



(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 fourth quarter of 2018, reporting a 13% year-on-year rise in total consolidated revenue to EGP 1,711 million. Net profit reached EGP 49 million during the fourth quarter of 2018, an increase of 4% compare to 4Q2017.

During the full-year of 2018, consolidated revenues reached EGP 7.1 billion, an increase of 17% compared to the same period last year. The net profit reached EGP 408 million - an increase of 106% Y-o-Y compare to FY2017, Net profit margin increased to 6% compared to last year 3%.

The highest contributors to the top line are the dairy and yogurt segments, representing 53% and 21% of revenues in 4Q18 as for FY 18 dairy and yogurt also remained the highest contributor 49% and 22%, 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

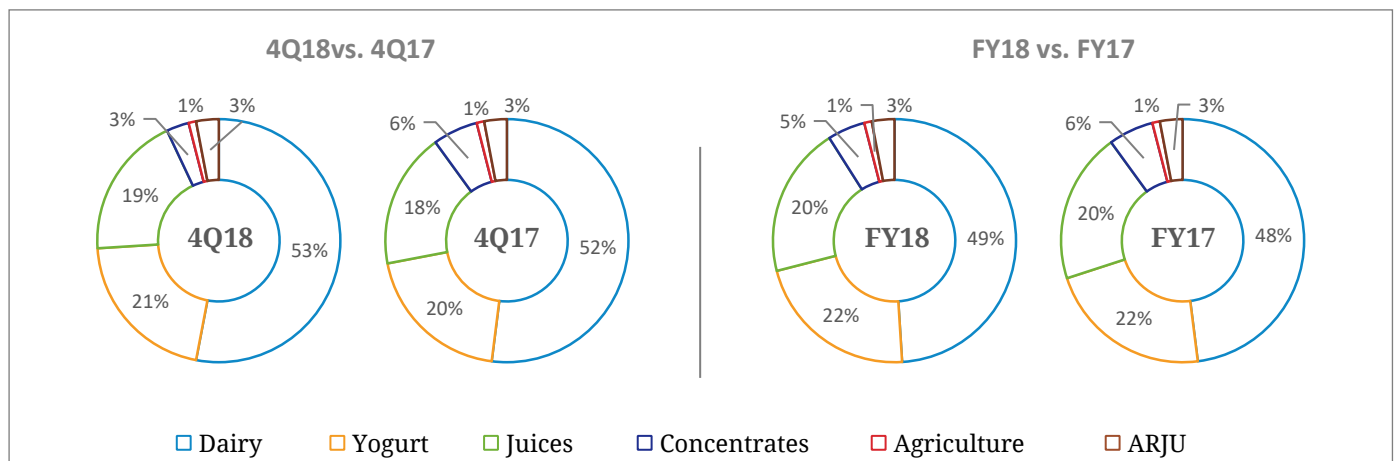
4Q18

	EGP mn	Change %
Dairy	910	15%
Yogurt	360	15%
Juice	322	16%
Concentrates	55	-34%
Agriculture	10	28%
ARJU	54	14%
Revenues	1,711	13%
Gross Profit	529	15%
EBIT	163	-1%
Net Income	49	4%

FY18

	EGP mn	Change %
Dairy	3,492	21%
Yogurt	1,584	19%
Juice	1,417	15%
Concentrates	354	-3%
Agriculture	42	-44%
ARJU	233	41%
Revenues	7,122	17%
Gross Profit	2,118	17%
EBIT	819	24%
Net Income	408	106%

Revenue Breakdown





MANAGEMENT COMMENT

Despite the challenges of operating in the Egyptian market, mainly with increasing levels of competition, inflation and low purchasing power. Our company recorded a 17.4% increase in sales, reaching 7.12 billion EG pounds netting a record profit of 408.2 million and was able to maintain our leadership of the dairy, juice and yoghurt markets.

Such results could only be achieved after adopting several strategic initiatives during the past couple of years targeting increasing sales while cutting financing costs, sales, marketing, and administrative expenses. The initiatives included; boosting consumer promotions, minimizing CAPEX and inventory levels.

Meanwhile, the company has maintained its commitment to social responsibility, being a part of the campaign targeting the elimination of virus C, providing ample support to “Baheya” the Egyptian hospital for breast cancer, in addition to Juhayna’s ongoing support to developing our supplier dairy farms.

Our management continues to prioritize institutional development through training and upgrading the work force, addition of young calibers and job enrichment to cope with the latest managerial trends.

We expect the next year to witness a gradual improvement in the performance of the Egyptian market, mainly triggered by the economic reform package undertaken by the Egyptian government in the past few years. A sentiment clearly confirmed by international financial institutions assessing the performance of the Egyptian economy. To that end, our management has laid down a strategic plan targeting higher sales growth and enhanced profitability over the coming five years.

Finally, we assert our unwavering confidence in Juhayna's ability to execute the investment plans and achieve our ultimate goal of maximizing shareholder return.



I. CONSOLIDATED INCOME STATEMENT

(EGP '000)	FY18	FY17
Net Sales	7,122,306	6,064,076
Cost of Sales	(5,003,993)	(4,252,374)
Gross Profit	2,118,373	1,812,394
<i>Gross Profit Margin</i>	30%	30%
Other Income	94,704	94,298
Sales & Distribution Expenses	(1,017,328)	(966,065)
General & Administrative Expenses	(245,483)	(192,275)
Other (Expenses)	(114,518)	(71,197)
Board of Directors Remuneration	(16,765)	(14,235)
Results from Operating Activities	818,982	662,920
EBITDA	1,115,176	936,174
<i>EBITDA Margin</i>	16%	15%
The Holding Company's Share in Profit in the of Companies Under Joint Control	1,380	107
End of Service Remuneration	(12,389)	(38,704)
Financing Income & Financing Expenses	(314,361)	(372,191)
Net Profit Before Tax	493,611	252,132
Previous years Tax differences	(293)	-
Income Tax	(51,136)	(14,561)
Investment Tax	(23,737)	(14,792)
Deferred Tax	(10,194)	(25,047)
Net Profit	408,248	197,731
	6%	3%

II. CONSOLIDATED BALANCE SHEET

('000 EGP)	FY18	FY17
Property, plant and equipment (net)	3,055,940	3,235,369
Projects under construction	192,170	94,866
Plant wealth	12,753	13,152
Plant wealth - under preparation	3,392	1,915
Biological wealth	143,126	107,590
Investments under joint control (equity)	8,575	7,195
Other - long term assets	749	757
Other - long term - debit balances	7,436	8,626
Goodwill	97,093	97,093
Non-current Assets	3,521,233	3,566,563
Biological assets- Feeding Sector	20,616	7,683
Biological assets- Agriculture	14,606	8,885
Inventories	1,054,873	832,005
Assets Held For Sale	17,387	-
Trade and other receivables (net)	487,383	418,404
Cash and cash equivalents	30,403	85,736
Current Assets	1,625,270	1,352,686
Total Assets	5,146,503	4,919,249
Issued and Paid up Capital	941,405	941,405
Legal Reserve	552,519	518,994
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	784,082	524,904
Total Equity Attributable to the Shareholders of the Parent Company	2,608,933	2,316,223
Non Controlling Interest	978	858
Total Equity	2,609,911	2,317,081
Non-Current loans	609,854	765,386
Other Non-Current liabilities	19,415	30,636
Deferred revenues	79,869	94,155
Deferred tax liabilities	241,915	231,720
Non-Current Liabilities	951,053	1,121,897
Provisions	16,388	8,299
Banks – Overdraft	15,571	20,664
Banks – Credit Facilities	719,052	518,652
Creditors and Other Credit Balances	527,078	599,791
Income Tax	51,137	14,562
Due to Related Parties	783	2,827
Non-Current loans – Current Portion	255,532	315,477
Current Liabilities	1,585,540	1,480,271
Total Liabilities	2,536,593	2,602,168
Total Equity & Total Liabilities	5,146,504	4,919,249



III. CONSOLIDATED CASH FLOW

	FY18	FY17
III. CONSOLIDATED CASH FLOW		
(‘000 EGP)		
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	493,611	252,132
Adjustments for:		
PPE' depreciation	274,239	263,239
Capital gain	(18,315)	(19,299)
Amortization of animal wealth	14,759	12,125
Amortization of plant wealth	399	397
Gain from the sale of available for sale investments	290	-
Impairment in Fixed Assets	12,849	-
Change in Investments in equity accounted investees	(1,380)	(107)
Impairment in trade and other receivables	984	2,298
Deffered capital tax gain	(14,287)	-
Impairment in inventories	13,375	6,123
Provision of claims	8,700	6,370
Financial lease installments	28,979	28,746
Herd births	(15,105)	(13,305)
Herd capitalized expenses	(83,529)	(36,593)
losses from selling cows	2,683	1,224
losses from calves death	1,872	2,421
Foreign exchange gain	6,846	(3,305)
Credit interests	(14,403)	(4,742)
Finance interests & expenses	321,918	379,711
	1,034,486	877,435
Collected time deposits interests	14,403	4,810
Interest finance expenses paid	(321,918)	(367,968)
Changes in:		
Inventories	(236,243)	487,751
Biological assets- Existing Agricul	(6,038)	11,725
Trade and other receivables	(68,580)	(61,371)
change in creditors & other credit balances	(82,432)	(86,407)
Due to related parties	(2,044)	(11,352)
Dividends paid to employees	(21,021)	(19,027)
Income Tax Paid	(38,593)	
Provisions for claim used	(796)	(7,500)
Net cash flows generated from (used in)from operating activities	271,223	828,096
Cash Flow from Investing Activities		
Acquisition of PPE & projects under construction	(257,502)	(191,076)
Proceeds from sale of PPE	51,965	66,363
payment for acquisition of plant and animal wealth	(1,477)	(1,343)
Proceeds from the sale of plant and animal wealth	30,850	6,747
Proceeds from the sale of available for sale investments	-	-
Net Cash Flows (Used In) Investing Activities	(176,163)	(119,309)
Cash Flow (used in) Financing Activities		
Proceeds from bank credit facilities	(15,077)	(531,152)
Payments in lease installments - sales and lease back	(28,979)	(28 746)
Dividends paid to share holders	(94,141)	(141,211)
Decrease in non-controlling interest	(257)	(150)
Net cash flows (used in)generated from financing activities	(138,454)	(714,933)
Decrease (Increase) in Cash & Cash Equivalents during the Period	(43,394)	(6,146)
The effect of foreign exchange difference	(6,846)	(33,342)
Cash & Cash Equivalents as at 1 January	65,073	104,560
Cash & Cash Equivalents as at 31 December	14,832	65,073



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