

ELSEWEDY ELECTRIC Reports H1 2021 Results; Records Double-Digit Growth Across Most Business Segments

H1 2021 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 26,012.5 million ▲ 29% y-o-y	EGP 3,804.5 million ▲ 65% y-o-y	EGP 2,927.2 million ▲ 80% y-o-y	EGP 1,589.6 million ▲ 74% 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 six-month period ending 30 June 2021, reporting revenues of EGP 26,012.5 million, up by 29.3% year-on-year (y-o-y). The company's net profit after minority interest recorded EGP 1,589.6 million, up by 73.9% y-o-y and representing a net profit margin of 6.1%.

Summary Income Statement

EGP (000)'s	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Revenue	13,720,240	9,339,477	46.9%	26,012,497	20,118,341	29.3%
Gross Profit	1,931,108	1,102,094	75.2%	3,804,503	2,300,374	65.4%
Gross Profit Margin	14.1%	11.8%		14.6%	11.4%	
EBITDA	1,583,937	889,546	78.1%	2,927,159	1,623,839	80.3%
EBITDA Margin	11.5%	9.5%		11.3%	8.1%	
Net Income After Minority	889,525	514,165	73.0%	1,589,594	914,243	73.9%
Net Income After Minority Margin	6.5%	5.5%		6.1%	4.5%	

Financial Highlights

- **Revenues** increased by 29.3% y-o-y to EGP 26,012.5 million in H1 2021 on the back of a rapid expansion at Elsewedy's wires and cables segment and solid growth in turnkey projects.
- **Gross Profit** increased by 65.4% y-o-y to EGP 3,804.5 million in H1 2021, yielding a gross profit margin of 14.6% against the 11.4% recorded one year previously.
- **SG&A** expense was up by 13.9% y-o-y, posting EGP 1,552.0 million in H1 2021. As a percentage of revenues, SG&A recorded 6.0% in H1 2021 against the 6.8% registered in H1 2020.
- **EBITDA** climbed by 80.3% y-o-y, registering EGP 2,927.2 million in H1 2021, with the EBITDA margin booking 11.3% against 8.1% one year previously.
- **Net Profit after Minority Interest** recorded EGP 1,589.6 million in H1 2021, up by 73.9% y-o-y from the EGP 914.2 million posted in H1 2020. Elsewedy's net profit margin came in at 6.1% in H1 2021 versus 4.5% one year previously.
- Elsewedy recorded a **net debt** position of EGP 4,006.7 million as at 30 June 2021 against a net cash position of EGP 562.5 million booked at 31 December 2020.
- **Inventory** came in at EGP 10,729.3 million as at 30 June 2021, up by 43.2% from the EGP 7,490.7 million booked at the close of the previous year. **Accounts receivable** decreased by 5.7% during the six-month period, booking EGP 12,520.3 million as of 30 June 2021. **Accounts payable** rose by 10.6% between year-end 2020 and 30 June 2021 to record EGP 6,339.6 million.

Note from Our CEO

With the first half of 2021 behind us, management at Elsewedy is highly satisfied with the company's performance for the period. Financial results for the second quarter of the year were strong, meeting our plans and giving us a solid platform to pursue further growth over the remainder of 2021. Revenues were up by double-digits at most of Elsewedy's business segments during the six-month period, with our wires and cables segment exhibiting rapid growth of 55.1% year-on-year for H1 2021. Consolidated gross profit was up strongly during H1 2021, reflecting enhanced gross profitability at each of Elsewedy's segments during the period and testifying to our ability to pursue rapid growth while keeping efficient control over the cost base at each sector of the business. Top-line growth and strong gross profitability were efficiently filtered down the income statement during the period, with Elsewedy's bottom line climbing by 73.9% year-on-year to book EGP 1,589.6 million for H1 2021, yielding a net profit margin of 6.1% against the 4.5% recorded in H1 2020. Management expects continued growth over the second half of 2021 to yield a solid year-on-year expansion by the close of FY2021.

Meanwhile, Elsewedy is making tangible progress in expanding our geographic footprint and developing our presence in fast-growing markets, leveraging ongoing economic recoveries from the impact of the COVID-19 pandemic. The company expects to begin consolidating its latest investment in Indonesia during Q3 2021 and continues to restructure its operations in Pakistan, a process which is expected to be complete by the end of 2021. On the turnkey projects front, we have built a strong project backlog in the GCC, Africa, and our home market of Egypt. We remain on the lookout for further opportunities to deploy the company's infrastructural knowhow in a profitable manner. To this end, we have established Tanzania as our hub for expanding our product offering in the cables, meters, transformers, and accessories sectors in East, Central, and Southern Africa, markets where we see a bright future and exciting growth prospects. In Tanzania itself, we are fully on schedule with works at our landmark Rufiji hydropower dam project.

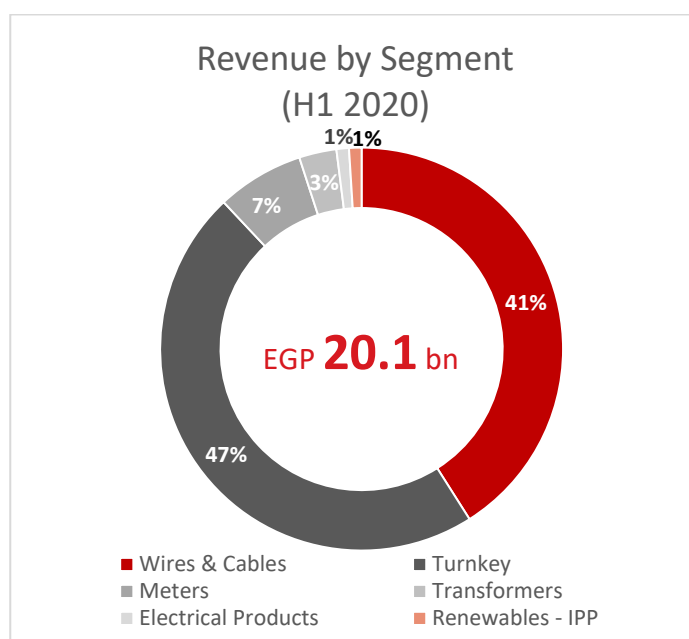
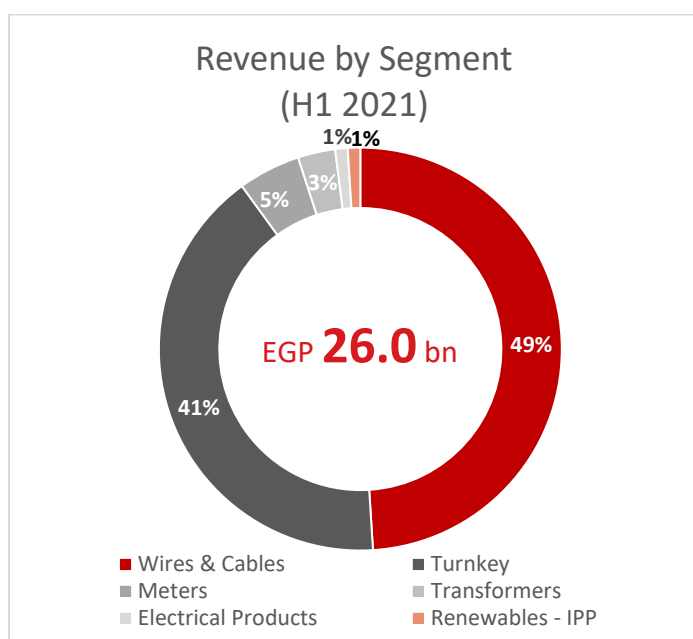
Moving forward, we are making strong investments not just in expanding our operations, but also in enhancing and nurturing the human capital available to the company. We recognize that Elsewedy's professionals are the most valuable resource at its disposal. With this in mind, we have established a graduate development program which will provide for the preparation of 100 future leaders at the company. With such efforts, we are confident that Elsewedy will enjoy the skills and knowhow to generate sustainable value for its stakeholders for many years to come.

Ahmed El Sewedy

Revenue Analysis by Segment

Elsewedy's wires and cables segment represented 49.3% of the company's consolidated top line for H1 2021, up from 41.1% for the first half of 2020, with the segment regaining its traditional position as Elsewedy's largest top-line contributor. The turnkey projects segment brought in 40.6% of revenues in H1 2021, down from the contribution of 46.9% recorded one year previously and reflecting the strong year-on-year recovery in wires and cables. Elsewedy's meters segment saw its contribution decline by two percentage points to 4.9% in H1 2021, while the transformers segment recorded a contribution of 3.1%, up by 0.2 percentage points year-on-year. Other electrical products generated 1.4% of the consolidated top line in H1 2021, while Elsewedy's renewables segment contributed 0.7% of consolidated revenues for the period, down by 0.2 percentage points from H1 2020, the segment's first six months of operation.

Revenue from Elsewedy's wires and cables segment increased by 55.1% y-o-y to EGP 12,824.3 million in H1 2021. Meanwhile, revenue from turnkey projects climbed by 11.8% y-o-y to record EGP 10,552.7 million in H1 2021 against EGP 9,436.3 million one year previously. Revenue from meters fell by 7.7% y-o-y to record EGP 1,287.3 million, while the transformers segment expanded by 36.2% y-o-y to EGP 802.6 million in H1 2021. Other electrical products saw revenues climb by 44.7% y-o-y, registering EGP 364.5 million for H1 2021. Elsewedy's renewables segment booked EGP 181.1 million, up from the EGP 178.4 million recorded during the segment's first six months of operation one year previously.

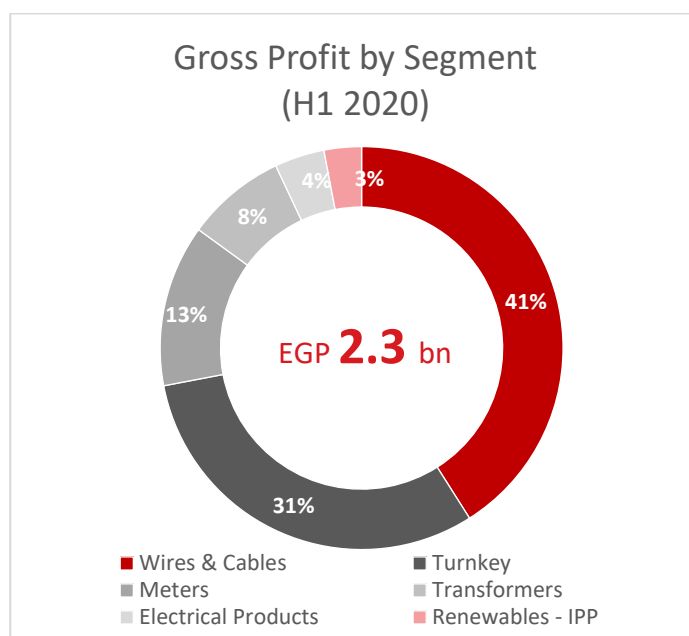
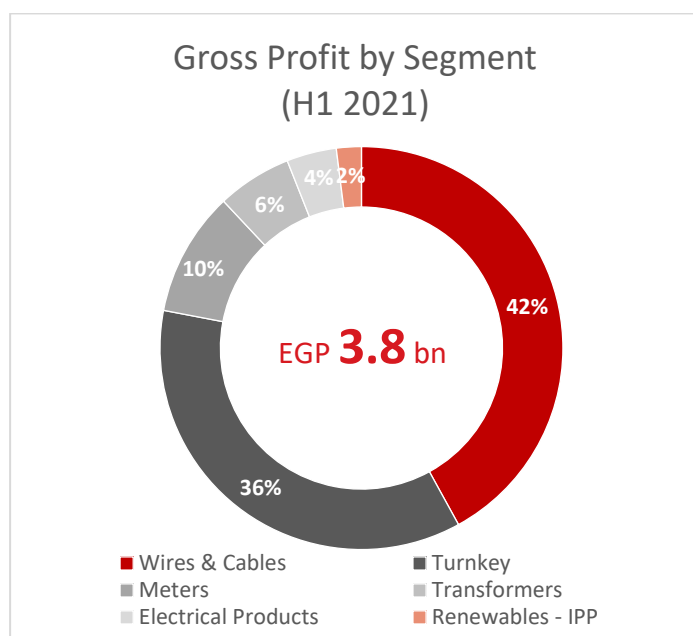


Summary of Revenues by Segment

EGP (000)'s	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Wires & Cables	6,534,719	3,552,614	83.9%	12,824,285	8,267,373	55.1%
Turnkey Projects	6,005,936	4,501,059	33.4%	10,552,670	9,436,260	11.8%
Meters	477,722	748,720	-36.2%	1,287,235	1,394,976	-7.7%
Transformers	436,796	278,555	56.8%	802,644	589,431	36.2%
Electrical Products	187,295	102,146	83.4%	364,539	251,880	44.7%
Renewables – IPP	77,772	156,384	N/A	181,125	178,421	1.5%
Total	13,720,240	9,339,477	46.9%	26,012,497	20,118,341	29.3%

Gross Profit Analysis by Segment

Consolidated gross profit for the first half of 2021 came in at EGP 3,804.5 million, representing an increase of 65.4% y-o-y from EGP 2,300.4 million recorded for H1 2020. Wires and cables generated the majority of Elsewedy's gross profit for the six-month period, booking EGP 1,578.6 million, up by 66.2% y-o-y from EGP 949.7 million in H1 2020 and representing 41.5% of consolidated gross profit (H1 2020: 41.3%). Turnkey projects booked EGP 1,365.2 million in gross profit, up by 92.5% y-o-y and yielding 35.9% of Elsewedy's consolidated gross profit against 30.8% one year previously. The meters segment recorded a gross profit of EGP 392.8 million in H1 2021, up by 29.5% y-o-y, with its contribution contracting to 10.3% for H1 2021 versus 13.2% one year previously. The transformers segment booked a gross profit of EGP 220.5 million in H1 2021, up by 23.7% y-o-y, with its contribution to consolidated gross profit falling to 5.8% in H1 2021 from 7.8% in H1 2020. Meanwhile, gross profit from other electrical products increased by 71.8% y-o-y to EGP 159.1 million in H1 2021 and contributed 4.2% to total gross profit for the period. Elsewedy's renewables segment booked a gross profit of EGP 88.3 million during H1 2021, representing 2.3% of total gross profit.



Summary of Gross Profit by Segment

EGP (000)'s	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Wires & Cables	766,677	476,541	60.9%	1,578,574	949,700	66.2%
Turnkey Projects	791,110	297,821	165.6%	1,365,239	709,177	92.5%
Meters	146,969	163,453	-10.1%	392,767	303,240	29.5%
Transformers	112,986	65,861	71.6%	220,544	178,310	23.7%
Electrical Products	80,580	47,777	68.7%	159,085	92,594	71.8%
Renewables – IPPs	32,787	50,642	N/A	88,294	67,352	31.1%
Total	1,931,108	1,102,094	75.2%	3,804,503	2,300,374	65.4%

Segments Overview

Wires & Cables Segment

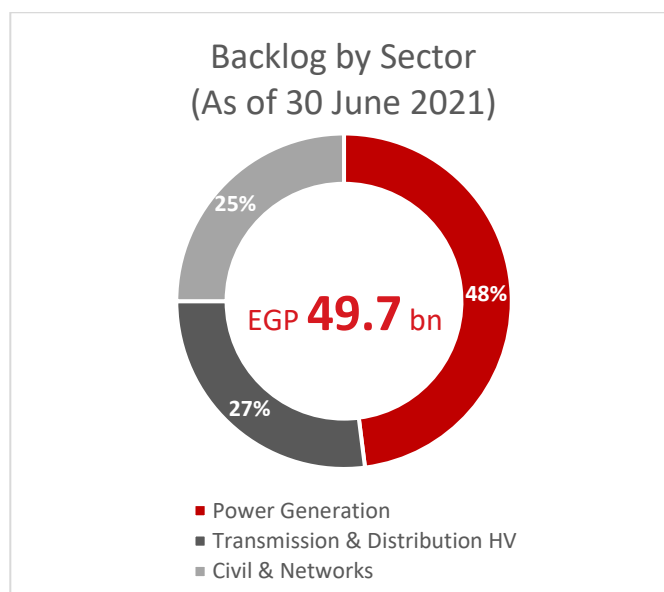
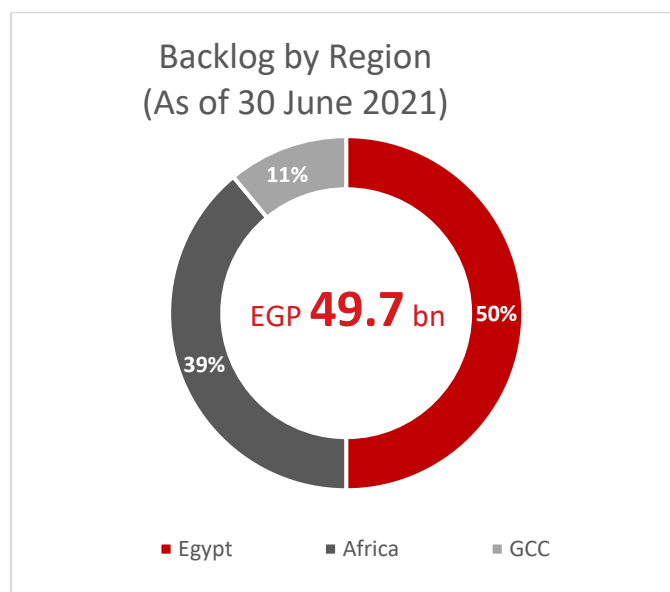
Revenue from wires & cables rose by 55.1% y-o-y to book EGP 12,824.3 million in H1 2021 against EGP 8,267.4 million one year previously. Growth in the segment was driven primarily by an increase in prices during the period. Segment growth was further supported by an increase in volumes, which rose by 19.7% y-o-y to record 67,245 tons in H1 2021 versus 56,185 tons for H1 2020. Gross profit from wires & cables rose by 66.2% y-o-y, supported by an increase of 21.3% y-o-y in gross profit per ton, which booked EGP 15,457 in H1 2021 against EGP 12,741 in H1 2020. The segment recorded a gross profit margin of 12.3% for H1 2021, up from the 11.5% booked one year previously.

Wires & Cables Segment Financial Highlights

	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Revenues Before Intercompany Sales (EGP 000's)	8,356,859	5,191,111	61.0%	16,612,350	12,424,961	33.7%
Revenues After Intercompany Sales (EGP 000's)	6,534,719	3,552,614	83.9%	12,824,285	8,267,373	55.1%
Gross Profit (EGP 000's)	766,677	476,541	60.9%	1,578,574	949,700	66.2%
GP Margin Before Intercompany Sales	9.2%	9.2%		9.5%	7.6%	
GP Margin After Intercompany Sales	11.7%	13.4%		12.3%	11.5%	
Cables Sales Volumes (Tons)	32,573	23,252	40.1%	67,245	56,185	19.7%
Cables Gross profit per ton (EGP)	15,817	13,248	19.4%	15,457	12,741	21.3%

Turnkey Projects

Revenue from turnkey projects booked EGP 10,552.7 million in H1 2021, up by 11.8% y-o-y from EGP 9,436.3 million in H1 2020.



Turnkey projects generated 40.6% of Elsewedy's consolidated top line in H1 2021, down from 46.9% in H1 2020. Backlog in the segment recorded EGP 49.7 billion for H1 2021, down from the EGP 50.5 billion booked one year previously. Gross profit from the segment reached EGP 1,365.2 million in H1 2021, up by 92.5% y-o-y, with the segment's gross profit margin booking 12.9% for the period, up by 5.4 percentage points from 7.5% in H1 2020.

Meters Segment

Revenues from the meters segment fell by 7.7% y-o-y, booking EGP 1,287.2 million. Volumes sold expanded by 44.2% y-o-y to register 2,002,400 meters in H1 2021. Gross profit per meter fell by 10.2% y-o-y to record EGP 196 against EGP 218 one year previously. Meanwhile, the segment's backlog recorded EUR 98 million at the close of H1 2021, up from EUR 46 million in H1 2020.

**Meters Backlog
(As of 30 June 2021)**

EUR **98** mn

Meters Segment Financial Highlights

	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Revenues Before Intercompany Sales (EGP 000's)	626,952	846,704	-26.0%	1,543,108	1,577,263	-2.2%
Revenues After Intercompany Sales (EGP 000's)	477,722	748,720	-36.2%	1,287,235	1,394,976	-7.7%
Gross Profit (EGP 000's)	146,969	163,453	-10.1%	392,767	303,240	29.5%
GP Margin Before Intercompany Sales	23.4%	19.3%		25.5%	19.2%	
GP Margin After Intercompany Sale	30.8%	21.8%		30.5%	21.7%	
Sales Volumes (meters)	871,499	1,165,997	-25.3%	2,002,400	1,388,938	44.2%
Gross profit per meter (EGP)	169	140	20.3%	196	218	-10.2%

Transformers Segment

Revenue from the transformers segment expanded by 36.2% y-o-y in H1 2021, recording EGP 802.6 million. Volumes rose by 35.3% y-o-y to 4,903 MVA in H1 2021. Gross profit per MVA decreased by 8.6% y-o-y to EGP 44,979 in H1 2021. Segmental gross profit rose by 23.7% y-o-y to register EGP 220.5 million for the six-month period. Backlog at the segment booked USD 88 million at the close of H1 2021 against USD 76.5 million one year previously.

**Transformers Backlog
(As of 30 June 2021)**

USD **88** mn

Transformers Segment Financial Highlights

	Q2-2021	Q2-2020	% Change	H1-2021	H1-2020	% Change
Revenues Before Intercompany Sales (EGP 000's)	522,628	361,972	44.4%	931,428	793,203	17.4%
Revenues After Intercompany Sales (EGP 000's)	436,796	278,555	56.8%	802,644	589,431	36.2%
Gross Profit (EGP 000's)	112,986	65,861	71.6%	220,544	178,310	23.7%
GP Margin Before Intercompany Sales	21.6%	18.2%		23.7%	22.5%	
GP Margin After Intercompany Sale	25.9%	23.6%		27.5%	30.3%	
Sales Volumes (MVA)	2,927	1,304	124.5%	4,903	3,624	35.3%
Gross profit per MVA (EGP)	38,605	50,511	-23.6%	44,979	49,198	-8.6%

Electrical Products

Revenue from electrical products recorded an increase of 44.7% y-o-y, booking EGP 364.5 million in H1 2021, with segmental gross profit growing by 71.8% y-o-y to record EGP 159.1 million, yielding a GPM of 43.6%.

Renewables - IPPs

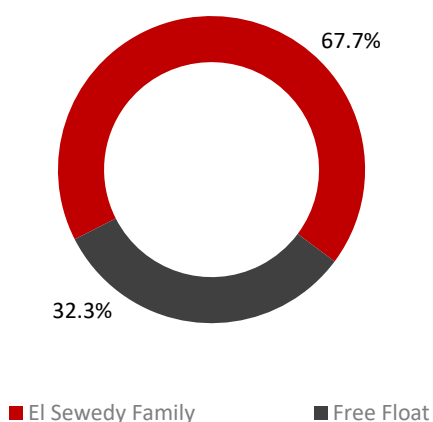
Elsewedy's renewable energy segment comprises the company's investments in solar PV power plants in Benban, Aswan, as well as 3 wind energy companies and a hydroelectric energy company in Greece, both acquired in 2019. The segment recorded revenues EGP 181.1 million in H1 2021, up by 1.5% y-o-y, with gross profit climbing by 31.1% y-o-y to book EGP 88.3 million and yield a GP margin of 48.7% during the six-month 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 15,000 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 30 June 2021)



Share Information

SWDY.CA on the EGX

Number of Shares	2,184,180,000
Share Price (30 June 2021)	EGP 8.48
Market Cap (30 June 2021)	EGP 18.5 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	Q2-2021	Q2-2020	Change	H1-2021	H1-2020	Change
Sales						
Wires & Cables	6,534,718,795	3,552,613,664		12,824,285,029	8,267,373,392	
Electrical Products	1,101,812,832	1,129,420,359		2,454,418,134	2,236,286,754	
Turnkey Projects	6,083,708,142	4,657,442,720		10,733,794,202	9,614,680,672	
Total Sales	13,720,239,769	9,339,476,743	46.9%	26,012,497,365	20,118,340,818	29.3%
COGS	(11,789,131,505)	(8,237,382,692)		(22,207,994,593)	(17,817,967,170)	
Gross Profit	1,931,108,263	1,102,094,051	75.2%	3,804,502,772	2,300,373,648	65.4%
Gross Profit Margin	14.1%	11.8%		14.6%	11.4%	
SG&A	(783,571,957)	(639,440,459)		(1,552,031,722)	(1,362,903,986)	
Other Operating Income	126,531,615	78,892,859		202,840,076	169,043,282	
Other Operating Expense	(34,283,840)	(35,490,344)		(199,653,172)	(136,970,645)	
Income from Investments	70,467,491	84,963,189		129,239,303	167,094,219	
EBITDA	1,583,937,474	889,545,567	78.1%	2,927,159,284	1,623,838,775	80.3%
EBITDA Margin	11.5%	9.5%		11.3%	8.1%	
Depreciation & Amortization	(273,685,902)	(298,526,272)		(542,262,027)	(487,202,257)	
FX Gain / (Loss)	(32,780,088)	116,681,276		(16,076,719)	60,513,780	
EBIT	1,277,471,484	707,700,571	80.5%	2,368,820,538	1,197,150,298	97.9%
Interest Expense	(156,620,514)	(147,465,900)		(293,704,504)	(213,307,905)	
Interest Income	186,303,196	138,584,519		259,730,418	317,547,322	
Interest Income / (Expenses)	29,682,682	(8,881,382)		(33,974,085)	104,239,417	
EBT	1,307,154,165	698,819,189	87.1%	2,334,846,452	1,301,389,715	79.4%
Tax	(333,377,162)	(136,551,429)		(591,576,151)	(275,426,842)	
Net Income	973,777,004	562,267,760	73.2%	1,743,270,302	1,025,962,873	69.9%
Minority Interest	(84,252,436)	(48,102,900)		(153,675,966)	(111,719,526)	
Net Income After Minority Interest	889,525,004	514,164,861	73.0%	1,589,594,302	914,243,347	73.9%
Net Income Margin	6.5%	5.5%		6.1%	4.5%	

Consolidated Balance Sheet

EGP	31/12/2020	31/03/2021	30/06/2021
Long Term Assets			
Fixed Assets & Goodwill	8,814,664,639	8,885,393,252	8,937,096,848
Investments	1,524,731,301	1,580,844,648	2,424,373,450
Other long-term Assets	436,434,058	360,992,174	319,874,008
Other long-term Receivables	2,186,475,382	2,390,809,167	2,561,529,237
Total Long-term Assets	12,962,305,380	13,218,039,241	14,242,873,543
Current Assets			
Inventories	7,490,676,915	8,161,350,856	10,729,343,941
Receivables	13,283,549,306	12,818,325,008	12,520,274,010
Other Debit balance	9,740,130,188	11,122,563,375	11,544,539,215
Due from Related Parties	645,776,969	858,343,324	1,025,536,748
Cash & Cash Equivalents	10,811,687,255	10,312,098,182	11,208,577,976
Total Current Assets	41,971,820,633	43,272,680,745	47,028,271,890
Total Assets	54,934,126,013	56,490,719,986	61,271,145,433
Current Liabilities			
Bank Overdraft & Short-term loans	8,268,089,866	9,742,403,024	12,865,570,265
Accounts Payable	5,733,816,805	5,221,104,284	6,339,559,377
Other Credit balance	16,783,796,474	17,777,716,052	16,918,092,521
Due to Affiliates	588,944,840	491,655,595	568,111,797
Provisions	1,497,155,181	1,534,941,527	1,633,386,654
Total Current Liabilities	32,871,803,166	34,767,820,481	38,324,720,614
Issued and Paid Capital	2,184,180,000	2,184,180,000	2,184,180,000
Retained Earnings	12,904,089,360	13,925,478,436	13,693,057,925
Others	1,551,248,250	1,335,502,278	1,562,926,637
Total Parent's Shareholders' Equity	16,639,517,610	17,445,160,714	17,440,164,562
Minority Interest	834,014,962	916,741,158	916,741,158
Total Equity	17,473,532,572	18,361,901,872	18,356,905,720
Long-term Loans	1,909,237,174	2,349,714,766	2,349,714,766
Other long-term Liabilities	2,340,129,758	2,252,741,071	2,239,804,333
Total Long-term Liabilities	4,249,366,931	4,602,455,837	4,589,519,099
Total Liabilities & Equity	54,934,126,013	56,490,719,986	61,271,145,433