



Food Empire delivers stronger revenue and higher net profit for 1Q2023

- Revenue increased 24.2% year-on-year (“**yoy**”) to US\$102.6 million for 1Q2023 demonstrating stronger demand for our branded products.
- Net profit after tax increased by 50.9% to US\$13.8 million mainly due to higher revenue and better operating profit for 1Q2023.

Singapore, 11 May 2023 – Food Empire Holdings Limited (“**Food Empire**”, together with its subsidiaries, the “**Group**”), provided business updates for the first quarter (“**1Q2023**”) ended 31 March 2023.

Financial Highlights

US\$'000	1Q2023	1Q2022	Change (%)
Revenue	102,603	82,605	24.2
Gross profit	36,551	25,528	43.2
Selling and marketing expenses	(7,730)	(6,234)	24.0
General and administrative expenses	(10,263)	(7,803)	31.5
Foreign exchange loss	(834)	(3,242)	(74.3)
EBITDA	21,683	13,331	62.7
Net profit before tax	17,975	10,707	67.9
Net profit after tax	13,836	9,171	50.9
Gross profit margin (%)	35.6	30.9	4.7pp
Net profit margin (%)	13.5	11.1	2.4pp

NM denotes not meaningful



Revenue by Segments

US\$'000	1Q2023	1Q2022	Change (%)
Russia	38,037	26,406	44.0
Ukraine, Kazakhstan and CIS	25,504	16,761	52.2
South-East Asia	22,130	24,712	(10.4)
South Asia	10,850	8,371	29.6
Other Segments	6,082	6,355	(4.3)
Total Revenue	102,603	82,605	24.2

The Group achieved a revenue of US\$102.6 million in 1Q2023, a yoy increase of 24.2% compared to US\$82.6 million in 1Q2022. Sales were lower in 1Q2022 due to the breakout of geopolitical conflict in our core segments. The Group has demonstrated continued resilience in the face of severe geopolitical challenges for 1Q2023. Our core segments continued to invest in our brands resulting in higher revenue for 1Q2023.

In the Group's South-East Asia segment, revenue decreased due to continued post-COVID-19 pandemic normalisation in the Group's Vietnam market. Further, our non-dairy creamer factory in Malaysia output was lower due to one-off supply chain issue. Our coffee plants in South Asia continued to post higher revenue.

Mainly driven by higher revenue and better operating profits, the Group's net profit after tax for 1Q2023 increased to US\$13.8 million, a yoy increase of 50.9% compared to US\$9.2 million in 1Q2022 which included higher contribution from our Group's Sri Lanka associate.

For 1Q2023, selling and marketing expenses increased by 24.0% to US\$7.7 million compared to US\$6.2 million in 1Q2022. This was mainly attributed to higher advertising and promotional expenses.

For 1Q2023, general and administrative expenses increased by 31.5% to US\$10.3 million from US\$7.8 million in 1Q2022 mainly due to higher manpower cost.

The Group generated net operating cash inflows of US\$3.4 million in 1Q2023 as compared to net operating cash outflows of US\$5.7 million in 1Q2022, bringing its cash and cash equivalents to US\$123.3 million as at 31 March 2023.

Business Outlook

In the Russia, Ukraine, Kazakhstan and CIS segments, the Group has been performing well and continues to invest in our brands to gain market share. As the geopolitical situation remains uncertain, there may be volatility in the foreign exchange rates and economic situation. The Group will continue to

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monitor the economic and political developments closely and implement strategies to mitigate the effects of these developments.

In the Group's South-East Asia segment, we will be increasing advertising and promotion activities in the Group's Vietnam market to achieve higher revenue. Demand for the Group's potato chips products remains strong with continued interest from private label customers. The expansion of the Group's non-dairy creamer factory is ongoing and the added capacity is expected to commence commercial production in 4Q2023.

In the Group's South Asia segment, both the Group's spray dry and freeze dry coffee plants have been operating at optimal capacity to meet international demand that remains robust. As demand continues to exceed supply, the Group expects to benefit from favourable pricing for our freeze dry products going forward.

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 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 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 twice 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

**Issued for and on behalf of Food Empire Holdings Limited. by
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