

## Juhayna Food Industries Reports FY23 Earnings

*Juhayna records a 42% y-o-y increase in net revenue to EGP 16.1bn in FY23, and a record breaking 60% y-o-y increase in net income to EGP 1.0bn in FY23*

### 4Q23 Highlights

<b>4,474mn</b> Net Revenue ▲40% YoY	<b>1,222mn, 27.3%</b> Gross Profit, margin ▲51% YoY, ▲ 2.0pps	<b>649mn, 14.5%</b> EBITDA, margin ▲ 39% YoY, ▼ - 0.04pps
<b>143mn, 3.2%</b> Net Profit, margin ▼ -13% YoY, ▼ -1.9pps	<b>192mn</b> 31/12/2023 Net Debt ▼ -71% YoY	<b>639mn, 14.3%</b> SG&A, % of Sales ▲47% YoY, ▲ 0.75pps YoY

### FY23 Highlights

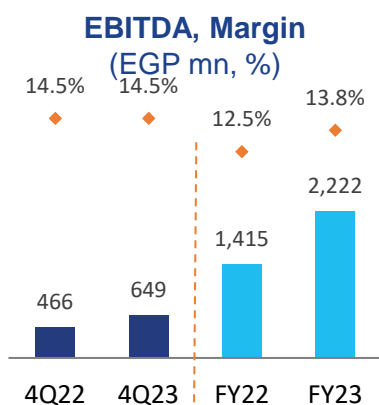
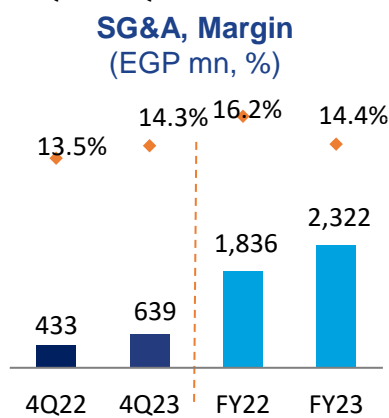
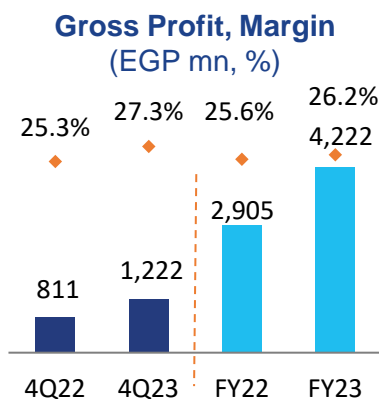
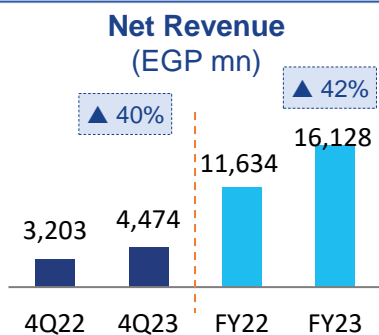
<b>16,128mn</b> Net Revenue ▲42% YoY	<b>4,222mn, 26.2%</b> Gross Profit, margin ▲45% YoY, ▲ 0.6pps	<b>2,222mn, 13.8%</b> EBITDA, margin ▲ 57% YoY, ▲ 1.3pps
<b>1,021mn, 6.3%</b> Net Profit, margin ▲ 60% YoY, ▲ 0.7pps	<b>192mn</b> 31/12/2023 Net Debt ▼ - 71% YoY	<b>2,322mn, 14.4%</b> SG&A, % of Sales ▲26% YoY, ▼ -1.8pps YoY

### Net Revenue By Segment

EGP mn	4Q23	4Q22	% Change	FY23	FY22	% Change
Dairy	2,479	1,907	30%	8,528	6,082	40%
Fermented	923	622	49%	3,541	2,748	29%
Juice	809	494	64%	2,740	1,913	43%
Concentrates & Agri	199	129	54%	1,032	390	164%
3rd Party Distribution	64	51	25%	287	230	24%
<b>Total</b>	<b>4,474</b>	<b>3,203</b>	<b>40%</b>	<b>16,128</b>	<b>11,364</b>	<b>42%</b>

# FY23 Earnings Release

Cairo, Egypt | 8 April 2024



**(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 FY23. The company achieved net revenues of EGP 16.1bn, reflecting a growth of 42% in FY23. Whereas the company achieved net revenues of EGP 4.5bn, reflecting a growth of 40% in Q4 23. The growth was mainly driven by an increase in pricing, noting that Juhayna increased their prices by around 40% throughout 2023.

The current high inflation in Egypt is impacting consumer purchasing power, leading to reduced consumption and a shift towards lower-priced products. Juhayna is well-positioned to capitalize on this trend due to its diverse product range offering various price points to cater to different consumer needs. Juhayna is confident that its strong brand loyalty will help retain customers even in challenging economic conditions.

Despite stable volumes for fermented and juice products compared to Q4 22, there was a slight decline in dairy consumption year-on-year. However, it is evident that Juhayna managed to maintain its market share through brand loyalty, product range diversity, and focus on innovation.

The increase in cost of goods sold (COGS) by 41% in FY23 and 36% in 4Q23 was driven by rising raw material prices, particularly raw milk and packaging materials. The gross profit margin increased by 0.6pp in FY23 and 2pp in 4Q23, supported by the outstanding profitability of the concentrates segment.

The selling, general, and administrative (SG&A) margin decreased by 1.8% year-on-year in FY23, reaching 14.4%. This reduction was due to the company's ongoing efforts in cost optimization, savings on marketing expenses, and improved distribution efficiency. Juhayna remains committed to controlling expenses and seizing cost-saving opportunities.

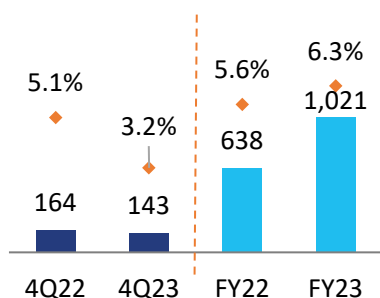
Outstanding gross profit margin gains and savings on SG&A, along with enhanced margins for our concentrate business resulted in a growth of 57% and 39% in EBITDA for FY23 and 4Q23, reaching EGP 2,222mn and EGP 649mn, with a margin of 13.8% and 14.5%, respectively.

# FY23 Earnings Release

Cairo, Egypt | 8 April 2024

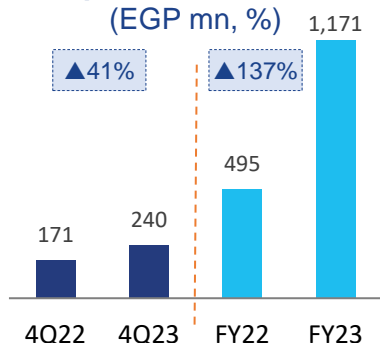


## Net Profit, Margin (EGP mn, %)



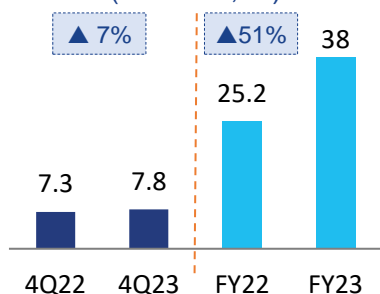
In terms of net profit, Juhayna achieved a record high EGP 1.0bn in FY23, increasing by 60% y-o-y. This growth is attributed to enhanced profitability in the concentrate business and rising demand worldwide. Moreover, the growth occurred despite a net FX loss of EGP 279mn (in 4Q23). Juhayna's supply chain, its strategic relationships with its suppliers, local and global partners, in addition to the company's cost reduction strategy all contributed to this outstanding growth.

## Export Sales, Growth (EGP mn, %)



The company experienced a notable surge in export sales (Concentrates, Dairy and Juice), achieving a remarkable growth rate of 137%, reaching EGP 1.2bn in FY23. In 4Q23 export sales grew by 41% y-o-y to reach EGP 240mn. Export sales accounted for 7.3% of the company's total revenues for the full year vs. 4.3% in FY22, and 5.4% in 4Q23, compared to 5.3% in 4Q22. In US dollars, annual growth rate reached is 51% for FY23, and 7% for 4Q23. The growth in exports was primarily driven by concentrates exports, which, in addition to our long-standing relationships with global and local suppliers, played a vital role in mitigating the challenges related to FX availability. Moreover, Juhayna is growing its footprint and is actively seeking additional opportunities to further expand its export segment.

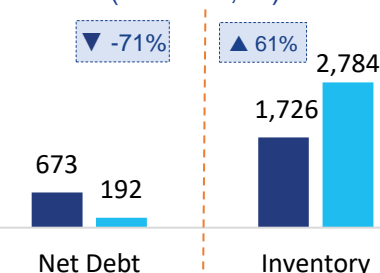
## Export Sales, Growth (USD mn, %)



Net debt decreased from EGP 673mn Egyptian pounds in 4Q22 to EGP 192mn at the end of 4Q23, representing a 71% decrease. This decrease was primarily driven by accumulation of dollar-based payables amid FX shortages and not fully utilizing bank facilities.

Juhayna allocated EGP 561mn towards CAPEX in FY23, primarily to serve the company's long term CAPEX plan which started in 2023, focusing on farming, manufacturing and distribution activities.

## Net Debt, Inventory (EGP mn, %)

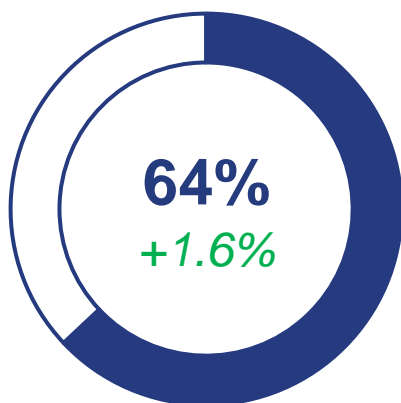


Our strong framework and strong governance practices that have been developed over the past years, and the hard work of our experienced management team, have enabled us to achieve great success. We are confident that the Egyptian market will continue to recover, and we are proud to have a strong brand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

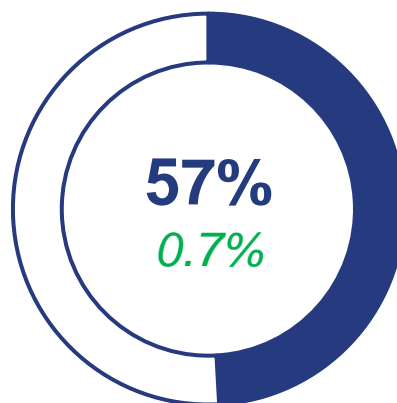
■ FY22 ■ FY23

## FY23 Volume Market Shares

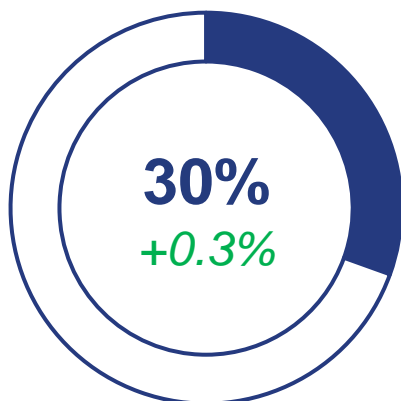
### Plain Milk



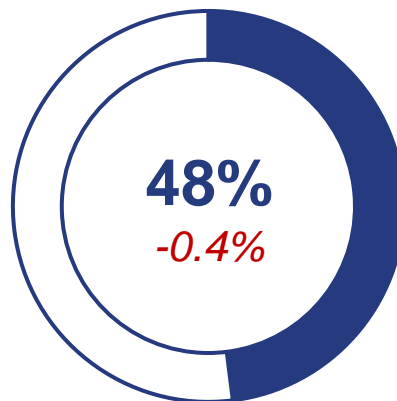
### Flavored Milk



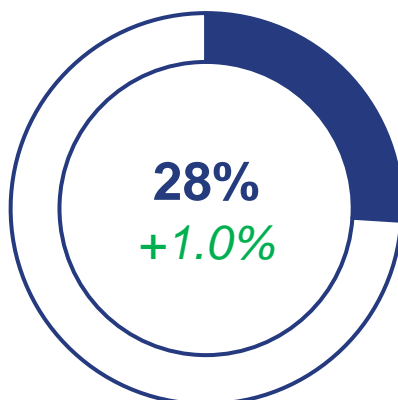
### Spoonable Yogurt



### Drinkable Yogurt



### Juice



## Announcements / Segment Launch

### Launch of Fruits Yogurt range – August 2023



The introduction of the Fruits Yogurt by Juhayna was a strategic decision in line with the company's commitment to offering healthy options to consumers. Launched in August 2023 in collaboration with Juhayna's research and development team, this product exemplifies the high-quality and innovative approach that Juhayna is known for. Comprising four different fruit flavors (Mango, Peach, Strawberry, Mixed Berries) in 105gm packages, the Fruits Yogurt quickly gained traction in the market.

Building on the success of Juhayna's previous yogurt offerings, such as the Greek Yogurt range, the company saw an opportunity to expand its product line with the introduction of the Fruits Yogurt range. The market response to this new range was overwhelmingly positive, with the Fruits Yogurt capturing a remarkable 20% market share within the first 3 months of its launch. This achievement not only solidified Juhayna's position in the yogurt segment but also contributed to the growth of the Yogurt market segment in Q4 2023.

# FY23 Earnings Release

Cairo, Egypt | 8 April 2024



## Income Statement

	FY2023	FY2022
Net sales	16 128 101 761	11 363 960 170
Cost of sales	(11 906 411 622)	(8 458 554 544)
<b>Gross profit</b>	<b>4 221 690 139</b>	<b>2 905 405 626</b>
Other operating income	178 863 933	122 415 644
Selling and Marketing expenses	(1 933 987 009)	(1 544 969 079)
General and administrative expenses	(388 147 620)	(286 403 392)
Impairment loss of trade and other receivables /(Reverse)	5 971 372	(13 140 483)
Other expenses	(282 461 208)	(158 362 348)
<b>Results from operating activities</b>	<b>1 801 929 607</b>	<b>1 024 945 968</b>
Share of (Loss) /profit of Equity accounted investement of tax	( 1 256 023)	1 809 251
Net finance (cost)	( 320 893 260)	( 123 313 682)
Loss on investment at FV through profit or loss	( 115 108 535)	-
<b>Net profit for the year before income tax</b>	<b>1 364 671 789</b>	<b>903 441 537</b>
Income tax expense	( 343 211 571)	( 265 442 589)
<b>Net profit for the year after tax</b>	<b>1 021 460 218</b>	<b>637 998 948</b>
<b>Distributed as follows</b>		
Owners of the company	1 020 909 888	637 721 335
Non-controlling interests	550 330	277 613
	<b>1 021 460 218</b>	<b>637 998 948</b>
<b>Earning per share for the year (L.E /share )</b>	<b>0.98</b>	<b>0.63</b>

# FY23 Earnings Release

Cairo, Egypt | 8 April 2024



## Balance Sheet

	FY2023	FY2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3 077 685 183	3 007 277 888
Projects under construction	299 334 840	127 380 566
Biological assets	305 114 220	261 791 331
Equity accounted investees	15 670 070	16 926 093
Right of use assets	38 966 498	47 182 377
Goodwill	97 092 890	97 092 890
Other asset	707 329	715 600
<b>Non-current assets</b>	<b>3 834 571 030</b>	<b>3 558 366 745</b>
<b>Current assets</b>		
Biological assets	29 465 780	20 276 099
Inventories	2 783 515 178	1 725 513 368
Trade and other receivables	834 918 362	642 632 203
Due from related party	2 760 164	559 970
Cash and cash equivalent	1 093 526 328	294 504 052
PPE held for sale	1 610 291	1 942 496
<b>Current assets</b>	<b>4 745 796 103</b>	<b>2 685 428 188</b>
<b>Total assets</b>	<b>8 580 367 133</b>	<b>6 243 794 933</b>
<b>Equity</b>		
Issued and paid up capital	941 405 082	941 405 082
Legal reserve	742 112 963	719 145 789
General reserve - issuance premium	330 920 428	330 920 428
Retained earnings	2 233 885 644	1 418 366 451
<b>Total equity attributable to owners of the company</b>	<b>4 248 324 117</b>	<b>3 409 837 750</b>
<b>Non-controlling interest</b>	<b>1 444 468</b>	<b>894 422</b>
<b>Total equity</b>	<b>4 249 768 585</b>	<b>3 410 732 172</b>
<b>Non-current liabilities</b>		
Loans	90 395 408	78 951 620
Lease contract liabilities	53 847 845	80 440 307
Deferred tax liabilities	321 767 403	304 602 189
Other liabilities	-	297 878
Deferred income	6 023 113	-
<b>Non-current liabilities</b>	<b>472 033 769</b>	<b>464 291 994</b>
<b>Current liabilities</b>		
Provisions	183 529 210	78 789 406
Bank credit facilities	1 096 229 656	707 922 331
Creditors and other credit balances	2 261 080 629	1 340 285 565
Due to related party	17 871 750	-
Income tax payable	177 047 207	87 586 989
Lease contract liabilities	57 958 125	30 742 133
Loans	57 204 336	123 444 343
Deferred income	7 643 866	-
<b>Current liabilities</b>	<b>3 858 564 779</b>	<b>2 368 770 767</b>
<b>Total liabilities</b>	<b>4 330 598 548</b>	<b>2 833 062 761</b>
<b>Total equity and total liabilities</b>	<b>8 580 367 133</b>	<b>6 243 794 933</b>

# FY23 Earnings Release

Cairo, Egypt | 8 April 2024



## Cash Flow Statement

	2023	2022
<b>Cash flows from operating activities</b>		
Net profit for the period before income tax and minority interest share in profits	1 364 671 789	903 441 537
<b>Adjustments for:</b>		
PPE depreciation	289 525 408	301 215 747
Capital (gain)	( 2 250 345)	( 5 514 826)
Amortization of asset right of use (lands)	8 271	8 271
Amortization of Biological Wealth	31 854 996	30 466 088
Amortization of plant wealth (productive)	1 406 006	515 184
Loss from selling and death of animal wealth & drying period	38 518 126	23 854 054
Capitalized animal wealth	( 107 938 902)	( 59 574 426)
Share of loss/profit equity accounted investees	1 256 023	( 1 809 250)
Amortization of right of use	7 835 388	13 920 698
Lease liabilities interest	3 342 389	5 607 128
Biological wealth due to newborn	( 18 869 300)	( 17 834 500)
Gain from selling and death of animal wealth & drying period	( 18 942 275)	( 199 225)
Investment Loss	115 108 535	-
Foreign currencies exchange differences	163 778 368	51 509 327
Interest income	( 33 980 381)	( 32 096 244)
Finance interests & expenses	191 095 272	98 293 471
	<b>2 026 419 368</b>	<b>1 311 803 035</b>
credit interest collection		
Finance interests & expenses paid		
<b>Changes in:</b>		
Inventories	( 1 058 001 809)	( 846 247 280)
Biological assets- Existing Agriculture	( 9 179 408)	( 9 587 038)
Biological assets- calves	( 10 273)	-
Trade and other receivables	( 225 982 559)	( 312 103 191)
Due from related parties	15 671 556	( 557 004)
Creditors & other credit balances	989 940 736	600 703 706
Provisions	104 739 999	8 710 485
<b>Net cash flows from operating activities</b>	<b>1 843 597 609</b>	<b>752 722 713</b>
Dividends paid to employees	( 41 212 761)	( 65 943 677)
Income tax paid	( 202 889 739)	( 227 919 133)
	<b>1 599 495 109</b>	<b>458 859 903</b>
<b>Cash flows from investing activities</b>		
Acquisition of PPE & projects under construction	( 561 472 449)	( 202 642 510)
Held for sale	332 205	( 335 069)
Herd plant	( 25 169 717)	( 19 692 568)
Proceeds from sale of PPE	29 040 869	10 851 789
Proceeds from plant wealth unproductive	25 974 936	18 431 705
payment to plant wealth unproductive	( 3 947 238)	3 350 158
Payments to invest in biological assets	( 39 375 650)	-
Proceeds from credit interests	33 980 381	32 096 244
Proceeds from the compensation of calves death	6 517 050	4 271 181
Paid for investment at F.V through P/L	( 253 309 040)	-
Proceeds from investment at F.V through P/L	138 200 504	-
<b>Net cash flows (used in) investing activities</b>	<b>(649 228 151)</b>	<b>(153 669 071)</b>
<b>Cash flows from financing activities</b>		
Proceeds from credit facilities	388 307 325	434 691 568
(Payments for) financial lease contract liabilities	( 2 338 367)	( 31 334 382)
Proceeds from bank loans	77 733 022	-
(Payments for) bank loans	( 118 862 262)	( 199 483 703)
Finance interests & expenses paid	( 191 095 272)	( 98 293 471)
Dividends paid to shareholders	( 141 210 761)	( 517 772 795)
<b>Net cash flows from (used in) financing activities</b>	<b>12 533 685</b>	<b>(412 192 783)</b>
<b>Change in cash &amp; cash equivalents during the period</b>	<b>962 800 643</b>	<b>(107 001 951)</b>
<b>The effect of foreign exchange difference</b>	<b>(163 778 368)</b>	<b>(51 509 327)</b>
<b>Cash &amp; cash equivalents at 1 January</b>	<b>294 504 052</b>	<b>453 015 330</b>
<b>Cash &amp; cash equivalents at 31 December</b>	<b>1 093 526 328</b>	<b>294 504 052</b>



# FY23 Earnings Release

Cairo, Egypt | 1 March 2023



## 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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