

EFG HERMES REPORTS THIRD QUARTER 2021

GROUP EARNINGS OF EGP356 MILLION; ON OPERATING REVENUE OF EGP1.2 BILLION

Cairo, November 17th, 2021 – EFG Hermes reports a strong set of results for the third quarter of 2021, with Group earnings of EGP356 million on operating revenues of EGP1.2 billion. The Group's total assets stood at EGP49.6 billion at the end of September 2021.

Key Highlights

3Q21

- ≡ Third quarter denotes a significant improvement in the operational performance of the Group's business lines; despite Group headline revenues retreating 17% Y-o-Y to EGP1.2 billion in 3Q21, as the comparable quarter included strong incentive fees from Private Equity's Vortex III exit of EGP349 million and included strong unrealized gains on seed capital revaluation;
- ≡ The strong operational performance in the three quarters of 2021, underpinned the Group revenues, which rose 8% Y-o-Y to EGP4.0 billion in 9M21; an outstanding performance given that the comparable period included Private Equity's exit of Vortex III and strong unrealized and realized gains on investments booked in 9M20;
- ≡ With Group expenses broadly flat in 9M21, inching down 1% Y-o-Y to EGP2.5 billion; the Group reported in 9M21 a net operating profit and a net profit after tax and minority interest up 30% Y-o-Y and 26% Y-o-Y to EGP1.5 billion and EGP1.1 billion, respectively;
- ≡ Sell-side revenues rose 45% Y-o-Y to EGP406 million in 3Q21, on strong revenues booked by Investment Banking and Brokerage. Investment Banking revenues almost tripled rising 184% to reach EGP107 million, on stronger advisory fees and higher deal count. Brokerage revenues gained 23% Y-o-Y to EGP299 million, on higher revenues reported particularly by Egypt operations, followed by Kuwait and the Structured Product desk;
- ≡ The buy-side revenues declined 74% Y-o-Y to EGP115 million in 3Q21, albeit Asset Management revenues increasing Y-o-Y, as the comparable quarter included EGP349 million of Private Equity incentive fees from Vortex III exit. Asset Management revenues added 32% Y-o-Y to EGP86 million in 3Q21; largely due to higher management fees reported by FIM. Private Equity revenues came at EGP29 million in 3Q21 versus EGP381 million in 3Q20;
- ≡ NBFIs revenue grew 52% Y-o-Y to EGP507 million in 3Q21 as Tanmeyah and valU added another quarter of strong performance. Tanmeyah reported revenues of EGP355 million, up 36% Y-o-Y, on stronger sales and enhanced margins. valU continued to outperform, with its revenues growing more than threefold Y-o-Y to reach EGP97 million, on Y-o-Y portfolio expansion and better margins. Leasing and Factoring revenues gained 17% Y-o-Y and 28% Y-o-Y to EGP44 million and EGP10 million respectively, on larger portfolio;
- ≡ Capital markets & treasury operations reported a weak quarter, with its revenues losing 58% Y-o-Y to reach EGP156 million in 3Q21; mainly on unrealized losses related to seed capital revaluation, while the comparable quarter included strong unrealized gains related to seed capital revaluation;
- ≡ Group operating expenses declined 14% Y-o-Y to EGP760 million in 3Q21; predominately on lower employee expenses, which came on the back of lower bonus provisions Y-o-Y. Thus, employee expenses/ revenues came at 44% in 3Q21, lower Y-o-Y and Q-o-Q;
- ≡ Group reported a net operating profit and a net profit after tax and minority interest of EGP424 million and EGP356 million in 3Q21, respectively. If we normalized earnings by excluding the exceptional Private Equity's incentive fees booked in the comparable quarter, the Group net operating profit and net profit after tax and minority interest would be up 108% Y-o-Y and 387% Y-o-Y, respectively.

For full report and financial statements, please click on the links on top of the page.

For further information:

Investor Relations Contacts

Email: investor-relations@efg-hermes.com

Group Head of IR, Budgeting and Reporting

Hanzada Nessim

Email: hnessim@efg-hermes.com

Tel: +20 (0)2 35356502

www.efg-hermes.com