

## Egypt Kuwait Holding Co. Releases Q2 2021 Earnings Results

*EKH successfully carried forward its strong start to the year and closed out the second quarter with solid top and bottom-line results; The Group delivered a 24% y-o-y increase in revenues, record-high GP and EBITDA margins since 2019, and a 52% y-o-y increase in attributable net profit in Q2 2021*

10 August 2021 | Cairo | Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange), one of the MENA region's leading investment companies, reported today its consolidated results for the second quarter ended 30 June 2021.

EKH's top line increased 24% y-o-y to USD 186.1 million in 2Q21, while the Group's attributable net profit increased by 52% y-o-y to USD 45.2 million in 2Q21. On a YTD basis, EKH's revenues increased by 22% y-o-y to USD 378.0 million in 1H21 and its attributable net profit increased by 46% y-o-y to USD 87.9 million in 1H21. EKH recorded a six-percentage point expansion in gross profit margin (GPM) year-on-year to 45% and an EBITDA margin expansion of three percentage points year-on-year to 44% in 2Q21. In 1H21, the Group's GPM expanded by six percentage points year-on-year to 43% and EBITDA margin expanded three percentage points year-on-year to 42% in 1H21.

EKH's strong performance on a quarterly and year-to-date basis was primarily driven by a 27% y-o-y increase in revenues at the Fertilizer and Petrochemicals segment during the period. The Group's performance was further bolstered by the Energy & Energy-Related segment, which was supported by growing contributions from NatEnergy's electricity generation and distribution facility, Kahraba.

**Commenting on the Group's results, EKH Chairman Mr. Moataz Al-Alfi said:** "We successfully carried forward our positive momentum from the start of the year and continued to capitalize on optimal market conditions to deliver solid top and bottom-line results across the Group's diverse portfolio of companies. I am pleased with our results for the quarter which outpaced market expectations and continue to showcase the attractive fundamentals of our business, the strength of our operations and our stellar management team who continue delivering on the Group's strategies."

"Our success in 2Q21 was primarily driven by our Fertilizer and Petrochemicals segment, which continued to reap the benefits of the rally in commodities prices and growing export sales as markets opened up. Parallel to this, Sprea Misr continued to benefit from optimized pricing across the company's final products coupled with increasing volumes and export sales. Meanwhile, our electricity generation and distribution facility, Kahraba, was the main driver for success at the Group's Energy & Energy related segment during the period. We are also optimistic about the prospects of our natural gas distribution business, particularly in light of the "Hayah Kareema" initiative which aims to provide much needed infrastructure developments across multiple rural areas in Egypt. The nature of the initiative will directly increase the number of households in NatEnergy's accessible universe, providing for an excellent expansion opportunity for the Group going forward," Al-Alfi said.

**EKH's Chief Executive Officer Mr. Sherif El-Zayat further added:** "Our results for the period are truly outstanding and have successfully surpassed our most bullish expectations for the first half of the year. On the profitability front, we recorded exceptional results as we continued to capitalize on the rally in commodities prices, stable feedstock, and cost optimization efforts witnessed during period. Our results for the period not only reflect the strength of our portfolio but also our ability to pivot strategically and swiftly capitalize on more optimal market conditions."

"Moreover, we have earmarked c. USD 300 million in CAPEX with an eye to expand our operations across the board and maximize the value generated from our portfolio companies. At Sprea Misr, we have made significant progress at our much-anticipated Sulphuric acid factory, which is expected to begin operations in the first half of 2022. At Kahraba, we are looking to add an additional 20 MW which should bring its total generation capacity to c. 135 MW by 2H22. Finally, at ONS, we are targeting to maintain current levels of production going forward, which have proven to be optimal, both from a technical as well as a financial standpoint."

"We are also excited with the debut of our trading currency exchange program as we look to stimulate demand on our stock by local institutional and retail investors. On that front, EKH's recent conversion of its listed currency on the EGX from USD to EGP, has already received a positive response from the market and is anticipated to reflect positively on the liquidity of EKH's stock going forward," El-Zayat concluded.

EKH's standalone and consolidated financial statements for the period ended 30 June 2021 and its full Q2-2021 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 on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange) is one of the MENA region's leading investment companies, with a diversified portfolio of investments that spans the region in sectors that include fertilizers and petrochemicals, energy, cement production, insurance, information technology, transport and infrastructure. Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen including our former Chairman, the late Nasser Al-Kharafi, the company has flourished during the past decade as the countries of the Arab world began to liberalize their economies and open doors for private sector investments in strategic sectors that had once been off limits.

### INVESTOR RELATIONS CONTACT

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### STOCK SYMBOL

EKHO.CA

### 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.