

1Q22 Earnings Release

Cairo, Egypt | 7 July 2022



Juhayna Food Industries Reports 1Q22 Earnings

Juhayna records a 18% y-o-y increase in net profit to 144mn, and a 29% y-o-y increase in net revenue to 2.4bn in 1Q22.

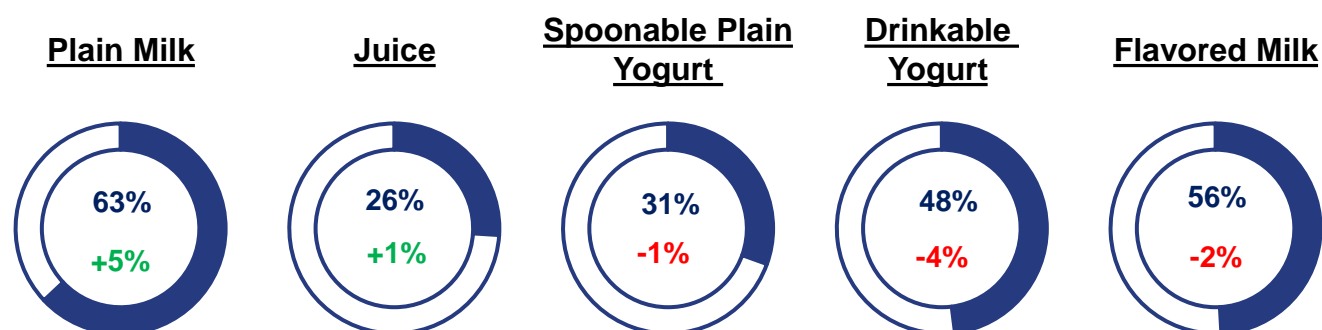
1Q22 Highlights

2,403mn Net Revenue ▲29% YoY	642mn, 26.7% Gross Profit, margin ▲18% YoY, ▼ -2.4pps	279mn, 11.6% EBITDA, margin ▲7% YoY, ▼ -2.3pps
144mn, 6.0% Net Profit, margin ▲18% YoY, ▼ -0.6pps	326mn 31/03/2022 Net Debt ▼-58% YoY	450mn, 18.7% SG&A, % of Sales ▲28% YoY, ▼ -0.2pps YoY

Revenue By Segment

EGP mn	1Q22	1Q21	% Change
Dairy	1,299	989	31%
Fermented	585	456	28%
Juice	382	311	23%
Concentrates & Agri	64	46	39%
3rd Party Distribution	74	60	23%
Total	2,403	1,862	29%

1Q22 Volume Market Shares

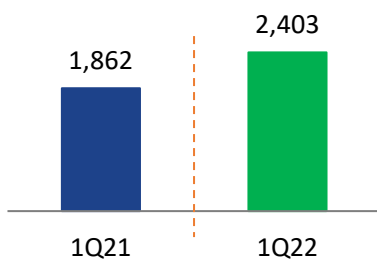


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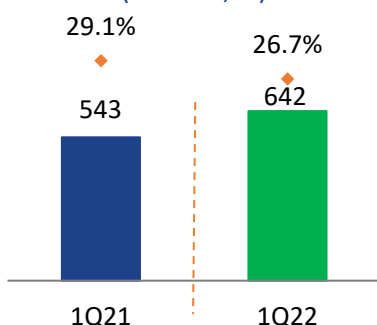
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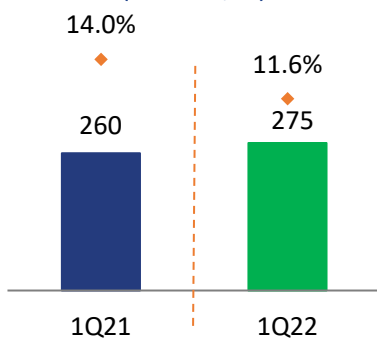
Net Revenue (EGP mn)



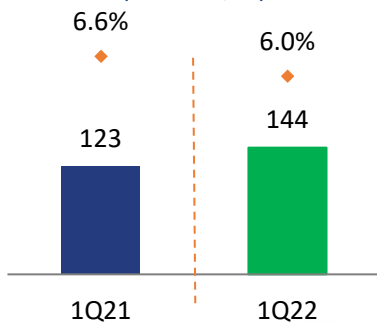
Gross Profit, Margin (EGP mn, %)



EBITDA, Margin (EGP mn, %)



Net Profit, Margin (EGP mn, %)



(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange, “Company”)), a leader in the Egyptian

packaged dairy, yogurt and juice markets, announced its audited consolidated results for 1Q22, reporting net revenues amounting to EGP 2.4bn, realizing a growth of 29%. Sales growth was mostly volume driven in 1Q22, a testament to the robust post-pandemic consumer demand recovery across our core segments.

In 1Q22, gross profit margin decreased by 2.4pps y-o-y to reach 26.7%. The margin contraction witnessed in 1Q22 is a result of the continuous global increase in raw material and packaging material prices and challenging global supply chain disruptions.

SG&A margin slightly decreased by 0.2% y-o-y to reach 18.7% in 1Q22, as marketing spending was maintained, to support the launch of Juhayna’s new Drinkable Flavored Greek Yogurt and a sizeable marketing campaign for Juhayna dairy, which featured movie superstars and famous athletes. The campaign mainly focused on further improving the consumer’s brand perception to be seen as more youthful, healthy and innovative. The marketing campaign was a huge success, as the Company gained market share in the milk segment by 5% during the first quarter. In 1Q22 EBITDA margin for the period decreased by 2.3pps to reach 11.6%.

For 1Q22, net profit amounted to EGP 144mn, realizing an impressive increase of 18%. The Company’s cost optimization strategy, vertical integration, and deleveraging (net debt decreased by 58%, down from EGP 782mn in 1Q21, to EGP 326mn in 1Q22) efforts helped ease the substantial margin pressure faced during the period, as net profit margin decreased by a mere 0.6pps reaching 6.0%.

Mr. Niels Thomsen appointed as Juhayna CEO

“It is an immense pleasure that Mr. Thomsen has joined us as Group CEO, considering his successful period at Juhayna between 2006-2013 as the Group’s Factories Director, and to his impeccable manufacturing credentials and leadership expertise in the Food and Beverage industry that qualify him to contribute to the Company’s long term strategic growth plans”

**- Mr. Ahmed El Wakil
Chairman of the Board of Directors**



Juhayna Food Industries is delighted to welcome Mr. Niels Thomsen as Group CEO, bringing over 30 years of accumulated experience across a variety of manufacturing and supply chain managerial roles in the Food and Beverages industry. Mr. Thomsen will offer international experience garnered through positions in diverse markets, starting his career in Denmark, he later diversified into senior production and managerial positions in Saudi Arabia, Denmark, Hungary, and Egypt (until 2013). He then founded and led his own company in Denmark, and later returned to China as Director of Production at Danish Crown (a global leading F&B company), demonstrating skills in strategic planning that resulted in solid growth and results throughout his career.

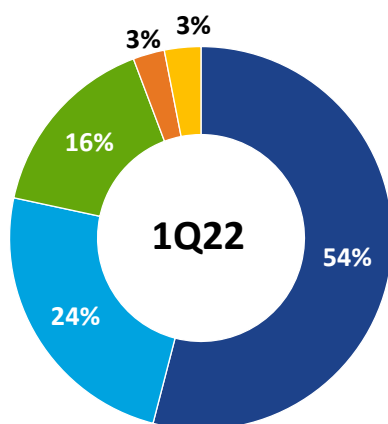
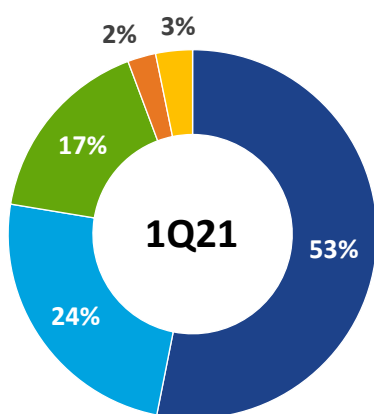
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Revenue Breakdown by Segment

- Dairy
- Fermented
- Juice
- Concentrates & Agri
- 3rd Party Distribution



CEO's Note

Juhayna carried over the momentum from 2021 into the first quarter of the new year to deliver strong top-line results, growing 29% yoy, mainly attributable to solid consumer recovery as consumers are back to their normal daily lives and normal spending habits.

Surges in raw material costs and supply chain disruptions are driving global commodity prices to record highs, increasing direct material costs used in production and negatively impacting our profitability, the negative effect was somewhat eased as we reap the benefits of our vertically integrated business model, capitalizing on our dairy farm and concentrates factory. To regain profitability, the Company is cost optimizing and gradually passing on the input cost hikes to the end consumers.

Credit must also go to management and sales team, who used an effective balance of innovation in our product portfolio, teamed with market agility, we successfully launched new products, revitalized branding, and secured an even more substantial customer base enabling Juhayna to grow its leading position within a fiercely competitive market. Juhayna's market presence was also reinforced through the continuation of the new brand identity, expressed through strategic campaigns, new product innovations, and a fresh packaging rebranding.

The Company's net profit grew by 18%, as we navigated through key challenges throughout 1Q22, including supply chain disruptions and an increase in raw material prices. As a part of our ongoing cost optimization strategy, we reduced our net debt position from EGP 782mn to EGP 326mn yoy reflecting positively on our financing costs. Going forward, we continue to focus on launching high-margin, premium quality, consumer-driven products while maintaining our controlled capital expenditure policy.

Conclusively, although faced with market forces and obstacles beyond our control throughout a critical period that has re-shaped the world in many ways, we have manifested growth that speaks volumes about the tenacity, expertise, and determination of our highly valued team.

Niels Thomsen
Chief Executive Officer

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Income Statement

EGP 000	1Q22	1Q21
Net sales	2,403,433	1,861,689
Cost of sales	(1,761,616)	(1,319,074)
Gross profit	641,818	542,615
Other operating income	30,542	10,826
Selling and Marketing expenses	(375,662)	(281,247)
General and administrative expenses	(74,419)	(70,262)
Other expenses	(21,893)	(23,122)
Results from operating activities	200,384	178,809
Share in profit /Loss of a company under joint control	233	0
Net finance (expense)	(13,009)	(22,221)
Net profit before income tax	187,609	156,588
Current income tax	(43,364)	(36,889)
Deferred tax	176	3,446
Net profit for the year	144,420	123,146
<i>Distributed as follows</i>		
Parent Company's share in profit	144,381	123,106
Non-controlling interest	39	40
	144,420	123,146
Earning per share for the year (L.E /share)	0.15	0.13

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Balance Sheet

EGP 000	31/3/2022	31/12/2021
Property, plant and equipment	3,104,819	3,164,789
Projects under construction	89,637	73,964
Plant wealth - productive	25,872	26,074
Plant wealth – not productive	25,851	23,679
Biological wealth	197,712	196,194
Investments under joint control (equity)	15,350	15,117
Right to use assets	58,048	61,584
Goodwill	97,093	97,093
Other - long term asset	722	724
Non-current assets	3 615 104	3 659 218
Biological assets - Existing Agriculture	19,908	10,572
PPE held for sale	1,502	1,607
Inventories	1,028,896	879,266
Trade and other receivables	607,234	456,021
Cash at banks and on hand	358,142	453,015
Due from related party	20	3
Biological assets - Feeding Sector	8	46
Current assets	2 015 710	1 800 531
Total assets	5 630 814	5 459 749
Issued and paid-up capital	941,405	941,405
Legal reserve	709,608	688,879
General reserve - issuance premium	330,920	330,920
Retained earnings	1,330,001	1,206,349
Total equity attributable to shareholders of parent company	3 311 934	3 167 553
Non-controlling interest	801 731	762 819
Total equity	4 113 665	3 930 372
Long - term loans	221,879	262,360
Lease contract liabilities - non current portion	103,026	109,066
Deferred tax liabilities	299,733	299,908
Other non current liabilities	645	483
Non-current liabilities	625 282	671 817
Provisions	73,164	70,079
Bank credit facilities	257,692	273,231
Creditors and other credit balances	976,336	928,212
Income tax payable	218,614	180,250
Lease contract liabilities- current portion	27,476	28,324
Loans-current portion	139,515	139,520
Current liabilities	1 692 797	1 619 616
Total liabilities	2 318 078	2 291 433
Total equity and total liabilities	6 431 743	6 221 805

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Cash Flow Statement

EGP 000	31/3/2022	31/3/2021
Net profit for the year before income tax and minority interest in profits	187 609	156 588
Adjustments for:		
PPE depreciation	77 924 776	71 347 492
Capital loss	(13 024 047)	(105 693)
Amortization of asset right of use (lands)	2 068	2 067
Amortization of animal wealth	7 674 099	7 588 955
Amortization of plant wealth (productive)	201 640	128 796
Changes in investments under joint control (equity)	(233 452)	-
Impairment of Fixed assets & projects under construction	341 784	(2 900 390)
Amortization of right of use asset	3 535 491	3 730 424
Right of use asset interest	1 561 620	1 276 780
Impairment of inventory	(70 806)	-
Provision for claims formed	5 003 514	3 580 297
Herd birth	(4 219 000)	(3 456 100)
Herd capitalization	(15 950 769)	(13 559 643)
Loss from selling and death of animal wealth	392 166	4 368 156
Foreign currencies exchange differences	3 425 010	(605 040)
Credit interests	(3 775 743)	(2 605 526)
Finance interests & expenses	18 648 510	25 431 409
Cash flows from operating activities	81 624 470	94 378 572
Inventories	(149 558 921)	(40 214 887)
Biological assets- Exiting Agriculture	(9 336 469)	(4 208 413)
Trade and other receivables	(151 554 504)	(117 252 953)
Creditors & other credit balances	236 404 504	13 572 354
Due from related parties	(17 056)	(2 506)
Changes in held for sale	104 958	-
Income tax paid	(5 000 000)	-
Sales tax on capital goods -paid	161 922	(7 906 508)
Provisions claims used	(1 918 522)	(2 192 793)
Net cash flows from operating activities	910 382	(63 827 134)
Acquisition of PPE & projects under construction	(35 765 373)	(80 654 523)
Proceeds from sale of PPE	15 162 808	645 558
Proceeds from plant wealth unproductive	(2 172 144)	(2 839 415)
Proceeds from the sale of plant and animal wealth	9 986 972	13 976 182
Proceeds from the compensation of calves death	637 115	1 223 601
Net cash flows (used in) investing activities	(12 150 622)	(67 648 597)
Proceeds from/ (payments for) overdraft & credit facility	(15 539 088)	76 417 910
(Payments for) financial lease contract liabilities	(8 450 232)	(7 400 335)
(Payments for) Bank loans	(40 486 063)	(60 212 653)
Collected credit interests	3 775 743	2 605 526
Finance interests & expenses paid	(18 648 510)	(25 431 409)
Dividends paid to shareholders	(188 281 016)	-
Net cash flows (used in) financing activities	(267 629 166)	(14 020 961)
Change in cash & cash equivalents during the year	(278 869 406)	(145 496 692)
The effect of foreign exchange difference	(3 425 010)	605 040
Cash & cash equivalents at 1 January	453 015	182 542 538
Cash & cash equivalents at 31 December	(281 841 401)	37 650 886

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About Juhayna Food Industries

Juhayna Food Industries is a leading Egypt-based manufacturer specialized in the production, processing and packaging of dairy, juice, yogurt and cooking products.

Since its founding in 1983, it has secured a frontrunner position in Egypt and has expanded its presence, through exports, to international markets, a feat made possible through its firm commitment to delivering a wide range of high-quality, healthy, and safe products that have become trusted household names.

Today, with four fully operational facilities, a vast network of distribution centers serving more than 136,000 retail outlets nationwide, and a 500-feddan, fully-owned dairy farm covering a sizeable portion of the company's raw milk needs, Juhayna continues to raise the benchmark for premium quality Egyptian manufactured products.

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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