



شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, May 27, 2024

الإسكندرية في: ٢٠٢٤/٥/٢٧

To: EGX
Disclosure Sector

السادة / البورصة المصرية
قطاع الإفصاح

Dear Sir,

تحية طيبة وبعد ،،،

Kindly find attached the following:-

نتشرف بأن نرفق لسيادتكم طيه:-

Abu Qir Fertilizers Co. Earnings' Release for the
Financial Period Ended March 31, 2024.

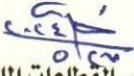
تقرير نتائج أعمال الشركة عن الفترة المالية المنتهية في
٢٠٢٤/٣/٣١.

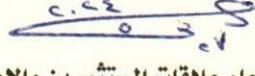
Yours faithfully,

وتفضلوا سيادتكم بقبول فائق الإحترام والتقدير ،،،

محاسب / خالد مصطفى سكر
Acc. Khaled Moustafa Sokkar

محاسبة / نرفانا صباح عرابي
Acc. Nervana Sabbah Oraby


رئيس القطاعات المالية
(ومسئول الإتصال)


مدير عام علاقات المستثمرين والإعلام
(ومسئول علاقات المستثمرين)

Head, Financial Affairs Sectors

General Manager, Investor Relations & Media



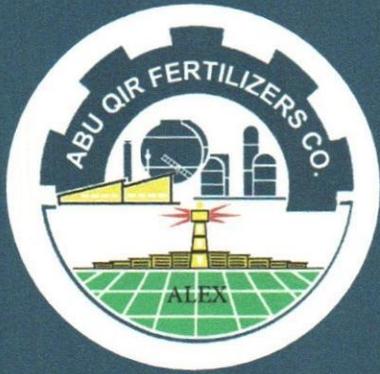
الشركة حاصلة على شهادات أيزو ٩٠٠١ - أيزو ١٤٠٠١ - أيزو ١٨٠٠١ - أيزو ١٧٠٢٥



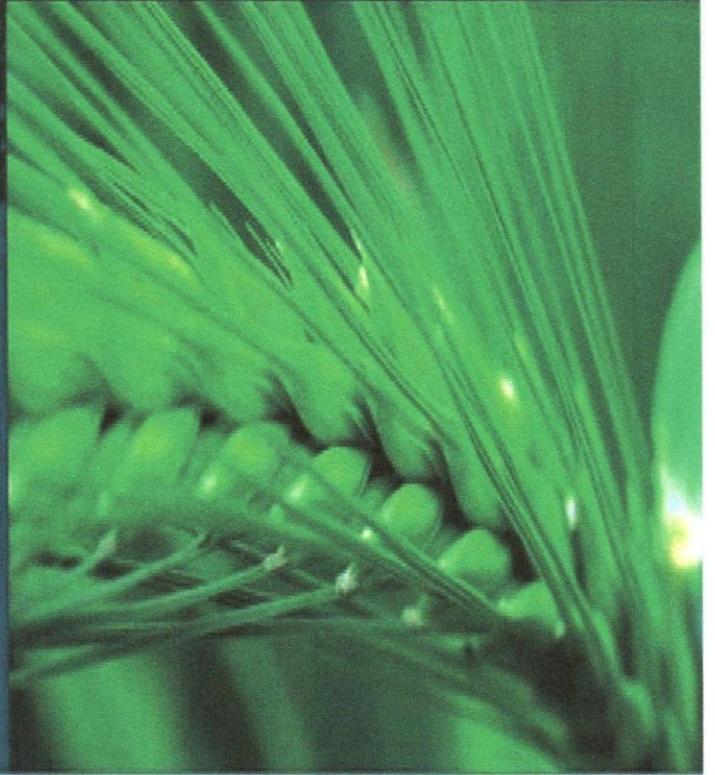
مكتب الإسكندرية: ٩٥ طريق ٢٦ يوليو - برج السلسلة
تليفون: ٣/٤٨٧٩٩١١ - ٣/٤٨٤٧٢٢٩
مكتب القاهرة: ٥ شارع شريف الصغير
تليفون وفاكس: ٢/٢٣٩٣٤١٧٦

تليفون: ٣/٥٦٠٣٠٥٣ (سبع خطوط)
فاكس الإدارة: ٣/٥٦٠٣٠٣٢
فاكس المشتريات: ٣/٥٦٠٣٠٤٦
فاكس التسويق: ٣/٥٦٠٣٠٤٧
E-mail: afc@abuqir.com

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كيس بريدي مخصص
الرقم البريدي: ٢١٩١١
www.abuqir.com



**Abu Qir Fertilizers &
Chemical Industries Co.**



Earnings Release

9M 2023/2024

Alexandria – May 27, 2024



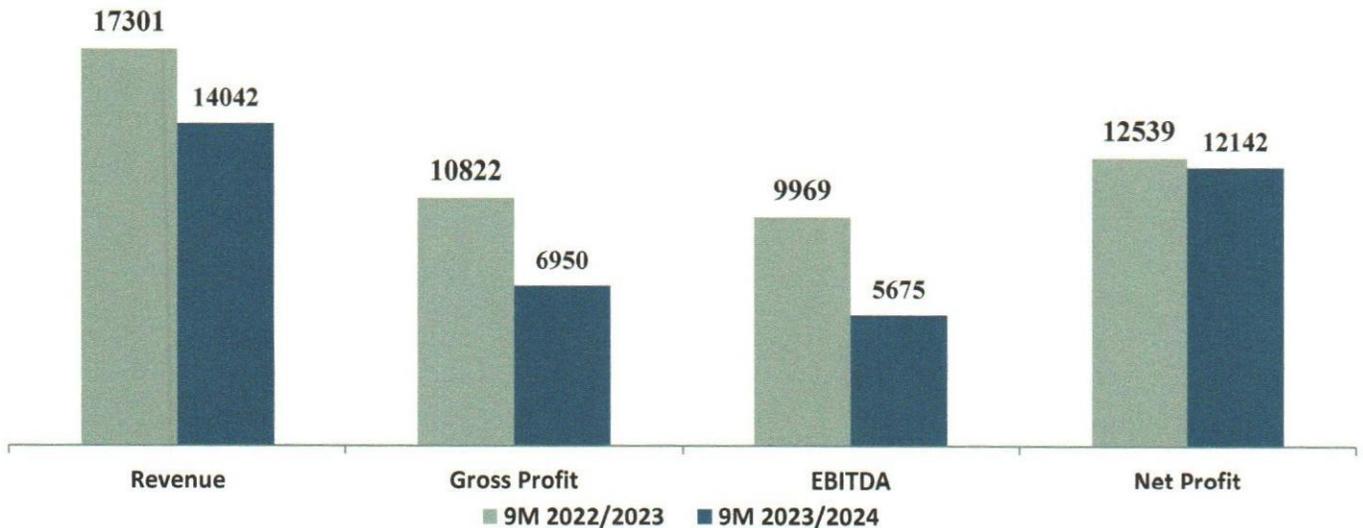
Abu Qir Fertilizers & Chemical Industries Reports 9M 2023/24 Earnings

Abu Qir Fertilizers Company achieved revenue of EGP 14.04 billion for the first nine months of FY2023/24 which reflect the success of the company's plans in maneuvering its diverse product lines in various markets and achieving healthy returns supported by the liberalization of EGP against USD, this came despite the decline in average global fertilizer prices and with full company's commitment to supply the required volumes determined by the Ministry of Agriculture.

Moreover, Abu Qir succeeded in achieving resilient net profit after taxes of EGP 12.14 billion accompanied by a net profit margin of 86.47% versus 72.48% recorded in 9M 2022/23.



Key Financial Highlights – 9M 2023/24 (EGP mn)



Engineer Abed Ezz El Regal, Chairman & Chief Executive Officer, commented on 9M 2023/24 Results:

“Despite the impact of the surrounding economic challenges and the inflationary pressure as well as the decline in average global fertilizer prices compared to the corresponding period of the previous year, the company’s management is heading towards 2023/2024 year-end on a strong note through the unique business model it adopted and its continued efforts to maintain leadership through its rational marketing policy and maneuvering between its diverse ranges of nitrogen fertilizer products in different markets, in addition to strengthening its efforts to improve cost efficiency.



During the first nine months of the fiscal year 2023/24, the company's sales of fertilizers and ammonia witnessed a decrease in volume by 1% compared to the corresponding period of the previous fiscal year due to the company's plan to seize better export opportunities.

The company's management continues achieving resilient margins despite the inflationary challenges witnessed across the various cost elements (particularly the increase in the cost of operating supplies as a result of price increases and changes in the exchange rate of EGP against USD), this has been achieved through the implementation of the company's strategy targeting operational efficiencies, and reflecting management's efforts to enhance cost optimization in a sustainable manner by rationalizing consumption in various aspects, including efficiency in natural gas consumption, electricity, water, and operating chemicals.

Abu Qir's management is keen in preserving the strong performance of the plants through well planned periodic overhauls, and recently, the company has successfully carried out a major overhaul of Abu Qir (1) plant, which has been operating for more than 45 years, in full compliance with HSE standards and in line with global best practices. The overhaul has been completed in record time. During the overhaul, Abu Qir carried out inspection, maintenance, testing activities of major equipment, as well as performing electrical infrastructure upgrades to ensure long-term safe sustainable operations while tracking to realize cost optimization target.

We are striving as well to achieve further growth and development, through our investments projects and having a 45% stake in North Abu Qir Agricultural Nutrients Company. In addition, new products are also being studied with the aim of diversifying Abu Qir's products portfolio and penetrating new markets that will maximize the return to shareholders.

We are confident in the company's ability, through our distinguished and dedicated teamwork, to continue achieving our ambitious goals and further growth and development in a way that fulfills our responsibility towards maximizing the returns for our shareholders, which we are always committed to".

Summary Income Statement 9M 2023-24

(EGP mn)	9M 2023/24	9M 2022/23	Change (%)	Q3 2023/24	Q3 2022/23	Change (%)
Revenue	14042	17301	-18.84%	5425	6067	-10.57%
Gross Profit	6950	10822	-35.78%	2643	3548	-25.51%
EBITDA	5675	9969	-43.07%	2008	3307	-39.28%
Profit before taxes	15377	15977	-3.76%	10220	6994	46.12%
Net Profit after taxes	12142	12539	-3.16%	8122	5566	45.92%
Earnings per Share (EGP)	8.25	8.53	-3.23%	5.53	3.79	45.89%
% Margin	9M 2023/24	9M 2022/23	Change (pps)	Q3 2023/24	Q3 2022/23	Change (pps)
Gross Profit Margin	49.49%	62.55%	-13.06	48.72%	58.49%	-9.77
EBITDA Margin	40.42%	57.62%	-17.20	37.02%	54.52%	-17.50
Net Profit Margin	86.47%	72.48%	14.00	149.70%	91.75%	57.95



Results in a Nutshell

Abu Qir Fertilizers Co. (ABUK.CA on the Egyptian Exchange), the leading nitrogen fertilizer producer in Egypt & MENA, announced its results for the nine months ended 31 March, 2024.

• **Financial Highlights**

Abu Qir Fertilizers reported 9M 2023/24 sales revenue of EGP 14.04 billion, (-18.84% YoY) from EGP 17.30 billion recorded in 9M 2022/23 driven by lower average export prices during current period compared to same period of previous year as well as a decrease in sales volume of fertilizers and ammonia by 1%.

Cost of goods sold recorded EGP 7.09 billion in 9M 2023/24 (+9% YoY) from EGP 6.48 billion recorded in 9M 2022/23 as a result of increased material & supplies cost (incl. natural gas and spare parts cost) and salaries and wages.

Abu Qir reported a gross profit of EGP 6.95 billion in 9M 2023/24, down by 35.8% YoY from EGP 10.82 billion recorded in 9M 2022/23.

Gross profit margin for 9M 2023/24 recorded 49.49% versus the 62.55% recorded in 9M 2022/23.

The increase in total SG&A expense was driven by increased salaries and wages, packing expenses, and other expenses.

Noting that the comparative figures have been amended to be consistent with the presentation of the financial statements on March 31, 2024, as the income statement was adjusted with the share of the Training and Rehabilitation Fund and the share of sports and social activities as well as the expected credit loss, and their impacts on the retained earnings and administrative and general expenses.

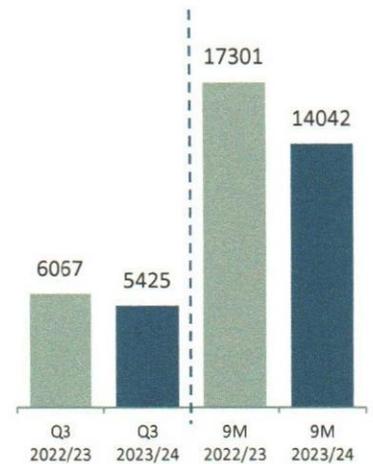
Abu Qir's EBITDA recorded EGP 5.67 billion for 9M 2023/24 and EBITDA margin recorded 40.42%.

Finance cost recorded EGP 1.11 million during 9M 2023/24 representing bank charges and L.G & foreign currency hedge commissions compared to EGP 12.3 million recorded in 9M 2022/23 as a result of the termination of credit facilities.

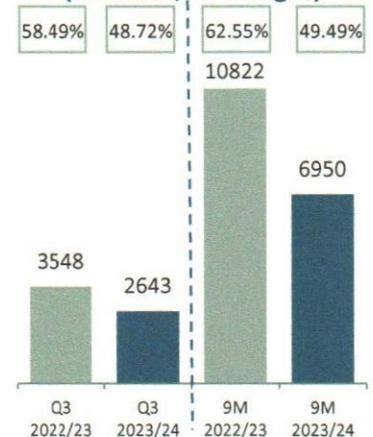
As a result of the application of flexible foreign exchange system, Abu Qir's management succeeded in achieving EGP 6.39 billion FX gains through well planned financial portfolio. Moreover, achieving returns from its financial investments in treasury bills, deposits, etc..

Interest revenue and TB returns recorded EGP 1.99 billion in 9M 2023/24 up by 57% from EGP 1.27 billion recorded in 9M 2022/23.

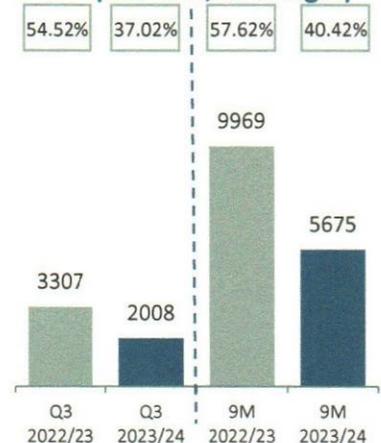
Revenue Progression (EGP mn)



Gross Profit Progression (EGP mn, % margin)



EBITDA Progression (EGP mn, % margin)





Investment income recorded EGP 1.40 billion up by 43% compared to EGP 983 million recorded last year, representing Abu Qir's share in 2023 dividends of Helwan Fertilizers Co. & Alexandria Fertilizers Co. Income tax decreased in 9M 2023/24 as a result of the decrease in net profit before tax, despite the increase in tax on treasury bills.

Net profit after taxes reached EGP 12.14 billion in 9M 2023/24, down by 3.2% YoY from EGP 12.54 billion recorded in 9M 2022/23.

The company's net profit margin recorded 86.47% compared to 72.48%.

Highlights on Statement of Financial Position – March 31, 2024

The company reported total projects under construction of EGP 836 million in 31/03/2024 compared to EGP 512 million in 30/06/2023.

The total intangible assets under implementation amounted to EGP 32.9 million on 31/03/2024, compared to EGP 20.7 million on 30/06/2023, representing the spending on the SAP information system and the application of the ERP system for digital transformation.

The real estate investment amounted to about EGP 500.7 thousand on 31/03/2024 and on 30/06/2023, represented as lands leased to Alexfert Company and Bargas, Midgas and Air Liquide companies. The fair value of these investments recorded EGP 810 million on 31/03/2024.

Total shareholders' equity recorded EGP 33.3 billion in 31/03/2024 up by 19.3% compared to EGP 27.9 billion in 30/06/2023 as a result of increased R/E.

For more information, please refer to the supplementary notes attached to the financial statements as of March 31, 2024.

• **Marketing Highlights**

The company succeeded in marketing its products locally and internationally during 9M 2023/24, where the number of export clients reached 45 clients across the globe and the export markets diversified to include 26 countries in addition to expanding the local free market customer to about 61 clients.

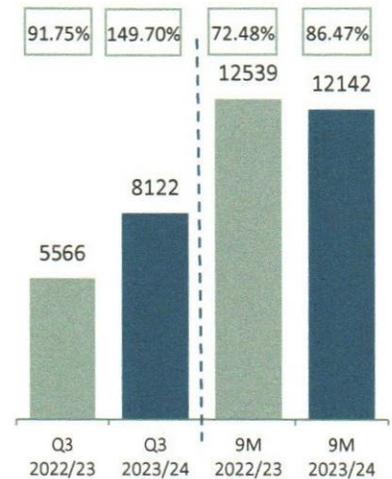
- In 9M 2023/24, sales volume of prilled urea (Abu Qir 1) increased by 1% compared to 9M 2022/23. Sales value declined by 8%.

- Sales volume of ammonium nitrate (Abu Qir 2) increased by 8% in 9M 2023/24 compared 9M 2022/23. Sales value increased by 11%.

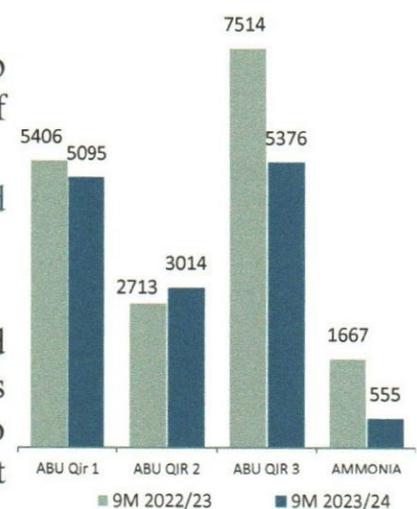
- Sales volume of granular urea (Abu Qir 3) decreased by 9% in 9M 2023/24 compared to 9M 2022/23 for the sake of seizing the best export opportunity. Sales value decreased by 28%.

- Ammonia sales volume decreased in 9M 2023/24 compared to 9M 2022/23 according to demand and operating condition.

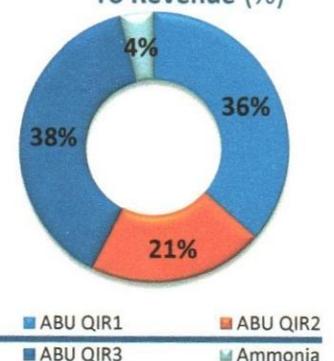
Net Profit Progression (EGP mn, % Margin)



Revenue Growth by Segment (EGP mn)



Segment Contribution To Revenue (%)





• **Operational Highlights**

Health, Safety and Environment

- The first nine months of the fiscal year 2023/24 recorded 6.4 million working hours with zero injuries.
- For the sixth year in a row, 67 million working hours injury free were recorded.

Production Sectors

- The company continues to operate safely & efficiently across all sectors. In 9M 2023/24, the production sectors succeeded in achieving the production plan, with an increase of 14% over plan and a decrease of 1% compared to 9M 2022/23 due to maintenance activities for the sake of continuous operation and cost optimization.

Maintenance Sectors

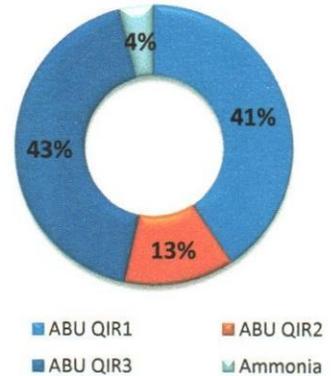
- Maintenance Sectors successfully pursued the planning & implementation of maintenance plans which impacted on continuous plant operation and cost optimization.
- The management continues to focus on enhancing the cost structure by employing strong relationship with broad and diversified base of local and international suppliers dealing with the procurement sectors, in order to secure the plants needs of equipment and raw materials at competitive prices. Abu Qir also continues to focus on maximizing local manufacturing as possible.
- The overhaul activities of Abu Qir (1) has been successfully completed and the operating steps has begun.

• **Human Resources Highlight**

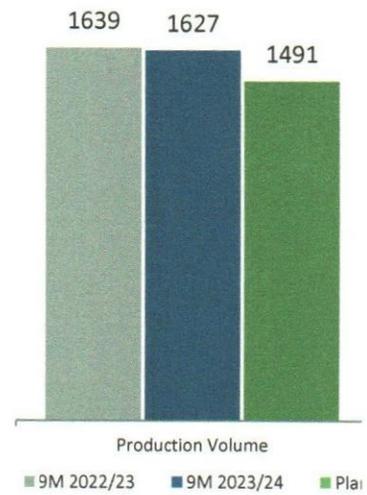
Administrative Sectors

- Abu Qir's average number of employees reached 2474 employees on 31/03/2024, compared to 2561 employees on 31/03/2023, which reflects the company's commitment to maintain appropriate levels of employment in accordance with the operational efficiency rates.
- In parallel, some workers are rehabilitated for other jobs according to work needs, thus achieving maximum benefit from employment and improving performance.
- Abu Qir continues to invest in its human capabilities through launching the "Middle Management Leadership Development Program".

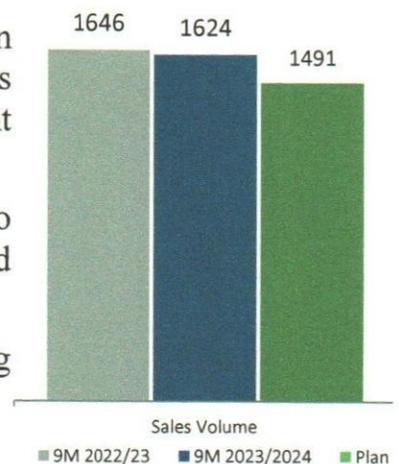
Segment Contribution To Growth Profit (%)



Production Volume Product tons (000s)



Sales Volume Product tons (000s)





• Strategy Insights

Abu Qir Fertilizers Company continues its efforts to achieve sustainable and diversified growth as well as expanding the company's business and enhance its presence. At the same time, the company's management is seeking for investment opportunities with attractive growth potential.

(1) CO₂ Emissions Reduction and raising the production capacity of Abu Qir (3) & (1)

- Alternatives for the project's new scope are being studied for the sake of being more economical in terms of investment and operational cost and less in terms of implementation time in addition to achieving the highest return by adding new products in line with global trends.

(2) North Abu Qir for Agri-Nutrients Company

- A new project with a production capacity of 2,400 tons per day of ammonium nitrate, 1,200 tons per day of ammonia and 1,830 tons per day of nitric acid to be established on the land plot owned by the Egyptian General Petroleum Corporation (formerly Rakta land). Both Abu Qir Fertilizers and Egyptian General Petroleum Corporation (EGPC) will each hold a 45% stake, while the Egyptian Holding Company for Petrochemicals "ECHEM" will own the remaining 10%.

- HE Engineer Tarek El-Molla, Minister of Petroleum & Mineral Resources, chaired the founding assembly of the new company, and laid the foundation stone and the new company's board of directors was formed.

- Noting that, in parallel, progress is being made in all the implementation steps of the project, including selecting a list of qualified general contractors, defining a list of licensors for the project units, preparing ITB to be tendered to the list of qualified general contractors, and preparing an environmental impact assessment study for the project, ... etc.

- In addition, as part of the new company's keenness to be in line with global trend for the reduction of carbon emissions and rationalizing natural gas consumption, a memorandum of understanding was signed between North Abu Qir for Agri-Nutrients and China Energy International Group for the possibility of supplying the project with green hydrogen as raw material instead of natural gas, as well as another memorandum of understanding was also signed with the consortium of ABB for Electrical Industries, Petrojet and MPS Infrastructure to supply the project with green hydrogen and renewable electricity needed to produce green ammonia.

(3) International Company for Methanol & Derivatives

-The possibility of changing the company's activity is being studied to be in line with the state's vision for establishing environmentally friendly projects (green economy).

(4) Al-Wadi for Phosphate Industries and Fertilizers "WAPHCO"

- Abu Qir Fertilizers holds 10% stake. WAPHCO is working to find activities that guarantee the company's continuity. It has prepared an integrated study to enter into a project to raise the concentration of phosphoric raw materials, for achieving quality and manufacturing compound phosphate fertilizers. It is also completing the documents necessary to obtain licenses for the right to exploit phosphate ore, in addition to studying trading raw materials and fertilizers and realizing a profit margin.

(5) Investment in the largest complex for the production of Phosphoric Acid

- Abu Qir Fertilizers owns 9.5% stake in Abu Tartour Phosphoric Acid Company.

- The banking consortium consultants for financing the project participated in due diligence reviews, and the structure of the general contractor consortium was modified to be CSCEC/ECEC Company.



About Abu Qir Fertilizers and Chemical Industries Company

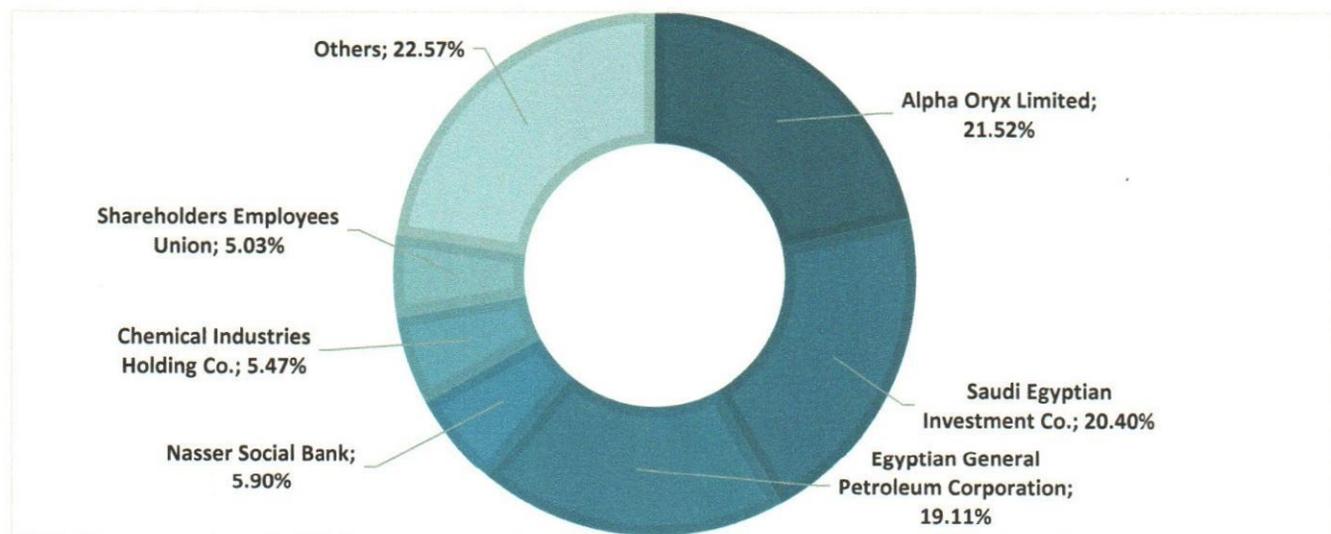
ABUK was established in 1976. It is one of the largest companies specialized in manufacturing of all types of nitrogen and chemical fertilizers, and related materials necessary for their manufacture, packaging, buying, selling and trading within the Arab Republic of Egypt, or abroad. The company has three plants for the production of ammonia, prilled and granular urea, ammonium nitrate, a unit for the production of liquid fertilizer, in addition to a factory for the production of plastic bags. This is in addition to its long history of supporting the Egyptian farmer, through which it was able to maintain its leadership in the nitrogen fertilizer market, not only through its diverse and high-quality fertilizer offerings, but also through its support to the farmer in how to preserve and sustain the soil and achieve maximum benefit from the Fertilization process by contributing to agricultural expansion in cooperation with the Ministry of Agriculture.

Abu Qir Fertilizers Company owns stakes in the following companies:

- Alexandria Fertilizers Company (15%)
- Helwan Fertilizers Company (17%)
- Al Wadi Company for Phosphate Industries and Fertilizers (10%)
- Abu Tartur Company for Phosphoric Acid (9,5%)
- The International Company for Methanol and its Derivatives (35%)
- North Abu Qir for Agri-Nutrients (45%)

For more information, please visit the company's website: <http://abuqir.net/investors/brief>

Shareholders Structure as of 31 March, 2024



To view the complete financial statements and the related disclosures of Abu Qir Fertilizers Co., you can download the list from our website <http://abuqir.net/investors/financial>

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