

Thai Beverage PLC

1Q2015 Financial Results

Note on Forward Looking Statements

- The following presentation may contain forward looking statements by the management of Thai Beverage Public Company Limited (“ThaiBev”), relating to financial or other trends for future periods, compared to the results for previous periods.
- Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives.
- Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of ThaiBev. In particular, such targets should not be regarded as a forecast or projection of future performance of ThaiBev. It should be noted that the actual performance of ThaiBev may vary significantly from such targets.

Understanding this Presentation

- Effective from 27 March 2015, all alcoholic beverages and tobacco have been charged an additional of excise tax by law 2% to contribute to National Sports Development Fund. Currently, the Company pays excise tax plus municipal tax, Health Promotion Fund contribution, Thai Public Broadcasting Service levy and the latest one, National Sports Development Fund, for 10.0%, 2.0%, 1.5%, and 2% of excise tax respectively. Thus, the Company pays excise tax plus 15.5% of excise tax for the total above mentions. The Company's current selling prices of its alcoholic beverage products have already covered this additional charge.
- Due to a higher interest rate in Singapore and an appreciation of Baht against Singapore dollar, the Company refinanced Singapore dollar loans with Baht short-term loans to avoid the floating interest rate and the currency exposures. This caused the current ratio as at 31 March 2015 to be less than 1. Nonetheless, the Company will restructure the Baht short-term loans amounting to Baht 25,000 million within June 2015 by issuing long-term bills of exchange and long-term loans from several financial institutions which will be repaid during year 2016 - 2018.

Understanding this Presentation

- Current operations by business segments consist of spirits, beer, non-alcoholic beverages and food
- All monetary amounts in millions of Thai Baht unless otherwise stated
- Volumes in millions of liters unless otherwise stated
- EBITDA = Earnings from total revenues before interest expense, income tax, depreciation, and amortization

Highlights

1Q15 Performance Highlights

Strong 1Q15 performance

- Robust revenue growth in all segments
- Revenue grew 11.4% to Baht 45,705 million
 - Spirits sales volume grew 10.2%
 - Beer sales volume grew 17.7%
- Net profit attributable to owners of the Company increased 10.2% to Baht 6,575 million

Group Financial Highlights

Revenue from sales
(millions baht)

45,705

▲ 11.4%

EBITDA
(millions baht)

9,448

▲ 9.3%

Net profit attributable to owner of the Company
(millions baht)

6,575

▲ 10.2%

	(M Baht)		
Group	1Q14	1Q15	Change
Sales Revenue	41,043	45,705	11.4%
COGS	(28,726)	(32,051)	
<i>% of Sales Revenue</i>	<i>70.0%</i>	<i>70.1%</i>	
SG&A	(5,494)	(6,303)	
<i>% of Sales Revenue</i>	<i>13.4%</i>	<i>13.8%</i>	
EBITDA (<i>exclude F&N / FCL</i>)	8,046	8,588	6.7%
Net Profit (<i>exclude F&N / FCL</i>)	5,631	5,983	6.3%
F&N / FCL Results (<i>proportion of the holding shares</i>)	308	547	
EBITDA	8,647	9,448	9.3%
Net Profit	5,939	6,530	10.0%
Net Profit attributable to:			
<i>Owners of the Company</i>	5,969	6,575	10.2%
<i>Non-controlling interests</i>	(30)	(45)	
<u>Margin*</u>			
EBITDA (<i>exclude F&N / FCL</i>)	19.6%	18.8%	
Net Profit (<i>exclude F&N / FCL</i>)	13.7%	13.1%	
EBITDA	21.1%	20.7%	
Net Profit	14.5%	14.3%	

* margins are % of sales revenue

Consolidated: 1Q2015 Highlights

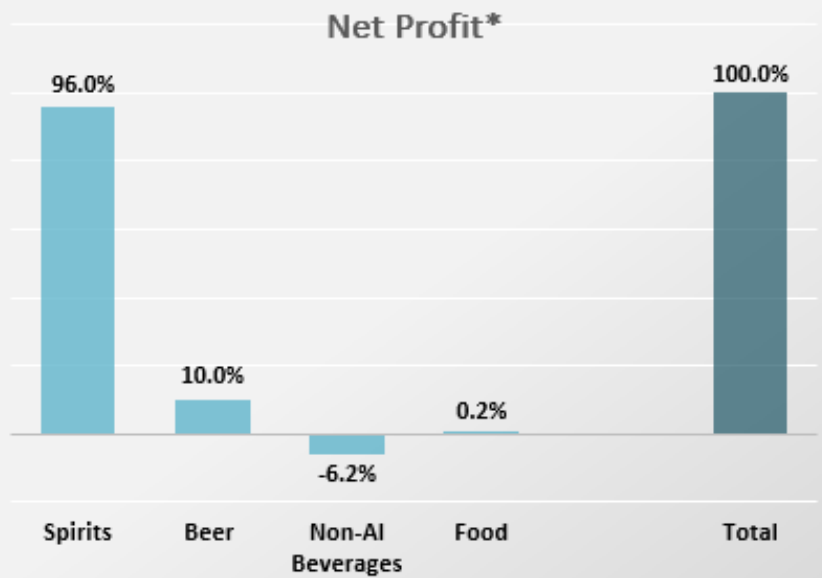
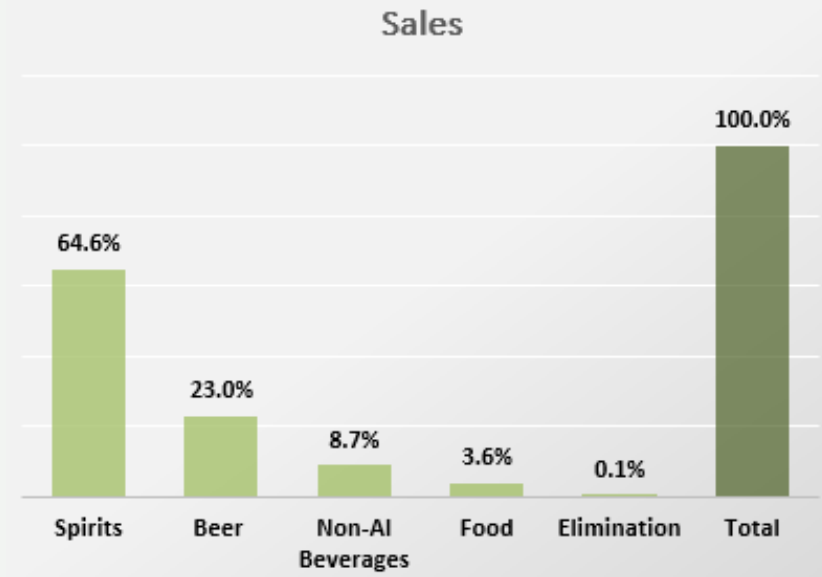
Group	ThaiBev	F&N / FCL	Total	(M Baht)
1Q15				
Sales	45,705	-	45,705	
Gross profit	13,654	-	13,654	
EBITDA	8,588	860	9,448	
Net profit	5,983	547	6,530	
1Q14				
Sales	41,043	-	41,043	
Gross profit	12,317	-	12,317	
EBITDA	8,046	601	8,647	
Net profit	5,631	308	5,939	
Increase (Decrease)				
Sales	4,662	-	4,662	
Gross profit	1,337	-	1,337	
EBITDA	542	259	801	
Net profit	352	239	591	
% Increase (Decrease)				
Sales	11.4%	-	11.4%	
Gross profit	10.9%	-	10.9%	
EBITDA	6.7%	43.1%	9.3%	
Net profit	6.3%	77.6%	10.0%	

Consolidated: 1Q2015 Highlights

1Q2015



Contribution per Business Segment



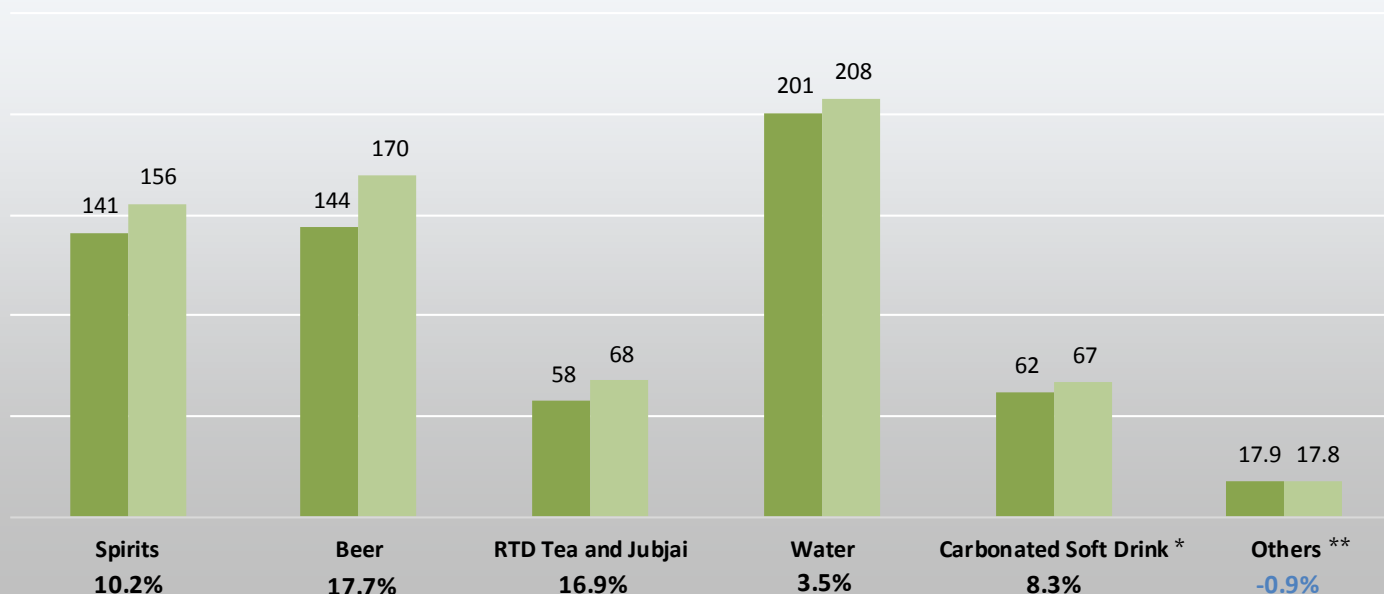
* Exclude F&N / FCL

Total Sales Volume

Volume (M Liters)

% increase/
-% decrease

■ 1Q2014
■ 1Q2015



* Est and 100Plus

** Soda, energy drink, sports drink and other beverages

Business Segments

Spirits

Spirits	1Q14	1Q15	Change
Sales Revenue	26,894	29,560	9.9%
COGS	(17,883)	(19,902)	
<i>% of Sales Revenue</i>	<i>66.5%</i>	<i>67.3%</i>	
SG&A	(2,389)	(2,445)	
<i>% of Sales Revenue</i>	<i>8.9%</i>	<i>8.2%</i>	
EBITDA	7,088	7,641	7.8%
Net Profit	5,358	5,746	7.2%
<u>Margin*</u>			
EBITDA	26.4%	25.8%	
Net Profit	19.9%	19.4%	

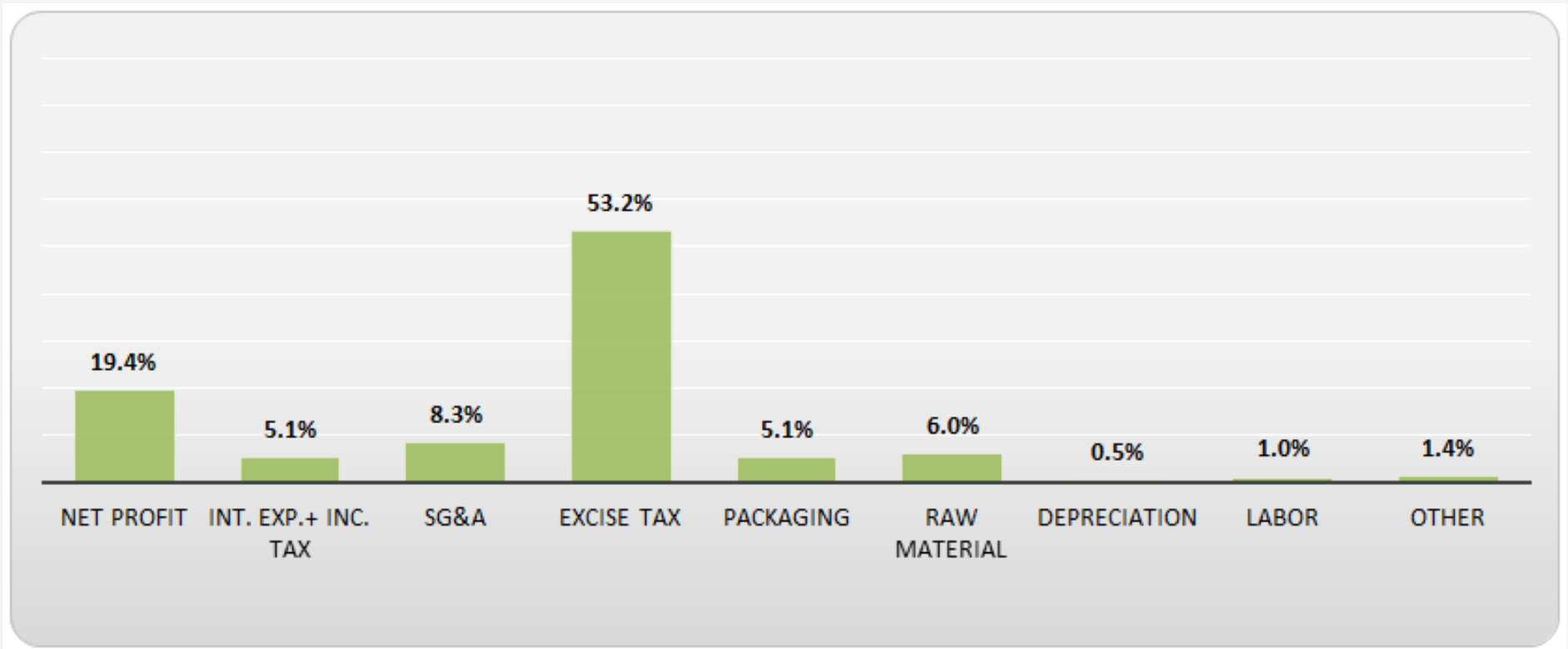
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	an increase in raw material costs
<u>SG&A (%)</u>	DOWN	a decrease in advertising and promotion expenses although there was an increase in staff costs
<u>EBITDA</u>	UP	an increase in gross profit and a decrease in advertising and promotion expenses although there was an increase in staff costs.
<u>Net Profit</u>	UP	an increase in EBITDA although there was an increase in related corporate income tax

Spirits: Revenue-Cost Break Down

1Q2015

(% of total revenue)



Beer

Beer	1Q14	1Q15	Change
Sales Revenue	8,959	10,526	17.5%
COGS	(7,269)	(8,392)	
<i>% of Sales Revenue</i>	<i>81.1%</i>	<i>79.7%</i>	
SG&A	(1,161)	(1,430)	
<i>% of Sales Revenue</i>	<i>13.0%</i>	<i>13.6%</i>	
EBITDA	731	931	27.4%
Net Profit	422	595	41.0%
Margin*			
EBITDA	8.2%	8.8%	
Net Profit	4.7%	5.7%	

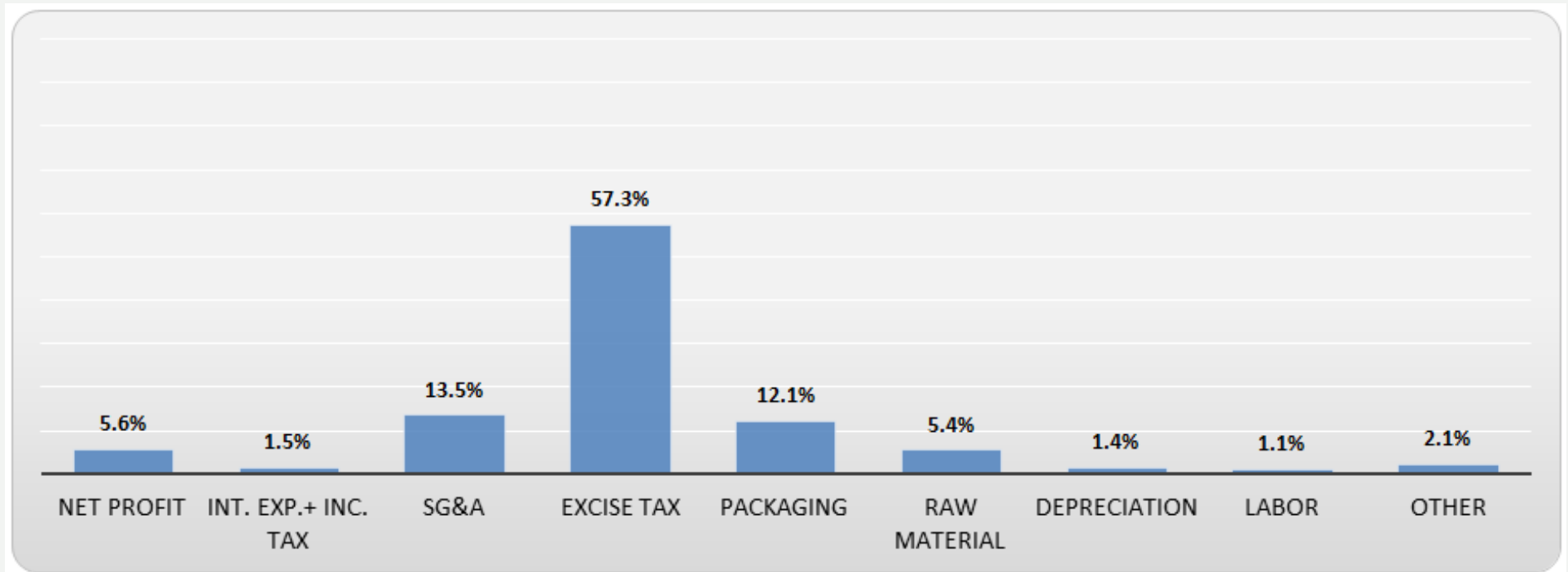
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a decrease in material costs, packaging and energy costs
<u>SG&A (%)</u>	UP	an increase in staff costs, and advertising and promotion expenses
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in staff costs, and advertising and promotion expenses
<u>Net Profit</u>	UP	an increase in EBITDA although there was an increase in related corporate income tax

Beer: Revenue-Cost Break Down

1Q2015

(% of total revenue)



Non-alcohol Beverages

Non-alcohol Beverages	1Q14	1Q15	Change (M Baht)
Sales Revenue	3,704	3,998	7.9%
COGS	(2,679)	(2,787)	
<i>% of Sales Revenue</i>	<i>72.3%</i>	<i>69.7%</i>	
SG&A	(1,424)	(1,802)	
<i>% of Sales Revenue</i>	<i>38.5%</i>	<i>45.1%</i>	
EBITDA (Loss)	63	(125)	-298.4%
Net Profit (Loss)	(195)	(369)	-89.2%

Margin*

EBITDA (-Loss)	1.7%	-3.1%
Net Profit (-Loss)	-5.3%	-9.2%

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume of drinking water and 100PLUS of Sermsuk, ready to drink tea and Jubjai of Oishi, although there was a decrease in sales volume of carbonated soft drink of Sermsuk, soda and drinking water of ThaiBev
<u>COGS (%)</u>	DOWN	a decrease in cost of goods sold for material costs, staff costs and other overhead costs of Oishi products
<u>SG&A (%)</u>	UP	an increase in promotion and advertising expenses
<u>EBITDA</u>	DOWN	an increase in promotion and advertising expenses, although there was an increase in gross profit
<u>Net loss</u>	UP	an increase in EBITDA loss and an increase in depreciation and amortization, although there was an increase in related deferred corporate income tax

Food

Food	1Q14	1Q15	Change (M Baht)
Sales Revenue	1,518	1,642	8.2%
COGS	(905)	(990)	
<i>% of Sales Revenue</i>	<i>59.6%</i>	<i>60.3%</i>	
SG&A	(562)	(642)	
<i>% of Sales Revenue</i>	<i>37.1%</i>	<i>39.1%</i>	
EBITDA	164	141	-14.0%
Net Profit	46	11	-76.1%
<u>Margin*</u>			
EBITDA	10.8%	8.6%	
Net Profit	3.0%	0.7%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in the number of restaurant outlets and sales price
<u>COGS (%)</u>	UP	an increase in food costs in accordance with the variety of foods offering and an increase in materials costs but this was under closely control
<u>SG&A (%)</u>	UP	an increase in staff costs and rental costs
<u>EBITDA</u>	DOWN	an increase in staff costs and rental costs although there was an increase in gross profit
<u>Net Profit</u>	DOWN	a decrease in EBITDA and an increase in depreciation and amortization

Update: International Business

Overall turnover grew by 4.5% in value from Q1 2014, led primarily by positive growth in beer.

- Beer
 - Growth were found in most of the regions
 - ASEAN continued to led the growth momentum
 - USA grew by 5% in value with a flat volume , reflecting the impact of price increase

- Scotch Whisky
 - Overall bulk market has softened during Q1 2015
 - Unstable political environments (like Russia and Ukraine) and large fluctuation of the foreign currency conditions (like Venezuela) continued affecting the cased sales, in particular the OEM business
 - A slow sales in Australia and Sweden, adversely impacted by the keen price competition in the market further deteriorated the situation

- Chinese Spirits
 - A slightly decrease by 2.7% in the sales value of Yulinquan products

Financials

Statement of Financial Position

Statement of Financial Position	31-Dec-14	31-Mar-15	Change
<i>(M Baht)</i>			
Assets			
Current assets	47,068	50,811	3,743
Non-current assets	124,919	122,037	(2,882)
Total assets	171,987	172,848	861
Liabilities			
Total liabilities	67,311	63,618	(3,693)
Shareholders' Equity			
Total equity	104,676	109,230	4,554

<u>Current assets</u>	UP	an increase in inventories
<u>Non-current assets</u>	DOWN	a decrease in investment in associates from foreign currency translation and net recognition between dividend received and profit booking
<u>Total liabilities</u>	DOWN	a net decrease in loans from financial institutions
<u>Total equity</u>	UP	an increase in net retained earnings from profit for the period

Interest Bearing Debt

Interest Bearing Debt	31-Dec-14	31-Mar-15
<i>(M Baht)</i>		
Current		
Bank overdrafts	1,363	1,341
Short-term loans from financial institutions	7,173	33,856
Current portion of long-term loans	13,411	4,548
	21,947	39,745
Non-current		
Long-term loans from financial institutions	26,555	3,421
Debentures	1,000	1,000
	27,555	4,421
Total	49,502	44,166
Cash and cash equivalents	2,230	2,318
Net Interest Bearing Debt	47,272	41,848

The periods to maturity of interest-bearing liabilities were as follows

	Unit: (M Baht)
Within one year (Mar 2016)	39,745
After one year but within two years (Mar 2017)	4,048
After two years (Apr 2017 - Dec 2017)	<u>373</u>
Total	<u>44,166</u>

The Company will restructure the Baht short-term loans amounting to Baht 25,000 million within June 2015 by issuing long-term bills of exchange and long-term loans from several financial institutions which will be repaid during year 2016 - 2018

Financial Ratios

Ratios	31-Dec-14	31-Mar-15
Current Ratio (times)	1.31	0.92
Liability to Equity Ratio (Gearing Ratio) (times)	0.64	0.58
Interest Bearing Debt to Equity Ratio (times)	0.47	0.40
Net Interest Bearing Debt to Equity Ratio (times)	0.45	0.38
Net Interest Bearing Debt to EBITDA annualized (times)	1.50	1.29
Net asset value per share (Baht)	4.03	4.22
Net asset value per share (SGD)*	0.16	0.17

* exchange rate at THB 25.23 : SGD 1

Turnovers (days)	Jan-Dec 14	Jan-Mar 15
A/R Turnover	9	7
Inventory Turnover		
Spirit Business: finished goods	49	49
Beer Business: finished goods	20	12
Non-alcohol Business: finished goods	34	34
Food Business: finished goods	2	2

Note: use 365 days to calculate turnover

<u>Current Ratio</u>	DOWN	an increase in bank overdrafts and short-term loans from financial institutions
<u>Liability to Equity Ratio</u>	DOWN	a decrease in loans from financial institutions and an increase in retained earnings
<u>Interest Bearing Debt to Equity Ratio</u>	DOWN	a decrease in loans from financial institutions and an increase in retained earnings

Q&A