



(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 2017, reporting a 17% year-on-year rise in total consolidated revenue to EGP 1,519 million. Net profit reached EGP 47 million during the fourth quarter of 2017, an increase of 141% compare to 4Q2016. Net profit margin increased to 3.1% compared to last year -8.9%

During the full-year of 2017, consolidated revenues reached EGP 6 billion, an increase of 21% compared to the same period last year. The net profit reached EGP 198 million - an increase of 269% Y-o-Y compare to FY2016, Net profit margin increased to 3.3% compared to last year 1.1%.

The highest contributors to the top line are the dairy and yogurt segments, representing 52% and 20% of revenues in 4Q17 as for FY 17 dairy and yogurt also remained the highest contributor 48% 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

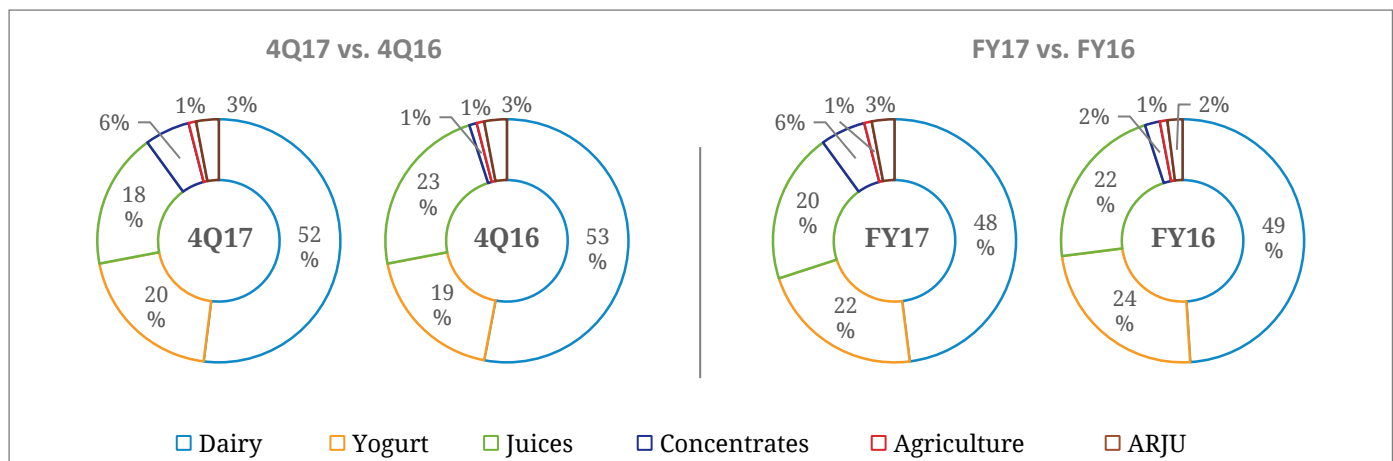
4Q17

	EGP mn	Change %
Dairy	790	14%
Yogurt	312	24%
Juice	277	-6%
Concentrates	85	501%
Agriculture	8	-16%
ARJU	48	40%
Revenues	1,519	17%
Gross Profit	459	36%
EBIT	164	150%
Net Income	47	141%

FY17

	EGP mn	Change %
Dairy	2,891	19%
Yogurt	1,335	14%
Juice	1,236	12%
Concentrates	363	258%
Agriculture	75	9%
ARJU	165	57%
Revenues	6,065	21%
Gross Profit	1,812	25%
EBIT	663	46%
Net Income	198	269%

Revenue Breakdown





MANAGEMENT COMMENT

Despite all the challenges the market has experienced in 2017 like high inflation, weakening purchase power, increase in cost of debt and rise in cost of energy, Juhayna has reached EGP 6 billion in revenue with an increase of 21% Y-o-Y and recorded EGP 198 million in net profit with a growth of 269% Y-o-Y and a margin of 3.3%.

This is due to the unprecedented measures the company has taken to overcome these challenges by freezing CAPEX, closure of uneconomical distribution centers, delisting nonprofitable SKUs, localization of input materials, cutting down the workforce, divesting from unproductive assets, focusing on reducing the inventory level to the minimum and shrinking debts.

Going forward Juhayna is targeting to increase its sales, maintaining its market share, improving its margins, reducing cost and improving efficiency, as well as minimizing investment, regulating debt level and lessen inventory.

We are confident that Juhayna will overcome the challenges ahead, improve margin to create shareholders value.



I. CONSOLIDATED INCOME STATEMENT

(EGP '000)	FY17	FY16
Net Sales	6,064,769	4,992,858
Cost of Sales	(4,252,375)	(3,538,392)
Gross Profit	1,812,394	1,454,466
<i>Gross Profit Margin</i>	<i>30%</i>	<i>29%</i>
Other Income	94,298	62,489
Sales & Distribution Expenses	(966,065)	(838,839)
General & Administrative Expenses	(198,891)	(174,957)
Other (Expenses)	(64,581)	(38,074)
Board of Directors Remuneration	(14,235)	(12,020)
Results from Operating Activities	662,920	453,065
EBITDA	936,174	691,387
<i>EBITDA Margin</i>	<i>15%</i>	<i>14%</i>
The Holding Company's Share in Profit in the (losses) of Companies Under Joint Control	107	(3,062)
Revenue of Investments Available for Sale	-	5,571
End of Service Remuneration	(38,704)	(4,819)
Financing Income & Financing Expenses	(372,191)	(302,005)
Net Profit Before Tax	252,132	148,749
Previous years Tax differences	-	6,273
Income Tax	(14,561)	(36,800)
Investment Tax	(14,792)	(12,496)
Deferred Tax	(25,047)	(52,074)
Net Profit	197,732	53,652
	<i>3%</i>	<i>1%</i>

II. CONSOLIDATED BALANCE SHEET

('000 EGP)	FY17	FY16
Property, plant and equipment (net)	3,235,369	3,066,251
Projects under construction	94,866	383,210
Plant wealth	13,152	13,469
Plant wealth - under preparation	1,915	3,956
Biological wealth	115,273	87,892
Investments under joint control (equity)	7,195	7,088
Other - long term assets	757	765
Other - long term - debit balances	8,626	9,816
Goodwill	97,093	97,093
Non-current Assets	3,574,246	3,669,540
Biological assets- Existing Agriculture	8,857	17,280
Inventories	832,005	1,325,879
Trade and other receivables (net)	418,404	353,019
Cash and cash equivalents	85,736	129,591
Current Assets	1,345,003	1,825,769
Total Assets	4,919,249	5,495,310
Issued and Paid up Capital	941,405	941,405
Legal Reserve	518,994	497,246
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	336,169	478,308
Total Comprehensive Income for year after Periodic dividends	188,735	43,524
Total Equity Attributable to the Shareholders of the Parent Company	2,316,223	2,291,404
Non Controlling Interest	858	757
Total Equity	2,317,081	2,292,161
Non-Current loans	765,386	803,789
Other Non-Current liabilities	30,636	47,701
Deferred revenues	94,155	108,442
Deferred tax liabilities	231,720	206,673
Non-Current Liabilities	1,121,897	1,166,605
Provisions	8,299	9,428
Banks – Overdraft	20,664	25,031
Banks – Credit Facilities	518,652	1,049,804
Creditors and Other Credit Balances	599,791	612,869
Income Tax	14,562	34,483
Due to Related Parties	2,827	14,178
Non-Current loans – Current Portion	315,477	290,749
Current Liabilities	1,480,271	2,036,543
Total Liabilities	2,602,168	3,203,149
Total Equity & Total Liabilities	4,919,249	5,495,310



III. CONSOLIDATED CASH FLOW

	FY17	FY16
III. CONSOLIDATED CASH FLOW		
(‘000 EGP)		
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	252,132	148,749
Adjustments for:		
PPE' depreciation	263,239	234,494
Capital gain	(19,299)	(7,582)
Amortization of animal wealth	12,125	6,652
Amortization of plant wealth	397	-
Gain from the sale of available for sale investments	-	(5,571)
Change in Investments in equity accounted investees	(107)	(7,088)
Impairment in trade and other receivables	2,298	2,286
Reversal of Impairment trade and other receivables	-	(61)
Impairment in inventories	6,123	94
Reversal of Impairment in inventories	-	(42)
Provision of claims	6,370	3,569
Financial lease installments	28,746	21,905
Herd births	(13,305)	(13,397)
Herd capitalized expenses	(36,593)	(17,877)
losses from selling cows	1,224	2,035
losses from calves death	2,421	1,436
Foreign exchange gain	(3,305)	(47,189)
Credit interests	(4,742)	(16,558)
Finance interests & expenses	379,711	271,374
	877,435	577,228
Collected time deposits interests	4,810	16,558
Interest finance expenses paid	(367,968)	(269,878)
Changes in:		
Inventories	487,751	(752,076)
Biological assets- Existing Agricul	11,725	15,742
Trade and other receivables	(61,371)	(177,042)
change in creditors & other credit balances	(86,407)	203,364
Due to related parties	(11,352)	14,178
Dividends paid to employees	(19,027)	(25,068)
Provisions for claim used	(7,500)	(6,101)
Net cash flows generated from (used in)from operating activities	828,096	(403,093)
Cash Flow from Investing Activities		
Acquisition of PPE & projects under construction	(191,076)	(516,180)
Proceeds from sale of PPE	66,363	31,949
payment for acquisition of plant and animal wealth	(1,343)	(35,094)
Proceeds from the sale of plant and animal wealth	6,747	5,298
Proceeds from the sale of available for sale investments	-	56,500
Net Cash Flows (Used In) Investing Activities	(119,309)	(457,527)
Cash Flow (used in) Financing Activities		
Proceeds from bank credit facilities	(531,152)	412,730
Payments from bank loans	(13,675)	(166,150)
Payments in lease installments - sales and lease back	(28,746)	(21,905)
Proceeds for lease installments- sales and lease back	-	105,964
Dividends paid to share holders	(141,211)	(141,211)
Decrease in non-controlling interest	(150)	(197)
Net cash flows (used in)generated from financing activities	(714,933)	189,232
Decrease (Increase) in Cash & Cash Equivalents during the Period	(6,146)	(671,388)
The effect of foreign exchange difference	(33,342)	13,473
Cash & Cash Equivalents as at 1 January	104,560	762,475
Cash & Cash Equivalents as at 31 December	65,073	104,560



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