



Thai Beverage Group



THAI BEVERAGE PCL

Annual Information Meeting (AIM)

25 February 2019



HIGHLIGHTS FY2018

FY18 Performance Highlights

- The major acquisitions in FY18 are parts of our strategies to become the region's leading beverage company with long-term sustainable profit
- Higher agent sales ahead of excise tax hike in Sep 2017 created a high base for the comparison of sales between FY17 and FY18

Revenue from sales (million Baht)

229,695 ▲ 20.9%

EBITDA

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

38,517

▲ 5.2%

EBITDA

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

36,165

▼ -19.8%

Net profit

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

23,236

▼ -11.3%

Net profit

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

20,726

▼ -40.2%

EPS (basic)

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(Baht)

0.84

▼ -19.1%

EPS (basic)

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(Baht)

0.74

▼ -46.3%

Attributable Profit

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

21,040

▼ -19.1%

Attributable Profit

(excluded all non-recurring expenses and before recognition of fair value gain on financial assets)*

(million Baht)

18,530

▼ -46.3%

* Non-recurring expense relating to business acquisitions of Bt 2,352 million, finance cost before taking Sabeco results of Bt 107 million and deferred tax utilization from food business restructuring of Bt 51 million in FY18

* Recognition of fair value gain on financial assets of Bt 8,497 million in FY17

FY18 Performance Highlights

- Tough domestic alcoholic beverage market amid challenging economic conditions and cautious consumer spending, especially among lower income consumers
- Higher agent sales ahead of the September 2017 excise tax hike created a high base for the comparison of spirit sales between FY17 and FY18
- The acquisition of Grand Royal Group, the largest player in Myanmar's whisky market, created positive net profit to spirits segment
- Improvement in the food business, driven by contribution from the KFC stores acquired
- Sabeco contributed positive net profit to beer business, due to the net finance cost related to acquisition was lower than their profit
- Collaborating well with newly acquired businesses to generate sustainable growth
- Refinancing of bridging loans
 - Bridging loans from various local and foreign banks were obtained to fund acquisitions in 1Q18
 - The Company issued debentures totaling Bt 127,000 million in FY18, with tenors ranging from two years to 10 years
 - Bt 50,000 million in March 2018
 - Bt 77,000 million in September 2018
 - Some debentures have been structured with a call option, granting the Company an early redemption right with a redemption fee at 0.20% of the relevant principal amounts:
 - No 1: 2025 Bt 9,300 million
 - No 1: 2028 Bt 14,500 million
 - No 2: 2028 Bt 13,719 million
 - The Company used proceeds from the issuance of the debentures to repay bridging loans denominated in US dollars. The balance of the current bridging loans outstanding are denominated in Thai Baht and will be due on December 31, 2019.
 - The Company plans to repay the balance of Thai Baht currency bridging loan before they are due, using proceeds from operating cash flows, long term debts, and debentures in Thai Baht currency.

HIGHLIGHTS

1Q19

1Q19 Performance Highlights

Revenue from sales (million Baht)

72,627

59.7% ▲

EBITDA

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

(million Baht)

12,273

▲ 54.6%

EBITDA

(million Baht)

12,273

▲ 119.6%

Net profit

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

(million Baht)

7,481

▲ 35.5%

Net profit

(million Baht)

7,481

▲ 144.2%

EPS (basic)

(excluded all non-recurring expenses 1Q18 *)

(Baht)

0.30

▲ 36.9%

EPS (basic)

(Baht)

0.30

▲ 150.7%

Attributable Profit

(excluded all non-recurring expenses 1Q18 *)

(million Baht)

7,417

▲ 36.9%

Attributable Profit

(million Baht)

7,417

▲ 150.7%

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

1Q19 Performance Highlights

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

SPIRITS PRODUCT GROUP

Annual Information Meeting 2019

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Key Thai Spirits Portfolio

Continue to improve our core brands to meet consumers needs

Brands

Current Portfolio

FY 2019 Addition / Improvement



330 ml.



625 ml.



Ruang Khao Silver
700 ml.



Ruang Khao Silver
330 ml.



350 ml.



700 ml.

- Packaging Improvement (On Process) -



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



BLEND 285
345 ml.



BLEND 285 Signature
Festive Box 700 ml.



300 ml.



700 ml.



SangSom
1 Litre



SangSom Festive Wrap
300 ml.

BLEND 285 & BLEND 285 Signature



BLEND 285 345ml.

BLEND 285 Signature Festive Box 700ml.



KULOV Portfolio

We recently launched KULOV Vodka and new KULOV RTD (Red Blast)



Old Pulteney

Evolution of Old Pulteney



1997



2004



2010



2000



2007



2018

Old Pulteney

New full range of Old Pulteney, our award winning single malt whisky



Old Pulteney
12 years old



Old Pulteney
Huddart



Old Pulteney
15 years old



Old Pulteney
18 years old

Caorunn

Small Batched Scottish Gin



**Caorunn Gin
40 degree**



**Caorunn Gin Master Cut
Exclusive for Travel Retail
48 degree**

Grand Royal Whisky

Grand Royal Whisky and Grand Royal Smooth with new packaging

Grand Royal Whisky



Grand Royal Smooth



Grand Royal Group

New full range of Grand Royal Whisky portfolio

Standard

Super Standard

Mid

Premium



BEER PRODUCT GROUP

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Thai Beverage Group





**NUMBER 1 BEER PLAYER
IN ASEAN
IN TERMS OF VOLUME**

KEY GOALS FOR 2019

**Continue Our Footprint
Expansion in **ASEAN & Beyond****



KEY GOALS FOR THAILAND

Make
Chang Beer
Number One
In Thailand



Continue To Build The Strong Brand Equity

The Main Pillars of Activation

BRAND COMMUNICATION

Brand Campaign (Traditional & Digital Media)



Number 1 D&SM Beer Channel
(For Two Consecutive Years)



BRAND EXPERIENTIAL

Continue Driving & Building Nationwide Platforms



BRAND INNOVATION & QUALITY

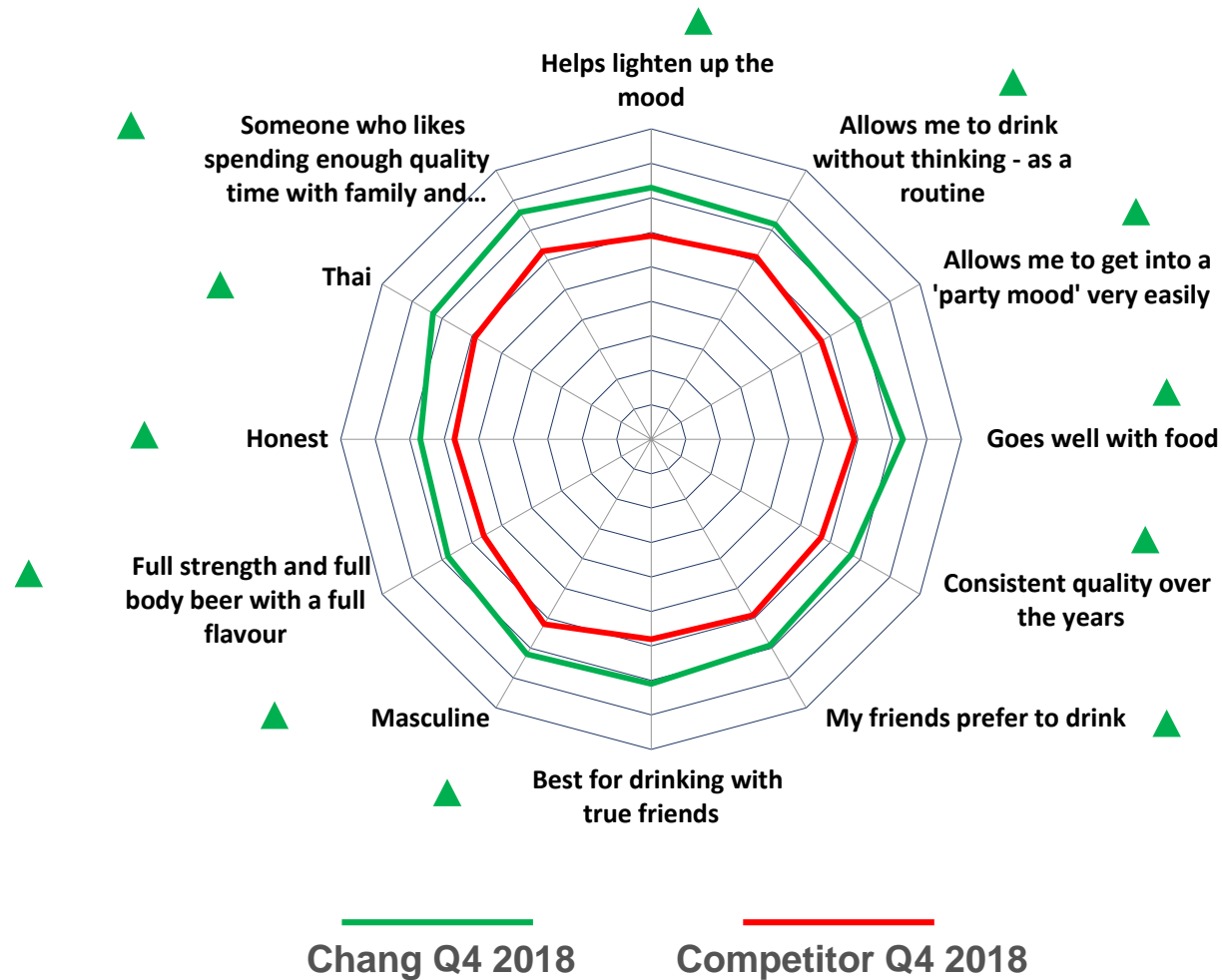
Global Awards For Quality & Packaging



Paperboard
Packaging
Council

Festive Packaging for Modern Trade

Results: Key Brand Equity Trackers Q4 2018



Continue To Build The Strong Brand Equity

Moving Forward : The Next Few Months Ahead

CONTINUE ACTIVITIES

Brand / D&SM Campaigns



Nationwide Platforms



STRENGTHEN OUR PORTFOLIO



LAUNCH NEW ACTIVITIES

Leverage The Festive Season



BEER - SABECO

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Introduction

Better than expected Performance

First Read

Sabeco beats its own guidance

% to P.T.: +12.16% 12-mo. P.T.: S\$0.83
Price: S\$0.74 Rating: **Buy**

Permada Darmono
Analyst | SG
☑ ☎ +65-6495 3137

Natchutha Na Pattaloong
Analyst | TH
☑ ☎ +662-613 5734

1 Pages | 30 Jan 2019

Pressure on malt price, opex under control
Sabeco released its 2018 results last Friday with full year earnings of D4,175bn, down 11% YoY (Q418: D863bn, -26% YoY) which exceeded the company's full year target of D3,770bn but 7% below consensus estimates. FY18 revenue was up 5% YoY to D35,949bn (Q418: D10,406bn, -1% YoY), in line with the company's target.

“We have done better than what we promised at AGM”



Introduction

Key milestones

18 Dec 2017

VietBev submitted bid for 53.59% of SABECO and won the bid

29 Dec 2017

VietBev successfully acquired 53.59% of SABECO from MOIT



Thai Beverage unit wins auction to buy 54 percent stake in Sabeco

HO CHI MINH CITY (Reuters) - A unit of Thai Beverage (TBEV.SI) won the auction to buy a \$5 billion or 54 percent stake in top brewer Sabeco SAB.HM in the country's biggest ever privatization process, an official from the Ho Chi Minh City Stock Exchange said on Monday.



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21 Jul 2018

At AGM new Directors appointed to BOD for a 5-year term

4 out of 7 Directors were nominated by VietBev



Mr. Koh Poh Tiong



Ms. Tran Kim Nga



Mr. Pramoad Phornprapha



Mr. Michael Chye



Mr. Luong
Thanh Hai



Mr. Nguyen
Tien Dung



Mr. Nguyen
Tien Vy

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1 Aug 2018

Appointment of General Director – Mr. Bennett Neo (CEO)

Sabeco có tổng giám đốc mới



(NLĐO)- Ông Neo Gim Siong Bennett sẽ chính thức trở thành Tổng giám đốc Sabeco từ ngày 1-8-2018

Control over Board and Management

Introduction

Key milestones

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1 Aug 2018

Appointment of General Director – Mr. Bennett Neo (CEO)

1 Oct 2018

Full Senior Management team onboard

Transformation Team in place

“Combination of rich management & international beer experience, deep local knowledge & network, and functional expertise”



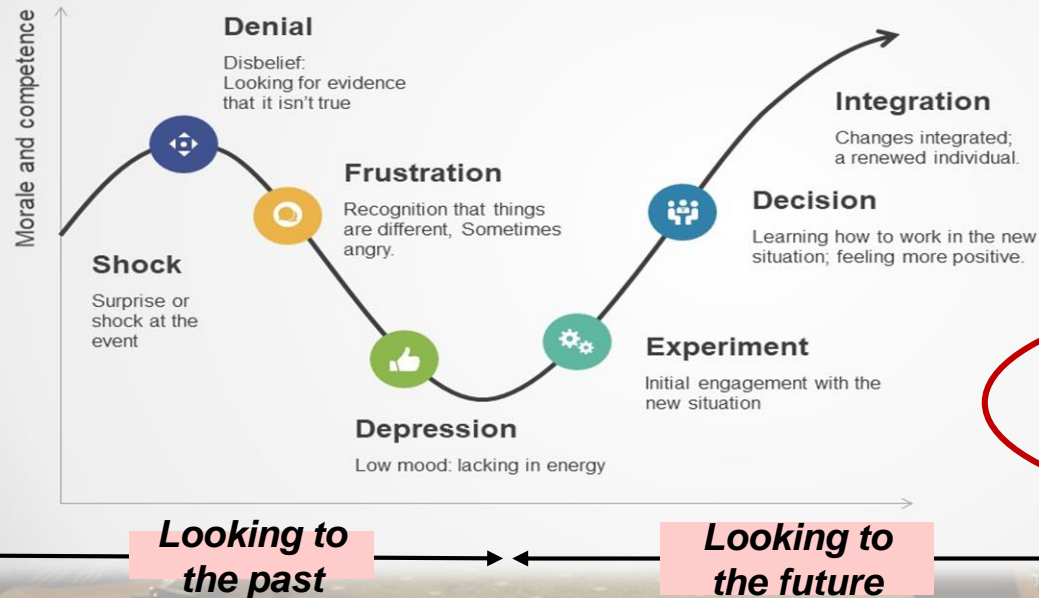
Introduction

Successful Integration

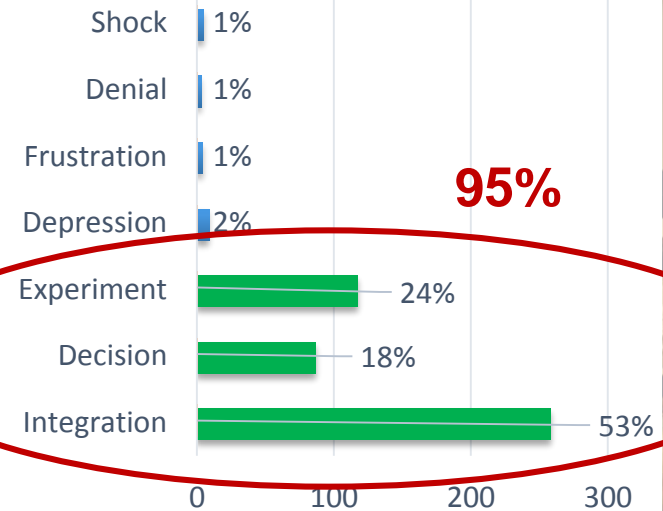
We organized 2 Townhalls for employees in July 2018 and January 2019

The Kübler-Ross Change Curve

Emotional Response to Change



We did a poll on >500 employees



Introduction

Successful Integration

- **Successful integration**
- **Motivated employees**
- **Compounding momentum**



Transforming the Brand

Activities in the last 6 months of 2018

Leicester City's Sponsorship

From Jul 2018

Bia Saigon becomes Leicester City's Official Sleeve Sponsor for the 2018/19 season



Launch of Saigon Special UTC

Sep – Nov 2018

Biggest consumer promotion from SABECO and Vietnam beer market, giving out 8 Mercedes-Benz GLC 200



"Pride of Vietnam" Mega Event

24 Dec 2018

- Iconic year-end event to celebrate the Achievements of Vietnamese and Vietnam
 - Attended by Vietnamese rising Pop stars and Champions of AFF Suzuki Cup 2018 – Vietnam team



- Beach event providing tourist experiential platform of Bia Saigon
- Held in 2 tourist cities Sam Son (Thanh Hoa) and Da Nang

Saigon Special Beach Festival

Aug – Sep 2018



Bia Saigon to be closely associated with football as a connecting platform to customers, "Youth, Success & Vietnam"

Sponsorship of AFF Suzuki Cup

Oct – Dec 2018



- Celebrate the rise of Vietnam in the occasion of Tet
- CSR – "Coming Home For Tet with Bia Saigon": Sponsored 1000 air-tickets to deserving labours to go back to hometown to celebrate Tet

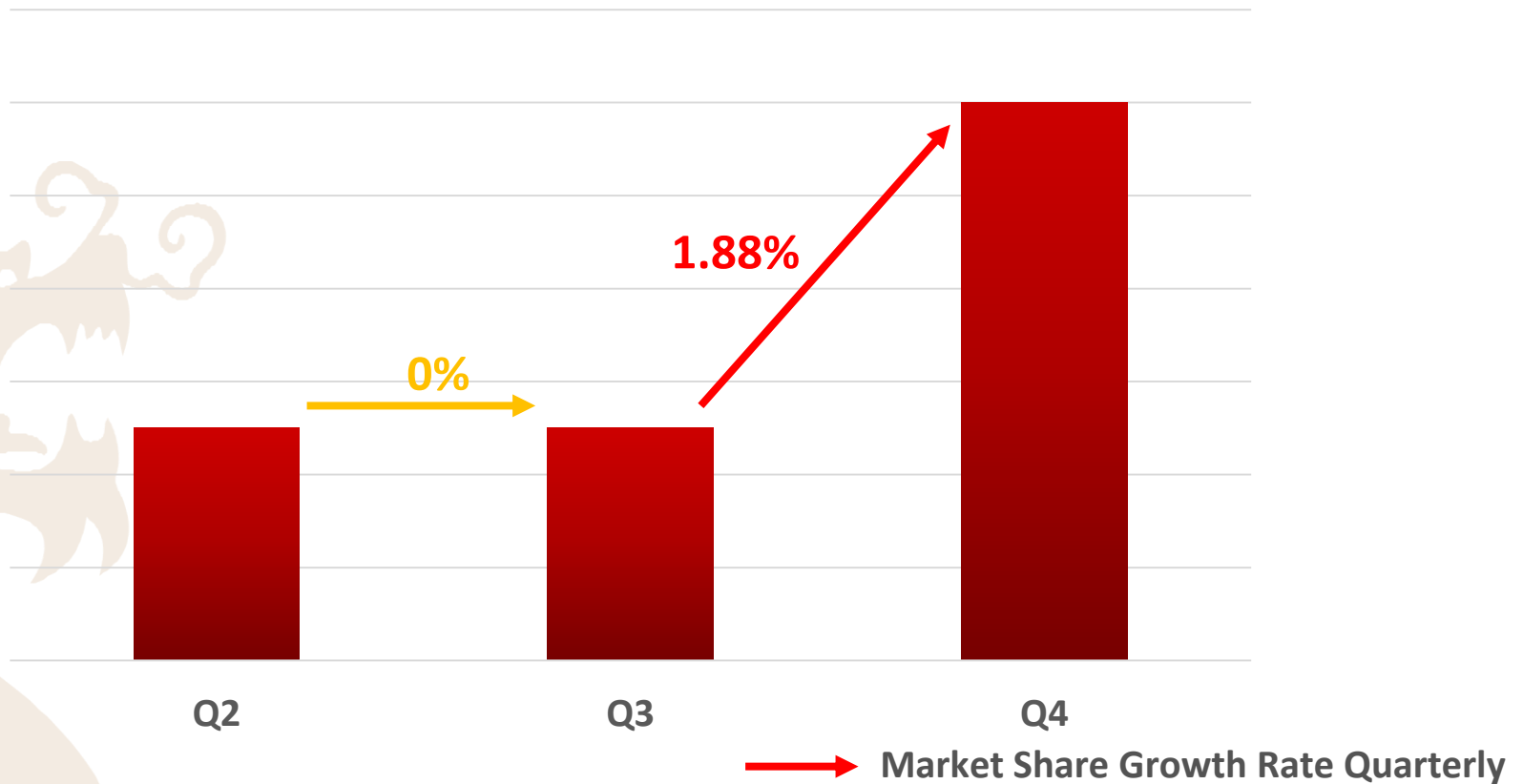
Tet Campaign

From Nov 2018

Transforming the Brand

Significant Market Share growth in last 6 months of 2018

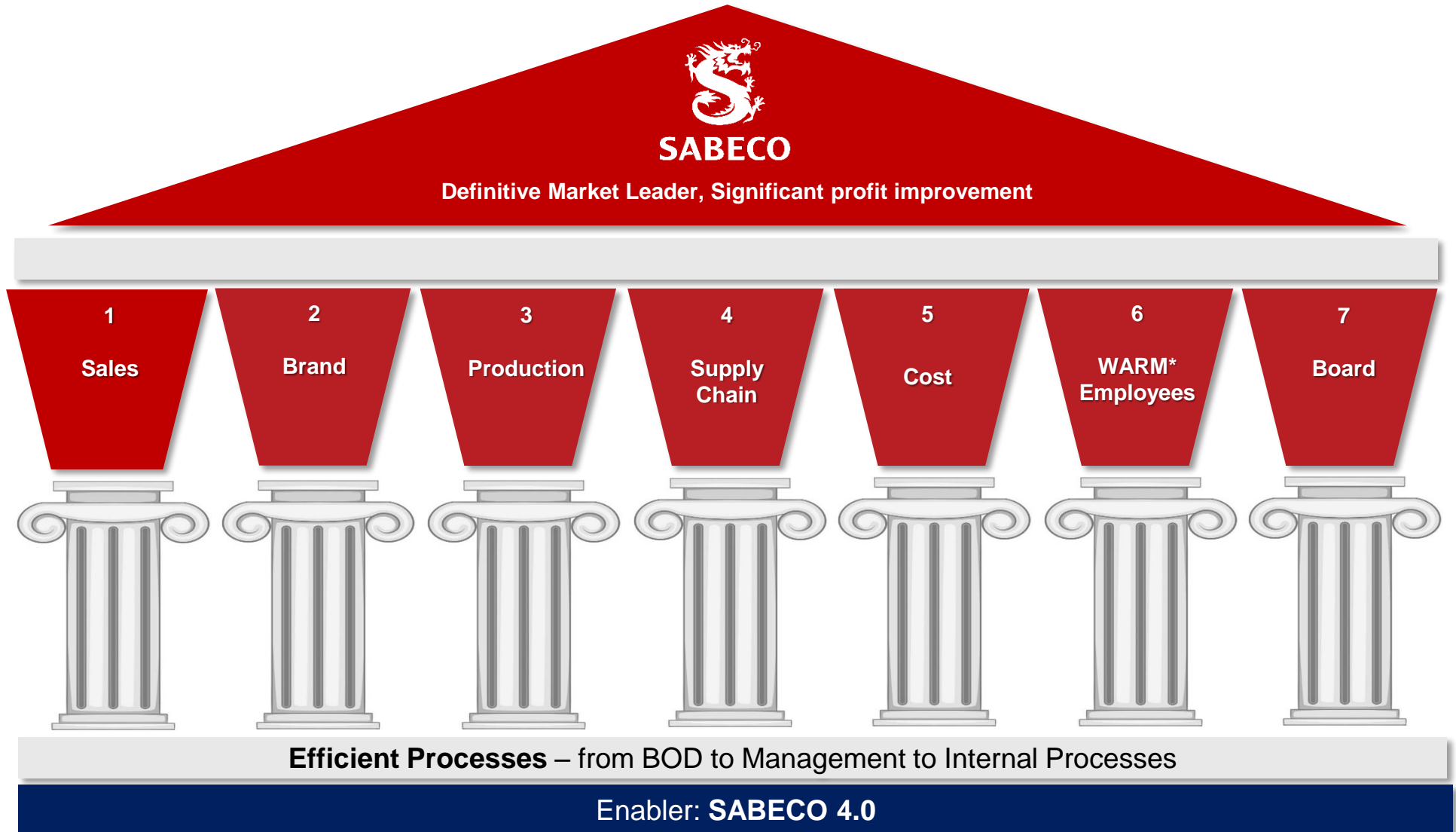
SABECO – MARKET SHARE GROWTH (% CHANGE) 2018 BY QUARTER



Source: Nielsen – Vietnam Beer Category Retail Audit Data FY2018

Moving forward to 2019 and beyond

7 Strategic Pillars



NON-ALCOHOLIC BEVERAGE PRODUCT GROUP

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Thai Beverage Group



Driving the Business, Winning With 5 Brands

DRIVING NON-ALCOHOL BEVERAGE
PORTFOLIO GROWTH WITH
5 WINNING BRANDS

Winning in Drinking Water Category



WIN AS HIGHEST QUALITY WATER

Crystal Leads The Market

**Crystal is No.1
Drinking Water in Thailand**



Winning In the Green Tea Category

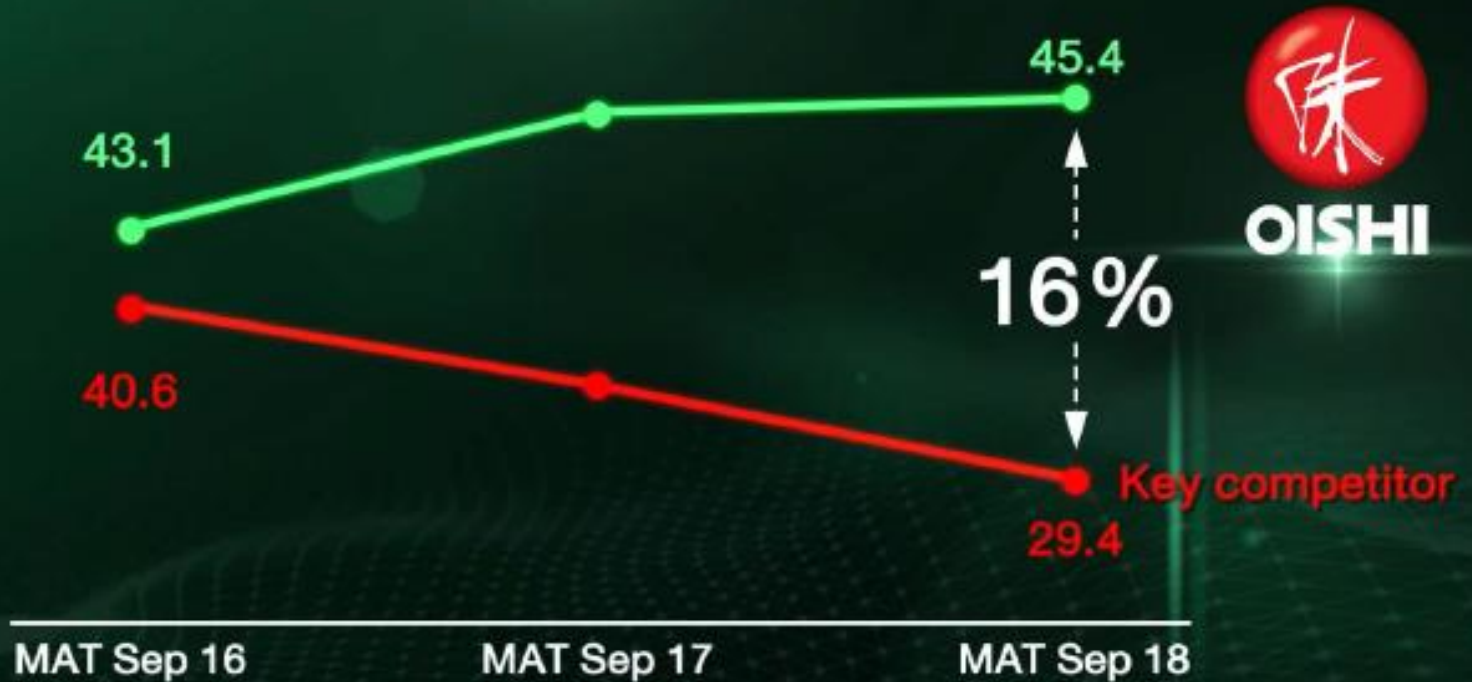


OISHI

**WIN WITH DISRUPTIVE PRODUCTS
AND ACTIVITIES**

Number 1 in Thailand

TH RTD TEA : Value % Share



Number 1 in Cambodia and Laos

LAOS

THAILAND

GAMBODIA

OISHI GREEN TEA

No. 1
in Cambodia and Laos

Winning Over The Youth Market



WIN WITH DRIVING BRAND LOVE

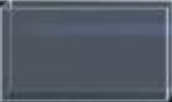
Growing Faster Than Competitors

TH – Volume % Growth vs LY



+2%

CSD Market



-1%



MAT Sep18

Source: Nielsen Retail Audit

Winning With Flavours



**WIN WITH INNOVATION
FOR YOUNG GENERATION**

New Variants To Appeal To Target Market

TH – Volume % Growth vs LY



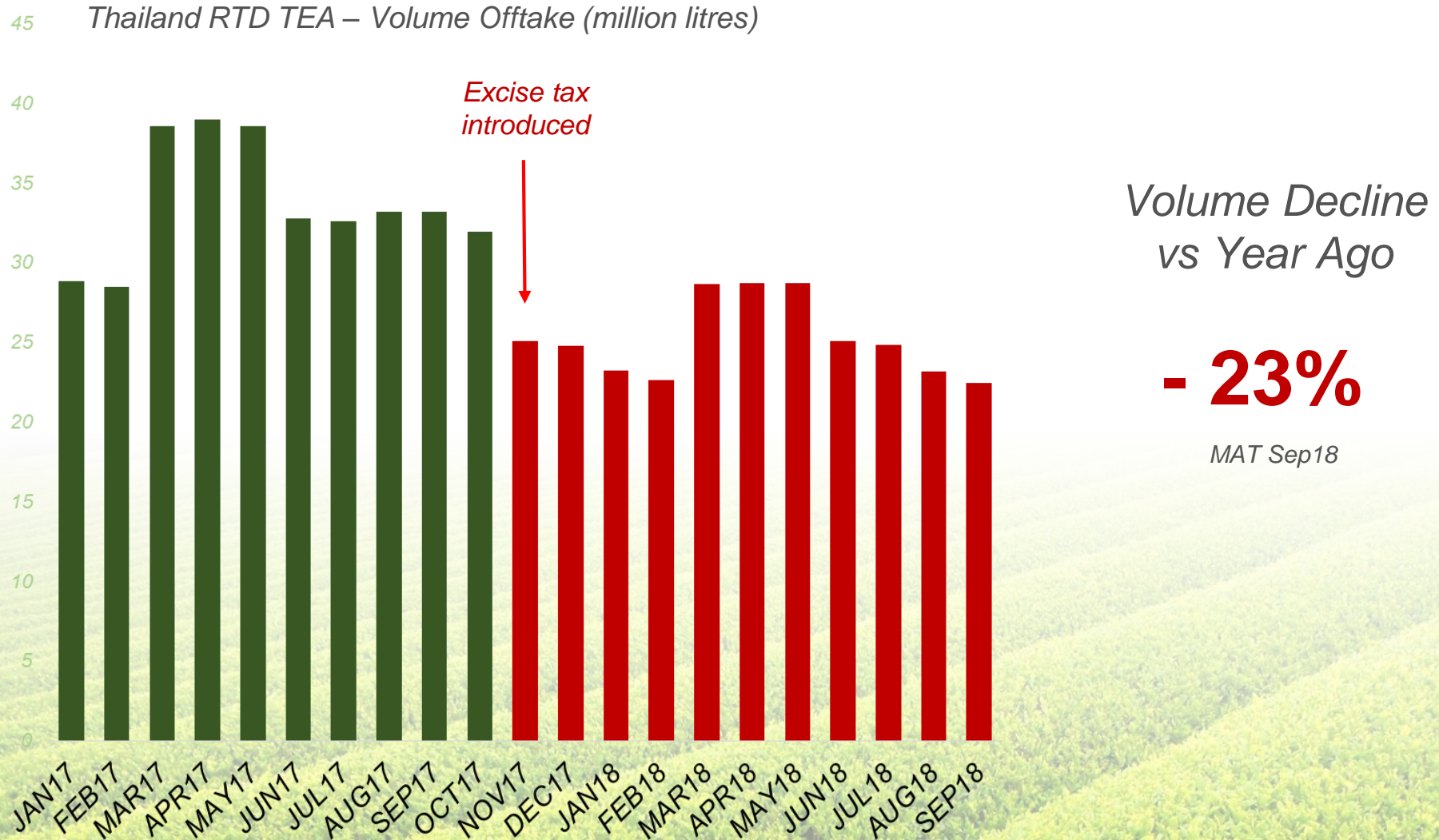
Source: Nielsen Retail Audit

Winning In The Healthier Segment



**WIN WITH DIFFERENTIATION
AS HEALTHIER CSD**

RTD Tea Market Declined Significantly After Excise Tax

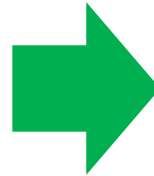


New Affordable Pack Sizes Launched To Boost Volume

380ml at 20baht



NEW 350ml at 15baht



250ml at 12baht



NEW 180ml at 10baht



Premium Range Introduced For Margin Improvement



FOOD BUSINESS PRODUCT GROUP

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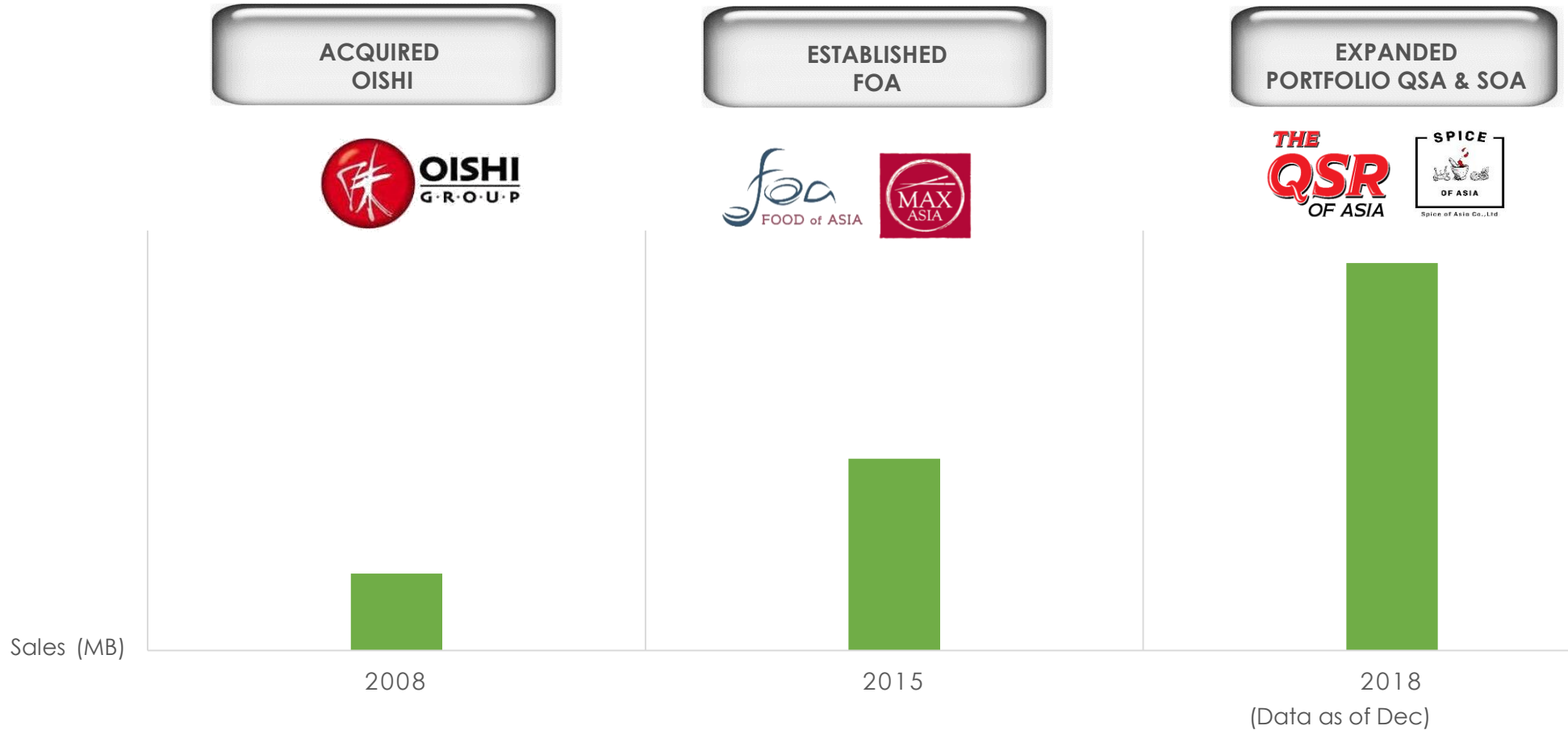


Thai Beverage Group



OUR FOOD JOURNEY

Triple size of food business within 10 years



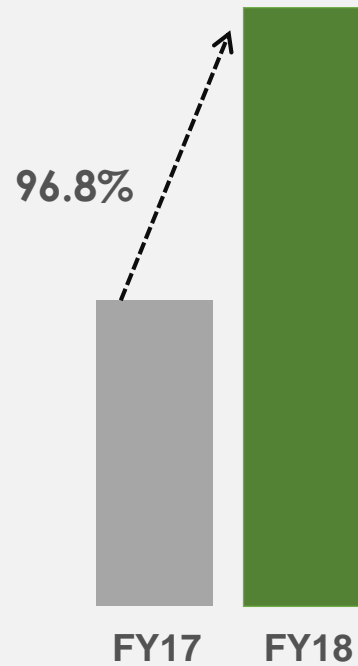
YR	2008	2015	2018*
No. of outlets	93	245	576
No. of Brands	10	12	27

* No. of outlets as of 31 Dec 2018

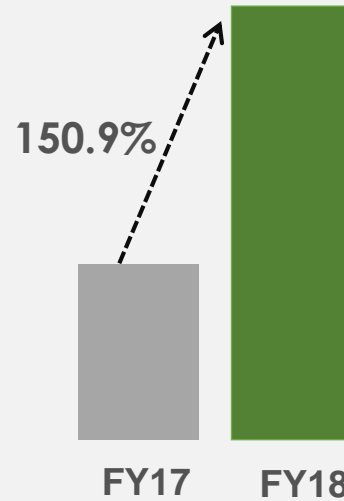
LET'S RECAP 2018 (End of Sep 2018)

Double-digit growth vs 2017

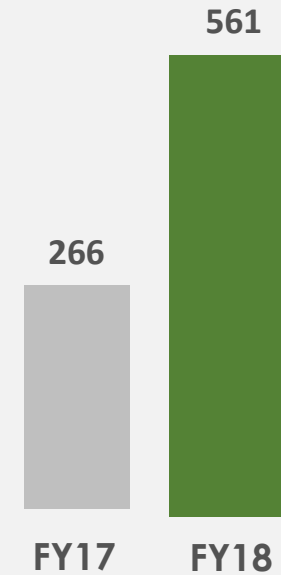
SALES (MB)



EBITDA (MB)

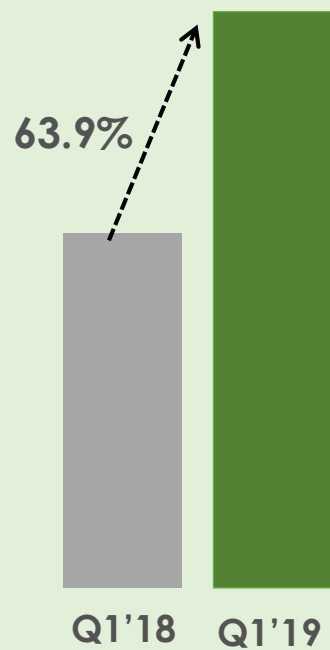


NO. OF STORES

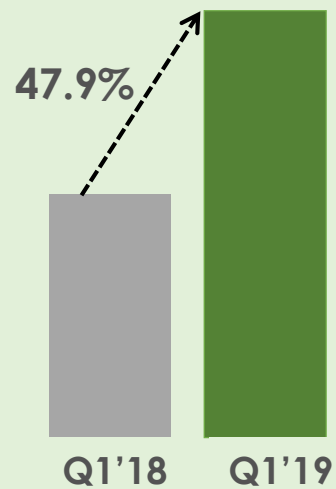


CONTINUE THE MOMENTUM IN 1Q19

SALES (MB)



EBITDA (MB)



NO. OF STORES



KEY SUCCESS DRIVERS

Innovation

KFC
CHILI CHEESE
เคเอฟซี ไก่รอนซิลชีส

เปิดตัวใหม่ เดิมรสซีส สุดซัดอเมริกา
สะใจทุกคำด้วยอเมริกาและซอสซีส

ราคา: **259**
฿ + ภาษี

- ไก่ทอดบิเลตส์ 3 ชิ้น
- ไก่ทอด 2 ชิ้น + แป้งทอด 2 ชิ้น
- ไก่จิ้มซอส 8 ชิ้น

It's finger lickin' good

KFC
Finger lickin' good

NEW!
ซูเปอร์ฟรายส์ & บิเลตส์

CHICK'N SHARE
SUPER FRIES
อร่อยมัน ฟรายส์พันธุเลีย

NEW!
ซูเปอร์ฟรายส์

ราคา: **99**

OISHI RAMEN
THE RAMEN MAJESTY

味噌ラーメン
ซุ๊ปมิโซะ บั๊นทัง

ทุกทอดด้วยไก่
ราคา: **89**

海鮮エビ味噌
ラーメン

ไก่เซ็น เอบิ มิโซะ ราเมน
Kaisen Ebi Miso Ramen
ราคา: **219**

โออิชิ ราเมน
อร่อยเส้น อร่อยซุ๊ป

เริ่ม 15 พ.ย. - 31 ธ.ค. 61

KEY SUCCESS DRIVERS

Value Promotion



KEY SUCCESS DRIVERS

Store Expansion



FOOD BUSINESS 2020 VISION

We're always striving to serve customers in every lifestyle & occasion



SUSTAINABLE DEVELOPMENT

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Thai Beverage Group



Our Inspiration

The ThaiBev Sustainability Approach

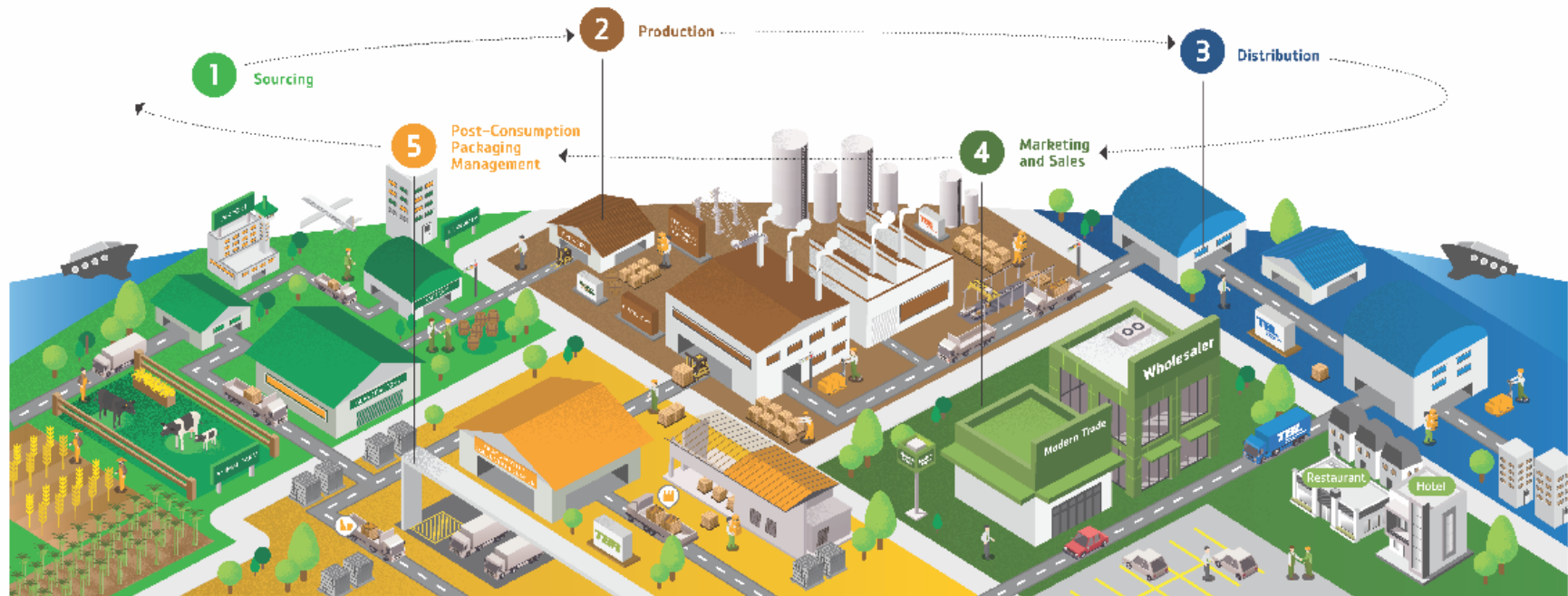
ThaiBev draws inspiration from His Majesty King Bhumibol Adulyadej's Sufficiency Economy Philosophy (SEP), which improved the lives of millions of people by creating a balanced approach to development. We also remain committed to helping the world achieve the 17 Sustainable Development Goals (SDGs) outlined by the United Nations.



Source: <http://sustainability.thaibev.com/>

ThaiBev Value Chain

ThaiBev as a leading producer of beverages in Thailand, We are one of the largest producers in Asia.



The business is managed end-to-end supply chain from sourcing to post consumption.

ThaiBev divide our product portfolio into four main segments:

Spirits, Beer, Non-alcoholic beverages and Food.



Economy
Creating
business value



Society
Caring and sharing



Environment
Managing impacts
from business



Culture
Promoting artistic
and cultural conservation

DJSI Achievement 2018

Thai Beverage PCL was recognized as an Industry Leader in Beverages Industry

DJSI Industry Leader

Member of DJSI World, DJSI Emerging Markets

12

business areas
with 100 score and
100 percentile

2

business areas
with 100 percentile,
Beverages
industry

COMPANY BENCHMARKING SCORECARD | 2018

Thai Beverage PCL

BVG Beverages

Announced on September 13, 2018

Source: **ROBECOSAM**
We are Sustainability Investing.

DJSI Achievement 2019

Sustainability Yearbook 2019 shows Thai Beverage PCL as a Sustainability leaders “SAM Gold Class”

Sustainability leaders 2019

SAM Gold Class



Thai Beverage PCL

Thailand

SAM Silver Class



Coca-Cola European Partners PLC

Spain

Coca-Cola HBC AG

Switzerland

Diageo PLC

United Kingdom

Sustainability Yearbook Members



Asahi Group Holdings Ltd

Japan

Molson Coors Brewing Co *

United States

*DJSI Industry Mover



Source: <https://yearbook.robecosam.com/>

HUMAN CAPITAL

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Limitless Opportunities For ThaiBev's Employees

“Believing in **our people** as human capital, the purpose of our endeavor is therefore to invest and grow...”



ThaiBev believes that our employees are the power that will drive our organization toward Vision 2020.

We aim to become an excellent employer in ASEAN.

This is why ThaiBev places importance on **human capital** management.

The Success from 7 Strategies In Human Capital Management



ASIA'S BEST EMPLOYER BRAND AWARD 2018



ThaiBev Conduct Talent Development Regionally



ThaiBev Conduct Talent Development Regionally



Digital Ecosystem in Human Capital Management



ANYWHERE



ANYTIME

Collaboration Platform



Connect through Mobile



Successful Integration with QSA-KFC, Grand Royal and SABECO



ThaiBev Go ASEAN, Grow Together



Go ASEAN,
Grow Together

Collaboration

Creating
Values

Caring
for Stakeholders



ThaiBev

“
ThaiBev Global Values
*will enable us to further
grow our businesses
with stability and
sustainability.
Let's go beyond
Vision 2020.*”

Thapana Sirivadhanabhakdi
President and CEO
Thai Beverage Public Company Limited

Go ASEAN, Grow Together

