



**Budget**  
**For the FY 2019/2020**

*Eastern Company S.A.E*

**In the Name of Allah, The Most Gracious, The Most Merciful**

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**Eastern Company S.A.E**

**EC Profile**

## EC Profile

<b>Company's Name:</b>	Eastern Company S.A.E situated in 450 Al Ahram St., Giza, Egypt
<b>Incorporation Date:</b>	July 12th, 1920
<b><u>Company's Objectives:</u></b>	<ul style="list-style-type: none"><li>• The manufacturing and trade of tobacco, its products and requirement.</li><li>• Practice of any investment, financial, commercial, industrial, agriculture or service activities.</li><li>• Ownership and building of real-estate and lands division for investments, renting, selling.</li><li>• Importation, exportation and commercial agencies.</li><li>• Establishment or partnership, or acquisition of the companies or shares in such companies whether in Egypt or abroad and in whatever EC activities, or it may assist to achieve or develop any of such companies' objectives after getting the approval from CIHC.</li><li>• The company is subject to the Public Enterprises Sector's law No. 203/1991 and its executive rule.</li></ul>
<b><u>EC' Capital:</u></b>	
<b>Issued Capital:</b>	<b>Authorized Capital:</b> EGP 3000 mn (three bn EGP). Issued & Paid: EGP 2250 mn.
<b>Board Members:</b>	<b><u>Appointed:</u></b> - Eng. Tamer Gadallah <b>Chairman &amp; CEO.</b> - Mr. Hany Aman Hussein Attia <b>(CEO).</b> - Mr. Nasr Abdelaziz <b>(BM of Technical Affairs)</b> - Mr. Sameh Ahmed Sayed Ali Khodair <b>(BM)</b> <b><u>Elected:</u></b> - Mohamed Gamal Mahmoud Moharam <b>(Rep of Private Shareholders)</b> - Eng. Aly Sayed Aly Hegazzy <b>(BM)</b> - Mr. Ashraf Mahmoud Elkady <b>(BM)</b> - Mr. Maged Mahmoud AbdelAa'll <b>(BM)</b> - Mr. Tal'at Araby Ismail <b>(BM)</b>

**Eastern Company S.A.E**

**Production, Total Sales & Exports**

## Production, Total Sales & Exports

Item	Unit	Actual 2017/2018	Approved plan 2018/2019	Target 2019/2020	Target 2019/2020	
					Actual 2017/2018	Approved plan 2018/2019
<b><u>First: Production</u></b>					%	%
<b><u>a) Volume</u></b>						
Cig Volume	Mio Cigs	85270	87561	86734	102	99
Water Pipe Volume	MT	15942	17836	20672	130	116
<b><u>b) Value</u></b>						
inc Sales Tax & Health Insurance fee	EGP thousand	48777674	52187446	58351947	120	112
exp Sales Tax & Health Insurance fee	EGP thousand	15114864	1576952	16383107	108	104
<b><u>Second: Total Sales</u></b>						
<b><u>a) Volume</u></b>						
Cigs Volume	Mio Cigs	85351	87561	86734	102	99
Water Pipe Volume	MT	16125	17836	20672	128	116
<b><u>b) Value</u></b>						
Sales Value (411/h)	EGP thousand	11087443	11808853	12161859	110	103
Entire Sales Value	EGP thousand	13410010	14467330	14629030	109	101
<b><u>Third: Exports</u></b>						
<b><u>Export Volume:</u></b>						
Cigs. Volume	EGP thousand	44	528	1056	2400	200
Water Pipe Volume	MT	1100	1836	3672	334	200
Export Value	EGP thousand	75077	199800	375406	500	188

**Eastern Company S.A.E**

**Labors, Wages, Value added & Production**

**Indicators**



## Labors, Wages, Value Added & Productive Indicators

Item	Unit	Actual 2017/2018	Approved plan 2018/2019	Target 2019/2020	Target 2019/2020	
					Actual 2017/2018	Approved plan 2018/2019
<b><u>Fourth: Labors, Wages &amp; value Added</u></b>					%	%
<b><u>a) Labors &amp; Wages</u></b>						
Average of labor Nos.	Labor	13836	14000	13800	100	99
Wages	EGP thousand	2086173	2288000	2483148	119	109
<b><u>b) Value Added</u></b>						
Total Value Added	EGP thousand	7177296	6386200	7683500	107	120
Net Value Added	EGP thousand	6710466	5920324	7116408	106	120
<b><u>Fifth: Productive Indicators</u></b>						
<b><u>Production without Sales Tax &amp; Health Insurance</u></b>						
Labor productivity	EGP	1092430	1128354	1187182	109	105
EGP productivity/Wage	EGP	7	7	7	100	100
Average of labor wages	EGP	150779	163429	179938	119	110
Wages/Production	%	13	17	14	--	--

☒ Production Indicators are based on the production value exc. sales tax and health insurance charges.

**Eastern Company S.A.E**

**Net Profit and State Treasury Revenue**

**Net Profit and State Treasury Revenue**

Item	Unit	Actual 2017/2018	Approved plan 2018/2019	Target 2019/2020	Target 2019/2020	
					Actual 2017/2018	Approved plan 2018/2019
<b><u>Sixth: Net Profit</u></b>					%	%
<b>Net Profit Before Tax and interest</b>	Thousand EGP	5525867	4196849	4964330	90	118
<b>Net profit Before tax</b>	Thousand EGP	5516147	4193549	4961830	90	118
<b>Net profit Before Tax After interest and tax</b>	Thousand EGP	4240598	3250000	3800000	90	117
<b><u>Seventh: State Treasury Revenues</u></b>						
<b>Sales tax (including Foreign brands)</b>	Mn EGP	53144	54891	61946	117	113
<b>Students Health Insurance Fees</b>	Mn EGP	319	317	2836	889	895
<b>Customs , Real Estate &amp; Indirect Tax</b>	Mn EGP	382	475435	475	114	92
<b>Taxes Related to Stock Corporation</b>	Mn EGP	1275	944	1162	91	123
<b>Payable Net profit to state treasury revenue</b>	Mn EGP	1237	825	1420	115	172
<b>Total revenue</b>	Million EGP	56357	57452	67799	120	118

**Eastern Company S.A.E**

**Invested Capital, Equity & Financial  
Indicators**

## Invested Capital, Equity & Financial Indicators

Item	Unit	Actual 2017/2018	Approved Plan 2018/2019	Target 2019/2020	Target 2019/2020	
					Actual 2017/2018	Approved Plan 2018/2019
<b><u>Eighth: Invested Capital &amp; Equity</u></b>						
<b>Invested Capital:</b>	Thousand EGP	1691580	15338326	18347452	% 102	% 120
<b>Equity:</b>	Thousand EGP	6483267	11298053	8699798	134	77
<b><u>Ninth: Financial Indicators</u></b>						
<b>Floating Ratio</b>	One time	1	2	1	--	--
<b>Revenue On Investment (ROI)</b>	%	33	23	27	--	--
<b>Return On Assets (ROA)</b>	One time	0.9	0.8	0.8	--	--
<b>Return On Equity (ROE)</b>	One time	2	1	2	--	--
<b>Creditor/Equity</b>	%	159	61	107	--	--
<b>Interest Coverage Rate</b>	One time	569	1272	1986	--	--

**Eastern Company S.A.E**

**Investments**

## Investments

Item	Unit	Actual 2017/2018	Approved Plan 2018/2019	Target 2019/2020	Target 2019/2020	
					Actual 2017/2018	Approved Plan 2018/2019
<b>Tenth: investments</b>						
<b>1- Replacement &amp; Upgrading(1)</b>	EGP000	910957	1148034	1110575	122	97
<b>2- Projects in Progress</b>						
- Projects at 6 <sup>th</sup> of October Industrial Complex	EGP000	18732	45000	10000	53	22
- Projects at Branches	EGP000	3913	6861	-----	-----	-----
<b>Total (2)</b>	EGP000	22645	51861	10000	44	19
<b>3- New Projects</b>						
- Civil Works of Handling & Sorting Finished Products	EGP000	-----	25000	-----	-----	-----
- Civil Works at Service Complex	EGP000	-----	25000	-----	-----	-----
- Complex Project in Borg El Arab	EGP000	-----	-----	25000	-----	-----
<b>Total (3)</b>	EGP000	-----	50000	25000	-----	71
<b>Total Investments</b>	EGP000	933602	1249895	1145575	123	92

**Investment Analyses based on Shareholders' Memo  
For the Key Items of Replacement & Upgrading  
(EGP 1110575)**

**Value in EGP 000**

<b>Description</b>	<b>Target 2019/2020</b>
- <b>Required Equipment</b>	760000
- <b>Equipment transferred from Approved Plan 2018/2019</b>	215500
- <b>Requirements of Environment Protection &amp; Ministry of Health</b>	61675
- <b>Others (Lab Instruments, transportations, moving &amp; Installations)</b>	73400
<b>Total</b>	1110575



**Eastern Company**  
**( An Egyptian Joint Stock Company )**  
**Budgeted Balance Sheet as at 30 June 2020**

	<b>30/06/2020</b>	<b>30/06/2018</b>
	<b><u>LE (000)</u></b>	<b><u>LE (000)</u></b>
<b>Assets</b>		
<b><u>Non Current Assets</u></b>		
Fixed Assets	4,892,752	4,822,260
Project in Progress	1,419,564	983,473
Real Estate Investments	9,303	9,303
Intangible Assets	19,782	6,917
Other Assets	-	154
Long-Term Investments	120,668	120,668
<b>Total Non Current Assets</b>	<b><u>6,462,069</u></b>	<b><u>5,942,775</u></b>
<b><u>Current Assets</u></b>		
Inventories	8,291,570	6,397,152
Trade, Notes Receivables, and Other Receivables	826,380	746,771
Suppliers ( advance payment )	55,400	69,220
Cash in hand & at banks	2,505,870	3,759,892
<b>Total Current Assets</b>	<b><u>11,679,220</u></b>	<b><u>10,973,035</u></b>
<b>Total Assets</b>	<b><u>18,141,289</u></b>	<b><u>16,915,810</u></b>
<b><u>Equity</u></b>		
Issued & Paid-In Capital	2,250,000	1,500,000
Reserves	6,322,423	4,530,372
Retained Earnings	127,375	452,895
<b>Total Equity</b>	<b><u>8,699,798</u></b>	<b><u>6,483,267</u></b>
<b><u>Non Current Liabilities</u></b>		
Deffered tax liabilities	160,520	140,569
<b>Total Non Current Liabilities</b>	<b><u>160,520</u></b>	<b><u>140,569</u></b>
<b><u>Current Liabilities</u></b>		
Provision	997,056	1,034,882
Trade and Other Payables	6,962,899	8,143,040
Receivables ( Credit )	187,260	178,441
Income Tax	1,133,756	935,611
<b>Total Current Liabilities</b>	<b><u>9,280,971</u></b>	<b><u>10,291,974</u></b>
<b>Total Liabilities</b>	<b><u>9,441,491</u></b>	<b><u>10,432,543</u></b>
<b>Total Equity and Liabilities</b>	<b><u>18,141,289</u></b>	<b><u>16,915,810</u></b>

**Eastern Company**  
**( An Egyptian Joint Stock Company )**

**Budgeted Income Statement for the Financial Year from 1/7/2019 to 30/6/2020**

	<u>for the year ended</u> <u>30/06/2020</u> <u>LE (000)</u>	<u>for the year ended</u> <u>30/06/2018</u> <u>LE (000)</u>
Operating revenues	14,640,428	13,410,944
Operating cost	(9,357,604)	(8,233,625)
<b>Gross Profit</b>	<b>5,282,824</b>	<b>5,177,319</b>
Investment revenues	-	87,433
Other gains	7,362	10,638
Other losses	-	(13)
Other revenues	29,550	55,372
Selling and distribution expenses	(562,050)	(491,507)
Administrative expenses	(208,176)	(172,202)
Provisions	-	(204,559)
Expired Provisions	-	230,948
Other expenses	(20,000)	(18,642)
Finance income	434,820	873,550
Finance cost	(2,500)	(9,720)
Foreign exchange loss	-	(22,470)
<b>Profit before tax</b>	<b>4,961,830</b>	<b>5,516,147</b>
Income tax	(1,161,830)	(1,275,549)
<b>Profit for the financial year from continuing operations</b>	<b>3,800,000</b>	<b>4,240,598</b>
<b>Profit for the financial year from discontinuing operations</b>	<b>-</b>	<b>-</b>
<b>Profit for the financial year</b>	<b>3,800,000</b>	<b>4,240,598</b>
<b>Earning per share for the financial year ( L.E./Share )</b>	<b>1.50</b>	<b>13.30</b>

**Eastern Company**

**( An Egyptian Joint Stock Company )**

**Budgeted Comprehensive Income Statement for the Financial Year from 1/7/2019 to 30/6/2020**

	<u>for the year ended</u> <u>30/06/2020</u> <u>LE (000)</u>	<u>for the year ended</u> <u>30/06/2018</u> <u>LE (000)</u>
<b>Profit for the financial period</b>	3,800,000	4,240,598
<b><u>Other Comprehensive Income Items</u></b>		
Foreign exchange translation differences	-	-
Available-for-sale financial investments	-	-
Cash flow hedge	-	-
Actuarial gains (losses) on defined benefit pension schemes	-	-
Entity's share of the other comprehensive income of associates	-	-
Income tax on items of other comprehensive Income	-	-
<b><u>Total Other Comprehensive Income, net of tax</u></b>	-	-
<b><u>Total Comprehensive Income for the Financial Year</u></b>	3,800,000	4,240,598

**Eastern Company**  
**( An Egyptian Joint Stock Company )**  
Budgeted Statement of Profits Distribution for the financial year ended 30 June 2020

	<u>for the year ended</u> <u>30/06/2020</u> <u>LE (000)</u>	<u>for the year ended</u> <u>30/06/2018</u> <u>LE (000)</u>
Net Profit	3,800,000	4,240,598
Add : Retained Earning	531,293	283,437
<b>Distributable Net Profit</b>	<b>4,331,293</b>	<b>4,524,035</b>
<b><u>Reserves</u></b>		
Legal Reserve	379,264	422,996
Statutory Reserve	379,264	845,992
Capital Reserve	7,362	10,638
Other Reserves ( Profit Balance )	286,788	282,986
	<b>1,052,678</b>	<b>1,562,612</b>
<b>Distributed Profits</b>		
Dividends ( 1.25 L.E./Share )	2,812,500	2,250,000
Employees Share	285,000	230,000
Directors Remuneration	28,968	1,000
Youth and Sport Authority	24,772	27,528
	<b>3,151,240</b>	<b>2,508,528</b>
Retained earnings for the next year	127,375	452,895
	<b>4,331,293</b>	<b>4,524,035</b>

**Eastern Company**  
**( An Egyptian Joint Stock Company )**  
**Budgeted Statement of Changes in Shareholders' Equity**  
**for the financial year from 1/7/2019 to 30/6/2020**

Item	Balance at 1/7/2019 <u>LE (000)</u>	Target 2019/2020 <u>LE (000)</u>	Balance at 30/6/2020 <u>LE (000)</u>
<b>Issued &amp; Paid-In Capital</b>	2,250,000	-	2,250,000
<b><u>Reserves</u></b>			
Legal Reserve	1,021,120	379,264	1,400,384
Statutory Reserve	2,483,525	379,264	2,862,789
Capital Reserve	537,273	7,362	544,635
Reserve invested in Government Bonds	20,662	-	20,662
Other Reserves	1,207,165	286,788	1,493,953
<b>Total Reserves</b>	5,269,745	1,052,678	6,322,423
Retained Earning	531,293	(403,918)	127,375
Net Profit	-	-	-
<b>Total Shareholder' Equity</b>	8,051,038	648,760	8,699,798