

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
Mar 31, 2024
2. SEC Identification Number
0000086335
3. BIR Tax Identification No.
000-417-352-000
4. Exact name of issuer as specified in its charter
Monde Nissin Corporation
5. Province, country or other jurisdiction of incorporation or organization
Republic of the Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Felix Reyes Street, Barangay Balibago, City of Santa Rosa, Laguna
Postal Code
4026
8. Issuer's telephone number, including area code
+63277597595
9. Former name or former address, and former fiscal year, if changed since last report
Not applicable.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	17,968,611,496

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
If yes, state the name of such stock exchange and the classes of securities listed therein:
The common shares are listed on the Philippine Stock Exchange.
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Monde Nissin Corporation

MONDE

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2024
Currency (indicate units, if applicable)	PHP'000

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2024	Dec 31, 2023
Current Assets	33,090,404	36,089,590
Total Assets	82,905,491	84,094,659
Current Liabilities	15,167,984	17,734,802
Total Liabilities	21,114,030	25,596,271
Retained Earnings/(Deficit)	9,016,537	5,533,042
Stockholders' Equity	61,791,461	58,498,388
Stockholders' Equity - Parent	61,678,696	58,388,484
Book Value per Share	3.43	3.25

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	20,311,442	20,049,668	20,311,442	20,049,668
Gross Expense	16,559,905	17,483,177	16,559,905	17,483,177
Non-Operating Income	820,814	57,704	820,814	57,704
Non-Operating Expense	154,184	162,542	154,184	162,542
Income/(Loss) Before Tax	4,418,167	2,461,653	4,418,167	2,461,653
Income Tax Expense	931,811	523,717	931,811	523,717
Net Income/(Loss) After Tax	3,486,356	1,937,936	3,486,356	1,937,936
Net Income Attributable to Parent Equity Holder	3,483,495	1,935,664	3,483,495	1,935,664
Earnings/(Loss) Per Share (Basic)	0.19	0.11	0.19	0.11
Earnings/(Loss) Per Share (Diluted)	0.19	0.11	0.19	0.11

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.05	-0.75
Earnings/(Loss) Per Share (Diluted)	0.05	-0.75

Other Relevant Information

Please see attached Monde Nissin Corporation and Subsidiaries' SEC Form 17Q as of March 31, 2024. The aging analysis of trade and other receivables as at March 31, 2024 and December 31, 2023 are in Note 22 (page 25 of the Notes to Unaudited Interim Condensed Consolidated Financial Statements) of the attached SEC Form 17-Q.

The book value per share is computed by dividing Stockholder's Equity-Parent over Issued Shares.

Filed on behalf by:

Name	Katherine Lee-Bacus
Designation	Assistant Corporate Secretary

SEC Number
0000086335
File Number_____

Monde Nissin Corporation
(Company's Full Name)

Felix Reyes St. Balibago 4026, City of Santa Rosa, Laguna
(Company's Address)

(632) 7759 7595
Telephone Number

March 31, 2024
(Quarter Ending)
(month & day)

Form 17-Q
Form Type

N/A
Designation (If applicable)

March 31, 2024
Period Date Ended

Issuer of Securities under SEC-MSRD No. 27, Series of 2021
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2024**
2. Commission Identification Number **0000086335**
3. BIR Tax Identification No. **000-417-352-000**
4. Exact name of issuer as specified in its charter: **Monde Nissin Corporation**
5. Province, country or other jurisdiction of incorporation or organization: **Laguna, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code
Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna **4026**
8. Issuer's telephone number, including area code
(632) 7759 7595
9. Former name, former address and former fiscal year, if changed since last report
Not applicable
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class stock outstanding and amount	Number of shares of common	of debt outstanding
<u>Common</u>	<u>17,968,611,496</u>	

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

The common shares are listed on the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

has filed all reports required to be filed since it became listed on June 1, 2021 in accordance with Section 17 of the SRC, SRC Rule 17, Sections 11 of the RSA, RSA Rule 11(a)-1, and Sections 26 and 141 of the Corporation Code of the Philippines

Yes [] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

	Unaudited Interim Condensed Consolidated Statements of Financial Position as at March 31, 2024 with Comparative Audited Figures as at December 31, 2023
	Unaudited Interim Condensed Consolidated Statements of Comprehensive Income for the Quarters and Three Months Ended March 31, 2024 and 2023
	Unaudited Interim Condensed Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2024 and 2023
	Unaudited Interim Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2024 and 2023
	Notes to Unaudited Interim Condensed Consolidated Financial Statements

MONDE NISSIN CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands, with Comparative Audited Figures as at December 31, 2023)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	P13,523,678	P16,678,888
Trade and other receivables (Notes 6 and 20)	6,563,894	6,410,138
Inventories (Note 7)	9,339,656	9,186,527
Current financial assets (Notes 9, 20 and 22)	2,481,612	2,714,363
Prepayments and other current assets (Note 8)	1,181,564	1,099,674
Total Current Assets	33,090,404	36,089,590
Noncurrent Assets		
Property, plant and equipment (Note 11)	26,030,839	25,155,720
Guaranty asset (Note 10)	10,802,641	10,432,256
Intangible assets (Note 12)	8,847,016	8,812,834
Investments in associates and joint ventures	1,122,540	1,125,054
Deferred tax assets – net (Note 21)	893,539	936,965
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 22)	633,512	600,701
Other noncurrent assets (Note 13)	1,485,000	941,539
Total Noncurrent Assets	49,815,087	48,005,069
	P82,905,491	P84,094,659
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14, 20 and 22)	P10,238,636	P11,684,310
Dividends payable	–	2,156,233
Acceptances and trust receipts payable (Notes 7 and 22)	1,908,953	1,607,336
Current portion of loans payable (Note 15)	1,205,582	1,200,251
Income tax payable	1,333,455	590,874
Refund liabilities (Note 14)	355,886	406,677
Current portion of lease liabilities	125,472	89,121
Total Current Liabilities	15,167,984	17,734,802
Noncurrent Liabilities		
Deferred tax liabilities - net (Note 21)	320,132	381,737
Loans payable (Note 15)	1,849,090	3,733,776
Lease liabilities	2,583,048	2,593,746
Pension liability	1,035,765	1,007,247
Derivative liability	119,370	106,406
Other noncurrent liabilities	38,641	38,557
Total Noncurrent Liabilities	5,946,046	7,861,469
Total Liabilities	21,114,030	25,596,271
Equity		
Capital stock (Note 16)	8,984,306	8,984,306
Additional paid-in capital (APIC) (Note 16)	39,361,947	39,361,947
Retained earnings (Note 16):		
Appropriated	211,452	211,452
Unappropriated	8,805,085	5,321,590
Fair value reserve of financial assets at FVOCI	(530,426)	(563,237)
Remeasurement losses on pension liability	(525,874)	(525,874)
Equity reserve (Note 16)	8,491,788	8,491,788
Cumulative translation adjustments (Note 16)	(3,119,582)	(2,893,488)
Equity Attributable to Equity Holders of the Parent Company	61,678,696	58,388,484
Non-controlling Interests (Note 4)	112,765	109,904
Total Equity	61,791,461	58,498,388
	P82,905,491	P84,094,659

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Earnings Per Share Value)

	Quarters Ended March 31	
	2024	2023
NET SALES (Note 17)	₱20,311,442	₱20,049,668
COST OF GOODS SOLD (Note 17)	13,115,130	13,951,154
GROSS PROFIT	7,196,312	6,098,514
SALES, GENERAL AND ADMINISTRATIVE EXPENSES		
General and administrative expenses (Note 18)	1,873,722	1,945,818
Selling and distribution expenses (Note 18)	1,554,330	1,586,205
Provision for impairment loss on investments in associates	16,723	–
	3,444,775	3,532,023
	3,751,537	2,566,491
OTHER INCOME (EXPENSES)		
Fair value gain (loss) on:		
Guaranty asset (Notes 4 and 10)	324,401	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	24,299	(28,149)
Foreign exchange gain (loss) - net (Note 4)	224,194	(49,873)
Share in net earnings from associates and joint ventures	14,209	4,770
Miscellaneous income - net (Note 19)	70,537	50,655
	657,640	(22,597)
INCOME BEFORE FINANCE INCOME (EXPENSES)	4,409,177	2,543,894
FINANCE INCOME (EXPENSES)		
Finance costs (Notes 15 and 19)	(154,184)	(161,284)
Finance income (Note 19)	137,396	80,301
Derivative gain (loss) (Note 22)	25,778	(1,258)
	8,990	(82,241)
INCOME BEFORE INCOME TAX	4,418,167	2,461,653
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	948,334	627,363
Deferred	(16,523)	(103,646)
	931,811	523,717
NET INCOME	₱3,486,356	₱1,937,936
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	₱3,483,495	₱1,935,664
Non-controlling interests	2,861	2,272
	₱3,486,356	₱1,937,936
Earnings per Share (EPS) (Note 16)		
Income attributable to equity holders of the parent	₱0.19	₱0.11

(Forward)

	Quarters Ended March 31	
	2024	2023
NET INCOME	₱3,486,356	₱1,937,936
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:		
Exchange losses on foreign currency translation (including effective portion of the net investment hedge) (Note 16)	(226,094)	(228,289)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Gain on financial assets at FVOCI	32,811	-
	(193,283)	(228,289)
TOTAL COMPREHENSIVE INCOME	₱3,293,073	₱1,709,647
Total comprehensive income attributable to:		
Equity holders of the Parent Company	₱3,290,212	₱1,707,375
Non-controlling interests	2,861	2,272
	₱3,293,073	₱1,709,647

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, For the three months ended March 31, 2024 and 2023)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 16)	Additional Paid-in Capital	Retained Earnings (Deficit) (Note 16)		Fair Value Reserve of Financial Assets at FVOCI	Remeasurement Losses on Pension Liability	Equity Reserve (Note 16)	Cumulative Translation Adjustments (Note 16)	Non-controlling Interests		Total Equity
			Appropriated	Unappropriated					Total	(Note 16)	
Balance as at January 1, 2024	₱8,984,306	₱39,361,947	₱211,452	₱5,321,590	(₱563,237)	₱8,491,788	(₱2,893,488)	₱58,388,484	₱109,904	₱58,498,388	
Net income	–	–	–	3,483,495	–	–	–	3,483,495	2,861	3,486,356	
Other comprehensive income (loss), net of tax	–	–	–	–	32,811	–	(226,094)	(193,283)	–	(193,283)	
Total comprehensive income (loss)	–	–	–	3,483,495	32,811	–	(226,094)	3,290,212	2,861	3,293,073	
Balance as at March 31, 2024	₱8,984,306	₱39,361,947	₱211,452	₱8,805,085	(₱530,426)	₱8,491,788	(₱3,119,582)	₱61,678,696	₱112,765	₱61,791,461	
Balance as at January 1, 2023	₱8,984,306	₱46,515,847	₱5,211,452	(₱4,039,669)	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,474,980)	₱52,128,686	₱142,498	₱52,271,184
Net income	–	–	–	1,935,664	–	–	–	–	1,935,664	2,272	1,937,936
Other comprehensive loss, net of tax	–	–	–	–	–	–	–	(228,289)	(228,289)	–	(228,289)
Total comprehensive income (loss)	–	–	–	1,935,664	–	–	–	(228,289)	1,707,375	2,272	1,709,647
Release of appropriation (Note 16)	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–	–
Balance as at March 31, 2023	₱8,984,306	₱46,515,847	₱211,452	₱2,895,995	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,703,269)	₱53,836,061	₱144,770	₱53,980,831

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Amounts in Thousands, For the three months ended March 31, 2024 and 2023)**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,418,167	₱2,461,653
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 11, 12, 17, 18 and 19)	629,496	663,114
Fair value gain on guaranty asset (Note 10)	(324,401)	–
Finance costs (Notes 15 and 19)	154,184	161,284
Finance income (Note 19)	(137,396)	(80,301)
Movement in pension liability	29,976	23,658
Derivative (gain) loss (Note 22)	(25,778)	1,258
Fair value gain (loss) on financial instruments at FVTPL	(24,299)	28,149
Provision for impairment loss on investments in associates	16,723	–
Unrealized foreign exchange loss – net	(16,714)	(73,885)
Share in net earnings from associates and joint venture	(14,209)	(4,770)
Loss (gain) on sale of property, plant and equipment	8,710	(474)
Working capital adjustments:		
Decrease (increase) in:		
Trade and other receivables	(265,339)	(92,250)
Inventories	(153,129)	421,512
Prepayments and other current assets	(81,890)	137,852
Increase (decrease) in:		
Accounts payable and other current liabilities	(1,584,955)	(338,356)
Acceptance and trust receipts payable	297,844	(1,139,669)
Refund liabilities	(50,791)	74,908
Net cash generated from operations	2,876,199	2,243,683
Income tax paid	(205,753)	(247,757)
Interest received	141,551	95,871
Net cash flows from operating activities	2,811,997	2,091,797
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Notes 11 and 22)	(771,435)	(635,693)
Current financial assets	(284,969)	(809,190)
Intangible assets (Note 12)	(27,543)	(44,007)
Financial assets at FVOCI (Note 10)	–	(928,808)
Increase in other noncurrent assets	(533,705)	(62,446)
Proceeds from:		
Termination of current financial assets	546,859	574,010
Sale of property, plant and equipment (Note 11)	21,228	686
Net cash used in investing activities	(1,049,565)	(1,905,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments for):		
Cash dividends	(2,156,233)	–
Payment of loans (Note 15)	(1,912,470)	–
Principal portion of lease liabilities	(782,857)	(141,575)
Interest	(106,683)	(115,656)
Derivatives (Note 22)	25,778	(1,258)
Increase in other noncurrent liabilities	84	1
Net cash from financing activities	(4,932,381)	(258,488)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,169,949)	(72,139)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	14,739	(16,522)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,678,888	11,628,627
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱13,523,678	₱11,539,966

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Earnings Per Share Value and Unless Otherwise Specified)

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company. The Parent Company and its subsidiaries are collectively referred to as the “Group” (see Note 4).

On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company’s Articles of Incorporation (AOI) including the following: (a) include “noodles” in the articles of commerce that the Parent Company may manufacture, process, service, package, re-package, import, export, buy, sell, trade, or otherwise deal in; (b) amend the term of corporate existence from 50 years to a “perpetual corporate term unless the SEC issues a certificate providing otherwise”; (c) increase the number of directors of the Parent Company from 7 to 9; and (d) authorized number of shares, as amended, shall be 20,400,000,000 common shares with a par value of ₱0.50 per share, from the par value of ₱1.00 per share. These amendments in the Parent Company’s AOI was approved by the SEC on April 7, 2021.

On April 20, 2021 and April 21, 2021, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Parent Company for the listing of up to 17,968,611,496 common shares on the Main Board of the PSE.

On June 1, 2021, the Parent Company completed its initial public offering (IPO) and was listed in the PSE under the stock symbol “Monde”. As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.

The Parent Company’s registered office address is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

2. Basis of Preparation and Changes to Group’s Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements

are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2023. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those of the previous financial year, except for the adoption of amendments effective starting 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In 2024, the Group adopted the Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*.

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group applied the materiality guidance in its 2024 accounting policy disclosures.

3. Material Accounting Judgments, Estimates and Assumptions

The preparation of the unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs and expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most material effect on the amounts recognized in the unaudited interim condensed consolidated financial statements:

Net Realizable Values (NRV) of Inventories. The Group's estimates of the NRV are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are

expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting period to the extent that such events confirm conditions existing at reporting period. A new assessment is made at NRV at each reporting period. Information on the Group's inventories is disclosed in Note 7.

Impairment of Non-Financial Assets

- *Goodwill, Brand and Trademark.* The Group performed its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year December 31, 2023.

As at March 31, 2024, management assessed that there have been no significant changes in the assets and liabilities making up the CGUs since December 31, 2023.

Recognition of Deferred Taxes. The Group's assessment on the recognition of deferred tax assets on nondeductible temporary differences is based on the forecasted taxable income of the following reporting periods over which the deductible temporary differences can be utilized. This forecast is based on the Group's past results and future expectations on revenues and expenses. Information on the Group's recognized deferred taxes is disclosed on Note 21.

Assessment of Impairment of Property, plant and equipment. The Group assesses impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group consider important, which could trigger an impairment review include the following:

- Significant under-performance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry and economic trends.

Estimation of Legal contingencies and Regulatory Assessments. As at March 31, 2024 and December 31, 2023, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position and negotiating strategy.

The Group, in consultation with its external and internal legal and tax counsels, believes that its position on these assessments is consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at March 31, 2024 and December 31, 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As allowed by PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, no further disclosures were provided as this might prejudice the Group's position on this matter.

4. Subsidiaries, Significant Acquisitions and Disposals, and Segment Information

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries, which are prepared for the same reporting period as at March 31, 2024 and December 31, 2023, are set out below:

Subsidiaries	Principal Activity	Country of Incorporation	Percentage of Ownership			
			2024		2023	
			Direct	Indirect	Direct	Indirect
MNSPL	Investment/sales	Singapore	100.00	–	100.00	–
MNUKL	Investment holding	United Kingdom	–	100.00	–	100.00
Marlow Foods Limited	Manufacturing, Sales, and Marketing	United Kingdom	–	100.00	–	100.00
Quorn Smart Life GmbH	Sales, and Marketing	Germany	–	100.00	–	100.00
Quorn Foods Inc	Sales, and Marketing	United States (US) of America	–	100.00	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom (UK)	–	100.00	–	100.00
Quorn Foods Sweden	Sales, and Marketing	Sweden	–	100.00	–	100.00
MNNZ	Distribution of food related goods	New Zealand	–	100.00	–	100.00
MNHTL**	Investment company	Thailand	–	6.54	–	6.54
MIL	Manufacture of seasonings	Thailand	–	100.00	–	100.00
MNTH**	Manufacture and distribution of bread and cookies	Thailand	–	56.43	–	56.43
MNIIL	Investment company	British Virgin Islands	100.00	–	100.00	–
MNHTL**	Investment company	Thailand	–	93.46	–	93.46
MNTH**	Manufacture and distribution of bread and cookies	Thailand	–	43.57	–	43.57
KBT International Holdings, Inc. (KBT)	Investment company	Philippines	100.00	–	100.00	–
<i>(Forward)</i>						
MNAC*	Manufacture, process, and distribution of industrial coconut and agricultural products	Philippines	90.91	–	90.91	–
SFC	Manufacture and process of bread	Philippines	80.00	–	80.00	–
All Fit & Popular Foods Inc. (AFPI)	Manufacturing, importing, exporting, selling and distribution of breads; Purchasing or registering intellectual properties	Philippines	–	80.00	–	80.00
Monde M.Y. San Corporation (MMYSC)	Manufacture, process, and export of biscuits	Philippines	100.00	–	100.00	–

*Dormant

**The Group effectively owns 100%

a. Investment in MNSPL

In 2023, MNC's BOD approved to subscribe additional ordinary shares of MNSPL payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP	Amount in PHP
<i>(In Thousands, Except No. of shares)</i>				
May 10, 2023	May 15, 2023	23,000,000	£23,000	₱1,606,083
May 10, 2023	June 23, 2023	2,000,000	2,000	141,992
May 10, 2023	July 11, 2023	7,500,000	7,500	535,344
May 10, 2023	July 19, 2023	7,500,000	7,500	534,219
August 9, 2023	August 21, 2023	3,956,735	3,957	286,070
August 9, 2023	August 22, 2023	7,227,500	7,227	518,365
August 9, 2023	September 1, 2023	4,815,765	4,816	345,483
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000	277,030

In 2024, the Parent Company subscribed and paid for 27,000,000 additional shares of MNSPL at an aggregate subscription price of ₱1,914.7 million (GBP27.0 million).

b. Investment in MNUKL

In 2024, MNSPL subscribed and paid for 27,000,000 additional shares of MNUKL at an aggregate subscription price of GBP27.0 million.

Segment Information

For management purposes, the Group is organized into business units based on its products and has 2 reportable segments, as follows:

- Asia-Pacific Branded Food & Beverage (APAC BFB) manufactures and distributes a diverse mix of biscuits, bakery products, beverages, instant noodles and pasta.
- Meat Alternative manufactures and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe (EU) and Asia-Pacific.

In the consumer goods industry, results of operations generally follow seasonality of consumer buying patterns and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Seasonality during certain events also affect the Group's sales (e.g. calamities, COVID-19 pandemic, etc.). In addition, seasonality varies across product types as some of the Group's products have distinct seasonality. The Group believes that diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio and concluded that this is not "highly seasonal" in accordance with PAS 34.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following tables present the financial information of each of the operating segments in accordance with PFRSs. Inter-segment revenues, and finance income and expenses are eliminated upon consolidation and reflected in the "Eliminations" column.

	March 31, 2024 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱16,882,927	₱3,430,938	(₱2,423)	₱20,311,442
Costs and expenses	(12,415,968)	(3,500,141)	2,423	(15,913,686)
Depreciation and amortization	(476,530)	(152,966)	-	(629,496)
Finance income	150,592	18,159	(5,577)	163,174
Finance expense	(84,685)	(75,076)	5,577	(154,184)
Gain on change in FV of guaranty asset	-	324,401	-	324,401
Foreign exchange gain (loss) - net	230,242	(6,048)	-	224,194
Reversal of impairment loss - net	(30,170)	-	13,447	(16,723)
Share in net earnings from associates and joint venture	14,209	-	-	14,209
Other income	94,836	-	-	94,836
Income before income tax	4,365,453	39,267	13,447	4,418,167
Provision for (benefit from) income tax	996,078	(64,267)	-	931,811
Net income	₱3,369,375	₱103,534	₱13,447	₱3,486,356

	March 31, 2024 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Other information				
Total assets	₱77,145,610	₱21,052,183	(₱15,292,302)	₱82,905,491
Total liabilities	₱15,303,717	₱5,818,152	(₱7,839)	₱21,114,030
Investment in associates and joint venture	₱1,122,540	₱-	₱-	₱1,122,540
Capital expenditures	₱562,617	₱208,818	₱-	₱771,435

	March 31, 2023 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱16,525,243	₱3,527,614	(₱3,189)	₱20,049,668
Costs and expenses	(13,001,995)	(3,821,257)	3,189	(16,820,063)
Depreciation and amortization	(486,915)	(176,199)	-	(663,114)
Finance income	220,158	8,050	(147,907)	80,301
Finance expense	(69,281)	(241,168)	147,907	(162,542)
Foreign exchange gain - net	(45,819)	(4,054)	-	(49,873)
Provision for impairment loss	-	-	-	-
Share in net earnings from associates and joint venture	4,770	-	-	4,770
Other income	22,524	(18)	-	22,506
Income (loss) before income tax	3,168,685	(707,032)	-	2,461,653
Provision for (benefit from) income tax	669,717	(146,000)	-	523,717
Net income (loss)	₱2,498,968	(₱561,032)	₱-	₱1,937,936

Other information

	December 31, 2023 (Audited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Total assets	₱76,183,132	₱21,237,872	(₱13,326,345)	₱84,094,659
Total liabilities	₱17,862,388	₱7,763,027	(₱29,144)	₱25,596,271
Investment in associates and joint venture	₱1,125,054	₱-	₱-	₱1,125,054

	March 31, 2023 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Capital expenditures	₱408,456	₱227,237	₱-	₱635,693

Geographic Information

The Group operates in the Philippines, Thailand, New Zealand, Singapore, and the United Kingdom.

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Domestic	₱15,823,316	₱15,513,437
Foreign	4,488,126	4,536,231
	₱20,311,442	₱20,049,668

The Group has no customer which contributes 10% or more to the consolidated revenues of the Group.

The table below shows the Group's carrying amount of non-current assets per geographic location (excluding noncurrent financial assets at FVOCI, noncurrent receivables, advances to employees under other noncurrent assets, and deferred tax assets).

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Domestic:		
Property, plant and equipment (Note 11)	₱18,729,429	₱17,773,850
Investments in associates and joint ventures	1,122,540	1,125,054
Intangible assets (Note 12)	618,790	616,026
Other noncurrent assets (Note 13)	1,198,708	707,548
Total	21,669,467	20,222,478
Foreign:		
Property, plant and equipment (Note 11)	7,301,410	7,381,870
Intangible assets (Note 12)	8,228,226	8,196,808
Other noncurrent assets (Note 13)	199,780	143,400
	15,729,416	15,722,078
	₱37,398,883	₱35,944,556

5. Cash and Cash Equivalents

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Cash on hand and in banks	₱4,739,679	₱4,003,047
Cash equivalents	8,783,999	12,675,841
	₱13,523,678	₱16,678,888

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of one month up to three months depending on the immediate cash requirements and earn interest at the respective short-term deposit rates.

6. Trade and Other Receivables

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Trade receivables	₱6,540,655	₱6,367,707
Other receivables	44,795	65,963
	6,585,450	6,433,670
Allowance for expected credit loss (ECL)	(21,556)	(23,532)
	₱6,563,894	₱6,410,138

Trade receivables pertain to receivables from sale of goods to non-related parties which are noninterest-bearing and are generally on 30-60 days' terms.

Other receivables comprise of various receivables from employees, accruals for interest from short term placements, receivable from a supplier, and advances made to employees for SSS claims. These are noninterest-bearing and normally settled through salary deductions.

Movements in the allowance for ECL follow:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Balance at January 1	₱23,532	₱37,546
Provision for (reversal of) ECL (Note 18)	(737)	7,750
Write-off	(545)	(22,137)
Currency translation adjustments	(694)	373
Balance at end of period	₱21,556	₱23,532

7. Inventories

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
At cost:		
In-transit	₱884,089	₱121,843
Finished goods	228,371	112,829
Packaging and other materials	71,363	16,731
Work in-process	18,610	8,333
	1,202,433	259,736
At NRV:		
Finished goods	3,774,305	3,555,491
Raw materials	2,301,042	3,039,201
Work in-process	1,159,306	1,508,941
Packaging and other materials	902,570	823,158
	8,137,223	8,926,791
	₱9,339,656	₱9,186,527

The cost of inventories carried at NRV are as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Finished goods	₱3,881,929	₱3,748,267
Raw materials	2,322,099	3,070,112
Work in-process	1,240,440	1,589,899
Packaging and other materials	1,022,388	907,658
	₱8,466,856	₱9,315,936

Provision for inventory obsolescence amounted to ₱20.2 million and ₱16.3 million for the three months ended March 31, 2024 and 2023, respectively (shown as part of “Cost of goods sold”

account). The Group wrote off inventories amounting to ₱80.8 million and ₱13.1 million for the three months ended March 31, 2024 and 2023, respectively.

The cost of inventories recognized under “Cost of goods sold” account amounted to ₱13,115.1 million and ₱13,951.2 million for the three months ended March 31, 2024 and 2023, respectively (see Note 17).

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,909.0 million and ₱1,607.3 million as at March 31, 2024 and December 31, 2023, respectively, certain inventories which approximate the trust receipts payable, have been released to the Group under trust receipt agreement with the banks. The Group is accountable to these banks for the trusteed merchandise or their sales proceeds.

8. Prepayments and Other Current Assets

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Prepayments	₱663,267	₱467,587
Deferred input VAT	304,304	319,256
Creditable withholding tax and other credits	137,503	136,834
Input VAT	67,495	165,010
Other current assets	11,975	13,938
	1,184,544	1,102,625
Allowance for non-recoverability of other current assets	(2,980)	(2,951)
	₱1,181,564	₱1,099,674

9. Current Financial Assets

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Loans receivable:		
Related parties (Note 20)	₱284,576	₱287,571
Others	500,000	500,000
Financial assets at FVTPL	1,812,302	2,042,058
	2,596,878	2,829,629
Allowance for ECL (Note 20)	(115,266)	(115,266)
	₱2,481,612	₱2,714,363

Loans receivable to related parties. On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱162.3 million (\$3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2022 to July 3, 2024. In 2024 and 2023 this loan is presented under “Current financial assets” account in the consolidated statement of financial position (see Note 20).

Others. Other loans receivable pertains to interest-bearing loans receivable from Sandpiper Spices and Condiments Corporation (SSCC) (see Note 23).

Financial assets at FVTPL. Financial assets at FVTPL mainly consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. Movements in the fair value of financial assets at FVTPL are as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Balance at January 1	₱2,042,058	₱1,756,101
Acquisitions	284,969	3,871,363
Disposal	(546,859)	(3,672,926)
Fair value change during the year	24,299	92,600
Foreign exchange gain (loss)	7,835	(5,080)
Balance at end of period	₱1,812,302	₱2,042,058

10. Noncurrent Financial Assets

Financial Assets at FVOCI

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Cost		
Figaro Coffee Group, Inc. (FCG)	₱820,268	₱820,268
Wide Faith Investment Holdings Ltd.	235,130	235,130
Terramino Inc.	108,540	108,540
	1,163,938	1,163,938
Fair value adjustment		
FCG	(295,296)	(328,107)
Wide Faith Investment Holdings Ltd.	(235,130)	(235,130)
	(530,426)	(563,237)
	₱633,512	₱600,701

Guaranty Asset at FVTPL

During the financial year ended December 31, 2023, MNSPL entered into an agreement (“Top-Up Deed”) with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL (“MNSG”). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL’s wholly-owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023. The initial recognition of the guaranty asset is recognized as an equity transaction under “Equity Reserve”, while subsequent changes in fair value is recognized in profit or loss.

Shown below are the movements in the value of the guaranty asset:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Guaranty asset:		
Balance at January 1	₱10,432,256	₱–
Initial recognition credited to Equity Reserve	–	9,104,076
Fair value gain on guaranty asset	324,401	1,301,750
Cumulative translation adjustment	45,984	26,430
	₱10,802,641	₱10,432,256

Sensitivity analysis

As the fair value calculations of the guaranty asset is dependent on the impairment loss on MNSPL's investment in MNUK, any increase in the impairment loss on investment in MNUKL would result in an increase in the fair value gain on guaranty asset recognized in profit or loss.

11. Property, Plant and Equipment

March 31, 2024													
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Communications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at January 1, 2024	₱469,574	₱6,460	₱13,677,344	₱162,584	₱36,093,946	₱535,194	₱165,815	₱446,613	₱1,911,496	₱5,274,208	₱2,898,464	₱641,633	₱62,283,331
Additions	-	-	11,990	-	38,910	15,390	7,141	-	103,434	594,570	792,666	-	1,564,101
Disposals and retirement	-	-	(26,617)	-	(379,112)	(3,926)	(10,050)	(2,237)	2,204	-	-	(47,816)	(467,554)
Reclassifications	-	-	529,619	331	476,602	687	-	10,011	(245,235)	(772,015)	-	-	-
Foreign currency translation adjustments	(9,135)	(258)	(69,843)	286	(74,013)	(1,827)	22	61	(2,109)	17,024	-	-	(139,792)
Balance at March 31, 2024	460,439	6,202	14,122,493	163,201	36,156,333	545,518	162,928	454,448	1,769,790	5,113,787	3,691,130	593,817	63,240,086
Accumulated Depreciation													
Balance at January 1, 2024	-	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	-	-	385,699	212,151	25,771,268
Depreciation (Notes 17, 18 and 19)	-	79	149,846	1,495	375,618	12,866	6,045	21,532	-	-	21,727	15,917	605,125
Disposals and retirement	-	-	(24,711)	-	(350,567)	(3,926)	(8,359)	(2,237)	-	-	-	(19,530)	(409,330)
Foreign currency translation adjustments	-	(185)	(42,706)	1,935	(86,320)	(1,874)	8	(202)	-	-	-	-	(129,344)
Balance at March 31, 2024	-	4,521	6,045,854	108,796	18,251,640	388,261	59,917	362,766	-	-	407,426	208,538	25,837,719
Accumulated Impairment Loss													
Balance at January 1, 2024	-	-	997,622	955	8,466,664	22,280	-	1,791	486,312	1,380,719	-	-	11,356,343
Foreign currency translation adjustments	-	-	(3,198)	-	12,970	-	-	-	-	5,413	-	-	15,185
Balance at March 31, 2024	-	-	994,424	955	8,479,634	22,280	-	1,791	486,312	1,386,132	-	-	11,371,528
Net Book Value	₱460,439	₱1,681	₱7,082,215	₱53,450	₱9,425,059	₱134,977	₱103,011	₱89,891	₱1,283,478	₱3,727,655	₱3,283,704	₱385,279	₱26,030,839

December 31, 2023													
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Communications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at January 1, 2023	₱460,209	₱5,608	₱13,507,086	₱167,284	₱36,371,881	₱501,778	₱158,924	₱373,776	₱2,080,960	₱3,926,908	₱2,898,464	₱834,320	₱61,287,198
Additions	-	862	9,661	-	633,579	6,164	43,248	1,091	474,663	2,472,002	-	21,427	3,662,697
Disposals and retirement	-	-	(343,643)	(11,644)	(2,871,290)	(51,641)	(38,530)	(18,578)	35,512	(16,554)	-	(214,114)	(3,530,482)
Reclassifications	-	-	412,113	3,899	1,385,812	74,636	1,954	85,105	(691,995)	(1,271,524)	-	-	-
Foreign currency translation adjustments	9,365	(10)	92,127	3,045	573,964	4,257	219	5,219	12,356	163,376	-	-	863,918
Balance at December 31, 2023	469,574	6,460	13,677,344	162,584	36,093,946	535,194	165,815	446,613	1,911,496	5,274,208	2,898,464	641,633	62,283,331
Accumulated Depreciation													
Balance at January 1, 2023	-	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	-	-	298,791	341,314	26,371,382
Depreciation (Notes 17, 18 and 19)	-	317	589,240	5,952	1,736,999	59,442	23,365	89,549	-	-	86,908	84,951	2,676,723
Disposals and retirement	-	-	(322,269)	(10,284)	(2,843,921)	(50,807)	(37,151)	(18,564)	-	-	-	(214,114)	(3,497,110)
Foreign currency translation adjustments	-	(5)	23,365	12,492	179,129	1,262	60	3,970	-	-	-	-	220,273
Balance at December 31, 2023	-	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	-	-	385,699	212,151	25,771,268

(Forward)

December 31, 2023

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Communications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Accumulated Impairment Loss													
Balance at January 1, 2023	-	-	984,052	955	2,267,384	-	-	36	571,765	228,117	-	-	4,052,309
Impairment loss	-	-	(4,561)	-	6,019,160	22,280	-	1,755	(71,022)	1,126,934	-	-	7,094,546
Disposals and retirement	-	-	-	-	-	-	-	-	(14,431)	-	-	-	(14,431)
Foreign currency translation adjustments	-	-	18,131	-	180,120	-	-	-	-	25,668	-	-	223,919
Balance at December 31, 2023	-	-	997,622	955	8,466,664	22,280	-	1,791	486,312	1,380,719	-	-	11,356,343
Net Book Value	₱469,574	₱1,833	₱6,716,297	₱56,263	₱9,314,373	₱131,719	₱103,592	₱101,149	₱1,425,184	₱3,893,489	₱2,512,765	₱429,482	₱25,155,720

There are no additional (reversal of) impairment loss on property, plant and equipment recognized by the Group for the three months ended March 31, 2024 and 2023.

For the three months ended March 31, 2023, the Group acquired property, plant and equipment amounting to ₱635.7 million and recognized depreciation expense amounting to ₱640.6 million (see Note 19).

There are no idle property, plant and equipment nor property, plant and equipment used as collateral as at March 31, 2024 and December 31, 2023.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,114.5 million and ₱2,055.4 million as at March 31, 2024 and December 31, 2023, respectively.

12. Intangible Assets

	March 31, 2024							Total
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	
Cost								
Balance at January 1, 2024	₱17,318,215	₱18,810,500	₱727,560	₱66,141	₱2,593	₱14,459	₱482,640	₱37,422,108
Additions	–	–	–	–	–	–	27,543	27,543
Disposals and retirement	–	–	–	–	–	–	(373)	(373)
Foreign currency translation adjustments	76,948	83,179	–	–	(103)	–	(7,416)	152,608
Balance at March 31, 2024	17,395,163	18,893,679	727,560	66,141	2,490	14,459	502,394	37,601,886
Accumulated Amortization								
Balance at January 1, 2024	–	44,362	342,560	7,827	1,904	–	255,768	652,421
Amortization (Notes 17, 18 and 19)	–	–	9,094	1,848	38	–	13,391	24,371
Disposals and retirement	–	–	–	–	–	–	(373)	(373)
Foreign currency translation adjustments	–	199	–	–	(78)	–	(2,307)	(2,186)
Balance at March 31, 2024	–	44,561	351,654	9,675	1,864	–	266,479	674,233
Accumulated Impairment Loss								
Balance at January 1, 2024	17,318,215	10,631,507	–	–	–	7,131	–	27,956,853
Foreign currency translation adjustments	76,948	46,836	–	–	–	–	–	123,784
Balance at March 31, 2024	17,395,163	10,678,343	–	–	–	7,131	–	28,080,637
Net Book Value	₱–	₱8,170,775	₱375,906	₱56,466	₱626	₱7,328	₱235,915	₱8,847,016

	December 31, 2023							Total
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	
Cost								
Balance at January 1, 2023	₱16,542,239	₱17,971,697	₱727,560	₱34,639	₱2,599	₱14,459	₱442,650	₱35,735,843
Additions	–	–	–	31,502	–	–	49,628	81,130
Disposals and retirement	–	–	–	–	–	–	(9,280)	(9,280)
Foreign currency translation adjustments	775,976	838,803	–	–	(6)	–	(358)	1,614,415
Balance at December 31, 2023	17,318,215	18,810,500	727,560	66,141	2,593	14,459	482,640	37,422,108
Accumulated Amortization								
Balance at January 1, 2023	–	42,374	306,182	700	1,739	–	213,636	564,631
Amortization (Notes 17, 18 and 19)	–	–	36,378	7,127	167	–	51,571	95,243
Disposals and retirement	–	–	–	–	–	–	(9,256)	(9,256)
Foreign currency translation adjustments	–	1,988	–	–	(2)	–	(183)	1,803
Balance at December 31, 2023	–	44,362	342,560	7,827	1,904	–	255,768	652,421
Accumulated Impairment Loss								
Balance at January 1, 2023	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307
Impairment loss	–	6,172,458	–	–	–	4,650	–	6,177,108
Foreign currency translation adjustments	775,976	315,462	–	–	–	–	–	1,091,438
Balance at December 31, 2023	17,318,215	10,631,507	–	–	–	7,131	–	27,956,853
Net Book Value	₱–	₱8,134,631	₱385,000	₱58,314	₱689	₱7,328	₱226,872	₱8,812,834

Amortization of the intangible assets for the three months ended March 31, 2024 and 2023 amounted to ₱24.4 million and ₱22.5 million, respectively (see Note 19).

The Group performs its annual impairment test every year-end.

Distribution rights were from the Parent Company's Distribution, and Marketing and Sales Development Agreement with SSCC wherein SSCC appointed the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years until July 25, 2034 (see Note 23).

13. Other Noncurrent Assets

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Advances to suppliers and contractors	₱1,013,399	₱630,367
Refundable and other deposits	212,864	34,743
Deferred input VAT for amortization	129,623	153,171
Advances to employees	86,512	90,591
Others	42,602	32,667
	₱1,485,000	₱941,539

14. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Trade payables		
Non-related parties	₱5,465,229	₱4,911,912
Related parties (Note 20)	5,926	49,204
Nontrade payables	1,978,740	4,042,437
Accruals for:		
Advertising and promotions	709,224	499,758
Selling, general and administrative expenses	420,475	281,235
Personnel costs	353,101	352,937
Trade spend	195,532	206,821
Other accruals	216,823	198,267
Statutory payables	767,523	890,434
Provisions	80,317	166,265
Others	45,746	85,040
	₱10,238,636	₱11,684,310

Other accruals mainly represent accruals for freight, interest payable, non-trade services and are generally settled the following month.

Refund Liabilities

As at March 31, 2024 and December 31, 2023, the Group's refund liabilities consist of the following:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Refund liabilities:		
Arising from rights of return	₱344,741	₱346,835
Arising from retrospective volume discounts	11,145	59,842
	₱355,886	₱406,677

15. Loans Payable

Description	Maturities	Interest Rates	March 31, 2024	December 31, 2023
			(Unaudited)	(Audited)
MFL				
£105.0 million term loan	June 2025 subject to extension of 2 years	Margin and SONIA	₱1,914,748	₱3,812,556
£5.0 million revolving credit facility	September 2023	Margin and SONIA	354,583	353,015
£4.0 million revolving credit facility	November 2022	Margin and SONIA	283,666	282,412
£3.0 million revolving credit facility	October 2023	Margin and SONIA	212,750	211,808
£5.0 million credit facility	September 2024	SONIA and 1.20% p.a.	354,583	353,016
			3,120,330	5,012,807
Unamortized debt issue costs			(65,658)	(78,780)
			₱3,054,672	₱4,934,027
Current portion			₱1,205,582	₱1,200,251
Non-current portion			1,849,090	3,733,776
			₱3,054,672	₱4,934,027

MFL Loan

As at March 31, 2024 and December 31, 2023, MFL has outstanding unsecured loans payable amounting to ₱3,120.3 million (£44.0 million) and ₱5,012.8 million (£71.0 million), respectively. The sterling term loan facility amounting to ₱7,446.2 million (£105.0 million) with maturity on June 2025 subject to extension of 2 years and interest rate based on Margin and SONIA has the following financial covenants:

- The Group is required to maintain Gross Leverage of less than 3.5x from March 31, 2023 and each quarter thereafter
- The Group is required to maintain an interest cover of greater than 3.0 from March 31, 2023 and each quarter thereafter.

The facility also includes a revolving credit facility of ₱1,063.7 million (£15.0 million) subject to the same financial covenants above. MFL had drawn down ₱851.0 million (£12.0 million) and ₱847.2 million (£12.0 million) as at March 31, 2024 and December 31, 2023, respectively.

In 2023, MFL obtained and drew an uncommitted short term credit facility with a financial institution amounting to ₱354.6 million (£5.0 million).

As at March 31, 2024 and December 31, 2023, the Group is in compliance with these covenants.

For the three months ended March 31, 2024 and 2023, interest expense related to the loans amounted to ₱56.0 million and ₱80.7 million, respectively (see Note 19).

The movement in unamortized debt issue costs of loans payable is as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Loans Payable		
Balance at January 1	₱78,780	₱97,881
Additions (reductions) during the period	(2,279)	22,471
Amortization during the period (Note 19)	(11,206)	(45,244)
Foreign currency translation adjustments	363	3,672
Total	₱65,658	₱78,780

For the three months ended March 31, 2023, amortization of debt issue costs amounted to ₱9.8 million (see Note 19).

16. Equity

Capital Stock

The details of the Parent Company's common stock as at March 31, 2024 and December 31, 2023 follows:

Par value per share	₱0.50
Number of shares:	
Authorized	20,400,000,000
Issued and outstanding	17,968,611,496

The Parent Company's record of registration of its securities follows:

Number of shares registered	17,968,611,496
Issue/offer price	₱13.50
Date of approval	April 20, 2021

The total number of stockholders was 24 as at March 31, 2024 and December 31, 2023. With respect to the Parent Company's stockholders as at December 31, 2023, the shares were either held (a) in a certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through trading participants (*i.e.*, brokers and custodians) of the Philippine Depository & Trust Corp. (PDTC). The shares lodged under PCD Nominee are further broken down into PCD Nominee (Filipino) and PCD Nominee (Non-Filipino).

Equity Restructuring

On June 9, 2023, SEC approved the Parent Company's equity restructuring to wipe-out the deficit as at December 31, 2023 in the amount of ₱7,153.9 million against the APIC of ₱46,515.8 million.

Reversal of Retained Earnings Appropriation

On March 22, 2023, the Parent Company's BOD approved the reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

Restriction on Retained Earnings

As at March 31, 2024 and December 31, 2023, undistributed retained earnings of subsidiaries amounting to ₱4,756.5 million and ₱3,965.2 million, respectively, are not available for dividend declaration until the actual declaration of the subsidiaries. Further, the undistributed retained earnings include appropriated retained earnings of MMYSC and MIL amounting to ₱211.5 million as at March 31, 2024 and December 31, 2023.

Equity Reserve

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Initial recognition of guaranty asset at fair value:		
MNSPL	₱9,104,076	₱9,104,076
Investments:		
MMYSC	(532,573)	(532,573)
MNTH	(115,390)	(115,390)
KBT	43,408	43,408
MNAC	(7,733)	(7,733)
	₱8,491,788	₱8,491,788

Cumulative Translation Adjustments

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Foreign investments:		
MNSPL	(₱2,201,441)	(₱2,149,989)
MNIL	(185,161)	(185,267)
MNTH	(139,957)	(15,113)
MIL	(87,121)	(50,181)
Cross currency swap:		
MNC	(505,902)	(492,938)
	(₱3,119,582)	(₱2,893,488)

Cumulative translation adjustments are attributable to equity holders of the Parent Company as at March 31, 2024 and December 31, 2023.

Earnings per Share

The following reflects the income and share data used in the basic and diluted EPS computation:

	<u>Quarters Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)
Net income attributable to equity holders of the parent	₱3,483,495	₱1,935,664
Weighted average number of common shares	17,968,611,496	17,968,611,496
Basic EPS	₱0.19	₱0.11

17. Net Sales and Cost of Goods Sold

Net Sales by Geography and Operating Segment

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
APAC BFB		
Philippines	₱15,823,316	₱15,513,437
Other countries	1,059,611	1,011,806
	16,882,927	16,525,243
Meat Alternative		
United Kingdom	2,747,018	2,740,170
United States	178,652	244,490
Other countries	502,845	539,765
	3,428,515	3,524,425
	₱20,311,442	₱20,049,668

All revenues are recognized at a point in time.

Cost of Goods Sold

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Direct materials	₱9,954,931	₱11,128,238
Direct labor	805,171	719,546
Manufacturing overhead (Notes 11, 12 and 19)	2,285,235	2,440,787
Total manufacturing costs	13,045,337	14,288,571
Inventory movements (Note 7):		
Work in-process	339,182	12,541
Finished goods	(269,389)	(349,958)
	₱13,115,130	₱13,951,154

18. Sales, General and Administrative Expenses

General and Administrative Expenses

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Salaries, wages and employee benefits	₱1,106,889	₱1,032,521
Outside services	231,295	308,776
Depreciation and amortization (Notes 11 and 12)	119,182	123,564
Research and development	63,161	46,087
Insurance	59,104	61,251
Repairs and maintenance	51,068	46,553
Taxes and licenses	44,509	54,089
Light, water and telecommunication	25,705	26,702
Entertainment, amusement and recreation	22,572	22,497
Fringe benefit tax	21,592	35,907
Rent (Note 20)	18,804	20,229
Warehouse and office supplies	18,585	19,046
Recruitment and training expenses	3,263	7,692
Inventory loss	2,867	15,153
Donations	2,863	5,387
Provision for (reversal of) ECL (Note 6)	(737)	250
Others	83,000	120,114
	₱1,873,722	₱1,945,818

Selling and Distribution Expenses

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Transportation and delivery	₱832,283	₱805,440
Advertising and promotions	533,084	625,020
Merchandising expense	162,035	127,635
Dealer support	26,928	28,110
	₱1,554,330	₱1,586,205

19. Finance Income and Costs, Depreciation and Amortization Expense, Personnel Costs and Miscellaneous Income

Finance Income

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Cash and cash equivalents	₱135,336	₱78,312
Noncurrent receivables (Note 20)	2,060	1,989
	₱137,396	₱80,301

Finance Costs

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Interest on loans payable (Note 15)	₱56,022	₱80,711
Interest expense on lease liabilities	44,130	44,753
Acceptance and trust receipts payable	24,515	25,991
Amortization of debt issue costs (Note 15)	11,206	9,829
Others	18,311	–
	₱154,184	₱161,284

Depreciation and Amortization Expense

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Property, plant and equipment (Note 11)	₱605,125	₱640,585
Intangible assets (Note 12)	24,371	22,529
	₱629,496	₱663,114

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Cost of goods sold (Note 17)	₱510,314	₱539,550
Sales, general and administrative expense (Note 18)	119,182	123,564
	₱629,496	₱663,114

Miscellaneous Income

Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of share of principals in common expenses, gain/loss on sale of property, plant and equipment, and other miscellaneous items which are recorded under the “Miscellaneous income” account in the consolidated statements of comprehensive income.

20. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following are the significant transactions with related parties:

Nature	Period ended	Volume of Transactions	Outstanding Balance	Terms	Conditions
<i>Associates and joint ventures</i>					
Monde Land, Inc. (MLI)					
Rent expense	March 31, 2024	₱16,618	₱–	15 days;	Unsecured
	December 31, 2023	64,808	–	noninterest-bearing	
	March 31, 2023	16,202	–		

(Forward)

Nature	Period ended	Volume of Transactions	Outstanding Balance	Terms	Conditions
Monde Malee Beverages Corporation (MMBC)					
Miscellaneous income	March 31, 2024	₱-	₱-	30 days;	Unsecured;
	December 31, 2023	-	-	noninterest-bearing	no ECL
	March 31, 2023	-	33,751		
Trade purchases, net	March 31, 2024	-	-	30 days;	Unsecured
	December 31, 2023	-	-	noninterest-bearing	
	March 31, 2023	-	-		
Honey Droplet Ltd.					
Advances and interest income	March 31, 2024	-	-	4-6 years;	Unsecured;
	December 31, 2023	-	-	interest-bearing	Gross advances
	March 31, 2023	-	-		amounted to
					₱115.3 million in
					2024 and 2023;
					fully impaired in
					2024 and 2023
Calaca Harvest Terminal Inc. (CHTI)					
Transportation and delivery expense and wheat handling fees	March 31, 2024	72,716	(5,926)	15 days;	Unsecured
	December 31, 2023	324,596	(49,204)	noninterest-bearing	
	March 31, 2023	76,928	(11,297)		
Advances	March 31, 2024	-	-	On demand;	Unsecured
	December 31, 2023	-	-	noninterest-bearing	
	March 31, 2023	11,002	11,002		
<i>Common shareholders</i>					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	March 31, 2024	3,537	-	45 days;	Unsecured
	December 31, 2023	46,075	-	noninterest-bearing	
	March 31, 2023	12,712	(3,595)		
MNSG Holdings Pte. Ltd.					
Guaranty asset	March 31, 2024	10,802,641	10,802,641	Refer to Note 10	Unsecured
	December 31, 2023	10,432,256	10,432,256		
	March 31, 2023	-	-		
Loans receivable*	March 31, 2024	-	169,310	2 years;	Unsecured
	December 31, 2023	-	172,305	interest-bearing	
	March 31, 2023	-	162,309		
Trade and other receivables (Note 6)	March 31, 2024		₱-		
	December 31, 2023		-		
	March 31, 2023		₱44,753		
Loans receivable*	March 31, 2024		169,310		
	December 31, 2023		172,305		
	March 31, 2023		162,309		
Trade payables (Note 14)	March 31, 2024		(5,926)		
	December 31, 2023		(49,204)		
	March 31, 2023		(14,892)		

*Presented under "current financial assets" in 2024 and 2023

MNSG Holdings Pte. Ltd.

On July 3, 2020, MNSPL and MNSG Holdings Pte. Ltd. entered into a loan agreement wherein MNSPL agreed to lend ₱155.5 million (\$3.0 million) to MNSG Holdings Pte. Ltd. with an interest rate of 3.65% per annum. The loan will mature on July 3, 2022.

On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱157.8 million (\$3.0 million) loan to MNSG Holdings Pte. Ltd. with an interest rate of 4.83% per annum. The loan will mature on July 3, 2024.

Interest income from loans receivable from MNSG Holdings Pte. Ltd. amounted to ₱2.1 million and ₱2.0 million for the three months ended March 31, 2024 and 2023, respectively (see Note 19).

21. Income Tax

Deferred Income Tax

The components of the Group's net deferred tax assets and net deferred tax liabilities are as follow:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Deferred tax assets – net		
Allowance for impairment loss	₱334,117	₱337,806
Pension liability	243,477	237,520
Accrued expenses	96,197	95,474
Refund liabilities	88,971	101,669
Right-of-use assets and lease liabilities	56,396	54,251
Derivative liability	29,842	27,064
Unrealized foreign exchange gain	(29,435)	(23,653)
Unrealized profits from intercompany sales	28,127	23,356
Allowance for inventory obsolescence	16,552	43,288
Excess of the tax base over the carrying amounts of non-monetary assets	10,832	11,280
Unamortized past service cost	8,171	8,452
NOLCO	8,086	8,420
Advances from customers	4,554	14,634
Allowance for ECL	4,446	4,410
Others	(6,794)	(7,006)
	893,539	936,965
Deferred tax liabilities – net		
Brand	(2,042,694)	(2,033,658)
NOLCO	798,480	722,985
Property, plant and equipment	523,941	530,984
Interest expense	399,455	394,536
Unrealized foreign exchange gain	(2,213)	–
Interest income	(757)	(754)
Others	3,656	4,170
	(320,132)	(381,737)
	₱573,407	₱555,228

22. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loans receivable, noncurrent receivables, withholding tax receivables and advances to employees. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, loans payable and lease liabilities, which arise directly from its operations.

Set out below, is an overview of financial assets and financial liabilities held by the Group as at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Financial Assets		
Cash and cash equivalents	₱13,523,678	₱16,678,888
Trade and other receivables	6,563,894	6,410,138
Current financial assets	2,481,612	2,714,363
Guaranty asset	10,802,641	10,432,256
Financial assets at FVOCI	633,512	600,701
Advances to employees*	86,512	90,591
	34,091,849	36,926,937
Financial Liabilities		
Accounts payable and other current liabilities**	9,471,113	10,793,876
Dividends payable	-	2,156,233
Loans payable***	3,133,513	5,033,554
Acceptance and trust receipts payable	1,908,953	1,607,336
Lease liabilities***	7,977,237	7,954,981
	22,490,816	27,545,980
	₱11,601,033	₱9,380,957

*Recorded under "other noncurrent assets"

** Excluding statutory payables.

***Includes future interest.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The BOD reviews and agrees the policies for managing each of these risks and they are summarized below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and loans payable.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

The aging analysis of trade and other receivables as at March 31, 2024 and December 31, 2023 follows:

	March 31, 2024						ECL	Total
	Days Past Due							
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days			
Trade and other receivables:								
Non-related parties	P5,727,806	P683,549	P62,749	P32,560	P12,435	P21,556	P6,540,655	
Other receivables	44,795	–	–	–	–	–	44,795	
Loans receivable*	669,310	–	–	–	–	–	669,310	
Noncurrent receivables	–	–	–	–	–	115,266	115,266	
	P6,441,911	P683,549	P62,749	P32,560	P12,435	P136,822	P7,370,026	

*Presented under "current financial assets"

	December 31, 2023						ECL	Total
	Days Past Due							
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days			
Trade receivables:								
Non-related parties	P5,618,685	P662,126	P28,586	P21,727	P13,051	P23,532	P6,367,707	
Related parties	–	–	–	–	–	–	–	
Other receivables	65,963	–	–	–	–	–	65,963	
Loans receivable*	672,305	–	–	–	–	–	672,305	
Noncurrent receivables	–	–	–	–	–	115,266	115,266	
	6,356,953	P662,126	P28,586	P21,727	P13,051	P138,798	P7,221,241	

Liquidity Risk

Liquidity risk is the risk the Group will be unable to meet its payment obligations when they fall due. The Group monitors and maintains a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. The Group's policy is that not more than 50% of long-term debt should mature in the next 12-month period. Approximately 23% and 17% of the Group's long-term debt will mature in less than one year at March 31, 2024 and December 31, 2023, respectively, based on the carrying value of debt reflected in the financial statements. The Group assessed the concentration risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive concentration risk. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio of distributors and distribution channels. Identified concentration of credit risks are controlled and managed accordingly.

Derivative Financial Instruments

The Group engages in derivative transactions such as structured note, binary note, cross currency swaps (CCS) and USD / PHP Call Option with European Knock Out (EKO) to manage its foreign currency and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value.

Changes in the fair value of derivatives that are not designated as accounting hedges (structured note, binary) are recognized in the consolidated statements of income.

Structured Note

The Group invested in a structured note that offers enhanced return when the underlying asset trades at or above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity.

Pertinent details of the structured note are as follows:

Issue Size	Effective Date	Maturity Date	Redemption at Maturity	Floor Level
\$5,000	03/22/24	09/30/24	100% x Max [(Min(Final Level, Cap) - Strike) / Final Level, Floor Level] If a Barrier Event has not occurred: 100% x Max[1 – (Strike/Final Level), Floor Level]; 100% x Max[1 – (Strike/Final Level), Floor Level];	1.50%
\$3,000	03/22/24	09/30/24	Otherwise, Floor Level	2.00%

Binary Note

The Group invested in a binary note with the view of getting an interest amount linked to USD PHP fixing rate and 100% of the principal at maturity.

Pertinent details of the binary note are as follows:

Principal amount	Effective Date	Maturity Date	Fixed Coupon	Binary Coupon	Barrier Rate
\$4,525	03/25/24	09/25/24	3.00% p.a.	8.20% p.a.	56.00
\$5,475	03/25/24	09/25/24	3.00% p.a.	8.20% p.a.	56.00

The Group recognized fair value gain of ₱14.0 million and ₱9.4 million from fair value changes of structured deposit, structured note, and binary note for the three months ended March 31, 2024 and 2023, respectively, under the “Fair value gain on financial instruments at fair value through profit or loss (FVTPL)” account in the consolidated statement of comprehensive income.

CCS contract

On January 31, 2023, the Parent Company entered into a non-deliverable CCS Agreement with a notional amount of ₱1,891.4 million (THB 1,151.5 million). Under the CCS agreement, the Company will receive Philippine Peso interest at 11.50% p.a. and will pay fixed Thailand Baht interest at 9% p.a. The Company will also pay the notional Thailand Baht amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MIL and MNTH, is used to hedge the Parent Company’s exposure to the THB foreign exchange risk on its investment in MIL and MNTH. For the three months ended March 31, 2024, the Group recognized ₱13.0 million cumulative translation loss adjustment under other comprehensive income. The Group recognized ₱25.8 million and (₱1.3 million) derivative gain (loss) from swaps entered and settled during the same period for the three months ended March 31, 2024 and 2023, respectively.

Capital Management

For the purpose of the Group’s capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group’s capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or

adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended March 31, 2024 and December 31, 2023.

The Group monitors capital on the basis of the debt-to-equity ratio and makes adjustments to it in light of changes in economic conditions and its financial position. This ratio is calculated as total debt divided by total equity. Debt comprises all liabilities of the Group. Equity comprises all components of equity attributable to equity holders of the Parent Company.

The Group's debt-to-equity ratios are as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Total debt	₱21,114,030	₱25,596,271
Total equity attributable to equity holders of the Parent Company	61,678,696	58,388,484
Debt-to-Equity Ratio	0.34:1.00	0.44:1.00

Fair Value of Financial Instruments

Cash and Cash Equivalents, Trade and Other Receivables, Current Loans Receivable, Accounts Payable and Other Current Liabilities, and Acceptance and Trust Receipts Payable. The carrying value of these financial assets and liabilities approximate their fair values as at March 31, 2024 and December 31, 2023 due to the short-term nature of these financial instruments.

Withholding Tax Receivable, Advances to Employees, and Loans Payable. As at March 31, 2024 and December 31, 2023, the fair value of loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Financial assets at FVTPL. The financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at March 31, 2024 and December 31, 2023, the fair values of these financial assets are based on their published net asset value per share. These are presented under "current financial assets" in the consolidated statement of financial position.

Financial Assets at FVOCI. The fair value of financial asset at FVOCI from Wide Faith Investment Holdings Ltd. is derived from the cash flow projection of the investee (income approach), which is nil as at March 31, 2024 and December 31, 2023.

The fair value of FCG is based on quoted prices. The fair value of Terramino Inc. approximates its last transaction price.

Interest rate swap. The fair value of the derivative financial instrument is measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounted at a rate that reflects the credit risk of the Group and counterparties.

Guaranty asset. The fair value of guaranty asset is determined using Monte Carlo Simulation. The inputs to the model are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

23. Commitments

SSCC

On July 25, 2014 and August 4, 2014, the Parent Company and SSCC entered into a Distribution, and Marketing and Sales Development Agreement wherein SSCC appoints the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years (until July 25, 2034). Under the Agreement, the Parent Company shall pay SSCC a non-reimbursable and non-recoupable sum of ₱727.6 million payable in 5 equal annual installments starting on August 4, 2014 (see Note 12). The amount is recognized as Distribution Rights and subject to amortization for a period of 20 years up to 2034. The related payable was fully settled in 2018.

On August 4, 2014, the Parent Company and SSCC entered into a Loan Agreement wherein the Parent Company agreed to extend a loan to SSCC in the principal amount of ₱500.0 million with interest rate of 2% per annum. The loan is for a period of 10 years and will mature on August 4, 2024.

As stipulated in Section 6 of the Loan Agreement, the Parent Company has the right to set-off and apply any credit balance of or any amount payable by the Group to SSCC. As a result, the Group presented its receivable from SSCC net of its outstanding payable in its consolidated statement of financial position in accordance with PAS 32. As at March 31, 2024 and December 31, 2023, the Group's net receivable from SSCC amounted to ₱500.0 million (see Note 9).

In March 2024, the Parent Company and SSCC mutually agreed to extend the ₱500.0 million loans with 3.5% interest rate per annum payable in 10 years. It was also agreed to extend an additional ₱100.0 million following the same terms. Loans receivable is presented under "Current financial assets" account while the formal loan agreement is still on process.

24. Supplemental Disclosure to Cash Flow Statements

The Group's material noncash activities are as follows:

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Additions to ROU assets (Note 11)	₱792,666	₱-
Cumulative translation adjustments (Note 22)	226,094	228,289

25. Subsequent Event

Dividend Declaration and Change in Use of IPO Proceeds

On April 10, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at May 10, 2024 for ₱0.12 per common share, payable on June 5, 2024. On the same date, the Parent Company's BOD approved the management's proposal for the change in use of MONDE's IPO proceeds, where unused IPO proceeds previously allocated for IPO-related expenses as at December 31, 2023 in the amount of ₱228.8 million are to be re-allocated to capital expenditures for MONDE's APAC-BFB in 2024. The re-allocation arises from underspending in the friction cost budget for the IPO.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS OF MARCH 31, 2024

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the Group's business's results of operations and financial condition in the future.

Demand and Pricing

The Group's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the Group considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. The Group believes that instant noodles, bread, biscuits, and culinary aids are considered consumer staples. These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value proved generally resilient to the adverse effects of persistently high inflation.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products, particularly those in the lower socio-economic classes.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Group intends to continue to innovate its products to enhance their perceived product value.

Changes in Consumer Tastes and Preferences

The Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Group's products. This may then significantly impact the results of the Group.

The Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends. To take advantage of the "premiumization" trend, particularly from the growing and rising middle class seeking higher quality and higher value products, the Group expanded its mass premium segment (the segment between premium and mainstream price points) by launching instant noodles with Asian flavors and instant pasta under the *Lucky Me!* brand and introducing *Monde Specials* as its mass premium packaged baked goods line offering high-quality baked products such as sponge cake, among other initiatives.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Group's sales and marketing activities is critical to its market share expansion and revenue growth. The Group communicates with consumers through various channels and touchpoints, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram, X, and TikTok), its website, program sponsorships, billboards, and brand activation roadshows. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Group partners with celebrities and other key influencers for media or online collaborations and events.

Advertising affects consumer awareness of the Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat/flour, palm oil, sugar, and coconut oil. The Group sources raw materials and all its packaging materials globally.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Group's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The Group's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw material costs and other items might improve the Group's margins and results of operations. The Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that a significant portion of the Group's flour requirement is produced in-house at its Santa Rosa facility, the Group enjoys consistent supply, quality, and cost savings for flour from this operational synergy. This is further enhanced by the Group's affiliated own grain import terminal which allows independent procurement of wheat at scale. Operational synergy is also achieved in the supply of seasoning for instant noodles production, as the Group is operating a seasoning plant in Thailand to produce seasoning and condiments for its noodle plants in the Philippines.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the Group's market share. As a result, any material increase in the market price of raw materials could adversely affect the Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The Group has a diversified product mix which primarily includes instant noodles, biscuits, and other fast-moving consumer products. The Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the Group offers products with different flavors, different package sizes and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* product line offers a wide array of flavors. The ability of the Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the Group to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Group's revenue and profitability are largely affected by its product mix.

Competition

The Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Group's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The Group's main competitors for the instant noodle segment are domestic producers which compete on pricing and regional brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from multinational, national, regional, and local competitors. Similar to the instant noodle segment, these players compete on pricing, taste, and innovation. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Group's financials and results of operations.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues are in or derived from its operations in the Philippines. Therefore, the Group's business, financial condition, results of operations, and prospects are substantially influenced by the economic, social, and political conditions in the Philippines, while the Group is also significantly exposed to global commodity markets, mainly those for agricultural goods and energy. The Philippine economy has experienced good Gross Domestic Product ("GDP") growth exceeding that of some of its emerging market peers. This is projected to continue in 2024 with growth rates projected to be at the top of the ASEAN peer group. The Philippine economy has experienced periods of slow or negative growth, high inflation, high interest rates, high fuel prices, high power rates, high other costs of doing business, and significant depreciation of the Peso. It has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. In addition, global conflicts such as the Russia-Ukraine war and the various conflicts in the Middle East and their impacts on the global markets will continue to influence the Group materially in areas such as commodity and energy/fuel costs. While key commodity costs of the Group continue to trend down in 1Q 2024, the continued threat of a larger middle east conflict contagion around the Israel/Hamas war and Yemen could drive especially oil prices to unprecedented levels, as well as disrupt international shipping routes due to the Red Sea route being abandoned resulting in increased costs for longer routes. While the Group notes that the world market prices have gone down from their peak prices, a significant downside risk remains in case of escalations around these conflicts. Furthermore, recently cocoa has reached all-time highs due to production concerns which the group is monitoring even if this is immaterial to the Group's overall cost of goods sold. As consumers grapple with economic uncertainty, their buying behavior and preferences may become more erratic as well.

Sales of most of the products of the Group's Business have been influenced and will continue to be influenced, to some degree, by the general state of the Philippine economy as well as the stability of social and political conditions in the country. The agricultural policy stance may significantly influence the business's results especially around raw materials such as sugar and its related importation quotas, and consumer shifting between food groups as they are avoiding products impacted by high inflation. Recently, rice prices continue to drive inflation and could further impact consumer decisions of having to make choices between food groups. The ongoing El Nino period might put further stress on the consumer's budgets in case of weak harvests. While sales of a portion of the Group's products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids. In addition, consumers continue to down-trade and opt for affordable shelf-stable food items wherein instant noodles are among the cheapest meal options.

The Group also conducts its business in Thailand, including export operations to select territories. As such, economic, social, and political conditions in Thailand may also affect the Group's business, financial condition, results of operations, and prospects. We note the contentious forming of the new government post the general election in Thailand in this context and attached possible disruptions and possible policy changes under a new administration. In addition, the economic environment globally may influence the planned expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. A successful execution of the expansion of the overseas business may provide possible upside to the Group. Global containers shipping in prices, as well as availability may influence growth and profitability of the export business in the upcoming periods. Container rates have begun increasing in 2023 due to the Red Sea situation with increased costs for routes around Africa with their additional two weeks journey time.

A significant portion of the Group's assets and revenue from its Meat Alternative Business are also located in or derived from its operations in the United Kingdom (UK). Therefore, economic, social, and political conditions in the UK may also affect the Group's business, financial condition, results of operations, and prospects. The UK continues to be affected by inflation, as well as the lingering effects of the exit from the European Union. Labor shortages in the food and transport industry and significant commodity and utility inflation are present and persisting in 2024, food inflation which is impacting consumers disposable income and purchasing habits has been noted to abate to more manageable levels in recent months. The effects of the previous periods of significant inflation, and the high interest rate environment, may impact the consumer buying behavior on a prolonged basis, as well as the company's input costs. The political environment in the UK presently provides additional uncertainty as crucial policy decisions around energy price support for industry, corporate taxation, and others are constantly evolving as the UK is gearing up for general election in 2024. This environment may impact the operation of the Group.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the APAC BFB Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the APAC BFB's sales. In addition, seasonality varies across product types. Some of the APAC BFB's products have distinct seasonality. For instance, *Lucky Me!* Wet pouch instant noodles see a flat sales in the cold months due to consumers' preference for warm food. The effect of seasonality is also evident in Q1 2024 as our noodles business delivers flat sales performance while beverage business delivers 20% growth as these are affected by the extremely hot weather in the Philippines. The Philippine government also sources instant noodles and crackers, as staples in its relief goods packages, from the APAC BFB for distribution to the public. A number of biscuit products experience higher sales during the school year as the APAC BFB's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the Group developed marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The Group believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Group's aspiration will also depend on the Group's ability to continuously drive loss-eliminating process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability.

Capacity and Utilization of the Group's Facilities

The ability of the Group to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Group to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

Financial Highlights and Key Indicators

The summary financial information presented as at December 31, 2023 and as at March 31, 2024 and for the three months ended March 31, 2023, March 31, 2024, was derived from the Group's unaudited consolidated financial statements, prepared in accordance with Philippine Accounting Standards 34, *Interim Financial Reporting*. The information below is not necessarily indicative of the results of future operations.

In this report and as defined below, Core EBITDA, Core EBITDA Margin, Core Income Before Tax, Core Income Before Tax Margin, Core Income (After Tax), Core Income (After Tax) Margin, Core Income (After Tax) at Ownership, and Core Income (After Tax) at Ownership Margin are internal management performance measures and are not measures of performance under Philippines Financial Reporting Standards (PFRSs). Thus, users of this report should not consider foregoing financial non-PFRS measures in isolation or as an alternative to Net Income as an indicator of the Group's operating performance or to cash flow from operating, investing, and financing activities.

Core EBITDA is measured as net income excluding depreciation and amortization of property and equipment, asset impairments, financing income and expense, net foreign exchange gains (losses), net gains (losses) on derivative financial instruments, fair value gain on guaranty asset, and other non-recurring income (expenses) NRI(E). Q1 2024 NRE was nil. Meanwhile, Q1 2023 NRE refers to restructuring costs in Meat Alternative Business. Core EBITDA margin pertains to Core EBITDA divided by segment net sales.

Core Income Before Tax is measured as net income excluding the effects of asset impairment, interest expenses related to lease liabilities, interest income, equity in net earnings (losses) of associates and joint ventures, net foreign exchange gains (losses) except those related to U.S dollar balances that the company hedge against foreign exchange risks, net gains (losses) on derivative financial instruments, fair value gain on guaranty asset and FVTL, and NRE as discussed above. Core Income Before Tax Margin pertains to Core Income Before Tax divided by segment net sales.

Core Income (After Tax) pertains to Core Income Before Tax less income tax based on recurring income tax rate per entity. Core Income (After Tax) Margin pertains to Core Income (after tax) divided by segment net sales.

Core Income (After Tax) at Ownership pertains to Core Income (After Tax) less core income attributable to non-controlling interest (NCI).

The following discussion should be read in conjunction with the attached Unaudited Consolidated Financial Statements and related notes of Monde Nissin Corporation ("MNC" or "the Parent Company" and its subsidiaries (collectively, referred to as the "Group")) as at and for the three months ended March 31, 2024.

I. SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited in millions, except percentages									
	Reported					Comparable ¹				
	Q1 2024	% to Net Sales (in %)	Q1 2023	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	Q1 2023	% to Net Sales (in %)	Inc (Dec) (in %)	
Net Sales	20,312	100.0	20,050	100.0	262	1.3	19,901	100.0	2.1	
Less: Cost of Goods Sold	13,115	64.6	13,951	69.6	(836)	(6.0)	13,951	70.1	(6.0)	
Gross Profit	7,197	35.4	6,099	30.4	1,098	18.0	5,950	29.9	20.9	
Less: Sales, General & Administrative (SGA) ¹	3,428	16.9	3,355	16.7	73	2.2	3,206	16.1	6.9	
Other Income/(Expense)										
Interest expense ²	(98)	(0.5)	(123)	(0.6)	25	(20.3)	(123)	(0.6)	(20.3)	
Foreign exchange gain/ (loss) – net ³	70	0.3	(179)	(0.9)	249	n/m	(179)	(0.9)	n/m	
	(28)	(0.1)	(302)	(1.5)	274	n/m	(302)	(1.5)	n/m	
Core Income Before Tax	3,741	18.4	2,442	12.2	1,299	53.2	2,442	12.3	53.2	
Less: Provision for income tax ⁴	861	4.2	564	2.8	297	52.7	564	2.8	52.7	
Core Income (After Tax)	2,880	14.2	1,878	9.4	1,002	53.4	1,878	9.4	53.4	
Less: Non-Controlling Interest	3	–	2	–	1	50.0	2	–	50.0	
Core Income (After Tax) at Ownership	2,877	14.2	1,876	9.4	1,001	53.4	1,876	9.4	53.4	

	Unaudited in millions, except percentages					
	Q1 2024		Q1 2023		Inc (Dec) Amt	Inc (Dec) (in %)
		% to Net Sales (in %)		% to Net Sales (in %)		
Core Income (After Tax)	2,880	14.2	1,878	9.4	1,002	53.4
Other income (expenses)						
Fair Value gain on:						
Guaranty asset	324	1.6	–	–	324	n/m
Financial assets (FVTPL)	24	0.1	–	–	24	n/m
Foreign exchange gain (loss) ⁵	154	0.8	129	0.6	25	19.4
Miscellaneous income	85	0.4	27	0.1	58	214.8
Impairment (loss)/reversal	(17)	(0.1)	–	–	(17)	n/m
	570	2.8	156	0.8	414	265.4
Finance income (expense)						
Less: Interest expense ⁶	(55)	(0.3)	(38)	(0.2)	(17)	44.7
Interest income	137	0.7	80	0.4	57	71.3
Derivative gain (loss) - net	26	0.1	(1)	–	27	n/m
	108	0.5	41	0.2	67	163.4
Other non-recurring expenses⁷						
Restructuring costs in Meat Alternative	–	–	(177)	(0.9)	177	n/m
			(177)	(0.9)	177	n/m
Income Tax Provision	(72)	(0.4)	40	0.2	(112)	n/m
Reported net income (after tax)	3,486	17.2	1,938	9.7	1,548	79.9

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."

n/m = not meaningful %

¹2023 excludes restructuring in MNUK; 2024 excludes impairment loss

²Recurring interest expense on Loans and Trust Receipts Payable

³Foreign exchange gain on U.S dollars balances for the Group's natural hedge.

⁴Based on recurring income tax rate per entity.

⁵Excluding foreign exchange gain on USD reserves for the Group's natural hedge (included in the Core Income calculation above)

⁶Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)

⁷Income tax effect of Other Income (expenses) and non-recurring finance income (expenses); To simplify, this is the difference between Total provision for income tax as reported and provision for income tax related to Core Income

II – OPERATING SEGMENTS OF THE GROUP

As mentioned in the business overview section, the Group’s two core businesses are the APAC BFB Business and the Meat Alternative Business.

Segment performance is evaluated based on: Core Earnings before interest, taxes, and depreciation and amortization, or Core EBITDA; Core EBITDA margin; Core Income (after tax) at Ownership.

The table below presents certain financial information relating to the Group’s results of operation by segment for the periods indicated.

Unaudited in millions, except percentages									
	Reported		Reported		Inc/(Dec)	Inc/(Dec)	Comparable		Inc/(Dec)
	Q1 2024	% to Total (in %)	Q1 2023	% to Total (in %)			Q1 2023 (Adjusted)	% to Total (in %)	
Net Sales									
APAC BFB	16,883	83.1	16,525	82.4	358	2.2	16,525	83.0	2.2
Meat Alternative	3,429	16.9	3,525	17.6	(96)	(2.7)	3,376	17.0	1.6
Total	20,312	100.0	20,050	100.0	262	1.3	19,901	100.0	2.1
Gross Profit		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)				% of Segment Net Sales (in %)	
APAC BFB	6,512	38.6	5,149	31.2	1,363	26.5	5,149	31.2	26.5
Meat Alternative	685	20.0	950	27.0	(265)	(27.9)	801	23.7	(14.5)
Total	7,197	35.4	6,099	30.4	1,098	18.0	5,950	29.9	20.9
Core Income (after tax) at Ownership									
APAC BFB	3,093	18.3	2,196	13.3	897	40.8	2,196	13.3	40.8
Meat Alternative	(216)	(6.3)	(320)	(9.1)	104	(32.5)	(469)	(13.9)	(53.9)
Total	2,877	14.2	1,876	9.4	1,001	53.4	1,727	8.7	66.5
Core EBITDA ⁽¹⁾									
APAC BFB	4,568	27.1	3,550	21.5	1,018	28.7	3,550	21.5	28.7
Meat Alternative	(60)	(1.7)	(116)	(3.3)	56	(48.3)	(116)	(3.4)	(48.3)
Total	4,508	22.2	3,434	17.1	1,074	31.3	3,434	17.3	31.3

Note: (1) See “Other Financial Data - Core EBITDA Reconciliation”

RESULTS OF OPERATIONS

For the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Net Sales

Consolidated net sales increased by 1.3% on a reported basis and 2.1% on a comparable basis to ₱20,312 million in Q1 2024 driven by carry-over price actions.

APAC BFB

APAC BFB net sales increased by 2.2% to ₱16,883 million in Q1 2024. The domestic business moderately grew by 2.0% in Q1 2024 driven by carry-over price actions. Overall volume slightly lower by around 1.1% in comparison with prior year as sales partly impacted by fewer selling days in March due to the timing of Holy Week holiday in the Philippines. Like-for-like in selling days, Q1 2024 volume growth would have been at 3.1% driven by solid growth in other categories (+13.2%) primarily from culinary and beverage. Like-for-like volume growth was tempered by moderate growth in noodles (0.7%) and biscuits (0.6%). Demand in noodles instant mami (soup) segment was partially impacted by unprecedented hot weather due to El Niño. Meanwhile, international business grew by 4.8% primarily due to good growth in biscuits softened by the decline in noodles due to the timing of stock replenishment in Q4 2023.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 2.7% on a reported basis, decreased by 4.0% on a comparable and constant currency basis to ₱3,429 million in Q1 2024 because of continued category headwinds. Sales across geographic markets were lower than the previous year on a constant currency basis.

Core Cost of Goods Sold (COGS)

Cost of goods sold decreased by 6.0% to ₱13,115 million in Q1 2024, primarily due to lower commodity costs.

APAC BFB

The cost of goods sold in the APAC BFB segment decreased by 8.8% to ₱10,371 million in Q1 2024, primarily due to lower commodity costs mainly wheat, palm oil, and other oil-based ingredients, tempered by higher price of sugar and eggs.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 6.6% to ₱2,744 million in Q1 2024 despite volume decline primarily due to effect appreciation of GBP against PHP. COGS in GBP was £38.4 million in Q1 2023 compared to £38.4 million in Q1 2024. Notably, while prices remain elevated, actual prices in the second half of 2023 and lock ins for 2024 are significantly lower than average prices of the first half of 2023.

Gross Profit

Gross profit increased by 18.0% on a reported basis and 20.9% on comparable basis to ₱7,197 million in Q1 2024 due to solid improvement in APAC BFB, tempered by the decline in the Meat Alternative segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 26.5% to ₱6,512 million in Q1 2024 primarily due to lower commodity costs and carry-over price increases.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 27.9% on a reported basis as Q1 2023 includes certain payments to customers that were reported as part of selling expenses from Q1 to Q3 2023 which were reclassified to sales deduction in Q4 2023. Based on comparable Q1 2023, Q1 2024 decreased by 14.5% to ₱685 million due to volume decline and appreciation of GBP against PHP.

Core Sales, General and Administrative Expenses (SG&A) (excluding non-recurring expenses)

Sales, general and administrative expenses increased by 2.2% on a reported basis and 6.9% on a comparable basis to ₱3,428 million in Q1 2024 primarily due to increase in APAC BFB partly offset by the decline in Meat Alternative. Q1 2024 SG&A as percentage of sales slightly increased by 0.8% on comparable basis, to 16.9%.

APAC BFB

SG&A in the APAC BFB segment increased by 19.7%, to ₱2,530 million in Q1 2024. The increase was due to lower base for marketing expenses in 2023 due to timing of activities and higher salaries and wages.

Meat Alternative

SG&A in the Meat Alternative segment decreased by 27.7% on a reported basis as Q1 2023 includes certain payments to customers that were reported as part of selling expenses in Q1 to Q3 2023 which were reclassified to contra-revenue in Q4 2023. Based on a comparable Q1 2023, Q1 2024 decreased by 17.9% to ₱898 million, reflecting the benefits of cost control measures, restructuring in view of continued topline challenges, and timing of marketing expenses. Moreover, Q1 2024 SG&A as percentage of sales decreased by 6.2% on comparable basis, to 26.2%.

Core Income (After Tax)

Core income (after tax) significantly increased by 53.4% to ₱2,880 million in Q1 2024, due to an all-time high result in APAC BFB.

Fair value gain on guaranty asset

The Group recorded a fair value gain on guaranty asset amounting to ₱324 million in Q1 2024 due to appreciation of MNC share price from PhP 8.38 per share on December 31, 2023, to PhP 10.92 per share on March 31, 2024. The guaranty asset was related to the agreement (“Top-Up Deed”) between MNSPL and MNSG Holdings Pte. Ltd. Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL’s wholly owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023, and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed as at December 31, 2023.

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses decreased ₱177 million Q1 2024. In Q1 2024, the non-recurring expense was nil. The NRE in Q1 2023 pertains to restructuring costs in Meat Alternative segment.

Income Before Income Tax

In Q1 2024, income before income tax increased by 80.6% to ₱2,554 million in Q1 2024, as discussed in the foregoing.

Total Income Tax Expense

Total income tax expense increased by 77.9% to ₱932 million due to higher operating income in APAC BFB.

Reported Net Loss (after tax)

As a result of the foregoing, the Group reported 79.9% increase in net income to ₱3,486 million in Q1 2024.

STATEMENT OF FINANCIAL POSITION

Financial condition as at December 31, 2023, compared to as at March 31, 2024.

Current Assets

The Group's current assets decreased by 8.3%, from ₱36,090 million as at December 31, 2023 to ₱33,090 million as at March 31, 2024 primarily due to payment of dividends, loans, and capital expenditures.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Cash and cash equivalents	13,524	41	16,679	46	(3,155)	(18.9)
Trade and other receivables	6,564	20	6,410	18	154	2.4
Inventories	9,340	28	9,187	25	153	1.7
Current financial assets	2,481	7	2,714	8	(233)	(8.6)
Prepayments and other current assets	1,181	4	1,100	3	81	7.4
Total	33,090	100	36,090	100	(3,000)	(8.3)

Cash and cash equivalents decreased by 18.9% as at March 31, 2024 to ₱13,524 million due to payment for dividends, MNUK's loans and capital expenditures.

Current financial assets decreased by 8.6% as at March 31, 2024 to ₱2,481 million mainly due to disposals of financial assets at FVTPL.

Prepayments and other current assets increased by 7.4%, from ₱1,100 million as at December 31, 2023 to ₱1,181 million as at March 31, 2024 mainly due to advance payment of value added tax (VAT) for importation.

Noncurrent Assets

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Property, plant and equipment	26,031	52	25,155	52	876	3.5
Guaranty Asset	10,803	22	10,432	22	371	3.6
Intangible Assets	8,847	18	8,813	19	34	0.4
Investments in associates and joint ventures	1,122	2	1,125	2	(3)	(0.3)
Deferred tax assets – net	893	2	937	2	(44)	(4.7)
Financial assets at FVOCI	634	1	601	1	33	5.5
Other noncurrent assets	1,485	3	942	2	543	57.6
Total	49,815	100	48,005	100	1,810	3.8

Guaranty asset increased by 3.6% from from ₱10,432 at December 31, 2023 to ₱10,803 million as at March 31, 2024, mainly due to changes in fair value of recognized in profit or loss driven by higher stock price. During the financial year ended December 31, 2023, MNSPL entered into an agreement (“Top-Up Deed”) with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL (“MNSG”). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023.

Financial assets at FVOCI pertains to subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group (FCG), Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. Figaro is a quoted securities, as at March 31, 2024, the fair value of FCG was based on quoted prices. The fair value of Terramino, Inc. approximates its transaction price.

Other noncurrent assets increased by 57.6% from ₱942 million as at December 2023 to ₱1,485 million as at March 31, 2024 mainly due to increase in advances to suppliers and contractors mainly due to downpayment for hard and soft wheat and machineries related to capacity expansion.

Current Liabilities

The Group's current liabilities decreased by 14.5%, from ₱17,735 million as at December 31, 2023 to ₱15,168 million as at March 31, 2024 mainly due to payment of dividends and accounts payable.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Accounts payable and other current liabilities	10,239	68	11,684	66	(1,445)	(12.4)
Dividends Payable	—	—	2,156	12	(2,156)	(100)
Acceptances and trust receipts payable	1,909	12	1,608	9	301	18.7
Current portion of loans payable	1,206	8	1,200	7	6	0.5
Refund liabilities	356	2	407	2	(51)	(12.5)
Current portion of lease liabilities	125	1	89	1	36	40.4
Income tax payable	1,333	9	591	3	742	125.5
Total	15,168	100	17,735	100	(2,567)	(14.5)

Accounts payable and other current liabilities decreased by 12.4%, from ₱11,864 million as at December 31, 2023 to ₱10,239 million as at March 31, 2024 mainly due to payments of MNC's and MMYSC's accounts payable non-trade primarily related to CapEx.

Dividends Payable as at December 31, 2023, at ₱2,156 million and nil as at March 31, 2024. The BOD approved the declaration cash dividends of ₱0.12 per share for stockholders of record date of November 29, 2023, which was paid last January 11, 2024.

Acceptances and trust receipts payable increased by 18.7%, from ₱1,608 million as at December 31, 2023 to ₱1,909 million as at March 31, 2024 due to purchase of wheat.

Refund liabilities decreased by 12.5%, from ₱407 million as at December 31, 2023 to ₱356 million as at March 31, 2024. The provision was consistent with PFRS 15.

Income tax payable increased by 125.5%, from ₱742 million as at December 31, 2023 to ₱1,333 million as at March 31, 2024 mainly due to income tax payable of MNC and MMYSC related to Q1 2024 taxable income.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 24.4%, from ₱7,862 million as at December 31, 2023 to ₱5,946 million as at March 31, 2024.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	In %	Audited	In %	Amount	%
in P millions, except percentages						
Loans payable	1,849	31	3,734	47	(1,885)	(50.5)
Deferred tax liabilities – net	320	5	382	5	(62)	(16.2)
Derivative liability	119	2	106	1	13	12.3
Lease liabilities	2,583	43	2,594	33	(11)	(0.4)
Pension liability	1,036	17	1,007	13	29	2.9
Other noncurrent liabilities	39	2	39	1	–	–
Total	5,946	100	7,862	100	(1,916)	(24.4)

Loans payable decreased by 50.5%, from P3,734 million as at December 31, 2023 to P1,849 million as at March 31, 2024 due to the payment of the MNUK loans.

Equity

The Group's total equity increased by 5.6% from P58,498 million as at December 31, 2023 to P61,791 million as at March 31, 2024 due to recognition of results of operations for Q1 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's principal sources of liquidity are cash flows from its operations, borrowings, and IPO proceeds. For the twelve months ended December 31, 2023, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, and CapEx requirements. The IPO proceeds financed the Company's capital expenditure (CapEx) requirements for 2023. For the three months ended March 31, 2024, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, and CapEx requirements.

The Group's principal requirements for liquidity are for purchases of raw materials and payment of other operating expenses, investments in production equipment, payment of cash dividends, and other working capital requirements.

The cash flows of the Group are primarily from the operations of its APAC BFB Business. The Group expects that its operating cash flow will continue to be sufficient to fund its operating expenses, dividend payments, and CapEx. The Group also maintains long- and short-term credit facilities with various financial institutions, which can support any temporary liquidity requirements. Any excess capital expenditure beyond the operating cash flow will be funded by remaining IPO proceeds (for APAC BFB only) and bank borrowings.

Cash Flows

The following discussion of the Group's cash flows for the three months ended March 31, 2023, and 2024 should be read in conjunction with the statements of cash flows and notes included in Unaudited Consolidated Financial Statements.

The table below sets forth the principal components of the Group's statements of cash flows for the periods indicated.

	Three Months ended, March 31	
	2024	2023
	Unaudited, (in P millions)	
Net cash flows provided by operating activities	2,812	2,092
Net cash flows used in investing activities	(1,050)	(1,905)
Net cash flows used in financing activities	(4,932)	(259)
Net increase in cash and cash equivalents	(3,170)	(72)
Effect of Exchange Rate Changes on cash and cash equivalents	15	(17)
Cash and cash equivalents at beginning of year	16,679	11,629
Cash and cash equivalents as at March 31,	13,524	11,540

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱2,812 million for the three months ended March 31, 2024. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱2,876 million. The Group generated cash from interest received amounting to ₱142 million and paid income taxes of ₱206 million.

The net cash flows provided by operating activities were ₱2,092 million for the three months ended March 31, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱2,244 million. The Group generated cash from interest received amounting to ₱96 million and paid income taxes of ₱248 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱1,050 million for the three months ended March 31, 2024. The net cash outflow primarily due to increase in other noncurrent assets amounting to ₱533 million for downpayment to suppliers and contractors. The other cashoutflows pertains to various CapEx amounting to ₱771 million.

The Group's net cash flows used in investing activities were ₱1,905 million for the three months ended March 31, 2023. The net cash outflow primarily for the MNC's investment for the various current financial assets at FVTPL amounting to ₱235 million (net of inflow), Parent company subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group, Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. The other cash outflows pertain to various CapEx amounting to ₱636 million.

Net cash flows used in financing activities

The net cash flows from financing activities were ₱4,932 million for the three months ended March 31, 2024. The net cash outflows primarily consist of payments of dividend, MNUK loans and lease liabilities. Payment of lease liabilities includes lease agreement between MMYSC and TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga to be used for various operational activities. The lease agreement is valid for 50 years and is renewable for another 25 years. For balance sheet presentation purposes, this is included as part of Property, Plant and Equipment as right-of-use-asset under *PFRS 16, Leases*.

The net cash flows used in financing activities were ₱258 million for the three months ended March 31, 2023. The net cash outflow primarily consists of payment of interest expense and lease liabilities.

FINANCIAL RATIOS / KEY PERFORMANCE INDICATORS

The following are the major financial ratios that the Group uses and monitors.

The top five key performance indicators are Sales Growth, Gross Margin, Net Profit margin, Core EBITDA margin, and Core Return on equity.

	March 31, 2024	December 31, 2023
Current ratio	2.18	2.03
Acid test ratio	1.49	1.45
Solvency ratio	0.73	0.55
Debt-to-equity ratio	0.34	0.44
Asset-to-equity ratio	1.34	1.44
	Three Months ended	
	2024	2023
Net Sales Growth*	1.3%	9.6%
Gross Margin*	35.4%	30.4%
Core Net Income After Tax margin (at ownership)*	14.2%	9.4%
Core EBITDA Margin	22.2%	17.1%
Interest rate coverage ratio	20.0	21.8

* Reported

** Annualized for Q1 2024, 2023 based on full year

The manners by which the ratios are computed are as follows:

Financial ratios	Formula
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test ratio	$\frac{\text{Cash and cash equivalents} + \text{Current receivables} + \text{Current Financial Assets}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net income attributable to equity holders of the Company} + \text{Depreciation and amortization} + \text{Impairment Loss}}{\text{Total liabilities}}$
Debt-to-equity ratio ⁽¹⁾	$\frac{\text{Total liabilities (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Asset-to-equity ratio	$\frac{\text{Total assets (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Interest rate coverage ratio ⁽²⁾	$\frac{\text{EBITDA}}{\text{Finance Costs}}$
Net Sales Growth	$\frac{\text{Current period net sales} - \text{prior period net sales}}{\text{Prior period net sales}}$
Gross margin	$\frac{\text{Gross profit}}{\text{Net Sales}}$
Core EBITDA Margin	$\frac{\text{Core EBITDA}}{\text{Net Sales}}$
Core Income After Tax (at ownership)	$\frac{\text{Core Income after-tax at Ownership}}{\text{Net sales}}$

Note:

⁽¹⁾ (average) means the average of the amounts from the beginning and end of the same period.

Capital Expenditures

The Group's Capital Expenditures (CapEx) were primarily attributable to spending to develop new business, expand production capacity and capability, and improve operational efficiencies. The Group invested in the construction of a new manufacturing plant, new production lines, and machineries.

The table below sets out the Group's estimated 2024 CapEx plan and actual spend for the three months ended March 31, 2024, and 2023.

	FY Plan	Q1 Actual	
	2024	2024	2023
	(in ₱ millions)		
APAC BFB	6,211	562	409
Meat Alternative	1,000	209	227
Total	7,211	771	636

In Q1 2023, APAC BFB's major CapEx was primarily on various machineries, licenses, and IT system to improve operational efficiencies and capabilities. Meanwhile, in Q1 2024, major CapEx was primarily on new production capability, capacity expansion in Davao, and operational efficiencies.

In Q1 2023, Meat Alternative's major CapEx was primarily for its long life paste design capability and to increase capacity for deli products. Meanwhile, in Q1 2024, investments were primarily to for fermentation, long life paste design and other capabilities.

2024 capital plan in APAC BFB is primarily to improve capacity, development capability, and operational efficiencies. Meat Alternative's 2024 plan mainly to improve operational/cost efficiencies.

OTHER FINANCIAL DATA

I. RECONCILIATION OF PFRS TO NON-PFRS MEASURES

The following tables set out PFRS to non-PFRS reconciliation for the period indicated:

	Three months March 31, 2024			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₪ millions)		
NET SALES	20,312	-	-	20,312
Less: COST OF GOODS SOLD	13,115	-	-	13,115
GROSS PROFIT	7,197	-	-	7,197
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	17.0	(17)	-	-
General and administrative expenses	1,874	-	-	1,874
Selling expenses	1,554	-	-	1,554
	3,445	(17)	-	3,428
Core Other Income/(Expense)				
Miscellaneous Income	-	-	-	-
Interest Expense - Orchid+Trust Receipts	-	(98)	-	(98)
Forex loss on USD Stockpile	-	70	-	70
	-	(28)	-	(28)
CORE INCOME BEFORE TAX	3,752	(11)	-	3,741
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	324	-	-	324
Foreign exchange gain (loss) – net	224	(70)	-	154
Share in net earnings of an associate	14	-	-	14
Market valuation gain (loss) on financial instruments at fair value through profit or loss	24	-	-	24
Miscellaneous + dividend Income	71	-	-	71
	657	(70)	-	587
INCOME BEFORE FINANCE INCOME (EXPENSES)	4,409	(81)	-	4,328
FINANCE INCOME (EXPENSES)				
Finance Income	137	-	-	137
Finance Costs	(153)	98	-	(55)
Derivative gain	26	-	-	26
	10	98	-	108
Other Non-Recurring Expenses				
Impairment Reversal/(Loss) -Net	-	(17)	-	(17)
Restructuring costs in MNUK	-	-	-	-
	-	(17)	-	(17)
INCOME BEFORE INCOME TAX	4,419	-	-	4,419
PROVISION FOR CURRENT INCOME TAX				
Current	949	-	-	949
Deferred	(16)	-	-	(16)
PROVISION FOR CURRENT INCOME TAX	933	-	-	933
NET INCOME FROM CONTINUING OPERATIONS	3,486	-	-	3,486

	Three months-ended, March 31, 2023			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
	(Unaudited, in ₱ millions)			
NET SALES	20,050	-	-	20,050
Less: COST OF GOODS SOLD	13,951	-	-	13,951
GROSS PROFIT	6,099	-	-	6,099
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	-	-	-	-
General and administrative expenses	1,946	-	(177)	1,769
Selling expenses	1,586	-	-	1,586
	3,532	-	(177)	3,355
Core Other Income/(Expense)				
Interest Expense - Orchid+Trust Receipts	-	(123)	-	(123)
Forex loss on USD Stockpile	-	(179)	-	(179)
	-	(302)	-	(302)
CORE INCOME BEFORE TAX	2,567	(302)	177	2,442
OTHER INCOME (CHARGES)				
Foreign exchange gain – net	(50)	179	-	129
Share in net earnings of an associate	4	-	-	4
Market valuation gain (loss) on financial instruments at fair value through profit or loss	(28)	-	-	(28)
Miscellaneous Income	51	-	-	51
	(23)	179	-	156
INCOME BEFORE FINANCE INCOME (EXPENSES)	2,544	(123)	177	2,598
FINANCE INCOME (EXPENSES)				
Finance income	80	-	-	80
Finance expense	(161)	123	-	(38)
Derivative gain	(1)	-	-	(1)
	(82)	123	-	41
Other Non-Recurring Expenses				
Impairment loss – Net	-	-	-	-
Restructuring costs	-	-	(177)	(177)
	-	-	(177)	(177)
INCOME BEFORE INCOME TAX	2,462	-	-	2,462
PROVISION FOR CURRENT INCOME TAX				
Current	627	-	-	627
Deferred	(103)	-	-	(103)
PROVISION FOR CURRENT INCOME TAX	524	-	-	524
NET INCOME FROM CONTINUING OPERATIONS	1,938	-	-	1,938

II. EBITDA Reconciliation

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the period indicated:

For the three months ended March 31, 2024				
	APAC BFB	Meat		Total
		Alternative		
(Unaudited, in ₱ millions)				
Income before Income Tax	4,372	47		4,419
Interest Expense	78	75		153
Interest Income	(119)	(18)		(137)
EBIT	4,331	104		4,435
Derivative Gain	(26)	–		(26)
Foreign Exchange (Gain)/Loss (net)	(230)	6		(224)
Gain Change in FV of Guaranty Asset	–	(324)		(324)
Impairment Loss	17	1		18
Depreciation and Amortization Expense	476	153		629
EBITDA	4,568	(60)		4,508

For the three months ended March 31, 2023				
	APAC BFB	Meat		Total
		Alternative		
(Unaudited, in ₱ millions)				
Income before Income Tax	3,027	(565)		2,462
Interest Expense	61	100		161
Interest Income	(72)	(8)		(80)
EBIT	3,016	(473)		2,543
Derivative Loss	1	–		1
Foreign Exchange Loss (net)	46	4		50
Other non-recurring expenses	–	177		177
Depreciation and Amortization Expense	487	176		663
EBITDA	3,550	(116)		3,434

III. FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as at March 31, 2024.

(Unaudited, in ₱ millions)						
	On Demand	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Financial Liabilities						
Trade and other payables*	2,240	7,168	63	–	–	9,471
Loans Payable**	–	13	1,206	1,915	–	3,134
Lease liabilities	–	53	185	949	6,790	7,977
Acceptance and trust receipts payable	–	–	1,909	–	–	1,909
	2,240	7,234	3,363	2,864	6,790	22,491

* Excluding statutory payables

** including amount of interest

Off-Balance Sheet Arrangements

As at March 31, 2024, the Group did not have any material off-balance sheet arrangements or obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period that were likely to have a current or future effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

The Group's APAC BFB Business and Meat Alternative Business are exposed to various types of market risks in the ordinary course of business, including foreign currency risk, commodity price risk, interest rate risk, liquidity risk, and credit risk. For more information on risks discuss below, see Note 22 to Unaudited Consolidated Financial Statements.

1. Foreign Currency Risk

The Group operates internationally and is exposed to foreign currency risk arising from currency fluctuations in respect of business transactions denominated in foreign currencies. The Group enters derivative transactions to manage foreign currency risks, including currency swaps and currency options.

2. Commodity Price Risk

The Group is exposed to price volatility arising from the utilization of certain commodities as raw materials, packaging materials, and fuel in its production processes. To minimize the Group's risk of potential losses due to volatility of international crude and product prices, the Group enters into short and longer tenor contracts for commodities such as flour and palm oil.

3. Interest Rate Risk

The Group is exposed to interest rate risk arising from its long-term debt obligations with floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

4. Liquidity Risk

The Group is exposed to the risk of not meeting its payment obligations when they fall due. The Group manages its liquidity risk by monitoring and maintaining a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding, and mitigate the effects of fluctuations in cash flows.

5. Credit Risk

The Group is exposed to the risk that a counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily trade receivables) and financing activities. The Group manages its credit risk by monitoring receivables from each customer.

Contingencies

As at March 31, 2024, the Group is involved in certain proceedings and regulatory assessments, and management believes that none of these proceedings will have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosure may seriously prejudice the Group's position and negotiating strategy.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,115 million and ₱2,055 million as at March 31, 2024 and December 31, 2023, respectively.

OTHER MATTERS

Commodity Prices

The Company continues to see gradual easing of commodity prices in the global markets. The impact of easing commodity prices was reflected in FY 2023 for wheat, palm oil and other oil-based ingredients. The Parent Company has fully secured estimated requirements for wheat until Q3 2024 and partially secured for Q4 2024. Meanwhile, for palm oil/olien the Parent company has substantially secured until Q3 2024.

Labor Matters

As at December 31, 2023, MONDE's daily paid rank and file employees at MONDE's Sta. Rosa Laguna Plant belonged to and were represented by one trade union, namely the Confederation of Filipino Workers – Monde Nissin Corporation Chapter (the "Union"). As of the same date, MONDE has a five-year collective bargaining agreement ("CBA") with the Union until April 30, 2026. MONDE concluded the negotiations of economic provisions of the CBA with the Union on May 2, 2024, with the CBA signing scheduled on May 8, 2024. Salary increase and supplemental benefits such as one-time signing and mid-year bonuses, medical and bereavement assistance are consistently part of the CBA.

MONDE's Davao Plant rank and file employees recently filed a petition for certification election ("PCE") before the Department of Labor and Employment Region XI Regional Office ("DOLE") for recognition as the sole and exclusive bargaining agent of Davao Plant's rank and file employees. Conferences/proceedings before the DOLE are currently on-going in connection with the PCE. MONDE's subsidiary, SARIMONDE FOODS CORPORATION ("SARIMONDE") is also awaiting the CBA proposals from its daily paid rank and file union, after the DOLE has certified SARIMONDE's union has the sole and exclusive bargaining agent of its daily paid rank and file employees. MONDE does not expect the on-going labor proceedings to have a material effect on its business, financial condition, and results of operations, and it is not aware of any circumstances that would give rise to material labor disputes and has not experienced any labor strikes.

Dividend Declaration and Change in Use of IPO Proceeds

On April 10, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at May 10, 2024 for ₱0.12 per common share, payable on June 5, 2024. On the same date, the Parent Company's BOD approved the management's proposal for the change in use of MONDE's IPO proceeds, where unused IPO proceeds previously allocated for IPO-related expenses as at December 31, 2023 in the amount of ₱228.8 million are to be re-allocated to capital expenditures for MONDE's APAC-BFB in 2024. The re-allocation arises from underspending in the friction cost budget for the IPO.

Others

There are no unusual items regarding the nature and amount affecting assets, liabilities, equity, net income, or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.

There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.

There were no other known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or income from continuing operations, except those stated above and in the Management's Discussion and Analysis of Factors affecting the Operations, Financial Position and Financial Performance.

Below is the foreign exchange rate used in the translation of the Income Statement and Balance Sheet Items to Philippine Peso.

	Three Months Average Rate, ending March 31,		Closing Rate	
	2024	2023	March 31, 2024	December 31, 2023
1 GBP	70.9972	66.6901	70.9166	70.6029
1 USD	55.9767	54.8191	56.2010	55.3850

PART II--OTHER INFORMATION

Board of Directors

The following table sets forth the Company's Board of Directors as at March 31, 2024:

Name	Position
Hartono Kweefanus	Chairperson Emeritus
Kataline Darmono	Chairperson
Hoediono Kweefanus	Vice-Chairperson
Betty T. Ang	President
Henry Soesanto	Executive Vice President and Chief Executive Officer
Monica Darmono	Treasurer
Nina Perpetua D. Aguas	Lead Independent Director
Marie Elaine Teo	Independent Director
Anabelle L. Chua	Independent Director

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MONDE NISSIN CORPORATION

Issuer

May 14, 2024

Date



HENRY SOESANTO
Chief Executive Officer



JESSE C. TEO
Chief Financial Officer