

ELSEWEDY ELECTRIC Reports FY 2023 Results; revenues up by 65.1%, with net profit increasing almost two-fold to EGP 10.1 billion

FY 2023 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 152,186 million ▲ 65.1% y-o-y	EGP 29,077 million ▲ 115.0% y-o-y	EGP 20,668 million ▲ 125.6% y-o-y	EGP 10,116 million ▲ 86.7 % y-o-y

Q4 2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 43,382 million ▲ 46.6% y-o-y	EGP 8,516 million ▲ 68.1% y-o-y	EGP 5,858 million ▲ 92.6% y-o-y	EGP 2,045 million ▼ 12.0% 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 full year ending 31 December 2023. The company recorded revenues of EGP 152,186 million in FY2023, up by 65.1% year-on-year (y-o-y) and booked a net profit after minority interest of EGP 10,116 million over the period, up by 86.7% y-o-y with an expanded net profit margin of 6.6% versus 5.9% booked in FY2022. On a quarterly basis, Elsewedy Electric reported revenues of EGP 43,382 million in Q4 2023, representing an increase of 46.6% y-o-y. The company’s net profit after minority interest recorded EGP 2,045 million, down 12.0% y-o-y and with an associated profit margin of 4.7% versus 7.9% in Q4 2022.

Note from Our CEO

I am pleased to report that Elsewedy Electric ended 2023 on a very strong note, achieving substantial top and bottom-line growth. Our success continues to be driven by robust performances across our diverse lines of business, clearly defined growth strategies, a strong brand equity, and a resilient business model that allows us to successfully navigate a particularly challenging operating environment.

On account of this strong performance, the Board of Directors has proposed a dividend distribution of EGP 0.50 per share, reflecting our commitment to generating strong returns for Elsewedy’s esteemed shareholders.

Throughout the year, our focus remained on maximizing efficiency, optimizing our diverse portfolio, and leveraging our expansive geographic footprint. At our primary wires and cables segment, performance was driven by strong demand for our products, leading to sales growth of 88.6% y-o-y, and supported by successfully streamlining production and utilization rates through multiple efficiency and enhancement initiatives across all our industrial operations. Meanwhile, our turnkey projects segment continued to deliver high-quality, fully integrated engineering solutions that go beyond construction. This competitive edge, along with our track record on a regional scale, has strengthened the Group’s brand equity in the segment. Elsewedy aims to leverage this strength as we reinforce our presence in selected markets that offer the greatest potential for growth and impact.

Overall, our strategic growth initiatives across the Group’s diverse segment and geographies along with a continuous commitment to improving working capital efficiency and cash management, have been key drivers of our financial success and have expanded our capacity to pursue new strategic opportunities.

Meanwhile, the Group is also dedicated to embracing digital transformation within its sustainable framework, alongside a strong focus on prioritizing human capital as an integral part of its overarching strategy. On the digital front, we leverage cutting-edge technologies to enhance operations and stay ahead in an ever-evolving industry landscape. Furthermore, we invest in young talents and value the expertise of our employees, with a dual commitment to nurturing the next generation of industry leaders and recognizing the wealth of experience within our team.

Looking forward, I am optimistic about Elsewedy Electric's prospects over the coming three years, and I am confident in management's ability to deliver on our growth strategies and continue generating long-term sustainable value to our stakeholders.

Ahmed El Sewedy

Summary Income Statement

LE (000)'s	Q4-2023	Q4-2022	% Change	FY-2023	FY-2022	% Change
Revenue	43,382,163	29,595,110	46.6%	152,186,248	92,167,519	65.1%
Wires & Cables	22,871,950	13,489,989	69.5%	82,421,265	43,709,751	88.6%
Turnkey Projects	16,378,926	12,884,134	27.1%	52,896,351	38,941,586	35.8%
Meters	1,742,202	1,288,596	35.2%	7,092,932	4,076,212	74.0%
Transformers	1,718,704	1,330,377	29.2%	6,614,096	3,713,681	78.1%
Electrical Products	545,110	490,397	11.2%	2,575,150	1,310,639	96.5%
Renewables – IPP	125,271	111,617	12.2%	586,453	415,650	41.1%
Gross Profit	8,515,697	5,066,391	68.1%	29,077,289	13,523,218	115.0%
Wires & Cables	4,944,961	1,938,323	155.1%	17,589,029	5,942,422	196.0%
Turnkey Projects	2,040,464	2,300,606	-11.3%	6,129,962	5,002,082	22.5%
Meters	294,894	277,147	6.4%	1,694,259	1,038,094	63.2%
Transformers	894,780	284,961	214.0%	1,979,893	679,849	191.2%
Electrical Products	289,463	211,284	37.0%	1,386,657	635,241	118.3%
Renewables – IPP	51,135	54,071	-5.4%	297,489	225,530	31.9%
Gross Profit Margin	19.6%	17.1%		19.1%	14.7%	
EBITDA	5,858,141	3,042,132	92.6%	20,667,768	9,161,016	125.6%
EBITDA Margin	13.5%	10.3%		13.6%	9.9%	
Net Income After Minority	2,045,397	2,325,599	-12.0%	10,115,702	5,417,668	86.7%
Net Income After Minority Margin	4.7%	7.9%		6.6%	5.9%	

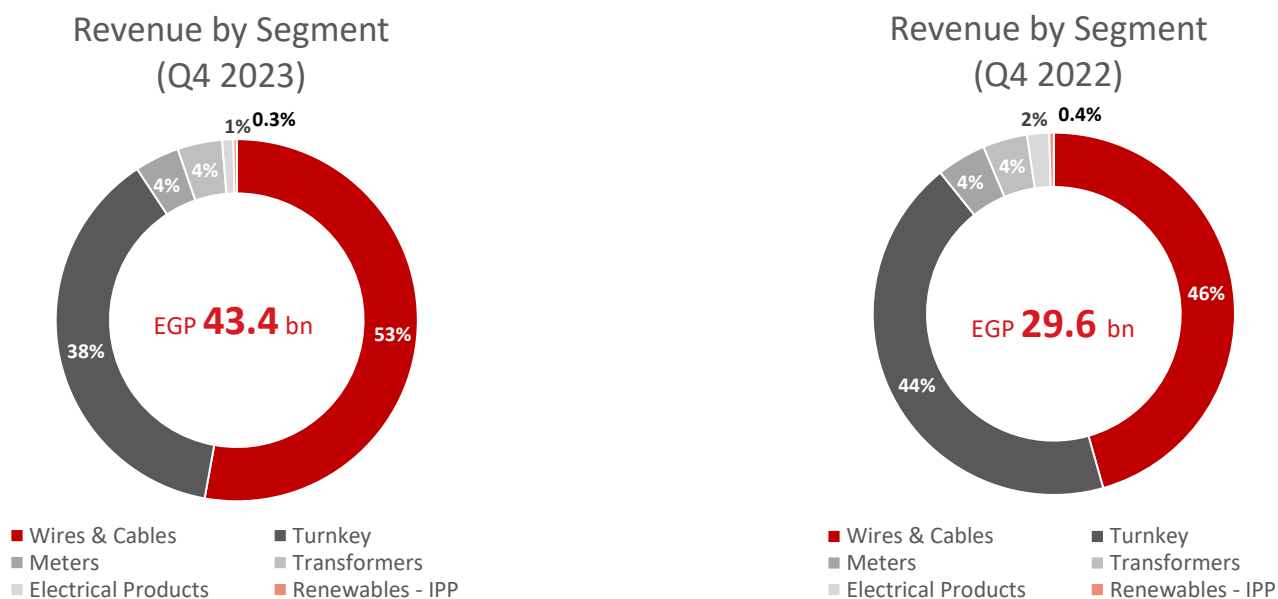
Financial and Operational Highlights

- Elsewedy recorded **revenues** of EGP 43,382 million, representing a 46.6% y-o-y increase in Q4 2023. This growth is attributable to improved pricing, healthy demand resulting in volume growth, and favourable currency translation as a result of the Group's expansive overseas operations. In Q4 2023, the majority contributors to the Group's revenues were the wires & cables segment followed by turnkey projects.
- **Gross profit** climbed 68.1% y-o-y to reach EGP 8,516 million in Q4 2023 on the back of an enhanced product mix and improved pricing, as well as effective cost management across the Group's operations.

- **SG&A** expenses increased 73.3% y-o-y to record EGP 2,864 million in Q4 2023, mainly driven by high inflationary pressures on both a local and global level coupled with new hires increase. Meanwhile, SG&A expenses as a percentage of total revenues increased from 5.6% in Q4 2022 to 6.6% in Q4 2023.
- **EBITDA** grew 92.6% y-o-y to EGP 5,858 million in Q4 2023, yielding a margin of 13.5% compared to 10.3% in Q4 2022. Expanded profitability margins came on the back of substantial top-line growth, bolstered by enhanced operational efficiencies and effective cost management.
- **Net income after minority interest** recorded a decline of 12.0% y-o-y to record EGP 2,045 million in Q4 2023 and yielded a margin of 4.7 % compared to 7.9% in Q4 2022. The year-on-year fall in net income was mainly driven by increased financing costs for the period.
- The company reported a **net bank debt** of EGP 14,590 million as at 31 December 2023 compared to a net debt of EGP 14,604 million at year-end 2022.
- **Inventory** reached EGP 30,882 million as at 31 December 2023, versus the EGP 24,180 million recorded at year-end 2022 aiming to meet the increased demand of its products. Moreover, 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 46,592 million as at 31 December 2023, up from 34,651 million at the end of 2022, while **accounts payable** reached EGP 31,938 million.

Financial and Operational Review

Revenues recorded EGP 43,382 million in Q4 2023, representing a 46.6% y-o-y increase on the back of solid growth across the company's segments and diverse product mix, with the wires & cables followed by turnkey projects as the majority contributors to the company's revenues.

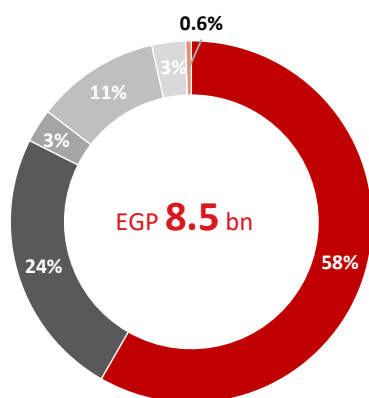


- The **wire and cables segment** achieved solid top-line growth at 69.5% y-o-y to record EGP 22,872 million in Q4 2023 on the back of agile pricing strategies and higher volumes. The segment attained its position as the largest contributor to consolidated revenue with a 53% share in Q4 2023.
- **Turnkey projects** recorded EGP 16,379 million in revenues, representing a 27.1% y-o-y increase in Q4 2023, attributable to the segment's expansive portfolio of both local and global projects. The segment was the second largest contributor to consolidated revenues with a 38% share and recorded a solid backlog of EGP 115 billion in Q4 2023.

- **Meters** recorded solid revenue growth at 35.2% y-o-y to reach EGP 1,742 million in Q4 2023, mainly driven by improved pricing strategies. Moreover, the segment contributed 4% to total revenue and secured an expanded backlog of EGP 4.6 billion.
- **Transformers** recorded revenues of EGP 1,719 million, representing a 29.2% y-o-y increase in Q4 2023 on the back of improved pricing and higher volumes. The segment contributed 4% to consolidated revenues and maintained a solid backlog of EGP 7.7 billion.
- **Other electrical products** revenues grew 11.2% y-o-y to reach EGP 545 million in Q4 2023, mainly driven by healthy local demand for the segment’s products. The segment contributed 1% to consolidated revenues in Q4 2023.
- **Renewables** recorded revenues of EGP 125 million, representing a 12.2% increase in Q4 2023.

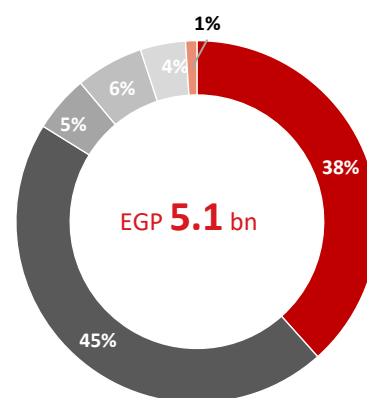
ElSewedy recorded **gross profit** of EGP 8,516 million in Q4 2023, representing a 68.1% y-o-y increase on the back of solid top-line growth coupled with enhanced operational efficiencies and effective cost management across its segments. As such, **gross profit margin** expanded by 2.5 percentage points to reach 19.6% in Q4 2023.

Gross Profit by Segment
(Q4 2023)



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

Gross Profit by Segment
(Q4 2022)



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

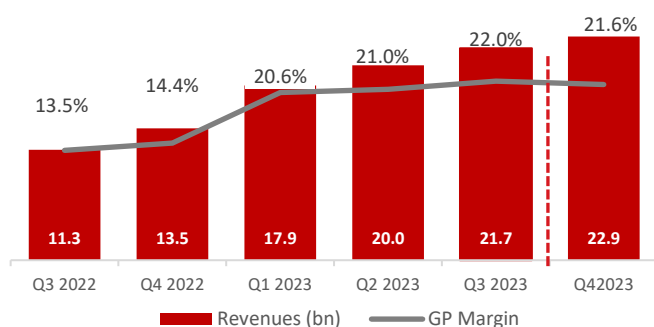
- The **wires and cables** segment’s gross profit surged 155.1% y-o-y to reach EGP 4,945 million, with the largest contribution to consolidated gross profit at 58% in Q4 2023.
- **Turnkey projects** recorded EGP 2,040 million in gross profit, representing a y-o-y decline of 11.3% in Q4 2023 compared to a high base in Q4 2022. The segment contributed 24% to consolidated gross profit.
- **Meters** gross profit grew 6.4% y-o-y to reach EGP 295 million in Q4 2023, with a contribution of 3% to consolidated gross profit.
- **Transformers’** gross profit more than tripled y-o-y to reach EGP 895 million in Q4 2023, accounting for 11% of consolidated gross profit.
- **Other electrical products** booked gross profit of EGP 289 million, representing a 37.0% y-o-y increase and contributing 3% to total gross profit.
- The **renewables** segment’s gross profit declined by 5.4% y-o-y to record EGP 51 million in Q4 2023, contributing 1% to the Group’s consolidated gross profit.

Segment Review

Wires and Cables

	Q4-2023	Q4-2022	% Change	FY-2023	FY-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	26,922,492	16,985,717	58.5%	99,989,578	56,653,647	76.5%
Revenues After Intercompany Sales (EGP 000's)	22,871,950	13,489,989	69.5%	82,421,265	43,709,751	88.6%
Gross Profit (EGP 000's)	4,944,961	1,938,323	155.1%	17,589,029	5,942,422	196.0%
GP Margin Before Intercompany Sales	18.4%	11.4%		17.6%	10.5%	
GP Margin After Intercompany Sales	21.6%	14.4%		21.3%	13.6%	
Cables Sales Volumes (Tons)	40,926	38,630	5.9%	156,748	144,997	8.1%
Cables Gross profit per ton (EGP)	95,699	33,553	185.2%	90,020	27,609	226.1%

Wires & Cables Revenue and Profitability



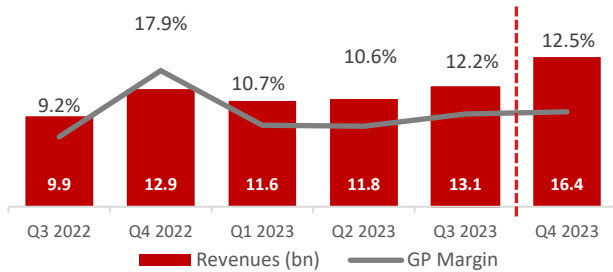
**Wires & Cables Backlog
(As of 31 December 2023)**

EGP **26** bn

- Revenues from the wires and cables segment were up 69.5% y-o-y to record EGP 22,872 million in Q4 2023. The significant growth realized during the quarter came on the back of the segment's diversified portfolio and strong global demand coupled with improved pricing strategies.
- The segment's gross profit more than doubled year-on-year to reach EGP 4,945 million in Q4 2023, mainly driven by solid top-line growth and blended profitability associated with a mix of wires and cables products.
- The segment recorded an expanded gross profit margin of 21.6% in Q4 2023 compared to 14.4% in Q4 2022, representing a 7.2 percentage point increase.
- Backlog recorded EGP 26 billion, highlighting the significant growth opportunities within this segment.

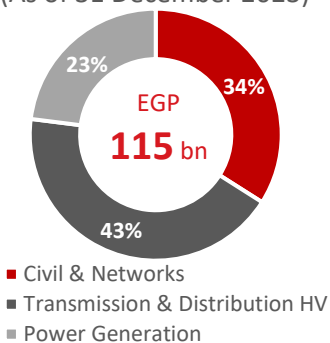
Turnkey Projects and Awards

Turnkey Revenue and Profitability

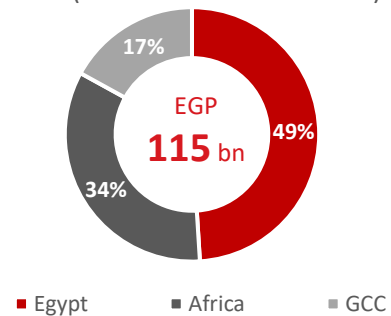


- Turnkey projects booked revenues of EGP 16,379 million, up 27.1% y-o-y in Q4 2023 on the back of increased executions of local and international projects.
- The segment's gross profit dropped 11.3% y-o-y to EGP 2,040 million on the back of a high base effect compared to Q4 2022. Gross profit margin stood at 12.5%, representing a 5.4 percentage point decrease in Q4 2023.
- The segment's backlog reached EGP 115 billion as of 31 December 2023, with 49% of projects located in Egypt.
- Newly awarded projects reached EGP 20 billion in Q4 2023.

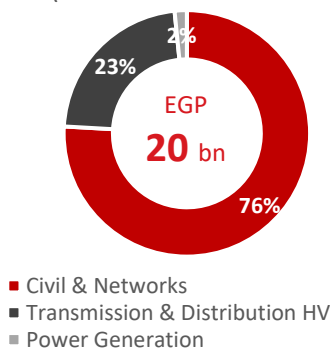
Backlog by Sector
(As of 31 December 2023)



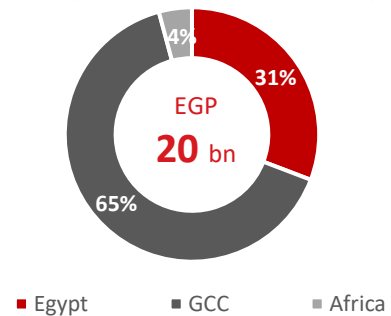
Backlog by Region
(As of 31 December 2023)



Awards by Sector
(As of 31 December 2023)



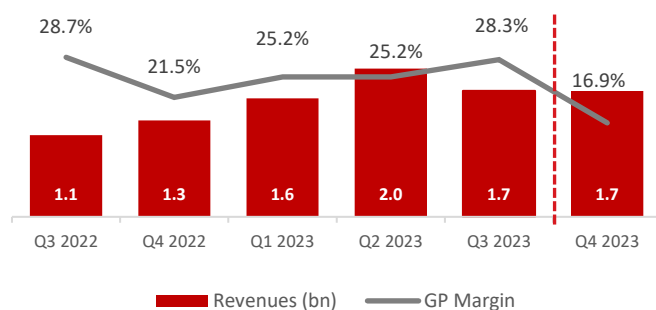
Awards by Region
(As of 31 December 2023)



Meters

	Q4-2023	Q4-2022	% Change	FY-2023	FY-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,174,106	1,834,181	18.5%	9,555,455	5,644,710	69.3%
Revenues After Intercompany Sales (EGP 000's)	1,742,202	1,288,596	35.2%	7,092,932	4,076,212	74.0%
Gross Profit (EGP 000's)	294,894	277,147	6.4%	1,694,259	1,038,094	63.2%
GP Margin Before Intercompany Sales	13.6%	15.1%		17.7%	18.4%	
GP Margin After Intercompany Sale	16.9%	21.5%		23.9%	25.5%	
Sales Volumes (meters)	908,023	1,126,285	-19.4%	4,057,065	4,006,698	1.3%
Gross profit per meter (EGP)	325	246	32.0%	418	259	61.2%

Meters Revenue and Profitability



- The meters segment’s revenues increased 35.2% y-o-y to reach EGP 1,742 million in Q4 2023, driven by improved pricing.
- Gross profit increased 6.4% y-o-y to reach EGP 295 million, yielding a margin of 16.9% in Q4 2023 compared to 21.5% in Q4 2022 due to country and product mix.
- The segment’s backlog stood at EGP 4.6 billion as of 31 December 2023.

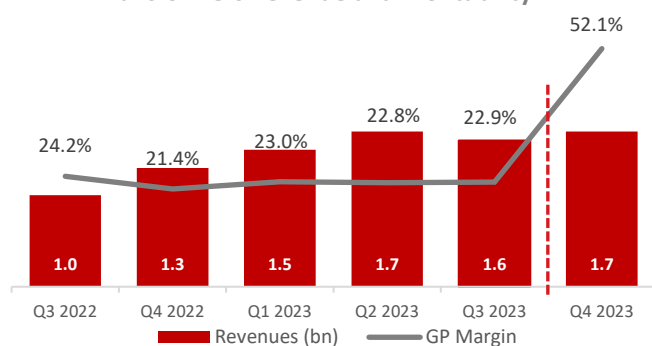
**Meters Backlog
(As of 31 December 2023)**

EGP **4.6** bn

Transformers

	Q4-2023	Q4-2022	% Change	FY-2023	FY-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,430,523	1,464,953	65.9%	7,646,831	4,194,126	82.3%
Revenues After Intercompany Sales (EGP 000's)	1,718,704	1,330,377	29.2%	6,614,096	3,713,681	78.1%
Gross Profit (EGP 000's)	894,780	284,961	214.0%	1,979,893	679,849	191.2%
GP Margin Before Intercompany Sales	36.8%	19.5%		25.9%	16.2%	
GP Margin After Intercompany Sale	52.1%	21.4%		29.9%	18.3%	
Sales Volumes (MVA)	4,377	3,220	35.9%	14,521	11,880	22.2%
Gross profit per MVA (EGP)	204,441	88,504	131.0%	136,345	57,227	138.3%

Transformers Revenue and Profitability



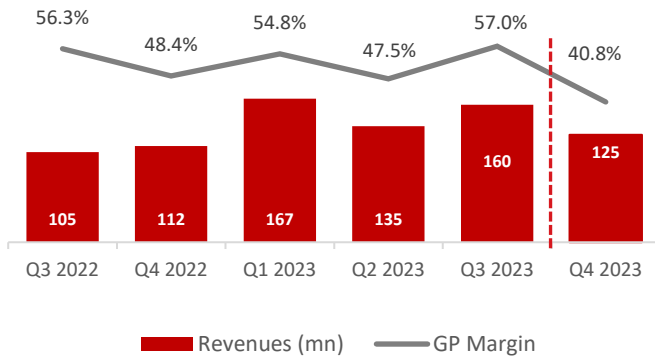
- The transformers segment’s revenues grew 29.2% y-o-y to reach EGP 1,719 million in Q4 2023, driven by an improved pricing strategy coupled with increased volumes.
- The segment’s gross profit recorded significant growth on a one-off basis to reach EGP 895 million in Q4 2023, yielding an exceptionally expanded margin of 52.1% compared to 21.4% in Q4 2022.
- Backlog for the segment stood at EGP 7.7 billion as of 31 December 2023.

**Transformers Backlog
(As of 31 December 2023)**

EGP **7.7** bn

Renewables - IPPs

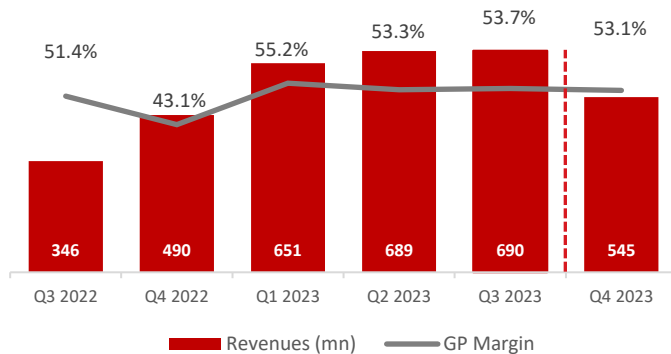
Renewables Revenue and Profitability



- Revenues from the renewables segment were up 12.2% y-o-y to reach EGP 125 million in Q4 2023.
- The segment’s gross profit recorded EGP 51 million, representing a 5.4% y-o-y decline and yielded a margin of 40.8% in Q4 2023 compared to 48.4% in Q4 2022.

Other Electrical Products

Other Electrical Products Revenue and Profitability



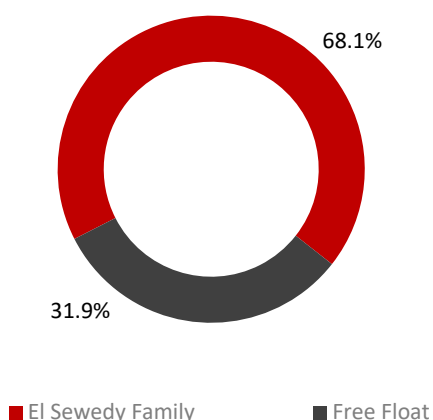
- The segment’s revenues grew 11.2% y-o-y to reach EGP 545 million in Q4 2023 on the back of increased local demand.
- The segment’s gross profit recorded EGP 289 million, representing a 37.0% y-o-y increase, with an improved margin of 53.1% in Q4 2023 compared to 43.1% in Q4 2022.

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 19,000 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 December 2023)



Share Information

SWDY.CA on the EGX

Number of Shares 2,170,777,876

Share Price (31 December 2023) EGP 28.61

Market Cap (31 December 2023) EGP 62 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	FY-2023	FY-2022	Change	Q4-2023	Q4-2022	Change
Revenue	152,186,248	92,167,519	65.1%	43,382,163	29,595,110	46.6%
Costs	(123,108,959)	(78,644,301)		(34,866,466)	(24,528,718)	
Gross Profit	29,077,289	13,523,218	115.0%	8,515,697	5,066,391	68.1%
Other income	1,377,420	652,824		895,752	262,936	
Selling and distribution expenses	(2,670,372)	(1,589,662)		(874,093)	(496,408)	
Administrative expenses	(5,977,797)	(3,393,984)		(1,989,601)	(1,155,714)	
Impairment loss on trade and other receivables	(502,543)	(210,388)		(279,050)	(109,111)	
Other expenses	(3,564,879)	(1,571,844)		(1,307,179)	(1,071,679)	
Operating profit	17,739,118	7,410,164		4,961,526	2,496,415	
Share of profit of equity-accounted investees	603,625	265,840		265,298	93,085	
Depreciation	(2,325,025)	(1,485,013)		(631,317)	(452,632)	
EBITDA	20,667,768	9,161,016	125.6%	5,858,141	3,042,132	92.6%
EBITDA Margin	13.6%	9.9%		13.5%	10.3%	
Finance income	2,818,869	2,113,319		(250,032)	1,687,950	
Finance costs	(4,943,231)	(1,740,385)		(1,423,742)	(598,798)	
Net finance Costs	(2,124,362)	372,935		(1,673,774)	1,089,151	
Profit before tax	16,218,381	8,048,938		3,553,050	3,678,651	
Income tax expense	(5,080,407)	(2,294,595)		(1,321,214)	(1,261,170)	
Profit for the period	11,137,974	5,754,343		2,231,836	2,417,481	
Profit attributable to:						
Owners of the company	10,115,702	5,417,668	86.7%	2,045,397	2,325,599	-12.0%
Non-controlling interests	1,022,272	336,675		186,439	91,883	

Consolidated Balance Sheet

EGP 000	31/12/2023	31/12/2022
Assets		
Property, plant, and equipment	18,009,166	14,733,732
Right of use assets	880,980	837,379
Real Estate Investments	61,033	11,733
Equity accounted investees	3,802,844	2,712,904
Due from related parties	111,110	61,055
Trade receivables	2,770,746	1,517,208
Intangible assets and goodwill	1,261,762	1,229,913
Deferred tax assets	726,285	342,521
Non-current assets	27,623,927	21,446,446
Inventories	30,881,822	24,179,748
Contract assets	16,179,634	10,450,404
Work in progress (Real Estate Development lands)	1,218,261	1,394,753
Trade, notes, and other receivables	46,591,885	34,650,718
Due from related parties	2,553,916	1,283,144
Financial assets at amortized cost	847,166	903,065
Cash & Cash Equivalents	25,552,045	19,715,750
Current assets	123,824,728	92,577,582
Total assets	151,448,655	114,024,028
Equity		
Issued and Paid-up Capital	2,170,778	2,170,778
Share-based payment	(1,422)	(1,422)
Reserves	3,942,000	2,516,138
Treasury shares	(254,138)	(254,138)
Retained Earnings	29,867,248	21,578,809
Equity attributable to owners of the parent company	35,724,466	26,010,164
Non-controlling interests	2,384,013	1,635,139
Total equity	38,108,480	27,645,304
Liabilities		
Loans and borrowings	6,815,682	5,597,760

Deferred tax liabilities	1,809,917	1,367,772
Due to related parties	81,722	60,068
Provisions	752,369	308,542
Other non-current liabilities	774,053	669,937
Non-current liabilities	10,233,743	8,004,079
Loans and borrowings	34,950,810	30,142,888
Trade, notes, and other payables	31,938,122	25,020,771
Contract liabilities	25,060,328	16,951,156
Due to related parties	3,106,747	1,732,335
Provisions	8,050,425	4,527,494
Current liabilities	103,106,432	78,374,645
Total liabilities	113,340,175	86,378,724
Total liabilities & equity	151,448,655	114,024,028