



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

Nissin Foods Announces 2024 Annual Results

Resilient business operation ensures stable performance under challenging landscape

Highlights

- ◆ While revenue dipped 5.5% in the first half, it remained nearly flat year-on-year, with a notable 4.6% growth in the second half, primarily driven by a strong focus on noodle sales.
- ◆ Recognition of one-off non-cash impairment-related charges of HK\$135.9 million reflects the Company's proactive approach to managing financial risks. Adjusted EBITDA grew to HK\$612.5 million year-on-year.
- ◆ Completed the acquisition of Gaemi Food in Korea and ABC Pastry in Australia to capitalize on reshaped global supply chains and consumption patterns.
- ◆ Proposed a final dividend of 9.63 HK cents and a special dividend of 6.19 HK cents per share, totalling 15.82 HK cents per share, subject to shareholder approval.

(Hong Kong, 26 March 2025) **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 2024.

The Group recorded revenue at HK\$3,811.9 million. Although revenue fell 5.5% in the first half, it remained nearly flat year-on-year, with a 4.6% increase in the second half, largely due to strong noodle sales. Gross profit increased by 0.7% to HK\$1,312.1 million, with gross profit margin increased by 0.4 percentage points to 34.4% in 2024 from 34.0% in 2023. The increase in gross profit margin was mainly attributable to the optimisation of fixed costs led by the increase in sales volume of instant noodles.

Profit attributable to owners of the Company decreased by 39.1% year-on-year to HK\$201.0 million, representing the net profit margin of 5.3% for the year, mainly due to the recognition of non-cash impairment-related charges of HK\$135.9 million, primarily consisted (i) impairment loss on property, plant and equipment relating to eight less profitable production facilities under complementary business such as long life noodles, non-fried noodles, and frozen food in Mainland China and Hong Kong, (ii) impairment loss on property, plant and equipment and right-of-use assets of the leasehold property for warehouse use in Hong Kong, and (iii) impairment loss on goodwill and intangible assets of the distribution business in Mainland China. These one-off non-cash expenditures did not impact the Group's cash flow, operations, or liquidity. This recognition reflected the Company's proactive approach to managing financial risks and aligning asset values with current market conditions. The Group's basic earnings per share for the reporting period was 19.26 HK cents. At the Adjusted EBITDA level, the Group increased by 0.8% to HK\$612.5 million from HK\$607.8 million in 2023, representing the Adjusted EBITDA margin of 16.1% for the year (2023: 15.9%).

The Board recommends a final dividend of 9.63 HK cents per share and a special dividend of 6.19 HK cents per share, totalling 15.82 HK cents per share, representing a total dividend payout ratio of

82.1% for the year. The Group's financial position remained healthy, with net cash of approximately HK\$1,402.5 million and HK\$820 million in available banking facilities as at 31 December 2024.

Review & Prospects of Different Business Regions

During the year, revenue from the **Hong Kong and other regions operations** increased by 1.8% to HK\$1,539.9 million, mainly due to growth in sales of instant noodles in Hong Kong and other regions operations, offsetting the drop in frozen food business. Segment results rose by 4.4% to HK\$88.9 million due to the consolidation of newly acquired businesses in Korea and Australia. Meanwhile, the **Mainland China operations** recorded revenue of HK\$2,272.0 million for the year, with segment results at HK\$328.5 million, mainly attributable to the higher production cost in the second half of the year.

In **Hong Kong**, the Group adhered to its premiumisation strategy and launched new products to drive growth. The Group continued rolling out new SKUs, such as the *Demae Iccho's Spicy Series*, and various new flavours under the "Nissin Raoh", "Nissin U.F.O", "Fuku" and "Doll" brands. The Group expanded the sales channels of the "Kagome" business in different regions, along with seasonal product launches. Various new flavours in the low-fat *Nissin Yogurt* series were added to penetrate the market. Also, a brand-new product Nissin Chocolate Potato Chips was launched, offering a rich, crunchy and savory-sweet taste experience.

For **overseas markets**, the Group has continued to expand its non-noodle business to diversify its portfolio. The Group completed the acquisition of Gaemi Food, a manufacturer of crispy roll snacks, being a top national brand in the domestic crispy roll market in Korea. Its business achieved a satisfactory performance and solid growth. Also, the Group completed the acquisition of ABC Pastry, a leading manufacturer of frozen dumplings which are either company-branded or third-party branded in Australia, enabling the Group to diversify its business portfolio and broaden its income sources. In addition, Nissin Vietnam business achieved an excellent performance during the year. The Company proactively explored and expanded different sales and distribution channels in the domestic market with a focus on the youth segment to bolster its growth. New bag-type noodles products such as *Mi tron NISSIN Spaghetti* and *Mi Cay NISSIN Thai Tom Yum* were rolled out.

In **Mainland China**, premium bowl-type noodles *Nissin Donbei Kitsune Handmade Style Bowl Udon (Fresh Type)* and *Nissin Donbei Tempura Handmade Style Bowl Udon (Fresh Type)* were launched to cater to the needs of consumers for good value items. To further enhance publicity and brand awareness, the Company made different promotional efforts, including the collaboration with a Japanese anime named "Blue Lock" (藍色禁區) for a crossover involving Cup Noodles, the promotion on social networking sites such as Red Note and the participation of a food exposition in Shanghai. Also, *Nissin Koikeya Potato Chips* achieved a good performance during the year as the distribution channels continued to expand. *Green juices series* successfully attracted the attention of health-conscious customers with vending machines availability further increasing product exposure.

Looking ahead, embracing change for prosperity, the Company is strategically expanding its premium product range to cater to consumer preferences while also diversifying its business portfolio and product lines to adapt to increasing health consciousness and broaden its revenue streams. Leveraging its solid foundation and strong presence in Hong Kong and Mainland China, the Company also continued its geographical expansion into Taiwan, Korea and Australia, broadening the income base and generating additional sales.

Mr. Kiyotaka ANDO, Executive Director, Chairman and Chief Executive Officer of Nissin Foods, said, "In 2024, we witnessed significant changes in the global economy, geopolitics, international trade, the business environment and consumer behaviour. These changes created both opportunities and uncertainties. Under these changing dynamics, the Group managed to record notable growth in the

