

شركة الاستثمارات الوطنية	
صادرات خارجي	
	
06/04/2022	تاريخ المراسلة
NIC - 3-25/104/7942	رقم المراسلة



شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY

Date: 06 APR 2022

التاريخ: 06 APR 2022

To: Boursa Kuwait Company  
Dear Sirs,

السادة/ شركة بورصة الكويت  
المحترمين  
تحية طيبة وبعد،،،

**Subject: Analysts/ Investors Conference  
For the Year ended 31 December 2021**

**الموضوع: مؤتمر المحللين/ المستثمرين  
للسنة المالية المنتهية في 31 ديسمبر 2021**

With reference to the above subject, and in line with requirements stipulated in article No. (7-8) of Bursa Rulebook, enclosed herewith the disclosure form of material information regarding the holding of Analysts Conference for the year ended 31 December 2021, held on 06/04/2022.

بالإشارة إلى الموضوع أعلاه، والتزاماً بالمتطلبات الواردة بالمادة رقم (7-8) من كتاب قواعد البورصة، نرفق لكم نموذج الإفصاح عن المعلومات الجوهرية بشأن عقد مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2021، المنعقد بتاريخ 2022/04/06.

Sincerely Yours,

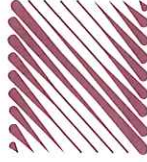
وتفضلوا بقبول فائق الاحترام،،،

**Fahad Abdulrahman Al Mukhaizim - فهد عبدالرحمن المخيزيم**  
**Chief Executive Officer – الرئيس التنفيذي**



CC: Capital Market Authority

نسخة إلى: السادة هيئة أسواق المال



## نموذج الإفصاح عن المعلومات الجوهرية

### Disclosure of Material Information Form

Date	06 APR 2022	التاريخ
------	-------------	---------

Name of the Listed Company	اسم الشركة المدرجة
National Investments Company (K.P.S.C)	شركة الاستثمارات الوطنية (ش.م.ك.ع)

Material Information	المعلومة الجوهرية
National Investments Company (NIC) has held the Analysts/ Investors Conference for the financial year ended 31 December 2021, where it was held via (Live Webcast) at 2:00 PM (local time) on Wednesday 06/04/2022, there was no material information discussed during the conference.	قامت شركة الاستثمارات الوطنية بعقد مؤتمر المحللين/المستثمرين للسنة المالية المنتهية في 31 ديسمبر 2021، حيث انعقد المؤتمر عن طريق البث المباشر على شبكة الانترنت (Live Webcast) في تمام الساعة الثانية من ظهر يوم الأربعاء الموافق 2022/04/06 (وفق التوقيت المحلي)، ولم يتم الإفصاح عن أي معلومات جوهرية خلال المؤتمر.
Attached is the Analysts Conference Presentation.	مرفق نسخة من العرض التقديمي لمؤتمر المحللين.

Significant Effect of the material information on the financial position of the company	أثر المعلومة الجوهرية على المركز المالي للشركة
No significant Effect of the material information on the financial position of the company.	لا يوجد أثر للمعلومات الجوهرية على المركز المالي للشركة.



شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY



شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

أداء . التزام . ثقة  
Performance . Commitment . Trust  
Since 1987

# National Investments Company Analyst Conference YE 2021

# Disclaimer

- ❖ This presentation has been prepared and issued by National Investments Company (“NIC”), a Public Kuwaiti Shareholding Company based on internally developed data and analysis.
- ❖ The information provided in this presentation and the subsequent discussions does not represent an offer to buy or sell securities.
- ❖ This presentation does not contain all the information that is considered as material information for the investor and it is provided as information only.
- ❖ This presentation does not disclose all the risks and other related issues to an investment in any securities. NIC may not be held liable for any decision made in reliance of this presentation.
- ❖ The information contained in this document may be subject to amendments, supplements, revision without prior notice. However, neither the shareholders of the company nor NIC, undertake any obligation to update, expand, revise or amend any information or to correct any inaccuracies contained in this document or to provide the recipients with additional information.
- ❖ It is not allowed to reproduce (fully or partially) distribute or transmit to other parties without NIC’s prior written consent.
- ❖ Past performance presented is not indicative of future results and any forward-looking statements in this document are results of the exercise of subjective assessment and assumptions. There is no guarantee that such statements would be materialized or even occur and NIC has no liability whatsoever as a result of such forward-looking statements therefore, recipients should not rely on such forward-looking statements.



## Presented By



Mr. Almuthana M. Al Maktoum  
Executive Vice President  
Wealth Management Sector



Mr. Girish S. Nair  
Chief Financial Officer  
Finance & Accounts Sector



Mr. Bashar Khan  
Senior Vice President  
Investment Banking Sector

# Agenda

Content	Page
FINANCIAL HIGHLIGHTS	5
OUR STRATEGY FOR THE FUTURE	13
Q&A	17
APPENDIX	18

# FINANCIAL HIGHLIGHTS

شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

## YE 2021 Key Financial Highlights

- ❖ Strong recovery during 2021.
- ❖ Net profit of KWD 24.4 million during 2021 as compared to a net loss of KWD 2.7 million during 2020.

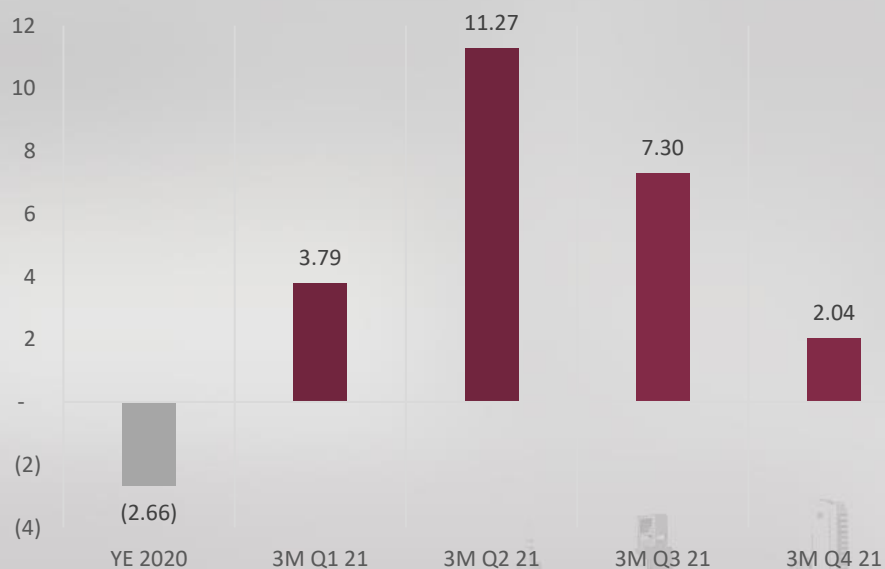
Key Financial Metrics		
	YE 2020	YE 2021
<b>Income statement</b>		
Net profit (loss) - million	-KWD 2.7	KWD 24.4
Earnings (loss) per share	-3 fils	31 fils
Total comprehensive (loss)/income - million	KWD 1.1	KWD 50.0
<b>Financial position</b>		
Total assets - million	KWD 221.4	KWD 290.6
Total liabilities - million	KWD 30.0	KWD 55.0
Shareholders equity - million	KWD 175.0	KWD 216.8
<b>Key Ratio</b>		
Return on average equity (%)	-1.5%	12.5%
Return on average assets (%)	-1.0%	10.7%
Leverage ratio (%)	15.7%	23.3%
Quick ratio (%)	40.3%	68.7%



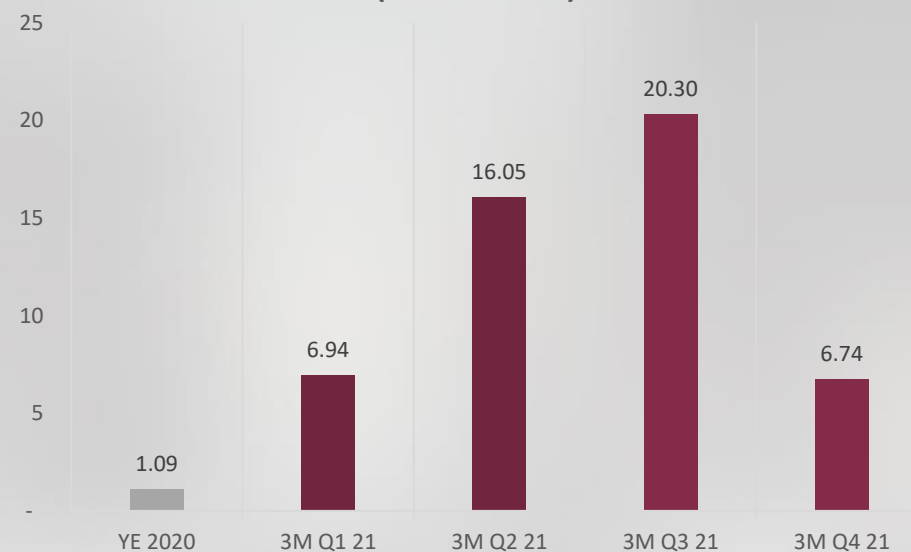
# YE 2021 Financial Performance

❖ Trajectory of NIC's quarterly performance since Dec 2020.

**Net Profit (Loss)**  
(KWD Million)

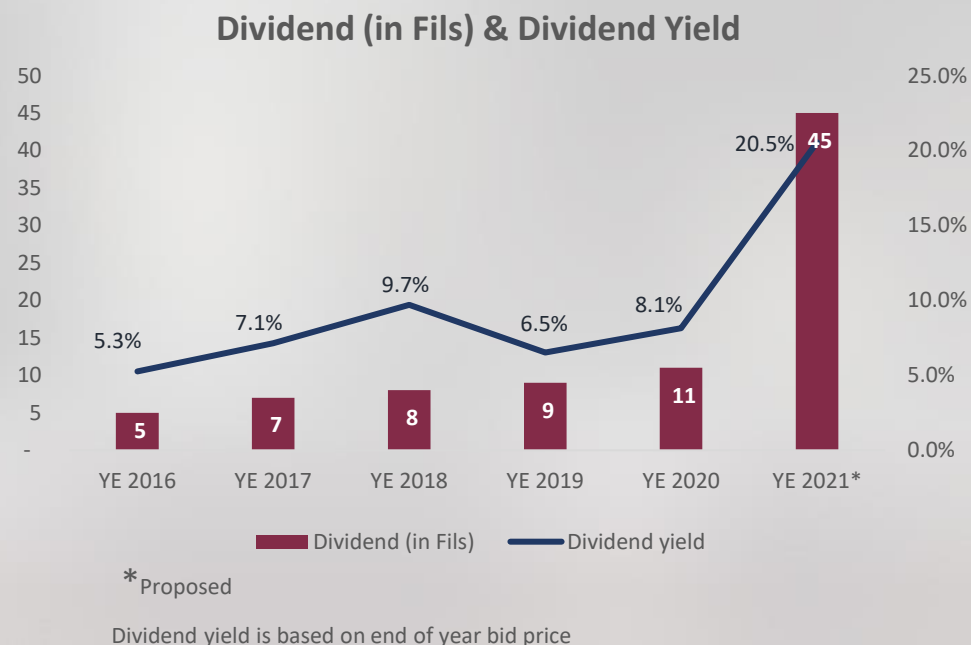
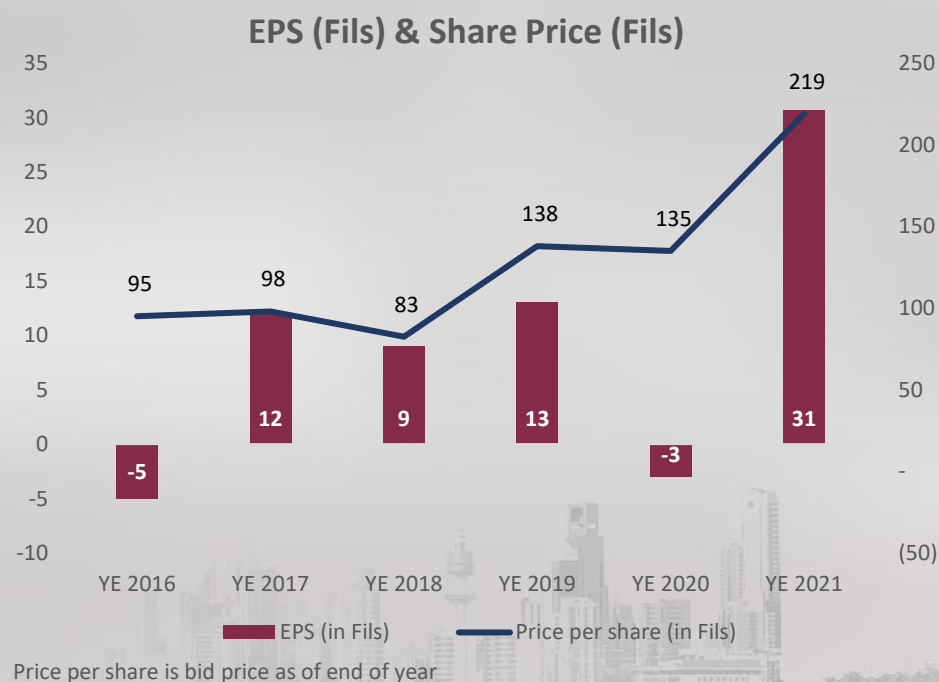


**Total Comprehensive Income (Loss)**  
(KWD Million)



# YE 2021 Earnings and Dividend

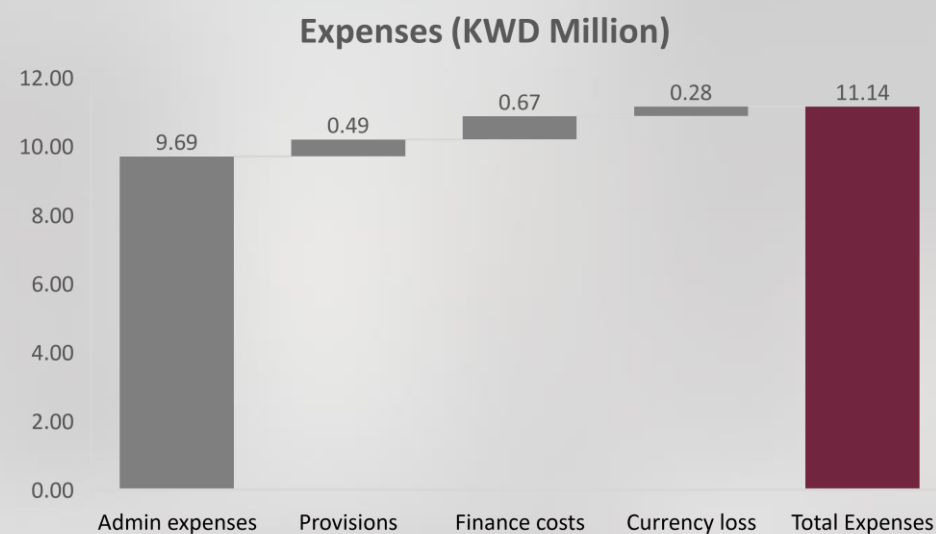
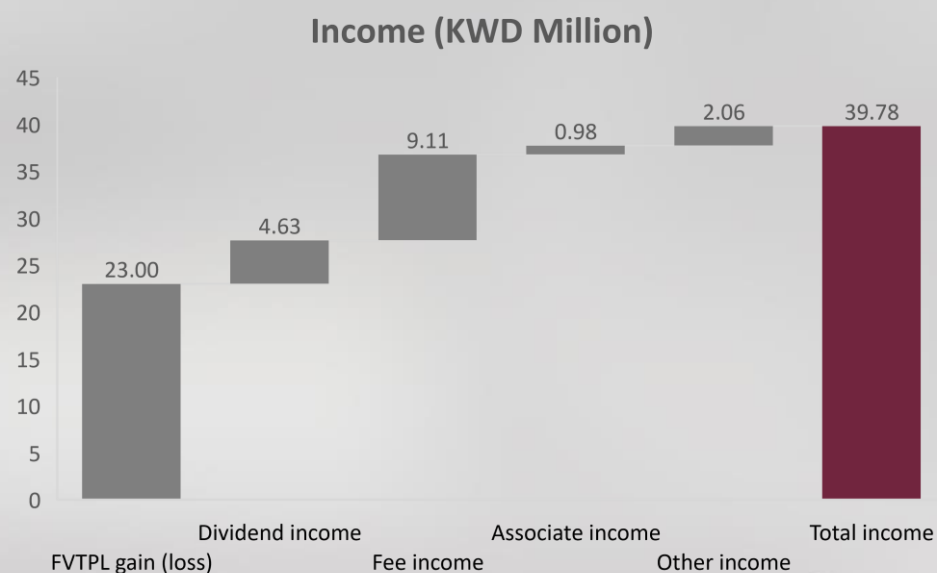
- ❖ Earnings Per Share of 31 fils per share. Board is recommending a cash dividend of 45 fils per share.
- ❖ Strong and consistent history of dividend payouts for past years, ranging from 5 fils per share for 2016 to 45 fils per share proposed for 2021.
- ❖ Dividend yield from 5.3% in 2016 to 20.5% in 2021.
- ❖ NIC's dividend yield has exceeded the yield of Boursa Kuwait and of the financial services sector.



# YE 2021 Income Drivers and Expenses

**Income of KWD 39.8 Million and Expenses of KWD 11.1 Million.**

- ❖ Gain on financial assets at fair value through profit or loss (FVTPL), dividend income and fee income contributed 58%, 12% and 23% respectively to the total income.
- ❖ Total expenses of KWD 11.1 million for 2021 are in line with 2020 total expenses.

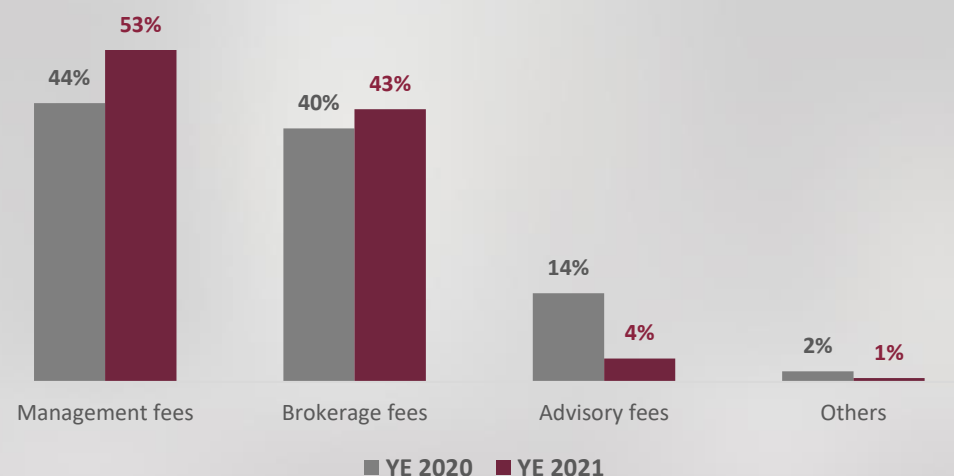


# YE 2021 Fee Income Analysis

- ❖ 47.5% increase in total fee income.
- ❖ Growth across main categories:
  - Brokerage revenue from Al Waseet Financial Business K.S.C.C.
  - Management fees (from funds and portfolios) rose by 75.7%.

Breakdown of fee income	YE 2020 KWD'000	YE 2021 KWD'000
Management fees	2,727	4,790
Brokerage fees	2,479	3,933
Advisory fees	866	336
Others	105	55
<b>Total fee income</b>	<b>6,177</b>	<b>9,114</b>

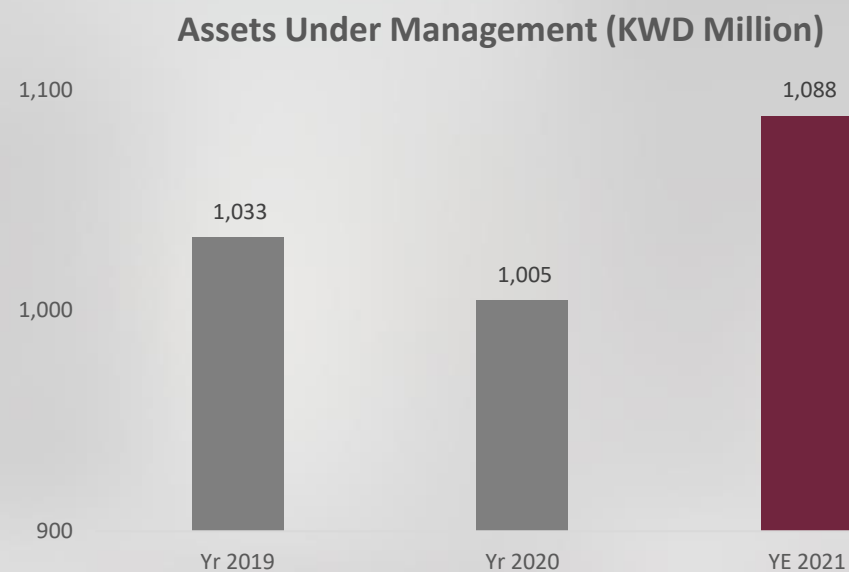
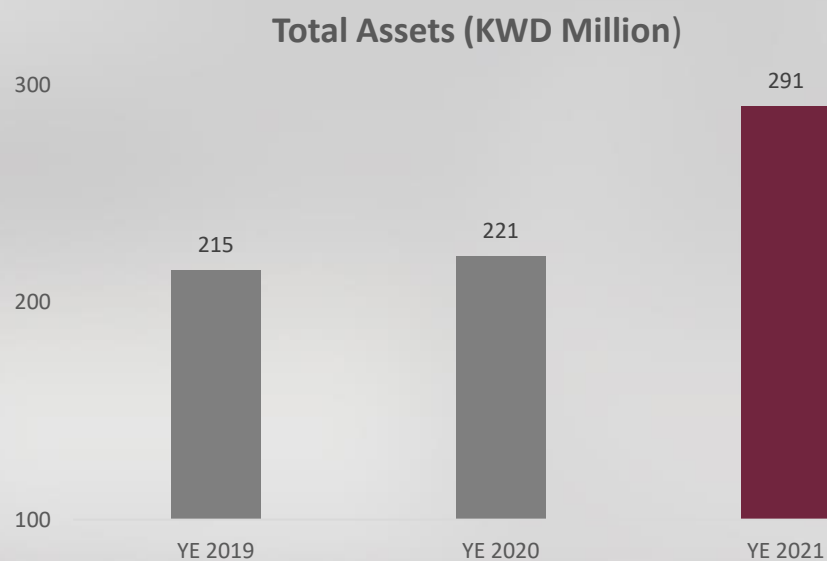
% Contribution to Total Fee Income





## YE 2021 Profile of Assets

- ❖ Total assets witnessed a YTD growth of 31.2% during 2021 mainly on account of increased valuation of FVTPL and financial assets at fair value through other comprehensive income (FVOCI).
- ❖ Assets Under Management grew by 8.3% during 2021.



# Sectors

MENA Securities	Investment Banking		Real Estate
	Advisory	Alternatives	
<ul style="list-style-type: none"> <li>❖ Capitalized on investment opportunities, by tactically shifting our funds and client portfolios towards attractive sectors/companies. This contributed to a positive return in FY2021 across our investment funds, investment portfolios and proprietary portfolio.</li> <li>❖ Developing and updating a detailed plan to utilize any new investment instruments authorized by Boursa Kuwait in the most efficient manner.</li> <li>❖ Providing a market maker service to major plays in Boursa Kuwait such as Gulf Cable and Electrical Industries, Boursa Kuwait and Asiya Investment Company. Aiming to expand our services further.</li> <li>❖ We continue to enhance our comprehensive databases and in-house analytical fully fledged systems to provide investment insights and timely investment recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Completed a financing mandate for a leading fitness and lifestyle business.</li> <li>❖ Assisted a health-tech VC client in obtaining seed financing.</li> <li>❖ Completed Listing of Al Safat Investment Company.</li> <li>❖ Currently in the process of executing several mandates:               <ul style="list-style-type: none"> <li>• Buy-side transactions for: (i) a leading logistics company; (ii) one of Kuwait's largest multi-sector businesses; and (iii) a tech-enabled healthcare products distributor.</li> <li>• Sell-side transaction for a civil and mechanical engineering company based in Kuwait.</li> <li>• Debt financing transactions:                   <ul style="list-style-type: none"> <li>○ Obtain acquisition financing for new transactions.</li> <li>○ Obtain project financing.</li> <li>○ Bank debt restructuring.</li> </ul> </li> </ul> </li> <li>❖ Working on two flagship pre-IPO mandates (expected completion in 2022).</li> </ul>	<ul style="list-style-type: none"> <li>❖ Successfully executed three mezzanine investments during the year including a student housing development in the United States and two logistics projects in Europe.</li> <li>❖ Invested in (or committed to) several direct venture capital opportunities, including:               <ul style="list-style-type: none"> <li>• A leading international fin-tech firm;</li> <li>• A pioneer in food-tech;</li> <li>• A regional e-commerce platform;</li> <li>• Kuwait based company specializing in last mile delivery; and</li> <li>• An international direct to consumer premium apparel company.</li> </ul> </li> <li>❖ Exploring new mezzanine investments and direct investment opportunities.</li> <li>❖ Exited a legacy investment and evaluating other exits.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Continue to increase the collection rates and revenues of our portfolio.</li> <li>❖ Updated policies and procedures for real estate operations.</li> <li>❖ Managed to achieve full occupancy rates in Al Watania Resort and other company properties through a strong marketing campaign.</li> <li>❖ In the final stages of signing a contract to install an automated real estate system.</li> <li>❖ Achieved rental collection rates of 96% in 2021 (compared to 72.7% in 2020); this was supported by the recovery of most corporates as pandemic-related measures were lifted.</li> <li>❖ Maintained occupancy rates of 88% for 2021 (compared to 86.2% in 2020), despite the pandemic conditions.</li> </ul>








# OUR STRATEGY FOR THE FUTURE

# Key Elements of our Growth Strategy

Key Element	
<b>Build AUM</b>	<ul style="list-style-type: none"> <li>❖ <b>Drive product development:</b> The objective is to add AUM going forward. Key product areas include Venture Capital (VC) and International Real Estate products.</li> <li>❖ <b>Build strong placement team:</b> Add highly capable private bankers to support Asset Management and Investment Banking (IB) activities.</li> <li>❖ <b>Offer unique co-investment opportunities</b> to our clients by leveraging our own balance sheet and sourcing networks, ex: Boursa Kuwait, Kuwait Foundry, etc.</li> </ul>
<b>Enable Technologies and Efficiencies</b>	<ul style="list-style-type: none"> <li>❖ <b>Digital Resilience:</b> NIC continued to invest and work diligently to embrace digital business technology to fast forward productivity, drive efficiency and agility to secure sustainable business growth. In line with our digital first commitment, we have successfully launched new client digital channels such as Online Trading, Client Portfolios/Funds Portal and WhatsApp 1 821 112 CRM messaging.</li> <li>❖ <b>Business Continuity:</b> The accelerated adoption of cutting edge digital technologies granted NIC a competitive advantage in future crises management.</li> <li>❖ <b>Drive other operating efficiencies in other areas,</b> including outsourcing processes and working with co-advisors to leverage their capabilities and know-how, while continuously review and optimize operating expenses on year to year basis.</li> </ul>
<b>Enhance Governance</b>	<ul style="list-style-type: none"> <li>❖ <b>Strengthened governance and transparency post upgrade to Premier Market.</b></li> <li>❖ <b>Risk management framework:</b> Updated our risk management framework incorporating quantitative and qualitative measures in line with global best practices.</li> </ul>
<b>Mid-market IB Leadership</b>	<ul style="list-style-type: none"> <li>❖ <b>Build capabilities:</b> We continue to build strong capabilities, expertise and track-record by engaging in a large number of small mandates in order to create repeat business with our client base.</li> <li>❖ <b>Grow IB team</b> and develop functional leaders for ECM, DCM and VC.</li> </ul>



## Case Studies: Co-investments

Case Study	Boursa Kuwait	Kuwait Foundry	VINCO	FedEx Italy	Kitzingen Germany
					
Investment Thesis	Acquisition of a strategically important asset with sustainable long-term cash flows based on market leadership position and improving long-term growth prospects.	Acquisition of a mispriced asset with intrinsic / liquidation value considerably greater than the prevailing market value (with a clear path to realization).	Acquisition of a property tenanted by Tesco supermarket in Manchester, UK, targeting to deliver a cash-on-cash yield of 9%-10% per year. The property was sold in 2021 generating an IRR of 16%.	Mezzanine investment in a built-to-suit warehouse development project in Italy, leased to FedEx. The investment targets an annual cash yield of 8% over an 18 month term.	Bridge Investment in an IndustriePark Logistics Hub in Kitzingen, Germany. The investment was exited in November 2021 generating an IRR of 12.3%.
Initial Investment Date	February 2019	January 2019	March 2019	May 2021	July 2021
Stake Acquired	14.4%	21.3%	11.4%	12.7%	43.3%
Acquisition Value	KWD 6.5 million (237 fils / share)	KWD 8.0 million (251 fils / share)	£ 2.3 million	\$ 2.3 million	\$ 5.5 million
Value Realized To Date	KWD 1.9 million	KWD 5.5 million	£ 3.4 million	\$ 0.1 million	\$ 5.8 million
Market Value (31-Dec-2021)	KWD 58.4 million*	KWD 5.6 million**	Exited	\$ 2.3 million*	Exited
Return on Investment (x)	9.24x	1.38x	1.46x	1.03x	1.04x

\*Actual carrying value differs from market values based on accounting treatment.

\*\* There is considerable upside based on monetization of existing leasehold assets.

# Case Studies: Advisory Assignments

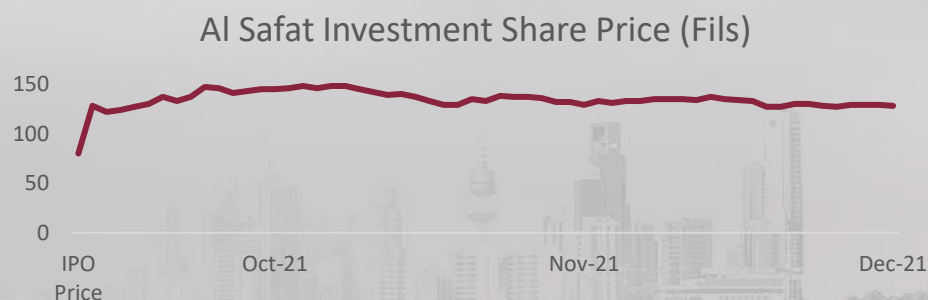
## Advisory Case Study: Placement and Listing Al Safat Investment (October 2021)

**Project description:** NIC delivered a successful transaction for all stakeholders (the client and the investors) through the private placement and listing of Al Safat Investment Company in October 2021.

### Scope of Work:

- **Goals and objectives:** initial understanding of client objectives and desired results.
- **Valuation:** initial valuation of the company. This included a value optimization exercise to enhance the overall profile.
- **Gap analysis and listing readiness:** Listing-readiness to ensure that the company meets the criteria for listing on the Main Market of Boursa Kuwait.
- **Placement process:** supported the client in placing the shares in order to meet listing requirements.
- **Regulatory filings:** completed regulatory filings.
- **Listing:** obtained approvals for listing.

**Results:** successful IPO + excellent post-listing performance.



## Advisory Case Study: M&A Al Faysal Bakery (January 2021)

**Project description:** NIC delivered a successful transaction for the shareholders of Al Faysal Bakery through selling the business to an international acquirer, seeking to increase their regional footprint and operations.

### Scope of Work:

- **Goals and objectives:** initial understanding of client objectives and desired results.
- **Valuation:** initial valuation of the company. Developed a detailed business plan for the company.
- **Sell-side process:** supported the client in developing investor documents, establishing a data room and taking the opportunity to market.
- **Negotiations:** supported client in negotiations with the short-listed counter-parties.
- **Due diligence oversight:** provided support to client throughout the due diligence process.
- **Closing:** executed the transaction to meet objectives.

### Results:

- Successful sale process: ✓
- Achieved client requirements: ✓
- Minimized transaction risks: ✓
- Created alignment: ✓

# THANK YOU Q&A



1821112 | +965 2226 6676 | +965 2226 6666

nickuwait | nic\_kuwait | nic.kuwait | National Investments Company (NIC)

شرق – شارع جابر المبارك – قطعة 7 – مجمع الخليجية  
Sharq – Jaber Al Mubarak Street – Block 7 – Al khaleejiya Tower

[www.nic.com.kw](http://www.nic.com.kw)

# Appendix 1:

## YE 2021 Consolidated Income Statement

	2021 KWD'000	2020 KWD'000	Change %
<b>INCOME</b>			
Realised gain (loss) on financial assets at FVTPL	3,905	(1,725)	326%
Unrealised gain (loss) on financial assets at FVTPL	19,093	(1,570)	1316%
Change in fair value of investment properties	(365)	(2,321)	84%
Gain on sale of investment property	140	-	N/A
Rental income	1,740	1,721	1%
Dividend income	4,631	3,222	44%
Management, incentive, brokerage and advisory fees	9,114	6,177	48%
Interest income	89	51	75%
Share of results / liquidation of associates and joint venture	977	1,727	-43%
Gain on foreign exchange trading	459	628	-27%
Other income	-	1,085	-100%
<b>Total Income</b>	<b>39,783</b>	<b>8,995</b>	<b>342%</b>
<b>EXPENSES</b>			
Finance costs	673	516	30%
Administrative expenses	9,694	6,718	44%
Impairment losses and other provisions	493	3,925	-87%
Loss (gain) on foreign currency translation	284	74	284%
<b>Total Expenses</b>	<b>11,144</b>	<b>11,233</b>	<b>-1%</b>
<b>Profit (loss) for the year before taxation</b>	<b>28,639</b>	<b>(2,238)</b>	<b>1380%</b>
Taxation	(1,221)	-	N/A
Directors' remuneration	(150)	-	N/A
<b>Net Profit (loss) for the year</b>	<b>27,268</b>	<b>(2,238)</b>	<b>1318%</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company	24,390	(2,658)	1018%
Non-controlling interests (NCI)	2,878	420	585%
<b>Total</b>	<b>27,268</b>	<b>(2,238)</b>	<b>1318%</b>
<b>BASIC AND DILUTED EPS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>31 fils</b>	<b>-3 fils</b>	



## Appendix 2:

### YE 2021 Consolidated Comprehensive Income

	2021			2020		
	Attributable to Parent Co.	NCI	Total Consolidated	Attributable to Parent Co.	NCI	Total Consolidated
	KWD'000	KWD'000	KWD'000	KWD'000	KWD'000	KWD'000
Profit (loss) for the year	24,390	2,878	27,268	(2,658)	420	(2,238)
Other comprehensive income (loss) for the period : (Includes Change in fair value of FVOCI investments, Share of OCI from Associates and Foreign currency translation reserve)	25,641	92	25,733	3,746	(171)	3,575
<b>Total comprehensive income (loss) for the year</b>	<b>50,031</b>	<b>2,970</b>	<b>53,001</b>	<b>1,088</b>	<b>249</b>	<b>1,337</b>

## Appendix 3:

### YE 2021 Consolidated Financial Position

	2021 KWD'000	2020 KWD'000	Change %
<b>ASSETS</b>			
Bank balances and cash	39,365	13,569	190%
Financial assets at FVTPL	111,209	89,238	25%
Trading properties	284	284	0%
Financial assets at FVOCI	82,048	58,478	40%
Investment in associates and joint ventures	21,206	21,065	1%
Investment properties	29,671	32,054	-7%
Intangible assets	958	1,148	-17%
Other assets	5,833	5,556	5%
<b>Total Assets</b>	<b>290,574</b>	<b>221,392</b>	<b>31%</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Bank borrowings	40,483	19,521	107%
Accounts payable and accruals	14,519	10,446	39%
<b>Total Liabilities</b>	<b>55,002</b>	<b>29,967</b>	<b>76%</b>
Non-Controlling interests	18,794	16,443	14%
<b>SHAREHOLDERS' FUNDS:</b>			
Issued and fully paid up share capital	79,786	79,786	0%
Share premium	49,593	49,593	0%
Statutory reserve	10,285	7,709	33%
Voluntary reserve	22,693	25,408	-11%
Treasury shares reserve	520	-	N/A
Other reserves	440	419	5%
Foreign currency translation reserve	456	494	-8%
Cumulative changes in fair value	27,286	5,512	395%
Retained earnings	25,719	6,061	324%
<b>Total Shareholders Funds</b>	<b>216,778</b>	<b>174,982</b>	<b>24%</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>290,574</b>	<b>221,392</b>	<b>31%</b>