

## Misr Cement Co. (Qena) Achieves consolidated Net Profits Surged to EGP 45.16 Million in Q3

- Consolidated net profits increased from EGP 29.7 million to EGP 39.20 million in Q3 of 2020, compared to Q3 of 2019, recording an increase of 32%.
  - Total standalone debt shrank from EGP 485 million to EGP 446 million, recording a decrease of 8%.
  - General Harhour: "The company stood alone from all its rivals in the Egyptian market by achieving more remarkable successes in the third quarter of 2020."
  - Eng. Talaat: "In light of the current market conditions, which are witnessing a surplus in production faced by a contraction in consumption and a decrease in prices, the company's performance has continued to rise by achieving growth in net profits."
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Misr Cement Co. (Qena), listed on the Egyptian Stock Exchange EGX: MCQE, has recently released its financial results for the third quarter of the fiscal year 2020. The group recorded consolidated net profits amounting EGP 39.20 million, compared to EGP 29.70 million for Q3 of 2019, with an increase of 31.79%, despite the decline in net revenues in the third quarter of 2020, when it recorded about EGP 1.844 million versus EGP 2.263 million for the same quarter in 2019.

The released results of Misr Cement Co. (Qena) standalone show an exceptional performance in the third quarter of 2020, despite a 16% decrease in net sales revenues, to record EGP 826 million, compared to EGP 979 million in the previous year. The cost of sales per ton decreased by 15%, to reach EGP 506 per ton at the end of the third quarter of 2020 compared to EGP 584 per ton for

the same period last year, in addition to the fall of general and administrative expenses by 12% to record EGP 45 million at the end of the third quarter of 2020, compared to EGP 51 million for the same period in 2019. Financing expenses decreased by 45% from the previous year, to record EGP 48 million in the third quarter of 2020, compared to EGP 86 million for the same period in 2019.

Thanks to the development of the operating policy and the improvement of its costs, as well as enhancing the efficiency of the factory's performance and the expansion in targeting the neighboring markets, the return on investments recorded a notable increase at the end of the third quarter of 2020, reaching EGP 12 million compared to EGP 7 million in the same period in 2019. Hence, the consolidated net profit of the company rose to EGP 45 million at the end of the third quarter of 2020, compared to EGP 21 million for the same period last year.

The increase in the profitability of Misr Cement Co. (Qena) in the third quarter of 2020 is due to the group's belief in supporting the strategy of exchanging expertise between its companies and factories, as well as the wise management of its financial resources and the reduction of the total **standalone** debt by 8%, to decrease from EGP 485 million to EGP 446 million.

In this regard, General/ Abdel Fattah Harhour, Chairman of the Board of Directors of Misr Cement Co. (Qena), said: "Misr Cement Co. (Qena) has succeeded in overcoming all the challenges that afflicted the cement sector in Egypt due to the spread of the unprecedented Coronavirus pandemic and the decline in demand at both the national and international levels. The company stood alone from its rivals in the Egyptian market by achieving more remarkable successes in the third quarter of 2020, as the group's consolidated net profits rose to EGP 39.20 million, recording an increase of 31.79% over the same period in 2019. Despite the decrease in the consolidated

net revenues by 21.94%, compared to the same period last year, Misr Cement Co. (Qena) achieved standalone net profits of EGP 45.16 million”.

On his part, Eng. Tarek Talaat - Managing Director of Misr Cement Co. (Qena) said: “In light of the current market conditions, which are witnessing a surplus in production faced by a contraction in consumption and a decrease in prices, Misr Cement Co. (Qena) has maintained exceptional performance that has contributed to its steadfastness in front of obstacles. The company was able to achieve a growth in net profits during the third quarter of 2020, by reducing operating costs while continuing to improve performance to achieve maximum effectiveness”. Eng. Tarek Talaat added: “As we are on the verge of the second wave of the unprecedented Coronavirus pandemic, Misr Cement Co. (Qena) does not save any efforts to work in full swing to be totally prepared for avoiding any obstacles that may arise, while ensuring the safety of its human resources by following the maximum preventive measures approved by the Egyptian Ministry of Health and the World Health Organization (WHO) to secure a safe environment for work that enables the company to continue its journey of success. ”

Misr Cement Co. (Qena) was established in 1997 with a capital of EGP 720 million and a production capacity of 2 million Ton/Year to produce cement of all kinds. The company owns a 60% stake in Minya Portland Cement Company, whose design capacity is estimated at 2 million tons annually. The company also owns a controlling share in ACICO Ready Mix Concrete Company by 100%, in order to produce 500 thousand cubic meters of ready-mixed concrete through 9 concrete plants.