FAB أبوظبي الأول للأوراق المالية SECURITIES

Earnings Call Insight | 2Q26

UAE Equity Research | Sector: Financials | Market: ADX

Waha Capital Company

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.77	AED 2.20	+24%	BUY

2Q26 Net Profit higher than our estimate

- Waha's total income decreased 4.0% YOY to AED 366 Mn in 2Q26.
- Public Markets income increased to AED 337 Mn in 2Q26 from AED 223 Mn in 2Q25, driven by AED 105 Mn in fee income and AED 231 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 29 Mn in 2Q26 from AED 66 Mn in 2Q25, mainly due to the absence of healthcare business revenue, partially offset by higher income from financial investments of AED 27 Mn.
- Waha Land income declined to nil in 2Q26 from AED 93 Mn in 2Q25, mainly due to the absence of operating income and fair value gains on assets held for sale and investment properties.
- Total expenses declined 49.2% YOY to AED 85 Mn in 2Q26, driven by a 34.9% YOY reduction in expenditure to AED 75 Mn and lower finance costs of AED 10 Mn compared to AED 52 Mn in 2Q25.
- Waha recorded nil taxation in 2Q26 compared to tax expenses of AED 4 Mn in 2Q25.
- Waha’s net profit attributable to equity shareholders more than doubled to AED 281 Mn in 2Q26 from AED 128 Mn in 2Q25, significantly exceeding our estimate of AED 27 Mn. The growth was primarily driven by lower expenditures and finance costs, along with the absence of tax expenses, partially offset by lower total income.
- 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.

Earnings Call Summary

- Public Markets, managed by Waha Investments Ltd, previously Waha Investment PrJSC, reported AUM of AED 12.5 Bn (USD 3.4 Bn) as of 2Q26, up from AED 10.8 Bn (USD 2.9 Bn) as of 4Q25, reflecting a 16% increase on a YTD basis.
- The increase in operating expenses was entirely attributable to performance-related bonus accruals, while the underlying operating expense run rate remained consistent with the prior year and budget.
- The growth in AUM supports higher fee income potential, strengthens recurring revenue streams, and reinforces Waha Capital's position in the public markets segment, contributing positively to overall earnings visibility.
- The current leasable GLA of ALMARKAZ stood at c. 75K sq.m. comprising Stage 2B, following the disposal of the stabilized Stage 1 and 2A assets totaling 180K sq.m. in 2Q25 for AED 530 Mn in cash proceeds and an AED 61 Mn fair value gain.
- Company launched Stage 3A of ALMARKAZ in 2Q26, adding c. 125K sq.m. of GFA at a capex of AED 230 Mn and targeted for completion in late 2027, while Stage 3B will add a further c. 100K sq.m. of GFA at a capex of AED 200 Mn, targeted for early 2028, together taking the development programme to 225K sq.m. of GFA, which Company expects to almost double the leasable portfolio over the medium term.
- Company paid dividends of AED 188 Mn during 1H26, representing the 10 fils per share cash dividend proposed for 2025.
- Total AUM stood at c. AED 13.9 Bn as of 2Q26, including third party AUM of c. AED 8.5 Bn (USD 2.3 Bn), following net inflows of over USD 300 Mn during 1H26, driven by ongoing inflows from regional and global institutional investors across credit, equity, and Islamic strategies.

- Waha Capital's presence in Abu Dhabi Global Market, including a number of fund platforms established within ADGM, underpinned a nil tax expense in 1H26 compared to AED 6 Mn in 1H25.
- Waha Capital has AED 1.47 Bn (USD 400 Mn) revolving credit facility, extended through 2028, of which c. USD 250 Mn remained undrawn as of 2Q26, offering significant liquidity and the flexibility to strategically allocate capital across key sectors.

Waha – P&L

AED Mn	2Q25	1Q26	2Q26	2Q26F	Var	YOY Ch	QOQ Ch
Revenue from sale of goods and services	47	0	0	0	NM	NM	NM
Income from Property Investments	93	0	0	0	NM	NM	NM
Income/ (loss) from financial investments	202	59	258	-10	NM	27.4%	NM
Fee Income	0	48	105	41	NM	NM	NM
Share of results of asso/JV	3	0	0	0	NM	NM	NM
Finance income	33	5	3	21	NM	NM	-35.2%
Other Income, net	3	0	0	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	**381**	**113**	**366**	**52**	**NM**	**-4.0%**	**224.0%**
Expenditures	-115	-46	-75	-19	NM	-34.9%	NM
Finance cost	-52	-10	-10	-6	NM	NM	-1.9%
Total Expenses	**-167**	**-56**	**-85**	**-25**	**NM**	**-49.2%**	**52.1%**
Profit before tax	**214**	**57**	**281**	**27**	**NM**	**31.3%**	**NM**
Tax expense	-4	0	0	0	NM	NM	NM
NCI	83	0	0	0	NM	NM	NM
Profit for the period	**128**	**57**	**281**	**27**	**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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