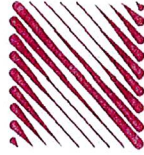


شركة الاستثمارات الوطنية	
صادر خارجي	
	
21/11/2023	تاريخ المراسلة
NIC - 3-25/104/12716	رقم المراسلة



شركة الاستثمارات الوطنية
NATIONAL INVESTMENTS COMPANY

Date:

21 NOV 2023

التاريخ:

To: Bursa Kuwait Company
Dear Sirs,

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

**Subject: Analysts Conference Transcript For
the 3rd quarter financial statements ended 30
September 2023**

**الموضوع: محضر مؤتمر المحللين / المستثمرين للبيانات
المالية لفترة الربع الثالث المنتهي في 30 سبتمبر 2023**

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 3rd quarter financial statements ended 30 September 2023, held on 19/11/2023.

بالإشارة إلى الموضوع أعلاه، والتزاماً بالمتطلبات الواردة بالمادة رقم (7-8) من كتاب قواعد البورصة، نرفق لكم محضر مؤتمر المحللين للبيانات المالية لفترة الربع الثالث المنتهي في 30 سبتمبر 2023، المنعقد بتاريخ 2023/11/19.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام،،،

فهد عبدالرحمن المخيزيم -
Chief Executive Officer – الرئيس التنفيذي


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
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**Transcript of the Analysts Conference
Meeting for the 3rd quarter financial
statement Ended 30 September 2023**



National Investments Company
Earnings Call for the Q3 ending September 30, 2023

Sunday, November 19, 2023

Edited transcript of National Investments Company (K.S.C.P) earnings conference call that took place on Sunday, November 19, 2023, at 14:00 (Kuwait time).

Corporate Participants:

Mr. Girish S. Nair – Chief Financial Officer

Mr. Almuthana Al Maktoum – Executive Vice President – Wealth Management

Mr. Bashar Khan – Executive Vice President – 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 nine months ended September 30, 2023. It is a pleasure to have with us in the call, Mr. Girish Nair, Chief Financial Officer, Mr. Almuthana Al Maktoum, EVP - Wealth Management, and Mr. Bashar Khan, EVP - Investment Banking. The call will begin with a presentation from NIC's management on financial performance up to Q3 of 2023 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 nine months ending September 30, 2023. With us today is our CFO, Mr. Girish Nair, who will be covering the financial highlights and performance and Mr. Bashar Khan, EVP - 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. The information provided in this presentation and the subsequent discussions does not represent an offer to buy or sell securities.



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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 nine months ended on September 30, 2023.

Just like in previous periods, NIC's financial statements up to Q3 of 2023 have been uploaded to our website and the Boursa Kuwait website. You can access the complete set of financial statements from there.

Let us move on to the key financial highlights of our performance during the period.

For the nine months ending on September 30, 2023, NIC reported a total income of KWD 9.0 million, a net profit of KWD 2.5 million, and earnings per share of 3.2 fils, as indicated in the income statement. The figures for the comparative period in 2022 were a total income of 17.2 million, net profit of 8.8 million, and earnings per share of 11 fils.

The return on average equity and return on average assets up to Q3 of 2023, both ratios based on net profit, were 1.4% and 1.0% respectively and leverage ratio as of September 30, 2023, was 25.6 %.

Our Net Book value was 217 fils per share and our AUM in a fiduciary capacity was KWD 1.06 billion as of September 30, 2023, compared to a net book value of 245 fils and AUM of KWD 1.17 billion on September 30, 2022.



We now come to the highlights of our income statement.

This slide compares the three months performance during Q3 2023 with that for the three months during Q3 2022. The net loss during the current three months was KWD 1.7 million as compared with the KWD 3.2 million loss recorded during the comparative 3 months of 2022. Other comprehensive losses of KWD 1.5 million were also lower during the current quarter in comparison with KWD 2.5 million. The Kuwait All Share index recorded a lower decline of 1.5% during the three months of Q3 2023 as compared to a decline of 4.3% during the comparative period in 2022.

NIC's Net profit attributable to equity holders of the Parent Company and Total income for the cumulative nine months ended September 30, 2023, declined by 71% and 48% respectively. The decline is mainly due to higher losses on FVTPL investments and lower dividend income earned during the current nine-month period, as compared to the previous nine months ended September 30, 2022. The performance reflects the changes witnessed during the last few quarters in financial markets due to the macroeconomic developments and tightening monetary policy measures adopted by various central banks. The Kuwait All Share index recorded a decline of 5.6% during the nine months of 2023 as compared to a gain of 0.9% during the comparative period in 2022.

Fee income for the nine months ended September 30, 2023, was KWD 6.4 million as compared to 8.3 million for the comparative period in 2022. The decline was mainly due to lower brokerage revenue from our subsidiary due to lower trading volumes in Boursa Kuwait, and lower management fees from Funds and portfolios.

Administrative expenses of KWD 6.6 million for the current period are lower as compared to KWD 7.0 million for the comparative period. Finance costs of KWD 1.2 million for the current period of 2023, were higher compared to KWD 0.8 million for the comparative period. The increase is on account of consecutive increases in the CBK Discount Rate since the end of the previous period. There were reversals of impairment losses and other provisions amounting to KWD 1.3 million during the earlier part of 2023.

The major contributor to the other comprehensive loss of KWD 6.3 million for nine months of 2023 was the decline in the value of GCC quoted investments at fair value through other comprehensive income (FVOCI).

Total assets and shareholders' equity attributable to the parent company as of September 30, 2023, stood at KWD 239.3 million and KWD 172.7 million respectively, as compared to KWD 270.9 million and KWD 198.8 million on December 31, 2022. A decline of 12% and 13% respectively, mainly due to dividend distribution. The slide also provides a composition of our total assets, with about 77% in investments, 12% in properties, and the rest in other assets.

The charts on the next slide indicate NIC's performance during the last few years and are reflective of prevailing market dynamics.



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

Bashar Khan

Thank you, Girish. And good afternoon, everyone.

My name is Bashar Khan and I am the Executive Vice President - 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. Enhance Governance, and 4. Build Investment Banking leadership in the mid-market segment. 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 which we will discuss on the next page.

Second: Enabling Technologies and Efficiencies

Regarding enabling technology and competencies, NIC is committed to embracing digital flexibility by investing in the digitization of its operations. Moreover, the company is actively working on creating work environments that foster sustainable business growth. This comprehensive approach encompasses a wide range of services, including online trading, client platforms, real estate system development, and digital subscription systems.

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. In line with our commitment to continuous improvement, we consistently bolster our teams by attracting highly qualified professionals. As part of this endeavor, we have expanded our team this year by welcoming two new members. This expansion is a direct response to the heightened activity levels we are experiencing.



Finally: Enhancing Governance

We continued to refine our risk-management framework to include quantitative and qualitative measures in line with global best practices.

We now move on to highlights during the nine months of 2023 for certain key sectors within NIC.

MENA Securities Sector:

Exceptional performance of funds managed by MENA Securities as of the third quarter of 2023.

- Mawarid Industrial and Petroleum Fund recorded a solid performance of 7.48%.
- The Zajil Services and Telecommunications Fund achieved a remarkable return of 5.67%.
- AlMada Investment Fund reported a positive return of 2.62%.

NIC has positioned itself as a frontrunner in the market-making service since its launch in 2021. In the third quarter of 2023, we successfully renewed Market Maker contracts with our key existing clients.

Real Estate Sector:

In Q3 2023, our portfolio demonstrated a commendable collection rate of 77% and sustained a robust occupancy rate of 87%. Additionally, we successfully finalized two real estate portfolio management contracts, with management set to commence in October.

Investment Banking Sector:

Advisory Department

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

- ❖ Serving as a pivotal sell-side advisor in the education sector, we facilitated a landmark binding SPA, marking one of Kuwait's largest M&A transactions.
- ❖ Notably, a major player in the Kuwaiti Oil and Gas sector has chosen NIC for the groundbreaking issuance of preferred shares, potentially the first of its kind in the country.
- ❖ Further, NIC's expertise has been recognized as we take on roles as Financial Advisor and Listing Advisor for anticipated IPOs by a leading Kuwaiti automotive company and a prominent real estate firm, a testament to the enduring trust in NIC's capabilities.

Alternative Investments Department

- ❖ Adopting a prudent stance amidst global investment uncertainties, we remain optimistic about identifying significant opportunities.



- ❖ NIC is actively assessing the establishment of its inaugural international real estate credit-focused fund, demonstrating our commitment to strategic growth.
- ❖ Concurrently, we persist in optimizing the performance of current investments, exploring potential exits to further bolster our 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 for 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 9.1 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 1.6 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% and a net IRR of 12% 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.