



(Incorporated in Hong Kong with limited liability)
Stock code: 1475

Nissin Foods Announces 2023 Annual Results Net Profit Up 5.6% to HK\$330.2 Million

(Hong Kong, 26 March 2024) **Nissin Foods Company Limited** (“Nissin Foods” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 1475) has announced its annual results today for the year ended 31 December 2023.

The Group recorded revenue at HK\$3,833.2 million. Gross profit was HK\$1,303.1 million, with gross profit margin increased by 2.0 percentage points to 34.0% in 2023 from 32.0% (restated) in 2022. The increase in gross profit margin was mainly attributable to the price adjustments implemented in both Hong Kong and Mainland China in 2022 to offset the surge in manufacturing costs, as well as the easing of the key raw material costs.

Profit attributable to owners of the Company increased by 5.6% year-on-year to HK\$330.2 million, improving the net profit margin from 7.7% (restated) in 2022 to 8.6%. The Group’s basic earnings per share for the reporting period increased to 31.64 HK cents.

The Board recommends the payment of a final dividend of 15.82 HK cents per share, representing a dividend payout ratio of 50.0% for the year. The financial position of the Group remained healthy, with net cash of approximately HK\$1,310.4 million and HK\$820.0 million in available banking facilities as at 31 December 2023.

Review & Prospects of Instant Noodles and Non-Noodles Businesses

During the year, revenue from the **Hong Kong and other Asia operations** for the year was HK\$1,513.2 million. The segment results was at HK\$85.1 million as reduced sales volume diminished the optimisation of certain fixed costs and expenses. Meanwhile, for the **Mainland China operations**, revenue of HK\$2,320.0 million was recorded for the year, and its segment results increased by 11.8% to HK\$350.6 million, mainly attributable to the implementation of price adjustment in 2022 and the easing of raw material costs during the year.

The Group adhered to its premiumisation strategy during the year and launched new products to expand its portfolio to drive the growth of its **instant noodles business**. During the year, the Group continued to add new flavours to the “Cup Noodles”, “Demae Iccho”, “Nissin Raoh”, “Nissin U.F.O”, “Fuku” and “Doll” brands to encourage and stimulate consumer spending. The Group also introduced rice noodles and plant-meat products with non-allergic and non-meat ingredients, as well as implemented various collaborations with different parties. These collaborations include the launch of two flavours of instant bowl noodles with an apparel company, the introduction of “Cup Noodles Bucket” to consumers with a membership warehouse club in Shenzhen and a collaboration with Japanese anime “BLEACH (死神)” and “Onmyoji (陰陽師)” to launch collaborative “Cup Noodles” products in Mainland China. In addition, the performance of Nissin Vietnam improved during the year which is primarily engaged in the production and sale of bag-type instant noodles under brands including “Mi Cay Nissin”, “365 Non-fried Noodles” and “Nissin Raoh”.

The Group has continued to expand its **non-noodle business** to diversify its portfolio. During the year, the Group extended its focus on its premium frozen food products offerings and further expanded its exposure in various sales channels to increase sales volume. The distribution business in Hong Kong recorded a rebound during the year owing to the subsidence of the pandemic and the revival of economic activities. In addition, due to the completed acquisition of Hong Kong Eastpeak Limited, which wholly owns Shanghai Eastpeak Trading Limited, the Group's distribution network in Mainland China was further expanded.

The Group also continued to expand the sales channels of the “Kagome” business in different regions. Meanwhile, the Group replicated the success of “Nissin Granola” in Hong Kong and Mainland China to the new markets in Southeast Asia, and saw both sales value and volume grow in Singapore. Also, the Group has strategically added “Aojiru”, a Japanese vegetable drink made from kale, to its product portfolio and enriched the product line with the “Nissin Yogurt Series” to capture opportunities arising from the healthy lifestyles of consumers. In addition, “Nissin Crisp Choco”, the baked corn flakes chocolate snack, has received a highly positive response from the market. The distribution channels of the fresh-cut vegetables business were also expanded, with both sales value and volume recording growth in 2023.

Mr Kiyotaka ANDO, Executive Director, Chairman and Chief Executive Officer of Nissin Foods, said, “Although the global economy has shown a resilient and better-than-expected recovery, there are various opportunities and challenges in the consumer market. We are delighted to see that the implementation of our premiumisation strategy for our core instant noodles products, along with the regular introduction of new flavours, continues to excite our consumers and yield results. The further diversification of our product portfolio in the non-noodles business has broadened our income base, strengthening our foundation to develop the mainstay of our business and overcome challenges.

“We remain cautiously optimistic about the future business operating environment. Nissin Foods will continue to strengthen its overall competitiveness based on a well-diversified product portfolio and the premiumisation strategy. We will strive to expand into new business territories leveraging the increasing brand recognition in Hong Kong and Mainland China so as to drive continuous revenue and profit growth.”

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About Nissin Foods Company Limited

Nissin Foods Company Limited (“Nissin Foods”, together with its subsidiaries, the “Group”; Stock code: 1475) is a renowned food company in Hong Kong and Mainland China with a diversified portfolio of well-known and highly popular brands, primarily focusing on the premium instant noodle segment. The Group officially established its presence in Hong Kong in 1984 and is the largest instant noodle company in Hong Kong. The Group primarily manufactures and sells instant noodles, high-quality frozen food products, including frozen dim sum and frozen noodles, and also sells and distributes other food and beverage products, including retort pouches, snacks, mineral water, sauce and vegetable products under its two core corporate brands, namely “NISSIN (日清)” and “DOLL (公仔)” together with a diversified portfolio of iconic household premium brands. The Group's five flagship product brands, namely “Cup Noodles (合味道)”, “Demae Iccho (出前一丁)”, “Doll Instant Noodle (公仔麵)”, “Doll Dim Sum (公仔點心)” and “Fuku (福)” are also among the most popular choices in their respective food product categories in Hong Kong. In the Mainland China market, the Group has introduced technology innovation through the “ECO Cup” concept and primarily focuses its sales efforts in first- and second-tier cities.

Nissin Foods is a constituent of five Hang Seng Indexes, namely: Hang Seng Composite Index, Hang Seng Composite SmallCap Index, Hang Seng Composite Industry Index - Consumer Staples, Hang Seng SCHK Consumption Index and Hang Seng SCHK Consumer Staples Index. Nissin Foods is eligible for trading under Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. For more information, please visit www.nissingroup.com.hk.

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