

# THAI BEVERAGE PUBLIC COMPANY LIMITED

ANNUAL INFORMATION MEETING 2018

21 FEBRUARY 2018



# HIGHLIGHTS FY2017

# Financial Highlights FY17

Revenue from sales  
(million Baht)

189,997

▼ -0.02%

EBITDA

*(before F&N recognition of fair value gains on financial assets of Bt 8,497 m)*

(million Baht)

36,605

▲ 3.3%

EBITDA

(million Baht)

45,102

▲ 27.3%

Net profit

*(before F&N recognition of fair value gains on financial assets of Bt 8,497 m)*

(million Baht)

26,184

▲ 4.6%

Net profit

(million Baht)

34,681

▲ 38.5%

EPS (basic)

*(before F&N recognition of fair value gains on financial assets of Bt 8,497 m)*

(Baht)

1.03

▲ 4.0%

EPS (basic)

(Baht)

1.37

▲ 38.4%

# FY17 Performance Highlights

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## Flat top line, but delivered satisfactory growth in net profit

- Marginal decrease in total sales revenue amid a full year of mourning period
  - Total sales revenue dropped -0.02% to Baht 189,997 million
  - Solid performance in spirits segment
    - Volume +2.7%
    - Value +2.6%
    - Net profit +2.1%
  - Maintain market share in beer
- Rise in net profit\*
  - Maintain good margin in spirits, and turnaround non-alcoholic beverages to be EBITDA positive
  - Net profit from normal operation\* increased 4.6% to Baht 26,184 million
- Full year dividend payment
  - Increase dividend payout from Baht 0.60/share to Baht 0.67/share

\* Excluded F&N recognition of fair value gains on financial assets of Baht 8,497 million



# HIGHLIGHTS

## 1Q18

# Highlights 1Q18

Spice of Asia

76%



Grand Royal Group

75%



KFC in Thailand

252 stores



Saigon Beer-Alcohol-Beverage Corporation

53.59%



# Financial Highlights 1Q18

Revenue from sales  
(million Baht)

45,604

▼ -2.6%

EBITDA

*(exclude finance cost related to Sabeco acquisition and non-recurring expense related to acquisitions)*

(million Baht)

7,941

▼ -24.4%

EBITDA

(million Baht)

5,590

▼ -46.8%

Net profit

*(exclude finance cost related to Sabeco acquisition and non-recurring expense related to acquisitions)*  
(million Baht)

5,476

▼ -29.3%

Net profit

(million Baht)

3,018

▼ -61.0%

EPS (basic)

*(exclude finance cost related to Sabeco acquisition and non-recurring expense related to acquisitions)*

(Baht)

0.21

▼ -32.3%

EPS (basic)

(Baht)

0.12

▼ -61.3%

# 1Q18 Performance Highlights

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- Domestic alcohol beverage was affected by destocking of sales agents' inventory
  - Spirits sales revenue dropped -5.8%
  - Beer sales revenue dropped -4.0%, but maintained market share in beer business
- Improvement in non-alcoholic beverages and food business
  - Non-alcoholic beverages sales revenue increased 5.8%, and lower down in net loss
  - Food reported growth in sales revenue and improvement in margin, driven by contribution from the acquisition of KFC stores
- Non-recurring expenses related to acquisitions of Baht 2,351 million
- Due to the fact that the acquisition of Sabeco was incurred close to the end of December 2017, only assets and liabilities were included in the consolidated statements of financial position, but results of operations and cash flows will be included from the second quarter ended 31 March 2018 onwards in the consolidated statements of income and cash flows

# THAI BEVERAGE PUBLIC COMPANY LIMITED

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**SPIRITS**

21 FEBRUARY 2018



# SPIRITS

  
**BLEND**  
285

  
**HONG**  
**THONG**

*Sang Som*

  
1971  
1971

  
**GRAND**  
**ROYAL**  
GROUP

EST 1826 • WICK • SCOTLAND  
**OLD**  
**PULTENEY**  
SINGLE MALT SCOTCH WHISKY



**anCnoc**  
HIGHLAND SINGLE MALT  
SCOTCH WHISKY

  
**CAORUNN**  
(ka-roon)  
SMALL BATCH SCOTTISH GIN

*Mekhong*  
THE SPIRITS  
OF THAILAND

















Deep Matured Gold Rum  
**PHRAYA**

**HANKEY**  
**BANNISTER**  
BLENDED SCOTCH WHISKY

# Key Thai Spirits Portfolio

Constant Focus To Meet Demand Of The Thai Market...



Brands	FY 2017	FY 2018 Addition / Improvement
	 330 ml.  625 ml.	 Ruangkhao Silver 700 ml.
	 350 ml.  700 ml.	- Packaging Improvement (On Process) -
	 700 ml.  1 Litre  700 ml.	 BLEND 285 New Packaging 700 ml./ 1 Litre
	 300 ml.  700 ml.	 SangSom 1 Litre



# Ruang Khao Silver

Premium White Spirits Made From Selected High-Valued Ingredients



## Ruang Khao Silver White Spirits A Higher Level of Thai White Spirits

Ruang Khao Silver takes the pride of Thai white spirits to the next level with the finest, carefully chosen ingredients. Ruang Khao Silver is an update of the brand's original formula with 35% alcohol content. Smooth, aromatic, sweet and refreshing, it can be enjoyed on its own or as a base in a cocktail. Enhance your drinking experience with Ruang Khao Silver, the premium Thai white spirits made for today's lifestyle.



# SangSom 1 Litre

New Size With Festive Packaging



ฉลองปีใหม่



ชนาใหม่  
ชาไทยแห่งป่า...ดี



# BLEND 285 & BLEND 285 Signature New Packaging

New Packaging Was Launched in Second Half Of Last Year



  
**BLEND**  
285



700 ml.



1 Litre



700 ml.



1 Litre



# KULOV MAX SEVEN

New Gens' RTD Is Available On Shelf This Month In All Channels



## KULOV MAX 7

- Ready to Drink
- 7% Alcohol Content
- Size 250 ml.

# Star Cooler

Brand New Wine Cooler Has Been Introduced In An Exclusive Channel



## Star Cooler

- Fruit Wine
- 5% Alcohol Content
- Size 275 ml.



# International Business

Our International Premium Portfolio Reaches Over 90 Countries Worldwide – Including Thailand



## Single Malt Scotch Whisky

## Super Premium Gin

## Blended Scotch Whisky



# Grand Royal Group - Myanmar

Grand Royal Group Is The Leading Whisky Player in Myanmar Over 60% Market Share



**Economy**

**Standard**

**Super  
Standard**

**Mid**

**Premium**



**Royal  
Gin**



**Eagle**



**Grand  
Royal  
Whisky  
(GRW)**



**Grand  
Royal  
Smooth  
(GSM)**



**Grand  
Royal  
Signature  
(GRS)**



**Special  
Reserve  
(SRW)**



**Double  
Gold  
(DG)**

— The Power of —

# SPIRITS

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# THAI BEVERAGE PUBLIC COMPANY LIMITED

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**BEER**

21 FEBRUARY 2018







LAGER BEER

*Chang*



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





December 2017

We Achieved Our Vision  
- **SABECO** Acquisition -



# KEY GOALS FOR 2018

**Make Chang Beer  
Number One  
In Thailand**





# KEY GOALS FOR 2018

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



# To Achieve this we need to build Strong Brands

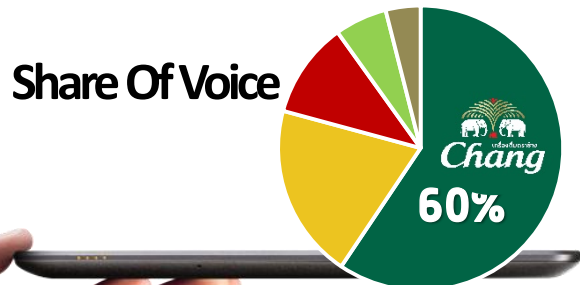
## The Main Pillars Of Activation

### BRAND COMMUNICATION

Thematic Campaign (Top Celebrity)



Number One D&SM Beer Channel



### BRAND EXPERIENTIAL

Nationwide Platforms



### BRAND INNOVATION & QUALITY

Festive Packaging For Modern Trade

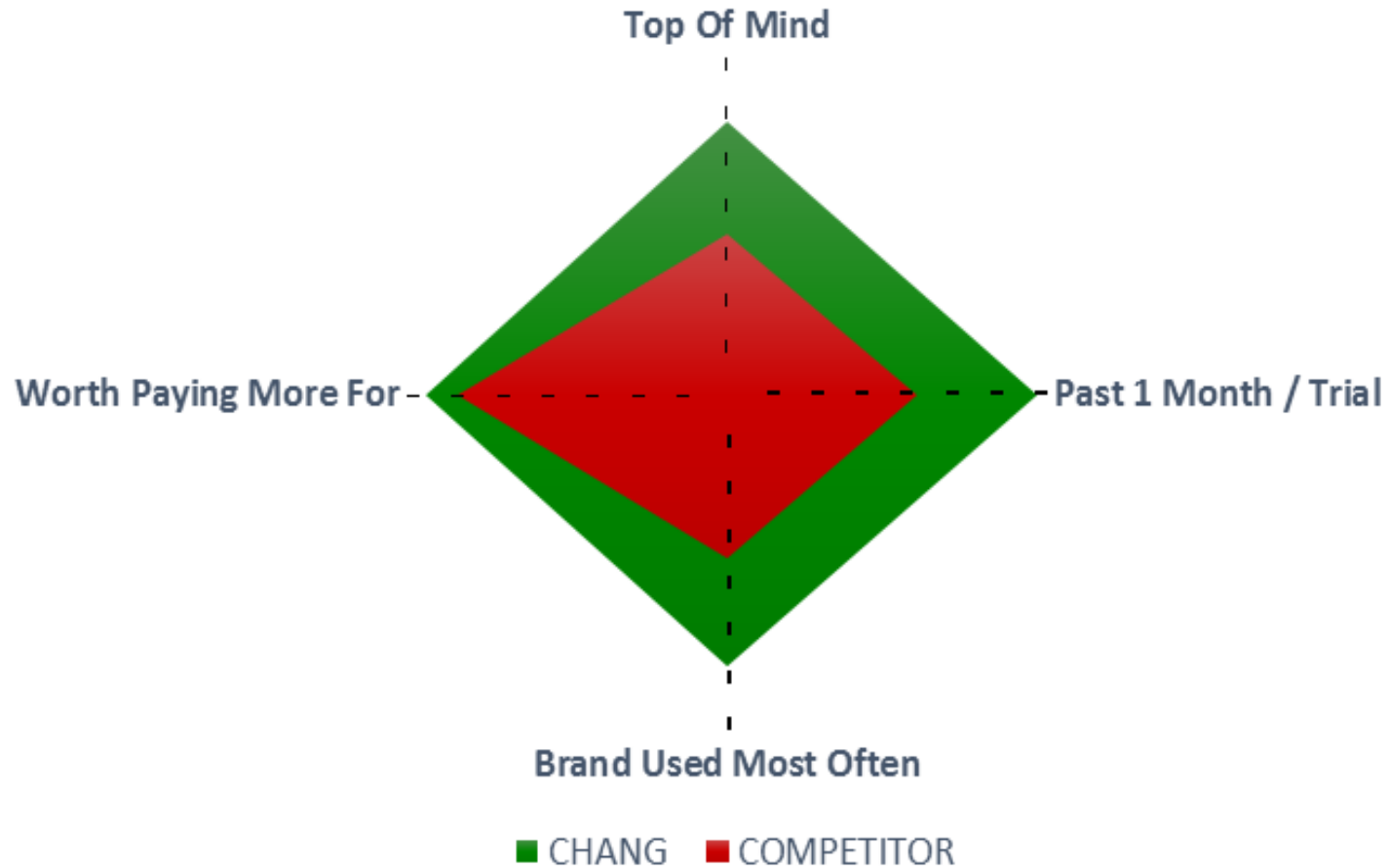


Global Award For Quality





# Key Brand Equity Trackers : Q4 2017



# Adding Value & Creating Brand Desire

## MOVING FORWARD : The Next Few Months Ahead

### CONTINUE ACTIVITIES

Thematic / D&SM Campaigns



Nationwide Platforms



### IMPROVE ROUTE-TO-MARKET



### STRENGTHEN OUR PORTFOLIO








**10 MONTHS AFTER LAUNCH :  
FEDERBRÄU MOVED TO TOP 9  
BRAND IN THE MARKET**



TASTINGS.COM  
POWERED BY THE BEVERAGE TESTING INSTITUTE SINCE 1981

**FULL REVIEW**



93 POINTS

Gold Medal

Exceptional

2018 Best American Style Lager

AWARD WINNING BEER



WORLD BEER AWARDS

GERMAN STYLE PALE LAGER

BEER

DESIGN PACKAGING





Guess!  
Where  
Federbräu  
is?



Now Here!  
7-eleven

# Adding Value & Creating Brand Desire

## MOVING FORWARD : The Next Few Months Ahead

### CONTINUE ACTIVITIES

Thematic / D&SM Campaigns



Nationwide Platforms



### IMPROVE ROUTE-TO-MARKET



### STRENGTHEN OUR PORTFOLIO



### LAUNCH NEW ACTIVITIES

Leverage Festive Periods



Launch New Regional Campaign

ละเมียด

LAMIAT; Lá-miat





**THANK YOU**

# THAI BEVERAGE PUBLIC COMPANY LIMITED

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## Non-Alcoholic Beverages

21 FEBRUARY 2018

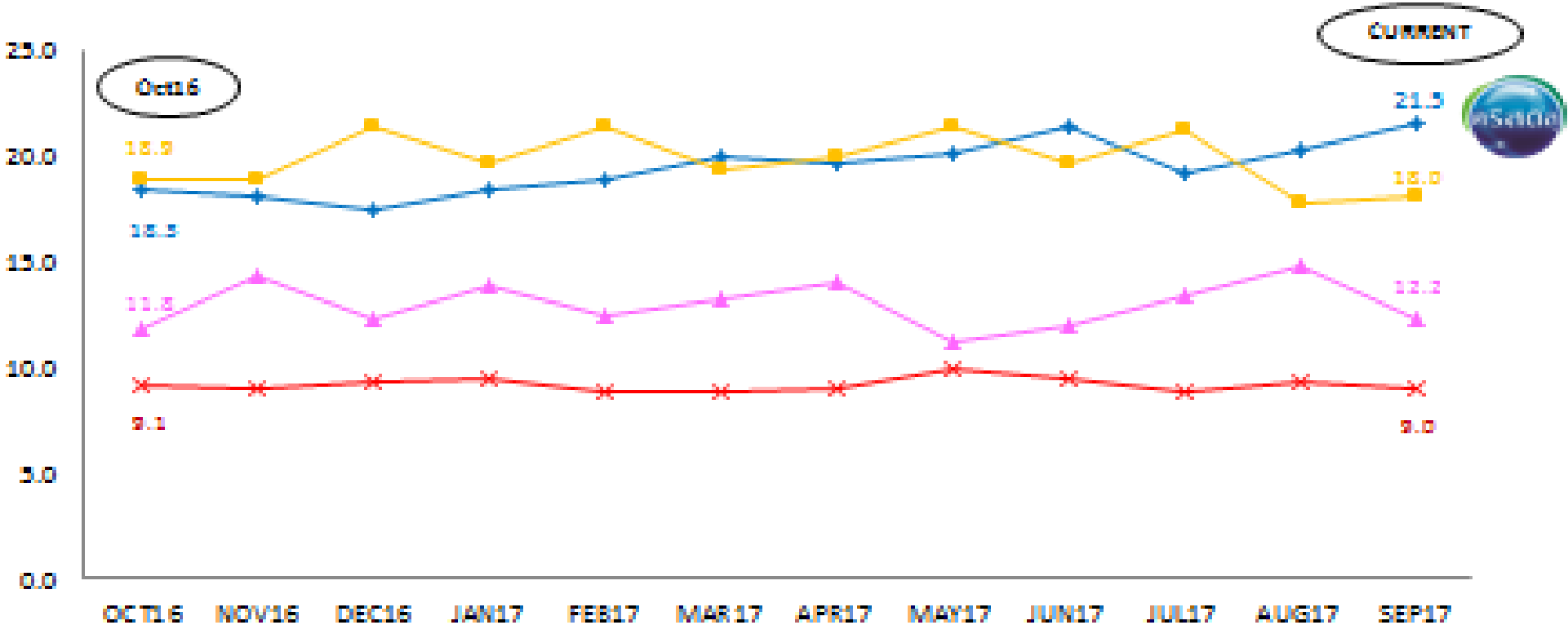


# *Results Highlights 2017*

# PORTFOLIO - A YEAR OF SUCCESS



- Crystal reached No.1 in the market with more 100 million cases sold

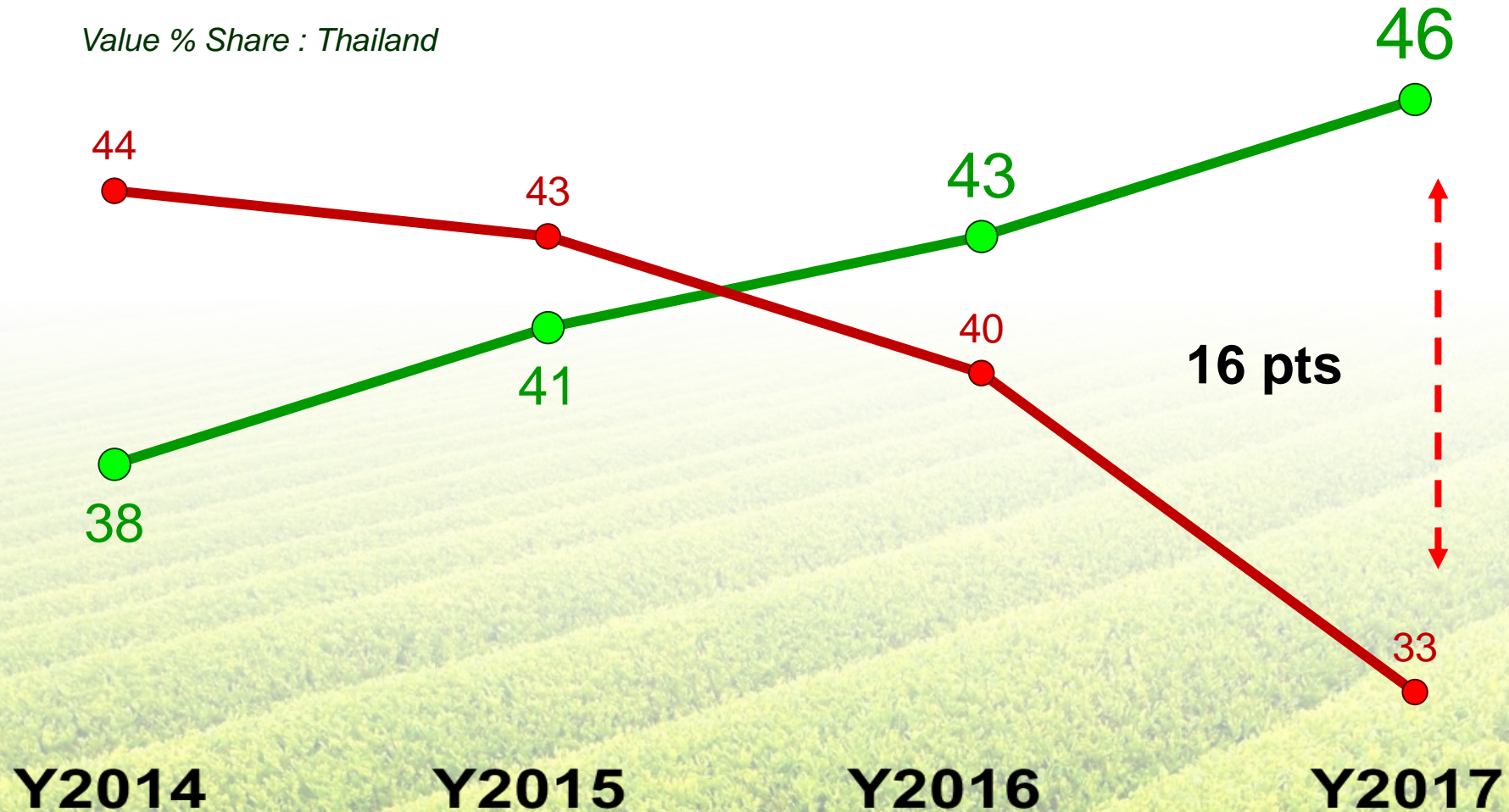




# Oishi remains #1 RTD Tea



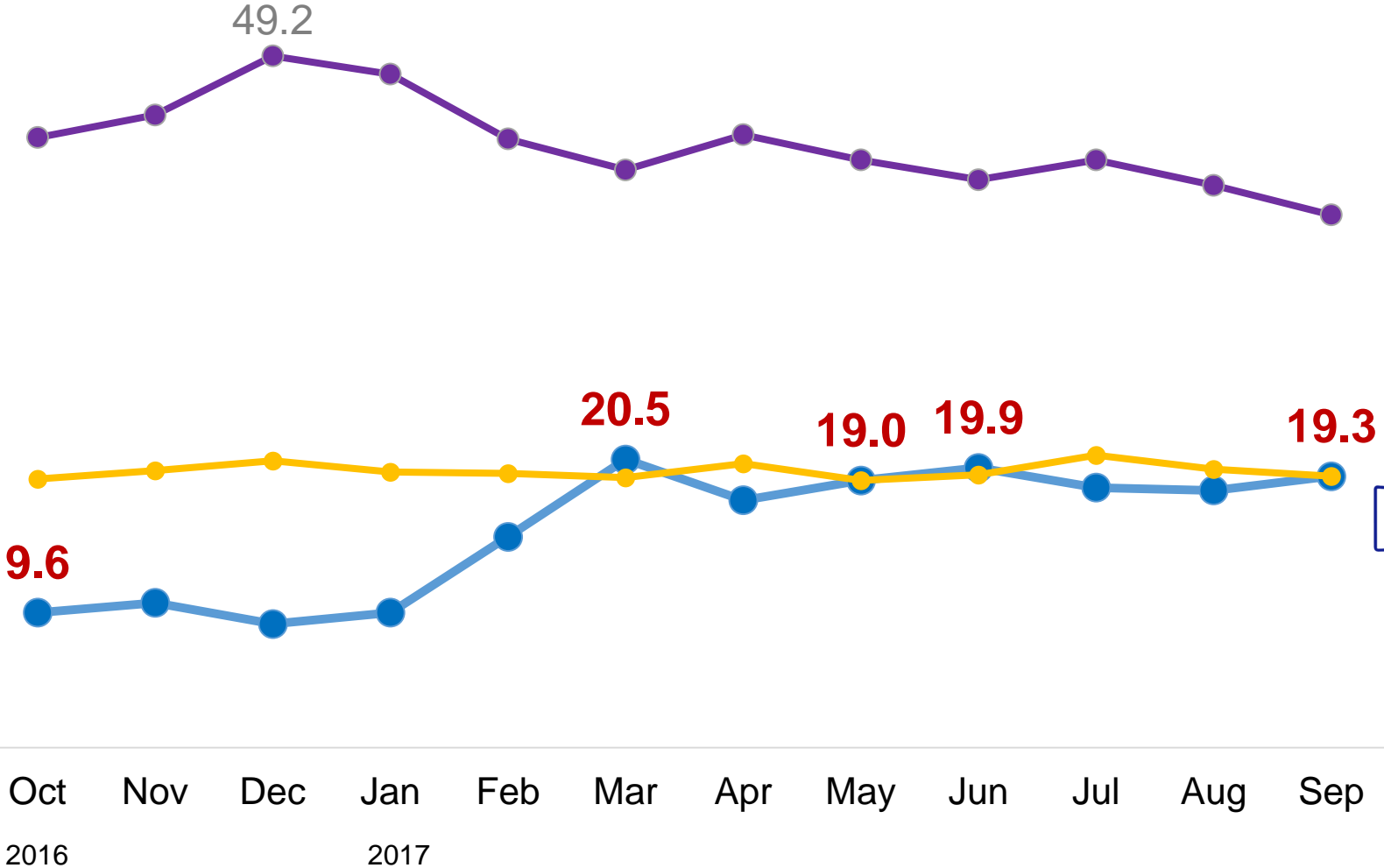
Value % Share : Thailand



# est Play doubles market share to reach #2



Volume % Share : MT



**NEW**



# Non-alcoholic Beverages

Year – on – Year Performance Comparison



# NAB Thailand has....

- **A full portfolio of brands**
- **A full calendar to activities**
- **A full appetite to WIN!**

Thank You

# THAI BEVERAGE PUBLIC COMPANY LIMITED

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**FOOD**

21 FEBRUARY 2018







# F OOD B SINESS







# OUR OPPORTUNITIES IN A FOOD BUSINESS

## 1 GROWING MARKET OF ASEAN CONSUMER FOOD SERVICES

- POSITIVE GROWTH RATE YEAR-ON-YEAR.

## 2 EXPLOITING STRATEGIC SYNERGIES

- LEVERAGE THE COMBINED SCALE OF THAIBEV'S COMPLEMENTARY BEVERAGE AND FOOD BUSINESSES.





# OUR FOOD BUSINESS JOURNEY

BUILD OUR BUSINESS ON **A STRONG FOUNDATION** AND  
THE RIGHT STRUCTURE

2008 - ThaiBev acquired **Oishi**

2015 - Established **FOA**

Dec. 2017 - ThaiBev acquired **KFC** 250+ outlets in Thailand



93 Outlets

2008

Japanese restaurants



266\* Outlets

2017

Expand food brands to Thai ,  
Asean, Chinese, and Western



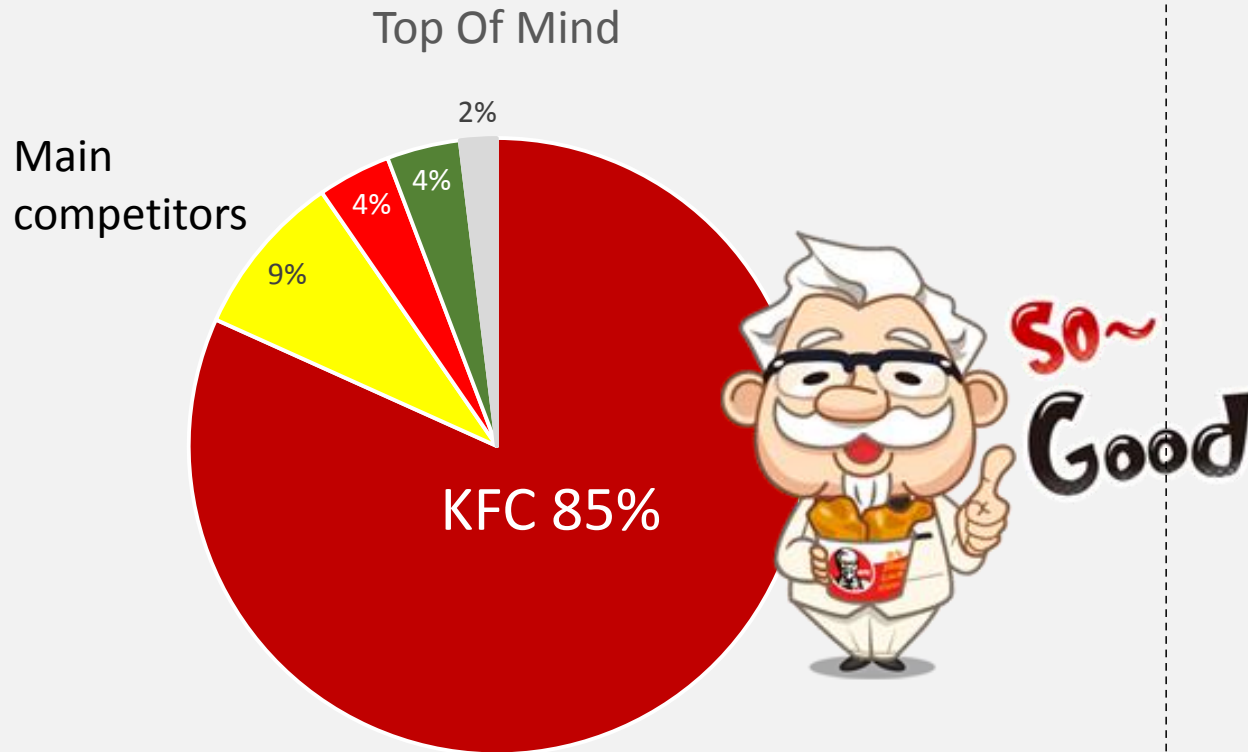
DECEMBER

252 Outlets

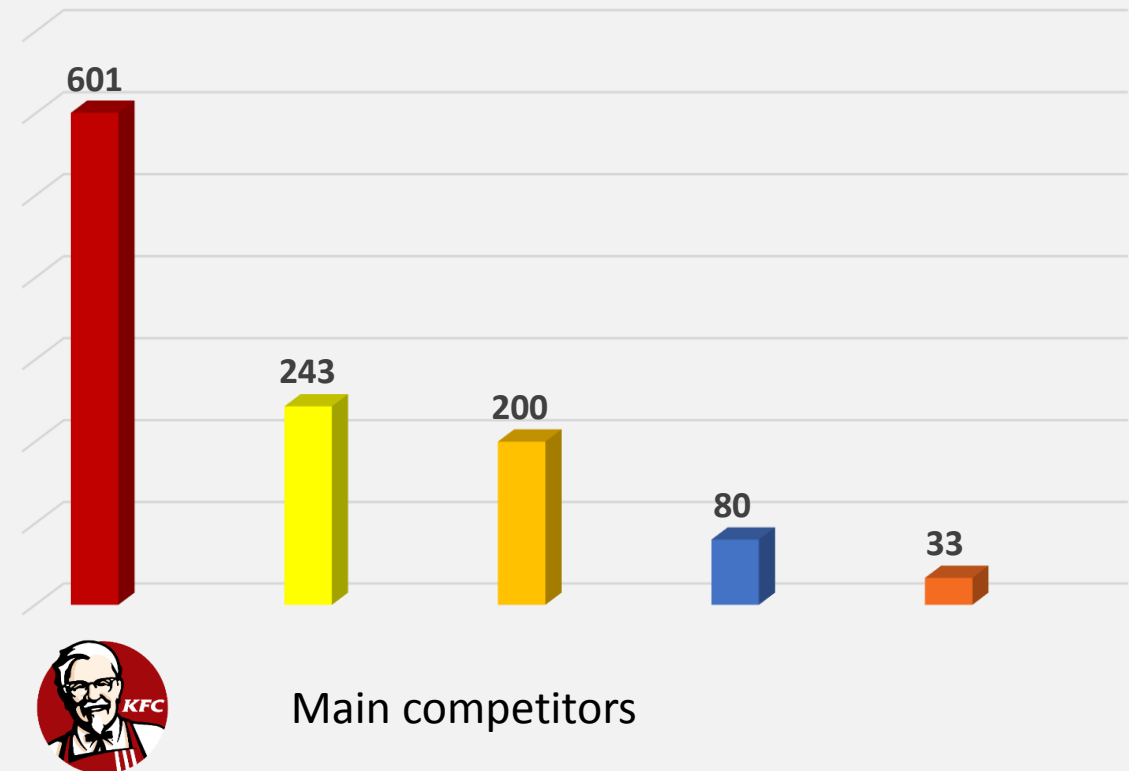
# WHY



## Highest **top-of-mind** QSR brand



## Highest QSR **outlets** in Thailand



Source: Yum!, Millward Brown as of June 2016

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Sources: gotomanager.com - data as of Aug 2017  
bangkokbiznews.com - data as of Jul 2017  
Brand website - data as of Sep 2017



# FOOD BUSINESS 2020 VISION



“ To be the most admired and leading quality food company in THAILAND and ASEAN with wide range of food and services for every lifestyle and occasion ”

# OUR FOOD BUSINESS SERVICE

WE STRIVE TO **SERVE** NEEDS OF CONSUMERS IN **EVERY LIFESTYLE** AND **OCCASION** AS WELL AS VARIETY OF MENUS.





# FOOD BUSINESS FUTURE GROWTH PLAN



## BRAND BUILDING

BRAND PREMIUMIZATION  
BRAND EXTENSION  
BRAND EXPERIENCE



## STORE EXPANSION

TO WIDEN BRAND PRESENCE,  
INCREASING ACCESSIBILITY,  
AND REACH NEW CUSTOMERS.



## PLATFORM EXPANSION

TO DELIVER A SEAMLESS EXPERIENCE TO  
CUSTOMERS, ANY TIME, ANYWHERE.

ONLINE ORDERING & DELIVERY PLATFORM  
CATERING SERVICE  
PACKAGED FOOD



## FOOD INNOVATION

PROACTIVE AND ADAPTING THE  
PRODUCT TO LEAD MARKET  
AND CONSUMER-DRIVEN  
INNOVATION INITIATIVES.





**PASSION TO SERVE CUSTOMERS  
IN EVERY LIFESTYLE AND OCCASION**

**“ Welcome you as our guests ”**



# THAI BEVERAGE PUBLIC COMPANY LIMITED

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## Supply Chain Management

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# UPDATE DJSI Corporate Sustainability Assessment

Creating and Sharing the Value of Growth



# 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/>



# Sustainability Development Roadmap

“ Latest achievement,  
member of DJSI WORLD  
and Emerging Markets ”

Member of DJSI World and Emerging Markets  
Sustainability Awards  
RobecoSAM Silver class  
RobecoSAM Industry Mover

2017

Member of DJSI Emerging Markets  
Sustainability Awards  
RobecoSAM Bronze class  
RobecoSAM Industry Mover

2016

DJSI  
assessment

2015

DJSI  
assessment

2014



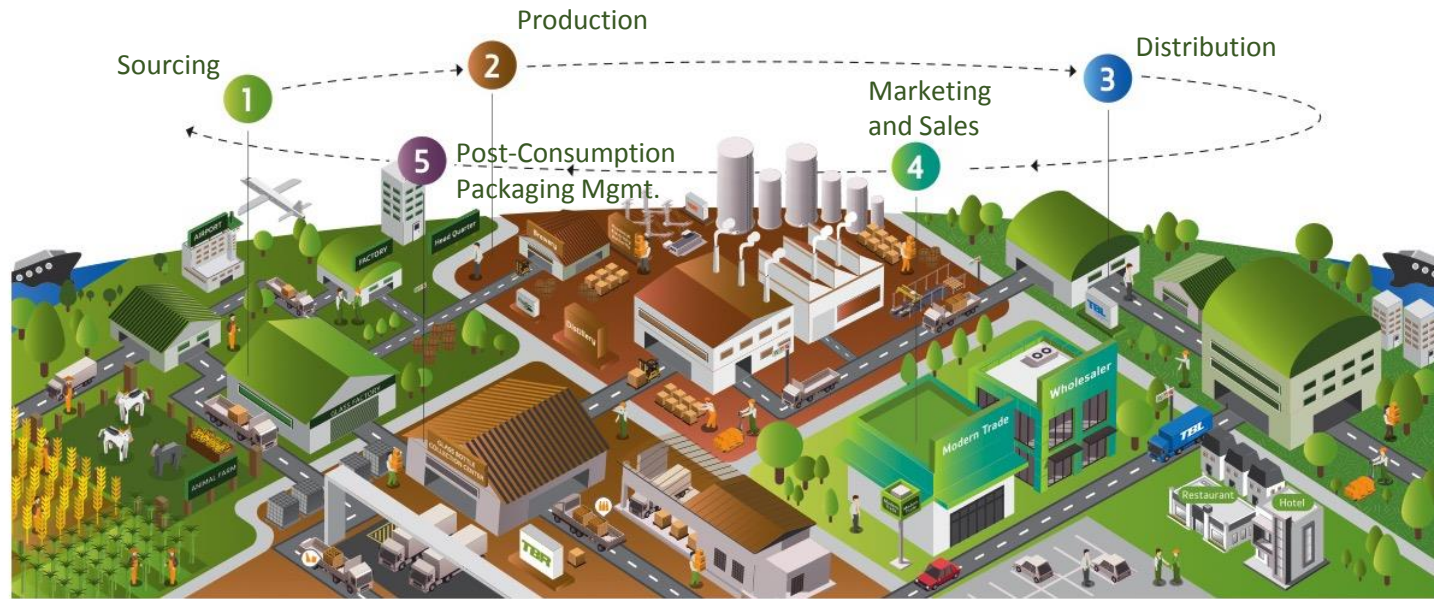
Dow Jones  
Sustainability Indexes

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

Dow Jones Sustainability Indices (DJSI) Assessment



# ThaiBev Value Chain



From 4 dimensions of sustainability development and value creations, ThaiBev manages our value chain through the concept of circular economy, integrating all supply chain partners, collaboratively work together toward the vision of stable and sustainable organization.



**Economy**  
Creating business value



**Environment**  
Managing the impacts from business



**Society**  
Caring and Sharing



**Culture**  
Promoting artistic and Cultural conservation

# DJSI Achievement 2017

COMPANY BENCHMARKING SCORECARD | 2017

Thai Beverage PCL

BVG Beverages

Member of DJSI World, DJSI Emerging Markets  
DJSI Industry Mover

**2** Perfect percentile 100<sup>th</sup>,  
Top of World Industry Group

1. Supply Chain Management
2. Risk & Crisis Management

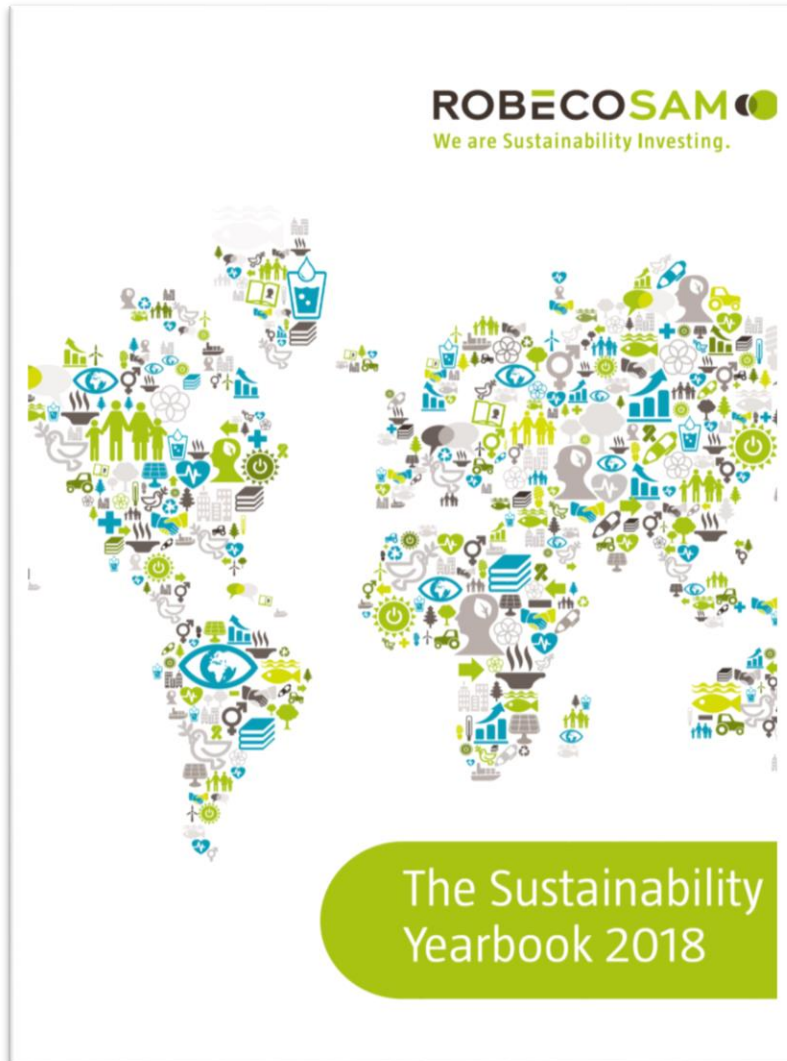
Perfect score in **9** business areas  
(score and percentile)

1. Health & Nutrition
2. Brand Management
3. Innovation Management
4. Raw Material Sourcing
5. Packaging
6. Environmental Reporting
7. Corporate Citizenship and Philanthropy
8. Policy Influence
9. Materiality

Announced on September 7, 2017

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

# DJSI Achievement 2018 & Global Trends (Beverages Industry)



Source: <http://www.robecosam.com/>

- Water-related risk became a priority issue
- Increase demand for healthier product
- Opportunities in emerging market due to increasing demand
- Challenges in new advertising and tax regulations

## Sustainability leaders 2018

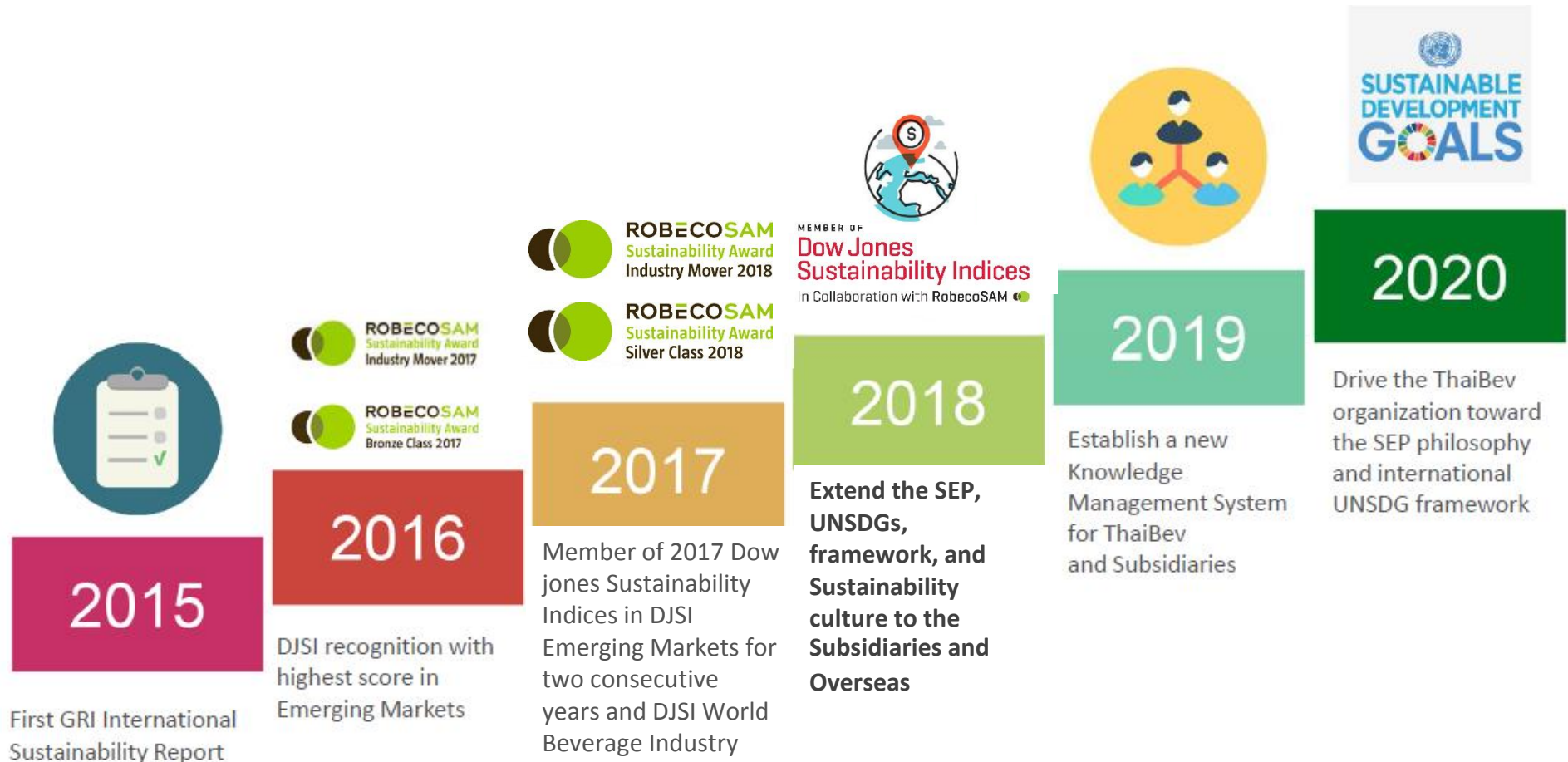
	<b>RobecoSAM Gold Class</b>	
	European Beverage Company	Switzerland
	<b>RobecoSAM Silver Class</b>	
	Thai Beverage PCL*	Thailand

\*DJSI Industry Mover

### Total score



# ThaiBev Sustainability Development Roadmap





# THAI BEVERAGE PUBLIC COMPANY LIMITED

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## Human Capital

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# Limitless Opportunities For ThaiBev's Employees

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**“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**

# Limitless Opportunities

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## Limitless Opportunities

Because... ThaiBev believes in **human potential for greatness**

Because... ThaiBev believes that **challenges make people grow**

Because... ThaiBev believes that **once employees help others grow, they grow themselves**

At ThaiBev **“opportunities... are limitless”** for every employee.



Opportunities...  
**to develop  
and show  
full potential**

Opportunities...  
**to connect and  
build a strong  
network**

Opportunities...  
**to make a  
difference to  
society**



# 7 Strategic Focus In Human Capital Management

Strengthening employees for continuous business growth, creating solidarity in the organization, and preparing employees for changes.



# ThaiBev Development Program





# ThaiBev Development Programs





# The Creation of Coaching Culture

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**ThaiBev has created coaching culture in the organization by the world's renowned leadership coach, Dr. Marshall Goldsmith**

The purpose is to create understanding of the importance of coaching, and discovering answers through creating inspiration.

- ThaiBev created the Coaching Club in 2017 to provide an opportunity for those passed the coaching course to share experiences of the application of coaching in their work.
- Employees who are certified coaches have shared their knowledge and helped create coaching culture in a tangible way.



# Innovation in Human Capital Management

Beverest with objective of promoting efficient HC management and development





# Smooth QSA-KFC And Grand Royal Integration

