



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

**Q4/ FY 2024
Earnings Release**

Al Ansari Financial Services' Fourth Quarter and Full Year 2024 Financial Results

Financial and Operational Highlights

Q4'24 vs. Q4'23

- **Operating Income** grew 9% year-on-year (YoY) to AED 294 million.
- **EBITDA** dropped 2% YoY to AED 122 million with an **EBITDA margin** of 41% attributable to increase in costs.
- **Profit before tax** recorded AED 107 million in line with the profit reported in Q4 2023.
- **Net profit after tax** declined by 9% YoY to AED 97 million due to introduction of corporate tax.

FY'24 vs. FY'23

- **Operating Income** increased by 2% YoY to AED 1,149 million.
- **EBITDA** dropped by 9% YoY to AED 510 million.
- **Net profit after tax** declined 18% YoY to AED 406 million.
- **Total Transactions** increased by 2% YoY to 50.0 million transactions.
- **Banknotes and Prepaid card** number of transactions reported a 3% increase YoY to 9.8 million.
- **Wage Protection System (WPS)** salary disbursals saw a growth of 16% YoY reaching AED 8.4 million.
- **Digital channels** reported an increase of 23% YoY in the number of transactions conducted across the Group's digital platforms, accounting for 23% of the overall outward remittances.
- **Dividend payment** of AED 157.5 million was proposed by the Board of Directors for the second half of 2024, subject to shareholder approval at the Annual General Meeting.

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 267 by end 2024.
- 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 Q1'25, with synergies to be realised by Q2 '25.
- Al Ansari Digital Wallet is set to be launched in Q1 '25 subject to receiving final approval from the Central Bank of the UAE.

AWARDS FY' 24

AL ANSARI FINANCIAL SERVICES

- Best Initial Public Offering in EMEA region for 2023 - EMEA Finance Awards
- Customer Service Excellence Award - Finance Middle East Awards
- Best In-House Team (UAE - Financial Services) - THE LAW
- Payments Technology Executive of the Year in Financial Services Mohammad Bitar, Deputy Group CEO, Al Ansari Financial Services- MEA Finance

AL ANSARI EXCHANGE

- Diamond Classification and 2nd Place in Financial & Insurance Activities Category- Emirates Labour Market Award
- Best Remittance and Foreign Exchange Service Provider- MEA Finance
- Exchange House of the Year – Finance Middle East Awards
- Diamond Category for Distinguished Emiratisation Rates-NAFIS Award
- Gold Category in the Exchange Sector, Large Size Entities- NAFIS Award
- Best Retail Shop, Season 28 Achievement Awards - Global Village
- Business Excellence for Fintech Industry – Westford Awards

Growth Strategy

	<p>Physical Network Expansion</p> <ul style="list-style-type: none"> 11 net new branches opened in 2024. Total 267 branches as of December 2024. 99% of the branches are profitable (<i>operating branches for more than 6 months</i>). <p>Outlook</p> <ul style="list-style-type: none"> Target to open a total of 300 branches in the midterm.
	<p>Geographic Expansion</p> <ul style="list-style-type: none"> Finalised the integration of Al Ansari Exchange in Kuwait with Oman Exchange. Signed Sales and Purchase Agreement to purchase BFC Group Holding. <p>Outlook</p> <ul style="list-style-type: none"> Al Ansari Exchange in Kuwait's ("AAEK") to be acquired by AAFS by Q1'25, with synergies to be realised by Q2'25. BFC Group is currently in the closing process with an expected closing date by the end of Q1'25. <p>Post closing, we expect to complete the integration process and realise the synergies between Q1'26 – Q3'26.</p>
	<p>Digital Innovation</p> <ul style="list-style-type: none"> 50% YoY growth in the number of new smart counters deployed in 2024. 12% YoY increase in newly issued prepaid cards in 2024. 13% YoY growth in the number of active app users in 2024. <p>Outlook</p> <ul style="list-style-type: none"> Digital Wallet to be launched in Q1 '25 (subject to final approval of CBUAE)
	<p>Revenue Optimisation</p> <p><i>Margin increases on our remittance fees coupled with the diversification of our service offerings and new strategic partnerships to generate value and reinforce our market leadership position.</i></p> <ul style="list-style-type: none"> From margin increase perspective, we have implemented a gradual 15% increase on our remittance fees in select corridors and in a strategic manner to ensure there is no negative impact on our market share. In addition, we have partnered with MNT Halan and Abhi to introduce Salary Advance and Send Now, Pay Later services to cater for the needs of our customer base.
	<p>Corporate Remittances</p> <ul style="list-style-type: none"> Number of outward corporate remittance transactions increased by 7% in FY24. Launched eExchange, a web-based portal for corporates to perform transactions.
	<p>CashTrans</p> <ul style="list-style-type: none"> CashTrans currently has 61 external customers with 49 Armoured Vehicles. <p>Operating 1 state of the art cash processing facility and 267 Cash Hubs.</p>

Dubai, UAE – 13 February 2025: 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 full year 2024 (“FY’ 24”) and fourth quarter (“Q4’ 24”), ended 31 December 2024. **Operating Income** for the Group saw a 2% year-on-year (YoY) increase FY’ 24 to AED 1,149 million.

In October 2024, an interim dividend of AED 157.5 million was distributed to shareholders and the Board of Directors has now proposed a **final dividend** amount of AED 157.5 million for the second-half of 2024 subject to the shareholder approval at the upcoming Annual General Meeting. This brings the total dividend for 2024 to AED 315 million (4.2 fils per share), representing almost 78% of the net profit after tax for the year.

Net profit after tax for the full year 2024, declined 18% YoY to AED 406 million. The decline is attributed to the increase in manpower (including Emiratisation programme) and operational costs as well as the introduction of Corporate Tax. Navigating a complex operating environment characterised by increased costs and geopolitical challenges, the Group delivered a remarkable FY’24 **EBITDA margin** of 44.4%.

The Group's strategic focus on digital transformation and optimised branch network expansion resulted in a 29% reduction in **Capital Expenditure (CAPEX)** for the FY’24, with a **Cash Flow** from operations after adjusting for CAPEX amounted to AED 478 million, with a 94% EBITDA to cash conversion rate.

Financial Highlights

In AED thousands (unless otherwise stated)	Q4 2024	Q4 2023	% change (YoY)	FY 2024	FY 2023	% change (YoY)
Operating Income	293,907	268,786	9%	1,148,976	1,132,102	2%
EBITDA	121,721	124,289	(2%)	510,302	563,156	(9%)
EBITDA Margin (%)	41.4%	46.2%	(5%)	44.4%	49.7%	(5%)
Net Profit after Tax	97,312	107,386	(9%)	405,849	495,189	(18%)
Earnings per Share	0.0130	0.0143	(9%)	0.0542	0.0660	(18%)
Free Cash Flow (FCF)	113,532	110,799	3%	478,233	517,963	(8%)

FY 2024 Operational Highlights

	FY 2024	FY 2023	Change (unit)
No. of physical branches in UAE	267	256	Net 11 new branches since FY 2023
Total No. of transactions	50.0 mn	49.0mn	2% YoY
Corporate Business – No. of transactions	17 mn	16 mn	5% YoY
Digital Channels - No. of transactions	5 mn	4 mn	23%

FY 2024 OPERATIONAL PERFORMANCE COMMENTARY

- The **total number of transactions** for the fiscal year grew by 2% compared to the same period last year, reaching a record 50.0 million transactions. This strong growth solidifies our position as a market leader.
- While significant improvements in key remittance corridors have fostered a more resilient operating environment, the market continues to face challenges from certain fintech practices in addition to the ongoing geopolitical tensions in the region that have exerted some pressure on remittance income. Despite these factors, **Remittance Operating Income** increased by 2% YoY to reach 687 AED million.

- The strong performance of our Prepaid Cards business, continued to mitigate the overall impact of the geopolitical tension in the region, resulting in a 2% YoY decline in **Banknotes Operating Income** to AED 358 million.
- The **Wage Protection System (WPS)** business delivered robust performance, with operating income increasing by a 13% YoY to reach AED 74 million. This growth aligns with the rise in both the number of registered companies and workforce figures reported by the Ministry of Human Resources and Emiratisation. Furthermore, the UAE's reputation as a preferred destination for professionals—known for its excellent job opportunities and high quality of life—further underpins this success.
- Our strategic focus on the **Corporate Business** segment produced encouraging outcomes, with transaction volumes rising by 5% YoY to reach 17 million. This performance reflects our deliberate expansion of product offerings and a targeted emphasis on key services such as the Wage Protection System (WPS), effectively addressing the evolving needs of our corporate clientele.
- Customers conducted c. 5 million **Digital Transactions** a 23% 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.

FY 2024 PERFORMANCE OF OTHER OFFERINGS

- **Worldwide Cash Express** demonstrated exceptional growth, with transaction volumes surging 259% YoY to c. 415,000 transactions and the transaction value climbing 123% to reach AED 1.07 billion. Our outstanding performance demonstrates the significant benefits we provide to our corporate clients.
- **CashTrans**, the Group's integrated cash management solution, also posted robust gains. External customer numbers increased by 85% YoY, reaching 61 customers, while the number of services provided grew by 28% to c. 261,000. These results highlight our ongoing commitment to operational excellence and position CashTrans as a key component in our cash management portfolio.

Q4 2024 OPERATIONAL AND FINANCIAL PERFORMANCE COMMENTARY

- **Total Operating Income** increased by 9% YoY to AED 294 million. This growth was driven by the recovery in the remittance business and strong performance in WPS and other services.
- **Remittance Operating Income** recorded was AED 174 million reporting a 12% increase YoY, reflecting a healthy recovery in the remittance business.
- **Banknotes (including Prepaid Cards) Operating Income** reported a growth of 1% YoY to AED 91 million highlighting the UAE's booming travel and tourism sector.
- **WPS Operating Income** increased by 24% YoY recording AED 21 million during the quarter owing to the increase in the number of customers and salary disbursals.
- **EBITDA** declined by 2% YoY to AED 122 million.
- **Profit before tax** reached AED 107 million consistent with the profit reported during the prior-year period.
- **Net Profit after tax** decreased by 9% YoY on a reported basis to AED 97 million.

Commenting on the results, Mohamed A. Al Ansari, Chairman of Al Ansari Financial Services, said:

“As Chairman, I am pleased to share that our performance this period reflects the strength of our strategic vision, operational resilience, and commitment to sustainable growth. Despite a challenging macroeconomic environment, we have remained focused on executing our strategy, delivering solid financial results, and upholding our commitment to all stakeholders. Our disciplined approach, underpinned by innovation, operational excellence, and prudent risk management, continues to position us for long-term success.

We have made significant progress in delivering on all our strategic pillars, ensuring sustainable growth, operational efficiency, and market leadership. Our ability to adapt to evolving economic conditions while maintaining a strong focus on customer experience, technological innovation, and regulatory compliance has been instrumental in driving our success.

With the UAE’s GDP projected to grow by 5% in 2025 and global remittances expected to exceed USD 1 trillion by 2028, we see significant opportunities to further strengthen our market position and enhance our service offerings. Our continued focus on the security and safety of every transaction remains at the core of our operations, ensuring trust and reliability for our customers and partners.

In light of the Group’s performance and on behalf of the Board of Directors, I am happy to propose a second dividend payment of AED 157.5 million, subject to shareholder approval, reinforcing our commitment to delivering sustainable returns. **With a clear strategic direction and a dedicated team, we remain confident in our ability to navigate challenges, capitalise on emerging trends, and drive long-term value for all our stakeholders.”**

Rashed A. Al Ansari, Group CEO of Al Financial Services, added:

“Our performance in 2024 has achieved record-breaking milestones, with transaction volumes reaching 50 million transactions. Despite navigating a challenging environment marked by economic and geopolitical pressures, intense fintech competition, rising corporate taxes, and increased operational costs, we concluded the year with a net profit of AED 406 million and an EBITDA margin of 44.4%. These results affirm the robustness of our strategy and vision.

We have been working closely with regulatory authorities to address industry challenges, particularly the disruptive practices of certain fintechs that undermine fair competition and create an uneven playing field for all industry participants. Our proactive stance in this area underscores our commitment to fostering a balanced and equitable market environment.

Aligned with our long-term six-pillar growth strategy, we announced the acquisition of BFC Group Holdings W.L.L. This strategic acquisition positions us as the leading provider of foreign exchange and remittance services across the Gulf Region. Additionally, we introduced innovative products and services such as 'Send now, pay later,' which are set to

transform the industry, enhance financial inclusivity, and deliver significant value to our customers.

Looking ahead, we are committed to initiatives that increase operational efficiency and drive digital transformation. Our investments in emerging technologies, including artificial intelligence, aim to boost profitability at the branch level, while our focus on expense management, synergy realisation, and economies of scale will help mitigate rising costs. Furthermore, we remain dedicated to improving our employee engagement and upskilling our staff to support our cost optimisation strategy.

We are excited about the opportunities ahead and remain committed to delivering exceptional value to our customers and stakeholders.”

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