



## 1 Q2021 EARNINGS RELEASE

Obour Land continues to deliver strong results with a 14% top-line growth in 1Q21, achieving impressive growth rates in Milk and Processed Cheese segments

### Key Highlights

All figures are in EGP unless stated otherwise	1Q 21	1Q 20	y-o-y Change
Net Revenues	663.7mn	582.8mn	14%
Volume Sold (W. Cheese)	24.6k tons	23.4k tons	5%
Average price/kg (W. Cheese)	24.8	23.7	4.6%
Gross Profit	163.9mn	150.2mn	9%
Gross Profit Margin	24.7%	25.8%	-1.1pp
EBITDA	106.1mn	101.1mn	5%
EBITDA Margin	16%	17%	-1.0pp
Net Profit	69.8mn	68.1mn	3%
Net Profit Margin	10.5%	11.7%	-1.2pp

Cairo, Egypt | May 28, 2021 - Obour Land for Food Industries S.A.E. (OLFI) announced its audited 1Q21 results. The Company's net sales for the period recorded EGP 663.7mn, posting a growth of 14% compared to 1Q20.

The 1<sup>st</sup> quarter witnessed a strong performance with the sales volumes of white cheese increased by 5% y-o-y and a 10% increase in revenues. This was mainly driven by the increase in white cheese sales volumes in addition to a 4.6% increase in white cheese average prices. The increase in prices was implemented gradually so that it will not affect the sales volumes while keeping the gross margins in its targeted levels.

- The Company recorded gross profit of EGP 163.9mn during 1Q21, posting a y-o-y growth of 5%, translating into a gross profit margin of 24.7%, compared to 25.8% in 1Q20. It is worth mentioning that nearly all raw materials prices have been surging in the past months putting pressure on the gross margins, however, the management's purchasing policies once again helped to reduce those pressures giving the company more time and flexibility in increasing its prices.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a 5% y-o-y increase, to reach EGP 106.1mn in 1Q21, yielding an EBITDA margin of 16% with a decrease of 1.0bps y-o-y.
- Obour Land's net profit increased by 3% to reach EGP 69.8mn during 1Q21, translating into a net profit margin of 10.5% with a decrease of 1.2bps y-o-y.



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Gross Sales Breakdown (mn)	1Q 21	1Q 20	y-o-y Change
White Cheese	612	555	10%
Milk	49	25	93%
Juice	7	8	-12%
Processed Cheese	8	3	213%
<b>Total</b>	<b>676</b>	<b>591</b>	<b>14%</b>

Mr.Ashraf Hamed Sherif, Vice Chairman Comments:

I am delighted to share with you our results for the 1<sup>st</sup> quarter of 2021 ended March 31, 2021, a strong quarter for the Company in terms of revenues and volumes of sales while keeping the margins in target levels, despite the surge in raw materials prices across all industries.

Our white cheese segment achieved a 5% growth in sales volumes reaching 24.7k tons in a usually low season, the first quarter, while increasing our average prices by 4.6%. The sales revenues of white cheese increased 10% to record 612mn in 1Q21 compared to 555mn in 1Q20.

The Milk segment continued its surge in sales volumes achieving an almost 2-fold increase in 1Q21, with revenues surging 93% reaching 49mn compared to 25mn in 1Q20. The management is focusing now on expanding our presence in the Milk market and acquiring a higher market share, and we expect this surge to continue throughout the year. Obour Land has supported 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.

While the Juice segment has been affected negatively by the Covid-19 pandemic restrictions and the strong price competition in the market, the management decided to develop a new plan for the juice product that will be implemented in 2021. The plan is to reduce the size of the 250mg pack to 200mn pack to lower its prices accordingly and be more competitive without affecting the quality, furthermore, we will change the design of the brand to be more attractive.

The processed cheese is continuing its surge in sales volumes as well as revenues recording EGP 8mn in 1Q21 marking a more than 2-fold increase compared to EGP 3mn in 1Q20. 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 October 2020.

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](http://www.obourland.com)

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