



**Q1 2024**  
**EARNINGS RELEASE**

EGYTRANS  
[ETRS.CA; ETRS EY EQUITY]



Delivers record-breaking results  
amidst market challenges, achieving  
**115%** top line and **386%** bottom  
line growth

## KEY HIGHLIGHTS CONSOLIDATED 1Q24

**Revenues** more than doubled Y-o-Y  
to EGP 186.4 million

**Gross Profit** increased by almost 3-fold  
Y-o-Y to EGP 77.8 million.

**SG&A** expenses grew by 44.1%  
Y-o-Y to EGP 26.4 million.

**EBIT** increased impressively to  
reach EGP 48.9 million

**Investment Income** doubled to record  
EGP 10.1 million.

**Net Interest Income** of EGP 528.5k compared to net interest  
expense of EGP 1.1 million in 1Q23.

**Net Profits** registered a record-breaking EGP 124.5  
million, marking more than 3-fold increase.

**Net Profit Margin** grew by 3,721.3 basis  
points to register 66.8%.





# Consolidated Financials Review

## Strong Performance Despite Headwinds

Egytrans achieved a robust financial performance in Q1 2024 despite significant challenges in the global and Egyptian logistics and transport sectors. Inflationary pressures and geopolitical tensions led to industry contraction, but Egytrans' strategic approach mitigated these impacts. The company not only maintained operations but also strengthened its market position.

## Revenue Growth

Egytrans' strategic focus on cost management, client acquisition, project execution, and margin revisions directly contributed to the company's strong profitability performance in Q1 2024. Revenue doubled year-over-year to EGP 186.4 million in Q1 2024.

## Profitability Enhancement

Gross profit saw a substantial 3-fold increase to EGP 77.8 million in Q1 2024, resulting in a healthy gross profit margin of 41.7%. This achievement is a testament to the success of Egytrans' cost management strategies and commercial initiatives. Notably, effective cost control measures mitigated the impact of a 44.1% rise in SG&A expenses driven by the inflationary environment.



Furthermore, Egytrans' operational effectiveness is underscored by a significant increase in EBIT to EGP 48.9 million. Investment income also expanded by 80%, reaching EGP 10.1 million, driven by the improved performance of affiliates and strategic investments.



## Improved Cash Flow Management

Strategic investments in high-yield instruments as part of prudent cash management practices generated a net interest income of EGP 528.5 thousand in Q1 2024, replacing a prior net interest expense.

## Net Profit Growth

Net profits significantly increased to

**EGP 124.5 million in Q1 2024,**



a more than threefold increase compared to the previous year. This impressive growth reflects a combination of factors:

- **Core Business Improvement:** The core logistics business witnessed significant improvement.
- **Project Success:** The projects division, particularly the Amunet wind farm project, delivered exceptionally strong results (EGP 85.7 million), and is expected to continue contributing until project completion in August 2024.
- **Favorable Foreign Currency Gains:** Gains on foreign currency transactions further bolstered net profits.



# Key Takeaways

Despite challenging market conditions, Egytrans achieved impressive financial results in Q1 2024. Revenue doubled year-over-year thanks to project success and expanded core logistics, while profitability saw a significant boost with a healthy gross profit margin and cost-saving measures. Strategic investments led to improved cash flow, and net profits soared due to core business improvement, project success, and favorable foreign exchange. This strong performance highlights the effectiveness of Egytrans’ strategic approach.



## I/S Figures In EGP

Item	1Q23	1Q24	Change YoY
Revenues	86,646,165	186,438,177	115.2%
Costs	(66,514,436)	(108,671,300)	63.4%
Gross Profit	20,131,729	77,766,877	286.3%
SG&A	(18,314,192)	(26,385,511)	44.1%
Sundry Expenses	(294,020)	(2,787,547)	848.1%
Sundry Income	531,933	302,142	-43.2%
EBIT (Net Operating Profit)	2,055,450	48,895,961	2278.8%
Investment Income	5,642,400	10,138,501	79.7%
Net Interest Income	(1,142,947)	528,469	-146.2%
FX Gain/Loss	23,818,169	95,400,711	300.5%
Net Profit Before Taxes	30,373,072	154,963,642	410.2%
Taxes	(4,734,661)	(30,418,481)	542.5%
Net Profit After Taxes	25,638,411	124,545,161	385.8%
Minority Interest	(811)	(1,798)	121.7%
Net Profit After Taxes & Minority Interest	25,637,600	124,543,363	385.8%
EPS	0.16	0.80	385.8%

## B/S Figures In EGP

Item	2023	1Q24	Growth
Net Fixed Assets	170,542,408	202,937,554	19.0%
Accounts Receivable	107,312,878	191,470,758	78.4%
Projects Under Construction	57,550,746	55,304,320	-3.9%
Investments in Affiliates & Subsidiaries	16,122,665	11,040,149	-31.5%
Other Debtors	42,720,851	84,044,895	96.7%
Cash & Investments	68,592,743	132,835,331	93.7%
<b>Total Assets</b>	<b>553,363,992</b>	<b>824,705,585</b>	<b>49.0%</b>
Accounts Payable	35,369,631	57,838,569	63.5%
Other Creditors	59,349,348	106,181,439	78.9%
Long-term Rental Contracts Liabilities	13,104,009	12,460,815	-4.9%
LTD	26,820,598	23,584,198	-12.1%
CPLTD	2,257,905	2,364,557	4.7%
Deferred Taxes	17,665,174	33,911,607	92.0%
<b>Total Liabilities</b>	<b>176,170,597</b>	<b>261,349,578</b>	<b>48.4%</b>
<b>Total Shareholders' Equity</b>	<b>377,193,395</b>	<b>563,356,007</b>	<b>49.4%</b>

# Operational Review

## Adaptability and Strategic Focus Drive Growth

Egytrans effectively navigated challenging market conditions in Q1 2024, showcasing its adaptability and strategic approach. This resulted in significant operational achievements, particularly in client acquisition, service offerings, and market expansion.

## Customer Focus and Growth:

Building on 2023 initiatives, Egytrans prioritized high-value clients and improved Customer Relationship Management (CRM). Moreover, investments in strengthening sales capabilities and service offerings led to successful new client acquisition. This resulted in a 49% increase in new client files and expanded business with existing customers, securing a consistent revenue stream and increasing its core logistics segment, by 140%. to Egytrans' overall financial health.

Number of files Opened/Branch	1Q23	1Q24	% Change
EGYTRANS/AL	621	1,020	64%
EGYTRANS/CA	1,202	1,662	38%
EGYTRANS/PR	480	735	53%
EGYTRANS/SU	61	105	72%
Grand Total	2,364	3,522	49%





Revenue Breakdowns & GPM per Activity	Actual Q1-2023	Actual Q1-2024	% Change
Revenues - Logistics	31,470,927	75,610,766	140%
COGS - Logistics	(20,852,831)	(55,372,188)	
Gross Profit - Logistics	10,618,096	20,238,578	91%
Gross Profit Margin %	33.74%	26.77%	
Revenues - Projects	9,362,244	85,689,189	815%
COGS - Projects	(6,346,945)	(33,116,542)	
Gross profit- Projects	3,015,299	52,572,647	1644%
Gross Profit Margin %	32.21%	61.35%	
Revenues - Free Zone	36,527,787	17,669,618	-52%
COGS - Free Zone	(26,093,971)	(12,244,798)	
Gross Profit - Free Zone	10,433,816	5,424,820	-48%
Gross Profit Margin %	28.56%	30.70%	
Revenues - Fleet Rent	-	2,322,000	
COGS - Fleet Rent	-	(765,543)	
Gross Profit - Fleet Rent	0	1,556,457	
Gross Profit Margin %		67.03%	
Total Revenues	77,360,958	181,291,573	134%

**Strategic Margin Improvement:** Strategic margin revisions were implemented, further improving profitability, reflected in the impressive 80% year-over-year gross profit margin growth. This highlights Egytrans’ ability to optimize its pricing strategies while remaining competitive.

**Expansion Through Acquisitions:** The joint venture with Links in Saudi Arabia is on track, significantly bolstering Egytrans’ regional capabilities upon launch. Integration with NOSCO on an operational level is already delivering positive results, paving the way for a successful acquisition until the ongoing legal finalization process is completed.

**Key Takeaways:** Egytrans’ strategic focus on customer acquisition, service enhancements, and margin optimization fueled remarkable operational growth in Q1 2024. The company’s adaptability and proactive approach not only mitigated challenging market conditions but also positioned Egytrans for continued success in the future.





### 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. These enhancements are expected to significantly improve service offerings upon full resumption in Q2 2024.

### Egytrans Separate

#### Egytrans Core Business Delivers Solid Financial Performance

Egytrans achieved a robust financial performance in the first quarter of 2024 (Q1 2024) despite challenging market conditions. Revenue significantly increased year-over-year (YoY), reaching EGP 181.3 million, reflecting the company's success in capitalizing on market opportunities. Gross profit also saw a substantial increase, reaching EGP 71.2 million. This growth in profitability is further underscored by a significant rise in EBIT (earnings before interest and taxes) to EGP 45.3 million compared to EGP 171,805 in Q1 2023. Net profit after taxes also demonstrated strong growth, increasing nearly fivefold YoY to EGP 133.0 million. These financial results highlight Egytrans' effectiveness in navigating a challenging market environment and its commitment to operational excellence and profitability.

### Sector Performance:

**Ocean Freight Forwarding:** Increased by 186% due to a 145% rise in TEUs shipped.

**Air Freight Forwarding:** Grew by 88% following disruptions in the Red Sea in addition to increased commercial activity.

**Land Transport:** More than doubled in revenue, showcasing market share growth and new service offerings targeted at shipping lines. Customs Clearance: Increased by 47%, driven by a 2-fold rise in volumes.

**Projects:** Wind farm project significantly boosting revenues for the current year, but subject to fluctuations in future periods tied to national infrastructure initiatives.

**Free Zone:** Witnessed a slowdown due to declining car sales tied to currency fluctuations.





# Egytrans Separate Margins & Ratios

Item	1Q23	1Q24	Bps
Costs / Revenues Ratio	80.1%	60.7%	-1,942.2
Gross Profit Margin	19.9%	39.3%	1,942.2
EBIT Margin	0.2%	25.0%	2,478.1
Net Profit Margin	30.6%	73.4%	4,278.3
RoA	31.8%	178.8%	14,700.1
RoE	8.3%	32.1%	2,380.1
SG&A / Revenues Ratio	21.2%	13.4%	-782.5



# B/S Figures In EGP

## Egytrans Separate

Item	2023	1Q24	Growth
Net Fixed Assets	66,960,318	86,115,189	28.6%
Accounts Receivable	97,555,104	182,176,185	86.7%
Other Debtors	26,226,019	59,983,874	129%
Projects Under Construction	26,755,885	7,287,348	-72.8%
Investments in Affiliates & Subsidiaries	74,401,612	74,401,612	0.0%
Due from Related Parties	32,746,651	58,932,104	80.0%
Cash	61,141,979	116,382,021	90.3%
Total Assets	433,438,121	645,486,197	48.9%
Accounts Payable	35,044,098	56,643,918	61.6%
Other Creditors	55,203,905	100,969,711	82.9%
Long-term Rental Contracts Liabilities	5,360,820	5,059,515	-5.6%
leasing Contracts	26,820,598	23,584,200	-12.1%
Provisions	19,532,987	20,098,246	2.9%
Deffered Tax Liabilities	5,608,128	21,644,661	286.0%
Total Liabilities	149,314,821	231,451,863	55.0%
Total Shareholders' Equity	284,123,300	414,034,334	45.7%



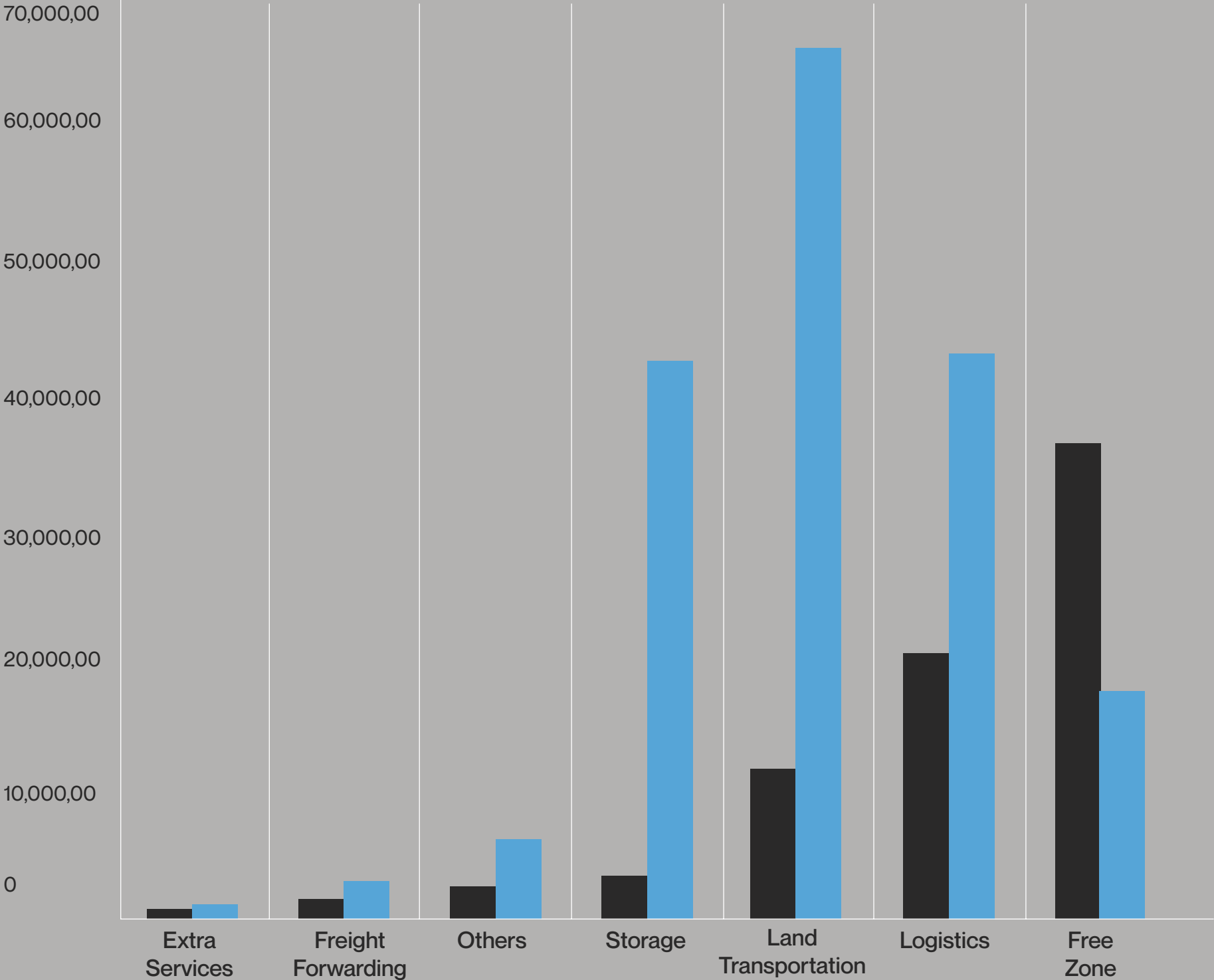
# I/S Figures In EGP

Item	2023	1Q24	Change YoY
Revenues	77,360,957	181,291,574	134.3%
Costs	(61,990,901)	(110,062,750)	77.5%
Gross Profit	15,370,056	71,228,824	363.4%
SG&A	(16,382,651)	(24,205,152)	47.7%
Sundry Expenses	(259,041)	(2,728,005)	953.1%
Sundry Income	1,443,441	1,032,939	-28.4%
EBIT (Net Operating Profit)	171,805	45,328,606	26283.8%
Investment Income	4,398,948	25,606,085	482.1%
Net Interest Income	(828,921)	273,871	N/A
FX Gain/Loss	23,821,834	93,434,583	292.2%
Net Profit Before Taxes	27,563,666	164,643,145	497.3%
Taxes	(3,886,318)	(31,594,676)	713.0%
Net Profit After Taxes	23,677,348	133,048,469	461.9%
EPS	0.12	0.68	461.9%

## Breakdowns Per Acitvity

1Q23

1Q24





# ETAL Demonstrates Resilience in Cyclical Market (Q1 2024)



ETAL navigated challenging market conditions in Q1 2024, marked by a decline in infrastructure projects and foreign exchange limitations. Despite these hurdles, the company achieved positive results, with revenue more than doubling to EGP 13.2 million compared to EGP 6.2 million in Q1 2023.

It's important to acknowledge that the heavy haul project market is cyclical, often tied to infrastructure spending and overall economic growth. While these broader conditions present challenges, ETAL's performance demonstrates its ability to adapt.

Financially, ETAL saw a significant increase in gross profit to EGP 4.5 million, a 6-fold rise year-over-year from EGP 613.7k in Q1 2023. This growth translated to a turnaround in EBIT, reaching EGP 3.6 million compared to a net operating loss in Q1 2023. Net profit also rose to EGP 3.3 million, compared to EGP 164.6k in 1Q23, representing a significant gain.

A key driver of this performance was ETAL's established reputation in wind farm transportation. Securing the Amunet Project in cooperation with Egytrans not only underscores its ability to navigate difficult circumstances but also positions the company for future growth. This strategic project, slated for completion in August 2024, has positioned ETAL to capitalize on its expertise in wind farm logistics once market conditions stabilize.



# EDS

## EDS Undergoes Strategic Transition in Q1 2024

EDS navigated a challenging market environment in Q1 2024, characterized by a slowdown in liquid bulk movement. This slowdown, along with a temporary reduction in operational capacity to facilitate depot improvements initiated in Q3 2023 and completed in May 2024, led to a decline in revenue to USD 153.4 thousand, down 33% YoY.

Moreover, the financials reflect a period of strategic transition for EDS, as the company reduced operational capacity starting Q3 2023 to facilitate developments in the depot. This is poised to enhance EDS's service offerings and strengthen its market position going forward. With the anticipation of resuming full operations by the beginning of Q2 2024, EDS is setting the stage for a potential rebound and future growth, leveraging its market-leading expertise and expanding service capabilities.

As such, gross profit declined sharply to USD 60k, a significant reduction of 54.6% Y-o-Y from USD 132.3k in 1Q23. EBIT declined sharply to reach USD 240 compared to profit of USD 66.3k in 1Q23. Net profit before taxes recorded an increase of 87% Y-o-Y, reaching USD 155k in 1Q24, up from USD 82.8k in 1Q23. Furthermore, the net profit after taxes increased by 178% Y-o-Y to USD 148.8k in 1Q24 from USD 53.5k in 1Q23. The positive bottom line result was due to increased fx gains of USD 138.2 compared to USD 26.9k in 1Q23.

### Looking Ahead:

The temporary decline in EDS's financial performance reflects a strategic investment in its future. The depot improvements are expected to significantly enhance service offerings and position EDS for long-term growth upon full operational resumption in Q2 2024.



## Outlook

As we enter the 2nd Quarter of 2024, Egytrans acknowledges the persistent complexities facing the logistics and transportation sector, particularly in the Egyptian market as we also expand into KSA. We anticipate ongoing challenges like slow economic activity, inflation and high interest rates. Additionally, global economic disruptions, amplified by events including the Red Sea crisis, necessitate continuous vigilance and strategic adjustments in our operations.

Despite these persistent hurdles, there have been positive developments on the national front in the form of FDI and international loans and cooperation agreements. While acknowledging the initial positive impact of foreign currency investments and loans, Egytrans recognizes the need for a long-term solution. We are strategically positioned to benefit from any sustainable improvements in the Egyptian economy and remain optimistic. In particular, the NOSCO acquisition is poised to significantly strengthen our trucking and project logistics service offerings. This empowers us to seize new opportunities and elevate our service portfolio. Furthermore, our strategic joint venture with Links Investments in KSA is anticipated to unlock immense potential and propel growth in this crucial market.

Egytrans is steadfast in its commitment to providing best-in-class transport and logistics solutions, even as we navigate these challenging times. Our strategic framework, anchored by the three pillars of Grow, Deliver, and Simplify, guides us in achieving this goal. This approach is designed to ensure sustainable and profitable growth for our valued stakeholders. As the logistics and transport sector in Egypt maintains its bright outlook and immense potential, Egytrans is well-positioned to leverage its expanding role, driven by economic growth and business transformation across the landscape.

The approach for 2024 will involve a judicious mix of prudent risk management and bold strategic initiatives. We will strive to balance the imperatives of business continuity with the need to plan for future growth. Through a combination of streamlining our operations and injecting new investments focused on generating growth and synergies within our group structure, we aim to unlock new potentials and sustain profitable outcomes.





***EG******trans***