



Edita Food Industries Reports 3Q2018 Earnings

Edita delivers strong results for the quarter with 22.2% year-on-year revenue growth to EGP 1.0 billion driven by higher volumes and improvements in product mix; net profit records a 34.1% year-on-year increase with improved margins compared to the same period of last year.

Cairo, 30 October 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 third quarter ended 30 September 2018, reporting a 22.2% y-o-y growth in revenues to EGP 1,017.0 million. Edita recorded a net profit of EGP 89.4 million for 3Q2018, up 34.1% y-o-y and with net profit margin (NPM) improving to 8.8% versus 8.0% in the same period last year.

On a year-to-date basis, Edita's revenues recorded EGP 2,692.3 million in 9M2018, up 29.0% y-o-y, while net profit was EGP 175.4 million, up 66.4% y-o-y.

Commenting on the quarter's performance, Edita Chairman and Managing Director Eng. Hani Berzi said: "Our third quarter results clearly reflect Edita's ability to capture market growth and capitalize on new fundamentals and consumer dynamics. Our volumes continued to grow compared to both the previous year and last quarter, while our profitability is witnessing marked improvement as we control costs and benefit from economies of scale. This success is thanks to Edita's ability of improving product mix and offering consumers favourable value propositions, while simultaneously striking a balance with volume recovery and defending market share. The results are evident with double-digit revenue growth, higher profitability and maintaining our leading market positions in an increasingly competitive environment."

During the quarter, Edita continued to focus on portfolio enhancements and targeting better segmentation with new launches and product reconfigurations. The company maintained its market leading position in its core segments as per the latest data available for August 2018, growing its market share in the croissant market to 64.5% and holding a 53.6% share of the cake market. Edita is also a leader in the candy segment with a 9.7% market share as of August 2018.

Edita also continued to pursue regional expansion as a key pillar of long-term growth, with export sales increasingly contributing to total revenues thanks to a carefully implemented export strategy. Total export sales recorded EGP 98.1 million in 3Q2018, up 42.5% y-o-y and constituting 9.6% of total revenues.



“Following our successful repricing strategy in the wake of the Egyptian Pound’s devaluation and our ability to drive volume recovery throughout 2018, our strategy in 2019 will see us continue to focus on enhancing profitability while simultaneously supporting volumes and defending our market share. At the core of this strategy is further optimizing our product mix, ramping up utilization rates while benefiting from economies of scale, controlling our SG&A expenses and improving other operational efficiencies,” said Berzi.

“We also plan to capitalize on the untapped potential of our new E08 factory which has room for additional production lines. Finally, Edita will continue to grow its footprint across fast-growing markets with large consumer bases and significant growth potential, leveraging our various distribution agreements throughout the region and our on-the-ground presence in Morocco,” he 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 3Q2018, the Company derived c.90% of its revenue from Egypt and c.10% from regional export markets. Learn more at ir.edita.com.eg.

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