



**Summary of Final Results of the financial period**  
**Ended 31/03/2021**

**(a) Income Statement for the financial period ended 31/03/2021**

Value in EGP Thousands

Item	Current Period	Previous Period	Change %
Gross Sales	48.502.709	42.729.242	%14
Revenue/Sales	12.147.538	11.367.681	%7
Gross Profit	5.140.021	4.623.745	%11
Gross Profit margin	%42	%41	-
Net Profit of Continuous Activities (Before Tax)	5.006.278	4.074.202	%23
Net Profit from Non-Continuing Activities (Before Tax)	0	0	%0
Net Profit After Tax	3.889.210	3.130.768	%24
Basic Earnings per share	1,63	1,31	%24

**(b) Financial Position as of 31/03/2021**

Value in EGP 000

Item	Current FY	Previous(30/6/2020)	Change %
Net Working Capital	6.414.141	2.180.135	%194
Equity	11.407.648	7.561.461	%51
Paid Up Capital	2.250.000	2.250.000	%0
Reserves	4.176.665	4.176.665	%0
Retained Earnings	1.580.571	1.567.139	%1
Profit Of The Period	3.889.210	0	-
Others	0	0	-
T-Stock	488.798	432.343	%13

**(C) Cash Flow Statement for the Period Ended 31/03/2021**

Value in EGP 000

Item	Current Period	Previous Period	Change %
Cash Flows From Operating Activities	4.918.861	4.123.994	19%
Cash Flows From Investment Activities	80.826-	259.352-	-69%
Cash Flows From Financing Activities	3.541.439-	2.471.012-	%43
Currency transactions Gains/Losses	46.481-	104.538-	-56%



## Summary of business results for the financial period ended in 31/3/2021

The results have shown growth rates characterized by consistency and stability at all levels of production, sales and operation, which reflects the fundamental concept of modern management and effective risk management, to minimize the risk whether in the internal or external business environment, along with the concerted efforts of workers to reach the company to new record levels that were not witnessed by the company's business results before, despite the challenges that it has witnessed and still by all business institutions at the local, regional and international levels during the previous period , which makes EC business model able to achieve strategic goals through good and skilled employment.

- The financial indicators showed increase in sales, revenues and profits during the 9 months of the current fiscal year, as the company achieved an increase in total gross revenues (including value added taxes) + 13.5% (y.o.y) recorded EGP48.5 billion compared to EGP42.7 billion during the comparison period, and for the period, the local sales volumes of EC main brands recorded an increase +7.4%(y.o.y), to record 50.8 billion cigarettes, compared to 47,2 billion cigarettes in the same comparison period .
- Gross profit record EGP 5.14 billion for the nine-month period ending on 31/3/2021, with increase + 11% (y.o.y), and the gross profit margin for the period was 42%.
- Operating profits increased by 17% (y.o.y) on the basis of 9 months compared to the same period of the previous year, to record EGP 4.49 billion.
- Eastern recorded a net profit EGP3.89 billion for the nine-month period ending on 31/3/2021, with + 24% (y.o.y) , **It's worth mentioning that the net profit for the nine months of the current fiscal year exceeded what was achieved during the 12 months of the previous fiscal year, with an increase 2.5%.**
- EC recorded an increase in total revenues (including value added taxes) by a +14% (y.o.y) compared to the third quarter of the previous year, to reach EGP 16 billion, with an increase + 2% over the budget plan .
- The revenue from local cigarette segment also achieved an increase +14% as local sales volumes in the quarter reached 17 billion cigarettes.
- Gross profit was recorded EGP 1.69 billion in the third quarter ending on 31/3/2021, to increase by +15% (y.o.y) & an increase of 9% compared to the budget, as the gross profit margin reached 43% for this quarter.
- Operating profit for the third quarter increased + 28%(y.o.y) compared to the same quarter of the previous year, to record EGP 1.48 billion, with an increase of +12.5% compared to the budget, operating profit margin 37% for this quarter.
- **Eastern Company also recorded a net profit of EGP 1.35 billion in the third quarter ending on 31/3/2021, with increase + 48%(y.o.y) compared to the same quarter of the previous fiscal year, and an increase of 28% (compared to the budget).**
- **For the first time, achieving half a billion pounds in net profit for one month has been exceeded, as in March EC achieved a total profit EGP 649 million (pre-tax) and a net profit of EGP 513 million, with a growth +90% over the same month previous year.**



- Moreover, in March. Total gross revenue (including value added taxes) recorded EGP 5.69 billion, +16%(y.o.y) over the same month, and cigarette sales Vol.reached 6.1 billion cigarettes, with growth + 12% over the same previous month.
- **While in one month Eastern's productions in March had exceeded the previous maximum production achieved in December last year, as EC produced 7.1 billion cigarettes in March 2021.**

**Mr. Hany Aman "Managing Director and CEO of the company" commented on the business results, saying:**

*"I am pleased to announce that Eastern Company has achieved strong operational and financial results during the period, which illustrate our outstanding operational performance and great growth potential in light of the continuous growth in revenues from the main activities of the company. The company also continued to gain the fruits of its strategic move through - :*

- 1 - *Optimizing the use of resources, maximizing returns and reducing costs*
- 2 - *Exploring sales opportunities and exploiting them and converting them into plans, strategies and marketing mixes that go directly to the market.*
- 3 - *Diversification of the company's investment portfolio and good liquidity management by investing in risk-free fixed income instruments .*

*The initial indications for the beginning of the fourth quarter shows the continuation of the strong positive results of the previous nine months of the current fiscal year, despite the continuing effects of the Corona pandemic on part of the company's business of molasses."*

*The data above extracted from EC financial statements which were approved by the BOD meeting held on 4/28/2021.*

*While the company has not yet received the two auditors 'reports, and we pledge to disclose to the Authority and the Stock Exchange any change that occurs to these data as soon as it occurs until the signed financial statements are sent, which we will send it as soon as the auditors' report is issued on them and no later than before the start of the next day's trading session according to the date recorded in the auditors 'report.*

**Investor Relations Manager**

**Mohammed Abdul Rahman Ahmed**





الشركة المصرية للشعيريات والحبوب  
EASTERN COMPANY S.A.E

ЕВСТЕРИ СОМПАНИ С.А.Е

Q3 20|21

Eastern Company

### Q3 FY20|21 Results

### Gross Sales (including VAT) (+2% VS. target ) ( +14% y.o.y)

Q3 19|20 VS Q3 20|21

14,076

EGP Million

16,076

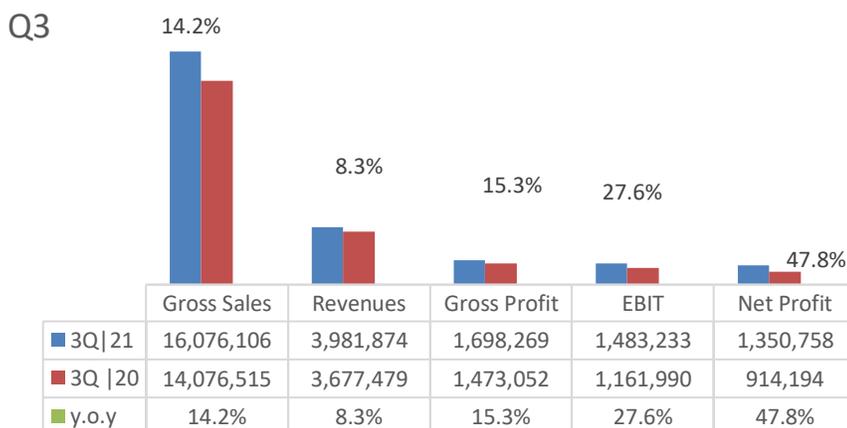
EGP Million

<b>Net revenue</b> <b>3,982 Million</b> UP 8% (y.o.y) & same as the budget	<b>Gross profit</b> <b>1,698 Million</b> UP 15% (y.o.y) & UP 9% VS. The budget
<b>Operating profits</b> <b>1,483 Million</b> UP 28 % (y.o.y) & UP 12.5% VS. The budget	<b>Net profit</b> <b>1,351 Million</b> UP 48% (y.o.y) & UP 28% VS. The budget

### Highlights for 3Q FY20|21

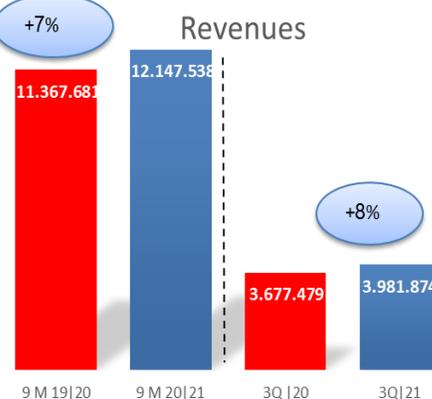
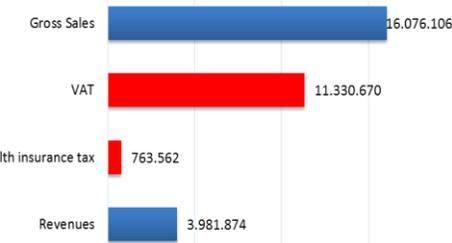
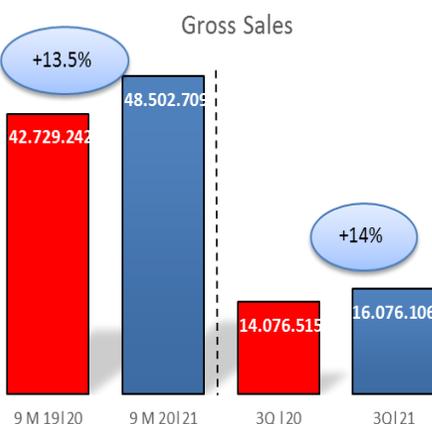
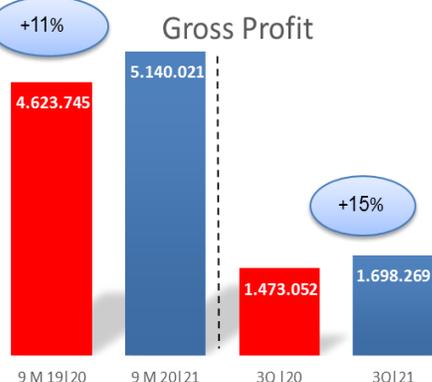
Eastern achieved strong indicators for this quarter, along with the results which has been achieved previously, with an increase of 14 % (y.o.y) in gross sales (with VAT) to record EGP 16 billion In the third quarter ending on 3/31/2020, EC achieved 3.98 billion pounds in net revenues, with an increase of 8% (y.o.y) , as EC delivered Improvement in the performance Where the Net profit for the quarter increased by +48% (y.o.y) to record EGP1,351 million ,And +28% (compared to the budget) .

On 9 month basis total gross sales recorded EGP48.5 billion, to increase by 13.5% y.o.y, and net revenues amounted EGP12.14 billion with a growth +7%, as well as a net profit EGP 3.88 billion, with a growth (y.o.y) + 24% compared to the same period previous year.



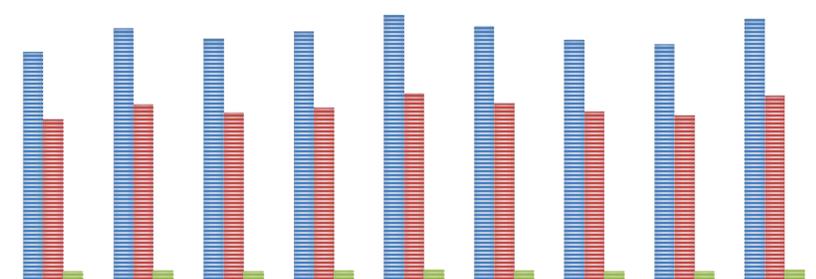
	3Q 21	2Q  21	3Q  20	%Y.o.Y	%Q.o.Q	9 M 20 21	9 M 19 20	%Y.o.Y
Gross Sales	16.076.106	16.725.961	14.076.515	14,2%	-3,9%	48.502.709	42.729.242	13,51%
Revenues	3.981.874	4.211.271	3.677.479	8,3%	-5,4%	12.147.538	11.367.681	6,86%
Gross Profit	1.698.269	1.830.753	1.473.052	15,3%	-7,2%	5.140.021	4.623.745	11,17%
Margin	43%	43%	40%			42%	41%	
EBIT	1.483.233	1.609.247	1.161.990	27,6%	-7,8%	4.494.694	3.854.700	16,60%
Margin	37%	40%	31,6%			37,0%	33,91%	
Net Profit	1.350.758	1.375.060	914.194	47,8%	-1,8%	3.889.210	3.130.768	24,23%
Margin	34%	35%	24,9%			32,0%	27,5%	

**EAST.CA**  
On the EGYOTION Exchange



**Results in a nutshell**

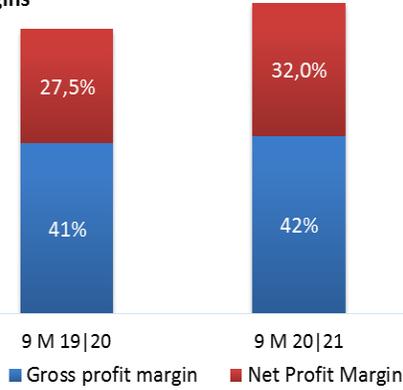
- Eastern Company (EAST.CA, listed on the Egyptian Stock Exchange) the only cigarette manufacturer in Egypt announced the results of the third quarter ending on March 31, 2021, EC announced an expansion in gross profit by 15% (year-on-year) and 11% (on a nine-month basis), To record EGP 1,698 million in the third quarter and EGP 5,140 million for the nine-month period of the fiscal year 20/21, as the improved profitability was supported by the company's efforts to raise production and sales efficiency and reach record levels in sales volumes, increase revenues and stable cost of direct materials. To record gross profit margin 43%.
- The company also recorded EGP 48,5 billion gross sales, with a growth rate + 13.5% (y.o.y) for 9 Months period, The third quarter achieved a gross sales value of EGP 16 billion with growth rate of +14% (y-o-y), gross sales in March record EGP 5,7 billion, +16% (y.o.y).



	Jul.20	Aug.20	Sep.20	Oct.20	Nov.20	Dec.20	Jan.21	Feb. 21	Mar. 21
Total Gross Sales	4,976,710	5,484,376	5,260,491	5,418,739	5,775,199	5,532,023	5,236,158	5,145,315	5,694,633
VAT	3,529,427	3,835,796	3,654,368	3,764,273	4,071,146	3,865,814	3,686,020	3,609,359	4,035,291
Health Insurance Tax	239,749	259,925	247,919	255,574	275,771	261,177	249,090	243,682	270,790

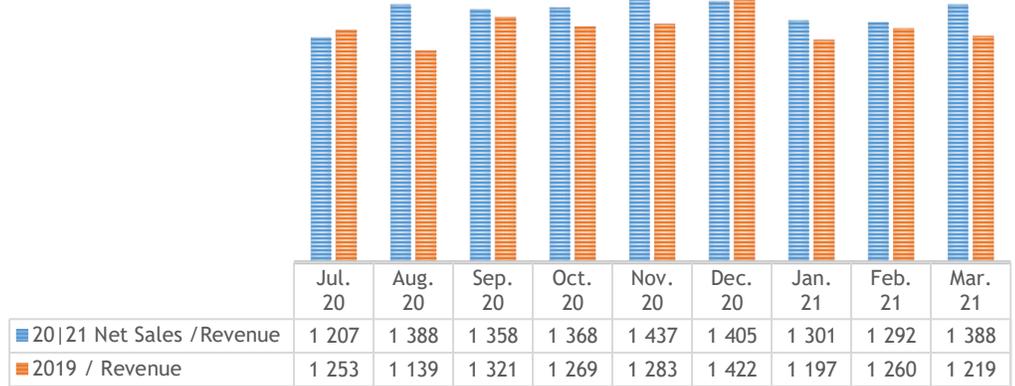
- Net revenue in the third quarter witnessed an increase of + 8% (y.o.y) to reach EGP 3,982 million on the back of \* an improvement in local cigarette sales segment to reach EGP 3,305 million, an increase of 14% (year on year) due to the increase in the volume of local sales by 1717 million cigarettes over the third quarter of the previous year, to record in this quarter 17,069 million cigarettes compared to 15,352 million cigarettes in the same quarter previous year, \* Indirect increases in prices by reducing the retailers margins (from 1 Egyptian pounds to 0.25 Egyptian pounds) The packaging of ten boxes of the main company's brands as from December 1, 2020, along with improvement in the sales mix in the volumes of local sales cigars at a rate of 15% (year over year) compared to the previous same period. The higher sales volumes for this quarter also supported by the increase in the volume of sales of the joint production segment by 14%, to record 506 million cigarettes compared to 443 the same quarter, at the same time, toll manufacturing fees decreased by 16% (y.o.y).

Margins



- on nine-month basis net revenues recorded a growth of 7%, to record EGP 12 billion, compared to EGP 11.4 billion in the same previous period, supported by the achievement of +7.4% increase in local sales volumes.

REVENUES



-Earnings before interest and taxes increased in the third quarter by 28% y.o.y to reach EGP 1,483 million, with EBIT margin of 37%.

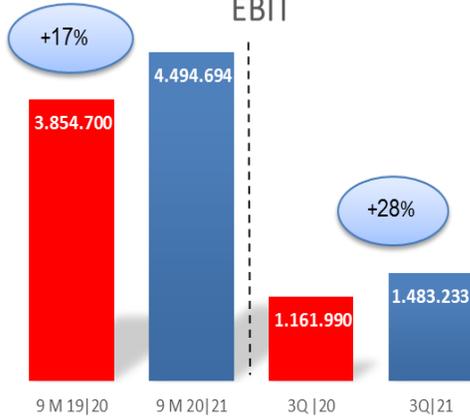
On nine months basis, operating profits recorded EGP 4.49 billion, an increase of 17% (y.o.y).

- Eastern Company recorded a net profit of EGP 1,351 million for the quarter, with an increase of +48% y.o.y , supported by an improvement in the profit margin, as EC recorded a net profit margin of 34%, with an increase of 9 percentage points compared to the previous similar quarter.

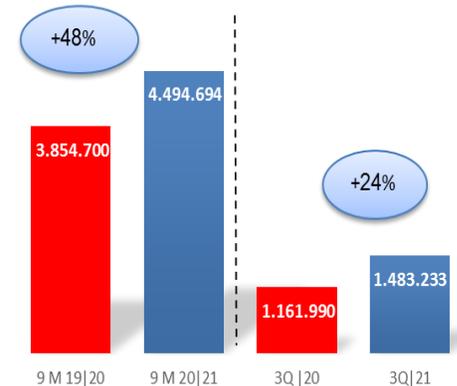
The net profit for the nine months increased by +24 %(y.o.y), to record EGP 3,889 million,

For the first time, the achieving EGP 500 million net profit in one month has been broken, as EC record in March a total profit of 649 million pounds before tax and a net profit of 513 million pounds, with a growth rate of 90% over March of the previous year.

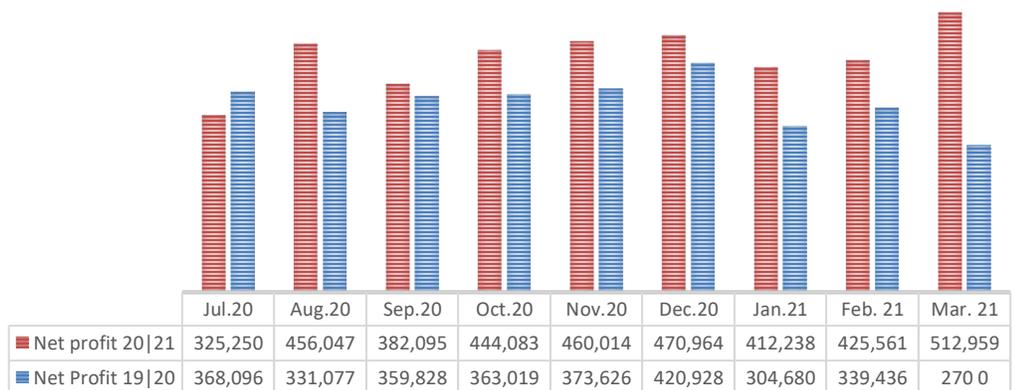
EBIT



Net Profit



NET PROFIT



### Basic points of Q3 Ending in 31/3/2021



- Eastern Company recorded a net profit of 1,351 million pounds in the third quarter ending on 3/31/2021, to record increase of +48% y.o.y & an increase of 28% (compared to the budget).
- Increasing in gross sales (including VAT) by 14% y.o.y, to reach EGP 16,076 million, with an increase 2% over the budget.
- The local cigarette segment achieved revenues of 3,305 million pounds in the third quarter, an increase of 14% y.o.y, as local sales volumes record in the quarter 17,069 million cigarettes.
- Gross profit recorded 1,698 million pounds in the third quarter ending on 3/31/2021, with an increase of + 15% y.o.y, and an increase of 9% compared to the budget. Gross profit margin reached 43% for this quarter.
- EBIT for the Q3 increased by 28% y.o.y , to reach 1,483 million pounds, and an increase of 12.5% compared to the budget, achieving EBIT margin 37% for this quarter.
- Toll manufacturing fee valued EGP 495 million, to record a decrease in this quarter by 16% y.o.y .

### • Basic points of The nine-month period

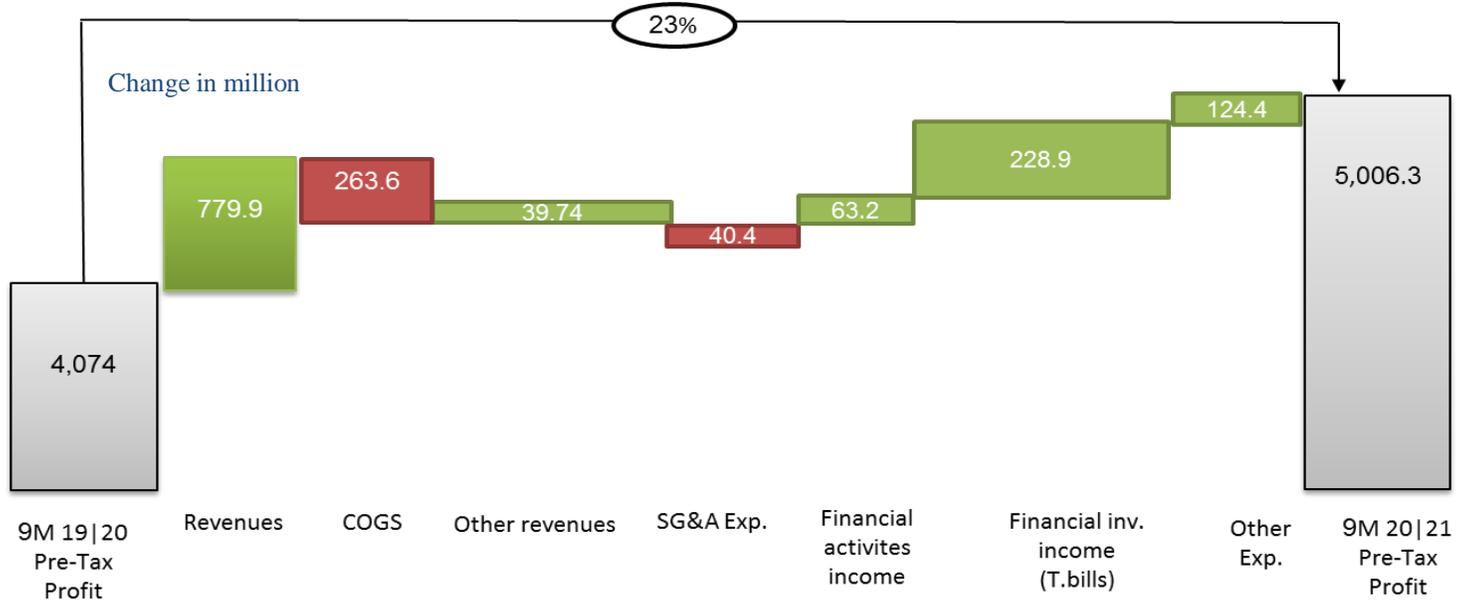
- Eastern Company recorded a net profit of 3,889 million pounds for the nine-month period ending on 3/31/2021, to record an increase of 24% y.o.y
- Increasing the company's gross sales including VAT, by 13.5% y.o.y, to reach 48,503 million Egyptian pounds, compared to 42,729 million pounds during the comparison period.
  - The local cigarette segment achieved total revenues of 9708 million pounds, an increase of + 9%. For the period, the local sales volumes of the main brands of the company increased by 7.4%, to record 50,783 million cigarettes, compared to 47,271 million cigarettes in the comparison period.
  - Gross profit recorded 5,140 million for the nine-month period ending on 3/31/2021, with an increase of + 11% y.o.y, the gross profit margin for the period was 42%.
  - On a 9-month basis EBIT increased by 17% y.o.y, to record EGP 4,495 million.
  - Toll manufacturing fee recorded revenues in a nine-month period which amounted EGP 1,752 million, to record a decrease - 8,8% compared to the same period in the previous year.

**Table (1) evolution of financial indicators**

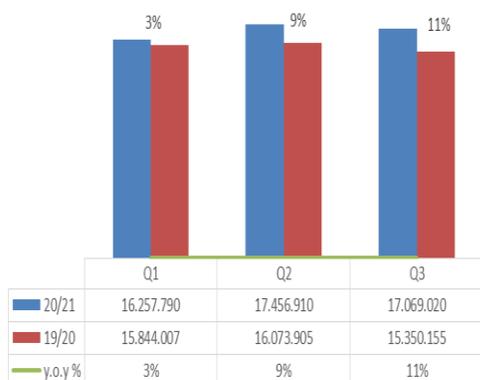
income list (EGP 000 )	Third Quarter   21	YoY	Third Quarter   20	Nine months 20   21 1/7 -31/03/021	YoY	Nine months 19   20 1/7 -31/03/020
<b>Gross Sales</b>	16.076.106	<b>14.21%</b>	14.076.515	48,502.709	13.51%	42,729,242
Value added tax	11,330,670	16.68%	9.710.704	34.051.494	16.47%	29235385
Health insurance fee	763.562	10.93%	688.332	2.303.677	8,35%	2126176
<b>Net sales / revenue</b>	<b>3.981.874</b>	<b>8,28%</b>	<b>3.677.479</b>	<b>12.147.538</b>	6,86%	<b>11.367.681</b>
Cost of goods sold COGS	2.283.605	3,59%	2.204.427	7.007.517	3.91%	6,743.936
<b>Gross profit</b>	<b>1.698.269</b>	<b>15,29%</b>	<b>1.473.052</b>	<b>5.140.021</b>	11.17%	<b>4.623.745</b>
Other income	48.953	145,22%	19.963	88.752	81.10%	49.007
Selling and marketing expenses	176.012	3.97%	169.294	518.111	6,06%	488.489
General and administrative expenses	68.355	11.96%	61.054	187.491	6,11%	176.693
Other expenses	19.622	-80.51%	100.677	28.477	-81.37%	152.870
<b>EBIT</b>	<b>1.483.233</b>	<b>27.65%</b>	<b>1.161.990</b>	<b>4.494.694</b>	16.60%	<b>3.854.700</b>
<b>Net financing cost / income</b>	<b>36.199</b>	-40.26%	<b>60,597</b>	<b>277.721</b>	29.48%	<b>214.496</b>
Other financial inv. income	<b>205.016</b>		725	<b>233.863</b>		5.006
<b>Net profit before taxes</b>	<b>1.724.448</b>	40.97%	<b>1,223,312</b>	<b>5.006.278</b>	22.88%	<b>4.074.202</b>
Income tax expenses	373.690	20.89%	309.118	1.117.068	18.40%	943434
<b>Net profit for the period</b>	<b>1,350.758</b>	<b>47.75%</b>	<b>914.194</b>	<b>3.889.210</b>	24.23%	<b>3.130.768</b>

**Profit before taxes in millions**

Nine months 20 | 21 (Compared to the previous same period)



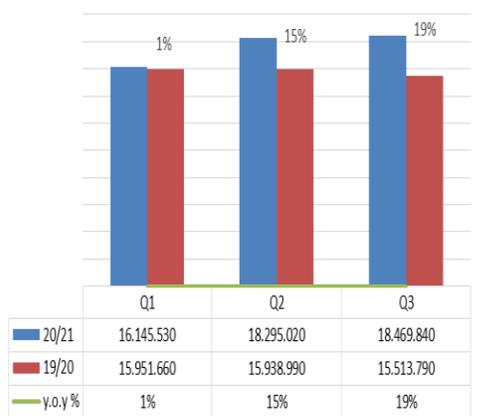
Local sales Vol.



Local Sales Vol. VS Target



Production Vol.

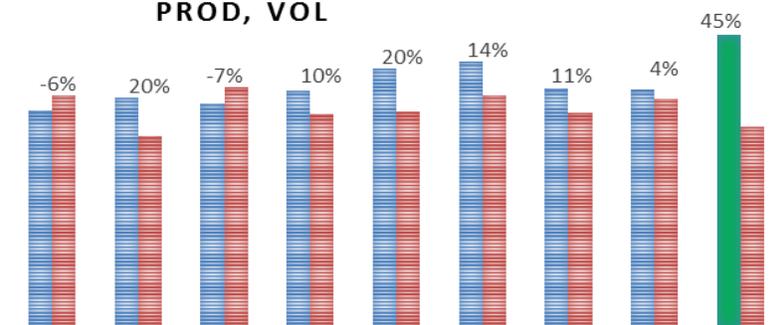


**Revenues, sales volumes and production during the period**

The strong indicators and results achieved in the third quarter are directly attributable to the increase and the achievement of high sales volumes especially in local sells segment that the company had not previously achieved as a result of enhancing efficiency, replacement and renewal, as the company has since the beginning of July 2020 until its date reached its normal levels before Covid-19 even better and with high growth rates in terms of volume of production and sales, and the company is working to raise its production capacity, and this is all come without ignoring the responsibility towards workers in maintaining public health and continuing to take all precautionary measures.

The executive management implemented a several corrective operational procedures to maximize machines efficiency to achieve the optimal use of it, which led to achievement of the highest production volume in the company's history during March 2021, where the production volume of 7 billion of local cigarettes has been exceeded, This volume is higher than the highest previous production number by about 10% & It is 45% higher than what was produced in March 2020, with compounding monthly growth rates since the beginning of the current fiscal year by 15%, and the daily production rates have been increased significantly during the past months by more than 25% as a result of the implementation of the new production policies , In addition, the sales volume of local cigarettes in March achieved 6.1 billion cigarettes, and + 20% compared to Mar.2020 This increase was achieved as a result of implementing the marketing and sales strategic plans for the company's products, discovering & exploit all growth opportunities and closing the sales gaps ,the indicators of the third quarter delivering high productivity and sales rates as well as high profitability,

PROD, VOL

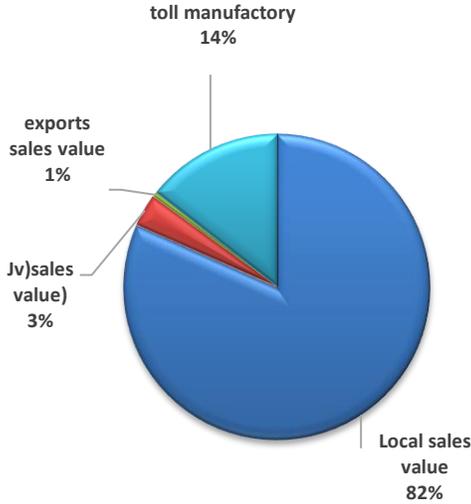


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Productions Vol.20/21	5.236.390	5.518.630	5.390.510	5.684.370	6.223.390	6.387.260	5.746.110	5.714.110	7.009.620
Productions Vol.19/20	5.572.030	4.606.810	5.772.820	5.149.460	5.193.020	5.596.510	5.161.480	5.511.960	4.840.350
y.o.y	-6%	20%	-7%	10%	20%	14%	11%	4%	45%

on the same time, the company is working on exploit all proper profitable opportunities available to maximize its profitability and increase its value, as well as the return on investment, The main strategy is to expand and diversify products within Eastern Company's scope of work to develop its products and prepare for the future.

In accordance with the alternatives of smoking (electronic cigarettes), which studies have shown that there is a good demand opportunity for this new trend as less harmful alternative than traditional cigarettes, Eastern currently studying producing these alternatives in terms of the ability of its consumers to use these alternatives, and the degree of demand in the local market for such alternatives, meanwhile EC consulting with manufacturers of e- cigarettes in preparation to access the domestic market after obtaining the necessary licenses for this from the authorities.

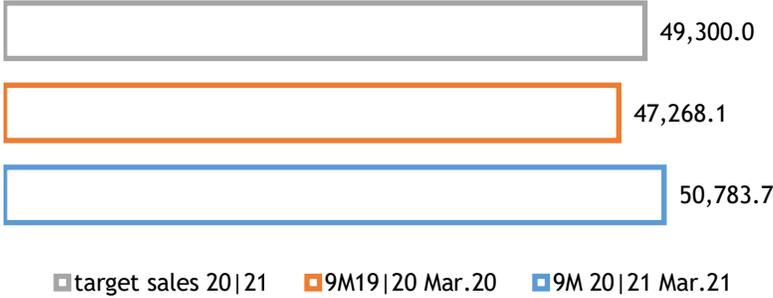
## The contribution of different Segment to the total revenue



Revenues by Segment



### Local cig. sales



### Eastern local cig Brands for local

3Q 2020

MN Cigarettes Stick

Brand	Sales volume	weight%
Cleopatra queen soft	9.578,3	56,1%
Cleopatra gold box	6.449	37,8%
Cleopatra super star	740	4,3%
Cleopatra box round	154	0,9%
Mondial red	77	0,5%
Cleopatra black label	6	0,0%
Mondial blue	18	0,11%
Mnondial silver	8	0,0%
Mondial green switch	5	0,03%
Cleopatra gold box (10 Cig.)	28	0,16%
Mnondial blueberry	6	0,03%
Total Sales	17.069	100%

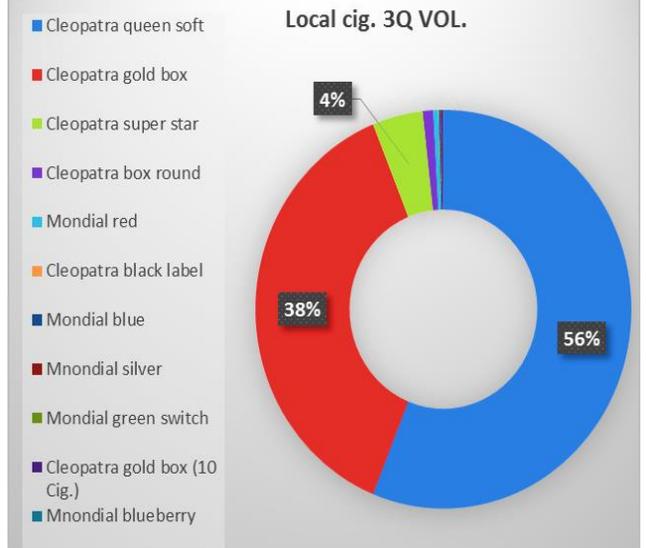
JOINT VENTURE Cigarettes .

506

Total local & JV cig .VOL (mn Cig.)

17.576

Local cig. 3Q VOL.



**Table (2) sales volumes and values**

Item	Unit	Sales Volume				Sales Value (000)			
		2020/2021	2020/2019			2020/2021		2020/2019	
		3Q	3Q	Volume /YoY		3Q	% OF TOTAL REVENUE	3Q	Value /YOY
* Cigarettes - local	Million Cigarettes	17069	15350,2	1719	11,2%	3305556	78,5%	2902855	13,9%
* Moassel tobacco - local	Ton	1849,9	2122,4	-273	-12,8%	41599	1,0%	46886	-11,3%
JV	Million Cigarettes	506,3	442,9	63,4	14,3%	111568	2,6%	95343	17,0%
* Cigar - local	Thousand Cigar	259,4	225,9	33,5	14,8%	1592	0,0%	877	81,5%
* Tobacco Bristles	Ton	21,5	25,6	-4,1	-16,0%	7611	0,2%	6703	13,5%
* Cigarettes - Export	Million Cigarettes	40,9	1	39,9		9580	0,2%	239	3908,4%
* Moassel tobacco - Export	Ton	127,7	179,5	-51,8	-28,9%	6989	0,2%	10820	-35,4%
captain	Ton	1,6	1,7	-0,1	-5,9%	356	0,0%	391	
* Cigar- Export	Million Filter Rods	6	12,8	-6,8	-53,1%	64	0,0%	67	
Other revenues						1470	0,0%	450	
<b>Net Sales - Finished Goods</b>						<b>3486385</b>	<b>87,6%</b>	<b>3064631</b>	13,8%
<b>Toll Manufacturing</b>	Million Cigarettes	4597,6	5425,8	-828	-15,3%	495489	12,4%	612848	-19,1%
<b>Operating Revenues 000</b>						<b>3981874</b>	<b>100,0%</b>	<b>3677479</b>	8,3%

Sales Volume				Sales Value			
2020/2021	2020/2019			2020/2021		2020/2019	
From 1/7/2020 to 31/3/2021	From 1/7/2019 to 31/3/2020	CHANGE/VOLUME	VOLUME /YOY	From 1/7/2020 to 31/3/2021	% OF TOTAL REVENUE	From 1/7/2019 to 31/3/2020	Value /YOY
50783,7	47269,2	3.514,5	7,4%	9.708.222	80%	8.895.549	9,1%
7580,2	9139,7	-1.559,5	-17,1%	172.269	1%	196.898	-12,5%
1843,5	1198,6	644,9	53,8%	415.298	3,42%	263.049	57,9%
861,2	693,1	168,1	24,3%	4.629	0,04%	2.760	67,7%
92,5	78,8	13,7	17,4%	30.120	0,25%	20.297	48,4%
82,3	70,6	11,7	16,6%	19.350	0,16%	16.415	17,9%
748,2	807,5	-59,3	-7,3%	43.394	0,36%	48.377	-10,3%
				356	0,003%	441	
39	12,8	26,2		218	0,002%	67	
				2.052	0,02%	2.499	
				10.395.908	85,6%	9.446.352	83,1%
15362,6	16777,6	-1.415,0	-8,4%	1.751.629	14,4%	1.921.329	16,9%
				12.147.537		11.367.681	6,9%

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