Edita signs loan contract with the International Finance Corporation for USD 20 million to support expansion and growth opportunities in Egypt and the wider region

Cairo, 2 June 2019

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange and EFIFq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, secured USD 20 million in financing from the International Finance Corporation (IFC) to support the company’s growth plans. The USD 20 million represents the first tranche of the loan, with the contract including an option for a second tranche of an additional USD 10 million.

The seven-year, medium-term facility may be used to finance the group’s capital expenditure plan as well as growth opportunities in Egypt and across Edita’s growing regional footprint.

Commenting on facility, Edita Chairman and Managing Director Hani Berzi said: “We are proud to be joining hands with the IFC. Its financing is not just cost effective, but an endorsement of our robust corporate and industry fundamentals, coming as it does at the end of a nearly yearlong due-diligence process. We are actively exploring expansion opportunities both in Egypt and in our exciting expansion markets. Our goal in the medium term is clear: To solidify our dominant domestic position while growing into a regional snack food player.

Edita has substantially reduced its local currency debt position, as reflected in its declining net finance costs, leaving ample room in its capital structure to take on the IFC facility. Moreover, the cost of USD-denominated financing is substantially lower than an equivalent facility in local currency in what remains a high-interest-rate environment. Edita’s foreign-currency revenue stream simultaneously provides a natural hedge against the future cost of servicing and repaying USD debt.

Edita reported nearly 34% growth in gross exports in the first quarter of 2019, with exports as a percentage of total revenues growing to 8.7% from 7.2% in the same period last year. The company incorporated Edita Morocco earlier this year and launched its Freska wafer brand in the North African country, supporting it with advertising and marketing campaigns as well as digital and on-the-ground activations as Edita capitalizes on its joint venture with Dislog Group. Construction on Edita’s first manufacturing facility in Morocco is due to begin later this year.

“Finalizing this facility agreement and building a solid, long-term relationship with international organizations such as the IFC is a catalyst for the next phase in our growth story and opens up opportunities,” concluded Berzi.

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About Edita Food Industries S.A.E.

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded snack products including packaged cakes, croissants, rusks (baked wheat), and wafers as well as selected confectionary/candy products. The Company’s local brand portfolio includes household names such as Todo, Molto, Bake Rolz, Bake Stix, Freska and MiMix. The Company also has the exclusive ownership of the international HTT brands Twinkies, Hoho’s and Tiger Tail in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia, and is party to a technical assistance and know-how agreement to manufacture 11 additional HTT brands across its territories. The Company holds strong number-one market positions in its core cake and croissant segments, a number-two market position in rusks, and growing market positions in the wafers and candy segments. In 1Q2019, the Company derived c. 91.3% of its revenue from Egypt and c. 8.7% from regional export markets. Learn more at ir.edita.com.eg.

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