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Edita Food Industries Reports 1Q2025 Earnings

Edita achieves 9.1% year-on-year revenue growth, reaching EGP 4.3 billion in 1Q2025, underscoring the effectiveness of its agile business model and pricing strategy in navigating a challenging macroeconomic environment.

Highlights of 1Q2025

Summary Income Statement (EGP mn)

EGP mn	1Q2025	1Q2024	Change
Revenue	4,283.4	3,927.5	9.1%
Gross Profit	1,353.3	1,201.6	12.6%
% Margin	31.6%	30.6%	
EBITDA	694.8	673.2	3.2%
% Margin	16.2%	17.1%	
Net Profit	381.0	436.4	-12.7%
% Margin	8.9%	11.1%	

The discussion and analysis in this report are based on the IFRS statements.

Results in a Nutshell

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFID.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market, announced today its results for the quarter ended 31 March 2025. Consolidated revenues grew 9.1% y-o-y to EGP 4.3 billion, driven by strategic pricing initiatives post introducing new products at higher price points following the March 2024 devaluation. Gross profit reached EGP 1.4 billion, up 12.6% y-o-y, with gross profit margin expanding to 31.6%. EBITDA rose 3.2% y-o-y to EGP 694.8 million, yielding an EBITDA margin of 16.2%. Meanwhile, net profit declined 12.7% y-o-y to EGP 381.0 million, with an associated margin of 8.9%, reflecting increased interest expenses due to elevated interest rates. In line with its mitigation strategy, Edita continued to witness notable quarter-on-quarter margin recovery, with profitability improving at all levels compared to the previous quarter.

Edita's ability to consistently adapt to changing macroeconomic conditions and drive top-line growth continues to highlight the effectiveness of its growth strategies, and ability to adapt to changing market and consumer dynamics. Its price point migration strategy has remained a key growth enabler over the period, ensuring that the company continues to drive sustainable growth while offering incremental value to consumers. As such, revenue grew 9.1% y-o-y in 1Q2025, driven by a 44.6% y-o-y increase in the average price per pack to EGP 5.06. Average price per ton increased 32.7% y-o-y in 1Q 2025. This more than offset a 24.6% decline in total packs sold, which recorded 847 million for the quarter. It is important to note that the year-on-year decline in volumes partially captures a high base effect from last year's first quarter where volumes still reflected pre-March 2024 devaluation. While overall volumes declined year-on-year, Edita reported impressive volume growth of 144.2% at its biscuits segment, supported by the company's efforts to expand its production capacity as part of its recent toll manufacturing agreement. Compared to 4Q2024, revenue growth was driven by increasing sales volumes in the wafers segment which grew 23.6% q-o-q, and further supported by volume growth in nascent segments, including candy, biscuits and frozen.

In 1Q2025, Edita's gross profit rose 12.6% y-o-y to EGP 1.4 billion, yielding a gross margin of 31.6%, up from 30.6% in 1Q2024, reflecting Edita's continued focus on value-driven growth and operational efficiency. During the quarter, COGS grew marginally by 3.6% y-o-y to EGP 2.4 billion, in line with higher sales revenue. However, as a percentage of revenue, COGS stood at 56.2% in 1Q2025, significantly improving from 59.2% in the previous year, highlighting increased efficiencies and cost savings.

Total SG&A expenses rose to EGP 723.9 million in 1Q2025, up 26.0% y-o-y, reflecting a 19.7% increase in selling and distribution expenses as well as a 52.1% y-o-y increase in general and administrative expenses, driven by the company's ongoing expansion efforts to enhance market reach. Meanwhile, advertising and marketing expenses decreased 6.6% y-o-y, reflecting optimized marketing spending. As a result, SG&A as a percentage of sales increased to 16.9% compared to 14.6% in 1Q2024.

EBITDA for the three-month period reached EGP 694.8 million, up 3.2% y-o-y, with an associated margin of 16.2% slightly down from 17.1% in 1Q2024.

In 1Q2025, net profit stood at EGP 381.0 million, down 12.7% y-o-y, with a net profit margin of 8.9% compared to 11.1% in 1Q2024. The decline partially reflects the impact of the March 2024 devaluation, as the comparable period reflects pre-devaluation levels, translating into rising costs and increasing interest expenses during the quarter. Net profitability witnessed significant quarter-on-quarter improvement with net profit margin expanding to 8.9% in 1Q2025, up from 7.3% in the previous quarter, reflecting favorable cost dynamics on the back of the cooling inflationary environment witnessed throughout the beginning of the year.

Net export sales reached EGP 317.5 million in 1Q2025, marking a 19.5% y-o-y increase. On the regional front, Edita Morocco recorded EGP 127.4 million in revenues for 1Q2025, up 57.9% y-o-y, fueled by restructuring initiatives in its distribution models aimed at improving efficiency and expanding market reach.

Operational Developments

In 1Q2025, Edita continued to execute its price point migration strategy through portfolio innovation and expansion. In January 2025, Edita broadened its price spectrum within the HOHOs brand by introducing the Family Roll at EGP 35, targeting the family segment seeking larger, shareable portions. At the same time, HOHOs King entered the EGP 10 price tier, reinforcing Edita's value-driven growth strategy. Edita also introduced higher price points across its bakery segment. In January, the company launched Molto King at EGP 20, the largest single-piece offering in the Molto range, while expanding its EGP 10 price point range to include Molto Mix alongside the Molto XXL products. In March 2025, Edita launched Twinkies Duo at EGP 10, introducing an innovative dual-flavor concept. Meanwhile, Twinkies Cream entered the EGP 10 price tier in February 2025. These initiatives underscore Edita's commitment to portfolio innovation and strategic pricing. In March 2025, new limited-time flavors of Bake Rolls were launched at EGP 15, and Bake Sticks at EGP 10, providing consumers with innovative flavors matching changing taste profiles. To support these rollouts, Edita continues to invest in upgrading its production capabilities and strengthening its distribution network, effectively positioning its product portfolio for sustained growth.

Additionally, Edita Trade & Distribution entered its first third-party distribution agreement, leveraging its extensive network to drive growth in high-potential snack segments. This move aligns with Edita's strategy to optimize its distribution channels and expand across high-growth platforms, including e-commerce. Notably, e-commerce volumes grew by 68% y-o-y in 1Q2025, led by significant volume increases across all segments, highlighting Edita's ability to better serve emerging consumer segments while enhancing overall market reach.

On the industrial operations front, Edita installed a new bakery line in 2024, which was fully ramped up by the end of 1Q 2025, boosting production capacity and supporting expansion plans

Overview of Segment Performance

In 1Q2025, Edita delivered solid financial performance, with consolidated revenue reaching EGP 4.3 billion, marking a 9.1% y-o-y increase. Cakes continued to serve as the largest revenue contributor, generating EGP 2.3 billion in revenue, up 14.3% y-o-y, supported by a 53.3% increase in the average price per pack, which offset a 25.4% decline in volumes. Meanwhile, the bakery segment recorded an 11.4% y-o-y revenue decline, reaching EGP 937.2 million in 1Q2025, primarily driven by a 39.0% decrease in sales volumes, despite a 45.3% rise in average price per pack. The wafer segment grew 11.8% y-o-y reaching EGP 551.2 million in 1Q2025, fueled by a 38.6% increase in the average price per pack, offsetting a 19.3% decline in sales volumes. In the rusks segment, revenue expanded by 13.3% y-o-y to EGP 187.3 million, supported by a 53.5% increase in the average price per pack, despite a 26.2% decline in volumes. Edita's nascent segments-candy, biscuits and frozen- continue to demonstrate promising potential, particularly the biscuit segment which grew four-folds year-on-year to EGP 128.0 million, supported by an impressive 144.2% surge in volumes, as well as a 33.0% increase in average price per pack. Meanwhile, the candy segment saw its top-line decline year-on-year by a 6.2% to EGP 128.2 million, as both average price per pack and sales volumes marginally declined 2.4% y-o-y and 3.9% y-o-y, respectively. The frozen segment recorded EGP 18.7 million in revenue during 1Q2025, posting a 103.0% increase in average price per pack and a 59.8% decline in sales volumes. During the period, Edita generated an additional EGP 31.7 million in revenue, driven by its recent third-party distribution agreement.

Gross Profit Margin by Product Segment

Edita's consolidated gross profit grew 12.6% y-o-y to EGP 1.4 billion in 1Q2025, reflecting gross profit growth across most segments. Meanwhile, GPM expanded to 31.6% from 30.6% in 1Q2024, driven by solid top-line growth, coupled with effective pricing strategies and enhanced operational efficiencies to mitigate cost pressures.

Breaking down the segments, cake remained the largest contributor, recording a 9.9% y-o-y growth in gross profit to EGP 782.6 million in 1Q2025, with a gross profit margin (GPM) of 34.0% compared to 35.4% in 1Q2024. Meanwhile, the bakery segment recorded a 16.9%y-o-y increase in gross profit to EGP 285.0 million in 1Q2025, with GPM expanding to 30.4% from 23.0% in 1Q2024. The wafers segment achieved a 3.2% y-o-y increase in gross profit, reaching EGP 164.9 million, with a GPM of 29.9% versus 32.4% in 1Q2024. Similarly, the rusks segment recorded a 30.8% y-o-y expansion in gross profit, with an associated GPM of 26.5%, up from 22.9% in the prior year. Meanwhile, gross profit in the candy segment dropped 10.7% y-o-y to EGP 35.8 million, with GPM also inching down to 27.9% versus 29.3% in the corresponding period last year. At the biscuits segment, gross profit more than tripled, surging 329.1% y-o-y to EGP 39.3 million, with an improved GPM of 30.7% compared to 23.2% in 1Q2024. The frozen segment reported a EGP 9.5 million loss in gross profit in 1Q2025.

Revenue and Gross Profitability by Segment

EGP mn	1Q2025	1Q2024	Change
Cakes			
Revenue	2,301.1	2,012.5	14.3%
Gross Profit	782.6	700.0	11.8%
Gross Profit Margin	34.0%	35.4%	-3.9%

Gross Profit	782.6	712.3	9.9%
<i>Gross Profit Margin</i>	34.0%	35.4%	-1.4pts
Bakery			
Revenue	937.2	1,057.7	-11.4%
Gross Profit	285.0	243.8	16.9%
<i>Gross Profit Margin</i>	30.4%	23.0%	7.4pts
Wafers			
Revenue	551.2	492.9	11.8%
Gross Profit	164.9	159.7	3.2%
Gross Profit Margin	29.9%	32.4%	-2.5pts
Rusks			
Revenue	187.3	165.4	13.3%
Gross Profit	49.6	37.9	30.8%
Gross Profit Margin	26.5%	22.9%	3.5pts
Candy			
Revenue	128.2	136.7	-6.2%
Gross Profit	35.8	40.0	-10.7%
Gross Profit Margin	27.9%	29.3%	-1.4pts
Biscuits			
Revenue	128.0	39.4	224.8%
Gross Profit	39.3	9.1	329.1%
Gross Profit Margin	30.7%	23.2%	7.5pts
Frozen			
Revenue	18.7	22.9	-18.5%
Gross Profit	(9.5)	(1.3)	(634.3%)
Gross Profit Margin	-51.1%	-5.7%	-45.4pts
Total Revenues*	4,283.4	3,927.5	9.1%
Total Gross Profit*	1,353.3	1,201.6	12.6%
Total GPM	31.6%	30.6%	1.0pts

**Includes contributions from Edita's imports segment*

Segment Volumes and Prices

EGP	1Q2025	1Q2024	Change
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Cakes

Packs (mn)	514	690	-25.4%
Tons (000s)	17.0	19.6	-13.2%
Av. Price (EGP)	4.47	2.92	53.3%
Bakery			
Packs (mn)	118	194	-39.0%
Tons (000s)	7.2	11.1	-35.4%
Av. Price (EGP)	7.94	5.47	45.3%
Wafers			
Packs (mn)	140	173	-19.3%
Tons (000s)	3.2	3.7	-12.9%
Av. Price (EGP)	3.95	2.85	38.6%
Rusks			
Packs (mn)	25	34	-26.2%
Tons (000s)	1.4	1.4	-6.7%
Av. Price (EGP)	7.51	4.89	53.5%
Candy			
Packs (mn)	22	23	-3.9%
Tons (000s)	1.0	1.1	-12.9%
Av. Price (EGP)	5.86	6.01	-2.4%
Biscuits			
Packs (mn)	24	10	144.2%
Tons (000s)	0.9	0.3	205.6%
Av. Price (EGP)	5.24	3.94	33.0%
Frozen			
Packs (mn)	0.2	0.6	-59.8%
Tons (000s)	0.1	0.2	-40.3%
Av. Price (EGP)	78.23	38.54	103.0%
Total Packs* (mn)	847	1,123	-24.6%
Total Tons* (000s)	30.7	37.4	-17.8%
Av. Price/Pack (EGP)	5.06	3.50	44.6%

**Includes contributions from Edita's imports segment*

Balance Sheet

The company's total loans and borrowings as at 31 March 2025 stood at EGP 3,643.5 million, up from EGP 3,468.2 million as at 31 December 2024. Total bank overdrafts recorded EGP 452.5 million as at 31 March 2025 versus EGP 808.4 recorded at the end of 2024. Cash balance stood at EGP 2,797.1 million as at 31 March 2025 up from EGP 1,324.2 million as at year-end 2024. Edita recorded a net debt of EGP 846.4 million as at 31 March 2025 compared to EGP 2,144.0 million in net debt as at 31 December 2024.

Edita booked inventories of EGP 2,248.4 million as at 31 March 2025, down from 3,034.0 million as at 31 December 2024. Meanwhile, trade and notes receivable stood at EGP 144.3 million as at 31 March 2025, compared to EGP 174.8 million as at 31 December 2024.

Total CAPEX for the period ending 31 March 2025 amounted to EGP 211.5 million, primarily allocated to expansion-related investments, with additional expenditures for maintenance and distribution vehicles.

Egyptian Accounting Standards Reconciliation to IFRS

Edita's EAS and IFRS financial statements differ in the treatment of employees' profit share, which is expensed under the IFRS, while the EAS accounts for them as a distribution and are thus not included on the income statement. Also, EAS and IFRS differ in the calculation of EBITDA. In 1Q2025, EGP 15.8 million in FX gains as well as an FA gain and profit share deduction amounting to EGP 51.6 million were subtracted from EBITDA, bringing total EAS to IFRS adjustments on EBITDA to EGP 67.4 million. A reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for 1Q2025 is provided in the table below.

in EGP mn*	1Q2025 EAS	Adjustments	1Q2025 IFRS
Net Sales	4,283.4		4,283.4
COGS (excluding MOH)	2,408.3	0.0	2,408.3
MOH	421.5	(18.9)	440.3
Total	2,829.8		2,848.6
Gross Profit	1,371.8	18.5	1,353.3
Selling & Distribution Exp.	227.5	(12.8)	240.3
Advertising & Marketing Exp.	135.6		135.6
General & Admin. Exp.	330.3	(17.7)	348.1
Other Operational Exp.	47.7	0.4	47.3
Profit from Operations	630.7	48.7	582.0
Profit from Operations Margin	14.7%		13.6%
Lease Finance Interest	2.1		2.1
Profit Before Income Tax	572.4	48.8	523.6
Income Tax Expense	142.6		142.6
Net Profit After Tax	429.8	48.8	381.0
EBITDA	762.2	67.4	694.8
EBITDA Margin	17.8%		16.2%

*Figures are based on management accounts for better disclosure on expenses breakdown

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About Edita Food Industries

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, bakery, rusks (baked wheat), wafers and biscuits as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as TODO, Molto, Bake Rolz, Bake Stix, Freska, Oniro and MiMix. The Company also has the exclusive ownership of the international Hostess brands Twinkies, HOHO's and Tiger Tail in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia; and is party to a technical assistance and know-how agreement to manufacture 11 additional Hostess brands across its territories. The Company holds strong number-one market positions in its core cake and bakery segments as well as in rusks, a leading market position in candy and a growing market position in the wafers segment. In 1Q2025, the Company derived 92.6% of its revenue from Egypt and 7.4% from regional export markets. Learn more at ir.edita.com.eg.

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