

الواحة كابيتال  
WAHA CAPITAL

# Q1 2019 Earnings Presentation

May 2019





Q1 2019

Financial Highlights

# Q1 2019 FINANCIAL HIGHLIGHTS

NET LOSS

AED **58m**

▼ 154% vs. Q1 2018

TOTAL ASSETS

AED **11.5bn**

▼ 2% from Dec 2018

TOTAL AUMS

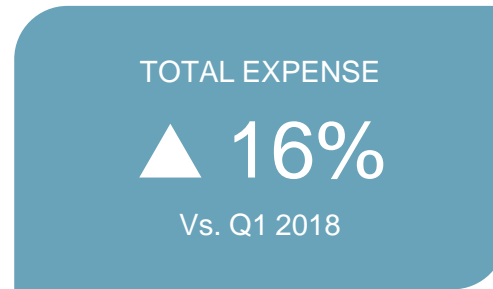
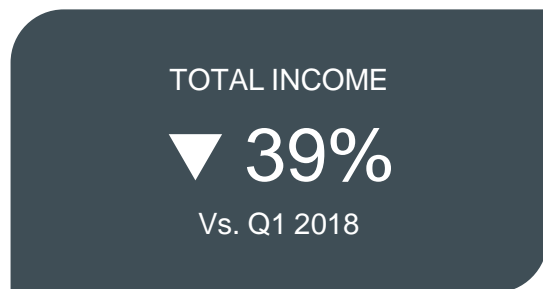
AED **2.7bn**

▲ 6% from Dec 2018

- Net loss of AED (57.8) million, compared to net profit of AED 107.4 million in Q1 2018
- Assets of AED 11.5 billion as at 31 March 2019 vs. AED 11.7 billion as at 31 December 2018, a decrease of 2%
- Total Assets under management as at 31 March 2019 AED 2.7 billion, compared to AED 2.5 billion as at 31 December 2018



# Q1 2019 Financial Highlights



AED MILLIONS	Q1 2019	Q1 2018
Total Income	190	314
Expenses - Parent	(51)	(41)
Expenses - Subsidiaries	(132)	(117)
Non Controlling interest	(65)	(49)
<b>Net (Loss)/Profit attributable to shareholders</b>	<b>(58)</b>	<b>107</b>
<b>Equity attributable to shareholders</b>	<b>3,208</b>	<b>3,307</b>

KEY PERFORMANCE INDICATORS	Q1 2019	Q1 2018
Earnings per Share (in AED)	(0.03)	0.06
RoAE	-1.7%	3.2%

# Q1 2019 Financial Highlights



AED MILLIONS	31 MAR 2019	31 DEC 2018
Cash	392	429
Investments in equity-accounted investees & Assets held for sale	3,618	4,201
Investment Property	754	754
Other Investments <sup>(2)</sup>	5,903	5,654
Other Assets	786	633
<b>Total Assets</b>	<b>11,452</b>	<b>11,671</b>
<b>Borrowings</b>	<b>6,435</b>	<b>6,464</b>
<b>Other Liabilities</b>	<b>828</b>	<b>657</b>
<b>Equity</b>	<b>4,189</b>	<b>4,550</b>
<i>Leverage</i>	<i>29.0%</i>	<i>25.3%</i>

1. Based on share price as at 23 April 2019 @ AED 1.13  
2. Includes Financial investments, Loan investments and Finance leases



Q1 2019

## BUSINESS HIGHLIGHTS

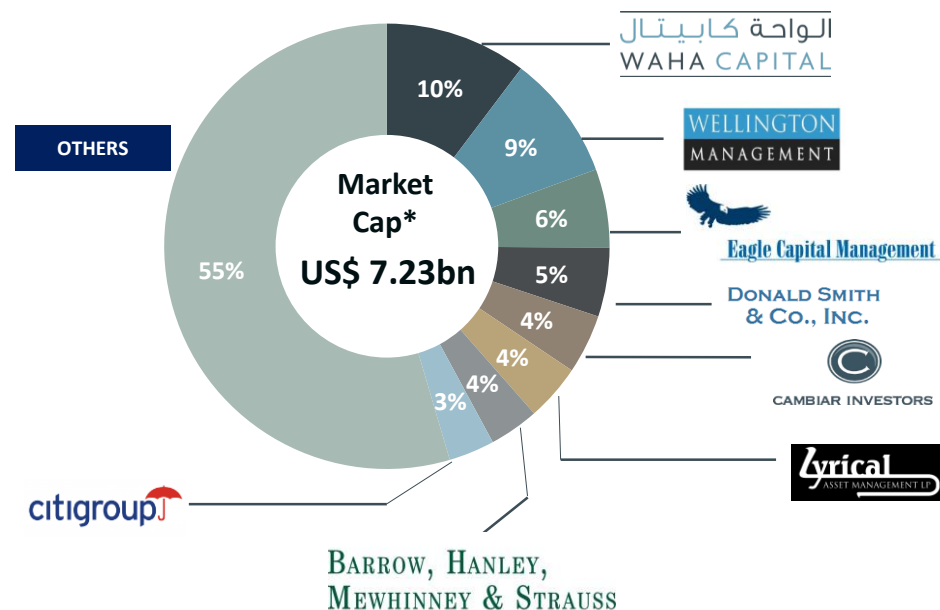
# Q1 2019 Business Highlights

## Private Investments - AerCap

### OVERVIEW

- During the period, the Group disposed 3 million shares equivalent to 2.1% stake in AerCap for a consideration of AED 490.0 million. Consequently, the Group's stake in AerCap reduced from 12.0% to 9.9%. Further, during the period, AerCap carried out a share buyback program, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 9.9% to 10.3%
- Waha is the largest beneficial shareholder in AerCap, retaining 2 board seats and representation on various Board Sub-Committees
- Carrying value of AerCap was AED 2.8 billion as at 31 March 2019

### SHAREHOLDERS



### Q1 2019 KEY HIGHLIGHTS

- Net income of \$234.2 million, compared with \$265.4 million in Q1 2018
- Diluted earnings per share of \$1.68, compared with \$1.72 in Q1 2018
- 81 aircraft transactions executed, as follows:
  - Signed lease agreements for 43 aircraft
  - Purchased 17 aircraft
  - Executed sale transactions for 21 aircraft
- Signed financing transactions for US\$ 1.9 billion
- Fleet utilization rate of above 99.2% for the period
- Average age of owned fleet was 6.2 years and the average remaining contracted lease term was 7.4 years
- \$11.1 billion of available liquidity and adjusted debt/equity ratio of 2.8 to 1
- Repurchased 3.1 million shares for \$137 million
- Approximately 95% of lease rents through 2021 already contracted
- Portfolio consisted of 1,400 aircraft that were owned, on order or managed

USD mn	Q1 2019	Q1 2018	VARIANCE
Total Revenue	1,205	1,219	-1%
Total Expenses	(971)	(954)	-2%
Net Profit	234	265	-12%

USD mn	Q1 2019	Q1 2018	VARIANCE
Assets	44,717	43,209	3%
Debt	30,759	29,508	4%
Equity	8,970	8,881	1%
RoE (annualized)	10%	12%	
RoA (annualized)	2%	2%	

# FY 2018 Business Highlights

## Private Investments – National Energy Services Reunited

TOTAL ACQUISITION VALUE

USD 880mn

NPS: \$591 mn / GES: \$289 mn

TOTAL REVENUE

USD 152mn

Q1 2019

NET INCOME

USD 35mn

Q1 2019

### OVERVIEW

- Waha acquired a 5.8% stake in a NASDAQ-listed entity - NESR - as part of exit consideration of NPS Holdings Limited. During Q1 2019, NESR issued 1.3m earn-out shares on meeting certain performance criteria, consequent to which, Waha ownership increased from 5.8% to 6.3%
- NESR is the first and only NASDAQ listed national oilfield services company in the MENA region and one of the largest oilfield services provider in the Middle East, North Africa and Asia region.
- On June 6th 2018, NESR consummated the 100% acquisition of: a) NPS Holdings Limited for a gross consideration of c. \$591 million and b) Gulf Energy S.A.O.C. for a gross consideration of c. \$289 million – aggregating total consideration of c. \$880 million.
- NESR operates in 14 countries, with 19 services lines through 3,200+ employees for 25+ clients
- Customer profile includes Saudi Aramco, Qatar Petroleum, ADCO, ADMA, Sonatrach, Kuwait Oil Company and other National and International Oil Companies
- Market Capitalization of c. US\$ 917.6 million as of 1<sup>st</sup> May 2019
- The carrying value of NESR Corp was AED 212.2 million as at 31 March 2019

### Q1 2019 KEY HIGHLIGHTS

- Reported revenue for the first quarter of 2019 is US\$ 151.7 million, comprised of US\$ 92.1 million from Production Services, US\$ 59.6 million from Drilling & Evaluation Services
- Reported EBITDA of US\$ 39.4 million and net income of US\$ 35.1 million
- Reported a net book value of property, plant and equipment as at 31 March 2019 of US\$ 336.5 million

### NPS HOLDING LIMITED

- Regional provider of products and services to the oil and gas industry in the Middle East, North Africa and Asia Pacific regions.
- Operates in twelve countries with the majority of its revenues derived from operations in KSA, Algeria, Qatar, UAE and Iraq.
- NPS provides an integrated service offering that includes: a) Well Services and Intervention, b) Drilling and Workover, and c) Wireline Logging and Testing
- Effectively delivers broad range of services by deploying one of the largest fleet of oilfield equipment, including cementing units, coiled tubing units, stimulation units, nitrogen units and oil and water well drilling rigs.

### GULF ENERGY S.A.O.C.

- Leading provider of high quality integrated oilfield service solutions in the MENA region.
- One of the fastest growing oilfield service providers in the MENA region and has developed a footprint in KSA, Oman, Kuwait, and Algeria.
- Provides a broad suite of product and service offerings, operating under several service lines including: a) Well Intervention Services, b) Drilling Technology Solutions, c) Fishing & Remedial Services, and d) Drilling Technology Solutions, Performance Drilling & Evaluation.



# Q1 2019 Business Highlights

## Private Investments – Petronash

WAHA OWNERSHIP

31.5%

REVENUE

USD 34.6mn

Q1 2019

EBITDA

USD 5.4mn

Q1 2019

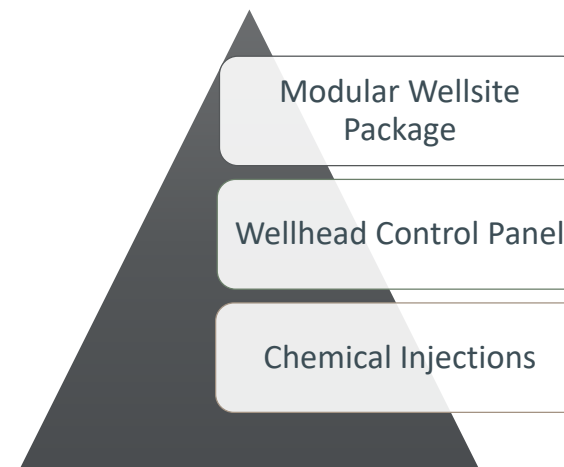
### COMPANY OVERVIEW

- Founded in 2000 and headquartered in Dubai, Petronash owns manufacturing facilities in Dubai, Dammam and Chennai.
- Employs approximately 1,000 people worldwide, including more than 200 Engineers and R&D Personnel
- Leading provider of modular wellsite packages, chemical injection systems and wellhead control systems to the oil and gas industry.
- Provides support throughout the product life cycle starting from the early project stage up to commissioning and warranty support
- Dammam facility features technology, equipment and tools, that enable manufacturing, assembling and testing modular systems, chemical injection skids and wellhead control panels.
- Dubai manufacturing facility technology, equipment and tools, that enable manufacturing, assembling and testing modular systems, piping and skids.
- Engineering facility was set up in year 2010, spread over 10,000 sq. ft. and located Chennai, India; to cater the engineering and back office support requirements of global offices.
- A dedicated R&D unit setup to fine tune its products and streamline the quality of products, having competency to design, develop and manufacture various engineering products and components in a thorough professional manner giving it a competitive advantage.

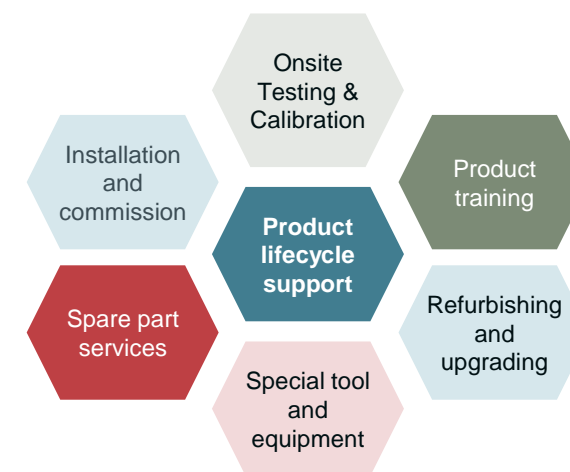
### Q1 2019 KEY HIGHLIGHTS

- Reported revenue of US\$ 34.6 million
- The carrying value of Petronash was AED 376.6 million as at 31 March 2019.

### PRODUCTS OFFERING

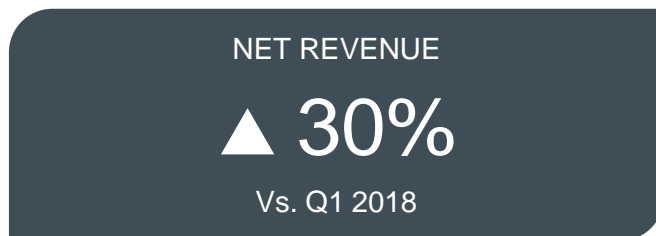


### SERVICES OFFERING



# Q1 2019 Business Highlights

## Private Investments – Channel VAS Investments limited (CVAS)



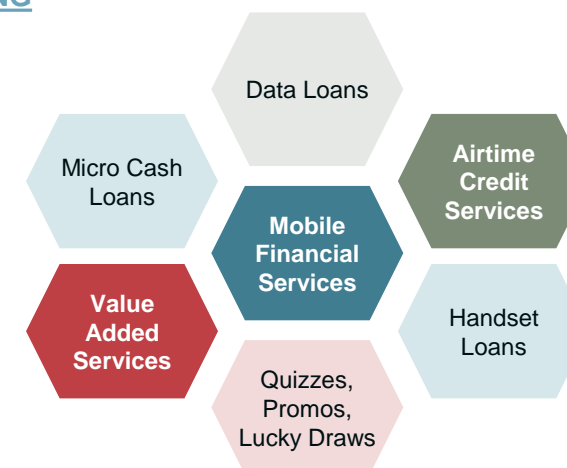
### OVERVIEW

- In September 2017, Waha Capital acquired a 20% stake in Channel VAS – a Dubai-based fintech provider of airtime credit services, mobile financial services, handset loans, Value Added Services, Micro Cash Loans, Data Loans, etc
- CVAS is a premium fintech company providing financial services to the subscribers of mobile operators in over 25 countries across 4 continents
- Funded nano-loans aggregating US\$ 1.5 billion in 2018 compared to US\$ 871 million in 2017
- Access to over 500 million mobile subscribers for the airtime credit service product
- Well positioned to capture high potential growth in US\$ 69 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 loans
- Selected list of customers include Vodacom, Viettel, Umniah, Robi-Axiata, Ooredoo, MTN, Mobily-Etisalat, Mobilink, Lyca Mobile and others

### Q1 2019 KEY HIGHLIGHTS

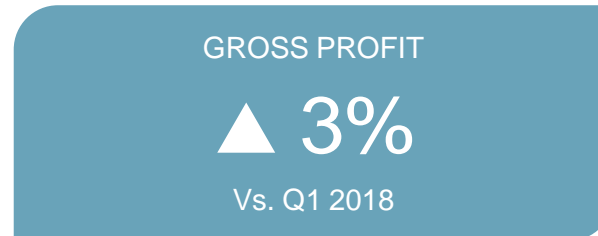
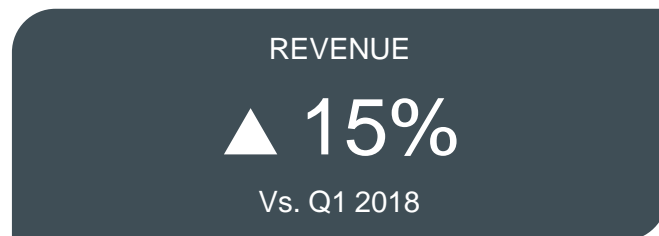
- Revenue of AED 54.96 million, compared to AED 42.36 million in the corresponding period 2018
- The carrying value of Channel VAS was AED 179.1 million as at 31 March 2019

### SERVICES OFFERING



# Q1 2019 Business Highlights

## Private Investments - SDX Energy Inc



### OVERVIEW

- Engaged in the exploration for and development and production of oil and natural gas, with properties located in the Arab Republic of Egypt and the Kingdom of Morocco.
- SDX trades on the Toronto Venture Stock Exchange ("TSX-V") in Canada and on the London Stock Exchange's Alternative Investment Market ("AIM") in the UK
- Successfully acquired a portfolio of oil and gas production and exploration assets in Egypt and Morocco in early 2017, which increased SDX's working interest 2P reserves to 9.03 mmboe
- SDX Energy intends to increase production and cash flow generation organically, through a fully funded and active work programme consisting of improvements made to existing fields and the development of new discovered resources.
- During 2019, the company plans to drill a series of high impact exploration and development wells across the portfolio, with the delivery of the South Disouq gas development expected by the end of H1 2019
- Portfolio contains interests in 6 concessions – a) Egypt – NW Gemsa, b) Egypt – Meseda, c) Egypt – South Disouq, d) Egypt – South Ramadan, e) Morocco – Sebou, and f) Morocco – Lalla Mimouna Nord
- Waha owns a 19.5% stake in SDX with carrying value of AED 68.8 million as at 31 March 2019

### Q1 2019 KEY HIGHLIGHTS

- Production of 3,715 boe/d an increase of 22% compared to corresponding period 2018;
- Net realized average oil price of US\$ 54.58/barrel compared to US\$ 59.34/barrel in corresponding period 2018;
- Net realized average Morocco gas price of US\$ 10.26/mcf compared to US\$ 10.03/mcf in corresponding period 2018;
- Revenue of US\$ 12.7 million, compared to US\$ 11.0 million in corresponding period 2018;
- Gross profit of US\$ 9.3 million, compared to US\$ 9.0 million in corresponding period 2018;
- Cash flow from operations of US\$ 7.0 million, compared to US\$ 11.0 million in corresponding period 2018;
- Invested US\$ 12.9 million into capital expenditure in Q1 2019,
- Cash balance of US\$ 11.4 million at 31 March 2019, compared to US\$ 29.3 million at 31 March 2018.

# Q1 2019 Business Highlights

## Private Investments – Waha Land

NET REVENUE

▼ 13%

Vs. Q1 2018

NET PROFIT

▲ 78%

Vs. Q1 2018

FUNDING SECURED

AED 426mn

For stage 2

### OVERVIEW

- Waha Capital received a 6 km<sup>2</sup> land grant from the Government of Abu Dhabi in 2007 to develop a mixed use industrial park
- The project was divided into four equal phases (1.5 km<sup>2</sup> each) to allow for flexibility in terms of scale and funding
- Construction of Phase I infrastructure and 90,000 m<sup>2</sup> 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)
- Secured AED 426 million of funding for Stage 2 with a local bank
- The construction of Stage 2a was completed in 2018 and the initial batch of tenants have commenced operations from the newly handed over units
- The carrying value of investment property was AED 753.6 million as at 31 March 2019

### Q1 2019 KEY HIGHLIGHTS

- Rental revenue and other income of AED 7.0 million (Q1 2018: AED 8.0 million);

# Q1 2019 Business Highlights

## Private Investments – Anglo Arabian Healthcare

TOTAL REVENUE

▲ 22%

Vs. Q1 2018

SHAREHOLDERS EQUITY

AED 193mn

Q1 2019

HEALTHCARE ASSETS

27

Q1 2019

### OVERVIEW

- UAE healthcare company, with an initial focus on hospitals, clinics, diagnostics, laboratories and pharmacies
- 27 healthcare assets in the Northern Emirates, Abu Dhabi and Dubai
  - Network of 17 clinics, 7 pharmacies, 1 diagnostics centre and 1 medical education provider
  - 1 multi-specialty hospital opened in 2015 in Ajman, with an inpatient capacity of 10,000 per annum
- AAH employs more than 900 people and serves over 800,000 registered outpatients
- Carrying value of AED 182.9 million as at 31 March 2019

### Q1 2019 KEY HIGHLIGHTS

- Consolidated revenue of AED 78.9 million in Q1 2019, compared to AED 64.7 million in the in Q1 2018
- Revenue is comprised of:
  - AED 19.0 million (2018: AED 13.8 million) from laboratory services
  - AED 48.9 million (2018: AED 40.6 million) from patient fees
  - AED 11.0 million (2018: AED 10.3 million) from sale of pharmaceuticals
- Shareholders' equity base attributable to owners of AED 192.7 million as at 31 March 2019 compared to AED 201.7 million as at 31 December 2018.

**Anglo Arabian Healthcare (AAH) is among the largest healthcare provider networks in the UAE. AAH employs a buy and build strategy, supplementing acquisitions with strategic greenfield project to ensure optimal patient flows and service coverage**

### GREENFIELD PROJECTS AND ACQUISITIONS

- Opportunistic mix of greenfield projects and acquisitions
- Hub-and-spoke model across primary care, secondary care and diagnostics to retain patient revenue within the group

### WELL-POSITIONED TO CAPITALIZE ON REGULATORY AND CONSUMPTION TRENDS

- Introduction of mandatory insurance in the Northern Emirates
- Increase in demand for specialty services

### Brands under AAH

مستشفيات أمينة  
amina HOSPITALS

IBIN SINA  
MEDICAL CENTRE L.L.C. مركز ابن سينا  
الطبيعي

مركز اوراس الطبي  
ORAS MEDICAL CENTER

HealthBay

مستشفى كورنيش الشارقة  
sharjah corniche HOSPITAL

# Q1 2019 Business Highlights

## Asset Management - Funds

### CEEMEA CREDIT RETURN

▲ 7.6% Q1 2019

▲ 157.8% Since inception Jan 2012

#### CEEMEA CREDIT FUND

- The fund focuses on investing in:
  - Capital market securities (bonds, sukuk and convertibles)
  - US Dollar denominated sovereign and corporate bonds
- Seed capital of AED 412 million (\$112m)
- In June 2015 the fund was first offered to third-party institutional, family office and high-net-worth investors
- The CEEMEA Credit Fund won the “Best Fixed Income Fund 2018” from The Banker Middle East and won the “Best Fixed Income Fund 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 RETURN

▲ 9.2% Q1 2019

▲ 149.5% Since inception Jan 2014

#### MENA EQUITY FUND

- The fund focuses on investing in equity securities in the large MENA region
- Seed capital of AED 434 million (\$118m)
- 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 “Asset Manager of the year 2018 – UAE” and “Best Absolute Return Fund (Since Inception) from W&F 2018 and in the past it has received several awards including 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.
- 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

### MENA VALUE RETURN

▲ 11.4% Q1 2019

▲ 39.0% Since inception Nov 2015

#### 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

# SUMMARY & OUTLOOK

- Streamlined organization aligned with its two core activities – Private Investments and Asset Management
- Diversified asset base and revenue streams between Private Investments and Asset Management :
  - Private Investments delivers on value creation and cash realization; with strategic emphasis on certain sectors like energy and fintech
  - Asset Management business continues to deliver strong returns, outperforming benchmarks; with strategic emphasis on raising 3rd party AUMs and fee income
- Strongly embedded and integrated risk management and corporate governance
- Robust financial position with strong level of liquidity and prudent leverage – well positioned for steady and long term growth



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This document contains forward-looking statements. Forward-looking statements can be identified by words such as: “anticipate”, “aspire”, “intend”, “plan”, “offer”, “goal”, “objective”, “seek”, “believe”, “project”, “estimate”, “expect”, “forecast”, “strategy”, “target”, “trend”, “future”, “likely”, “may”, “should”, “will” and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by regulators.

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# LET US HEAR FROM YOU



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THANK YOU