



NEWS RELEASE

ENVICTUS ACHIEVES TURNAROUND IN NET ATTRIBUTABLE PROFIT TO RM50.6 MILLION, BACKED BY ROBUST 21.3% REVENUE GROWTH TO RM686.8 MILLION¹ IN FY2024

- **Food Services Division, leads with 38.8% growth in revenue, largely contributed by Texas Chicken**
- **Dairies Division achieves a commendable 17.6% surge in revenue, boosted by an increase in sales volume and market penetration**
- **Gross profit margin improves 5.7 percentage points to 44.6%**
- **Strong pipeline for expansion of Food Services Division**
 - o **Texas Chicken continues with expansion of five new outlets, menu innovation and Self-Ordering Kiosks in FY2024 to drive revenue and earnings streams**
 - o **San Francisco Coffee to focus on traditional and kiosk outlets, leveraging on lifestyle trends and growing demand for coffee**

	FY2024	FY2023	Change
Revenue (RM Millions)	686.8	566.1	21.3%
Gross Profit (RM Millions)	306.2	220.2	39.1%
Gross Profit Margin (%)	44.6%	38.9%	5.7%
Net Attributable Profit/(Loss) (RM Millions)	50.6	(32.9)	NM
Net Attributable Profit/(Loss) Margin (%)	7.4%	(5.8%)	NM
EPS (RM sen)	16.62	(11.11)	NM
NAV Per Share (RM)	0.65	0.51	27.5%

* As at 30 September 2024

¹ Approximately S\$198.5 million. Currency conversion based on average rate S\$1.00 = RM3.4594.

Singapore, 27 November 2024 – Envictus International Holdings Limited (“Envictus” “恒益德國際控股有限公司” or the “Group”), an established Food & Beverage (“F&B”) Group, reported today a turnaround to profitability of RM50.6 million for the full year ended 30 September 2024 (“FY2024”), from a net loss of RM32.9 million for the previous corresponding period (“FY2023”). Revenue rose 21.3% to RM686.8 million in FY2024, from RM566.1 million in FY2023, mainly attributed to the increased contributions from the Food Services and Dairies Divisions.

Profit before tax of RM55.2 million was derived from Food Services Division of RM41.7 million, Trading and Frozen Food Division of RM9.6 million, Dairies Division of RM2.4 million and balance RM1.5 million from Food Processing Division and non-operating companies for FY2024.

Envictus’ Group Chairman Dato’ Jaya Tan (陈友文) said, “Our focus on internal optimisation initiatives has improved efficiency and performance, enabling us to better capitalise on opportunities for growth. This commitment will remain central to our strategy as we continue to expand our business prudently across all divisions, while upholding operational excellence.

“Our continued expansion of the Food Services Division, with the addition of five new Texas Chicken outlets and four new San Francisco Coffee cafes during the financial year, will further strengthen our market position. This growth, alongside our menu innovations to cater to evolving consumer preferences and digital initiatives, allow us to elevate customer experience and foster customer loyalty.

“With the Dairies Division sustaining its growth momentum following the market penetration into major hypermarket chains, we are focused on strengthening brand awareness and exploring strategic partnership to drive growth. Looking ahead, we remain committed to sustaining this positive trajectory by exercising financial prudence and proactive cash management. Our focus on optimisation efforts will drive sustainable business growth and deliver value to our shareholders.”



Envictus will develop a total of 125 “Texas Chicken” restaurants spanning across Malaysia and Brunei over a period of 10 years starting May 2022

FINANCIAL REVIEW

For the full year under review, the Group's revenue increased by 21.3% to RM686.8 million from RM566.1 million in the previous corresponding year, driven by higher contributions across the Food Services and Dairies Divisions.

The Food Services Division's revenue grew by 38.8% to RM426.7 million from RM307.4 million, mainly driven by contributions from Texas Chicken restaurants in Malaysia. Texas Chicken achieved an impressive record revenue of RM390.4 million, a 44.3% surge from RM270.4 million attained in the previous financial year. This significant milestone was mainly contributed by growth in comparable stores arising from better operational efficiencies, an increase in the number of 24-hour outlets; higher selling price, and improved marketing strategies such as successful limited time offers, with products sold out before the end of the promotion period, demonstrating a robust demand for its brand.

Revenue of the Dairies Division climbed 17.6% to RM129.2 million from RM109.9 million, supported by sales volume growth and market expansion. However, this growth was offset by weaker performance in the Trading and Frozen Food Division, where topline fell by 12.0% to RM130.9 million from RM148.7 million, amid market slowdown and competitive pricing, exacerbated by fewer tourist arrivals.

Correspondingly, the Group's gross profit margin improved by 5.7% to 44.6%, primarily contributed by the Food Services and Dairies Divisions. The Food Services Division experienced a profit margin improvement driven by lower food costs and higher selling price, while the Dairies Division benefitted from lower raw material costs and increased production output, resulting in better production yield.

Other operating income rose by RM22.6 million to RM28.5 million from RM5.9 million, mainly due to a one-time gain on disposal of assets.

Overall, operating expenses increased by 12.4% from RM236.3 million to RM265.7 million, primarily attributable to the increase in selling and marketing expenses which is in tandem with higher sales. The Group has been working to mitigate the cost impact by improving productivity and streamlining its cost competitiveness across the supply chain and advertising and promotion spending.

Finance costs declined by 27.4% from RM19.0 million to RM13.8 million, principally due to lower bank borrowings following loans settlement associated with disposed assets. Income tax expense rose to RM4.6 million from RM3.6 million due to gain on disposed assets and higher earnings from certain subsidiaries, as group relief was not available.

Consequently, the Group recorded a profit after tax of RM50.6 million, a turnaround from a loss of RM32.9 million in the previous financial year, mainly driven by stronger operating performance.

As at 30 September 2024, the Group's cash and cash equivalents stood at RM36.0 million, while shareholders' equity was RM197.7 million.

OUTLOOK

Texas Chicken will continue to expand with the opening of new outlets while addressing underperforming outlets. To stay competitive, Texas Chicken will focus on menu innovation and generate consumer excitement with limited-time offerings, rolling out Self-Ordering Kiosks to more outlets to improve sales and the customer experience. As part of digitalisation efforts, Texas Chicken will launch its mobile apps in 2025 to improve the speed of ordering process and to drive customer reward and loyalty programmes.

San Francisco Coffee's business remains challenging due to intensifying competition from both existing and new coffee chain entrants in the coffee industry. To address the increasing cost of ingredients, San Francisco Coffee is implementing measures to minimise the impact, such as price adjustments, collaborating with various suppliers to secure the best pricing and quality and optimising resources. San Francisco Coffee plans to launch a new range of premium instant coffee, catering to customers who desire a quick yet quality coffee experience that fits seamlessly into their busy lifestyles and catering the ongoing trend of at-home consumption.

The outlook for retail shop is expected to be positive in the coming months on the back of the income-boosting measures by the government. Hotel and restaurant sectors are expected to improve in line with higher tourist arrivals. However, the ongoing conflict between Israel and Hamas has disrupted shipping routes, resulting in delays and price hikes for goods originating from Europe. This places financial pressure on Pok Brothers' operations, affecting profitability and requiring strategic adjustments in pricing and sourcing strategies to improve margin.

Dairies Division expects the business will continue to face some headwinds from the fluctuation of commodity prices and foreign currency rates. Dairies will continue to expand its business with various initiatives including new production lines, new labels, sampling programmes, video advertising via Tik Tok, Facebook and other social media platforms to create product awareness and visibility for the SuJohan brand. To expand market share, the Division plans to penetrate to more major hypermarket chains and East Malaysia to enhance brand awareness for its dairy products.

Looking ahead, Envictus will continue to actively pursue various business strategies centered on revenue growth, enhancing operational efficiency, and improving cost management to boost profitability.

ABOUT ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Listed on SGX Catalist in 2004, and upgraded to the Mainboard in 2009, Envictus International Holdings Limited is an established Food & Beverage (“F&B”) Group. The Group has an established portfolio of businesses and brands operating under its key business divisions – Food Services, Trading and Frozen Food and Dairies.

Under the Group’s Food Services Division, Envictus has held exclusive rights to the Texas Chicken Franchise Agreement since July 2012, and has since renewed the Agreement for a second 10-year period starting from May 2022, to develop and operate the fast-growing Texas Chicken fast food restaurant chains in Malaysia and Brunei. To further expand the Group’s presence in key markets in Asia, the Group will develop a total of 125 “Texas Chicken” restaurants spanning across Malaysia and Brunei over a period of 10 years starting May 2022. Envictus also owns Malaysian homegrown specialty coffee chain business, “San Francisco Coffee” (“SFCoffee”) which serves house-roasted coffee in Malaysia. Presently, the Group operates 95 Texas Chicken restaurants and 53 SFCoffee cafes².

For the Trading and Frozen Food Division, the Group’s wholly-owned subsidiary, Pok Brothers Sdn Bhd, is one of Malaysia’s leading frozen food and premium food wholesaler and is a supplier to several major restaurant chains in Malaysia.

Held by the Group’s wholly-owned Motivage Sdn Bhd, the Group’s Dairies Division manufactures condensed milk under the “SuJOHAN” brand. Following the attainment of the HALAL and VHM certifications in 2021 and 2023 respectively, the Dairies Division has captured emerging opportunities, positioning itself for expansive growth backed by global footprint and a legacy of quality with plans to export globally.

² As of 27 November 2024.

For more details, please visit the Group's corporate website at www.envictus-intl.com.

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