

FOR IMMEDIATE RELEASE**JB Foods' revenue growth of 18.5% to US\$417.8 million in FY2020
year-on-year**

- Revenue grew by 18.5% to US\$417.8 million in FY2020 in spite of uncertain and challenging operating environment
- Achieved profit after tax of USD\$19.3 million
- Generated healthy operating cash inflows of US\$39.4 million

Financial Highlights

	FY2020 (USD'000)	FY2019 (USD'000)	+ / (-) %
Revenue	417,754	352,494	18.5
Profit after tax	19,312	26,223	(26.3)
Operating cashflows before working capital changes	39,402	42,286	(6.8)

Singapore, 25 February 2021 - JB Foods Limited. ("JB Foods" or the "Company", and together with its subsidiaries, the "Group"), a major cocoa ingredients producer, is pleased to announce that the Group has registered a revenue of US\$417.8 million, and profit after tax of US\$19.3 million for the financial year ended 31 December 2020 ("FY2020"), mainly driven by higher shipment volume for the cocoa ingredients, and the increased in the average selling price of the cocoa ingredients due to the increase in the cocoa bean price.

The selling and distribution expenses increased by USD1.9million or 28.6% from USD6.6million in FY2019 to USD8.5million in FY2020, mainly due to increase warehouse storage costs for the higher volume of finished goods, increase in the export freight and handling cost incurred as a result of higher product shipment volume, and increased in the ocean freight costs due to shortage of the vessels in last quarter of year 2020.

The administrative expenses increased by USD1.4million or 14.0% from USD9.9million in FY2019 to USD11.3million FY2020, mainly due to an increase in the Group's middle management headcount, higher payroll cost, one-off professional fee incurred in connection with the acquisition of the factory building in Malaysia, and increase in the Group's depreciation in FY2020.

The finance cost decreased marginally by USD0.2million or 4.7% from USD5.1million in FY2019 to USD4.9million in FY2020, mainly due to lower financing interest rates in FY2020 compared to FY2019.

The increase in cocoa bean costs arising from the Living Income Differential imposed by certain country origin coupled with higher fixed direct overhead arising from lower utilisation of factory processing capacity contributed to a lower profit margin in FY2020 as compared with FY2019. Therefore, the Group profit after tax lower by USD6.9 million or 26.3% from USD26.2 million in FY2019 to USD19.3million in FY2020.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, “Year 2020 is a challenging year to the Group as the overall market consumption & demand and supply chains were disrupted by the Covid-19 Pandemic. However, I am glad to see that the Group’s revenue crossing US\$400million milestone, and registered a revenue growth of 18.5% year-on-year leveraging from the customer’s orders secured when we increased our factory processing capacity in year 2019. I am pleased to inform that in addition to an interim dividend of 0.50 Singapore cents per share paid out in September 2020, the Group is proposing a final dividend of 1.50 Singapore cent per share for the FY2020.”

Outlook

The Group notes that the second wave of the outbreak of COVID-19 Pandemic and lockdown control measures in many countries may continue to affect the global consumption and demand for cocoa ingredients. The imposition of USD400/MT Living Income Differential in certain country origin has resulted in significant volatility in the cocoa bean price and may dampen the weak market sentiments and the Group may not be able to fully pass on the resulting higher cocoa bean costs to the customers. This may affect the processing margin and profitability of the Group for FY2021. Customer sentiments remain cautious.

The Group will closely monitor the developments in the industry, and take prudent measures in executing our strategy. However, the Group believes the cocoa consumption environment will continue to be supported by the recovery of the economy after the COVID-19 Pandemic and the growing middle-income classes over the long term.

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
