



NAEEM HOLDING FOR INVESTMENT

Asset Management | Investment Banking
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Egypt – February 28th 2024 – Naeem Holding For Investments (NAHO) press release concerning End of year 31/12/2023 results.

NAEEM Holding for Investments (NAHO) reported a 39% growth in consolidated operating revenues reaching \$3.89 million in 2023 compared to \$2.80 million in 2022, fueled by both securities brokerage and asset management business lines. Currency translation has eroded approximately 77% of these operating activities revenues given that the operating currency (EGP) is different from the reporting currency (USD).

Although real estate activities witnessed an impressive growth in projects under construction approaching 90% completion, and a record off plan sale of 70% in 2023, net real estate revenues decreased to \$2.4 million in 2023 from \$6.3 million in 2022 due to ongoing project completion that have yet to be recognized which should occur within 2024.

The Groups' consolidated operating profit before interest, taxes, and depreciation (EBITDA) decreased slightly to \$1.6 million in 2023 from \$1.9 million in 2022, impacted by ongoing real estate projects development that aren't yet reflected in operating profitability.

Despite strong growth in financial services, NAHO reported a net loss of \$527 thousand in 2023 compared to a net profit of \$597.2 thousand in 2022. This loss was primarily due to lower FX gains of \$1.6 million in 2023 versus \$3.4 million in 2022 coupled with a higher interest expense amounting to \$2.91 million compared to \$2.45 million in 2022. Nevertheless, NAHO's equity base remained solid at \$210.7 million.

On a standalone basis, NAHO's operating revenues grew by 25% in 2023 to \$577 thousand, driven by margin purchase and custody revenues contributing 54% to total operating revenues, while dividend income and profits from sale of investments contributed 34% and 16%, respectively. The company also reported FX gains amounting to \$1.5 million. Regarding profitability, NAHO reported net losses of \$3.6 million in 2023 compared to net profits of \$1.2 million in 2022, on the back of a one-time investment impairment loss of \$2.16 million, mainly stemming from exchange rate fluctuations. Profitability was also impacted by a 60% decrease in non-operating income in addition to a 12% increase in finance charges.

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