

FY2019

F&N

FY2019
Financial
Highlights



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FY2019 Performance Highlights

Earnings rose 31.7% to \$283.5 million underpinned by solid performances from all divisions

- Group performance improved for the full-year ended 30 September 2019 (“**FY2019**”)
 - Revenue increased 3.7% to \$1,902.3 million on higher sales from Food & Beverage division
 - EBIT rose 31.7% to \$283.5 million
 - Lifted by strong Dairies earnings; EBIT grew 19.3% on sales growth and lower input costs
 - Beverages earnings improved, supported mainly by strong soft drinks sales and lower sugar costs
 - Profit after taxation grew 17.6% to \$212.4 million
 - A lower after-tax growth due to higher effective tax rate, following the expiration of corporate tax incentive in Thailand

FY2019 Group Financial Highlights

Revenue
(million)

\$1,902
▲ 3.7%

Earnings before interest and tax
(million)

\$284
▲ 31.7%

Profit after tax
(million)

\$212
▲ 17.6%

Gearing
(%)

12.3%
▲ 151bps

Dividends per share
(cents)

5.5¹
▲ 22.2%

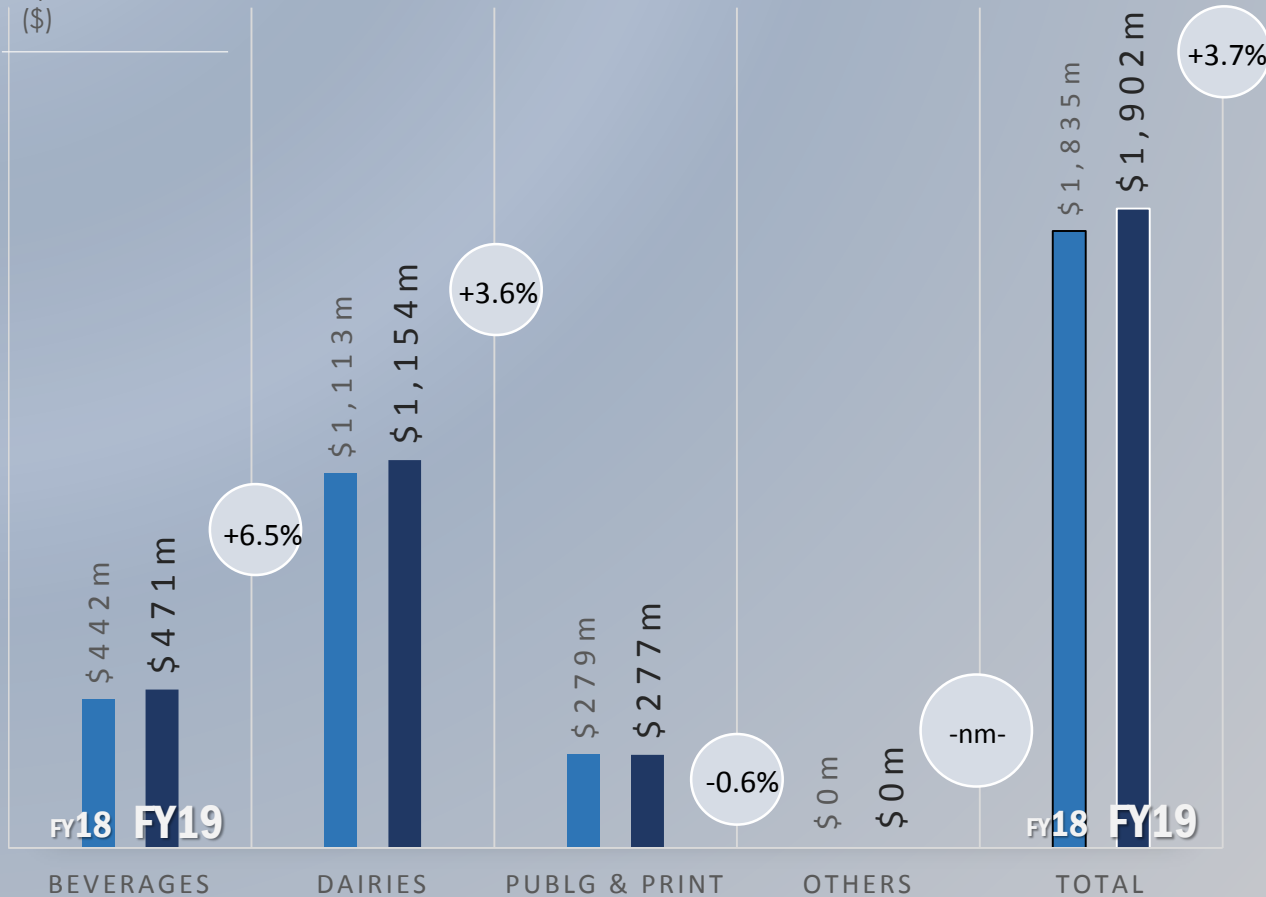
Earnings per share (basic)
(cents)

10.6²
▲ 24.7%

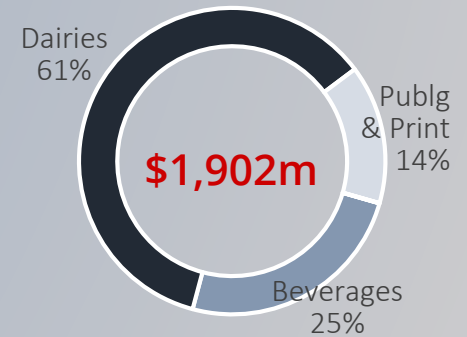
FY2019 Revenue grew 3.7% to \$1,902 million

Lifted by higher dairy and soft drinks sales

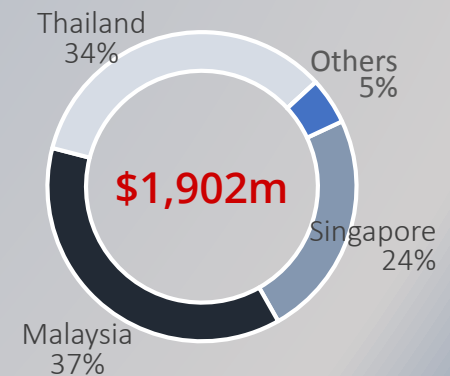
By Business (\$)



By Business (%)



By Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

FY2019 Revenue | Beverages

Revenue increased 6.5%

Beverages Malaysia

- Lifted by successful festive activations and rollout of new products, and improvements in route-to-market

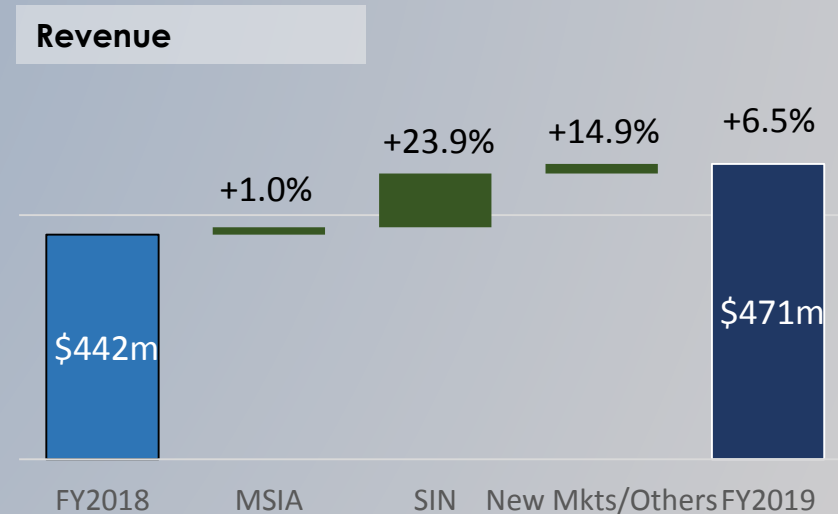
Beverages Singapore

- Revenue improved 23.9% mainly due to higher *100PLUS* sales on successful execution of marketing activities, and introduction of new products

- Higher beer sales to general retail outlets

Beverages New Markets¹ / Others

- Mainly due to higher sales in Indonesia, driven by improved market penetration



FY2019 Revenue | Dairies

Revenue growth driven by strong performance from Dairies Thailand

Dairies Malaysia

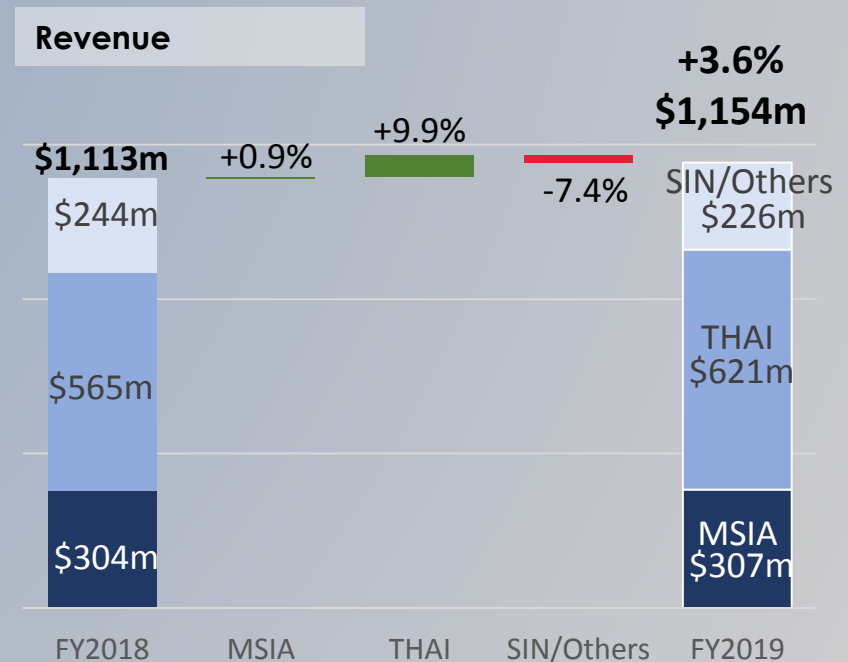
- Sales was up 0.9% despite intense price competition in canned milk categories

Dairies Thailand

- Higher sales due mainly to successful execution of marketing and branding initiatives in domestic and Indochina markets, supported by capacity expansion and favorable translation effect (+5.8% in local currency)

Dairies SIN/Others

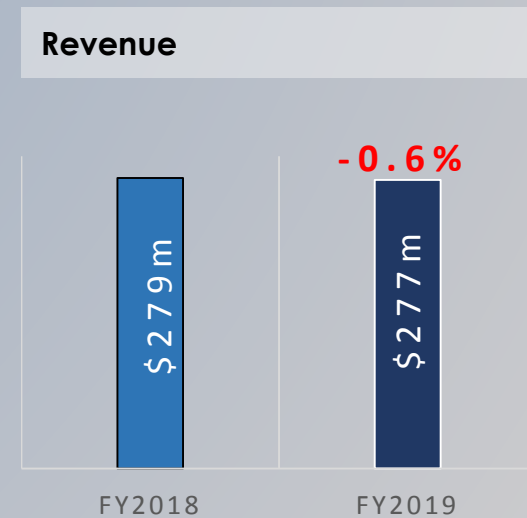
- Absence of last year's one-off co-pack export sales dampened sales



FY2019 Revenue | Publishing & Printing

Revenue fell 0.6% due to

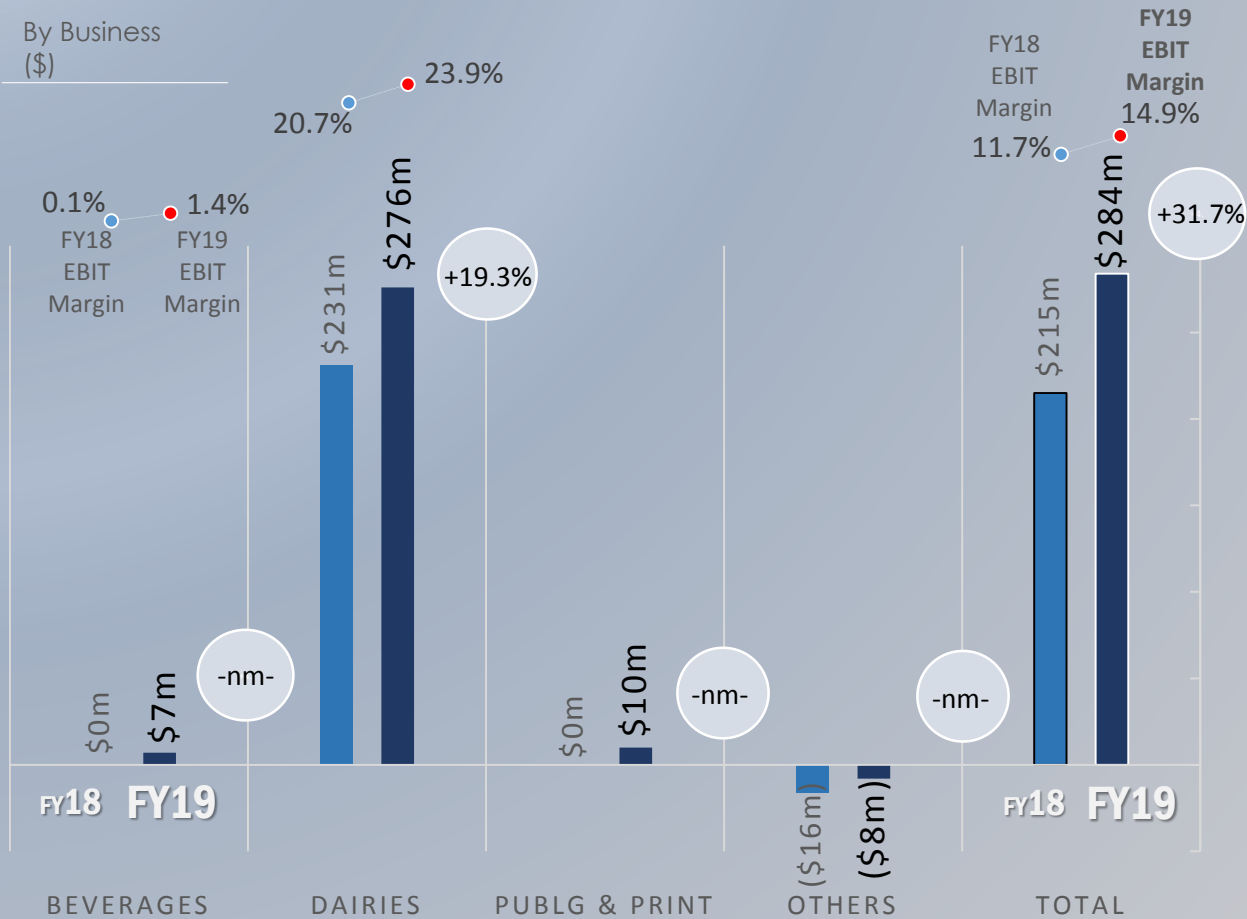
- Change in sales mix of education publishing business
- Lower retail revenue due to store closures



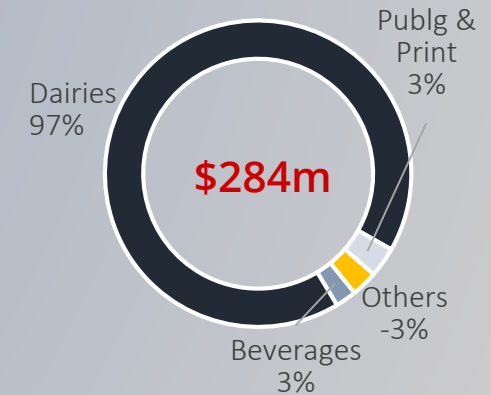
FY2019 EBIT rose 31.7%

Bolstered by higher soft drinks and dairy sales, favourable input costs and higher profit contribution from Vinamilk

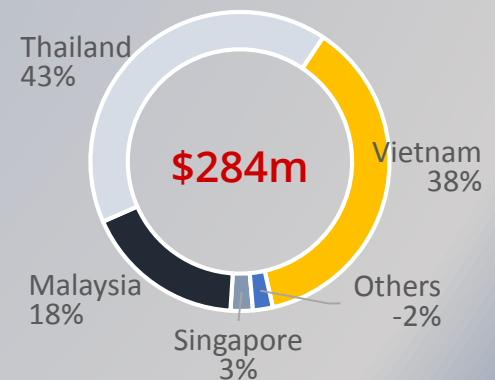
By Business
(\$)



By Business
(%)



By Geography
(%)



¹ Beverages comprises Soft Drinks and Beer

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FY2019 EBIT | Beverages

Higher sales, favourable input costs and lower marketing spend supported earnings growth

Beverages Malaysia

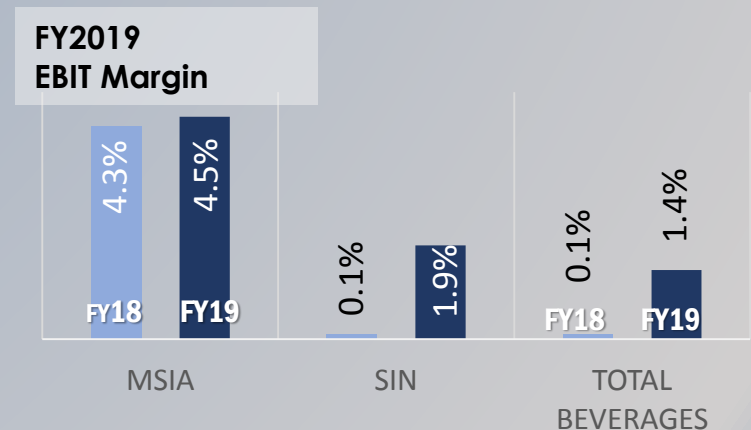
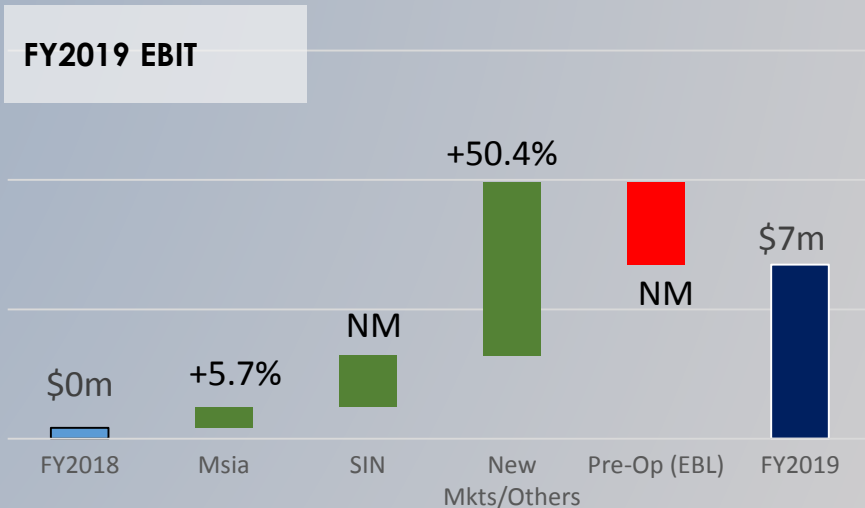
- EBIT grew 5.7% on higher sales and lower marketing spend

Beverages Singapore

- Earnings improved largely due to higher soft drinks and beer sales

Beverages New Markets¹ / Others

- Improvement was largely due to higher sales and lower supply chain cost in Indonesia and Myanmar



FY2019 EBIT | Dairies

Earnings increased 19.3% on lower input costs and higher contribution from Vinamilk

Dairies Malaysia

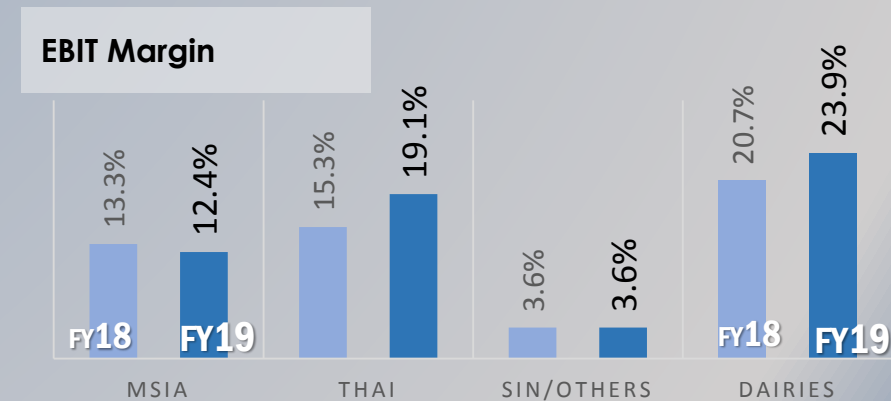
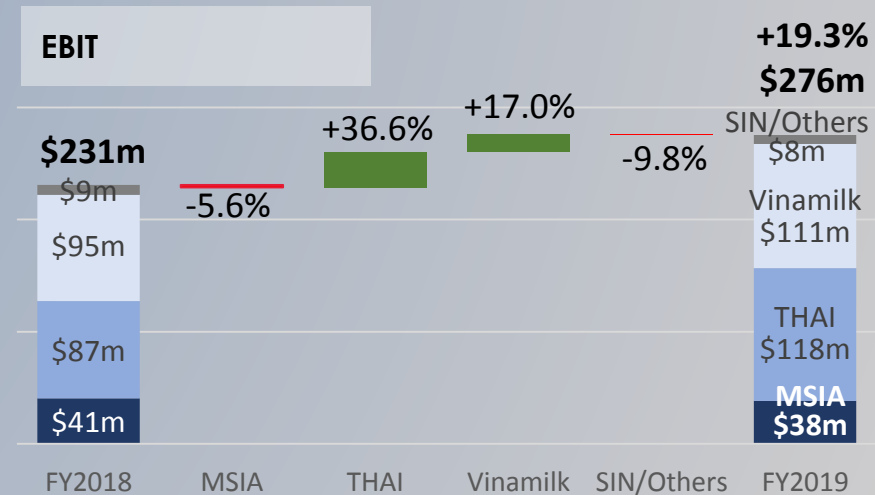
- EBIT declined on increased marketing and promotional spend

Dairies Thailand

- Higher sales and favourable input costs lifted profits

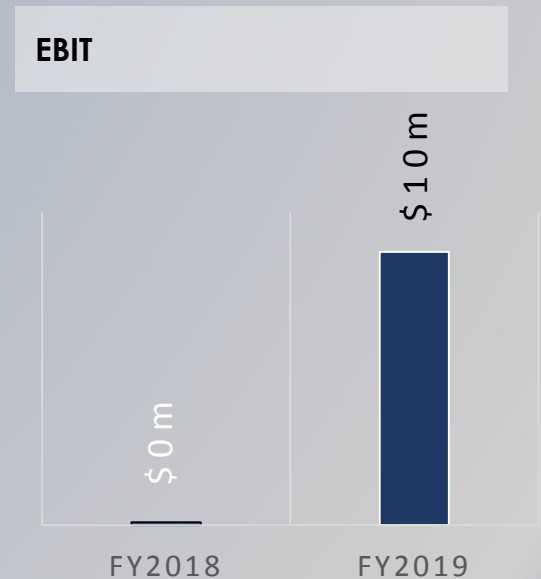
Vinamilk

- Higher revenue from recovery of domestic demand and absence of last year's one-off expense boosted earnings



FY2019 EBIT | Publishing & Printing

- Despite lower revenue, earnings improved significantly
 - Mainly driven by improvements in print business, maiden profit contribution from newly-acquired business and one-off income from the sale of non-core assets



Maintained a strong financial position

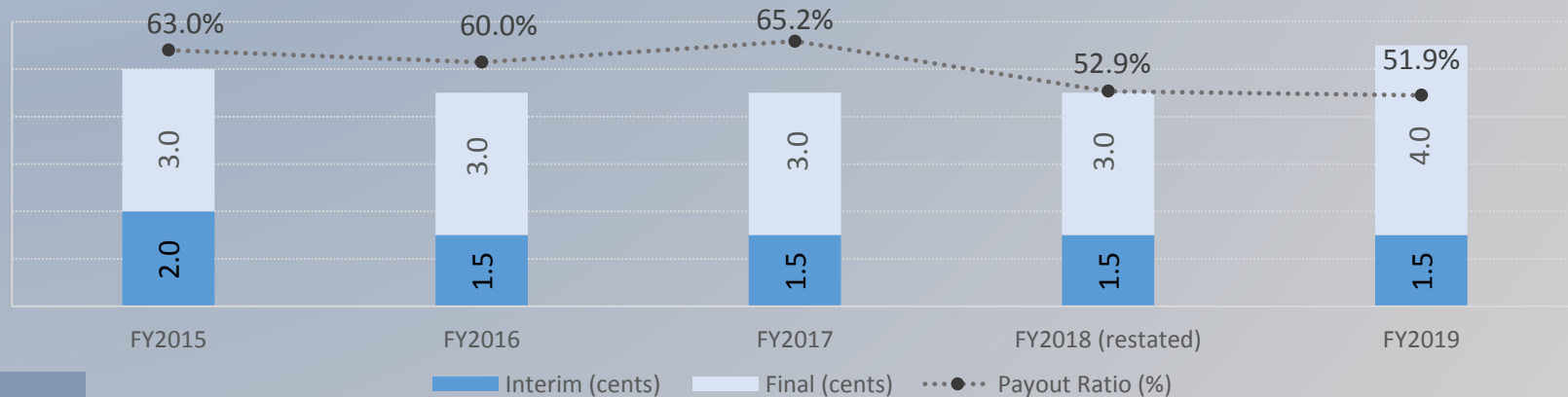
Focused on prudent balance sheet management

- Higher borrowings to finance Group's investment in Starbucks Coffee (Thailand)
- Proposed final dividend of 4.0 cents per share, bringing full-year dividend to 5.5 cents, an increase of 1.0 cent from prior year
 - Takes into account Group's capital position and near-term capital needs
 - Dividend policy unchanged

Key Financials

| | FY2018 (restated) | FY2019 |
|---------------------------|----------------------|----------|
| Total Equity ¹ | \$3,164m | \$3,332m |
| Total Assets | \$4,506m | \$4,719m |
| Net Borrowings | \$341m | \$409m |

Dividend



100 PLUS
AKTIFKAN
POTENSIMU

CORPORATE
DEVELOPMENTS



F&N returns to Myanmar with Emerald Brewery

79.86%
INTEREST

INVESTED
\$105
MILLION

EMERALD BREWERY MYANMAR LIMITED ("Emerald Brewery")

- Invested US\$70 million (\$\$105 million) in a state-of-the-art brewery located at Hlegu Township, Yangon
- Annual capacity of 500,000 hectoliters
- Commercial operations started 1 October 2019
- To brew, market and distribute *CHANG* beer



F&N acquires majority interest in Print Lab Pte. Ltd.

60.0%

INTEREST

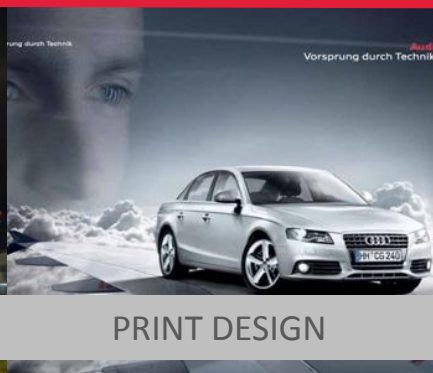
@ April 2019

PRINT LAB PTE. LTD. (“PL”)

- Acquired a 60% stake for \$24.5 million
- PL is a one-stop print, creative and digital out-of-home solution provider in Singapore
- It serves many blue-chip companies across a diverse set of industries including clients in the creative retail marketing segment, FMCG, retail, automobile and financial institutions



LARGE FORMAT PRINTING



PRINT DESIGN



DIGITAL

F&N enters food business in Thailand



GENKI SUSHI

20.75%

EFFECTIVE
INTEREST

@ April 2019

GENKI SUSHI BANGKAPI CO. LTD. ("GSB")

- GSB is a franchised sushi restaurant business in Thailand, under its principal brand, *GENKI SUSHI*
- F&N's effective stake in GSB ~20.75%

F&N enters fast-growing premium retail coffee segment in Thailand



STARBUCKS COFFEE (THAILAND) CO., LTD (“STARBUCKS THAILAND”)

- F&N, through Coffee Concepts (Thailand) Co., Ltd., a partnership between F&N Retail Connection Co., Ltd. and Maxim’s Caterers Limited (“**Maxim’s**”), acquired the entire issued share capital of Starbucks Thailand
- Leverage Maxim’s long-standing partnership with Starbucks, its extensive experience in running Starbucks stores in multiple markets as well as other food and beverage retail outlets to enter the fast-growing premium retail coffee segment in Thailand
- The acquisition is earnings accretive



AMAZING FLAVOUR WITH

LESS = SUGAR



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