

Endless Results

TODAY'S TOP NEWS & ANALYSIS

Egyptian Ministry of Agriculture releases amounts of corn and soybeans

Upper Egypt Flour Mills Q2 2022/23: A strong quarter on higher revenues

EFIC 2022: Strong y/y growth, yet weaker Q4 margins

SKPC 2022: Ethylene and local polyethylene sales steal the show

Arab Aluminum preliminary 2022: Local sales maintain growth

Intesa Sanpaolo may fully acquire ALEXBANK

CBE approves ABC Bank's acquisition of BLOM Bank

MACRO

Egyptian Ministry of Agriculture releases amounts of corn and soybeans

Last week, the Egyptian **Ministry of Agriculture** released 81,000 tons of corn worth USD29mn and 34,000 tons of soybeans worth USD26mn, in addition to fodder worth USD4mn. (Al-Borsa)

CORPORATE

Upper Egypt Flour Mills Q2 2022/23: A strong quarter on higher revenues

Upper Egypt Flour Mills [**UEFM**] reported a consolidated Q2 2022/23 consolidated net profit of EGP45mn (+65% y/y) as:

- Revenues rose to EGP576mn (+56% y/y).
- Gross profit margin was almost flat at 14.7% (+0.3pp y/y).
- SG&A-to-revenues ratio improved to 6.5% (-1.2pp y/y). ([Company disclosure](#))

EFIC 2022: Strong y/y growth, yet weaker Q4 margins

Egyptian Financial & Industrial Co. [**EFIC**] announced its full 2022 consolidated financials, where:

y/y:

- Net income increased by 148% to EGP755mn, partially on the back of 33% y/y higher sales of EGP3.6bn on higher prices, which led GPM to increase by 5pp to 35%.
- Net financing income recorded EGP86mn vs. net financing expense of EGP66mn a year before, mostly realized in Q4 2022.
- Other operating income increased by 138% y/y to EGP20mn on a one-off sale of waste.

q/q:

- Q4 2022 was relatively weak, as GPM dropped to 22% vs. 29% in Q3 2022, mainly due to COGS (+21% q/q) outpacing sales (+11% q/q), which could possibly be attributable to lower selling prices or higher raw materials costs (e.g. Sulphur).
- Despite a lower GPM, net income rose 31% q/q to EGP145mn in Q4 2022 on higher net financing income and other operating income.

EFIC's ROE has increased to 36% against 19% a year before. Its BoD has proposed distributing a cash dividend of EGP3/Share, implying a 45% payout ratio and a 7% yield. (Company disclosures: [1](#), [2](#))

SKPC 2022: Ethylene and local polyethylene sales steal the show

Sidi Kerir Petrochemicals Co. (Sidpec) [**SKPC**] released its 2022 results, posting net profits of EGP1.2bn (+131% y/y) on higher revenues of EGP8.6bn (+69% y/y) with a 24% GPM (+3pp y/y), mainly attributed to:

- Higher local polyethylene revenues of EGP3.8bn (+108% y/y) on the back of selling 126,000 tons (+54,000 tons y/y) at higher selling prices.
- Significantly higher ethylene revenues of EGP835mn (+184% y/y) as a result of selling 36,000 tons (+18,000 tons y/y) at higher selling prices.
- Secondary product (Butene-1, Ethane, Naphtha, etc.) revenues reached EGP1.3bn (+215% y/y) as a result of higher prices and greater sales volume.

SKPC showed exceptional Q4 2022 results, posting net profits of EGP493mn (+78% q/q) on higher revenues of EGP2.8bn (+49% q/q) with a 31% GPM (+7pp q/q), mainly attributed to:

- Recording an FX loss of only EGP0.8mn vs. EGP34mn the previous quarter.
- Earning an interest income of EGP40mn (+90% q/q).
- Higher polyethylene export revenues of EGP672mn (+52% q/q) as a result of the EGP devaluation.
- Higher ethylene revenues of EGP245mn (+20% q/q), driven by higher selling prices. ([Company disclosure](#))

Arab Aluminum preliminary 2022: Local sales maintain growth

Arab Aluminum's [**ALUM**] preliminary results for 2022 showed sales almost flat y/y (-1%) at EGP370mn on 21% lower exports. However, GPM increased to 13.5% vs. 12.9% a year before on lower cost. Net income increased 10% y/y to EGP23mn on other income of EGP4.9mn (+218% y/y) and a lower effective tax rate of 20% vs. 27% a year before. Meanwhile, BoD has proposed distributing a cash dividend of EGP1.75/share, implying a 43% payout ratio and a 2.7% yield. ([Company disclosure](#))

Intesa Sanpaolo may fully acquire ALEXBANK

Intesa Sanpaolo Group, the Italian international bank, is reportedly negotiating to acquire the remaining 20% of **Bank of Alexandria (ALEXBANK)** owned by the **Egyptian government** to turn it into a fully-owned subsidiary. The deal value is yet to be disclosed. ([Hapi](#))

CBE approves ABC Bank's acquisition of BLOM Bank

In an official gazette, the **Central Bank of Egypt (CBE)** announced approving the full acquisition of **BLOM Bank** by **Arab Banking Corporation (ABC)**. In August 2021, ABC Bank acquired 99.5% of BLOM Bank for USD425mn, which according to ABC Bank increased its market share 3x. (Economy plus)

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
1,070.9					1,874.2 2,381.5				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	16,814.00	(2.96%)	15.18%		Gold	1,841.38	(0.05%)	0.81%
	EGX 30 TR	6,924.73	(2.92%)	15.32%		Silver	21.82	0.40%	(9.36%)
	EGX 70 EWI	2,946.15	(1.85%)	5.15%		Brent Oil	84.07	(1.20%)	(3.02%)
	EGX 100 EWI	4,409.99	(2.10%)	6.38%		WTI	76.34	(0.05%)	(5.16%)
	DFMGI	3,462.13	0.13%	3.78%		Natural Gas	2.28	(2.24%)	(50.30%)
	ADSMI	9,975.87	(0.01%)	(2.30%)	EGP	USD/EGP	30.57	0.09%	(18.95%)
	TASI	10,370.97	(1.16%)	(1.03%)	€	EUR/USD	1.07	(0.14%)	(0.32%)
	QE Index	10,716.74	0.00%	0.33%	£	GBP/USD	1.20	(0.13%)	(0.48%)
	S&P 500	4,079.09	(0.28%)	6.24%	¥	USD/JPY	134.25	(0.07%)	(2.44%)
	Dow 30	33,826.69	0.39%	2.05%		6M TB yield	21.77	18	260
	NASDAQ	11,787.27	(0.58%)	12.62%		1Y TB yield	22.27	15	337
	VIX	21.23	6.04%	(2.03%)		10Y TB yield	14.68	0	0
	STOXX 50	4,271.18	(0.09%)	12.59%		2Y TB yield	4.62	(1)	19
EM	MSCI Emerging	1,005.21	0.58%	5.11%		10Y TB yield	3.81	1	(6)
FM	MSCI Frontier	494.62	0.75%	4.72%		30Y TB yield	3.87	3	(9)

* As of market close, except for commodities and currencies at 8.35am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
22-Feb-23	EKHO	BoD meeting	Discussing financial results.
22-Feb-23	AMOC	Cash dividend	Payment date for a dividend of EGP0.25/share (2nd installment).
22-Feb-23	SKPC	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
23-Feb-23	SKPC	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
25-Feb-23	OLFI	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
26-Feb-23	CANA	Stock dividend	Last date for eligibility for a 0.24-for-1 stock dividend.
27-Feb-23	CANA	Stock dividend	Date for distributing a 0.24-for-1 stock dividend.



28-Feb-23	BTFH	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
1-Mar-23	PHDC	EGM	Discussing decreasing paid in capital by EGP120mn.
1-Mar-23		MSCI	MSCI's February 2023 Quarterly Index Review Effective Date.
5-Mar-23	MOIN	Cash dividend	Payment date for a dividend of EGP0.096/share (2nd installment).
9-Mar-23	OCDI	OGM	Approving financial statements ending 31 Dec. 2022 and discussing netting contracts.
15-Mar-23		IMF Review	First IMF review with Egypt (end-December 2022 quantitative targets).
15-Mar-23	SMFR	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
15-Mar-23	SMFR	EGM	Amending articles No. 31 & 56 of the company's bylaws.
16-Mar-23	FAIT	OGM	Approving financial statements ending 31 Dec. 2022 & board election.
18-Mar-23	SNFC	OGM	Approving financial statements ending 31 Dec. 2022.
18-Mar-23	SAUD	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
20-Mar-23	COMI	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
20-Mar-23	COMI	EGM	Amending some articles of the bank's bylaws.
20-Mar-23	DEIN	OGM	Board election.
20-Mar-23	ANFI	OGM	Approving financial statements ending 31 Dec. 2022.
20-Mar-23	ANFI	EGM	Discussing the continuation of the company.
21-Mar-23	ADIB	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
21-Mar-23	ADIB	EGM	Amending articles No. 39 & 40 of the bank's bylaws.

LATEST RESEARCH

DATE	PUBLISHED REPORT
8-Feb-23	Alexandria Containers Handling [ALCN] – Breaking Higher Waves
29-Jan-23	STANDPoint – The Year of Adjustment; Our fundamental outlook for 2023
18-Dec-22	Elsewedy Electric [SWDY] – Turning Copper Into Gold
5-Dec-22	Commercial International Bank [COMI] – Still Spearheading
28-Nov-22	Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity
20-Nov-22	Alexandria Containers & Cargo Handling Co. [ALCN] – Gateway of the North
14-Nov-22	Obour Land for Food Industries [OLFI] – Wise and Clever
13-Nov-22	STANDPoint – Time to Catch Up; Updating our fundamental outlook
3-Nov-22	TAKEStock – Telecom Egypt [ETEL] – Life Above 40
19-Oct-22	Lecico Egypt [LCSW] – A Fragile Tile?
27-Sep-22	Commercial International Bank [COMI]: Commander-in-Chief
24-Sep-22	TAKEStock: The Egyptian Banking Industry - The RRR Effect
21-Sep-22	EGYPTBanks – The Causal Sequence
24-Aug-22	Arabian Food Industries (Domty) – Core Coverage Report

22-Aug-22	<u>Credit Agricole Egypt [CIEB] – Core Coverage Update</u>
31-Jul-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</u>
14-Jun-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u>
8-Jun-22	<u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u>
7-Jun-22	<u>TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside</u>
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>

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