

EFG Hermes Holding



4Q/FY2018 Results Presentation



Group Overview

Group Performance Highlights

- ≡ A solid set of results, with the Group reporting a net operating profit of EGP1.4 billion, down only 5% Y-o-Y in FY18. Furthermore, excluding gains related to investment, seed capital exits and the non-recurring revenues in both periods, the Group NOP would be up 24% Y-o-Y in FY18, marking a strong operational growth delivered by the business;
- ≡ EFG Hermes reported Group revenues of EGP4.3 billion, up 19% Y-o-Y in FY18; and 32% Y-o-Y from core operations (excluding gains, exits and the non-recurring revenues). This was supported by NBFIs revenues crossing the one billion mark and all the Investment Bank's line of businesses posting revenue growth, and excluding Private Equity performance fees and capital gain that should be realized in 1Q19 on Vortex I & II exit;
- ≡ Fees and commissions revenue, which accounted for 71% of the Group revenues in FY18, rose 34% Y-o-Y to EGP3.0 billion, underpinned by revenue growth delivered by all lines of business, particularly the notable revenue growth of the NBFIs platform;

- ≡ The NBFIs platform posted a remarkable growth in revenue, with its revenues crossing the one billion mark, coming at EGP1.1 billion, up 89% Y-o-Y in FY18; largely due to a strong growth posted by Tanmeyah. The sell-side revenues increased 13% Y-o-Y to EGP1.4 billion in FY18, driven mainly by Brokerage executions in new markets and stronger market shares in addition to Investment Banking delivering another strong year with record number of deals. The buy-side revenues rose 22% Y-o-Y to EGP555 million, on the higher revenues recorded by FIM and stronger Private Equity fees;
- ≡ Capital markets & treasury operations revenue, which represented the remaining 29% of the Group's total revenues in FY18, saw its revenues decline 7% Y-o-Y to EGP1.3 billion. Albeit strong revenue growth from merchant banking activities and treasury operations; the comparable year included more gains related to exits and non-recurring gains that weighted down on the Y-o-Y change;

- ≡ Group operating expenses increased 35% Y-o-Y to EGP2.9 billion on higher employee expenses and other operating expenses; mirroring the Group's geographical expansion and the products & services diversification. However, employee expenses to operating revenues came at 42.3% in FY18; well below the 50% mark;
- ≡ The Group reported a net profit after tax and minority interest of EGP1.0 billion, down 16% Y-o-Y in FY18, mainly on higher tax provisions taken by Brokerage and Private Equity and higher taxes Y-o-Y, particularly as the NBFIs business continues to grow;
- ≡ EFG Hermes Board of Directors proposed a cash dividend of EGP0.65/share for the year ending December 2018, equivalent to roughly 50% of the attributable profits, that will be pending the General Assembly's approval.

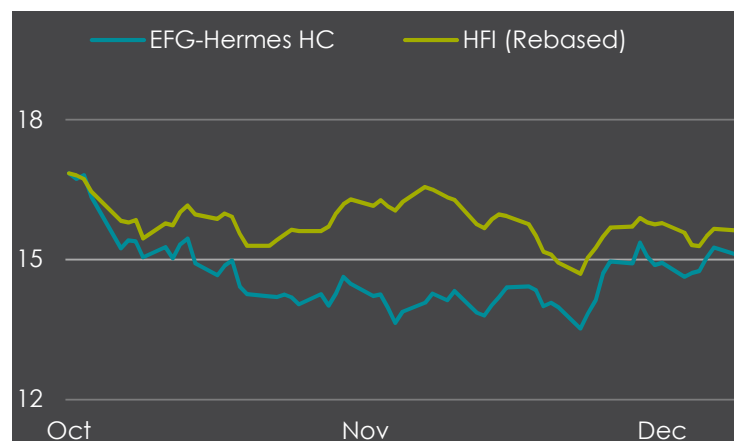
Group Overview

Share Information

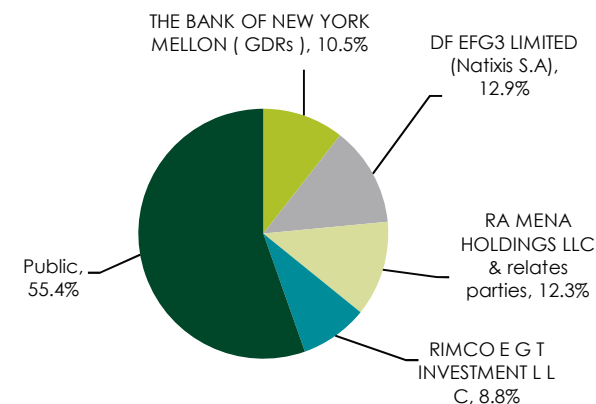
Stock Performance 4Q18



Stock Price Performance



Shareholders structure



*Shareholders structure as of 31st December, 2018

Analyst Recommendations Analysis

| Institution | Recommendation | Target Price | Date |
|-------------|----------------|--------------|--------|
| CI Capital | Overweight | 26.10 | Aug-18 |
| HSBC | Buy | 25.00 | Nov-18 |
| Arqaam | Buy | 22.60 | Dec-18 |

Consensus Recommendation



* Based on 31st December, 2018 closing price

Price Spread

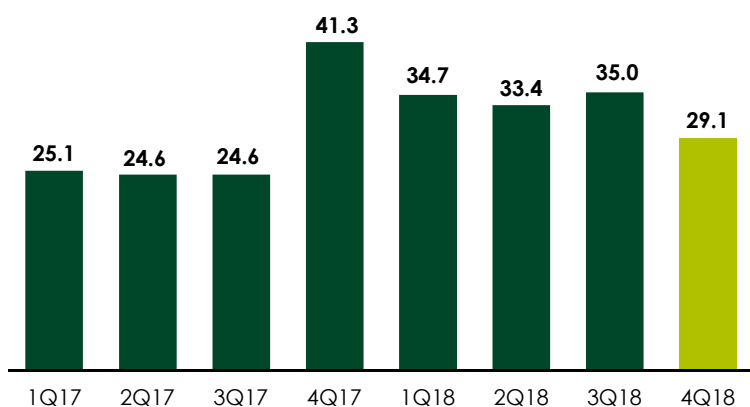


Group Overview

Balance Sheet

Total Assets,
down 29% 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 December 2018

| Assets - Liabilities | In EGP million |
|--|----------------|
| Cash and Cash Equivalents | 8,350 |
| Microfinance Receivables "Tanmeyah" | 1,261 |
| Merchant Banking Loans | 573 |
| Assets Held for Sale | 261 |
| Asset Management Seed Capital | 1,603 |
| Private Equity Seed Capital | 1,202 |
| Fixed Assets and Investment Property | 437 |
| Clients Investments at FVTPL (Structured Products) | 1,600 |
| Payables to Clients at FVTPL (Structured Products) | (1,600) |
| (Receivables - Payables) | 36 |
| (Other Assets - Other Liabilities) | (2,159) |
| Goodwill and Other Intangible Assets | 1,006 |
| Trading and AFS Investments | 554 |
| Crédit Libanais | 1,219 |
| SODIC | 110 |
| Leased Assets (net) | 2,490 |
| Short & Long term Loans | (2,507) |
| Minority | (438) |
| Total | 13,998 |

Group Overview

Main Events in 2018

Bangladesh Office

- EFG Hermes inaugurated its Bangladesh office

GEMS Partnership

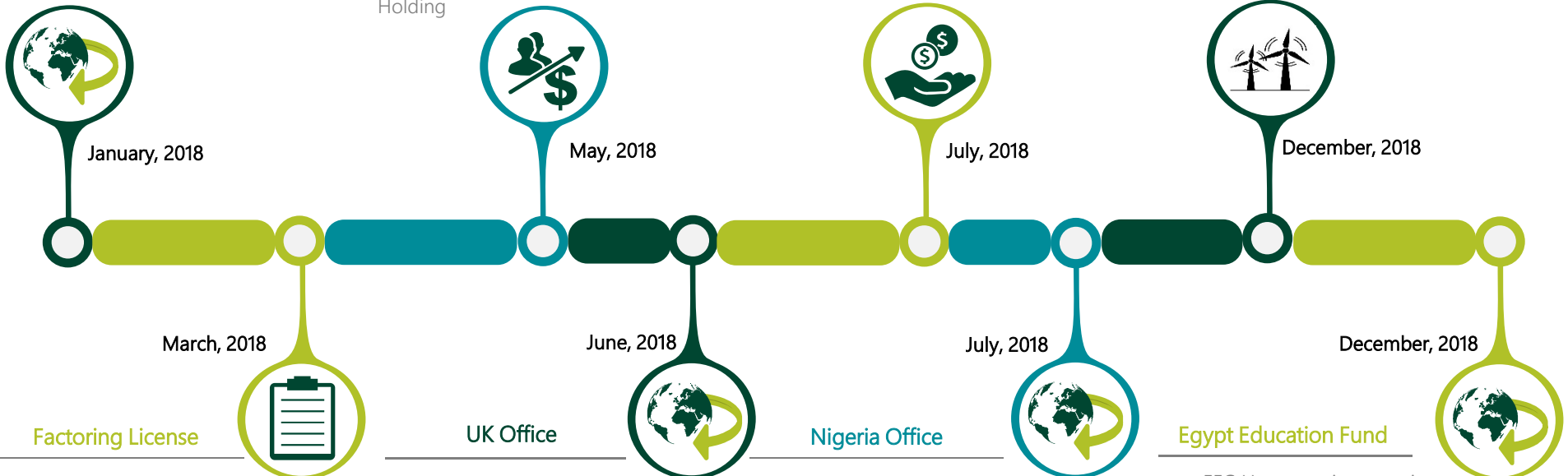
- EFG Hermes entered into exclusive partnership with GEMS education to establish investment platform encompassing the Egyptian K-12 education sector
- The platform closed its first investment in Egypt, acquiring a portfolio comprising 4 schools from Talaat Mostafa Group Holding

Dividends Distribution

- EFG Hermes distributed 1 bonus share for every 4 shares held by each shareholder

Vortex Energy SPA

- Vortex Energy entered into a sale and purchase agreement to sell its 49% stake in a pan-European wind energy portfolio



Factoring License

- EFG Hermes received license to offer factoring services in the Egyptian market through its subsidiary EFG Hermes Factoring

UK Office

- EFG Hermes received regulatory approval from the FCA to operate in the UK out of its London office

Nigeria Office

- EFG Hermes has signed sale and purchase agreement to acquire 100% of the Nigerian brokerage and research house, Primera Africa

Egypt Education Fund

- EFG Hermes private equity arm completed the first close of Egypt Education fund, focused on Egypt's K-12 education sector, with total commitments of USD109 million

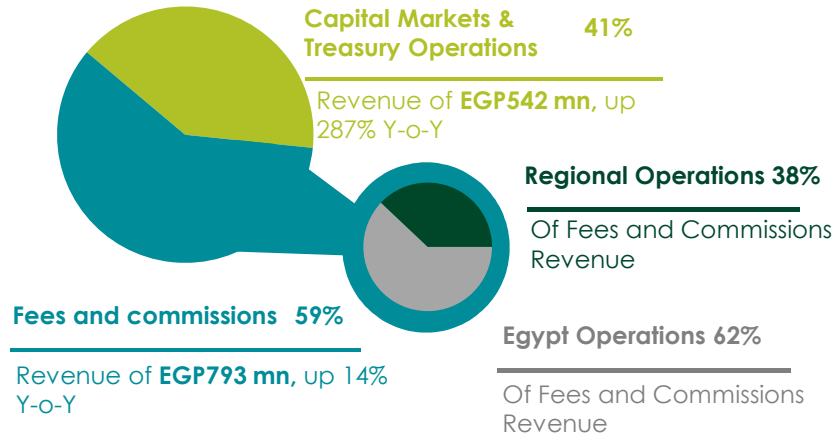


I. Fourth Quarter Results Review – 4Q2018

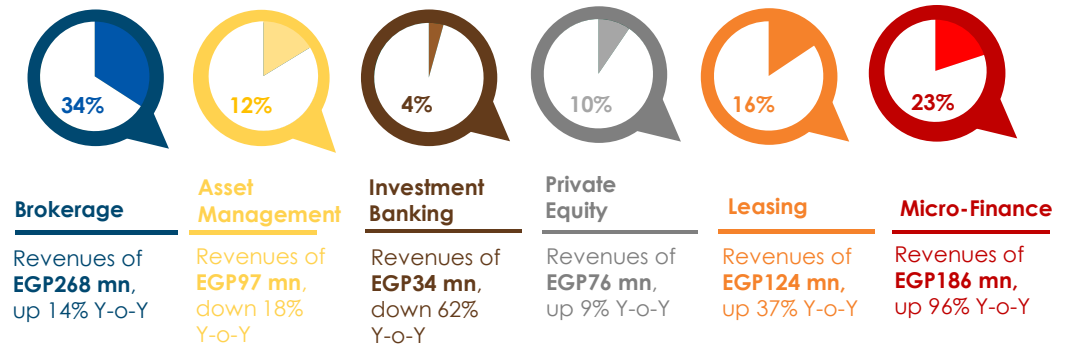
Group Overview

Financial Highlights – 4Q2018

EFG Hermes Revenue Breakdown

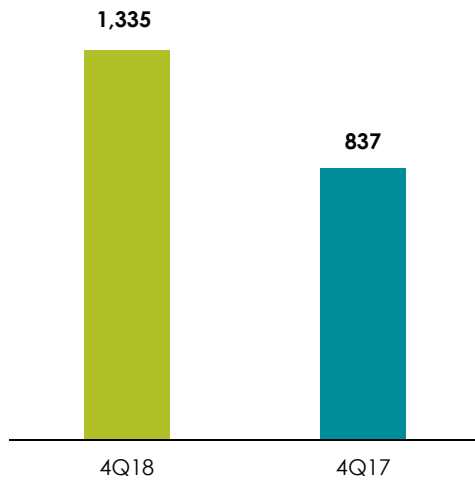


Fees and Commissions Revenue Breakdown



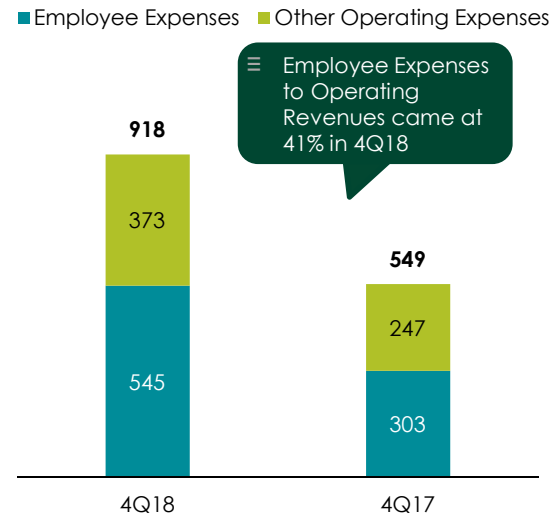
EFG Hermes Operating Revenue, up 59% Y-o-Y

In EGP mn



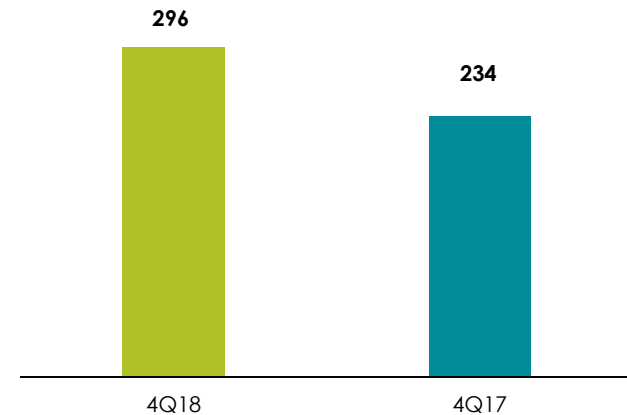
EFG Hermes Operating Expenses, up 67% Y-o-Y

In EGP mn



EFG Hermes Net Profit After Tax and Minority Interest, up 27% Y-o-Y

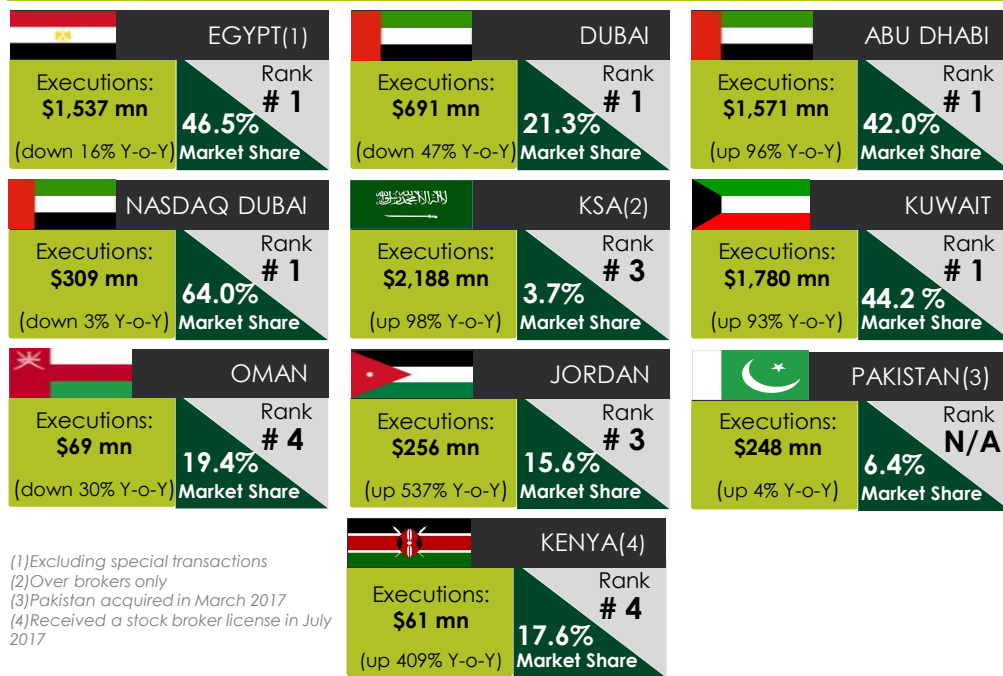
In EGP mn



Business Lines Overview

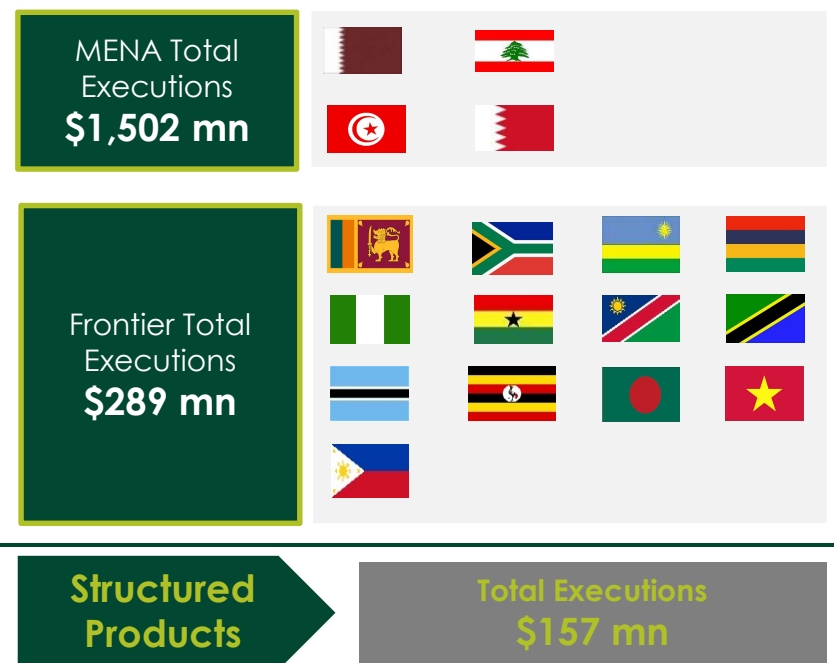
Brokerage Operational and Financial Overview – 4Q2018

Direct Presence



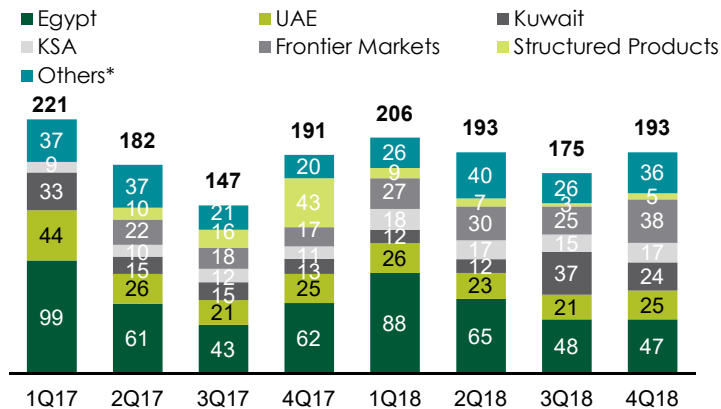
(1) Excluding special transactions
 (2) Over brokers only
 (3) Pakistan acquired in March 2017
 (4) Received a stock broker license in July 2017

Indirect Presence



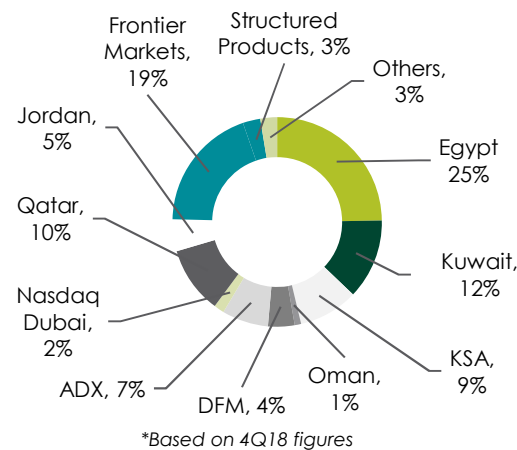
Average Daily Commissions

In USD thousand



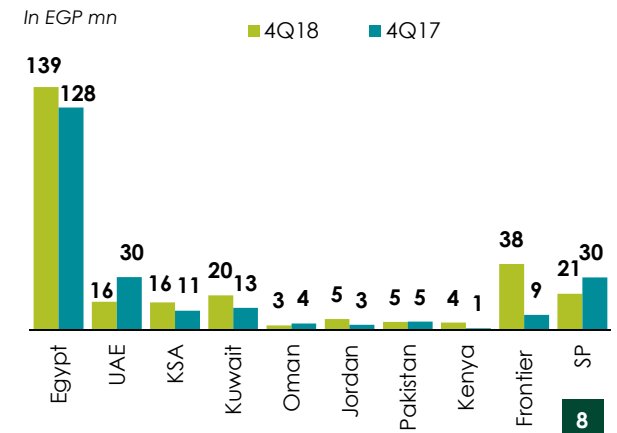
*Others including: Qatar, Oman, Lebanon, Jordan, UK and (GDRs)

Fees Contribution by Market/Product



*Based on 4Q18 figures

Brokerage Revenue by Country (Operations)



Business Lines Overview

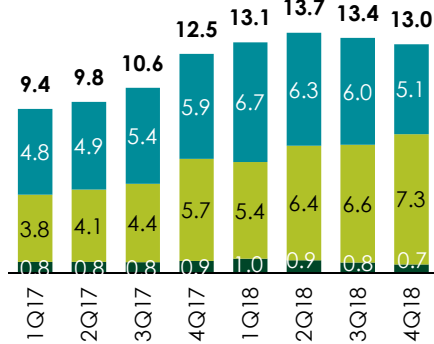
Asset Management Operational and Financial Overview – 4Q2018

Egypt Asset Management

Assets Under Management

In EGP bn

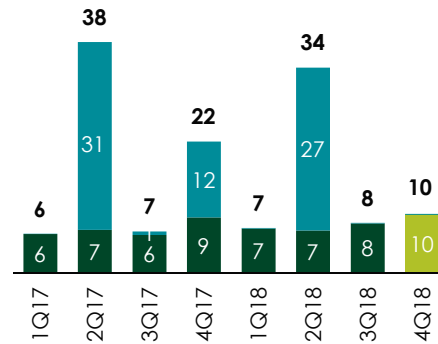
- Portfolios
- Money Market & Fixed Income
- Egypt Equity Funds



Revenue Breakdown

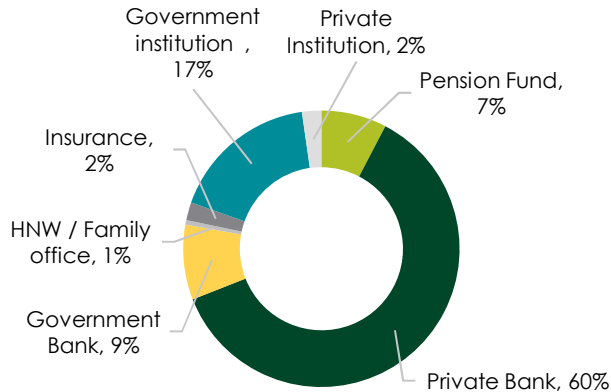
In EGP mn

- Management Fees
- Other Fees*



* Other Fees include incentive fees and other revenues

AuMs Breakdown by Investor Type



AuMs Breakdown by Region

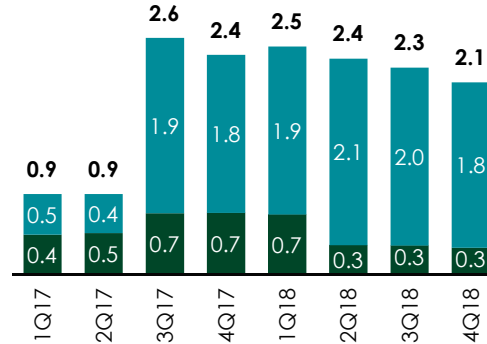


Regional Asset Management "FIM"

Assets Under Management

In USD bn

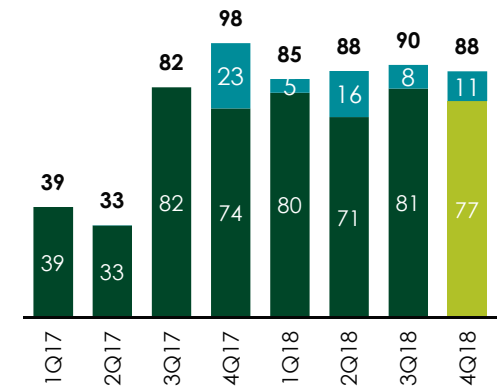
- Regional Equity Portfolios
- Regional Equity Funds



Revenue Breakdown

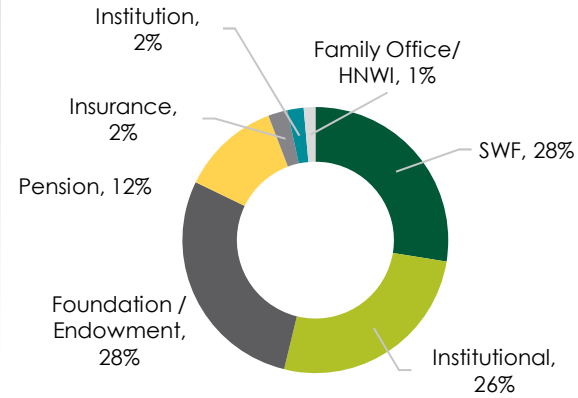
In EGP mn

- Management Fees
- Other Fees*

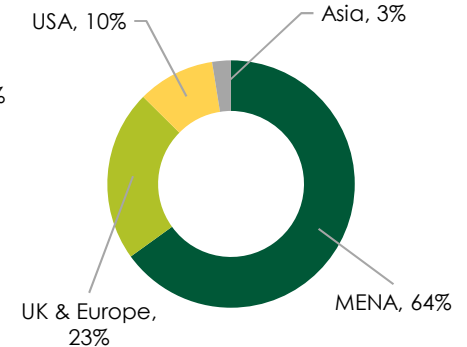


* Other Fees include incentive fees and other revenues

AuMs Breakdown by Investor Type



AuMs Breakdown by Region



Business Lines Overview

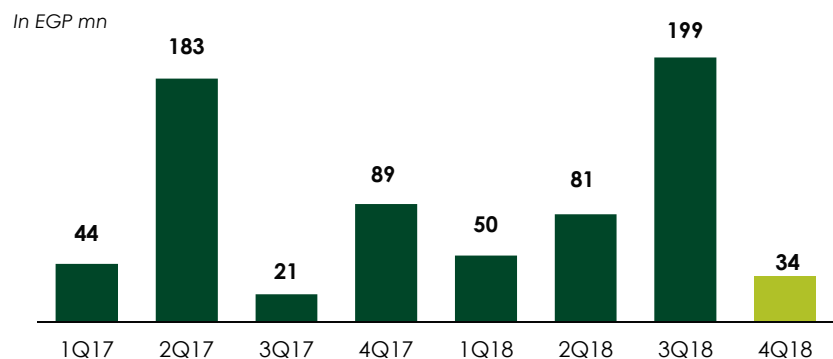
IB and PE Operational and Financial Overview – 4Q2018

Investment Banking



- ≡ The team advised on the USD72 million rights issue of Alexandria Portland Cement Company.
- ≡ On the debt front, the team acted as sole financial advisor, lead coordinator and underwriter to EFG Leasing on the issuance of its first securitization bond.
- ≡ Regionally, the department led the arrangement of a USD14 million debt facility for a leading information and communication technology player in Saudi Arabia, underscoring its execution capabilities across various markets.

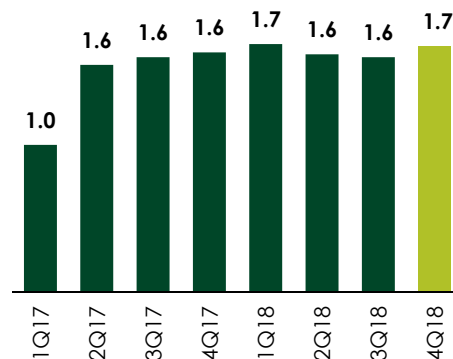
Investment Banking Revenue



Private Equity

Private Equity AUMs Evolution

In USD bn

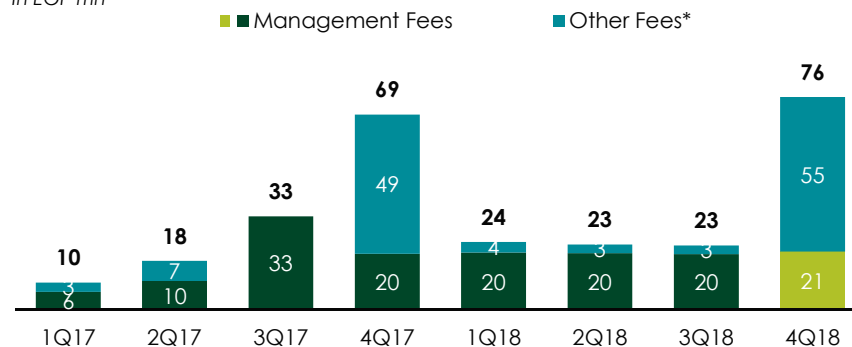


≡ The divestment process of Vortex I and Vortex II (Vortex Wind), which together hold a 49% stake in a 998MW pan-European portfolio, has met all its conditions precedent, and shall close in March 2019. Back in December 2018, a sale and purchase agreement was entered into with institutional investors advised by J.P. Morgan Asset Management for the full divestment of Vortex Wind.

- ≡ EFG Hermes successfully reached the first close of the Egypt Education Fund in December 2018. The DIFC-based fund was oversubscribed with total commitments raised of USD109 million, well above the USD50-100 million initially targeted. The aforementioned commitments include USD15 million seed capital from EFG Hermes as part of its strategy to support its growing private equity business.

Private Equity Revenue

In EGP mn



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

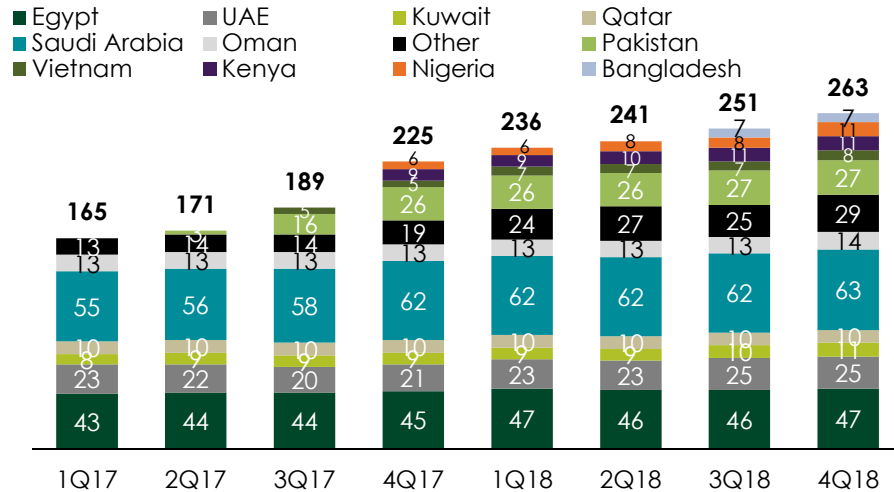
Business Lines Overview

Research Operational Overview – 4Q2018/Awards

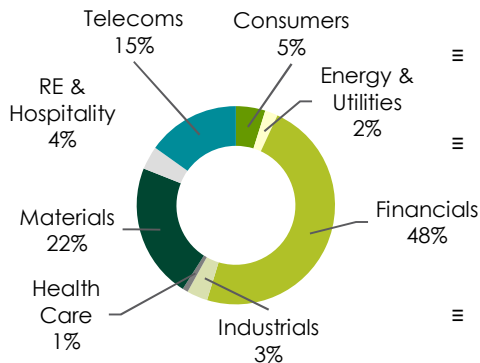
Research

Research Coverage Universe

Number of Companies



Research coverage by Sector



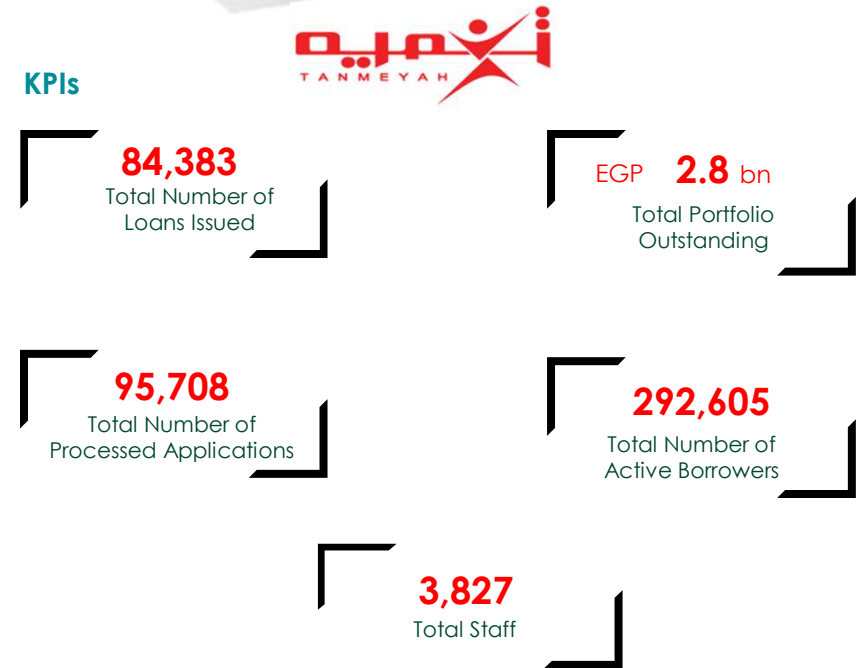
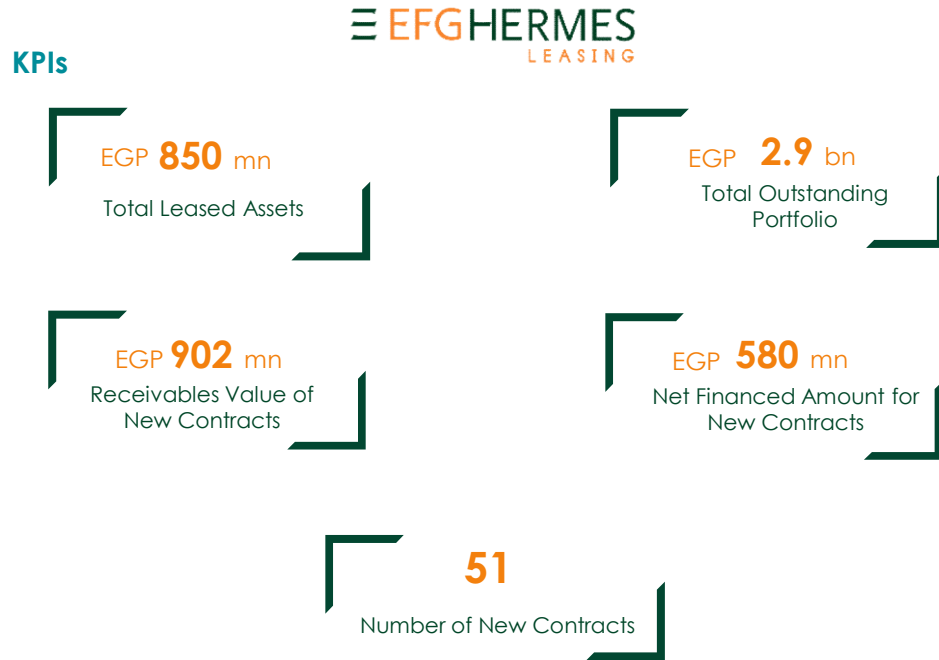
- During 4Q18 we initiated coverage on one new country, Georgia, where we now cover the two leading banks in the country
- We also initiated coverage on a few companies that had IPOs in 2018 – CIRA and ASAI, and Dhofar Generating Company
- The team also initiated coverage on a few new industries, including three big Nigerian breweries, Marico Bangladesh (a hair oil company in Bangladesh), SACO (KSA's largest home improvement and hardware retailer) and coverage on Techcombank, a unique bank in Vietnam.
- On the macro side we added Pakistan to our coverage.

Awards/Rankings



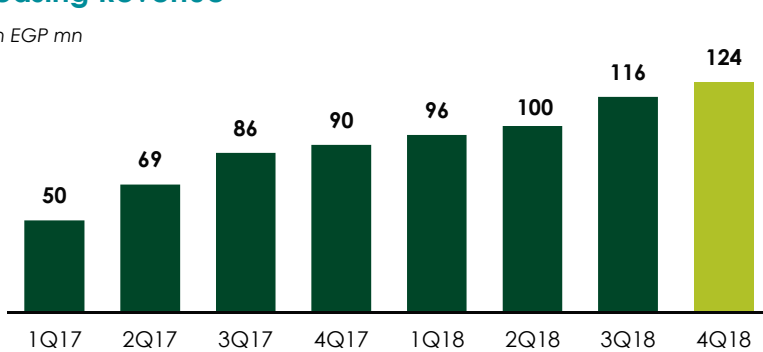
Business Lines Overview

Leasing and Tanmeyah Operational and Financial Overview – 4Q2018



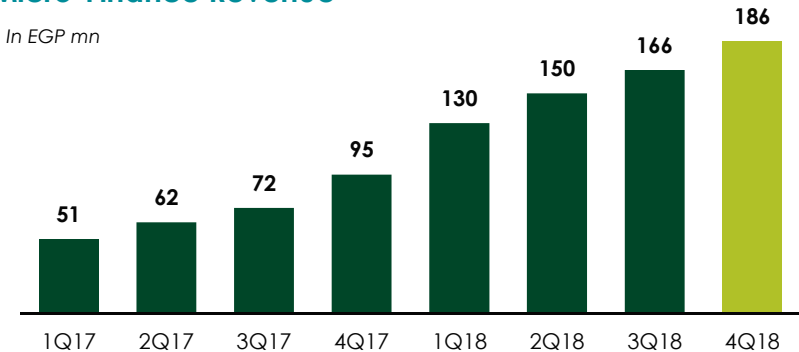
Leasing Revenue

In EGP mn



Micro-Finance Revenue

In EGP mn



Business Lines Overview

valU Operational and Financial Overview – 4Q2018



KPIs

55,856

Number of Downloads

EGP **105.3** mn
Limits Activated Value

EGP **137.5** mn
Outstanding Portfolio

8,232

Number of Transactions

12,086

Number of valU App
Customers

206

Number of Merchants

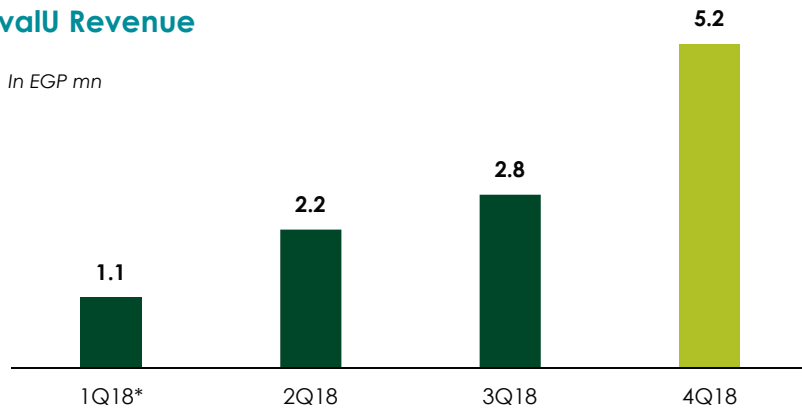
Cairo & Alex
Existing Governorates

77

Number of UBER Cars
delivered

valU Revenue

In EGP mn



* Launched in January 2018

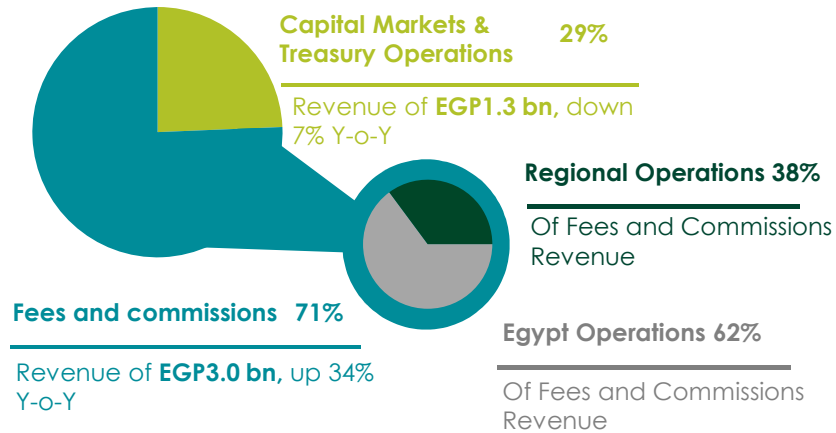


II. Full Year Results Review – FY2018

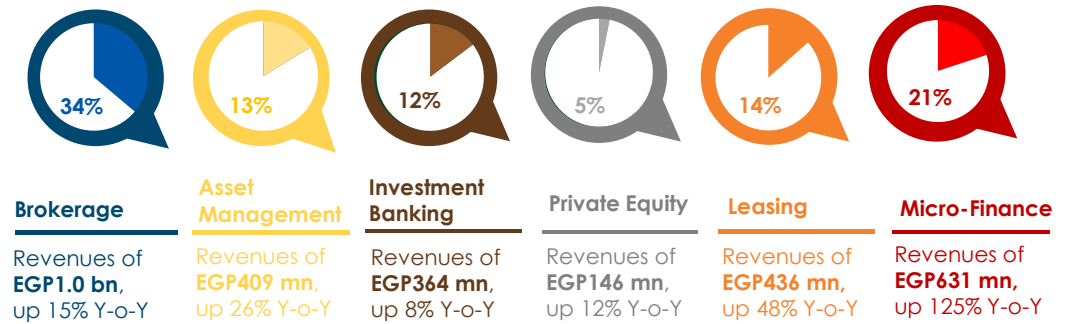
Group Overview

Financial Highlights – FY2018

EFG Hermes Revenue Breakdown

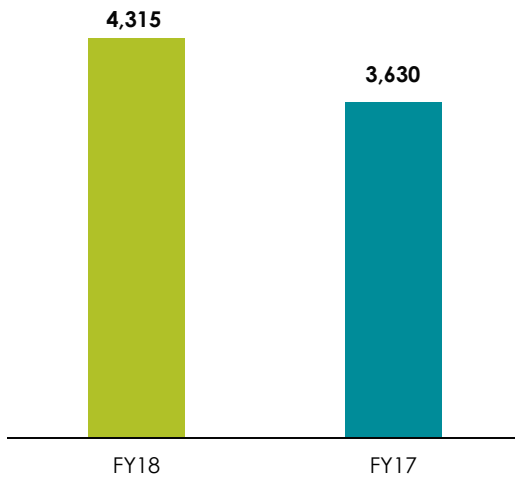


Fees and Commissions Revenue Breakdown



EFG Hermes Operating Revenue, up 19% Y-o-Y

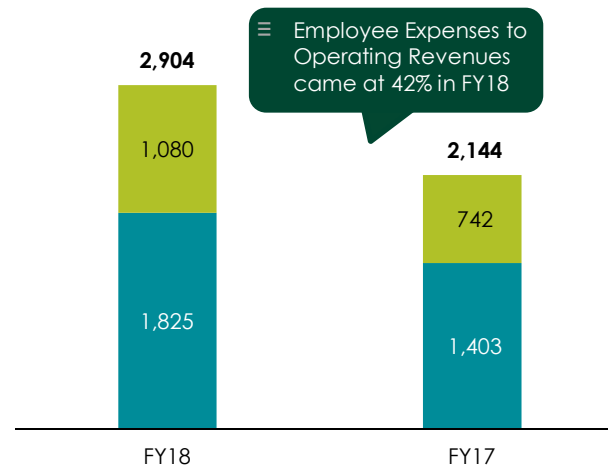
In EGP mn



EFG Hermes Operating Expenses, up 35% Y-o-Y

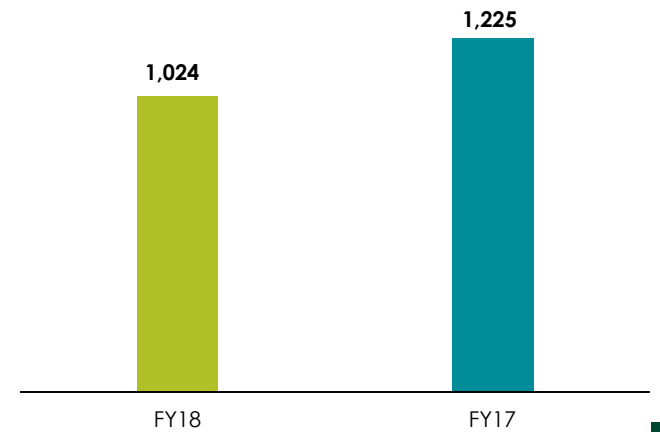
In EGP mn

■ Employee Expenses ■ Other Operating Expenses



EFG Hermes Net Profit After Tax and Minority Interest, down 16% Y-o-Y

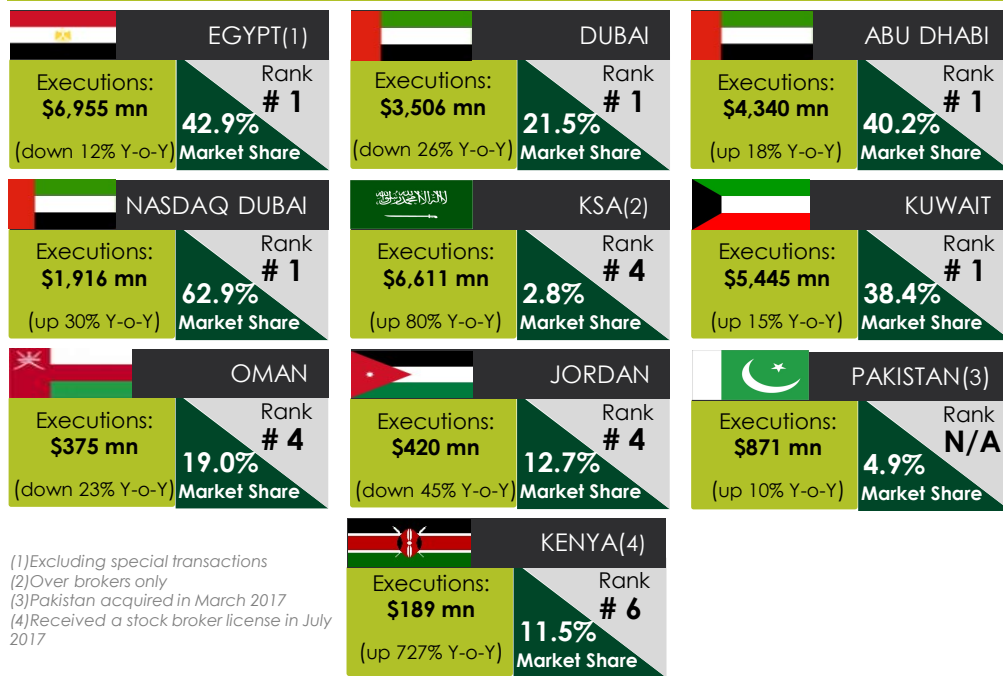
In EGP mn



Business Lines Overview

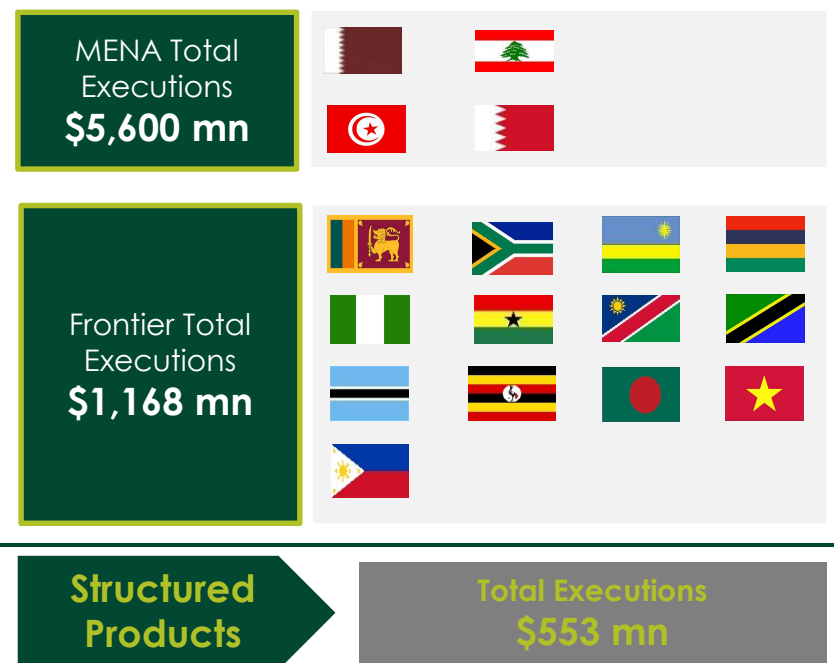
Brokerage Operational and Financial Overview – FY2018

Direct Presence



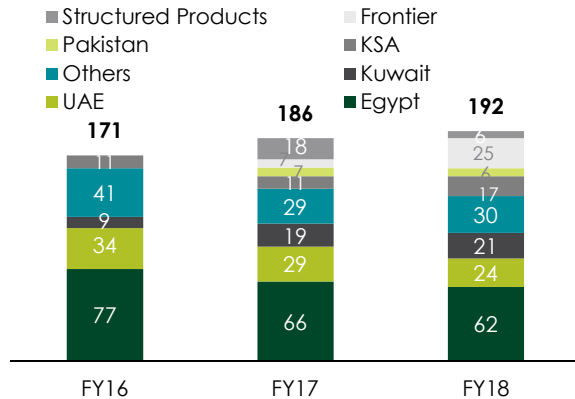
(1) Excluding special transactions
 (2) Over brokers only
 (3) Pakistan acquired in March 2017
 (4) Received a stock broker license in July 2017

Indirect Presence

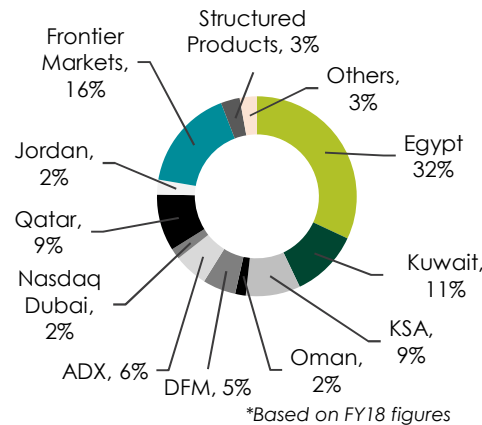


Average Daily Commissions

In USD thousand

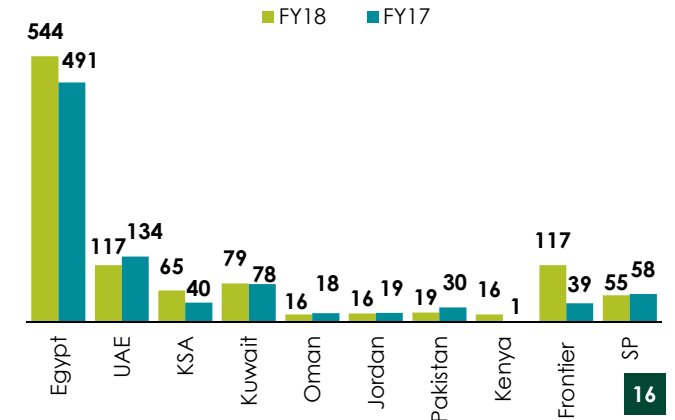


Fees Contribution by Market/Product



Brokerage Revenue by Country (Operations)

In EGP mn

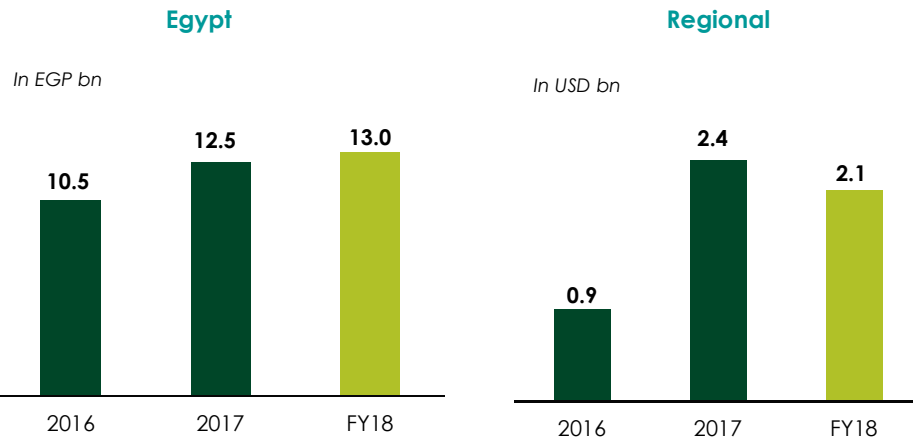


Business Lines Overview

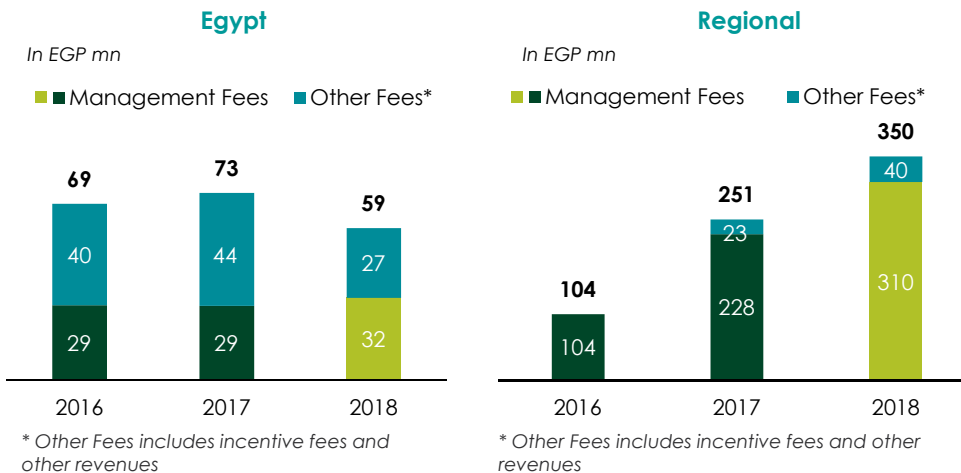
IB and PE Operational and Financial Overview – FY2018

Asset Management

Asset Management AuMs Evolution

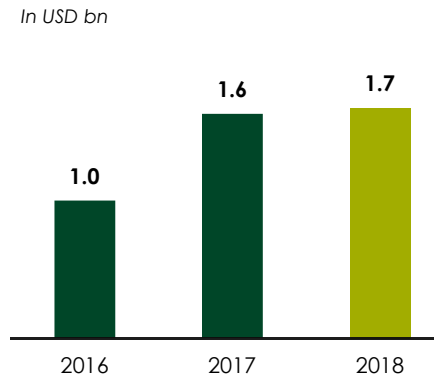


Asset Management Revenue



Private Equity

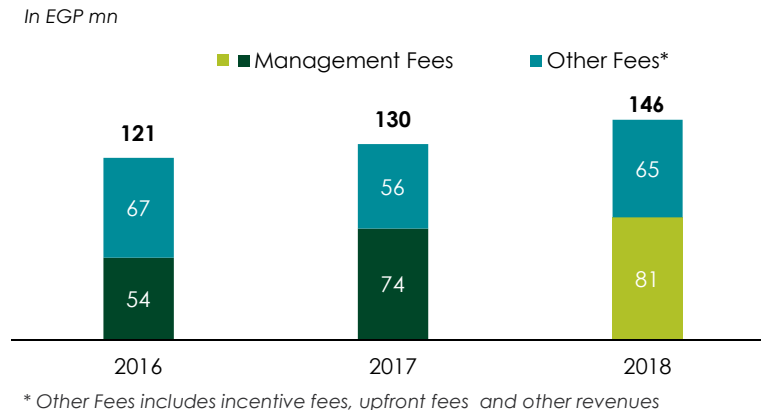
Private Equity AuMs Evolution



≡ The wind portfolio (Vortex I and II) in FY18 achieved an EBITDA of EUR150 million on 100% basis, while Vortex Solar's EBITDA reached c.GBP34.8 million during the same period.

≡ Egypt Education Fund second close is expected to be completed in 2019, with the goal of raising an additional USD40 million in capital.

Private Equity Revenue



Business Lines Overview

IB operational and financial Overview/ Awards– FY2018

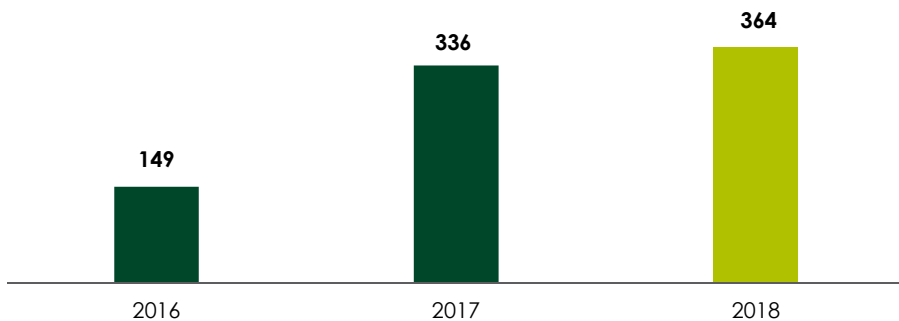
Investment Banking

| | | | | |
|---|--|---|--|--|
| <p>Advisory on Rights Issue (US\$ 72,378,193) Financial Advisor December 2018</p> | <p>Advisory on Initial Public Offering (US\$ 69,472,299) Sole Global Coordinator & Bookrunner October 2018</p> | <p>Advisory on Sale of 57.8% Stake Sell Side Advisor August 2018</p> | <p>Advisory on Initial Public Offering (US\$ 52,500,000) Sole Global Coordinator September 2018</p> | <p>Advisory on Acquisition of 100% Stake (US\$ 90,000,000) Buy Side Advisor September 2018</p> |
| <p>Advisory on Initial Public Offering (US\$ 162,960,000) Joint Bookrunner July 2018</p> | <p>Advisory on Accelerated Bookbuild (US\$ 226,000,000) Sole Bookrunner July 2018</p> | <p>Advisory on Sale of 100% of (US\$ 49,000,000) Sell Side Advisor January 2018</p> | <p>Advisory on Rights Issue (US\$ 39,772,727) Sole Global Coordinator & Financial Advisor January 2018</p> | <p>Debt Arrangement (US\$ 18,000,000) Lead Arranger February 2018</p> |
| <p>Advisory on Rights Issue (US\$ 869,800,000) Sole Global Coordinator & Financial Advisor March 2018</p> | <p>Debt Arrangement (US\$ 450,000,000) Lead Arranger April 2018</p> | <p>Advisory on Debt Arrangement (US\$ 22,500,000) Sell Side Advisor May 2018</p> | <p>Advisory on Sale of its Education Platform (US\$ 55,897,149) Sell Side Advisor June 2018</p> | <p>Advisory on Accelerated Book (US\$ 51,926,087) Bookrunner June 2018</p> |

EFG Hermes' investment banking division successfully closed 19 equity, M&A, and debt transactions in FY18 worth an aggregate value of USD2.5 billion – the department's largest number of transactions in a single year

Investment Banking Revenue

In EGP mn



| | |
|--|--|
| <p>Best African Investment Bank Africa Investor Awards</p> | <p>Best Sustainable Financial Service Provider The European Awards</p> |
| <p>Best Investment Bank in Egypt Euromoney Middle East Awards</p> | <p>Best Asset Management Solutions The European Awards</p> |
| <p>#1 MENA ECM Adviser by Market share Thomson Reuters</p> | <p>Outstanding performance in Asset Management Business Today Top 100 Awards</p> |
| <p>#2 MENA Markets Brokerage Firm "Brokerage and Research" Extel Awards</p> | <p>Fixed Income Fund of the year (3 year performance) MENA Fund Manager Awards</p> |
| <p>Best Frontier Markets Brokerage Firm Extel Awards</p> | <p>Shariah Compliant Fund of the year Al Baraka Islamic Equity Fund by MENA Fund Manager Awards</p> |
| <p>Best African Equities Research Provider "except South Africa" Financial Mail</p> | <p>Best Equity House EMEA Finance Awards</p> |
| <p>Best IPO in the Middle East: ADES International Holding EMEA Finance Awards</p> | |

Business Lines Overview

Leasing and Tanmeyah Operational and Financial Overview – FY2018

KPIs

EGP **2.4** bn
Total Leased Assets
Cost

EGP **2.9** bn
Total Outstanding
Portfolio

EGP **2.7** bn
Receivables Value of
New Contracts

EGP **1.8** bn
Net Financed Amount
for New Contracts

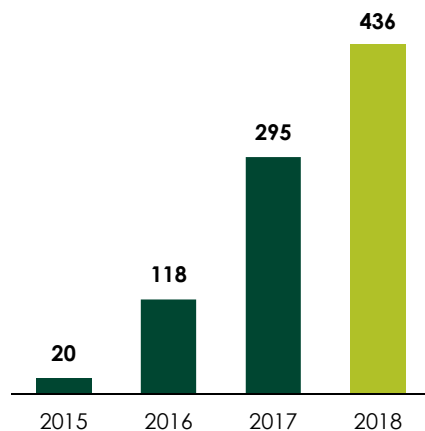
184
Number of New
Contracts

Contracts booked during 2018 (by asset size)

| Company | Lease Value (EGP mn) | Market Share |
|-----------------------------|-------------------------|-----------------|
| 1 Corplease | 5,472 | 13% |
| 2 Techno lease | 5,370 | 13% |
| 3 GB Lease | 4,429 | 11% |
| 4 Al Tawfik Lease | 4,218 | 10% |
| 5 EFG Hermes Leasing | 3,310 | 8% |
| 6 Global Lease | 2,187 | 5% |
| 7 Incolease | 1,947 | 5% |
| 8 BM Leasing | 1,787 | 4% |
| 9 El Taameer Leasing | 1,559 | 4% |
| 10 United Lease | 1,553 | 4% |

Leasing Revenue

In EGP mn



KPIs

292,605
Total Number of
Active Borrowers

EGP **2.8** bn
Total Portfolio
Outstanding

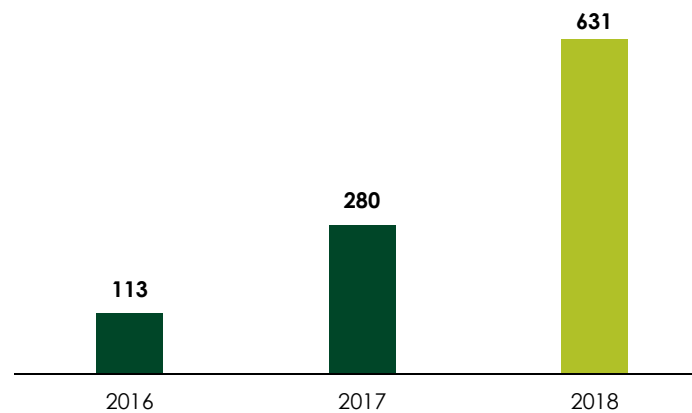
308,146
Total Number of
Loans Issued

355,220
Total Number of
Processed Applications

3,827
Total Staff

Micro-Finance Revenue

In EGP mn



Business Lines Overview

valU Operational and Financial Overview – FY2018

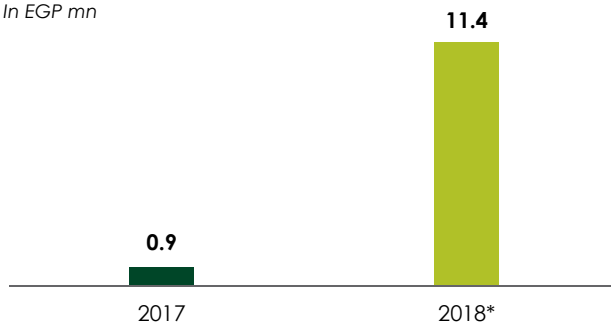


KPIs



valU Revenue

In EGP mn



* Launched in January 2018

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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