

# THAI BEVERAGE PLC

1Q21 FINANCIAL RESULTS  
(First Quarter ended 31 December 2020)



# NOTE ON FORWARD LOOKING STATEMENTS

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- 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.
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# UNDERSTANDING THIS PRESENTATION

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- From 1 October 2020, the Group has initially adopted TFRS 16 Leases on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an Arrangement Contains a Lease using the modified retrospective approach. Previously, the Group, as a lessee, recognized payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, if a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 October 2020, the Group recognized right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognized depreciation of right-of-use assets and interest expense on lease liabilities. For detail and impact of the change on the financial statements, please see Note 3 to the Condensed interim financial statements for the three-month period ended 31 December 2020 and Independent auditor's review report on the financial information.
- On 4 February 2021, the Company announced to Singapore Exchange Securities Trading Limited (SGX) its intention for BeerCo Limited (BeerCo), an indirect subsidiary incorporated in Singapore, to seek a listing of its ordinary shares on the Main Board of SGX. This is subject to requisite approvals from the relevant regulatory authorities, as well as the prevailing market conditions. BeerCo and its subsidiaries' business includes the production, distribution and sales of beer in Thailand and Vietnam. To support
- this, the Company provided updated financial information and equivalent to shareholders and investors by reporting financial performance of the ThaiBev group and the BeerCo group for Q1'2021 as compared with Q1'2020. Shareholders should note that the unaudited combined financial statements of BeerCo and unaudited consolidated financial statements of the Company for Q1'2021 is a one-time release of the Company's quarterly financial statements in view of the proposed listing of BeerCo on the Main Board of the SGX. The Company intends to continue with the practice of announcing its financial statements on a half-yearly basis instead of a quarterly basis. The Company will report 1H financial statements and Q3 business update of fiscal year 2021 to SGX as usual in future.
- During the first quarter of FY2021, a second wave of the Covid-19 pandemic occurred in Thailand, which resulted in some renewed restrictions on public gatherings and other business and social activities. However, spirits business remained resilient as most of the products are consumed via off-trade channel, while the beer business in Thailand reported a slowdown in volume. In Vietnam, the business activities were affected because of adverse weather conditions, Decree 100 and a later Tet compared to the prior year. The non-alcoholic beverages business (NAB)'s revenue also slowed down as a result of the resurgence of Covid-19 in Thailand. However, the cost control measures enabled the beer business and NAB to report an improvement in profitability when compared with Q1'2020.
- The food business minimized the impact of COVID-19 by enhancing home delivery and takeaway options, as well as implementing cost-saving projects such as negotiating for lower rents, optimizing our supply chain and deployment of employees, and tightening general and administrative expenses. The Company also adapted to new consumer behaviors to ensure that we remain at the forefront of satisfying consumers' needs and preferences. Food business performance turned from net loss of Baht 70 million in Q4'2020 to net gain of Baht 15 million in Q1'2021.
- 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

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- The information relating to beer markets was extracted from a report of GlobalData PLC (“GlobalData”). The information and material presented in the report were prepared for the sole benefit of BeerCo Limited. Any and all the information and material presented in this presentation shall not constitute advice or a recommendation by GlobalData with respect to the proposed spin-off by the Company. Any and all information and material in this presentation or any extracts, derivations or analysis thereof, should be read by any third party for informational purposes only and should not be used or considered as an offer, solicitation to sell or an offer of solicitation to any party to subscribe to any proposed offering or to buy any securities of BeerCo Limited or ThaiBev. GlobalData and its affiliates do not make any representations, warranties or guarantees as to the completeness, accuracy, timeliness or suitability of any information contained within any part of the presentation (whether in part or derived) and in the way they are utilized for any purpose. Global Data does not accept any liability (whether in contract or tort or otherwise however caused) for any loss or damage (including, without limitation, loss of profit), costs or expenses, which may arise directly or indirectly from any use of, reliance upon, or any inference drawn from the information in, extracted from or derived from the presentation.

# HIGHLIGHT

# 1Q21 PERFORMANCE HIGHLIGHTS

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- Generated sales revenue amounting to Baht 71,789 million, a decrease of 5.1% year-on-year (“YoY”) due to the impact of the new wave of COVID-19 cases
- Delivered earnings growth; net profit rose 3.6% YoY to Baht 9,541 million
  - Spirits business remained resilient; reported satisfactory net profit growth of 3.2% YoY, as well as an improvement in profit margin
  - Despite the beer business’ slowdown in sales volume YoY, the Company’s prudent cost control measures have enabled the business to deliver a significant profit growth of 91.2% YoY
  - The NAB business continued to show an improvement in earnings, reporting a net profit of Baht 136 million in 1Q21 with 16.2% growth YoY
  - While the food business remains impacted by the COVID-19 pandemic, it has successfully reduced the impact by enhancing home delivery and takeaway options, as well as implementing cost-saving projects. Accordingly, it reported a net profit of Baht 15 million in 1Q21, an improvement from the net loss of Baht 70 million recorded in 4Q20.

# 1Q21 PERFORMANCE HIGHLIGHTS

Revenue from sales (million Baht)

71,789

▼ 5.1%

EBITDA

(million Baht)

14,929  
▲ 6.3%

Net Profit

(million Baht)

9,541  
▲ 3.6%

EPS (basic)

(Baht)

0.34  
▲ 0.5%

Attributable Profit

(million Baht)

8,469  
▲ 0.5%

# CONSOLIDATED: 1Q21 HIGHLIGHTS

	1Q20 Oct19 - Dec19	1Q21 Oct20 - Dec20	Change
<b>Sales Revenue</b>	<b>75,680</b>	<b>71,789</b>	<b>-5.1%</b>
COGS	(54,045)	(50,510)	
<i>% of Sales Revenue</i>	<i>71.4%</i>	<i>70.4%</i>	
Distribution costs	(6,861)	(5,955)	
Administrative expenses	(4,369)	(3,634)	
<i>% of Sales Revenue</i>	<i>14.9%</i>	<i>13.4%</i>	
EBITDA <i>(exclude F&amp;N/FPL)</i>	12,946	14,431	11.5%
Net Profit <i>(exclude F&amp;N/FPL)</i>	8,179	9,108	11.4%
F&N/FPL EBITDA	1,101	498	
F&N/FPL Net Profit	1,034	433	
<b>EBITDA</b>	<b>14,047</b>	<b>14,929</b>	<b>6.3%</b>
<b>Net Profit</b>	<b>9,213</b>	<b>9,541</b>	<b>3.6%</b>
<b>Attributable Profit to:</b>			
<b>Owners of the Company</b>	<b>8,423</b>	<b>8,469</b>	<b>0.5%</b>
Non-controlling interests	790	1,072	
<u>Margin*</u>			
EBITDA <i>(exclude F&amp;N/FPL)</i>	17.1%	20.1%	
Net Profit <i>(exclude F&amp;N/FPL)</i>	10.8%	12.7%	
EBITDA	18.6%	20.8%	
Net Profit	12.2%	13.3%	

\* margins are % of sales revenue



# CONSOLIDATED: 1Q21 HIGHLIGHTS

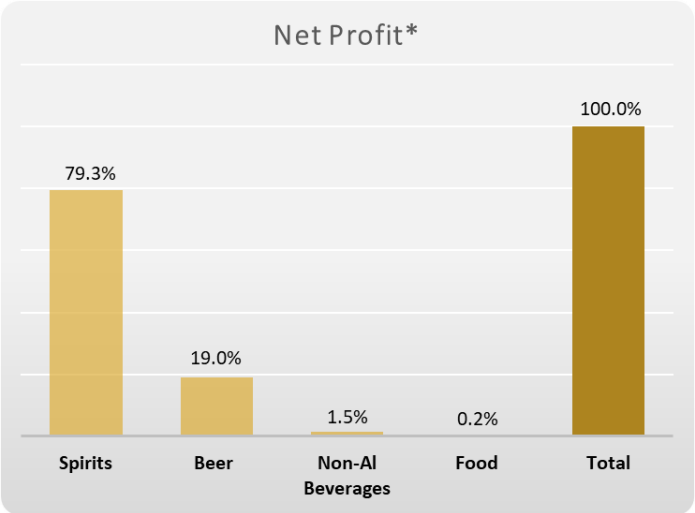
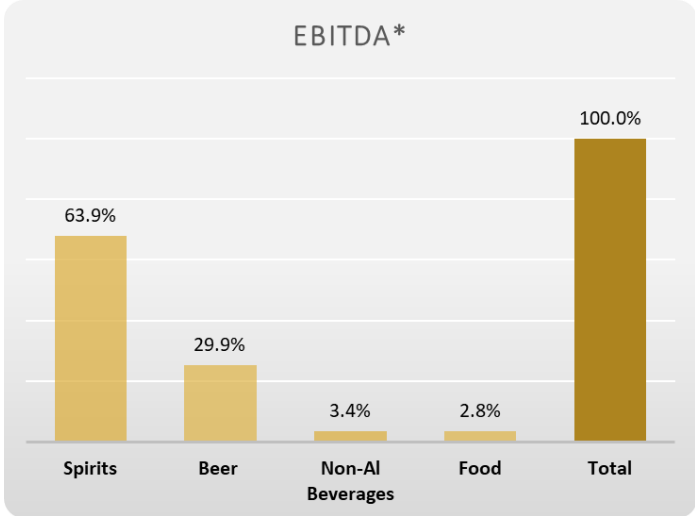
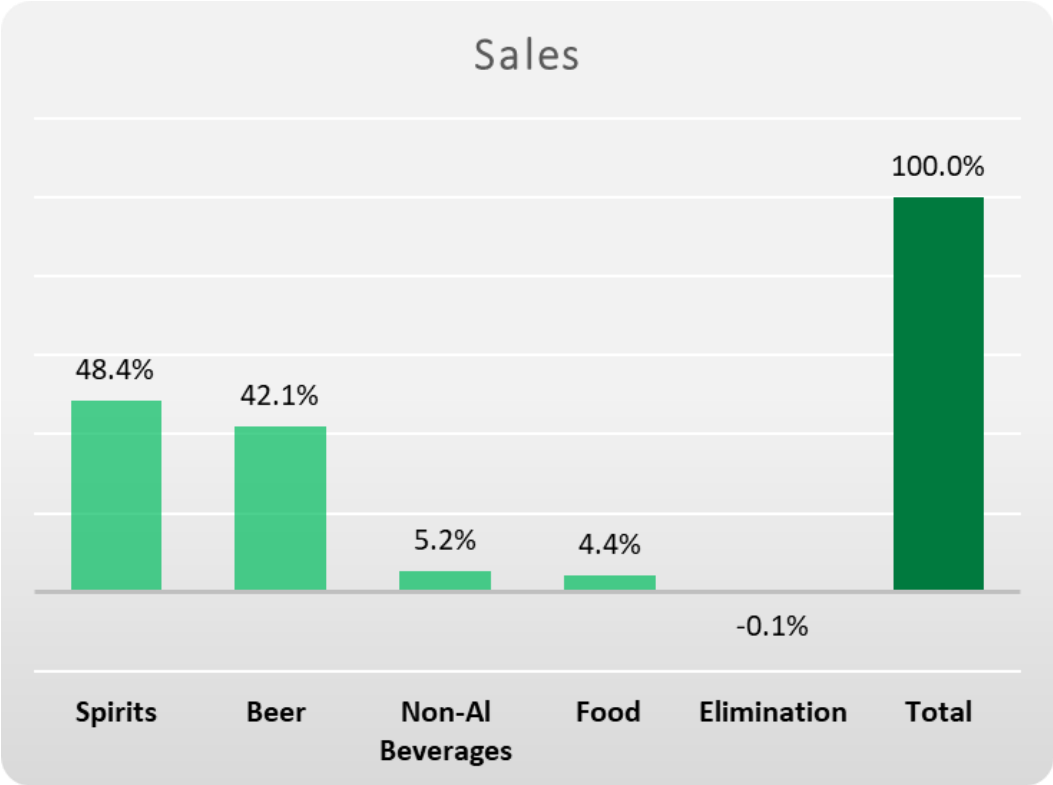
	ThaiBev	F&N / FPL	Total	(M Baht)
<b><u>1Q21</u></b>				
Sales	71,789	-	71,789	
Gross Profit	21,279	-	21,279	
EBITDA	14,431	498	14,929	
Net Profit	9,108	433	9,541	
Attributable Profit (Loss)	8,036	433	8,469	
<i>Spirits</i>	7,125	-	7,125	
<i>Beer</i>	823	-	823	
<i>Non-Alcohol</i>	70	-	70	
<i>Food</i>	18	-	18	
<i>F&amp;N/FPL</i>	-	433	433	
<b><u>1Q20</u></b>				
Sales	75,680	-	75,680	
Gross Profit	21,635	-	21,635	
EBITDA	12,946	1,101	14,047	
Net Profit	8,179	1,034	9,213	
Attributable Profit (Loss)	7,389	1,034	8,423	
<i>Spirits</i>	6,941	-	6,941	
<i>Beer</i>	288	-	288	
<i>Non-Alcohol</i>	19	-	19	
<i>Food</i>	141	-	141	
<i>F&amp;N/FPL</i>	-	1,034	1,034	

# CONSOLIDATED: 1Q21 HIGHLIGHTS

	ThaiBev	F&N / FPL	Total	(M Baht)
<b>Increase (Decrease)</b>				
Sales	(3,891)	-	(3,891)	
Gross Profit	(356)	-	(356)	
EBITDA	1,485	(603)	882	
Net Profit	929	(601)	328	
Attributable Profit (Loss)	647	(601)	46	
<i>Spirits</i>	184	-	184	
<i>Beer</i>	535	-	535	
<i>Non-Alcohol</i>	51	-	51	
<i>Food</i>	(123)	-	(123)	
<i>F&amp;N/FPL</i>	-	(601)	(601)	
<b>% Increase (Decrease)</b>				
Sales	(5.1%)	-	(5.1%)	
Gross Profit	(1.6%)	-	(1.6%)	
EBITDA	11.5%	(54.8%)	6.3%	
Net Profit	11.4%	(58.1%)	3.6%	
Attributable Profit (Loss)	8.8%	(58.1%)	0.5%	
<i>Spirits</i>	2.7%	-	2.7%	
<i>Beer</i>	185.8%	-	185.8%	
<i>Non-Alcohol</i>	268.4%	-	268.4%	
<i>Food</i>	(87.2%)	-	(87.2%)	
<i>F&amp;N/FPL</i>	-	(58.1%)	(58.1%)	

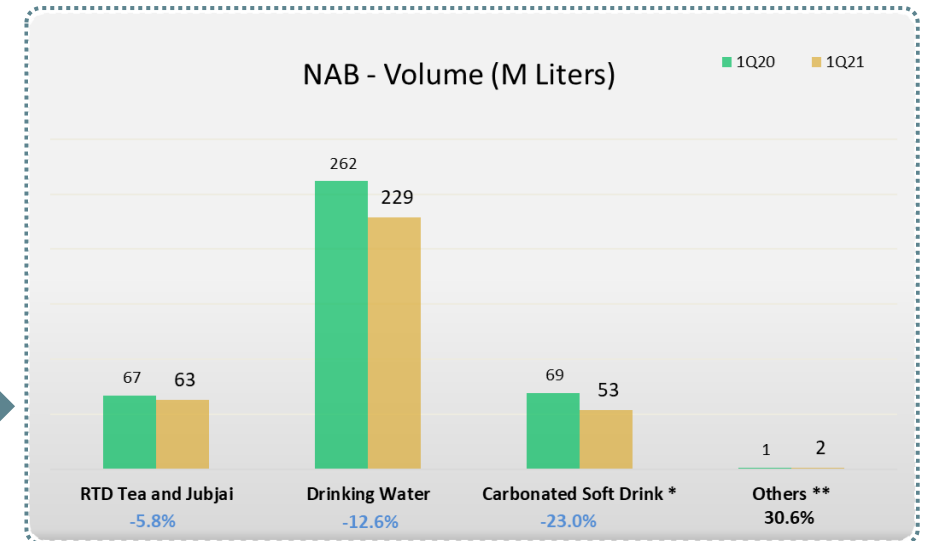
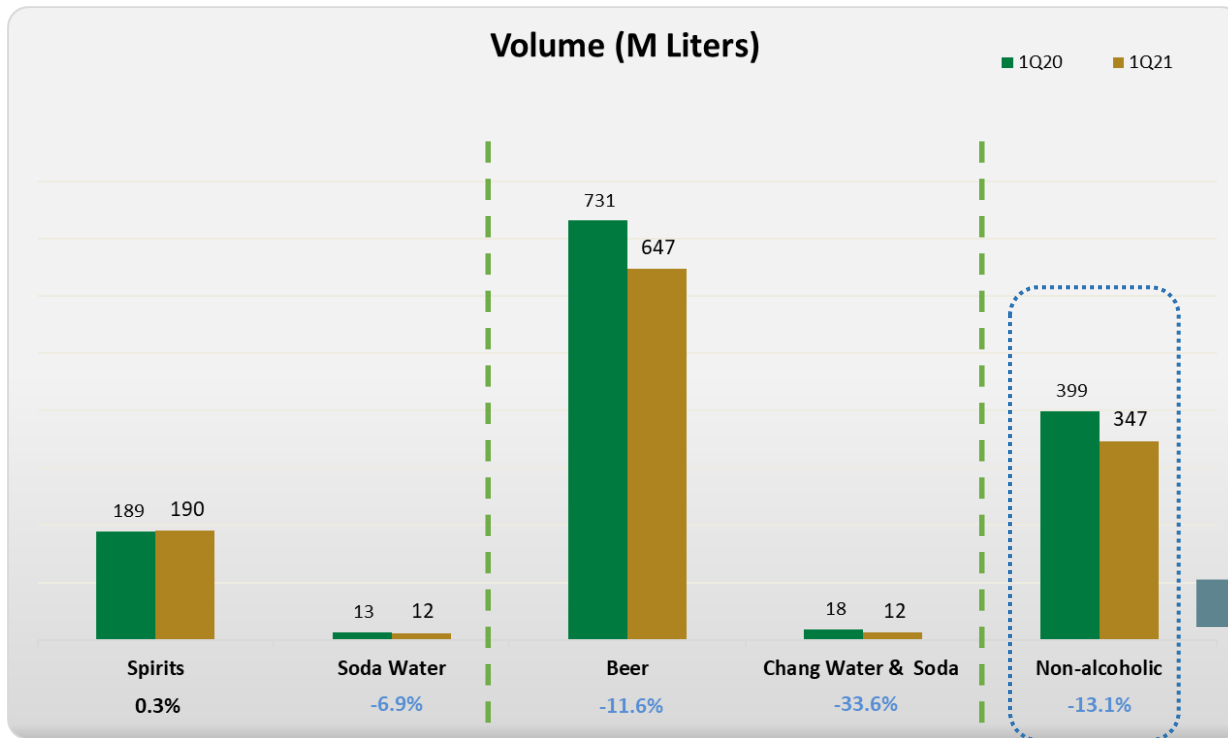
# CONTRIBUTION PER BUSINESS SEGMENT

1Q21



\* EBITDA and Net Profit exclude F&N/FPL

# TOTAL SALES VOLUME



\* est , 100Plus and Sarsi

\*\* Energy drink, sports drink and other beverages

# SPIRITS

(M Baht)

Spirits	1Q20	1Q21	Change
	Oct19 - Dec19	Oct20 - Dec20	
Sales Revenue	34,420	34,771	1.0%
COGS	(22,911)	(22,994)	
<i>% of Sales Revenue</i>	<i>66.6%</i>	<i>66.1%</i>	
SG&A	(3,323)	(3,226)	
<i>% of Sales Revenue</i>	<i>9.6%</i>	<i>9.3%</i>	
EBITDA	8,782	9,219	5.0%
Net Profit	7,001	7,225	3.2%
Attributable Profit to Shareholders	6,941	7,125	2.7%
<u>Margin*</u>			
EBITDA	25.5%	26.5%	
Net Profit	20.3%	20.8%	

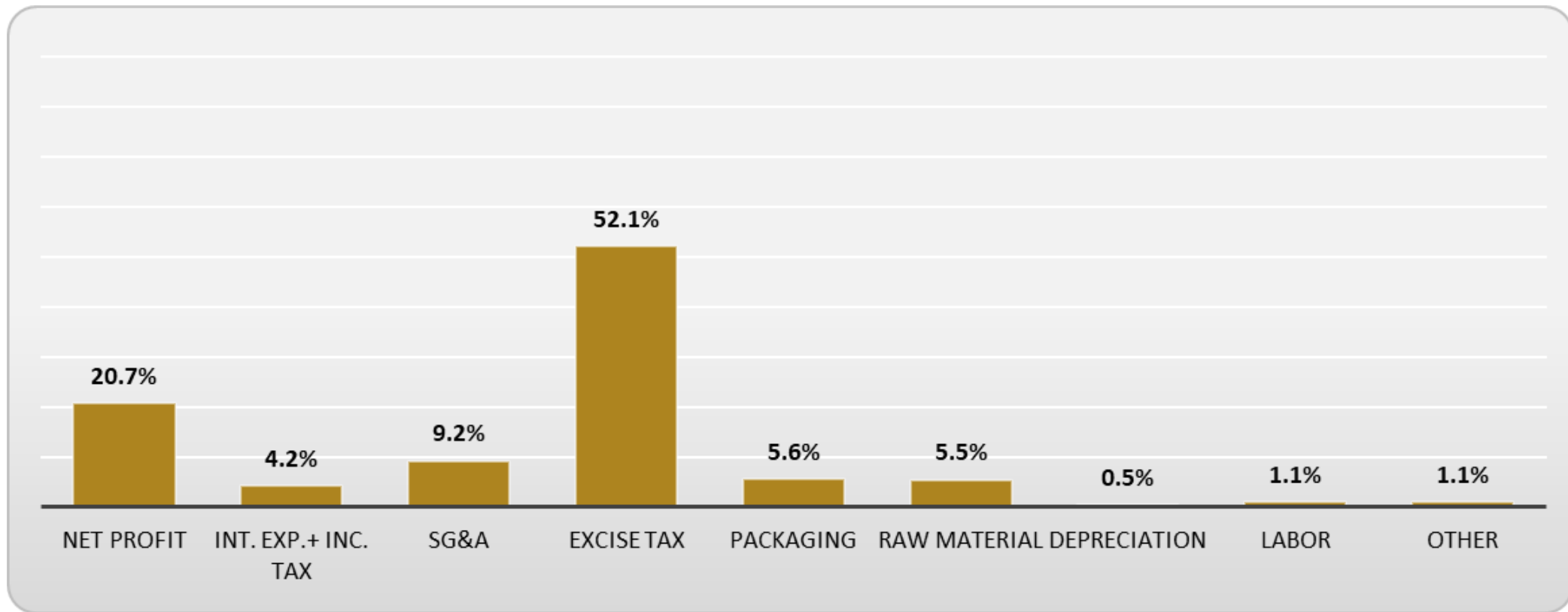
\* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a product mixed
<u>SG&amp;A (%)</u>	DOWN	a decrease in advertising, promotion expenses and staff costs
<u>EBITDA</u>	UP	an increase in gross profit, a decrease in SG&A, and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses
<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)

1Q21



# BEER

(M Baht)

Beer	1Q20 Oct19 - Dec19	1Q21 Oct20 - Dec20	Change
Sales Revenue	33,222	30,221	-9.0%
COGS	(26,259)	(23,561)	
<i>% of Sales Revenue</i>	<i>79.0%</i>	<i>78.0%</i>	
SG&A	(4,973)	(3,656)	
<i>% of Sales Revenue</i>	<i>15.0%</i>	<i>12.1%</i>	
EBITDA	3,255	4,314	32.5%
Net Profit	906	1,732	91.2%
Attributable Profit to Shareholders	288	823	185.8%
<u>Margin*</u>			
EBITDA	9.8%	14.3%	
Net Profit	2.7%	5.7%	

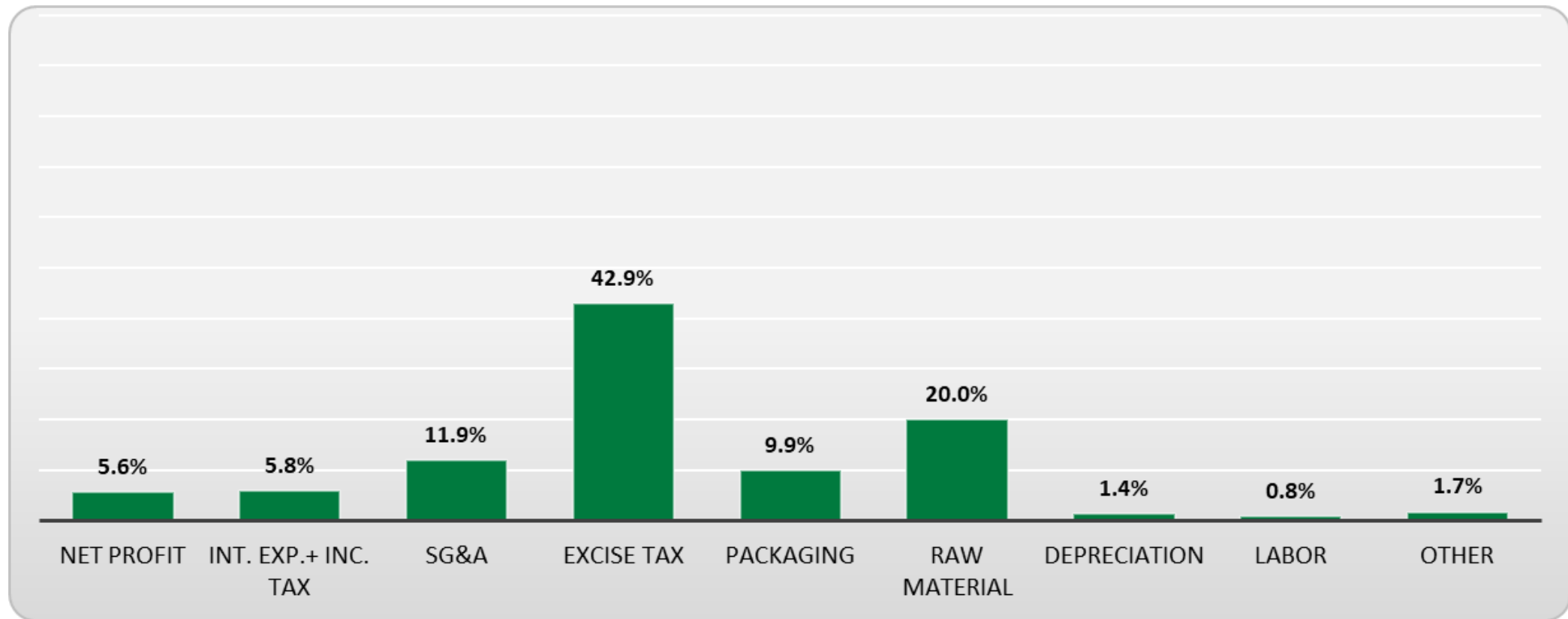
\* margins are % of sales revenue

<u>Sales Revenue</u>	DOWN	a decrease in sales volume
<u>COGS (%)</u>	DOWN	a product mixed
<u>SG&amp;A (%)</u>	DOWN	a decrease in advertising, promotion expenses and staff costs
<u>EBITDA</u>	UP	a decrease in SG&A, and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation, although there was a decrease in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

# BEER: REVENUE-COST BREAK DOWN

(% of total revenue)

1Q21





# NON-ALCOHOLIC BEVERAGES

(M Baht)

Non-Alcoholic Beverages	1Q20 Oct19 - Dec19	1Q21 Oct20 - Dec20	Change
Sales Revenue	4,214	3,707	-12.0%
COGS	(2,743)	(2,260)	
<i>% of Sales Revenue</i>	<i>65.1%</i>	<i>61.0%</i>	
SG&A	(1,480)	(1,387)	
<i>% of Sales Revenue</i>	<i>35.2%</i>	<i>37.5%</i>	
EBITDA	447	496	11.0%
Net Profit	117	136	16.2%
Attributable Profit to Shareholders	19	70	268.4%
<u>Margin*</u>			
EBITDA	10.6%	13.4%	
Net Profit	2.8%	3.7%	

\* margins are % of sales revenue

<u>Sales Revenue</u>	DOWN	a decrease in sales volume
<u>COGS (%)</u>	DOWN	the cost control measures
<u>SG&amp;A (%)</u>	DOWN	a decrease in sales revenue more than a decrease in SG&A
<u>EBITDA</u>	UP	a decrease in transportation costs and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

# FOOD

(M Baht)

Food	1Q20	1Q21	Change
	Oct19 - Dec19	Oct20 - Dec20	
Sales Revenue	3,874	3,128	-19.3%
COGS	(2,161)	(1,717)	
<i>% of Sales Revenue</i>	<i>55.8%</i>	<i>54.9%</i>	
SG&A	(1,492)	(1,351)	
<i>% of Sales Revenue</i>	<i>38.6%</i>	<i>43.1%</i>	
EBITDA	462	402	-13.0%
Net Profit	155	15	-90.3%
Attributable Profit to Shareholders	141	18	-87.2%
<u>Margin*</u>			
EBITDA	11.9%	12.9%	
Net Profit	4.0%	0.5%	

\* margins are % of sales revenue

<u>Sales Revenue</u>	DOWN	a decrease in revenue from Oishi food
<u>COGS (%)</u>	DOWN	the cost control measures
<u>SG&amp;A (%)</u>	DOWN	a decrease in sales revenue more than a decrease in SG&A
<u>EBITDA</u>	DOWN	a decrease in gross profit, although there were TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses
<u>Net Profit</u>	DOWN	a decrease in EBITDA
<u>Attributable Profit</u>	DOWN	a decrease in net profit

# UPDATE: INTERNATIONAL BUSINESS

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1Q21 sales revenue of Baht 16.7 Bn decreased 10% from last year mainly from the decline in beer sales.

- **International Spirits**

- Sales revenue increased by 13% due to
  - The growth from Scotch whisky case sales, bulk sales and Chinese spirits.
  - The rise from Grand Royal Group (GRG)'s sales revenue due to appreciating local currency.

- **International Beer**

- Sales revenue reported a decline of 13% due to
  - The decrease in SABECO's revenue.
  - The slowdown in performance in most Asian countries.

# FINANCIALS

# STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	30-Sep-20	31-Dec-20	Change
<i>(Million Baht)</i>			
<b>Assets</b>			
Current assets	86,315	84,451	(1,864)
Non-current assets	347,205	341,993	(5,212)
Total assets	433,520	426,444	(7,076)
<b>Liabilities</b>			
Current liabilities	90,752	82,881	(7,871)
Non-current liabilities	163,363	167,099	3,736
Total liabilities	254,115	249,980	(4,135)
<b>Shareholders' Equity</b>			
Total equity	179,405	176,464	(2,941)

<u>Current assets</u>	DOWN	a decrease in inventories
<u>Non-current assets</u>	DOWN	a decrease in property, plant and equipment and a decrease in intangible assets, although there was an increase in right-of-use assets from TFRS #16 Leases adoption
<u>Current liabilities</u>	DOWN	repayment of short-term loans to financial institutions
<u>Non-current liabilities</u>	UP	an increase in lease liabilities
<u>Total equity</u>	DOWN	a decrease in foreign currency translation differences from foreign operation, although there was an increase in net retained earnings from the net profit of the period

# INTEREST BEARING DEBT (From Banks & Debentures)

Interest Bearing Debt From Banks and Debentures	30-Sep-20	31-Dec-20	Change
<i>(Million Baht)</i>			
<b>Current</b>			
Bank overdrafts	559	330	(229)
Short-term loans from financial institutions	16,386	5,236	(11,150)
Current portion of long-term loans	2,266	2,267	1
Current portion of debentures	45,239	45,247	8
	<u>64,450</u>	<u>53,080</u>	<u>(11,370)</u>
<b>Non-current</b>			
Debentures	124,981	124,985	4
Long-term loans from financial institutions	27,228	26,532	(696)
	<u>152,209</u>	<u>151,517</u>	<u>(692)</u>
<b>Total</b>	<b><u>216,659</u></b>	<b><u>204,597</u></b>	<b><u>(12,062)</u></b>
<b>Cash and cash equivalents</b>	<u>34,695</u>	<u>36,569</u>	<u>1,874</u>
<b>Net Interest Bearing Debt</b>	<b><u>181,964</u></b>	<b><u>168,028</u></b>	<b><u>(13,936)</u></b>

The periods to maturity of interest-bearing debts from banks and debentures:

	<i>(Million Baht)</i>
Within one year ( <i>December 2021</i> )	53,080
After one year but within two years ( <i>December 2022</i> )	48,398
After two years	<u>103,119</u>
Total	<u>204,597</u>

Note: In October 2020, the Company entered into bilateral loan agreements for a combined Baht 40,000 million loan amount (the "Bridge Loan Facility"), to provide it with the financial flexibility to potentially refinance the Company's existing Baht 42,800 million bond due in March 2021. The remaining Baht 2,800 million will be repaid using the Company's cash flow.

# FINANCIAL RATIOS

Ratios	30-Sep-20	31-Dec-20
Current Ratio (times)	0.95	1.02
Liability to Equity Ratio (Gearing Ratio) (times)	1.42	1.42
Interest Bearing Debt to Equity Ratio (times)	1.21	1.16
Net Interest Bearing Debt to Equity Ratio (times)	1.01	0.95
Net Interest Bearing Debt to EBITDA (times) (annualized)	3.91	3.54
Net asset value per share (Baht)	5.68	5.61
Net asset value per share (SGD)*	0.25	0.25
<i>* exchange rate at THB 22.51470 : SGD 1</i>		
EPS	31-Dec-19	31-Dec-20
Earnings per share for the quarter (Baht)	0.34	0.34
Turnover	Oct 19 - Dec 19	Oct 20 - Dec 20
A/R Turnover (days)	7	7
Inventory Turnover (days)		
Spirit Business: finished goods	49	44
Beer Business: finished goods	9	9
Non-alcohol Business: finished goods	24	27
Food Business: finished goods	6	7
<u>Current Ratio</u>	UP	repayment of short-term loans to financial institutions
<u>Interest Bearing Debt to Equity Ratio</u>	DOWN	repayment of short-term loans to financial institutions

# BEERCO 1Q21 FINANCIAL RESULTS



# BEERCO: 1Q21 HIGHLIGHTS

	1Q20 Oct19 - Dec 19	1Q21 Oct20 - Dec20	Change (S\$M)
<b>Sales Revenue</b>	<b>1,492</b>	<b>1,323</b>	<b>(11.4%)</b>
COGS	(1,201)	(1,052)	
% of Sales Revenue	80.5%	79.5%	
Distribution costs	(142)	(115)	
Administrative expenses	(56)	(22)	
Management fees	(21)	(1)	
% of Sales Revenue	14.7%	10.4%	
<b>EBITDA<sup>(1)</sup></b>	<b>141</b>	<b>191</b>	<b>36.1%</b>
<b>Net Profit</b>	<b>79</b>	<b>130</b>	<b>64.0%</b>
<b>Attributable Profit to:</b>			
<b>Owners of the Company</b>	<b>45</b>	<b>77</b>	<b>72.4%</b>
Non-controlling interests	34	53	
<b>Attributable Profit to Owners of the Company</b>	<b>45</b>	<b>77</b>	<b>72.4%</b>
<u>Margin<sup>(2)</sup></u>			
EBITDA	9.4%	14.5%	
Net Profit	5.3%	9.8%	

(1) EBITDA includes interest income of S\$19.8M and S\$15.0M for 1Q20 and 1Q21 respectively (2) Margins are % of sales revenue

# BEERCO: THAILAND

Thailand	1Q20 Oct19 - Dec19	1Q21 Oct20 - Dec20	Change	(S\$M)
Sales Revenue	808	741	(8.2%)	
COGS	(662)	(610)		
<i>% of Sales Revenue</i>	<i>82.0%</i>	<i>82.3%</i>		
SG&A	(124)	(81)		
<i>% of Sales Revenue</i>	<i>15.4%</i>	<i>11.0%</i>		
EBITDA <sup>(1)(2)</sup>	45	68	51.7%	
Net Profit <sup>(3)</sup>	26	48	84.8%	
Attributable Profit to Shareholders	19	35	82.3%	
<u>Margin<sup>(4)</sup></u>				
EBITDA	5.6%	9.2%		
Net Profit	3.2%	6.5%		

<u>Sales Revenue</u>	DOWN	a decrease in sales volume
<u>COGS (%)</u>	UP	a decrease in bottle return rates
<u>SG&amp;A (%)</u>	DOWN	a decrease in distribution costs
<u>EBITDA</u>	UP	a decrease in SG&A
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in taxes
<u>Attributable Profit</u>	UP	an increase in net profit

(1) EBITDA includes interest income of S\$4.2M and S\$0.8M for 1Q20 and 1Q21 respectively (2) As a comparison, 4Q19 and 4Q20 EBITDA including interest income was (S\$7M) and S\$59M respectively (3) As a comparison, 4Q19 and 4Q20 Net Profit was (S\$15M) and S\$38M respectively (4) Margins are % of sales revenue

# BEERCO: VIETNAM

Vietnam	1Q20 Oct19 - Dec19	1Q21 Oct20 - Dec20	Change	(S\$M)
Sales Revenue	685	581	(15.1%)	
COGS	(539)	(442)		
<i>% of Sales Revenue</i>	<i>78.8%</i>	<i>76.0%</i>		
SG&A	(95)	(56)		
<i>% of Sales Revenue</i>	<i>13.9%</i>	<i>9.6%</i>		
EBITDA <sup>(1)(2)</sup>	96	123	28.7%	
Net Profit <sup>(3)</sup>	53	82	53.9%	
Attributable Profit to Shareholders	25	42	65.0%	
<u>Margin<sup>(4)</sup></u>				
EBITDA	14.0%	21.2%		
Net Profit	7.8%	14.1%		

<u>Sales Revenue</u>	DOWN	a decrease in sales volume due to adverse weather conditions and Decree 100
<u>COGS (%)</u>	DOWN	a decrease in raw material costs
<u>SG&amp;A (%)</u>	DOWN	a decrease in transportation and administrative costs
<u>EBITDA</u>	UP	a decrease in COGS and SG&A
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

(1) EBITDA includes interest income of S\$15.6M and S\$14.2M for 1Q20 and 1Q21 respectively (2) As a comparison, 4Q19 and 4Q20 EBITDA including interest income was S\$106M and S\$130M respectively (3) As a comparison, 4Q19 and 4Q20 Net Profit was S\$67M and S\$83M respectively (4) Margins are % of sales revenue

# BEERCO: 1Q21 RECONCILIATION

	1Q21 Oct20 - Dec20		Commentary	(\$M)
	ThaiBev Beer Segment <sup>(2)</sup>	BeerCo Group		
Sales Revenue	1,330	1,323	<ul style="list-style-type: none"> <li>ThaiBev Group's beer segment recognizes additional revenues through the distribution of BeerCo products to third parties by Cash Van Management Co., Ltd. ("<b>CVM</b>"), Horeca Management Co., Ltd. ("<b>HORECA</b>") and International Beverage Holdings Limited ("<b>IBHL</b>")</li> </ul>	
Gross Profit	293	271	<ul style="list-style-type: none"> <li>ThaiBev Group's beer segment recognizes additional gross profits from the distributor margin earned for sales by CVM, HORECA and IBHL to third parties</li> </ul>	
EBITDA <sup>(1)</sup>	190	191	<ul style="list-style-type: none"> <li>Nil</li> </ul>	
Net Profit	76	130	<ul style="list-style-type: none"> <li>ThaiBev Group's beer segment incurred interest expenses for loans taken on for the acquisition of SABECO in FY2018</li> </ul>	

(1) EBITDA includes interest income (2) The ThaiBev Group's financial information has been converted to SGD for this calculation at a THBSGD rate of 0.0440

# UPDATE ON SPIN-OFF OF BEERCO

# Summary of Spin-off Announcement

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Following the completion of an internal restructuring exercise within the ThaiBev Group in 2020, the Spin-off Business is currently held by BeerCo Limited ("**BeerCo**", and together with its subsidiaries, the "**BeerCo Group**"), an indirect wholly-owned subsidiary of ThaiBev. ThaiBev is pleased to announce its intention for BeerCo to seek a listing of its ordinary shares on the Main Board of Singapore Exchange Securities Trading Limited (the "**Proposed Spin-off Listing**") and that in connection therewith, International Beverage Holdings Limited, a wholly-owned subsidiary of ThaiBev which holds all of the issued ordinary shares of BeerCo, will conduct a public offering of up to approximately 20% of the total number of issued ordinary shares of BeerCo ("**BeerCo Shares**") (subject to a potential over-allotment option (if any)) (the proposed sale of such shares being the "**Proposed Vendor Sale**").

ThaiBev has received a no-objection letter from Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the Proposed Spin-off Listing, which is subject to the following conditions: (a) compliance with the SGX-ST's listing requirements and guidelines; and (b) disclosure via a SGXNET announcement, the basis for the Board's assessment that the Proposed Spin-off Listing would bring tangible benefits to ThaiBev's shareholders ("**Shareholders**").

The SGX-ST reserves the right to amend and/or vary the above decision and such decision is subject to changes in the SGX-ST's policies.

For the avoidance of doubt, ThaiBev will not be convening a general meeting to seek the approval of Shareholders for the Proposed Spin-off Listing.

# Spin – Off Rationale for BeerCo

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- ✓ Create the Largest Beer Platform in ASEAN
- ✓ Enhanced Diversity with Dedicated Management Teams and Enhanced Corporate Structure Focused on Beer Business
- ✓ Increase Value of Portfolio of Local Champion Brands to Dominate Growing Mass Market
- ✓ Greater Flexibility to Explore Beer Partnerships and Value Enhancement



# BeerCo – In Summary

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- 1 BeerCo – #1 Brewer in ASEAN**
- 2 ASEAN – High Growth and Sizeable Beer Market with Favorable Macro Trends**
- 3 Strong "Local Champion" Brands that Evoke National Pride**
- 4 Extensive Distribution Network with >90% & >70% Channel Penetration in Thailand & Vietnam Respectively**
- 5 State-of-the-art Breweries with Capacity of 38.0m HL to Support Future Growth**
- 6 Strong Sustainability Credentials with World-leading Business Practices**



**THANK YOU**

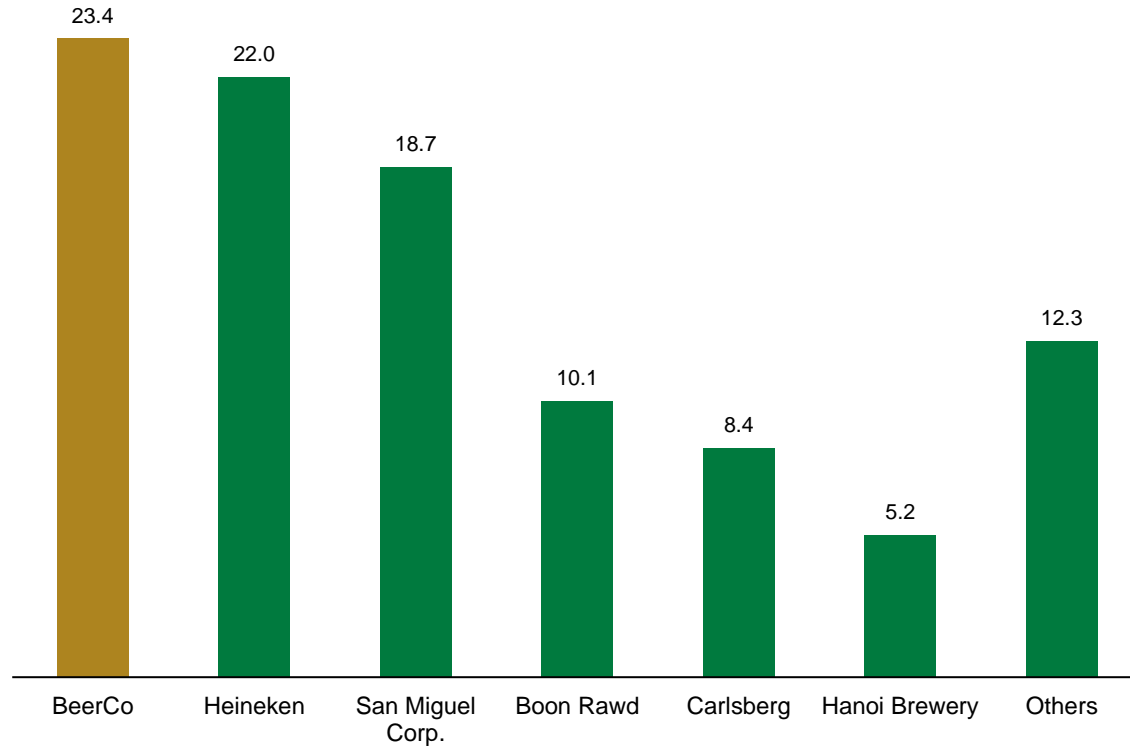
# APPENDIX

## Additional Information on BeerCo

# ASEAN Beer Competitive Landscape

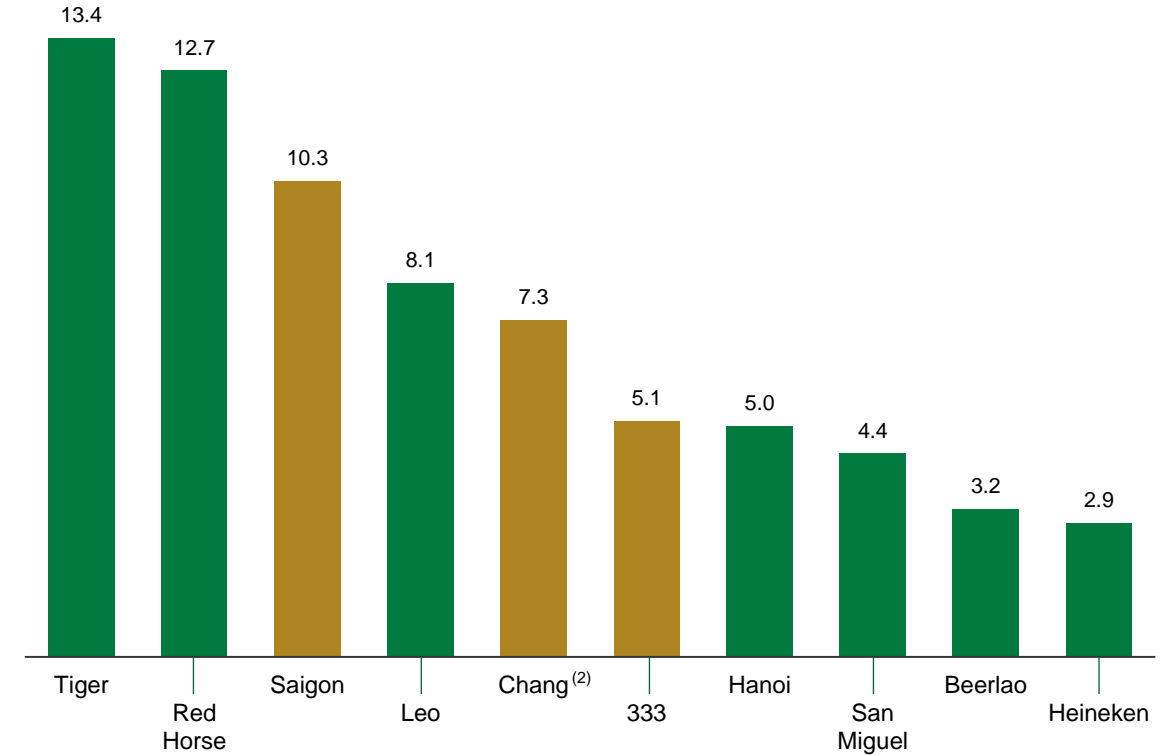
## Leading Brewers in ASEAN

2020 Market Share by Volume<sup>(1)</sup> (%)



## Leading Brands in ASEAN

Volumes in 2020 (m HL)



Source: GlobalData

(1) Total ASEAN beer volumes of 97m HL

(2) Chang volumes referenced here include volumes from Emerald Brewery in Myanmar. Chang Classic beer market share increased from 22.2% in 2014 to 37.7% in 2019. Besides Saigon, Chang and 333, BeerCo also has the Federbrau brand, a mass premium beer, which doubled in volumes since 2014 according to GlobalData. Volumes for Federbrau grew by 29.1% CAGR (2016-2019) and remained resilient in 2020E, with its volumes increasing by 5.3% YoY despite Covid-19

# BeerCo – Market Statistics and Key Financials

## Beer Market Statistics

	Thailand	Vietnam
<b>Beer Market</b>		
2020 Beer Share of Throat <sup>(1)</sup>	~68%	~97%
2020 Total Market Size <sup>(2)</sup>	US\$7.4Bn	US\$14.3Bn
2021E-26E Market CAGR <sup>(2)</sup>	+4.8%	+9.1%
TH & VN Contribution to ASEAN Growth in 2021E-26E <sup>(1)</sup>	50.8%	
2020 BeerCo Market Share <sup>(1)(3)</sup>	c.40%	35%+
<b>Mainstream Segment</b>		
2020 Mainstream Segment as a % of Total Market <sup>(1)</sup>	c.83%	c.50%
Mainstream Segment 2021E-26E CAGR <sup>(1)</sup>	+3.7%	+5.2%
2020 Market Share and Position <sup>(1)</sup>	~47% (#2)	~68% (#1)
Increase in Market Share Between 2015 and 2020 <sup>(4)</sup>	+20%	+6%

Source: GlobalData

(1) By volume

(2) By value

(3) According to GlobalData, market share for the Thai business reached the highest in 12 years at c.40% in 2020, up from c. 24% in 2015. Volumes of the Thai business in FY2020 declined by 1%, outperforming the market which declined 6%

(4) According to GlobalData, in Thailand, BeerCo's market share in the mainstream segment between 2014 and 2020E was 27%, 27%, 44%,

## BeerCo Financial Highlights

<b>FY2020 Revenue</b>	S\$4.7Bn	<b>FY2020 Volumes</b>	~23M HL
<b>FY2020 EBITDA<sup>(5)</sup></b>	S\$588M	<b>FY2020 PAT</b>	S\$348M
<b>Thailand Tax Rates</b>	3% <sup>(6)</sup> (Only for certain income items for 15 years)	<b>Vietnam Tax Rates</b>	20%
<b>Planned Maintenance Capex</b>	2021: S\$43.0M 2022: S\$30.0M	<b>Planned Expansion Capex</b>	2021: S\$52.2M 2022: S\$17.9M

## Historical Capital Expenditure

S\$M	FY2018	FY2019	FY2020	1QFY20	1QFY21
<b>Thailand</b>					
Expansion	2.0	-	1.5	0.5	-
Maintenance	13.6	11.1	14.9	2.5	3.0
<b>Vietnam</b>					
Expansion	4.7	1.9	10.9	4.8	0.2
Maintenance	15.6	16.9	23.5	8.0	5.7

45%, 44%, 45%, 47% respectively. In Vietnam, BeerCo's market share in the mainstream segment between 2014 and 2020E was 61%, 62%, 63%, 67%, 68%, 69%, 68% respectively

(5) EBITDA is calculated as profit (loss) for the year/period before finance costs, tax expense, depreciation & amortization but including interest income

(6) Chang Beer Co. Ltd., BeerCo's indirect subsidiary, was granted a reduction of corporate income tax rate to 3% for certain transactions for 15 years commencing on 1 Oct 2020 by the Thai Revenue Department relating to its status as an "international business centre". Eff. tax rate is higher

# BeerCo – Distribution Coverage and Brewery Network

	Thailand	Vietnam
Distribution Coverage	<ul style="list-style-type: none"> <li>90+ branch offices</li> <li>50+ warehouses<sup>(1)</sup></li> <li>Longstanding relationships with c.300 agents and 5,600+ sub-agents</li> <li>&gt;90% channel penetration                             <ul style="list-style-type: none"> <li>Access to 410,000+ traditional trade outlets, 13,000+ modern trade outlets &amp; 110,000+ food shops &amp; restaurants</li> <li>Exclusive access to Thaibev's network largest cash van network with 1,200+ trucks servicing c. 300k outlets and channel synergies across retail, HoReCa, on-trade</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Over 40 branch offices with over 4,000 employees across all our sales teams</li> <li>10 trading companies covering all 63 provinces and 5 cities</li> <li>60+ warehouses</li> <li>600+ distributors &amp; 4,500+ sub-distributors</li> <li>&gt;70% channel penetration<sup>(2)</sup> <ul style="list-style-type: none"> <li>Wide coverage of the traditional trade channel which accounts for 82% of total off-trade volumes in Vietnam in 2020<sup>(3)</sup></li> </ul> </li> </ul>
Brewery Network	<ul style="list-style-type: none"> <li>3 owned breweries with capacity of 15.5m HL and 51% utilization rate in FY2020<sup>(4)</sup> <ul style="list-style-type: none"> <li>Kamphaengphet (2001): 9.0m HL capacity with 44% utilization rate</li> <li>Bang Ban (1994): 5.3m HL capacity with 62% utilization rate</li> <li>Cosmos (1993): 1.2m HL capacity with 64% utilization rate</li> </ul> </li> <li>Operates the largest brewery in ASEAN with experienced brew masters<sup>(5)</sup></li> <li>Installed 45 automation and robotic machines in the last 5 years to improve productivity, efficiency and labour optimization</li> <li>Long term partnerships with European equipment manufacturers such as Kronos AG, Anton Steinecker Maschinenfabrik GmbH, etc.</li> <li>Technological innovation across supply chain – use of big data analytics and AI</li> <li>Planned capex for 3 breweries at S\$26.6M in FY2021 and S\$11.0M in FY2022<sup>(6)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Capacity of 11.4m HL through 11 owned / controlled breweries with 80% utilization rate in FY2020</li> <li>Additional capacity of 11.1m HL through 15 associate breweries (breweries with minority investments) with 66% utilization rate</li> <li>Largest network of owned and associate breweries with modern production technology and deep rural penetration</li> <li>Proximity to end markets → lower logistics costs and maintain product quality</li> <li>Largest employer in many provinces → good relationship with the community and authorities</li> <li>Brewing capacity expansion project at Quang Ngai (+1.2m HL), Lam Dong (+0.5m HL), Cu Chi (0.85m HL) with investment of c.S\$64.4M<sup>(7)</sup> <ul style="list-style-type: none"> <li>Invested S\$13.0M as of December 31, 2020</li> <li>Completion expected by 2022</li> </ul> </li> </ul>

(1) Thai Beverage Logistics Co., Ltd

(2) As of Feb 2020, SABECO's distribution coverage is 600,000+ outlets across Vietnam which we believe contributes more than 70% of total sales of beer in Vietnam as of end Feb 2020

(3) Based on Global data

(4) As a reference, BeerCo's Thailand utilization rate was 47% and 52% in 2018 and 2019 respectively

(5) Across Thailand and Vietnam, BeerCo has over 50 brew masters, with an average of over 15 years of brewing experience

(6) Planned FY2021E capex for Kamphaengphet, Bang Ban, Cosmos at S\$6.2M, S\$14.3M, and S\$6.1M respectively. Planned FY2022E capex for Kamphaengphet, Bang Ban, Cosmos at S\$2.6M, S\$5.9M, and S\$2.5M respectively

(7) Planned FY2021E capex for Cu Chi and Quang Ngai at S\$7.4M and S\$30.5M respectively. Planned FY2022E capex Cu Chi and Quang Ngai at S\$12.0M and nil respectively. Expansion of the Lam Dong Brewery was completed in June 2020

# BeerCo – Management and Sponsorship

## Leadership Team

**Koh Poh Tiong**  
Chairman

**Michael Chye Hin Fah**  
Director / BeerCo CEO

**Thapana Sirivadhanabhakdi**  
Vice Chairman

**Vivek Chhabra**  
BeerCo CFO

**Sithichai Chaikriangkrai**  
Director

**Lester Tan**  
Chief Beer Business, Thailand

**Dr. Pisanu Vichiensanth**  
Director

**Bennett Neo**  
Chief Beer Business, Vietnam

**Prapakon Thongtheppairot**  
Alternate Director

**Kosit Suksingha**  
Alternate Director

- Leadership team with in-depth knowledge of the ASEAN beer market with average experience of 20+ years – have been with ThaiBev for many years before joining BeerCo
- Key senior board members have been involved with the business since the inception of the Chang business
- Key management team members have experience of working with other regional brewers before joining ThaiBev / BeerCo
- More than half of the board is comprised of independent directors<sup>(1)</sup> and the board embraces a diversity of experiences across its members

## Synergies with ThaiBev



- Management team's knowledge and experience from being a part of ThaiBev
- Joint procurement of raw materials, cans etc. with ThaiBev resulting in economies of scale in supplier negotiations<sup>(2)</sup>
- RTM and distribution synergies – access to ThaiBev entrenched network<sup>(3)</sup>
- Operational synergies – e.g., BevTech in collaboration with Thai Beverage Recycle to install “Octopus”, a product sorting line, in 2018
- Collaboration with BevTech on products to increase efficiency and productivity
- Strategic alliance – Access to ThaiBev's suppliers, customers and Group companies to build a network of connectivity

(1) Independent directors include Michael Lau Hwai Keong, Charles Mak Ming Ying, Nobuyoshi Ehara, Wiboonlasana Ruamraksa, Kalin Sarasin, and Suong Dao Nguyen

(2) Also includes sourcing of bottles and aluminium cans from companies that are part of the TCC Group

(3) BeerCo also has access to the TCC Group's retail, food and hotel outlets, which helps promote on-trade consumption of "Chang" beer and HORECA's distribution of BeerCo's products to >6,000 three- to five-star hotels, restaurants and airlines in Thailand

# BeerCo – Growth Strategies

## Strengthen Leadership in Mainstream and Grow in Mass Premium

### To be the #1 Brewer in Thailand

- Increase efficiency in agent management
- Agent engagement on digital and mobile platforms
- Assisting with merchandising and in-store sales methods
- Providing training on marketing, finance and sales
- Improving inventory allocation efficiency
- Cutting edge area based marketing – CVM and Data Analytics

### Increase Penetration in Vietnam

- Broaden geographical reach in North Vietnam
- Grow market share in urban cities

### Capture Growth in Mass Premium

- Leverage brand equity to premiumize offering<sup>(3)</sup>

## Pursue Operational Excellence and Transform Through Digitalization

### Pursue Operational Excellence

- Going deep with area management through data analytics to drive volume<sup>(1)</sup>
- Streamlined operations through downgauging of cans / cartons and increasing the % of returnable bottles
- Gaining economies of scale through joint procurement with Thaibev
- Reducing transportation costs through tender procurement processes
- Reducing raw material and energy consumption
- Driving cost saving initiatives

### Transform Business Through Digitalization

- Implementing data collection systems and analytics which will enable better management of distributors and optimization of stock levels
- Increasing usage of robotics & artificial intelligence tools
- Implementation of Sabeco 4.0<sup>(2)</sup>

## Pursue Strategic Partnerships and Potential M&A

### Strategic Partnerships

- Potential strategic partnerships with other international brewers in Thailand and Vietnam

### Potential Expansion in Key Growth Continental ASEAN Markets

- Selected growth markets include Cambodia, Myanmar and Laos

### Opportunistically explore increasing stakes in associate/JV breweries in Vietnam

- Ensure security and quality of supply
- Additional integration into existing operations
- Benefit from operational efficiencies

(1) Cash Vans and sales force complement BeerCo's agents / sub agents in collecting granular data at the outlet e.g., footfall, stock levels, sales revenue etc. for data analytics to identify precise opportunities to strengthen our position, especially in focused areas

(2) Includes Sales Force Automation, Distribution Management Solution System, Warehouse Management Solution System, Transportation Management Solution System, "Track-and-trace" System

(3) As a case study, Chang Cold Brew, which was launched in Oct 2019, has volumes of over 17 million litres and c.8% market share in the mass premium segment in 2020