

ELSEWEDY ELECTRIC Records revenue growth of 74.1% Y-o-Y to EGP 42.9 billion driven by strong results from all business segments; net profit reached record high of EGP 6.4 billion; proposed 2H 2017 DPS of EGP 8

Q4 2017 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 10,793 million ▲ 17% y-o-y	EGP 2,113 million ▼ 10% y-o-y	EGP 1,831 million ▲ 34% y-o-y	EGP 1,801 million ▲ 20% y-o-y

FY 2017 Consolidated Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit after Minority
EGP 42,911 million ▲ 74% y-o-y	EGP 9,044 million ▲ 52% y-o-y	EGP 7,802 million ▲ 72% y-o-y	EGP 6,368 million ▲ 65% 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 2017, reporting a net profit after minority interest of EGP 6,368 million, on revenues of EGP 42,911 million, yielding a Net Profit Margin (NPM) of 15% and representing a y-o-y growth of 65%. On a quarterly basis, the company recorded revenues of EGP 10,793 million in 4Q 2017, representing a growth of 17% y-o-y and filtering into a bottom-line of EGP 1,801 million for the quarter, up 20% y-o-y.

Summary Income Statement

EGP (000)'s	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Revenue	10,792,929	9,217,370	17%	42,911,113	24,644,673	74%
Gross Profit	2,113,476	2,360,651	-10%	9,044,229	5,933,285	52%
Gross Profit Margin	20%	26%		21%	24%	
EBITDA	1,830,799	1,364,590	34%	7,802,307	4,535,510	72%
EBITDA Margin	17%	15%		18%	18%	
Net Income After Minority	1,800,927	1,501,768	20%	6,368,041	3,853,443	65%
Net Income After Minority Margin	17%	16%		15%	16%	

Financial Highlights

- **Revenues** recorded y-o-y growth of 74% in FY 2017, driven by organic growth in the company's main two segments, wires & cables and turnkey projects.
- **Gross Profit** reached EGP 9,044 million in FY 2017 (gross margin of 21%), up 52% y-o-y from EGP 5,933 million in FY 2016 (gross margin of 24%).
- **SG&A** stood at EGP 2,061 million in FY 2017, up from EGP 1,343 million in FY 2016, however representing 4.8% of sales versus 5.4% of in FY 2016.
- **EBITDA** recorded y-o-y growth of 72% in FY 2017 to EGP 7,802 million from EGP 4,535 million. EBITDA margin remained relatively stable at 18.4% during the year compared to 18.2% in FY 2016.
- **Net Profit after Minority Interest** came in at EGP 6,368 million in FY 2017, up 65% y-o-y compared to EGP 3,853 million recorded in FY 2016 and with a NPM of 15% compared to 16% in the previous year.
- **Net debt** as at 31 December 2017 stood at EGP 497 million, down by 82% compared to EGP 2,696 million carried on 31 December 2016.
- **Inventory** levels reached EGP 7,819 million as at 31 December 2017, growing by 28% y-o-y from EGP 6,085 million at year-end 2016. Meanwhile, **account receivables** stood at EGP 12,007 million as at 31 December 2017, up 15% y-o-y compared to the previous year's close of EGP 10,428 million. **Accounts payable** remained stable at EGP 3,139 million at year-end 2017.
- El Sewedy Electric had **declared a dividend of EGP 8 per share in the first half of 2017** and the Board of Directors has **proposed a new dividend of EGP 8 per share for the second half of 2017**, bring FY 2017 dividends to EGP 16 per share.

Note from Our CEO

Our results for the full-year reflect El Sewedy Electric's resilience in the face of economic uncertainty and challenging operating environments. At a time when businesses across were struggling in the aftermath of the Egyptian government's economic reform program – from rising energy costs, a free float of the currency and tightening monetary policies – El Sewedy delivered consistent, double-digit top- and bottom-line growth. This performance did not come by chance but is the culmination of years of hard work and planning that has seen our Group evolve into an export-driven, regional integrated energy solutions provider.

Our goal for the future is to continue this growth trajectory and the sustainable creation of long-term value to our shareholders. Our strategy will see us increasingly diversify our operations and client-base across new industries and geographies and in-turn driving organic growth of our business. At the close of 2017 and in the early months of 2018 we have already grown our backlog with two landmark projects that serve our strategy and set the stage for an exciting year ahead.

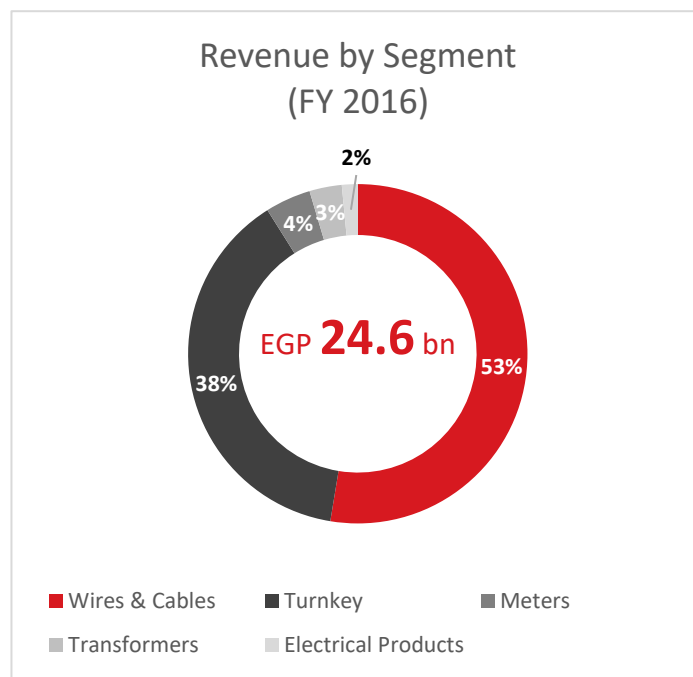
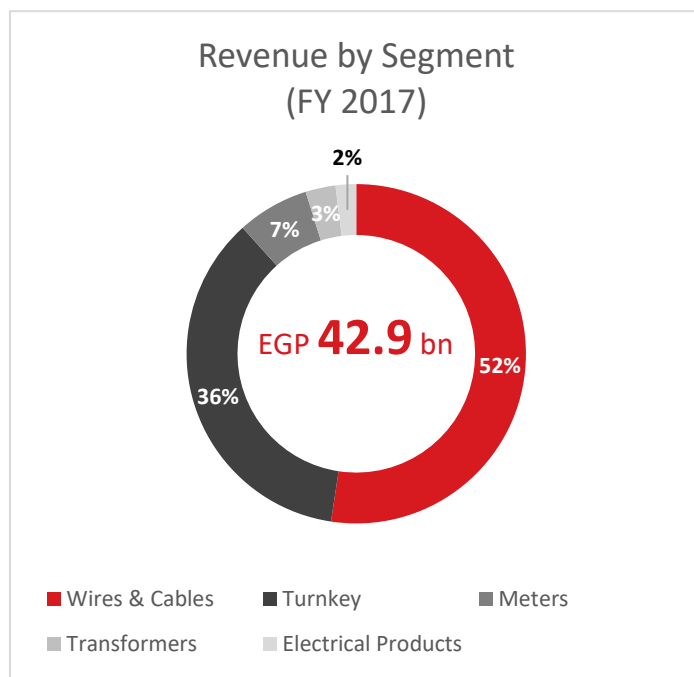
We are also aware that our organization's success and sustainability hinges on its human resources development programs, its institutionalization efforts and its adoption of best-in-class governance frameworks and policies, all which are part and parcel of our long-term strategy.

Ahmed El Sewedy

Revenue Analysis by Segment

Revenue contribution was skewed towards the wires and cables segment, which contributed 52% to total revenue in FY 2017 (FY 2016: 53%). Revenue contribution from the company's second largest segment, turnkey projects, fell by 2 percentage points to 36% in FY 2017 (FY 2016: 38%) while revenue contribution from meters grew by 3 percentage points to 7% (FY 2016: 4%). Transformers and other electrical products contributed a combined total of 5% (FY 2016: 5%), with no change from their previous year.

Revenue growth for FY 2017 was once again driven by the company's largest segment, wires and cables, which increased by 73% y-o-y to EGP 22,476 million in FY 2017 and contributed 52% to total absolute growth. Turnkey projects recorded 63% y-o-y growth to EGP 15,422 million in FY 2017 and contributed 33% to total revenue growth. Meters reported y-o-y growth of 175% to EGP 2,945.0 million, the company's highest-growth segment during the year and contributed 10% to absolute revenue growth. Growing at 126% y-o-y, other electrical products were the second-fastest growing segment with revenues hitting EGP 841 million in FY 2017. However, its small contribution to total revenues implied a minimal impact on total revenue growth, contributing only 3% to absolute growth during the year. Finally, transformers revenue grew by 61.4% y-o-y to EGP 1,227 million in FY 2017, representing the slowest growth among all the product segments.



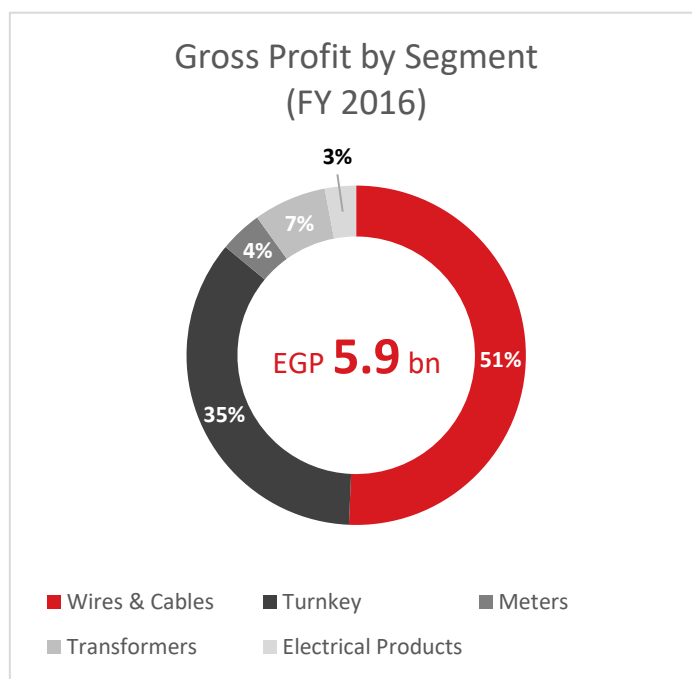
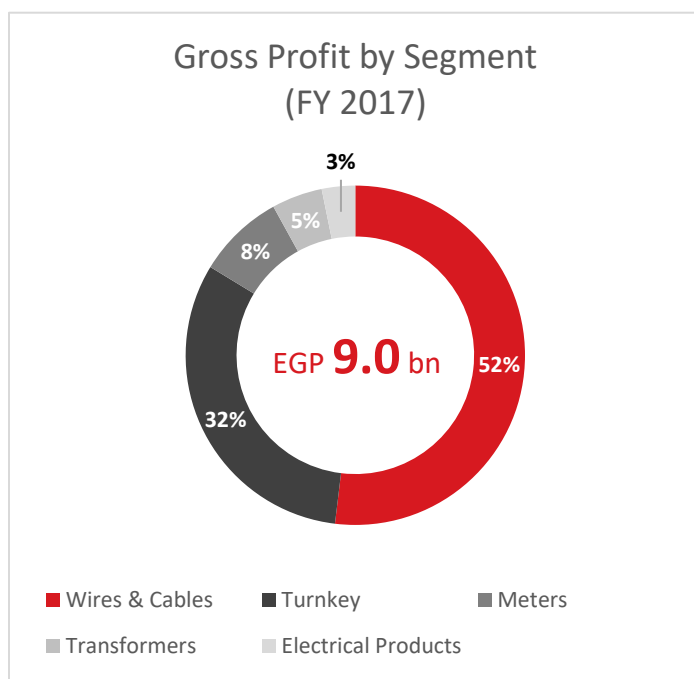
Summary of Revenues by Segment

EGP (000)'s	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Wires & Cables	6,310,389	4,065,285	55%	22,475,892	12,960,798	73%
Turn Key Projects	2,953,931	4,408,550	-33%	15,422,403	9,480,420	63%
Meters	952,088	414,095	130%	2,944,981	1,071,549	175%
Transformers	448,746	238,090	88%	1,226,644	760,002	61%
Other Electrical Products	127,774	91,350	40%	841,193	371,905	126%
Total	10,792,929	9,217,370	17%	42,911,113	24,644,673	74%

Gross Profit Analysis by Segment

The company posted gross profit growth of 52% y-o-y in FY 2017 to EGP 9,044.0 million and yielding a gross profit margin (GPM) of 21%, down 3.0 percentage points from FY 2016.

The wires & cables segment recorded gross profits of EGP 4,727 million in FY 2017, up 57% y-o-y and contributing 55% to total gross profit growth in absolute terms. Turnkey projects posted gross profits of EGP 2,833 million in FY 2017, representing a y-o-y growth of 35% and contributing 24% to total gross profit growth in absolute terms. Meters, the only segment to post gross profit margin growth during FY 2017 (by 3 percentage points), recorded gross profits of EGP 754 million in FY 2017 and represented 16% of total gross profit growth during the period. Transformers and other electrical products recorded gross profits of EGP 441 million and EGP 290 million respectively in FY 2017, contributing a combined 5% to absolute gross profit growth for the period.



Summary of Gross Profit by Segment

EGP (000)'s	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Wires & Cables	1,017,520	1,423,649	-29%	4,727,461	3,006,180	57%
Turn Key Projects	674,834	736,962	-8%	2,832,624	2,096,136	35%
Meters	246,458	59,985	311%	753,664	241,274	212%
Transformers	106,423	100,685	6%	440,600	412,842	7%
Other Electrical Products	68,241	39,369	73%	289,880	176,854	64%
Total	2,113,476	2,360,651	-10%	9,044,229	5,933,285	52%

Segments Overview

Wires & Cables Segment

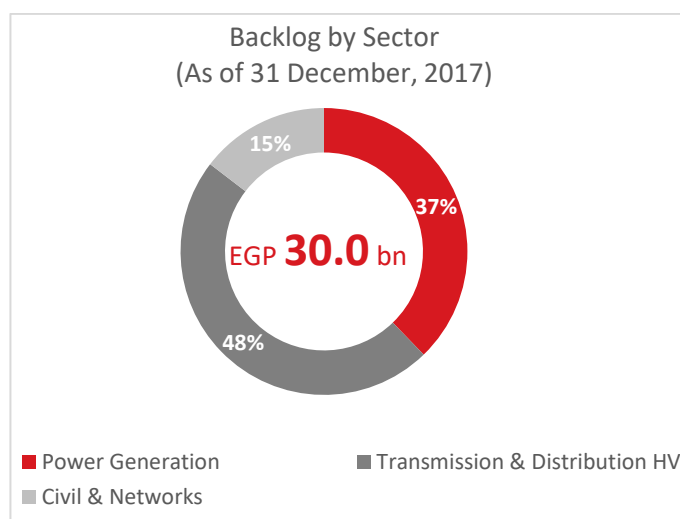
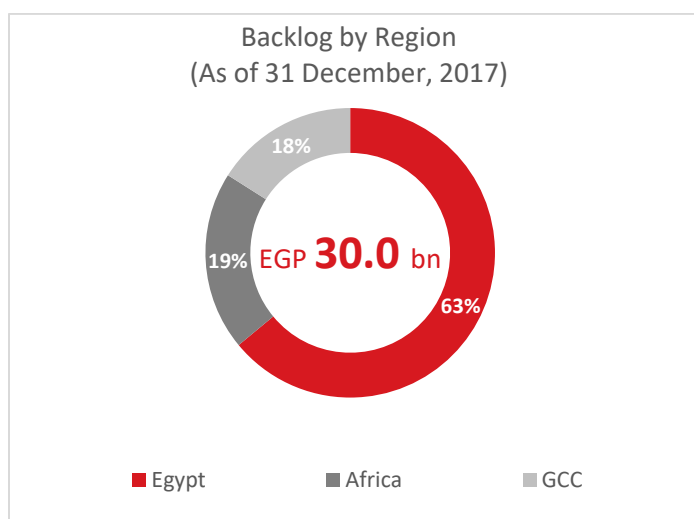
Revenues from the wires & cables segment recorded EGP 22,475.9 million in FY 2017, up an impressive 73% y-o-y, while on a quarterly basis, revenues recorded EGP 6,310.4 million in 4Q 2017, up 55% y-o-y. The segment's strong performance during both the quarter and full-year was price driven, with average price per ton climbing 113% y-o-y in FY 2017. Meanwhile the wires and cables segment's volumes declined 22% y-o-y in FY 2017 to 122.1 thousand tons.

Wires & Cables gross profit increased 57% y-o-y to EGP 4,727 million in FY 2017 on the back of a 152% y-o-y increase in gross profit per ton to EGP 27,198. Gross profit margin came in at 21.0% in FY 2017, down from 23.2% in the previous year. Meanwhile in 4Q 2017, the segment's gross profit came in at EGP 1,018 million, down 29% y-o-y with gross profit per ton rising 27% y-o-y to average EGP 23,042. Gross profit margin in the final quarter of the year declined to 16.1% in 4Q 2017 as raw material costs were affected by the float of the Egyptian pound in November 2016.

Wires & Cables Segment Financial Highlights

	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	10,000,634	7,081,229	41%	34,516,668	20,655,940	67%
Revenues After Intercompany Sales (EGP 000's)	6,310,389	4,065,285	55%	22,475,892	12,960,798	73%
Gross Profit (EGP 000's)	1,017,520	1,423,649	-29%	4,727,461	3,006,180	57%
GP Margin Before Intercompany Sales	10.2%	20.1%		13.7%	14.6%	
GP Margin After Intercompany Sale	16.1%	35.0%		21.0%	23.2%	
Cables Sales Volumes (Tons)	32,703	32,145	2%	122,082	155,628	-22%
Cables Gross profit per ton (EGP)	23,042	18,126	27%	27,198	10,790	152%

Turnkey Projects



Turnkey Projects

Turnkey projects posted revenues of EGP 15,422.4 million in FY 2017, up 63% y-o-y. Revenue growth for the full-year came despite a slow quarter in 4Q 2017, with revenues from the segment recording EGP 2,953.9 million, down 33% y-o-y.

Gross profit from the turnkey segment recorded EGP 2,832.6 million in FY 2017, up 35% y-o-y and with a gross profit margin of 18%, down from 22% in FY 2016. Nonetheless, the segment's profitability improved in 4Q 2017 posting a GPM for the quarter of 23% versus 17% in 4Q 2016 and despite an overall 8% y-o-y decline in quarter gross profit to EGP 674.8 million. Turnkey projects backlog stood at EGP 30 billion at the close of the year.

Meters Segment

The meters segment was the fastest growing segment in FY 2017, posting revenue growth of 175% y-o-y to EGP 2,945.0 million compared to EGP 1,072.5 million in the previous year. Revenue growth was largely price-driven as the segment's average prices increased 168% y-o-y in FY 2017. Meanwhile segment volumes also posted a y-o-y increase of 12% to a total of 3.8 million meters sold. The meters segment saw gross profit growth outpace revenues at 212% y-o-y in FY 2017 to EGP 753.7 million, leading to a GPM expansion by three points to 26%. Meanwhile on a quarterly basis, the segment posted similarly impressive results with revenues up 130% y-o-y to EGP 952.1 million, while gross profit surged fourfold to EGP 246.5 million in 4Q 2017. GPM for the quarter expanded a solid 12 percentage points to 26% in 4Q 2017. Total meters backlog stood at EUR 105 million as at 31 December 2017.

Meters Backlog (As of 31 Dec, 2017)

EUR **105** mn

Meters Segment Financial Highlights

	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	1,234,689	422,518	192%	3,323,121	1,102,860	201%
Revenues After Intercompany Sale (EGP 000's)	952,088	414,095	130%	2,944,981	1,071,549	175%
Gross Profit (EGP 000's)	246,458	59,985	311%	753,664	241,274	212%
GP Margin Before Intercompany Sales	20.0%	14.2%		22.7%	21.9%	
GP Margin After Intercompany Sales	25.9%	14.5%		25.6%	22.5%	
Sales Volume (Meters)	960,009	881,235	9%	3,782,300	3,365,270	12%
Gross profit per meter (EGP)	257	68	277%	199	72	178%

Transformers Segment

Revenues from the transformers segment increased by 61% y-o-y in FY 2017 to EGP 1,226.6 million, while on a quarterly basis the segment's top-line came in at EGP 448.7 million. Gross profit grew 7% y-o-y in FY 2017 to EGP 440.6 million (4Q 2017: EGP 106.4 million) yielding a gross profit margin of 36% down from 54% in the previous year.

Transformers Backlog (As of 31 Dec 2017)

USD **58** mn

Transformers Segment Financial Highlights

	Q4-2017	Q4-2016	% Change	FY-2017	FY-2016	% Change
Revenues Before Intercompany Sales (EGP 000's)	529,459	347,232	52%	1,467,491	1,072,537	37%
Revenues After Intercompany Sale (EGP 000's)	448,746	238,090	88%	1,226,644	760,002	61%
Gross Profit (EGP 000's)	106,423	100,685	6%	440,600	412,842	7%
GP Margin Before Intercompany Sales	20.1%	29.0%		30.0%	38.5%	
GP Margin After Intercompany Sales	23.7%	42.3%		35.9%	54.3%	
Sales Volume (MVA)	2,435	1,389	75%	6,425	5,824	10%
Gross profit per MVA (EGP)	43,709	73,222	-40%	68,576	70,887	-3%

Other Electrical Products

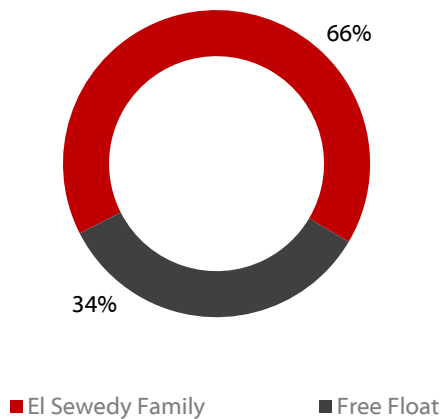
Revenues from the electrical products segment increased by 126% y-o-y to EGP 841.2 million in FY 2017, with gross profit posting EGP 289.9 million for the year, up 64% y-o-y, and with a GPM of 34%.

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

Shareholders Structure

(as at 31 December 2017)



Share Information

SWDY.CA on the EGX / SWDY.EY on Bloomberg

Number of Shares	218,418,000
Share Price (31 Dec 2017)	EGP 148
Market Cap (31 Dec 2017)	EGP 32 bn

Investor Relations Contact Information:

Mr. Tarek Yehia, Investor Relations Manager

Email: tarek.yehia@elsewedy.com

Address: Plot 27, 1st district, 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	Q4-2017	Q4-2016	Change	FY-2017	FY-2016	Change
Sales						
Wires & Cables	6,310,388,978	4,065,285,020		22,475,892,064	12,960,797,874	
Electrical Products	1,528,608,368	743,534,959		5,012,818,210	2,203,455,259	
Turnkey Projects	2,953,931,487	4,408,549,778		15,422,402,622	9,480,419,731	
Total Sales	10,792,928,833	9,217,369,757	17%	42,911,112,896	24,644,672,864	74%
COGS	(8,679,453,308)	(6,856,718,711)		(33,866,884,242)	(18,711,387,517)	
Gross Profit	2,113,475,525	2,360,651,046	-10%	9,044,228,654	5,933,285,347	52%
Gross Profit Margin	19.6%	25.6%		21.1%	24.1%	
SG&A	(537,757,318)	(511,869,872)		(2,060,912,121)	(1,343,028,969)	
Other Operating Income	58,723,417	(51,313,011)		491,029,123	65,315,219	
Other Operating Expense	(212,826,792)	(688,829,024)		(922,176,356)	(837,704,837)	
Income from Investments	287,064,038	132,623,669		701,932,258	330,824,011	
EBITDA	1,830,798,897	1,364,590,364	34%	7,802,306,592	4,535,510,446	72%
EBITDA Margin	17.0%	14.8%		18.2%	18.4%	
Depreciation & Amortization	(122,120,027)	(123,327,556)		(548,205,034)	(386,819,675)	
FX Gain / (Loss)	86,492,784	1,107,750,032		198,242,082	1,311,545,267	
EBIT	1,795,171,654	2,349,012,840		7,452,343,640	5,460,236,038	
Interest Expense	(116,099,559)	(134,386,944)		(512,376,566)	(415,054,477)	
Interest Income	308,451,819	60,173,722		730,529,680	180,761,611	
Interest Income / (Expenses)	192,352,260	(74,213,222)		218,153,114	(234,292,866)	
EBT	1,987,523,914	2,274,799,618		7,670,496,754	5,225,943,172	
Tax	(133,680,393)	(727,463,102)		(1,183,938,659)	(1,271,214,788)	
Net Income	1,853,843,521	1,547,336,516		6,486,558,095	3,954,728,384	
Minority Interest	(52,916,600)	(45,568,829)		(118,516,848)	(101,285,792)	
Net Income After Minority Interest	1,800,926,921	1,501,767,687	20%	6,368,041,247	3,853,442,592	65%

Consolidated Balance Sheet

EGP	31-12-16	30-09-17	31-12-17
Assets			
Long Term Assets			
Fixed Assets	4,358,661,645	4,617,960,401	4,723,555,823
Investments	1,276,350,446	1,023,516,410	1,243,216,097
Other Long-Term Assets & Good will	277,204,873	377,172,369	654,890,203
Other Long-Term Receivables	3,867,394,013	3,811,776,784	3,486,374,869
Total Long-Term Assets	9,779,610,977	9,830,425,964	10,108,036,992
Current Assets			
Inventories	6,085,344,359	7,953,803,967	7,818,948,364
Receivables	10,428,542,123	10,944,263,571	12,006,589,372
Other Debit balance	3,059,174,357	3,315,994,434	2,872,604,585
Due from Related Parties	663,680,218	544,327,827	548,573,297
Cash & Cash Equivalents	8,522,476,523	8,822,577,679	9,072,732,756
Total Current Assets	28,759,217,580	31,580,967,478	32,319,448,375
Total Assets	38,538,828,557	41,411,393,442	42,427,485,367
Liabilities			
Current Liabilities			
Bank Overdraft & Short-Term loans	9,797,606,073	7,803,544,988	8,390,195,283
Accounts Payable	3,140,412,300	2,700,154,420	3,139,495,170
Other Credit balance	10,304,328,520	12,531,354,047	13,247,452,036
Due to Affiliates	376,577,012	2,023,127,405	371,383,820
Provisions	1,082,961,436	1,239,644,250	1,030,717,996
Total Current Liabilities	24,701,885,341	26,297,825,110	26,179,244,306
Equity			
Issued and Paid Capital	2,234,180,000	2,184,180,000	2,184,180,000
Retained Earnings	6,589,888,570	7,938,339,961	9,429,130,905
Others	2,160,994,632	2,208,341,984	1,899,112,879
Total Parent's Shareholders' Equity	10,985,063,202	12,330,861,945	13,512,423,779
Minority Interest	584,496,934	605,592,604	643,304,985
Total Equity	11,569,560,136	12,936,454,549	14,155,728,764
Long Term Loans	1,420,570,790	1,374,589,887	1,179,333,318
Other Long-Term Liabilities	846,812,290	802,523,896	913,178,979
Total Long-Term Liabilities	2,267,383,080	2,177,113,783	2,092,512,297
Total Liabilities & Equity	38,538,828,557	41,411,393,442	42,427,485,367