



Wing Yip Food Holdings Group Limited Announces Fiscal Year 2024 Financial Results

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ZHONGSHAN, China, May 1, 2025 /PRNewswire/ -- Wing Yip Food Holdings Group Limited (the "Company" or "Wing Yip") (Nasdaq: WYHG), a meat product processing company operating through its subsidiaries in mainland China, today announced its financial results for the fiscal year ended December 31, 2024.

Ms. Tingfeng Wang, Chief Executive Officer of Wing Yip, remarked, "We are pleased to share our performance for fiscal year 2024, during which we achieved a 7.88% year-over-year increase in net revenue. This growth was primarily driven by an increase in sales of snack products and frozen meat, fueled by stronger promotion efforts across our direct stores and e-commerce platforms. We believe this performance reflects our success in meeting the growing consumer demand for delicious, convenient, and diverse snack options, a segment we are committed to expanding. In 2024, we introduced 81 new products, including 35 snack items aimed at younger consumers, which enhanced our product range and deepened market engagement. Our research and development expenses increased by 17.01% in fiscal year 2024, driven by our efforts in accelerating product development and deepening our presence in the health food sector. We are focusing on the development of products for fitness-conscious consumers, alongside ongoing innovation in plant-based meat alternatives. In addition, food safety and product quality remain central to us. In April 2024, we established our own quality testing center, to improve risk detection for our own products. In the future, we plan to open the quality testing center to other market participants for quality testing, as well."

Ms. Wang continued, "By strengthening our product offerings and enhancing quality assurance, we believe we are set to capture emerging opportunities and reinforce our leadership in China's meat processing industry. As we move forward, we expect to continue leveraging our expertise, resources, and strategic investments to deliver long-term value for our shareholders, partners, and customers."

Fiscal Year 2024 Financial Summary

- Net revenues were \$144.63 million in fiscal year 2024, an increase of 7.88% from \$134.07 million in fiscal year 2023.
- Gross profit was \$44.80 million in fiscal year 2024, compared to \$47.10 million in fiscal year 2023.
- Gross profit margin was 30.97% in fiscal year 2024, compared to 35.13% in fiscal year 2023.
- Net income was \$11.25 million in fiscal year 2024, compared to \$14.01 million in fiscal year 2023.
- Basic and diluted earnings per share were \$0.23 in fiscal year 2024, compared to \$0.29 in fiscal year 2023.

Fiscal Year 2024 Financial Results

Net Revenues

Net revenues were \$144.63 million in fiscal year 2024, an increase of 7.88% from \$134.07 million in fiscal year 2023, which was primarily attributable to a \$2.74 million decrease in sales of cured meat products, a \$6.91 million increase in sales of snack products, and a \$0.91 million increase in sales of frozen meat products, mainly due to increased promotion of snack products by direct stores and e-commerce.

- Revenue from sales of cured meat products was \$86.02 million in fiscal year 2024, an increase from \$83.28 million in fiscal year 2023. The sales volume of cured meat products increased from 10,956 tons in fiscal year 2023 to 12,873 tons in fiscal year 2024. The increase in sales volume resulted in an increase of \$14.57 million in revenue. The increase was partially offset by the decrease in the currency exchange rates applied to statements of operations from RMB7.0809 to \$1.00 for the fiscal year in 2023 to RMB7.1957 to \$1.00 for fiscal year in 2024, which caused a decrease of \$1.39 million in revenue. In addition, the increase was partially offset by the decrease in the average unit sales price from \$8.00 per kilogram for fiscal year 2023 to \$6.79 per kilogram for fiscal year 2024, which resulted in a decrease of \$10.44 million in revenue.
- Revenue from sales of snack products was \$50.54 million in fiscal year 2024, an increase of 15.83% from \$43.64 million in fiscal year 2023. The sales volume of snack products increased from 5,785 tons for fiscal year 2023 to 6,864 tons for fiscal year 2024. The increase in sales volume resulted in an increase of \$8.13 million in revenue. The increase was partially offset by the decrease in the currency exchange rates applied to statements of operations from RMB7.0809 to \$1.00 for fiscal year 2023 to RMB7.1957 to \$1.00 for fiscal year 2024, which caused a decrease of \$0.81 million in revenue. In addition, the increase was partially offset by the decrease in the average unit sales price from \$7.94 per kilogram for fiscal year 2023 to \$7.48 per kilogram for fiscal year 2024, which resulted in a decrease of \$0.41 million in revenue.
- Revenue from sales of frozen meat products was \$8.07 million in fiscal year 2024, an increase of 12.78% from \$7.16 million in fiscal year 2023. The sales volume of frozen meat products increased from 1,520 tons for fiscal year 2023 to

1,836 tons for fiscal year 2024. The increase in sales volume resulted in an increase of \$1.48 million in revenue. The increase was partially offset by the decrease in the currency exchange rates applied to statements of operations from RMB7.0809 to \$1.00 for fiscal year 2023 to RMB7.1957 to \$1.00 for fiscal year 2024, which caused a decrease of \$0.13 million in revenue. In addition, the increase was partially offset by the decrease in the average unit sales price from \$4.95 per kilogram for fiscal year 2023 to \$4.47 per kilogram for fiscal year 2024, which resulted in a decrease of \$0.44 million in revenue.

Cost of Revenues

Cost of revenues were \$99.83 million in fiscal year 2024, an increase of 14.79% from \$86.97 million in fiscal year 2023. The increase was primarily attributable to an increase in sales volume resulting in an increase of costs, accordingly.

Gross Profit and Gross Profit Margin

Gross profit was \$44.80 million in fiscal year 2024, a decrease of 4.89% from \$47.10 million in fiscal year 2023.

Gross profit margin was 30.97% in fiscal year 2024, which decreased from 35.13% in fiscal year 2023. The decrease was mainly due to a \$2.17 million decrease in gross profit for sales of cured meat products, a \$0.31 million decrease in gross profit for sales of snack products, and a \$0.18 million increase in gross profit for sales of frozen meat products.

Operating Expenses

Total operating expenses were \$29.03 million in fiscal year 2024, an increase of 4.12% from \$27.88 million in fiscal year 2023.

- Selling expenses were \$19.67 million in fiscal year 2024, an increase of 0.62% from \$19.55 million in fiscal year 2023. The increase was mainly due to an increase in advertising costs of \$0.11 million.
- General and administrative expenses were \$4.38 million in fiscal year 2024, an increase of 7.45% from \$4.08 million in fiscal year 2023. The increase was primarily attributable to expense in connection with the initial public offering.
- Research and development expenses were \$4.97 million in fiscal year 2024, an increase of 17.01% from \$4.25 million in fiscal year 2023. The increase was primarily attributable to the new research and development cooperation project of \$0.69 million.

Net Income

Net income was \$11.25 million in fiscal year 2024, compared to \$14.01 million in fiscal year 2023.

Basic and Diluted Earnings per Share

Basic and diluted earnings per share were \$0.23 in fiscal year 2024, compared to \$0.29 in fiscal year 2023.

Financial Condition

As of December 31, 2024, the Company had cash and cash equivalents of \$87.93 million, compared to \$90.96 million as of December 31, 2023.

Net cash provided by operating activities was \$12.48 million in fiscal year 2024, compared to \$17.65 million in fiscal year 2023.

Net cash used in investing activities was \$10.10 million in fiscal year 2024, compared to \$0.22 million in fiscal year 2023.

Net cash provided by financing activities was \$4.41 million in fiscal year 2024, compared to \$6.13 million in fiscal year 2023.

Recent Development

On November 27, 2024, the Company completed its initial public offering (the "Offering") of 2,050,000 American Depositary Shares ("ADSs") at a public offering price of US\$4.00 per ADS. Each ADS represents one ordinary share of the Company. On January 14, 2025, the underwriters exercised the over-allotment option in full to purchase an additional 307,500 ADSs at the public offering price of US\$4.00 per ADS. The gross proceeds were approximately \$9.43 million, before deducting underwriting discounts and other related expenses. The ADSs commenced trading on the Nasdaq Capital Market on November 26, 2024 under the ticker symbol "WYHG."

About Wing Yip Food Holdings Group Limited

Wing Yip, is a meat product processing company operating through its subsidiaries in mainland China. The Company, through its operating subsidiaries, sells and markets products under its flagship brand, "Wing Yip," which can trace its history back to 1915, and has also developed two snack product brands, "Jiangwang" and "Kuangke." The Company's products are sold through its self-operated stores, distributors, and e-commerce platforms in over 18 provinces across mainland China. The Company offers cured meat products, snack products, and frozen meat products, processing them through its own dedicated production lines. The Company focuses on product development and is committed to improving product quality and expanding product offerings to cater

to evolving consumer preferences. The Company's ordinary shares have been listed on the Korea Securities Dealers Automated Quotations of the Korea Exchange since 2018.

For more information, please visit the Company's website: <http://ir.wingyip-food.com/>. Information on the Company's website does not constitute a part of and is not incorporated by reference into this press release.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on the Company's current expectations and projections about future events that the Company believes may affect its financial condition, results of operations, business strategy and financial needs. Investors can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. The Company undertakes no obligation to update or revise publicly any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations that arise after the date hereof, except as may be required by law. These statements are subject to uncertainties and risks, including, but not limited to, the uncertainties related to market conditions, and other factors discussed in the "Risk Factors" section of the registration statement and other filings of the Company filed with the U.S. Securities and Exchange Commission ("SEC"). Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in the Company's registration statement and other filings with the SEC. Additional factors are discussed in the Company's filings with the SEC, which are available for review at www.sec.gov.

For more information, please contact:

Wing Yip Food Holdings Group Limited

Investor Relations Department

Email: ir@wingyip-food.com

Ascent Investor Relations LLC

Tina Xiao

Phone: +1-646-932-7242

Email: investors@ascent-ir.com

WING YIP FOOD HOLDINGS GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. Dollars, except for the number of shares)

	As of December 31, 2024	As of December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 87,927,726	\$ 90,963,594
Restricted cash	880,358	-
Accounts receivable, net	7,768,381	7,347,892
Inventories	8,456,295	6,576,151
Prepaid expenses and other current assets	7,779,378	3,922,368
TOTAL CURRENT ASSETS	\$ 112,812,138	\$ 108,810,005
NON-CURRENT ASSETS:		
Property, plant and equipment, net	\$ 79,568,773	\$ 70,510,340
Intangible assets, net	47,094	56,069
Land-use rights, net	605,343	650,187
Right-of-use assets	300,664	215,392
Deferred offering costs	-	605,866
Other non-current assets	157,076	174,317
TOTAL NON-CURRENT ASSETS	\$ 80,678,950	\$ 72,212,171
TOTAL ASSETS	\$ 193,491,088	\$ 181,022,176
LIABILITIES		

CURRENT LIABILITIES:

Short-term loans	\$ 6,712,972	\$ 6,478,964
Long-term loans	10,506,144	781,701
Accounts payable	8,095,509	7,786,391
Notes payable	2,934,527	-
Deferred income	46,874	65,495
Accrued expenses and other payables	3,195,138	3,433,862
Taxes payable	3,603	857,512
Lease liabilities	87,648	41,985
TOTAL CURRENT LIABILITIES	\$ 31,582,415	\$ 19,445,910

NON-CURRENT LIABILITIES:

Long-term loans	\$ 4,335,336	\$ 16,726,570
Lease liabilities	278,282	212,615
Deferred tax liabilities	1,550,063	1,580,428
TOTAL NON-CURRENT LIABILITIES	\$ 6,163,681	\$ 18,519,613
TOTAL LIABILITIES	\$ 37,746,096	\$ 37,965,523

COMMITMENTS AND CONTINGENCIES (NOTE 19)

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SHAREHOLDERS' EQUITY

Ordinary shares (No par value; 50,023,428 and 47,973,428 shares issued and outstanding as of December 31, 2024 and 2023)	\$ -	\$ -
Additional paid-in capital	42,997,303	37,370,297
Statutory reserve	12,087,066	10,435,949
Accumulated other comprehensive loss	(9,307,406)	(5,119,036)
Retained earnings	109,968,029	100,369,443
TOTAL SHAREHOLDERS' EQUITY	\$ 155,744,992	\$ 143,056,653
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 193,491,088	\$ 181,022,176

WING YIP FOOD HOLDINGS GROUP LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Expressed in U.S. Dollars, except for the number of shares)

	<u>Years ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues	144,629,055	134,068,317	130,789,405
Cost of revenues	(99,833,630)	(86,972,132)	(86,444,589)
Gross profit	44,795,425	47,096,185	44,344,816
Operating expenses:			
Selling expenses	(19,672,532)	(19,550,604)	(19,691,729)
General and administrative expenses	(4,379,642)	(4,075,896)	(4,006,282)
Research and development expenses	(4,973,452)	(4,250,451)	(4,105,172)
Total operating expenses	(29,025,626)	(27,876,951)	(27,803,183)
Other income (expenses):			
Interest income	179,412	178,758	244,416
Interest expenses	(1,064,745)	(995,345)	(83,516)
Other income, net	58,766	208,908	122,240
Other expense, net	(2,839,598)	(2,111,109)	(1,762,251)
Exchange loss	(3,298)	(11,651)	(55,654)
Total other expenses, net	(3,669,463)	(2,730,439)	(1,534,765)

Income before income tax	12,100,336	16,488,795	15,006,868
Income tax expenses	(850,633)	(2,478,882)	(3,812,884)
Net income	11,249,703	14,009,913	11,193,984

Comprehensive income

Net income

Foreign currency translation adjustments, net of tax	4,188,370	3,831,082	10,312,615
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Comprehensive income	15,438,073	17,840,995	21,506,599
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Earnings per share, basic and diluted	0.23	0.29	0.23
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Weighted average number of shares	48,175,620	47,973,428	47,973,428
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WING YIP FOOD HOLDINGS GROUP LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars, except for the number of shares)

	For the years ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 11,249,703	\$ 14,009,913	\$ 11,193,984
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation of property, plant and equipment	4,418,774	3,016,946	1,347,274
Written off property, plant and equipment	614,527	2,007,477	1,668,442
Allowance for credit losses	(43,797)	18,630	(8,374)
Amortization of intangible assets	9,003	7,402	6,995
Amortization of land use right	27,472	22,933	16,863
Amortization of right-of-use asset	91,368	134,971	649,362
Deferred income taxes	(30,365)	(43,378)	(27,160)
Changes in operating assets and liabilities:			
Accounts receivable	(376,692)	(3,310,188)	(2,233,756)
Inventories	(1,880,144)	1,152,696	(1,813,479)
Prepaid expenses and other current assets	(3,857,006)	1,139,213	(724,326)
Other non-current assets	17,241	30,893	16,045
Accounts payable	309,118	671,155	(6,041,247)
Notes Payable	2,934,530	-	-
Deferred revenue	(18,621)	(19,737)	(26,296)
Taxes payable	(853,909)	(859,792)	(1,422,488)
Lease liabilities	111,330	(124,456)	(678,659)
Accrued expenses and other payables	(238,724)	(203,052)	(312,809)
Net cash provided by operating activities	12,483,808	17,651,626	8,922,859
Cash flows from investing activities:			
Purchase of property, plant and equipment	(10,102,478)	(217,053)	(18,056,679)
Purchase of intangible assets	(548)	(5,113)	—
Net cash used in investing activities	(10,103,026)	(222,166)	(18,056,679)
Cash flows from financing activities:			
Issuance of ordinary shares, net of offering costs	6,232,872	-	-
Proceeds from short-term loans	7,123,971	6,478,964	9,961,845
Proceeds from long-term loans	650,747	4,647,953	11,598,910
Repayment of short-term loans	(6,712,972)	(3,802,870)	(15,727,397)
Repayment of long-term loans	(2,880,120)	(591,558)	-
Deferred offering costs	-	(605,866)	-

Net cash provided by financing activities	4,414,498	6,126,623	5,833,358
Effect of exchange rate changes	(8,950,790)	13,817	(6,070,232)
Net increase (decrease) in cash	(2,155,510)	23,569,900	(9,370,694)
Cash and cash equivalents at beginning of the year	90,963,594	67,393,694	76,764,388
Cash and cash equivalents at end of the year	88,808,084	90,963,594	67,393,694

Supplemental disclosures of cash flows information:

Cash paid for income taxes	2,352,255	5,310,182	2,044,224
Cash paid for interest expense	992,556	923,699	576,097

Supplemental disclosures of non-cash information:

Lease liabilities arising from obtaining right-of-use assets	183,839	15,225	39,947
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