



# Press Release

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## DESPITE THE CHALLENGES.. MISR CEMENT - QENA GROUP ACHIEVES A CONSOLIDATED NET PROFIT OF EGP 69 MILLION IN H1-2021

- Consolidated net profit increased from EGP 63 million to EGP 69 million year-on-year, compared to H1-2020, with an 9.2% increase
- Total expansion of exports from 41 thousand tons in the first half of 2020 to 169 thousand tons by the end of the first half of 2021, with an increase of 316%.
- **Lt. General/ Harhour:** “The company stood out among competition in the Egyptian market by adding remarkable achievements in the second quarter of 2021.”
- **Eng. Talaat:** “Despite the challenges the cement market is currently facing, with surplus production and stable consumption, Misr Cement - Qena group has maintained an exceptional performance.”

### 11 August, 2021

Misr Cement – Qena (listed on the Egyptian Exchange EGX: MCQE), has announced the results of its financial statements for the second quarter of the fiscal year 2021, where the consolidated net profit of the group increased to EGP 69 million, compared to EGP 63 million in H1-2020 year-on-year, with a 9.2% increase; despite the decline in net revenues in the second half of 2021, which has recorded about EGP 1,285 million, compared to EGP 1,346 million in H1-2020, a decrease of 4.72% year-on-year.

The results of the financial statements of Misr Cement - Qena group of companies demonstrate an exceptional performance in the second quarter of 2021, despite the decrease in net sales revenue. The cost of sales has decreased, recording EGP 1,064 per ton by the end of the first half of 2021 compared to EGP 1,125 for the same period last year, by 5.47%. In addition, an increase in general, administrative and selling expenses took place, reaching EGP 85 million by the end of the first half of 2021 compared to EGP



77 million for the same period in 2020, by 9.85%. Furthermore, the financing expenses have decreased, reaching EGP 50 million in the first half of 2021, compared to EGP 77 million for the same period in 2020, by 34.5% since last year.

The increase in profitability of Misr Cement – Qena’s group of companies in the first half of 2021 is attributable to the group’s support of the strategic cross-functional cooperation, purchasing consolidation and cost management among its companies and factories, as well as maximizing the factory’s performance efficiency and expansion of exports from 41 thousand tons in the first half of 2020 to 169 thousand tons by the end of the first half of 2021, with an increase of 316%.

As for Misr Cement-Qena’s standalone gross profit, it amounted to EGP 118 million in H1 2021 compared with EGP 104 million in H1 2020, increasing by 13.7%, and amounted to EGP 60 million in Q2 2021 compared with EGP 45 million in Q2 2020, increasing by 26.1%. The gross profit margin came in at 19.3% compared with 16.9% in H1 2020, and came in at 22.4% compared with 17.9% in Q2 2020. Earnings per share came in at EGP 0.56 compared with EGP 0.52, increasing by 7.7% YoY, and came in at EGP 0.25 in Q2 2021 compared with EGP 0.13 in Q2 2020, increasing by 92.3% QoQ.

In this regard, Lieutenant General/ Abdel Fattah Harhour, Chairman of the Board of Directors of Misr Cement Group - Qena, made a statement: "Misr Cement – Qena group of companies has succeeded in overcoming all the challenges that have affected the cement sector in Egypt. The company has stood out among competition in the Egyptian market by adding remarkable achievements in the second quarter of 2021, where the group’s consolidated net profits rose to EGP 69 million, with an increase of 9.2% compared to the same period in 2020, despite the decline in the consolidated net revenues, by 4.72% compared to the same period last year”.

On his part, Eng. Tarek Talaat - Managing Director of Misr Cement - Qena, said: “Despite the challenges that the cement market is currently facing, with surplus production and stable consumption, Misr Cement – Qena’s group of companies has maintained an exceptional performance, that has enabled it to stand its



ground against the obstacles that have affected other manufacturing entities, whether locally or globally. Thanks to its professional practices and flexible strategies, the group was able to achieve a growth in net profits during the second quarter of 2021, by continuing to reduce operating costs and enhance performance to achieve maximum efficiency.”

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### **About the Group**

Misr Cement-Qena group 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. In 2015, the company acquired 60% of capital shares in Minya Portland Cement - with a plant capacity of 2 million ton per annum, and 100% of capital shares in ASECO Ready Mix - with a plant capacity of 500 thousand sqm per annum ready-mix concrete, through nine production facilities.

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