

FOR IMMEDIATE RELEASE
JB Foods’ revenue growth of 14.2% to US\$106.2 million for 4Q2019

- Revenue increased 14.2% to US\$106.2 million supported by higher shipment for 4Q2019
- Healthy operating cashflows stood at US\$42.7 for FY2019

Singapore, 26 February 2020 - JB Foods Limited. (“JB Foods” or the “Company”, and together with its subsidiaries, the “Group”), a major cocoa ingredients producer, is pleased to announce that the Group has registered a revenue of US\$106.2 million, earnings before interest, tax, depreciation and amortisation (“EBITDA”), and profit after tax (“PAT”) of US\$7.1 million for the fourth quarter 31 December 2019 (“4Q2019”) respectively, mainly driver by higher sales shipment volume.

Financial Highlights for 4Q2019 and FY2019

| USD’000 | 4Q2019 | 4Q2018 | + /(-) % | FY2019 | FY2018 | + /(-) % |
|---------|---------|--------|----------|---------|---------|----------|
| Revenue | 106,155 | 92,915 | 14.2 | 352,494 | 327,114 | 7.8 |
| EBITDA | 11,982 | 10,952 | 9.4 | 43,509 | 41,633 | 4.5 |
| PAT | 7,066 | 4,533 | 55.9 | 26,137 | 26,785 | (2.4) |

Revenue for FY2019 was US\$352.5 million, an increase of 7.8% compared with the US\$327.1 million revenue recorded for FY2018 supported by higher shipment volume for cocoa ingredients. In line with the increase in the shipment volume, the Group recorded an EBITDA of US\$43.5 million for FY2019, an increase of 4.5% as compared with the US\$41.6 million recorded for FY2018.

The Group registered an increase in selling and distribution expenses of US\$1.0 million to US\$6.6 million, mainly due to higher export freight and handling costs in line with the higher shipment volume. The Group’s administrative expenses increased by US\$1.4 million to US\$9.9 million for FY2019 as compared to US\$8.5 million for FY2018, is attributable to an increase in the Group’s middle management headcount and payroll costs. The Group’s finance costs increased by US\$2.5 million from US\$2.7 million for FY2018 to US\$5.2 million for FY2019, mainly due to higher trade bills utilisation arising from the higher inventories following the processing capacity expansion in Malaysia during the year 2019.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, “I am pleased to see that our quarterly revenue crossing US\$100million threshold for the first time following the expansion in the processing capacity in the first half of 2019 at our Malaysia factory, this signifies another important milestone for our Group. We will prudently invest to build capacity and capabilities, and increase our productivity and efficiency within our existing production and distribution channels. I am also mindful on the impact of the outbreak of COVID-19 and I will adopt prudent measures in our strategy.”

Dividend

The Group is proposing a final dividend of 1.80 Singapore cents per share for the financial year ended 31 December 2019. In September 2019, the Company has paid out an interim dividend of 1.00 Singapore cents per share.

Outlook

The global economic uncertainties from trade tensions as well as the uncertainty on the impact of the Living Income Differential implementation in Ivory Coast and Ghana continue to be business concern and may pose as potential headwinds to the Group. We expect the outbreak of COVID-19 to have an impact on demand and cause disruption to the supply chains. Notwithstanding the above, the Group will continue to keep a close watch on the developments in the industry, including the potential effects of the outbreak of COVID-19 on the market, and take prudent measures in our strategy.

However, over the long term, we believe the cocoa consumption environment will continue to be supported by robust economies and the growing middle-income classes.

About JB Foods Limited

Established since the 2000s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a cocoa bean processing capacity of 180,000 tonnes per year. We are principally engaged in the production and sale of cocoa ingredient products, namely cocoa butter, cocoa powder, cocoa liquor and cocoa cake, which are used to produce chocolate, chocolate confectionary, as well as cocoa-related food and beverages. Our products are sold primarily under the “JBCOCA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

For more information, kindly refer to www.jbcocoa.com