

Q1 2020 Earnings Release

Revenue Q1
1.78B 2.7%▲

| | | | | | | | |
|--------------|------|------|---|------------|------|-------|---|
| Gross Profit | 544M | 8.0% | ▲ | EBIT | 232M | 11.5% | ▲ |
| EBITDA | 298M | 8.9% | ▲ | Net Profit | 114M | 59.7% | ▲ |



| Sales (Millions EGP) | Dairy | Yogurt | Juices | Concentrates | Agriculture | ARJU |
|-------------------------|--------------|--------------|---------------|---------------|--------------|-------------|
| Q1 | 980 7.8%▲ | 361 1.9%▲ | 316 -1.7%▼ | 58 -31.3%▼ | 13 14.7%▲ | 54 0.3%▲ |

RESULTS:

(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 Q1 2020, reporting a 2.7% year-on-year growth in total consolidated revenue, reaching EGP 1,781 million. Net profit reached EGP 114 million during Q1 2020

The highest contributors to the top line was the dairy and yogurt segments, representing 55% and 20% of revenues in Q1 2020.

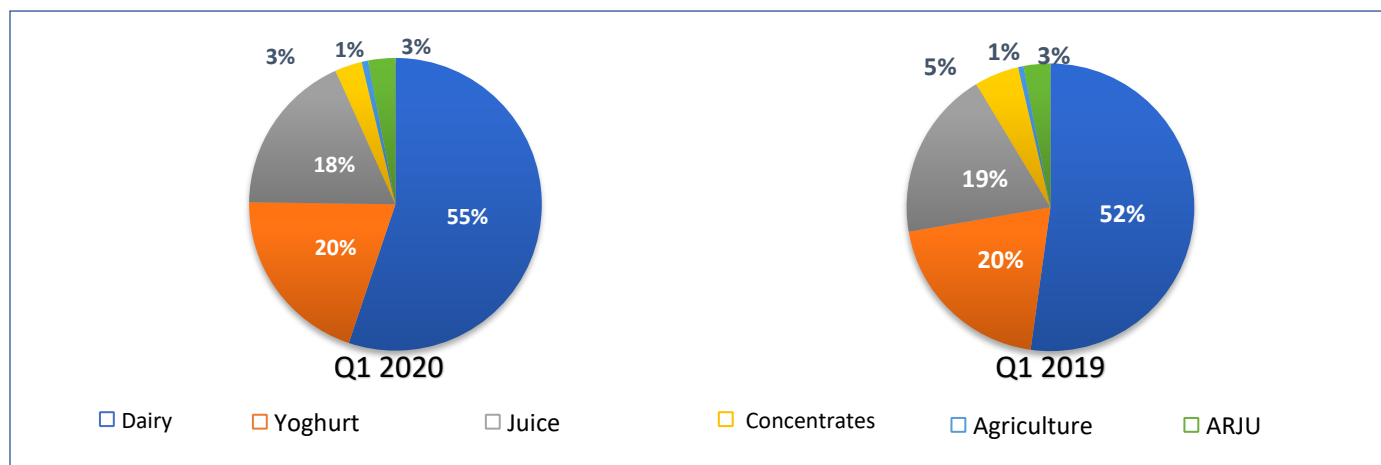
Highlights of Juhayna’s financial and operational results along with management’s commentary on performance in the quarter follow below. Juhayna’s full financials are available for download on the company’s website: www.juhayna.com.

KEY PERFORMANCE INDICATORS:

| | <u>Q1 2020</u> | |
|-------------------|----------------|--------------|
| | EGP mn | Change % |
| Dairy | 980 | 7.8% |
| Yogurt | 361 | 1.9% |
| Juice | 316 | -1.7% |
| Concentrates | 58 | -31.3% |
| Agriculture | 13 | 14.7% |
| ARJU | 54 | 0.3% |
| Revenues | 1,781 | 2.7% |
| Gross Profit | 544 | 8% |
| EBIT | 232 | 11.5% |
| Net Income | 114 | 59.7% |

REVENUE BREAKDOWN:

Q1 2020 vs. Q1 2019



MANAGEMENT'S NOTE:

Juhayna's achieved revenue, reaching 1,781 million EGP in the first quarter, witnessing a growth of 2.7% y-o-y. Net profit grew by 59.7%, reaching 113.6 million EGP.

We began seeing the effects of the Coronavirus pandemic during the second half of March and we took all the necessary precautionary measures and have been planning for different scenarios to ensure the safety of our working environment and to guarantee our procurement, manufacturing and sales operations remain intact.

We also appreciate the measures that the government has taken towards activating the manufacturing and production process by lowering the policy interest rates and energy prices. Also, the easing of the movement of raw materials and end products in the market has facilitated our operations in these times.

I. CONSOLIDATED INCOME STATEMENT

(EGP '000)

Q1 2020

Q1 2019

| | | |
|--|----------------|----------------|
| Net sales | 1,781,405 | 1,734,100 |
| Cost of sales | (1,237,753) | (1,231,398) |
| Gross profit | 543,652 | 502,702 |
| Other operating income | 10,807 | 22,828 |
| Selling and Marketing expenses | (232,584) | (232,301) |
| General and administrative expenses | (58,350) | (55,812) |
| Other expenses | (26,801) | (24,561) |
| Board of directors remuneration | (4,860) | (4,960) |
| Results from operating activities | 231,865 | 207,897 |
| Share in the gain of company under joint control | 819 | 2,858 |
| Cost of the end of service | (14,690) | (8,586) |
| Net Finance (expense) / income | (46,206) | (89,120) |
| Net profit before income tax | 171,789 | 113,049 |
| Income tax - current | (59,244) | (39,223) |
| Deferred tax | 1,077 | (2,684) |
| Net profit for the year | 113,622 | 71,141 |

II. CONSOLIDATED BALANCE SHEET

| | | |
|--|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 3,242,127 | 3,292,284 |
| Projects under construction | 144,933 | 97,358 |
| Plant wealth | 12,415 | 12,516 |
| Plant wealth - under preparation | 15,973 | 15,865 |
| Biological wealth | 201,408 | 195,122 |
| Investments under joint control (equity) | 15,684 | 14,864 |
| Goodwill | 97,093 | 97,093 |
| Right to use asstes | 55,470 | - |
| Other - long term asset | 738 | 740 |
| Non-current assets | 3,785,840 | 3,725,842 |
| Current assets | | |
| Biological assets - Feeding Sector | 5,633 | 13,948 |
| Biological assets - Existing Agriculture | 21,637 | 17,214 |
| PPE held for sale | 6,243 | 6,243 |
| Inventories | 1,058,982 | 1,043,418 |
| Trade and other receivables | 508,903 | 414,144 |
| Cash at banks and on hand | 394,564 | 96,718 |
| Current assets | 1,995,963 | 1,591,684 |
| Total assets | 5,781,803 | 5,317,526 |
| Equity | | |
| Issued and paid up capital | 941,405 | 941,405 |
| Legal reserve | 616,672 | 594,086 |
| General reserve - issuance premium | 330,920 | 330,920 |
| Retained earnings | 698,826 | 859,988 |
| Total equity attributable to the shareholders of the parent company | 2,587,823 | 2,726,399 |
| Non-controlling interest | 636 | 640 |
| Total equity | 2,588,459 | 2,727,039 |

III. CONSOLIDATED CASH FLOWS

| (EGP '000) | Q1 2020 | FY 2019 |
|--|-----------------|------------------|
| Net profit for the period before income tax and minority interest in profits | 171,789 | 113,049 |
| Adjustments for: | | |
| PPE depreciation | 72,525 | 67,813 |
| Amortization of right to -use land | 2 | 2 |
| Capital (losses) / gains | (450) | 2,441 |
| Amortization of animal wealth | 6,210 | 4,292 |
| Amortization of plant wealth (productive) | 101 | 100 |
| Biological write down) Reverse(| (1,155) | - |
| Change in Investments under joint control | (819) | (2,858) |
| Impairment of trade and other receivables | 3,236 | 434 |
| Impairment in inventories (Reverse) | (2,472) | - |
| Provision for claims formed | 544 | - |
| Herd births | (2,713) | (3,797) |
| Herd capitalized | (21,425) | (22,952) |
| Losses from selling cows | 5,607 | 1,073 |
| Losses from calves death | 895 | 1,758 |
| Foreign exchange (losses) / gain | (676) | 3,789 |
| Credit interests | (4,343) | (3,786) |
| Finance interests & expenses | 51,216 | 89,117 |
| | 278,071 | 250,473 |
| Collected ctedit interests | 4,343 | 3,786 |
| Finance interest & expenses paid | (51,216) | (89,117) |
| Changes in: | | |
| Inventories | (13,092) | (317,071) |
| Biological assets- Exiting Agriculture | (4,423) | 8,349 |
| Trade and other receivable | (97,995) | (71,934) |
| Creditors & other credit balances | (18,900) | 105,621 |
| Due to related parties | 9,642 | (783) |
| Due from related parties | - | (1,767) |
| Income tax paid | - | (8,246) |
| sales tax on capital goods -paid | (1,625) | (2,048) |
| Fixed assets -long term installments | (3,751) | - |
| Provision for claims used | (2,376) | (4,657) |
| Net cash flows result / (Used) from operating activities | 98,678 | (127,395) |
| Cash flows from investing activities | | |
| Acquisition of PPE & projects under construction | (70,231) | (42,719) |
| Proceeds from sale of PPE | 738 | 19,426 |
| Compansation of calves death | 437 | - |
| Acquisition of plant and animal wealth | (8,733) | (814) |
| Proceeds from the sale of plant and animal wealth | 22,798 | 8,708 |
| Net cash flows (used in) investing activities | (54,991) | (15,399) |
| Cash flows from financing activities | | |
| (Payments)/collection proceeds from overdraft & credit facility | 252,823 | 446,505 |
| Payment for Bank long term loans | 2,308 | (79,312) |
| Payment of financial lease contract liabilities | (4,355) | (4,247) |
| Decrease in non-controlling interest | - | (89) |
| Net cash flows (used in) financing activities | 250,777 | 362,857 |
| Change in cash & cash equivalents during the year | 294,464 | 220,063 |
| The effect of foreign exchange difference | 676 | (3,789) |
| Cash & cash equivalents at 1 January | 99,424 | 30,404 |
| Cash & cash equivalents at 31 December | 394,564 | 246,678 |


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

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