

ELSEWEDY ELECTRIC Records exponential growth with over a twofold increase in revenues for the fourth consecutive quarter

9M 2017 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 32,118.2 million ▲ 108.2% y-o-y	EGP 6,930.8 million △ 94.0% y-o-y	EGP 5,970.5 million ▲ 88.3% y-o-y	EGP 4,567.1 million ▲ 94.2% 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 nine-month period ending 30 September, 2017. Net profit in 9M 2017 recorded EGP 4,567.1 million, up 94.2% year-on-year, on revenues of EGP 32,118.2 - up more than 100% year-on-year for the fourth consecutive quarter - yielded a net profit margin of 14.2%.

Summary Income Statement

EGP (000)'s	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Revenue	11,462,938	4,873,631	135.2%	32,118,184	15,427,303	108.2%
Gross Profit	2,260,264	1,165,819	93.9%	6,930,753	3,572,634	94.0%
Gross Profit Margin	19.7%	23.9%		21.6%	23.2%	
EBITDA	2,006,677	1,031,586	94.5%	5,970,475	3,170,920	88.3%
EBITDA Margin	17.5%	21.2%		18.6%	20.6%	
Net Income After Minority	1,556,764	720,733	116.0%	4,567,114	2,351,675	94.2%
Net Income After Minority Margin	13.6%	14.8%		14.2%	15.2%	

Financial Highlights

- **Revenue** grew by 108.2% y-o-y in 9M 2017 to EGP 32,118.2 million, driven primarily by the growth in the company's wires & cables and turnkey projects segments, the two largest contributors to total revenue. The comparative quarter (nine-month period ending 30 September 2016) ended shortly before the November 2016 float of the Egyptian pound, and the translation into local currency of international and export revenue also came into effect for the current nine-month period, helping to further boost the company's revenue.
- **Gross Profit** increased by 94.0% y-o-y in 9M 2017 to EGP 6,930.8 million despite a reduction in the gross profit margin (GPM) of 1.6 percentage points to 21.6% due to gross profit margin contraction across all segments save for wires & cables.
- **SG&A** stood at EGP 1,523.2 million in 9M 2017, representing 4.7% of revenue compared to EGP 831.2 million in 9M 2016, representing 5.4% of revenue.

9M 2017 EARNINGS RELEASE



Cairo | 15 November 2017

- **EBITDA** recorded growth of 88.3% y-o-y in 9M 2017 to EGP 5,970.5 million while the company's EBITDA margin came in at 18.6% compared to 20.6% in the previous period due to an increase in other operating expenses as a percentage of revenue.
- **Net Profit after Minority Interest** grew by 94.2% y-o-y to reach EGP 4,567.1 million in 9M 2017, representing a net profit margin of 14.2% compared to EGP 2,351.7 million in 9M 2016, representing a net profit margin of 15.2%. The recovery in bottom line margins is attributed to an increase in net interest income to EGP 25.8 million in 9M 2017 compared to a net interest expense of EGP 160.1 million in 9M 2016.
- **Net debt** as at 30 September, 2017 stood at EGP 355.6 million, down by 89.2% q-o-q from EGP 3,300.4 million posted on 30 June, 2017.
- Net working capital stood at EGP 16,197.9 million as at 30 September, 2017, representing an 8.4% decrease q-o-q from EGP 17,687.8 million as at 30 June, 2017. Inventory grew by 3.9% q-o-q to stand at EGP 7,953.8 million as at 30 September, 2017 compared to EGP 7,652.0 million as at 30 June, 2017. Account receivables fell by 11.4% q-o-q to reach EGP 10,944.3 million as at 30 September, 2017 compared to EGP 12,351.2 million as at 30 June, 2017 while account payables grew by 16.6% q-o-q to reach EGP 2,700.2 million compared to EGP 2,315.4 million over the same period.

Note from Our CEO

Our 9M 2017 results stand testament to our ability to continuously drive strong and sustainable growth, with both our top- and bottom-lines delivering twofold increases for four consecutive quarters.

While the MENA region is currently facing some headwinds affecting short-term growth prospects, we remain confident in the region's solid fundamentals in the long haul. We are also actively seeking avenues for growth in existing and new MENA markets as we seek to capitalize on their favourable trends and early-mover advantages.

We have successfully leveraged our regional position as a multi-country player with strong foreign currency proceeds, and our focus for the coming period will see us take active measures to ensure this trajectory does not falter. El Sewedy Electric will continue to drive organic growth of its core businesses while maintaining tight cost controls to further cement our competitiveness. In parallel, we are strengthening our organisation through the standardization of our internal procedures, adopting world-class corporate governance frameworks and developing our human resources as our key success pillar. Our goal is simple: the continued creation of sustainable long-term value for our stakeholders.

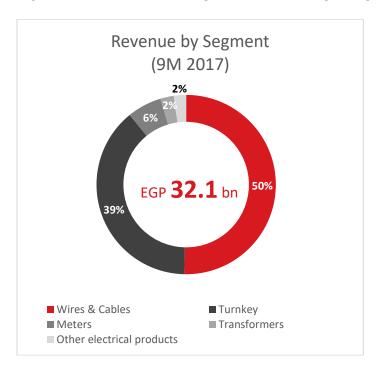
Ahmed El Sewedy CEO

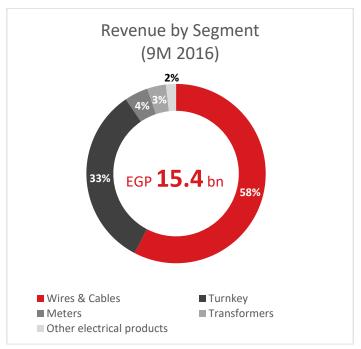


Revenue Analysis by Segment

The wires & cables segment was the largest contributor to total revenue, despite witnessing the largest contraction in its contribution y-o-y of 7.3 percentage points to 50.3% in 9M 2017. This was followed by Turnkey Projects, which witnessed the highest growth in contribution y-o-y of 5.9 percentage points to 38.8% in 9M 2017 from 32.9% in 9M 2016. Meters, transformers and other electrical products contributed a combined 10.8% to total revenue in 9M 2017, up from 9.5% in 9M 2016. This growth is mainly attributed to the meters segment, which contributed 6.2% to total revenue in 9M 2017 (9M 2016: 4.3%) and was furthered by other electrical products, which contributed 2.2% to total revenue in 9M 2017 (9M 2016: 1.8%). The transformers segment saw a fall in its contribution by 1.0 percentage points to 2.4% in 9M 2017 compared to 3.4% in 9M 2016.

Turnkey projects, which surpassed the wires and cables to become the largest contributor to total revenue growth in absolute terms during the discussion period, increased by 145.8% y-o-y to EGP 12,468.5 million and contributed 44.3% to absolute growth. The wires and cables segment grew by 81.7% y-o-y to reach EGP 16,165.5 million in 9M 2017 and contributed 43.6% to absolute growth. Meters witnessed the highest revenue growth for 9M 2017, at 203.1% y-o-y to reach EGP 1,992.9 million and contributed 8.0% to total revenue growth. Other electrical products followed closely behind, with a y-o-y increase of 154.3% to reach EGP 713.4 million and contributing 2.6% to absolute growth. The transformers segment exhibited the slowest growth in 9M 2017, growing at 49.0% y-o-y to reach EGP 777.9 million.







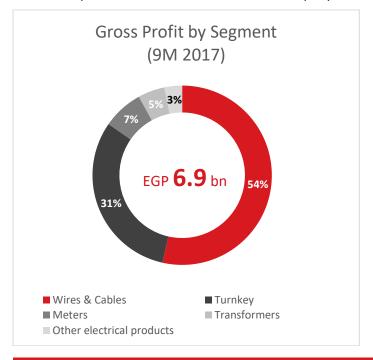
Summary of Revenues by Segment

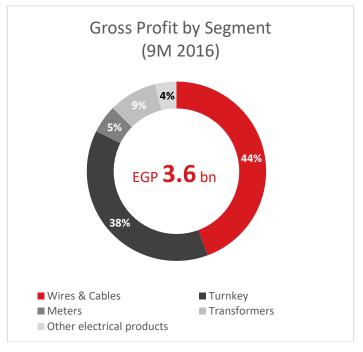
EGP (000)'s	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Wires & Cables	5,776,905	2,667,472	116.6%	16,165,503	8,895,513	81.7%
Turn Key Projects	4,465,516	1,683,531	165.2%	12,468,471	5,071,870	145.8%
Meters	597,406	247,906	141.0%	1,992,893	657,454	203.1%
Transformers	350,850	152,070	130.7%	777,898	521,912	49.0%
Other Electrical Products	272,261	122,652	122.0%	713,419	280,554	154.3%
Total	11,462,938	4,873,631	135.2%	32,118,184	15,427,303	108.2%

Gross Profit Analysis by Segment

Gross profit for the nine-month period ending 30 September, 2017 climbed 94.0% y-o-y to reach EGP 6,930.8 million, representing a gross profit margin of 21.6% in 9M 2017 compared to 23.2% in 9M 2016. The wires and cables segment was the leading contributor to gross profit growth in absolute terms, contributing 63.3% to absolute growth and increasing by 134.3% y-o-y to EGP 3,709.9 million in 9M 2017. While the wires and cables witnessed a gross margin expansion of 5.1 percentage points, the company's other business segments witnessed margin contractions in 9M 2017 compared to 9M 2016, leading to an overall gross margin contraction of 1.6 percentage points between both periods.

Turnkey projects, the second largest contributor to total revenue, recorded a gross profit of EGP 2,157.8 million in 9M 2017, with an associated GPM of 17.3% representing a contraction of 9.5 percentage points y-o-y. Gross profit for meters stood at EGP 507.2 million in 9M 2017, with an associated GPM of 25.5% compared to 27.6% in 9M 2016. Transformers and other electrical products experienced the largest margin contractions y-o-y in 9M 2017, by 16.7 and 17.9 percentage points respectively. However, their minimal contributions to gross profit (4.8% and 3.2% respectively in 9M 2017) implied nominal impact of these contractions to the company's total gross profit margin.







Summary of Gross Profit by Segment

EGP (000)'s	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Wires & Cables	938,903	505,276	85.8%	3,709,941	1,583,559	134.3%
Turn Key Projects	941,962	343,688	174.1%	2,157,790	1,359,174	58.8%
Meters	148,923	70,009	112.7%	507,205	181,289	179.8%
Transformers	120,973	189,508	-36.2%	334,177	311,128	7.4%
Other Electrical Products	109,503	57,338	91.0%	221,640	137,485	61.2%
Total	2,260,264	1,165,819	93.9%	6,930,753	3,572,634	94.0%

Segments Overview

Wires & Cables Segment

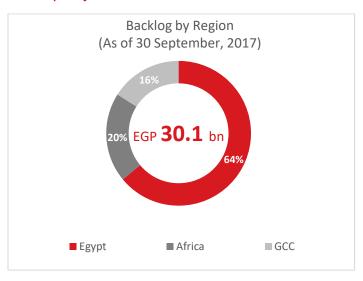
Wires and cables recorded revenue growth of 81.7% y-o-y to EGP 16,165.5 million for the nine-month period ending September 30, 2017. While actual sales volume contracted by 27.6% y-o-y to 89,379 tons, revenue growth was pricedriven, with help from the translation of international and export revenue to local currency following the November 2016 float of the Egyptian pound. Gross profit growth outpaced revenue growth between 9M 2016 and 9M 2017, increasing by 134.3% y-o-y to EGP 3,709.9 due to a GPM expansion of 5.1 percentage points. This translated into a gross profit per ton of EGP 28,718 in 9M 2017, which represents an almost threefold increase from EGP 8,880 in 9M 2016.

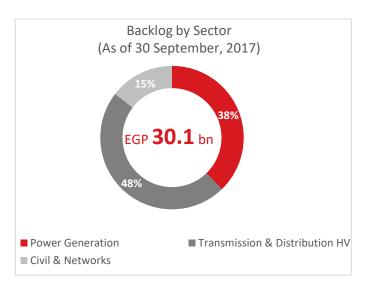
Wires & Cables Segment Financial Highlights

	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	8,409,618	4,349,421	93.4%	24,516,034	13,574,711	80.6%
Revenues After Intercompany Sales (EGP 000's)	5,776,905	2,667,472	116.6%	16,165,503	8,895,513	81.7%
Gross Profit (EGP 000's)	938,903	505,276	85.8%	3,709,941	1,583,559	134.3%
GP Margin Before Intercompany Sales	11.2%	11.6%		15.1%	11.7%	
GP Margin After Intercompany Sales	16.3%	18.9%		22.9%	17.8%	
Cables Sales Volumes (Tons)	26,894	37,055	-27.4%	89,379	123,483	-27.6%
Cables Gross profit per ton (EGP)	26,653	9,694	174.9%	28,718	8,880	223.4%



Turnkey Projects





The turnkey projects segment was the largest contributor to the company's top line growth in 9M 2017, recording EGP 12,468.5 million in revenue which represented a y-o-y growth of 145.8%.

The segment's revenue contribution grew by 5.9 percentage points between 9M 2016 and 9M 2017 to 38.8% while its contribution to revenue growth for the period was 44.3%. GPM for the segment contracted by 9.5 percentage points y-o-y in 9M 2017. However, the segment's revenue growth outpaced this contraction, leading to a 58.8% growth y-o-y in gross profit during the period to EGP 2,157.8 million. As at 30 September 2017, the company's backlog for turnkey projects stood at EGP 30.1 billion.

Meters Segment

The meters segment has continued to exhibit the highest growth in 9M 2017, increasing by 203.1% y-o-y to EGP 1,992.9 million. Its contribution to total revenue grew to 6.2% in 9M 2017 from 4.3% in the previous period. Both price and volume contributed to revenue growth, with volume increasing to 2.8 million meters from 2.5 million meters and gross profit per meter growing to EGP 180 from EGP 73 between 9M 2016 and 9M 2017. Gross profit grew almost threefold during the same period to stand at EGP 507.2 million (representing a GPM of 25.5%).

Meters Backlog (As of 30 September, 2017)

EUR 133 mn

Meters Segment Financial Highlights

	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	636,742	261,336	143.6%	2,088,431	680,341	207.0%
Revenues After Intercompany Sale (EGP 000's)	597,406	247,906	141.0%	1,992,893	657,454	203.1%
Gross Profit (EGP 000's)	148,923	70,009	112.7%	507,205	181,289	179.8%
GP Margin Before Intercompany Sales	23.4%	26.8%		24.3%	26.6%	
GP Margin After Intercompany Sales	24.9%	28.2%		25.5%	27.6%	
Sales Volume (Meters)	709,785	941,027	-22.9%	2,822,291	2,484,035	13.6%
Gross profit per meter (EGP)	210	76	177.8%	180	73	146.2%



9M 2017 EARNINGS RELEASE

Cairo | 15 November 2017

Transformers Segment

The transformers segment recorded 9M 2017 revenue of EGP 777.9 million, up 49.0% y-o-y. Its contribution to total revenue stood at 2.4% in 9M 2017. Revenue growth was primarily driven by price, as volumes contracted by 10% y-o-y to 3,990 MVA and gross profit per MVA grew by 19.4% y-o-y to EGP 83,750 in 9M 2017.

Transformers Backlog (As of 30 September, 2017)

USD 70 mn

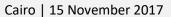
Transformers Segment Financial Highlights

	Q3-2017	Q3-2016	% Change	9M-2017	9M-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	369,919	351,190	5.3%	938,032	725,305	29.3%
Revenues After Intercompany Sale (EGP 000's)	350,850	152,070	130.7%	777,898	521,912	49.0%
Gross Profit (EGP 000's)	120,973	189,508	-36.2%	334,177	311,128	7.4%
GP Margin Before Intercompany Sales	32.7%	54.0%		35.6%	42.9%	
GP Margin After Intercompany Sales	34.5%	124.6%		43.0%	59.6%	
Sales Volume (MVA)	1,683	1,582	6.4%	3,990	4,435	-10.0%
Gross profit per MVA (EGP)	71,860	119,821	-40.0%	83,750	70,150	19.4%

Other Electrical Products

The other electrical products segment recorded revenues of EGP 713.4 million in 9M 2017, up 154.3% y-o-y, with gross profit growing 61.2% y-o-y to EGP 221.6 million.

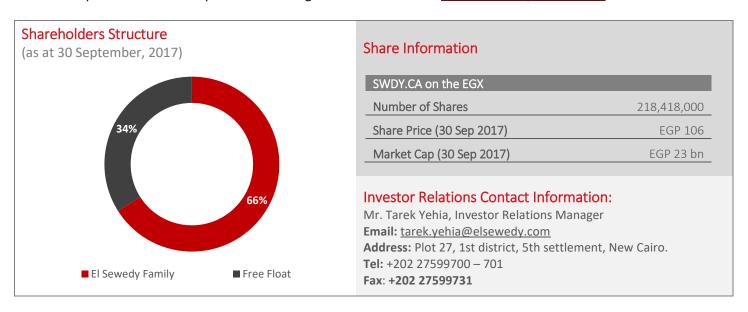






About Elsewedy Electric

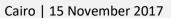
Established in 1938 by the Elsewedy family, Elsewedy Electric has since grown to become a regional and tactically global integrated cables and electrical products manufacturer and a turn-key services provider with more than 12,000 employees working at 30 production facilities in 15 countries. Structured 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



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.



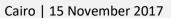




Consolidated Income Statement

EGP	Q3-2017	Q3-2016	Change	9M-2017	9M-2016	Change
Sales						
Wires & Cables	5,776,905,117	2,667,472,130	116.6%	16,165,503,086	8,895,512,855	81.7%
Electrical Products	1,220,517,261	522,627,722	133.5%	3,484,209,842	1,459,920,300	138.7%
Turnkey Projects	4,465,515,574	1,683,531,143	165.2%	12,468,471,135	5,071,869,952	145.8%
Total Sales	11,462,937,952	4,873,630,995	135.2%	32,118,184,063	15,427,303,107	108.2%
COGS	(9,202,674,385)	(3,707,811,885)	148.2%	(25,187,430,934)	(11,854,668,806)	112.5%
Gross Profit	2,260,263,567	1,165,819,110	93.9%	6,930,753,129	3,572,634,301	94.0%
Gross Profit Margin	19.7%	23.9%		21.6%	23.2%	
SG&A	(342,062,233)	(269,209,931)	27.1%	(1,523,154,803)	(831,159,097)	83.3%
Other Operating Income	62,685,545	49,849,333	27.170	432,305,706	116,627,958	03.370
Other Operating Expense	(281,290,677)	(58,121,123)		(709,349,564)	(148,875,540)	
Income from Investments	153,096,766	53,413,618		414,868,220	198,200,342	
EBITDA	2,006,676,528	1,031,586,094	94.5%	5,970,475,444	3,170,920,083	88.3%
EBITDA Margin	17.5%	21.2%		18.6%	20.6%	
Depreciation & Amortization	(153,983,560)	(89,835,087)		(425,052,756)	(263,492,119)	
FX Gain / (Loss)	(213,451,474)	10,956,570		111,749,298	203,795,235	
EBIT	1,639,241,494	952,707,577	72.1%	5,657,171,986	3,111,223,199	81.8%
Interest Expense	(74,908,474)	(112,023,626)		(396,277,007)	(280,667,532)	
Interest Income	338,032,680	56,205,645		422,077,861	120,587,889	
Interest Income / (Expenses)	263,124,206	(55,817,981)		25,800,854	(160,079,643)	
ЕВТ	1,902,365,700	896,889,596	112.1%	5,682,972,840	2,951,143,556	92.6%
Tax	(323,328,805)	(150,265,268)		(1,050,258,266)	(543,751,687)	
Net Income	1,579,036,895	746,624,328	111.5%	4,632,714,574	2,407,391,869	92.4%
Minority Interest	(22,273,173)	(25,891,539)		(65,600,248)	(55,716,963)	
Net Income After Minority	1,556,763,722	720,732,789	116.0%	4,567,114,326	2,351,674,906	94.2%







Consolidated Balance Sheet

EGP	31-12-16	31-03-17	31-06-17	30-09-17
Assets				
Long Term Assets				
Fixed Assets	4,358,661,645	4,532,986,896	4,621,992,447	4,617,960,401
Investments	1,276,350,446	1,388,384,558	1,052,783,777	1,023,516,410
Other Long Term Assets & Good will	277,204,873	339,049,973	319,075,537	377,172,369
Other Long Term Receivables	3,867,394,013	3,579,786,132	2,931,864,427	3,811,776,784
Total Long Term Assets	9,779,610,977	9,840,207,559	8,925,716,188	9,830,425,964
Current Assets				
Inventories	6,085,344,359	8,149,806,566	7,651,985,807	7,953,803,967
Receivables	10,428,542,123	11,555,170,133	12,351,178,445	10,944,263,571
Other Debit balance	3,059,174,357	6,042,509,183	3,043,834,598	3,315,994,434
Due from Related Parties	663,680,218	622,880,715	1,081,395,203	544,327,827
Cash & Cash Equivalents	8,522,476,523	7,431,012,479	6,619,564,911	8,822,577,679
Total Current Assets	28,759,217,580	33,801,379,076	30,747,958,964	31,580,967,478
Total Assets	38,538,828,557	43,641,586,635	39,673,675,152	41,411,393,442
Liabilities				
Current Liabilities				
Bank Overdraft & Short Term loans	9,797,606,073	9,792,251,887	8,341,447,545	7,803,544,988
Accounts Payable	3,140,412,300	2,316,692,835	2,315,407,275	2,700,154,420
Other Credit balance	10,304,328,520	15,344,648,569	11,615,420,480	12,531,354,047
Due to Affiliates	376,577,012	370,345,456	480,940,053	2,023,127,405
Provisions	1,179,508,175	1,180,176,445	1,168,938,021	1,239,644,250
Total Current Liabilities	24,798,432,080	29,004,115,192	23,922,153,374	26,297,825,110
Equity				
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,184,180,000	2,184,180,000
Retained Earnings	6,589,888,570	7,159,376,983	8,255,788,025	7,938,339,961
Others	2,160,994,632	2,333,800,958	2,294,195,341	2,208,341,984
Total Parent's Shareholders' Equity	10,985,063,202	11,727,357,941	12,734,163,366	12,330,861,945
Minority Interest	584,496,934	589,288,544	596,684,094	605,592,604
Total Equity	11,569,560,136	12,316,646,485	13,330,847,460	12,936,454,549
Long Term Loans	1,420,570,790	1,462,004,889	1,578,488,655	1,374,589,887
Other Long Term Liabilities	750,265,551	858,820,069	842,185,663	802,523,896
Total Long Term Liabilities	2,170,836,341	2,320,824,958	2,420,674,318	2,177,113,783
Total Liabilities & Equity	38,538,828,557	43,641,586,635	39,673,675,152	41,411,393,442
Total Liabilities & Equity	30,330,020,337	43,041,360,033	33,073,073,132	41,411,333,442