

## EFG HERMES REPORTS FULL YEAR 2020

### GROUP EARNINGS OF EGP1.3 BILLION; ON OPERATING REVENUE OF EGP5.5 BILLION

**Cairo, March 17<sup>th</sup>, 2021** EFG Hermes reports a strong set of results for the full year 2020, with Group earnings of EGP1.3 billion on operating revenues of EGP5.5 billion. The Group's total assets stood at EGP38.7 billion at the end of FY20.

#### FY2020

- ≡ Another upbeat year for EFG Hermes Group, posting higher revenues for a third consecutive year and surpassing the EGP5 billion mark to record revenues of EGP5.5 billion, up 12% Y-o-Y. The Group successfully recorded a resilient top-line growth, amid very challenging operating environment with the outbreak of the Coronavirus and its subsequent impact on economies and capital markets; from the buy-side part of the business to the NBFIs and Capital Markets & Treasury operations; The NBFIs platform reported another strong revenues growth for FY19, adding 52% Y-o-Y to EGP1.2 billion in FY19. This was predominately driven by Tanmeyah's outstanding revenue growth, which rose 66% Y-o-Y in FY19 to break the one billion mark;
- ≡ Buy-side revenues grew 33% Y-o-Y to EGP881 million in FY20 on higher revenues posted by both the Asset Management and the Private Equity. Asset Management revenues rose 28% Y-o-Y to reach EGP413 million, on strong incentive fees booked by FIM. Moreover, Private Equity revenues strengthened 37% Y-o-Y to EGP468 million; on higher incentive fees booked on Vortex Solar exit; The buy-side revenues gained 15% Y-o-Y to EGP624 million in FY19 on Private Equity's exit in 1Q19, with its revenues soaring 133% Y-o-Y to EGP341 million, on performance fees realized from Vortex I & II exit. On the other hand, Asset Management revenues weakened 29% Y-o-Y to EGP283 million, on lower management and incentive fees as Regional AUMs contracted and on weaker markets;
- ≡ NBFIs platform revenues rose 13% Y-o-Y to EGP1.4 billion in FY20, supported by a top-line increase in all the platform's lines of business. Leasing revenues improved 17% Y-o-Y to EGP184 million, supported by 4Q20 strong bookings. valU had a strong year with its revenues increasing more than 4x Y-o-Y to EGP111 million, as all its operations grew significantly. Factoring revenues jumped 178% Y-o-Y to EGP25 million, as its portfolio more than doubled Y-o-Y. Tanmeyah's revenues inched up 3% to EGP1.1 billion as its portfolio remained largely flat Y-o-Y;
- ≡ Sell-side revenues declined 19% Y-o-Y to EGP1.2 billion in FY20, as both its divisions are highly exposed to capital markets, which were characterized by uncertainty and a generally weaker activity amid the COVID-19 pandemic. Investment Banking revenues lost 28% Y-o-Y to EGP237 million, despite executing higher number of transactions. And Brokerage revenues lost 17% Y-o-Y to EGP1.0 billion, on lower revenues generated by its different products and across its jurisdictions; Group net operating profits reached EGP1.8 billion in FY19, up 26% Y-o-Y. Meanwhile, the Group reported a net profit after tax and minority interest of EGP1.4 billion in FY19, up 36% Y-o-Y; with both the NBFIs and the Investment Bank reporting strong growth in their bottom lines;
- ≡ Capital markets & treasury revenues rose 36% Y-o-Y to EGP1.9 billion in FY20; on the back of higher realized gains on Structured Products exit/maturity, higher unrealized gains on seed capital revaluation, and lower fx-losses;
- ≡ Group operating expenses rose 17% Y-o-Y to EGP3.6 billion in FY20, on an increase in employee expenses, other operating expenses and a sharp increase in provisions and impairment charges during the year. However, employee expenses/revenues came at 42%, well below the 50% level;
- ≡ EFG Hermes Group posted a gross operating profit (before provisions) of EGP2.2 billion, up 16% Y-o-Y; a solid improvement that bears a testament to an outstanding performance during such dire times. Additionally, the Group net operating profits reached EGP1.9 billion, up 4% Y-o-Y; pressured by higher provisioning levels;
- ≡ Accordingly, the Group recorded a net profit before tax of EGP1.7 billion, up 9% Y-o-Y. While, the Group net profit after tax and minority interest slipped 5% Y-o-Y to EGP1.3 billion, on higher tax charges during the year which included high deferred tax losses for the unrealized gains on investments and the reversal of FY19 deferred tax gain by the Holding company.

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

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