

KWD 6.87 million in net profit for Q3; Earnings per share worth 11.04 fils

Al Mazaya Holding's operating revenues surge 11% to KWD47.24 million in nine months

Al Saqabi: Al Mazaya Holding maintaining balanced developmental drive, stable financial performance, and progressive growth in sales and lease operations

- Operating revenues generated from sales up 12.46% to KWD 41.51million in nine months
- Operating revenues generated from rentals up 3.26% to KWD 5.60 million
- 11.6% increase to KWD 47.24 million in total operating revenues
- Stockholders' rights worth KWD 117.83 million in nine months
- Total assets worth KWD 232.82 million by end of Q3

Al Mazaya Holding has announced its financial statements for Q3 2017, posting KWD 6.87 million in net profits, against KWD 6.84 million for the corresponding period in 2016. Earnings per share reached 11.04 fils in Q3 against 11.01 fils for the same period last year.

Commenting on the financial statements, following the company's board meeting recently, Al Mazaya Group CEO Engineer Ibrahim Al Saqabi said Al Mazaya Holding has maintained a balanced developmental drive and posted stable financial results for Q3 2017 thanks to a robust operating performance and solid achievements. He attributed the company's remarkable performance to a well-thought-out action plan based on a stringent time frame that has propelled sales and rentals.

Ultimately, the action plan led to a 11.06 per cent increase in the company's operating revenues to a total of KWD47.24 million by the end of Q3, compared with KWD42.53 during the same period last year. He stressed that this growth in revenues comes as a direct result of the company's success in completing property sales and delivery operations.

"Completion, sales and delivery of property increased by 12.46 per cent to KWD41.51 million against KWD36.92 million in the corresponding period last year," Al Saqabi said.

Rental revenues increased 3.26 per cent to KWD5.60 million when compared with KWD5.42 million over the same period last year, in addition to other revenues secured through project management worth KWD 126,43.

Al Saqabi pointed to areas of growth. including Al Olaya Tower in Riyadh, Kingdom of Saudi Arabia- an income generating project that is owned by one of the company's affiliates. Occupancy rate at the tower hit 71 per cent, while the rental percentage at Al Mazaya Logistics in Bahrain amounted to 98 per cent. The company has continued to secure rental revenues from its fully occupied projects, including Al Mazaya Tower, Clover Medical Tower and Al Ma'zar Towers, where occupancy rate reached 85% in addition to Sky Gardens, which is owned by one of the company's affiliates, where occupancy rate hit 96 per cent.

Financial Statements

On Q3 financial statements, Al Saqabi said the company has maintained progressive growth in terms of operating performance and net profits, with its total assets surging to KWD232.82 million by the end of Q3 against KWD228.18 during the same period last year. Stockholders' rights reached KWD117.83 by the end of Q3 against KWD117.07 million against the corresponding period in 2016.

In the meantime, short-term liabilities declined by 7.64 per cent to KWD38.41 million compared with KWD41.58 in the same period in 2016

Milestones of First Nine Months of 2017

-Mazaya is pre-qualified within five companies for Labor Camp Project in South Jahra. Kuwait Authority for Partnership Projects (KAPP) has signed a contract between public and private sectors and a group of companies in collaboration with the Kuwait Municipality. They will provide special advisory for the South Al-Jahra Labor City project, which has an area that exceeds one million square metres, with a capacity for 20, 000 workers. The duration of the project is estimated to be 40 years according to BOT system, including three years for design and construction.

-Al Mazya is continuing its new projects in Dubai, including the completion of the second phase of Q-Line Project which consists of two 253-apartment residential buildings: R10-R85. and it is expected to be completed in full by the end of 2017.

-Mazaya Al Emarate purchased two new plots: MU004 and MU11 at Q-Zone II Project as part of Al Liwan Project Series in Dubai. With a capacity of more than 500 apartments for middle-income segments, the design and execution works are expected to start by end of 2017.

-Completion of the initial concept design stage at its new project in Al Sharq area in Kuwait (Mazaya Downtown) through Gensler, an integrated architecture, design, planning and consulting firm. The final design and architectural licensing have been entrusted to a leading local company in Kuwait, PACE, to get the construction license from state departments concerned.

-Tangible progress has been made at the first phase of Mazaya Residence project in Oman. Up to 30 per cent of the project has been completed and the delivery will start in Q2 2018. The project is an integrated residential compound, the first phase of which consists of 120 apartments and 28 shops. A striking 35 per cent of the project has been sold, while construction works for the second phase of the project, which consists of 132 residential and commercial units, has commenced and will go for sale soon

-Continuing sales and rentals at Ritim Istanbul Development, which consists of 6 residential towers and a mall. A high percentage of the residential units were sold, with the mall's occupancy rate reaching 50 per cent so far by international brands.

-Al Mazaya has completed the development of a world-class medical building to serve as an individual health clinic in Sabah Al Salem. The project has been fully rented for leading doctors in Kuwait and its rental revenues are projected to be listed by the end of the 4th quarter of the current year.

-Al Mazaya Logistics project in Bahrain Investment Wharf has 100 per cent occupancy. The project consists of industrial units that provide logistics and investment services, with the occupancy rate amounting to 98 per cent.

-Al Mazaya Holding continues its rental operations at its commercial tower in Al Olaya area, Riyadh, through one of its subordinates. The project achieved rental returns that have been included in the nine months budget, and reported an occupancy rate of 71 per cent.

-Al Mazaya consolidated its rental revenues proceeding from its existing and fully-occupied projects by renewing leasing contracts with its clients at an increased rate commensurate to current market prices and matching the services the company is rendering at its property, which resulted in increased operational revenues.

- Al Mazaya Holding has been named among the top 50 companies listed on the Kuwaiti Stock Market by “Forbes Middle East”, a leading source for reliable business news and financial information. The announcement was made at the annual ceremony organized by the magazine under the patronage of Sheikh Mohammad Abdullah Al-Mubarak Al-Sabah, Minister of State for Cabinet Affairs, who presented the award in the presence of Dr Nasser bin Aqeel Al Tayyar, President and Publisher of Arab Publisher House, and Publisher of Forbes Middle East. Al Mazaya Holding Group CEO Eng Ibrahim Al Saqabi received the prestigious award in the presence of a galaxy of key CEOs of leading public and private companies and diplomats in Kuwait and Arab region.

- Al Mazaya Holding has been ranked among the top 10 out of 233 listed companies in Kuwait for the second consecutive year that boast the most robust and transparent corporate governance system for 2017. This comes in a report released by the Kuwait’s Capital Markets Authority (CMA), where the top 10 companies that have proved among the fastest firms in submitting their governance reports are named.

-An agreement with Injaz-Kuwait to train 1000 secondary school and college students by company’s professionals during 2017 as part of its Corporate Social Responsibility obligations towards the country’s youth.

Al Saqabi concluded that the company is currently mulling over the possibility of launching a number of investment projects over the coming period, in the GCC and international market, particularly across Europe , where the company boasts maximum credibility thanks to its long experience in the region. He added that the company is closely following up the ongoing developments at global financial markets and their impact on the realty market in line with its expansion plans which are based on development of strategic partnerships with leading investors to secure the highest possible returns for the greater good of the company and its shareholders.