RFM CORPORATION
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RFM Grows 2017 Net Income by 6% to P1.06B

Food and beverage company RFM Corporation posted a 2017 net income of P1.064 billion or an increase of 6% over 2016 income on the back of P12.7 Billion in sales revenues.

RFM President and CEO Jose A. Concepcion III said that based on latest unaudited financials, the company's consumer branded businesses such as Selecta ice cream and Fiesta pasta line, along with institutional bunline business, led the topline growth amid continuing price pressures in the commodity flour business.

Revenues of ice cream category leader Selecta grew 13% year on year, driving category growth. The ice cream joint venture with Unilever has just embarked on a P1B capex expansion to meet the growth requirements for the medium term.

The strong ice cream revenue growth as well as positive growth in the pasta branded businesses was mitigated by the softer Institutional sales as flour prices remained soft.

The CEO noted that "with resilient consumer branded businesses, RFM continues to see healthy income growth and as a result, we have just recently declared a P300M cash dividend which is just the first tranche of the 50% dividend payout of our 2017 P1.06B net income, as well as another P300M budget for our continuing share buyback program."

The P1B capex of the ice cream business is self-funded by the joint venture while the ongoing flour mill capex upgrade of P240M has been fully funded by internal cash. "RFM sees continued consumer consumption growth in the coming years and we are investing already to be able to take full advantage of that growth. For 2018, we see sustained growth in our ice cream and faster growth in the pasta business. We also plan to push our RTD milk lines for faster growth this year", Concepcion said.

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