



Edita Food Industries Reports 1Q2018 Earnings

Revenues record a strong 37.9% y-o-y increase to EGP 886 million driven by volume recovery across all segments and reflecting Edita's success in building an optimized portfolio to stimulate demand and support profitability; net profit for the period came in 51% higher year-on-year.

Cairo, 14 May 2018

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 31 March 2018, with strong top-line growth of 37.9% y-o-y to EGP 886.1 million, yielding a net profit of EGP 60.9 million, up 50.8% y-o-y.

Strong growth during the first quarter of the year was driven by significant volume recovery across all segments, reflecting Edita's success in building a product portfolio that is more aligned with today's market dynamics and its ability to drive demand and defend market share despite operating in an inflationary and competitive environment.

Commenting on the quarter's performance, Edita Chairman and Managing Director Eng. Hani Berzi said: "The first quarter of 2018 has yielded solid results for Edita with strong volume recovery and volume-driven growth serving as evidence that difficult times are now behind us. We're heading into the year geared for a new growth phase having ideally repositioned and transformed the company to capture the upside following the inflationary and post-devaluation shocks of the previous year. We're seeing demand rising and consumers increasingly adapting to our new price points, especially at the croissant segment which posted the strongest growth in volumes and was the largest contributor to revenue growth during the period. This success further vindicates our insights in late 2015 that short-term pullbacks on volumes would remain just, and that demand would eventually rebound."

Edita launched a complete rebranding campaign for its Molto line in February 2018, introducing new packaging for the segment and supported by both below and above-the-line advertisement. During the quarter, Edita also introduced its newest product with the TODO Mini Muffin, following earlier launches of the TODO Donut, which is now produced at the recently-inaugurated E08 factory. The new facility currently has two operational production lines with space for an additional nine lines, affording Edita with necessary capacity to continue catering to a growing snack-food market with resilient consumer demand.

As of February 2018, the company maintained its position as market leader across its core segments, with the cakes segment holding a 54.3% market share, while the croissant segment captured a larger market share standing at 63.2%.

Edita's sales from export activities reached EGP 64.1 million, up 36.4% y-o-y and contributing 7.1% to Edita's total sales.



Following last year's signed memorandum of understanding to form a joint venture with Morocco's Dislog Group under the name of Edita Food Industries Morocco, 1Q2018 saw Edita moving forward and sign the shareholder agreement, with phase one of the agreement to witness the export of Edita's products to the Morocco, while phase two will see the build out of a state-of-the-art manufacturing facility. The agreement is in line with Edita's strategy to expand into fast-growing markets with large consumer bases and significant growth potential.

"Our primary focus throughout 2018 will be the continued acceleration of volume recovery and defending our market share through the introduction of new innovations, and by serving a wider consumer base with efficient price-point segmentation. We are also excited to be venturing further beyond our borders and look forward to increased contributions from export markets as a pillar of our long-term growth strategy. Looking ahead, I remain confident in our ability to continue satisfying consumer demand and in parallel creating value for our shareholders," Berzi concluded.

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About Edita Food Industries S.A.E.

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants, rusks (baked wheat), and wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as *Todo*, *Molto*, *Bake Rolz*, *Bake Stix*, *Freska* and *MiMix*. The Company also has the exclusive ownership of the international HTT brands *Twinkies*, *Hoho's* and *Tiger Tail* in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia; and is party to a technical assistance and know-how agreement to manufacture 11 additional HTT brands across its territories. The Company holds strong number-one market positions in its core cake and croissant segments as well as in candy, a number-two market position in rusks and a growing market position in the wafers segment. In 1Q2018, the Company derived c.93% of its revenue from Egypt and c.7% from regional export markets. Learn more at ir.edita.com.eg.

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

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