

**FOR IMMEDIATE RELEASE**

**JB Foods’ EBITDA jumps 10.4% to US\$8.4 million for 1Q2019**

**year-on-year**

- Net profit rose 6.6% to US\$5.0 million on the back of 5.9% increase in revenue due to strong cocoa demand.
- Group’s profitability remained stable.

Singapore, 14 May 2019 - JB Foods Limited. (“JB Foods” or the “Company”, and together with its subsidiaries, the “Group”), a major cocoa ingredients producer, is pleased to announce a 6.6% year-on-year (“yoy”) increase in net profit to US\$5.0 million for the 3 months ended 31 March 2019 (“1Q2019”).

**Financial Highlights**

USD’000	1Q2019	1Q2018	+/(-) %
Revenue	78,462	74,069	5.9
Adjusted Gross Profit <sup>(1)</sup>	10,555	9,640	9.5
EBITDA	8,387	7,599	10.4
Net Profit	5,025	4,716	6.6

Revenue for 1Q2019 was US\$78.5 million, an increase of 5.9% compared with the US\$74.1 million revenue recorded for 1Q2018. This is attributable to stronger customer demand for cocoa ingredients. The Group’s gross profit decreased by USD1.0million or 9.2% from USD11.4million in 1Q2018 to USD10.3million in 1Q2019. The higher gross profit in 1Q2018 was mainly due to lower inventory costs recorded in “Cost of Sales” as its corresponding Mark-To-Market exchange losses was accounted for in “Other Losses”. In line with the increase in demand and revenue, the Group recorded an EBITDA of US\$8.4 million for 1Q2019, an increase of 10.4% compared with the US\$7.6 million recorded for 1Q2018.

(1) The “Adjusted Gross Profit” is derived after adjusting for USD0.2million foreign exchange gains (1Q2018: USD1.7million foreign exchange losses).

Administrative expenses increased by US\$0.8 million or 54.4% from US\$1.4 million for 1Q2018 to US\$2.2 million for 1Q2019. This is due to an increase in accruals of performance bonuses as well as an increase in the Group's headcount and payroll costs. Finance costs increased by US\$0.4 million or 66.4% from US\$0.6 million for 1Q2018 to US\$1.0 million for 1Q2019. This is attributable to higher borrowing costs for the purchase of cocoa beans to meet production demand.

Notably, the Group's net profit margin remained stable at 6.4% during the period under review.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, **“The outlook for the cocoa ingredients industry remains promising with the growing appetite for chocolate consumption worldwide. We are glad that our strategy to provide end-to-end solutions to our customers has allowed us to capitalise on the increasing popularity of cocoa flavour and ingredients in the food and beverage sector. Moving ahead, the Group will continue to deepen our penetration in the existing markets and extend our reach into new markets by riding on the favourable market trend.”**

### **Outlook**

The global economic uncertainties from trade tensions continue to be a business concern to the Group as they may negatively impact cocoa consumption. In addition, the National Oceanic and Atmospheric Administration has issued an El Nino Advisory in March 2019 indicating that the climate pattern has taken effect<sup>1</sup> and could possibly affect cocoa bean harvests.

The Group remains confident in its long-term growth prospects as the global cocoa consumption is expected to remain strong. Over the years, cocoa demand has been on the rise due to growing affluent middle class coupled with increasing popularity of cocoa flavour and ingredients in the food and beverage sector.

<sup>1</sup> <https://www.climate.gov/news-features/blogs/enso/march-2019-el-ni%C3%B1o-update-think-spring>

## **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](http://www.jbcocoa.com)

---

**Issued for and on behalf of JB Foods Limited.**

**By Financial PR Pte Ltd**

For more information, please contact:

Jing Wen YONG, [jingwen@financialpr.com.sg](mailto:jingwen@financialpr.com.sg)

Yit Sung NGO, [yitsung@financialpr.com.sg](mailto:yitsung@financialpr.com.sg)

Tel: (65) 6438 2990, Fax: (65) 6438 0064

---