

EFG Hermes Holding



1Q2019 Results Presentation



Group Overview

Group Performance Highlights

- ≡ EFG Hermes kicks-off the year with strong set of results, with Group revenues rising 42% Y-o-Y to EGP1.3 billion in 1Q19, underpinned by strong performance from core operations, with the Investment Bank and the NBFIs growing their fees and commissions revenues;
- ≡ Fees and commissions, which represented 78% of the Group revenues in 1Q19, rose 58% Y-o-Y to surpass the one billion mark, coming at EGP1.0 billion, underpinned by Private Equity's and Tanmeyah's robust revenue growth;

- ≡ The NBFIs platform continues to ramp-up, with revenues climbing 65% Y-o-Y to EGP375 million in 1Q19, mainly on the back of Tanmeyah's outstanding performance, with its revenues roughly doubling, up 95% Y-o-Y to EGP253 million in 1Q19. Sell-side revenues inched up 2% Y-o-Y to EGP322 million in 1Q19, dented by lower Investment Banking revenue and despite higher Brokerage revenues. The buy-side revenues shot up 199% Y-o-Y to EGP348 million in 1Q19, on the outperformance of the Private Equity business, with its revenues more than 10 folds higher reaching EGP265 million, as 1Q19 saw the exit from Vortex I&II and the booking of strong performance fees.
- ≡ Capital markets & treasury operations revenue contribution to the Group's total revenues came at 22% in 1Q19, with its revenues increasing 5% Y-o-Y to EGP300 million, driven largely by the capital gain realized from the wind portfolio exit and treasury operations;

- ≡ Group operating expenses rose 45% Y-o-Y to EGP878 million in 1Q19, on higher NBFIs employee expenses (salaries and monthly bonuses), higher bonus provisions for the Group and higher other operating expenses largely related to the NBFIs growth. However, employee expenses to operating revenues came at 45% in 1Q19; well below the 50% mark;
- ≡ With the Group's revenue growth surpassing the increase in expenses, the Group reported a net operating profit of EGP466 million, up 37% Y-o-Y in 1Q19 and a net operating profit margin of 35%. This filtered into a net profit after tax and minority interest of EGP374 million, up 50% Y-o-Y in 1Q19.

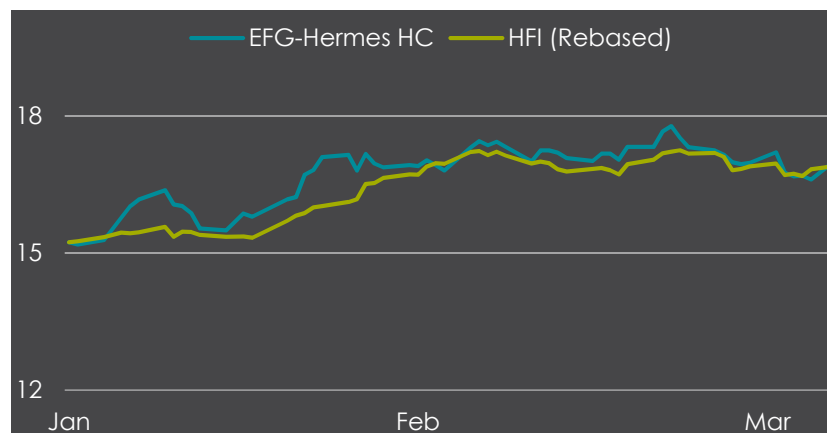
Group Overview

Share Information

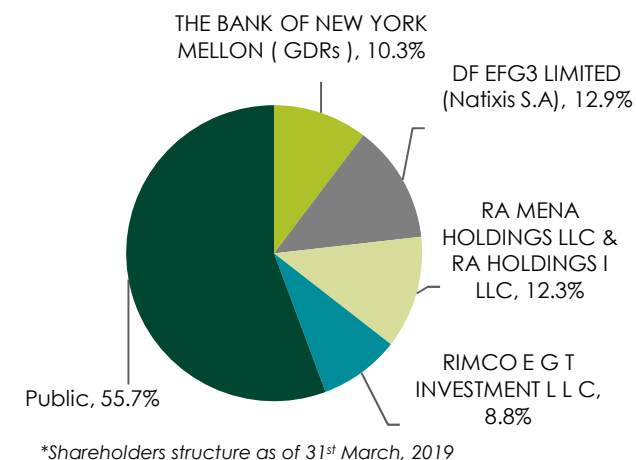
Stock Performance 1Q19

Close **17.07** ▲ **12%** Q-o-Q
 Open **15.24** Hi **17.78** Lo **15.19**
 Average Daily Turnover
EGP1.4 mn ▼ **95%** Q-o-Q
 Market Cap **EGP13,120 mn** Shares **768.6 mn**

Stock Price Performance



Shareholders structure



Analyst Recommendations Analysis

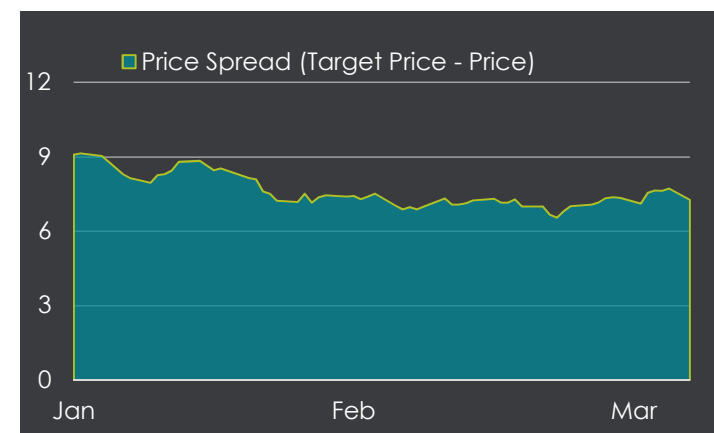
Institution	Recommendation	Target Price	Date
HSBC	Buy	25.00	Nov-18
HC	Overweight	23.60	Feb-19
CI Capital	Overweight	26.10	Mar-19
Arqaam	Buy	22.60	Mar-19

Consensus Recommendation

Buy 4 **100%**
Hold 0 **0%**
Sell 0 **0%**
Average Target Price **EGP 24.33**
Spread* **EGP 7.26**
Potential Upside **43%**

* Based on 31st March, 2019 closing price

Price Spread

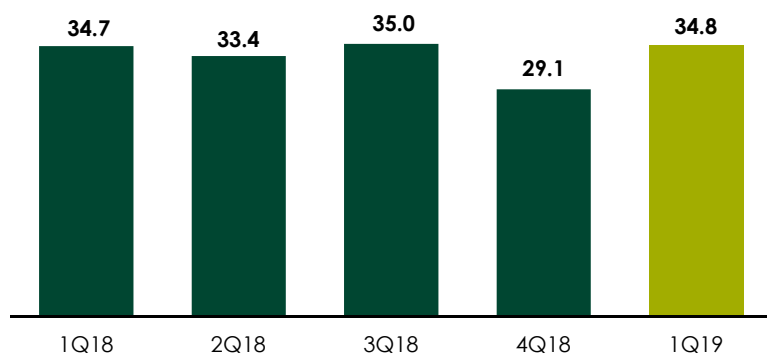


Group Overview

Balance Sheet

Total Assets,
up 0.4% Y-o-Y

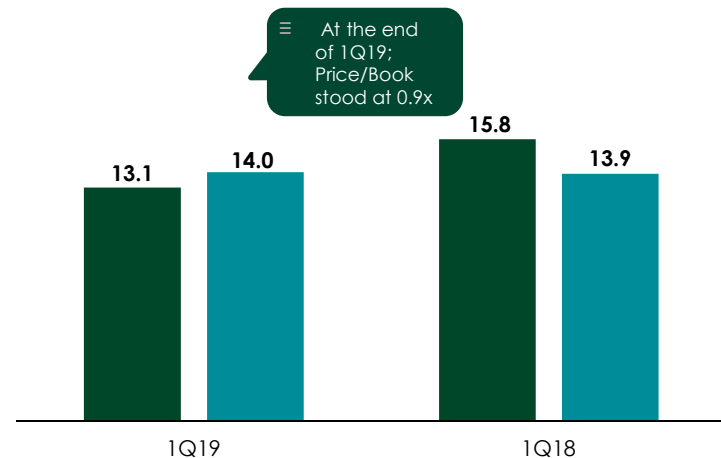
In EGP bn



Total Equity/Market capitalization

In EGP bn

■ Market Capitalization ■ Shareholders' Equity*



* Equity Attributable to Shareholders

EFG Hermes Balance Sheet as at 31st of March 2019

Assets - Liabilities	In EGP million
Cash and Cash Equivalents	10,210
Microfinance Receivables "Tanmeyah"	1,446
Merchant Banking Loans	431
Asset Management Seed Capital	1,555
Private Equity Seed Capital	535
Fixed Assets and Investment Property	449
Clients Investments at FVTPL (Structured Products)	2,843
Payables to Clients at FVTPL (Structured Products)	(2,843)
(Receivables - Payables)	(990)
(Other Assets - Other Liabilities)	(1,884)
Goodwill and Other Intangible Assets	1,008
Trading and AFS Investments	500
Crédit Libanais	1,179
SODIC	135
Leased Assets (net)	2,665
Short & Long term Loans	(2,836)
Minority	(433)
Total	13,969

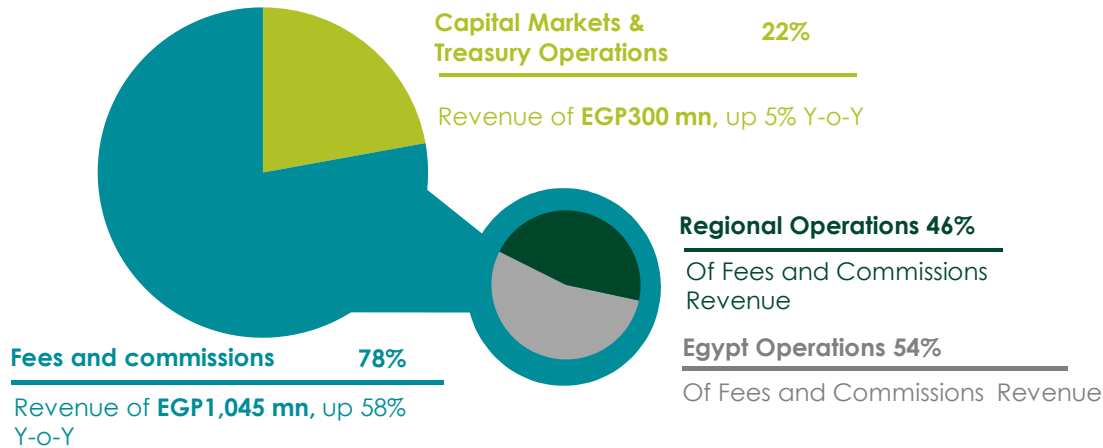


I. First Quarter Results Review – 1Q2019

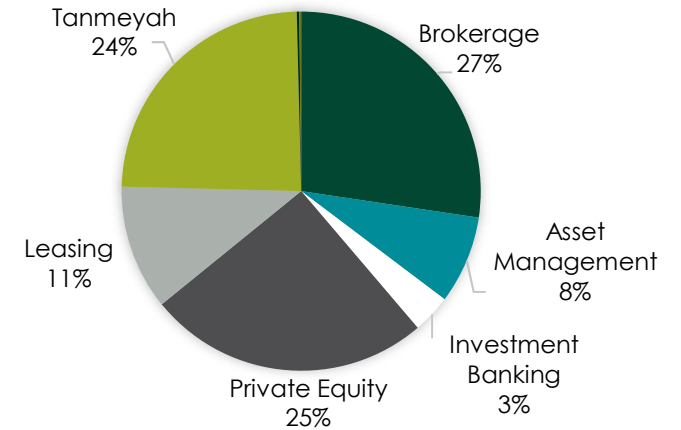
Group Overview

Group Financial Highlights – 1Q2019

EFG Hermes Revenue Breakdown

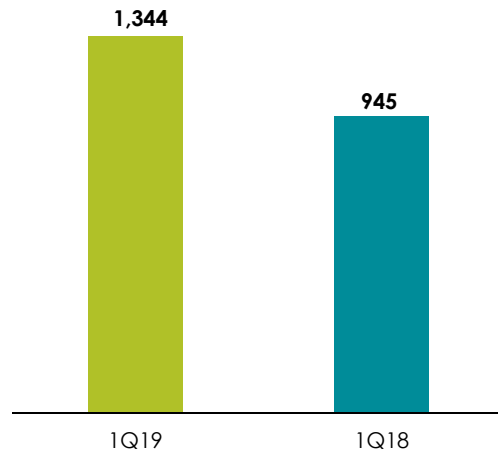


Fees and Commissions Revenue Breakdown



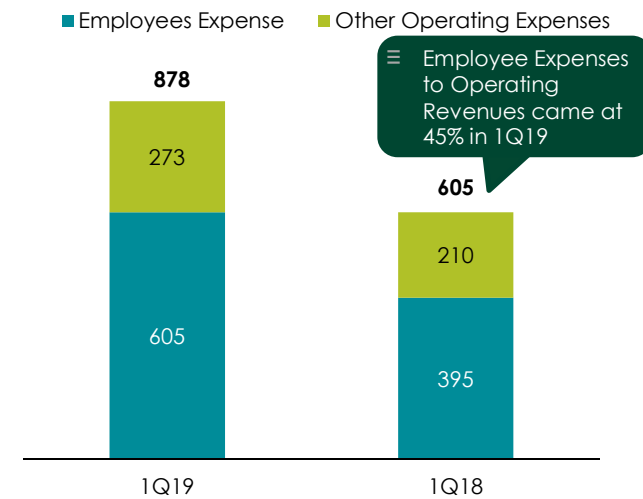
EFG Hermes Operating Revenue, up 42% Y-o-Y

In EGP mn



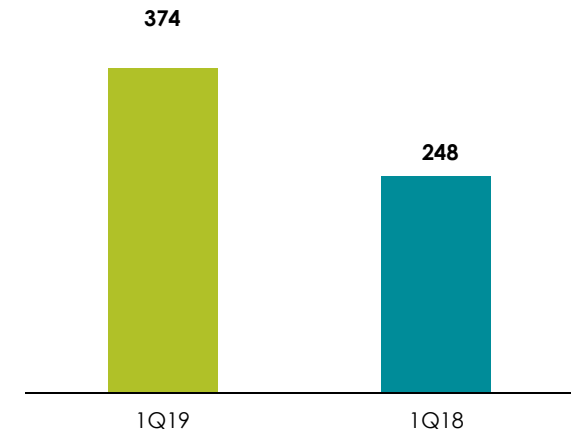
EFG Hermes Operating Expenses, up 45% Y-o-Y

In EGP mn



EFG Hermes Net Profit After Tax and Minority Interest, up 51% Y-o-Y

In EGP mn



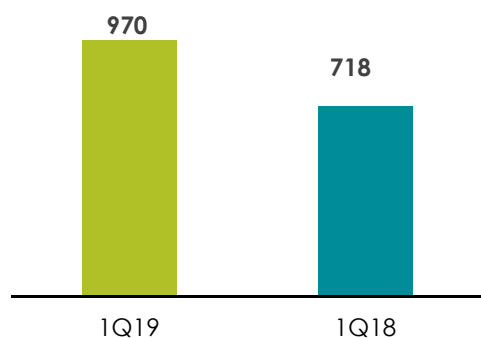
Group Overview

Platforms Financial Highlights – 1Q2019

EFG Hermes Revenue Breakdown by Platform

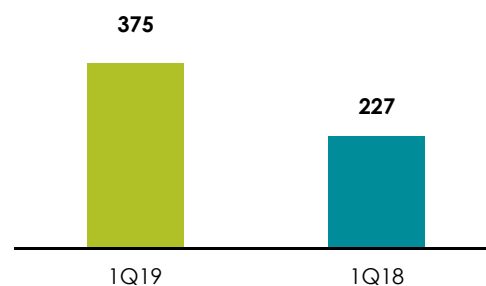
Investment Bank Revenues up 35% Y-o-Y

In EGP mn

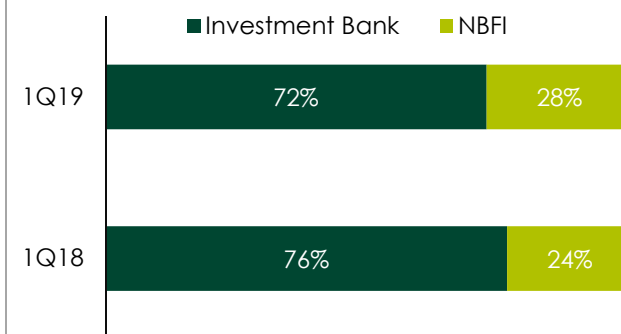


NBFIs Revenues up 65% Y-o-Y

In EGP mn



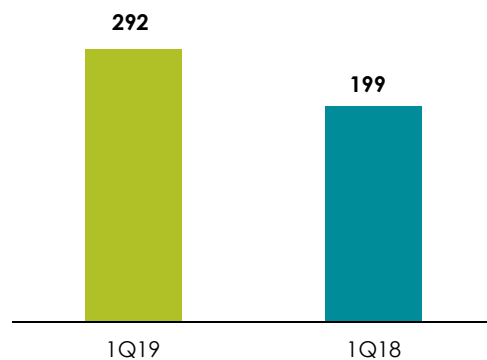
Revenues Contribution by Platform



EFG Hermes NPAT Breakdown by Platform

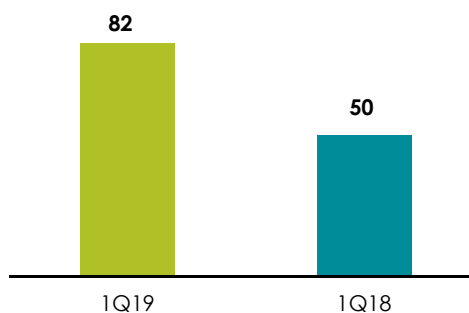
Investment Bank NPAT up 47% Y-o-Y

In EGP mn

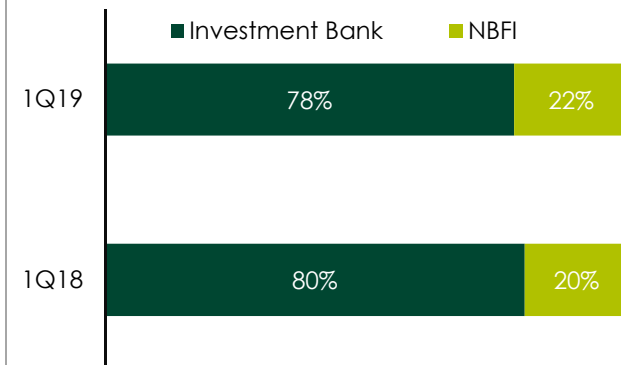


NBFIs NPAT up 65% Y-o-Y

In EGP mn



NPAT Contribution by Platform



Investment Bank Overview

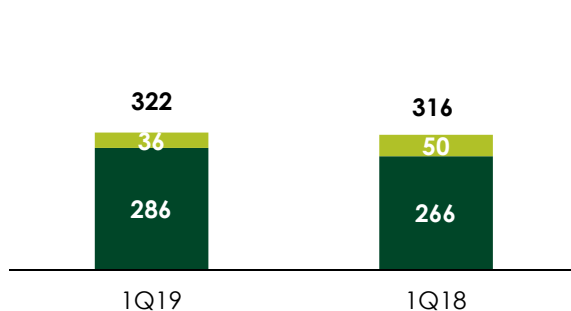
Investment Bank Highlights – 1Q2019

EFG Hermes Revenue Breakdown by Platform

Sell-Side Revenues, up 2% Y-o-Y

In EGP mn

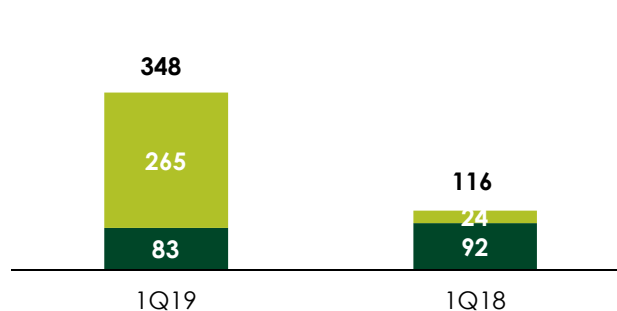
■ Brokerage ■ Investment Banking



Buy-Side Revenues, up 199% Y-o-Y

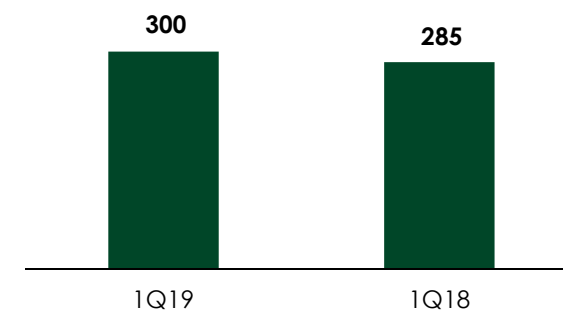
In EGP mn

■ Asset Management ■ Private Equity

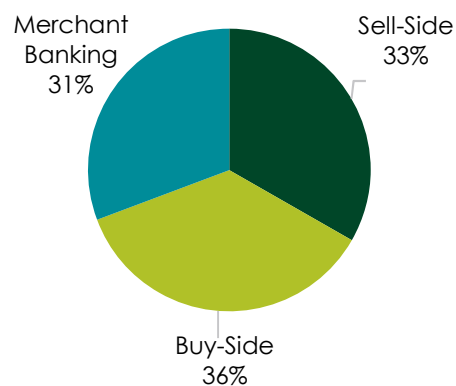


Capital Markets Revenues, up 5% Y-o-Y

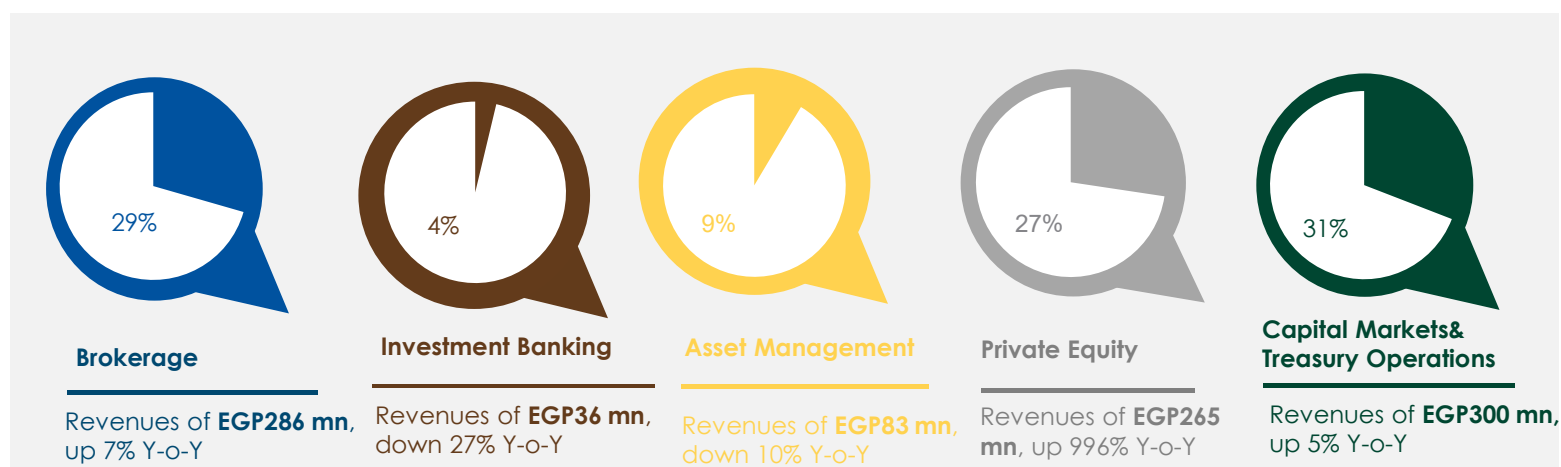
In EGP mn



Revenues Contribution by Platform



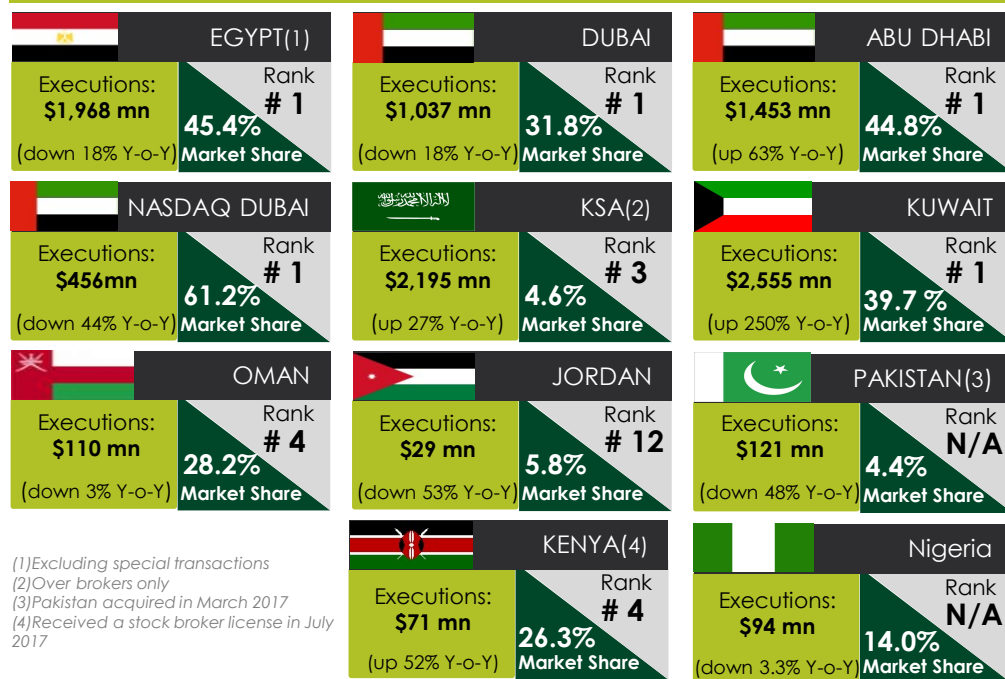
Investment Bank Revenue breakdown



Investment Bank Overview

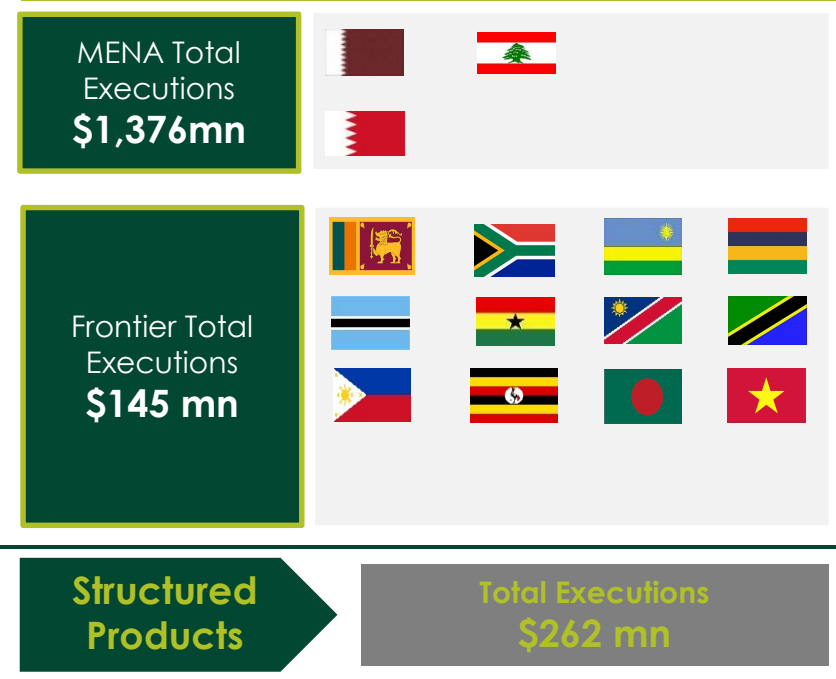
Brokerage Overview – 1Q2019

Direct Presence

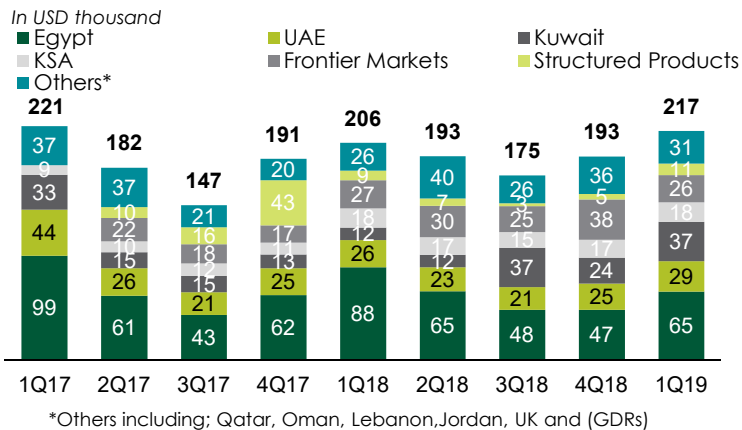


(1) Excluding special transactions
 (2) Over brokers only
 (3) Pakistan acquired in March 2017
 (4) Received a stock broker license in July 2017

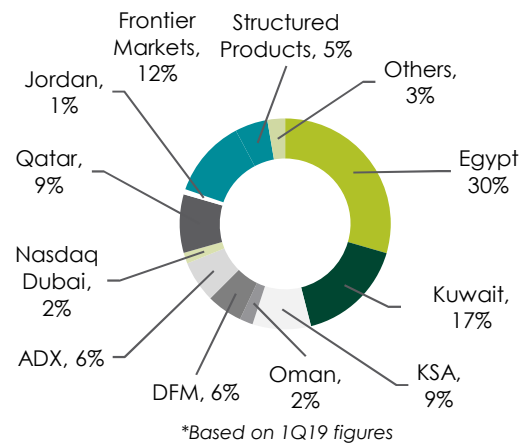
Indirect Presence



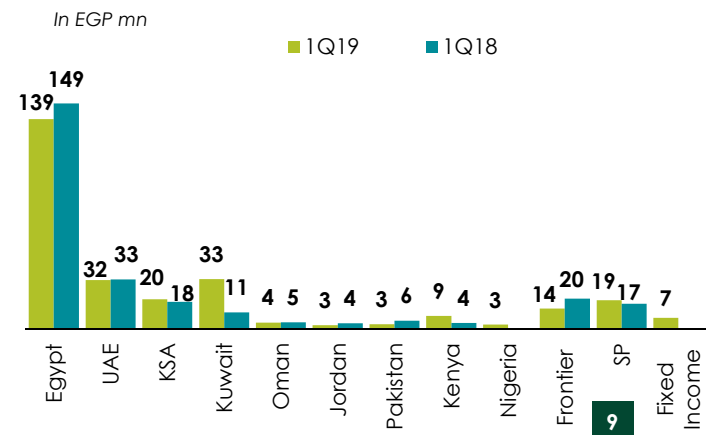
Average Daily Commissions



Fees Contribution by Market/Product



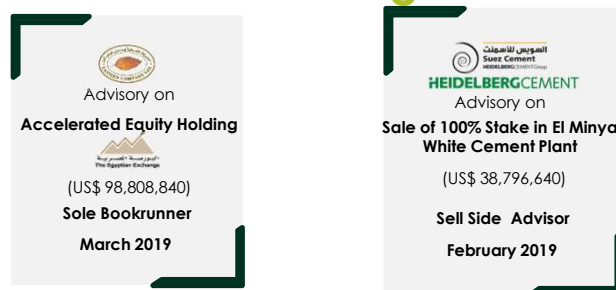
Brokerage Revenue by Country (Operations)



Investment Bank Overview

IB and PE Overview – 1Q2019

Investment Banking

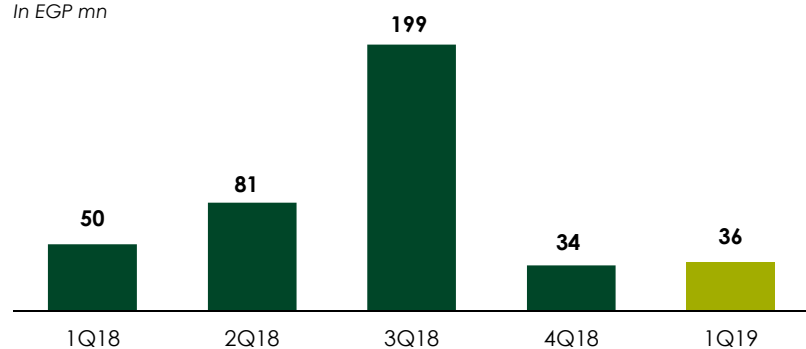


≡ In 1Q19, EFG Hermes' Investment Banking team successfully concluded 3 transactions, spanning equity, M&A and debt, amounting to USD146 million

- ≡ Kicking off the government's privatization program the team acted as sole book runner on the accelerated equity offering of a 4.5% stake in Eastern Company worth USD98 million.
- ≡ The team also acted as sell-side advisor to the Group in the USD39 million divestment of its white cement plant in El Minya to Emaar Industries.
- ≡ The team arranged a USD8.7 million debt facility to a regional financial investor.

Investment Banking Revenue

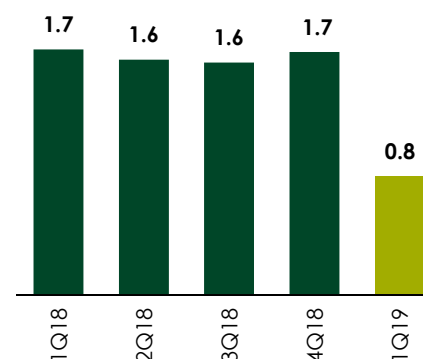
In EGP mn



Private Equity

Private Equity AUMs Evolution

In USD bn



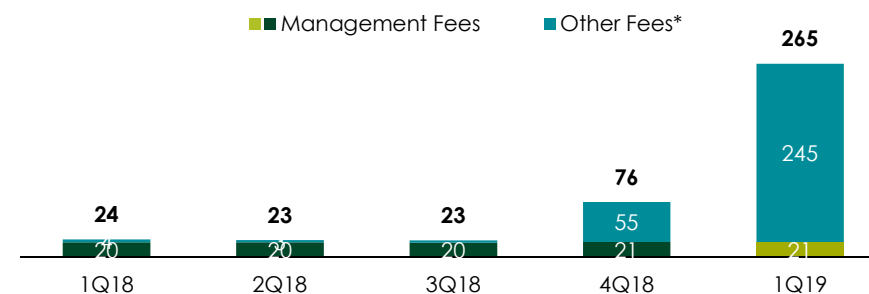
≡ The divestment process of Vortex I and Vortex II (Vortex Wind), reached financial close at the end of March 2019.

≡ Vortex platform continues to manage Vortex Solar, a 100% shareholder of 365MW solar PV farm in the UK. Vortex Solar's EBITDA reached c.GBP5.2 million in 1Q19, overachieving its budget.

≡ EFG Hermes is currently in active discussions with multiple investors to complete the 2nd closing of the Egypt Education Fund. The 1st Closing was reached in December 2018 with commitments amounting to USD109 million and the 2nd closing is expected to take place in 2Q19.

Private Equity Revenue

In EGP mn



* Other Fees includes incentive fees, upfront fees and other revenues

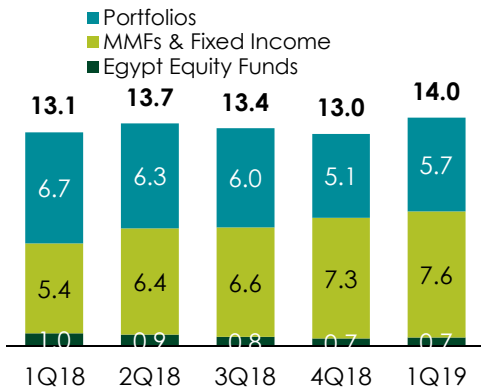
Investment Bank Overview

Asset Management Overview – 1Q2019

Egypt Asset Management

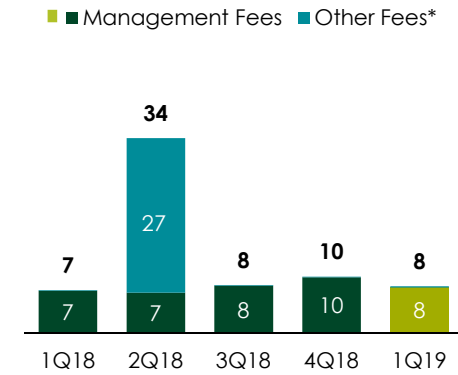
Assets Under Management

In EGP bn



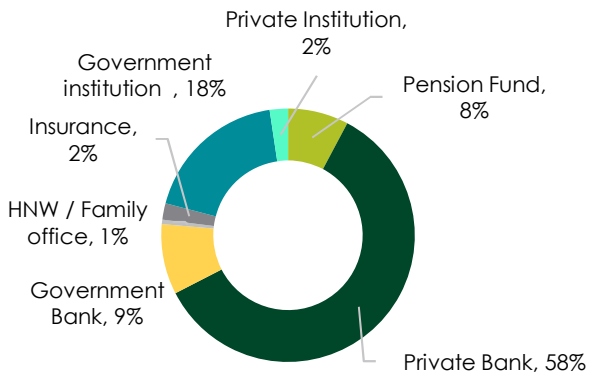
Revenue Breakdown

In EGP mn



* Other Fees include incentive fees and other revenues

AuMs Breakdown by Investor Type



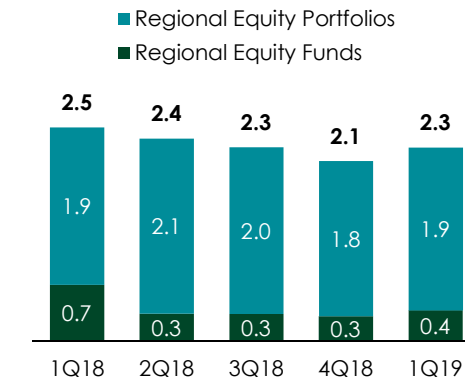
AuMs Breakdown by Region



Regional Asset Management “FIM”

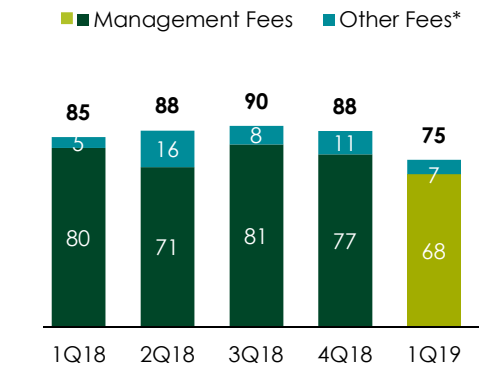
Assets Under Management

In USD bn



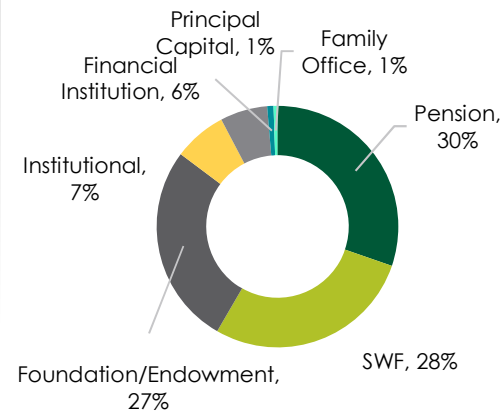
Revenue Breakdown

In EGP mn

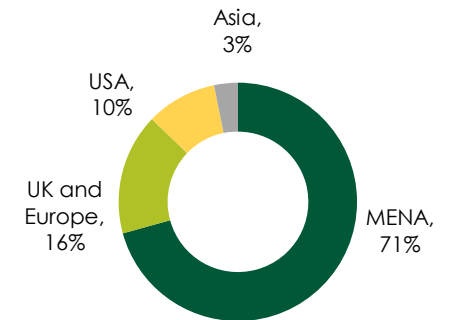


* Other Fees include incentive fees and other revenues

AuMs Breakdown by Investor Type



AuMs Breakdown by Region

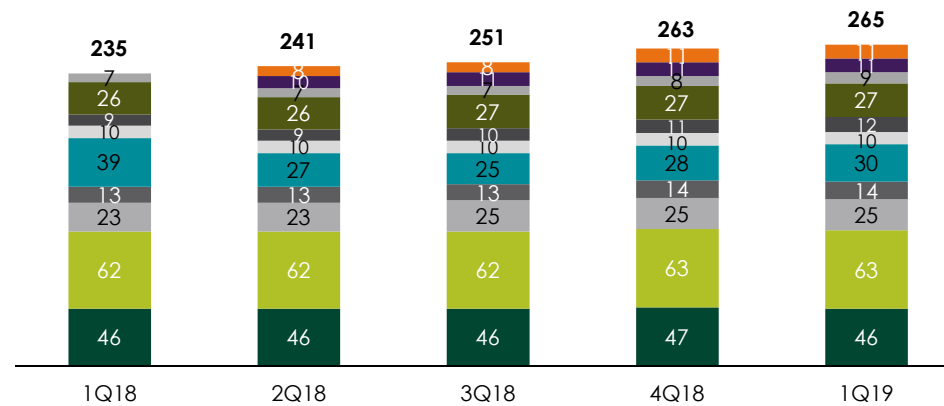
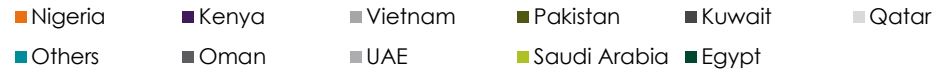


Investment Bank Overview

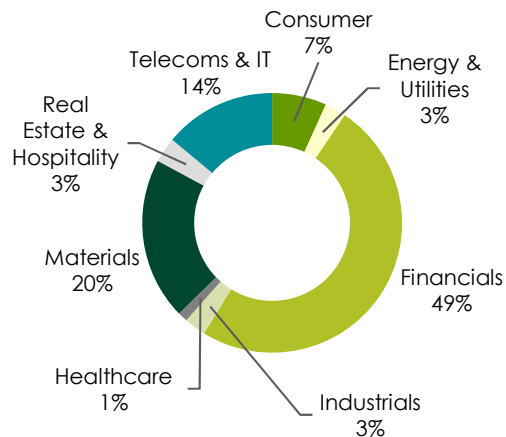
Research Overview – 1Q2019

Research Coverage Universe

Number of Companies



Research coverage by Sector



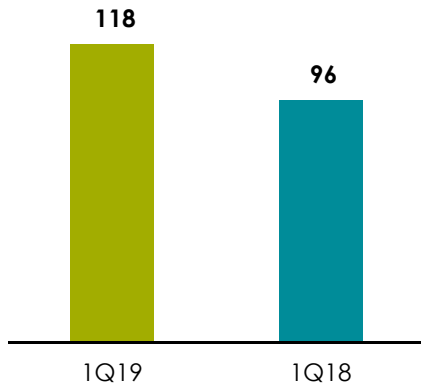
- ≡ The Dubai One-on-One conference was a success and the team received positive feed back
- ≡ The team initiated on five stocks – NCB, the Saudi heavyweight bank, Ibsina Pharma, an Egyptian pharma company, Jazeera Airways, Kuwait's fast-growing airline, FPT, an IT education / outsourcing business in Vietnam, and finally Umeme, a Ugandan power distributor.
- ≡ On the macro side we added Pakistan to our coverage.
- ≡ In terms of Mifid, we are in the process / have signed four new clients

NBFs Overview

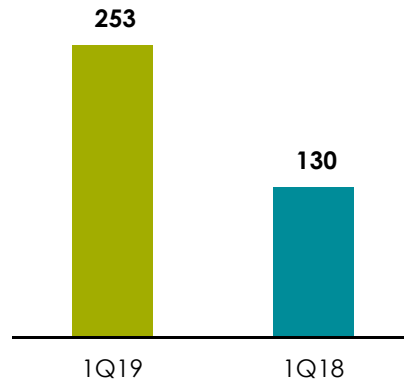
NBFs Financial Highlights – 1Q2019

EFG Hermes Revenue Breakdown by Platform

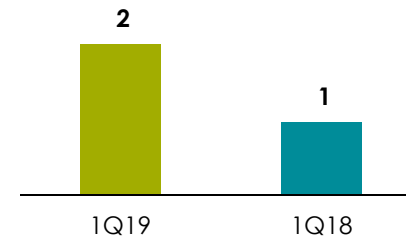
Leasing Revenues,
up 23% Y-o-Y
In EGP mn



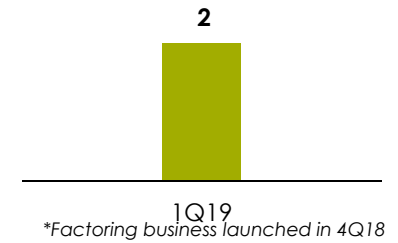
Tanmeyah Revenues,
up 95% Y-o-Y
In EGP mn



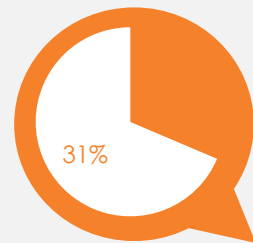
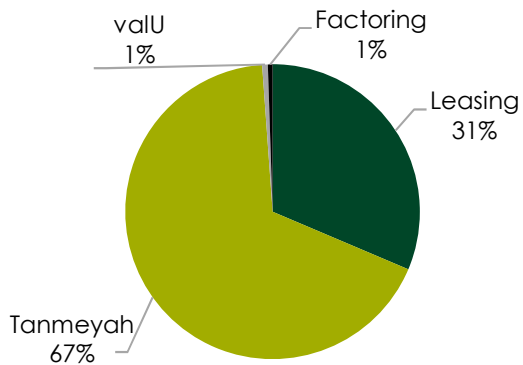
valU Revenues,
up 100% Y-o-Y
In EGP mn



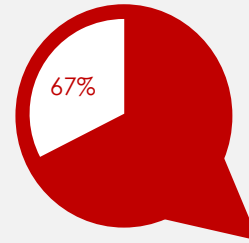
Factoring Revenues*,
In EGP mn



NBFs Revenues Contribution



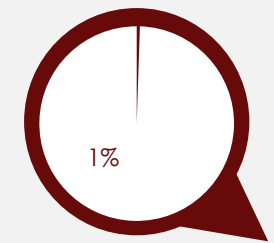
Leasing
Revenues of **EGP118 mn,**
up 23% Y-o-Y



Tanmeyah
Revenues of **EGP253 mn,**
up 95% Y-o-Y



valU
Revenues of **EGP2 mn**



Factoring
Revenues of **EGP2 mn**

NBFIs Overview

Leasing and Tanmeyah Operational and Financial Overview – 1Q2019

KPIs

EGP **412 mn**

Leased Assets in 1Q19

EGP **3.2 bn**

Total Outstanding Portfolio

EGP **459 mn**

Receivables Value of New Contracts in 1Q19

EGP **336 mn**

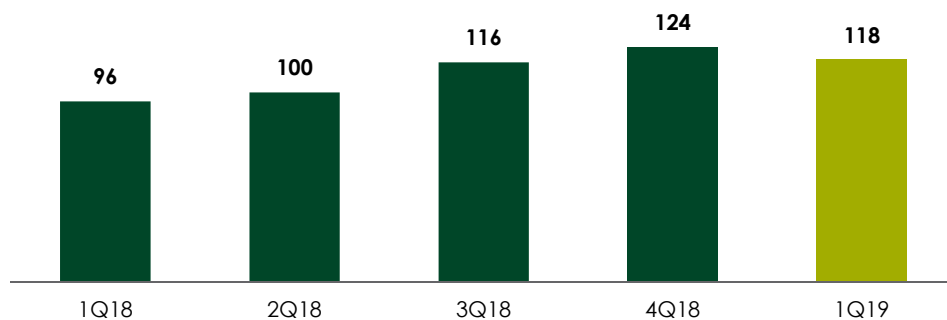
Net Financed Amount for New Contracts in 1Q19

35

Number of New Contracts in 1Q19

Leasing Revenue

In EGP mn



KPIs

89,458

Number of Loans Issued in 1Q19

EGP **3.0 bn**

Total Portfolio Outstanding

109,075

Number of Processed Applications in 1Q19

326,281

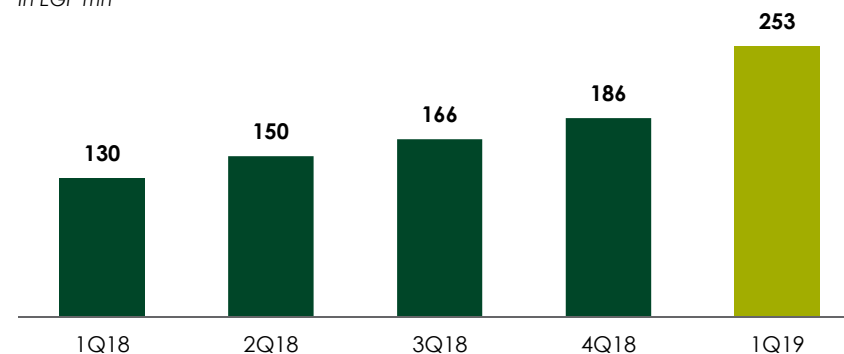
Total Number of Active Borrowers

4,274

Total Staff

Micro-Finance Revenue

In EGP mn



NBFIs Overview

valU Operational and Financial Overview – 1Q2019



KPIs

19,149

Number of Downloads in 1Q19

EGP **67.4** mn
Limits Activated Value in 1Q19

EGP **174.4** mn
Total Outstanding Portfolio

6,350

Number of Transactions in 1Q19

6,849

Number of valU App Customers in 1Q19

253

Number of Merchants

**Greater Cairo,
Alex &
Hurghada**

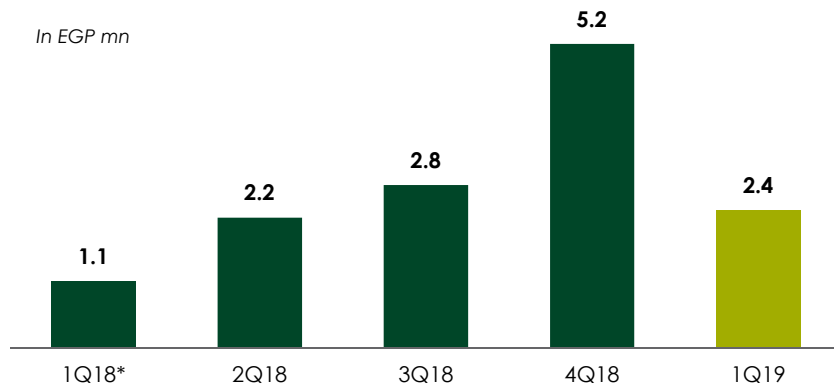
Existing Governorates

60

Number of UBER Cars delivered in 1Q19

valU Revenue

In EGP mn



* Launched in January 2018

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