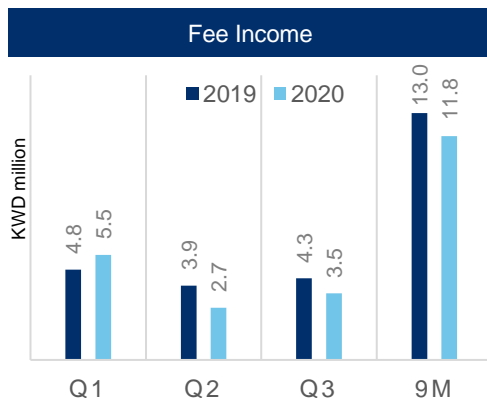
9M		
2020	2019	Change
11.80	13.02	-9.4%
11.20	18.23	-38.6%
10.00	13.88	-28.0%
-1.35	0.93	-
-3.95	3.93	-

Balance as of		
30-Sep-20	30-Jun-20	Change
44.53	46.68	-4.6%
137.75	147.84	-6.8%
82.29	95.63	-13.9%
51.67	48.53	6.5%

Balance as of		
30-Sep-20	31-Dec-19	Change
44.53	29.27	52.1%
137.75	129.42	6.4%
82.29	68.62	19.9%
51.67	56.41	-8.4%

Financial Performance - Income Statement

- › Total income dropped by 38.6% in 9M, impacted mainly by unrealized losses
- › A positive start for the year, fee income increased by 16.2% in Q1 2020
- › Slow of business affected fee income in Q2 and Q3, a drop of 9.4% in 9M 2020



INCOME

	9M 2020 (KWD 000)	9M 2019 (KWD 000)
Fee income	11,798	13,018
Realized (loss) gain on sale of financial assets at fair value through profit or loss	(545)	794
Unrealized gain (loss) on financial assets at fair value through profit or loss	(2,273)	394
Share of results of associates	(1,982)	938
Net income on disposal of non-current assets exclusively acquired for sale	170	114
Dividend income from non-current assets exclusively acquired for sale	482	-
Dividend income	501	1,074
Interest income	741	1,170
Foreign exchange (loss) gain	977	38
Gain on disposal of associate	435	-
Other income	894	687
	11,197	18,228

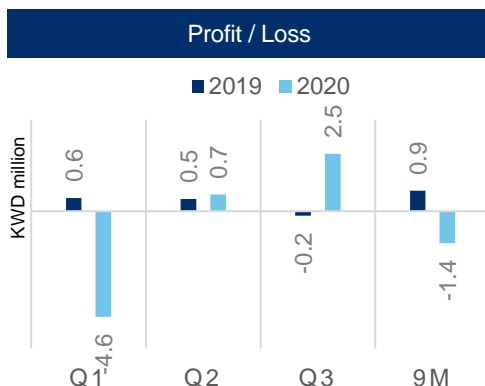
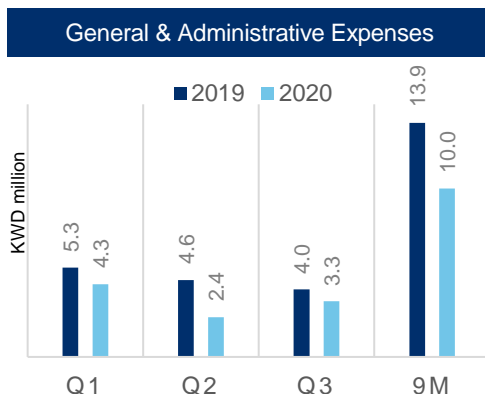
Financial Performance - Income Statement

- General and administrative expenses dropped 28% during 9M 2020

- General and administrative expenses to fee income dropped from 1.07x in 9M 2019 to 0.85x in 9M 2020

- 9M net losses of KWD1.4mn, impacted by financial markets performance

- Q1: losses of KWD4.6mn
- Q2: Profits of KWD0.7mn
- Q3: Profits of KWD2.5mn



EXPENSES

General and administrative expenses
 Finance costs
 (Reversal of) charge for provision for credit losses on loans and advances
 Charge for (reversal of) provision on financial assets

PROFIT (LOSS) for the PERIOD BEFORE TAXATION

Taxation

PROFIT (LOSS) FOR THE PERIOD

Attributable to:

Equity holders of the Company
 Non-controlling interests

Basic and diluted earnings (loss) per share attributable to equity holders of the Company (fils)

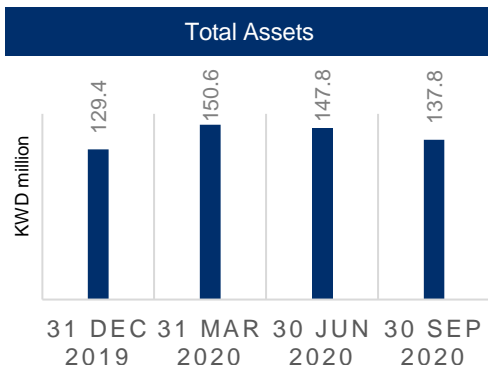
9M 2020 (KWD 000)	9M 2019 (KWD 000)
General and administrative expenses	13,885
Finance costs	2,607
(Reversal of) charge for provision for credit losses on loans and advances	(290)
Charge for (reversal of) provision on financial assets	108
12,447	16,310
(1,250)	1,918
-	(42)
(1,250)	1,877
(1,351)	932
101	945
(1,250)	1,877
(3.95)	3.93

Financial Position – Assets

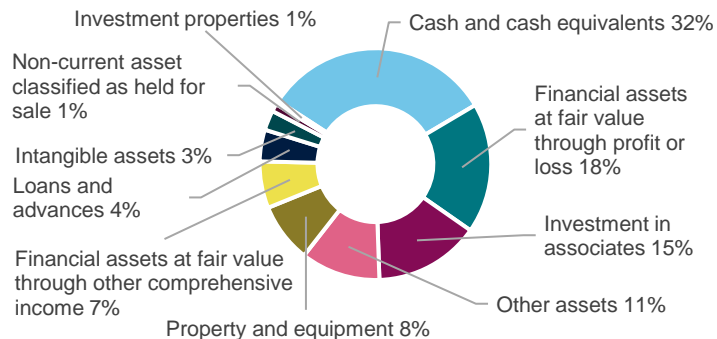
› Total assets increased by 6.4% since 31 December 2019

› Cash & cash equivalents represents 32.3% of total assets

› Investments to total Assets 41.1% (31 Dec 2019: 48.8%)



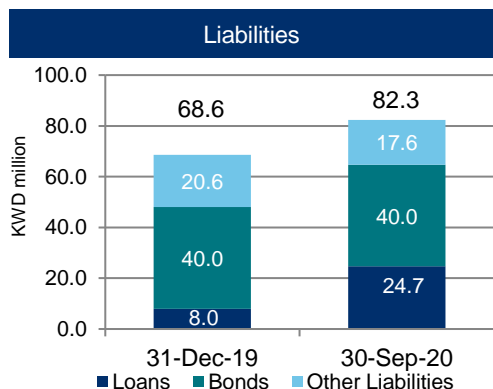
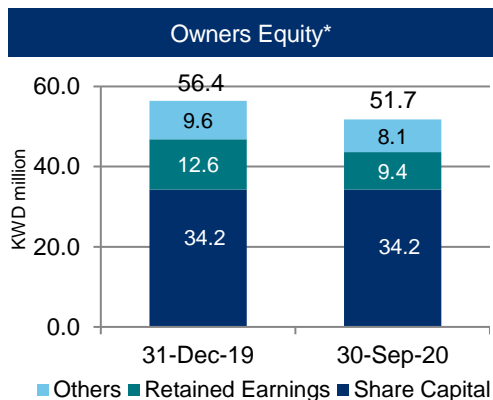
Total Assets (30 September 2020)



	30-Sept-20 KWD (000)	31-Dec-19 KWD (000)
Cash and cash equivalents	44,535	29,273
Loans and advances	6,100	6,132
Financial assets at fair value through profit or loss	25,059	28,418
Financial assets at fair value through other comprehensive income	8,983	11,020
Financial assets at amortized cost	-	85
Non-current asset classified as held for sale	1,473	-
Investment in associates	20,334	22,968
Other assets	15,303	14,980
Investment properties	723	716
Property and equipment	11,429	11,763
Intangible assets	3,811	4,067
Total assets	137,750	129,423

Financial Position – Liabilities & Equity

- › KWD1.7mn cash dividends distributed for FY 2019
- › Total liabilities reduced by 14% in Q3 2020
- › Owners Equity stands at KWD51.7mn
- › Owners Equity* to total assets 37.5% (31 Dec 2019: 43.6%)
- › Net Debt to equity* 0.39x (31 Dec 2019: 0.33x)
- › Credit Rating by Capital Intelligence (June 2020)
 - › “BBB” long-term
 - › “A3” short-term
 - › stable outlook



LIABILITIES

Loans	24,713	8,000
Bonds	40,000	40,000
Other liabilities	17,578	20,620
TOTAL LIABILITIES	82,291	68,620

EQUITY

Share capital	34,233	34,233
Share premium	9,089	9,089
Statutory reserve	5,726	5,726
Voluntary reserve	325	325
Cumulative changes in fair values	(8,006)	(6,121)
Foreign currency translation reserve	907	569
Retained earnings	9,398	12,590
Equity attributable to equity holders of the company	51,673	56,412
Non-controlling interests	3,787	4,391
TOTAL EQUITY	55,460	60,803
Total liabilities and equity	137,750	129,423

* Attributable to Equity Holders of the Company



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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