



***Important Notice:*** Since 1Q2024, Food Empire has shifted from reporting quarterly financial results to providing regular business updates. This change in approach allows us to move away from the short-term focus on quarterly earnings and instead prioritise a more sustainable, forward-thinking and long-term approach to our business strategy and outlook.

## **3Q/9M2024 Business Update**

### **Food Empire achieves 11.4% and 12.8% topline growth in 3Q2024 and 9M2024 respectively**

- Improved revenue driven mainly by Asian markets, with South-East Asia achieving the highest revenue growth amongst all market segments due to the success of marketing strategies.
- Expects stronger contribution from Asia to drive sustained growth in the longer term.

**SINGAPORE – 11 Nov 2024** – Food Empire Holdings Limited (“**Food Empire**”, together with its subsidiaries, the “**Group**”) has achieved topline growth with revenue rising 11.4% and 12.8% to US\$118.9 million and US\$344.3 million for the three months (“**3Q2024**”) and nine months ended 30 September 2024 (“**9M2024**”) respectively.

<b>Financial Highlights (US\$ Million)</b>	<b>3 months ended 30 Sep</b>			<b>9 months ended 30 Sep</b>		
	<b>3Q2024</b>	<b>3Q2023</b>	<b>Change (%)</b>	<b>9M2024</b>	<b>9M2023</b>	<b>Change (%)</b>
<b>Total Revenue</b>	<b>118.9</b>	106.7	11.4	<b>344.3</b>	305.1	12.8
- Russia	<b>34.4</b>	33.8	1.8	<b>102.5</b>	104.4	(1.8)
- South-East Asia	<b>32.9</b>	26.7	23.2	<b>94.8</b>	72.6	30.6
- Ukraine, Kazakhstan and CIS	<b>30.1</b>	27.3	10.3	<b>87.4</b>	76.8	13.8
- South Asia	<b>15.7</b>	13.5	16.3	<b>45.3</b>	35.3	28.3
- Others	<b>5.8</b>	5.4	7.4	<b>14.3</b>	16.0	(10.6)

*Note: all figures have been rounded to the nearest decimal.*

During the quarter under review, the Group achieved double-digit revenue expansion led by South-East Asia (up 23.2%), South Asia (up 16.3%) and Ukraine, Kazakhstan and CIS (up 10.3%), while sales from its Russia and Others segments registered upticks of 1.8% and 7.4% respectively.

The revenue increase from Food Empire’s South-East Asia segment was mainly due to Vietnam, which has emerged as the Group’s fastest growing market. In 3Q2024, Vietnam’s strong performance continued to reflect the success of the Group’s intense marketing efforts across all channels including

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more brand-sponsored giveaways-with-purchase that led to robust sales and increased brand awareness. At the same time, the Group had strengthened its Vietnam sales force and extended coverage of its products to more geographical areas, increasing accessibility for consumers.

The South-East Asia segment's performance was further boosted by improved revenue from Malaysia, which recorded higher sales volumes of snacks and non-dairy creamer due to strong demand from customers in key markets.

Revenue from the Group's South Asia segment was also up mainly due to increased sales volumes and higher pricing in line with higher coffee prices.

Revenue from the Group's Ukraine, Kazakhstan and CIS segments was up in 3Q2024 mainly due to higher revenue from Kazakhstan as a result of new revenue contribution from Tea House LLP, which became a subsidiary of the Group in May 2024.

The Group's Russia market recorded a modest increase in revenue in 3Q2024 despite ongoing market challenges. Meanwhile, the Group's Others segments also achieved higher revenue mainly due to higher contribution from the Africa market.

For 9M2024, the Group's revenue was up 12.8% to US\$344.3 million reflecting strong sales from its South-East Asia, South Asia and Ukraine, Kazakhstan and CIS segments and partially offset by lower revenue from its Russia and Others segments.

### **Corporate developments**

Food Empire made two significant announcements in 3Q2024 that were in line with its stronger strategic focus on Asia, which the Group has identified as a key region to drive future business growth.

In August 2024, Food Empire announced it would receive a capital injection of US\$40.0 million through a strategic partnership with Ikhlas Capital to develop and expand its fastest growing South-East Asia and South Asia segments. The partnership will enable the Group to leverage Ikhlas Capital's strong regional network and both parties will work together to develop a long-term strategy with the aim of value creation for all stakeholders.

In September 2024, Food Empire announced its intention to invest US\$80.0 million (including working capital) in a new freeze-dried soluble coffee manufacturing facility in Vietnam. This is part of the Group's ongoing diversification strategy to grow its ingredients business, which currently comprise two facilities in India that manufacture spray and freeze-dried soluble coffee, as well as a non-dairy creamer manufacturing facility in Malaysia. When completed in early 2028, the new Vietnam facility will solidify Food Empire's position as one of Asia's major players in freeze-dried soluble coffee.

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Other previously announced projects that reflect the Group's stronger strategic focus on Asia including its first coffee-mix production facility in Kazakhstan, which is expected to be ready by the end of 2025 and will support its business in Central Asia; and a new snack factory located next to its existing one in Malaysia, which is expected to increase production capacity for its snack business from 2025.

### **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 is closely monitoring the macroeconomic environment and geopolitical events for challenges that may potentially impact its business in the short term. In the longer term, the Group has put in place strategic growth plans in some of its fastest growing segments. It is optimistic that these initiatives, underpinned by continuous investments in brand-building activities, product innovation and new product launches, will support sustainable and quality business growth for the Group. The Group will continue to conduct periodic reviews and adjust its sales and pricing strategies to mitigate rising raw material costs.

**Food Empire, Group Chief Executive Officer, Mr Sudeep Nair**, said: *"We believe Food Empire is well-positioned for future expansion in Asia where there is healthy economic growth, balancing some of the geopolitical challenges from our more traditional markets in Eastern Europe. Our diversification into ingredients manufacturing provides greater stability and control over the supply chain, while our investments in production capacity expansion for our own-brand products enable us to support increasing demand from key markets."*

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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.*

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

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 soluble coffee, as well as non-dairy creamer.

Food Empire owns a family of proprietary brands – including MacCoffee, CaféPHŎ, Petrovskaya Sloboda, Klassno, Hillway, and Kracks. MacCoffee – the Group’s flagship brand – has been consistently ranked as the leading 3-in-1 soluble 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 CaféPHŎ 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](http://www.foodempire.com)

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***Issued by August Consulting on behalf of Food Empire Holdings Limited***

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