

# ELSEWEDY ELECTRIC Reports Q2 2023 Results; Delivers Robust Revenue Growth of 78.0% y-o-y in Q2 2023 and Booked a Top-Line of EGP 69.6 BN for the First Half of 2023

## H1 2023 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 69,638 million ▲ 78.7% y-o-y	EGP 12,877 million ▲ 145.1% y-o-y	EGP 9,029 million ▲ 138.7% y-o-y	EGP 5,564 million ▲ 194.8% y-o-y

## Q2 2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 36,302 million ▲ 78.0% y-o-y	EGP 6,759 million ▲ 129.8% y-o-y	EGP 4,465 million ▲ 99.5% y-o-y	EGP 2,660 million ▲ 136.1% 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 first half of 2023. The company recorded revenues of EGP 69,638 million, up by 78.7% year-on-year (y-o-y), and at its bottom-line, booked net profit after minority interest of EGP 5,564 million, up by 194.8% y-o-y and yielded a net profit margin of 8.0% in H1 2023. On a quarterly basis, Elsewedy Electric reported revenues of EGP 36,302 million, increasing 78.0% y-o-y in Q2 2023. The company's net profit after minority interest grew 136.1% y-o-y to EGP 2,660 million and recorded a net profit margin expansion of 1.8 percentage points to 7.3% in Q2 2023 versus 5.5% in Q2 2022.

## Note from Our CEO

I am pleased to announce that the start of the year's momentum has carried forward into the second quarter as we report another strong set of results. Our dynamic business model has once again proven its ability to overcome challenges in the local and global economy, closing the first half of 2023 with a solid performance. Building on our highly diverse portfolio and expansive geographic footprint, as well as operational efficiency, has enabled us to cement Elsewedy Electric's position across our core markets.

Our top-line growth has filtered down to the Company's bottom-line as we've capitalized on higher exports and sales outside Egypt this quarter and continued to penetrate regional markets in line with our expansionary strategy. I am particularly proud of our strong performance in Algeria and KSA as well as the notable progress on the Julius Nyerere 2,115 MW Hydropower Project in Tanzania. Moreover, and since the start of the year, we have continued to benefit from multiple EPC awards in the renewable energy space, further reinforcing our commitment to deploying capital to fuel the growth of sustainable projects.

We continue to enhance our offerings in an effort to further solidify and increase our presence across new and existing geographies, all while ensuring high levels of operational efficiency. This has been evident through our long-track record of projects within and outside of Egypt, all of which continue to gain traction. We have kept this edge by improving the competitiveness of our product range and boosting our technological innovation. To support this growth further, we employ the necessary tools aimed at enhancing digital transformation and achieving full economies of scale as well as maintaining the liquidity and stability of our balance sheet.

Ahmed El Sewedy

## Summary Income Statement

EGP (000)'s	Q2-2023	Q2-2022	% Change	H1-2023	H1-2022	% Change
<b>Revenue</b>	<b>36,301,930</b>	<b>20,391,000</b>	<b>78.0%</b>	<b>69,637,788</b>	<b>38,964,314</b>	<b>78.7%</b>
Wires & Cables	19,972,268	9,669,137	106.6%	37,830,252	18,947,705	99.7%
Turnkey Projects	11,807,932	8,646,357	36.6%	23,381,393	16,200,173	44.3%
Meters	2,012,261	931,215	116.1%	3,645,598	1,731,520	110.5%
Transformers	1,685,265	791,970	112.8%	3,138,769	1,410,909	122.5%
Electrical Products	689,230	255,050	170.2%	1,340,179	474,519	182.4%
Renewables – IPP	134,973	97,271	38.8%	301,597	199,488	51.2%
<b>Gross Profit</b>	<b>6,759,046</b>	<b>2,941,269</b>	<b>129.8%</b>	<b>12,877,269</b>	<b>5,252,847</b>	<b>145.1%</b>
Wires & Cables	4,187,146	1,430,975	192.6%	7,872,743	2,481,528	217.3%
Turnkey Projects	1,250,166	1,020,900	22.5%	2,487,612	1,795,062	38.6%
Meters	506,659	241,580	109.7%	917,616	457,611	100.5%
Transformers	383,889	70,226	446.6%	717,485	159,901	348.7%
Electrical Products	367,124	125,760	191.9%	726,428	246,185	195.1%
Renewables – IPP	64,061	51,828	23.6%	155,384	112,560	38.0%
<b>Gross Profit Margin</b>	<b>18.6%</b>	<b>14.4%</b>		<b>18.5%</b>	<b>13.5%</b>	
<b>EBITDA</b>	<b>4,465,091</b>	<b>2,238,638</b>	<b>99.5%</b>	<b>9,028,762</b>	<b>3,781,716</b>	<b>138.7%</b>
<b>EBITDA Margin</b>	<b>12.3%</b>	<b>11.0%</b>		<b>13.0%</b>	<b>9.7%</b>	
<b>Net Income After Minority</b>	<b>2,659,591</b>	<b>1,126,498</b>	<b>136.1%</b>	<b>5,564,260</b>	<b>1,887,365</b>	<b>194.8%</b>
<b>Net Income After Minority Margin</b>	<b>7.3%</b>	<b>5.5%</b>		<b>8.0%</b>	<b>4.8%</b>	

## Financial and Operational Highlights

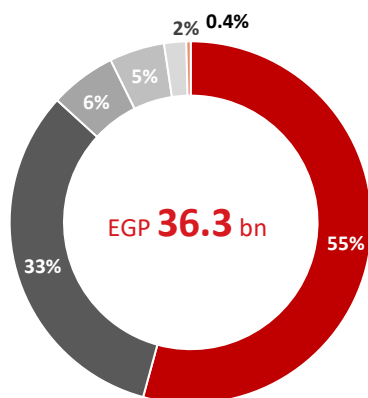
- **Revenues** increased by 78.0% y-o-y to EGP 36,302 million in Q2 2023 on the back of a strong performance across the company's business segments, with Elsewedy Electric's wires & cables segment and turnkey projects contributing the largest share during the period.
- The company's **gross profit** recorded EGP 6,759 million for the quarter, up by a stellar 129.8% y-o-y due to the company's agile business model, which has been quick in its response to currency movements. As such, Elsewedy took specific measures towards efficient metal stock piling in the wires and cables segment to mitigate and offset the impact of increased costs during the period.
- **SG&A** expenses rose 70.5% y-o-y to EGP 1,938 million, partially impacted by the ongoing inflationary pressures locally and globally, coupled with the accelerated depreciation of Egypt's local currency. Despite the rising SG&A costs, SG&A as a percentage of revenues decreased to 5.3% in Q2 2023 versus the 5.6% recorded in Q2 2022.
- **EBITDA** doubled y-o-y to EGP 4,465 million in Q2 2023 and booked a margin of 12.3% compared to 11.0% one year previously, as the company continued to reap the benefits of its effective stockpiling strategy and cost saving measures.
- **Net income after minority interest** increased by an exceptional 136.1% y-o-y to EGP 2,660 million, up from the EGP 1,126 million posted in Q2 2022. The company's bottom-line was strengthened by higher operating margins across all business segments. Consequently, the company's net profit margin came in at 7.3% in Q2 2023 compared to 5.5% in Q2 2022.
- The company reported a **net debt** of EGP 20,932 million as at 30 June 2023 compared to a net debt of EGP 14,604 million at year-end 2022. The increase was driven by stockpiling raw materials coupled with the currency movement effect.
- **Inventory** reached EGP 32,791 million as at 30 June 2023, versus the EGP 24,180 million recorded at year-end 2022. Elsewedy Electric continues to build up higher stock to ensure the continuity of its operations.

- **Accounts receivable** booked EGP 33,617 million as at 30 June 2023, up 29.0% from 26,056 million at the end of 2022, while **accounts payable** grew by 14.8% over the same period to reach EGP 15,757million.

## Financial and Operational Review

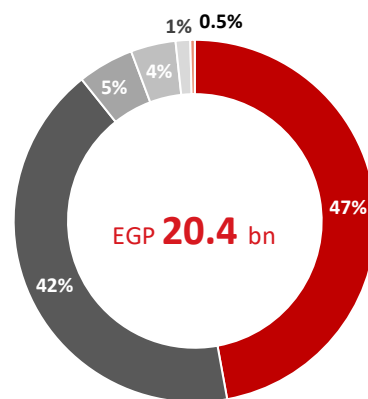
**Revenues** recorded EGP 36,302 million in Q2 2023, achieving double-digit growth of 78.0% y-o-y, driven by a solid performance across the company's business segments, with the majority of revenue coming from wires & cables and the turnkey segments.

Revenue by Segment  
(Q2 2023)



■ Wires & Cables  
■ Meters  
■ Electrical Products  
■ Turnkey  
■ Transformers  
■ Renewables - IPP

Revenue by Segment  
(Q2 2022)

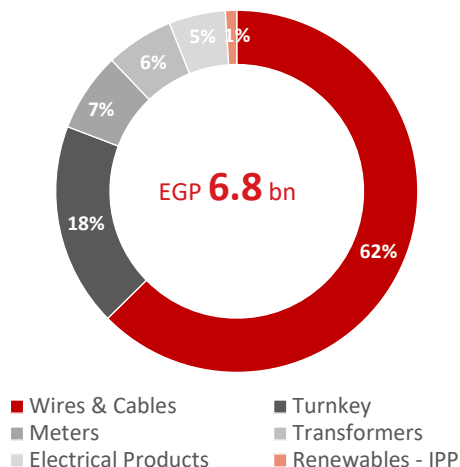


■ Wires & Cables  
■ Meters  
■ Electrical Products  
■ Turnkey  
■ Transformers  
■ Renewables - IPP

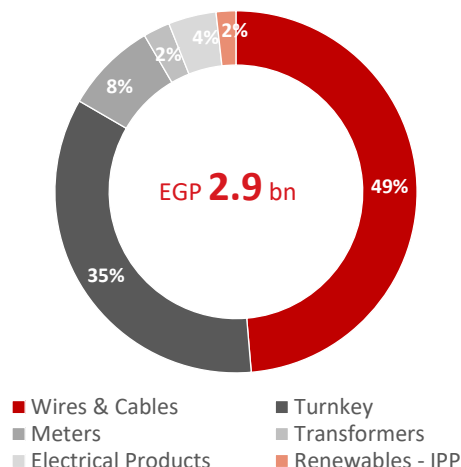
- Revenues from the **wire and cables segment** grew more than twofold y-o-y to EGP 19,972 million on the back of improved pricing strategies and higher volumes. The segment remains Elsewedy's largest contributor to consolidated top line growth, accounting for 55% in Q2 2023.
- **Turnkey projects** brought in EGP 11,808 million in revenues, up 36.6% y-o-y, and contributed 33% to total revenues in Q2 2023, stemming from an enhanced execution of projects at both local and global levels. The segment's backlog recorded EGP 132.6 billion.
- **Meters** revenue more than doubled y-o-y to record EGP 2,012 million, dual-driven by an increase in volumes and pricing. Moreover, the meters segment contributed 6% of total revenue.
- **Transformers** reported revenues of EGP 1,685 million and grew by a strong 112.8% y-o-y, contributing 5% to the Group's consolidated revenues in Q2 2023. The increase in the segment's revenues was supported by solid volume growth and repricing strategies.
- **Other electrical products** registered EGP 689 million in revenues for the quarter, up by an impressive 170.2% y-o-y, attributable to strong local demand and favourable currency movement. The segment's contributed 2% to total revenue in Q2 2023.
- **Renewables** generated EGP 135 million in revenues for the second quarter of 2023, reflecting a y-o-y increase of 38.8%.

**Gross profit** surged by 129.8% y-o-y to EGP 6,759 million in Q2 2023 led by a robust performance across Elsewedy's business segments. As a result, **gross profit margin** for the period increased to 18.6%, versus the 14.4% recorded in Q2 2022.

Gross Profit by Segment  
(Q2 2023)



Gross Profit by Segment  
(Q2 2022)



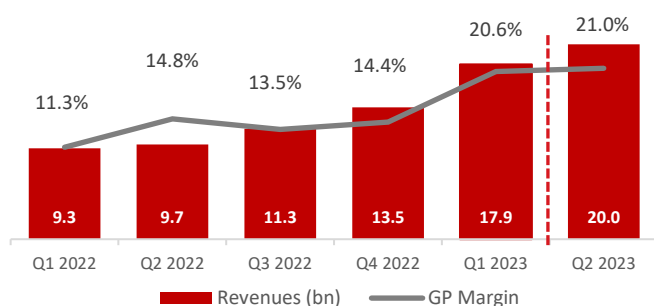
- The **wires and cables** segment booked a gross profit of EGP 4,187 million, representing an exceptional y-o-y increase of 192.6% and contributing 62% of total consolidated gross profit in Q2 2023.
- Gross profit derived from **turnkey projects** reached EGP 1,250 million, up 22.5% y-o-y in Q2 2023. The segment accounted for 18% of total gross profit and ranked as the second highest contributor after wires and cables for the period.
- **Meters** generated EGP 507 million in gross profit, up 109.7% y-o-y in Q2 2023 and yielded a 7% contribution to gross profit.
- **Transformers'** gross profit grew by a remarkable 446.6% y-o-y to EGP 384 million, substantially increasing the segment's contribution to consolidated gross profit to 6% in Q2 2023 compared to 2% in Q2 2022.
- **Other electrical products'** gross profit came in at EGP 367 million, up by an impressive 191.9% y-o-y and accounted for 5% of total gross profit in Q2 2023.
- The **renewables** segment booked a gross profit increase of 23.6% y-o-y to EGP 64 million in Q2 2023, contributing 1% to the Group's consolidated gross profit during the period.

**Segment Review**

**Wires and Cables**

	Q2-2023	Q2-2022	% Change	H1-2023	H1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	25,571,845	12,975,046	97.1%	46,241,165	24,791,944	86.5%
Revenues After Intercompany Sales (EGP 000's)	19,972,268	9,669,137	106.6%	37,830,252	18,947,705	99.7%
Gross Profit (EGP 000's)	4,187,146	1,430,975	192.6%	7,872,743	2,481,528	217.3%
GP Margin Before Intercompany Sales	16.4%	11.0%		17.0%	10.0%	
GP Margin After Intercompany Sales	21.0%	14.8%		20.8%	13.1%	
Cables Sales Volumes (Tons)	37,265	33,864	10.0%	74,413	69,246	7.5%
Cables Gross profit per ton (EGP)	92,302	29,066	217.6%	82,835	23,825	247.7%

**Wires & Cables Revenue and Profitability**



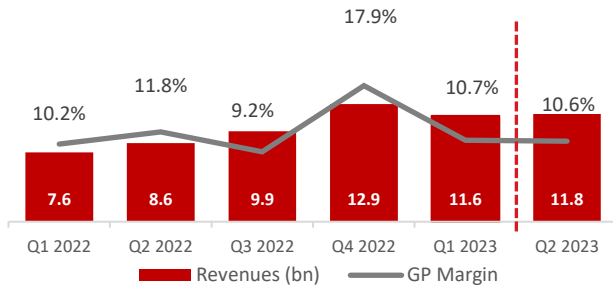
**Wires & Cables Backlog  
(As of 30 June 2023)**

EGP **22.9** bn

- The wires and cables segment generated EGP 19,972 million in revenues, reflecting a strong increase of 106.6% y-o-y in Q2 2023. Growth was driven by successful management of inventory through effective stockpiling, coupled with higher pricing.
- The segment's gross profit almost tripled and booked EGP 4,187 million in Q2 2023. Growth was driven by strong demand for the company's wide range of products in the wires & cable segment, specifically in markets outside of Egypt. As a result, the segment benefited from favourable currency movements, which in turn, supported its profitability during the period.
- The segment's gross profit margin expanded by 6.2 percentage points year-on-year to 21.0% in Q2 2023 compared to 14.8% in Q2 2022.
- Backlog for this segment came in at EGP 22.9 billion, underscoring the segment's future potential.

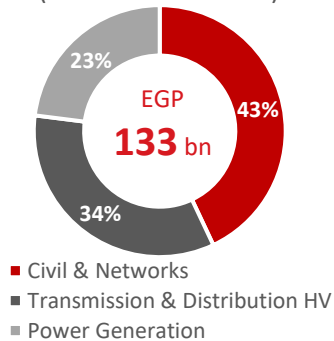
### Turnkey Projects and Awards

Turnkey Revenue and Profitability

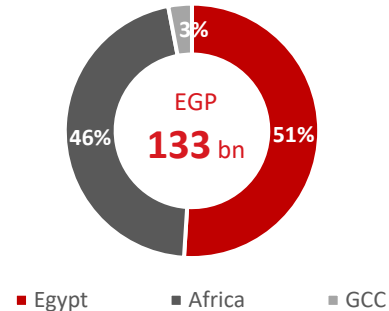


- Revenues from the turnkey projects segment recorded EGP 11,808 million in Q2 2023, up 36.6% y-o-y on account of a higher execution rate of projects both locally and internationally.
- The segment's gross profit grew 22.5% y-o-y to EGP 1,250 million in this quarter. On a profitability level, it booked a margin of 10.6% compared to 11.8% in Q2 2022.
- The segment's backlog recorded EGP 133 billion as of 30 June 2023, with 51% of the projects located in Egypt.
- Newly awarded projects for Q2 2023 reached EGP 23 billion, driven by an increase in power generation projects.

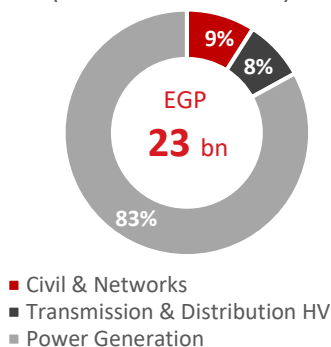
Backlog by Sector  
(As of 30 June 2023)



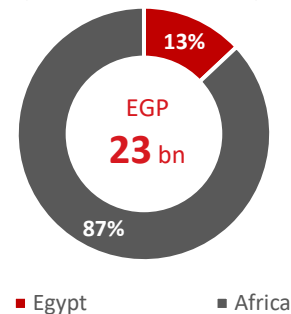
Backlog by Region  
(As of 30 June 2023)



Awards by Sector  
(As of 30 June 2023)



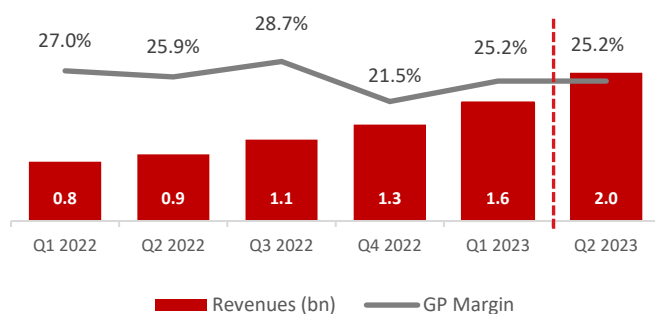
Awards by Region  
(As of 30 June 2023)



**Meters**

	Q2-2023	Q2-2022	% Change	H1-2023	H1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	2,685,926	1,306,728	105.5%	5,021,191	2,376,812	111.3%
Revenues After Intercompany Sales (EGP 000's)	2,012,261	931,215	116.1%	3,645,598	1,731,520	110.5%
Gross Profit (EGP 000's)	506,659	241,580	109.7%	917,616	457,611	100.5%
GP Margin Before Intercompany Sales	18.9%	18.5%		18.3%	19.3%	
GP Margin After Intercompany Sale	25.2%	25.9%		25.2%	26.4%	
Sales Volumes (meters)	1,157,460	1,010,772	14.5%	2,222,644	2,037,597	9.1%
Gross profit per meter (EGP)	438	239	83.1%	413	225	83.8%

Meters Revenue and Profitability



- The meters segment recorded EGP 2,012 million in Q2 2023, up by a significant 116.1% y-o-y on the back of increased volumes and product pricing.
- Gross profit grew 109.7% y-o-y to EGP 507 million in Q2 2023 and yielded a margin contraction of 0.7 percentage points to 25.2% in Q2 2023 versus 25.9% in Q2 2022.
- The meters segment's backlog stood at EGP 5.8 billion at the end of June 2023.

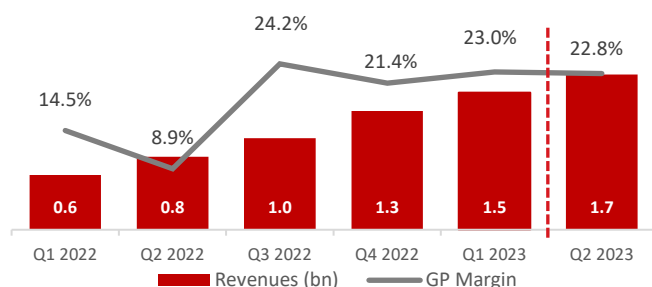
**Meters Backlog  
(As of 30 June 2023)**

EGP **5.8** bn

**Transformers**

	Q2-2023	Q2-2022	% Change	H1-2023	H1-2022	% Change
Revenues Before Intercompany Sales (EGP 000's)	1,796,786	816,686	120.0%	3,343,399	1,521,705	119.7%
Revenues After Intercompany Sales (EGP 000's)	1,685,265	791,970	112.8%	3,138,769	1,410,909	122.5%
Gross Profit (EGP 000's)	383,889	70,226	446.6%	717,485	159,901	348.7%
GP Margin Before Intercompany Sales	21.4%	8.6%		21.5%	10.5%	
GP Margin After Intercompany Sale	22.8%	8.9%		22.9%	11.3%	
Sales Volumes (MVA)	3,907	2,535	54.1%	7,602	5,536	37.3%
Gross profit per MVA (EGP)	98,250	27,698	254.7%	94,387	28,884	226.8%

Transformers Revenue and Profitability



**Transformers Backlog  
(As of 30 June 2023)**

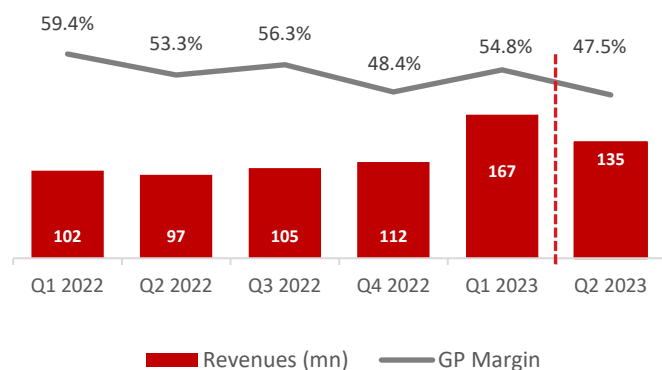
EGP **6.7** bn

- The transformers segment reported EGP 1,685 million in revenue, achieving triple digit growth of 112.8% y-o-y due to higher sales volume and increased services and products' prices.
- The segment generated gross profit of EGP 384 million, reflecting a stellar increase of 446.6% y-o-y driven by an improved product mix and was further supported by the positive impact of currency movement effect. Consequently, the segment's gross profit margin expanded to 22.8% in Q2 2023, up by 13.9 ppt from 8.9% in Q2 2022.
- Backlog for the transformers segment recorded EGP 6.7 billion as of 30 June 2023, benefitting from the favourable currency movement effect.



### Renewables - IPPs

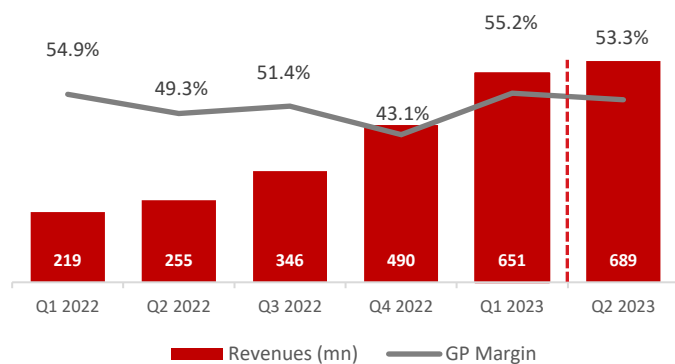
Renewables Revenue and Profitability



- Revenues from the renewables segment increased by 38.8% y-o-y to EGP 135 million in Q2 2023.
- Gross profit recorded EGP 64 million, up 23.6% y-o-y, and yielded a margin contraction to 47.5% in Q2 2023 compared to 53.3% in Q2 2022.

### Other Electrical Products

Other Electrical Products Revenue and Profitability



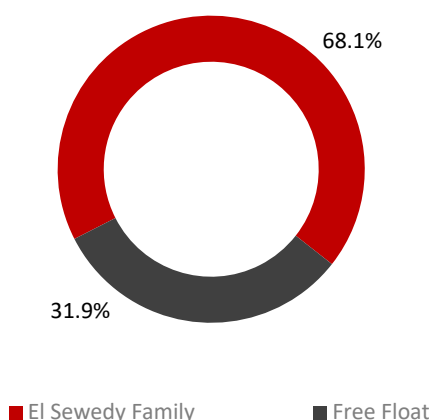
- Revenue from electrical products rose 170.2% y-o-y to EGP 689.2 million in Q2 2023 on the back of growing local demand for the segment.
- The segment's gross profit grew by 191.9% y-o-y to EGP 367.1 million and yielded a margin expansion to 53.3% versus 49.3% recorded in Q2 2022.

## 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 17,000 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](http://www.elsewedyelectric.com)

### Shareholders Structure

(as at 30 June 2023)



### Share Information

#### SWDY.CA on the EGX

Number of Shares	2,170,777,876
Share Price (30 June 2023)	EGP 20.31
Market Cap (30 June 2023)	EGP 44.1 bn

### Investor Relations Contact Information:

Ms. Noha Agaiby, Investor Relations Director and Board Secretary  
**Email:** [noha.agaiby@elsewedy.com](mailto:noha.agaiby@elsewedy.com)  
**Address:** Plot 13C03, Cairo Festival City, 5th settlement, New Cairo.  
**Tel:** +202 27599700 – 701  
**Fax:** +202 27599731

## 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	Q2-2023	Q2-2022	Change	H1-2023	H1-2022	Change
<b>Sales</b>						
Wires & Cables	19,972,268	9,669,137	106.6%	37,830,252	18,947,705	99.7%
Electrical Products	4,386,757	1,978,235	121.8%	8,124,546	3,616,949	124.6%
Turnkey Projects	11,942,905	8,743,628	36.6%	23,682,990	16,399,661	44.4%
<b>Total Sales</b>	<b>36,301,930</b>	<b>20,391,000</b>	<b>78.0%</b>	<b>69,637,788</b>	<b>38,964,314</b>	<b>78.7%</b>
COGS	(29,542,884)	(17,449,731)		(56,760,518)	(33,711,468)	
<b>Gross Profit</b>	<b>6,759,046</b>	<b>2,941,269</b>	<b>129.8%</b>	<b>12,877,269</b>	<b>5,252,847</b>	<b>145.1%</b>
<b>Gross Profit Margin</b>	<b>18.6%</b>	<b>14.4%</b>		<b>18.5%</b>	<b>13.5%</b>	
SG&A	(1,938,353)	(1,136,757)	70.5%	(3,703,024)	(2,082,678)	77.8%
Other Operating Income	9,814	193,727		161,734	278,439	
Other Operating Expense	(1,026,625)	(196,104)		(1,607,202)	(438,526)	
Income from Investments	92,306	82,497		192,607	110,407	
<b>EBITDA</b>	<b>4,465,091</b>	<b>2,238,638</b>	<b>99.5%</b>	<b>9,028,762</b>	<b>3,781,716</b>	<b>138.7%</b>
<b>EBITDA Margin</b>	<b>12.3%</b>	<b>11.0%</b>		<b>13.0%</b>	<b>9.7%</b>	
Depreciation & Amortization	(568,905)	(354,006)		(1,107,378)	(661,227)	
FX Gain / (Loss)	1,222,889	(30,391)		2,565,620	(28,473)	
<b>EBIT</b>	<b>5,119,075</b>	<b>1,854,241</b>	<b>176.1%</b>	<b>10,487,004</b>	<b>3,092,017</b>	<b>239.2%</b>
Interest Expense	(1,305,240)	(391,259)	233.6%	(2,171,583)	(629,470)	245.0%
Interest Income	241,897	103,069	134.7%	423,610	213,312	98.6%
Interest Income / (Expenses)	<b>(1,063,342)</b>	<b>(288,190)</b>		<b>(1,747,973)</b>	<b>(416,158)</b>	
<b>EBT</b>	<b>4,055,733</b>	<b>1,566,051</b>	<b>159.0%</b>	<b>8,739,031</b>	<b>2,675,859</b>	<b>226.6%</b>
Tax	(1,075,634)	(372,045)		(2,581,454)	(653,644)	
<b>Net Income</b>	<b>2,980,100</b>	<b>1,194,006</b>	<b>149.6%</b>	<b>6,157,577</b>	<b>2,022,215</b>	<b>204.5%</b>
Minority Interest	(320,509)	(67,509)		(593,317)	(134,850)	
<b>Net Income After Minority Interest</b>	<b>2,659,591</b>	<b>1,126,498</b>	<b>136.1%</b>	<b>5,564,260</b>	<b>1,887,365</b>	<b>194.8%</b>
<b>Net Income Margin</b>	<b>7.3%</b>	<b>5.5%</b>		<b>8.0%</b>	<b>4.8%</b>	

## Consolidated Balance Sheet

EGP 000	30/06/2023	31/12/2022
<b>Long Term Assets</b>		
Fixed Assets & Goodwill	19,236,462	16,812,758
Investments	3,551,565	2,733,051
Other long-term Assets	320,724	273,037
Other long-term Receivables	1,992,710	1,497,061
<b>Total Long-term Assets</b>	<b>25,101,461</b>	<b>21,315,907</b>
<b>Current Assets</b>		
Inventories	32,790,693	24,179,748
Receivables	33,617,486	26,055,682
Other Debit balance	24,204,742	20,440,193
Due from Related Parties	1,883,746	1,344,199
Cash & Cash Equivalents	25,844,329	20,618,815
<b>Total Current Assets</b>	<b>118,340,996</b>	<b>92,638,637</b>
<b>Total Assets</b>	<b>143,442,456</b>	<b>113,954,544</b>
<b>Current Liabilities</b>		
Bank Overdraft & Short-term loans	40,777,661	30,133,907
Accounts Payable	15,756,813	13,720,319
Other Credit balance	33,134,027	28,275,922
Due to Affiliates	3,007,267	1,792,404
Provisions	6,319,122	4,527,494
<b>Total Current Liabilities</b>	<b>98,994,890</b>	<b>78,450,045</b>
Issued and Paid Capital	2,170,778	2,170,778
Retained Earnings	25,968,209	21,604,845
Others	4,109,203	2,234,541
<b>Total Parent's Shareholders' Equity</b>	<b>32,248,189</b>	<b>26,010,164</b>
Minority Interest	2,470,515	1,635,139
<b>Total Equity</b>	<b>34,718,704</b>	<b>27,645,304</b>
Long-term Loans	5,998,532	5,088,944
Other long-term Liabilities	3,730,331	2,770,252
<b>Total Long-term Liabilities</b>	<b>9,728,863</b>	<b>7,859,196</b>
<b>Total Liabilities and Equity</b>	<b>143,442,456</b>	<b>113,954,544</b>