



Food Empire proposes record dividend of 10 Singapore cents per ordinary share backed by record revenue and record operating profit in FY2023

- Record revenue of US\$425.7 million for FY2023 demonstrating strong consumer demand across all of the Group’s core markets.
- Record EBITDA of US\$86.9 million and operating profit of US\$70.9 million for FY2023.
- Excluding the one-off gain from the disposal of non-core asset of US\$15.0 million recorded in FY2022, the Group’s normalised net profit after tax increased from US\$45.1 million in FY2022 to US\$56.5 million in FY2023.
- Board proposes record dividend of 10.0 Singapore cents per ordinary share, which is more than double of the dividend of 4.4 Singapore cents per ordinary share in FY2022.

Singapore, 27 February 2024 – Food Empire Holdings Limited (“**Food Empire**”, together with its subsidiaries, the “**Group**”), announced today its financial results for the second half (“**2H2023**”) and full year ended 31 December 2023 (“**FY2023**”).

Financial Highlights

US\$'000	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Revenue	227,469	221,007	2.9	425,715	398,362	6.9
Gross profit	71,944	66,854	7.6	141,451	118,843	19.0
Selling and marketing expenses	(15,854)	(15,089)	5.1	(31,591)	(28,668)	10.2
General and administrative expenses	(19,713)	(19,651)	0.3	(38,927)	(37,458)	3.9
Operating Profit	36,377	32,114	13.3	70,933	52,717	34.6
Foreign exchange (loss)/gain	(566)	(4,172)	(86.4)	(1,622)	3,163	NM
EBITDA	45,592	45,153	1.0	86,852	83,373	4.2
Net profit before tax	38,631	38,382*	0.6	72,499	70,706*	2.5
Net profit after tax	29,823	33,003*	(9.6)	56,464	60,068*	(6.0)
Net profit before tax (normalised)	38,631	23,382	65.2	72,499	55,706	30.1
Net profit after tax (normalised)	29,823	18,003	65.7	56,464	45,068	25.3
Gross profit margin (%)	31.6	30.2	1.4pp	33.2	29.8	3.4pp
Net profit margin (%)	13.1	14.9	(1.8pp)	13.3	15.1	(1.8pp)
Net profit margin normalised (%)	13.1	8.1	5.0pp	13.3	11.3	2.0pp

NM denotes not meaningful.

**Includes a one-off gain of US\$15.0 million from the disposal of non-core asset in FY2022.*

Revenue by Segments

US\$'000	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Russia	72,652	91,275	(20.4)	143,260	148,384	(3.5)
Ukraine, Kazakhstan and CIS	61,228	50,210	21.9	110,737	91,480	21.1
South-East Asia	55,777	47,324	17.9	101,634	92,718	9.6
South Asia	27,399	20,753	32.0	49,128	39,600	24.1
Other Segments	10,413	11,445	(9.0)	20,956	26,180	(20.0)
Total Revenue	227,469	221,007	2.9	425,715	398,362	6.9

The Group reported record revenue of US\$425.7 million in FY2023 as compared to US\$398.4 million in FY2022. This was mainly due to higher volumes and/or higher average selling price in all of the Group's core markets. This increase was in spite of the depreciation of the Russian Ruble and Ukrainian Hryvnia against the US dollar. In the Group's South Asia segment, the revenue increase was driven by higher contribution from the Group's freeze dry coffee plant in India.

On a half-yearly basis, the Group's revenue for 2H2023 increased by 2.9% to US\$227.5 million as compared to US\$221.0 million in 2H2022. The growth in revenue was mainly contributed by the Group's Kazakhstan and CIS markets, South-East Asia and South Asia segments partly offset by the Group's Russia segment in view of the depreciation of the Russian Ruble against the US dollar.

For FY2023, excluding the one-off gain from the disposal of non-core asset of US\$15.0 million recorded in FY2022, the Group's normalised net profit after tax increased from US\$45.1 million in FY2022 to US\$56.5 million in FY2023. This increase was mainly driven by higher revenue and better operating margin.

For 2H2023, excluding the one-off gain from the disposal of non-core asset of US\$15.0 million recorded in FY2022, the Group's normalised net profit after tax increased from US\$18.0 million in 2H2022 to US\$29.8 million in 2H2023. The increase was mainly due to better operating margin coupled with lower exchange loss.

For FY2023, selling and marketing expenses increased by 10.2% from US\$28.7 million in FY2022 to US\$31.6 million in FY2023. For 2H2023, selling and marketing expenses increased by 5.1% from US\$15.1 million to US\$15.9 million. The increase was mainly due to higher advertising and promotional expenses.

For FY2023, general and administrative expenses increased from US\$37.5 million to US\$38.9 million. The increase was mainly due to higher manpower cost. For 2H2023, general and administrative expenses remain flat at US\$19.7 million.

The Group generated a cash inflow of US\$50.6 million from operating activities in FY2023 bringing its cash and cash equivalents to US\$131.3 million as at 31 December 2023.

The Board of Directors proposed a first and final dividend of 5.0 Singapore cents per ordinary share and a special dividend of 5.0 Singapore cents per ordinary share. The proposed first and final dividend and special dividend are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company scheduled for 19 April 2024. If approved, the first and final dividend and special dividend will be paid on 17 May 2024.



Business Outlook

The demand for the Group's products is expected to remain strong across multiple geographies. However, some of the ingredient prices especially robusta coffee which we use in our branded coffee mix business is at historical high.

In the Group's Russia and Ukraine markets, the demand continues to be resilient despite the potential exchange rate volatility. In the Group's Kazakhstan and CIS markets, the Group continues to experience robust growth on the back of strong consumer demand.

In the Group's South-East Asia segment, Vietnam is expected to show promising growth supported by targeted advertising and promotions. The Group has completed its non-dairy creamer expansion in Malaysia. The commercial production of the newly added capacity is expected to commence over the next few months once the final approval from the Malaysia government is obtained.

In India, the Group's spray dry and freeze dry coffee plants have operated at full capacity and are expected to continue to enjoy strong international demand.

The Group will continue to closely monitor the global economic and geopolitical situation and navigate uncertainties by focusing on strengthening our brands even further.

Cautionary Statement

Shareholders are advised to read this press release 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.

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

SGX Mainboard-listed Food Empire Holdings (Food Empire) is a multinational food and beverage manufacturing and distribution group headquartered in Singapore. With a portfolio spanning instant beverages, snack food, 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 is poised for even greater success.

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, CaféPHÓ, 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". 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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