



Arkan reports 7% increase in Q1 2021 revenue

Abu Dhabi, United Arab Emirates, 6th May 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 three months to 31 March 2021.

Group revenue was up 7% to AED 223.53 million, compared to AED 208.17 million in Q1 2020. A significant increase in sales of clinker to export markets offset lower cement sales volumes and reduced average selling prices given the more challenging local construction market. Revenues from Blocks and Dry Mortar were stable year on year and profit from GRP Pipes increased due to the segment’s ability to achieve better margins.

The Group’s net profit for the first quarter 2021 was AED 1.21 million compared to AED 10.53 million in Q1 2020, which was a period prior to the onset of the COVID-19 pandemic. The reduction in profit in the reported period was due to delayed construction projects, lower selling prices as well as an increase in raw material prices. Despite the challenging market backdrop, GRP Pipes and Bags subsidiaries saw a notable increase in profit, as operational improvements helped generate better margins.

Arkan’s leadership continues to implement a series of cost saving initiatives to adapt to the new market dynamics and improve the company’s profitability. The cost rationalisation programme, which was implemented in Q4 2020 led to AED 7.0 million of cost savings in the first three months of 2021.

Commenting on the results, **His Excellency Eng. Jamal Salem Al Dhaheri, Chairman of Arkan** said: “Arkan continues to navigate a complex and highly competitive market environment with meticulous focus on enhancing efficiency and lowering operational costs to improve profitability and maintain its market position. The impact of the pandemic on the construction and building materials sector will continue for the foreseeable future, and our ability to adapt to the new market reality now, will be key to ensuring long-term business sustainability and a return to growth. Despite the challenging conditions, we remain confident that the actions being taken by the Abu Dhabi Government will continue to support that recovery.”

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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.