

التاريخ : Date 2023/8/07

الإشارة : Ref. ش.م/2023/299

Mr. Mohammad Saud Al Osaimi
Chief Executive Officer
Boursa Kuwait Company

السيد / محمد سعود العصيمي المحترم
الرئيس التنفيذي
شركة بورصة الكويت

**Subject: Analyst Conference presentation for the
Second Quarter of the year 2023**

**الموضوع: العرض التقديمي لمؤتمر المحللين/ المستثمرين
لـالربيع الثاني من العام 2023**

As per requirements stipulated in article No.(7-8) "listed company obligations" of Boursa Kuwait rule book and since Mabaneer has been classified under the Premier Market category.

عملاً بالاحكام الواردة في المادة رقم (7-8) "التزامات الشركة المدرجة" من قواعد بورصة الكويت، وحيث أن شركة المباني مصنفة ضمن مجموعة السوق الأول.

We would like to advise that Analysts/ investors conference for Q2-2023 was held through Live Webcast at 2pm (Kuwait Local time) on Monday 07/8/2023, kindly note that during the conference there was no disclosure of any material information that is not in the public domain.

يرجى الإحاطة بأن مؤتمر المحللين/ المستثمرين للربع الثاني من العام 2023 قد انعقد عن طريق وسائل اتصال البث المباشر، في تمام الساعة الثانية (توقيت الكويت) من بعد ظهر يوم الاثنين الموافق 07/8/2023 علماً بأنه أثناء المؤتمر لم يتم الإفصاح عن أية معلومات جوهرية غير متاحة للجمهور.

Attached; the presentation of the aforementioned conference and the presentation for Q2-2023.

مرفق لكم طيه العرض التقديمي للمؤتمر عن الربع الثاني من العام 2023 .

Sincerely yours,

وتفضلوا بقبول فائق الاحترام ،،،

Tareq Abdulwahab Aladsani
Deputy Chief Executive Officer

.....

طارق عبدالوهاب العدساني
نائب الرئيس التنفيذي

- CC . Capital Market Authority

- نسخة للسادة / هيئة أسواق المال



Q2-2023 Results Presentation

Period Ended 30 June 2023

August 2023



Disclaimer/Forward Looking Statements

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Performance highlight 6M-23

Strong Group performance

- Revenue **KD 61.38 Mn. +15.20%**
- EBITDA **KD 45.88 Mn. +13.97%**
- Net Profit **KD 31.74 Mn. +6.68%**

Business Highlights

- Continued commitment to executing our strategies.
- Improved footfall and stable occupancy rates.
- Efficiency in under-development project execution.
- Significant growth opportunities and fostered commercial relationships.
- Commitment towards advancing Mabanee's ESG.

the place to be

الأفينوز

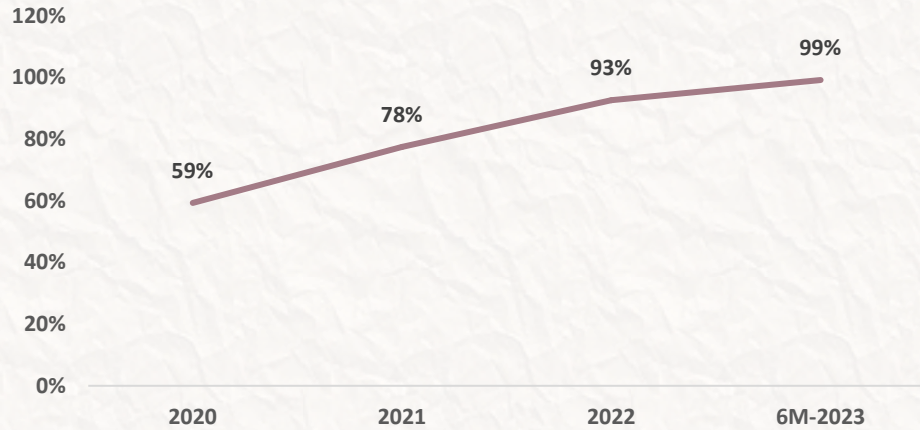
THE AVENUES

الكويت KUWAIT

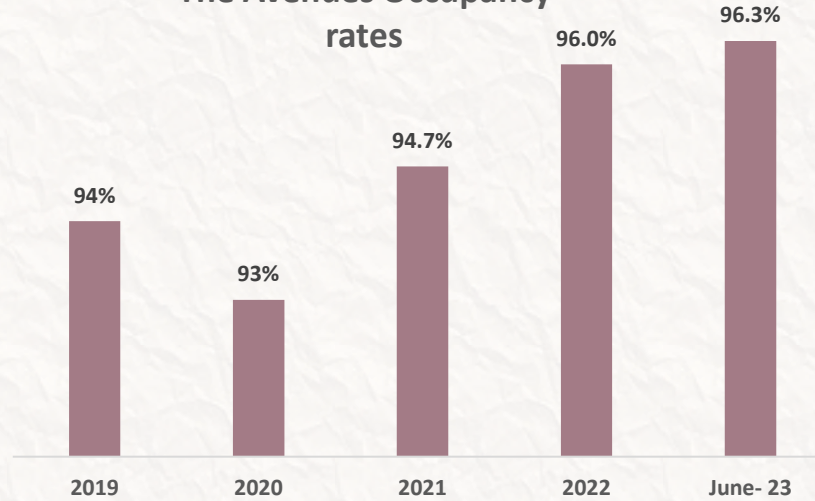
The Avenues-Kuwait



Footfall recovery to pre-pandemic levels



The Avenues Occupancy rates



- Announced new lease rates in June, resulting in KD 8.5 million yearly allocating fees for subsidiary Al Rai Real Estate.
- Occupancy rate slightly increased to 96.3% compared to Q1-23.
- Improvements in footfall rates with further anticipated improvement in traffic flow as surrounding road network project nears completion

Asset Class	Super Regional Mall
Ownership	100%
Operator	Mabaneer
Built-up area	1,300,000 sqm
GLA	360,000 sqm
Stores	1,100+
Parking	13,000
Opened	April 2007



Hilton Garden Inn™

The Avenues Kuwait هيلتون جاردن إن الأفنيوز الكويت



مباكي
mabaneer

Hilton Garden Inn-Kuwait



Asset Class	4-Stars Hotel
Ownership	100%
Operator	Hilton Group
Built-up area	35,000 sqm
No. of Keys	385 keys
Opened	January 2020

- Hotel RevPAR for 6M-23 increased by 14.58% vs. 6M-22
- 6M-23 occupancy rate at 41.47% vs. 35.8% 6M-22
- Performance mainly driven by transient business, corporate and group business



WALDORF ASTORIA®
KUWAIT

والدورف أستوريا الكويت



Waldorf Astoria-Kuwait



- A five-star luxury business and leisure hotel connected to the south side of The Avenues through the Prestige District.
- 6M-23 occupancy rate at 38%.

Asset Class	5-Stars Hotel
Ownership	100%
Operator	Hilton Group
Built-up area	47,800 sqm
No. of Keys	200 keys
Opened	December 2022



أڤنتورا
AVENTURA

Aventura (PPP-J3)-Kuwait



- **Modern architectural design in a community feel, with several facilities and services including parks, schools, and a retail component consisting of international retail and F&B brands.**
- **The construction on site is undergoing for the mall and the Residential Towers, achieving an overall construction progress of 20.6%.**
- **Strong leasing demand for the mall.**

Asset Class	PPP (Residential City + Mall)
Ownership	35%
Operator	Mabaneer
Mall Built-up area	295,000 sqm
Mall GLA	108,200 sqm
Residential Built-up area	65,510 sqm
Residential GLA	50,000 sqm
Units	276
Expected Completion	Q2-Q3 2025



Souk Sabah (PPP-S3)

Souk Sabah (PPP-S3)-Kuwait



- Selected as the “preferred investor” for the S3 Sabah Al Ahmad Investment Opportunity from The Public Authority for Housing Welfare (PAHW).
- Comprised of retail offerings such as a community cinema, supermarket, family entertainment, and an authentic Souk experience and 3-star hotel.
- The official partnership declaration with PAHW took place in February as the PPP agreement signed.
- Expected commencement of construction work on site during Q4-2023.

Asset Class	PPP (Mall + Hotel)
Ownership	100%
Operator	Mabaneer/Hilton Group
Built-up area	85,000 sqm
GLA	23,200 sqm
Hotel	110 Keys

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BAHRAIN البحرين

The Avenues-Bahrain

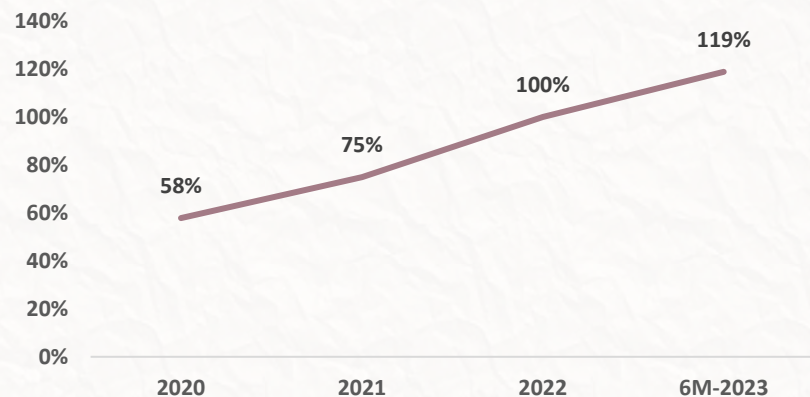
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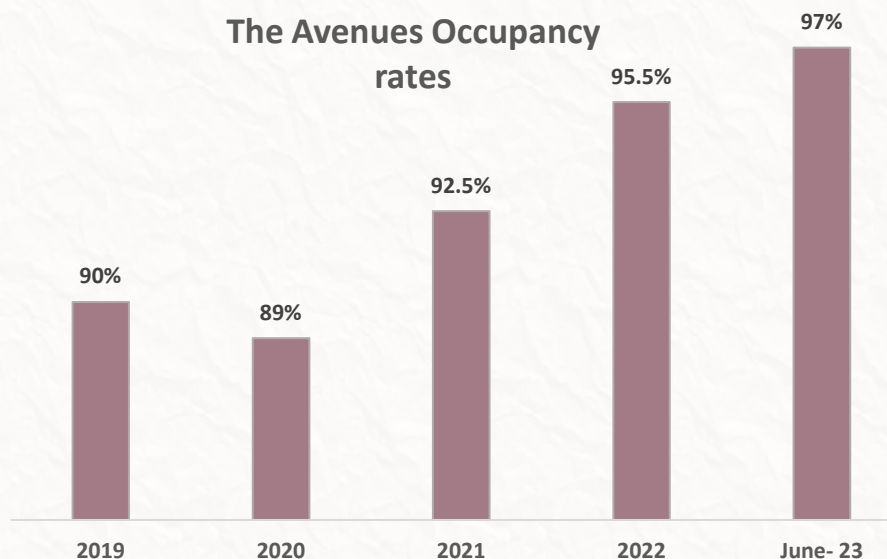
THE AVENUES

BAHRAIN البحرين

Footfall recovery to pre-pandemic levels



The Avenues Occupancy rates



- Stable occupancy rate at 97%
- Positive momentum in leasing pipelines fueled by a good tenant demand.
- Improved footfall numbers have witnessed a 21% increase compared to the previous year, fueled by the Eid holidays and school holidays.

Asset Class	Regional Mall
Ownership	35%
Operator	Mabaneer
Built-up area	136,000 sqm
GLA	42,000 sqm
Stores	120
Parking	1,420
Opened	October 2017

The Avenues-Bahrain (West Expansion)

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THE AVENUES

البحرين BAHRAIN



- An extension of the west part of The Avenues - Bahrain.
- West Expansion will result in an increase to the total Avenues-Bahrain's project's GLA to reach approx. 84,000 sqm.
- Overall project progress at around 40%.

Asset Class	Regional Mall
Ownership	35%
Operator	Mabaneer
Built-up area	115,870 sqm
GLA	42,000 sqm
Expected completion	Q2 2024



Hilton Garden Inn™

Hilton Garden Inn-Bahrain



- Located in the heart of Bahrain Bay and directly connected to The Avenues - Bahrain.
- Hotel's RevPAR for the 6M-23 increased by 15% compared to 6M-22
- The occupancy rate recorded 64% for 6M-23 vs. 50% the same period in 2022
- Performance mainly driven by group businesses, GCC guests and local businesses as trends continue to normalize.

Asset Class	4-Stars Hotel
Ownership	35%
Operator	Hilton Group
Built-up area	23,500 sqm
No. of Keys	192 keys
Opened	July 2021

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الرياض RIYADH

The Avenues-Riyadh

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THE AVENUES

الرياض RIYADH



Asset Class	Mixed use (Super regional Mall+ 5 towers)
Ownership	60%
Operator	Mabaneer/Hilton Group
Built-up area	1,800,000 sqm
Mall GLA	370,000 sqm
Expected Completion	Q1 2026

- Highly desirable location at the intersection of King Salman Road and King Fahad Causeway.
- On-site construction, district cooling plant and external roads improvement works continues.
- Overall project progress stands at 19.38%.
- Strong relationship with prominent retailers from Avenues Kuwait, enhancing appeal.

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THE AVENUES

الخبر KHOBAR

The Avenues-Khobar

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التفويج

THE AVENUES

الخير KHOBAR



- New development project by Mabanee in Khobar area, Eastern Province of Saudi Arabia.
- Enabling and bulk excavation works is completed.
- Main construction contract expected to be awarded during Q3-23.

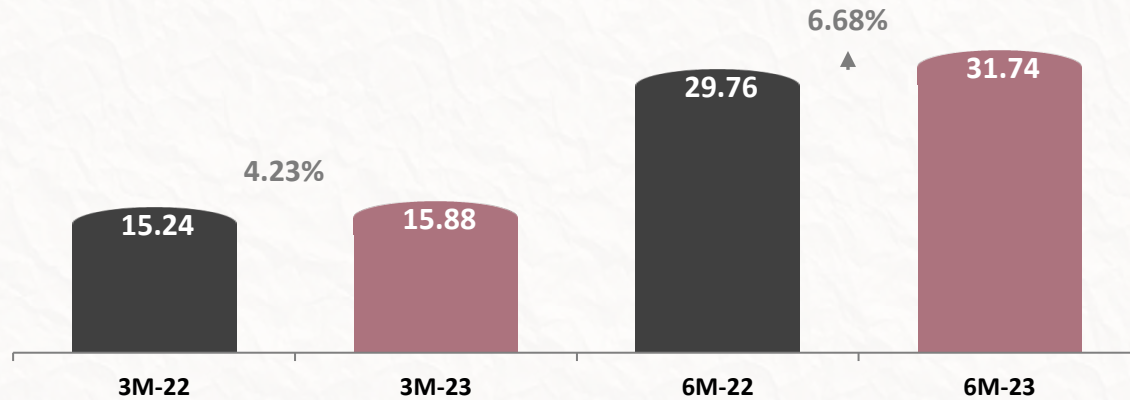
Asset Class	Mixed use (Super regional Mall+ 2 towers)
Ownership	60%
Operator	Mabanee/Hilton Group/Four Seasons
Built-up area	696,000 sqm
Mall GLA	169,000 sqm
Expected Completion	Q4 2026



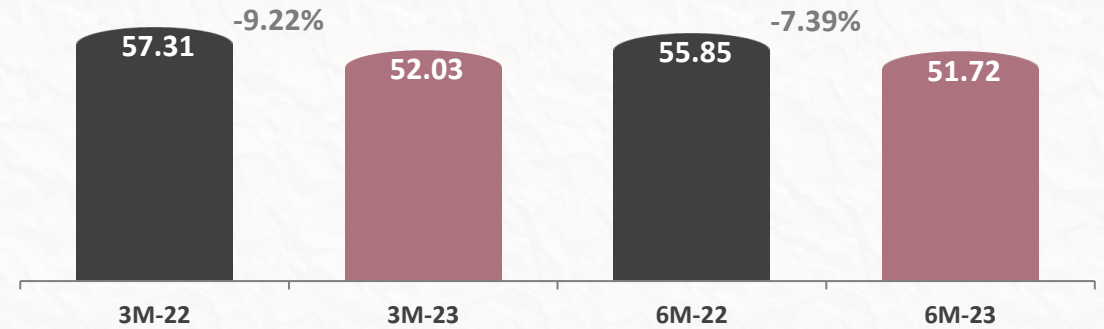
Financial Highlights/Performance

Profitability Indicators

Net Profit KD Mn

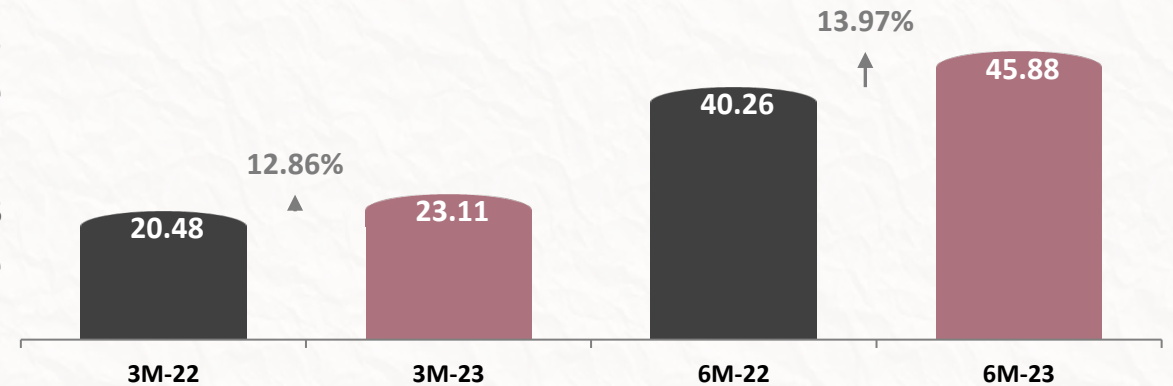


Net Profit Margin %



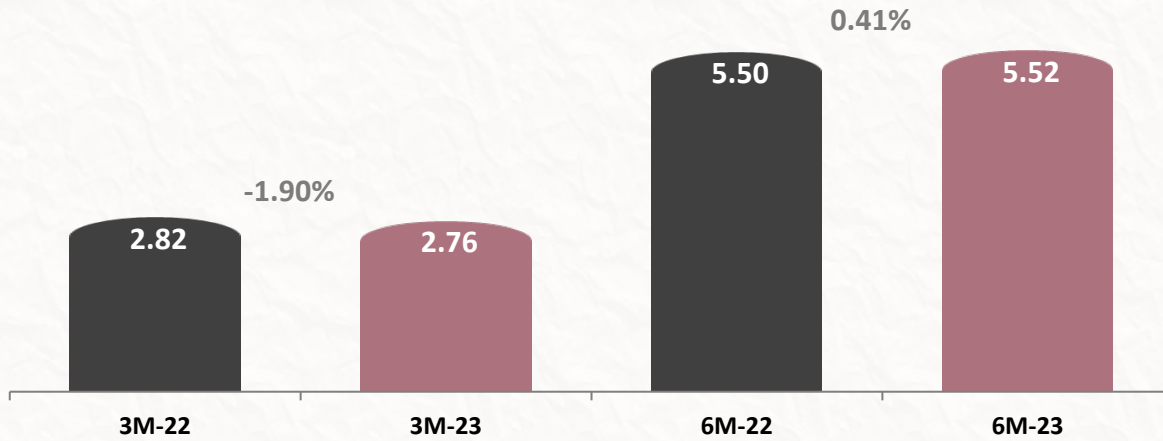
➤ Operationally stable performance at The Avenues Kuwait where there is work in progress on the right tenant mix, contract uplifts, etc., partly supporting our bottom-line growth. A robust cash management mechanism resulted in an upward trend on the EBITDA which temporarily offsets the impact of the increase in the land lease price of The Avenues, Kuwait

EBITDA KD Mn

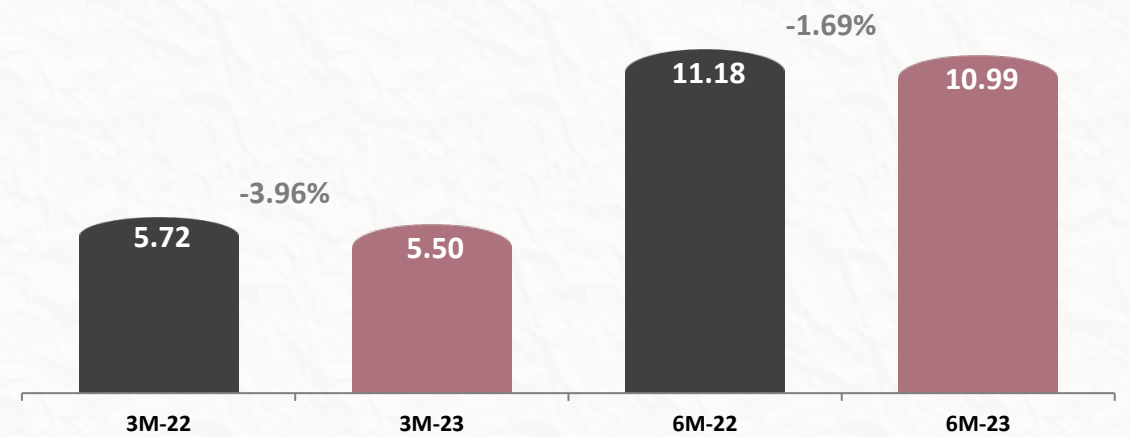


Profitability Indicators

Return on Average Assets %



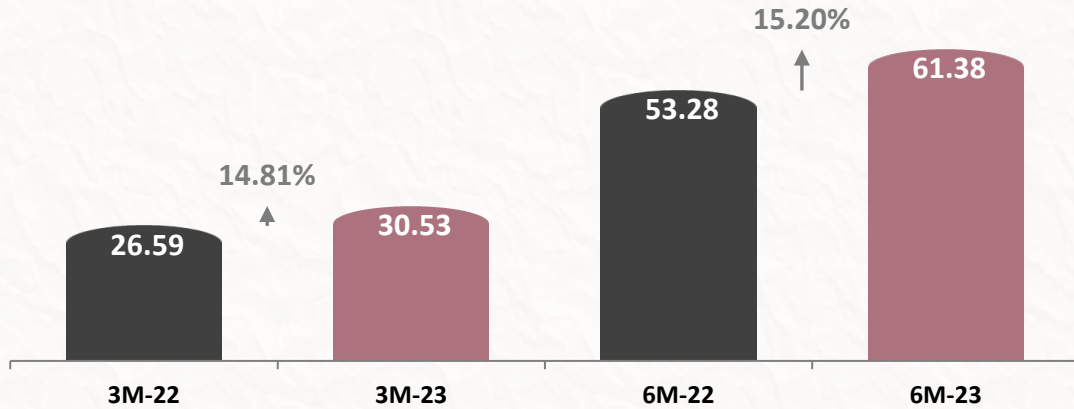
Return on Average Equity %



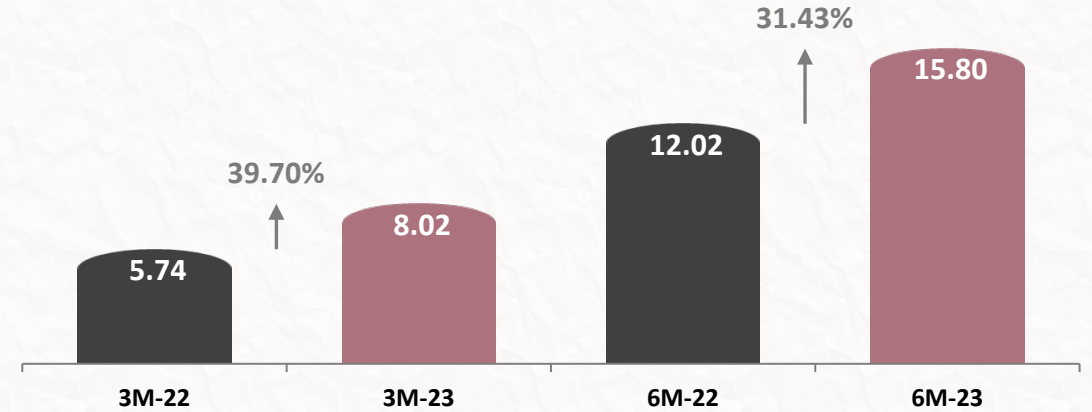
➤ The returns are in line with the growing asset and equity base

Performance Ratios-The Group

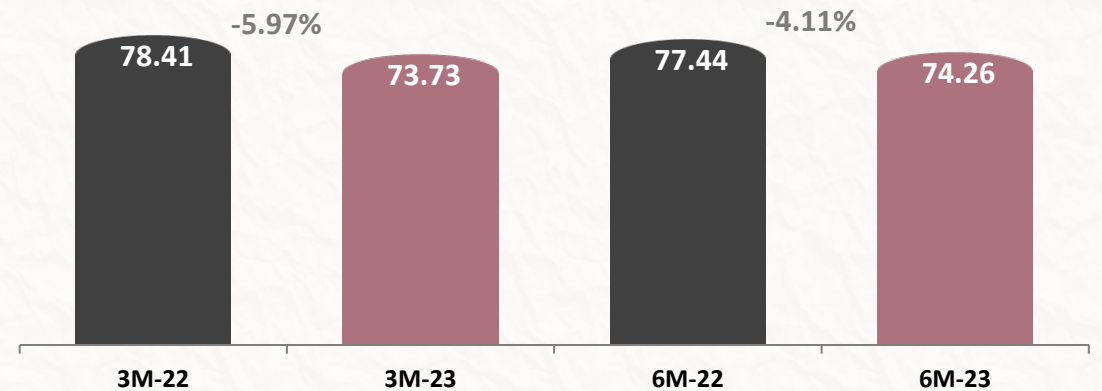
Revenue KD Mn



Operating Expense KD Mn



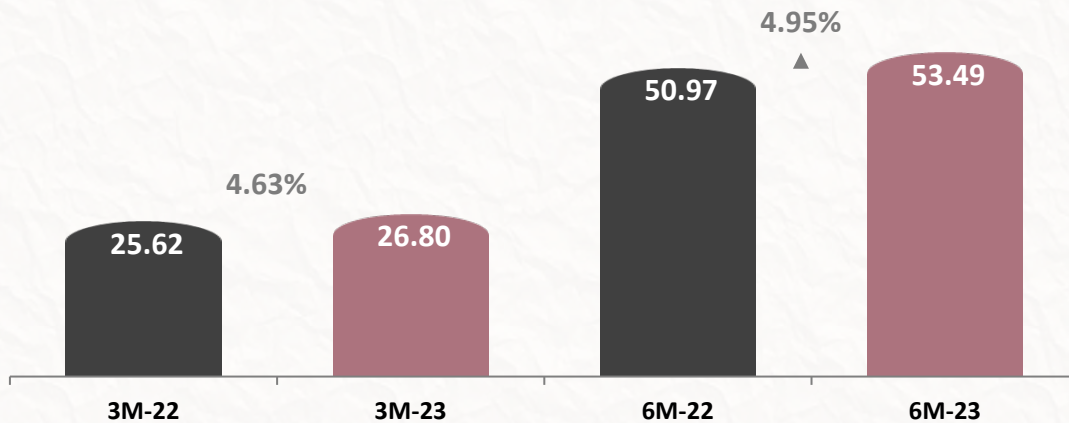
Operating Margin %



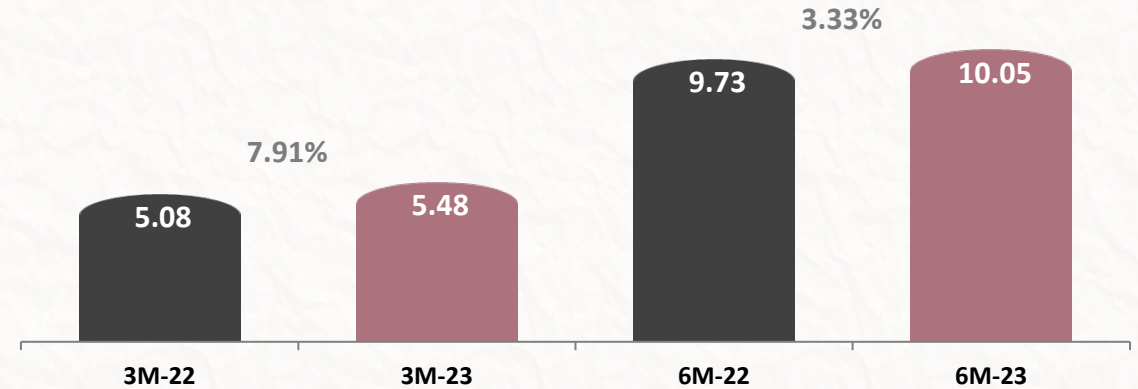
➤ Revenues have risen from The Avenues Kuwait along with Waldorf Astoria's performance. The expenses have significantly risen due to the increase in the land lease price of The Avenues Kuwait along with additional operating costs of the new hotel. The impact on margins is visible and we expect the hotels to pick up performance in the coming periods.

Performance Ratios-The Avenues

Revenue KD Mn

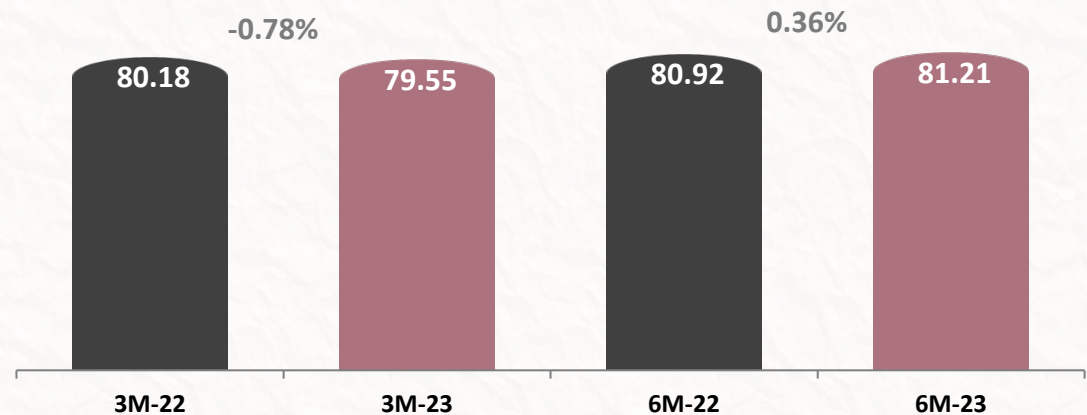


Operating Expense KD Mn



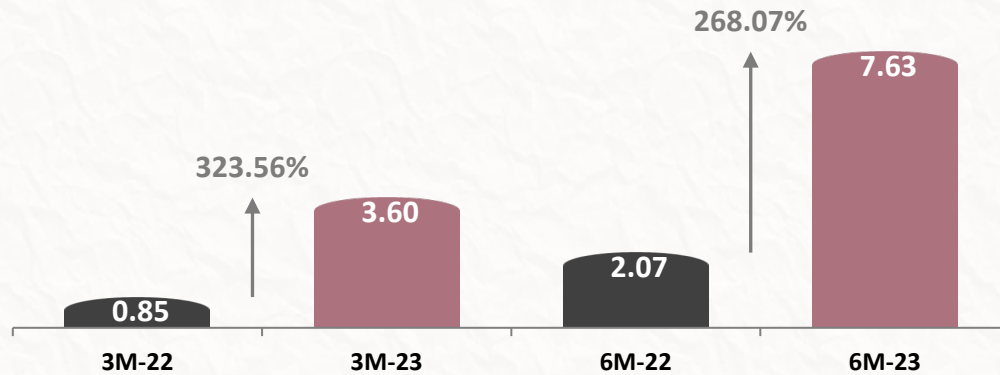
➤ Margins have remained flat at a time of increased land lease payments of The Avenues Kuwait as the increased expenses are offset by increased top-line performance.

Operating Margin %

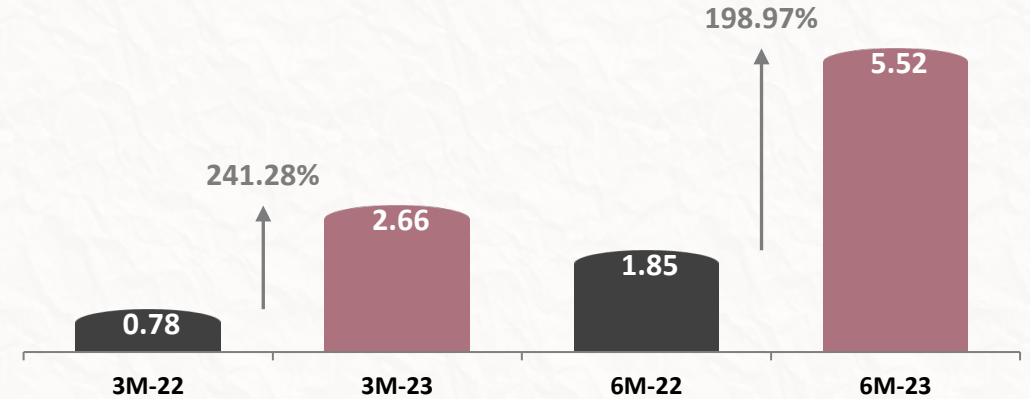


Performance Ratios-Hospitality

Revenue KD Mn

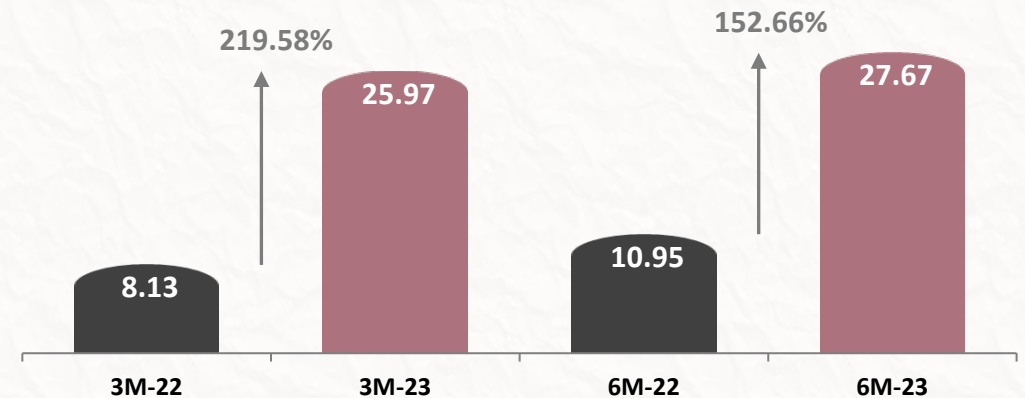


Operating Expense KD Mn



- Higher revenue is mainly on account of better RevPAR and ADR driven by the opening of Waldorf Astoria Kuwait in August 2022

Operating Margin %



Appendix

Consolidated Statement of Income

ASSETS (KD'000)	Q2-23	Q2-22	YoY %	EQUITY AND LIABILITIES (KD'000)	Q2-23	Q2-22	YoY %
Non-current assets				Equity			
Property and equipment	147,797	146,994	0.55	Total shareholder's equity	589,796	544,224	8.37
Investment properties	814,511	729,142	11.71	Non-controlling interest	79,820	77,521	2.97
Investments in associates	46,605	40,624	14.72	Total equity	669,616	621,745	7.70
Advance payments and prepayment	61,747	24,488	152.15	Non-current liabilities			
Right of use asset	23,785	22,332	6.51	Finance from banks	369,097	333,402	10.71
Investment securities	1,912	1,931	(0.98)	Other non-current liabilities	49,501	46,495	6.46
Total non-current assets	1,096,357	965,511	13.55	Total non-current liabilities	418,598	379,897	10.19
Current assets				Current liabilities			
Receivable from associates	958	522	83.52	Finance from banks	44,087	51,705	(14.73)
Accounts receivable and prepaymer	12,445	17,174	(27.54)	Other current liabilities	50,590	42,344	19.47
Cash and cash equivalents	73,131	112,484	(34.99)	Total current liabilities	94,677	94,049	0.67
Total current assets	86,534	130,180	(33.53)	TOTAL EQUITY AND LIABILITIES	1,182,891	1,095,691	7.96
TOTAL ASSETS	1,182,891	1,095,691	7.96				

Consolidated Statement of Financial Position

KD'000	Q2-23 3M	Q2-22 3M	YoY %	Q2-23 6M	Q2-22 6M	YoY %
Investment properties revenue	26,929	25,739	4.62	53,747	51,207	4.96
Revenue from hospitality	3,596	849	323.56	7,630	2,073	268.07
Total Operating Revenue	30,525	26,588	14.81	61,377	53,280	15.20
Investment properties expenses	(5,357)	(4,960)	(8.00)	(10,280)	(10,175)	(1.03)
Depreciation on investment properties	(2,834)	(2,834)	0.00	(5,669)	(5,933)	4.45
Hospitality operation's expenses	(2,662)	(780)	(241.28)	(5,519)	(1,846)	(198.97)
Depreciation of hotel properties	(1,074)	(369)	(191.06)	(2,141)	(770)	(178.05)
Total Operating Expenses	(11,927)	(8,943)	(33.37)	(23,609)	(18,724)	(26.09)
Gross Profit	18,598	17,645	5.40	37,768	34,556	9.30
Net investment gain	61	(2)	(100.00)	50	(2)	(2700.00)
General and administrative expenses	(1,548)	(1,133)	(36.63)	(2,923)	(2,568)	(13.82)
Finance Costs	(2,599)	(1,387)	(87.38)	(4,885)	(2,720)	(79.60)
Other Income	1,864	564	230.50	2,861	1,156	147.49
Share of results from associates	230	203	13.30	311	410	(24.15)
Profit before deductions	16,606	15,890	4.51	33,182	30,832	7.62
Contribution to KFAS	(167)	(144)	(15.97)	(334)	(277)	(20.58)
Contribution to NLST	(420)	(409)	(2.69)	(845)	(784)	(7.78)
Contribution to Zakat	(168)	(163)	(3.07)	(338)	(313)	(7.99)
Profit for the year	15,851	15,174	4.46	31,665	29,458	7.49
Non-controlling interest	(30)	(63)	52.38	(79)	(298)	73.49
Profit attributable to shareholders	15,881	15,237	4.23	31,744	29,756	6.68
Funds from operations (FFO)	18,359	18,328	0.17	37,770	35,971	5.00
Basic EPS (KD Fils)	12.07	11.58	4.23	24.12	22.61	6.68

Q & A

Thank You

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