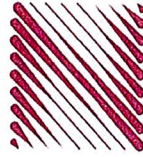


شركة الاستثمارات الوطنية	
صادر تجاري	
	
15/05/2024	تاريخ المراسلة
NIC - 3-25/104/14205	رقم المراسلة



شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY

Date:

15 MAY 2024

التاريخ:

To: Bursa Kuwait Company

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

Dear Sirs,

Subject: Analysts Conference Transcript For the 1<sup>st</sup>  
quarter financial statements ended 31 March 2024

الموضوع: محضر مؤتمر المحللين / المستثمرين  
للبائانات المالية لفترة الربع الأول المنتهي في 31  
مارس 2024

With reference to the above subject, and in line with  
requirements stipulated in article No. (7-8) of Bursa  
Rulebook, kindly find attached the Analysts Conference  
Meeting Transcript for the 1<sup>st</sup> quarter financial statements  
ended 31 March 2024, held on 12/05/2024.

بالإشارة إلى الموضوع أعلاه، والتزاماً بالمتطلبات  
الواردة بالمادة رقم (7-8) من كتاب قواعد البورصة،  
نرفق لكم محضر مؤتمر المحللين للبيانات المالية  
لفترة الربع الأول المنتهي في 31 مارس 2024،  
المنعقد بتاريخ 2024/05/12.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام،،،

فهد عبدالرحمن المخيزيم - Fahad Abdulrahman Al Mukhaizim

عضو مجلس الإدارة والرئيس التنفيذي - Board Member and Chief Executive Officer

شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY  
15

CC: Capital Market Authority

نسخة إلى: السادة هيئة أسواق المال



شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY

Performance . Commitment . Trust  
Since 1987

**Transcript of the Analysts Conference  
Meeting for the financial statement of  
the 1<sup>st</sup> Quarter Ended 31 March 2024**



**National Investments Company**  
**Earnings Call for the 1<sup>st</sup> quarter ended 31, March 2024**

**Sunday, May 12, 2024**

Edited transcript of National Investments Company (K.S.C.P) earnings conference call that took place on Sunday, May 12, 2024, at 14:00 (Kuwait time).

**Corporate Participants:**

Mr. Girish S. Nair - Chief Financial Officer.

Mr. Almuthana Al Maktoum - Managing Director - Wealth Management.

Mr. Bashar Khan - Managing Director - Investment Banking.

**Chairperson:**

Ahmed El Shezly - EFG - Hermes

**Ahmed**

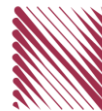
Good afternoon, everyone.

This is Ahmed El Shezly and on behalf of EFG Hermes, I would like to welcome you all to National Investments Company's earnings briefing for the first quarter ended March 31, 2024. It is a pleasure to have with us in the call, Mr. Girish Nair, Chief Financial Officer, Mr. Almuthana Al Maktoum, Managing Director - Wealth Management, and Mr. Bashar Khan, Managing Director - Investment Banking. The call will begin with a presentation from NIC's management on the financial performance for the quarter and then we will open the floor for Q&A. At this time, I would like to hand over the call to Mr. Almuthana, please go ahead.

**Al Muthana**

Thank you, Ahmed.

Good afternoon and welcome to NIC earnings call where we will be discussing our financial results for the first quarter ended March 31, 2024. With us today is our CFO, Mr. Girish Nair, who will be covering the financial highlights and performance and Mr. Bashar Khan, MD - Investment Banking, who will be discussing business updates as well as the strategy of NIC.



I would like to bring to your attention the disclosure on slide 3 of the presentation, concerning the forward-looking statements and confidential information.

This presentation has been prepared and issued by National Investments Company ("NIC"), a Public Kuwaiti Shareholding Company based on internally developed data and analysis.

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This presentation does not contain all the information considered as material information for an investor, and it is provided as information only.

This presentation does not disclose all the risks and other issues related to investment in securities. NIC may not be held liable for any decision made in reliance on this presentation.

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I would like to hand over the call now to Mr. Girish, CFO of NIC.

**Girish Nair**

Thank you Almuthana.

Good afternoon, everyone. My name is Girish Nair, CFO at National Investments Company ('NIC'). I extend a warm welcome to all of you for our earnings briefing covering the first quarter that ended on March 31, 2024.

Our financial statements for Q1 of 2024 have been uploaded to our website and the Boursa Kuwait website for your reference.

Let's delve into the key financial highlights of our performance for the quarter:



Total income for the three months ending March 31, 2024, amounted to KWD 8.4 million, with a net profit of KWD 4.1 million and earnings per share of 5.1 fils. This compares to KWD 2.1 million in total income, KWD 1.1 million in net profit, and earnings per share of 1.3 fils for the comparative first quarter in 2023.

Our return on average equity and return on average assets for Q1 2024 were 2.2% and 1.7% respectively, while the leverage ratio as of March 31, 2024, was 29.6%.

Our Net Book value per share was 246 fils, with Assets Under Management (AUM) in a fiduciary capacity standing at KWD 1.07 billion as of March 31, 2024, compared to 217 fils per share and AUM of KWD 1.05 billion on December 31, 2023. The AUM as of 31 March 2024 was KWD 1.09 billion.

Now, let's move on to the highlights of our income statement:

The Consolidated Net profit witnessed an increase of 403% from KWD 0.9 million in Q1 of 2023 to KWD 4.4 million in Q1 of 2024, and the Total income for the three months ended March 31, 2024, saw an increase of 300% from KWD 2.1 million in Q1 2023 to KWD 8.4 million in Q1 2024. This increase is primarily due to gains on FVTPL investments. The S&P Kuwait price index recorded an increase of 7.5% during Q1 2024 as compared to a decrease of 3.3% during Q1 2023.

Fee income for Q1 of 2024 was KWD 2.4 million compared to KWD 2.3 million in the comparative period of 2023.

Administrative expenses increased to KWD 2.6 million from KWD 2.2 million in the previous period in line with the increase in operating income, while finance costs increased to KWD 0.6 million from KWD 0.4 million due to rising CBK Discount Rates and new borrowings.

Other comprehensive income on a consolidated basis, during the first quarter of 2024 amounted to KWD 18.5 million as compared to a loss of KWD 7.1 million in the Q1 of 2023, mainly attributed to the increase in the valuation of GCC quoted investments at fair value through other comprehensive income (FVOCI).

Total comprehensive income on a consolidated basis for Q1 of 2024 therefore was KWD 22.9 million as compared to a total comprehensive loss of KWD 6.2 million in the comparative quarter of 2023.

In terms of our balance sheet:

Total assets, and shareholders' equity attributable to the parent company as of March 31, 2024, stood at KWD 277.7 million and KWD 195.8 million as compared to KWD 249.3 million and KWD 173.3 million respectively. The majority of our total assets, approximately 80%, are in investments, with 11% in properties and the remainder in cash and other assets.



The charts on the next slide provide a visual representation of NIC's performance over recent years, reflecting prevailing market dynamics.

With this, I conclude my part of the presentation and wish to hand you over to Mr. Bashar Khan, Managing Director-Investment Banking Sector for the next part.

**Bashar Khan**

Thank you, Girish. And good afternoon, everyone.

My name is Bashar Khan, and I am the Managing Director - Investment Banking - at National Investments Company. It is my privilege to speak with you. I wanted to take some time today to provide you with a summary of the key elements of our strategy going forward.

There are four key elements of our strategy. These are: 1. Build Assets Under Management (AUM), 2. Enable Technologies and Efficiencies, 3. Build Investment Banking leadership, and 4. Enhance Governance. I will talk about each of these separately.

**First: Building AUM**

We are working on three key initiatives here. We are driving product development in an organized manner, with an initial focus on Venture Capital (VC) and international real estate products. In parallel, the company is reinforcing its team by recruiting qualified bankers to ensure robust support for future growth. In addition, we are building a reputation for bringing excellent co-investment opportunities for our investors. Select key examples are Boursa Kuwait, Kuwait Foundry, Lidl France and The Farm. We are also in the process of launching our inaugural private real estate credit fund in Kuwait.

**Second: Enabling Technologies and Efficiencies**

Regarding enabling technology and competencies, NIC is dedicated to leveraging cutting-edge digital business technology, including artificial intelligence, to drive productivity, efficiency, and agility, ensuring sustainable business growth. We are committed to our digital-first strategy, which has resulted in several new initiatives such as a portal designed specifically for real estate tenants and landlords, an innovative IPO subscription system, a revamped corporate website, and the digitalization of our client onboarding process.

And finally, we are focusing on harnessing operating efficiencies by outsourcing processes and working with co-advisors to leverage their capabilities and knowledge.



### **Third: Leadership in Investment Banking**

NIC has also established a specialized team well-versed in equity and debt capital markets to ensure top-notch service for its valued clients. At present, the team is playing a critical part in the execution of flagship projects in Kuwait. During the year, NIC has successfully closed one of the largest M&A in the education sector in Kuwait as well as the inaugural issuance of preferred shares.

In alignment with our dedication to ongoing enhancement, we continuously enhance our teams by attracting top-tier professionals. This year, we've welcomed four new members, a direct response to the heightened levels of activity we're experiencing.

### **Finally: Enhancing Governance**

Our emphasis on continuous improvement and compliance underscores our dedication to upholding the highest standards of corporate governance, providing a solid foundation for sustainable growth and success in the corporate landscape.

We now move on to highlights during the first quarter of 2024 for certain key sectors within NIC.

### **MENA Securities Sector:**

Exceptional performance of funds managed by MENA Securities as of the first quarter of 2024.

- Al Wataniya Investment Fund recorded a solid performance of 5.88%, the highest return amongst large-cap funds.
- The Zajil Services and Telecommunications Fund achieved a remarkable return of 6.09%.
- Al Darij Investment Fund reported a positive return of 3.61%.

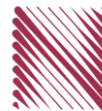
NIC has positioned itself as a frontrunner in the market-making service since its launch in 2021. In the first quarter of 2024, we successfully added two new contracts to bring the total number of shares we are Market Makers on to 13.

### **Investment Banking Sector:**

#### Advisory Department

In our recent achievements, NIC has successfully completed significant transactions and secured new mandates:

- ❖ Acted as an exclusive sell-side advisor for a significant minority of an Oil and Gas client.



- ❖ Acted as the exclusive financial advisor for issuance of Kuwait's first preferred shares.
- ❖ Signed two mandates to increase capital for a Media and a Real Estate company.
- ❖ On behalf of our client, we submitted the listing application to list on the Premier Market of Boursa Kuwait
- ❖ Secured a non-binding letter of interest for a sell-side client.
- ❖ Further, NIC continues to build a strong pipeline of IPO and listing mandates.

### Alternative Investments Department

- ❖ NIC established its inaugural international real estate credit-focused fund, demonstrating our commitment to strategic growth.
- ❖ NIC co-invested in a prominent healthcare provider in the GCC, leveraging its reputation, facilities, and market potential for growth and value creation.
- ❖ Two of our portfolio companies have reached a significant milestone in exiting their investments, expected to generate liquidity for investors.
- ❖ Adopting a prudent stance amidst global investment uncertainties, we remain optimistic about identifying attractive opportunities.
- ❖ **Real Estate Sector:**
  - In Q1 2024, our portfolio maintained a strong collection rate and occupancy rate.
  - We have recently completed the sale of a real estate portfolio in line with our strategy to optimize the real estate portfolio.

I would like to end this section by talking about several case studies, which serve as examples of our ability to identify and execute unique opportunities in our market and provide interesting co-investments to our clients.

The first case study is Boursa Kuwait. The investment thesis here was to acquire a strategically important asset with strong, recurring, and sustainable cash flows due to its market leadership position and improving prospects. We formed a consortium to acquire a controlling stake in Boursa Kuwait in February 2019. Our direct stake was 14.4%. Since its acquisition, Boursa Kuwait has undergone an IPO and listing process. The market price today is several multiples of our acquisition cost. To date, the investment has generated a total return multiple of 10.1 times (based on market values).

The second case study is Kuwait Foundry. The investment thesis here was the acquisition of a mispriced asset with an intrinsic value significantly greater than the prevailing market value. The investment offered an identifiable path to the realization of true value. Towards this, we acquired a 21.3% stake in January 2019 and have been





taking measures to realize value. So far, we have recaptured most of our equity in the transaction already and the total return multiple based on market values is 1.8 times.

The third case study is Lidl France. We made an investment (senior financing) to acquire, renovate, lease and sell three Class A warehousing properties in France. The properties were sold and leased back by Lidl. The project is expected to generate a cash yield of 12.0% and a net IRR of 12.0% over a 2.5-year period.

The fourth case study is The Farm. We made a mezzanine investment for the development of Class A multifamily in Indiana, USA. The project is expected to generate a cash yield of 11.0% and a net IRR of 11.0% over a 3-year period.

With this I will hand you over to Mr. Almuthana, who will lead the Q&A session.

**Almuthana**

We are now ready to answer your questions. If you would like to send us a question, please write it in the designated area of the website. We will now pause for a few minutes to allow you time to send your questions. PAUSE

**Almuthana**

*Since there are no more questions at this time, we will be concluding our call. I would like to thank you all for participating in our call today. If you have further queries, please do not hesitate to send them to our investor relations e-mail and we will get back to you as soon as possible.*

*Thank you everyone, have a good day.*