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Arkan's 2019 nine-month numbers show further profit growth

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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 nine months ending 30 September 2019.

Net profit was AED 36.13 million compared to AED 10.20 million for the same period in 2018. A continued challenging market was offset by cost management initiatives, proceeds from an insurance claim and the sale of old assets at the Emirates Cement Factory earlier in the year, as well as a benefit from the preferred energy tariff provided only to entities that enhance the economic impact of the industrial sector in the Emirate of Abu Dhabi.

Overall group revenue for the period was AED 675.50 million, compared to AED 719.71 million in the same period last year, due to increased competition and pressure on prices.

Profits from the cement division increased, indicating the success of the implemented saving measures and the income realised from the sale of old assets. Blocks and dry mortar saw improved sales volumes and product range expansion, but profits declined due to a rise in the land lease tariff as well as increase in provision for receivables as per IFRS 9. The performance of the Pipes and Bags divisions were impacted by a reduction in export sales volume.

The Company continues to focus on the introduction and implementation of efficiency and sustainability initiatives at its plants. This includes the adoption of new technologies such as Fusion Machines for sample preparation and a detailed review of ‘waste to fuel’ systems to reduce the use of fossil fuels.

Commenting on the results, **Eng. Jamal Salem Al Dhaheri, Chairman of Arkan**, said: “Achieving optimum efficiency across our business remains our utmost priority as we continue to navigate through this challenging business cycle. The Abu Dhabi Government’s economic stimulus programme is supporting the launch of new development projects and Arkan has won a number of significant new contracts, across different product ranges demonstrating our competitive proposition and operational capability.”

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