

Press Release

EMSTEEL delivers AED 2.2 billion in revenue for Q1 2025

Abu Dhabi, United Arab Emirates, 14 May 2025: EMSTEEL (ADX: EMSTEEL) ("the Group"), one of the largest publicly traded steel and building materials manufacturers in the region, announced today its financial results for the first quarter of 2025. The Group's resilient performance reflects strategic agility and a sharpened focus on strengthening the UAE's domestic market position amid rising global economic headwinds.

Financial and operational highlights for Q1 2025:

- The Group delivered strong operational performance during the period, increasing the volume of finished goods steel production by 17% compared to the levels produced in 2024. On the other hand, the volume of finished goods steel sales increased by 21% year-on-year ("YoY") to 811 thousand tonnes, supported by continued momentum in the UAE's construction activity and effective market positioning. In Q1 2024, almost 100 thousand tonnes of semi-finished products (billets) were sold. In Q1 2025, strong demand combined with optimised capacity utilisation allowed the conversion of all semi-finished products into finished products to serve our customers. Furthermore, sales volumes for Emirates Cement increased by 17% YoY.
- Despite a 6% YoY drop in average steel prices and the impact of negligible sales of semi-finished products in Q1 2025, which accounted for 10% of total revenues in Q1 2024, EMSTEEL reported revenues of AED 2.2 billion for Q1 2025, representing a 1% increase compared to the same period last year.
- EBITDA reached AED 266 million, with an EBITDA margin of 12.3%, compared to 13.7% in Q1 2024. Margin pressure from lower prices was mostly offset by improved capacity utilisation. Profit before tax was AED 94 million, with net profit after tax amounting to AED 86 million.
- The Emirates Steel division contributed AED 1.96 billion in revenue, generating AED 226 million in EBITDA.
- The Emirates Cement division recorded revenue of AED 205 million, with EBITDA of AED 40 million. Within this division, the Pipes & Other segment is reported as Assets Held for Sale, reflecting its ongoing divestment process. This segment contributed AED 45 million in revenue.
- As of 31 March 2025, the Group maintained a robust liquidity position, with AED 881 million in cash on hand, compared to AED 823 million as of 31 December 2024.

Strategic highlights for Q1 2025:

- Launched an AED 625 million Asset Enhancement Programme to enhance production capabilities and expand its product portfolio with high-strength, value-added steel solutions. The Programme includes advanced upgrades to rolling mills, focusing on ES600 and ASTM Grade 80/100 rebars, and the future installation of a 500 KTPA new wire rod outlet.

- Announced its comprehensive decarbonization strategy, targeting a 40% reduction in GHG emissions in its Steel Business Unit and a 30% reduction in its Cement Business Unit by 2030, with a goal of net-zero emissions by 2050.
- Signed strategic agreements with Hafeet Rail Infrastructure LLC and Minerals Development Oman ("MDO") to enable sustainable cross-border transportation of up to 4.2 million tons of raw materials annually from Oman to the UAE.
- Partnered with Yellow Door Energy to develop the UAE's largest industrial solar PV rooftop project - a 31.5 MWp installation across 40 facility roofs in ICAD 1, Abu Dhabi, with commissioning targeted for 2026.

Eng. Saeed Ghumran Al Remeithi, Group Chief Executive Officer, EMSTEEL, said: "EMSTEEL's performance in Q1 2025 underscores our ability to deliver consistent value through operational excellence and strategic foresight. Amid a shifting global landscape, we continue to invest in innovation, sustainability, and regional partnerships that future-proof our business and reinforce our commitment to the UAE's industrial growth."

He added: "Our strategic investments—ranging from decarbonisation and advanced production upgrades to regional logistics and solar infrastructure—demonstrate our long-term vision for sustainable, shareholder-driven growth. These initiatives are designed not only to strengthen our competitiveness, but also to unlock value across the business as we continue to align operational execution with environmental responsibility and market demand."

-Ends-