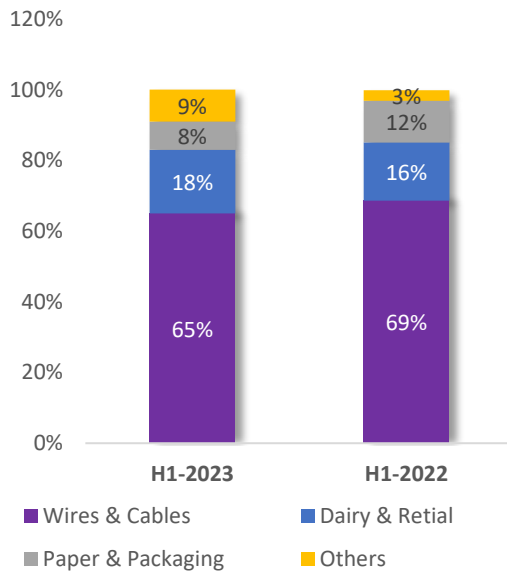


**GADWA for Industrial Development Announces its Consolidated Results for the period ended on the 30<sup>th</sup> of June, 2023**

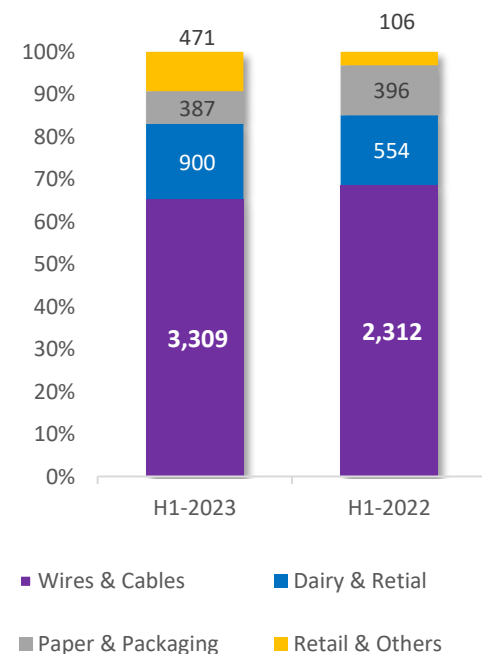
**Revenue Breakdown (%)**



**August 23, 2023 | Cairo |** Gadwa for Industrial Development (GDWA.EY on the Egyptian Exchange), a leading Industrial company, formed as a result of the horizontal split of Pioneers Holdings in October of 2021, released its consolidated financial results for the three months ended on the 30<sup>th</sup> of June 2023.

After the split, GADWA acquired all Industrial assets previously owned by Pioneers Holding Company. The company recorded a net income of EGP 562 million, and revenues of EGP 5.06 billion during the first half of 2023, as compared to EGP 3.4 billion of H1 2022.

**Revenue Breakdown (EGP Mn)**



The company's total assets for the period, H1 2023, was EGP 10.4 billion, while shareholders' net worth was EGP 2.74 billion. This is in comparison to EGP 2.40 billion in H1 2022. The company achieved a gross profit margin of 20% in H1 2023, in comparison with the 18% of H1 2022. In H1 2023, the company recorded a net profit margin of 9% compared 5% during the same period last year. The Earnings-Per-Share was EGP 0.38 in H1 2023.

### Note from the Chairman

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The company was able to achieve outstanding results despite the challenges facing the industrial sector in Egypt. Revenues increased by 50% to EGP 5.06 billion, compared to EGP 3.37 billion in the first half of 2022. Net profit reached EGP 562 million, compared to EGP 167 million in the same period of the previous year.

The Wires and Cables segment accounted for around two-thirds of the company's revenue in H1 2023, with total revenue of EGP 3.4 billion, up from EGP 2.3 billion in the first half of 2022, an increase of 43%. The company was able to increase the prices of all its products to offset the increase in the cost of raw materials due to the rise in exchange rates.

The company's management is steadfastly supporting the export business and has begun to explore new markets in Africa and Europe, such as the United Kingdom, Morocco, and Kenya. Export sales accounted approximately for a modest 2.5% of total revenue in the first half of 2023. The company's management continues to invest in research and development to improve the production processes and develop new products.

The dairy and retail sector's sales saw a 67% increase in revenue to reach EGP 1.1 billion in the first half of 2023, up from EGP 657 million in the same period of 2022. The main drivers of this growth were the increase in the prices of the company's products in the domestic market and the increase in export sales. Arab Dairy's management also restructured the sales sector and introduced new sales channels, which helped to reduce the company's selling and distribution expenses.

The packaging business accounted for approximately 9% of the total revenues of Gadwa, reaching EGP 378 million, compared to EGP 396 million in the first half of 2022. Unipack is currently developing new products to meet market requirements in the coming period and enhance its customer base.

We, at GADWA, continue to closely monitor the global market, to manage our various investments in the best way possible to achieve better results in the coming period.

## Key Subsidiaries Highlights

### Electro Cables

(EGP '000)	H1-2023	H1-2022	Change (%)	Q2-2023	Q2-2022	Change (%)
<b>Revenue</b>	3,568,489	2,311,944	54%	2,035,268	1,243,713	64%
<b>Gross Profit</b>	1,015,052	400,082	154%	634,328	243,373	161%
<b>Gross Profit Margin</b>	28%	17%		31%	20%	
<b>Operating Profit</b>	907,646	302,694	200%	576,661	190,297	203%
<b>Operating Profit Margin</b>	25%	13%		28%	15%	
<b>Net Profit</b>	539,188	190,543	183%	337,016	119,011	183%
<b>Net Profit Margin</b>	15%	8%		17%	10%	

*\*Consolidated Financials*

In the first half of 2023, the company's revenue increased by 54% to EGP 3.6 billion Egyptian pounds, from 2.3 billion EGP in the same period of 2022. The gross profit margin also increased by 11 percentage points to 28% in 2023, from 17% in 2022. This resulted in a net profit of 539 million EGP in the first half of 2023.

### Universal Paper & Packaging

(EGP '000)	H1-2023	H1-2022	Change (%)	Q2-2023	Q2-2022	Change (%)
<b>Revenue</b>	387,217	396,039	-2%	194,267	207,398	-6%
<b>Gross Profit</b>	47,889	50,708	-6%	23,357	31,464	-26%
<b>Gross Profit Margin</b>	12%	13%		12%	15%	
<b>Operating Profit</b>	35,697	38,651	-8%	18,114	23,862	-24%
<b>Operating Profit Margin</b>	9%	10%		9%	12%	
<b>Net Profit</b>	12,753	20,659	-38%	4,644	12,895	-64%
<b>Net Profit Margin</b>	3%	5%		2%	6%	

In the first half of 2023, the company's revenue was EGP 387 million, a 2% decrease from EGP 394 million in the same period of 2022. The gross profit margin was 12%, a 1 percentage point decrease from 13% in H1 2022. This resulted in a net profit of 12 million EGP in the first half of 2023.

### Arab Dairy

(EGP '000)	H1-2023	H1-2022	Change (%)	Q2-2023	Q2-2022	Change (%)
Revenue	899,644	554,491	62%	428,685	261,693	64%
Gross Profit	221,410	128,580	72%	114,860	74,598	54%
<i>Gross Profit Margin</i>	25%	23%		27%	29%	
Operating profit	133,661	61,394	118%	72,826	41,603	75%
<i>Operating Profit Margin</i>	15%	11%		17%	16%	
Net Profit	50,610	20,156	151%	28,498	16,970	68%
<i>Net Profit Margin</i>	6%	4%		7%	6%	

*\*Consolidated Financials*

In the first half of 2023, the company's revenue increased by 62% to EGP 900 million Egyptian pounds (EGP), from EGP 550 million in the same period of 2022. The gross profit margin also increased by 2 percentage points to 25% in 2023, from 23% in 2022. This resulted in a net profit of EGP 50 million in the first half of 2023.

### About GADWA

Gadwa is a leading industrial development and investment company that boasts holdings in the industrial sector, particularly high growth-potential consumer-related businesses, and defensive business models.

As a market leader in the industrial development sector, Gadwa has four primary pillars that each dominate within their respective sectors, locally and internationally.

**Investor Relations Contacts:**

**Mohamed Ebaid**

Head Of Investor Relations

**Yara Hesham**

Investor Relations Analyst