

ELSEWEDY ELECTRIC Reports FY 2020 Results; Closes Year With Top-Line Steady at EGP 46.4 BN; Proposes Dividend of EGP 0.4 Per Share

FY 2020 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 46,401.6 million ▼ 1% y-o-y	EGP 7,114.7 million ▼ 13% y-o-y	EGP 5,309.5 million ▼ 18% y-o-y	EGP 3,027.5 million ▼ 25% y-o-y

Q4 2020 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 14,931.6 million ▲ 24% y-o-y	EGP 2,813.0 million ▼ 3% y-o-y	EGP 2,088.6 million ▼ 11% y-o-y	EGP 1,295.8 million ▼ 1% 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 2020, reporting revenues of EGP 46,401.6 million, down by 0.5% year-on-year (y-o-y). The company's net profit after minority interest recorded EGP 3,027.5 million, down by 24.7% y-o-y and representing a net profit margin of 6.5%.

Summary Income Statement

EGP (000)'s	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Revenue	14,931,567	12,082,296	23.6%	46,401,571	46,628,791	-0.5%
Gross Profit	2,812,962	2,896,736	-2.9%	7,114,703	8,194,000	-13.2%
Gross Profit Margin	18.8%	24.0%		15.3%	17.6%	
EBITDA	2,088,587	2,352,769	-11.2%	5,309,460	6,434,236	-17.5%
EBITDA Margin	14.0%	19.5%		11.4%	13.8%	
Net Income After Minority	1,295,781	1,304,621	-0.7%	3,027,533	4,021,844	-24.7%
Net Income After Minority Margin	8.7%	10.8%		6.5%	8.6%	

Financial Highlights

- **Revenues** came in at EGP 46,401.6 million in FY2020, down by 0.5% y-o-y. Revenues from the company's core wires and cables segment declined by 14.4% y-o-y. However, this decline was partially offset by rapid growth at Elsewedy's turnkey projects segment, where revenues climbed by 20.1% y-o-y to contribute 49.0% of the year's consolidated top line.
- **Gross Profit** decreased by 13.2% y-o-y to EGP 7,114.7 million in FY2020, with the gross profit margin contracting by 2.3 percentage points to 15.3% over the period.
- **SG&A** expense for the year recorded EGP 2,812.9 million, up by 3.8% year-on-year.

- **EBITDA** decreased by 17.5% y-o-y to post EGP 5,309.5 million in FY2020, yielding an EBITDA margin of 11.4% compared to 13.8% in FY 2019.
- **Net Profit after Minority Interest** came in at EGP 3,027.5 million in FY2020 compared to EGP 4,021.8 million in FY2019, representing a decline of 24.7% y-o-y and yielding a net profit margin of 6.5%.
- ElSewedy recorded a **net cash** position of EGP 562.5 million as of 31 December 2020, down from a net cash position of EGP 769.0 million as at 31 December 2019.
- **Inventory** came in at EGP 7,150.2 million as at 31 December 2020, down by 21.8% from the EGP 9,148.6 million booked as of 31 December 2019. **Accounts receivable** grew by 6.0% y-o-y to book EGP 13,283.6 million as of 31 December 2020. **Accounts payable** increased by 45.7% y-o-y to book EGP 5,733.8 million as of 31 December 2020.
- Elsewedy Electric's Board of Directors has approved the distribution of a **dividend** of EGP 0.4 per share for FY2020.

Note from Our CEO

As we close a year that has posed unprecedented challenges, management at Elsewedy Electric can take pride in the company's results for FY2020. Like businesses across Egypt and the world, Elsewedy has had to navigate the impacts of the COVID-19 pandemic on supply chains and operations. Our prudent risk management approach saw the company take provisions and book contingent liabilities during the second quarter of the year, reflecting expected delays as businesses braced for the effects of the pandemic and visibility remained limited. It is a testament to Elsewedy Electric's operational strength and flexibility that the company maintained a high level of performance throughout this uncertain year. Despite the effects of external forces, the company managed to post a top line for FY2020 which was steady from the level booked one year previously. By the final quarter of 2020, the company had begun to release some of the provisions booked in Q2-FY2020. Meanwhile, our various business segments continued to post healthy profitability margins, and all projects in the company's pipeline were fully on track and on schedule at year-end 2020.

These are remarkable achievements and were enabled by our enduringly strong relationships with the company's customers and strategic partners. The company's reputation for quality products and excellent service proved to be major assets during the year. Meanwhile, our tight adherence to strict health and safety guidelines across each of our businesses successfully minimized any direct disruption to Elsewedy's operations. These strengths gave management the flexibility to foster further operational efficiencies, with several initiatives implemented during the year to control the growth of expenses, with an eye to maintaining the sustainability of our businesses. Elsewedy was greatly aided during the year by its best-in-class corporate governance systems and business continuity infrastructure. The company took the opportunity to continue developing its capacities in these areas in light of the pandemic and its effects, moving to automate and establish direct control over a broader scope of activities and to implement progressive enhancements to business processes across all production lines. These and the abovementioned developments give management reason to believe that the company will return to growth heading into FY2021. We will continue to seek a variety of avenues for profitable expansion, and are studying a number of organic and inorganic paths to growth. As global economic conditions continue to normalize, Elsewedy will work to further expand its footprint into new markets and is working to identify opportunities for profitable investment.

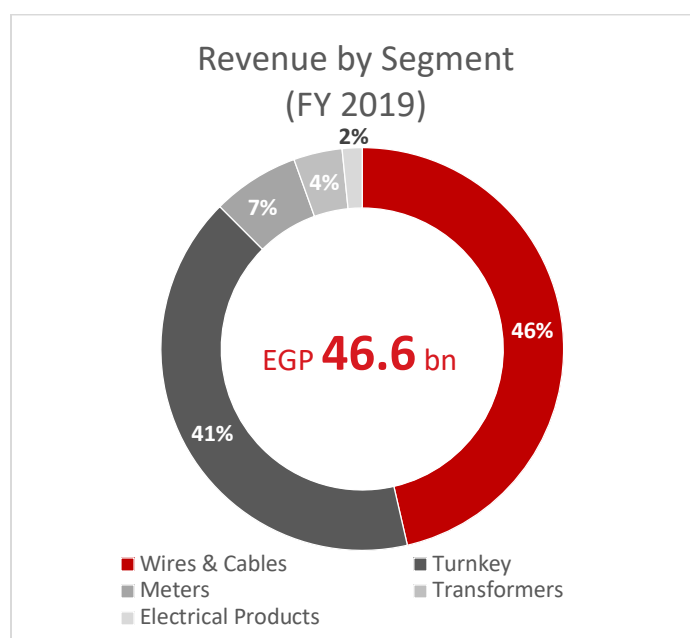
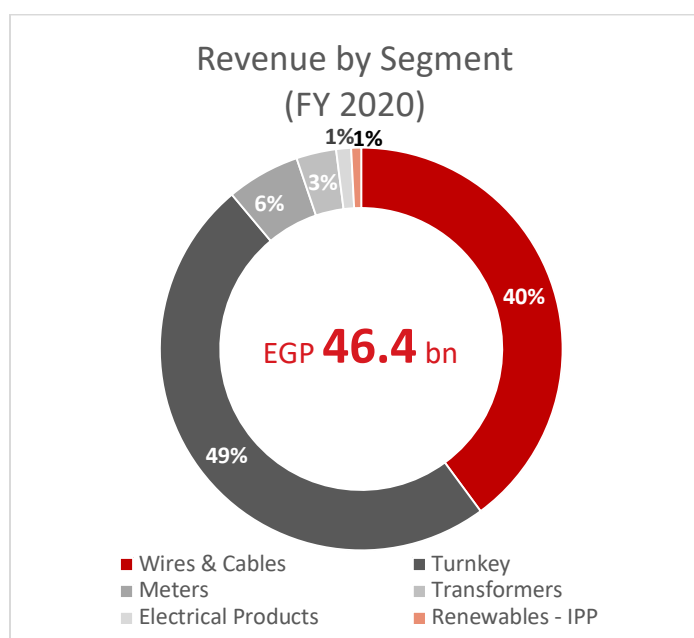
Ahmed El Sewedy

Revenue Analysis by Segment

Elsewedy's turnkey projects segment contributed 49.0% of the company's top line for FY2020, up from 40.6% in FY2019 – an increase of 7.9 percentage points. This marks the first full year in which turnkey projects constituted the primary contributor to Elsewedy's consolidated revenues, displacing the wires and cables segment. The revenue contribution from wires and cables, historically Elsewedy's largest line of business, fell by 6.5 percentage points y-o-y to record 39.9% for FY2020.

In parallel, Elsewedy saw the top-line contribution from its meters segment decline by 1.1 percentage points y-o-y to register 5.9% for FY2020. The transformers segment saw its top-line contribution fall by 70 basis points to 3.2% in FY2020, down from 3.9% one year previously, while the electrical products segment saw its contribution decrease to 1.2% from 1.6% over the one-year period. Elsewedy's renewables segment contributed 0.8% of consolidated revenues following its first full year of operations.

Revenue from Elsewedy's turnkey projects segment came in at EGP 22,721.4 million in FY2020, up by 20.1% y-o-y and providing the company with a stable overall top-line despite disruptions to the company's wider market during the year. Revenue from the wires and cables segment booked EGP 18,533.4 million in FY2020, down by 14.4% y-o-y in 2020, while revenue from meters fell by 16.4% over the period. Revenue from the transformers segment contracted by 17.9% y-o-y to book EGP 1,483.4 million in FY2020. Electrical products posted revenues of EGP 577.7 million for FY2020, down by 24.0% y-o-y, while Elsewedy's renewables segment booked a top line of EGP 362.8 million for the year.



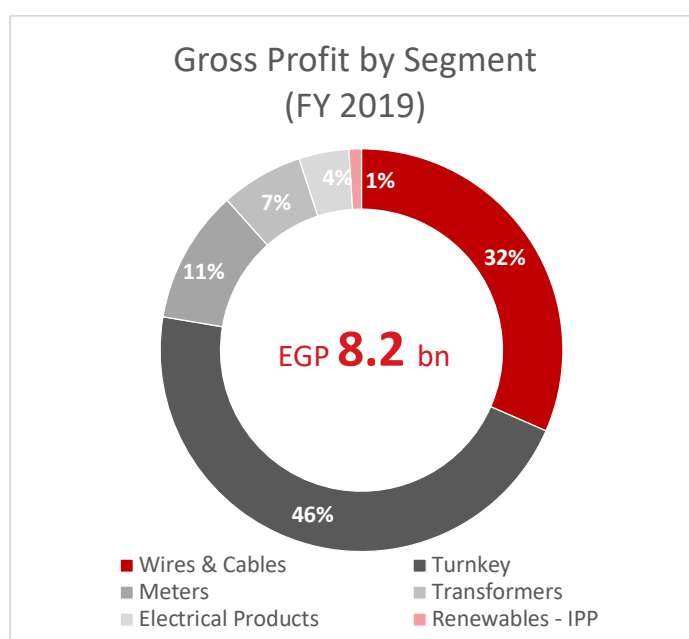
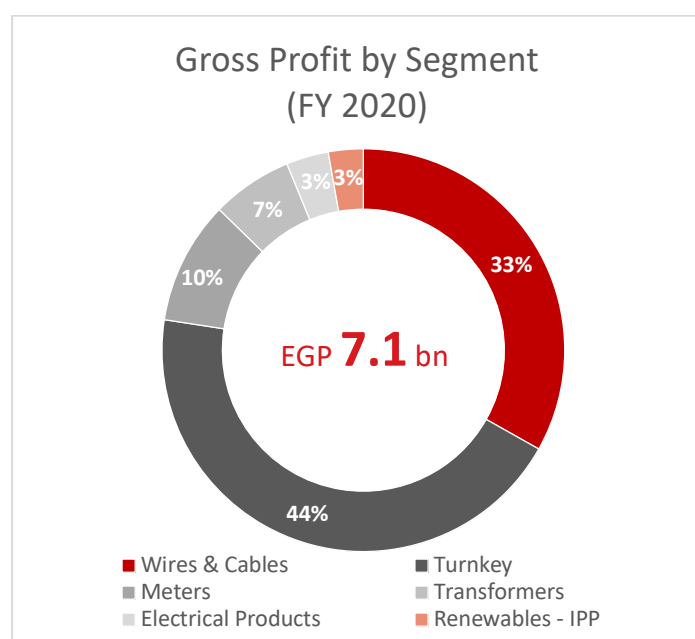
Summary of Revenues by Segment

EGP (000)'s	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Wires & Cables	5,520,497	4,776,091	15.6%	18,533,412	21,654,937	-14.4%
Turnkey Projects	8,094,607	5,614,452	44.2%	22,721,423	18,911,427	20.1%
Meters	649,911	738,137	-12.0%	2,722,802	3,257,963	-16.4%
Transformers	430,274	529,968	-18.8%	1,483,399	1,805,721	-17.9%
Electrical Products	154,431	185,319	-16.7%	577,740	760,415	-24.0%
Renewables – IPP	81,846	238,329	-	362,795	238,329	-
Total	14,931,567	12,082,296	23.6%	46,401,571	46,628,791	-0.5%

Gross Profit Analysis by Segment

Consolidated gross profit came in at EGP 7,114.7 million in FY2020, down by 13.2% y-o-y from the EGP 8,194.0 million booked one year previously. Although gross profit from the turnkey projects decreased by 16.5% y-o-y to book EGP 3,150.5 million for FY2020, the segment was Elsewedy's largest driver of gross profitability for the second consecutive year in FY2020. Turnkey projects contributed 44.3% of Elsewedy's consolidated gross profit for the year against 46.0% in FY2019. Meanwhile, wires and cables recorded a gross profit of EGP 2,360.9 million for FY2020, down by 8.5% y-o-y and contributing 33.2% of total gross profit for the year, down from 31.5% in FY2019.

Gross profit from the meters segment fell by 19.6% y-o-y to book EGP 703.2 million in FY2020, with the segment's contribution to consolidated gross profit declining by 80 basis points to record 9.9% for the year. FY2020 saw gross profit from transformers contract by 14.6% y-o-y to EGP 459.3 million, yielding a stable contribution of 6.5% for the year. Meanwhile, electrical products posted EGP 244.8 million in gross profit for FY2020, down by 25.2% y-o-y and representing 3.4% of consolidated gross profit against 4.0% one year previously. Elsewedy's newly consolidated renewables segment booked a gross profit of EGP 196.0 million during FY2020, representing 2.8% of total gross profit.



Summary of Gross Profit by Segment

EGP (000)'s	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Wires & Cables	730,955	547,591	33.5%	2,360,919	2,579,091	-8.5%
Turnkey Projects	1,591,367	1,803,083	-11.7%	3,150,540	3,772,108	-16.5%
Meters	219,449	212,367	3.3%	703,159	874,335	-19.6%
Transformers	165,457	141,313	17.1%	459,278	537,933	-14.6%
Electrical Products	71,966	89,038	-19.2%	244,846	327,190	-25.2%
Renewables – IPPs	33,767	103,343	-	195,960	103,343	-
Total	2,812,962	2,896,736	-2.9%	7,114,702	8,194,000	-13.2%

Segments Overview

Wires & Cables Segment

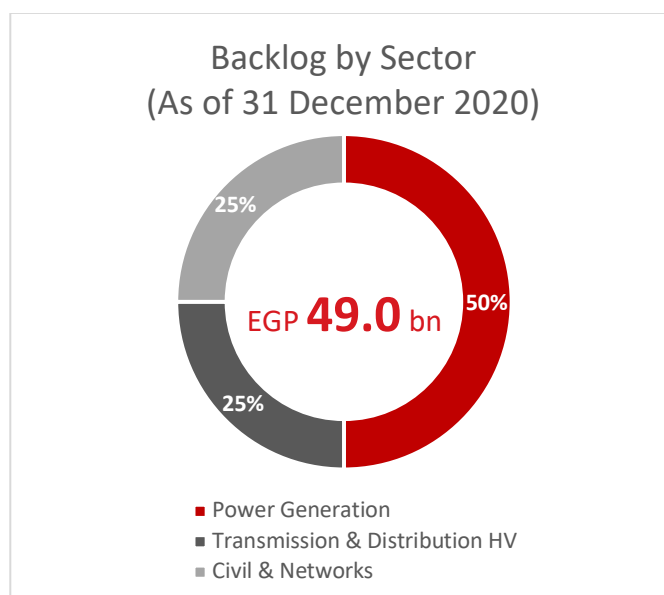
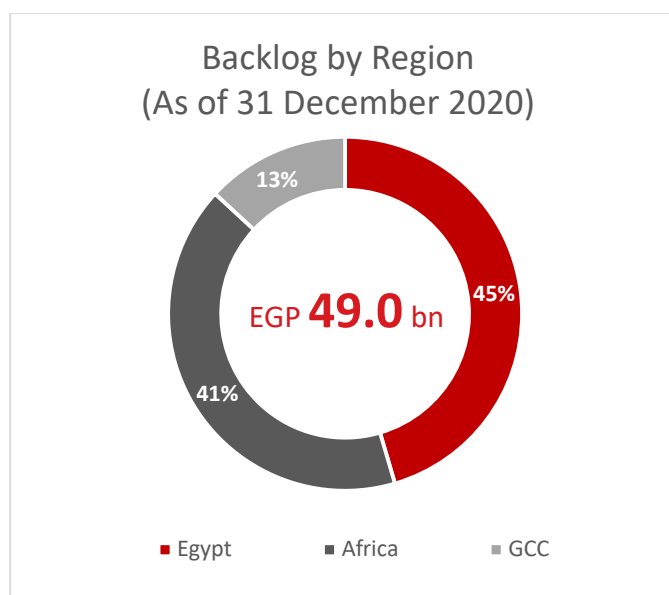
Revenue from wires & cables recorded EGP 18,533.4 million for FY2020, representing a decrease of 14.4% y-o-y. The decline in revenues from the segment was driven by a combination of price and volume decreases. Volumes sold were down by 4.8% y-o-y, recording 120,897 tons in FY2020 against 126,948 tons in FY2019. Gross profit from wires & cables declined by 8.5% y-o-y, reflecting a decrease of 17.5% in gross profit per ton, which recorded EGP 13,490 in FY2020 versus EGP 16,349 for FY2019.

Wires & Cables Segment Financial Highlights

	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Revenues Before Intercompany Sales (EGP 000's)	7,797,932	6,514,862	19.7%	27,225,719	30,716,531	-11.4%
Revenues After Intercompany Sales (EGP 000's)	5,520,497	4,776,091	15.6%	18,533,412	21,654,937	-14.4%
Gross Profit (EGP 000's)	730,955	547,591	33.5%	2,360,919	2,579,091	-8.5%
GP Margin Before Intercompany Sales	9.4%	8.4%		8.7%	8.4%	
GP Margin After Intercompany Sale	13.2%	11.5%		12.7%	11.9%	
Cables Sales Volumes (Tons)	33,191	30,444	9.0%	120,897	126,948	-4.8%
Cables Gross profit per ton (EGP)	13,927	14,123	-1.4%	13,490	16,349	-17.5%

Turnkey Projects

Revenue from turnkey projects came in at EGP 22,721.4 million in FY2020, up by 20.1% y-o-y from EGP 18,911.4 million in FY2019.



The segment's contribution to the company's consolidated revenues recorded 49.0% in FY2020 compared to 40.6% at the close of the previous year. Elsewedy's backlog of turnkey projects stood at EGP 49.0 billion at year-end 2020, down from EGP 58.5 billion as of 31 December 2019. The segment booked a gross profit of EGP 3,150.5 million in FY2020, representing a y-o-y decrease of 16.5% and yielding a GPM of 13.9% versus the 19.9% booked one year previously.

Meters Segment

Elsewedy's meters segment booked revenues of EGP 2,722.8 million in FY2020, down by 16.4% y-o-y. This decrease in segmental revenues was driven largely by volumes. Volumes sold were down by 9.0% y-o-y to 5.5 million meters for FY2020. In parallel, gross profit per meter fell by 11.6% y-o-y to EGP 128 in FY2020 from EGP 145 in FY2019. Meanwhile, the segment's backlog recorded EUR 90.0 million at year-end 2020, up from EUR 42.0 million at the close of FY2019.

Meters Backlog (As of 31 December 2020)

EUR **90** mn

Meters Segment Financial Highlights

	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Revenues Before Intercompany Sales (EGP 000's)	920,534	847,114	8.7%	3,267,385	3,684,279	-11.3%
Revenues After Intercompany Sales (EGP 000's)	649,911	738,137	-12.0%	2,722,802	3,257,963	-16.4%
Gross Profit (EGP 000's)	219,449	212,367	3.3%	703,159	874,335	-19.6%
GP Margin Before Intercompany Sales	23.8%	25.1%		21.5%	23.7%	
GP Margin After Intercompany Sale	33.8%	28.8%		25.8%	26.8%	
Sales Volumes (meters)	1,080,690	2,965,497	-63.6%	5,484,366	6,027,860	-9.0%
Gross profit per meter (EGP)	203	72	183.6%	128	145	-11.6%

Transformers Segment

Revenue from the transformers segment decreased by 17.9% y-o-y in FY2020 to book EGP 1,483.4 million, with volumes contracting by 6.8% y-o-y to 9,203 MVA in FY2020. Gross profit recorded a decrease of 14.6% y-o-y to EGP 459.3 million in FY2020, down from EGP 537.9 million in FY2019. The segment's gross profit per MVA fell by 18.1% y-o-y to EGP 44,629. Backlog at the segment booked USD 78.0 million at the close of FY2020, steady from the USD 79.0 million recorded at year-end 2019.

Transformers Backlog (As of 31 December 2020)

USD **78** mn

Transformers Segment Financial Highlights

	Q4-2020	Q4-2019	% Change	FY-2020	FY-2019	% Change
Revenues Before Intercompany Sales (EGP 000's)	542,096	573,969	-5.6%	1,831,670	2,043,926	-10.4%
Revenues After Intercompany Sales (EGP 000's)	430,274	529,968	-18.8%	1,483,399	1,805,721	-17.9%
Gross Profit (EGP 000's)	165,457	141,313	17.1%	459,278	537,933	-14.6%
GP Margin Before Intercompany Sales	30.5%	24.6%		25.1%	26.3%	
GP Margin After Intercompany Sale	38.5%	26.7%		31.0%	29.8%	
Sales Volumes (MVA)	2,880	2,682	7.4%	9,203	9,874	-6.8%
Gross profit per MVA (EGP)	40,586	52,698	-23.0%	44,629	54,477	-18.1%

Electrical Products

Revenue from electrical products recorded a decrease of 24.0% y-o-y, booking EGP 577.7 million in FY2020, with segmental gross profit declining by 25.2% y-o-y over the year to record EGP 244.8 million, yielding a GPM of 42.4%.

Renewables - IPPs

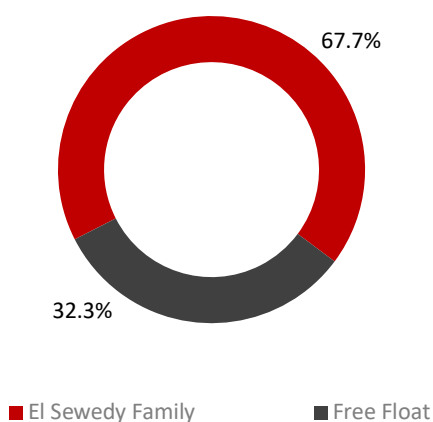
FY2020 marked the first full year of operations at Elsewedy's renewable energy segment following its consolidation. The segment comprises Elsewedy's investments in solar PV power plants in Benban, Aswan, as well as 3 wind energy companies and a hydroelectric energy company in Greece, both acquired in 2019. The segment recorded revenues EGP 362.8 million in FY2020, generating a gross profit of EGP 196.0 million and yielding a GP margin of 54.0% during the period.

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 14,000 employees working at 22 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 2020)



Share Information

SWDY.CA on the EGX

Number of Shares	2,184,180,000
Share Price (31 December 2020)	EGP 9.81
Market Cap (31 December 2020)	EGP 21.4 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	Q4-2020	Q4-2019	Change	FY-2020	FY-2019	Change
Sales						
Wires & Cables	5,520,496,850	4,776,091,178		18,533,412,130	21,654,936,505	
Electrical Products	1,234,616,384	1,453,424,289		4,783,941,025	5,824,098,953	
Turnkey Projects	8,176,453,402	5,852,780,931		23,084,217,613	19,149,756,014	
Total Sales	14,931,566,636	12,082,296,398	23.6%	46,401,570,767	46,628,791,471	-0.5%
COGS	(12,118,604,656)	(9,185,560,166)		(39,286,868,270)	(38,434,791,700)	
Gross Profit	2,812,961,980	2,896,736,232	-2.9%	7,114,702,496	8,193,999,772	-13.2%
Gross Profit Margin	18.8%	24.0%		15.3%	17.6%	
SG&A	(760,011,228)	(760,196,711)		(2,812,885,615)	(2,709,712,657)	
Other Operating Income	150,005,303	(53,641,683)		553,834,116	312,797,121	
Other Operating Expense	(449,614,217)	(93,668,341)		(821,698,825)	(569,144,301)	
Income from Investments	77,900,554	79,683,149		322,256,736	375,294,555	
EBITDA	2,088,587,067	2,352,769,074	-11.2%	5,309,460,336	6,434,236,008	-17.5%
EBITDA Margin	14.0%	19.5%		11.4%	13.8%	
Depreciation & Amortization	(257,344,675)	(283,856,428)		(953,251,429)	(831,001,518)	
FX Gain / (Loss)	14,797,447	(181,957,823)		(23,052,455)	(354,837,543)	
EBIT	1,846,039,839	1,886,954,824	-2.2%	4,333,156,453	5,248,396,947	-17.4%
Interest Expense	(171,955,202)	(142,811,079)		(558,406,883)	(473,522,236)	
Interest Income	78,769,804	147,043,170		491,440,521	719,695,770	
Interest Income / (Expenses)	(93,185,398)	4,232,091		(66,966,362)	246,173,534	
EBT	1,752,854,441	1,891,186,915	-7.3%	4,266,190,091	5,494,570,481	-22.4%
Tax	(381,935,109)	(513,216,052)		(959,865,299)	(1,331,462,506)	
Net Income	1,370,919,333	1,377,970,863	-0.5%	3,306,324,791	4,163,107,975	-20.6%
Minority Interest	(75,138,759)	(73,349,882)		(278,791,550)	(141,263,579)	
Net Income After Minority Interest	1,295,780,574	1,304,620,981	-0.7%	3,027,533,242	4,021,844,396	-24.7%
Net Income Margin	8.7%	10.8%		6.5%	8.6%	

Consolidated Balance Sheet

EGP	31/12/2019	30/09/2020	31/12/2020
Long Term Assets			
Fixed Assets	8,450,827,455	8,548,326,210	8,814,664,639
Investments	1,315,136,986	1,372,175,403	1,524,731,301
Other long-term Assets & Good will	743,639,294	566,676,405	436,434,058
Other long-term Receivables	2,526,349,912	2,333,226,629	2,186,475,382
Total Long-term Assets	13,035,953,647	12,820,404,647	12,962,305,380
Current Assets			
Inventories	9,148,634,900	7,025,787,670	7,150,239,877
Receivables	12,536,743,336	11,834,247,667	13,283,549,306
Other Debit balance	8,426,353,668	9,404,641,915	10,080,567,226
Due from Related Parties	693,528,592	635,428,462	645,776,969
Cash & Cash Equivalents	9,556,478,691	10,064,866,213	10,811,687,255
Total Current Assets	40,361,739,187	38,964,971,927	41,971,820,633
Total Assets	53,397,692,834	51,785,376,574	54,934,126,013
Current Liabilities			
Bank Overdraft & Short-term loans	6,774,718,608	8,276,419,737	8,268,089,866
Accounts Payable	3,936,191,619	4,116,762,995	5,733,816,805
Other Credit balance	19,125,746,474	17,187,908,961	16,783,796,474
Due to Affiliates	539,618,140	532,932,982	588,944,840
Provisions	1,484,492,493	1,307,336,285	1,497,155,181
Total Current Liabilities	31,860,767,335	31,421,360,960	32,871,803,166
Issued and Paid Capital	2,184,180,000	2,184,180,000	2,184,180,000
Retained Earnings	13,012,401,531	12,001,253,189	13,209,556,135
Others	1,519,936,116	1,509,834,421	1,628,194,204
Total Parent's Shareholders' Equity	16,716,517,647	15,695,267,610	17,021,930,339
Minority Interest	582,004,359	745,678,116	869,033,193
Total Equity	17,298,522,006	16,440,945,726	17,890,963,532
Long-term Loans	2,012,744,882	1,770,223,250	1,981,093,136
Other long-term Liabilities	2,225,658,611	2,152,846,638	2,190,266,176
Total Long-term Liabilities	4,238,403,493	3,923,069,888	4,171,359,312
Total Liabilities & Equity	53,397,692,834	51,785,376,574	54,934,126,013