



AQARAT

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AQARAT'S

Investors Presentation

Tuesday, 17 August 2021
At 1:00pm (Kuwait Time)

2021

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

Greetings and welcome to AQARAT's Second Quarter 2021 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

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 second quarter of the year was characterized by evident improvement in the general business environment due to the easing of business and travel restrictions. The residential sector led the recovery in the market with a spike in rental requests. The commercial and office sectors were stable during the period as the pressure on those sectors started to ease well into the quarter; thus it is expected that a recovery in those sectors will be evident in Q3 and Q4 of this year.

In aggregate, the rental revenue recorded in the second quarter of 2021 was KD 5 million compared to KD4.2 million achieved in Q2 2020. As for the Net Profit, KD1.6 million was achieved for the period compared to KD223 thousand recorded for the same period in 2020. This is just a snapshot of AQARAT's performance and we will go into more details later in the call.

Income Generating Portfolio

The occupancy of the portfolio properties remains at comfortable levels and most waivers granted in 2020 are no longer offered.

Projects Under Development

All projects under development locally and internationally are moving as planned with no major development to be reported other than the completion of Domus Building 1 in Dubai. The property is 100% leased and has been handed over to the tenant early in the third quarter.

Financial Performance Overview

AQARAT recorded a rental income of KD 5 million in Q2, representing an increase of 20% from the figures recorded in Q2 2020. The Net Rental Income for the period was KD 4.5 million, an increase of 34% compared to same period last year. Net Profit achieved is KD1.6 million, an increase of 607% from the Net Income achieved in Q2 2020.

The Total Liabilities decreased by 2% from June 2020 level reaching KD194,306,152 whereas the Total Assets were almost unchanged at KD327,064,594. Assets to Liabilities ratio stands at 1.68.

The ROE and ROA for the period were 1.14% and 0.45% respectively compared to 0.21% and 0.08% for the same period in 2020.

The EPS recorded is 1.64 fils vs 0.33 fils recorded in Q2 2020.

In Conclusion, The Board and Executive Management are pleased with the results achieved and the way AQARAT weathered the effects of the COVID-19 Pandemic. We are committed to continue our growth and enhancing 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.