

## CONTACT FINANCIAL HOLDING ANNOUNCES FY-2024 RESULTS

Contact closed out the year on a high note, with operating and normalized<sup>1</sup> net income expanding by 18% and 6%, respectively. The Group's performance for FY-2024 came on the back of an impressive recovery at Contact's financing services during the second half of the year, and was further boosted by sustained growth at its insurance business.

**Cairo, 26 February 2025**

Contact Financial Holding SAE (CNFN.CA), Egypt's largest non-bank financial services provider, announced today its consolidated financial results for the quarter and twelve-month period ending 31 December 2024. In FY-2024, the Group achieved a consolidated net operating income of EGP 2.5 billion, representing an 18% y-o-y increase. Similarly, consolidated normalized net income expanded by 6% y-o-y in FY-2024, closing the year at EGP 735.6 million.

Contact's strong results were mainly supported by the financing division's impressive recovery during the second half of the year, which came as market conditions stabilized during the period, driving an uptick in volumes. This translated in a consistent improvement across key performance indicators when comparing the second half of the year with the Group's first half performance. Notably, in the latter half of the year (3Q-2024 and 4Q-2024) the Group's consolidated operating income expanded by 45% compared to the first half of the year, while normalized net income surged by 140% during the same period.

### FY-2024 and 4Q-2024 Key Financial and Operational Highlights

	FY-2023	FY-2024	Change	4Q-2023	4Q-2024	Change
<b>Financing Division</b>						
Total Portfolio (EGP bn)	21.2	21.1	0%	21.2	21.1	0%
Financing Operating Income (EGP mn)	1,741	1,987	14%	378	647	71%
Financing Net Income <sup>2</sup> (EGP mn)	625	533	-15%	220	221	0%
<b>Insurance Division</b>						
Gross Written Premiums (EGP mn)	1,492	2,283	53%	323	526	63%
Insurance Operating Income (EGP mn)	349	478	37%	111	115	4%
Insurance Net Income (EGP mn)	99	154	56%	40	34	-16%
<b>Consolidated Results</b>						
Total Operating Income (EGP mn)	2,084	2,463	18%	483	767	59%
Net Income (EGP mn)	692	658	-5%	254	247	-3%
Annualized Return on Average Equity	27.2%	21.2%	(6.1 pts)	37.2%	29.3%	(7.9) pts
<b>Normalized Net Income (EGP mn)</b>	<b>693</b>	<b>736</b>	<b>6%</b>	<b>151</b>	<b>258</b>	<b>71%</b>

**Commenting on the results, management said:** "We are pleased with the Group's strong performance during FY-2024, a year which saw us once again prove the resilience of our business model and the attractiveness of our value proposition. Following a challenging start to the year due to ongoing difficulties in our home market of Egypt, we recorded a strong turnaround as market conditions stabilized. We are particularly happy with the performance of our financing division in the second half of the year, which showcased the strong underlying interest for our offering and further validated our growth strategies over the last several years. We closed out the year on a high note, and we are optimistic that this positive momentum will carry into 2025 as inflation and interest rates normalize. Meanwhile, at our insurance division we continued to reap the fruits of our strategic investments, with the division

<sup>1</sup> Normalized net income adjusts for the following: Net effect of new rent standard, tech investments, tax adjustments, and a special provision.

<sup>2</sup> FY-2023 financing net income included a one-off capital gain from sale of assets of EGP 147.3 million. The exclusion of this figure would result in a 12% y-o-y increase in financing net income during FY-2024.

achieving impressive growth driven by our expanded market presence, enhanced cross-selling capabilities, and comprehensive product offering. We are eager to continue building on this progress to further establish ourselves in Egypt's underserved insurance segment. The resilient results posted throughout 2024 are a continued demonstration of the success of our investment and diversification strategies, which over the past years have allowed us to set up a strong business with solid fundamentals, enabling us to successfully overcome market challenges and generate value for our customers, communities, and shareholders."

In FY-2024, the **financing division** delivered a resilient performance, with the division's strong recovery during the second half of the year enabling it to overcome a difficult first half. In FY-2024, the division's operating income expanded by 14% y-o-y to EGP 2.0 billion, largely driven by a resumption in portfolio transfer activities during the second half of the year, coupled with an increased focus on higher margin products. However, as a consequence of unfavorable market conditions during the year, the division witnessed a slowdown in portfolio transfer activities compared to FY-2023 and the division's net income shrank by 15% y-o-y to EGP 533.2 million in FY-2024. It is worth noting that in FY-2023, financing net income included a one-off capital gain, the exclusion of which would result in a 12% y-o-y increase in financing net income during FY-2024. The division's overall performance for FY-2024 was significantly supported by the impressive recovery witnessed during the second half of the year, as stabilized market conditions drove an uptick in volumes, evidenced by the 44% increase in new lending extended in the second half of the year compared to 1H-2024. As a result, financing operating income expanded by 65% in the second half of the year versus the first six months of 2024, and financing net income increased 291% in the second half compared to the first half of the year.

"The challenging first half of the year weighed on the division's overall FY-2024 performance. However, it is worth noting that compared to 1H-2024, all business segments expanded strongly in the second half of the year. On that front, new financing at the Auto and Trucks segments rose by 50% and 25%, respectively, in 2H-2024 versus 1H-2024, driven by the stabilization of prices, as well as the overall financing environment. Similarly, new financing at the Consumer Finance segment increased by 57% in 2H-2024 compared to 1H-2024 and the Mortgage segment expanded by 52% in 2H-2024 versus 1H-2024. Finally, new financing extended at the Working Capital segment closed the second half of the year up 26% compared to 1H-2024 driven by growth in Transportation Services and Memberships financing, as well as the ramp-up of the newly-introduced "Rise Up" product," **management added.**

Meanwhile, the **insurance division** continued to deliver broad-based growth throughout the year. The division's gross written premiums (GWPs) increased by 53% y-o-y to EGP 2.3 billion in FY-2024, supported by strong results at both Sarwa Life and Sarwa Insurance. This in turn drove year-on-year increases of 37% and 56%, respectively, in the division's operating and net incomes for the full-year period.

"Both of our insurance companies achieved impressive results during the year, with GWPs at Sarwa life rising by 71% y-o-y to EGP 1.3 billion and GWPs at Sarwa Insurance expanding by 36% y-o-y to EGP 1.0 billion in FY-2024. Sarwa Life's performance was driven by substantial growth in medical and term insurance, while growth at Sarwa Insurance came on the back of greater market penetration. It is worth noting that Sarwa Life's new operational issuance system is now online and fully operational. Currently, 100% of the company's retail operations, as well as its group life insurance, group pension, and credit life services are operating through the system, and by mid-2025, all lines of business are expected to be included," **management continued.**

On the digital front, **ContactNow**, Egypt's first comprehensive digital financial platform, continued to work on expanding its features and enhancing the user experience. During the past quarter, ContactNow extended its partnerships to offer customers a significantly expanded range of payment options, including cash and instalment payments, providing a more convenient and comprehensive experience. Additionally, the app recently launched its new purchase experience, which allows customers to start browsing and purchasing/booking loans through the app,

empowering customers to initiate and tailor their own loans directly, streamlining the process and providing greater flexibility. On the back of the continuous efforts being made to enhance and augment the app, the total value of transactions made through the app increased by 38% y-o-y in FY-2024, and the number of new registrations since inception reached 845 thousand, with 246 thousand of those coming in FY-2024.

**Contactcars.com**, Egypt's go-to marketplace for cars and related services, has also introduced several new features during the past period. In 4Q-2024, Contactcars.com officially launched its new "Otlobha" product, which is designed to support consumers in locating their desired vehicle at the best possible price and within the shortest time frame. Additionally, the Company expanded the platform's consumer product offerings by introducing a new innovative dealers' sales channel, and within just five months of the launch, the platform received 194 customer inquiries. Furthermore, the platform has developed a new B2B Vehicle Auction product, which streamlines the vehicle sales process between dealers. As a result of those efforts, In 4Q-2024 the number of paid dealer subscriptions increased by 27% y-o-y, and average paid classified ads grew by 19% y-o-y. During the first quarter of 2025, Contactcars.com will increase its focus on growing its existing products, with plans to expand dealer subscriptions geographically, starting with Alexandria.

**Regionally**, Almasi, the Group's Kenyan affiliate, continues to grow in line with expectations. Since inception, Almasi has financed a total of 213 contracts worth KES 3.1 billion, with an average loan amount of KES 14.7 million. The continued success of Almasi provides the Group with a platform to not just capitalize on the favourable dynamics of the Kenyan market, but also expand further into the region over the coming years.

"Heading into 2025, we remain confident in the Group's ability to deliver on its short and long-term targets. As operating conditions continue to improve, our solid business foundations and proven growth strategies will enable us to capitalize on the anticipated market recovery, particularly as the financing environment continues to improve and the ongoing recovery of the auto sector takes hold. Over the coming year, we expect strong contributions to the Group's overall growth by both our financing and insurance divisions. On the digital front, we will continue expanding and enhancing the digital capabilities of our market leading platforms, ContactNow and Contactcars.com. Finally, we remain on the lookout for attractive investment opportunities that enable us to provide new services to our customers, secure new growth and expansion avenues for the Group, and expand our geographical footprint across the region," **management concluded.**

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**About Contact Financial**

Contact Financial Holding SAE (CNFN.CA) is the largest non-bank financial services provider in Egypt changing the way people and business access finance and insurance. Operating since 2001, Contact adopts innovative approaches in extending its services, offering quality services with simple procedures and reaching a wide client base through its various subsidiaries, affiliates and partners. Contact's financing division offers market leading services including consumer financing for new and used passenger and commercial vehicles and an array of consumer durables through Contact Credit and Contact CrediTech, Mortgage finance through Contact Mortgage, as well as commercial finance through Contact Leasing and Contact Factoring. Contact operates in insurance through Sarwa Insurance and Sarwa Life Insurance. Contact also offers an array of corporate financing services including securitization, structured debt and debt investment management. Contact Financial Holding SAE is authorized and regulated by the Financial Regulatory Authority (FRA).

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