



Edita Food Industries Reports 1Q2021 Earnings

Edita reported strong top- and bottom-line growth in 1Q2021 with revenues rising 21.0% y-o-y to EGP 1.2 billion, and net profit expanding 25.3% y-o-y to record EGP 80.7 million

Highlights for 1Q2021



Financial and Operational Highlights 1Q2021

- **Edita's top-line for the quarter expanded 21.0% y-o-y** mainly on the back of continued portfolio optimization and improved pricing.
- **Gradual recovery in volumes sold during 1Q2021** supported by a widespread recovery in consumption and growing consumer demand for the company's products.
- Edita reported **stable margins** versus the first quarter of last year. GPM stood at 34.1% for the quarter, while EBITDA margin recorded 15.3% in 1Q2021.
- **The company's bottom-line expanded 25.3% y-o-y** with an associated margin of 6.9% for the quarter.
- The company **secured a new EGP 90 million medium term loan** to finance its capital expenditure plans in Egypt. The loan is part of the CBE's initiative program to support Egyptian businesses with low-interest loans.
- Over the past year, **Edita successfully grew its market share** across its cakes, bakery, wafers, and rusks segments supported by the introduction of several new and upsized SKUs.



Summary Income Statement (EGP mn)

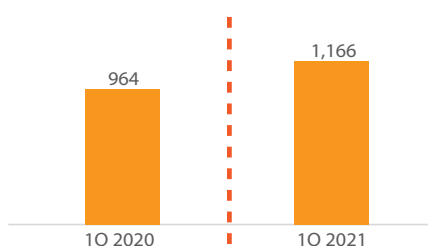
| EGP mn | 1Q2021 | 1Q2020 | Change |
|--------------|---------|--------|--------|
| Revenue | 1,166.3 | 964.1 | 21.0% |
| Gross Profit | 397.9 | 335.5 | 18.6% |
| % Margin | 34.1% | 34.8% | |
| EBITDA | 179.0 | 142.3 | 25.8% |
| % Margin | 15.3% | 14.8% | |
| Net Profit | 80.7 | 64.4 | 25.3% |
| % Margin | 6.9% | 6.7% | |

The discussion and analysis in this report are based on the IFRS statements. For comparison of the results to Egyptian Accounting Standards, please refer to the section "Egyptian Accounting Standards Reconciliation to IFRS."

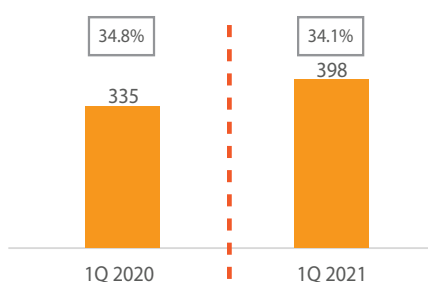




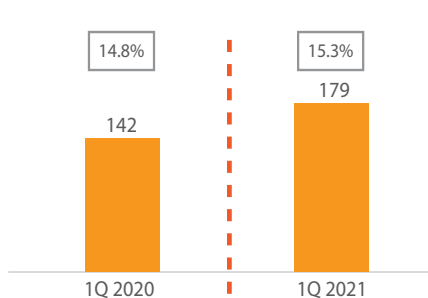
Revenue Progression
(EGP million)



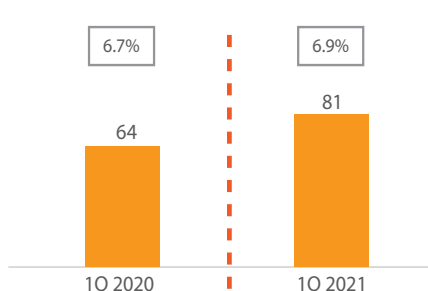
Gross Profit Progression
(EGP million, % margin)



EBITDA Progression
(EGP million, % margin)



Net Profit Progression
(EGP million, % margin)



Results in a Nutshell

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 quarter ended 31 March 2021, recording revenues of EGP 1,166.3 million, up a solid 21.0% from the first quarter of last year. Net profit recorded EGP 80.7 million in 1Q2021, up 25.3% y-o-y with a net profit margin of 6.9%.

Edita's strong results for the first quarter of the year were both price and volume-driven, with the company continuing the recovery recorded in the tail end of 2020 as Covid-19-related restrictions were eased. Throughout the quarter, the company witnessed a widespread recovery in consumption as economic activity continued to normalise coupled with rising demand for Edita's products. As such, total packs sold grew 4.7% y-o-y to 665.9 million packs in 1Q2021. In parallel, average price per pack continued to increase in line with the company's portfolio optimization strategy which aims to migrate customers to higher price points. In 1Q2021, average price per pack reached EGP 1.75, up 15.6% y-o-y from the first quarter of last year.

Edita's gross profit recorded EGP 397.9 million in 1Q2021, up 18.6% from last year supported by strong top-line growth. Gross profit margin stood at 34.1% in 1Q2021, largely in line with the 34.8% margin recorded in the first quarter of last year. The relatively stable gross profit margin comes despite the general rise in commodity prices and its consequent impact on Edita's cost base, with cost of direct materials increasing 26.6% y-o-y in 1Q2021. This was, however, largely offset by savings on manufacturing overheads on the back of cost cutting initiatives and higher utilization rates throughout the quarter.

Total SG&A recorded EGP 256.0 million in 1Q2021, up 4.4% versus last year, as the company continued to maintain a tight rein on its advertising and marketing (A&M) expenses. This saw SG&A outlays as a percentage of sales decrease to 22.0% in 1Q2021 from 25.4% in the first quarter of last year. Subsequently, EBITDA for the quarter recorded EGP 179.0 million, up 25.8% y-o-y and with an EBITDA margin of 15.3% compared to 14.8% in 1Q2020.

Net profit stood at EGP 80.7 million in 1Q2021, up 25.3% y-o-y, supported by strong top-line growth for the quarter. Net profit margin for the quarter recorded 6.9%.

In 1Q2021, Edita recorded gross export sales of EGP 44.6 million, down 27.6% y-o-y as Covid-19-related restrictions continued to weigh down on export activity and international trade. As such, gross export's contribution to total revenues for the quarter declined to 3.8% in 1Q2021 from 6.3% in 1Q2020.

Operational Developments

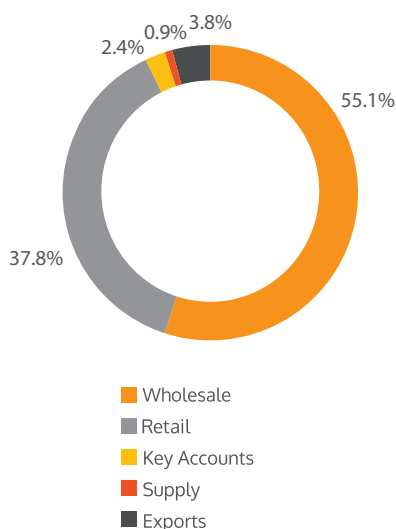
New Product Launches and Investments

Rolling out innovative products continues to be a top priority for the company. During the first quarter of the year, Edita introduced multiple new and upsized SKUs across its segments, expanding its offering while delivering on its portfolio optimization strategy. In January, Edita capitalized on the growing popularity of its Molto Magnum line with the roll out of a new Molto Mini Magnum. The new product is available in both chocolate and hazelnut cream, and strawberry cheesecake flavours and is retailing at EGP 5 per pack. In February, the company rolled out its new Freska Block, a filled wafer bar with a double-layer chocolate available in





Revenue Contribution by Distribution Channel 1Q2021*



three flavours and selling for EGP 3 per pack. This was later followed by the launch of Edita’s latest upsized cake product, HOHOs Extreme, retailing at EGP 3 per pack. The launches come as part of Edita’s strategy to better cater to its consumers’ evolving preferences and offer higher value-for-money propositions. All new product launches were supported by targeted, multi-platform marketing and advertisement campaigns. The campaigns, which quickly went viral, featured top-class celebrities and were very successful in driving demand for the new lines.

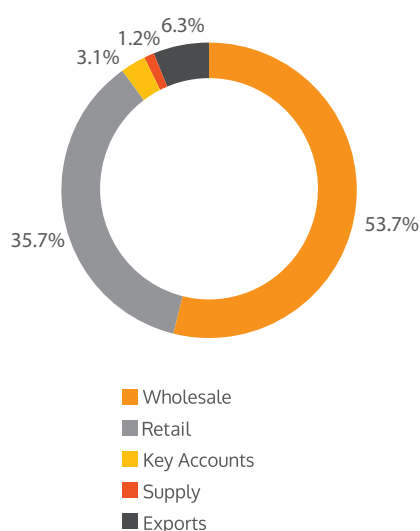
Edita also continued to invest in its production capabilities, with the installation of a new wafer production line at its E08 facility which was completed in February 2021. The new wafer production line is utilized to produce the company’s latest launch in the coated wafer category, Freska Block.

On the financing front, Edita continued to take advantage of the lower interest rate environment in Egypt and secured a new EGP 90 million medium term loan. The facility has a seven-year maturity and will be used to finance Edita’s capital expenditure plans in Egypt. The loan is part of the Central Bank of Egypt’s (CBE) initiative program to support Egyptian businesses with low-interest loans during the ongoing pandemic.

Strategy Insights

Edita’s results in the first quarter of 2021 reflect both the steady recovery across the wider economy as well as the position of strength from which the company entered the new year, having successfully delivered on its longer-term strategic objectives despite the Covid-19-related challenges faced in 2020. In 2021, the company will work to reap the benefits of the significant investments undertaken throughout 2020 to drive sustainable and diversified revenue growth in line with its long-term strategy.

Revenue Contribution by Distribution Channel 1Q2020*

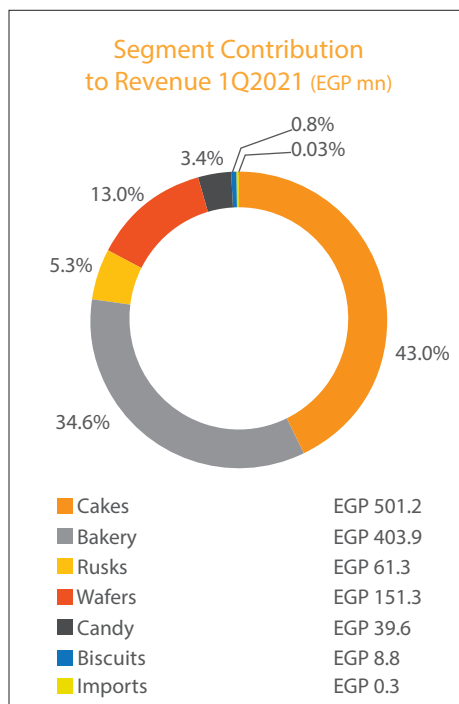


On the home front, Edita aims to leverage its innovative abilities and strengthened distribution and sales function to continue stimulating demand and support the recovery in sales volumes. The company will continue launching new, higher-value propositions across its various segments, as it works to shift consumers increasingly towards higher price-points. In parallel, Edita aims to build brand equity and capture a growing share in the newly penetrated biscuits market through the launch of new products and a wide-range of marketing campaigns. Egypt’s biscuits segment represents a key area of future expansion for Edita due to the segment’s size and attractive growth profile.

On the regional front, Edita’s first overseas production facility in Morocco is now complete with operations expected to kick off later in the year. The new production facility not only allows Edita to strengthen its presence in the attractive Moroccan snack food market but sets the foundations for further growth across the region.

* Figures are based on gross sales



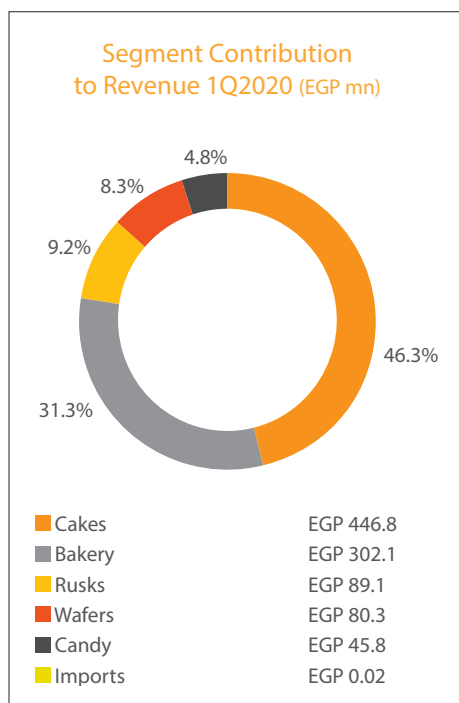


Overview of Segment Performance

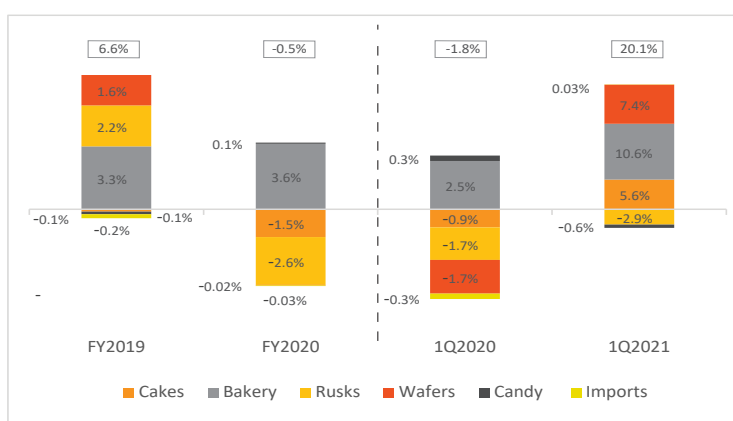
1Q2021 Revenue Growth by Segment (y-o-y)

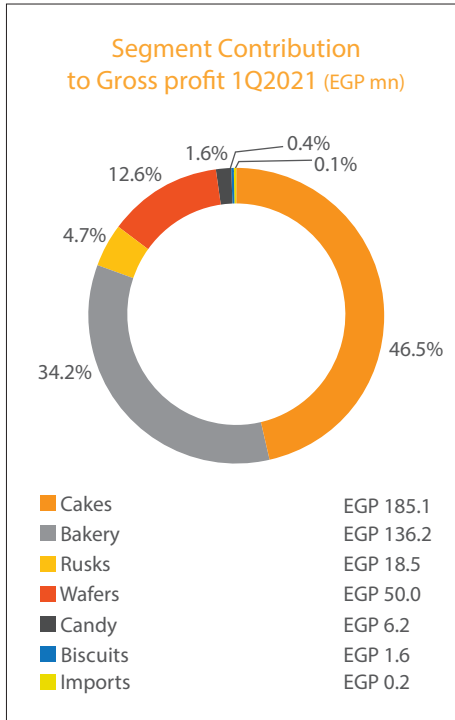


On a segment basis, Edita's consolidated top-line was supported by its bakery, wafers and cakes segments, all of which recorded impressive year-on-year growth for the quarter. The bakery segment continued to make the largest contribution to consolidated top-line growth, with the segment recording revenues of EGP 403.9 million in 1Q2021, up 33.7% y-o-y. The segment's strong performance came on the back of an 18.4% y-o-y rise in average price per pack coupled with a 12.9% y-o-y increase in packs sold. At the wafer segment, revenues expanded an impressive 88.5% y-o-y. The wafer segment's growth for the quarter was largely volume-driven as total packs sold increased 70.9% y-o-y, while average price per pack increased 10.3% versus last year. At the cakes segment, revenues increased 12.2% y-o-y in 1Q2021 as a 15.2% y-o-y rise in average price per pack more than offset a 2.6% y-o-y decline in packs sold for the period. Revenues from the rusks segment declined 31.2% y-o-y on the back of a 36.1% y-o-y decline in volumes during the quarter. Finally, at the company's candy segment revenues fell 13.6% y-o-y in 1Q2021 as an 18.8% y-o-y decline in packs sold was partially offset by a 6.4% y-o-y rise in average price per pack.

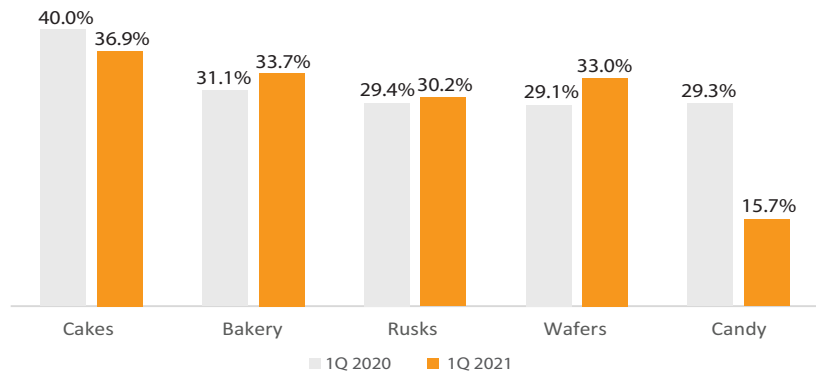


Weighted Revenue Growth Breakdown



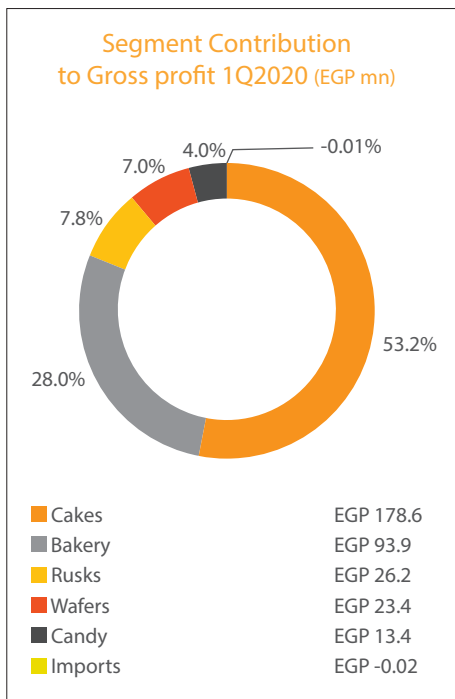


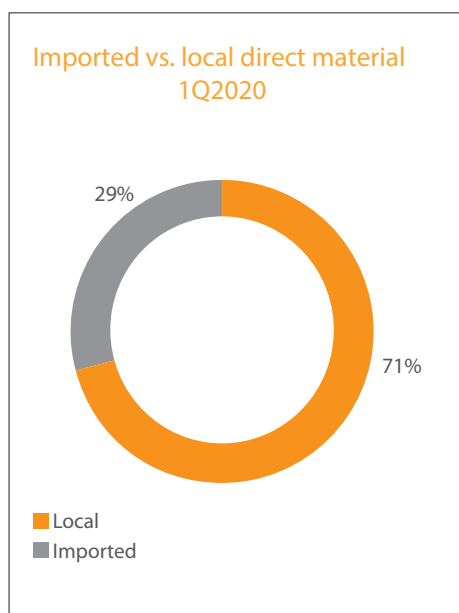
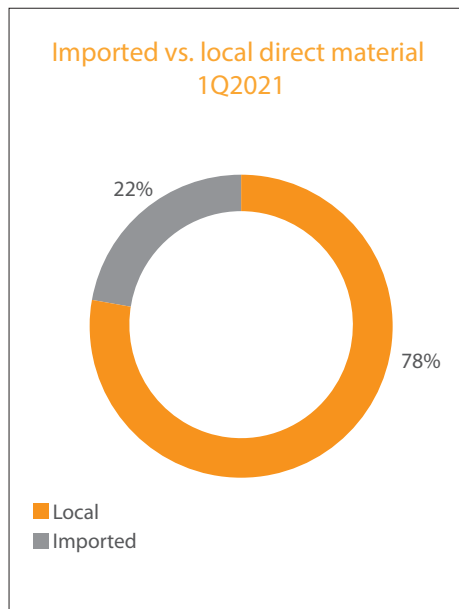
Gross Profit Margin by Product Segment*



*The chart excludes Edita's newly launched Biscuit segment which is currently in the ramp up phase.

On the gross profit level, consolidated growth for the quarter was also supported by the bakery, wafers, and cakes segments. The bakery segment continued to be the top performing segment in 1Q2021, reporting gross profits of EGP 136.2 million, up 45.1% y-o-y, and with a gross profit margin (GPM) of 33.7% in 1Q2021 versus 31.1% last year. At the wafer segment, gross profit expanded an impressive 113.9% versus last year to EGP 50.0 million in 1Q2021. Subsequently, GPM expanded nearly four percentage points to 33.0% for the quarter. The company's cakes segment, which continued to contribute the lion's share of consolidated gross profit, recorded a gross profit of EGP 185.1 million in 1Q2021, up 3.6% y-o-y and with a GPM of 36.9% for the quarter. At the rusks segment gross profit recorded EGP 18.5 million in 1Q2021, with a GPM of 30.2%, while at the candy segment, gross profit recorded EGP 6.2 million in 1Q2021.





Revenue and Gross Profitability by Segment

| EGP mn | 1Q2021 | 1Q2020 | Change |
|----------------------------|----------------|--------------|----------------|
| Cakes | | | |
| Revenue | 501.2 | 446.8 | 12.2% |
| Gross Profit | 185.1 | 178.6 | 3.6% |
| Gross Profit Margin | 36.9% | 40.0% | -3.0pts |
| Bakery | | | |
| Revenue | 403.9 | 302.1 | 33.7% |
| Gross Profit | 136.2 | 93.9 | 45.1% |
| Gross Profit Margin | 33.7% | 31.1% | 2.6pts |
| Rusks | | | |
| Revenue | 61.3 | 89.1 | -31.2% |
| Gross Profit | 18.5 | 26.2 | -29.2% |
| Gross Profit Margin | 30.2% | 29.4% | 0.9pts |
| Wafers | | | |
| Revenue | 151.3 | 80.3 | 88.5% |
| Gross Profit | 50.0 | 23.4 | 113.9% |
| Gross Profit Margin | 33.0% | 29.1% | 3.9pts |
| Candy | | | |
| Revenue | 39.6 | 45.8 | -13.6% |
| Gross Profit | 6.2 | 13.4 | -53.8% |
| Gross Profit Margin | 15.7% | 29.3% | -13.6pts |
| Biscuits | | | |
| Revenue | 8.8 | - | - |
| Gross Profit | 1.6 | - | - |
| Gross Profit Margin | 18.1% | - | - |
| Total Revenues* | 1,166.3 | 964.1 | 21.0% |
| Total Gross Profit* | 397.9 | 335.5 | 18.6% |
| Total GPM | 34.1% | 34.8% | -0.7pts |

*Includes contributions from Edita's imports segment





New Product Launches
2020/21



Segment Volumes and Prices

| | 1Q2021 | 1Q2020 | Change |
|---------------------------|-------------|-------------|--------------|
| Cakes | | | |
| Packs (mn) | 345 | 355 | -2.6% |
| Tons (000s) | 13.5 | 10.6 | 26.7% |
| Av. Factory Price | 1.45 | 1.26 | 15.2% |
| Bakery | | | |
| Packs (mn) | 177 | 157 | 12.9% |
| Tons (000s) | 10.2 | 7.6 | 34.7% |
| Av. Factory Price | 2.28 | 1.92 | 18.4% |
| Rusks | | | |
| Packs (mn) | 32 | 50 | -36.1% |
| Tons (000s) | 1.3 | 1.9 | -30.7% |
| Av. Factory Price | 1.90 | 1.77 | 7.6% |
| Wafers | | | |
| Packs (mn) | 88 | 52 | 70.9% |
| Tons (000s) | 2.5 | 1.4 | 74.5% |
| Av. Factory Price | 1.71 | 1.55 | 10.3% |
| Candy | | | |
| Packs (mn) | 18 | 22 | -18.8% |
| Tons (000s) | 0.9 | 1.0 | -12.5% |
| Av. Factory Price | 2.17 | 2.04 | 6.4% |
| Biscuits | | | |
| Packs (mn) | 4.4 | - | - |
| Tons (000s) | 0.1 | - | - |
| Av. Factory Price | 2.00 | - | - |
| Total Packs* (mn) | 666 | 636 | 4.7% |
| Total Tons* (000s) | 28.5 | 22.6 | 26.2% |
| Av. Edita Price | 1.75 | 1.52 | 15.6% |

*Includes contributions from Edita's imports segment

Balance Sheet

Edita's total CAPEX for the quarter ended 31 March 2021 was EGP 41.1 million, including investment in a new wafer line, enhancements on existing lines, the Morocco expansion, and IT expenditures.

The company's total loans and borrowings as at 31 March 2021 stood at EGP 931.3 million, down from EGP 1,019.3 million as at year-end 2020. Edita's total bank overdrafts recorded EGP 28.1 million as at 31 March 2021 versus EGP 80.4 million at year-end 2020. Net debt recorded EGP 184.4 million as at 31 March 2021, down from EGP 301.8 million at year-end 2020.

Edita's total inventory reached EGP 317.0 million as at 31 March 2021, up marginally from EGP 315.3 million as at 31 December 2020.

Trade receivables recorded EGP 24.8 million as at 31 March 2021 compared to EGP 34.1 million as at year-end 2020, reflecting the company's cash policy for over 95% of its sales.





New Product Launches
2020/21



Egyptian Accounting Standards Reconciliation to IFRS

Edita's EAS and IFRS financial statements differ in the treatment of employees' profit share, which is expensed under the IFRS, while the EAS accounts for them as a distribution and are thus not included on the income statement. Also, EAS and IFRS differ in the calculation of EBITDA. In 1Q2021, EGP 5.8 million in FX gains were deducted from EBITDA and EGP 0.2 million related to gains on the sale of fixed assets was also deducted from EBITDA. Moreover, a profit share deduction of EGP 22.1 million was made, bringing total EAS to IFRS adjustments on EBITDA to EGP 28.1 million. A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 1Q2021 is provided in the table below.

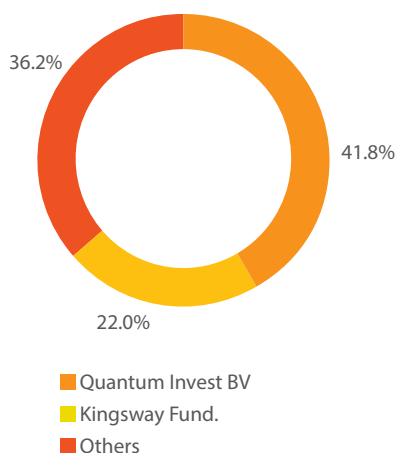
| in EGP mn* | 1Q2021 EAS | Adjustment | 1Q2021 IFRS |
|--------------------------------------|----------------|---------------|----------------|
| Net Sales | 1,166.3 | | 1,166.3 |
| COGS (excluding MOH) | 614.8 | | 614.8 |
| MOH | 148.7 | 5.0 | 153.6 |
| Total | 763.5 | 5.0 | 768.4 |
| Gross Profit | 402.8 | (5.0) | 397.9 |
| <i>Gross Profit Margin</i> | <i>34.5%</i> | | <i>34.1%</i> |
| Selling & Distribution Exp. | 89.0 | 12.7 | 101.7 |
| Advertising & Marketing Exp. | 73.4 | | 73.4 |
| General & Admin. Exp. | 76.4 | 4.5 | 80.9 |
| Other Operational Exp. | 23.7 | (0.7) | 23.0 |
| Profit from Operations | 140.3 | (21.4) | 118.9 |
| <i>Profit from Operations Margin</i> | <i>12.0%</i> | | <i>10.2%</i> |
| Lease Finance Interest | 3.1 | 0.4 | 3.4 |
| Profit Before Income Tax | 136.5 | (21.8) | 114.7 |
| Income Tax Expense | 34.0 | | 34.0 |
| Net Profit After Tax | 102.5 | (21.8) | 80.7 |
| <i>Net Profit After Tax Margin</i> | <i>8.8%</i> | | <i>6.9%</i> |
| EBITDA | 207.1 | (28.1) | 179.0 |
| <i>EBITDA Margin</i> | <i>17.8%</i> | | <i>15.3%</i> |

*Figures are based on management accounts for better disclosure on expenses breakdown





Shareholder Structure as of 1Q2021



About Edita Food Industries

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, bakery, rusks (baked wheat), wafers and biscuits 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, Oniro 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 bakery segments as well as in candy, a number-two market position in rusks and a growing market position in the wafers segment. In 1Q2021, the Company derived 96.2% of its revenue from Egypt and 3.8% from regional export markets. Learn more at ir.edita.com.eg

Investor Contacts

Ms. Menna Shams El Din
 Investor Relations & Business Development Senior Director
menna.shamseldin@edita.com.eg

Ms. Alia Balbaa
 Investor Relations Manager
alia.balbaa@edita.com.eg

Mr. Ahmed Maharem
 Senior Investor Relations Analyst
ahmed.maharem@edita.com.eg

T: +202 3851-6464

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.

