



9M2020 EARNINGS RELEASE

Obour Land continues to deliver strong results with a 6% top-line growth in 9M20, achieving impressive growth rates in Milk and Processed Cheese segments

Key Highlights

All figures are in EGP unless stated otherwise	3Q 20	3Q 19	y-o-y Change	9M 20	9M 19	y-o-y Change
Net Revenues	795.5mn	733mn	9%	2,044.4mn	1,920.5mn	6%
Volume Sold (W. Cheese)	31.5k tons	30k tons	5%	81.3 tons	78.7 tons	3%
Average price/kg (W. Cheese)	-	-	-	24.0	23.5	2%
Gross Profit	181.1mn	183.3mn	-1%	492.8mn	430.5mn	14%
Gross Profit Margin	22.8%	25%	-2.2pp	24.1%	22.4%	1.7pp
EBITDA	141.8mn	157.3mn	-10%	362.6mn	328.5mn	10%
EBITDA Margin	17.8%	21.5%	-3.7pp	17.7%	17.1%	0.6pp
Net Profit	99.4mn	113.3mn	-12%	239.5mn	240.6mn	-0.5%
Net Profit Margin	12.5%	15.5%	-3pp	11.7%	12.5%	-0.8pp

Cairo, Egypt | November 15, 2020 - Obour Land for Food Industries S.A.E. (OLFI) announced its audited 9M20 results. The Company's net sales for the period recorded EGP 2,044.4mn, posting a growth of 6% compared to 9M19, out of which EGP 1,907mn generated from white cheese sales and EGP 137mn from other segments.

The 3rd quarter witnessed a strong performance with the sales volumes of white cheese increased by 5% y-o-y and a 9% increase in revenues recording the highest quarterly white cheese sales volumes. This was mainly driven by the increase in white cheese sales volumes in addition to a 2% increase in white cheese average prices. Moreover, the gross margin has improved significantly in 2020 due to the installment of the 3 new production lines at the beginning of the year, lower packaging costs for the new packages as well as sourcing cheap raw materials as the company took advantage of the plunge in prices of all raw materials in the aftermath of the Covid-19 pandemic.

- The Company recorded gross profit of EGP 492.8mn during 9M20, posting a y-o-y growth of 14%, translating into a gross profit margin of 24%, compared to 22% in 9M19. The improvement of the gross margin came as a result of the installation of the new production lines and the cheap raw materials.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a 10% y-o-y increase, to reach EGP 362.6mn in 9M20, yielding an EBITDA margin of 17.7% with an increase of 0.6bps y-o-y.
- Obour Land's net profit edged down 0.5% to reach EGP 239.5mn during 9M20, mainly due to the one-offs revenues from fx gains and sale of assets in 9M19. The company achieved a net profit margin of 11.7% for 9M20, a decrease of 0.8bps y-o-y.



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Gross Sales Breakdown (mn)	3Q 20	3Q 19	y-o-y Change	9M 20	9M 19	y-o-y Change
White Cheese	765	708	8%	1,957	1,845	6%
Milk	45	18	150%	101	56	80%
Juice	13	17	-24%	32	44	-27%
Processed Cheese	5.5	1.3	320%	11.7	3.8	207%
Total	828	744	11%	2,101	1,948	8%

Mr.Ashraf Hamed Sherif, Vice Chairman Comments:

I am delighted to share with you our results for the 3rd quarter of 2020 ended Sept 30, 2020, a strong quarter for the Company in terms of Revenues, volumes of sales and margins, despite the unusual market conditions in the aftermath of the Covid-19 pandemic.

We witnessed a very strong quarter in terms of volumes of sales in the white cheese segment, growing by 5% to record 31.5k tons of white cheese in 3Q20 compared to 30k tons in 3Q19 setting a new high record in white cheese sales beating the previous record in 3Q19. The sales revenues of white cheese increased 8% to record 765mn in 3Q20 compared to 708mn in 9M19.

The Milk segment continued its surge in sales volumes achieving almost 2-fold increase in 3Q20, with revenues surging 150% reaching 45mn compared to 18mn in 3Q19. This strong boost in Milk sales came as a result of our strategic focus on the Milk segment to achieve our target by expanding our presence in the Milk market and acquiring a higher market share, and we expect this surge to continue next year. Obour Land will support the company's brand in the milk market by introducing a "flavored milk" product in a 200mg Tetra Pak packaging to diversify the milk's product portfolio and to target a younger age group.

The Juice segment has been affected negatively by the Covid-19 pandemic restrictions and the revenues fell 24% in 3Q20. The management is not focusing this year on the juice product as this market is a price driven market where the competitive prices are more important than the quality of the product. However, the management is going to develop a new plan for the juice segment in 2021.

The processed cheese has also witnessed a surge in sales volumes as well as revenues recording EGP 5.5mn in 3Q20 marking a more than 3-fold increase compared to EGP 1.3mn in 3Q19. The surge in the processed cheese was a result of the strong performance of the glass-jar product coupled by the introduction of our new processed cheese product "Mafrooda" which was launched at the end of September. We expect the surge to continue achieving much higher growth rates due to our focus on the new Tetra Pak product "Mafrooda" which will shift this segment to a whole new level.

Our commitment to excellence and aspirations to offer the highest-possible quality of products, which are both affordable and safe, remains our key prime focus and our relentless driver for our expansionary attitude.



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About Obour Land for Food Industries S.A.E. (OLFI)

Obour Land for Food Industries S.A.E., a leading white cheese manufacturer in Egypt, is a joint stock company established in 1997. Obour Land manufactures, markets and distributes a wide variety of carton packed and plastic tub white cheese products and has a robust distribution platform, with a direct and indirect outreach that covers all of Egypt. The Company's white cheese product offerings spans Feta, Istanbuly, Double Cream, Olive, Khazeen, Talaga and Baramely, all marketed under the well-known brand name "Obour Land".

Obour Land is the number one white cheese producer & seller in Egypt boasting the largest market share by total sales volume. The Company is listed on the Egyptian Stock Exchange, and is traded under the symbol "OLFI.CA".

For more information, please visit: www.obourland.com

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