



438 Alexandra Point
#20-00 Alexandra Point
Singapore 119958

Tel : (65) 6318 9393
Fax : (65) 6271 0811
Website: www.fraserandneave.com

FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R
Incorporated in Singapore

F&N Achieves 52 Per Cent Profit Growth Despite Weakness In Regional Currencies

- ***F&B spearheaded growth; 1H2024 revenue increased 2 per cent (+6 per cent in constant currency) to \$1,071.1 million***
- ***1H2024 PBIT¹ increased 54 per cent to \$162.5 million, driven by broad-based growth***
 - ***F&B profit grew 47 per cent (+52 per cent in constant currency), driven by increased sales, improved margins from favourable product mix, cost efficiencies and favourable commodity costs, despite currency challenges and higher brand investments***
 - ***P&P losses narrowed following closure of loss-making ventures and gains from education internationalization and non-print solutions***
- ***Attributable profit (before exceptional items) increased 52 per cent (+59 per cent in constant currency) to \$83.8 million***
- ***Interim dividend of 1.5 cents per share declared, unchanged from the previous year***

Financial Highlights (S\$ 'million)	Six months to 31 March 2024	Six months to 31 March 2023
Revenue	1,071.1	1,045.3
PBIT ¹	162.5	105.8
Profit After Taxation	125.5	110.9
Attributable Profit ²	83.8	55.0
Earnings Per Share (basic)(cents) ²	5.8	3.8
Net Asset Value Per Share	\$1.98	\$2.03 (30 Sep 2023)

¹ PBIT denotes profit before interest, taxation and exceptional items

² Before exceptional items



SINGAPORE, 9 MAY 2024 – Fraser and Neave, Limited (“**F&N**” or the “**Group**”) today reported robust half-year results for the period ended 31 March 2024 (“**1H2024**”). Despite facing challenges from unfavourable foreign exchange (“**forex**”) translation rates, the Group demonstrated solid performance across its business segments.

Driven by a strong showing in the Food & Beverage (“**F&B**”) segment, the Group achieved a 2-per-cent increase in revenue (+6 per cent in constant currency terms), reaching \$1,071.1 million in 1H2024 compared to \$1,045.3 million in the corresponding period of FY2023 (“**1H2023**”). Compared with 2-per-cent revenue growth, profit before interest and taxation (“**PBIT**”) exhibited robust growth. Excluding the adverse forex translation, PBIT increased 59 per cent. Factoring in forex challenges, 1H2024 PBIT rose by 54 per cent, reaching \$162.5 million from \$105.8 million in 1H2023. Consequently, profit attributable to shareholders grew 52 per cent.

All divisions within the F&B segment contributed to the Group’s 2-per-cent revenue growth. Beverages, comprising Beer and Soft Drinks, saw a 6-per-cent increase in revenue (+10 per cent in constant currency), reaching \$335.6 million. This was driven primarily by favourable sales mix and higher volume resulting from the successful execution of festive campaigns. Dairies recorded 3 per cent growth (or \$20 million) (+7 per cent in constant currency), reaching \$594.2 million, buoyed by robust export and domestic canned milk volumes across core markets, despite unfavourable forex translation. Combined, F&B revenue grew 4 per cent to \$929.8 million, up from \$892.2 million in the corresponding period last year. Excluding adverse forex translation, F&B 1H2024 revenue improved 8 per cent.

However, the Group’s first-half performance was impacted by lower revenue in the Publishing & Printing (“**P&P**”) segment, decreasing by 14 per cent from \$112.9



million to \$96.5 million. This decline was largely attributed to reduced print orders and the closure of unprofitable business units.

Benefiting from increased F&B sales, effective cost reduction measures, and a more favourable commodity cost environment, the Group saw a notable 54 per cent rise in PBIT for 1H2024 (+59 per cent in constant currency), reaching \$162.5 million – a \$56.7 million increase.

The F&B segment spearheaded the growth, achieving an earnings growth of 47 per cent (+52 per cent in constant currency). Notably, both Beverages and Dairies recorded strong profit growth, with increases of 37 per cent (+46 per cent in constant currency) and 49 per cent (+53 per cent in constant currency), respectively. This strong performance was underpinned by increased sales, improved cost efficiencies, and favourable commodity prices, despite challenges stemming from forex differences in overseas operations and increased brand spending. Specifically, the lift in Beverages' earnings was driven by improved profitability in Soft Drinks, with its PBIT increasing 49 per cent (+60 per cent in constant currency). Meanwhile, in Dairies, the earnings growth came from all core markets – Malaysia, Singapore, Thailand and Vietnam (through the Group's associate company, Vietnam Dairy Products Joint Stock Company (Vinamilk)) – each recording double-digit growth.

P&P's performance improved, with 1H2024 losses narrowing to \$5.3 million, down from \$8.0 million in the corresponding period last year. P&P benefited from cost discipline and closure of loss-making business units.

Mr Hui Choon Kit, Chief Executive Officer of Fraser and Neave, Limited, reflected,

“Looking back on the first half of FY2024, I am pleased with the resilience and adaptability demonstrated by F&N in the face of dynamic market conditions. Despite prevailing challenges, our steadfast commitment to driving growth has



yielded satisfactory results to date. We've sustained our positive momentum from the last quarter of FY2023, capturing market share and achieving notable growth in volume, sales, and profits.”

“Our achievements underscore the resilience of our diversified business model, demonstrating our adeptness in managing supply chain disruptions, inflation, and pandemic-related challenges. This resilience is being reinforced by our unwavering commitment to innovation, efficiency, and sustainability, so as to future-proof our business to achieve long-term success in this fiercely competitive FMCG industry. As we traverse this volatile and inflationary environment, our focus remains on driving growth across all business units and markets we operate in, prioritising productivity improvements, and effectively managing forex and input cost challenges,” he added.

Interim Dividend

Directors have declared an interim dividend of 1.5 cents per share, unchanged from the interim dividend declared a year ago. The dividend will be paid on 7 June 2024.

Corporate Development

(A) F&N Strengthens Presence in Cambodia with New Dairy Manufacturing Facility

Fraser & Neave Holdings Bhd ("**F&NHB**"), a subsidiary of the Group, is undertaking a significant investment in Cambodia. In February 2024, F&NHB secured a land lease for the construction of a new dairy manufacturing facility in the country. This new plant will oversee the production, distribution, marketing, and sales of F&N dairy products, with a focus on canned milk, underscoring our unwavering commitment to the



regional market and further strengthening our established leadership position in Cambodia's canned milk sector.

Operations at the new manufacturing facility are slated to commence in the first quarter of 2026.

(B) F&N Advances On F&N AgriValley, the Integrated Dairy Farm Project In Gemas, Negeri Sembilan

With the groundbreaking of the Group's integrated dairy farm in Gemas, Negeri Sembilan in June 2023, F&NHB is on track to commence initial milking for its fresh milk project by early 2025. The integrated farm, known as F&N AgriValley, will include a corn farm (to be used as the main feedstock for the cattle), a dairy farm, and a milk processing facility capable of producing 100 million litres of fresh milk yearly for local and international markets.

The recent completion of the social impact study for F&N AgriValley marks a crucial milestone. Land clearance and site preparation for the dairy barn are nearing completion, and the first batch of dairy cattle has been selected on schedule to meet the farm's first milking target date of early 2025.

The Group has allocated over RM1 billion in capex for Phase 1 of the project, primarily for land clearance, barn construction, and acquisition of dairy cattle. Under Phase 1, approximately 4,000 dairy cattle will be brought in from the US, with plans to eventually house up to 20,000 dairy cattle.

- END -



For clarification and further enquiries, please contact:

Mr Christopher LEONG

Senior Director, Group Finance

DID: 6318 9381

Email: chris.leong@fn-group.com.sg

Ms Jennifer YU

Director, Investor Relations

DID: 6318 9231

Email: jenniferyu@fn-group.com.sg