



Prime Holding [EGX: PRMH]

Earnings Release – Q1 2024 ended 31 March 2024

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

Prime Holding in Numbers



Source: Management presentation.

		Revenues	Q1 FY2024			Q1 FY2023
			EGPmn	y/y	q/q	EGPmn
PRIME Securities	Brokerage	24.73	+7%	+18%	23.11	
PRIME Investments	Asset Management	4.22	+66%	-73%	2.55	
PRIME Capital	Financial Advisory	2.09	+3.36x	+75%	0.48	
PRIME Holding	Custody	7.81	+76%	+3.24x	4.43	
PRIME Wathaeq	Management Services	0.21	+108%	-46%	0.10	
		Total IB Fees & Commissions	39.08	+27%	-3%	30.68
PRIME FinTech	Non-Banking Financial Services	4.17	-7%	+1%	4.51	
	Capital Markets & Treasury	13.09	+81%	-14%	7.24	
		Operating Revenues	56.35	+33%	-6%	42.43
		Non-Operating Revenues	2.82	-6%	+24%	2.99
PRIME Holding	Total Revenues	59.17	+30%	-4%	45.43	
PRIME Holding	Net Income	17.26	+87x	+2.61x	0.196	

Key Financial Highlights

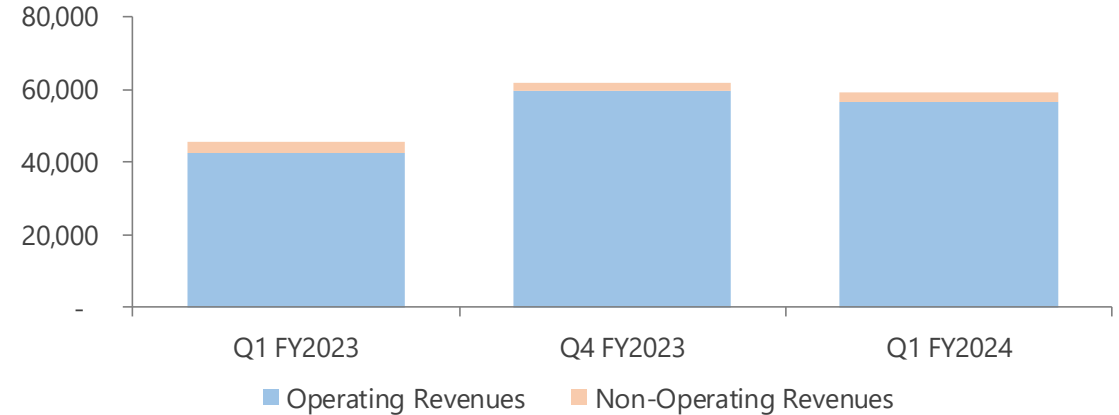
Prime Holding Announces Q12024 Results

In an outstanding performance during Q1 2024, net profits surged to EGP 17.26mn, showcasing a remarkable turnaround from the EGP 196k recorded in Q1 2023. This impressive growth translates to a staggering YoY increase of 87x. The substantial boost was primarily propelled by a robust 30% YoY growth in total revenues, which reached EGP 59.17mn and Operating Revenues climbing to EGP 56.35mn. Particularly noteworthy were the significant contributions from the Investment Bank and Capital Markets & Treasury sectors. These exceptional outcomes underscore the success of restructuring initiatives and bode well for the company's future trajectory.

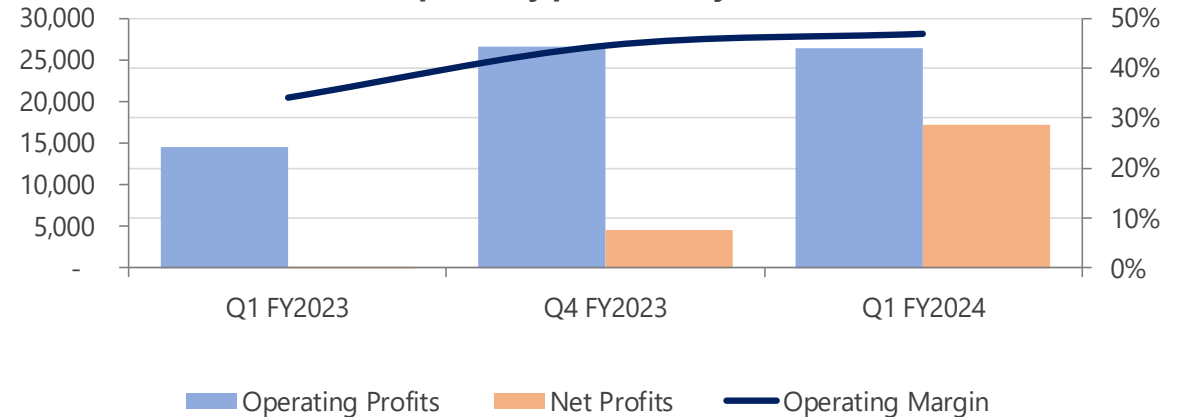
Operating Revenues marked EGP 56.35mn (+33% YoY) in Q1 FY2024, driven by growth across key segments, namely:

- **IB Fees & Commissions** experienced a remarkable growth in Q1 2024, recording EGP 39.08mn (+27% YoY), driven mainly in terms of contribution to growth by Brokerage (63%) and Custody (20%).
- **Capital Markets & Treasury Revenues** witnessed a double digit growth rate of 81%, anchoring EGP 13.09mn in Q1 FY2024.
- **Total Revenues** (including non-operating revenues) reached a notable EGP 59.17mn (+30% YoY, -4% QoQ) in Q1 FY2024.
- **Operating Profits** escalated 82% YoY to EGP 26.40mn in Q1 FY2024, a boost compared to the operating profits of EGP14.5mn in the same quarter of the previous year.
- **Net Profits** stood at EGP 17.26mn in Q1 FY2024, cementing the narrative of a remarkable turnaround that commenced in Q1 FY2023. This sharp disparity is underscored by the minimal net profits of EGP 196k registered in the corresponding quarter of FY2023.

Quarterly total revenues (EGP'000)



Consolidated quarterly profitability KPIs (EGP'000)



Source: Management presentation.



Revenues

Operating Revenues bask in the glow of success yet again in Q1 FY2024

In Q1 2024, operating revenues flourished by an impressive 33% YoY growth rate. The Investment Bank powered by Brokerage, Custody, and Financial Advisory ensured a thriving quarter.

IB Fees & Commissions led the growth

IB Fees & Commissions grew 27% YoY to EGP 39.08mn in Q1 FY2024 vs. EGP 30.68mn in Q1 FY2023. This remarkable upswing was fueled by the dynamic performance of Brokerage, Financial Advisory, and Custody services.

Brokerage propelled the growth to new heights

Brokerage maintained its ascent, reaching total fees & commissions of EGP 24.73mn in Q1 FY2024, showcasing a robust 18% QoQ increase.

Asset management with a double digit YoY growth rate.

Asset management total revenues saw a YoY uptick of 66% amounting to EGP 4.22mn in Q1 FY2024 vs. EGP 2.55mn in Q1 FY2023

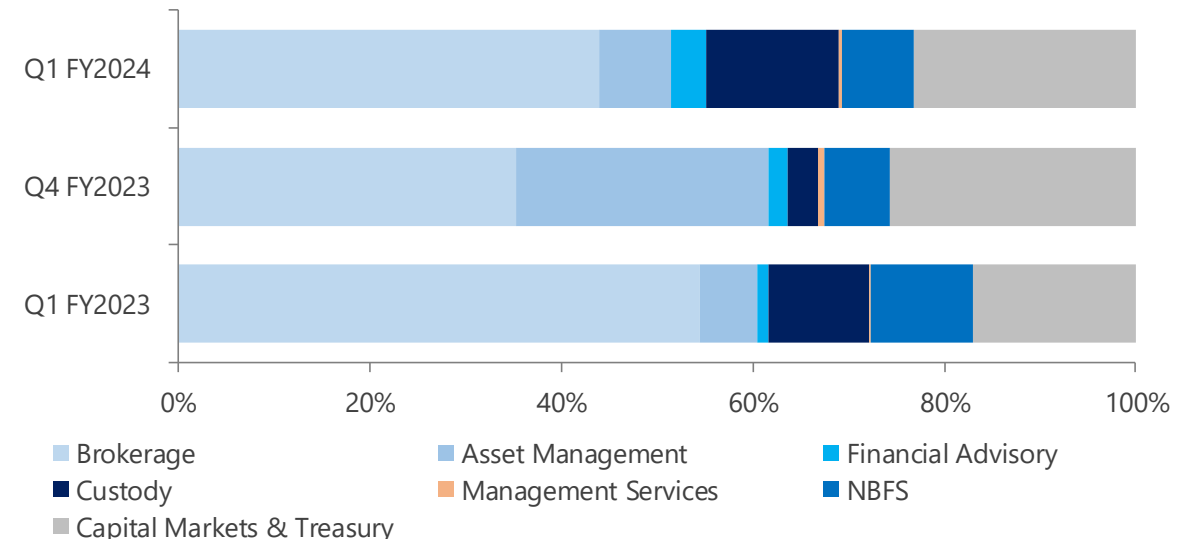
Financial Advisory delivered outstanding results

In Q1 FY2024, Financial Advisory made remarkable strides, registering fees & commissions of EGP 2.09mn, an exceptional 3.36x increase from EGP 0.5mn in Q1 FY2023, reaffirming its dedication to growth.

All figures are in EGP'000 unless otherwise stated

	Q1 FY2023	Q4 FY2023	q/q	Q1 FY2023	y/y
Brokerage	24,732	21,025	18%	23,113	7%
Asset Management	4,227	15,764	(73%)	2,554	66%
Financial Advisory	2,090	1,197	75%	480	336%
Custody	7,814	1,842	324%	4,435	76%
Management Services	217	401	(46%)	104	108%
IB Fees & Commissions	39,080	40,228	(3%)	30,686	27%
NBFS	4,177	4,124	1%	4,511	(7%)
Capital Markets & Treasury	13,093	15,301	(14%)	7,240	81%
Operating Revenues	56,350	59,653	(6%)	42,437	33%
Non-Operating Revenues	2,827	2,274	24%	2,999	(6%)
Total Revenues	59,177	61,927	(4%)	45,436	30%

Operating revenues breakdown by segment



Source: Management presentation.



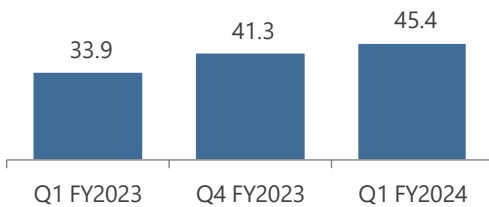
Revenues

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Assets under custody reached unprecedented heights in Q1 FY2024

Custody fees & commission commanded EGP 7.81mn in Q1 FY2024 with a cumulative FY23 of EGP 9.9mn, up 3.24x QoQ. Additionally, assets under custody reached an all time peak of EGP 45.4bn by end of march 2024.

Assets under custody (EGPbn)



Source: Management presentation.

NBFS Revenue sailing steady waters

In Q1 FY2024, NBFS experienced a mild increase of 1% marking EGP 4.17mn vs. EGP 4.12mn in Q4 FY2023.

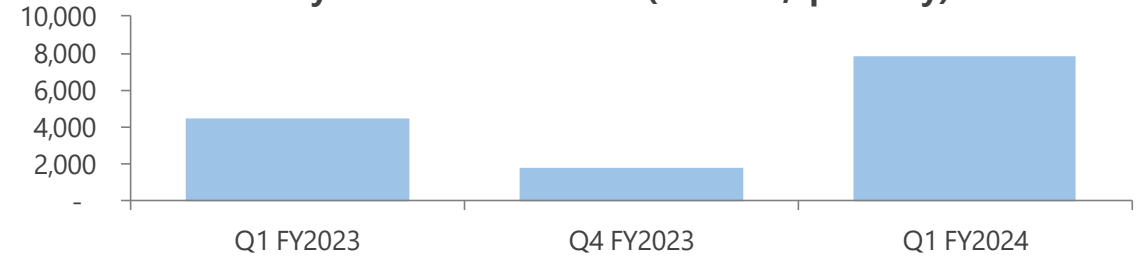
Capital Markets & Treasury revenues shot up with YoY growth in double digits

Capital Markets & Treasury revenues tallied EGP 13.09mn in Q1 FY2024, climbing 81% YoY vs. EGP 7.24mn in Q1 FY2023.

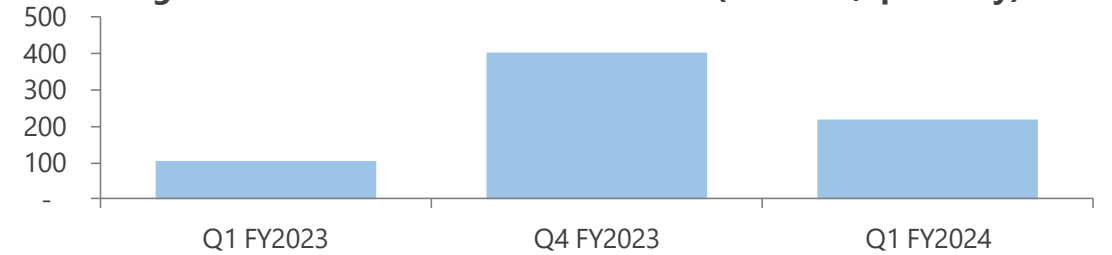
Operating revenues spiked by 33% YoY growth

Operating Revenues posted EGP 56.35mn in Q1 FY2024 vs. EGP 42.43mn in Q1FY2023 underscoring endeavors to improve performance.

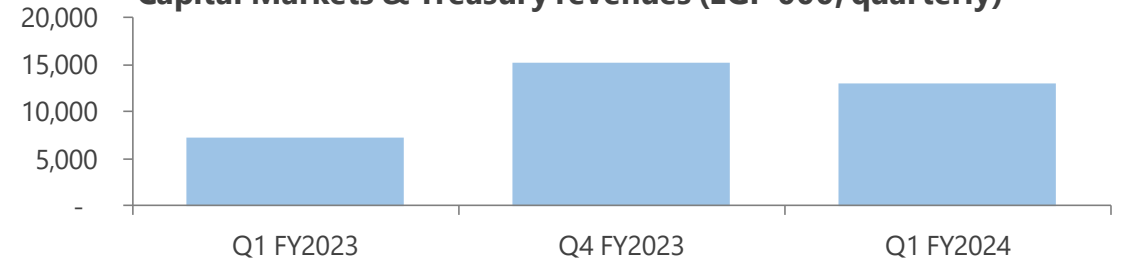
Custody fees & commissions (EGP'000, quarterly)



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



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



Source: Management presentation.



Expenses

Prime Holding stays on top, thanks to savvy cost management and a corporate makeover.

Fostering growth via streamlined operating expenses to revenues

Q1 FY2024 Operating Expenses/Revenues ratio declined to 58%, down from 73% in Q1 FY2023 and a notable drop from 152% in Q1 FY2022, with Q1 FY2024 total Operating Expenses amounting to EGP 32.77mn.

In Q1 FY2024, Staff Expenses optimization remains evident

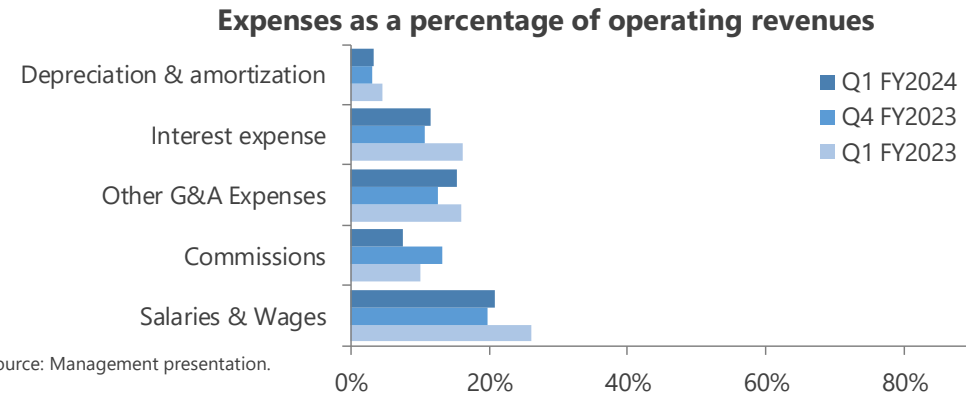
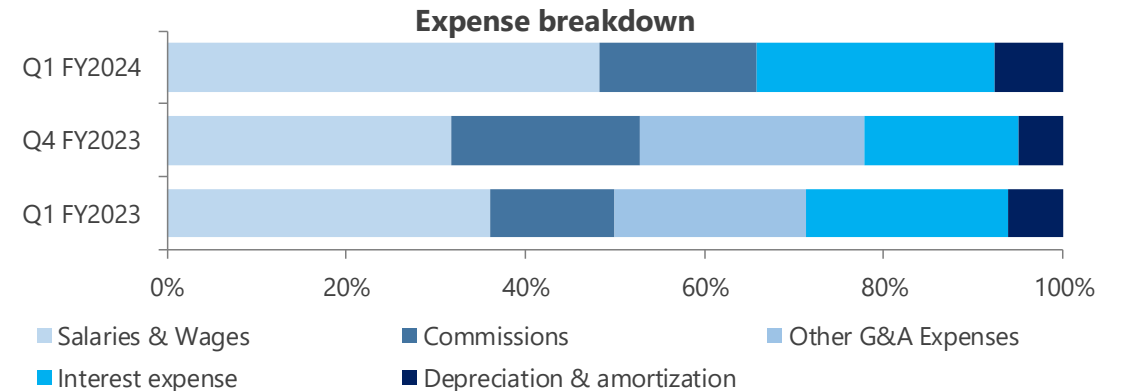
The commitment to optimizing staff costs remains steadfast with Staff Expenses totaling EGP15.89mn in Q1 FY2024 implying a remarkable shrinkage in the Staff Expenses / Operating Revenues ratio to 28% in Q1 FY2024, a fall from 36% in Q1 FY2023 justified by the plunge in commissions by 46% QoQ registering EGP 4.21mn in Q1 FY2024 vs. EGP 7.82mn in Q4 FY2023

Investing in success by essential operational expenses in Q1 FY2024

An uptick of 14% in other G&A expenses reaching EGP 8.58mn in Q1 FY2024 vs. EGP 7.52mn in Q4 FY2023. It's important to highlight that the growth in G&A expenses lags behind current inflation rates, bolstering the company's initiatives to cut costs and investing strategically in essential operational expenses.

All figures are in EGP'000 unless otherwise stated

	Q1 FY2024	Q4 FY2023	q/q	Q1 FY2023	y/y
Salaries & Wages	(11,683)	(11,790)	1%	(11,077)	(5%)
Commissions	(4,216)	(7,822)	46%	(4,254)	1%
Other G&A Expenses	(8,589)	(7,525)	(14%)	(6,787)	(27%)
Interest Expense	(6,441)	(6,413)	(0%)	(6,905)	7%
Depreciation & Amortization	(1,846)	(1,823)	(1%)	(1,900)	3%
Operating Expenses	(32,774)	(35,374)	7%	(30,924)	(6%)
Operating Profits	26,403	26,554	(1%)	14,512	82%



Source: Management presentation.

Brokerage

Heightened fees & commissions in Q1 FY2024

Prime Securities total fees & commissions aggregated to EGP 24.73mn in Q1 FY2024, an 18% QoQ rise vs the EGP 21.02mn reported in the previous quarter.

Substantial block trades of remarkable magnitude

In Q1 FY2024, Prime Securities engaged in block trades, totaling to EGP 144.7mn.

Thriving Turnover Numbers

The executed turnover registered EGP 8.3bn in Q1 FY2024 vs. EGP 5.7bn a year earlier in Q1 FY2023 with a stout YoY growth rate of 45% amid the Egyptian stock market turbulences.

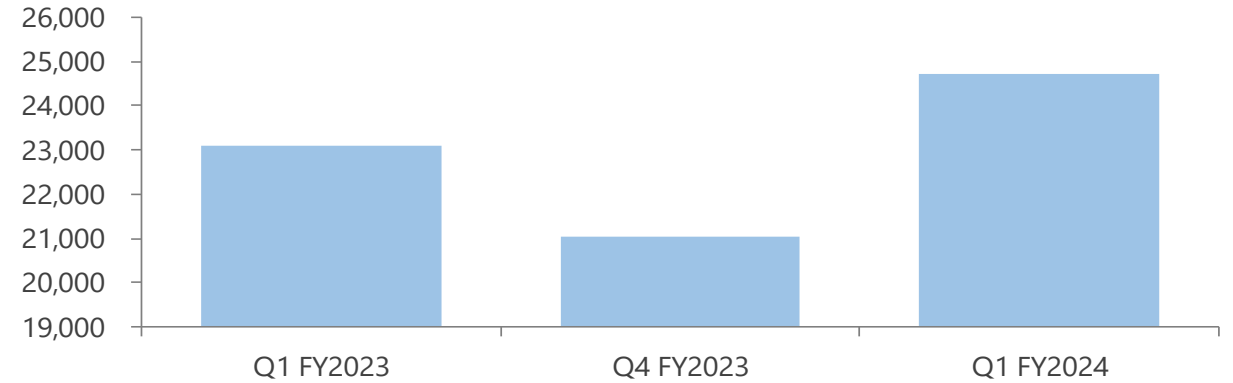
Market share in a glimpse

Prime Securities expanded its market share to 1.2% in Q1 FY2024 vs 1.1% in Q4 FY2023.

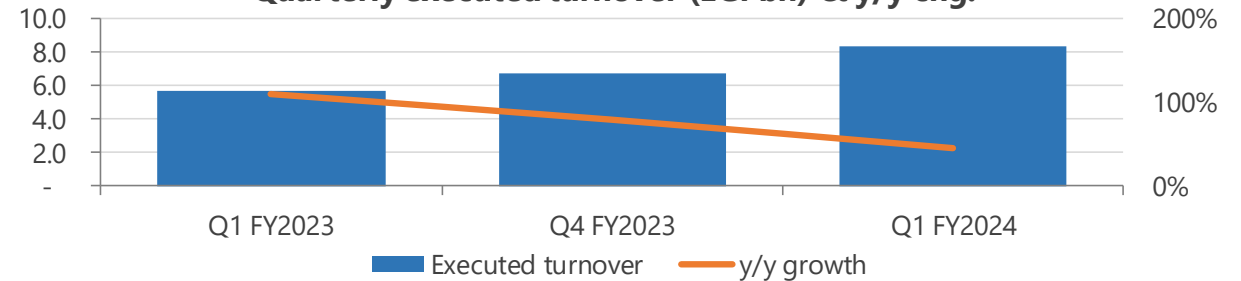
Prime Securities: Climbing the Ranks to #22 in Q1 FY2024

Prime Securities climbed to the #22 position in Q1 FY2024, up from the 23rd spot in Q4 FY2023.

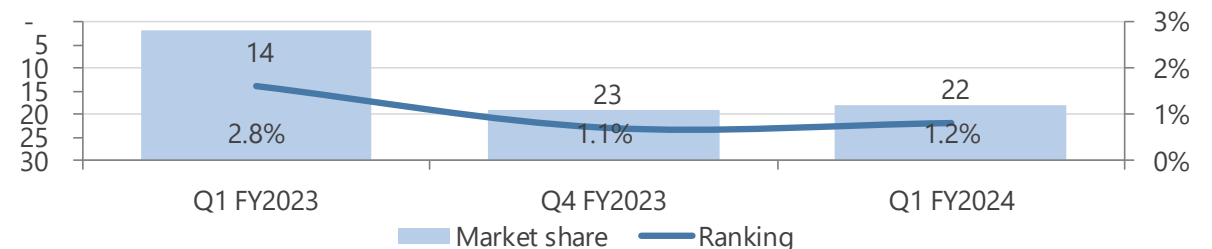
Brokerage fees & commissions (EGP'000, quarterly)



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



Quarterly market share and ranking



Source: Management presentation.

Brokerage

(continued)

The use of technical analysis leads to more successful recommendations

At the end of 2023, we published our annual technical strategy under the title [حل اللغز](#), which contains a comprehensive technical assessment of the Egyptian market's performance and the best buying and selling opportunities for 2024. The report includes recommendations for the purchase of 34 stocks as well as recommendations for the reduction of 12 stocks (partial sale).

So far, through [حل اللغز](#), we have achieved more than good performance with a 100% success rate. We were able to close 23 successful recommendations, with an average return of 35.2%/share, while 10 recommendations did not achieve the proposed entry price (buy or sell), and there are still 13 recommendations open so far.

During Q1 2024, the Technical Analysis Department issued TECHView reports, under the titles [ظاهرة الديجافو](#) and "[What Goes Up Must Come Down](#)," During which we expected a violent correction (decline) wave with rates that might reach 25% of the price peak achieved by

the main market index, the EGX 30 [EGX 30], and decline rates that might reach 35% in most of its components. This is what happened, as the EGX 30 market index declined by more than 29% from its peak of 34,500 (the peak formed in March 2024). It reached the level of 24,200, and most of its components declined by percentages reaching (50%) from the achieved price peaks.

Prime Research continues to publish Prime Mornings, a daily podcast series covering both fundamental and technical analysis before the start of each trading day, and the show can be accessed through [Spotify](#), [Apple](#), and [Google](#).

As for Fundamental Research, all publications have been paused in the past two quarters due to some changes in the department. However, macro and corporate news were covered. The team with its newest addition will continue publishing reports again starting Q2 2024.



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Asset Management

Dominance in equity and money markets boosts Assets Under Management (AUMs).

Total assets under management (AUMs) escalated to EGP 13.51bn in Q1 FY 2024 surpassing the EGP 8.32bn by the end of Q1 FY2023, shore up by both equity (+22% YoY) and money market (+2.50x YoY).

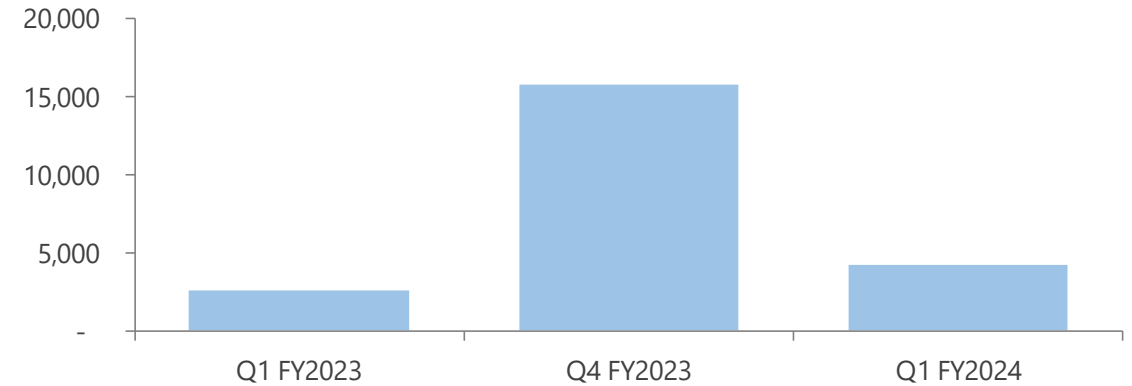
- Equity (AUMs) took the lead , making up about 62% of total AUMs, accordingly equity AUMs amounted to EGP 8.34bn in Q1 FY24.
- Money market (AUMs) accelerated to EGP 5.17bn as of Q1 FY2024, showcasing a remarkable leap of 2.50x from EGP 1.48bn in Q1 FY23.

Prime Asset Management flourishing performance pertains, securing EGP 4.22mn in Q1 FY2024, a substantial 66% YoY hike

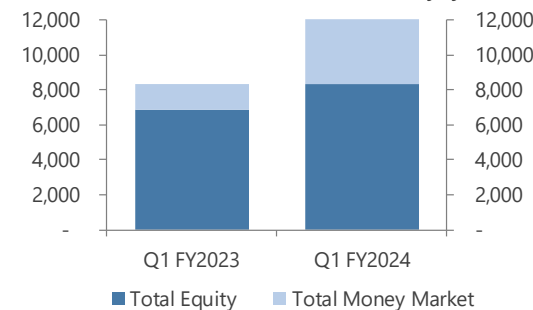
Total asset management revenues (including other income) commanded EGP 5.29mn in Q1 FY2024 vs. EGP 3.02mn in Q1 FY2023 with an amplified YoY uplift of 75% due to the following factors:

- Performance fees elevated by 100% YoY, amounting to EGP 0.48mn in Q1 FY2024.
- Management fees experienced a sturdy 46% YoY increase, summing up to EGP 3.74mn in Q1 FY2024.
- Other Income reaching EGP 1.07mn in Q1 FY2024, marking a rugged increase of 128% YOY.

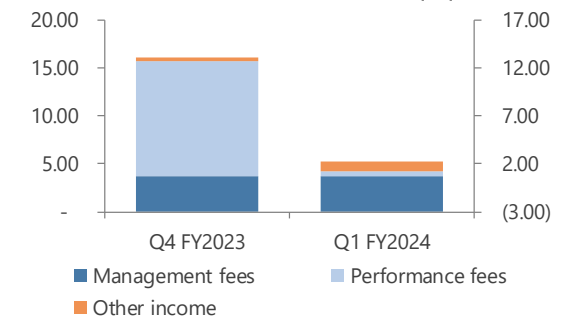
Asset Management fees & commissions (EGP'000, quarterly)



Mandated AUMs (EGPmn, y/y)



Revenue mix (EGPmn, q/q)



Source: Management presentation.



Financial Advisory

Prime Capital is off to a stellar start in FY24, with a net profit margin reaching 18%, a stark contrast to the daunting net loss margin of -86% a year earlier. This outstanding performance is fueled by a surge of 3.36x in investment banking fees and commissions logging EGP 2mn in Q1 2024, evidenced by the buzz-worthy share swap valuation transaction between Orascom Financial Holding and B-Investments a deal that captured the attention of the entire market. In addition to the flourishing Prime Capital's sell-side and financial advisory services.

Shining Outlook

Prime Capital is actively pursuing a multitude of exciting opportunities across different sectors, with potential deals valued at over EGP5Bn. This aligns perfectly with Prime Capital's goals of expanding its market presence and reinforcing its legacy of achievement.

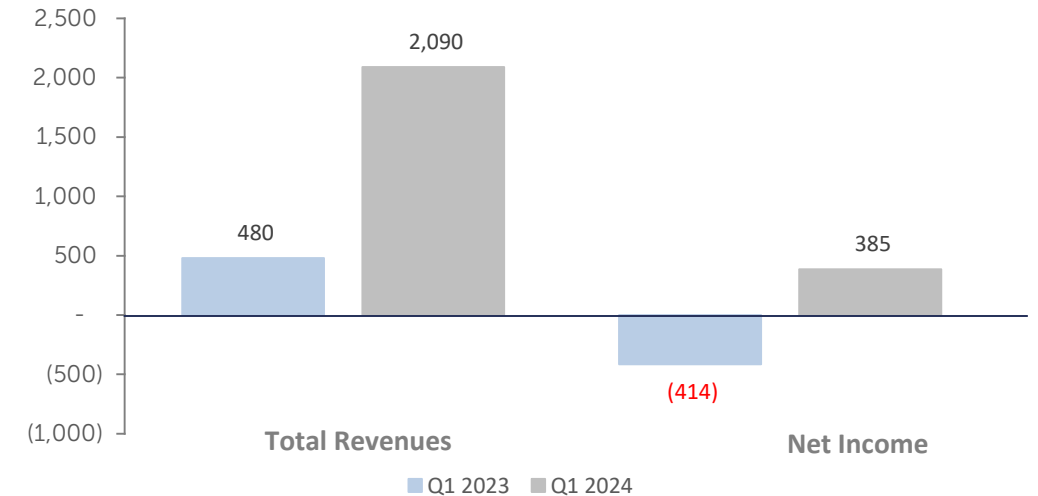
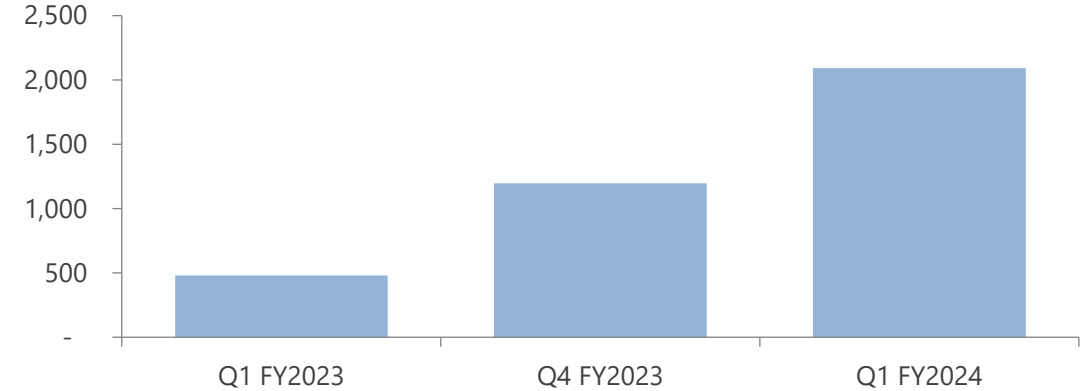
Prime Capital's seasoned expertise is leading a top agriculture player to an IPO journey set for Q2 2024.

Specialized IFA Services

Prime Capital displayed its expertise with a robust array of Independent Financial Advisor (IFA) reports in Q1 FY2024 highlighting our depth and versatility across various industries, including:

1. Real Estate
2. Healthcare
3. NBFS
4. Fintech
5. F&B
6. Energy

Financial Advisory fees & commissions (EGP'000, quarterly)



Source: Management presentation.



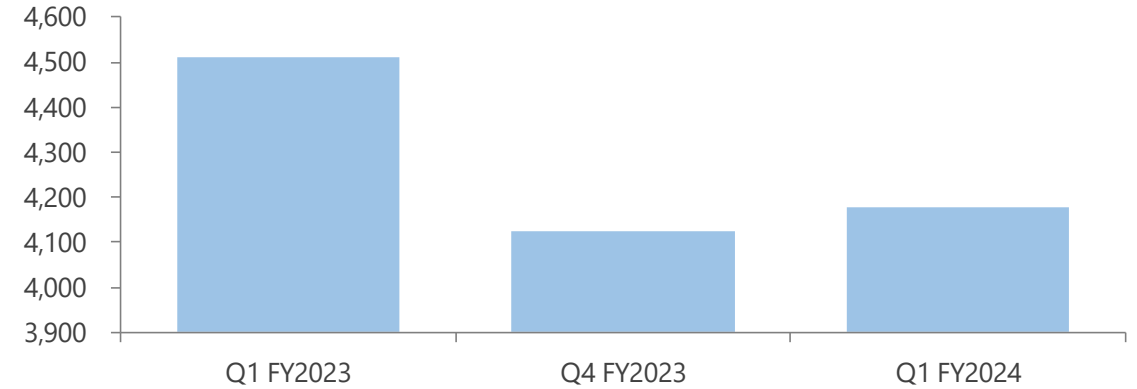
Non-Banking Financial Services

The leasing portfolio features a wide range of sectors, offering flexibility and variety

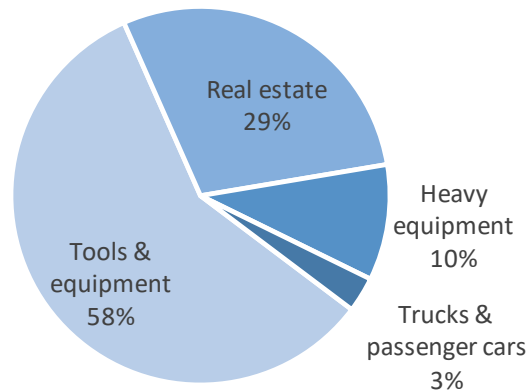
As of March 2024, tools and equipment dominated with 58%, followed closely by real estate at 29%.

Regarding sector distribution, the food and beverages industry leads the pack with 29%, trailed by the trade sector at 13%. Textiles and real estate each hold a respectable 10%.

NBFS fees & commissions (EGP'000, quarterly)

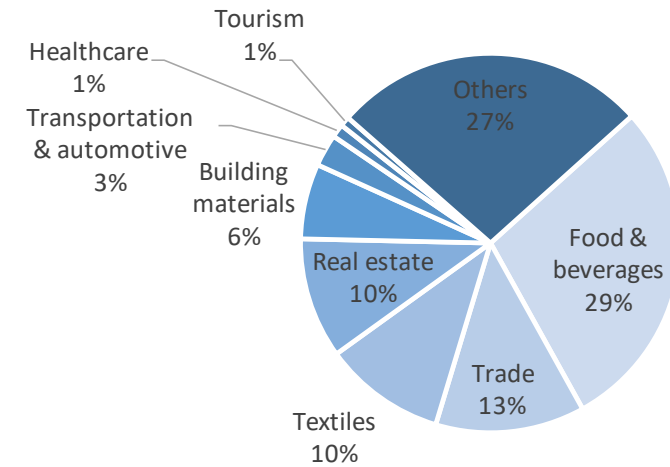


Leasing Portfolio by type of asset



Source: Management presentation.

Leasing Portfolio by sector



Source: Management presentation.

Consolidated Financial Statements



Income Statement (EGP'000)	Q1 FY2024	QoQ	Q4 FY2023	Q1 FY2023	YoY
Brokerage	24,732	18%	21,025	23,113	7%
Asset Management	4,227	-73%	15,764	2,554	66%
Financial Advisory	2,090	75%	1,197	480	336%
Custody	7,814	324%	1,842	4,435	76%
Management Services	217	-46%	401	104	108%
Total Investment Bank Fees & Commissions	39,080	-3%	40,228	30,686	27%
NBFS	4,177	1%	4,124	4,511	-7%
Capital Markets & Treasury	13,093	-14%	15,301	7,240	81%
Operating Revenues	56,350	-6%	59,653	42,437	33%
Non-Operating Revenues	2,827	24%	2,274	2,999	-6%
Total Revenues	59,177	-4%	61,927	45,436	30%
Salaries & Wages	(11,683)	1%	(11,790)	(11,077)	-5%
Commissions	(4,216)	46%	(7,822)	(4,254)	1%
Other G&A Expenses	(8,589)	-14%	(7,525)	(6,787)	-27%
Interest Expense	(6,441)	-0.4%	(6,413)	(6,905)	7%
Depreciation & Amortization	(1,846)	-1%	(1,823)	(1,900)	3%
Operating Expenses	(32,774)	7%	(35,374)	(30,924)	-6%
Operating Profits	26,403	-1%	26,554	14,512	82%
Provisions	(2,550)	81%	(13,222)	(11,074)	77%
Goodwill Impairment	-	NM	-	-	NM
Other Income (Expenses)	-	NM	-	-	NM
Net Profits before Tax	23,853	79%	13,332	3,438	594%
Taxes	(6,584)	23%	(8,551)	(3,242)	-103%
Net Profits after Tax	17,269	261%	4,781	196	8724%
Minority Interest	(125)	43%	(220)	(50)	-150%
Net Profits after Unusual Items & Minority Interest	17,144	276%	4,561	146	11661%

Source: Management presentation.

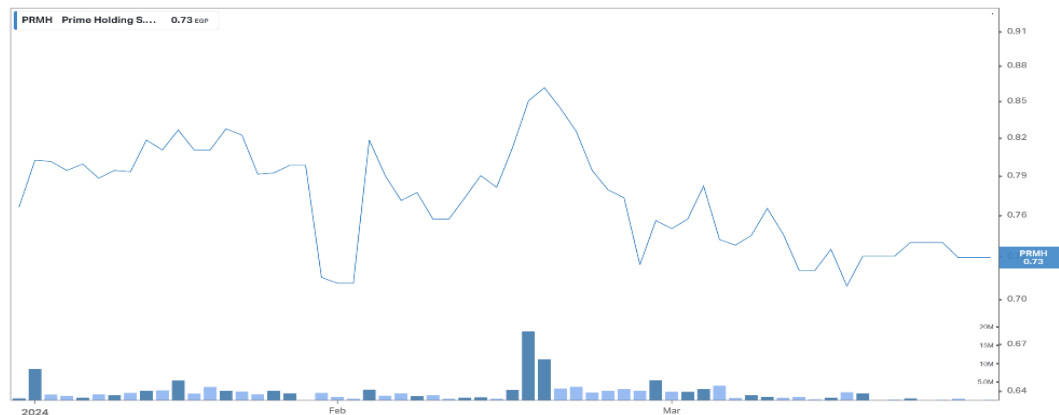
Consolidated Financial Statements (continued)



Balance Sheet (EGP'000)	31-Mar-24	YTD	31-Dec-23	YTD
Cash & Cash Equivalents	273,147	51%	441,380	194%
Receivables	144,068	53%	122,555	24%
ST Loans Receivables	39,863	3%	38,646	8%
Sundry Current Assets	17,942	47%	23,812	90%
Total Current Assets	475,021	46%	626,393	110%
LT Loans Receivables	31,397	(44%)	39,223	(37%)
Net Fixed Assets	51,358	(12%)	52,948	(12%)
Goodwill	207,256	(0%)	207,256	0%
Contribution to Settlement Guarantee Fund	3,240	18%	3,240	41%
Investments	1,940	(0%)	1,940	0%
Total Non-Current Assets	295,191	(9%)	304,607	(9%)
Total Assets	770,212	18%	931,000	47%
Short-Term Loans	67,816	(18%)	55,945	(22%)
Customers Credit Accounts	194,358	62%	412,733	249%
Long-Term Loans	41,854	(39%)	49,144	(35%)
Lease Obligation	21,488	(27%)	23,639	(25%)
Provisions	20,975	96%	20,830	92%
Sundry Liabilities	106,558	40%	78,985	32%
Total Liabilities	453,048	17%	641,276	75%
Equity for Owners of the Holding Company	315,208	20%	287,529	10%
Minority Interest	1,956	(9%)	2,194	5%
Total Shareholders' Equity	317,164	20%	289,724	9%
Total Liabilities & Shareholders' Equity	770,212	18%	931,000	47%

Source: Management presentation.

Prime Holding's Stock Performance (Q1 FY2024)



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 (Q1 FY2024)

Closing price (31 March. 2024)	EGP0.73
YTD high / low	EGP0.87 / EGP0.66
YTD performance	-5%
Average daily volume	1.94mn shares
Average daily turnover	EGP1.54mn

Investor Relations

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