



## Arkan doubles net profit in H1 2019

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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 first half of 2019.

Net profit for the period was AED 33.8 million, a year-on year increase of 55% driven by disciplined cost management, the successful award of a major insurance claim, and proceeds from the sale of old assets at the Emirates Cement Factory. Overall group revenue for H1 2019 was AED 458.9 million, compared to AED 503.8 million in the same period last year due to further market price pressure after conventional export markets witnessed slowdown mainly in the Cement.

Cement Profits, however, rose reflecting the cost optimization programme and other factors including the successful insurance claim and sale of old assets.

Blocks and Dry Mortar revenues grew in H1 2019, resulting from strong sales volumes and a successful expansion of the manufacturing unit’s product range. However, profits were impacted by an increased land lease tariff and the adoption of the new accounting standards with respect to leased assets, which increased costs. Delays in GRP pipes export projects affected the performance of Anabeeb Division.

Commenting on the results, **Eng. Jamal Salem Al Dhaheri, Chairman of Arkan**, said: “Arkan’s financial results for the first half of 2019 demonstrate the resilience of our business as we closely monitor our costs to limit the impact of increasing competition and seasonal impacts. We could achieve high levels of efficiency in most of our businesses resulting in considerable savings on energy coupled with an increased use of industrial waste confirming our continuous progress toward being a sustainable Company while our innovative products continue to break ground in new local and international markets.

**Ends**