



## Arkan Reports Results for the Nine Months 2020

**Abu Dhabi, United Arab Emirates, 11 November 2020:** Arkan Building Materials Co. PJSC (ADX: ARKAN) (“**Arkan**” or “**the Group**”), a leading construction and building materials company in the UAE and a subsidiary of ADQ, today announced its consolidated financial results for the nine months ended 30 September 2020.

Overall group revenue was AED 581.02 million compared to AED 675.50 million in the same period in 2019. This was mainly due to lower cement sales volumes and falling prices, a direct result of the economic impact the COVID-19 pandemic has had on the construction sector. In addition to a more competitive sales environment, Arkan has also had to deal with a multitude of associated challenges such as road closures, restricted delivery timings due to disinfection and sterilization procedures, and closure of Industrial Zones.

This challenging situation was partly offset by stronger Pipes sales, especially GRP, which had an especially strong period due to significant market share gains. This has again showed the value of a broader diversified business. The Company also undertook further operational cost saving initiatives and benefitted from lower electricity costs, as a result of the Abu Dhabi Government’s ‘Electricity Tariff Incentive Programme’, which supports the industrial sector.

Overall, the Company recorded a net loss of AED 5.42 million for the nine months period, before a one-off gain of AED 1.71 million from sales of scrap assets. This compared to a profit of AED 7.53 million for the same period in 2019, before one off gains of AED 28.50 million from the sale of scrap assets at the Emirates Cement Factory and proceeds from an insurance claim in the Cement Division.

Commenting on the results, **Eng. Jamal Salem Al Dhaheri, Chairman of Arkan** said: “Throughout the year, the construction industry has been heavily impacted by the COVID-19 pandemic. Whilst this unprecedented time has tested the resilience of many organizations, I am proud of the perseverance Arkan has exhibited and its agile response to these extremely challenging market conditions. Thanks to the underlying strength of the Abu Dhabi economy, the Government’s continuous support of the industrial sector and our leading position in the sector, I am confident that Arkan will continue to be at the forefront of the largest projects in the Emirate and emerge stronger, when the pandemic is eventually over.”

**Ends**



### **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. Arkan is owned, overseen, and operated by the Abu Dhabi Developmental Holding Company (ADQ). For more information, please visit our website: [www.arkan.ae](http://www.arkan.ae).