

## ELSEWEDY ELECTRIC reports FY 2019 results, posting revenue and EBITDA growth of 9.7% and 6.2% respectively; Net profit of EGP 4.0 bn and proposed dividends of EGP 0.8/share.

### FY 2019 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 46,628.8 million ▲ 9.7% y-o-y	EGP 8,194.0 million ▲ 13.8% y-o-y	EGP 6,434.2 million ▲ 6.2% y-o-y	EGP 4,021.8 million ▼ 19.4% 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 2019, with revenues up by 9.7% year-on-year to EGP 46,628.8 million. The company's net profit after minority interest recorded EGP 4,021.8 million, down by 19.4% year-on-year and representing a net profit margin of 8.6%.

### Summary Income Statement

EGP (000)'s	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Revenue	12,082,296	12,174,901	-0.8%	46,628,791	42,490,563	9.7%
Gross Profit	2,896,736	2,016,802	43.6%	8,194,000	7,199,168	13.8%
Gross Profit Margin	24.0%	16.6%		17.6%	16.9%	
EBITDA	2,352,769	1,735,723	35.5%	6,434,236	6,060,448	6.2%
EBITDA Margin	19.5%	14.3%		13.8%	14.3%	
Net Income After Minority	1,304,621	1,487,798	-12.3%	4,021,844	4,991,873	-19.4%
Net Income After Minority Margin	10.8%	12.2%		8.6%	11.7%	

### Financial Highlights

- **Revenues** came in at EGP 46,628.8 million in FY 2019, representing year-on-year growth of 9.7%, driven by growth in our turnkey projects segment, whose contribution inched up significantly year-on-year to almost that of the Group's original main contributing segment, wires and cables.
- **Gross Profit** grew by 13.8% y-o-y to EGP 8,194.0 million in FY 2019, with the gross margin climbing by 0.7 percentage points to 17.6% during the same period.
- **SG&A** expense for the year recorded EGP 2,709.7 million, up 21.3% year-on-year.
- **EBITDA** increased by 6.2% year-on-year to post EGP 6,434.2 million in FY 2019, yielding an EBITDA margin of 13.8%, down by 0.5 percentage points.

- **Net Profit after Minority Interest** came in at EGP 4,021.8 million in FY 2019 compared to EGP 4,991.9 million in FY 2018, representing a 19.4% decline year-on-year and an 8.6% net profit margin.
- Elsewedy recorded a **net cash** amount of EGP 769.0 million as at 31 December 2019 versus a net cash position of EGP 12.0 million as at 31 December 2018.
- **Inventory** came in at EGP 9,148.6 million as at 31 December 2019, down by 2.0% from EGP 9,334.1 million booked as at 31 December 2018. **Accounts receivable** grew by 10.8% year-on-year to EGP 12,536.7 million as of 31 December 2019. On the other hand, **Accounts Payable** fell by 17.1% between 31 December 2018 and 31 December 2019 to record EGP 3,936.2 million.

## Note from Our CEO

After a challenging year, 2019 marked a return to growth for Elsewedy, with revenues up by 9.7% year-on-year to EGP 46.6 billion which trickled down to EBITDA growth of 6.2% year-on-year to EGP 6.4 billion. Our growth was particularly pronounced during the last quarter for 2019, with gross and EBITDA margins up 10.6 and 9.0 percentage points respectively quarter-on-quarter.

The year also saw a major shift in the contribution of our verticals, with the contribution of gross profit from our Turnkey segment surpassing that of our principle business, Wires and Cables, and the gap between both segments' contribution to revenue becoming narrower by the year. We grew our revenue from Turnkey projects by 45.4% year-on-year through the execution of our ever-growing backlog across Egypt, the rest of Africa and the GCC, enabling the segment to hold its own as an invaluable, principle vertical of our business with very strong growth potential. During the year, we successfully added several new power generation, transmission and distribution and civil engineering contracts to our pipeline and intend to grow the business further, leveraging on Elsewedy's brand and established track record.

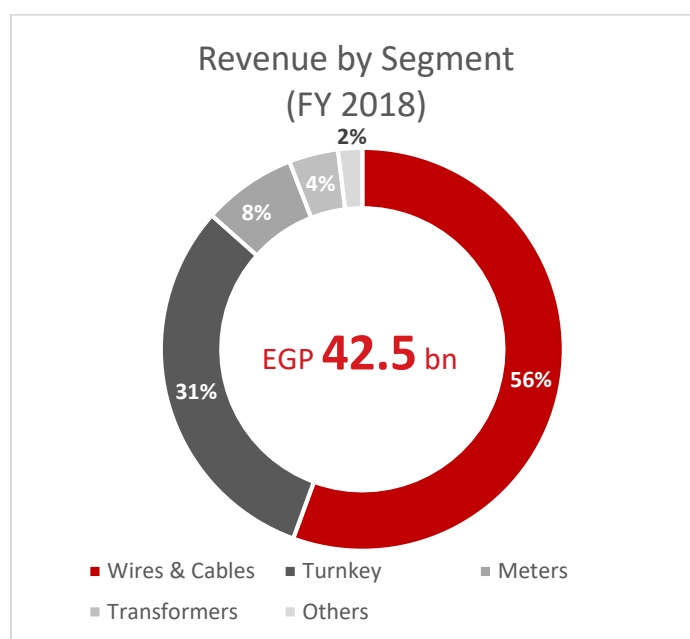
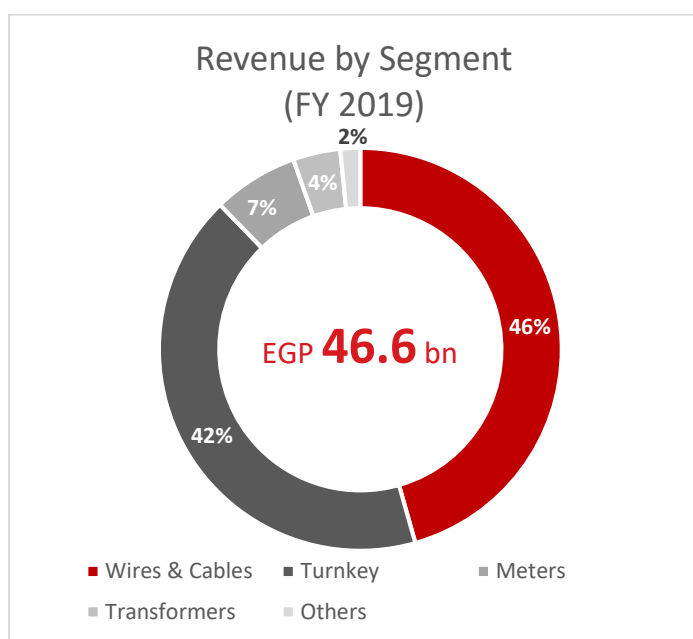
While our turnkey backlog is secured for the coming years, we remain active in engaging in expansion opportunities, both organic and inorganic. To this end, we are pleased to announce that we have fully consolidated our new Solar PV project at Benban Egypt, for which commercial operations began in the third quarter of 2019 and promises to provide recurring income to Elsewedy for the next 25 years. We have also consolidated our June 2019 acquisition of 100% of the share capital of 3 wind and 1 hydro-electric companies in Greece. Both ventures represent significant milestones in our footprint into the Renewable Energy sector and we will continue to scan lucrative investment projects across Europe, Africa and the GCC that support our long-term growth strategy and help solidify Elsewedy's position as a world-class leading integrated solutions provider.

Ahmed El Sewedy

## Revenue Analysis by Segment

While revenues from ElSewedy's historically largest segment, wires and cables, remained the company's primary contributor to total revenues during FY 2019, its contribution to total revenue fell by 9.1 percentage points to record 46.4% during the year. In parallel, the contribution of turnkey projects, a main focus vertical for ElSewedy in recent years, grew by 10.1 percentage points during the year to 41.1% in FY2019. The Meters segment came in next to contribute 7.0% to total revenues, 0.5 percentage points less than FY2018, while transformers recorded a contribution of 3.9% to total revenues, down by 0.1 percentage points. The other electrical products segment remained the lowest contributor to overall revenue, falling by 0.3 percentage points to 1.6% in FY 2019.

Revenue from ElSewedy's wires and cables segment came in at EGP 21,654.9 million in FY 2019, down by 8.3% y-o-y, while revenues from the turnkey projects segment recorded an exceptional 45.4% y-o-y increase during the same period to EGP 19,149.8 million in FY 2019 from EGP 13,172.2 million one year previously. Revenue from meters grew by a modest 1.8% year-on-year to EGP 3,258.0 million and revenues from transformers grew at a faster 7.4% year-on-year to EGP 1,805.7 million. Other electric products posted revenues of EGP 760.4 million, down 7.6% year-on-year.



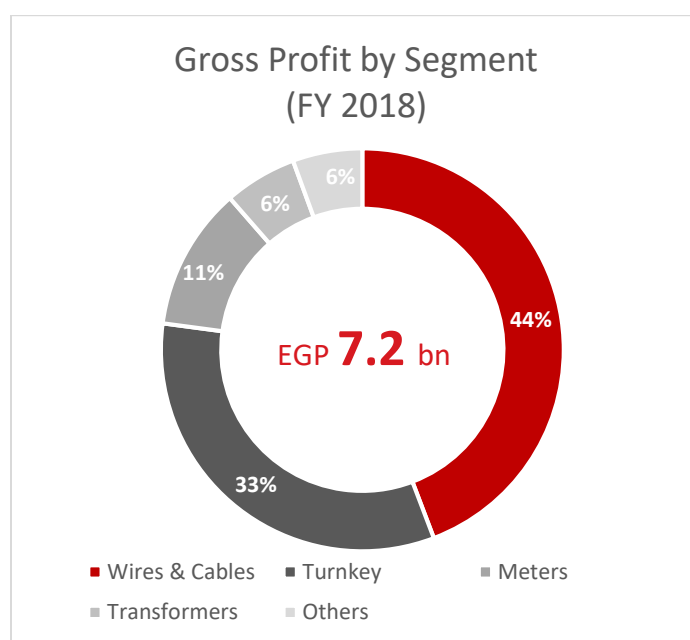
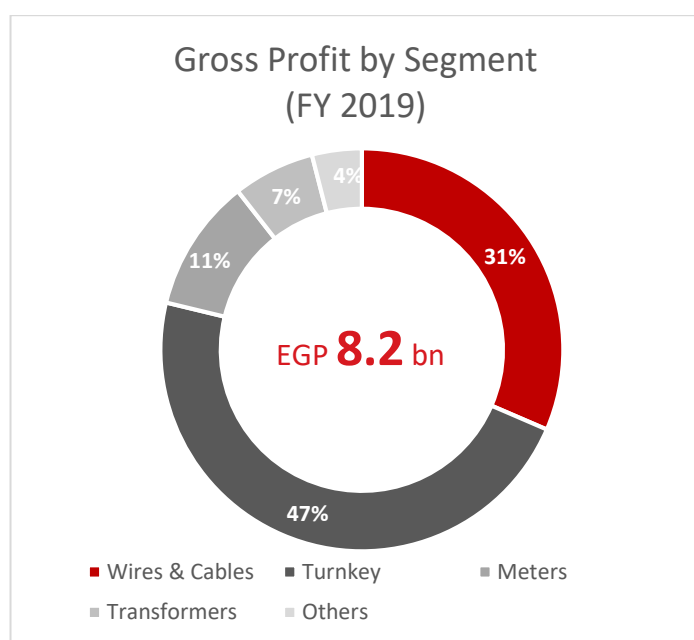
## Summary of Revenues by Segment

EGP (000)'s	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Wires & Cables	4,776,091	6,092,407	-21.6%	21,654,937	23,614,260	-8.3%
Turnkey Projects	5,852,781	4,631,155	26.4%	19,149,756	13,172,188	45.4%
Meters	738,137	752,567	-1.9%	3,257,963	3,199,870	1.8%
Transformers	529,968	455,411	16.4%	1,805,721	1,680,864	7.4%
Electrical Products	185,319	243,360	-23.8%	760,415	823,381	-7.6%
<b>Total</b>	<b>12,082,296</b>	<b>12,174,901</b>	<b>-0.8%</b>	<b>46,628,791</b>	<b>42,490,563</b>	<b>9.7%</b>

## Gross Profit Analysis by Segment

Consolidated gross profit came in at EGP 8,194.0 million in FY 2019, up 13.8% year-on-year from EGP 7,199.2 million recorded in the previous year. This year, gross profit from turnkey projects surpassed that of wires and cables to become the largest contributor to consolidated gross profit, at 47.3% in FY 2019 and up 14.4 percentage points. This came on the back of a 63.7% year-on-year increase in gross profit to EGP 3,875.5 million in FY 2019 from EGP 2,366.8 million in FY 2018. Wires and cables came in next, recording a gross profit of EGP 2,579.1 million in FY 2019, down 19.0% year-on-year, and contributing 31.5% to total gross profit for the period, down 12.8 percentage points.

The meters segment recorded a 5.9% year-on-year increase in gross profit of EGP 874.3 million in FY 2019, with its contribution to total gross profit down by just 0.8 percentage points during the same period to 10.7%. The year saw gross profit from transformers grow by 28.1% y-o-y to EGP 537.9 million, contributing 6.6% of consolidated gross profit against 5.8% one year previously. Meanwhile, other electrical products booked EGP 327.2 million in FY 2019 gross profit, down by 18.7% year-on-year, and contributed 4.0% to total gross profit.



## Summary of Gross Profit by Segment

EGP (000)'s	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Wires & Cables	547,591	930,943	-41.2%	2,579,091	3,183,900	-19.0%
Turnkey Projects	1,906,427	707,802	169.3%	3,875,451	2,366,789	63.7%
Meters	212,367	193,704	9.6%	874,335	826,000	5.9%
Transformers	141,313	90,861	55.5%	537,933	419,808	28.1%
Electrical Products	89,038	93,491	-4.8%	327,190	402,671	-18.7%
<b>Total</b>	<b>2,896,736</b>	<b>2,016,802</b>	<b>43.6%</b>	<b>8,194,000</b>	<b>7,199,168</b>	<b>13.8%</b>

## Segments Overview

### Wires & Cables Segment

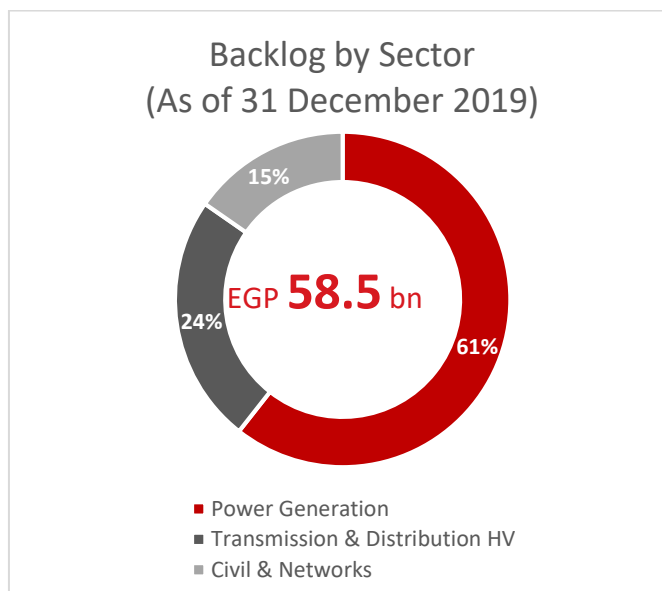
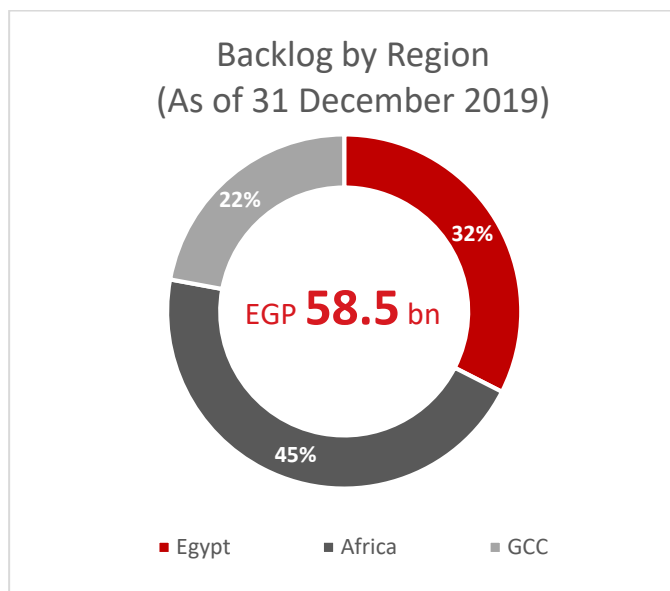
Revenue from wires & cables recorded EGP 21,654.9 million in FY 2019, representing a year-on-year decrease of 8.3% year-on-year. The fall in revenues were completely price driven, with volume sold up by 2.7% year-on-year to 126,948 tons in FY 2019 from 123,564 tons in FY 2018. Gross profit from wires & cables fell by 19.0% year-on-year on the back of a 14.4% decrease in gross profit per ton, which fell to EGP 16,349 in FY 2019 from EGP 19,108 in FY 2018.

### Wires & Cables Segment Financial Highlights

	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Revenues Before Intercompany Sales (EGP 000's)	6,514,862	10,042,987	-35.1%	30,716,531	36,716,446	-16.3%
Revenues After Intercompany Sales (EGP 000's)	4,776,091	6,092,407	-21.6%	21,654,937	23,614,260	-8.3%
Gross Profit (EGP 000's)	547,591	930,943	-41.2%	2,579,091	3,183,900	-19.0%
GP Margin Before Intercompany Sales	8.4%	9.3%		8.4%	8.7%	
GP Margin After Intercompany Sale	11.5%	15.3%		11.9%	13.5%	
Cables Sales Volumes (Tons)	30,444	33,883	-10.1%	126,948	123,564	2.7%
Cables Gross profit per ton (EGP)	14,123	20,560	-31.3%	16,349	19,108	-14.4%

### Turnkey Projects

Revenues from turnkey projects came in at EGP 19,149.8 million in FY 2019, up by 45.4% y-o-y from EGP 13,172.2 million in FY 2018.



The segment's contribution to the company's total revenue grew to 41.1% in FY 2019 compared to 31.0% in the same period last year. ElSewedy's backlog of turnkey projects came in at EGP 58.5 billion at the end of the year, up by 1.6% year-on-year from EGP 57.6 recorded in FY 2018. The segment booked a gross profit of EGP 3,875.5 million in FY 2019 compared to EGP 2,366.8 million in FY 2018, representing a year-on-year growth of 63.7% and yielding a GPM of 20.2%, up 2.3 percentage points during the year.

## Meters Segment

2019 saw the meters segment's book revenues of EGP 3,258.0 million, up by 1.8% year-on-year. Revenue growth for the segment was completely volume driven, with volume sold up an exceptional 65.6% year-on-year to 6.0 million meters FY 2019. In parallel, gross profit per meter fell by 36.1% year-on-year to EGP 145 in FY 2019 from EGP 227 in FY 2018. The segment's backlog stood at EUR 42 million by year-end 2019.

**Meters Backlog**  
(As of 31 December 2019)

EUR **42** mn

## Meters Segment Financial Highlights

	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Revenues Before Intercompany Sales (EGP 000's)	847,114	838,244	1.1%	3,684,279	3,482,313	5.8%
Revenues After Intercompany Sales (EGP 000's)	738,137	752,567	-1.9%	3,257,963	3,199,870	1.8%
Gross Profit (EGP 000's)	212,367	193,704	9.6%	874,335	826,000	5.9%
GP Margin Before Intercompany Sales	25.1%	23.1%		23.7%	23.7%	
GP Margin After Intercompany Sale	28.8%	25.7%		26.8%	25.8%	
Sales Volumes (meters)	2,965,497	788,192	276.2%	6,027,860	3,640,554	65.6%
Gross profit per meter (EGP)	72	246	-70.9%	145	227	-36.1%

## Transformers Segment

Transformers revenues grew by 7.4% year-on-year to record EGP 1,805.7 million in FY 2019, on the back of increased sales volumes, which grew by 17.5% year-on-year to 8,406 MVA. The segment's gross profit per MVA grew by 9.1% year-on-year to EGP 54,447 in FY2019, which resulted in an exceptional 28.1% year-on-year growth in its gross profit to EGP 537.9 million during the same period. Its resulting gross profit margin grew by 4.8 percentage points to 29.8% in FY 2019.

**Transformers Backlog**  
(As of 31 December 2019)

USD **79** mn

## Transformers Segment Financial Highlights

	Q4-2019	Q4-2018	% Change	FY-2019	FY-2018	% Change
Revenues Before Intercompany Sales (EGP 000's)	573,969	517,480	10.9%	2,043,926	1,894,139	7.9%
Revenues After Intercompany Sales (EGP 000's)	529,968	455,411	16.4%	1,805,721	1,680,864	7.4%
Gross Profit (EGP 000's)	141,313	90,861	55.5%	537,933	419,808	28.1%
GP Margin Before Intercompany Sales	24.6%	17.6%		26.3%	22.2%	
GP Margin After Intercompany Sale	26.7%	20.0%		29.8%	25.0%	
Sales Volumes (MVA)	2,682	2,826	-5.1%	9,874	8,406	17.5%
Gross profit per MVA (EGP)	52,698	32,155	63.9%	54,477	49,941	9.1%

## Other Electrical Products

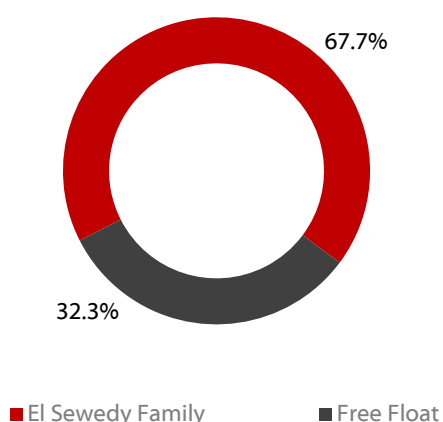
Revenue from the other electrical products came in at EGP 760.4 million, representing a decrease of 7.6% year-on-year. The segment's gross profit fell by 18.7% year-on-year to record EGP 327.2 million with its corresponding GPM down by 5.9 percentage points to 43.0% during the same period.

## 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](http://www.elsewedyelectric.com)

### Shareholders Structure

(as at 31 December 2019)



### Share Information

SWDY.CA on the EGX

Number of Shares 2,184,180,000

Share Price (31 Dec 2019) EGP 11.5

Market Cap (31 Dec 2019) EGP 25.12 bn

### Investor Relations Contact Information:

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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	Q4-2019	Q4-2018	Change	FY-2019	FY-2018	Change
<b>Sales</b>						
Wires & Cables	4,776,091,178	6,092,407,476		21,654,936,505	23,614,259,765	
Electrical Products	1,453,424,289	1,451,337,925		5,824,098,953	5,704,115,516	
Turnkey Projects	5,852,780,931	4,631,155,374		19,149,756,014	13,172,188,069	
<b>Total Sales</b>	<b>12,082,296,398</b>	<b>12,174,900,775</b>	<b>-0.8%</b>	<b>46,628,791,471</b>	<b>42,490,563,350</b>	<b>9.7%</b>
COGS	(9,185,560,166)	(10,158,099,188)		(38,434,791,700)	(35,291,395,175)	
<b>Gross Profit</b>	<b>2,896,736,232</b>	<b>2,016,801,587</b>	<b>43.6%</b>	<b>8,193,999,772</b>	<b>7,199,168,175</b>	<b>13.8%</b>
<b>Gross Profit Margin</b>	<b>24.0%</b>	<b>16.6%</b>		<b>17.6%</b>	<b>16.9%</b>	
SG&A	(760,196,711)	(692,054,055)		(2,709,712,657)	(2,235,107,952)	
Other Operating Income	(53,641,683)	172,830,034		312,797,121	414,754,348	
Other Operating Expense	(93,668,341)	(112,969,401)		(569,144,301)	(584,733,724)	
Income from Investments	79,683,149	176,898,583		375,294,555	616,298,493	
<b>EBITDA</b>	<b>2,352,769,074</b>	<b>1,735,723,195</b>	<b>35.5%</b>	<b>6,434,236,008</b>	<b>6,060,447,575</b>	<b>6.2%</b>
<b>EBITDA Margin</b>	<b>19.5%</b>	<b>14.3%</b>		<b>13.8%</b>	<b>14.3%</b>	
Depreciation & Amortization	(283,856,428)	(174,216,446)		(831,001,518)	(650,068,235)	
FX Gain / (Loss)	(181,957,823)	(39,368,396)		(354,837,543)	(116,173,761)	
<b>EBIT</b>	<b>1,886,954,824</b>	<b>1,522,138,353</b>	<b>24.0%</b>	<b>5,248,396,947</b>	<b>5,294,205,579</b>	<b>-0.9%</b>
Interest Expense	(142,811,079)	(96,516,462)		(473,522,236)	(356,959,191)	
Interest Income	147,043,170	235,352,368		719,695,770	1,130,359,587	
Interest Income / (Expenses)	<b>4,232,091</b>	<b>138,835,906</b>		<b>246,173,534</b>	<b>773,400,396</b>	
<b>EBT</b>	<b>1,891,186,915</b>	<b>1,660,974,259</b>	<b>13.9%</b>	<b>5,494,570,481</b>	<b>6,067,605,975</b>	<b>-9.4%</b>
Tax	(513,216,052)	(129,759,840)		(1,331,462,506)	(957,926,253)	
<b>Net Income</b>	<b>1,377,970,863</b>	<b>1,531,214,419</b>	<b>-10.0%</b>	<b>4,163,107,975</b>	<b>5,109,679,722</b>	<b>-18.5%</b>
Minority Interest	(73,349,882)	(43,416,885)		(141,263,579)	(117,806,954)	
<b>Net Income After Minority Interest</b>	<b>1,304,620,981</b>	<b>1,487,797,534</b>	<b>-12.4%</b>	<b>4,021,844,396</b>	<b>4,991,872,768</b>	<b>-19.4%</b>
<b>Net Income Margin</b>	<b>10.8%</b>	<b>12.2%</b>		<b>8.6%</b>	<b>11.7%</b>	



## Consolidated Balance Sheet

EGP	31/12/2018	31/12/2019
<b>Long Term Assets</b>		
Fixed Assets	5,882,789,039	8,450,827,455
Investments	1,337,379,690	1,315,136,986
Other long-term Assets & Good will	302,558,414	743,639,294
Other long-term Receivables	2,430,070,435	2,526,349,912
<b>Total Long-term Assets</b>	<b>9,952,797,578</b>	<b>13,035,953,647</b>
<b>Current Assets</b>		
Inventories	9,334,088,479	9,148,634,900
Receivables	11,318,561,524	12,536,743,336
Other Debit balance	6,394,477,999	8,426,353,668
Due from Related Parties	483,068,527	693,528,592
Cash & Cash Equivalents	8,685,415,249	9,556,478,691
<b>Total Current Assets</b>	<b>36,215,611,778</b>	<b>40,361,739,187</b>
<b>Total Assets</b>	<b>46,168,409,356</b>	<b>53,397,692,834</b>
<b>Current Liabilities</b>		
Bank Overdraft & Short-term loans	8,422,374,380	6,774,718,608
Accounts Payable	4,749,888,548	3,936,191,619
Other Credit balance	13,409,603,894	19,125,746,474
Due to Affiliates	356,209,224	539,618,140
Provisions	1,161,476,310	1,484,492,493
<b>Total Current Liabilities</b>	<b>28,099,552,355</b>	<b>31,860,767,335</b>
Issued and Paid Capital	2,184,180,000	2,184,180,000
Retained Earnings	11,632,446,467	13,697,310,837
Others	1,835,766,332	835,026,810
<b>Total Parent's Shareholders' Equity</b>	<b>15,652,392,799</b>	<b>16,716,517,647</b>
Minority Interest	516,570,863	582,004,359
<b>Total Equity</b>	<b>16,168,963,661</b>	<b>17,298,522,006</b>
Long-term Loans	251,035,810	2,012,744,882
Other long-term Liabilities	1,648,857,530	2,225,658,611
<b>Total Long-term Liabilities</b>	<b>1,899,893,340</b>	<b>4,238,403,493</b>
<b>Total Liabilities &amp; Equity</b>	<b>46,168,409,356</b>	<b>53,397,692,834</b>