



Market share gains and strong export sales deliver first half revenue growth for Monde Nissin

- **Consolidated revenue growth of 1.2% to Php 33.8bn:**
 - **Revenues for Asia-Pacific Branded Food & Beverage (APAC BFB) businesses grew by 1.7%, mainly driven by 68.1% growth in the International business.**
 - **Revenues of Meat Alternative (Quorn Foods and Cauldron) businesses was stable.**
- **Core net income at ownership was Php 4.3bn, reported net income declined to Php 204mn reflecting non-core and non-recurring items mostly associated with the IPO.**
- **Market share gains in the Philippines reinforced market leadership – noodles up by 150 basis points, and biscuits by 80 basis points.**
- **Quorn Foods' 4th fermenter was commissioned in July and adds significant headroom capacity to support growth.**
- **Quorn Foods was awarded by KFC UK as New Product Development Supplier of the Year for 2021.**

MAKATI CITY, PHILIPPINES – August 12, 2021 – Monde Nissin Corporation (“Monde Nissin” or the “Company”; PSE stock symbol: MONDE) announced today that net sales in 1H 2021 reached Php 33.8bn, up 1.2% compared to same period last year. A balanced portfolio and increased APAC BFB international sales helped sustain the H1 2020 sales level.

Core EBITDA declined 14.5% to Php 7.2bn compared with the same period last year, primarily driven by increased investment in new product development and higher advertising and promotion spent for brand building. A substantial increase in gross margin at Quorn Foods was more than offset by a tapered gross margin for APAC BFB due to rising commodity costs.

Monde Nissin’s unaudited core net income at ownership declined by 12.9% to Php 4.3bn in the first half of 2021 compared to the same period last year. Unaudited reported net income declined to Php 204mn, which primarily includes non-core and non-recurring items such as price difference and interest on redemption of the Arran convertible notes at the IPO price of Php 13.50 per share, IPO-related expenses, and deferred tax liability adjustments reflecting revised corporate tax rules in the UK.

Asia-Pacific Branded Food and Beverage Business (APAC BFB)

APAC BFB sales increased by 1.7% to Php 26.2bn in the first half of 2021 versus last year. The increase was primarily driven by the international business, up 68.1% compared to same period last year. Domestic business declined by 1.3% as the growth in noodles was offset by decline in biscuits. Revenues in the first half of 2020 reflected the surge in relief orders from the Taal Volcano eruption in January and February as well as pantry stocking at the beginning of the COVID Pandemic.

Despite the marginal decline in revenues in the Philippines, market share gains were achieved in core product categories. For the 12 weeks to June 2021 versus year ago according to Nielsen: noodles were up 150 basis points to 69.9%, while biscuits gained 80 basis points to 31.1%.

Gross profit declined to Php 9.6bn in 1H 2021 from Php 10.3bn in 1H 2020, with margins contracting 3.4%, resulting from unfavorable sales mix and higher commodity input cost. Core EBITDA declined by 13.0% to Php 6.3bn from Php 7.3bn due to increased advertising, promotional, and selling costs compared to a weaker expense base last year. The benefit of price increases taken in June 2021 should ameliorate margin pressure in the second half of the year.

Meat Alternative (Quorn and Cauldron)

Net sales in the meat alternative business declined by 0.6% to Php 7.5bn versus the comparable 2020 period, reflecting softness across the U.K. and U.S. retail market. Retail sales were adversely impacted in the second quarter as a relaxation of COVID restrictions resulted in greater out-of-home consumption.

Gross profit reached Php 3.1bn, up 6.8% in 1H 2021 versus same period last year. Gross margin expanded by 2.9% to 40.9% in the first half of 2021 due to price increases taken in the U.S. and U.K. in late 2020 and early 2021, respectively. Core EBITDA decreased by 23.9% from Php 1.2bn to Php 886mn, primarily driven by increased investments in new product development, advertising, promotions for consumer marketing, and organizational development.

Henry Soesanto, Monde Nissin’s CEO, commented: “Our business proved resilient in the first half of the year achieving modest topline growth. We undertook some price increases in June to partly recover rising commodity input costs and continue to implement supply chain cost savings. We have achieved significant progress on several long-term growth initiatives, laying the foundation for growth in both our APAC BFB and Meat Alternative businesses”

Mr. Soesanto went on to say “These initiatives include adding needed production capacity in the Philippines and UK, commercialization of products aligned with our aspiration, increasing new product development, and expanding brand awareness activities. In our Meat Alternatives business, Quorn Foods introduced several new SKUs, five of which are in the top 10 UK retail new products in the meat alternative space. We are pleased with the progression of global QSR discussions and very happy for Quorn Foods to be recognized as the KFC UK NPD supplier of the year for 2021, highlighting our commitment to the QSR space.”

in Php mn		1H 2021 Revenue	Reported Growth
APAC BFB	Philippines	24,371	-1.3%
	International	1,868	68.1%
	Total APAC BFB	26,239	1.7%
Meat Alternative	United Kingdom	5,869	-0.4%
	United States	683	-3.7%
	Rest of the World	968	0.1%
	Total Meat Alternative	7,520	-0.6%
Group	Total Group	33,759	1.2%

in Php mn	1H 2020	1H 2021	Reported Growth
Net sales	33,359	33,759	1.2%
Gross profit	13,134	12,624	-3.9%
Core EBITDA	8,443	7,192	-14.8%
Core net income at ownership	4,884	4,254	-12.9%

Monde Nissin’s financial position remains strong with Php 31.3bn in cash and cash equivalents and an improved debt to equity ratio of 0.83. Outstanding debt was at Php 24.8bn in 1H 2021. Operating cash flow was at Php 5.2bn for the first half of 2021.

Outlook for the rest of the year

Mr. Soesanto concluded by saying “The price increases we took in the Philippines in June should partly alleviate the pressure on gross margins, but we must be mindful of the difficult circumstances our consumers are currently going through. The recently announced stringent quarantine in the National Capital Region and some other parts of the country will be difficult for many. Monde Nissin being a consumer-focused company, my main priority is to continue to earn their long-term support and trust through fair treatment and good value products. For Quorn Foods, I fully hope to see a much faster growth in the second half of the year. It’s too soon to talk of full year earnings guidance but I believe mid-single digit revenue growth for the full year should be possible.”

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED

STATEMENTS OF FINANCIAL POSITION

(with Comparative Audited Figures as at December 31, 2020)

	June 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱31,273,045,258	₱7,093,014,862
Financial assets at fair value through profit or loss (FVTPL) (Note 20)	5,000,431,089	–
Trade and other receivables (Note 6)	5,993,213,342	6,456,718,430
Inventories (Note 7)	6,741,273,094	6,073,003,451
Prepayments and other current assets (Note 8)	1,754,059,570	972,252,627
Total Current Assets	50,762,022,353	20,594,989,370
Noncurrent Assets		
Intangible assets (Note 10)	34,967,586,902	33,600,331,015
Property, plant and equipment (Note 9)	28,384,608,386	26,636,573,782
Investments in associates and joint ventures	1,030,978,843	1,024,068,245
Deferred tax assets - net (Note 19)	1,881,489,230	843,075,203
Noncurrent receivables (Note 18)	667,158,122	655,521,471
Other noncurrent assets (Note 11)	1,188,841,904	1,047,857,077
Total Noncurrent Assets	68,120,663,387	63,807,426,793
	₱118,882,685,740	₱84,402,416,163

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other current liabilities (Notes 12 and 18)	₱9,867,514,318	₱10,140,676,184
Dividends payable (Note 14)	8,549,323,840	–

	June 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
Acceptances and trust receipts payable (Note 7)	1,247,833,300	605,902,034
Current portion of loans payable (Note 13)	6,118,812,115	9,559,593,645
Refund liabilities (Note 12)	220,999,541	279,696,147
Current portion of lease liabilities	90,882,593	88,072,967
Income tax payable	86,127,713	282,397,364
Total Current Liabilities	26,181,493,420	20,956,338,341
Noncurrent Liabilities		
Loans payable (Note 13)	18,649,629,190	19,986,408,011
Convertible note (Note 13)	–	7,027,163,502
Deferred tax liabilities - net (Note 19)	5,722,854,944	4,199,918,067
Derivative liability (Note 20)	–	2,513,886,182
Lease liabilities	2,695,681,391	2,674,958,536
Pension liability	538,161,511	481,480,886
Other noncurrent liabilities	19,436,965	22,225,774
Total Noncurrent Liabilities	27,625,764,001	36,906,040,958
Total Liabilities	53,807,257,421	57,862,379,299
Equity		
Capital stock (Note 14)	8,984,305,748	6,570,000,000
Additional paid-in capital (Note 14)	46,842,902,864	–
Retained earnings (Note 14):		
Appropriated	4,355,336,000	11,155,336,000
Unappropriated	9,315,827,155	12,497,957,136
Fair value reserve of financial assets at FVOCI	(235,130,244)	(235,130,244)
Remeasurement losses on pension liability	(319,731,741)	(289,888,680)
Equity reserve (Note 14)	(622,335,202)	(89,762,438)
Cumulative translation adjustments (Note 14)	(3,379,507,554)	(4,366,784,166)
Equity Attributable to Equity Holders of the Parent Company	64,941,667,026	25,241,727,608
Non-controlling Interests (Notes 4 and 14)	133,761,293	1,298,309,256
Total Equity	65,075,428,319	26,540,036,864
	₱118,882,685,740	₱84,402,416,163

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED

STATEMENTS OF COMPREHENSIVE INCOME

	Quarters Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
NET SALES (Note 15)	₱16,682,290,137	₱16,578,024,895	₱33,758,551,099	₱33,359,413,974
COST OF GOODS SOLD (Note 15)	10,770,152,111	10,131,624,087	21,134,589,632	20,225,593,232
GROSS PROFIT	5,912,138,026	6,446,400,808	12,623,961,467	13,133,820,742
SALES, GENERAL AND ADMINISTRATIVE EXPENSES (Note 16)	3,985,493,474	3,097,424,840	7,322,411,463	5,774,580,607
	1,926,644,552	3,348,975,968	5,301,550,004	7,359,240,135
OTHER INCOME (EXPENSES)				
Foreign exchange gain (loss) - net (Notes 4 and 13)	259,399,988	1,406,210,150	267,547,193	803,909,906
Reversal of provision for expected credit losses (Note 6)	4,048,569	–	14,732,427	–
Share in net earnings (losses) from associates and joint ventures	(3,132,339)	(35,878,756)	6,910,598	(48,608,374)
Gain on sale of property, plant and equipment	652,126	342,434	1,674,624	2,380,344
Market valuation gain on financial instruments at fair value through profit or loss	431,089	–	431,089	–
Miscellaneous income (Note 17)	63,202,330	57,425,991	76,661,651	68,391,171
	324,601,763	1,428,099,819	367,957,582	826,073,047
INCOME BEFORE FINANCE INCOME (EXPENSES)	2,251,246,315	4,777,075,787	5,669,507,586	8,185,313,182
FINANCE INCOME (EXPENSES)				
Derivative gain (loss) (Note 20)	(2,635,355,219)	(182,449,138)	(2,253,520,663)	256,115,269
Loss on convertible note redemption (Note 13)	(1,579,324,482)	–	(1,579,324,482)	–
Interest expense (Notes 13 and 17)	(390,248,615)	(544,448,373)	(1,307,642,151)	(1,032,519,387)

	Quarters Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Interest income (Note 17)	7,766,610	36,663,260	24,860,374	69,000,701
	(4,597,161,706)	(690,234,251)	(5,115,626,922)	(707,403,417)
INCOME BEFORE INCOME TAX	(2,345,915,391)	4,086,841,536	553,880,664	7,477,909,765
PROVISION FOR INCOME TAX (Note 19)				
Current	(137,421,546)	740,971,150	254,327,624	1,713,017,815
Deferred	(55,402,846)	10,001,076	95,879,908	127,628,384
	(192,824,392)	750,972,226	350,207,532	1,840,646,199
NET INCOME	(2,153,090,999)	3,335,869,310	203,673,132	5,637,263,566
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	(P2,154,612,054)	P3,091,705,449	P78,293,859	P5,254,213,734
Non-controlling interests	1,521,055	244,163,861	125,379,273	383,049,832
	(P2,153,090,999)	P3,335,869,310	P203,673,132	P5,637,263,566
Earnings per Share (EPS) (Note 14)				
Basic, income attributable to equity holders of the parent	(P0.138)	P0.235	P0.005	P0.400
Diluted, income attributable to equity holders of the parent	(0.138)	0.235	0.005	0.374

(Forward)

	Six Months Ended June 30	
	2021	2020
NET INCOME	₱203,673,132	₱5,637,263,566
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 14 and 20)	987,276,612	(2,778,883,721)
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:		
Remeasurement loss on defined benefit plans	(42,632,944)	(28,646,153)
Income tax effect	12,789,883	8,593,846
	(29,843,061)	(20,052,307)
Other comprehensive income (loss) - net of tax	957,433,551	(2,798,936,028)
TOTAL COMPREHENSIVE INCOME	₱1,161,106,683	₱2,838,327,538
Total comprehensive income attributable to:		
Equity holders of the Parent Company	₱1,035,727,410	₱2,463,298,629
Non-controlling interests	125,379,273	375,028,909
	₱1,161,106,683	₱2,838,327,538

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

	2021	2020
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱553,880,664	₱7,477,909,765
Adjustments to reconcile income before income tax to net cash flows:		
Derivative loss (gain) (Note 20)	2,253,520,663	(256,115,269)
Loss on convertible note redemption	1,579,324,482	–
Interest expense (Notes 13, 17 and 20)	1,307,642,151	1,032,519,387
Depreciation (Notes 9 and 17)	1,192,309,999	1,029,233,046
Unrealized foreign exchange gain - net	(143,791,742)	(519,885,214)
Amortization (Notes 10, 15 and 16)	35,322,851	33,289,485
Interest income (Note 17)	(24,860,374)	(69,000,701)
Retirement Expense	23,602,429	18,341,121
Share in net (earnings) losses from associates and joint venture	(6,910,598)	48,608,374
Gain on sale of property, plant and equipment	(1,674,624)	(2,380,344)
Market valuation gain on financial instruments at fair value through profit or loss	(431,089)	–
Working capital adjustments:		
Decrease (increase) in:		
Inventories	(668,269,643)	344,348,994
Prepayments and other current assets	(781,806,943)	(317,820,873)
Trade and other receivables	437,932,356	252,434,472
Increase (decrease) in:		
Accounts payable and other current liabilities	(914,765,968)	224,580,613
Acceptance and trust receipts payable	641,931,266	(1,299,352,762)
Refund liabilities	(58,696,606)	(3,792,542)
Net cash generated from operations	5,424,259,274	7,992,917,552
Income tax paid	(234,793,092)	(1,566,274,838)
Interest received	30,899,891	70,750,179
Net cash flows from operating activities	5,220,366,073	6,497,392,893

	2021	2020
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Financial assets at fair value through profit or loss (Note 20)	(5,000,000,000)	–
Property, plant and equipment (Notes 9 and 21)	(2,613,018,596)	(1,716,642,369)
Intangible assets (Note 10)	(84,145,110)	–
Investments in associates and joint ventures	–	(185,625,000)
Noncurrent receivables	(5,412,211)	–
Proceeds from sale of property, plant and equipment (Note 9)	19,245,778	42,690,075
Decrease (increase) in other noncurrent assets	(140,984,827)	39,890,218
Net cash used in investing activities	(7,824,314,966)	(1,819,687,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments for):		
Convertible note (Note 13)	(13,351,934,700)	–
Loans (Note 13)	(5,141,022,264)	(394,155,310)
Interest	(639,585,649)	(329,849,026)
Principal portion of lease liabilities	(73,288,305)	(476,641,327)
Derivatives	–	42,298,955
Issuance of capital stock, net of transaction cost (Note 14)	49,257,208,612	–
Acquisition of non-controlling interest (Note 4)	(1,822,500,000)	–
Dividends paid (Note 14)	(1,511,100,000)	–
Decrease in other noncurrent liabilities	(2,788,809)	(389,335)
Net cash used in financing activities	26,714,988,885	(1,158,736,043)
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,111,039,992	3,518,969,774
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	68,990,404	28,555,646
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,093,014,862	10,499,291,065
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱31,273,045,258	₱14,046,816,485

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 as a result of the current Covid-19 pandemic.

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