FY2019

F&N

9M2019 Financial Highlights

FRASER AND NEAVE, LIMITED



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1 Unless specifically stated otherwise, all figures in this presentation are quoted in Singapore Dollars
2 Due to rounding, numbers in charts may not always add up to 100% or totals

9M2019 Performance Highlights

Earnings rose 43.6% to $228 million underpinned by solid performances from all divisions

- Group performance improved for the nine-month ended 30 June 2019 ("**9M2019**")
  - Revenue increased 3.5% to $1,422 million on higher soft drinks and dairy sales
  - EBIT rose 43.6% to $228 million, from $158 million
    - Supported by strong Dairies earnings growth of 27.0%
    - Beverages earnings improved 29.3%, lifted by strong soft drinks sales and lower sugar costs
    - Publishing & Printing earnings improved mainly due to one-off income from sale of non-core assets and maiden profit contribution from newly-acquired business
  - Profit after taxation grew 30.9% to $179 million
    - A lower after-tax growth due to higher effective tax rate (17.7% in 9M2019 vs 7.2% in 9M2018) following the expiration of corporate tax incentive in Thailand

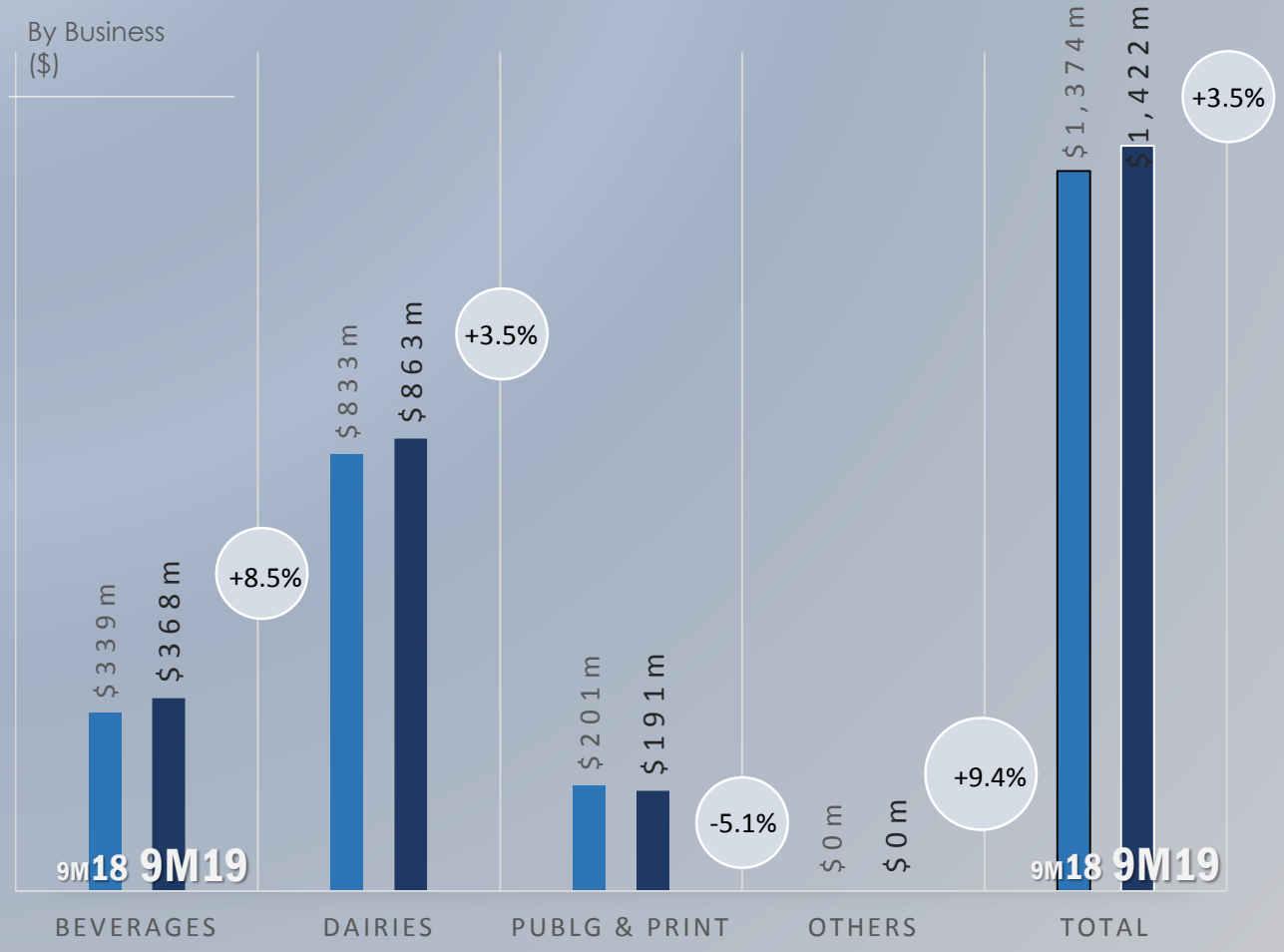
9M2019 Group Financial Highlights

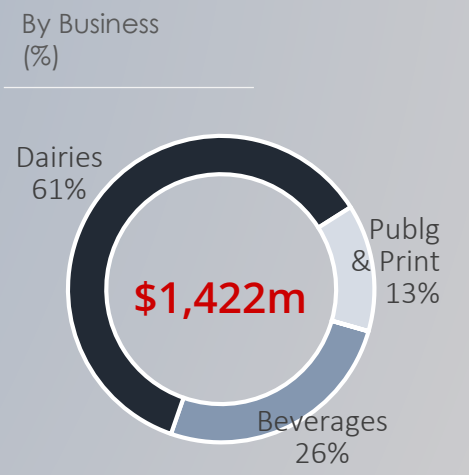
Revenue (million) $1,422 ▲ 3.5%	Earnings before interest and tax (million) $228 ▲ 43.6%
Profit after tax (million) $179 ▲ 30.9%	EBIT margin (%) 16.0% ▲ 447bps
Gearing[1] (%) 15.2% ▲ 4.4% [2]	Earnings per share (basic) (cents) 8.9[3] ▲ 41.3%

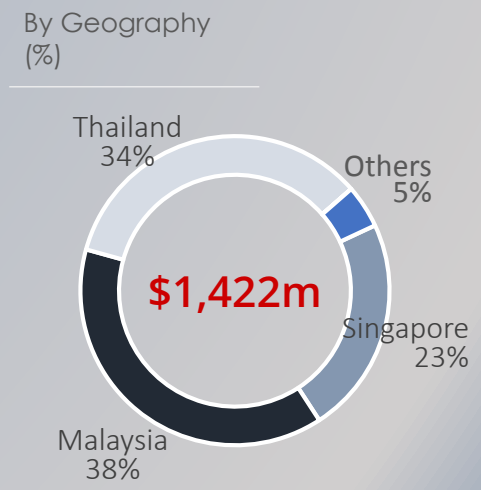
1 Net debt / Total equity
2 As at 30 September 2018 (restated)
3 Before exceptional items

9M2019 Revenue grew 3.5% to $1,422 million

Lifted by higher dairy and soft drinks sales







[1] Beverages comprises Soft Drinks and Beer
[2] Publg & Print denotes Publishing & Printing

9M2019 Revenue | Beverages

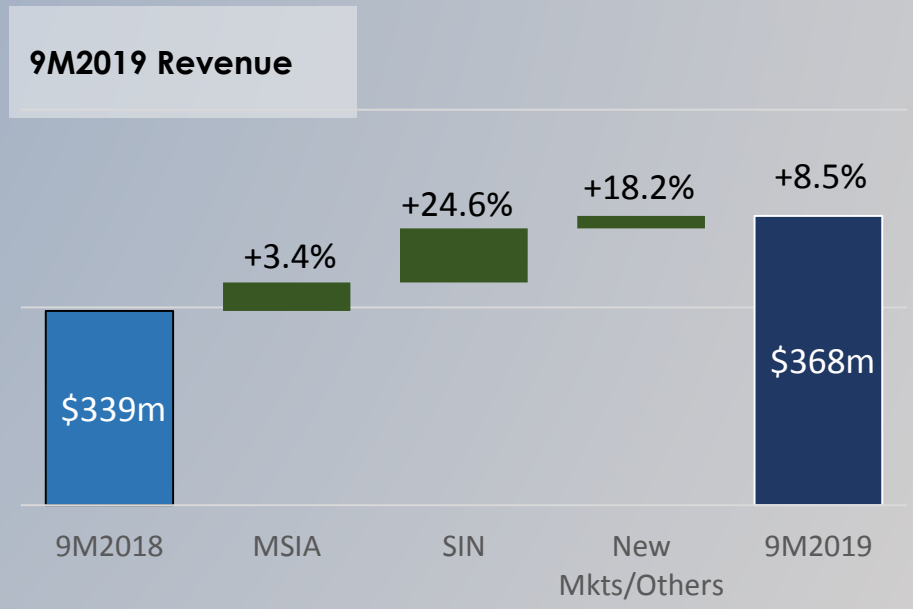
Revenue increased 8.5% driven by higher sales across most markets

Beverages Malaysia

– Revenue growth lifted by successful festive activations, improvements in route-to-market and introduction of new healthier products

Beverages Singapore

– Revenue improved 24.6% mainly due to higher *100PLUS* sales on successful execution of marketing activities and promotions



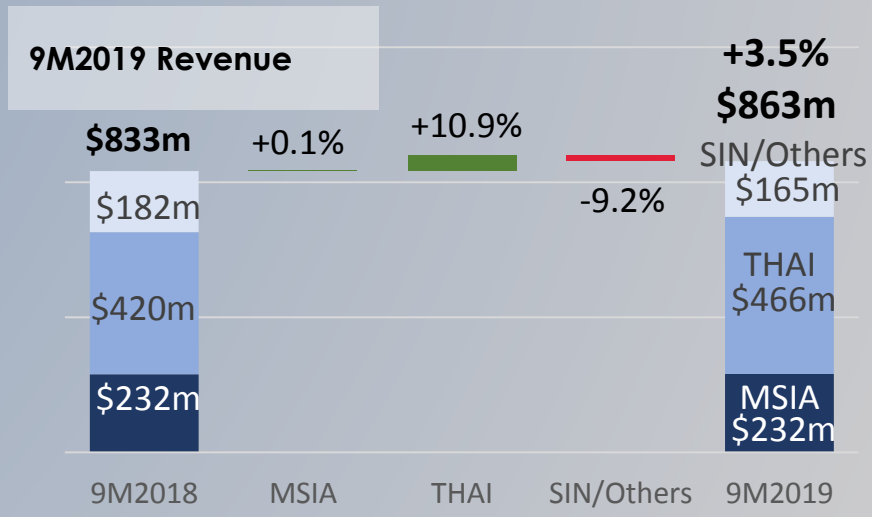
Beverages New Markets[1] / Others

– Revenue growth was mainly due to higher sales in Indonesia, driven by increased market penetration

[1] New Markets include Indonesia, Myanmar and Vietnam

9M2019 Revenue | Dairies

Revenue grew 3.5% to $863 million driven mainly by Dairies Thailand



Dairies Malaysia

– Sales flat at $232 million despite intense price competition in canned milk category; in local currency, sales rose 1.5%

Dairies Thailand

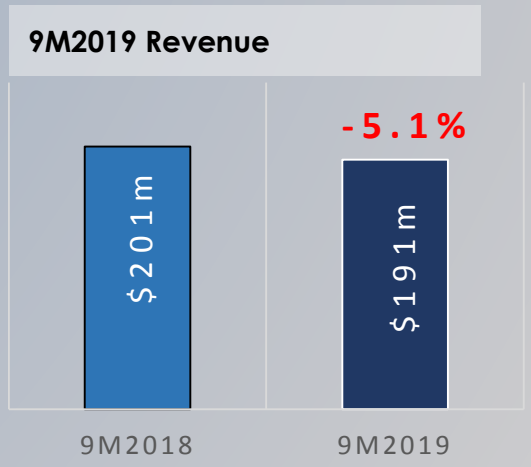
– Higher sales mainly due to successful execution of marketing and branding initiatives in domestic and Indochina markets and favourable translation effect (in local currency, revenue grew 8.1%)

Dairies Singapore/Others

– Decline was due to absence of last year's one-off co-pack export sales

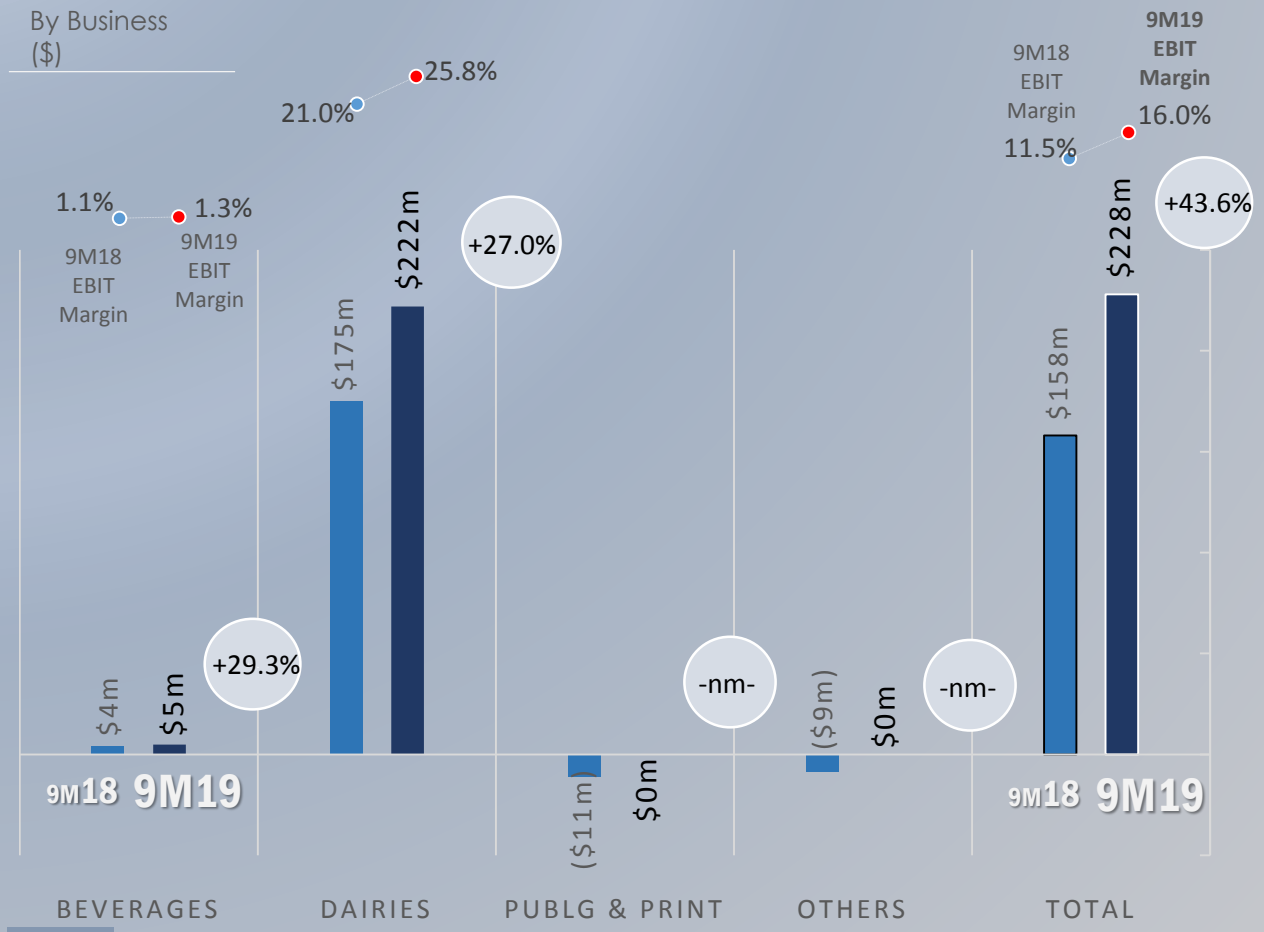
9M2019 Revenue | Publishing & Printing

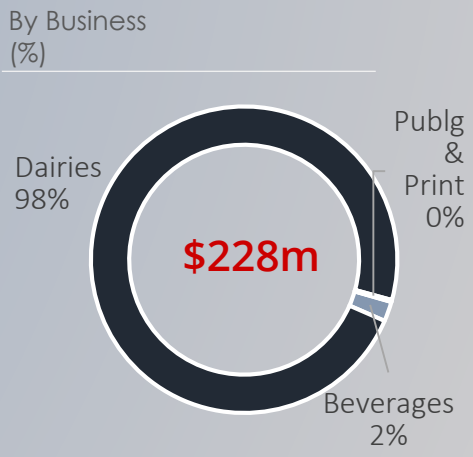
- Revenue fell 5.1% due to
  - Change in sales mix of education publishing business
  - Decline in magazine print volume

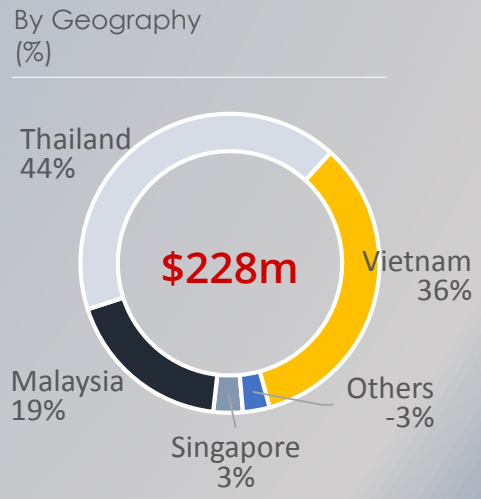


9M2019 EBIT rose 43.6%

All business segments reported earnings growth







[1] Beverages comprises Soft Drinks and Beer
[2] Publg & Print denotes Publishing & Printing

9M2019 EBIT | Beverages

Earnings grew 29.3% mainly due to higher sales and lower sugar costs, despite brewery pre-operating costs of $2.5 million

Beverages Malaysia

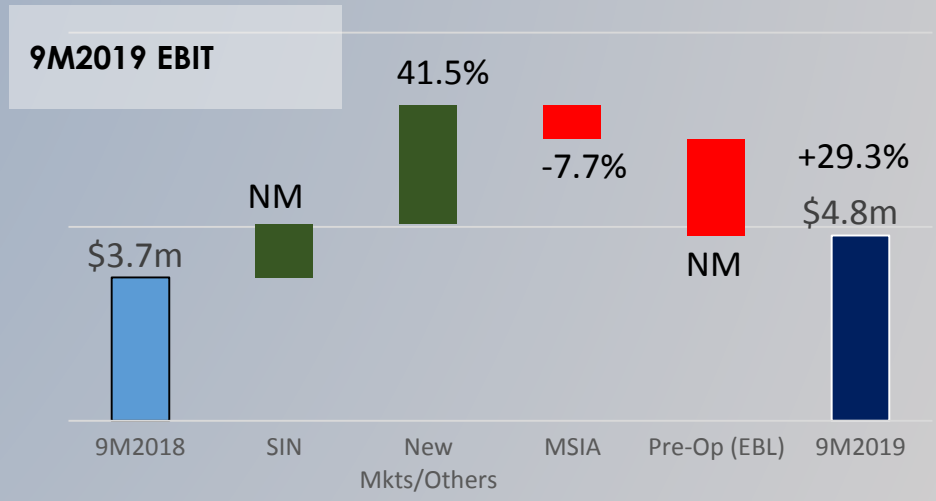
– Despite higher revenue, EBIT dropped due to higher repairs and maintenance costs and depreciation of new capex

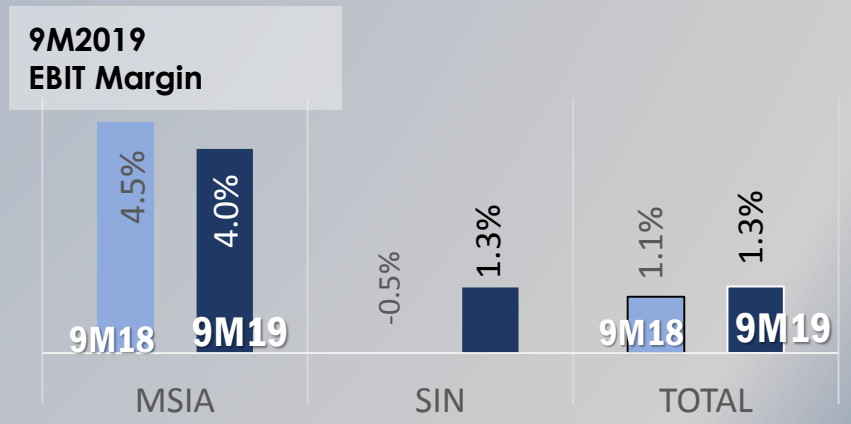
Beverages Singapore

– Largely supported by higher soft drinks and beer sales

Beverages New Markets[1] / Others

– EBIT improvement was largely due to higher sales and lower supply chain costs in Indonesia





Nine-month ended 30 June 2019

[1] New Markets include Indonesia, Myanmar and Vietnam

9M2019 EBIT | Dairies

Earnings increased 27.0% on lower input costs and higher contribution from Vinamilk

Dairies Malaysia

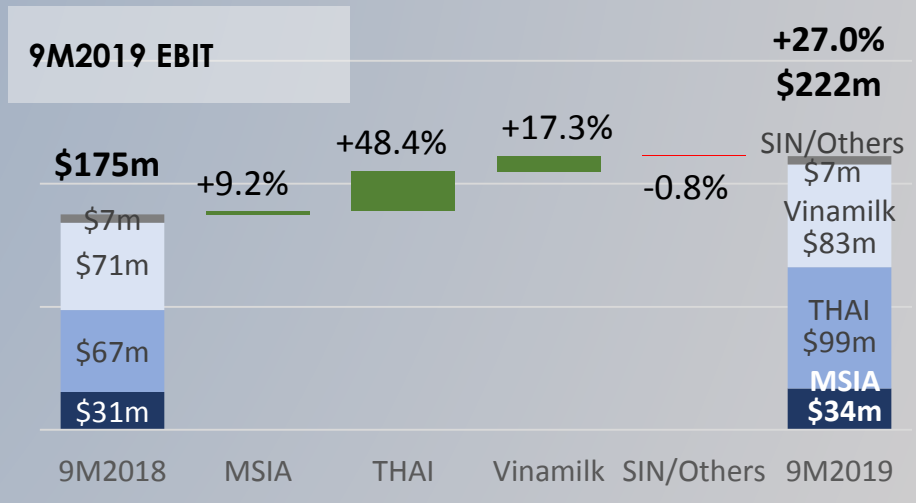
– EBIT increased 9.2% on lower input costs

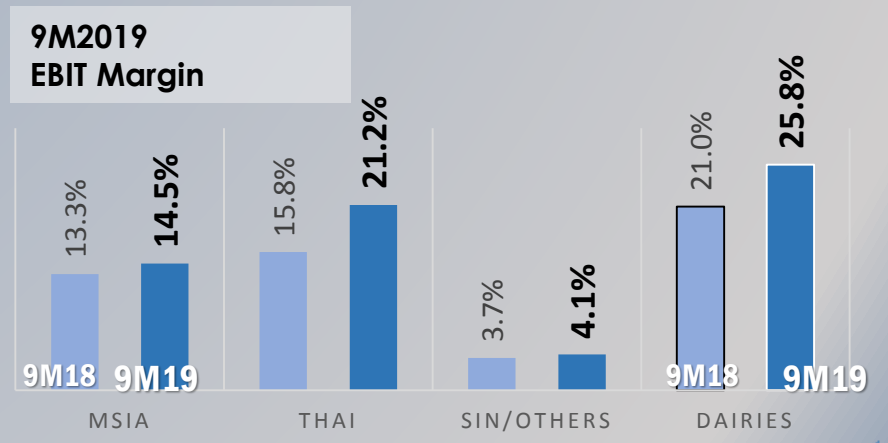
Dairies Thailand

– EBIT increased 48.4% largely driven by higher sales, phasing of marketing spend and favourable input costs on key raw and packaging materials

Vinamilk

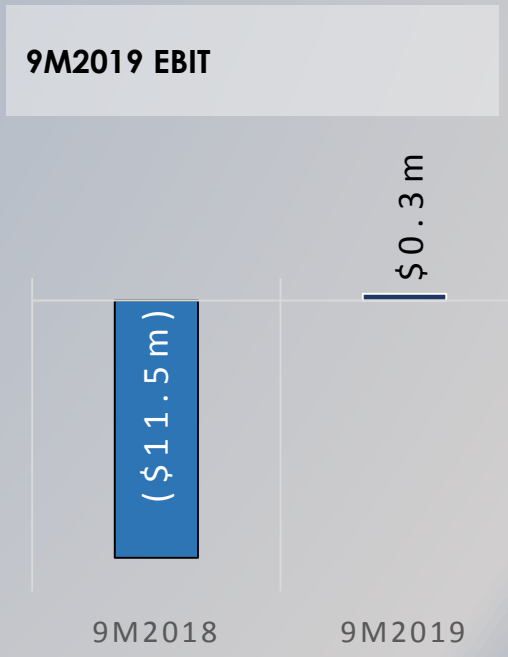
– Increase in share in results of Vinamilk was due to Vinamilk's higher revenue from recovery of domestic demand and absence of last year's one-off expense





9M2019 EBIT | Publishing & Printing

- Earnings improved to $0.3 million from a loss of $11.5 million in the corresponding period last year
  - Mainly driven by maiden profit contribution from newly-acquired business and one-off income from the sale of non-core assets



Maintained a strong financial position

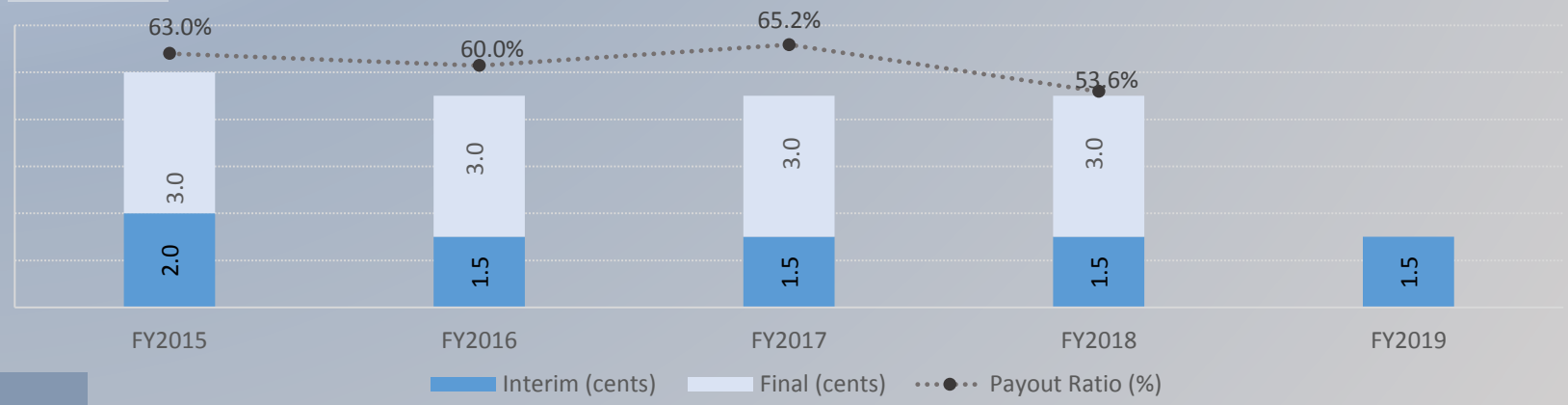
Focused on prudent balance sheet management

- Higher borrowings to finance various acquisitions
- Declared interim dividend of 1.5 cents per share, same as last year; paid in June 2019
  - Takes into account Group's capital position and near-term capital needs
  - Dividend policy unchanged

Key Financials

	FY2018 (restated)	9M2019
Total Equity[1]	$3,168m	$3,238m
Total Assets	$4,491m	$4,512m
Net Borrowings	$341m	$492m

Dividend



Nine-month ended 30 June 2019

[1] Includes non-controlling interest

CORPORATE DEVELOPMENTS



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

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%

20.75%
EFFECTIVE INTEREST
@ April 2019

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



FRASER AND NEAVE, LIMITED

Analyst and media contact:
Jennifer Yu
Head, Investor Relations
T: (65) 6318 9231
E: jenniferyu@fngroup.com.sg

Fraser and Neave, Limited