

9M24 Earnings Release

Cairo, Egypt | 14 November 2024



Juhayna Food Industries Reports 9M24 Earnings

Juhayna records a remarkable 177% y-o-y increase in net profit to reach EGP 2,438mn, and a 64% y-o-y increase in net revenue to EGP 18.3bn in 9M24.

3Q24 Highlights

6,864mn Net Revenue ▲57% YoY	2,035mn, 29.6% Gross Profit, margin ▲117% YoY, ▲ 8.1pps	1,510mn, 22.0% EBITDA, margin ▲ 162% YoY, ▲ 8.8pps
958mn, 14.0% Net Profit, margin ▲197% YoY, ▲ 6.6pps	1,999mn 30/9/2024 Net Debt ▲ 941% YTD	686mn, 10.0% SG&A, % of Sales ▲54% YoY, ▼ 0.2pps YoY

9M24 Highlights

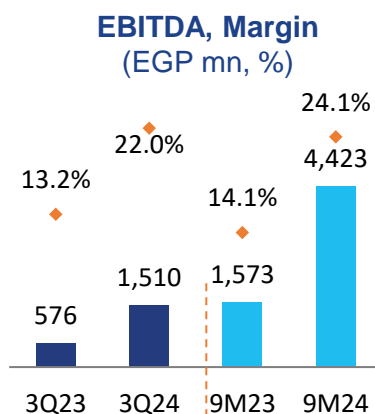
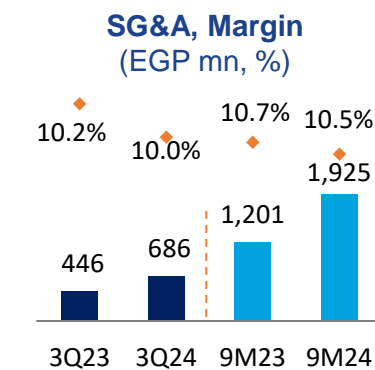
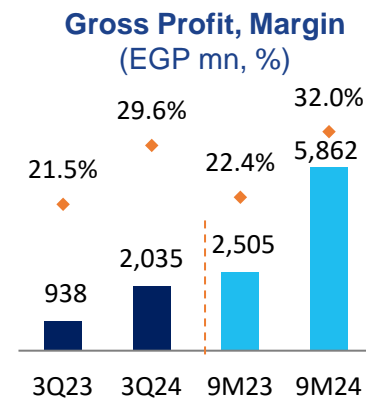
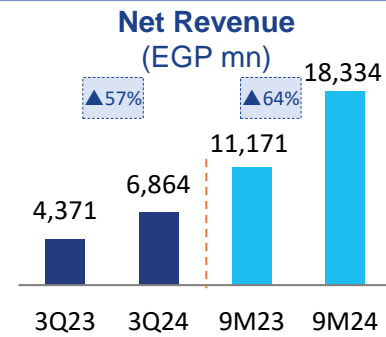
18,334mn Net Revenue ▲64% YoY	5,862mn, 32.0% Gross Profit, margin ▲134% YoY, ▲ 9.6pps	4,423mn, 24.1% EBITDA, margin ▲ 181% YoY, ▲ 10.0pps
2,438mn, 13.3% Net Profit, margin ▲177% YoY, ▲ 5.4pps	1,999mn 30/9/2024 Net Debt ▲ 941% YTD	1,925mn, 10.5% SG&A, % of Sales ▲60% YoY, ▼ 0.2 pps YoY

Revenue By Segment

EGP mn	3Q24	3Q23	% Change	9M24	9M23	% Change
Dairy	3,161	2,428	30%	8,303	5,983	39%
Fermented	1,211	806	50%	3,660	2,223	65%
Juice	1,377	834	65%	3,421	1,909	79%
Concentrates & Agri	1,060	231	358%	2,830	834	239%
3rd Party Distribution	55	72	-24%	120	222	-46%
Total	6,864	4,371	57%	18,334	11,171	64%

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(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange), a leader in the Egyptian packaged dairy, yogurt and juice markets, announced its audited consolidated results for 3Q24. The company achieved net revenues of EGP 6.9bn in 3Q24 in comparison to EGP 4.4bn in 3Q23, marking a substantial growth of 57%. The company achieved net revenues of EGP 18.3bn in 9M24 compared to EGP 11.2bn in 9M23, reflecting a growth of 64% bolstered by double-digit volume increase in the juice segment, along with the exceptional performance of Juhayna’s exports.

The Egyptian economy experienced stability in foreign exchange rates and interest rates during 3Q24, which helped sustain consumer purchasing power despite an earlier shift toward lower-priced products. However, in response to rising utilities costs, Juhayna implemented price adjustments in September 2024. This move was necessary to offset increased operational expenses. Despite these challenges, Juhayna’s diverse product range allowed us to effectively meet varied consumer needs. Notably, our juice segment witnessed a strong summer season, achieving double-digit volume growth, demonstrating robust demand in this category. As currency stability improved, the economic environment became more favorable, supporting our business momentum.

Gross profit surged by 134% to reach EGP 5.9bn in 9M24 in comparison to EGP 2.5bn in 9M23, displaying a gross profit margin of 32.0%. The company also achieved EGP 2.0bn in 3Q24, a notable 117% YoY growth from EGP 938mn in 3Q23, with a gross profit margin of 29.6% sustained by the exceptional profitability of the concentrates segment. Moreover, Juhayna was able to expand its market presence and brand through innovative product launches in the dairy, juice and fermented segments.

The selling, general, and administrative (SG&A) margin decreased by 0.2% YoY in 3Q24 to 10.0%, and by 0.2% YoY in 9M24 to 10.5%. Despite ongoing marketing campaigns, this improvement reflects Juhayna’s successful cost optimization strategy. This approach underscores the company’s commitment to expense control, identifying cost-saving opportunities, sustaining profitability, and achieving growth in a challenging economic landscape.

EBITDA witnessed a substantial growth of 162% in 3Q24 YoY, and by 181% in 9M24 YoY to reach EGP 1.5bn and EGP 4.4bn, respectively. This growth was driven by the exceptional margins in the concentrates business and a strategic emphasis on exporting finished products. The EBITDA margins increased to reach 22.0% and 24.1% in 3Q24 and 9M24, respectively.

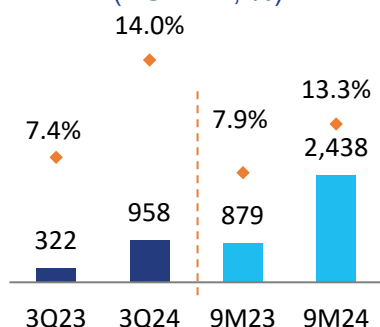
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Net Profit, Margin

(EGP mn, %)

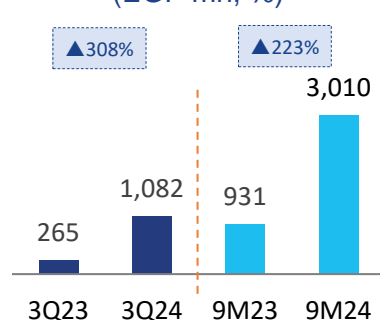


In terms of net profit, Juhayna achieved EGP 958mn in 3Q24, a remarkable 197% YoY growth; as well as achieving EGP 2,438mn in 9M24 increasing by 177% YoY. The company achieved net profit margins of 14.0% in 3Q24 and 13.3% in 9M24.

In 3Q24, Juhayna maintained its strong financial performance under relative stable economic conditions, driven by the continued success of both the concentrates segment and the export of finished products. Furthermore, Juhayna's innovative product launches in the dairy, juice and fermented segments contributed to the exceptional net profit growth for the quarter. It is important to note that the EGP 348 million foreign exchange losses and tax settlements which were carried over from 1Q24 are recorded in the 9M24 Other Comprehensive Income statement.

Export Sales, Growth

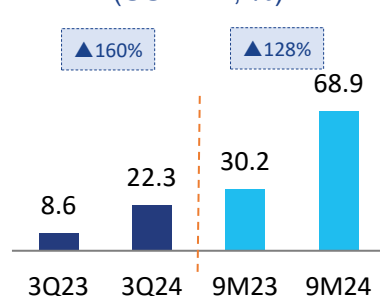
(EGP mn, %)



The company experienced a significant surge in export revenues across Concentrates, Dairy, Fermented and Juice categories, achieving an impressive growth rate of 308% in 3Q24 and 223% in 9M24, reaching EGP 1,082 million and EGP 3,010 million, respectively. Export sales now contribute 15.8% of the company's total revenues for 3Q24 and 16.4% for 9M24, a significant increase from 6.0% in 3Q23 and 8.3% in 9M23. In USD terms, exports achieved a growth of 160% in 3Q24, reaching USD 22.3 million and a 128% in 9M24, reaching USD 68.9 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 previous 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

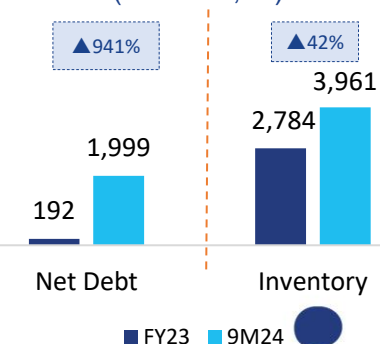
(USD mn, %)



Net debt experienced a substantial increase from EGP 192 million to EGP 1.99 billion by 9M24, representing a significant 941% rise. This increase was initially driven by the accumulation of dollar-based payables early in 1Q24 due to a foreign currency shortage. However, debt levels remained elevated throughout the year as we strategically leveraged bank resources to finance our working capital needs and fund our ambitious Capex plans for 2024. Notably, Juhayna invested EGP 1,226 million in Capex by 9M24, supporting our long-term growth initiatives that began in 2023, with a focus on enhancing our farming, manufacturing, and distribution capabilities. This continued investment underscores our commitment to future expansion despite challenging economic conditions.

Net Debt, Inventory

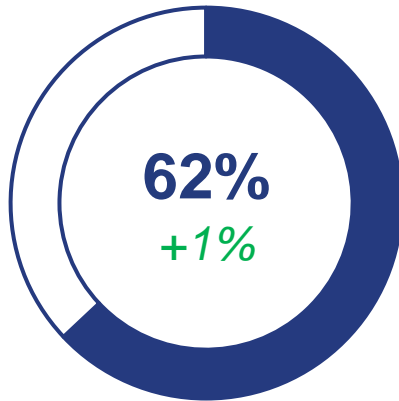
(EGP mn, %)



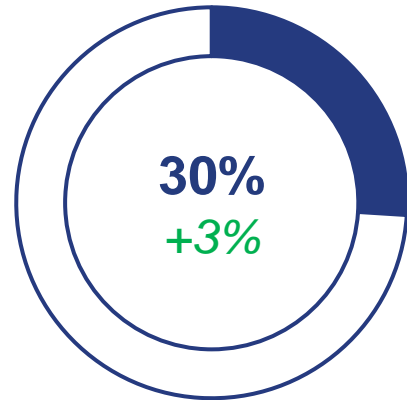
Our strong framework and strong governance practices that have been developed over the past years, and the hard work of our experienced management team, have enabled us to achieve great success. We are confident that the Egyptian market will continue to recover, and we are proud to have a strong brand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

9M24 vs 9M23 Market Shares

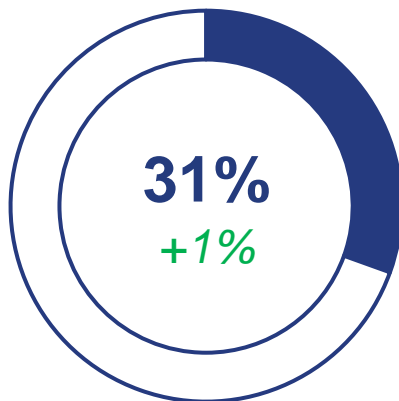
Plain Milk



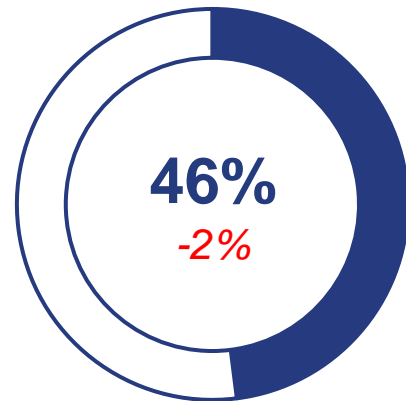
Juice



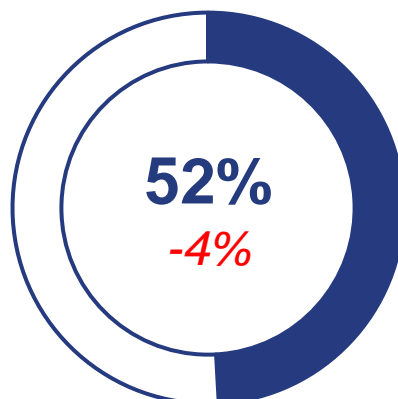
Spoonable Yogurt



Drinkable Yogurt



Flavored Milk



Announcements / Strategic Vision & Innovation

Carrying forward the momentum of change



Since early 2024, Juhayna has remained committed to its vision of attracting and retaining top-tier professionals to fuel growth and drive innovation. This initiative began with the appointment of Mohamed Sultan as our new Managing Director, whose leadership has been instrumental in Juhayna's transformation. Following this, Tarek Elwan joined as our Chief Financial Officer (CFO) to lead the company's financial strategy. We are also pleased to announce the recent appointments of Mohamed Raafat as Chief Marketing Officer (CMO) and Hussein Masry as Chief Operating Officer (COO), both of whom bring extensive expertise from leading multinational companies. With their significant experience, Mr. Raafat and Mr. Masry are well-positioned to strengthen our marketing and operational strategies, further supporting Juhayna's ambitious expansion plans to become a global enterprise.

With new management in place and as a leader in the dairy and juice sectors, Juhayna is pleased to announce several product launches in the dairy, juice, and fermented segments. In response to rising consumer demand for healthier options, the dairy segment witnessed the introduction of a chocolate milk mix with 30% less sugar, aligning with customer preferences and receiving positive feedback. In the juice segment, Juhayna launched two new flavors—Pina Colada and Mon Cherie—to cater to demand for trendy, youth-focused beverages. These flavors were introduced during the summer and supported by targeted marketing campaigns, generating strong consumer interest. To conclude the third quarter, Juhayna expanded its Greek yogurt line in the fermented segment with new flavors: Oats with flax seeds, Pineapple and Açaí. These additions meet Juhayna's high standards for health and quality which have been well received, significantly highlighting the company's position as a market leader and innovator.

9M24 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 November 20th, 2024, at 3:00 pm Cairo Local Time (CLT).

A telephone conference for analysts and investors hosted by EFG Hermes will be held in English on Wednesday, 20th of November 2024; at 3:00 pm Cairo Local Time. Managing Director for Centralized Functions Mohamed Sultan and Head of Investor Relations Karim Ibrahim will present 9M24 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

	9M24	9M23	3Q24	3Q23
Net sales	18 333 879 709	11 171 404 532	6 863 671 472	4 370 955 549
Cost of sales	(12 472 346 144)	(8 666 852 217)	(4 828 605 923)	(3 433 372 499)
Gross profit	5 861 533 565	2 504 552 315	2 035 065 549	937 583 050
Other operating income	379 520 894	121 595 782	153 231 563	53 074 137
Selling and Marketing expenses	(1 523 287 436)	(949 638 545)	(554 591 151)	(367 381 645)
General and administrative expenses	(401 408 364)	(251 041 389)	(131 450 226)	(78 906 699)
Net (Losses) Reverse of Impairment loss of trade and other receivables	(3 887 085)	5 454 588	633 278	27 615
Other expenses	(137 106 255)	(110 982 779)	(45 748 832)	(50 767 885)
Results from operating activities	4 175 365 319	1 319 940 272	1 457 140 181	493 628 573
Share of (Loss) /profit of Equity accounted investees	436 585	71 634	633 375	(259 822)
Net finance (cost)	(450 473 343)	(177 916 854)	(230 989 456)	(49 517 683)
Loss on investment at FV through profit or loss	(522 059 902)	(14 237 684)	-	(14 237 684)
Net profit for the period before income tax	3 203 268 659	1 127 857 368	1 226 784 100	429 613 384
Current income tax	(765 423 484)	(248 921 023)	(269 193 128)	(107 107 329)
Net profit for the period after tax	2 437 845 175	878 936 345	957 590 972	322 506 055
Distributed as follows				
Owners of the company	2 437 723 959	878 623 107	958 455 298	322 502 998
Non-controlling interests	121 216	313 238	(864 326)	3 057
	2 437 845 175	878 936 345	957 590 972	322 506 055
Earning per share for the period (L.E /share)	2.59	0.93	1.02	0.34

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Balance Sheet

	9M24	FY23
Assets		
Non-current assets		
Property, plant and equipment	3 361 971 668	3 077 685 183
Projects under construction	1 023 855 951	299 334 840
Biological assets	374 064 668	305 114 220
Equity accounted investees	16 106 655	15 670 070
Right of use assets	73 319 670	38 966 498
Goodwill	97 092 890	97 092 890
Other long-term asset	701 125	707 329
Non-current assets	4 947 112 627	3 834 571 030
Current assets		
Inventories	3 960 676 169	2 783 515 178
Trade and other receivables	2 134 782 546	834 918 362
Cash and cash equivalents	1 812 605 629	1 093 526 328
Due from related party	3 637 241	2 760 164
Other Biological assets	55 619 989	29 465 780
PPE held for sale	1 560 290	1 610 291
Current assets	7 968 881 864	4 745 796 103
Total assets	12 915 994 491	8 580 367 133
Equity		
Issued and paid-up capital	941 405 082	941 405 082
Legal reserve	742 112 963	742 112 963
General reserve - issuance premium	330 920 428	330 920 428
Retained earnings	4 026 887 770	2 233 885 644
Total equity attributable to owners of the company	6 041 326 243	4 248 324 117
Non-controlling interest	759 557	1 444 468
Total equity	6 042 085 800	4 249 768 585
Non-current liabilities		
Loans	325 338 639	90 395 408
Lease contract liabilities	77 568 491	53 847 845
Deferred tax liabilities	340 542 715	321 767 403
Deferred income	2 956 089	6 023 113
Non-current liabilities	746 405 934	472 033 769
Current liabilities		
Provisions	200 935 534	183 529 210
Bank credit facilities	3 301 207 435	1 096 229 656
Creditors and other credit balances	1 742 851 452	2 261 080 629
Due to related parties	26 560 000	17 871 750
Income tax liabilities	630 254 008	177 047 207
Lease contracts liabilities	64 669 668	57 958 125
Loans	156 494 232	57 204 336
Deferred income	4 530 428	7 643 866
Current liabilities	6 127 502 757	3 858 564 779
Total liabilities	6 873 908 691	4 330 598 548
Total equity and total liabilities	12 915 994 491	8 580 367 133

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Cash Flow Statement

	9M24	9M23
Cash flows from operating activities		
Net profit for the year before income tax	3 203 268 659	1,127,857,368
Adjustments for:		
PPE depreciation	244 037 321	215 107 974
Capital (gain)	(56 046 397)	(14 889 772)
Amortization of Biological Wealth	24 768 728	24 048 598
Amortization of plant wealth (productive)	1 463 686	1 015 235
Net profits in equity accounted investees	(436 585)	(71 635)
Impairment of Fixed assets (Reversal)	-	(1 001 809)
Amortization of right of use	8 794 026	10 585 912
Lease liabilities interest	15 557 932	3 127 004
Biological wealth due to newborn	(30 866 200)	(8 172 000)
Costs of drying period and calves death	(105 395 417)	(49 083 428)
Gains from sale Biological Wealth & plant	(20 518 608)	(10 087 352)
Investment Loss	522 059 902	14 237 684
Foreign currencies exchange differences	50 695 235	40 140 049
Interest income	(35 331 177)	(13 002 053)
Finance interests & expenses	520 941 823	147 651 854
	4 342 992 928	1 487 463 629
Changes in:		
Inventories	(1 177 160 991)	(693 347 968)
Biological assets- Existing Agriculture	(25 673 860)	(16 499 755)
Trade and other receivables	(1 299 864 184)	(151 387 507)
Due from related parties	(877 077)	-
Due to related parties	8 688 250	(864 013)
Creditors & other credit balances	(518 229 177)	664 494 080
Dividends paid to employees	(103 276 807)	(41 212 761)
paid from sales tax capitalization	-	(186 314)
Provisions	17 406 324	14 766 144
Net cash flows from operating activities	1 244 005 406	1 263 225 536
Income tax paid	(297 119 050)	(202 327 026)
	946 886 356	1 060 898 510
Cash flows from investing activities		
Acquisition of PPE & projects under construction	(1 255 574 477)	(391 057 512)
Proceeds from sale of PPE	58 775 954	45 312 896
Payment to plant wealth productive	(916 650)	(7 745 793)
Proceeds from plant wealth productive bashayer	3 332 837	-
Payment to plant wealth unproductive	(16 378 125)	(24 565 342)
change in other long term asset	6 204	6 204
Proceeds from death compensation	10 796 379	4 628 740
proceed from sale wealth productive & plant	64 282 576	14 100 100
Payments for the purchase of shares	(831 200 366)	(44 723 805)
Proceeds from sale of shares	309 140 464	30 486 121
Net cash flows (used in) investing activities	(1 657 735 204)	(373 558 391)
Cash flows from financing activities		
Net proceeds from credit facilities & loans	2 585 168 322	(13 182 888)
Assets held for sale	50 001	332 204
Paid of right of use	(43 147 198)	-
Payment to non-controlling interests acquisition	(5 478 070)	-
(Payments for) financial lease contract liabilities	14 874 257	(17 983 102)
(Payments for) bank loans	(52 137 878)	(21 148 070)
Proceeds from credit interests	35 331 176	13 002 053
Finance interests & expenses paid	(520 941 823)	(147 651 854)
Dividends paid to shareholders	(188 281 016)	(141 210 761)
Net cash flows from financing activities	1 825 437 771	(327 842 418)
Change in cash & cash equivalents during the period	1 114 588 923	359 497 700
The effect of foreign exchange difference	(395 509 622)	(40 140 049)
Cash & cash equivalents at 1 January	1 093 526 328	294 504 052
Cash & cash equivalents at 30 September	1 812 605 629	613 861 703

Other Comprehensive Income Statement

	9M24	9M23	3Q24	3Q23
Net profit for the period after tax	2 437 845 175	878 936 345	957 590 972	322 506 055
Net losses of foreign currency evaluation after tax impact	(348 492 067)	-	-	-
Total other comprehensive income	2 089 353 108	878 936 345	957 590 972	322 506 055
Distributed as follows				
Parent owners of the company	2 089 231 892	878 623 107	958 455 298	322 502 998
Non-controlling interests	121 216	313 238	(864 326)	3 057
	2 089 353 108	878 936 345	957 590 972	322 506 055

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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