

FY 2017: Earnings Presentation

February 2018



Principal Investments

Asset Management

FY 2017 Highlights

- FY 2017 net profit of AED 426 million compared to AED 407 million in FY 2016, driven by
 - Aercap impairment adjustment of AED 245 million
 - Gain on disposal of Proficiency Healthcare Diagnostics (PHD), a subsidiary of Anglo Arabian Healthcare (AAH) AED 124 million
 - Gain on partial sale of NPS Holdings Limited AED 50 million

- **Return on Average Equity** of 11.7% compared to 10.5% in the corresponding period of 2016

- Total investments of AED 445 million mainly in Channel VAS, AAH, MEA Energy and Waha Land

- Total disposals of AED 285 million (PHD and NPS Holdings Limited)

- Balance sheet of AED 11.4 billion in total assets, an increase of 13.4% over total assets of AED 10.0 billion as at Dec 31, 2016



الواعة كابيتال
WAHA CAPITAL

FY 2017

Financial Highlights

FY 2017 Financial Highlights

- Net profit of AED 425.9 million, compared to AED 407.2 million in FY 2016
- EPS of AED 0.23 compared to AED 0.22 in FY 2016
- Assets of AED 11.4 billion as at December 2017 vs. AED 10.0 billion as at December 2016, an increase of 13.4%
- RoAE stood at 11.7% vs 10.5% in 2016
- Investment and divestment activity in FY 2017 include:
 - Channel VAS: Investment of AED 200.5 million
 - AAH: net investment of AED 60.1 million
 - MEA Energy: Investment of AED 43.5 million
 - Waha Land: Deployed AED 144.2 million
 - Partial sale of NPS Holdings Limited resulting in gain on sale of AED 50.2 million and sale proceeds of AED 114.2 million
- Asset Management
 - Capital Markets:**
 - Assets under management as at 31 December 2017 AED 2.1 billion, compared to AED 1.5 billion as at 31 December 2016
 - Third party funds raised AED 431.6 million
 - Private Equity**
 - Sale of PHD (AAH) resulting in gain on sale of AED 124.5 million and sale proceeds of AED 171.1 million

NET PROFIT

AED 426m

▲ 4.6% vs. FY 2016

TOTAL AUM

AED 2.1bn

▲ 40% from Dec 2016

TOTAL ASSETS

AED 11.4bn

▲ 13.4% from Dec 2016

FY 2017 Financial Highlights

TOTAL INCOME

In line

vs. FY 2016

TOTAL EXPENSES

▼ 5.4%

vs. FY 2016

NET PROFIT

▲ 4.6%

vs. FY 2016

AED MILLIONS	FY 2017	FY 2016
Total Income	1,161	1,150
Expenses - Parent	(270)	(270)
Expenses - Subsidiaries	(437)	(477)
Non Controlling interest	(28)	4
Net Profit attributable to shareholders	426	407
Equity attributable to shareholders	3,380	3,871

KEY PERFORMANCE INDICATORS

Earnings per Share (in AED)	0.23	0.22
RoAE	11.7%	10.5%

FY 2017 Financial Highlights

TOTAL ASSETS

AED **11.4**bn

MARKET CAP⁽¹⁾

AED **4.2**bn

DEBT

AED **6.6**bn

CASH

AED **520**mn

AED MILLIONS	31 DEC 2017	31 DEC 2016
Cash	520	571
Investments in equity-accounted investees & Assets held for sale	5,540	5,034
Investment Property	759	681
Other Investments ⁽²⁾	3,818	3,067
Other Assets	717	657
Total Assets	11,354	10,010
Borrowings	6,584	5,465
Other Liabilities	600	365
Equity	4,170	4,180
<i>RoAA</i>	<i>4.0%</i>	<i>4.2%</i>

1. Based on share price as at 14 February 2018

2. Include Equity Price Collar, Financial investments, Loan investments and Finance leases

الواعة كابيتال
WAHA CAPITAL

FY 2017

Business Highlights

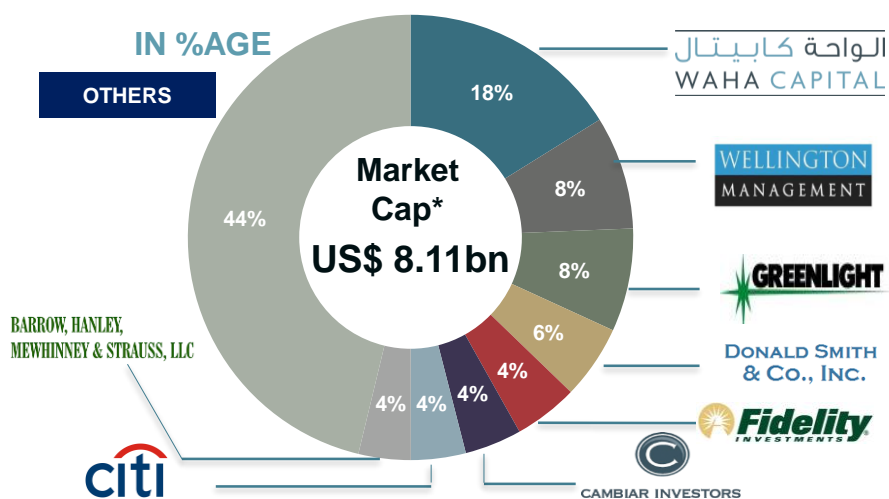
FY 2017 Business Highlights

Principal Investments - AerCap

- During 2017, AerCap carried out a share buyback program, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 15.23% to 17.55%
- Waha Capital is currently the largest beneficial shareholder in AerCap, retaining 2 board seats and representation on various Board Committees
- During 2017, the Group recorded an impairment of AED 244.7 million against the share of income from its investment in AerCap of AED 633.6 million
- For the period ended 31 December 2017, AerCap has contributed 33.6% of the Group's total income and its carrying value of AED 4,938.9 million represents 43.5% of the Group's total assets

FY 2017 KEY HIGHLIGHTS

- Reported net profit of US\$ 1,076.2 million, compared to US\$ 1,046.6 million in 2016; and EPS of US\$ 6.68 compared to EPS US\$ 5.64 in 2016
- 99.1% fleet utilization rate for the full year 2017
- US\$ 9.6 billion of available liquidity
- Adjusted debt/equity ratio of 2.8 to 1
- Book value per share of US\$ 56.08 compared to US\$ 48.37 in 2016
- Repurchased 23.7 million shares in 2017 for \$1.1 billion
- New \$200 million share repurchase program authorized, which will run through June 31, 2018
- Proceeds from the sale or disposal of assets amounted to US\$ 1,779.3 million, compared to US\$ 2,366.2 million in 2016
- Gain on disposal of US\$ 229.1 million, compared to US\$ 138.5 million in 2016
- 402 aircraft transactions executed, as follows:
 - ✓ Signed lease agreements for 230 aircraft
 - ✓ Purchased 58 aircraft
 - ✓ Executed sale transactions for 114 aircraft.
- Signed an agreement with Boeing for an order of 30 787-9 aircraft.
- Signed financing transactions for \$12.6 billion
- The average age of owned fleet was 6.8 years and the average remaining contracted lease term was 6.9 years
- Portfolio consisted of 1,531 aircraft that were owned, on order or managed



US\$ mn	FY 2017	FY2016	Variance
Total Revenue	5,037	5,152	-2%
Total Expenses	(3,802)	(3,952)	-4%
Net Profit	1,076	1,047	3%
Assets	42,040	41,616	1%
Debt	28,421	27,717	3%
Equity	8,580	8,524	1%
RoAE	13%	12%	
RoAA	3%	2%	

FY 2017 Business Highlights

Principal Investments – Dunia Finance

NET INTEREST INCOME

▼ **9%**

vs. FY 2016

DEPOSITS

▲ **2%**

vs FY 2016

NET LOAN BOOK

▲ **3%**

vs. FY 2016

OVERVIEW

- Abu Dhabi-based consumer finance company established in 2008 with initial paid up capital of AED 585 million
- Operates 19 branches, has more than 2,000 employees and serves c. 293,500 customers
- Loan book grew at a 36% CAGR over the 2009–2017
- Customer deposits grew to AED 1.25 billion as at 31 December 2017, an increase of 1.6% compared to 31 December 2016
- Impairment reserve maintained at 3.3% of total loans and advances, providing an improved non-performing loan cover of 1.0x; compared to an impairment reserve of 3.5% of total loans and advances with a non-performing loan cover of 0.9x on 31 December 2016
- Healthy liquidity position with bank facilities at AED 415 million and bank placements & cash equivalents of AED 168 million.
- Carrying value of AED 165.4 million as at 31 December 2017

YTD SEP 2017 KEY HIGHLIGHTS ⁽¹⁾

AED mn	FY 2017	FY 2016	Variance
Net Interest Income	515	564	-9%
Net Loan Book	2,022	1,969	3%
Total Assets	2,238	2,222	0%
Deposits	1,248	1,229	2%
Debt	223	153	46%
Equity	636	704	-10%

1. Figures represent the combined results of Dunia Finance LLC and Dunia Services FZ LLC; both have a common ownership structure

FY 2017 Business Highlights

Principal Investments – NPS Holdings Limited

TOTAL REVENUE

▲ **21%**

vs. FY 2016

CONTRACTS IN PROGRESS

AED 2.0bn

As at FY 2017

TOTAL ASSETS

▲ **5%**

Vs. FY 2016

OVERVIEW

- Regional leading provider of oilfield services
- Operations include well services (such as cementing, coiled tubing, stimulation and other), drilling and workover, well testing and wireline services
- Employs around 1,500 people and operates in 13 countries
- In 2014, Waha Capital acquired a 20.15% stake as part of a consortium of regional co-investors which together acquired a majority stake in the company. In 2016, Waha Capital acquired an additional stake of 0.57% which resulted in effective ownership of 20.72%; which was subsequently diluted to 20.6% on issuance of management shares.
- On 12 November 2017, the Group agreed to sell its entire stake to a private group based in Saudi Arabia and a NASDAQ-listed entity, National Energy Services Reunited Corp. (NESR) in two stages. The first stage of the transaction involved a disposal of 4.68% stake, which resulted in the recognition of a gain on disposal of AED 50.2 million.
- Carrying value AED 219.5 million as of 31 December 2017 held for sale

FY 2017 KEY HIGHLIGHTS

- Secured & extended contracts worth AED 642.9 million (31 December 2016: AED 1,920.5 million), taking current contracts-in-progress to AED 2,007.7 million (31 December 2016: AED 2,458.4 million) – the remaining value as of 31 December 2017;
- Invested AED 168.4 million in capital expenditure (31 December 2016: AED 228.4 million);
- Available banking facilities with regional banks for a limit of AED 734.0 million bearing a competitive interest. The undrawn balance of the facility was AED 175.9 million as at 31 December 2017 (31 December 2016: AED 119.4 million);
- Reported revenue of AED 994.8 million (31 December 2016: AED 822.5 million); and
- Reported a gross book value of property, plant and equipment as at 31 December 2017 of AED 1,747.3million (31 December 2016: AED 1,592.4 million).

FY 2017 Business Highlights

Principal Investments – Waha Land

NET REVENUE

▼ **4%**

vs. FY 2016

NET PROFIT

▼ **35%**

vs. FY 2016

FUNDING SECURED

AED 426mn

for stage 2

OVERVIEW

- Waha Capital received 6 km² of land grant from the Government of Abu Dhabi in 2007 for a mixed use industrial development
- The project was divided into four equal phases (1.5 km² each) to allow for flexibility in terms of scale and funding
- Construction of Phase I infrastructure and 90,000 m² of leasable industrial space was completed in Dec 2012
- Leasing activity commenced in Q1 2013; achieved full occupancy by the end of Q1 2015 for Small Industrial Units (SIUs)
- Nearly completed the development of additional SIUs (Stage 2); target delivery of 92,500 m² of new SIUs by early 2018.
- Carrying value of AED 685.5 million as of 31 December 2017 including a fair value loss of AED 58.4 million for the year.

FY 2017 KEY HIGHLIGHTS

- Development of Stage 2A is underway (92,500 m² of SIUs); construction contracts worth AED 159 million awarded
- Secured AED 426 million of funding for Stage 2 with a local bank
- Rental revenue and other income of AED 37.6 million (2016: AED 39.2 million) (prior to fair value adjustment);
- Cumulative development cost of AED 176.3 million (2016: AED 20.9 million) incurred for the construction of Stage 2A;
- Net profit of AED 17.1 million (2016: AED 26.5 million) (prior to fair value adjustment).

AED mn	FY 2017	FY 2016	Variance
Net Revenue	37.6	39.2	-4%
Operating profit	17.1	26.5	-35%
Investment Property	759	681	
Carrying value	686	718	-5%

FY 2017 Business Highlights

Principal Investments – Channel VAS Investments Limited

NET REVENUE

In line

vs. FY 2016

DIVIDEND

▲ 17%

vs. FY 2016

CONFIRMED SUBSCRIBERS

+500mn

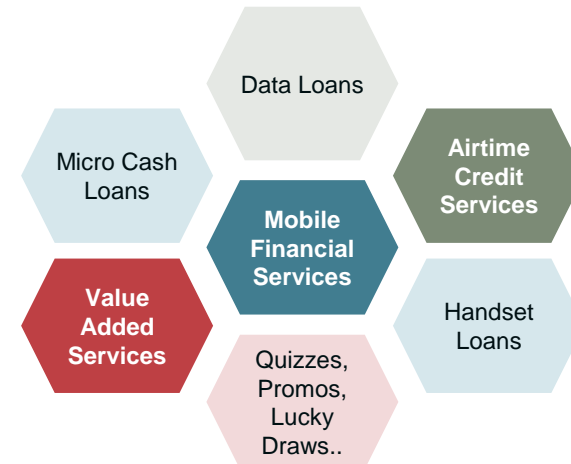
OVERVIEW

- In September 2017, Waha Capital acquired a 20% stake in Dubai-based fintech firm Channel VAS at a consideration of AED 200.5 million. Incorporated in 2012, Channel VAS is a premium fintech provider of financial services for mobile operators, offering a wide range of digital and mobile financial services, as well as content and marketing solutions. Company offerings include Airtime Credit Services, Mobile Financial Services, Handset Loans, Value Added Services, Micro Cash Loans, Data Loans, etc.
- The company is present in over 25 countries and grown rapidly to provide over US\$1 billion nano loans in the fiscal year 2016. Channel VAS currently has access to over 500 million mobile subscribers, who utilize the company's credit services. The company sees high potential for growth in what is currently a US \$20 billion airtime credit industry as well as a much larger untapped market for newer Channel VAS product lines including micro cash loans and hand set finance loans.
- Selected list of customers include MTN, Vodacom, Lyca Mobile, Reliance, Millicom, M-Cel, BSNL, DJEZZY, Umniah, Mobily, Mobilink, etc.
- The carrying value of Channel VAS was AED 201.1 million as at 31 December 2017

FY 2017 KEY HIGHLIGHTS

- Revenue of AED 170.1 million, compared to AED 173.7 million in 2016
- Paid dividend of AED 52.7 million, compared to AED 45.1 million in 2016

SERVICES OFFERING



FY 2017 Business Highlights

Asset Management – Funds

CEEMEA FIXED INCOME RETURN

▲ **15.4%**

FY 2017

CEEMEA FIXED INCOME RETURN

▲ **123.3%**

Since inception Jan 2012

MENA EQUITY RETURN

▲ **15.5%**

FY 2017

MENA EQUITY RETURN

▲ **102.5%**

Since inception Jan 2014

CEEMEA FIXED INCOME FUND

- The fund focuses on investing in:
 - Capital market securities (bonds, sukuk and convertibles)
 - US Dollar denominated sovereign and corporate bonds
- Initial seed capital of AED 368 million (\$100m)
- In June 2015 the fund was first offered to third-party institutional, family office and high-net-worth investors
- The CEEMEA Fixed Income Fund won the “Best Fixed Income Fund Manager UAE 2016” from the Global Banking & Finance review and was ranked #1 fund in the Emerging Markets Eastern Europe by Barclay-Hedge
- Returns reflect identification of thematic trades as well as individual mispriced securities and successful risk management
- Focus on relative value of securities resulting in low volatility of returns

MENA EQUITY FUND

- The fund focuses on investing in equity securities in the large MENA region
- Initial seed capital of AED 368 million (\$100m)
- In July 2015 the fund was first offered to third-party institutional, family office and high-net-worth investors
- The MENA Equity Fund won the “Best GCC Equity Fund” at the Banker Middle East Awards and was awarded the “Best MENA Equity Fund > \$50m” at the recent MENA Fund Performance Awards.
- YTD returns reflect careful stock selection and avoidance of market sell offs
- Focus on bottom up stock selection and maintenance of healthy cash balance in case of an adverse tail risk event

FY 2017 Business Highlights

Asset Management – Funds

MENA VALUE FUND*

- Initial seed capital of AED 184 million (\$50 million) deployed
- Focuses on long-term capital appreciation by investing in equities and other securities in MENA.
- Investment criteria considers business quality and sustainability, effective capital allocation, balance sheet strength, management quality and valuation upside/limited downside risk of the underlying stock
- Returned 26.5% since inception and 8.8% in FY 2017

CREDIT OPPORTUNITIES FUND

- Establishing Credit Opportunities Fund by committing AED 184 million (\$50 million) seed capital.
- The Fund will employ a cash-flow based approach to lending, providing financing and lending solutions tailored to the specific needs and requirements of borrowers and their respective business plans
- The Private Debt team will structure its financing into a broad spectrum of instruments which include secured loans, uni-tranche and multiple tranche loans, mezzanine debt, bonds, preferred shares, convertible loans and bonds, convertible preferred shares, equity, warrants and profit participations

PRIVATE EQUITY FUND

- Establishing Private Equity Fund including transfer of existing portfolio investment, Anglo Arabian Healthcare
- Mandate to deploy capital into high return investment opportunities across the Middle East and North Africa.
- PE platform target IRR's, value creation, capital appreciation and cash-on-cash returns
- Provides investors access to attractive growth opportunities in the MENA region

* offered to third parties

FY 2017 Business Highlights

Asset Management – Private Equity – Anglo Arabian Healthcare

TOTAL REVENUE

▼ **3%**

FY 2016

TOTAL ASSETS

▲ **29%**

vs. FY 2016

EQUITY

▲ **54%**

vs. FY 2016

OVERVIEW

- UAE healthcare company, with an initial focus on hospitals, clinics, diagnostics, laboratories and pharmacies
- 29 healthcare assets in the Northern Emirates, Abu Dhabi and Dubai
 - Network of 1 day-hospital, 18 clinics, 6 pharmacies, 2 diagnostics centers, and 1 medical education provider.
 - 1 multi-specialty hospital opened in 2015 in Ajman, with an inpatient capacity of 23,400 per annum
- During FY 2017, HealthBay Polyclinic, an asset owned by AAH, opened a new multispecialty medical complex in Dubai offering wide range of specialized healthcare facilities. Such expansion allows AAH to capture the expected growth in healthcare segment and position itself to benefit from captive business using cross-referral within the Group.
- During Q4 2017, AAH has completed the sale of its full equity stake in Proficiency Healthcare Diagnostics (PHD) to Al Borg Medical Laboratories, the GCC's largest chain of private laboratories. The transaction involves an equity sale price of approximately AED 171.1 million for 100% of PHD, with the net impact on AAH being an accounting gain of approximately AED 124.5 million.
- AAH employs more than 1,000 people and serves over 540,000 registered outpatients.
- Carrying value of AED 320.5 million as of 31 December 2017

FY 2017 KEY HIGHLIGHTS

- Consolidated revenue of AED 287.5 million, a 2.6% decrease on AED 295.1 million in the corresponding period in 2016;
- Consolidated revenue is comprised of AED 112.2 million (2016: AED 150.9 million) from laboratory services, AED 139.2 million (2016: AED 119.2 million) from patient fees and AED 36.1 million (2016: AED 25.0 million) from sale of pharmaceuticals; and
- Shareholders' equity base attributable to owners of AED 355.3 million as at 31 December 2017 compared to AED 215.9 million as at 31 December 2016

AED mn	FY 2017	FY 2016	Variance
Revenue	287.5	295.1	-3%
Expenses & NCI	(222.6)	(365.6)	-39%
Net Profit/loss	64.9	(70.5)	192%
Total Assets	459.2	356.9	29%
Total Liabilities	96.4	120.5	-20%
Total Equity	362.8	236.3	54%

Summary & Outlook

- **Recalibration of performance across all segments** in FY 2017, in line with the revenue diversification strategy.
- **Core Principal Investments** portfolio complemented by the **Asset Management Business** to accelerate revenue diversification
- **Investment strategy remains highly focused on pursuing quality investment opportunities** which meet both rigorous and stringent due diligence requirements in line with our priority to protect and generate optimal shareholder value
- **Current market conditions generating attractive valuations for potential investments**
- **Well positioned for steady and long term growth**

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