

## **EFG Hermes reports 30% Y-o-Y surge in top-line to EGP 1.3 billion on the back of a stellar performance across its operations in 1Q21**

*The Group's strong performance was driven by EFG Hermes' robust results at its NBFi platform and Investment Bank*

**19 May 2021**

(Cairo, Egypt) — EFG Hermes, the leading financial services corporation in Frontier Emerging Markets (FEM), reported today its first quarter results for 2021, with revenues climbing a solid 30% Y-o-Y to EGP 1.3 billion on the back of positive performance across the majority of the Group's lines of business in 1Q21.

“While the challenges posed by the ongoing pandemic are still abound, EFG Hermes continued to reap the benefits of the diversified business model it has built in recent years,” said EFG Hermes Holding Group CEO Karim Awad. “This has helped us adapt swiftly to this evolving situation and supported us in delivering robust results across our business lines by end of the first quarter and maintaining our position as the leading financial services player in frontier emerging markets.”

Leading growth for the quarter, the Group's NBFi platform recorded a revenue increase of 22% Y-o-Y to EGP 441 million and contributed 35% of EFG Hermes' top line in 1Q21 driven by improved performance across its lines of business. Tanmeyah's revenues grew 9% Y-o-Y to EGP 321 million on the back of it delivering a strong sales performance for the period, while the Group's consumer finance business, valU, nearly tripled revenues Y-o-Y to EGP 56 million on the back of a strong portfolio expansion. The Group's Leasing and Factoring platform, EFG Hermes Corp-Solutions, recorded revenue increases of 30% and 110% Y-o-Y to EGP 56 million and EGP 8 million, respectively, driven by higher arrangement fees and interest income in 1Q21.

EFG Hermes' sell-side revenues climbed 29% Y-o-Y to EGP 296 million on the back of improved performances at its Investment Banking and Brokerage operations in 1Q21 spurred by improved market conditions. The Group's Investment Banking division more than doubled its revenue performance for the period, recording EGP 42 million on the back of increased advisory fees from the successful close of eight transactions in 1Q21 alone. Meanwhile, Brokerage revenues increased 20% Y-o-Y to EGP 255 million, driven by strong results generated from its operations in Egypt for the period.

Meanwhile, at the Group's buy-side operations, revenues grew 22% Y-o-Y to EGP 129 million, on the back of improved performance from EFG Hermes Asset Management, where revenues surged 62% Y-o-Y to EGP 99 million due to higher management and incentive fees booked by FIM in 1Q21. At the Group's Private Equity division, revenues declined 34% Y-o-Y to EGP 29 million in 1Q21, as the comparable period last year had booked incentive fees in relation to the division's Vezeeta exit.

At EFG Hermes' Capital Markets and Treasury operations, revenues increased 45% Y-o-Y to EGP 389 million on the back of unrealized gains booked on investments and lower FX losses in 1Q21 compared to the same period last year.

“At our NBFi platform, Tanmeyah delivered record sales of EGP 490 million, the highest since its inception and a testament to the Group's prowess in the microfinancing space. Moreover, we maintained

valU's growth trajectory as we continued to expand our partnerships with vendors across the nation and capitalize on Egypt's ever-growing consumer base. In parallel, our Investment Banking division closed eight transactions across the ECM and DCM spaces, supporting our sell-side performance for the period and further cementing our position as the leading investment bank across the markets we operate in," added Awad.

The Group's operating expenses recorded a decline of 3% Y-o-Y to EGP 802 million as lower loan loss provisions booked by the NBFIs platform offset the increase in employee expenses in 1Q21. Moreover, expenses as a percentage of revenues came in well below the 50% level and stood at 46% for the period.

EFG Hermes' net operating profit more than tripled Y-o-Y to EGP 453 million in 1Q21, driven by a strong growth in revenues while expenses remained largely flat.

Despite an increase in deferred taxes, the Group recorded a bottom-line of EGP 292 million in 1Q21, reflecting a 223% Y-o-Y increase compared to the EGP 90 million recorded in same period last year. Strong performance from the Group's NBFi platform and Investment Bank, as well as muted operating expenses, supported EFG Hermes' healthy bottom-line performance in 1Q21.

"The variables impacting our outlook for 2021 remain plentiful and difficult to predict. Nonetheless, the Group will continue leveraging its comprehensive capacities across its operations and capitalizing on what we hope will be an improving external environment as consumers and businesses adjust to the COVID-19 situation, to deliver solid results and sustainable value for the remainder of the year. As always, we will continue to remain cautious and monitor market developments, not only to ensure that we continue to generate value for all stakeholders, but to guarantee the continued health and safety of our people, without whom our exceptional results and continued successes would not have been achieved," Awad concluded.

—Ends—

EFG Hermes' 1Q 2021 financial results and management's commentary on them are now available [here](#).

## About EFG Hermes

With a current footprint spanning thirteen countries across four continents, EFG Hermes started in Egypt and has grown over 35 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track record and a team of more than 5,500 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research, and private equity to the entire MENA region.

In 2015, EFG Hermes launched its NBFi Platform, EFG Hermes Finance, which overlooks activities in the non-banking finance field through EFG Hermes Corp Solutions, which offers leasing and factoring facilities, Tanmeyah Microfinance, consumer financing platform valU, PayTabs Egypt in the payment solutions space, Bedaya, which offers mortgage solutions, and an insurance business. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh, Nigeria, Vietnam<sup>1</sup>, the United Kingdom and the United States.

Learn more about us at [www.efghermes.com](http://www.efghermes.com) & stay connected with us:    

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### *Note on Forward-Looking Statements*

*In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.*

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<sup>1</sup> EFG Hermes began operations in Vietnam through a partnership with ACBS in May, 2019