



AQARAT
عقارات

Q4 and Full Year 2023 Results

Kuwait Real Estate Company (AQARAT) Earnings Call

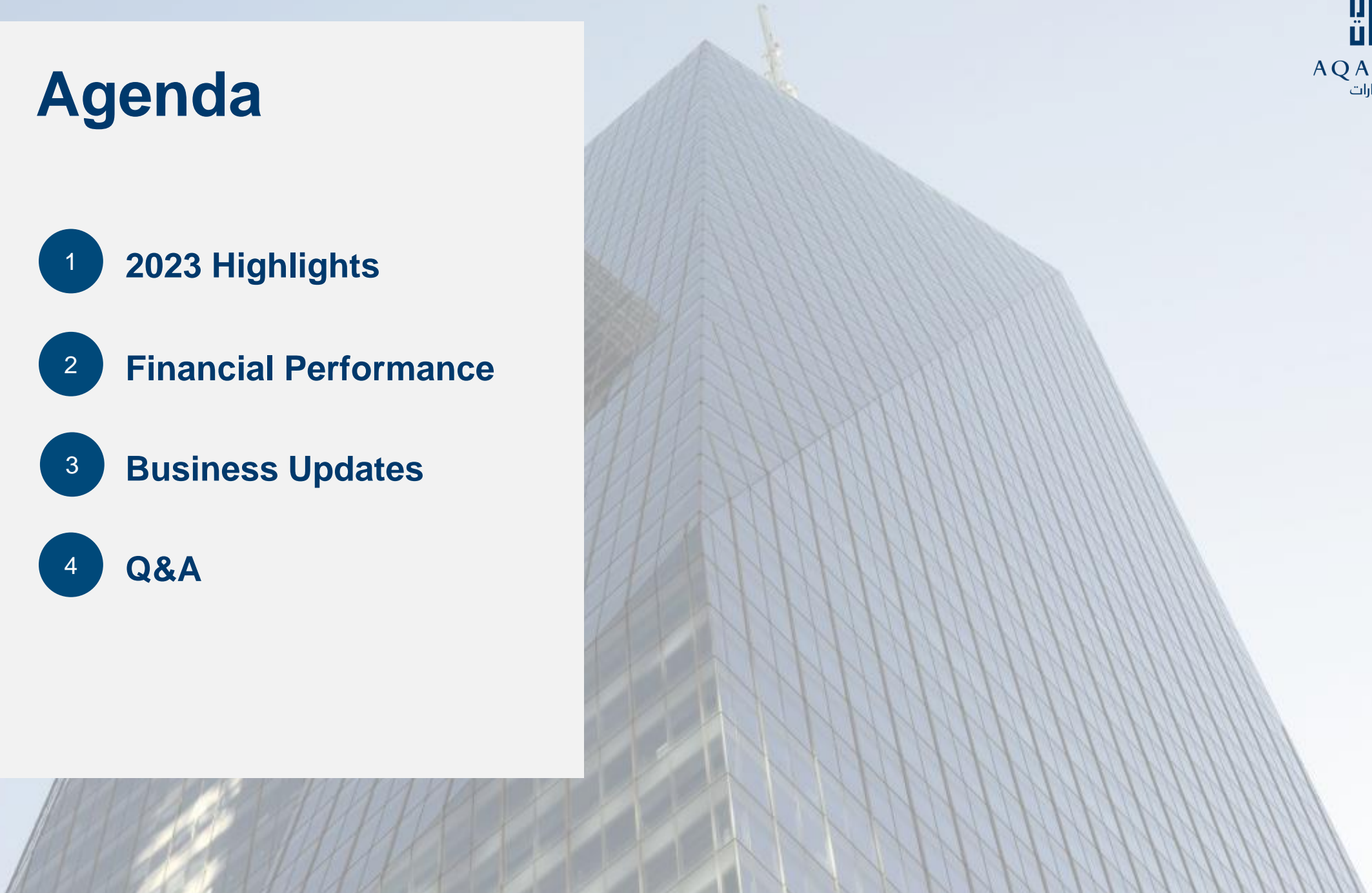
Forward-Looking Statements Disclaimer

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The company does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein



Agenda

- 1 2023 Highlights
- 2 Financial Performance
- 3 Business Updates
- 4 Q&A



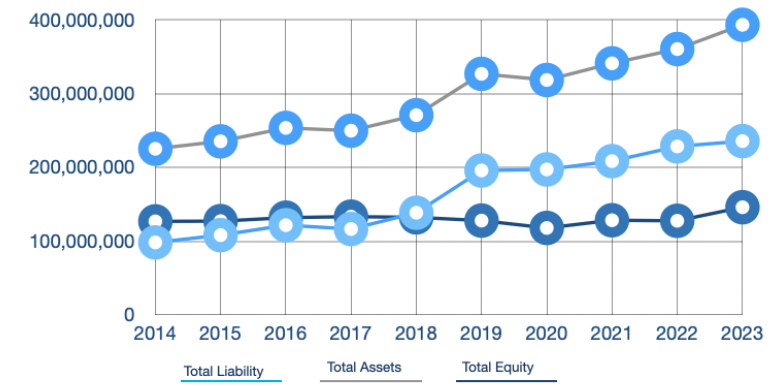
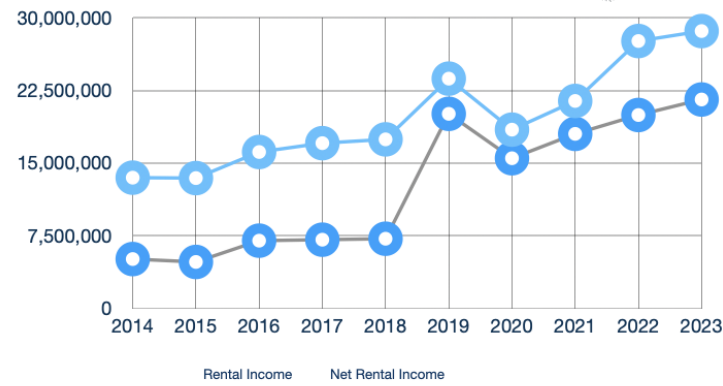
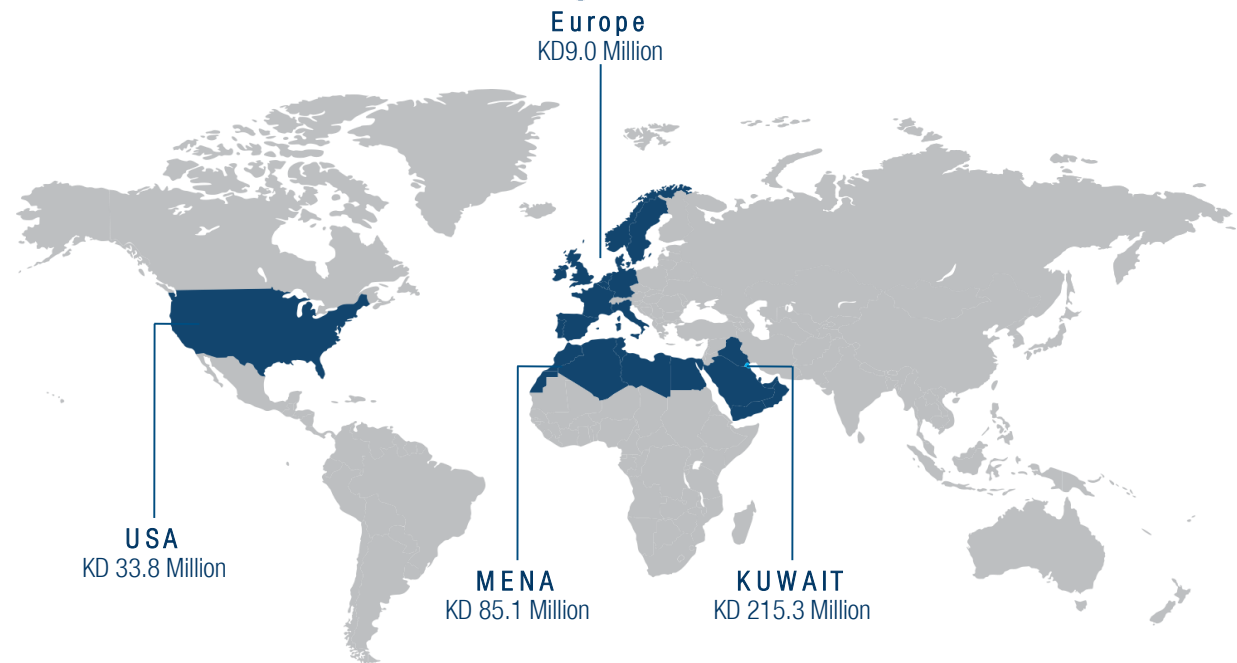
AQARAT OVERVIEW

Diverse portfolio of properties across different sectors and regions

AQARAT (Kuwait Real Estate Company K.P.S.C), a leading Real Estate development and investment company was established in 1972 and was the first real estate company to be listed on the Kuwait Stock Exchange (Boursa Kuwait) in 1984. The company is classified under the “Premier Market” based on Boursa Kuwait’s Market Segmentation.

Proven development track record generating significant value creation over 50+ years in the field of Real Estate investment and development locally and internationally. The company’s portfolio today includes a vast array of commercial, residential, and hospitality projects.

As an integrated real estate services provider, AQARAT offers a comprehensive range of high quality real estate services in the various real estate sectors it operates in.



2023 Highlights

\$1.3B

TOTAL ASSETS
+9.1% GROWTH YOY

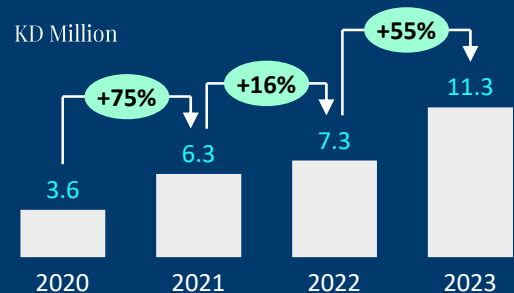
\$474.9M

TOTAL EQUITY
+14.4% GROWTH YOY

+\$700 M

MCAP
MORE THAN DOUBLED
SINCE JAN-23

Market Cap as of 31-Mar-24



ACHIEVED DOUBLE DIGIT
GROWTH IN NP THIRD YEAR
IN A ROW

+55.2%

EPS GROWTH REPORTED IN
2023

4% CASH
&
6% BONUS

BOARD RECOMMENDATION
for 2023 DIVIDEND
DISTRIBUTION

Subject to AGM approval

2023 IN SUMMARY

GROWTH & DIVERSIFICATION

Tapped into to the health and fitness market through our subsidiary Active Holding and launched its gyms under the “NOW” brand . Signed a franchise agreement with Xponential Fitness to launch 4 specialized studios (Rumble, Cyclebar, Club Pilates and Stretch Lab) in Kuwait and Qatar

Franchise agreements were signed with InterContinental Hotels Group (IHG), one of the leading hotel companies in the world, to open two new hotels under the Vignette Collection brand (Th8 Hotel in Dubai and Arabella Beach Hotel in Kuwait) marking its first launch and presence of the new brand in the region

REAL ESTATE DEVELOPMENT

Significant progress in setting a new standard for purpose built- corporate housing development that specializes in providing high-quality accommodation solutions for staff. Working towards expanding this product in key markets in the region

Scaling the development of integrated corporate housing solutions and working on the labor accommodation project in Sabhan, a contract with the Ministry of Finance under a BOT agreement covering an area of 14,120 square meters, for a 20-year period

STRATEGIC PARTNERSHIPS

Signed an MOU with Sanam Real Estate Company to launch Sharia-compliant real estate products, managing a diverse real estate portfolio with profitable returns allowing for periodic distribution of profits to shareholders

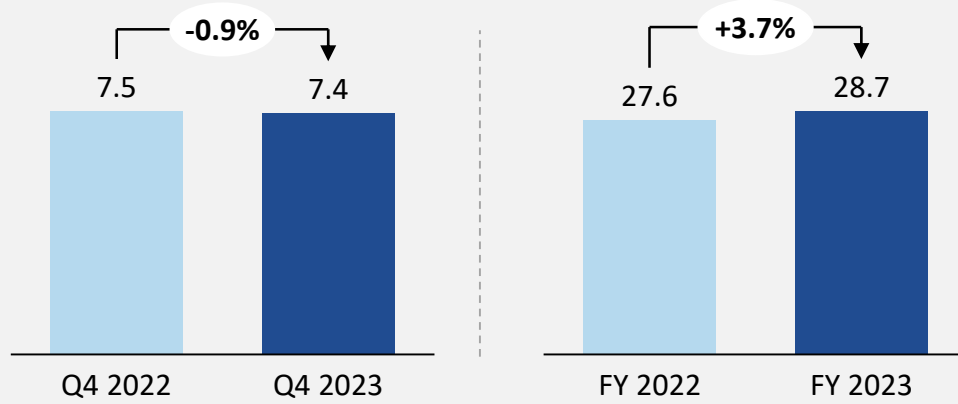
Entered into a joint venture with investors focused on strategic real estate investments in the American and European market for a 33% stake, equivalent to \$16.7 million

Financial Highlights

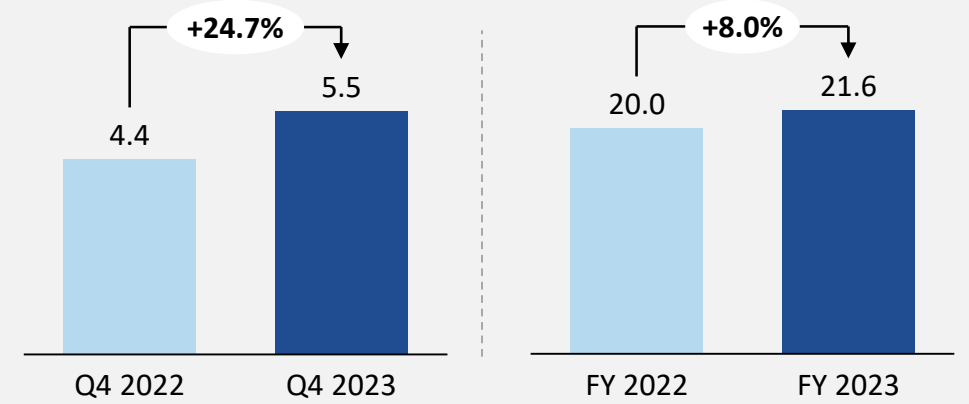
Income Statement

KD Million

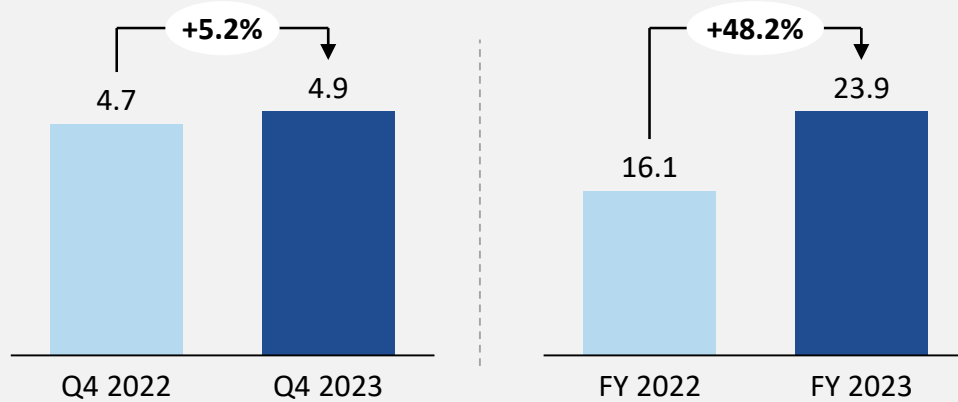
Rental Income



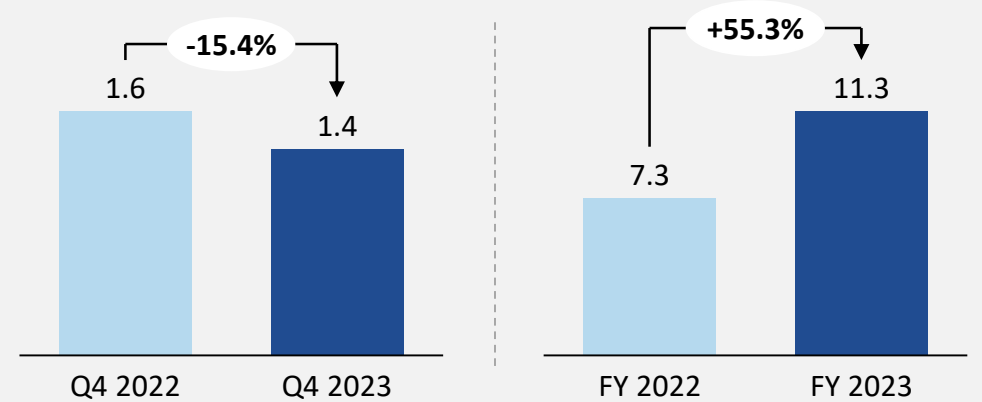
Net Rental Income



EBITDA



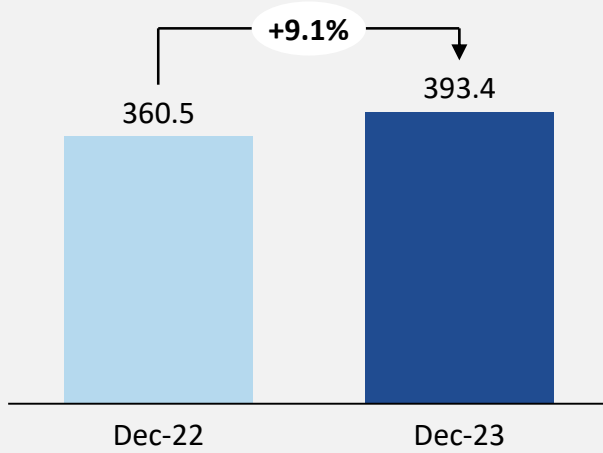
Net Income



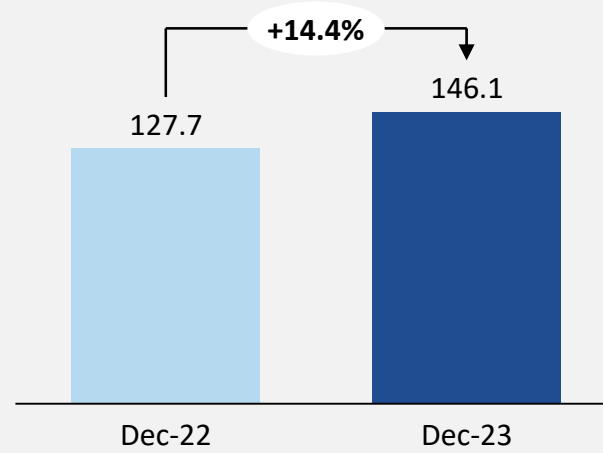
Balance Sheet

KD Million

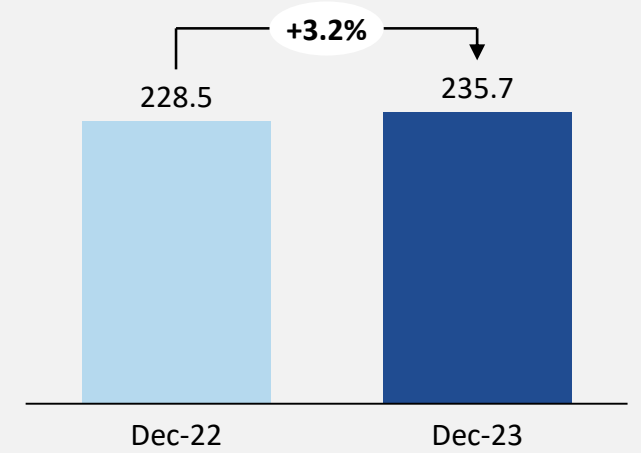
Total Assets



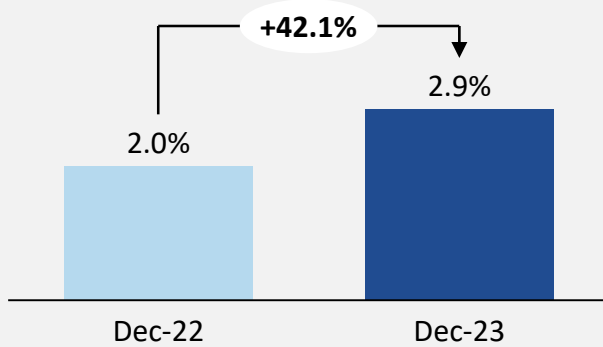
Total Equity



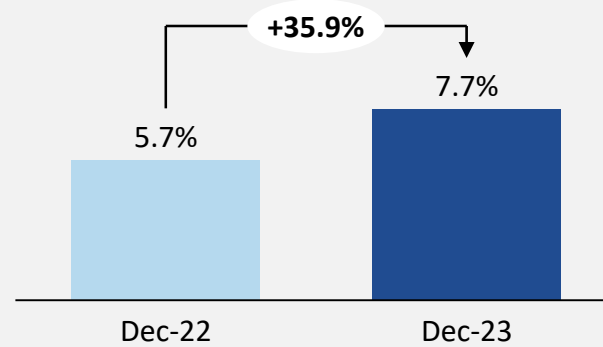
Total Liabilities



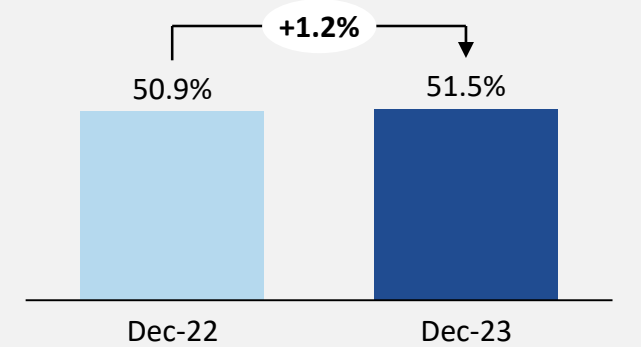
Return on Assets



Return on Equity



Debt to Assets



Financial Snapshot – P&L

Financial Data	Q4 2023	Q4 2022	% change	FY 2023	FY 2022	% change
Rental Income	7,430,686	6,210,728	-0.9%	28,650,858	27,620,930	3.7%
Operating Expense	(1,945,124)	(1,457,065)	-37.3%	(7,069,476)	(7,642,906)	-7.5%
Net Rental Income	5,485,562	4,753,663	24.7%	21,581,382	19,978,024	8.0%
NR Margin	73.8%	58.7%		75.3%	72.3%	
EBITDA	4,896,080	4,652,980	5.2%	23,876,666	16,109,087	48.2%
EBITDA Margin	65.9%	62.0%		83.3%	58.3%	
Finance Cost	(2,951,701)	(2,999,963)	-1.6%	(10,924,254)	(8,232,452)	32.7%
Income Before NLST/Zakat	1,944,379	1,653,017	17.6%	12,952,412	7,876,635	64.4%
Net Income	1,380,097	1,630,902	-15.4%	11,287,000	7,267,875	55.3%
Net Income Margin	18.6%	21.7%		39.4%	26.3%	
EPS	1.49	1.76	-15.3%	12.29	7.92	55.2%

Financial Snapshot – Balance Sheet

Financial Data	Dec-2023	Dec-2022	% change
Current Assets	63,707,180	45,317,148	40.6%
Total Assets	393,401,360	360,531,794	9.1%
Current Liabilities	55,243,205	44,239,514	24.9%
Total Liabilities	235,725,381	228,493,206	3.2%
Total Debt	202,612,437	183,358,016	10.5%
Total Equity	146,072,545	127,674,403	14.4%

Ratios

Interest Coverage Ratio	2.19	1.96
ROA	2.9%	2.0%
ROE	7.7%	5.7%
Debt to Assets	51.5%	50.9%
BV per share	0.154	0.135

Business Update

Kuwait

- Maintained strong performance with high occupancy levels across all properties
- Al Riggae Tower hotel operational and performing well with high occupancy levels
- Arabella Beach hotel completed

UAE

- Strong market in the leasing and hospitality sector
- Domus 1 and 2 at full occupancy and operational. Domus 3 completed and fully leased
- Successful sale of Th8 residential units

USA

- Yotel Miami expect to reach stabilization in the second year of operations
- Yotel NY improved occupancy levels
- BRCM investment displayed good performance q-o-q

Projects under development

Sabhan –Staff Housing BOT

- 40,000 sqm of land area
- Contract period of 20 years

Q1 2025

Domus 4 and 5

- 102 units per building
- Staff housing accommodation located within close proximity to several of Dubai's major tourism hubs

Domus 4 Q1 2024

Domus 5 Q1 2025

501 First Residences Miami

- 40-story tower with 472 residential units
- Located in downtown Miami and in close proximity to Miami World Center neighborhood

Q1 2025

Q&A

Aqarat Key Assets & Properties Portfolio

AQARAT KEY PROPERTIES

KEY ASSETS & PROPERTIES KUWAIT

AQARAT's presence locally in real estate evolved with its establishment in 1972 by owning the first luxury seafront residential complex Pearl Al-Marzouq

AQARAT manages three of the most iconic BOT projects: Souk Al-Kuwait, Souk Al-Kabeer and Souk Al-Safat in Kuwait city. It also owns several other properties of which are Arabella, Al-Durrar, Block A, Block 107, Building 84-87 in Al-Riggae, Ibn Khaldoun Complex, Al-Maseel Pearls, Al-Manar Complex, and Pearls Fintas



Key Figures	
Units	741&534
Floors	12&13

Souk Al-Kuwait & Souk Al-Kabir

The first BOT ever in existence in Kuwait, Souk Al-Kuwait, was conceived of and developed by AQARAT more than four decades ago. The two properties feature commercial and car parking building located in the busy area of the Kuwait Stock Exchange and the banking center of Kuwait City. The buildings have three main components – a multi level car park, offices as well as retail area.



Key Figures	
Units	140
Plot Size	9,026 sqm

Pearl Al-Marzouq

Located along the green lawn and promenade of the Scientific Center overlooking the sea. The property enjoys a serene location, secluded from the noise of the city. The luxurious apartments are designed to maximize natural daylight. Wide, sweeping spaces offer a sense of freedom and sanctuary from the world outside. Three apartment types, each uniquely laid out to cater to the clients needs and desires in modern living.



Key Figures	
Hotel Rooms	194
Plot size	13,075 sqm

Arabella Beach Hotel, Vignette Collection

Located adjacent to The Palms and SAS hotels on the Al-Bidaa coast strip, Arabella features over an area of 13,000 square meters with 25 indoor/outdoor units to serve as restaurants, cafes and more. Currently the property is being partially redeveloped to include a Vignette Collection Hotel with a state of the art gym and beach club.

AQARAT KEY PROPERTIES

KEY ASSETS & PROPERTIES KUWAIT



Key Figures

Hotel Rooms	90
Total BUA	20,000 sqm

Block A, Al Riggae

AQARAT's development team delivered the new project Riggae Tower hotel, previously the Ministry Justice Complex encompassing a total of close to 20,000 relatable square meters. The project location provides easy access to Kuwait's main transportation arteries allowing for efficient transport of staff to their respective employment locations.



Key Figures

Units	181
Plot Size	9,026 sqm

Block 107, Al Riggae

Located near the 4th Ring Road, Riggae, Building 107 comprises of two-tower residential building. One tower has eight floors and the other tower has nine. Each tower has a typical layout on each floor and its flats within. The building is situated on a large plot where the basement covers the whole area used as parking and utilities for the whole building. The ground floor has a wide open area also used for parking.



Key Figures

Units	148
Plot size	4,000 sqm

84-87, Riggae

Located near the 4th Ring Road, Riggae, 84-87 comprises of four tower residential buildings. Each tower has six floors. The tower has a typical layout on each floor and its flats within. The building is situated on a large plot where the basement covers the whole area used as parking and utilities for the whole building. The ground floor has a wide open area also used for parking.

AQARAT KEY PROPERTIES

KEY ASSETS & PROPERTIES KUWAIT



Key Figures

Units	69
Total BUA	897 sqm

Al-Maseel Pearls

Al-Maseel Pearls is a commercial complex located in Abdullah Al Mubarak street, Kuwait City. The building consists of mainly offices and few shops it caters to people who have businesses and need an office in a prime location in Kuwait city. The locations of the building is next to many banks head offices and souk al safat building known as blockat.



Key Figures

Units	184
Plot Size	3,227 sqm

Ibn Khaldoun

Ibn Khaldoun commercial complex located in Hawally. It is one of the largest and famous complex in this vicinity and has been around for years. The complex is a combination of a five (5) story, two (2) tower commercial and four (4) level commercial building. The commercial section of the building is occupied by a large number of shops.



Key Figures

Units	113
Plot size	3,554 sqm

Pearl Fintas

Located in the Al-Fintas area of Kuwait. Pearl Fintas is a five-story cluster type residential apartment complex. The building was constructed in 1984. All apartments in Pearl Fintas are studios accented with balconies. Among the recreational facilities, Pearl Fintas offers a swimming pool and multi-use court for basketball, tennis and volleyball. Pearl Fintas is accessible from the Fahaheel Expressway and in close proximity to Egaila Beach Park.

AQARAT KEY PROPERTIES

KEY ASSETS & PROPERTIES DUBAI

Capitalizing on its knowledge and expertise in the market, AQARAT developed and owns a number of properties in the UAE in the hospitality and staff accommodation sectors. Additionally, the company owns a prime 5.9 million sqft land parcel in Sharja that it has plans to develop as an integrated community



Key Figures

Hotel Rooms	162
Residential Units	110

Th8 Palm Dubai Beach Resort Vignette Collection

Inspired by cool chic Miami style living. The8 design is sophisticated and clean with a contemporary touch. Light weight architecture and spacious are carried throughout the design, from the exterior focus on wide-open balconies to the airy and sleek interior where space is adorned with modern finishes, More art gallery than apartment, The Hotel is part of Th8 - a luxurious mixed-use development that comprises 110 residential apartments and a 162 room hotel apartment complex.



Key Figures

Units	102 per building
Total BUA	392,000 sqft

Domus Hospitality Staff Housing

A staff housing accommodation located within close proximity to several of Dubai's major tourism hubs. The intent is to court a variety of hospitality companies with staff housing needs located within a 25 minute radius of the site. The overall project consist housing over 2,000 hospitality staff of varying employment levels. The project seeks to create a sense of community where hospitality professionals within several disciplines from various hotel flags and other hospitality related companies. The projects consists of 5 buildings of which 2 are complete.



Key Figures

Units	10
Plot size	1,969 sqm

Fairmont Hotel, The Palm

Aqarat owns a portfolio of units in Golden Mile, Palm Jumeirah. Situated on the western portion of the Palm Jumeirah's trunk in close proximity to the business districts of Dubai Media City and Dubai Internet City. It accommodates ten buildings which run along the center of the trunk of Palm Jumeirah. The residences are also just a five minute drive from the popular restaurants and beaches of Dubai Marina.

AQARAT KEY PROPERTIES

KEY ASSETS & PROPERTIES USA

In line with AQARAT’s diversification and opportunistic investment strategy; over the years AQARAT built a sizable portfolio of real estate properties in the USA across the east and west coast in different sectors. Being a major shareholder of Yotel hotels, AQARAT has 2 Yotel hotels in New York and Miami. Furthermore, the portfolio consists of office properties, multi family properties, student housing and SFR investments



Key Figures	
Hotel Rooms	213
YotelPad	233

Yotel Miami

The Project consists of a 48- story LEED Silver building containing 213 Yotel Miami hotel rooms and approximately 233 YotelPAD condominium residence. Both the YOTEL Miami Hotel and the YotelPAD Condominium Residence are accessed at ground level through separate lobbies and elevator banks. The building will include three passenger elevators serving the hotel, two passenger elevators serving the condominium residences , and two service elevators.



Key Figures	
Rooms	713
Floors	27

Yotel NY

The YOTEL development consists of 713 rooms in the heart of Manhattan, New York City. The flagship property design feature 12,000 sqft of dynamic and flexible space known as the Sky Lobby, and the largest outside terrace space featuring a restaurant, lounges, a terrace, exercise room etc. The hotel’s 713 rooms offer a beautifully designed space in which to relax, refresh, connect and sleep.



Key Figures	
Units	472
Floors	40

501 First Residences Miami

501 First Residences is a luxurious 40-story tower offering condominium residences with spacious, modern floor plans including balconies. Situated in a convenient location in Downtown Miami, an area filled with entertainment options, like the Miami World Center, The Performing Arts Center and much more. The 472 residential units consists of studios, one bedroom and two bedroom units.

CONTACT US

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