

ELSEWEDY ELECTRIC Reports Q3 2023 Results; Net profit grows by two-fold in Q3 2023 to EGP 2.5 billion as Elsewedy's local and regional markets continue to grow

9M 2023 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 108,804 million ▲ 73.9% y-o-y	EGP 20,562 million ▲ 143.1% y-o-y	EGP 14,810 million ▲ 142.0% y-o-y	EGP 8,070 million ▲ 161.0% y-o-y

Q3 2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 39,166 million ▲ 65.9% y-o-y	EGP 7,684 million ▲ 139.8% y-o-y	EGP 5,833 million ▲ 160.0% y-o-y	EGP 2,506 million ▲ 108.0% y-o-y

ELSEWEDY ELECTRIC (SWDY.CA on the Egyptian stock exchange), the leading Wires & Cables and Integrated Energy Solution Provider in the Middle East and Africa, announces its consolidated financial results for the nine-month period ended 30 September 2023. The company recorded revenues of EGP 108,804 million in 9M2023, up by 73.9% year-on-year (y-o-y) and booked a net profit after minority interest of EGP 8,070 million over the period, up by 161.0% y-o-y with an expanded net profit margin of 7.4% versus 4.9% in 9M2022. On a quarterly basis, Elsewedy Electric reported revenues of EGP 39,166 million in Q3 2023, representing an increase of 65.9% y-o-y. The company's net profit after minority interest grew 108.0% y-o-y to EGP 2,506 million and recorded an improved net profit margin of 6.4% versus 5.1% in Q3 2022.

Note from Our CEO

As we approach the end of 2023, I am pleased to report that our resilient business model and dynamic strategy have allowed us to achieve yet another quarter of strong financial and operational results. Elsewedy Electric's unwavering commitment to operational excellence and efficiency, all while maintaining a diverse portfolio and extensive geographic footprint, has always been the driving force behind our consistent and long-term profitable growth.

To that end, our focus on increasing sales outside of Egypt and expanding our export markets while prudently managing working capital and our cost base continues to yield impressive results, with consistent double-digit top-line growth and expanding profitability. This is clearly demonstrated by our exemplary performance across all business segments this quarter, which have exhibited a notable growth in revenues and operating margins.

Our group's diversification also awards us incredible resilience in the face of increasingly turbulent markets and a challenging operating environment, and we continue to deliver significant progress across new avenues and markets, solidifying our position as a global player. With a presence in over 110 countries and five business lines that provide innumerable products and solutions, we have made it our mission to stay ahead of sustainable and innovative trends, leading the technological revolution as a global integrated solutions provider.

I have great confidence in Elsewedy Electric's aptitude for research and efficiency, as well as its ability to develop sustainable projects that comply with ESG regulations. This strong foundation allows us to overcome any obstacles that may come our way and ensure our continuous expansion not only within Egypt but also in our regional and export markets.

Ahmed El Sewedy Summary Income Statement

LE (000)'s	Q3-2023	Q3-2022	% Change	9M-2023	9M-2022	% Change
Revenue	39,166,297	23,608,095	65.9%	108,804,085	62,572,409	73.9%
Wires & Cables	21,719,063	11,272,057	92.7%	59,549,315	30,219,762	97.1%
Turnkey Projects	13,136,032	9,857,279	33.3%	36,517,425	26,057,452	40.1%
Meters	1,705,133	1,056,095	61.5%	5,350,731	2,787,616	91.9%
Transformers	1,756,623	972,395	80.6%	4,895,392	2,383,304	105.4%
Electrical Products	689,861	345,723	99.5%	2,030,040	820,242	147.5%
Renewables – IPP	159,585	104,545	52.6%	461,182	304,033	51.7%
Gross Profit	7,684,323	3,203,980	139.8%	20,561,592	8,456,827	143.1%
Wires & Cables	4,771,325	1,522,572	213.4%	12,644,068	4,004,099	215.8%
Turnkey Projects	1,601,886	906,414	76.7%	4,089,499	2,701,476	51.4%
Meters	481,748	303,336	58.8%	1,399,364	760,947	83.9%
Transformers	367,627	234,987	56.4%	1,085,113	394,889	174.8%
Electrical Products	370,767	177,772	108.6%	1,097,195	423,956	158.8%
Renewables – IPP	90,970	58,899	54.5%	246,354	171,459	43.7%
Gross Profit Margin	19.6%	13.6%		18.9%	13.5%	
EBITDA	5,833,383	2,243,365	160.0%	14,809,627	6,118,822	142.0%
EBITDA Margin	14.9%	9.5%		13.6%	9.8%	
Net Income After Minority	2,506,043	1,204,704	108.0%	8,070,304	3,092,069	161.0%
Net Income After Minority Margin	6.4%	5.1%		7.4%	4.9%	

Financial and Operational Highlights

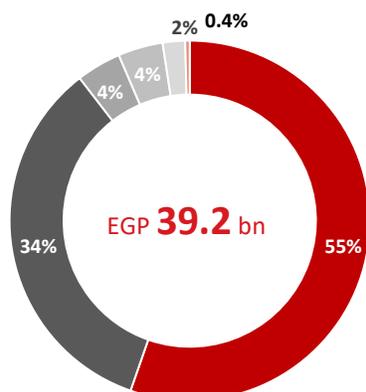
- Elsewedy's **revenue** grew by 65.9% y-o-y to reach EGP 39,166 million in Q3 2023, driven by improved pricing, solid demand driving volume growth, and currency translation effect of the Group's growing overseas sales. The main contributors to revenue were the company's wires & cables segment and turnkey projects, which accounted for the largest shares during the quarter.
- **Gross profit** more than doubled at 139.8% y-o-y to record EGP 7,684 million in Q3 2023. The company's profitability was accelerated due to a better product mix and improved pricing, alongside effective cost management during the quarter.
- **SG&A** expenses rose 63.6% y-o-y to EGP 2,029 million in Q3 2023 due to ongoing local and global inflationary pressures. Despite the rising SG&A costs, SG&A as a percentage of revenues slightly decreased to 5.2% in Q3 2023 versus the 5.3% recorded in Q3 2022.
- **EBITDA** surged by 160% y-o-y to EGP 5,833 million in Q3 2023 with an expanded margin of 14.9% compared to 9.5% in Q3 2022. Higher margins came on the back of solid top-line growth coupled with operational efficiencies and enhanced cost management.
- **Net income after minority interest** increased by a significant 108.0% y-o-y to EGP 2,506 million in Q3 2023, with an improved margin of 6.4% versus 5.1% booked in the same period last year. Profitability was primarily driven by strong top-line growth and higher operating margins across the company's business segments.
- The company reported a **net bank debt** of EGP 18,381 million as at 30 September 2023 compared to a net debt of EGP 14,604 million at year-end 2022.

- **Inventory** reached EGP 31,039 million as at 30 September 2023, versus the EGP 24,180 million recorded at year-end 2022. The company continues to increase inventory to mitigate the impact of inflationary prices and address market shortages, thereby securing the sustainability of its operations.
- **Accounts receivable** booked EGP 48,135 million as at 30 September 2023, up 38.9% from 34,651 million at the end of 2022, while **accounts payable** grew by 21.6% over the same period to reach EGP 30,442 million.

Financial and Operational Review

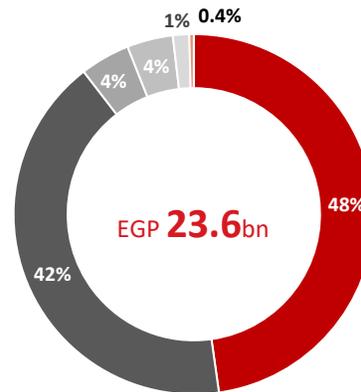
Revenues recorded EGP 39,166 million in Q3 2023, up 65.9% y-o-y, supported by strong growth across the company's business segments and diverse product mix, with wires & cables and the turnkey segments contributing the highest share of revenues.

Revenue by Segment
(Q3 2023)



■ Wires & Cables
■ Turnkey
■ Meters
■ Transformers
■ Electrical Products
■ Renewables - IPP

Revenue by Segment
(Q3 2022)

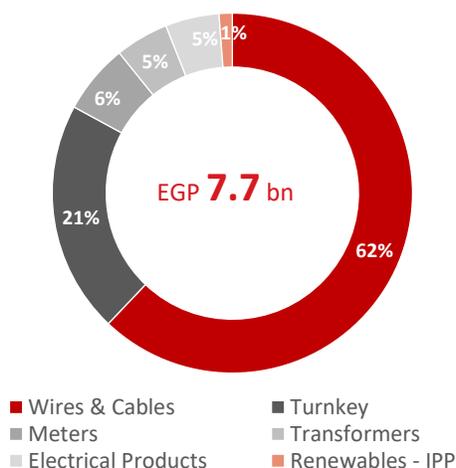


■ Wires & Cables
■ Turnkey
■ Meters
■ Transformers
■ Electrical Products
■ Renewables - IPP

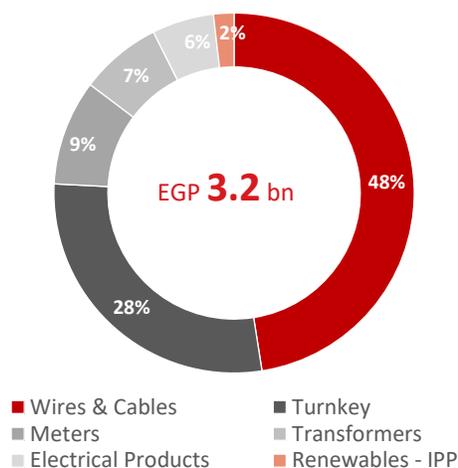
- The **wire and cables segment** nearly doubled to record EGP 21,719 million in Q3 2023, attributable to responsive pricing strategies and higher volumes. The segment remains the company's largest contributor to consolidated top line growth with a 55% share during the quarter.
- **Turnkey projects** generated EGP 13,136 million in revenues in Q3 2023, up 33.3% y-o-y, attributable to the segment's wide portfolio of projects both locally and globally. The segment contributed 34% to total revenues and recorded a backlog of EGP 111 billion in Q3 2023.
- **Meters** revenue grew 61.5% y-o-y to reach EGP 1,705 million in Q3 2023 on the back of increased volumes and pricing. Moreover, the meters segment contributed 4% of total revenue.
- **Transformers** brought in revenues of EGP 1,757 million, representing an increase of 80.6% y-o-y in Q3 2023. This increase was primarily driven by higher price points, which offset a volume decrease in the quarter. The segment contributed 4% to the Group's consolidated revenues over the period.
- **Other electrical products** recorded EGP 690 million in revenues in Q3 2023, up by a two-fold y-o-y due to strong local demand. The segment contributed 2% to total revenue during the quarter.
- **Renewables** registered EGP 160 million in revenues for the third quarter of 2023, up 52.6% y-o-y.

Elsewedy reported **gross profit** of EGP 7,684 million in Q3 2023, up by a notable 139.8% y-o-y, and primarily driven by solid topline growth, improved operational efficiencies, and effective cost management across its business segments. As a result, the company booked an expanded **gross profit margin of 19.6%** versus 13.6% recorded in Q3 2022.

Gross Profit by Segment
(Q3 2023)



Gross Profit by Segment
(Q3 2022)



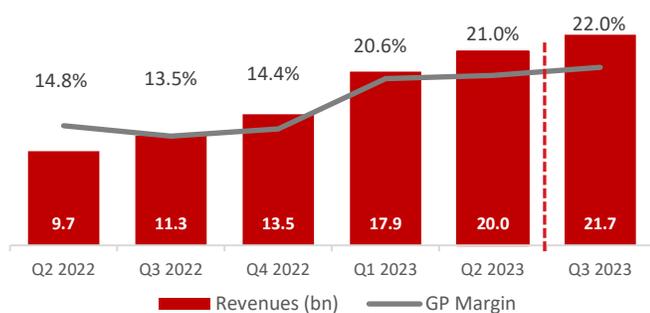
- The **wires and cables** segment grew an impressive 213.4% y-o-y to record EGP 4,771 million in Q3 2023, continuing to contribute the largest share to consolidated gross profit at 62%.
- **Turnkey projects** increased 76.7% y-o-y to reach EGP 1,602 million in the third quarter of 2023, accounting for 21% of gross profit for the period.
- **Meters** recorded EGP 482 million in gross profit, up 58.8% y-o-y and contributing 6% of total gross profit in Q3 2023.
- Transformers' **gross profit** booked EGP 368 million in Q3 2023, reflecting an increase of 56.4% y-o-y and with a 5% contribution to consolidated gross profit during the quarter.
- Gross profit derived from **other electrical products** came in at EGP 371 million in Q3 2023, marking a 108.6% y-o-y increase and accounting for 5% of total gross profit.
- The **renewables** segment grew 54.5% y-o-y to EGP 91 million in Q3 2023, contributing 1% to the Group's consolidated gross profit during the period.

Segment Review

Wires and Cables

	Q3-2023	Q3-2022	% Change	9M-2023	9M-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	26,825,921	14,875,986	80.3%	73,067,086	39,667,930	84.2%
Revenues After Intercompany Sales (EGP 000's)	21,719,063	11,272,057	92.7%	59,549,315	30,219,762	97.1%
Gross Profit (EGP 000's)	4,771,325	1,522,572	213.4%	12,644,068	4,004,099	215.8%
GP Margin Before Intercompany Sales	17.8%	10.2%		17.3%	10.1%	
GP Margin After Intercompany Sales	22.0%	13.5%		21.2%	13.2%	
Cables Sales Volumes (Tons)	41,409	37,120	11.6%	115,823	106,367	8.9%
Cables Gross profit per ton (EGP)	97,318	28,482	241.7%	88,013	25,450	245.8%

Wires & Cables Revenue and Profitability



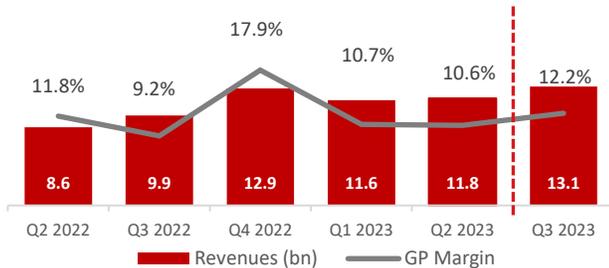
Wires & Cables Backlog (As of 30 September 2023)

EGP 22 bn

- Revenues from the wires and cables segment recorded EGP 21,719 million in Q3 2023, up 92.7% y-o-y. Growth was attributed to the company's diverse product portfolio and strong demand in global markets, as well as the implementation of improved pricing strategies.
- The segment's gross profit more than tripled and booked EGP 4,771 million in Q3 2023 on the back of better product mix and effective cost management.
- The segment's gross profit margin expanded by 8.5 percentage points y-o-y to 22.0% in Q3 2023 compared to 13.5% in Q3 2022.
- Backlog recorded EGP 22 billion, highlighting the significant growth opportunities within this segment.

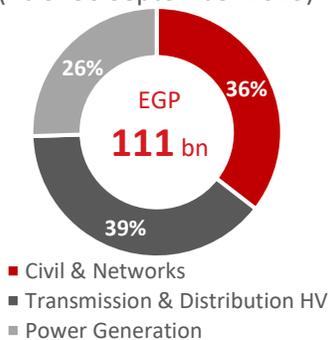
Turnkey Projects and Awards

Turnkey Revenue and Profitability



- Turnkey projects brought in EGP 13,136 million in Q3 2023, representing a 33.3% y-o-y increase as the company executed more local and international projects in its pipeline.
- The segment recorded gross profit of EGP 1,602 million, delivering a 76.7% y-o-y growth. In terms of profitability, it booked an enhanced margin of 12.2% compared to 9.2% in Q3 2022.
- The segment's backlog recorded EGP 111 billion as of 30 September 2023, with 52% of the projects located in Egypt.
- Newly awarded projects reached EGP 7 billion in Q3 2023.

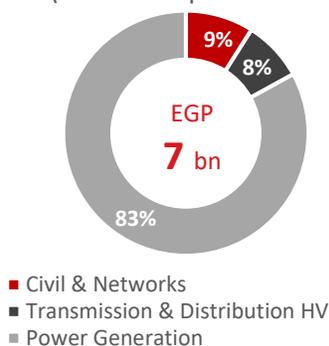
Backlog by Sector
(As of 30 September 2023)



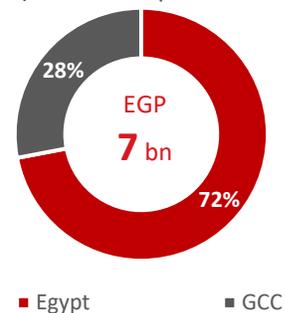
Backlog by Region
(As of 30 September 2023)



Awards by Sector
(As of 30 September 2023)



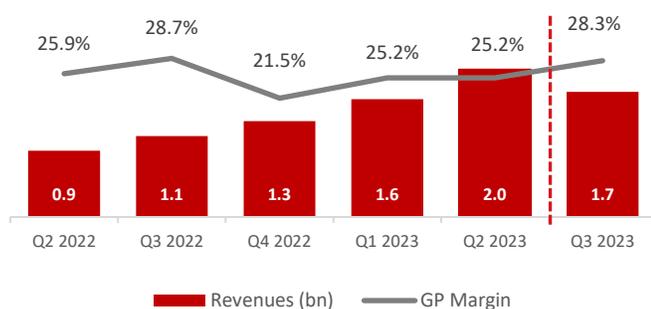
Awards by Region
(As of 30 September 2023)



Meters

	Q3-2023	Q3-2022	% Change	9M-2023	9M-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,360,157	1,433,717	64.6%	7,381,348	3,810,530	93.7%
Revenues After Intercompany Sales (EGP 000's)	1,705,133	1,056,095	61.5%	5,350,731	2,787,616	91.9%
Gross Profit (EGP 000's)	481,748	303,336	58.8%	1,399,364	760,947	83.9%
GP Margin Before Intercompany Sales	20.4%	21.2%		19.0%	20.0%	
GP Margin After Intercompany Sale	28.3%	28.7%		26.2%	27.3%	
Sales Volumes (meters)	926,398	842,816	9.9%	3,149,042	2,880,413	9.3%
Gross profit per meter (EGP)	520	360	44.5%	444	264	68.2%

Meters Revenue and Profitability



- The meters segment recorded EGP 1,705 million in Q3 2023, representing an increase of 61.5% y-o-y, driven by increased volumes and higher prices.
- Gross profit grew 58.8% y-o-y to EGP 482 million in Q3 2023 and booked a relatively stable gross profit margin of 28.3% in Q3 2023 versus 28.7% in Q3 2022.
- The meters segment's backlog stood at EGP 4.4 billion at the end of September 2023.

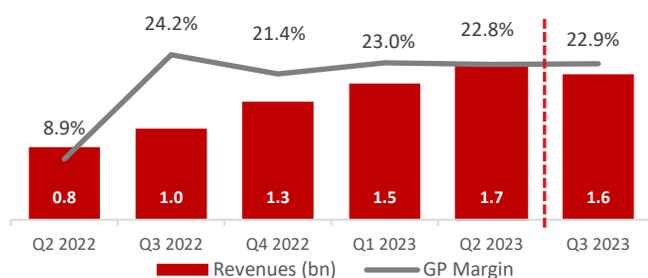
**Meters Backlog
(As of 30 September 2023)**

EGP **4.4** bn

Transformers

	Q3-2023	Q3-2022	% Change	9M-2023	9M-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	1,872,908	1,207,468	55.1%	5,216,307	2,729,173	91.1%
Revenues After Intercompany Sales (EGP 000's)	1,601,886	972,395	64.7%	4,895,392	2,383,304	105.4%
Gross Profit (EGP 000's)	367,627	234,987	56.4%	1,085,113	394,889	174.8%
GP Margin Before Intercompany Sales	19.6%	19.5%		20.8%	14.5%	
GP Margin After Intercompany Sale	22.9%	24.2%		22.2%	16.6%	
Sales Volumes (MVA)	2,543	3,124	-18.6%	10,144	8,660	17.1%
Gross profit per MVA (EGP)	144,567	75,216	92.20%	106,966	45,598	134.6%

Transformers Revenue and Profitability



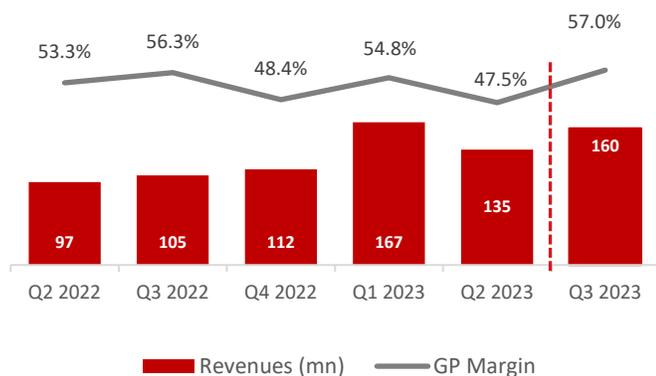
Transformers Backlog (As of 30 September 2023)

EGP **7.7** bn

- The transformers segment generated EGP 1,602 million in revenue, up 64.7% y-o-y from Q3 2022 on the back of increased product prices, which helped offset the decline in volumes.
- The segment's gross profit recorded EGP 368 million in Q3 2023, reflecting a y-o-y increase of 56.4%. In terms of profitability, the segment recorded gross profit margin of 22.9% this quarter versus 24.2% in Q3 2022.
- Backlog for the transformers segment recorded EGP 7.7 billion as of 30 September 2023.

Renewables - IPPs

Renewables Revenue and Profitability



- Revenues from the renewables segment rose 52.6% y-o-y to reach EGP 160 million in Q3 2023.
- Gross profit recorded EGP 91 million, up 54.5% y-o-y and yielded a margin expansion to 57.0% in Q3 2023 compared to 56.3% in Q3 2022.

Other Electrical Products

Other Electrical Products Revenue and Profitability



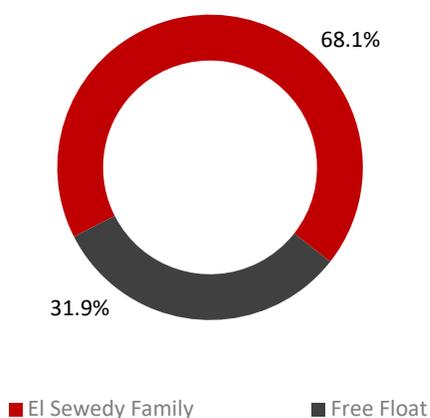
- Revenue from electrical products grew by two-fold to EGP 689.9 million in Q3 2023, driven by stronger local demand.
- The segment's gross profit grew by 108.6% y-o-y to EGP 370.8 million, with an improved margin of 53.7% versus 51.4% recorded in Q3 2022.

About Elsewedy Electric

Established in 1938 by the Elsewedy family, Elsewedy Electric has since grown to become a regional and tactically global integrated cables and electrical products manufacturer and a turn-key services provider with more than 17,000 employees working at 31 production facilities in 15 countries. Structured to face the challenges of the world’s fastest growing markets and the complexity of the critical electricity industry, Elsewedy Electric capitalizes on its deep product and sector specialization and unprecedented insight into local markets. www.elsewedyelectric.com

Shareholders Structure

(as at 30 September 2023)



Share Information

SWDY.CA on the EGX

Number of Shares	2,170,777,876
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Share Price (30 September 2023)	EGP 23.53
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Market Cap (30 September 2023)	EGP 51 bn
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Investor Relations Contact Information:

Ms. Noha Agaiby, Investor Relations Director and Board Secretary

Email: noha.agaiby@elsewedy.com

Address: Plot 13C03, Cairo Festival City, 5th settlement, New Cairo.

Tel: +202 27599700 – 701

Fax: +202 27599731

Forward-looking Statements

This document may contain certain forward-looking statements relating to the company’s business. These may be identified in part through the use of forward-looking terminology such as “will”, “planned”, “expected” and “forecast”. Any such statements reflect the current views of the company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Consolidated Income Statement

EGP 000	9M-2023	9M-2022	Change	Q3-2023	Q3-2022	Change
Revenue	108,804,085	62,572,409	73.9%	39,166,297	23,608,095	65.9%
Costs	(88,242,493)	(54,115,583)		(31,481,974)	(20,404,115)	
Gross Profit	20,561,592	8,456,827	143.1%	7,684,323	3,203,980	139.8%
Other income	481,668	386,042		319,934	107,602	
Selling and distribution expenses	(1,796,279)	(1,093,254)		(605,362)	(434,279)	
Administrative expenses	(3,988,196)	(2,238,270)		(1,423,572)	(806,024)	
Impairment loss on trade and other receivables	(223,493)	(101,277)		(135,527)	98,500	
Other expenses	(2,257,699)	(500,165)		(738,464)	(261,415)	
Operating profit	12,777,592	4,909,902		5,101,333	1,908,364	
Finance income	3,068,901	425,370		79,671	240,531	
Finance costs	(3,519,489)	(1,141,586)		(1,347,906)	(512,117)	
Net finance income (Costs)	(450,588)	(716,217)		(1,268,235)	(271,586)	
Share of profit of equity-accounted investees, net of tax	338,327	172,755		145,720	62,348	
Gain (loss) on sale of share of subsidiaries		3,846			3,846	
Profit before tax	12,665,331	4,370,287		3,978,819	1,702,972	
Income tax expense	(3,759,193)	(1,033,426)		(1,291,005)	(388,325)	
Profit for the period	8,906,139	3,336,861		2,748,562	1,314,646	
Profit attributable to:						
Owners of the company	8,070,305	3,092,069	161.0%	2,506,045	1,204,704	108.0%
Non-controlling interests	835,834	244,792		242,517	109,942	

Consolidated Balance Sheet

EGP 000	30/09/2023	31/12/2022
Current assets		
Inventories	31,038,785	24,179,748
Contract assets	14,626,369	10,450,404
Work in progress (Real Estate Development lands)	1,215,489	1,394,753
Trade , notes and other receivables	48,135,260	34,650,718
Due from related parties	1,570,149	1,283,144
Financial assets at amortized cost	648,822	903,065
Cash & Cash Equivalents	19,463,793	19,715,750
Total current assets	116,698,667	92,577,582
Long-term assets		
Property, plant and equipment	16,918,715	14,745,466
Right of use assets	890,426	837,379
Investments at fair value through other comprehensive income	20,183	20,146
Equity accounted investees	3,631,593	2,712,904
Due from related parties	97,062	61,055
Trade receivables	1,889,686	1,497,061
Intangible assets and goodwill	1,275,568	1,229,913
Deferred tax assets	288,606	273,037
Total long-term assets	25,011,838	21,376,962
Total assets	141,710,505	113,954,544
Current liabilities		
Bank Overdraft	17,711,833	15,645,923
Loans and borrowings	15,382,750	14,496,965
Trade, notes and other payables	30,441,679	25,036,102
Contract liabilities	23,177,987	16,951,156
Due to related parties	3,512,202	1,732,335
Provisions	6,019,887	4,527,494
Total current liabilities	96,246,339	78,389,976
Long-term liabilities		
Loans and borrowings	6,022,034	5,597,760
deferred tax liabilities	1,769,749	1,298,288
Due to related parties	80,089	60,068
Provisions	393,624	308,542

Other non-current liabilities	804,515	654,606
Total long-term liabilities	9,070,009	7,919,264
Equity		
Issued and Paid Capital	2,170,778	2,170,778
Reserves	3,613,374	2,490,101
Share based payment	(1,422)	(1,422)
Treasury shares	(254,138)	(254,138)
Retained Earnings	28,286,627	21,604,845
Equity attributable to owners of the company	33,815,219	26,010,164
Non-controlling interest	2,578,938	1,635,139
Total equity	36,394,157	27,645,304
Total liabilities	105,316,348	86,309,240
Total liabilities & equity	141,710,505	113,954,544