



Thai Beverage Group



THAI BEVERAGE

9M19 Financial Results

(Nine-month ended 30 June 2019)



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 third quarter ended 30 June 2019, Coffee Concepts (Thailand) Co., Ltd. (“CCT”), a company incorporated in Thailand, has entered into a share purchase agreement relating to the acquisition of all the issued shares of Starbucks Coffee (Thailand) Co., Ltd, which manages and operates Starbucks retail coffee stores in Thailand. The Company has recorded 9.28% of profit recognition under the equity method started from June 2019 under food business.
- On 5 April 2019, the Labor Protection Act (Issue 7) B.E. 2562(“Amended LPA”) was published in the Government Gazette and became effective from 5 May 2019. A new category for statutory severance pay has been added for employees who have worked for an uninterrupted period of 20 years or more at the time of termination, will be entitled to the equivalent of 400 days’ wages. Statutory severance pay is currently capped at the equivalent of 300 days’ wages for employees who have worked for an uninterrupted period of 10 years or more. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the third quarter of 2019, and recognized past service costs as an expense in full in statements of income in 2019 to comply with accounting standard. As a result of this change, the provision for retirement benefits in the consolidated statement of income, due to the change of past service cost was Baht 798 million.

Understanding this Presentation

- On 3 December 2018, the State Securities Commission of Vietnam issued its approval letter to Sabeco to remove the foreign ownership limit applicable to Sabeco. As a result, the Loan Conversion became one of the viable options for Vietnam Beverage and BeerCo (an indirect wholly-owned subsidiary of ThaiBev) to consider in the debt restructuring of the Loan.
- Vietnam Beverage and BeerCo entered into an agreement to convert the entire amount of the loan and interest thereon (which is VND 111,208,798,000,000, equivalent to USD 4,892,600,000 at the applicable exchange rate of USD1 to VND22,730 (the “Applicable Exchange Rate”)) into additional charter capital of Vietnam Beverage.
- The notice of satisfaction of the conditions for capital contributions/purchase of shares/acquisition of contributed capital by foreign investors (M&A Clearance Approval) was granted by the Hanoi Department of Planning and Investment of Vietnam on 17 December 2018 and 28 December 2018 for Vietnam Beverage’s capital increase contributed by foreign investor to be the amount of VND 22,957,300,000,000 (equivalent to USD 1,010,000,000 based on the Applicable Exchange Rate) and to be VND 111,208,798,000,000 (equivalent to USD 4,892,600,000 based on the Applicable Exchange Rate) respectively. Vietnam Beverage has increased its charter capital from VND 681,663,260,000 to VND 111,890,461,260,000.
- As a result of BeerCo’s acquisition of the charter capital of Vietnam Beverage, Vietnam Beverage has been converted from a one-member limited liability company to a multiple-member limited liability company. Vietnam Beverage also obtained its new Enterprise Registration Certificate evidencing the new shareholding structure and charter capital from Hanoi Department of Planning and Investment of Vietnam on 2 January 2019.
- As a result of the completion of the Loan Conversion, BeerCo currently holds VND 111,208,798,000,000 (approximately 99.39%) of the charter capital of Vietnam Beverage.
- BeerCo later entered into an agreement to additionally acquire 34,083,164 shares in Vietnam F&B (representing approximately 50% of Vietnam F&B’s charter capital) from one of the existing shareholders of Vietnam F&B who is a third party unrelated to the THBEV Group, at the par value of VND 10,000 per share. The aggregate consideration for the acquisition is VND 340,831,640,000, equivalent to USD 14,719,569.86 at the applicable exchange rate of USD 1=VND 23,155.

Understanding this Presentation

- The notice of satisfaction of the conditions for capital contributions/purchase of shares/acquisition of contributed capital by foreign investors (M&A Clearance Approval) as required for the acquisition was granted by the Hanoi Department of Planning and Investment of Vietnam on 21 January 2019. Vietnam F&B also obtained its 7th Amendment of Enterprise Registration Certificate evidencing the new shareholding structure from the Hanoi Department of Planning and Investment of Vietnam on 30 January 2019. As a result of the acquisition, BeerCo currently holds 67,484,663 shares in Vietnam F&B (representing approximately 99% of Vietnam F&B's charter capital), while the remaining 1% of Vietnam F&B's charter capital is still held by the existing Vietnamese shareholders
- So that currently, BeerCo has acquired shares in Vietnam F&B and completed debt conversion with Vietnam Beverage. Consequently, the Group has ownership interest in SABECO of 53.58% and recognized the change in ownership interests in subsidiaries without a change in control of Baht 493 million in as an equity component.
- The Company issued debentures No.1/2019 with various tenors from 2 years to 10 years at an aggregate principal amount of Baht 53,000 million in March 2019. The proceed from debentures was used to repay Thai Baht currency bridging loans.
- From 1 January 2019, the Group changed accounting policy for derivative financial instruments and hedge accounting. The changes have been applied retrospectively, as per detail in 3Q19 SGX format No.5

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.
- 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 for the three-month period ended 31 December 2017, for the six-month period ended 31 March 2018 , and for the nine-month period ended 30 June 2018 and full year ended 30 September 2018, 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

3Q19 Performance Highlights

- Domestic sales volume increased across all segments, drove total sales revenue +3.3%
- Margin improvement was shown in all segments, when compared YoY
 - Spirits net profit +11.0%
 - Beer net profit +32.0%
 - NAB net loss - 53.3%
 - Food net profit +270.5%
- Margin improvement in all segments and higher profit contribution from F&N/FPL led to net profit +27.1%
- Net loss in NAB continued to narrow down, supporting by an increase in sales revenue and cost savings
- Effective from 5 May 2019, a new category for statutory severance pay has been added for employees who have worked for an uninterrupted period of 20 years or more at the time of termination, will be entitled to the equivalent of 400 days' wages. Statutory severance pay is currently capped at the equivalent of 300 days' wages for employees who have worked for an uninterrupted period of 10 years or more. The Company has amended its retirement plan in accordance with the changes in the Labor Protection Act in 3Q19, and recognized past service costs as an expense in full in statements of income in 2019 to comply with accounting standard. As a result of this change, the provision for retirement benefits in the consolidated statement of income, due to the change of past service cost was Baht 798 million.

Group Financial Highlights 9M19

Revenue from sales (million Baht)

205,277 ▲ 18.2%

EBITDA

(excluded all non-recurring expenses in 9M18)*

(million Baht)

36,265

▲ 21.0%

EBITDA

(million Baht)

36,265

▲ 31.3%

Net profit

(excluded all non-recurring expenses in 9M18)*

(million Baht)

21,894

▲ 16.1%

Net profit

(million Baht)

21,894

▲ 34.0%

EPS (basic)

(excluded all non-recurring expenses 9M18)*

(Baht)

0.79

▲ 14.3%

EPS (basic)

(Baht)

0.79

▲ 33.9%

Attributable Profit

(excluded all non-recurring expenses 9M18)*

(million Baht)

19,859

▲ 14.3%

Attributable Profit

(million Baht)

19,859

▲ 33.6%

* Non-recurring expense relating to business acquisitions of Bt 2,459 million, and deferred tax utilization from food business restructuring of Bt 51 million in 9M18

Consolidated: 3Q19 Highlights

	3Q18 Apr18 - Jun18 <i>(Restated)</i>	3Q19 Apr19 - Jun19	Change
Sales Revenue	60,657	62,658	3.3%
COGS	(43,488)	(43,781)	
<i>% of Sales Revenue</i>	<i>71.7%</i>	<i>69.9%</i>	
Distribution costs	(6,855)	(6,703)	
Administrative expenses	(3,787)	(3,498)	
Past service cost for employee benefits from amendment of the Labor Protection Act	-	(798)	
<i>% of Sales Revenue</i>	<i>17.5%</i>	<i>17.6%</i>	
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	8,795	10,157	15.5%
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	4,673	5,677	21.5%
Non-recurring cost relating to deferred tax utilization from food business restructuring	(51)	-	
EBITDA <i>(exclude F&N/FPL)</i>	8,795	10,157	15.5%
Net Profit <i>(exclude F&N/FPL)</i>	4,622	5,677	22.8%
F&N/FPL EBITDA <i>(from normal operation)</i>	1,477	2,046	
F&N/FPL Net Profit <i>(from normal operation)</i>	1,403	1,979	
EBITDA	10,272	12,203	18.8%
Net Profit	6,025	7,656	27.1%
Attributable Profit to:			
Owners of the Company	5,447	6,651	22.1%
Non-controlling interests	578	1,005	
Attributable Profit <i>(from normal operation)</i>	5,498	6,651	21.0%
Margin*			
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	14.5%	16.2%	
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	7.7%	9.1%	
EBITDA <i>(exclude F&N/FPL)</i>	14.5%	16.2%	
Net Profit <i>(exclude F&N/FPL)</i>	7.6%	9.1%	
EBITDA	16.9%	19.5%	
Net Profit	9.9%	12.2%	

* margins are % of sales revenue

Consolidated: 9M19 Highlights

	9M18 Oct17 - Jun18 <i>(Restated)</i>	9M19 Oct18 - Jun19	Change
Sales Revenue	173,715	205,277	18.2%
COGS	(122,822)	(145,634)	
<i>% of Sales Revenue</i>	<i>70.7%</i>	<i>70.9%</i>	
Distribution costs	(19,207)	(21,635)	
Administrative expenses	(11,693)	(11,907)	
Past service cost for employee benefits from amendment of the Labor Protection Act	-	(798)	
<i>% of Sales Revenue</i>	<i>17.8%</i>	<i>16.7%</i>	
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	26,935	32,129	19.3%
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	16,081	17,958	11.7%
Non-recurring cost relating to acquisitions	(2,459)	-	
Non-recurring cost relating to deferred tax utilization from food business restructuring	(51)	-	
EBITDA <i>(exclude F&N/FPL)</i>	24,583	32,129	30.7%
Net Profit <i>(exclude F&N/FPL)</i>	13,571	17,958	32.3%
F&N/FPL EBITDA <i>(from normal operation)</i>	3,031	4,136	
F&N/FPL Net Profit <i>(from normal operation)</i>	2,771	3,936	
EBITDA	27,614	36,265	31.3%
Net Profit	16,342	21,894	34.0%
Attributable Profit to:			
Owners of the Company	14,859	19,859	33.6%
Non-controlling interests	1,483	2,035	
Attributable Profit <i>(from normal operation)</i>	17,369	19,859	14.3%
<u>Margin*</u>			
EBITDA <i>(exclude F&N/FPL, non-recurring expenses)</i>	15.5%	15.7%	
Net Profit <i>(exclude F&N/FPL, non-recurring expenses)</i>	9.3%	8.7%	
EBITDA <i>(exclude F&N/FPL)</i>	14.2%	15.7%	
Net Profit <i>(exclude F&N/FPL)</i>	7.8%	8.7%	
EBITDA	15.9%	17.7%	
Net Profit	9.4%	10.7%	

* margins are % of sales revenue

Consolidated: 3Q19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
3Q19				
Sales	62,658	-	62,658	
Gross Profit	18,877	-	18,877	
EBITDA <i>exclude non-recurring cost</i>	10,157	2,046	12,203	
Net Profit <i>exclude non-recurring cost</i>	5,677	1,979	7,656	
EBITDA <i>include non-recurring cost</i>	10,157	2,046	12,203	
Net Profit <i>include non-recurring cost</i>	5,677	1,979	7,656	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	4,672	1,979	6,651	
Attributable Profit (Loss) <i>include non-recurring cost</i>	4,672	1,979	6,651	
<i>Spirits</i>	4,436	-	4,436	
<i>Beer</i>	267	-	267	
<i>Non-Alcohol</i>	(190)	-	(190)	
<i>Food</i>	159	-	159	
<i>Non-recurring cost</i>	-	-	-	
<i>F&N/FPL</i>	-	1,979	1,979	
3Q18 (Restated)				
Sales	60,657	-	60,657	
Gross Profit	17,169	-	17,169	
EBITDA <i>exclude non-recurring cost</i>	8,795	1,477	10,272	
Net Profit <i>exclude non-recurring cost</i>	4,673	1,403	6,076	
EBITDA <i>include non-recurring cost</i>	8,795	1,477	10,272	
Net Profit <i>include non-recurring cost</i>	4,622	1,403	6,025	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	4,095	1,403	5,498	
Attributable Profit (Loss) <i>include non-recurring cost</i>	4,044	1,403	5,447	
<i>Spirits</i>	3,921	-	3,921	
<i>Beer</i>	440	-	440	
<i>Non-Alcohol</i>	(316)	-	(316)	
<i>Food</i>	50	-	50	
<i>Non-recurring cost</i>	(51)	-	(51)	
<i>F&N/FPL</i>	-	1,403	1,403	

Consolidated: 3Q19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
Increase (Decrease)				
Sales	2,001	-	2,001	
Gross Profit	1,708	-	1,708	
EBITDA <i>exclude non-recurring cost</i>	1,362	569	1,931	
Net Profit <i>exclude non-recurring cost</i>	1,004	576	1,580	
EBITDA <i>include non-recurring cost</i>	1,362	569	1,931	
Net Profit <i>include non-recurring cost</i>	1,055	576	1,631	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	577	576	1,153	
Attributable Profit (Loss) <i>include non-recurring cost</i>	628	576	1,204	
<i>Spirits</i>	515	-	515	
<i>Beer</i>	(173)	-	(173)	
<i>Non-Alcohol</i>	126	-	126	
<i>Food</i>	109	-	109	
<i>Non-recurring cost</i>	51	-	51	
<i>F&N/FPL</i>	-	576	576	
% Increase (Decrease)				
Sales	3.3%	-	3.3%	
Gross Profit	9.9%	-	9.9%	
EBITDA <i>exclude non-recurring cost</i>	15.5%	38.5%	18.8%	
Net Profit <i>exclude non-recurring cost</i>	21.5%	41.1%	26.0%	
EBITDA <i>include non-recurring cost</i>	15.5%	38.5%	18.8%	
Net Profit <i>include non-recurring cost</i>	22.8%	41.1%	27.1%	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	14.1%	41.1%	21.0%	
Attributable Profit (Loss) <i>include non-recurring cost</i>	15.5%	41.1%	22.1%	
<i>Spirits</i>	13.1%	-	13.1%	
<i>Beer</i>	(39.3%)	-	(39.3%)	
<i>Non-Alcohol</i>	39.9%	-	39.9%	
<i>Food</i>	218.0%	-	218.0%	
<i>Non-recurring cost</i>	100.0%	-	100.0%	
<i>F&N/FPL</i>	-	41.1%	41.1%	

Consolidated: 9M19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
9M19				
Sales	205,277	-	205,277	
Gross Profit	59,643	-	59,643	
EBITDA <i>exclude non-recurring cost</i>	32,129	4,136	36,265	
Net Profit <i>exclude non-recurring cost</i>	17,958	3,936	21,894	
EBITDA <i>include non-recurring cost</i>	32,129	4,136	36,265	
Net Profit <i>include non-recurring cost</i>	17,958	3,936	21,894	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	15,923	3,936	19,859	
Attributable Profit (Loss) <i>include non-recurring cost</i>	15,923	3,936	19,859	
<i>Spirits</i>	14,992	-	14,992	
<i>Beer</i>	1,128	-	1,128	
<i>Non-Alcohol</i>	(609)	-	(609)	
<i>Food</i>	412	-	412	
<i>Non-recurring cost</i>	-	-	-	
<i>F&N/FPL</i>	-	3,936	3,936	
9M18 <i>(Restated)</i>				
Sales	173,715	-	173,715	
Gross Profit	50,893	-	50,893	
EBITDA <i>exclude non-recurring cost</i>	26,935	3,031	29,966	
Net Profit <i>exclude non-recurring cost</i>	16,081	2,771	18,852	
EBITDA <i>include non-recurring cost</i>	24,583	3,031	27,614	
Net Profit <i>include non-recurring cost</i>	13,571	2,771	16,342	
Attributable Profit (Loss) <i>exclude non-recurring cost</i>	14,598	2,771	17,369	
Attributable Profit (Loss) <i>include non-recurring cost</i>	12,088	2,771	14,859	
<i>Spirits</i>	13,451	-	13,451	
<i>Beer</i>	1,657	-	1,657	
<i>Non-Alcohol</i>	(913)	-	(913)	
<i>Food</i>	403	-	403	
<i>Non-recurring cost</i>	(2,510)	-	(2,510)	
<i>F&N/FPL</i>	-	2,771	2,771	

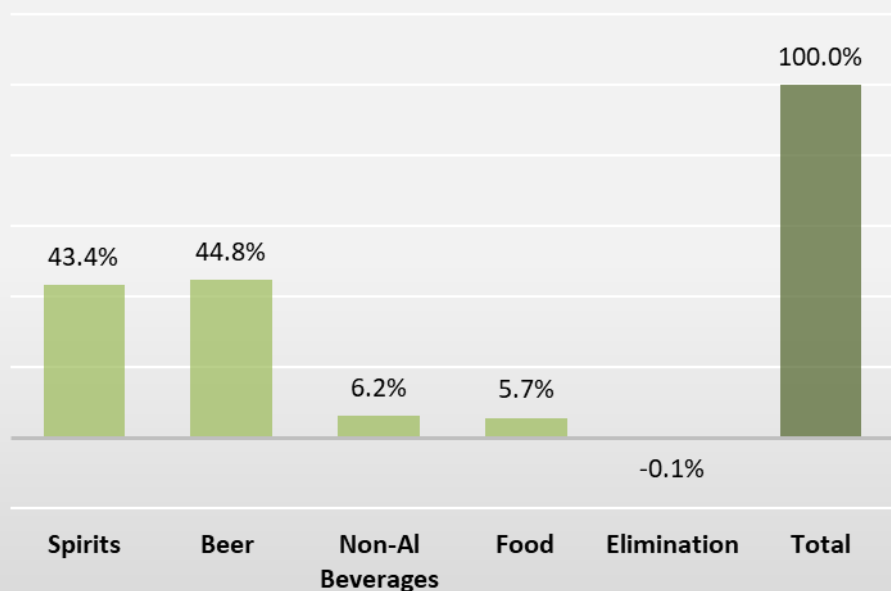
Consolidated: 9M19 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
Increase (Decrease)				
Sales	31,562	-	31,562	
Gross Profit	8,750	-	8,750	
EBITDA exclude non-recurring cost	5,194	1,105	6,299	
Net Profit exclude non-recurring cost	1,877	1,165	3,042	
EBITDA include non-recurring cost	7,546	1,105	8,651	
Net Profit include non-recurring cost	4,387	1,165	5,552	
Attributable Profit (Loss) exclude non-recurring cost	1,325	1,165	2,490	
Attributable Profit (Loss) include non-recurring cost	3,835	1,165	5,000	
<i>Spirits</i>	1,541	-	1,541	
<i>Beer</i>	(529)	-	(529)	
<i>Non-Alcohol</i>	304	-	304	
<i>Food</i>	9	-	9	
<i>Non-recurring cost</i>	2,510	-	2,510	
<i>F&N/FPL</i>	-	1,165	1,165	
% Increase (Decrease)				
Sales	18.2%	-	18.2%	
Gross Profit	17.2%	-	17.2%	
EBITDA exclude non-recurring cost	19.3%	36.5%	21.0%	
Net Profit exclude non-recurring cost	11.7%	42.0%	16.1%	
EBITDA include non-recurring cost	30.7%	36.5%	31.3%	
Net Profit include non-recurring cost	32.3%	42.0%	34.0%	
Attributable Profit (Loss) exclude non-recurring cost	9.1%	42.0%	14.3%	
Attributable Profit (Loss) include non-recurring cost	31.7%	42.0%	33.6%	
<i>Spirits</i>	11.5%	-	11.5%	
<i>Beer</i>	(31.9%)	-	(31.9%)	
<i>Non-Alcohol</i>	33.3%	-	33.3%	
<i>Food</i>	2.2%	-	(2.2%)	
<i>Non-recurring cost</i>	100.0%	-	100.0%	
<i>F&N/FPL</i>	-	42.0%	42.0%	

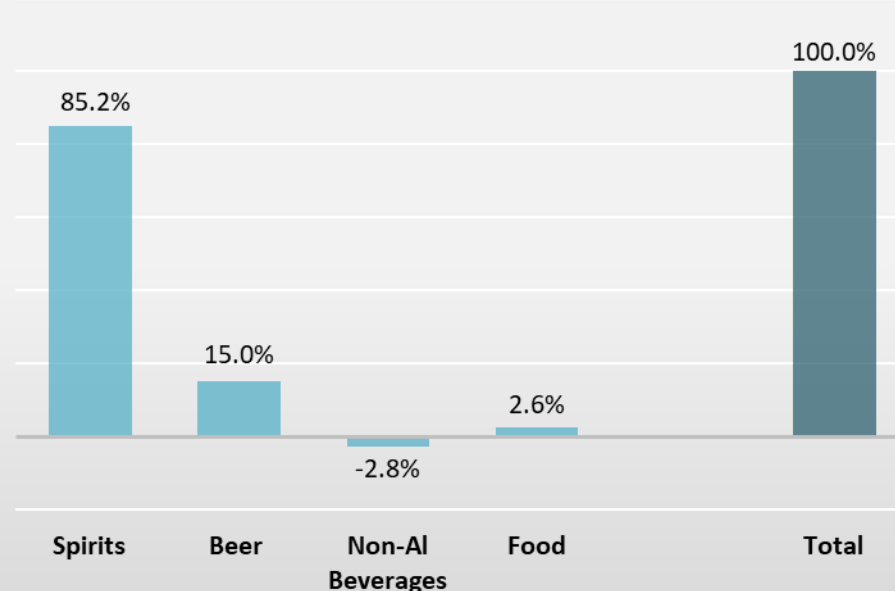
Contribution per Business Segment

9M19

Sales



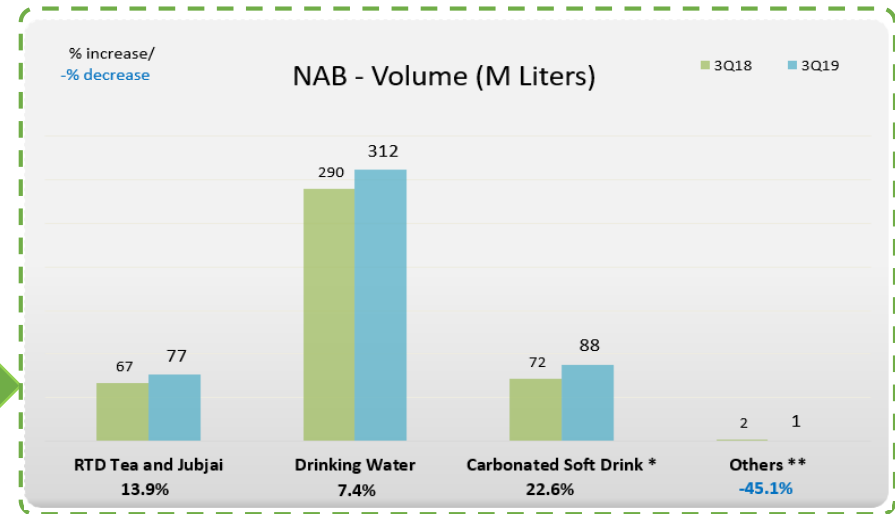
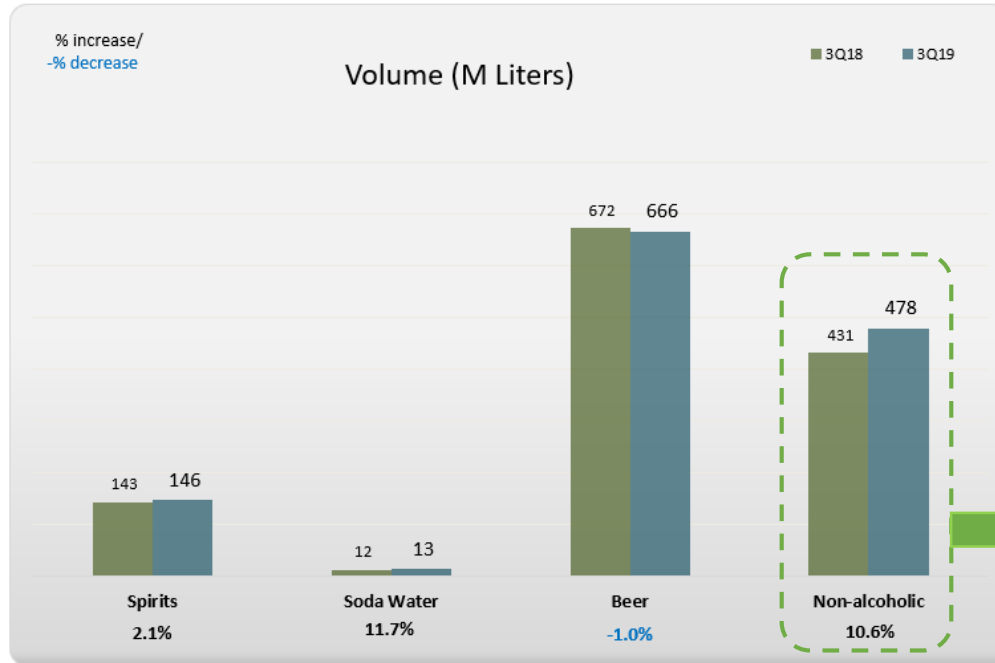
Net Profit*



* Exclude F&N/FPL

Total Sales Volume

3Q19

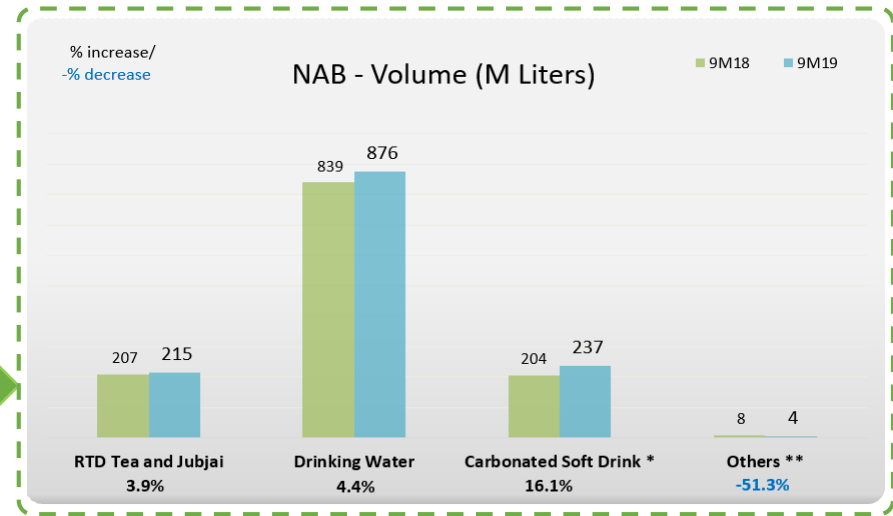
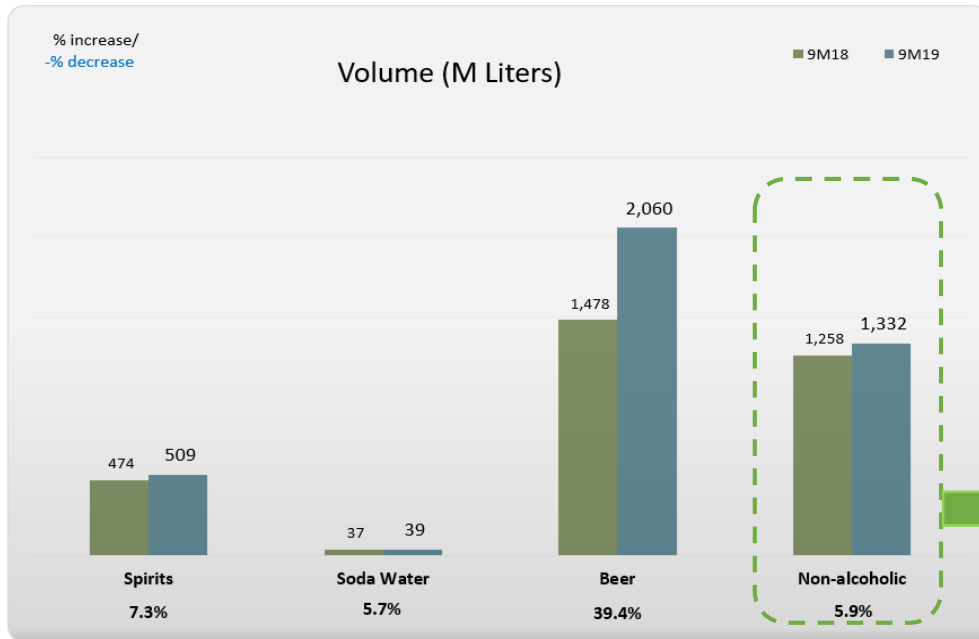


* est , 100Plus and Sarsi

** Energy drink, sports drink and other beverages

Total Sales Volume

9M19



* est , 100Plus and Sarsi

** Energy drink, sports drink and other beverages

Business Segments

Spirits

(M Baht)

Spirits	3Q18 Apr18 - Jun18 <i>(Restated)</i>	3Q19 Apr19 - Jun19	Change
Sales Revenue	24,575	26,265	6.9%
COGS	(16,480)	(17,206)	
<i>% of Sales Revenue</i>	<i>67.1%</i>	<i>65.5%</i>	
SG&A	(3,176)	(3,141)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(391)	
<i>% of Sales Revenue</i>	<i>12.9%</i>	<i>13.4%</i>	
EBITDA	5,482	5,981	9.1%
Net Profit	4,012	4,455	11.0%
Attributable Profit to Shareholders	3,921	4,436	13.1%
<u>Margin*</u>			
EBITDA	22.3%	22.8%	
Net Profit	16.3%	17.0%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	product mixed
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses, and past service cost for employee benefits from amendment of the Labor Protection Act of Baht 391 million
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses, and past service cost for employee benefits
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Spirits

(M Baht)

Spirits	9M18 Oct17 - Jun18 <i>(Restated)</i>	9M19 Oct18 - Jun19	Change
Sales Revenue	82,238	89,044	8.3%
COGS	(54,872)	(59,230)	
<i>% of Sales Revenue</i>	<i>66.7%</i>	<i>66.5%</i>	
SG&A	(9,934)	(10,291)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(391)	
<i>% of Sales Revenue</i>	<i>12.1%</i>	<i>12.0%</i>	
EBITDA	19,045	20,624	8.3%
Net Profit	14,086	15,299	8.6%
Attributable Profit to Shareholders	13,451	14,992	11.5%
<u>Margin*</u>			
EBITDA	23.2%	23.2%	
Net Profit	17.1%	17.2%	

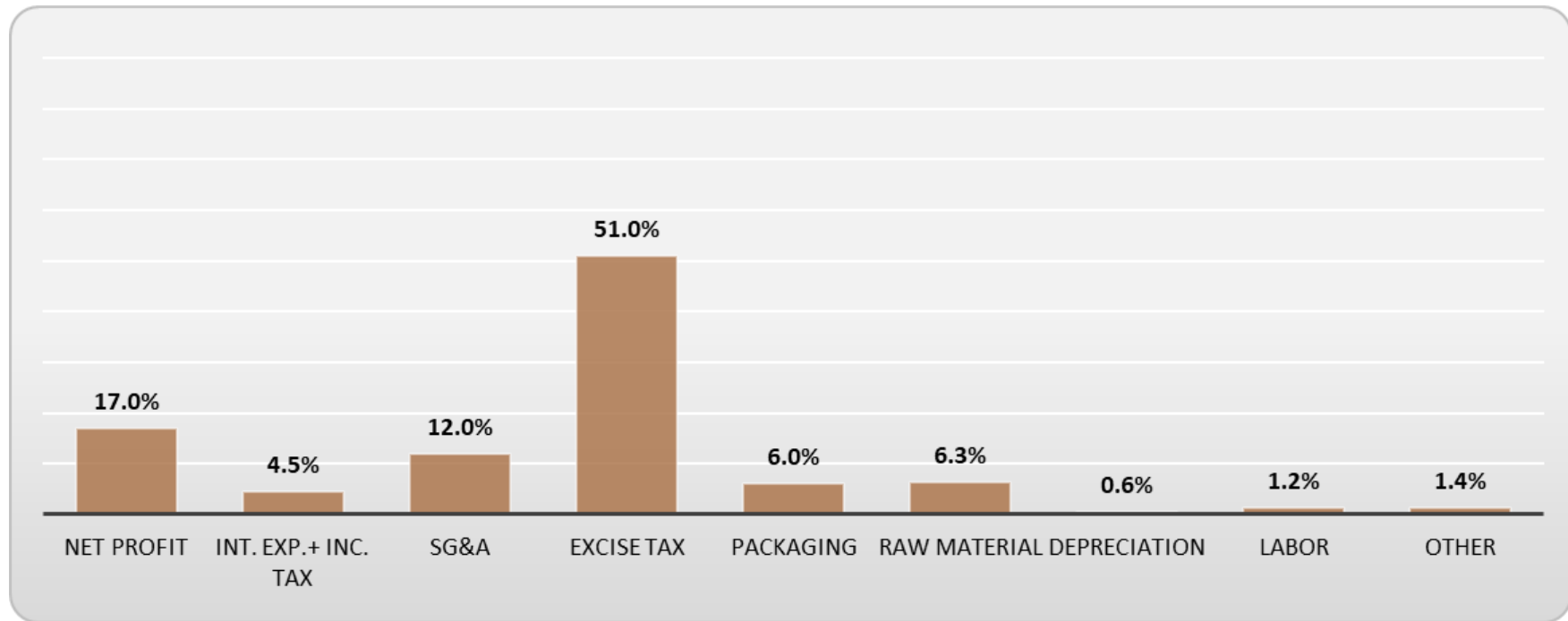
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a product mixed
<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 past service cost for employee benefits from amendment of the Labor Protection Act of Baht 391 million.
<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)

9M19



Beer

(M Baht)

Beer	3Q18 Apr18 - Jun18 <i>(Restated)</i>	3Q19 Apr19 - Jun19	Change
Sales Revenue	28,283	28,185	-0.3%
COGS	(22,070)	(21,695)	
<i>% of Sales Revenue</i>	<i>78.0%</i>	<i>77.0%</i>	
SG&A	(4,231)	(3,895)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(170)	
<i>% of Sales Revenue</i>	<i>15.0%</i>	<i>14.4%</i>	
EBITDA	2,994	3,555	18.7%
Net Profit	904	1,193	32.0%
Attributable Profit to Shareholders	440	267	-39.3%
<u>Margin*</u>			
EBITDA	10.6%	12.6%	
Net Profit	3.2%	4.2%	

* margins are % of sales revenue

<u>Sales Revenue</u>	DOWN	a decrease in sales volume from Sabeco's beer
<u>COGS (%)</u>	DOWN	a product mix
<u>SG&A (%)</u>	DOWN	a decrease in advertising and promotion expenses, although there was an increase in past service cost for employee benefits from amendment of the Labor Protection Act of Baht 170 million
<u>EBITDA</u>	UP	an increase in gross profit, a decrease in advertising and promotion expenses, although there was an increase in past service cost for employee benefits
<u>Net Profit</u>	UP	an increase in EBITDA, although there was an increase in finance costs
<u>Attributable Profit</u>	DOWN	an increase in finance costs

Beer

(M Baht)

Beer	9M18 Oct17 - Jun18 <i>(Restated)</i>	9M19 Oct18 - Jun19	Change
Sales Revenue	69,794	91,871	31.6%
COGS	(54,478)	(71,449)	
<i>% of Sales Revenue</i>	<i>78.1%</i>	<i>77.8%</i>	
SG&A	(11,149)	(13,922)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(170)	
<i>% of Sales Revenue</i>	<i>15.9%</i>	<i>15.3%</i>	
EBITDA	6,817	9,681	42.0%
Net Profit	2,433	2,691	10.6%
Attributable Profit to Shareholders	1,657	1,128	-31.9%
<u>Margin*</u>			
EBITDA	9.8%	10.5%	
Net Profit	3.5%	2.9%	

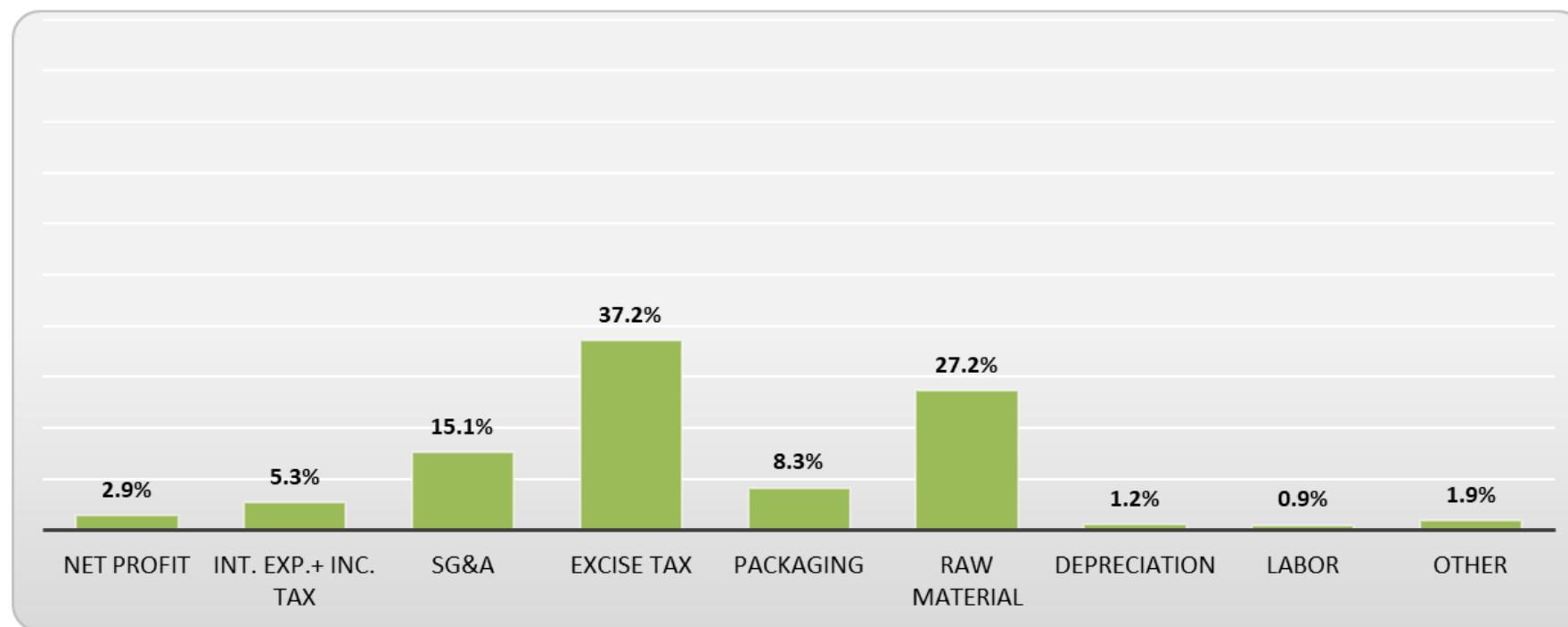
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a product mix
<u>SG&A (%)</u>	DOWN	sales revenue increase at higher rate than SG&A
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses, and past service cost for employee benefits from amendment of the Labor Protection Act of Baht 170 million
<u>Net Profit</u>	UP	an increase in EBITDA, although there was an increase in finance costs
<u>Attributable Profit</u>	DOWN	an increase in finance costs

Beer: Revenue-Cost Break Down

(% of total revenue)

9M19



Non-alcoholic Beverages

(M Baht)

Non-Alcoholic Beverages	3Q18 Apr18 - Jun18 <i>(Restated)</i>	3Q19 Apr19 - Jun19	Change
Sales Revenue	4,230	4,253	0.5%
COGS	(2,856)	(2,642)	
<i>% of Sales Revenue</i>	<i>67.5%</i>	<i>62.1%</i>	
SG&A	(1,906)	(1,754)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(204)	
<i>% of Sales Revenue</i>	<i>45.0%</i>	<i>46.1%</i>	
EBITDA (Loss)	(25)	142	668.0%
Net Profit (Loss)	(287)	(134)	53.3%
Attributable Profit (Loss) to Shareholders	(316)	(190)	39.9%
Margin*			
EBITDA (-Loss)	-0.6%	3.3%	
Net Profit (-Loss)	-6.8%	-3.2%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	a product mix
<u>COGS (%)</u>	DOWN	sales revenue increase at higher rate than COGS
<u>SG&A (%)</u>	UP	an increase in past service cost for employee benefits from amendment of the Labor Protection Act of Baht 204 million
<u>EBITDA</u>	UP	an increase in gross profit, although there was an increase in past service cost for employee benefits
<u>Net Loss</u>	DOWN	an increase in gross profit and a change from EBITDA loss to EBITDA profit
<u>Attributable Loss</u>	DOWN	a decrease in net loss

Non-alcoholic Beverages

(M Baht)

Non-Alcoholic Beverages	9M18 Oct17 - Jun18 <i>(Restated)</i>	9M19 Oct18 - Jun19	Change
Sales Revenue	12,433	12,855	3.4%
COGS	(8,335)	(8,487)	
<i>% of Sales Revenue</i>	<i>67.0%</i>	<i>66.0%</i>	
SG&A	(6,400)	(5,162)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(204)	
<i>% of Sales Revenue</i>	<i>51.5%</i>	<i>41.8%</i>	
EBITDA (Loss)	(71)	409	676.1%
Net Profit (Loss)	(853)	(502)	41.1%
Attributable Profit (Loss) to Shareholders	(913)	(609)	33.3%
<u>Margin*</u>			
EBITDA (-Loss)	-0.6%	3.2%	
Net Profit (-Loss)	-6.9%	-3.9%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	a product mix
<u>COGS (%)</u>	DOWN	sales revenue increase at higher rate than COGS
<u>SG&A (%)</u>	DOWN	a decrease in advertising and promotion expenses, although there was an increase in past service cost for employee benefits from amendment of the Labor Protection Act of Baht 204 million
<u>EBITDA</u>	UP	an increase in gross profit, and a decrease in advertising and promotion expenses although there was an increase in past service cost for employee benefits
<u>Net Loss</u>	DOWN	an increase in gross profit and a change from EBITDA loss to EBITDA profit
<u>Attributable Loss</u>	DOWN	a decrease in net loss

Food

(M Baht)

Food	3Q18 Apr18 - Jun18 <i>(Restated)</i>	3Q19 Apr19 -Jun19	Change
Sales Revenue	3,623	4,052	11.8%
COGS	(2,116)	(2,252)	
<i>% of Sales Revenue</i>	<i>58.4%</i>	<i>55.6%</i>	
SG&A	(1,381)	(1,501)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(33)	
<i>% of Sales Revenue</i>	<i>38.1%</i>	<i>37.9%</i>	
EBITDA	344	479	39.2%
Net Profit	44	163	270.5%
Attributable Profit to Shareholders	50	159	218.0%
Margin*			
EBITDA	9.5%	11.8%	
Net Profit	1.2%	4.0%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in revenue from Oishi food and QSA
<u>COGS (%)</u>	DOWN	a store mixed
<u>SG&A (%)</u>	DOWN	sales revenue increase at higher rate than SG&A, although there was an increase in past service cost for employee benefits from amendment of the Labor Protection Act of Baht 33 million.
<u>EBITDA</u>	UP	increase in gross profit, although there was an increase in past service cost for employee benefits
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Food

(M Baht)

Food	9M18 Oct17 - Jun18 <i>(Restated)</i>	9M19 Oct18 - Jun19	Change
Sales Revenue	9,371	11,649	24.3%
COGS	(5,217)	(6,513)	
<i>% of Sales Revenue</i>	<i>55.7%</i>	<i>55.9%</i>	
SG&A	(3,549)	(4,322)	
Past service cost for employee benefits (from amendment of the Labor Protection Act)	-	(33)	
<i>% of Sales Revenue</i>	<i>37.9%</i>	<i>37.4%</i>	
EBITDA	1,144	1,415	23.7%
Net Profit	415	470	13.3%
Attributable Profit to Shareholders	403	412	2.2%
Margin*			
EBITDA	12.2%	12.1%	
Net Profit	4.4%	4.0%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in revenue from Oishi food and QSA
<u>COGS (%)</u>	UP	a result of rapid expansion of the number of KFC stores which incurred expenses from new store openings while the revenue from new stores are still at early stage
<u>SG&A (%)</u>	DOWN	sales revenue increase at higher rate than SG&A, although there was an increase in past service cost for employee benefits from amendment of the Labor Protection Act of Baht 33 million
<u>EBITDA</u>	UP	an increase in gross profit, although there was an increase in past service cost for employee benefits
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Update: International Business

9M19 sales revenue of Baht 57.7 Bn improved 48% from last year because of inclusion of Sabeco's performance while 1Q18 Sabeco's performance has not been consolidated yet

- **International Spirits**

- Sales revenue declined by 3% from FX impact, and product mixed
 - Sales of other international spirits business was benefited from the inclusion of new subsidiaries of Asiaeuro International Beverage (Hong Kong) Limited and Asiaeuro International Beverage (Guangdong) Co Ltd, and the increase sales in Chinese spirits in China
 - Scotch whisky sales continued to slow down in both bulk and cased sales
-

- **International Beer**

- Sales revenue reported a growth of 63% driven by Sabeco
- Sales revenue, excluding SABECO, declined due to the weak performance in some ASEAN countries

Financials

Statement of Financial Position

Statement of Financial Position	30-Sep-18 <i>(Restated)</i>	30-Jun-19	Change
<i>(Million Baht)</i>			
Assets			
Current assets	75,228	75,767	539
Non-current assets	342,694	329,986	(12,708)
Total assets	417,922	405,753	(12,169)
Liabilities			
Current liabilities	37,459	45,480	8,021
Non-current liabilities	224,990	211,796	(13,194)
Total liabilities	262,449	257,276	(5,173)
Shareholders' Equity			
Total equity	155,473	148,477	(6,996)

<u>Current assets</u>	UP	an increase in account receivable
<u>Non-current assets</u>	DOWN	a decrease in investments in associates and joint ventures due to Baht appreciation, and a decrease in property, plant and equipment
<u>Current liabilities</u>	UP	an increase in short-term loans from financial institutions and an increase in current portion of debentures
<u>Non-current liabilities</u>	DOWN	a decrease in long-term loans from financial institutions
<u>Total equity</u>	DOWN	dividend payment and foreign currency translation differences for foreign operation, although there was an increase in net retained earnings from the net profit of the period

Interest Bearing Debt

Interest Bearing Debt	30-Sep-18	30-Jun-19
	<i>(Restated)</i>	
<i>(Million Baht)</i>		
Current		
Bank overdrafts	484	1
Short-term loans from financial institutions	4,282	13,987
Current portion of long-term loans	8,016	7
Current portion of debentures	1,701	5,998
Other short-term loan	-	-
	14,483	19,993
Non-current		
Debentures	126,910	174,852
Long-term loans from financial institutions	89,894	27,920
	216,804	202,772
Total	231,287	222,765
Cash and cash equivalents	22,530	24,084
Net Interest Bearing Debt	208,757	198,681

The periods to maturity of interest-bearing debts:

	<i>(Million Baht)</i>
Within one year (<i>June 2020</i>)	19,993
After one year but within two years (<i>June 2021</i>)	45,210
After two years	<u>157,562</u>
Total	<u>222,765</u>

Note:

- In the second quarter ended 31 March 2019, the Company has managed to take out all bridging loans to long-term loans and remove all floating interest rate to fixed interest rate.

Financial Ratios

Ratios	30-Sep-18 <i>(Restated)</i>	30-Jun-19
Current Ratio (times)	2.01	1.67
Liability to Equity Ratio (Gearing Ratio) (times)	1.69	1.73
Interest Bearing Debt to Equity Ratio (times)	1.49	1.50
Net Interest Bearing Debt to Equity Ratio (times)	1.34	1.34
Net Interest Bearing Debt to EBITDA (times) (annualized)	5.54	4.53
Net asset value per share (Baht)	4.82	4.63
Net asset value per share (SGD)*	0.22	0.21
<i>* exchange rate at THB 21.95195 : SGD 1</i>		
EPS	30-Jun-18 <i>(Restated)</i>	30-Jun-19
Earnings per share for the quarter (Baht)	0.22	0.26
Earnings per share for the nine-month period (Baht)	0.59	0.79
Turnover	Oct 17 - Sep 18 <i>(Restated)</i>	Oct 18 - Jun 19
A/R Turnover (days)	5	6
Inventory Turnover (days)		
Spirit Business: finished goods	56	51
Beer Business: finished goods	13	10
Non-alcohol Business: finished goods	23	20
Food Business: finished goods	4	5

<u>Current Ratio</u>	DOWN	an increase in short-term loans from financial institutions and current portion of debentures
<u>Liability to Equity Ratio</u>	UP	dividend payment and foreign currency translation differences for foreign operation

Thank you