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

# Q1 2025 Financial Results Presentation

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# Today's Presenters



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01

# Q1 2025 Highlights

- Key Highlights
- Quarter to Quarter Journey
- Financial & Operating Performance Snapshots

# Q1 2025 Key Highlights



**+7%** ▲

Operating Income  
vs. Q1'24

**Operating Income** increased by **7% YoY** to **AED 294m**, attributed to an increase across all business lines



**+13%** ▲

EBITDA  
vs. Q1'24

**EBITDA** increased by **13% YoY** to **AED 138 million** with an **EBITDA Margin** of **46.8%** due to **increase in operating income**



**+10%** ▲

Net Profit After Tax  
vs. Q1'24

**Net profit after tax** increased by **10% YoY** to **AED 109 million** due to notable increase in operating income



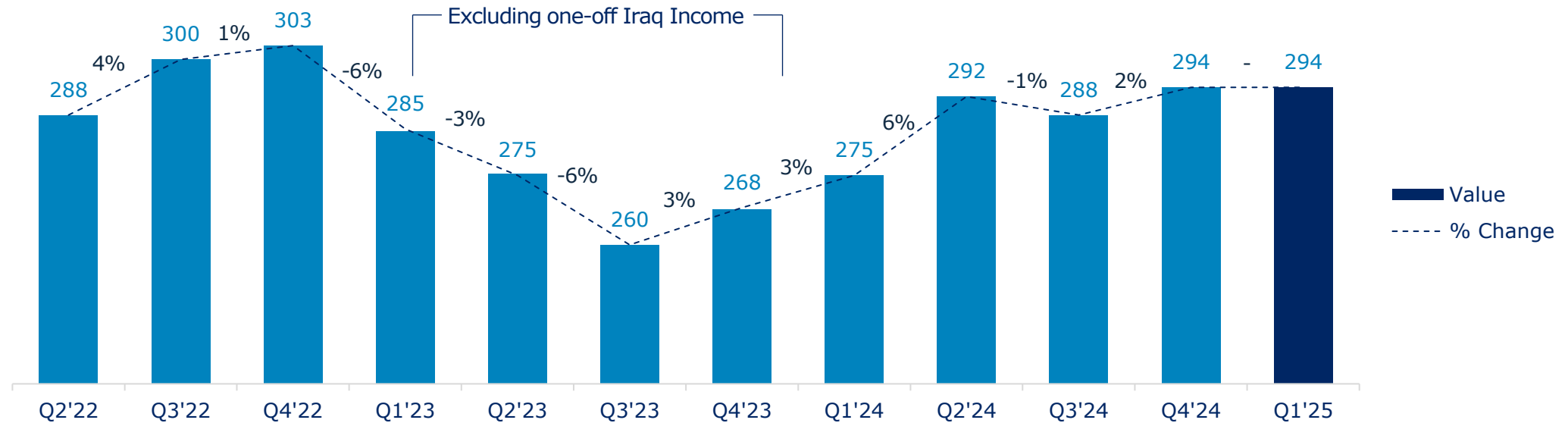
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AL ANSARI EXCHANGE



# Quarter to Quarter Journey



## Operating Income (AED'mn)



- **Q4'22 – Q4'23** : There is a **downward trend** witnessed in operating income as result of the effect of the parallel markets across the major corridors
- **Q4'23 – Q1'25** : There is an **upward trend** observed in operating income, which is driven by a few key positive developments:
  - Ongoing stabilization process of the parallel markets where customers continue to return to the official channels in a gradual manner
  - Gradual increase in remittance fees in select corridors (implemented since April-24)

# Q1 2025 Financial & Operating Snapshot

## Financial Performance (AED)

▲ **294 mn** ▲ **138 mn**  
Operating Income EBITDA  
+7% vs. Q1'24 +13% vs. Q1'24

▲ **46.8%** ▲ **109 mn**  
EBITDA Margin<sup>1</sup> Net Profit After Tax  
vs. 44.6% in Q1'24 +10% vs. Q1'24

▲ **0.0145**  
Earnings Per Share (EPS)  
+10% vs. Q1'24

## Operating Performance

▲ **12.5 mn** ▲ **270**  
Total number of transactions Number of physical branches  
+1% vs. Q1'24 11 net new branches since Q1'24

▲ **22 bn** ▲ **2.5 mn**  
Bank Notes – Value of transactions WPS – Number of salary disbursements  
+6% vs. Q1'24 +27% vs. Q1'24

▲ **16%** ▲ **24%**  
Increase in overall digital transactions Contribution of Outward Remittance transactions conducted through digital channels  
vs. Q1'24 vs. 21% in Q1'24

(All figures in AED millions, unless otherwise stated)  
1) EBITDA margin is defined as EBITDA divided by operating income



02

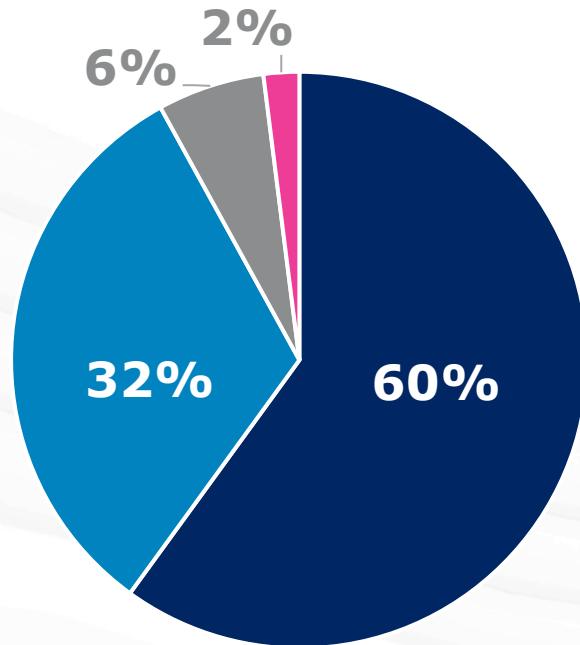
## Business Highlights

- Revenue Contribution
- Market Analysis
- Remittances
- Bank Notes
- WPS and Other Products & Services

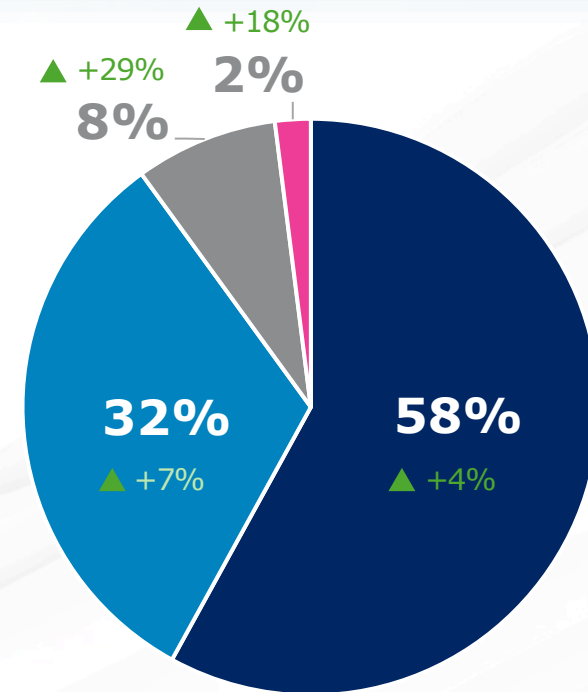


# Revenue Contribution

Q1'24



Q1'25



■ Remittance ■ Bank Notes ■ WPS ■ Others

% Growth in Revenue



# UAE Continues To Remain Robust Despite Global Headwind



## UAE Economy Remains Resilient on All Fronts



### Encouraging Macro

**c. 4.7%**

Overall UAE GDP Growth Expected (2025)

**c. 5.1%**

UAE Non-oil GDP Growth Expected (2025)

**c. 3.0%**

Growth in Total UAE Population (2024)



### Robust Travel and Tourism

**c. 23mn**

Passengers through Dubai Airports (Q1'25)

**c. 5mn**

Dubai International Overnight Visitors (Q1'25)

**c. 1mn**

Abu Dhabi International Overnight Visitors (Q1'25)



### Supportive Climate

**88%**

Of Total UAE Population Are Expats (2024)

**12%**

Digital Economy Contribution to Non-oil GDP (2023)

**23%**

Of Ecommerce Spending Conducted Through Digital Wallets (2023)

## Local Market Share (2023)

**36%**

Remittances Market Share (Personal Outward)

**16%**

Remittances Market Share (Corporate Outward)

**32%**

WPS Market Share by Active Employers Enrolled

## Ministry of Human Resources and Emiratisation (2024)

**17%**

Growth in the Number of Established Companies

**12%**

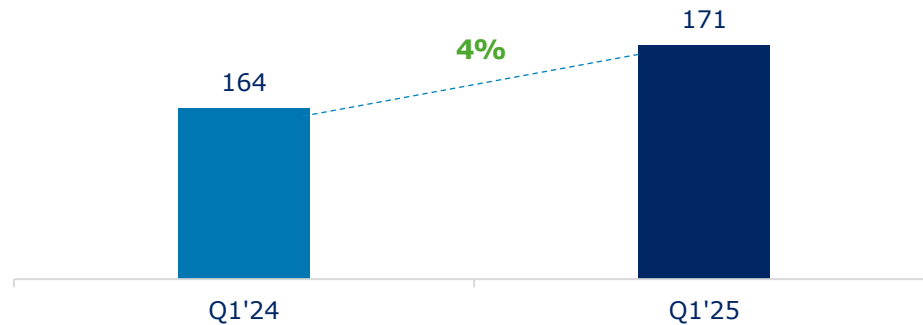
Growth in the Workforce in the Private Sector



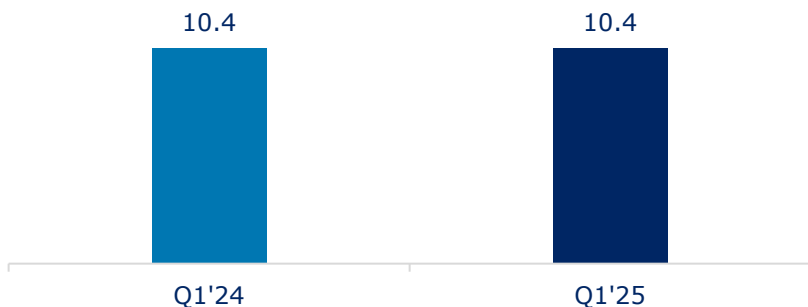
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MINISTRY OF HUMAN RESOURCES & EMIRATISATION

# Remittances: Q1'25

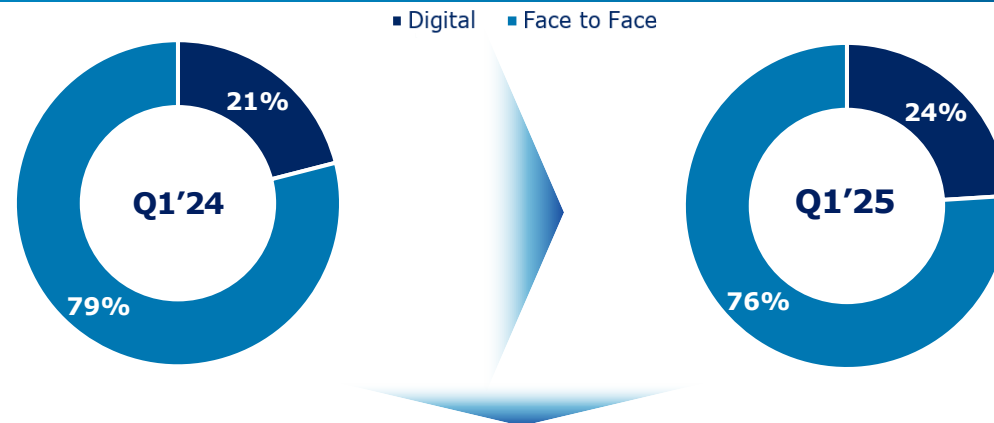
## Operating Income (AED'mn)



## Outward Remittances – Value (AED'bn)



## Digital vs. Face to Face



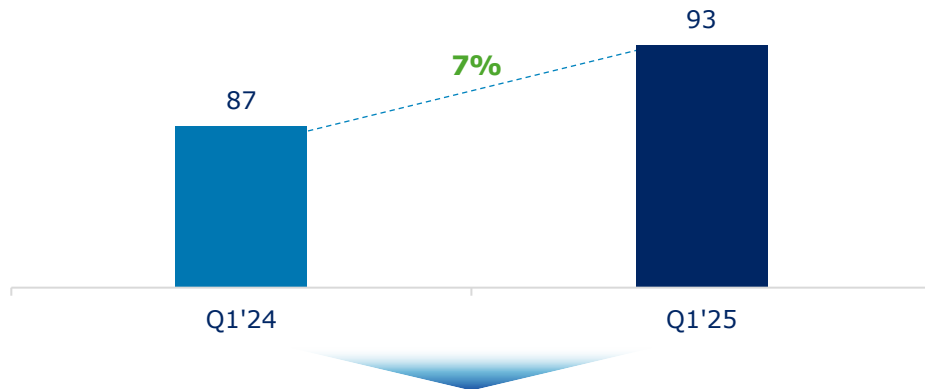
Remittance operating income increased by 4% as compared to Q1'24

Outward Remittance transactions conducted through digital channels witnessed growth, in line with the increased digital adoption

# Bank Notes: Q1'25\*

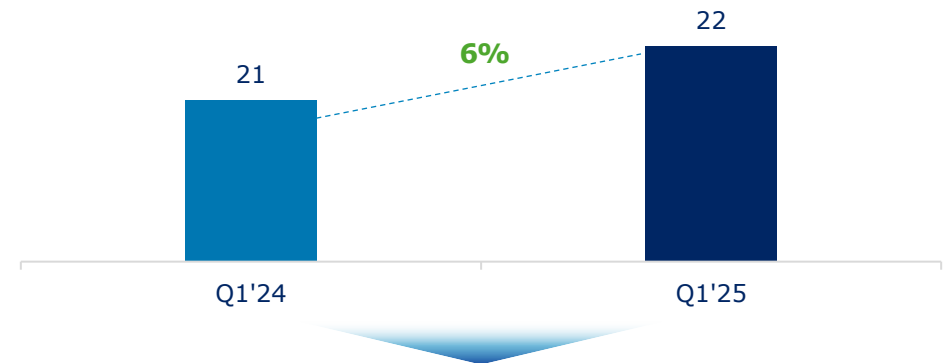


## Operating Income (AED'mn)



Bank Notes operating income has increased 7% as compared to Q1'24

## Bank Notes Value of Transactions (AED'bn)



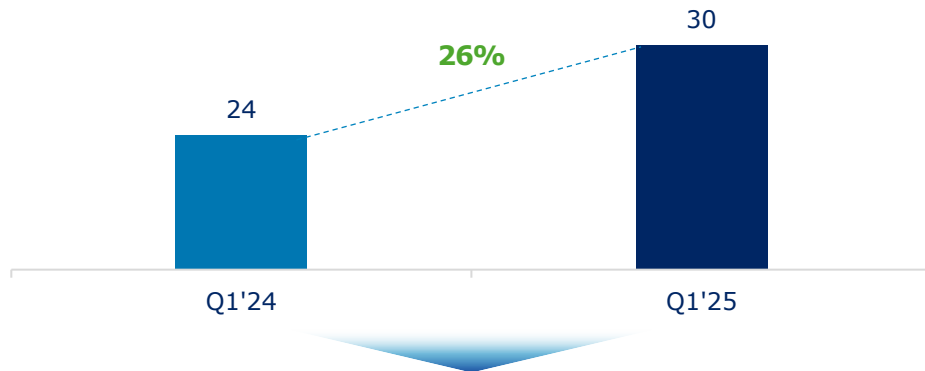
Total Value of transactions has increased by 6% as compared to Q1'24 driven by an increase in prepaid cards value of transactions on the back of strong demand and increase in outbound tourism

\* Bank Notes results include Prepaid cards

# WPS and Other Products & Services: Q1'25

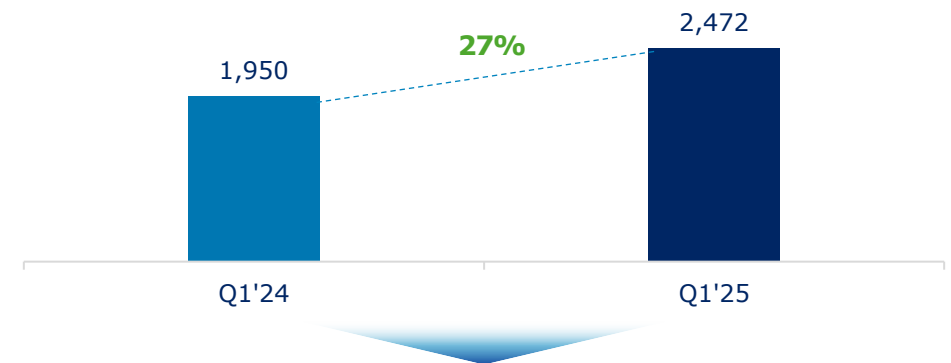


Operating Income (AED'mn)



WPS and other products & services operating income has increased by 26% compared to Q1'24

WPS Salary Disbursals ('000)



WPS salary disbursals witnessed an increase of 27% compared to Q1'24

03

# Financial Highlights

- Income Statement Overview
- Balance Sheet Overview
- Capex Business Model



# Income Statement Overview

AED'000	Q1'25	Q1'24	% Change
Net gain on currency exchange	<b>144,868</b>	129,037	12.3%
Net commission income	<b>149,336</b>	145,689	2.5%
<b>Operating income</b>	<b>294,204</b>	274,726	7.1%
Interest and other income	<b>8,021</b>	10,838	(26.0%)
Salaries and benefits	<b>(124,664)</b>	(118,513)	5.2%
Other operating expenses	<b>(56,169)</b>	(56,363)	(0.3%)
Finance cost	<b>(1,770)</b>	(2,178)	(18.7%)
Profit before tax	<b>119,622</b>	108,510	10.2%
Income tax expense	<b>(10,768)</b>	(9,766)	10.3%
<b>Profit after tax</b>	<b>108,854</b>	98,744	10.2%
<b>EBITDA</b>	<b>137,666</b>	122,415	12.5%
EBITDA Margin	<b>46.8%</b>	44.6%	

Commentary
<ul style="list-style-type: none"> <li>▪ <b>Net gain on currency exchange</b> saw an increase of 12.3% YoY mainly on account of increase in remittances margin</li> <li>▪ <b>The net commission income</b> saw a nominal increase of 2.5% YoY due to increase in pre-paid cards and WPS – Disbursal transactions</li> <li>▪ <b>Interest income</b> decline is primarily attributable to a decrease in EIBOR rates</li> <li>▪ <b>The increase in salaries and benefits</b> was mainly due to rise in the number of employees directly related to the opening of 11 new branches since Q1'24 and compliance of Emiratization target</li> <li>▪ <b>The decline in finance cost</b> is mainly attributable to efficient utilization of bank overdraft facilities during peak business days only</li> <li>▪ <b>EBITDA</b> increased by 12.5% YoY to AED 138 million with an EBITDA Margin of 46.8% due to notable increase in operating income (Industry average EBITDA Margin is &lt;30%)</li> </ul>

# Balance Sheet Overview

AED'000	Mar'25	Dec'24	% Change
Right of use assets	<b>120,225</b>	95,868	25.4%
Property and Equipment	<b>71,799</b>	73,946	(2.9%)
Cash in hand, Due from banks & exchange houses	<b>3,196,542</b>	2,894,414	10.4%
Other assets <sup>1</sup>	<b>222,824</b>	167,037	33.4%
<b>Total assets</b>	<b>3,611,390</b>	<b>3,231,265</b>	<b>11.8%</b>
Trade and other payables	<b>1,228,774</b>	1,033,747	18.9%
Dividend Payable	<b>157,500</b>	-	-
Bank borrowings	<b>150,000</b>	233,533	(35.8%)
Lease liabilities	<b>103,249</b>	84,064	22.8%
Other liabilities <sup>2</sup>	<b>285,269</b>	139,332	104.7%
<b>Total liabilities</b>	<b>1,924,792</b>	<b>1,490,676</b>	<b>29.1%</b>
<b>Shareholder's equity</b>	<b>1,686,598</b>	<b>1,740,589</b>	<b>(3.1%)</b>

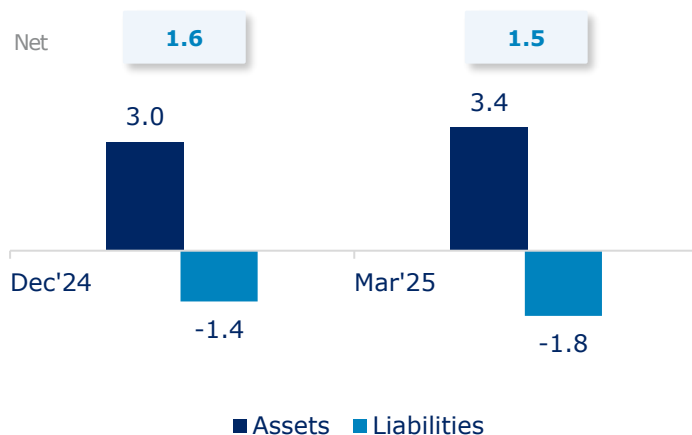
Commentary
<ul style="list-style-type: none"> <li>The increase in <b>Right of Use assets</b> by 25.4% can be attributed to addition of new branch locations, renewals and lease term modifications</li> <li><b>Other assets</b> increased by 33.4% mainly due to Eid holidays falling at the period-end, which resulted a delay in settlements to be received from related parties and other partners until the resumption of banking activities subsequent to the period-end</li> <li><b>Trade and other payables</b> increased by 18.9%, driven by increased the volume of WPS, Prepaid cards and bills payables that remain undisbursed to the beneficiaries due to the Eid holidays</li> <li><b>Bank borrowings</b> are temporary availed based on business requirement and liquidity position of the Company and were settled subsequent to the period-end</li> <li><b>Other Liabilities</b> increased by 104.7% due to unsettled balances with banks and exchange houses due to the Eid holidays</li> </ul>

1) Other assets include due from related parties, and prepayments other receivables and restricted deposits with banks.

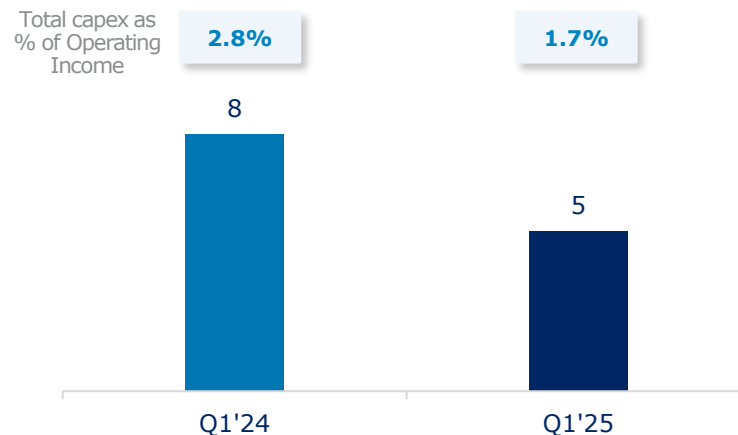
2) Other liabilities include due to banks, due to exchange houses, due to related parties and provision for employees' end-of-service benefits.

# Capex-light Business Model, Easy to Scale and Able to Deliver Strong Growth and Value to the Shareholders

## Current Assets and Current Liabilities (AED'bn)



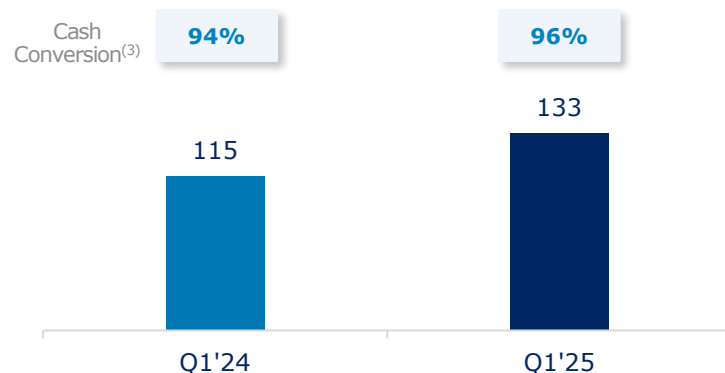
## Capex<sup>(1)</sup> (AED'mn)



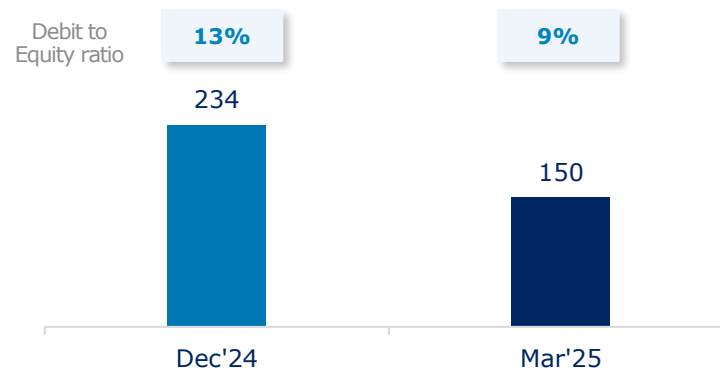
## Commentary

- Majority of the **current assets** are composed of cash and cash-like items, a significant portion of which is used to run operations
- During period end, the Group average cash requirements for remittances and bank notes ranged from 3-4 days and 3-7 days, respectively
- Management also considers a buffer of 25% given the company's business has significant intra-month seasonality (e.g., holidays, weekends, salary payment days, etc.)
- Capex-light business model, able to generate strong growth with limited capex requirements (Expected to be 2% of operating income). Capex decreased 33% (vs. Q1'24) as the Group streamlines its branch network expansion
- Increase in cash generation in Q1 2025 due to increase in operating income by 7.1% with c. 96% EBITDA cash conversion rate.
- Debt to equity ratio decreased from 13% to 9% due to repayment of borrowings and decreased in EIBOR rates during the period

## Free Cash Flows<sup>(2)</sup> (AED'mn) and Cash Conversion<sup>(3)</sup>



## Debt to Equity Ratio



04

# Dividend Policy

- Dividend Policy

# Dividend Policy



## Dividend Policy

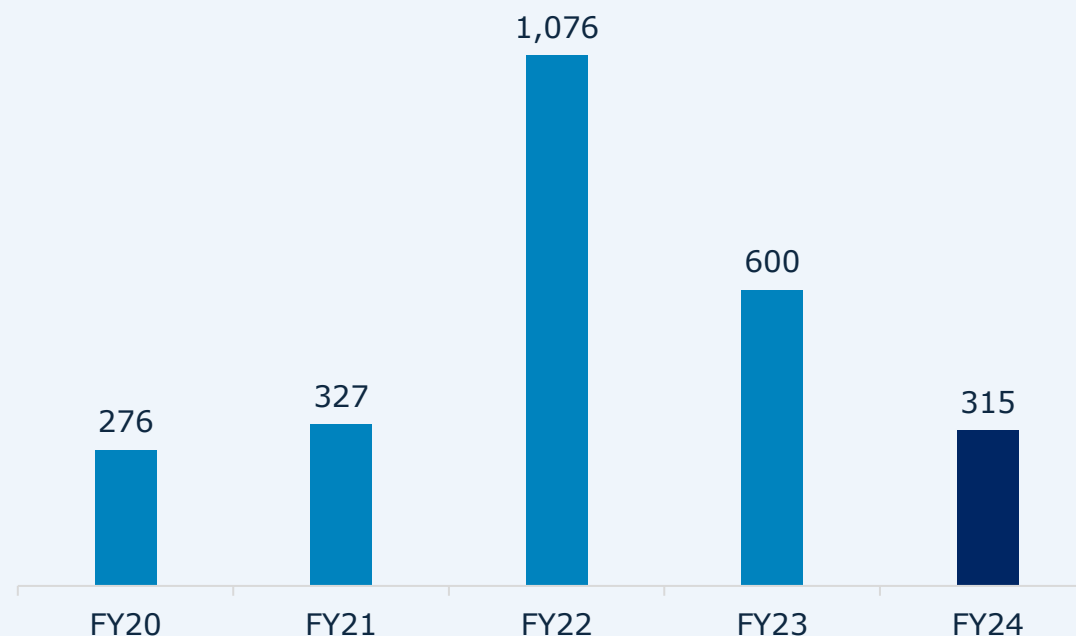
- **Minimum dividend of 70% of the net profit after tax generated** and paid on a semi-annual basis (in April and October of each year)



## Dividend Distribution

- **FY 2024:** The Group has paid a dividend amount of AED 315 million, with AED 157.5 million each paid in October 2024 and April 2025 (**translates to 78% of the net profit after tax**)
- Implied dividend yield as of closing price of AED 0.970 per share on March 31<sup>st</sup> 2025 is **4.3%**

### Historical Dividends (AED'mn)



05

# Growth Strategy

- 6 Pillar Strategy



# Clear Growth Strategy Centered on 6 Pillars

01

## Physical Network Expansion



80% of remittance market in 2027 is expected to still be face-to-face



Target to open **300 branches** in the mid term

02

## Geographic Expansion



Growing market share in Kuwait and entering other attractive GCC markets



Expansion in other GCC countries through **Blue Remit**

03

## Digital Innovation



Further expanding **pre-paid cards offering**



Continued investment in **Al Ansari Exchange App**



Create a **digital marketplace ecosystem**

## Progress



Opened **11 net new branches** since Q1'24



**Total 270 branches** as of Q1' 2024



**99%** of the branches are profitable  
*(operating branches for more than 6 months)*



BFC Group acquisition was completed in **April'25**

Expect to complete the integration process and realize the synergies between **Q1'26 - Q3'26**



Al Ansari Exchange Kuwait is currently in the closing process with an expected closing date by **Q2'25**, synergies to be realized by **Q3'25**



### Digital Wallet

To be launched in Q2 2025



**50%** Growth in Newly Issued Prepaid Cards (vs. Q1'24)



### 11%

Growth in Number of Active App Users\* (vs. Q1'24)



**4.7/5 stars** Average App Rating Across All Platforms

\* Number of active users on the app is defined as users that conducted at least one transaction during the Q1'25 period.

# Clear Growth Strategy Centered on 6 Pillars (continued)

04

## Revenue Optimisation



Scope to **increase margins** given the quality of the services, market leadership position and growing digital capabilities



**Reinforce market leadership** through diversification of service offerings and new strategic partnerships to generate value

05

## Corporate Cross-border Remittances



**c. +550k\***  
SMEs active in the UAE



**c. 233k**  
registered SME customers for WPS offers a valuable cross-selling tool



**Big Market Opportunity**  
for SME cross-border remittances

06

## CashTrans



Planned and ongoing investments for **central warehouses**, additional **vehicles** and dedicated **ERP system**

## Progress



**Raised remittance fees** by a minimum of 15% in select corridors in a gradual manner since Apr'24

### Recent Strategic Partnerships



**BILRS**



Strengthen **the bill collection services** business



Significant increase in the number of new customers



Number of companies registered under WPS increased by **18%** in Q1'25



Launched **eExchange**, a web-based portal for corporates to perform transactions



**1**  
Cash Processing Facility



**270**  
Cash Hubs



**49**  
Armored Vehicle



**New**  
Cash Processing Facility Under Assessment

06

# Business Updates

- BFC & Al Ansari Exchange Kuwait Acquisitions



# Acquisitions Highlights

**Transformational transactions** that are well-positioned to benefit all our stakeholders including shareholders, customers, employees and regulators

## BFC Group Acquisition



**1st**  
Largest Player in Bahrain Market by Number of Branches

**3rd**  
Largest Player in Kuwait Market by Number of Branches

**Sizeable**  
Presence in India Market

**Significant**  
Brand Equity Across Key GCC Markets and India

**Strong**  
Digital Capabilities and Mobile App Presence

**Large**  
Partnership Network of Correspondent Banks and Agents

**USD 200mn**  
Acquisition Purchase Price

**Significant**  
Value Creation Potential Through Synergies

**Win-win**  
For All Stakeholders

## Al Ansari Exchange Kuwait ("AAEK") Acquisition



**4th**  
Largest Player in Kuwait Market By Number of Branches

**c. USD 19bn**  
Value for Personal Outward Remittances Market in Kuwait

**c. 69%**  
Of Kuwait Population Are Expats

**Catalyst**  
In Support of Financial Sector Development for Kuwait Vision 2035

**USD 20.4mn**  
Acquisition Purchase Price

# Consolidated Profile



## Become

The Largest Remittance & Foreign Exchange Player in GCC by Number of Branches

**462** Total Number of Branches\*

 **267** UAE Branches

 **94** Kuwait Branches

 **55** Bahrain Branches

 **46** India Branches

FY24 (AED'000)



Consolidated\*\*

Growth %

Operating income	1,148,975	1,407,712	23%
EBITDA EBITDA margin	510,302 44%	593,198 42%	16%
Net profit after tax	405,849	448,720	11%
Earnings per share	0.054	0.059	11%

\* As of 31-Dec-24

\*\* Subject to any post-acquisition adjustments / integration impact

# Strategic Rationale

## Become The Leading Regional Powerhouse

- Become **#1 player in Bahrain market, #3 player in Kuwait market**, and a **sizeable player in India market** (in addition to being the **#1 player in UAE market**)
- Become the **largest remittance and exchange provider in GCC region by branch network**, totaling **462 branches** (**73% increase** on AAFS current branch network of 267 branches\*)
- Supported by a sizeable **29% increase in customer base**

## Geographic Expansion and Diversification

- Strengthen our **market position** by **expanding the customer base** and **increasing our market share**, positioning AAFS as a formidable market leader in GCC region with broader capabilities
- **Diversification of our geographic footprint** to reduce concentration and reliance on the UAE market
- Provide a strong foundation for entry into the new markets, utilizing BFC's **established network, local market knowledge and customer relationships**

## Potential for Value Creation

- Expected **cost synergies and operational efficiencies** from streamlined operations, shared services, optimization of the branch network and economies of scale
- Potential for **revenue synergies** as a result of expanded market reach
- **Expansion of agent relationship network and leveraging of both companies' relationship networks**, reducing the reliance on MTOs
- **Value accretive** for AAFS shareholders once the synergies and efficiencies are realized post integration

# Synergy Opportunities

## 01 Improved Bargaining Power



Increased bargaining power with suppliers resulting in the **ability to negotiate better pricing and better payment terms** for AAFS

## 02 Operational Efficiencies



Streamlined operations and shared services **expected to result in enhanced productivity and economies of scale**



Expand Blue Remit services into new markets **in a fast and efficient manner**

## 03 Integration of Support Functions



Integration of support functions **expected to result in cost savings and positive impact** for AAFS

## 04 Expansion of Market Reach



Expansion of customer base across the region **to increase overall market share**

Leverage **best practices** across both businesses

## 05 Optimisation of Branch Network



Widen the branch network coverage in Bahrain and avoid cannibalization in Kuwait **through relocation of branches**

## 06 Expansion of Agent Relationship Network



Combine BFC's and AAFS's **extensive agent relationship network around the world** to reduce reliance on MTOs

07

# Guidance

- Short to Mid Term Guidance



# Short to Mid Term Guidance

Item	Target (annual growth rate unless otherwise stated)	Time Horizon
<b>Branch Network</b>	480 total no. of physical branches	Mid-term
<b>Remittance Income</b>	Low to mid teens Single digit	Short-term Mid-term
<b>Bank Notes Income</b>	Low to mid teens Single digit	Short-term Mid-term
<b>WPS and other products</b>	Mid to high teens High teens	Short-term Mid-term
<b>Operating Income</b>	Low to mid teens Single digit	Short-term Mid-term
<b>EBITDA</b>	Low to mid teens Single digit	Short-term Mid-term
<b>EBITDA Margin</b>	Low single digit decline (as a result of acquisitions) and stabilising at current margin	Short-term
	Expanding in line with operating income and synergy realization	Mid-term
<b>CAPEX</b>	Low single digit (% of operating income)	Mid-term

# Thank You



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