

EFG HERMES REPORTS SECOND QUARTER 2021

GROUP EARNINGS OF EGP406 MILLION; ON OPERATING REVENUE OF EGP1.6 BILLION

Cairo, August 18th, 2021 – EFG Hermes reports a strong set of results for the second quarter of 2021, with Group earnings of EGP406 million on operating revenues of EGP1.6 billion. The Group's total assets stood at EGP45.4 billion at the end of June 2021.

Key Highlights

2Q21

- ≡ Another quarter of buoyant performance, with core business operations being the main driver for revenue growth in 2Q21; as Group revenues rose 20% Y-o-Y to EGP1.6 billion underpinned by an outstanding performance delivered by the Investment Bank fees and commissions and the NBFIs revenues which together rose 66% Y-o-Y to EGP1.1 billion;
- ≡ Sell-side revenues rose 69% Y-o-Y to EGP493 million in 2Q21, on the back of higher Investment Banking and Brokerage revenues. Investment Banking revenues more than doubled Y-o-Y, rising 176% to reach EGP161 million, on stronger advisory fees and higher deal count. Additionally, Brokerage revenues gained 42% Y-o-Y to EGP333 million, on higher revenues reported by almost all countries;
- ≡ Buy-side revenues gained 70% Y-o-Y to EGP159 million in 2Q21, lifted by strong Asset Management revenues. Asset Management revenues more than doubled Y-o-Y to EGP142 million in 2Q21; largely due to higher management and incentive fees reported by FIM. On the other side, Private Equity revenues lost 39% Y-o-Y to EGP17 million over the same period mainly on lower AuMs;
- ≡ NBFIs continued its upwards trajectory; with the platform's revenue growing 62% Y-o-Y to EGP483 million in 2Q21, on higher revenues generated predominately by Tanmeyah and valU. Tanmeyah reported revenues of EGP367 million, up 60% Y-o-Y; while valU continued to outperform, with its revenues more than tripling Y-o-Y to reach EGP63 million. Leasing revenues declined 11% Y-o-Y to EGP42 million as the comparable quarter included securitization gain of EGP6.7 million. Factoring saw a good quarter with its revenues rising 196% to EGP11 million;
- ≡ Capital markets & treasury revenues declined 27% Y-o-Y to EGP475 million in 2Q21, as 2Q20 included exceptionally strong unrealized gains on investments and strong fx-gains which overshadowed higher interest income from treasury operations reported in the current period;
- ≡ Group operating expenses rose 13% Y-o-Y to EGP981 million in 2Q21; on higher employee expenses. However, employee expenses/ revenues came at 45% in 2Q21, lower Y-o-Y and Q-o-Q;
- ≡ With a higher magnitude of increase in Group revenues compared to the increase in expenses, the Group reported a solid net operating profit of EGP630 million in 2Q21, up 33% Y-o-Y; and a Group net profits after tax and minority interest of EGP406 million in 2Q21, up 24% Y-o-Y.

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

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