

ELSEWEDY ELECTRIC Reports Q1 2024 Results; revenues up 35.7% year-on-year to reach EGP 45.3 billion; net profit increases by 37.0% y-o-y to reach EGP 4.0 billion

Q1 2024 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 45,250 million ▲ 35.7% y-o-y	EGP 9,904 million ▲ 61.9% y-o-y	EGP 5,780 million ▲ 26.7% y-o-y	EGP 3,980 million ▲ 37.0% y-o-y

ELSEWEDY ELECTRIC (SWDY.CA on the Egyptian stock exchange), the leading Wires & Cables and Integrated Infrastructure Solutions Provider in the Middle East and Africa, announces its consolidated financial results for the period ending 31 March 2024, recording revenues of EGP 45,250 million in Q1 2024, representing a 35.7% y-o-y increase. The company's net profit after minority interest increased by 37.0% y-o-y to reach EGP 3,980 million in Q1 2024, yielding a net profit margin of 8.8% versus 8.7% in Q1 2023.

Note from Our CEO

I am proud to announce that the company has maintained its growth trajectory and is reaching key operational milestones within its strategy. This quarter, we leveraged our diverse offerings and dynamic business model to achieve sales growth across all our segments.

The success of our strategy is clearly reflected in our performance, with the Group delivering 35.7% top-line growth in Q1 2024, fuelled by strong revenues in our prime segments. This particularly strong growth in revenues is partly due to currency translation, and market dynamics that enabled us to command better prices for certain products in EGP.

In the wires and cables segment, revenue grew by 56% year-over-year in Q1 2024, making it the primary growth driver for the Group. Similarly, in our turnkey projects segment, we achieved solid growth of 7% year-over-year during the quarter, credited to our diversified portfolio, enhanced pricing strategies, and the result of price translation, which was especially noted in the infrastructure sector.

Going forward, our ability to continue delivering growth and value to shareholders is underlined by our commitment to sustainability and innovation, which ensures that we are not just keeping pace with industry advancements but are also at the forefront of shaping the future landscape of integrated, infrastructure solutions. With a track record of expertise and our aptitude for continuously exploring cutting-edge technology to enhance our offerings, I am confident that we are poised for continued growth and success, even amid any challenges within our environment.

Ahmed El Sewedy

Summary Income Statement

EGP (000)'s	Q1-2024	Q1-2023	% Change
Revenue	45,249,649	33,335,858	35.7%
Wires & Cables	27,944,190	17,857,984	56.5%
Turnkey Projects	12,406,688	11,573,461	7.2%
Meters	1,887,021	1,633,337	15.5%
Transformers	1,860,468	1,453,504	28.0%
Electrical Products	982,033	650,949	50.9%
Renewables – IPP	169,249	166,624	1.6%
Gross Profit	9,903,747	6,118,223	61.9%
Wires & Cables	6,843,807	3,685,597	85.7%
Turnkey Projects	1,408,176	1,237,446	13.8%
Meters	547,988	410,957	33.3%
Transformers	674,297	333,597	102.1%
Electrical Products	346,311	359,303	-3.6%
Renewables – IPP	83,167	91,323	-8.9%
Gross Profit Margin	21.9%	18.4%	
EBITDA	5,779,986	4,562,923	26.7%
EBITDA Margin	12.8%	13.7%	
Net Income After Minority	3,979,977	2,904,669	37.0%
Net Income After Minority Margin	8.8%	8.7%	

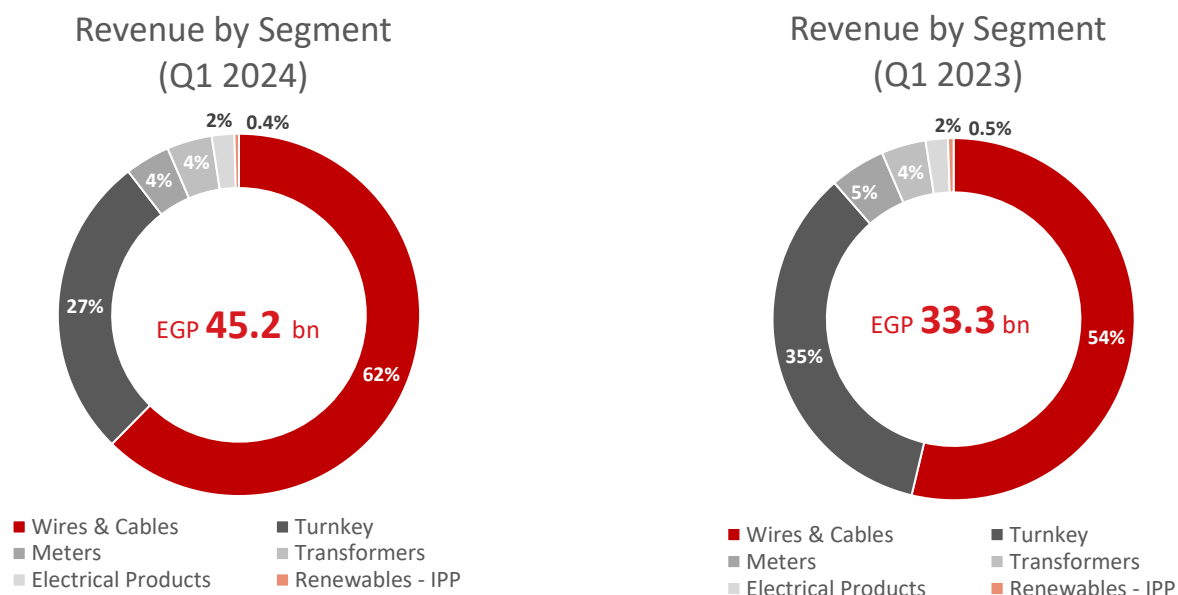
Financial and Operational Highlights

- **Revenues** recorded solid year-on-year growth at 35.7% to reach EGP 45,250 million in Q1 2024, mainly driven by a favourable currency translation following the devaluation of the Egyptian pound in March 2024. The wires & cables segment contributed the majority of revenues, followed by the turnkey project segment during the quarter. Prices higher than average in EGP contributed to a positive revenue growth, which may normalize in coming quarters.
- Elsewedy Electric's **gross profit** recorded EGP 9,904 million in Q1 2024, representing a 61.9% y-o-y increase on the back of a positive impact from currency movements, coupled with improved supply conditions and increased demand across the markets in which the company operates, including Saudi Arabia, Algeria, and Egypt.
- **SG&A** expenses grew 47.9% y-o-y to EGP 2,610 million in Q1 2024, due to increased prices in Egypt as a result of the EGP devaluation as well as global inflationary pressures. Additionally, SG&A expenses increased due to new hires throughout the company. Consequently, SG&A expenses as a percentage of total revenue increased from 5.3% in Q1 2023 to 5.8% in Q1 2024.
- **EBITDA** increased by 26.7% y-o-y to record EGP 5,780 million in Q1 2024, with an associated EBITDA margin of 12.8% compared to 13.7% in Q1 2023. Solid top-line growth was reflected in the EBITDA figures; however, EBITDA margin was slightly lower, which was mainly due to higher other operating expenses.
- Elsewedy's **net income after minority interest** recorded growth of 37.0% y-o-y to reach EGP 3,980 million in Q1 2024, with an associated margin of 8.8% versus 8.7% in Q1 2023. The higher net profit was due to increased revenue and a foreign exchange gain from the revaluation of foreign currency receivables from international operations

- **Net bank debt** increased to EGP 19,187 million as at 31 March 2024 compared to a net debt of EGP 14,590 million at year-end 2023.
- **Inventory** stood at EGP 42,865 million as at 31 March 2024, versus the EGP 30,882 million recorded at the end of 2023. The company increased inventory levels to hedge against inflation and supply shortages, ensuring it can meet rising demand for its products.
- **Accounts receivable** booked EGP 68,808 million as at 31 March 2024, compared to EGP 46,592 million at year-end 2023, whereas **accounts payable** increased to EGP 48,286 million as at 31 March 2024.

Financial and Operational Review

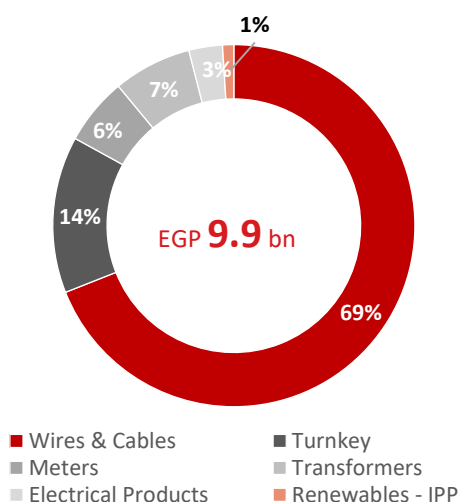
Revenues grew 35.7% y-o-y to record EGP 45,250 million in Q1 2024, primarily due to the positive impact of the EGP devaluation, supported by the Group's extensive global operations and higher than average pricing for Q1 2024, which is expected to normalize in the coming quarters. The wires and cables segment was the largest contributor, accounting for 62% of total revenues, followed by turnkey projects at 27%.



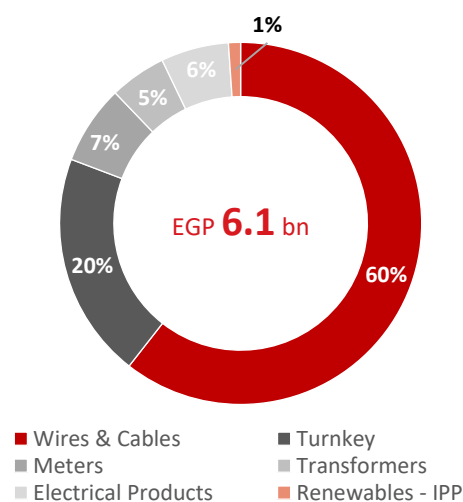
- The **wires and cables segment** maintained its position as the largest contributor to the Group's top-line at 62%, with revenues increasing by 56.5% y-o-y to record EGP 27,944 million in Q1 2024, driven by repricing strategies and increased volumes. The segment's backlog stood at EGP 41 billion in Q1 2024.
- **Turnkey projects** revenues grew 7.2% y-o-y to EGP 12,407 million in Q1 2024, supported by the company's expansive portfolio of local and global projects. The segment recorded a solid backlog of EGP 165 billion and was the second largest contributor to total revenues at 27%.
- **Meters** recorded revenues of EGP 1,887 million, representing a 15.5% y-o-y increase in Q1 2024, attributable to efficient pricing strategies. The segment contributed 4% to total revenues and maintained a solid backlog of EGP 5.4 billion.
- **Transformers** revenues increased by 28.0% to reach EGP 1,860 million in Q1 2024 due to enhanced pricing and higher volumes. The segment contributed 4% to consolidated revenues and recorded a backlog of EGP 12.9 million.
- Revenues from **other electrical products** grew 50.9% y-o-y to EGP 982.0 million in Q1 2024, boosted by strong demand in the local market. The segment contributed 2% to total revenues in Q1 2024.
- **Renewables** generated EGP 169.2 million in revenues in Q1 2024, up 2% y-o-y.

Gross Profit increased 61.9% y-o-y to reach EGP 9,904 million in Q1 2024, with an expanded margin of 21.9% compared to 18.4% in Q1 2023. The solid growth in gross profit is due to improved supply conditions and increased demand in Elsewedy's markets, including Saudi Arabia, Algeria, and Egypt. This growth was further boosted by the positive impact of currency movements following the depreciation of the EGP.

**Gross Profit by Segment
(Q1 2024)**



**Gross Profit by Segment
(Q1 2023)**



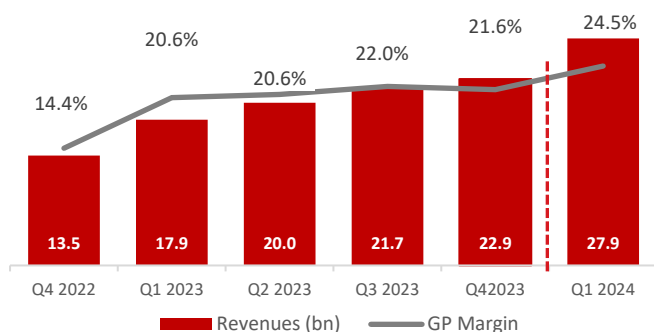
- The **wires and cables** segment's gross profit increased by 85.7% y-o-y to reach EGP 6,844 million in Q1 2024, contributing 69% to consolidated gross profit.
- **Turnkey projects** recorded EGP 1,408 million in gross profit, representing a 13.8% y-o-y increase in Q1 2024 and accounting for 14% of the Group's total gross profit.
- **Meters** gross profit grew 33.3% y-o-y to reach EGP 548 million in Q1 2024, with a contribution of 6% to consolidated gross profit.
- **Transformers'** gross profit more than doubled year-on-year to record EGP 674 million in Q1 2024, accounting for 7% of consolidated gross profit.
- Gross profit for **other electrical products** fell by 3.6% y-o-y to record EGP 346 million in Q1 2024, contributing 3% to the Group's total gross profit.
- The **Renewables** segment recorded a gross profit of EGP 83 million, down by 8.9% y-o-y in Q1 2024, with a 1% contribution to total gross profit.

Segment Review

Wires and Cables

	Q1-2024	Q1-2023	% Change
Revenues Before Intercompany Sales (EGP 000's)	34,554,579	20,669,321	67.2%
Revenues After Intercompany Sales (EGP 000's)	27,944,190	17,857,984	56.5%
Gross Profit (EGP 000's)	6,843,807	3,685,597	85.7%
GP Margin Before Intercompany Sales	19.8%	17.8%	
GP Margin After Intercompany Sales	24.5%	20.6%	
Cables Sales Volumes (Tons)	44,975	37,149	21.1%
Cables Gross profit per ton (EGP)	99,613	73,339	35.8%

Wires & Cables Revenue and Profitability



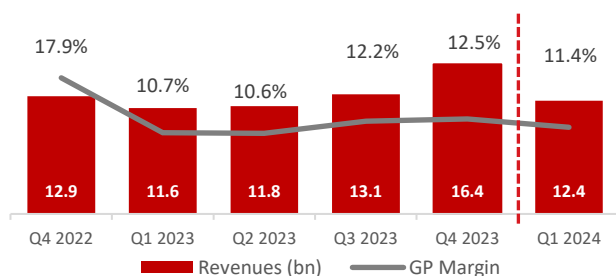
Cables Backlog (As of 31 March 2024)

EGP **41** bn

- The wires and cables segment recorded revenues of EGP 27,944 million, representing a 56.5% y-o-y increase in Q1 2024. Growth was driven by the segment's extensive portfolio, strong global demand for its products, and improved pricing strategies.
- The segment's gross profit increased by 85.7% y-o-y to reach EGP 6,844 million in Q1 2024, due to improved supply conditions and increased demand on a local and global level, which increased profitability at the segment.
- The segment recorded an expanded gross profit margin of 24.5% in Q1 2024 compared to 20.6% in Q1 2023, representing a 3.9 percentage point increase.
- Backlog recorded EGP 41 billion, reflecting strong growth opportunities for the segment.

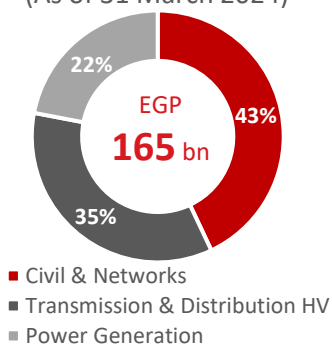
Turnkey Projects and Awards

Turnkey Revenue and Profitability

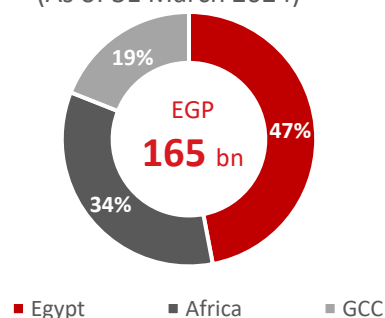


- Turnkey projects recorded revenues of EGP 12,407 million, representing a 7.2% y-o-y increase in Q1 2024, mainly driven by the segment's expanded portfolio of both local and international projects.
- The segment's gross profit increased by 13.8% y-o-y to EGP 1,408 million in Q1 2024, yielding an expanded margin of 11.4% versus 10.7% in Q1 2023.
- The segment's backlog stood at EGP 165 billion as of 31 March 2024, with 47% of the projects located in Egypt.
- Newly awarded projects for Q1 2024 reached EGP 29 billion.

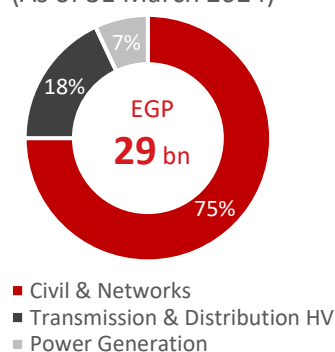
Backlog by Sector
(As of 31 March 2024)



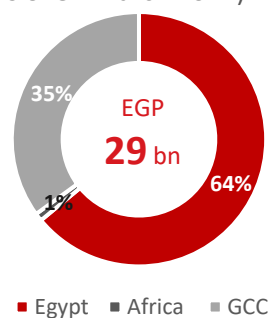
Backlog by Region
(As of 31 March 2024)



Awards by Sector
(As of 31 March 2024)



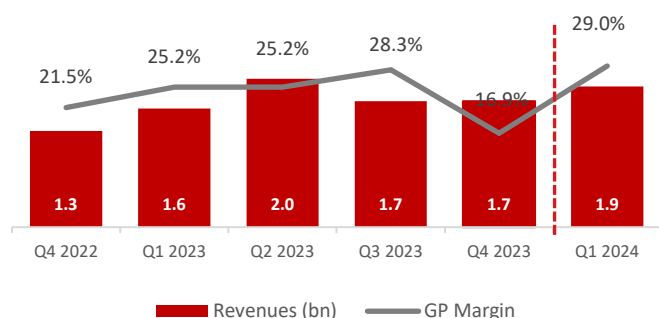
Awards by Region
(As of 31 March 2024)



Meters

	Q1-2024	Q1-2023	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,773,573	2,335,265	18.8%
Revenues After Intercompany Sales (EGP 000's)	1,887,021	1,633,337	15.5%
Gross Profit (EGP 000's)	547,988	410,957	33.3%
GP Margin Before Intercompany Sales	19.8%	17.6%	
GP Margin After Intercompany Sales	29.0%	25.2%	
Sales Volumes (meters)	811,357	1,065,184	-23.8%
Gross profit per meter (EGP)	675	386	75.1%

Meters Revenue and Profitability



- The meters segment's revenues grew 15.5% y-o-y to reach EGP 1,887 million in Q1 2024 on the back of improved pricing strategies.
- The segment's gross profit increased by 33.3% y-o-y to record EGP 548 million in Q1 2024, yielding an expanded GPM of 29.0% versus 25.2% in Q1 2023 attributable to a better product mix and an enhanced global portfolio.
- Meters backlog as of 31 March 2024 reached EGP 5.4 billion.

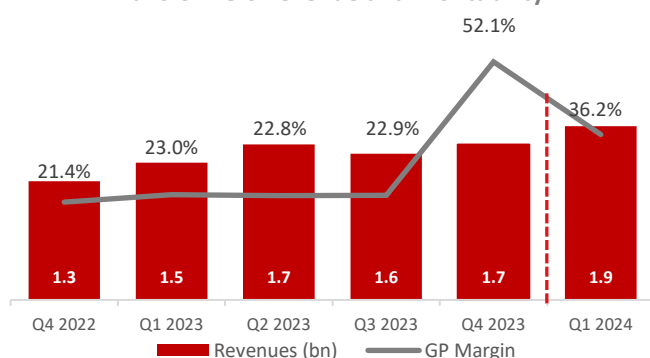
Meters Backlog (As of 31 March 2024)

EGP **5.4** bn

Transformers

	Q1-2023	Q1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,400,764	1,546,613	55.2%
Revenues After Intercompany Sales (EGP 000's)	1,860,468	1,453,504	28.0%
Gross Profit (EGP 000's)	674,297	333,597	102.1%
GP Margin Before Intercompany Sales	28.1%	21.6%	
GP Margin After Intercompany Sales	36.2%	23.0%	
Sales Volumes (MVA)	5,187	3,694	40.4%
Gross profit per MVA (EGP)	130,005	90,301	44.0%

Transformers Revenue and Profitability



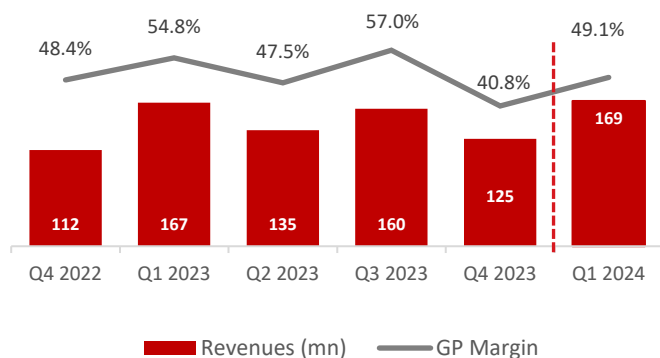
Transformers Backlog (As of 31 March 2024)

EGP **12.9** bn

- The transformers segment's revenues increased by 28.0% to reach EGP 1,860 million in Q1 2024, primarily driven by higher volumes and improved pricing.
- The segment's gross profit more than doubled year-on-year to record EGP 674 million in Q1 2024, yielding an expanded margin of 36.2% versus 23.0% in Q1 2023.
- Backlog for the transformers segment recorded EGP 12.9 billion as of 31 March 2024.

Renewables - IPPs

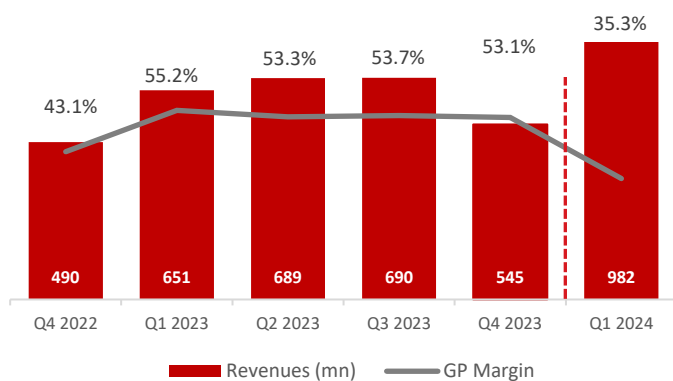
Renewables Revenue and Profitability



- Revenues at the renewables segment grew 1.6% y-o-y to record EGP 169 million.
- Gross profit dropped by 8.9% y-o-y to EGP 83 million in Q1 2024 and yielded a margin of 49.1%, down 5.7 percentage points y-o-y.

Other Electrical Products

Other Electrical Products Revenue and Profitability



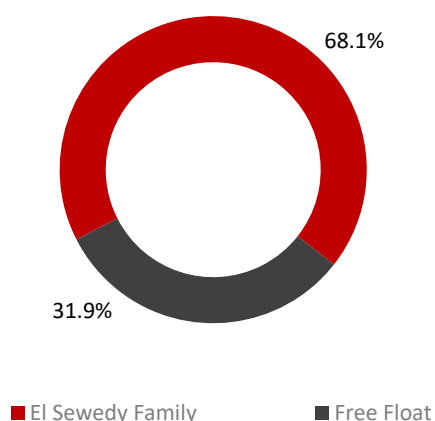
- Revenues from the electrical products segment increased by 50.9% y-o-y to reach EGP 982 million in Q1 2024 due to healthy local demand.
- The segment's gross profit fell 3.6% y-o-y to EGP 346 million, yielding a contracted margin of 35.3% compared to 55.2% in Q1 2023.

About Elsewedy Electric

Established in 1938 by the Elsewedy family, Elsewedy Electric has since grown to become a regional and tactically global integrated infrastructure solutions provider with more than 19,000 employees working at 31 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 March 2024)



Share Information

SWDY.CA on the EGX

Number of Shares	2,170,777,876
Share Price (31 March 2024)	EGP 31.50
Market Cap (31 March 2024)	EGP 68.4 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 000	Q1-2024	Q1-2023	Change
Revenue	45,249,649	33,335,858	35.7%
Costs	(35,345,902)	(27,217,635)	
Gross Profit	9,903,747	6,118,223	61.9%
Other income	378,032	151,583	
Selling and distribution expenses	(915,309)	(611,029)	
Administrative expenses	(1,694,901)	(1,154,389)	
Impairment loss on trade and other receivables	(277,340)	(82,269)	
Other expenses	(2,268,496)	(497,969)	
Operating profit	5,125,733	3,924,149	30.6%
Share of profit of equity-accounted investees	183,201	100,300	
Depreciation	(471,052)	(538,474)	
EBITDA	5,779,986	4,562,923	26.7%
EBITDA Margin	12.8%	13.7%	
Finance income	3,421,115	1,524,444	
Finance costs	(1,690,655)	(866,344)	
Net finance Costs	1,730,460	658,101	
Profit before tax	7,039,394	4,682,550	
Income tax expense	(2,802,565)	(1,505,072)	
Profit for the period	4,236,829	3,177,477	
Profit attributable to:			
Owners of the company	3,979,977	2,904,669	37.0%
Non-controlling interests	256,853	272,808	

Consolidated Balance Sheet

EGP 000	31/03/2024	31/12/2023
Assets		
Property, plant, and equipment	23,815,849	18,009,166
Right of use assets	1,355,704	880,980
Real Estate Investments	61,131	61,033
Equity accounted investees	5,328,783	3,802,844
Due from related parties	173,340	111,110
Trade receivables	2,440,455	2,770,746
Intangible assets and goodwill	1,063,570	1,261,762
Deferred tax assets	810,953	726,285
Non-current assets	35,049,784	27,623,927
Inventories	42,865,212	30,881,822
Contract assets	16,209,666	16,179,634
Work in progress (Real Estate Development lands)	1,191,156	1,218,261
Trade, notes, and other receivables	68,808,172	46,591,885
Due from related parties	3,568,112	2,553,916
Financial assets at amortized cost	1,566,412	847,166
Cash & Cash Equivalents	31,905,679	25,552,045
Current assets	166,114,409	123,824,728
Total assets	201,164,193	151,448,655
Equity		
Issued and Paid-up Capital	2,170,778	2,170,778
Share-based payment	(1,422)	(1,422)
Reserves	8,143,064	3,942,000
Treasury shares	(254,138)	(254,138)
Retained Earnings	33,818,822	29,867,248
Equity attributable to owners of the parent company	43,877,105	35,724,466
Non-controlling interests	3,664,582	2,384,013
Total equity	47,541,686	38,108,480
Liabilities		
Loans and borrowings	8,543,071	6,815,682
Deferred tax liabilities	2,267,575	1,809,917
Due to related parties	127,337	81,722
Provisions	1,132,997	752,369

Other non-current liabilities	796,965	774,053
Non-current liabilities	12,867,945	10,233,743
Loans and borrowings	45,048,124	34,950,810
Trade, notes, and other payables	48,285,774	31,938,122
Contract liabilities	33,303,634	25,060,328
Due to related parties	3,692,109	3,106,747
Provisions	10,424,921	8,050,425
Current liabilities	140,754,562	103,106,432
Total liabilities	153,622,507	113,340,175
Total liabilities & equity	201,164,193	151,448,655