

Misr Cement – Qena (Reuters: MCQE.CA) – Q1 2022 Earnings Release

“Surging cement prices shielded against the rise in cost of production resulting in a positive cement performance that trickled down to a bottom line of EGP 81m”

Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 669m	EGP 154m	EGP 156m	EGP 81m	EGP 60m
Q1 2022 vs. Q1 2021				
6% ▼	47% ▲	47% ▲	161% ▲	106% ▲

Misr Cement - Qena (Reuters: MCQE.CA), listed in the Egyptian Stock Exchange EGX, announces today May 15th, 2022 its Q1 2022 results.

Group’s local cement sales volumes amounted to 596k ton in Q1 2022 compared to 1.1m ton in Q1 2021, decreased by 46%, impacted by “ECA” decision effective July 15th, 2021 regulates the local cement production to improve the cement industry economics. The export sales came in at 54k ton in Q1 2022 compared to 87k ton in Q1 2021, Decreased by 38%.

Group’s net sales are amounted to EGP 669m in Q1 2022 compared to EGP 713m in Q1 2021, which shows a decrease by 6% impacted by the sales volumes drawback.

The enhanced cement prices along with the efficient cost control and purchasing strategies boosted the gross profit in Q1 2022 to EGP 154m compared to EGP 105m in Q1 2021. Surged by 47%, Gross Profit Margin came in at 23% in Q1 2022 compared to 15% in Q1 2021.

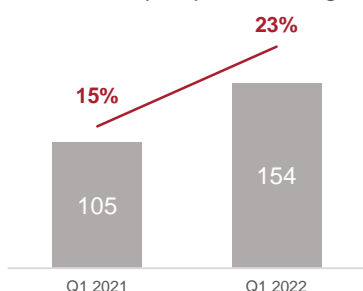
Opt. EBITDA boosted to EGP 156m in Q1 2022 compared to EGP 106m in Q1 2021, surged by 47%, Opt. EBITDA Margin came in at 23% in Q1 2022 compared to 15% in Q1 2021.

Group’s Net profit boosted to EGP 81m in Q1 2022 compared to EGP 31m in Q1 2021, surged by 161%, Attributable to parent company boosted to EGP 60m in Q1 2022 compared to EGP 29m in Q1 2021 surged by 106%.

Group’s Net Cash Flow from Operations amounted boosted to EGP 309m in Q1 2022 compared to EGP 160m in Q1 2021, surged by 94%.

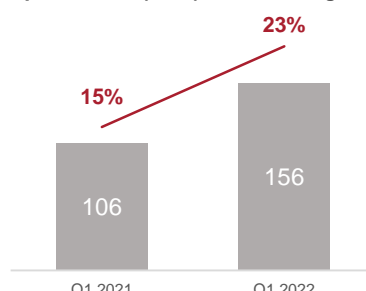
Group’s Debt dropped to EGP 671m in Q1 2022 compared to EGP 812m in FY 2021, decreased by 17%.

Gross Profit (EGP) Million, Margin %



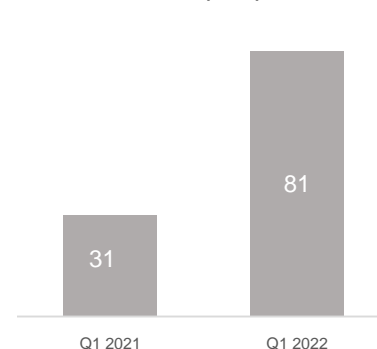
— Gross Profit Margin %

Opt. EBITDA (EGP) Million, Margin %



— Opt. EBITDA Margin %

Net Profit (EGP) Million



On standalone level,

Qena local cement sales volumes amounted to 279k ton in Q1 2022 compared to 486k ton in Q1 2021, decreased by 43%.

Qena export sales are amounted to 54k ton in Q1 2022 compared to 87k ton in Q1 2021, decreased by 38%.

Qena's net sales are amounted to EGP 309k in Q1 2022 compared to EGP 341k in Q1 2021, which shows a decrease by 10%.

Qena's Gross profit is amounted to EGP 67m in Q1 2022 compared to EGP 58m in Q1 2021. Which shows an increase by 17%. The Gross Profit Margin came in at 22% in Q1 2022 compared to 17% in Q1 2021.

Qena's Opt. EBITDA is amounted to EGP 66m Q1 in Q1 2022 compared to 72m in Q1 2021, which shows a decrease by 8%. Opt. EBITDA Margin came in at 22% in Q1 2022 compared to 21% in Q1 2021.

Qena's Net Profit amounted to EGP 48m in Q1 2022 compared to 28m in Q1 2021, surged by 74%.

EPS came in at EGP 0.60 in Q1 2022 compared to EGP 0.34 in Q1 2021, surged by 76%.

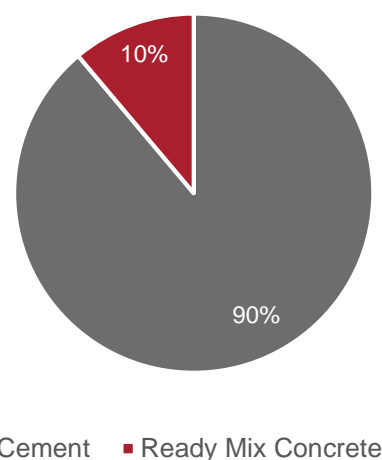
Qena's Net Cash Flow from Operations amounted to EGP 182m in Q1 2022 compared to EGP 56m in Q1 2021, which shows a boost of 227%.

Qena's Debt amounted to EGP 269m in Q1 2022 compared to EGP 291m in FY 2021, dropped by 7%.

Operational Overview by Segment:

Volumes	Q1 2022	Q1 2021	Change
Cement (thousand ton)	649	1,199	(46%)
Ready Mix Concrete (thousand m ³)	77	111	(30%)
Net Sales (EGP million)			
Cement	618	712	(13%)
Ready Mix Concrete	68	79	(13%)
Opt. EBITDA (EGP million)			
Cement	156	114	+37%
Ready Mix Concrete	1	12	(96%)
EBITDA Margin			
Cement	25%	16%	+58%
Ready Mix Concrete	1%	15%	(95%)

Group Sales Contribution



Group Cement

Sales volume including the export sales amounted to 649k ton in Q1 2022 compared to 1.2m ton in Q1 2021 which shows a decrease by 46%.

Net sales came in at EGP 618m in Q1 2022 compared to EGP 712m in Q1 2021, which shows a decrease by 13%.

Gross Profit is amounted to EGP 155m in Q1 2022 compared to EGP 97m in Q1 2021, surged by 60%, the Gross Profit Margin came in at 25% in Q1 2022 compared to 14% in Q1 2021

Opt.EBITDA amounted to EGP 156m in Q1 2022 compared to 114m in Q1 2021, increased by 37%, the EBITDA margin came in at 25% in Q1 2022 compared to 16% in Q1 2021.

Net profit is amounted to EGP 102m in Q1 2022 compared to EGP 33m in Q1 2021, which shows a boost by 212%

Group Ready Mix Concrete

Sales volume are amounted to 77k m³ in Q1 2022 compared to 111k m³ in Q1 2021, dropped by 30%.

Net sales amounted to EGP 68m in Q1 2022 compared to EGP 79m in Q1 2021 decreased by 13%.

Gross Loss amounted to EGP 450k in Q1 2022 compared to Gross Profit of EGP 10m in Q1 2021, dropped by 104%, the gross loss margin came in at 1% in Q1 2022 compared to gross profit margin of 13% in Q1 202.

Opt.EBITDA amounted to EGP 504k in Q1 2022 compared to 12m in Q1 2021, dropped by 96%,the EBITDA margin came in at 1% in Q1 2022 compared to 15% in Q1 2021.

Net loss came in at EGP 4m in Q1 2022 compared to net profit of EGP 6m in Q1 2021, dropped by 163%.

Summary Consolidated Results (Rounded to EGP Million):

Income Statement	Q1 2022	Q1 2021
Net Sales	669	713
Gross profit	154	105
Gross Profit Margin (%)	23	15
Opt. EBITDA	156	106
Opt. EBITDA Margin (%)	23	15
EBT	94	41
Net profit	81	31
Parent Company	60	29
Minority Interest	21	2

Balance Sheet	Q1 2022	FY 2021
Current Assets	1,142	820
Non-current Assets	2,879	2,917
Total Assets	4,020	3,736
Current Liabilities	1,554	1,223
Non-current Liabilities	546	609
Total Liabilities	2,100	1,832
Shareholders' Equity	1,920	1,904
Total Liabilities & Shareholders' Equity	4,020	3,736

Cash Flow	Q1 2022	Q1 2021
Net cash generated from operating activities	309	160
Net cash generated from investing activities	1	0
Net cash used in financing activities	(157)	(103)
Cash and cash equivalents at the end of the period	254	138

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About the Company

Misr Cement-Qena 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 60.36% of in Misr Cement Minya (formerly Minya Portland Cement) capital - with a plant capacity of 2.2 million ton per annum, and 99.9% of Misr Cement Beton (formerly ASECO Ready Mix) capital - with a plant capacity of 500K m³ 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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