

ELSEWEDY ELECTRIC Reports Q1 2023 Results; Records Robust Top-line Growth of EGP 33 BN; Net Profit Grows Almost Threefold to Reach EGP 2.9 BN

Q1 2023 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 33,336 million ▲ 79.5% y-o-y	EGP 6,118 million ▲ 164.7% y-o-y	EGP 4,564 million ▲ 195.8% y-o-y	EGP 2,905 million ▲ 281.8% y-o-y

ELSEWEDY ELECTRIC (SWDY.CA on the Egyptian stock exchange), the leading Wires & Cables and Integrated Infrastructure Solutions Provider in the Middle East and Africa, announces its consolidated financial results for the period ending 31 March 2023, recording revenues of EGP 33,336 million, up by 79.5% year-on-year. The company’s net profit after minority interest grew 281.8% y-o-y to reach EGP 2,905 million in Q1 2023, representing a net profit margin of 8.7% during the same period.

Note from Our CEO

I am happy that we have achieved another strong set of results for the start of the year. The continued demonstration of resilience throughout Q1 2023 is the product of healthy sales growth, in addition to our persistent focus on enhancing financial controls and efficiency levels. Both have helped us weather economic headwinds and the challenging landscape of global markets.

Our top line has maintained solid growth as a result of strategic planning and an export-driven focus, as we continue to leverage our expansive geographic footprint. This growth, coupled with efficiency measures, has resulted in improved profitability this quarter, as our agile business model allows us to capitalize on the double effect of exports and efficiencies. These efforts have been strengthened by a twofold strategic approach towards working capital management and digital transformation. On the working capital front, we plan on continuing to boost our collections, laying the foundation for smooth operations and robust balance sheet management. Meanwhile, the continuous deployment of digital tools internally will help improve efficiencies across the board, as part of our transformation strategy.

Elsewedy Electric is closely following the latest developments on decarbonization and ESG regulations with the aim of fulfilling its pivotal role in unlocking green financing for its innovative business verticals contributing to renewables and EVs. As a responsible corporate actor, I am secure in the knowledge that our efforts will contribute to Egypt’s, and the world’s, journey towards sustainability and carbon neutrality.

Ahmed El Sewedy

Summary Income Statement

EGP (000)'s	Q1-2023	Q1-2022	% Change
Revenue	33,335,858	18,573,314	79.5%
Wires & Cables	17,857,984	9,278,568	92.5%
Turnkey Projects	11,573,461	7,553,815	53.2%
Meters	1,633,337	800,305	104.1%
Transformers	1,453,504	618,940	134.8%
Electrical Products	650,949	219,469	196.6%
Renewables – IPP	166,624	102,217	63.0%
Gross Profit	6,118,223	2,311,578	164.7%
Wires & Cables	3,685,597	1,050,552	250.8%
Turnkey Projects	1,237,446	774,163	59.8%
Meters	410,957	216,031	90.2%
Transformers	333,597	89,675	272.0%
Electrical Products	359,303	120,425	198.4%
Renewables – IPP	91,323	60,732	50.4%
Gross Profit Margin	18.4%	12.4%	
EBITDA	4,563,671	1,543,078	195.8%
EBITDA Margin	13.7%	8.3%	
Net Income After Minority	2,904,669	760,867	281.8%
Net Income After Minority Margin	8.7%	4.1%	

Financial and Operational Highlights

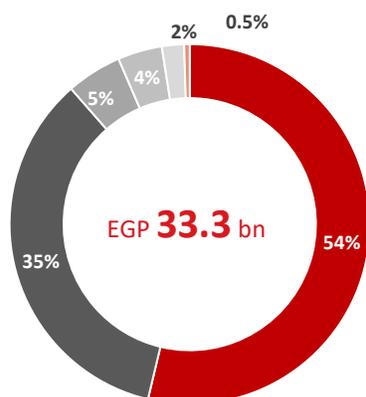
- **Revenues** increased by 79.5% y-o-y to EGP 33,336 million in Q1 2023 driven by the solid performance delivered across the company's business segments, with major contribution coming from both the wires & cables and turnkey projects segments.
- Elsewedy Electric's **gross profit** increased by a significant 164.7% y-o-y to reach EGP 6,118 million. Through its agile strategy, the company benefitted from the positive effect of metal stockpiling at lower exchange rates in the wires and cables segment. As a result, gross profit margin grew to 18.4% in Q1 2023, up from 12.4% in Q1 2022.
- **SG&A** expenses rose by 86.5% y-o-y to EGP 1,765 million on account of lingering inflationary pressures locally and globally, combined with the currency movement effect. On a percentage of revenues basis, SG&A edged up slightly y-o-y to stand at 5.3% in Q1 2023.
- **EBITDA** for Q1 2023 almost tripled to record EGP 4,564 million, primarily driven by the strong growth in revenues generated across all business segments and higher operating margins owing to the company's effective strategy related to raw material stockpiling measures. As a result, Elsewedy Electric's EBITDA margin recorded 13.7% in Q1 2023.
- Elsewedy's **net income after minority interest** notably increased by 281.8% y-o-y to register EGP 2,905 million in Q1 2023, against the EGP 761 million recorded in Q1 2022. Bottom-line growth was accelerated by higher profitability across all business segments, coupled with higher FX gains that partially offset rising financing costs and SG&A expenses.
- **Net debt** stood at EGP 19,867 million as at 31 March 2023 from the EGP 14,621 recorded at year-end 2022. Net debt increased on the back of the management's successful decision to stockpile raw materials to ensure the continuity of operations. Despite this, the company's Net Bank Debt to EBITDA ratio decreased from 1.6x to 1.1x.

- **Inventory** grew 21.5% to EGP 29,384 million as at 31 March 2023, versus the EGP 24,180 million recorded at the end of 2022, attributable to the company’s efficient stocking of raw materials.
- **Accounts receivable** booked EGP 30,978 million as at 31 March 2023, compared to EGP 26,056 million at year-end 2022, whereas **accounts payable** increased to EGP 14,972 million as at 31 March 2023.

Financial and Operational Review

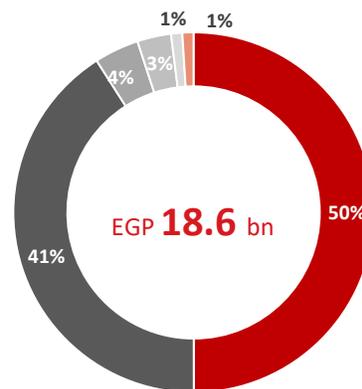
Revenues increased to record EGP 33,336 million in Q1 2023, up by an exceptional 79.5% y-o-y on the back of the solid growth across the company’s business segments, with the largest contribution coming from the wires & cables and turnkey segments, which accounted for 88% of total group revenues.

Revenue by Segment
(Q1 2023)



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

Revenue by Segment
(Q1 2022)

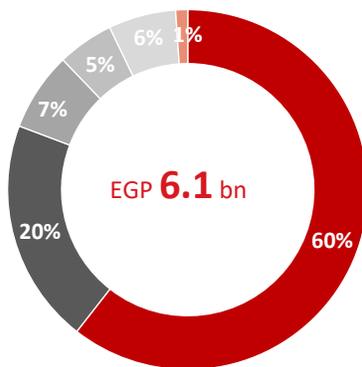


■ Wires & Cables
■ Meters
■ Electrical Products
■ Turnkey
■ Transformers
■ Renewables - IPP

- **Wires and cables** cemented its position as the Group’s largest contributing segment to total revenues, accounting for 54% of the group’s consolidated top-line and recording revenues of EGP 17,858 million in Q1 2023. The 92.5% y-o-y growth in revenues was supported by better pricing strategies and an increase in volumes.
- **Turnkey projects** registered EGP 11,573 in revenues, up 53.2% y-o-y, with a 35% contribution to the Group’s consolidated revenues. This was primarily driven by a higher execution of projects both in and outside Egypt. The segment’s backlog came in at 122 billion with 61% of the projects contracted in Egypt.
- **Meters** revenues grew twofold to EGP 1,633 million in Q1 2023, driven by increased volumes and pricing. The segment’s revenues accounted for 5% of the group’s consolidated top-line.
- **Transformers** brought in EGP 1,454 million this quarter, up by an impressive 134.8% y-o-y due to stronger volume growth and better pricing. At the end of Q1 2023, the segment contributed 4% to Elsewedy Electric’s consolidated revenues.
- **Other electrical products** more than doubled to record EGP 651 million, driven by a robust local demand and favourable currency movement. The segment contributed 2% to consolidated revenues.
- The **Renewables** segment reported revenues of EGP 167 million in Q1 2023, up 63.0% y-o-y.

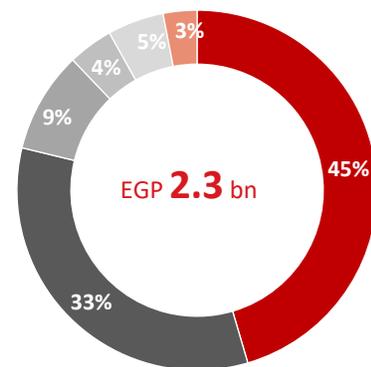
Gross Profit recorded EGP 6,118 million in Q1 2023, reflecting a significant increase of 164.7% y-o-y, supported by exemplary strategic planning alongside higher profitability schemes across the Group’s business segments. Subsequently, the company reaped the benefits of its effective cost optimization amid market fluctuations, as **gross profit margin** increased by 6 pts y-o-y to reach 18.4% in Q1 2023.

Gross Profit by Segment
(Q1 2023)



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

Gross Profit by Segment
(Q1 2022)



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

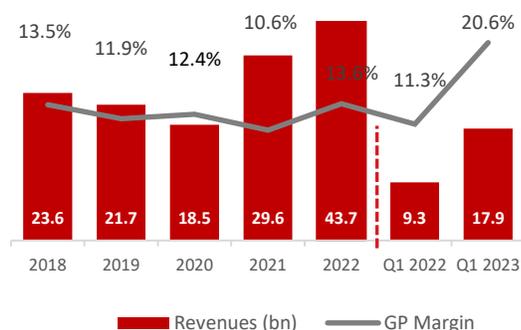
- **Wires and cables** was the largest contributor to consolidated gross profit at 60%. The segment’s gross profit reached EGP 3,686 million at the end of Q1 2023, up 250.8% y-o-y.
- **Turnkey projects** segment was the second largest contributor at 20%, with gross profit coming in at EGP 1,237 million in Q1 2023, reflecting 59.8% y-o-y increase.
- **Meters** recorded a gross profit of EGP 411 million, representing an increase of 90.2% y-o-y, and contributing 7% to consolidated gross profit.
- The **Transformers** segment generated a gross profit of EGP 334 million, up by an impressive 272.0% y-o-y, and contributed 5% to consolidated gross profit.
- Gross profit for **other electrical products** increased by a strong 198.4% y-o-y to EGP 359 million, yielding a contribution of 6% to the Group’s gross profit.
- The **Renewables** segment recorded a gross profit of EGP 91 million, up by 50.4% y-o-y, and contributing 1% to total gross profit.

Segment Review

Wires and Cables

	Q1-2023	Q1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	20,669,321	11,816,899	74.9%
Revenues After Intercompany Sales (EGP 000's)	17,857,984	9,278,568	92.5%
Gross Profit (EGP 000's)	3,685,597	1,050,552	250.8%
GP Margin Before Intercompany Sales	17.8%	8.9%	
GP Margin After Intercompany Sales	20.6%	11.3%	
Cables Sales Volumes (Tons)	37,149	35,383	5.0%
Cables Gross profit per ton (EGP)	73,339	18,808	289.9%

Wires & Cables Revenue and Profitability



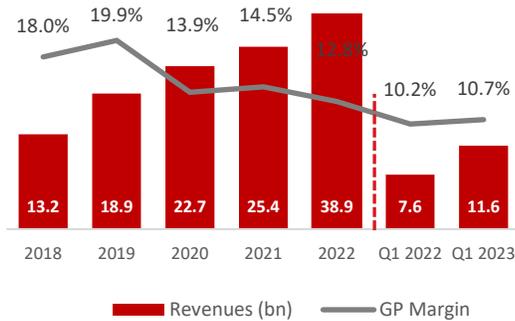
Cables Backlog (As of 31 March 2023)

EGP **19** bn

- Wires and Cables recorded a revenue increase of 92.5% y-o-y to EGP 17,858 million in Q1 2023. Revenue growth was driven by higher volumes on the back of the effective stocking strategies tailored to safeguard the company against shortage of raw materials. Revenue growth was further driven by enhanced product prices during the period.
- Gross profit grew by a notable 250.8% y-o-y to record EGP 3,686 million, driven by the segment's better blended profitability and a favourable currency movement effect. Moreover, and through the company's agile strategy, Elsewedy benefitted from the positive effect of metal stockpiling at lower exchange rates.
- The segment's gross profit margin exceptionally expanded to record 20.6% in Q1 2023, up 9.3 pts from the 11.3% recorded in Q1 2022.
- The segment's backlog stood at EGP 19 billion as of 31 March 2023, underscoring the segment's positive outlook.

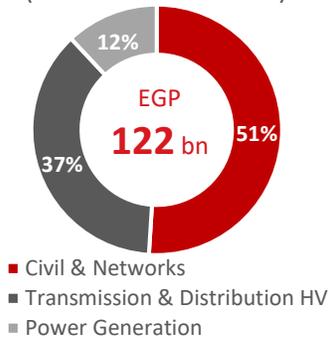
Turnkey Projects and Awards

Turnkey Revenue and Profitability

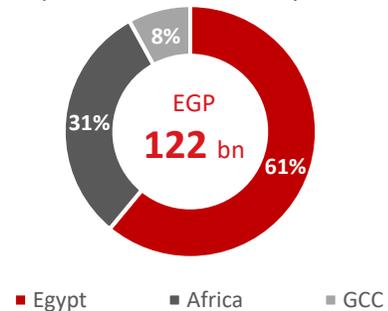


- Revenues from the turnkey projects segment registered EGP 11,573 million in Q1 2023, up 53.2% y-o-y due to a higher execution rate of projects inside and outside Egypt.
- Gross profit came in at EGP 1,237 million in Q1 2023, growing by 59.8% y-o-y, primarily driven by an improved product mix. Gross profit margin recorded 10.7% over the period vs 10.2% in Q1 2022.
- The segment's backlog recorded EGP 122 billion as of 31 March 2023, with 61% of the projects located in Egypt.
- Newly awarded projects for Q1 2023 reached EGP 37 billion, driven by an increase in civil and networks projects.

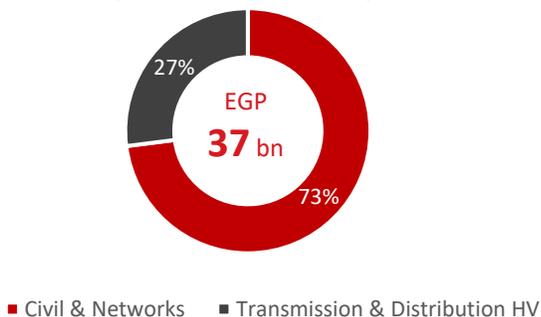
Backlog by Sector
(As of 31 March 2023)



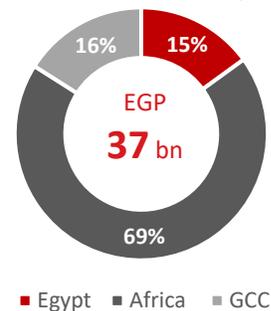
Backlog by Region
(As of 31 March 2023)



Awards by Sector
(As of 31 March 2022)

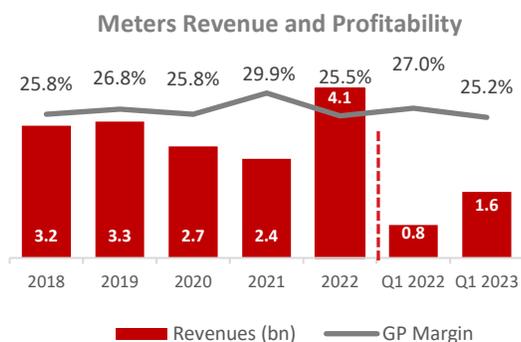


Awards by Region
(As of 31 March 2023)



Meters

	Q1-2023	Q1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,335,265	1,070,084	118.2%
Revenues After Intercompany Sales (EGP 000's)	1,633,337	800,305	104.1%
Gross Profit (EGP 000's)	410,957	216,031	90.2%
GP Margin Before Intercompany Sales	17.6%	20.2%	
GP Margin After Intercompany Sales	25.2%	27.0%	
Sales Volumes (meters)	1,065,184	1,026,825	3.7%
Gross profit per meter (EGP)	386	210	83.4%



- The meters segment revenue grew by an impressive 104.1% to EGP 1,633 million in Q1 2023. Revenues were bolstered by an increase in volumes and pricing during the period.
- Gross profit recorded EGP 411 million in Q1 2023, up by 90.2% y-o-y. The segment's gross profit margin contracted to 25.2%, down by 1.8 ppts y-o-y due to a less profitable product mix.
- Meters backlog as of 31 March 2023 reached EGP 6.4 billion, positively affected by the currency movement effect.

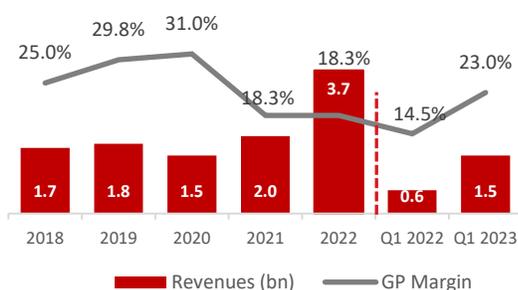
**Meters Backlog
(As of 31 March 2023)**

EGP **6.4** bn

Transformers

	Q1-2023	Q1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	1,546,613	705,019	119.4%
Revenues After Intercompany Sales (EGP 000's)	1,453,504	618,940	134.8%
Gross Profit (EGP 000's)	333,597	89,675	272.0%
GP Margin Before Intercompany Sales	21.6%	12.7%	
GP Margin After Intercompany Sales	23.0%	14.5%	
Sales Volumes (MVA)	3,694	3,001	23.1%
Gross profit per MVA (EGP)	90,301	29,886	202.2%

Transformers Revenue and Profitability



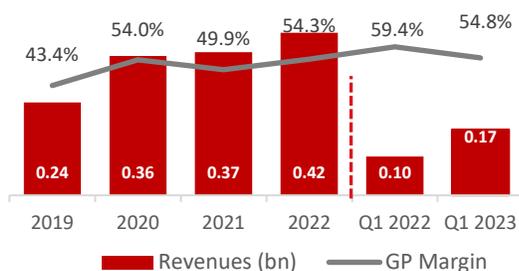
Transformers Backlog (As of 31 March 2023)

EGP 5.5 bn

- The transformers segment brought in EGP 1,454 million in revenues in the first quarter of 2023, reflecting an increase of 134.8%, underlined by higher volumes and prices during the period.
- Gross profit came in at EGP 334 million, up by a significant 272.0% y-o-y on the back of a more profitable product portfolio coupled with the currency movement effect. Accordingly, the segment's gross profit margin exceptionally increased to 23.0% from the 14.5% previously recorded in Q1 2022.
- Backlog for the transformers segment recorded EGP 5.5 billion as of 31 March 2023, partially affected by the favourable currency movement effect.

Renewables - IPPs

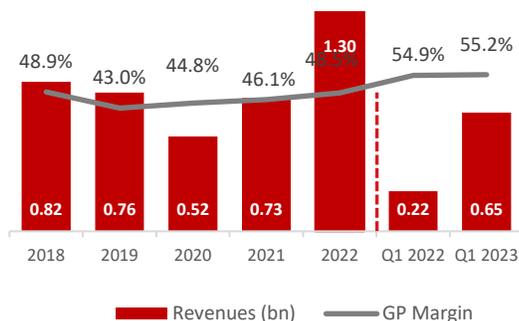
Renewables Revenue and Profitability



- Revenues from the renewables segment increased by 63.0% y-o-y to record EGP 167 million versus the EGP 102 million previously recorded in Q1 2022.
- Gross profit increased to EGP 91 million, up 50.4% y-o-y from EGP 61 million in the first quarter of 2022.

Other Electrical Products

Other Electrical Products Revenue and Profitability



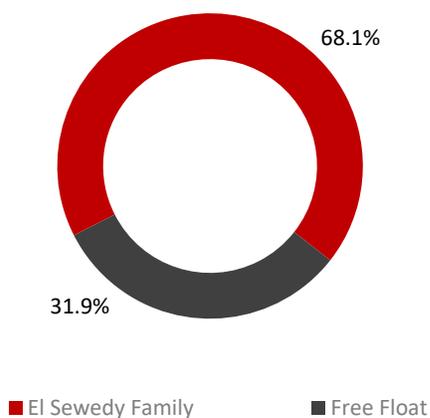
- Revenues from other electrical products reached EGP 651 million in Q1 2023, climbing by 196.6% y-o-y on the back of stronger local demand.
- Gross profit for the segment grew by 198.4% y-o-y to record EGP 359 million in Q1 2023 against the EGP 120 million in Q1 2022, driven by enhanced profitability due to a favourable currency movement effect. The segment's gross profit margin increased to 55.2%, up 0.3 pts from the 54.9% recorded in the first quarter of the previous year.

About Elsewedy Electric

Established in 1938 by the Elsewedy family, Elsewedy Electric has since grown to become a regional and tactically global integrated infrastructure solutions 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 31 March 2023)



Share Information

SWDY.CA on the EGX

Number of Shares	2,170,777,876
Share Price (31 March 2023)	EGP 15.06
Market Cap (31 March 2023)	EGP 32.7 bn

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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	Q1-2023	Q1-2022	Change
Sales			
Wires & Cables	17,857,984	9,278,568	92.5%
Electrical Products	3,737,789	1,638,713	128.1%
Turnkey Projects	11,740,085	7,656,033	53.3%
Total Sales	33,335,858	18,573,314	79.5%
COGS	(27,217,635)	(16,261,736)	
Gross Profit	6,118,223	2,311,578	164.7%
Gross Profit Margin	18.4%	12.4%	
SG&A	(1,764,670)	(946,427)	86.5%
Other Operating Income	151,920	84,713	
Other Operating Expense	(580,576)	(241,916)	
Income from Investments	100,300	27,910	
EBITDA	4,563,671	1,543,078	195.8%
EBITDA Margin	13.7%	8.3%	
Depreciation & Amortization	(538,474)	(307,221)	
FX Gain / (Loss)	1,342,731	1,918	
EBIT	5,367,928	1,237,775	333.7%
Interest Expense	(866,344)	(238,211)	263.7%
Interest Income	181,713	110,243	64.8%
Interest Income / (Expenses)	(684,631)	(127,968)	
EBT	4,683,298	1,109,807	322.0%
Tax	(1,505,820)	(281,599)	
Net Income	3,177,477	828,209	283.7%
Minority Interest	(272,808)	(67,341)	
Net Income After Minority Interest	2,904,669	760,867	281.8%
Net Income Margin	8.7 %	4.1%	

Consolidated Balance Sheet

EGP 000	31/12/2022	31/03/2023
Long Term Assets		
Fixed Assets & Goodwill	16,812,758	18,814,761
Investments	2,733,051	3,425,666
Other long-term Assets	273,037	330,573
Other long-term Receivables	1,497,061	1,901,042
Total Long-term Assets	21,315,907	24,472,041
Current Assets		
Inventories	24,179,748	29,383,675
Receivables	26,055,682	30,977,573
Other Debit balance	20,440,193	22,625,937
Due from Related Parties	1,344,199	1,700,802
Cash & Cash Equivalents	20,618,815	24,354,185
Total Current Assets	92,638,637	109,042,172
Total Assets	113,954,544	133,514,213
Current Liabilities		
Bank Overdraft & Short-term loans	30,133,907	38,285,499
Accounts Payable	13,720,319	14,972,232
Other Credit balance	28,275,922	30,307,016
Due to Affiliates	1,792,404	2,292,776
Provisions	4,527,494	5,149,705
Total Current Liabilities	78,450,045	91,007,228
Issued and Paid Capital	2,170,778	2,170,778
Retained Earnings	21,604,845	24,413,820
Others	2,234,541	4,355,157
Total Parent's Shareholders' Equity	26,010,164	30,939,755
Minority Interest	1,635,139	2,154,784
Total Equity	27,645,304	33,094,539
Long-term Loans	5,088,944	5,936,033
Other long-term Liabilities	2,770,252	3,476,414
Total Long-term Liabilities	7,859,196	9,412,446
Total Liabilities & Equity	113,954,544	133,514,213