

PRESS RELEASE

JUMBO RECORDS A 73.3% INCREASE IN REVENUE TO \$85.9 MILLION AND A NET PROFIT OF \$8.0 MILLION IN 1H2023

- *Significant increase in revenue of 133.6% to \$70.2 million in 1H2023 compared to \$30.0 million in 1H2022 in the Group's core market, Singapore*
- *Positive EBITDA of \$19.2 million in 1H2023 compared to \$5.4 million in 1H2022*

Singapore, 12 May 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 six months ended 31 March 2023 (“1H2023”).

Period under review

Our Group’s revenue increased by 73.3% or \$36.3 million, from \$49.6 million for the six months ended 31 March 2022 (“1H2022”) to \$85.9 million in 1H2023 largely due to the lifting of COVID-19 measures in Singapore.

The return of corporate events, business entertainment, family gatherings, wedding events and inbound tourism resulted in the revenue from our Singapore operations to increase by 133.6% or \$40.2 million, from \$30.0 million in 1H2022 to \$70.2 million in 1H2023. The popularity and strong demand for our Jumbo Seafood brand resulted in the conversion of our Sui Yi Gastrobar at The Riverwalk to a Jumbo Seafood outlet in January 2023.

However, the relaxation of zero-COVID policy in the PRC in December 2022 caused a surge in COVID-19 cases which resulted in the revenue from our PRC operations to decrease by 20.7% or \$3.5 million, from \$16.9 million in 1H2022 to \$13.4 million in 1H2023. Revenue for our Taiwan operations decreased by 11.2% or \$0.3 million, from \$2.7 million in 1H2022 to \$2.4 million in 1H2023 largely due to a one-week shutdown of operations in our Taipei outlet for renovation.

Cost of sales, which comprised raw materials and consumables, increased by 58.8% or \$10.8 million, from \$18.3 million in 1H2022 to \$29.1 million in 1H2023, in-line with the increase in revenue.

Gross profit increased by 81.7% or \$25.5 million, from \$31.3 million in 1H2022 to \$56.8 million in 1H2023. Gross profit margin improved to 66.1% in 1H2023 from 63.1% in 1H2022.

Other income increased by 181.8% or \$2.4 million, from \$1.3 million in 1H2022 to \$3.7 million in 1H2023. This was primarily attributed to various grants from the Singapore Government, which amounted to \$2.1 million in 1H2023 compared to \$0.7 million in 1H2022. In addition, the Group recorded fair value gain on short-term investments and investments at fair value through profit or loss of \$0.5 million in aggregate in 1H2023 as compared to a fair value loss of \$0.8 million in aggregate in 1H2022. However, these are partially offset by the lack of grants from the Jobs Support Scheme and no rental rebates and concessions in 1H2023.

Employee benefits expenses increased by 44.6% or \$8.2 million, from \$18.4 million in 1H2022 to \$26.6 million in 1H2023, mainly due to increases in headcount, basic pay and bonuses in 1H2023.

Operating lease expenses increased by 300.3% or \$2.3 million, from \$0.8 million in 1H2022 to \$3.1 million in 1H2023 due to higher variable rent resulting from higher revenue.

Utilities expenses increased by 46.9% or \$0.8 million, from \$1.6 million in 1H2022 to \$2.4 million in 1H2023, resulting from the increase in revenue and higher utility rates in general.

Depreciation expense for property, plant and equipment ("PP&E") decreased by 6.9% or \$0.2 million, from \$3.0 million in 1H2022 to \$2.8 million in 1H2023, as certain PP&E has been fully depreciated.

Depreciation expense for right-of-use assets decreased by 6.0% or \$0.3 million, from \$6.1 million in 1H2022 to \$5.8 million in 1H2023, as certain leases were renewed on short term basis.

Interest expense for leases increased by 4.4% from \$0.4 million in 1H2022 to \$0.5 million in 1H2023, mainly due to full period recognition of lease for JUMBO Signatures outlet in The Shoppes at Marina Bay Sands which started operations in end-January 2022.

Interest expense for loans was slightly lower due to repayment of bank loans but partially offset by a mortgage loan being drawn down in December 2022.

Other operating expenses, which includes cleaning services, repairs & maintenance, credit card & delivery services commission, general supplies and marketing expenses, increased by 43.9% or \$2.8 million, from \$6.4 million in 1H2022 to \$9.2 million in 1H2023 due to the increase in business activities.

The income tax expense of \$2.0 million in 1H2023 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 stood at \$7.9 million for 1H2023 compared to a loss of \$4.5 million in 1H2022.

Dividends

While the Group achieved profitability in 1H2023, the Group remains cautious of the rising COVID-19 cases and rising operating costs which may affect its performance in the second half of 2023. As such, the board of directors of the Company will not be recommending any interim dividend for 1H2023.

Outlook

The lifting of vaccination-differentiated safe management measures in Singapore on 10 October 2022, coupled with the easing of border restrictions worldwide, has had a positive impact on our Singapore operations, particularly for our main brands JUMBO Signatures, JUMBO Seafood, and Zui Teochew Cuisine. The return of corporate events, business entertainment, family gatherings, wedding events and inbound tourism has resulted in operations at many of our outlets in Singapore returning to pre-COVID levels.

Due to the popularity and strong demand for our JUMBO Seafood brand, we have converted our Sui Yi Gastrobar at The Riverwalk back to JUMBO Seafood outlet, hence bringing in higher revenue and profitability. We are also pleased that our new Mutiara Seafood outlet has obtained its halal certification in May 2023. We look forward to serving a more diverse clientele with this halal certification.

While we are encouraged by the sustainability of revenue, we remain cautious about rising operating costs, including raw materials, manpower, rental, and utilities, as well as the ongoing manpower shortage and projected world economic headwinds.

In summary, while the lifting of safe management measures in Singapore and the reopening of borders have had a positive impact on our business, we remain mindful of challenges that may arise, such as rising operating costs and an uncertain economy. We will continue to monitor these developments closely and take necessary measures to maintain sustainable revenue growth and profitability. Barring unforeseen circumstances, the Group is cautiously optimistic on its business performance for the next 12 months.

About JUMBO Group Limited

JUMBO is one of Singapore's leading multi-dining concept F&B establishments. It has a portfolio of 8 F&B brands – JUMBO Signatures, JUMBO Seafood, Mutiara Seafood, HACK IT, NG AH SIO Bak Kut Teh, Zui Teochew Cuisine, Chao Ting Pao Fan, 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 3 outlets, operating 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 45 F&B outlets (including those of its associated companies and those under licensing arrangements) in 13 cities in Asia – Singapore, Shanghai, Beijing, Xi'an, Fuzhou, Xiamen, Seoul, Taipei, Ho Chi Minh City, Hanoi, Bangkok, Tokyo, and Osaka.

In addition, JUMBO's lifestyle brand, Love, Afare has a range of products comprising of packaged sauces and spice 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 2020 and 2021, Food Choice Awards 2020 by Klook and Diners' Choice 2020 – Restaurant of the Year (Runner-up). 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) and has secured the Superbrands Award (Singapore's Choice) in the same year. 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 Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) 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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