

1Q24 Earnings Release

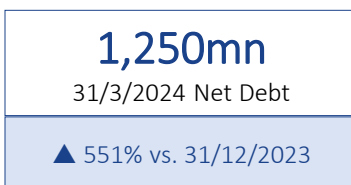
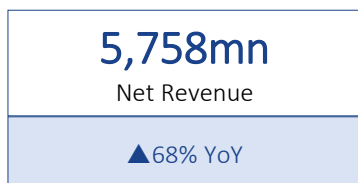
Cairo, Egypt | 30 May 2024



Juhayna Food Industries Reports 1Q24 Earnings

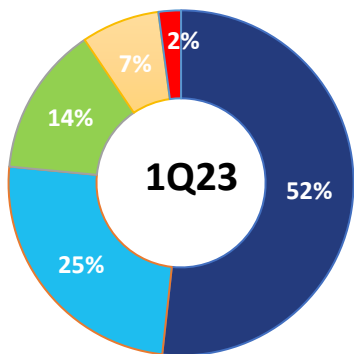
Juhayna records a massive 68% Y-o-Y increase in net revenue to EGP 5.8bn in 1Q24, and a record-breaking increase in export sales by 175% to reach EGP 787 million

1Q24 Highlights

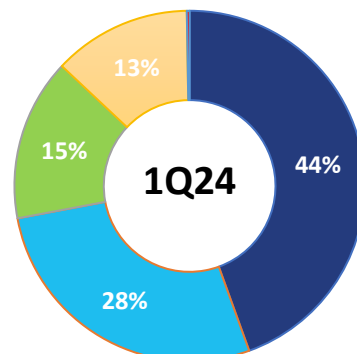


Net Revenue By Segment

EGP mn	1Q24	1Q23	% Change
Dairy	2,561	1,771	45%
Fermented	1,587	848	87%
Juice	861	481	79%
Concentrates & Agri	734	251	192%
3rd Party Distribution	15	72	-79%
Total	5,758	3,423	68%



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



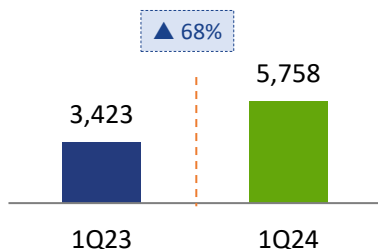
■ Dairy ■ Fermented ■ Juice ■ Concentrates&Agri

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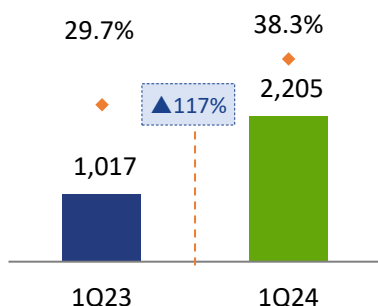
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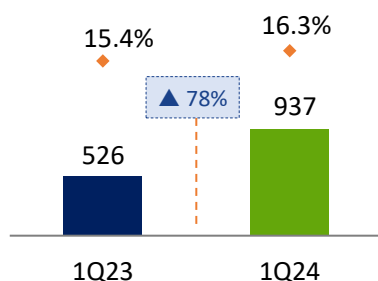
Net Revenue (EGP mn)



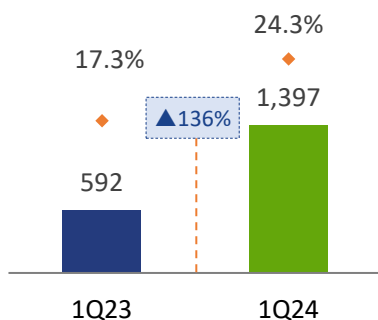
Gross Profit, Margin (EGP mn, %)



SG&A, Margin (EGP mn, %)



EBITDA, Margin (EGP mn, %)



(Cairo, Egypt) — Juhayna Food Industries (JUF0.CA on the Egyptian Exchange), a leader in the Egyptian packaged dairy, yogurt and juice markets, announced its audited consolidated results for 1Q24. The company achieved net revenues of EGP 5.8bn, reflecting a massive growth of 68% in 1Q24. The growth was mainly driven by accumulative price increases in 2023 of around 40%, noting that Juhayna increased their prices by a net of 20% in 2024. Moreover, the export segment grew by 140% in USD terms which further contributed to the tremendous revenue growth.

The volatile economic landscape in Egypt and the unavailability of FX in beginning of 2024, led to a consumer shift towards lower-priced products. However, Juhayna is well-positioned to capitalize on this trend due to its diverse product range offering various price points to cater to different consumer needs.

The double digit increase in volumes for fermented and juice products compared to 1Q23 reflects the company's ability to meet consumer demand, particularly during high-demand periods like Ramadan. Despite a slight decline in dairy consumption year-on-year, Juhayna has maintained its market share through brand loyalty, product range diversity, and innovation. Furthermore, it is important to highlight that the recent price adjustments made in March 2024 demonstrate Juhayna's agility and proactive approach in responding to market dynamics and aims to boost volumes going forward.

The increase in cost of goods sold (COGS) by 48% in 1Q24 was driven by rising raw material prices, particularly raw milk and packaging materials. The gross profit margin increased by 8.6pp in 1Q24, supported by the outstanding profitability of the concentrates segment.

The selling, general, and administrative (SG&A) margin increased by 0.9% year-on-year in 1Q24, reaching 16.3%. This increase was due to the company's ongoing marketing campaigns especially in Ramadan, increase in salaries and rise in distribution cost. Juhayna's commitment to controlling expenses and identifying cost-saving opportunities underscores its dedication to maintaining profitability and driving growth in a challenging economic environment.

Outstanding gross profit margin gains, along with enhanced margins for our concentrate business resulted in a growth of 136% in EBITDA for 1Q24, reaching EGP 1,397mn, with a margin of 24.3%.

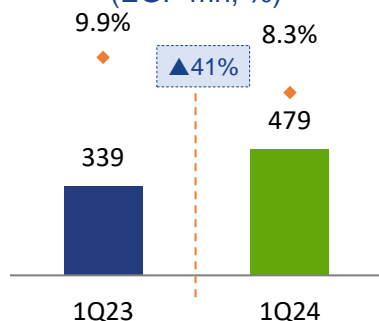
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Net Profit, Margin

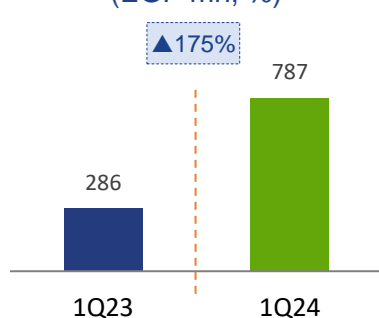
(EGP mn, %)



During the first quarter of 2024, Juhayna reported a significant increase in net profit, reaching EGP 479 million, reflecting a 41% year-on-year growth. This growth was achieved despite incurring investment losses of EGP 522 million during the same period. The company's net profit margin stood at 8.3%, signaling our operational excellence in front of a challenging market environment. The remarkable financial performance can be attributed to the improved profitability in the concentrate segment and the growing global demand for the company's products. Additionally, Juhayna's cost reduction strategy and the establishment of strategic supplier relationships have played a pivotal role in driving the substantial growth in net profits. It's important to note that the company also recorded foreign exchange losses and tax settlements of EGP 359 million, which are reflected in the other comprehensive income statement.

Export Sales, Growth

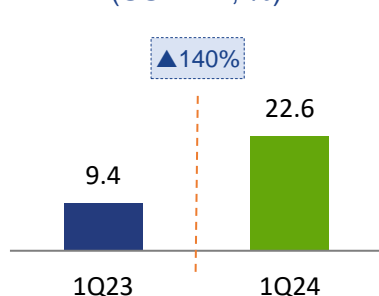
(EGP mn, %)



The company experienced a significant surge in export sales across Concentrates, Dairy, and Juice categories, achieving an impressive growth rate of 175% in 1Q24, reaching EGP 787 million. Export sales now contribute 14% of the company's total revenues for 1Q24, a notable increase from 8.4% in 1Q23. In USD terms, the annual growth rate reached 140% in 1Q24, totaling USD 22.6 million. The remarkable growth in exports was primarily fueled by concentrates exports, supported by strong partnerships with global and local suppliers. This strategic focus not only bolstered revenue but also helped mitigate challenges related to foreign exchange availability. Juhayna is actively expanding its global presence and exploring new opportunities to further enhance its export segment, demonstrating a commitment to sustainable growth and market diversification.

Export Sales, Growth

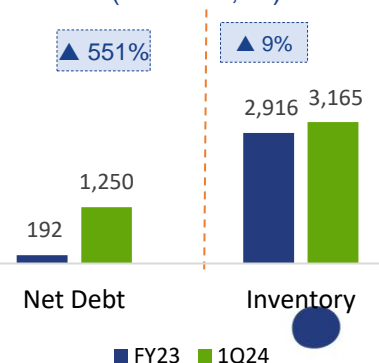
(USD mn, %)



Net debt saw a significant surge from EGP 192 million in FY23 to EGP 1.2 billion by the end of 1Q24, indicating a striking 551% increase. This upward trajectory was primarily fueled by the accumulation of dollar-based payables amidst 4Q23 due to the scarcity of foreign currency. However, with the devaluation occurring in 1Q24, this issue was effectively addressed, enabling us to promptly settle outstanding dues and fully leverage available banking resources.

Net Debt, Inventory

(EGP mn, %)

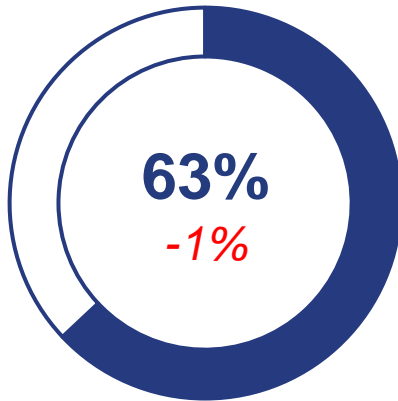


Juhayna allocated EGP 309mn towards CAPEX in 1Q24, primarily to serve the company's long term CAPEX plan which started in 2023, focusing on farming, manufacturing and distribution activities.

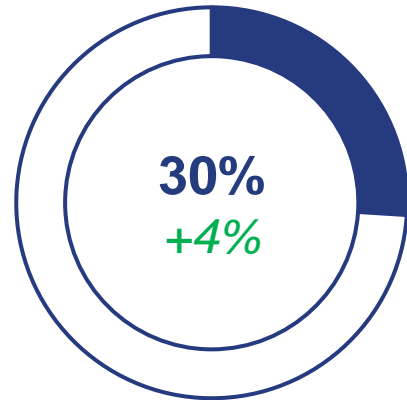
Our strong framework and strong governance practices that have been developed over the past years, and the hard work of our experienced management team, have enabled us to achieve great success. We are confident that the Egyptian market will continue to recover, and we are proud to have a strong brand and a longstanding relationship with the Egyptian consumer. We are looking forward to opening additional foreign markets and expanding Juhayna's global footprint.

1Q24 vs 1Q23 Market Shares

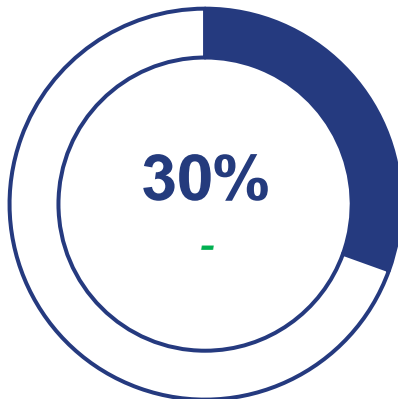
Plain Milk



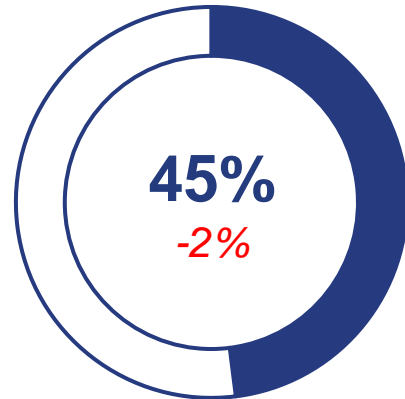
Juice



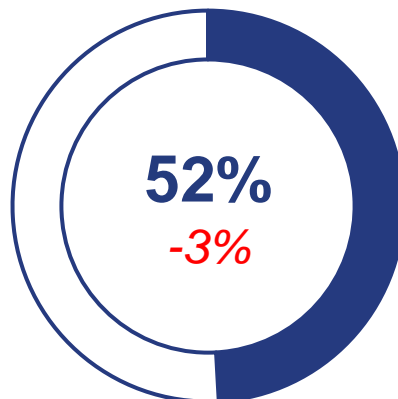
Spoonable Yogurt



Drinkable Yogurt



Flavored Milk



Announcements / Segment Launch

Launch of Stirred Yogurt range – January 2024



The launch of stirred Yogurt by Juhayna represented a strategic move in alignment with the company's dedication to providing health-conscious choices to consumers. Since its introduction in January 2024, developed in collaboration with Juhayna's research and development team, this product has not only altered the perception of yogurt consumption among the youth, shifting from sour-cutting yogurt to a creamy texture, but also showcased Juhayna's hallmark of high quality and innovation. Available in three enticing flavors (Plain, Light, and Sweetened) in convenient 105gm packages, stirred Yogurt swiftly gained traction among consumers.

Drawing on the success of Juhayna's previous offerings, such as the creamy-textured fruit Yogurt range, the company recognized an opportunity to diversify its product portfolio with the introduction of stirred Yogurt. The market's enthusiastic response to this new range underscored its appeal and marked a significant milestone. This accomplishment not only reinforced Juhayna's position as a key player in the yogurt segment but also fueled growth within the broader yogurt market segment during 1Q24.

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1Q24 Earnings call invite

Presentation:

The associated presentation and financial statements are on Juhayna Food Industries website

https://www.juhayna.com/en/?page_id=8351 under the Investor Relations section.

Telephone conference hosted by EFG Hermes on June 4th, 2024, at 4:00 pm Cairo Local Time (CLT).

A telephone conference for analysts and investors hosted by EFG Hermes will be held in English on Tuesday, 4th of June 2024; at 4:00 pm Cairo Local Time. Managing Director for Centralized Functions Mohamed Sultan and Head of Investor Relations Karim Ibrahim will present 1Q 2024 results and will be available to answer questions. A registration is not required.

Dial-in details are as follows:

Click [here](#) for webinar link

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Income Statement

	1Q24	1Q23
Net sales	5 758 301 967	3 423 285 226
Cost of sales	(3 553 685 147)	(2 405 946 442)
Gross profit	2 204 616 820	1 017 338 784
Other operating income	100 060 968	47 103 303
Selling and Marketing expenses	(797 051 357)	(434 240 637)
General and administrative expenses	(140 023 959)	(91 555 064)
Impairment loss of trade and other receivables /(Reverse)	(818 822)	203 045
Other expenses	(53 700 839)	(39 721 427)
Results from operating activities	1 313 082 811	499 128 004
Share of (Loss) /profit of Equity accounted investees,net of tax	(199 065)	257 720
Net finance (cost)	(76 024 403)	(74 831 645)
Loss on investment at FV through profit or loss	(522 059 902)	-
Net profit for the period before income tax	714 799 441	424 554 079
Income tax expense	(236 054 471)	(84 733 617)
Net profit for the period after tax	478 744 970	339 820 462
Distributed as follows		
Owners of the company	478 333 270	339 217 994
Non-controlling interests	411 700	196 378
	478 744 970	339 414 372
Earning per share for the period (L.E /share)	0.51	0.36

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Balance Sheet

	1Q24	FY23
Assets		
Non-current assets		
Property, plant and equipment	3 118 569 353	3 077 685 183
Projects under construction	490 292 143	299 334 840
Biological assets	320 707 079	305 114 220
Equity accounted investees	15 471 005	15 670 070
Right of use assets	83 859 734	38 966 498
Goodwill	97 092 890	97 092 890
Deffered tax assets	27 119 952	-
Other long term asset	705 261	707 329
Non-current assets	4 153 817 417	3 834 571 030
Current assets		
Biological assets	35 389 223	29 465 780
Inventories	3 186 487 864	2 783 515 178
Trade and other receivables	1 906 303 394	834 918 362
Due from related party	7 288 889	2 760 164
Cash and cash equivalents	786 297 304	1 093 526 328
PPE held for sale	1 576 957	1 610 291
Current assets	5 923 343 631	4 745 796 103
Total assets	10 077 161 048	8 580 367 133
Equity		
Issued and paid-up capital	941 405 082	941 405 082
Legal reserve	794 531 918	742 112 963
General reserve - issuance premium	330 920 428	330 920 428
Retained earnings	2 300 456 664	2 233 885 644
Total equity attributable to owners of the company	4 367 314 092	4 248 324 117
Non-controlling interest	1 856 168	1 444 468
Total equity	4 369 170 260	4 249 768 585
Non-current liabilities		
Loans	81 228 442	90 395 408
Lease contract liabilities	94 470 720	53 847 845
Deferred tax liabilities	362 726 736	321 767 403
Deferred income	4 857 455	6 023 113
Non-current liabilities	543 283 353	472 033 769
Current liabilities		
Provisions	178 915 345	183 529 210
Bank credit facilities	1 877 566 307	1 096 229 656
Creditors and other credit balances	2 604 448 720	2 261 080 629
Due to related parties	-	17 871 750
Income tax liabilities	404 067 114	177 047 207
Lease contracts liabilities	53 685 289	57 958 125
Loans	39 538 209	57 204 336
Deferred income	6 486 451	7 643 866
Current liabilities	5 164 707 435	3 858 564 779
Total liabilities	5 707 990 788	4 330 598 548
Total equity and total liabilities	10 077 161 048	8 580 367 133

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Cash Flow Statement

	1Q24	1Q23
	L.E.	L.E.
Cash flows from operating activities		
Net profit for the year before income tax and minority interest share in profits	714 799 441	424 147 989
Adjustments for:		
PPE depreciation	77 797 972	72 195 402
Capital (gain)	(588 338)	
Amortization of asset right of use (lands)		2 068
Amortization of Biological Wealth	8 274 798	7 924 782
Amortization of plant wealth (productive)	493 227	338 412
Cost of drying period	35 234 769	16 300
Capitalized animal wealth	(3 104 200)	(22 698 884)
Share of loss/profit equity accounted investees		(257 720)
Amortization of right of use	3 549 147	3 452 236
Lease liabilities interest	1 758 272	979 969
Biological wealth due to newborn	(7 336 200)	(4 963 800)
Gain (Loss) from selling of animal wealth	12 454 294	1 904 766
Investment Loss	522 059 902	-
Foreign currencies exchange differences		27 500 005
Interest income	(10 536 340)	(3 573 141)
Finance interests & expenses	86 560 743	49 924 812
	1 441 417 487	556 893 196
Changes in:		
Inventories	(402 972 686)	(636 693 405)
Biological assets- Existing Agriculture	(5 923 443)	1 965 949
Biological assets- calves		
Trade and other receivables	(1 071 385 031)	(241 623 726)
Due from related parties	(22 400 475)	(2 048)
Creditors & other credit balances	281 327 523	668 208 848
Provisions	(4 613 864)	(5 220 770)
Net cash flows from operating activities	215 449 511	343 528 044
Dividends paid to employees		
Income tax paid	(16 525 005)	(1 028 138)
	198 924 506	342 499 906
Cash flows from investing activities		
Acquisition of PPE & projects under construction	(309 114 417)	(79 704 936)
Held for sale	33 334	
Herd plant	236 540	892 592
Proceeds from sale of PPE		(1 768 787)
Proceeds from plant wealth unproductive	524 150	1 869 532
Payment to plant wealth unproductive	15 297 837	10 301 415
Payments to invest in biological assets	(13 236 487)	(14 531 059)
Proceeds from credit interests	10 536 340	3 573 141
Proceeds from the compensation of calves death	4 674 336	1 300 361
Paid for investment at F.V through P/L	(843 171 021)	-
Proceeds from investment at F.V through P/L	321 111 119	-
Net cash flows (used in) investing activities	(813 108 269)	(78 067 742)
Cash flows from financing activities		
Proceeds from credit facilities	781 336 651	(77 895 769)
(Payments for) financial lease contract liabilities	(13 850 616)	(8 535 490)
Proceeds from bank loans		-
(Payments for) bank loans	(29 156 166)	(13 053 000)
Finance interests & expenses paid	(86 560 743)	(49 924 812)
Dividends paid to shareholders		
Net cash flows from (used in) financing activities	651 769 126	(149 409 071)
Change in cash & cash equivalents during the period	37 585 363	115 023 094
The effect of foreign exchange difference	(344 814 387)	(27 500 005)
Cash & cash equivalents at 1 January	1 093 526 328	294 504 052
Cash & cash equivalents at 31 March	786 297 304	382 027 141

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Other Comprehensive Income Statement

	1Q24	1Q23
		-
Net profit for the period after tax	478 744 970	339 414 372
Foreign exchange gain/(Loss)	(344 814 387)	-
Related tax	(14 528 908)	
Total other comprehensive income	119 401 675	339 414 372
Distributed as follows		
Parent owners of the company	118 989 975	339 217 994
Non-controlling interests	411 700	196 378
	119 401 675	339 414 372

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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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