

FOR IMMEDIATE RELEASE

JB Foods achieves Revenue of US\$595.8million, growth of 17% Y-on-Y

Financial Highlights

	FY2023 (USD'000)	FY2022 (USD'000)	+ / (-) %
Revenue	595,786	509,630	16.9
Gross profit	40,322	48,149	(16.3)
Profit after tax	1,895	16,684	(88.6)

Singapore, 28 February 2024 – JB Foods Limited (“JB Foods” or the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that the Group has registered a revenue of US\$595.8 million for the financial year ended on 31 December 2023 (“FY2023”), fuelled by growth in demand for cocoa ingredients, which saw a marked increase in shipment volume and average selling prices as a result of the higher cocoa bean prices during the year.

The cost of sales increased by USD94.0million or 20.4% from USD461.5million to USD555.5million in FY2023, mainly due to increases in cocoa bean prices. There is a fair value mark-to-market loss of USD12.3million relating to hedging activities, which was recognised as at year end due to unprecedented sharp volatility in cocoa bean prices. Accordingly, the Group’s gross profit has decreased by USD7.8million or 16.3% from USD48.1million to USD40.3million.

The finance costs increased by USD8.8million or 131.9% from USD6.7million to USD15.5million, mainly due to an increase in the trade bills utilisation resulting from higher cocoa bean prices, higher financing interest rate, and additional financing costs incurred on the Sukuk and term loan to the construction-in-progress in the Ivory Coast factory. As a result of the above, the Group’s profit after tax decreased by USD14.8million from USD16.7million to USD1.8million.

New York Cocoa Price (USD/T)



(Year – 1959 to 2024)

(Source: tradingeconomics.com/commodity/cocoa)

JB Foods Chief Executive Officer Mr Tey How Keong said, “The shortage of the cocoa bean supply has contributed to a sharp spike in cocoa bean prices to an unprecedented historical high in February 2024. In the short-term, this may create a potential global cocoa bean supply crunch until crop production improves. We will manage and monitor closely the execution of the cocoa bean deliveries by our suppliers in a timely manner.”

Outlook

Going into the year 2024, the Group noted increasing volatility and sharp increases in cocoa bean prices on the back of a shortage in cocoa beans due to unfavourable weather conditions in West Africa. This coupled with the high interest rate environment and uncertainty in the global economic environment may pose potential headwinds to the Group.

The Group expects the year 2024 to be challenging due to the shortage in cocoa bean supply and the unprecedented sharp volatility of the cocoa bean prices, which may impact the Group’s processing margin and result in losses on the Group’s hedging activities. The Group will continue to closely monitor the developments in the industry and will respond accordingly in its pricing and growth strategy.

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About JB Foods Limited

Established since the 2000s, JB Foods Limited is a major cocoa ingredients producer with operations spanning Asia Pacific (China, Indonesia, Malaysia and Singapore), Europe, North America and West Africa, and a cocoa bean processing capacity of 180,000 tonnes per year. The JB Cocoa brand of cocoa ingredient products, namely cocoa mass, cocoa butter and cocoa powder, which are used to produce chocolate, chocolate confectionary as well as cocoa-related food and beverages, are produced and sold by JB Foods to worldwide customers ranging from international trade houses to end users.

For more information, visit www.jbcocoa.com