



EGXtrans

1H 2024
EARNINGS RELEASE

EGYTRANS
[ETRS.CA; ETRS EY EQUITY]



Achieves Strong Growth
Momentum in **1H 2024:**
Revenue Doubles, Net Profit Triples

KEY HIGHLIGHTS
CONSOLIDATED **1H24**

Revenues more than doubled Y-o-Y
to EGP 384.6 million.

Gross Profit increased almost 3-fold
Y-o-Y to EGP 137.9 million.

Gross Profit margin increased by 969 basis
points to reach 35.9%.

SG&A expenses grew by 26%
Y-o-Y to EGP 50.9 million.

EBIT increased considerably to
reach EGP 78.9 million.

Net Profit registered a record-breaking EGP 155.2 million,
marking more than 3-fold increase.

Net Profit Margin grew by 2,175 basis
points to register 40.4%.

Resilience and Adaptability Drive Exceptional Performance

Egytrans delivered impressive financial results in the first half of 2024, demonstrating the effectiveness of its strategic approach. Revenue surged 114.1% YoY to EGP 384.6 million, driven by both core business expansion and successful project execution. This translated into a 193.4% YoY growth in gross profit to EGP 137.9 million, resulting in a robust gross profit margin of 35.9%. Consequently, EBIT soared to EGP 78.8 million, reflecting improved operational efficiency. The culmination of these factors led to a remarkable 364.2% YoY increase in net profit, reaching EGP 155.2 million, driven by core business improvement, project success, and favorable foreign exchange gains.

Consolidated Income Statement in EGP

Item	1H24	1H23	Change YoY
Revenues	384,552,120	179,599,419	114.1%
Costs	(246,657,327)	(132,602,753)	86.0%
Gross Profit	137,894,793	46,996,666	193.4%
SG&A	(50,872,551)	(40,491,152)	25.6%
Other Expense	(8,812,384)	(2,935,646)	200.2%
Other Income	587,980	822,033	-28.5%
EBIT (Net Operating Profit)	78,797,838	4,391,901	1694.2%
Investment Income	11,666,787	8,664,620	34.6%
Investment in Securities	24,016,900	0	N/A
Net Interest Income	1,340,851	(1,537,165)	N/A
FX Gain/Loss	77,871,954	24,200,299	221.8%
Net Profit Before Taxes	193,694,330	35,719,655	442.3%
Taxes	(38,449,361)	(2,273,010)	1591.6%
Net Profit After Taxes	155,244,969	33,446,645	364.2%
Minority Interest	(2,464)	(1,132)	117.7%
Net Profit After Taxes & Minority Interest	155,242,505	33,445,513	364.2%
EPS	0.99	0.21	364.2%

Selected Balance Sheet Consolidated in EGP

Item	1H24	2023	Growth
Net Fixed Assets	200,490,458	170,542,408	17.6%
Accounts Receivable	195,821,759	107,312,878	82.5%
Other Debtors	88,745,597	42,720,851	107.7%
Projects Under Construction	78,149,588	57,550,746	35.8%
Cash	129,226,780	68,592,743	88.4%
Total Assets	861,726,705	553,363,992	55.7%
Accounts Payable	94,028,633	41,487,342	126.6%
Other Creditors	60,927,278	53,231,637	14.5%
CPLTD	2,569,216	2,257,905	13.8%
LTD	11,703,710	13,104,009	-10.7%
Total Liabilities	267,355,806	176,170,597	51.8%
Total Shareholders' Equity	594,370,899	377,193,395	57.6%





Core Business Expansion:

Strategic initiatives led to a 178% increase in core logistics revenue in 1H 2024, driven by strategic focus on customer acquisition and service enhancements. The logistics segment witnessed an impressive QoQ growth, rising by 48% to reach EGP 112.1 million in 2Q 2024 compared to EGP 75.6 million in 1Q 2024.

Project Success:

Project Logistics contributed significantly to the topline with EGP 136.8 million in revenue and is expected to continue doing so until 3Q 2024.

Strategic Margin Improvement:

Implemented revisions led to a 37% YoY growth in gross profit margin, demonstrating Egytrans' ability to optimize pricing while remaining competitive.

Customer Focus:

Building on 2023 initiatives, Egytrans prioritized high-value clients and improved Customer Relationship Management (CRM). Investments in strengthening sales capabilities and service offerings resulted in a 42% increase in new client files and expanded business with existing customers.

Subsidiary Performance:

ETAL: Collaboration with Power China on the Amunet wind farm project significantly improved performance. ETAL successfully handled heavy lift transportation for this project and others.

EDS: Temporary limitations due to depot improvements continued until the end of the quarter and were subsequently completed in May.

Free Zone Performance: Revenue from Free Zones decreased by 46%, a direct result of the declining car sales tied to currency fluctuations and the government's temporary ban on importing cars for special needs. However, the gross profit margin remained healthy at 32.21%.

Egytrans' strong performance in 1H 2024 underscores the effectiveness of its strategic approach. The company successfully navigated a challenging market environment and achieved remarkable growth in both core business and projects. Looking ahead, Egytrans is well-positioned for continued success, driven by its commitment to customer focus, operational excellence, and strategic expansion plans.



Egytrans Separate

Egytrans Core Business Delivers Solid Financial

Performance Egytrans Delivers Exceptional H1 2024 Performance

Egytrans achieved remarkable financial performance in H1 2024, demonstrating strong growth and profitability. Revenue surged by 130% YoY to EGP 369.5 million, driven by strategic core business expansion and successful project execution. This translated into a substantial 241% YoY increase in gross profit to EGP 126.2 million, reflecting improved operational efficiency and cost management. Consequently, EBIT skyrocketed YoY to EGP 74.5 million, and net profit after taxes surged by 308% YoY to EGP 158.5 million.

These exceptional results underscore Egytrans' ability to capitalize on market opportunities and navigate challenging conditions. The company's strategic focus on core business expansion, coupled with its successful project execution, has been instrumental in driving this outstanding performance. Building upon this momentum, Egytrans is well-positioned for continued growth by maintaining operational efficiency, expanding market presence, and diversifying revenue streams.

Sector Performance

Ocean Freight Forwarding: Experienced significant growth of 265% YoY, driven by increased TEUs shipped.

Air Freight Forwarding: Saw a substantial growth of 186% YoY due to increased demand following disruptions in the Red Sea.

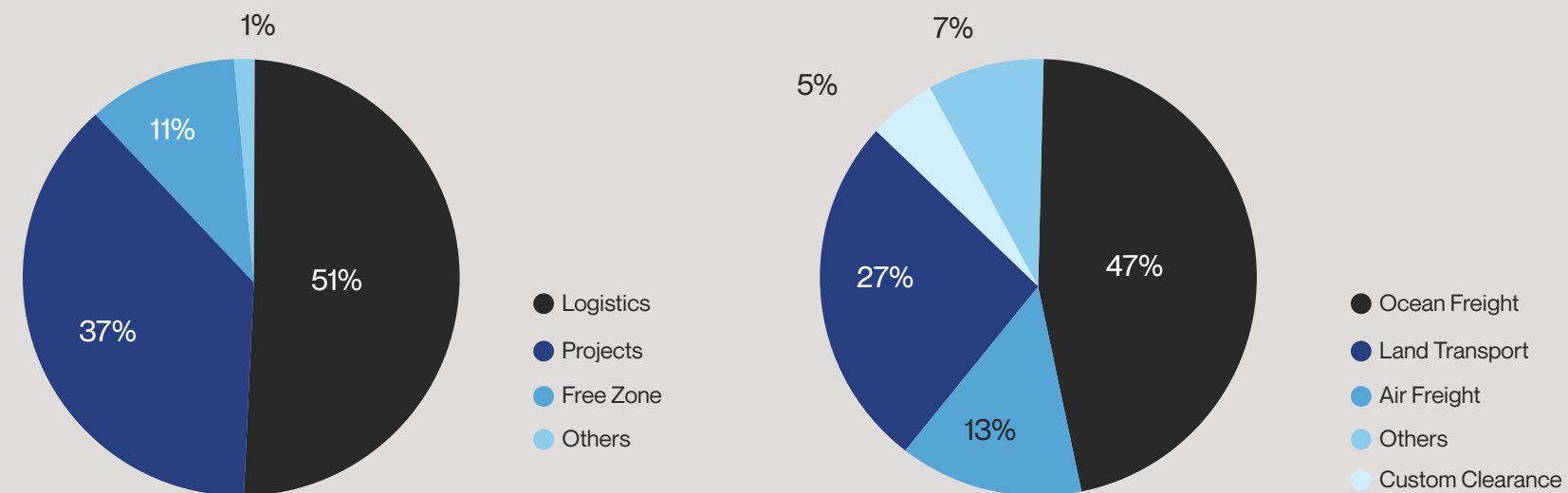
Land Transport: Demonstrated impressive growth of nearly triple, driven by market share expansion and new service offerings.

Customs Clearance: Faced a decline of 19% due to slower import activity.

Transit Services: Expanded by 88% through the launch of a new service connecting GCC and China with Europe, seizing an opportunity arising from the Red Sea crisis

Projects: Contributed significantly to revenue. This activity is subject to fluctuations tied to national infrastructure initiatives.

Free Zone: Experienced a slowdown due to declining car sales attributed to currency fluctuations and temporary government restrictions.



Revenues Breakdowns & GPM per Activity

Description	1H-2024	1H-2023	Growth
Revenues - Logistics	187,730,576	67,426,903	178%
COGS – Logistics	(148,448,220)	(40,759,933)	
Contribution Margin - Branches	39,282,356	26,666,970	
Contribution Margin %	20.92%	39.55%	
Revenues - Projects	136,810,341	18,393,692	644%
COGS – Projects	(48,605,549)	(13,301,171)	
Contribution Margin - Projects	88,204,792	5,092,521	
Contribution Margin %	64.47%	27.69%	
Revenues - Free Zone	40,277,252	74,503,588	-46%
COGS - Free Zone	(27,305,147)	(52,724,672)	
Contribution Margin - Free Zone	12,972,106	21,778,916	
Contribution Margin %	32.21%	29.23%	
Revenues - Others	4,644,000		
COGS - Others	(1,268,993)		
Contribution Margin – Others	3,375,007		
Contribution Margin %	72.67%		
Total Revenues	369,462,169	160,324,183	130%

Standalone Income Statement Figures (In EGP)

Item	1H24	1H23	Growth
Revenues	369,462,169	160,324,181	130.4%
Costs	(243,214,634)	(123,317,759)	97.2%
Gross Profit	126,247,535	37,006,422	241.2%
SG&A	(45,398,369)	(36,501,108)	24.4%
Other Expense	(8,502,714)	(2,870,293)	196.2%
Other Income	2,178,336	2,686,409	-18.9%
EBIT (Net Operating Profit)	74,524,788	321,430	23085.4%
Investment Income	25,606,085	17,913,454	42.9%
Investment in Securities	24,016,900	0	n/a
Net Interest Income	339,662	(1,386,262)	-124.5%
FX Gain/Loss	73,286,667	23,834,773	207.5%
Net Profit Before Taxes	197,774,102	40,683,395	386.1%
Taxes	(39,245,742)	(1,855,075)	2015.6%
Net Profit After Taxes	158,528,360	38,828,320	308.3%
EPS	0.81	0.20	308.3%

Selected Balance Sheet Standalone Figures (In EGP)

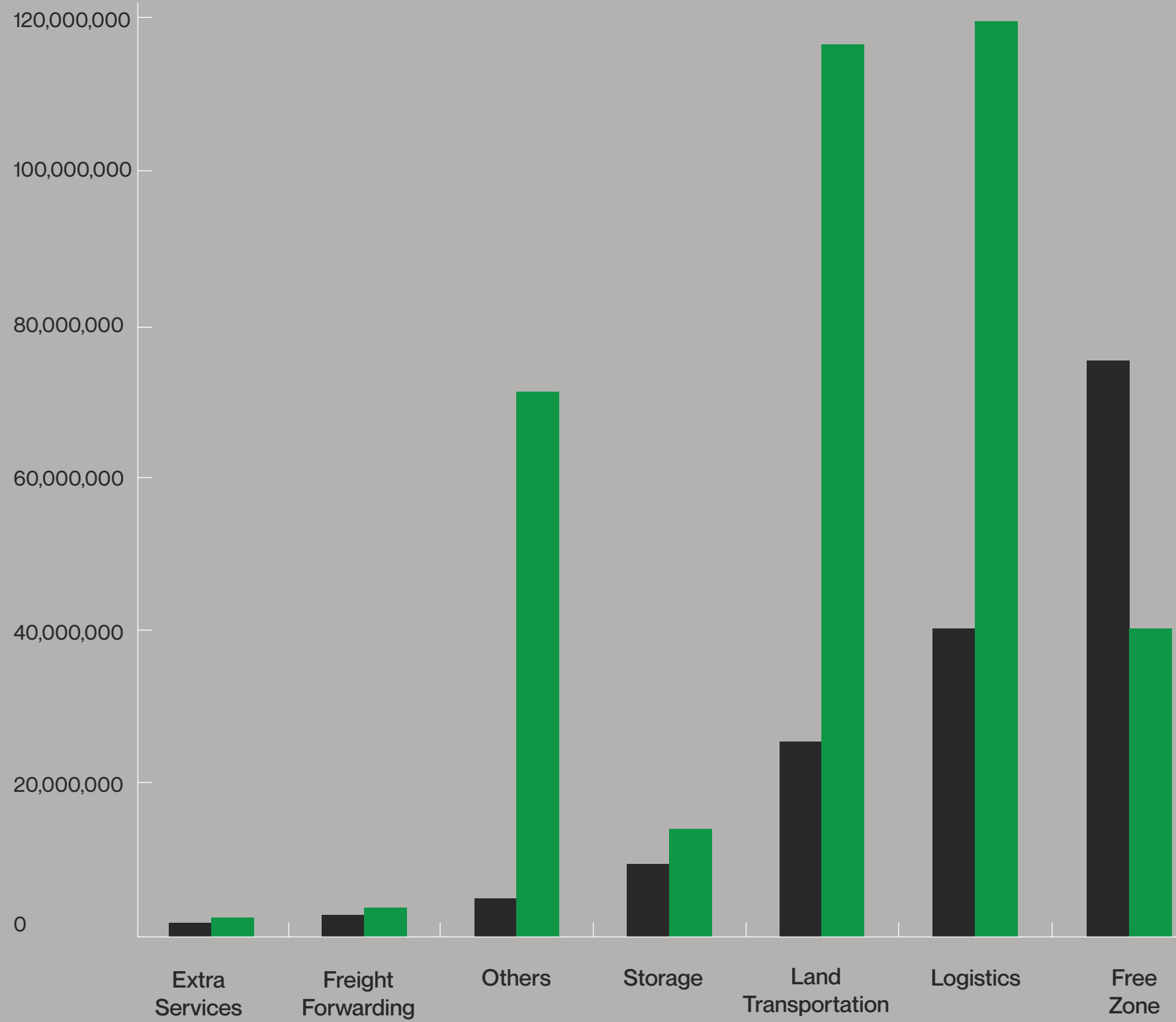
Item	1H24	1H23	Growth
Net Fixed Assets	86,161,731	66,960,318	28.7%
Accounts Receivable	181,858,588	97,555,104	86.4%
Other Debtors	71,130,296	26,226,019	171.2%
Projects Under Construction	7,462,348	26,755,885	-72.1%
Cash	112,279,138	61,141,979	83.6%
Total Assets	682,436,388	433,438,121	57.4%
Accounts Payable	93,588,384	41,161,809	127.4%
Other Creditors	55,331,086	49,086,194	12.7%
CPLTD	1,128,254	994,214	13.5%
LTD	4,749,656	5,360,820	-11.4%
Total Liabilities	241,839,983	149,314,821	62.0%
Total Shareholders' Equity	440,596,405	284,123,300	55.1%

Income Statement Standalone

Item (In EGP)	2Q23	1Q24	2Q24	QoQ	YoY	1H23	1H24	YoY
Revenues	82,963,224	181,291,574	188,170,595	4%	127%	160,324,181	369,462,169	130%
Costs	(61,326,858)	(110,062,750)	(133,151,884)	21%	117%	(123,317,759)	(243,214,634)	97%
Gross Profit	21,636,366	71,228,824	55,018,711	-23%	154%	37,006,422	126,247,535	241%
SG&A	(20,118,457)	(24,205,152)	(21,193,217)	-12%	5%	(36,501,108)	(45,398,369)	24%
Other Expense	(2,611,252)	(2,728,005)	(5,774,709)	112%	121%	(2,870,293)	(8,502,714)	196%
Other Income	1,242,968	1,032,939	1,145,397	11%	n/m	2,686,409	2,178,336	-19%
EBIT (Net Operating Profit)	149,625	45,328,606	29,196,182	-36%	19413%	321,430	74,524,788	23085%
Investment Income	13,514,506	25,606,085	0	-100%	-100%	17,913,454	25,606,085	43%
Investment in Securities	0	24,016,900	0			0	24,016,900	0%
Net Interest Income	(557,341)	273,871	65,791	-76%	n/a	(1,386,262)	339,662	n/a
FX Gain/Loss	12,939	69,417,683	3,868,984	-94%	29802%	23,834,773	73,286,667	207%
Net Profit Before Taxes	13,119,729	164,643,145	33,130,957	-80%	153%	40,683,395	197,774,102	386%
Taxes	2,031,243	(31,594,676)	(7,651,066)	n/a	n/a	(1,855,075)	(39,245,742)	2016%
Net Profit After Taxes	15,150,972	133,048,469	25,479,891	-81%	68%	38,828,320	158,528,360	308%

1H23

1H24



ETAL Demonstrates Resilience in Cyclical Market (1H 2024)



Despite a decline in infrastructure projects and foreign exchange limitations, the company achieved positive results, with revenue increasing 93% to reach EGP 18.9 million compared to EGP 9.8 million in H1 2023.

The successful execution of the Amunet wind farm project was a key driver of this performance, contributing significantly to the company's revenue. However, the cyclical nature of the heavy haul project market means this exceptional performance may not be sustained beyond the project's completion in 3Q 2024.

Financially, ETAL achieved a remarkable turnaround, with gross profit increasing to EGP 4.9 million and EBIT reaching EGP 2.7 million. This improvement reflects the company's ability to optimize operations and control costs, compared to a net operating loss in 1H 2023. Net profit also rose to EGP 2.6 million, compared to a net loss of EGP 1.0 million in 1H23. The ability to secure the Amunet Project at favorable rates is a testament to ETAL's category leadership in wind farm transportation. To accommodate the specific requirements of this project, the company invested in new transport vehicles, gaining a competitive advantage.

Looking ahead, the acquisition of NOSCO will contribute significantly to reducing cyclicity by leveraging its category leadership in the oil and gas sector. The combined force of ETAL and NOSCO will further strengthen the Egytrans Group's position as a leading provider of heavy haul projects, facilitating further development and growth opportunities.

While the company faces challenges posed by the cyclical nature of the heavy haul project market, its ability to adapt, secure strategic projects, and invest in operational enhancements positions it for continued success.

EDS

EDS Undergoes Strategic Transition in Q1 2024

EDS faced a challenging H1 2024 due to a slowdown in liquid bulk movement and planned depot improvements. Revenues declined 24% YoY to USD 365.4k, impacting gross profit, which decreased by 49% YoY to USD 165.6k. Consequently, EBIT fell to USD 43.2k compared to a profit of USD 175.1k in H1 2023.

Despite these challenges, net profit after taxes increased by 36% YoY to USD 202.5k, primarily driven by significant foreign exchange gains of USD 160.1k. The depot improvements, completed in May 2024, are expected to enhance service offerings and position EDS for growth in H2 2024.

While the short-term outlook is impacted by market conditions and operational adjustments, the long-term prospects for EDS remain positive due to the strategic investments made in infrastructure and the anticipated recovery of the liquid bulk market.



Outlook and Challenges

As Egytrans navigates the second half of 2024, the operating environment remains dynamic and complex. The geopolitical landscape, marked by the ongoing conflict in the Red Sea region, coupled with economic uncertainties and inflationary pressures, presents significant challenges.

Despite these headwinds, Egytrans has demonstrated resilience and adaptability, as evidenced by our strong H1 2024 performance. Our strategic focus on core business expansion and successful project execution has positioned us favorably to weather these storms.

While the launch of our new transit service in response to the Red Sea crisis has presented new opportunities, we remain mindful of the geopolitical risks associated with this route. Additionally, the ongoing impact of currency fluctuations and government regulations on sectors such as the Free Zone necessitates our continued vigilance.

To address these challenges and capitalize on emerging opportunities, Egytrans will prioritize the following:

Operational Excellence:

Maintaining operational efficiency and cost control to safeguard profitability.

Strategic Expansion:

Expanding our market share in core business segments and exploring new growth avenues.



Strategic Partnerships:

Leveraging the full potential of the NOSCO acquisition and the joint venture with Links Investments.

Risk Management:

Continuously monitoring the geopolitical and economic landscape to mitigate potential risks and identify new opportunities.

By executing on these priorities, Egytrans is confident in its ability to deliver sustained value to shareholders and reinforce its position as a leader in the logistics and transportation sector.

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