# Cairo Poultry Company Reports 1H26 Results; Resilient Performance and Sequential Profitability Despite Margin Pressures

## Key Results Highlights of 1H26

| | | |
|---|---|---|
| 2% Increase in Revenues to EGP8,008 mn | 18% Decline in COGS to EGP6,099 mn | Gross Profit Margin of 24% |
| EGP1,120 mn EBITDA with 14% Margin | Net Profit EGP1,288 mn with 16% Margin | |

**12 August 2026| Cairo | Cairo Poultry Company (POUL.CA on the Egyptian Exchange)** CPC announced its 1H26 results, posting a 1.6% YoY increase in revenues to EGP8,008 mn, driven by volume growth in poultry and price increase in feed that offset lower selling prices in poultry. Despite ongoing market headwinds and softened consumer purchasing power, the company sustained positive profitability, though margins came under pressure from rising input costs and subdued selling prices.

EBITDA for 1H26 fell 43.7% YoY to EGP1,102 mn, reflecting a high base in 1H25, with the EBITDA margin settling at 13.8%. Net profit declined 23.3% YoY to EGP1,288 mn, and the net profit margin contracted 5.2 ppts to 16.1%.

Encouragingly, on a sequential basis, 2Q26 net profit improved 6.1% over 1Q26, with NPM expanding by 0.9 ppts, underscoring CPC's ability to regain momentum even as gross margin pressures persist. This performance highlights the company's operational resilience amid volatile market conditions.

## Sectoral Performance

### Feed Division

In 1H26, total feed sales volumes fell by 9% YoY, driven by declines across all segments. This contraction came against a high base in 1H25, when volumes had rebounded sharply following the prior year's FX-driven downturn. Sequentially, volumes declined by 16% compared to 2Q25 and by 3% versus 1Q26.

In 1H26, average prices increased by 9% YoY, on the back of higher FX rate and raw material prices. Despite the price uptick, the EBITDA margin held steady at 5%, unchanged from 1H25, as higher input costs and lower volumes offset the pricing gains.

### Poultry Division

In 1H26, parent chick volumes improved, rising 34% YoY, with a notable 72% increase compared to 2Q25 and a 21% gain versus 1Q26 on the back of favorable rearing conditions and phasing. Broiler chick volumes also grew 16% YoY. In 2Q26, broiler volumes rose 18% compared to 2Q25 but edged down 6% versus 1Q26 due to cyclical phasing. Live bird volumes followed a similar pattern, climbing 38% YoY, with 2Q26 volumes up 53% against 2Q25 but down 13% sequentially versus 1Q26, reflecting normal seasonal phasing in addition to the latest broiler capacity additions from leased farms.

With no disease outbreaks in 1H26 and rearing conditions stable compared to 1H25, production recovered significantly, easing the supply tightness that had driven prices higher in the prior year. Due to weak purchasing power and excess supply, average prices corrected downward: parent chick prices fell 24% to EGP 348/chick. Broiler chick prices dropped 52% to EGP 22/chick, and live bird prices declined 9% to EGP 77/kg. This price normalization, combined with the volume recovery, brought the sector's EBITDA margin down to 15% in 1H26, compared to 32% in 1H25.

### Processing and Further Processing (Koki)

With consumer spending holding steady at 1H25 levels, Koki posted a modest 3% increase in total sales volumes in 1H26. Processed chicken sales were slightly 2% up YoY, while value-added product sales remained steady. Sequentially, volumes rose 11% compared to 2Q25 and 8% versus 1Q26.

Koki kept average selling prices flat in 1H26 compared to the same period last year, as stable consumer demand and competitive pressures limited pricing power. Despite this, disciplined cost management helped sustain a healthy EBITDA margin of 10%, down slightly from 12% in 1H25.

## Financial Performance

In 1H26, CPC delivered total revenues of EGP8,008 mn, marking a modest 1.6% increase over 1H25. This top-line growth was underpinned by higher poultry volumes and higher prices in feed. Koki, meanwhile, managed to increase volumes slightly while prices remained unchanged. On a quarterly basis, 2Q26 revenues reached EGP4,012 mn, representing a 9.1% YoY improvement over 2Q25 and a slight 0.4% sequential uptick from 1Q26.

Cost pressures remained pronounced throughout the period. COGS for 1H26 surged 18.1% YoY to EGP6,099 mn, driven by elevated input costs. In 2Q26, COGS climbed 23.6% YoY and 7.4% sequentially to EGP3,159 mn, outpacing revenue growth in both comparisons. Consequently, gross profit for 1H26 fell 29.8% YoY to EGP 1,909 mn, with the gross profit margin (GPM) contracting 10.7 percentage points to 23.8%. In 2Q26, gross profit declined 24.0% YoY to EGP 853 mn, and margin narrowed by 9.3 ppts YoY to 21.3%; compared to 1Q26, gross profit dropped 19.2%, with a 5.1-ppt sequential margin erosion.

SG&A expenses for 1H26 totaled EGP449 mn, up 24.5% YoY, representing 5.6% of revenues, versus 4.6% in 1H25. This increase was attributable to higher labor costs, transportation, and consulting fees. In 2Q26, SG&A amounted to EGP222 mn, a 23.3% YoY rise but a 2.0% improvement on a sequential basis, with the cost-to-revenue ratio at 5.5%.

EBITDA for 1H26 came in at EGP1,102 mn, down 43.7% YoY, with margin compressing by 11 ppts to 13.8%. In 2Q26, EBITDA stood at EGP495 mn, representing a 33.2% YoY decline and an 18.4% decrease from 1Q26, with margins settling at 12.3% (down 7.8 ppts YoY and 2.8 ppts sequentially).

On the financing front, net interest income continued to strengthen, reaching EGP413 mn in 1H26, a 28.6% YoY improvement. This reflects the company's deliberate strategy to curtail external borrowings and optimize cash deployment amid elevated interest rates. For 2Q26, net interest income was EGP200 mn, up 17.7% YoY but slightly down 5.6% from 1Q26.

Despite the top-line pressures, CPC delivered a resilient bottom-line performance. Net profit for 1H26 was EGP1,288 mn, down 23.3% YoY, with a net profit margin (NPM) of 16.1% (5.2 ppts lower than 1H25). More notably, 2Q26 net profit reached EGP 663 mn, virtually flat against 2Q25 (-1.5%) and marking a 6.1% sequential improvement over 1Q26. The NPM for 2Q26 stood at 16.5%, easing just 1.8 ppts YoY but expanding 0.9 ppts from the previous quarter—a clear indication of a sequential recovery in bottom-line profitability, even as gross margin pressures persisted.

## Outlook

Despite challenging market conditions and subdued consumer spending, CPC's vertically integrated model has underpinned robust profitability and resilience. Looking ahead, we expect near-term price volatility to persist during 3Q26, but anticipate a recovery beginning in 4Q26. This rebound, should result from subdued supply as farmers already reluctant to grow chicken on the back of low selling prices relative to input costs.
CPC remains focused on leveraging its integrated structure to strengthen operational efficiency and strategic execution, ensuring sustained margins and long-term financial stability in a competitive landscape.

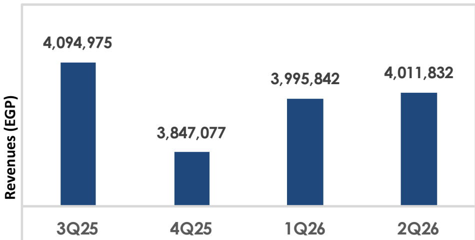
## Financials

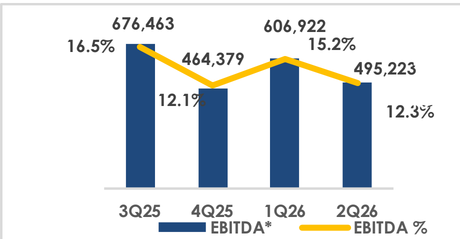
(in 000)

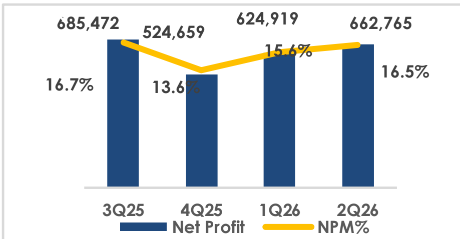
| Income Statement | 1H26 | 1H25 | YoY | 2Q26 | 2Q25 | QoQ |
|---|---|---|---|---|---|---|
| **Revenues** | **8,007,674** | **7,882,743** | ***1.6%*** | **4,011,832** | **3,677,325** | ***9.1%*** |
| COGS | -6,099,125 | -5,162,273 | *18.1%* | -3,158,736 | -2,554,650 | *23.6%* |
| **Gross Profit** | **1,908,549** | **2,720,470** | ***-29.8%*** | **853,096** | **1,122,675** | ***-24.0%*** |
| *GPM* | *23.8%* | *34.5%* | *-10.7%* | *21.3%* | *30.5%* | *-9.3%* |
| G&A | -183,941 | -205,956 | *-10.7%* | -88,931 | -131,404 | *-32.3%* |
| S&D | -264,765 | -154,405 | *71.5%* | -133,194 | -48,694 | *173.5%* |
| Other Operating Income | 164,300 | 174,956 | *-6.1%* | 93,335 | 95,216 | *-2.0%* |
| **EBITDA*** | **1,102,145** | **1,957,284** | ***-43.7%*** | **495,223** | **740,926** | ***-33.2%*** |
| *EBITDA M* | *13.8%* | *24.8%* | *-11.1%* | *12.3%* | *20.1%* | *-7.8%* |
| Depreciation | -681,310 | -555,812 | *22.6%* | -351,383 | -296,265 | *18.6%* |
| **Operating Profit** | **942,833** | **1,979,254** | ***-52.4%*** | **372,924** | **741,527** | ***-49.7%*** |
| *OPM* | *11.8%* | *25.1%* | *-13.3%* | *9.3%* | *20.2%* | *-10.9%* |
| Net Interest Expense | 412,600 | 320,950 | *28.6%* | 200,335 | 170,148 | *17.7%* |
| Investment Income | 0 | 0 | - | 0 | 0 | - |
| FX Gain/ Loss | 14,030 | -6,508 | *-316%* | -17,689 | -4,799 | *268.6%* |
| Other Income/ Expense | 37,264 | -83,707 | *-145%* | 66,001 | -26,394 | *-350.1%* |
| **PBT** | **1,406,727** | **2,209,988** | ***-36.3%*** | **621,570** | **880,482** | ***-29.4%*** |
| *PBTM* | *17.6%* | *28.0%* | *-10.5%* | *15.5%* | *23.9%* | *-8.5%* |
| Deferred tax | 130,175 | -35,558 | *-466%* | 134,982 | -16,428 | *-921.7%* |
| Income Tax | -249,218 | -494,492 | *-49.6%* | -93,787 | -191,368 | *-51.0%* |
| **Net Profit After Taxes** | **1,287,684** | **1,679,939** | ***-23.3%*** | **662,765** | **672,687** | ***-1.5%*** |
| *NPM* | *16.1%* | *21.3%* | *-5.2%* | *16.5%* | *18.3%* | *-1.8%* |

*Adjusted EBITDA

## Financial KPIs (000 EGP)



## Head Office

32H Mourad st. Giza
Egypt. P.O 42

## Investor Relations

Haitham El Shaarawy
Investor Relations Manager

**Tel:** +202-35717753

## Shareholder Information

Reuters: POUL.CA
Bloomberg: POUL.EY
**Number of Outstanding Shares: 479,001,600**

## About Cairo Poultry Company

**Cairo Poultry Company (CPC)** is the region's leading vertically integrated poultry company with a business model based on expert control of the supply chain and operations covering all steps of the production cycle, including grandparents, parents, hatcheries, broilers, processing and value added products. Thanks to star brands like Koki and Koki Gold, we are Egypt's key player in the market for retail and value-added food sales in Egypt, offering a wide variety of chilled, frozen, and value-added products to individual and institutional clients alike.

For further information, please contact:
**haitham.shaarawy@cpg.com.eg**

## Cautioning and Forward Looking Statements