



## Domty profitability continues as a result of sales volume recovery

### —Highlights of 3Q17— Unaudited

**Revenues**

EGP 680 mn

**Gross Profit**

EGP 132 mn

**Gross Profit Margin**

19.48%

**Operating Profit**

EGP 55 mn

**Net Income**

EGP 22 mn

**Net Income Margin**

3.3%

**UNAUDITED HIGHLIGHTS OF THE CONSOLIDATED INCOME STATEMENT:**

(Numbers in EGP million):

Description	3Q2017	2Q2017	1Q2017	4Q2016	3Q2016
Net Sales	680	487	471	463	453
Gross profit	132	95	87	61	88
Gross Profit Margin	19.48%	19.58%	18.52%	13.29%	19.42%
EBIT	55	39	4	-20	21
EBIT Margin	8.11%	7.95%	0.93%	-4.35%	4.70%
Net Profit Before Tax	30	15	- 5	- 39	14
Profit Margin Before Tax	4.45%	3.12%	-1.05%	-8.38%	3%
Net Profit	22	12	- 6	- 29	10
Net Profit Margin	3.30%	2.47%	-1.27%	-6.33%	2.21%
EBITDA	69	51	19	- 4	33
EBITDA Margin	10.18%	10.49%	4.08%	-0.88%	7.35%



**Cairo, 28 October 2017**

Arabian Food Industries Company Domty S.A.E. (DOMT.CA on the Egyptian Exchange), Egypt's largest cheese manufacturer by market share, announced today its unaudited consolidated results for 3Q2017,

**Commenting on the quarter's performance, Domty Vice Chairman Mr. Mohamed Omar El Damaty said:** "We are pleased with the recovery in sales volumes as sales started to get back to its normal levels compared to 3Q2016. This reflects the importance of the white cheese product to the Egyptian consumer, which led to a positive impact represented in absorbing the company overheads, which resulted in an improvement in the net income margin, hence avoid the downsizing plans in the current period.

We see it necessary to clarify the nature of Domty debts in the market to assure investors that the vast majority of them are secured debts belonging to government agencies and export agents who have been working with the company for 17 years, as well as some local agents under strict supervision from the company, while the remaining debt has an average collection period of no more than 34 days.

We hope for the future to continue the recovery in sales volume with some appreciation in the EGP against the Dollar and a reverse in the bank interest to be able to improve Domty net profit margin. Accordingly, the company started during the past period to focus on the development of export sales by appointing a new head of exports sector that has more than 14 years of experience in this field in order to open new markets for the juice products, and assist in the African operations, which we started to implement its first steps via obtaining the Board of Directors approval to open a branch of the company in Rwanda taking the form of a distribution company, and we are currently having discussions on ways to penetrate the market in Kenya, while discussions on Ethiopia were postponed due to the problem of the dollar availability that they face there.

Regarding the new products, the company will start the experimental operation of the bakery line at the end of the current year and launch the product in the market at the beginning of 2018, while the hard cheese product was postponed until the purchasing power of the Egyptian consumer improves.

In the end, we are pleased with our 50% growth in the top line and await the continuation of this improvement with the development of profitability rates via small price increases and improving the efficiency of operations and distribution he added.



**Sales revenue breakdown for 3Q2017:**  
(Unaudited figures)

Segment	EGP million
White Cheese	559.5
Mozzarella Cheese	34.7
Processed Cheese	4.6
Juice	81.2
<b>Total Sales</b>	<b>680</b>

**Days on Hand (average collection period splitting):**  
(Unaudited figures)

Accounts receivables class	Customer balance on 30-9-2017 (EGP mn)	Number of days(average)
Governmental agencies & Exports	288	155
Agents( fully supervised by Domty)	58	30
Remaining local customers	197	34
<b>Total Accounts Receivables</b>	<b>543</b>	<b>73</b>

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About Arabian Food Industries Company Domty S.A.E.

Domty, founded in 1988 and headquartered in Egypt, is a leader in the growing Egyptian cheese and juice market. The Company manufactures, markets and distributes a range of branded white and processed cheeses and juice products, with a family of nearly 200 SKUs under a brand portfolio including Domty, Damo, Gebnety and Bravo. Domty is a household name and the number-one cheese producer in the nation by market share. The Company sells to tens of thousands of retail and business customers as well as to more than 35 export destinations. Learn more about Domty by visiting [Domty.org](http://Domty.org).

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