RFM CORPORATION
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RFM Corporation Posts Php508 Million First Half 2017 Income

Food and beverage company RFM Corporation reported a net income of P508 Million for the first half of 2017, same income level as last year, driven by net sales of P5.6B.

Net Sales for the six month period was lower by 3% than the P5.8B of 2016. Selecta Ice cream sales continued to post double digit growth which helped offset the softer sales in flour and pasta during the period. Flour continued to be affected by the weaker selling prices of flour.

Pasta sales were affected by the observed elevated trade inventories during the early part of the year that affected new sales. Both the Fiesta and Royal brands saw weaker sales as most pasta companies competed to move out their Christmas season trade inventories during the period.

The P508M net income was achieved despite elevated raw material prices especially in milk and the discontinuation of the Dole distributorship last June 2016. These headwinds weighed on the topline and bottomline of RFM for the six-month period.

The company said that its income was supported by the lower cost of warehousing during the second quarter as well as adjustments in operating, selling and marketing expenses.

RFM CEO Joey Concepcion also reiterated that “backed by the strength of our balance sheet and recurring cashflows, RFM will continue the 50% cash dividend policy of its net income and the share buyback program.”

Concepcion added that over the course of 2017 "top line growth is expected to rebound with planned marketing campaigns in key brands for the second half of the year."