

Misr Cement – Qena (Reuters: MCQE.CA) – FY 2021 Earnings Release

“Enhanced Market Prices, Efficient Cost Control Strategy and nearly 8 times of the consolidated last year’s bottom line”

Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 2,528m	EGP 485m	EGP 429m	EGP 174m	EGP 146m
FY 2021 vs. FY 2020				
0.4% ▲	49% ▲	38% ▲	656% ▲	332% ▲
Q4 2021 vs. Q4 2020				
6% ▼	122% ▲	111% ▲	394% ▲	14% ▲

Misr Cement - Qena (Reuters: MCQE.CA), listed in the Egyptian Stock Exchange EGX, announces today February 28th, 2022 its FY 2021 results.

Group's local cement sales volumes amounted to 3.0m ton in FY 2021 compared to 3.9m ton in FY 2020, and amounted to 573k ton in Q4 2021 compared to 1.1m ton in Q4 2020 impacted by “ECA” decision effective July 15th, 2021 to regulate the local cement production in order to improve the cement industry economics.

Accordingly, the group succeeded to enhance and diversify its revenues by selling clinker to the local market during the second half of the year which amounted to 369k ton, as well as maintaining its focus on the export sales recording 235k ton in FY 2021 compared to 186k ton in FY 2020, surged by 27% YoY, and amounted to 27k ton in Q4 2021 compared to 116k ton in Q4 2020, which shows a decrease by 77%, impacted by the political situation in the main export market.

Group's net sales are amounted to EGP 2,528m in FY 2021 compared to EGP 2,519m in FY 2020, which shows an increase by 0.4% YoY. In Q4 2021, net sales are amounted to EGP 632m compared to EGP 675m in Q4 2020, which shows a decrease by 6%.

The enhanced cement prices along with the efficient cost control and purchasing strategies boosted the gross profit in FY 2021 to EGP 485m compared to EGP 324m in FY 2020. Surged by 49% YoY. In Q4 2021, gross profit boosted to EGP 129m compared to EGP 58m in Q4 2020, surged by 122%. Gross Profit Margin came in at 19% in FY 2021 compared to 13% in FY 2020, and came in at 20% in Q4 2021 compared to 9% in Q4 2020.

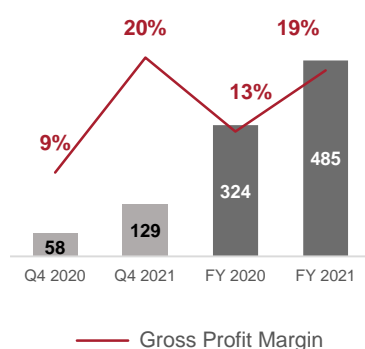
Opt. EBITDA boosted to EGP 429m in FY 2021 compared to EGP 312m in FY 2020, surged by 38% YoY. In Q4 2021, Opt. EBITDA boosted to EGP 105m compared to EGP 50m in Q4 2020, surged by 111%. Opt. EBITDA Margin came in at 17% in FY 2021 compared to 12% in FY 2020, and came in at 17% in Q4 2021 compared to 7% in Q4 2020.

Group's Net profit boosted to EGP 174m in FY 2021 compared to EGP 23m in FY 2020, surged by 656% YoY, and boosted to EGP 50m in Q4 2021 compared with EGP (17m) in Q4 2020, surged by 394%. Attributable to parent company boosted to EGP 146m in FY 2021 compared to EGP 34m in FY 2020 surged by 332% YoY, and amounted to EGP 39m in Q4 2021 compared with EGP (6m) in Q4 2020, surged by 717%.

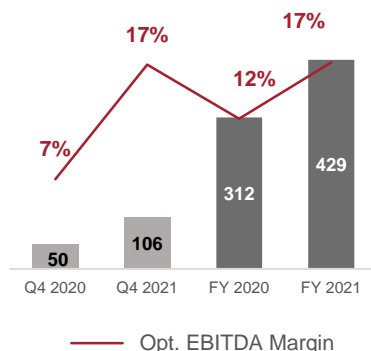
Group's Debt dropped to EGP 812m in FY 2021 compared to EGP 1,048m in FY 2020, decreased by 23%.

Group's Net Cash Flow from Operations amounted boosted to EGP 400m in FY 2021 compared to EGP 144m in FY 2020, surged by 177%.

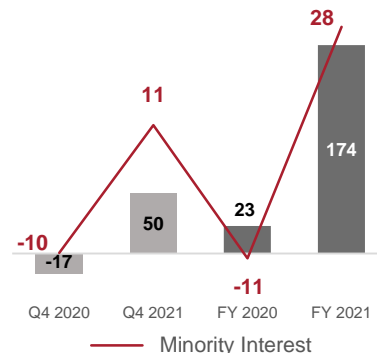
Gross Profit (EGP) Million, Margin %



Opt. EBITDA (EGP) Million, Margin %



Net Profit (EGP) Million, Minority Interest



On standalone level

Qena local cement sales volumes amounted to 1.4m ton in FY 2021 compared to 1.7m ton in FY 2020, and amounted to 262k ton in Q4 2021 compared to 455k ton in Q4 2020.

Qena export sales are amounted to 235k ton in FY 2021 compared to 186k ton in FY 2020, increased by 27% YoY, and amounted to 27k ton in Q4 2021 compared to 116k ton in Q4 2020, which shows a decrease by 77%.Clinker local Sales are amounted to 330k ton during 2021.

Qena's net sales are amounted to EGP 1,245m in FY 2021 compared to EGP 1,151m in FY 2020, which shows an increase by 8% YoY. In Q4 2021, net sales are amounted to EGP 310m compared to EGP 325m in Q4 2020, which shows a decrease by 5%.

Qena's Gross profit is amounted to EGP 241m in FY 2021 compared to EGP 173m in FY 2020. Which shows an increase by 39% YoY, and amounted to EGP 49m in Q4 2021 compared to EGP 35m in Q4 2020, which shows an increase by 38%.

The Gross Profit Margin came in at 19% in FY 2021 compared to 15% in FY 2020, and came in at 16% in Q4 2021 compared to 11% in Q4 2020.

Qena's Opt. EBITDA is amounted to EGP 211m FY in FY 2021 compared to 160m in FY 2020, which shows an increase by 31% YoY, and amounted to EGP 42m in Q4 2021 compared to 38m in Q4 2020, which shows an increase by 11%.

Opt. EBITDA Margin came in at 17% in FY 2021 compared to 14% in FY 2020, and came in at 14% in Q4 2021 compared to 12% in Q4 2020.

Qena's Net Profit amounted to EGP 94m in FY 2021 compared to 47m in FY 2020, surged by 98% YoY, and amounted to EGP 13m in Q4 2021 compared with 2m in Q4 2020, which shows a boost by 487%.

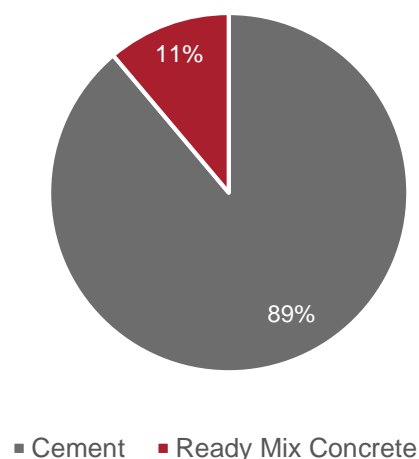
EPS came in at EGP 1.09 in FY 2021 compared to EGP 0.58 in FY 2020, surged by 88% YoY.

Qena's Debt amounted to EGP 291m in FY 2021 compared to EGP 444m in FY 2020, dropped by 35%.

Qena's Net Cash Flow from Operations amounted to EGP 214m in FY 2021 compared to EGP 52m in FY 2020, which shows a boost of 315%.

Operational Overview by Segment:

Volumes	FY 2021	FY 2020	Change
Cement * (million ton)	3.6	4.0	(11%)
Ready Mix Concrete (thousand m ³)	407	335	+21%
Net Sales (EGP million)			
Cement *	2,355	2,454	(4%)
Ready Mix Concrete	295	240	+23%
Opt. EBITDA (EGP million)			
Cement *	409	288	42%
Ready Mix Concrete	32	31	+3%
EBITDA Margin (%)			
Cement *	17	12	+48%
Ready Mix Concrete	11	13	(16%)

Group Sales Contribution


* Cement and Clinker

Group Cement

Sales volume including the export and local clinker sales amounted to 3.6m ton in FY 2021 compared to 4.0m ton in FY 2020, and amounted to 772k ton in Q4 2021 compared to 1.23m in Q4 2020 volume.

Net sales came in at EGP 2,355m in FY 2021 compared to EGP 2,454m in FY 2020, which shows a decrease by 4% YoY. In Q4 2021, net sales are amounted to EGP 573m compared to EGP 681m in Q4 2020, which shows a decrease by 16%.

Gross Profit is amounted to EGP 454m in FY 2021 compared to EGP 297m in FY 2020, which shows an surged by 53% YoY, and amounted to EGP 120m in Q4 2021 compared to EGP 44m in Q4 2020, boosted by 173%.

The Gross Profit Margin came in at 19% in FY 2021 compared to 12% in FY 2020, and came in at 21% in Q4 2021 compared to 6% in Q4 2020.

Opt.EBITDA amounted to EGP 409m in FY 2021 compared to 288m in FY 2020, which shows a high increase by 42% YoY, and amounted to EGP 109m in Q4 2021 compared to EGP 53m in Q4 2020, increased by 104%.

The EBITDA margin came in at 17% in FY 2021 compared to 12% in FY 2020, and came in at 19% in Q4 2021 compared to 8% in Q4 2020.

Net profit is amounted to EGP 164m in FY 2021 compared to EGP 20m in FY 2020, which shows a boost by 719% YoY, and amounted to EGP 59m in Q4 2021 compared to EGP (23m) in Q4 2020, boosted by 360%.

Group Ready Mix Concrete

Sales volume are amounted to 407k m³ in FY 2021 compared to 335k m³ in FY 2020, increased by 21% YoY, and amounted to 81k m³ in Q4 2021 compared to 83 km³ in Q4 2020,decreased by 2%.

Net sales amounted to EGP 295m in FY 2021 compared to EGP 240m in FY 2020 increased by 23% YoY, and amounted to EGP 72m in Q4 2021 compared to EGP 61m in Q4 2020, which shows an increase by 18%.

Gross Profit amounted to EGP 30m in FY 2021 compared to EGP 27 in FY 2020, increased by 12% YoY, and amounted to EGP 8m in Q4 2021 compared to EGP 7m in Q4 2020, which shows an increase of 1%.

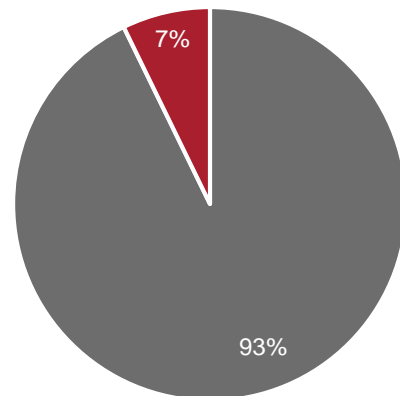
The gross profit margin came in at 10% in FY 2021 compared to 11% in FY 2020, and came in at 10% in Q4 2021 compared to 12% in Q4 2020.

Opt.EBITDA amounted to EGP 32m in FY 2021 compared to 31m in FY 2020, increased by 3% YoY, and amounted to EGP 6m in Q4 2021 compared to 8m in Q4 2020, decreased by 23%.

The EBITDA margin came in at 11% in FY 2021 compared to 13% in FY 2020, and came in at 8% in Q4 2021 compared to 13% in Q4 2020.

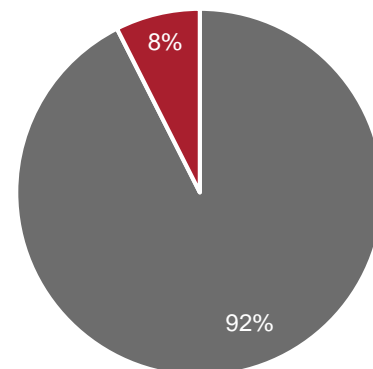
Net profit came in at 14m in FY 2021 close to FY 2020, and amounted to EGP 2m in Q4 2021 compared to EGP 4m in Q4 2020, decrease by 53%.

Group Opt. EBITDA Contribution



■ Cement ■ Ready Mix Concrete

Group Net Income Contribution



■ Cement ■ Ready Mix Concrete

Summary Consolidated Results:

Income Statement Rounded to EGP Million	FY 2021	FY 2020	Q4 2021	Q4 2020
Net Sales	2,528	2,519	632	675
Gross profit	485	324	129	58
Gross Profit Margin (%)	19	13	20	9
Opt. EBITDA	429	312	106	50
Opt. EBITDA Margin (%)	17	12	17	7
EBT	210	49	54	(13)
Net profit	174	23	50	(17)
Parent Company	146	34	39	34
Minority Interest	28	(11)	11	(10)

Balance Sheet Rounded to EGP Million	FY 2021	FY 2020
Current Assets	818	918
Non-current Assets	2,918	3,034
Total Assets	3,736	3,952
Current Liabilities	1,223	1,308
Non-current Liabilities	609	866
Total Liabilities	1,832	2,173
Shareholders' Equity	1,904	1,779
Total Liabilities & Shareholders' Equity	3,736	3,952

Cash Flow Rounded to EGP Million	FY 2021	FY 2020
Net cash generated from operating activities	400	144
Net cash generated from investing activities	(18)	(10)
Net cash used in financing activities	(368)	(234)
Cash and cash equivalents at the end of the period	97	86

END
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 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 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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