

1H24 Earnings Release

Cairo, Egypt | 11 August 2024



Juhayna Food Industries Reports 1H24 Earnings

Juhayna records an impressive 166% y-o-y increase in net profit to reach EGP 1,480mn, and a 69% y-o-y increase in net revenue to EGP 11.5bn in 1H24.

2Q24 Highlights

6,036mn Net Revenue ▲70% YoY	1,929mn, 32.0% Gross Profit, margin ▲163% YoY, ▲ 11.3pps	1,516mn, 25.1% EBITDA, margin ▲ 274% YoY, ▲ 13.7pps
1,002mn, 16.6% Net Profit, margin ▲362% YoY, ▲ 10.5pps	2,176mn 30/6/2024 Net Debt ▲ 1,033% YTD	625mn, 10.4% SG&A, % of Sales ▲54% YoY, ▼ 1.0pps YoY

1H24 Highlights

11,470 mn Net Revenue ▲69% YoY	3,810mn, 33.2% Gross Profit, margin ▲142% YoY, ▲ 10.1pps	2,913mn, 25.4% EBITDA, margin ▲ 192% YoY, ▲ 10.7pps
1,480mn, 12.9% Net Profit, margin ▲166% YoY, ▲ 4.7pps	2,176mn 30/6/2024 Net Debt ▲ 1,033% YTD	1,239mn, 10.8% SG&A, % of Sales ▲64% YoY, ▼ 0.3 pps YoY

Revenue By Segment

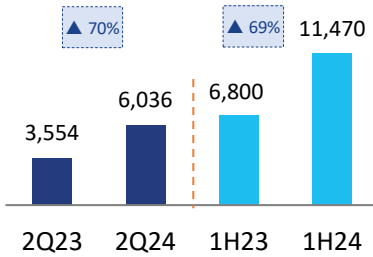
EGP mn	2Q24	2Q23	% Change	1H24	1H23	% Change
Dairy	2,610	1,807	44%	5,143	3,555	45%
Fermented	1,149	717	60%	2,448	1,417	73%
Juice	1,192	600	99%	2,045	1,075	90%
Concentrates & Agri	1,035	352	194%	1,769	602	194%
3rd Party Distribution	50	78	-37%	65	151	-57%
Total	6,036	3,554	70%	11,470	6,800	69%

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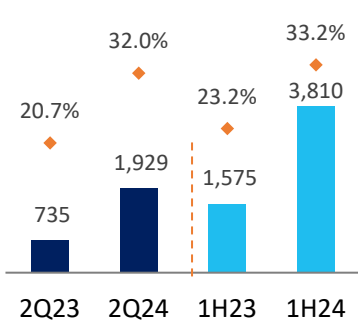


Net Revenue (EGP mn)



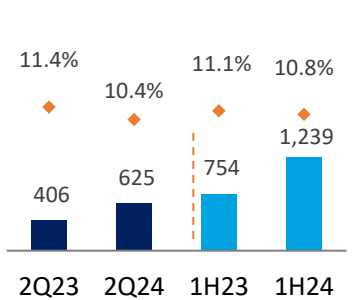
(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange), a leader in the Egyptian packaged dairy, yogurt and juice markets, announced its audited consolidated results for 2Q24. The company achieved net revenues of EGP 6bn in 2Q24 in comparison to EGP 3.5bn in 2Q23, reflecting a massive growth of 70%. The company achieved net revenues of EGP 11.5bn in 1H24 compared to EGP 6.8bn in 1H23, reflecting a growth of 69% supported by the double digit increase in volume for the juice segment and the outstanding performance of Juhayna’s exports.

Gross Profit, Margin (EGP mn, %)



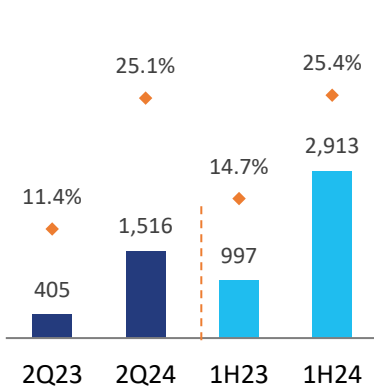
In the beginning of 2024, the Egyptian economy experienced significant volatility due to the unavailability of foreign exchange (FX), which led to a notable consumer shift towards lower-priced products. This economic turbulence was driven by a range of factors, including currency devaluation and market uncertainties. However, Juhayna, with its diverse product range offering various price points, was well-positioned to capitalize on this trend by catering to different consumer needs. Following the devaluation, the economic situation started to stabilize, and the pressures on the market began to ease, providing a more favorable business environment.

SG&A, Margin (EGP mn, %)



Gross profit tremendously increased by 142% to reach EGP 3.8bn in 1H24 in comparison to EGP 1.6bn in 1H23, reflecting a gross profit margin of 33.2%. The company also achieved EGP 1.9bn in 2Q24, an impressive 163% YoY growth from EGP 735mn in 2Q23, with a gross profit margin of 32.0% supported by the outstanding profitability of the concentrates segment. Moreover, Juhayna was able to increase its global reach by focusing more on exports capitalizing on the weakened Egyptian pound after the devaluation that occurred in March 2024.

EBITDA, Margin (EGP mn, %)



The selling, general, and administrative (SG&A) margin decreased by 1.0% YoY in 2Q24, reaching 10.4%, and by 0.3% YoY in 1H24 reaching 10.8%. Despite ongoing marketing campaigns, this enhancement demonstrates Juhayna's effective cost optimization strategy. This approach highlights the company's commitment to controlling expenses, identifying cost-saving opportunities, maintaining profitability, and driving growth in a challenging economic environment.

EBITDA achieved a growth of 274% in 2Q24 YoY, and by 192% in 1H24 YoY to reach EGP 1.5bn and EGP 2.9bn respectively, considering the outstanding margins for our concentrate business and the focus on finished products export. The EBITDA margins increased to reach 25.1% and 25.4% in 2Q24 and 1H24, respectively.

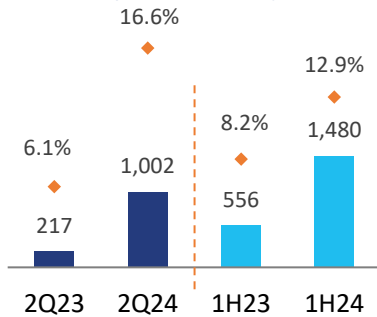
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Net Profit, Margin

(EGP mn, %)

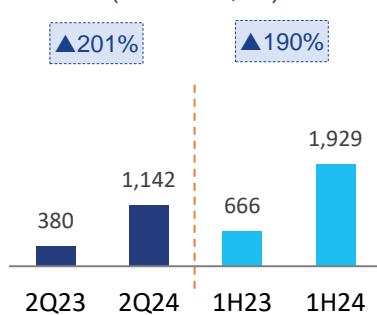


In terms of net profit, Juhayna achieved EGP 1,002mn in 2Q24, an impressive 362% YoY growth; as well as achieving EGP 1,480mn in 1H24 increasing by 166% YoY. The company achieved net profit margins of 16.6% in 2Q24 and 12.9% in 1H24.

During the second quarter of 2024, Juhayna continued its impressive financial performance, bolstered by the ongoing success in both the concentrate segment and the export of finished products. This sustained outperformance resulted in an outstanding net profit for 2Q24. The relative stability in the economic situation during the quarter also contributed to achieving these remarkable figures. Additionally, Juhayna's cost reduction strategy and the establishment of strategic supplier relationships have played a pivotal role in driving the substantial growth in net profits. It is important to note that in 1H24 the company recorded foreign exchange losses and tax settlements amounting to EGP 348 million, which were carried over from 1Q24 and are reflected in the Other Comprehensive Income statement.

Export Sales, Growth

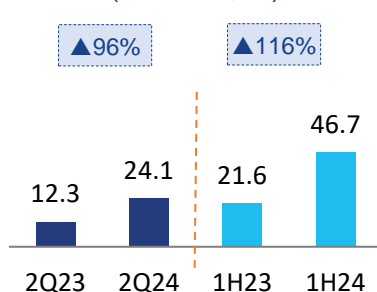
(EGP mn, %)



The company experienced a significant surge in export sales across Concentrates, Dairy, Fermented and Juice categories, achieving an impressive growth rate of 201% in 2Q24 and 190% in 1H24, reaching EGP 1,142 million and EGP 1,929 million, respectively. Export sales now contribute 19% and 17% of the company's total revenues for 2Q24 and 1H24, a notable increase from 10.6% in 2Q23 and 9.8% in 1H23. In USD terms, exports achieved a growth of 96% in 2Q24, reaching USD 24.1 million and a 116% in 1H24, reaching USD 46.7 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 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

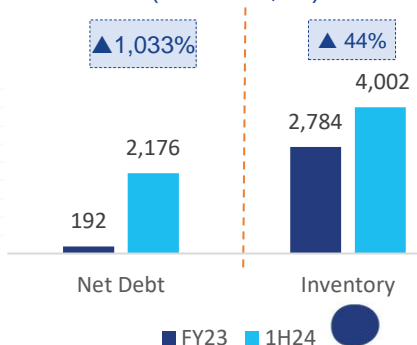
(USD mn, %)



Net debt experienced a substantial increase from EGP 192 million to EGP 2.18 billion by 1H24, representing a significant 1,033% rise. This surge was mainly due to the accumulation of dollar-based payables in 4Q23, driven by a foreign currency shortage. After the devaluation, the economic conditions stabilized, allowing us to effectively address this issue, promptly settle outstanding dues, and fully utilize available banking resources. Additionally, in 2Q24, Juhayna continued to focus on expansion by leveraging bank debt to finance the EGP 755 million CAPEX in 1H24. This investment primarily supports the company's long-term CAPEX plans, initiated in 2023, with a focus on farming, manufacturing, and distribution activities.

Net Debt, Inventory

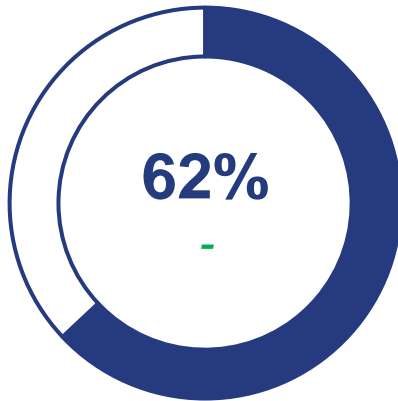
(EGP mn, %)



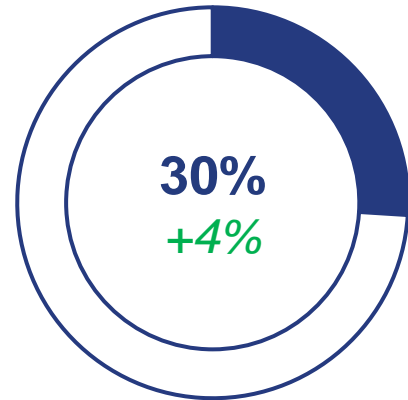
Our strong framework and strong governance practices that have been developed over the past years, and the hard work of our experienced management team, have enabled us to achieve great success. We are confident that the Egyptian market will continue to recover, and we are proud to have a strong brand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

1H24 vs 1H23 Market Shares

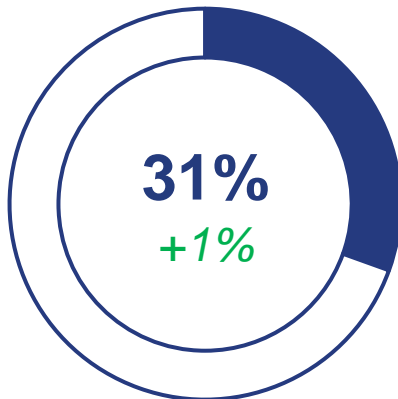
Plain Milk



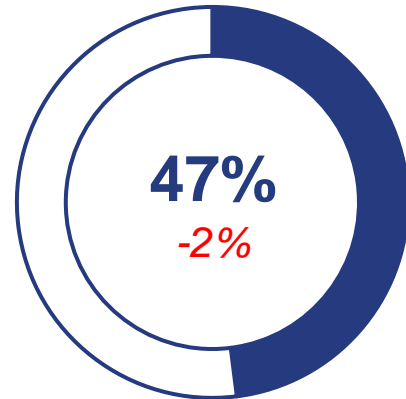
Juice



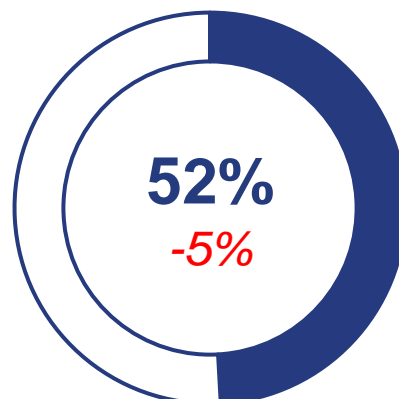
Spoonable Yogurt



Drinkable Yogurt



Flavored Milk



Announcements / Strategic Vision

A beginning of a new era



Juhayna, a leader in the dairy and juice industry, proudly announces its strategic evolution from a local business to a global enterprise, underscoring our commitment to professional excellence, international reach, and sustainable growth.

Since early 2024, Juhayna has been steadfast in its vision to attract and retain top-tier professionals to drive growth and innovation. This initiative commenced with the appointment of our new Managing Director, Mohamed Sultan, whose leadership has been pivotal in our transformation. We are also pleased to announce the appointment of Tarek Elwan as our new Chief Financial Officer (CFO). With extensive expertise in business analytics and capital markets, Mr. Elwan is poised to enhance our financial strategy and operational efficiency, bolstering our expansion plans.

Our transformation is anchored by our core values of innovation, sustainability, and excellence. Juhayna remains dedicated to fortifying our executive team with high-caliber talent, ensuring robust growth and a competitive edge on the global stage. We extend our gratitude to our employees, partners, and customers for their unwavering support. Together, we are forging a resilient and forward-thinking Juhayna, poised to set new industry benchmarks.

1H24 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 August 14th, 2024, at 4:00 pm Cairo Local Time (CLT).

A telephone conference for analysts and investors hosted by EFG Hermes will be held in English on Wednesday, 14th of August 2024; at 4:00 pm Cairo Local Time. Managing Director for Centralized Functions Mohamed Sultan and Head of Investor Relations Karim Ibrahim will present 1H24 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

	1H24	1H23	2Q24	2Q23
Net sales	11 470 208 237	6 800 448 983	6 035 549 981	3 554 254 195
Cost of sales	(7 660 280 148)	(5 225 522 968)	(4 106 595 001)	(2 819 576 526)
Gross profit	3 809 928 089	1 574 926 015	1 928 954 980	734 677 669
Other operating income	265 889 291	71 714 793	165 828 323	24 611 490
Selling and Marketing expenses	(968 696 285)	(582 256 900)	(495 288 639)	(325 106 701)
General and administrative expenses	(269 958 138)	(172 134 690)	(129 934 179)	(80 579 626)
Net (Losses) Reverse of Impairment loss of trade and other receivables	(4 520 363)	5 482 503	(3 701 541)	5 685 548
Other expenses	(114 417 456)	(71 420 022)	(60 716 617)	(31 698 595)
Results from operating activities	2 718 225 138	826 311 699	1 405 142 327	327 589 785
Share of (Loss) /profit of Equity accounted investees	(196 790)	331 456	2 275	73 736
Net finance (cost)	(219 483 887)	(128 399 171)	(143 459 484)	(53 567 526)
Loss on investment at FV through profit or loss	(522 059 902)	-	-	-
Net profit for the period before income tax	1 976 484 559	698 243 984	1 261 685 118	274 095 995
Current income tax	(496 230 356)	(141 813 694)	(260 175 885)	(57 080 077)
Net profit for the period after tax	1 480 254 203	556 430 290	1 001 509 233	217 015 918
Distributed as follows				
Owners of the company	1 479 268 661	556 120 109	1000 935 391	216 902 115
Non-controlling interests	985 542	310 181	573 842	113 803
	1 480 254 203	556 430 290	1 001 509 233	217 015 918
Earning per share for the period (L.E /share)	1.57	0.59	1.06	0.23

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Balance Sheet

	1H24	FY23
Assets		
Non-current assets		
Property, plant and equipment	3 122 510 090	3 077 685 183
Projects under construction	851 191 634	299 334 840
Biological assets	340 350 735	305 114 220
Equity accounted investees	15 473 280	15 670 070
Right of use assets	78 397 463	38 966 498
Goodwill	97 092 890	97 092 890
Other long term asset	703 193	707 329
Non-current assets	4 505 719 285	3 834 571 030
Investments held for sale		
Inventories	4 002 370 513	2 783 515 178
Trade and other receivables	2 232 875 189	834 918 362
Cash and cash equivalents	876 927 136	1 093 526 328
Due from related party	3 257 241	2 760 164
Other Biological assets	30 472 976	29 465 780
PPE held for sale	1 560 290	1 610 291
Current assets	7 147 463 345	4 745 796 103
Total assets	11 653 182 630	8 580 367 133
Equity		
Issued and paid up capital	941 405 082	941 405 082
Legal reserve	794 358 686	742 112 963
General reserve - issuance premium	330 920 428	330 920 428
Retained earnings	3 020 928 355	2 233 885 644
Total equity attributable to owners of the company	5 087 612 551	4 248 324 117
Non-controlling interest	2 430 010	1 444 468
Total equity	5 090 042 561	4 249 768 585
Non-current liabilities		
Loans	297 775 044	90 395 408
Lease contract liabilities	88 787 874	53 847 845
Deferred tax liabilities	325 924 352	321 767 403
Deferred income	3 816 829	6 023 113
Non-current liabilities	716 304 099	472 033 769
Current liabilities		
Provisions	193 813 973	183 529 210
Bank credit facilities	2 621 255 145	1 096 229 656
Creditors and other credit balances	2 367 591 073	2 261 080 629
Due to related parties	41 830 340	17 871 750
Income tax liabilities	438 463 406	177 047 207
Lease contracts liabilities	77 857 373	57 958 125
Loans	100 605 055	57 204 336
Deferred income	5 419 605	7 643 866
Current liabilities	5 846 835 970	3 858 564 779
Total liabilities	6 563 140 069	4 330 598 548
Total equity and total liabilities	11 653 182 630	8 580 367 133

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Cash Flow Statement

	1H24	1H23
Cash flows from operating activities		
Net profit for the year before income tax and minority interest share in profits	1 976 484 559	698 243 984
Adjustments for:		
PPE depreciation	158 632 293	143 825 270
Capital (gain)	(1 967 445)	
Amortization of Biological Wealth	16 697 519	16 093 496
Amortization of plant wealth (productive)	989 490	676 824
Capitalized animal wealth		
Share of loss/profit equity accounted investees	196 790	(331 456)
Impairment of Fixed assets	(6 127 290)	(799 309)
Amortization of right of use	3 716 233	6 855 065
Lease liabilities interest	4 779 194	1 995 132
Biological wealth due to newborn	(19 770 700)	(8 777 500)
Gain (Loss) from selling of animal wealth		
Investment Loss	522 059 902	
Foreign currencies exchange differences	(40 050 101)	35 690 082
Interest income	(26 712 946)	(7 994 166)
Finance interests & expenses	286 246 934	100 703 255
	2 875 174 432	986 180 677
Changes in:		
Inventories	(1 218 855 335)	(1 200 470 746)
Biological assets- Existing Agriculture	(1 007 196)	4 790 388
Trade and other receivables	(1 286 108 168)	(186 012 163)
Due from related parties	(497 077)	
Due to related parties	23 958 590	9 147 669
Creditors & other credit balances	95 855 429	770 954 387
Dividends Paid to employees	(91 972 137)	(41 212 761)
Provisions	10 284 763	5 420 654
Net cash flows from operating activities	406 833 301	348 798 105
Income tax paid	(351 287 888)	(194 283 612)
	55 545 413	154 514 493
Cash flows from investing activities		
Acquisition of PPE & projects under construction	(755 146 202)	(206 839 959)
Held for sale	54 137	
Proceeds from sale of PPE	7 926 942	1 352 573
Payment to plant wealth unproductive	3 336 929	(4 971 261)
proceeds from dealt compensation	7 290 800	1 874 153
Proceeds from credit interests	26 712 946	7 994 166
Proceeds from the compensation of calves' death	(36 489 753)	(63 461 769)
Proceeds from sale Biological Wealth & planet	25 495 207	9 349 559
Paid of right of use	(43 147 198)	-
Paid for investment at F.V through P/L	(831 200 366)	-
Proceeds from investment at F.V through P/L	309 140 464	-
Net cash flows (used in) investing activities	(1286 026 094)	(254 702 538)
Cash flows from financing activities		
Proceeds from credit facilities	1 888 606 999	437 317 986
Payments for right of use	(20 839 277)	(17 451 051)
(Payments for) bank loans	(34 916 318)	(8 520 127)
Finance interests & expenses paid	(286 246 934)	(100 703 255)
Dividends paid to shareholders	(188 281 016)	(141 210 761)
Net cash flows from (used in) financing activities	1 358 323 454	169 432 791
Change in cash & cash equivalents during the period	127 842 774	69 244 746
The effect of foreign exchange difference	(344 441 966)	(35 690 082)
Cash & cash equivalents at 1 January	1093 526 328	294 504 052
Cash & cash equivalents at 30 June	876 927 136	328 058 717

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Other Comprehensive Income Statement

	1H24	1H23	2Q24	2Q23
Net profit for the period after tax	1 480 254 203	556 430 290	1 001 509 233	217 015 918
Net losses of foreign currency evaluation after tax impact	(348 492 067)	-	-	-
Total other comprehensive income	1 131 762 136	556 430 290	1 001 509 233	217 015 918
Distributed as follows				
Parent owners of the company	1 130 776 594	556 120 109	1 000 935 391	216 902 115
Non-controlling interests	985 542	310 181	573 842	113 803
	1 131 762 136	556 430 290	1 001 509 233	217 015 918

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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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