



Arabian Cement recorded an all-time high Net Profit in FY 2023 reaching EGP 688 million.

Key Financial Highlights in FY 2023

Revenue	Cash Gross Profit	EBITDA	Net Profit
EGP 5,933 MN	EGP 1,570 MN	EGP 1,354 MN	EGP 688 MN
▲ 30% y-o-y	▲ 38% y-o-y 26% Margin	▲ 25% y-o-y 23% Margin	▲ 101% y-o-y 12% Margin



Results in a Nutshell

March 2024 | Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange),
a leading Egyptian cement producer reported its results for 4Q2023.

The following are our comments for the 4Q2023.

Arabian Cement recorded a y-o-y revenue growth of 16% amounting EGP 1,407 million compared to EGP 1,215 million in 4Q2022. Local revenues represented 78%, compared to 89% in the same quarter last year, while export revenues recorded 22%. Our Rev/ton hiked 23% y-o-y reaching EGP 1,452 compared to EGP 1,178 in 4Q2023. Our sales volume stood at 969.1K tons versus 1031.3K tons in 4Q2022. In which 712.5K tons were local cement sales, 237.3K tons clinker export and 19.4K tons cement export.

Cash cost for the quarter stood at EGP 960 million in 4Q2023 versus EGP 840 million in 4Q2022. While our cash cost per ton increased by 22% y-o-y reaching EGP 990 compared to EGP 815 in the same period last year and decreased by 4% q-o-q.

4Q2023 witnessed a significant increase of 19% y-o-y in cash gross profit recording EGP 447 million versus EGP 375 million in the same comparable period. Our cash gross profit margin stood at 32% compared to 31% in the same period last year, reflect a slight improvement of 1%.

SG&A for 4Q2023 stood at EGP 55 million with a flat SG&A to Sales ratio of 4% compared to the same period last year.

EBITDA for the quarter recorded EGP 394 million in 4Q2023 versus EGP 359 million in 4Q2022, up 10% y-o-y with an EBITDA margin of 28%.

ACC's bottom line recorded a 90% y-o-y increase reaching EGP 185 million compared to EGP 98 million in 4Q2022. While our net profit margin increased by a solid 4% y-o-y reaching 13%.

The following is our comments for Full Year 2023

On an annual basis, Arabian Cement recorded revenues of EGP 5,933 million vs EGP 4,549 million, an increase of 30% compared to the same period last year. During 2023, ACC was able to increase its export revenues by 174% y-o-y recording EGP 2,054 million compared to EGP 750 million in 4Q2022. Our Rev/Ton stood at EGP 1,356 compared to EGP 997, up 36% y-o-y.

ACC witnessed a remarkable change in its sales mix along 2023, moving toward increasing the export sales which represented 39% (13% export market share) of our total sales volume compared to 22% in the same period last year which is mainly to source most of our needs of foreign currency. Our total sales volume reached 4,376K tons versus 4,561K tons in FY 2022. In terms of format, 61% was local cement, 35% clinker export and 4% cement export.

Total cash cost for the full year 2023 came in at EGP 4,363 versus EGP 3,409 million in the same period last year, while our cash cost per ton increased by 33% reaching EGP 997 versus EGP 747 in FY 2022.

ACC cash gross profit stood at EGP 1,570 million versus EGP 1,140 million in FY 2022 which represents a hike of 38%.

Supported by strong and consistent growth across the past four quarters, ACC's EBITDA significantly increased by 25% y-o-y to record EGP 1,354 million in FY 2023 compared to EGP 1,085 million in the same comparable period, with a strong margin of 23%.

The company recorded interest expense of EGP 77 million in FY 2023, compared to EGP 58 million in FY 2022, while the foreign exchange loss stood at EGP 115 million in FY 2023 compared to EGP 192 million in FY 2022 on the back of the hike in interest rates and EGP devaluation.

In FY 2023, ACC successfully settled its entire outstanding debt of EGP 341 million ahead of schedule. This action was primarily aimed at reducing our borrowing expenses and mitigating foreign exchange losses.

Our strong top line growth in FY 2023 resulted in expanding the bottom line by 101% y-o-y to EGP 688 million compared to EGP 342 million in the same period last year with an associated net profit margin of 12%.

Financial KPI	Unit	4Q2023	4Q2022	Y-o-Y Variance	FY 2023	FY 2022	FY Variance
Local Revenues	MM EGP	1,097	1,084	1%	3,880	3,799	2%
Export Revenues	MM EGP	310	131	136%	2,054	750	174%
Total Revenues	MM EGP	1,407	1,215	16%	5,933	4,549	30%
Rev/Ton	EGP	1,452	1,178	23%	1,356	997	36%
Cash Cost	MM EGP	960	840	14%	4,363	3,409	28%
Cash Cost/Ton	EGP	990	815	22%	997	747	33%
Cash Gross Profit	MM EGP	447	375	19%	1,570	1,140	38%
Cash Gross Profit Margin	PCT	32%	31%	1%	26%	25%	1%
Other Income	MM EGP	2	29	-94%	13	104	-88%
EBITDA	EGP	394	359	10%	1,354	1,085	25%
EBITDA/Ton	PCT	407	348	17%	309	238	30%
EBITDA Margin	PCT	28%	30%	-2%	23%	24%	-1%
COGS/Sales	MM EGP	68%	69%	-1%	74%	75%	-1%
SG&A	PCT	55	45	24%	229	159	44%
SG&A/Sales	MM EGP	4%	4%	0%	4%	3%	0%
FX Loss	MM EGP	-10	110	-109%	-115	-192	-40%
Depreciation & Amortization	MM EGP	64	60	7%	242	235	3%
Net Profit	PCT	185	98	90%	688	343	101%
Net Profit Margin	MM EGP	13%	8%	5%	12%	8%	4%

ACC Sales volumes	Unit	4Q2023	4Q2022	Variance %	FY2023	FY2022	Variance %
Local Sales Volume	K Tons	712.5	893.4	-20%	2,674.9	3,559.1	-25%
Cement Exports Volume	K Tons	19.4	5.9	231%	159.3	65.9	142%
Clinker Export volume	K Tons	237.3	132.0	80%	1,541.9	936.3	65%

ACC Production Indicators	Unit	4Q2023	4Q2022	Variance %	FY2023	FY2022	Variance %
Clinker Production	K Tons	1,034.4	1,068.2	-3%	3,927.1	3,916.4	0%
Clinker Utilization Rate	PCT	99%	102%	-3%	94%	93%	0%
Cement Production	K Tons	742.1	842.0	-12%	2,762.6	3,253.6	-15%
Cement Utilization Rate	PCT	63%	72%	-8%	0%	69%	-69%

Market Overview	Unit	4Q2023	4Q2022	Variance %	FY2023	FY2022	Variance %
Cement Domestic Sales	K Tons	13,097.7	13,733.5	-5%	47,560.6	51,193.1	-7%
Clinker Export Sales	K Tons	1,742.2	1,533.8	14%	9,872.0	2,811.4	251%
Cement Export Sales	K Tons	911.8	701.8	30%	3,497.4	6,745.1	-48%
Total Export Sales	K Tons	2,654.0	2,235.6	19%	13,369.4	9,556.5	40%

About Arabian Cement Company

Arabian Cement Company (ACC) was first established in 1997 by a group of Egyptian entrepreneurs, who aspired to establish a leading Egyptian cement company. The cement factory is in the Suez Governorate. It has a capacity of 5MM tons of first quality cement, approximately 7% of Egypt's production capacity. ACC is held by Cementos La Union, a Spanish investor with 60% stake, 12.5% held by Sadek El Sewedy, 11.6% is held by El Bourini family, and 15.9% is traded on the EGX. Its brand "Al Mosallah" enjoys undisputed prestige and is considered among the best cements produced in Egypt. For further information, please refer to www.arabiancementcompany.com

For further information, please contact:

Karim Naguib

Head of Budgeting and Investor Relations

knaguib@arabiancementcompany.com

IR@arabiancementcompany.com

Nourhan Elakkad

Budgeting and Investor Relations Analyst

nelakkad@arabiancementcompany.com

Tel: +202 25371184/79/76 (Ext. 302)

Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions, and beliefs of Arabian Cement Company (ACC). 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 ACC may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of ACC is subject to risks and uncertainties.