

Egypt Kuwait Holding Co. Releases 3Q 2021 Earnings Results

EKH delivers strong double-digit growth at its top- and bottom-lines on the back of solid performances across its portfolio companies; EKH booked a 45% y-o-y increase in revenues, healthy margin expansions with GPM at 45% and EBITDA margin recording 46%, as well as a 60% y-o-y increase in attributable net profit in 3Q 2021.

14 November 2021 | 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 third quarter ended 30 September 2021.

EKH's revenues grew 45% y-o-y to USD 211.6 million in 3Q21, primarily driven by the 60% y-o-y increase in revenues at the Fertilizer and Petrochemicals segment during the period. Additionally, a 12% y-o-y top-line increase at the Energy & Energy-Related segment, which was driven by increasing household connections at NatEnergy and growing contributions from Kahraba, supported the Group's revenue performance in 3Q21. Meanwhile, EKH recorded a gross profit margin (GPM) expansion of seven percentage points year-on-year to 45% and EBITDA margin expansion of five percentage points year-on-year to 46% in 3Q21. The Group's attributable net profit increased by 60% y-o-y to USD 46.8 million in 3Q21.

On a YTD basis, EKH's revenues increased by 29% y-o-y to USD 589.6 million in 9M21. EKH's GPM expanded by six percentage points year-on-year to 44% and EBITDA margin expanded by four percentage points year-on-year to 43% in 9M21. The Group's attributable net profit increased by 51% y-o-y to USD 134.7 million in 9M21.

Commenting on the Group's results, EKH Chairman Mr. Moataz Al-Alfi said: "Our results for the period are testament to the strength of our business and the exceptional teams that manage our portfolio companies across the markets and industries we operate in. Our performance for the period was supported by strong results at AlexFert driven by the rally in commodities and urea prices. Meanwhile, Sprea Misr booked strong results as we ramped up production and operated at near full capacity utilization across its facilities. At our energy segment, increasing household connections coupled with growing contributions from Kahraba's electricity generation and distribution operations further drove the Group's growth and strong performance during the period."

"We are also particularly pleased with NatEnergy's participation in the government's "Hayah Kareema" initiative, which aims to provide much needed infrastructure developments, across multiple rural areas in Egypt. These infrastructural developments will give EKH access to installing natural gas networks to a total of 500,000 households over the next three years and playing a key role in enhancing the quality of life for thousands of households in Egypt. We have already started stage one of the initiative and begun the natural gas networking phase of the project across 36 villages in rural areas within our concessions and anticipate the commencement of household connections in the short term," **said Al-Alfi.**

EKH's Chief Executive Officer Mr. Sherif El-Zayat further added: "EKH successfully recorded strong top- and bottom-line results, maintained its growth trajectory, and continued delivering on the Group's strategies. EKH made significant headways across multiple investments as we continuously eye various avenues of growth across our portfolio companies and assess new investment opportunities. To date, we have already deployed more than USD 200 million of the USD 300 million we pledged to invest over an 18-month period beginning March 2021. I am also pleased to announce that EKH has received initial approval from the Egyptian Financial Regulatory Authority (FRA) for its non-banking financial services and micro finance subsidiary Bedayti. This milestone sets the wheels in motion for the Group's expansion into Egypt's thriving NBFS space."

"I am pleased to report that EKH's recent optional conversion of its listed shares on the EGX was well received by the market, with institutional investors opting to convert 83% of their holdings in EKH's shares from USD to EGP. Overall, a total of 68% of shares traded in EGX were converted to EGP. Since the beginning of the year, EKH's traded shares on both the EGX and Borsa Kuwait performed exceptionally well, with EKHO recording 52-week highs as of 9 November 2021 and yielding c. 52.02% in YTD returns for shareholders, well above the EGX30 Index which generated c. 6.85% in returns over the same period. EKHOA stood as the fourth most liquid share on the EGX30 Index in October 2021, while EKHK.KW witnessed unprecedented levels of liquidity on the Borsa Kuwait."

"We look forward to closing the year on a strong note and to head into 2022 geared for new growth and continued generation of long-term sustainable value for our stakeholders," **El-Zayat concluded.**

EKH's standalone and consolidated financial statements for the period ended 30 September 2021 and its full 3Q-2021 Earnings Release are available for download at 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.