

# Earnings Release

06 August 2018

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## **Second quarter of 2018 profits up 21%; SHUAA to call for General Assembly to approve share buyback and cash dividend for first half of 2018**

- AED 14.6 million profit in Q2 2018 (Q2 2017: AED 12.1 million)
- H1 2018 Group revenues AED 64.0 million (H1 2017: AED 62.2 million) and profit AED 26.3 million (H1 2017: AED 36.8 million)
- Firm seeks shareholder approval for 10% share buyback and proposes dividend of AED 0.02/ share for first half of 2018

SHUAA Capital psc today announces its financial results for the period ended 30 June 2018, with quarterly revenues increasing to AED 30.8 million (Q2 2017: 30.4 million), and profits up 21% to AED 14.6 million (Q2 2017: AED 12.1 million).

During this period SHUAA's subsidiary, Gulf Finance Corporation PJSC, successfully repaid in full its AED 450 million syndicated bank facility raised from Abu Dhabi Commercial Bank in 2015 and maintains a strong liquidity position on its balance sheet.

Fawad Tariq-Khan, Chief Executive Officer of SHUAA Capital, said, "We have been very active during the first half in building a platform for the future. Our Egypt and Saudi businesses in particular have achieved a strong growth trajectory, and more importantly, given our strong liquidity position and recent recoveries, we are now in a position to look at making dividend distributions to our shareholders for the first time in ten years". He added, "Shareholder returns are key for the Board and management at SHUAA and we remain confident SHUAA

can continue on its path to sustained profitability and expanding its platform throughout the region.”

SHUAA’s Asset Management business, which manages the development of premium real estate projects in both the Kingdom of Saudi Arabia and the UAE through a series of funds, has had a particularly strong quarter, with AED 10.5 million in revenues (Q2 2017: AED 5.6 million), and more than doubled its profits to reach AED 4.6 million (Q2 2017: AED 1.3 million). The division is currently approaching the final construction stages of a hospitality building in a third Saudi city (Dammam), with a handover date to be announced soon. Development works on a second multi-purpose residential complex, the Wadi Al Hada project in Riyadh, continues in full force. At a Group level, significant plans were also announced regarding a strategic partnership with a prominent Saudi real estate developer, Jabal Omar Development Company, for managing the development of projects in Mecca. A Memorandum of Understanding was also signed with UAE based National Bonds Corporation, towards rolling out its highly successful savings investment schemes in the Kingdom. Further details on both planned partnerships will be unveiled during the second half of the year.

The Lending division, comprising financing firms Gulf Finance Corporation UAE (GFC), and its Shari’ah-compliant sister company Gulf Finance Saudi Arabia (GFSA), also reported healthy results for the quarter, with AED 9.4 million in revenues (Q2 2017: AED 19.4 million) and profits of AED 4.4 million (Q2 2017: loss of AED 10.1 million).

The Capital Markets division, which includes the country’s biggest and most active Market Maker and Liquidity Provision service provider, recorded AED 8.3 million in revenues (Q2 2017: AED 4.0 million), with a loss of AED 0.7 million (Q2 2017: loss of AED 0.9 million). Integrated Securities LLC remains in the top 10 list of UAE stock brokers operating in the UAE, while SHUAA Securities-Egypt continues to deliver a strong performance having risen up the national rankings to claim a position in the top 20 list of brokers in a short period of time since commencing operations.

Investment Banking advisory services recorded a decrease in revenues to AED 0.4 million (Q2 2017: AED 1.4 million), with a loss for the period of AED 0.4 million (Q2 2017: profit 0.02 million).

The Corporate division, which is the central business line responsible for the Group's client facing operations, business development and principal investments, recorded profits of AED 6.7 million (Q2 2017: AED 21.7 million) mainly due to asset recoveries and gains on investments.

As of 30 June 2018, SHUAA's balance sheet and total assets were AED 1.6 billion (31 December 2017: AED 1.2 billion) with net assets at AED 884 million (31 December 2017: AED 899 million).

The Board of Directors also took the decision to recommend payment of an interim dividend to shareholders in addition to the previously announced share buyback. The Company will be calling for a general assembly meeting with shareholders during the third quarter to approve the share buyback, along with amending the Company's Articles of Association in order to implement the payment of interim dividends.

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**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.*

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**SHUAA Capital psc** ('SHUAA') offers client-centric, fully integrated financial services. SHUAA, headquartered in Dubai, United Arab Emirates, services corporate and institutional clients as well as family businesses and high-net-worth individuals with expertise in the areas of asset management, investment banking advisory services, capital markets and credit. SHUAA was established in 1979 by Emiri decree No. 6. SHUAA is a public shareholding company, regulated as a financial investment company by the UAE Central Bank, and its stocks are listed on the Dubai Financial Market. [www.shuaa.com](http://www.shuaa.com)

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