

Date: 2020/02/06  
Ref: M.C/E.M/54/2020

التاريخ:- 2020/02/06  
الإشارة : ش.م.أ.ع/54/2020

To: Boursa Kuwait

السادة/ شركة بورصة الكويت المحترمين،،،،

**Subject: Mabaneer's Company Analyst/Investor  
Minutes of Conference**

**الموضوع: محضر مؤتمر المحللين/ المستثمرين لشركة المبانى  
ش.م.ك (عامة)**

With reference to the aforementioned subject, and as per article No. (8-4-2) "Continuing Obligations in the Premier Market" of Boursa Kuwait Rule Book issued as per decision No. (1) for year 2018, and since Mabaneer Company has been listed in the Premier Market. Kindly be informed that the Analyst/Investor Conference was held on Thursday 2020/02/06 at 2:00 pm (Kuwait Local Time) through Live Webcast.

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام المادة رقم (8-4-2) "الالتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث تم تصنيف شركة المبانى ضمن مجموعة السوق الأول، يرجى العلم بأن مؤتمر المحللين / المستثمرين قد انعقد يوم الخميس الموافق 2020/02/06 في تمام الساعة الثانية بعد الظهر (بتوقيت الكويت المحلي) عن طريق بث مباشر على شبكة الأنترنت (Live Webcast).

Moreover, please note that during the conference there was no material information that it is not in the public domain.

علماً بأنه أثناء المؤتمر لم يتم الإفصاح عن أية معلومات جوهرية لجمهور المتعاملين.

Furthermore, attached is the Analyst / Investor's Conference presentation for the period ended 31/12/2019.

كما نرفق لكم طيه عرض مؤتمر المحللين / المستثمرين عن الفترة المنتهية في 2019/12/31.

This is for your information and notice.

هذا للعلم والإحاطة ،،،،،

Best Regards,

وتفضلوا بقبول فائق الاحترام ،،،،،



طارق عبدالوهاب العدساني  
نائب الرئيس التنفيذي  
Tareq Abdulwahab Aladsani  
Deputy Chief Executive Officer

# Mabane Investors Presentation

Q4 2019 - Earnings  
Conference Call



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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.

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## **Section 1 OVERVIEW OF MABANEE**



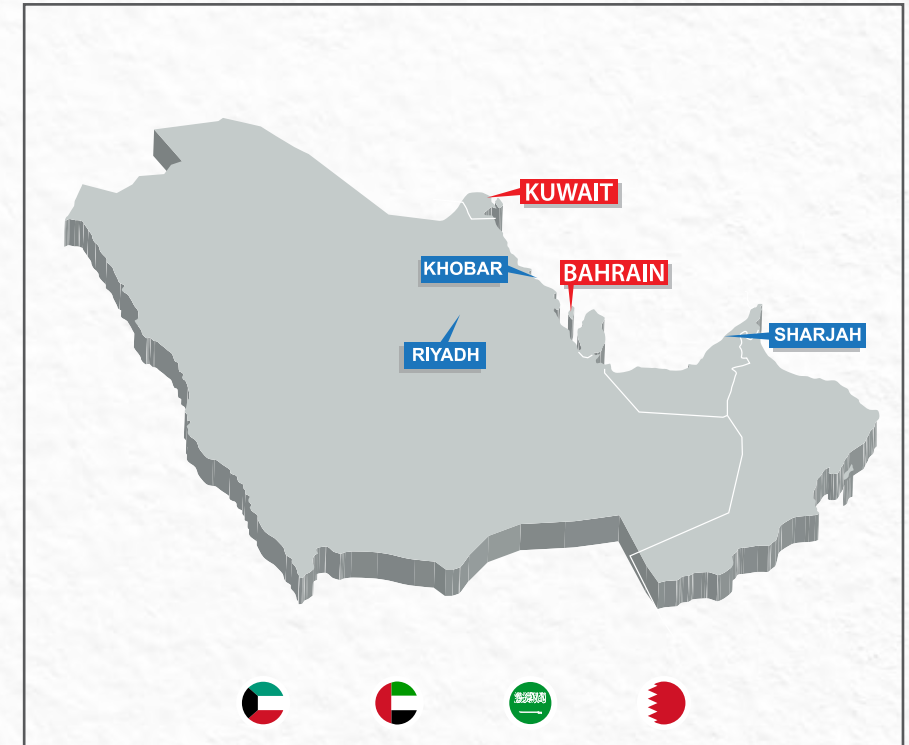
## **Section 2 MABANEE, KEY PROJECTS & OUTLOOK**



## **Section 3 FINANCIAL PERFORMANCE**

# MABANEE's INVESTMENT STRATEGY

- For **2019**, Mabanee witnessed a significant annual increase in net profit to **KD 56,410,017** compared to **KD 52,527,554** for the same period in **2018**.
- The local and regional expansion of Mabanee has been due to an investment strategy focused on developing and managing projects in prime cities as well as ensuring a consistent return on investment.
- Mabanee has developed notable destinations and projects which include shopping, entertainment, leisure and hospitality in addition to residential as part of its expansion plans.
- Mabanee ensures its success by following a thorough expansion strategy through direct investments or partnerships in cooperation with a group of leading Gulf investors.
- The Company aims to target new sectors such as hotels, residential and medical projects as well as developing sizeable projects that corresponds with the market and region's needs.
- Despite some challenges in the international retail market, Mabanee's success and ambitions provide the opportunity to invest in certain markets.



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## **Section 1 OVERVIEW OF MABANEE**



## **Section 2 MABANEE, KEY PROJECTS & OUTLOOK**



## **Section 3 FINANCIAL PERFORMANCE**

## THE AVENUES - KUWAIT

- The Avenues has maintained its occupancy rate of **95%** in 2019, considered a significantly high rate to occupancy rates in the shopping sector, showcasing the mall's success in the retail industry in the face of current business challenges.
- Majority of the stores in **Phase IV** districts have opened, with an occupancy rate of **94%**.
- The footfall of The Avenues-Kuwait has maintained its annual growth of around **8-10%**, confirming the Avenues as a major tourist attraction in Kuwait and the region.



# KUWAIT - HOTELS

## Hilton Garden Inn (2019)

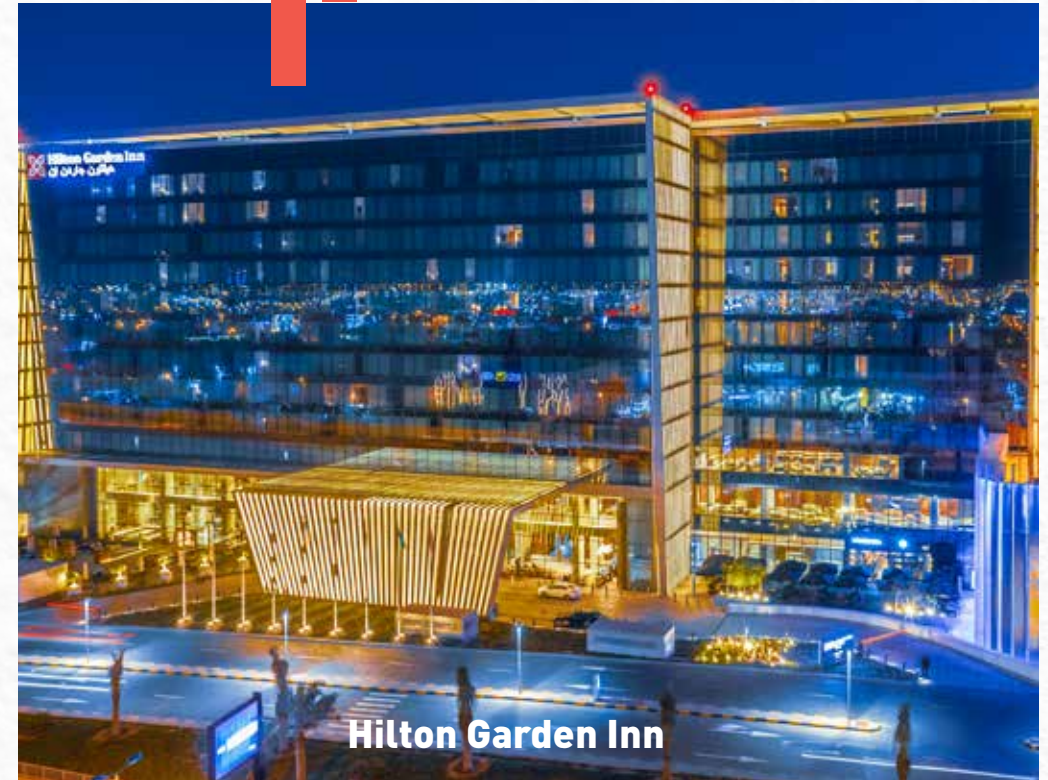
- Hilton Garden Inn has opened its doors to guests and visitors. The four-star hotel with **385** guestrooms is adjoining two of the new districts, The Forum and Electra.
- The hotel is experiencing an impressive turnout of guests, from both residents in Kuwait and the Gulf region – as well as a high occupancy rate for the hospitality sector in Kuwait.

## Waldorf Astoria Kuwait (2020)

- A five-star hotel with **200** guestrooms that will be connected to “Prestige” district. The hotel will feature a large ballroom, multiple dining options and an outdoor pool and Spa.
- The construction progress of the hotel is over **65%** and is expected to be completed by **Q1 2021**.
- Mabanee has started the recruitment of the administration team of the hotel.

## Staff Housing:

- The company has completed the construction work of the hotels' staff building, which is located in Al-Fintas area.



## SALMIYA PROJECT

- A key development on the Arabian Gulf Street in Salmiya, a major urban center in Kuwait, on one of the last available sizeable land plots, benefiting of sea access and great connectivity.
- This will be Mabanee's first mixed-use project outside of The Avenues and it will reflect new standards of design and experience.
- The concept and the feasibility of developing the **9,761 m<sup>2</sup>** land is under a comprehensive study.

## PPPs & BOT's

- Mabanee will continue to target local PPP and BOT projects where several projects are expected in **2020** and **2021**.



## Jaber Al-Ahmad

- Mabanee, the Lead Developer of a Consortium companies received a notification dated on **20/01/2020** for the **J3** Jaber Al Ahmad Investment Opportunity from The Public Authority for Housing Welfare. The offer submitted by Mabanee was the best offer, therefore, the consortium of Mabanee was chosen as the “preferred Investor”.
- Mabanee will disclose the details upon completion of the contracting process with The Public Authority for Housing Welfare.
- Named after one of Kuwait’s most beloved leaders, the Jaber Al-Ahmad project is one of the self-sustainable communities currently under development. On completion, the new city will be home to around **65,000** people, including **6,700** Kuwaiti families.
- The eco-friendly project is to be situated between the central area and the coast, overlooking the western of Kuwait Bay with three distinct neighbourhoods. The new city will also encompass several facilities and services to accommodate its residents and visitors including parks, schools, places of worship and local shops.



# BAHRAIN

## THE AVENUES - BAHRAIN

- The design of **Phase II** has been modified and the construction company will be selected within the next few month. The new phase is expected to add more leasable space for the western part of the project, as well as increase an already significant footfall from Bahrain and abroad.
- The new expansion is set to include districts such as The Forum, The Souk, Electra and Grand Plaza, in addition to an expansion of Grand Avenue.
- The occupancy rate of **Phase I** is **91%**.

## Hilton Garden Inn Bahrain (2021)

- The construction of the Hilton Garden Inn hotel has commenced, and will take **18 months** to accomplish. It will have direct access to the mall and will include **210 keys**.



## THE AVENUES – Riyadh

- There has been a delay due to circumstances out of our control, but it has been overcome.
- A memorandum of understanding has been signed with Nesma & Partners to design and construct Phase I of the project, with a budget of **SAR 6.150 Bn**. The final signature will be in the coming months.
- **Phase I** will include the whole mall, parking areas, gardens as well as internal roads.
- The Avenues - Riyadh, Mabanee's largest project, will be one of the largest malls in the region with a unique architectural design that will include **4** multi-purpose towers.
- The size of the land allocated for the project is **390,000 sqm**, with **400,000 sqm** of **GLA** and **1.9 million sqm** of **BUA**.
- **SAR 5.6 Bn** have been secured through an initial agreement with **9 GCC** banks.



## THE AVENUES - Khobar

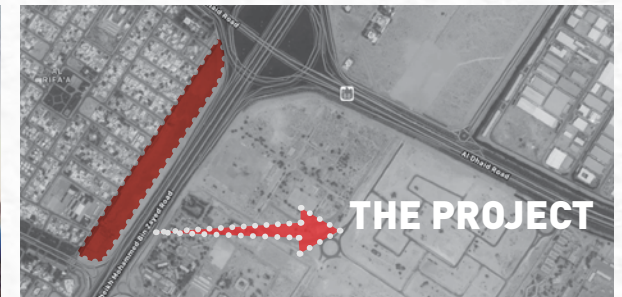
- The design of The Avenues – Khobar is approved. It will stretch over **209,000 sqm** of land space and will include commercial and entertainment areas, as well as four towers that will house residential apartments, hotels, offices, medical facilities, exhibitions, ballrooms and conference halls.



# SHARJAH

## Retail Development - Sharjah

- The project is a strategic partnership with Shurooq; Sharjah Investment and Development Authority in the UAE.
- The Avenues - Sharjah will be strategically located on Sheikh Mohammed Bin Zayed Road, a major transport artery in the city, stretching over a land area of **65,000 sqm.**
- The project will entail the investment and development of **58,000 m2** as a projected **GLA.**



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## **Section 1 OVERVIEW OF MABANEE**



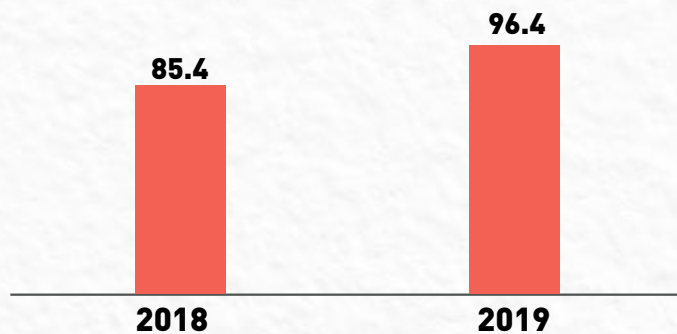
## **Section 2 MABANEE, KEY PROJECTS & OUTLOOK**



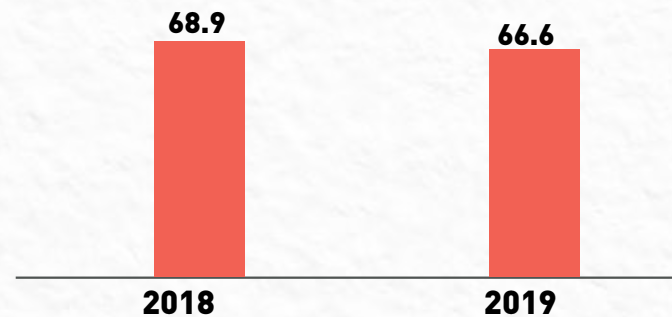
## **Section 3 FINANCIAL PERFORMANCE**

# Financial Performance

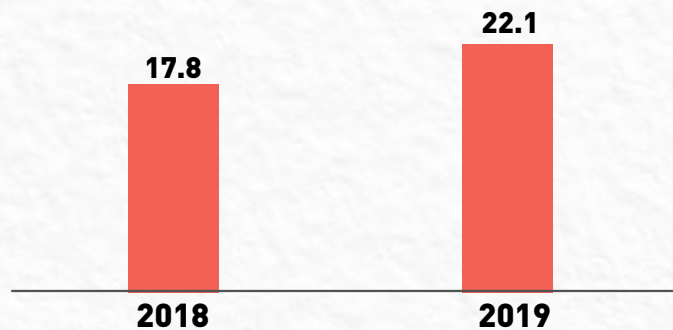
**Operating Income - KD Mn**



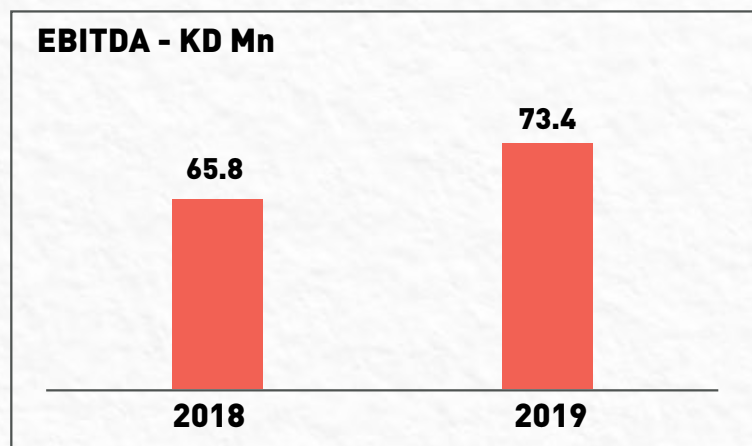
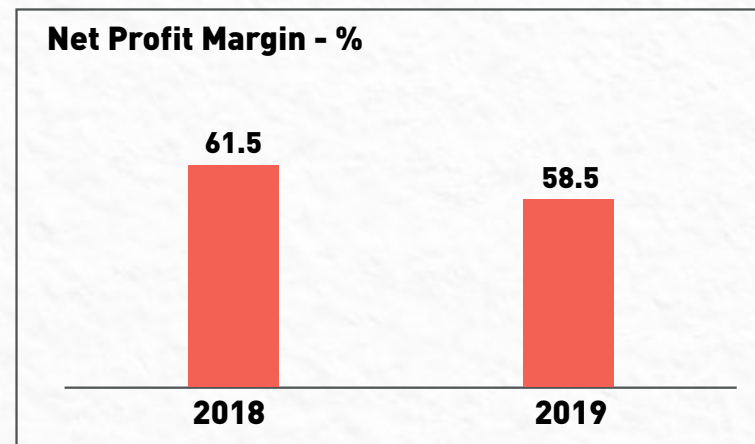
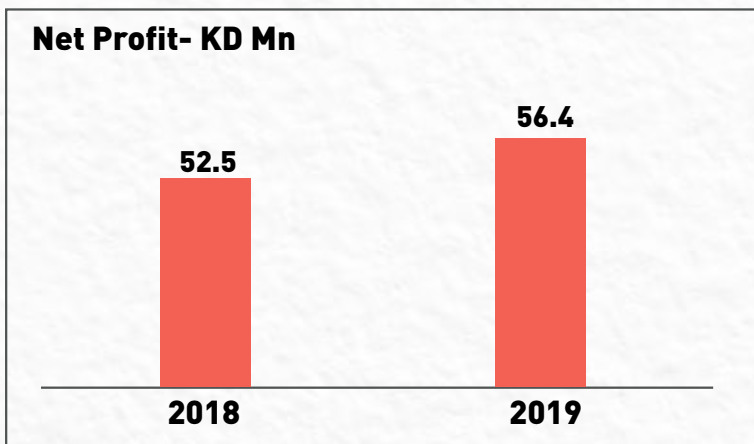
**Operating Margin - %**



**Operating Expense - KD Mn**

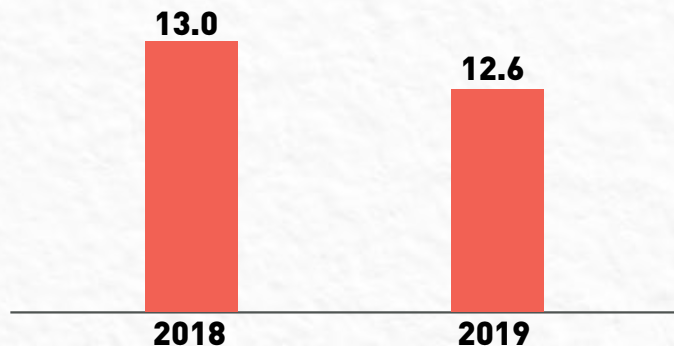


# Financial Performance (cont'd)

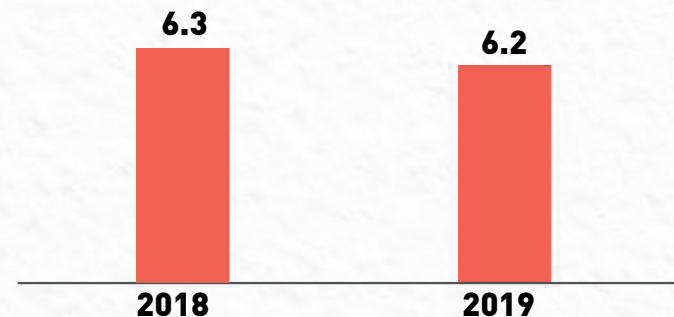


# Financial Performance (cont'd)

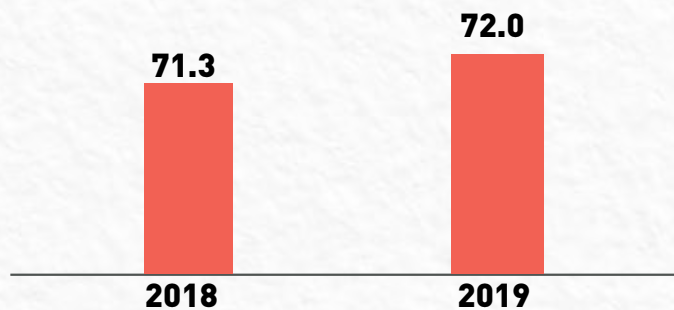
**Return on Average Equity - %**



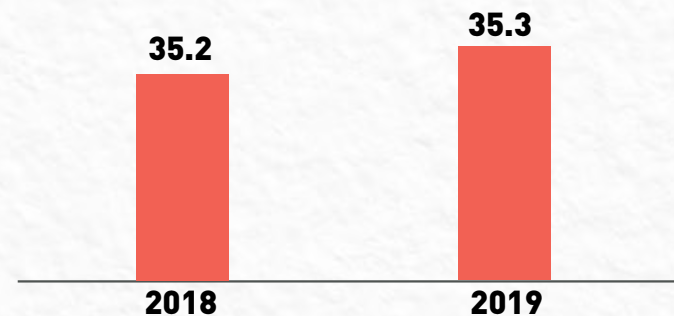
**Return on Average Assets - %**



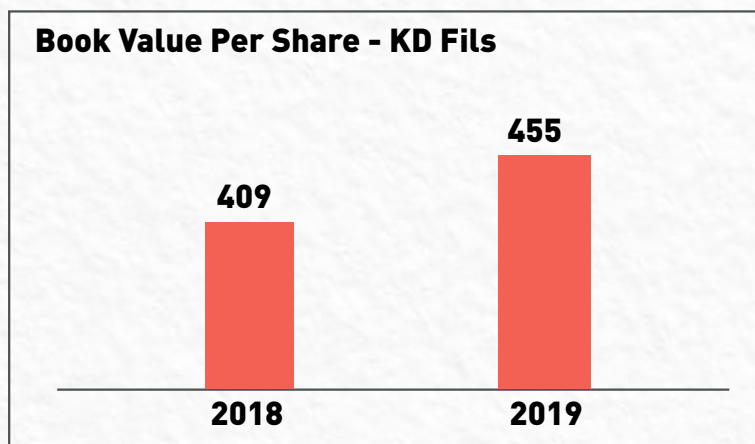
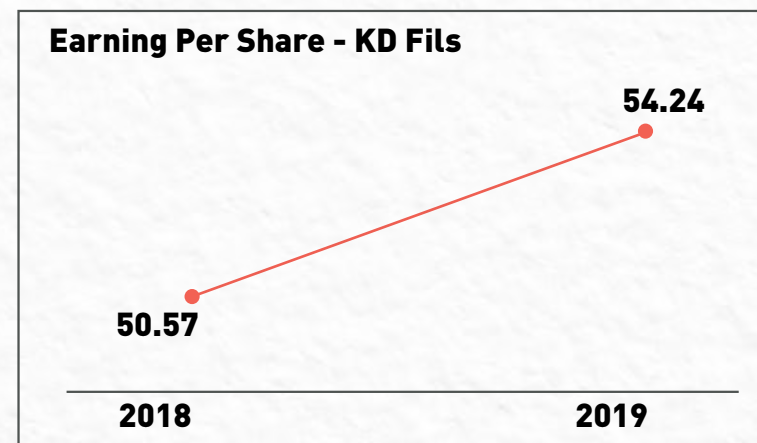
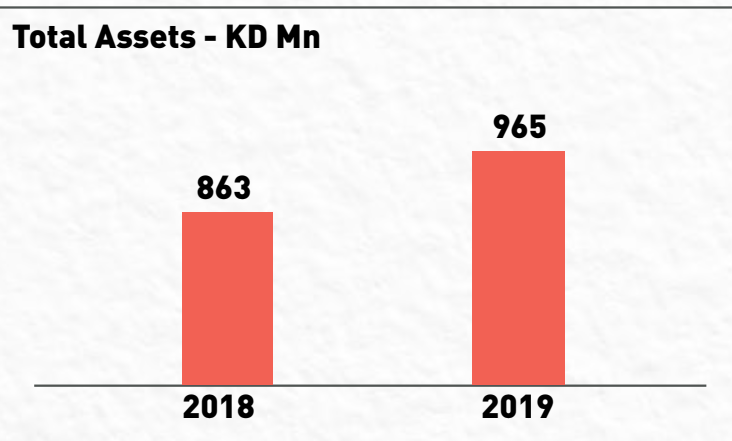
**Debt to Equity - %**



**Debt to Asset - %**



# Financial Performance (cont'd)



# Questions

# Appendix

# Consolidated Statement of Income

(Amount in KD)

Particulars	Financial Year		Variance	
	31-Dec-19	31-Dec-18	Amount	%
Investment properties revenue	96,362,123	85,449,945	10,912,178	12.77
Investment properties expenses	(22,119,911)	(17,839,617)	(4,280,294)	(23.99)
Depreciation	(10,075,321)	(8,719,462)	(1,355,859)	(15.55)
<b>Profit from operation</b>	<b>64,166,891</b>	<b>58,890,866</b>	<b>5,276,025</b>	<b>8.96</b>
Net Gain from financial investments	320,276	246,000	74,276	30.19
General and administrative expenses	(2,012,274)	(2,427,145)	414,871	17.09
Finance Costs	(4,006,622)	(2,379,079)	(1,627,543)	(68.41)
Other Income	493,679	180,640	313,039	173.29
Share of results from associate	366,560	236,066	130,494	55.28
<b>Profit for the year before contributions to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Direcotr's Fees</b>	<b>59,328,510</b>	<b>54,747,348</b>	<b>4,581,162</b>	<b>8.37</b>
Contribution to KFAS, NLST & Zakat	(2,651,333)	(2,438,757)	(212,576)	(8.72)
Directors' fees	(550,000)	(200,000)	(350,000)	175.00
<b>Profit for the year</b>	<b>56,127,177</b>	<b>52,108,591</b>	<b>4,018,586</b>	<b>7.71</b>
<b>Attributable to:</b>				
Non-Controlling Interest	(282,840)	(418,963)	136,123	32.49
<b>Equity holders of the parent company</b>	<b>56,410,017</b>	<b>52,527,554</b>	<b>3,882,463</b>	<b>7.39</b>

# Consolidated Statement of Financial Position (Assets)

(Amount in KD)

Particulars	Financial Year		Variance	
	31-Dec-19	31-Dec-18	Amount	%
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4,649,241	3,380,499	1,268,742	37.53
Investment property	822,343,918	779,016,219	43,327,699	5.56
Investment in Associates	30,658,604	27,729,325	2,929,279	10.56
Right of use of assets	2,234,872	-	2,234,872	100.00
Prepayments	8,503,698	1,099,552	7,404,146	673.38
Investments Securities	4,318,792	4,370,094	(51,302)	(1.17)
<b>Total non-current assets</b>	<b>872,709,125</b>	<b>815,595,689</b>	<b>57,113,436</b>	<b>7.00</b>
<b>Current Assets</b>				
Receivable from Associates	248,433	2,614,810	(2,366,377)	(90.50)
Accounts receivable and prepayments	19,557,940	26,142,681	(6,584,741)	(25.19)
Cash and bank balances	72,573,073	18,399,825	54,173,248	294.42
<b>Total current assets</b>	<b>92,379,446</b>	<b>47,157,316</b>	<b>45,222,130</b>	<b>95.90</b>
<b>Total Assets</b>	<b>965,088,571</b>	<b>862,753,005</b>	<b>102,335,566</b>	<b>11.86</b>

# Consolidated Statement of Financial Position (Liabilities and Equity)

(Amount in KD)

Particulars	Financial Year		Variance	
	31-Dec-19	31-Dec-18	Amount	%
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share Capital	104,254,148	98,352,970	5,901,178	6.00
Reserves	368,807,706	326,881,565	41,926,141	12.83
<b>Total equity attributable to equity holders of the parent company</b>	<b>473,061,854</b>	<b>425,234,535</b>	<b>47,827,319</b>	<b>11.25</b>
Non-controlling interest	73,831,413	60,156,783	13,674,630	22.73
<b>Total equity</b>	<b>546,893,267</b>	<b>485,391,318</b>	<b>61,501,949</b>	<b>12.67</b>
<b>Non-current Liabilities</b>				
Provision for staff indemnity	2,366,432	1,810,272	556,160	30.72
Due to Related Parties	-	11,656,913	(11,656,913)	(100.00)
Other non-current liabilities	23,454,231	21,297,448	2,156,783	10.13
Lease Liabilities	1,075,617	-	1,075,617	-
Long-term loans	7,000,000	11,000,000	(4,000,000)	(36.36)
Murabaha payables	278,104,920	278,041,667	63,253	0.02
<b>Total non-current Liabilities</b>	<b>312,001,200</b>	<b>323,806,300</b>	<b>(11,805,100)</b>	<b>(3.65)</b>
<b>Current Liabilities</b>				
Short-term loans	4,000,000	4,000,000	-	-
Murabaha payables	51,463,487	10,237,645	41,225,842	402.69
Lease Liabilities	105,854	-	105,854	-
Accounts payable and accruals	50,624,763	39,317,742	11,307,021	28.76
<b>Total current Liabilities</b>	<b>106,194,104</b>	<b>53,555,387</b>	<b>52,638,717</b>	<b>98.29</b>
<b>Total Liabilities</b>	<b>418,195,304</b>	<b>377,361,687</b>	<b>40,833,617</b>	<b>10.82</b>
<b>Total Liabilities and Equity</b>	<b>965,088,571</b>	<b>862,753,005</b>	<b>102,335,566</b>	<b>11.86</b>

**Thank You**

