



FY2022 EARNINGS RELEASE

Obour Land once again breaks records delivering 52% top-line growth in FY22 and bottom line recording 32% y-o-y increase, while maintaining strong profitability margins despite the unprecedented economic global and local crises which led to extraordinary difficulties in sourcing US Dollars

Key Highlights

All figures are in EGP unless stated otherwise	4Q 22	4Q 21	y-o-y Change	FY 22	FY 21	y-o-y Change
Net Revenues	1,419.5mn	883.7mn	61%	4,560.3mn	3,006.6mn	52%
Volume Sold (W. Cheese)	31.6k tons	30.6k tons	3%	123.1k tons	108.1k tons	14%
Average price/kg (W. Cheese)	42.0	26.4	59%	34.7	25.6	36%
Gross Profit	299.0mn	181.1mn	65%	979.3mn	708.1mn	38%
Gross Profit Margin	21.1%	20.5%	1.1pp	21.5%	23.6%	2.1pp
EBITDA	219.7mn	131.3mn	67%	738.2mn	510.7mn	45%
EBITDA Margin	15.5%	14.9%	0.6pp	16.2%	17.0%	-0.8pp
Net Profit	135.7mn	95.7mn	42%	462.4mn	350.9mn	32%
Net Profit Margin	9.6	10.8%	1.2pp	10.1%	11.7%	-1.6pp

Cairo, Egypt | January 29, 2023 - Obour Land for Food Industries S.A.E. (OLFI) announced its audited FY22 results. The company's net sales for the period recorded EGP 4,560.3mn, posting an impressive 52% growth compared to FY21.

The 4th quarter continued to witness Obour Land's remarkable run in white cheese sales volumes, adding 3% y-o-y recording 31.6k tons. Revenues surged 64% in the 4th quarter, backed by several price increases that were implemented throughout the year to mitigate the increasing cost of sales, which led to expanding the gross profit margin to 21.1% in 4Q22 compared to 20.5% in 4Q21, despite the devaluation of the Egyptian pound.

- The company recorded gross profit of EGP 979.3mn during FY22, posting a y-o-y growth of 38%, translating into a gross profit margin of 21.5%, a 2.1bps contraction compared to 23.6% in FY21.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a 45% y-o-y increase, to reach EGP 738.2mn in FY22, yielding an EBITDA margin of 16.2% with a decrease of 0.8bps y-o-y.
- Obour Land's net profit surged by 32% to reach EGP 462.4mn during FY22, translating into a net profit of 10.1%, 1.6bps lower than in FY21.



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Gross Sales Breakdown (mn)	FY 22	FY 21	y-o-y Change
White Cheese	4,272	2,765	55%
Milk	213	191	11%
Juice	65	37	76%
Processed Cheese	31	31	0%
Total	4,581	3,024	51%

Mr.Ashraf Hamed Sherif, Vice Chairman Comments:

I am delighted to share with you our results for the full year of 2022. Despite an ongoing global economic crisis and a severe shortage of US Dollars in the local market, Obour Land continued to deliver impressive results and expand its market share while maintaining strong profitability margins and a healthy cash flow.

The company faced great difficulties in sourcing the raw materials since March 2022 due to shortages in the US dollar supply, which continued till the end of the year and exposed our inventory levels. However, the management used all the different tools and strategies available to purchase the raw materials to continue production and meet the demand for our products.

Starting January 2023, we saw a massive improvement in US Dollar availability in the banks and we started building back our inventory to safe levels. We expect challenges may continue in 2023 but with less severity than what we witnessed in 2022.

Overview of Segment Performance:

Despite the challenges, the white cheese segment recorded an impressive 55% increase in gross revenues, recording 4,272.2mn compared to 2,764.5mn. The increase in revenues came as a result of a 14% increase in sales volumes, reaching 123.2k tons, which we believe reflects a sharp increase in Obour Land's market share in 2022. The increase in revenues was also backed by a 36% increase in average prices to maintain our profitability margins and offset the increasing costs of sales due to high raw material prices and the US Dollar exchange rate.

The Milk and Juice segments have generated gross revenues of EGP 213mn and 65mn respectively in FY22. The milk segment witnessed slow performance throughout the year as sales volumes declined 19% in 2022 while revenues increased by 11%. The decline in sales volumes was expected by the management due to the great challenges facing the markets, which affected smaller players in different markets; however, the management expects the milk segment to improve in 2023 as the markets stabilize.



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On the other hand, the Juice segment saw a boost in sales revenues and volumes sold, 76% and 93% respectively. The surge in the juice segment was a result of the company's new brand "Lovely" which was introduced at the beginning of the year and helped to reach new consumer segments. The management expects the juice segment to continue this strong performance in 2023.

The processed cheese segment witnessed a slow performance in 2022 with a flat revenue growth of EGP 30mn in FY22 while sales volumes declined 25%. The decrease in sales volumes was due to the contraction in the processed cheese market as a whole, mainly the glass jar product, as a result of its relatively high price levels. The management expects the 50mg "Mafrooda" product to perform better than the glass jar in 2023 as the processed cheese market may shift to cheaper products.

Obour Land's management is encouraged by the solid performance we have delivered overall, and we are optimistic about the company's growth prospects and its ability to navigate through crises, which has been proven several times.

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". 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

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