SHUAA Capital – H1 2020 Earnings Call
DFM Brief

United Arab Emirates, 16 August 2020: SHUAA Capital psc's (DFM: SHUAA), H1 2020 Earnings Call *was held on August 16th, 2020 at 3pm 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 second quarter and first half 2020 financial performance was reviewed. An update on SHUAA's strategic agenda and several key growth initiatives, particularly in light of COVID-19 and the current market environment was also provided.

Attendees were encouraged to go to the investor relations section of SHUAA's website (www.shuaa.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.

Weathered severe market conditions

- *Net profit at AED 5m in H1-20, EBITDA at AED125m in H1-20 despite AED159m unrealized net FV losses*
- *Q2-20 operating income up 19% quarter-on-quarter at AED86m driven by continued improvement in breadth and composition of stable revenues*
- *AuM at USD13.0bn in Q2 vs 12.8bn in Q1-20*

Realized integration benefits

- *Post-merger system and organizational integration fully on track*
- *Merger synergies: 48% of increased AED55m target (vs. AED50m previously announced) already achieved*
- *Non-core unit (NCU): 38% reduction since July 2019, releasing AED128m of cash*

Maintained sufficient liquidity position

- *Disciplined working capital management ensured internal liquidity ratios met throughout H1-20*
- *Working closely with all portfolio companies to ensure appropriate funding and to protect client assets through crisis*

Continued execution of growth agenda

- *Headwinds from COVID-19, economical and geopolitical issues lend to an appropriately prudent outlook*
- *SHUAA's business model allows us to focus on selected opportunities even in highly disrupted markets with new fund launches and a healthy IB advisory pipeline in H2-20*
- *Maintaining focus on increasing stable and recurring revenues via permanent capital vehicles*
- *Long-term ambition level of > 15% RoE, < 60% CIR1 and < 60% leverage ratio*

Question & Answers

After the conclusion of the presentation, the call was opened to analysts to ask questions directly to senior management. These questions ranged from SHUAA-specific questions around SHUAA's strategic agenda, business segments (asset management and investment banking), financial performance and overall growth plans and initiatives which the management team answered.

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