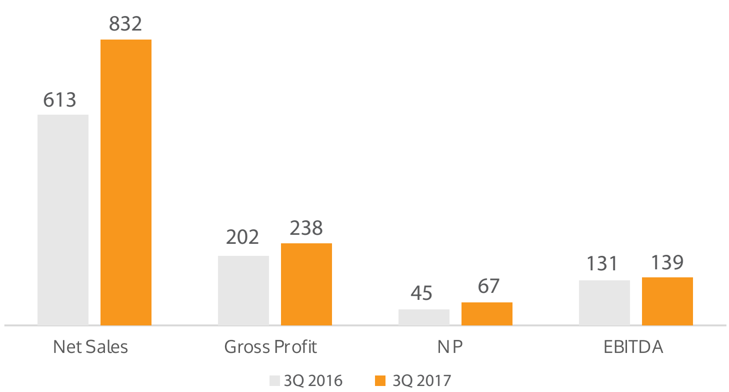
Edita Food Industries Reports 3Q2017 Earnings

Strong volume-recovery quarter-on-quarter as consumers adapt to Edita's portfolio optimization; revenues record a solid 36% year-on-year growth to EGP 832 million in 3Q2017; bottom-line up a significant 47% year-on-year.

Highlights for 3Q2017

Revenue	Gross Profit
EGP **832.2** mn ▲**35.8%** y-o-y	EGP **238.1** mn ▲**18.0%** y-o-y
EBITDA	**Net Profit**
EGP **139.4** mn ▲**6.6%** y-o-y	EGP **66.7** mn ▲**47.4%** y-o-y

Snapshot of Results 3Q2017 (EGP million)



Summary Income Statement (EGP mn)

EGP mn	3Q2016	3Q2017	Change	9M2016	9M2017	Change
Revenue	613.0	832.2	*35.8%*	1,681.3	2,086.3	*24.1%*
Gross Profit	201.7	238.1	18.0%	609.5	644.5	5.7%
% Margin	*32.9%*	*28.6%*		*36.3%*	*30.9%*	
EBITDA	130.8	139.4	*6.6%*	341.9	276.8	*-19.0%*
% Margin	*21.3%*	*16.8%*		*20.3%*	*13.3%*	
Net Profit	45.3	66.7	*47.4%*	119.5	105.4	*-11.8%*
% Margin	*7.4%*	*8.0%*		*7.1%*	*5.1%*	

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."

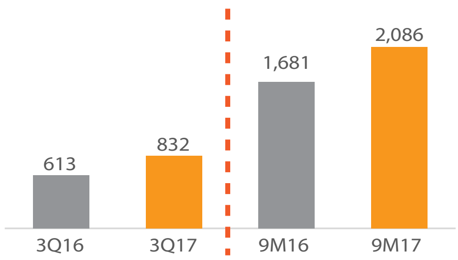
Results in a Nutshell

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 ending 30 September 2017. For 3Q2017, the company reported strong bottom-line growth of 47.4% y-o-y to EGP 66.7 million on revenues of EGP 832.2 million, up 35.8% y-o-y.

On a year-to-date basis, Edita recorded revenues of EGP 2,086.3 million in 9M2017, up 24.1% y-o-y, while net profit came in at EGP 105.4 million in the same period.

Edita's results for the third quarter mark an important milestone in the company's recovery from the multifaceted impact of the Egyptian government's structural reform program. Edita's responsive strategy and its defensive business model ensured the company was particularly successful in absorbing inflationary shocks arising from the reform program. The early-roll out of Edita's repricing strategy, coupled with management's focus on targeting optimum price-point segmentation, allowed the company to navigate a challenging operating environment. With the dust now settling, Edita has delivered consistent top-line growth and defended its market share. In tandem, the company has reshaped its product portfolio and continues to optimize it in a manner that now sees it extracting higher-value through innovation and simultaneously serving a consumer base that spans a wide income spectrum.

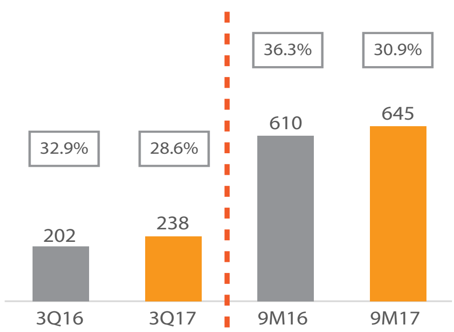
Revenue Progression
(EGP million)



The merits of Edita's strategy are increasingly evident quarter-on-quarter, with all five of Edita's segments posting strong double- and triple-digit growth in 3Q2017. Revenue growth was largely price-driven as average price per pack up 59.7% y-o-y across the company's portfolio. Edita's volumes recorded a strong 41.0% q-o-q recovery over 2Q2017 levels, which management views as a direct consequence of consumers' increasing acceptance of Edita's new price-points as well as the roll-out of several new competitive products.

As of August 2017, the most recent period for which industry sales data is available, Edita had defended and expanded its market share across its segments. Cakes maintained a 57.2% market share, rusks expanded to 45.9%, wafers grew to 10.6%, and candy maintained its lead at 17.8% of the market. The croissant segment's market share stood at 60.4% for the eight-month period ending August 2017.

Gross Profit Progression
(EGP million, % margin)



Edita also continues to make headway in its regional expansion plans, with total exports during 3Q2017 recording a 101.9% y-o-y increase compared to 3Q2016 and a 91.6% q-o-q rise over 2Q2017.

On a segment basis, cake sales grew 43.4% y-o-y in 3Q2017 to EGP 435.5 million, where a 60.0% y-o-y increase in average prices per pack offset a volume decline. It is worth noting that volume declines are decelerating, with total volumes down 20.4% y-o-y in 3Q2017 versus 34.1% in 2Q2017. Compared to 2Q2017, third quarter sales volumes grew 31.7%. For the nine-month period, cake revenues advanced 32.9% y-o-y to EGP 1,117.2 million in 9M2017.

Edita's croissant segment recorded sales of EGP 278.9 million in 3Q2017, up a solid 22.4% y-o-y as the segment's recently passed price increase start to outweigh the pullback

on volumes. Average croissant prices per pack increased 51.9% y-o-y while total volumes sold posted a 77.8% q-o-q recovery (down 31.7% y-o-y) in 3Q2017. On a nine-month basis, the segment posted revenues of EGP 582.4 million in 9M2017, remaining flat versus the same period last year.

The wafer segment recorded the fastest y-o-y growth in 3Q2017 with revenues increasing by an impressive 121.8% to EGP 39.1 million. Segment growth was dual-driven by both volume and price which climbed 20.9% and 130.6% y-o-y, respectively. For the nine-month period, wafer sales stood at EGP 120.6 million in 9M2017, up almost twofold compared to 9M2016.

Rusks posted a 10.0% y-o-y increase in sales to EGP 44.8 million in 3Q2017. Rusks volumes recorded a 21.6% y-o-y decrease during the quarter, however, this was offset by the 108.1% y-o-y increase in average prices in 3Q2017. Segment volumes are also showing a q-o-q recovery, having increased by 32.1% over 2Q2017 levels. In 9M2017, rusks recorded sales of EGP 152.1 million or a 29.2% y-o-y increase over the same period last year. Meanwhile, revenues from the candy segment grew by 53.3% y-o-y to EGP 33.3 million in 3Q2017, while on a year-to-date basis the segment posted a 60.9% y-o-y increase in revenues to EGP 110.9 million in 9M2017.

Edita recorded cost of goods sold (COGS) of EGP 594.1 million during 3Q2017, up 44.5% y-o-y driven by the company's top-line growth and also affected by record-high inflation which has persisted throughout the year. Cost inflation in excess of revenue growth was primarily driven by higher cost of direct material on the back of the November 2016 float of the Egyptian pound. In 9M2017, Edita's total COGS stood at EGP 1,441.7 million, up 34.5% compared to the EGP 1,071.7 million booked in 9M2016.

Top-line growth filtered down to Edita's gross profit, which rose 18.0% y-o-y to EGP 238.1 million in the third quarter. Edita's ability to control overheads allowed it to partially offset increases in cost of sales. Gross profit margin (GPM) recorded 28.6% in 3Q2017 versus 32.9% in the same period last year. On a year-to-date basis, gross profit recorded a 5.7% y-o-y improvement to EGP 644.5 million in 9M2017, with a GPM of 30.9%.

Edita recorded selling, general and administrative (SG&A) expenses of EGP 117.9 million in 3Q2017, up 32.6% y-o-y yet remaining stable as a percentage of sales at 14.2%. Selling and distribution (S&D) constituted the largest share of SG&A at 49.4% in 3Q2017 and recorded a 23.9% y-o-y increase, however decreasing to 7.0% as a percentage of sales versus 7.7% in 3Q2016. Meanwhile, advertising and marketing (A&M) spend as a percentage of sales recorded 1.3% in 3Q2017 (9M2017: 5.6%) versus 0.9% in 3Q2016 (9M2016: 4.1%).

EBITDA for the quarter increased by 6.6% y-o-y to EGP 139.4 million in 3Q2017. EBITDA margin recorded 16.8% in 3Q2017 compared to 21.3% in the same period last year. Year-to-date, EBITDA recorded EGP 276.8 million in 9M2017, down 19.0% y-o-y and with an EBITDA margin of 13.3%.

Edita was able to deliver strong bottom-line growth during the quarter, recording a net profit of EGP 66.7 million in 3Q2017, up 47.4% y-o-y. On a nine-month basis, net profit came in at EGP 105.4 million for 9M2017 compared to EGP 119.5 million in the same period last year.

On the operational front, Edita inaugurated its E08 factory in July 2017 with the commissioning of the new wafer line. The new factory has already seen the company begin to expand its current product offering through the introduction of variants on existing products. In parallel, it will give Edita the space needed to continue rolling out new and differentiated products designed to extract higher value from key segments.

The E08 facility is set to house around 11 new lines on a built-up area of 36,000 sqm and deploying state-of-the-art technology and is compliant with international quality and safety standards. Phase one of the E08 facility, which includes the new wafer line, will be home to five new lines with a total built-up area of 22,000 sqm. The wafer line's first commercial launches were the new Freska Bites and the Freska Fingers.

In October 2017, the company commissioned its second line at E08 to begin commercial-scale production of the TODO Donut. The new offering is the first mass-produced and packaged donut in Egypt and is a natural outgrowth of Edita's strategy of pioneering new categories in the snack food market. The new TODO Donut is initially offered in two chocolate-coated SKUs of different sizes and will be followed with additional SKUs in the months ahead.

Strategy Insight

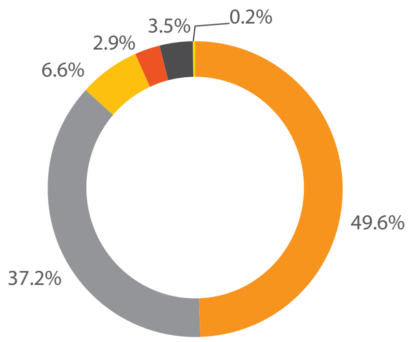
The prudence of Edita's strategy is becoming increasingly evident with the recent recovery in volumes, and management reiterates its primary focus to accelerate this momentum and continue driving volumes upward by 1) relying on innovation and product differentiation to roll-out new products to stimulate demand and extract higher value from key segments and 2) continuing to cater to the mass market and defend market share by offering products across the price spectrum to achieve optimum price-point segmentation.

Management also continues to work on optimising cost structures across all departments to support profitability.

In parallel, Edita is exploring multiple avenues for regional expansion, particularly into fast-growing, emerging markets with large consumer bases and significant growth potential. The goal is to develop into a multi-country player with a strong, diversified revenue base.

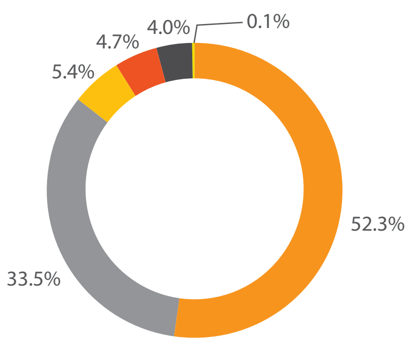
In tandem with this continued emphasis on product innovation and regional expansion, the company is actively exploring new revenue streams where it can leverage the strength of its distribution network and, leveraging its strong brand equity to maintain its market leadership position. These key pillars form the foundation for Edita's long-term growth and sustainable shareholder value creation strategy.

Segment Contribution to Revenue 3Q2016 (EGP mn)



Cakes	EGP 303.8
Croissants	EGP 227.9
Rusks	EGP 40.7
Wafers	EGP 17.6
Candy	EGP 21.7
Imports	EGP 1.3

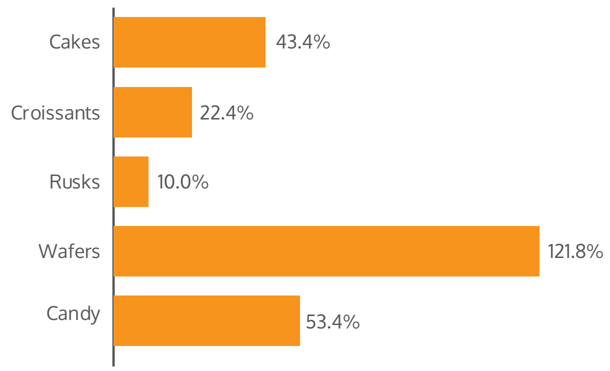
Segment Contribution to Revenue 3Q2017 (EGP mn)



Cakes	EGP 435.5
Croissants	EGP 278.9
Rusks	EGP 44.8
Wafers	EGP 39.1
Candy	EGP 33.3
Imports	EGP 0.7

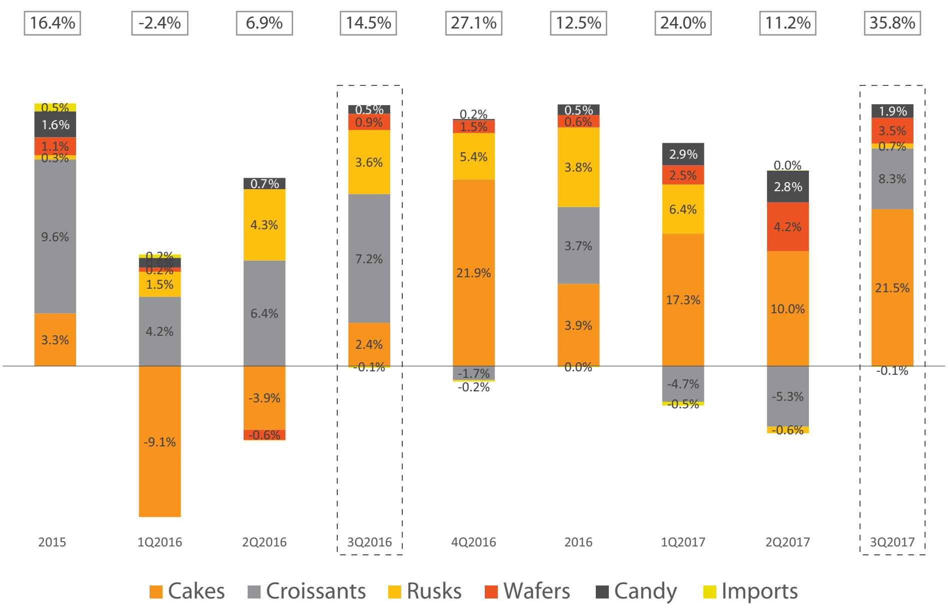
Overview of Segment Performance

3Q2017 Revenue Growth by Segment (y-o-y)

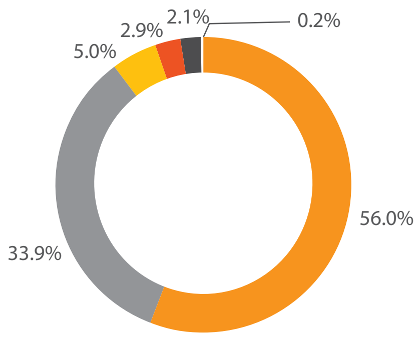


The cake segment was the largest contributor to revenue growth during 3Q2017, where the segment's 43.4% increase in sales contributed 60% to Edita's top-line growth in absolute terms. Meanwhile, a solid 77.8% q-o-q recovery in croissant volumes in 3Q2017 saw the segment post a 22.4% y-o-y increase in sales and was the second highest contributor to Edita's revenue growth in absolute terms at c.23%. Edita's wafer segment was also an outperformer during the quarter, with both prices and volumes up y-o-y and segment sales posting an impressive 121.8% y-o-y increase and contributing c.10% to consolidated growth in absolute terms. Rusks and candy similarly helped drive revenue growth in 3Q2017, with the segments posting a 10.0% and 53.4% y-o-y increase in sales, respectively. On a nine-month basis, Edita's revenues increased 24.1% in 9M2017, with the cake segment having contributed the lion's share to revenue growth in absolute terms at 68%.

Segment Contribution to Growth

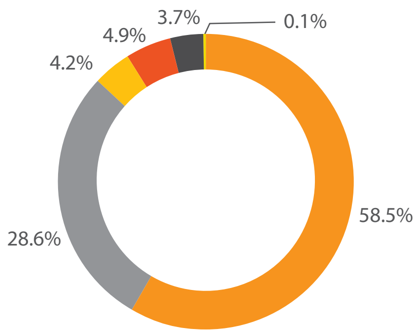


Segment Contribution to Gross profit 3Q2016 (EGP mn)



Cakes	EGP 112.9
Croissants	EGP 68.4
Rusks	EGP 10.0
Wafers	EGP 5.9
Candy	EGP 4.2
Imports	EGP 0.4

Segment Contribution to Gross profit 3Q2017 (EGP mn)



Cakes	EGP 139.3
Croissants	EGP 68.0
Rusks	EGP 10.0
Wafers	EGP 11.7
Candy	EGP 8.8
Imports	EGP 0.3

Edita's revenue growth continues to be price-driven, with average price per pack across its portfolio rising by 59.7% y-o-y in 3Q2017. Year-on-year, volumes decline was decelerating, with 3Q2017 tons sold down 24.3% y-o-y compared to a 40.1% y-o-y decline in 2Q2017 and 37.3% in 1Q2017. On a nine-month basis, average price per pack increased 75.1% y-o-y in 9M2017 while total volumes were down 33.5% y-o-y to 52.7 thousand tons.

Average Factory Price Per Pack

EGP	3Q2016	3Q2017	Change	9M2016	9M2017	Change
Cakes	0.75	1.19	60.0%	0.71	1.27	79.3%
Croissant	0.93	1.41	51.9%	0.92	1.51	63.9%
Rusks	0.81	1.68	108.1%	0.82	1.70	107.5%
Wafers	0.77	1.77	130.6%	0.76	1.63	114.6%
Candy	1.70	2.00	17.4%	1.56	2.05	31.5%
Average Edita	**0.83**	**1.33**	**59.7%**	**0.80**	**1.41**	**75.1%**

Total Segment Revenues and Volumes Sold (3Q vs. 3Q)

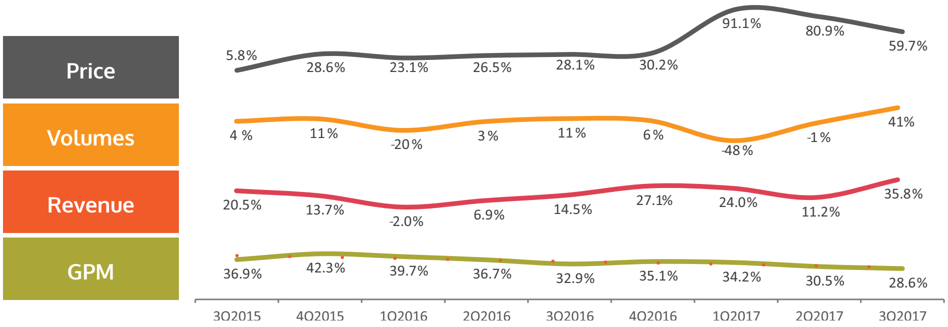
	3Q2016			3Q2017		
	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)	Packs (millions)	Tons (000s)
Cakes	304	407	13.8	435	365	11.0
Croissant	228	246	11.5	279	198	7.9
Rusks	41	51	1.7	45	27	1.4
Wafers	18	23	0.6	39	22	0.8
Candy	22	13	1.0	33	17	0.7
Imports	1	-	-	1	0	-
Total	**613**	**739**	**28.7**	**832**	**628**	**21.7**

Total Segment Revenues and Volumes Sold (9M vs. 9M)

	9M2016			9M2017		
	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)	Packs (millions)	Tons (000s)
Cakes	841	1,185	39.2	1,117	878	28.1
Croissant	585	635	29.8	582	386	16.3
Rusks	118	144	5.0	152	90	3.6
Wafers	63	83	2.3	121	74	2.2
Candy	69	44	3.1	111	54	2.5
Imports	6	-	-	3	0	-
Total	**1,681**	**2,091**	**79.2**	**2,086**	**1,482**	**52.7**

Edita recorded a gross profit of EGP 238.1 million in 3Q2017, up 18.0% y-o-y and yielding a gross profit margin of 28.6%. Gross profit growth during the quarter was primarily driven by the cake segment having recorded a 23.4% y-o-y increase and contributed 73% to total GP growth in absolute terms. Gross profit for the nine-month period came in at EGP 644.5 million in 9M2017, up 5.7% y-o-y and with a GPM of 30.9%.

Quarterly Progression of Key Indicators



Cakes

Contributing the largest share to revenues in 3Q2017 at 52.3%, the **cake segment posted sales** of EGP 435.5 million during the quarter, up 43.4% y-o-y. Segment growth was price-driven with average price per pack up by 60.0% y-o-y to EGP 1.2. Cake volumes stood at 11.0 thousand tons in 3Q2017, up 31.7% q-o-q as the segment makes a gradual recovery following Edita's wave of direct price increases passed in December 2016. Cake volumes were 20.4% lower y-o-y in 3Q2017. In 9M2017, cake sales recorded EGP 1,117.2 million, up 32.9% y-o-y as prices increased by 79.3% y-o-y during the same period.

Edita will continue to drive volume recovery with the roll-out of new innovative products on freed up capacities and at the same time pushing for optimum price-point segmentation. Edita continues to hold the largest share of the cake market at 57.2% as at August 2017.

The **cake segment's gross profit** recorded EGP 139.3 million in 3Q2017, a 23.4% y-o-y growth with the segment contributing 58.5% to consolidated gross profit. GPM stood at 32.0% in 3Q2017 compared to 37.2% in the same period last year. On nine-month basis, gross profit from the segment posted EGP 383.9 million in 9M2017, up 12.7% y-o-y and yielding a GPM of 34.4%.

Croissant

Revenues from the croissant segment recorded a marked recovery in 3Q2017, rising 22.4% y-o-y to EGP 278.9 million following a c.15% y-o-y contraction in 1H2017. Segment growth was driven by a 51.9% y-o-y increase in average price per pack, and supported by recovering volumes which recorded a significant 77.8% q-o-q increase in 3Q2017. Edita sold a total of 7.9 thousand tons of croissant in 3Q2017 compared to 11.5 thousand tons in 3Q2016. On a year-to-date basis, the croissant segment recorded revenues of EGP 582.4 million in 9M2017, remaining flat compared to the same period last year.

As of August 2017, Edita remained the leader in the croissant segment with a market share of 60.4%.

The croissant's gross profit remained flat in 3Q2017 at EGP 68.0 million compared to the EGP 68.4 million posted in 3Q2016. The segment's contribution to gross profit stood at 28.6% in 3Q2017 up from 18.2% in 2Q2017. Meanwhile, GPM for the segment recorded 24.4% in 3Q2017 compared to 30.0% in 3Q2016, however making a three-point expansion over 2Q2017 figure of 21.6% thanks to rising utilization rates. Gross profitability continues to be affected by the float of the Egyptian pound and its effect on the high FX component in

the croissants' raw material blend. In 9M2017, gross profit from the segment recorded EGP 142.0 million, down 25.3% y-o-y and with a GPM of 24.4%.

Rusks

Revenues from the rusks segment came in at EGP 44.8 million in 3Q2017, up 10% y-o-y and reversing the previous quarter's decline of 6.9% y-o-y. Rusks' contribution to revenue stood at 5.4% in 3Q2017 compared to 6.6% in the same period last year. Revenue growth during the quarter came on the back of a 108.1% y-o-y increase in average price per pack, while total volumes sold stood at 1.4 thousand tons, up 32.1% q-o-q however down 21.6% compared to 3Q2016. On a nine-month basis, revenues from the rusks segment were up 29.2% y-o-y to EGP 152.1 million in 9M2017. Edita continues to capture market share in this fast growing segment, holding 45.9% as of August 2017 compared to 41.0% in the same period last year.

Gross profit from the rusks segment remained unchanged at EGP 10.0 million in 3Q2017, while GPM stood at 22.2% compared to 24.5% in 3Q2016, however up a significant 5.5 percentage points over 2Q2017. Year-to-date the segment's gross profit recorded EGP 37.2 million in 9M2017, up 9.9% y-o-y and yielding a GPM of 24.5%.

Wafers

The wafers segment continued on its impressive upward trajectory, posting **revenue growth** of 121.8% y-o-y to EGP 39.1 million in 3Q2017. The segment's strong performance is thanks to the dual effect of higher prices and rising volumes, with average price per pack increasing 130.6% y-o-y in 3Q2017, while total volumes were up 20.9% y-o-y to 0.8 thousand tons. Segment performance was also buoyed by Freska's rebranding campaign kicked-off toward the close of 1Q2017, and the subsequent launch of new offerings including the Freska Fingers and the Freska Bites. Wafer segment revenues in 9M2017 similarly recorded an almost twofold increase to EGP 120.6 million compared to the EGP 62.9 million posted in 9M2016. Edita's share of the wafer market continues to grow, capturing 10.6% as at August 2017 up from 7.8% in the same period last year.

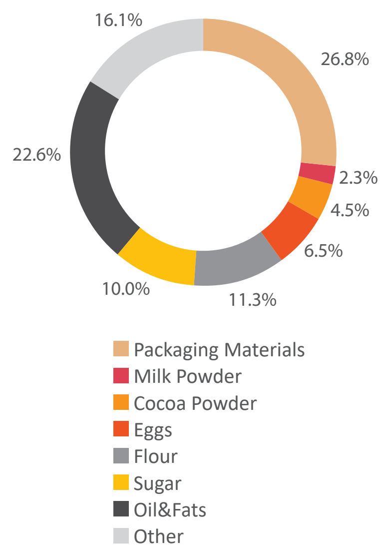
Gross profit for the quarter recorded EGP 11.7 million in 3Q2017, up 98.0% y-o-y and with an increasing contribution to consolidated gross profit at 4.9% compared to 2.9% in 3Q2016. Segment profitability continues to be supported with GPM recording 30.0% in 3Q2017 compared to 33.7% in 3Q2016. Gross profit in 9M2017 came in at EGP 43.6 million, up 73.5% y-o-y and with a GPM of 36.2% compared to 39.9% in 9M2016.

Candy

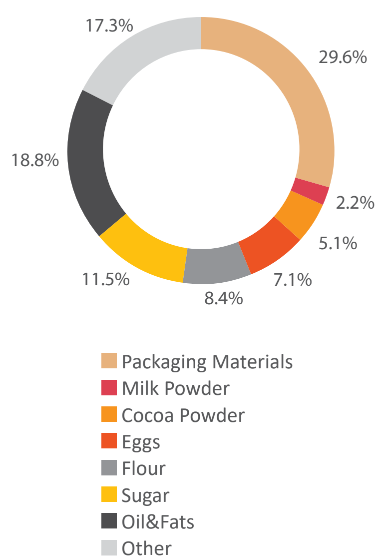
Revenues from the candy segment recorded EGP 33.3 million in 3Q2017, a 53.4% y-o-y increase driven primarily by a 106.4% hike in prices for the same period. The segment's contribution to top-line increased to 4.0% in 3Q2017, up from 3.5% in the same period last year. On a nine-months basis, revenues from the candy segment totalled EGP 110.9 million in 9M2017, up 60.9% y-o-y. Edita continues to command a leading position in the candy market, holding a 17.8% market share as of August 2017 compared to 12.2% in the same period last year.

The candy segment delivered **significant gross profit growth** at 109.4% y-o-y to EGP 8.8 million in 3Q2017, while GPM expanded over seven percentage points to 26.5%. On year-to-date basis, gross profit from the segment recorded EGP 36.8 million in 9M2017, up 105.9% y-o-y and yielding a GPM of 33.1% compared to 25.9% in 9M2016.

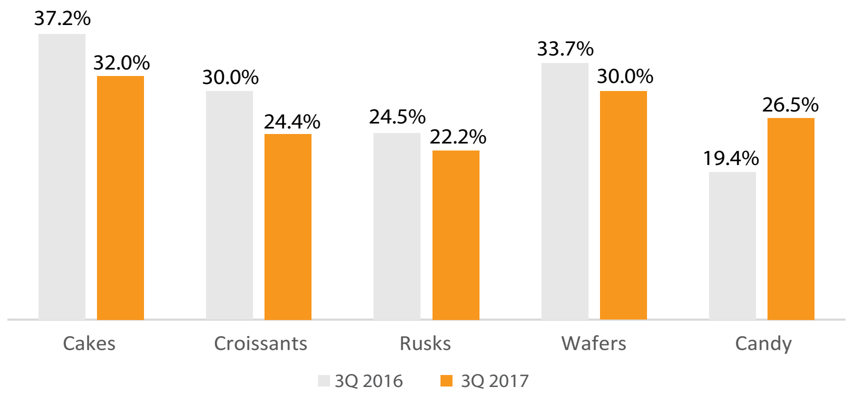
Direct Material Breakdown 3Q2016



Direct Material Breakdown 3Q2017



Gross Profit Margin by Product Segment



Costs of Goods Sold[1]

Edita's cost of goods sold (COGS) for 3Q2017 recorded EGP 594.1 million, up 44.5% y-o-y driven by the company's top-line growth and also affected by record-high inflation which persisted throughout the year. Cost inflation in excess of revenue growth was primarily driven by higher cost of direct material, which constituted the largest share of COGS at 80.8% in 3Q2017 and recorded a 50.0% y-o-y increase to EGP 479.8 million. Cost of both imported inputs and domestic materials with a foreign currency component were affected by the float of the Egyptian pound in November 2016. In 9M2017, cost of direct materials recorded EGP 1,134.7 million, up 39.4% y-o-y.

Constituting the second largest share of COGS at 16%, manufacturing overheads (MOH) recorded EGP 95.0 million in 3Q2017 or a 27.9% y-o-y increase over 3Q2016 figure. Manufacturing overheads as a percentage of sales declined to 11.4% in 3Q2017, versus 12.1% in the same period last year, thanks to Edita's flexibility in controlling overheads in line with production volumes. On a year-to-date basis, MOH posted EGP 252.3 million in 9M2017, up 20.4% y-o-y, however inching down to 12.1% of sales as compared to 12.5% in 9M2017.

In 9M2017, Edita's total COGS stood at EGP 1,441.7 million, up 34.5% compared to the EGP 1,071.7 million booked in 9M2016.

Other Operating Expenses[2]

Based on management accounts, operating expenses are divided into selling and distribution expenses (S&D), advertising and marketing expenses (A&M), and general and administrative expenses (G&A). Edita's total operating expenses came in at EGP 117.9 million in 3Q2017, up 32.6% y-o-y and remaining stable at 14.2% as a percent of revenues compared to the same period last year. On a nine-month basis, operating expenses recorded a 33.5% y-o-y increase to EGP 426.5 million in 9M2017.

S&D expenses constituted the largest share of operating expenses at 49.4% in 3Q2017 and recorded a 23.9% y-o-y increase to EGP 58.3 million. As a percentage of sales, S&D expenses decreased to 7.0% in 3Q2017 down from 7.7% in the same period last year. On a year-to date basis, S&D expenses came in at EGP 166.0 million in 9M2017, up 24.5%

[1] Breakdowns within this section are derived from the company's management report.

[2] SG&A breakdown is derived from the company's management accounts to ensure an accurate depiction of each of Edita's expenses and how they reflect on the business.

y-o-y on the back of higher wages and salaries as well as employee allowances to compensate for the prevailing inflation.

At 41.2% of total operating expenses, G&A expenses recorded a 32.8% y-o-y increase in 3Q2017 to EGP 48.6 million and constituted 5.8% of sales versus the 6.0% recorded in 3Q2016. In 9M2017, G&A expenses recorded EGP 144.5 million, up 24.2% compared to 9M2016 figure of EGP 116.3 million.

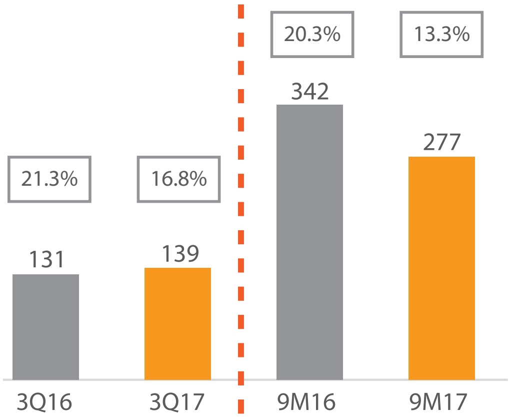
Edita's A&M expenses recorded EGP 11.0 million in 3Q2017, recording 1.3% during the quarter compared to 0.9% in 3Q2016 and a high of 9.1% in 2Q2017. Edita's budget allocation for A&M spend for the full year of 2017 was mostly earmarked for the first half of the year, with the expense expected to further normalize in the coming months. Year-to-date A&M expenses posted EGP 116.0 million in 9M2017, up 66.4% y-o-y and recording 5.6% of sales compared to 4.1% in the same period last year.

Edita's operating profit increased 10.7% y-o-y in 3Q2017 to EGP 105.0 million, while on a nine-month basis operating profit recorded EGP 189.1 million, down 24.9% y-o-y.

EBITDA

EBITDA for the quarter recorded EGP 139.4 million in 3Q2017, up 6.6% y-o-y and yielding an EBITDA margin of 16.8% versus 21.3% in 3Q2016. The improvement in EBITDA comes as Edita incurred lower operating expenses as a percentage of sales, particularly with annualised A&M spend beginning to normalize. In 9M2017 EBITDA recorded EGP 276.8 million, down 19.0% y-o-y and with an EBITDA margin of 13.3% compared to 20.3% in 9M2016.

EBITDA Progression (EGP million, % margin)



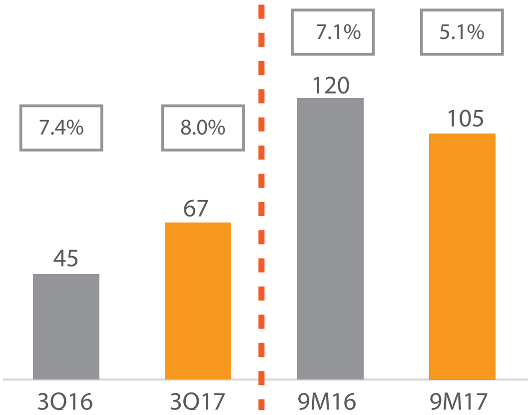
Net Earnings

A strong recovery in volumes q-o-q and improved operational performance saw Edita record a solid 47.4% y-o-y increase in net profit to EGP 66.7 million in 3Q2017. Net profit margin also inched up to 8.0% in 3Q2017 compared to 7.4% in the same period last year.

The improvement in profitability comes despite a 110.2% y-o-y increase in interest expense to EGP 29.5 million in 3Q2017 driven by the Central Bank of Egypt's (CBE) successive interest rate hikes since the float of the Egyptian pound in November 2016.

On a year-to-date basis, Edita's bottom-line recorded EGP 105.4 million in 9M2017, down 11.8% y-o-y, and yielding a net profit margin of 5.1% for the nine-month period.

Net Profit Progression (EGP million, % margin)



Balance Sheet

As at 30 September 2017, Edita's total assets stood at EGP 2.6 billion, with property, plant and equipment (PP&E) constituting the bulk at EGP 1.9 billion including projects under construction of EGP 462.5 million compared to PP&E of EGP 1.3 billion and projects under construction of EGP 163.1 million as at 31 December 2016. The change in PP&E follows the delivery of Edita's E08 factory.

Edita's total CAPEX outlay during the nine-month period stood at EGP 490.1 million, including EGP 219.3 million for the construction of the new E08 plant and EGP 3.3 million for E15's new hall. Meanwhile CAPEX for new machinery amounted to EGP 176.0 million of which EGP 101.6 million relate to the new wafer line installed in E08, while EGP 73.9 million were for Edita's new donut line.

Cash & cash equivalents including treasury bills stood at EGP 230.3 million or 9% of the company's total assets. Edita's trade receivables recorded EGP 20.2 million, reflecting the company's continued cash sales policy (97% of sales continue to be conducted on a cash basis). Meanwhile, trade and other payables booked EGP 393.6 million at the close of the nine-month period.

Edita's current portion of long-term liabilities recorded EGP 164.2 million at the close of the period compared to EGP 146.2 million as at year-end 2016. The company's long-term loans totalled EGP 585.7 million compared to the EGP 527.8 million as at 31 December 2016, however lower than the EGP 625.8 million recorded as at 30 June 2017. Total shareholders' equity stood at EGP 1.12 billion as at 30 September 2017, while Edita's net debt recorded EGP 710.4 million compared to EGP 631.9 million at year-end 2016.

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 9M2017, EGP 11.7 million in FX losses were added to the EBITDA while EGP 827.2 thousand related to gains on the sale of fixed assets were deducted. Moreover, a profit share deduction of EGP 23.6 million was made, bringing total EAS to IFRS adjustments on EBITDA to EGP 12.7 million. A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 9M2017 is provided in the table below.

in EGP mn	9M2017 EAS	Adjustment	9M2017 IFRS
Net Sales	**2,086.3**	**-**	**2,086.3**
COGS (excluding MOH)	1,186.3	-	1,186.3
MOH	242.9	6.7	249.6
Total COGS	1,429.1	6.7	1,435.8
Gross Profit	**654.0**	**(6.7)**	**647.3**
Gross Profit Margin	*31.3%*		*30.9%*
Selling & Distribution Exp.	159.9	11.2	171.0
Advertising & Marketing Exp.	116.0	-	116.0
General & Admin. Exp.	136.5	5.7	142.2
Other Operational Exp.	28.9	-	28.9
Profit from Operations	**212.8**	**(23.6)**	**189.1**
Profit from Operations Margin	*10.2%*		*9.1%*
Profit Before Income Tax	**153.7**	**(23.6)**	**130.1**
Income Tax Expense	24.7	-	24.7
Net Profit After Tax	**129.0**	**(23.6)**	**105.4**
Net Profit After Tax Margin	*6.2%*		*5.1%*
EBITDA	**289.5**	**(12.7)**	**276.8**
EBITDA Margin	*13.9%*		*13.3%*

Market Developments

Egypt's snack food market remained resilient in the face of the challenging environment with demand remaining strong despite record-high inflation and its effect on consumers' purchasing power. For the eight-month period ending August 2017, the snack food market size recorded a 13.1% y-o-y growth to EGP 10.6 billion compared to the EGP 9.4 billion recorded in the same period last year, driven primarily by repricing across the market.

Edita's core cake segment continued to record strong growth, standing at EGP 1,642 million year-to August 2017 or 27.0% higher than the same period last year. Edita commands a market leader position in the segment, capturing a 57.2% share as at August 2017 thanks to its continuous rollout of new innovations and differentiated products.

The croissant segment recorded growth of 5.3% y-o-y closing the eight-month period at EGP 735 million compared to the EGP 698 million in August 2016. Edita's market share as of August 2017 remained stable at 60.4% compared to the previous reporting period on April 2017, however, declining from 72.6% in August 2016. Edita's croissant volumes have recorded a q-o-q recovery of 77.8% in 3Q2017 following a pullback on volumes in the wake of two consecutive price increases in late 2016.

Rusks continued to be the fastest growing segment in the snack food market, posting y-o-y growth of 66.1% as of August 2017 to EGP 470 million. Constituting 7.3% of the salty snacks segment, this underserved rusks segment has been to quick to absorb Edita's expanded capacity, with the company's market share steadily increasing from 41.0% in August 2016 to 45.9% as of August 2017.

The wafer segment stood at EGP 1,370 million in August 2017, up 8.8% y-o-y with Edita's Freska brand capturing 10.6% of the market during the same period compared to 7.8% in August 2016. Meanwhile candy was the only segment to witness a y-o-y contraction following a temporary exist of a key market player, with the total sector standing at EGP 403 million in August 2017 or 5.4% lower compared to the same period last year. Edita is the market leader in the segment with a 17.8% share, up from 12.2% in August 2016.

		Market Position	8M2016 Market Share	8M2017 Market Share	Av. Consumer Price (EGP / US$[1])	Brands
87% of 3Q2017 Revenue	Cakes	#1	57.6%	57.2%	1.60 / 0.09	
	Croissants	#1	72.6%	60.4%	1.86 / 0.11	
	Rusks	#2	41.0%	45.9%	2.12 / 0.12	
	Wafers	#3	7.8%	10.6%	2.07 / 0.12	
	Candy	#1	12.2%	17.8%	3.91 / 0.22	

Source: AC Nielsen Retail Audit, IPSOS August 2017

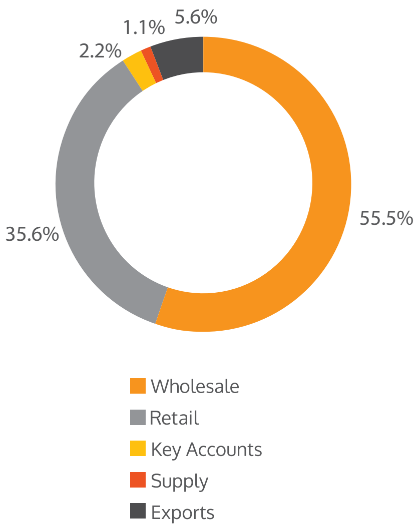
1. US$/EGP of 17.70 as of 30 September 2017 (CBE).

Selected Segments of the Snack Food Market in Egypt

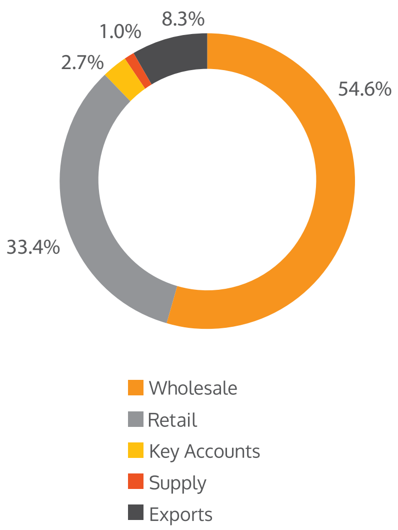
Segment	8M2016 (EGP mn)	8M2017 (EGP mn)	*% Change*
Cake	1,293	1,642	*27.0%*
Croissant	698	735	*5.3%*
Salty Snacks	5,693	6,450	*13.3%*
Rusks*	283	470	*66.1%*
Wafer	1,259	1,370	*8.8%*
Candy	426	403	*-5.4%*
Total Market	**9,369**	**10,600**	*13.1%*

* Rusk market is 7.3% of total salty snacks
Source: AC Nielsen Retail Audits

Revenue Contribution by Distribution Channel 3Q 2016



Revenue Contribution by Distribution Channel 3Q 2017



Marketing

Amid the recent macroeconomic developments, Edita's marketing strategy was focused on driving demand for new launches and ensuring the success of the company's repricing strategy by leveraging Edita's strong brand equity. Marketing venues included trade marketing, activities to increase product awareness, social and online media campaigns as well as above the line advertising. The strategy was particularly successful with consumers increasingly accepting to Edita's new value propositions and adapting to the new market dynamics.

Edita launched an intensive advertising campaign during the first half of 2017, focused on supporting its new product launches, including the new Freska Bites which followed the segment's rebranding campaign and the introduction of new flavour variations as well as the earlier launch of Freska Fingers.

Meanwhile, Edita's most recent product launch was the new TODO Donut in October 2017. The new donut offering is the first of its kind in Egypt and is a natural outgrowth of Edita's strategy to continuously pioneer new categories in the snack food market and stimulate new demand. The TODO Donut is initially introduced in two chocolate-coated SKUs of different sizes, and will be followed with other variations in the months ahead.

Edita's ability to continuously rollout new and innovative offerings that are positively received by consumers is owed largely to its superior R&D capability, a cornerstone of the company's strategy to open up new market areas previously unserved and characterized by having a high growth potential.

Development of Edita's Average Consumer Price by Product Segment

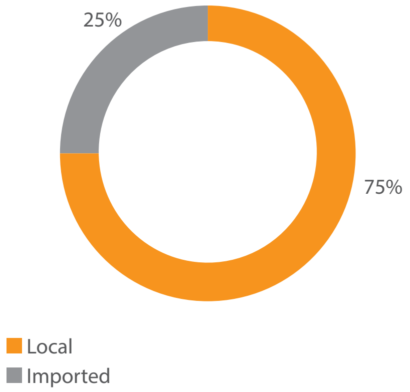
	9M2016	9M2017	Change (%)
Cake	0.93	1.60	72.0%
Croissant	1.18	1.86	57.6%
Rusks	1.04	2.12	103.8%
Wafer	1.00	2.07	107.0%
Candy	3.22	3.91	21.4%
Total	**1.06**	**1.81**	**70.8%**

Sales & Distribution[3]

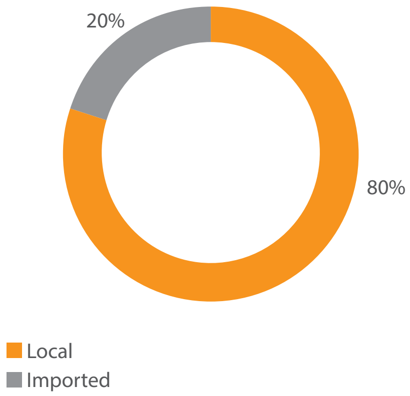
Edita's sales and distribution strategy aims to leverage the company's extensive network to maximize value by adopting a dual-pronged approach: 1) Increasing revenue contribution from retail channels and traditional points of sale to enhance direct access to the market and increase flexibility and; 2) deliver on the company's portfolio optimization strategy and push through better price-point segmentation based on geographic distribution and income levels. As of 30 September 2017, Edita's distribution network covered 21 centres across the country serving over 66,851 customers and operating a fleet of 598 distribution vans and 1,597 sales representatives.

[3] Revenue by distribution channel refers to gross sales

Imported vesus local direct material
3Q 2016



Imported vesus local direct material
3Q 2017



As of 9M2017, sales from Edita's wholesale channels recorded EGP 1,083.1 million (3Q2017: EGP 455.8 million), up 15.5% y-o-y and contributing 51.9% to total sales compared to 55.8% in 9M2016. Meanwhile, retail channels recorded growth of 31.4% y-o-y in 9M2017 to EGP 764.0 million (3Q2017: EGP 278.7 million), constituting a growing share of total sales at 36.6% compared to 34.6% in 9M2016. Revenues from key accounts (modern trade) recorded the fastest growth at 72.8% y-o-y in 9M2017 to EGP 63.2 million (3Q2017: EGP 22.5 million). Together supply and key accounts contributed 4.2% of total gross sales in 9M2017 compared to 3.2% in the same period last year.

In 9M2017, export sales grew 41.3% y-o-y to EGP 151.7 million and contributed 7.3% to total sales up from 6.4% in the same period last year. Meanwhile on a quarterly basis export growth was more pronounced, recording a 101.9% y-o-y surge to EGP 68.9 million and constituting 8.3% of sales versus 5.6% in 3Q2016.

Supply Chain

Edita's supply chain department continued its focus on maximizing operational efficiency and controlling costs, leveraging its strong relationships with its supplier base to negotiate favourable prices for raw materials compared to the market. The department is also actively exploring options to localize some of its raw materials to help cut foreign currency requirements, calling on the company's strong R&D department and its previous success with in localizing its needs of imported flour.

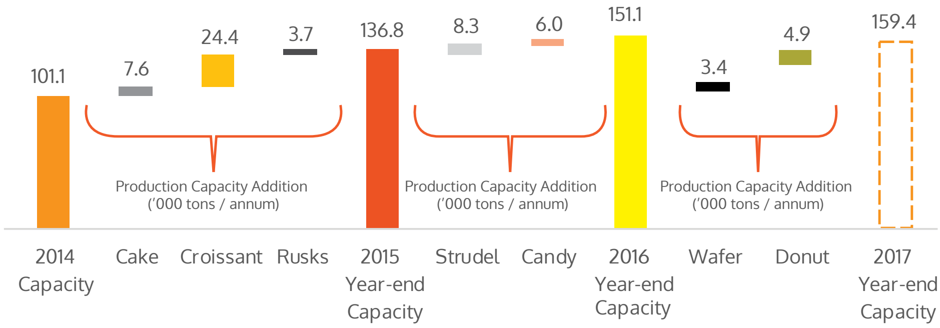
Imported direct materials constituted 20% of Edita's total direct materials costs in 3Q2017, down from 25% in the same quarter last year. On a nine-month basis, cost of imported materials stood at 21% in 9M2017 compared to 26% in 9M2016. The largest constituent of Edita's direct materials bill in 3Q2017 was raw materials at 70.4% while packaging materials recorded the balance of 29.6%.

Industrial Operations

3Q2017 marked the inauguration of the company's E08 factory with the commissioning of its first wafer line in July 2017. The new wafer line's start of commercial production was marked by the launch of Freska Fingers and Freska Bites. Meanwhile in October 2017, Edita commissioned its second line at E08 to produce donuts and launched its new TODO Donut as Egypt's first mass-produced packaged donut. The new line boasts an annual capacity of 4.9 thousand tons and in addition to the two SKUs launched for TODO Donut, another two SKUs are earmarked for production in the coming months.

The E08 facility will allow the company to expand its current product offering through launching new variants of existing products. E08 will also provide the space to fully capitalize on the company's R&D capabilities and its new R&D centre to continue rolling-out new innovative and differentiated offerings as part of Edita's strategy to create new categories in the snack food market.

Production Capacity Additions in 2014 - 2017[4]



Human Resources

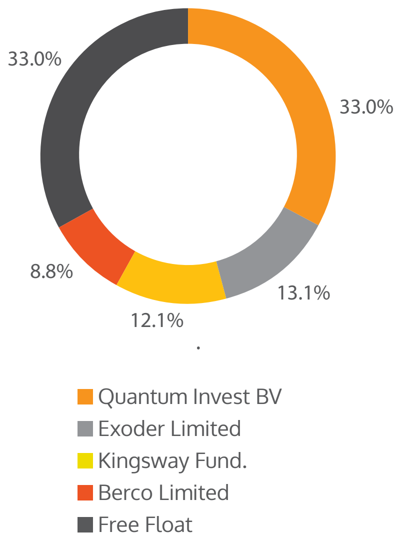
Edita's total headcount at the close of the nine-month period ending 30 September 2017 stood at 5,708 employees, with a turnover rate for both blue and white-collar professions standing at only 1.4%. Edita's low turnover rate serves as a testament to the company's dedication to the well-being of its employees and evident high rate of employee satisfaction.

Edita continues to invest in training programs for its employees' development as part of its commitment to career development and quality assurances. The period just ended witnessed the conclusion of the first round of the Edita Quality Academy International Certificate Program, with participant projects covering areas of quality and productivity improvement of Edita products and manufacturing lines.

Meanwhile, following Edita's signing of the United Nations Global Compact Initiatives (UNGC) in July 2017, Edita has now joined the Participatory Gender Audit Program which monitors and assesses the company's position on gender sensitivity and evaluate internal practices and support systems. The program will be launched by the International Labour Organization (ILO) along with the UN Global Compact Network Egypt (GCNE) in November 2017.

[4] Production capacity refers to theoratical capacity at the the time of purchasing the line. Actual capacity may differ according to changes in average weight per pack.

Shareholder Structure as of 3Q2017



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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, 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 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 3Q2017, the Company derived c. 92% of its revenue from Egypt and c. 8% from regional export markets. Learn more at ir.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.