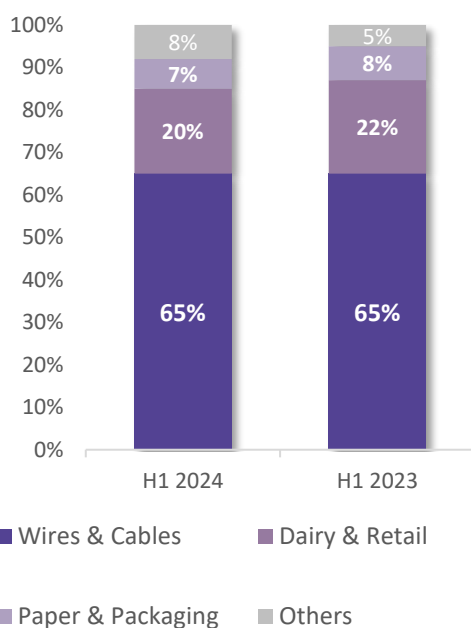


**GADWA for Industrial Development Announces its Consolidated Results for the period ended on the 30<sup>th</sup> of June, 2024**

**The company achieved a tremendous net income that reached EGP 1.2 billion compared to EGP 563 million in H1 2023**

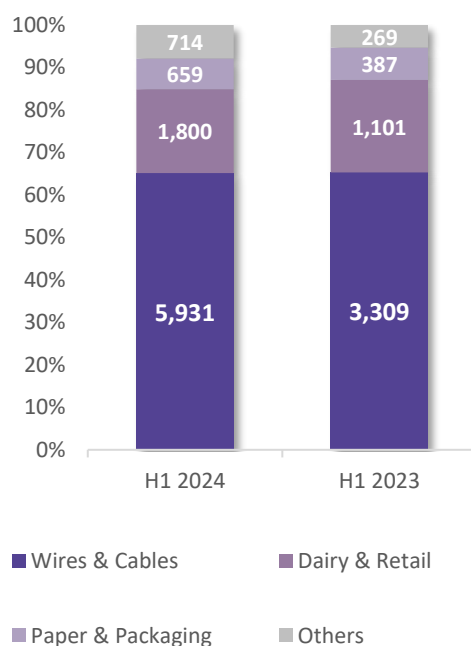
**Revenue Breakdown (%)**



**22<sup>nd</sup> of August, 2024 | 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 six months ended on the 30<sup>th</sup> of June 2024.

After the split, GADWA acquired all Industrial assets previously owned by Pioneers Holding Company. The company recorded a net income before minorities of EGP 1.2 billion compared to EGP 563 million in H1 2023 with an increase of 115%, and revenues of EGP +9 billion during the period as compared to EGP 5.1 billion in H1 2023 with an increase of 80%.

**Revenue Breakdown (EGP Mn)**



The company's total assets for the period ended on the 30<sup>th</sup> of June 2024, were EGP 17.3 billion compared to EGP 13 billion in H1 2023 with an increase of 32.5%, while shareholders' net worth was EGP 4.5 billion up from EGP 3.8 billion last year.

The company recorded a net profit margin, ending on the 30<sup>th</sup> of June 2024, of 13 % compared to 11% during the same period last year. The Earnings-Per-Share were EGP 0.81 in H1 2024 compared to EGP 0.38 in H1 2023.

## Note from the Chairman

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As we hit the midpoint of 2024, we continue to see remarkable achievements. Building on the strong foundation laid in the first quarter, we have sustained robust financial performance, further solidifying our position as a leader in the industrial sector within the Egyptian market. This success comes despite the Egyptian economy's ongoing volatility caused by rising financing costs, and FX shortages earlier in the year, which have posed significant challenges across all industries.

In Q2 2024, however, the improved availability of FX in the country allowed our companies to overcome previous constraints, enabling them to secure raw materials. Additionally, this boost in FX access allowed businesses to streamline operations, and stabilize production.

Our ability to navigate these challenges is a testament to our well-planned strategies and their effective execution. We have achieved unprecedented results by focusing on enhancing operational efficiency, reducing costs, maximizing production capacity, and modifying product mixes to meet evolving company and market needs.

In the first half of 2024, GADWA recorded all-time high revenues of EGP +9 billion, marking an 80% growth rate, with net profits reaching EGP 1.2 billion—a staggering 115% increase YoY. These outstanding results were driven primarily by the higher utilization of capacity across our subsidiaries.

Each of our core sectors has contributed significantly to this success.

As our largest contributor, the Cables sector continues to be a cornerstone of our growth. This sector contributed 65% of Gadwa's revenues, amounting to EGP 5.9 billion in the first six months. Growth in the first half of the year was predominantly fueled by higher volumes, driven by strategic efforts to strengthen its presence in, both, the private sector and export markets while maintaining our presence in the governmental-related project. Additionally, the company is actively pursuing opportunities to broaden its global market share, positioning itself for continued success.

The Dairy and Retail sector has demonstrated exceptional growth, with revenues increasing by 63% to EGP 1.8 billion, representing 20% of GADWA's total revenues. Arab Dairy, a key player in this sector, has successfully refined its sales and production strategies, focusing on high-margin products and expanding market reach.

The launch of our new product line, Gourmet, introduces a premium selection of cheese products that complement our existing offerings, offering greater variety to cater to diverse customer tastes. We are also expanding into new markets globally, aiming to increase our presence and attract more clients through the export market. Additionally, by reaching more selling points, we have enhanced both efficiency and productivity. Furthermore, the introduction of a new semi-hard cheese product (e.g. Gouda cheese), has gained traction in both local and export markets, further solidifying our market position and driving growth.

At the end of last year, Egyptian Integrated for Food Industries started production, a B2B company specializing in dairy products, producing white-label products. Since its inception, the company has shown strong performance, achieving impressive top-line and bottom-line figures. This success highlights its growing influence in the market it operates in.

Universal Unipack, our packaging company, played a key role in Gadwa Group's success, contributing 7% to total revenues with a remarkable EGP 659 million, marking a 70% growth rate. Recently, the company has decided to enhance its product mix by catering to the agricultural industry. These efforts underscore our commitment to innovation and excellence in the packaging sector.

In the coming period, we are committed to sustaining our successes by focusing on operational efficiency and capturing growth opportunities across the region. Our goal for the upcoming years is to aggressively enter the export market, solidifying our presence and boosting revenues.

Moreover, we are placing a strong emphasis on R&D, to drive innovation, develop products to meet market demands and stay ahead. This focus on R&D will not only support our growth strategies but also ensure that we continue to deliver high-quality, competitive products and secure our leadership position in the market.

## Operational and Financial Highlights

### GADWA for Industrial Development

(EGP '000)	H1 2024	H1 2023	Change (%)	Q2 2024	Q2 2023	Change (%)
<b>Revenue</b>	9,103,434	5,066,399	<b>80%</b>	4,617,687	2,206,831	<b>109%</b>
<b>Gross Profit</b>	2,773,098	1,319,433	<b>110%</b>	1,374,414	790,942	<b>74%</b>
<b>Gross Profit Margin</b>	30%	26%		30%	36%	
<b>Operating Profit</b>	2,410,240	1,081,146	<b>123%</b>	1,229,736	674,049	<b>82%</b>
<b>Operating Profit Margin</b>	26%	21%		27%	31%	
<b>Net Profit</b>	1,207,478	562,588	<b>115%</b>	590,886	347,861	<b>70%</b>
<b>Net Profit Margin</b>	13%	11%		13%	16%	

*\*Consolidated Financials*

The financial results for the first half of 2024 show a strong performance compared to the same period in 2023. The company experienced significant growth across key financial metrics, indicating robust operational efficiency and profitability.

- The company's revenue grew by an impressive 80% YoY to reach EGP +9 billion, up from EGP +5 billion for the same period in 2023.
- Gross Profit grew by 110% YoY, outpacing revenue growth, reaching EGP 2.8 billion compared to EGP 1.3 billion in the same period of 2023, with a gross profit margin of 30%, an improvement from 26% in H1 2023.
- Operating Profit rose by 123% to EGP 2.4 billion, up from EGP 1 billion for the same period in 2023. The operating profit margin also saw an improvement from 21% in H1 2023 to 26% in H1 2024.
- Net Profit more than doubled, with a 115% increase YoY reaching EGP 1.2 billion, compared to EGP 563 million for the same period in 2023.

## Key Subsidiaries Financial Highlights

### Electro Cables

(EGP '000)	H1 2024	H1 2023	Change (%)	Q2 2024	Q2 2023	Change (%)
<b>Revenue</b>	6,640,432	3,568,489	<b>86%</b>	3,568,008	2,035,368	<b>75%</b>
<b>Gross Profit</b>	2,101,162	1,015,052	<b>107%</b>	1,073,581	634,328	<b>69%</b>
<b>Gross Profit Margin</b>	32%	28%		30%	31%	
<b>Operating Profit</b>	1,922,962	907,938	<b>112%</b>	980,230	576,818	<b>70%</b>
<b>Operating Profit Margin</b>	29%	25%		27%	28%	
<b>Net Profit</b>	1,001,895	539,188	<b>86%</b>	466,567	337,016	<b>38%</b>
<b>Net Profit Margin</b>	15%	15%		13%	17%	

#### \*Consolidated Financials

- Revenue grew by 86% to reach EGP 6.6 billion, up from EGP 3.6 billion for the same period in 2023.
- Gross Profit increased by 107%, reaching EGP 2 billion compared to EGP 1 billion in the same period of 2023, with a gross profit margin of 32%, an improvement from 28% in H1 2023.
- Operating Profit rose by 112% to EGP 1.9 billion, up from EGP 908 million for the same period in 2023, resulting in an operating profit margin of 29%, compared to 25% in H1 2023.
- Net Profit increased by 86% to over EGP 1 billion, compared to EGP 539 million for the same period in 2023, achieving a net profit margin of 15%.

### Universal Paper & Packaging

(EGP '000)	H1 2024	H1 2023	Change (%)	Q2 2024	Q2 2023	Change (%)
<b>Revenue</b>	658,724	387,217	<b>70%</b>	348,378	194,267	<b>79%</b>
<b>Gross Profit</b>	114,733	47,889	<b>140%</b>	57,852	23,357	<b>148%</b>
<b>Gross Profit Margin</b>	17%	12%		17%	12%	
<b>Operating Profit</b>	97,701	35,697	<b>174%</b>	47,527	18,114	<b>162%</b>
<b>Operating Profit Margin</b>	15%	9%		14%	9%	
<b>Net Profit</b>	31,416	12,753	<b>146%</b>	10,804	4,644	<b>133%</b>
<b>Net Profit Margin</b>	5%	3%		3%	2%	

#### \*Consolidated Financials

- Revenue grew by 70%, reaching EGP 659 million, up from EGP 387 million for the same period in 2023.

- Gross Profit surged by 140% to EGP 115 million, compared to EGP 48 million for the same period in 2023, reflecting a gross profit margin of 17% in H1 2024.
- Operating Profit rose by 174% to EGP 98 million, up from EGP 36 million for the same period in 2023, with an operating profit margin of 15%, compared to 9% in H1 2023.
- Net Profit increased by 146% to EGP 31.4 million, up from EGP 12.7 million for the same period in 2023, achieving a net profit margin of 5%, compared to 3% in the prior period of 2023.

### Arab Dairy

(EGP '000)	H1 2024	H1 2023	Change (%)	Q2 2024	Q2 2023	Change (%)
<b>Revenue</b>	1,441,558	899,644	<b>60%</b>	498,534	428,685	<b>16%</b>
<b>Gross Profit</b>	402,030	221,410	<b>82%</b>	161,955	114,860	<b>41%</b>
<b>Gross Profit Margin</b>	28%	25%		32%	27%	
<b>Operating Profit</b>	216,598	131,395	<b>65%</b>	84,049	68,935	<b>22%</b>
<b>Operating Profit Margin</b>	15%	15%		17%	16%	
<b>Net Profit</b>	103,302	50,610	<b>104%</b>	38,433	28,498	<b>35%</b>
<b>Net Profit Margin</b>	7%	6%		8%	7%	

#### \*Consolidated Financials

- Revenue grew by 60% to reach EGP 1.4 billion, up from EGP 899 million for the same period in 2023.
- Gross Profit increased by 82%, reaching EGP 402 million compared to EGP 221 million in the same period of 2023, with a gross profit margin of 28%, an improvement from 25% in H1 2023.
- Operating Profit rose by 65% to EGP 217 million, up from EGP 131 million for the same period in 2023, resulting in an operating profit margin of 15%.
- Net Profit surged by 104% to EGP 103 million, compared to EGP 51 million for the same period in 2023, achieving a net profit margin of 7%, up from 6% in the prior period of 2023.

## About GADWA

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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.

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