



Monde Nissin reports record third quarter revenue and APAC BFB gross margin improvement of 520 bps year-on-year

- **Consolidated comparable revenue increased by 17.8% year-on-year in the third quarter.**
 - **Asia-Pacific Branded Food & Beverage (APAC BFB) third quarter revenue increased by 24.0% year-on-year on a comparable basis, driven by strong growth in noodles and other categories, with all-time high volume for noodles, resulting in a 14.5% growth for the first nine months. Revenue growth was 8.2% quarter-over-quarter.**
 - **Meat Alternatives increased its market share in the UK from 31.7% a year ago to 33.0% in Q3; however, third quarter revenue declined by 4.2% on a reported basis and 9.5% on a constant currency basis driven by continued category headwinds.**
- **Core gross margin in the third quarter improved by 150 bps quarter-over-quarter and 300 bps year-on-year on a comparable basis to 32.2%; APAC BFB core gross margin improved by 200 bps quarter-over-quarter and 520 bps year-on year on a comparable basis due to pricing and lower commodity cost, offset by the decline in the Quorn gross margin.**
- **Quorn's Q3 EBITDA maintained at breakeven for the second consecutive quarter.**
- **Core net income attributable to shareholders in the third quarter increased by 41.1% to Php 2.2 bn year-over-year, due to the strong recovery of the APAC BFB business.**
- **Operating cash flow more than tripled from Php 2.3 bn in 9M22 to Php 7.3 bn in 9M23.**

MAKATI CITY, PHILIPPINES – November 8, 2023 – Monde Nissin Corporation (“Monde Nissin” or the “Company”; PSE stock symbol: MONDE) announced today its unaudited financial results for the first nine months ended September 30, 2023. Consolidated revenue in Q3 increased by 17.8% to Php 20.5 bn on a comparable basis, resulting in a growth of 10.5% for the first nine months.

Core gross profit in the third quarter grew by 30.0% to Php 6.6 bn, while core gross margin improved by 150 bps quarter-over-quarter and 300 bps year-on-year on a comparable basis to 32.2% due to pricing and lower commodity cost in the APAC BFB business.

Core net income attributable to shareholders for the third quarter increased by 41.1% to Php 2.2 bn due to the strong recovery of the APAC BFB. Reported net income in Q3 increased by 68.0% year-over-year to Php 2.3 bn.

Asia-Pacific Branded Food and Beverage (APAC BFB)

On a comparable basis, APAC BFB net sales for the third quarter increased by 24.0% to Php 16.9 bn. The domestic business grew 23.6% year-on-year and 8.9% quarter-over-quarter to Php 15.7 bn in the third quarter, reflecting strong growth in noodles and other categories, with noodles volume at a record high.

Core gross profit for the third quarter grew by 46.2% on a comparable basis to Php 5.8 bn. Core gross margin improved by 520 bps year-on-year and 200 bps sequentially due to lower commodity costs. Core EBITDA increased by 73.4% to Php 3.5 bn in Q3 compared to the same period last year, mainly driven by gross profit improvement.

Meat Alternative (Quorn Foods)

Meat Alternative revenue declined by 9.5% on a constant currency basis in the third quarter due to the continued category headwinds. On a reported basis, Q3 revenue declined by 4.2% to Php 3.6 bn. The UK declined by 9.5% on a constant currency basis in the third quarter due to the challenging retail market. The foodservice revenue grew by 1.3% on a reported basis.

Core gross profit for the third quarter declined by 26.6% to Php 826 mn, while the core gross margin declined by 700 bps to 22.9% due to lower volume. Core gross margin declined by 120 bps in Q3 compared to the previous quarter. Core EBITDA declined by 57.0% to Php 12 mn in the third quarter, maintaining EBITDA breakeven for the second consecutive quarter.

Note: Comparable year-on-year growth reflects the reclassification related to PFRS15.

| in Php mn | Q3 2022 Reported | Q3 2022 Comparable ¹ | Q3 2023 | Q3 2023 Comparable ¹ Growth |
|--|---------------------|------------------------------------|---------|--|
| Net sales | 17,725 | 17,356 | 20,453 | 17.8% |
| APAC BFB | 13,963 | 13,594 | 16,850 | 24.0% |
| Meat Alternative | 3,762 | 3,762 | 3,603 | -4.2% |
| Core gross profit | 5,437 | 5,068 | 6,591 | 30.0% |
| Core EBITDA | 2,073 | 2,073 | 3,557 | 71.6% |
| Core net income after tax | 1,550 | 1,550 | 2,186 | 41.0% |
| Core net income attributable to shareholders | 1,546 | 1,546 | 2,182 | 41.1% |

| in Php mn | 9M 2022 Reported | 9M 2022 Comparable ¹ | 9M 2023 | 9M 2023 Comparable ¹ Growth |
|--|---------------------|------------------------------------|---------|--|
| Net sales | 54,897 | 53,992 | 59,646 | 10.5% |
| APAC BFB | 43,673 | 42,768 | 48,950 | 14.5% |
| Meat Alternative | 11,224 | 11,224 | 10,696 | -4.7% |
| Core gross profit | 18,208 | 17,303 | 18,559 | 7.3% |
| Core EBITDA | 8,836 | 8,836 | 10,020 | 13.4% |
| Core net income after tax | 5,636 | 5,636 | 5,699 | 1.1% |
| Core net income attributable to shareholders | 5,627 | 5,627 | 5,689 | 1.1% |

¹ Comparable year-on-year growth reflects the reclassification related to PFRS15.

Monde Nissin's financial position remains strong with Php 13.0 bn in cash and cash equivalents and stable net debt-to-equity ratio of 0.22. Outstanding debt was at Php 4.8 bn as of September 30, 2023. Operating cash flow was at Php 7.3 bn for the first nine months of 2023.

Concluding Comments

Henry Soesanto, Chief Executive Officer, commented, "The APAC BFB business saw strong topline growth both year over year and sequentially during the third quarter. This growth was aided by record volume in noodles. In addition to strong revenue growth, our gross margins continue to improve, and we expect further improvement in this current quarter."

Regarding the Meat Alternative business, Mr. Soesanto went on to say, "We continue to evaluate the situation while the category challenges persist. Without underplaying these challenges, I am encouraged that the major UK retailers tell us they remain committed to the category and that we are gaining market share. The previously implemented restructuring of our Meat Alternative

business has enabled us to maintain EBITDA breakeven for the second consecutive quarter. Looking ahead, while it is hard to predict volumes in the near-term, I am hopeful that generally lowering commodity prices will provide some respite from the cost inflation we have not yet passed on.”

MONDE NISSIN CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION****(Amounts in thousands, with Comparative Audited Figures as at December 31, 2022)**

| | September 30, 2023 (Unaudited) | December 31, 2022 (Audited) |
|--|-----------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Note 5) | P12,953,519 | P11,628,627 |
| Trade and other receivables (Notes 6 and 18) | 7,134,932 | 6,800,309 |
| Inventories (Note 7) | 10,516,891 | 10,878,570 |
| Current financial assets (Notes 18 and 20) | 1,865,026 | 1,756,101 |
| Prepayments and other current assets (Note 8) | 994,444 | 1,269,209 |
| Total Current Assets | 33,464,812 | 32,332,816 |
| Noncurrent Assets | | |
| Property, plant and equipment (Note 9) | 31,082,586 | 30,863,507 |
| Intangible assets (Note 10) | 14,836,586 | 14,482,905 |
| Investments in associates and joint ventures | 1,132,682 | 1,104,453 |
| Deferred tax assets - net (Note 19) | 789,088 | 867,912 |
| Financial assets at fair value through other comprehensive income (FVOCI) (Note 20) | 723,741 | - |
| Noncurrent receivables (Notes 18 and 20) | 500,000 | 662,300 |
| Other noncurrent assets (Note 11) | 1,016,319 | 978,480 |
| Total Noncurrent Assets | 50,081,002 | 48,959,557 |
| | P83,545,814 | P81,292,373 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accounts payable and other current liabilities (Notes 12 and 18) | P10,469,595 | P11,322,600 |
| Acceptances and trust receipts payable (Notes 7 and 20) | 1,912,086 | 2,362,301 |
| Current portion of loans payable (Note 13) | 1,177,376 | 269,758 |
| Income tax payable | 564,018 | 209,831 |
| Refund liabilities (Note 12) | 357,964 | 200,440 |
| Current portion of lease liabilities | 79,504 | 386,671 |
| Total Current Liabilities | 14,560,543 | 14,751,601 |
| Noncurrent Liabilities | | |
| Deferred tax liabilities - net (Note 19) | 4,059,619 | 4,319,733 |
| Loans payable (Note 13) | 3,665,047 | 6,983,256 |
| Lease liabilities | 2,612,928 | 2,423,496 |
| Pension liability | 588,717 | 506,430 |
| Other noncurrent liabilities | 37,156 | 36,673 |
| Total Noncurrent Liabilities | 10,963,467 | 14,269,588 |
| Total Liabilities | 25,524,010 | 29,021,189 |

(Forward)

| | September 30, 2023 (Unaudited) | December 31, 2022 (Audited) |
|--|--|--------------------------------|
| Equity | | |
| Capital stock (Note 14) | 8,984,306 | 8,984,306 |
| Additional paid-in capital (APIC) (Note 14) | 39,361,947 | 46,515,847 |
| Retained earnings (Deficit) (Note 14): | | |
| Appropriated | 211,452 | 5,211,452 |
| Unappropriated | 13,903,657 | (4,039,669) |
| Fair value reserve of financial assets at FVOCI | (440,197) | (235,130) |
| Remeasurement losses on pension liability | (210,805) | (210,805) |
| Equity reserve (Note 14) | (622,335) | (622,335) |
| Cumulative translation adjustments (Note 14) | (3,318,592) | (3,474,980) |
| Equity Attributable to Equity Holders of the Parent Company | 57,869,433 | 52,128,686 |
| Non-controlling Interests (Note 4) | 152,371 | 142,498 |
| Total Equity | 58,021,804 | 52,271,184 |
| | ₱83,545,814 | ₱81,292,373 |

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands, Except Earnings Per Share Value)

| | Quarters Ended | | Nine Months Ended | |
|---|--------------------|-------------|--------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| NET SALES (Note 15) | ₱20,453,299 | ₱17,681,805 | ₱59,645,897 | ₱54,854,068 |
| COST OF GOODS SOLD (Note 15) | 13,862,427 | 13,010,762 | 41,086,995 | 37,412,201 |
| GROSS PROFIT | 6,590,872 | 4,671,043 | 18,558,902 | 17,441,867 |
| SALES, GENERAL AND ADMINISTRATIVE EXPENSES | | | | |
| General and administrative expenses (Note 16) | 1,822,082 | 2,170,037 | 5,921,886 | 5,646,780 |
| Selling and distribution expenses (Note 16) | 1,973,626 | 2,153,231 | 5,451,215 | 6,068,371 |
| Provision for (reversal of) impairment loss on property, plant and equipment (Note 9) | 18,973 | 180,232 | (25,919) | 215,360 |
| | 3,814,681 | 4,503,500 | 11,347,182 | 11,930,511 |
| | 2,776,191 | 167,543 | 7,211,720 | 5,511,356 |
| OTHER INCOME (EXPENSES) | | | | |
| Foreign exchange gain - net (Note 4) | 181,634 | 310,339 | 298,993 | 719,023 |
| Market valuation gain on financial instruments at fair value through profit or loss (FVTPL) | 7,613 | 3,290 | 65,015 | 3,570 |
| Share in net earnings from associates and joint ventures | 26,971 | 8,629 | 28,229 | 17,868 |
| Miscellaneous income - net (Note 17) | (28,892) | 14,522 | 100,651 | 67,432 |
| | 187,326 | 336,780 | 492,888 | 807,893 |
| INCOME BEFORE FINANCE INCOME (EXPENSES) | 2,963,517 | 504,323 | 7,704,608 | 6,319,249 |
| FINANCE INCOME (EXPENSES) | | | | |
| Finance costs (Notes 13 and 17) | (149,587) | (86,168) | (464,799) | (297,850) |
| Finance income (Note 17) | 111,856 | 49,729 | 283,626 | 82,366 |
| Derivative gain (loss) (Note 20) | (2,572) | 1,307,038 | (4,522) | 1,307,038 |
| | (40,303) | 1,270,599 | (185,695) | 1,091,554 |
| INCOME BEFORE INCOME TAX | 2,923,214 | 1,774,922 | 7,518,913 | 7,410,803 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX | | | | |
| Current | 756,558 | 693,090 | 2,021,702 | 2,029,368 |
| Deferred | (103,169) | (292,101) | (302,088) | (244,882) |
| | 653,389 | 400,989 | 1,719,614 | 1,784,486 |
| NET INCOME | ₱2,269,825 | ₱1,373,933 | ₱5,799,299 | ₱5,626,317 |
| NET INCOME ATTRIBUTABLE TO: | | | | |
| Equity holders of the Parent Company | ₱2,303,647 | ₱1,369,544 | ₱5,789,426 | ₱5,616,888 |
| Non-controlling interests | 4,222 | 4,389 | 9,873 | 9,429 |
| | ₱2,307,869 | ₱1,373,933 | ₱5,799,299 | ₱5,626,317 |
| Earnings per Share (EPS) (Note 14) | | | | |
| Basic/diluted, income attributable to equity holders of the parent | ₱0.128 | ₱0.076 | ₱0.322 | ₱0.313 |

(Forward)

| | Nine Months Ended September | |
|---|-----------------------------|--------------------|
| | 30 | |
| | 2023 | 2022 |
| NET INCOME | ₱5,799,299 | ₱5,626,317 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| Other comprehensive income (loss) to be reclassified to profit and loss in subsequent periods: | | |
| Exchange gains (losses) on foreign currency translation (including effective portion of the net investment hedge) (Note 14) | 156,388 | (1,922,753) |
| Other comprehensive loss not to be reclassified to profit and loss in subsequent periods: | | |
| Loss on financial assets at FVOCI | (205,067) | – |
| | (48,679) | (1,922,753) |
| TOTAL COMPREHENSIVE INCOME | ₱5,750,620 | ₱3,703,564 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Parent Company | ₱5,740,747 | ₱3,694,135 |
| Non-controlling interests | 9,873 | 9,429 |
| | ₱5,750,620 | ₱3,703,564 |

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Amounts in Thousands, For the nine months ended September 30, 2023 and 2022)

| | 2023 (Unaudited) | 2022 (Unaudited) |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | ₱7,518,913 | ₱7,410,803 |
| Adjustments to reconcile income before income tax to net cash flows: | | |
| Depreciation and amortization (Notes 9, 10, 15, 16 and 17) | 2,092,443 | 2,519,744 |
| Finance costs (Notes 13 and 17) | 464,799 | 297,850 |
| Finance income (Note 17) | (283,626) | (82,366) |
| Movement in pension liability | 83,689 | (48,242) |
| Market valuation gain on financial instruments at FVTPL | (65,015) | (3,570) |
| Unrealized foreign exchange loss – net | (51,442) | (84,165) |
| Share in net earnings from associates and joint venture | (28,229) | (17,868) |
| Provision for (reversal of) impairment loss on property, plant and equipment (Note 9) | (25,919) | 215,360 |
| Gain on lease modification | (19,778) | – |
| Derivative (gain) loss (Note 20) | 4,522 | (1,307,038) |
| Gain on sale of property, plant and equipment | (2,524) | (4,226) |
| Working capital adjustments: | | |
| Decrease (increase) in: | | |
| Trade and other receivables | (402,524) | 7,343 |
| Inventories | 361,679 | (1,725,640) |
| Prepayments and other current assets | 274,765 | 507,840 |
| Increase (decrease) in: | | |
| Accounts payable and other current liabilities | (922,922) | (1,909,607) |
| Acceptance and trust receipts payable | (447,994) | (1,962,194) |
| Refund liabilities | 157,524 | 76,527 |
| Net cash generated from operations | 8,708,361 | 3,890,551 |
| Income tax paid | (1,667,515) | (1,622,341) |
| Interest received | 287,209 | 72,281 |
| Net cash flows from operating activities | 7,328,055 | 2,340,491 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to: | | |
| Current financial assets | (3,698,364) | (1,735,377) |
| Property, plant and equipment (Notes 9 and 21) | (1,951,245) | (3,339,708) |
| Financial assets at FVOCI (Note 20) | (928,808) | – |
| Intangible assets (Note 10) | (55,404) | (69,182) |
| Noncurrent receivables | – | (3,671) |
| Investment in associates and joint venture | – | (30,000) |
| Decrease (increase) in other noncurrent assets | (15,967) | 220,548 |
| Proceeds from: | | |
| Termination of current financial assets | 3,838,739 | – |
| Sale of property, plant and equipment (Note 9) | 33,653 | 17,839 |
| Net cash used in investing activities | (2,777,396) | (4,939,551) |

(Forward)

| | 2023 (Unaudited) | 2022 (Unaudited) |
|---|---------------------|---------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from (payments for): | | |
| Payment of loans (Note 13) | (3,540,811) | (8,505,728) |
| Availment of loans (Note 13) | 900,346 | 8,840,587 |
| Interest | (317,906) | (74,163) |
| Principal portion of lease liabilities | (275,109) | (198,337) |
| Derivatives (Note 20) | (4,522) | 920,506 |
| Increase in other noncurrent liabilities | 483 | 14,757 |
| Net cash used in (from) financing activities | (3,237,519) | 997,622 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,313,140 | (1,601,438) |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | 11,752 | 96,438 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 11,628,627 | 13,856,814 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | ₱12,953,519 | ₱12,351,814 |

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

About Monde Nissin

Monde Nissin Corporation is a global food and beverages company headquartered in the Philippines, with a portfolio of iconic and market leading brands across fast-growing categories, including Lucky Me! noodles, SkyFlakes crackers, Fita crackers, Monde baked goods and Quorn meat alternative products. The Company aspires to improve the well-being of people and the planet, and create sustainable solutions for food security. That aspiration is reflected in our commitment to continuously improve our products to make them more delicious, nutritious, and better for the planet. For more information, please visit www.mondenissin.com.

About Quorn

Quorn Foods is a global market leader in healthy, sustainable protein. Headquartered in Stokesley, North Yorkshire in the United Kingdom, the company offers a wide range of great-tasting products to appeal to the rapidly expanding group of people wanting to reduce their meat consumption. The company employs around 900 people and exports to 15 countries around the world, including Australia, Singapore and the United States. Quorn® is one of the United Kingdom's top 40 FMCG brands. Quorn Foods is the reporting group which includes a main trading company, Marlow Foods Ltd. Quorn Foods encompasses all international operations of Quorn® and Cauldron®. For more information, please visit www.quorn.com.

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Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: MONDE's brands not meeting consumer preferences; MONDE's ability to innovate and remain competitive; MONDE's investment choices in its portfolio management; the effect of climate change on MONDE's business; MONDE's ability to find sustainable solutions to its packaging materials; significant changes or deterioration in customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain and distribution; increases or volatility in the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; execution of acquisitions, divestitures and business transformation projects; economic, social and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters. A number of these risks have increased because of the current Covid-19 pandemic.

These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, MONDE expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in MONDE's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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