EK Holding Q3 2025 Results Conference Call

Tuesday, 18 November 2025

Mark Adeeb: Good morning, good afternoon, good evening, everyone.

Mark: Welcome to EK Holding's Third Quarter 2025 Results Conference Call, hosted by CI Capital.

Mark: My name is Mark Adeeb, Industrial Sector Head.

Mark: And today, I have the distinct pleasure of introducing Mr. Jon Rokk, the Group Chief Executive Officer, Mr. Omar Nashaat, Investor Relations Director, and Ms. Maryam Saleh, Investor Relations Associate. Without further delay, I'm going to hand over to Mr. Jon.

Jon Rokk: That's great, thank you, and welcome, everyone. It's great to be talking to you all again in our final call for this year, where we will discuss EKH's performance for the first 9 months of 2025.

Jon: It's been another really strong period for us. We have continued to deliver solid performance across our core businesses, and it's been driven by strong top-line growth, operational efficiency, and our disciplined strategy execution.

Jon: Despite the challenging environment in some of our businesses, our portfolio has once again proven its resilience, supported by solid fundamentals, efficient gains, and the successful delivery of key operational milestones across our companies.

Jon: We achieved broad-based revenue growth across our key platforms, which are chemicals, utilities, and energy, with overall performance further supported by balance sheet optimization, positioning us very well as we move into the final stretch of this year.

Jon: So I'll now move on to some of the main strategic developments that have taken shape since our last call. And today, I'd like to start with Nilewood, where we've reached another important milestone.

Jon: Following the production of our first MDF board in June, the plant has now successfully completed commissioning and is currently ramping up commercial operations.

Jon: We've also sold some board commercially, and we've already had some repeat customers, which we're absolutely delighted about.

Jon: The production lines are performing in line with expectations, and our teams are focused on gradually scaling up output and optimizing processes ahead of the full commercial production.

Jon: Once fully operational, this state-of-the-art facility will support our strategic objective of growing hard currency export revenues from Egypt-based operations, while also strengthening our industrial base through delivering high-value wood products. Nilewood has been a flagship project for us. It's been a few years in development, and seeing it come to life, it's a really exciting milestone in our industrial investment journey.

Jon: We're already seeing revenue contribution come in, and we expect the plant to start generating positive operating cash flows in 2026, marking another important step towards building our sustainable hard currency denominated growth.

Jon: Moving on now to operations in Saudi Arabia, where we have continued to make solid progress following the successful commencement of our commercial operations earlier this year. We officially began supplying natural gas to industrial customers in Damam Industrial City 3 in July of this year, and since then, operations have been steadily ramping up.

Jon: Gas consumption volumes have been rising in line with tenant demand, and additional customers are being connected as the industrial city activity accelerates.

Jon: We're currently supplying 11 factories, a figure that we expect to rise to 14 by the year end, which will deliver around 6.2 million standard cubic feet of gas per day.

Jon: By the end of 2026, we anticipate doubling that, serving over 30 factories with approximately 12 million standard cubic feet of gas per day.

Jon: We've developed our own 22-kilometer gas network that has an initial capacity of 25 million standard cubic feet per day, but we could also scale that up to about 70 million standard cubic feet per day as the demand grows, which will position us well to capture future expansion, as the industrial city will be developed, and the area expands from the current 10 million square kilometers to the planned 49 million square meters. So, we're very well placed to capture that expansion.

Jon: With the embedded growth opportunities and our 35-year concession in place, this project will secure our long-term predictable cashflows while providing another scalable platform for future growth.

Jon: The project is also acting as our gateway into the Kingdom, allowing us to showcase our abilities as we speak to expand into other industrial cities with the same business model.

Jon: We're confident that we can leverage our success on this project, delivering it on time and to budget and spec, as well as pursue further opportunities across the industrial zones in the Kingdom, aligning with Saudi Arabia's strategic energy transition goals to replace liquid hydrocarbons as an energy source with cleaner natural gas, while also enabling the Kingdom's planned expansion of total industrial capacity.

Jon: Very good. So now moving on to the UK, I'm now going to discuss our new investment in a bit more detail, as we're finally done with all the regulatory disclosures for that project.

Jon: So we reached financial close on this project in August, and the new entity is called Endolys Limited, and we commenced capital deployment straight away in August on Day 1.

Jon: This marks EKH's first major investment outside the MENA region. It's a key milestone as we continue broadening our geographical footprint and diversifying our sources of hard currency revenues.

Jon: We will be deploying around 60 million British pounds over the next 6 months or so to develop a state-of-the-art plastics pyrolysis plant in Darlington, the Northeast of England.

Jon: There is a growing demand globally for recycled plastics. Our plant's going to use advanced pyrolysis technology that's been proven to chemically recycle post-consumer and other plastic waste into pyrolysis oil.

Jon: Capturing part of that growing demand for recycled plastics and solving a global problem relating to plastic waste management, as landfills and incineration are both becoming increasingly costly from an environmental and an economic perspective, as well as being banned in certain markets.

Jon: Pyrolysis technology, it's been around for quite a long time, and it's been primarily used on tires, and whilst plastics pyrolysis remains relatively nascent, it does offer us an early mover advantage to build a scalable and sustainable energy platform with significant long-term potential.

Jon: Our first phase of the plant in the UK will compromise 6 reactors. Each reactor has a dry input capacity of 10,000 tonnes of plastic waste per annum, which will mean about 60,000 tonnes per annum for this first phase of the plant.

Jon: We've secured an excellent site, in Teesside, in the Northeast of England, in Darlington, which has key infrastructure already on site, given its previous use as a heavy fabrication facility. This, in effect, will minimize our CAPEX and also the time required for execution, as well as de-risking several parts of the construction phase for us.

Jon: Teesside's industrial heritage is defined by its historic leadership in steelmaking, chemical innovation, and heavy manufacturing that helped power the UK's industrial growth over the last 150 years.

Jon: As such, we have world-class facilities and a skilled workforce right on our doorstep, as well as being close to Teesport, which is the UK deepest port, which will simplify the transfer of offtake oil to our customers.

Jon: Work has already started on the site, and we're targeting commencement of commercial operations of the plant during the fourth quarter of next year.

Jon: We're also currently exploring a plan to potentially add a second phase to the project to double its capacity and take advantage of the higher economies of scale. But that's a discussion that we'll communicate separately at some point next year.

Jon: With our proven track record in large-scale energy infrastructure, and the depth of our technical and operational expertise, we're confident in our ability to deliver strong returns and use this as a blueprint for replicating this model in other markets in Europe and the MENA region.

Jon: Okay, moving on to portfolio optimization, as we're calling it, we've made some strong headway. During the quarter, we completed the sale of our 63.39% stake in Delta to Al Wafa Insurance, following their mandatory tender offer of 40 Egyptian pounds per share, which generated around $67 million for our group.

Jon: The proceeds of this will largely go to fund the CAPEX on our Endolys UK project, which I've just discussed.

Jon: This transaction underscores our commitment to proactively recycle our capital by redeploying proceeds into higher return opportunities and reducing the exposure to EGP-denominated revenues, and reinforcing our long-term value-creation strategy.

Jon: Earlier in the year, we did complete our sale of our UAE-based subsidiary, Shieldgas, and we also realized $32.5 million from the sale of our sovereign government bonds that had previously been impaired on our balance sheet.

Jon: These actions, and a few others, reflect our disciplined approach to portfolio management and our continued focus to streamline operations and channel capital towards platforms with the greatest potential for value creation.

Jon: Finally, I'm very pleased to announce that we're in the final stages of our corporate rebrand, which will see us transition from Egypt Kuwait Holding to Valmore Holding. The General Assembly has already voted and approved the name change, and we're very excited to roll out our new identity in the next few weeks.

Jon: This step is much more than just a simple name change. It reflects the next chapter in our journey as we expand beyond Egypt and the GCC into broader MENA and Europe regions, and we're going to increase our focus on investor returns.

Jon: The new name, Valmore captures both our track record of delivering value, as well as our ambition to do even more in the years ahead. It's a natural evolution of who we are and what we are building.

Jon: We want to be a resilient, high-performing, and globally recognized investment company that consistently creates sustainable value and delivers exceptional return to investors and shareholders.

Jon: So, looking now a little bit more in detail into our results in this period. So, group revenues grew by 32% year-on-year over both the quarter as well as the nine months, driven by broad-based and robust top-line growth across the portfolio.

Jon: Balance sheet optimization efforts are bearing fruit, and operational improvements are materializing.

Jon: Operating efficiency drove growth across both gross profit and EBITDA, with margins expanding 2 and 3 percentage points year-on-year to 41% and 40%, respectively, for the first 9 months of the year. This was supported by disciplined cost control, operational efficiency, and a clear focus on high-margin USD-linked export sales.

Jon: Net profit for the 9 months reached $137 million, representing a healthy net profit margin of 24%, with the year-on-year comparison impacted by FX losses of $5.63 million in our first 9 months of this year, versus FX gains of $55.9 million, which were booked in the first 9 months of last year. Excluding the impact of the FX gains in 2024 would imply a 64% year-on-year net profit growth.

Jon: Attributable net profit stood at $118 million, giving us confidence in our ability to meet our revised full-year guidance of $156 million to $166 million.

Jon: We remain on track to achieve guidance at the mid to high end of that range at the year end, which is a testament to the strong fundamentals of our portfolio and its embedded resilience.

Jon: So…

Jon: Moving on to our company-level performance, and we're going to start with AlexFert. We had a stable quarter at AlexFert in which gas availability was present and improving, along with solid export urea pricing.

Jon: Our gas supply was more stable over this quarter, which allowed us to ramp up production to full utilization by the end of September.

Jon: This improved operational performance, a function of both higher total sales volumes and stronger pricing. Our revenues grew 27% year-on-year, and 16% quarter-on-quarter to $59.6 million in the third quarter.

Jon: As export urea prices increased 35% year-on-year, and 19% quarter on quarter, to an average of $451 per ton during this last third quarter of this year.

Jon: On a 9-month basis, our revenues reached $178 million, up 16% year-on-year, supported by a 24% increase in export urea prices, to a 9-month average of $414 per ton.

Jon: Operating profitability also strengthened, as gross profit and EBITDA increased by 65% and 64%, respectively, year on year in the third quarter, with their respective margins up by 8 and 10 percentage points this year.

Jon: Net profit climbed 12% year-on-year and 26% quarter-on-quarter to $19.8 million in the third quarter, driven by stronger total sales volumes and further supported by the reversal of a $2.78 million provision during the quarter.

Jon: So, this brings our attributable net profit for the 9 months to $45.3 million and keeps us on track to meet and potentially exceed our full-year guidance of $56 to $59 million.

Jon: Looking ahead, we expect the operating environment to remain supportive, the outlook on natural gas supply is shaping up to be positive, and we're supported by quicker and more proactive government intervention, and increased import flows, which will help stabilize feedstock availability across the whole sector.

Jon: On the pricing side, export urea continues to display strong momentum, spot prices have been exceeding $480 per ton in August, and they averaged around $437 per ton in October.

Jon: With no major global capacity additions expected in the near term, and global supply-demand dynamics remaining favorable, we anticipate pricing to hold at strong levels… strong levels through the year.

Jon: Okay, I'll now move on to Sprea, our chemical business. Sprea delivered another strong set of results, with revenue standing at $38.6 million for the quarter, which is a growth of 41% year-on-year, both in dollar and EGP terms.

Jon: And this was driven primarily by higher sales volumes as we continued to execute our market share expansion strategy.

Jon: In terms of profitability, we did continue to see temporary pressures during the quarter, with gross profit and EBITDA down 12% and 18%, respectively, year on year. And this was mainly due to higher raw material costs, particularly methanol, as a result of the natural gas supply issues we faced in the summer.

Jon: However, as these input costs began to normalize over the quarter, we saw sequential improvement in both gross profit and EBITDA margins, as both expanded quarter on quarter, as cost pressures eased and raw materials prices began to correct towards the tail end of the quarter, which gives us confidence in a gradual recovery in margins over the coming quarters.

Jon: Net profit came in at $8.1 million in third quarter of 2025, which is down 22% year-on-year, and this was primarily impacted by reduced net interest income as a result of cash upstreaming to the holding level, rather than a function of operating performance.

Jon: On a 9-month basis, net profits stood at $26.3 million, keeping us on track to deliver on our full-year guidance of $36 to $38 million, which is supported by the continued reversion of raw material import costs to normal run rates, as well as the gradual strengthening of the EGP.

Jon: So now, in terms of how we're seeing the business, the operating environment remains stable, and demand is gradually improving, particularly as construction and building activity picks up, which historically has supported volumes across Sprea's product portfolio.

Jon: We're also seeing ongoing momentum in exports, which continues to record a steadily growing contribution to sales, increasing to 22% in the last quarter, which is up from 21% in the second quarter, and 17% in the first quarter, providing a meaningful growth lever going forward, and aligning with our strategy direction to grow export capabilities across all our businesses.

Jon: Overall, we remain confident in Sprea's competitive positioning, its ability to continue gaining market share, and in the gradual margin recovery as raw material costs normalize.

Jon: Okay, NatEnergy is next, which groups together our natural gas distribution operations in Egypt. The business delivered strong top-line growth this quarter, with revenues 33% up year-on-year in this quarter, and 21% year-on-year over the 9-month period. Growth for the quarter was driven by higher installations and increased connections to margin-accretive households. Gross profit came in at $5.46 million for the quarter, which is up 5% year-on-year in both dollar and EGP terms.

Jon: Gross profit margins contracted slightly year on year and quarter on quarter as a function of higher cost of goods. That said, operational activity and demand trends remain healthy, and we expect blended margins to improve as the installation mix continues shifting towards higher margin household connections.

Jon: EBITDA and EBITDA margin largely follow the same trends as those observed across gross margin and gross profit margin.

Jon: With our net profit, it climbed 25% year-on-year in both dollar and EGP terms in the third quarter to $6.93 million, driven by strong top-line performance, and further supported by a reversal of $1.31 million in provisions during the quarter, along with higher net interest income.

Jon: Year on year, net profit growth for the 9-month period was impacted by FX losses incurred versus FX gains booked during the first 9 months of 2024, the majority of which were booked in the first quarter.

Jon: For the first 9 months of the year, net profit attributable to EKH came in at $14.8 million. This keeps us on course to meet the higher end of our full-year guidance of around $19 to $20 million.

Jon: We're also delighted to share that NATGAS hit a key operational milestone during the quarter, reaching 2 million residential customers connected with natural gas. This marks a significant achievement for the company, establishing it as Egypt's largest private sector operator in terms of the number of residential natural gas connections, and we're absolutely delighted about that.

Jon: As such, going into the fourth quarter and beyond, we remain confident in the business trajectory, with potential amendments to commission fees, which are currently under government review, posing further potential upside.

Jon: Okay, moving on to Kahraba.

Jon: Top-line growth maintained its strong momentum as revenues climbed 27% year-on-year and 21% quarter-on-quarter to $17.5 million in third quarter of 2025 driven by robust electricity distribution volumes, which surged 41% compared to last year, and 21% versus the previous quarter.

Jon: On a year-to-date basis, revenues reached $45.3 million, increasing to 16% year-on-year.

Jon: Gross profit grew by more than twofold year-on-year, and by 44% sequentially to reach $3.35 million in the third quarter of this year, supported by higher distribution volumes and electricity tariff adjustments.

Jon: Gross profit margin expanded to 19%, up 8% points from the same period last year.

Jon: EBITDA followed a similar trend to gross profit, rising 92% year-on-year and 36% sequentially to $3.49 million in the third quarter of 2025, with EBITDA margin widening 7 percentage points year-on-year to 20%, again mirroring the movement in gross profit margin.

Jon: Net profit also more than doubled year-on-year to $2.25 million for the quarter, which is a reflection of the enhanced operating profitability and also further supported by higher net interest income, with net profit margin expanding 5 percentage points year-on-year to 13%.

Jon: This brings year-to-date net profit to $5.18 million, keeping us firmly on track to deliver on our full-year guidance of slightly above $8 million.

Jon: So, moving on to our upstream subsidiary, ONS.

Jon: O&S delivered revenues of $14.8 million in the third quarter, largely stable year-on-year, but down 12% sequentially. In terms of year-to-date performance, revenues reached $45.9 million, which is up 6% year-on-year.

Jon: Profitability strengthened as gross profit climbed 45% year-on-year and 11% sequentially to $10.6 million, supported by lower cost of goods, with gross profit margin expanding to 72% due to one-off gains from reservoir management.

Jon: EBITDA grew 6% year-on-year, but declined 17% sequentially, to $12 million, with EBITDA margin landing at 81% in the third quarter of 2025.

Jon: Net profit for the quarter rose to $9.3 million, growing 44% year-on-year, and 5% sequentially, with a net profit margin of 63%.

Jon: For the first 9 months of the year, our net profit reached $24.7 million, which is up 11% year-on-year, and year-to-date net profit is consistent with our full-year bottom line guidance of $28 to $30 million, as well as with ONS's typical yearly earnings run rate of $30 to $31 million, which will keep us on track towards the upper end of our guidance range.

Jon: I'm also happy to share that during the third quarter, we have successfully added two new wells at the concession's Kamos field, bringing the total number of operational wells within the concession area to 8.

Jon: This marks a key operational development for the company, and it really is supporting our efforts in sustaining gas output at a steady rate of around 55 million million scuff per day, as well as reinforcing the concession's long-term operational continuity and growth prospects.

Jon: Okay, our non-banking financial services, and diversified segments. So, this segment delivered revenues of $125 million for the first 9 months of the year, up 130%, which was driven by our strategic portfolio optimisational initiatives.

Jon: This included $2.68 million in gains from the sale of shield gas, and $32.5 million in proceeds from the sale of sovereign debt instruments, and $8 million booked as a gain from the partial sale of AD Astro.

Jon: For the third quarter, revenues from the diversified segment were up 69% year-on-year, supported by the reversal of a $2.54 million impairment relating to BMIC, which is our investment in our cement company.

Jon: Now, looking at some key subsidiaries, Mohandes Insurance reported a net profit of 55.7 million Egyptian pounds, which was down 14% year-on-year, mainly due to the higher FX gains recorded in the first 9 months of 2024, excluding which net profit would have grown 55% year-on-year. But it delivered net profit growth of 69% year-on-year for the first 9 months of 2025, which demonstrated continued growth and resilience despite elevated interest rates.

Jon: A key development which occurred after the quarter close was the completion of our planned divestment from Delta in line with our portfolio optimisation strategy.

Jon: We closed the sale of EKH's entire 63.39% stake in Delta Insurance for 40 Egyptian pounds per share, generating approximately 3.17 billion Egyptian pounds, which is roughly the $67 million I mentioned earlier.

Jon: This corporate action reaffirms our commitment in executing our strategic priorities, divesting non-core assets, and de-risking our Egyptian pound-denominated revenues.

Jon: Another positive development in this section, which I discussed earlier, relates to Nilewood, which is now, as I said, successfully completed commissioning, and is currently ramping up commercial operations, where we expect positive cashflow at some point during next year.

Jon: In terms of guidance for this diversified section, which totals $9 to $10 million for the full year, and that also includes interest expenses at our holding level.

Jon: Okay, so with that, I conclude my part of the presentation, and I'm more than happy to give the floor back to Mark for the question and answer session.

Mark: Thank you, Mr. Jon, and thank you, EK Holding Management Team. We will now open the floor to Q&A. If you have any questions, you can type your questions in the dedicated Q&A box, or you can click the raise hand button to have your mic unmuted to speak directly with company management.

Mark: Well, in the meantime, I have a few questions, if I may.

Jon: Of course.

Mark: So, can you please shed more light on the investment in the UK, like, in terms of what we should expect in terms of revenue, the business model itself, how does it work with the government there? And, like why did you pick UK out of all like markets?

Jon: Sure, okay, there's, there's a few questions in one there. So, as I said earlier, the project involves taking waste plastic, mainly films and polyethylenes, so not PET.

Jon: Putting it, in a reactor where the pyrolysis reaction is made, and you then get pyrolysis oil.

Jon: So we like two things about just that point. We like the fact that it's solving a problem, and the UK is quite regulated from a waste perspective, so you can get a lot of confidence about the predictability of acquiring the feedstock.

Jon: The other thing that the UK is doing soon, it's banning incineration, and it's going to be banning export of waste. So, we're going to be a captive market for the waste companies to be sending the feedstock to us, because we'll be able to do something with it.

Jon: The output in terms of pyrosis oil is in huge demand, particularly in the NAP manufacturing process.

Jon: At the moment, less than 2% of Europe's demand is being made, so we're really tapping into a growing market, and we've sold the first 5 years' worth of production of that product. In terms of pricing, it is market-driven, but as a reference point, the average commodity price for Grade B pyrolysis oil we will produce is hovering around $1,300 to $1,500 per ton.

Jon: In terms of revenue contribution, we're not providing formal revenue guidance at this stage. You know, we're very much focused on getting the plant operational but we'll be looking at indicative revenues of around 50 million US dollars for this first phase.

Jon: In terms of why we chose the UK. I think, as I said, it's a strong, secure, safe market. It's a foreign currency for us. The feedstock availability is proven in a secure, disciplined way. And the UK's been quite proactive in providing attractive frameworks for waste-to-energy projects.

Jon: And the packaging recovery notes, the PRNs, and gate fees regime for this type of project provides clear and supportive legislative structure, and there's abundance of it for us to work with. So, it gives us a much bigger feeling of security, and we can certainly optimize the commercial aspects in terms of the project. So, we're focusing on Phase 1 with the six reactors.

Jon: Like I said, we have ambitions to grow further. The site that we've chosen, we could increase Phase 1, you know, 2, 3, 4, 5 times fold, providing that we're happy with the operations, we're happy with the output, and we're happy with the feedstock availability.

Mark: Well, that's impressive, and, like, in terms of CAPEX, what does the CAPEX schedule look like?

Jon: Our CAPEX, so, for Phase 1, like I said, we've put in equity at about 60 million sterling. That CAPEX will be fully deployed, by Q3 of next year, when hopefully we're commissioning the plant, and we'll then try and get the plant operational in Quarter 4.

Mark: All right, thank you. And I have another follow-up question, like, on AlexFert specifically.

Mark: I was under the impression that in third quarter, like, volumes would go down on natural gas availability and the disruptions that we've been hearing about.

Mark: And there's been also some conflicting news about, like, the changes in gas formula and local quota, so can you please shed more light on, like, the developments that took place over the quarter, and what do you expect in the coming quarters?

Jon: Yeah, sure. I mean, look, the key discussion point all year has been gas availability, and we expect stable gas availability going forward now. We're positive on the outlook for feedstock availability, that owes a lot to the favorable seasonality over the coming quarters, in terms of we're entering the winter period, and we've gone past now the peak consumption summer period. But also, you know, as I said on previous calls as time moves on, the government is getting smarter and has been more proactive in terms of securing other natural gas sources to mitigate the demand periods. So, you know, in terms of feedstock availability and gas, you know, we certainly see the next few quarters being quite strong with much less risk in terms of the supply base.

Jon: You've alluded to, the second part of the question, too, you know, a lot of rumors, a lot of discussions that are in the marketplace. You know our philosophy, we only like to comment on fact.

Jon: Everyone's aware, you know, it's not, you know, certainly everyone's aware that there's been ongoing discussions between many of the fertilizer producers, which includes AlexFert, and the, you know, the relevant authorities on these issues, particularly on gas pricing.

Jon: We don't have any firm updates on these discussions at the current time, and we'll be issuing a disclosure to the markets with updates once a conclusion has been reached.

Mark: Alright, thank you. As a reminder, if you have any questions, you can type your questions in the dedicated Q&A box, or you can click the raise hand button to have your mic unmuted to speak directly with company management.

Mark: We have a question from the line of Cavan Osborne. What's the dividend guidance, and is there any progress of upstreaming cash from AlexFert?

Jon: Sure. So, look, as I always say on dividend guidance, we're certainly not able to formally commit at this point, but still, given the direction this year is headed, I think as a management and as a CEO, I'll be able to present to the board a recommendation to maintain or slightly improve in terms of last year's payout ratio.

Jon: And that's our aim. You know, our aim is continuously, year on year, to offer our shareholders more.

Jon: We're very proud of our legacy of sustained dividend distribution to our shareholders, and we look forward to continuing to crystallize and deliver that value to our investors. And the new business plans and strategy that we're putting in place, that we've already started, is all about that, being able to increase our predictable cashflows, which hopefully we can then pass to our shareholders.

Jon: In terms of the question on AlexFert, no, at the moment, we're certainly not looking at, at anything, regarding the upstream cash distribution of AlexFert, but like I always say, we're always happy to consider any opportunities that we feel will add value to both the business and our shareholders.

Mark: Alright, thank you.

Mark: Well, I have a question regarding NatEnergy as well. You mentioned in the earnings release that there are, like, potential amendments to commission fees that's currently under government review, so can you please shed more light on this?

Jon: No, same story as the similar AlexFert question. You know, there's a lot of dialogue going on, there's a lot of rumors, we feel there's potentially some benefit that we might get, so at the moment, we continue those discussions, and when we have something to disclose, we will do so.

Mark: Alright, thank you.

Mark: And can you give us, like, more color on, like, the operations in Saudi Arabia, like what are the plans going forward? How should we see the… how should we look at the business model?

Jon: Sure, I mean, as I said, we're very happy with our progress. I mentioned earlier in the year, we've done this project, we executed it from Egypt, we delivered it on time, we delivered it to the actual CAPEX budget, and, you know, we're going to be selling between 4 and 6 million, million scuff per day, as per our plan, as I mentioned, earlier. Growth within that industrial city is dependent on two points, existing customers converting, and we're confident that in due time, we'll convert all the relevant customers. And also, with the industrial city attracting new tenants, to deliver their new operations. And from that perspective, we can see there's a lot of activity, and Dammam Industrial City 3, is actually a great growth engine for the industrial area in demand. I've said before that we have ambitions to do more in Saudi and once we have the right confidence that we've hit the right execution model, which we're happy with so far, we will be looking for similar opportunities and other gas-related opportunities to leverage our skill set and expertise that we can bring from our NatEnergy businesses to the Kingdom.

Mark: Great. We have a question from Omar Mphamad. So, what's the MDF timeline to full capacity and the expected EBITDA margin?

Jon: Sure, look, you know, we're still optimizing the plant. We're going to be targeting around 70% for next year, which is in line with the industry average in terms of a new plant.

Jon: We can't give exact revenue and profit contribution for the next couple of years, but I think by this time next year, we'll understand a lot more in terms of being able to give, you know, further outlook guidance with relation to that.

Jon: For this year, it was a stabilization year, it was getting the project online.

Jon: But, going forward, we expect the plant to be producing certainly as expected within 2027, following the successful ramp-up and, getting up to, 70-80% capacity, over the next 12 to 15 months.

Mark: Alright, thank you.

Mark: As a reminder, if you have any questions, please type your questions in the dedicated Q&A box, or click the raise hand button to have your mic unmuted to speak directly with company management.

Mark: Well, I have another question on, like, the non-core assets, so can you please give us more color on, like, do you expect to sell more assets down the line, like BMIC? How much are you, like, are you expecting to generate from these assets going forward, besides what has been sold already?

Jon: Yeah, look, so I think, I've been quite clear in a couple of previous earnings calls, you know, part of the portfolio optimization and housekeeping, as I call it, is taking a fresh look at our investment portfolio, and being clear, in terms of what we want to be doing over the next few years. So, some of the assets that were disposed of already were basically non-core, or they didn't have any growth potential, or there were other issues that we decided it was best to divest. Moving forward, I've been open that we're an investment company, so as an investment company, over time, we will choose to divest an asset. We will need to make sure that we pick the right timing and that we maximize the value for that divestment. But then that'll give us new capital that will allow us to recycle that capital in new opportunities, which will hopefully deliver better value. And as I hinted, a good example is what we've done with Delta. We divested Delta, which was a 100% Egyptian pound business. We've grown it tremendously since our ownership. It's delivered some great results for us, so we're able to capitalize on that, sell it at a premium.

Jon: And then we're using that cash, in essence, to invest in our new UK business. And when that UK business is operational, it will, you know, deliver significantly higher profits than what Delta did, but also in sterling, so de-risking our Egyptian pounds.

Jon: In terms of BIMIC that you asked, we continue looking at it. You know, the cement sector has recovered really well in Egypt, so prices and demand are improving significantly. So, you know, it allows us to look at that business in a slightly different way. But at the moment, it's part of our portfolio, and we're supporting the management team there to grow that business.

Mark: Alright, thank you so much.

Mark: As a reminder, if you have any questions, please type them in the Q&A box. Or click the raise hand button to have your mic unmuted to speak directly with company management.

Mark: Well, it seems we have no further questions at the moment, so I will hand over to you, Mr. Jon, for concluding remarks.

Jon: No, thank you, Mark, thank you for hosting, thank you, everyone, for listening in, I hope you found it useful, and I look forward to catching up with everyone in our call in February where we'll talk about our 2025 performance.

Mark: Well, thank you everyone for dialing in today. Please get in touch with your contact person at either CI Capital or EK Holding if you'd like to access the recording of this call.

Mark: Have a good one.

Jon: Thank you.

Mark: Thank you.