

Ittihad Records Double-Digit Revenue Growth and a Solid 6% YoY Rise in EBITDA in FY24

- *The Group recorded USD 3.3 billion in revenue, up 17.6% year on year, and USD 147.1 million in adjusted EBITDA¹, up 6.0% year on year, with an adjusted EBITDA margin² of 12.4% in 2024 (+6.0% year-on-year) on the back of solid growth across key verticals.*
- *Broadened utility service offerings and ramp-up of the waste collection operations in Saudi Arabia. Additionally, commissioned a new copper recycling plant in Q4 to enhance cost efficiency and drive cost savings.*
- *Continued deleveraging in 2024, reducing adjusted net leverage³ from 3.4x to 2.9x and gross leverage from 5.3x to 4.7x.*
- *Healthy free cash flow generation of \$153.2 million, after funding \$34.6m of capital expenditure, out of which \$19.6 million was used towards growth capex and the balance towards maintenance capex.*
- *The Group maintained a strong balance sheet, with net cash and cash equivalents of \$171.8 million, and readily marketable inventories (RMI) in copper of \$88.3 million.*
- *Raised a USD 450 million sustainability-linked committed revolving credit facility.*
- *Secured an MSCI 'AAA' ESG rating.*

Abu Dhabi, UAE – April 23, 2025: Ittihad International Investment LLC ("Ittihad" or "the Group"), a leading diversified industrial conglomerate in the UAE, today announced its financial results for the period ended December 31, 2024. Revenue increased by 17.6% year-on-year to USD 3.3 billion, while Adjusted EBITDA grew 6.0% to USD 147.1 million. The Group's positive results were underpinned by robust double-digit growth in the Infrastructure and Building Materials Manufacturing (IBMM) division, fueled by regional investments in infrastructure and real estate that drove strong demand for copper, steel, and cement. Additionally, strategic expansion and scaled operations in Business Services, including the addition of long-term contracts worth USD 104.6 million in 2024, helped offset weaker performance in the paper and healthcare division.

"The Group's performance in 2024 reflects the resilience and strategic growth of Ittihad's diversified portfolio amidst a volatile global backdrop," said **Amer Kakish, CEO of Ittihad International Investment.** "The Infrastructure and Building Materials Manufacturing (IBMM) division capitalized on increased regional investment in large-scale infrastructure and real estate projects, which drove significant demand for essential materials such as copper, steel, and cement. Additionally, our Business Services division directly benefited from these infrastructure tailwinds, particularly through strategic involvement in the rehabilitation and upgrade of municipal sewage networks, an increasingly vital component of urban infrastructure. By establishing a strong operational footprint in this domain starting in 2023, we were able to significantly scale activities in 2024. This has not only

¹ *Adjusted EBITDA is defined as net profit (loss) for the year / period from continuing operations plus finance costs, tax, depreciation, amortisation, and changes in the fair value of derivative financial instruments.*

² *Adjusted EBITDA margin excluding the effect of hedged copper is defined as the mathematical result of dividing Adjusted EBITDA by the result of subtracting the LME copper price impact on revenue from total revenues.*

³ *Adjusted net leverage is defined as gross debt minus cash balances and readily marketable inventories (RMI) to adjusted EBITDA.*



contributed to topline growth but also strengthened our recurring revenue base and competitive positioning in critical public utility services" he continued.

Financial and Operational Highlights

- **Business Services:** EBITDA increased by 23.5% year-on-year to USD 48.5 million.
- **Infrastructure and Building Materials Manufacturing (IBMM):** EBITDA increased by 10% year-on-year to USD 48.7 million
- **Consumer Goods Manufacturing:** EBITDA increased by 2.7% year-on-year to USD 58.1 million.
- **Healthcare and Other:** EBITDA decreased by 79% year-on-year to USD 1.6 million.

The Group's solid performance in 2024 was driven by the strong growth of its key business verticals. The IBMM division recorded an increase in EBITDA of 10% year-on-year to USD 48.7 million. This growth was driven by a increase in demand for copper, cement and steel, fueled by regional megaprojects and infrastructure investments. Additionally, Ittihad capitalized on the free trade agreement between the UAE and India, which unlocked new commercial opportunities in one of the world's largest and fastest-growing markets, further solidifying its copper business positioning.

Business Services also delivered strong growth, with EBITDA increasing by 23.5% year-on-year to USD 48.5 million in FY24 driven by the successful expansion of long-term contracts, increased patient volumes within healthcare services, and ramping up the waste management service operations in Saudi Arabia. On this front, the Group successfully entered Saudi Arabia's waste management sector, positioning itself as a key player in the region's infrastructure and environmental services. This move marked a significant step in Ittihad's ongoing efforts to expand into high-growth potential markets.

Adjusted EBITDA for the year within the Consumer Goods Manufacturing (CGM) segment grew by 2.7% year-on-year to USD 58.1 million, driven primarily by higher sales volumes following a recovery in demand from downstream detergent chemical sectors, which had previously undergone a period of destocking in 2023. Steady demand for tissue products also supported healthy margin levels across the segment. While stronger growth was anticipated in the CGM segment, increased freight costs, stemming from the closure of Red Sea shipping channels and broader supply chain disruptions, negatively impacted margins in the paper business, mainly in North Africa. However, these pressures began to ease toward the end of Q4 2024.

EBITDA for the Healthcare and Other segment declined to USD 1.6 million, primarily due to increased competition and a deliberate reduction in capital equipment distributorships within the UAE. This strategic shift led to short-term financial impacts and provisions related to specific client contracts. In response, the company is pivoting toward a more specialized, higher-margin niche within the healthcare sector. This move is intended to enhance cash flow stability and build a more resilient business model. This segment remains to be the lowest EBITDA contributor to the group.

Parallel to these developments, Ittihad made notable progress in strengthening its capital structure. The Group completed a USD 100 million tap on its existing sukuk, enhancing its debt maturity profile and diversifying investor base. In addition, the Group secured a USD 450 million sustainability-linked committed revolving credit facility, further bolstering its liquidity sources with an additional USD 345 million and aligning financing with ESG priorities.

Zahi Abu Hamze, Chief Financial Officer of Ittihad, noted: "Our solid EBITDA growth amidst a challenging macroeconomic backdrop reflects the strength of our balance sheet, disciplined capital



management, and healthy liquidity position. We continue to generate strong free cash flow and maintain financial discipline. With these fundamentals in place, we are well-positioned to capitalize on emerging opportunities, particularly through forward integration in consumer goods and strategic consolidation across the MENA region.”

Sustainability

The Group’s leadership in ESG was further recognized through a provisional ‘AAA’ ESG rating from MSCI, positioning Ittihad among the most sustainable industrial groups in emerging markets. This follows the completion of the Group’s ESG Framework and Roadmap, which is fully aligned with UAE federal sustainability objectives. Sustainability is a core tenet of Ittihad’s long-term strategy and is increasingly integrated across operations and investment planning.

Outlook

Despite heightened geopolitical tensions and elevated uncertainties following the recent increase in US tariffs, we continue to expect a double-digit EBITDA growth from existing operations in 2025. This growth is mainly supported by the ongoing positive momentum in the IBMM and Business Services verticals, along with partial margin recovery in the paper business, reflecting growth in the consumer segment.

As we enter the next phase of growth, Ittihad will continue expanding its core portfolio through a balanced mix of organic investments and selective acquisitions within our four strategic verticals. These areas have consistently delivered synergies and operational efficiency.

We are deepening our presence in the business to consumer (B2C) space, building on the success of our paper brand with new tissue and detergent products to meet rising household demand across the MENA region. At the same time, we are enhancing our copper offerings to provide value-added, bundled solutions that improve margins.

Geographic expansion remains a priority, especially in Saudi Arabia and other high-growth regional markets. Our Business Services vertical is set to scale by replicating successful UAE models to meet growing demand in the wider regional markets.

Throughout this growth, we remain committed to maintaining financial discipline and achieving our target net leverage of 2.5x in the medium term, ensuring sustainable and resilient expansion plans.

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About Ittihad

Ittihad is a privately owned business founded in 2008 and headquartered in Abu Dhabi, with investments in the UAE, Saudi Arabia, and Egypt. The Group exports products and services to over 50 countries worldwide. It has a talented team of more than 8,000 members from over 57 nationalities with sector-wide expertise and a commitment to operational excellence. Since 2015, Ittihad has pursued a strategy of investing in businesses with leading domestic positions in the UAE and the Gulf Cooperation Council (GCC), as well as strong international export potential. The Group focuses on long-term investments, structured for business to business (B2B) exports and is designed to capture the unique value-proposition offered by the UAE and the region. Ittihad is committed to powering wealth creation through assets that balance profitability with sustainability and generate positive outcomes for stakeholders, society, and the planet.

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