



# Q2 2022 Earnings Call

September 8, 2022



## Disclaimer

The information contained in this document is proprietary and confidential to Fawry For Banking Technology And Electronic Payment S.A.E (“Fawry”). You must only use such information for the purposes of discussions with Fawry and you must hold such information in strict confidence and not reproduce it or disclose it to any person, except as may be required by law.

You must not place any reliance for any purpose whatsoever on the information contained in this document. No representation or warranty, express or implied, is given by or on behalf of Fawry or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by Fawry or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith. The information contained in this document has been obtained from sources prepared by other parties and such information may not have been independently verified. The supply of this document does not imply that the information within it is correct now or at any time subsequent to the date of this document.

This document may contain forward-looking statements which, by their nature, involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described within this document. In particular, actual results may be adversely affected by future developments affecting inflation, interest rates, taxation, social instability or other economic, political or diplomatic or other matters. Forward-looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue.

# Agenda

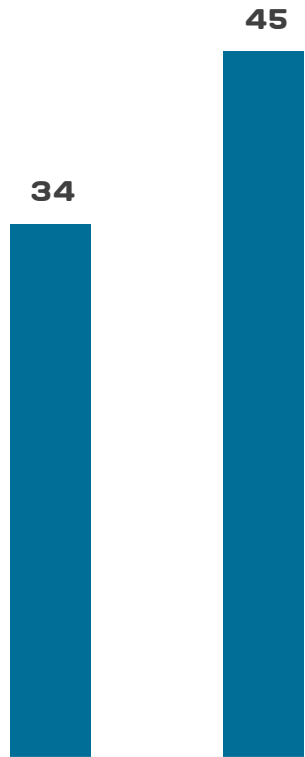
- **2Q22 Operating & financial results**
- **3Q22 guidance**
- **Digital growth**
- **Business Updates**
- **Q&A**

# 2022

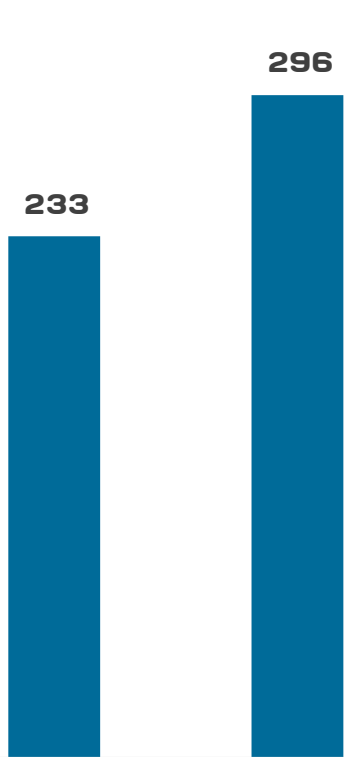
## Operating & Financial Results Highlights

# Double digit growth across all operational KPIs...

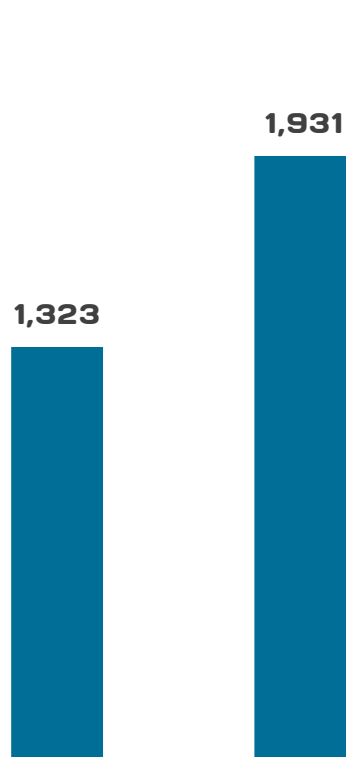
**Active customers + 32%**  
(Mn)



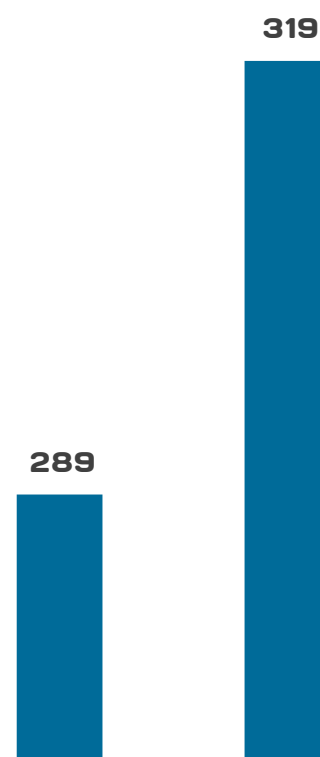
**Total POS + 27%**  
(000)



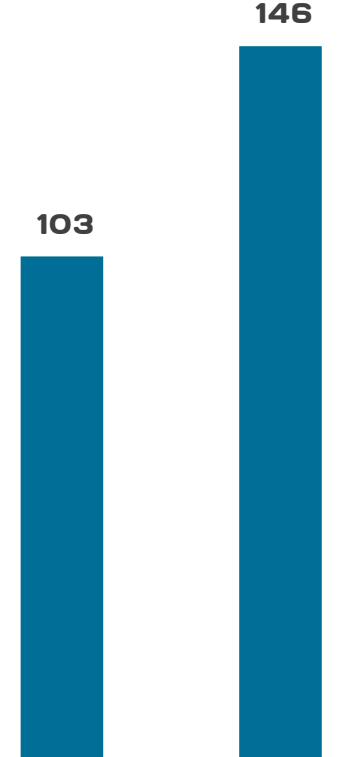
**Number of Services + 46%**



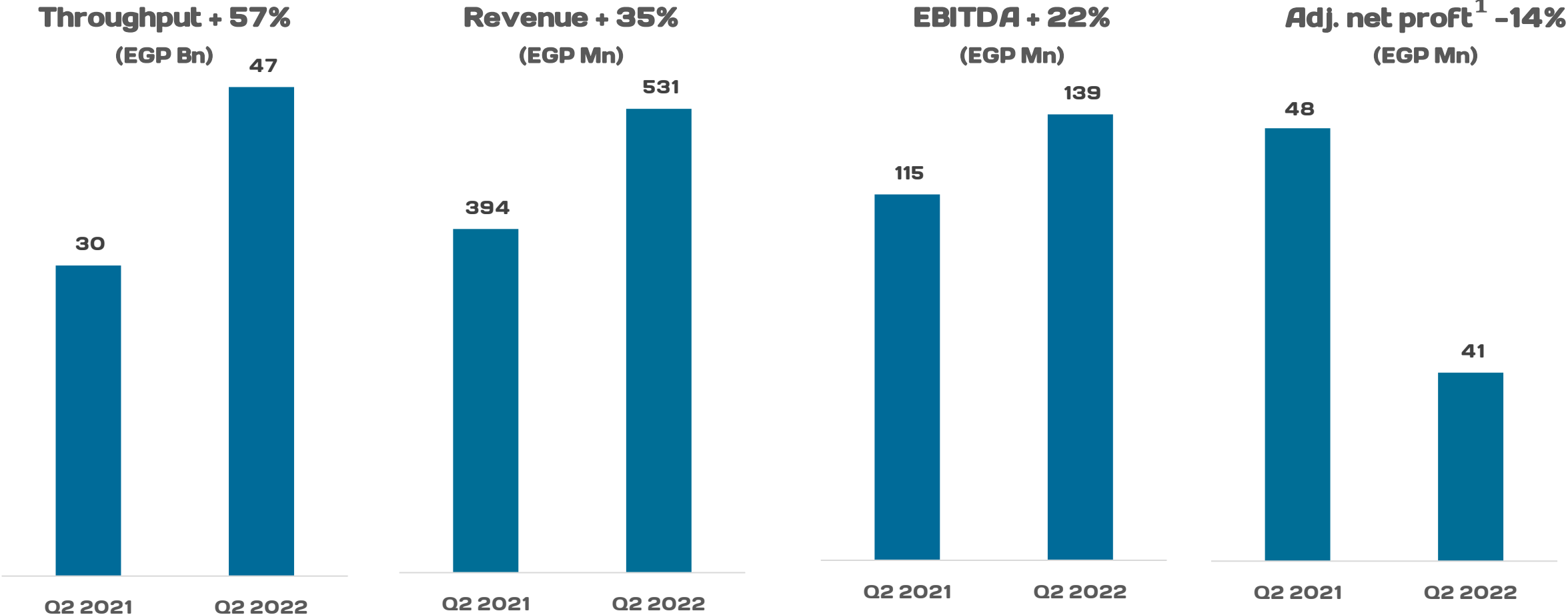
**Total transactions up 11% (Mn)**



**Avg transaction Value + 42% (EGP)**



# ...drove growth in key metrics despite challenging market conditions



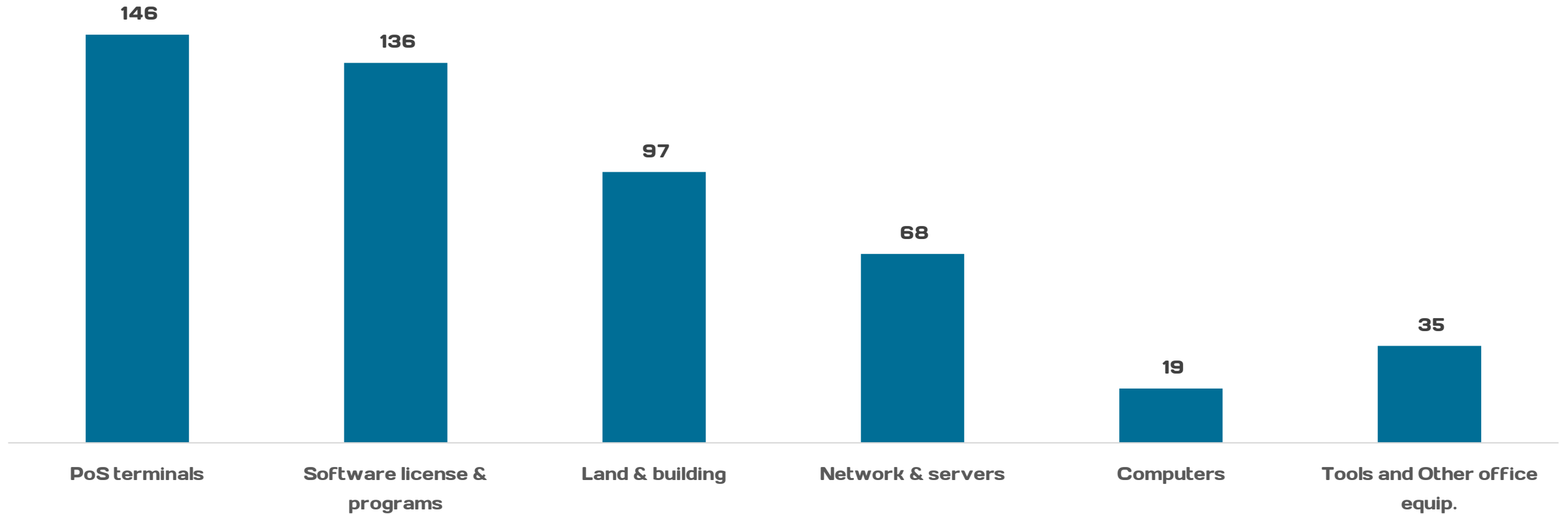
**Total revenue excluding airtime would have grown by 46% y-o-y, as airtime grew by 7% y-o-y**



*<sup>1</sup>Adjusted Net Profit reflects EAS Net Profit excluding after tax impact of nonrecurring items such as a noncash ESOP expense of EGP 13.4 million and EGP 21.7 million included in EAS net profit of 2Q21 and 2Q22, respectively.*

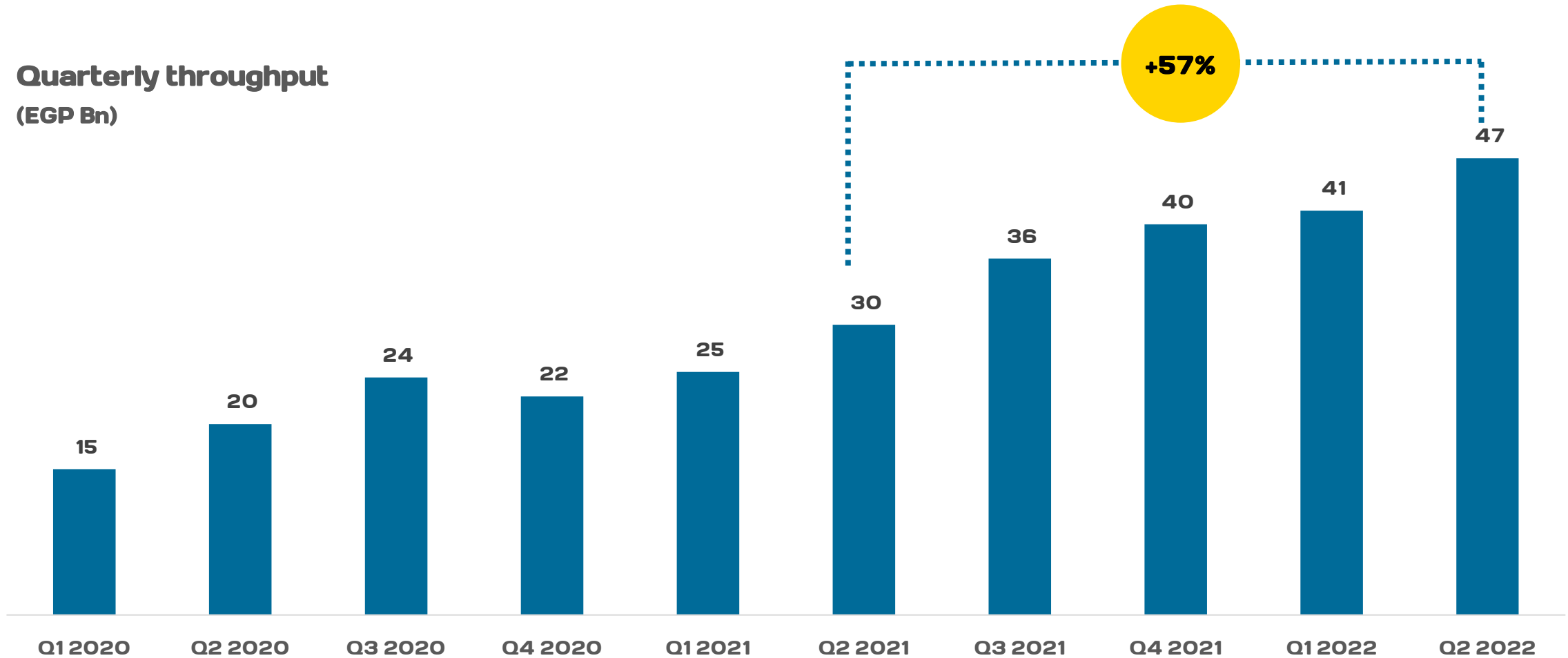
# Investments in PoS, software license & programs continue to contribute to majority of capex

Capex spent in EGPmn since July 2021



# Sustained growth in throughput

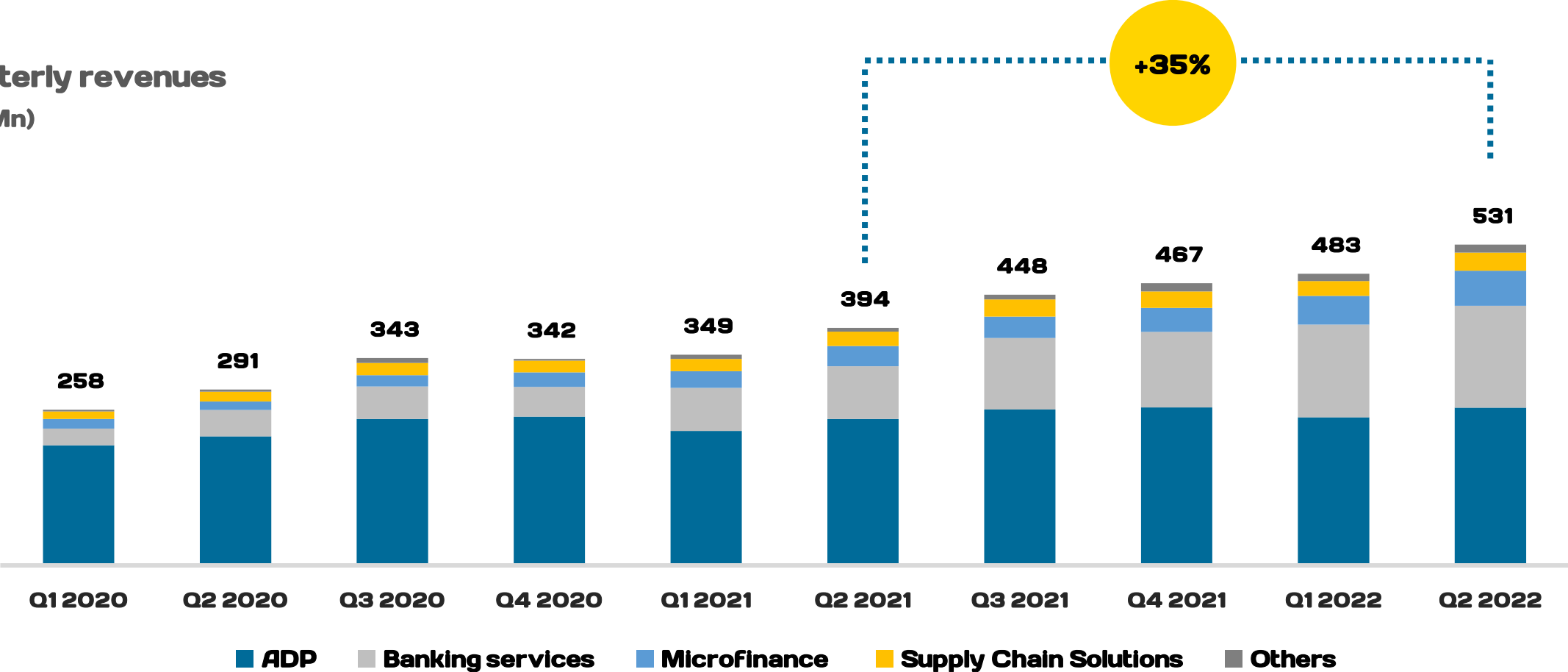
Quarterly throughput  
(EGP Bn)





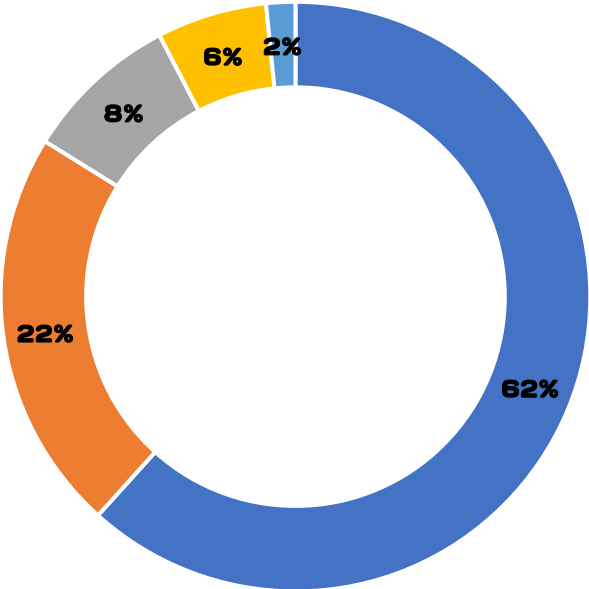
# ...along with top-line growth

Quarterly revenues  
(EGP Mn)

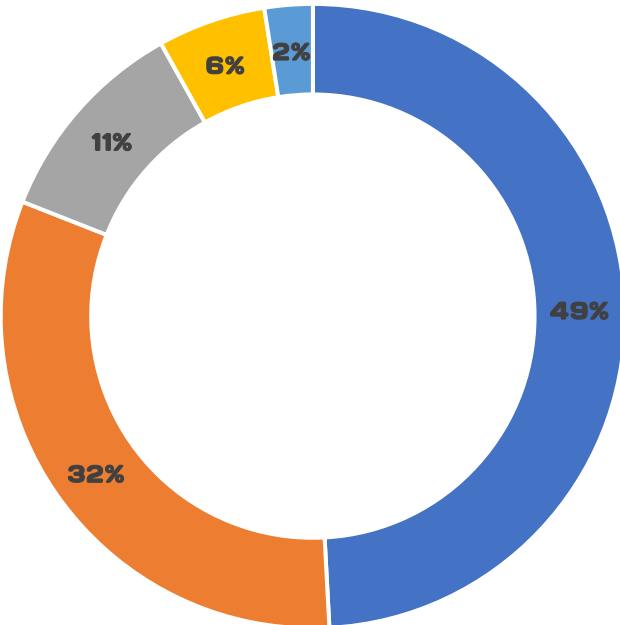


# ...and a diversifying revenue base

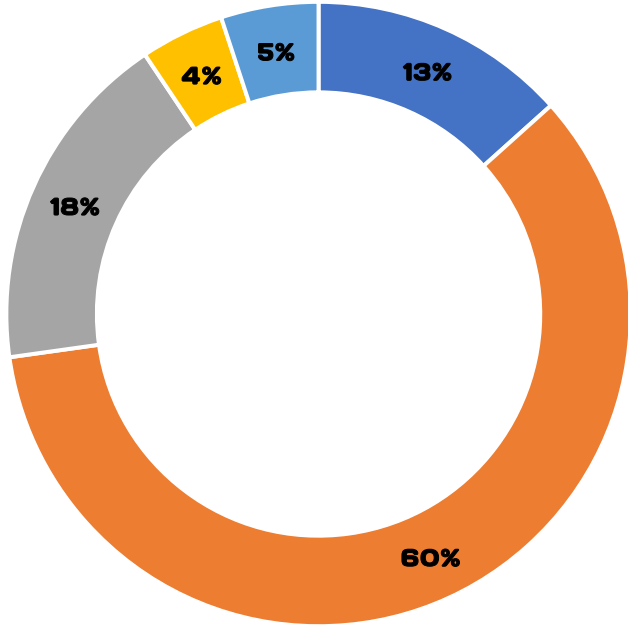
2Q21 Revenues Mix



2Q22 Revenues Mix



% contribution to growth



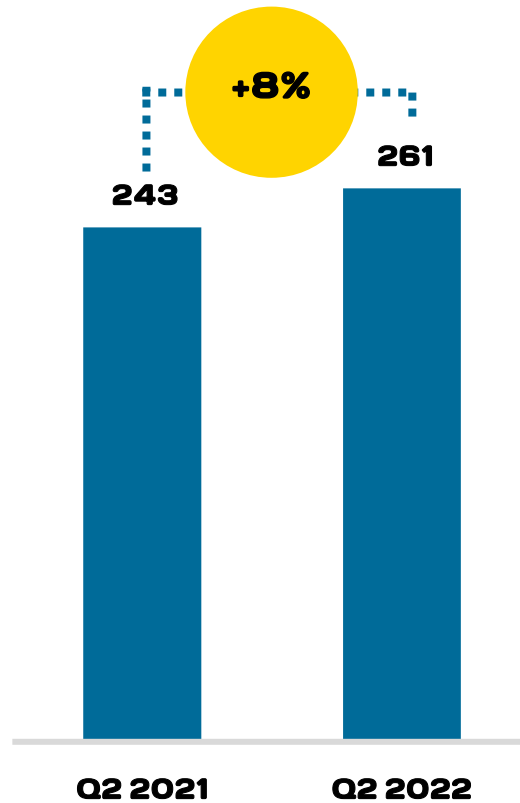
■ ADP ■ Banking services ■ Microfinance ■ Supply Chain Solutions ■ Others

# ADP sustaining healthy growth

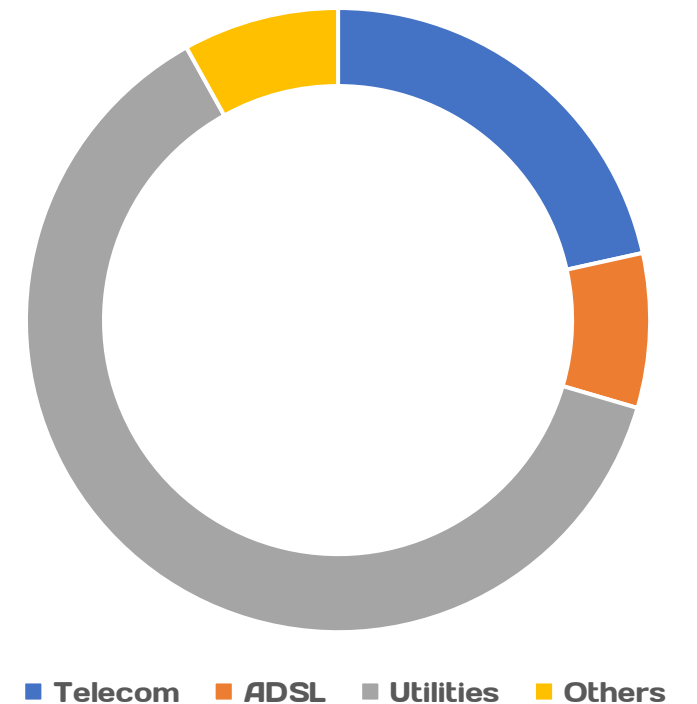
ADP throughput  
(Value)



ADP revenue  
(EGP Mn)

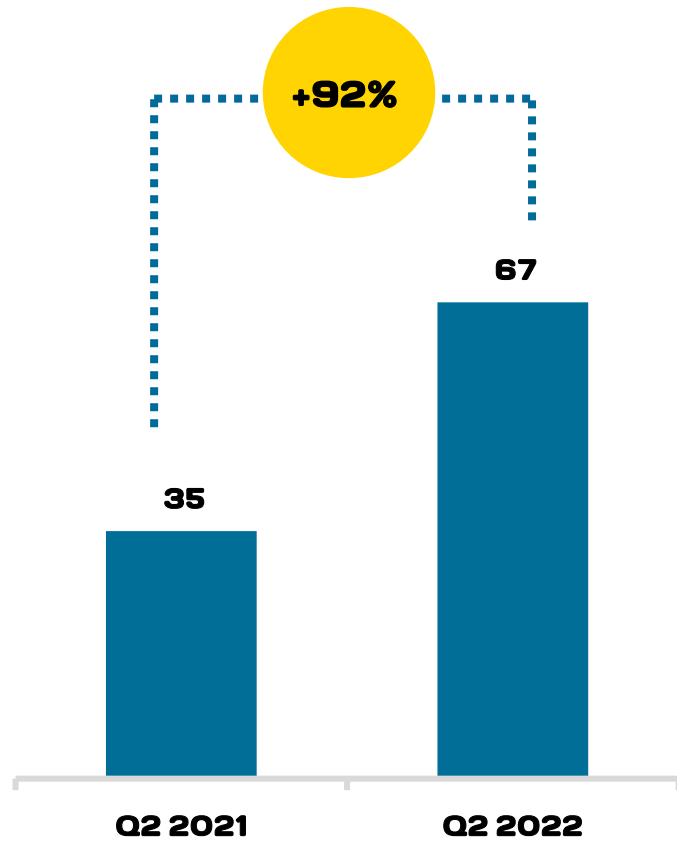


Contribution to ADP revenue  
growth by bill type

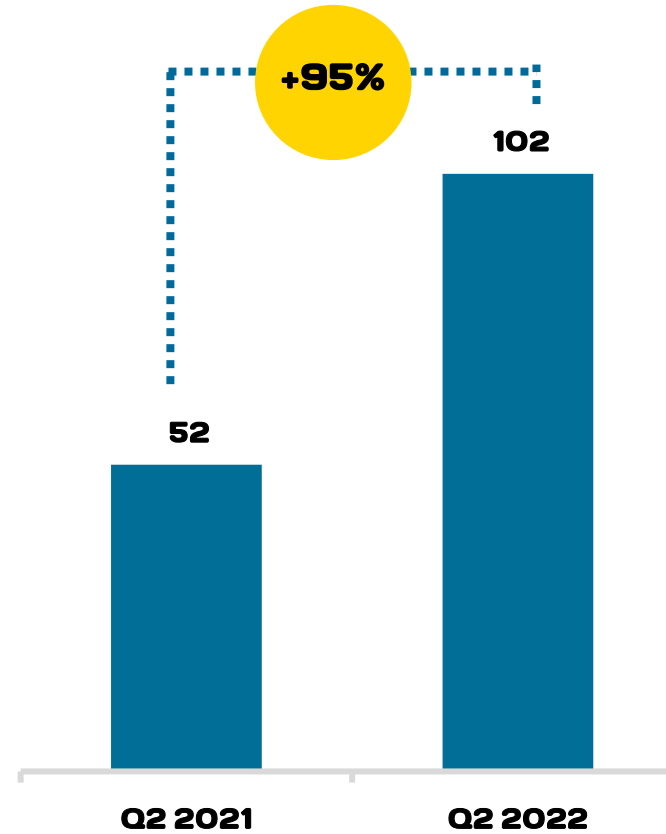


# Banking Services almost doubled, driven by Agent Banking and Acceptance

**Acceptance revenue**  
(EGP Mn)

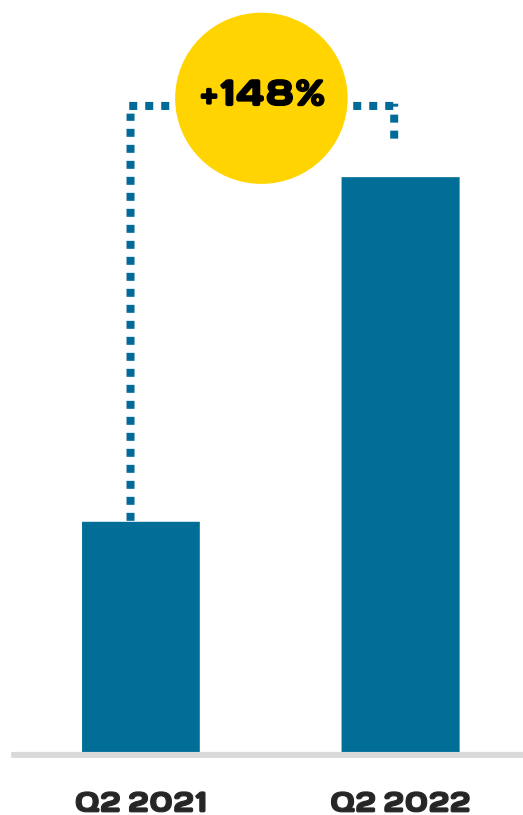


**Agent Banking revenue**  
(EGP Mn)

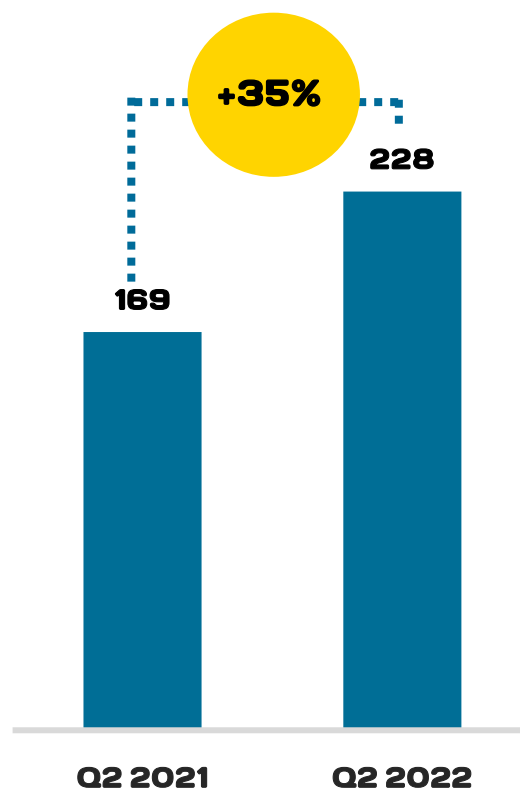


# Continued adoption across the Acceptance business

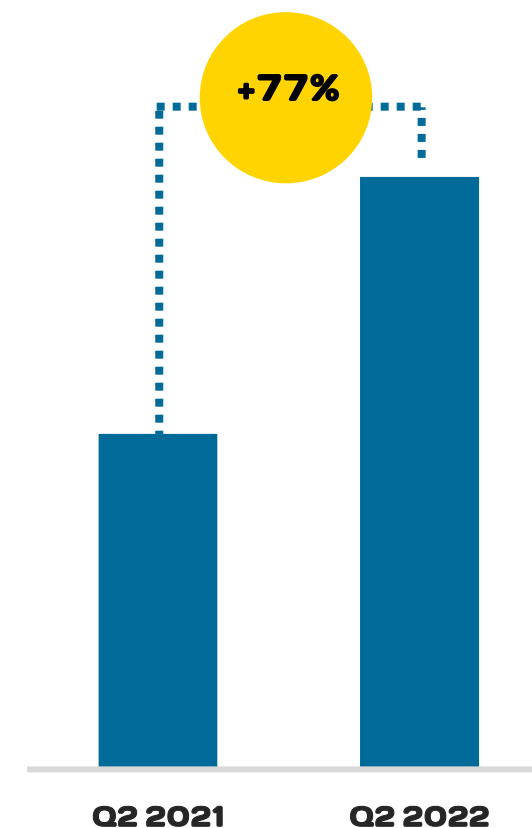
Revenue from instore  
Acceptance



Acceptance enabled POS  
(‘000)

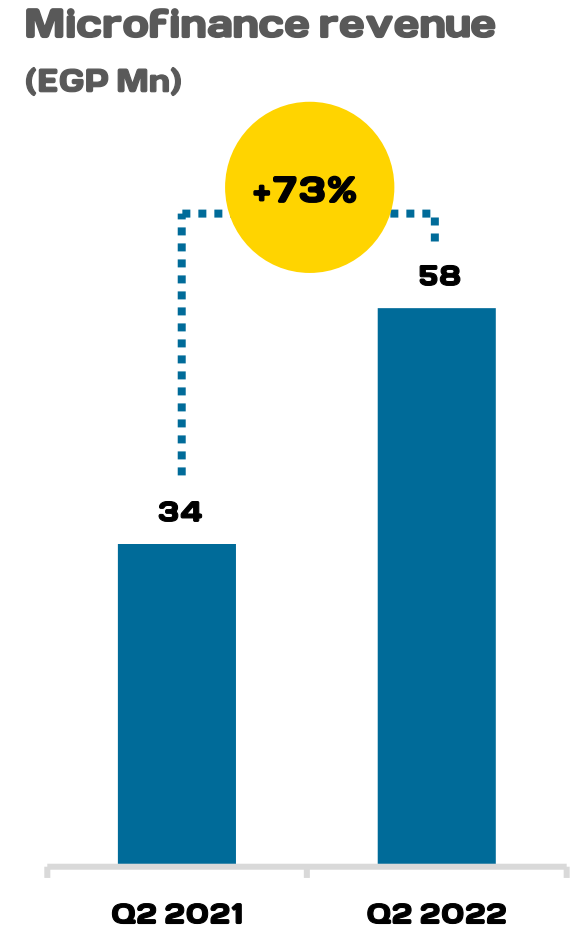
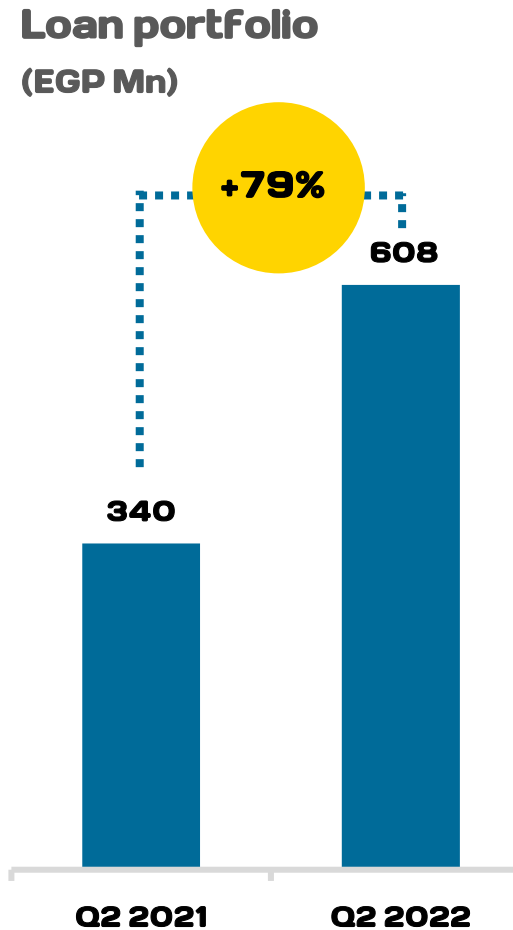


Revenue from online  
acceptance



# Microfinance: Business Developments & Earnings Highlights

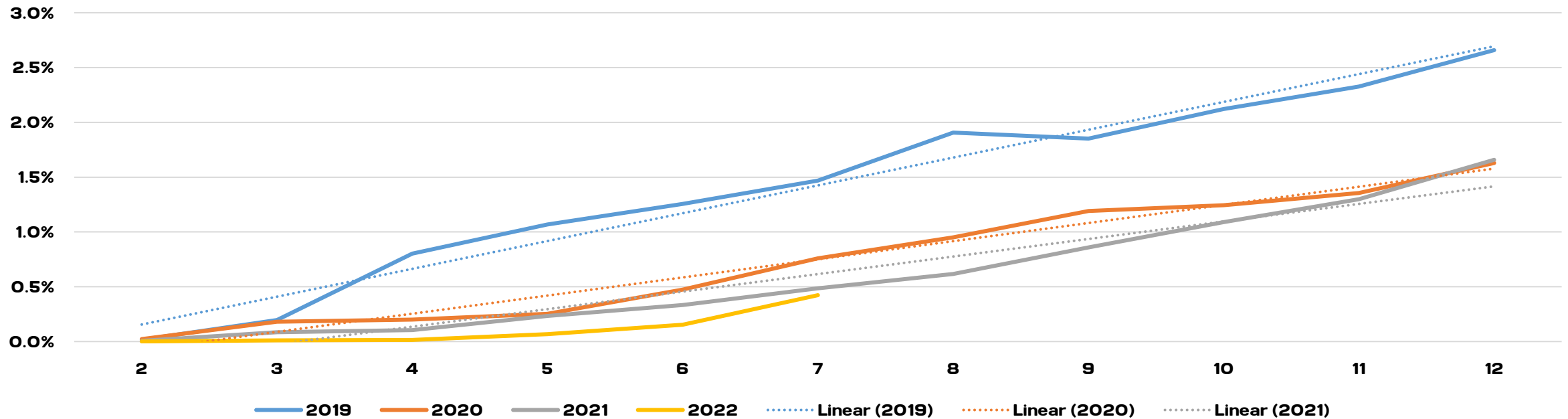
- 📈 23.5k clients (▲ 34% y-o-y)
- 📈 Credit limits still at EGP 200k
- 📈 EGP 222 Mn disbursed over 5.9 k loans in 2Q22
  - Amount (+94% y-o-y)
  - Loans (+30% y-o-y)
- 📈 Average Number of online applications processed monthly 2,446 (2Q22) vs. 1,467 (2Q21)



# Microfinance: Portfolio quality & Earnings Highlights

Number of months after disbursement

PAR30, % (avg by years)



📌 Last 2 years average PAR30 after 12 months of loan disbursements didn't exceed 1.7%

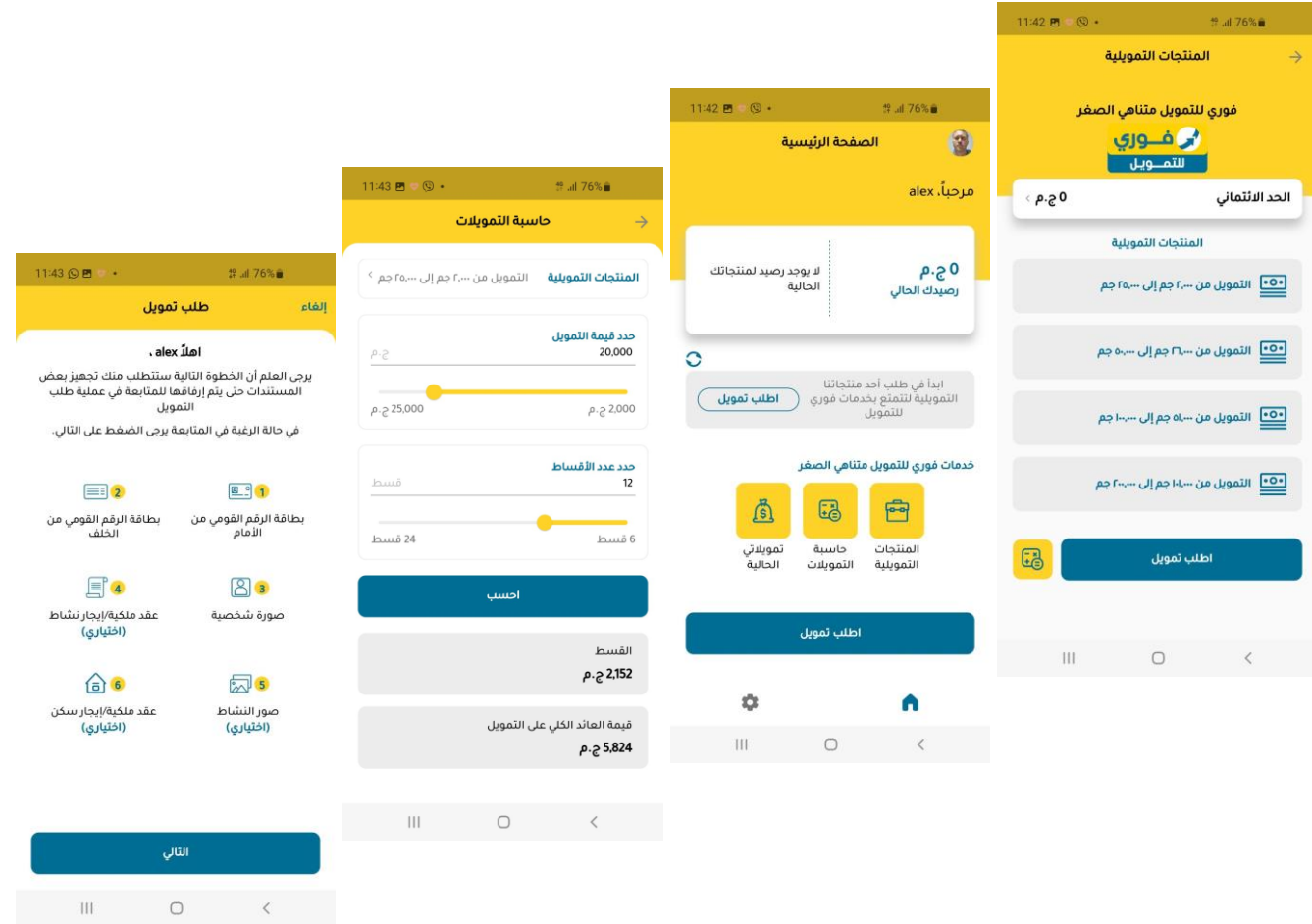
# Microfinance: Mobile App for merchants

FMF finished development of Mobile App and did a soft launch

By the end of September expected to have a full launch over the market

Main functionalities:

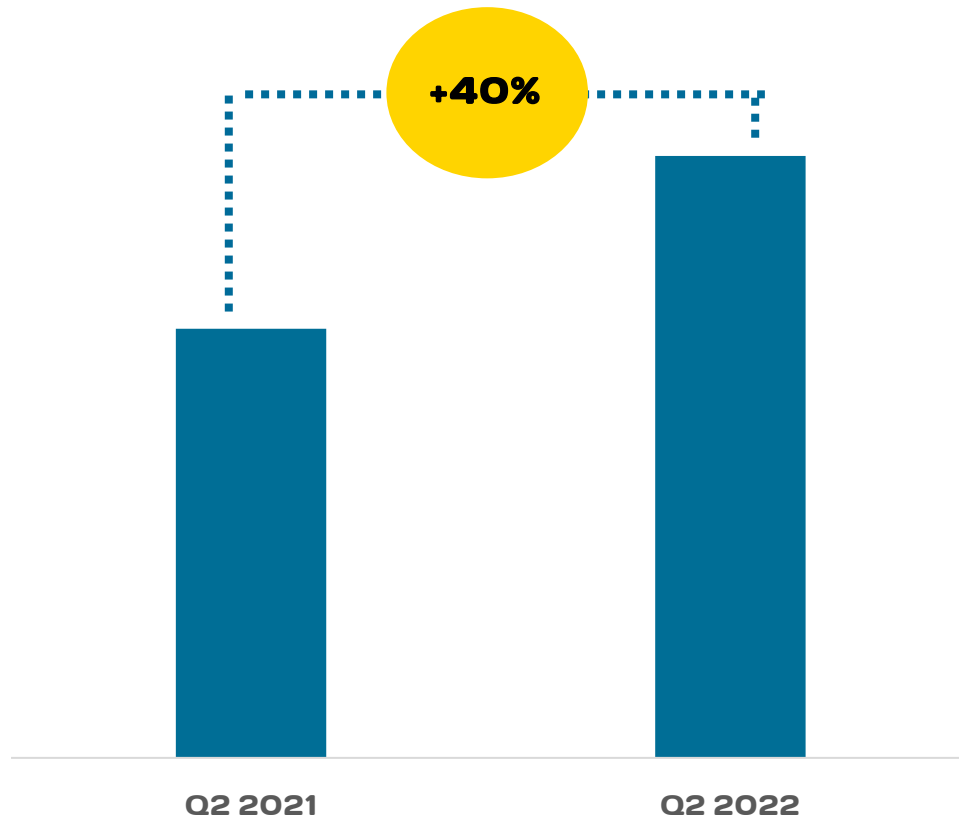
- Self-registration;
- Products list with full details description;
- Loan calculator;
- Loan application with E-KYC process;
- Active loans tracking;
- Support.



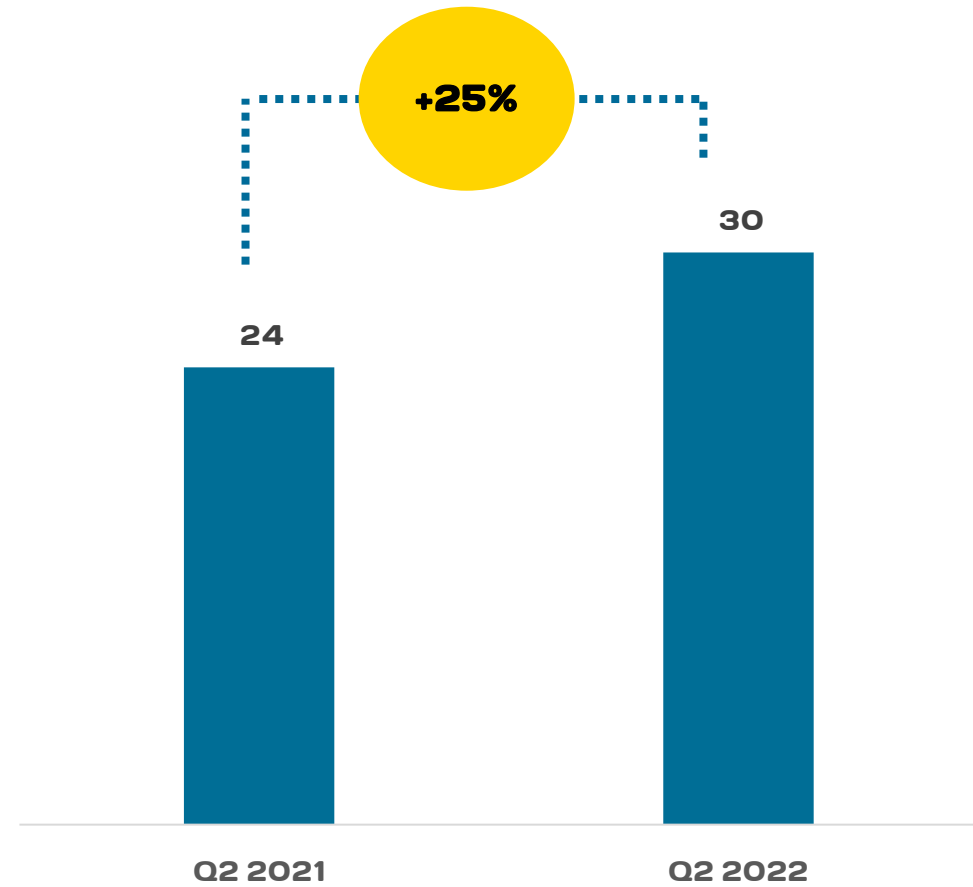


# Supply Chain performance

Supply chain throughput



Supply chain revenue (EGP Mn)



# 3Q22

# guidance

## 3Q22 y-o-y revenue growth expected to beat that of 3Q21

Service	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022e
<b>ADP</b>	<b>6%</b>	<b>6%</b>	<b>10%</b>	<b>8%</b>	<b>14%</b>
<b>Banking services</b>	<b>121%</b>	<b>154%</b>	<b>115%</b>	<b>94%</b>	<b>73%</b>
<b>Microfinance</b>	<b>89%</b>	<b>67%</b>	<b>70%</b>	<b>73%</b>	<b>81%</b>
<b>Supply Chain Solutions</b>	<b>40%</b>	<b>36%</b>	<b>22%</b>	<b>25%</b>	<b>37%</b>
<b>Technology &amp; Other services</b>	<b>-4%</b>	<b>458%</b>	<b>75%</b>	<b>111%</b>	<b>121%</b>
<b>Total</b>	<b>31%</b>	<b>37%</b>	<b>38%</b>	<b>35%</b>	<b>38%</b>

## 3Q22 q-o-q expenses growth expected to be below that of 3Q21

Cost items	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022e
Mktg Expenses	58%	-41%	58%	7%	26%
Selling Expenses	11%	12%	4%	9%	7%
HR Expenses	22%	14%	15%	14%	6%
Operating & G&A Expenses	-2%	29%	-18%	16%	22%

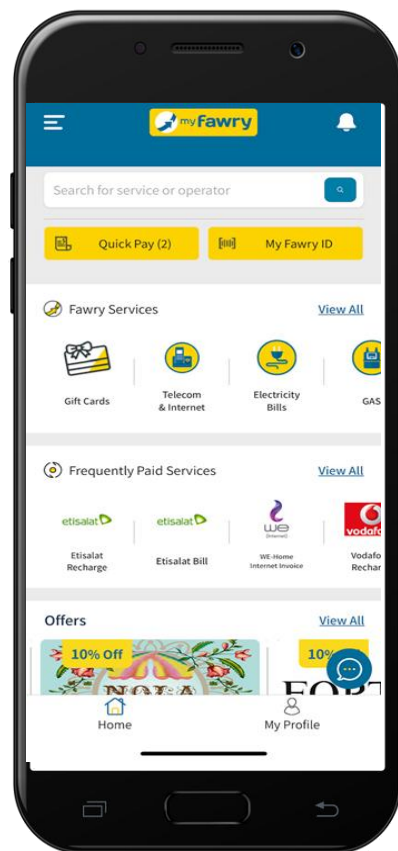
# Digital growth

# Continuing myFawry growth

## 1H22 developments

Triggered push notifications and one click payments for all bills added to customers' quick pay list

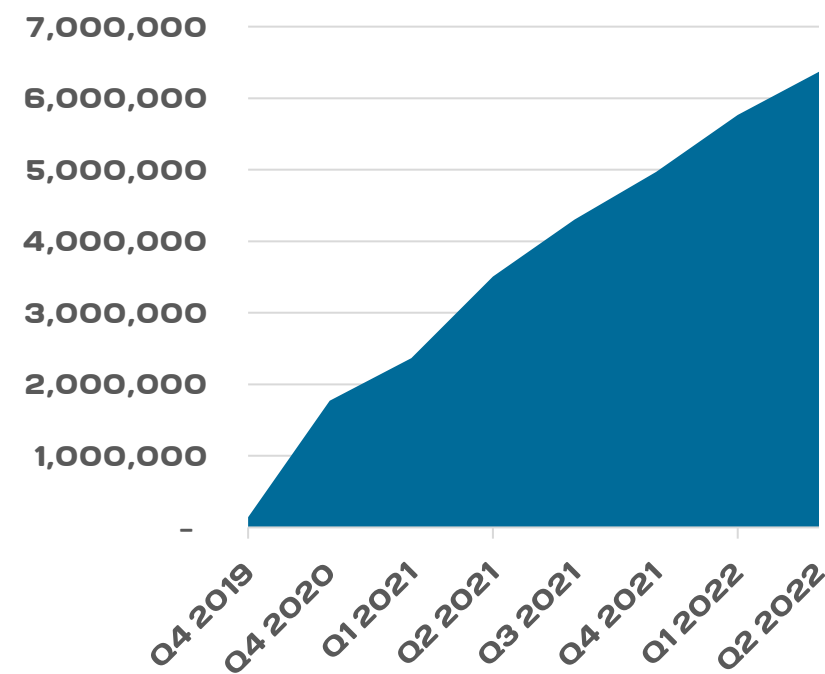
Notify users with telecom bill payments once registered on myFawry



**2.8** EGP Bn  
Annualized June 22  
throughput  
Up c. 71% y-o-y

c. **6.3** Mn  
Downloads since  
June 2019  
Up 82% y-o-y

myFawry cumulative downloads



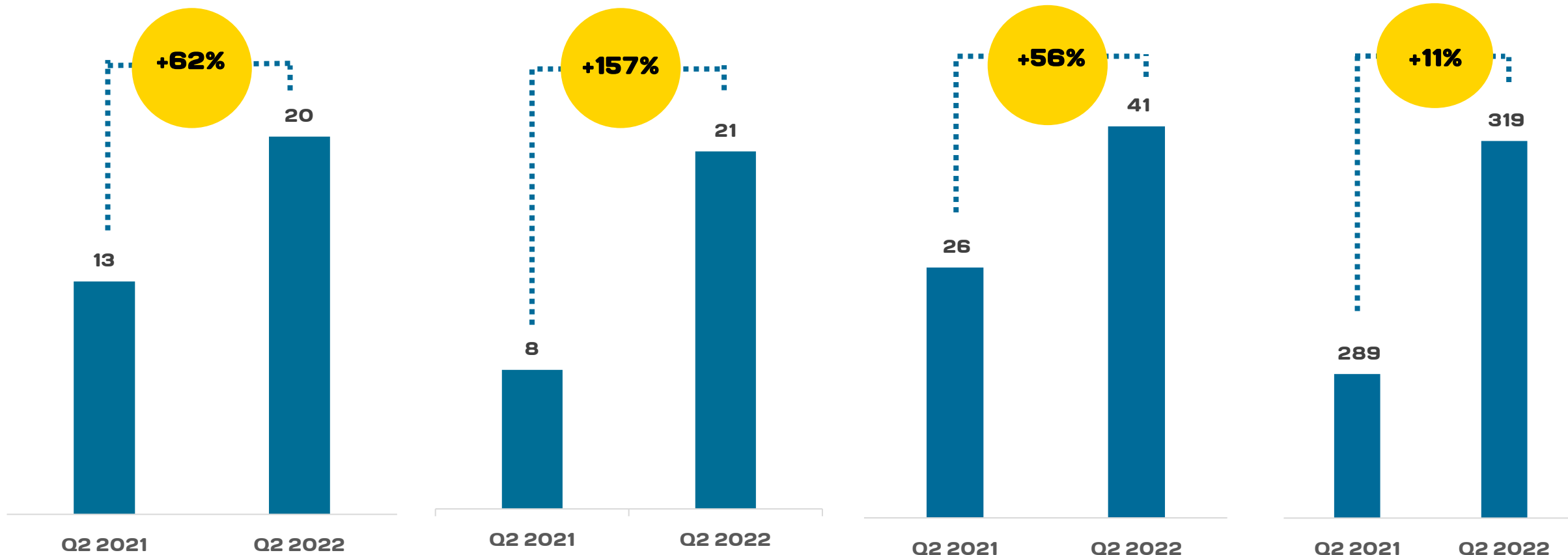
# Growing digital transactions activity

Mobile Wallet<sup>1</sup> Transactions (Mn)

Mobile Wallet<sup>1</sup> Processed Value (EGP Bn)

Total digital<sup>2</sup> Transactions (Mn)

Total Transactions (Mn)



# Business Updates



# Business Enablement Update

## Organization Development

- 🚀 Consumer Finance Management Onboard
- 🚀 Fraud Management Organization

## Enabling platforms

- 🚀 Launched *Agile Across all Products*
- 🚀 CRM For 90 % of the Services to be completed by end of 3Q22
- 🚀 Tableau For MIS completed for myFawry and expected rollout by EOY
- 🚀 Fawry Academy

## Certifications

- 🚀 PCI DSS
- 🚀 SOC II

## Technology

- 🚀 Active Standby By EOY
- 🚀 Big Data Platform Upgrade by EOY

# Business line updates

## myFawry

- 🚀 Prepaid card to launch in 3Q22
- 🚀 Savings to launch in 3Q22
- 🚀 Payroll in 4Q22
- 🚀 Offers and loyalty expansion

## Fawry Cash management

- 🚀 Fawry Pay In / Pay out Solution
- 🚀 Fawry POS ATM
- 🚀 Expand Fawry Plus Cash Centers to 250 By EOY

## Fawry consumer finance

- 🚀 Product launch 4Q22/1Q23
- 🚀 Integrated in myFawry

## Fawry Accept

- 🚀 Average Daily Acceptance EGP 100 Million
- 🚀 NBE E Com Acceptance Gateway to launch in 3Q22
- 🚀 Fawry Quick Pay to launch in 3Q22
- 🚀 Fawry Soft POS to launch in 4Q22

# FMCG business updates

## Ordering

- 📌 Pilot with Henkel
- 📌 Tested on 23 merchants
- 📌 Grow testing to 100 in Faisal
- 📌 Go to market Sep 2022



## Lending

- 📌 Microfinance:
  - Pilot with Bel Egypt, April 2022
  - 40 merchants currently added and 123 under activation
- 📌 Banking:
  - Technology integration – July 2022
  - QNB, CBE final approval
  - Pilot end of 3Q 2022

# Q&A