

Ittihad Reports 12.6% Surge in H1 EBITDA, Marking Four Consecutive Halves of Consistent Growth

Abu Dhabi, UAE – September 4, 2025: Ittihad International Investment LLC ("Ittihad" or "the Group"), a leading diversified industrial conglomerate in the UAE, today announced its financial results for the six-month period ended June 30, 2025.

Financial and Operational Highlights – H1 2025 vs H1 2024

- *The Group recorded USD 1.68 billion in revenue, up 3.3% year-on-year, and USD 82.9 million in adjusted EBITDA¹, up 12.6% year-on-year, maintaining an adjusted EBITDA² margin of 13.3%, in line with H1 2024.*
- *Business Services continued to deliver strong performance, led by utility and healthcare services:*
 - *Utility services have secured a solid backlog of projects in hand, providing clear revenue visibility for the upcoming year.*
 - *Healthcare growth was supported by the launch of a digital platform, streamlining appointment management and boosting efficiency for providers and patients alike, while also adding a new revenue stream for the Group through technology provider fees.*
- *Infrastructure and Building Materials benefited from robust regional demand for copper, steel, and cement, contributing to another solid uptick in segment EBITDA.*
- *Gross leverage improved from 4.7x to 4.4x, while net leverage stood at 3.3x. Interest coverage rose above 2.0x, and liquidity sources-to-uses³ remained robust at over 2.5x.*
- *The Group generated USD 53.7 million in free cash flow during H1 2025, while total capex stood at USD 17.6 million, including USD 9.8 million in growth capex (primarily for the new tissue mill in Saudi Arabia) and USD 7.8 million in maintenance and existing project capex.*
- *Net cash and cash equivalents stood at USD 182.0 million as of June 30, 2025, with readily marketable copper inventories (RMI) of USD 195.3 million and readily marketable securities at USD 16.4 million.*

These results reflect the Group's continued momentum across its diversified portfolio, with sustained growth in key verticals and consistent earnings performance through varying market conditions.

CEO Amer Kakish said: "H1 2025 marks another record EBITDA for Ittihad, underscoring the strength of our balanced portfolio. From manufacturing to business services, we continue to deliver consistent performance across diverse market conditions. This also represents our fourth consecutive half-year of EBITDA growth, a clear reflection of the resilience and reliability of our operating model."

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 Sources: Cash and cash equivalents, Funds from operations, available committed credit lines, readily marketable securities. Uses: capex expenditure, short term facilities, current portion of term loan



Segment Highlights

Business Services

EBITDA increased by 42.7% year-on-year to USD 29.9 million, driven by the continued expansion of utility services and healthcare solutions. This strong performance reflects a robust pipeline of infrastructure and municipal service projects, particularly in Abu Dhabi, where increased demand for sewage treatment and utility services is being driven by infrastructure investment and population growth. The outlook for H2 2025 remains solid, with continued momentum supported by new contract wins and expanding service coverage.

On the healthcare side, growth was supported by the launch of a new digital healthcare platform enabling patients to easily schedule and manage appointments online, both for in-person visits and telemedicine consultations. This solution has significantly improved operational efficiency for providers by streamlining scheduling processes and enhancing visibility across clinical teams. Moreover, rising population levels, the expansion of residential communities, growing demand for new healthcare facilities, and a strong rebound in tourism have all contributed to higher case volumes across radiology and diagnostic departments nationwide. This trend has positively impacted Ittihad's healthcare services, particularly in diagnostic imaging and outpatient care, further supporting the segment's earnings growth.

Infrastructure and Building Materials Manufacturing (IBMM)

EBITDA increased by 37.0% year-on-year to USD 31.2 million, supported by sustained regional demand for copper, steel, and cement amid strong infrastructure activity across the GCC. Copper demand remained particularly robust, fueled by its critical role in the global transition to clean energy, the expansion of AI data centers, and ongoing infrastructure development. In addition, margin improvements were driven by cost efficiencies realized through the newly commissioned copper recycling plant, which began contributing to the segment's performance in late 2024. On the building materials side, local demand for steel and cement surged, backed by an active construction and real estate development pipeline, as well as continued investment in government-led mega projects across the region.

Consumer Goods Manufacturing

EBITDA declined by 25.2% year-on-year, from USD 34.3 million in H1 2024 to USD 25.6 million in H1 2025, with margins narrowing from 14.0% to 11.1%. This was primarily due to the impact of higher-cost pulp inventories currently being cycled through production. Pulp prices declined approximately 28% year-on-year and 13% in H1 2025, driven by new capacity additions in Latin America and cautious purchasing behavior in China, where buyers held back amid uncertainty over raw material prices, largely influenced by evolving tariff risks.

As these higher-priced inventories are gradually consumed, the Group expects margin normalization in the coming quarters, and a positive uplift thereafter, as current pulp prices have fallen below USD 550 per ton, providing a more favorable input cost environment.

Operationally, performance remained strong, with capacity utilization above 85% in both UWF paper and tissue.



Healthcare and Other

The segment posted a modest loss of USD -1.2 million, reflecting the ongoing strategic shift from capital equipment to niche, higher-value healthcare consumables supply.

Outlook

The Group anticipates continued strong performance in the second half of 2025, with sustained growth across the Infrastructure and Building Materials (IBMM) and Business Services segments, alongside ongoing margin recovery in Consumer Goods. New copper products are scheduled to launch in Q4 2025, and the Group remains on track with the construction timeline for its new tissue mill in Saudi Arabia, which is expected to commence operations in Q1 2026.

Sustainability and ESG Update

During H1 2025, the Group advanced its sustainability agenda across health, environment, and energy. A total of 14,601 health and safety training hours were delivered, averaging 12.24 hours per employee, a 10% increase year-on-year. To support the renewable energy transition, the Group procured and retired International Renewable Energy Certificates (I-RECs) covering 14.3 million kWh of electricity, achieving its 2025 target of 5% renewable coverage ahead of schedule. Total water consumption was reduced by 12% to 2.0 million m³, and a comprehensive greenhouse gas emissions inventory (Scope 1, 2, and 3) was completed for major industrial subsidiaries, reinforcing a commitment to transparent climate reporting.

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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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