



(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange), a leading Egyptian dairy, yogurt and juice manufacturer, announced today its consolidated results for the second quarter of 2018, reporting a 23% year-on-year rise in total consolidated revenue to EGP 1,928 million. Net profit reached EGP 159 million during the second quarter of 2018.

During the first half of 2018, consolidated revenues reached EGP 3,482 million, an increase of 22% compared to the same period last year. The net profit reached EGP 240 million.

The highest contributors to the top line are the dairy and yogurt segments, representing 44% and 27% of revenues in 2Q18 as for 1H 2018 dairy and yogurt also remained the highest contributor 47% and 24%, respectively.

Highlights of Juhayna’s financial and operational results along with management’s commentary on performance in the quarter follow below. Drawn from the fact that Juhayna operates in a highly competitive environment, management believes that it is in the best interest of shareholders to suspend disclosure of detailed segment analysis information. Juhayna’s full financials are available for download on the company’s website: www.juhayna.com.

Key Performance Indicators

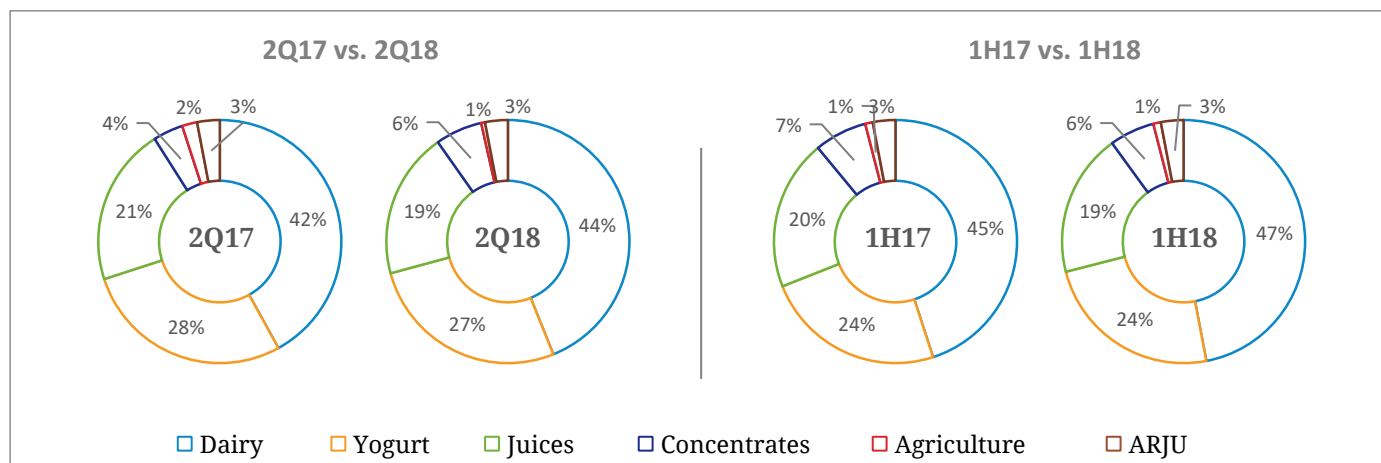
2Q18

	EGP mn	Change %
Dairy	841	27%
Yogurt	515	18%
Juice	371	14%
Concentrates	119	72%
Agriculture	10	-74%
ARJU	73	70%
Revenues	1,928	23%

1H18

	EGP mn	Change %
Dairy	1,634	28%
Yogurt	831	21%
Juice	657	15%
Concentrates	219	8%
Agriculture	19	-52%
ARJU	121	45%
Revenues	3,482	22%

Revenue Breakdown





MANAGEMENT COMMENT

The company has seen positive results in the second quarter, due to the improvement in purchase power, and the measures Juhayna took such optimizing sales, while improving our efficiency and productivity for the whole company.

The company has reached a revenue of EGP 1,928 in 2Q2018 year on year, and also recorded a net profit of EGP 159 million in 2Q2018.

As for the first half of 2018 we recorded a revenue of EGP 3,482 in 1H 2018 year on year, achieved a net profit of EGP 240 million.

We look forward to continue building on our strategy to improve efficiency in productivity to achieve our sales targets to maximize return of investment for our shareholders

I. CONSOLIDATED INCOME STATEMENT

(EGP '000)	1H17	1H18
Net Sales	2,862,038	3,481,666
Cost of Sales	(2,012,342)	(2,424,267)
Gross Profit	849,696	1,057,398
<i>Gross Profit Margin</i>	<i>30%</i>	<i>30%</i>
Other Income	39,608	59,101
Sales & Distribution Expenses	(485,374)	(488,245)
General & Administrative Expenses	(92,689)	(124,189)
Other (Expenses)	(16,719)	(59,792)
Board of Directors Remuneration	(640)	(6,640)
Results from Operating Activities	293,882	437,634
EBITDA	422,087	598,228
<i>EBITDA Margin</i>	<i>15%</i>	<i>17%</i>
The Holding Company's Share in Profit in the (losses) of Companies Under Joint Control	(2,199)	941
End of Service Remuneration	(8,975)	(6,055)
Financing Income & Financing Expenses	(183,564)	(159,534)
Net Profit Before Tax	99,144	272,986
Previous years Tax differences	-	(410)
Income Tax	(3,231)	(22,670)
Dividends Tax	(6,047)	(5,996)
Deferred Tax	(4,321)	(4,054)
Net Profit	85,546	239,856

II. CONSOLIDATED BALANCE SHEET

('000 EGP)	1H17	1H18
Property, plant and equipment (net)	3,235,369	3,140,587
Projects under construction	94,866	159,159
Plant wealth	13,152	12,952
Plant wealth - under preparation	1,915	2,625
Biological wealth	107,590	122,577
Investments under joint control (equity)	7,195	8,136
Other - long term assets	757	753
Other - long term - debit balances	8,626	8,031
Goodwill	97,093	97,093
Non-current Assets	3,566,563	3,551,913
Biological Assets - Feeding Sector	7,683	19,136
Biological Assets – Existing Agriculture	8,857	5,948
Assets held for sale	-	13,253
Inventory	832,005	1,209,927
Customers and other receivables (net)	418,404	556,495
Due from related parties	-	13,765
Cash and cash equivalents	85,736	147,053
Current Assets	1,352,686	1,965,578
Total Assets	4,919,249	5,517,491
Issued and Paid up Capital	941,405	941,405
Legal Reserve	518,994	533,336
General Reserve – Insurance Premium	330,920	330,920
R/E	524,904	635,220
Total Equity Attributable to the Shareholders of the Parent Company	2,316,223	2,440,881
Non Controlling Interest	858	815
Total Equity	2,317,081	2,441,695
Non-Current loans	765,386	719,826
Other Non-Current liabilities	30,636	23,329
Deferred revenues	94,155	87,012
Deferred tax liabilities	231,720	235,774
Non-Current Liabilities	1,121,897	1,065,940
Provisions	8,299	16,821
Banks – Overdraft	20,664	28,247
Short-term loan/Credit Facility	518,652	803,633
Creditors and Other Credit Balances	599,791	829,002
Income Tax	14,562	25,354
Due to Related Parties	2,827	0
Non-Current loans – Current Portion	315,477	306,799
Current Liabilities	1,480,271	2,009,856
Total Liabilities	2,602,168	3,075,796
Total Equity & Total Liabilities	4,919,249	5,517,491

III. CONSOLIDATED CASH FLOW

	1H17	1H18
III. CONSOLIDATED CASH FLOW		
('000 EGP)		
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	99,144	272,986
Adjustments for:		
PPE' depreciation	130,591	137,390
Capital gain	(1,152)	(16,720)
Amortization of animal wealth	5,819	7,034
Amortization of plant wealth	199	200
Plant wealth under preparation	-	(710)
Fixed assets impairment	-	13,459
Change in investments under cash control	2,199	(941)
Impairment trade and other receivables	1,868	1,621
Capital Gain Deferred	-	(7,143)
Impairment in inventories	-	13,664
Reversal of Impairment in inventories	(849)	-
Provision of claims	17	8,700
Financial lease installments	13,696	14,758
Herd births	(4,129)	(5,075)
Herd capitalized expenses	(14,401)	(24,587)
losses from selling cows	534	686
Compensation for calves death	(214)	854
Foreign exchange gain	40	3,729
Credit interests	(3,905)	(9,530)
Finance interests & expenses	187,429	165,335
	416,886	575,709
Collected time deposits interests	3,905	9,530
Interest finance expenses paid	(182,292)	(165,335)
Changes in:		
Inventories	(97,414)	(391,586)
Biological assets- Feeding Sector	-	(9,471)
Biological assets- Existing Agricul	2,526	2,909
Trade and other receivables	(104,830)	(137,360)
Due from related parties	-	(15,386)
Creditors & other credit balances	(71,499)	213,651
Due to related parties	(4,248)	(2,827)
Dividends paid to employees	(3,493)	(21,021)
Income Tax Paid	-	(11,877)
Provisions for claim used	(3,858)	(310)
Net cash flows generated from (used in)from operating activities	(44,316)	46,626
Cash Flow from Investing Activities		
Acquisition of PPE & projects under construction	(123,171)	(151,647)
Proceeds from sale of PPE	10,587	36,563
Acquisition of plant and animal wealth	(3,160)	-
Proceeds from the sale of plant and animal wealth	4,756	4,119
Net Cash Flows (Used In) Investing Activities	(110,988)	(110,965)
Cash Flow (used in) Financing Activities		
Proceeds from bank loans	178,204	230,743
Payments in lease installments - sales and lease back	(13,696)	(14,758)
Dividends paid to share holders	-	(94,141)
Decrease in non-controlling interest	(147)	(43)
Net cash flows (used in)generated from financing activities	164,361	121,801
Change in cash & cash equivalents during the period	9,057	57,462
The effect of foreign exchange difference	(24,847)	(3,729)
Cash & Cash Equivalents as at 1 January	104,560	65,073
Cash & Cash Equivalents as at 30 June	88,770	118,806



ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries is a leading producer and distributor of milk, juice and yogurt products. The company was established in 1983 by Safwan Thabet along with a number of other founders with paid-in capital of EGP 1.3 million.

Production began in 1987 with a total production capacity of 35 tons per day and total sales of EGP 2.4 million. The company has since grown to become the most popular household name in the sector across Egypt.

FORWARD-LOOKING STATEMENTS

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Juhayna Food Industries. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Juhayna Food Industries may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Juhayna Food Industries is subject to risks and uncertainties