



Arkan reports first quarter 2019 net profit up over 4%

Abu Dhabi, United Arab Emirates, 13 May 2019

Arkan Building Materials Co. PJSC (ADX: ARKAN) (“**Arkan**” or “**the Group**”), a leading construction and building materials company in the UAE, today announced its consolidated financial results for the three months to 31 March 2019.

Net profit for Q1 2019 was AED 12.22 million, an increase of 4.4% compared to AED 11.70 million for the same period in 2018. Profit growth was attributable to the continued reduction in direct costs across the business and income recognized from the sale of scrap assets from the old Emirates Cement Factory.

Group revenue was AED 234.99 million, compared to AED 267.82 million in Q1 2018 as a result of the highly competitive market environment across all product lines.

The Cement Division suffered a contraction in its immediate market and has resorted to selling in farther markets to compensate its sales, thus resulting in lower realized prices. Blocks and Dry Mortar witnessed increased sales by 42.7% showing continued client demand for high quality specialty products. Pipes had a tough period, reflecting the broader construction market with lower export sales than last year.

Commenting on the results, Eng. Jamal Salem Al Dhaheri, Chairman of Arkan said: “The regional construction market continues to be extremely challenging. We are yet to see the expected improvements in the market cycle since the implementation of Abu Dhabi Government initiatives and economic stimulus packages to drive growth and foreign direct investment into the Emirate. We continue to protect our operating margins as much as possible by leveraging our strong reputation for quality across our client base, reducing input costs and driving niche product sales, especially Blocks and Dry Mortar.”

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About Arkan



Arkan Building Materials Co. PJS (ADX: ARKAN), is a public joint stock company specialising in manufacturing of building and construction products in the UAE. Arkan's vision is to build a large integrated building products business that serves the local and regional construction industries. Arkan's portfolio companies include the Al Ain Cement Factory, Emirates Blocks Factories, ANABEEB and Arkan Dry Mortar. For further information, please visit our website: www.arkan.ae.