

## Egypt Kuwait Holding Co. Releases FY 2022 Earnings Results

*EKH ended FY 2022 on a high note, achieving record revenues of USD 1.1 billion, up a solid 33% y-o-y largely driven by the Fertilizers and Petrochemicals segment. EKH continued to deliver consistent improvement in profitability with a four percentage point y-o-y expansion in gross profit margin to 48% and a three percentage point y-o-y expansion in EBITDA margin to 47%. Attributable net income rose 41% y-o-y, standing at USD 241.1 million.*

23 February 2023 | Cairo | Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKH.KW on Boursa Kuwait), one of the MENA region's leading investment companies, reported today its consolidated results for the year ended 31 December 2022.

EKH's top-line at the close of FY 2022 stood at USD 1,104.4 million, a solid 33% y-o-y expansion driven mainly by strong growth of the Fertilizers and Petrochemicals segment. The segment's revenues reached USD 688.4 million in FY 2022, an impressive 54% y-o-y increase on account of advantageous commodity pricing at both AlexFert and Sprea compared to FY 2021. EKH's top-line growth translated to solid profitability, with the gross profit margin for FY 2022 expanding by four percentage points y-o-y to reach 48%, while EBITDA margin rose by three percentage points y-o-y to reach 47%. EKH's bottom line delivered an impressive 41% y-o-y expansion during FY 2022, closing the year at USD 241.1 million.

During 4Q 2022, revenues rose 5% y-o-y to reach USD 255.3 million following strong results from the Fertilizers and Petrochemicals segment. On the other hand, gross profit margin fell by 13 percentage points y-o-y, standing at 32% in 4Q 2022, and EBITDA margin dropped by 13 percentage points y-o-y during the same period, falling to 33%. Profitability dropped during the quarter owing to a number of factors including: (a) the normalization of urea fertilizer prices following an extended period of record high prices, (b) one-off, non-recurring startup costs associated with the commissioning of Sprea's new sulfuric acid and formica sheet production lines and (c) the lag in the repricing to reflect rising costs following the devaluation of the EGP both at Sprea and NatEnergy. EKH's attributable net income stood at USD 34.0 million in 4Q 2022, a 6% y-o-y drop.

**Commenting on the Group's performance, EKH Chairman Mr. Loay Jassim Al-Kharafi said:** "It brings me great pleasure to look back on our company's record-breaking results for 2022. Revenues surpassed the USD 1 billion mark for the first time in EKH's history. Following our strong top-line growth, our bottom-line increased by an impressive 41% y-o-y to close out the year at USD 241.1 million. Our operations have demonstrated a tremendous level of resilience, delivering record results despite the prevailing domestic and global challenges. We are pleased to announce that the Company will be publishing its very first ESG report this year. We strive to carry on with our journey as a responsible corporate actor, contributing to the communities we work in, as well as to our all our stakeholders, while continuing to drive profits in a sustainable manner and unlock the potential of future opportunities."

"I am proud of our team's achievements for the year and would like to extend my sincere gratitude to the EKH family, which has now grown to encompass over 6,000 employees, all of whom have worked tirelessly throughout 2022 to continue delivering exceptional results. I look forward to another prosperous year counting on the support of our distinguished board and the dedication of our management teams and employees." **said Al-Kharafi.**

**EKH's Chief Executive Officer Mr. Sherif El-Zayat further added:** "I am very pleased with the results achieved for the full year ended 2022. Our revenues exceeded USD 1.1 billion for the twelve months ended 31 December 2022, a 33% increase over the same period last year. Similarly, profitability levels showed healthy expansion on a full year basis, with EBITDA reaching USD 516.4 million thanks to healthy commodity pricing levels coupled with strategic planning. On a full year basis, net income attributable to EKH for the year climbed 41%, closing at USD 241.1 million."

"I am proud to announce a number of exciting new developments that will pave the way for our company's future growth. Our power generation and distribution subsidiary Kahraba was awarded a 25-year power distribution concession in the 10<sup>th</sup> of Ramadan's South Developers' Zone. Another major development relates to the expansion of the concession area of ONS, our natural gas development company. In February 2023, ONS obtained Presidential Approval to expand its concession area from 330 km<sup>2</sup> to 445 km<sup>2</sup> which is anticipated to contribute positively to ONS' reserves. Additionally, Sprea has commissioned two new production lines in the fourth quarter of 2022, both of which are anticipated to reach full capacity during 1H 2023. Sprea also plans to expand the production capacity of its dry and liquid glue, a portion of which will be directed to Nile Wood." **El-Zayat said.**

"Looking back on the year, it has been marked by resilience and growth. Going forward, we will continue to benefit from our USD hedge, with more than 80% of our revenues and EBITDA either denominated in USD or USD linked and to work diligently on initiatives to pave the way for sustainable growth in the future." **El-Zayat concluded.**

EKH's standalone and consolidated financial statements for the period ended 31 December 2022 and its full 4Q 2022 Earnings Release are available for download at [ir.ekholding.com](http://ir.ekholding.com)

– Ends –

## About EK Holding

Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKHK.KW on the Boursa Kuwait) is one of the MENA region's leading investment companies, with a portfolio of investments in six 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, 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.

### INVESTOR RELATIONS CONTACT

For further information, please contact:

**Angie Helmi**

Chief Investment Officer

[ahelmi@ekholding.com](mailto:ahelmi@ekholding.com)

**Marwan Elnaggar**

Investment Analyst

[melnaggar@ekholding.com](mailto:melnaggar@ekholding.com)

14 Hassan Mohamed El-Razzaz St.

(Previously Nawal St.)

Dokki, Giza

Tel (Direct): +20 2 33363300

### 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.