

1Q21 Earnings Release

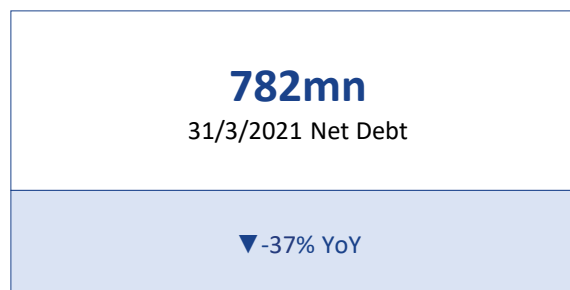
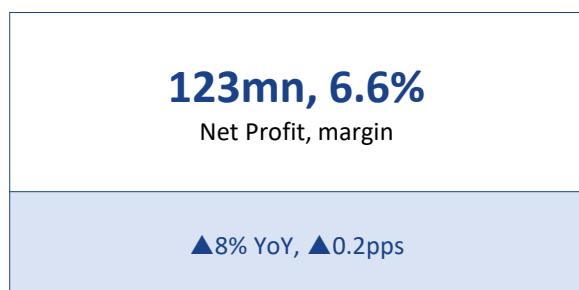
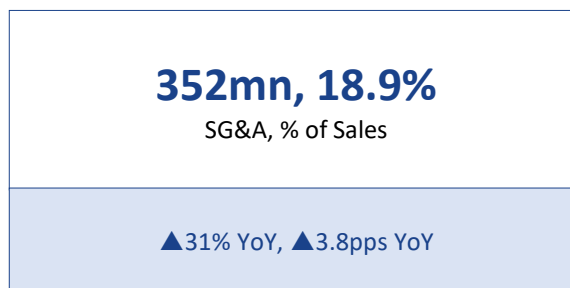
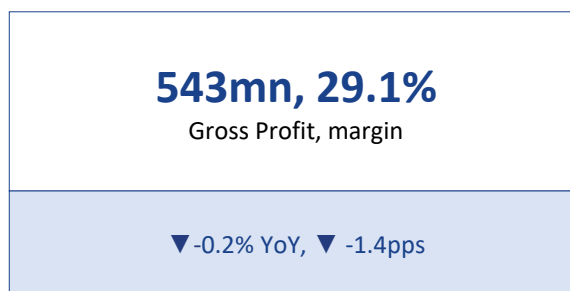
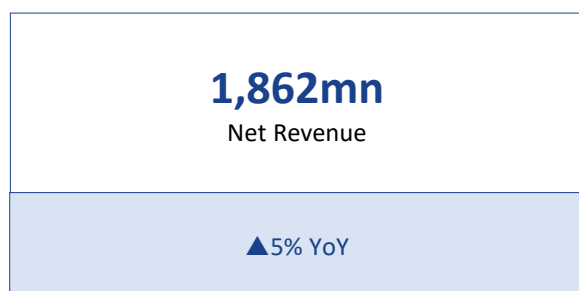
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Juhayna Food Industries Reports 1Q21 Earnings

Juhayna records a 8% y-o-y increase in net profit to 123mn, and a 5% y-o-y increase in net revenue to 1.86bn in 1Q21.

1Q21 Highlights



Revenue By Segment

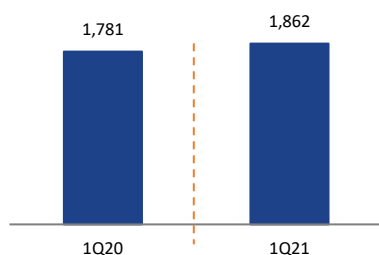
EGP mn	1Q21	1Q20	% Change
Dairy	989	980	1%
Fermented	456	361	26%
Juice	311	316	-1%
Concentrates & Agri	46	71	-35%
3rd Party Distribution	60	54	10%
Total	1,862	1,781	5%

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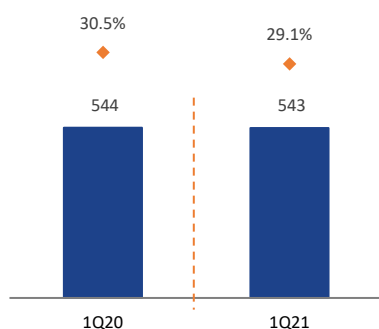
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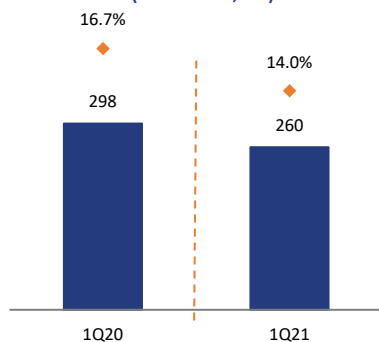
Net Revenue (EGP mn)



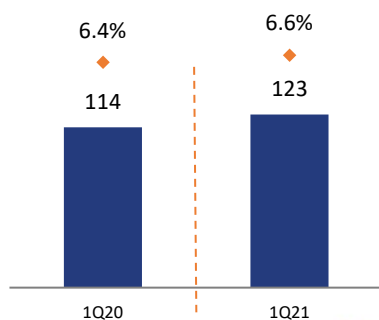
Gross Profit, Margin (EGP mn, %)



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 today its audited consolidated results for 1Q21, reporting net revenues amounting to EGP 1.86bn, realizing a growth of 5%. Modest growth, as 1Q20 was 2020’s high base.

In 1Q21, gross profit margin decreased by 1.4pps y-o-y to reach 29.1%. The margin contraction witnessed in 1Q21 is a result of the global increase in raw (i.e., raw milk) and packaging material prices and global supply chain disruptions.

SG&A margin increased by 3.8pps y-o-y to reach 18.9% in 1Q21, due to increased marketing spending to support the launch of Juhayna’s new innovation, the Nuts & Grains Plant Based segment. In 1Q21 EBITDA reached 260mn, decreasing 13%, while margin for the period decreased by 2.7pps to reach 14.0%.

Decrease in the gross and EBITDA margins was more than made up for on the net profit level, due to the company’s cost optimization strategy and deleveraging efforts, as net debt decreased from EGP 1,240mn in 1Q20, to EGP 782mn in 1Q21, as well as lower cost of financing as the central bank of Egypt lowered the lending rates. For 1Q21, net profit amounted to EGP 123mn, realizing an increase of 8% and NPM increased by 0.2pps reaching 6.6%.

Juhayna amended its accounting presentation of some discount accounts from selling expenses to be part of discounts (contra-revenue account). Accordingly, historical net sales and SG&A figures changed retroactively, by decreasing the net sales figure and decreasing the SG&A expense with no impact in EBIT figure.

Product Launches

In line with global trends and increasing consumer demand for dairy alternatives as part of their daily diet, Juhayna Food Industries was pleased to announce the launch of its plant-based segment to meet growing consumer demand and to contribute to the development of the segment with our natural products and vegan/unique flavor compositions.

Initially, Juhayna launched five SKUs under the new sub-brand, “N&G” (Nuts and Grains), to become the first Egyptian company to introduce a full UHT plant-based milk range to the market, including 1 liter Almond, Coconut, Oat, Soy and Hazelnut milk, the leading variants in Europe and North America in terms of market size and/or growth.

Innovation in dairy products and dairy alternatives is core to Juhayna’s portfolio strategy, as well as our sustainability agenda. As a company, we have set ambitious climate goals that we are aiming to achieve. This is part of our promise to develop products that are good for our customers and for the planet.



Flavored Greek Yogurt was selected as Juhayna’s next innovative venture due to its growing popularity abroad and its alignment with Juhayna’s mission to introduce healthy varieties to the market. The product was launched in April of 2021, in collaboration with Juhayna’s research and development team and is representative of the healthy and high-quality innovations that Juhayna seeks to deliver, as the range is made from natural ingredients, free of gluten and offers 30% of the recommended daily intake of protein per pack.

Despite the Plain Greek Yogurt range launching in March 2020 at the height of the first wave of the pandemic, it achieved great success due to the taste, quality and diverse range of 4 different fat contents. This success granted the company to get the wheels turning for the launch of the flavored Greek Yogurt range, which constitutes of 4 different flavors – Vanilla, Strawberry, Peach and Berries. The range was well received by the market and has been a great success, helping grow the Greek Yogurt market significantly.



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Income Statement

	1Q21	1Q20
Net sales	1 861 689 122	1 781 405 133
Cost of sales	(1 319 074 210)	(1 237 752 722)
Gross profit	542 614 912	543 652 411
Other operating income	10 825 867	10 807 067
Selling and Marketing expenses	(281 247 233)	(232 583 532)
General and administrative expenses	(56 270 655)	(58 350 440)
Other expenses	(23 121 788)	(26 800 944)
Board of directors remuneration	-	(4 860 000)
Results from operating activities	192 801 103	231 864 562
Profits of a company under joint control	-	819 434
End of service	(13 991 812)	(14 689 561)
Net finance (expense)	(22 220 843)	(46 205 655)
Net profit before income tax	156 588 448	171 788 780
Current income tax	(36 889 124)	(59 243 656)
Deferred tax	3 446 330	1 076 530
Net profit for the period	123 145 654	113 621 654
Distributed as follows		
Parent Company's share in profit	123 106 033	113 592 900
Non-controlling interest	39 621	28 754
	123 145 654	113 621 654
Earning per share for the period (L.E /share)	0.13	0.12

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Balance Sheet

	1Q21	FY20
Assets		
Non-current assets		
Property, plant and equipment	3 100 183 686	3 147 991 528
Projects under construction	218 023 469	160 673 699
Plant wealth - productive	16 358 027	16 486 823
Plant wealth - not productive	25 027 332	22 187 917
Biological wealth	186 008 265	196 167 984
Investments under joint control (equity)	14 471 707	14 471 707
Goodwill	97 092 890	97 092 890
Right to use assets	40 595 238	44 325 662
Other - long term asset	730 077	732 144
Non-current assets	3 698 490 691	3 700 130 354
Current assets		
Biological assets - Feeding Sector	67 065	48 501
Biological assets - Existing Agriculture	16 450 699	12 242 286
PPE held for sale	5 861 349	6 636 111
Inventories	914 183 660	873 968 773
Trade and other receivables	480 317 369	360 164 022
Due from related party	2 506	-
Cash at banks and on hand	194 082 746	182 542 538
Current assets	1 610 965 394	1 435 602 231
Total assets	5 309 456 085	5 135 732 585
Equity		
Issued and paid up capital	941 405 082	941 405 082
Legal reserve	666 697 531	637 021 531
General reserve - issuance premium	330 920 428	330 920 428
Retained earnings	1 086 641 935	993 211 902
Total equity attributable to the shareholders of the parent company	3 025 664 976	2 902 558 943
Non-controlling interest	754 530	714 909
Total equity	3 026 419 506	2 903 273 852
Non-current liabilities		
Long - term loans	236 936 918	270 774 821
Other non current liabilities	10 302 221	18 208 729
Lease contract liabilities - non current portion	102 975 795	108 412 444
Deferred tax liabilities	283 435 735	286 882 065
Non-current liabilities	633 650 669	684 278 059
Current liabilities		
Provision for claims	52 242 386	50 854 882
Bank credit facilities	353 017 650	276 599 740
Creditors and other credit balances	687 737 941	674 165 586
Income tax payable	229 818 684	192 929 560
Lease contract liabilities- current portion	23 049 450	23 736 357
Loans-current portion	303 519 799	329 894 549
Current liabilities	1 649 385 910	1 548 180 674
Total liabilities	2 283 036 579	2 232 458 733
Total equity and total liabilities	5 309 456 085	5 135 732 585

Cash Flow Statement

	1Q21	1Q20
Cash flows from operating activities		
Net profit for the year before income tax and minority interest in profits	156 588 448	171 788 780
Adjustments for:		
PPE depreciation	71 347 492	72 525 438
Capital losses	(105 693)	(450 418)
Amortization of asset right of use (lands)	2 067	2 068
Amortization of animal wealth	7 588 955	6 209 712
Amortization of plant wealth (productive)	128 796	101 033
Impairment vital assets	-	(1 155 000)
Change in Investments under joint control	-	(819 434)
Impairment of Fixed assets	-	-
Impairment of trade receivables(Reverse)	(2 900 390)	3 235 859
Amortization of right of use asset	3 730 424	3 773 380
Right of use asset interest	1 276 780	-
Inventory write down	-	-
Impairment of the Inventory	-	(2 471 968)
Provision for claims formed	3 580 297	543 875
Herd birth	(3 456 100)	(2 712 800)
Herd capitalization	(13 559 643)	(21 425 200)
Loss from selling and death of animal wealth	4 368 156	5 607 148
Loss from the compensation of calves death	-	894 510
Foreign exchange (losses) / gain	(605 040)	(675 873)
Credit interests	(2 605 526)	(4 343 337)
Finance interests & expenses	25 431 409	51 216 116
	250 810 432	281 843 889
Collected credit interests	2 605 526	4 343 337
Finance interest & expenses paid	(25 431 409)	(51 216 116)
Changes in:		
Inventories	(40 214 887)	(13 092 018)
Biological assets- Exiting Agriculture	(4 208 413)	(4 423 452)
Trade and other receivables	(117 252 953)	(97 995 381)
Due to related parties	-	9 642 428
Creditors & other credit balances	13 572 354	(18 899 772)
Due from related parties	(2 506)	-
Dividends paid to employees	-	-
Income tax paid	-	-
Sales tax on capital goods -paid	(7 906 508)	(1 624 640)
Impairment in inventories used	-	-
Impairment in provisions claims	(2 192 793)	(2 375 880)
Impairment in fixed asset usage	-	(3 750 818)
Net cash flows result from operating activities	69 778 843	102 451 577
Cash flows from investing activities		
Acquisition of PPE & projects under construction	(80 654 523)	(70 230 960)
Proceeds from sale of PPE	645 558	737 927
Acquisition of plant wealth	(2 839 415)	(8 732 896)
Proceeds from sale of animal wealth	13 976 182	-
Proceeds from the compensation of calves death	1 223 601	437 000
Proceeds from the sale of plant and animal wealth	-	22 798 231
Net cash flows (used in) investing activities	(67 648 597)	(54 990 698)
Cash flows from financing activities		
Collection proceeds from overdraft & credit facility	76 417 910	255 529 381
Payment of financial lease contract liabilities	(7 400 335)	(8 128 162)
Payment for Bank long term loans	(60 212 653)	2 308 444
Dividends paid to shareholders	-	-
Net cash flows result from financing activities	8 804 922	249 709 663
Change in cash & cash equivalents during the period	10 935 168	297 170 542
The effect of foreign exchange difference	605 040	675 873
Cash & cash equivalents at 1 January	182 542 538	96 717 667
Cash & cash equivalents at 31 March	194 082 746	394 564 082

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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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