

9M2021 EARNINGS RELEASE

Obour Land achieves 4% top-line growth in 9M21 with bottom line increasing 7% y-o-y, while maintaining strong profitability margins despite the surge in almost all raw materials prices.

Key Highlights

All figures are in EGP unless stated otherwise	3Q 21	3Q 20	y-o-y Change	9M 21	9M 20	y-o-y Change
Net Revenues	820.0mn	795.5mn	3%	2,123.0mn	2,044.4mn	4%
Volume Sold (W. Cheese)	29.8k tons	31.5k tons	-5%	77.5 tons	81.3 tons	-5%
Average price/kg (W. Cheese)	-	-	-	25.3	24.0	5%
Gross Profit	199.7mn	181.1mn	10%	527.0mn	492.8mn	7%
Gross Profit Margin	24.4%	22.8%	1.6pp	24.8%	24.1%	0.7pp
EBITDA	156.6mn	141.8mn	10%	379.4mn	362.6mn	5%
EBITDA Margin	19.1%	17.8%	1.3pp	17.9%	17.7%	0.2pp
Net Profit	111.2mn	99.4mn	12%	255.2mn	239.5mn	7%
Net Profit Margin	13.6%	12.5%	1.1pp	12.0%	11.7%	0.3pp

Cairo, Egypt | November 1, 2021 - Obour Land for Food Industries S.A.E. (OLFI) announced its audited 9M21 results. The Company's net sales for the period recorded EGP 2,123.0mn, posting a growth of 4% compared to 9M20.

The 3rd quarter witnessed a 5% y-o-y decline in sales volumes of white cheese compared to a high base quarter where the company has achieved a historical high white cheese sales volumes in 3Q20. However, the 5% average price increase in white cheese compensated the sales decline in 9M21 achieving a flat revenue growth from white cheese.

- The Company recorded gross profit of EGP 527.0mn during 9M21, posting a y-o-y growth of 7%, translating into a gross profit margin of 24.8%, compared to 24.1% in 9M20. The slight improvement of the gross margin came despite the surge in almost all raw materials prices since the beginning of 2021 and came as a result of a successful raw material management and pricing policies.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a 5% y-o-y increase, to reach EGP 379.4mn in 9M21, yielding an EBITDA margin of 17.9% with an increase of 0.2bps y-o-y.
- Obour Land's net profit grew by 7% to reach EGP 255.2mn during 9M21 translating into a net profit of 12.0%, 0.3bps higher than in 9M20.

9M2021 EARNINGS RELEASE

Gross Sales Breakdown (mn)	9M 21	9M 20	y-o-y Change
White Cheese	1,958	1,958	0%
Milk	130	101	29%
Juice	27	31	-17%
Processed Cheese	21	12	75%
Total	2,135	2,102	2%

Mr.Ashraf Hamed Sherif, Vice Chairman Comments:

I am delighted to share with you our results for the 3rd quarter of 2021 ended Sept 30, 2021, a tough 3rd quarter in terms of sales and cost of sales, however, an overall solid performance in maintaining profitability and achieving growth both in topline and bottom line despite the surge in almost all raw materials prices, shipment costs and the disruption in the global supply chain.

We witnessed a decline in the 3rd quarter in terms of volumes of sales in the white cheese segment, falling by 5% to record 29.8k tons of white cheese in 3Q21 compared to high record sales of 31.5k tons in 3Q20. We increased the average prices of white cheese by 5% during the 9M21 to maintain our profitability margins and to offset the rising costs of all global and local raw materials. We are also planning to continue the price increases during the 4th quarter to pass the increase in raw materials costs gradually to the consumer while maintaining our profitability margins.

The Milk and Juice segments have generated gross revenues EGP 130mn and 27mn respectively in 9M21. The milk sales continued to increase, albeit at a slower rate, achieving a 29% increase in sales volumes in 9M21, while on the other hand the juice product continued to drop in 9M21. It is important to mention that the management started in 2021 to gradually increase prices of the milk products to compensate for the increasing local prices of fresh raw milk. Furthermore, the management wants the product to return to its original premium prices by removing gradually the discounts and offers that were placed at the beginning of 2020 to keep the product positioned among the premium products, which will give the company more price flexibility in the future.

As for the Juice segment, the management implemented the new plan of rebranding the juice product by changing the design completely to be more attractive, in addition, we reduced the size of the 250 mg pack to 200 mg pack to increase its competitiveness in the market.

We are also happy to announce that Obour Land has signed a contract with the Ministry of Education to supply flavored milk products "Fun Zoo" and the 200mg juice products to be included in the school meals program initiated by the government. Under this contract, Obour Land will generate revenues around EGP 100mn in the current school year.

The processed cheese continued its surge in sales volumes as well as revenues recording EGP 21mn in 9M21 marking a 78% increase compared to EGP 12mn in 9M20. Despite the sharp increase in Obour Land's sales, the processed cheese market has been strongly affected by the Covid-19 restrictions due to the closing of schools where the processed cheese is considered a preferable choice for school sandwiches, therefore, we are expecting an extra boost in sales with the re-opening of schools in October 2021.

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.



9M2021 EARNINGS RELEASE

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". The Company also produces Milk, Juice and processed cheese products since 2018.

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

Investor Relations Contacts

ir@obourland.com | ir.obourland.com

Disclaimer

This announcement contains statements that could be construed as forward looking. These statements appear in a number of places in this announcement and include statements regarding the intent, belief or current expectations of the future growth of the business, financial results and other aspects of the activity and situation relating to the Company. Such forward looking statements are no guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors. You are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation, which is not intended to reflect Obour Land for Food Industries S.A.E. business or acquisition strategy or the occurrence of unanticipated events.