

FY22 Earnings Release

Cairo, Egypt | 29 March 2023



Juhayna Food Industries Reports FY2022 Earnings

Juhayna achieves record net sales of 11.4bn in 2022, growing by 29% y-o-y, and delivers net profit of 638mn with a growth rate of 21% y-o-y. Additionally, 4Q22 net sales rose by 40% to reach 3.2bn, with net profit growing 351% to reach 164mn.

4Q22 Highlights

3,203mn Net Revenue ▲40% YoY	810mn, 25.3% Gross Profit, margin ▲34% YoY, ▼ -1.2pps	466mn, 14.5% EBITDA, margin ▲66% YoY, ▲2.2pps
164mn, 5.1% Net Profit, margin ▲351% YoY, ▲3.5pps	676mn 31/12/2022 Net Debt ▲129% YoY	433mn, 13.5% SG&A, % of Sales ▲0.2% YoY, ▼ -5.4pps YoY

FY22 Highlights

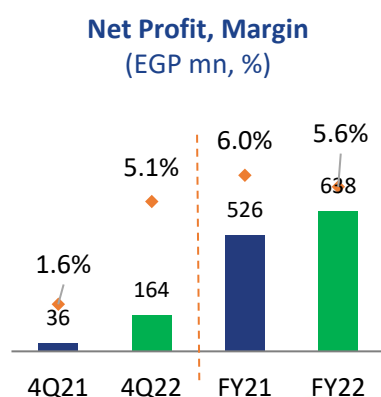
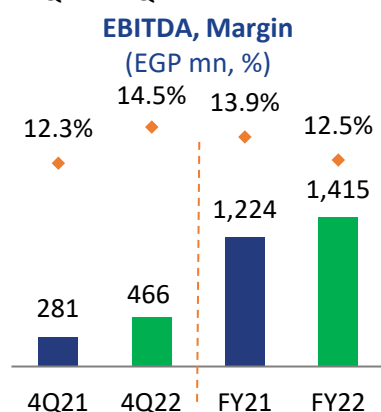
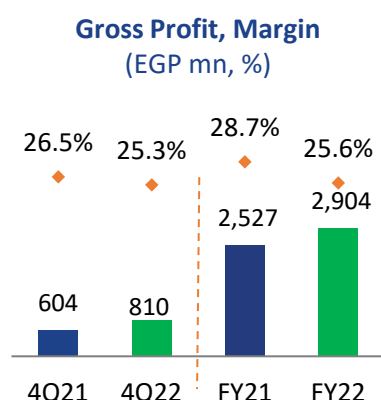
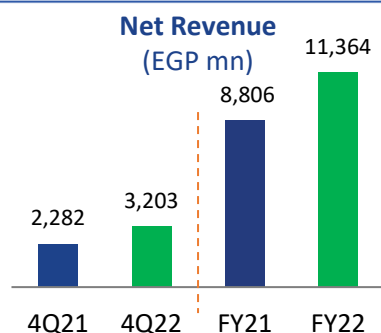
11,364mn Net Revenue ▲29% YoY	2,904mn, 25.6% Gross Profit, margin ▲15% YoY, ▼ -3.1pps	1,415mn, 12.5% EBITDA, margin ▲16% YoY, ▼ -1.4pps
638mn, 5.6% Net Profit, margin ▲21% YoY, ▼ -0.4pps	676mn 31/12/2022 Net Debt ▲129% YoY	1,836mn, 16.2% SG&A, % of Sales ▲14% YoY, ▼ -2.2pps YoY

Net Revenue By Segment

EGP mn	4Q22	4Q21	% Change	FY22	FY21	% Change
Dairy	1,907	1,228	55%	6,082	4,346	40%
Fermented	622	542	15%	2,748	2,383	15%
Juice	494	405	22%	1,913	1,616	18%
Concentrates & Agri	129	45	186%	390	217	80%
3rd Party Distribution	51	62	-18%	230	244	-6%
Total	3,203	2,282	40%	11,364	8,806	29%

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(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 audited consolidated results for FY22, reporting net revenues amounting to EGP 3.2bn, realizing a growth of 40% in 4Q22. In FY22 sales increased by 29% to reach a record 11.4bn. Impressive sales growth in FY22 was driven by pricing (60% y-o-y applied gradually throughout FY22), volume increases in the dairy and juice sectors as well as market share gains driven by an extensive marketing campaign in the beginning of the year.

Export sales increased at an annual growth rate of 85%, to record EGP 495m in 2022, representing 4.4% of the company's total revenues during the year. When calculated in US dollars, export sales amount to \$25 million in 2022, representing an annual growth of 48%, in USD terms.

In 4Q22, GPM decreased by 1.2pps y-o-y to reach 25.3% as we felt the full magnitude of the high-priced raw materials throughout the year. In FY22, GPM decreased by 3.1pps to reach 25.6%. The margin contraction was a result of the continuous increase in commodity prices, packaging material prices, challenging global supply chain disruptions, the devaluation of the Egyptian pound by 57% during FY22, and to a lesser extent product downtrading as a result of the decreasing purchasing power.

SG&A margin decreased by 5.4pps y-o-y to reach 13.5% in 4Q22. In FY22 SG&A margin decreased by 2.2pps to reach 16.2%, as a consequence of our cost optimization strategy. The Company strategically reduced marketing, selling and distribution spending. In 4Q22 EBITDA margin increased by 2.2pps to reach 14.5%. While in FY22 EBITDA margin decreased by 1.4pps to reach 12.5%

For 4Q22, net profit amounted to 164 million, increasing by 351% y-o-y and NPM increased by 3.5pps to reach 5.1%. As for FY22, net profit increased by 21% to reach 638 million and NPM decreased by 0.4pps, reaching 5.6%. The Company's cost optimization strategy, supply chain management, vertical integration, wide range of products and deleveraging efforts all supported our bottom line and helped ease the losses made on the gross profit level.

Launch of Drinkable Flavored Greek Yogurt range – April 2022

Drinkable Flavored Greek Yogurt was selected as Juhayna’s next innovative venture due to its alignment with Juhayna’s mission to introduce healthy varieties to the market. The product was launched in April 2022, in collaboration with Juhayna’s research and development team and is representative of the healthy and highquality innovations that Juhayna seeks to deliver, as the range is made up of 3 different flavors at 250gm per bottle. With life returning back to normal and people going back to the streets, it made sense to introduce a quick, on-the-go drinkable Greek yogurt product. The success of the Greek Yogurt range granted the company to start working on the launch of the Drinkable Flavored Greek Yogurt range, which constitutes of 3 different flavors – Pineapple & Peach, Mixed Berries & Oats, and Passion Fruit. The range was well received by the market and has been a great success, helping grow the Greek Yogurt market.



Juhayna – Karm Solar Partnership

In line with its strategy to rationalize consumption and diversify the resources used, Juhayna signed a contract with Karm Solar to establish a hybrid central power plant to generate and sell energy using solar panels, diesel generators and industrial batteries at the AlEnmaa dairy farm in Abu Minqar area in the New Valley. The partnership comes in line with number 12 and 13 of the sustainable development goals, which are responsible consumption and production, and climate action.

Juhayna and Karm Solar’s first cooperation took place in 2016, through which the first solar power generation and sale station for the private sector was established in El-Wahat ElBahariya. Hence, the new cooperation aims at producing electricity from the central station, with a production capacity of 8.3 megawatts of solar energy, 10.8 megawatts of diesel and 27.5 megawatts per hour from the battery storage system. Thus, 65% of the energy consumed by Juhayna’s El-Enmaa farm will be provided by solar energy and 35% by diesel generators.

Mr. Niels Thomson, CEO of Juhayna, said: “I am proud of our fruitful cooperation with Karm Solar, which I consider a new milestone in our success journey. This cooperation represents a unique model for partnerships that fight climate changes and find alternative energy sources that are environmentally friendly. Having said that, and as one of the leading Egyptian companies in the food and beverage sector, we look forward to being a role model in mitigating the environmental impact of our main activities and strengthening our efforts to meet the best local and international practices in this regard”.

It is worth mentioning that Juhayna and Karm Solar inaugurated the first solar power plant for the private sector in El-Wahat El-Bahariya back in 2016, which is the first of its kind in Egypt. The plant contributes to saving about 600,000 liters of diesel annually and avoiding the emission of about 1,620 tons of carbon dioxide annually, in addition to producing energy that covers 51% of the needs of the farms at peak hours.



FY22 Volume
Market Shares
(y-o-y change pps)

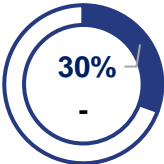
Plain Milk



Juice



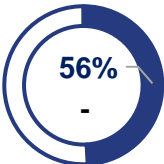
Spoonable Yogurt



Drinkable
Yogurt



Flavored Milk



Dear stakeholders,

It is my pleasure to report on our recent financial and operational performance. Our success this past period was made possible by the tireless efforts of our trustworthy and experienced management team. Their dedication and hard work has driven us forward, pushing us to reach new heights of achievement.

In addition, our robust frameworks and strong governance practices developed in past years have helped us to maintain stability, resilience, and growth even in the most challenging of times.

Despite the unprecedented challenges on the global and local fronts, our company has managed to overcome them with resilience and agility. The ongoing Russia-Ukraine conflict and global supply chain disruptions have undoubtedly affected the world economy. Meanwhile, we have been grappling with the scarcity of foreign currency availability, double-digit inflation, and a steep decline of 57% in the value of the Egyptian Pound against the US Dollar in 2022.

However, our strategic vertical integration and strong relationships with global and local suppliers have allowed us to maintain an advantageous supply position in the market.

We have also successfully expanded our core segments, gained market share, increased sales reach, and passed on price increases of over 60% during 2022, despite the formidable challenges. In addition, we have implemented various cost-saving initiatives, enhanced operational efficiency across our factories, and achieved significant savings for the company.

Looking ahead, I am focused on developing the long-term strategy of the business in the coming period and have immense confidence that our experienced management team and robust mitigation frameworks will continue to provide ample protection for our operations. We remain committed to driving sustainable growth and value creation for our stakeholders. Our company is agile and well-positioned to navigate through the uncertainties and capitalize on opportunities in the market.

Seif Thabet
CEO

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Income Statement

	FY22	FY21
Net sales	11,363,960,170	8,805,974,252
Cost of sales	(8,458,554,544)	(6,278,903,539)
Gross profit	2,905,405,626	2,527,070,713
Other operating income	122,415,644	41,548,292
Selling and Marketing expenses	(1,544,969,079)	(1,340,271,251)
General and administrative expenses	(286,403,392)	(272,283,318)
Other expenses	(171,502,831)	(122,143,862)
Results from operating activities	1,024,945,968	833,920,574
Share in profit /Loss of a company under joint control	1,809,251	645,136
Net finance (expense)	(123,313,682)	(68,187,651)
Net profit before income tax	903,441,537	766,378,059
Previous years tax differences	7,384,093	0
Current income tax	(228,047,412)	(226,962,845)
Dividends tax on investments	(40,085,238)	0
Deferred tax	(4,694,032)	(13,026,096)
Net profit for the period	637,998,948	526,389,118
Distributed as follows		
Parent Company's share in profit	7,384,093	526,196,634
Non-controlling interest	(228,047,412)	192,484
	(40,085,238)	526,389,118
Earning per share for the period (L.E /share)	0.68	0.56

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Balance Sheet

	31/12/2022	31/12/2021
Property, plant and equipment	3,007,277,888	3,164,789,327
Projects under construction	127,380,566	73,964,179
Plant wealth - productive	43,990,377	26,073,857
Plant wealth – not productive	20,328,869	23,679,027
Biological wealth	197,472,085	196,194,420
Investments under joint control (equity)	16,926,093	15,116,843
Right to use assets	47,182,377	61,583,843
Goodwill	97,092,890	97,092,890
Other - long term asset	715,600	723,872
Non-current assets	3,558,366,745	3,659,218,258
Biological assets - Existing Agriculture	20,158,767	10,571,729
PPE held for sale	117,332	46,173
Inventories	1,942,496	1,607,427
Trade and other receivables	1,725,513,368	879,266,088
Cash at banks and on hand	768,124,141	456,020,949
Due from related party	559,970	2,966
Biological assets - Feeding Sector	294,504,052	453,015,330
Current assets	2,810,920,126	1,800,530,662
Total assets	6,369,286,871	5,459,748,920
Issued and paid-up capital	941,405,082	941,405,082
Legal reserve	719,145,789	688,879,026
General reserve - issuance premium	330,920,428	330,920,428
Retained earnings	1,418,366,451	1,206,348,929
Total equity attributable to the shareholders of the parent company	3,409,837,750	3,167,553,465
Non-controlling interest	894,422	762,819
Total equity	3,410,732,172	3,168,316,284
Long - term loans	78,951,620	262,359,916
Lease contract liabilities - non current portion	80,440,307	109,066,326
Deferred tax liabilities	304,602,189	299,908,161
Other non-current liabilities	297,878	482,730
Non-current liabilities	464,291,994	671,817,133
Provisions	78,789,406	70,078,923
Bank credit facilities	707,922,331	273,230,763
Creditors and other credit balances	1,340,285,565	928,212,428
Income tax payable	213,078,927	180,249,503
Lease contract liabilities- current portion	30,742,133	28,324,136
Loans-current portion	123,444,343	139,519,750
Current liabilities	2,494,262,705	1,619,615,503
Total liabilities	2,958,554,699	2,291,432,636
Total equity and total liabilities	6,369,286,871	5,459,748,920

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Cash Flow Statement

	FY22	FY21
Cash flows from operating activities		
Net profit for the period before income tax and minority interest share in profits	903,441,537	766,378,059
Adjustments for:		
PPE depreciation	301,215,747	298,553,535
Capital loss (gain)	739,999	1,154,821
Amortization of asset right of use (lands)	8,272	8,272
Amortization of animal wealth	30,466,088	30,080,248
Amortization of plant wealth (productive)	(17,916,520)	539,464
Dry period capitalization	(199,225)	
Changes in investments under joint control (equity)	(1,809,250)	(645,136)
Impairment of Fixed assets & projects under construction	(6,254,825)	503,366
Impairment of accounts receivable		11,917,800
Amortization of right of use asset	13,920,698	14,765,235
Right of use asset interest	5,607,128	4,398,912
Impairment of inventory no longer required	0	1,331,557
Provision for claims formed	44,700,416	36,656,195
Herd birth	(17,834,500)	(16,133,111)
Herd capitalization	(59,574,426)	(58,183,714)
Loss from selling and death of animal wealth	23,854,054	8,296,528
Foreign currencies exchange differences	51,509,327	(1,158,376)
Credit interests	(32,096,244)	(20,226,267)
Finance interests & expenses	98,293,471	85,173,382
	1,338,071,748	1,163,410,770
Changes in:		
Inventories	(846,247,280)	(6,628,872)
Biological assets- Exiting Agriculture	(9,587,038)	1,670,557
Changes in held for sale	(335,069)	1,004,119
Trade and other receivables	(312,103,192)	(107,774,727)
Due from related parties	(557,004)	(2,966)
Creditors & other credit balances	600,703,706	64,139,830
Dividends paid to employee	(65,943,677)	(72,921,096)
Income tax paid	(227,919,133)	(239,642,813)
Sales tax on capital goods –paid	(184,852)	(17,725,999)
Provisions claims used	(35,989,931)	(17,432,154)
Net cash flows from operating activities	439,908,278	768,096,649
Cash flows from investing activities		
Acquisition of PPE & projects under construction	(202,642,510)	(233,523,140)
Proceeds from sale of PPE	11,036,641	8,729,037
Proceeds from plant wealth unproductive	17,170,841	138,994
Payments to invest in vital assets	3,350,158	(7,335,000)
Acquisition of plant wealth unproductive	0	(11,756,601)
Proceeds from the sale of plant and animal wealth	0	36,804,206
Proceeds from the compensation of calves death	4,271,181	6,446,734
Net cash flows (used in) investing activities	(166,813,689)	(200,495,770)
Cash flows from financing activities		
Proceeds from/ (payments for) overdraft & credit facility	434,691,568	(3,368,977)
(Payments for) financial lease contract liabilities	(31,334,382)	(31,180,667)
(Payments for) Bank loans	(199,483,703)	(198,789,704)
Collected credit interests	32,096,244	20,226,267
Finance interests & expenses paid	(98,293,471)	(85,173,382)
Dividends paid to shareholders	(517,772,795)	0
Net cash flows (used in) financing activities	(380,096,540)	(298,286,463)
Change in cash & cash equivalents during the period	(107,001,951)	269,314,416
The effect of foreign exchange difference	(51,509,327)	1,158,376
Cash & cash equivalents at 1 January	453,015,330	182,542,538
Cash & cash equivalents at 31 December 2022	294,504,052	453,015,330

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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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