

Aayan Leasing and Investment Company

Analysts Conference Transcript

Period Ended 31st March 2025

A'ayan Leasing & Investment Company (K.S.C.P)

Analysts Conference Transcript – Q1 2025

14th May 2025

Edited transcript of A'ayan Leasing & Investment Company (K.S.C.P) earnings conference call that took place on Wednesday, 14th March 2025 at 01:00 pm Kuwait time.

Speakers from A'ayan Executive Management:

- Mr Abdullah Mohammed Al-Shatti, Chief Executive Officer
- Mr Seyed Abu Thahir, Assistant CEO - Finance and Financial Planning
- Mr Abdullah Abu Hadedah, Assistant CEO - Investment and Corporate Finance

Chairperson:

- Mr. Ahmed El Shazly, EFG-HERMES

Ahmed El-Shazly
EFG Hermes

Good afternoon, everyone and welcome to A'ayan Leasing and Investment's Q1 2025 financial period results conference call. This is Ahmed El-Shazly from EFG Hermes. It's a pleasure to have with us on the call today from A'ayan's management, Mr Abdullah Mohammed Al-Shatti, CEO, Mr Seyed Abu Thahir, Assistant CEO - Finance and Financial Planning, and Mr Abdullah Abu Hadedah, Assistant CEO - Investment and Corporate Finance.

I now hand over the call to Mr Abdullah Abu Hadedah to start with the presentation.

Thank you.

Abdullah Abu Hadedah
A'ayan

Thank you, Ahmed.

May Peace be upon you with God's mercy and blessings

Good afternoon, everyone. Thank you for joining us today to cover A'ayan Leasing and Investment Company's Q1 2025 financial results.

In today's presentation, our CEO Mr. Abdullah Al-Shatti will shed some light on the company's most recent developments and financial highlights. Afterwards, Mr. Seyed Abu Thahir, our Assistant CEO – Finance and Financial Planning will take you through the details of our financial results. This shall be followed by a Q&A session.

Please note that we can only comment on questions and information that has been publicly disclosed. In addition, the presentation will be available on our website.

Before we begin, I would like to draw your attention to the disclaimer on slide three. Please take note regarding the forward-looking statements and the confidentiality of the information presented.

On the next slides, we present our board of directors and our executive management team, along with the company's overview.

Now, I would like to hand over the presentation to my colleague, Mr. Abdullah Al-Shatti.

Abdullah Al-Shatti
A'ayan

May Peace be upon you with God's mercy and blessings

I am pleased to welcome you to this conference. It is an honor to share with you the latest developments and provide a summary of the financial highlights for the quarter ending 31st March 2025.

As shown in the key financial metrics table, total income and net profit attributable to equity shareholders of A'ayan have reached KD 21 million and KD 11.9 million, respectively for the current quarter, with earnings per share of 17.89 Fils.

The major events during the current quarter are:

- As part of implementing the strategy, Aayan had started further expanding its overall investments portfolio
- During the quarter, Aayan acquired an additional 7.6% equity stake in Tawazun Holding Company. As a result, Aayan achieved control over Tawazun Holding through a business combination achieved in stages. Consequently, Aayan Real Estate company, being an associate of both Tawazun Holding and Aayan, has now become a subsidiary of Aayan, as a result of obtaining majority voting rights at Aayan Group level.

Accordingly, the financial statements of both Tawazun Holding Company and Aayan Real Estate Company have been consolidated in Aayan's financials, effective from the date of acquisition.

- For the 3rd consecutive year, Aayan's shareholders approved a cash dividend of 7.5 Fils per share for the year 2024
- Aayan has signed a new facility agreement with a local bank amounting to KD 25 million. Additionally, Aayan's subsidiary has reached an agreement with its existing financier which has extended the repayment tenure.

This is briefly A'ayan's major highlights for the quarter.

Now, Mr. Seyed Abu Thahir will continue the presentation on the financial results and financial position of A'ayan.

Seyed Abu Thahir
A'ayan

Thank you, Mr. Abdullah Al-Shatti.

May Peace be upon you with God's mercy and blessings

Good afternoon, everyone.

I would like to extend a warm welcome to all of you joining us for the analyst conference call on A'ayan's earnings for Q1 2025. During this session, we are summarizing A'ayan's performance and financial position. Please note that the reviewed consolidated financial statements are available on both A'ayan's website and the Boursa Kuwait portal.

In the snapshot of performance, net profit attributable to A'ayan's equity shareholders for the quarter reached KD 11.9 million as compared to KD 3.5 million, with achieving an EPS of 17.89 Fils.

The increase in net profit for the quarter is primarily due to recording gain on remeasurement of previously held interest in associates upon obtaining control and gain on bargain purchase from the business combination of both Tawazun Holding company and Aayan Real Estate company

In the segmental total income analysis for the current quarter, the investment sector's contribution is 83%

On the next slide, you will find a detailed view of the consolidated statement of profit or loss.

On the snapshot of financial position, the book value per share of Aayan has increased by 22 Fils since end of March 2024, reaching 167 Fils per share. This represents a 15% growth rate.

On the next slide, you will find a detailed view of the consolidated statement of financial position.

The next slide outlines the entire equity movements from 31st December 2023 until 31st March 2025

Referring to the consolidated statement of cash flows, major movements reported during the quarter are:

- Net cash from investing activities mainly represents purchase of FVPL, additions in associates, and acquisition of a subsidiary, net of cash acquired during the quarter
- Additional financing received by Aayan Group, net of principal repayments

The next slide shows our key financial ratios.

This slide shows the trend in various key numbers, at the end of each quarter.

With these summarized highlights, we now open the floor for a Q&A session. Thank you.

Ahmed El-Shazly
EFG Hermes

Thank you, gentlemen, for the presentation. We will now open the floor for questions. So, if you'd like to ask a question, you can send it through the Q&A box on your screen.

Okay. So, I guess we have no questions for today. So, gentlemen, if you have any closing remarks before we conclude the call.

Abdullah Al-Shatti
A'ayan

I just would like to thank you for organizing this conference call.