



Earnings Presentation

Q3 2024

المركز
MARKAZ

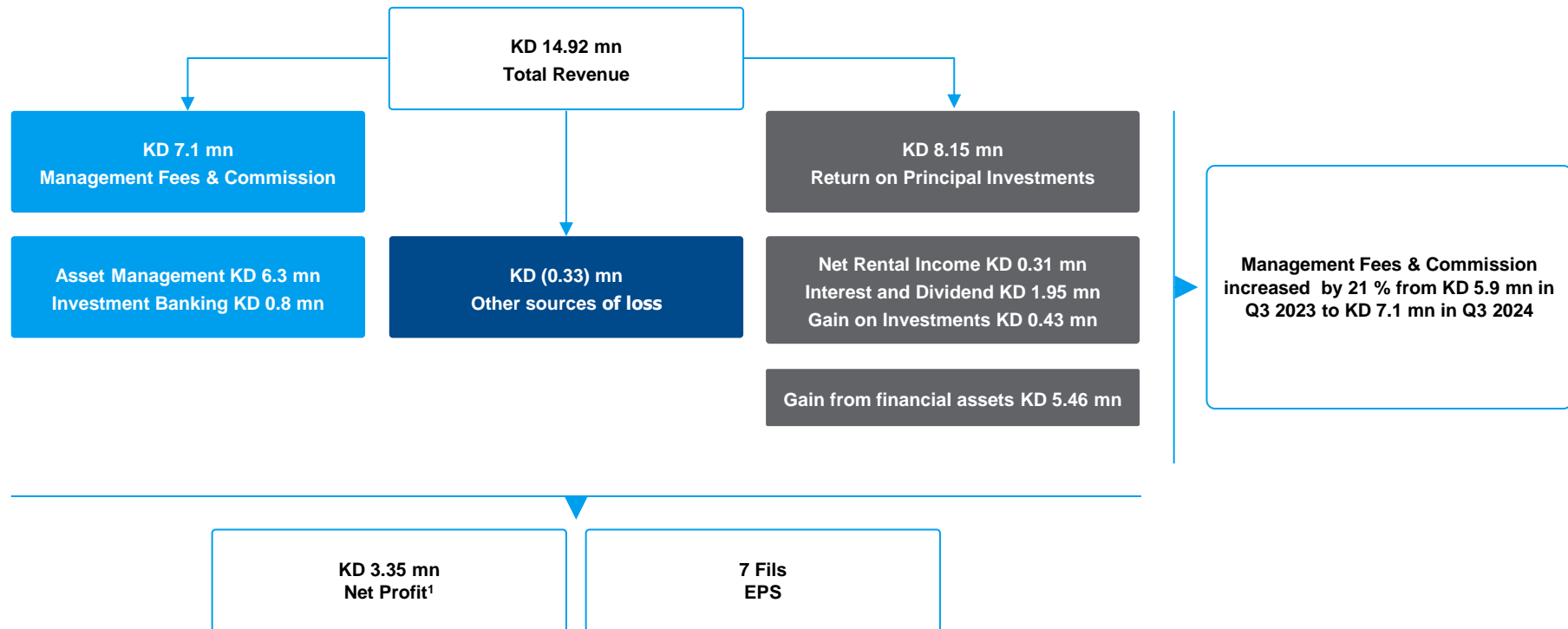
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Q3 2024 Performance Highlights

Markaz Assets Under Management of KD 1,389 million, an increase of 14.60% from December 2023

Profit and Loss Highlights



1. Net profit attributable to the owners of the parent company

Q3 2024 Performance Highlights

Markaz's AUM at KD 1.389 billion in Q3 2024

Total Revenues for Q3 2024 of KD 14.9 million

The management fees and commission have amounted to KD 7.1 million for Q3 2024

Kuwait, 12 November 2024 - Kuwait Financial Centre “Markaz” (KSE: Markaz, Reuters: MARKZ.KW, Bloomberg: MARKAZ: KK) reported its financial results for 9M 2024 with Total Revenues of KD 14.92 million with an increase of 6.25%, as compared to Total Revenues of KD 14.04 million in 9M 2023. Net Profit attributable to shareholders of Markaz was KD 3.35 million for Jan-September 2024, compared to KD 0.71 million in the same period last year.

Mr. Ali H. Khalil, Markaz’s CEO, stated: “The Kuwaiti market witnessed a positive performance in Q3-2024, driven by strength in key sectors and positive corporate earnings. The political landscape remains stable, with continued focus on economic reforms and project implementation. The GCC Markets witnessed a similar performance for key sectors and due to the positive corporate earnings. The global investment landscape remains uncertain due to heightened geopolitical tensions.”

Mr. Abdullatif W. Al-Nusif, Managing Director, Wealth Management and Business Development at Markaz, stated: “Markaz is delighted to report that Assets Under Management amounts to KD 1.39 billion as of 30 September 2024, compared to KD 1.16 as of 30 September 2023 that has increased by 19.84%. Strategic initiatives undertaken across asset management and investment banking underscore our commitment to client satisfaction and innovation. By being both results driven and prioritizing continuous improvement, Markaz continues to enhance both operational best practices and underlying profitability. Looking ahead, Markaz is well placed to not only meet but exceed client expectations in a rapidly evolving financial landscape.”

Markaz Overview

One of the leading financial institutions in the region delivering consistent shareholders returns



Leading market position

As one of the region's leading asset management and investment banking firm, Markaz offers custom investment solutions with exceptional track record



Sustainable long-term shareholder returns

Generates sustainable long-term returns driven by robust operations and consistent dividend payouts



Building a sustainable economy in Kuwait

Endeavors to actively participate in community service and contribute to building a sustainable economy in Kuwait



Our Team - cornerstone of our success

A team of 150+ employees spread over offices across Middle East, US and India

- Established in 1974 and listed on Boursa Kuwait in 1997, is an asset management and investment banking institution
- Consistently outperformed the relevant benchmarks on its equity funds and managed portfolios
- Real estate investments across MENA and International, with a key focus on income generating assets
- Efficiently delivering MENA focused research reports, and consulting through its research arm - Marmore

At Markaz, our reputation is our biggest asset. We have been voluntarily operating under strict guidelines long before corporate governance was the norm

Markaz Overview (cont'd)

Delivering International Investment Reach to our Clients



Markaz Overview (cont'd)

One of the most recognized and well awarded brands across the MENA region

 <p>Best Asset Manager / Best Investment Bank in Kuwait</p> <p>By: EMEA Finance</p>	 <p>Best Momentum Fund Innovation (The Innovators)</p> <p>By: Global Finance</p>	 <p>Excellence in Investment Advisory / Excellence in Real Estate Investment</p> <p>By: MEED</p>	 <p>Best Investment Bank in Kuwait/Best Private Bank in Kuwait</p> <p>By: Global Finance</p>
 <p>Best for Digital Solutions / Most Innovative Securities House in Kuwait</p> <p>By: EuroMoney</p>	 <p>The Middle East's Best Real Estate Investment Manager/ Kuwait's Best Real Estate Investment Manager</p> <p>By: EuroMoney</p>	 <p>Middle East's Best for Investment Research</p> <p>By: Euromoney</p>	 <p>Best Domestic Private Bank</p> <p>By: Euromoney</p>



Business Highlights

Total AUM of KD 1,389 million, an increase of 14.60% from December 2023



Asset Management

GCC Equity Funds, Fixed Income Fund, Others:

Total AUM of KD 1,008 million

- Asset management continues to implement Markaz's long term bottom-up investment approach along with active liquidity management

GCC Equities AUM of KD 787.5 million

- Markaz Investment & Development Fund (MIDAF), Forsa Financial Fund, Markaz Fund for Excellent Yields (MUMTAZ), Markaz Islamic Fund (MIF), GCC Momentum Fund recorded yearly returns of 4.7%, 6.4, 4.9%, 5.7% and 9.8% respectively

Markaz Fixed Income AUM of KD 5.9 million

- Markaz continues to offer its clients access to the GCC fixed income market through the Markaz Fixed Income Fund (Private Placement), Markaz Fixed Income Fund (MFIF) recorded yearly returns of 5.17%

MIDAF - MUMTAZ - Forsa Financial – Markaz Arabian Fund – Markaz Islamic Fund - Markaz Fixed Income - Private Portfolios - Oil & Gas / PE – GCC Momentum



Real Estate Investments

Middle East and North Africa, International:

Total AUM of KD 381.3 million

MENA Real Estate – AUM of KD 286 million

- Awarded to manage Real Estate Income Generating Portfolio with a value of KD 190 million
- Strong operational performance across the income generating portfolio despite the market conditions
- Markaz Real Estate fund with AUM of KD 71 million across 17 properties
- Markaz Gulf Real Fund with AUM KD 20M across Kuwait, KSA, and UAE.
- Markaz along with two other asset managers in Kuwait, has been prequalified for the Abdullah Al Ahmad project in Kuwait City and will focus on forming a consortium upon the issuance of the RFP

Real Estate Income Generating Portfolio– MREF - MGREF

International Real Estate – AUM of KD 95.3 million

- Markaz has successfully exited from one industrial projects during 2024, generating strong returns
- During 2024, Markaz made investment in three industrial project in the US

Note: The difference between total AUM and sum of individual departmental AUM is due to exclusion of certain Group's proprietary assets

Business Highlights (Cont'd)

Adding significant value to clients through high quality advisory services and research



Investment Banking

M&A, Advisory, Equity & Debt Capital Markets, IPOs and restructuring:

- During the first nine months of 2024, the Investment Banking team delivered valuations for diverse projects, conducted comprehensive transaction due diligence, and facilitated both sell-side and buy-side mergers and acquisitions
- Investment banking activities across the GCC continued their positive trajectory during 9M 2024. The GCC M&A market is undergoing significant evolution, particularly in the governance of family-owned private enterprises, encompassing valuations, strategic divestments, and business transformation initiatives
- The Investment Banking team remains committed to supporting corporate clients and has developed a robust pipeline of deals for the coming quarters. This includes assistance with mergers and acquisitions, corporate restructuring, project valuations, securing financing through capital markets, and advising companies on IPO readiness
- Markaz was honored with the "Best Local Investment Bank" award for 2023 by EMEA Finance at a prestigious event held in Dubai



Research

Mena focused Research, Consulting Services:

- Publishes MENA focused research reports and bespoke consulting services for over a decade
- Operates through Marmore, the research arm of Markaz
- Established in 2010, with offices in India
- Reports published during 2023 - 2024 include '2024 Kuwait Banking: Interest Rates and NIM Trend Analysis', 'Global & GCC Capital Markets Review', 'Real Estate Outlook reports', 'Impact of Increasing Interest Rates on GCC Banks', 'GCC – An Attractive Emerging Markets Allocation Play'
- In 2023 - 2024, Marmore published over 212 insights and reports on its research web portal providing timely, comprehensive coverage on topics of interest in the GCC region

Research Themes: Industry, Economic, Infrastructure, Capital Market and Regulatory research

Consulting Focus: Industry Market Assessment, White Label Reports, Company Valuation, Due Diligence, C-Suite Support at CXO Level and Directors Intelligence Support

Financials Trend

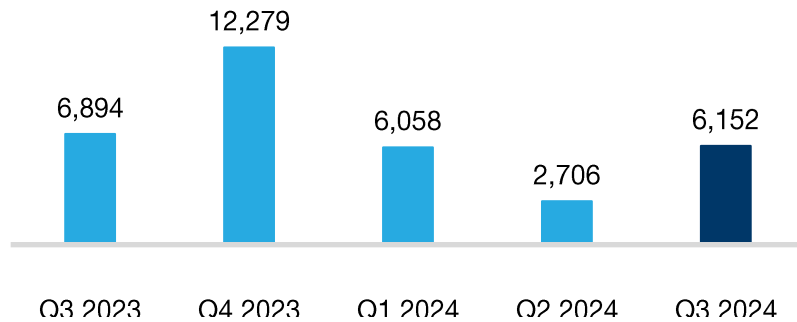
Q3 2024 Revenues growth on y-o-y basis

- Total Revenue has increased mainly due to the positive changes in fair value of investments at fair value through profit or loss, in addition to the gain from share of results from investments in associates and joint ventures
- Management Fees & Commissions increased by 21% on y-o-y basis
- Income from Principal Investments increased on y-o-y basis primarily due to positive changes in financial assets at FV through P&L of KD 4.03 M as compared to (2.1M) in Q3 2023
- Net rental income declined by 86% to KD 0.31 M compared to K.D 2.14 M in Q3 2023 and that due to the sale of investment properties.

Q3 2024 Net Profit (KD 000's)

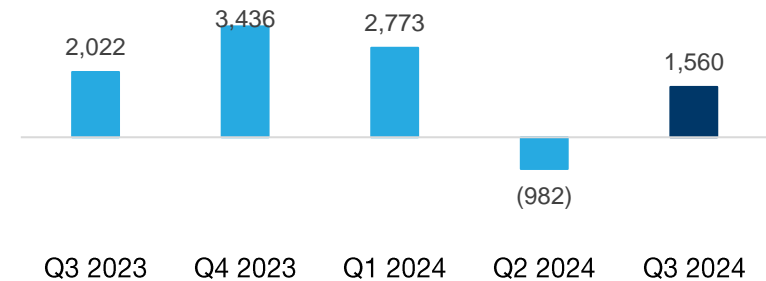
- Q3 2024 profitability has been driven by the Interest Income, gain from changes in fair value of investment at Fair Value through P/L, in addition to income generated from other Sources.

Total Revenue (KD 000's)



1. Net Profit attributable to the owners of the parent company

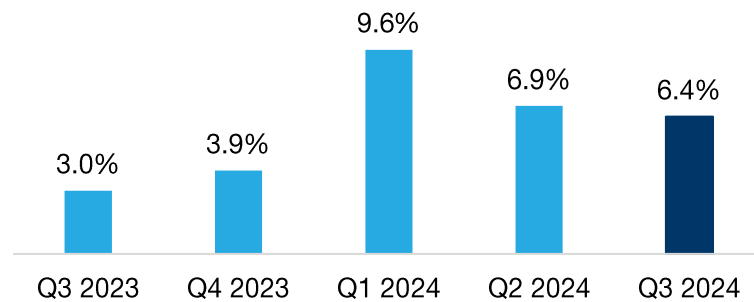
Net Profit¹ (KD 000's)



Financials Trend (Cont'd)

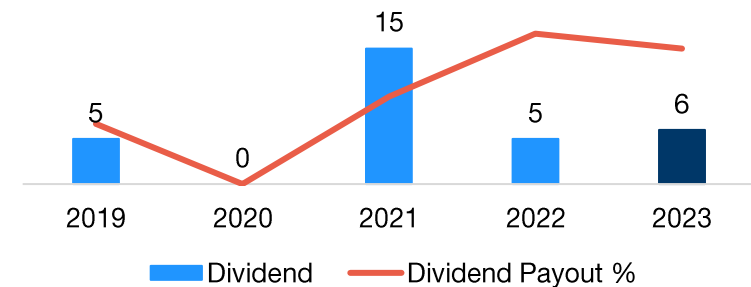
Return on Equity¹

- Return on Equity of 6.4% on LTM basis as it was increased due to the positive changes in fair value of investments at fair value through profit or loss, the gain from sale investment in properties, in addition to the improvement in the management fees income over the last 12 months



Dividend Per Share and Payout

- In 2024, Board of Directors recommended a cash dividend of 6 Fils per share a payout of 75% on the EPS
- In 2024, the AGM had approved a cash dividend of 6 Fils per share for the financial year ended 2023

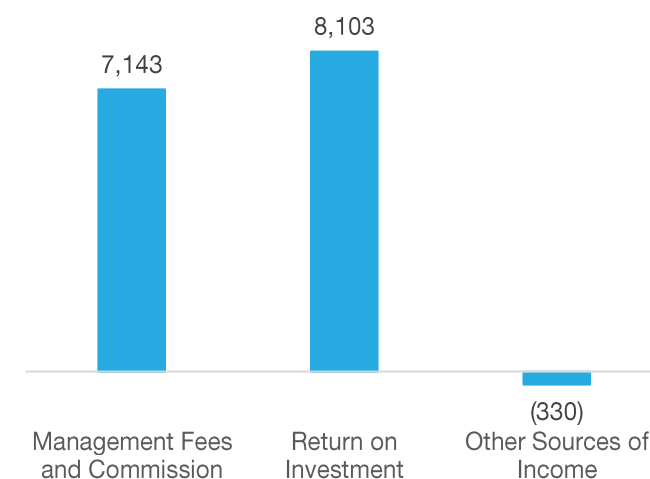


1. Return on Equity % = LTM Net Profit attributable to the owners of the parent company / shareholder's equity

Profit & Loss Key Metrics

(KWD 000's)	Period Ended		Y-o-Y Growth (%)
	Q3 2024	Q3 2023	
Management Fees and Commission	7,143	5,899	21%
Interest income	937	706	33%
Dividend income	1,011	1,328	(24%)
Gain/(loss) from financial assets at fair value through P/L	4,032	(2,184)	N/A
Loss from financial liabilities at fair value through P/L	-	(8)	(100%)
Share of results of associate and joint venture	1,348	(228)	N/A
Gain on partial redemption of investment in associate	37	-	-
Gain on partial redemption of investment in associate	-	1,057	(100%)
Gain on sale of investment properties	433	4,964	NA
Net rental income	305	2,139	(85%)
Other sources of (loss)/income	(330)	366	NA
Total revenue	14,916	14,039	6%
Operational expenses	9,365	8,023	17%
EBIT	5,551	6,016	(8%)
Margin (%)	37%	43%	
Finance costs	1,869	2,800	(33%)
Impairment of investment	-	106	(100%)
Contribution to KFAS, NLST, Zakat	157	64	N/A
Net profit for the period	3,525	3,046	16%
Margin (%)	24%	22%	
Profit attributable to the owners of the parent company	3,351	711	N/A
Profit attributable to non-controlling interests	174	2,335	(93%)
Earnings/(loss) per share (Fils)	7	1	N/A

Q3 2024 Revenue Analysis



Notes:

- Management Fees & Commissions include Asset Management and Investment Banking Fees
- Other sources of income include foreign currency transaction and other income
- Return on principal investments include investments in GCC & International Equities, Fixed Income, Real Estate, International Investments and Private Equity

Balance Sheet Key Metrics

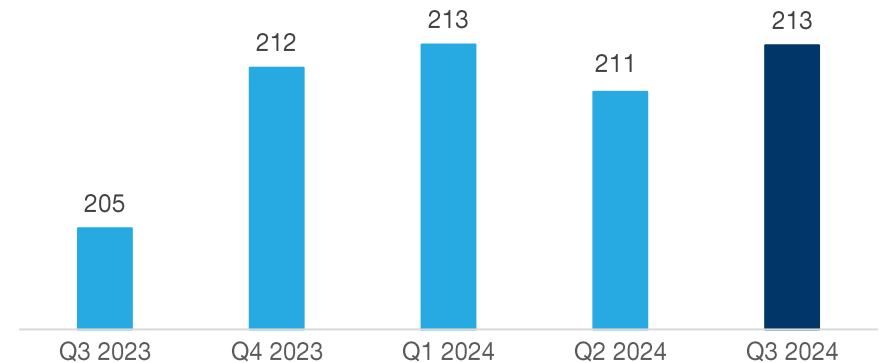
	Sep 2024	Dec 2023	Sep 2023
ASSETS			
Cash and bank balances	5,477	6,639	9,185
Time deposits	540	272	1,667
Accounts receivable and other assets	6,622	6,020	8,907
Loans to customers	2,524	2,565	2,604
Investments at fair value through profit or loss	90,894	83,398	93,366
Assets held for sale	-	-	18,584
Investments carried at amortized cost	3,916	4,302	4,117
Investments in associate and joint venture	34,551	33,679	18,461
Investment properties	31,019	30,086	27,246
Right of use assets	2,037	2,432	2,565
Equipment	894	889	315
Total Assets	178,474	170,282	187,017
LIABILITIES and EQUITY			
Liabilities			
Accounts payable and other liabilities	11,707	13,035	13,326
Financial assets at fair value through profit or loss	7	-	10
Bank borrowings	18,920	9,413	25,195
Bonds issued	35,000	35,000	35,000
Total Liabilities	65,634	57,448	73,531
EQUITY			
Equity attributable to the owners of the Parent Company	105,558	106,065	102,524
Non-controlling interests	7,282	6,769	10,962
Total Equity	112,840	112,834	113,486
Total Liabilities and Equity	178,474	170,282	187,017

Asset Under Management

Q3 2024 AUM
KD 1,389 million

Q3 2023 AUM
KD 1,159 million

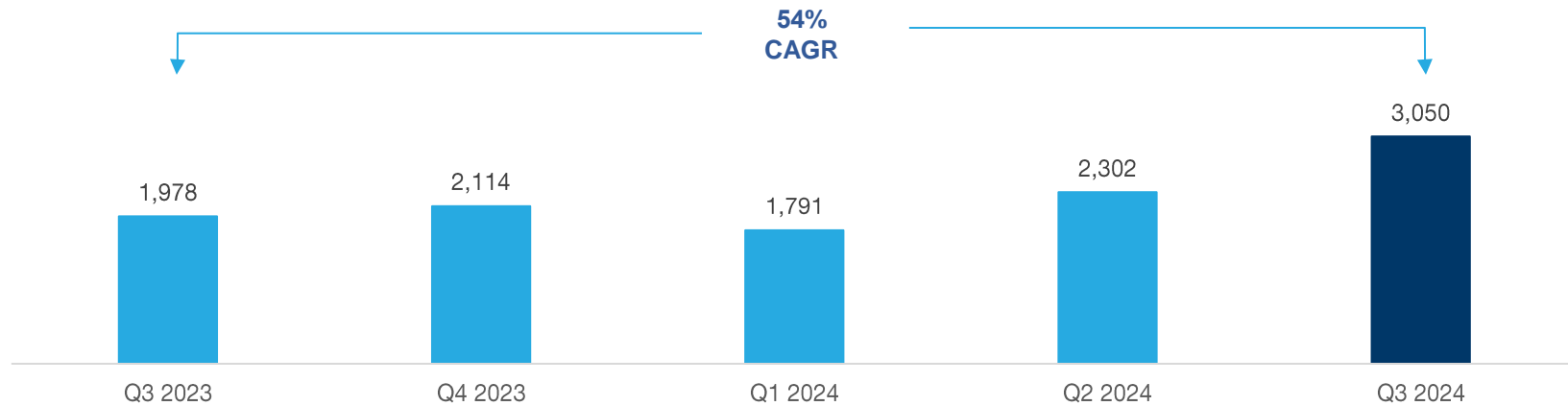
Book Value per Share (Fils)



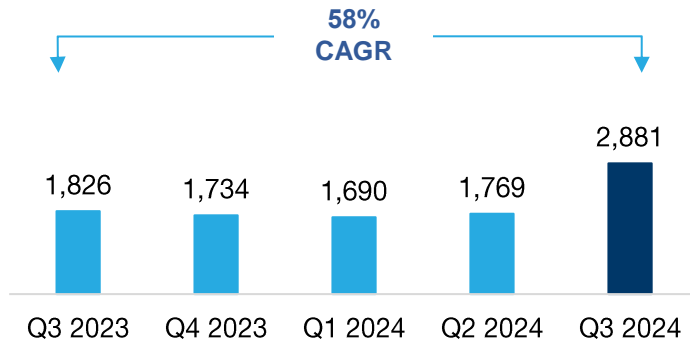
- Book value increased because of net profit for the current period .

Asset Management & Investment Banking

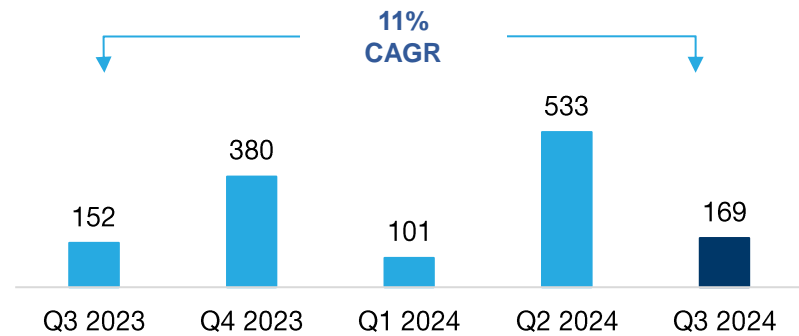
Management Fees & Commission (KD 000's)



Asset Management Fees¹ (KD 000's)

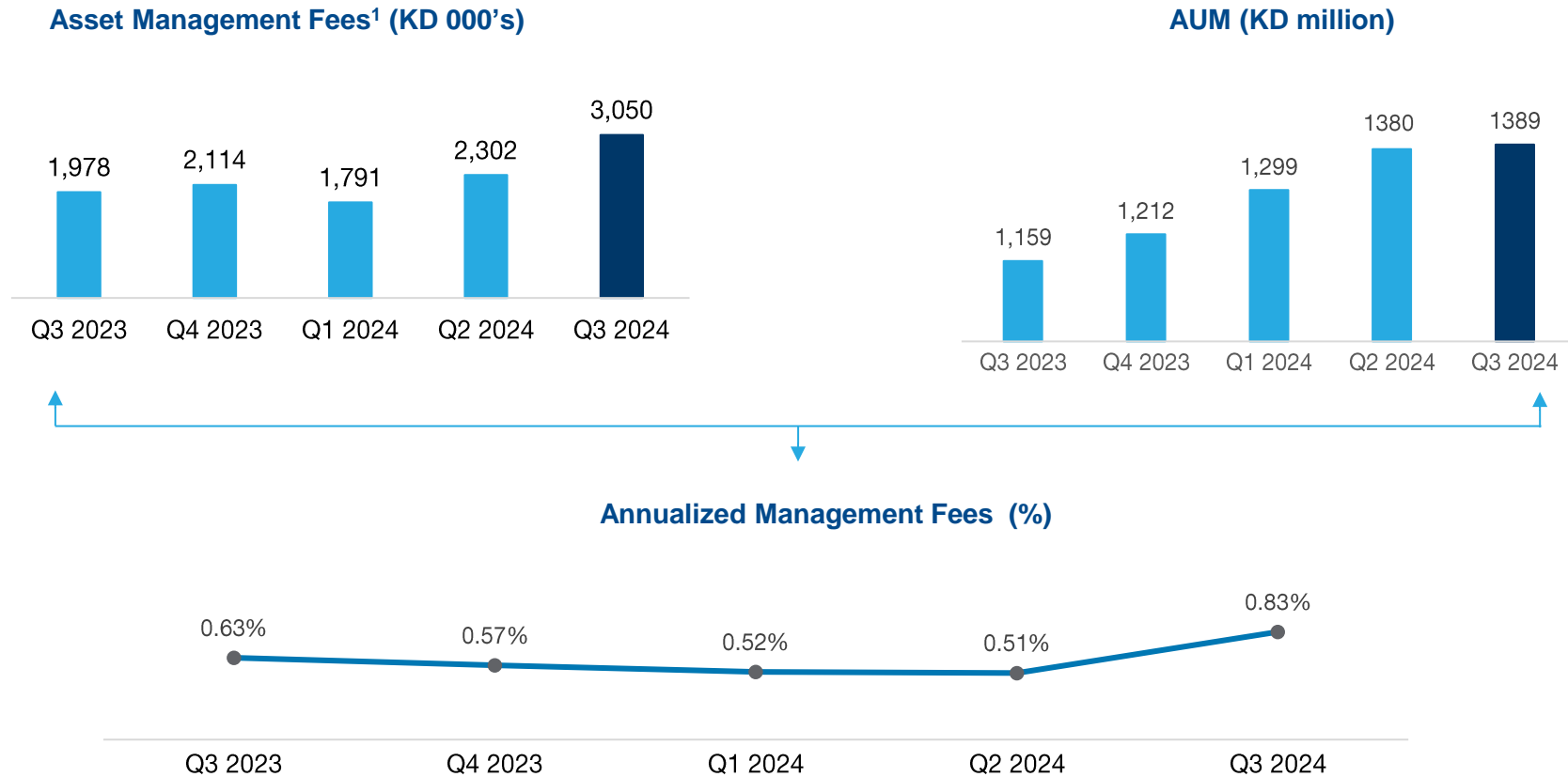


Investment Banking Fees (KD 000's)



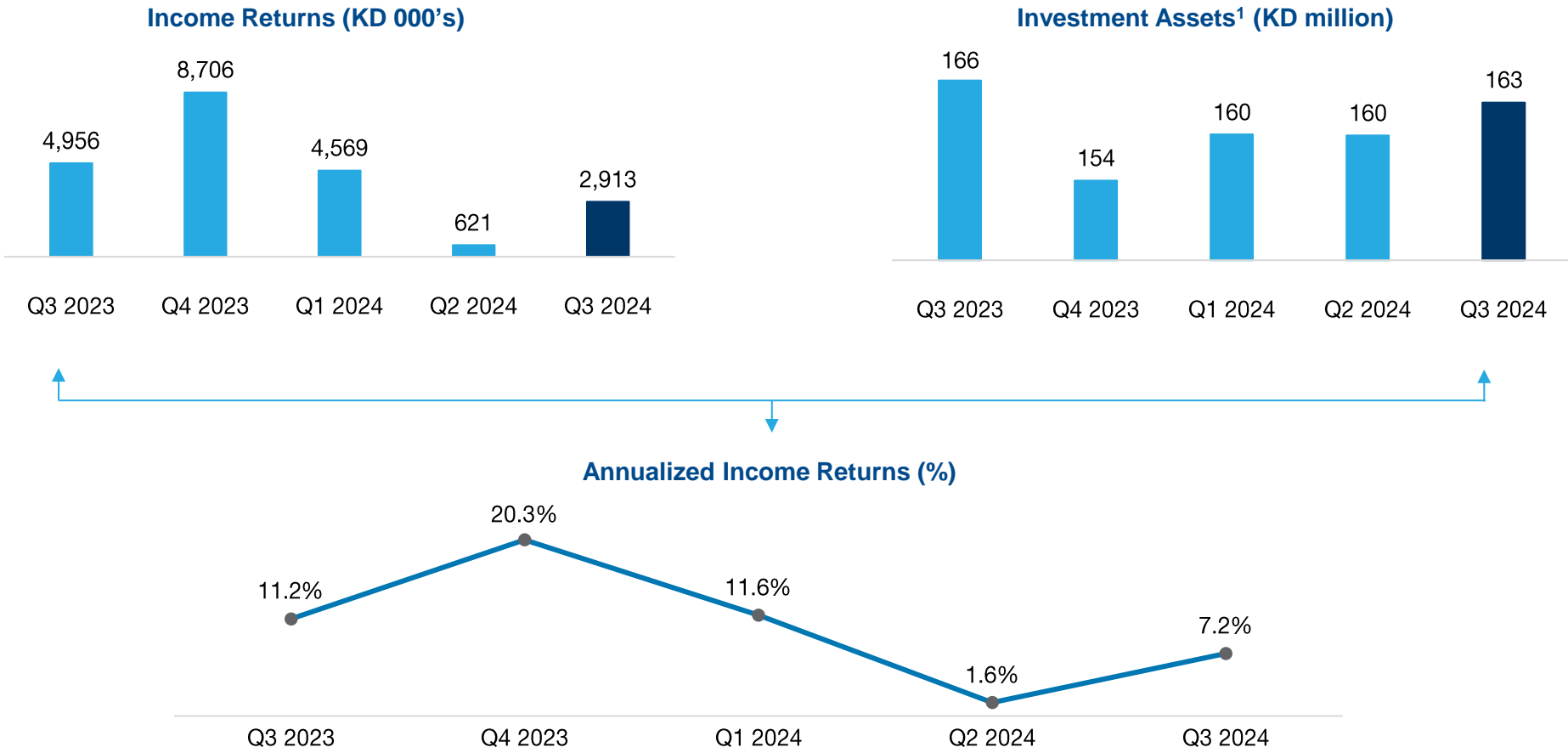
1. Asset Management includes GCC Equity & Fixed Income Funds, Real Estate, International Investments and Private Equity

Asset Management Fees Returns



1. Asset Management includes GCC Equity & Fixed Income Funds, Real Estate, International Investments and Private Equity

Return on Principal Investments



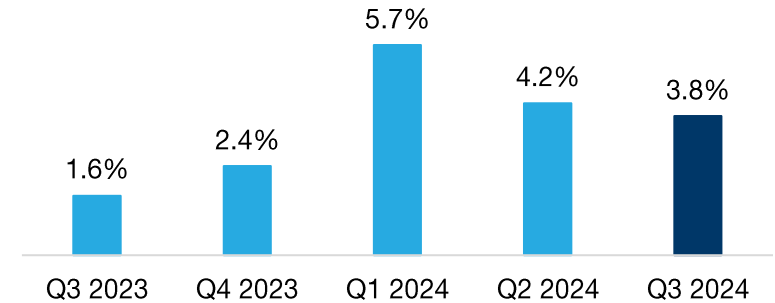
1. Investment Assets include Investments at Fair Value through P&L + Investment at Fair value through OCI+ Investments at amortised cost + Investment in associates and JV + Investment Properties + Loans to Customers

Capital Structure and Returns

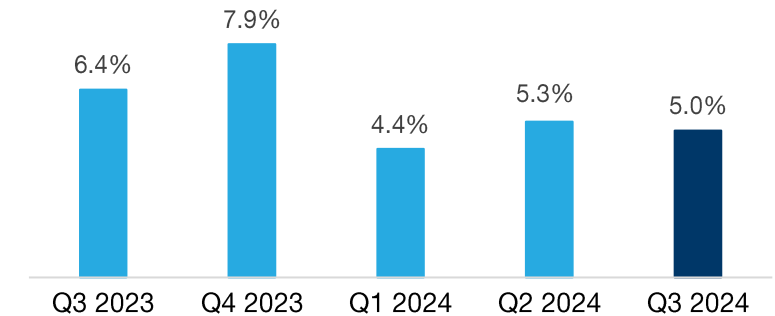
Markaz Net Debt to Total Equity increased to 0.42x

(KD 000's)	Sep 2024	Dec 2023	Sep 2023
Bank borrowings	18,920	9,413	25,195
Bonds Issued	35,000	35,000	35,000
Total Debt	53,920	44,413	60,195
Cash and Bank Balance	5,477	6,639	9,185
Time Deposits	540	272	1,667
Total Cash including Time Deposits	6,017	6,911	10,852
Net Debt	47,903	37,502	49,343
Shareholders Equity	105,558	106,065	102,524
Total Equity	112,840	112,834	113,486
Net Debt / Total Equity	0.42x	0.33x	0.43x

Return on Assets¹ (%)



Interest / Total Debt² (%)



1. Return on Assets (%) = LTM Net profit attributable to the owners of the parent company / Total Assets

2- Annualized finance cost to total debt

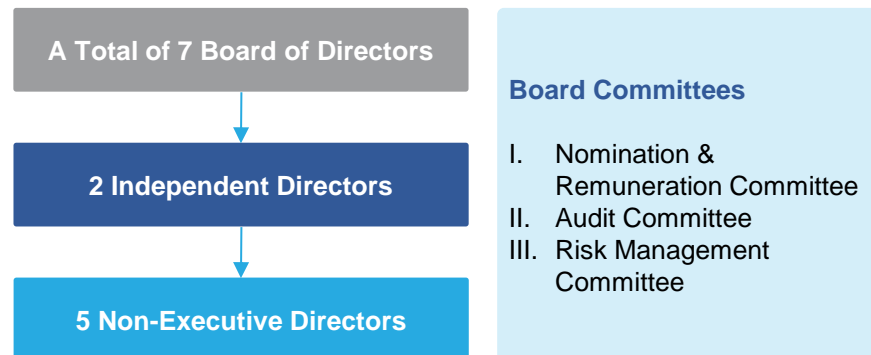
Shareholders Information

Focused on sustainable value creation for shareholders

Major Shareholders

Major Shareholders	Type	% Holding
Kuwait Pillars for Financial Investment	Direct	29.70%
Al Mubader Co	Direct	5.13%

Effective Governance Structure



Corporate Information

Market Segment Listing	Main Market – Bursa Kuwait (Sec Code: 213)
2023 Approved Dividends	Cash Dividend – 6 Fils Per Share
Bonds Issued	KD 35,000,000 unsecured debenture bonds
No. of shares outstanding	496,198,081 shares
Authorized share capital	KWD 60,000,000
Issued share capital	KWD 50,484,183.4
Auditors	Grant Thornton (Al-Qatami, Al-Aiban & Partners) and Deloitte (Al-Wazzan & Co.)
Company website	https://www.markaz.com/

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