

WAHA CAPITAL

Financial Results

Q1 2024

15 May 2024

Abu Dhabi Securities Exchange ticker: WAHA
wahacapital.com

Waha Capital reports 121% year-on-year increase in net profit attributable to shareholders of AED 166 million

Key highlights for Q1 2024

- **Waha Investment** generated net profit of AED 167 million in Q1 2024, as its flagship credit fund significantly outperformed its benchmark
- **Private Investments business** registered net profit of AED 37 million in Q1 2024, bolstered by mark-to-market gains on certain portfolio assets
- **Waha Land** reported net profit of AED 10 million, generated from robust rental income

Income statement highlights (AED million)	Q1 2024	Q1 2023	% Change (YoY)
Total Net operating income	418	242	73%
General & operating expenses	(75)	(62)	(21%)
Finance cost	(62)	(32)	(94%)
Net profit/loss after tax	281	148	90%
Net profit attributable to shareholders	166	75	121%

RETURN ON INVESTMENTS ⁽¹⁾

18.4%

TOTAL ASSETS UNDER MANAGEMENT ⁽²⁾

AED 11.1 bn

RETURN ON AVERAGE EQUITY ⁽³⁾

14.9%

RETURN ON AVERAGE ASSETS ⁽⁴⁾

8.2%

Notes:

(1): Based on prior four quarters' investment return

(2): As of 31 March 2024, including assets managed on behalf of third parties across all businesses

(3): Based on prior four quarters' contribution to Waha Capital shareholders

(4): Based on prior four quarters' contribution to all shareholders, including minorities



Mohamed Hussain Al Nowais

Managing Director

Waha Capital delivered robust financial results in the first quarter of 2024, building on last year's strong performance. In the first quarter, the company reported net profit attributable to shareholders of AED 166 million, representing a year-on-year increase of 121%.

Our funds achieved healthy returns, demonstrating the value of their highly differentiated strategies against a backdrop of higher interest rates and geopolitical uncertainty. The funds multi-year track record continues to attract significant inflows of third-party capital, which passed the AED 6.0 billion milestone during the first quarter. As a result, fee income has progressively increased, representing a consistent revenue stream for the company.

The Private Investments business recorded net profit of AED 37 million in the quarter, driven by returns from across its diversified portfolio. In Q1, we made a strategic decision to crystallise gains from our investment in Despegar, and fully divested our holding in that company. Meanwhile, Waha Land delivered steady income as the ALMARKAZ logistics development recorded near-full occupancy at its existing facilities while good progress continues to be made in leasing the latest phase of its expansion.

Waha Capital remains committed to maximising value for its investors and shareholders, leveraging its resilient business model and award-winning investment strategies to attract further third-party capital and deliver strong, consistent returns.

Abu Dhabi, 15 May 2024 – Waha Capital PJSC, an Abu Dhabi-listed investment management company (ADX: WAHA), reported a **121% year-on-year increase in net profit attributable to shareholders of AED 166 million in Q1 2024, equating to a return on average equity of 14.9%.**

The company's net operating income increased 73% to AED 418 million in the first quarter of 2024, from AED 242 million a year earlier, as the public markets business delivered strong returns and higher fee income due to a significant increase in third-party funds.

Waha Capital's total assets under management reached AED 11.1 billion as of 31 March 2024, an increase of 5.7% from AED 10.5 billion at the end of 2023, as the company's funds received third-party capital inflows of AED 389 million.

At the company's Annual General Meeting on 26 March 2024, shareholders of Waha Capital approved a cash dividend of 10 fils per share, which included a 1.5 fils per share special dividend for the 2023 financial year. The payout represented a dividend yield of 6.7%.

In March, Waha Capital appointed James Finucane as Chief Financial Officer. Mr. Finucane has over 16 years of experience in Abu Dhabi's financial and real estate sectors and previously held management roles in Europe.

In April, Waha Capital featured in Forbes Middle East's Top 30 Asset Management Companies 2024 list. Meanwhile, the Waha MENA Equity Fund was also ranked the number one fund globally by the Global Investment Report. The only hedge fund based in the MENA region to feature in the ranking, the Waha MENA Equity Fund has been ranked among the world's top 50 hedge funds for five consecutive years.

Aligned with Waha Capital's Corporate Social Responsibility (CSR) mandate, the company is also preparing to launch its undergraduate scholarship program in Q2 2024. The program aims to provide UAE-based students with valuable educational assistance and opportunities for practical work experience at Waha Capital.

Waha Investment Highlights

Waha Capital's public markets business, operated by Waha Investment, the wholly-owned asset management subsidiary of the company, recorded net profit of AED 167 million in the first quarter of 2024, compared to AED 153 million a year earlier.

The rise in net profit was supported by an increase in fee income to AED 69 million in the first quarter, as third-party assets under management (AUM) increased to AED 6.0 billion as of 31 March 2024 from AED 3.9 billion a year earlier. Third-party AUM is well diversified across a broad base of regional and global clients, including sovereign wealth funds, pension funds, insurance companies, private banks, family offices, and high-net-worth individuals.

The flagship Waha Emerging Markets Credit Fund, which pursues diverse long-short strategies in emerging markets fixed income, recorded net returns of 8.7% in the first quarter of 2024 versus a 2.0% return by the JPMorgan EMBI Global Diversified Index. The fund has delivered a cumulative return of 231.4% since its inception in 2012, compared to 55.8% for the reference index.

The Waha MENA Equity Fund achieved net returns of 0.3% in the first quarter of 2024, compared to 2.8% for its reference S&P Pan Arab Composite Index. Since its inception in 2014, the fund has delivered a cumulative net return of 375.5% versus a benchmark return of 75.7%.

Meanwhile, the Waha Islamic Income Fund delivered a total return of 1.6% (gross of fees) in the first quarter of 2024, compared to a flat performance by the reference Dow Jones Sukuk Index. The fund, which is focused on global sukuk and Shari'ah-compliant equities, has recorded a cumulative return of 28.5% (gross of fees) since its inception in 2020, compared to 0.2% for the reference index.

Private Investments Highlights

The Private Investments business recorded net profit of AED 37 million in the first quarter of 2024 versus a loss of AED 23 million in the first quarter of 2023, driven by broad-based returns from across the portfolio. The business also divested its holding in Despegar at the beginning of the second quarter.

The Private Investments business managed a total of AED 911 million of assets as of 31 March 2024, which included AED 429 million deployed through its fully flexible Global Opportunities multi-asset investment strategy.

The team continues to prudently assess a healthy deal pipeline while prioritising optimal divestment options to monetise mature assets that will maximise shareholder value.

Waha Land Highlights

Waha Land, a wholly owned subsidiary of Waha Capital that owns and operates a light industrial real estate development in Abu Dhabi, recorded net profit of AED 10 million in the first quarter of 2024, compared to net profit of AED 8 million in the first quarter of 2023.

Stages 1 and 2A of the business benefit from 97% occupancy of the 182,400 completed versatile industrial and logistics units at the ALMARKAZ project. These units accommodate over 85 tenants, spanning industries such as Oil & Gas, Manufacturing, Defence, Logistics, IT, Contracting, and F&B. The latest stage of expansion, Stage 2B, which will contribute additional premium leasable space to the portfolio, was completed in Q1 2024, with leasing activity progressing steadily. The current occupancy of Stage 2B has reached approximately 15% of the completed 75,000 m².

Waha Land is continuing to consider options for ALMARKAZ, including the potential monetisation of completed assets at a time when the UAE's increasingly diversified economy and increasing intra-regional trade are driving demand for high-quality logistics facilities.

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About Waha Capital

Waha Capital is an Abu Dhabi-listed investment management company that leverages its emerging markets expertise, business networks and research capabilities to deliver attractive returns to shareholders and investors in its funds.

Founded in 1997, Waha Capital is one of the Emirate's leading private sector investment houses, providing a world-class platform for investment and growth. The company has a long-established track record of investing in public and private markets, deploying proprietary capital in alignment with third-party investors.

The Public Markets business (operated by Waha Investment PrJSC, a wholly owned subsidiary) offers sophisticated investors actively managed emerging markets credit and equities funds, via a disciplined approach to investment and implementing distinctive strategies to deliver consistent market-leading returns.

The Private Investments business pursues a multi-asset investment approach focused on direct investments, with the flexibility to deploy capital across diverse sectors and geographies. The business leverages extensive international business networks to source deals and form co-investment partnerships.

Counting Mubadala Investment Company as an anchor shareholder, Waha Capital is at the forefront of Abu Dhabi's increasingly dynamic and entrepreneurial ecosystem, creating long-term value for shareholders, fund investors, employees, and communities.

Further Information for Media and Investors

For further information on Waha Capital and its investment capabilities, please visit wahacapital.com

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