

Food Empire Holdings Limited

1H2024 Results Briefing

FoodEmpire TV

FOOD EMPIRE FOCUS:

Surging Forward

Strategising Our Growth Plans



Food Empire

Food Empire
01/07/24
Singapore (SGX)

ETI

9,201.34

NIKKEI*

33,341.6

HSH

16,785.13

DOW JONES

37,443.91

Surging Forward

Strategising Our Growth Plans

▶ Record revenue of US\$425.7 million for FY2023

▶ Record operating profit of US\$70.9 million for FY2023

▶ Proposed record dividend of 10.0 Singapore cents per ordinary share for FY2023

Awarded "Forbes Asia's Best Under A" company

Food Empire

Industry: Food & Beverages, Food Processing

Price Chart





AGENDA

- **Business Overview**
- **1H2024 Financial Highlights**
- **Prospects & Investment Merits**
- **Q&As**



Business Overview

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Business Overview



Food Empire (SGX: F03) is a leading multinational F&B manufacturing and distribution Group with a history dating back more than 30 years



Dynamic portfolio of more than 200 instant beverages and snacks

Extensive distribution networks across more than 60 countries with **brand leadership position** in key markets

Deep global presence with headquarters in Singapore and 23 offices worldwide

Strong and expanding manufacturing capabilities with 8 HACCP and ISO certified plants and 2 more in pipeline

Growing Global Presence



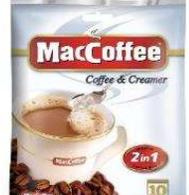
Coffee Mixes



4 production facilities in 4 countries



Produces coffee mixes and other instant beverages for flagship MacCoffee and other brands



Snack, Non-Dairy Creamer

2 production facilities in Iskandar, Johor, Malaysia



Potato crisps plant for contract manufacturing and own proprietary brands

Non-dairy creamer plant producing for own-use in instant beverage products as well as for 3rd party sales



Spray & Freeze Dry Coffee

2 production facilities in India

Spray-dry coffee plant



Freeze-dry coffee plant



Expansion Pipeline

2Q2024: Malaysia NDC production facilities



- Completed expansion of non-dairy creamer production facilities and commenced production of added capacity in April 2024
- Expect to reach full utilisation over the next 2 to 3 years



BY 1H2025: Malaysia snack production factory



- Commenced construction of additional snack factory
- Expected to be completed and to start production from 2025



END-2025: Kazakhstan coffee mix production facility



- To open 1st coffee mix production facility in Central Asia
- Location: Kazakhstan's Khorgos SEZ
- No. of new jobs to be created: 300



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1H2024 Financial Overview



US\$'M	FY2023	FY2022	% Change	1H2024	1H2023	% Change
Revenue	425.7	398.4	6.9	225.2	198.2	13.6
EBITDA	86.9	83.4	4.2	36.4	41.3	(11.9)
EBITDA Margin (%)	20.4	20.9	(0.5 pt)	16.2	20.8	(4.6 pt)
NPAT#	56.5	45.1*	25.3	23.2	26.6	(12.8)
NPAT Margin (%)#	13.3	11.3*	2.0 pt	10.3	13.4	(3.1 pt)

* Excluding a one-off gain from the disposal of non-core asset of US\$15.0 million in 2022.

Including non-controlling interest

Summary of Cash Flows



US\$'M	1H2024	1H2023
Operating Activities		
Net cash flows (used in)/from operating activities	(8.0)	10.9
Investing Activities		
Net cash flows used in investing activities	(3.6)	(8.1)
Financing Activities		
Net cash flows used in financing activities	(42.8)	(20.8)
Net decrease in cash and cash equivalents	(54.4)	(18.0)
Effect of exchange rate changes on cash and cash equivalents	(1.1)	(1.0)
Cash and Cash equivalents		
At beginning of the period	131.3	125.6
At end of the period	75.8	106.6

Balance Sheet & Key Ratios



US\$'M	1H2024	1H2023		1H2024	1H2023
Total Assets	396.4	371.1	Debt to Equity Ratio	15.2%	16.8%
Total Loans and Borrowings	38.4	39.9	Working Capital	101.6	68.1
Shareholders' Equity*	279.6	270.7	Quick Ratio	1.5	2.3
Free Cash Flow Generated	(11.6)	2.7	Current ratio	2.8	3.4
Basic EPS (USD cents)	4.5	5.0	ROE (equity based on prior year)	15.8%	19.3%
NAV per share (USD cents)	52.7	51.2	ROA	11.7%	14.4%
			PB ratio [#]	1.9	2.0

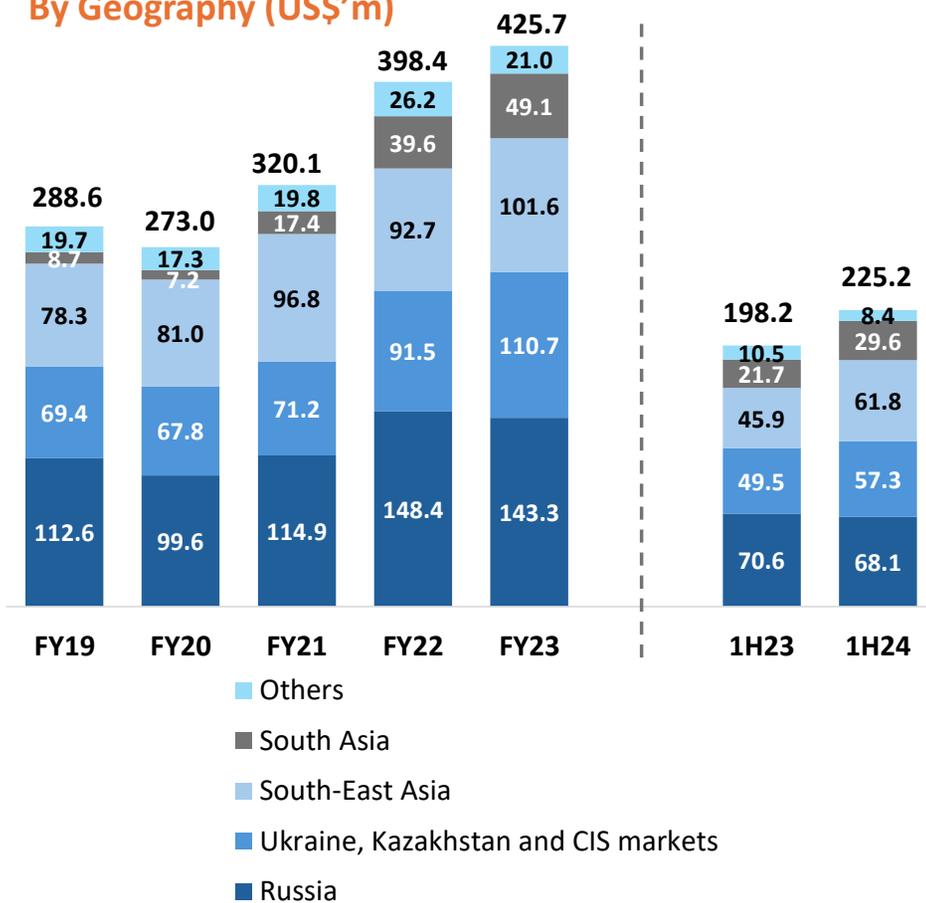
* Including non-controlling interest

[#] Share price as at respective period/year end date

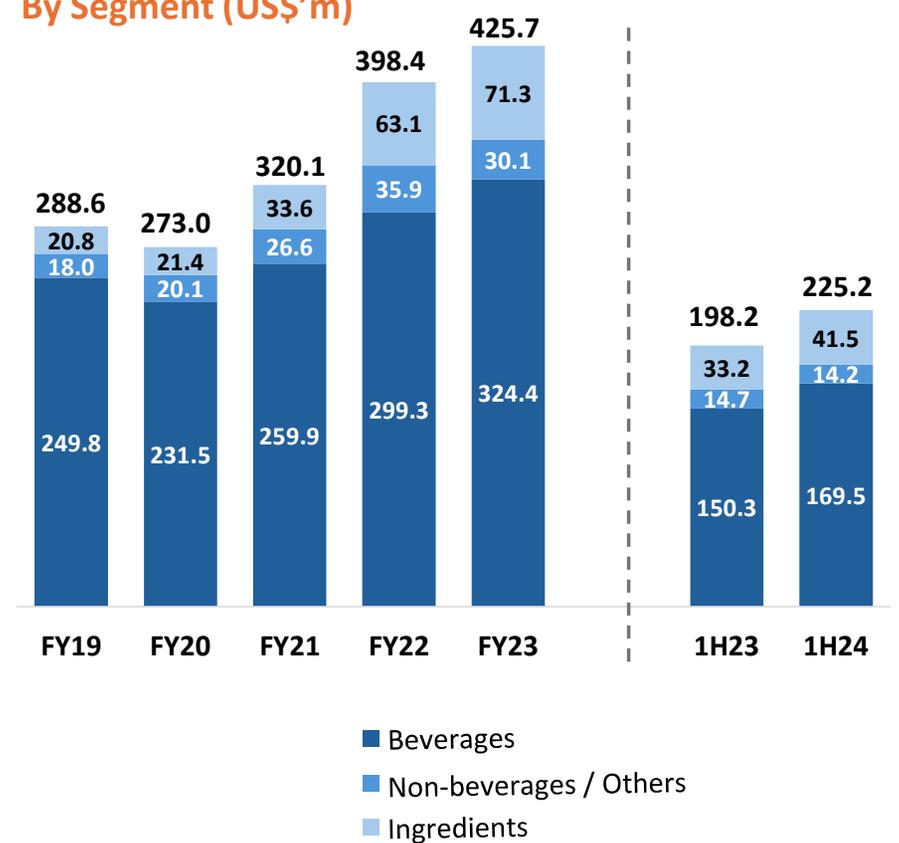
5-year Revenue Breakdown



By Geography (US\$'m)



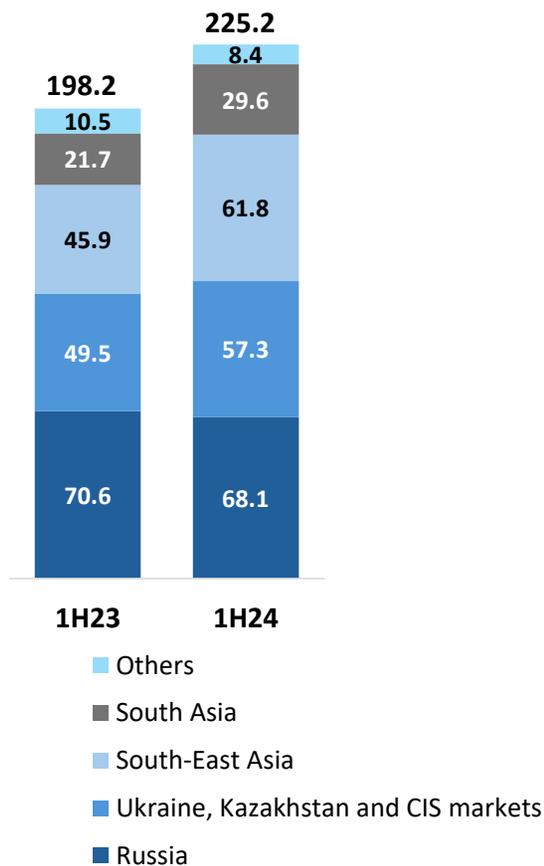
By Segment (US\$'m)



1H2024 Segment Highlights



Revenue by segments (US\$m)



South-East Asia

(Revenue ↑ 34.8%)

- **Vietnam:** Strong sales driven by aggressive brand building activities
- **Malaysia:** Revenue increase due to higher demand from Middle East and East Asian markets supported by higher production volume

South Asia

(Revenue ↑ 36.0%)

- **India:** Sales boosted by higher pricing to reflected on rising raw materials costs

Russia

(Sales ↑ 13.4% in local currency terms)

- **Russia:** Higher sales from marketing and promotional activities
- 3.6% dip in revenue in USD terms due to depreciation of the Ruble

Ukraine, Kazakhstan and CIS markets

(Revenue ↑ 15.7%)

- **CIS markets:** Higher sales volume due to marketing and promotional activities

Prospects & Investment Merits

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- FoodEmpire News
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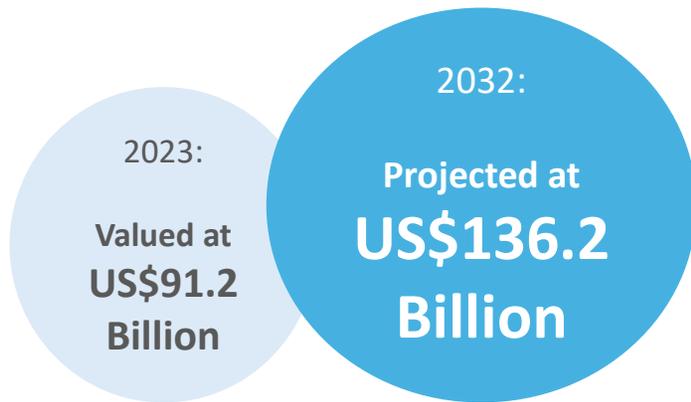
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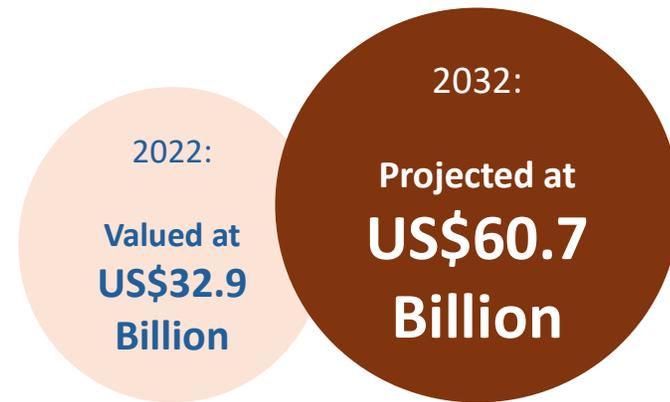
Industry Prospects

Global Instant Beverage Premix Market CAGR (2024-2032): approximately 5.9%¹



Dominated by instant coffee, instant tea, instant milk, instant health drinks and soup mixes, with instant coffee making up the largest segment

Global Instant Coffee Market CAGR (2023-2032): approximately 6.4%²



Instant coffee segment expected to grow at a relatively higher rate compared to other premixes

^{1, 2} Key Demand Drivers



1. [Instant Beverage Premix Market Research Report Information By Type \(Instant Coffee, Instant Tea, Instant Milk, Instant Health Drinks, Instant Soup, and Others\), By Function \(Plain, Flavored, and Others\), By Distribution Channel \(Store Based and Non-Store Based\), And By Region \(North America, Europe, Asia-Pacific, And the Rest Of The World\) – Market Forecast Till 2032](#)

2. [Yahoo! Finance: Instant Coffee Market to Reach \\$60,739.8 million, Globally, by 2032 at 6.4% CAGR: Allied Market Research](#)

Prospects by Key Regions

Instant Coffee Market by Region

(in terms of purchases from supermarkets & convenience stores)

US\$6.0 billion
by 2029



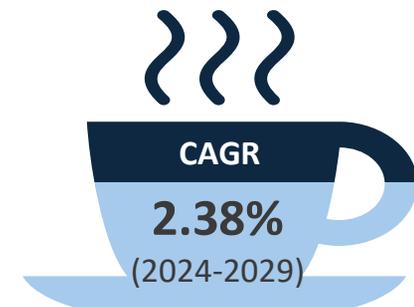
Southeast Asia^a
Biggest Potential

US\$0.8 billion
by 2028



South Asia^b
Fastest Growing

US\$2.2 billion
by 2029



Eastern Europe^c
Steady Demand

a. [Statista: Instant Coffee – Southeast Asia](#)

b. [Statista: Instant Coffee – Southern Asia](#)

c. [Statista: Instant Coffee - Eastern Europe](#)

Growth Drivers & Investment Merits



Market leader with widening global presence and strong brand equity

- Market leader of 3-in-1 coffee mixes in Russia, Ukraine, Kazakhstan and other CIS countries
- Top 5 instant coffee mix brands in Vietnam; leader in ice coffee category
- Increasing penetration across markets
- Strong consumer loyalty and mindshare across brands leading to higher volumes and ASPs despite challenges in certain markets

Expanding manufacturing capabilities

- By 2025: 10 manufacturing facilities from the current 8
- 2024: 2nd non-dairy creamer facility in Malaysia to commence production
- 2025: 1st coffee mix facility in Kazakhstan to commence production

Growing market recognition

- Buy calls from UOB Kay Hian, Maybank, KGI, CGSI and RHB
- Target price of all 5 houses: Between S\$1.30 and S\$1.73

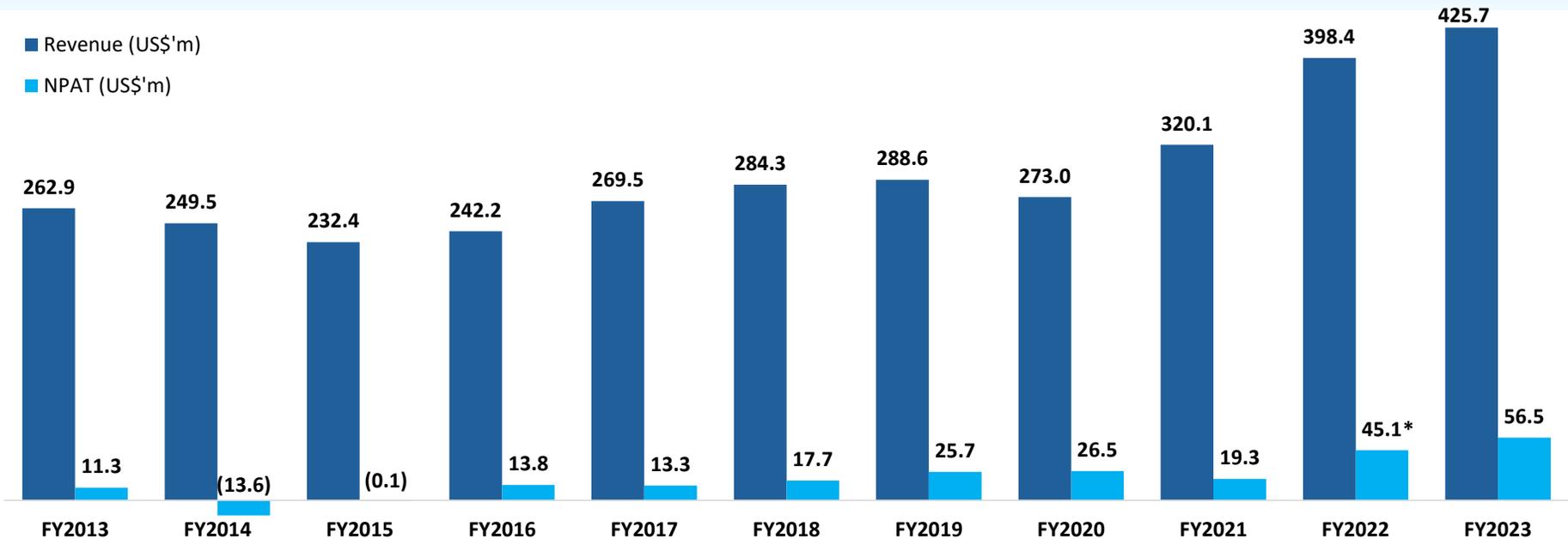
Healthy dividend yields*

- FY2022: 6.9%
- FY2023: 8.8% based on proposed final + special dividend of S\$0.10/ordinary share

* Based on share price as at 31 Dec for both FY2022 and FY2023.



Backed by Strong Report Card



FY2013: Launched Café Pho brand in Vietnam, which rapidly gained brand recognition, consumer acceptance and market leadership position
: Commenced operations of Non-Dairy Creamer manufacturing plant in Malaysia

FY2015: Commenced operations of Spray Dry instant coffee plant in India

FY2021: Commenced operations of Freeze Dry instant coffee plant in India

* Normalised and excluding the US\$15.0m one-off gain from the disposal of non-core asset in FY2022.

Thank You!

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FTSE100		7,678.19				
Singapore 1500		12,142.11				
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