

ELSEWEDY ELECTRIC Net Profit Records a 209% Y-o-Y Increase in FY 2016 to EGP 3.9 billion; 4Q 2016 Revenues up 104% with Bottom-line up more than five-fold

Q4 2016 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 9,217 million ▲ 104% y-o-y	EGP 2,361 million ▲ 223% y-o-y	EGP 1,365 million ▲ 144% y-o-y	EGP 1,502 million ▲ 431% y-o-y

FY 2016 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 24,645 million ▲ 30% y-o-y	EGP 5,933 million ▲ 92% y-o-y	EGP 4,536 million ▲ 103% y-o-y	EGP 3,853 million ▲ 209% 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, 2016, reporting a net profit after minority interest of EGP 3,853 million, up 209% y-o-y, on revenues of EGP 24,645 million and yielding a Net Profit Margin (NPM) of 16%, a nine-point improvement compared to FY 2015. On a quarterly basis, the company posted record revenues of EGP 9,217 million in 4Q 2016, up 104% y-o-y and filtering into a bottom-line of EGP 1,502 million for the quarter, an impressive 431% y-o-y increase.

Summary Income Statement

EGP (000)'s	Q4-2016	Q4-2015	% Change	FY-2016	FY-2015	% Change
Revenue	9,217,370	4,517,872	104%	24,644,673	18,894,528	30%
Gross Profit	2,360,651	731,222	223%	5,933,285	3,094,112	92%
Gross Profit Margin	26%	16%		24%	16%	
EBITDA	1,364,590	558,756	144%	4,535,510	2,238,395	103%
EBITDA Margin	15%	12%		18%	12%	
Net Income After Minority	1,501,768	282,862	431%	3,853,443	1,245,138	209%
Net Income After Minority Margin	16%	6%		16%	7%	

Financial Highlights

- **Revenues** increased 30% y-o-y to EGP 24,645 million in FY 2016, driven by both organic growth and the translation into local currency of international and export revenues denominated in foreign currencies. The translation effect was particularly pronounced in the wake of the 3 November 2016 float of the Egyptian pound.
- **Gross Profit** posted EGP 5,933 million in FY 2016, up 223% y-o-y and with a margin of 24.1%.
- **SG&A** during the full-year stood at EGP 1,343 million in FY 2016, up 109% y-o-y. As a percentage of sales, SG&A recorded 5.4% in FY 2016 versus 4.8% in the previous year.
- **EBITDA** posted EGP 4,536 million in FY 2016, up 103% y-o-y and with an 18.4% margin, a six-point expansion. On a quarterly basis, EBITDA posted EGP 1,365 million in Q4 2016, up 144% y-o-y with an EBITDA margin of 14.8%.
- **Net Profit after Minority Interest** came in at EGP 3,853 million in FY 2016, up more than three-fold compared to the EGP 1,245 million recorded in FY 2015 and with a NPM of 16% (FY 2015: 9%). On a quarterly basis, net profit posted EGP 1,502 million, a 431% y-o-y surge. Improvement in bottom-line profitability was supported by an FX gain following the float of the Egyptian Pound on 3 November, 2016, which saw the company book a gain of EGP 1,108 million in Q4 2016 and EGP 1,312 million for the full-year.
- **Net debt** as at 31 December, 2016 stood at EGP 2,696 million, down by 2.0% compared to the EGP 2,737 million carried on 30 September, 2016.
- **Inventory** levels grew 47% q-o-q to EGP 6,085 million as at 31 December, 2016, and up 100% compared to the EGP 3,038 million at year-end 2015. Meanwhile, the company's **account receivables** stood at EGP 17,355 million as at 31 December 2016, up 71% q-o-q compared to the previous close of EGP 10,062 million. **Accounts payable** also mirrored the overall growth in working capital components, posting EGP 13,444 million at year-end 2016, up almost 90% versus EGP 7,083 million as of 30 September, 2016.

Note from Our CEO

Our performance in 2016 speaks volumes of what a well-managed, export-driven, multi-country corporation can achieve when it is supported by the right macroeconomic framework and policies. Our company today is more competitive, more profitable and is ideally positioned to unlock future growth not just domestically, but on a regional and global scale. In 2016, we carefully deployed our resources to allow us to gear up to do just that.

In parallel to strengthening our foundation — our wires and cables business — the year just ended also saw us build a very strong track record in the Egyptian power generation market, a segment for which management has already laid out the strategy that will take us further up the value chain with power transmission and distribution. Our success in our home market will help springboard us into the power generation markets of neighbouring MENA countries as we expand our position as a leading regional energy solutions provider. At the same time, we will spare no effort to fully capitalize on the new global price competitiveness we enjoy thanks to the devaluation of the Egyptian pound, pushing through increased exports and opening new markets for all our business segments.

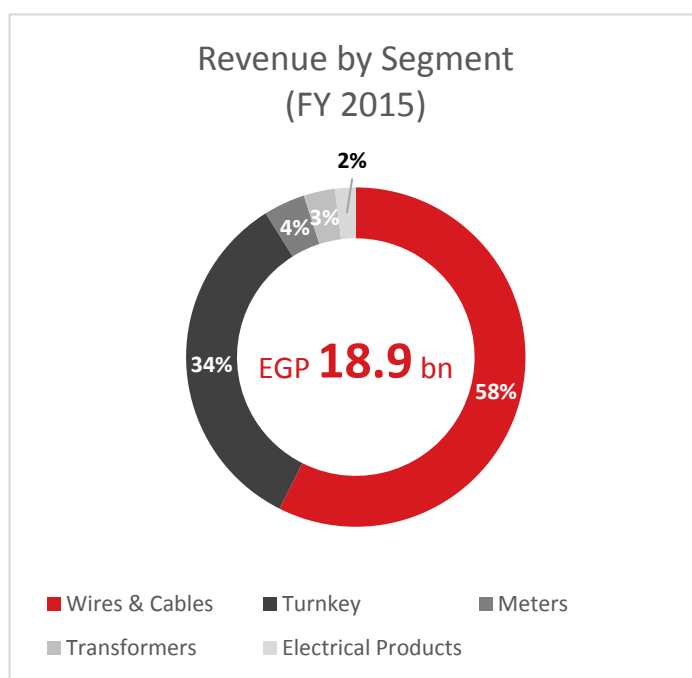
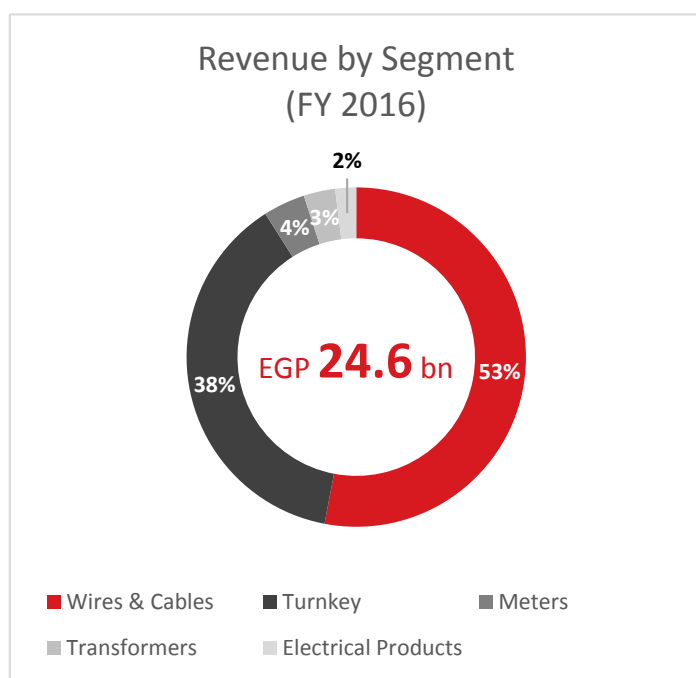
Almost halfway into 2017, I am increasingly optimistic about the prospects of the Egyptian economy and confident that short-term headwinds will diminish, leaving a clear path to sustainable long-term growth. I look forward to seeing how the Egyptian government's economic reform program benefits not just our company, but the wider economy.

Ahmed El Sewedy

Revenue Analysis by Segment

Contributors to revenues in FY 2016 were weighed toward the wires & cables segment at 53% (FY 2015: 58%) as well as the turnkey projects segment which contributed 38% to the company's top-line in FY 2016 (FY 2015: 34%). Contributions by the meters, transformers and electrical products segments remained unchanged at 4%, 3% and 2%, respectively in FY 2016.

Revenue growth in FY 2016 was driven primarily by the turnkey projects segment which posted a 49% y-o-y growth in sales to EGP 9,480 million and contributed 54% to total revenue growth in absolute terms. Following closely was the wires & cables segment which recorded revenues of EGP 12,961 million in FY 2016, up 19% y-o-y and constituting 36% of full-year revenue growth in absolute terms. Improvements in both the turnkey projects and wires & cables segment comes on the back of stronger performances during the final quarter of the year, with top-line growth recording 296% and 40%, respectively in Q4 2016. All other segments also turned solid performances in FY 2016, with the meters recording EGP 1,072 million (up 47% y-o-y), transformers at EGP 760 million (up 29% y-o-y), and other electrical products posting EGP 372 million (up 21% y-o-y).



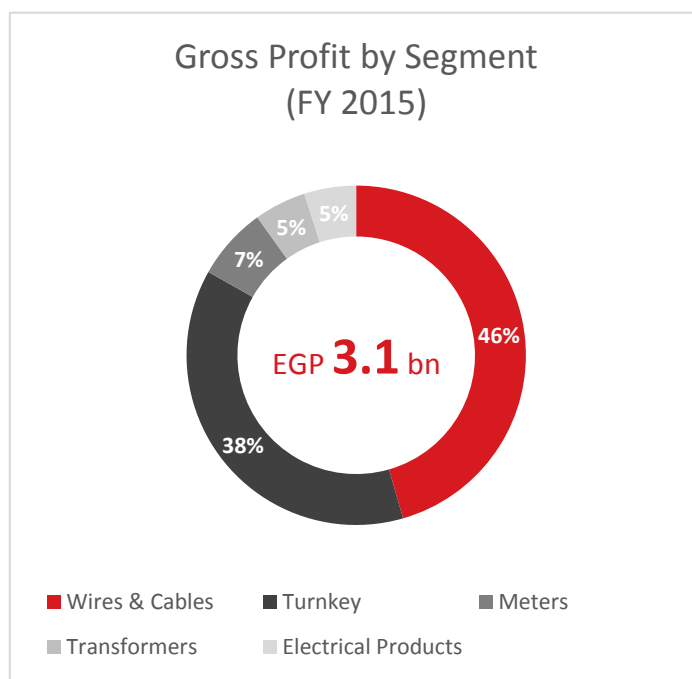
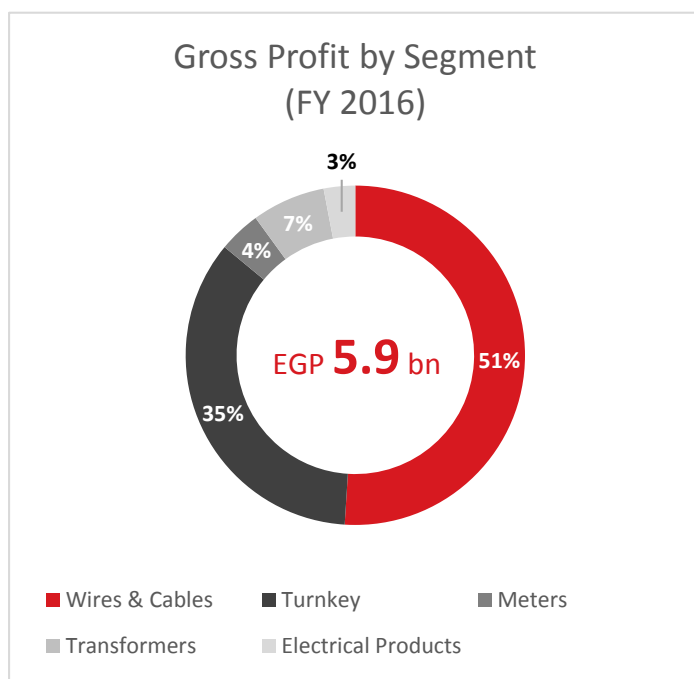
Summary of Revenues by Segment

EGP (000)'s	Q4-16	Q4-15	Change	FY-16	FY-15	Change
Wires & Cables	4,065,285	2,897,001	40%	12,960,798	10,898,429	19%
Turn Key Projects	4,408,550	1,112,103	296%	9,480,420	6,369,235	49%
Meters	414,095	209,715	97%	1,071,549	729,953	47%
Transformers	238,090	226,999	5%	760,002	590,519	29%
Other Electrical Products	91,350	72,055	27%	371,905	306,391	21%
Total	9,217,370	4,517,872	104%	24,644,673	18,894,528	30%

Gross Profit Analysis by Segment

The company posted gross profit growth of 92% y-o-y in FY 2016 to EGP 5,933 million and yielding a gross profit margin (GPM) of 24.1%, up eight points versus FY 2015. Gross profit growth was driven by margin expansion across all segments save for the meters, with the company benefiting from the translation of foreign currency denominated business.

The wires & cables segment posted gross profits of EGP 3,006 million in FY 2016, up 113% y-o-y, while gross profit from turnkey projects came in at EGP 2,096 million, recording a 79% y-o-y increase. GPM of the wires & cables segment expanded five percentage points to 16% in FY 2016, while turnkey project's GPM stood at 22% compared to 18% for the previous year. Together both segments contributed 86% to the company's gross profit in FY 2016 and 89% to gross profit growth in absolute terms. Meanwhile, the transformers segment recorded the fastest y-o-y growth in gross profit, increasing by 149% y-o-y to EGP 413 million in FY 2016. The company's meters segment turned a gross profit of EGP 241 million (up 18% y-o-y) and other electrical products stood at EGP 177 million (up 21% y-o-y).



Summary of Gross Profit by Segment

EGP (000)'s	Q4-16	Q4-15	Change	FY-16	FY-15	Change
Wires & Cables	1,422,562	358,706	297%	3,006,121	1,408,542	113%
Turn Key Projects	736,995	245,137	201%	2,096,169	1,168,518	79%
Meters	59,985	62,359	-4%	241,274	204,524	18%
Transformers	101,714	45,520	123%	412,842	165,753	149%
Other Electrical Products	39,394	19,500	102%	176,879	146,775	21%
Total	2,360,651	731,222	223%	5,933,285	3,094,112	92%

Segments Overview

Wires & Cables Segment

The wires & cables segment recorded revenues of EGP 12,961 million in FY 2016 (Q4 2016: EGP 4,065 million), up 19% y-o-y for the full-year and 40% y-o-y in the final quarter. Revenue growth for the segment was largely price driven with the segment's total volumes sold remaining somewhat unchanged in FY 2016 at 156 thousand tons (FY 2015: 154 thousand tons).

Gross profit from the segment increased 113% y-o-y to EGP 3,006 million in FY 2016 as the company's average gross profit per ton for the full-year expanded to EGP 10,789 compared to EGP 6,230 the previous year. The growth in full-year average prices was driven the significant 247% y-o-y growth in gross profit per ton recorded in Q4 2016, leading to a 297% y-o-y increase in segment gross profits for the final quarter. The wires & cables' GPM recorded 16% in FY 2016, up from 11% in FY 2015.

Wires & Cables Segment Financial Highlights

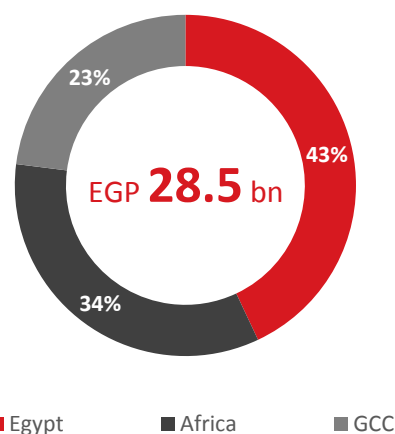
	Q4-16	Q4-15	Change	FY-16	FY-15	Change
Revenues Before Intercompany Sales (EGP 000's)	7,081,229	4,571,431	55%	20,655,940	17,359,342	19%
Revenues After Intercompany Sales (EGP 000's)	4,065,285	2,897,001	40%	12,960,798	10,898,429	19%
Gross Profit (EGP 000's)	1,422,562	358,706	297%	3,006,121	1,408,542	113%
GP Margin Before Intercompany Sales	20.1%	7.8%		14.6%	8.1%	
GP Margin After Intercompany Sale	35.0%	12.4%		23.2%	12.9%	
Cables Sales Volumes (Tons)	32,145	45,745	-30%	155,628	153,834	1%
Cables Gross profit per ton (EGP)	18,120	5,221	247%	10,789	6,230	73%

Turnkey Projects

Contributing the largest share to revenue growth in absolute terms in FY 2016, turnkey projects recorded a top-line of EGP 9,480 million for the full-year, up 49% y-o-y. On a quarterly basis, the segment saw revenues record a significant 296% y-o-y surge to EGP 4,409 million in Q4 2016 compared to the EGP 1,112 million posted in the same period last year.

Similarly, the segment's gross profit also saw a marked improvement closing the year at EGP 2,096 million, up 79% y-o-y and with a GPM of 22% versus 18% in FY 2015.

Backlog by Region
(As of 31 Dec, 2016)



Meters Segment

Revenues from the meters segment came in at EGP 1,072 million in FY 2016, up 47% y-o-y compared to the EGP 730 million recorded the previous year. The segment sold a total of 3.4 million meters during the year, up 17% y-o-y compared to the 2.9 million meters sold in FY 2015. Revenue growth filtered down to the gross profit level which recorded an increase of 18% y-o-y in FY 2016 to EGP 241 million, yielding a GPM of 23% compared to 28% in FY 2015.

Meters Backlog (As of 31 Dec, 2016)

EUR **131** mn

Meters Segment Financial Highlights

	Q4-16	Q3-15	Change	FY-16	FY-15	Change
Revenues Before Intercompany Sales (EGP 000's)	422,518	253,648	67%	1,102,860	868,600	27%
Revenues After Intercompany Sales (EGP 000's)	414,095	209,715	97%	1,071,549	729,953	47%
Gross Profit (EGP 000's)	59,985	62,359	-4%	241,274	204,524	18%
GP Margin Before Intercompany Sales	14.2%	24.6%		21.9%	23.5%	
GP Margin After Intercompany Sale	14.5%	29.7%		22.5%	28.0%	
Sales Volumes (meters)	881,235	986,359	-11%	3,365,270	2,866,725	17%
Gross profit per meter (EGP)	68	63	8%	72	71	0%

Transformers Segment

Revenues from the transformers segment grew 29% y-o-y in FY 2016 to EGP 760 million, while on a quarterly basis the segment's revenues posted a 5% y-o-y growth to EGP 238 million in Q4 2016. Growth at the gross profit level outpaced top-line growth, recording a 149% y-o-y increase to EGP 413 million in FY 2016, with an impressive 26 percentage point expansion in GPM to 54%.

Transformers Backlog (As of 31 Dec, 2016)

USD **44** mn

Transformers Segment Financial Highlights

	Q4-16	Q4-15	Change	FY-16	FY-15	Change
Revenues Before Intercompany Sales (EGP 000's)	347,232	224,390	55%	1,072,537	697,317	54%
Revenues After Intercompany Sales (EGP 000's)	238,090	226,999	5%	760,002	590,519	29%
Gross Profit (EGP 000's)	101,714	45,520	123%	412,842	165,753	149%
GP Margin Before Intercompany Sales	29.3%	20.3%		38.5%	23.8%	
GP Margin After Intercompany Sale	42.7%	20.1%		54.3%	28.1%	
Sales Volumes (MVA)	1,389	1,289	8%	5,824	4,311	35%
Gross profit per MVA (EGP)	72,499	35,315	105%	70,887	38,449	84%

Other Electrical Products

Revenues from the electrical products segment increased by 21% y-o-y to EGP 372 million in FY 2016, with gross profit growth mirroring the segment's top-line to record EGP 177 million and maintaining its GPM at 48%.

Recent Corporate Developments

Elsewedy Technical Academy

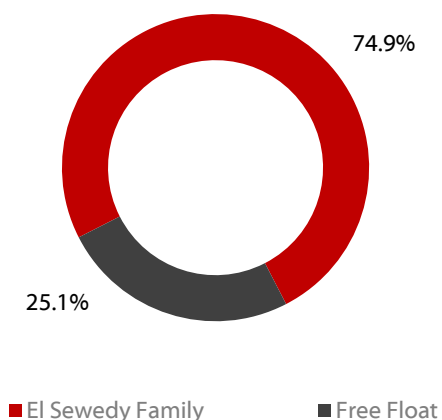
As part of Elsewedy Electric’s commitment to contributing to economic growth and the induction of skilled Egyptian labour into the workforce, 2016 saw the company take the initiative to setup the Elsewedy Technical Academy (STA) in cooperation with the Ministry of Education. STA is a three-year technical, secondary level academy offering customized technical curricula to over 500 students, currently covering fields such as Energy Components, Industrial Electronics, and Mechanics Maintenance and Repair. The school adopts a German curriculum based on the concept of dual learning, with students also being exposed to non-technical courses, including soft skills, cost reduction, computer skills and cultural subjects.

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. www.elsewedyelectric.com

Shareholders Structure

(as at 31 December, 2016)



Share Information

SWDY.CA on the EGX

Number of Shares 223,418,000

Share Price (31 Dec 2016) EGP 74.15

Market Cap (31 Dec 2016) EGP 16.6 bn

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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 (000)'s	Q4-2016	Q4-2015	Change	FY-2016	FY-2015	Change
Sales						
Wires & Cables	4,065,285	2,897,001	40%	12,960,798	10,898,429	19%
Electrical Products	743,535	508,769	46%	2,203,455	1,626,864	35%
Turnkey Projects	4,408,550	1,112,103	296%	9,480,420	6,369,235	49%
Total Sales	9,217,370	4,517,872	104%	24,644,673	18,894,528	30%
COGS	(6,856,719)	(3,786,650)		(18,711,388)	(15,800,416)	
Gross Profit	2,360,651	731,222	223%	5,933,285	3,094,112	92%
Gross Profit Margin	25.6%	16.2%		24.1%	16.4%	
SG&A	(511,870)	(244,378)	109%	(1,343,029)	(909,265)	48%
Income from Investments	132,624	47,935		330,824	144,905	
Other Operating Income	(51,313)	40,617		65,315	226,212	
Other Operating Expense	(688,829)	(101,264)		(837,705)	(648,378)	
Other Operating Income/ (Expenses)	(740,142)	(60,648)		(772,390)	(422,166)	
EBITDA	1,364,590	558,756	144%	4,535,510	2,238,395	103%
EBITDA Margin	14.8%	12.4%		18.4%	11.8%	
Depreciation & Amortization	(123,328)	(84,625)		(386,820)	(330,808)	
Fx Gain / (Loss)	1,107,750	(2,487)		1,311,545	(11,243)	
EBIT	2,349,013	471,644	398%	5,460,236	1,896,344	188%
Interest Expense	(134,387)	(45,966)	192%	(415,054)	(253,935)	63%
Interest Income	60,174	36,479	65%	180,762	202,698	-11%
Interest Income / (Expenses)	(74,213)	(9,487)	682%	(234,293)	(51,238)	357%
EBT	2,274,800	462,157	392%	5,225,943	1,845,106	183%
Tax	(727,463)	(217,538)		(1,271,215)	(512,223)	
Net Income	1,547,337	244,619	533%	3,954,728	1,332,883	197%
Minority Interest	(45,569)	38,243		(101,286)	(87,745)	
Net Income After Minority Interest	1,501,768	282,862	431%	3,853,443	1,245,138	209%

Consolidated Balance Sheet

EGP (000)'s	Restated			
	31-12-15	30-06-16	30-09-16	31-12-16
Assets				
Long Term Assets				
Fixed Assets	2,955,917	3,087,163	3,210,945	4,358,662
Investments	456,958	627,519	695,827	1,276,350
Other long term Assets & Good will	113,990	100,352	106,659	277,205
Other Long Term Receivables	9,107	2,167,340	1,802,998	3,867,394
Total Long term Assets	3,535,972	5,982,374	5,816,429	9,946,309
Current Assets				
Inventories	3,038,000	4,170,222	4,147,618	6,085,344
Receivables	7,187,713	5,953,256	5,212,491	10,428,542
Other Debit balance	1,299,545	1,815,270	3,046,724	3,059,174
Due from Related Parties	725,308	563,164	632,694	663,680
Cash & Cash Equivalents	3,666,405	4,259,891	4,593,189	8,522,477
Total Current Assets	15,916,971	16,761,803	17,632,717	28,592,520
Total Assets	19,452,942	22,744,177	23,449,146	38,538,829
Liabilities				
Current Liabilities				
Bank Overdraft & Short Term loans	5,646,852	7,150,148	6,336,928	9,797,606
Accounts Payable	1,263,384	1,390,281	1,256,940	3,140,412
Other Credit balance	5,118,215	5,631,796	5,826,165	10,304,329
Due to Affiliates	149,207	168,160	158,671	376,577
Provisions	327,424	343,548	294,776	1,179,508
Total Current Liabilities	12,505,082	14,683,934	13,873,480	24,798,432
Equity				
Issued and Paid Capital	2,234,180	2,234,180	2,234,180	2,234,180
Retained Earnings	3,806,145	4,532,365	5,154,456	6,589,889
Others	156,763	465,132	487,191	2,160,995
Total Parent's Shareholders' Equity	6,197,089	7,231,677	7,875,826	10,985,063
Minority Interest	286,403	294,971	312,044	584,497
Total Equity	6,483,492	7,526,648	8,187,870	11,569,560
Long Term Loans	166,877	184,498	993,429	1,420,571
Other long term Liabilities	297,492	349,098	394,367	750,266
Total long term Liabilities	464,369	533,596	1,387,796	2,170,836
Total Liabilities & Equity	19,452,942	22,744,177	23,449,146	38,538,829