



Arkan Reports Results for the Nine Months 2021

Abu Dhabi, United Arab Emirates, 3rd November 2021: 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 ended 30 September 2021.

These results reflect the financial period prior to the completion of Arkan’s combination with Emirates Steel on 4 October 2021; a transaction which created the UAE’s largest steel and building materials company. Moving forward, Arkan will report the consolidated results of the combined business.

Overall, Arkan’s group revenue for the first nine months of 2021 was AED 591.16 million, compared to AED 581.01 million in the same period in 2020. The Company recorded a net loss of AED 29.19 million for the first nine months of 2021 compared to a net loss of AED 3.71 million for the same period in 2020.

The reduction in profitability was due to lower selling prices of cement and clinker as well as decreasing sales volumes and margins across the Company’s products due to intense competition in the building materials sector and a slow-down in the Emirate’s construction market, partly a consequence of the pandemic. An increase in raw material prices and overall costs has also contributed to the Group’s profitability decline.

The cost rationalisation programme, which was implemented in Q4 2020 to address the challenging market dynamics and improve Arkan’s profitability, achieved AED 21 million of cost savings in the first nine months of 2021.

Looking ahead, Arkan’s strategic combination with Emirates Steel provides substantial revenue diversification for the Combined Group, strengthening its capability to scale and grow, create new business opportunities, and ensure that homegrown manufacturers are at the forefront of driving a sustainable, diversified national economy.

Commenting, **His Excellency Eng. Jamal Salem Al Dhaheri, Chairman of Arkan** said: “We continue to navigate through the slowdown of the construction market as we emerge from the pandemic. Our measures in late 2020 to drive cost efficiencies have delivered results in 2021 and supported Arkan’s operational resilience. The strategic combination between Arkan and Emirates Steel is elevating the Group’s ability to grow and unlock untapped opportunities in the UAE and internationally.”

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About Arkan

Arkan Building Materials Co. PJSC (ADX: ARKAN), is a public joint stock company specialising in the 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. Through Senaat, Arkan is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

For more information, please visit our website: www.arkan.ae.