



# AQARAT'S Investors Presentation

Sunday, 22 May 2022  
At 1:00pm (Kuwait Time)

# 2022

## SPEAKERS

### **Mr. Talal Jassem Al Bahar**

Vice Chairman & CEO

### **Mr. Maher Khalaf**

Assistant Vice President – Finance Department

### **Mr. Saad Al Muneefi**

Vice President – Asset Management & Investor Relations

# Saad Al Muneefi

Greetings and welcome to AQARAT's First Quarter 2022 Investor & Analyst conference Call to present and discuss the Company's performance for the period. Please allow me to introduce the speakers in Today's call :

Mr. Talal Al Bahar – Vice Chairman & CEO

Mr. Maher Khalaf – AVP - Finance

And myself Saad Almuneefi, Vice President of the Asset Management & Investor Relation Departments.

Before we start, I would like to bring to your attention that today's presentation and discussion may contain forward looking statements based on the Company's expectations and estimates. These expectations, estimates and predictions herein are subject to certain risks and uncertainties that may cause actual results to differ materially. In this matter, I would like to refer you to the full disclosure contained in the presentation for today's call.

The first quarter of the year 2022 witnessed the continued recovery and growth in AQARAT operations which is reflected in its financial results. It is safe to say that we have weathered the COVID-19 pandemic effects successfully and resiliently; however now as with most other sectors we have to face the new challenges of the hindering global economy.

In aggregate, AQARAT recorded KD7.3 million in rental revenue for the first quarter of 2022 compared to KD5.2 million achieved in Q1 2021, an increase of 40%. This increase is mainly attributed to the consolidation of income generated from Th8 Hotel and Domus 1&2. As for the Net Profit for the First quarter, KD2 million was achieved compared to KD1.8 million recorded for the same period in

2021 translating to an increase of 9%. This is just a snapshot of AQARAT's performance and we will go into more details later in the call.

During the quarter, the stabilized income generating portfolio continued its healthy growth QoQ. However, it is worth noting that the significant increase in the rental income is mainly attributed to the inclusion of Domus 1&2 and Th8 Hotel revenues. Locally there are no major events to report for the portfolio. With reference to the US properties, Yotel New York continued its recovery during the quarter fueled by the enhancement in the travel industry. As for Flats Atlantic Station, the property is 100% leased for the next school year. Moving to Dubai, Domus 1 & 2, the hospitality staff accommodation properties within the 4 buildings project achieved 100% occupancy in the quarter. Finally, Th8 Hotel which was open to groups in July 2021 and to the public in November 2021 is achieving satisfactory occupancy levels due to the strength in Dubai Market.

As for the projects under development, all projects under development locally are on schedule; namely Arabella Hotel development which is moving as scheduled and is expected to be completed in Q4 2022. In the US Yotel Miami was completed during the 4<sup>th</sup> quarter and the TCO was received during the first quarter of 2022 and is expected to receive guests in June of this year. Moreover the quarter marked the start of the residential units hand over to the tenants. Moving to Dubai, as stated in the last conference call AQARAT is proceeding with the development of Domus 3 and 4 and the construction mobilization commenced during the period.

### **Moving to the Financial Performance Overview**

AQARAT recorded a rental income of KD 7.3 million in the first quarter, representing an increase of 40% from the figures recorded in Q1 2021. The Net



Rental Income for the period was KD 5.7 million, an increase of 23% compared to same period last year. As mentioned earlier this significant increase in the rental income and subsequently the net rental income is mainly attributed to the inclusion of Domus 1&2 and Th8 Hotel to the portfolio.

Net Profit achieved in the first quarter is KD2 million, an increase of 9% from the Net Income achieved in Q1 2021.

The Total Liabilities at the end of the first quarter of 2022 stood at KD222.4 million whereas the Total Assets reached KD355.8 million. Assets to Liabilities ratio stands at 1.60.

The ROE for the period was 1.56% compared to 1.53% achieved in Q1 2021, and ROA for the first quarter was unchanged from the Q1 2021 level of 0.57%.

The EPS recorded in the First quarter of 2022 is 2.21 fils vs 2.1 fils recorded in Q1 2021.

In Conclusion, The Board and Executive Management are pleased with the results achieved and reiterate their committed to continue the growth and enhance the value for our shareholders and investors.

We would like to take this opportunity to thank you all for attending this session and we will open the call for any questions you may have.

Shaza Shaker      Thank you, Saad. If anyone have a question, please type your question in the chat box.

Mr. Raghad is telling you: “thank you for the call. Can you, please, update us on the new projects in UAE and Kuwait?”

Saad Al Muneefi As for Kuwait... sorry as for Dubai, we have Domus 3 and 4 the construction mobilization has commenced. in Kuwait, we have Arabella hotel which is under construction and scheduled to be completed Q4 of this year.

Shaza Shaker Thank you, Saad. Are there any other questions? Raja is asking: “can you, please, remind us what would be the impact from the 1% rise of interest rates on your finance costs?”

Saad Al Muneefi [inaudible background voices] well, for every 100 basis points increase it's 1.5 million KD annually.

Shaza Shaker Thank you. Are there any other questions?

Okay, thank you so much, Saad. I think we can conclude the call.

Saad Al Muneefi Thank you very much.