

THAI BEVERAGE PCL

2020 Virtual Annual Information Meeting

19 June 2020



1H20 RESULTS

2020 Virtual Annual Information Meeting



FRASER AND NEAVE, LIMITED



OISHI GROUP
おいしい



SERMSUK



International Beverage



SABECO



GRAND ROYAL GROUP

1H20 Financial Highlights

Revenue from sales (million Baht)		137,092 ▼ 3.9%	
EBITDA <small>(included costs and deferred tax utilization related to beer business restructuring)</small>	EBITDA <small>(million Baht)</small>	Net profit <small>(included costs and deferred tax utilization related to beer business restructuring)</small>	Net profit <small>(million Baht)</small>
<small>(million Baht)</small> 25,251 ▲ 4.9%	<small>(million Baht)</small> 25,296 ▲ 5.1%	<small>(million Baht)</small> 14,789 ▲ 3.9%	<small>(million Baht)</small> 15,918 ▲ 11.8%
EPS (basic) <small>(included costs and deferred tax utilization related to beer business restructuring)</small>	EPS (basic) <small>(Baht)</small>	Attributable Profit <small>(included costs and deferred tax utilization related to beer business restructuring)</small>	Attributable Profit <small>(million Baht)</small>
<small>(Baht)</small> 0.53 0%	<small>(Baht)</small> 0.58 ▲ 9.8%	<small>(million Baht)</small> 13,375 ▲ 1.3%	<small>(million Baht)</small> 14,504 ▲ 9.8%

Note: costs and deferred tax utilization related to beer business restructuring were not the expenses under normal operation, amounting to Baht 1,129 million

FINANCE

2020 Virtual Annual Information Meeting



Finance

Q: What steps are ThaiBev taking to deleverage over time? Are acquisition opportunities prioritized over deleveraging?

- ThaiBev has a strong, solid, cash-based business, with the majority of our sales having “cash before delivery” terms.
- Tapping on the cash flows from our operations, we have decreased our net interest bearing debt to equity ratio from 1.30x as at 30 September 2019 to 1.16x as at 31 March 2020, and we are working to further deleverage the business.
- Debt financing is, nonetheless, necessary as it helps us to operate efficiently.
- It is a suitable source of capital as the cost of debt is typically lower than the cost of equity, and it also provides shareholders with a better return on equity (ROE).
- In addition, it is noteworthy that ThaiBev has investment grade credit ratings by both domestic and international rating agencies.
- We currently have no plans to undertake any major acquisitions, but are open to exploring small opportunities that may help grow revenue or net profit, or further improve cost efficiency.
- We have been looking to further increase cost efficiency and savings to preserve cash, and have also reduced our CAPEX plans and deferred non-essential CAPEX plans to subsequent years.
- We continue to explore ways to further deleverage, and we will update shareholders as appropriate in accordance with our obligations under the SGX Listing Manual.

Q: Is ThaiBev planning to refinance any debts to take advantage of lower interest rates?

- Yes
- ThaiBev has two types of interest bearing debt – bank borrowings, and debentures which is the majority of interest bearing debt.
- We got the deduction of interest rate from certain banks, and also bought back certain debentures from market hence achieved lower interest rate.

Finance

Q: Is ThaiBev planning to issue any rights over the next one to two years?

- We currently have no plans to issue any rights.

Q: Might ThaiBev possibly, in worse case scenarios, consider reducing or not declaring dividends in the future even if it continues to register good growth and healthy profit margins?

- We remain committed to our full year dividend policy of paying out *“not less than 50% of net profit after deducting all specified reserves, subject to our investment plans and as the Board of Directors deems appropriate”*.

Q: What are the probable financial impacts, if any, on ThaiBev, if the COVID-19 pandemic persists for a longer period?

- It is hard to avoid some impact from this unprecedented situation.
- However, our portfolio is relatively resilient as it caters more to off-trade rather than on-trade consumption.
- Even if the situation persists and consumers avoid going out, they can drink at home.
- We also note that that the government is trying to balance public health interests and economic interests.
- It is currently easing lockdown measures and starting to reinvigorate the economy with stimulus packages to mitigate the risk of economic slowdowns.

Q. Is there an intention to split away the property business?

- If there is any development on this, we will update shareholders as appropriate in accordance with our obligations under the SGX Listing Manual.

SPIRITS PRODUCT GROUP

2020 Virtual Annual Information Meeting



Financial Performance – Spirits Business

Total sales volume of Spirits (million liters)

• 1H20

359.7

 - 1.0 %

Sales Revenue (million Baht)

1H20 : 64,262

1H19 : 62,698



+ 2.5 %

Gross profit (million Baht)

1H20 : 21,585

1H19 : 20,700



+ 4.3 %

Gross profit margin

33.6%

33.0%

EBIT (million Baht)

1H20 : 14,873

1H19 : 13,743



+ 8.2 %

EBIT margin

23.1%

21.9%

Net profit (million Baht)

1H20 : 12,609

1H19 : 10,790



+ 16.9 %

Net profit margin

19.6%

17.2%

Key Thai Spirits Portfolio

Brands

Current Portfolio

FY 2020 Addition / Improvement



Ruang Khao
330ml./ 625ml.



Ruang Khao Silver
330ml./ 700 ml.



Ruang Khao
(Embossed Bottle)
330ml./ 625ml.



Hong Thong
350 ml./ 700 ml.



Hong Thong 1 Litre



BLEND 285
345 ml./ 700 ml./
1 Litre



BLEND 285 Signature
700 ml./ 1 Litre



BLEND 285 Signature
345 ml.



SangSom
300 ml./ 700 ml./ 1 Litre



SangSom Festive Wrap
300 ml.

SangSom



BLEND 285 Signature



BLEND 285 Signature
345 ml./ 700 ml./ 1 Litre

Niyomthai and Phayanak



Niyomthai Special Aromatic Rice
40 Degree 330 ml.



Phayanak
12.8 Degree 175 ml.

Grand Royal



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SERMSUK



International
Beverage



SABECO



GRAND ROYAL
GROUP

Financial Performance – Beer Business

Total sales volume of Beer (million liters)

• 1H20

1,208

▼ - 13.3 %

Sales Revenue (million Baht)

1H20 : 56,875

1H19 : 64,084

▼ - 11.2 %

Gross profit (million Baht)

1H20 : 12,278

1H19 : 14,114

▼ - 13 %

Gross profit margin

21.6%

22.0%

EBITDA (million Baht)

1H20 : 5,794

1H19 : 6,215

▼ - 6.8 %

EBITDA margin

10.2%

9.7%

Net profit (million Baht)

1H20 : 1,011

1H19 : 1,527

▼ - 33.8 %

Net profit margin

1.8%

2.4%

BEER PRODUCT GROUP THAILAND

2020 Virtual Annual Information Meeting



Key Goals for Thailand

Chang #1

KEY GOALS FOR THAILAND

Make
Chang Beer
Number One
In **Thailand**



Alcohol Banned Nationwide during COVID-19 through April 2020

Current Area of Selling Alcohol



May'20

Most regions were allowed to sell alcoholic beverages (off-trade).

Jun'20

All 77 provinces can sell alcoholic beverages (off-trade).

From 15 Jun 20

Alcoholic beverages can be served at restaurants, food centers and hotels, within the time period as stipulated by laws, with no promotional activities.

Strategies to be Employed during COVID-19

Marketing Activities For Chang & Non-Chang Portfolio

Chang Portfolio

- Keeping Our Brand Voice Alive
- Keeping Our Experiential Platforms Alive
- Supporting The Channels

Non-Chang Portfolio

- Continuous Voice & Engagement

Chang Portfolio

Keeping Our Brand Voice Alive (Digital Media & In Store Packaging)

Objective

Enhance Chang Brand To Be Top-of-mind
Via Constant Brand Engagement

NEW TVC & ONLINE POSTS

STAY HOME, YET STAY CONNECTED WITH FRIENDS



Objective

Stimulate 'Cold Brew' Consumption
During 'Social Distancing At Home'

NEW 12 CAN PACK HOME CONSUMPTION



NEW 25 CAN PACK HOME CONSUMPTION



Chang Portfolio

Keeping Our Experiential Platforms Alive (Digital Media)



Chang Mega Hits
#LookTungFromHome



Mechanic: Look Tung Performance Online with dance & karaoke concept
Schedule: Every Friday at 7 pm, during 1–29 May 2020 (5 weeks)



Chang Music Connection
Play From Home



Mechanic: 43 Band Performance Online
Schedule: Starting Sat 4 April (9 weeks)



Chang Carnival
Lockdown Party



Mechanic: DJ Live Broadcast
Schedule: Every Saturday, during 21 March – 2 May 2020 (6 weeks)

Chang Portfolio

Keeping Our Experiential Platforms Alive (Digital Media)



Chang Football Moments

เล่นไม่เลิก

#HomeFootballChallenge

Mechanic: Football Challenge Online

Schedule: 15-30 April

X24 Footballers

X12 Celebrities

X28 KOLs



Chang Portfolio

Supporting The Channels (Digital Media)



Digital Lifestyle Program



Total **48 Episodes**
(18 April – 27 September 2020)



Delivery Service
(Outlet Support Program)



Home Delivery Service



Non-Chang Portfolio

Continuous Voice & Engagement For The Portfolio



Federbrau Easy-To-Carry Pack For Home Consumption



New Variant Launch For Huntsman: Belgian Blond

THANK YOU



BEER PRODUCT GROUP SABECO

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SERMSUK



International
Beverage



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GRAND ROYAL
GROUP

CRISIS DEVELOPMENT

Unprecedented prolonged difficult time

SINGLE NEGATIVE IMPACT: **SABECO** hit with fake news

**FAKE
NEWS**

DOUBLE NEGATIVE IMPACT: **SABECO** hit with fake news, and **BEER INDUSTRY** was affected by Decree 100

**FAKE
NEWS**



TRIPLE NEGATIVE IMPACT: **SABECO** hit with fake news, **BEER INDUSTRY** was affected by Decree 100, and **VIETNAM** was locked down by Covid-19

**FAKE
NEWS**



FAKE NEWS & DECREE 100

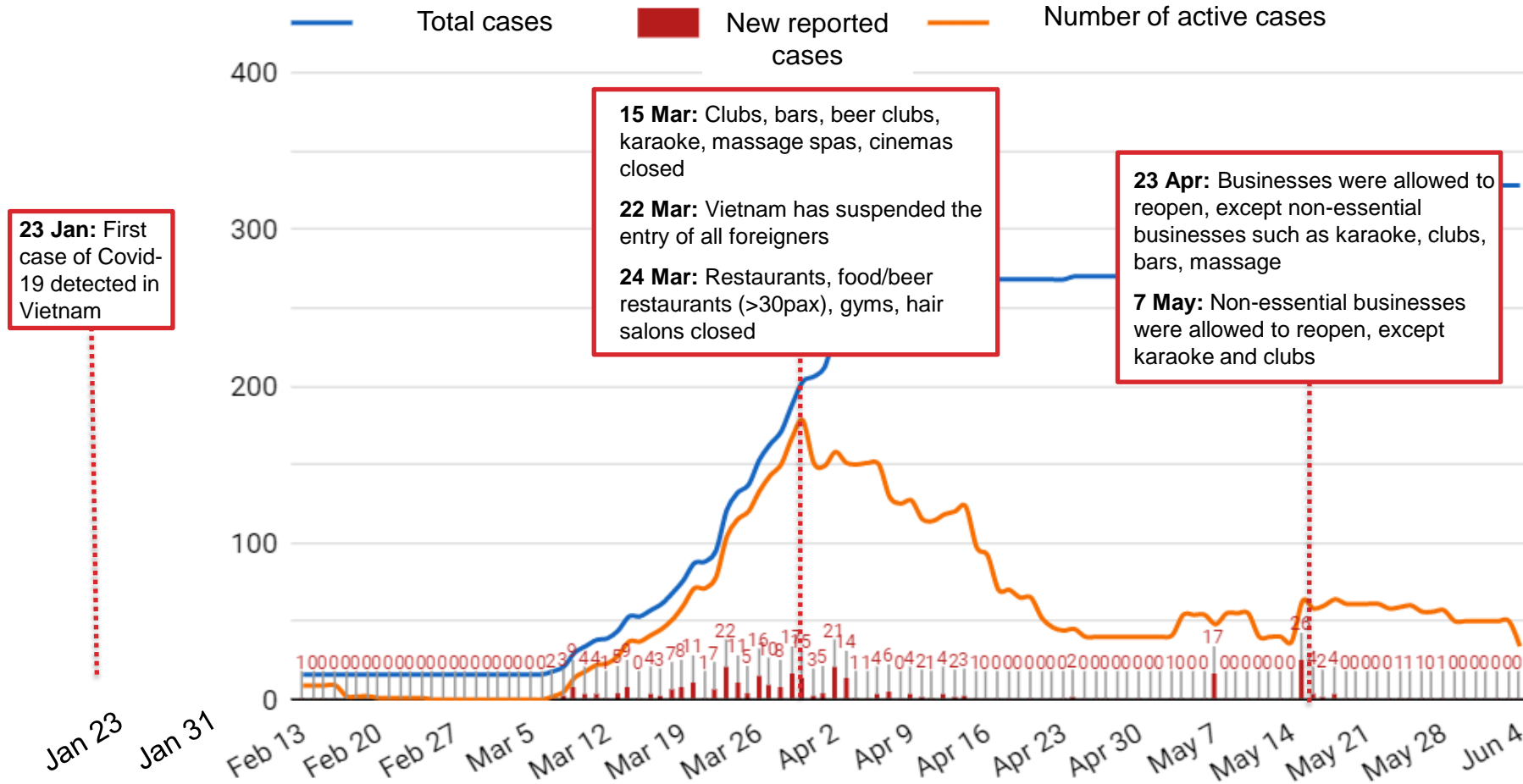


SABECO addressed the fake news issue aggressively and saw recovery in Q1.



- **SABECO supports government's efforts in encouraging responsible drinking.**
- **SABECO continues to work with customer, trade and government to ensure minimal impact on the growth of beer business.**

COVID-19 SITUATION IN VIETNAM



A

Covid-19 first detected in Vietnam

B

Vietnam locked down

C

Vietnam unlocking

- **From 31 Jan**, after the Tet holiday, first Notice on the Coronavirus was issued by SABECO to provide information and recommendations to employees.
- **On 23 Mar**, the BCP of SABECO/SATRACO Head Office was officially activated.
- **From 27 Apr**, all employees returned to office and worked normally.

Q1 2020 PERFORMANCE

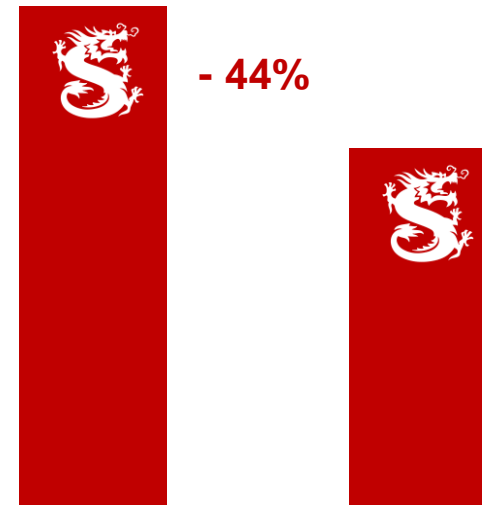
“Q1 2020 performance was badly affected compared to last year

but slightly better than expectation”

Net revenue



Profit after tax



1Q19

1Q20

1Q19

1Q20

ACTIONS FOR CRISIS



Managed inventory levels to reduce working capital while maintaining high beer quality



Redeployed PGs from on-trade to the off-trade due to lockdown of on-trade outlets



- Reduced utilities usage in breweries
- Reviewed and prioritized for critical maintenance activities



Focused on off-trade sales, modern trade channel and home delivery



Postponed brewery expansions (Cu Chi and Soc Trang) and non-critical investment



- Tied salary payout to company productivity
- Reduced number of temporary employees and 3rd party contractors
- Reduced discretionary spend

NON-ALCOHOL BEVERAGE PRODUCT GROUP

2020 Virtual Annual Information Meeting



“ Profitable Volumes for Sustainable Growth ”



ThaiDrinks



NAB Performance Overview

2Q 19 vs 2Q 20

	2Q 19	2Q 20	Change
Revenue	4,259	4,476	+5.1%
COGS % of Rev	(2,824) 66.3%	(2,740) 61.2%	
SG&A % of Rev	(1,570) 36.9%	(1,722) 38.5%	
EBITDA	284	770	+171.1%
Net Profit (Loss)	(94)	360	+483.0%

1H 19 vs 1H 20

	1H 19	1H 20	Change
Revenue	8,285	8,690	+4.9%
COGS % of Rev	(5,655) 68.3%	(5,483) 63.1%	
SG&A % of Rev	(3,239) 39.1%	(3,205) 36.9%	
EBITDA	266	1,212	+355.6%
Net Profit (Loss)	(343)	480	+239.9%

NAB TRANSFORMATIVE ASPIRATIONS

“Profitable Volumes for Sustainable Growth”

**Efficiencies in
Brand
Investment**

**Transformation
of Cost
Structures**

**Sustaining
Healthy
Margins**

Strategic Imperatives for a Profitable Transformation

1

Higher Margin SKUs



- Returnable Glass
- Lower Sugar



2

Higher Margin Channels



- Traditional Trade
- Food Shops & Rest.



3

Business Efficiencies



- CASH HUNT
- HC & Operations



Thriving in a COVID World by Responding to Market and Consumer Changes



**New Channels
to Reach
Consumers
Directly**



**E-Marketplace
to Widen
Distribution**



**Healthier
Products to
Boost Wellness**

New Channels to Reach Consumers Directly

DIRECT TO CONSUMERS & RESIDENTIAL AREAS DURING EMERGENCY DECREE PERIOD



Accelerating Reach 'ONLINE'

JOINING FORCES WITH CUSTOMERS TO IMPROVE ONLINE OFFERING & EXPERIENCE



เมื่อซื้อสินค้า โออิชิ ทรันคิ, โออิชิ โกลด์ หรือ จิบใจ ที่รวมรายการ ครบ 229 บาท ตั้งแต่ 30 เม.ย. - 13 พ.ค. 2563
เงื่อนไขการจัดส่งเป็นไปตามที่บิ๊กซี ช้อปปีงออนไลน์กำหนด



Elevating 'IN-HOME' Product Experience

MAXIMIZING OPPORTUNITIES WITH CONSUMER OCCASIONS AT HOME

Lifestyle Occasions & Food Pairing



Refreshing Oishi Gold Fusion Frappe



Steamed Rice Oishi Genmai Gold



Pairing with Umami Ochazuke



Pairing with Umami Ramen



It's Just as Fun to Stay At Home



Revving Up for FSR Channel Re-Opening

GETTING OUR FORCES WELL-PREPARED FOR A POST-COVID WORLD

Trade program

To give the warm welcome to our partnership in FSR Channel in May



คริสตัล ต้อนรับ
วันเปิดร้านอาหาร

มอบน้ำดื่ม
ขนาด 1,500 มล. 1 แพ็ค
เมื่อซื้อคริสตัล
ขวดแก้ว 5 ลิ้ง

คริสตัล

ช่วงเวลาคุณภาพ น้ำดื่มต้องคริสตัล

Programs Tightening Restaurant Relationships



CRYSTAL x ร้านอร่อย

ร่วมโปรเจกต์ง่ายๆ
โดยมีเงื่อนไขดังนี้

- ★ เข้าร่วมโปรเจกต์ คริสตัล X ร้านอร่อย
- ★ รับน้ำดื่ม น้ำดื่มคริสตัลขวด Limited Edition ลายพิเศษจากครูโต ศิลปินชื่อดัง จำนวน 20 แพ็ค
- ★ แจกน้ำดื่ม แก้ว 24 ออเดอร์แรก เป็นระยะเวลาติดต่อกัน 10 วัน

สิ่งที่ร้านค้าจะได้รับเพิ่มเติม

เข้าร่วมโปรเจกต์



Commitments for Healthier Portfolio Choices

INNOVATIONS SPEARHEADED FOR 'HEALTHIER CHOICE' ENDORSEMENTS



EST PLAY
HONEY LEMON



EST PLAY
0% SUGAR (ALL CORE FLAVORS)



OISHI APPLE HONEY
LIGHT (0% SUGAR)



OISHI GOLD
GYOKURO DELIGHT



OISHI GOLD
GYOKURO NO SUGAR

NAB TRANSFORMATIVE COMMITMENTS

Profitable Volumes & Business Efficiencies



**Continued
Profitability**



**Channel &
Commercial
Efficiencies**



**Agility in a
Post-COVID
World**



Thank You

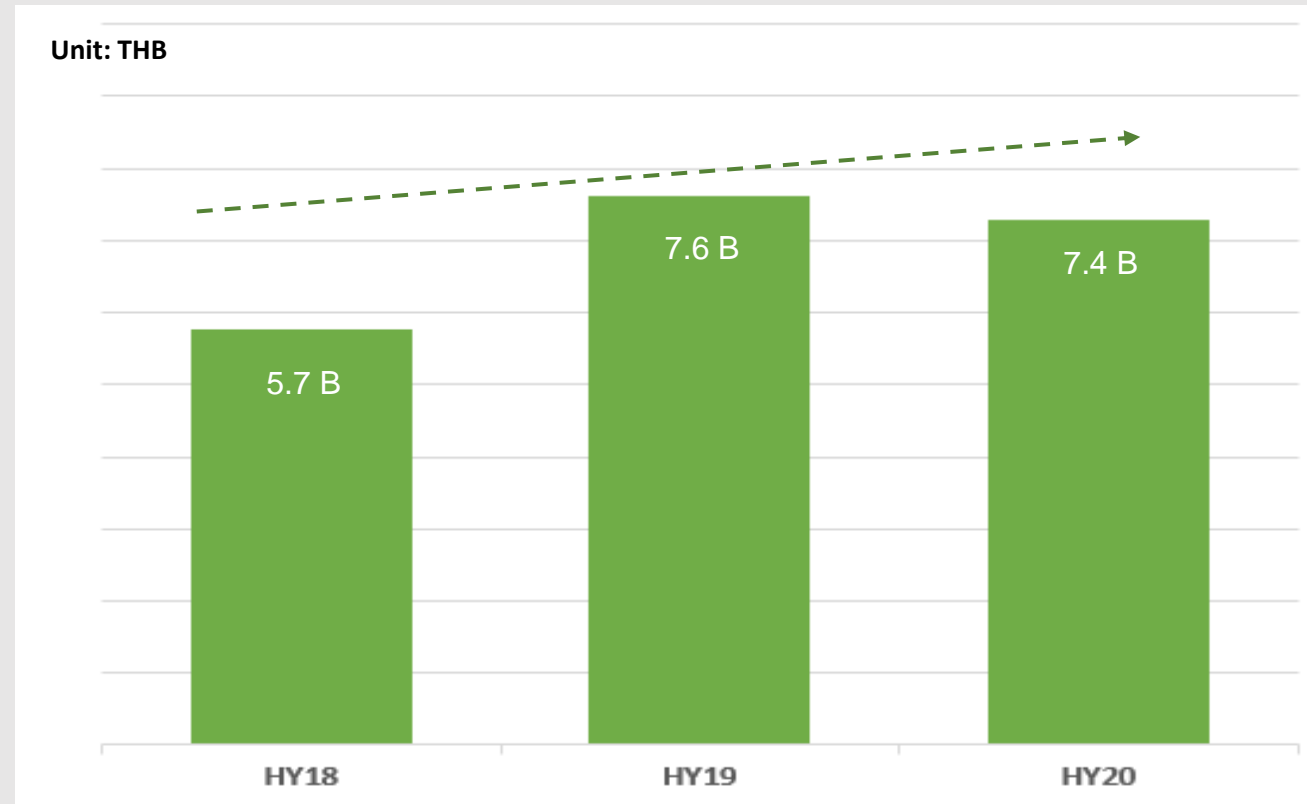
FOOD PRODUCT GROUP

2020 Virtual Annual Information Meeting



Continued Growth Momentum

Sales growth on track as driven by store expansion and delivery



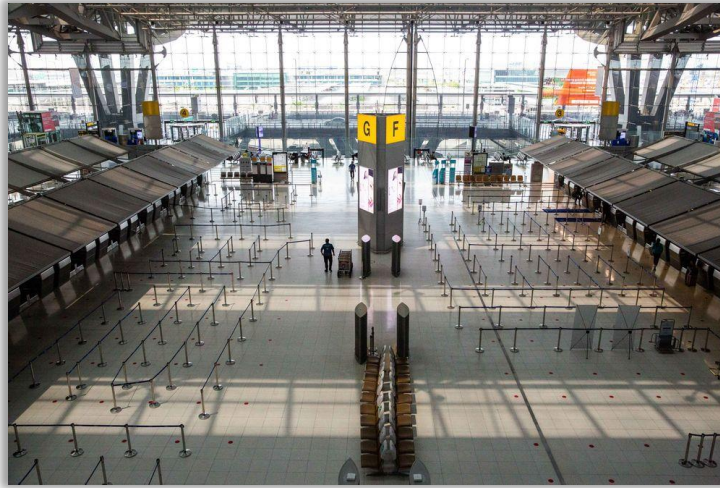
Number of Outlets

538

587

643

Nationwide Impact from Covid-19



Support During Covid-19

To ensure our staffs' health & well-being

- Provided Covid-19 Insurance
- Provided essential kit eg. alcohol, water, food
- Provided free meals for restaurant Staffs
- 100% Staff Covid tested in BKK area
- Covid Relief Center

ThaiBev COVID-19
ไทยเบฟ
 มอบประกันคุ้มครอง
 ไวรัส COVID-19
 ลงทะเบียนรับความคุ้มครอง
 วันนี้-3 เมษายน 2563

พนักงานทุกคนธุรกิจไทยเบฟ
 พนักงานที่สมัครทุกคน ทุกตำแหน่งงาน
 (พนักงานประจำ พนักงานขาย พนักงานสาขา พนักงานขับรถ พนักงานส่งของ พนักงานช่าง)

SCAN
 ลงทะเบียน

**เจอ-จ่าย รับความคุ้มครอง 100,000 บาท
 + รับเพิ่มประกันอุบัติเหตุ 1 ปี**

ข้อตกลงคุ้มครอง	จำนวนเงินเอาประกันภัย (บาท)
คุ้มครองกรณีติดเชื้อไวรัส COVID-19 (เมื่อตรวจเจอเป็นต้น)	100,000
คุ้มครองกรณีเสียชีวิต ทุพพลภาพหรืออวัยวะเสียหาย หรือทุพพลภาพการสิ้นเชิง (อ.บ.1)	100,000

เงื่อนไขความคุ้มครอง

- กรมธรรม์มีระยะเวลาตลอด 14 วัน หลังจากวันที่บริษัทได้รับแจ้งการตรวจธรรม์ (26 ปีหาก) โดยความคุ้มครองตามเงื่อนไขกรมธรรม์ ตั้งแต่วันที่ 9 เมษายน 2563 เป็นต้นไป
- กรณีพนักงานเจ็บป่วยเกินกว่าที่กำหนดในเงื่อนไข พนักงานจะได้รับสิทธิดังนี้
 - วงเงินความคุ้มครองเงิน 100,000 บาท + 50% ของค่า 100,000 บาท = มูลค่าคุ้มครองเงินเป็น 200,000 บาท
 - วงเงินความคุ้มครองเงิน 150,000 บาท / 200,000 บาท + 50% ของค่า 100,000 บาท ตามความถี่ จำนวนครั้งคุ้มครองตาม ส่วนหนึ่งของพนักงาน หรือ 100,000 บาท เพื่อรวมในวงเงินคุ้มครองเงินมีจำนวนจำกัด 100,000 บาท และดำเนินการคืนค่าเบี้ยประกันคืนส่วนค่าให้พนักงาน
- ตามเงื่อนไขกรมธรรม์นี้ จะไม่คุ้มครองบุคลากรที่เดินทางไปต่างประเทศหรือข้ามพรมแดนการตรวจโรคระยะเวลา 30 วันก่อนเดินทางกลับคืนประเทศไทย กรณีพนักงานเดินทางกลับมาจากต่างประเทศที่ตรวจพบเชื้อ หรือตรวจพบเชื้อ COVID-19 ในระยะเวลา 14 วัน นับถึงวันที่ทำการดูแลและแยกกักตัวพนักงานตามความเหมาะสมต่อไป

สอบถามข้อมูล
 ศูนย์บริการพนักงานช่วงวิกฤตโควิด-19 (COVID-19 Relief Center)
#ไทยเบฟ
 เป็นห่วงนะ โทร 02 078 5858 (12 คู่สาย)



Exploited New Strategies/Actions To Minimize Business Impact

Drove business through home delivery & takeaway



Reduced expenses

- Rent reduction negotiation
- Labor management
- Tightening General & Admin expenses
- Supply chain management
- Equipment rental fee negotiation
- Utilized restaurant space for delivery



New Behavioral Shifts Shaping The 'Next Normal'



**Heightened Health
& Quality of Life**



Homebody Economy



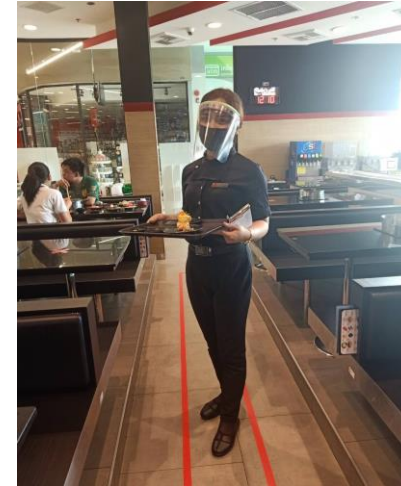
Full Tech Adoption



Role of Value

Driving Business In The Next Normal...

Reassure Safe & Hygiene Dining Experience



Accelerate Growth Of New Channels - Delivery & Takeaway

Boost delivery via own platform and food aggregator



Expand product portfolio to capture every segments



Drive Business Expansion With Relevant Formats & Concepts

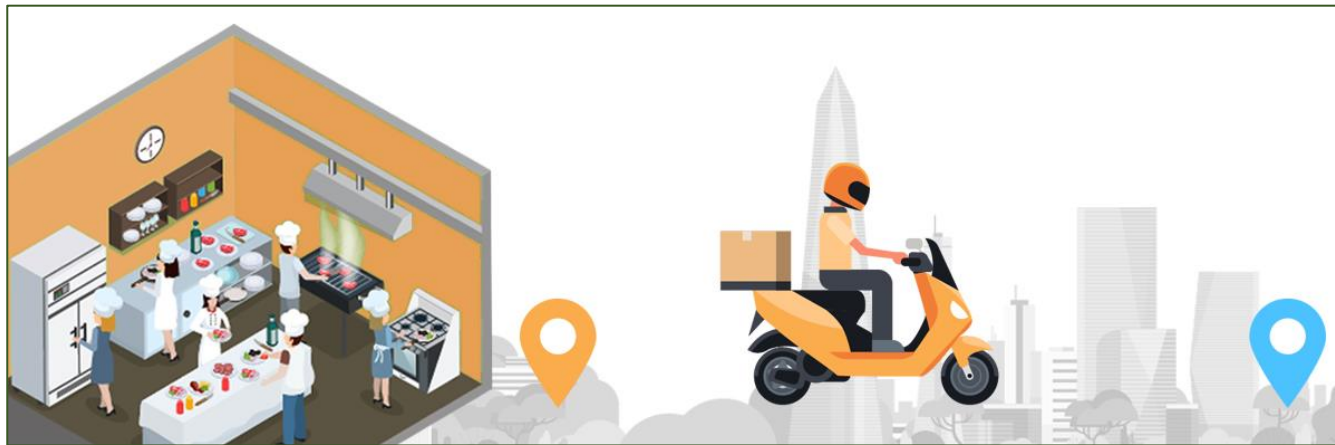
Drive Thru



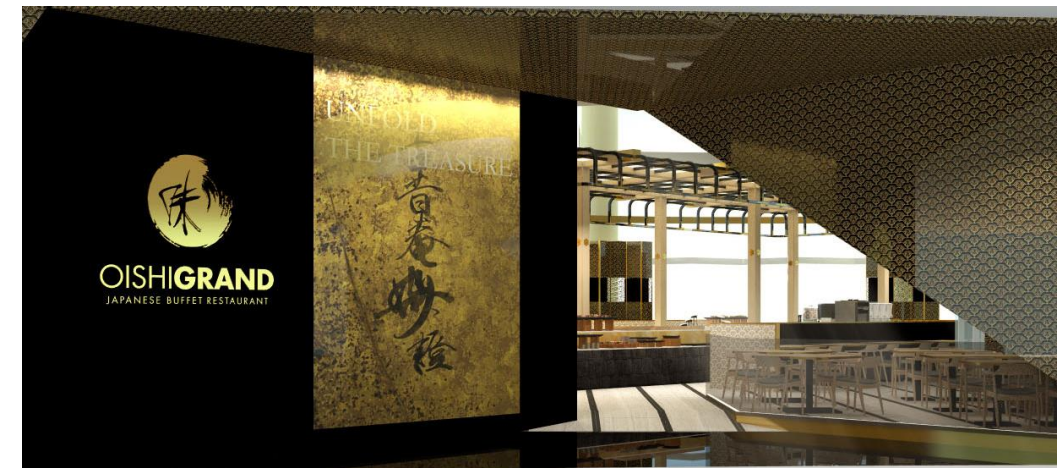
Smart Box / Grab & Go



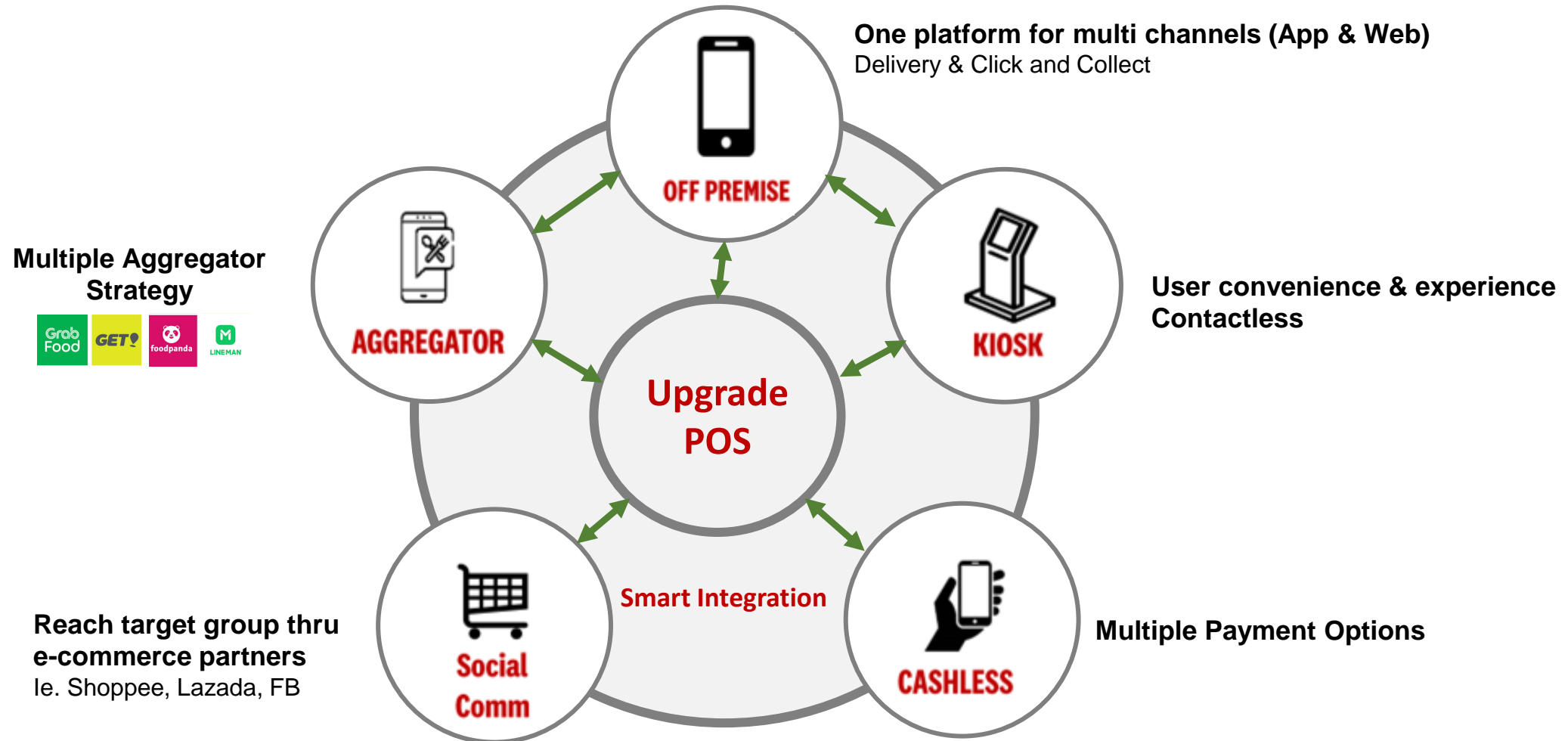
Cloud Kitchen



New Concepts



Digitalization Across Customer Journey



THANK YOU