

TABLE OF CONTENTS

1. Today's Trading Playbook	2. Top News & Analysis	3. Chart of the Day
4. Markets Performance	5. Latest EGX Valuation Multiples	6. Key Dates
		7. Latest Research

June at Last**1. Today's Trading Playbook****TABLE OF CONTENTS****KEY THEMES**

Arabian Food Industries "Domty" [**DOMT**] announced its Q1 2022 consolidated results, turning to profitability, reporting net profits of EGP50mn compared to net losses of EGP3mn last year. DOMT showed an extraordinary revenue leap coming in at EGP1.1bn (+73.3% y/y), the highest y/y growth since 2017. Meanwhile, GPM showed an improvement, reaching 24.0% (+3.5pp), in addition to an improved EBIT of EGP99mn on the back of a lower SG&A-to-revenues ratio of 16.1% (-4.5pp). EBITDA showed an increase as well, reaching EGP122mn and implying a higher EBITDA margin of 10.9% (+6.6pp). Despite all the improvements, interest expense came in at EGP36mn (+85% y/y), creating pressure on the bottom line.

While tight monetary conditions will place pressure on DOMT's net margin, we believe the market has over punished the stock for its performance last year, given the restructuring efforts of DOMT's distribution channels. On a TTM basis, DOMT is now traded at a P/E of 10x. We note that if we annualized Q1 2022 earnings, DOMT's 2022e P/E would be only 6x.

Now, on to the top news and analysis for the day.

2. TOP NEWS & ANALYSIS**TABLE OF CONTENTS****MACRO NEWS**

A shipment of Ukrainian wheat will soon make its way to Egypt from Romania, according an Egyptian Holding Co. for Silos & Storage official. ([Enterprise](#))

Plans to link our electricity grid with Greece could move faster after the war in Ukraine. ([Enterprise](#))

Gas export revenues almost doubled to USD3.9bn in 4M 2022. ([Reuters](#))

CORPORATE NEWS

Palm Hills Developments [PHDC] announced its Q1 2022 consolidated results with a 44% y/y increase in net profit to EGP295mn (+56% q/q), while revenue surged to EGP2.9bn (+47% y/y, +59% q/q) vs. EGP1.9bn from Q1 2021. The strong top line growth was driven by (1) real estate new sales that rose to EGP5.5bn (+62% y/y) vs. EGP3.4bn during the same period last year, (2) delivered 371 units (+8% y/y) and a complement of ready-to-move units that stood at EGP3.8bn (+3% y/y). PHDC achieved an EBITDA margin of 20.1% (+1pp y/y) and reported a net debt/EBITDA ratio of 0.6x. Meanwhile, PHDC is currently trading at a TTM P/E of 3.9x. ([Company disclosure](#))

Misr Beni Suef Cement [MBSC] announced its Q1 2022 consolidated results, where its bottom line reached EGP47.7mn compared to EGP37.3mn a year earlier (+28% y/y). Revenues amounted to EGP436mn compared to EGP256mn in the same period last year (+70% y/y). This is mainly attributable to inflationary pressures on cement prices and also due to a slight increase in volumes from 416,000 tons in Q1 2021 to 448,000 tons in Q1 2022 (+8% y/y). (Company disclosure)

CI Capital Holding [CICH] reported net earnings of EGP154mn in Q1 2022 against net losses of EGP16mn a year earlier. This improvement after the losses incurred in Q1 2021 came in light of (1) a lower employee cost by 44% to EGP217mn, (2) the group's operating revenues jumping by 36% y/y to EGP763mn, where the NBFS marked an 82% contribution to total revenues. The pole position in NBFS revenues came to **Corplease** with a 51% contribution to operating revenues, recording EGP389mn (+38% y/y, -32% q/q). The performance was compelled by robust growth in newly-secured bookings of 19% y/y to EGP5.7bn, followed by microfinance which rose 64% y/y to EGP211mn. The increase was propelled by a higher number of active borrowers surpassing 154,000 and signifying a double-digit growth of 29% y/y. (Company disclosure)

B Investments Holding [BINV] announced its Q1 2022 results, showing consolidated net earnings of EGP22mn (-56% y/y). The dramatic drop was due to the decline in operating revenues to EGP15mn (-76% y/y). We note that the exclusion of **Giza Systems** impacted top line negatively, coupled with finance income edging lower 32% y/y to EGP14mn. We saw the revenue decline further intensified by (1) **Gourmet's** lower earnings as a result of surging operational expenses and the rise of interest expenses, (2) the losses incurred by **Basata Financial Holding** due to its finance segment, with a slowdown in loan originations by 19% y/y to EGP113mn in Q1 2022. Furthermore, revenues from leasing operations shrank by 22% after securitization. This was offset by an FX gain of EGP20.7mn. If excluded, earnings would have dropped by 97% y/y. (Company report)

Paradigm Logistics will acquire a 62.3% stake of Ostool, a subsidiary of Raya Holding [RAYA] for EGP266mn. RAYA's BoD has approved to sell 53.9mn shares a value of EGP4.94/share, with proceeds of EGP237mn. ([Company disclosure](#))

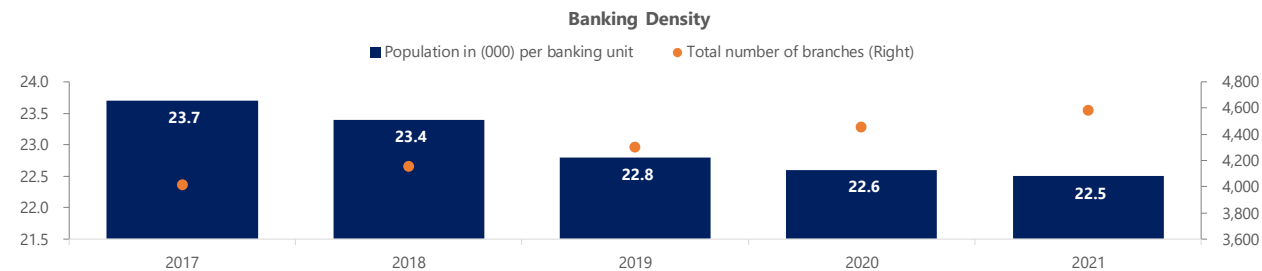
The Financial Regulatory Authority (FRA) has approved the EGP98mn capital increase of Ghazl El-Mahalla Football Club. ([Hapi Journal](#))

3. CHART OF THE DAY

TABLE OF CONTENTS

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Source: CBE

Because the government has been focused on financial inclusion, the number of total banks' branches has been increasing steadily in the past five years. On the other hand, this has helped decrease banking density to 22,500 persons per banking unit in 2021.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.		
665.9					1,548.1 852.2		
			daily chg.	ytd chg.		daily chg.	ytd chg.
	EGX 30	10,150.05	0.40%	(15.06%)		Gold	1,837.35 (0.96%) 0.18%
	EGX 30 TR	4,102.63	0.49%	(13.02%)		Silver	21.55 (1.93%) (7.81%)
	EGX 70 EWI	1,744.43	0.38%	(20.77%)		Brent Oil	115.60 (0.08%) 52.31%
	EGX 100 EWI	2,621.94	0.28%	(19.45%)		WTI	114.67 0.03% 57.60%
	DFMGI	3,347.24	0.06%	4.74%		Natural Gas	8.15 2.17% 123.11%
	ADSMI	10,054.87	1.49%	18.45%		USD/EGP	18.61 (0.01%) (15.52%)
	TASI	12,921.74	0.11%	14.54%	€	EUR/USD	1.07 (0.24%) (5.82%)
	QE Index	12,919.43	0.20%	11.13%	£	GBP/USD	1.26 (0.17%) (7.03%)
	S&P 500	4,132.15	(0.63%)	(13.30%)	¥	USD/JPY	128.67 (0.84%) (10.94%)
	Dow 30	32,990.12	(0.67%)	(9.21%)		6M TB yield	14.17 51 144
	NASDAQ	12,081.39	(0.41%)	(22.78%)		1Y TB yield	13.84 20 107
	VIX	26.19	(1.32%)	52.09%		10Y TB yield	14.68 30 29
	STOXX 50	3,789.21	(1.36%)	(11.85%)		2Y TB yield	2.55 8 242
EM	MSCI Emerging	1,077.67	1.18%	(12.53%)		10Y TB yield	2.85 11 192
FM	MSCI Frontier	548.65	(0.63%)	(17.58%)		30Y TB yield	3.05 8 139

* As of market close, except for commodities and currencies at 8.3am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

TABLE OF CONTENTS

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

DATE	TICKER	TYPE	EVENT
1-Jun-22	ISPH	Stock dividend	Date for distributing a 0.167-for-1 stock dividend.
1-Jun-22	HRHO	EGM	Amending Article No.5 of the company's bylaws.
1-Jun-22		MSCI	MSCI's May 2022 Semi-Annual Index Review Effective Date.
4-Jun-22	CCRS	OGM	Setting responsibilities for board members and directors.
5-Jun-22	AUTO	EGM	Discussing capital reduction and amending articles No.6 & 7 of the company's bylaws.
5-Jun-22	ISPH	Cash dividend	Deadline for eligibility for a dividend of EGP0.100/share.
6-Jun-22	ISPH	Cash dividend	Ex-dividend date for EGP0.100/share.
7-Jun-22	IDHC	OGM	Approving financial statements and the proposed dividends.
8-Jun-22	ISPH	Cash dividend	Date for paying out a dividend of EGP0.100/share.
12-Jun-22	DOMT	EGM	Discussing the cancelation of GDR.
12-Jun-22	ESRS	Cash dividend	Deadline for eligibility for a dividend of EGP0.800/share.
14-Jun-22	EGTS	OGM	Approving financial statements and other agenda items.
14-15 Jun-2022		FOMC	Determining policy rate & monetary stance.
15-Jun-22	ESRS	Cash dividend	Date for paying out a dividend of EGP0.800/share.
15-Jun-22	SAUD	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
16-Jun-22	SAUD	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
16-Jun-22	HELI	Cash dividend	Payment date for a dividend of EGP0.08/share (2nd installment).
16-Jun-22	DSCW	EGM	Amending Article No. 5 of the company's bylaws.
20-Jun-22	SUGR	Cash dividend	Deadline for eligibility for a dividend of EGP0.500/share.
23-Jun-22		MPC Meeting	Determining the CBE's policy rate.
23-Jun-22	SUGR	Cash dividend	Date for paying out a dividend of EGP0.500/share.
22-Jun-22	ORWE	OGM	Discussing the agenda of the BOD.
22-Jun-22	ORWE	EGM	Amending Articles No. 4 & 7 of the company's bylaws.
26-Jun-22	ASCM	OGM	Approving financial statements and other agenda items.
6-Jul-22	TMGH	Cash dividend	Payment date for a dividend of EGP0.087/share (2nd installment).
26-27 Jul-2022		FOMC	Determining policy rate & monetary stance.
28-Jul-22	PHAR	Cash dividend	Payment date for a dividend of EGP1.5/share (2nd installment).

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
25-May-22	<u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u>
23-May-22	<u>Cairo for Investment & Real Estate Development [CIRA] – Head of the Class</u>
19-May-22	<u>MACROView – A New Game Plan</u>
17-May-22	<u>MACROView – All Uphill from Here</u>
15-May-22	<u>EGYPTBanks – Harness the Hike</u>
15-May-22	<u>TAKEStock – Hidden “valu”</u>
28-Apr-22	<u>MACROView – Din of Battle Getting Louder</u>
17-Apr-22	<u>MACROView – Before the Grand Storm</u>
14-Apr-22	<u>EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid</u>
12-Apr-22	<u>MACROView – Mounting External Vulnerabilities</u>
10-Apr-22	<u>MACROView – Much Higher Inflation ... and Longer</u>
24-Mar-22	<u>EFG Hermes Holding [HRHO] – The Best Is Yet to Come</u>
23-Mar-22	<u>CI Capital Holding [CICH] – A Year to Remember</u>
22-Mar-22	<u>Orascom Construction [ORAS] – A Clear Devaluation Winner</u>
10-Mar-22	<u>MACROView – The Dizzying Speed</u>
6-Mar-22	<u>MACROView – On the Back Foot</u>
2-Mar-22	<u>MACROView – Calculating the Ferocity</u>
1-Mar-22	<u>Housing & Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</u>
27-Feb-22	<u>Export Development Bank of Egypt [EXPA] – A Year to Forget</u>
22-Feb-22	<u>Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale</u>
21-Feb-22	<u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day</u>
20-Feb-22	<u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability</u>
17-Feb-22	<u>Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk</u>
16-Feb-22	<u>MACROView – A Soothing Message From the CBE ... and Our Takeaways</u>
14-Feb-22	<u>Abu Qir Fertilizers [ABUK] – Another Record-High Quarter</u>
13-Feb-22	<u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u>
10-Feb-22	<u>MACROView – Ebb and Flow</u>
10-Feb-22	<u>MACROView – The Cloudy Year Has Just Begun</u>
9-Feb-22	<u>Elsowedy Electric [SWDY] – Ending 2021 on a Good Note</u>
8-Feb-22	<u>MACROView – A Fall in Disguise</u>

7-Feb-22	<u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u>
1-Feb-22	<u>MACROView – The Ripple Effect</u>
31-Jan-22	<u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u>
30-Jan-22	<u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u>
12-Jan-22	<u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u>
10-Jan-22	<u>MACROView – The Last Reading Ahead of a Cloudy Year</u>
30-Dec-21	<u>EGYPTCeramics – From Dusk to Dawn</u>
26-Dec-21	<u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u>
22-Dec-21	<u>MACROView – The Return of the ‘Vigilante’</u>
14-Dec-21	<u>MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</u>
9-Dec-21	<u>MACROView – Another Retreat ... Until Further Notice</u>
8-Dec-21	<u>MACROView – For Stormy Days, Eyes on the Ball</u>
7-Dec-21	<u>EGYPTBanks – Takeoff Time</u>
5-Dec-21	<u>MACROView – Searching for Lost Momentum</u>
21-Nov-21	<u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u>
17-Nov-21	<u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u>
17-Nov-21	<u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u>
15-Nov-21	<u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u>
15-Nov-21	<u>Elsewedy Electric [SWDY] – A Quarter to Forget?</u>
14-Nov-21	<u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u>
14-Nov-21	<u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u>
14-Nov-21	<u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u>
10-Nov-21	<u>MACROView – The Calm Before the Storm, or Maybe Not</u>
10-Nov-21	<u>CI Capital Holding [CICH] – Record-Breaking Quarter</u>
7-Nov-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – Earnings Recover on Lower Provisions</u>
4-Nov-21	<u>MACROView – Underlying Strength, but Gathering Headwinds</u>
3-Nov-21	<u>MACROView – Gathering Clouds</u>
1-Nov-21	<u>TAKEStock – Separating the Wheat from the Chaff</u>
31-Oct-21	<u>TAKEStock – Natural Gas Price Hike</u>
19-Oct-21	<u>MACROView – The Storm Is Gone but the Headwinds Persist</u>
13-Oct-21	<u>e-finance [EFIH] – An Eye-Opening IPO</u>
10-Oct-21	<u>MACROView – Walking a Tightrope</u>

6-Oct-21	<u>MACROView – On “Risk Control” Mode</u>
6-Oct-21	<u>MACROView – The Tortuous Path to Recovery</u>
19-Sep-21	<u>TAKEStock – Consumer Staples (Food & Beverage) – All You Can Eat Festival</u>
15-Sep-21	<u>MACROView – Deciphering the Din of Battle</u>
14-Sep-21	<u>TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play</u>
9-Sep-21	<u>MACROView – Hot Summer Winds</u>
7-Sep-21	<u>MACROView – The Global Blessing Windfall</u>
6-Sep-21	<u>MACROView – Tempered, But Cautious, Optimism</u>
5-Sep-21	<u>Misr Chemical Industries [MICH] – Nice While It Lasted</u>
29-Aug-21	<u>Orascom Construction [ORAS] – Recovery on Track Although Below Estimates</u>
24-Aug-21	<u>Abu Qir Fertilizers [ABUK] – When the Stars Align</u>
18-Aug-21	<u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u>
17-Aug-21	<u>Elsewedy Electric [SWDY] – Impressive Set of Results</u>
17-Aug-21	<u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u>
16-Aug-21	<u>B Investments Holding [BINV] – Growth Dented Across the Board</u>
11-Aug-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u>
10-Aug-21	<u>MACROView – July’s Feverous Inflation</u>
9-Aug-21	<u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u>
5-Aug-21	<u>MACROView – The Sky Is No Blue</u>
4-Aug-21	<u>MACROView – Constrained Recovery</u>
26-Jul-21	<u>EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action</u>
13-Jul-21	<u>Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth</u>
8-Jul-21	<u>MACROView – Inflation Edged Up, As Expected</u>
8-Jul-21	<u>MACROView – External Buffers Still Powering Ahead</u>
6-Jul-21	<u>MACROView – A Steady and Slow Recovery in the Making</u>
5-Jul-21	<u>Abu Qir Fertilizers [ABUK] – Talking U</u>
16-Jun-21	<u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u>
14-Jun-21	<u>Al-Shams Housing & Development [ELSH] – Earnings Flattened by Factoring Cost</u>
10-Jun-21	<u>MACROView – Inflation Risk Rising, but Still Within Target</u>
8-Jun-21	<u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u>
6-Jun-21	<u>MACROView – Further Enhancement</u>
3-Jun-21	<u>MACROView – Contraction Eased</u>

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