

Press Release

EMSTEEL delivers AED 5.9 billion revenues in the first nine months of 2024

Abu Dhabi, United Arab Emirates, 1 November 2024: EMSTEEL (ADX: EMSTEEL) (“the Group”), one of the largest publicly traded steel and building materials manufacturers in the region, today announced its financial results for the first nine months of 2024.

The results demonstrate overall adaptability across the Group’s operations, showcasing the resilience of its Steel division (Emirates Steel) in navigating challenging market conditions, as well as the continued improvement of profitability of its Building Materials division (Emirates Cement).

Financial highlights for the first nine months of 2024:

- During the first nine months of 2024, EMSTEEL maintained overall steel production volumes in line with the rate attained for the same period of 2023. The Group delivered total revenues of AED 5.9 billion, approximately 9% lower than the AED 6.5 billion reported for the first nine months of 2023. This revenue decrease is primarily attributed to several market dynamics, including fluctuations in global steel prices, heightened competition, and evolving demand patterns influenced by economic uncertainties in key markets.
- EMSTEEL's profitability margins have been significantly impacted by a surge of low-priced Chinese steel exports, which have directly or indirectly influenced prices across many of the Group’s strategic markets, including GCC and EMSTEEL's key export destinations such as Europe and the US. For the nine months period, EMSTEEL has recorded EBITDA of AED 645 million, with an EBITDA margin of 11.0%, compared to 13.6% in 2023. The Group’s net profit before tax stood at AED 101 million.
- Revenue from the Group’s Emirates Steel division totalled AED 5.34 billion during the nine months period, generating a profit before tax of AED 20 million. Emirates Steel’s performance was affected by adverse global market conditions and a one-off provision of AED 83 million in relation to a legal claim which is subject to appeal.
- Revenue from the Group’s Emirates Cement division was AED 537 million during the first nine months of 2024, with profit before tax of AED 81 million. The net profit margin for Emirates Cement increased to 15%, compared to 14% during the first nine months of 2023.
- As of the end of Q3 2024, the Group continues to maintain a robust liquidity position of AED 623 million cash in hand compared to AED 426 million as of 31 December 2023.

Strategic highlights for the first nine months of 2024:

- The Group has been awarded five prestigious "UAE Industry 4.0 Digital Leader" titles by the Ministry of Industry and Advanced Technology (MoIAT), demonstrating its unwavering commitment to advancing digital transformation in the steel industry.
- In September 2024, the Group was appointed as co-chair of the Alliance for Industry Decarbonisation (AFID) led by the International Renewable Energy Agency (IRENA). EMSTEEL will be co-chairing the renowned global industrial alliance alongside Siemens Energy, replacing TATA Steel within the alliance leadership role.

Eng. Saeed Ghumran Al Remeithi, Group Chief Executive Officer of EMSTEEL, said: “During the first nine months of 2024, EMSTEEL continued to demonstrate resilience and adaptability in responding to challenging market conditions putting pressure on steel price, including declining global demand for steel, regional political instability and economic challenges, subdued activity and a surge in Chinese steel exports to international markets.”

“With our continued focus on innovation and sustainability, we are committed to bringing advanced solutions to the market towards driving low-carbon products across the industry. Our pilot project with Masdar is one that we are particularly proud of and is key in decarbonizing a hard-to-abate sector. We will continue to forge strategic partnerships and pioneer innovative solutions to build a better world for all.”

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About EMSTEEL

EMSTEEL is a public joint stock company (ADX: EMSTEEL) and the UAE’s largest steel and building materials manufacturer. The Group leverages cutting-edge technologies to supply both the local market and over 70 international markets with high-quality finished products, creating a one-stop shop for the manufacturing and construction sectors.

EMSTEEL is committed to contributing to the UAE's industrial strategy ‘Operation 300 billion’ by delivering market-leading products to support local industries, creating job opportunities for UAE Nationals, and enhancing its sustainable practices. The Group is a global leader in low-carbon steel production and is aligned with the UAE's Net Zero by 2050 Strategic Initiative.

Headquartered in Abu Dhabi, EMSTEEL operates 16 state-of-the-art plants, with a production capacity of 3.5 million tonnes of steel and 4.6 million tonnes of cement annually, fueling the nation’s most iconic projects. The Group is realising the UAE’s vision of a home-grown industrial base exporting innovation and exceptional products to the world. Partnering with the wider UAE ecosystem, EMSTEEL is proud to contribute to the country’s industrial strategy and economic diversification goals.

EMSTEEL is majority owned by 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.emsteel.com.

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