



9M2022 EARNINGS RELEASE

Obour Land continues reporting exceptional results in 9M22, with a 48% top-line increase and a 28% YoY increase in net profit, while maintaining profitability margins at target levels despite unprecedented tough market conditions

Key Highlights

All figures are in EGP unless stated otherwise	3Q 22	3Q 21	y-o-y Change	9M 22	9M 21	y-o-y Change
Net Revenues	1,343.1mn	820.0mn	64%	3,140.8mn	2,123.0mn	48%
Volume Sold (W. Cheese)	36.4k tons	29.8k tons	22%	91.6k tons	77.5 tons	18%
Average price/kg (W. Cheese)	-	-	-	32.8	25.3	30%
Gross Profit	272.1mn	199.7mn	36%	680.3mn	527.0mn	29%
Gross Profit Margin	20.3%	24.4%	-4.1pp	21.7%	24.8%	-3.1pp
EBITDA	224.0mn	156.6mn	43%	518.5mn	379.4mn	37%
EBITDA Margin	16.7%	19.1%	-2.4pp	16.5%	17.9%	-1.4pp
Net Profit	145.8mn	111.2mn	31%	326.7mn	255.2mn	28%
Net Profit Margin	10.9%	13.6%	-2.7pp	10.4%	12.0%	-1.6pp

Cairo, Egypt | Oct 18th, 2022 - Obour Land for Food Industries S.A.E. (OLFI) announced its audited 9M22 results. The Company's net sales for the period recorded EGP 3,140.8mn posting an impressive growth of 48% compared to 9M21, out of which EGP 2,960.7mn generated from the cheese segment and EGP 180.1mn from the Juice & Milk segment.

In the 3rd quarter of 2022, Obour Land achieved exceptional returns in the white cheese segment with sales volumes recording 36.4k tons, marking an impressive 22% increase compared to 29.8k tons in 3Q21. The company's net revenues surged 64% to reach EGP 1,343.1mn in 3Q2022 due to the boost in sales volumes and several price increases implemented throughout the year.

- The Company recorded gross profit of EGP 680.3mn during 9M22, posting a y-o-y growth of 29%, translating into a gross profit margin of 21.7%. The gross margin declined by 3.1bps due to the continuing inflationary pressures in the local and international markets as well as the increase in the US dollars exchange rate. However, the company managed to keep the gross profit margin at the targeted levels as a result of the management's raw materials purchasing policies, together with the pricing policies.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 37% y-o-y, to reach EGP 518.5mn in 9M22, yielding an EBITDA margin of 16.5% with a decrease of 1.4bps y-o-y.
- Obour Land achieved a net profit of EGP 326.7mn during 9M22, a 28% increase compared to 9M21, translating into a net profit margin of 10.4%.



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Gross Sales Breakdown (mn)	9M 22	9M 21	Y-o-Y Change
White Cheese	2,947	1,958	50%
Milk	136	130	5%
Juice	48	27	78%
Processed Cheese	23	21	10%
Total	3,153	2,135	48%

Mr.Ashraf Hamed Sherif, Vice Chairman Comments:

I am delighted to share with you our results for the nine months of 2022 ended September 30, 2022, 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 tough regulations including the shortage of foreign currency in the banks.

We witnessed an impressive performance in the white cheese segment during 9M22 with the revenues surging 50% y-o-y, driven by an 18% increase in white cheese sales volumes reaching 91.6k tons, coupled by a 30% increase in average selling prices. The aggressive increase in prices was to offset the rising costs of raw materials and the decrease in the value of the Egyptian pound. We believe that the increase in volumes reflects additional gains in the company's market share. In addition, Obour Land focused on expanding its presence in the flavored white cheese market, introducing several new flavors that helped to raise the sales of the white cheese segment and grow its market share.

The Milk and Juice segments generated gross revenues of EGP 136mn and 48mn respectively in 9M22. The milk products continued the slowdown that has started since the beginning of the year as a result of our price increases and tough competition. The price increases compensated for the decline in sales volumes, which led to a 5% increase in revenues. It is important to mention that the management started to gradually increase prices of the milk products due to the increasing local prices of fresh raw milk.

The Juice segment has witnessed a powerful boost in sales after launching the new fighter brand "Lovely" which is targeting the lower consumer segments with lower price levels compared to our original Obour Land juice products. The new brand pushed the revenues of the juice segment to surge 78%, reaching EGP 48mn in 9M22 compared to EGP 27mn in 9M21 as the company doubled the juice sales volumes. We expect the juice segment to continue to grow noticeably, supported by the new brand.

As for the processed cheese segment, the company commenced in October the production of a new 50gm SKU of the "Mafrooda" product, replacing the 100gm SKU. The new size is equivalent to four triangle cheese pieces sold at a very low price point and can be used more as an on-the-go product. The management expects the new size to grow strongly and to penetrate the triangle cheese market, adding more market share to our processed cheese segment.

Despite the slow performance in the Milk & Processed Cheese segments due to the unprecedented conditions that we are witnessing globally and locally, which makes it difficult to penetrate new markets, the management is confident that we will achieve our goals and increase our market share by implementing our policies and having strong brand equity to build a loyal consumer base across all segments.



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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.

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 offers a variety of milk, juice and processed cheese products.

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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