



2Q 2023 Earnings Call

Sep 06, 2023

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2Q 2023 Operating & financial results

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Capex investments & digital growth

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Q&A



2023

Operating & Financial

Results Highlights

Main highlights for the period

5_{mn}

Transactions processed
a day (new milestone)

39.7%

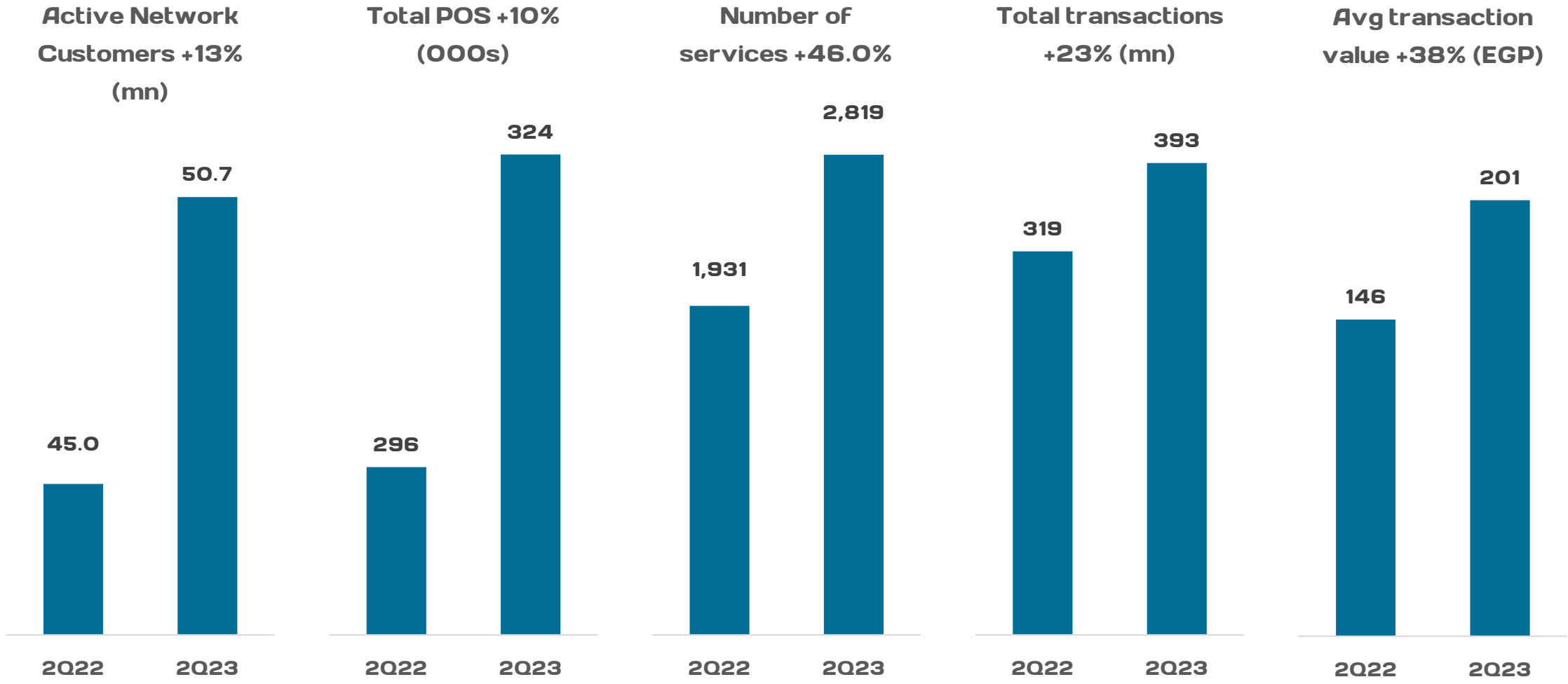
EBITDA margin for
2Q23, the highest in
company's history

23.6%

Adj. net income margin
for 2Q23, the highest in
company's history

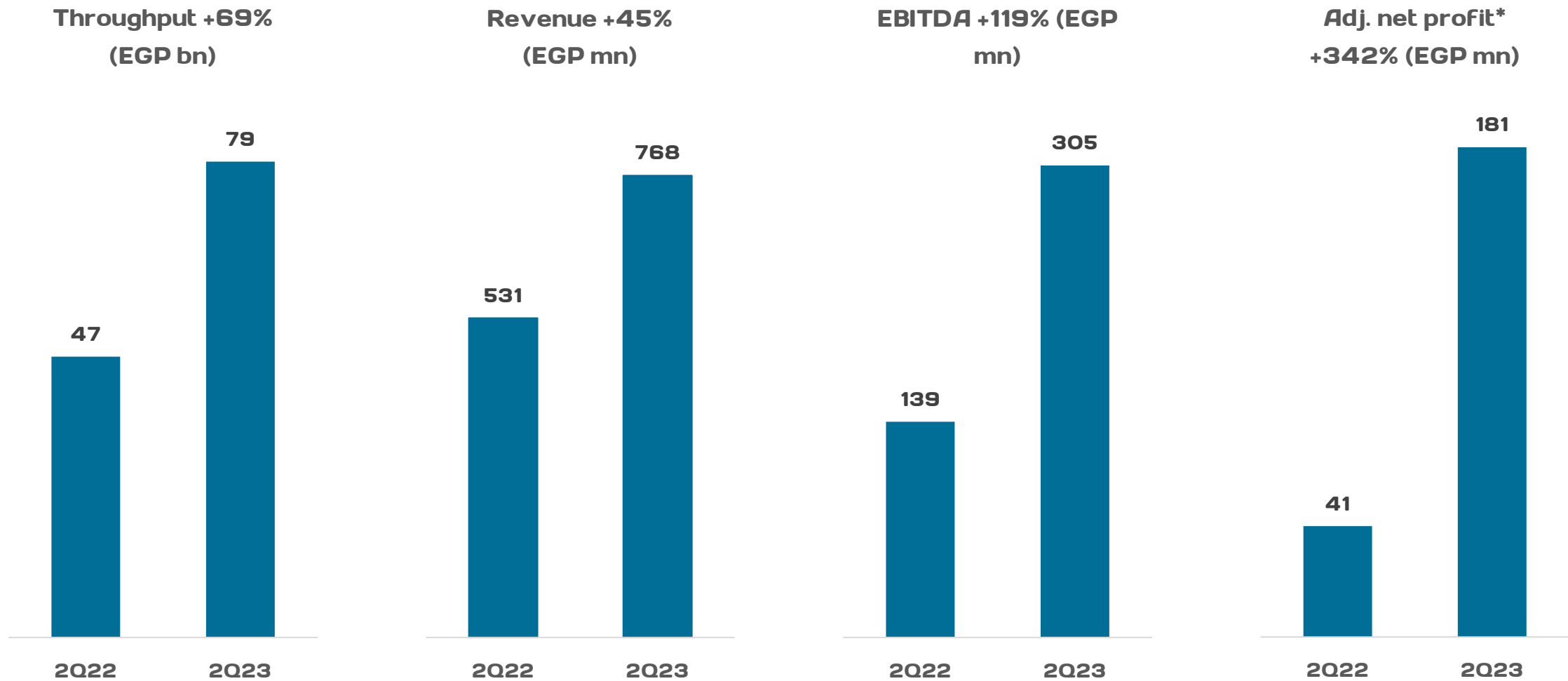
- **Banking Services segment, contributed the lion share of top-line growth for the first half of 2023, with 52% of consolidated revenue growth, in line with company's revenue diversification strategy**
- **The Company maintained increasing profitability down the income statement, reaching the highest EBITDA and net income margins since inception**
- **In July 2023, the company rolled out a soft launch of its BNPL service, a move that will enable Fawry to grow its B2C offering and in line with the strategic transformation of the myFawry app into a Neobank**
- **In August 2023, Fawry Microfinance, successfully obtained preliminary approvals from the FRA for the addition of SME financing to its portfolio. The move is directly in line with the Company's long-term growth strategy of diversifying revenue streams and tapping into underserved and underpenetrated segments across the country**
- **Total mobile wallets processed value more than doubled year-on-year in the first half of the year, reaching EGP 81 billion as financial inclusion rates and digital payment adoption continue their steady rise nationwide products**

Double digit growth across all operational KPIs





EBITDA more than doubles, Adj. net profit more than quadruples

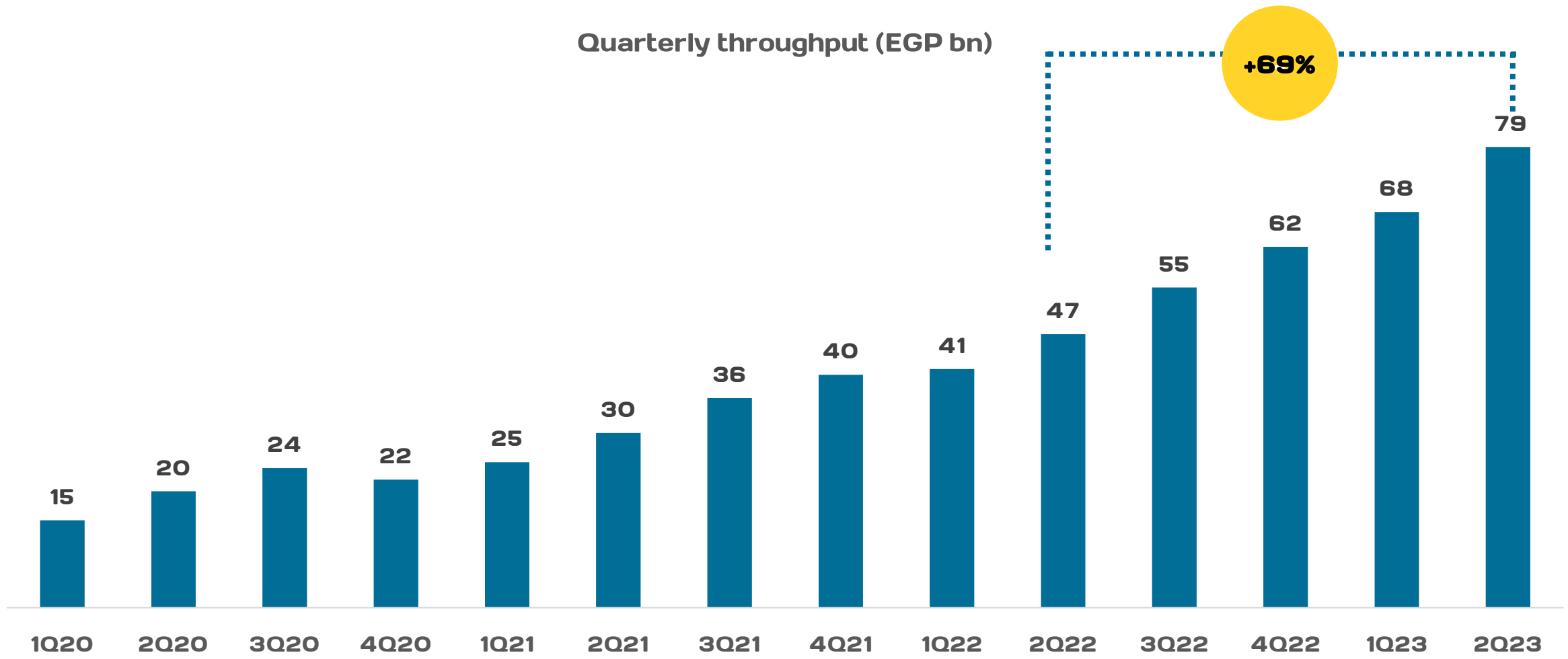


Total revenue excluding airtime would have grown by 53% y-o-y, as airtime grew by 16% y-o-y

*Adjusted Net Profit - The Company presents its Adjusted Net Profit as its EAS Net Profit excluding after tax impact of nonrecurring items such as a noncash ESOP expense of EGP 27.5 million and 21.8 million in EAS net profit of 2Q2023 and 2Q2022, respectively

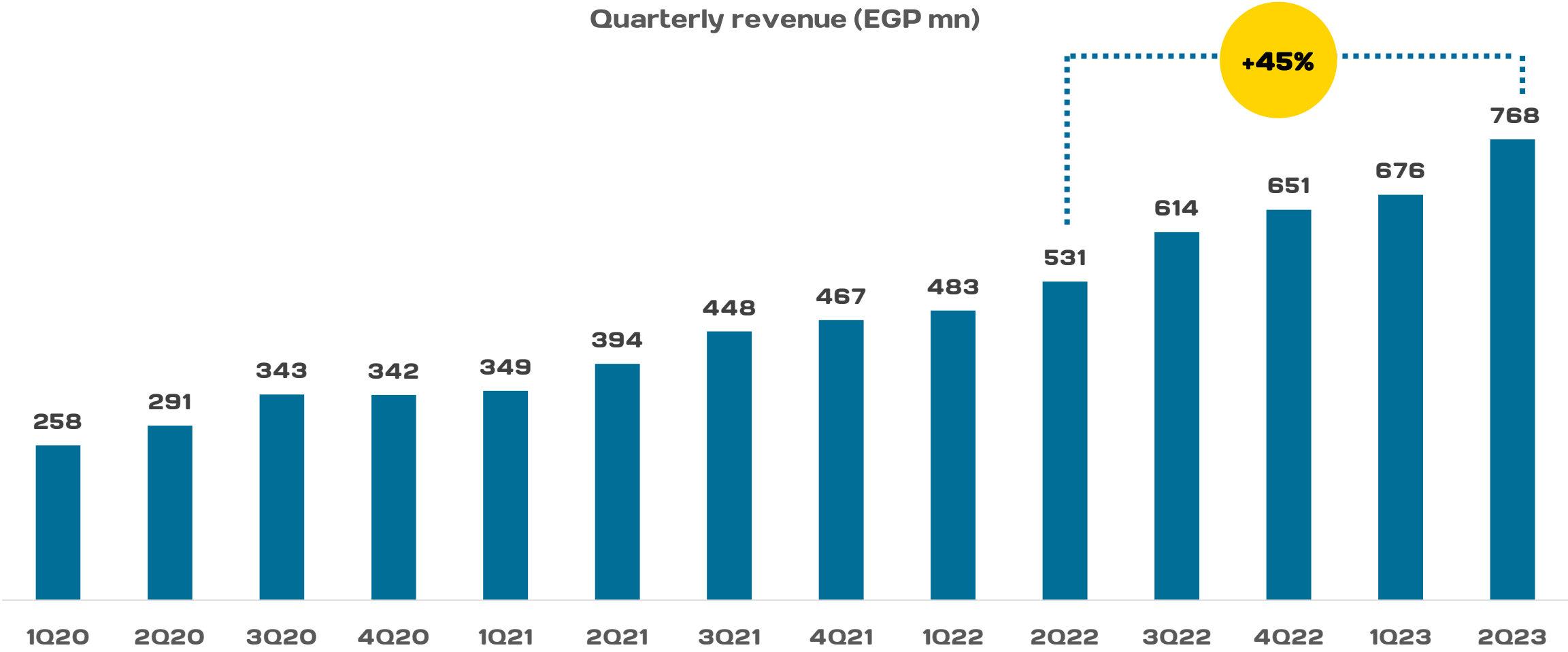
Company manages to maintain y-o-y growth in throughput

Quarterly throughput (EGP bn)



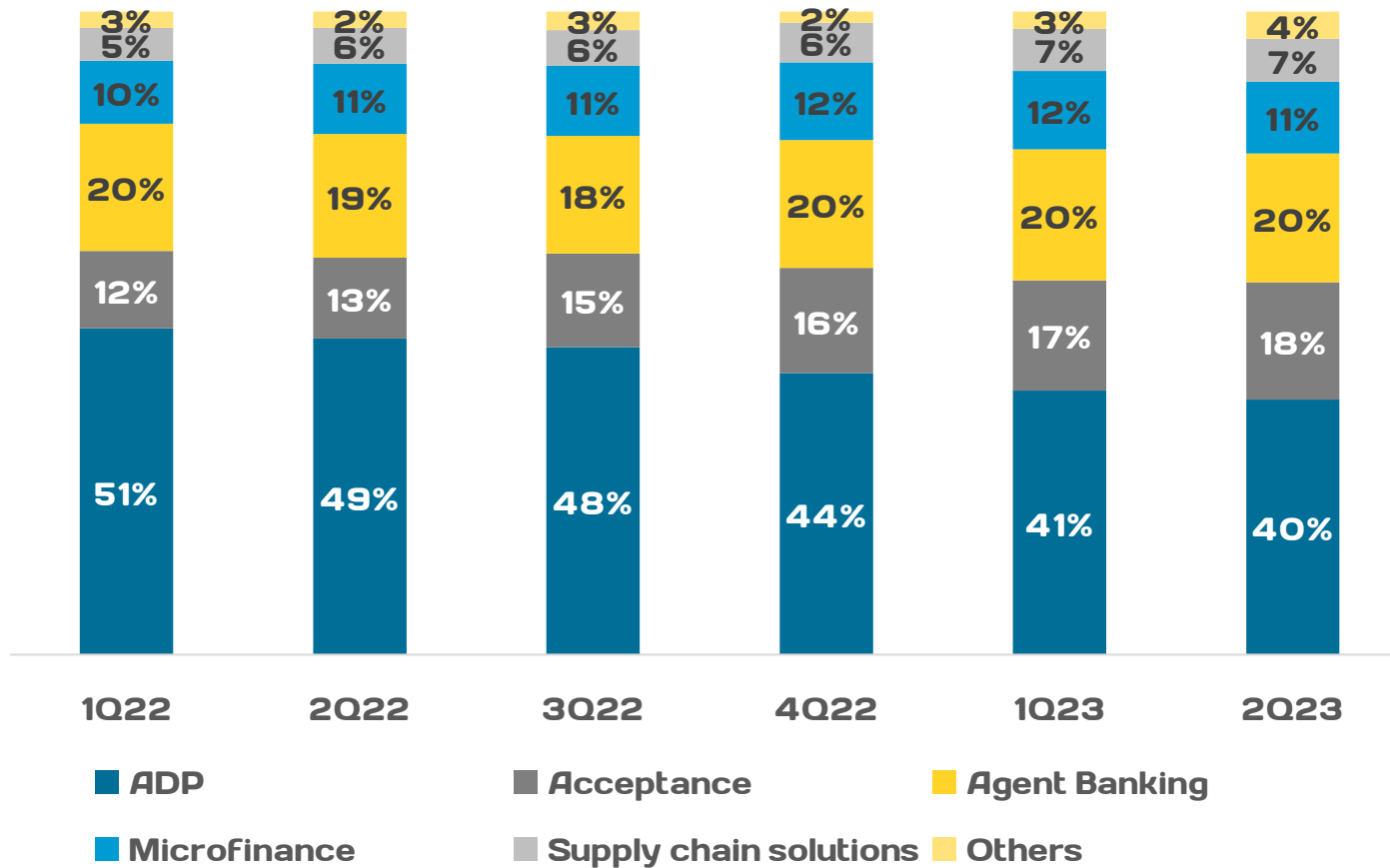
...driving continuous strong revenue growth

Quarterly revenue (EGP mn)

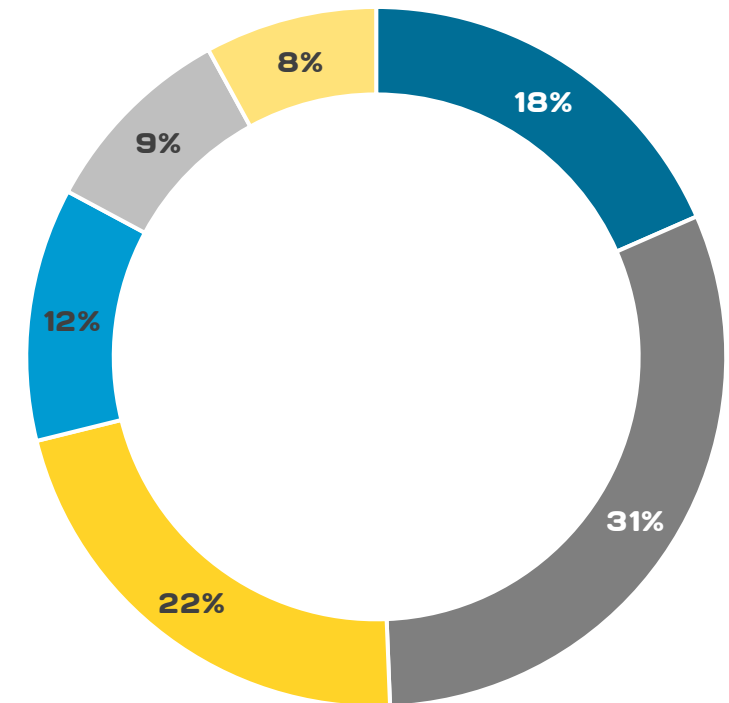


Revenue diversification strategy in-line with strategy, with acceptance and SC growing in contribution

Revenue contribution by quarter

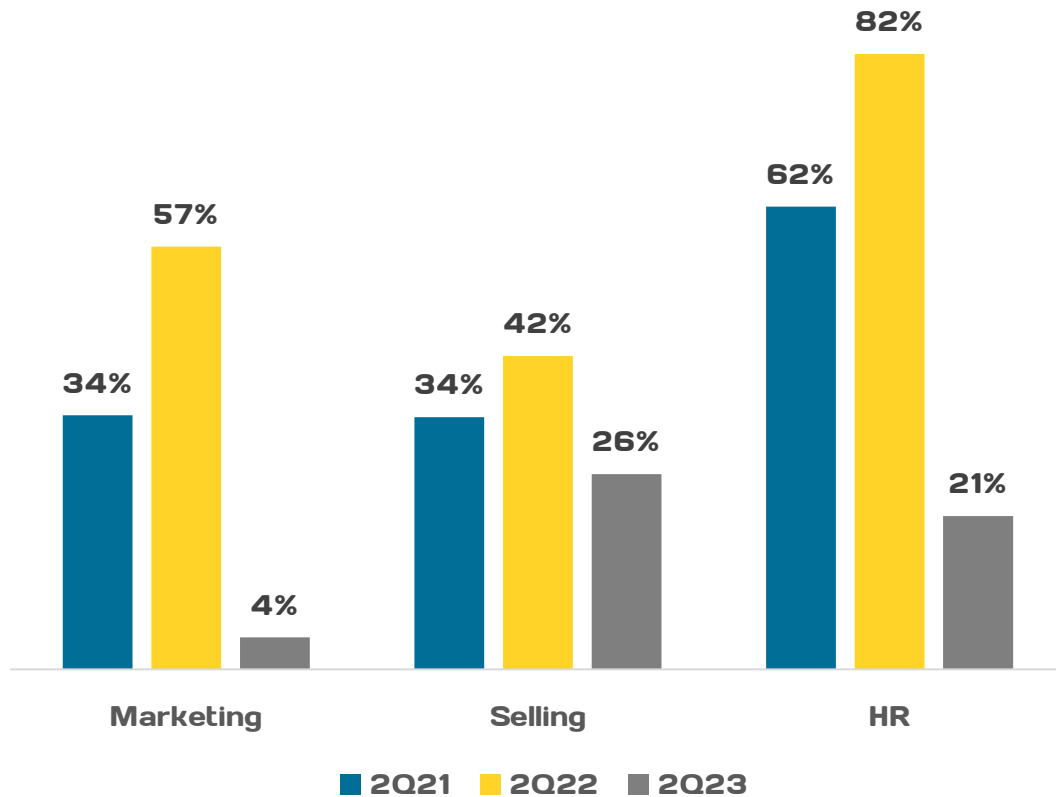


Contribution to y-o-y revenue growth for 2Q23

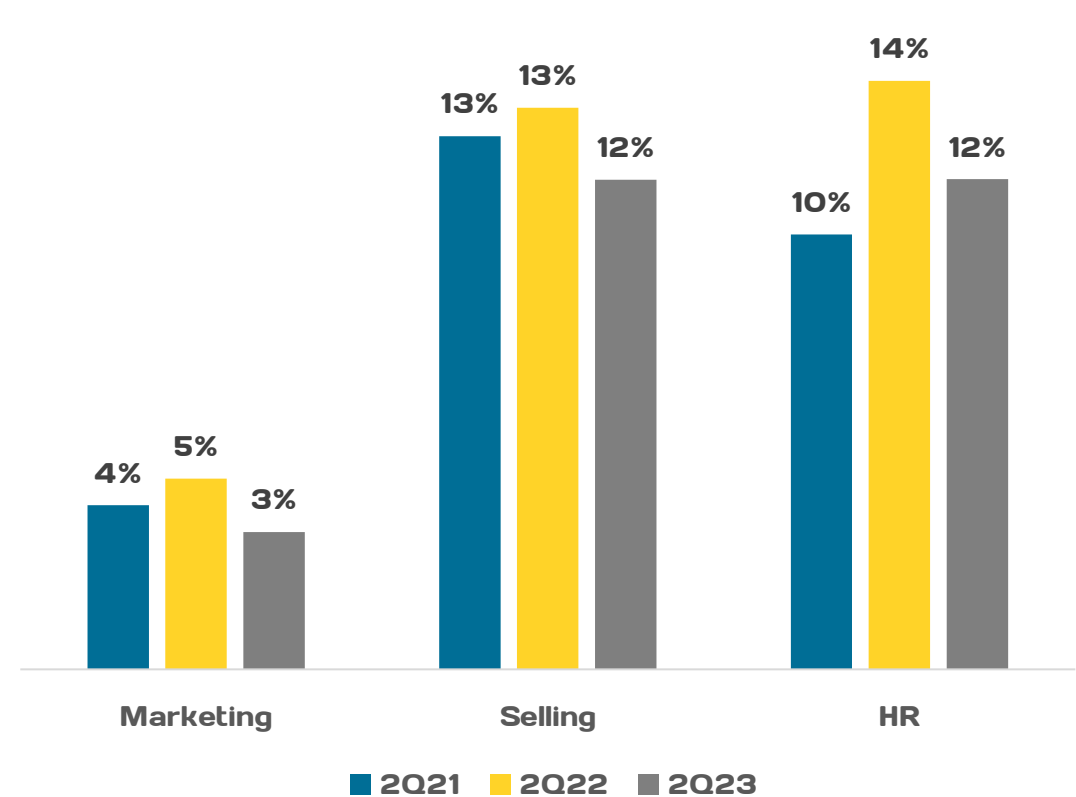


Effective cost control measures leads to a decrease in the proportion of revenue spent, thereby enhancing financial efficiency

y-o-y expenses increase

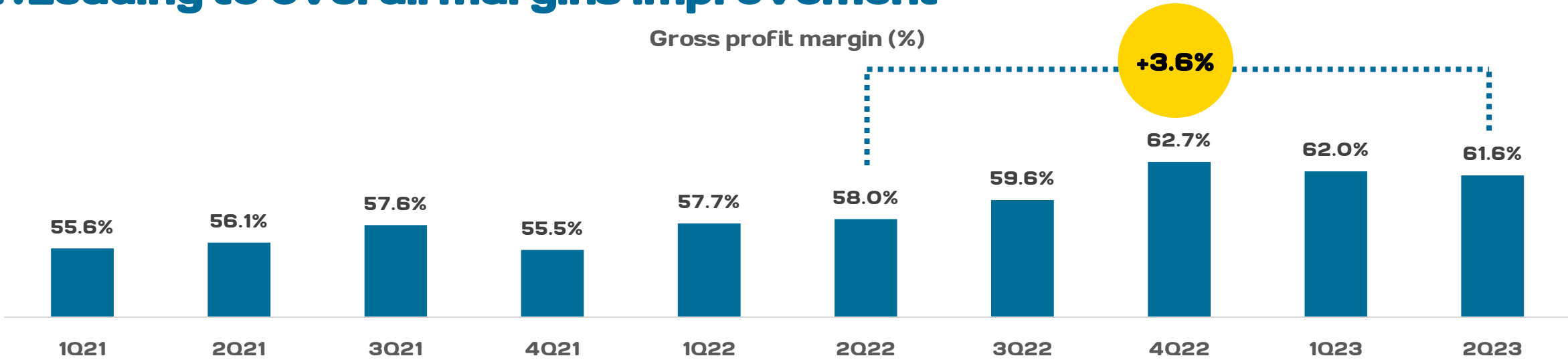


Expense item as % of revenue

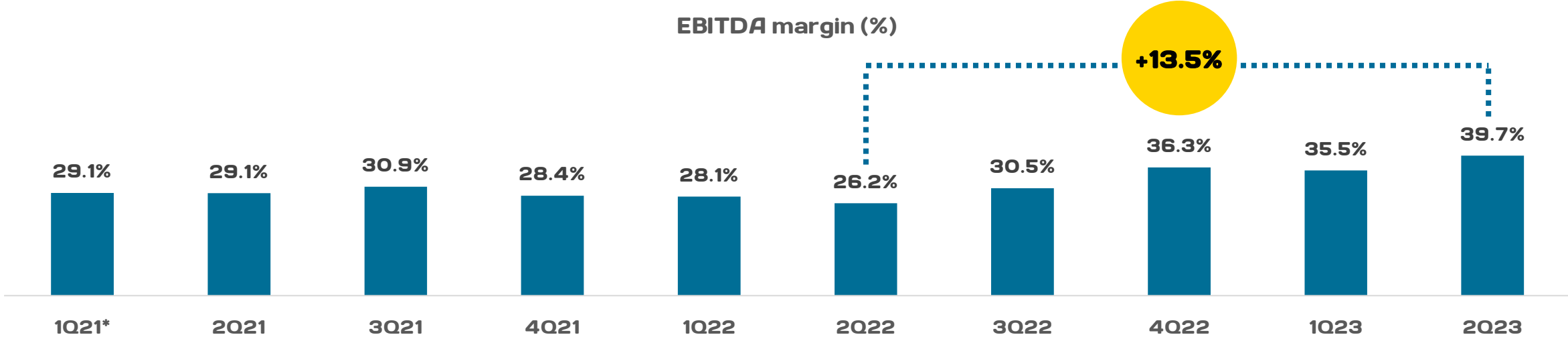


...Leading to overall margins improvement

Gross profit margin (%)



EBITDA margin (%)



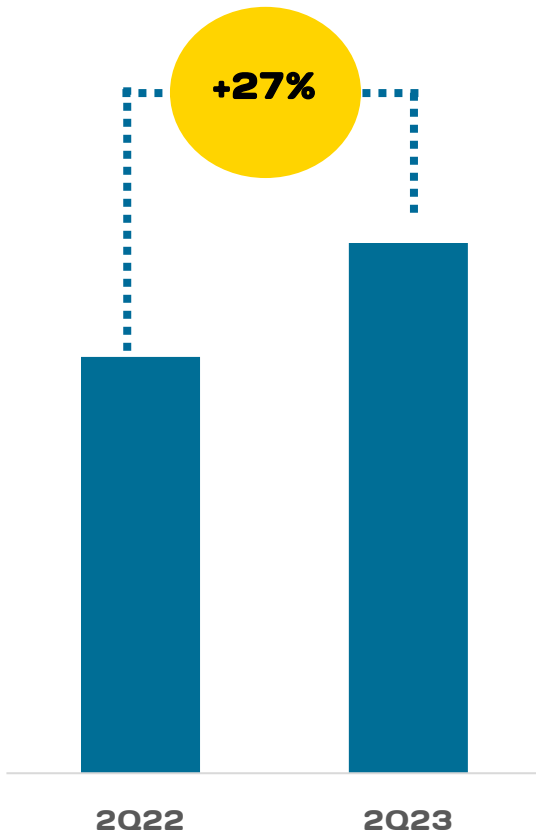
* 1Q21 EBITDA margin has been adjusted for a one-off net gain from CBE initiative of EGP 21.7mn



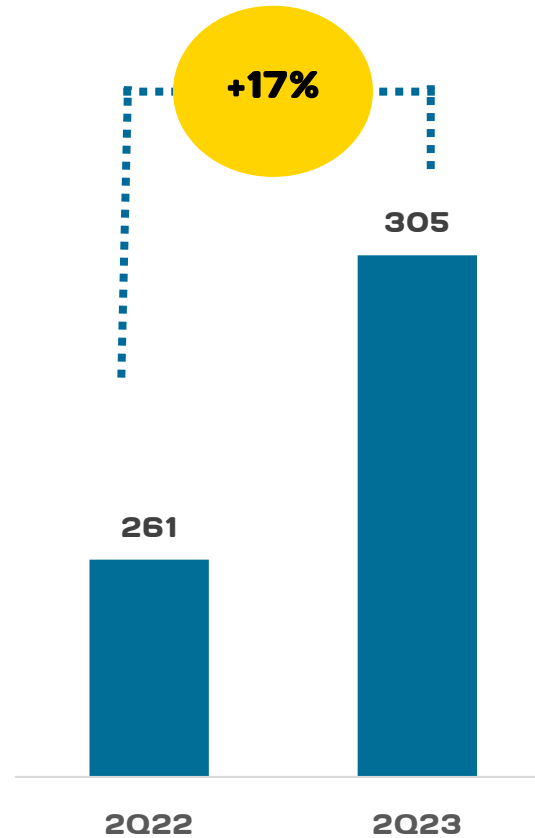
**Dive into FY
2023 figures**

ADP achieving double digit growth, beating guidance

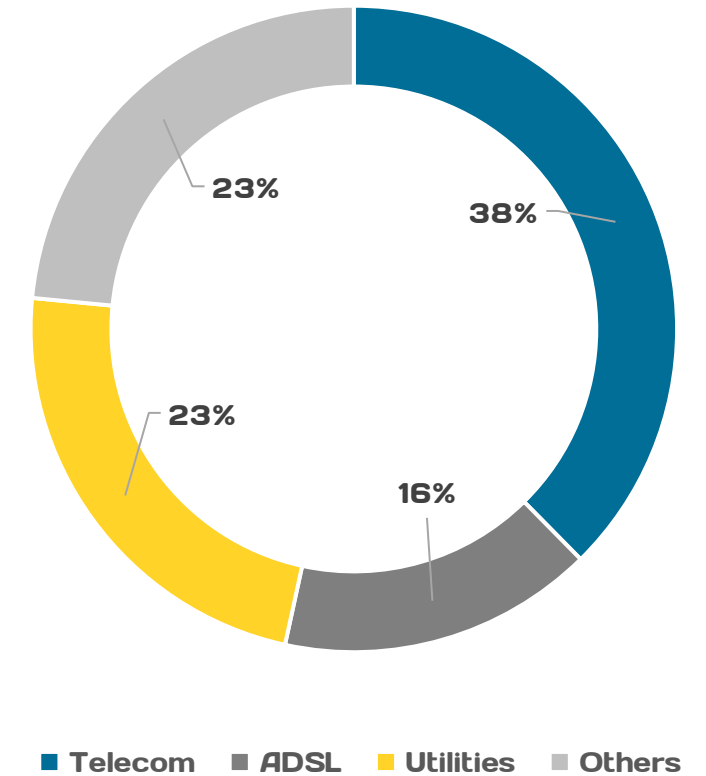
ADP throughput value



ADP revenue (EGP mn)

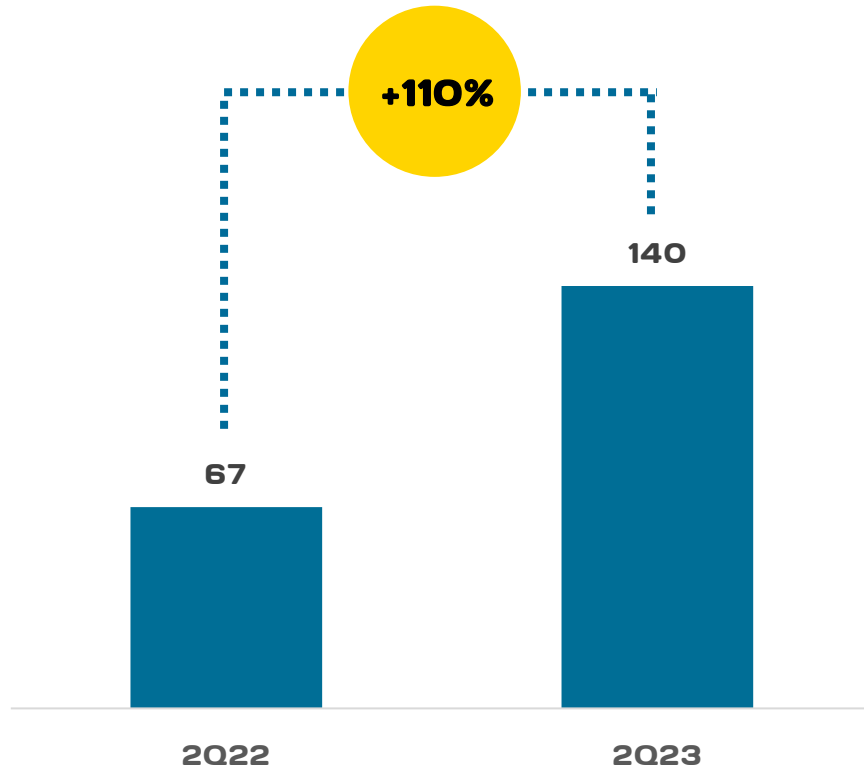


Contribution to ADP revenue growth

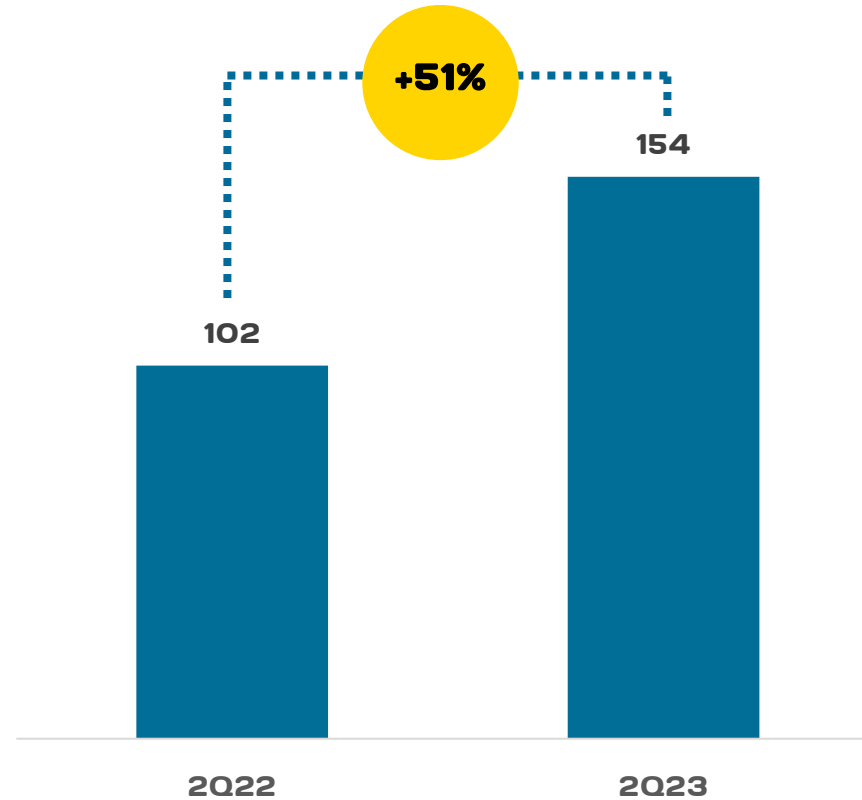


Acceptance doubling, beating guidance of 65% y-o-y growth, while agent banking services meets guidance

Acceptance revenue (EGP mn)

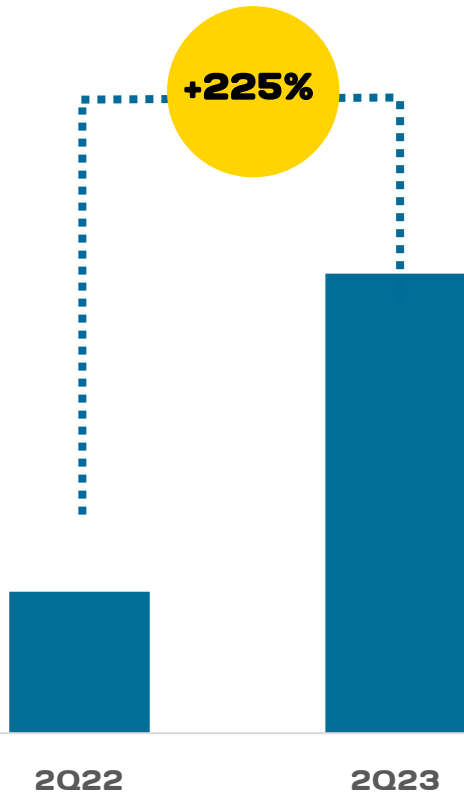


Agent Banking revenue (EGP mn)

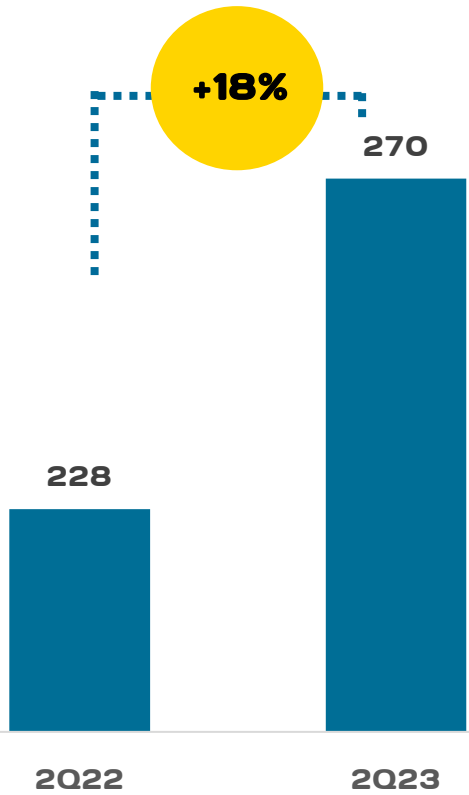


Instore acceptance continues to grow by triple digit figures

Revenue from instore acceptance



Acceptance enabled POS (000s)

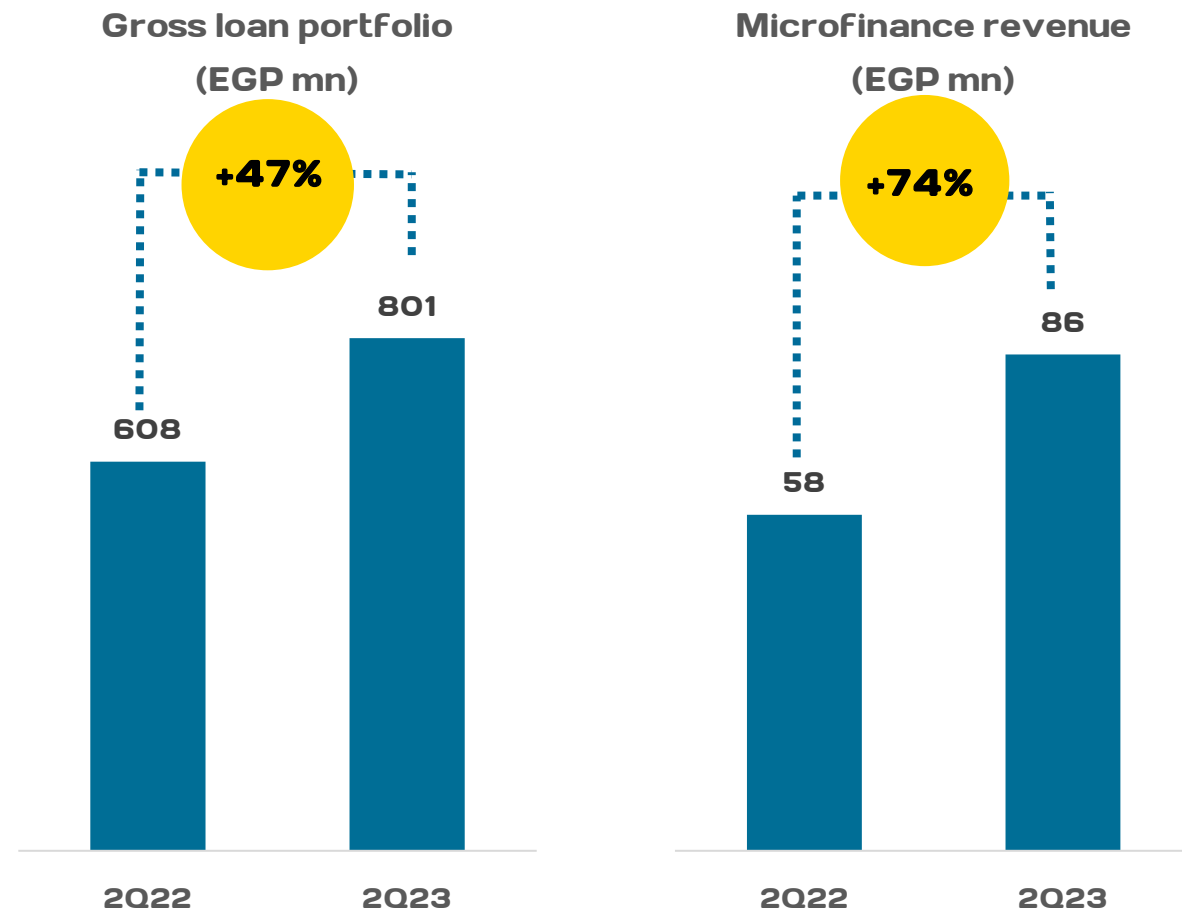


Revenue from online acceptance



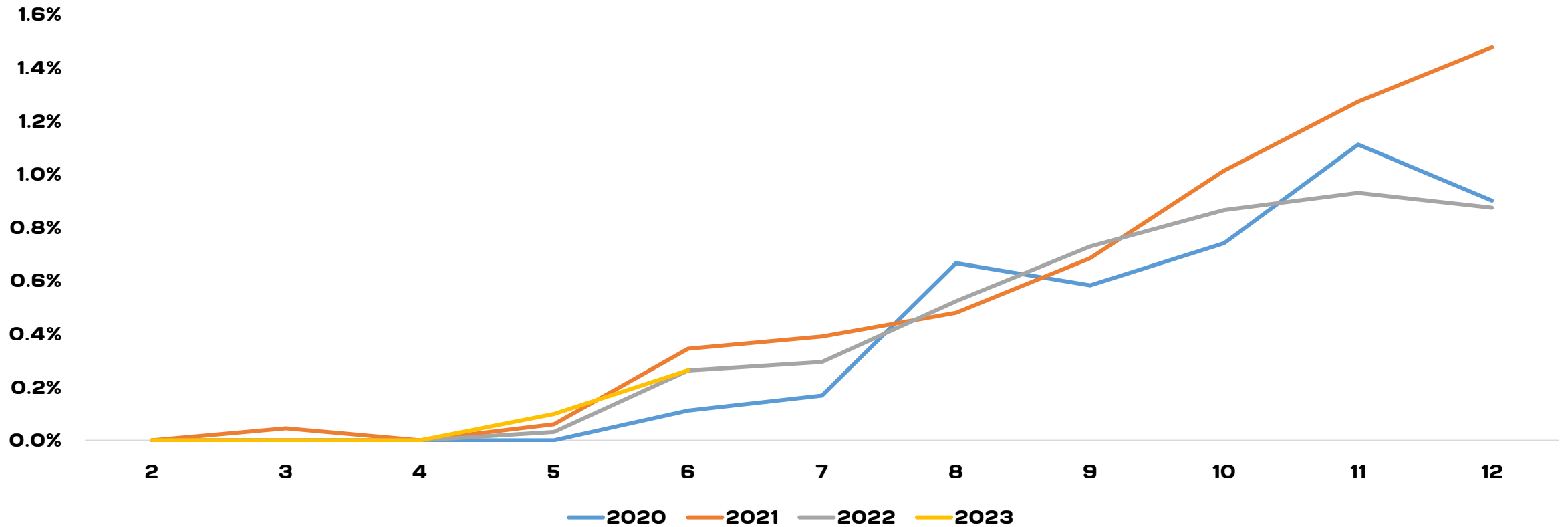
Microfinance: Business Developments & Earnings Highlights

- Number of loans granted reached 29.2k by the close of 1H2023, up by 39.6% from 1H2022
- More than EGP 400 mn disbursed in 1H23
- Average loan portfolio per staff member increased by 18% y-o-y, showing higher efficiency
- Average number of online applications processed monthly in 2Q23 came at 7,223, 98% higher than that of 2Q22 which stood at 3,640



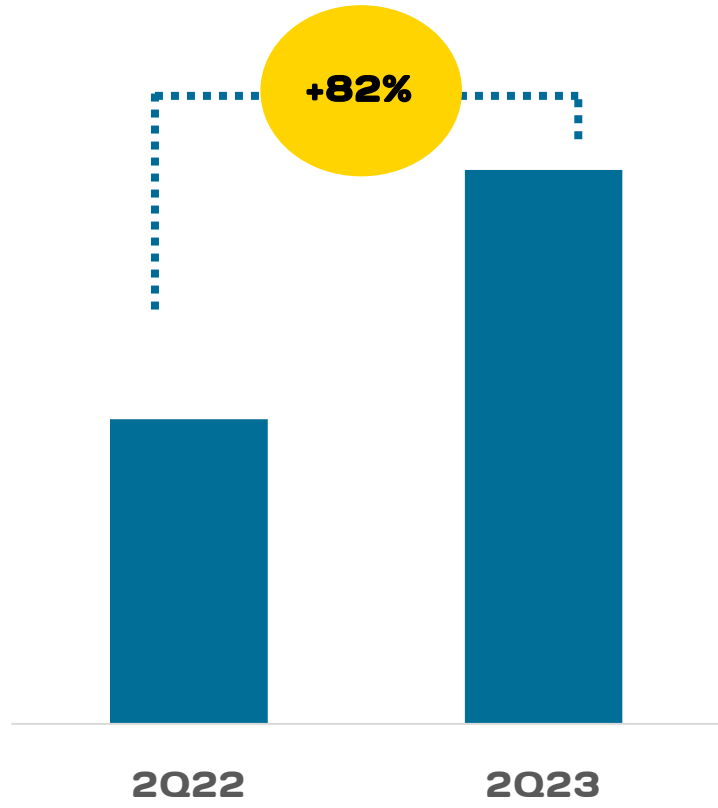
Microfinance: Portfolio quality & Earnings Highlights

Number of months after disbursement
PAR30, % (by years)

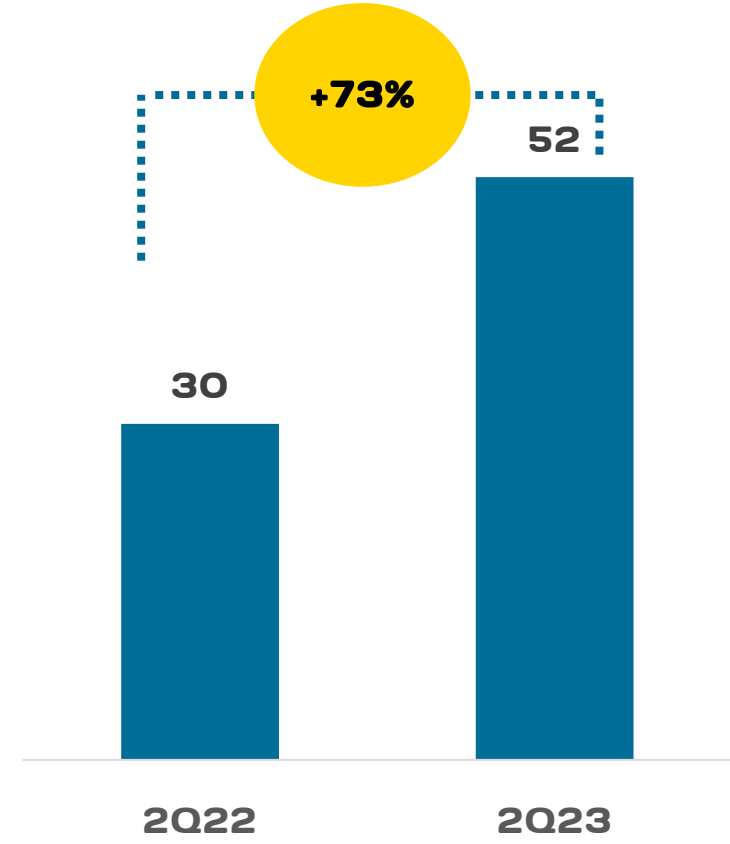


Supply Chain revenue growing on the back of inflation

Supply chain throughput



Supply chain revenue (EGPmn)

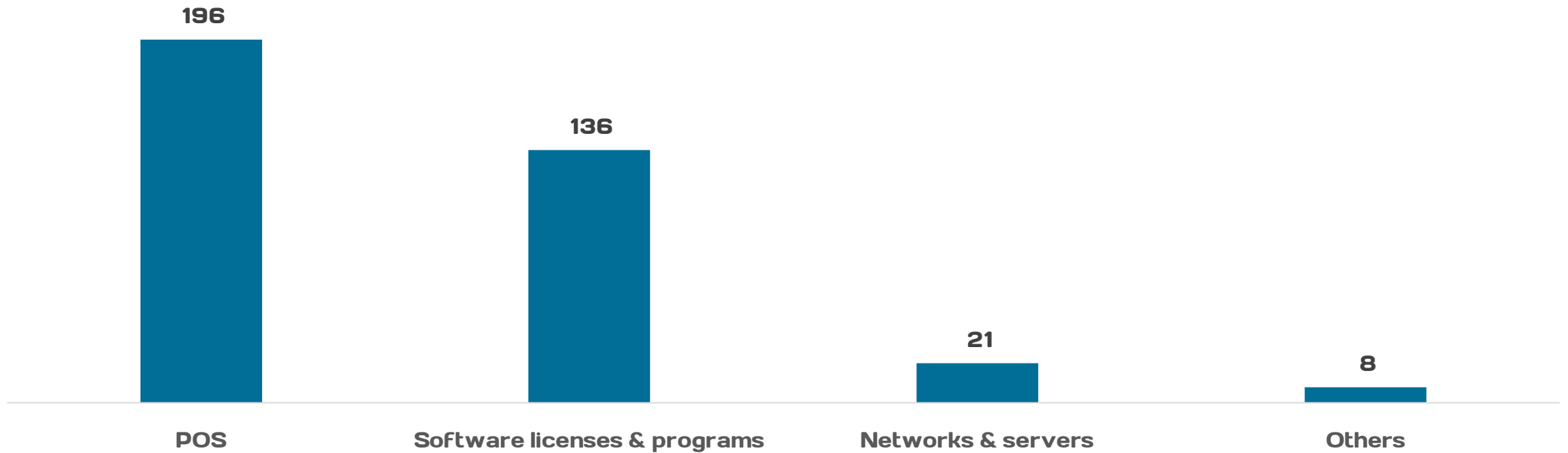


The background is a solid yellow color. Overlaid on this are several thick, white, wavy lines that flow from the top left towards the bottom right, creating a sense of movement and depth. The lines are composed of many thin, parallel white lines, giving them a textured, ribbon-like appearance.

Capex Investments & Digital growth

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

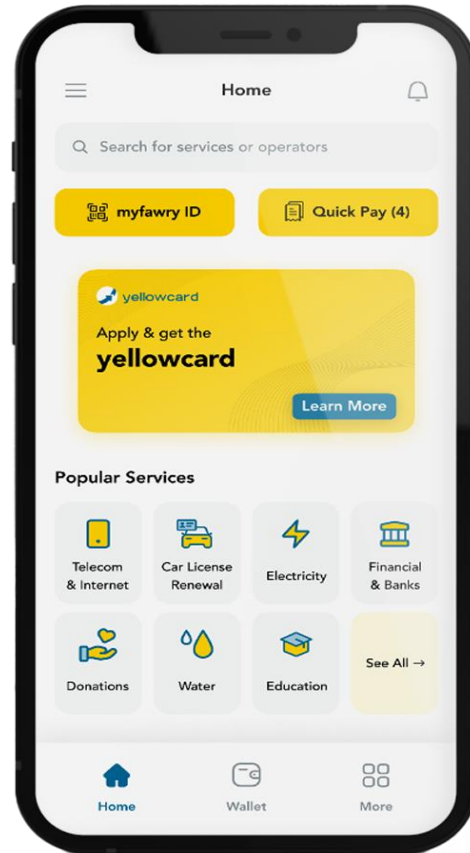
Capex in 1H23, including PUC



Financial inclusion lies at the center of the company's strategy in the consumer segment

Lending business in testing phase after the launch of the myFarwy prepaid card that took place in 1Q23

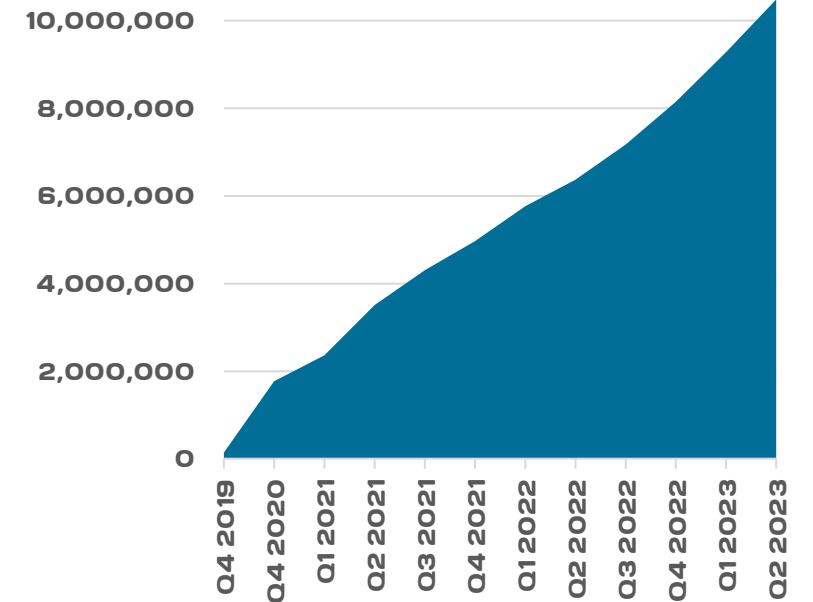
Fawry on course to offer all financial services on the app by 4Q23/1Q24, offering consumers payments, P2P, lending, loyalty, savings & investments, and insurance products



5.3 EGP Bn
Annualized Jun 23
throughput
Up c. 89% y-o-y

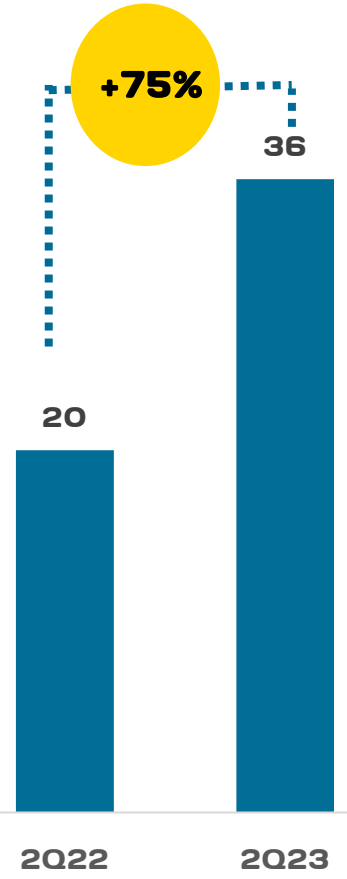
c. **10.5** Mn
Downloads since
June 2019
Up 65% y-o-y

myFawry cumulative downloads

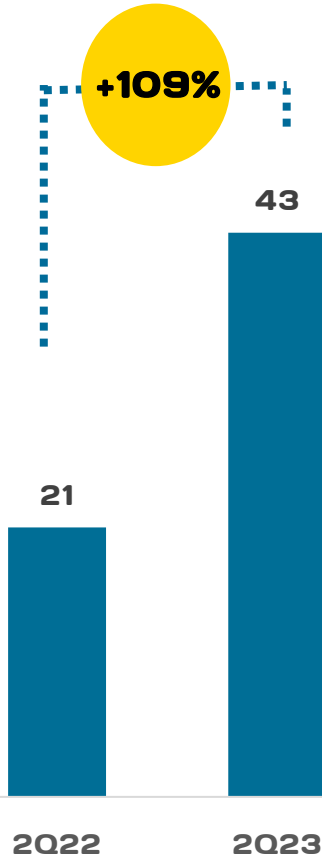


Growing digital transactions activity

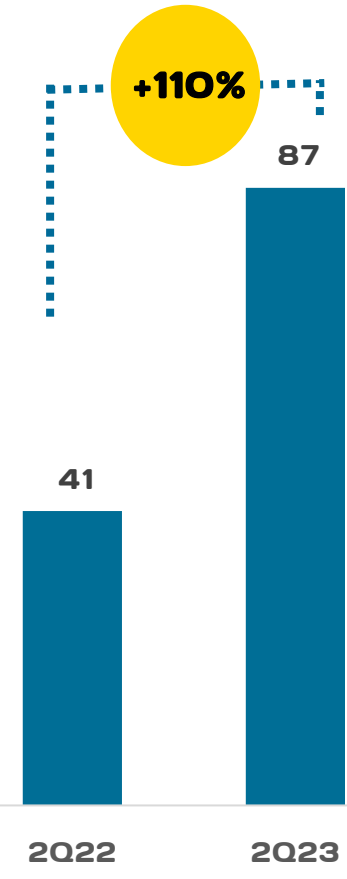
Mobile wallet¹
transactions (mn)



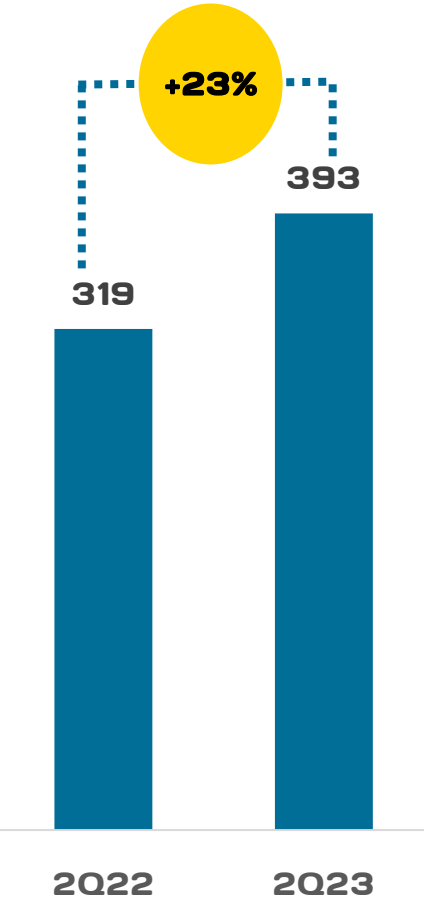
Mobile wallet¹
processed value
(EGP bn)



Total digital²
transactions (mn)



Total transactions
(mn)



¹ These figures reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network.

² These figures reflect mobile wallet, myFawry, Banking and acceptance transactions



Q&A

