



Food Empire achieves 13.6% revenue growth in 1H2024, boosted by strong performance from South-East Asia and South Asia segments

- *Topline performance lifted by increased marketing activities across core segments.*
- *Within the South-East Asia segment, Vietnam leads as the Group's fastest growing market in 1H2024.*
- *Food Empire remains upbeat about business prospects with a strong capacity expansion pipeline to support future growth in the longer term.*

Financial Highlights (US\$'000)	6 months ended 30 June		
	1H2024	1H2023	Change (%)
Total Revenue	225,246	198,246	13.6
- Russia	68,067	70,608	(3.6)
- South-East Asia	61,814	45,857	34.8
- Ukraine, Kazakhstan and CIS	57,301	49,509	15.7
- South Asia	29,556	21,729	36.0
- Others	8,508	10,543	(19.3)
EBITDA	36,445	41,261	(11.7)
Net profit after tax	23,219	26,641	(12.8)

SINGAPORE – 12 August 2024 – Food Empire Holdings Limited (“**Food Empire**”, and together with its subsidiaries, the “**Group**”) has achieved revenue growth of 13.6% to US\$225.2 million during the six months ended 30 June 2024 (“**1H2024**”) driven mainly by its South-East Asia, South Asia and Ukraine, Kazakhstan and CIS segments, which recorded increases in sales of 34.8%, 36.0% and 15.7% respectively.

Revenue from the Group’s Russia segment dipped 3.6% to US\$68.1 million in 1H2024. This was mainly due to the depreciation of the Russian Ruble against the US dollar. For the purpose of comparing underlying performance, Russia achieved revenue growth of 13.4% in local currency terms.

Food Empire attributed its improved topline to the success of ongoing investments in brand building and product development as well as aggressive promotional activities to build sustained loyalty among consumers. These efforts are supported by extensive distribution networks across core markets, and manufacturing facilities that are running at optimum capacities to meet the Group’s growing business needs.

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The Group's net profit after tax decreased from US\$26.6 million in 1H2023 to US\$23.2 million in 1H2024, mainly due to lower profit contribution from the Group's Russia market arising from short term price disruption in the market. This decrease was partly offset by higher profit contribution from the rest of the Group's segments in spite of higher ingredient prices, and higher operating expenses including expenses related to brand building activities.

For 1H2024, selling and marketing expenses increased by 10.4% to US\$17.4 million from US\$15.7 million in 1H2023. This was mainly attributed to higher manpower cost, particularly in the Group's Vietnam market.

For 1H2024, general and administrative expenses increased by 13.4% to US\$21.8 million from US\$19.2 million in 1H2023. The increase was mainly due to higher manpower cost and inventory obsolescence provision.

1H2024 Market Highlights

Vietnam has emerged as Food Empire's fastest growing market in 2024 to-date. The Group has expanded its sales force and rolled out a slew of direct and indirect sales and marketing activities and promotions across both traditional and modern platforms to capture a larger market share. This resulted in significant revenue contribution. With the proven success of its customer engagement efforts, the Group will continue to carry out campaigns to build up its brands in this market.

In Malaysia, the Group achieved higher revenue due to increased demand from Middle East and East Asian markets supported by higher production volume from the expanded non-dairy creamer factory in the second quarter of 2024. The Group expects the newly expanded plant, which has an increased capacity of up to 100%, to ramp up production to full capacity over the next 24 to 36 months.

In India, Food Empire's freeze dry and spray dry coffee plants are running at full capacity with higher revenue from stronger sales.

In Russia, despite experiencing price disruption in the market, the Group achieved higher sales in local currency terms in line with more intense marketing and promotional activities. The Group's Ukraine, Kazakhstan and CIS segment also achieved revenue growth due to higher sales volume driven by stronger demand.

Food Empire, Group Chief Executive Officer, Mr Sudeep Nair, said: *"We are very excited about the performance of our South-East Asia and South Asia segments, which have maintained a strong growth trajectory due to the successful execution of our business strategies. We intend to allocate more resources to these segments as part of the Group's plans to further develop our business there."*

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Outlook

Global markets are facing various challenges including climate change, currency volatility, supply chain disruptions, geopolitical tensions and uncertainties in the macroeconomic environment. For the instant beverage industry, these have resulted in higher prices for raw materials. Food Empire remains vigilant of any potential impact that these events may have on its business and will continue to conduct periodic reviews and manage its business strategies to mitigate rising raw materials costs.

The Group is cautiously optimistic about the business outlook. The global instant coffee industry is expected to grow at a CAGR of 6.4% from 2023 to reach US\$60.7 billion by 2032, mainly driven by higher demand for convenience foods and a wider range of product options for consumers¹.

Food Empire is well-positioned to capture this growth with significant expansion projects in the pipeline. Besides the recently completed expansion of its non-dairy creamer production facilities in Malaysia, the Group's pipeline includes a second snack production factory in Malaysia which is currently being built and expected to be operational by the first half of 2025. The Group is also currently constructing a coffee mix production facility in Kazakhstan, which would be its first facility in Central Asia² when completed by end 2025.

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Cautionary Statement

Shareholders are advised to read this business update 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.

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

¹ [*Instant Coffee Market to Reach \\$60,739.8 million, Globally, by 2032 at 6.4% CAGR: Allied Market Research*](#)

² [*SGX announcement: Food Empire strengthens Central Asia presence with first production facility in Kazakhstan*](#)

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SGX Mainboard-listed Food Empire Holdings (“**Food Empire**” or together with its subsidiaries, the “**Group**”) 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 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, CaféPHỐ, 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” and CaféPhố received “Top Brand” Award by Influential 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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