

M&A and More

TODAY'S TOP NEWS & ANALYSIS

Egypt, the second largest M&A destination in MENA

Details about national electricity rationing soon to be released

PIF acquired stakes in four EGX-listed state-owned companies

Telecom Egypt releases Q2 2022 financials

ADIB Egypt reports full Q2 2022 standalone financials

Misr Beni Suef Q2 2022 results

Oriental Weavers Carpet sells its entire stake in OW china

Saybad Investments raises its initial offer in a bid war with SIPES

MACRO

Egypt, the second largest M&A destination in MENA

Egypt recorded 65 M&A transactions worth USD3.2bn in H1 2022, making it the second-largest M&A destination in the MENA region by value and deal count, according to a report from EY.

[\(Enterprise\)](#)

Details about national electricity rationing soon to be released

The Egyptian Cabinet will announce the full details of the measures it will implement to restrict public electricity consumption following its meeting today. [\(Enterprise\)](#)

CORPORATE

PIF acquired stakes in four EGX-listed state-owned companies

The **Public Investment Fund (PIF)**, Saudi Arabia's sovereign wealth fund, has acquired stakes in a number of EGX-listed state-owned companies, namely Abu Qir Fertilizers [**ABUK**], Alexandria Containers [**ALCN**], e-Finance [**EFIH**], and MOPCO [**MFPC**]. The details are listed below vs. the other acquisitions made by **ADQ Holding**, Abu Dhabi's sovereign wealth fund:



			ADQ (UAE)							PIF (KSA)							
			Share price @ FX			Deal value		Premium/ (discount)		Share price @ FX			Deal value		Premium/ (discount)		
Ticker	Co. name	Issued sh. (mn)	NOS acq. (mn)	Stake	@ 18.42	(EGPmn)	(USDmn)	Prev. close	@ 18.42	NOS acq. (mn)	Stake	@ 19.18	(EGPmn)	(USDmn)	Prev. close	@ 19.18	ADQ + PIF
ABUK	Abu Qir Fertilizers	1,261.9	271.6	21.52%	26.58	7,220	392	24.00	10.8%	250.1	19.82%	29.08	7,272	379	23.86	21.9%	41.34%
ALCN	Alexandria Containers	1,489.8	476.7	32.00%	6.15	2,930	159	7.40	-16.9%	298.0	20.00%	10.14	3,020	157	9.42	7.6%	52.00%
COMI	CIB	1,982.5	340.1	17.15%	49.37	16,789	911	43.10	14.5%								17.15%
EFIH	e-Finance	1,848.9								462.2	25.00%	16.23	7,500	391	16.02	1.3%	25.00%
FWRV	Fawry	1,707.3	215.1	12.60%	5.87	1,264	69	4.70	25.0%								12.60%
FWRV_R	Fawry (Rights)	1,600.0	201.6	12.60%	5.01	1,011	55	3.89	28.9%								12.60%
FWRV	Fawry (total)	3,307.3	416.7	12.60%	5.46	2,274	123	4.70	16.1%								12.60%
MFPC	MOPCO	229.1	45.8	20.00%	107.15	4,910	267	94.75	13.1%	57.3	25.00%	123.96	7,100	370	105.90	17.1%	45.00%
Total						34,123	1,853	4.0%					24,893	1,298	11.9%		

Source: EGX, Prime Research.

Telecom Egypt releases Q2 2022 financials

Telecom Egypt's [ETEL] net income in Q2 2022 recorded EGP2.4bn (+38% y/y). Such strong earnings growth came sparked by a 21% growth in top line of EGP10.9bn, as well as an improvement in ETEL's GPM of 42.6% against 41.6% in the comparable quarter. Furthermore, ETEL has seen a provisions reversal of expected credit loss of EGP114mn vs. provisions booking of EGP6.9mn a year earlier. Moreover, income arising from equity accounted investees, including Vodafone Egypt [VODE], saw an 18% y/y growth to EGP726mn. We note that the impact of provisions reversal coupled with share of income from equity accounted investees has balanced out the adverse effect of substantially higher borrowing costs of EGP596mn (+68% y/y).

([Company disclosure](#))

ADIB Egypt reports full Q2 2022 standalone financials

Abu Dhabi Islamic Bank – Egypt [ADIB] reported its full financials for Q2 2022. ADIB's net income increased 29% q/q to EGP548mn due to growth in net interest income of 13% q/q to EGP1.1bn. We also note that ADIB booked an enormous amount of credit provisions this quarter amounting to EGP176mn (+558% q/q). However, this was offset by other operating income that reached EGP6mn against other operating losses of EGP168mn in the previous quarter. ADIB's loan portfolio grew 8% q/q to EGP52bn increasing GLDR to 65% (vs 62%), while deposits increased to EGP83bn (6% q/q). NPL ratio decreased q/q to 2.5% (vs. 3.3%), whereas coverage ratio reached 165%. The bank's annualized ROE increased from 25% last quarter to 30%. ADIB is currently traded at an annualized P/E of 2.6x and a P/B of 0.7x. ([Company disclosure](#))

Misir Beni Suf Q2 2022 results

Misir Beni Suf Cement [MBSC] announced its Q2 2022 results, where its bottom line turned into a loss of EGP3mn compared to a profit of EGP42.3mn in the same period a year before. Gross loss margin reached 7.5% compared to a GPM of 12% in Q2 2021 (-19.5pp y/y), which is attributable to the company producing more clinker than the amounts of cement it sold during the quarter. This led to COGS higher than sales. Revenues reached EGP289.5mn (+57% y/y), which is mainly due to a 7% increase in sales volumes and the higher cement price compared to Q2 2021. ([Company disclosure](#))

Oriental Weavers Carpet sells its entire stake in OW china

Oriental Weavers Carpet's [ORWE] BoD approved to sell ORWE's entire stake in **Oriental Weavers (Tianjin) Co.** located in China. ORWE owned OW China through a 20.4% direct stake and a 79.2% indirect stake through its 99%-owned **Oriental Weavers International (OWI)**. Prior to ORWE's management decision to impair the entire stake of OW China, which is now nearly zero, OW China's total investment cost was close to EGP123mn. Moreover, OW China's contribution to ORWE's total revenues used to be 1% on average. Moreover, ORWE is reportedly looking to inject USD10mn new investments in 2022 through increasing production capacity. (Company disclosure, Al-Borsa [1](#) , [2](#))

Saybad Investments raises its initial offer in a bid war with SIPES

Saybad Investments raised its non-binding tender offer to acquire up to 90% of Paint & Chemical Industries (PACHIN) [PACH] to be EGP16.5-18.75/share, valuing the company between EGP396-450mn. We note that SIPES's non-binding offer is between EGP17.5-18.5/share. On the other hand, PACH announced that they will hire an investment bank to help shareholders decide between the aforementioned two offers. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.			
666.5					20,930.0		837.8	
			daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	9,965.46	(0.03%)	(16.60%)		Gold	1,792.38	(0.11%) (2.43%)
	EGX 30 TR	4,030.40	(0.04%)	(14.55%)		Silver	20.59	0.31% (12.04%)
	EGX 70 EWI	2,013.37	0.76%	(8.56%)		Brent Oil	97.40	0.11% 31.22%
	EGX 100 EWI	2,932.22	0.50%	(9.92%)		WTI	91.93	0.08% 28.56%
	DFMGI	3,394.24	0.26%	6.21%		Natural Gas	8.20	1.11% 122.33%
	ADSMI	10,198.29	0.77%	20.14%	EGP	USD/EGP	19.13	0.17% (17.97%)
	TASI	12,431.45	0.82%	10.19%	€	EUR/USD	1.03	(0.05%) (9.46%)
	QE Index	13,568.95	0.37%	16.71%	£	GBP/USD	1.22	(0.11%) (9.80%)
	S&P 500	4,210.24	2.13%	(11.66%)	¥	USD/JPY	132.89	1.63% (13.46%)
	Dow 30	33,309.51	1.63%	(8.33%)		6M TB yield	16.00	37 327
	NASDAQ	12,854.80	2.89%	(17.83%)		1Y TB yield	16.38	9 361
	VIX	19.74	(9.32%)	14.63%		10Y TB yield	14.68	30 29
	STOXX 50	3,749.35	0.91%	(12.77%)		2Y TB yield	3.26	1 313
EM	MSCI Emerging	997.20	(0.45%)	(19.06%)		10Y TB yield	2.80	0 187
FM	MSCI Frontier	536.08	0.58%	(19.46%)		30Y TB yield	3.01	(0) 135

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

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
11-Aug-22	ISPH	BoD meeting	Discussing financial results.

11-Aug-22	ETEL	Earnings Announcement	Announcing Q2 2022 financial results.
11-Aug-22	ETEL	Conference Call	Discussing Q2 2022 financial results.
11-Aug-22		MSCI	MSCI's August 2022 Quarterly Index Review Announcement.
11-Aug-22	UNIT	EGM	Approving decreasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
14-Aug-22	GMFC	Subscription in the capital increase	Last day of subscription in the GMFC's EGP98mn capital increase.
14-Aug-22	EKHO	BoD meeting	Discussing financial results.
16-Aug-22	MNHD	OGM	To discuss allowing OCDI to conduct due diligence.
17-Aug-22	ETRS	EGM	To discuss selling the company's branch headquarters in Alexandria.
17-Aug-22	ORAS	Cash dividend	Deadline for eligibility for a dividend of EGP4.39/share.
18-Aug-22	ORAS	Cash dividend	Ex-dividend date for EGP4.39/share.
18-Aug-22		MPC Meeting	Determining the CBE's policy rate.
22-Aug-22	AREH	OGM	Discussing netting contracts.
22-Aug-22	AREH	EGM	Approving increasing issued capital and amending article No. 6 of the company's bylaws.
23-Aug-22	SWDY	OGM	Approving the authorization of the Chairman or the Managing Director to participate in establishing companies and entering as a partner or shareholder in other new or existing companies.
23-Aug-22	SWDY	EGM	Discussing capital reduction by cancelling SWDY's treasury stocks & amending Articles No. 6 & 7 of the company's bylaws.
24-Aug-22	ORAS	Cash dividend	Payment date for a dividend of EGP4.39/share.
24-Aug-22	MOIL	OGM	Appointing Peter William as a member of the BoD representing EFG Capital Partners III.
30-Aug-22	PHDC	Cash dividend	Payment date for a dividend of EGP0.05/share (2nd installment).
31-Aug-22	BTFH	OGM	Electing board members.

LATEST RESEARCH

DATE	PUBLISHED REPORT
31-Jul-22	Ghazl El-Mahalla Football Co. [GMFC] - IPO Update
14-Jun-22	Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own
8-Jun-22	TAKEStock – Delta Sugar [SUGR] - Sweet and Sour
7-Jun-22	TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside
25-May-22	TAKEStock – The Egyptian Cement Industry - Gauging the Impact
23-May-22	Cairo for Investment & Real Estate Development [CIRA] – Head of the Class
19-May-22	MACROView – A New Game Plan
17-May-22	MACROView – All Uphill from Here
15-May-22	EGYPTBanks – Harness the Hike
15-May-22	TAKEStock – Hidden “valu”
28-Apr-22	MACROView – Din of Battle Getting Louder
17-Apr-22	MACROView – Before the Grand Storm

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 [Abu Qir Fertilizers \[ABUK\] – When the Stars Align](#)
- 18-Aug-21 [EFG Hermes Holding \[HRHO\] – Solid Business, Strong Financial Growth](#)
- 17-Aug-21 [Elsewedy Electric \[SWDY\] – Impressive Set of Results](#)
- 17-Aug-21 [Commercial International Bank \[COMI\] – Adjustment Post Stock Dividend](#)

Prime Securities

Shawkat El Maraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

Mohamed ElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +20233005724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi El Nil St, Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

Alexandria

7 Albert Al Awa St.
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

Website

www.primeholdingco.com

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2022, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.