Ittihad Grows EBITDA 37 Per Cent in H1 2026, Despite Regional Disruption

Abu Dhabi, UAE – August 20, 2026: Ittihad International Investment LLC ("Ittihad" or "the Group"), a leading diversified industrial conglomerate in the UAE, today announced its financial results for the six months ended June 30, 2026.

Financial and Operational Highlights – H1 2026 vs H1 2025

- *The Group recorded USD 1,959.6 million in revenue, up 16.2% year-on-year, and USD 113.9 million in adjusted EBITDA[1], up 37.4% year-on-year, with the adjusted EBITDA margin[2] excluding hedged copper expanding from 13.3% to 16.8%.*
- *Segment performance was mixed but net-positive, reflecting the resilience of the Group's diversified portfolio amid the Strait of Hormuz disruption:*
  - *Infrastructure and Building Materials Manufacturing (IBMM): EBITDA increased 72.9% year-on-year, the standout segment, driven by copper, steel, and cement demand, with copper rerouted to regional markets at higher premiums following the Hormuz disruption.*
  - *Consumer Goods Manufacturing (CGM): EBITDA grew 32.2% year-on-year, driven by tissue and detergent pricing strength, supported by adequate stock positioning; paper EBITDA declined on reduced access to key export markets.*
  - *Business Services (BS): EBITDA declined 5.1% year-on-year, off a record H1 2025 base; backlog and project pipeline remain strong, with growth expected to resume in FY2026.*
  - *Healthcare and Other: the segment turned EBITDA-positive, swinging from a USD 1.2 million loss in H1 2025 to a USD 2.1 million profit, reflecting a deliberate focus on a higher margin equipment and consumables sales.*
- *Gross leverage improved to 4.3x on an LTM basis, continuing the Group's multi-year deleveraging trajectory from 4.4x at FY2025 year-end. Net Debt to Adj. EBITDA[3] (excluding RMI) stood at 2.96x, down from 3.20x in FY2025. Adjusted Net Debt to Adj. EBITDA[4] (including RMI) stood at 1.6x in H1 2026, down from 1.9x in FY2025.*
- *The Group's revolving credit facility was upsized from USD 450 million to USD 540 million during the year, with circa 50% of the facility remains undrawn.*
- *Free cash flow of USD (4.7) million in H1 2026, as a result of inventory build-up through dedicated bulk shipments to de-risk logistics following the Strait of Hormuz disruption, and the effect of higher copper prices on changes in working capital, both expected to reverse as the cycle normalises. The outflow was compounded by higher receivables and inventory balances required to support the Group's growing sales base. Total capex spending of USD 31.4 million, comprising USD 27.2 million in expansion capex, including USD 23.3 million for the new tissue mill in Saudi Arabia, fully financed through an ECA loan, and new waste management projects in KSA.*
- *Cash and cash equivalents stood at a robust USD 286.5 million as of June 30, 2026, underpinned by a further USD 288.6 million in readily marketable copper inventories (RMI), together representing a combined liquidity buffer of USD 575.1 million.*

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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 Net Debt to Adjusted EBITDA comprises of total debt less cash divided by adjusted EBITDA.
4 Adjusted Net Debt to Adjusted EBITDA comprises total debt less cash and readily marketable copper inventories (RMI), divided by adjusted EBITDA.

These results reflect the resilience of Ittihad's diversified operating model, delivering strong Group EBITDA growth while navigating one of the most significant logistics disruptions in the region's history.

> ***CEO Amer Kakish said:*** *" The logistics challenges from the Strait of Hormuz disruption were real. We put every effort into finding solutions with our suppliers, who proved to be genuine partners, working with us to ensure raw materials continued to reach us, so that we could keep serving the market and guarantee availability for our customers. Our conviction in the region's long-term fundamentals kept demand at healthy levels throughout, supporting healthy margins even through the disruption. This is also a moment that validates years of work building each of our segments into a leader in its space; it's in periods like these, when you rely on multiple revenue streams to de-risk macro disruptions, that a diversified portfolio truly pays off.*

Segment Highlights

Consumer Goods Manufacturing (CGM)

CGM delivered EBITDA growth of 32.2% year-on-year to USD 33.8 million in H1 2026. Tissue and detergents revenue grew strongly on higher prices, with the Group well-positioned through sufficient stock on hand and secured raw material availability, supported by agile sourcing arrangements built on long-term supplier partnerships, to meet demand without disruption.

Paper EBITDA declined on reduced access to key export markets, including the U.S., Europe, and parts of Africa. Commissioning of the KSA tissue mill, originally targeted for July 2026, has been delayed to September 2026 primarily due to delay in delivery and connection of certain critical components to the mill commissioning; the Group expects the facility to begin contributing to segment growth from Q4 2026.

Infrastructure and Building Materials Manufacturing (IBMM)

IBMM was the standout segment of H1 2026, delivering EBITDA growth of 72.9% year-on-year to USD 53.9 million, driven by continued structural demand across copper, steel, and cement.

Copper sales quantity was slightly lower due to export logistics disruption following the closure of the Strait of Hormuz, offset by higher volumes rerouted to regional markets at lower outbound freight and logistics cost, along with continued ramp-up of the copper recycling facility and sales of other ancillary products. Building materials, steel and cement, continued to perform from strong UAE construction activity, with prices remaining elevated on tight supply and resilient demand on the back of robust infrastructure construction activities.

Business Services

Business Services EBITDA declined 5.1% year-on-year to USD 28.4 million in H1 2026, off a record H1 2025 base. Backlog and project pipeline remain strong, and growth is expected to resume in H2 2026, building on 18.1% growth delivered in FY2025.

Healthcare and Other

The Healthcare and Other segment swung from a USD 1.2 million loss in H1 2025 to a USD 2.1 million profit in H1 2026, reflecting a focus on niche projects and consumables, and the ongoing shift towards margin-accretive product lines.

Capital Structure and Credit Profile

The Group continued its multi-year deleveraging trajectory in H1 2026, with Gross Debt/Adjusted EBITDA improving to 4.3x on an LTM basis, from 4.4x at FY2025 year-end. Net Debt to Adjusted EBITDA, excluding RMI, stood at 2.96x, down from 3.20x in FY2025. Adjusted Net Debt to Adjusted EBITDA, including RMI, stood at 1.6x in H1 2026, down from 1.9x in FY2025.

During 2026, Ittihad upsized its senior unsecured sustainability-linked revolving credit facility (RCF) from USD 450 million to USD 540 million, further strengthening its liquidity position. Circa 50% of the facility remains undrawn. Combined with cash and cash equivalents of USD 286.5 million and readily marketable copper inventories (RMI) of USD 288.6 million, the Group's total available liquidity, comprising undrawn RCF, cash, and RMI, stood at approximately USD 845.1 million.

Outlook

Looking ahead to H2 2026, and notwithstanding ongoing supply chain challenges in the region, the Group expects to sustain its earnings growth trajectory for the full year. Consumer Goods is positioned for continued growth, driven by the incremental contribution from the Saudi Arabia tissue mill, now expected to be commissioned in September. Infrastructure and Building Materials continues to demonstrate strong adaptability, with copper, steel, and cement expected to remain resilient due to non-cyclical critical infrastructure demand and tight supply conditions in the region. Business Services remains well anchored with long-term government contracts that provide strong and stable earnings visibility, with a return to growth expected in H2 2026.

The Group enters H2 2026 from a position of financial strength, supported by an upsized liquidity facility, a resilient diversified portfolio, and the financial flexibility to continue on pursuing its sustainable growth strategy.

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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 10,800 members from over 50 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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