



Prime Holding [EGX: PRMH]

Earnings Release – 9M FY2023 ended 30 September 2023

[primeholdingco.com](https://www.primeholdingco.com)

Prime Holding in Numbers



		Q3 FY2023			9M FY2023	
Revenues		EGPmn	y/y	q/q	EGPmn	y/y
PRIME Securities	Brokerage	16.4	+38%	-1%	56.0	+99%
PRIME Investments	Asset Management	2.9	+17%	-39%	10.2	+15%
PRIME Capital	Financial Advisory	1.2	-53%	-63%	5.2	-7%
PRIME Holding	Custody	1.6	-28%	-17%	8.1	+32%
PRIME Wathaeq	Management Services	0.21	+34%	+18%	0.4	-21%
Total IB Fees & Commissions		22.5	+15%	-17%	80.1	+62%
PRIME FinTech	Non-Banking Financial Services	4.3	-11%	-7%	13.6	+11%
	Capital Markets & Treasury	13.8	+380%	-20%	38.3	+392%
Operating Revenues		40.7	+48%	-17%	132.2	+90%
Non-Operating Revenues		2.1	+230%	+1%	7.1	+372%
PRIME Holding	Total Revenues	42.8	+53%	-16%	139.3	+96%

Source: Management presentation.

Key Financial Highlights

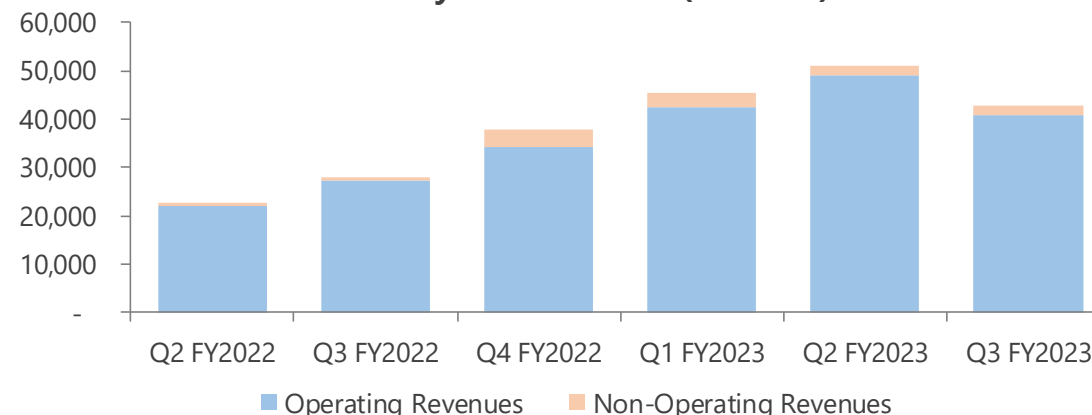


Prime Holding Announces 9M FY2023 Results

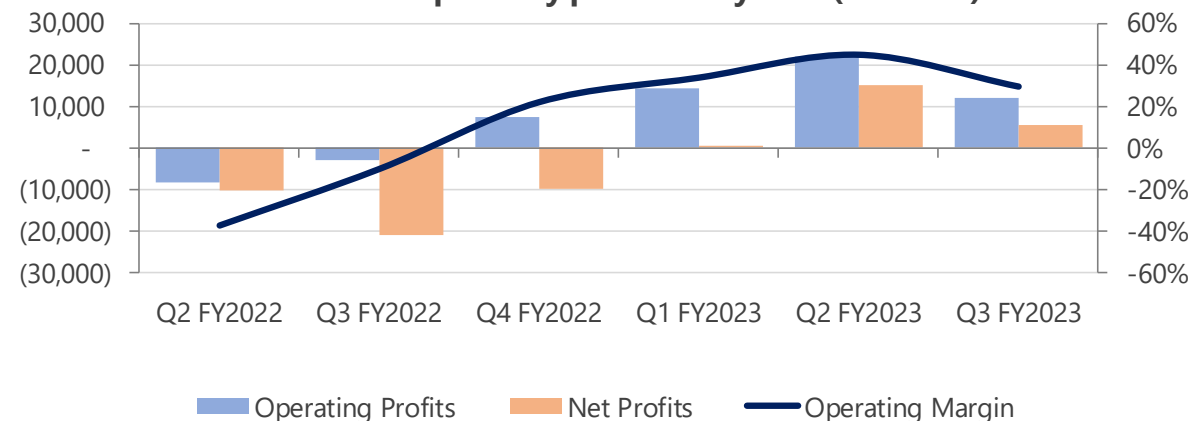
Net profits reached EGP20.5mn, a significant turnaround from the net losses of EGP48.6mn recorded a year earlier. This transformation was propelled by a substantial 96% YoY growth in total revenues marking EGP139.3mn, driven by higher Operating Revenues of EGP132.2mn (+90%). The noteworthy contributions came from the Investment Bank and Capital Markets & Treasury. Excluding Provisions, Net Profits would have amounted to EGP35.8mn in 9M FY2023.

- **Operating Revenues** marked EGP40.7mn (+48% YoY) in Q3 FY2023, driven by growth across key segments, namely:
 - **IB Fees & Commissions** registered yet another double-digit YoY growth rate in Q3 2023, recording EGP22.5mn (+15% YoY), driven mainly in terms of contribution to growth by Brokerage (73%) and Asset management (13%)
 - **Capital Markets & Treasury Revenues** registered a threefold growth rate, logging 380% YoY to EGP13.8mn.
- **Total Revenues** (including non-operating revenues) hit EGP42.8mn (+53% YoY, -16% QoQ) in Q3 FY2023.
- **Operating Profits** surged 574% YoY to EGP12.1mn in Q3 FY2023, This marks the third consecutive quarter of positive performance, a significant improvement compared to the operating losses of EGP2.7mn in the same quarter of the previous year.
- **Net Profits** recorded EGP5.4mn in Q3 FY2023, reinforcing the turnaround story that began in Q1 FY2023. This is compared to Net Losses of EGP20.8mn in Q3 FY2022. Excluding Provisions, Net Profits would have registered EGP7.6mn in Q3 FY2023.

Quarterly total revenues (EGP'000)



Consolidated quarterly profitability KPIs (EGP'000)



Source: Management presentation.



Revenues

Operating Revenues positive performance endures

9M FY2023 Operating Revenues displayed a remarkable YoY 90% growth rate. The Investment Bank (bolstered by Brokerage, Asset Management and Custody) and Capital Markets & Treasury all contributed to a positive quarter.

IB Fees & Commissions anchored a growth in the tens

The aggregate IB Fees & Commissions grew 15% YoY to EGP22.5mn in Q3 FY2023 vs. EGP19.6mn in the prior year. These favorable outcomes were influenced by Brokerage, Asset Management and custody.

Brokerage robust performance persists

Brokerage reported fees & commissions of EGP16.4mn in Q3 FY2023 (+38% YoY), elevating the 9M FY2023 total to EGP56mn with a remarkable 99% YoY growth.

Two fold growth rate exhibited by Asset management

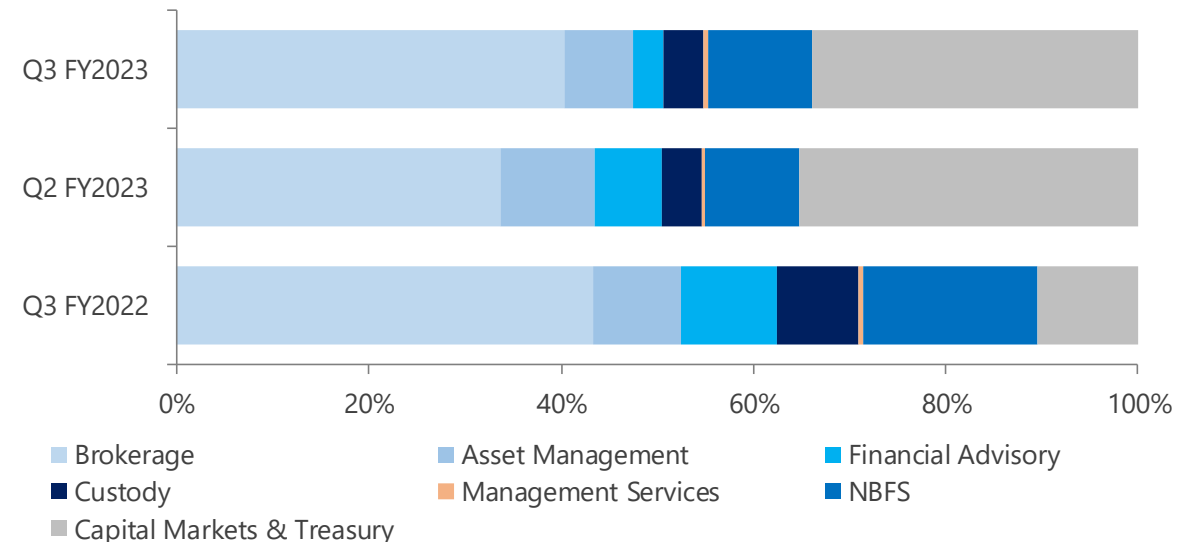
Asset management reported total revenues (encompassing other income) of EGP3.33mn in Q3 FY2023 vs. EGP3.02mn in Q1 FY2023, reflecting 10% growth rate. Consequently cumulative revenues in 9M FY2023 is EGP11.53mn, of which fees & commissions reached EGP10.24mn, up 15% YoY.

Financial Advisory endeavors to optimize the performance

Financial Advisory reported fees & commission of EGP1.2mn in Q3 FY2023 a notable increase of 140% from EGP0.5mn in Q1 FY2023, with an accumulative 9M fees & commissions amounting to EGP5.2mn in FY23.

All figures are in EGP'000 unless otherwise stated	Q3 FY2023	Q2 FY2023	q/q	Q3 FY2022	y/y	9M FY2023	9M FY2022	y/y
Brokerage	16,417	16,542	(1%)	11,892	38%	56,072	28,159	99%
Asset Management	2,923	4,762	(39%)	2,489	17%	10,239	8,936	15%
Financial Advisory	1,284	3,485	(63%)	2,750	(53%)	5,248	5,658	(7%)
Custody	1,671	2,018	(17%)	2,322	(28%)	8,125	6,154	32%
Management Services	212	180	18%	159	34%	496	626	(21%)
IB Fees & Commissions	22,507	26,987	(17%)	19,612	15%	80,180	49,533	62%
NBFS	4,399	4,745	(7%)	4,950	(11%)	13,655	12,300	11%
Capital Markets & Treasury	13,830	17,308	(20%)	2,881	380%	38,378	7,808	392%
Operating Revenues	40,736	49,039	(17%)	27,442	48%	132,212	69,641	90%
Non-Operating Revenues	2,103	2,079	1%	637	230%	7,182	1,523	372%
Total Revenues	42,840	51,119	(16%)	28,080	53%	139,394	71,164	96%

Operating revenues breakdown by segment



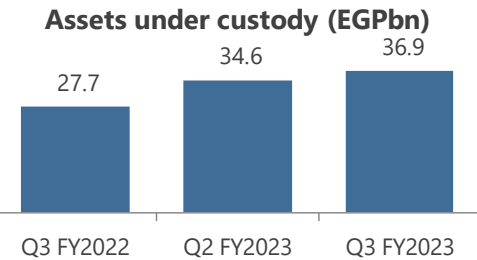
Source: Management presentation.

Revenues

(continued)

Custody marked a notable revenue growth rate for the 9M FY2023

Custody fees & commission commanded EGP1.6mn in Q3 FY2023 with a cumulative 9M of EGP8.1mn, up 32% YoY. It is significant to mention that the assets under custody achieved a fresh record peak of EGP36.9bn by end of September 2023 with a 7% QoQ rise.



Source: Management presentation.

NBFS Revenue 9M YoY growth persistence

In 9M FY2023, NBFS experienced an 11% YoY rise to EGP13.6mn.

NBFS revenues posted EGP4.3mn in Q3 FY2023 vs. EGP4.7mn in Q2 FY2023 (-7% QoQ).

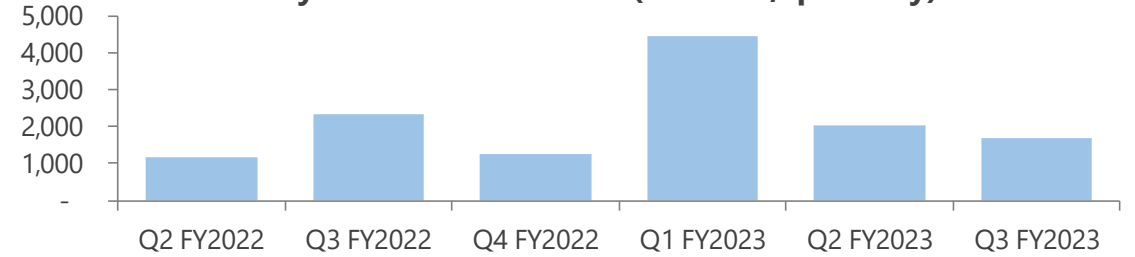
Capital Markets & Treasury revenues tabulated an impressive triple-digit growth rates

Capital Markets & Treasury revenues tallied EGP13.8mn in Q3 FY2023, up 380% YoY. Revenues reached EGP38.3mn in 9M FY2023, up 392% YoY.

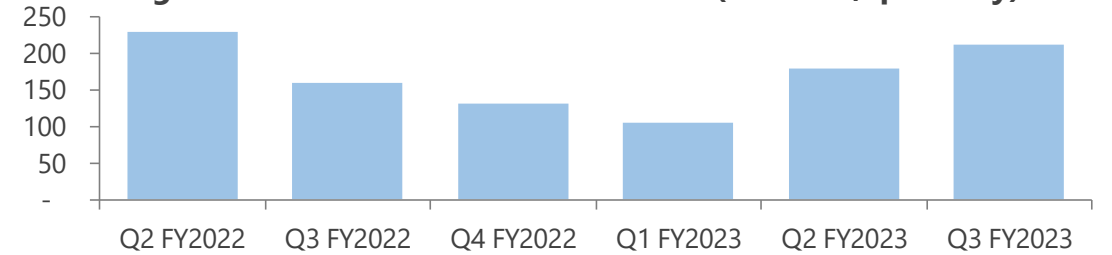
9M Operating revenues skyrocketed by 90% YoY

Operating Revenues posted EGP40.7mn in Q3 FY2023, up 48% YoY vs. EGP27.4mn in Q3FY2022 depicting the strenuous efforts in enhancing the performance.

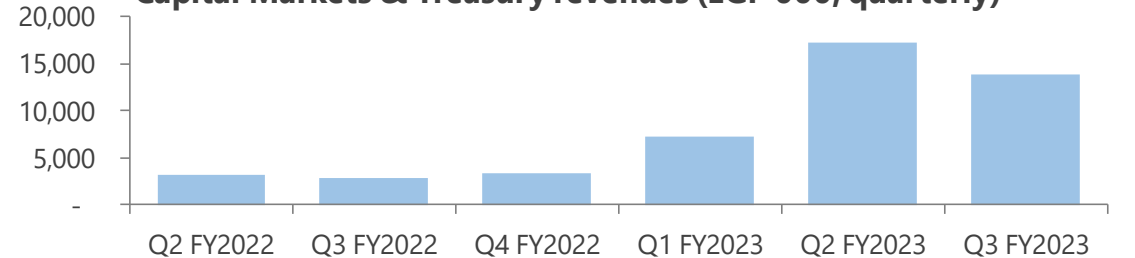
Custody fees & commissions (EGP'000, quarterly)



Management Services fees & commissions (EGP'000, quarterly)



Capital Markets & Treasury revenues (EGP'000, quarterly)



Source: Management presentation.



Expenses

Operating Profits remain firmly in the black

Leveraging cost-saving efforts and a corporate overhaul, Prime Holding achieved its third consecutive profitable quarter.

Fueling growth with enhanced Operating Expenses / Revenues ratio

The Operating Expenses/Revenues ratio fell further to 75% in Q3 FY2023 vs. 112% in Q3 FY2022, down from 152% in Q1 FY2022 commanding a total operating expenses of EGP30.6mn in Q3 FY2023.

Staff Expenses / Operating Revenues efficiency continues to shine in Q3 FY2023

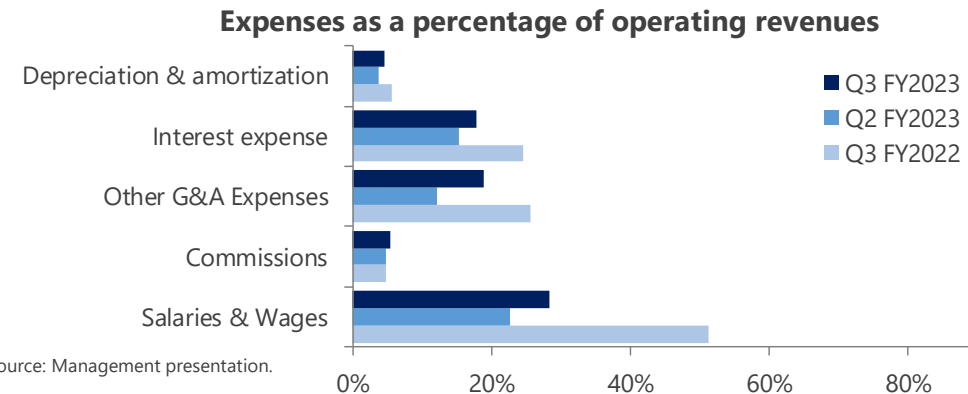
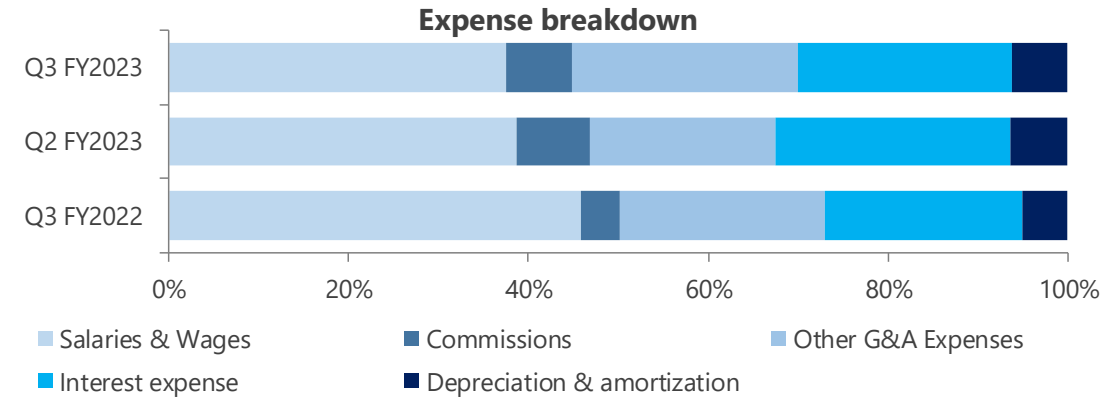
The commitment to efficient staff cost management held strong with Staff Expenses registering EGP13.7mn in Q3 FY2023 versus EGP15.4mn in Q3 FY2022 and EGP18.9mn in Q1 FY2023. This remarkable achievement implies a significant improvement in the Staff

Expenses / Operating Revenues ratio to 28% in Q3 FY2023, down from 36% in Q1 FY2023 and 51% in Q3 FY2022. Drilling down into details, Salaries & Wages recorded an 18% YoY dip, settling at EGP11.5mn in Q3 FY2023 vs. EGP14.1mn in Q3 FY2022. Nonetheless this outshone the 66% YoY higher commissions of EGP2.2mn in Q3 FY2023 vs. EGP1.3mn in Q3 FY2022. It is worth noting that commissions saw a 7% decrease in Q3 vs Q2 FY2023.

The prowess in optimizing the G&A Expenses / Operating Revenues ratio glisten in Q3 FY2023

Other G&A Expenses registered a minor 10% YoY uptick to EGP7.7mn in Q3 FY2023 versus EGP7.0mn in Q3 FY2022. The real showstopper was the reduction in the G&A Expenses / Operating Revenues ratio, which was slashed in more than half, plummeting to 19% in Q3 FY2023 versus 26% a year earlier.

All figures are in EGP'000 unless otherwise stated	Q3 FY2023	Q2 FY2023	q/q	Q3 FY2022	y/y	9M FY2023	9M FY2022	y/y
Salaries & Wages	(11,533)	(11,168)	(3%)	(14,101)	18%	(33,779)	(48,449)	30%
Commissions	(2,219)	(2,395)	7%	(1,340)	(66%)	(8,868)	(3,750)	(136%)
Other G&A Expenses	(7,741)	(5,973)	(30%)	(7,064)	(10%)	(20,501)	(19,006)	(8%)
Interest Expense	(7,294)	(7,534)	3%	(6,748)	(8%)	(21,733)	(16,741)	(30%)
Depreciation & Amortization	(1,886)	(1,854)	(2%)	(1,549)	(22%)	(5,640)	(4,455)	(27%)
Operating Expenses	(30,674)	(28,923)	(6%)	(30,802)	0%	(90,521)	(92,401)	2%
Operating Profits	12,166	22,195	(45%)	(2,723)	547%	48,873	(21,237)	330%



Source: Management presentation.

Brokerage

Fees & commissions striking growth in 9M FY2023

Prime Securities raked in a total fees & commissions of EGP56mn in 9M FY2023, with an impressive 99% YoY growth surpassing the EGP28.1mn reported a year ago.

Prominent substantial block trades

In Q3 FY2023, Prime Securities conducted sizable block trades, reaching a total of EGP513.7mn, a significant increase from Q1 FY2023's EGP142.5mn. Consequently, the cumulative major block trade executions reached a remarkable C. EGP1.5bn in 9M FY2023.

Durable Turnover Figures

Prime securities unwavering ability in retaining the same competitive ranking position in the face of the QoQ dip of -7% for the executed turnover market of EGP4.6bn vs. EGP4.9bn a quarter earlier.

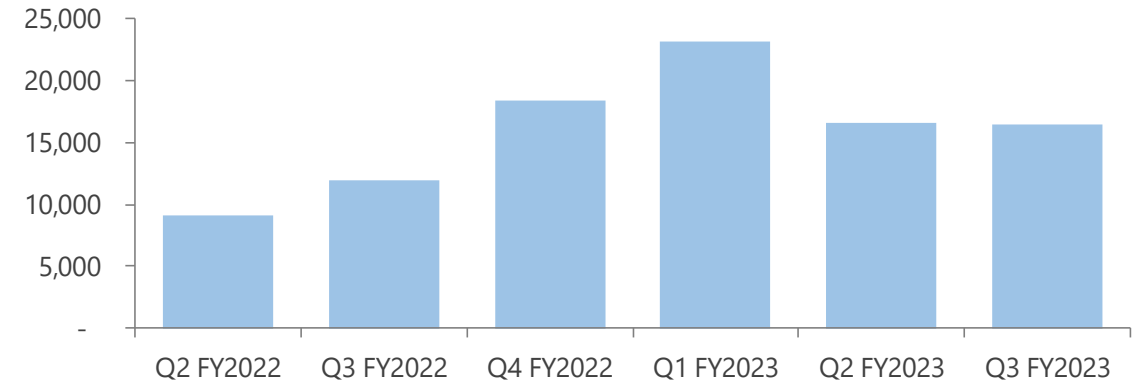
Market share in a glimpse

Prime Securities market share logged 1.4% in Q3 FY2023 vs 1.8% in Q2 FY2023.

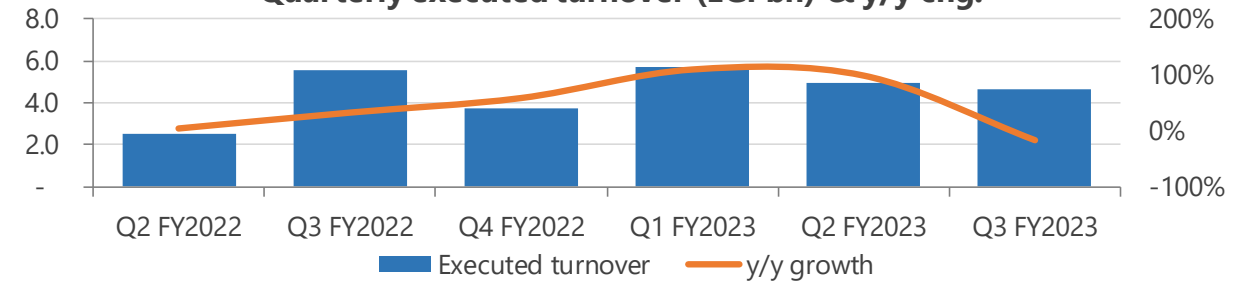
Rank standing throughout Q2-Q3

Prime Securities stands strong, securing the #19 position in Q3 FY23 and Q2 FY23.

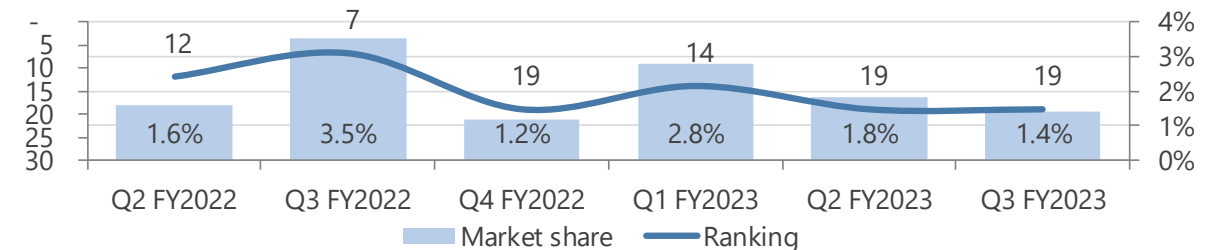
Brokerage fees & commissions (EGP'000, quarterly)



Quarterly executed turnover (EGPbn) & y/y chg.



Quarterly market share and ranking



Source: Management presentation.

Brokerage

(continued)

Four new fundamental coverage launched

PRIMEResearch published 10 notes in Q3 FY2023, including three **TECH**View notes, two **TAKE**Stock notes, one core coverage update, and four new core coverage notes. Indeed, **PRIME**Research continued to expand its fundamental research coverage during the quarter, having initiated coverage on four names:

1. Arabian Cement Co. [[ARCC](#)].
2. Egyptian International Pharmaceutical Industries (EIPICO) [[PHAR](#)].
3. Sidi Kerir Petrochemicals (Sidpec) [[SKPC](#)].
4. Egypt Aluminum [[EGAL](#)].

Also, two **TAKE**Stock were published on newly-listed TAQA Arabia [[TAQA](#)] and Ezz Steel [[ESRS](#)] as well as an update on Abu Qir Fertilizers [[ABUK](#)].

New Arabic podcast episodes published

PRIMEResearch continued to update clients with analyst views via **PRIME**Talk podcast. During Q3 FY2023, **PRIME**Research published a total of seven new episodes, bringing the total number of published since the program was launched to 34 episodes. The program can be accessed

through the different podcast platforms, including [Spotify](#), [Apple](#), and [Google](#). Meanwhile, **PRIME**Research continues to publish **PRIME**Morning, its daily podcast series covering both fundamental and technical analysis before the start of every trading day. The program can be accessed from [Spotify](#), [Apple](#), and [Google](#).

More profitable technicals-based stock calls

During Q3 FY2023, **PRIME**Research closed 32 technicals-based stock calls under **TECH**Talk with a 63% success rate, generating +2.85% per stock on average. In addition, 12 **TECH**Bite calls (an intraday technical analysis service published on a Telegram channel called “[جلسة التداول مع برايم](#)”) were closed with an 75% success rate, generating +2.6% per stock on average.



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Arabian Cement Co.: Survival of the Fittest

ARCC: Capitalizing on resilience and efficiency; initiate at OW/H

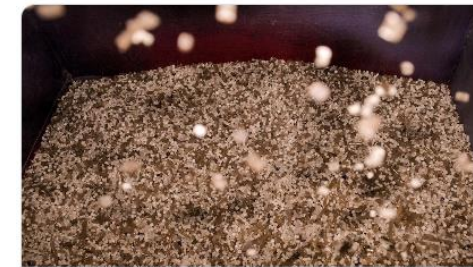


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Egyptian International Pharmaceutical Industries Co. (EIPICO)

[PHAR]: A Pharma Master

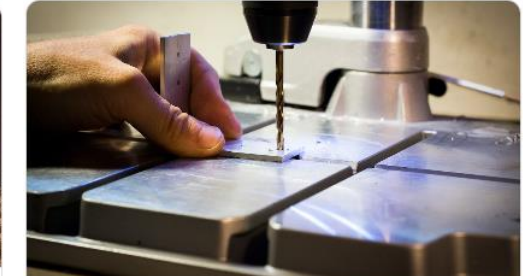
PHAR: Growing slowly but surely; initiate at OW/M



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Sidi Kerir Petrochemicals (Sidpec): Great Margins for the Future?

SKPC: More than one way to unlock potential; initiate with OW/M



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Egypt Aluminum: Business As Usual

EGAL: Future electricity prices mute valuation today; initiate at UW/H



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TAKEStock: TAQA Arabia [TAQA] - Fueling the Future

Our initial take on TAQA before its first trading day



MYPRIMERESEARCH.COM

TAKEStock: Ezz Steel [ESRS] - Forging Forces

Our take on EZDK's decision to delist off EGZ: all good for ESRS



MYPRIMERESEARCH.COM

Abu Qir Fertilizers [ABUK]: The Afterparty — What's Next After an Exceptional Year?

12MPT raised to EGP60/share; Neutral / Medium Risk maintained

Asset Management

YOY soar in AUMs, fueled by gains in equity and money market

Total assets under management (AUMs) reached a substantial EGP8.9bn by the end of Q3 FY2023, reflecting a robust 44% YoY upswing. This remarkable performance was underpinned by both equity (+47% YoY)(-5% QoQ) and money market (+35% YoY) (+15% QoQ) AUMs.

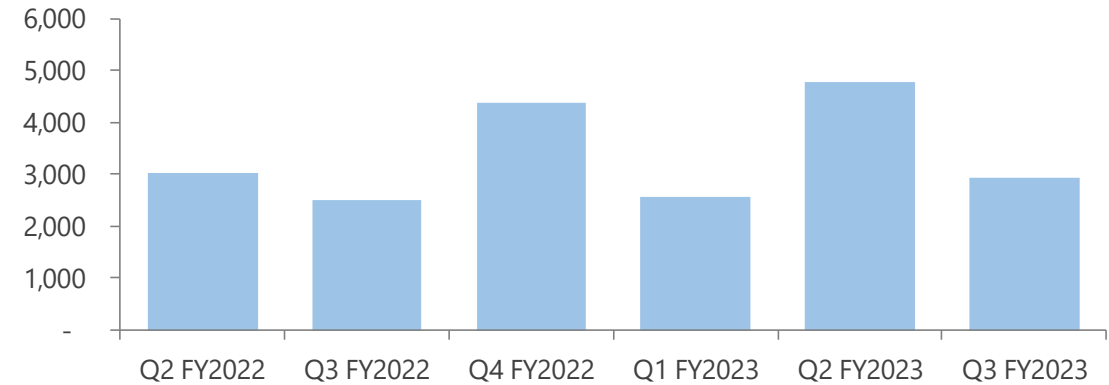
- Equity AUMs remained the powerhouse, making up around 78% of total AUMs, accordingly equity AUMs stood tall at EGP6.9bn by the conclusion of Q3 FY2023, a significant leap from Q3 FY22 position at EGP4.7bn by 47% YoY.
- Money market AUMs cumulated to EGP1.9bn as Q3FY2023 concluded, a notable increase from EGP1.4bn in Q3FY22 by 15% YoY.

Total revenues climbed by 25% YoY

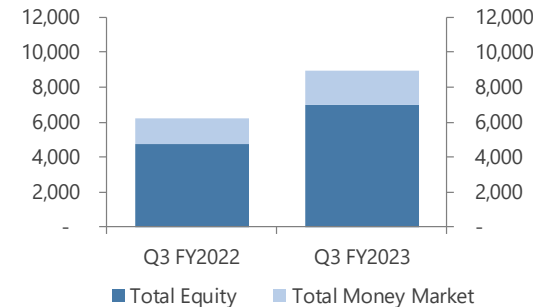
Total asset management revenues (including other income) experienced a solid 25% boost, reaching EGP3.33mn in Q3 FY2023 compared to EGP2.66mn in Q3 FY2022. This impressive uptick is attributed to the hereinafter factors:

- Management fees saw a robust 17% YoY increase, totaling EGP2.92mn in Q3 FY2023.
- Other Income amounting to EGP0.4mn in Q3 FY2023, anchoring an astounding increase of 138% YOY.

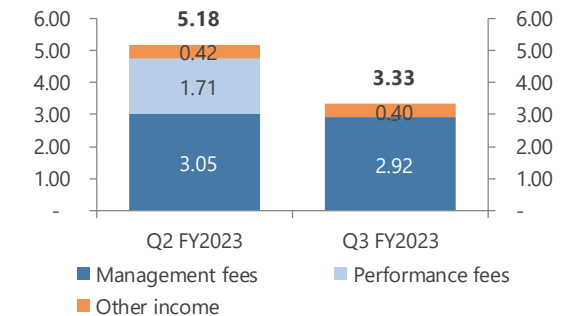
Asset Management fees & commissions (EGP'000, quarterly)



Mandated AUMs (EGPmn, y/y)



Revenue mix (EGPmn, q/q)



Source: Management presentation.



Financial Advisory

Prime Capital's performance in YTD Q3 has been truly noteworthy, boasting a substantial Net Income of EGP5mn. This outstanding feat represents a whopping c.700% surge, primarily ascribed to the thriving Sell-side and Financial Advisory Activities.

Promising Pipeline

In line with the ongoing commitment to bolster the project pipeline, Prime Capital is actively leveraging a multitude of highly favorable opportunities spanning diverse sectors. These opportunities are currently in various stages of negotiation and execution, with a combined potential deal value exceeding a staggering EGP5bn. This strategic initiative aligns with Prime Capital's objectives of expanding its market presence and further solidifying its impressive track record.

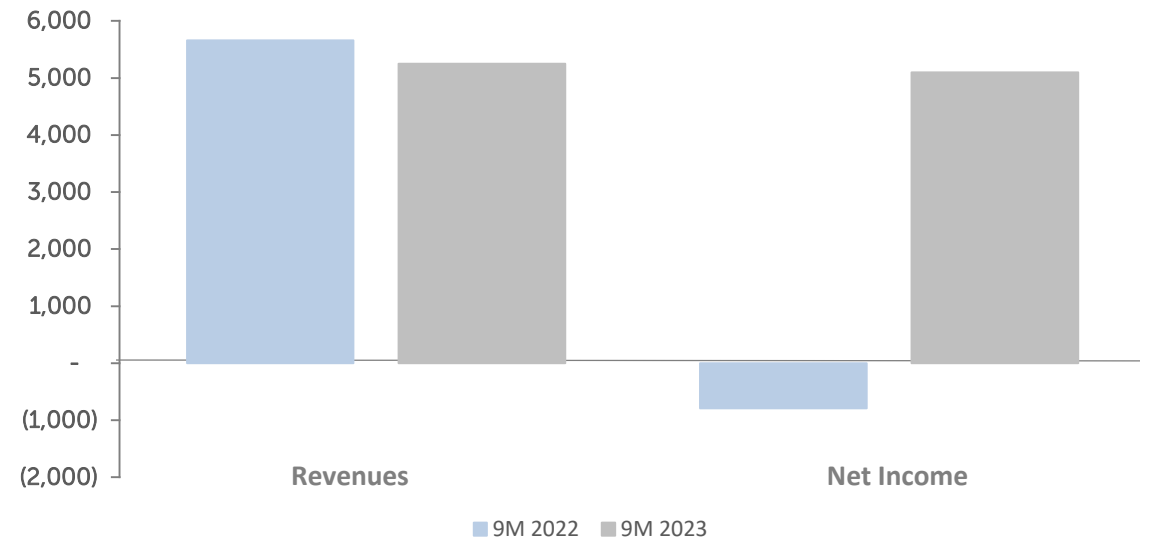
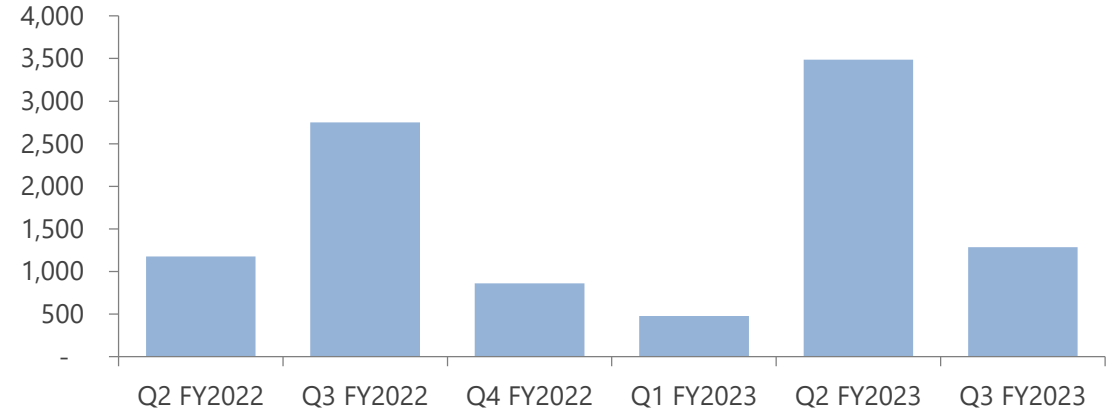
Prime Capital is in the final stages of discussions for a substantial acquisition deal with a well-established private equity firm, setting its sights on an outstanding logistics company. The deal is on track to be sealed before the close of 2023.

Eminent IFA Services Status

Capitalizing on its proven track record, Prime Capital has proficiently delivered a substantial quantity of independent financial advisor (IFA) reports in Q3 2023. These reports span a diverse array of sectors, including:

1. Textiles & Apparels
2. Agro commodity
3. Real Estate

Investment Banking fees & commissions (EGP'000, quarterly)



Source: Management presentation.



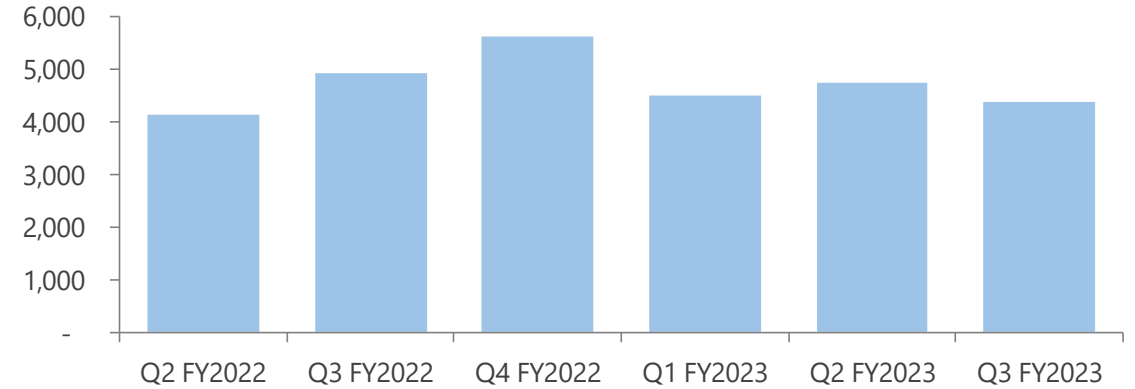
Non-Banking Financial Services

leasing portfolio spans a wide range of sectors, offering diversity and flexibility.

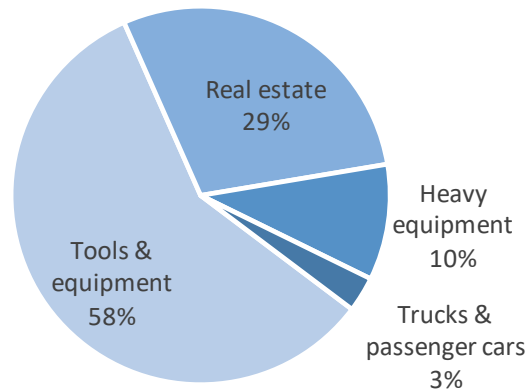
As of September 2023, tools and equipment remained the dominant asset in the leasing portfolio, making up 58%, while real estate occupied the second spot with a 29% share.

Regarding the sector variety, the food and beverages sector maintains its lead, contributing 29%, while the trade sector follows at 13%. The textiles and real estate sectors each hold a solid 10%.

NBFS fees & commissions (EGP'000, quarterly)

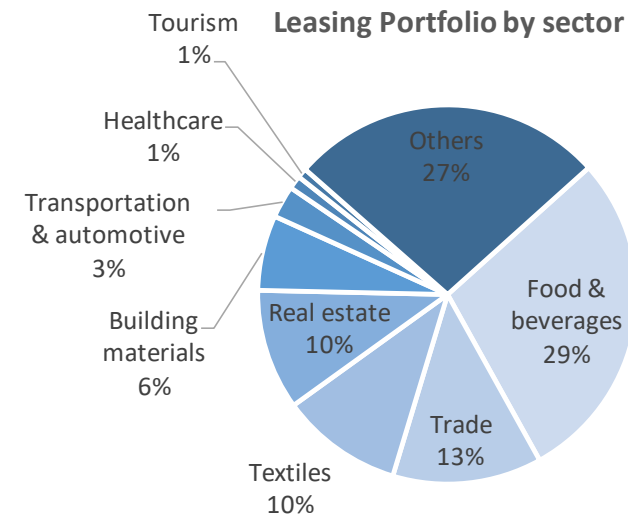


Leasing Portfolio by type of asset



Source: Management presentation.

Leasing Portfolio by sector



Source: Management presentation.

Consolidated Financial Statements



Income Statement (EGP'000)	Q3 FY2023	Q2 FY2023	QoQ	Q3 FY2022	YoY
Brokerage	16,417	16,542	-1%	11,892	38%
Asset Management	2,923	4,762	-39%	2,489	17%
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Total Investment Bank Fees & Commissions	22,507	26,987	-17%	19,612	15%
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Capital Markets & Treasury	13,830	17,308	-20%	2,881	380%
Operating Revenues	40,736	49,039	-17%	27,442	48%
Non-Operating Revenues	2,103	2,079	1%	637	230%
Total Revenues	42,840	51,119	-16%	28,080	53%
Salaries & Wages	(11,533)	(11,168)	-3%	(14,101)	18%
Commissions	(2,219)	(2,395)	7%	(1,340)	-66%
Other G&A Expenses	(7,741)	(5,973)	-30%	(7,064)	-10%
Interest Expense	(7,294)	(7,534)	3%	(6,748)	-8%
Depreciation & Amortization	(1,886)	(1,854)	-2%	(1,549)	-22%
Operating Expenses	(30,674)	(28,923)	-6%	(30,802)	0%
Operating Profits	12,166	22,195	-45%	(2,723)	547%
Provisions	(2,210)	(1,996)	-11%	(17,704)	88%
Goodwill Impairment	-	-	NM	-	NM
Other Income (Expenses)	-	-	NM	-	NM
Net Profits before Tax	9,956	20,199	-51%	(20,427)	149%
Taxes	(4,388)	(5,152)	15%	(344)	-1174%
Net Profits after Tax	5,568	15,047	-63%	(20,772)	127%
Minority Interest	(106)	(82)	-30%	(74)	-43%
Net Profits after Unusual Items & Minority Interest	5,462	14,965	-64%	(20,845)	126%

Source: Management presentation.

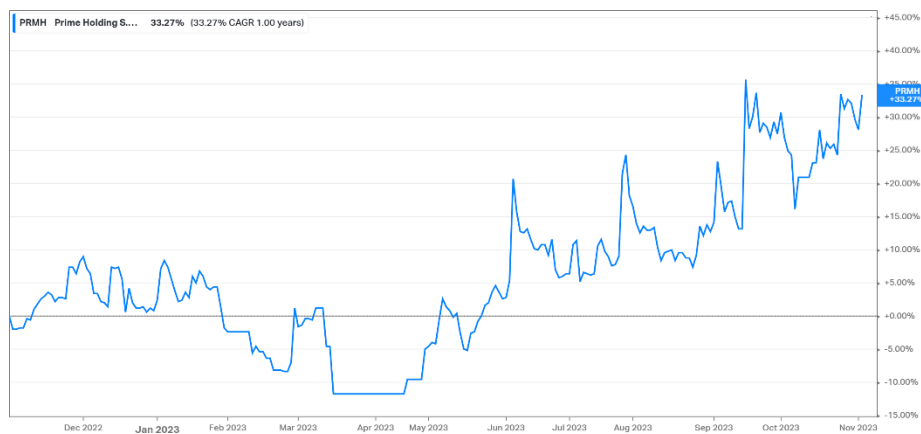
Consolidated Financial Statements (continued)



Balance Sheet (EGP'000)	30-Sep-23	YTD	30-Jun-23	31-Dec-22	30-Sep-22
Cash & Cash Equivalents	420,509	180%	417,176	150,091	715,924
Receivables	133,881	35%	130,784	99,179	118,222
ST Loans Receivables	38,081	6%	44,354	35,889	42,121
Sundry Current Assets	12,644	1%	13,258	12,524	10,443
Total Current Assets	605,114	103%	605,571	297,683	886,710
LT Loans Receivables	46,606	(26%)	45,807	62,669	77,290
Net Fixed Assets	54,529	(9%)	56,376	59,969	59,162
Goodwill	207,256	0%	207,256	207,256	220,156
Contribution to Settlement Guarantee Fund	3,240	41%	3,240	2,291	2,838
Investments	1,940	0%	1,940	1,940	1,940
Total Non-Current Assets	313,571	(6%)	314,619	334,126	361,386
Total Assets	918,685	45%	920,190	631,809	1,248,096
Short-Term Loans	82,313	15%	89,537	71,354	100,322
Customers Credit Accounts	403,751	241%	401,558	118,357	547,828
Long-Term Loans	54,649	(28%)	62,808	75,451	-
Lease Obligation	25,718	(18%)	27,724	31,470	113,263
Provisions	10,471	(4%)	10,486	10,877	10,705
Sundry Liabilities	54,675	(8%)	46,099	59,659	201,476
Total Liabilities	631,579	72%	638,212	367,169	973,593
Equity for Owners of the Holding Company	285,132	9%	280,109	262,549	272,468
Minority Interest	1,974	(6%)	1,869	2,091	2,034
Total Shareholders' Equity	287,107	8%	281,978	264,640	274,502
Total Liabilities & Shareholders' Equity	918,685	45%	920,190	631,809	1,248,096

Source: Management presentation.

Prime Holding's Stock Performance (Q3 FY2023)



Share Data

Number of issued shares	350mn
Issued & paid-in capital	EGP350mn
Fiscal year end	December
Reuters / Bloomberg tickers	PRMH.CA / PRMH EY Equity

Trading Information (Q3 FY2023)

Closing price (27 Sep. 2023)	EGP0.64
QTD high / low	EGP0.701 / EGP0.501
QTD performance	19.8%
Average daily volume	3.7mn shares
Average daily turnover	EGP2.2mn

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