

|| Banking Sector:

Company	Net Funded Income (AED)			Non-Funded Income (AED)			Net Profit (AED)			Impairment Charges (AED)			EPS (AED)		
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change
1 Abu Dhabi Commercial Bank (ADCB)	2,558	3,003	17.4%	952	1,115	17.2%	1,591	1,999	25.7%	-636	-751	18.0%	0.22	0.24	10.2%
2 Abu Dhabi Islamic Bank (ADIB)	1,132	1,517	34.0%	546	778	42.5%	1,010	1,255	24.3%	-125	-193	53.9%	0.25	0.32	26.9%
3 Mashreq Bank	1,246	1,970	58.2%	795	704	-11.5%	1,181	1,866	58.0%	-28	-94	229.5%	5.9	9.1	155.2%
4 Commercial Bank of Dubai (CBD)	720	864	20.0%	266	349	31.2%	456	695	52.4%	-292	-262	-10.3%	0.15	0.22	45.2%
5 Dubai Islamic Bank (DIB)	2,119	2,204	4.0%	495	711	43.6%	1,377	1,629	18.4%	-502	-500	-0.6%	0.18	0.21	17.3%
6 Sharjah Islamic Bank (SIB)	298	371	24.7%	82	144	76.7%	207	273	31.8%	-26	-75	185.5%	0.06	0.08	31.8%
7 Commercial Bank International (CBI)	90	96	6.2%	98	39	-60.5%	11	49	349.9%	-46	-5	-88.2%	0.01	0.03	349.9%
8 United Arab Bank (UAB)	83	112	34.0%	25	51	104.4%	36	67	88.6%	-5	-20	346.3%	0.02	0.03	88.6%
9 National Bank of Ras Al Khaimah (RAKBANK)	653	874	33.8%	262	284	8.3%	353	464	31.5%	-191	-270	41.5%	0.18	0.23	31.5%
10 Emirates NBD	6,083	7,698	26.5%	2,404	3,174	32.0%	3,776	6,196	64.1%	-1,377	-541	-60.7%	0.58	0.96	66.3%
11 Ajman Bank	109	117	7.7%	61	77	26.7%	38	60	58.4%	-44	-45	0.6%	0.01	0.02	40.3%

Commentary:

- UAE banking system advances rose 3.5% YOY to AED 1,717 Bn in 2Q23. On the other hand, deposits grew at a faster rate, recording a 13.9% YOY growth to AED 2,382 Bn in 2Q23
- The loan-to-deposit ratio fell marginally from 72.6% in 1Q23 to 72.1% in 2Q23, which will further support the economy's loan growth and strong liquidity.
- The Federal Reserve increased interest rates by 50 bps in 1Q23, 25 bps in 2Q23 and by another 25 bps in 3Q23 to 5.25-5.50%. The capitalization of UAE Bank's improved with a Capital Adequacy Ratio (CAR) of 18.2% in 2Q23 as compared to 17.8% in 1Q23 well above the minimum regulatory requirement.
- The average cost-to-income ratio of UAE banks under our coverage declined marginally from 36.5% in 1Q23 to 35.1% in 2Q23, while the average annualized cost of risk for the banks under our coverage declined 9 bps QOQ to 0.9% in 2Q23.

|| Property Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Aldar Properties	2,713	3,398	25.2%	765	1,062	38.8%	28.2%	31.3%	557	838	50.6%	20.5%	24.7%	0.06	0.11
2 Emaar Properties	5,326	5,610	5.3%	2,079	2,449	17.8%	39.0%	43.7%	1,490	1,929	29.5%	28.0%	34.4%	0.18	0.22
3 Emaar Development	2,057	2,270	10.3%	705	925	31.2%	34.3%	40.7%	648	881	35.9%	31.5%	38.8%	0.16	0.22

Commentary:

- The off-plan sales in Dubai increased significantly by 30% YOY during 2Q23, whereas the value of off-plan sales increased by 38% YOY in 2Q23. On the other hand, off-plan sales in Abu Dhabi more than doubled to AED 3.8 Bn in 2Q23 from AED 1.8 Bn in 2Q22.
- Dubai Real Estate market recorded 23.1% YOY growth in total of transactions to 31,399 transactions in 3Q23. The transaction value rose 40.4% YOY and stood at AED 97.5 Bn in 3Q23. Whereas, residential property transactions in Abu Dhabi rose 103% YOY to AED 6.1 Bn in 2Q23 while the transaction value rose 2.7% YOY in 2Q23.
- **Emaar's Hospitality** Group UAE's hotels, including the hotels under management reported an average occupancy rate of 70% in 1H23. Emaar also announced opening a new hotel in Jabal Omar Makkah, with around 1,500 keys, located in Makkah City.
- **Emaar Properties** received an upgrade in Credit ratings from major credit agencies including Fitch, Moody's, and S&P to BBB, Baa2, and BBB, respectively from BBB-, Baa3, and BBB-, respectively. The upgraded rating reflects the company's strong financial performance and improved leverage ratios.
- Aldar Estates, a subsidiary of **Aldar Properties** acquired Fab Properties, a property management company in the UAE. The transaction will bring 22,000 residential units spread across 600 properties to Aldar's property management portfolio resulting in more than 1 Mn of total gross leasable area. Post-acquisition, Aldar Estates' total properties under management to reach 157,000 residential units.
- Aldar Properties' subsidiary SODIC plans for expansion of the Nobu brand in Egypt. The expansion includes the establishment of two luxury hotels, branded residences, and Nobu restaurants in West Cairo and the North Coast. Further, the expansion is expected to strengthen SODIC's market-leading position and meet the rising demand for upscale properties in West Cairo and the North Coast markets.

|| Telecom Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Etisalat and (e&)	12,973	13,705	5.6%	6,714	6,896	2.7%	51.8%	50.3%	2,484	2,589	4.2%	19.1%	18.9%	0.29	0.30
2 du	3,175	3,362	5.9%	1,303	1,469	12.8%	41.0%	43.7%	319	409	28.0%	10.1%	12.2%	0.07	0.09
3 AL Yah Satellite (YAHSAT) (USD'000)	109,017	108,545	-0.4%	66,963	64,910	-3.1%	61.4%	59.8%	-10,217	30,028	NM	-9.4%	27.7%	-0.004	0.012

Commentary:

- **du** signed an MOU with Cinturion Corp Ltd a Bermuda-based company to facilitate the landing of the TEAS (Trans Europe Asia System) in UAE, which is an open-access submarine and terrestrial network. The partnership aims to provide diverse routes to meet the growing regional demand and establish an open-access Cable Landing Station (CLS) to support the UAE's economic, social, and digital transformation. TEAS will connect the Arabian and Mediterranean Seas with two paths and interlink the Middle East via multiple routes across the Arabian Peninsula, the Gulf of Aqaba, and the Red Sea.
- du announced two partnerships in its inaugural ICT event Envision, the first partnership between du and the Ministry of Industry and Advanced Technology (MoIAT) to boost the digital transformation of manufacturing operations. Another partnership with Hashgraph association to use the Hedera blockchain. The partnership enables efficient and sustainable applications in various sectors by providing secure, traceable, and scalable solutions on a corporate blockchain platform.
- **e&** group acquired 60.3% stake in Beehive Group Holdings Limited for a consideration of USD 23.6 Mn. Beehive which is an online marketplace that provides peer-to-peer lending to the SMEs operating in MENA region.
- e& acquire 50% share and an additional share in PPF Telecom company to become majority shareholder of PPF telecom. Etisalat paid for a consideration of AED 8.7 Bn for the stake. The transaction also requires Etisalat to make an earn-out payment of AED 1.41 Bn if the PPF telecom assets exceed certain financial target agreed in the merger.
- e& added 1.2 Mn new subscribers in 2Q23 to grow total subscribers to 165 Mn recording the highest number of subscribers in 2023. The company's active subscribers in UAE increased by 5.1% YOY to 13.9 Mn subscribers in 2Q23. Whereas, du's mobile customer base declined by 2.2% QOQ to 8.0 Mn subscribers in 2Q23. However, the company added 5,000 new broadband customers in 2Q23 to 559,000 customers.
- **Al Yahsat's** government services arm, Yahsat Government Solutions, won a USD 5.1 Bn mandate from UAE government to provide satellite capacity and services for the next 17 years. Yahsat will use existing satellites (Al Yah 1 and Al Yah 2) and introduce two new satellites (Al Yah 4 and Al Yah 5, expected to launch in 2027 and 2028) to provide secure and reliable satellite capacity and services. The UAE government will make an advance payment of USD 1 Bn in 2024.

|| Energy Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Dana Gas (USD,Mn)	131	120	-8.5%	76	78	2.7%	58.0%	65.1%	50	46	-8.2%	38.2%	38.3%	0.01	0.01
2 ADNOC Drilling(USD,Mn)	670	741	10.6%	299	360	20.3%	44.6%	48.5%	189	225	19.1%	28.2%	30.3%	0.012	0.014
3 ADNOC Distribution	8,551	7,928	-7.3%	868	794	-8.5%	10.2%	10.0%	767	563	-26.6%	9.0%	7.1%	0.06	0.05
4 ADNOC GAS (USD, mn)	-	4,368	-	-	2,096	-	-	48.0%	-	1,196	-	-	27.4%	-	0.016
5 ADNOC L&S (USD, mn)	-	639	-	-	205	-	-	32.2%	-	146	-	-	22.9%	-	0.073

Commentary:

- **ADNOC and TAQA** successfully concluded the financial closing for a strategic project worth USD 2.2 Bn (AED 8.3 Bn) aimed at ensuring a sustainable water supply for ADNOC's onshore operations. The strategic investment is set to develop and operate facilities for the sustainable treatment and provision of seawater by TAQA to ADNOC's onshore activities. The transportation system is expected to improve energy efficiency by up to 30% for ADNOC's onshore operations. In addition, following the goals of ADNOC's highly effective In-Country Value (ICV) program, it is anticipated that over 60% of the project's value will contribute to the UAE's economy.
- **ADNOC** group enters into a strategic collaboration agreement with TARGET an Abu Dhabi based engineering, procurement, and construction (EPC) company. This partnership is intended to assist ADNOC in achieving its goal of acquiring AED 70 Bn worth of industrial goods from manufacturers based in the UAE by 2027. As part of these agreements, TARGET will provide ADNOC with vital steel structural products required for its EPC projects.
- **ADNOC Gas** announced the signing of a contract valued between USD 450 Mn (AED 1.65 Bn) and USD 550 Mn (AED 2 Bn) with PetroChina International Limited. The agreement entails ADNOC Gas supplying Liquefied Natural Gas (LNG) to PetroChina International Limited. In addition, the agreement also underscores ADNOC Gas' expanding global footprint, with a specific focus on the East and South Asian markets.
- ADNOC Gas and Japan Petroleum Exploration Co. Ltd. engage in a five-year agreement valued between USD 450 Mn (AED 1.65 Bn) and USD 550 Mn (AED 2 Bn). According to the agreement, ADNOC will supply Liquefied Natural Gas (LNG) to Japan Petroleum Exploration for the duration of five years. The agreement is built upon the enduring energy collaboration between the UAE and Japan, further solidifying ADNOC Gas's international presence, especially in the Asian LNG market.

- **ADNOC Drilling** secured five 10-year contracts valued at a total of USD 2 Bn. The contracts aim to support drilling operations in five offshore fields within ADNOC's portfolio. The contract is going to commenced the deployment of five offshore jack-up rigs, specifically to aid ADNOC in accelerating its production capacity. The rigs are anticipated to start operations gradually, starting at the end of 2023. While significant revenue is anticipated in the year 2024, and the first full-year revenue contribution is expected to occur in 2025.
- **ADNOC L&S** recently acquired eight jack-up barges (JUBs) through its subsidiary, Zakher Marine International (ZMI) Holdings. Following the expansion, the Company's total number of owned and operated JUBs rose from 31 to 39, reaffirming its status as one of the primary JUB fleet owners and operators in the GCC region. Moreover, one of the barges is intended to serve the Iraqi market, which will mark ADNOC L&S's entrance into a new market and will supporting the company's regional growth initiatives.

|| Utilities Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED Mn)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Abu Dhabi National Energy (TAQA)	13,697	13,657	-0.3%	5,549	6,006	8.2%	40.5%	44.0%	2,236	2,377	6.3%	16.3%	17.4%	0.02	0.02
2 National Central Cooling (TABREED)	684	728	6.4%	323	330	2.1%	47.2%	45.3%	159	176	10.7%	23.3%	24.2%	0.06	0.06

Commentary:

- **TAQA** finalized an agreement to acquire Sustainable Water Solutions Holding Company (SWS) Holding for AED 1.7 Bn. The acquisition is expected to complement TAQA's current portfolio and increase its regulated asset value by approximately AED 16 Bn, which currently stands at around AED 75 Bn. Furthermore, it will introduce a new vertical for TAQA, increasing its financial stability and giving a predictable and safe cashflow, improving its long-term earnings.
- On July 2023, TAQA announced that the Abu Dhabi Department of Energy (DoE) has approved the second period of regulatory control, RC2, which covers TAQA's UAE-based subsidiaries, including Abu Dhabi Transmission and Despatch Company (TRANSCO), Abu Dhabi Distribution Company (ADDC), and Al Ain Distribution Company (AADC). The permitted revenues for the combined businesses, excluding passthrough costs, are set at approximately AED 50 Bn over the period of 2023 to 2026. The RC2 decision underlines the significant role of TAQA's network companies in boosting energy security and facilitating the energy transition, while maintaining fair returns for shareholders.
- **Tabreed** revealed the sale of a 50% share of its ownership in Tabreed Parks Investment LLC (TPI) to DHI DCP DZ-LLC, a subsidiary of DH Investment LLC, for AED 99.8 million in August 2023. Following this transaction, Tabreed will continue to possess a 50% interest in TPI. The company also indicated that the funds generated from the transaction would be allocated for financing its future portfolio expansion in the key markets.
- Tabreed secured a long-term District Cooling Concession for the King Salman Park project in September 2023. The project will be executed in phases. In the initial phase, Tabreed will install 20,000 RT of cooling capacity, which is estimated to be worth SAR 200 Mn (AED 200 Mn). Upon the project's full completion, the total capacity will reach 60,000 RT.
- Tabreed's total connection capacity increased to 1.30 Mn RT in 1H23, led by the establishment of one new plant in UAE, two new plants in KSA and addition of 33,483 RT in UAE, Bahrain, Oman and KSA during 1H23.

|| Transportation Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Air Arabia	1,606	1,521	-5.3%	498	517	3.8%	31.0%	34.0%	416	391	-5.9%	25.9%	25.7%	0.09	0.08
2 Aramex	1,426	1,337	-6.3%	142	139	-2.0%	9.9%	10.4%	40	17	-56.9%	2.8%	1.3%	0.03	0.01

Commentary:

- Dubai International Airport tops the list of airport connectivity index in the Middle East and Asia Pacific in 2022. Dubai passengers' traffic in 1H23 stood at 41.3 Mn passengers, recording a YOY growth of 49% compared to 1H22. Furthermore, Dubai international increased its passenger traffic forecast from 83.6 Mn to 85 Mn passengers in 2023.
- Middle East Airlines passenger traffic rose 22.6% YOY in July 2023 indicating a rise in travel demand. The capacity rose to 22.1% and the load factor inched 0.3% to 82.6% in July 2023. The global revenue passenger kilometers (RPK) grew 26.6% YOY in July 2023.
- International Air Transport Association (IATA) upgraded the 2023 outlook in May 2023 indicating that airline industry is anticipated to achieve a net profit of USD 9.8 Bn in 2023 doubled from the previous forecast of USD 4.7 Bn in December 2022. IATA also expects around 4.35 Bn people to travel by air in 2023 close to previous travelers to 4.54 Bn in 2019.
- **Air Arabia** carried a total 7.7 Mn passengers in 1H23 across seven hubs in the UAE, Morocco, Egypt, Armenia and Pakistan. The company's seat load factor stood at 81% in 1H23. Additionally, Air Arabia also added three new aircrafts to its fleet and launched 18 new routes across hubs.

|| Financials Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS(AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 GFH Financial Group	111	89	-19.7%	-	-	-	-	-	24	27	14.0%	21.6%	30.7%	0.01	0.01
2 Dubai Financial Market (DFM)	52	81	54.2%	-	-	-	-	-	26	72	181.5%	34.3%	60.2%	0.003	0.009
3 Shuaa Capital	71	48	-31.4%	-	-	-	-	-	20	14	-31.4%	8.9%	17.8%	0.008	0.005
4 Waha Capital	24	34	38.0%	-	-	-	-	-	100	82	-17.9%	42.0%	29.2%	0.05	0.04
5 Abu Dhabi National Insurance Company (ADNIC)	-	1,500	-	-	-	-	-	-	-	109	-	-	7.3%	-	0.19
6 Amanat Holdings	87	182	108.4%	10	67	546.3%	11.8%	36.6%	-10	39	NM	-12.0%	21.4%	-0.004	0.016

Commentary:

- **GFH Financial Group** launches GFH Partners, a fully-owned subsidiary focused on increasing the group's global asset management capability, with a focus on the real estate sector. GFH Partners manage s over USD 6 Bn in real estate assets.
- **DFM** added 14,635 new investors, 78% of whom are foreign investors, lifting its investor base to 1.2 Mn subscribers in 1Q23. The trading value on DFM reached AED 19 Bn in 1Q23, out of this 68% is accounted by institutional investors.
- **Shuaa Capital** reported a revenue of AED 60 Mn in 1Q23, benefiting from recurring revenue across all segments. While, Asset management sector particularly performed well, with a revenue of AED 54 Mn, growing 30% since 1Q22. This growth was driven by strong performance in investment funds, managed accounts, real estate, public and private markets, and the debt segment.
- **Waha Investment's** Public Markets business, a wholly owned subsidiary, reported total revenue of AED 238 Mn in 1Q23. The strong performance of flagship credit and equity funds drove the impressive financial results.
- **Amanat Holdings** completed the acquisition of a majority stake of 85% in Sukoon International Holding Company through a merger with Cambridge Medical & Rehabilitation Centre. The merger establishes the largest pan-GCC post-acute care provider with an aim to deliver 1,000 pan-regional beds within three years.
- **ADNIC** partnered with American University in Dubai (AUD) in June 2023 to provide specialized technical insurance training to UAE national staff. The program will enhance technical and other essential skills in the areas of underwriting and claims.

|| Industrials Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 RAK Ceramics	906	905	-0.1%	146	140	-3.7%	16.1%	15.5%	85	74	-12.7%	9.4%	8.2%	0.09	0.07
2 Dubai Investments	1,725	749	-55.6%	1,165	301	-74.1%	67.5%	40.3%	1,125	143	-87.3%	65.2%	19.1%	0.26	0.03
3 Abu Dhabi Ports	1,466	2,243	53.0%	594	720	21.2%	40.5%	32.1%	314	314	-0.2%	21.4%	14.0%	0.06	0.06

Commentary:

- **Rak Ceramics** approved the plan to modify its existing facility in Samalkot plant in India. The modification enables the company to produce large format tiles and the upgradation of the Gris plant will allow it to produce GVT products in India.
- Rak Ceramics board of directors approved the dividend distribution of 10 fils per share on 14 August 2023 for 1H2023. It will amount to a dividend payment of AED 99.4 Mn in 1H2023.
- Brent crude oil prices rose 27.2% QOQ during 3Q23 as compared to previous quarter. Following this gas prices too rose during the period which will increase the cost of production of Ceramics impacting profitability.
- On 3 July 2023, **AD Ports** received the regulatory approval for the acquisition of Noatum. Noatum is the global integrated logistics service provider with presence across 26 countries. The acquisition received regulatory approval both from Spain and European Commission. AD Ports started the consolidation of Noatum since 30 June 2023.
- Noatum which leads the logistics cluster operations of AD Ports signed an agreement to acquire 100% stake in Sesé Auto Logistics. Sesé Auto Logistics is engaged in road and transport logistics of light and heavy-duty vehicles from five European Countries such as Spain, Germany, Poland, Czech Republic and Hungary. The acquisition is made at an enterprise value of EUR 81 Mn at an EV/EBITDA multiple of 3.5x and expected to be completed in 1Q24.

|| Basic Material Sector:

Company	Revenue (USD Mn)			EBITDA (USD Mn)			EBITDA Margin (%)		Net Profit (USD Mn)			Net Margin (%)		EPS (USD)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Fertigllobe PLC	1,318	694	-47.3%	609	331	-45.7%	46.2%	47.7%	292	124	-57.4%	22.1%	17.9%	0.04	0.01
2 Borouge PLC	1,674	1,414	-15.5%	593	499	-15.8%	35.4%	35.3%	308	227	-25.2%	18.4%	16.1%	0.01	0.01

Commentary:

- SABIC announced local urea and diammonium phosphate (DAP) fertilizers prices for July, August and September 2023. The DAP was priced higher than the month of June 2023 and averaged SAR 1,231 per tonne as compared to the price of SAR 975 Mn in June 2023. The price of the commodity stood at SAR 1,069, SAR 1,276 and SAR 1,350 per tonne during July, August and September 2023, respectively.
- **Fertigllobe** recently launched an initiative to optimize its cost structure and strengthen the company's top quartile cash cost position with a target recurring annualized cost savings of USD 50 Mn by the end of 2024. It plans to achieve 25-30% of the cost savings in 2023 and remaining by the end of 2024. The company will focus on its operational models, improvement in logistical capabilities and operational cost.
- Fertigllobe and AD Ports Group signed an MOU on September 2023 to explore logistics and supply chain opportunities to store and ship Urea and Ammonia in Egypt and UAE ports. This collaboration aims to optimize Fertigllobe's logistics cost structure, which is an important aspect of its cost optimization program with an aim to achieve USD 50 Mn in recurring annualized cost savings by the end of 2024.
- **Borouge** declared an interim dividend of USD 650 Mn (AED 2.38 Bn), equivalent to 7.9 fils per share in 1H23. The interim dividend is a first part of Borouge commitment to pay USD 1.3 Bn (AED 4.8 Bn) total dividend, equivalent to 15.8 fils per share in 2023.
- ADNOC is in discussion with OMV AG to establish of a new petrochemical entity through the proposed merger of Borouge Plc and Borealis AG. The discussion are at very nascent stage and talks between the two entities are still ongoing. The merger is aligned with ADNOC's value creation and chemicals growth strategy with any transaction subject to regulatory clearance.

|| Consumer Staples Sector:

Company	Revenue (AED Mn)			EBITDA (AED Mn)			EBITDA Margin (%)		Net Profit (AED Mn)			Net Margin (%)		EPS (AED)	
	3Q22	3Q23F	YoY Change	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F	YoY Change	3Q22	3Q23F	3Q22	3Q23F
1 Agthia Group	954	1,133	18.8%	128	181	41.6%	13.4%	16.0%	40	50	22.8%	4.2%	4.4%	0.05	0.06
2 Americana Restaurants (USD,mn)	619	694	12.1%	133	158	18.7%	21.5%	22.8%	75	94	26.0%	12.0%	13.5%	0.009	0.01

Commentary:

- **Agthia** and ADQ (parent company of Agthia) announced the launch of a corporate venture capital fund of (AED 200 Mn) in 1H23. The fund is launched with the aim to boost Agthia's innovation capabilities and develop mutual value with startups. Agthia Ventures will focus on investments in companies exhibiting revenue growth and will target areas such as snacks, beverages, value chain technology, ingredient technology, sustainability solutions, e-commerce, and other capabilities that align with Agthia's value chain.
- Agthia board of directors approved the interim cash dividend of AED 65.31 Mn for 1H23. It will pay an interim cash dividend of 8.25 fils per share.
- The CBUAE further revised its inflation projections for 2023 from 3.1% to 2.8%. The revision is mainly due to a higher-than-expected pass through of decline in oil prices to the transportation sector partially offset by an increase in house prices. Other factors which contributed to a fall in prices include lower food prices, the strengthening of AED and global disinflationary trends.
- **Americana Restaurants** portfolio stood to 2,277 restaurants at the end of 1H23. The company continues to expand its portfolio by adding 108 gross new stores during 1H23 (45 gross new stores during 2Q23). In addition, there 84 stores under construction as of 30th June 2023. Going forward, the company anticipates to add 250-260 net new restaurants by the end of 2023, with a strong emphasis on capitalizing on growth opportunities, particularly in KSA.
- Cost of inventory peaked at 33.1% in 3Q22 and eased to 31.6% in 2Q23 due to the decline in prices of key commodities. It is further expected to improve in 2H23 as the high-cost inventory runs out in the subsequent quarters
- Americana Restaurants aims to double its revenues in the medium term while targeting healthy mid-single-digit like-for-like sales growth. Further, the management views Saudi Arabia as a compelling opportunity for restaurant expansion and sees Iraq as an exciting greenfield prospect in the future.
- Americana Restaurants adopted a strategic approach by increasing its inventory levels in 2022 to mitigate the risk of stock-outs and to reduce the effects of global supply chain disruptions. Consequently, the company's management has effectively managed to reduce the higher-cost inventory during 1H23. Combined with the decreasing costs of key commodities, supports the margin expansion in the upcoming periods.

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