

## Marginal Improvements

### TODAY'S TOP NEWS & ANALYSIS

Contraction in Egyptian non-oil private sector activity for the 27th consecutive month

Another slight improvement in Egypt's Net Foreign Reserves in February 2023

DOMT 2022 results: Extraordinary performance

ETEL 2022 results: Strong net profits on higher revenues

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QIA is reportedly interested in Sinai Manganese

### MACRO

#### **Contraction in Egyptian non-oil private sector activity for the 27th consecutive month**

Although with a marginal improvement, **Egypt's Purchasing Managers' Index (PMI)** for the non-oil private sector still shrank for the 27th consecutive month. The index strengthened to 46.9 in February 2023 from 45.5 in January 2023, yet still below the 50.0 threshold that marks growth in activity. This comes as the surging inflation and importing obstacles still weigh on business. ([Reuters](#))

#### **Another slight improvement in Egypt's Net Foreign Reserves in February 2023**

For the 6th month in a row, Egypt's Net Foreign Reserves (NIR) increased slightly in February 2023 to USD34.35bn by USD128mn from USD34.22bn in January 2023. ([CBE](#))

## CORPORATE

### DOMT 2022 results: Extraordinary performance

Arabian Food Industries [**DOMT**] posted 2022 consolidated net profits of EGP266mn vs. EGP72mn a year before, due to:

- 1) Higher revenues of EGP5.2bn (+55% y/y).
- 2) Gross profit margin coming in at 24.4% (+2.0pp y/y).
- 3) SG&A-to-revenues ratio improving to 16.1% (-2.5pp y/y).
- 4) 2021 being a low base year.

Regarding Q4 2022, DOMT reported its highest quarterly net profits and revenues ever:

- 1) Net profits grew by 96% y/y to EGP103mn (+c.100% q/q).
- 2) Revenues grew by 49% y/y to EGP1.6bn (+23% q/q).
- 3) Gross profit margin grew to 26% (+2.0pp y/y), (+3.0pp y/y).
- 4) SG&A-to-revenues ratio improved to 15.0% (-2.0pp y/y), (-1.7pp q/q).

On a separate note, DOMT's BoD proposed distributing cash dividends of EGP0.50/share, implying a yield of 8%.

DOMT is currently trading at a TTM P/E of 6.7x. Our 12MPT for DOMT is EGP8.7/share.(Company disclosures: [1](#), [2](#))

### ETEL 2022 results: Strong net profits on higher revenues

Telecom Egypt [**ETEL**] posted 2022 net profits of EGP9.2bn (+9% y/y), on higher revenues of EGP44.3bn (+19% y/y). The revenue growth was driven by a double-digit growth of 21% and 17% in both retail and wholesale revenues, respectively. Meanwhile, gross profit margin came in flat at 22.6% (-0.7pp y/y).

For Q4 2022, net profits grew by 30% y/y to EGP3.0bn (+26% q/q), on higher revenues of EGP12.0bn (+12% y/y), (+1% q/q).

In addition, ETEL's BoD proposed distributing cash dividends of EGP0.75/share, implying a yield of 2.7%. ([Company disclosure](#))

### Madinet Nasr for Housing securitized EGP806mn of bonds

Madinet Nasr for Housing & Development [**MNHD**] in cooperation with EFG Hermes Holding [**HRHO**] finished its second phase of bond securitization worth EGP805.5mn, in a three phase securitization program worth EGP3bn. ([Al-Mal](#))

### EGAL's BoD ratifies FY2023/24's budget

Egypt Aluminum's [**EGAL**] BoD held on 2 March 2023 has ratified the budget for FY2023/24. The company expects net income to reach EGP3.5bn on the back of a topline of EGP26.6bn, where exports represent 62% of total sales. ([Company disclosure](#))

**MCRO 2022 results: Strong earnings on higher revenues**

Macro Pharmaceutical Group [**MCRO**] posted 2022 net profits of EGP174mn (+18% y/y) on higher revenues of EGP730mn (+23% y/y). The revenues showed this strong growth despite the sales volumes decreasing to 18mn units (-3% y/y). Meanwhile, gross profit margin and EBITDA margin declined to 77.0% (-2.7 pp y/y) and 38.4% (-4.5 pp y/y), respectively. ([Company disclosure](#))

**MFPC 2022 standalone: Strong earnings growth yet no proposed dividends**

Misr Fertilizers Production [**MFPC**] announced its standalone results for 2022.

- MFPC's net profits surged by 148% y/y to EGP3.8bn, partially on the back of a 106% y/y increase in top line to EGP6.9bn. However, GPM increase came at only +2 pp y/y to 61%.
- Another contributor to the leap in net profits would be the 39x higher dividends income from MFPC's subsidiary to EGP629mn.
- Despite the 47% increase in SG&A to EGP143mn and the 97% y/y increase in other operating expenses to EGP61mn, However the 32% y/y increase in financing income to EGP292mn and other income of 53% y/y to EGP9mn offset the increase in expenses.
- FX gains also reached EGP24.6mn against losses of EGP9.7mn last year.
- We note that MFPC's BoD decided not to suggest dividends distribution, leaving the decision of payout to the OGM without a proposal from the BoD. (Company disclosures: [1](#), [2](#))

**QIA is reportedly interested in Sinai Manganese**

Sources allege that **Qatar Investment Authority (QIA)** is negotiating acquiring a stake in **Sinai Manganese** company during H2 2023. The company is a subsidiary of **National Investment Bank (NIB)** and **Holding Company for Chemical Industries (CIHC)**. (Economy Plus)

## MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
1,085.7					1,398.4 2,253.7				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	16,827.65	(0.11%)	15.27%		Gold	1,856.48	1.12%	1.69%
	EGX 30 TR	6,937.12	(0.01%)	15.53%		Silver	21.26	1.74%	(11.36%)
	EGX 70 EWI	3,061.53	0.09%	9.27%		Brent Oil	85.83	(0.65%)	0.00%
	EGX 100 EWI	4,534.28	(0.01%)	9.38%		WTI	79.68	(0.68%)	(1.73%)
	DFMGI	3,420.26	(0.45%)	2.52%		Natural Gas	3.01	(9.90%)	(39.42%)
	ADSMI	9,906.71	0.39%	(2.98%)	EGP	USD/EGP	30.78	(0.18%)	(19.62%)
	TASI	10,411.26	1.30%	(0.64%)	€	EUR/USD	1.06	0.14%	(0.51%)
	QE Index	10,621.81	0.47%	(0.55%)	£	GBP/USD	1.20	0.02%	(0.37%)
	S&P 500	4,045.64	1.61%	5.37%	¥	USD/JPY	135.87	0.66%	(3.40%)
	Dow 30	33,390.97	1.17%	0.74%		6M TB yield	22.15	18	298
	NASDAQ	11,689.01	1.97%	11.68%		1Y TB yield	22.59	20	369
	VIX	18.49	(5.62%)	(14.67%)		10Y TB yield	14.68	0	0
	STOXX 50	4,294.80	1.28%	13.21%		2Y TB yield	4.86	(2)	43
EM	MSCI Emerging	988.03	0.81%	3.31%		10Y TB yield	3.95	(4)	8
FM	MSCI Frontier	480.14	(0.11%)	1.66%		30Y TB yield	3.88	(7)	(9)

\* As of market close, except for commodities and currencies at 8.15am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## KEY DATES

DATE	TICKER	TYPE	EVENT
9-Mar-23	OCDI	OGM	Approving financial statements ending 31 Dec. 2022 and discussing netting contracts.
13-Mar-23	QNBA	Cash dividend	Deadline for eligibility for a dividend of EGP0.75/share.
14-Mar-23	QNBA	Cash dividend	Ex-dividend date for EGP0.75/share.
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	QNBA	Cash dividend	Payment date for a dividend of EGP0.75/share.
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.
18-Mar-23	EGAS	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Mar-23	EGAS	EGM	Amending Articles No. 2 & 6 of the company's bylaws.
19-Mar-23	ATLC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.

19-Mar-23	EGBE	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
19-Mar-23	EXPA	Stock dividend	Last date for eligibility for a 0.062-for-1 stock dividend.
20-Mar-23	EXPA	Stock dividend	Date for distributing a 0.062-for-1 stock dividend.
20-Mar-23	AMIA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
20-Mar-23	AMIA	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
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.
20-Mar-23	EHDR	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
20-Mar-23	BINV	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
20-Mar-23	TMGH	OGM	Approving financial statements ending 31 Dec. 2022.
21-Mar-23	CERA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
21-Mar-23	EFIH	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
21-Mar-23	EFIC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
21-Mar-23	SKPC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
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.
22-Mar-23	KRDI	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
23-Mar-23	ARCC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
26-Mar-23	AUTO	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
26-Mar-23	AUTO	EGM	Amending articles No. 2 & 41 of the company's bylaws.
26-Mar-23	MBSC	OGM	Approving financial statements ending 31 Dec. 2022.
26-Mar-23	MBSC	EGM	Discussing capital reduction & amending Articles No. 4, 6 & 7 of the company's bylaws.

27-Mar-23	ECAP	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.
28-Mar-23	POUL	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
28-Mar-23	EFID	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
29-Mar-23	EPCO	OGM	Approving financial statements ending 31 Dec. 2022.
29-Mar-23	MCRO	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
29-Mar-23	MCRO	EGM	Discussing capital reduction & amending Articles No. 6 & 7 of the company's bylaws.
29-Mar-23	AMES	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
29-Mar-23	SUGR	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
29-Mar-23	ICLE	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
29-Mar-23	ACAMD	OGM	Approving financial statements ending 31 Dec. 2022 and netting contracts.
30-Mar-23	ATQA	OGM	Approving financial statements ending 31 Dec. 2022 and netting contracts.
30-Mar-23	MENA	OGM	Approving financial statements ending 31 Dec. 2022.
30-Mar-23	CIEB	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
30-Mar-23	ETRS	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
30-Mar-23	EXPA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
30-Mar-23	HDBK	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.

**LATEST RESEARCH**

<b>DATE</b>	<b>PUBLISHED REPORT</b>
8-Feb-23	<a href="#"><u>Alexandria Containers Handling [ALCN] – Breaking Higher Waves</u></a>
<b>29-Jan-23</b>	<b><a href="#"><u>STANDPoint – The Year of Adjustment; Our fundamental outlook for 2023</u></a></b>
18-Dec-22	<a href="#"><u>Elsewedy Electric [SWDY] – Turning Copper Into Gold</u></a>
5-Dec-22	<a href="#"><u>Commercial International Bank [COMI] – Still Spearheading</u></a>
28-Nov-22	<a href="#"><u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity</u></a>
<b>20-Nov-22</b>	<b><a href="#"><u>Alexandria Containers &amp; Cargo Handling Co. [ALCN] – Gateway of the North</u></a></b>
14-Nov-22	<a href="#"><u>Obour Land for Food Industries [OLFI] – Wise and Clever</u></a>
<b>13-Nov-22</b>	<b><a href="#"><u>STANDPoint – Time to Catch Up; Updating our fundamental outlook</u></a></b>
3-Nov-22	<a href="#"><u>TAKEStock – Telecom Egypt [ETEL] – Life Above 40</u></a>
19-Oct-22	<a href="#"><u>Lecico Egypt [LCSW] – A Fragile Tile?</u></a>
27-Sep-22	<a href="#"><u>Commercial International Bank [COMI]: Commander-in-Chief</u></a>
24-Sep-22	<a href="#"><u>TAKEStock: The Egyptian Banking Industry - The RRR Effect</u></a>
21-Sep-22	<a href="#"><u>EGYPTBanks – The Causal Sequence</u></a>
<b>24-Aug-22</b>	<b><a href="#"><u>Arabian Food Industries (Domty) – Core Coverage Report</u></a></b>
22-Aug-22	<a href="#"><u>Credit Agricole Egypt [CIEB] – Core Coverage Update</u></a>
31-Jul-22	<a href="#"><u>Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</u></a>
14-Jun-22	<a href="#"><u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u></a>
8-Jun-22	<a href="#"><u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u></a>
7-Jun-22	<a href="#"><u>TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside</u></a>
25-May-22	<a href="#"><u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u></a>
<b>23-May-22</b>	<b><a href="#"><u>Cairo for Investment &amp; Real Estate Development [CIRA] – Head of the Class</u></a></b>
19-May-22	<a href="#"><u>MACROView – A New Game Plan</u></a>
17-May-22	<a href="#"><u>MACROView – All Uphill from Here</u></a>
<b>15-May-22</b>	<b><a href="#"><u>EGYPTBanks – Harness the Hike</u></a></b>
15-May-22	<a href="#"><u>TAKEStock – Hidden “valu”</u></a>
28-Apr-22	<a href="#"><u>MACROView – Din of Battle Getting Louder</u></a>
17-Apr-22	<a href="#"><u>MACROView – Before the Grand Storm</u></a>
14-Apr-22	<a href="#"><u>EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid</u></a>
12-Apr-22	<a href="#"><u>MACROView – Mounting External Vulnerabilities</u></a>
10-Apr-22	<a href="#"><u>MACROView – Much Higher Inflation ... and Longer</u></a>
24-Mar-22	<a href="#"><u>EFG Hermes Holding [HRHO] – The Best Is Yet to Come</u></a>
23-Mar-22	<a href="#"><u>CI Capital Holding [CICH] – A Year to Remember</u></a>
22-Mar-22	<a href="#"><u>Orascom Construction [ORAS] – A Clear Devaluation Winner</u></a>
10-Mar-22	<a href="#"><u>MACROView – The Dizzying Speed</u></a>

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