

KIPCO Q3 2023 INVESTOR CALL

November 2023

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Financial figures in this presentation have been rounded and converted to United States Dollars (US\$) using the following exchange rates:

- US\$ to Kuwaiti Dinar – (US\$/KD) 0.30905
- US\$ to Saudi Riyal – (US\$/SAR) 3.7512
- US\$ to Jordanian Dinar – (US\$/JD) 0.708

HIGHLIGHTS FOR THE PERIOD



Recent business highlights


95%
Net profit



- ❖ Positive performance driven by foreign banking operations, foodstuff, logistics and oil field services

- ❖ In July, KIPCO successfully completed its debut KD denominated Sukuk issuance worth US\$ 335.8 million, under the company's US\$ 2 billion Trust Certificate Issuance Program

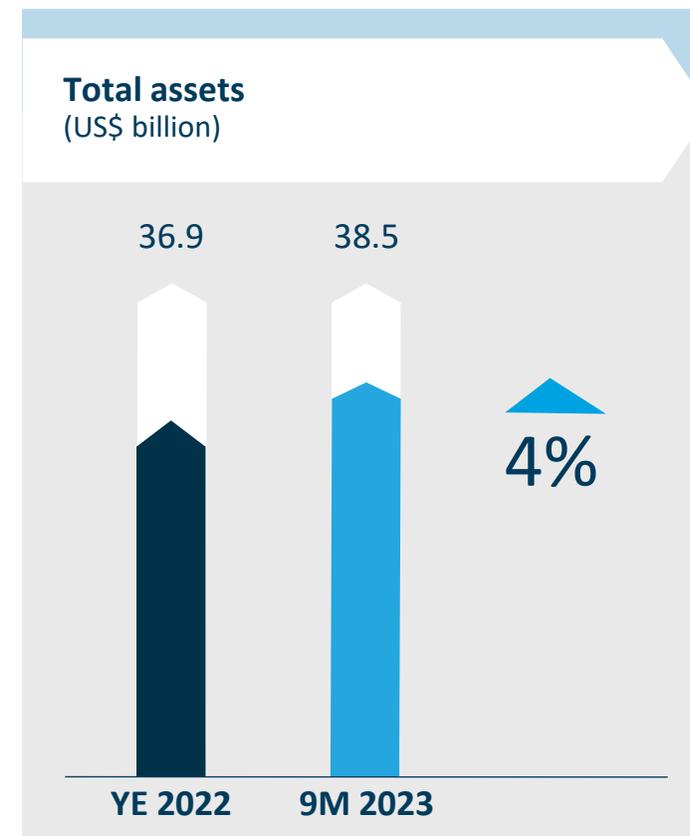
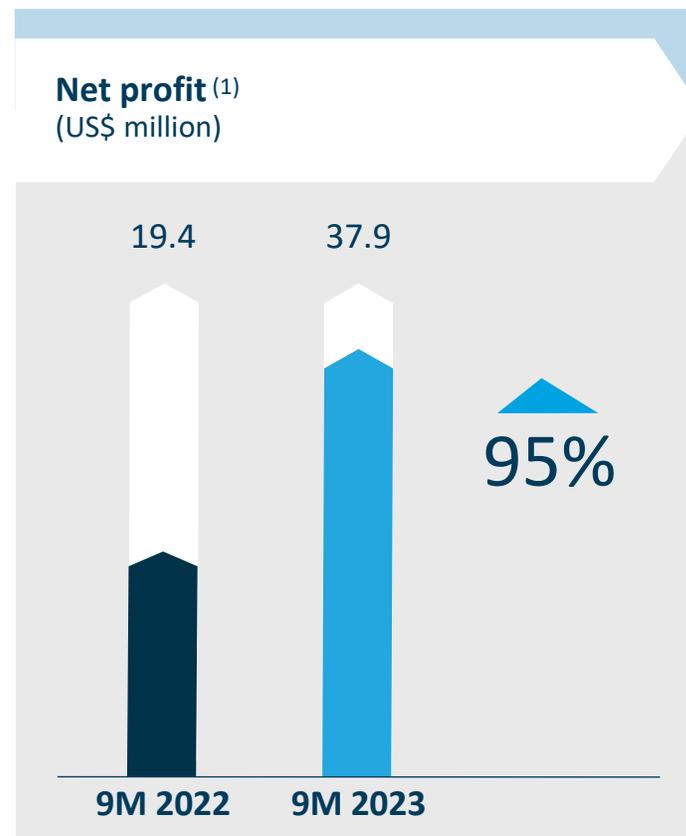
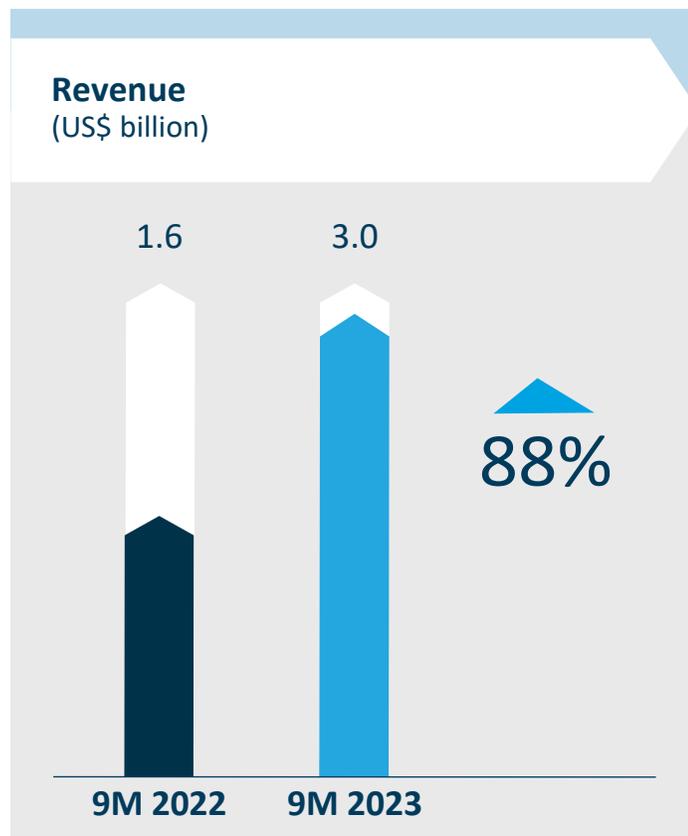
 - US\$ 330 million partial prepayment of the US\$ 525 million syndicated facility

- ❖ In November, KIPCO repaid remaining portion of its 5-year KD bond amounting to US\$ 92.2 million.

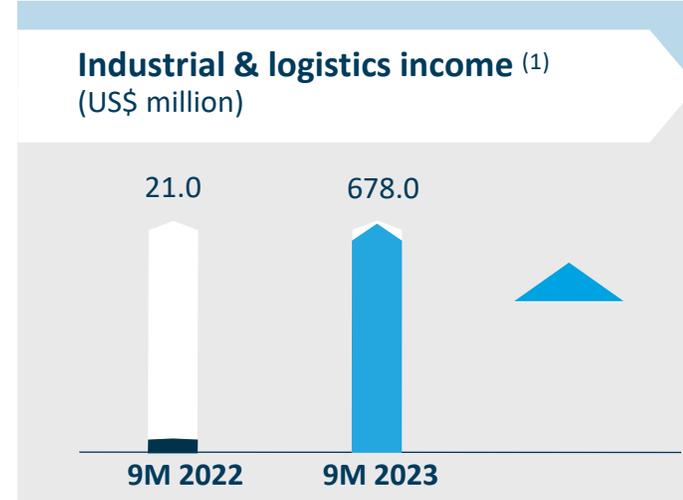
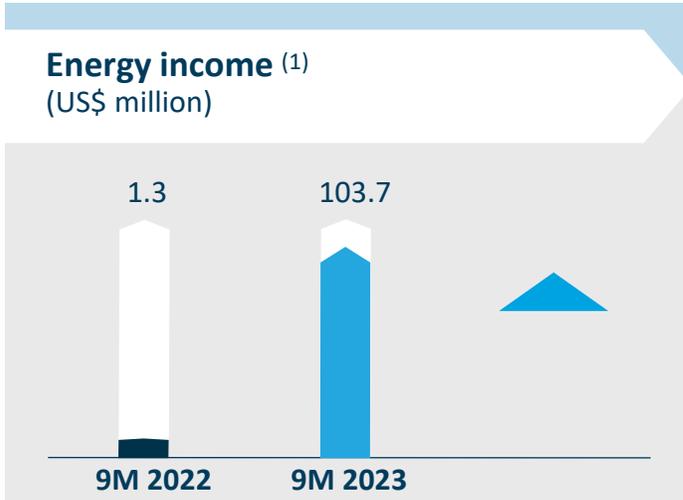
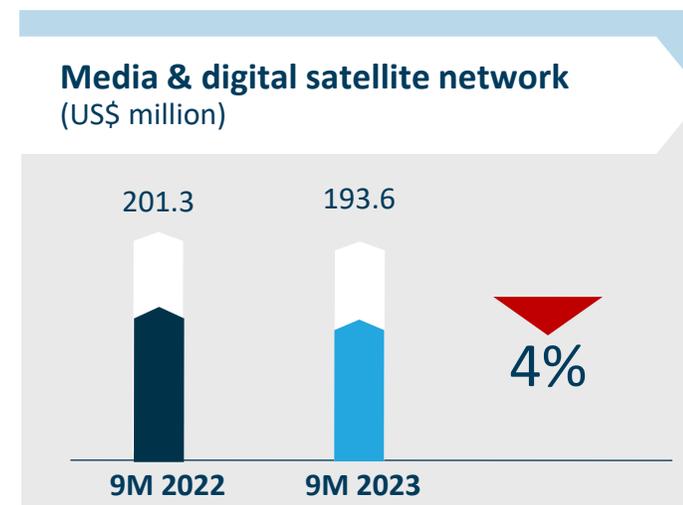
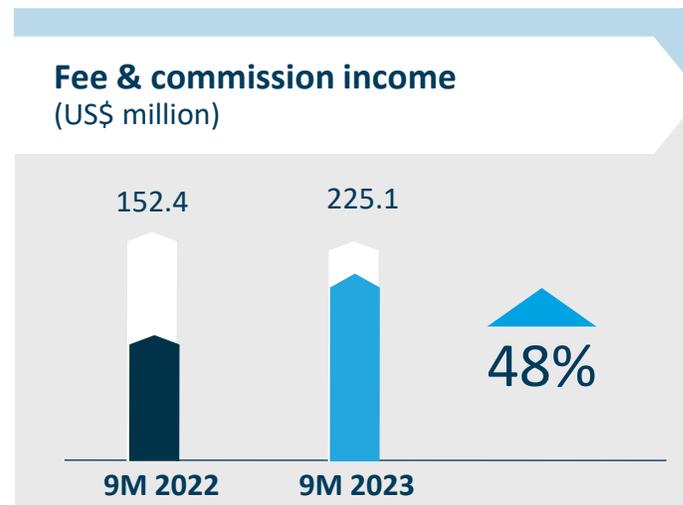
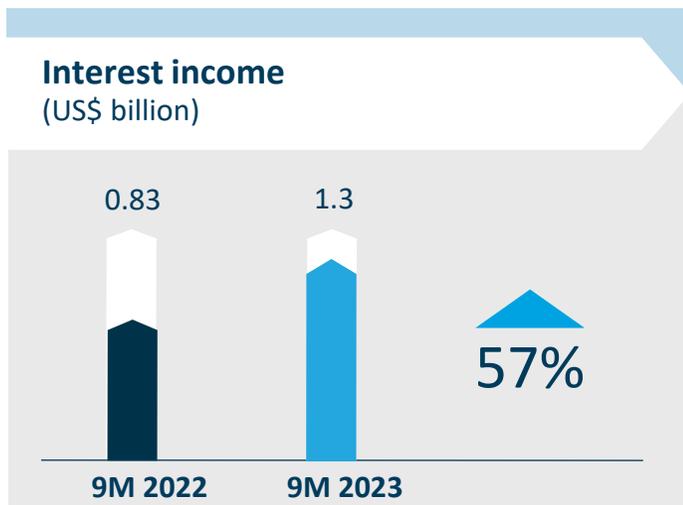


- ❖ In September, KIPCO published its 2022 Sustainability Report which included the company's ESG Strategy.

Financial highlights

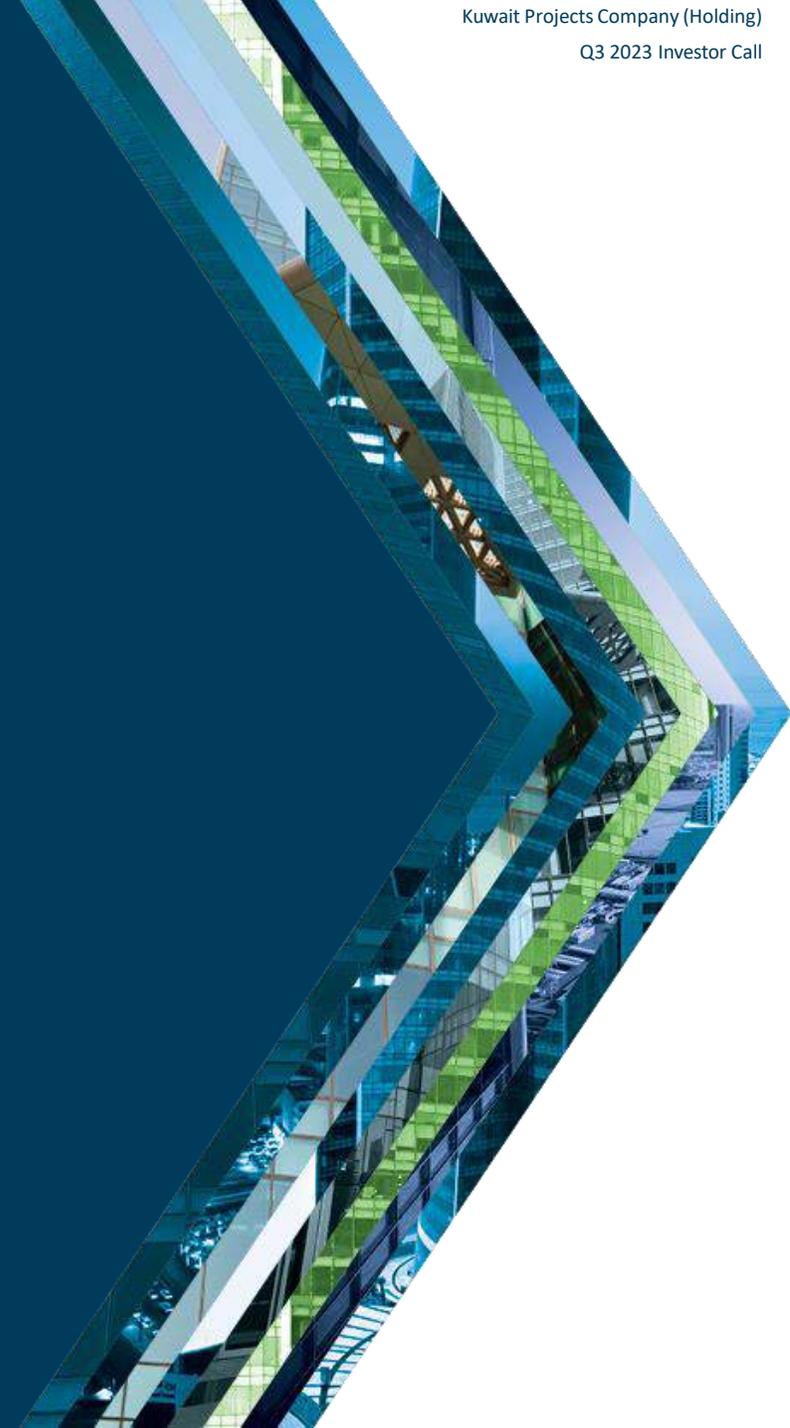


9M 2023 income breakdown



⁽¹⁾ Include new companies that have been added to the consolidated financial statements in Q4 2022 post the merger with Qurain Petrochemical Industries Company.

PORTFOLIO FINANCIAL PERFORMANCE



Burgan Bank Group



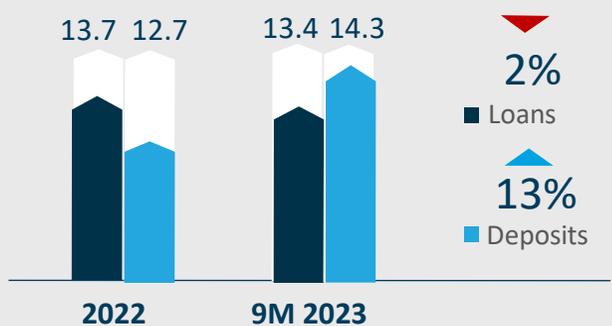
Operating income ⁽¹⁾ (US\$ million)



Net income ⁽²⁾ (US\$ million)



Loans & deposits (US\$ billion)



Key ratios

	9M 2022	9M 2023
Net interest margin%	2.3%	1.9%
Cost to income%	45.5%	43.8%
Cost of credit%	0.4%	0.2%
Non-performing loans ratio%	2.6%	2.0%
Provisions coverage ratio%	153%	215%

- ❖ Higher revenues driven by strong increase in non-interest income of US\$ 336 million
- ❖ Growth in operating income reflects improving operating efficiencies despite investment in digital & tech infrastructure
- ❖ Decrease in net income primarily attributed to increase in provisions and hyperinflation-related monetary loss in Turkish subsidiary

Jordan Kuwait Bank

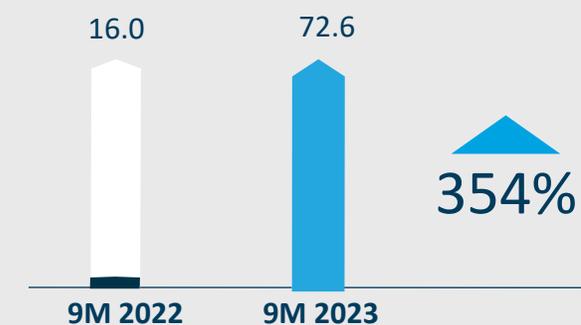


البنك الأردني الكويتي
JORDAN KUWAIT BANK

Total income (US\$ million)

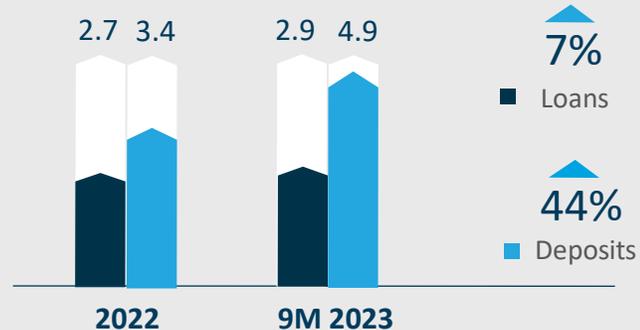


Net profit ⁽¹⁾ (US\$ million)

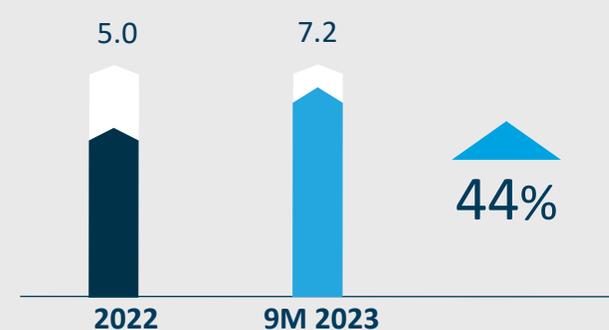


- ❖ In October, the bank successfully sold 66.97% of UAE-based BHM Capital Financial Services to Ethmar International Holding for JOD 30.6 million (US\$ 43.2 million). JKB retained a 10% stake in BHM Capital.

Loans & deposits (US\$ billion)



Total assets (US\$ billion)



SADAFCO



Revenue* (US\$ million)



Operating profit* (US\$ million)



Net profit* (1) (US\$ million)



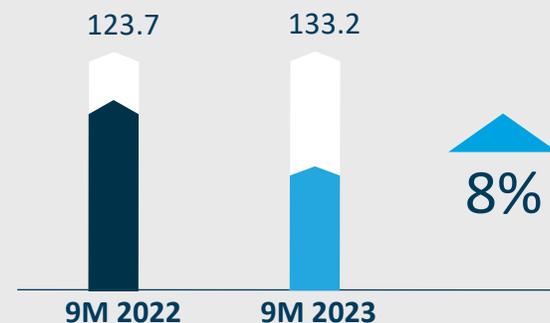
- ❖ Higher net sales and improved gross margin resulted in a YoY increase of 60% in net profit
- ❖ Launched 'barista milk' targeting out of home customers
- ❖ Announced the construction of a new depot in Yanbu, replacing the current leased depot
- ❖ Fiscal year changed from March-end to December-end

United Gulf Holding

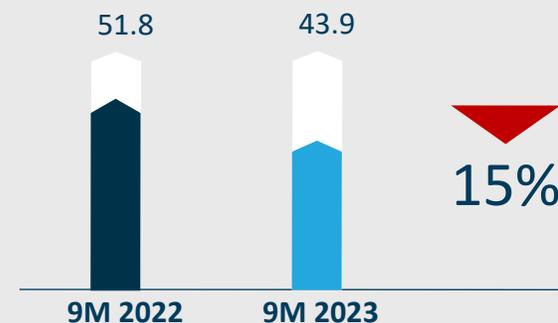


شركة الخليج المتحد القابضة ش.م.ب.
United Gulf Holding Company B.S.C.

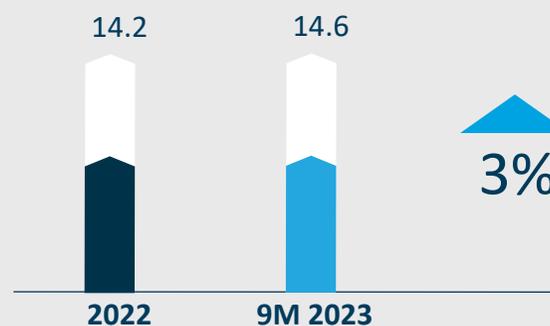
Revenue (US\$ million)



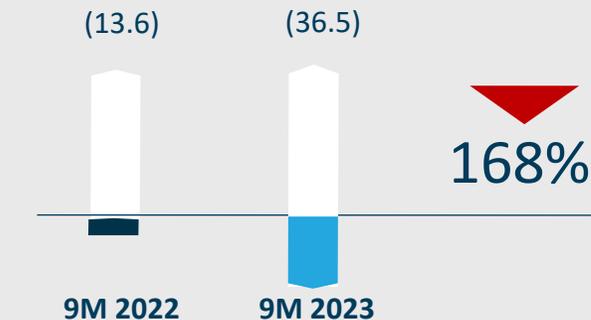
Fee & commission (US\$ million)



Assets under management (US\$ billion)



Net profit ⁽¹⁾ (US\$ million)

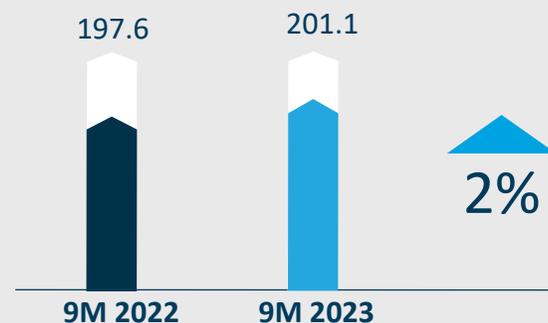


- ❖ **82% increase YoY in Interest Income** was offset by lower contributions from investment income and share of associates.
- ❖ **Kamco Invest** posted a loss of US\$ 4.5m for Sept 2023 versus net profit of US\$ 12.4m in the same period of 2022

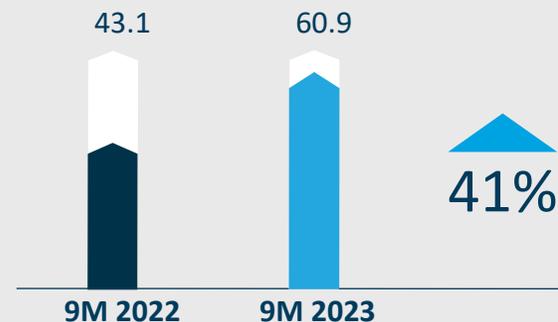
United Real Estate



Revenue (US\$ million)

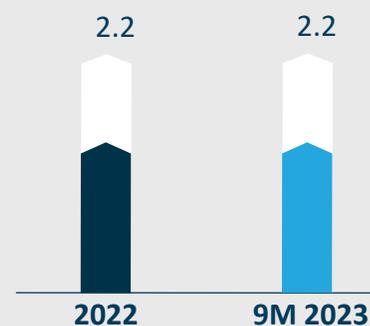


Operating income (US\$ million)

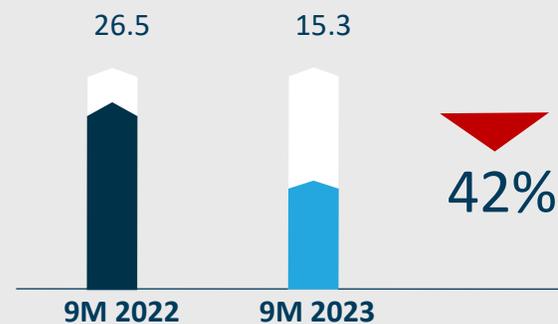


- ❖ Growth in operating income/operating profit driven by 2% YoY increase in operating revenue and reversal of provisions for impairment during 9M 2023
- ❖ Healthy 9M performance with visible **improvements in income across key segments** of URC; 36.5% YoY increase in rental & hospitality income

Total assets (US\$ billion)



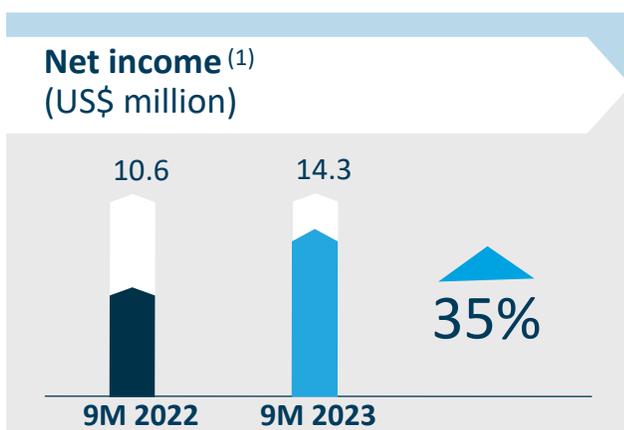
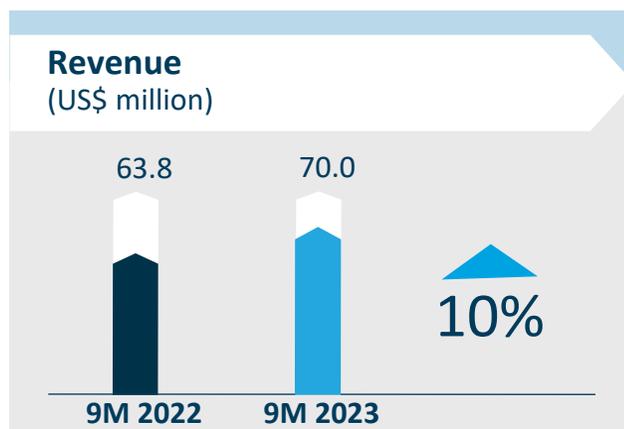
Net profit ⁽¹⁾ (US\$ million)



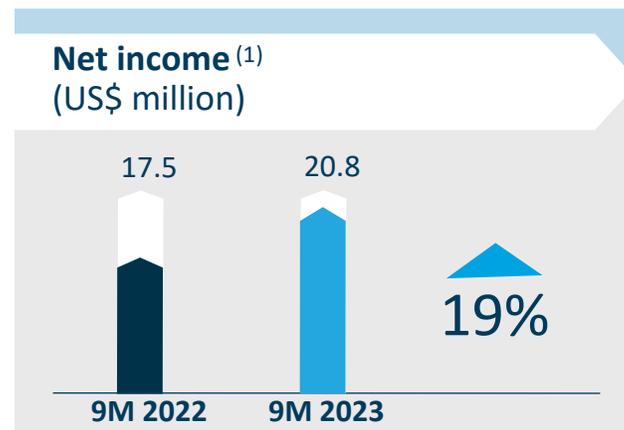
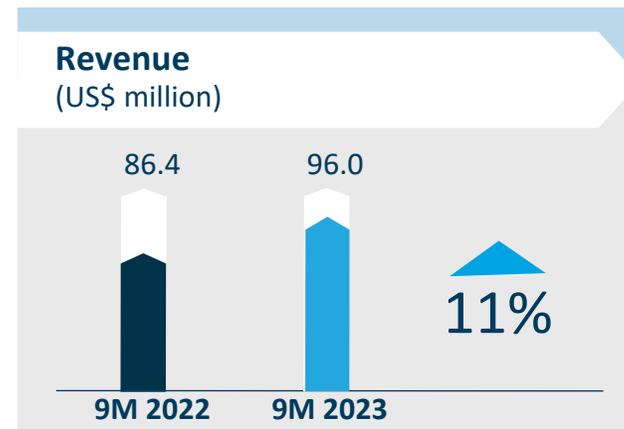
Logistics, energy and healthcare



Jassim Transport & Stevedoring

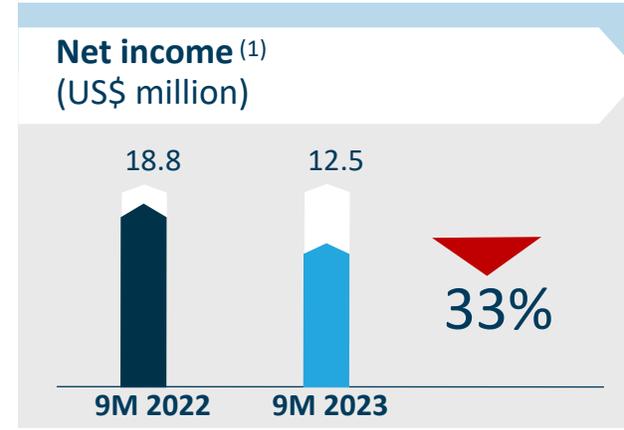
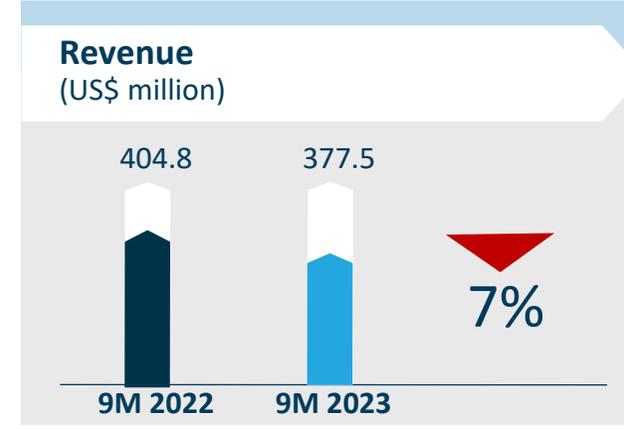


National Petroleum Services



Advanced Technology Company K.S.C.P.
شركة التقدم التكنولوجي ش.م.ك.ع.

Advanced Technology Co.



OSN



Business update

STRATEGY

Key business updates:

- ❖ OSN remains focused on growing its streaming business through optimal use of technology, digital marketing and content diversification.
- ❖ Aim is to transform OSN into a media tech company with AI at its core.
- ❖ OSN continues to improve its OSNtv box, a 'dishless' plug-and-play solution that provides the best of both the linear and on-demand offerings. This is in line with OSN's strategy toward streaming TV with a linear environment.

OPTIMIZATION

- ❖ OSN continues to achieve cost optimization through obtaining long-term content contracts as well as operational day-to-day overheads.

CONTENT

- ❖ Reported 40% increase in engagement from OSN subscribers in the last 12 months, measured in hours viewed.

THANK YOU

