



Food Empire delivers record revenue and net profit for FY2022
affirming resilient demand for its products

- Revenue increased 24.5% year-on-year (“yoy”) to US\$398.4 million for FY2022 with most of the segments contributing positively to this growth.
- Net profit after tax increased by 210.6% yoy to US\$60.1 million for FY2022 mainly due to higher revenue and better operating profit coupled with one-off gain of US\$15.0 million from the disposal of non-core asset.
- Board proposes a record first and final dividend of 4.4 Singapore cents per ordinary share.

Singapore, 27 February 2023 – Food Empire Holdings Limited (“**Food Empire**”, together with its subsidiaries, the “**Group**”), announced today its financial results for the second half (“**2H2022**”) and full year ended 31 December 2022 (“**FY2022**”).

Financial Highlights

US\$'000	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Revenue	221,007	170,458	29.7	398,362	320,074	24.5
Gross profit	66,854	45,551	46.8	118,843	93,659	26.9
Selling and marketing expenses	(15,089)	(15,838)	(4.7)	(28,668)	(34,618)	(17.2)
General and administrative expenses	(19,651)	(17,094)	15.0	(37,458)	(33,617)	11.4
Foreign exchange (loss)/gain	(4,172)	(868)	380.6	3,163	(334)	NM
EBITDA	45,153	18,569	143.2	83,373	38,321	117.6
Net profit before tax	38,382	12,121	216.7	70,706	26,314	168.7
Net profit after tax	33,003	7,869	319.4	60,068	19,340	210.6
Gross profit margin (%)	30.2	26.7	3.5pp	29.8	29.3	0.5pp
Net profit margin (%)	14.9	4.6	10.3pp	15.1	6.0	9.1pp

NM denotes not meaningful

Revenue by Segments

US\$'000	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Russia	91,275	60,434	51.0	148,384	114,915	29.1
Ukraine, Kazakhstan and CIS	50,210	35,940	39.7	91,480	71,161	28.6
South-East Asia	47,324	52,003	(9.0)	92,718	96,779	(4.2)
South Asia	20,753	11,528	80.0	39,600	17,393	127.7
Other Segments	11,445	10,553	8.5	26,180	19,826	32.0
Total Revenue	221,007	170,458	29.7	398,362	320,074	24.5

The Group reported record revenue of US\$398.4 million in FY2022, an increase of 24.5% as compared to US\$320.1 million in FY2021. On a half-yearly basis, the Group's revenue in 2H2022 was US\$221.0 million, an increase of 29.7% as compared to 2H2021. The growth in revenue was mainly contributed by the Group's Russia, Ukraine, Kazakhstan and CIS and South Asia segments.

For FY2022, the Group's net profit after tax increased to US\$60.1 million from US\$19.3 million in FY2021. Excluding the one-off gain from the disposal of non-core asset of US\$15.0 million, the Group's net profit after tax for FY2022 increased by 133.7% to US\$45.1 million from US\$19.3 million. This increase was mainly attributable to higher revenue and better operating profit.

For 2H2022, the Group's net profit after tax increased to US\$33.0 million from US\$7.9 million. Excluding the one-off gain from the disposal of non-core asset of US\$15.0 million, the Group's net profit after tax for 2H2022 increased by 127.8% to US\$18.0 million from US\$7.9 million. This increase was mainly attributable to higher revenue and better operating profit.

For FY2022, selling and marketing expenses decreased 17.2% to US\$28.7 million mainly attributed to lower advertising and promotional expenses, particularly in the Group's South-East Asia segment. For 2H2022, selling and marketing expenses decreased by 4.7% to US\$15.1 million mainly due to lower advertising and promotional expenses partly offset by higher manpower cost.

For FY2022, general and administrative expenses increased from US\$33.6 million to US\$37.5 million. For 2H2022, general and administrative expenses increased from US\$17.1 million to US\$19.7 million. The increase was mainly due to higher manpower cost.

The Group generated net operating cash flows of US\$72.8 million in FY2022 as compared to US\$14.7 million in FY2021. This was mainly attributed to better profitability and good working capital management by the Group. Together with the sale proceeds from the non-core asset, the Group's cash and cash equivalents stood at US\$125.6 million as at 31 December 2022.

The Board of Directors proposed a record first and final dividend of 4.4 Singapore cents per ordinary share. The proposed first and final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 25 April 2023. If approved, the first and final dividend will be paid on 19 May 2023.

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Business Outlook

In the Russian, Kazakhstan and CIS markets, the Group has experienced high levels of growth on the back of strong consumer demand. As the geopolitical situation still remains uncertain, there may be some margin pressure due to volatility in the foreign exchange rates and economic situation. The Group will continue to monitor the economic and political developments closely and implement strategies to attain higher operational efficiency.

In the South-East Asia segment, Vietnam is expected to grow its revenue in the forthcoming year. The Group continues to experience high levels of demand for its non-dairy creamer, instant coffee mixes and potato chips during the year. In particular, the Group will continue to grow the potato chips segment and maximize production output while preparing for new capacity expansion. The expansion of the Group's non-dairy creamer facility is ongoing and the new capacity is expected to begin commercial production in 4Q2023.

In India, the Group's spray dry and new freeze dry coffee plants continue to operate at full capacity, supported by strong international demand. The Group expects better performance for this segment due to cost reductions on the back of freight costs normalisation.

The Group has largely been successful in navigating through economic and geopolitical uncertainties. The Group expects global supply chain issues to improve over time.

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 global branding and manufacturing company in the food and beverage sector. Its products are primarily in the branded instant beverage and snack food space, with a growing presence in food ingredients business.

Food Empire's products are sold in over 50 countries, spanning North Asia, Eastern Europe, South-East Asia, Central Asia, the Middle East, and North America. The Group has 23 offices worldwide and operates 8 manufacturing facilities located in 5 countries.

Food Empire's branded products include a wide variety of beverages and snack food, such as regular and flavoured coffee mixes and cappuccinos, chocolate drinks, flavoured fruit teas, bubble tea, instant cereal mixes and potato crisps. Its food ingredients business comprises of Freeze Dry instant coffee, Spray Dry instant coffee as well as non-dairy creamer.

Food Empire owns a family of proprietary brands – including MacCoffee, Café PHO, 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 sophisticated 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 twice named Food Empire as one of the "Best under a Billion" companies in Asia and the company has also been awarded one of Asia's "Top Brand" by Influential Brands.

Food Empire was presented with the Sustainability Award at the Securities Investors Association (Singapore) 20th Investors' Choice Award and 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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