

COVER SHEET

C S 2 0 0 5 0 8 3 8 6  
SEC Registration Number

B A L A I N I F R U I T A S , I N C .

[Empty grid for company name continuation]

[Empty grid for company name continuation]

[Empty grid for company name continuation]

(Company's Full Name)

6 8 D A T A S T . B R G Y . D O N M A N U E L ,

Q U E Z O N C I T Y

(Business Address: No., Street City / Town / Province)

RALPH HECTOR ADRICULA  
Contact Person

+(632) 8731-8886  
Company Telephone Number

SEC FORM 17-C

1 2 3 1  
Month Day  
Fiscal Year

FORM TYPE

0 8 1 5  
Month Day  
Annual Meeting

[Empty box for secondary license type]

Secondary License Type, If Applicable

[Empty box for dept requiring doc]

Dept Requiring this Doc Section

[Empty box for amended articles number]

Amended Articles Number /

[Empty box for total no. of stockholders]

Total No. of Stockholders

Total Amount of Borrowings

[Empty box for domestic borrowings]

Domestic

[Empty box for foreign borrowings]

Foreign

To be accomplished by SEC Personnel concerned

[Empty box for file number]

File Number

\_\_\_\_\_  
LCU

[Empty box for document ID]

Document ID

\_\_\_\_\_  
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

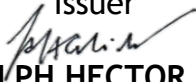


**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BALAI NI FRUITAS INC.**

Issuer



**RALPH HECTOR P. ADRICULA**  
Compliance Officer

Date

**April 11, 2024**

April 11, 2024



**Balai ni Fruitas posts 57% revenue growth and 11% net margin in 2023, outperforming all other PSE-listed foodservice firms; Revenues exceed half-billion peso mark**

**2023 Highlights:**

- Revenues grew to Php535 million in 2023, 57% higher than 2022 revenues of Php341 million
- 2023 gross margin stood at 51% in spite of continuing challenges from inflation;
- EBITDA increased to Php109 million in 2023, 59% higher than 2022 EBITDA of Php68 million;
- 2023 EBITDA margin of 20.3% outpaced 2022 EBITDA margin of 20.0%;
- Net income reached Php59 million in 2023, 58% higher than 2022 net income of Php37 million.

Manila Philippines – Balai ni Fruitas Inc., listed on the Philippine Stock Exchange under the symbol “BALAI” and a leader in Philippine counter service bakery operators, generated revenues of Php535 million in 2023, representing a 57% surge from 2022 revenues of Php341 million. Despite continued challenges from inflation, the company posted higher EBITDA margin and net income margin in 2023. BALAI registered 59% growth and 58% growth in EBITDA and net income, respectively.

Based on latest available publicly disclosed financial results, BALAI outperformed all other foodservice firms listed on the Philippine Stock Exchange, in terms of both revenue growth and net income margin in 2023 (see table below).

All of BALAI’s brands, led by Balai Pandesal, registered significant same store sales growth (SSSG) in 2023. Balai Pandesal stores increased its sales by gaining more repeat transactions among customers in the communities where they are located. Balai Pandesal also introduced several new baked goods in its menu and widened the curated selection of third-party goods in its stores. Meanwhile, Buko ni Fruitas and Fruitas House of Desserts benefited from increased foot traffic in malls and food courts. The company also continued the expansion of its retail network, adding 20 stores in the year, to end 2023 with 118. Other strategic initiatives also contributed to the company’s significant sales growth, including distribution of Balai Pandesal baked goods in other Fruitas stores, belonging to its associates, increased e-commerce sales through the Fruitas group’s website and third-party aggregators, and third-party modern trade distribution, particularly in Cebu.

The company posted a gross profit margin of 51% in 2023, only marginally lower than 2022, despite the escalation in costs of raw materials and other direct expenses. This was achieved through tactical but limited price increase, but more importantly, through change in product mix, towards higher-margin products.

The company generated EBITDA of Php109 million in 2023, 59% higher than 2022 EBITDA of Php68 million. Corresponding 2023 EBITDA margin of 20.3%, marked an improvement from 20.0% in 2022. The company continued to benefit from economies of scale as revenue growth outpaced growth in operating expenses. The company’s net income reached Php59 million in 2023, marking a substantial 58% increase from Php37 million in 2022. The company was able to control depreciation and amortization as it opted to expand its network in a strategic manner and took advantage of e-commerce and third-party distribution. Net income margin marginally rose to 11.0% in 2023 compared to 10.9% in the preceding year.

“2023 marked significant milestones for BALAI as we passed 100 stores and the half-billion peso revenue level. We continue to maximize shareholder value by expanding intelligently and controlling our costs. We responded to the pandemic by acquiring Balai Pandesal and rolling out community stores and we are glad that this strategy paid off. We are now growing same store sales by earning customer loyalty and constantly improving our product offerings. We believe we have also barely scratched the surface in terms of provincial expansion and we have already started to build capacity to serve this market. Most importantly, I salute all of my BALAI colleagues, including store crew and management, for this year’s strong financial results. As a team, we can exceed our customer’s expectations and continue this growth trajectory,” Mr. Lester Yu, BALAI President and Chief Executive Officer.

## 2023 vs 2022

(Php millions)	2023	2022	% change YoY
Revenue	535	341	57%
Gross Profit	273	176	55%
EBITDA	109	68	59%
Net income / (loss)	59	37	58%
Margins			
Gross profit margin	51.0%	51.5%	
EBITDA margin	20.3%	20.0%	
Net income / (loss) margin	11.0%	10.9%	

## Comparison of BALAI’s financial performance versus other PSE-listed foodservice firms (full year 2023)

Company	Revenue growth	Net income margin
Balai ni Fruitas Inc. (1)	57%	11%
Jollibee Foods Corporation (1)	15%	4%
Philippine Seven Corporation (2)	27%	4%
Shakey’s Pizza Asia Ventures Inc. (2)	53%	7%
Max’s Group Inc. (2)	13%	4%
Figaro Coffee Group Inc. (3)	36%	10%
Fruitas Holdings Inc. (2)	42%	4%

(1) Revenue growth is for full year 2023 vs 2022; net income margin is for full year 2023

(2) Revenue growth is for nine months ended September 2023 vs nine months ended September 2022; net income margin is for nine months ended September 2023

(3) Revenue growth is for six months ended December 2023 vs six months ended December 2022; net income margin is for six months ended December 2023; fiscal yearend is June

###

*Balai ni Fruitas Inc. is a 75% -owned subsidiary of Fruitas Holdings Inc. Since the acquisition of certain assets of Balai Pandesal in June 2021, the Company has grown the Balai Pandesal store network from 5 to more than 50 as of December 31, 2023. The company has 3 well-loved brands in its portfolio, which includes Balai Pandesal, Buko ni Fruitas, and Fruitas House of Desserts. Balai ni Fruitas currently has more than 100 active stores spread among the 3 brands. For more information, you may visit: <http://balainifruitas.com/>.*

*The foregoing disclosure contains forward-looking statements that are based on certain assumptions of Management and are subject to risks and opportunities or unforeseen events. Actual results could differ materially from those contemplated in the relevant forward-looking statement and BALAI gives no assurance that such forward-looking statements will prove to be correct or that such intentions will not change.*

*This Press Release discloses important factors that could cause actual results to differ materially from BALAI’s expectations. All subsequent written and oral forward-looking statements attributable to BALAI or person acting on behalf of the Group are expressly qualified in their entirety by the above cautionary statements.*