

FOR IMMEDIATE RELEASE

JB Foods Posts 394.6% year-on-year surge in PBT

- *EBITDA and profit before tax increase by 195.2% and 394.6% respectively in 4Q2017*
- *Positive operating cashflows of USD23.1 million in 12M2017, growth of 79.3%*
- *Healthy net gearing at 0.75 times as at 31 December 2017*

Financial Highlights for 4Q2017

USD'000	4Q2017	4Q2016	+ / (-) %	12M2017	12M2016	+ / (-) %
Revenue	75,493	80,969	(6.8)	295,626	300,564	(1.6)
EBITDA	10,307	3,491	195.2	24,084	11,248	114.1
PBT	8,477	1,714	394.6	16,911	4,386	285.6

Business Performance

SINGAPORE, 28 February 2018 – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiaries, the “**Group**”), is pleased to announce an earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of USD10.3 million, , a profit before tax (“**PBT**”) of USD8.5 million for the fourth quarter ended 31 December 2017 (“**4Q2017**”) respectively. For the full year ended 31 December 2017 (“**12M2017**”), the Group registers an EBITDA of USD24.1 million and PBT of USD16.9 million respectively mainly due to strong customer demand and improvements in processing margin.

The Group’s revenue decreased by 6.8% in 4Q2017 year-on-year, mainly due to the lower average selling price to the Group’s customers arising from lower cocoa bean prices and partially offset by the higher shipment volume due to strong customer demand.

Mr Tey How Keong, Chief Executive Officer of JB Foods said, “Our Group continue to deliver another strong set of profitable growth of 395%, year-on-year increase in PBT from USD1.7million to USD8.4million in 4Q2017, arising mainly from strong customer demand and improvements in processing margin. The chocolate consumption demand is expected to remain good in 2018 and I am confident in the Group’s long-term growth prospect.”

Dividend

The Group has declared an interim dividend of 2.00 Singapore cents per share for the third quarter results ended 30 September 2017 based on book closure date as at 26 January 2018, and this dividend will be paid out to shareholders on 1 March 2018.

Financial Position

As at 31 December 2017, the Group maintained a robust balance sheet with shareholders’ equity at USD84.1 million. Net gearing as at 31 December 2017 improved to 0.75 times from 1.28 time as at 31 December 2016. For 12M2017, the Group generated EBITDA of USD24.1 million compared to USD11.2 million in 12M2016, and positive operating cash flows of USD42.5 million compared to negative operating cash flows of USD6.8 million in 12M2016.

Market Outlook

The Group expects the current positive business sentiments and good demand for cocoa ingredients to continue in 2018. The high volatility in cocoa bean markets and potential interest rate hike heighten global economic uncertainties. This may negatively impact cocoa and chocolate consumption and pose potential headwinds to the Group’s business. The Group will continue to adopt conservative and prudent measures and strategies, and remains confident in its long-term growth prospects.

About JB Foods Limited

Established since the 1980s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a production capacity of 145,000 tonnes of cocoa bean equivalent per year. We are principally engaged in the production and sale of cocoa ingredient products, namely cocoa butter, cocoa powder, cocoa liquor and cocoa cake, which are used to produce chocolate, chocolate confectionary, as well as cocoa-related food and beverages. Our products are sold primarily under the “JBCOCHA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.
