



THAI BEVERAGE

1Q19 Financial Results

(First Quarter ended 30 September 2018)



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- In the fourth quarter ended 30 September 2018 of previous fiscal year, Asiaeuro International Beverage (Guangdong) Co., Ltd. ("AIB(GD)") has been incorporated in the People's Republic of China ("the P.R.C."), from a 51-49 joint venture between International Beverage Holdings (China) Limited ("IBHC"), an indirect subsidiary of the Company, and Asiaeuro Wines & Spirits (Shenzhen) Co., Ltd. ("AE(SZ)") which is a third party company incorporated and registered in the P.R.C to engage in the importation, sales and distribution of premium international wines and spirits in the P.R.C. Before this, IBHC and Asia Group Corporate Limited which is a third party company incorporated and registered in Hong Kong and a related company to AE(SZ) has completed a 51 – 49 joint venture to incorporate a Hong Kong company name Asiaeuro International Beverage (Hong Kong) Limited ("AIB(HK)") to engage in the importation, sales and distribution of premium international wines and spirits in the Greater China region. AIB(GD)'s and AIB(HK)'s operations were recognized under spirits business in the first quarter of this fiscal year ended 31 December 2018. International Beverage Holdings (China) Limited ("IBHC"), an indirect subsidiary of the Company
- In the second quarter ended 31 March 2018 of previous fiscal year, the Company completed an acquisition of 75% shareholding interest in Havi Logistic Co.,Ltd.("Havi"),which operates logistic businesses for food services in Thailand, by Thai Beverage Logistics Co.,Ltd.,a wholly owned subsidiary of the Company on 28 February 2018.The Company has included the assets and liabilities of Havi in the consolidated statements of financial position and the results of operations and cash flows in the consolidated statement of income and cash flows respectively from March 2018 onwards. Havi's operations were recognized under food business segment.
- In the first quarter ended 31 December 2017 of previous fiscal year, the Company completed acquisitions of (1) 252 existing KFC stores in Thailand by The QSR of Asia Co.,Ltd.(QSA), a wholly-owned subsidiary of the Company on 1 December 2017 and (2) a 53.59% shareholding interest in Saigon Beer - Alcohol - Beverage Corporation (Sabeco), a company incorporated in The Socialist Republic of Vietnam and currently listed in Ho Chi Minh Stock Exchange (HOSE), on 29 December 2017 to operate mainly in beer business. Due to the acquisition of Sabeco was incurred close to the end of December 2017, results of operations and cash flows were included in the consolidated statements of income and cash flows of the second quarter ended 31 March 2018 onwards. Sabeco's operations were recognized under beer business.

Understanding this Presentation

Restatement

- Due to Purchase Price Allocation of the acquisitions companies, the consolidated financial statements as at 30 September 2018 and for the three-month period ended 31 December 2017 included in these interim financial statements have been restated to reflect new information obtained about facts and circumstances that existed as of the acquisition date and the subsequently recognized adjustments.

Excise tax

- Effective from 26 January 2018, all alcoholic beverages and tobacco products, both imported and domestically produced, have been charged an additional 2% of excise tax by law to contribute to the Elderly Fund.

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

Highlight

1Q19 Performance Highlights

- Driven by the improvement in domestic consumer purchasing power, spirits segment showed outstanding performance in 1Q19
 - Sales Revenue +28.6%
 - Sales Volume +24.3%
 - Net profit +41.5%
- Grand Royal Group continue to perform well
- Sign of consumption recovery shown in sales of all segments
- Improve in profit contribution from F&N/FPL
- The Company is in the process of taking out majority of short-term loans and change to long-term loans within 2Q19

Group Financial Highlights 1Q19

Revenue from sales (million Baht)

72,627 ▲ 59.7%

EBITDA

(excluded all non-recurring expenses in 1Q18)*

(million Baht)

12,273

▲ 54.6%

EBITDA

(million Baht)

12,273

▲ 119.6%

Net profit

(excluded all non-recurring expenses in 1Q18)*

(million Baht)

7,481

▲ 35.5%

Net profit

(million Baht)

7,481

▲ 144.2%

EPS (basic)

*(excluded all non-recurring expenses 1Q18 *)*

(Baht)

0.30

▲ 36.9%

EPS (basic)

(Baht)

0.30

▲ 150.7%

Attributable Profit

*(excluded all non-recurring expenses 1Q18 *)*

(million Baht)

7,417

▲ 36.9%

Attributable Profit

(million Baht)

7,417

▲ 150.7%

* Non-recurring expense relating to business acquisitions of Bt 2,458 million in 1Q18

Consolidated: 1Q19 Highlights

	1Q18 Oct17 - Dec17 <i>(Restated)</i>	1Q19 Oct18 - Dec18	Change
Sales Revenue	45,476	72,627	59.7%
COGS	(31,699)	(52,284)	
<i>% of Sales Revenue</i>	<i>69.7%</i>	<i>72.0%</i>	
SG&A	(8,149)	(12,092)	
<i>% of Sales Revenue</i>	<i>17.9%</i>	<i>16.7%</i>	
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	7,148	10,714	49.9%
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	4,840	5,989	23.7%
Non-recurring cost relating to acquisitions	(2,458)	-	
EBITDA <i>(exclude F&N/FPL)</i>	4,797	10,714	123.3%
Net Profit <i>(exclude F&N/FPL)</i>	2,382	5,989	151.4%
F&N/FPL EBITDA <i>(from normal operation)</i>	792	1,559	
F&N/FPL Net Profit <i>(from normal operation)</i>	682	1,492	
EBITDA	5,589	12,273	119.6%
Net Profit	3,064	7,481	144.2%
Attributable Profit to:			
Owners of the Company	2,959	7,417	150.7%
Non-controlling interests	105	64	
Attributable Profit <i>(from normal operation)</i>	5,417	7,417	36.9%
Margin*			
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	15.7%	14.8%	
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	10.6%	8.2%	
EBITDA <i>(exclude F&N/FPL)</i>	10.5%	14.8%	
Net Profit <i>(exclude F&N/FPL)</i>	5.2%	8.2%	
EBITDA	12.3%	16.9%	
Net Profit	6.7%	10.3%	

* margins are % of sales revenue

Consolidated: 1Q19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
1Q19				
Sales	72,627	-	72,627	
Gross Profit	20,343	-	20,343	
EBITDA <i>exclude non-recurring cost</i>	10,714	1,559	12,273	
Net Profit <i>exclude non-recurring cost</i>	5,989	1,492	7,481	
EBITDA <i>include non-recurring cost</i>	10,714	1,559	12,273	
Net Profit <i>include non-recurring cost</i>	5,989	1,492	7,481	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	5,925	1,492	7,417	
Attributable Profit (Loss) <i>include non-recurring cost</i>	5,925	1,492	7,417	
<i>Spirits</i>	5,553	-	5,553	
<i>Beer</i>	513	-	513	
<i>Non-Alcohol</i>	(292)	-	(292)	
<i>Food</i>	151	-	151	
<i>Non-recurring cost</i>	-	-	-	
<i>F&N/FPL</i>	-	1,492	1,492	
1Q18 (Restated)				
Sales	45,476	-	45,476	
Gross Profit	13,777	-	13,777	
EBITDA <i>exclude non-recurring cost</i>	7,148	792	7,940	
Net Profit <i>exclude non-recurring cost</i>	4,840	682	5,522	
EBITDA <i>include non-recurring cost</i>	4,797	792	5,589	
Net Profit <i>include non-recurring cost</i>	2,382	682	3,064	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	4,735	682	5,417	
Attributable Profit (Loss) <i>include non-recurring cost</i>	2,277	682	2,959	
<i>Spirits</i>	3,835	-	3,835	
<i>Beer</i>	999	-	999	
<i>Non-Alcohol</i>	(246)	-	(246)	
<i>Food</i>	147	-	147	
<i>Non-recurring cost</i>	(2,458)	-	(2,458)	
<i>F&N/FPL</i>	-	682	682	

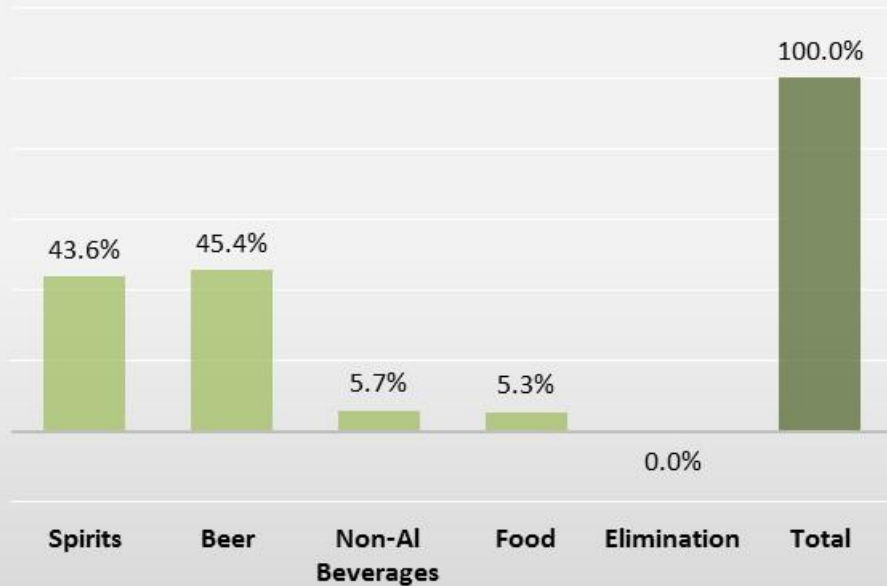
Consolidated: 1Q19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
Increase (Decrease)				
Sales	27,151	-	27,151	
Gross Profit	6,566	-	6,566	
EBITDA <small>exclude non-recurring cost</small>	3,566	767	4,333	
Net Profit <small>exclude non-recurring cost</small>	1,149	810	1,959	
EBITDA <small>include non-recurring cost</small>	5,917	767	6,684	
Net Profit <small>include non-recurring cost</small>	3,607	810	4,417	
Attributable Profit (Loss) <small>exclude non-recurring cost</small>	1,190	810	2,000	
Attributable Profit (Loss) <small>include non-recurring cost</small>	3,648	810	4,458	
<i>Spirits</i>	1,718	-	1,718	
<i>Beer</i>	(486)	-	(486)	
<i>Non-Alcohol</i>	(46)	-	(46)	
<i>Food</i>	4	-	4	
<i>Non-recurring cost</i>	2,458	-	2,458	
<i>F&N/FPL</i>	-	810	810	
% Increase (Decrease)				
Sales	59.7%	-	59.7%	
Gross Profit	47.7%	-	47.7%	
EBITDA <small>exclude non-recurring cost</small>	49.9%	96.8%	54.6%	
Net Profit <small>exclude non-recurring cost</small>	23.7%	118.8%	35.5%	
EBITDA <small>include non-recurring cost</small>	123.3%	96.8%	119.6%	
Net Profit <small>include non-recurring cost</small>	151.4%	118.8%	144.2%	
Attributable Profit (Loss) <small>exclude non-recurring cost</small>	25.1%	118.8%	36.9%	
Attributable Profit (Loss) <small>include non-recurring cost</small>	160.2%	118.8%	150.7%	
<i>Spirits</i>	44.8%	-	44.8%	
<i>Beer</i>	(48.6%)	-	(48.6%)	
<i>Non-Alcohol</i>	(18.7%)	-	(18.7%)	
<i>Food</i>	2.7%	-	2.7%	
<i>Non-recurring cost</i>	100.0%	-	100.0%	
<i>F&N/FPL</i>	-	118.8%	118.8%	

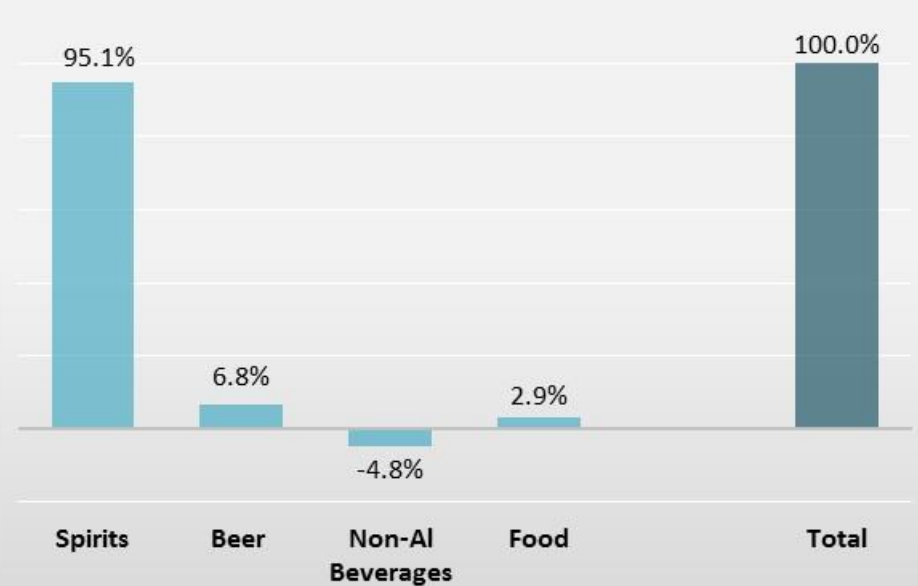
Contribution per Business Segment

1Q19

Sales



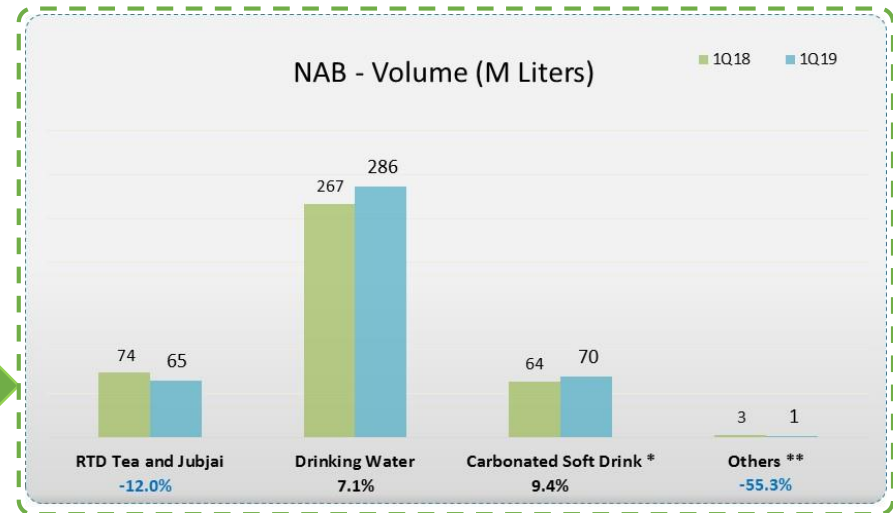
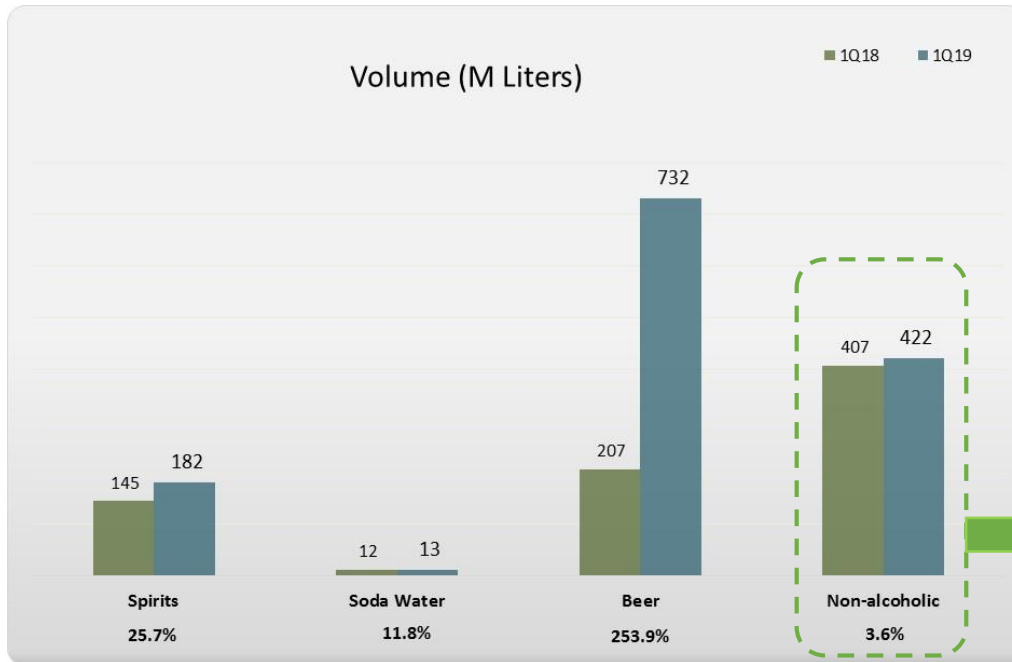
Net Profit*



* Exclude F&N/FPL

Total Sales Volume

1Q19



* est , 100Plus and Sarsi

** Energy drink, sports drink and other beverages

Business Segments

Spirits

Spirits	1Q18 Oct17 - Dec17 <i>(Restated)</i>	1Q19 Oct18 - Dec18	Change
Sales Revenue	24,641	31,682	28.6%
COGS	(16,480)	(21,248)	
<i>% of Sales Revenue</i>	<i>66.9%</i>	<i>67.1%</i>	
SG&A	(3,149)	(3,357)	
<i>% of Sales Revenue</i>	<i>12.8%</i>	<i>10.6%</i>	
EBITDA	5,514	7,540	36.7%
Net Profit	4,024	5,693	41.5%
Attributable Profit to Shareholders	3,835	5,553	44.8%
<u>Margin*</u>			
EBITDA	22.4%	23.8%	
Net Profit	16.3%	18.0%	

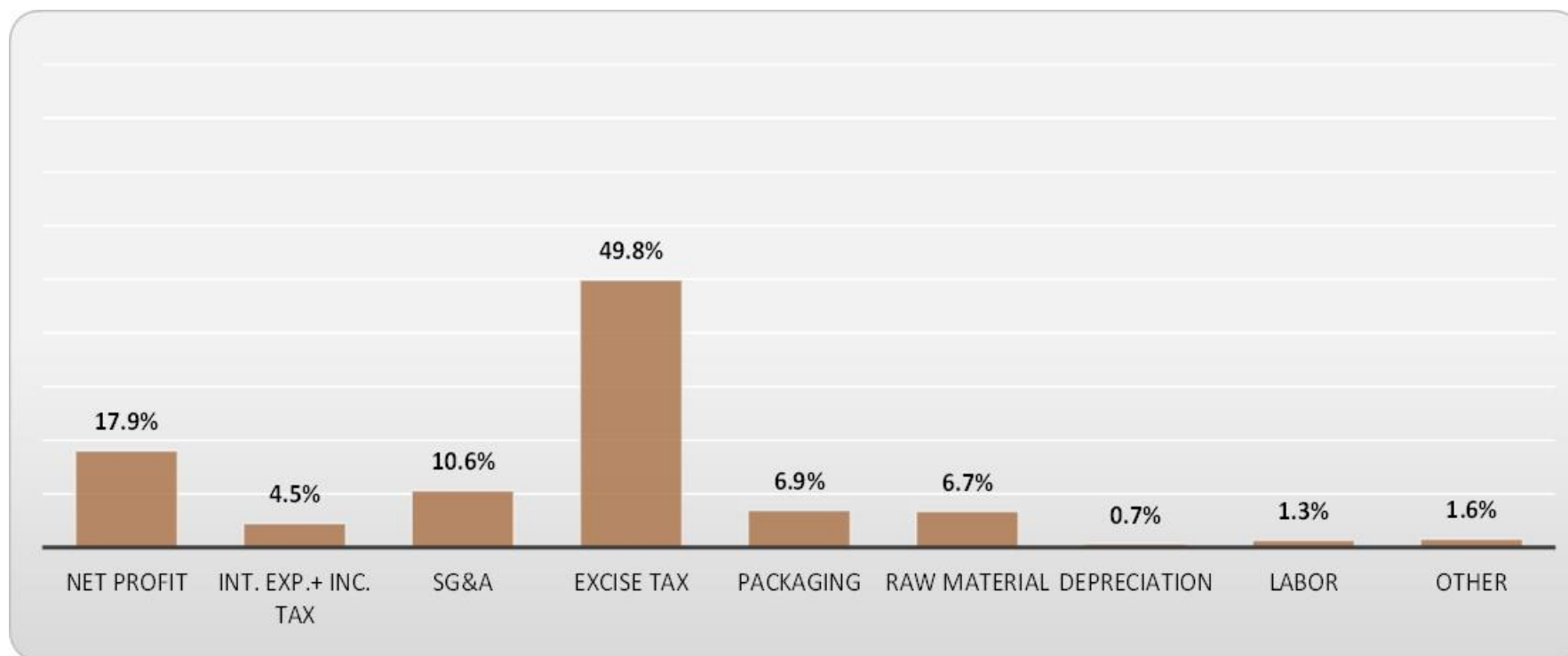
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	a product mix
<u>SG&A (%)</u>	DOWN	sales increase at higher rate than SG&A
<u>EBITDA</u>	UP	an increase in gross profit, although there was an increase in advertising, promotion expenses and staff costs
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Spirits: Revenue-Cost Break Down

(% of total revenue)

1Q19



Beer

Beer	1Q18 Oct17 - Dec17 <i>(Restated)</i>	1Q19 Oct18 - Dec18	Change
Sales Revenue	14,434	33,000	128.6%
COGS	(11,222)	(26,013)	
<i>% of Sales Revenue</i>	<i>77.7%</i>	<i>78.8%</i>	
SG&A	(2,375)	(5,601)	
<i>% of Sales Revenue</i>	<i>16.5%</i>	<i>16.9%</i>	
EBITDA	1,256	2,729	117.3%
Net Profit	886	410	-53.7%
Attributable Profit to Shareholders	999	513	-48.6%
Margin*			
EBITDA	8.7%	8.3%	
Net Profit	6.1%	1.2%	

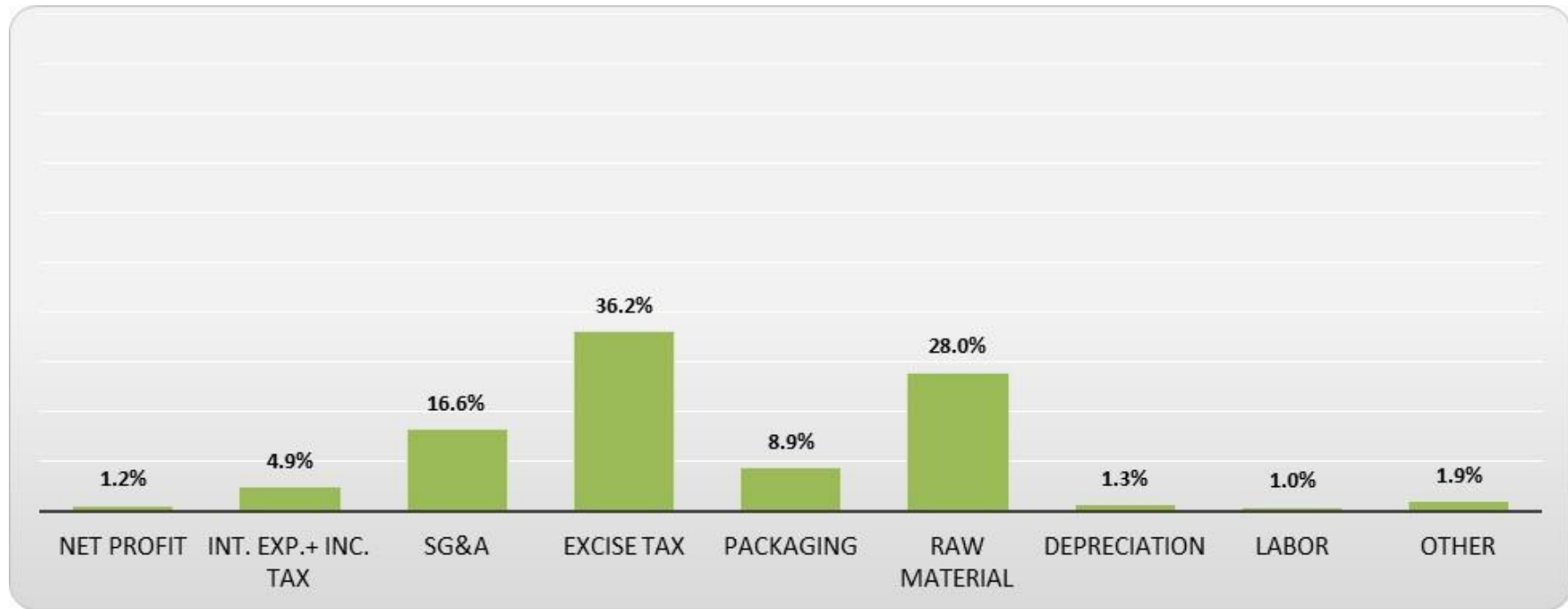
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	a product mix
<u>SG&A (%)</u>	UP	an increase in advertising, promotion expenses and staff costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising, promotion expenses and staff costs
<u>Net Profit</u>	DOWN	an increase in finance cost, although there was an increase in EBITDA
<u>Attributable Profit</u>	DOWN	a decrease in net profit

Beer: Revenue-Cost Break Down

(% of total revenue)

1Q19



Non-alcoholic Beverages

Non-Alcoholic Beverages	1Q18 Oct17 - Dec17 <i>(Restated)</i>	1Q19 Oct18 - Dec18	Change
Sales Revenue	4,113	4,157	1.1%
COGS	(2,761)	(2,918)	
<i>% of Sales Revenue</i>	<i>67.1%</i>	<i>70.2%</i>	
SG&A	(1,783)	(1,754)	
<i>% of Sales Revenue</i>	<i>43.3%</i>	<i>42.2%</i>	
EBITDA (Loss)	50	(40)	-180.0%
Net Profit (Loss)	(227)	(289)	-27.3%
Attributable Profit (Loss) to Shareholders	(246)	(292)	-18.7%
<u>Margin*</u>			
EBITDA (-Loss)	1.2%	-1.0%	
Net Profit (-Loss)	-5.5%	-7.0%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	a product mix
<u>COGS (%)</u>	UP	the new excise tax that fully impact in 1Q19 when compared with the 1Q18, and an increase fructose sugar and preforms resin cost
<u>SG&A (%)</u>	DOWN	a decrease in advertising and promotion expenses
<u>EBITDA Loss</u>	UP	a decrease in gross profit
<u>Net Loss</u>	UP	an increase in EBITDA loss
<u>Attributable Loss</u>	UP	an increase in net loss

Food

Food	1Q18	1Q19	Change (M Baht)
	Oct17 - Dec17 <i>(Restated)</i>	Oct18 - Dec18	
Sales Revenue	2,328	3,816	63.9%
COGS	(1,265)	(2,125)	
<i>% of Sales Revenue</i>	<i>54.3%</i>	<i>55.7%</i>	
SG&A	(884)	(1,412)	
<i>% of Sales Revenue</i>	<i>38.0%</i>	<i>37.0%</i>	
EBITDA	328	485	47.9%
Net Profit	157	175	11.5%
Attributable Profit to Shareholders	147	151	2.7%
<u>Margin*</u>			
EBITDA	14.1%	12.7%	
Net Profit	6.7%	4.6%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in revenue from SOA&QSA
<u>COGS (%)</u>	UP	a store mix and fined cost from new stores
<u>SG&A (%)</u>	DOWN	sales increase at higher rate than SG&A
<u>EBITDA</u>	UP	an increase in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Update: International Business

1Q19 sales revenue of Baht 20.9 Bn improved 497% from last year because of inclusion of Sabeco's performance while 1Q18 Sabeco's performance has not been consolidated yet

- International spirits
 - Sales revenue reported a growth of 7% driven by Grand Royal Group (GRG)
 - Sales revenue, excluding GRG, maintained flat as compared to last year
 - Cased and bulk whisky sales declined, mainly in the UK
 - Improvement in the sales of Chinese spirits in China compensated the above
-
- Beer
 - Sales revenue reported a growth of 3,815% driven by Sabeco
 - Sales revenue, excluding SABECO, declined impacted by the challenging performance in some ASEAN countries except Singapore with a double digit growth

Financials

Statement of Financial Position

Statement of Financial Position	30-Sep-18 <i>(Restated)</i>	31-Dec-18	Change
<i>(Million Baht)</i>			
Assets			
Current assets	75,228	73,052	(2,176)
Non-current assets	342,714	343,898	1,184
Total assets	417,942	416,950	(992)
Liabilities			
Current liabilities	37,459	111,937	74,478
Non-current liabilities	224,990	143,966	(81,024)
Total liabilities	262,449	255,903	(6,546)
Shareholders' Equity			
Total equity	155,493	161,047	5,554

<u>Current assets</u>	DOWN	a decrease in inventories
<u>Non-current assets</u>	UP	an increase in investments in associates and joint ventures
<u>Current liabilities</u>	UP	an increase in current portion of bill of exchanges and long-term loans from financial institutions
<u>Non-current liabilities</u>	DOWN	a decrease in long-term loans from financial institutions
<u>Total equity</u>	UP	an increase in net retained earnings from the net profit of the period

Interest Bearing Debt

Interest Bearing Debt	30-Sep-18	31-Dec-18
	<i>(Restated)</i>	
<i>(Million Baht)</i>		
Current		
Bank overdrafts	484	1,420
Short-term loans from financial institutions	4,282	4,018
Current portion of bill of exchanges and long-term loans	8,016	75,015
Current Portion of debentures	1,701	1,000
Other short-term loan	-	-
	14,483	81,453
Non-current		
Debentures	126,910	126,915
Long-term loans from financial institutions	89,894	9,037
	216,804	135,952
Total	231,287	217,405
Cash and cash equivalents	22,530	22,409
Net Interest Bearing Debt	208,757	194,996

The periods to maturity of interest-bearing debts:

	<i>(Million Baht)</i>
Within one year <i>(September 2019)</i>	81,454
After one year but within two years <i>(September 2020)</i>	5,018
After two years	<u>130,933</u>
Total	<u>217,405</u>

Note:

- The Company will manage to take out majority of short-term loans to long-term loans within 2Q19, ended 31 March 2019

Financial Ratios

Ratios	30-Sep-18 <i>(Restated)</i>	31-Dec-18
Current Ratio (times)	2.01	0.65
Liability to Equity Ratio (Gearing Ratio) (times)	1.69	1.59
Interest Bearing Debt to Equity Ratio (times)	1.49	1.35
Net Interest Bearing Debt to Equity Ratio (times)	1.34	1.21
Net Interest Bearing Debt to EBITDA (times) (annualize)	5.48	4.61
Net asset value per share (Baht)	4.82	5.10
Net asset value per share (SGD)*	0.21	0.22
<i>* exchange rate at THB 22.85560 : SGD 1</i>		
EPS	31-Dec-17 <i>(Restated)</i>	31-Dec-18
Earnings per share for the quarter (Baht)	0.12	0.30
Turnover	Oct 17 - Dec 17 <i>(Restated)</i>	Oct 18 - Dec 18
A/R Turnover (days)	5	7
Inventory Turnover (days)		
Spirit Business: finished goods	56	41
Beer Business: finished goods	13	10
Non-alcohol Business: finished goods	23	19
Food Business: finished goods	4	5

<u>Current Ratio</u>	DOWN	an increase in current portion of bill of exchanges and long-term loans from financial institutions The Company will manage to take out majority of short-term loans to long-term loans within 2Q19
<u>Liability to Equity Ratio</u>	DOWN	a decrease in loans from financial institutions and an increase in retained earnings

Thank you