



الأنصاري للخدمات المالية
ش.م.ع.
AL ANSARI FINANCIAL SERVICES
P.J.S.C.

Nine Months and Third Quarter 2024 Earnings Release



Al Ansari Financial Services' Nine Months and Third Quarter 2024 Financial Results

Financial and Operational Highlights

Q3'24 vs. Q3'23

- **Operating Income** grew 1% year on year (YoY) to AED 288 million on a reported basis with **adjusted Operating Income**, after excluding one-off Iraq income in Q3'23, reporting an increase of 11%.
- **EBITDA** dropped 7% YoY to AED 131 million on a reported basis and grew 14% on an adjusted basis.
- **Net profit** after tax declined 17% YoY to AED 103 million on a reported basis and increased 4% YoY on an **adjusted** basis.

9M'24 vs. 9M'23

- **Operating Income** declined 1% YoY to AED 855 million on a reported basis with **adjusted Operating Income** reporting an increase of 4%.
- **EBITDA** dropped 11% YoY to AED 388 million on a reported basis while **adjusted EBITDA** dropped by only 2%.
- **Net profit** after tax declined 20% YoY to AED 308 million on a reported basis and dropped 10% YoY on an **adjusted** basis.
- **Total Transactions** increased by 2% YoY to 37.3 million.
- **Bank Notes and Prepaid card** number of transactions reported a 4% increase YoY to 7.2 million.
- **Wage Protection System (WPS)** volumes saw a growth of 24% YoY reaching AED 25 billion.
- **Digital channels** reported an increase of 24% YoY in the number of transactions conducted across the Group's digital platforms, accounting for 23% of the overall outward remittances.

Expansion in line with the Group's strategy and ambition, solidifying its market leadership position and regional plans.

- Al Ansari Exchange's total number of physical branches reached 263 by end of Q3'24.
- Al Ansari Financial Services PJSC is to acquire BFC Group Holdings W.L.L. with an expected closing date of Q1 '25.
- The integration of Al Ansari Exchange's operations in Kuwait with Oman Exchange was completed. Al Ansari Exchange in Kuwait will be acquired by Q4'24, with synergies to be realised in Q1 '25.
- Al Ansari Digital Wallet is set to be launched before the end of year.



Dubai, UAE – 7 November 2024: Al Ansari Financial Services PJSC (DFM: ALANSARI), (the “Group”), one of the leading integrated financial services groups in the UAE and the parent of Al Ansari Exchange, today announced its financial results for the first nine months of 2024 (“9M 2024”) and third quarter (“Q3 2024”), ended 30 September 2024. Operating Income for the Group declined marginally by 1% year on year (YoY) during the first 9 months of 2024 on a reported basis, with **adjusted Operating Income** registering an increase of 4%.

Adjusted figures exclude one off Iraq income received in Q3 2023, giving a more accurate view and comparison of the underlying performance.

Financial Highlights

In AED thousands (unless otherwise stated)	Q3 2024	Q3 2023	% change (YoY)	9M 2024	9M 2023	% change (YoY)
Operating Income	288,014	285,290	1%	855,069	863,316	(1%)
EBITDA	130,664	140,247	(7%)	388,581	438,867	(11%)
EBITDA Margin (%)	45.4%	49.2%	(4%)	45.4%	50.8%	(5%)
Net Profit after Tax	103,061	124,510	(17%)	308,537	387,803	(20%)
Earnings per Share	0.0138	0.0166	(17%)	0.0412	0.0517	(20%)
Free Cash Flow (FCF)	122,682	129,407	(5%)	364,701	407,164	(10%)

9M 2024 Operational Highlights

	9M 2024	9M 2023	Change (unit)
No. of physical branches in UAE	263	248	Net 15 new branches since 9M 2023
Total No. of transactions	37.3 mn	36.6 mn	2% YoY
Corporate Business – No. of transactions	12.5 mn	12.0 mn	4% YoY
Digital Channels - No. of transactions	3.6 mn	2.9 mn	24%



9M 2024 OPERATIONAL PERFORMANCE COMMENTARY

- The **total number of transactions** during the first nine months of the year increased by 2% compared to the same period last year to 37.3 million. This significant growth further reinforces our position as a dominant player in the market.
- The challenges posed by the parallel market in key remittance corridors have begun to ease in recent quarters. However, ongoing geopolitical tensions in the Region continue to impact remittance income. **Remittance Operating Income** saw a slight 2% reduction YoY on a reported basis, while adjusted **Remittance Operating Income** witnessed a 7% increase reaching AED 513 million.
- Despite geopolitical headwinds impacting the bank notes wholesale business, the strong performance of our Prepaid Cards business, mitigated the overall impact, resulting in a 2% YoY decline in **Bank Notes Operating Income** to AED 268 million.
- The **Wage Protection System (WPS) business** delivered impressive results in the 9 - months period with a 9% YoY increase in **WPS Operating Income** to AED 53 million. By capitalising on the robust UAE economy and executing a strong customer acquisition strategy, WPS increased its customer base by 17%.
- Our commitment to addressing the evolving needs of the **Corporate Business** segment yielded positive results. Number of transactions increased by 4% YoY, reaching 12.5 million. This growth was driven by our strategic approach, which included expanding our product offerings and driving significant growth in specific services like WPS.
- Customers conducted over 3.6 million **Digital Transactions** a 24% YoY increase, contributing to 23% of the total remittance transactions. The sustained growth in digital transactions underscores our commitment to digital transformation. By leveraging cutting-edge technology and innovative solutions, we are continuously enhancing the customer experience and streamlining financial services. This aligns with our vision of becoming a leading financial services provider, offering seamless and efficient digital solutions to meet the evolving needs of our customers.

9M 2024 FINANCIAL PERFORMANCE COMMENTARY

- Navigating a complex operating environment characterised by increased costs and geopolitical challenges, the Group delivered a remarkable **EBITDA margin** of 45.4%.
- **Net profit after tax** declined 20% YoY to AED 308 million while **adjusted Net Profit after tax** declined by 10% YoY. This decline is attributed to the increase in manpower (including Emiratisation cost) and operational costs as well as the introduction of Corporate Tax.
- The Group's strategic focus on digital transformation and optimised branch network expansion resulted in a 25% reduction in **Capital Expenditure (CAPEX)**.



- The Group's **Cash Flow** from operations after adjusting for CAPEX amounted to AED 365 million, with a 94% EBITDA to cash conversion rate.

9M 2024 PERFORMANCE OF OTHER OFFERINGS

- **Worldwide Cash Express** powered significant growth during the past 9 months, with a 223% YoY surge in the number of transactions to more than 260,000 transactions and a transaction value of USD 204 million accounting to a 119% YoY growth. This remarkable performance highlights the value we deliver to our corporate clients and positions Worldwide Cash Express as a key driver of future growth.
- **CashTrans**, the Group's comprehensive cash management solution, experienced substantial growth, with a 70% YoY increase in external customers to 56 and a 26% YoY increase in the number of trips completed to 187,000.

Q3 2024 OPERATIONAL AND FINANCIAL PERFORMANCE COMMENTARY

- **Total reported Operating Income** increased by 1% YoY to AED 288 million, while **adjusted Operating Income** grew by 11% YoY. This growth was driven by a gradual recovery in the remittance business and strong performance in WPS and other services.
- **Remittance Operating Income** reported a 3% decline YoY while **adjusted Remittance Operating Income** grew by AED 168 million, a 14% YoY increase, reflecting a healthy recovery in the remittance business.
- **Bank Notes and Prepaid Cards Operating Income** grew by 4% YoY to AED 94 million highlighting the UAE's booming travel and tourism sector.
- **WPS Operating Income** increased by 14% YoY recording AED 19 million during the quarter owing to the increase in the number of customers and salary disbursements.
- **EBITDA** declined by 7% YoY on a reported basis while adjusted EBITDA increased by 14% YoY to AED 131 million.
- **Net Profit after tax** decreased by 17% YoY on a reported basis and increased by 4% YoY on an adjusted basis to AED 103 million.



Commenting on the results, Rashed A. Al Ansari, Group CEO of Al Ansari Financial Services, said:

“The past nine months have posed significant challenges for our industry, with economic and geopolitical pressures, heightened competition, and introduction of corporate tax, coupled with increased operational and manpower costs, impacting our performance. Despite these adversities, our results are showing positive progress on all fronts. We are very proud of the achievements of the team in navigating these external and internal industry challenges successfully.

The company remains vigilant in monitoring the evolving competitive landscape, particularly the emergence of fintech companies in the market. While we welcome competition and believe it fosters innovation, it is important to ensure fair and sustainable practices. This is why we are actively working with the Foreign Exchange and Remittance Group (FERG) and regulatory authorities to address industry-wide challenges and mitigate their impact on our business and the broader industry. The broader industry, and the initial response we have received are highly encouraging and turning fruitful.

The Group is committed to adhering to the highest ethical standards and regulatory requirements and will continue to engage with relevant authorities to promote a level playing field for all industry participants.

In addition to that, we are progressing on our long-term six-pillar growth strategy and have announced, earlier this quarter, the purchase of BFC Group Holdings W.L.L. With this acquisition, the Group is poised to become the leading provider of foreign exchange and remittance services across the Gulf Region.

Our focus on financial prudence and customer-centricity sets us apart, strengthening our position as a preferred market leader. We remain dedicated to supporting the region's economic growth and are actively exploring new partnerships to further expand our offerings and to continue to add value to our shareholders.”

Mohammad Bitar, Deputy Group CEO of Al Ansari Financial Services, said:

“We are pleased to report a noticeable recovery in our remittance business as the effects of the parallel market begin to ease. Despite a marginal 1% year-on-year decline in Operating Income during the past nine months on a reported basis, our adjusted Operating Income, excluding Iraq Income, increased by 4%.

Our strategic execution has been robust, with our diversified portfolio remaining strong and positive trends emerging in outward remittances. Digital channels continue to be a primary focus, with a 24% year-on-year increase in transactions across our digital platforms, now accounting for 23% of overall outward remittances.

Operational efficiency remains high, maintaining a steady EBITDA margin of 45% even in an inflationary cost environment. We are actively implementing strategies to further enhance efficiency and control expenditure that are expected to positively impact our bottom line.



Our focus for the upcoming period remains on initiatives to enhance efficiency, drive digital transformation, and increase profitability at the branch level, in addition to effective expense management and economies of scale, these efforts will help mitigate the impact of rising costs and ensure sustained profitability. This unwavering dedication to cost optimisation positions us for continued success in the evolving market landscape. We are steadfast in our commitment to our strategic growth agenda and remain confident in our ability to unlock greater shareholder value.”



AWARDS RECEIVED DURING 9M 2024

AL ANSARI FINANCIAL SERVICES

- Best Initial Public Offering in EMEA region for 2023 - EMEA Finance Awards
- Customer Service Excellence Award - Finance Middle East Awards

AL ANSARI EXCHANGE

- MEA Finance's Best Remittance and Foreign Exchange Service Provider
- Exchange House of the Year – Finance Middle East Awards
- NAFIS Award (Diamond Category) for Distinguished Emiratisation Rates
- NAFIS Award (Gold Category) in the Exchange Sector – Large Size Entities
- Best Retail Shop – Season 28 Achievement Awards by Global Village
- Business Excellence for Fintech Industry – Westford Awards