

A New Earnings Season

TODAY'S TOP NEWS & ANALYSIS

KIA said to finalize acquisition of The United Bank soon, potentially at 2x BV

Eni discovers a new gas field in the Mediterranean

TALM Q2 2022/23: Strong y/y performance

CIRA H1 2022/23: Strong revenues, yet lower net profits

FWRY's OGM approves retaining 2022 net profits

CICH's OGM approves retaining 2022 net profits

MACRO

KIA said to finalize acquisition of The United Bank soon, potentially at 2x BV

Circling news allegedly said that **Kuwait Investment Authority (KIA)** acquired state-owned **The United Bank (TUB)** in a deal of c.USD660mn, with the official signing scheduled after Eid El-Fitr's holiday.

We note that TUB recorded net profits of EGP1.3bn in 2022 and registered a total equity of EGP10bn. This implies a return on equity (ROE) of 13%. If such rumor were confirmed, this potential deal would imply a P/BV of 2x for TUB, which is a very high multiple that might reflect the buyer's positive outlook for the bank's growth potential. This compares to Commercial International Bank's **[COMI]** 2022 P/BV of 2.3x.

We remind our readers that the previous negotiations with the Saudi **Public Investment Fund (PIF)** was around the USD600mn mark but at a time when the FX rate was c.EGP18/USD. So, despite the recent weakness seen in the EGP, a higher offer of USD60mn adds to the positive outlook for the bank in specific and for the banking sector in general. (Prime Research)

Eni discovers a new gas field in the Mediterranean

Italy's **Eni** discovered a new deep-water gas field in the **Eastern Mediterranean**. The new field, **Orion-X1**, will reportedly have an investment cost of c.USD130mn. Eni has not disclosed the size of the field yet. ([Aktsadna](#))

CORPORATE

TALM Q2 2022/23: Strong y/y performance

Taaleem Management Services [**TALM**] reported consolidated H1 2022/23 net profits of EGP192mn (+38% y/y) on higher revenues of EGP429mn (+28% y/y). Revenues grew due to a 13% y/y increase in student enrollments in the academic year 2022/23 vs. 2021/22, reaching 6,913 enrollments in **Nahda University (NUB)**. Moreover, gross profit and EBITDA margins improved to 73.2% (+2.8pp y/y) and 62.2% (0.9pp y/y), respectively.

Regarding Q2 2022/23, TALM's net profits grew by 25% y/y to EGP84mn (-22% q/q) due to 23% y/y higher revenues of EGP199mn (-13% q/q). Gross profit margin was flat at 70.2% (-0.02pp y/y); however, it declined by 5.3pp q/q. As for EBITDA margin, it declined to 58.8% (-2.9pp y/y, -6.4pp q/q). ([Company disclosure](#))

CIRA H1 2022/23: Strong revenues, yet lower net profits

CIRA Education [**CIRA**] reported H1 2022/23 net profits of EGP220mn (-22% y/y) on higher net finance expenses of EGP181mn (+119% y/y). However, revenues grew by 38% y/y to EGP1.3bn due to higher tuition fees of EGP1.07bn (+22% y/y). Gross profit margin dropped by 8.6pp y/y to 50.3%.

Regarding Q2 2022/23, net profits declined by 38% y/y to EGP113mn (+6% q/q) due also to the higher net finance expenses, coming at EGP101mn (+128% y/y, +26% q/q). Meanwhile, revenues grew to EGP673mn (+31% y/y, +6% q/q), while gross profit margin declined to 52.1% (-12.1pp y/y, +3.9pp q/q). ([Company disclosure](#))






















FWRY's OGM approves retaining 2022 net profits






















In an OGM held on 12 April 2023, Fawry [**FWRY**] approved retaining 2022 net profits. ([Company disclosure](#))

CICH's OGM approves retaining 2022 net profits

In an OGM held on 12 April 2023, CI Capital Holding [**CICH**] approved retaining 2022 net profits. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						1,114.8	
						daily chg.	ytd chg.
		EGX 30	17,671.27	5.55%	21.05%		
		EGX 30 TR	7,340.26	5.57%	22.24%		
		EGX 70 EWI	2,969.83	(0.14%)	5.99%		
		EGX 100 EWI	4,485.55	0.43%	8.20%		
		DFMGI	3,513.89	0.63%	5.33%		
		ADSMI	9,645.97	0.24%	(5.53%)		
		TASI	11,163.57	1.19%	6.54%		
		QE Index	9,998.54	(0.56%)	(6.39%)		
		S&P 500	4,151.32	0.33%	8.12%		
		Dow 30	33,987.18	0.30%	2.53%		
		NASDAQ	12,157.72	0.28%	16.16%		
		VIX	16.95	(0.70%)	(21.78%)		
		STOXX 50	4,367.61	(0.53%)	15.13%		
EM		MSCI Emerging	1,003.78	0.33%	4.96%		
FM		MSCI Frontier	479.83	(0.55%)	1.59%		

Equity turnover (EGPmn): Last, ytd avg.						1,850.3		2,024.1	
						daily chg.	ytd chg.		
		Gold	1,995.19	(0.45%)	9.68%				
		Silver	25.03	(1.24%)	4.76%				
		Brent Oil	84.76	0.42%	0.42%				
		WTI	80.83	0.42%	0.89%				
		Natural Gas	2.28	(0.44%)	(49.39%)				
EGP		USD/EGP	30.90	0.04%	(20.06%)				
€		EUR/USD	1.09	0.14%	2.20%				
£		GBP/USD	1.24	0.11%	2.53%				
¥		USD/JPY	134.47	(0.51%)	(2.42%)				
		6M TB yield	23.21	8	404				
		1Y TB yield	23.47	27	457				
		10Y TB yield	14.68	0	0				
		2Y TB yield	4.19	23	(23)				
		10Y TB yield	3.60	21	(27)				
		30Y TB yield	3.81	19	(15)				

* 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
18-Apr-23	RAYA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Apr-23	EFIH	Cash dividend	Payment date for a dividend of EGP0.225/share.
18-Apr-23	MNHD	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Apr-23	ATLC	Cash dividend	Payment date for a dividend of EGP0.42/share.
18-Apr-23	EKHO	Cash dividend	Payment date for a dividend of USD0.11/share.
18-Apr-23	PHAR	Cash dividend	Deadline for eligibility for a dividend of EGP2.00/Share.
19-Apr-23	OFH	OGM	Approving financial statements ending 31 Dec. 2022 and netting contracts.
19-Apr-23	OFH	EGM	Amending Articles No. 3, 4, 6 & 7 of the company's bylaws.
19-Apr-23	EFIC	Cash dividend	Payment date for a dividend of EGP2.00/share (1st installment).
20-Apr-23	ETEL	Cash dividend	Payment date for a dividend of EGP1.25/share.
20-Apr-23	HDBK	Cash dividend	Payment date for a dividend of EGP1/Share.
20-Apr-23	ECAP	Cash dividend	Payment date for a dividend of EGP0.9/share.
20-Apr-23	MCRO	Cash dividend	Payment date for a dividend of EGP0.01/share (1st installment).
26-Apr-23	SPMD	Right Issue	Last day for eligibility for subscription in the rights issue.
29-Apr-23	DSCW	OGM	Approving financial statements ending 31 Dec. 2022.
30-Apr-23	MOIL	EGM	Approving the acquisition offer from Al Gihaz Holding.
30-Apr-23	PHAR	Cash dividend	Payment date for a dividend of EGP1.00/share (1st installment).
2-May-23	SPMD	Right Issue	First day of trading the rights issue.
2-May-23	UNIT	EGM	Discussing capital reduction & amending Articles No. 6 & 7 of the company's bylaws.
2-May-23	MNHD	EGM	Amending Articles No. 6 & 7 of the company's bylaws.
3-May-23	DAPH	OGM	Approving financial statements ending 31 Dec. 2022.
3-May-23	DAPH	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
3-May-23	JUFO	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
3-May-23		Egypt PMI	Announcing date of PMI.
6-May-23	MTIE	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
6-May-23	MTIE	EGM	Approving increasing the issued capital & amending Articles No. 3, 6, 7 & 21 of the company's bylaws.
8-May-23	OIH	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
10-May-23	ACAMD	OGM	A board reshuffle.
11-May-23		MSCI	MSCI's May 2023 Semi-Annual Index Review Announcement.

LATEST RESEARCH

DATE	PUBLISHED REPORT
11-Apr-23	<u>Obour Land Food Industries [OLFI] – Resilience is Key</u>
9-Apr-23	<u>Orascom Construction [ORAS] – On Solid Foundations</u>
21-Mar-23	<u>STANDPoint Portfolio Update – Adding ALCN, ECAP, HRHO, and RACC</u>
16-Mar-23	<u>Al Ezz Ceramics & Porcelain (GEMMA) [ECAP] – A Hidden “GEMMA”</u>
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>

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