

# EFG Hermes Holding



2Q20/1H20 Results Presentation



# Group Overview

## Group Performance Highlights

- ≡ EFG Hermes Group revenues rose 26% Y-o-Y to EGP1.3 billion in 2Q20; with the Investment Bank supporting this increase, as its revenues rose 40% Y-o-Y to EGP1.0 billion in 2Q20. This was supported by markets, and thus the valuation of seed capital/investments spiraling up after it was strongly hit in 1Q20 on the outbreak of the Coronavirus;
- ≡ Sell-side revenues declined 20% Y-o-Y to EGP292 million in 2Q20, largely attributed to lower Brokerage revenues which declined 21% Y-o-Y to EGP234 million as margin income in Egypt and brokerage revenues generated in most markets we trade in contracted Y-o-Y. Investment Banking revenues decreased 13% Y-o-Y to EGP58 million in 2Q20, on lower advisory fees;

- ≡ Buy-side revenues lost 15% Y-o-Y to EGP93 million in 2Q20; on lower Asset Management revenues which declined 22% Y-o-Y to EGP65 million, as management and incentive fees booked by our Regional asset manager, FIM, declined. Private Equity revenues was broadly stable, up 6% Y-o-Y at EGP28 million in 2Q20;
- ≡ EFG Hermes NBFIs revenues during the second quarter was down 7% to EGP299 million despite the heavy weight, Tanmeyah, revenues losing 17% Y-o-Y to EGP229 million; as improvement in valU and Leasing revenues managed to offset part of the decline, with valU's revenues rising 239% to EGP20 million and Leasing adding 21% Y-o-Y to EGP47 million in 2Q20. Meanwhile Factoring revenues rose 100% Y-o-Y to EGP4 million over the same period;
- ≡ Capital markets & treasury revenues rose 142% Y-o-Y to EGP653 million in 2Q20, on fx-gains, higher unrealized gains from the move of seed capital/Investments to Investments through Profit & Loss (FVTPL) from Investments through OCI (FVTOCI); and despite lower interest received from Treasury Operations;

- ≡ Group operating expenses rose 25% Y-o-Y to EGP861 million in 2Q20, on higher employee expenses and higher other operating expenses. However, employee expenses/revenues came at 46%, well below the 50% level;
- ≡ Group net operating profit increased 26% Y-o-Y to EGP477 million in 2Q20, on gains booked on seed capital/investments. Meanwhile, Group net profit after tax and minority interest increased 8% Y-o-Y to EGP328 million in 2Q20, supported by the Investment Bank net profits, which increased 46% Y-o-Y to EGP297 million.

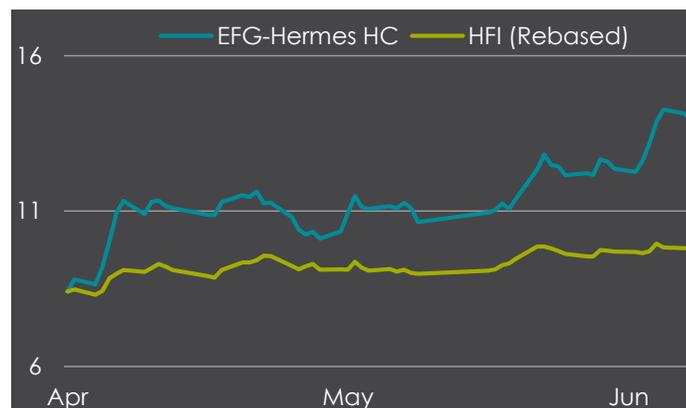
# Group Overview

## Share Information

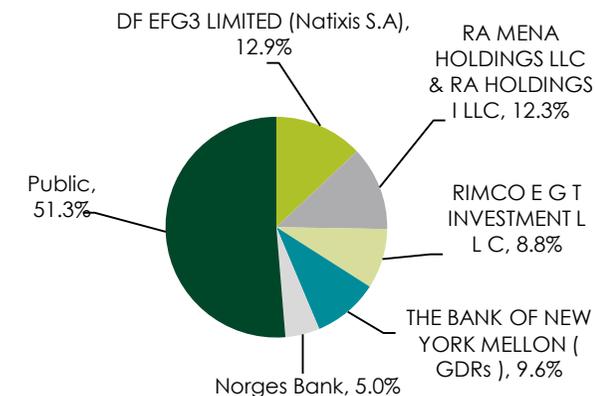
### Stock Performance 2Q20



### Stock Price Performance



### Shareholders structure



\*Shareholders structure as of 30<sup>th</sup> June, 2020

### Analyst Recommendations Analysis

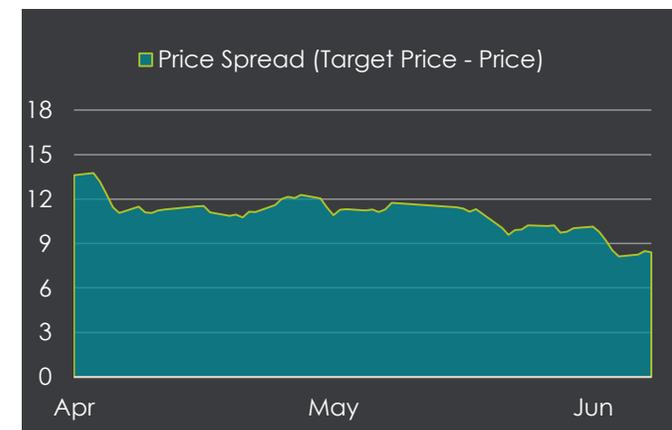
Institution	Recommendation	Target Price	Date
HSBC	Buy	22.70	Jul-20
Arqaam	Buy	14.20	Jun-20
Pharos	Overweight	23.47	May-20
CI Capital	Overweight	25.20	Dec-19
Beltone	Buy	23.60	Nov-19
HC	Overweight	24.30	Nov-19
Sigma Capital	Buy	23.28	Nov-19

### Consensus Recommendation



\* Based on 30<sup>th</sup> June, 2020 closing price

### Price Spread

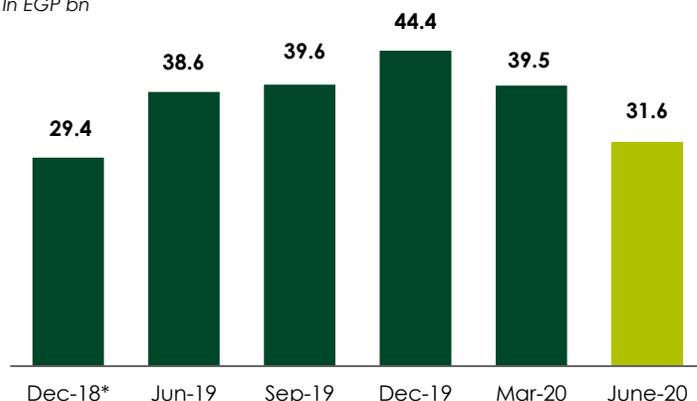


# Group Overview

## Balance Sheet

**Total Assets,**  
down 20% Y-o-Y

In EGP bn

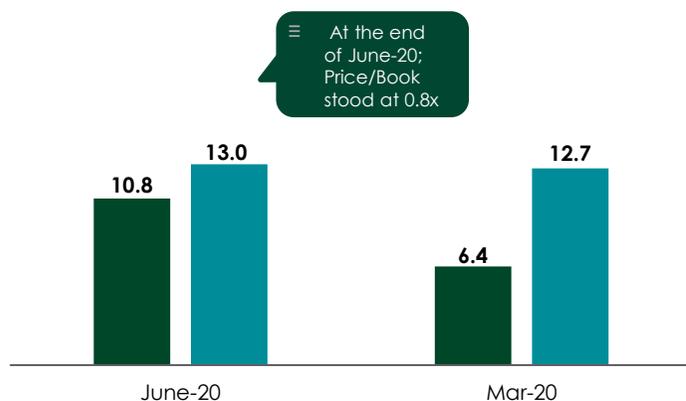


\* Dec18 is restated due to changes in accounting standards (IFRS 16)

## Total Equity/Market capitalization

In EGP bn

■ Market Capitalization ■ Shareholders' Equity\*



\* Equity Attributable to Shareholders

## EFG Hermes Balance Sheet as at 30<sup>th</sup> of June 2020

### Assets - Liabilities

In EGP million

Cash and Cash Equivalents	9,881
Microfinance Receivables "Tanmeyah"	1,593
Finance Lease Receivables	3,791
Investment in Associates	65
Merchant Banking Loans	11
Asset Management Seed Capital	1,639
Private Equity Seed Capital	557
Fixed Assets and Real Estate	809
Clients Investments at FVTPL (Structured Products)	1,100
Payables to Clients at FVTPL (Structured Products)	(1,100)
(Receivables - Payables)	(603)
(Other Assets - Other Liabilities)	(2,048)
Goodwill and Other Intangible Assets	995
Trading and AFS Investments	335
SODIC	47
Short Term Bonds	(400)
Short & Long term Loans	(3,360)
Minority	(344)
<b>Total</b>	<b>12,966</b>



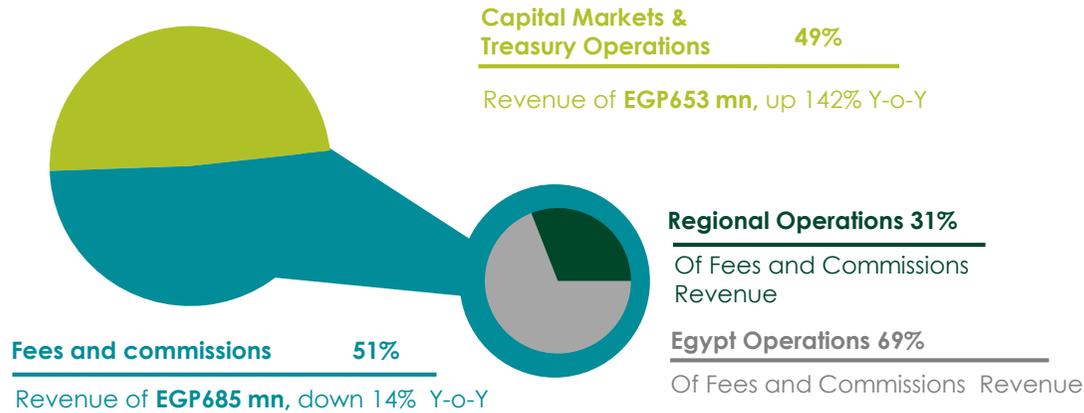
## I. Second Quarter Results Review – 2Q2020

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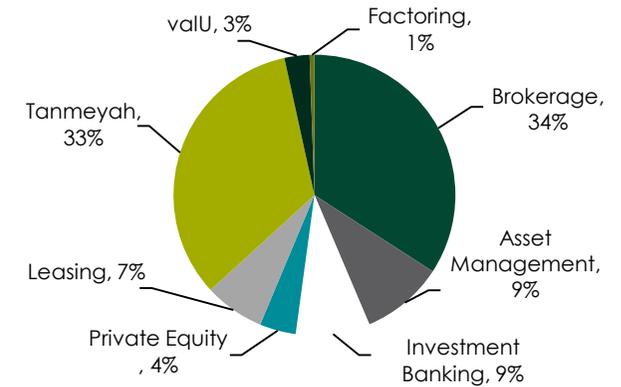
# Group Overview

## Group Financial Highlights – 2Q2020

### EFG Hermes Revenue Breakdown

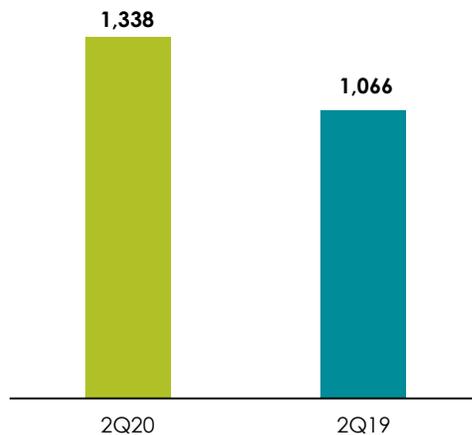


### Fees and Commissions Revenue Breakdown



### EFG Hermes Operating Revenue, up 26% Y-o-Y

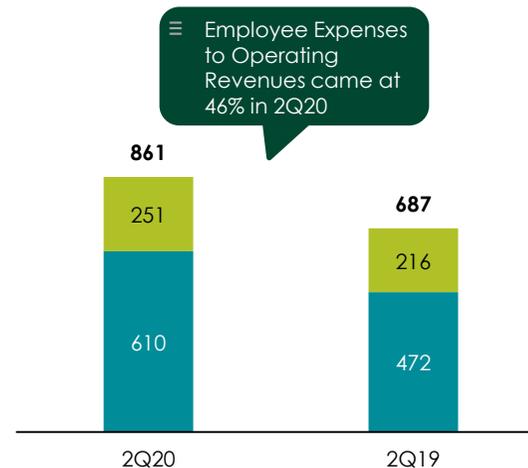
In EGP mn



### EFG Hermes Operating Expenses, up 25% Y-o-Y

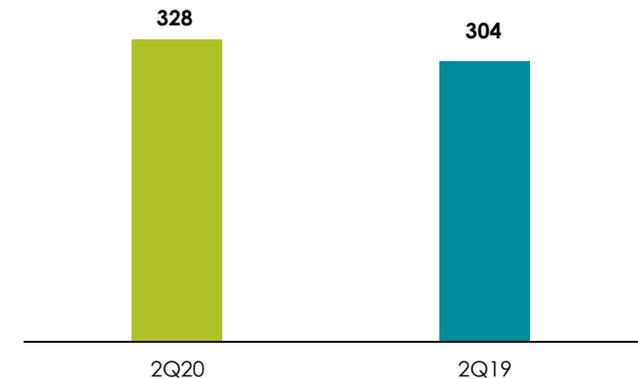
In EGP mn

■ Employees Expense ■ Other Operating Expenses



### EFG Hermes Net Profit After Tax and Minority Interest, up 8% Y-o-Y

In EGP mn



# Group Overview

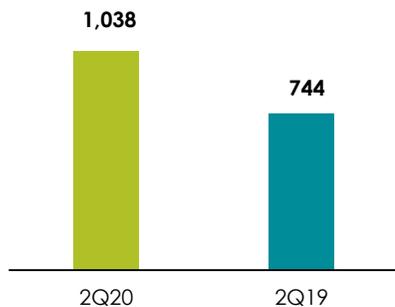
## Platforms Financial Highlights – 2Q2020

### EFG Hermes Revenue Breakdown by Platform

#### Investment Bank Revenues

up 40% Y-o-Y

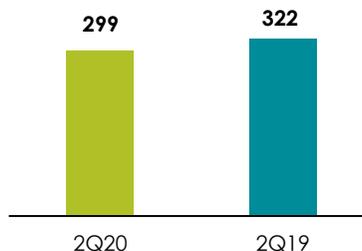
In EGP mn



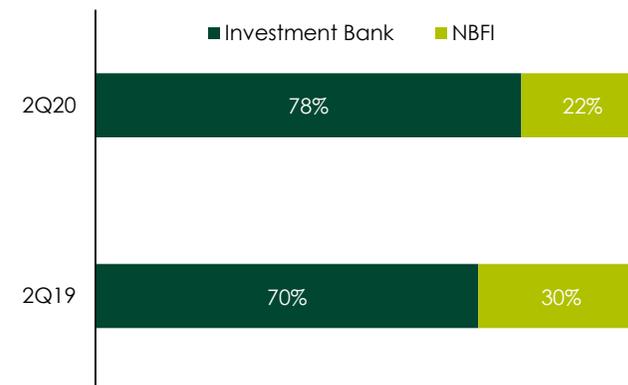
#### NBFIs Revenues

down 7% Y-o-Y

In EGP mn



### Revenues Contribution by Platform

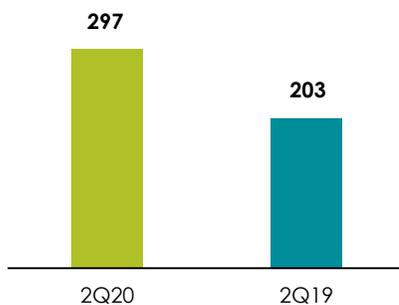


### EFG Hermes NPAT Breakdown by Platform

#### Investment Bank NPAT

up 46% Y-o-Y

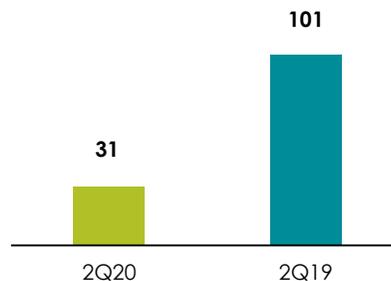
In EGP mn



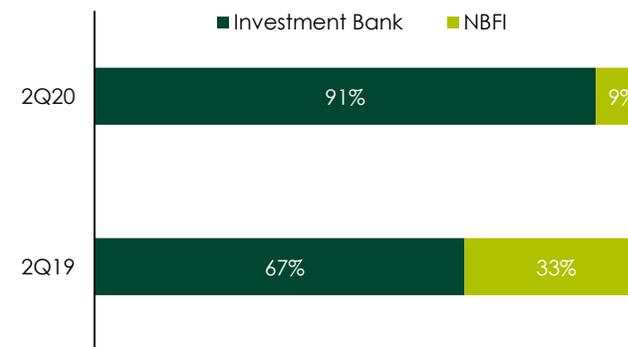
#### NBFIs NPAT

down 69% Y-o-Y

In EGP mn



### NPAT Contribution by Platform



# Investment Bank Overview

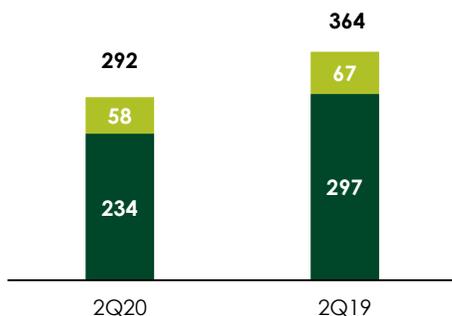
## Investment Bank Highlights – 2Q2020

### Investment Bank Revenue Breakdown by Platform

#### Sell-Side Revenues, down 20% Y-o-Y

In EGP mn

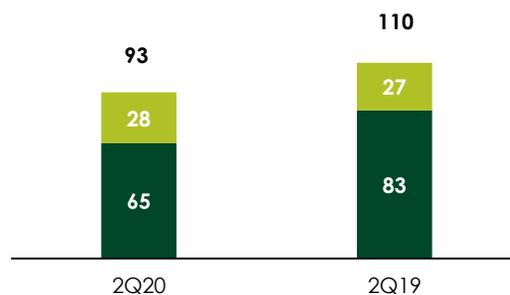
■ Brokerage ■ Investment Banking



#### Buy-Side Revenues, down 15% Y-o-Y

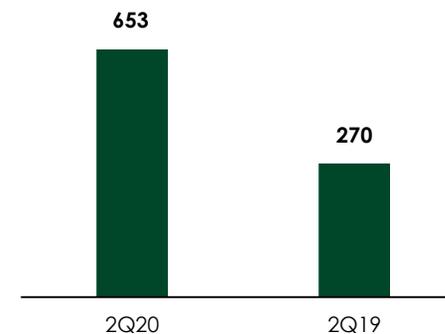
In EGP mn

■ Asset Management ■ Private Equity

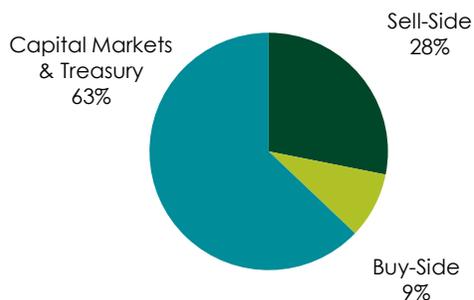


#### Capital Markets Revenues, up 142% Y-o-Y

In EGP mn



#### Revenues Contribution by Platform



#### Investment Bank Revenue breakdown



##### Brokerage

Revenues of **EGP234 mn**,  
down 21% Y-o-Y



##### Investment Banking

Revenues of **EGP58 mn**,  
down 13% Y-o-Y



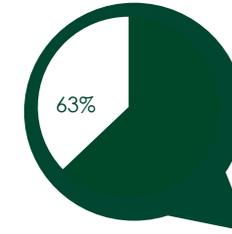
##### Asset Management

Revenues of **EGP65 mn**,  
down 22% Y-o-Y



##### Private Equity

Revenues of **EGP28 mn**,  
up 6% Y-o-Y



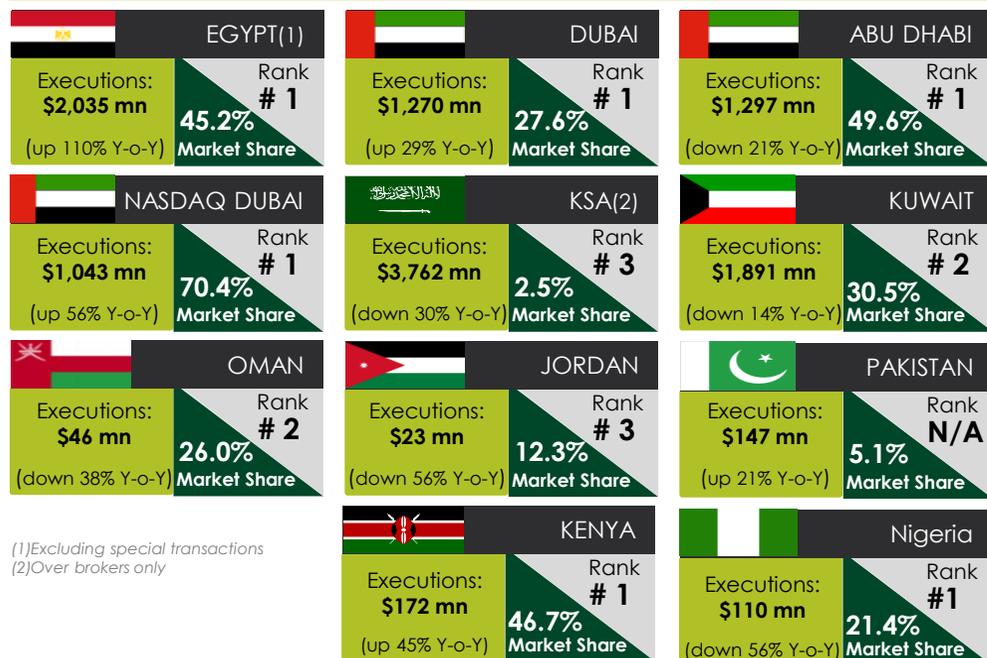
##### Capital Markets & Treasury Operations

Revenues of **EGP653 mn**,  
up 142% Y-o-Y

# Investment Bank Overview

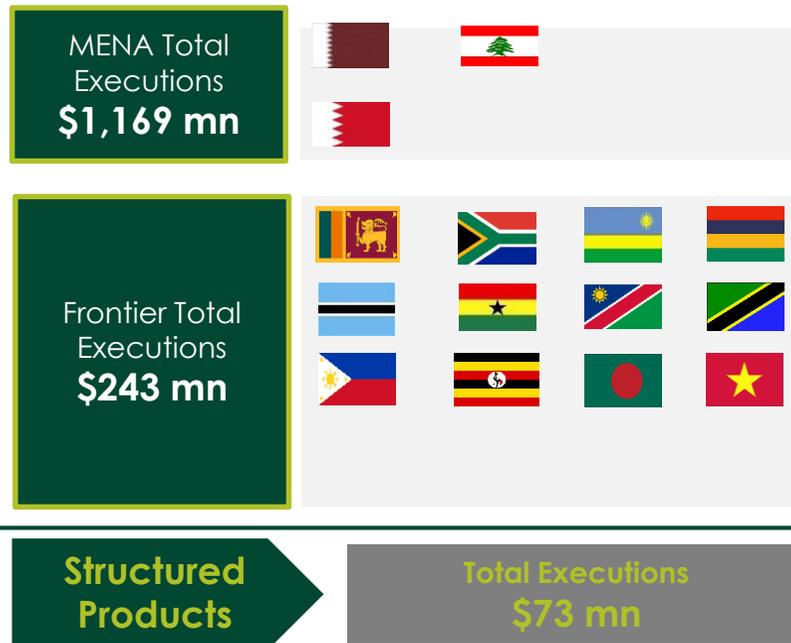
## Brokerage Overview – 2Q2020

### Direct Presence



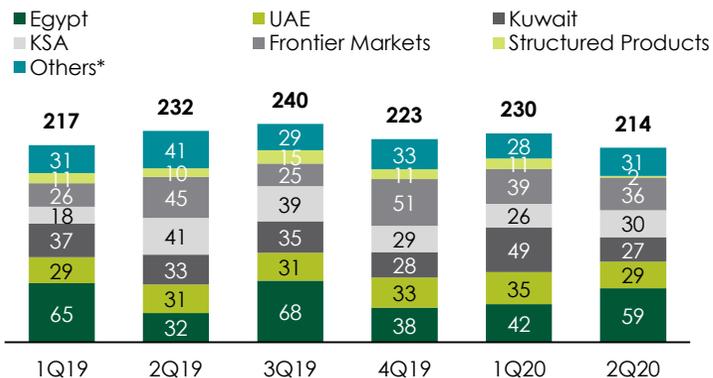
(1)Excluding special transactions  
(2)Over brokers only

### Indirect Presence



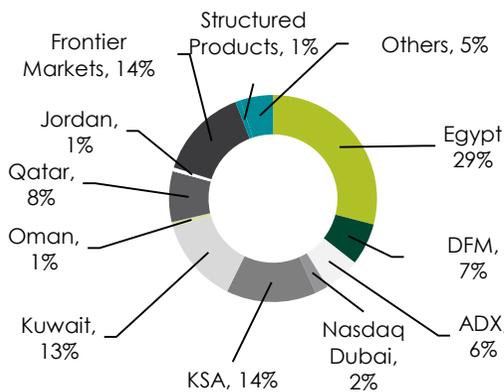
### Average Daily Commissions

In USD thousand



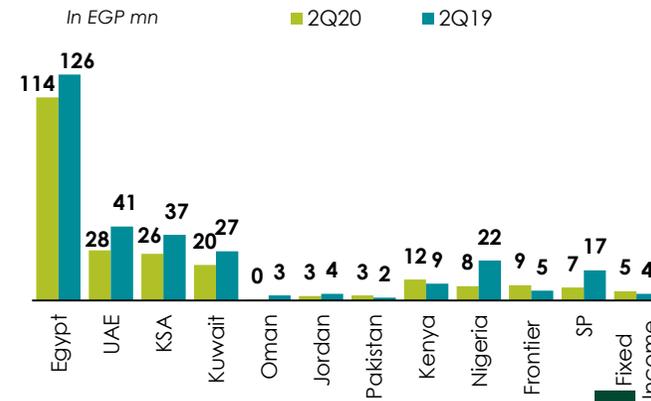
\*Others including: Qatar, Oman, Lebanon, Jordan, UK and (GDRs)

### Fees Contribution by Market/Product



\*Based on 2Q20 figures

### Brokerage Revenue by Country (Operations)



# Investment Bank Overview

IB and PE Overview – 2Q2020

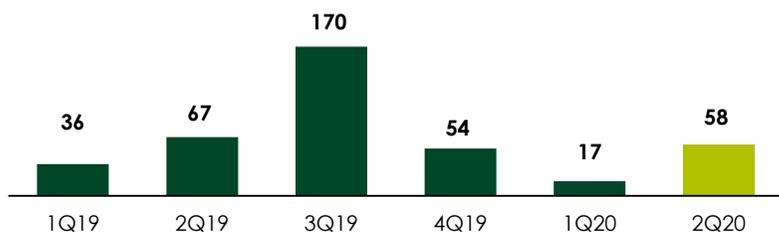
## Investment Banking



- EFG Hermes Investment Banking division successfully advised on one M&A and two debt transactions worth an aggregate value of USD165 million in 2Q20;
- the division successfully acted as the sell side advisor to Americana, on the sale of its stake in the Egyptian Starch and Glucose Company (ESGC), through a mandatory tender offer on the EGX for a total value of USD27 million;
- The team also concluded USD127 million Sukuk issuance to the real estate development arm of Talaat Mostafa Group. In addition, the division successfully issued a second securitization bond for Premium International worth USD11 million.

## Investment Banking Revenue

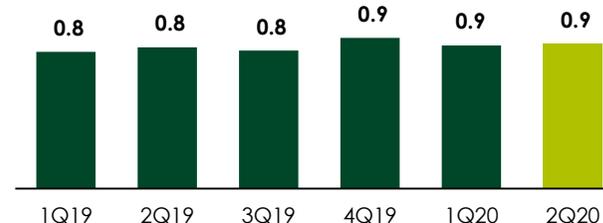
In EGP mn



## Private Equity

### Private Equity AUMs Evolution

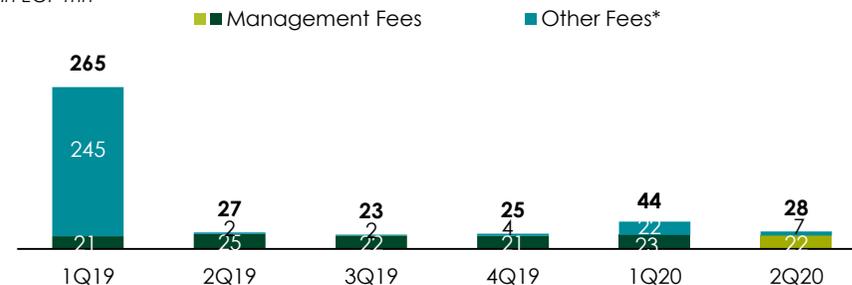
In USD bn



- Vortex Solar's EBITDA reached GBP13.1 million in 2Q20,
- The education platform is in advanced discussions for a potential upcoming investment that is targeted to be completed before year end;
- United Pharma has been operating with sales successfully carried out across various distribution channels. Additionally, the company hired a strong management team in order to support the re-operation and integration of key functions.

## Private Equity Revenue

In EGP mn



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

# Investment Bank Overview

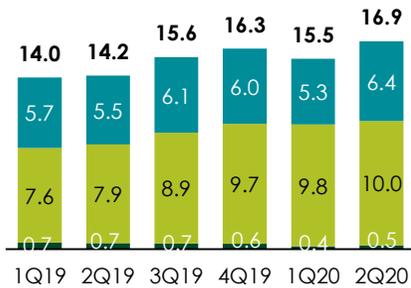
## Asset Management Overview – 2Q2020

### Egypt Asset Management

#### Assets Under Management

In EGP bn

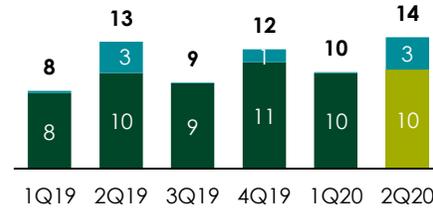
- Portfolios
- Money Market & Fixed Income
- Egypt Equity Funds



#### Revenue Breakdown

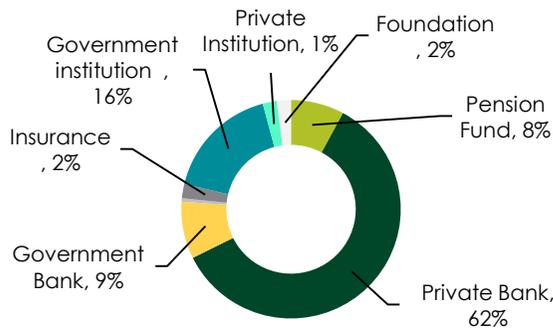
In EGP mn

- Management Fees
- Other Fees\*



\* Other Fees include incentive fees and other revenues

#### AuMs Breakdown by Investor Type



#### AuMs Breakdown by Region

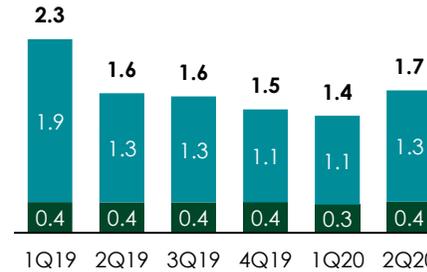


### Regional Asset Management "FIM"

#### Assets Under Management

In USD bn

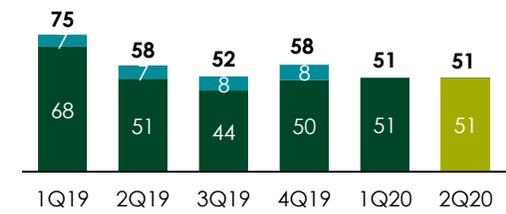
- Regional Portfolios
- Regional Funds



#### Revenue Breakdown

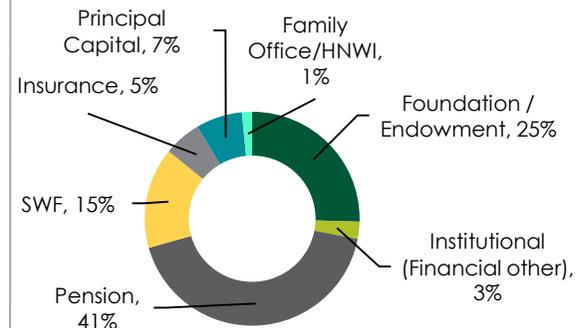
In EGP mn

- Management Fees
- Other Fees\*

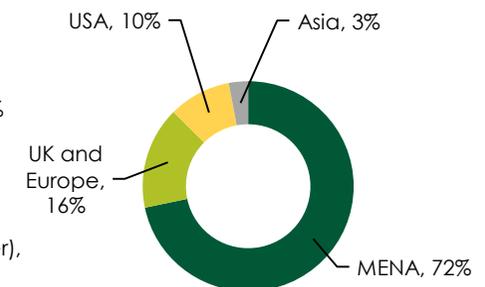


\* Other Fees include incentive fees and other revenues

#### AuMs Breakdown by Investor Type



#### AuMs Breakdown by Region

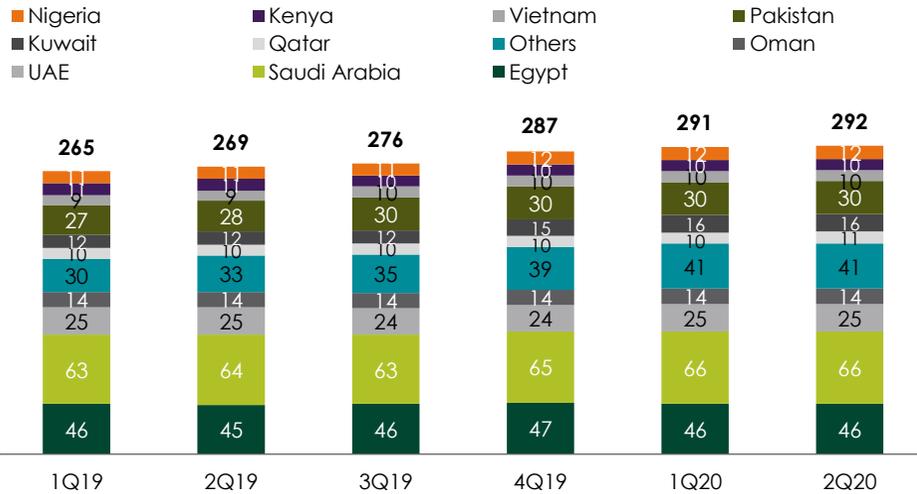


# Investment Bank Overview

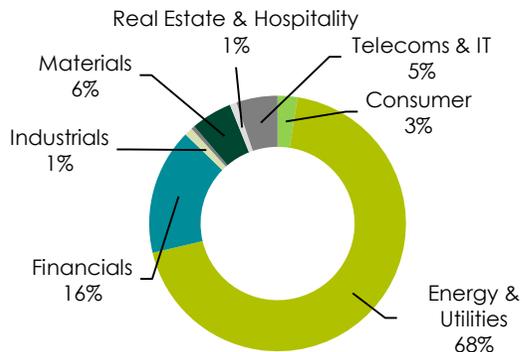
## Research Overview – 2Q2020

### Research Coverage Universe

Number of Companies



### Research coverage by Sector



- ≡ In 2Q20, the team initiated coverage on Suliman Al Habib Medical Services, a Healthcare provider in Saudi Arabia.
- ≡ Furthermore, the team initiated coverage on Nakilat, a Qatari LNG shipping company.

## Awards/Rankings

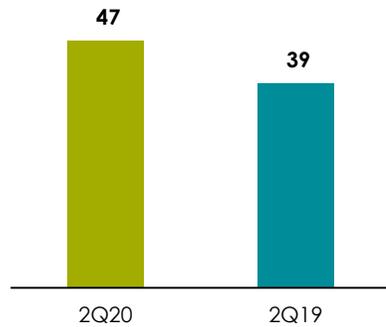


# NBFIs Overview

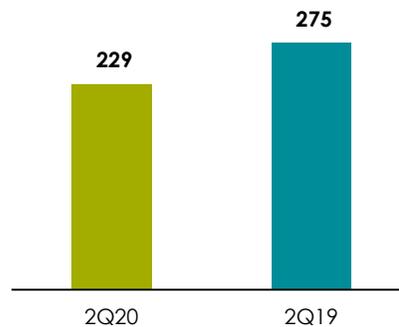
## NBFIs Financial Highlights – 2Q2020

### NBFIs Revenue Breakdown by Platform

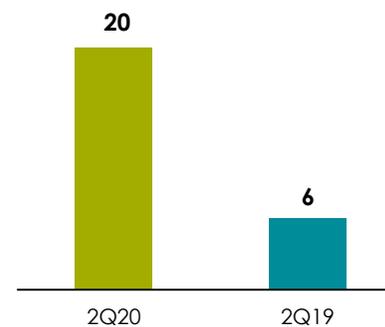
**Leasing Revenues,**  
up 21% Y-o-Y  
In EGP mn



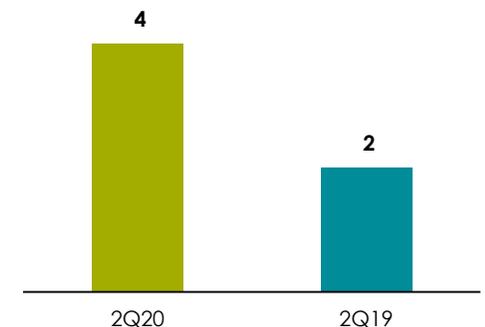
**Tanmeyah Revenues,**  
down 17% Y-o-Y  
In EGP mn



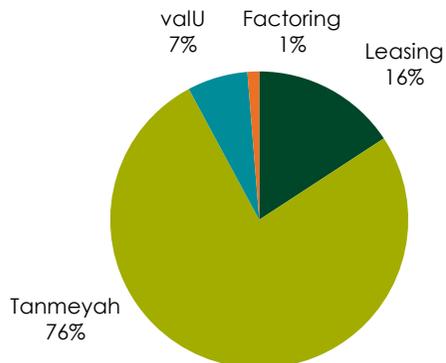
**valU Revenues,**  
up 239% Y-o-Y  
In EGP mn



**Factoring Revenues,**  
up 100% Y-o-Y  
In EGP mn



### NBFIs Revenues Contribution

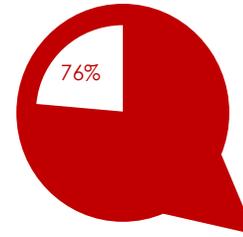


### NBFIs Revenue Breakdown



#### Leasing

Revenues of **EGP47 mn,**  
up 21%Y-o-Y



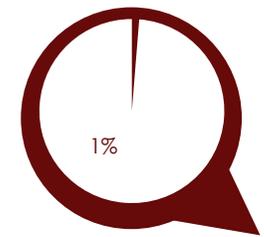
#### Tanmeyah

Revenues of **EGP229 mn,**  
down 17% Y-o-Y



#### valU

Revenues of **EGP20 mn**  
up 239% Y-o-Y



#### Factoring

Revenues of **EGP4 mn,**  
up 100% Y-o-Y

# NBFIs Overview

## Leasing and Tanmeyah Operational and Financial Overview – 2Q2020

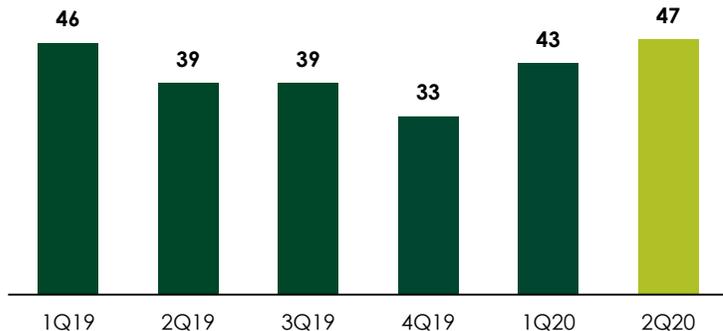


### KPIs

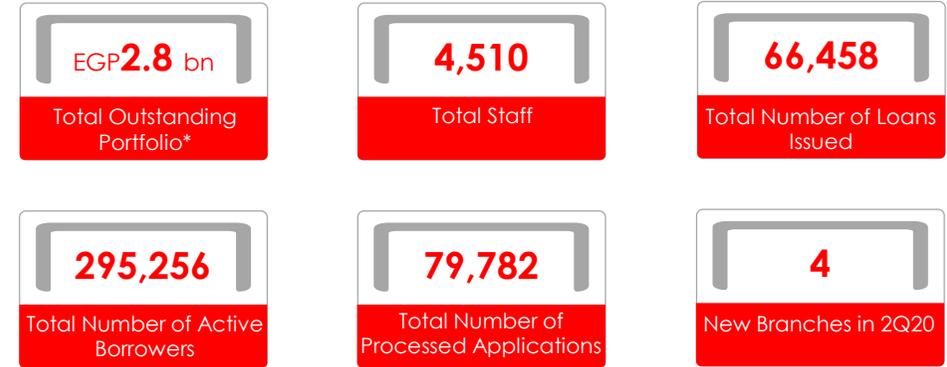


### Leasing Revenue

In EGP mn



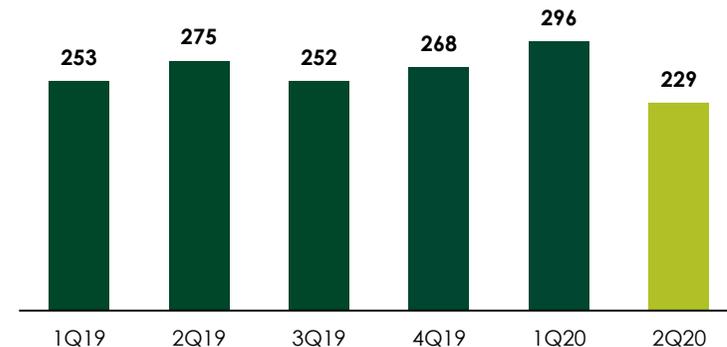
### KPIs



\*In 2Q20, Tanmeyah securitized EGP545 million of its portfolio.

### Micro-Finance Revenue

In EGP mn



# NBFIs Overview

## valU Operational and Financial Overview – 2Q2020



### KPIs

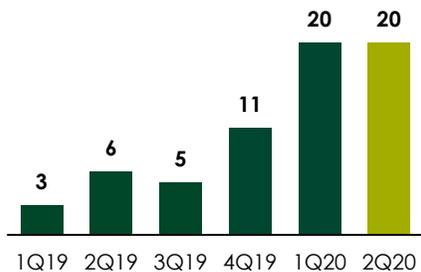


**Cairo, Alexandria, Hurghada, Tanta, Mansoura & Portsaid**  
Existing Governorates

### valU Revenue

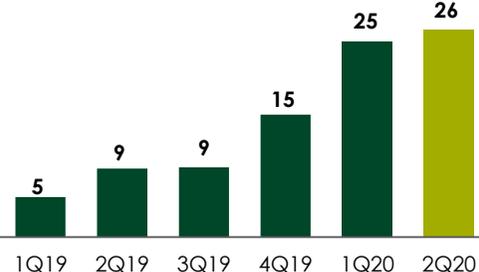
#### Net Revenue

In EGP mn



#### Gross Revenue

In EGP mn



### KPIs

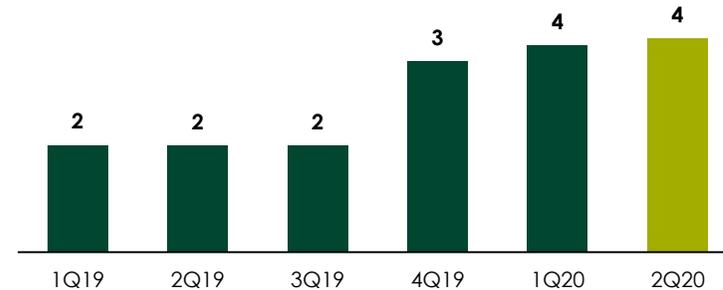


### Market Share- 2Q20

Ranking	Company	Market Share
1	Egypt Factors	32%
2	Drive Factoring	18.4%
3	QNB Al Ahli Factoring	14.5%
4	Contact Factoring	12.1%
<b>5</b>	<b>EFG Hermes Factoring</b>	<b>11.7%</b>

### Factoring Revenue

In EGP mn





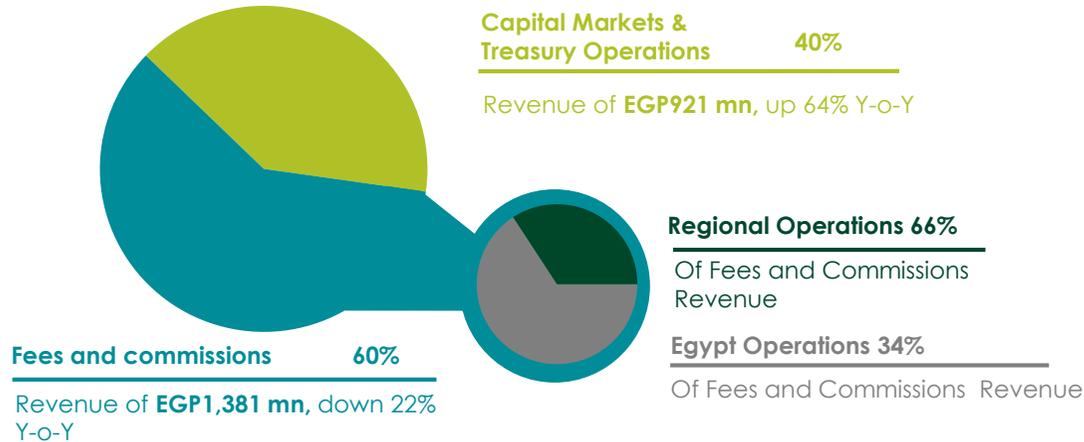
## II. First Half Results Review – 1H2020

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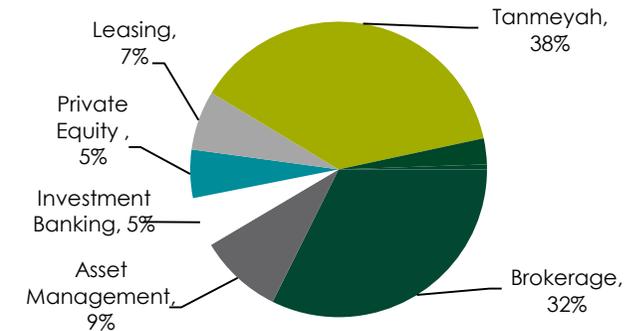
# Group Overview

## Group Financial Highlights – 1H2020

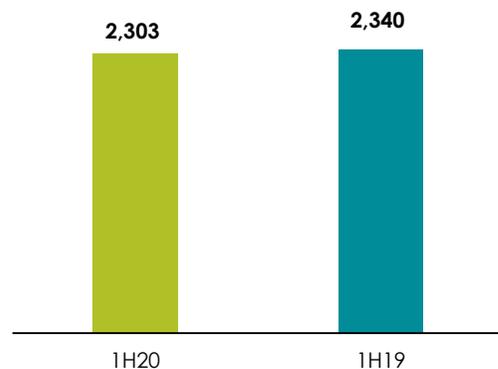
### EFG Hermes Revenue Breakdown



### Fees and Commissions Revenue Breakdown



### EFG Hermes Operating Revenue, down 2% Y-o-Y In EGP mn

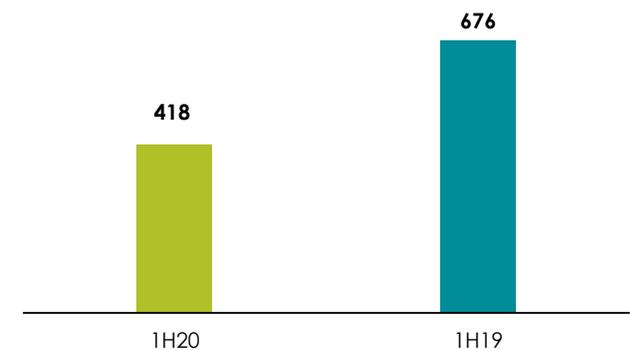


### EFG Hermes Operating Expenses, up 13% Y-o-Y In EGP mn

■ Employees Expense ■ Other Operating Expenses



### EFG Hermes Net Profit After Tax and Minority Interest, down 38% Y-o-Y In EGP mn



# Group Overview

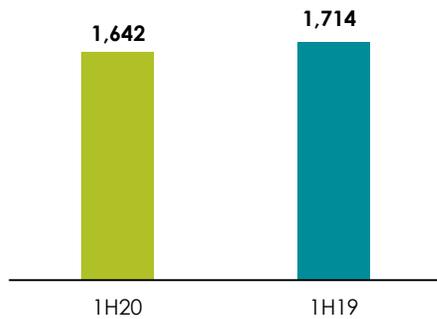
## Platforms Financial Highlights – 1H2020

### EFG Hermes Revenue Breakdown by Platform

#### Investment Bank Revenues

down 4% Y-o-Y

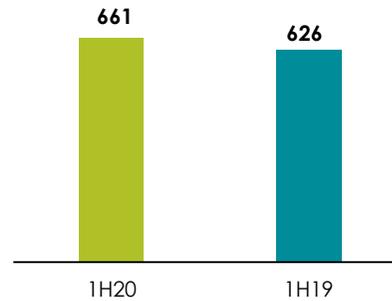
In EGP mn



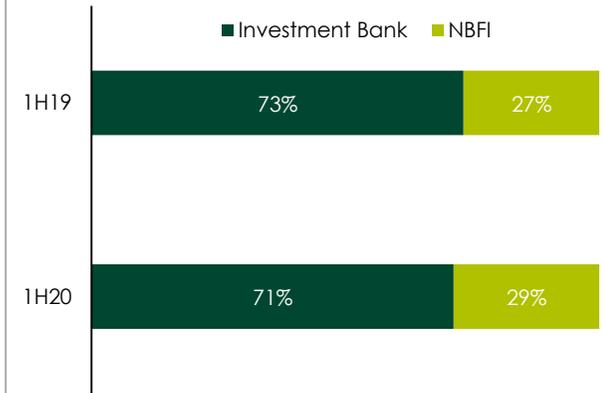
#### NBFIs Revenues

up 6% Y-o-Y

In EGP mn



### Revenues Contribution by Platform

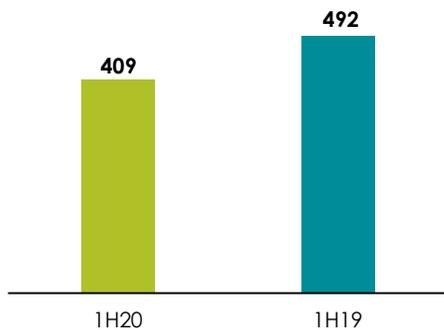


### EFG Hermes NPAT Breakdown by Platform

#### Investment Bank NPAT

down 17% Y-o-Y

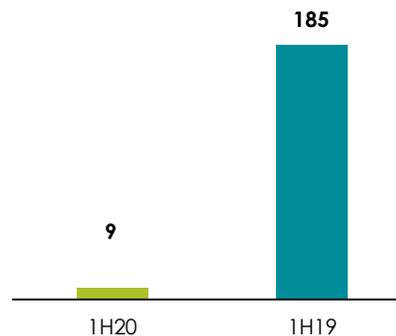
In EGP mn



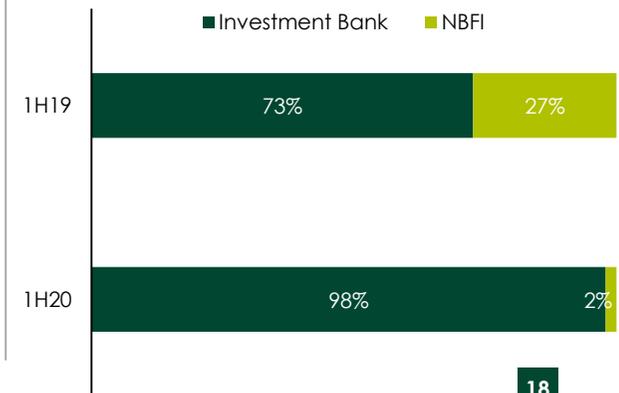
#### NBFIs NPAT

down 95% Y-o-Y

In EGP mn



### NPAT Contribution by Platform



# Investment Bank Overview

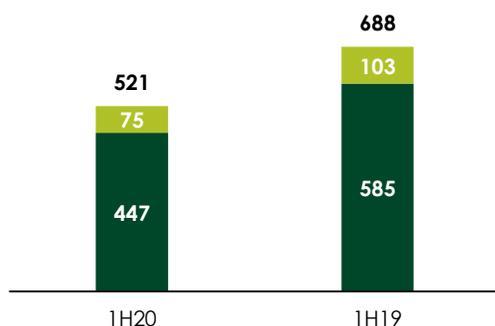
## Investment Bank Highlights – 1H2020

### EFG Hermes Revenue Breakdown by Platform

#### Sell-Side Revenues, down 24% Y-o-Y

In EGP mn

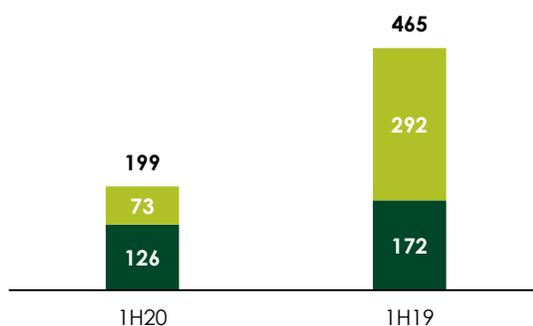
■ Brokerage ■ Investment Banking



#### Buy-Side Revenues, down 57% Y-o-Y

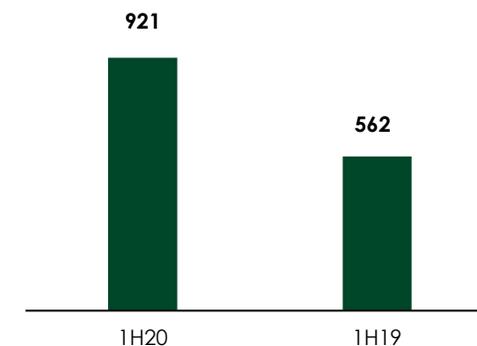
In EGP mn

■ Asset Management ■ Private Equity

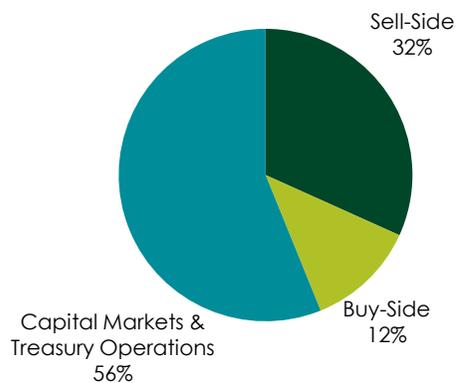


#### Capital Markets Revenues, up 64% Y-o-Y

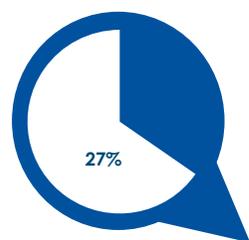
In EGP mn



#### Revenues Contribution by Platform

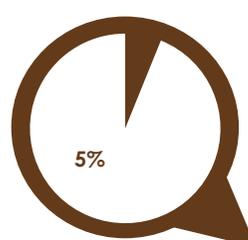


#### Investment Bank Revenue breakdown



#### Brokerage

Revenues of **EGP447 mn**,  
down 24% Y-o-Y



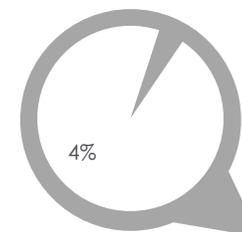
#### Investment Banking

Revenues of **EGP75 mn**,  
down 27% Y-o-Y



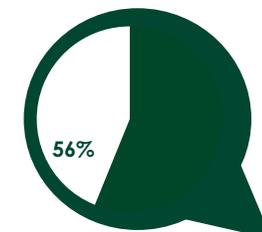
#### Asset Management

Revenues of **EGP126 mn**,  
down 27% Y-o-Y



#### Private Equity

Revenues of **EGP73 mn**,  
down 75% Y-o-Y



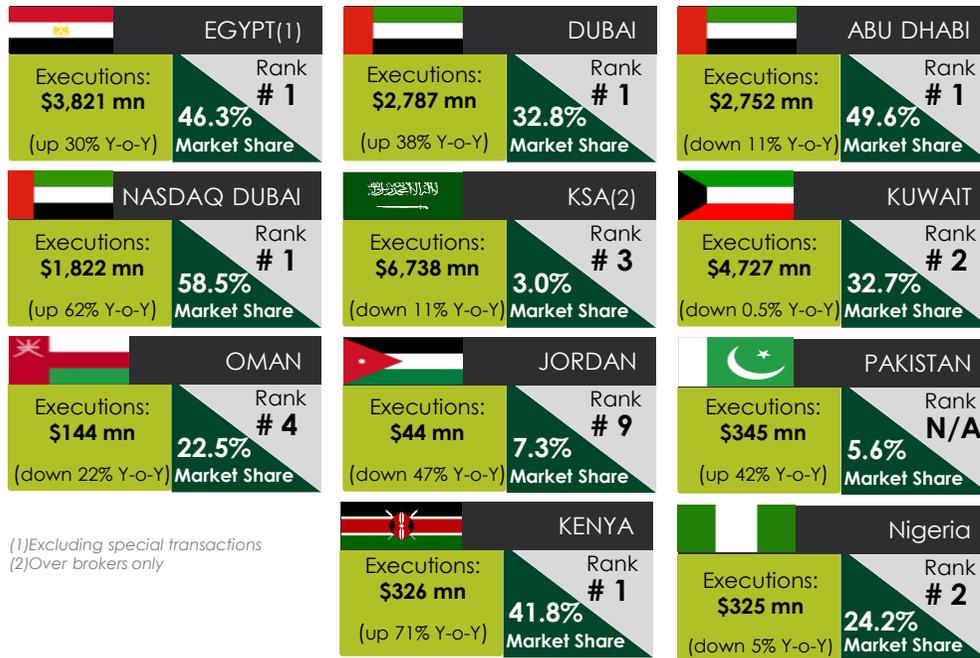
#### Capital Markets & Treasury Operations

Revenues of **EGP921 mn**,  
up 64% Y-o-Y

# Business Lines Overview

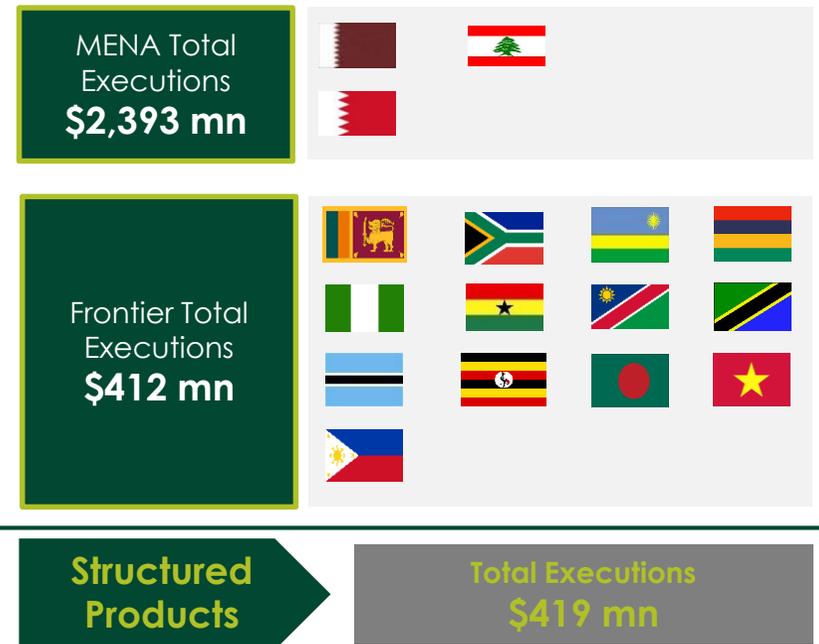
## Brokerage Operational and Financial Overview – 1H2020

### Direct Presence



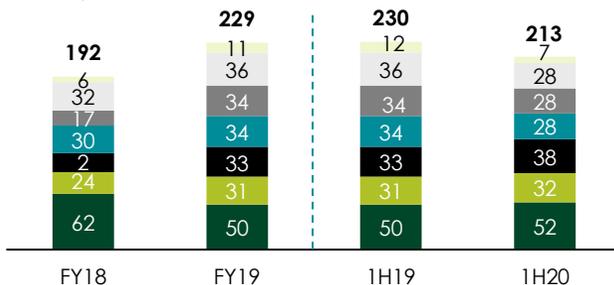
(1)Excluding special transactions  
(2)Over brokers only

### Indirect Presence

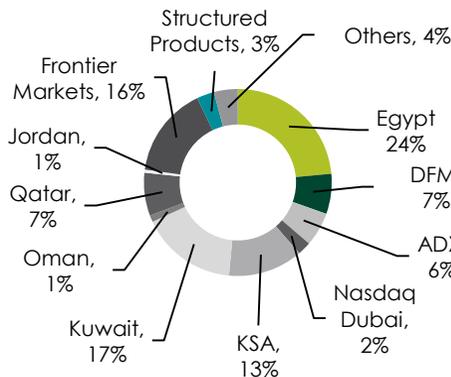


### Average Daily Commissions

In USD thousand



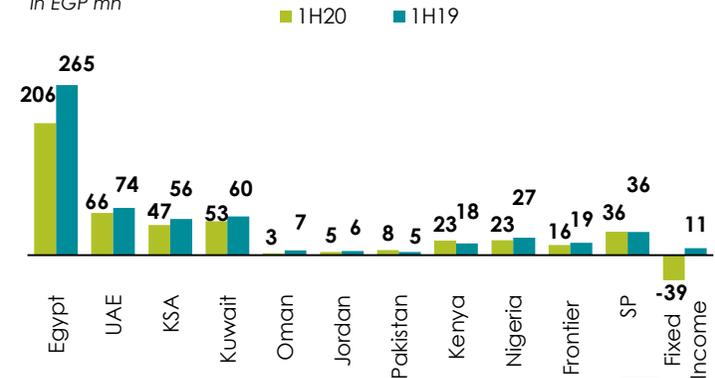
### Fees Contribution by Market/Product



\*Based on 1H20 figures

### Brokerage Revenue by Country (Operations)

In EGP mn

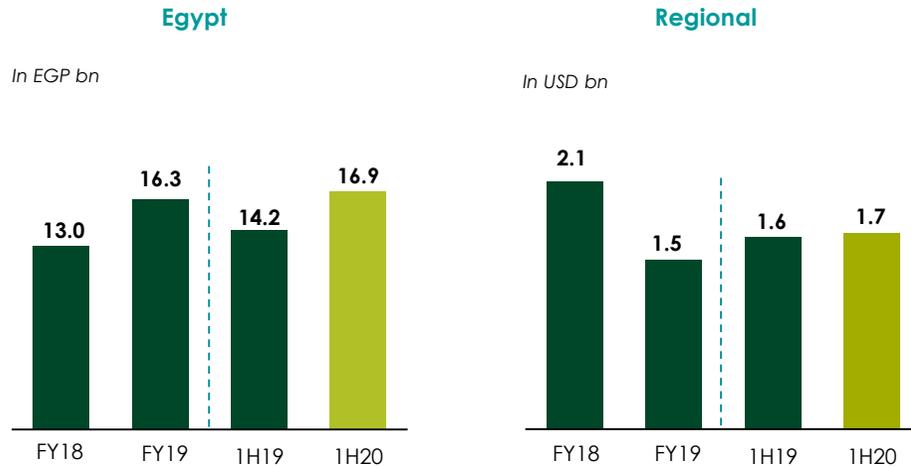


# Business Lines Overview

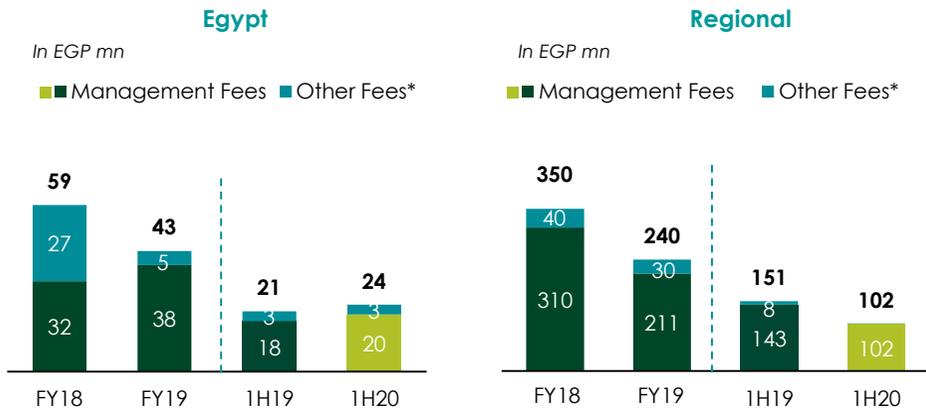
## AM and PE Operational and Financial Overview – 1H2020

### Asset Management

#### Asset Management AuMs Evolution



#### Asset Management Revenue

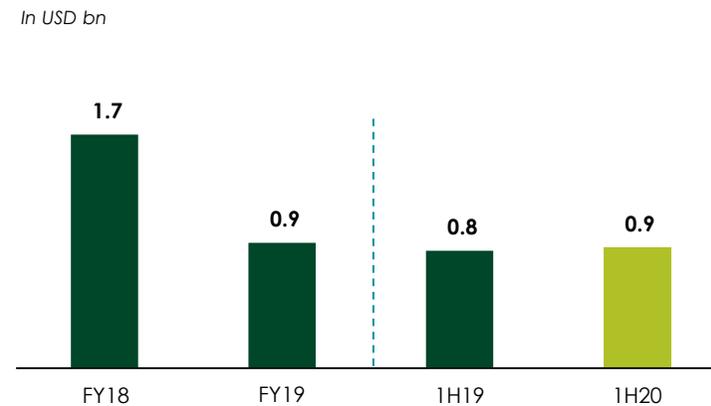


\* Other Fees includes incentive fees and other revenues

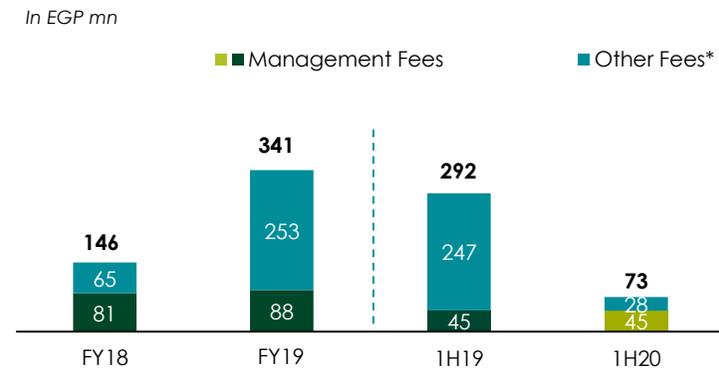
\* Other Fees includes incentive fees and other revenues

### Private Equity

#### Private Equity AuMs Evolution



#### Private Equity Revenue



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

# Business Lines Overview

## IB Operational and Financial Overview- 1H2020

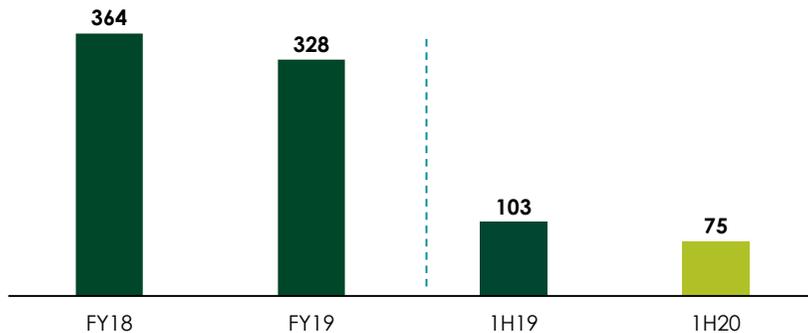
### Investment Banking

 <p><b>MASRIA</b></p> <p>Advisory on Sale of a 43% Stake (Undisclosed) <b>Sell Side Advisor</b> January 2020</p>	 <p><b>LJEL</b></p> <p>Advisory on Sale of its Tanzanian Subsidiary to EXIM BANK (Undisclosed) <b>Sell Side Advisor</b> January 2020</p>	 <p>د. سليمان الحبيب DR SULAIMAN AL HABIB</p> <p>Advisory on Initial Public Offering <b>Joint Bookrunner</b> (USD700,000,000) March 2020</p>
 <p><b>AMERICAN QUALITY</b></p> <p>Advisory on Sale of 97.5% Stake in (USD 26,615,785) <b>Sell Side Advisor</b> May 2020</p>	 <p><b>Sukuk Issuance</b></p> <p>Advisory and Arrangement of Sukuk Issuance (USD 126,984,127) <b>Sole Financial Advisor, Lead Arranger, Bookrunner and Underwriter</b> April 2020</p>	 <p><b>PREMIUM CARD</b></p> <p><b>Securitization Bond</b> Financial Advisor, MLA, and Underwriter (USD 10,918,641) April 2020</p>

≡ EFG Hermes' investment banking division successfully concluded 6 equity, M&A, and debt transactions in 1H20 worth an aggregate value of USD886 million.

### Investment Banking Revenue

In EGP mn



### Awards

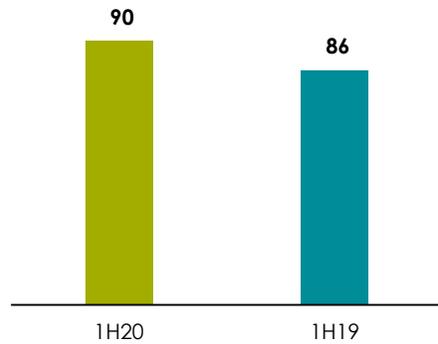
 <p>#1 MENA ECM League Tables <b>REFINITIV</b></p>	 <p><b>REFINITIV</b></p> <p>Best Investment Bank in Egypt Euro Money</p>
 <p>Best Investment Bank in Middle East Global Finance</p>	 <p><b>MENA FINANCE AWARDS</b></p> <p>Best Brokerage Services Mena FM</p>
 <p>Best Asset Manager in Egypt Mena FM</p>	 <p><b>MENA FINANCE AWARDS</b></p> <p>Best Investment Bank in Egypt Global Finance</p>
 <p>Best Equity Bank in Africa Global Finance</p>	 <p><b>EUROPEAN AWARDS</b></p> <p>Best CSR Institution in MENA- EFG Hermes Foundation The European</p>
 <p>Innovation in Fintech in Egypt The European</p>	 <p><b>INTERNATIONAL FINANCE AWARDS</b></p> <p>Fastest Growing Leasing Company International Finance</p>

# NBFIs Overview

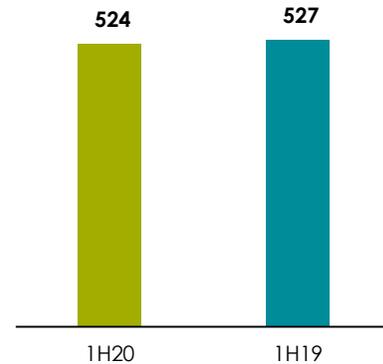
NBFIs Financial Highlights – 1H2020

## EFG Hermes Revenue Breakdown by Platform

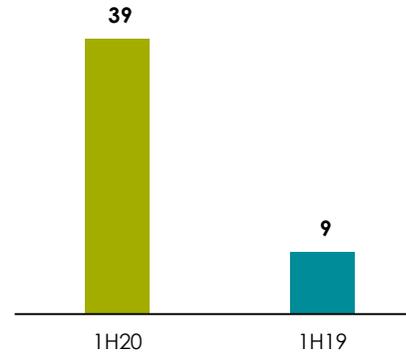
**Leasing Revenues,**  
up 5% Y-o-Y  
In EGP mn



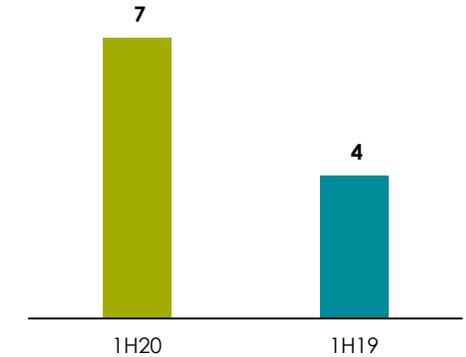
**Tanmeyah Revenues,**  
down 1% Y-o-Y  
In EGP mn



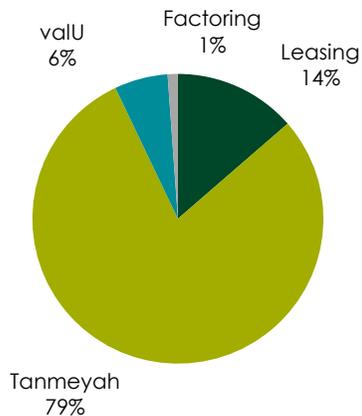
**valU Revenues,**  
up 346% Y-o-Y  
In EGP mn



**Factoring Revenues,**  
up 97% Y-o-Y  
In EGP mn



### NBFIs Revenues Contribution

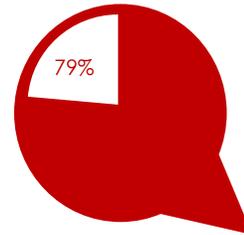


### NBFIs Revenue breakdown



#### Leasing

Revenues of **EGP90 mn,**  
up 5% Y-o-Y



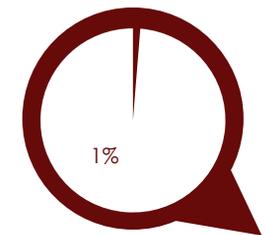
#### Tanmeyah

Revenues of **EGP524 mn,**  
Down 1% Y-o-Y



#### valU

Revenues of **EGP39 mn,**  
up 346% Y-o-Y



#### Factoring

Revenues of **EGP7 mn**  
up 97% Y-o-Y

# Business Lines Overview

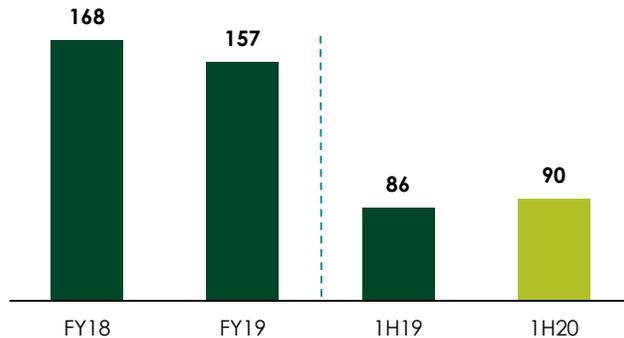
## Leasing and Tanmeyah Operational and Financial Overview – 1H2020

### KPIs

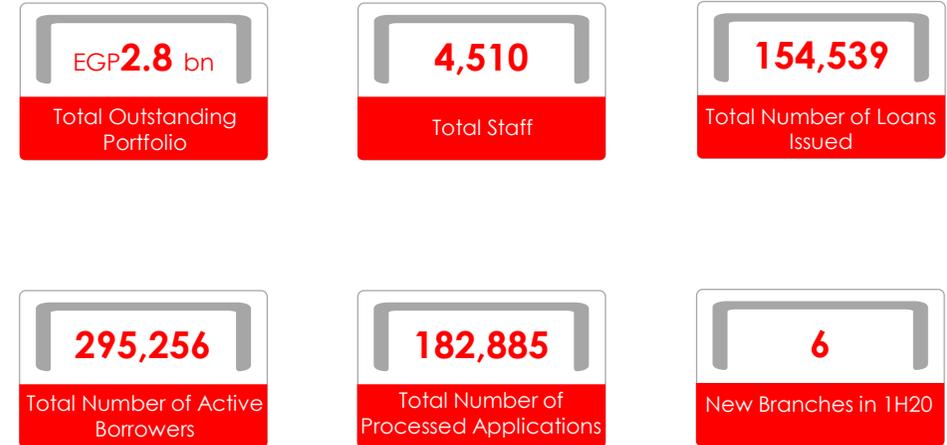


### Leasing Revenue

In EGP mn

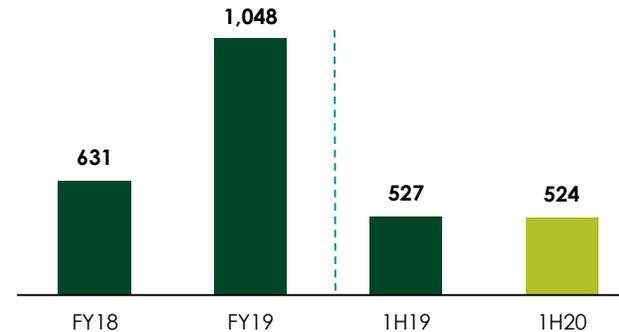


### KPIs



### Micro-Finance Revenue

In EGP mn

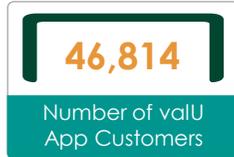


# NBFIs Overview

## valU Operational and Financial Overview – 1H2020



### KPIs



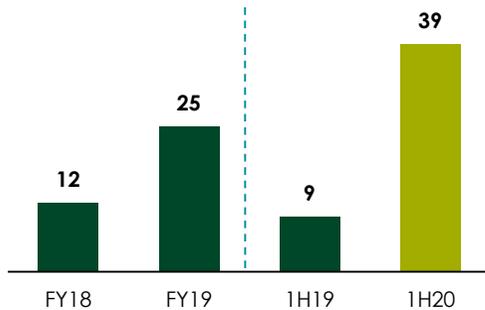
Cairo, Alexandria,  
Hurghada,  
Tanta, Mansoura &  
Portsaid

Existing Governorates

### valU Revenue

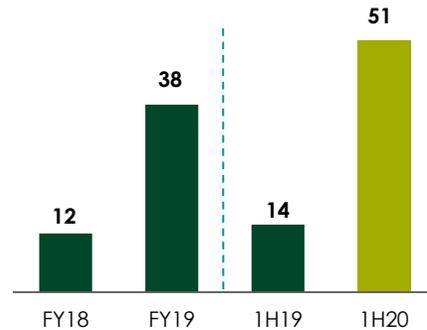
#### Net Revenue

In EGP mn



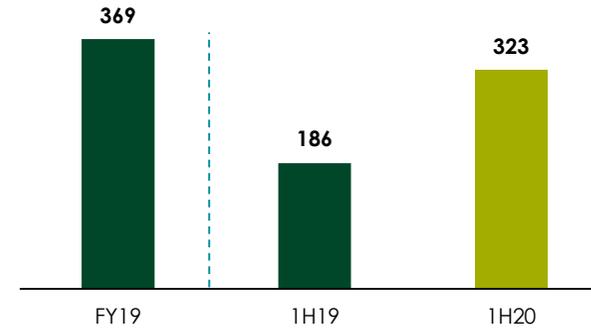
#### Gross Revenue

In EGP mn



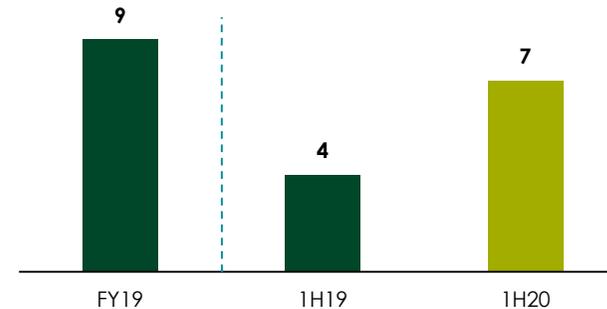
### Factoring Portfolio

In EGP mn



### Factoring Revenue

In EGP mn



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EFG Hermes Holding SAE has its address at Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October, Egypt and has an issued capital of EGP 3,843,091,115