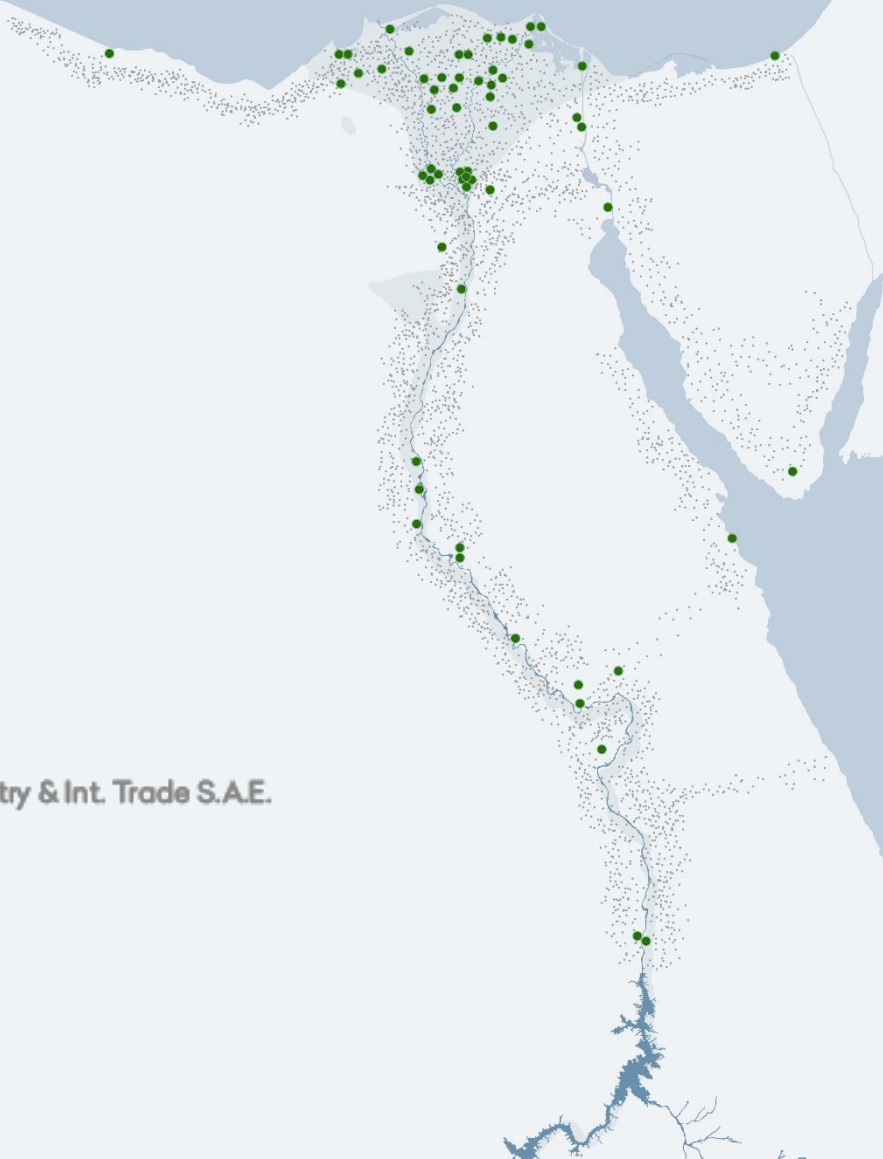




MM Group For Industry & Int. Trade S.A.E.

Earnings Release

Q1 2017



Note from the CEO

It brings me great pleasure to announce MTI's outstanding results for the first quarter of FY 2017. Our top-line has grown significantly from the same period last year. Profitability remains strong as MTI's net income came in at an exceptional EGP 130 million in the first quarter of 2017 implying 171% over the first quarter of 2016.

This year, I am proud to announce MTI's new partnership with Chinese telecom equipment giant, Huawei. MTI's new partnership with Huawei is expected to significantly increase Huawei's market share in the Egyptian market. The new partnership will allow MTI to target a new and wider segment of the Egyptian mobile phone market.

In addition, we are still committed to exploring opportunities across new and existing business lines. We will focus on adding new products, such as home appliances, to diversify our consumer electronics portfolio. We will also continue to seek a market entry into the micro-finance sector, as well as growing our e-payments investments organically or through acquisitions. That being said, we expect substantial growth prospects for MTI over the coming years.

Finally, and In light of this quarter's delightful results, it is clear that MTI's track record over the years has highlighted our agility in adapting to a rapidly changing consumer environment. Our philosophy is, and will always be, to exceed our customers' and suppliers' expectations and to maintain strong and long-lasting relationships. We will continue to do so for the many years to come.

Sincerely,

Khaled Mahmoud

Financial Highlights

Q1 2017

Revenues

EGP 1,508 million
▲ 38% y-o-y

Gross Profit

EGP 145 million
▲ 76% y-o-y

EBITDA

EGP 115 million
▲ 74% y-o-y

Net Income

EGP 130million
▲ 171% y-o-y

Q1 2016

Revenues

EGP 1,089 million

Gross Profit

EGP 82 million

EBITDA

EGP 66 million

Net Income

EGP 48 million

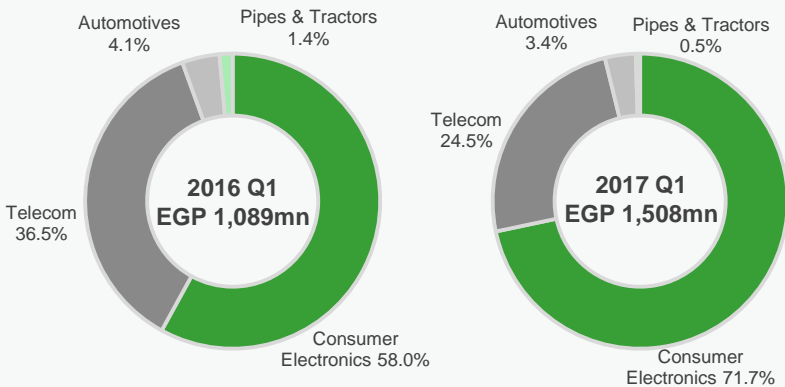
EGP (mn)	Q1-2017	Q1-2016	Y-o-Y Change (%)	FY-2016	FY-2015	Change (%)
Revenue	1,508	1,089	38%	4,963	4,250	17%
Gross Profit	145	82	76%	539	347	55%
GPM (%)	10%	8%	+2%	11%	8%	+3%
EBITDA	115	66	74%	436	261	67%
EBITDA Margin (%)	8%	6%	+2%	9%	6%	+3%
Net Income	130	48	171%	353	222	59%
Net Income Margin (%)	9%	4%	+5%	7%	5%	+2%

Financial Highlights Analysis

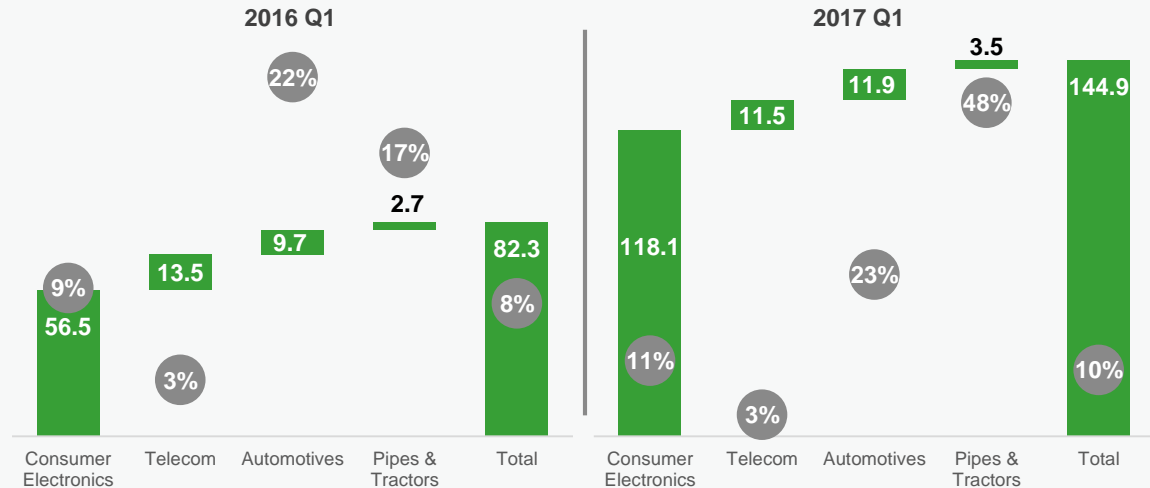
- **Revenues** increased from Q1 2016 to Q1 2017 by 38% to EGP 1,508 million generated in the first quarter on the back of outstanding performance from our consumer electronics segment.
- **Gross Profit** stood at EGP 145 million in Q1 2017, up 76% y-o-y with a significant improvement in margins reaching 10% (+2% absolute increase over Q1 2016).
- **EBITDA** increased to EGP 115 million in Q1 2017, up 74% y-o-y with an 8% margin, representing a +2% absolute increase from the same period last year.
- **Net Profit** saw significant improvement compared to the same period last year recording a total of EGP 130 million in Q1 2017, up more than 171%. Margins continued to improve, with a net profit margin of 9% compared to 4% in Q1 2016.

Business Line Highlights

Revenue Breakdown



Gross Profit Breakdown | EGP mn, Margin %



Consumer Electronics



Our new partnership with Huawei is expected to boost FY 2017 revenues, offering a diverse product portfolio that targets the entire spectrum in the Egyptian mobile phone market

Telecom



MTI's telecom business has been moving at a steady rate, driven by a growing population and an increasing percentage of the population shifting to mobile internet use; ARPU's are expected to hike during FY 2017 on the back of the 4G roll-out, which will boost top-line figures.

Auto



MTI's automotive business has been growing at a momentous pace, with a target market that has proven to be resilient to harsh market conditions. With Maserati's new showroom and service center this year, revenues are expected to carry on the upward trend.

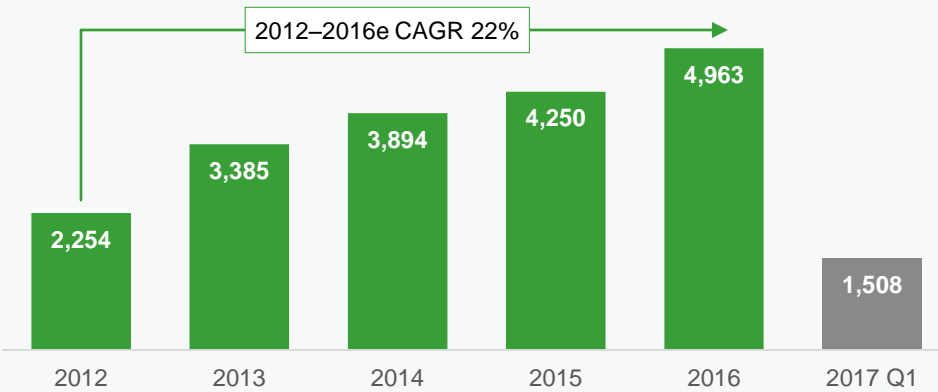
Tractors and Pipes



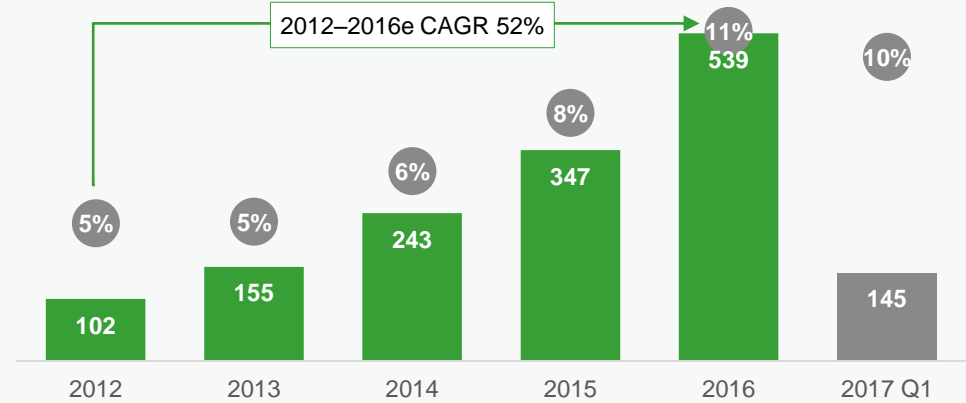
MTI is optimistic about its pipes & tractors business, with a number of new opportunities to expand in the local market. From the upcoming mega-projects in infrastructure and agricultural reclamation projects to the inauguration of our new Belarus assembly line, business is expected to advance further.

Financial Overview

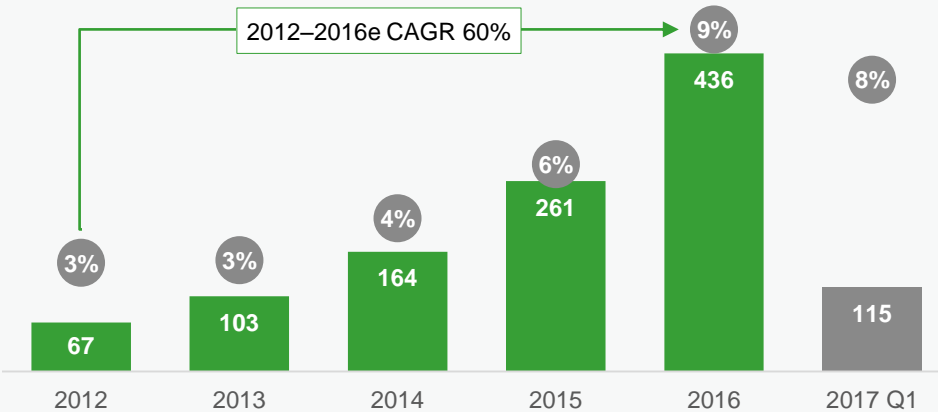
Revenues | EGP mn



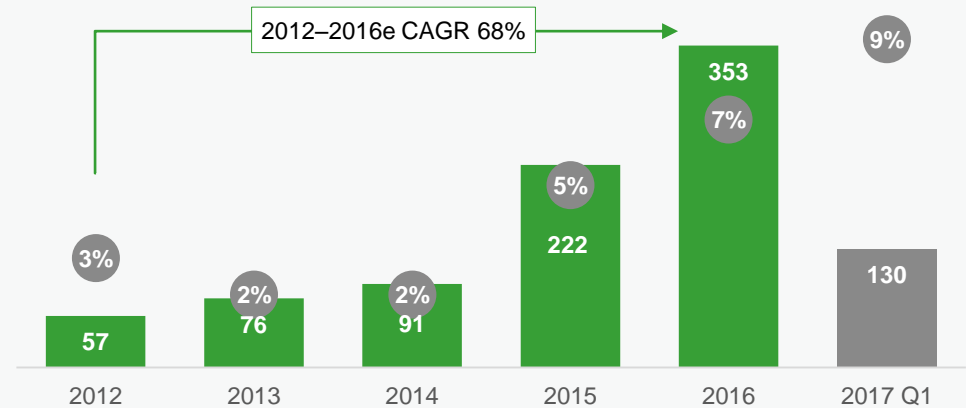
Gross Profit | EGP mn



EBITDA | EGP mn, margin %



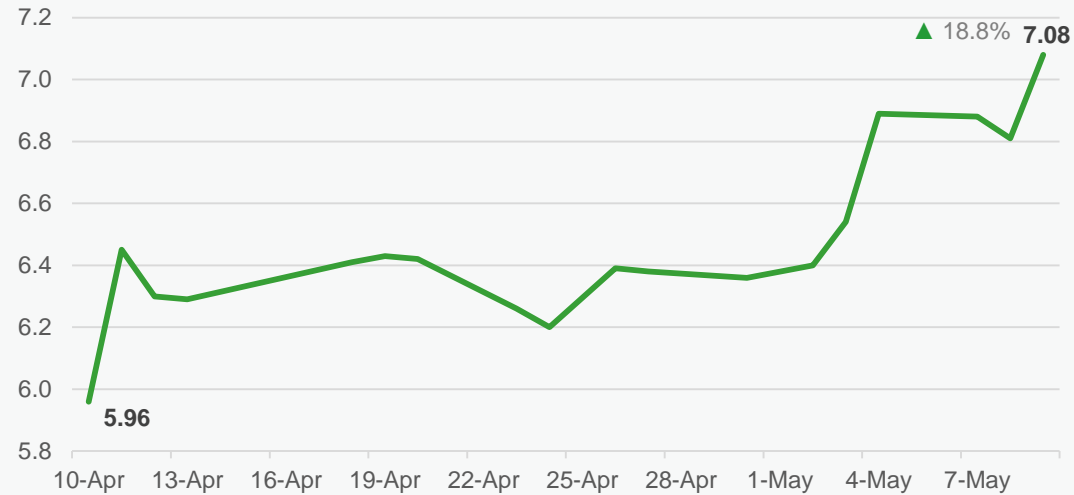
Net Profit | EGP mn, margin %



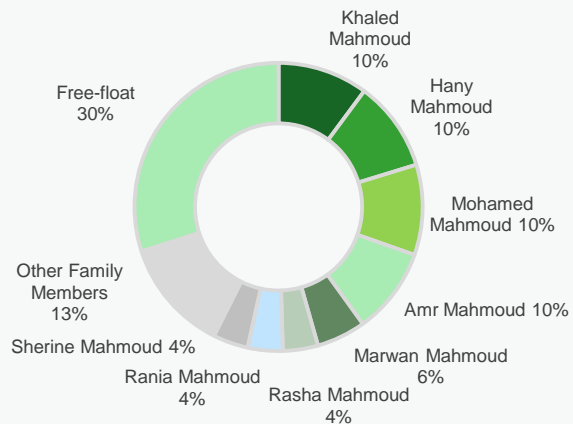
Stock Performance

Key Stock Performance Indicators

Last Closing Price	IPO Price
7.08	5.96
Absolute Growth from IPO	Market Cap.
18.8%	EGP 2,804mn
Average Volume	Average Turnover
2.7mn	EGP 17.4mn



Post IPO Shareholding Structure



Board of Directors

Khaled Mahmoud <i>Chairman & CEO</i>	Salah Mahmoud <i>Executive Director</i>
Hany Mahmoud <i>Non-Executive Director</i>	Khaled Seoudi <i>Executive Director</i>
Mervat Mahmoud <i>Non-Executive Director</i>	Ahmed Gharib <i>Executive Director</i>
Yasmin Aly <i>Independent Director</i>	

Income Statement

<i>In EGP</i>	<i>31/03/2017*</i>	<i>31/03/2016**</i>
<i>Sales</i>	1,507,605,655	1,088,912,617
<i>Less</i>		
<i>Cost of Sales</i>	(1,362,714,999)	(1,006,622,784)
<i>Gross Profit</i>	144,890,656	82,289,833
<i>Less</i>		
<i>Sales & Distribution Expenses</i>	(29,800,646)	(16,484,087)
<i>General & Administrative Expenses</i>	(1,822,890)	(1,295,651)
<i>Depreciation of Administrative Assets</i>	(13,260)	(31,762)
<i>Total Expenses</i>	(31,636,796)	(17,811,500)
<i>Net Operating Profit</i>	113,253,860	64,478,333
<i>Add/(Less)</i>		
<i>Income from investment property</i>	2,130,600	1,290,000
<i>Depreciation from investment property</i>	(117,505)	(745,025)
<i>Gain/(Loss) from investment in associated companies</i>	14,347,954	-
<i>Gain from investment at fair value through profit and loss</i>	9,875,018	-
<i>Gain/(loss) from sale of investments available for sale</i>	1,362	(266,932)
<i>Finance Expense</i>	(867,528)	(527,056)
<i>Credit interest</i>	2,853,750	3,793,403
<i>Foreign currency exchange gain/(loss)</i>	22,257,840	(6,125,697)
<i>Net profit for the period before taxes</i>	163,735,351	61,897,026
<i>Add/(less)</i>		
<i>Income tax</i>	(33,612,164)	(13,926,831)
<i>Deferred tax</i>	(240,943)	-
<i>Net profit for the period after taxes</i>	129,882,244	47,970,195
<i>Earnings per share (EGP/share)</i>	0.33	1.21

*Consolidated Financials

**Standalone financials

Balance Sheet

	31/03/2017	31/03/2016
Non-current assets		
Fixed assets	33,723,354	30,654,376
Investments in real estate	3,121,022	3,238,527
Projects under construction	1	1
Investments in subsidiaries and associated companies	82,095,065	67,747,111
Investments available for sale	454,805	568,400
Total non-current assets	119,394,247	102,208,415
Current assets		
Inventory	707,772,141	288,157,305
Receivables and notes receivables	388,333,762	328,590,351
Due from related parties	30,212,762	1,543,260
Advances to suppliers	57,376,796	76,358,902
Debtors and other debit balances	59,253,551	26,732,804
Investments at fair value through profit and loss	557,821,613	551,038,711
Cash on hand and at banks	377,732,471	525,011,216
Total current assets	2,178,503,096	1,797,432,549
Total assets	2,297,897,343	1,899,640,964

	31/03/2017	31/03/2016
Shareholders' Equity		
Issued and paid up capital	245,520,000	245,520,000
Legal reserve	18,708,840	9,816,917
General reserve	64,462,273	64,462,273
Investments revaluation reserve	(307,287)	(316,804)
Retained earnings	276,799,167	188,071,883
	605,182,993	507,554,269
Add: Minority equity	1,000	1,000
Total Shareholders' equity	605,183,993	507,555,269
Non-current liabilities		
Deferred tax liability	346,376	105,433
Total non-current liabilities	346,376	105,433
Current Liabilities		
Provisions	78,150,000	78,150,000
Bank overdraft	7,589,082	2,069,519
Due to related parties	253,679,128	256,309,798
Suppliers and notes payable	1,099,203,141	845,804,809
Customers advance payment	21,016,496	22,113,222
Creditor and other credit balances	232,729,127	187,532,914
Total current liabilities	1,692,366,974	1,391,980,262
Total shareholders' equity and liabilities	2,297,897,343	1,899,640,964

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