

Sukuk Program Kicks off

TODAY'S TOP NEWS & ANALYSIS

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MACRO

Egypt starts its 3 year sukuk program

Egypt issued its first USD1.5bn sukuk yesterday, through **The Egyptian Financial Co. for Taskeek**. The high-yield program coverage reached USD6.2bn; it was offered at an initial yield of 11.625%. However, after the coverage exceeded the USD4.5bn mark, the yield decreased. The sukuk program is reportedly backed by a real estate 50-year right of use. We note that **Moody's** has assigned a (p) B3 rating to the USD5bn proposed sukuk program. Egypt has chosen **Citigroup, Credit Agricole, Abu Dhabi Islamic Bank, Emirates NBD Capital, HSBC, and First Abu Dhabi Bank** for the sale. (Al-Borsa)

CORPORATE

EFIH' 2022: Growing top and bottom lines

e-finance [EFIH] reported its consolidated 2022 net profit of EGP804mn (+56% y/y), and revenues of EGP2.6bn (+35% y/y), with the EFDO segment driving the majority of the growth (+56% y/y) to EGP2.4bn. Meanwhile, the sharp rise in EFIH's revenues was supported by:

- Higher cloud hosting revenues of EGP779.1mn (+194% y/y), in light of higher cloud hosting contracts.

- Variable fee transactions revenues doubled to EGP495mn vs. EGP226mn in 2021, driven by an increased throughput value of EGP936bn (+29% y/y) and a higher take rate of 0.05%.
- eAswaaq revenues recorded EGP141mn (vs. EGP23mn in 2021), partially due to the VSLA project worth EGP52mn.

While GPM expanded by 5pp y/y to 52%, EBITDA margin declined by 2pp y/y to 36% due to an ESOP expense of EGP145mn. Excluding the ESOP expense, EBITDA margin would have been 42%. With an ROE of 19%, EFIH is currently trading at a P/E and P/BV of 41.8x and 7.3x, respectively. ([Company disclosure](#))

MPRC's prelim. 2022: A higher net profit and a wider GPM

Egyptian Media Production City [MPRC] reported its consolidated 2022 net profit of EGP272mn (+98% y/y) on revenues of EGP667mn (+27% y/y). Meanwhile, GPM expanded by 7pp y/y to 61%. ([Company disclosure](#))

New investment for the private equity arm of HRHO

The private equity arm of EFG Hermes Holding [HRHO] and **Zouk Capital**, London-based private equity firm, will invest USD80mn in British EV charging company **EO Charging**. ([Company disclosure](#))

The NPPA may cooperate with Elsewedy Electric and Orascom Construction

The **Nuclear Power Plants Authority (NPPA)** is reportedly looking to cooperate with Elsewedy Electric [SWDY] and Orascom Construction [ORAS] in the construction of El Dabaa Nuclear Power Plant. NPPA appointed Al Ezz Dekheila Steel Co. (EZDK) [IRAX] as its main supplier of steel for El Dabaa Nuclear Power Plant earlier this month. ([Al-Mal](#))

SWDY — Rating: OW / M, 12MPT: EGP21/share (29-Jan-2023)

ORAS — Rating: OW / M, 12MPT: EGP146/share (29-Jan-2023)

Helwan Fertilizers to produce Melamine with EUR200mn investment

Helwan Fertilizers will invest EUR200mn in a new Melamine producing plant after finalizing the feasibility study. This comes as part of the company's expansion plans alongside the new methanol and ammonia plant that has a total production capacity of 1mtpa of methanol and 400ktpa of ammonia for an investment of USD1.3bn. (Economy Plus)

Kafr El Zayat Pesticides' 2022: A 76% growth in bottom line

Kafr El Zayat Pesticides' [KZPC] 2022 net income came in at EGP128.4mn (+75.5% y/y) on revenues of EGP1.56bn (+91% y/y). The increase in revenues is mainly attributable to an increase in revenues from reselling activities (+547% y/y), powered by higher USD-linked selling prices of pesticides. GPM came in at 17.7% (-2.8pp y/y) on higher pesticides prices. ([Company disclosure](#))

SEMADCO to increase capital by EGP380mn

El-Nasr for Fertilizers & Chemical Industries Co. (SEMADCO) is currently going through an EGP380mn capital increase process to take place by Q2 2023 to fund its expansion plans and maintain its production capacity. We note that it was reported before that foreign and GCC investors are interested in acquiring a stake in SEMADCO, a fully-owned subsidiary of **The Chemical Industries Holding Co.** under the **Ministry of Public Enterprise.** (Economy Plus)
















































FRA approves Misr Beni Suef Cement's capital decrease

The **Financial Regulatory Authority (FRA)** approved Misr Beni Suef Cement's **[MBSC]** capital decrease from EGP750mn to EGP679.3mn by cancelling 7.07mn treasury shares with a par value of EGP10/share. ([Company disclosure](#))

FRA approves Macro Group's capital decrease

The **Financial Regulatory Authority (FRA)** approved a capital decrease for Macro Group Pharmaceuticals **[MCRO]** from EGP115mn to EGP114mn through terminating 7,152,044 treasury shares worth EGP1.4mn. ([FRA](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						1,082.1	Equity turnover (EGPmn): Last, ytd avg.				1,725.9	2,362.2	
						daily chg.	ytd chg.					daily chg.	ytd chg.
		EGX 30	17,039.45	1.34%	16.72%			Gold	1,835.09	(0.34%)	0.71%		
		EGX 30 TR	7,016.82	1.33%	16.85%			Silver	21.83	0.08%	(8.86%)		
		EGX 70 EWI	2,981.09	1.19%	6.39%			Brent Oil	83.05	(0.54%)	(3.56%)		
		EGX 100 EWI	4,462.94	1.20%	7.66%			WTI	76.36	(0.62%)	(5.76%)		
		DFMGI	3,458.00	(0.12%)	3.65%			Natural Gas	2.07	(3.67%)	(55.37%)		
		ADSMI	9,948.84	(0.27%)	(2.57%)	EGP		USD/EGP	30.60	(0.10%)	(19.00%)		
		TASI	10,269.73	(0.98%)	(1.99%)	€		EUR/USD	1.06	0.09%	(0.44%)		
		QE Index	10,694.23	(0.21%)	0.12%	£		GBP/USD	1.21	(0.05%)	0.19%		
		S&P 500	3,997.34	(2.00%)	4.11%	¥		USD/JPY	135.01	(0.56%)	(2.79%)		
		Dow 30	33,129.59	(2.06%)	(0.05%)			6M TB yield	21.77	18	260		
		NASDAQ	11,492.30	(2.50%)	9.80%			1Y TB yield	22.27	15	337		
		VIX	22.87	7.72%	5.54%			10Y TB yield	14.68	0	0		
			STOXX 50	4,250.40	(0.49%)	12.04%			2Y TB yield	4.72	10	30	
EM		MSCI Emerging	995.19	(1.00%)	4.06%			10Y TB yield	3.95	14	8		
FM		MSCI Frontier	492.30	(0.47%)	4.23%			30Y TB yield	3.97	10	1		

* 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.
22-Feb-23	SKPC	BoD meeting	Discuss the dividend distribution.
23-Feb-23	SKPC	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
23-Feb-23	ALCN	BoD meeting	Discussing financial results.
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.
21-Mar-23	CNFN	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
21-Mar-23	KZPC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
27-Mar-23	SAIB	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.

LATEST RESEARCH

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