



## **MEDIA RELEASE**

### **YEO'S REPORTS NET LOSS OF \$10 MILLION FOR FY2020 AMID COVID-19**

- Revenue down 10.3% to \$321.9 million due to impact of COVID-19 on demand and channel shifts
- Bottom line impacted by absence of one-off gains on asset disposals and fair value gains on financial assets and properties
- Strong balance sheet with cash and cash equivalents of \$264.2 million as of 31 December 2020. Board declares a final dividend of \$0.02 per share with scrip dividend option

**Singapore, 19 February 2021** – Yeo Hiap Seng Ltd (Yeo's), one of the region's leading food and beverage companies, today reported a net loss of \$10.0 million for its financial year ended 31 December 2020 (FY2020) as COVID-19 disruptions affected sales in key markets.

The bottom line was also affected by absence of one-off gains on asset disposals and fair value gains on financial assets totalling \$14.8 million, fair value gains on investment properties of \$2.3 million and higher impairment of trade receivables. The Group recognised COVID-19 relief of \$4.50 million during the year. Net loss of \$3.3 million for the second half was lower than net loss of \$6.7 million recorded in the first six months of the year.

Group revenue for the full-year decreased 10.3% to \$321.9 million while gross profit declined 17.9% to \$92.3 million. Sales slowed down due to channel shifts, softer consumer spending as well as lower agency sales. To improve overall portfolio margin, the Group has been focusing on its core Yeo's food and beverage sales business and rationalising its lower margin agency products. Core Yeo's food and beverage sales for the second half was in line with second half of FY2019. For FY2020, core Yeo's food and beverage sales declined at a lower rate than the overall Group revenue.

Commenting on the outlook, Yeo's Group Chief Executive Officer Samuel Koh said: "While COVID-19 will continue to pose uncertainty and pressure on our business, we are encouraged to see traction with the strategies which we have put in place.

"In FY2020, we doubled our ecommerce sales, achieved double-digit sales growth in our mainland China business for the second consecutive year and delivered double-digit sales growth in our food business. In addition, we have been improving our market shares in our key markets and our new products launches such as Chrysanthemum Tea variants have been well received."

Mr Koh said Yeo's will focus on growing its core Yeo's food and beverage portfolio through adapting commercial strategies, new product innovation, strengthening the agility of its supply chain and driving productivity.



For FY2020, Yeo's generated cash of \$8.3 million from operating activities and has a strong balance sheet with cash and cash equivalents of \$264.2 million as of 31 December 2020. The decrease of cash and cash equivalents of \$31.6 million from 31 December 2019 was mainly due to dividends paid to shareholders and investments in property, plant and equipment.

Yeo's has no bank borrowings or debt securities, and its liabilities comprise mainly trade and other payables and lease liabilities.

The Board of Directors has recommended a final dividend of \$0.02 per ordinary share for FY2020, with shareholders given the option to receive the dividend in scrip.

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### **About Yeo Hiap Seng Limited ([www.yeos.com.sg](http://www.yeos.com.sg))**

Yeo Hiap Seng is a Singapore-based heritage brand that has pioneered innovations in Asian beverages for more than a century. It is the first in the world to package Asian drinks in Tetra Brik aseptic cartons using UHT process and the first to offer curry chicken in canned form. Yeo's popular range of soy bean and chrysanthemum drinks are widely sold in Asia, Europe and North America.

The Group serves more than 30 markets around the world where the Yeo's smorgasbord of Asian food and beverages are known for its authentic flavours and exceptional quality. More than 80% of its beverages are from healthier choice products, making them the natural choice among consumers.

For media queries, please contact:

#### **Catherine Ong Associates Pte Ltd**

Name: Catherine Ong  
H/P: +65 9697 0007  
Email: [cath@catherineong.com](mailto:cath@catherineong.com)

Romesh Navaratnarajah  
+65 9016 0920  
[romesh@catherineong.com](mailto:romesh@catherineong.com)