

11 March 2021

MM Group for Industry and International Trade S.A.E (MTI) Reports 4Q2020 Results.

MM Group for industry and International Trade (MTI), today announced its Standalone and Consolidated results for the period ending 31 December 2020. The consolidated revenues in FY20 decreased by 11.7% Y-o-Y to reach EGP 8.7 billion compared to EGP 9.8 billion in FY19. And the standalone revenues in FY20 decreased by 10.6% Y-o-Y to reach EGP 6.9 billion compared to EGP 7.7 billion in FY19.

Consolidated gross profit in FY20 decreased by 2.4% Y-o-Y to reach EGP 908 million compared to EGP 930 million in FY19. And the standalone gross profit in FY20 decreased by 0.4% Y-o-Y to reach EGP 789 million compared to EGP 792 million in FY19.

Consolidated gross profit margin in FY20 increased to reach 10.46% compared to 9.46% in FY19. And the standalone gross profit margin also increased in FY20 to reach 11.48% compared to 10.31% in FY19.

Consolidated EBITDA in FY20 decreased by 15.6% Y-o-Y to reach EGP 543 million compared to EGP 644 million in FY19. And the standalone EBITDA in FY20 decreased by 10.7% Y-o-Y to reach EGP 488 million compared to EGP 546 million in FY19.

Consolidated EBITDA margin in FY20 reached 6.3% compared to 6.6% in FY19. And the standalone EBITDA margin was flat in FY20 compared to FY19 and reached 7.1%.

Consolidated net profit in FY20 decreased by 20.3% Y-o-Y to reach EGP 366 million compared to EGP 459 million in FY19, mainly on lower contribution from Kanawat and Ebtikar due to the restructuring exercise that took place throughout the year compared to the same period of last year. And the standalone net profit in FY20 decreased by 8.6% Y-o-Y to reach EGP 357 million compared to EGP 390 million in FY19.

Consolidated net profit margin in FY20 reached 4.2% compared to 4.7% in FY19. While the standalone net profit margin increased in FY20 to reach 5.2% compared to 5.1% in FY19.

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Consolidated Financial Highlights 4Q 2020

EGP mn	FY 2020	FY 2019	Y-o-Y
Revenues	8,680	9,830	(11.7)%
Gross Profit	908	930	(2.4)%
Gross Profit Margin	10.46%	9.46%	
EBITDA	543	644	(15.6)%
EBITDA Margin	6.26%	6.55%	
Net Income	366	459	(20.3)%
Net Income Margin	4.22%	4.67%	

Standalone Financial Highlights 4Q 2020

EGP mn	FY 2020	FY 2019	Y-o-Y
Revenues	6,871	7,684	(10.6)%
Gross Profit	789	792	(0.4)%
Gross Profit Margin	11.48%	10.31%	
EBITDA	488	546	(10.7)%
EBITDA Margin	7.10%	7.11%	
Net Income	357	390	(8.6)%
Net Income Margin	5.2%	5.1%	

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About MM Group for Industry and Trade S.A.E (MTI)

MTI is an Egyptian joint- stock company listed on the Egyptian Stock Exchange (Ticker: [MTIE.CA](#)). MTI is one of Egypt's largest distribution companies by geographic coverage with access to over 40,000 points of sale. MTI operates various business lines, including consumer electronics, telecommunication, automotive, seamless pipes, and tractors through partnerships with leading global brands including Samsung, Vodafone, Huawei, Range Rover, Jaguar, Maserati, Bentley, Carrier and Bosch.

MM Group for Industry and International Trade S.A.E (MTI) give notice that:

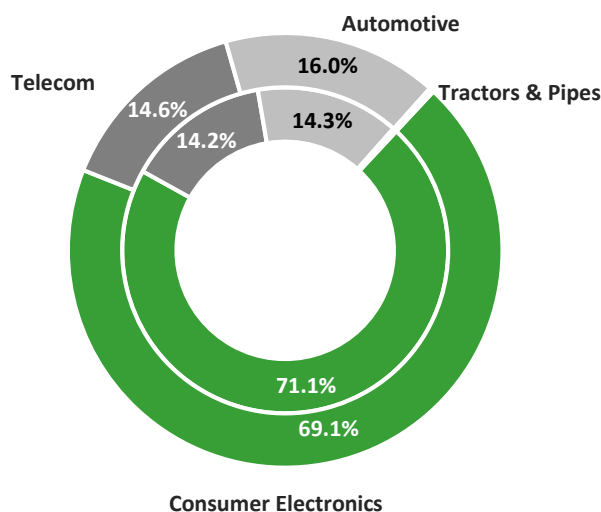
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Group Operational Performance

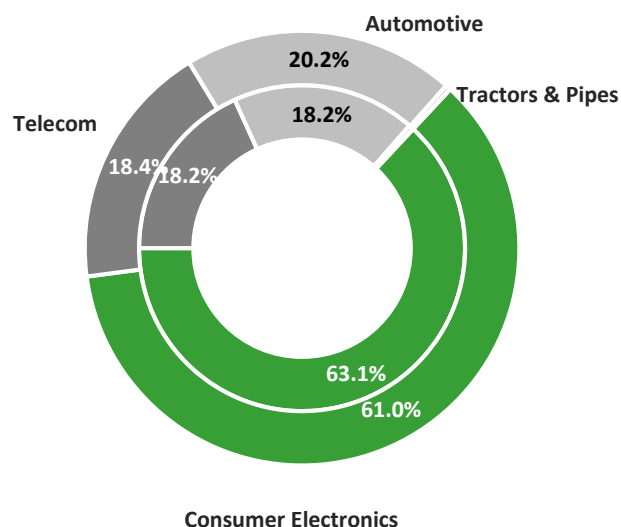
Revenue Breakdown by Line of Business

- The consolidated revenues in 4Q20 decreased by 3.5% Q-o-Q to reach EGP 2.1 billion compared to EGP 2.2 billion, while increased by 1.6% Y-o-Y. And the standalone revenues in 4Q20 decreased by 8.6% Q-o-Q to reach EGP 1.6 billion compared to EGP 1.7 billion, while decreased by 10.2% Y-o-Y.

FY20 Consolidated Revenue Breakdown by LoB | %

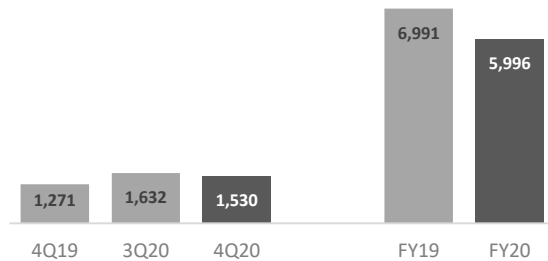


FY20 Standalone Revenue Breakdown by LoB | %

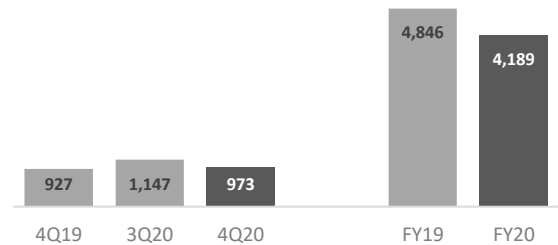


- The consumer Electronics line of business which represents 69.1% of the consolidated revenues in FY20, decreased by 14.2% Y-o-Y to reach EGP 6 billion compared to EGP 6.9 billion in FY19, and in the 4Q20 the consolidated revenues increased by 20.4% Y-o-Y to reach EGP 1.3 billion. And the standalone revenues in FY20 declined by 13.6% Y-o-Y to reach EGP 4.2 billion compared to EGP 4.8 billion in FY19, and in the 4Q20 the standalone revenues increased by 5% Y-o-Y to reach EGP 973 million.
- In FY20 the mobile segment revenues decreased by 21.2% while the home appliances segment revenues increased by 22.3%.
- The mobile segment still representing the major contributor with 80% of total consolidated consumer electronics revenues in FY20 and the remaining 20% was coming from the home appliances segment.

Consolidated Revenue | EGP mn

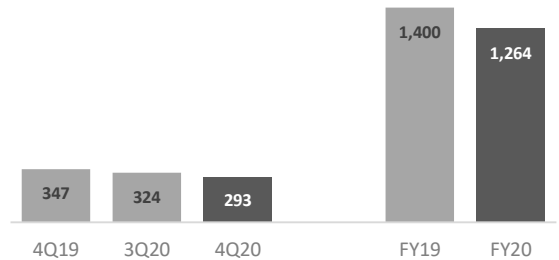


Standalone Revenue | EGP mn



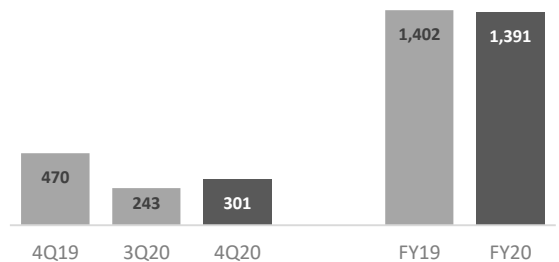
- The telecom line of business which represents 14.6% of the consolidated revenues in FY20, decreased by 9.7% Y-o-Y to reach EGP 1.3 billion compared to EGP 1.4 billion in FY19, on back of shifting the users from using the traditional scratch cards to the e payment platforms.

Revenue | EGP mn



- The automotive line of Business which represents 16% of the consolidated revenues in FY20, was almost flat Y-o-Y to reach EGP 1.4 billion compared to FY19, was mainly due to the decrease in the average selling price by almost 15% in FY20. While the sales volumes increased by 16% Y-o-Y to reach 855 cars sold compared to 737 cars in FY19.
- It is worth mentioning that, the delay in introducing the next year car models till late of the 4Q20, lead to delaying in delivering of almost 100 cars during the 4Q20 and shifting the deliveries to 1Q21.

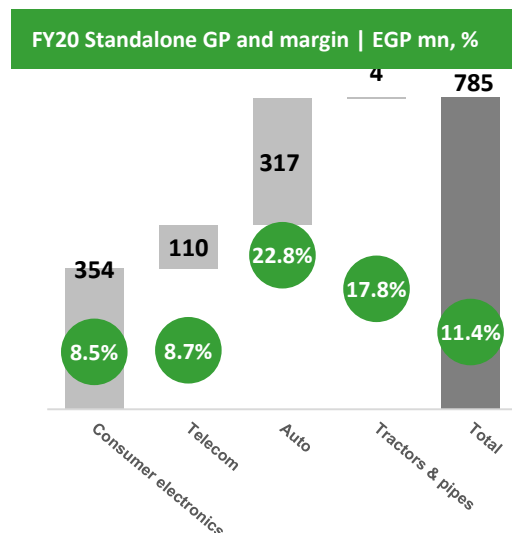
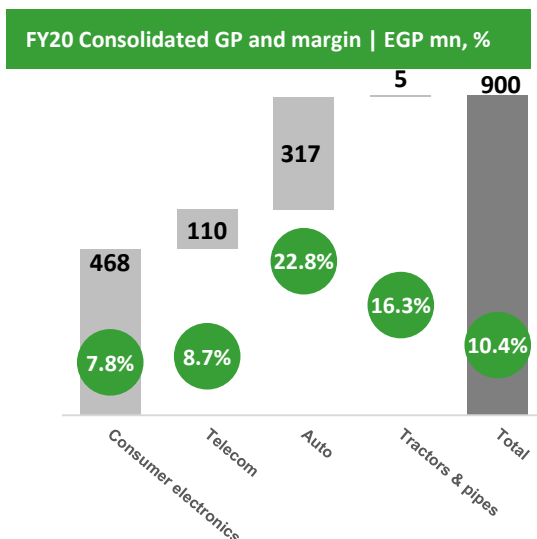
Revenue | EGP mn



- The tractors and pipes line of business which represents 0.3% of the consolidated revenues in FY20, decreased by 19.8% Y-o-Y to reach EGP 29 million compared to EGP 37 million in FY19.

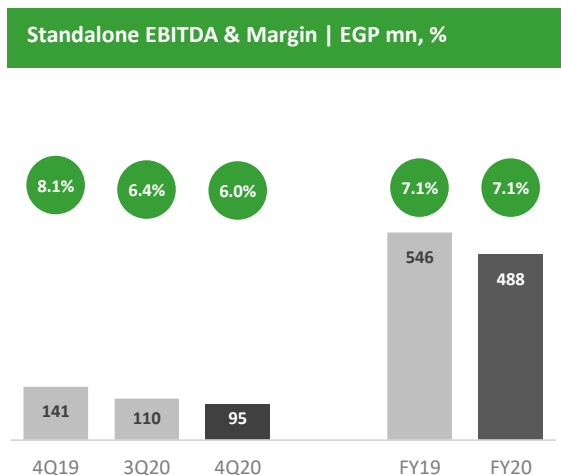
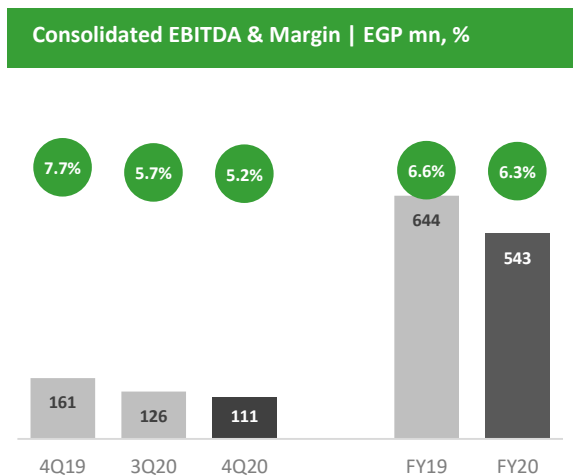
Gross Profit Breakdown by Line of Business

- The consolidated gross profit in 4Q20 decreased by 3% Q-o-Q to reach EGP 206 million compared to EGP 213 million, and decreased by 17.5% Y-o-Y. And the standalone gross profit in 4Q20 decreased by 4.1% Q-o-Q to reach EGP 173 million compared to EGP 181 million, and decreased by 21% Y-o-Y.



Earnings before Interest Tax Depreciation and Amortization

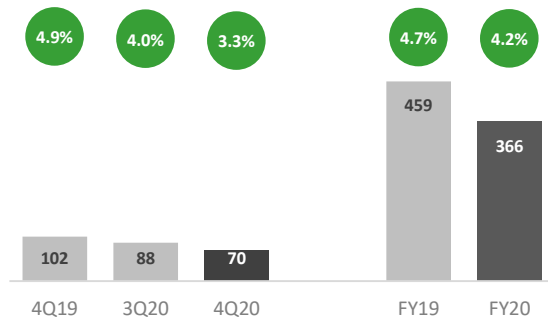
- The consolidated EBITDA in 4Q20 decreased by 11.8% Q-o-Q to reach EGP 111 million compared to EGP 126 million, and decreased by 31.2% Y-o-Y. And the standalone EBITDA in 4Q20 decreased by 14% Q-o-Q to reach EGP 95 million compared to EGP 110 million, and decreased by 33.2% Y-o-Y.



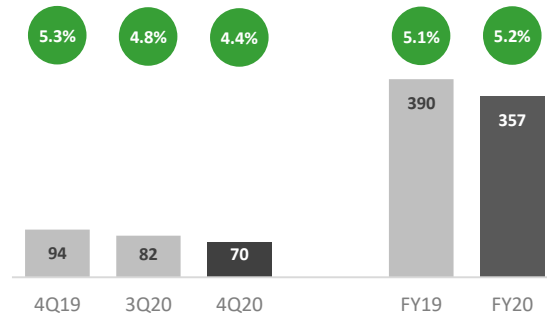
Net Profit

- The consolidated net profit in 4Q20 decreased by 20.7% Q-o-Q to reach EGP 70 million compared to EGP 88 million, and decreased by 31.8% Y-o-Y. And the standalone net profit in 4Q20 decreased by 15.3% Q-o-Q to reach EGP 70 million compared to EGP 82 million, and decreased by 25.4% Y-o-Y.

Consolidated Net Profit & Margin | EGP mn, %

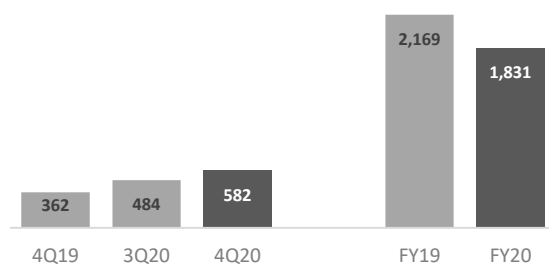


Standalone Net Profit & Margin | EGP mn, %

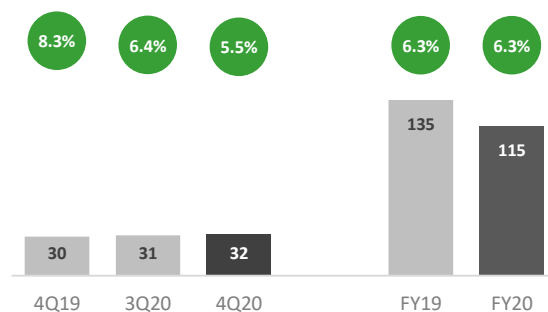


kanawat Operational Performance

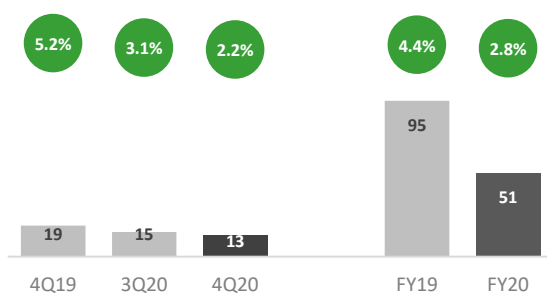
Revenue | EGP mn



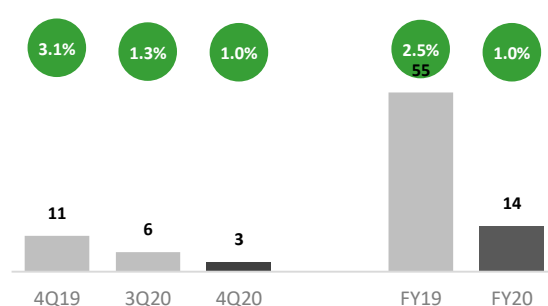
Gross Profit & Margin | EGP mns, %



EBITDA & Margin | EGP mns, %



Net Profit & Margin | EGP mns, %



- Kanawat revenues in FY20, decreased by 15.6% Y-o-Y to reach EGP 1.8 billion compared to EGP 2.2 billion in FY19, and in the 4Q20 the revenues surged by 60.8% Y-o-Y to reach EGP 582 million and increased by 20% Q-o-Q.
- The mobile segment still representing the major contributor with 95% of total revenues in FY20 and the remaining 5% was coming from the home appliances segment and retail shops.

Consolidated Balance Sheet

EGP 000'	FY 2020	FY 2019
Assets		
Cash and Cash equivalents	309,449	149,381
Current Assets	2,215,035	2,182,558
Fixed Assets	494,702	480,617
Total Assets	3,019,186	2,812,556
Liabilities & Equity		
Bank overdrafts	292,732	280,314
Current Liabilities	898,120	997,294
Non-Current Liabilities	124	1,165
Minority Interest	106,981	104,206
Net Worth	1,828,209	1,533,782
Total Liabilities & Equity	3,019,186	2,812,556

Standalone Balance Sheet

EGP 000'	FY 2020	FY 2019
Assets		
Cash and Cash equivalents	294,172	135,706
Current Assets	1,510,315	1,554,840
Fixed Assets	575,312	566,063
Total Assets	2,379,799	2,256,610
Liabilities & Equity		
Bank overdrafts	73,376	185,751
Current Liabilities	741,779	791,662
Non-Current Liabilities	0	663
Net Worth	1,561,644	1,278,533
Total Liabilities & Equity	2,379,799	2,256,610