



# Earnings Presentation

H1 2024

المركز  
MARKAZ

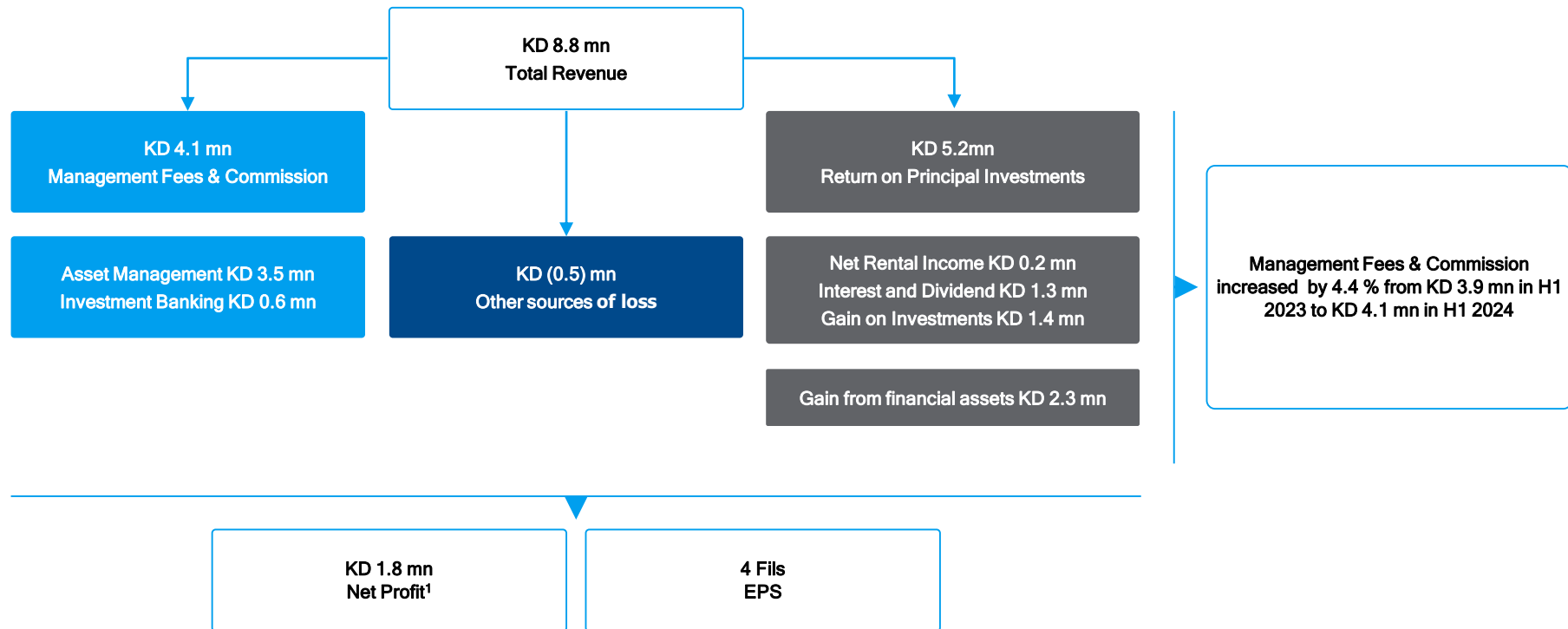
# Discussion Agenda

H1 2024 Performance Highlights .....	3-4
Markaz Overview .....	5-7
Business Highlights .....	8-9
Financials Trend .....	10-11
Profit & Loss Key Metrics .....	12
Balance Sheet Key Metrics .....	13
Asset Management & Investment Banking.....	14
Asset Management Fees Returns.....	15
Return on Principal Investments .....	16
Capital Structure and Returns .....	17
Shareholders Information .....	18
Disclaimer .....	19

# H1 2024 Performance Highlights

Markaz Assets Under Management of KD 1,380 million, an increase of 13.9% from December 2023

## Profit and Loss Highlights



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

# H1 2024 Performance Highlights

*Markaz's AUM at KD 1.380 billion in H1 2024*

*Total Revenues for H1 2024 of KD 8.8 million*

*The management fees and commission have amounted to KD 4.1 million for H1 2024*

**Kuwait, 07 August 2024** - Kuwait Financial Centre “Markaz” (KSE: Markaz, Reuters: MARKZ.KW, Bloomberg: MARKAZ: KK) reported its financial results for the quarter ended 30 June 2024 with Total Revenues of KD 8.76 million, as compared to KD 7.15 million in Q2 2023. Net Profit attributable to shareholders of Markaz was KD 1.79 million for Jan-June 2024, compared to Net loss of KD 1.31 million in the same period last year.

# 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><b>Best Momentum Fund Innovation The Innovators</b> By: Global Finance</p>	 <p><b>Best for Digital Solutions</b> By: Euromoney</p>	 <p><b>Excellence in Investment Advisory / Excellence in Real Estate Investment</b> By: MEED</p>	 <p><b>Best Investment Bank in Kuwait/Best Private Bank in Kuwait</b> By: Global Finance</p>
 <p><b>Best Private Bank In Kuwait</b> By: WealthBriefing</p>	 <p><b>Kuwait Wealth Manager of the Year</b> By: Global Investor</p>	 <p><b>Best Asset Manager / Best Investment Bank in Kuwait</b> By: EMEA Finance</p>	 <p><b>2023 Market Leader</b> By: Euromoney</p>



# Business Highlights

*Total AUM of KD 1,380 million, an increase of 13.9% from December 2023*



## Asset Management

GCC Equity Funds, Fixed Income Fund, Others:

### Total AUM of KD 1,009 million

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

### GCC Equities AUM of KD 800 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 3.5%, 3.8, 3.5%, 4.0% and 2.7% respectively

### Markaz Fixed Income AUM of KD 7.7 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 1.74%

**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 371 million

#### MENA Real Estate - AUM of KD 283 million

- Awarded to manage the National Real Estate 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 73 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

#### National Real Estate Portfolio - MREF - MGRF

#### International Real Estate - AUM of KD 88 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 H1 2024, the investment banking team conducted valuations for various projects, performed transaction due diligence, and facilitated both sell-side and buy-side mergers and acquisitions
- GCC Investment Banking activity exhibited a favorable trajectory throughout the year and maintained its positive momentum in 6M of 2024. GCC M&A market is observing a transformation in the governance of family-owned private enterprises, potentially involving valuation of different group companies, divestments and overall shift in strategy
- The Investment Banking team continues to closely work with our corporate clients and is building a strong deal pipeline for the coming quarters, whether by assisting clients in mergers and acquisitions, restructuring, valuations, or obtaining financing from the capital markets or preparing to go public



## Research

Mena focused Research, Consulting Services:

- Publishes MENA-focused research reports and provides bespoke consulting and customized research services for over a decade
- Operates through Marmore, the research arm of Markaz
- Established in 2010, with office in India
- Reports published during H1 2024 include '2024 Kuwait Banking: Interest Rates and NIM Trend Analysis', 'Global & GCC Capital Markets Review', 'Macro & Markets – Global & GCC', 'GCC Asset Management Industry Report', GCC Food & Beverages Industry Report'
- 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

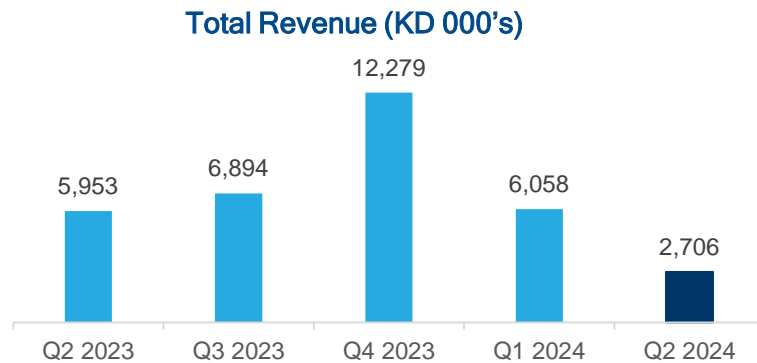
**Research Themes:** Industry, Economic, Infrastructure, Capital Market and Technology

**Consulting Focus:** Strategy Consulting, Business Plans and Market Entry Studies, Industry Market Assessment, White Label Reports, Company Valuation, C-Suite Support at CXO Level and Directors Intelligence Support

# Financials Trend

## H1 2024 Revenues growth on y-o-y basis

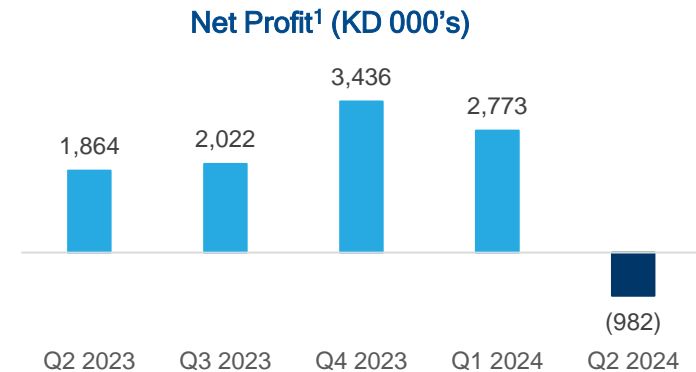
- Total Revenue has declined mainly due to the negative changes in fair value of investments at fair value through profit or loss, in addition to the loss from share of results from investments in associates and joint ventures
- Management Fees & Commissions increased by 9.4% on y-o-y basis
- Income from Principal Investments increased on y-o-y basis primarily due to positive changes in financial assets at FV through P&L of KD 5.2M as compared to 2.8M in H1 2023
- Net rental income declined by 92% to KD 0.01 M compared to K.D 0.81M in H1 2024 and that due to the sale of investment properties.



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

## H1 2024 Net Profit (KD 000's)

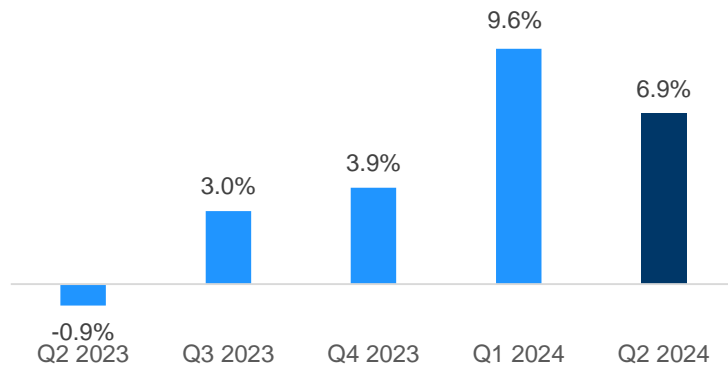
- H1 2024 profitability has been driven by the Interest Income, gain from changes in fair value of investment at Fair Value through P/L, in addition to income generated from other Sources.



# Financials Trend (Cont'd)

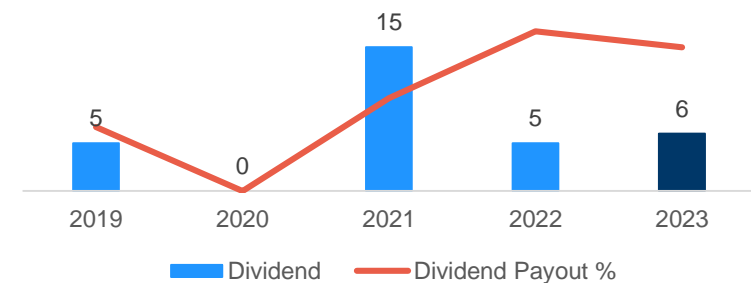
## Return on Equity<sup>1</sup>

- Return on Equity of 6.9% 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 of investment 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

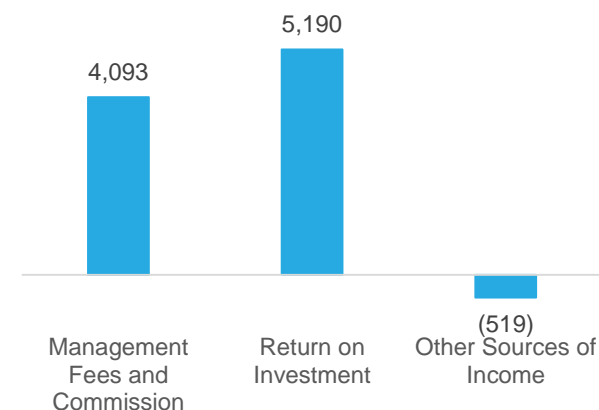


1. Return on Equity % = LTM Net Profit attributable to the owners of the parent company / shareholder's equity

# Profit & Loss Key Metrics

(KWD 000's)	Period Ended		Y-o-Y Growth (%)
	H1 2024	H1 2023	
Management Fees and Commission	4,093	3,921	4%
Interest income	618	446	39%
Dividend income	673	495	36%
Gain/(loss) from financial assets at fair value through P/L	2,254	(1,594)	(241%)
Loss from financial liabilities at fair value through P/L	-	(8)	N/A
Share of results of associate and joint venture	1,051	(116)	N/A
Deemed gain on derecognition of fund subsidiary	-	1,057	N/A
Gain on partial redemption of investment in associate	8	-	N/A
Gain on sale of investment properties	414	863	(52%)
Net rental income	172	1,675	(90%)
Other sources of (loss)/income	(519)	406	(228%)
<b>Total revenue</b>	<b>8,764</b>	<b>7,145</b>	<b>23%</b>
<b>Operational expenses</b>	<b>5,697</b>	<b>5,838</b>	<b>(2%)</b>
<b>EBIT</b>	<b>3,067</b>	<b>1,307</b>	<b>135%</b>
Margin (%)	35%	18%	91%
Finance costs	1,196	1,840	(35%)
Impairment of investment	-	106	(100%)
Contribution to KFAS, NLST, Zakat	86	-	N/A
<b>Net profit/(loss) for the period</b>	<b>1,785</b>	<b>(639)</b>	<b>(379%)</b>
Margin (%)	20%	(9)%	
<b>Profit attributable to the owners of the parent company</b>	<b>1,791</b>	<b>(1,311)</b>	<b>(237%)</b>
<b>Profit attributable to non-controlling interests</b>	<b>(6)</b>	<b>672</b>	<b>(101%)</b>
<b>Earnings/(loss) per share (Fils)</b>	<b>4</b>	<b>(3)</b>	<b>(237%)</b>

## H1 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

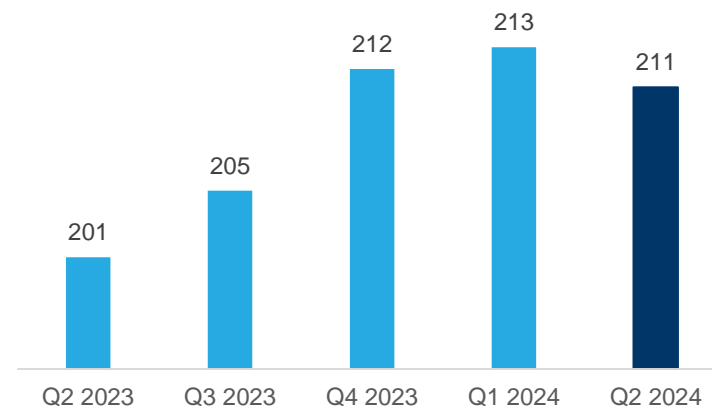
	June 2024	Dec 2023	June 2023
<b>ASSETS</b>			
Cash and bank balances	6,826	6,639	8,709
Time deposits	752	272	1,258
Accounts receivable and other assets	4,995	6,020	5,322
Loans to customers	2,532	2,565	2,642
Investments at fair value through profit or loss	86,959	83,398	102,135
Investments carried at amortized cost	3,686	4,302	4,042
Investment in associates and joint ventures	35,043	33,679	17,502
Assets held for sale	-	-	27,525
Investment properties	30,644	30,086	25,555
Right of use assets	2,170	2,432	2,625
Equipment	931	889	502
<b>Total Assets</b>	<b>174,538</b>	<b>170,282</b>	<b>197,817</b>
<b>LIABILITIES and EQUITY</b>			
<b>Liabilities</b>			
Accounts payable and other liabilities	10,930	13,035	13,485
Bank borrowings	16,800	9,413	33,156
Bonds issued	35,000	35,000	35,000
<b>Total Liabilities</b>	<b>62,730</b>	<b>57,448</b>	<b>81,641</b>
<b>EQUITY</b>			
Equity attributable to the owners of the Parent Company	104,598	106,065	100,608
Non-controlling interests	7,210	6,769	15,568
<b>Total Equity</b>	<b>111,808</b>	<b>112,834</b>	<b>116,176</b>
<b>Total Liabilities and Equity</b>	<b>174,538</b>	<b>170,282</b>	<b>197,817</b>

## Asset Under Management

H1 2024 AUM  
KD 1,380 million

H1 2023 AUM  
KD 1,173 million

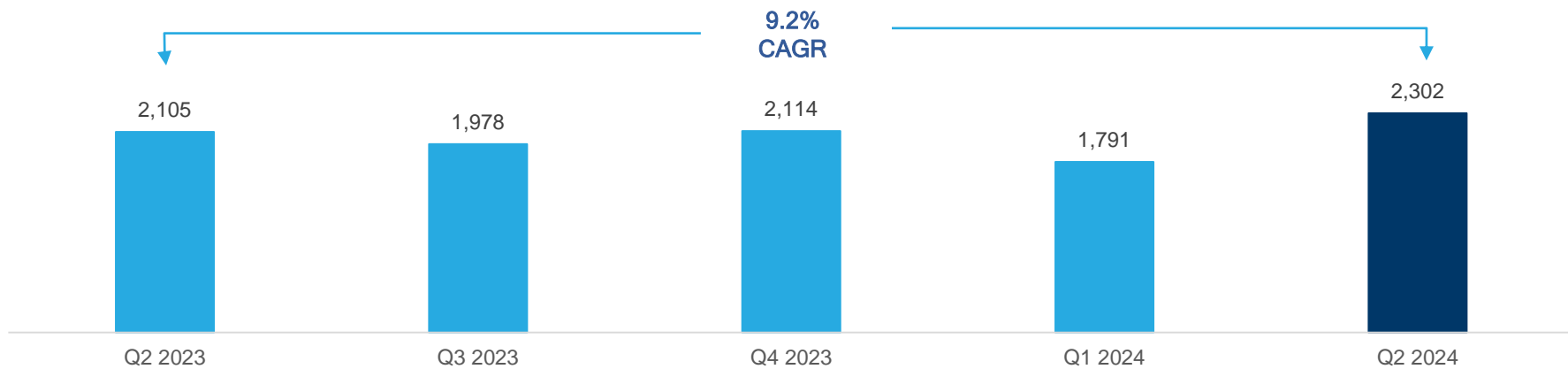
## Book Value per Share (Fils)



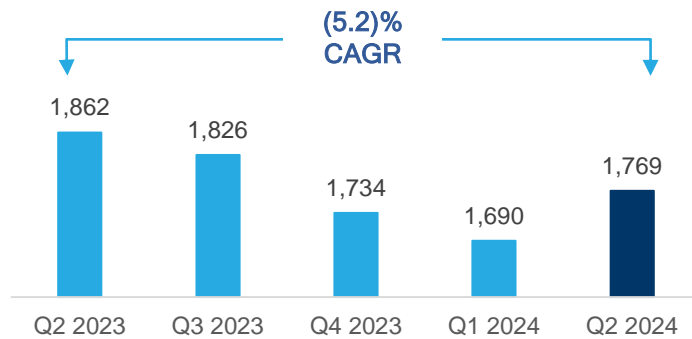
- Book value declined change in the outstanding shares

# Asset Management & Investment Banking

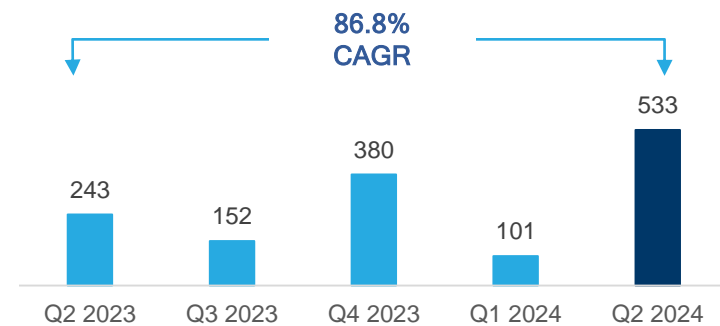
Management Fees & Commission (KD 000's)



Asset Management Fees<sup>1</sup> (KD 000's)

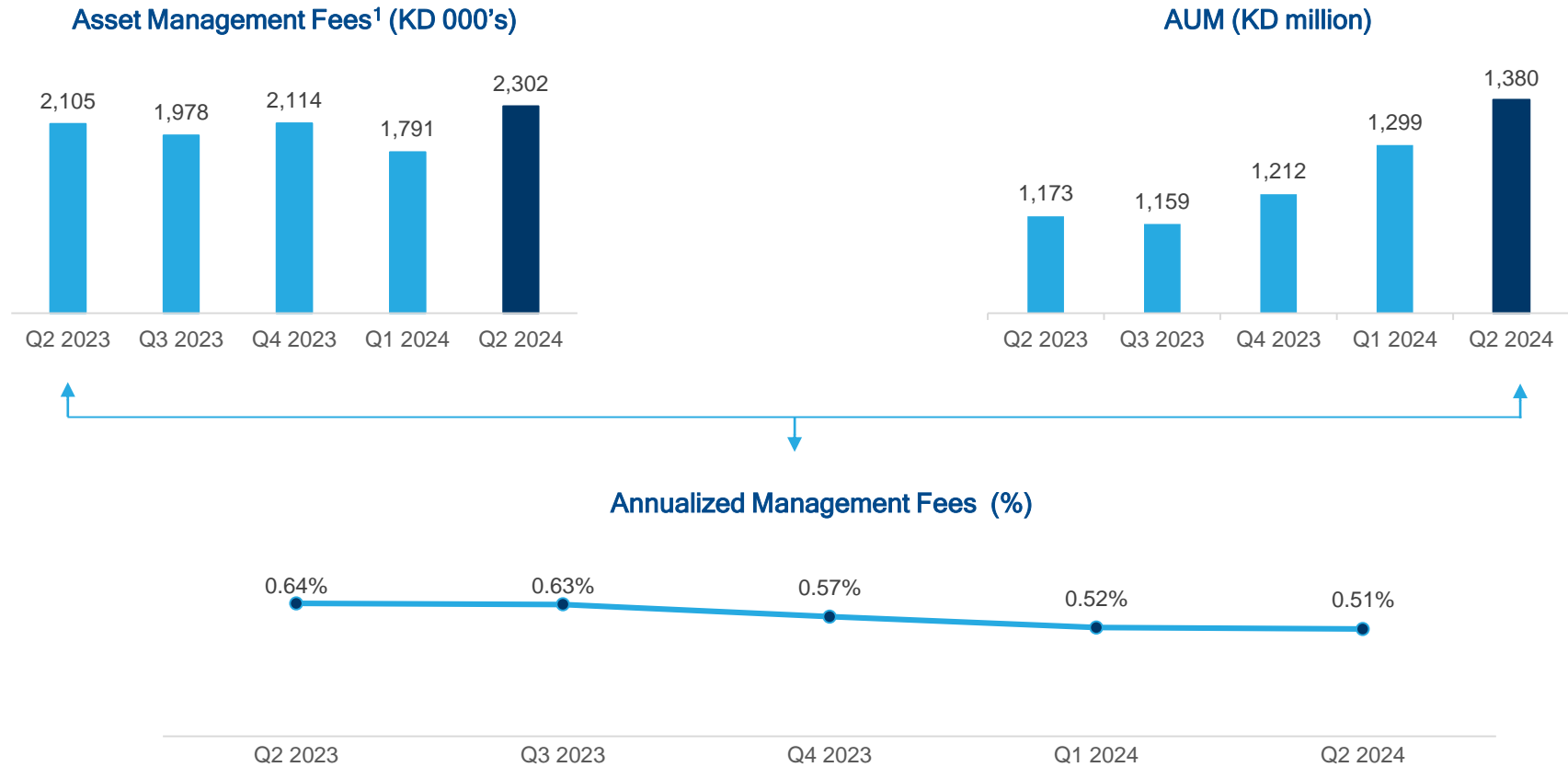


Investment Banking Fees (KD 000's)



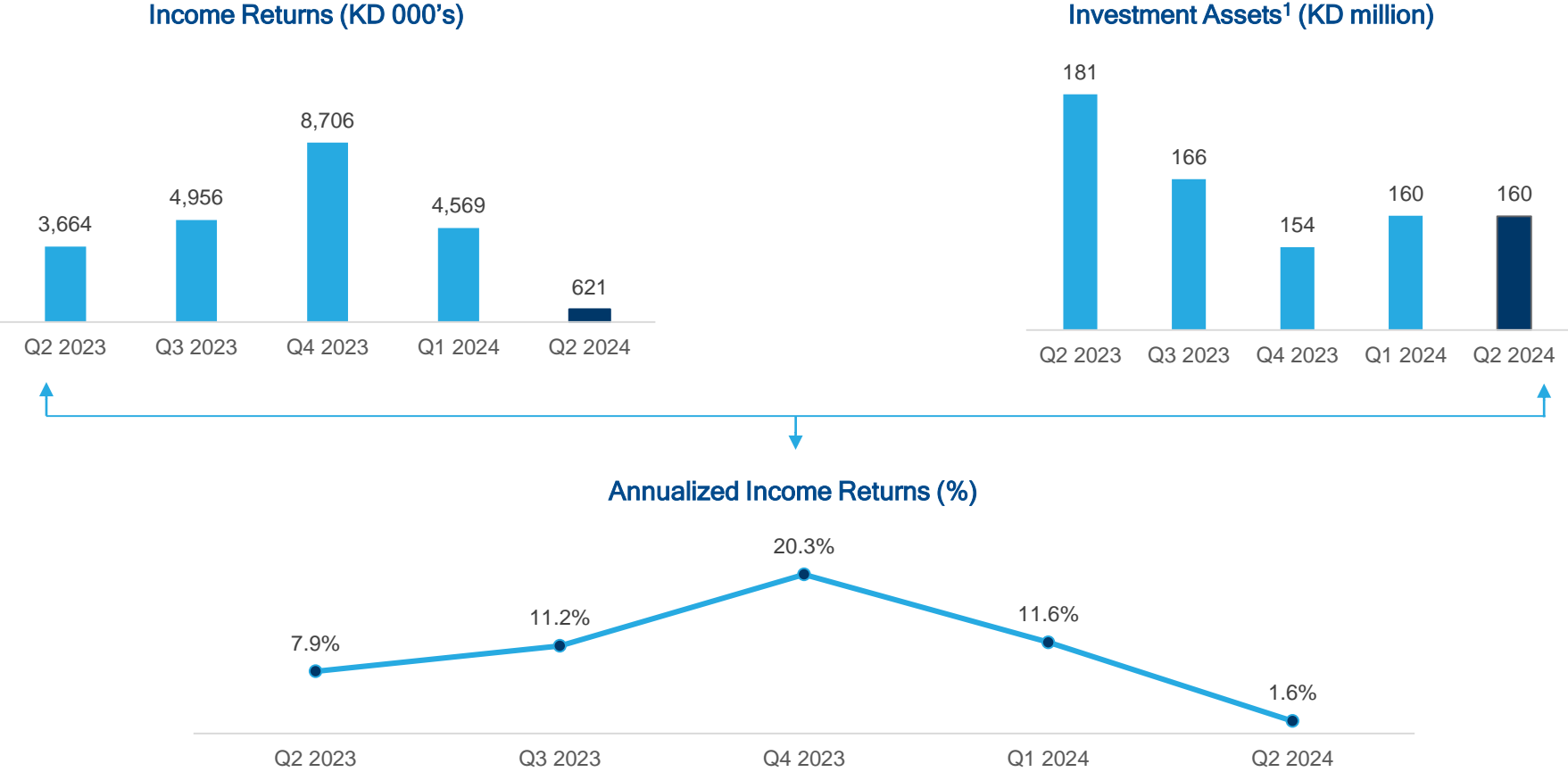
1. Asset Management includes GCC Equity & Fixed Income Funds, Real Estate, International Investments and Private Equity

# 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

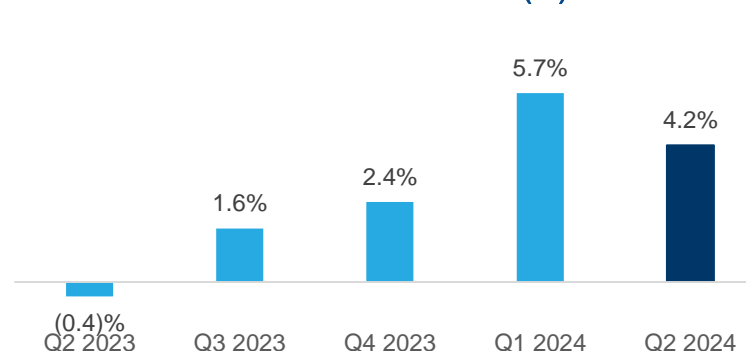


# Capital Structure and Returns

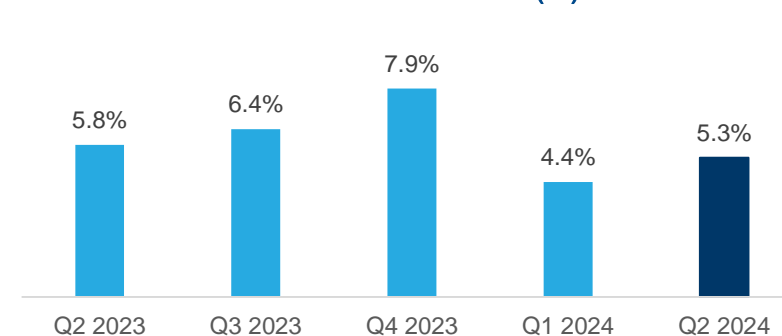
Markaz Net Debt to Total Equity increased to 0.4x

(KD 000's)	June 2024	Dec 2023	June 2023
Bank borrowings	16,800	9,413	33,156
Bonds Issued	35,000	35,000	35,000
Total Debt	51,800	44,413	68,156
Cash and Bank Balance	6,826	6,639	8,709
Time Deposits	752	272	1,258
Total Cash including Time Deposits	7,578	6,911	9,967
<b>Net Debt</b>	<b>44,222</b>	<b>37,502</b>	<b>58,189</b>
<b>Shareholders Equity</b>	<b>104,598</b>	<b>106,065</b>	<b>100,608</b>
<b>Total Equity</b>	<b>111,808</b>	<b>112,834</b>	<b>116,176</b>
<b>Net Debt / Total Equity</b>	<b>0.40x</b>	<b>0.33x</b>	<b>0.50x</b>

Return on Assets<sup>1</sup> (%)



Interest / Total Debt<sup>2</sup> (%)



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	496,663,350 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	<a href="https://www.markaz.com/">https://www.markaz.com/</a>

# Disclaimer

This document has been prepared by Churchgate Partners for Kuwait Financial Centre K.P.S.C. (“Markaz”) investors, solely for informational purposes. This presentation may contain statements that are not historical facts, referred to as “forward looking statements” .The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. While the information presented in this document has been researched and thought to be reasonable, in general, the actual future results may differ materially from those suggested in the forward looking statements.

No representations are made as to the accuracy of such statements, estimates or projections. Prospective investors will be expected to have conducted their own due diligence investigation or consult with a Professional Advisor regarding these and all other matters pertinent to investment in the Company. By reading and reviewing the information contained in this document, the investor acknowledges and agrees that Markaz and/or its affiliates do not assume and hereby disclaim any liability to any party for any loss or damage caused by the use of the information contained herein or errors or omissions in the information contained in this document to make any investment decision in the venture referred to herein, whether such errors or omissions result from negligence, accident or any other cause. In no event shall Markaz and/or its affiliates be liable to any party for direct, indirect, special, incidental, or consequential damages of any kind whatsoever arising out of the use of the information contained herein. Markaz and/or its affiliates specifically disclaim any guarantees, including, but not limited to, stated or implied potential profits or rates of return or investment timelines.

This document (the “Presentation”) is the lawful property of Kuwait Financial Centre K.P.S.C (“Markaz”), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. This document and its contents are confidential and may not be distributed, reproduced or copied in whole or in part, nor may any of its contents be disclosed without the prior written and express permission of Markaz.

## Investor Relations Contact



**Deena Yousef Al-Refai**

EVP - Investor Relations, Wealth Management and Business Development

+965 2224 8000 (Ext. 2503)

[drefai@markaz.com](mailto:drefai@markaz.com)



**Rajiv Pandya**

Churchgate Partners

+971 4313 2432

[markaz@churchgatepartners.com](mailto:markaz@churchgatepartners.com)



# Thank you.



+965 2224 8000 | [info@markaz.com](mailto:info@markaz.com)

[markaz.com](http://markaz.com)