

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

“43% growth in revenues and a 40% increase in the group’s EBITDA as a result of the self-operation as well as opening new markets for export. The net profit was affected by the increase in financing costs compared to last year.”

Consolidated Highlights

Net Sales	Gross Profit	Opt. EBITDA	Net Profit	Parent Company
EGP 4,029m	EGP 620m	EGP 543m	EGP 115m	EGP 95m
FY 2023 vs. FY 2022				
43% ▲	58% ▲	40% ▲	12% ▼	2% ▼
Q4 2023 vs. Q4 2022				
38% ▲	27% ▲	122% ▲	170% ▲	139% ▲

Misr Cement - Qena (Reuters: MCQE.CA), listed in the Egyptian Stock Exchange EGX, announces today March 3rd, 2024 its FY 2023 results.

Group’s net sales increased to EGP 4.03b in FY 2023 compared to EGP 2.82b in FY 2022, increased by 43%. In Q4 2023, Group’s net sales increased to EGP 1.20b compared to EGP 848m in Q4 2022, increased by 41%.

Group’s local cement sales volumes came in at 2.2m ton in FY 2023 compared to 2.3m ton in FY 2022, decreased by 1%. In Q4 2023, group’s local cement sales volumes increased to 621k ton compared to 601k ton in Q4 2022, increased by 3%. The export sales increased to 231k ton in FY 2023 compared to 108k ton in FY 2022, increased by 114%. In Q4 2023, group’s export cement sales volumes increased to 63k ton compared to 7k ton in Q4 2022, increased by 855%, as a part of the Group’s efforts to expand its export activity by penetrating new markets as an alternative to the main export market, which is currently witnessing political turmoil.

The gross profit increased to EGP 620m in FY 2023 compared to EGP 391m in FY 2022, increased by 58%, In Q4 2023, gross profit, increased to EGP 247m compared to EGP 113m in Q4 2022, increased by 118%. This proves the success of the Group’s self – operation for its two Plants in Qena and Minya and mitigating the 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 increased to 15% in FY 2023 compared to 14% in FY 2022. In Q4 2023, Gross profit margin increased to 21% compared to 13% in Q4 2022.

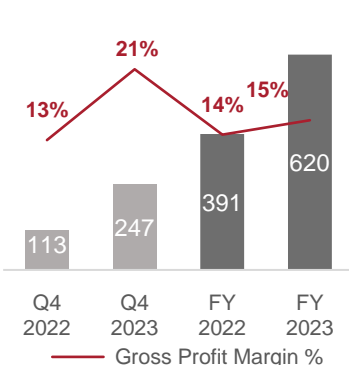
Opt. EBITDA increased to EGP 543m in FY 2023 compared to EGP 389m in FY 2022, increased by 40%. In Q4 2023, Opt. EBITDA increased to EGP 237m compared to EGP 107m in Q4 2022, increased by 122%.

Opt. EBITDA margin came in at 13% in FY 2023 compared to 14% in FY 2022. In Q4 2023, Opt EBITDA margin increased to 20% compared to 13% in Q4 2022.

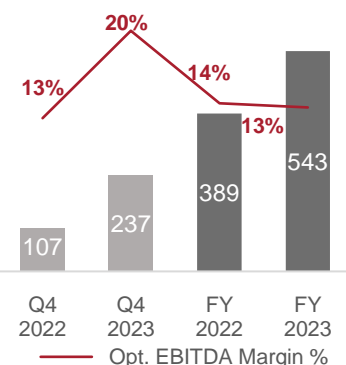
Group’s net profit came in at EGP 115m in FY 2023 compared to EGP 132m in FY 2022, decreased by 12%. In Q4 2023, Group’s net profit increased to EGP 93m in Q4 2023 compared to EGP 34m in Q4 2022, increased by 170%. The increase in net profits in Q4 2023 was the result of the seasonality of the fourth quarter regarding the increase in prices in addition to the increase in export volumes.

Attributable to parent company came in at EGP 95m in FY 2023 compared to EGP 97m in FY 2022, decreased by 2%. In Q4 2023, attribute to parent company increased to EGP 80 compared to EGP 34m in Q4 2022, increased by 139%

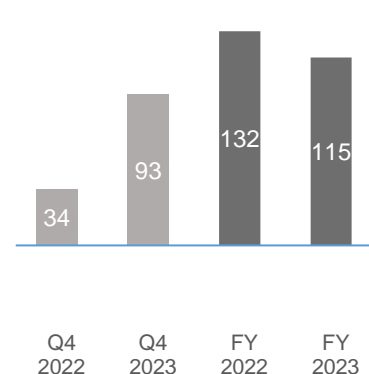
Gross Profit (EGP) Million, Margin %



Opt. EBITDA (EGP) Million, Margin %



Net Profit (EGP) Million



On standalone level,

Qena's net sales increased to EGP 1.66b in FY 2023 compared to EGP 1.26b in FY 2022, increased by 31%. In Q4 2023, net sales increased to EGP 509m compared to EGP 369m in Q4 2022, increased by 38%.

Qena local cement sales volumes came in at 1.03m ton in FY 2023 compared to 1.04m ton in FY 2022, decreased by 2%. In Q4 2023, Qena local cement sales volumes increased to 287k ton compared to 276k ton in Q4 2022 increased by 4%. Qena export sales came in at 31k ton in FY 2023 compared to 107k ton in FY 2022, decreased by 71%. In Q4 2023, Qena export cement sales volumes increased to 12k ton compared to 5k ton in Q4 2022 increased by 131%

Qena's gross profit increased to EGP 293m in FY 2023 compared to EGP 166m in FY 2022, increased by 76%. In Q4 2023 Gross profit increased to EGP 125m compared to EGP 63m in Q4 2022, increased by 98%.

The gross profit margin increased to 18% in FY 2023 compared to 13% in FY 2022. In Q4 2023, gross profit margin increased to 25% compared to 17% in Q4 2022.

Qena's Opt. EBITDA increased to EGP 238m in FY 2023 compared to 157m in FY 2022, increased by 52%. In Q4 2023, Opt. EBITDA increased to EGP 116m compared to 57m in Q4 2022, increased by 104%.

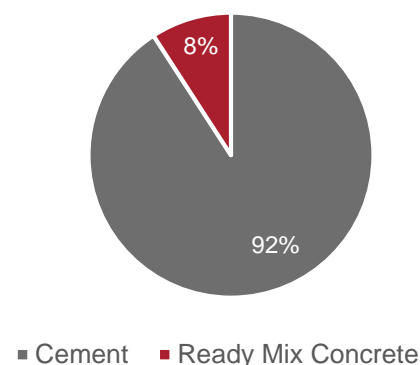
Opt. EBITDA margin increased to 14% in FY 2023 compared to 12% in FY 2022. In Q4 2023, Opt. EBITDA margin increased to 23% compared to 15% in Q4 2022.

Qena's net profit came in at EGP 75.8 in FY 2023 compared to 76.3 in FY 2022, decreased by 1%. In Q4 2023, net profit increased to EGP 39m compared to 24m in Q4 2022, increased by 62%.

EPS came in at EGP 0.67 in FY 2023 compared to EGP 0.68 in FY 2023, decreased by 1%.

Operational Overview by Segment:

Volumes	FY 2023	FY 2022	Change (%)
Cement (thousand ton)	2,470	2,375	4%
Ready Mix Concrete (thousand m ³)	278	300	(8%)
Net Sales (EGP million)			
Cement	3,793	2,612	45%
Ready Mix Concrete	341	289	18%
Opt. EBITDA (EGP million)			
Cement	521	391	33%
Ready Mix Concrete	17	4	278%
EBITDA Margin			
Cement	14%	15%	(8%)
Ready Mix Concrete	5%	2%	221%

Group Sales Contribution


Group Cement

Net sales increased to EGP 3.79b in FY 2023 compared to EGP 2.61b in FY 2022, increased by 45%. In Q4 2023, net sales increased to EGP 1.12b compared to EGP 785m in Q4 2022, increased by 43%.

Sales volume including the export sales increased to 2.47m ton in FY 2023 compared to 2.38m ton in FY 2022 increased by 4%. In Q4 2023, sales volume including export increased to 684k ton compared to 608k ton in Q4 2022 increased by 13%.

Gross profit increased to EGP 592m in FY 2023 compared to EGP 398m in FY 2022, increased by 49%. In Q4 2023, gross profit increased to EGP 227m compared to EGP 108m in Q4 2022, increased by 111%.

The gross profit margin increased to 16% in FY 2023 compared to 15% in FY 2022. In Q4 2023, gross profit margin increased to 20% compared to 14% in Q4 2022.

Opt. EBITDA increased to EGP 521m in FY 2023 compared to 391m in FY 2023, increased by 33%. In Q4 2023, Opt. EBITDA increased to EGP 219m compared to EGP 100m in Q4 2022, increased by 119%.

The Opt. EBITDA margin came in at 14% in FY 2023 compared to 15% in FY 2022. In Q4 2023, Opt. EBITDA margin increased to 20% in Q4 2023 compared to 13% in Q4 2022.

Net profit came in at EGP 127m in FY 2023 compared to EGP 163m in FY 2022, decreased by 22%. In Q4 2023, net profit increased to EGP 71m compared to EGP 26m in Q4 2022, increased by 173%.

Group Ready Mix Concrete

Net sales increased to EGP 341m in FY 2023 compared to EGP 289m in FY 2022 increased by 18%. In Q4 2023, net sales increased to EGP 94m compared to EGP 88m in Q4 2022, increased by 7%

Sales volume came in at 278km³ in FY 2023 compared to 300km³ in FY 2022, decreased by 8%. In Q4 2023, sales volume came in at 74km³ compared to 83km³ in Q4 2022, decreased by 11%.

Gross profit increased to EGP 11m in FY 2023 compared to EGP (2m) in FY 2022, increased by 667%. In Q4 2023, gross profit increased to EGP 8m compared to EGP 3m in Q4 2022, increased by 166%.

The gross profit margin increased to 3% in FY 2023 compared to gross profit margin of (1%) in FY 2022. In Q4 2023, gross profit margin increased to 9% compared to 4% in Q4 2022.

Opt. EBITDA increased to EGP 17m in FY 2023 compared to 4m in FY 2022, increased by 278%. In Q4 2023, Opt. EBITDA increased to EGP 10m compared to 5m in Q4 2022, increased by 97%.

The Opt. EBITDA margin increased to 5% in FY 2023 compared to 2% in FY 2022. In Q4 2023, Opt. EBITDA margin increased to 10% compared to 6% in Q4 2022.

Net profit increased to EGP 234k in FY 2023 compared to EGP (10m) in FY 2022, increased by 102%. In Q4 2023, net profit increased to EGP 8m compared to EGP 4m in Q4 2022, increased by 84%.

Summary Consolidated Results (Rounded to EGP Million):

Income Statement	FY 2023	FY 2022	Q4 2023	Q4 2022
Net Sales	4,029	2,816	1,198	848
Gross profit	620	391	247	113
Gross Profit Margin	%15	%14	%21	%13
Opt. EBITDA	543	389	237	107
Opt. EBITDA Margin	%13	%14	%20	%13
EBT	168	163	126	43
Net profit	115	132	93	34
Parent Company	95	97	80	34
Minority Interest	21	35	13	1

Balance Sheet	FY 2023	FY 2022
Current Assets	2,080	1,605
Non-current Assets	2,817	2,825
Total Assets	4,898	4,430
Current Liabilities	1,968	2,124
Non-current Liabilities	958	358
Total Liabilities	2,926	2,482
Shareholders' Equity	1,971	1,949
Total Liabilities & Shareholders' Equity	4,898	4,430

Cash Flow	FY 2023	FY 2022
Net cash generated from operating activities	146	299
Net cash generated from investing activities	(15)	(208)
Net cash used in financing activities	(82)	(153)
Cash and cash equivalents at the end of the period	149	140

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About the Company

Misr Cement-Qena established in 1997 as a joint stock company with a capital of EGP 960 million 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 2.2 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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