

ELSEWEDY ELECTRIC Records over a Two-Fold Increase in Bottom-Line as of Q3 2016; Revenues up 20% Y-o-Y

Q3 2016 Consolidated Financial Highlights

<p>Revenues</p> <p>EGP 4,874 million</p> <p>▲ 20% y-o-y</p>	<p>Gross Profit</p> <p>EGP 1,166 million</p> <p>▲ 72% y-o-y / 24% margin</p>
<p>EBITDA</p> <p>EGP 1,032 million</p> <p>▲ 158% y-o-y / 21% margin</p>	<p>Net Profit after Minority</p> <p>EGP 721 million</p> <p>▲ 153% y-o-y / 15% margin</p>

9M 2016 Consolidated Financial Highlights

<p>Revenues</p> <p>EGP 15,427 million</p> <p>▲ 7% y-o-y</p>	<p>Gross Profit</p> <p>EGP 3,573 million</p> <p>▲ 51% y-o-y / 23% margin</p>
<p>EBITDA</p> <p>EGP 3,171 million</p> <p>▲ 89% y-o-y / 21% margin</p>	<p>Net Profit after Minority</p> <p>EGP 2,352 million</p> <p>▲ 144% y-o-y / 15% margin</p>

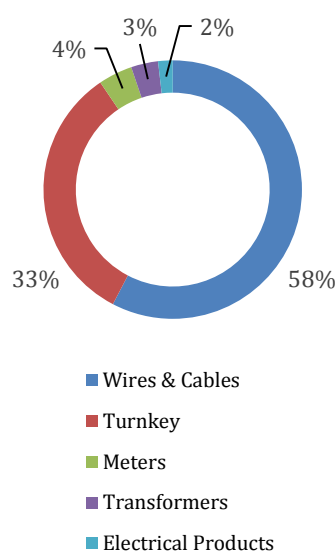
November 16th, 2016

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 nine-month period ended September 30th, 2016. Net profit after minority interest in 9M 2016 recorded EGP 2,352 million on revenues of EGP 15,427 million, up 2.5x over the same period last year and with a net profit margin of 15.2%. On a quarterly basis, the company's bottom line came in at EGP 721 million in Q3 2016 on revenues of EGP 4,874 million, up 153% y-o-y compared to the EGP 285 million booked in the same period last year.

Summary Income Statement

EGP (000)'s	Q3-2016	Q3-2015	% Change	9M-2016	9M-2015	% Change
Revenue	4,873,631	4,054,073	20%	15,427,303	14,376,656	7%
Gross Profit	1,165,819	675,903	72%	3,572,634	2,362,890	51%
Gross Profit Margin	23.9%	16.7%		23.2%	16.4%	
EBITDA	1,031,586	400,178	158%	3,170,920	1,679,639	89%
EBITDA Margin	21.2%	9.9%		20.6%	11.7%	
Net Income After Minority	720,733	284,575	153%	2,351,675	962,276	144%
Net Income After Minority Margin	14.8%	7.0%		15.2%	6.7%	

**Revenue by Segment
(9M 2016)**



Revenue Analysis by Segment

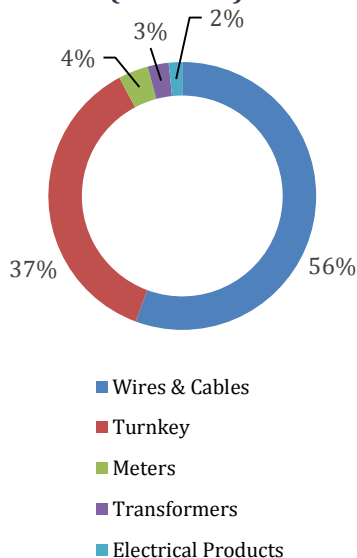
The largest contributors to revenues during 9M 2016 continue to be the wires & cables segment at 58% (9M 2015: 56%), followed by the turnkey projects segment at 33% (9M 2015: 37%). Meanwhile, the meters segment contributed 4% (9M 2015: 4%), and the transformers and electrical products remained unchanged at a combined 5% in 9M 2016.

Revenue growth in 9M 2016 was largely driven by the wires & cables segment having posted an 11% y-o-y increase in top-line and contributed over 85% to consolidated revenue growth in absolute terms. The turnkey operations, however, was the only segment to post a y-o-y decline in revenues of 4% in 9M 2016, yet it is worth mentioning that on a quarterly basis the segment turned a solid performance with revenues up 65% y-o-y in Q3 2016. All other segments also recorded strong growth in 9M 2016 with the meters climbing to EGP 657 million (up 26% y-o-y), transformers at EGP 522 million (up 44% y-o-y) and electrical products posting EGP 281 million (up 20% y-o-y).

Summary of Revenues by Segment

EGP mn	Q3-16	Q3-15	Change	9M-16	9M-15	Change
Wires & Cables	2,667.5	2,598.2	3%	8,895.5	8,001.4	11%
Turn Key Projects	1,683.5	1,022.3	65%	5,071.9	5,257.1	-4%
Meters	247.9	193.7	28%	657.5	520.2	26%
Transformers	152.1	154.6	-2%	521.9	363.5	44%
Other Electrical Products	122.7	85.3	44%	280.6	234.3	20%
Total	4,873.6	4,054.1	20%	15,427.3	14,376.7	7%

**Revenue by Segment
(9M 2015)**

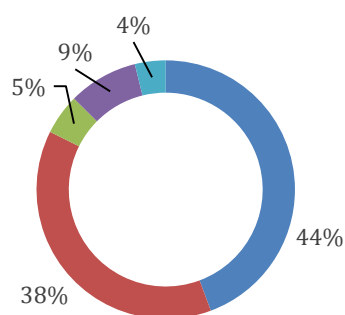


Gross Profit Analysis by Segment

Strengthening margins saw gross profit growth outpacing revenue growth both at the consolidated and segment levels in 9M 2016 save for the electrical products. Overall, the group posted a gross profit of EGP 3,573 million in 9M 2016, up an impressive 51% y-o-y, with GP margin inching up 6.8 points to 23.2%. Gross profit growth was largely driven by both the wires & cables segment and the turnkey projects, with margin improvement at the latter (9M 2016: 27% vs. 9M 2015: 18%) reversing the subdued performance at its top-line.

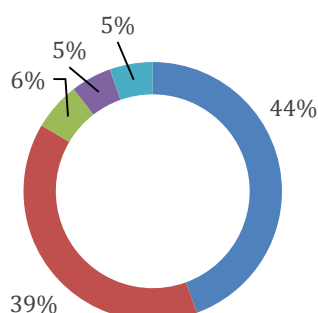
Gross profit from the wires & cables increased by 51% y-o-y to EGP 1,584 million and yielded a GP margin of 18% compared to 13% in 9M 2015. The turnkey projects posted EGP 1,359 million at the gross profit level, up 47% y-o-y, and contributing 36% to consolidated gross profit growth in absolute terms. Meanwhile, the transformers segment also recorded significant improvement in gross profit, standing at EGP 311 million in 9M 2016, up 159% y-o-y, with GP margin at 60% versus 33% in the same period last year. The meters segment turned a 28% y-o-y increase in gross profit to EGP 181 million while the electrical products recorded EGP 137 million, up 8% in 9M 2016 compared to the same period last year.

**GP by Segment
(9M 2016)**



- Wires & Cables
- Turnkey
- Meters
- Transformers
- Electrical Products

**GP by Segment
(9M 2015)**



- Wires & Cables
- Turnkey
- Meters
- Transformers
- Electrical Products

Summary of Gross Profit by Segment

EGP mn	Q3-16	Q3-15	Change	9M-16	9M-15	Change
Wires & Cables	505.3	344.0	47%	1,583.6	1,049.8	51%
Turn Key Projects	343.7	200.8	71%	1,359.2	923.4	47%
Meters	70.0	50.4	39%	181.3	142.2	28%
Transformers	189.5	34.8	445%	311.1	120.2	159%
Other Electrical Products	57.3	45.9	25%	137.5	127.3	8%
Total	1,165.8	675.9	72%	3,572.6	2,362.9	51%

Segments Overview

Wires & Cables Segment

Revenues from the wires & cables segment increased by 11% y-o-y in 9M 2016 to EGP 8,896 million versus EGP 8,001 million in 9M 2015. Revenue growth was largely volume driven with the segment selling a total of 123 thousand tons in 9M 2016, up 14% y-o-y compared to the 108 thousand tons sold in 9M 2015.

Segment gross profit came in at EGP 1,584 million in 9M 2016, up 51% y-o-y and posting a GP margin of 18%, up from the 13% achieved in 9M 2015. Consequently, gross profit per ton increased by 33% y-o-y in 9M 2016 to EGP 8,880. The improvement in gross profitability is owing to exports to the GCC as well as increased sales of high voltage cables.

Wires & Cables Segment Financial Highlights

	Q3-16	Q3-15	Change	9M-16	9M-15	Change
Revenues Before						
Intercompany Sales (EGP 000's)	4,349,421	4,051,606	7%	13,574,711	12,787,911	6%
Revenues After						
Intercompany Sales (EGP 000's)	2,667,472	2,598,197	3%	8,895,513	8,001,429	11%
Gross Profit (EGP 000's)	505,276	343,965	47%	1,583,559	1,049,837	51%
Cables Sales Volumes (Tons)	37,055	35,725	4%	123,483	108,090	14%
Cables Gross profit per ton (EGP)	9,694	6,343	53%	8,880	6,657	33%
GP Margin Before Intercompany Sales	11.6%	8.5%		11.7%	8.2%	
GP Margin After Intercompany Sale	18.9%	13.2%		17.8%	13.1%	

Turnkey Projects

On a nine-month basis, revenues from turnkey projects came in 4% lower y-o-y at EGP 5,072 million. Meanwhile, the segment posted a solid 65% y-o-y increase in Q3 2016 revenues, recording EGP 1,684 million compared to the EGP 1,022 million recorded in the same period last year.

At the gross profit level, the segment turned a marked improvement with 9M 2016 gross profit coming in 47% higher y-o-y at EGP 1,359 million, with a GP margin of 27% versus 18% in the same period last year.

Meanwhile, turnkey projects backlog stood at EGP 20.5 billion as of 30 September, 2016. The group continues to maintain a geographically diversified backlog between Egypt (61%), Africa (25%) and the GCC (14%).

Meters Segment

Revenues from the meters segment increased by 26% y-o-y in 9M 2016 to EGP 657 million compared to the EGP 520 million posted in the same period last year. Revenue growth for the segment was again volume driven with over 2.4 million meters sold in 9M 2016, up 32% y-o-y compared to the 1.9 million meters sold in 9M 2015. Revenue growth was reflected on the segment's gross profit having recorded a 28% y-o-y increase to EGP 181 million in 9M 2016, yielding a margin of 28%, somewhat flat compared to the 27% recorded in 9M 2015.

As of 30 September, 2016, total meters backlog stood at EUR 145 million.

Meters Segment Financial Highlights

	Q3-16	Q3-15	Change	9M-16	9M-15	Change
Revenues Before Intercompany Sales (EGP 000's)	261,336	258,362	1%	680,341	614,953	11%
Revenues After Intercompany Sales (EGP 000's)	247,906	193,691	28%	657,454	520,239	26%
Gross Profit (EGP 000's)	70,009	50,395	39%	181,289	142,165	28%
Sales Volumes (meters)	941,027	693,494	36%	2,484,035	1,880,366	32%
Gross profit per meter (EGP)	76	73	4%	73	76	-3%
GP Margin Before Intercompany Sales	26.8%	19.5%		26.6%	23.1%	
GP Margin After Intercompany Sale	28.2%	26.0%		27.6%	27.3%	

Transformers Segment

Revenues from the transformers segment came in at EGP 522 million in 9M 2016, up 44% y-o-y. Gross profit meanwhile climbed more than 2.5x in 9M 2016 to EGP 311 million, with GP margin almost doubling to 60% compared to the 33% recorded in 9M 2015. Margin improvement was driven by increased intercompany sales during the period.

As at 30 September, 2016 the transformers backlog stood at USD 55 million.

Transformers Segment Financial Highlights

	Q3-16	Q3-15	Change	9M-16	9M-15	Change
Revenues Before						
Intercompany Sales (EGP 000's)	351,190	154,416	127%	725,305	472,927	53%
Revenues After						
Intercompany Sales (EGP 000's)	152,070	154,601	-2%	521,912	363,520	44%
Gross Profit (EGP 000's)	189,508	34,769	445%	311,128	120,233	159%
Sales Volumes (MVA)	1,582	1,066	48%	4,435	3,022	47%
Gross profit per MVA (EGP)	119,705	32,628	267%	70,150	39,786	76%
<i>GP Margin Before Intercompany Sales</i>	54.0%	22.5%		42.9%	25.4%	
<i>GP Margin After Intercompany Sale</i>	124.6%	22.5%		59.6%	33.1%	

Other Electrical Products

Revenues from the electrical products segment increased by 20% y-o-y in 9M 2016 to EGP 281 million, while gross profit recorded EGP 138 million, up 8% y-o-y with 49% margin.

Selling General and Administrative Expenses

SG&A during the nine-month period stood at EGP 831 million in 9M 2016, up 25% y-o-y. As a percentage of sales, SG&A recorded 5.4% in 9M 2016 versus 4.6% in the same period last year.

Net Debt

Net debt as of 30 September, 2016 stood at EGP 2,737 million, down by 11.0% compared to the EGP 3,075 million carried as of 30 June, 2016.

Inventory levels remained somewhat unchanged at EGP 4,148 million as of 30 September, 2016 compared to the EGP 4,170 million posted at the previous quarter's close. Meanwhile, account receivables stood at EGP 10,062 million as of 30 September, 2016, inching up slightly compared to the previous close of EGP 9,936 million. Accounts payable remained largely unchanged as of 30 September, 2016 at EGP 7,083 million versus EGP 7,022 million as of 30 June, 2016.

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 10,000 employees working at 30 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.

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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	Q3-2016	Q3-2015	9M-2016	9M-2015
Sales				
Wires & Cables	2,667,472,130	2,598,196,628	8,895,512,855	8,001,428,640
Electrical Products	522,627,722	433,564,603	1,459,920,300	1,118,095,212
Turnkey Projects	1,683,531,143	1,022,312,009	5,071,869,952	5,257,132,456
Total Sales	4,873,630,995	4,054,073,240	15,427,303,107	14,376,656,308
COGS	(3,707,811,885)	(3,378,170,697)	(11,854,668,806)	(12,013,766,455)
Gross Profit	1,165,819,110	675,902,543	3,572,634,301	2,362,889,853
Gross Profit Margin	23.9%	16.7%	23.2%	16.4%
SG&A	(269,209,931)	(210,437,043)	(831,159,097)	(664,887,312)
Income from Investments	53,413,618	36,711,285	198,200,342	96,970,844
Other Operating Income	49,849,333	12,457,044	116,627,958	185,595,535
Other Operating Expense	(58,121,123)	(196,807,322)	(148,875,540)	(547,113,447)
Other Operating Income/ (Expenses)	(8,271,790)	(184,350,278)	(32,247,582)	(361,517,912)
EBITDA	1,031,586,094	400,178,089	3,170,920,083	1,679,638,505
EBITDA Margin	21.2%	9.9%	20.6%	11.7%
Depreciation & Amortization	(89,835,087)	(82,351,582)	(263,492,119)	(246,183,032)
Fx Gain / (Loss)	10,956,570	(6,351,661)	203,795,235	(8,755,664)
EBIT	952,707,577	311,474,846	3,111,223,199	1,424,699,809
Interest Expense	(112,023,626)	(83,395,597)	(280,667,532)	(207,969,006)
Interest Income	56,205,645	48,291,341	120,587,889	166,218,818
Interest Income / (Expenses)	(55,817,981)	(35,104,256)	(160,079,643)	(41,750,188)
EBT	896,889,596	276,370,590	2,951,143,556	1,382,949,621
Tax	(150,265,268)	18,972,646	(543,751,687)	(294,685,488)
Net Income	746,624,328	295,343,236	2,407,391,869	1,088,264,133
Minority Interest	(25,891,539)	(10,768,209)	(55,716,963)	(125,988,608)
Net Income After Minority Interest	720,732,789	284,575,027	2,351,674,906	962,275,525

Consolidated Balance Sheet

Restated

EGP	31-12-15	31-03-16	30-06-16	30-09-16
Assets				
<u>Long Term Assets</u>				
Fixed Assets	2,955,916,768	3,083,627,528	3,087,162,645	3,210,945,499
Investments	456,958,380	565,849,323	627,519,063	695,827,097
Other long term Assets & Good will	113,990,014	100,283,703	100,352,327	106,659,008
Other Long Term Receivables	9,106,678	2,820,152,799	2,167,339,892	1,802,997,667
Total Long term Assets	3,535,971,840	6,569,913,353	5,982,373,927	5,816,429,271
<u>Current Assets</u>				
Inventories	3,038,000,310	3,507,116,023	4,170,222,469	4,147,617,999
Receivables	7,187,712,961	5,192,039,210	5,953,256,136	5,212,491,283
Other Debit balance	1,299,544,652	1,978,747,681	1,815,269,874	3,046,724,231
Due from Related Parties	725,307,511	1,007,649,906	563,163,791	632,694,165
Cash & Cash Equivalents	3,666,405,160	3,468,415,947	4,259,891,135	4,593,188,960
Total Current Assets	15,916,970,594	15,153,968,767	16,761,803,405	17,632,716,638
Total Assets	19,452,942,434	21,723,882,120	22,744,177,335	23,449,145,909
Liabilities				
<u>Current Liabilities</u>				
Bank Overdraft & Short Term loans	5,646,852,181	7,000,204,020	7,150,148,005	6,336,928,129
Accounts Payable	1,263,383,538	1,225,100,748	1,390,280,674	1,256,940,343
Other Credit balance	5,118,215,484	5,308,333,849	5,631,796,230	5,826,164,857
Due to Affiliates	149,206,925	191,135,123	168,160,340	158,671,171
Provisions	327,423,647	304,274,694	343,548,409	294,775,842
Total Current Liabilities	12,505,081,775	14,029,048,434	14,683,933,658	13,873,480,342
Equity				
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	3,806,145,358	4,229,349,103	4,532,364,737	5,154,455,845
Others	156,763,432	444,551,632	465,131,878	487,190,638
Total Parent's Shareholders' Equity	6,197,088,790	6,908,080,735	7,231,676,616	7,875,826,483
Minority Interest	286,402,972	294,966,649	294,971,296	312,043,518
Total Equity	6,483,491,762	7,203,047,384	7,526,647,912	8,187,870,001
Long Term Loans	166,876,642	149,712,185	184,497,582	993,428,817
Other long term Liabilities	297,492,255	342,074,117	349,098,183	394,366,749
Total long term Liabilities	464,368,897	491,786,302	533,595,765	1,387,795,566
Total Liabilities & Equity	19,452,942,434	21,723,882,120	22,744,177,335	23,449,145,909