

FOR IMMEDIATE RELEASE

## JB Foods proves resilience in face of unprecedented market volatility & historical record high cocoa prices with a steady growth in volume

- Significant increase in revenue by 67.2% mainly fuelled by higher average selling prices of about 50%
- Surge in profit before tax by 306.6% mainly due to unrealised fair value mark-to-market gain of \$38.8million
- Interim dividend of 0.20 Singapore cents

### Financial Highlights

	1H2024 (USD'000)	1H2023 (USD'000)	+ / (-) %
Revenue	453,312	271,200	67.2
EBITDA	59,053	20,467	188.5
Profit before tax	43,416	10,677	306.6

Singapore, 14 August 2024 – JB Foods Limited (“JB Foods” or the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that the Group has registered a revenue of US\$453.3 million for the first six months financial period ended on 30 June 2024 (“1H2024”), fuelled by the increase in average selling price and shipment volume during 1H2024.

The cost of sales increased by USD150.5million or 62.5% from USD240.7million to USD391.2million in 1H2024, mainly due to increases in cocoa bean prices. There is an unrealised fair value mark-to-market gains of USD38.8million on the derivative financial instruments relating to hedging activities on the Group’s forward sales and purchase contracts, which was recognised as at 30 June 2024 due to sharp volatility in cocoa bean prices. The realisation of this fair value unrealised gains (or potential losses) and corresponding impact will be subjected to the prevailing cocoa market price during the settlement date. Accordingly, the Group’s gross profit has increased by USD31.6million or 103.6% from USD30.5million to USD62.1million.

The finance costs increased by USD6.3million or 113.0% from USD5.6million to USD11.8million, mainly due to an increase in the trade bills utilisation resulting from higher cocoa bean prices, higher financing interest rate, and additional financing costs incurred on the Sukuk and term loan on the construction-in-progress in the Ivory Coast factory. As a result of the above, the Group’s profit before tax increased by USD32.7million from USD10.7million to USD43.4million.

New York Cocoa Price (USD/T)

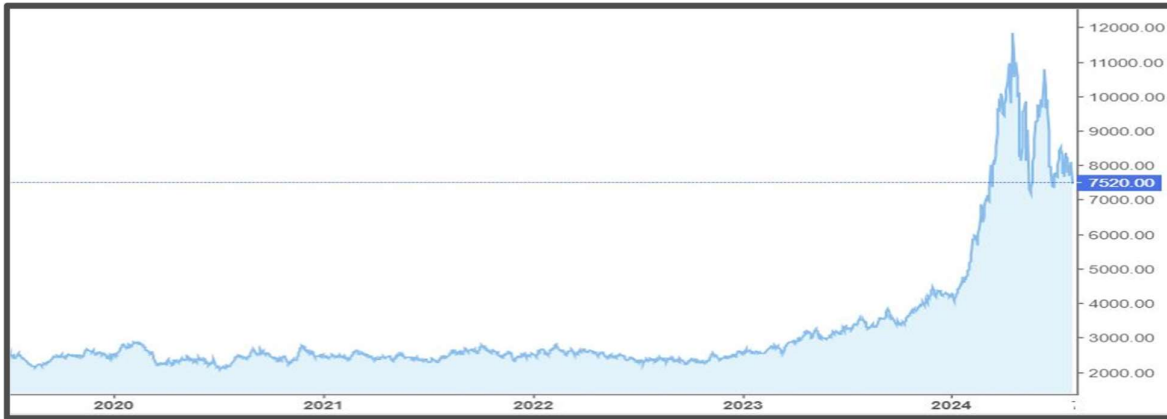


Table 1 : Historical cocoa price in year 2024

JB Foods Chief Executive Officer Mr Tey How Keong said, “The shortage of the cocoa bean supply has caused the cocoa price hit to an unprecedented historical cocoa price high in year 2024 (chart shown in table 1). JB Foods working capital cash conversion cycle required about 5 to 6 months and has improved from prior years due to tightening in our control of the credit terms to customers. In high cocoa bean prices situation, the Group required higher trade bills facility to finance the cocoa beans, thus resulting in higher gearing ratio to the Group in second half of year 2023 and first half of year 2024. More than 70% of the Group’s borrowings related to trade bills, which will be self- eliminating through the Group’s natural working capital cash conversion cycle.

Despite the unprecedent high cocoa bean price and cocoa bean shortage situation, the Group has proven to be resilient and I am pleased to inform that the board of directors has declared an interim dividend of 0.20 Singapore cents per share, which would be paid out in September 2024”

## **Outlook**

The volatility in the cocoa bean prices and the shortage in cocoa beans due to unfavourable weather conditions in West Africa may continue into the second half of the year in 2024, coupled with tense geopolitical situation, high interest rates and uncertainty in the global economic environment, which may pose potential headwinds to the Group.

The Group expects the business environment to continue to be challenging due to shortage of the cocoa bean supply and unprecedented sharp volatility of the cocoa bean prices. This may impact the Group's processing margin and result in potential losses on the Group's hedging activities. The Group will continue to closely monitor the developments in the industry and will respond accordingly in its business and growth strategy.

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## **About JB Foods Limited**

Established since the 2000s, JB Foods Limited is a major cocoa ingredients producer with operations spanning Asia Pacific (China, Indonesia, Malaysia and Singapore), Europe, North America and West Africa, and a cocoa bean processing capacity of 180,000 tonnes per year. The JB Cocoa brand of cocoa ingredient products, namely cocoa mass, cocoa butter and cocoa powder, which are used to produce chocolate, chocolate confectionary as well as cocoa-related food and beverages, are produced and sold by JB Foods to worldwide customers ranging from international trade houses to end users.

For more information, visit [www.jbcocoa.com](http://www.jbcocoa.com)