



Earnings Presentation

Q1 2024

المركز
MARKAZ

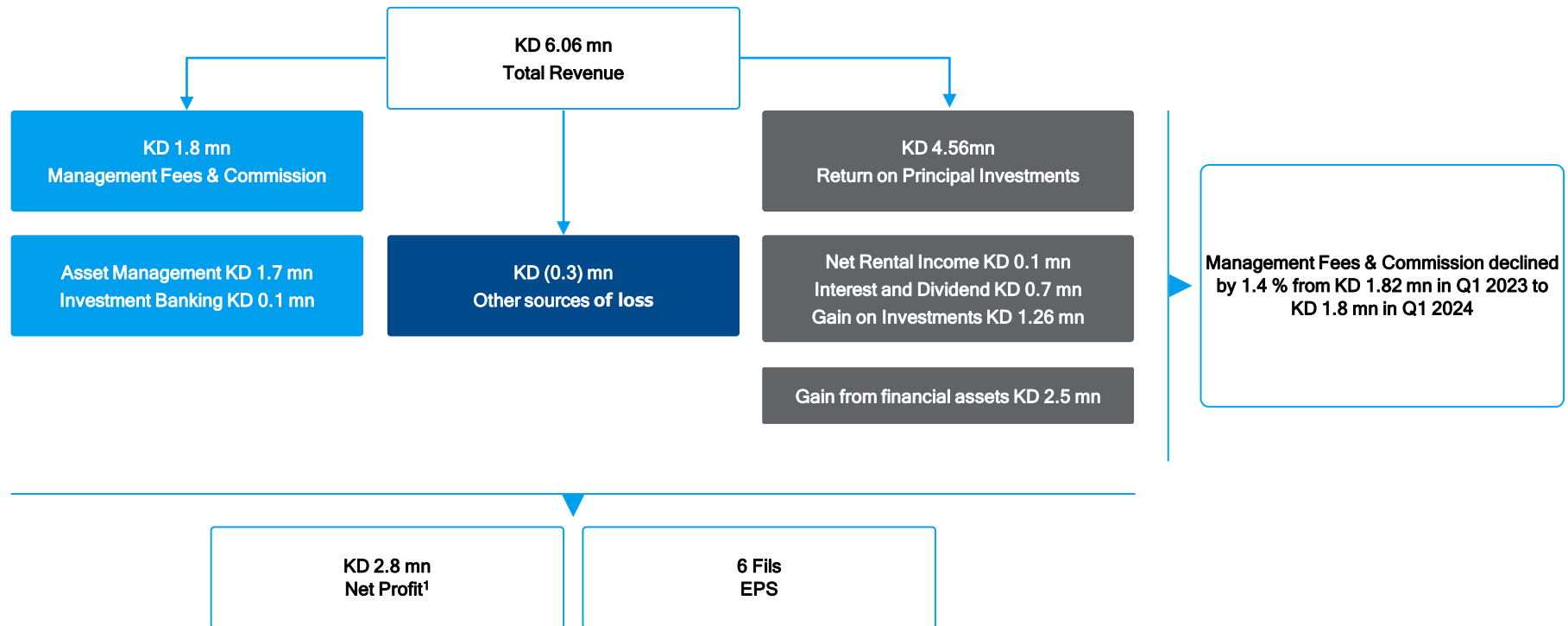
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Q1 2024 Performance Highlights

Markaz Assets Under Management of KD 1,299 million, an increase of 7.2% from December 2023

Profit and Loss Highlights



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

Q1 2024 Performance Highlights

Markaz's AUM at KD 1.299 billion in Q1 2024

Total Revenues for Q1 2024 of KD 6.1 million

The management fees and commission have amounted to KD 1.8 million for Q1 2024

Kuwait, 8 May 2024 - Kuwait Financial Centre “Markaz” (KSE: Markaz, Reuters: MARKZ.KW, Bloomberg: MARKAZ: KK) reported its financial results for the quarter ended 31 March 2024 with Total Revenues of KD 6.06 million, as compared to KD 1.19 million in Q1 2023. Net Profit attributable to shareholders of Markaz was KD 2.77 million for Q1 2024, compared to Net loss of KD 3.18 million in the same period last year.

Mr. Ali H. Khalil, Markaz’s CEO, stated: “The first quarter of the year 2024 witnessed the Kuwaiti market’s anticipation of the National Assembly elections as a key factor influencing Kuwait’s economic and development policies, which in turn is reflected in the investment climate. In addition, global markets saw a significant shift in the forecasts on the inflation landscape and interest rates. Expectations of interest rate cuts boosted shares, although the pace of cuts is likely to be slower than the market had hoped for at the turn of the year.”

Mr. Abdullatif W. Al-Nusif, Managing Director, Wealth Management and Business Development at Markaz, stated: “Assets Under Management grew by 15% to KD 1.30 billion in Q1-2024, compared with Q1-2023. Markaz’s adaptable business strategy and dedicated focus on client goals position us to capitalize on emerging opportunities in asset management and investment banking. Markaz will continue its journey of building successes while focusing on a customer-centric approach and upholding its promise to deliver on clients’ objectives and further cement its position as the trusted partner in wealth creation in the Middle East and beyond.”

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>2023 Market Leader</p> <p>By: Euromoney</p>	 <p>MENA Investment Bank of the Year/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 Private Bank In Kuwait</p> <p>By: WealthBriefing</p>	 <p>Kuwait Wealth Manager of the Year</p> <p>By: Global Investor</p>	 <p>Middle East's Best for Investment Research</p> <p>By: Euromoney</p>	 <p>Best Domestic Private Bank</p> <p>By: Euromoney</p>



The collage includes the following award logos and certificates:

- MENA Banking Excellence Awards 2023 (twice)
- Global Finance Best Investment Bank Award 2023
- emeafinance Middle East Banking Awards 2023
- Euromoney Market Leaders 2023 (four times)
- WealthBriefing Awards 2022 (MENA Winner - Kuwait Financial Centre "Markaz")
- Global Investor MENA Awards 2022 (Kuwait Wealth Manager of the Year)
- Euromoney Private Banking Kuwait 2023 (twice)
- MENA Performance Awards (twice)
- Business Achievement Awards Kuwait 2023
- Global Finance Best Investment Bank Award 2023
- SEI Capital IQ Gold Fund Grading
- Lipper Fund Awards 2012 (Gulf)
- Euromoney Awards for Excellence 2014

Business Highlights

Total AUM of KD 1,299 million, an increase of 7.2% from December 2023



Asset Management

GCC Equity Funds, Fixed Income Fund, Others:

Total AUM of KD 915 million

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

GCC Equities AUM of KD 754 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 5.2%, 3.6%, 4.5%, 5.5% and 5.8% respectively

Markaz Fixed Income AUM of KD 5.6 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 1.0%

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



Real Estate Investments

Middle East and North Africa, International:

Total AUM of KD 384 million

MENA Real Estate - AUM of KD 258 million

- Managing part of the National Real Estate Portfolio with a value up to KD 250 million
- Strong operational performance across the income generating portfolio despite the market conditions
- Markaz Real Estate fund with AUM of KD 70 million across 17 properties
- 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 - Real Estate Fund

International Real Estate - AUM of KD 126 million

- Markaz has successfully exited from two industrial projects during the period, generating strong returns
- During 2023, Markaz made investment in one 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 Q1 2024, the investment banking team successfully concluded the merger of Al Mazaya Holding Company and First Dubai Real Estate Development Company. Additionally, the 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 3M 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 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

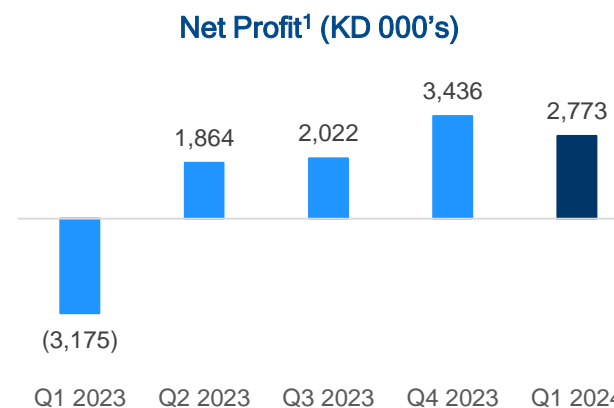
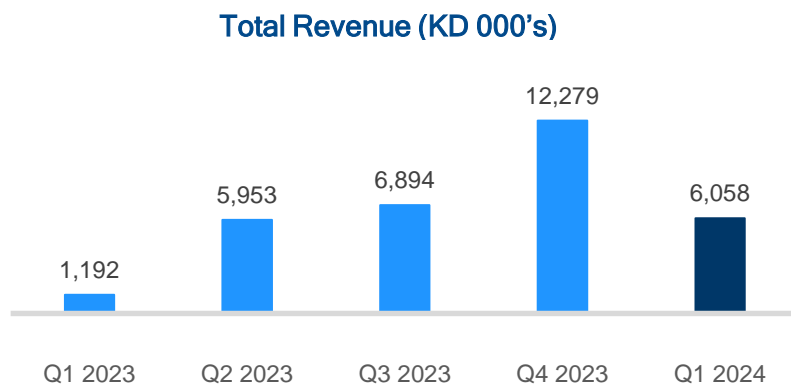
Financials Trend

Q1 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 decline by 1.4% 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 2.2M as compared to loss of (2.9M) in Q1 2023, and to KD 1.13M gain from share of results from investment in associates and JVs compared to loss of KD 0.09M in Q1 2023.
- Net rental income declined by 87% to KD 0.11M compared to K.D 0.869M in Q1 2024 and that due to the sale of investment properties.

Q1 2024 Net Profit (KD 000's)

- The net profit has been increased influenced by revenues generated from positive changes in fair value of investments at fair value through profit or loss along with a gain from share of results from investments in associates and JVs.

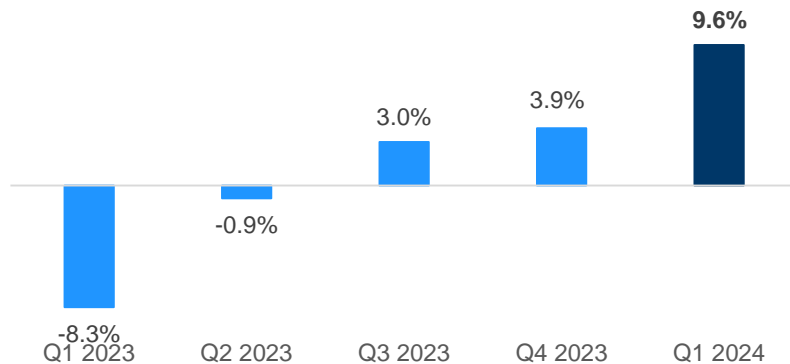


1. Net Profit attributable to the owners of the parent company

Financials Trend (Cont'd)

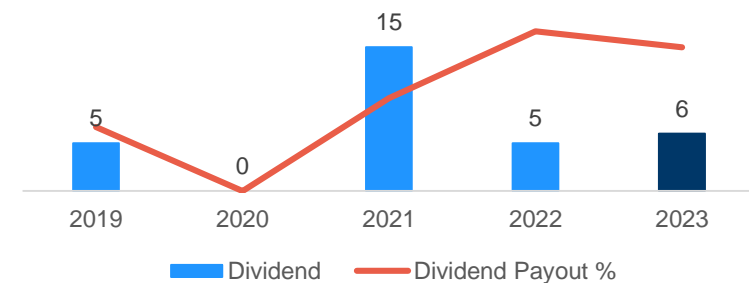
Return on Equity¹

- Return on Equity of 9.6% on LTM basis as it was improved due to an increase in Interest Income, Dividend income and 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



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

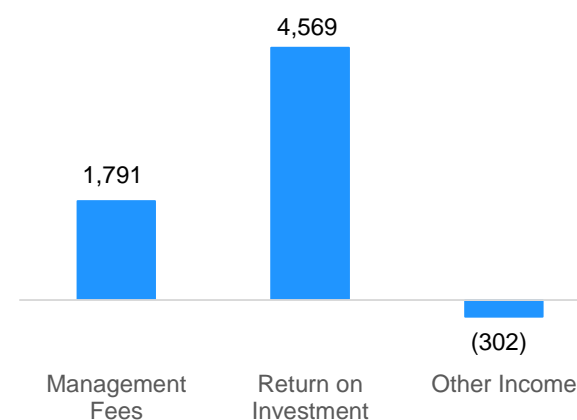


1. Return on Equity % = LTM Net Profit attributable to the owners of the parent company / shareholder's equity

Profit & Loss Key Metrics

(KWD 000's)	Period Ended		Y-o-Y Growth (%)
	Q1 2024	Q1 2023	
Management Fees and Commission	1,791	1,816	(1%)
Interest income	305	209	46%
Dividend income	390	322	21%
Gain/(loss) from financial assets at fair value through P/L	2,483	(2,836)	188%
Loss from financial liabilities at fair value through P/L	-	(6)	100%
Share of results of associate and joint venture	1,133	(91)	1345%
Gain on partial redemption of investment in associate	5	-	-
Gain on sale of investment properties	143	687	(79%)
Net rental income	110	869	(87%)
Other sources of (loss)/income	(302)	222	(236%)
Total revenue	6,058	1,192	408%
Operational expenses	2,568	2,940	(13%)
EBIT	3,490	(1,748)	300%
Margin (%)	58%	(147%)	-
Finance costs	510	854	(40%)
Impairment of investment	-	106	-
Contribution to KFAS, NLST, Zakat	(134)	-	-
Net profit/(loss) for the period	2,846	(2,708)	205%
Margin (%)	47%	(227%)	
Profit attributable to the owners of the parent company	2,773	(3,175)	187%
Profit attributable to non-controlling interests	73	467	(84%)
Earnings/(loss) per share (Fils)	6	(6)	200%

Q1 2024 Revenue Analysis

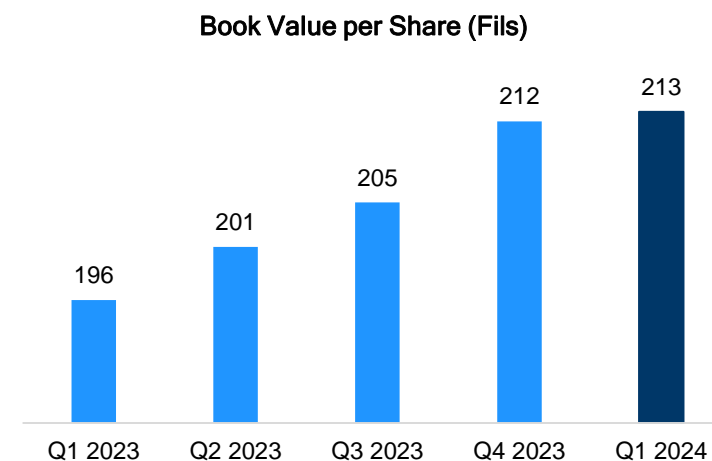


Notes:

- 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

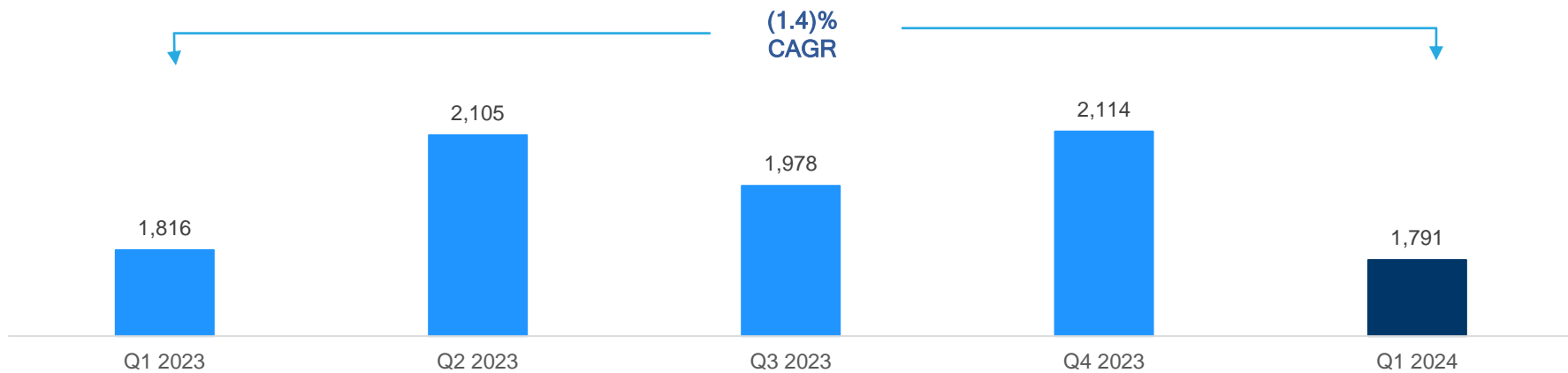
(KWD 000's)	Mar 2024	Dec 2023	Mar 2023
ASSETS			
Cash and bank balances	7,414	6,639	17,176
Time deposits	505	272	1,502
Accounts receivable and other assets	5,505	6,020	5,227
Loans to customers	2,518	2,565	2,658
Investments at fair value through profit or loss	85,960	83,398	104,246
Investments carried at amortized cost	4,187	4,302	4,011
Investments in associate and joint venture	35,235	33,679	3,714
Investment properties	31,315	30,086	69,714
Right of use assets	2,303	2,432	925
Equipment	922	889	558
Total Assets	175,864	170,282	209,731
LIABILITIES and EQUITY			
Liabilities			
Accounts payable and other liabilities	16,079	13,035	17,091
Bank borrowings	11,678	9,413	30,376
Bonds issued	35,000	35,000	35,000
Total Liabilities	62,757	57,448	82,467
EQUITY			
Equity attributable to the owners of the Parent Company	105,574	106,065	98,289
Non-controlling interests	7,533	6,769	28,975
Total Equity	113,107	112,834	127,264
Total Liabilities and Equity	175,864	170,282	209,731



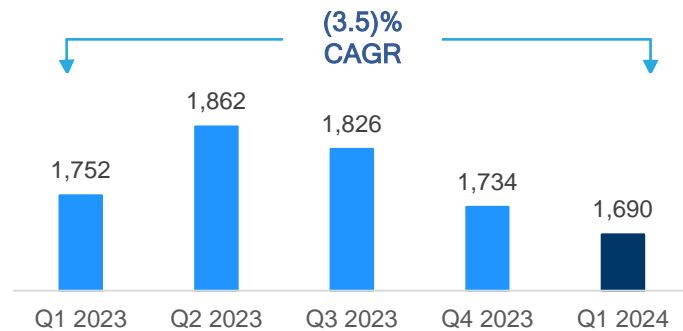
- Book value increase mainly due to achieve net income KD 2.8 million sustained during the period, although distributing cash dividend of KD 2.9 million for 2022

Asset Management & Investment Banking

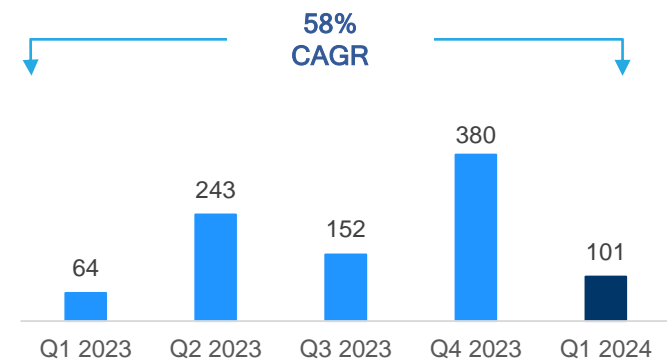
Management Fees & Commission (KD 000's)



Asset Management Fees¹ (KD 000's)

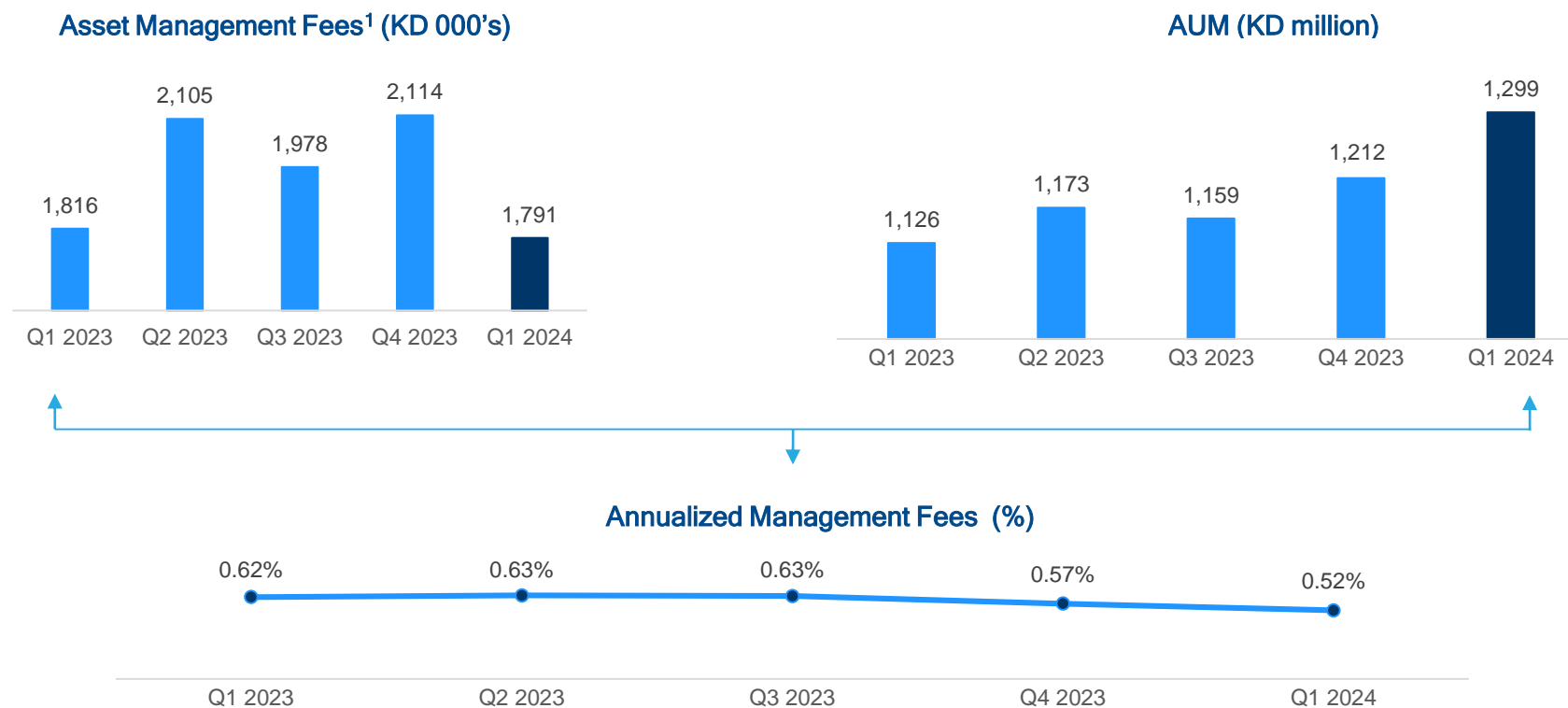


Investment Banking Fees (KD 000's)



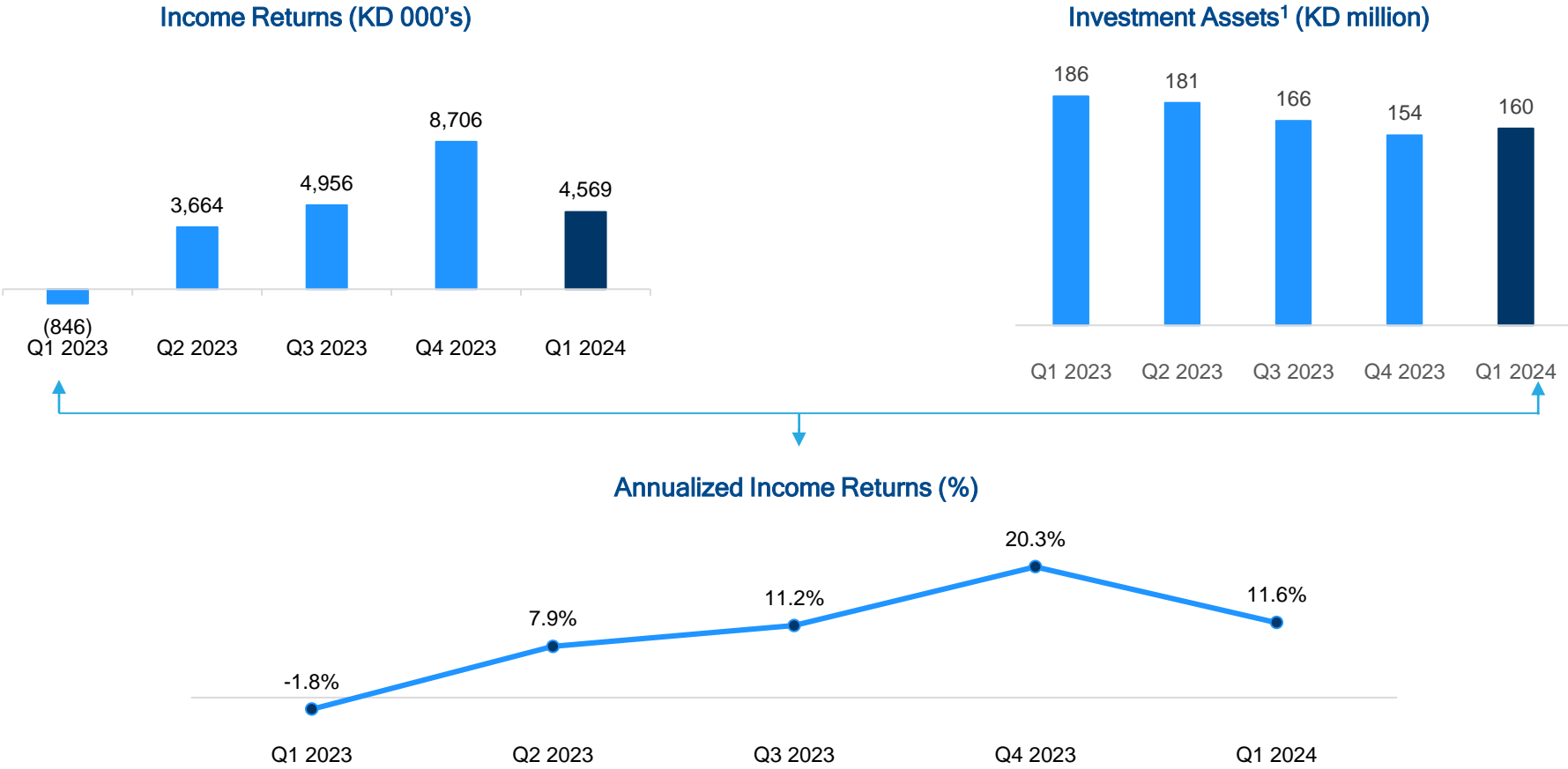
1. Asset Management includes GCC Equity & Fixed Income Funds, Real Estate, International Investments and Private Equity

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

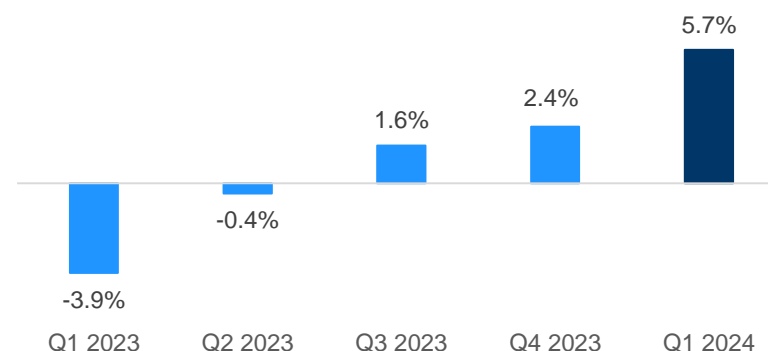
Markaz Net Debt to Total Equity increased to 0.34x

(KD 000's)	Mar 2024	Dec 2023	Mar 2023
Bank borrowings	11,678	9,413	30,376
Bonds Issued	35,000	35,000	35,000
Total Debt	46,678	44,413	65,376
Cash and Bank Balance	7,414	6,639	17,176
Time Deposits	505	272	1,502
Total Cash including Time Deposits	7,919	6,911	18,678
Net Debt	38,759	37,502	46,698
Shareholders Equity	105,574	106,065	98,289
Total Equity	113,107	112,834	127,264
Net Debt / Total Equity	0.34x	0.33x	0.37x

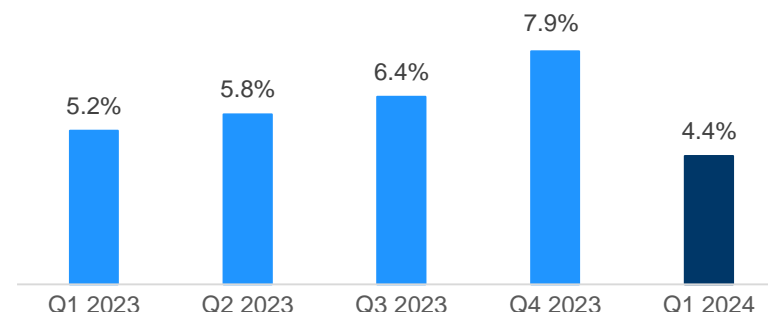
1. Return on Assets (%) = LTM Net profit attributable to the owners of the parent company / Total Assets

2- Annualized finance cost to total debt

Return on Assets¹ (%)



Interest / Total Debt² (%)



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 - Boursa 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	https://www.markaz.com/

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