



4Q 2023 Earnings Call

Mar 19, 2024

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4Q 2023

Operating & Financial

Results Highlights

Main highlights for the period

100+_{bn}

Throughput for 4Q23

42.6%

EBITDA margin for 4Q23, the highest in company's history

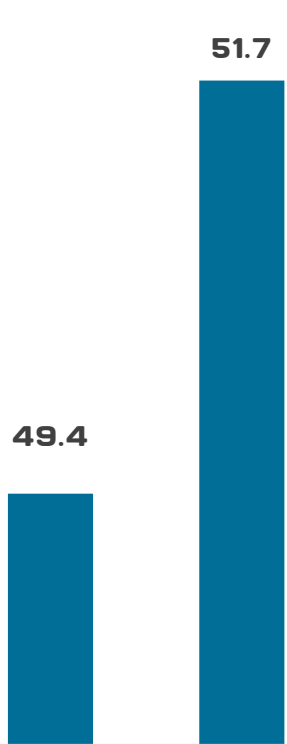
24.0%

Net income margin for 4Q23, the highest in company's history on adjusted basis

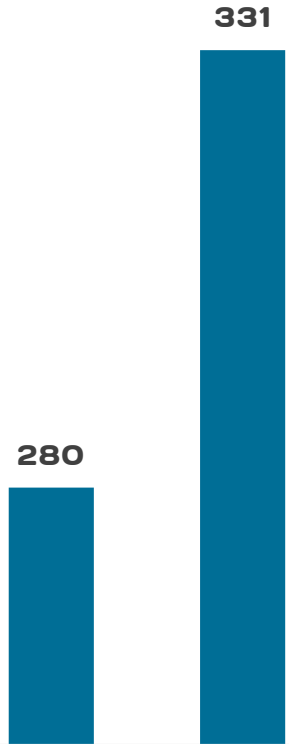
- **Banking Services segment, contributed the lion share of top-line growth for 4Q2023, with 49% of consolidated revenue growth, in line with company's revenue diversification strategy**
- **The Company maintained increasing profitability, reaching the highest EBITDA and net income margins since inception**
- **As the company leads the way in embedded finance within the country, it officially introduced its myFawry Prepaid Card, BNPL service, and MMF through the app in 2023. This expansion of its B2C offerings aligns with the strategic evolution of the myFawry app**
- **Microfinance gross loan portfolio exceeded the EGP 1 billion mark by end of 2023, Consumer finance reached EGO 180 million**
- **In February 2023, Fawry SME & Microfinance, successfully obtained final approvals from the FRA for the addition of SME financing to its portfolio. The move enables the company to venture into a new underserved segment**
- **Total mobile wallets processed value more than doubled year-on-year in 2023, reaching EGP 190 billion as financial inclusion rates and digital payment adoption continue their steady rise nationwide**

Achieved double-digit growth across operational KPIs

Active Network
Customers +5%
(mn)



Total POS +18%
(000s)



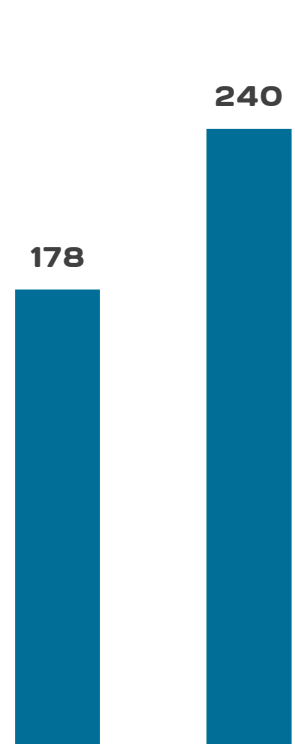
Number of
services +40%



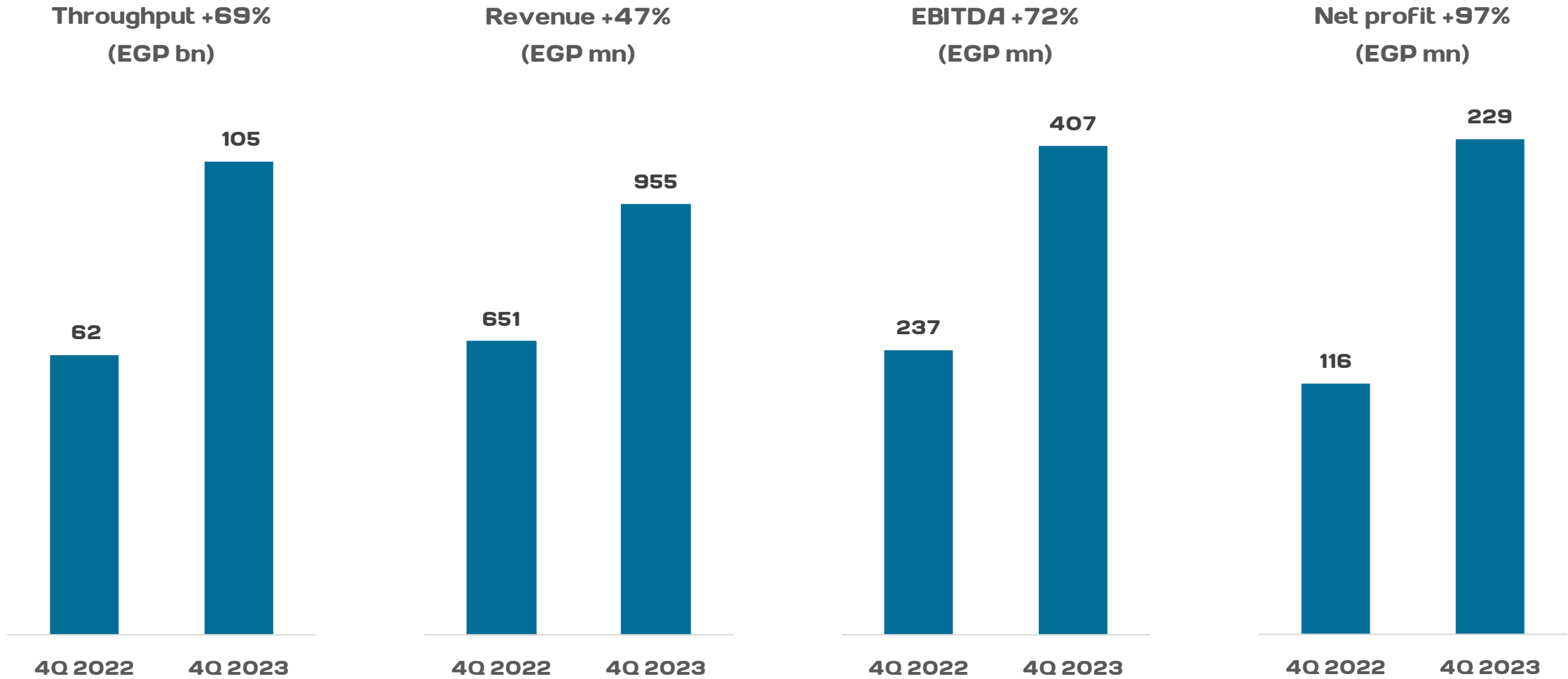
Total transactions
+25% (mn)



Avg transaction
value +35% (EGP)



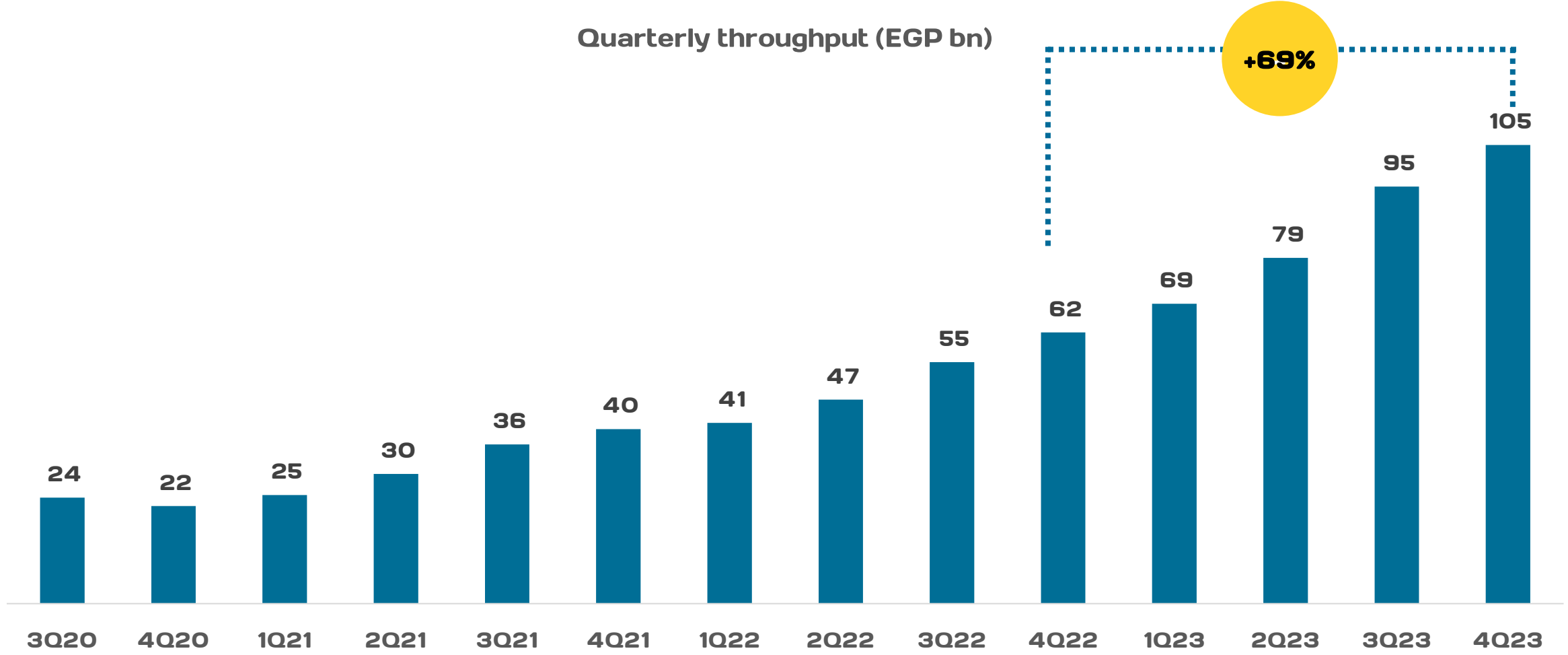
EBITDA margin reached 42.6%, Net profit almost doubled



Total revenue excluding airtime would have grown by 54% y-o-y, as airtime grew by 17% y-o-y

Throughput exceeded EGP 100bn per quarter

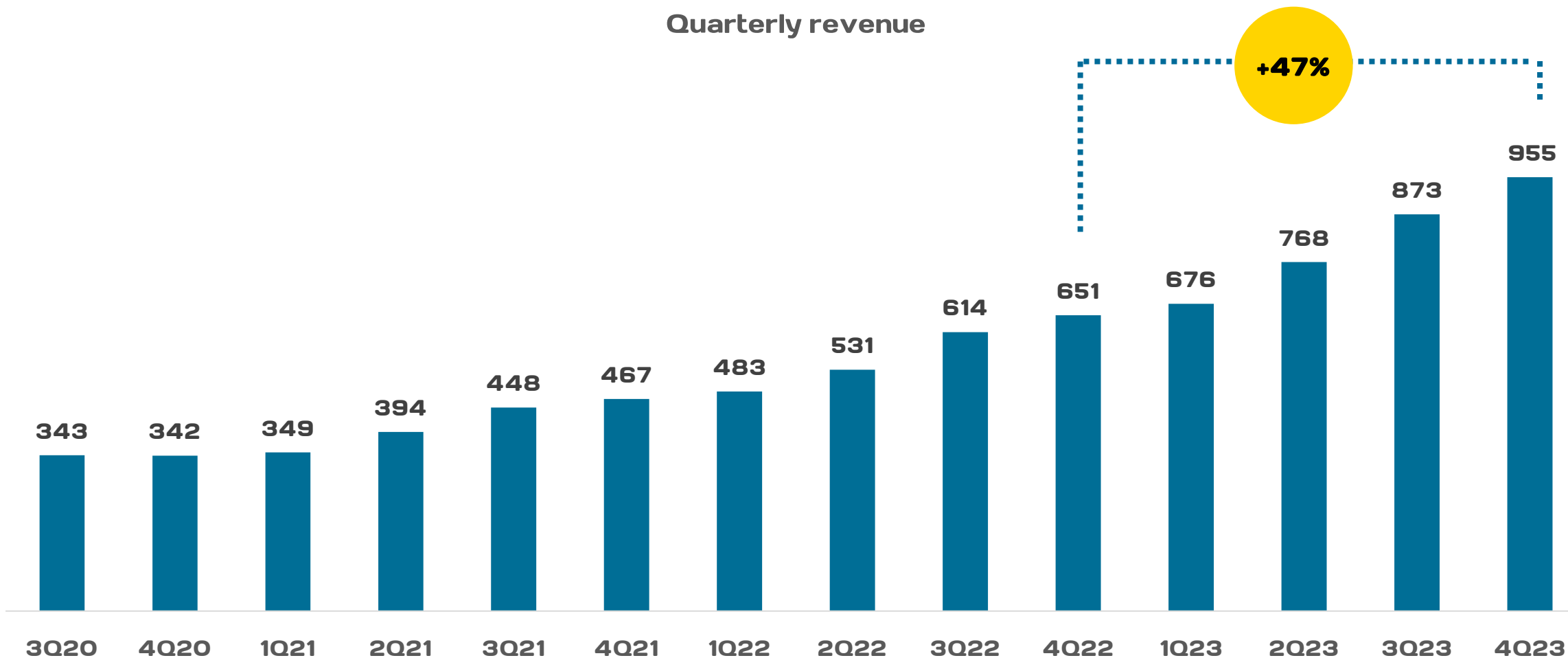
Quarterly throughput (EGP bn)



+69%

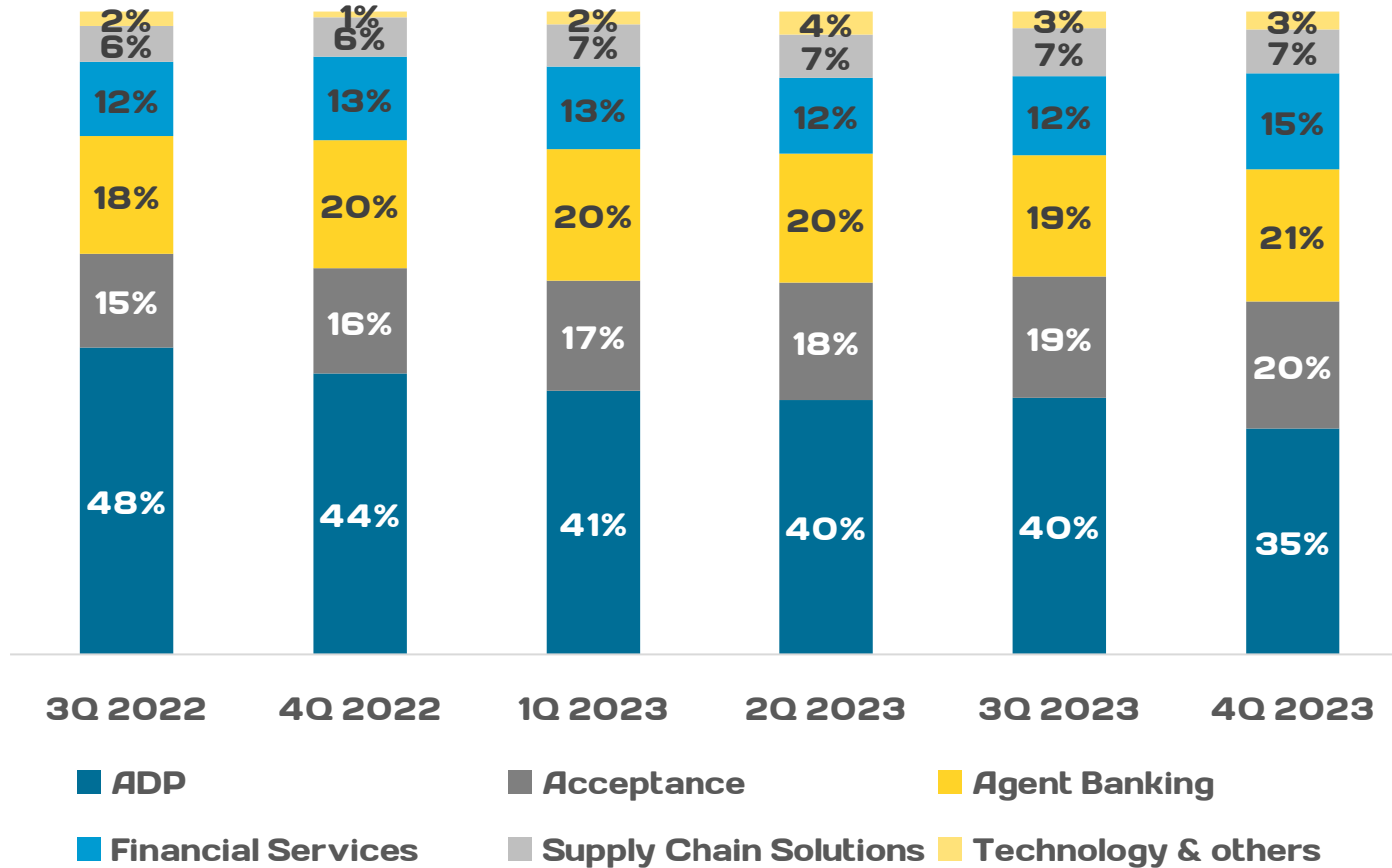
Quarterly revenue almost reached EGP 1bn

Quarterly revenue

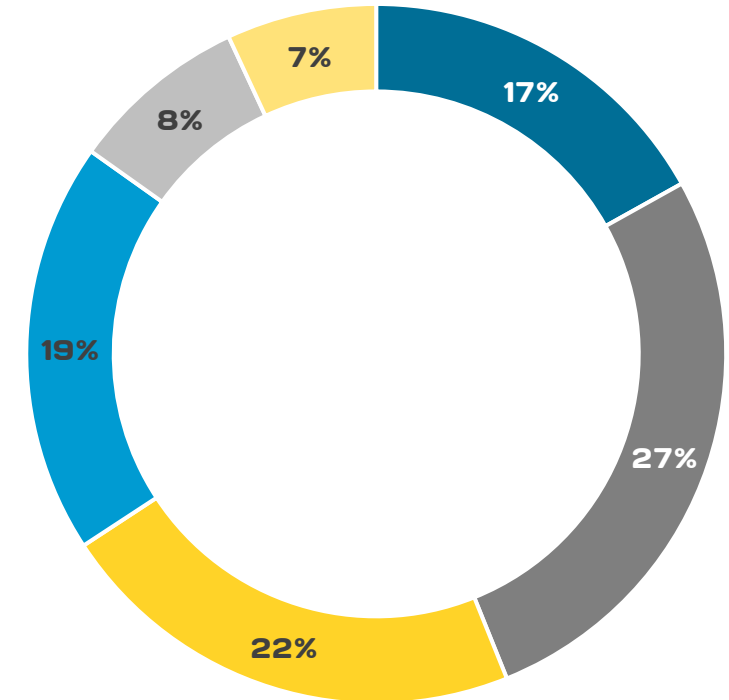


Revenue diversification continued, with acceptance and financial services growing in contribution

Revenue contribution by quarter

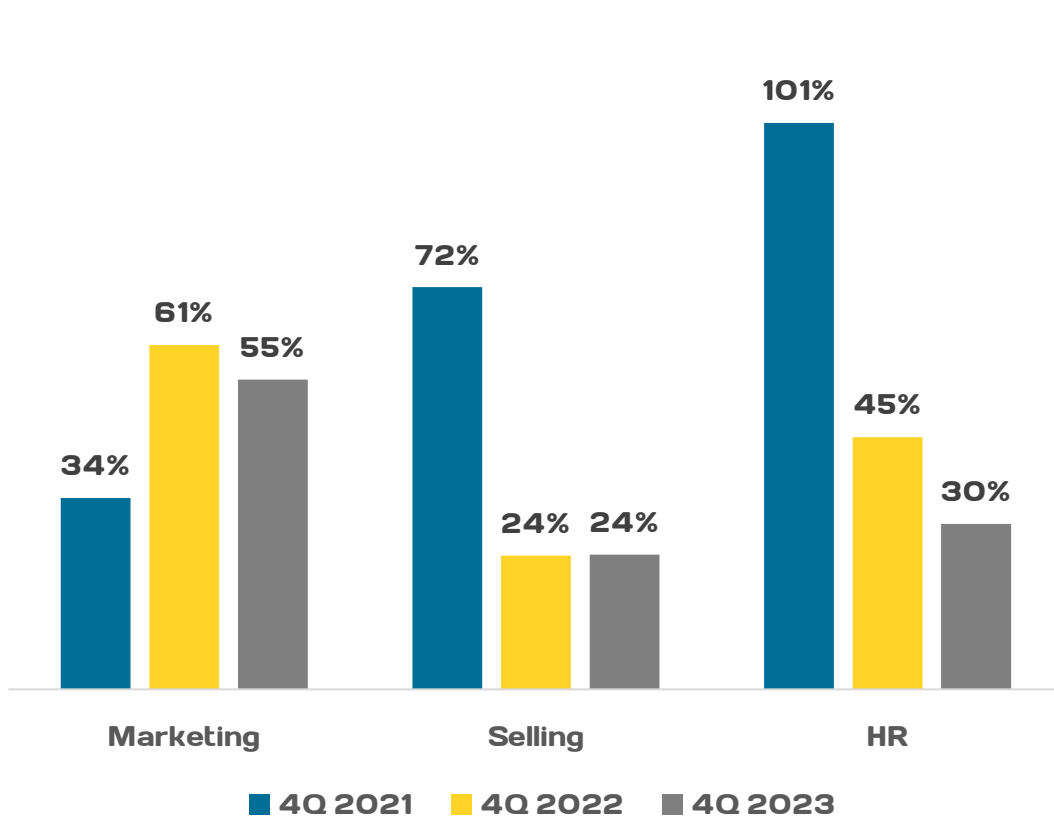


Contribution to y-o-y revenue growth for 4Q 2023

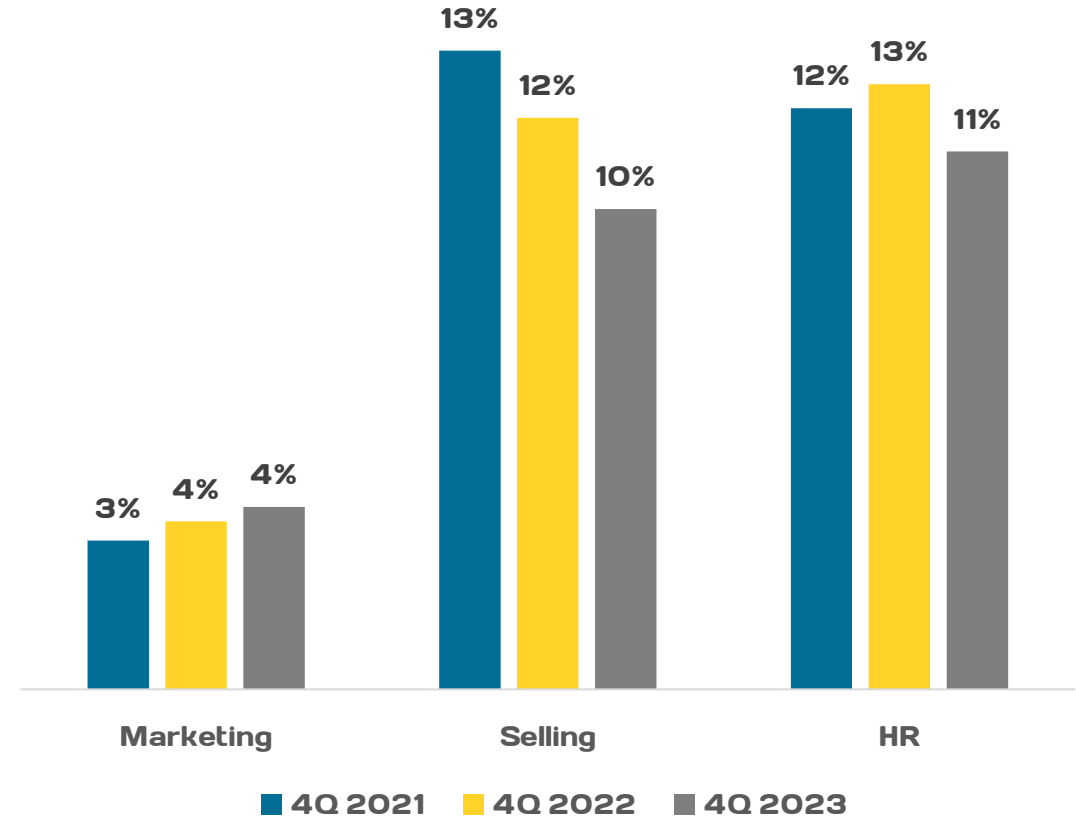


Implementing effective cost control measures resulted in a reduction in the proportion of revenue allocated, bolstering financial efficiency

y-o-y expenses increase

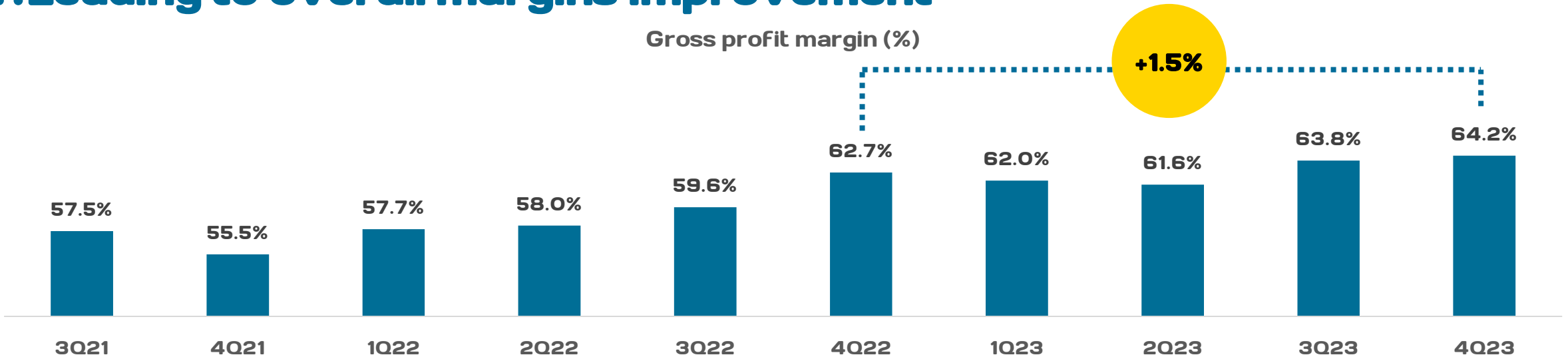


Expense item as % of revenue

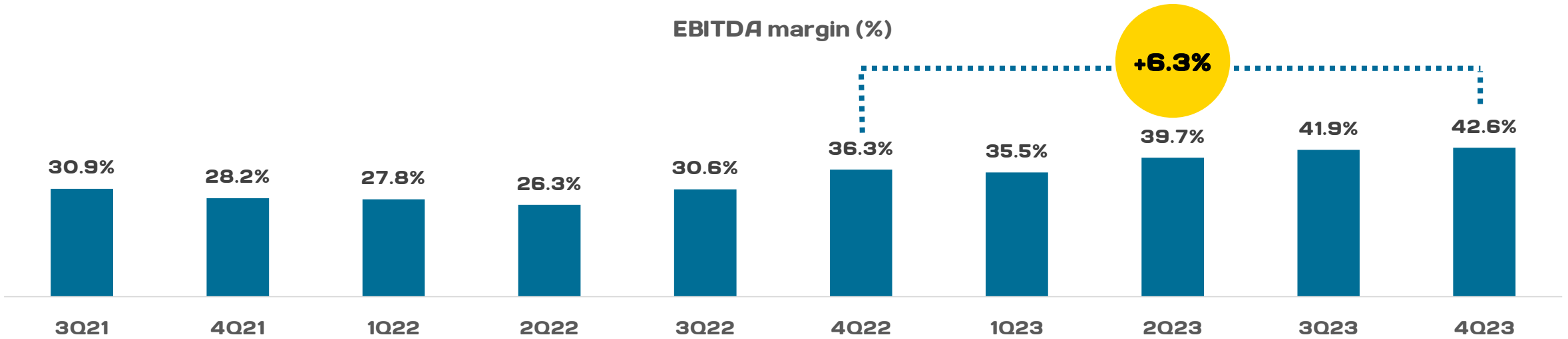


...Leading to overall margins improvement

Gross profit margin (%)



EBITDA margin (%)

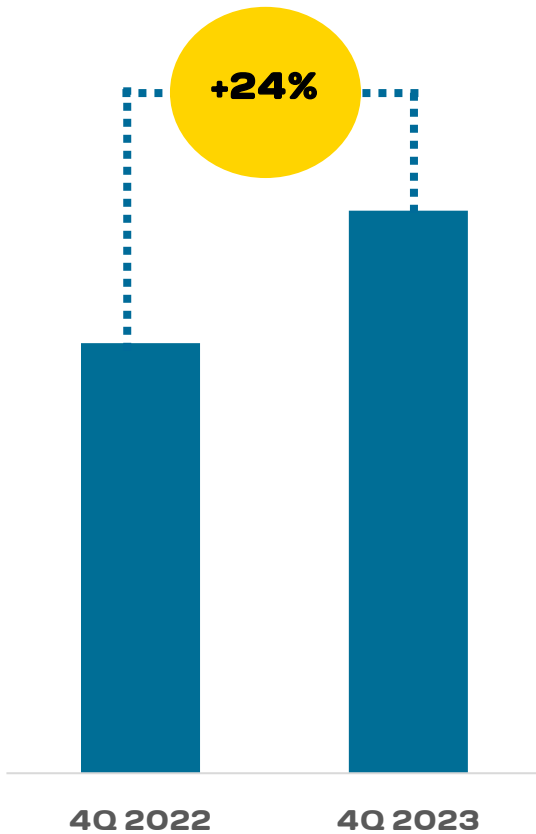


The background is a solid yellow color. Overlaid on this are several thick, white, wavy lines that flow from the top left towards the bottom right. These lines are composed of many thin, parallel white lines, creating a sense of motion and depth. The overall composition is clean and modern.

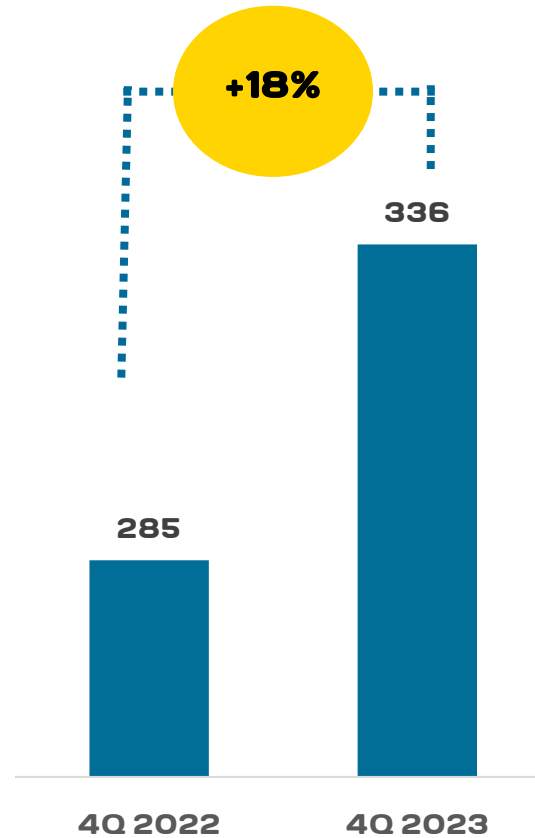
Dive into 4Q 2023 figures

ADP beat guidance, growing at 18% y-o-y

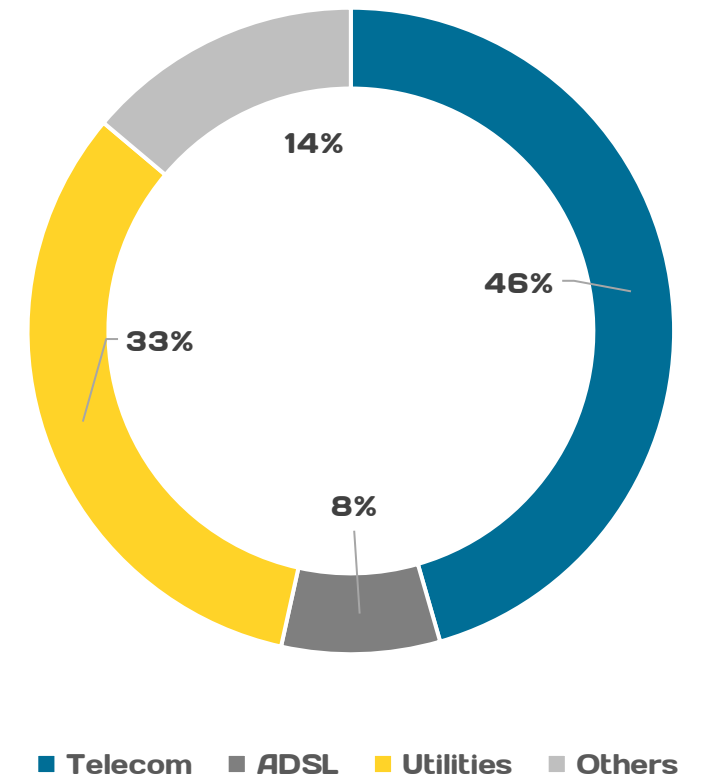
ADP throughput value



ADP revenue (EGP mn)



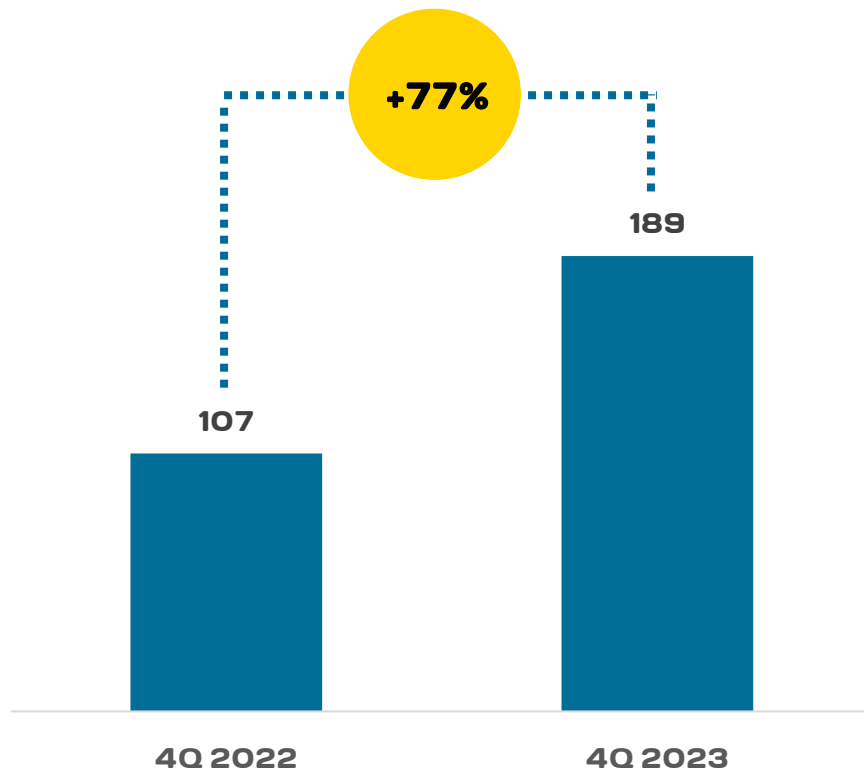
Contribution to ADP revenue growth



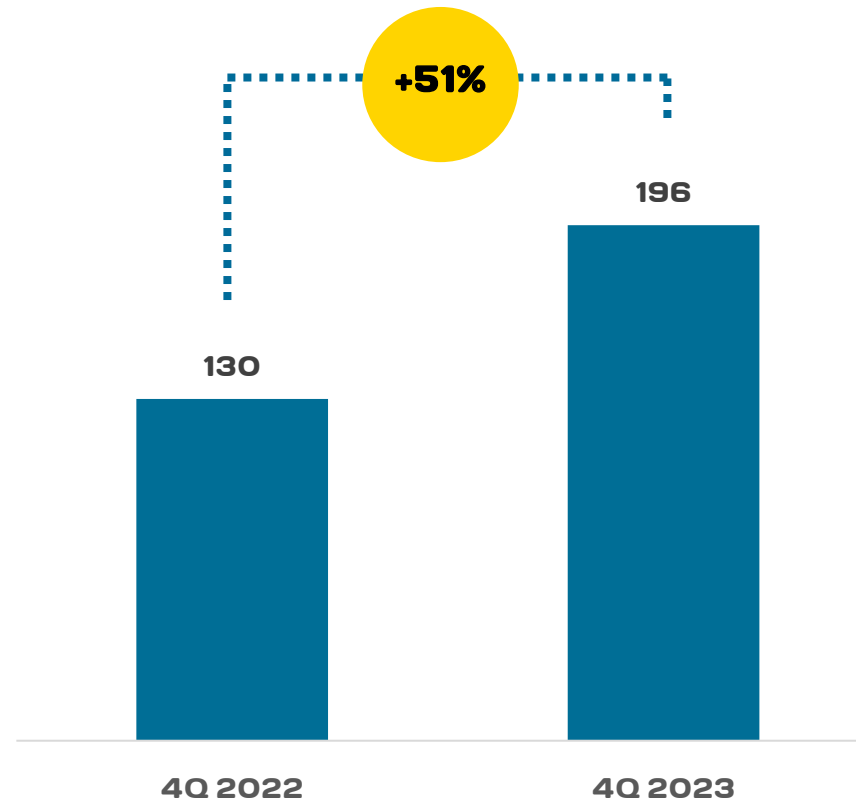
Acceptance up by 77% y-o-y, exceeded guidance of 65%, while agent banking services met guidance



Acceptance revenue (EGP mn)



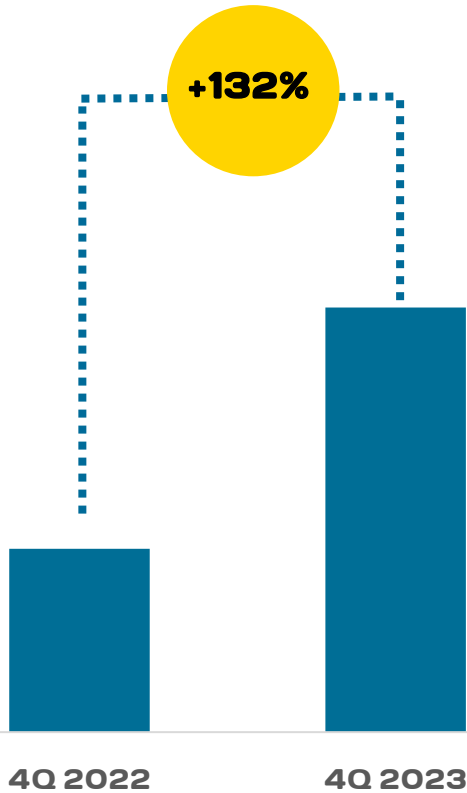
Agent Banking revenue (EGP mn)



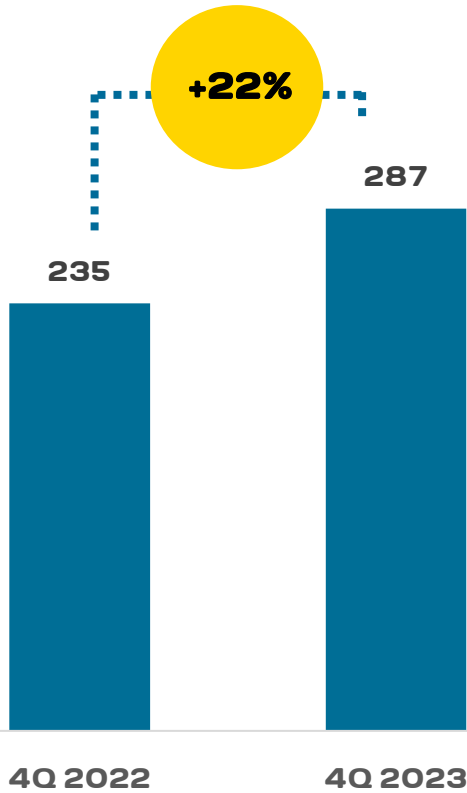
Instore acceptance grew at a higher rate than POS growth, indicating higher utilization per POS



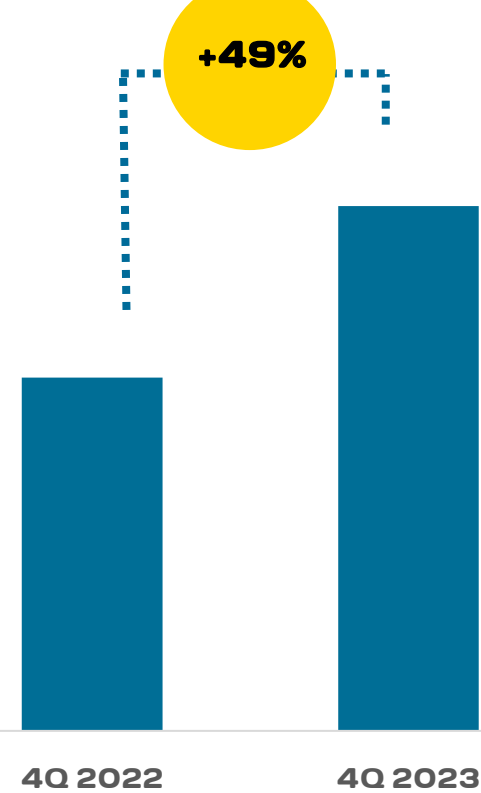
Revenue from instore acceptance



Acceptance enabled POS (000s)



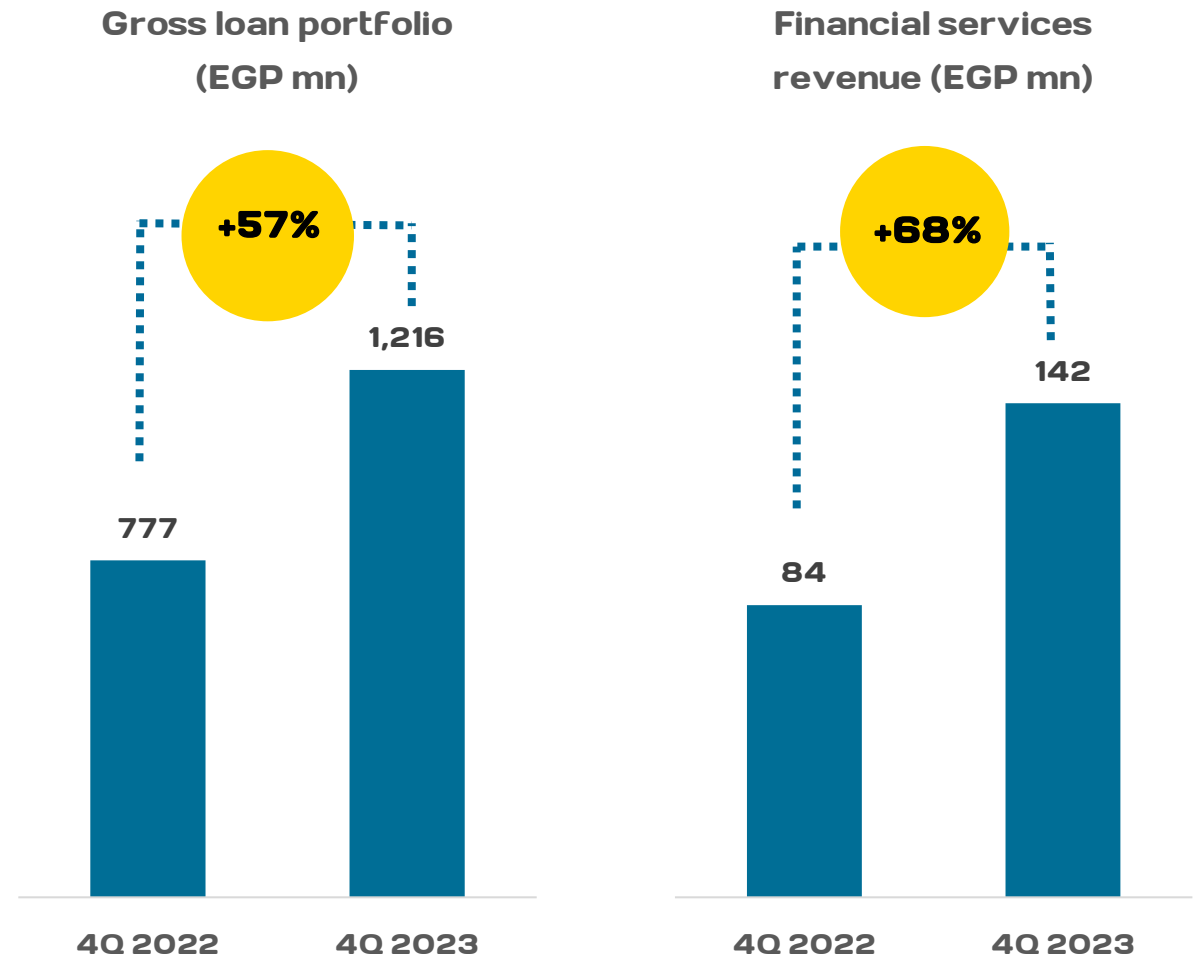
Revenue from online acceptance



Financial services revenue went up by 68% y-o-y, with double digit growth for all Microfinance KPIs



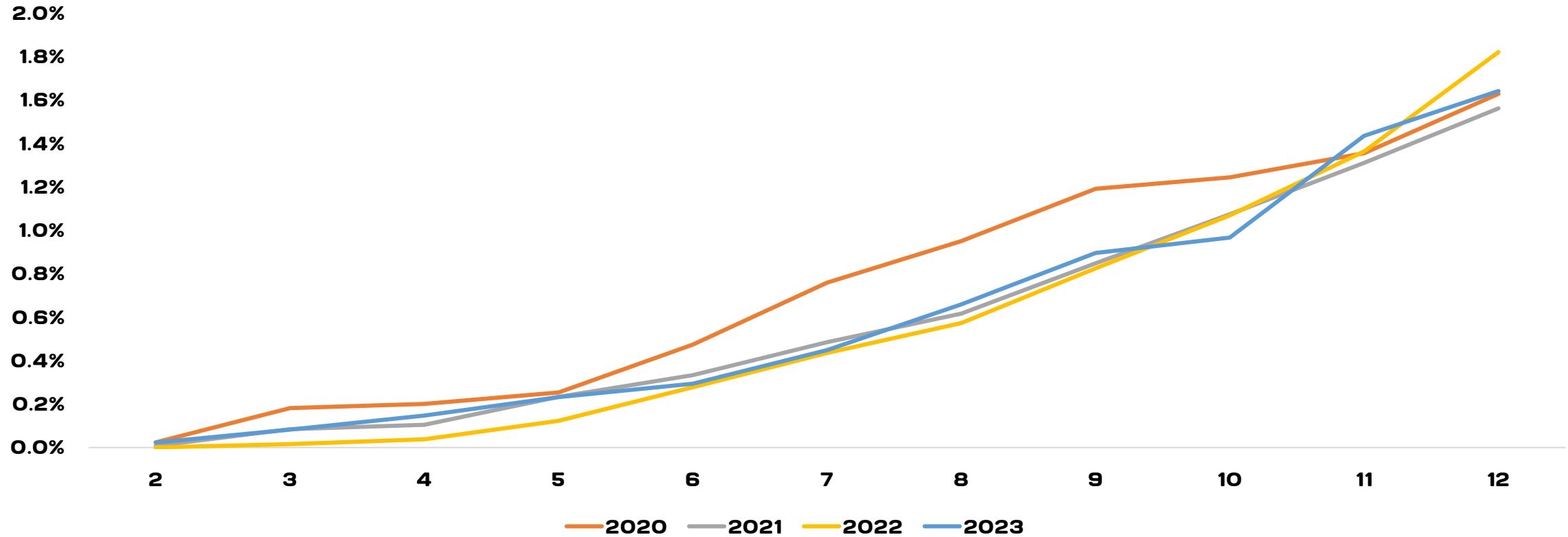
- Number of Microfinance loans granted in 2023 reached 35.8k, up by 16% from 30.8k in 2022
- Disbursements for Microfinance for 4Q23 reached EGP 435 mn up by 47% y-o-y, while for FY 2023 disbursements reached EGP 1,198 mn up by 23% y-o-y
- Average loan size for Microfinance reached 33.5k by end of 2023 vs. 31.5 for 2022
- Average loan portfolio per staff member increased by 18% y-o-y, showing higher efficiency
- Average number of monthly processed online applications for Microfinance in 4Q23 came at 8,275, 40% higher than that of 4Q22 which stood at 5,898



Gross loan portfolio includes Microfinance and Consumer finance (BNPL), while Financial services revenue include Microfinance, Consumer finance (BNPL), Insurance Brokerage, Money Market Fund and Prepaid Card revenue

Microfinance portfolio quality maintained, PAR 30 still below 2%

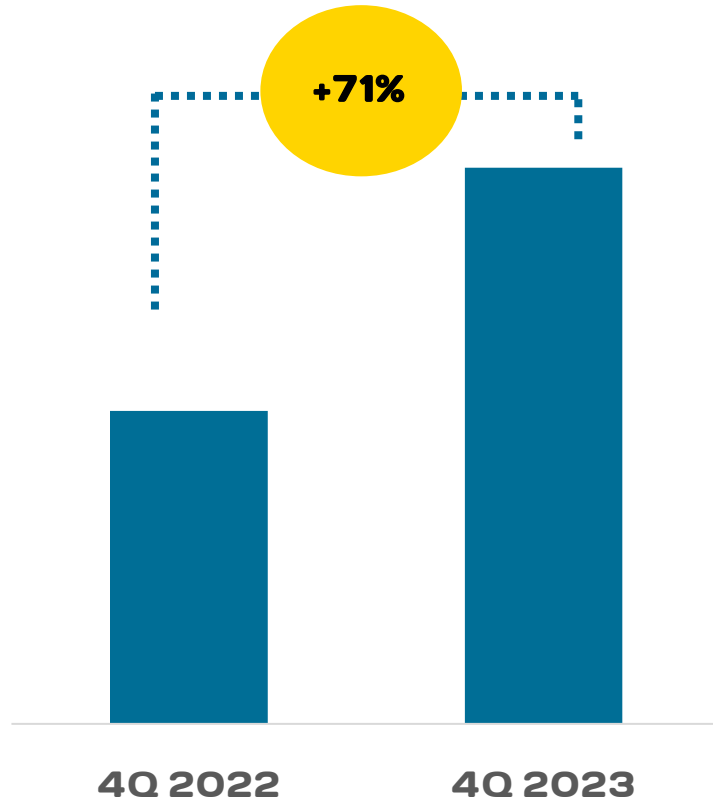
Number of months after disbursement
PAR30, % (by years)



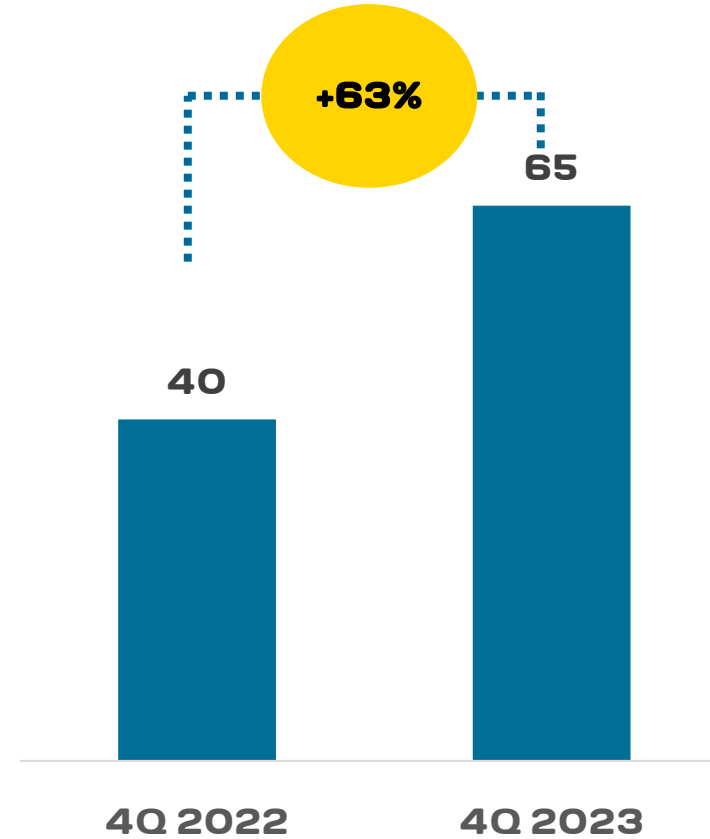
Despite the boycott affecting some of our clients, Supply Chain revenue grew on the back of inflation and increase in adoption



Supply chain throughput



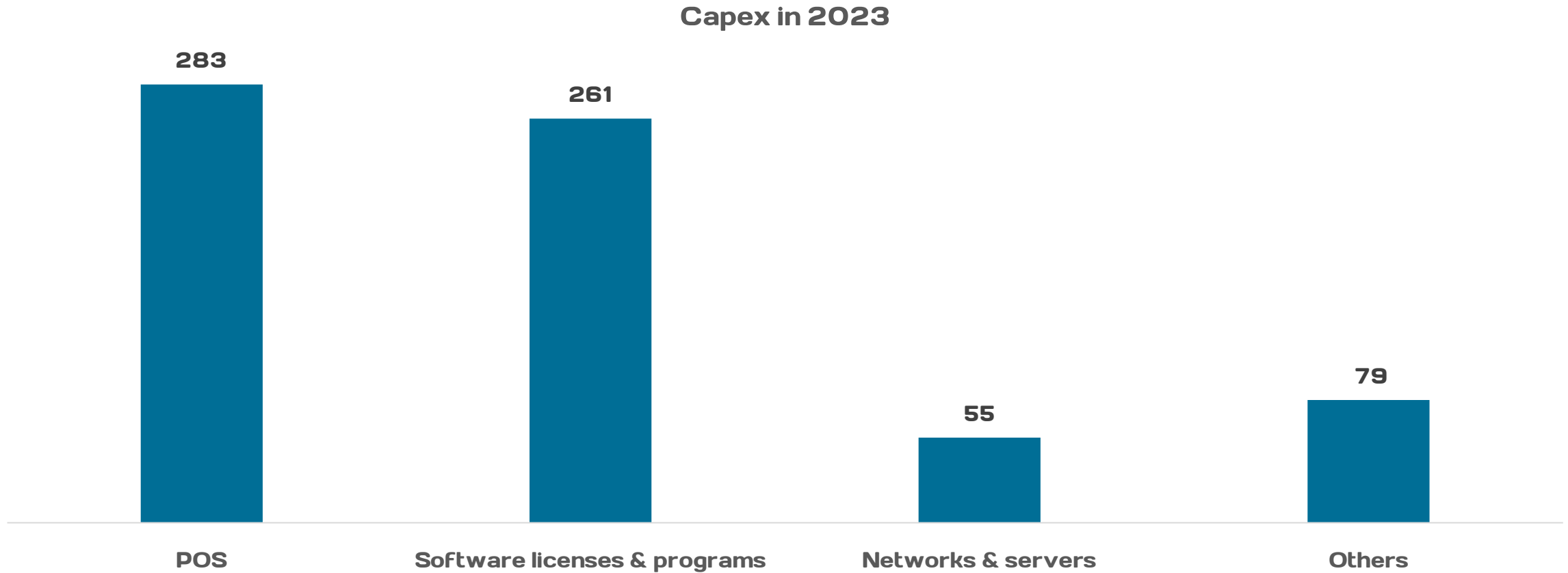
Supply chain revenue (EGPmn)



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. These lines are composed of many thin, parallel white lines, creating a sense of motion and depth. The lines curve and loop, with one large loop on the right side of the page.

Capex Investments & Digital growth

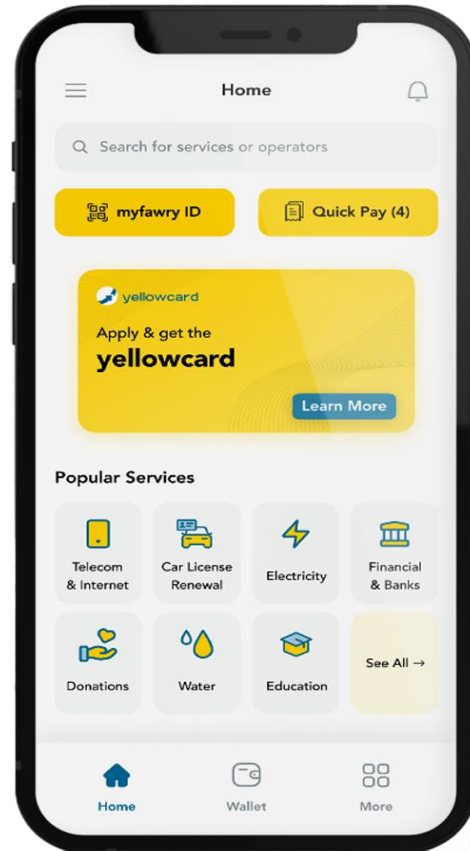
Capital expenditure (Capex) accounted for 21% of sales, aligning with guidance, with POS spending contributing 42%.



Embedded Finance lies at the heart of myFawry

Through 2023, the company launched, i) myFawry prepaid card (Yellow Card), ii) BNPL and iii) the money market fund, thereby offering payments, lending, discounts, savings and investments under the same portfolio

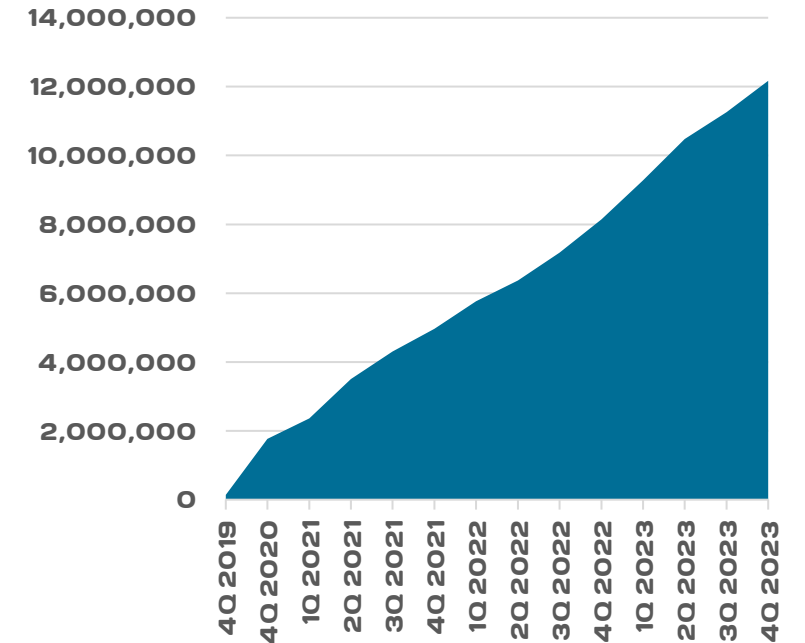
Company is on course to offer medical insurance products over the same portfolio in 2024, in addition to P2P and remittances



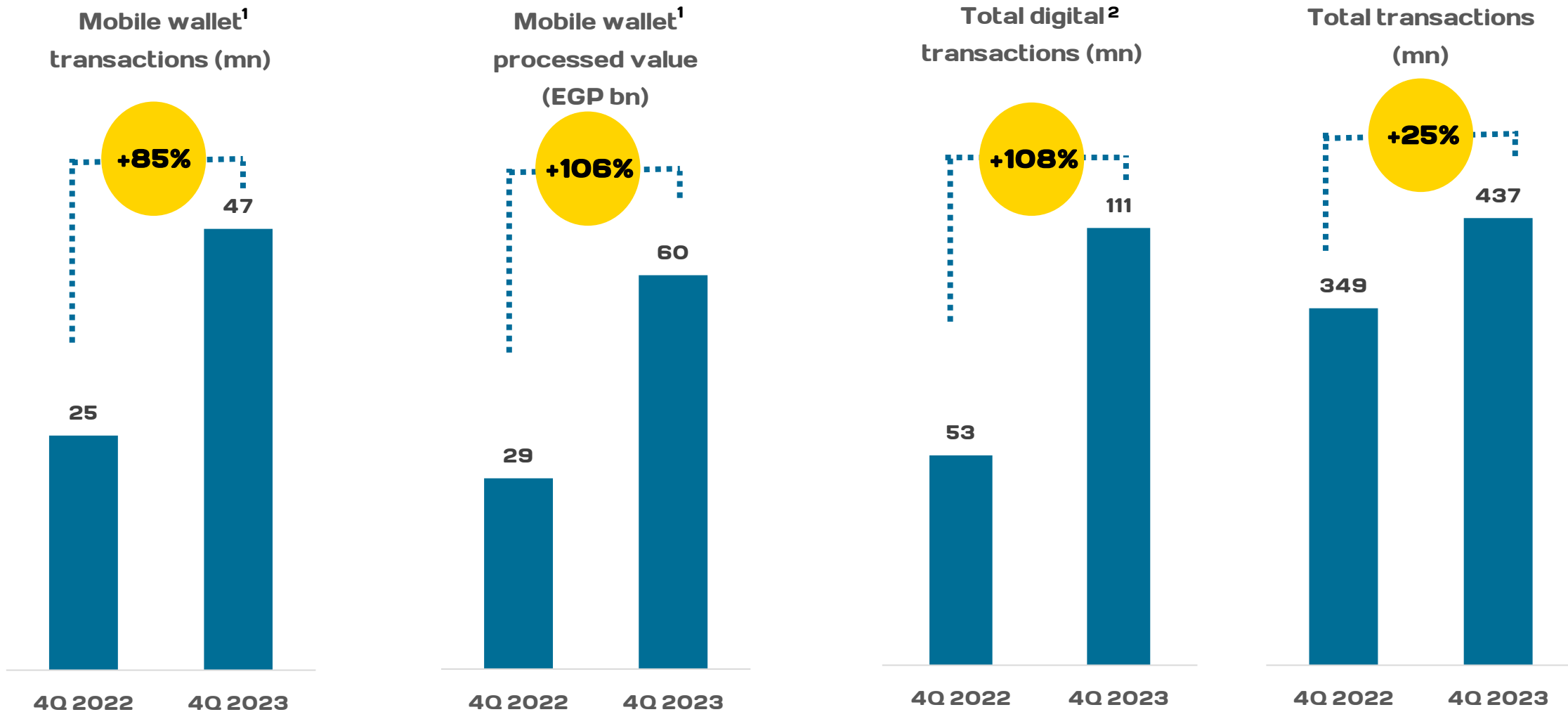
7.9 EGP Bn
Annualized Dec 23
throughput
Up c. 108% y-o-y

c. **12.2** Mn
Downloads since
June 2019
Up 49% y-o-y

myFawry cumulative downloads



Increase in digital transactions



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

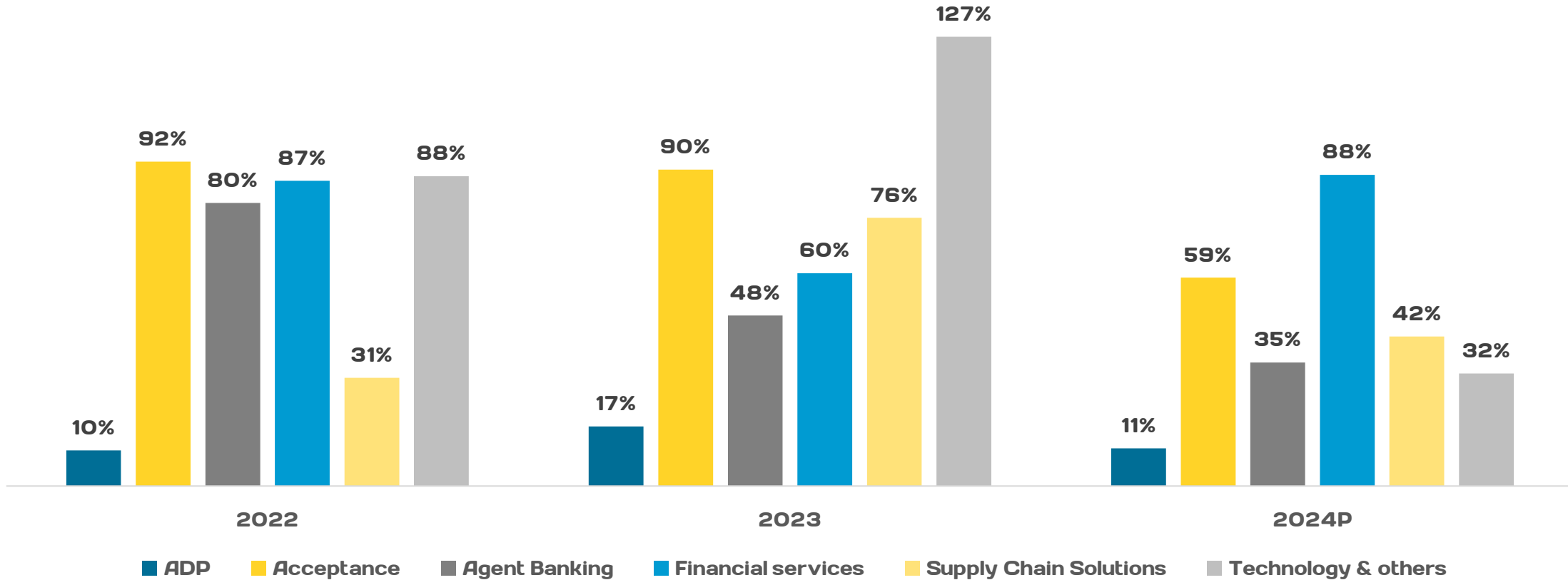
2 These figures reflect mobile wallet, myFawry, Banking and acceptance transactions



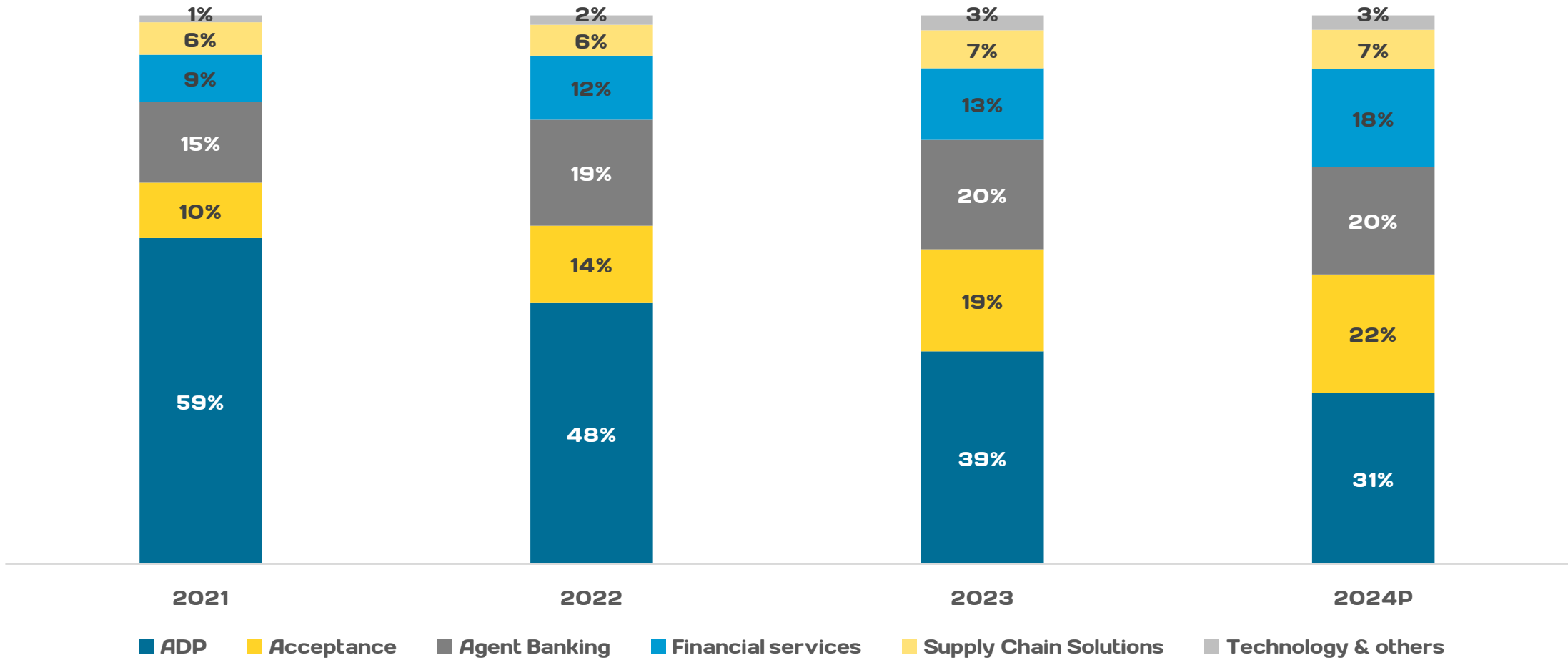
FY 2024 Guidance

Revenue growth guidance by offering...

Revenue growth by offering (%)



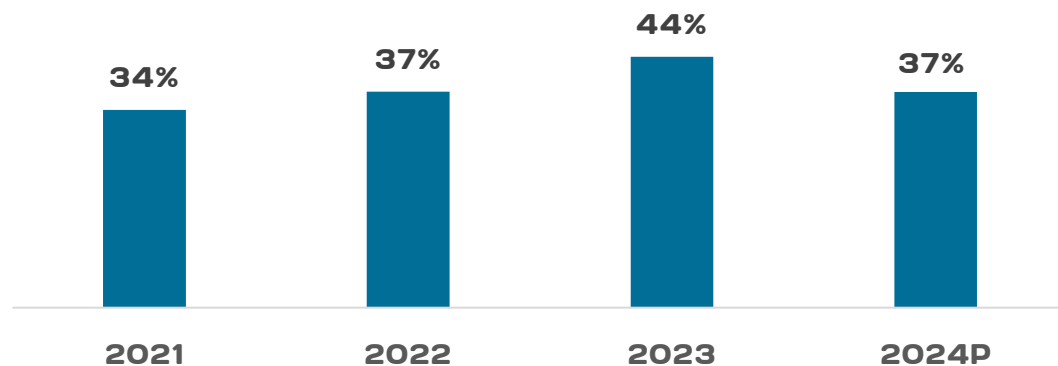
Driving diversification further and growing more into financial services



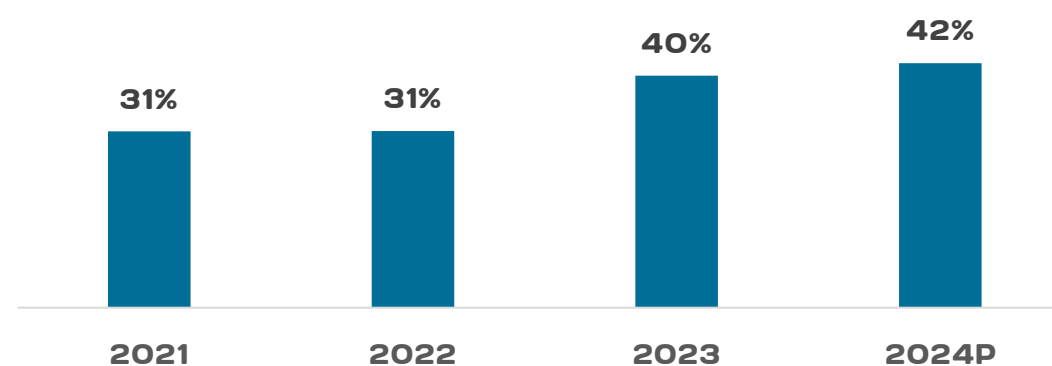
Company to maintain growth at 35%+ levels, with improving EBITDA margin by 2%



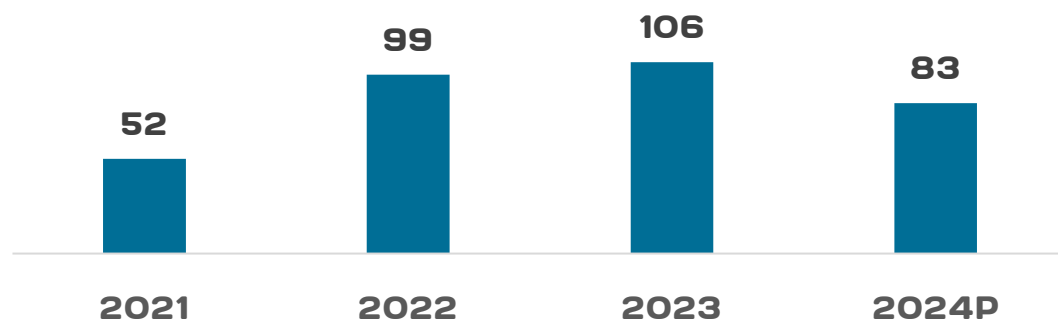
Revenue growth



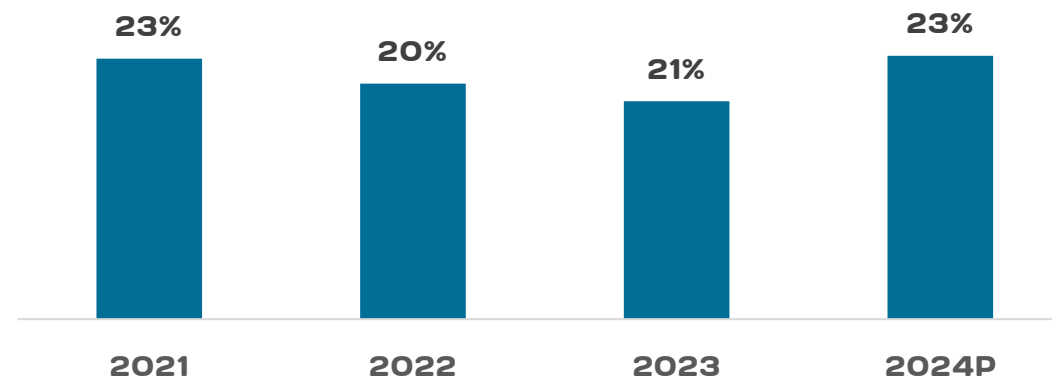
EBITDA margin



ESOP expense in EGP mn



Capex to sales





Q&A

