



Monde Nissin

Monde Nissin reports FY 2023 all-time high core profit for APAC BFB business and announces dividend

- Record consolidated revenue for the full year 2023 grew by 9.2%, driven by broad-based APAC BFB volume growth, offsetting softness in the Meat Alternative business.
- Consolidated comparable revenue increased by 5.2% year-on-year in the fourth quarter.
 - Asia-Pacific Branded Food & Beverage (APAC BFB) fourth quarter revenue increased by 7.7% year-on-year on a comparable basis, driven by volume growth across all categories.
 - Meat Alternative fourth quarter revenue declined by 6.3% on a comparable and constant currency basis, driven by continued category headwinds.
- Core gross margin in the fourth quarter improved 232 bps year-on-year on a comparable basis from 29.0% to 31.3%, driven by APAC BFB core gross margin improvement of 416 bps year-on-year on a comparable basis due to pricing and lower commodity costs, offset by the decline in the Quorn gross margin.
- Core net income attributable to shareholders in the fourth quarter increased by 101.1% to Php 1.9 bn year-on-year and 15.7% to Php 7.6 bn for the full year due to the record core net income of APAC BFB of Php 8.6 bn for the full year. Reported net loss for the year was Php 625 mn, mainly due to a non-cash, non-operating impairment of assets in the Meat Alternative business of Php 10.1 bn after-tax, partly offset by Php 1.3 bn of Guaranty Asset Gain.
- The listed company's retained earnings of Php 7.0 bn as of December 31, 2023 were minimally impacted due to the protection provided by the family guaranty asset.
- Cash flow from operations for the year of Php 13.3 bn, along with the previously announced financial support provided by controlling family shareholders for the Meat Alternative business, enabled the board of directors to declare from the unrestricted earnings as of December 31, 2023 a dividend of Php 0.12 per common share yesterday with a record date of May 10 and a payment date of June 5, 2024.

MAKATI CITY, PHILIPPINES – April 11, 2024 – Monde Nissin Corporation (“Monde Nissin” or the “Company”; PSE stock symbol: MONDE) announced today its unaudited financial results for the full year ended December 31, 2023. Consolidated revenue in Q4 increased by 5.2% to Php 20.9 bn on a comparable basis, largely driven by volume growth in APAC BFB categories, resulting in a growth of 9.2% for the full year.

Core gross profit in the fourth quarter grew by 13.6% to Php 6.6 bn, while core gross margin improved by 232 bps year-on-year on a comparable basis to 31.3% due to pricing and lower commodity costs in the APAC BFB business, offset by the decline in Quorn gross margin.

Core net income attributable to shareholders for the fourth quarter increased by 101.1% to Php 1.9 bn due to the strong performance of the APAC BFB business, resulting in a 15.7% growth to Php 7.6 bn for the full year. The reported net loss for the full year was Php 625 mn, mainly due to a non-cash, non-operating impairment of assets in the Meat Alternative business of Php 10.1 bn after-tax, partly offset by Php 1.3 bn of Guaranty Asset Gain.

Asia-Pacific Branded Food and Beverage (APAC BFB)

On a comparable basis, APAC BFB net sales for the fourth quarter increased by 7.7% to Php 17.0 bn. The domestic business grew 6.8% year-on-year and 1.2% quarter-over-quarter to Php 15.9 bn in the fourth quarter, reflecting volume growth across all categories. The resulting APAC BFB sales for the full year grew by 12.6% to Php 65.9 bn.

Core gross profit for the fourth quarter grew by 22.7% on a comparable basis to Php 5.8 bn. Core gross margin improved by 416 bps year-on-year due to pricing and lower commodity costs. Core EBITDA increased by 55.6% to Php 3.4 bn in Q4 compared to the same period last year due to the management of operating expenses, bringing core EBITDA for the full year to Php 13.5 bn.

Meat Alternative (Quorn Foods)

Meat Alternative revenue declined by 6.3% to Php 3.9 bn on a comparable and constant currency basis in the fourth quarter due to the continued category headwinds. On a reported basis, Q4 revenue declined by 15.2% to Php 3.5 bn. The UK declined by 6.5% on a comparable and constant currency basis in the fourth quarter due to the challenging retail market. The foodservice revenue grew by 5.5% on a comparable basis in Q4.

Core gross profit for the fourth quarter declined by 27.1% to Php 763 mn on a comparable basis, while the core gross margin declined by 610 bps to 19.5% due to lower volume. Core gross margin declined by 65 bps in Q4 compared to the previous quarter. Core EBITDA was positive in the fourth quarter at Php 90 mn, down 38.6% year-on-year, resulting in EBITDA breakeven for the full year.

Note: Comparable year-on-year growth reflects the reclassification related to IFRS15. These adjustments were completed in 2022 for APAC BFB and 2023 for the Meat Alternative Business.

in Php mn	Q4 2022 Reported	Q4 2023 Reported	Q4 2022 Comparable ¹	Q4 2023 Comparable ¹	Q4 2023 Comparable ¹ Growth
Net sales	19,403	20,524	19,870	20,908	5.2%
APAC BFB	14,887	16,992	15,782	16,992	7.7%
Meat Alternative	4,166	3,532	4,088	3,916	-4.2%
Core gross profit	4,940	6,169	5,767	6,553	13.6%
APAC BFB	3,815	5,790	4,720	5,790	22.7%
Meat Alternative	1,125	379	1,047	763	-27.1%
Core EBITDA	2,350	3,520	2,350	3,520	49.8%
APAC BFB	2,204	3,430	2,204	3,430	55.6%
Meat Alternative	146	90	146	90	-38.6%
Core net income after tax	955	1,927	955	1,927	101.8%
APAC BFB	1,051	2,134	1,051	2,134	103.0%
Meat Alternative	(96)	(207)	(96)	(207)	N/M
Core net income attributable to shareholders	958	1,927	958	1,927	101.1%
APAC BFB	1,054	2,134	1,054	2,134	102.5%
Meat Alternative	(96)	(207)	(96)	(207)	N/M

in Php mn	FY 2022 Reported	FY 2023 Reported	FY 2022 Comparable ¹	FY 2023 Comparable ¹	FY 2023 Comparable ¹ Growth
Net sales	73,940	80,170	73,415	80,170	9.2%
APAC BFB	58,550	65,942	58,550	65,942	12.6%
Meat Alternative	15,390	14,228	14,865	14,228	-4.3%
Core gross profit	23,148	24,728	22,623	24,728	9.3%
APAC BFB	18,152	21,715	18,152	21,715	19.6%
Meat Alternative	4,996	3,013	4,471	3,013	-32.6%
Core EBITDA	11,186	13,540	11,186	13,540	21.0%
APAC BFB	10,568	13,544	10,568	13,544	28.2%
Meat Alternative	618	(4)	618	(4)	N/M
Core net income after tax	6,591	7,626	6,591	7,626	15.7%
APAC BFB	6,863	8,592	6,863	8,592	25.2%
Meat Alternative	(272)	(966)	(272)	(966)	N/M
Core net income attributable to shareholders	6,585	7,616	6,585	7,616	15.7%
APAC BFB	6,857	8,582	6,857	8,582	25.2%
Meat Alternative	(272)	(966)	(272)	(966)	N/M

¹ Comparable year-on-year growth reflects the reclassification related to IFRS15. These adjustments were completed in 2022 for APAC BFB and 2023 for the Meat Alternative Business.

Monde Nissin's financial position remains strong with Php 16.7 bn in cash and cash equivalents and a stable net debt-to-equity ratio of 0.15. The outstanding debt was at Php 4.9 bn as of December 31, 2023. Operating cash flow was at Php 13.3 bn for the full year 2023.

Concluding Comments

Henry Soesanto, Chief Executive Officer, commented, "The APAC BFB business saw strong topline growth and profitability, driving record revenues and translating into strong operating cash flows. This growth was aided by both volume and price across all our categories. Our strong APAC BFB performance is allowing us to announce another dividend with payment coming this June, representing a total return of capital to investors of over Php 4 bn from the January and upcoming June 2024 dividends. During the first quarter, we expect low single-digit revenue growth, partly due to the timing of the Holy Week holiday in the Philippines, and a robust gross margin improvement of more than 600 bps year-over-year and more than 300 bps sequentially."

Turning to the Meat Alternative business, Mr. Soesanto went on to say, "For Meat Alternatives, we continue to face a challenging environment, which necessitated us incurring a further impairment of Php 10.1 bn after-tax this year, which was largely offset by the previously announced financial support offered by Monde Nissin's controlling family shareholders, such that retained earnings were minimally impacted at the level of the listed parent company. The impairment was due to a higher Weighted Average Cost of Capital ("WACC") and a tempered EBITDA cash flow forecast. We believe a continued focus on cost reduction and improving efficiencies, aided by better trends in input costs, will reduce the risks of further substantial impairments. Despite these continued category headwinds, our foodservice business continues to perform well, showing 6.0% revenue growth for the year. We expect a high single-digit revenue decline and approximately EBITDA breakeven for the first quarter. Our input costs continue to improve, and we expect this to be reflected in our margins as the year progresses."

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱16,678,888	₱11,628,627
Trade and other receivables (Note 6)	6,410,138	6,800,309
Inventories (Note 7)	9,186,527	10,878,570
Current financial assets (Notes 9 and 23)	2,714,363	1,756,101
Prepayments and other current assets (Note 8)	1,099,674	1,269,209
Total Current Assets	36,089,590	32,332,816
Noncurrent Assets		
Property, plant and equipment (Note 12)	25,155,720	30,863,507
Guaranty asset (Notes 10 and 18)	10,432,256	-
Intangible assets (Note 13)	8,812,834	14,482,905
Investments in associates and joint ventures (Note 11)	1,125,054	1,104,453
Deferred tax assets - net (Note 24)	936,965	867,912
Financial assets at fair value through other comprehensive income (FVOCI; Note 10)	600,701	-
Noncurrent receivables (Notes 9 and 23)	-	662,300
Other noncurrent assets (Note 14)	941,539	978,480
Total Noncurrent Assets	48,005,069	48,959,557
	₱84,094,659	₱81,292,373
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	₱11,684,310	₱11,322,600
Dividends payable (Note 18)	2,156,233	-
Acceptances and trust receipts payable (Notes 7 and 16)	1,607,336	2,362,301
Current portion of loans payable (Note 17)	1,200,251	269,758
Refund liabilities (Note 15)	406,677	200,440
Current portion of lease liabilities (Note 25)	89,121	386,671
Income tax payable	590,874	209,831
Total Current Liabilities	17,734,802	14,751,601
Noncurrent Liabilities		
Loans payable (Note 17)	3,733,776	6,983,256
Lease liabilities (Note 25)	2,593,746	2,423,496
Pension liability (Note 22)	1,007,247	506,430
Deferred tax liabilities - net (Note 24)	381,737	4,319,733
Derivative liability (Note 26)	106,406	-
Other noncurrent liabilities	38,557	36,673
Total Noncurrent Liabilities	7,861,469	14,269,588
Total Liabilities	25,596,271	29,021,189
Equity		
Capital stock (Note 18)	8,984,306	8,984,306
Additional paid-in capital (Note 18)	39,361,947	46,515,847
Retained earnings (Deficit) (Note 18):		
Appropriated	211,452	5,211,452
Unappropriated	5,321,590	(4,039,669)
Fair value reserve of financial assets at FVOCI (Note 10)	(563,237)	(235,130)
Remeasurement losses on pension liability (Note 22)	(525,874)	(210,805)
Equity reserve (Notes 18 and 26)	8,491,788	(622,335)
Cumulative translation adjustments (Note 18)	(2,893,488)	(3,474,980)
Equity Attributable to Equity Holders of the Parent Company	58,388,484	52,128,686
Non-controlling Interests (Note 4)	109,904	142,498
Total Equity	58,498,388	52,271,184
	₱84,094,659	₱81,292,373

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31		
	2023	2022	2021
NET SALES (Note 19)	₱80,169,467	₱73,880,709	₱69,284,188
COST OF GOODS SOLD (Notes 7 and 19)	55,441,703	50,920,755	43,692,769
GROSS PROFIT	24,727,764	22,959,954	25,591,419
SALES, GENERAL AND ADMINISTRATIVE EXPENSES			
Impairment loss - net (Notes 11, 12, 13, and 20)	13,271,654	21,373,638	223,061
General and administrative expenses (Note 20)	7,775,036	7,587,747	7,619,360
Selling and distribution expenses (Note 20)	7,037,765	7,496,354	8,343,995
	28,084,455	36,457,739	16,186,416
	(3,356,691)	(13,497,785)	9,405,003
OTHER INCOME (EXPENSES)			
Fair value gain on:			
Guaranty asset (Note 26)	1,301,750	-	-
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	92,600	22,380	12,543
Foreign exchange gains - net (Notes 4 and 17)	80,406	422,117	410,402
Share in net earnings (losses) of associates and joint ventures (Note 11)	35,552	(12,608)	36,367
Dividend income (Note 10)	22,147	-	-
Miscellaneous income (Notes 6, 9 and 21)	209,518	141,871	283,820
	1,741,973	573,760	743,132
INCOME (LOSS) BEFORE FINANCE INCOME (EXPENSES)	(1,614,718)	(12,924,025)	10,148,135
FINANCE INCOME (EXPENSES)			
Finance costs (Note 21)	(681,359)	(416,525)	(1,568,821)
Finance income (Note 21)	428,114	148,596	82,971
Derivative gain (loss) (Note 26)	20,833	1,306,391	(2,258,075)
Loss on convertible note redemption (Note 17)	-	-	(1,579,324)
	(232,412)	1,038,462	(5,323,249)
INCOME (LOSS) BEFORE INCOME TAX	(1,847,130)	(11,885,563)	4,824,886
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	2,801,172	2,428,492	392,588
Deferred	(4,021,724)	(1,299,539)	1,187,173
	(1,220,552)	1,128,953	1,579,761
NET INCOME (LOSS)	(₱626,578)	(₱13,014,516)	₱3,245,125

(Forward)

	Years Ended December 31		
	2023	2022	2021
NET INCOME (LOSS)	(P626,578)	(P13,014,516)	P3,245,125
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) (Notes 18 and 26)	581,492	(691,727)	1,583,531
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:			
Loss on financial assets at FVOCI (Note 10)	(328,107)	-	-
Remeasurement gain (loss) on defined benefit plans (Note 22)	(414,960)	126,789	(337)
Income tax effect	99,806	(48,321)	963
Other comprehensive income (loss) - net of tax	(61,769)	(613,259)	1,584,157
TOTAL COMPREHENSIVE INCOME (LOSS)	(P688,347)	(P13,627,775)	P4,829,282
Net income (loss) attributable to:			
Equity holders of the Parent Company	(P636,408)	(P13,020,512)	P3,115,032
Non-controlling interests	9,830	5,996	130,093
	(P626,578)	(P13,014,516)	P3,245,125
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	(P698,092)	(P13,633,781)	P4,699,189
Non-controlling interests	9,745	6,006	130,093
	(P688,347)	(P13,627,775)	P4,829,282
Earnings (loss) per Share (EPS) (Note 18)			
Basic/diluted income (loss) attributable to equity holders of the parent	(P0.04)	(P0.72)	P0.19

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	(P1,847,130)	(P11,885,563)	P4,824,886
Adjustments to reconcile income (loss) before income tax to net cash flows:			
Impairment loss - net (Notes 11, 12, 13 and 20)	13,271,654	21,373,638	223,061
Depreciation and amortization (Notes 12, 13, 19 and 20)	2,771,966	2,713,662	2,470,872
Fair value gain on guaranty asset (Note 26)	(1,301,750)	-	-
Finance costs (Notes 16, 17, 21 and 25)	681,359	416,525	1,568,821
Finance income (Notes 5, 9 and 21)	(428,114)	(148,596)	(82,971)
Fair value gain on financial assets at FVTPL (Note 9)	(92,600)	(22,380)	(12,543)
Movement in pension liability (Notes 19, 20 and 22)	85,874	(17,236)	168,126
Unrealized foreign exchange loss (gain) - net	(38,535)	14,382	(155,593)
Share in net losses (gain) of associates and joint venture (Note 11)	(35,552)	12,608	(36,367)
Gain on sale of property, plant and equipment (Note 12)	(26,116)	(18,484)	(2,292)
Derivative loss (gain) (Note 26)	(20,833)	(1,306,391)	2,258,075
Loss on convertible note redemption (Note 17)	-	-	1,579,324
Gain on lease modification	-	-	(2,704)
Working capital adjustments:			
Decrease (increase) in:			
Inventories	1,692,043	(2,306,207)	(2,499,360)
Trade and other receivables	464,583	(430,511)	109,848
Prepayments and other current assets	169,535	499,948	(796,904)
Increase (decrease) in:			
Acceptance and trust receipts payable	(723,774)	(1,429,685)	3,098,092
Accounts payable and other current liabilities	470,318	355,342	1,192,182
Refund liabilities	206,237	(103,438)	24,182
Net cash generated from operations	15,299,165	7,717,614	13,928,735
Income tax paid	(2,420,129)	(2,356,503)	(537,143)
Interest received	412,209	122,223	82,844
Net cash flows from operating activities	13,291,245	5,483,334	13,474,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Current financial assets (Note 9)	(3,871,363)	(2,586,197)	(7,401,000)
Property, plant and equipment (Notes 12 and 28)	(3,641,270)	(4,432,230)	(5,216,267)
Financial assets at FVOCI (Note 10)	(928,808)	-	-
Intangible assets (Note 13)	(81,130)	(75,901)	(113,459)
Investment in associates and joint venture (Note 11)	-	(49,600)	(60,000)
Proceeds from:			
Disposal of current financial assets (Note 9)	3,672,926	851,995	7,412,542
Sale of property, plant and equipment (Note 12)	45,057	31,250	5,572
Decrease (increase) in other noncurrent assets	40,531	193,002	(108,130)
Acquisition of non-controlling interest (Note 4)	(32,292)	-	(1,822,500)
Dividends from an associate (Note 11)	14,951	25,485	26,348
Acquisition of a subsidiary, net of cash acquired (Note 4)	-	-	(194,247)
Net cash flows used in investing activities	(4,781,398)	(6,042,196)	(7,471,141)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments for):			
Payment of loans (Note 17)	(P3,623,216)	(P8,758,046)	(P23,115,381)
Availment of loans (Note 17)	917,838	9,036,880	-
Interest	(452,509)	(127,045)	(1,437,102)
Principal portion of lease liabilities (Note 25)	(332,604)	(255,410)	(276,715)
Derivatives	20,833	919,859	-
Cash dividends (Note 18)	-	(2,516,621)	(10,061,392)
Convertible note (Note 17)	-	-	(13,351,935)
Issuance of capital stock, net of transaction cost (Note 18)	-	-	48,930,153
Increase (decrease) in other noncurrent liabilities	1,884	16,248	(1,801)
Net cash flow from (used in) financing activities	(3,467,774)	(1,684,135)	685,827
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,042,073	(2,242,997)	6,689,122
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,188	14,810	74,677
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,628,627	13,856,814	7,093,015
CASH AND CASH EQUIVALENTS AT END OF YEAR	P16,678,888	P11,628,627	P13,856,814

See accompanying Notes to 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.

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