

PRESS RELEASE

JUMBO REPORTS RECORD REVENUE OF \$178.8 MILLION IN FY2023

- **Significant increase in the Group's revenue of 54.7% to a record of \$178.8 million in FY2023.**
- **Net profit after tax attributable to owners of the Company of \$14.6 million in FY2023 compared to loss attributable to owners of the Company of \$0.1 million in FY2022.**
- **Dividend declaration of 1.0 cent per share**

Singapore, 28 November 2023 – JUMBO Group Limited (“JUMBO”, or the “Company” and together with its subsidiaries, the “Group”), one of Singapore’s leading multi-dining concept food and beverage (“F&B”) establishments, today announced its financial results for the financial year ended 30 September 2023 (“FY2023”).

Period under review

Our Group’s revenue increased by 40.7% or \$26.8 million, from \$66.0 million for the six months period ended 30 September 2022 (“2H2022”) to \$92.8 million for the six months period ended 30 September 2023 (“2H2023”). Our Group’s revenue increased by 54.7% or \$63.2 million, from \$115.6 million for the financial year ended 30 September 2022 (“FY2022”) to \$178.8 million for the financial year ended 30 September 2023 (“FY2023”). These increases were mainly due to the increase in revenue from our Singapore operations resulting from the lifting of COVID-19 measures. While revenue from the sale of food and beverages increased, the revenue from franchise income decreased as there was no new franchise outlet in FY2023.

The sustained recovery coupled with the strategic conversion of the SuiYi Gastrobar at The Riverwalk into a Jumbo Seafood outlet in January 2023 resulted in the increase in revenue in the Singapore operations by 46.7% or \$24.9 million from \$53.3 million in 2H2022 to \$78.2 million in 2H2023. Revenue from our Singapore operations increased by 78.0% or \$65.0 million from \$83.4 million in FY2022 to \$148.4 million in FY2023.

Following the end of PRC’s zero-COVID policy in December 2022, our PRC operations experienced a positive shift with an increase in revenue of 15.3% or \$1.7 million from \$11.0 million in 2H2022 to \$12.7 million in 2H2023. However, the zero-COVID policy challenges faced in 1H2023 resulted in an overall decrease in revenue in FY2023 of 6.5% or \$1.8 million, from \$27.9 million in FY2022 to \$26.1 million in FY2023.

Revenue for our Taiwan operations increased by 17.5% or \$0.3 million from \$1.6 million in 2H2022 to \$1.9 million in 2H2023. This increase is offset by a decrease of 11.2% or \$0.3 million, from \$2.7 million in 1H2022 to \$2.4 million in 1H2023 largely due to a three-week shutdown of operations in our Taipei outlet for renovation. As a result, revenue from Taiwan operations remained constant at \$4.3 million in FY2022 and FY2023.

Cost of sales, which comprised raw materials and consumables, increased by 46.5% or \$10.3 million, from \$22.3 million in 2H2022 to \$32.6 million in 2H2023. Cost of sales increased by 52.1% or \$21.1 million, from \$40.6 million in FY2022 to \$61.7 million in FY2023. These increases are in-line with the increase in revenue.

Gross profit increased by 37.8% or \$16.5 million, from \$43.7 million in 2H2022 to \$60.2 million in 2H2023. Gross profit margin decreased by 1.4 percentage points to 64.9% in 2H2023 from 66.3% in 2H2022. Gross profit increased by 56.1% or \$42.0 million, from \$75.0 million in FY2022 to \$117.0 million in FY2023. Despite the decrease in gross profit margin in 2H2023 compared to 2H2022, gross profit margin increased by 0.6 percentage point from 64.9% in FY2022 to 65.5% in FY2023.

Other income increased by 42.8% or \$0.4 million, from \$0.9 million in 2H2022 to \$1.3 million in 2H2023. Other income increased by 124.9% or \$2.8 million, from \$2.2 million in FY2022 to \$5.0 million in FY2023. This is mainly due to an increase in government grants and credit scheme, fair value gain on investments at FVTPL and on short-term investments recognised.

Employee benefits expenses increased by 60.9% or \$11.3 million from \$18.5 million in 2H2022 to \$29.8 million in 2H2023. Employee benefits expenses increased by 52.8% or \$19.5 million from \$36.9 million in FY2022 to \$56.4 million in FY2023. These increases in employee benefit expenses are mainly due to increases in headcount to support the increases in revenue, basic pay and bonuses.

Operating lease expenses decreased by 37.7% or \$0.8 million, from \$2.2 million in 2H2022 to \$1.4 million in 2H2023. Operating lease expenses increased by 49.0% or \$1.5 million from \$3.0 million in FY2022 to \$4.5 million in FY2023. This increase is due to higher variable rent resulting from higher revenue.

Utilities expenses increased by 20.7% or \$0.5 million, from \$2.2 million in 2H2022 to \$2.7 million in 2H2023. Utilities expenses increased by 31.9% or \$1.2 million from \$3.9 million in FY2022 to \$5.1 million in FY2023. These increases are due to the increase in revenue and higher utility rates.

Depreciation expense for property, plant and equipment (“PP&E”) remained unchanged at \$2.9 million in 2H2022 and 2H2023. Depreciation for PP&E decreased by 3.7% or \$0.2 million from \$5.8 million in FY2022 to \$5.6 million in FY2023 mainly due to the increase in fully depreciated PP&Es in FY2023.

Depreciation expense for right-of-use (“ROU”) assets increased by 10.9% or \$0.6 million from \$5.7 million in 2H2022 to \$6.3 million in 2H2023. ROU assets increased by 2.2% or \$0.3 million from \$11.8 million in FY2022 to \$12.1 million in FY2023. The increases in depreciation expense for ROU are due to renewal of leases and one additional outlet.

Interest expense for leases remained unchanged at \$0.5 million in 2H2022 and 2H2023 and \$1.0 million in FY2022 and FY2023. Interest expense for loans increased by 44.9% or \$0.1 million, from \$0.2 million in 1H2022 to \$0.3 million in 2H2023. Interest expense for loans increased by 20.0% or \$0.1 million, from \$0.4 million in FY2022 to \$0.5 million in FY2023. The increases are due to a mortgage loan being drawn down in December 2022, partially offset by repayment of bank loans.

Other operating expenses, which includes cleaning services, repairs & maintenance, credit card & delivery services commission, general supplies and marketing expenses, increased by 13.2% or \$1.1 million from \$7.8 million in 2H2022 to \$8.9 million in 2H2023. Other operating expenses increased by 27.0% or \$3.8 million from \$14.2 million in FY2022 to \$18.0 million in FY2023. These increases are in-line with the general increase in business activities.

The income tax expense of \$2.2 million in 2H2023 and \$4.2 million in FY2023 was recognised mainly due to the Singapore operations returning to a taxable position.

As a result of the above, profit attributable to owners of the Company saw an increase of 52.0% or \$2.3 million from \$4.4 million in 2H2022 to \$6.7 million for 2H2023. For FY2023, profit attributable to owners of the Company stood at \$14.6 million compared to a loss of \$0.1 million in FY2022.

Dividends

The board of directors of JUMBO has proposed a tax exempt (one-tier) final cash dividend of 1.0 cent per share. The proposed dividend is subject to shareholders’ approval at the upcoming annual general meeting (“AGM”).

Outlook

As we begin the new financial year, our Group holds a positive outlook about our Singapore operations. The lifting of vaccination-differentiated safe management measures in October 2022 and subsequent border relaxations globally have revived our key brands— JUMBO Seafood, and Zui Teochew Cuisine— bringing revenue back to pre-COVID levels. Despite the revenue growth, we are mindful of challenges arising from increased operational costs such as raw materials, labour and utilities.

While benefitting from the eased restrictions in Singapore and global reopenings, we are aware of potential challenges, especially uncertainties from the PRC market. Sales in PRC have not fully recovered from pre-COVID levels and getting back on track might take time due to tough economic conditions.

Our strategy is to adapt, innovate and manage our resources efficiently to navigate challenges and seize opportunities for sustainable growth. We are committed to closely monitoring these developments and taking necessary steps for steady growth and profitability. Barring any unforeseen circumstances, we remain cautiously optimistic for the next 12 months.

Mr. Ang Kiam Meng (黄建铭), Executive Director and Group CEO of JUMBO, commented, *“In these uncertain times, Singapore is resilient despite global turbulence. However, caution is needed due to the volatile global economy, especially recent issues in China. Despite some progress in Singapore, operational costs are rising, and economic unpredictability continues. Our focus is on adaptability and careful resource management. As we navigate this uncertain landscape, we stay vigilant and prepared for potential challenges.”*



About JUMBO Group Limited

JUMBO is one of Singapore's leading multi-dining concept F&B establishments. It has a portfolio of 7 F&B brands – JUMBO Signatures, JUMBO Seafood, Mutiara Seafood, NG AH SIO Bak Kut Teh, Zui Teochew Cuisine, Chao Ting Pao Fan and Kok Kee Wonton Noodle, operates 3 Tsui Wah Hong Kong-style "Cha Chaan Teng" outlets as a franchisee in Singapore and co-owns the Singapore Seafood Republic brand which has three outlets, operated under the franchise model in Japan. It also has a joint venture which operates a "Lau Lim Mee Pok" stall in Singapore.

Fulfilling its philosophy of "Bonding People Through Food", JUMBO has 43 F&B outlets (including those of its associated companies and those under licensing arrangements) in 14 cities in Asia – Singapore, Shanghai, Beijing, Xi'an, Xiamen, Fuzhou, Taipei, Seoul, Ho Chi Minh, Hanoi, Bangkok, Phnom Penh, Tokyo and Osaka.

In addition, JUMBO's lifestyle brand, Love, Afare has a range of products comprising of packaged sauces and spices mixes for its signature dishes, snacks, tea and merchandise that are representative of Singapore's authentic flavours and food culture.

JUMBO also has a catering arm and a Central Kitchen in Singapore, which helps to maintain stringent quality standards and the consistency in the taste of its signature dishes, increase productivity and lower costs. JUMBO's Research and Development Kitchen facilitates the creation of new dishes and improvement of food preparation processes.

It has received many awards, accolades and notable mentions in prestigious publications for the high quality of food and service offered under its F&B brands.

Some of JUMBO's more recent awards and accolades include the Best Taste of Singapore Award by Singapore Tatler in 2021 and 2020, Food Choice Awards 2020 by Klook, Diners' Choice 2020 – Restaurant of the Year (Runner-up) and the Superbrands Award (Singapore's Choice) in 2019. JUMBO Seafood outlet at Riverside Point received the Diner's Choice 2021 – Singapore River Signatures awards, while JUMBO Seafood outlet at The Riverwalk was recommended as a "Must-Try Restaurant 2019" by Meituan-Dianping (美团点评). The Tasty Singapore Brand Ambassadors 2020/2021 award was another significant accolade for JUMBO Seafood and Ng Ah Sio Bak Kut Teh. JUMBO's signature Chilli Crab was also highlighted by Lifestyle Asia as one of the best in Singapore in 2020. Separately, well-known Straits Times food critic, Wong Ah Yoke recommended JUMBO Seafood retail sambal sauce as one of the Top 5 sambal sauces fit for a queen. Packaged sauces and spice mixes of JUMBO Seafood and Ng Ah Sio Bak Kut Teh signature dishes are also awarded the "Made With Passion" mark in November 2020 – under a national initiative that celebrates local brands who bring to life the Singapore spirit of turning possibilities into reality.

For more information, please visit www.jumbogroup.sg.

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This press release has been prepared by JUMBO and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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