

Important Notice: With effect from 1Q2024, Food Empire has decided to shift from reporting quarterly financial results to providing regular business updates. This change in approach allows us to move away from the short-term focus of quarterly earnings and instead prioritise a more sustainable, forward-thinking and long-term approach to our business strategy and outlook.

1Q2024 Business Update

Food Empire's revenue up 14.5% in 1Q2024; ramps up capacity to drive next stage of growth

- Revenue lifted by the positive impact of increased marketing and promotional activities in certain markets, higher production volume growth from manufacturing plants in Malaysia and India, and a robust pricing strategy across core markets.
- Expects outlook to be optimistic as it moves ahead with capacity expansion and market penetration efforts to capitalise on increasing brand recognition and consumer acceptance and demand for its products.

SINGAPORE – 9 May 2024 – Food Empire Holdings Limited (“**Food Empire**”, together with its subsidiaries, the “**Group**”) has maintained its growth momentum for the three months ended 31 March 2024 (“**1Q2024**”) with sustained increase in sales across its core markets during the quarter.

Financial Highlights (US\$ Million)	3 months ended 31 Mar		
	1Q2024	1Q2023	Change (%)
Total Revenue	117.5	102.6	14.5
- Russia	39.2	38.0	3.2
- South-East Asia	29.9	22.1	35.3
- Ukraine, Kazakhstan and CIS	29.5	25.5	15.7
- South Asia	14.5	10.9	33.0
- Others	4.4	6.1	(27.9)

Food Empire's revenue rose 14.5% over the previous corresponding quarter in 2023 (“**1Q2023**”) to US\$117.5 million, led by strong double-digit revenue growth from the Group's South-East Asia, South Asia as well as its Ukraine, Kazakhstan and CIS segments, while its Russia market also registered healthy gains. The Group's topline performance was strong despite significant depreciation of the Russian Ruble, which fell 23.6% against the US dollar as compared to 1Q2023. For the purpose of comparing underlying performance, the Russia market achieved a revenue increase of 27.4% in local currency terms.

Although the Group's business was affected by currency weakness in certain markets and the rising cost of raw materials such as coffee beans, the success of ongoing brand building efforts, marketing and promotional activities garnered strong loyalty among consumers, which helped to mitigate these challenging conditions.

Corporate developments

Vietnam has become Food Empire's fastest growing market and the Group continues to make positive strides in expanding its market share. In 1Q2024, the Group made structural changes to its local sales force, activated new direct consumer marketing strategies and launched festive promotions in line with Vietnam's Tet holiday season, which led to a notable increase in revenue during the quarter. It expects growth in Vietnam to be sustained as brand building efforts continue to pay off.

In Malaysia, the Group completed the expansion of its non-dairy creamer production facilities and commenced commercial production of the added capacity on 1 April 2024. The increased capacity is expected to have positive impact on revenue performance from 2Q2024 onwards. The Group expects the added capacity to reach full utilisation over the next 2 to 3 years. Meanwhile, the Group has started construction of an additional snack factory located next to its existing one in Malaysia. When completed and commissioned, it is expected to increase production capacity for the snack business from 2025 onwards.

Food Empire, Group Chief Executive Officer, Mr Sudeep Nair, said: *"We will continue to capitalise on our strong brand equity and market leadership position to fine-tune our sales strategy across our markets so as to achieve our ultimate goal to balance topline growth with sustainable margins. With our healthy balance sheet and the lessons and experience gained over the years we believe Food Empire is well-placed to ride out any market uncertainties and to capture opportunities along the way."*

"The capacity expansion in our ingredient business is integral to our overall longer term organic growth strategy as we seek to reinforce our leading position in existing markets, while exploring potential new geographical regions."

Outlook

The protracted geopolitical tensions and macroeconomic environment have brought different kinds of challenges across global markets. The Group is closely monitoring their potential impact on its business. Nevertheless, Food Empire is cautiously optimistic about the outlook of its core markets as consumer response to marketing and promotional activities continues to be encouraging and sales remains robust. The Group will continue to conduct periodic reviews and adjust its sales and pricing strategies to mitigate rising raw materials costs.

While growing organically, Food Empire is also constantly exploring prospects for inorganic growth via mergers and acquisitions that are complementary and synergistic to its growth strategy.

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Cautionary Statement

Shareholders are advised to read this business update and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

About Food Empire Holdings Limited (Bloomberg Code: FEH SP)

SGX Mainboard-listed Food Empire Holdings (“**Food Empire**” or together with its subsidiaries, the “**Group**”) is a multinational food and beverage manufacturing and distribution group headquartered in Singapore. With a portfolio spanning instant beverages, snack foods, and a growing presence in food ingredients, Food Empire's products are sold in over 60 countries across North Asia, Eastern Europe, South-East Asia, South Asia, Central Asia, Middle East, and North America. Supported by 8 manufacturing facilities in 5 countries and 23 offices worldwide, Food Empire offers an enticing range of branded beverages and snacks, including classic and flavoured coffee mixes and cappuccinos, chocolate drinks, flavoured fruity teas, bubble tea, instant cereal blends, and potato chips. Its food ingredients business features the finest freeze-dried and spray-dried instant coffee, as well as non-dairy creamer.

Food Empire owns a family of proprietary brands – including MacCoffee, CaféPHỐ, Petrovskaya Sloboda, Klassno, Hillway, and Kracks. MacCoffee – the Group’s flagship brand – has been consistently ranked as the leading 3-in-1 instant coffee brand in the Group’s core markets. The Group employs innovative brand-building activities, localised to match the flavour of the local markets in which its products are sold.

Since its public listing in 2000, Food Empire has won numerous accolades and awards including being recognised as one of the “Most Valuable Singapore Brands” by IE Singapore (now known as Enterprise Singapore), while MacCoffee has been ranked as one of “The Strongest Singapore Brands” and CaféPhố received “Top Brand” Award by Influential Brands. Forbes Magazine has thrice named Food Empire as one of the “Best Under A Billion” companies in Asia and the company has also been awarded as one of Asia’s “Top Brands” by Influential Brands.

Food Empire is dedicated to sustainability, as evidenced by the receipt of the Sustainability Award at the Securities Investors Association (Singapore) 20th Investors’ Choice Award – and it also emerged as the winner of The Enterprise Award at the Singapore Business Awards 2020/2021.

For more information, please refer to: www.foodempire.com

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