

**TABLE OF CONTENTS**

1. Today's Trading Playbook	2. Top News & Analysis	3. Chart of the Day
4. Markets Performance	5. Latest EGX Valuation Multiples	6. Key Dates
		7. Latest Research

## SWDY Q4 2021 Conference Call Highlights

Abdullah Ismail | Equity Analyst

[aismail@egy.primegroup.org](mailto:aismail@egy.primegroup.org)

### 1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

#### KEY THEMES

Last Thursday, Elsewedy Electric [SWDY] has held a conference call to address the broad lines of SWDY's performance in 2021, alongside expectations for the 2022. Below are the highlights of the call.

- The year 2021 in general was a tough year due to COVID-19 and volatility in commodities on the back of supply chain disruptions. This has caused meters business to shrink and Q3 2021 to witness weak margins.
- SWDY's net cash turned to EGP6bn of net debt at 2021, which was driven mainly by investments in acquisitions and inventory stocking (i.e. EGP4.9bn growth in inventory).
- Speaking of new investments, SWDY is planning for several expansions and investments in Africa, including Ethiopia, Tanzania, Zambia, and other countries. In addition, the plan includes USD600mn to expand Egyptian Wires and Cables factories.
- SWDY's current debt is 40% USD based, while the rest is local currency based. SWDY managed to benefit from the governmental initiative to support industrials with lower funding costs.
- SWDY's growth plan strategy are based on both geographical and product mix expansion, while maintaining sufficient margins, which is challenging for the turnkey segment due to competition.
- SWDY expects commodities' prices to remain high for a while, on persistent supply chain problem. However, management strategy is to maintain margins and pass the cost to the end user.
- Management is not eying dividends payout for 2021's earnings due to pressure on cash position while supporting expansion plans. Meanwhile, management is looking resume the dividends payout policy right after 2022.
- For 2022, SWDY' targets revenue mix that is 43% wires and cables, 46% Turnkey, 5% Meters, 5% Transformers, and 1% for the remaining business lines. Finally, SWDY's



infrastructure projects in Iraq are awaiting the conclusion of the presidential election there to start operating.

**SWDY is now trading at a 2022e P/E of 5x and EV/EBITDA of 4x. We have an Overweight rating for SWDY with 12M PT of EGP14.3 (ETR +62%).**

*Now, on to the top news and analysis for the day.*

## 2. TOP NEWS & ANALYSIS

### TABLE OF CONTENTS

### MACRO NEWS

**Annual core inflation recorded 6.3% in January from 6% in December.** Monthly core also increased to 0.8% in January from 0.2 in December. ([CBE](#))

**Cabinet approved a decision to increase the monthly minimum wage for state employees across all salary bands by EGP300,** bringing the public-sector overall minimum wage to EGP2,700. ([Cabinet statement](#))

**Wheat imports by Egypt's private sector have overtaken those by the state commodities authority,** a trend that could continue as the government looks to reform bread subsidies and trim its import bill. ([Reuters](#))

### CORPORATE NEWS

**EFG Hermes' [HRHO] BoD held on 10 February 2022 has decided to appoint an international financial advisor and an Egyptian legal advisor** to provide financial and legal advice on the potential acquisition offer placed by First Abu Dhabi Bank (**ADX:FAB**) to acquire a minimum of 51% of HRHO. ([Company disclosure](#))

**Middle & West Delta Flour Mills [WCDF] reported audited H1 2021/2022 results, showing a net income of EGP71.4mn (+4.0% y/y) and revenues of EGP603.8mn (+11.2% y/y).** Meanwhile, GPM retreated to 18.6% in H1 2021/2022 compared to 20.0% in the same period last year on higher operating costs. ([Company disclosure](#))

**Macro Group Pharmaceuticals [MCRO] is seeking to complete the acquisition of a cosmetics company that owns about 12 products eligible to be put on the market.** Meanwhile, MCRO also aims to add between 23 and 25 products annually. ([Al-Borsa](#))

### GLOBAL NEWS

**Pressure increased on the Federal Reserve on Thursday to take a stronger stand against inflation after an unexpectedly large jump in U.S. consumer prices defied hopes** that the

pocketbook squeeze would ease and bolstered the view that the U.S. central bank is behind the curve. ([Reuters](#))

**Gold prices jumped on Friday to a near two-month peak as concerns over surging inflation** and escalating tensions between Russia and Ukraine lifted demand for the safe-haven metal. ([Reuters](#))

**Ratings agency Fitch on Friday downgraded Turkey's sovereign debt rating to "B+" from "BB-"** saying the government's policies have increased risks from high inflation and weak foreign currency liquidity. ([Reuters](#))

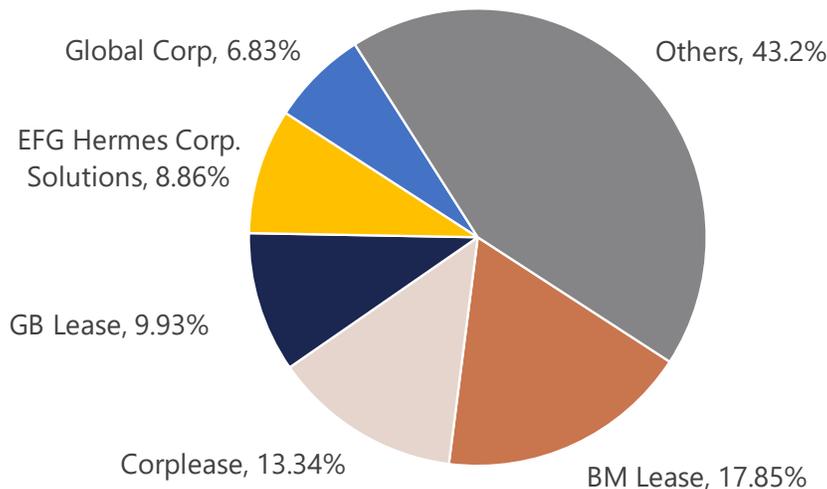
### 3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

#### Research Team

[research@primegroup.org](mailto:research@primegroup.org)

#### Egypt's Leasing Market Breakdown (January 2021- November 2021)



Sources: FRA, Prime Research.

BM Lease ranked as first with a market share of 17.85% between January and November 2021. On the other hand, CI Capital Holding's [**CICH**] Corplease came in the second place, with a market share of 13.34%. Meanwhile, EFG Hermes Holding's [**HRHO**] leasing and factoring entity held the fourth place with a market share of 8.86%, evidencing its growing business.



## 4. MARKETS PERFORMANCE

### TABLE OF CONTENTS

Current equity market cap (EGPbn)		749.5		Equity turnover (EGPmn): Last, ytd avg.		942.2		1,178.6			
			daily chg.	ytd chg.		daily chg.	ytd chg.				
	↓	EGX 30	11,578.54	(0.15%)	(3.10%)		↗	Gold	1,858.76	1.75%	1.62%
	↓	EGX 30 TR	4,570.65	(0.21%)	(3.10%)		↗	Silver	23.59	1.66%	1.19%
	↓	EGX 70 EWI	2,116.39	(1.45%)	(3.88%)		↗	Brent Oil	94.44	3.31%	21.42%
	↓	EGX 100 EWI	3,140.00	(1.35%)	(3.54%)		↗	WTI	93.10	3.58%	23.79%
	↗	DFMGI	3,257.49	0.22%	1.93%		↓	Natural Gas	3.94	(0.45%)	5.66%
	↗	ADSMI	8,998.45	0.80%	6.01%	EGP	↗	USD/EGP	15.71	0.01%	0.04%
	↗	TASI	12,268.71	0.52%	8.75%	€	↓	EUR/USD	1.14	(0.68%)	(0.18%)
	↓	QE Index	12,808.93	(0.06%)	10.18%	£	↗	GBP/USD	1.36	0.05%	0.24%
	↓	S&P 500	4,418.64	(1.90%)	(7.29%)	¥	↗	USD/JPY	115.42	0.51%	(0.29%)
	↓	Dow 30	34,738.06	(1.43%)	(4.40%)		↗	6M TB yield	12.11	0	(62)
	↓	NASDAQ	13,791.15	(2.78%)	(11.85%)		↓	1Y TB yield	13.21	(0)	44
	↗	VIX	27.36	14.43%	58.89%		↗	10Y TB yield	14.72	1	33
	↓	STOXX 50	4,155.23	(1.00%)	(3.33%)		↗	2Y TB yield	1.52	16	139
EM	↓	MSCI Emerging	1,240.51	(0.85%)	0.69%		↓	10Y TB yield	1.94	(0)	101
FM	↓	MSCI Frontier	652.10	(0.59%)	(2.03%)		↗	30Y TB yield	2.25	0	59

\* As of market close. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## 5. LATEST EGX VALUATION MULTIPLES

### TABLE OF CONTENTS

[Find out](#) how your favorite stocks compare to the rest of the market.

## 6. KEY DATES

DATE	TICKER	TYPE	EVENT
13-Feb-22	ELSH	BoD meeting	Discussing agenda.
15-Feb-22	EAST	Cash dividend	Payment date for a dividend of EGP0.60/share (2nd installment).
15-Feb-22	CSAG	Cash dividend	Deadline for eligibility for a dividend of EGP1.27/share.
16-Feb-22	CSAG	Cash dividend	Ex-dividend date for EGP1.27/share.
17-Feb-22	BIOC	EGM	Discussing the sale of some assets.
17-Feb-22	AIFI	EGM	Amending Articles No. 5 & 6 of the company's bylaws.
20-Feb-22	CSAG	Cash dividend	Date for paying out a dividend of EGP1.27/share.
22-Feb-22	ETEL	EGM	Amending Article No. 21 of the company's bylaws.
23-Feb-22	ODID	EGM	Discussing applying a reward system for employees.
23-Feb-22	CANA	Stock dividend	Last date for eligibility for a 0.32-for-1 stock dividend.
24-Feb-22	CANA	Stock dividend	Date for distributing a 0.32-for-1 stock dividend.
26-Feb-22	SPMD	OGM	A board reshuffle.
26-Feb-22	SPMD	EGM	Amending Article No. 21 of the company's bylaws.
3-Mar-22	RTVC	EGM	Approving valuation & selling Amban for tourism investments.



3-Mar-22	FWRY	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
5-Mar-22	PRDC	EGM	Amending Article No. 32 of the company's bylaws.
5-Mar-22	OLFI	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
6-Mar-22	PRCL	OGM	A board reshuffle.
10-Mar-22	EGTS	OGM	Approving financial statements and other agenda items.
10-Mar-22	FAIT	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
31-Mar-22	PACH	Cash dividend	Date for paying out a dividend of EGP0.50/share (2nd installment).

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
10-Feb-22	<a href="#"><u>MACROView – Ebb and Flow</u></a>
10-Feb-22	<a href="#"><u>MACROView – The Cloudy Year Has Just Begun</u></a>
9-Feb-22	<a href="#"><u>Elsowedy Electric [SWDY] – Ending 2021 on a Good Note</u></a>
8-Feb-22	<a href="#"><u>MACROView – A Fall in Disguise</u></a>
7-Feb-22	<a href="#"><u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u></a>
1-Feb-22	<a href="#"><u>MACROView – The Ripple Effect</u></a>
31-Jan-22	<a href="#"><u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u></a>
<b>30-Jan-22</b>	<b><a href="#"><u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u></a></b>
12-Jan-22	<a href="#"><u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u></a>
10-Jan-22	<a href="#"><u>MACROView – The Last Reading Ahead of a Cloudy Year</u></a>
<b>30-Dec-21</b>	<b><a href="#"><u>EGYPTCeramics – From Dusk to Dawn</u></a></b>
<b>26-Dec-21</b>	<b><a href="#"><u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u></a></b>
22-Dec-21	<a href="#"><u>MACROView – The Return of the ‘Vigilante’</u></a>
14-Dec-21	<a href="#"><u>MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</u></a>
9-Dec-21	<a href="#"><u>MACROView – Another Retreat ... Until Further Notice</u></a>
8-Dec-21	<a href="#"><u>MACROView – For Stormy Days, Eyes on the Ball</u></a>
<b>7-Dec-21</b>	<b><a href="#"><u>EGYPTBanks – Takeoff Time</u></a></b>
5-Dec-21	<a href="#"><u>MACROView – Searching for Lost Momentum</u></a>
21-Nov-21	<a href="#"><u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u></a>
17-Nov-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u></a>
17-Nov-21	<a href="#"><u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u></a>
15-Nov-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u></a>
15-Nov-21	<a href="#"><u>Elsowedy Electric [SWDY] – A Quarter to Forget?</u></a>
14-Nov-21	<a href="#"><u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u></a>
14-Nov-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u></a>
14-Nov-21	<a href="#"><u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u></a>
10-Nov-21	<a href="#"><u>MACROView – The Calm Before the Storm, or Maybe Not</u></a>
10-Nov-21	<a href="#"><u>CI Capital Holding [CICH] – Record-Breaking Quarter</u></a>
7-Nov-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Earnings Recover on Lower Provisions</u></a>
4-Nov-21	<a href="#"><u>MACROView – Underlying Strength, but Gathering Headwinds</u></a>



- 3-Nov-21 [MACROView – Gathering Clouds](#)
- 1-Nov-21 [TAKEStock – Separating the Wheat from the Chaff](#)
- 31-Oct-21 [TAKEStock – Natural Gas Price Hike](#)
- 19-Oct-21 [MACROView – The Storm Is Gone but the Headwinds Persist](#)
- 13-Oct-21 [e-finance \[EFIH\] – An Eye-Opening IPO](#)
- 10-Oct-21 [MACROView – Walking a Tightrope](#)
- 6-Oct-21 [MACROView – On “Risk Control” Mode](#)
- 6-Oct-21 [MACROView – The Tortuous Path to Recovery](#)
- 19-Sep-21 [TAKEStock – Consumer Staples \(Food & Beverage\) – All You Can Eat Festival](#)
- 15-Sep-21 [MACROView – Deciphering the Din of Battle](#)
- 14-Sep-21 [TAKEStock – Orascom Investment Holding \[OIH\] — Monetization at Play](#)
- 9-Sep-21 [MACROView – Hot Summer Winds](#)
- 7-Sep-21 [MACROView – The Global Blessing Windfall](#)
- 6-Sep-21 [MACROView – Tempered, But Cautious, Optimism](#)
- 5-Sep-21 [Misr Chemical Industries \[MICH\] – Nice While It Lasted](#)
- 29-Aug-21 [Orascom Construction \[ORAS\] – Recovery on Track Although Below Estimates](#)
- 24-Aug-21 [Abu Qir Fertilizers \[ABUK\] – When the Stars Align](#)
- 18-Aug-21 [EFG Hermes Holding \[HRHO\] – Solid Business, Strong Financial Growth](#)
- 17-Aug-21 [Elsewedy Electric \[SWDY\] – Impressive Set of Results](#)
- 17-Aug-21 [Commercial International Bank \[COMI\] – Adjustment Post Stock Dividend](#)
- 16-Aug-21 [B Investments Holding \[BINV\] – Growth Dented Across the Board](#)
- 11-Aug-21 [Crédit Agricole Egypt \(CAE\) \[CIEB\] – Non-Interest Income Heals Earnings Growth](#)
- 10-Aug-21 [MACROView – July’s Feverous Inflation](#)
- 9-Aug-21 [CI Capital Holding \[CICH\] – Robust Exit Saves the Day](#)
- 5-Aug-21 [MACROView – The Sky Is No Blue](#)
- 4-Aug-21 [MACROView – Constrained Recovery](#)
- 26-Jul-21 [EFG Hermes Holding \[HRHO\] – FV and 12MPT Adjustment to Bonus Share Action](#)
- 13-Jul-21 [Commercial International Bank \[COMI\] – Tamed Credit Provisions Spur Annual Growth](#)
- 8-Jul-21 [MACROView – Inflation Edged Up, As Expected](#)
- 8-Jul-21 [MACROView – External Buffers Still Powering Ahead](#)
- 6-Jul-21 [MACROView – A Steady and Slow Recovery in the Making](#)
- 5-Jul-21 [Abu Qir Fertilizers \[ABUK\] – Talking U](#)**



- 16-Jun-21 [B Investments Holding \[BINV\] – Strong Financials, Growing Investments](#)
- 14-Jun-21 [Al-Shams Housing & Development \[ELSH\] – Earnings Flattened by Factoring Cost](#)
- 10-Jun-21 [MACROView – Inflation Risk Rising, but Still Within Target](#)
- 8-Jun-21 [TAKEStock – Telecom Egypt \[ETEL\] – Show Me the Dividends](#)
- 6-Jun-21 [MACROView – Further Enhancement](#)
- 3-Jun-21 [MACROView – Contraction Eased](#)
- 23-May-21 [Orascom Construction \[ORAS\] – Earnings Short of Our Estimates](#)
- 23-May-21 [CI Capital Holding \[CICH\] – Earnings Dented by One-off ESOP Expense](#)
- 22-May-21 [Commercial International Bank \[COMI\] – Earnings Growth Driven by Lower Provisions](#)
- 20-May-21 [Crédit Agricole Egypt \(CAE\) \[CIEB\] – Slowing Lending Inhibits Earnings Growth](#)
- 20-May-21 [EFG Hermes Holding \[HRHO\] – Recovery Signs; Back on Track](#)
- 18-May-21 [B Investments Holding \[BINV\] – Exits Kick Off, Unlocking Value](#)**
- 18-May-21 [Elsewedy Electric \[SWDY\] – Financials promise a buoyant year ahead](#)
- 17-May-21 [Misr Chemical Industries \[MICH\] – Another Chapter of Strong Annual Growth](#)
- 11-May-21 [MACROView – Inflation Eased but Stage Still Set for a Pick-Up](#)
- 9-May-21 [MACROView – Stability Prevailed](#)
- 6-May-21 [MACROView – The Road to Recovery Gets Longer](#)
- 18-Apr-21 [MACROView – Challenges Remain Daunting](#)
- 13-Apr-21 [Crédit Agricole Egypt \(CAE\) \[CIEB\] – The Value Algorithm](#)**
- 12-Apr-21 [Orascom Construction \[ORAS\] – Rich in Value](#)**
- 11-Apr-21 [MACROView – Monthly Reading Pressured By Seasonality](#)
- 6-Apr-21 [MACROView – FX Assets Well Placed to Mitigate Potential Risks](#)
- 6-Apr-21 [MACROView – Still Downbeat](#)
- 28-Mar-21 [Taaleem Management Services \[TALM\] – Enriching the Education Sector](#)
- 18-Mar-21 [EFG Hermes Holding \[HRHO\] – Challenging Year, Yet Growth Continues](#)
- 10-Mar-21 [MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon](#)
- 8-Mar-21 [MACROView – Buffers Grew Despite Signs of Unwelcome Tightening of Financial Conditions](#)
- 7-Mar-21 [Al-Shams Housing & Development \[ELSH\] – Making Hay While the Sun Shines](#)**
- 3-Mar-21 [MACROView – Weak Demand Still Weighing on the Rebound Trajectory](#)
- 2-Mar-21 [MACROView – Commodity Supercycle: Real or Hype?](#)
- 1-Mar-21 [Commercial International Bank \[COMI\] – Earnings Beat Despite Higher Provisions](#)
- 25-Feb-21 [Elsewedy Electric \[SWDY\] – Strong Set of Results Driven by Turnkey](#)



22-Feb-21 [CI Capital Holding \[CICH\] – Got the Hit, Yet Better Than Expected](#)

10-Feb-21 [MACROView – Disinflation Continues Amid Acceleration in Global Commodity Prices](#)

**Prime Securities****Shawkat El Maraghy**

Managing Director

T +20233005622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)**Sales****Mohamed Ezzat**

Head of Sales &amp; Branches

T +20233005784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)**Mohamed Ashmawy**

Head of Institutional Sales

T +20233005612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)**Amr Alaa CFTe**

Team Head—Institutional Desk

T +20233005609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)**Mohamed ElMetwaly**

Manager

T +20233005610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)**Emad El Safoury**

Manager

T +20233005624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)**Shawkat Raslan**

Heliopolis Branch Manager

T +20233008130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)**Nashwa Abuelatta**

Alexandria Branch Manager

T +20233005173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)**Research****Amr Hussein Elalfy CFA**

Head of Research

T +20233005724

[AElalfy@egy.primegroup.org](mailto:AElalfy@egy.primegroup.org)**Head Office**

Prime Securities S.A.E.

Regulated by FRA License No. 179.  
Member of the Egyptian Exchange.2 Wadi Elnil St, Liberty Tower, 7<sup>th</sup> Fl.  
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

**Branches****Heliopolis**7 Elheqaz Square  
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

**Alexandria**7 Albert Alawal St.  
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

**Website**[www.primeholdingco.com](http://www.primeholdingco.com)**Disclaimer**

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2022, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.