

## Misr Cement – Qena (Reuters: MCQE.CA) – 9M 2022 Earnings Release

Cement prices are not in line with the inflation of energy and raw materials costs, impacted by the global political instability, following the Russian-Ukrainian state of affairs, in addition to the fluctuation of foreign exchange rates.

"The Group's plants self-operation significantly shows positive results for Minya, and recorded a save in the operating cost for Qena during the third quarter of 2022."

### 9M 2022, Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 1,968m	EGP 278m	EGP 282m	EGP 97m	EGP 63m
9M 2022 vs. 9M 2021				
4% ▲	22% ▼	13% ▼	20% ▼	41% ▼
Q3 2022 vs. Q3 2021				
10% ▲	57% ▼	53% ▼	78% ▼	79% ▼

**Misr Cement - Qena (Reuters: MCQE.CA)**, listed in the Egyptian Stock Exchange EGX, announces today Nov.13<sup>th</sup> 2022 its 9M 2022 results.

Group's net sales are amounted to EGP 1,968m in 9M 2022 compared to EGP 1,897m in 9M 2021, increased by 4%. Group's net sales amounted to EGP 673m in Q3 2022 compared to EGP 612m in Q3 2021, increased by 10%.

Group's local cement sales volumes amounted to 1.7m ton in 9M 2022 compared to 2.4m ton in 9M 2021, decreased by 32%, and amounted to 575k ton in Q3 2022 compared to 612k ton in Q3 2021, decreased by 6%, impacted by "ECA" decision effective July 15<sup>th</sup>, 2021 regulates the local cement production to improve the cement industry economics. The export sales came in at 101k ton in 9M 2022 compared to 208k ton in 9M 2021, decreased by 51%. Groups' local cement sales amounted to 15k ton in Q3 2022 compared to 39k ton in Q3 2021, decreased by 61%, affected by the political situation in Sudan.

The inflation of energy and raw materials costs impacted by the global political instability following the Russian-Ukrainian state of affairs, in addition to the fluctuation of the foreign exchange rates, led to achieve Gross profit in 9M 2022 of EGP 278m compared to EGP 335m in 9M 2021, decreased by 22%. In Q3 2022, Gross profit amounted to EGP 58m compared to EGP 134m in Q3 2021, decreased by 57%.

Gross Profit Margin came in at 14% in 9M 2022 compared to 19% in 9M 2021. Gross profit margin came in at 9% in Q3 2022 compared to 22% in Q3 2021.

Opt. EBITDA came in at EGP 282m in 9M 2022 compared to EGP 324m in 9M 2021, decreased by 13%, Opt. EBITDA is amounted to EGP 54m compared to EGP 115m in Q3 2021, decreased by 53%.

Opt. EBITDA Margin came in at 14% in 9M 2022 compared to 17% in 9M 2021. Opt EBITDA Margin came in at 8% in Q3 2022 compared to 19% in Q3 2021.

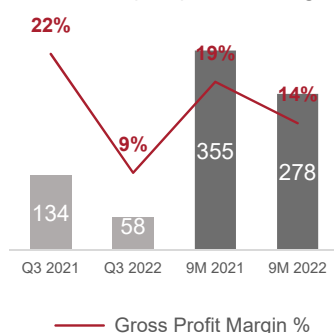
Group's Net profit came in at EGP 97m in 9M 2022 compared to EGP 122m in 9M 2021, decreased by 20%, Group's net profit amounted to EGP 11m in Q3 2022 compared with EGP 53 in Q3 2021, decreased by 78%.

Attributable to parent company came in at EGP 63m in 9M 2022 compared to EGP 107m in 9M 2021, decreased by 41%. Attribute to parent company amounted to EGP 10m in Q3 2022 compared with EGP 46m in Q3 2021, decreased by 79%.

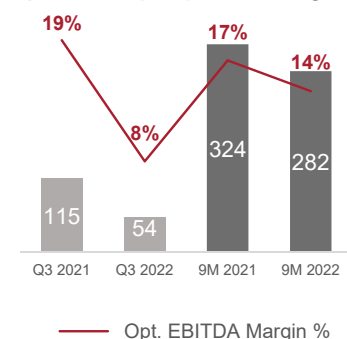
Group's Net Cash Flow from Operations increased to EGP 274m in 9M 2022 compared to EGP 225m in 9M 2021, increased by 22%.

Group's Debt dropped to EGP 721m in 9M 2022 compared to EGP 804m in FY 2021, decreased by 10%.

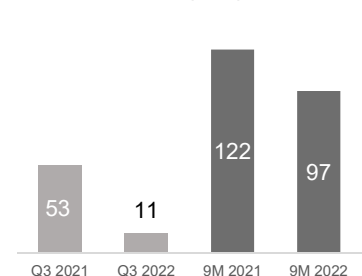
Gross Profit (EGP) Million, Margin %



Opt. EBITDA (EGP) Million, Margin %



Net Profit (EGP) Million



### On standalone level,

Qena's net sales are amounted to EGP 894m in 9M 2022 compared to EGP 935m in 9M 2021, decreased by 4%. In Q3 2022, net sales are amounted to EGP 321m compared to EGP 324m in Q3 2021, decreased by 1%.

Qena local cement sales volumes amounted to 767k ton in 9M 2022 compared to 1.1m ton in 9M 2021, decreased by 31%. Qena local cement sales amounted to 271k ton in Q3 2022 compared to 298k ton in Q3 2021, decreased by 9%

Qena export sales are amounted to 101k ton in 9M 2022 compared to 208k ton in 9M 2021, decreased by 51%. Qena export sales amounted to 15k ton in Q3 2022 compared to 39k ton in Q3 2021, decreased by 61%.

Qena's Gross profit is amounted to EGP 103m in 9M 2022 compared to EGP 192m in 9M 2021, decreased by 47%. Gross profit amounted to EGP 19m in Q3 2022 compared to EGP 74m in Q3 2021, decreased by 74%.

The Gross Profit Margin came in at 11% in 9M 2022 compared to 21% in 9M 2021. Gross profit margin amounted to 6% in Q3 2022 compared to 23% in Q3 2021.

Qena's Opt. EBITDA is amounted to EGP 100m in 9M 2022 compared to 169m in 9M 2021, decreased by 41%. Opt EBITDA amounted to EGP 16m in Q3 2022 compared to 64m in Q3 2021, decreased by 75%.

Opt. EBITDA Margin came in at 11% in 9M 2022 compared to 18% in 9M 2021. Opt EBITDA Margin came in at 5% in Q3 2022 compared to 20% in Q3 2021.

Qena's Net Profit amounted to EGP 53m in 9M 2022 compared to 81m in 9M 2021, decreased by 35%. Net profit amounted to EGP 13m in Q3 2022 compared to 34m in Q3 2021, decreased by 61%.

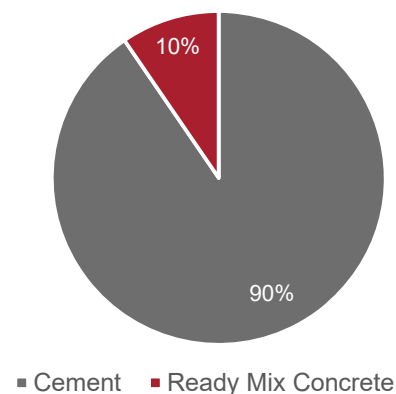
EPS came in at EGP 0.63 in 9M 2022 compared to EGP 0.94 in 9M 2021, decreased by 33%.

Qena's Net Cash Flow from Operations increased to EGP 189m in 9M 2022 compared to EGP 127m in 9M 2021, increased by 49%.

Qena's Debt dropped to EGP 244m in 9M 2022 compared to EGP 291m in FY 2021, dropped by 16%.

Operational Overview by Segment	9M 2022	9M 2021	Change (%)
<b>Volumes</b>			
Cement ( million ton)	1.8	2.8	(38%)
Ready Mix Concrete (thousand m <sup>3</sup> )	217	334	(35%)
<b>Net Sales (EGP million)</b>			
Cement	1,827	1,783	3%
Ready Mix Concrete	201	223	(10%)
<b>Opt. EBITDA (EGP million)</b>			
Cement	291	308	(6%)
Ready Mix Concrete	(0.4)	26	(102%)
<b>EBITDA Margin</b>			
Cement	16%	17%	(8%)
Ready Mix Concrete	(0%)	12%	(102%)

Group Sales Contribution



## Group Cement

Net sales increased to EGP 1,827m in 9M 2022 compared to EGP 1,783m in 9M 2021, increased by 3%. In Q3 2022, net sales are amounted to EGP 656m compared to EGP 554m in Q3 2021, increased by 18%.

Sales volume including the export sales amounted to 1.8m ton in 9M 2022 compared to 2.8m ton in 9M 2021, decreased by 38%. Sales volume including export amounted to 591k ton in Q3 2022 compared to 849k ton in Q3 2021, decreased by 30%.

Gross Profit amounted to EGP 290m in 9M 2022 compared to EGP 334m in 9M 2021, decreased by 13%, Gross profit amounted to EGP 58m in Q3 2022 compared to EGP 129m in Q3 2021, decreased by 55%.

The Gross Profit Margin reached 16% in 9M 2022 compared to 19% in 9M 2021. Gross profit margin came in at 9% in Q3 2022 compared to 23% in Q3 2021.

Opt. EBITDA amounted to EGP 291m in 9M 2022 compared to 308m in 9M 2021, decreased by 6%. Opt EBITDA amounted to EGP 54m in Q3 2022 compared to EGP 117m in Q3 2021, decreased by 54%.

The EBITDA margin reached 16% in 9M 2022 compared to 17% in 9M 2021. Opt EBITDA Margin came in at 8% in Q3 2022 compared to 21% in Q3 2021.

Net profit increased to EGP 138m in 9M 2022 compared to EGP 118m in 9M 2021, increased by 17%, Net profit amounted to EGP 18m in Q3 2022 compared to EGP 52m in Q3 2021, decreased by 65%.

## Group Ready Mix Concrete

Net sales amounted to EGP 201m in 9M 2022 compared to EGP 223m in 9M 2021, decreased by 10%. Net sales amounted to EGP 77m in Q3 2022 compared to EGP 71m in Q3 2021, increased by 8%

Sales volume are amounted to 217k m<sup>3</sup> in 9M 2022 compared to 334k m<sup>3</sup> in 9M 2021, decreased by 35%. Sales volume amounted to 78k m<sup>3</sup> in Q3 2022 compared to 97k m<sup>3</sup> in Q3 2021, decreased by 20%.

Gross Profit amounted to EGP (5m) in 9M 2022 compared to Gross Profit of EGP 22m in 9M 2021, dropped by 123%. Gross Profit amounted to EGP 2m in Q3 2022 compared to EGP 3m in Q3 2021, decreased by 28%.

The Gross Profit margin came in at (3%) in 9M 2022 compared to gross profit margin of 10% in 9M 2021. Gross profit came in at 3% in Q3 2022 compared to gross profit margin of 5% in Q3 2021.

Opt. EBITDA amounted to EGP (0.4m) in 9M 2022 compared to 26m in 9M 2021, dropped by 102%. Opt EBITDA amounted to EGP 4m in Q3 2022 compared to 4m in Q3 2021.

The EBITDA margin came in at (0%) in 9M 2022 compared to 12% in 9M 2021, EBITDA Margin came in at 6% in Q3 2022 compared to 6% in Q3 2021.

Net Profit came in at EGP (15m) in 9M 2022 compared to EGP 12m in 9M 2021, dropped by 224%. Net Profit amounted to EGP (1m) in Q3 2022 compared to EGP 1m in Q3 2021, dropped by 174%.

**Summary Consolidated Results (Rounded to EGP Million):**

<b>Income Statement</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>
Net Sales	1,968	1,897	673	612
Gross profit	278	355	58	134
Gross Profit Margin	14%	19%	9%	22%
Opt. EBITDA	282	324	54	115
Opt. EBITDA Margin	14%	17%	8%	19%
EBT	120	155	18	66
Net profit	97	122	11	53
Parent Company	63	107	10	46
Minority Interest	34	15	2	7
<b>Balance Sheet</b>	<b>9M 2022</b>	<b>FY 2021</b>		
Current Assets	1,286	820		
Non-current Assets	2,808	2,917		
<b>Total Assets</b>	<b>4,094</b>	<b>3,737</b>		
Current Liabilities	1,766	1,223		
Non-current Liabilities	415	609		
<b>Total Liabilities</b>	<b>2,181</b>	<b>1,832</b>		
<b>Shareholders' Equity</b>	<b>1,913</b>	<b>1,905</b>		
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>4,094</b>	<b>3,737</b>		
<b>Cash Flow</b>	<b>9M 2022</b>	<b>9M 2021</b>		
Net cash generated from operating activities	274	225		
Net cash generated from investing activities	(8)	(8)		
Net cash used in financing activities	(172)	(161)		
Cash and cash equivalents at the end of the period	197	138		<b>END</b>

**About the Company**

Misr Cement-Qena established in 1997 as a joint stock company with a capital of EGP 720m and a capacity of 2 million tons per annum. The company acquiring 60.36% of in Misr Cement Minya (formerly Minya Portland Cement) capital - with a plant capacity of 2.2m ton per annum, and 99.9% of Misr Cement Beton (formerly 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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