



# H1 2021 Earnings Call

August 19, 2021



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# Agenda

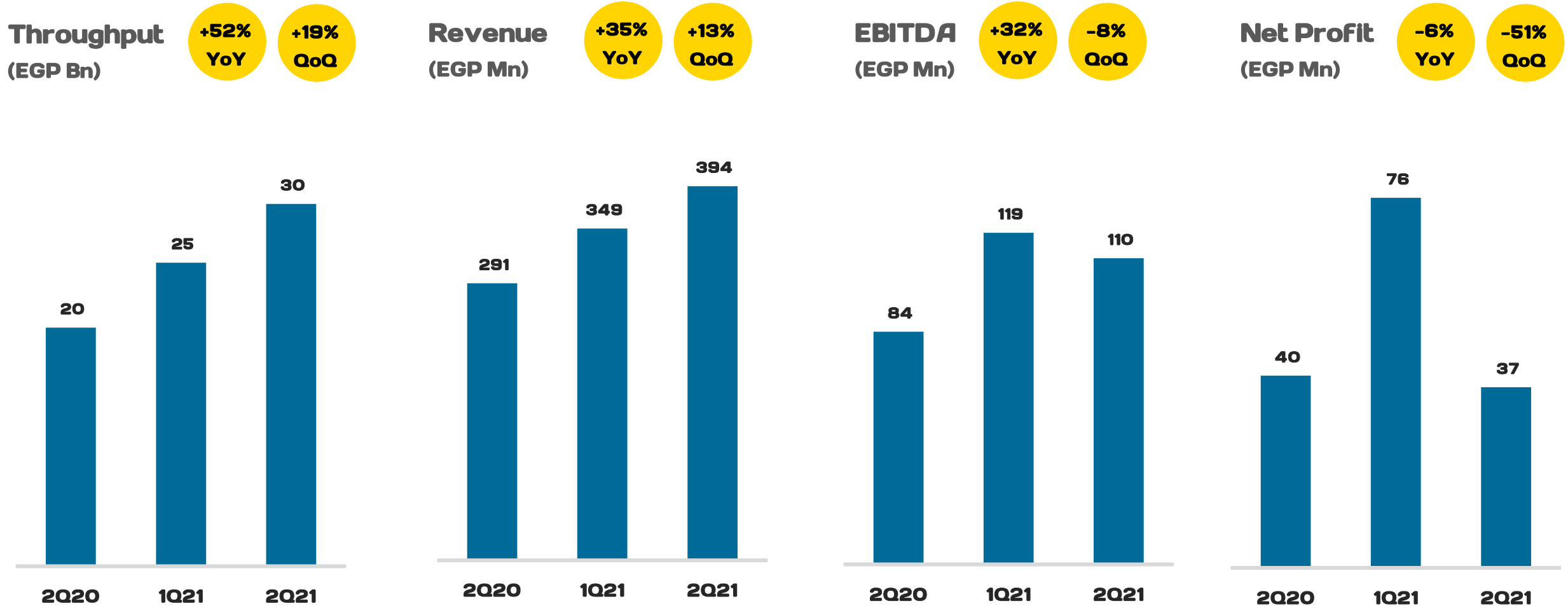
- **2Q21 financial results**
- **1H21 Operating & financial results**
- **Digital growth**
- **Q&A**

# 2021

## Financial Results

## Highlights

# Fawry continues to deliver strong top line growth in 2Q21 both YoY & QoQ



# Normalized 2Q21 earnings expand to show strong YoY & QoQ performance

## 1Q21 Pre Tax Adjustments

- One off Net gain from incentives of spreading pos points of CBE initiative (+EGP 21 mn)
- Fawry Plus change from investment in associate to investment in subsidiaries (+23 mn)

## 2Q21 Pre Tax Adjustments

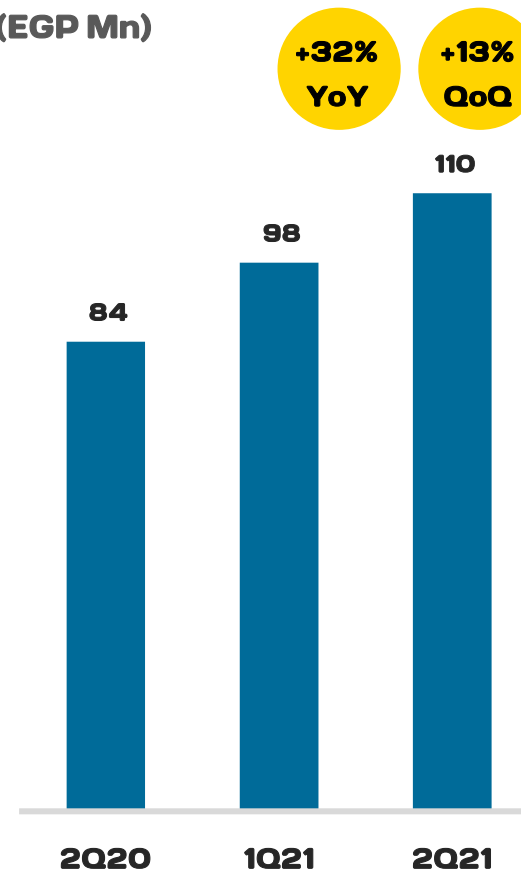
- ESOP charged (-EGP 13 mn)
- Capital raise fees (-2.8 mn)

## Highlights

- Adjusted EBITDA Margin of 28% for 2Q21 Flat QoQ and decline of 80bps YoY
- Gross Profit Margin of 52.6% for 2Q21 up 53bps QoQ and up 108 bps YoY
- Adjusted Net Profit Margin of 12.6% for 2Q21 up 69bps QoQ and decline of 96bps YoY

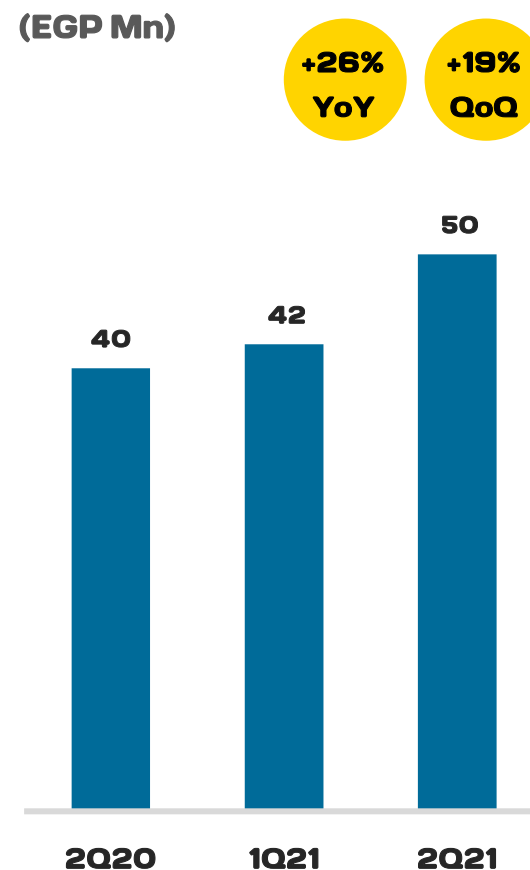
## Adjusted EBITDA

(EGP Mn)



## Adjusted Net Profit

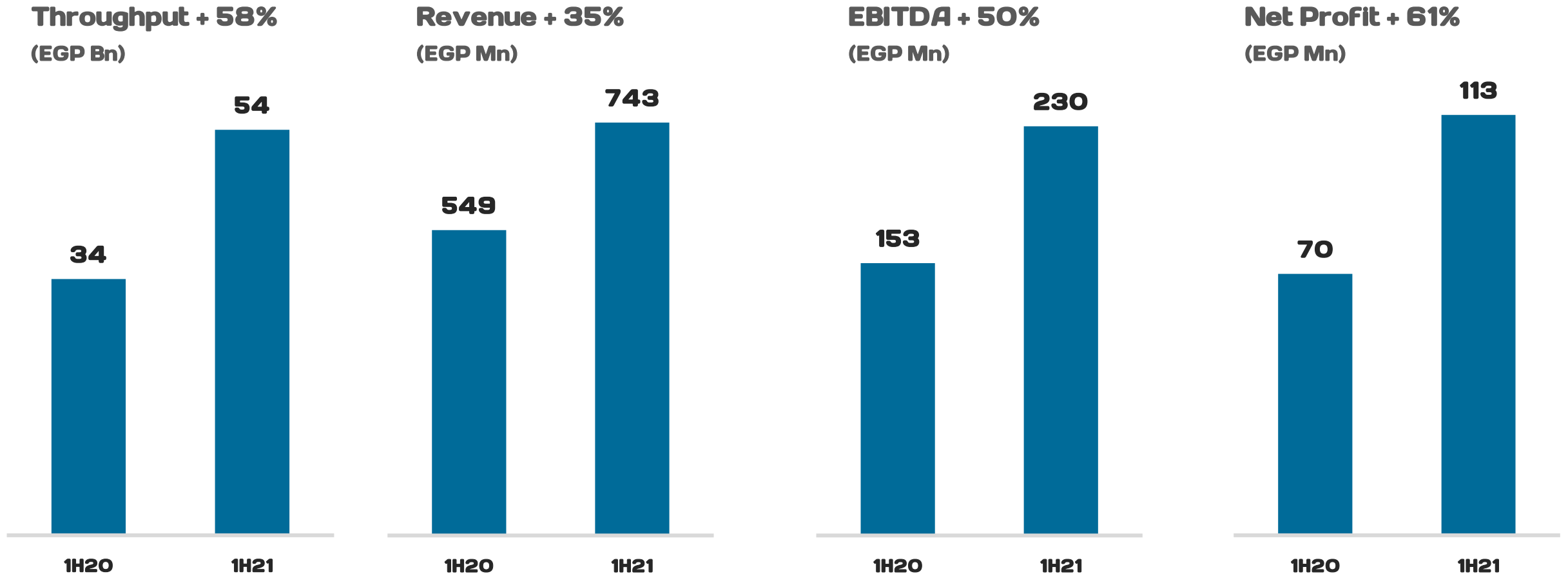
(EGP Mn)



# 1H21

## Operating & Financial Results Highlights

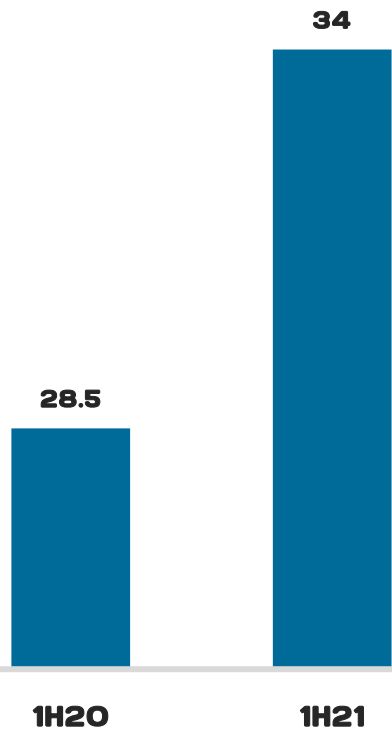
# 1H21 delivering solid growth across all financial metrics



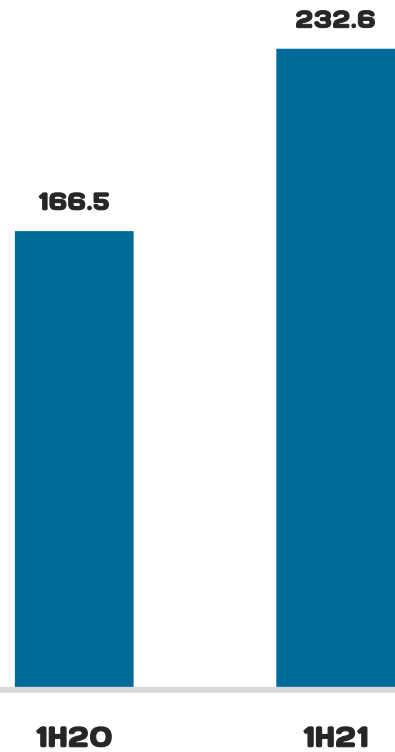


# Leveraging our expanding network 564 mn transactions processed

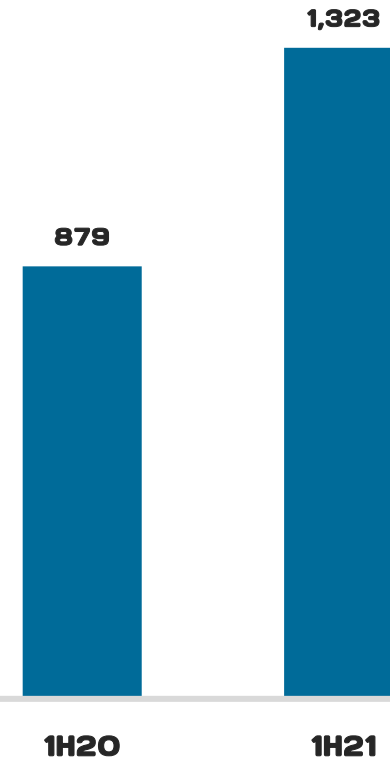
**Active customers + 19%**  
(EGP Mn)



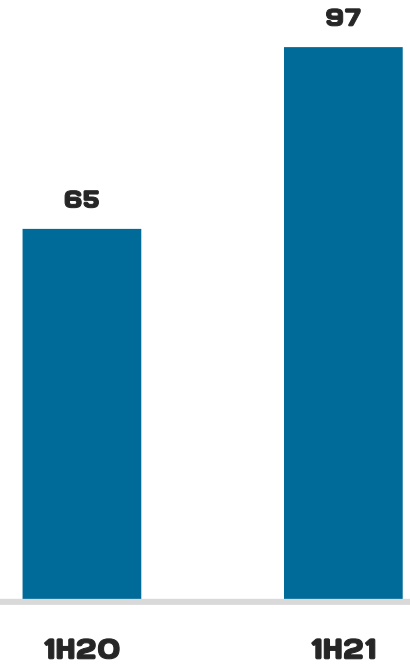
**Total POS + 40%**  
(EGP '000)



**Number of Services + 51%**

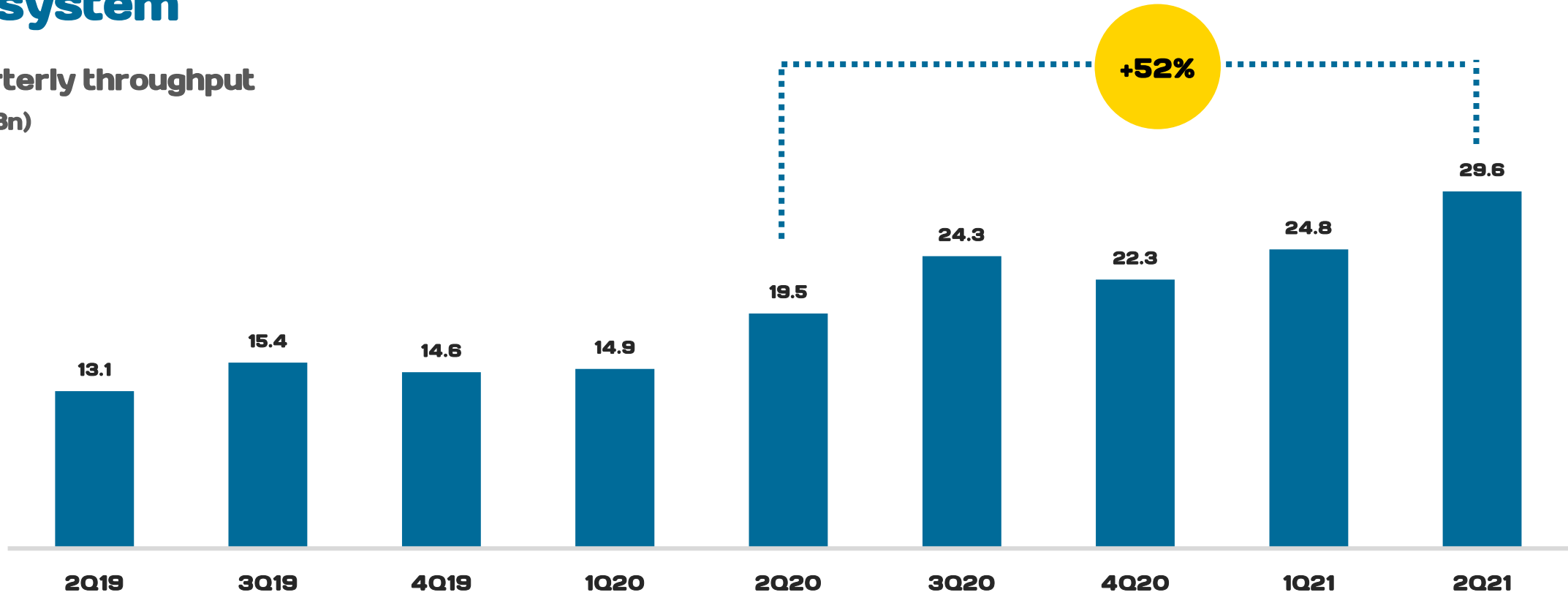


**Avg transaction Value + 49%** (EGP)



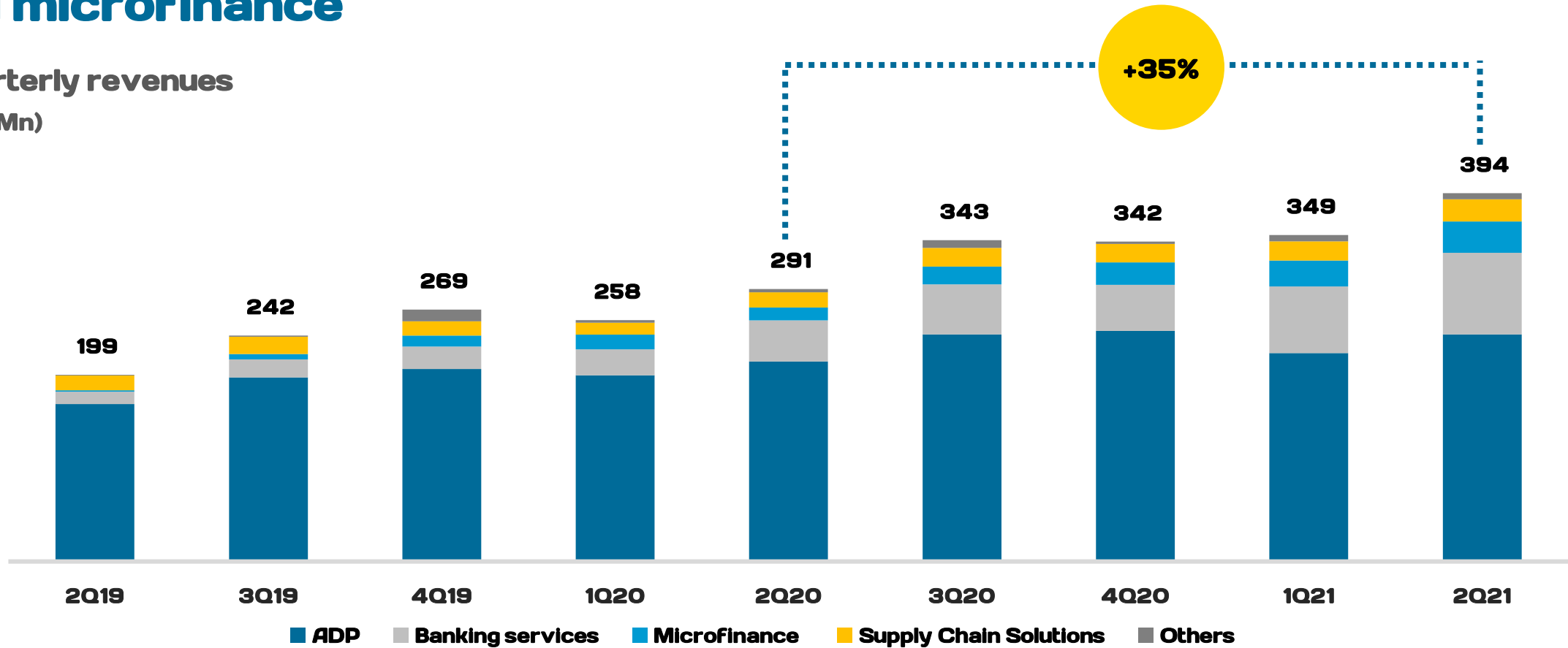
# Accelerated growth on throughput as we continue to expand our ecosystem

Quarterly throughput  
(EGP Bn)



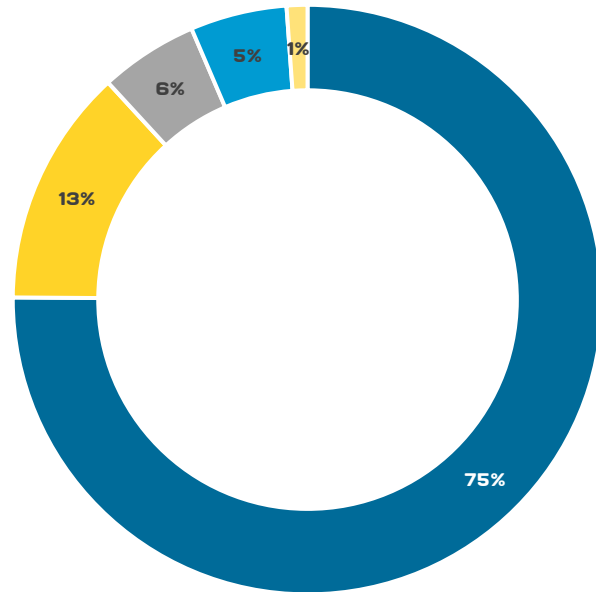
# Revenues growth driven by massive demand for banking services and microfinance

Quarterly revenues  
(EGP Mn)

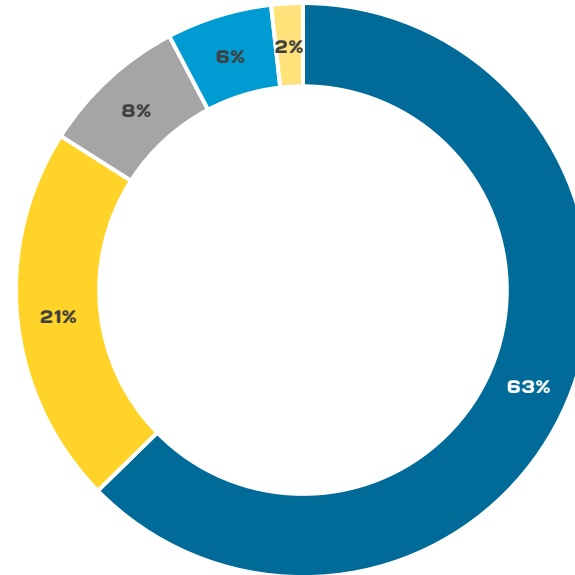


# As we continue to deliver on our diversification strategy

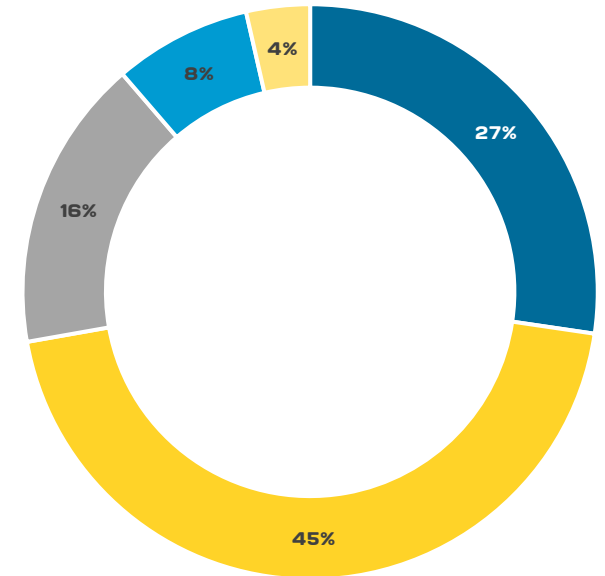
## 1H20 Revenues Mix



## 1H21 Revenues Mix



## % contribution to growth



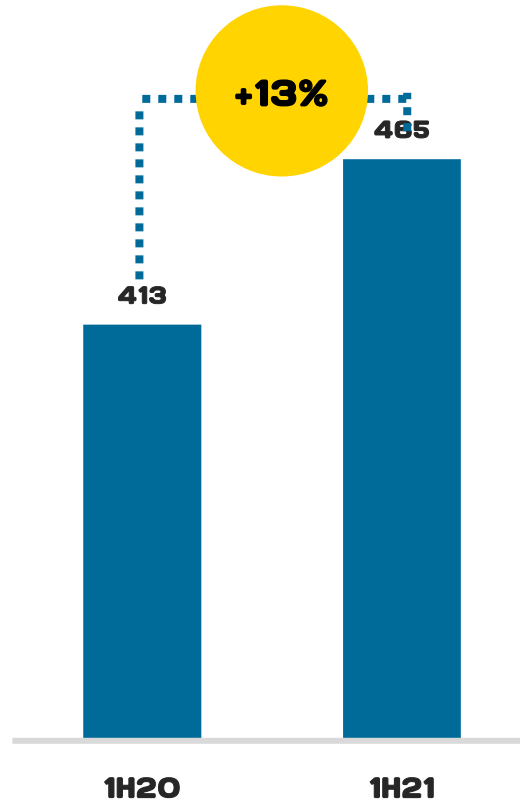
■ ADP ■ Banking services ■ Microfinance ■ Supply Chain Solutions ■ Others

# ADP delivers healthy growth driven by focus sectors utility & other bills

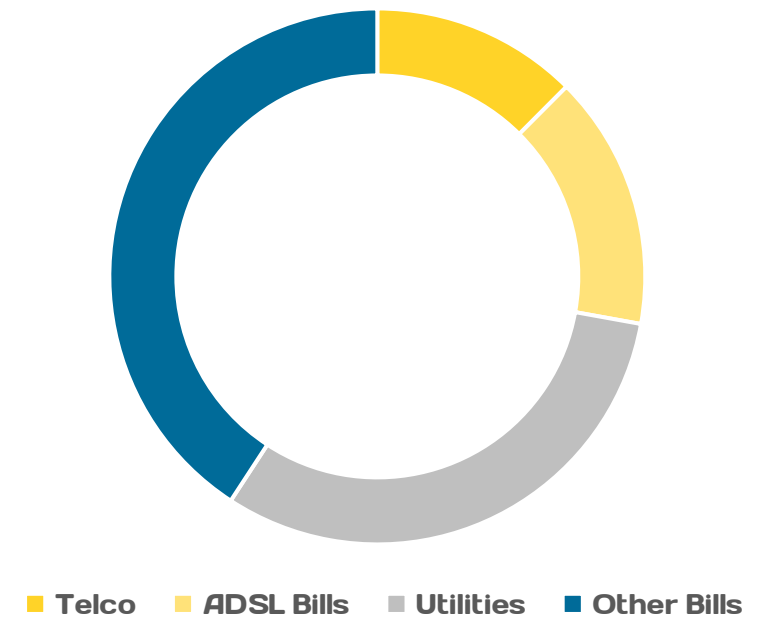
ADP Throughput  
(Value)



ADP revenue  
(EGP Mn)



Contribution to ADP  
TPV growth by bill type

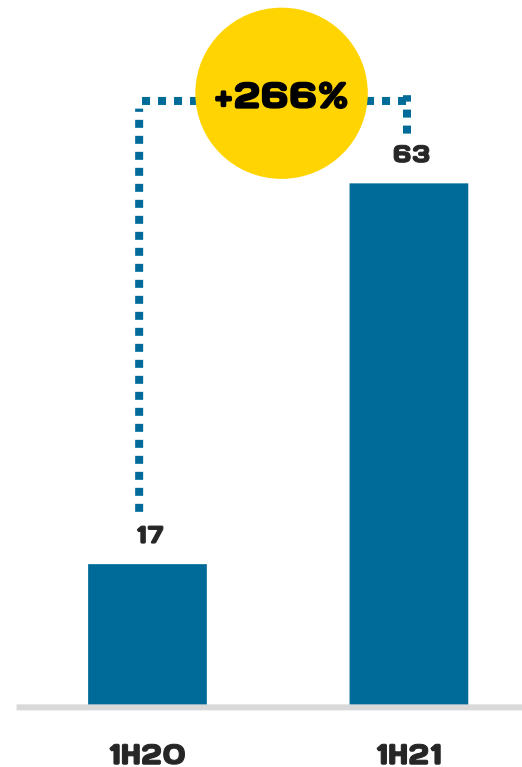


# Accelerated growth of Agent Banking and Acceptance drive Banking Services as the biggest contributor to revenue growth

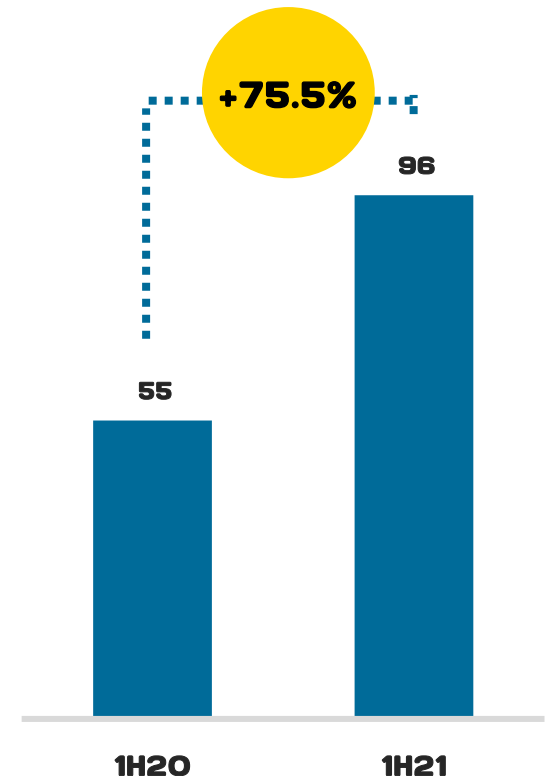
## Highlights

- Solid performance of both in-store & online acceptance
- Agent banking growing on the back of strong growth of Cash in Cash out on mobile wallets leveraging our merchant network
- CC & loans collection growing 3 folds
- Bank Nasser partnership allows pension recipients to claim payments online, Fawry's nationwide retail network, or from their nearest FawryPlus branch

Acceptance revenue  
(EGP Mn)



Agent Banking revenue  
(EGP Mn)

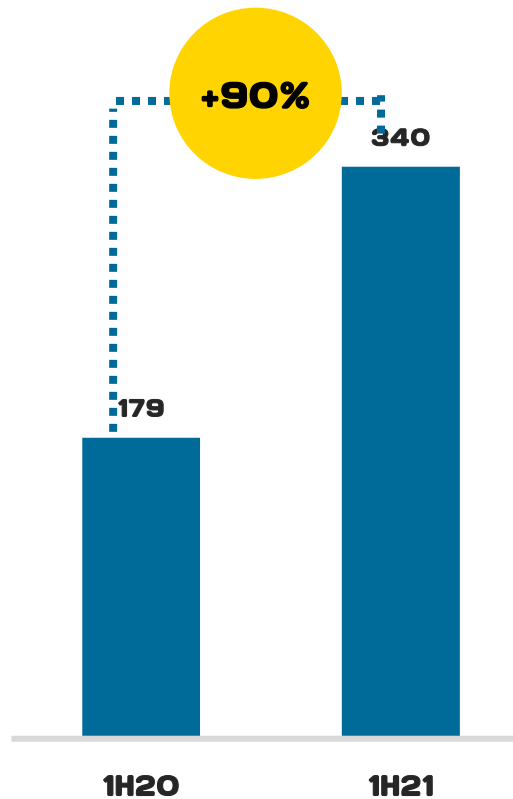


# Microfinance revenues double as Fawry expands its presence in this underserved market leveraging merchant network

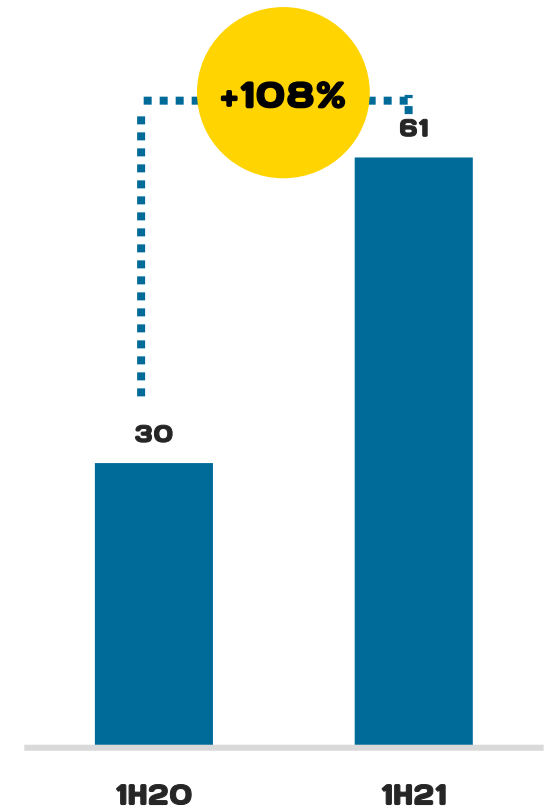
## Highlights

- +17.5k clients
- +1.5k online applications processed daily
- Extending credit limits up to EGP 200k
- Tapping into upper Egypt

Loan portfolio  
(EGP Mn)



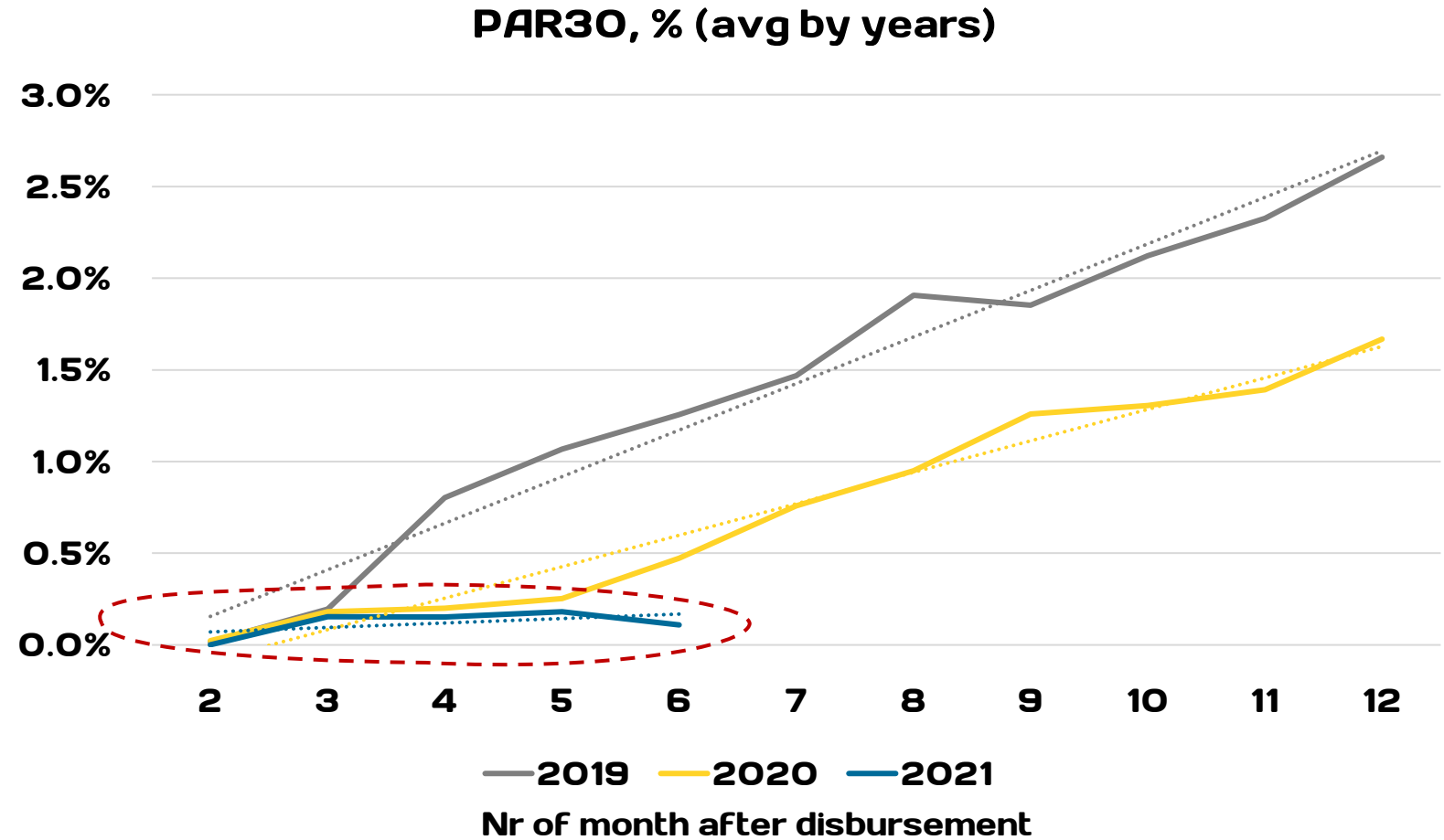
Microfinance revenue  
(EGP Mn)



# Noticeable improvement in NPL cohort trend for 1H21

## Highlights

- Microfinance portfolio showing strong performance with significantly lower NPL





# Strong growth in Supply Chain services

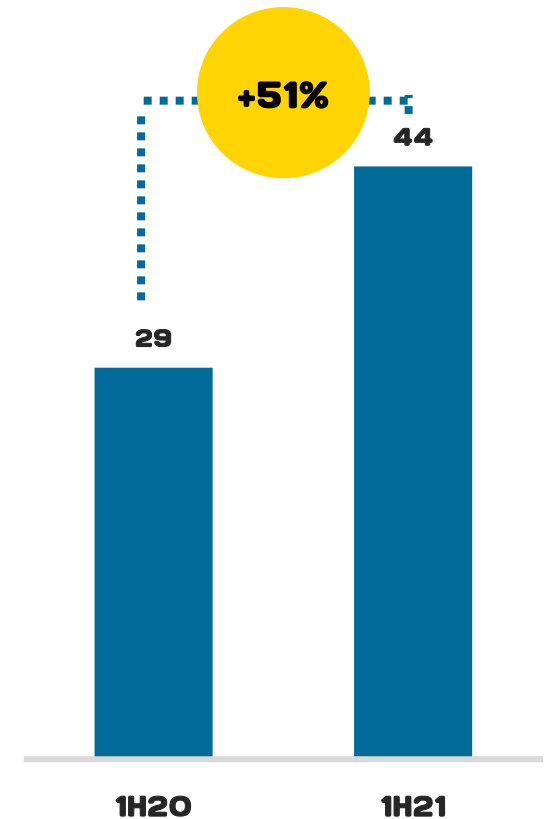
## Highlights

- On our FMCG business, we have expanded the list of customers that use our handheld device to accept electronic payments to include Nestle Water, Bel, and Arma

Supply chain TPV



Supply chain revenue (EGP Mn)



# EBITDA expanding however impacted by investments in HR as we gear up for growth

## Highlights

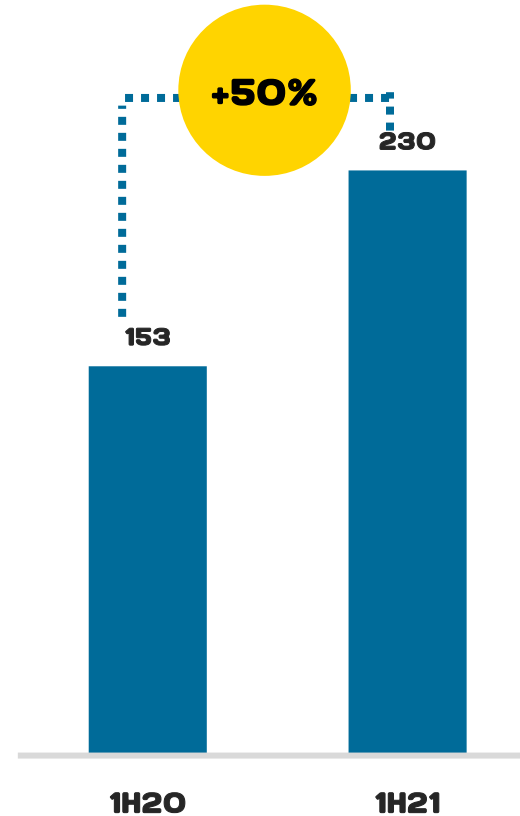
### EBITDA

- Maintain tight control on channel fees
- Realizing operating leverage
- ESOP (non cash)
- One off gain from CBE initiative for POS

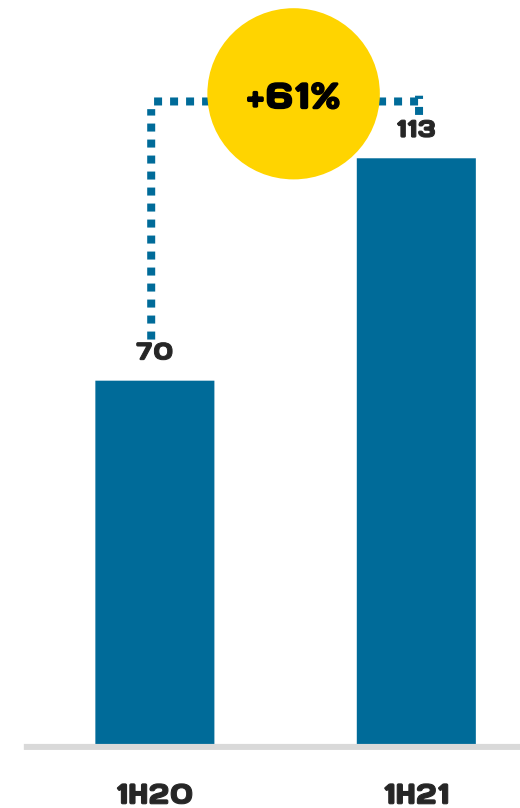
### Net Profit

- One off fees for capital increase
- One off gain Fawry Plus

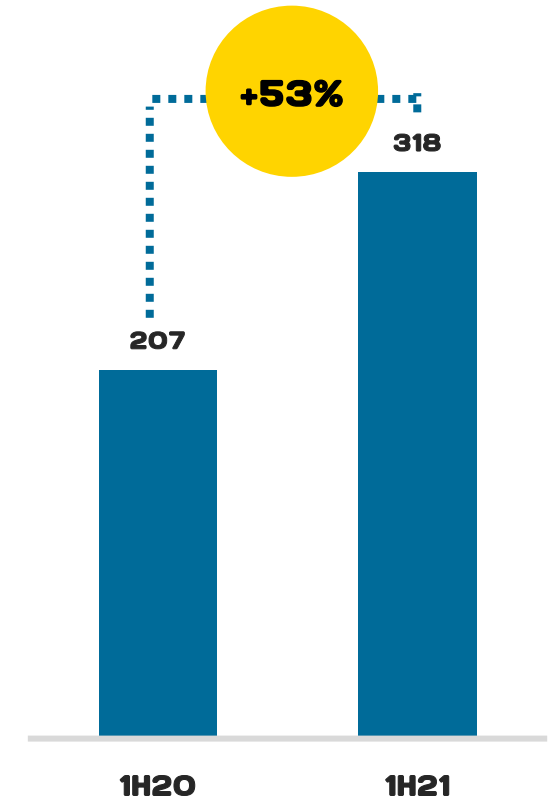
EBITDA  
(EGP Mn)



Net Profit  
(EGP Mn)



Net CF from operating activity (EGP Mn)



# Making investments for growth & diversification

## Positioning to customers

**+52%**

Marketing spend to drive growth on direct to consumer strategy

**2x**

Doubled our sales force headcount expanding our merchant reach

## Technology

**135** EGP Mn

Technology spend & investments in our network

## Strengthening & diversifying management

**+61%**

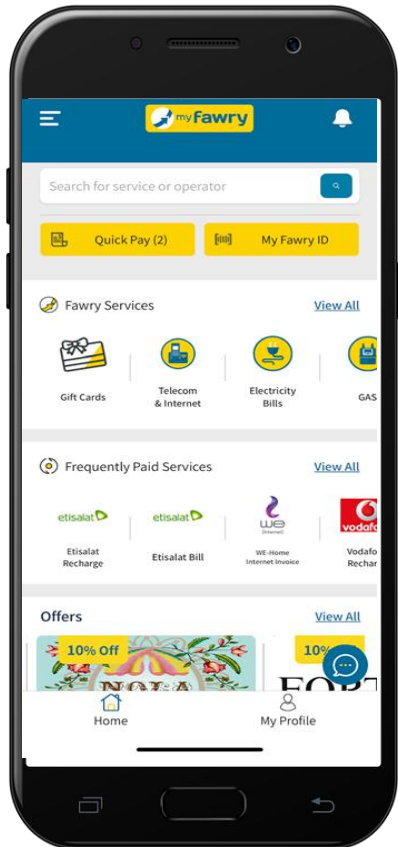
HR expenses as we attract talent to scale up our organization

**ESOP**

Introduced to align all management tiers to shareholders interest

# Digital growth

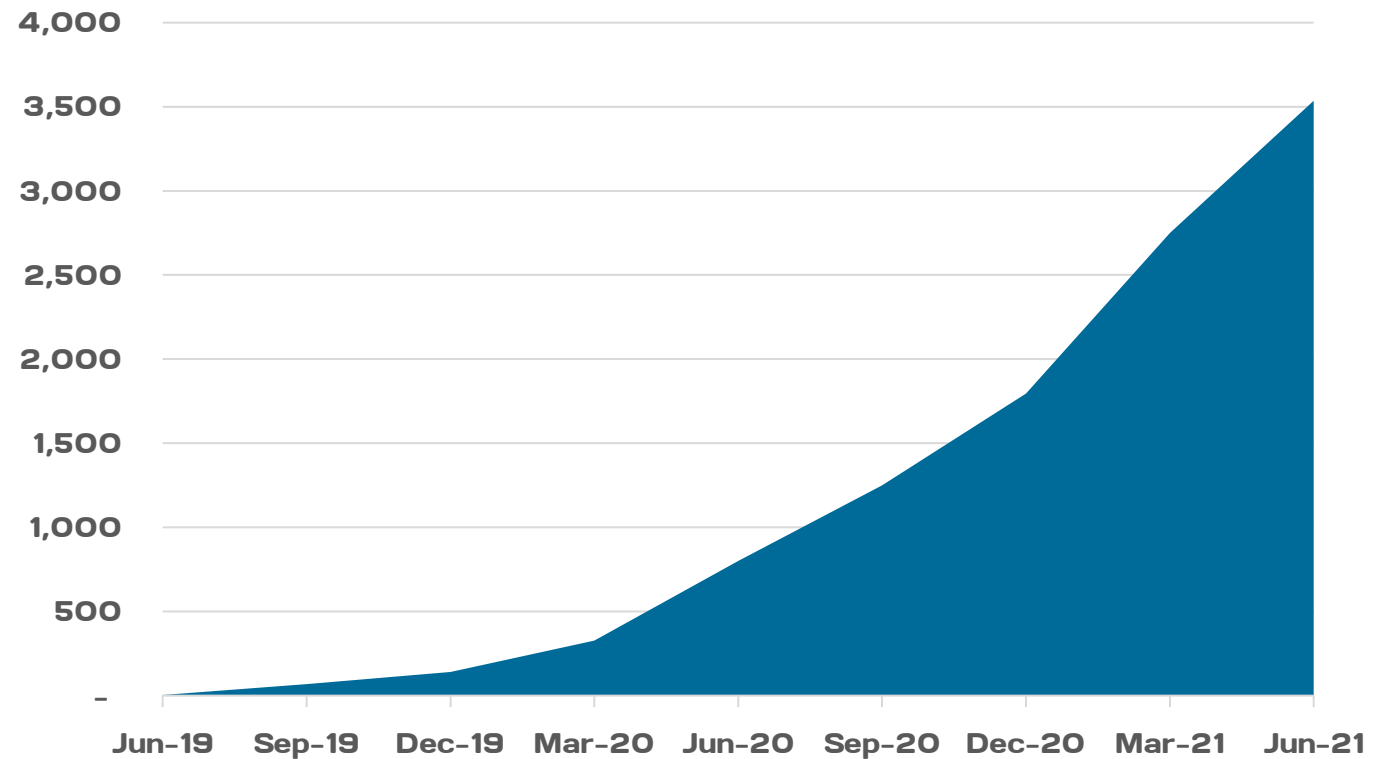
# Strong momentum for our direct to consumer app MyFawry



**1.64** EGP Bn  
**Annualized  
throughput**

**3.5** Mn  
**Downloads since  
June 2019**

**MyFawry Cumulative downloads ('000)**

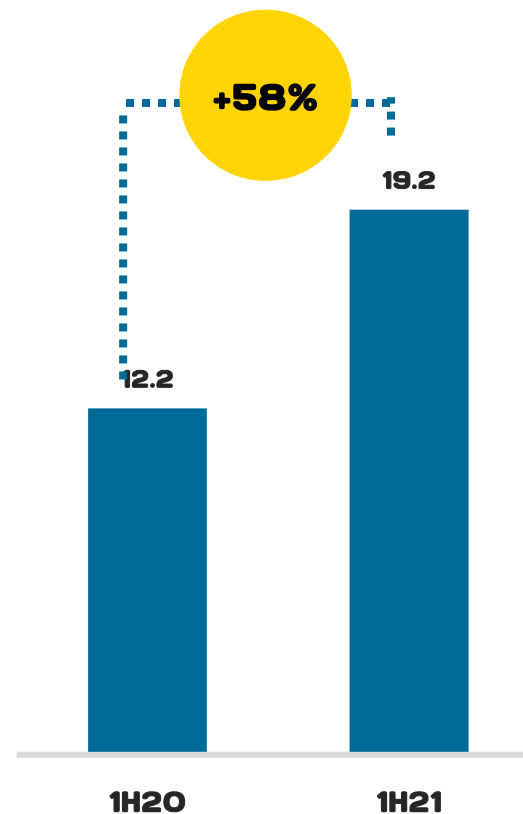


# Strong uptick in Mobile Wallets activity on the network

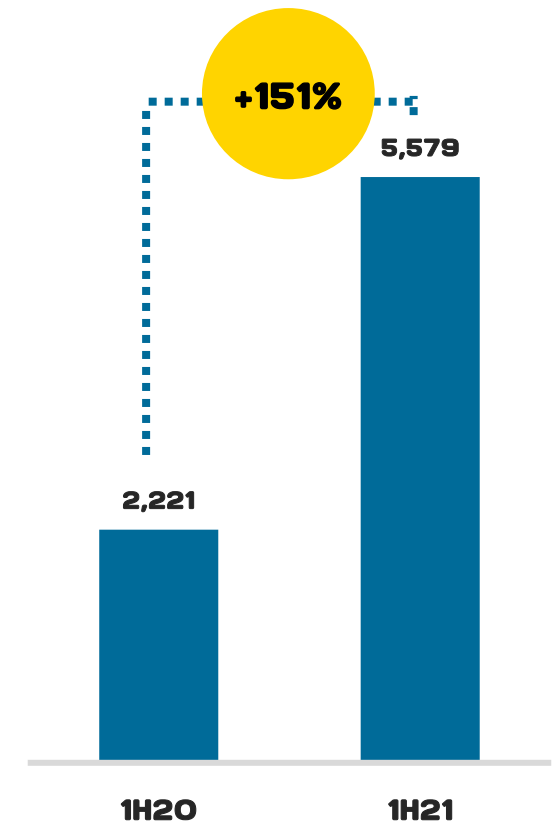
## Highlights

- More than double processed value on mobile wallets
- 60% increase in average transaction value to EGP 290
- Roll out of NBE 2.0 wallet fully on Fawry with new features and functionality designed to enhance customer experience and increase use

Mobile Wallet Transactions  
(Volume)



Mobile Wallet Processed Value  
(EGP Mn)

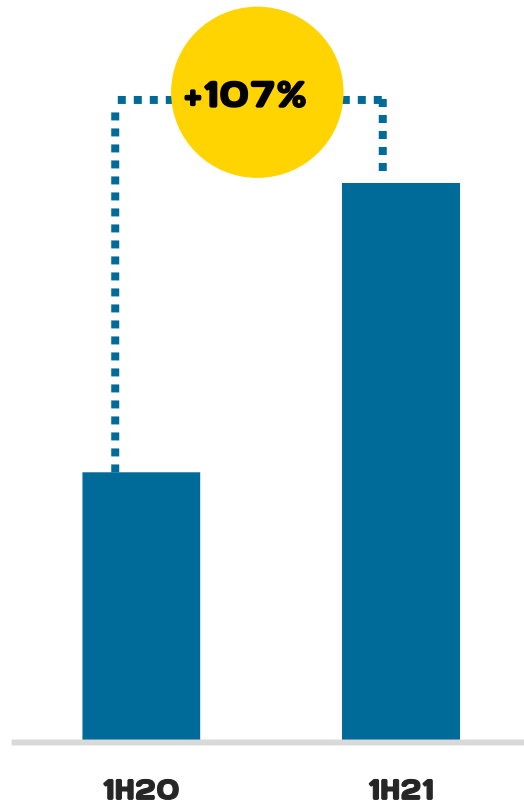




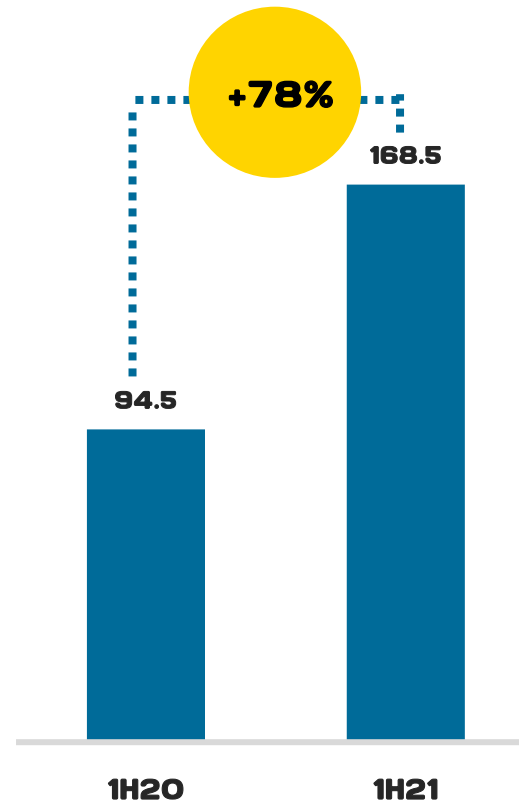
**Capturing a  
massive  
opportunity  
Acceptance is our  
Fastest growing  
business.**

# Enabling the future of payments through our *Acceptance* business

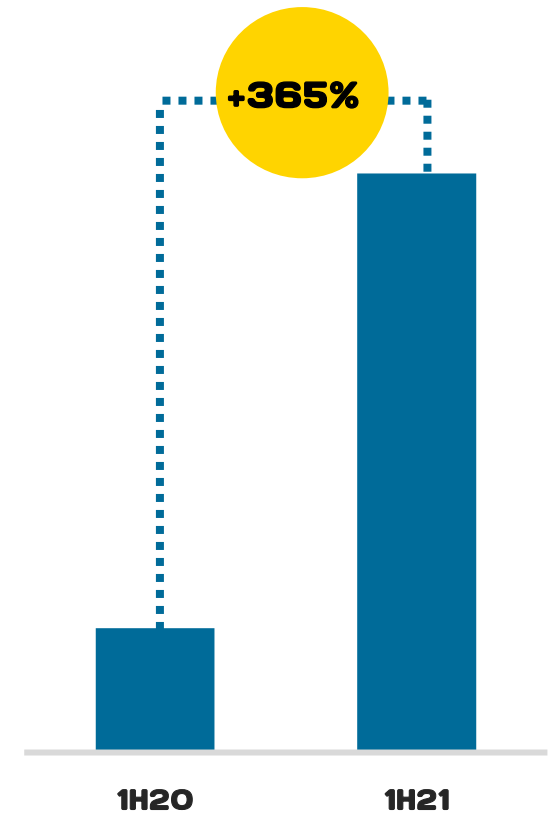
Revenue from instore  
*Acceptance*



Acceptance enabled POS  
(‘000)

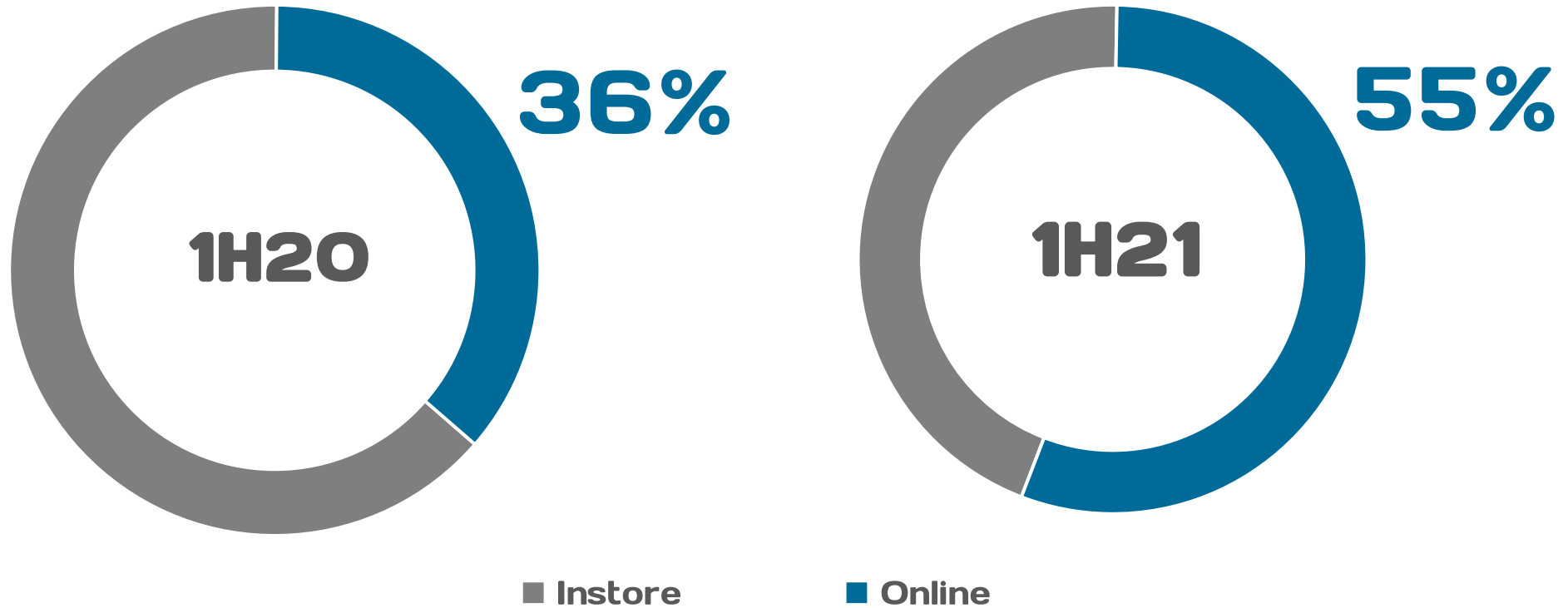


Revenue from online  
acceptance





# Online acceptance TPV exceeds instore in 1H21



# Q&A