

16 August 2021

MM Group for Industry and International Trade S.A.E (MTI) Reports 2Q2021 Results.

MM Group for industry and International Trade (MTI), today announced its Standalone and Consolidated results for the period ending 30 June 2021. The consolidated revenues in 1H21 increased by 11.4% Y-o-Y to reach EGP 4.8 billion compared to EGP 4.3 billion. And the standalone revenues in 1H21 increased by 7.8% Y-o-Y to reach EGP 3.9 billion compared to EGP 3.6 billion.

Consolidated gross profit in 1H21 increased by 10.2% Y-o-Y to reach EGP 539 million compared to EGP 489 million. And the standalone gross profit in 1H21 increased by 5.2% Y-o-Y to reach EGP 458 million compared to EGP 435 million.

Consolidated gross profit margin in 1H21 reached 11.14% compared to 11.26% in 1H20. And the standalone gross profit margin in 1H21 reached 11.87% compared to 12.16% in 1H20.

Consolidated EBITDA in 1H21 increased by 17.8% Y-o-Y to reach EGP 361 million compared to EGP 307 million. And the standalone EBITDA in 1H21 increased by 12.3% Y-o-Y to reach EGP 318 million compared to EGP 283 million.

Consolidated EBITDA margin in 1H21 reached 7.5% compared to 7.1% in 1H20. And the standalone EBITDA margin in 1H21 reached 8.3% compared to 7.9% in 1H20.

Consolidated net profit in 1H21 increased by 15.8% Y-o-Y to reach EGP 242 million compared to EGP 209 million, supported by strong contribution from Kanawat, and our non-banking financial arm Ebtikar and Basata. And the standalone net profit in 1H21 increased by 11.3 % Y-o-Y to reach EGP 228 million compared to EGP 205 million.

Consolidated net profit margin in 1H21 reached 5.0% compared to 4.8% in 1H20. While the standalone net profit margin increased in 1H21 to reach 5.9% compared to 5.7% in 1H20.

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Consolidated Financial Highlights 2Q 2021

EGP mn	1H 2021	1H 2020	Y-o-Y
Revenues	4,836	4,343	11.4%
Gross Profit	539	489	10.2%
Gross Profit Margin	11.14%	11.26%	
EBITDA	361	307	17.8%
EBITDA Margin	7.47%	7.06%	
Net Income	242	209	15.8%
Net Income Margin	5.00%	4.81%	

Standalone Financial Highlights 2Q 2021

EGP mn	1H 2021	1H 2020	Y-o-Y
Revenues	3,855	3,577	7.8%
Gross Profit	458	435	5.2%
Gross Profit Margin	11.87%	12.16%	
EBITDA	318	283	12.3%
EBITDA Margin	8.25%	7.92%	
Net Income	228	205	11.3%
Net Income Margin	5.91%	5.72%	

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About MM Group for Industry and Trade S.A.E (MTI)

MTI is an Egyptian joint- stock company listed on the Egyptian Stock Exchange (Ticker: [MTIE.CA](#)). MTI is one of Egypt's largest distribution companies by geographic coverage with access to over 40,000 points of sale. MTI operates various business lines, including consumer electronics, telecommunication, automotive, seamless pipes, and tractors through partnerships with leading global brands including Samsung, Vodafone, Huawei, Range Rover, Jaguar, Maserati, Bentley, Carrier and Bosch.

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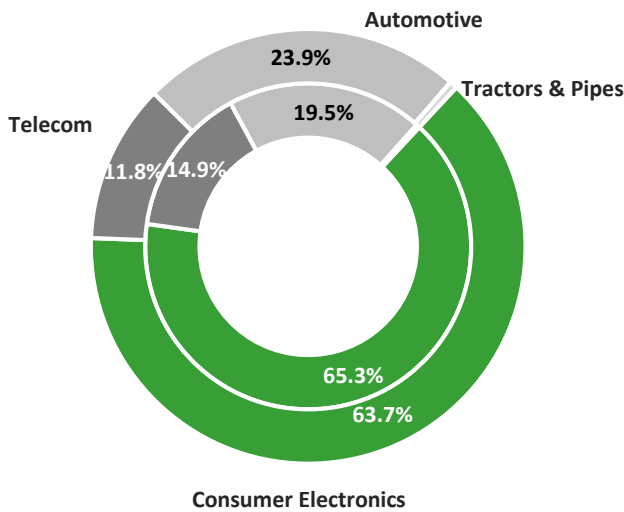


Group Operational Performance

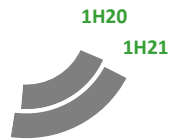
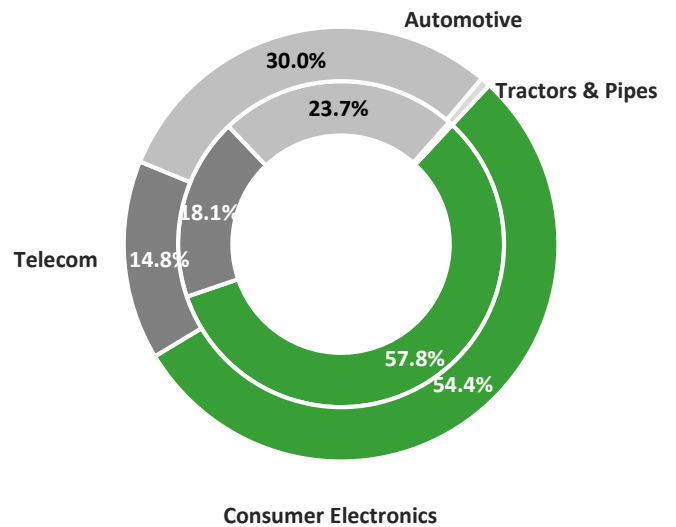
Revenue Breakdown by Line of Business

- The consolidated revenues in 2Q21 increased by 9.9% Y-o-Y to reach EGP 2.3 billion compared to EGP 2.1 billion. And the standalone revenues in 2Q21 increased by 7.8% Y-o-Y to reach EGP 1.9 billion compared to EGP 1.7 billion.

1H21 Consolidated Revenue Breakdown by LoB | %

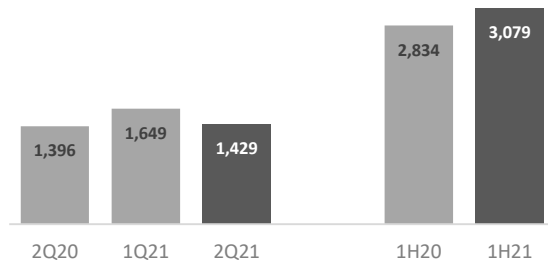


1H21 Standalone Revenue Breakdown by LoB | %

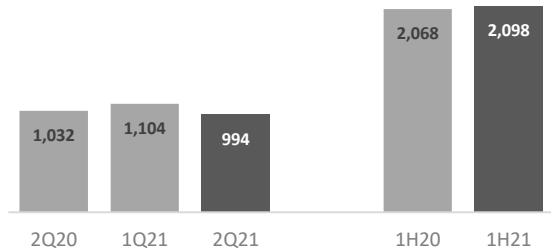


- The consumer Electronics line of business which represents 63.66% of the consolidated revenues in 1H21, increased by 8.6% Y-o-Y to reach EGP 3.1 billion compared to EGP 2.8 billion, while in 2Q21 it increased by 2.5% Y-o-Y to reach EGP 1.4 billion compared to EGP 1.39 billion. And the standalone revenues in 1H21 also increased by 1.4% Y-o-Y to reach EGP 2.09 billion compared to EGP 2.06 billion, while decreased in 2Q21 by 3.8% Y-o-Y to reach EGP 994 million compared to EGP 1.03 billion.
- In 1H21 the mobile segment revenues decreased by 3% , mainly driven by lower Huawei Sales as they didn't introduce any models during the period while the home appliances segment revenues increased by 52%.
- The mobile segment still representing the major contributor with 70% of total consolidated consumer electronics revenues in 1H21 and the remaining 30% was coming from the home appliances segment.

Consolidated Revenue | EGP mn

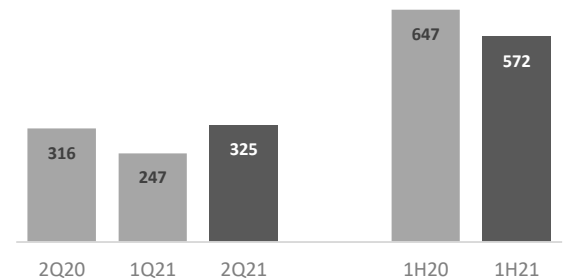


Standalone Revenue | EGP mn



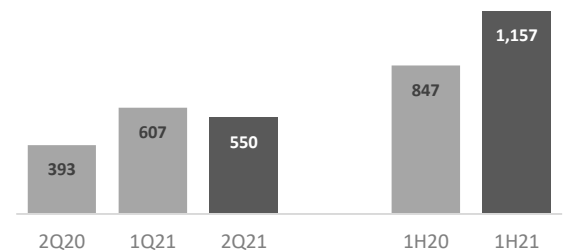
- The telecom line of business which represents 11.83% of the consolidated revenues in 1H21, decreased by 11.6% Y-o-Y to reach EGP 572 million compared to EGP 647 million, on back of shifting the users from using the traditional scratch cards to the e payment platforms. While in 2Q21 the revenues increased by 2.6% Y-o-Y to reach EGP 325 million compared to EGP 317 million.

Revenue | EGP mn



- The automotive line of Business which represents 23.93% of the consolidated revenues in 1H21, increased by 36.6% Y-o-Y to reach EGP 1.2 billion compared to EGP 847 million, and in 2Q21 it also increased by 40.2% to reach EGP 550 million compared to EGP 393 million. The sales volumes in 1H21 increased by 16.4% Y-o-Y to reach 626 cars sold compared to 538 cars and in 2Q21 it increased by 28.5% Y-o-Y to reach 311 cars sold compared to 242.

Revenue | EGP mn

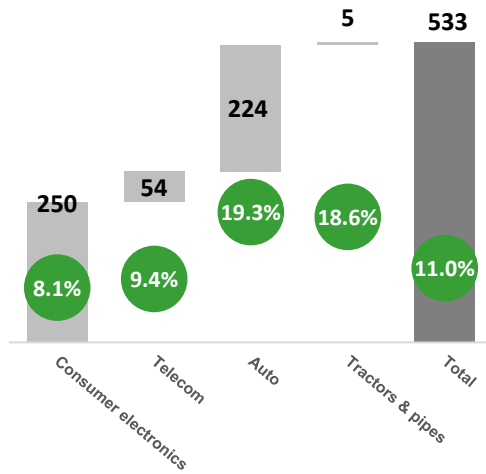


- The tractors and pipes line of business which represents 0.6% of the consolidated revenues in 1H21, increased by 89.1% Y-o-Y to reach EGP 28 million compared to EGP 15 million and in 2Q21 it surged by 151% Y-o-Y to reach EGP 15 million compared to EGP 6 million.

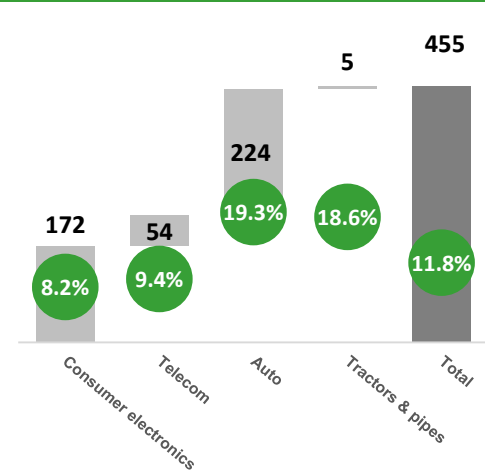
Gross Profit Breakdown by Line of Business

- The consolidated gross profit in 2Q21 increased by 7.2% Y-o-Y to reach EGP 253 million compared to EGP 236 million. And the standalone gross profit in 2Q21 also increased by 3.3% Y-o-Y to reach EGP 219 million compared to EGP 212 million.

1H21 Consolidated GP and margin | EGP mn, %



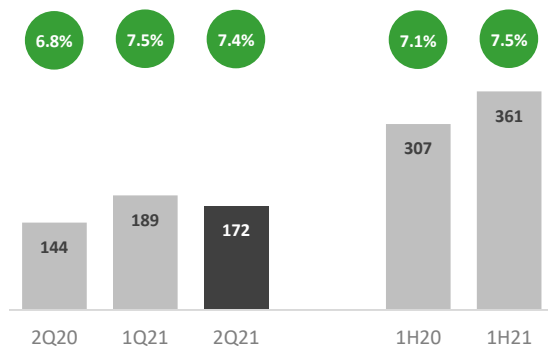
1H21 Standalone GP and margin | EGP mn, %



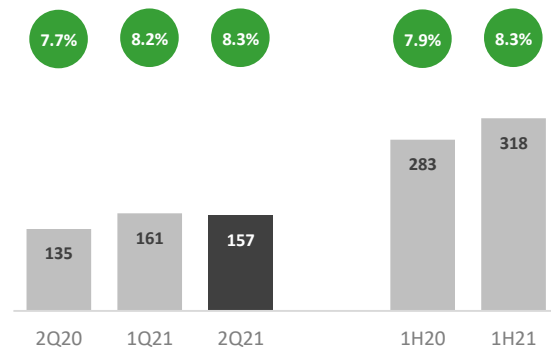
Earnings before Interest Tax Depreciation and Amortization

- The consolidated EBITDA in 2Q21 surged by 19.9% Y-o-Y to reach EGP 172 million compared to EGP 144 million. And the standalone EBITDA in 2Q21 also surged by 16.4% Y-o-Y to reach EGP 157 million compared to EGP 135 million.

Consolidated EBITDA & Margin | EGP mn, %



Standalone EBITDA & Margin | EGP mn, %



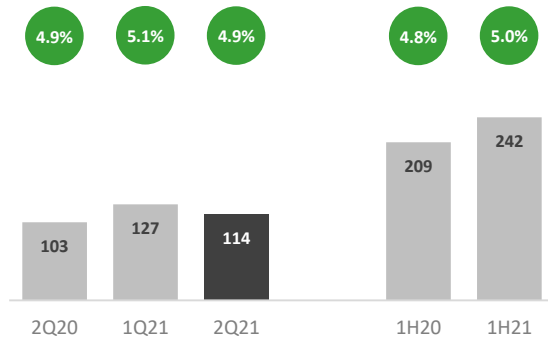
Depreciation & Amortization

- The consolidated depreciation expense registered EGP 22.4 million in 1H21, an increase of 79.8% Y-o-Y from the EGP 12.4 million and the standalone depreciation expense registered EGP 12.3 million in 1H21 an increase also of 49% from the EGP 8.2 million, driven by the adoption of the new EAS 49 “lease Contracts” during the beginning of 2021, with consequent effects the depreciation expense.

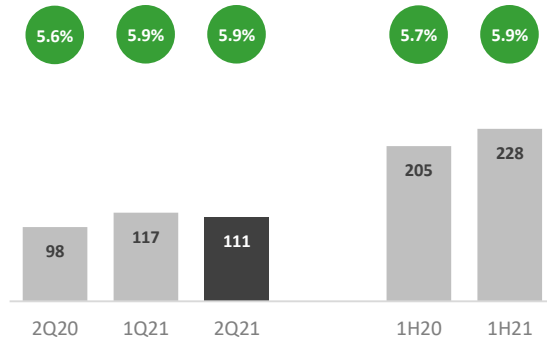
Net Profit

- The consolidated net profit in 2Q21 increased by 11.3% Y-o-Y to reach EGP 114 million compared to EGP 103 million. And the standalone net profit in 2Q21 also increased by 12.8% Y-o-Y to reach EGP 111 million compared to EGP 98 million.

Consolidated Net Profit & Margin | EGP mn, %

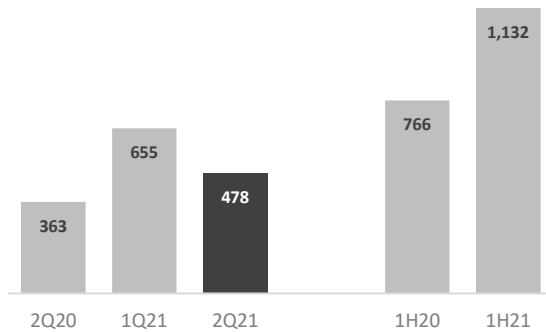


Standalone Net Profit & Margin | EGP mn, %

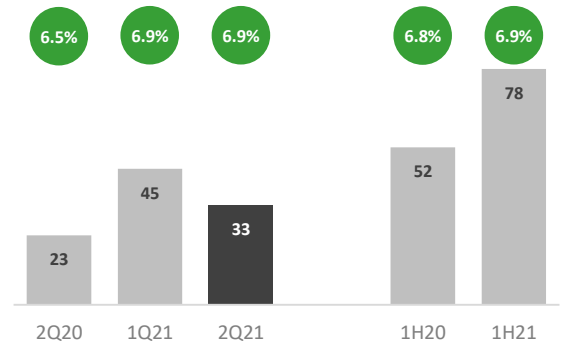


kanawat Operational Performance

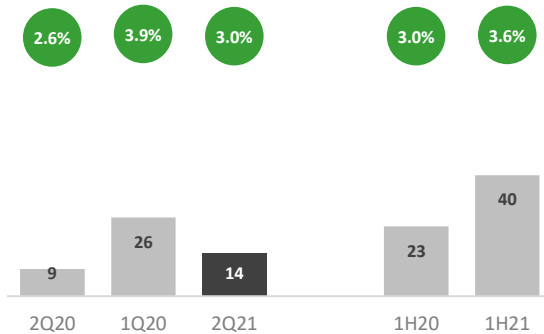
Revenue | EGP mn



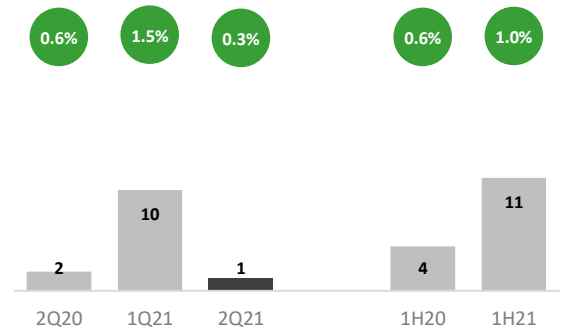
Gross Profit & Margin | EGP mns, %



EBITDA & Margin | EGP mns, %



Net Profit & Margin | EGP mns, %



- Kanawat reported strong top and bottom line growth in 1H21 with revenues rising 47.8% Y-o-Y to EGP 1.1 billion, and net profit expanding 154% Y-o-Y to record EGP 11 million.
- The mobile segment still representing the major contributor with 93% of total revenues in 1H21 and the remaining 7% was coming from the home appliances segment and retail shops.
- In 2Q21, the revenue increased by 31.6% Y-o-Y to reach EGP 478 million compared to EGP 363 million, while the bottom line decreased by 39.6% to reach EGP 1.2 million compared to EGP 1.9 million, which was mainly form higher depreciation expenses due to the adoption of the new EAS 49 “lease Contracts” during the beginning of 2021, with consequent effects the depreciation expense and higher financing expenses.

Consolidated Balance Sheet

EGP 000'	1H 2021	FY 2020
Assets		
Cash and Cash equivalents	470,415	309,449
Current Assets	2,278,581	2,215,035
Fixed Assets	659,738	494,702
Total Assets	3,408,734	3,019,186
Liabilities & Equity		
Bank overdrafts	277,820	292,732
Current Liabilities	1,020,718	898,120
Non-Current Liabilities	110,432	124
Minority Interest	108,967	106,981
Net Worth	1,999,764	1,828,209
Total Liabilities & Equity	3,408,734	3,019,186

Standalone Balance Sheet

EGP 000'	1H 2021	FY 2020
Assets		
Cash and Cash equivalents	449,238	294,172
Current Assets	1,672,756	1,510,315
Fixed Assets	689,277	575,312
Total Assets	2,811,272	2,379,799
Liabilities & Equity		
Bank overdrafts	121,210	73,376
Current Liabilities	902,285	741,779
Non-Current Liabilities	65,295	0
Net Worth	1,722,382	1,561,644
Total Liabilities & Equity	2,811,272	2,379,799