



**Summary of Final Results of the financial period**  
**Ended 30/06/2021**

**(a) Income Statement for the financial period ended 30/06/2021**

Value in EGP Thousands

Item	Current Period	Previous Period	Change %
Gross Sales (including VAT)	64.083.992	55.015.050	16,5%
Revenue/Sales	16.022.112	14.464.795	10,77%
Gross Profit	6.769.910	5.763.208	17,47%
Gross Profit to Revenue/Sales	%42	%40	
Net Profit of Continuous Activities (Before Tax)	5.658.651	4.953.639	14,23%
Net Profit from Non-Continuing Activities (Before Tax)	0	0	
Net Profit After Tax & provisions	4.280.184	3.794.249	12,81%
Basic Earnings per share	1,75	1,52	

**(b) Financial Position as of 30/06/2021**

Value in EGP 000

Item	Current FY	Previous(30/6/2020)	Change %
Net Working Capital	1.684.990	2.180.135	-22,71%
Equity	12.299.017	7.561.461	62,65%
Paid Up Capital	2.250.000	2.250.000	0,00%
Reserves	4.176.665	4.176.665	
Retained Earnings	1.938.548	1.567.139	23,70%
Profit Of The Period	4.280.184	0	
Others	0	0	
T-Stock	259.360	432.343	-40,01%

**(C) Cash Flow Statement for the Period Ended 30/06/2021**

Value in EGP 000

Item	Current Period	Previous Period	Change %
Cash Flows From Operating Activities	6.913.449	4.600.233	50,28%
Cash Flows From Investment Activities	9.743.488-	202.377-	
Cash Flows From Financing Activities	3.476.182-	2.928.655-	18,70%
Currency transactions Gains/Losses	68.609	59.772	14,78%



## Summary of business results for the financial period ended in 30/06/2021

### First: The company's comment on the business results:

- Eastern Company Board of Directors approved the results of the financial year ending on June 30, 2021, where the financial indicators showed a growth in sales, revenues and profits during the current fiscal year, as the company achieved for the twelve-month period ending on 06/30/2021 an increase in the company's Gross Sales (including value added taxes) by 16.5% (YoY), To record 64.08 billion Egyptian pounds, compared to 55.01 billion pounds in the comparison period, and for the period, an increase in the volumes of local sales of the company's main brands was recorded increase by 12%(YoY), to reach 66.8 billion cigarettes compared to 59.7 billion cigarettes in the comparison period .
- The company recorded a net revenue for the period of 16 billion pounds, compared to 14.5 billion pounds for the same period last year, an increase of 11% (YoY), supported by the local cigarette segment.
- the Gross profit record 6,769 billion pounds for the fiscal year ending on 30/06/2021, with an increase of + 17.5% (YoY), compared to 5,763 billion in the same previous period, and the gross profit margin for the period was 42%, and operating profits increased by 6% (YoY), on a twelve-month basis compared to the previous year to reach 4.849 billion pounds.
- And for the same period, Eastern Company recorded a net profit of **EGP 4.28 billion for the fiscal year after the provisions** ending in 30/06/2021, with an annual increase of 13% (YoY), compared to 3.79 billion pounds in the corresponding period last year.
- In Q4 ending in June, 2021 The Company achieved a 28% (YoY), increase in Gross Sales (including value added taxes) on an annual basis compared to the Q4 of the previous year, to reach 15 billion EGP, compared to 12 billion EGP in the same quarter of the previous year.
- Q4 net Revenue recorded 3.87 billion EGP, with an increase of 25% (YoY), compared to 3.09 billion EGP in the fourth quarter of the previous year, supported by an increase in the volumes of the local cigarette Segment by 29%(YoY), as this segment achieved volumes of 16 billion cigarettes compared to 12.4 billion cigarettes in the fourth quarter of the previous year.
- Gross Profit was recorded 1.63 billion EGP in the fourth quarter ending on 30/06/2021, an increase of +43% (YoY), the gross profit margin reached 42% for this quarter.
- **Earnings before Provisions**
- **It is noteworthy that the end of the fiscal year 20|21 EGP 501 million has been allocated to meet tax obligations, and EGP 500 million has been allocated to meet early retirement obligations, as the net profit before calculating those provisions is estimated at EGP 5.28 billion, with an increase of 39% (YoY), over the previous year. And before calculating taxes and interest by EGP 5.85 billion, an increase of 28% (YoY), over the previous year.**



- In terms of sales and production volumes, Eastern Company achieved record sales and production volumes for local cigarettes that had not been achieved before in the company's history during the fiscal year ending in June 2021.
- As the volume of Local cigarette sales approached the levels of 67 billion cigarettes, with a growth rate of 12% (year-on-year)
- At the same time, Local cigarette production volumes approached the levels of 70 billion cigarettes, with a growth rate of 16% (year-on-year).

These levels came within the framework of the strategic direction to raise efficiency, make optimal use of the resources available to the company, achieve the maximum return on invested capital, work to reach the targeted benchmark indicators, and maintain sustainable growth levels.

- In the same context, Eastern Company is also conducting the necessary studies to enter into new modern smoking industries (low-risk smoking products), and this study mainly tests the market in terms of local consumption and demand for smoking alternatives.
- It should also be noted that at the end of June 2021, the Board of Directors agreed to execute 20 million treasury shares and reduce the issued and paid-in capital from 2 billion 250 million EGP to 2 billion 230 million EGP, which will increase the EPS .

**• the most important announcements after the end of the fiscal year 20|21, which reflects the continuity of growth and strategic moves at all levels within the framework of the company's business model**

- A direct increase in prices, specifically on July 14, 2021, this increase was on the company's main cigarette products.
- Eastern Company also renewed the manufacturing and joint cooperation agreement between "Eastern" and the Japan Tobacco International (JTI) for the next three years, starting from the date of the contract and according to the terms concluded between the two parties.

- *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 direct & indirect costs*
- 2- *Enhance the sales Distribution strategies, covering and reaching more markets.*
- 3- *Exploring sales opportunities and exploiting them and converting them into plans, strategies and marketing mixes that go directly to the market.*
- 4- *Diversification of the company's investment portfolio and good liquidity management by investing in risk-free fixed income instruments .*

Investor Relations Manager

Mohammed Abdul Rahman Ahmed