



ACC Doubled its EBITDA in FY 2021 recording EGP 378 million.

Revenues

↓ EGP 2,343 mm

Cash Cost

↓ EGP 1,899 mm

Cash Gross Profit

↑ EGP 443 mm
19% Margin

EBITDA

↑ EGP 378 mm
16% Margin



Results in a Nutshell

8th March 2022| Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange),
a leading Egyptian cement producer reported its results for 4Q 2021.

The following are our comments for the 4Q 2021

Arabian cement company recorded revenues of EGP 774 million in 4Q 2021, up a solid 44% versus last year. Our Rev/ton surged by 43% reaching EGP 835 versus EGP 582 in 4Q 2020. ACC's strong revenue performance was driven by the increase of the cement selling prices as a consequence of several factors: strong cost increase and overcapacity reduction due to the subsidies for export and the Egyptian Competition Authority approval to reduce the gap between the supply and national demand. Our sales volume remained almost flat y-o-y reaching 928K tons.

Cash cost for the quarter stood at EGP 588 million, up 20% y-o-y. Moreover, our cash cost per ton increased by 20% recording EGP 634 versus EGP 529 in 4Q 2020. This was mainly on the back of higher global fuel prices.

ACC delivered a strong cash gross profit growth supported by the increase in cement selling prices. Cash gross profit recorded EGP 187 million in 4Q2021 versus EGP 50 million in the same period last year, while cash gross profit margin stood at 24% versus 9% y-o-y.

ACC recorded a healthy EBITDA of EGP 170 million versus EGP 3 million last year and yielding an EBITDA margin of 22% compared to 0.5% in 4Q2020.

ACC recorded a net profit of EGP 52 million versus net loss of EGP 78 million in the comparable period of 2020, with a net profit margin of 7% in 4Q 2021.



The following are our comments for FY 2021

Arabian cement company sales revenue for FY 2021 stood at EGP 2,343 million, while the revenue per ton increased by 24% from EGP 591 to EGP 730 y-o-y.

ACC sales volume dropped by 21% reaching 3,208K tons compared to 4,078K tons in FY 2020 on the back of a technical problem that was prolonged to the first quarter of the year and meant a total stoppage in one of our production lines.

In terms of format 62% of our sales were bagged, 25% was bulk, and 13% clinker.

Our export sales increased by 37% recording 497K tons, which represents 15% of our total sales compared to 9% in the same period last year.

Total cash cost decreased by 10% y-o-y due to lower sales volume, recording EGP 1,899 million versus EGP 2,109 million y-o-y, while our cash cost per ton increased by 14% reaching EGP 592 per ton compared to EGP 517 per ton in FY 2020 due to the increase in global fuel prices.

ACC cash gross profit expanded 47% y-o-y to EGP 443 million, with associated margin of 19% in FY 2021 vs 13% last year.

EBITDA doubled y-o-y in FY 2021 reaching EGP 378 million compared to EGP 183 million in the same period last year. EBITDA margin stood at 16.1% compared to 7.6% in the same period last year.

ACC's total outstanding debt was remarkably reduced by 21% y-o-y. The company's total loans reached EGP 387 million, which represents a debt-to-equity ratio of 0.36, down from EGP 487 million in FY 2020. Our interest expense was reduced by 13% recording EGP 70 million versus EGP 81 million in the same period last year.

ACC closed the year with a positive bottom line recording EGP 27 million compared to a negative bottom line of EGP 116 in FY 2020.

Outlook

National cement consumption has increased 5.6% in 2021 vs 2020, which was perfectly in line with our initial forecast of recovering levels previous to the coronavirus. As a conservative budget for the year 2022, we built a scenario in which the national demand will have an increase of 5%.

Unfortunately, fuel prices, that were relaxing from their peaks of October 2021 until beginning of 2022, started to have an upward trend that finished exploding after the military intervention of Russia in Ukraine reaching again new peaks never saw in the past and, consequently, the ceiling is very uncertain. This is affecting the costs of all commodities, raw materials, transportation, services and everything in general very much, worldwide.

Obviously, the uncertainty in the global economy created by the above mentioned new war is at high levels and still is not clear how the situation will develop or how long will take things to get back to normal or some stability. So, intensive follow up will be required in all fronts for some period but we are confident ACC will outperform in this market environment.





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, 11.4% is held by El Bourini family, and 28.6% 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

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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.

ARABIAN CEMENT COMPANY
Earnings Release FY 2021



Key Indicators	Unit	Q4 2021	Q4 2020	Variance%	FY21	FY20	Variance%
Cement Domestic Sales	K Tons	12,948	12,760	1%	48,570	45,955	6%
Cement Export Sales	K Tons	756	522	45%	2,671	1,168	129%
Total Sales	K Tons	13,704	13,282	3%	51,241	47,123	9%
ACC Clinker Production	K Tons	905	502	80%	3,189	3,237	-1%
ACC Clinker Utilization Rate	PCT	86%	48%	38%	76%	77%	-1%
ACC Cement Production	K Tons	833	928	-10%	2,796	4,069	-31%
ACC Cement Utilization Rates	PCT	71%	79%	-8%	59%	87%	-27%
ACC Domestic Sales Volume	K Tons	864	868	0%	2,711	3,714	-27%
ACC Exports Volume	K Tons	63	58	10%	497	364	37%
ACC Total Volumes	K Tons	928	925	0%	3,208	4,078	-21%
Local Market Share	PCT	6.7%	6.8%	0%	5.6%	8.1%	-2%
Revenues	K EGP	774	539	44%	2343	2410	-3%
Rev/Ton	EGP	835	582	43%	730	591	24%
Cash Cost	K EGP	588	489	20%	1899	2109	-10%
Cash Cost/Ton	EGP	634	529	20%	592	517	14%
EBITDA	K EGP	170	3	6571%	378	183	107%
EBITDA/Ton	EGP	183	3	6554%	118	45	163%
EBITDA Margin	PCT	22.0%	0.5%	21%	16.1%	7.6%	9%
Gross Profit	K EGP	187	50	277%	443	302	47%
Gross Profit Margin	PCT	24%	9%	15%	19%	13%	6%
COGS/Sales	PCT	76%	91%	-15%	81%	87%	-6%
SG&A	K EGP	36	47	-23%	112	119	-6%
SG&A/Sales	PCT	5%	9%	-4%	5%	5%	0%
Exchange differences	K EGP	-2	1	-299%	-1	12	-109%
Depreciation & Amortization	K EGP	73	61	18%	253	247	3%
Net Profit	K EGP	52	-78	-166%	27	-116	-123%
Net Profit Margin	PCT	7%	-14%	21%	1%	-5%	6%
Outstanding Debt	MM EGP	394	487	-19%	394	487	-19%
Debt/Equity		0.4	0.5		0.4	0.5	