

16 November 2021

## MM Group for Industry and International Trade S.A.E (MTI) Reports 3Q/9M2021 Results.

MM Group for industry and International Trade (MTI), today announced its Standalone and Consolidated results for the period ending 30 September 2021. The consolidated revenues in 9M21 increased by 8.1% Y-o-Y to reach EGP 7.1 billion compared to EGP 6.5 billion. And the standalone revenues in 9M21 increased by 5.4% Y-o-Y to reach EGP 5.6 billion compared to EGP 5.2 billion.

Consolidated gross profit in 9M21 increased by 9.7% Y-o-Y to reach EGP 770 million compared to EGP 701 million. And the standalone gross profit in 9M21 increased by 4.9% Y-o-Y to reach EGP 646 million compared to EGP 615 million.

Consolidated gross profit margin in 9M21 reached 10.88% compared to 10.71% in 9M20. And the standalone gross profit margin in 9M21 reached 11.57% compared to 11.62% in 9M20.

Consolidated EBITDA in 9M21 increased by 14.5% Y-o-Y to reach EGP 495 million compared to EGP 432 million. And the standalone EBITDA in 9M21 increased by 8.3% Y-o-Y to reach EGP 426 million compared to EGP 393 million.

Consolidated EBITDA margin in 9M21 reached 7.0% compared to 6.6% in 9M20. And the standalone EBITDA margin in 9M21 reached 7.6% compared to 7.4% in 9M20.

Consolidated net profit in 9M21 increased by 10.7% Y-o-Y to reach EGP 328 million compared to EGP 297 million, supported by strong contribution from Kanawat, and our non-banking financial arm Ebtikar and Basata. And the standalone net profit in 9M21 increased by 6.5 % Y-o-Y to reach EGP 305 million compared to EGP 287 million.

Consolidated net profit margin in 9M21 reached 4.6% compared to 4.5% in 9M20. While the standalone net profit margin in 9M21 reached 5.5% compared to 5.4% in 9M20.

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## Consolidated Financial Highlights 3Q 2021

EGP mn	9M 2021	9M 2020	Y-o-Y	3Q 2021	3Q 2020	Y-o-Y
Revenues	7,078	6,550	8.1%	2,242	2,207	1.6%
Gross Profit	770	702	9.7%	231	213	8.8%
Gross Profit Margin	10.88%	10.71%		10.32%	9.64%	
EBITDA	495	432	14.5%	134	126	6.4%
EBITDA Margin	6.99%	6.60%		5.96%	5.69%	
Net Income	328	297	10.7%	87	88	-1.5%
Net Income Margin	4.64%	4.53%		3.87%	3.98%	

## Standalone Financial Highlights 3Q 2021

EGP mn	9M 2021	9M 2020	Y-o-Y	3Q 2021	3Q 2020	Y-o-Y
Revenues	5,584	5,298	5.4%	1,728	1,721	0.4%
Gross Profit	646	616	4.9%	188	181	4.2%
Gross Profit Margin	11.57%	11.62%		10.90%	10.51%	
EBITDA	426	393	8.3%	108	110	17.8%
EBITDA Margin	7.63%	7.42%		6.23%	6.39%	
Net Income	306	287	6.5%	78	82	-5.3%
Net Income Margin	5.47%	5.42%		4.51%	4.78%	



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**About MM Group for Industry and Trade S.A.E (MTI)**

MTI is an Egyptian joint- stock company listed on the Egyptian Stock Exchange (Ticker: [MTIE.CA](#)). MTI is one of Egypt's largest distribution companies by geographic coverage with access to over 40,000 points of sale. MTI operates various business lines, including consumer electronics, telecommunication, automotive, seamless pipes, and tractors through partnerships with leading global brands including Samsung, Vodafone, Huawei, Range Rover, Jaguar, Maserati, Bentley, Carrier and Bosch.

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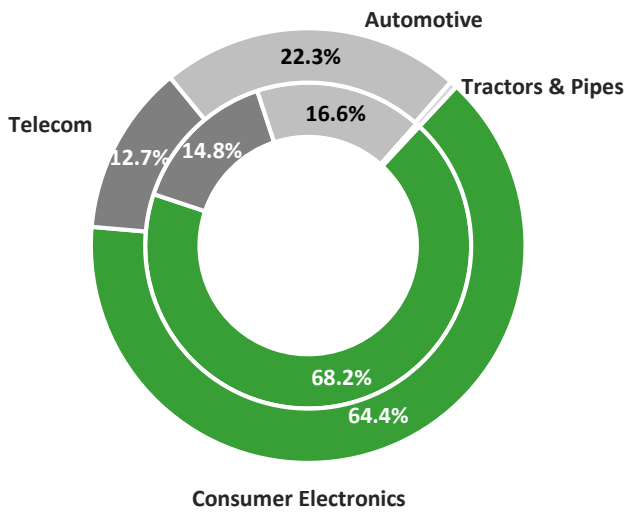


## Group Operational Performance

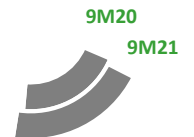
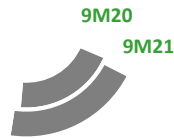
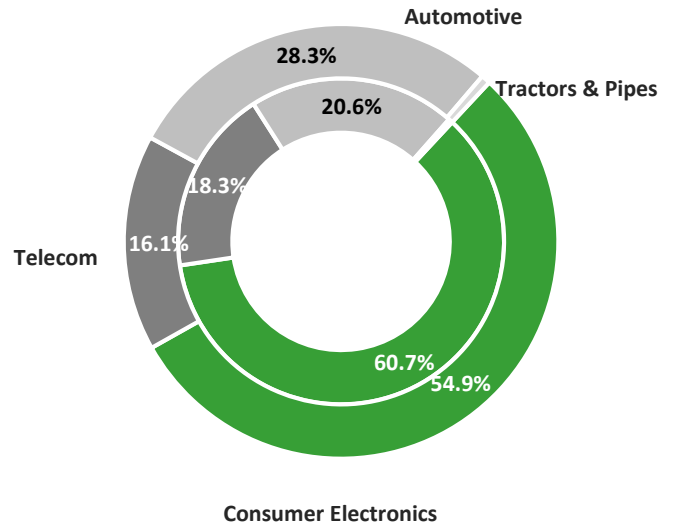
### Revenue Breakdown by Line of Business

- The consolidated revenues in 3Q21 increased by 1.6% Y-o-Y to reach EGP 2.24 billion compared to EGP 2.21 billion. And the standalone revenues in 3Q21 increased by 0.4% Y-o-Y to reach EGP 1.73 billion compared to EGP 1.72 billion.

9M21 Consolidated Revenue Breakdown by LoB | %

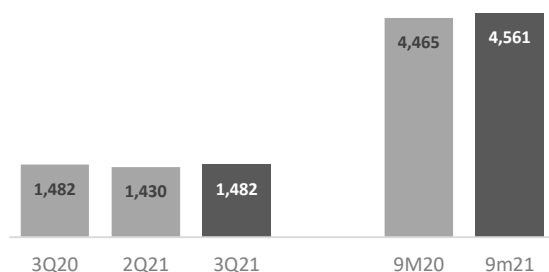


9M21 Standalone Revenue Breakdown by LoB | %

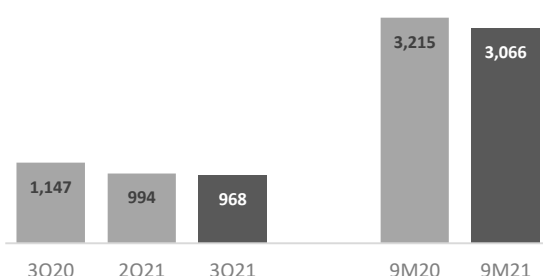


- The consumer Electronics line of business which represents 64.43% of the consolidated revenues in 9M21, increased by 2.1% Y-o-Y to reach EGP 4.6 billion compared to EGP 4.5 billion, while in 3Q21 it decreased by 9.2% Y-o-Y to reach EGP 1.5 billion compared to EGP 1.6 billion. And the standalone revenues in 9M21 decreased by 4.6% Y-o-Y to reach EGP 3.1 billion compared to EGP 3.2 billion, and also decreased in 3Q21 by 15.6% Y-o-Y to reach EGP 968 million compared to EGP 1.1 billion.
- In 9M21 the mobile segment revenues decreased by 7% , mainly driven by lower Huawei Sales as they didn't introduce any models during the period while the home appliances segment revenues increased by 34%.
- The mobile segment still representing the major contributor with 71% of total consolidated consumer electronics revenues in 9M21 and the remaining 29% was coming from the home appliances segment.

### Consolidated Revenue | EGP mn

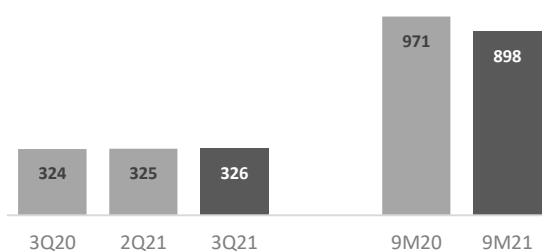


### Standalone Revenue | EGP mn



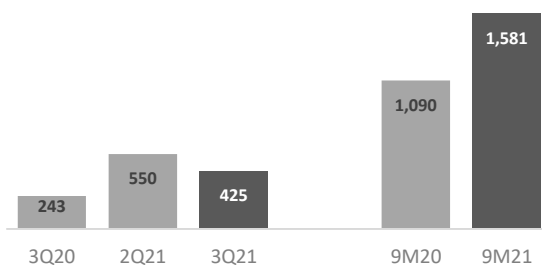
- The telecom line of business which represents 12.69% of the consolidated revenues in 9M21, decreased by 7.5% Y-o-Y to reach EGP 898 million compared to EGP 971million, on back of shifting the users from using the traditional scratch cards to the e payment platforms. While in 3Q21 the revenues increased by 0.8% Y-o-Y to reach EGP 326 million compared to EGP 324 million.

### Revenue | EGP mn



- The automotive line of Business which represents 22.35% of the consolidated revenues in 9M21, increased by 45.1% Y-o-Y to reach EGP 1.6 billion compared to EGP 1.1 million, and in 3Q21 it also increased by 74.9% to reach EGP 425 million compared to EGP 243 million. The sales volumes in 9M21 increased by 29.7% Y-o-Y to reach 892 cars sold compared to 688 cars and in 3Q21 it increased by 77.3%Y-o-Y to reach 266 cars sold compared to 150.

### Revenue | EGP mn

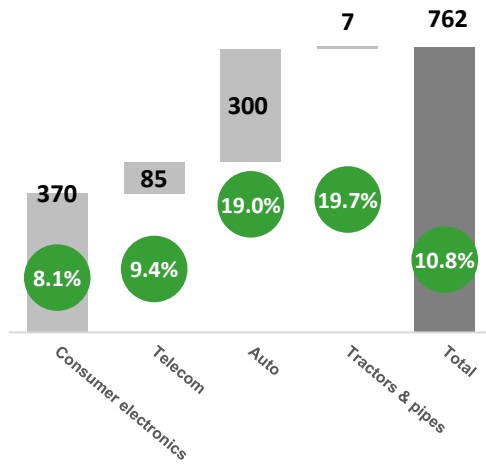


- The tractors and pipes line of business which represents 0.5% of the consolidated revenues in 9M21, increased by 54.6% Y-o-Y to reach EGP 38 million compared to EGP 24 million and in 3Q21 it increased by 26.7% Y-o-Y to reach EGP 9 million compared to EGP 7 million.

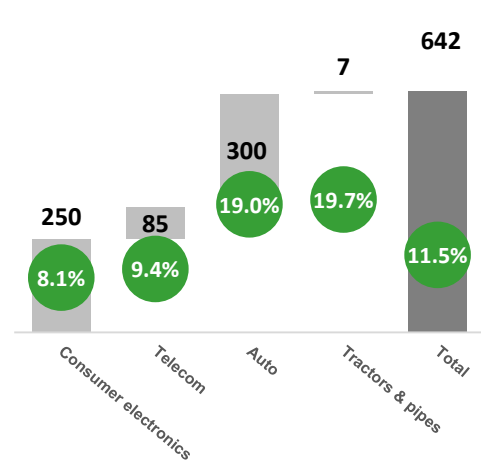
## Gross Profit Breakdown by Line of Business

- The consolidated gross profit in 3Q21 increased by 8.8% Y-o-Y to reach EGP 231 million compared to EGP 213 million. And the standalone gross profit in 3Q21 also increased by 4.2% Y-o-Y to reach EGP 188 million compared to EGP 180 million.

9M21 Consolidated GP and margin | EGP mn, %



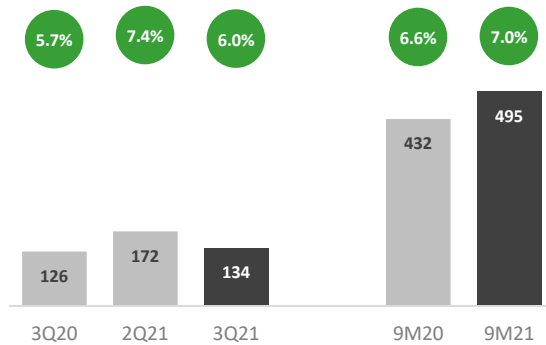
9M21 Standalone GP and margin | EGP mn, %



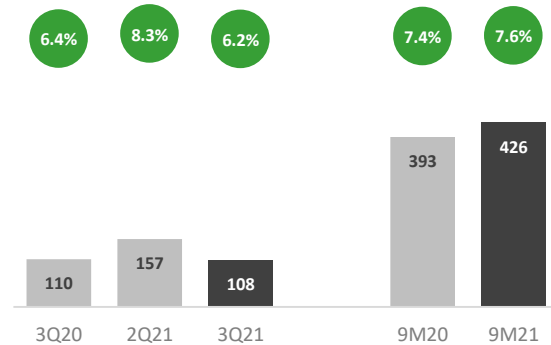
## Earnings before Interest Tax Depreciation and Amortization

- The consolidated EBITDA in 3Q21 increased by 6.4% Y-o-Y to reach EGP 134 million compared to EGP 126 million. While the standalone EBITDA in 3Q21 decreased by 2.1% Y-o-Y to reach EGP 108 million compared to EGP 110 million.

Consolidated EBITDA & Margin | EGP mn, %



Standalone EBITDA & Margin | EGP mn, %



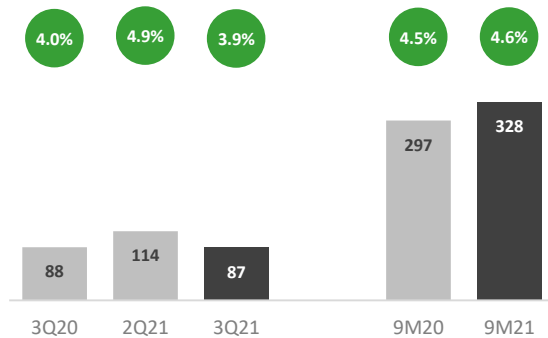
## Depreciation & Amortization

- The consolidated depreciation expense registered EGP 33.5 million in 9M21, an increase of 81.5% Y-o-Y from the EGP 18.4 million and the standalone depreciation expense registered EGP 18.5 million in 9M21 an increase also of 54.7% from the EGP 11.9 million, driven by the adoption of the new EAS 49 “lease Contracts” during the beginning of 2021, with consequent effects the depreciation expense.

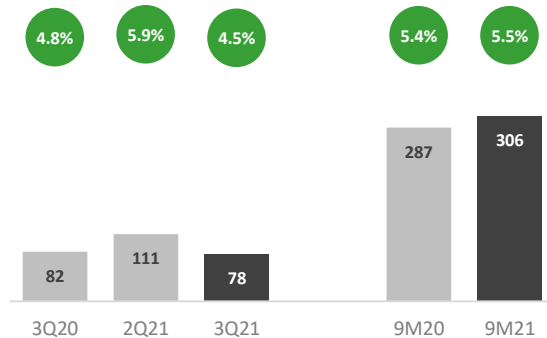
## Net Profit

- The consolidated net profit in 3Q21 decreased by 1.5% Y-o-Y to reach EGP 87 million compared to EGP 88 million. And the standalone net profit in 3Q21 also decreased by 5.3% Y-o-Y to reach EGP 78 million compared to EGP 82 million.

Consolidated Net Profit & Margin | EGP mn, %

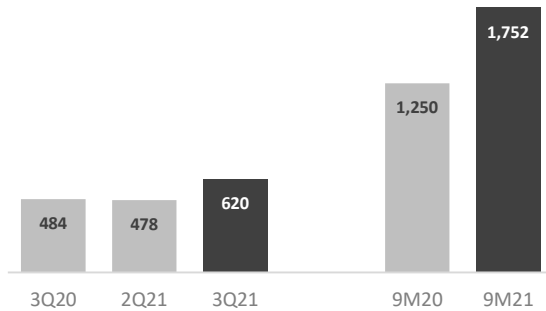


Standalone Net Profit & Margin | EGP mn, %

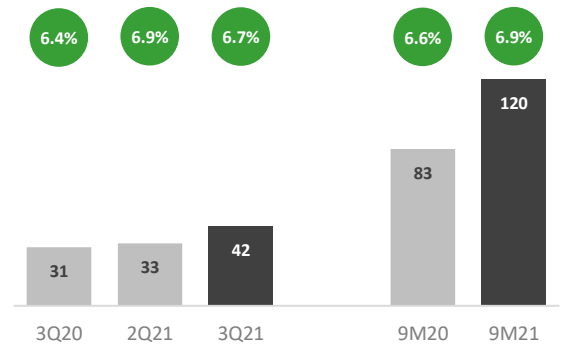


## Kanawat Operational Performance

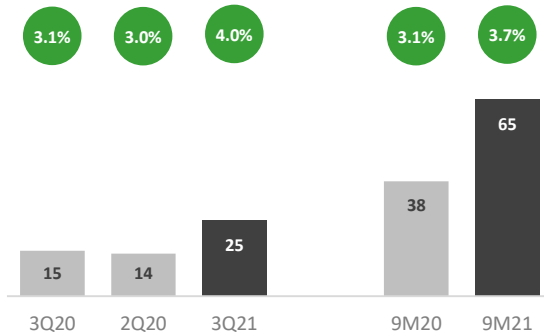
### Revenue | EGP mn



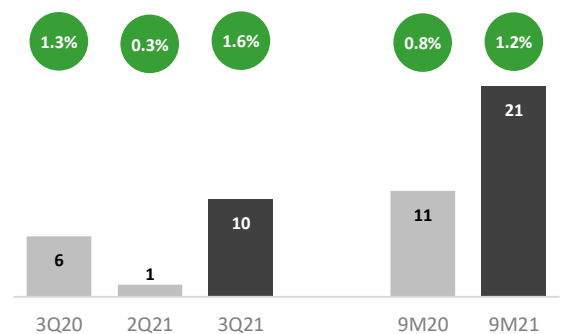
### Gross Profit & Margin | EGP mns, %



### EBITDA & Margin | EGP mns, %



### Net Profit & Margin | EGP mns, %



- Kanawat reported strong top and bottom line growth in 9M21 with revenues rising 40.2% Y-o-Y to EGP 1.8 billion, and net profit expanding 98.6% Y-o-Y to record EGP 20.9 million.
- The mobile segment still representing the major contributor with 93% of total revenues in 9M21 and the remaining 7% is coming from the home appliances segment and retail shops.
- In 2321, the revenue increased by 28% Y-o-Y to reach EGP 620 million compared to EGP 484 million, and the bottom line surged by 58.4% to reach EGP 9.7 million compared to EGP 6.1 million.



## Consolidated Balance Sheet

EGP 000'	9M 2021	FY 2020
<b>Assets</b>		
Cash and Cash equivalents	706,105	309,449
<b>Current Assets</b>	<b>2,244,181</b>	<b>2,215,035</b>
Fixed Assets	727,567	494,702
<b>Total Assets</b>	<b>3,677,853</b>	<b>3,019,186</b>
<b>Liabilities &amp; Equity</b>		
Bank overdrafts	332,216	292,732
<b>Current Liabilities</b>	<b>1,140,850</b>	<b>898,120</b>
Non-Current Liabilities	115,494	124
Minority Interest	111,822	106,981
<b>Net Worth</b>	<b>2,089,293</b>	<b>1,828,209</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,677,853</b>	<b>3,019,186</b>

## Standalone Balance Sheet

EGP 000'	9M 2021	FY 2020
<b>Assets</b>		
Cash and Cash equivalents	695,383	294,172
<b>Current Assets</b>	<b>1,578,026</b>	<b>1,510,315</b>
Fixed Assets	753,327	575,312
<b>Total Assets</b>	<b>3,026,736</b>	<b>2,379,799</b>
<b>Liabilities &amp; Equity</b>		
Bank overdrafts	185,963	73,376
<b>Current Liabilities</b>	<b>974,685</b>	<b>741,779</b>
Non-Current Liabilities	65,770	0
<b>Net Worth</b>	<b>1,800,318</b>	<b>1,561,644</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,026,736</b>	<b>2,379,799</b>

