



## SHUAA Capital – Q3 2020 Earnings Call

### DFM Brief

SHUAA Capital's Q3 2020 Earnings Call was held on Thursday 12<sup>th</sup> November 2020 at 4pm and was presented by members of SHUAA Capital's senior management:

- **Jassim Alseddiqi**, Chief Executive Officer
- **Mustafa Kheriba**, Deputy Chief Executive Officer and Head of Asset Management
- **Joachim Mueller**, Chief Financial and Risk Officer

During the call, SHUAA's third quarter 2020 financial performance was reviewed. An update on SHUAA's strategic agenda, integration progress and several key growth initiatives, particularly with regards to SHUAA's recent activity was also provided.

Attendees were encouraged to go to the investor relations section of SHUAA's website ([www.shuuaa.com](http://www.shuuaa.com)), where the presentation material and financial statements which were discussed during the call are available.

#### Summary of the Presentation

The below is a summary of the key points discussed throughout the presentation and provides an overview of the slides that were discussed and included in the presentation.

##### Delivering solid performance

- Net profit at AED59m in Q3-20, EBITDA at AED114m including AED19m of impairments
- 9M-20 EBITDA at AED239m indicating strong earnings capacity of Group despite seasonal slowdown in Q3
- AuM increased by 5% QoQ to US\$13.6bn driven by net new money, market performance and FX gains

##### Executing against integration targets

- Merger synergies at 55% of target (vs 48% in Q2-20)
- Non-core unit at 39% reduction (38% in Q2-20) since July 2019; further progress expected in Q4-20

##### Executing against strategic levers

- Supporting permanent capital build up with new Incorporated Cell Company fund launch (US\$75m commitments to date)

- Increasing product breadth with launch of the company's first fund focused on private Sharia-compliant financing in GCC (US\$70m commitments to date)
- Strengthening balance sheet and funding profile by successfully issuing first high yield bond in the MENA region since onset of COVID-19 in March 2020 of US\$150m

After the conclusion of the presentation, the call was opened to analysts to ask questions directly to senior management there were, however, no questions asked.

#### **Cautionary Statement Regarding Forward-Looking Information:**

This document contains forward-looking statements. 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. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar references to future periods.

Examples of forward-looking statements include, among others, statements we make regarding:

- Expected operating results, such as revenue growth and earnings.
- Anticipated levels of expenditures and uses of capital
- Current or future volatility in the capital and credit markets and future market 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; geopolitical events; 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 our regulators.

Any forward-looking statement made by us in this document and presentation is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.