

Misr Cement – Qena (Reuters: MCQE.CA) – Q1 2023 Earnings Release

“Group’s Self - Operation for its Plants in Qena and Minya mitigates the impact of the inflated costs and recording Positive Results, Ready Mix concrete results turn to Profit in Q1 2023”

Q1 2023, Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 906m	EGP 199m	EGP 178m	EGP 85m	EGP 66m
Q1 2023 vs. Q1 2022				
36% ▲	29% ▲	15% ▲	6% ▲	10% ▲

Misr Cement - Qena (Reuters: MCQE.CA), listed in the Egyptian Stock Exchange EGX, announces today May 21st 2023 its Q1 2023 results.

Group’s net sales increased to EGP 906m in Q1 2023 compared to EGP 669m in Q1 2022, increased by 36%.

Group’s local cement sales volumes decreased to 555k ton in Q1 2023 compared to 596k ton in Q1 2022, decreased by 7%, the export sales decreased to 18k ton in Q1 2023 compared to 54k ton in Q1 2022, decreased by 66% impacted by the political situation in Sudan.

The Gross profit increased to EGP 199m in Q1 2023 compared to EGP 154m in Q1 2022, increased by 29%. Successfully proves Group’s self – operation for its two Plants in Qena and Minya and mitigating the drop in the sales volumes, inflated energy and raw materials costs affected by the global political instability and its impact on the local economy in addition to the fluctuated foreign exchange rates, Gross Profit Margin decreased to 22% in Q1 2023 compared to 23% in Q1 2022.

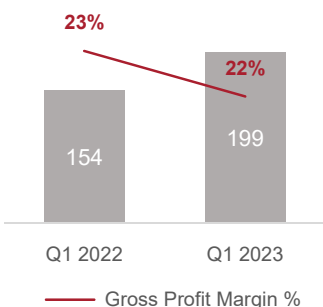
Opt. EBITDA increased to EGP 178m in Q1 2023 compared to EGP 156m in Q1 2022, increased by 15%. Opt. EBITDA Margin decreased to 20% in Q1 2023 compared to 23% in Q1 2022.

Group’s Net profit increased to EGP 85m in Q1 2023 compared to EGP 81m in Q1 2022, increased by 6%. Attributable to parent company increased to EGP 66m in Q1 2023 compared to EGP 60m in Q1 2022, increased by 10%.

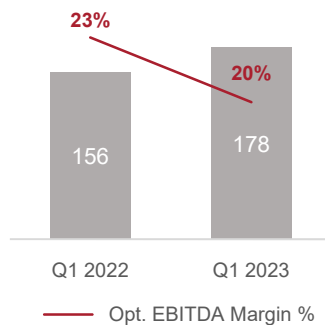
Group’s debts decreased to EGP 822m in Q1 2023 compared to EGP 873m on 31 Dec. 2022, decreased by 6% despite the increase in the bank facilities to meet the Group’s lack from raw materials, energy and strategic spare parts, which are significantly, impacted by the high inflation and foreign exchange rates.

Group’s Net Cash Flow from Operations decreased to EGP 111m in Q1 2023 compared to EGP 309m in Q1 2022, decreased by 64%.

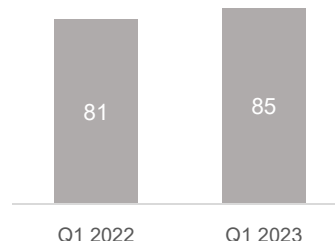
Gross Profit (EGP) Million, Margin %



Opt. EBITDA (EGP) Million, Margin %



Net Profit (EGP) Million



On standalone level,

Qena's net sales increased to EGP 393m in Q1 2023 compared to EGP 309m in Q1 2022, increased by 27%.

Local cement sales volumes decreased to 250k ton in Q1 2023 compared to 279k ton in Q1 2022, decreased by 10%. Export sales decreased to 15k ton in Q1 2023 compared to 54k ton in Q1 2022, decreased by 72%.

Gross profit increased to EGP 86m in Q1 2023 compared to EGP 67m in Q1 2022, increased by 28%. Gross Profit Margin came in at 22% in Q1 2023 compared to 22% in Q1 2022.

The Opt. EBITDA increased to EGP 74m in Q1 2023 compared to 66m in Q1 2022, increased by 12%. Opt. EBITDA Margin decreased to 19% in Q1 2023 compared to 22% in Q1 2022.

Qena's Net Profit increased to EGP 57m in Q1 2023 compared to 48m in Q1 2022, increased by 18%.

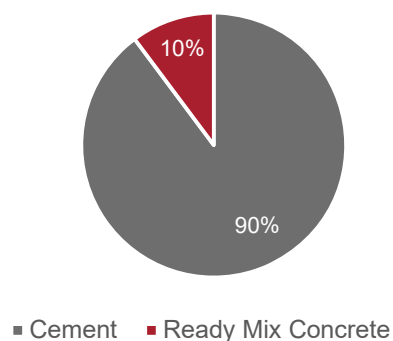
Earnings per share increased to EGP 0.7 in Q1 2023 compared to EGP 0.6 in Q1 2022, increased by 17%.

Qena's Net Cash Flow from Operations decreased to EGP 9m in Q1 2023 compared to EGP 182m in Q1 2022, decreased by 95%.

Qena's Debt increased to EGP 346m in Q1 2023 compared to EGP 317m on 31 Dec. 2022, increased by 9% due to the increase in the bank facilities to meet the company's lack from raw materials, energy and strategic spare parts, which are significantly, impacted by the high inflation and foreign exchange rates.

Operational Overview by Segment	Q1 2023	Q1 2022	Change (%)
Volumes			
Cement (million ton)	573	649	(12%)
Ready Mix Concrete (thousand m ³)	82	78	4%
Net Sales (EGP million)			
Cement	852	618	38%
Ready Mix Concrete	97	68	41%
Opt. EBITDA (EGP million)			
Cement	172	156	11%
Ready Mix Concrete	9	1	1634%
EBITDA Margin %			
Cement	20	25	(20%)
Ready Mix Concrete	9	1	1126%

Group Sales Contribution



Group Cement

Net sales increased to EGP 852 in Q1 2023 compared to EGP 618m in Q1 2022, increased by 38%.

Sales volume including export sales decreased to 573k ton in Q1 2023 compared to 649k ton decreased by 12%.

Gross Profit increased to EGP 192m in Q1 2023 compared to EGP 155m in Q1 2022, increased by 24%. The Gross Profit Margin decreased to 23% in Q1 2023 compared to 25% in Q1 2022.

Opt. EBITDA increased to EGP 172m in Q1 2023 compared to 156m in Q1 2022, increased by 11%. The EBITDA margin decreased to 20% in Q1 2023 compared to 25% in Q1 2022.

Net profit increased to EGP 107m in Q1 2023 compared to EGP 102m in Q1 2022, increased by 5%.

Group Ready Mix Concrete

Net sales increased to EGP 97m in Q1 2023 compared to EGP 68m in Q1 2022, increased by 41%.

Sales volume are increased to 82k m³ in Q1 2023 compared to 78k m³ in Q1 2022, increased by 4%.

Gross Profit increased to EGP 7m in Q1 2023 compared to Gross Profit of EGP 451k in Q1 2022, increased by 1650%. The Gross Profit margin increased to 7% in Q1 2023 compared to gross profit margin of (1%) in Q1 2022.

Opt. EBITDA increased to EGP 9m in Q1 2023 compared to 1m in Q1 2022, increased by 1634%. The Opt. EBITDA margin increased to 9% in Q1 2023 compared to 1% in Q1 2022.

Net Profit increased to EGP 3m in Q1 2023 compared to EGP (4m) in Q1 2022, increased by 166%.

Summary Consolidated Results (Rounded to EGP Million):

Income Statement	Q1 2023	Q1 2022
Net Sales	906	669
Gross profit	199	154
Gross Profit Margin	22%	23%
Opt. EBITDA	178	156
Opt. EBITDA Margin	20%	23%
EBT	109	94
Net profit	85	81
Parent Company	66	60
Minority Interest	20	21

Balance Sheet	31 Mar 2023	31 Dec 2022
Current Assets	2,572	1,605
Non-Current Assets	2,801	2,825
Total Assets	5,373	4,430
Current Liabilities	3,033	2,124
Non-Current Liabilities	391	358
Total Liabilities	3,424	2,482
Shareholders' Equity	1,949	1,948
Total Liabilities & Shareholders' Equity	5,373	4,430

Cash Flow	Q1 2023	Q1 2022
Net cash generated from operating activities	111	309
Net cash generated from investing activities	(19)	1
Net cash used in financing activities	(81)	(157)
Cash and cash equivalents at the end of the period	160	254

END

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 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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