

Corporate Briefing

30-9-2017

Contents

- **Group Overview**
- **Market Overview**
- **Financial Highlights**

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Group Overview

➤ Vision and Mission

✓ Building our vision

To be a world class local business building a better and sustainable future for all our stakeholders

✓ Building our mission

To create value in the building materials sector through the Innovative and sustainable use of natural resources for the benefit of our communities and clients.

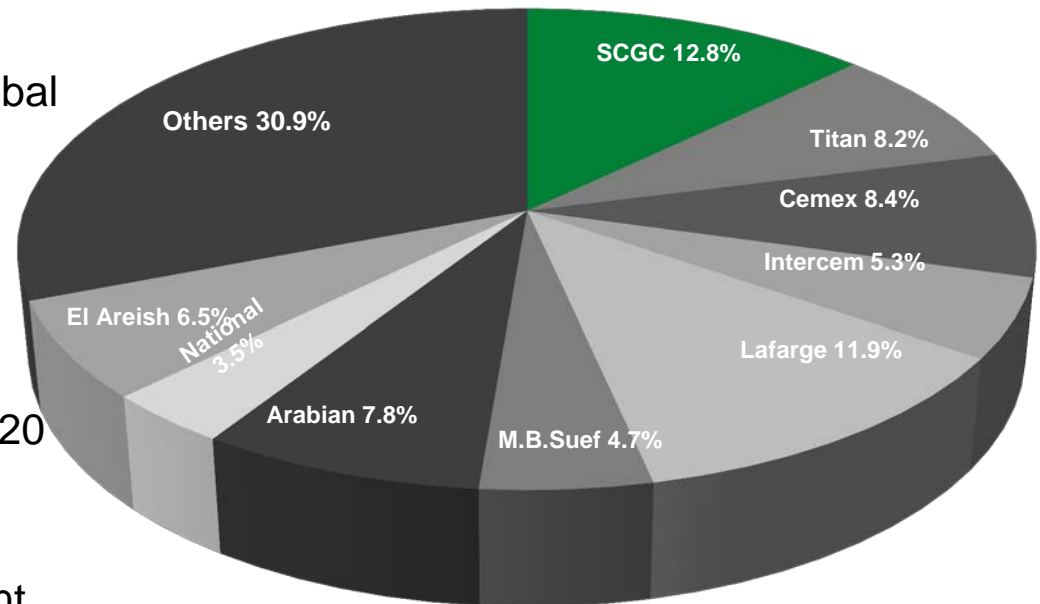


Group Overview

➤ SCGC Group at a glance

- ✓ Egypt's cement market leader
- ✓ Part of the world's third largest global cement producer
- ✓ Total production capacity of more than 12M t/y cement
- ✓ 5 cement plants, 2 terminals, and 20 concrete batching units
- ✓ Strong commitment to Environment protection and social responsibility
- ✓ Total Revenues of EGP 6.146 bln and EBITDA of EGP 542 mln in 2016

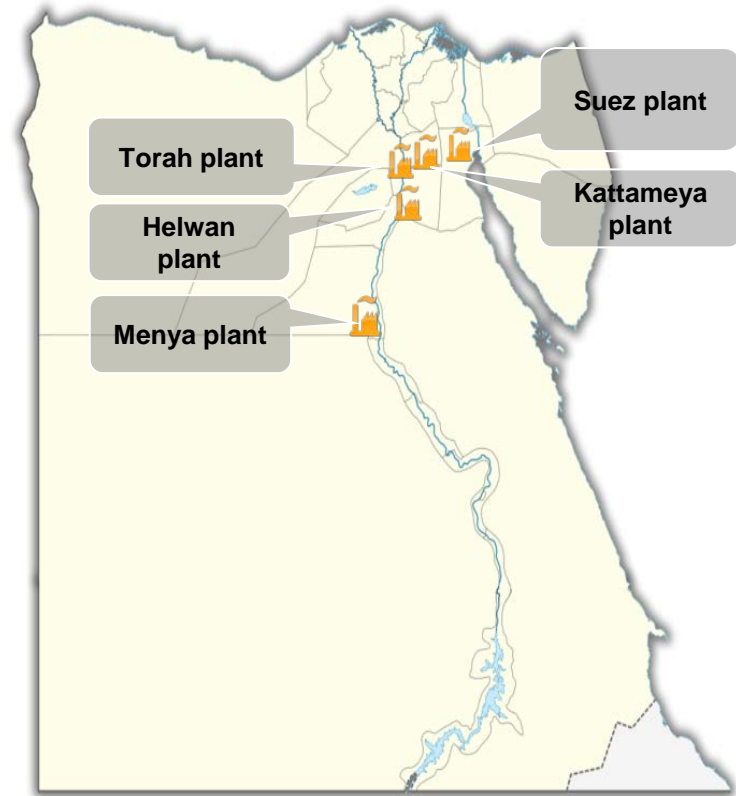
Grey market share YTD 9m 2017



Group Overview

➤ SCgC Industrial network

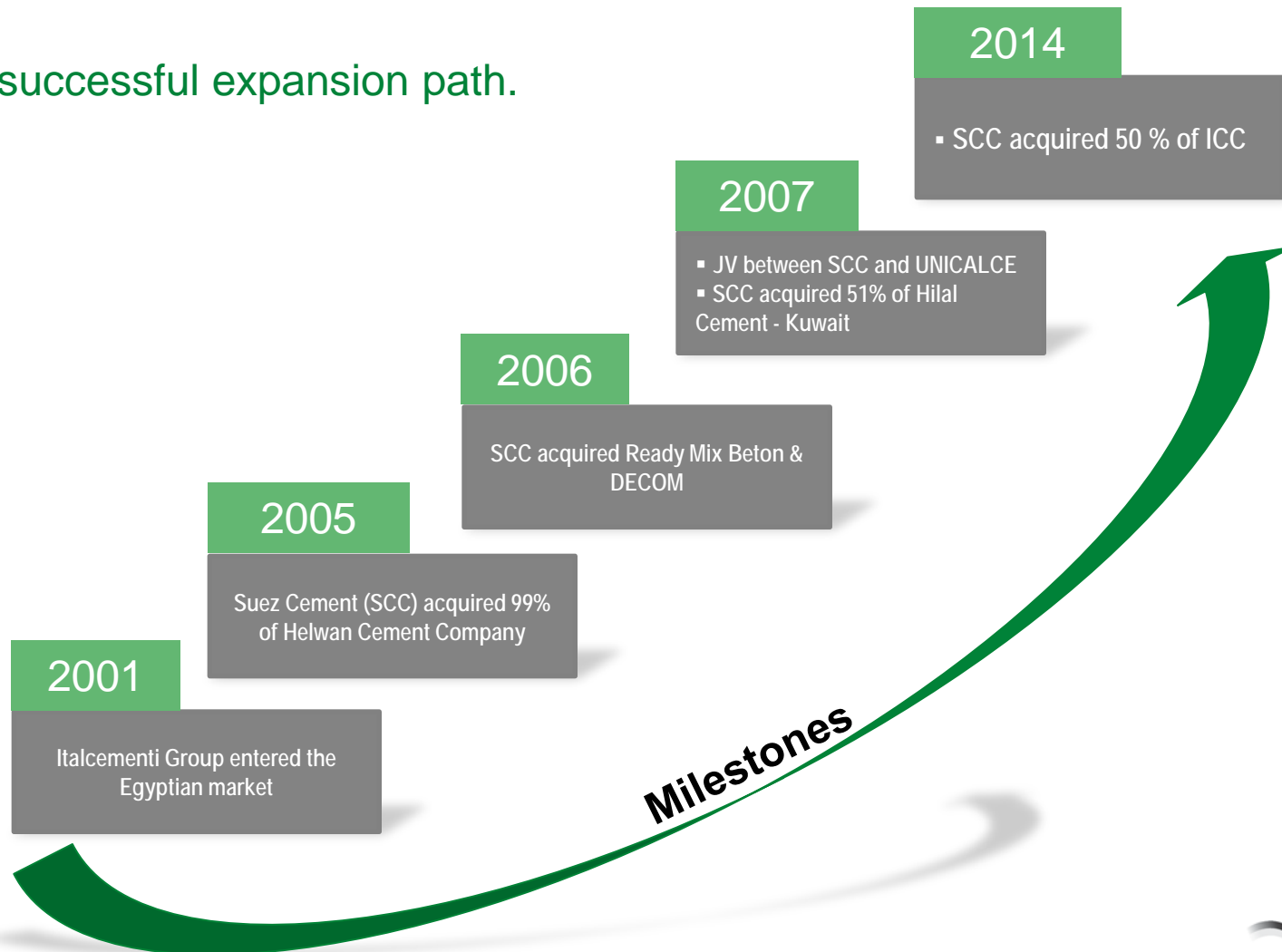
- ✓ 5 production facilities located in Helwan, Tourah, Kattameya, Suez and El Minya.
- ✓ Total production capacity of 12 million metric tons of cement.
- ✓ Approximately 13 percent market share of grey cement.
- ✓ Approximately 25 percent market share of white cement.
- ✓ 15 Operating quarries.
- ✓ 8 kilns in operation.
- ✓ All plants are ISO 9002, ISO 14001 and OHSAS 18001 certified.



Group Overview

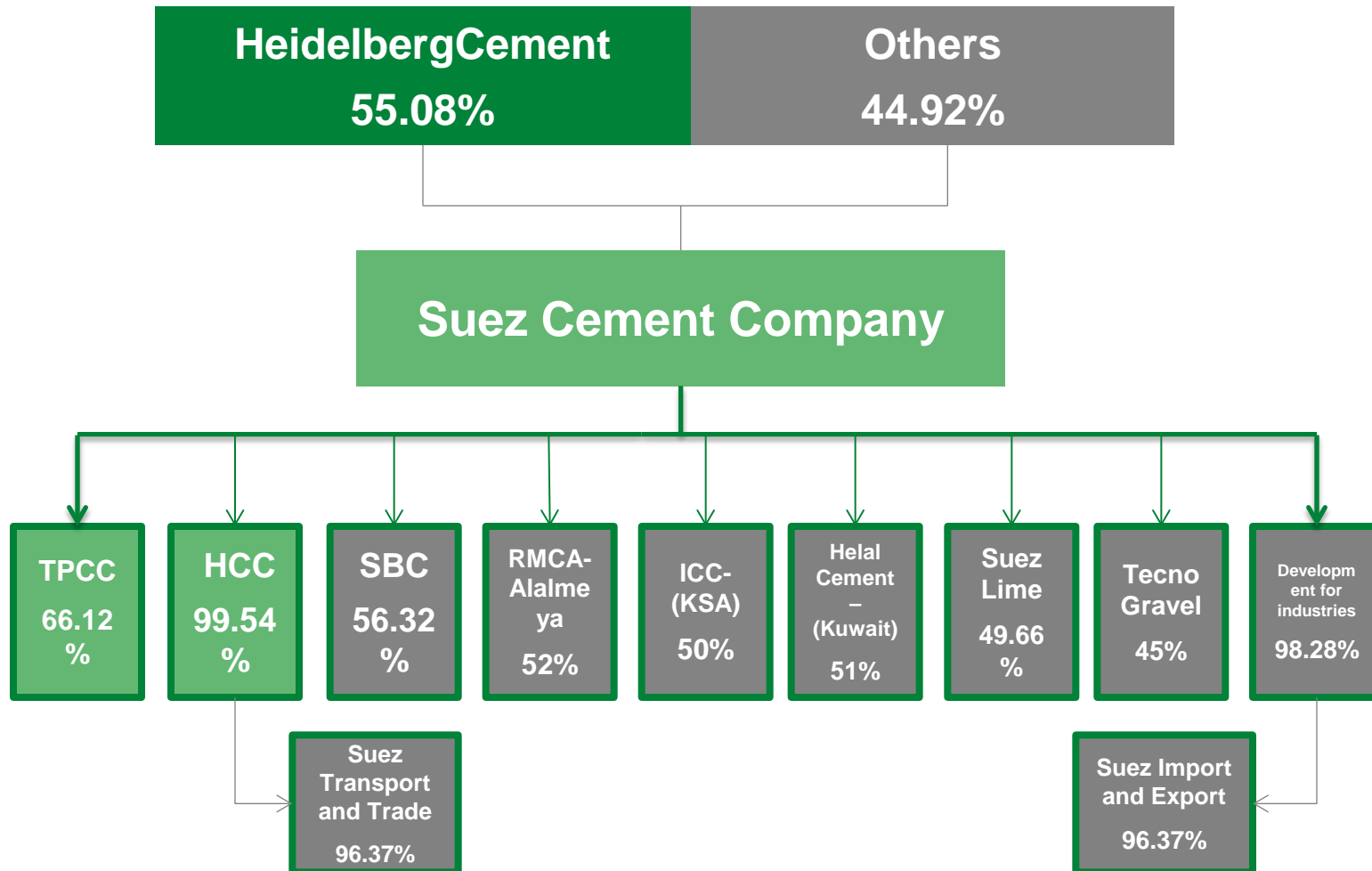
➤ Key milestones

— A successful expansion path.



Group Overview

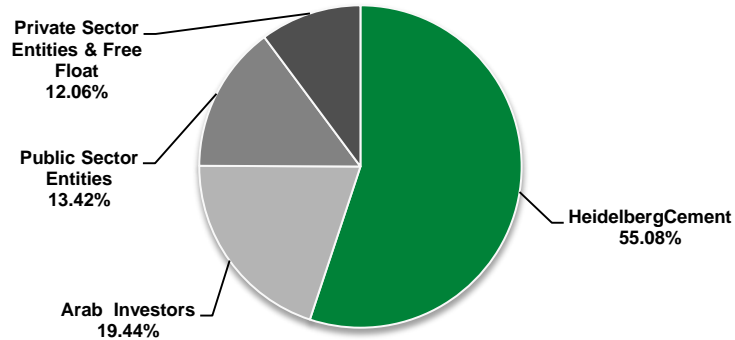
▪ Suez Cement group structure



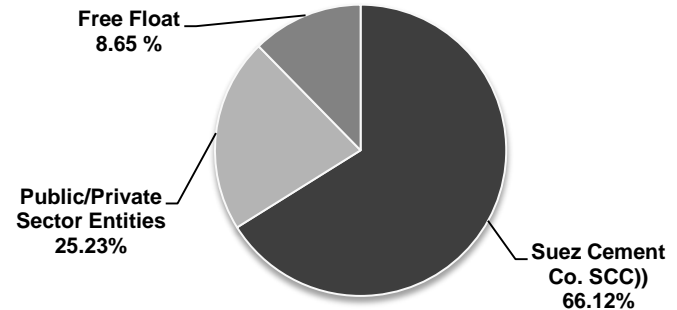
Group Overview - Stock Market

➤ 3 Companies are listed in the Egyptian Stock Market

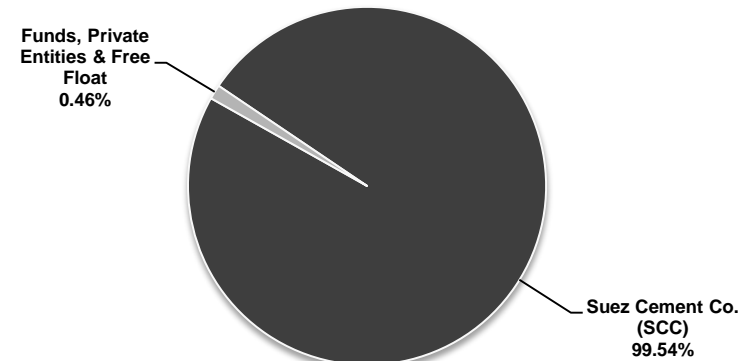
Suez Cement Company (181,856,507 shares)



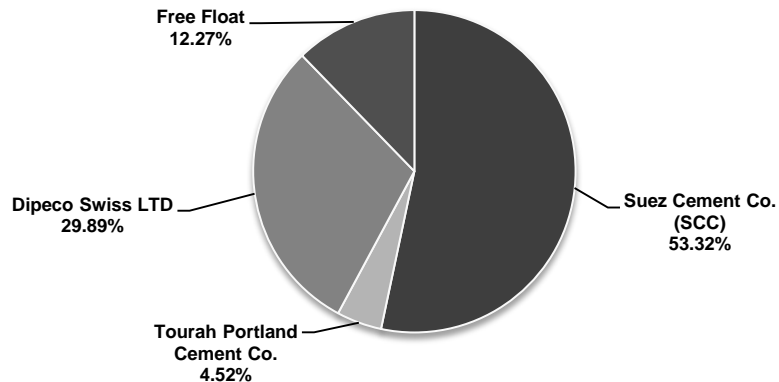
Tourah Portland Cement Company (71,524,200 shares)



Helwan Cement Company (116,691,231 shares) (Not Listed)



Suez Bags Company (10,935,000 shares)



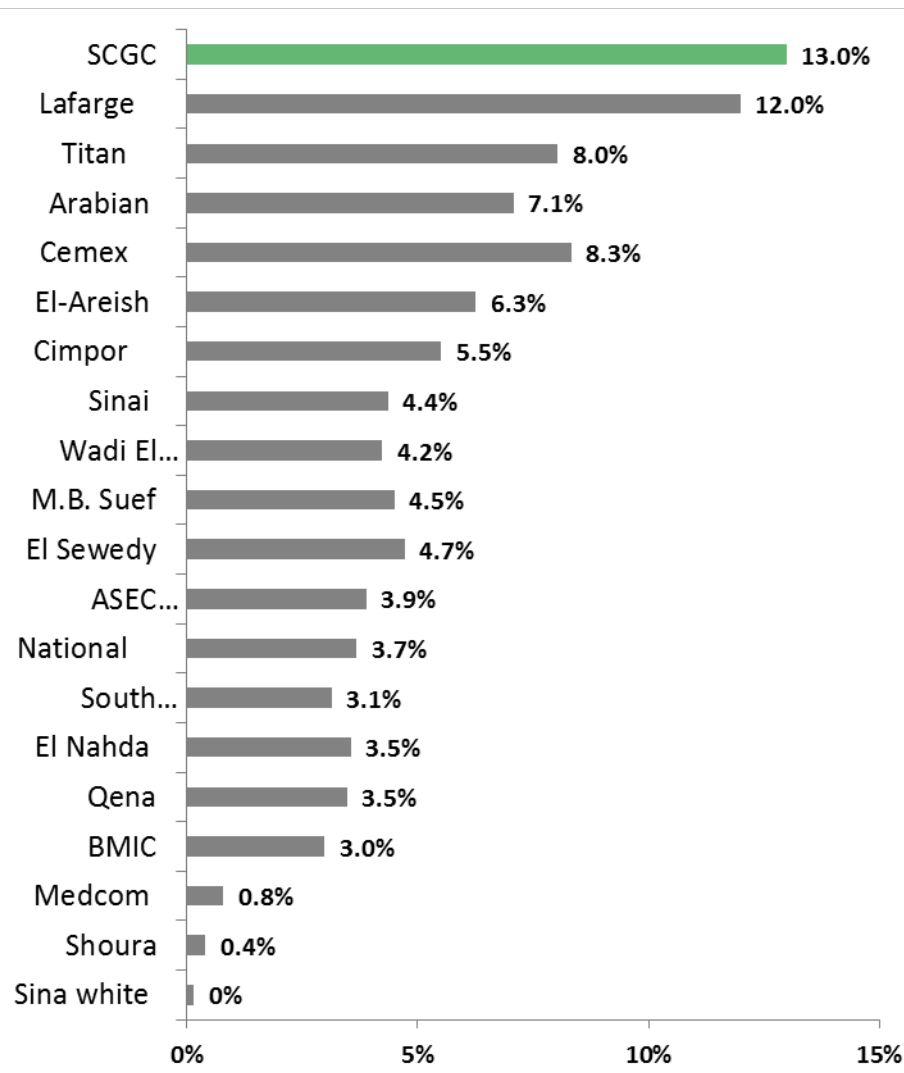
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Market Overview

Estimated market share: Market down by -6% vs. 2016 in YTD Nov

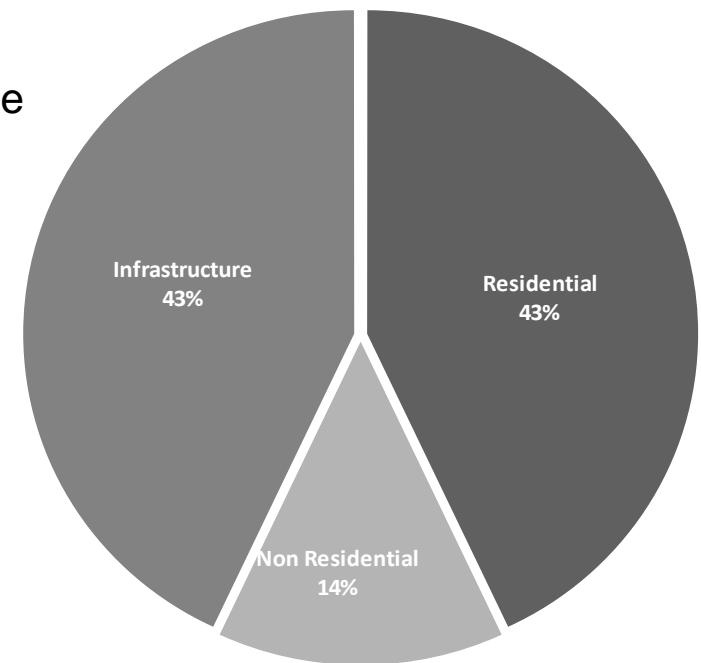
| Companies | YTD 2017 | | YTD 2016 | | Delta |
|--------------|-------------------|--------------|-------------------|--------------|---------------|
| | Dispatch | % | Dispatch | % | 2017 vs. 2016 |
| SCGC | 6,345,256 | 13.0% | 7,179,789 | 13.8% | -12% |
| Lafarge | 5,863,905 | 12% | 6,624,037 | 12.7% | -11% |
| Cemex | 4,063,930 | 8% | 4,504,714 | 8.7% | -10% |
| Arabian | 3,455,215 | 7% | 3,602,379 | 6.9% | -4% |
| Titan | 3,921,206 | 8% | 3,946,312 | 7.6% | -1% |
| Cimpor | 2,688,647 | 6% | 2,983,560 | 5.7% | -10% |
| M.B. Suef | 2,197,160 | 4% | 2,660,446 | 5.1% | -17% |
| El Sewedy | 2,301,187 | 5% | 2,373,745 | 4.6% | -3% |
| Sinai | 2,129,169 | 4% | 2,175,118 | 4.2% | -2% |
| Qena | 1,690,642 | 3% | 1,833,255 | 3.5% | -8% |
| ASEC Minya. | 1,894,075 | 4% | 2,207,682 | 4.2% | -14% |
| National | 1,794,992 | 4% | 1,828,588 | 3.5% | -2% |
| Wadi El Nile | 2,067,663 | 4% | 2,202,845 | 4.2% | -6% |
| BMIC | 1,455,872 | 3% | 1,737,870 | 3.3% | -16% |
| El-Areish | 3,056,093 | 6% | 2,068,323 | 4.0% | 48% |
| South Valley | 1,530,860 | 3% | 1,497,460 | 2.9% | 2% |
| El Nahda | 1,733,968 | 4% | 1,661,052 | 3.2% | 4% |
| Medcom | 383,610 | 1% | 554,912 | 1.1% | -31% |
| Shoura | 193,776 | 0% | 372,977 | 0.7% | -48% |
| Sina white | 69,739 | 0% | 20,961 | 0.0% | 233% |
| Total | 48,844,764 | 100% | 52,036,025 | 100% | -6% |



Market Overview

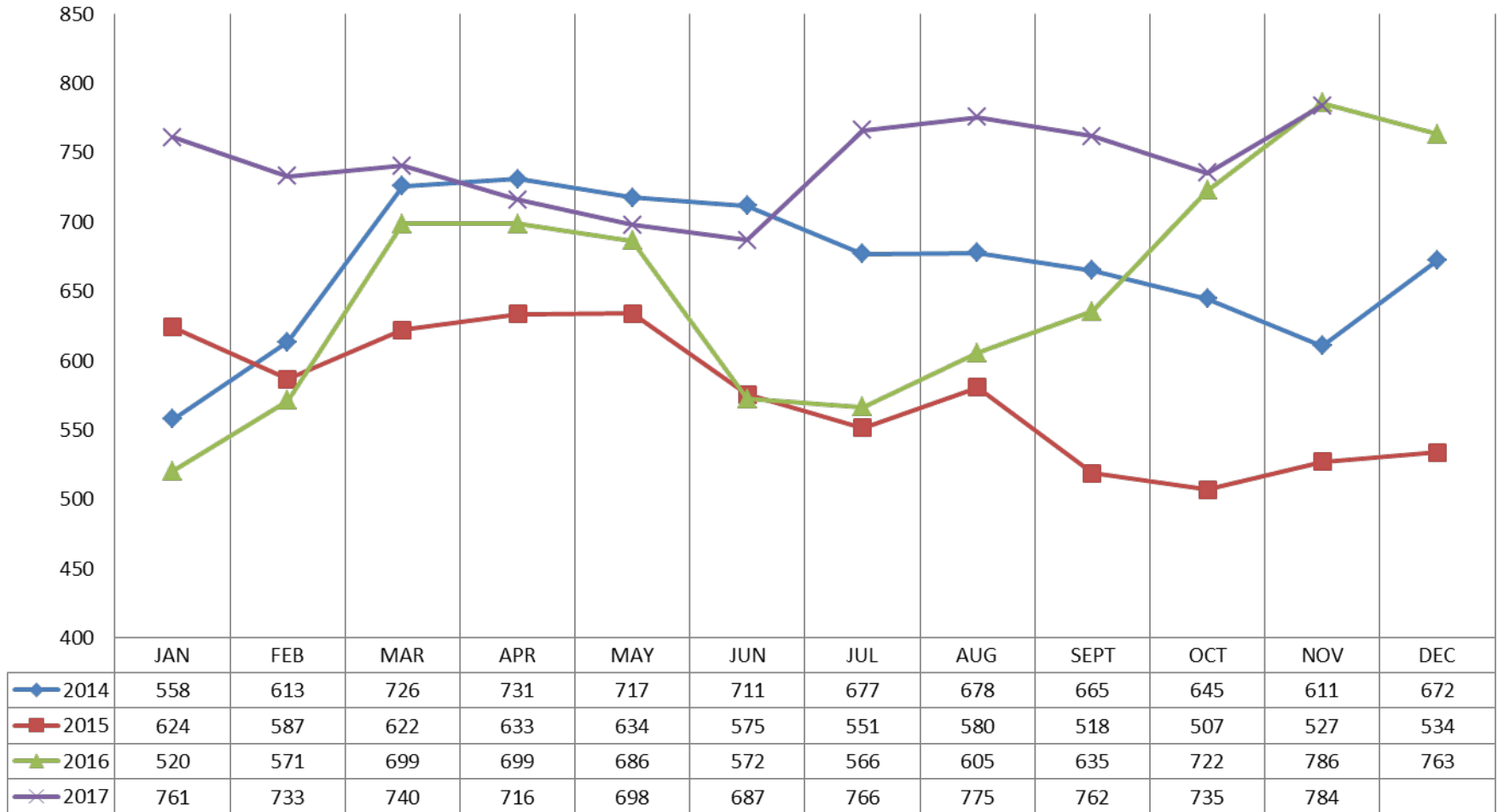
- **The residential segment consumes more than 40% of the total cement consumption**
- ☐ **Residential**
 - ✓ Although the tough situation this segment still have Good perspectives in the short and medium term projects.
- ☐ **Non-residential**
 - ✓ Sharp drop expected in the tourism & industrial sectors due to the country political situation.
- ☐ **Infrastructure**
 - ✓ This segment has been strongly affected by the 25th of January revolution and the government instability.

Cement Final Destination



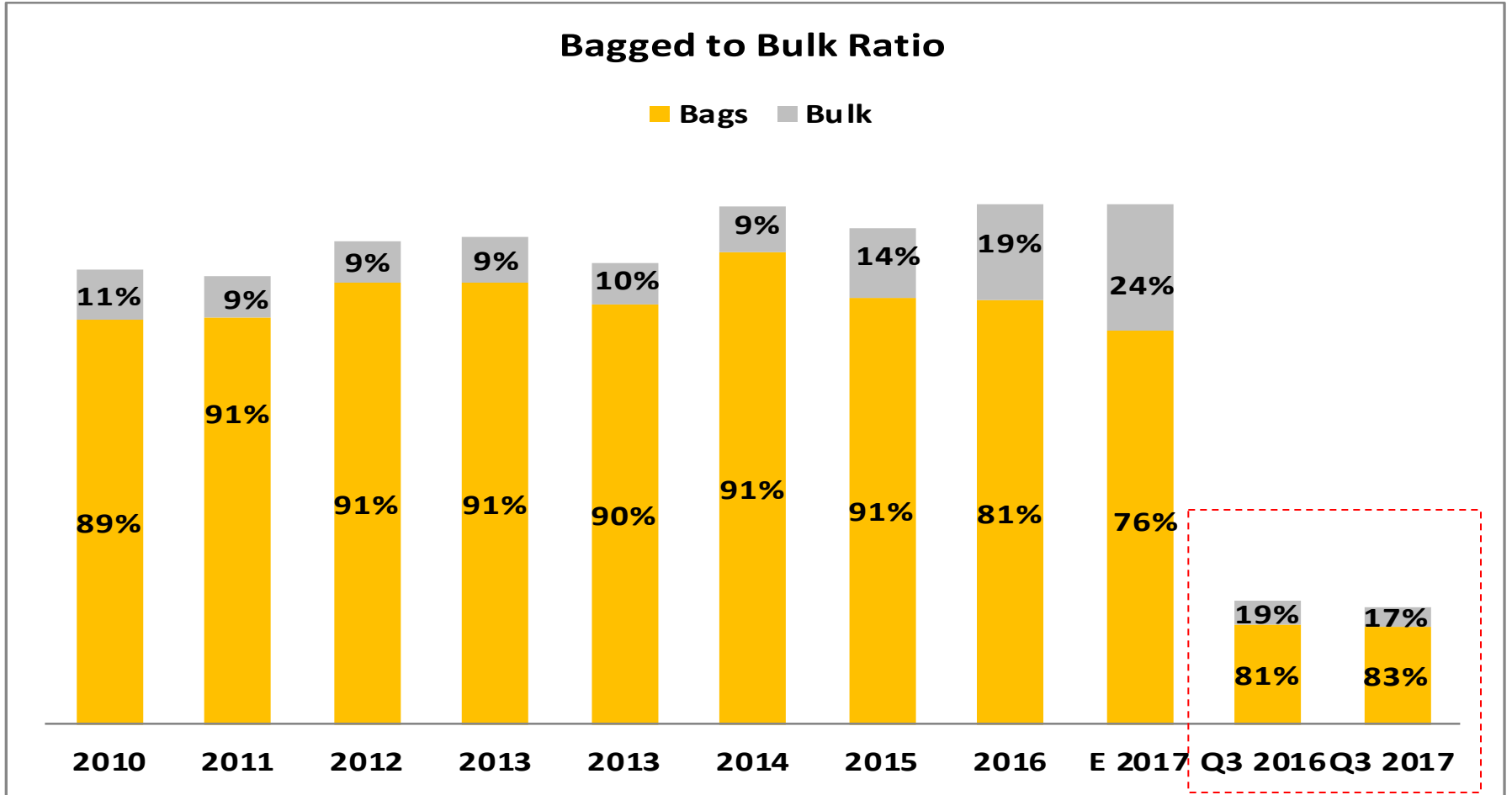
Market Overview

SCGC Average Prices For OPC in Greater Cairo



Market Overview

➤ Evolution of OPC Bag – Bulk Ratio in the Egyptian Market



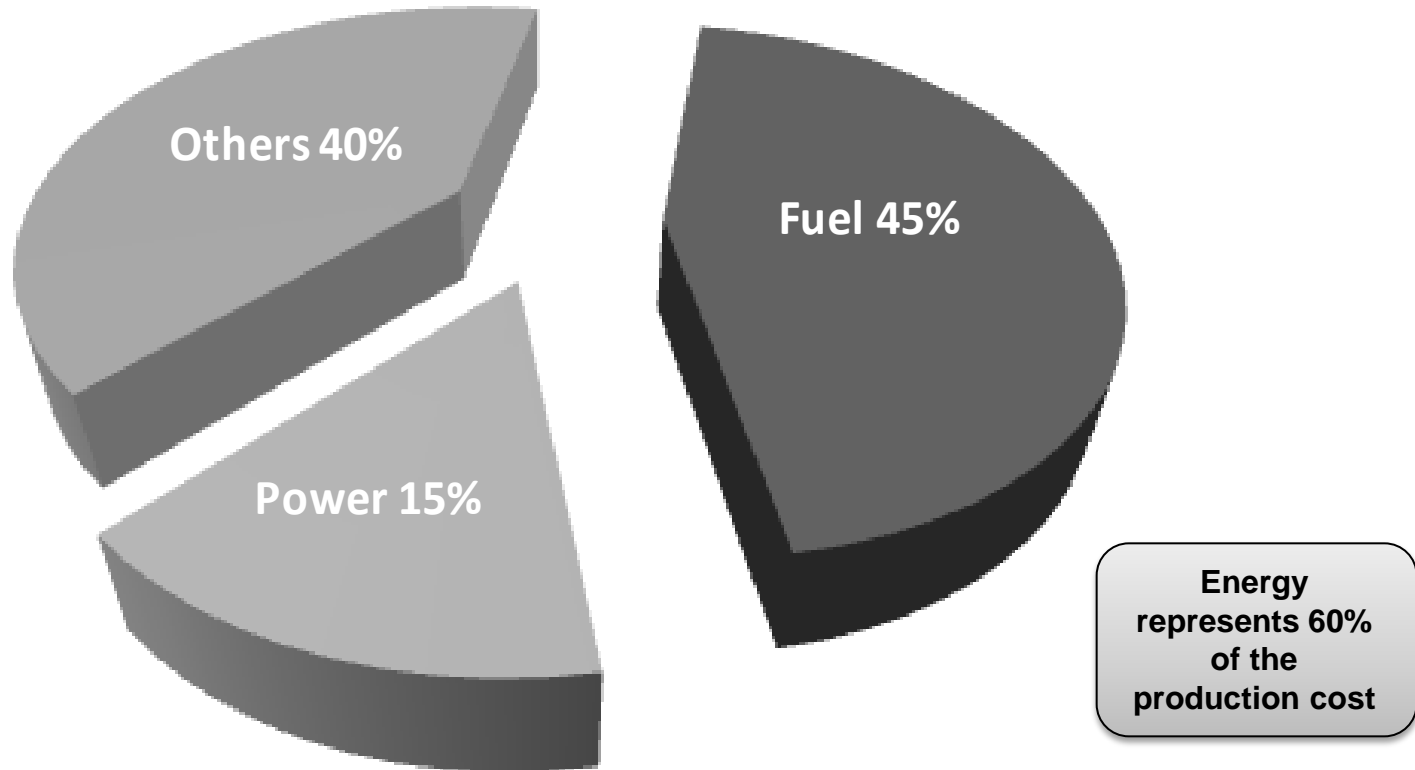
Source: internal market intelligence

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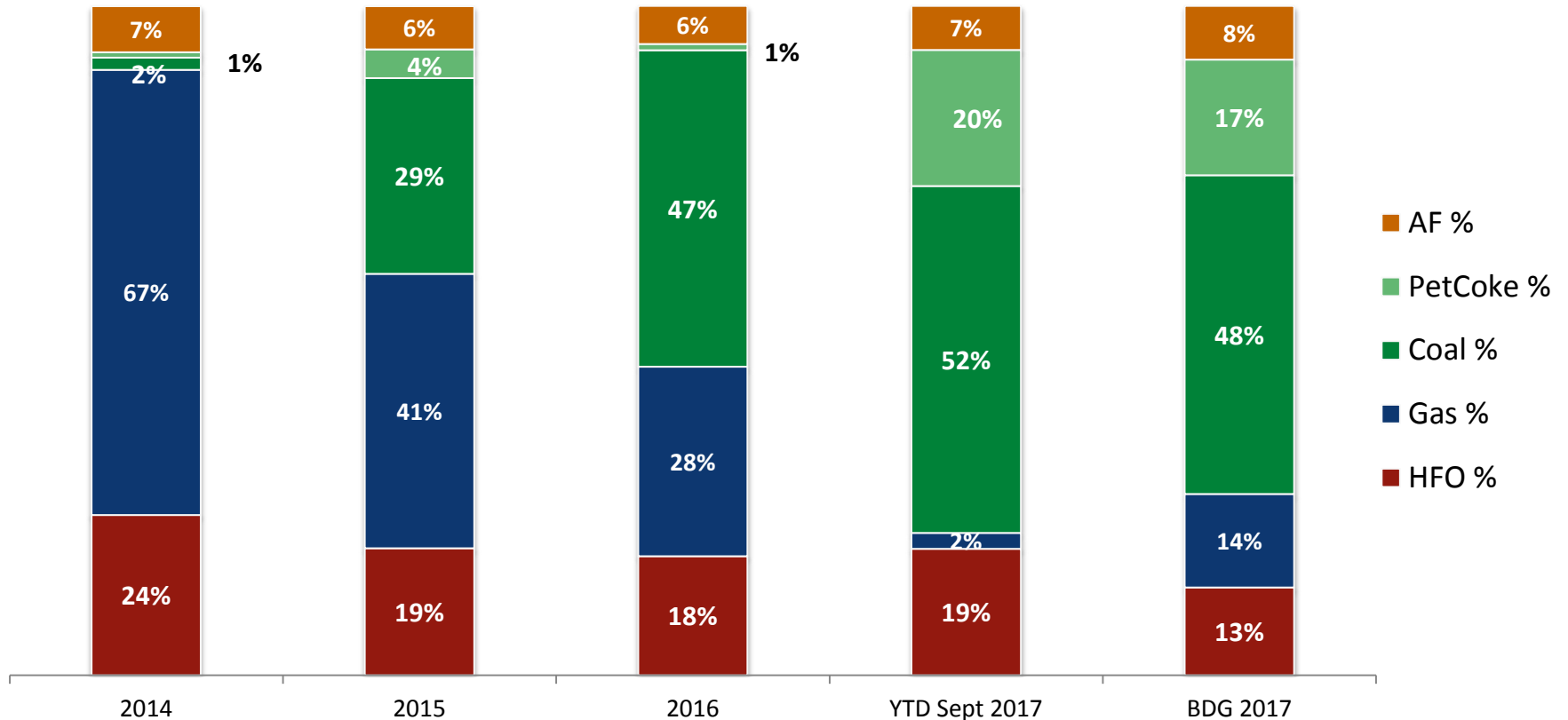
Financial Highlights

- An increasingly energy intensive industry...



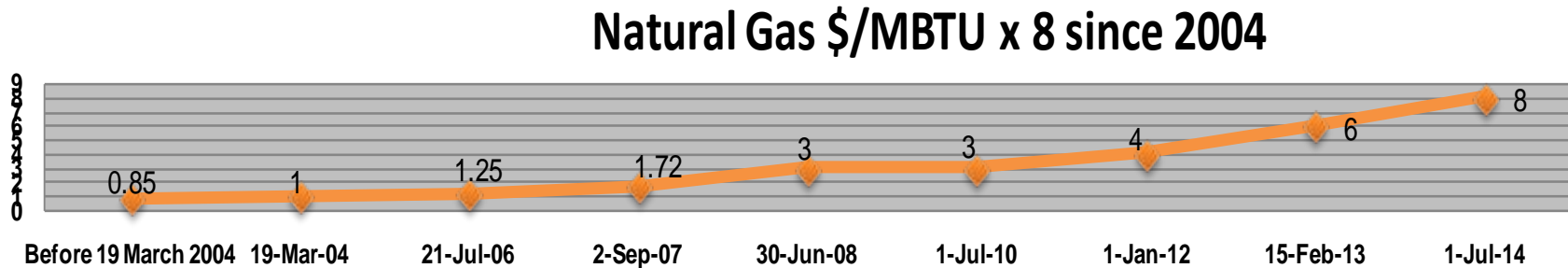
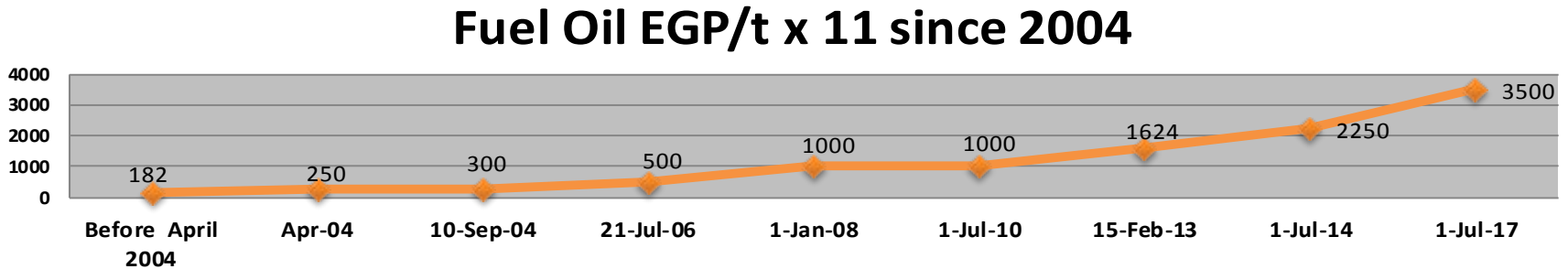
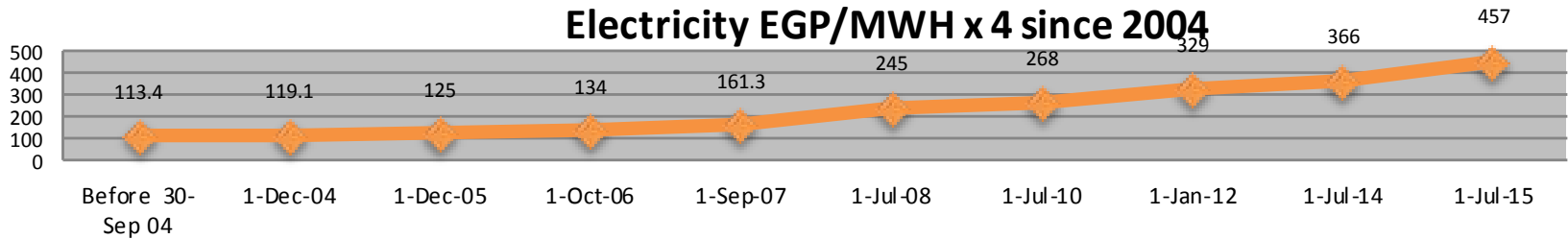
Financial Highlights

Grey Clinker Fuel Mix



Financial Highlights

➤ Fuel prices increased by more than 50% since Feb 2013



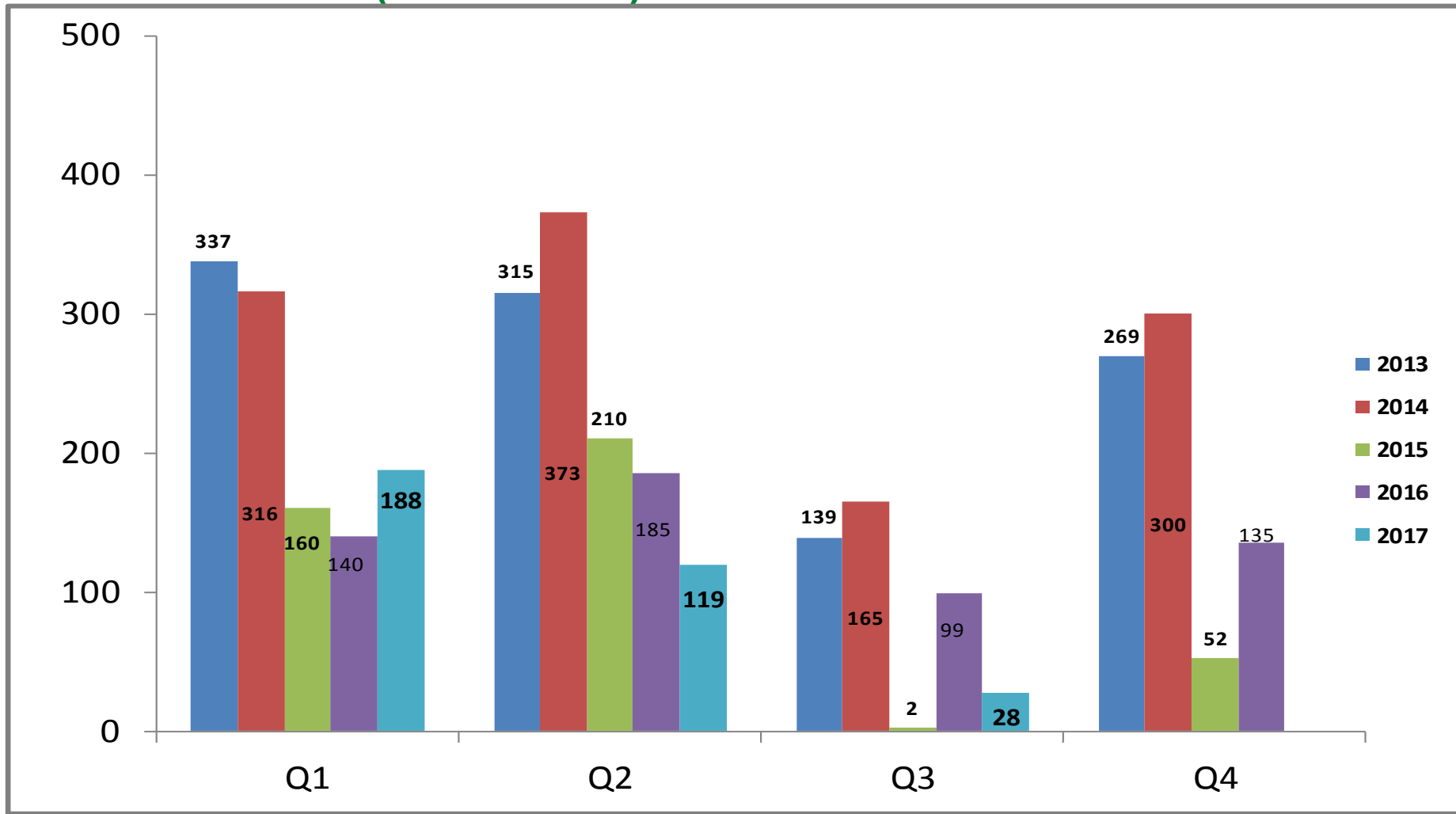
Financial Highlights

YTD Sep 2017 key results (Consolidated)

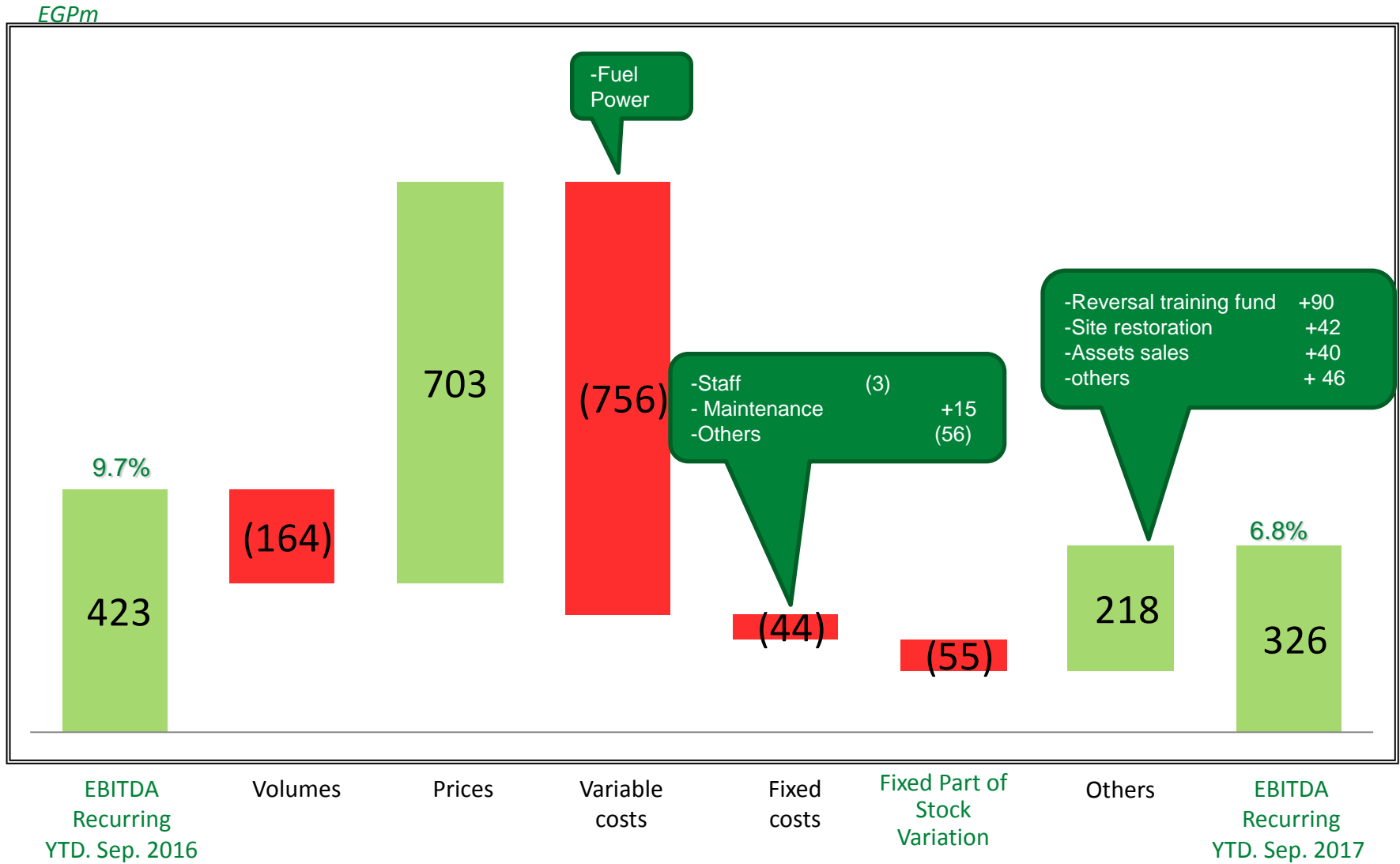
| | Q3 2017 | Q3 2016 | Var. 2017-2016 | | Ytd. Sep. 2017 | Ytd. Sep. 2016 | Var. 2017-2016 | |
|---------------------------------|---------|---------|----------------|---------|----------------|----------------|----------------|---------|
| | | | Var. | %Var. | | | Var. | %Var. |
| <i>Kt</i> | | | | | | | | |
| Volume sold (Cement + Clinker) | 1,854 | 2,087 | (232) | -11.1% | 5,351 | 6,466 | (1,115) | -17.2% |
| Domestic | 1,744 | 2,064 | (320) | -15.5% | 5,020 | 6,376 | (1,356) | -21.3% |
| Export | 110 | 22 | 88 | 391.6% | 330 | 90 | 241 | 268.5% |
| <i>EGPm</i> | | | | | | | | |
| Revenue | 1,640 | 1,333 | 307 | 23.0% | 4,757 | 4,373 | 384 | 8.8% |
| Margin on Variable Cost | 311 | 448 | (137) | -30.6% | 1,243 | 1,472 | (229) | -15.5% |
| % of revenue | 19.0% | 33.6% | (14.7) p.p. | | 26.1% | 33.7% | (7.5) p.p. | |
| EBITDA - recurring | 28 | 99 | (70) | -71.3% | 326 | 423 | (98) | -23.1% |
| % of revenue | 1.7% | 7.4% | (5.7) p.p. | | 6.8% | 9.7% | (2.8) p.p. | |
| EBIT | (110) | (27) | (83) | 306.2% | (85) | 62 | (147) | -236.8% |
| % of revenue | -6.7% | -2.0% | (4.7) p.p. | | -1.8% | 1.4% | (3.2) p.p. | |
| Net Profit | (226) | (67) | (159) | 237.7% | (271) | (13) | (258) | n.s |
| Cash Flow from operations | (88) | 59 | (146) | -249.3% | 140 | 348 | (209) | -59.9% |
| | | | | | 30.09.17 | 31.12.16 | Var. | % Var. |
| Net Financial Position - NFP | | | | | (35) | 624 | (659) | -105.6% |
| Operating Working Capital - OWC | | | | | 878 | 838 | 41 | 4.8% |

Financial Highlights

EBITDA Evolution (Consolidated)



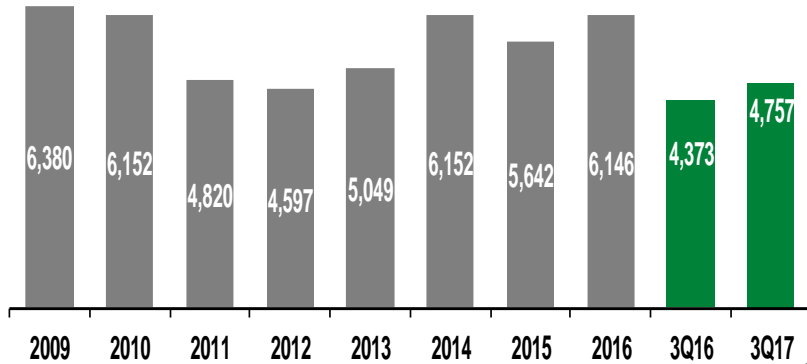
YTD September 2017 recurring EBITDA (Consolidated):



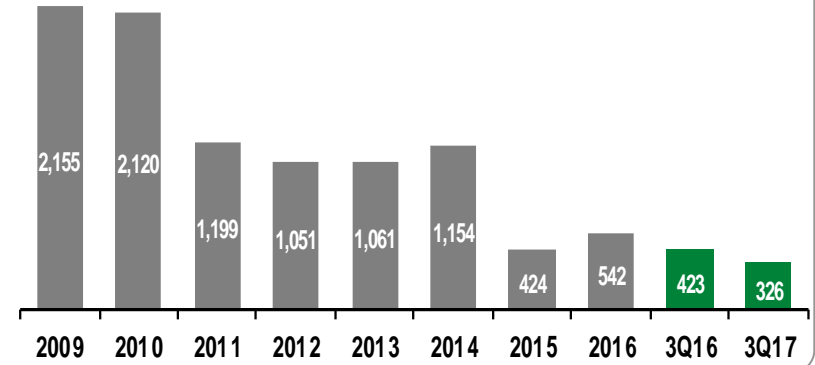
Financial Highlights

Key Historical Financials : current environment heavily impacting results

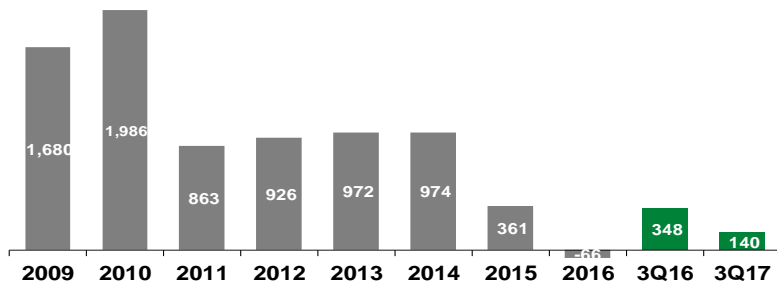
Revenue (EGPm)



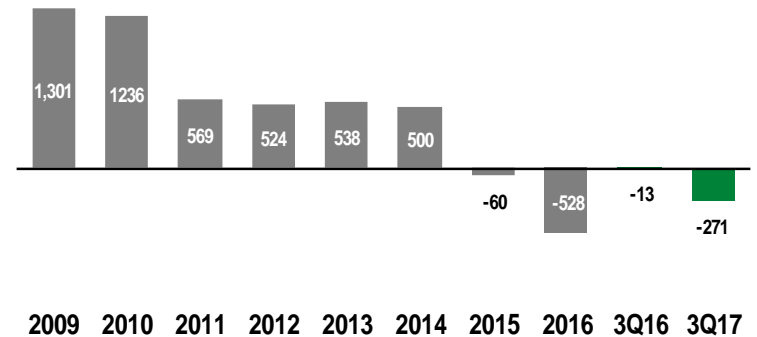
Rec. EBITDA (EGPm)



Cash Flow (EGPm)



Net Income (EGPm)



Financial Highlights

➤ Main Historical Acquisitions and Capex

| Year | Company | Share | Value |
|---------|-----------------------|-------|------------|
| 2005 | Helwan Cement Co. | 98.7% | EGP 3.4bln |
| 10/2006 | RMB + RMBE | 52% | EGP 81M |
| 8/2007 | Hilal Cement (Kuwait) | 51% | EGP 262M |

CAPEX

Figures are in MEGP

