Earnings Call Insight | 3Q26

UAE Equity Research | Sector: Financials | Market: ADX

Al Waha Capital PJSC

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.98	AED 2.20	+11%	ACCUMULATE

3Q26 Net Profit lower than our estimate

- Effective 1 October 2025, Waha adopted investment entity accounting, resulting in the deconsolidation of operating subsidiaries and the discontinuation of line-by-line consolidation of Public Market funds. Consequently, the Company no longer reports revenue from the sale of goods and services.
- Waha's total income decreased from AED 373 Mn in 3Q25 to AED 104 Mn in 3Q26.
- Public Markets income decreased to AED 72 Mn in 3Q26 from AED 270 Mn in 3Q25, driven by AED 54 Mn in fee income and AED 18 Mn in net mark-to-market gains, more than offsetting the absence of income from consolidated Public Market funds.
- Private Investments income declined to AED 21 Mn in 3Q26 from AED 99 Mn in 3Q25, mainly due to the absence of healthcare business revenue, and lower income from financial investments of AED 19 Mn.
- Waha Land income declined to nil in 3Q26 from AED 4 Mn in 3Q25, mainly due to the absence of operating income and fair value gains on assets held for sale and investment properties.
- Total expenses declined 50.7% YOY to AED 66 Mn in 3Q26 from AED 134 Mn in 3Q25, driven by a 42.3% YOY reduction in expenditure to AED 56 Mn and lower finance costs of AED 10 Mn compared to AED 37 Mn in 3Q25.
- Waha recorded a tax expense of nil in 3Q26 compared to AED 1 Mn in 3Q25.
- Waha's net profit attributable to equity shareholders declined significantly to AED 38 Mn in 3Q26 from AED 134 Mn in 3Q25, lower than our estimate of AED 247 Mn. The decline in bottom line was due to sharp decline in Income from financial investments, partially offset by lower expenditures and finance costs, along with the absence of tax expenses.

Earnings Call Summary

- Public Markets, managed by Waha Investments Ltd, previously Waha Investment PrJSC, reported AUM of AED 12.7 Bn (USD 3.4 Bn) as of 3Q26, up from AED 10.8 Bn (USD 2.9 Bn) as of 4Q25, reflecting a 17.6% increase on a YTD basis.
- Management highlighted strong fundraising momentum, with gross third-party subscriptions exceeding USD 400 Mn during the period, primarily driven by demand for the Emerging Markets Credit Fund.
- The Emerging Markets Credit Fund delivered a net return of 7.3% YTD, while the MENA Equity Fund generated 5.1%, with all three flagship funds outperforming their respective benchmarks.
- Management expects performance fee generation to remain strong through year-end, with these fees subsequently converted into cash through dividend distributions from Waha Investment to Waha Capital.
- Private Investments generated net profit of AED 133 Mn in 9M26, up 62% YOY, supported by active portfolio management and monetisation of mature investments. The segment generated over AED 196 Mn in proceeds from partial divestments, dividends and disposals during the same period.
- Waha Health's investment value increased to AED 137 Mn from AED 122 Mn at year-end 2025. Healthbay achieved positive EBITDA and net profit on a standalone basis, while Orchids witnessed improving momentum in 3Q26, supported by a recovery in medical tourism.
- Management reiterated its focus on expanding the specialised healthcare portfolio, particularly high-margin opportunities, with further investment announcements expected later in 2026 or in 2027.

- Stage 2B at ALMARKAZ is fully leased, with c. 65,000 sqm of industrial and logistics space generating annual rental income of around AED 30 Mn.
- Construction is underway on 225,000 sqm of 3A and 3B, with total planned capex of c. AED 500 Mn. Stage 3A is expected to be completed in 2H27 while 3B is expected to be completed in early 2028.
- The Company maintained a strong financial position, with borrowings broadly stable at AED 544 Mn and cash and bank balances exceeding AED 320 Mn at September 2026. The USD 400 Mn credit facility matures in 2029, of which USD 250 Mn remains undrawn, providing additional financial flexibility.
- Management highlighted continued opportunities in emerging markets, alongside a supportive UAE economic backdrop driven by economic diversification and investment in key sectors.
- WAHA will continue to prioritise third-party AUM expansion, monetisation of mature private investments, selective investments in high-growth sectors and the development of scalable operating platforms.

Waha – P&L

AED Mn	3Q25	2Q26	3Q26	3Q26F	Var	YOY Ch	QOQ Ch
Revenue from sale of goods and services	41	0	0	0	NM	NM	NM
Income from Property Investments	4	0	0	0	NM	NM	NM
Income/ (loss) from financial investments	298	258	37	232	NM	NM	NM
Fee Income	0	105	53	112	NM	NM	-49.3%
Share of results of asso/JV	2	0	0	0	NM	NM	NM
Finance income	24	3	6	4	47.3%	NM	NM
Other Income, net	3	0	8	0	NM	NM	NM
Gain on deconsolidation of subsidiaries	0	0	0	0	NM	NM	NM
Impairment of associate / JV	0	0	0	0	NM	NM	NM
Gain on disposal of asso/JV	0	0	0	0	NM	NM	NM
Total Income	**373**	**366**	**104**	**348**	**NM**	**NM**	**NM**
Expenditures	-97	-75	-56	-90	-38.2%	-42.3%	-25.6%
Finance cost	-37	-10	-10	-10	0.5%	NM	0.5%
Total Expenses	**-134**	**-85**	**-66**	**-101**	**-34.3%**	**-50.7%**	**-22.5%**
Profit before tax	**239**	**281**	**38**	**247**	**NM**	**NM**	**NM**
Tax expense	1	0	0	0	NM	NM	NM
NCI	106	0	0	0	NM	NM	NM
Profit for the period	**134**	**281**	**38**	**247**	**NM**	**NM**	**NM**

FABS estimate & Co Data

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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