

FOR IMMEDIATE RELEASE**JB Foods' EBITDA improves 2.8% to US\$31.5 million for 9M2019
year-on-year**

- Revenue increased 5.2% to US\$246.3 million supported by strong customer demand
- Positive operating cashflows rose by 7.4% to USD32.5 million for 9M2019

Singapore, 12 November 2019 - JB Foods Limited. ("JB Foods" or the "Company", and together with its subsidiaries, the "Group"), a major cocoa ingredients producer, is pleased to announce that the Group has registered a net profit of US\$19.1 million for the 9 months ended 30 September 2019 ("9M2019").

Financial Highlights

USD'000	9M2019	9M2018	+ / (-) %
Revenue	246,339	234,199	5.2
EBITDA	31,527	30,683	2.8

Revenue for 9M2019 was US\$246.3 million, an increase of 5.2% compared with the US\$234.2 million revenue recorded for 9M2018 supported by higher shipment volume for cocoa ingredients. In line with the increase in the shipment volume, the Group recorded an EBITDA of US\$31.5 million for 9M2019, an increase of 2.8% as compared with the US\$30.7 million recorded for 9M2018.

The Group registered an increase in administrative expenses of US\$1.8 million to US\$7.2 million for 9M2019 as compared to US\$5.4 million for 9M2018. This is attributable to under accruals for performance bonuses in prior periods, an increase in the Group's middle management headcount and payroll costs, and an increase in the Group's depreciation. Finance costs increased by US\$1.6 million or 86.4% from US\$1.9 million for 9M2018 to US\$3.5 million for 9M2019, mainly due to higher trade bills utilisation arising from the higher inventories maintained in 9M2019 following a processing capacity expansion in April 2019.

Income tax expense increased by USD1.6 million or 54.7% from US\$2.9 million for 9M2018 to US\$4.6 million for 9M2019, mainly due to higher income tax and deferred tax provision for 9M2019.

In line with the expansion of our bean processing capacity in third quarter, the Group has increased its inventory level to meet the higher customer demand, and thus registered a net cash outflow of US\$58.8 million from operating activities as additional working capital was incurred.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, **“Ivory Coast and Ghana, who together account for more than 60% of global cocoa production has introduced a Living Income Differential of US\$400 per metric tonne in July 2019 on the cocoa bean sales for the 2020/21 season. This move aims to improve the income and livelihood of farmers and to encourage crops production. In the short-term, it is causing uncertainties on pricing structure in the industry. We will continue to keep a close watch on the developments in the industry and take prudent measures in our pricing strategy.”**

Outlook

Global economic uncertainties from trade tensions continue to be a business concern and may pose as a potential headwind to the Group. However, the long-term growth prospects on the global cocoa consumption is expected to remain strong. Over the years, cocoa demand has been on the rise due to growing affluence coupled with increasing popularity of cocoa flavour and ingredients in the food and beverage sector.

About JB Foods Limited

Established since the 2000s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a cocoa bean processing capacity of 180,000 tonnes 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 “JBCOCA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

For more information, kindly refer to www.jbcocoa.com

**Issued for and on behalf of JB Foods Limited.
By Financial PR**

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