

EFG HERMES REPORTS FULL YEAR 2019

GROUP EARNINGS OF EGP1.4 BILLION; ON OPERATING REVENUE OF EGP4.8 BILLION

Cairo, March 18th, 2020 – EFG Hermes reports strong set of results for the full year 2019, with Group earnings of EGP1.4 billion on operating revenues of EGP4.8 billion. The Group's total assets stood at EGP44.4 billion at the end of FY19.

Key Highlights

FY2019

- ≡ Buoyant quarterly set of results reported throughout 2019, underpinned the full year performance; as the Group revenues increased 20% Y-o-Y to EGP4.8 billion in FY19, supported by stronger revenue delivered by the different platforms;
- ≡ 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;
- ≡ The Sell-side revenues added 9% Y-o-Y to EGP1.5 billion in FY19, driven by a more diversified Brokerage operations with its revenues increasing 16% Y-o-Y to reach EGP1.2 billion mainly on higher revenues generated from KSA, Structured Products, Kuwait, UAE and Frontier. Meanwhile, Investment Banking revenues declined 10% Y-o-Y to EGP328 million, albeit on a more diversified and higher deal count in FY19;
- ≡ 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;
- ≡ Capital markets & treasury revenues, which represents 29% of the Group's revenues in FY19, rose 14% Y-o-Y to EGP1.4 billion in FY19, mainly on higher interest income and realized capital gains;
- ≡ Group operating expenses rose 17% Y-o-Y to EGP3.0 billion in FY19; thus taking employee expenses to operating revenues to 45% in FY19, lower 1% than FY18. The increase in expenses is attributed to higher salaries as Tanmeyah's headcount increased Y-o-Y, higher variable portions of the employee expenses in line with the growing revenues, and higher operating expenses related to the NBFIs generally and Tanmeyah in particular;
- ≡ 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;
- ≡ In light of recent political situation and events in Lebanon, and in our efforts to reflect a prudent stance amid a very fluid situation; EFG Hermes undertook a 36% haircut (FV re-assessment) to its investment in Credit Libanais through OCI in FY19 financial statements. In the coming period, the management will continue to re-assess the situation in Lebanon, and would take any necessary actions thereafter.

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

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