



Monde Nissin posts record-high revenues on the back of 10.5% domestic sales growth in Q1 2022

- **Consolidated revenue for the first quarter grew 7.2%.**
 - **Asia-Pacific Branded Food & Beverage (APAC BFB) first quarter revenue grew 8.6% year-on-year, driven by 10.5% growth in the domestic business.**
 - **Meat Alternatives first quarter revenue declined by 1.3% year-on-year on an organic basis as the retail environment remained challenging; foodservice showed continued strong momentum, up 124%.**
- **Reported net income decreased by 0.9% year-on-year, ending at Php 2.3 bn, notwithstanding lower interest costs. Likewise, despite margin recovery from Q4 2021, core net income attributable to shareholders declined 13.5% to Php 2.1 bn for the quarter due to continuing commodity price increases.**

MAKATI CITY, PHILIPPINES – May 11, 2022 – Monde Nissin Corporation (“Monde Nissin” or the “Company”; PSE stock symbol: MONDE) announced today its unaudited financial results for the first quarter ended March 31, 2022. Consolidated revenue increased 7.2% to Php 18.3 bn for the first quarter on the strong performance of the APAC BFB domestic business.

First quarter gross margin showed a 150 bps recovery from Q4 2021 due to pricing actions and volume growth, but decreased to 35.1% year-on-year as input costs continue to rise.

Year-on year, core EBITDA declined by 9.9% to Php 3.6 bn due partly to the company’s continued strategic investments in brand and new product development during the quarter. Relative to Q4 2021, core EBITDA grew 78.1% as operating expenses declined.

Core net income attributable to shareholders for the quarter saw a decrease of 13.5% to Php 2.1 bn, while reported net income ended almost unchanged at Php 2.3 bn, benefiting from lower interest expense due mainly to the repayment of the Arran convertible note and bank loans in 2021.

Asia-Pacific Branded Food and Beverage (APAC BFB)

APAC BFB net sales for the first quarter increased by 8.6% to Php 14.5 bn due to the improving performance of the domestic business, which grew 10.5% to Php 13.7 bn on price increases and continued volume growth for the noodles, culinary, and packaged cake categories. Biscuits also posted volume growth to pre-pandemic level. Meanwhile, the international business declined 15.4% to Php 854 mn due mainly to shipping constraints during the quarter.

Gross profit decreased 4.0% for the first quarter to Php 5.0 bn, with gross margin down 450 bps to 34.4% as price increases taken in the second half of 2021 and first quarter of 2022 partially mitigated rising commodity costs.

Core EBITDA posted a 69.5% improvement on Q4 2021 due to lower operating costs and price increases, but declined 6.4% year-on-year to Php 3.4 bn as pricing actions trail commodity cost increases.

Meat Alternative (Quorn Foods)

Meat Alternative revenue decreased 1.3% year-on-year on an organic basis as the U.K. grocery market remains in decline and as the country continues to experience challenging macroeconomic conditions. On a reported basis, revenue increased by 2.1% to Php 3.8 bn due to foreign exchange gains. Retail sales posted a decline year-on-year as the market rebalances to out-of-home consumption. Meanwhile, foodservice delivered a record quarter and grew 124%.

Price increases in the U.K. resulted in gross margin recovering to 38.0% in the first quarter from 32.6% in the fourth quarter of 2021, despite increased inflation from recent geopolitical situations. Year-on-year, gross margin decreased by 300 bps.

Core EBITDA showed a sharp recovery from Q4 2021 but declined 42.9% year-on-year to Php 218 mn due to investments in research and development as well as resource strengthening.

in Php mn	Q1 2022	Q1 2022 Reported Growth
Net sales	18,298	7.2%
APAC BFB	14,539	8.6%
Meat Alternative	3,759	2.1%
Gross profit	6,422	-4.3%
Core EBITDA	3,600	-9.9%
Core net income attributable to shareholders	2,121	-13.5%

Monde Nissin’s financial position remains strong with Php 13.5 bn in cash and cash equivalents and an improved net debt-to-equity ratio of 0.23. Outstanding debt was at Php 7.0 bn as of March 31, 2022. Operating cash flow was at Php 809 mn for the first quarter of 2022.

Concluding Comments

Henry Soesanto, Chief Executive Officer, commented, “While we had a strong start to the year and remain optimistic about the continuation of the growth we are seeing, commodity inflation remains a concern for our APAC BFB business and it is something that we will proactively respond to as the year progresses. We are working hard to continually improve our efficiency and being mindful of our consumers when price increases become warranted, striving to maintain our growth momentum and recovering margin where possible. As for our Meat Alternative business, while the retail environment remains challenging, our market share continues to be stable. Our foodservice segment is also showing sustained momentum as it posted its best-ever quarter. We will leverage on these encouraging signs and work towards overcoming the short-term challenges.”

About Monde Nissin

Monde Nissin Corporation is a global food and beverages company headquartered in the Philippines, with a portfolio of iconic and market leading brands across fast-growing categories, including Lucky Me! noodles, SkyFlakes crackers, Fita crackers, Monde baked goods and Quorn meat alternative products. The Company aspires to improve the well-being of people and the planet, and create sustainable solutions for food security. That aspiration is reflected in our commitment to continuously improve our products to make them more delicious, nutritious, and better for the planet. For more information, please visit www.mondenissin.com.

About Quorn

Quorn Foods is a global market leader in healthy, sustainable protein. Headquartered in Stokesley, North Yorkshire in the United Kingdom, the company offers a wide range of great-tasting products to appeal to the rapidly expanding group of people wanting to reduce their meat consumption. The company employs around 900 people and exports to 15 countries around the world, including Australia, Singapore and the United States. Quorn® is one of the United Kingdom's top 40 FMCG brands. Quorn Foods is the reporting group which includes a main trading company, Marlow Foods Ltd. Quorn Foods encompasses all international operations of Quorn® and Cauldron®. For more information, please visit www.quorn.com.

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