

Dear Egyptian Exchange,

Attached is the English version of the 1Q22 Earnings Release for disclosure.

Head of Investor Relations

Khaled Daader



# 1Q22 Earnings Release

Cairo, Egypt | 3 July 2022



## Juhayna Food Industries Reports 1Q22 Earnings

*Juhayna records a 16% y-o-y increase in net profit to 142mn, and a 29% y-o-y increase in net revenue to 2.4bn in 1Q22.*

### 1Q22 Highlights

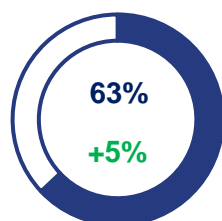
<b>2,403mn</b> Net Revenue ▲29% YoY	<b>635mn, 26.4%</b> Gross Profit, margin ▲17% YoY, ▼ -2.7pps	<b>275mn, 11.4%</b> EBITDA, margin ▲6% YoY, ▼ -2.5pps
<b>142mn, 5.9%</b> Net Profit, margin ▲16% YoY, ▼ -0.7pps	<b>326mn</b> 31/12/2021 Net Debt ▼-58% YoY	<b>450mn, 18.7%</b> SG&A, % of Sales ▲28% YoY, ▼ -0.2pps YoY

### Revenue By Segment

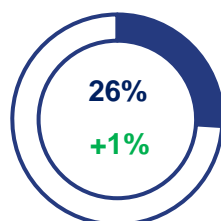
EGP mn	1Q22	1Q21	% Change
Dairy	1,299	989	31%
Fermented	585	456	28%
Juice	382	311	23%
Concentrates & Agri	64	46	39%
3rd Party Distribution	74	60	23%
Total	2,403	1,862	29%

### 1Q22 Volume Market Shares

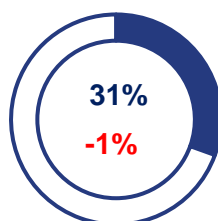
#### Plain Milk



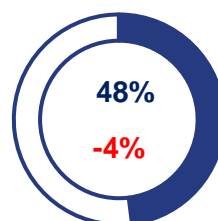
#### Juice



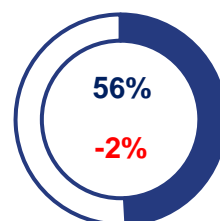
#### Spoonable Plain Yogurt



#### Drinkable Yogurt

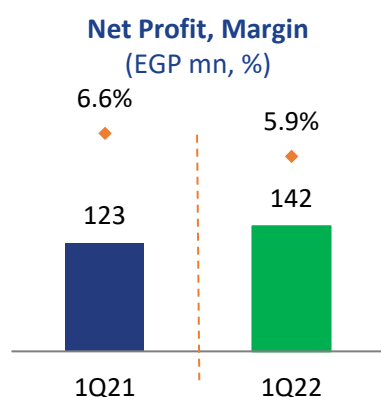
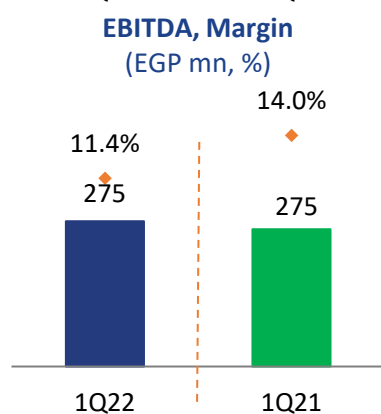
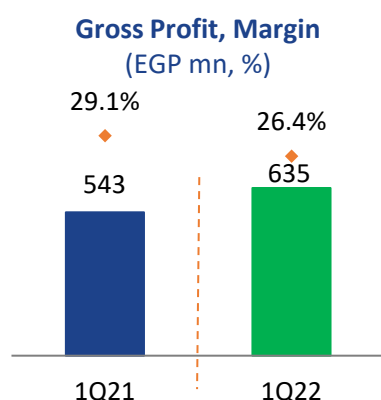
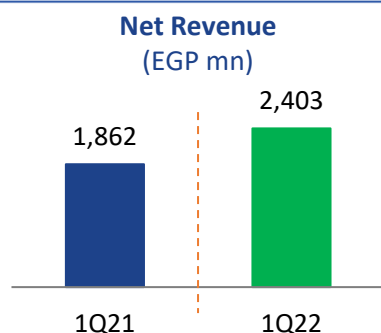


#### Flavored Milk



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Cairo, Egypt | 3 July 2022



(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 unaudited 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 2.7pps y-o-y to reach 26.4%. 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 we gained market share in the milk segment by 5% during the first quarter. In 1Q22 EBITDA margin for the period decreased by 2.5pps to reach 11.4%.

For 1Q22, net profit amounted to EGP 142mn, realizing an impressive increase of 16%. 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 0.7pps reaching 5.9%.

## 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**

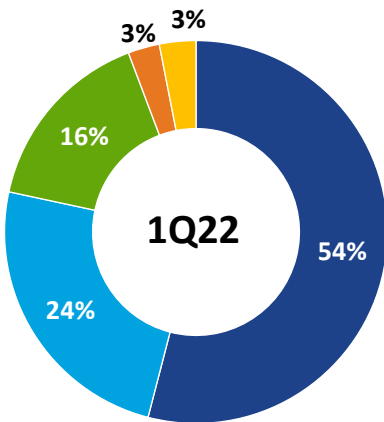
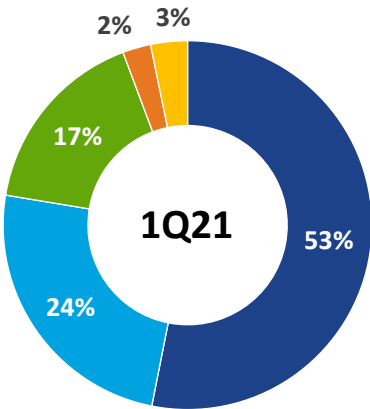


Juhayna Food Industries is delighted to welcome Mr. Niels Thomsen as Group CEO, bringing over 30 years of accumulated experience across a variety of manufacturing and supply chain managerial roles in the Food and Beverages industry. Mr. Thomsen will offer international experience garnered through positions 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.



**Revenue Breakdown  
by Segment**

- Dairy
- Fermented
- Juice
- Concentrates & Agri
- 3<sup>rd</sup> 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 16%, 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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## 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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