

Egypt Kuwait Holding reports robust FY 2024 results, demonstrating resilience amid macroeconomic headwinds and operational challenges

23 February 2025 | Cairo | Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKH.KW on Bursa Kuwait), one of the MENA region's leading investment companies, reported today its consolidated results for the quarter ended 31 December 2024.

EKH recorded revenues of USD 167 million for 4Q 2024, growing 9% over the previous quarter, driven by top-line growth across the portfolio, reflecting the sustained market recovery. The Group maintained robust margins amid ongoing headwinds, recording gross profit and EBITDA margins of 41% and 42%, respectively. Meanwhile, net profit amounted to USD 46 million, with net profit margin expanding 5pp y-o-y to 28%. Net profit increased 20% q-o-q, supported by strong revenue performance and bottom-line growth at AlexFert, while attributable net income came in at USD 39 million.

In FY 2024, EKH recorded revenues of USD 642 million, with gross profit and EBITDA margins coming in at 40% and 39%, respectively. Net profit amounted to USD 185 million, translating into a 2pp y-o-y expansion in net profit margin to reach 29%, while EKH's attributable net income totaled USD 163 million for 2024.

Commenting on the Group's performance and business outlook, EKH Chairman Loay Jassim Al-Kharafi: "I am pleased to report that we delivered solid fourth quarter results, capping off a strong year defined by remarkable growth and expansion across key business segments."

"Despite navigating significant headwinds throughout 2024, including currency fluctuations, gas supply disruptions, and other operational challenges, our resilience and strategic foresight have enabled us to overcome these extraordinary operating conditions and emerge stronger, laying the foundation for sustainable growth and long-term success. Our year-end results highlight several encouraging trends, including recovering prices and volumes for our core products, highlighting the resilience of our portfolio companies."

"We remain focused on our priorities of boosting foreign currency generation, growing export potential, and strengthening our financial position, while contributing to broader regional development. In line with this objective, EKH's first investment in Saudi Arabia is expected to commence commercial operations in the coming months. In addition, we are making solid progress on our investment pipeline and expect to make our first strategic investment beyond the MENA region this year, further expanding EKH's global footprint. These milestones reaffirm our commitment to managing currency exposure, expanding to high-growth markets, and diversifying our portfolio across sectors and geographies."

"In keeping with our commitment to our shareholders, we are pleased to propose a distribution composed of both cash and stock dividends. Delivering sustainable returns to investors remains a core pillar of our strategy as we continue to balance shareholder distributions with reinvestments for future growth."

"Looking ahead to 2025, we will continue to optimise our capital deployment and prioritise investments that align with our strategic objectives, to maximise returns for our stakeholders."

Commenting on the Group's performance in FY 2024, EKH CEO, Jon Rokk: "I am proud to share that despite a challenging year marked by macroeconomic headwinds and external pressures, EKH has demonstrated remarkable resilience and adaptability, delivering a robust set of results. This achievement is a testament to the dedication and hard work of our people across all levels of the Group, whose commitment and agility have enabled us to navigate uncertainty, capitalize on opportunities, and drive growth."

“Our fourth quarter results demonstrate strong sequential growth, with revenues and net profit up 9% and 20% q-o-q, respectively. At AlexFert, revenue grew by 26% q-o-q in 4Q 2024, driven by export urea prices continuing along their upward trajectory, coupled with rising volumes, with its plant now operating at full capacity enabled by a stable natural gas supply. Similarly, NatEnergy’s revenue grew by 15% q-o-q in 4Q 2024, while Kahraba’s distribution volumes surged 62% y-o-y in 4Q 2024, driven by growth from the recently introduced concession zone at 10th of Ramadan. To support this growth, we are investing in a second substation within the concession area, enabling us to effectively meet future capacity needs. Meanwhile revenues at ONS grew by a stellar 32% y-o-y in 4Q 2024, a direct result of production commencing at our two recently drilled wells, Aton-1 and KSE2.”

“Building on this solid foundation, our upcoming projects will be key to advancing our regional and international expansion, supporting both growth and diversification.”

“As part of our continued progression, we will be undertaking a corporate rebrand and identity transformation in 2025. This will not just be a facelift – it will be a bold statement of evolution. EKH is entering into a new phase, one that reflects our ambitions, our growth, and our relentless drive to build an even more dynamic and future-focused enterprise.”

Fertilizers | AlexFert

AlexFert booked USD 59 million in revenues during 4Q 2024, reflecting a 26% growth q-o-q, supported by sustained improvement in urea export prices, as well as government interventions to ensure natural gas availability, enabling AlexFert to operate at full capacity beginning December. Gross profit and EBITDA margins expanded by 1pp and 2pp y-o-y, respectively, in 4Q 2024, reflecting reduced expenses and enhanced operational efficiency. Net profit came in at USD 29 million, reflecting a 5pp y-o-y expansion in the net profit margin to 49% in 4Q 2024.

In FY 2024, revenues recorded USD 213 million, impacted by natural gas availability, while gross profit and EBITDA margins remained strong at 36% and 44%, respectively, coupled with a 2pp y-o-y expansion in the company’s bottom-line margin.

The company’s outlook remains optimistic, supported by steady natural gas supply secured by way of recent government interventions and sustained recovery in export urea prices, which increased 8% q-o-q in 4Q 2024 to reach USD364/ton. Global urea prices continued their upward trajectory in 2025, averaging USD387/ton during January 2025.

Petrochemicals | Sprea Misr

Sprea Misr reported revenues of EGP 1.54 billion in 4Q 2024, reflecting increases of 50% y-o-y and 16% q-o-q, driven by higher volumes and price growth across key products. Gross profit stabilised at 32%, while EBITDA margin expanded to 31%. Net profit grew 92% y-o-y to EGP 546 million in 4Q 2024, with net profit margin expanding by 8pp y-o-y to 36%.

In FY 2024, revenues recorded EGP 5.84 billion in FY 2024, up 19% y-o-y. Net profit stood at EGP 2.64 billion in FY 2024, reflecting a 2pp y-o-y expansion in bottom-line profitability to 45%, driven by interest income and FX gains during the year.

Sprea is ideally positioned to benefit from recovering local prices post-EGP devaluation as well as increased demand for Sulfonated Naphthalene Formaldehyde (SNF) due to the resumption and the expected pick up in construction activities in Egypt.

Utilities | NatEnergy

NatEnergy reported revenues of EGP 1.6 billion in 4Q 2024, marking a 46% y-o-y increase, primarily driven by Kahraba's growing electricity distribution businesses, in addition to the high-pressure steel pipeline executed by Fayum Gas. In 4Q 2024, sequential results witnessed both gross profit and EBITDA margins climb up by 6pp q-o-q to land at 30%, with net profit for the quarter growing 49% y-o-y to EGP 505 million.

In FY 2024, revenues grew 30% y-o-y to reach EGP 5.3 billion, while net profit grew 21% to EGP 1.8 billion.

Looking ahead, NatEnergy's outlook remains positive, benefiting from recently implemented increases in electricity tariffs, while management continues to focus on more profitable "infill" clients to further enhance its profitability. Moreover, Kahraba is in the process of investing in a second substation in its 10th Ramadan concession area to support growing demand in the industrial zone.

Oil and gas | ONS

ONS reported revenues of USD 19 million in 4Q 2024, increasing 32% y-o-y and 25% q-o-q, driven by growing volumes owing to the commissioning of two new wells. Net profit for the quarter stood at USD 9 million, translating into a net profit margin of 47%, up 6pp y-o-y.

In FY 2024, ONS posted revenues of USD 62 million in FY 2024, up 7% y-o-y, while net profit totaled USD 31 million, yielding a solid net profit margin of 50%.

ONS is poised for growth, fueled by its recent expansions, including the commencement of production at Aton-1 and KSE2 within its expanded concession area, with the two new wells supporting sustained gas production rates at 55 MMSCFD until the end of 2026. Furthermore, ONS will capitalise on the 10-year extension of the Concession Agreement approved by the Egyptian General Petroleum Company's (EGPC) during the year.

NBFS & Diversified

In 4Q 2024, the Diversified segment reported attributable revenues of USD 25 million. Gross profit margin came in at 59%, up 4pp y-o-y and 10pp q-o-q, driven by the reassessment of insured asset values and premiums, as well as improved portfolio returns, supported by the high-interest rate environment.

Both Delta and Mohandes Insurance reported net profit growth of 72% and 27% y-o-y respectively in EGP terms during FY 2024.

Looking ahead, management is optimistic regarding the insurance sector's ability to sustain its positive trajectory, driven by continued upward revaluation of insured asset values and stable premium growth. Furthermore, Nilewood is advancing towards the production of its first MDF board, with commercial operations set to begin in 1H25.

EKH's standalone and consolidated financial statements and full earnings release for the period ended 31 December 2024 are available for download at 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. Established in 1997 by a consortium of Kuwaiti and Egyptian businessmen, EKH's investment portfolio is diversified across various sectors and geographies, spanning five strategic sectors, including chemicals, building materials, utilities, oil and gas, as well as non-banking financial services. EKH is committed to sustainable value creation through focused investments in capacity along with an agile strategy, adapting quickly to market dynamics to ensure it seizes opportunities and secures long-term success. EKH is a well-governed dual-listed entity that has consistently delivered superior returns to shareholders through market-beating stock performance and consistent dividend distributions, supported by a diverse investment portfolio with superior cashflow generation ability and a capable management team with a proven track record across multiple sectors and geographies.

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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 281.7 million

Number of Shares: 1,126 million shares

Par Value: USD 0.25 per share

Forward-Looking Statements

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