



Edita Food Industries Reports 2Q2022/1H2022 Earnings

Edita more than doubled its profit year-on-year to record EGP 196.0 million in 2Q2022 on quarterly revenues of EGP 1.5 billion with margin improvement reflecting strong market recovery

Cairo, 15 August 2022

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 second quarter ended 30 June 2022, recording revenues of EGP 1,573.2 million, a 36.7% y-o-y increase. During the second quarter, profitability improved substantially as reflected on gross profit and net profit results. Edita saw a 52.4% y-o-y gross profit expansion to EGP 518.7 million while net profit recorded EGP 196.0 million in 2Q2022, up an impressive 136.5% y-o-y with a net profit margin of 12.5% compared to 7.2% in the same quarter last year.

On a six-month basis, Edita recorded revenues of EGP 3,132.1 million in 1H2022, up a strong 35.2% compared to the first half of last year. Strong top-line growth filtered down to the company's bottom-line which expanded an impressive 109.1% y-o-y in 1H2022 to EGP 344.1 million with an associated margin of 11.0% for the period versus the 7.1% reported in 1H2021.

Edita's strong results were driven by better pricing and Edita's approach in swiftly responding to shifting dynamics on a local and global scale and optimizing its product portfolio. Having pushed two rounds of price increases in 4Q2021 and 1Q2022, Edita successfully navigated the inflationary environment whilst protecting its profitability. Furthermore, Edita's volumes for 2Q2022 recorded a 15.9% y-o-y increase in total packs sold to 746.2 million, reflecting growing consumer demand for its portfolio of products.

In 2Q2022, Edita gained market share across all its core segments in a growing snack food market. The cake segment contributed to over half of Edita's revenue for the quarter and continues to hold a leading position in the market, supported by strong HOHOs and Twinkies sales. Similarly, Edita made significant market share gains at the bakery and rusks segment to command leading market positions in Egypt. Meanwhile, Edita is ranked as the second largest player in the wafers market.

In terms of operational development, Edita is currently operating at high utilization rates, especially in its core segments. Furthermore, in August the operation of the newly purchased bakery line commenced adding further growth potential.

On the regional front, Edita Morocco continues to achieve significant milestones. In 2Q2022, total packs sold reached about 16 million and in its first six months of operations the facility generated EGP



51.6 million in revenues. By year-end, Edita Morocco will add a new production line and increase its utilization rate to meet growing demand. Export sales have reached EGP 101.5 million in 2Q2022, up by a strong 75.1% y-o-y and contributing 6.5% to total revenues during the quarter compared to 5.0% in 2Q202. This growth was driven by strong sales in Iraq, Palestine and Libya.

Commenting on the results, Edita Chairman Eng. Hani Berzi said: “Edita delivered second quarter results that far exceeded expectations with profits more than doubling year-on-year. I am particularly pleased with Edita’s ability to continuously adapt and grow amidst a volatile environment. Edita had the foresight to optimize its portfolio and increase its production capacity as well as inventory levels ahead of this challenging period. Today, our company is in an enviable position where it is able to grow and gain market share whilst protecting profitability. Edita’s strong fundamentals and solid strategy pillars have proven resilient. We are expecting a continuation of the growth momentum in the second half of the year,” 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, 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 2Q2022, the Company derived 93.5% of its revenue from Egypt and 6.5% from regional export markets. Learn more at ir.edita.com.eg.

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