

Juhayna Releases Third Quarter 2017 Earnings

THIRD QUARTER 2017

REVENUE EGP 1,684 mn ▲ 34% Y-o-Y	GROSS PROFIT EGP 504 mn ▲ 33% Y-o-Y	EBIT EGP 205 mn ▲ 48% Y-o-Y	NET INCOME EGP 65 mn ▲ 12% Y-o-Y		
DAIRY EGP 825 mn ▲ 30% Y-o-Y	YOGURT EGP 336 mn ▲ 19% Y-o-Y	JUICE EGP 388 mn ▲ 32% Y-o-Y	CONCENTRATES EGP 75 mn ▲ 266% Y-o-Y	AGRICULTURE EGP 26 mn ▲ 513% Y-o-Y	ARJU EGP 34 mn ▲ 54% Y-o-Y

NINE MONTHS 2017

REVENUE EGP 4,546 mn ▲ 23% Y-o-Y	GROSS PROFIT EGP 1,353 mn ▲ 21% Y-o-Y	EBIT EGP 499 mn ▲ 29% Y-o-Y	NET INCOME EGP 151 mn ▼ -10% Y-o-Y		
DAIRY EGP 2,101 mn ▲ 21% Y-o-Y	YOGURT EGP 1,023 mn ▲ 11% Y-o-Y	JUICE EGP 960 mn ▲ 18% Y-o-Y	CONCENTRATES EGP 278 mn ▲ 218% Y-o-Y	AGRICULTURE EGP 67 mn ▼ -14% Y-o-Y	ARJU EGP 117 mn ▲ 65% Y-o-Y

(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 Third quarter of 2017, reporting a 34% year-on-year rise in total consolidated revenue to EGP 1,684 million. Net profit reached EGP 76 million during the third quarter of 2017 this is excluding the impact of non-recurrent net expenses of EGP 11 million with an annual increase of 27%, accompanied by an increase in net profit margin to 4.5%.

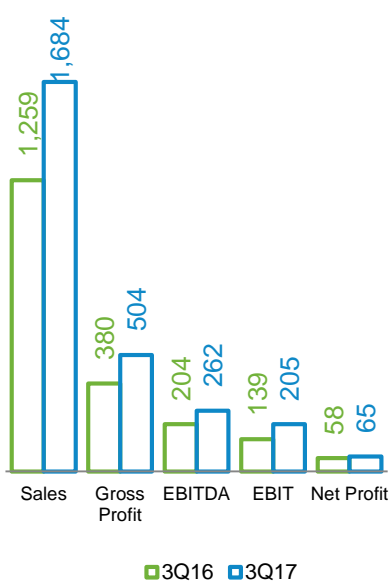
During the nine months of 2017, consolidated revenues reached EGP 4.5 billion, an increase of 23% compared to the same period last year. The net profit reached EGP 169 million leveling with 3Q 2016 this is excluding the impact of net non-recurrent expenses of EGP 18 million, Net profit margin declined to 3.7% compared to last year 4.6%.

The highest contributors to the top line is the dairy and Juice segments, representing 49% and 23% of revenues in 3Q17 as for 9M17 dairy and yogurt remained the highest contributor 46% and 23%, respectively. Revenue growth during the Third Quarter was mainly driven by an increase in the dairy and juice segments' revenues, which climbed 21% and 18% y-o-y to EGP 2,101 million and EGP 960 million respectively in 9M 2017.

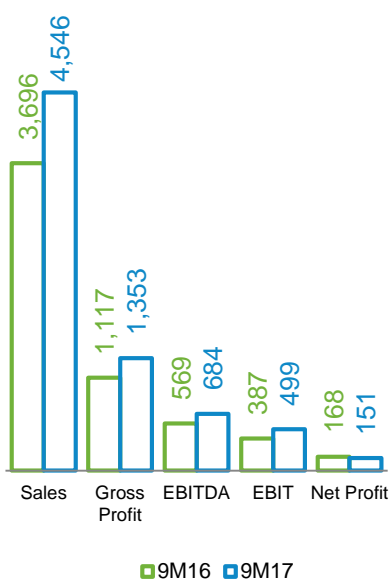
Highlights of Juhayna's financial and operational results along with management's commentary on performance in the quarter follow below. Drawn from the fact that Juhayna operates in a highly competitive environment, management believes that it is in the best interest of shareholders to suspend disclosure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

GROUP CONSOLIDATED PERFORMANCE

3Q17 vs. 3Q16



9M17 vs. 9M16

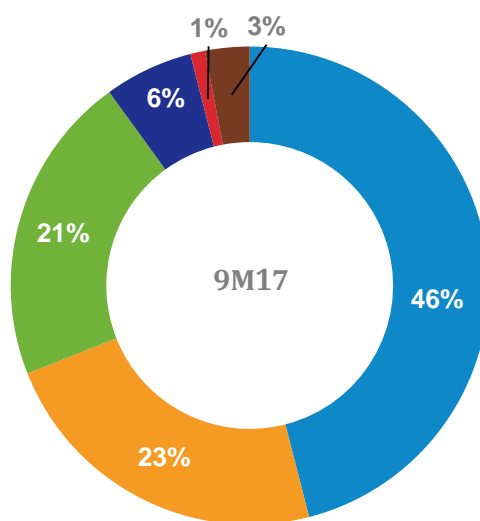
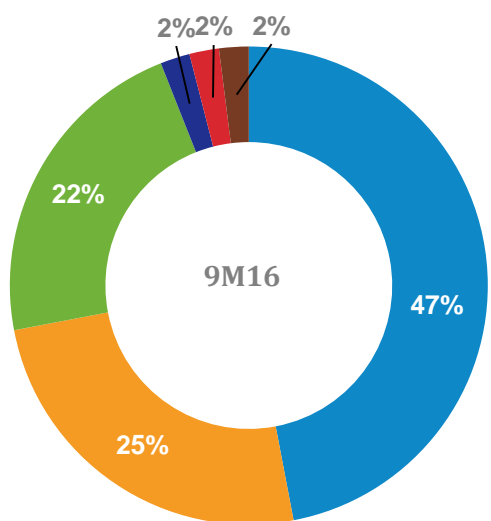
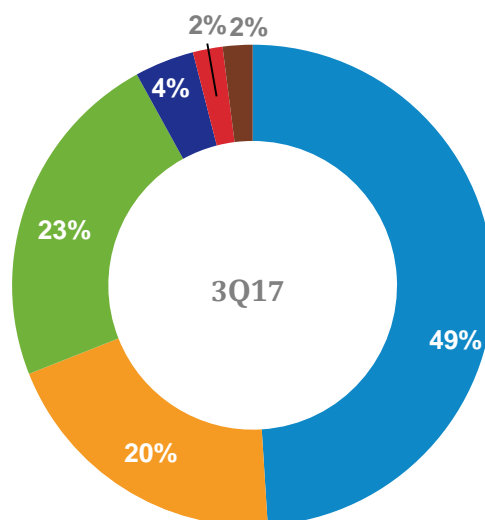
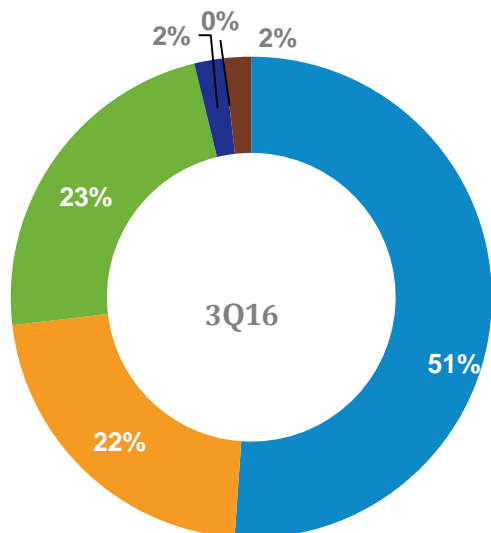


TO OUR SHAREHOLDERS

Due to a slight recovery of the market and the measures Juhayna took, like slashing down our expenses to the minimum, enhancing our operational efficiencies, optimizing our sales, slimming down our inventory and trimming our debts - the company was able to achieve a growth revenue of 7% in the third quarter compared to 2Q 2017 and also recorded a net profit of EGP 76 million in the third quarter, a growth of 178% compared to the second quarter and a 27% growth compared to last year this excluding the impact of net non-recurring expenses of EGP 11 million. We downscaled the total amount of loans and credit facilities by 15% compared to the previous quarter, while the inventory has dropped by 25% compared to 2Q 2017.

We look forward to the amelioration in the consumer purchase power, to restoring our previous growth rates and improving our margins.

Safwan Thabet, Chairman & CEO



■ Dairy ■ Yogurt ■ Juices ■ Concentrates ■ Agriculture ■ ARJU

I. CONSOLIDATED INCOME STATEMENT

('000 EGP)	9M17	9M16	% Change
Net Sales	4,545,846	3,696,483	23%
Cost of Sales	(3,192,559)	(2,579,292)	24%
Gross Profit	1,353,288	1,117,191	21%
<i>Gross Profit Margin</i>	30%	30%	
Other Income	69,051	42,003	64%
Sales & Distribution Expenses	(747,668)	(600,997)	24%
General & Administrative Expenses	(142,615)	(146,247)	-2%
Other (Expenses)	(31,868)	(23,768)	34%
Board of Directors Remuneration	(1,025)	(700)	46%
Results from Operating Activities	499,162	387,482	29%
EBITDA	684,028	569,629	20%
<i>EBITDA Margin</i>	15%	15%	
The Holding Company's Share in Profit in the (losses) of Companies Under Joint Control	(3,732)	(609)	513%
Revenue of Investments Available for Sale	-	5,571	-100%
End of Service Remuneration	(31,015)	(3,088)	904%
Financing Income & Financing Expenses	(284,645)	(162,765)	75%
Net Profit Before Tax	179,771	226,590	-21%
Previous years Tax differences	-	3,956	-100%
Income Tax	(9,928)	(26,053)	-62%
Investment Tax	(6,047)	(4,998)	21%
Deferred Tax	(12,931)	(31,060)	-58%
Net Profit	150,865	168,435	-10%

II. CONSOLIDATED BALANCE SHEET

('000 EGP)	9M17	FY16
Property, plant and equipment (net)	2,945,603	3,066,251
Projects under construction	415,606	383,210
Plant wealth	13,172	13,469
Plant wealth - under preparation	2,012	3,956
Biological wealth	103,472	87,892
Investments under joint control (equity)	3,356	7,088
Other - long term assets	759	765
Other - long term - debit balances	8,923	9,816
Goodwill	97,093	97,093
Non-current Assets	3,589,996	3,669,540
Biological assets- Existing Agriculture	13,422	17,280
Inventories	1,015,444	1,325,879
Trade and other receivables (net)	457,924	353,019
Due From related parties	636	-
Cash and cash equivalents	255,213	129,591
Current Assets	1,742,639	1,825,769
Total Assets	5,332,635	5,495,310
Issued and Paid up Capital	941,405	941,405
Legal Reserve	510,256	497,246
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	336,246	478,308
Total Comprehensive Income for year after Periodic dividends	150,716	43,524
Total Equity Attributable to the Shareholders of the Parent Company	2,269,544	2,291,404
Non Controlling Interest	758	757
Total Equity	2,270,302	2,292,161
Non-Current loans	691,182	803,789
Other Non-Current liabilities	35,711	47,701
Deferred revenues	97,727	108,442
Deferred tax liabilities	219,604	206,673
Non-Current Liabilities	1,044,224	1,166,605
Provisions	2,112	9,428
Banks – Overdraft	45,077	25,031
Banks – Credit Facilities	982,027	1,049,804
Creditors and Other Credit Balances	682,054	612,869
Income Tax	924	34,483
Due to Related Parties	-	14,178
Non-Current loans – Current Portion	305,914	290,749
Current Liabilities	2,018,109	2,036,543
Total Liabilities	3,062,333	3,203,149
Total Equity & Total Liabilities	5,332,635	5,495,310

III. CONSOLIDATED CASH FLOW

	9M17	9M16
('000 EGP)		
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	179,771	226,590
Adjustments for:		
PP&E' depreciation	196,621	173,738
Capital gain	(12,628)	(1,986)
Amortization of animal wealth	9,075	3,981
Amortization of plant wealth	298	-
Gain from the sale of available for sale investments	-	(5,571)
Change in Investments in equity accounted investees	3,732	(9,541)
Impairment in trade and other receivables	1,868	1,086
Reversal of Impairment in inventories	(849)	(42)
Provision of claims	120	-
Financial lease installments	21,016	15,447
Herd births	(8,480)	(9,415)
Herd capitalized expenses	(24,324)	(11,823)
losses from selling cows	-	1,527
Compensation for calves death	101	-
losses from calves death	-	1,328
Foreign exchange gain	1,374	(14,199)
Credit interests	(6,702)	(14,475)
Finance interests & expenses	289,445	191,052
	650,438	547,697
Collected time deposits interests	6,702	12,996
Interest finance expenses paid	(288,019)	(184,958)
Changes in:		
Inventories	311,284	(546,912)
Biological assets- Existing Agricul	7,160	3,260
Trade and other receivables	(111,171)	(168,636)
Due from related parties	(636)	-
change in creditors & other credit balances	(130,391)	(29,348)
Due to related parties	(14,100)	16,335
Dividends paid to employees	(15,187)	(25,068)
Provisions for claim used	(7,436)	(5,569)
Net Cash Flows used in Operating Activities	408,645	(380,203)
Cash Flow from Investing Activities		
Acquisition of PP&E & projects under construction	(159,021)	(383,022)
Proceeds from sale of PP&E	63,279	18,087
Acquisition of plant and animal wealth	(1,359)	(37,695)
Proceeds from the sale of plant and animal wealth	8,048	5,298
Proceeds from the sale of available for sale investments	-	56,500
Net Cash Flows (Used In) Investing Activities	(89,053)	(340,832)
Cash Flow (used in) Financing Activities		
Proceeds from bank credit facilities	(67,777)	313,707
Proceeds (payments) from bank loans	(97,441)	(114,719)
Payments in lease installments - sales and lease back	(21,016)	(15,447)
Proceeds for lease installments- sales and lease back	-	105,964
Dividends paid to share holders	-	(141,211)
Decrease in non-controlling interest	(148)	(198)
Net Cash Flows from Financing Activities	(186,383)	148,097
Decrease (Increase) in Cash & Cash Equivalents during the Period	133,210	(572,938)
The effect of foreign exchange difference	(27,634)	13,985
Cash & Cash Equivalents as at 1 January	104,560	762,475
Cash & Cash Equivalents as at 30 September	210,136	203,522

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.

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FORWARD-LOOKING STATEMENTS

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