

Edita Food Industries Reports 2Q2024 Earnings

Edita continues its growth momentum into the second quarter of 2024, with revenues increasing 42.1% year-on-year to EGP 4.1 billion

Highlights for 2Q2024



Financial and Operational Highlights

- Strong revenue of EGP 4.1 billion in 2Q2024**, marking a 42.1% y-o-y increase fueled by pricing and sustained demand.
- Edita implemented price adjustments at the end of the second quarter of 2024** to mitigate the impact caused by the March 2024 devaluation.
- Edita's core segment, cake, was the main driver behind growth with revenues increasing 47.7% y-o-y in 2Q2024**, driven by higher prices and increased volumes.
- The bakery segment posted a 21.1% y-o-y revenue growth**, achieved through repricing strategies that countered a decline in volumes during the period.
- The wafers' segment also strongly supported consolidated growth, with revenues climbing 74.1% y-o-y in 2Q2024**. This growth was attributable to a 44.5% y-o-y increase in volumes sold, fuelled by the company's ongoing launch of diverse new products, further expanding its presence within the segment.
- Edita's smaller segments continued to record significant y-o-y revenue gains during the quarter**. The candy segment generated EGP 114.0 million in revenue, up by a notable 70.2% y-o-y in 2Q2024.
- The company further expanded its portfolio in the newly launched frozen segment** to include a broader range of goods such as croissants, puff pastries, pizzas, and pies, generating revenues of EGP 20.6 million during the quarter.
- Gross profit for the quarter increased by 28.2% y-o-y**, reaching EGP 1.2 billion with a margin of 28.8%.
- EBITDA rose by 5.9% y-o-y to EGP 618.3 million in 2Q2024**, recording an EBITDA margin of 15.2%.
- Edita recorded a net profit of EGP 313.3 million in 2Q2024**, with a margin of 7.7%.
- Gross exports reached EGP 309.4 million in 2Q2024**, up 37.0% y-o-y compared to 2Q2023.
- Edita Morocco reported revenues of EGP 114.2 million in 2Q2024**, up by a notable 54.1% y-o-y during the quarter.
- Edita's new bakery line is now operational** in line with Edita's expansionary strategy.

Summary Income Statement

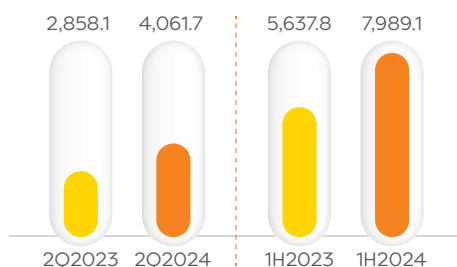
EGP mn	2Q2024	2Q2023	Change	1H2024	1H2023	Change
Revenue	4,061.7	2,858.1	42.1%	7,989.1	5,637.8	41.7%
Gross Profit	1,171.2	913.5	28.2%	2,372.8	1,793.2	32.3%
% Margin	28.8%	32.0%		29.7%	31.8%	
EBITDA	618.3	583.6	5.9%	1,291.4	1,111.2	16.2%
% Margin	15.2%	20.4%		16.2%	19.7%	
Net Profit	313.3	382.1	-18.0%	749.6	757.5	-1.0%
% Margin	7.7%	13.4%		9.4%	13.4%	

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."

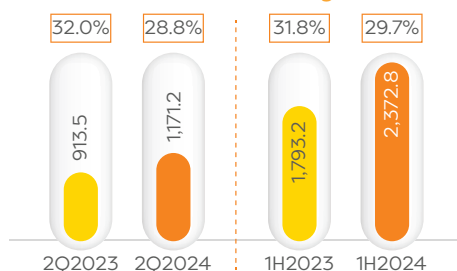


The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

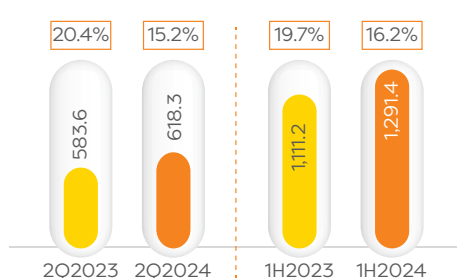
Revenue Progression (EGP million)



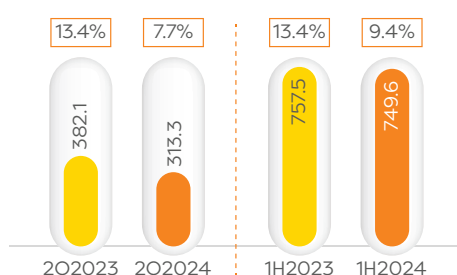
Gross Profit Progression (EGP million, % margin)



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 30 June 2024. Consolidated revenues grew by 42.1% y-o-y to reach EGP 4.1 billion, driven by repricing strategies and volume growth across the majority of its segments. Gross profit increased by 28.2% y-o-y to EGP 1.2 billion with a gross profit margin (GPM) of 28.8%, while EBITDA grew by 5.9% y-o-y to EGP 618.3 million, with a margin of 15.2%. Further down the income statement, net profit recorded EGP 313.3 million, down 18.0% y-o-y with a lower margin of 7.7% versus 13.4% in 2Q2023, reflecting higher material costs and increased interest expenses during the quarter.

On a six-months basis, revenues grew 41.7% y-o-y to EGP 8.0 billion, while net profit marginally dropped to EGP 749.6 million, with a margin of 9.4% versus 13.4% in 1H2023.

Edita's business model consistently fuels strong revenue growth by stimulating demand through portfolio optimization, new launches, continuous innovations, and repricing strategies. In 2Q2024, revenue growth of 42.1% y-o-y was dual-driven by higher prices and volume increases. The average price per pack rose by 32.9% y-o-y to EGP 3.96, and the average price per ton increased by 39.0% compared to 2Q2023, primarily due to price increases in the cake and bakery segments. Meanwhile, the number of packs sold increased by 6.9% y-o-y in 2Q2024, primarily on the back of higher sales volumes in the cake and wafers segment, bringing the total number of packs to 1,025 million during the quarter. In 1H2024, the average price per pack increased by 31.5% y-o-y to EGP 3.72, and the average price per ton increased by 35.0% y-o-y, while volumes grew 7.8% y-o-y, totaling 2,149 million packs during the period.

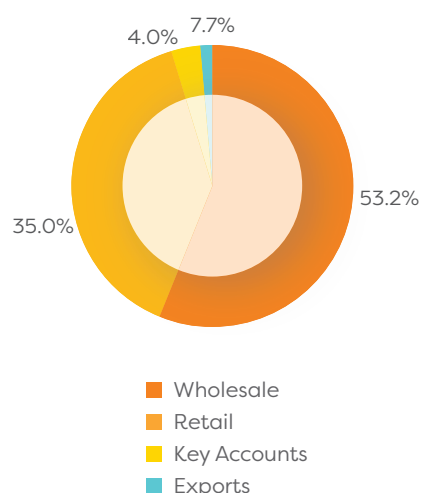
Edita's gross profit increased by 28.2% y-o-y, reaching EGP 1,171.2 million, with a contracted margin of 28.8% versus 32.0% in 2Q2023. This is primarily due to increases in the cost of goods sold (COGS), which rose by 50.6% y-o-y to EGP 2,483.7 million, driven by higher inflation and a series of devaluations. However, the company recently made price adjustments at the end of 2Q2024 to mitigate the impact of the challenging operational environment. Meanwhile, manufacturing overheads (MOH) as a percentage of sales remained stable compared to both 2Q2023 and 1Q2024, accounting for 9.0% of revenues during the period. On a six-months basis, gross profit grew 32.3% y-o-y to EGP 2.4 billion with a margin of 29.7% versus 31.8% recorded in the first half of 2023.

Total SG&A expenses rose to EGP 620.2 million in 2Q2024, up 48.6% y-o-y on account of higher spending to boost new products and expand the distribution network, in line with Edita's expansionary strategy. Despite the increased spending, SG&A as a percentage of sales remained stable at 15.3%. Year-to-date, SG&A expenses grew 47.6% y-o-y to EGP 1.2 billion, accounting for 15.0% of sales compared to 14.4% in 1H2023.

EBITDA recorded EGP 618.3 million in 2Q2024, representing an increase of 5.9% y-o-y. In 1H2024, EBITDA rose by 16.2% y-o-y to hit EGP 1.3 billion with a margin of



Revenue Contribution by Distribution Channel 2Q2024*



16.2% versus 19.7% in 1H2023.

Net profit amounted to EGP 313.3 million, marking an 18.0% y-o-y decline, with a profit margin of 7.7% compared to 13.4% in 2Q2023. This decrease was attributed to a combination of elevated COGS and increased interest expenses on new loans due to high interest rates. On a six-months basis, net profit recorded EGP 749.6 million with a margin of 9.4% versus 13.4% during the corresponding period, last year.

Edita recorded gross export sales of EGP 309.4 million in 2Q2024, up by 37.0% y-o-y. In USD terms, the company reported export sales of USD 6.5 million, down 11.0% y-o-y.

On the regional front, Edita Morocco recorded EGP 114.2 million, up 54.1% y-o-y during the quarter.

Operational Developments

Edita continues to boost revenue through expanding its price spectrum, improving its existing product lineup, and introducing new innovative offerings. Additionally, the company is actively growing its presence in smaller, nascent segments as part of its diversification strategy.

This is exemplified by the company's newest venture in May 2023, where it entered Egypt's untapped frozen food segment by acquiring Fancy Foods. This investment included a complete acquisition of assets: two full production lines, additional machinery, land, a factory, and a distribution arm. After the acquisition, Edita swiftly upgraded the assets to meet its quality standards and initiated operations under its subsidiary, Edita Frozen Food Industries, with the launch of Molto Forni. Since then, Edita has expanded from its initial croissants and puff pastries to include a variety of new baked goods like pizzas and sweet pies in different flavors, which have met consumer demand and quickly become market favorites. The launch of these products has also enhanced the company's presence and diversification within the segment.

Similarly, at Edita Confectionery Industries, Edita's subsidiary in the candy segment, it recorded a very strong performance during the quarter. New restructuring initiatives have allowed for better focus on the segment, as reflected in the year-on-year 2Q growth across all levels, including a 70.2% y-o-y increase in revenues, and a 5.7% y-o-y increase in volumes. The segment's net profit margin also improved, reflecting the positive impact of these changes. Moreover, the market dynamics following the devaluation have encouraged import substitution trends, benefiting the segment. This, coupled with the expansion of its distribution network across all segments, with a great focus on nascent segments has supported the candy line.

Edita's ongoing expansion and ability to meet increasing demand is supported by the company's investment in new production and distribution capacities. The company has recently secured new debt facilities to finance its ambitious growth plans, including the recently finalized long-term loan agreement with Banque

* Figures are based on gross sales



The figures displayed are based on unaudited results drawn from management accounts and finance department numbers (IFRS).

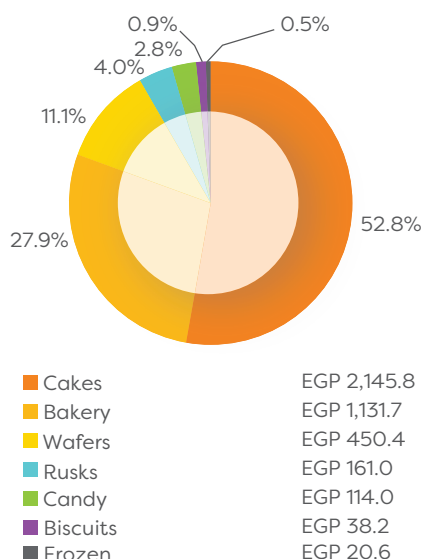
New Product Launches 2023/24



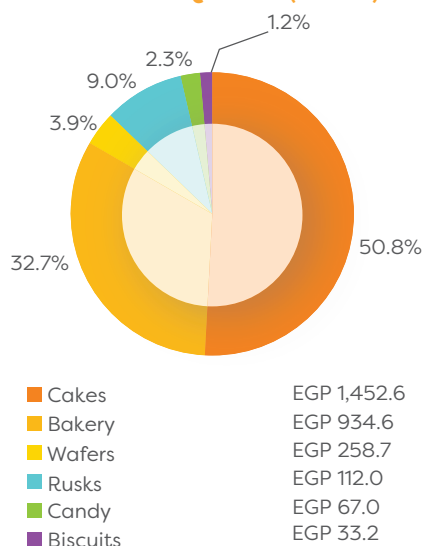
Misr in May 2024 for EGP 990 million over an eight-year period. The new loan facilitated the addition of new production lines within Egypt. Part of the loan has already been allocated to installing a new bakery line at Edita's existing E08 facility, which is now operational.

In addition to driving revenue growth at the top line, Edita is actively exploring opportunities to enhance operational efficiency. This includes streamlining transactions to be more seamless and faster, as well as embracing advanced technologies to continually improve its operations. At the beginning of the year, Edita's subsidiary, Edita Trade and Distribution partnered with Fawry, the leading provider of e-payment services in Egypt, to enable cashless transactions at Edita's points of sale. This partnership will see the implementation of Fawry's fintech solutions, which aim to revolutionize Edita's cash management processes, facilitate cashless collections by its sales representatives, enhance financial transactions, and ultimately improve Edita's operational efficiency.

Segment Contribution to Revenue 2Q2024 (EGP mn)

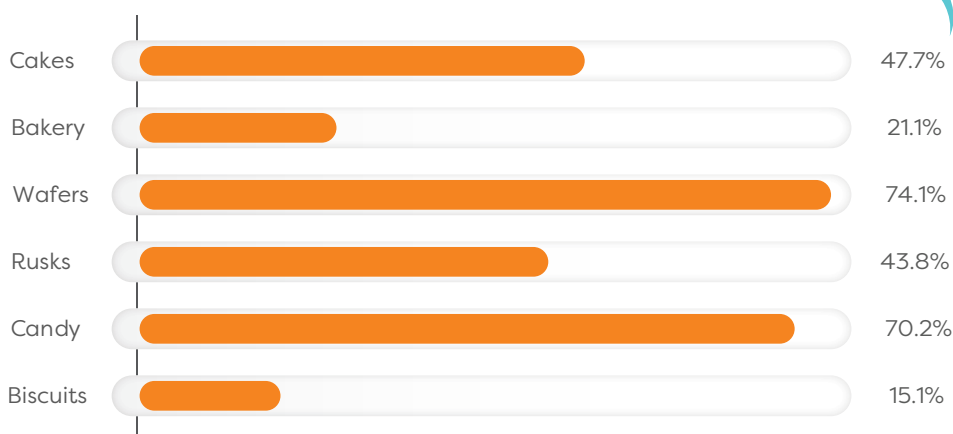


Segment Contribution to Revenue 2Q2023 (EGP mn)



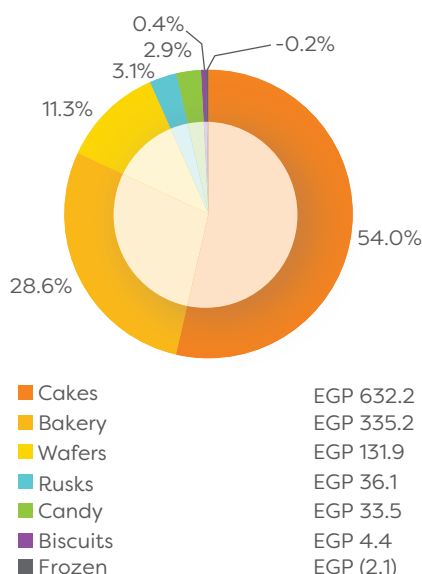
Overview of Segment Performance

2Q2024 Revenue Growth by Segment (y-o-y)

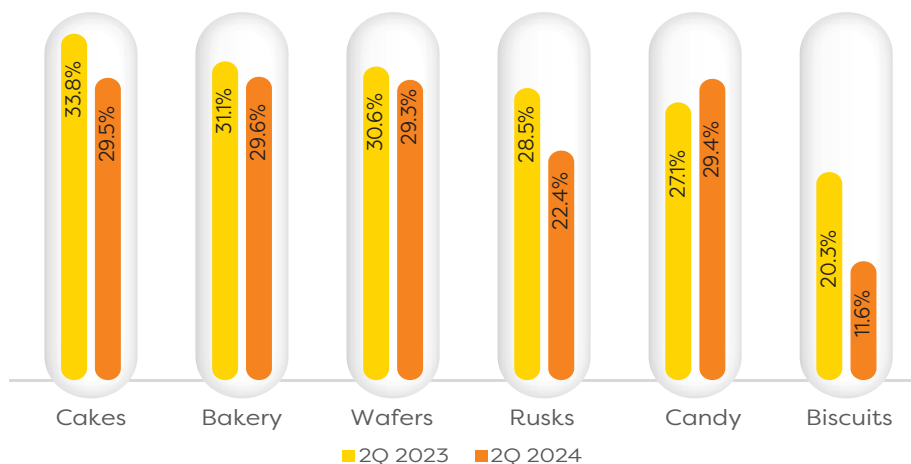


In 2Q2024, Edita's total revenue amounted to EGP 4.1 billion, marking a significant 42.1% y-o-y increase driven by robust revenue performance across the company's segments. Leading this growth, the cake segment's revenue climbed by 47.7% y-o-y to EGP 2.1 billion, driven by a 35.5% y-o-y increase in average price per pack and a 9.0% y-o-y rise in number of packs sold. In the bakery segment, revenues grew by 21.2% y-o-y, reaching EGP 1.1 billion in 2Q2024. This increase was driven by a substantial 45.0% y-o-y rise in the average price per pack, which offset a 16.5% y-o-y decline in volumes. The wafers segment grew by a notable 74.1% y-o-y increase to EGP 450.4 million in revenues in 2Q2024, largely due to a 44.5% y-o-y rise in packs sold and a 20.5% increase in average price per pack compared to 2Q2023. For the rusks segment, revenues grew 43.8% y-o-y to EGP 161.0 million in 2Q2024, driven by a 39.8% y-o-y increase in average price per pack and a 2.9% y-o-y rise in volumes, recovering from last quarter's volume decline. Revenue from the candy segment increased by an impressive 70.2% y-o-y to EGP 114.0 million in 2Q2024, supported by a 61.0% increase in average price per pack and a 5.7% y-o-y rise in number of packs sold. In the biscuits segment, revenue reached EGP 38.2 million during the quarter, up 15.1% y-o-y and driven by a 20.3% increase in average price per pack which offset a 4.3% decline in pack volume. Finally, Edita generated EGP 20.6 million in revenue from its new frozen segment in 2Q2024, reflecting ongoing portfolio expansions to include a variety of baked products such as croissants, puff pastries, pizzas, and pies. On a six-month basis, revenues increased by 41.7% y-o-y, reaching EGP 8.0 billion. The strongest revenue gains were seen in the wafers, candy, and biscuits segments. The wafers segment's revenue grew by 72.1% y-o-y, reaching EGP 943.3 million. Revenue at the candy segment nearly doubled to EGP 250.7 million, while biscuits revenue grew by 81.7% y-o-y, hitting EGP 77.6 million in 1H2024.

Segment Contribution to Gross profit 2Q2024 (EGP mn)

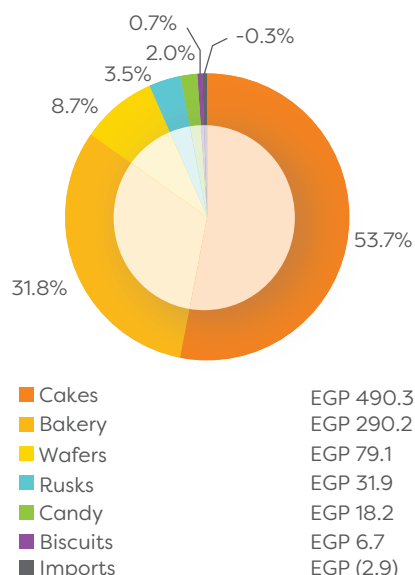


Gross Profit Margin by Product Segment



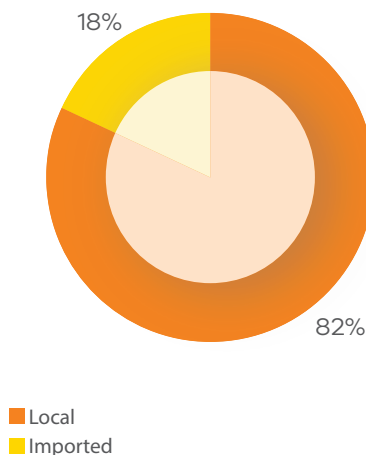
In 2Q2024, Edita's consolidated gross profit increased by 28.2% y-o-y to EGP 1.2 billion, fuelled by strong revenue growth that positively impacted the gross profit. However, the gross profit margin contracted to 28.8% from 32.0% in 2Q2023, primarily due to higher costs of goods sold (COGS).

Segment Contribution to Gross profit 2Q2023 (EGP mn)

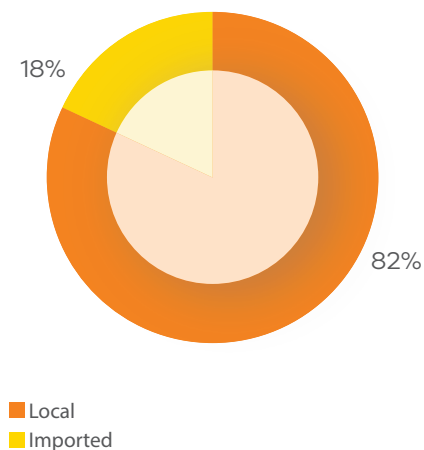


On a segment basis, the cakes' gross profit grew 28.9% y-o-y reaching EGP 632.2 million with a contracted gross profit margin (GPM) of 29.5% from 33.8% in 2Q2023. The bakery segment delivered a 15.5% y-o-y increase in gross profit to EGP 335.2 million in 2Q2024, with a contracted GPM of 29.6% compared to 31.1% in 2Q2023. During the quarter, the wafers segment exhibited a strong performance with gross profit increasing 66.7% y-o-y to EGP 131.9 million, while its GPM decreased to 29.3% from 30.6% in 2Q2023. Gross profit in the rusks segment grew by 13.2% y-o-y to EGP 36.1 million in 2Q2024, with a lower GPM of 22.4% versus 28.5% in 2Q2023. The candy segment showed impressive growth, with gross profit rising by 84.4% y-o-y to EGP 33.5 million, and an expanded GPM of 29.4% compared to 27.1% in the same period last year. At the biscuits segment, gross profit recorded EGP 4.4 million in gross profit during the period, marking a 34.2% y-o-y decline and with a lower GPM of 11.6% versus 20.3% in 2Q2023. In 1H 2024, gross profit grew by 32.3% y-o-y to EGP 2.4 billion. Candy and biscuits both showed significant growth, with candy increasing by 137.1% y-o-y to EGP 73.5 million and biscuits growing by 117.0% y-o-y to EGP 13.6 million. Margins for both segments also improved, with candy recording a higher margin of 29.3% compared to 24.1% in 1H 2023, and biscuits achieving a margin of 17.5% compared to 14.6% in the corresponding period, last year.

Imported vs. local direct material 2Q2024



Imported vs. local direct material 2Q2023



Revenue and Gross Profitability by Segment

EGP mn	2Q2024	2Q2023	Change	1H2024	1H2023	Change
Cakes						
Revenue	2,145.8	1,452.6	47.7%	4,158.3	2,964.9	40.3%
Gross Profit	632.2	490.3	28.9%	1,344.5	978.9	37.3%
Gross Profit Margin	29.5%	33.8%	-4.3pts	32.3%	33.0%	-0.7pts
Bakery						
Revenue	1,131.7	934.6	21.1%	2,189.4	1,702.0	28.6%
Gross Profit	335.2	290.2	15.5%	578.9	531.6	8.9%
Gross Profit Margin	29.6%	31.1%	-1.5pts	26.4%	31.2%	-4.8pts
Wafers						
Revenue	450.4	258.7	74.1%	943.3	548.0	72.1%
Gross Profit	131.9	79.1	66.7%	291.6	177.7	64.1%
Gross Profit Margin	29.3%	30.6%	-1.3 pts	30.9%	32.4%	-1.5pts
Rusks						
Revenue	161.0	112.0	43.8%	326.4	251.5	29.8%
Gross Profit	36.1	31.9	13.2%	74.0	70.5	5.0%
Gross Profit Margin	22.4%	28.5%	-6.1 pts	22.7%	28.0%	-5.4pts
Candy						
Revenue	114.0	67.0	70.2%	250.7	128.6	94.9%
Gross Profit	33.5	18.2	84.4%	73.5	31.0	137.1%
Gross Profit Margin	29.4%	27.1%	2.3pts	29.3%	24.1%	5.2pts
Biscuits						
Revenue	38.2	33.2	15.1%	77.6	42.7	81.7%
Gross Profit	4.4	6.7	-34.2%	13.6	6.3	117.0%
Gross Profit Margin	11.6%	20.3%	-8.7 pts	17.5%	14.6%	2.9pts
Frozen						
Revenue	20.6	-	-	43.5	-	-
Gross Profit	(2.1)	-	-	(3.4)	-	-
Gross Profit Margin	-10.2%	-	-	-7.8%	-	-
Total Revenues*	4,061.7	2,858.0	42.1%	7,989.1	5,637.7	41.7%
Total Gross Profit*	1,171.2	913.5	28.2%	2,372.8	1,793.2	32.3%
Total GPM	28.8%	32.0%	-3.2 pts	29.7%	31.8%	-2.1pts

*Includes contributions from Edita's imports segment

New Product Launches 2023/24



Segment Volumes and Prices

EGP mn	2Q2024	2Q2023	Change	1H2024	1H2023	Change
Cakes						
Packs (mn)	648	594	9.0%	1,337	1,265	5.7%
Tons (OOOs)	18.0	16.8	7.5%	37.6	36.2	4.0%
Av. Price (EGP)	3.31	2.45	35.5%	3.11	2.34	32.6%
Bakery						
Packs (mn)	174	208	-16.5%	368	392	-6.2%
Tons (OOOs)	9.3	10.9	-15.1%	20.3	21.0	-3.1%
Av. Price (EGP)	6.50	4.48	45.0%	5.96	4.34	37.1%
Wafers						
Packs (mn)	147	102	44.5%	320	222	44.5%
Tons (OOOs)	2.9	2.0	43.0%	6.6	4.7	41.1%
Av. Price (EGP)	3.06	2.54	20.5%	2.95	2.47	19.1%
Rusks						
Packs (mn)	31	30	2.9%	65	74	-12.1%
Tons (OOOs)	1.2	1.1	9.5%	2.6	2.7	-1.7%
Av. Price (EGP)	5.18	3.71	39.8%	5.03	3.41	47.6%
Candy						
Packs (mn)	16	15	5.7%	38	28	36.2%
Tons (OOOs)	0.8	0.8	6.5%	2.0	1.7	16.9%
Av. Price (EGP)	7.33	4.56	61.0%	6.54	4.57	43.1%
Biscuits						
Packs (mn)	10	10	-4.3%	20	14	40.7%
Tons (OOOs)	0.3	0.4	-15.1%	0.6	0.5	19.7%
Av. Price (EGP)	3.97	3.30	20.3%	3.96	3.06	29.2%
Frozen						
Packs (mn)	0.4	-	-	1.0	-	-
Tons (OOOs)	0.1	-	-	0.3	-	-
Av. Price (EGP)	52.15	-	-	43.99	-	-
Total Packs* (mn)	1,025	959	6.9%	2,149	1,994	7.8%
Total Tons* (OOOs)	32.6	31.9	2.2%	70.0	66.7	5.0%
Av. Price/Pack (EGP)	3.96	2.98	32.9%	3.72	2.83	31.5%

*Includes contributions from Edita's imports segment

New Product Launches 2023/24



Balance Sheet

The company's total loans and borrowings as at 30 June 2024 stood at EGP 2,590.1 million, up from EGP 2,030.5 million as at 31 December 2023. Total bank overdrafts recorded EGP 388.4 million as at 30 June 2024 versus EGP 596.7 million recorded at the end of 2023. Cash balance stood at EGP 878.7 million as at 30 June 2024, down from EGP 1,356.3 million at year-end 2023. Edita recorded a net debt of EGP 1,711.5 million as at 30 June 2024 compared to EGP 674.2 million in net debt as at 31 December 2023.

Edita booked inventories of EGP 2,395.5 million as at 30 June 2024, up from EGP 1,867.0 million as at year-end 2023. Meanwhile, trade and notes receivable stood at EGP 151.4 million as at 30 June 2024, down from EGP 159.6 million as at 31 December 2023.

Total CAPEX for the period ending 30 June 2024 amounted to EGP 773.0 million, with the majority allocated to expansion and machinery additions.

New Product Launches 2023/24



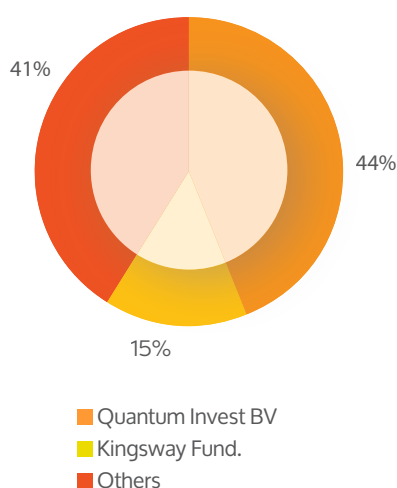
Egyptian Accounting Standards Reconciliation to IFRS

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 1H2024, EGP 53.9 million in FX gains and a profit share deduction of EGP 76.1 million were subtracted from EBITDA, bringing total EAS to IFRS adjustments on EBITDA to EGP 162.3 million. A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 1H2024 is provided in the table below.

in EGP mn*	1H2024 EAS	Adjustments	1H2024 IFRS
Net Sales	7,989.1		7,989.1
Cost of Sales	4,817.1		4,817.1
M.O.H	680.7	(37.4)	718.1
Total	5,578.7		5,616.4
Gross Profit	2,410.4	37.7	2,372.8
Selling & Distribution Exp.	387.2	(20.2)	407.4
Advertising & Marketing Exp.	294.1		294.1
General & Admin. EXP.	474.9	(18.5)	493.5
Other Operations cost	74.7	0.6	74.1
Profit from Operations	1,179.5	75.7	1,103.7
Profit from Operations Margin	14.8%		13.8%
Other Income/Expense	63.4		(63.4)
Profit before income tax	1,146.9	(6.6)	1,040.3
Income Tax Expenses	290.6	0.1	290.7
Net Profit After Tax	856.3	106.7	749.6
EBITDA	1,453.7	162.3	1,291.4
EBITDA Margin	18.2%		16.2%

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

Shareholder Structure as of 2Q2024



Contacts

Ms. Menna Shams El Din

Chief Investment Officer &
Corporate Affairs

menna.shamseldin@edita.com.eg

T: +202 3851-6464

M: +20 100 154 2428

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, 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 Hostess 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 Hostess brands across its territories. The Company holds strong number-one market positions in its core cake and bakery segments as well as in rusks, a leading market position in candy and a growing market position in the wafers segment. In 2Q2024, the Company derived 92.3% of its revenue from Egypt and 7.7% 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.

