

### || Banking Sector:

Company	Net Funded Income (AED)			Non-Funded Income (AED)			Net Profit (AED)			Impairment Charges			EPS (AED)		
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change
1 Abu Dhabi Commercial Bank (ADCB)	2,571	2,800	8.9%	924	1,093	18.3%	1,575	1,762	11.8%	-655	-824	25.8%	0.22	0.24	11.8%
2 Abu Dhabi Islamic Bank (ADIB)	880	1,411	60.3%	549	616	12.3%	726	1,064	46.5%	-114	-148	29.9%	0.19	0.29	48.4%
3 Mashreq Bank	1,015	1,849	82.2%	723	771	6.5%	793	1,583	99.6%	-213	-141	-34.0%	4.0	7.7	95.4%
4 Commercial Bank of Dubai (CBD)	590	859	45.6%	285	312	9.5%	435	582	33.8%	-225	-339	50.7%	0.12	0.18	48.9%
5 Dubai Islamic Bank (DIB)	2,010	2,279	13.4%	562	570	1.5%	1,355	1,525	12.6%	-531	-511	-3.7%	0.17	0.20	16.1%
6 Sharjah Islamic Bank (SIB)	294	374	27.4%	94	109	16.8%	175	223	27.8%	-74	-92	24.1%	0.05	0.07	27.2%
7 Commercial Bank International (CBI)	128	118	-8.2%	30	44	47.6%	35	35	0.3%	-39	-15	-60.8%	0.02	0.02	0.3%
8 United Arab Bank (UAB)	74	92	24.5%	52	39	-24.0%	53	51	-3.1%	-15	-16	2.8%	0.03	0.02	-3.1%
9 National Bank of Ras Al Khaimah (RAKBANK)	563	805	42.9%	252	273	8.3%	310	441	42.1%	-140	-249	78.0%	0.15	0.22	42.1%
10 Emirates NBD	5,139	7,261	41.3%	2,652	2,524	-4.8%	3,500	5,511	57.5%	-460	-647	40.7%	0.53	0.85	59.6%
11 Ajman Bank	86	150	73.9%	63	70	11.5%	41	61	48.4%	-32	-72	127.2%	0.02	0.03	48.4%

### Commentary:

- UAE banking system advances recorded a strong growth of 2.1% YOY to AED 1,674 Bn in 1Q23. On the other hand, deposits grew at a faster rate recording a 14.9% YOY growth to AED 2,306 Bn in 1Q23.
- The loan-to-deposit ratio declined from 74.3% in 4Q22 to 72.6% in 1Q23, which indicates strong liquidity and enough room for loan growth in the economy.
- The Federal Reserve raised the interest rates by 50 bps in 1Q23 and further hiked the interest rate by 25 bps points in 2Q23 to 5.25%.
- UAE Bank's capitalization improved with a Capital Adequacy Ratio (CAR) of 17.8% in 1Q23 as compared to 17.4% in 4Q22 well above the minimum regulatory requirement.
- The average cost-to-income ratio of UAE banks under our coverage declined marginally from 37.0% in 4Q22 to 36.5% in 1Q23 while the average annualized cost of risk for the banks under our coverage declined significantly 40 bps QOQ to 1.0% in 1Q23.

### Property Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Aldar Properties	2,669	3,212	20.3%	881	1,013	15.0%	33.0%	31.5%	804	822	2.2%	30.1%	25.6%	0.10	0.10
2 Emaar Properties	6,940	6,091	-12.2%	2,773	2,551	-8.0%	40.0%	41.9%	2,061	2,014	-2.3%	29.7%	33.1%	0.23	0.23
3 Emaar Development	3,714	2,478	-33.3%	1,305	979	-25.0%	35.1%	39.5%	1,140	859	-24.7%	30.7%	34.7%	0.29	0.21

### Commentary:

- Hotels in Dubai recorded a strong performance in 1Q23, with an average occupancy rate of 83%, the highest globally. Hotels recorded an occupancy of 84% in 1Q19. The number of rooms in Dubai rose 26% since the pandemic and welcome 4.67 Mn international visitors in 1Q23.
- Emaar Hospitality Group**, a subsidiary of Emaar Group, will add eight new properties across the UAE, Saudi Arabia, and Egypt between 2023 and 2024, including key destinations like Marassi and Makkah. Further, the Company witnessed successful growth in occupancy rates growing from 60% in 2021 to 74% in 2023, reflecting the growing demand for hospitality in the region.
- Dubai is poised to witness the delivery of over 32,000 residential properties, encompassing a diverse range of villas and apartments, by the end of 2023. It will see the completion of 27,400 of apartments and 4,650 of villas by year-end. The appetite for new launches continues to be well-received by investors and end users.
- Q Holding secured two contracts from the Abu Dhabi Housing Authority (ADHA) to develop housing projects valued at AED 7 Bn (USD 1.9 Bn). The projects encompass the construction of 1,742 villas for citizens, along with infrastructure, public amenities, gardens, mosques, commercial buildings. The project is located in Al Samha, north of the city of Abu Dhabi and West Baniyas is scheduled to be completed by 4Q25 and 2Q27.
- Aldar Properties** successfully completed the acquisition of a landscaping company for AED 150 Mn (USD 40.84 Mn), securing a controlling stake of 75% in Basatin. This strategic transaction enhances the capabilities of Aldar Estates, and enables the Company to offer a comprehensive suite of services to its expanding customer base.
- Emaar Properties** announces a USD 20 Bn development near Jumeirah Golf Estates called "The Oasis." The project spans across 9.4 Mn square meter, it will include 7,000 villas and luxury mansions with spacious plots. The project offers convenient access to four international golf courses and is a 20-minute drive from Downtown Dubai.

### || Telecom Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Etisalat and (e&)	12,996	12,969	-0.2%	6,644	6,644	0.0%	51.1%	51.2%	2,431	2,210	-9.1%	18.7%	17.0%	0.28	0.25
2 du	3,137	3,376	7.6%	1,267	1,425	12.5%	40.4%	42.2%	303	399	31.9%	9.7%	11.8%	0.07	0.09
3 AL Yah Satellite (YAHSAT) (USD'000)	106,872	108,592	1.6%	63,882	65,177	2.0%	59.8%	60.0%	25,269	28,411	12.4%	23.6%	26.2%	0.01	0.01

### Commentary:

- UAE telecoms operator **e&** entered into a joint venture with South Korea's Bepin Global to create a new company. e& invested USD 60 Mn to acquire a 10% stake in Bepin Global exchange for a 10% stake. The newly formed JV will be accounted as a subsidiary of e&. In the JV 65% stake will be owned by e& and the remaining 35% by Bepin Global. The JV will provide public cloud services in Middle East, Turkey, Africa, and Pakistan. The acquisition aligns with e&'s strategic plans to diversify operations and expand its global reach.
- e& signed an agreement to acquire a majority stake in Beehive Group Holdings Group. Beehive provides peer-to-peer lending to SMEs in the MENA region. e& will acquire 61-69% stake in Beehive at an enterprise value of USD 35 Mn. The proceeds for the acquisition will be paid in cash.
- e& forms a strategic relationship with Vodafone group across Europe, Africa and the Middle East. The relationship brings two operations closer in a certain aspect of their business, leading each to benefit from operational scale and complementary geographical footprint. The agreement will also enable to jointly offer cross-border digital services, joint procurement, provide access to digital infrastructure, and work jointly on a technology roadmap.
- UAE's e& and Indonesia's Indosat partnered to offer top-notch international communication (IDD) services to Indosat users. This collaboration leverages the strengths of both organizations, delivering synergies and high-quality voice services, anti-fraud measures, and monitoring to Indosat's customer base in Indonesia and beyond.
- Bayanat, **Yahsat**, and ICEYE jointly announced an ambitious program to expand commercial opportunities within the UAE space ecosystem. The program's objective is to establish a constellation of five LEO SAR satellites, with the launch of the first satellite planned for 1Q24.
- Du** added 18,000 new customers in 1Q23 to grow total subscribers to 554,000 broadband customers, recording a growth of 26.4% YOY basis. The Company's mobile subscriber base stood at 8.2 Mn in 1Q23 owing to a healthy net addition across prepaid and postpaid subscriber bases. DU added net new subscribers for the seventh quarter in a row and stood at 1.5 Mn subscribers.
- Egyptian government sold 10% stake in Telecom Egypt for EGP 3.95 Bn (USD 128.8 Mn). The government sold 170.7 Mn shares at EGP 23.11 per share with a subscription of 2.5x. The government now owns 70% in Telecom Egypt post-stake sale.

### || Energy Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Dana Gas (USD)	144	134	-6.8%	83	77	-7.2%	57.6%	57.4%	57	45	-21.1%	39.6%	33.5%	0.01	0.01
2 ADNOC Drilling (USD)	668	735	9.9%	300	347	15.6%	44.9%	47.2%	205	223	8.9%	30.6%	30.4%	0.013	0.014
3 ADNOC Distribution	8,637	8,843	2.4%	1,113	719	-35.4%	12.9%	8.1%	891	484	-45.6%	10.3%	5.5%	0.07	0.04
4 ADNOC GAS (USD)	-	5,230	-	-	2,118	-	-	40.6%	-	1,275	-	-	24.4%	-	0.017
5 ADNOC L&S (USD)	-	613.0	-	-	203.4	-	-	33.2%	-	144.1	-	-	23.5%	-	0.072

### Commentary:

- **ADNOC Gas** signed a three-year LNG supply chain agreement with TotalEnergies Gas and Power. The deal, valued between USD 1-1.2Bn, solidifies ADNOC Gas position as a global LNG export partner and expands its global reach.
- Dana Gas plans to invest around USD 100 Mn in drilling 11 new wells in Egypt during 2023. These new wells are projected to add up to 80 Bn cubic feet of natural gas to the Company's reserves and production. The drilling operations are anticipated to commence in 2023, marking a significant step towards expanding Dana Gas' presence and enhancing its natural gas portfolio in Egypt.
- **ADNOC Drilling** secured a USD 75 Mn agreement to acquire six newbuild hybrid power land rigs. Manufactured by Honghua Golden Coast, these rigs will be integrated into the fleet starting from 2Q24. ADNOC Drilling secured five 10-year contracts of Jack-up rigs worth USD 2 Bn from Adnoc Offshore to support its drilling activity. The rigs will progressively commence operation from the end of 2023 with substantial revenue expected in 2024 and the first full-year revenue contribution from 2025.
- **ADNOC L&S** secured USD 975 Mn EPC contract from ADNOC Offshore for the construction of artificial island construction. This contract aligns with ADNOC L&S's growth strategy, enabling entry into new business areas and generating additional revenue stream.
- **ADNOC L&S** received delivery of its first newbuild very Large crude carrier (VLCC), Hafeet, as part of its strategic fleet expansion. The Company has committed USD2 Bn to build environmentally friendly efficient vessels, including dual-fuel capable VLCC fleet, to meet growing global energy demand.
- ADNOC Drilling Company signed an agreement to acquire two premium offshore jack-up rigs for USD 220 Mn. The rig will be delivered in Abu Dhabi waters in 4Q23 and start contributing to revenue in 2024. This acquisition comes within the framework of ADNOC Drilling's fleet expansion and growth strategy to meet the increasing global energy demand.
- **ADNOC Distribution** and Hindustan Petroleum Corporation Limited (HPCL) signed an agreement to expand their international lubricants and allied products businesses in the UAE, India, and other potential markets. This collaboration reflects the companies' shared goal of exploring new opportunities and capitalizing on India's significant demand for fuel retailing and lubricants.

### Utilities Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED Mn)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Abu Dhabi National Energy (TAQA)	12,413	11,927	-3.9%	65,874	5,872	0.0%	47.3%	49.2%	1,971	1579	-19.9%	15.9%	13.2%	0.02	0.01
2 National Central Cooling (TABREED)	556	598	7.7%	326	342	5.0%	58.6%	57.2%	152	183	20.3%	27.4%	30.6%	0.05	0.06

### Commentary:

- **TAQA**, ENGIE, and EWEC successfully completed the financial closure for Mirfa 2 Desalination Plant, valued at AED 2.3 Bn (USD 620 Mn). The project is primarily funded through debt financing (78%) from local and international banks. The plant is expected to commence operation in 4Q25 and is owned 60% by TAQA holding and the remaining by ENGIE.
- TAQA announced a collaboration with Uzbekistan Government to explore investment opportunities in the power sector, valued at over USD 3 Bn. The focus will be on existing and greenfield gas-fired power generation plants as well as power infrastructure assets worth USD 3 Bn. Further, the agreement looking for opportunities to invest in existing and greenfield gas-fired power generation plants in Uzbekistan.
- TAQA Group completed the placement of USD 1.5 Bn in 5-year and 10-year dual-tranche senior unsecured notes. TAQA issues USD 1 Bn green bonds with a 10-year maturity at a coupon rate of 4.696%, and the proceeds from these bonds are used to fund green projects. While the remaining USD 0.5 Bn was raised through conventional bonds with a 5-year maturity and a coupon rate of 4.375%. The proceeds will be used for general corporate purposes.
- ADNOC and TAQA announced the award of a strategic investment project worth USD 2.4 Bn (AED 8.8 Bn) to provide sustainable water supply for ADNOC's Onshore operations. Both entities will own a combined 51% majority stake (25.5% each) and the remaining will be owned by a consortium comprised of Orascom Construction and Metito in the project. The project will deliver over 110 Mn imperial gallons per day and ensure a sustainable water supply for ADNOC's onshore operations.
- **Tabreed** enters into its first district cooling transaction in India through a strategic alliance with TATA Realty and Infrastructure Limited (TRIL) with an Investment of INR 100 Cr (AED 44.34 Mn) in TATA Realty's Intellion Park special economic zone (SEZ) development in Gurugram, northern India. Tabreed will acquire existing cooling infrastructure at the Intellion Park with the existing investment. It is further expected that the demand for cooling will surge 800% across the country over the next 15 years and, unlock significant investment opportunities for Tabreed in India's promising market.

### || Transportation Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	1Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Air Arabia	1,114	1,393	25.1%	318	362	14.0%	28.5%	26.0%	160	199	41.9%	14.4%	14.3%	0.03	0.05
2 Aramex	1,517	1,561	2.9%	156	162	3.5%	10.3%	10.4%	45	34	-24.3%	3.0%	2.2%	0.03	0.02

### Commentary:

- **Aramex** partnered with Abu Dhabi's AD Ports Group to establish a joint venture. The JV will lease or purchase space in shipping containers to facilitate the movement of goods for freight forwarding companies. Further, this collaboration aims to strengthen shipping connectivity in the GCC, Indian, and East and West African markets.
- UAE exporters can reach more than 2.2 billion consumers due to the new trade agreements with some of the world's fastest-growing economies. Further, UAE is focusing on high-growth countries and upcoming four to six agreements which will generate significant opportunities for UAE manufacturers and factories.
- According to the IATA, Middle East airlines are projected to achieve a net profit of USD 2 Bn in 2023. This optimistic outlook is driven by a projected increase of 20.8% in average revenue per kilometre, accompanied by a 15.9% rise in available seat kilometres compared to the previous year. These positive trends are expected to provide further support to the aviation industry.
- **Air Arabia**, based in Abu Dhabi, is playing a pivotal role in bolstering the UAE capital's status as a prominent global tourism and business hub. The airline has unveiled its strategy to double its existing fleet capacity within the next 12 months, with the objective of catering to Abu Dhabi's thriving leisure and business tourism sector and expanding its aviation requirements.
- Total global passenger traffic measured in terms of revenue passenger kilometre rose YOY 39.1% in May 2023. The growth in traffic is driven by double-digit growth across the region. Traffic now stands at 96.1% of pre-pandemic levels. Industry-wide load factor stood at 81.8%.
- Global air cargo demand remained weak in May 2023 as cargo tonnes kilometres (CTK) declined 5.2% YOY. This is driven by a decline in CTK across all regions except Latin America. North America and Europe registered the largest as compared to other regions. The capacity of air cargo rose 14.5% YOY owing to belly capacity addition which expands as the passenger traffic recovers. The cooling of manufacturing PMI coupled with a decline in new export orders further suggests a decline in cargo demand.

### Financials Sector:

Company		Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
		2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1	GFH Financial Group	92	121	31.8%	-	-	-	-	-	23	32	39.7%	25.1%	26.6%	0.01	0.01
2	Dubai Financial Market (DFM)	51	47	-8.2%	-	-	-	-	-	36	45	24.5%	41.7%	46.4%	0.004	0.006
3	Shuaa Capital	66	52	-21.3%	-	-	-	-	-	-170	15	NM	-	23.9%	-0.067	0.006
4	Waha Capital	29	23	30.0%	-	-	-	-	-	-59	37	NM	-	20.0%	-0.03	0.02
5	Abu Dhabi National Insurance Company (ADNIC)	-	1,544	-	-	-	-	-	-	102	106	3.6%	-	6.84%	0.18	0.19
6	Amanat Holdings	126	206	62.7%	42	64	53.4%	33.2%	31.3%	35	37	6.5%	27.4%	17.9%	0.014	0.015

### Commentary:

- **GFH Financial Group** launches GFH Partners, a fully-owned subsidiary focused on increasing the group's global asset management capability, with a focus on the real estate sector. GFH Partners manages over USD 6 Bn in real estate assets.
- **DFM** added 14,635 new investors, 78% of whom are foreign investors, lifting its investor base to 1.2 Mn subscribers in 1Q23. The trading value on DFM reached AED 19 Bn in 1Q23, out of this 68% is accounted by institutional investors.
- **Shuaa Capital** reported a revenue of AED 60 Mn in 1Q23, benefiting from recurring revenue across all segments. While, Asset management sector particularly performed well, with a revenue of AED 54 Mn, growing 30% since 1Q22. This growth was driven by strong performance in investment funds, managed accounts, real estate, public and private markets, and the debt segment.
- **Waha Investment's** Public Markets business, a wholly owned subsidiary, reported total revenue of AED 238 Mn in 1Q23. The strong performance of flagship credit and equity funds drove the impressive financial results.
- **Amanat Holdings** completed the acquisition of a majority stake of 85% in Sukoon International Holding Company through a merger with Cambridge Medical & Rehabilitation Centre. The merger establishes the largest pan-GCC post-acute care provider with an aim to deliver 1,000 pan-regional beds within three years.
- **ADNIC** partnered with American University in Dubai (AUD) in June 2023 to provide specialized technical insurance training to UAE national staff. The program will enhance technical and other essential skills in the areas of underwriting and claims.



### || Industrials Sector:

Company		Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
		2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1	RAK Ceramics	927	1,001	8.0%	154	167	8.4%	16.6%	16.7%	91	92	1.3%	9.8%	9.2%	0.06	0.09
2	Dubai Investments	787	802	1.9%	219	228	4.1%	27.8%	28.4%	162	126	-22.1%	20.6%	15.8%	0.04	0.03
3	Abu Dhabi Ports	1,242	1,873	50.8%	532	779	46.4%	42.8%	41.6%	298	385	29.3%	24.0%	20.6%	0.06	0.08

### Commentary:

- **RAK Ceramics** is expanding its operations in the UAE with a smart tiles factory and tableware capacity expansion, targeting commercial production of an additional 10 Mn pieces by 3Q23. Furthermore, the Company is actively pursuing licenses and clearances for greenfield projects in Bangladesh and Saudi Arabia.
- KEZAD Group, a wholly owned subsidiary of AD Ports Group and Al Ghurair Foods, signed 50-year land lease agreements for three major food processing projects. The project involves an investment of over AED 1 Bn and becomes the region's first starch processing plant and one of the largest broiler projects in terms of capacity.
- **AD Ports Group** and Aramex entered into a joint venture agreement, to form and operate a Non-Vessel Operating Common Carrier (NVOCC). The JV will provide solutions to freight forwarders for ocean-bound container cargo. AD Ports will own a majority stake in the JV owing 51% share. The newly formed entity will handle the captive cargo of Aramex and third-party freight forwarders operating in the industry. Further, the new JV aims to ship 10,000 containers in the short term and plans to further increase container capacity in the medium to long term.
- AD Ports Group signed a 50-year concession agreement with Karachi Port Trust (KPT) to manage the container terminal. The agreement also requires to enhance and expand operations at the Port of Karachi. The JV will manage, operate and develop berths 6-9 at Karachi Port's East Wharf. Further, this JV will make substantial investments in infrastructure and superstructure over the next decade, with a majority of the investment planned in 2026. This expansion will solidify the terminal and Karachi's position as a significant player in the maritime industry, where AD Port is the major shareholder in the JV.
- AD Ports Group completed the acquisition of Noatum, a global logistics services provider operating in 26 countries, for AED 2.65 Bn. The acquisition was completed upon receiving regulatory approvals. The consolidation of Noatum began on 30 June 2023. This strategic acquisition unites two leading industry players, combining their strengths and capabilities to create a global powerhouse in the trade and logistics sector.
- **Dubai Investments** and E20 Investment signed an MOU to develop 3,750 Ha of agricultural land in Angola. The JV aims to transform the land into a vibrant agricultural hub within 18 months, with projected production of 28,000 tons of rice and 5,500 tons of avocados.



### || Basic Material Sector:

Company	Revenue (USD Mn)			EBITDA (USD Mn)			EBITDA Margin (%)		Net Profit (USD Mn)			Net Margin (%)		EPS (USD)	
	2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1 Fertigllobe PLC	1,471	551	-62.6%	770	188	-75.5%	52.3%	34.2%	430	48	-88.9%	29.2%	8.7%	0.05	0.01
2 Borouge PLC	1,870	1,625	-13.1%	870	605	-30.5%	46.5%	37.2%	480	272	-43.4%	25.6%	16.7%	0.02	0.01

### Commentary:

- **Fertigllobe** initiated a cost optimization program to achieve USD 50 Mn in annualized savings over the next 12-18 months, reinforcing its leading cost position. Furthermore, the recent devaluation of the Egyptian pound is anticipated to favorably affect the Company's cost base and help improve its future performance.
- Fertigllobe reported strong earnings and cash generation in 2022, enabling attractive returns for shareholders. Thus, during the AGM, a cash dividend of USD 700 Mn, equivalent to 31 fils per share, was approved, with a total dividend payout of USD 1.45 Bn for 2022. This positions Fertigllobe as one of the highest dividend payers in the industry by yield, highlighting the Company's commitment to delivering value to its shareholders.
- **Borouge** signed a distribution agreement with Somochem, a major polyolefin distributor in East Africa, to expand its presence in the region. This agreement strengthens their existing partnership and enables Borouge to introduce new advanced packaging solutions and unlock future growth opportunities in East Africa.
- Borouge anticipates significant benefits from its Value Enhancement Programme and already achieved over USD 100 Mn in savings by the end of 1Q23. The Company aims to achieve USD 400 Mn in savings by the end of 2023, supporting its growth plans and strengthening its competitive position in response to the growing demand for Borouge products.

### || Consumer Staples Sector:

Company		Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
		2Q22	2Q23F	YoY Change	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F	YoY Change	2Q22	2Q23F	2Q22	2Q23F
1	Agthia Group	942	1,024	8.6%	117	164	40.0%	12.4%	16%	35	52	48.3%	3.8%	5.1%	0.04	0.07
2	Americana Restaurants	574	598	4.1%	136	136	0.0%	23.7%	22.7%	49	62	25.9%	8.6%	10.4%	-	0.0074

<sup>1</sup> Americana Restaurant was incorporated on 27 May 2022 as a result financial statement for 1Q22 is unavailable

### Commentary:

- **Agthia** is leveraging its Egyptian platform as it is a strategically important market for the Company. Egypt serves as a manufacturing hub for crucial regional and international export markets, leveraging the Group's well-invested facilities and enhancing the Company's capabilities through cost-effective capacity utilization.
- Agthia prioritizes innovation and recently introduced the first domestically-produced 100% Pet water bottle. In the Snacking sector, the Company achieved market share growth in UAE Retail through innovative gifting ranges and value-added product and packaging formats in the dates business. Agthia remains committed to diversifying its snacking portfolio to cater to the increasing demand for healthy snacks.
- The CBUAE slightly revised its inflation projections for 2023 from 3.2% to 3.1%. The adjustment is attributed to lower energy and food prices, along with a marginal decrease in Dubai's inflation during 1Q23. Further, these factors provide additional support to the consumer sector and increase spending in the region.
- **Americana Restaurants** announce its inclusion in the MSCI UAE Index. This index serves as a vital benchmark for investment decisions in emerging markets, particularly the Middle East. The inclusion gains further exposure to regional, global, and institutional investors, including those focusing on Emerging Market equities and enhancing liquidity in the Company's shares.
- Americana continues to expand its portfolio and added 49 gross new restaurants during 1Q23; while the restaurant portfolio stood at 2,228 at the end of 1Q23. Additionally, there are currently 63 restaurants under construction. Looking ahead, management anticipates opening a net of 250-300 new restaurants per year in the medium term.
- Commodity-driven inflationary pressures posed challenges to margins, but it is anticipated that these headwinds will ease in the 2H23. This anticipated trend is expected to positively impact profitability by facilitating an improvement in the Company's financial performance.
- Americana Restaurants aims to double its revenues in the medium-term while targeting healthy mid-single-digit like-for-like sales growth. Further, the management views Saudi Arabia as a compelling opportunity for restaurant expansion, and sees Iraq as an exciting greenfield prospect in the future.