



# Misr Cement – Qena (Reuters: MCQE.CA) – 9M 2021 Earnings Release

“Consistently strong performance for another quarter”

## Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 1,897m 3% ▲ YoY	EGP 355m ▲ 34% YoY	EGP 324m ▲ 24% YoY	EGP 122m ▲ 211% YoY	EGP 107m ▲ 168% YoY
7% ▲ QoQ	▲ 18% QoQ	▲ 14% QoQ	▲ 39% QoQ	▲ 42% QoQ

**Misr Cement - Qena (Reuters: MCQE.CA)**, listed in the Egyptian Stock Exchange EGX, announces today November 11<sup>th</sup> 2021 its 9M 2021 results.

Group’s local cement sales volumes amounted to 2.4m ton in 9M 2021 compared to 2.7m ton in 9M 2020, and amounted to 611k ton in Q3 2021 compared to 707k ton in Q2 2021.

The exportation sales are amounted to 208k ton in 9M 2021 compared to 69k ton in 9M 2020, surged by 200% YoY, and amounted to 39k ton in Q3 2021 compared to 82k ton in Q2 2021, which shows a decrease by 52% QoQ, normally impacted by the weather’s seasonal changes and rains in the main export market.

In the light of “ECA” production capacities decisions to diminish the Gap between the local excessive supply over the demand, the group succeeded to enhance the revenues by selling clinker for the first time to an amount of 198k ton during Q3 2021.

Group’s net sales are amounted to EGP 1,897m in 9M 2021 compared to EGP 1,844m in 9M 2020, which shows an increase by 3% YoY. In Q3 2021, net sales are amounted to EGP 612m compared to EGP 572m in Q2 2021, which shows an increase by 7% QoQ.

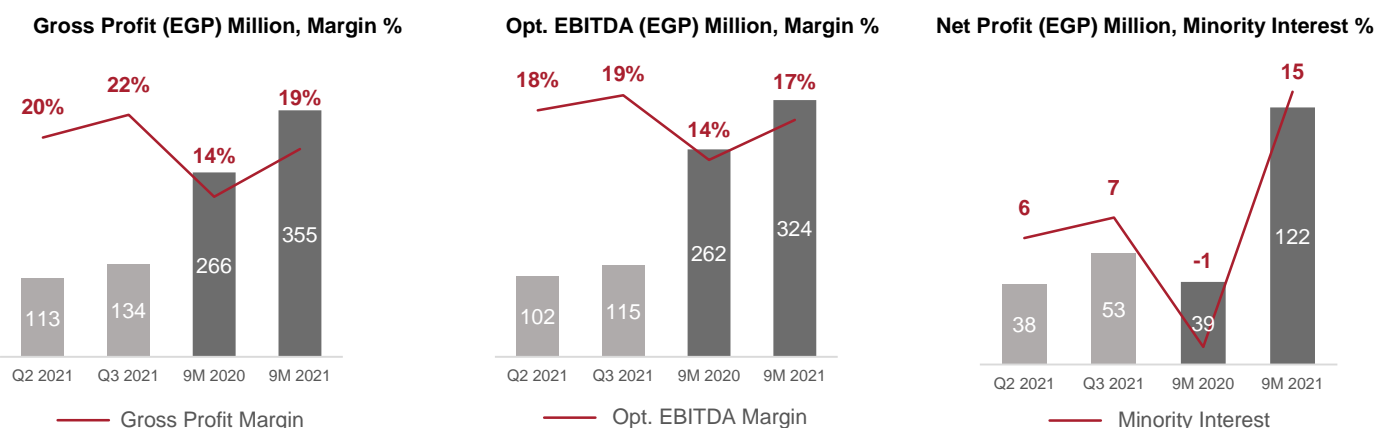
Improved cement prices along with the efficient cost control and purchasing strategies enhanced the gross profit in 9M 2021 to EGP 355m compared to EGP 266m in 9M 2020. Which shows an increase by 34% YoY. In Q3 2021, gross profit is amounted to EGP 134m compared to EGP 113 in Q2 2021, which shows an increase by 18% QoQ. Gross Profit Margin came in at 19% in 9M 2021 compared to 14% in 9M 2020, and came in at 22% in Q3 2021 compared to 20% in Q2 2021.

Opt. EBITDA is amounted to EGP 324m in 9M 2021 compared to EGP 262m in 9M 2020, which shows an increase by 24% YoY. In Q3 2021, Opt. EBITDA is amounted to EGP 115m compared to EGP 102m in Q2 2021, which shows an increase by 14% QoQ. Opt. EBITDA Margin came in at 17% in 9M 2021 compared to 14% in 9M 2020, and came in at 19% in Q3 2021 compared to 18% in Q2 2021.

Group’s Net profit amounted to EGP 122m in 9M 2021 compared to 39m in 9M 2020 which shows a boost of 211% YoY, and amounted to EGP 53m in Q3 2021 compared with 38m in Q2 2021, which shows a high increase by 39% QoQ. Attributable to parent company amounted to EGP 107m in 9M 2021 compared to EGP 40m in 9M 2020 which shows a boost of 168% YoY, and amounted to EGP 46m in Q3 2021 compared with EGP 32m in Q2 2021, which shows an increase of 42%

Group’s Debt amounted to EGP 962m in the end of 9M 2021 compared to EGP 1,048m in the end of FY 2020, decreased by 8%.

Group’s Net Cash Flow from Operations amounted to EGP 225m in 9M 2021 compared to EGP 74m in 9M 2020, which shows a boost of 204%.





## Misr Cement – Qena on standalone level

Qena local cement sales volumes amounted to 1.1m ton in 9M 2021 compared to 1.2m ton in 9M 2020, and amounted to 297k ton in Q3 2021 compared to 327k ton in Q2 2021.

Qena exportation sales is amounted to 208k ton in 9M 2021 compared to 69k ton in 9M 2020, surged by 200% YoY, and amounted to 39k ton in Q3 2021 compared to 82k ton in Q2 2021, which shows a decrease by 52% QoQ. The Clinker Sales are amounted to 176k ton during Q3 2021.

Qena's net sales are amounted to EGP 935m in 9M 2021 compared to EGP 826m in 9M 2020, which shows an increase by 13% YoY. In Q3 2021, net sales are amounted to EGP 324m compared to EGP 270m in Q2 2021, which shows an increase by 20% QoQ.

Qena's Gross profit is amounted to EGP 192m in 9M 2021 compared to EGP 138m in 9M 2020. Which shows an increase by 39% YoY, and amounted to EGP 74m in Q3 2021 compared to EGP 60m in Q2 2021, which shows an increase by 22% QoQ.

The Gross Profit Margin came in at 21% in 9M 2021 compared to 17% in 9M 2020, and came in at 23% in Q3 2021 compared to 22% in Q2 2021.

Qena's Opt. EBITDA is amounted to EGP 169m in 9M 2021 compared to 123m in 9M 2020, which shows an increase by 38% YoY, and amounted to EGP 63m in Q3 2021 compared to 51m in Q2 2021, which shows a high increase by 24% QoQ.

Opt. EBITDA Margin came in at 18% in 9M 2021 compared to 15% in 9M 2020, and came in at 20% in Q3 2021 compared to 19% in Q2 2021.

Qena's Net Profit amounted to EGP 81m in 9M 2021 compared to 45m in 9M 2020 which shows a boost of 79% YoY, and amounted to EGP 34m in Q3 2021 compared with 19m in Q2 2021, which shows a high increase by 77% QoQ.

EPS came in at EGP 0.94 in 9M 2021 compared to EGP 0.55 in 9M 2020, increased by 71% YoY, and came in at EGP 0.41 in Q3 2021 compared to EGP 0.25 in Q2 2021, increased by 64% QoQ.

Qena's Debt amounted to EGP 401m in the end of 9M 2021 compared to EGP 444m in the end of FY 2020, decreased by 10%.

Qena's Net Cash Flow from Operations amounted to EGP 127m in 9M 2021 compared to EGP 67m in 9M 2020, which shows a boost of 89%.

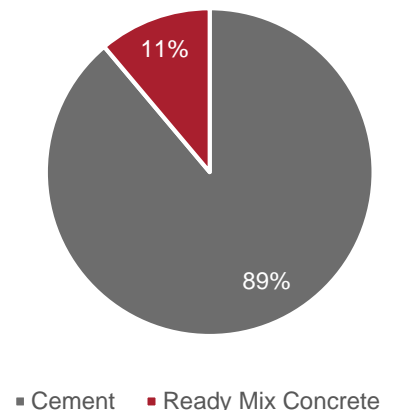
**We are pleased to announce Misr Cement – Qena's 9 Months 2021 results; following cement production capacities related decision, the group was able to restructure its sales strategy among local, exporting and clinker sales, it revised its production plan to ensure the proper efficient cost control. Accordingly, the group was able, In 9M 2021, to achieve 34% growth in the Gross Profit, 24% increase in the EBITDA, 168% increase in the net profit attributable to parent company, and an evolution of 204% in the net cash flows from operating activities compared to the same period in 2020. Furthermore, the group's management was also able to fulfil due regular payment of bank loan installments, so the debt has reduced by 8% compared to 2020."**

**Said, Eng. Tarek Talaat - The Managing Director**

## Operational Overview by Segment:

Volumes	9M 2021	9M 2020	%Change
Cement (million ton)	2.84	2.81	1.0
Ready Mix Concrete (thousand m <sup>3</sup> )	325	252	29.1
<b>Net Sales (EGP million)</b>			
Cement	1,783	1,772	0.60
Ready Mix Concrete	223	179	24.9
<b>Opt. EBITDA (EGP million)</b>			
Cement	300	234	28.0
Ready Mix Concrete	26	23	12.3
<b>EBITDA Margin (%)</b>			
Cement	17	13	27.3
Ready Mix Concrete	12	13	(10.1)

Group Sales Contribution





### Cement Segment

Sales volume including the exportation and the clinker amounted to 2.84m ton in 9M 2021 compared to 2.81m ton in 9M 2020, and amounted to 848k ton in Q3 2021 compared to 789k in Q2 2021 volume.

Net sales are amounted to EGP 1,783m in 9M 2021 compared to EGP 1,772m in 9M 2020, which shows a slightly increase by 0.6% YoY.

In Q3 2021, net sales are amounted to EGP 554m compared to EGP 517m in Q2 2021, which shows an increase by 7% QoQ.

Gross Profit is amounted to EGP 334m in 9M 2021 compared to EGP 253m in 9M 2020, which shows an increase by 32% YoY, and amounted to EGP 129m in Q3 2021 compared to EGP 107m in Q2 2021, increased by 21% QoQ.

The Gross Profit Margin came in at 19% in 9M 2021 compared to 14% in 9M 2020, and came in at 23% in Q3 2021 compared to 21% in Q2 2021.

Opt.EBITDA amounted to EGP 300m in 9M 2021 compared to 234m in 9M 2020, which shows a high increase by 28% YoY, and amounted to EGP 112m in Q3 2021 compared to EGP 91m in Q2 2021, increased by 23% QoQ.

EBITDA margin came in at 17% in 9M 2021 compared to 13% in 9M 2020, and came in at 20% in Q3 2021 compared to 18% in Q2 2021.

Net profit is amounted to EGP 118m in 9M 2021 compared to EGP 43m in 9M 2020, which shows a boost by 175% YoY, and amounted to EGP 52m in Q3 2021 compared to EGP 34m in Q2 2021, increased by 53% QoQ.

### Ready Mix Concrete Segment

Sales volume are amounted to 325k m<sup>3</sup> in 9M 2021 compared to 252k m<sup>3</sup> in 9M 2020, increased by 29% YoY, and amounted to 97k m<sup>3</sup> in Q3 2021 compared to 117k m<sup>3</sup> in Q2 2021, decreased by 17% QoQ.

Net sales amounted to EGP 223m in 9M 2021 compared to EGP 179m in 9M 2020 increased by 25% YoY, and amounted to EGP 71m in Q3 2021 compared to EGP 73m in Q2 2021, which shows a decrease by 3% QoQ.

Gross Profit amounted to EGP 22m in 9M 2021 compared to EGP 19m in 9M 2020, increased by 16% YoY, and amounted to EGP 3m in Q3 2021 compared to EGP 9m in Q2 2021, which shows an increase of 61% QoQ.

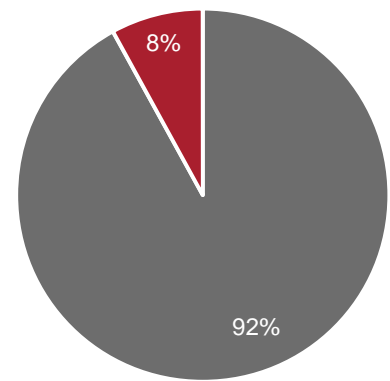
The gross profit margin came in at 10% in 9M 2021 compared to 11% in 9M 2020, and came in at 5% in Q3 2021 compared to 12% in Q2 2021.

Opt.EBITDA amounted to EGP 26m in 9M 2021 compared to 23m in 9M 2020, increased by 12% YoY, and amounted to EGP 4m in Q3 2021 compared to 10m in Q2 2021, decreased by 58% QoQ.

EBITDA margin came in at 12% in 9M 2021 compared to 13% in 9M 2020, and came in at 6% in Q3 2021 compared to 14% in Q2 2021.

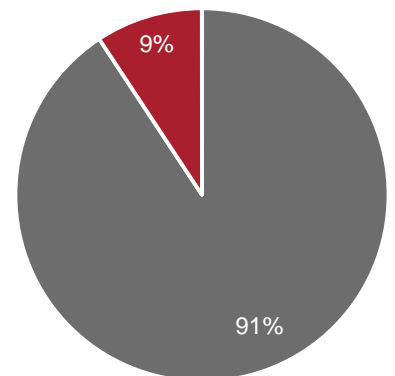
Net profit amounted to EGP 12m in 9M 2021 compared to EGP 10m in 9M 2020, increased by 20% YoY, and amounted to EGP 1m in Q3 2021 compared to EGP 4m in Q2 2021, decreased by 67% QoQ.

Group Opt. EBITDA Contribution



■ Cement ■ Ready Mix Concrete

Group Net Income Contribution



■ Cement ■ Ready Mix Concrete



## Summary Consolidated Results:

<b>Income Statement</b> Rounded to EGP Million	<b>9M 2021</b>	<b>9M 2020</b>	<b>Q3 2021</b>	<b>Q3 2020</b>
Net Sales	1,897	1,844	612	498
Gross profit	355	266	134	46
Gross Profit Margin (%)	19	14	22	9
Opt. EBITDA	324	262	115	46
Opt. EBITDA Margin (%)	17	14	19	9
EBT	155	61	66	(19)
Net profit	122	39	53	(24)
Parent Company	107	40	46	(12)
Minority Interest	15	(1)	7	(12)

<b>Balance Sheet</b> Rounded to EGP Million	<b>9M 2021</b>	<b>FY 2020</b>
Current Assets	1,157	918
Non-current Assets	2,935	3,034
<b>Total Assets</b>	<b>4,092</b>	<b>3,952</b>
Current Liabilities	1,442	1,308
Non-current Liabilities	774	866
<b>Total Liabilities</b>	<b>2,216</b>	<b>2,173</b>
Shareholders' Equity	1,876	1,779
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>4,092</b>	<b>3,952</b>

<b>Cash Flow</b> Rounded to EGP Million	<b>9M 2021</b>	<b>9M 2020</b>
Net cash generated from operating activities	225	74
Net cash generated from investing activities	(8)	0.9
Net cash used in financing activities	(161)	(128)
Cash and cash equivalents at the end of the period	138	128

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## About the Group

Misr Cement-Qena is a leading group of cement and building materials manufacturing companies in Egypt, comprised of; Misr Cement-Qena, Minya Portland Cement and ASECO Ready Mix. The group of companies have a highly competitive domestic and regional export portfolio.

Misr Cement-Qena was established in 1997 as a joint stock company with a capital of EGP 720 million and a capacity of 2 million tons per annum. The company acquired 60.43% of in Minya Portland Cement capital - with a plant capacity of 2 million ton per annum, and 99.9% of ASECO Ready Mix capital - with a plant capacity of 500K m<sup>3</sup> per annum ready-mix concrete, through nine production facilities

## Disclaimer

This communication may contain forward-looking statements and information related to Misr Cement – Qena that reflect the current view and/or expectations of the company and the company's management in respect of the company's performance, activities, and future events. Such forward looking statements include, among other, statements that may predict, forecast, signify or imply future results performance or achievements, and may contain word such as "believe" "understands", "anticipates", "expects", "estimates", "intends", "it is likely" or other terms of expression with similar meaning. These statements are subject to a number of risks, uncertainties and assumptions. The company cautions the reader that certain relevant factors might be the cause for actual results to differ from the plans, goals, expectations estimates and intentions expressed in this communication.

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