



# **2Q 2024 Earnings Call**

**August 14, 2024**

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# AGENDA

01

**2Q 2024 Operating & financial results**

02

**Dive into 2Q 2024 payments business figures**

03

**Dive into 2Q 2024 financial services figures**

04

**Digital growth**



**2Q 2024**

**Operating & Financial**

**Results Highlights**

# Main highlights for the period

## 129<sup>bn</sup>

Throughput for 2Q24

## 47.0%

EBITDA margin for 2Q24, the highest in company's history

## 26.5%

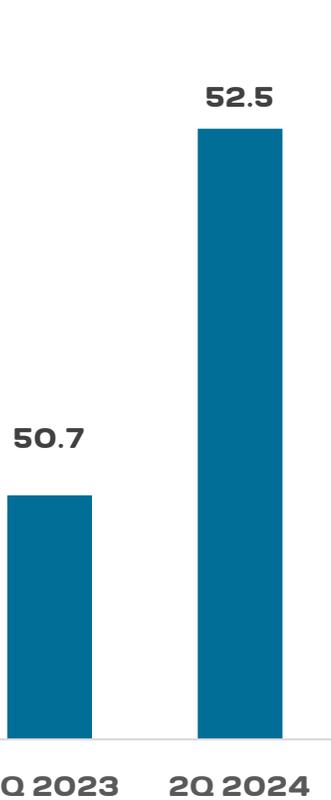
Net income margin for 2Q24

- Revenue growth follows the high standards set in 1Q2024, coming in at 58% y-o-y for 2Q2024, widely beating guidance
- While ADP grew by 35% y-o-y in 2Q2024 due to the price increases on select industries, the highest since 3Q2020, it declined in terms of contribution to revenue to 34%, highlighting Fawry's success in revenue diversification
- Banking Services segment, contributed the lion share of top-line growth for 2Q2024, with 41% of consolidated revenue growth, growing its contribution to 39% of total revenue
- The Company maintained increasing profitability down the income statement, reaching the highest EBITDA margin since inception for the third consecutive quarter
- Microfinance gross loan portfolio reached EGP 1.37 billion, Consumer Finance loan portfolio exceeded EGP 380 million
- Total mobile wallets processed value more than doubled year-on-year in 2Q24, reaching EGP 93 billion as financial inclusion rates and digital payment adoption continue their steady rise nationwide
- myFawry's annualized throughput for June 2024 2.5x that of June 2023, driven by the launch of the Prepaid Card, BNPL and MMF over the myFawry app, inline with the embedded finance strategy the company is undergoing

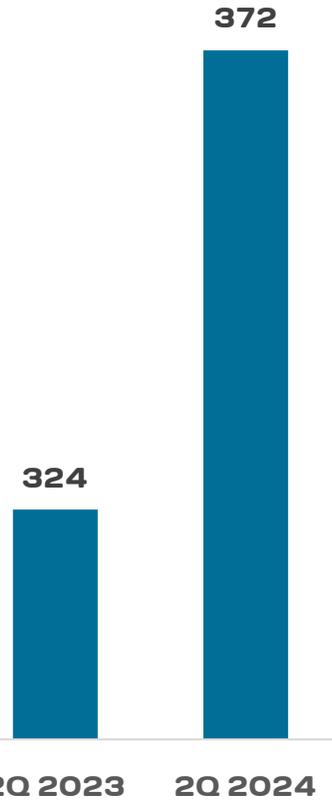
# Operational KPIs see double digits growth



Active Network  
Customers +4%  
(mn)



Total POS +15%  
(000s)



Number of  
services +22%



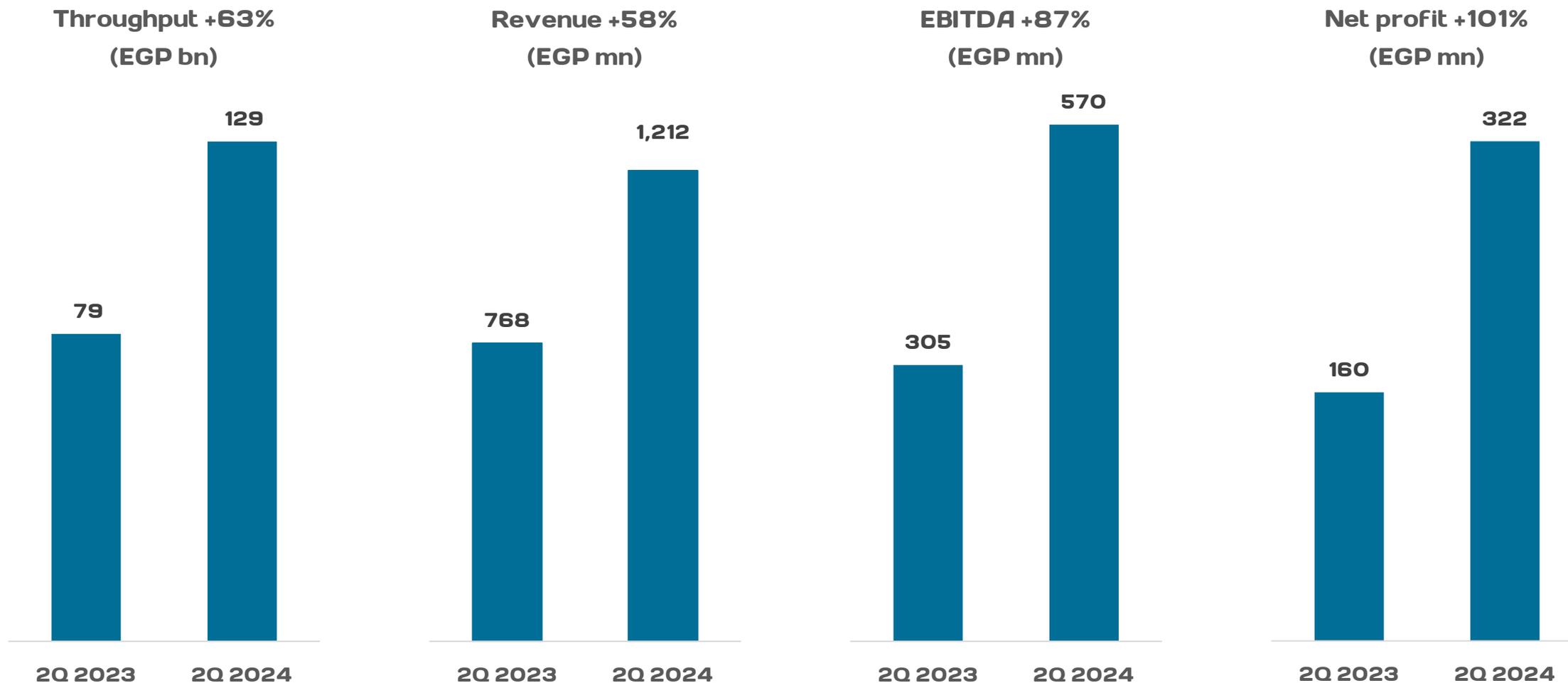
Total transactions  
+23% (mn)



Avg transaction  
value +32% (EGP)



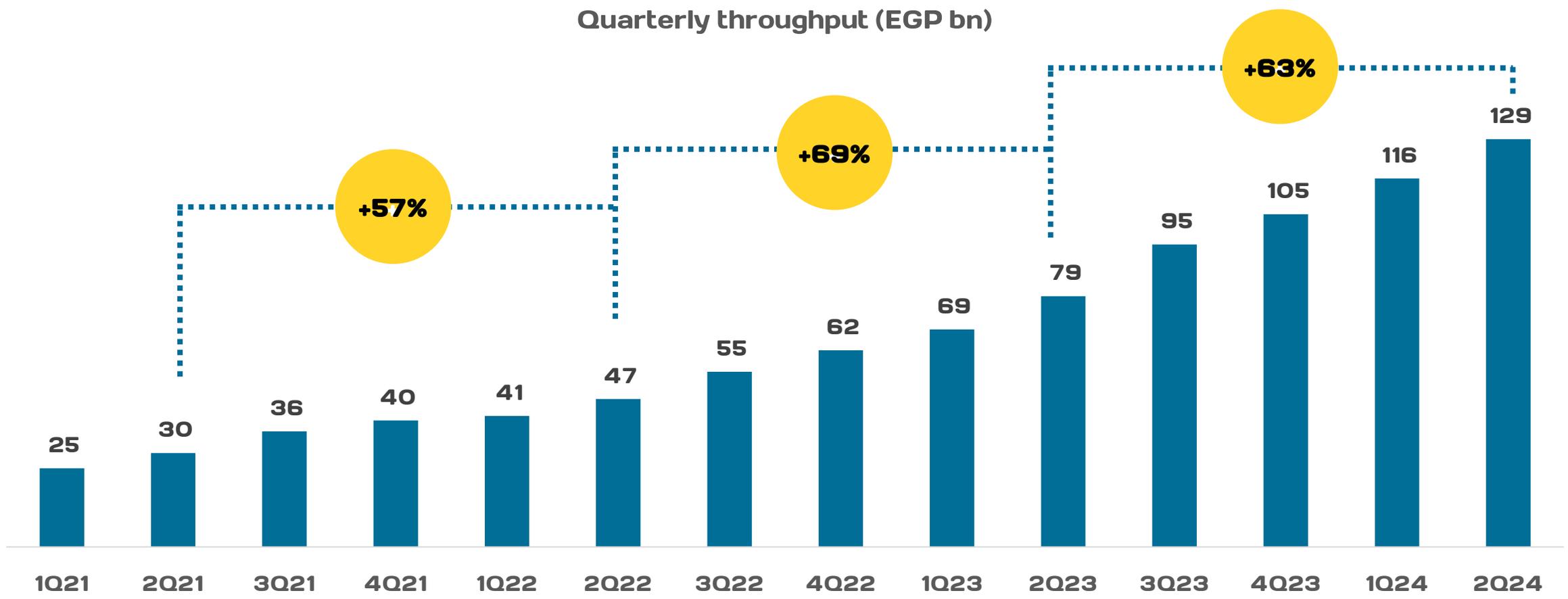
# EBITDA margin reaches 47.0%, Net profit doubles that of 2Q 2023



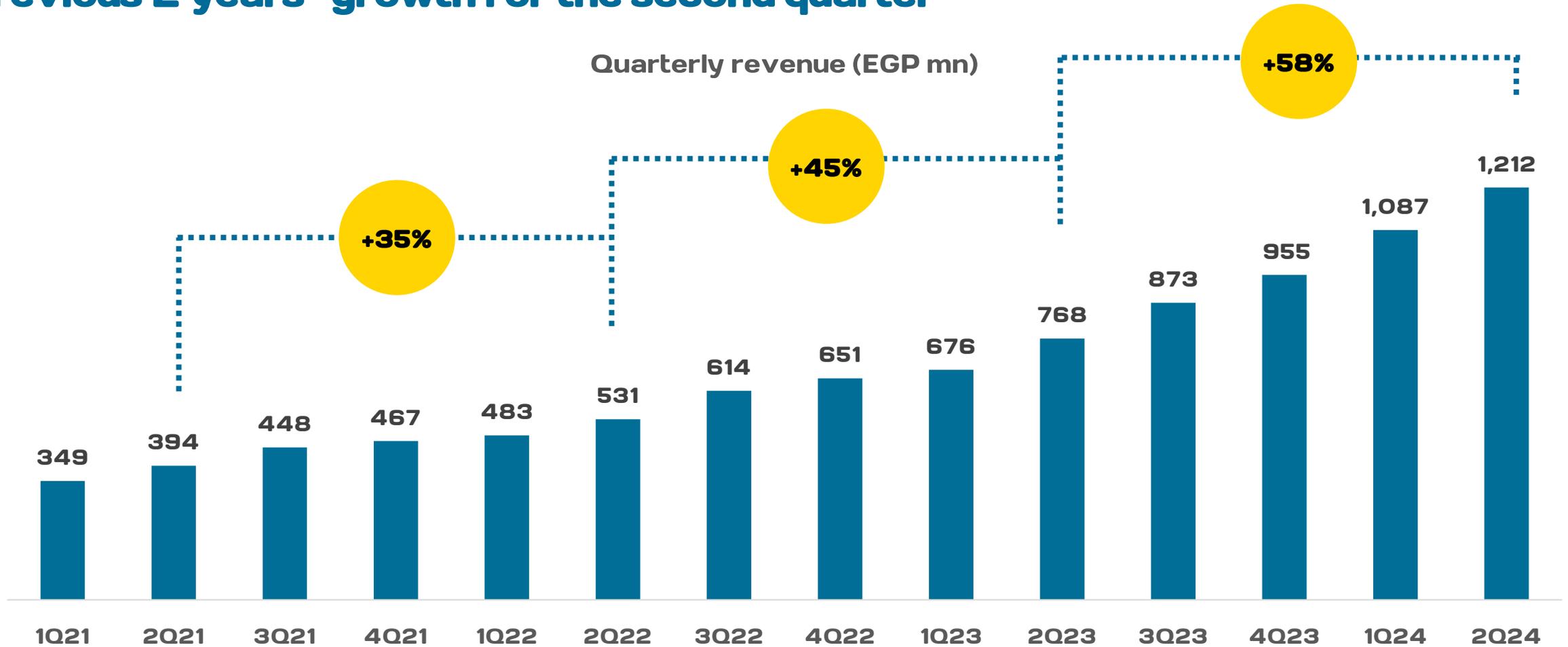
Total revenue excluding airtime would have grown by 66% y-o-y, as airtime grew by 21% y-o-y

# Quarterly throughput reaches EGP 129 bn, up by 63% y-o-y, similar to last years' growth rate

Quarterly throughput (EGP bn)

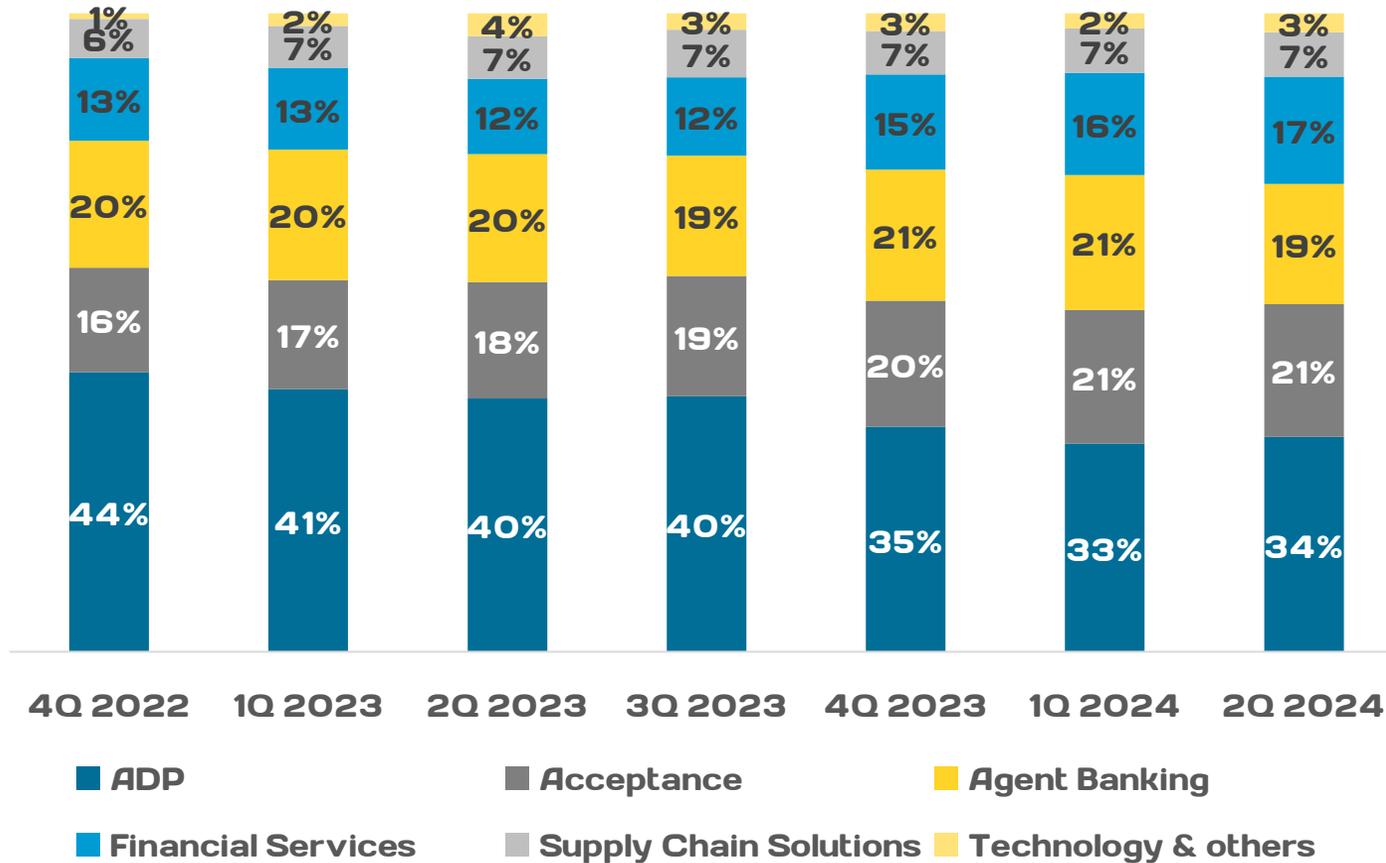


# Quarterly revenue went up by 58% y-o-y, higher than previous 2 years' growth for the second quarter

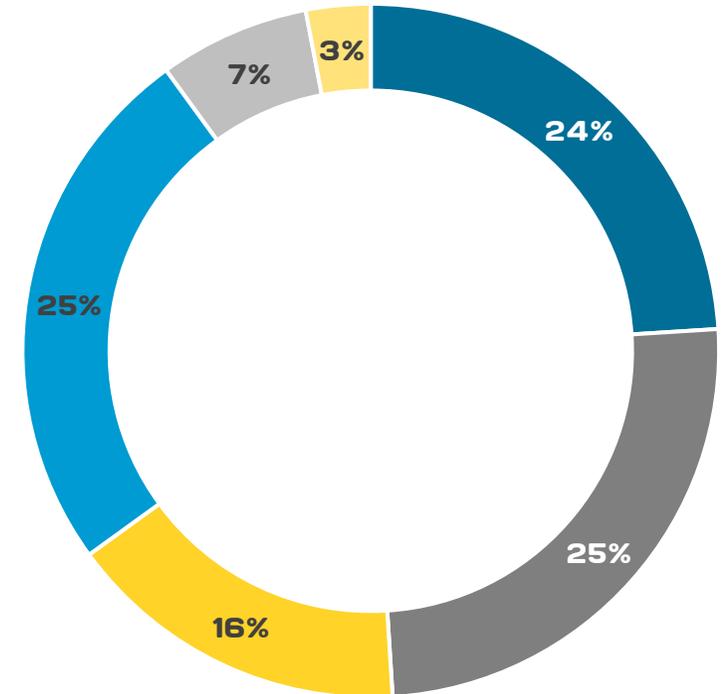


# Revenue diversification continues, with acceptance and financial services growing in contribution

Revenue contribution by quarter

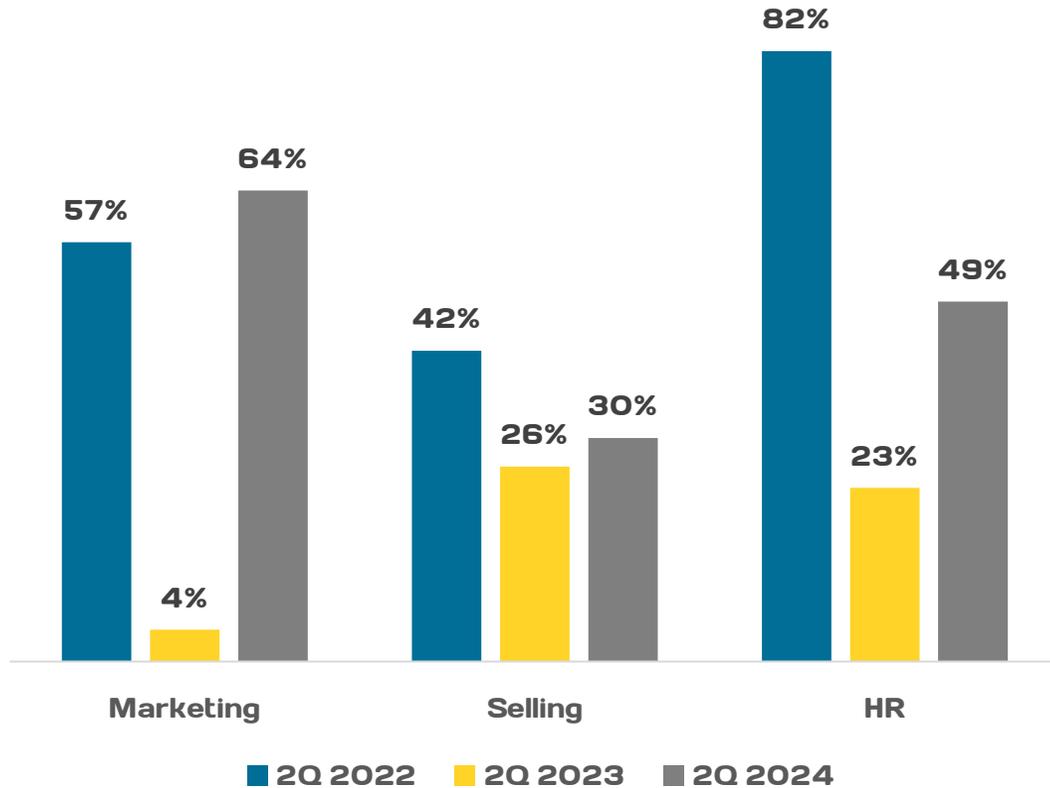


Contribution to y-o-y revenue growth for 2Q 2024

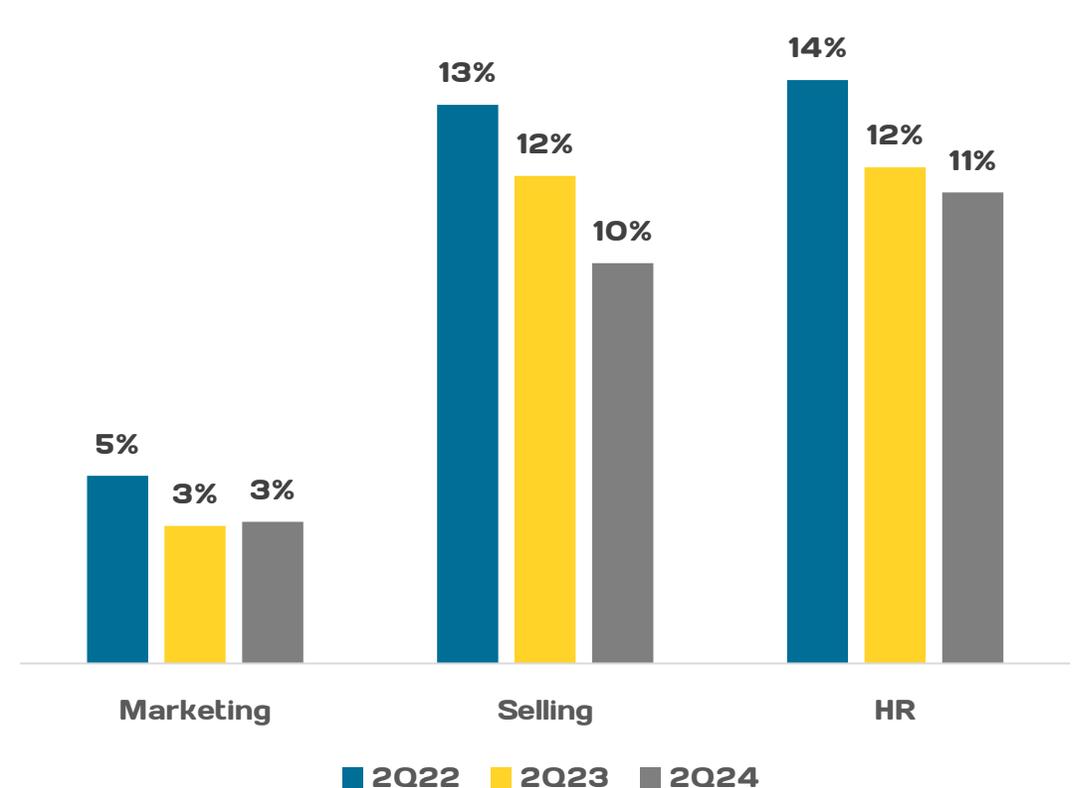


# Despite year-over-year increases in marketing and HR costs, overall expenses have decreased as a percentage of revenue

y-o-y expenses increase

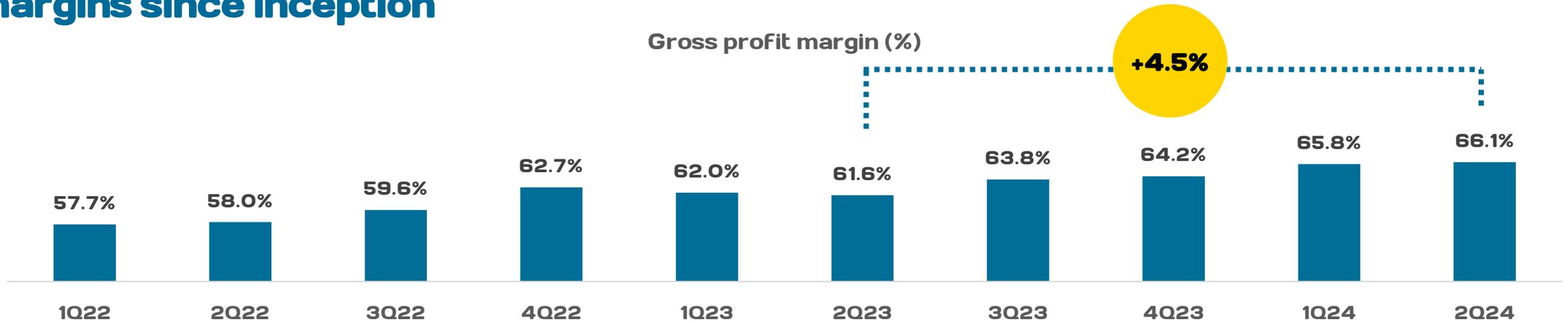


Expense item as % of revenue

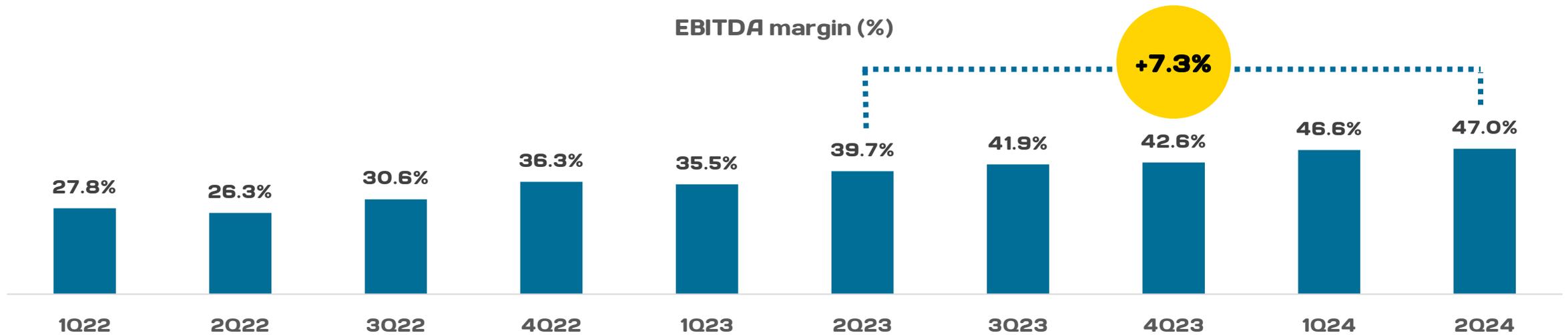


# ...Leading to overall margins improvement, reaching the highest margins since inception

Gross profit margin (%)



EBITDA margin (%)

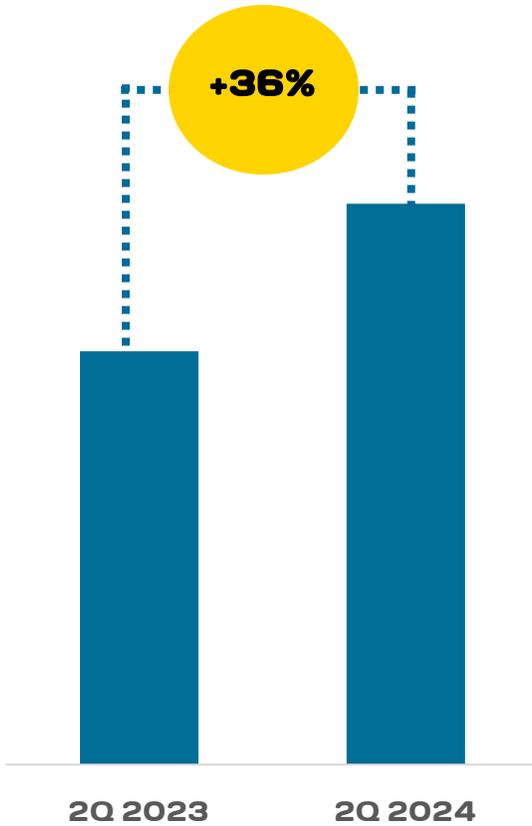




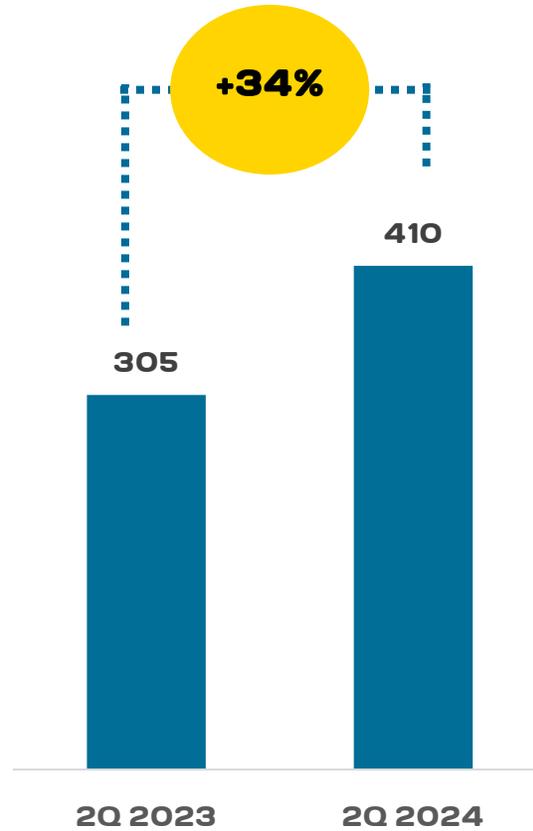
# **Dive into 2Q 2024 payments business figures**

# ADP beating guidance, growing at 34% y-o-y driven by increases in utilities prices

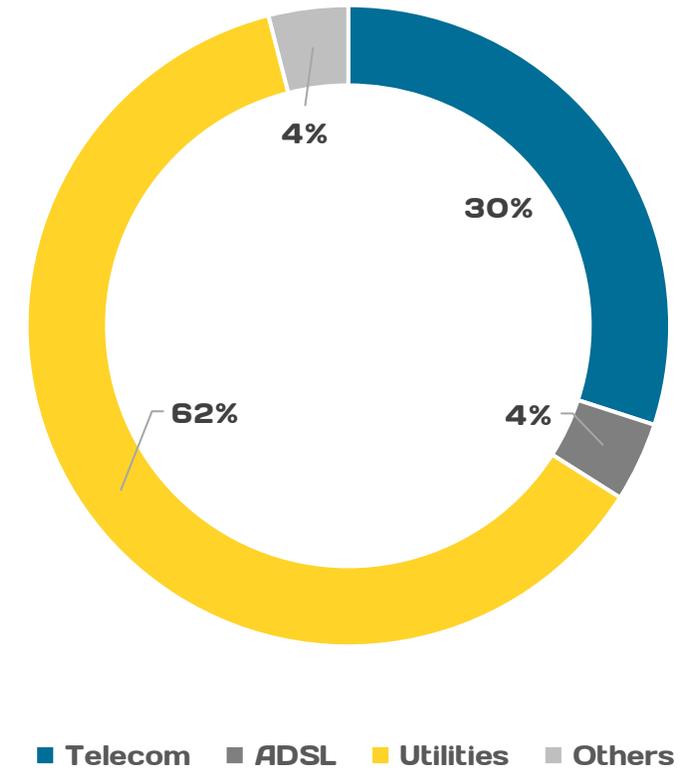
ADP throughput value



ADP revenue (EGP mn)



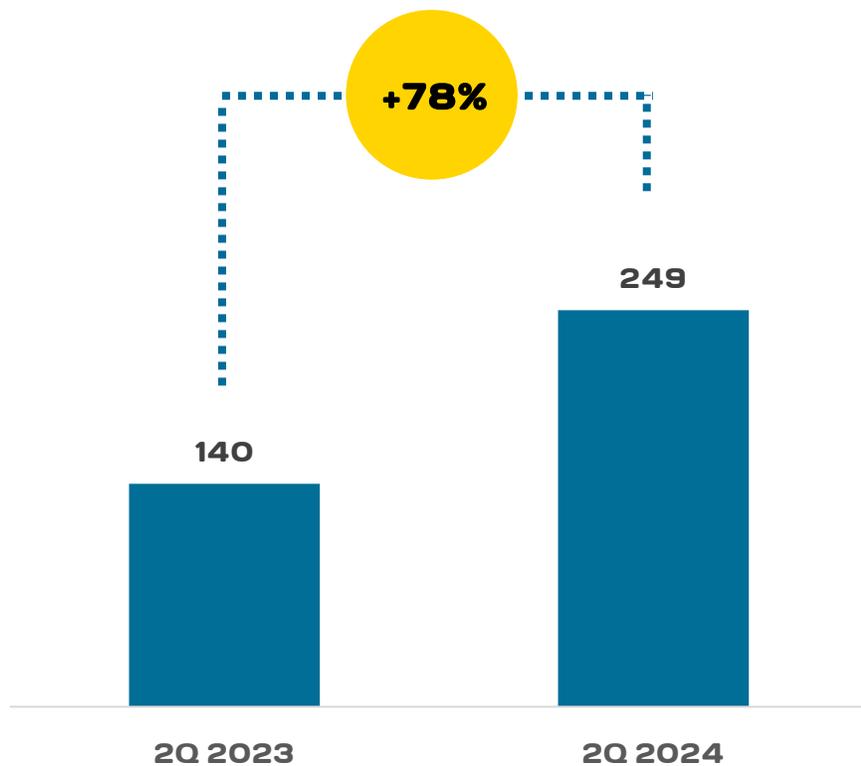
Contribution to ADP revenue growth



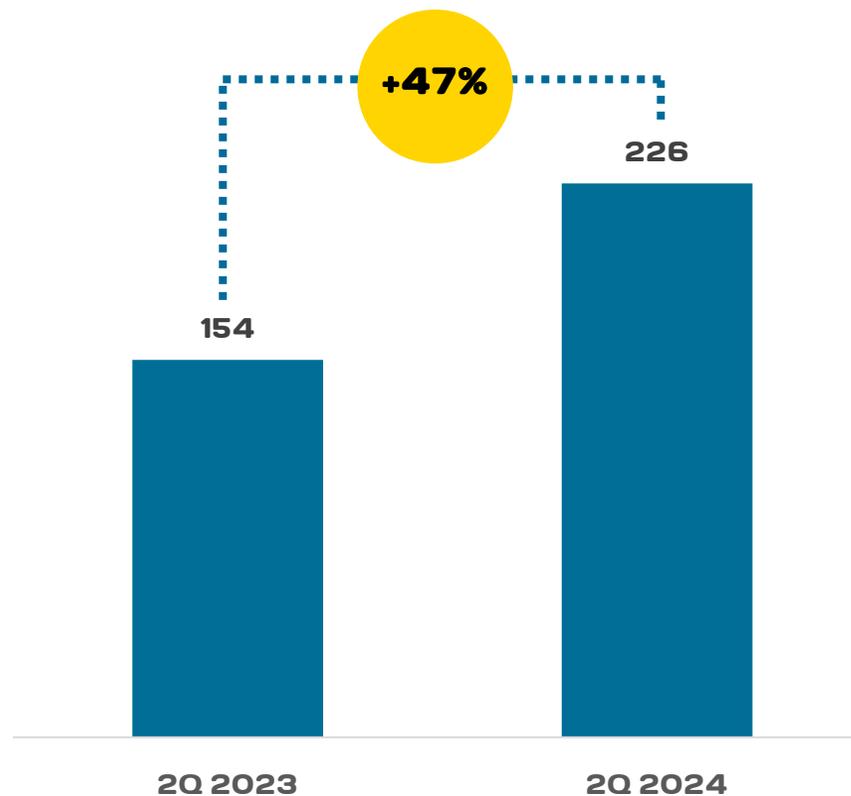
# Acceptance and Agent Banking exceeding guidance



Acceptance revenue (EGP mn)



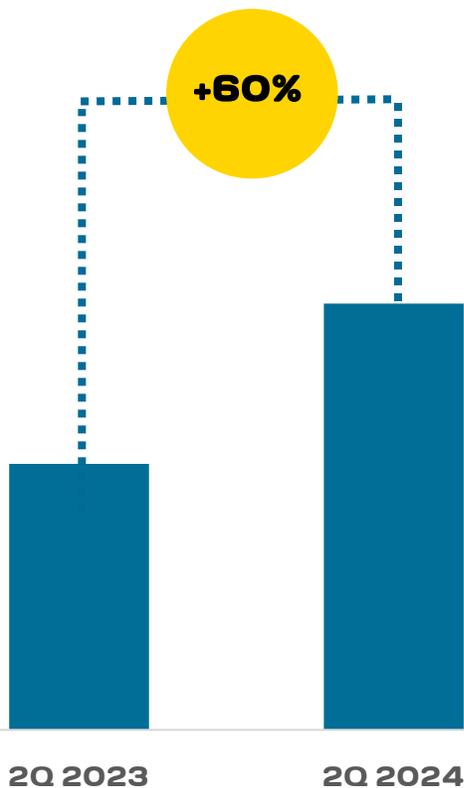
Agent Banking revenue (EGP mn)



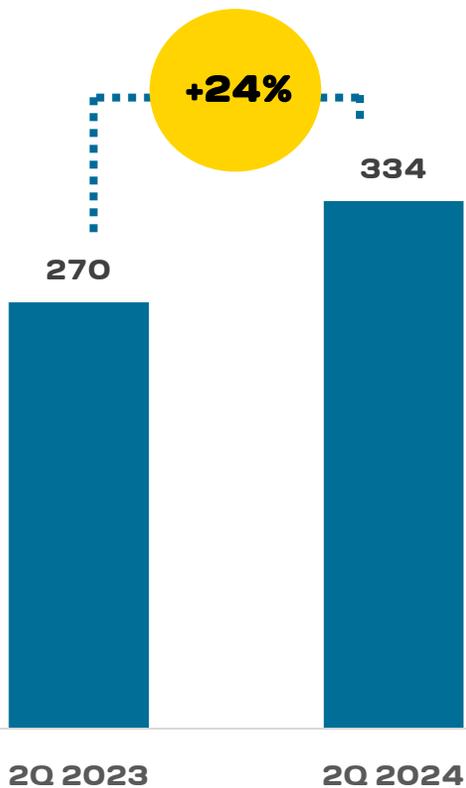
# Both acceptance revenue segments achieved growth, with higher acceptance throughput per POS



Revenue from instore acceptance



Acceptance enabled POS (000s)

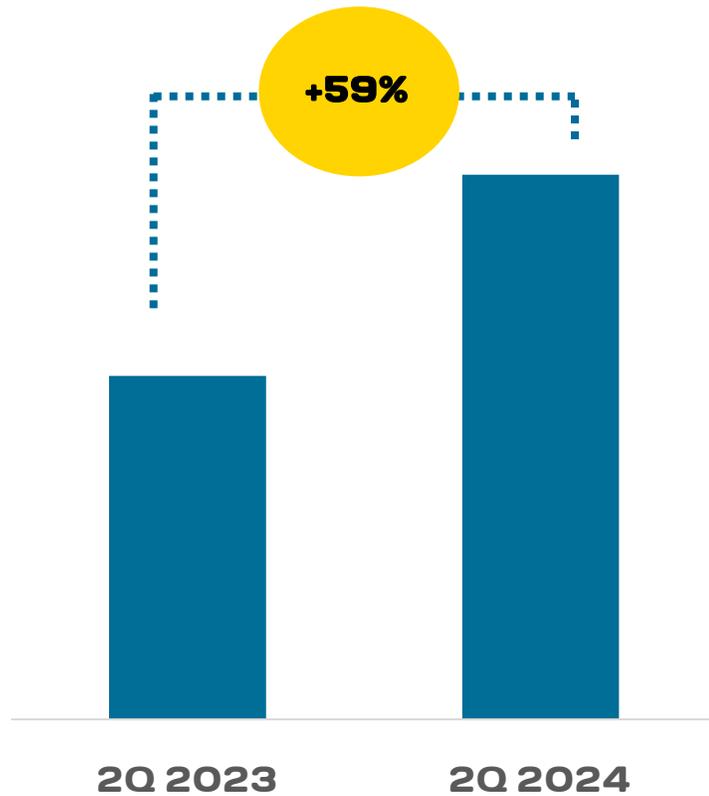


Revenue from online acceptance

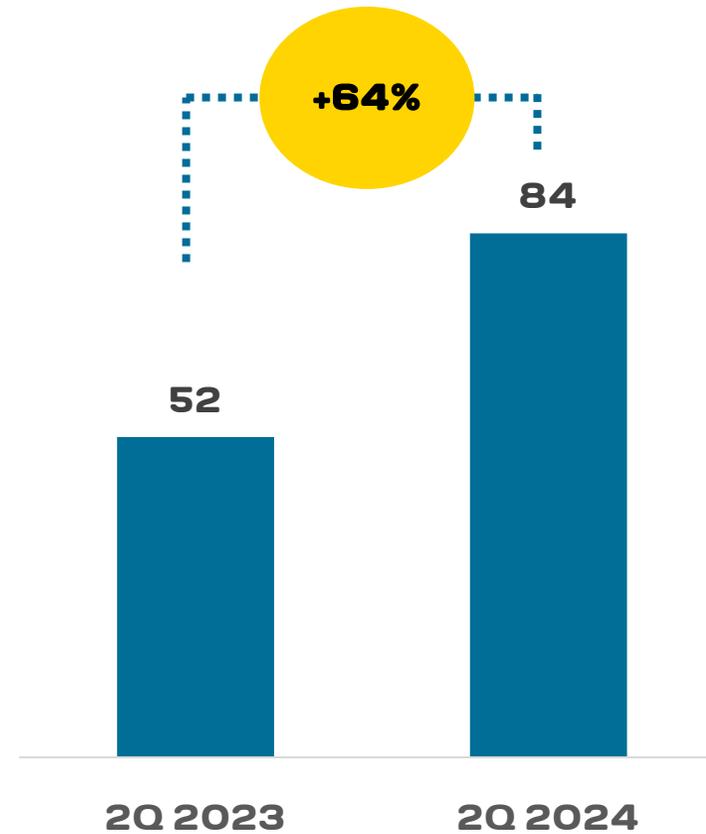


# Supply Chain revenue growing on the back of inflation and increase in adoption

Supply chain throughput



Supply chain revenue (EGPmn)





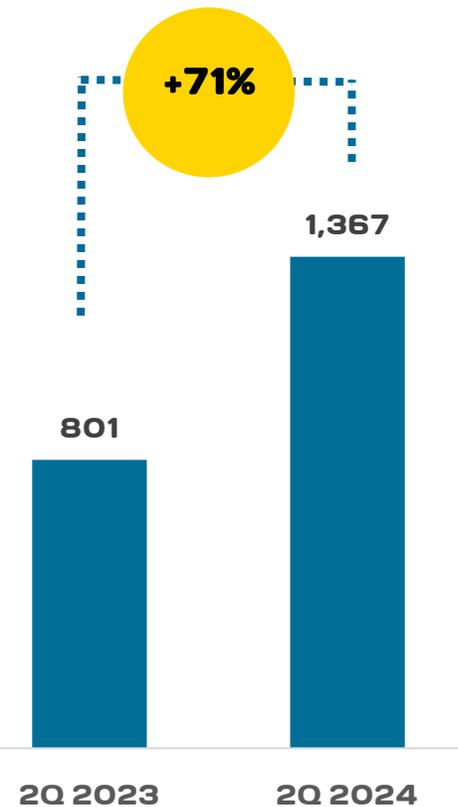
# **Dive into 2Q 2024 financial services figures**

# MSME lending continues to achieve high growth rates despite challenging environment...

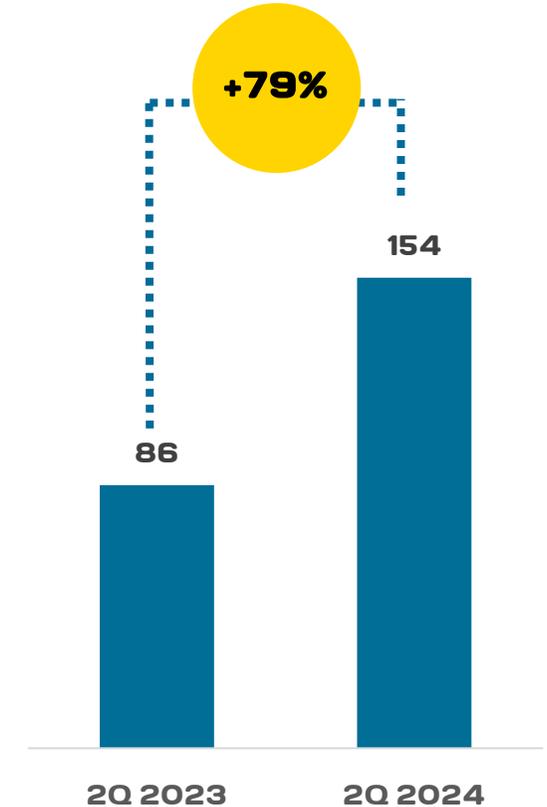


- Number of Micro and Small loans granted in 2Q24 reached 16.8k, up by 137% y-o-y
- Disbursements for Micro and Small loans for 2Q24 reached EGP 615 mn up by 152% from EGP 244 mn in 2Q23
- Outstanding Micro and Small gross loan portfolio reached EGP 1.37 bn, up by 71% y-o-y
- Average loan portfolio per staff member increased by 90% y-o-y, showing higher efficiency
- Average number of monthly processed online applications in 2Q24 came at 10.0k, 39% higher than that of 2Q23 which stood at 7.2k

Gross MSME loan portfolio (EGP mn)



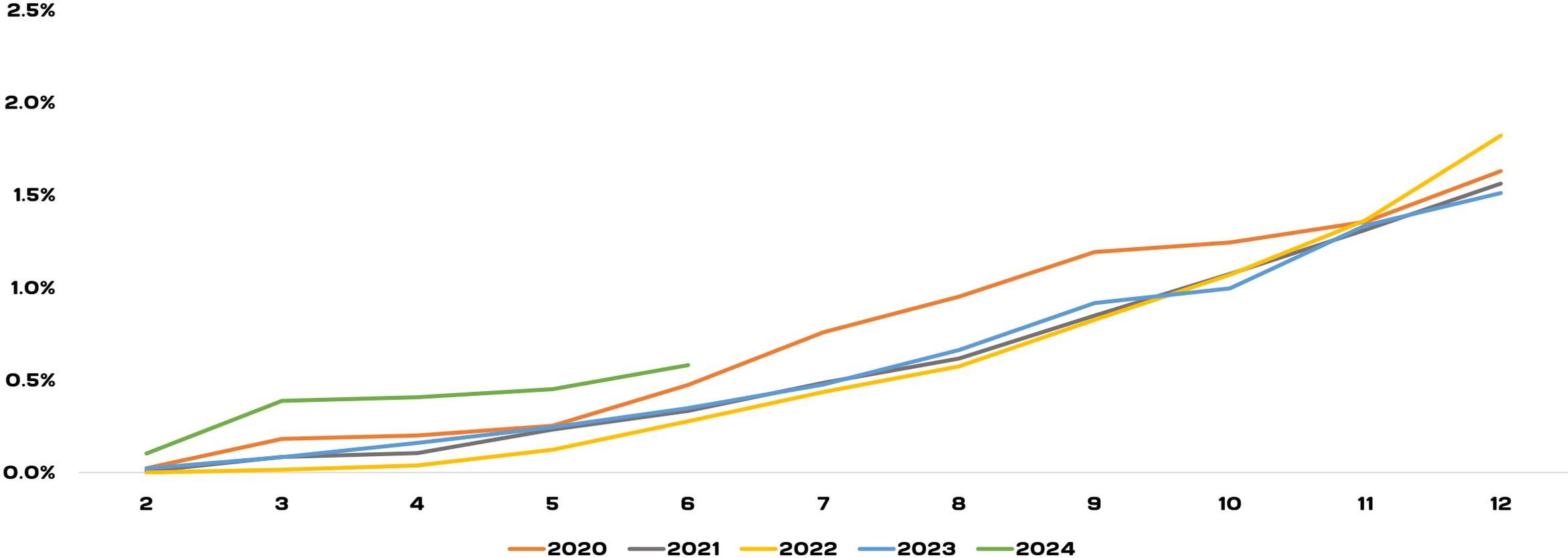
MSME lending revenue (EGP mn)



# ...all while maintaining loan portfolio quality, PAR 30 still below 2%



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

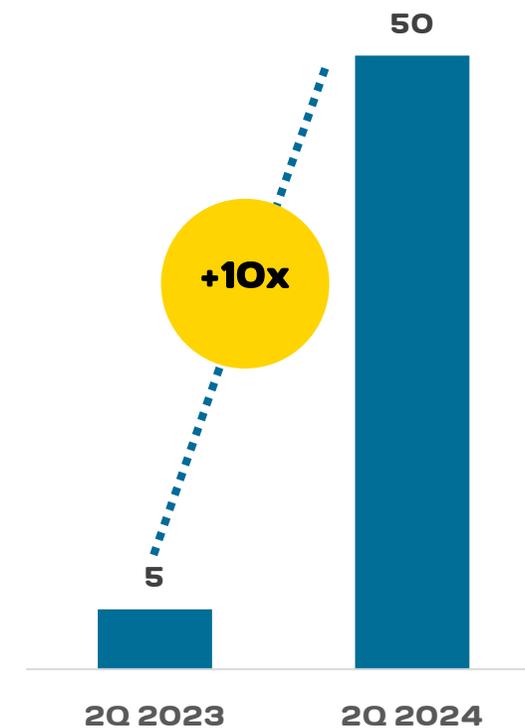


# Other financial services revenue comes 10x that of last year with the launch of the new products and growth of insurance brokerage



- Consumer finance (BNPL) loan portfolio reached 380mn by end of 2Q24
- Total spend by end Of Q2 reached EGP 662mn
- Average tenure for BNPL transactions is 6 months as of end 2Q24
- The average value per transaction came at EGP 2.0k for 2Q24, with an average of 4.7 transactions per customer monthly
- In 2Q24, collection efficiency in the first month reached 95.2%, 97.9% after month 2 and 98.6% after month 3.
- Insurance brokerage policies sold reached 474k for 2Q24, with revenue growing by 66% y-o-y to EGP 7.9mn for 2Q24

Other financial services revenue (EGP mn)



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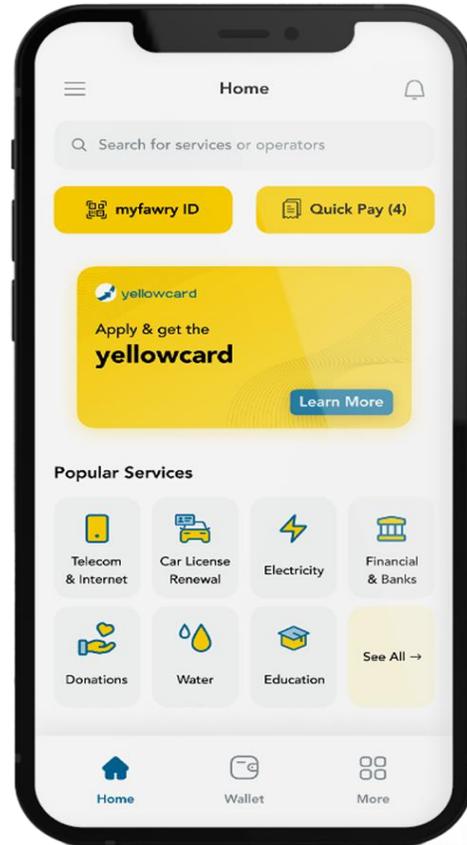
# Digital growth

# myFawry continues to witness huge growth

The launch of, i) myFawry prepaid card (Yellow Card), ii) BNPL and iii) the money market fund last year, fueled the myFawry app growth, with throughput more than doubling y-o-y

More recently through FIB, the company launched Fawry Emergency Insurance Policy over the myFawry app

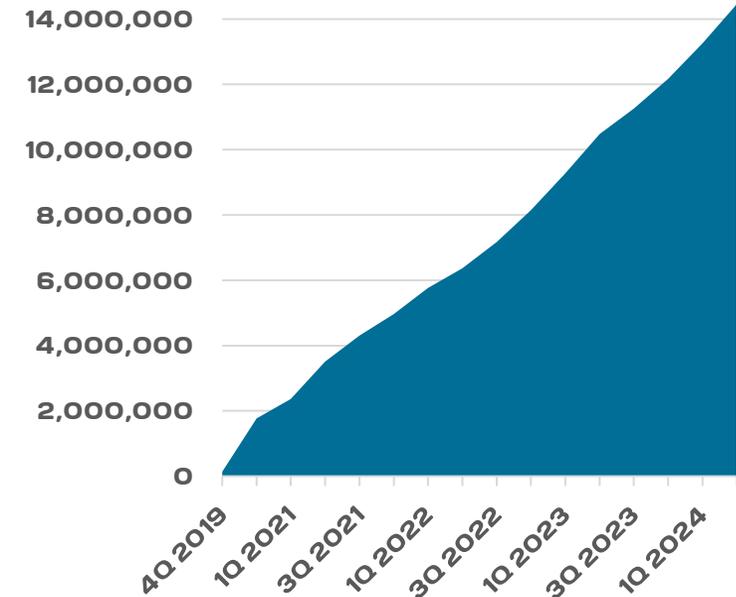
Company is on course to offer medical insurance products over the same portfolio in 2024, in addition to P2P and remittances



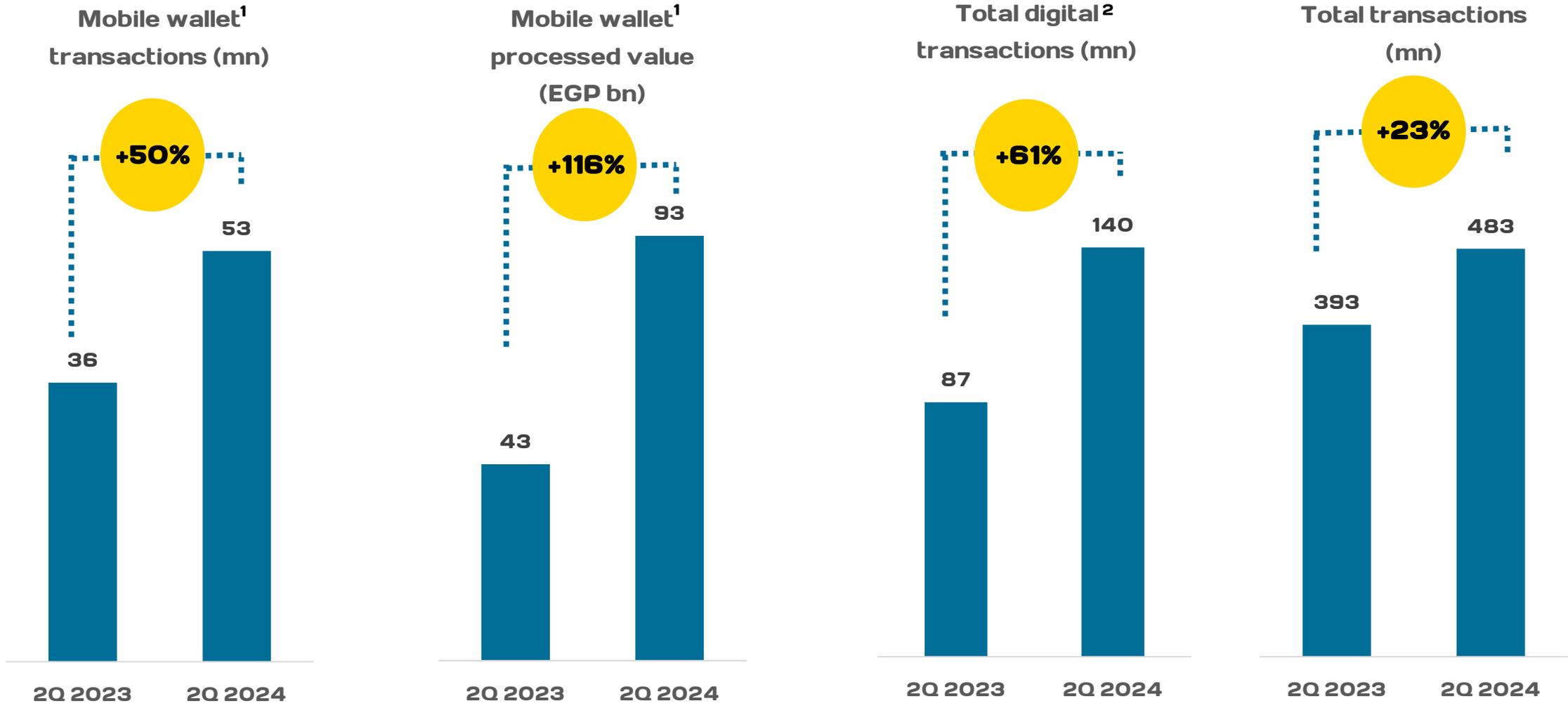
**13.2** EGP Bn  
Annualized June 24  
throughput  
Up c. 150% y-o-y

c. **14.5** Mn  
Downloads since  
June 2019  
Up 38% y-o-y

myFawry cumulative downloads



# Growing digital transactions activity



**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, prepaid card and Banking and acceptance transactions



**Q&A**