

EFG HERMES REPORTS FIRST QUARTER 2019

GROUP EARNINGS OF EGP374 MILLION; ON OPERATING REVENUE OF EGP1.3 MILLION

Cairo, May 14th, 2019 – EFG Hermes reports first quarter 2019, with Group Earnings of EGP374 million on operating revenues of EGP1.3 billion. The Group Total assets stood at EGP34.8 billion at the end of 1Q19.

Key Highlights

1Q2019

- ≡ EFG Hermes kicks-off the year with strong set of results, with Group revenues rising 42% Y-o-Y to EGP1.3 billion in 1Q19, underpinned by strong performance from core operations, with the Investment Bank and the NBFIs growing their fees and commissions revenues;
- ≡ Fees and commissions, which represented 78% of the Group revenues in 1Q19, rose 58% Y-o-Y to surpass the one billion mark, coming at EGP1.0 billion, underpinned by Private Equity's and Tanmeyah's robust revenue growth;
- ≡ The NBFIs platform continues to ramp-up, with revenues climbing 65% Y-o-Y to EGP375 million in 1Q19, mainly on the back of Tanmeyah's outstanding performance, with its revenues roughly doubling, up 95% Y-o-Y to EGP253 million in 1Q19. Sell-side revenues inched up 2% Y-o-Y to EGP322 million in 1Q19, dented by lower Investment Banking revenue and despite higher Brokerage revenues. The buy-side revenues shot up 199% Y-o-Y to EGP348 million in 1Q19, on the outperformance of the Private Equity business, with its revenues more than 10 folds higher reaching EGP265 million, as 1Q19 saw the exit from Vortex I&II and the booking of strong performance fees;
- ≡ Capital markets & treasury operations revenue contribution to the Group's total revenues came at 22% in 1Q19, with its revenues increasing 5% Y-o-Y to EGP300 million, driven largely by the capital gain realized from the wind portfolio exit and treasury operations;
- ≡ Group operating expenses rose 45% Y-o-Y to EGP878 million in 1Q19, on higher NBFIs employee expenses (salaries and monthly bonuses), higher bonus provisions for the Group and higher other operating expenses largely related to the NBFIs growth. However, employee expenses to operating revenues came at 45% in 1Q19; well below the 50% mark;
- ≡ With the Group's revenue growth surpassing the increase in expenses, the Group reported a net operating profit of EGP466 million, up 37% Y-o-Y in 1Q19 and a net operating profit margin of 35%. This filtered into a net profit after tax and minority interest of EGP374 million, up 51% Y-o-Y in 1Q19.

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

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