



Edita Food Industries Reports 2Q2019 Earnings

Edita delivers 9.3% y-o-y revenue growth to EGP 862.8 million in 2Q2019, driven by an improved product mix; gross profit margin expanded 5.2 percentage points to 33.5% y-o-y while net profits increased 26.3% y-o-y to EGP 31.7 million

Cairo, 30 July 2019

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFID.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, announced today its results for the first half ended 30 June 2019, reporting a 10.1% y-o-y top-line expansion to EGP 1,845.0 million. Net profit in 1H2019 came in at EGP 146.0 million, a 69.9% y-o-y increase. On a quarterly basis, revenue increased 9.3% y-o-y to EGP 862.8 million in 2Q2019, with net profit expanding 26.3% y-o-y to EGP 31.7 million for the period.

Commenting on the quarter's performance, Edita Chairman and Managing Director Eng. Hani Berzi said: "Edita's growth in the second quarter and first half of 2019 continued to be a factor of our constantly improving product mix, with new product launches and strategic market segmentation allowing the company to expand its consumer base and capture higher value from sales. An expanding top-line combined with company-wide cost control efforts are helping reaffirm the company's improved profitability, with GPM climbing 5.2 percentage points to 33.5% and our bottom-line delivering double-digit growth."

On a segment basis, Edita's wafer segment recorded a 39.2% y-o-y increase in revenue in 2Q2019, with its contribution to total revenue increasing to 8.8% from 6.9% in the second quarter of last year. The company's rusks segments grew 42.3% y-o-y in 2Q2019 and made up 9.7% of total sales compared to the 7.4% contribution in the same quarter of 2018. Meanwhile, Edita's core cake and croissant segments saw their revenue grow 3.1% y-o-y and 7.6% y-o-y, respectively in 2Q2019. Edita's cake segment continued to contribute the largest share of total sales at 45.0%, while the croissant segment made up 32.1% of total sales.

"We are also proud to have had Molto as the national supporter of the Total AFCON 2019 as well as for Freska to have sponsored the Egyptian national football team during the championship. These sponsorships coincided with the installation of a new wafer production line at our E08 facility and the launch of our latest product, Freska Pops. The wafer expansion along with our candy line extension earlier in the year fall under our long-term expansion plans, which see us continuing to explore new propositions in other segments and utilize the space afforded by our E08 facility," commented Berzi.



“Meanwhile on the regional front, we took several steps to strengthen our foothold in the newly penetrated Moroccan market. Notably, Edita Morocco has signed a long-term lease agreement for a plot of land, and construction is set to begin during the second half of 2019. The new facility will allow us to better serve regional markets as a key long-term strategic goal,” said Berzi.

In the first six months of the year, gross exports reported a 17.3% y-o-y growth to EGP 150.2 million, making up 8.1% of Edita’s total gross sales. Edita’s gross exports increased to EGP 64.5 million in 2Q2019, making up 7.4% of Edita’s total gross sales for the quarter.

“Finally, the quarter just ended saw Edita successfully secure a loan from the International Finance Corporation amounting to USD 20 million and an option to extend by a further USD 10 million. Our plan is to utilize the facility in financing the company’s capital expenditures as well as growth opportunities across our regional footprint. At the same time, management will continue to optimize the company’s product portfolio and drive cost minimization and efficiencies,” concluded Berzi.

—Ends—

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 2Q2019, the Company derived c.92.6% of its revenue from Egypt and c.7.4% from regional export markets. Learn more at ir.edita.com.eg.

Contacts

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

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on



future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

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 actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.