



Edita Food Industries Reports 1Q2019 Earnings

Edita starts 2019 with a 10.8% y-o-y revenue growth to EGP 982.2 driven by both higher volumes and improved product mix; profitability continues to strengthen with GPM expanding to 35.4% and net profit almost doubles to EGP 114.3 million in 1Q2019

Cairo, 8 May 2019

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFIDq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, announced today its results for the quarter ended 31 March 2019, reporting revenues of EGP 982.2 million, up 10.8% y-o-y. Net profit for 1Q2019 recorded a significant 87.8% y-o-y increase to EGP 114.3 million, with a net profit margin of 11.6% versus 6.9% in the comparable quarter last year.

Commenting on the quarter's performance, Edita Chairman and Managing Director Eng. Hani Berzi said: "I am very pleased with our results for the first quarter of the year which carry forward our growth momentum and continue to reflect the merits of our strategy. Top-line growth was both volume- and price-driven, while increased stability in commodity and raw material prices has allowed us to maintain tight cost-control measures and extract higher value from sales. Edita recorded margin expansion across all our segments, successfully bringing our overall gross margin up by three percentage points, while our bottom-line has almost doubled during the quarter."

"On a segment basis, I am particularly pleased with the performance of our wafers and rusks segments, which continue to grow their contribution to Edita's total revenues and hold significant growth potential going forward," Berzi added.

Edita's cake segment continued to constitute the largest share of total revenues in 1Q2019 at 46.4%, followed by the croissant segment with a 28.3% share. Edita's rusks and wafers segments recorded a notable expansion during the quarter, with rusks' share growing to 10.7% versus 7.9% in 1Q2018, while the wafers segment constituted 9.9% in 1Q2019 compared to 7.7% in the previous year. Finally Edita's candy segment constituted a 4.4% share of total revenues in 1Q2019.

On a regional front, Edita's gross exports were up 33.8% y-o-y to EGP 85.7 million in 1Q2019, constituting an 8.7% share of total gross revenues versus 7.2% in 1Q2018. The growth in export sales is in line with the company's strategy to pursue regional expansion as a key pillar of long-term growth.

"Our strategy in 2019 will continue to focus on portfolio optimization and extracting cost efficiencies to support profitability, while simultaneously pursuing long-term strategic initiatives that will drive the



next growth and value creation phase. We have recently installed and commissioned a new candy line and launched a line of juice-filled stick candies, BonBon, under our existing Mimix brand as we seek to strengthen our position in this fast-growing market. Management is also exploring other expansion opportunities in existing and new markets to take full advantage of the snack food market's solid fundamentals and to leverage Edita's strong brand equity and production and distribution capabilities."

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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 baked 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 as well as in candy, a number-two market position in rusks and a growing market position in the wafers segment. 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.

Contacts

Ms. Menna Shams El Din
Senior Investor Relations & Business Development Senior Director
T: +202 3851-6464 | M: +2010 0 154 2428 | menna.shamseldin@edita.com.eg

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Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's



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