

## Egypt Kuwait Holding Co. Releases FY 2021 Earnings Results

*EKH closes FY 2021 achieving record revenues of USD 833.4 million, up a solid 38% y-o-y and reflecting broad-based growth across all of EKH's subsidiaries. EKH's results show a marked improvement in profitability with a seven-percentage point expansion in gross profit margin to 44% and a five-point expansion in EBITDA margin to 44%. Attributable net income increased 47% y-o-y to record USD 170.9 million.*

27 February 2022 | Cairo | Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKHK.KW on Borsa Kuwait), one of the MENA region's leading investment companies, reported today its consolidated results for the year ended 31 December 2021.

EKH recorded revenues of USD 833.4 million in FY 2021, up by a solid 38% y-o-y driven by strong results across its portfolio companies. EKH's Fertilizers and Petrochemicals segment delivered strong growth of 51% y-o-y to USD 447.9 million in FY 2021 on account of a rally in urea prices at AlexFert, and higher volumes and prices at Sprea Misr. Meanwhile, the Energy & Energy-Related segment recorded revenues of USD 198.9 million in FY 2021, up 9% y-o-y driven by increasing household connections at NatEnergy and growing contributions from its power generation and distribution company Kahraba. EKH's top-line growth and improved operational efficiencies drove a seven percentage-point expansion in gross profit margin (GPM) to 44% in FY 2021, while EBITDA margin was up five percentage points to 44% during the year. EKH's attributable net profit increased by 47% y-o-y to USD 170.9 million in FY 2021.

EKH's full-year results were supported by a strong performance during the fourth quarter, with revenues increasing to USD 243.8 million in 4Q 2021, recording a 66% growth compared to 4Q 2020. Similarly, GPM for the quarter climbed to 45% from 37% in the same quarter last year, while EBITDA margin was up six percentage points during the same period to reach 46%. The Group's attributable net profit increased by 34% to USD 36.1 million in 4Q 2021.

**Commenting on the Group's performance, EKH Chairman Mr. Moataz Al-Alfi said:** "I am very pleased with how far our company has grown over the years with 2022 marking EKH's 25<sup>th</sup> anniversary and a long-track record of delivering strong results and attractive returns to our shareholders. During this successful era our market capitalization has grown to reach USD 1.5 billion with EKH standing as one of the largest companies listed on the EGX and Boursa Kuwait. I am also exceptionally grateful to the over 5,000 employees that EKH employees across its portfolio companies, who have been the primary driving force behind our success."

"Our results in FY 2021 leave me particularly proud and optimistic about the future. EKH closed out the year on a very strong note with impressive top-and bottom-line growth and having delivered on a multitude of strategic milestones. I am pleased to report that Group's solid performance was broad-based, with all our portfolio companies delivering growth and increasing contributions to EKH's attributable net income and value for our shareholders," **said Al-Alfi.**

**EKH's Chief Executive Officer Mr. Sherif El-Zayat further added:** "EKH's performance in 2021 demonstrates our successful investment strategies over the years and our ability to capitalize on market conditions even during the most challenging of times. We delivered record full-year results and improved profitability even as we navigated global supply chain disruptions, energy volatility and inflationary pressures that have gripped industries across the world. Key to our success was the strong performance at our Fertilizer and Petrochemicals segment, where AlexFert benefitted from higher commodities and urea prices. Meanwhile at Sprea, manufactured volumes recorded significant growth, driven by higher volumes across its product portfolio along with a growing contribution from export sales, which have reached 50 countries. In parallel, increasing household connections and growing contributions from Kahraba's electricity generation and distribution operations drove growth at our Energy and Energy-Related segment and further supported the Group's performance during the year."

"I am pleased to report that EKH's strong results were clearly reflected on its share performance, with EKHO closing 2021 up 30.21% compared to the 10.2% growth by the benchmark EGX 30 index. This serves as testament to investors' confidence in EKH, particularly following the recent optional conversion of our USD denominated listed shares on the EGX to EGP and its positive reception by the market with more than 83% of shares owned by institutional investors being converted to EGP. We look forward to a new year of strong results and delivering returns to our stakeholders," **El-Zayat concluded.**

EKH's standalone and consolidated financial statements for the period ended 31 December 2021 and its full FY-2021 Earnings Release are available for download at [ir.ekholding.com](http://ir.ekholding.com).

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## About EK Holding

Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKHK.KW on the Borsa Kuwait) is one of the MENA region's leading investment companies, with a portfolio of investments in five main sectors including fertilizers, petrochemicals, gas distribution and power generation and distribution, upstream gas production as well as insurance and non-banking financial services. Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen including our former Chairman, the late Nasser Al-Kharafi, EKH strives to continue delivering superior returns to its shareholders on the back of a solid portfolio of integrated investments and the determination of its capable management team.

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### STOCK SYMBOL

Reuters

EKHO.CA, EKHOA.CA, EKHK.KW

Bloomberg

EKHO.EY, EKHOA.EY,

EKHOLDIN.KK

### CAPITAL

*Issued and Paid-In Capital:* USD

281.7mn

*Number of Shares:* 1,126 million shares

*Par Value:* USD 0.25 per share

## Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egypt Kuwait Holding Company (EKH). Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of EKH may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of EKH is subject to risks and uncertainties.