

FY 2019 Earnings Release

Revenue	Q4	1.8B	8% ▲	Revenue	FY	7.6B	7% ▲
Net Profit	Q4	38M	-19% ▼	Net Profit	FY	329M	-19% ▼
EBITDA	Q4	221M	-10% ▼	EBITDA	FY	1,093M	-5% ▼



Sales

(Millions EGP)



Dairy



Yogurt



Juices



Concentrates



Agriculture



ARJU

Q4

990

9% ▲

401

12% ▲

354

10% ▲

22

-60% ▼

7

-34% ▼

68

33% ▲

FY

3,760

8% ▲

1,811

14% ▲

1,526

8% ▲

256

-28% ▼

31

-27% ▼

252

11% ▲

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 full year 2019, reporting a 7.2% year-on-year growth in total consolidated revenue, reaching EGP 7,636 million. Net profit reached EGP 329 million during full year 2019.

During the fourth quarter of 2019 consolidated revenues reached EGP 1,844 mn, realizing an 8% year-on-year rise, while net profit reached EGP 38 million.

The highest contributors to the top line was the dairy and yogurt segments, representing 54% and 22% of revenues in 4Q19. As for FY19, dairy and yogurt also remained the highest contributors 49% and 24%, respectively.

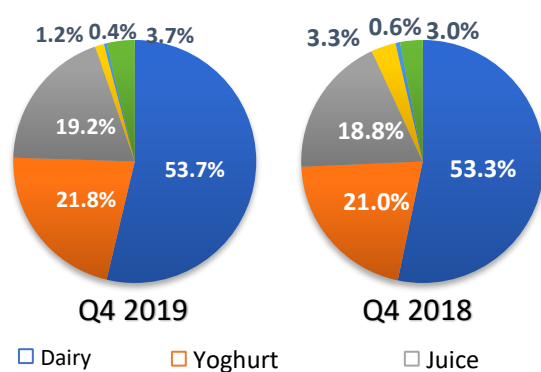
Highlights of Juhayna's financial and operational results along with management's commentary on performance in the quarter follow below Juhayna's full financials are available for download on the company's website: www.juhayna.com.

KEY PERFORMANCE INDICATORS:

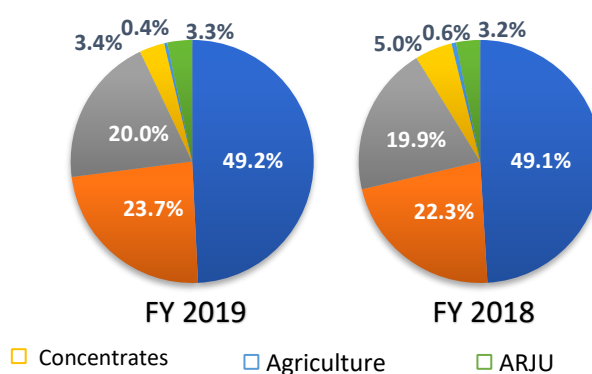
<u>Q4 2019</u>		
	EGP mn	Change %
Dairy	990	9%
Yogurt	401	12%
Juice	354	10%
Concentrates	22	-60%
Agriculture	7	-34%
ARJU	68	33%
Revenues	1,844	8%
Gross Profit	535	1%
EBIT	136	-20%
Net Income	38	-19%
<u>FY 2019</u>		
	EGP mn	Change %
Dairy	3,760	8%
Yogurt	1,811	14%
Juice	1,526	8%
Concentrates	256	-28%
Agriculture	31	-27%
ARJU	252	11%
Revenues	7,636	7%
Gross Profit	2,303	9%
EBIT	813	-5%
Net Income	329	-19%

REVENUE BREAKDOWN:

Q4 2019 vs. Q4 2018



FY 2019 vs. FY 2018



MANAGEMENT'S NOTE:

Juhayna achieved EGP 7.6 Billion in sales during the year, recording 7.2% revenue growth, which proves the company's ability to sustain its leadership in the dairy, yoghurt and juice markets, despite all the challenges that still exist in the market. Consumer purchasing power is our biggest challenge, as slow recovery remains to be a hurdle limiting the market's growth.

Juhayna has attained 419 Million in profits, realizing a 13 Million increase from last year. However, due to end of tax exemption period for some of the subsidiaries as well as applying the new healthcare insurance fees, the net profit reflected in our financial statements was negatively affected by 90 Million, to become a total of 329 Million. This year witnessed a decrease in general and administrative expenses, accompanied with an increase in promotions to retain market share leadership. As a result of that, SG&As increased

The company's efficient management of its working capital resulted in decreasing the inventory and the debt levels. We will keep monitoring consumer purchasing behavior, while innovation and product development remain to be the pillars of Juhayna's strategy to maintain its leadership across all product categories

I. CONSOLIDATED INCOME STATEMENT

(EGP '000)	FY 2019	FY 2018
Net Sales	7,635,857	7,122,307
Cost of Sales	(5,332,732)	(5,003,934)
Gross Profit	2,303,125	2,118,373
<i>Gross Profit Margin</i>	<i>30.2%</i>	<i>29.7%</i>
Other Income	66,087	80,418
Sales & Distribution Expenses	(1,194,793)	(1,007,560)
General & Administrative Expenses	(243,862)	(236,289)
Other (Expenses)	(97,456)	(85,562)
Board of Directors Remuneration	(19,975)	(16,765)
Results from Operating Activities	813,125	852,616
EBITDA	1,093,086	1,148,809
<i>EBITDA Margin</i>	<i>14.3%</i>	<i>16.1%</i>
The Holding Company's Share in Profit in the (losses) of Companies Under Joint Control	6,289	1,380
End of Service Remuneration	(14,236)	(12,389)
Financing Income & Financing Expenses	(321,612)	(347,135)
Net Profit Before Tax	483,566	494,471
Income Tax	(123,822)	(75,168)
Deferred Tax	(30,984)	(13,206)
Net Profit	328,761	406,097

II. CONSOLIDATED BALANCE SHEET

('000 EGP)	FY 2019	FY 2018
Property, plant and equipment (net)	3,292,284	3,162,909
Projects under construction	97,358	192,170
Plant wealth	12,516	12,753
Plant wealth - under preparation	15,865	3,392
Biological wealth	195,122	143,126
Investments under joint control (equity)	14,864	8,575
Goodwill	97,093	97,093
Other – long term assets	740	749
Non-current Assets	3,725,842	3,620,766
Biological assets- Feeding	13,948	20,616
Biological assets- Agriculture	17,214	14,606
Assets Held For Sale	6,243	17,388
Inventories	1,043,418	1,054,873
Trade and other receivables (net)	414,144	468,786
Cash and cash equivalents	99,424	36,143
Current Assets	1,594,390	1,612,412
Total Assets	5,320,232	5,233,178
Issued and Paid up Capital	941,405	941,405
Legal Reserve	594,086	554,015
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	859,988	810,339
Total Equity Attributable to the Shareholders of the Parent Company	2,726,399	2,636,680
Non Controlling Interest	640	994
Total Equity	2,727,039	2,637,674
Non-Current loans	692,547	609,854
Other Non-Current liabilities	22,964	19,415
Financial Lease	87,202	140,811
Deferred tax liabilities	275,909	244,926
Non-Current Liabilities	1,078,622	1,015,006
Provisions	16,474	16,388
Banks – Overdraft	2,706	15,571
Banks – Credit Facilities	398,940	709,392
Creditors and Other Credit Balances	695,896	512,791
Income Tax Payable	103,663	51,137
Due to Related Parties	422	783
Lease Contract Liabilities	11,597	18,905
Non-Curent loans – Current Portion	284,872	255,532
Current Liabilities	1,514,571	1,580,499
Total Liabilities	2,593,193	2,595,505
Total Equity & Total Liabilities	5,320,232	5,233,178

III. CONSOLIDATED CASH FLOWS

	FY 2019	FY 2018
(‘000 EGP)		
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	483,566	494,471
Adjustments for:		
PPE' depreciation	270,172	275,760
Capital gain	(10,167)	(18,315)
Amortization of right to -use land	8	8
Amortization of animal wealth	19,864	14,759
Amortization of plant wealth	402	399
PPE, Assets under Construction & Biological Assets Impairment	4,890	13,139
Impairment of trade and other receivables	4,249	984
Change in Investments under joint control	(6,289)	(1,380)
Impairment in inventories		13,375
Provision for claims formed	7,528	8,700
Herd births	(15,869)	(15,105)
Herd Capitalized	(98,752)	(83,529)
losses from selling cows	13,240	2,683
losses from calves death	3,830	1,872
Foreign exchange gain	5,433	6,846
Credit interests	(14,309)	(14,403)
Finance interests & expenses	330,489	354,692
	998,286	1,054,956
Collected time deposits interests	14,309	14,403
Interest finance expenses paid	(330,489)	(354,692)
Changes in:		
Inventories	20,152	(236,243)
Biological assets- Existing Agriculture	(2,608)	(6,038)
Trade and other receivables	70,195	(53,755)
Creditors & other credit balances	183,105	(72,410)
Due To related parties	(361)	(2,044)
Dividends paid to employees	(50,928)	(21,021)
Income tax paid	(71,295)	(38,593)
sales tax on capital goods -paid	(7,311)	(11,221)
Fixed assets – long term installments	10,860	
Impairment of trade and other receivables - used	(4,403)	
Impairment in inventories - used	(8,697)	
Provision for claims used	(7,442)	(796)
Net cash flows generated from (used in)from operating activities	813,375	272,547
Cash Flow from Investing Activities		
Acquisition of PPE & projects under construction	(330,928)	(257,502)
Proceeds from sale of PPE	45,504	51,965
Compensation of calves death	4,312	2,909
Acquisition of plant and animal wealth	(30,531)	(1,477)
Proceeds from the sale of plant and animal wealth	43,051	27,941
Net Cash Flows (Used In) Investing Activities	(268,593)	(176,163)
Cash Flow (used in) Financing Activities		
Proceeds from bank credit facilities	(338,716)	(225,137)
Payments in lease installments	(60,917)	(14,903)
Collection/(payments) proceeds from loans	112,032	195,308
Dividends paid to share holders	(188,281)	(94,141)
Decrease in non-controlling interest	(187)	(257)
Net cash flows (used in) financing activities	(476,068)	(139,131)
Decrease (Increase) in Cash & Cash Equivalents during the year	68,714	(42,747)
The effect of foreign exchange difference	(5,433)	(6,846)
Cash & Cash Equivalents as at 1 January	36,143	85,736
Cash & Cash Equivalents as at 31 December	99,424	36,143




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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