

EFG HERMES PAKISTAN

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**Investor Presentation**

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**Annual Corporate Briefing**

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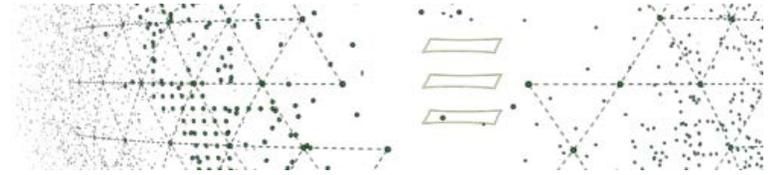
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# EFG HERMES PAKISTAN

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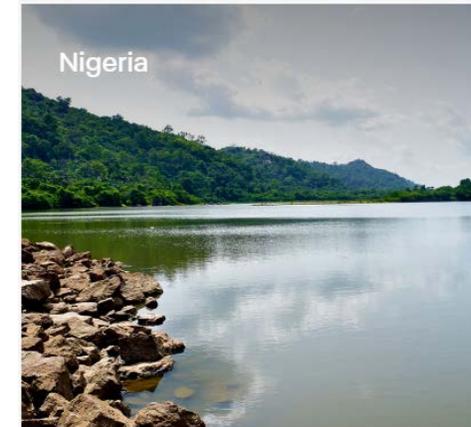
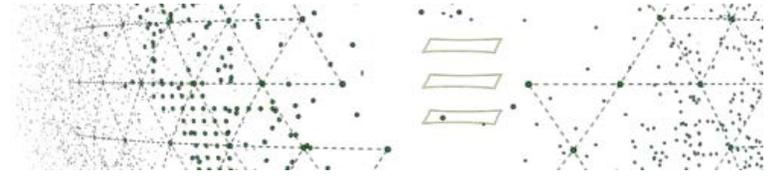
## **Overview**

# EFG HERMES PAKISTAN



- ≡ EFG Hermes entered Pakistan in 2017 through acquisition of IFSL
- ≡ Amongst the top foreign and local institutional brokers.
- ≡ Access to all leverage products MFS, MTS and Futures (100+ MFS eligible stocks)
- ≡ Access to 60+ markets including Frontier markets, select Emerging and Developed markets
- ≡ Pure Agency Brokerage; Zero Proprietary Trading

# Global Presence

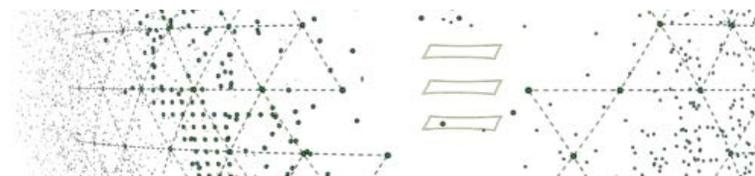


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**Financial Results**

# Financial Results



## EFG Hermes Pakistan Limited

CY 23

CY 22

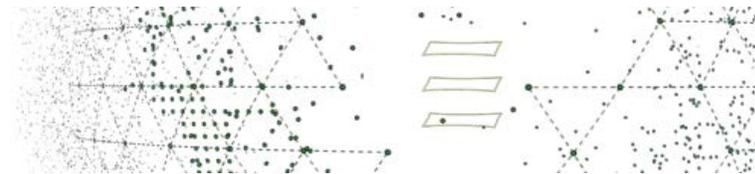
Q1 24

Q1 23

*Figures in PKR '000' unless otherwise stated*

Revenue	288,845	214,859	64,943	40,657
Operating Expenses	248,215	205,807	53,389	56,100
Financial Expenses	157,407	111,772	20,444	33,054
Other Income	27,549	1,617	13,068	3,145
Gain / (Loss) on Revaluation of Investments	9,633	14,665	1,612	22,452
Profit / (Loss) Before Tax	(79,595)	(86,439)	5,790	(22,899)
Profit / (Loss) After Tax	(107,453)	(101,914)	2,162	(25,938)
<b>Per Ordinary Share (Rupees)</b>				
Earnings / (Loss) Per Share	(5.37)	(5.09)	0.11	(1.30)
Break-Up Value Per Share	6.14	8.49	6.17	7.22

# Key Highlights



≡ Net loss of Rs. (5.37/sh) was reported in CY23 vs. net loss of Rs. (5.09/sh) in CY22.

Key highlights include:

- 34%YoY increase in revenue as trading activity improved in the 2<sup>nd</sup> half of the year
- 21%YoY increase in operating expenses, as inflation rose swiftly
- 41%YoY increase in financial charges, as interest rates rose to all-time highs

≡ Net profit of Rs. 0.11/sh was reported in 1QCY24 as compared to a loss of Rs. (1.30/sh) in the corresponding quarter last year.

The improvement has been driven by:

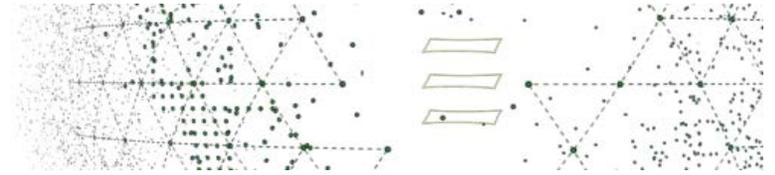
- 60%YoY increase in revenue driven by higher trading activity at the PSX, including greater participation by foreign investors
- Tighter cost control, with operating expenses down 5%YoY
- Lower financial charges, despite no reduction in interest rates at the time

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**Outlook**

# Outlook



- ≡ The KSE100 has been one of the best performing globally in the last twelve months, with a return of 89% in FY24 (more than 20% in CY24TD)
- ≡ This has been accompanied by an increase in trading activity, with ADTV averaging PKR10.5bn in CY22, PKR14.5bn in CY23, and PKR23.5bn in CY24TD.
- ≡ Foreign investors have also returned, with net buying of US\$152mn in FY24 (foreign corporates only), snapping a multiyear trend of outflows.
- ≡ With the Federal Budget successfully passed, key checkpoints ahead are negotiations for a new IMF program and the pace of monetary easing. If these are navigated smoothly, investor confidence and interest in equities should continue to sustain, which should benefit the company's operations. Market risks arise from potential passive EM selling, but this can boost trading activity.
- ≡ Merger with Intermarket Securities Limited is in process. It is expected to result in synergies and higher market share.

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## **Q&A**