



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

## Nissin Foods Announces 2022 Annual Results Adheres to Premiumisation Strategy to Drive Business Growth

**Revenue Increases by 4.1% to HK\$4,025.0 Million**  
**Net Profit Increases by 4.2% to HK\$316.5 Million**

Financial Highlights	For the Year Ended 31 December		
	2022	2021	Change
Revenue (HK\$ million)	4,025.0	3,866.3	+4.1%
Gross Profit (HK\$ million)	1,294.6	1,227.3	+5.5%
Net Profit (HK\$ million)	316.5	303.8	+4.2%
Earnings per share (HK cents)	30.32	28.74	+5.5%
Dividend per share (HK cents)	15.16	14.56	+4.1%

### Results Highlights

- ◆ Revenue increased primarily attributable to the organic growth in sales volume of the Group's premium instant noodles throughout the year.
- ◆ Maintained a healthy financial position and recommended to declare a final dividend of HK15.16 cents per share.
- ◆ The acquisition of remaining 29.55% equity interests in Zhuhai Golden Coast Winner Food Products ("Zhuhai Winner") has given the Group more flexibility to deploy production capabilities in the Mainland China for responding to market demand and the changing business environment, and will in turn increase the overall income and profitability of the Group.

(Hong Kong, 27 March 2023) **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 2022.

Revenue of the Group increased by 4.1% year-on-year ("YoY") to HK\$4,025.0 million (2021: HK\$3,866.3 million). Profit attributable to owners of the Group increased by 4.2% YoY to HK\$316.5 million (2021: HK\$303.8 million), representing a net profit margin of 7.9% (2021: 7.9%). The Group's basic earnings per share increased by 5.5% to 30.32 HK cents for 2022 (2021: 28.74 HK cents).

The Board recommends the payment of a final dividend of 15.16 HK cents per share (2021: 14.56 HK cents), representing a dividend payout ratio of 50.0% (2021: 50.7%) for the year.

### Hong Kong Operations

Revenue from the Hong Kong operations increased by 7.4% YoY to HK\$1,575.2 million (2021: HK\$1,466.2 million), mainly attributable to the implementation of price adjustments and increase in sales volume of premium bag-type instant noodles but was partially offset by the decline in distribution business. Segment results amounted to HK\$120.0 million (2021: HK\$123.5 million). The decrease was mainly attributable to the continuous increase in logistics and storage costs throughout the year. Revenue from the Hong Kong operations accounted for 39.1% (2021: 37.9%) of the Group's revenue.

As the raw material prices soared during the first half year, the Group adjusted ex-factory product prices in two phases, which helped ease the rising pressures from climbing production costs and raw materials costs. Regarding the performance of instant noodles business, signature brands “Cup Noodles” and “Demae Iccho” attracted positive response from consumers after quality upgrade and sales volume of such products climbed. To further enrich its instant noodles portfolio, the Group launched different new flavours under the “Raoh”, Nissin “U.F.O.”, “Fuku” and “DOLL” brands. Along with tenets of innovation and creativity, a new W-tab design for regular type of “Cup Noodles” was launched, allowing better cup lid connection with container and greater eating convenience to consumers. Furthermore, a new membership programme “Nissin Foodium” was launched in Wechat Mini Program in Hong Kong in July 2022, aiming to retain existing consumers, boost product sales and allow the Group to better understand consumers’ preferences.

On the non-noodle category, the Group’s frozen foods business has achieved a decent growth notwithstanding the fierce competition. “KAGOME” business and granola has received remarkable response from new markets in Southeast Asia, especially granola, which has seen sales volume growing considerably in Taiwan and Singapore during the year. Moreover, fresh-cut vegetable business has shown a substantial rise in demand in 2022.

### **Mainland China Operations**

Revenue from the Mainland China operations increased by 2.1% YoY (in local currency: 6.2%), rising from HK\$2,400.2 million in 2021 to HK\$2,499.8 million in 2022, due to geographical expansion and growth in sales volume of cup-type instant noodles, but is partially offset by a decline in distribution business. Segment results edged up by 4.8% YoY to HK\$313.5 million (2021: HK\$299.1 million), mainly attributable to the solid performance of instant noodles business, partly offset by the negative impact of the foreign exchange rate of Renminbi. Revenue from the Mainland China operations accounted for 60.9% (2021: 62.1%) of the Group’s revenue.

During the year, the Group continued its geographical business expansion strategy in Mainland China and explored certain new markets in the Western and Northern regions of the country. The instant noodles business maintained a sales volume growth amid complicated business environment. The Group once again collaborated with a Japanese anime to launch limited-edition crossover packaging for “Cup Noodles”. New SKUs from made-in-Hong Kong “Demae Iccho” brand have been made available in the Mainland China, offering consumers more premium choices. Moreover, new W-tab design for “Cup Noodles” and “Nissin Foodium” Wechat Mini Programme were introduced to consumers. In Mainland China, “Nissin Foodium” is also an e-commerce platform.

In November 2022, the Group acquired the remaining 29.55% equity interest in Zhuhai Winner, allowing it to consolidate control over Zhuhai Winner. The acquisition of remaining 29.55% equity interests in Zhuhai Winner has given the Group more flexibility to deploy production capabilities in the Mainland China for responding to market demand and the changing business environment, and will in turn increase the overall income and profitability of the Group.

Although the performance of joint venture distribution business in Shanghai has been inevitably affected during the year by lockdowns, the Group seized the opportunity from pandemic rampant to expand product categories, covering frozen and chilled food such as frozen pasta and ramen, resulting in a considerable growth in the sales volume of frozen foods. Furthermore, benefiting from consumers’ rising awareness of health consciousness, the sales of “KAGOME” vegetable and fruit juice and granola products gathered stronger growth momentum.

## **Prospects**

The Group is cautiously optimistic about the long-term business development in the regions and continues to look into ways to alleviate the cost pressure under this competitive landscape. Consumer consumption in the Mainland China continues to improve as per capita spending rises and the per capita income gap between urban and rural residents is narrowed. The Group plans to enlarge the connection with consumers at the locations with heavy flow of people such as retail outlets and transportation hubs, after the recovery of consumers' mobility from pandemic. Moreover, the Group continues to expand its business territory and penetrate into other areas alongside the development of additional sales channels. In Hong Kong, Nissin Foods expects tourism rebound following the border reopening of Mainland China will further revive the local economy, helping invigorate higher purchasing power and consumption sentiment.

To further consolidate overall competitiveness, the Group has been actively implementing automated, robotic and smart technology at its production plants to realise digitalisation for the purpose of improving operational efficiency, productivity, product quality and customer experience.

**Mr Kiyotaka ANDO, Executive Director, Chairman and Chief Executive Officer of Nissin Foods,** said, "We've gained valuable experience in adapting to challenging circumstances swiftly from the pandemic in the past three years. The pandemic has put our businesses through rigorous tests which in turn proves the resilience of our strategic direction towards flexible operational and management practices.

"Stepping into 2023, as anti-pandemic restrictions are lifted, the economy is expected to stage a visible rebound. In leveraging our solid foundation and footholds in Hong Kong and Mainland China, as well as the rich and diversified product portfolio that we have developed over time, Nissin Foods will adhere to its premiumisation strategy and provide good-quality food that delivers contentment and enjoyment to its valuable customers, while realising continuous and long-term growth."

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## **About Nissin Foods Company Limited**

Nissin Foods Company Limited (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 and the largest instant noodle company in Hong Kong. The Group officially established its presence in Hong Kong in 1984. The Group primarily manufactures and sells instant noodles, frozen foods and other food products under its two core corporate brands, namely "NISSIN (日清)" and "DOLL (公仔)" together with a diversified portfolio of iconic household premium food 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 eight Hang Seng Indexes, namely: Hang Seng Composite Index, Hang Seng Consumer Goods & Services Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index, Hang Seng Stock Connect Hong Kong SmallCap Index, Hang Seng SCHK Mainland China Companies Index, Hang Seng SCHK ex-AH Companies Index, and Hang Seng Small Cap (Investable) 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](http://www.nissingroup.com.hk).

**For media enquiries:**

**Nissin Foods Company Limited**

**Public Relations Department**

Blanche Wong / Mabel Tan

Email: [pr@nissinfoods.com.hk](mailto:pr@nissinfoods.com.hk)

**For investor enquiries:**

**Nissin Foods Company Limited**

**Investor Relations Department**

Shingo Yamazaki / Fanny Yan

Email: [ir@nissinfoods.com.hk](mailto:ir@nissinfoods.com.hk)

**Strategic Financial Relations Limited**

Vicky Lee

Tel: (852) 2864 4834

Aggie Fang

Tel: (852) 2114 4987

Michelle Shiu

Tel: (852) 2864 4861

[sprg\\_nissin@sprg.com.hk](mailto:sprg_nissin@sprg.com.hk)