

Thai Beverage PLC

1H18 Financial Results

(First Half Ended 31 March 2018)

Note on Forward Looking Statements

- 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.
- Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of ThaiBev. In particular, such targets should not be regarded as a forecast or projection of future performance of ThaiBev. It should be noted that the actual performance of ThaiBev may vary significantly from such targets.

Understanding this Presentation

Acquisitions

- In the second quarter ended 31 March 2018, the Company completed an acquisition of
 - 75% shareholding interest in Havi Logistic Co.,Ltd. (Havi), which operates logistic businesses for food services in Thailand, by Thai Beverage Logistics Co.,Ltd., a wholly owned subsidiary of the Company on 28 February 2018.
 - The Company has included the assets and liabilities of Havi in the consolidated statements of financial position and the results of operations and cash flows in the consolidated statement of income and cash flows respectively from March 2018 onwards.
 - Havi's operations were recognized under the food business segment.
- In the first quarter ended 31 December 2017, the Company completed 4 acquisitions of
 1. a 76% shareholding interest in Spice of Asia Co.,Ltd. (SOA) on 3 October 2017 to operate 10 stores of restaurants serving hotpot and Thai food
 2. a 75% shareholding interest in Myanmar Supply Chain and Marketing Services Co.,Ltd. and Myanmar Distillery Co.,Ltd. (MSC & MDC), which incorporated in the Republic of the Union of Myanmar, on 12 October 2017 to operate spirits business in Myanmar
 3. 252 existing KFC stores in Thailand by The QSR of Asia Co.,Ltd. (QSA), a wholly-owned subsidiary of the Company on 1 December 2017
 4. a 53.59% shareholding interest in Saigon Beer – Alcohol – Beverage Joint Stock Corporation (Sabeco), a company incorporated in The Socialist Republic of Vietnam and currently listed in Ho Chi Minh Stock Exchange (HOSE), on 29 December 2017 to operate mainly in beer business.

Understanding this Presentation

Acquisitions

- The Company has included the assets and liabilities of SOA, MSC & MDC and QSA in the consolidated statements of financial position as at 31 December 2017. The results of operations and cash flows for the period of October to December 2017 of SOA, MSC & MDC and QSA were included in the consolidated statements of income and cash flows respectively.
- Due to 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 of the first quarter, but results of operations and cash flows were included in the consolidated statements of income and cash flows of the second quarter ended 31 March 2018 onwards.
- SOA and QSA's operations were recognized under food business. MSC & MDC's operations were recognized under spirits business. Sabeco's operations were recognized under beer business.
- The Company obtained bridging loans from various local and foreign banks to fund the acquisition in the first quarter ended 31 December 2017. The Company has managed to take out short term debts to long term debts in March 2018 about Baht 50,000 million which lowered short term debts and turned current ratio from under 1.0 in last quarter to be over 1.0 in this quarter.

Understanding this Presentation

Excise tax

- Effective from 26 January 2018, all alcoholic beverages and tobacco products, both imported and domestically produced, have been charged an additional 2% of excise tax by law to contribute to the Elderly Fund.
- The new Excise Tax Act is effective from 16 September 2017. The key change to alcoholic beverages is the tax collection method based on a suggested retail price instead of the last wholesale price. However, the excise tax calculation is still based on both ad valorem rates (a percentage of suggested retail price) and specific rates (Baht per litre of pure alcohol content). The excise tax rate is also changed per below:

Beer

- Prior: 155 Baht per litre of pure alcohol content and 48% of the last wholesale price exclude VAT.
- New: 430 Baht per litre of pure alcohol content and 22% of the suggested retail price exclude VAT.

White spirits

- Prior: 145 Baht per litre of pure alcohol content and 4% of the last wholesale price exclude VAT.
- New: 155 Baht per litre of pure alcohol content and 2% of the suggested retail price exclude VAT.

Other distilled liquor

- Prior: 250 Baht per litre of pure alcohol content and 25% of the last wholesale price exclude VAT.
- New: 255 Baht per litre of pure alcohol content and 20% of the suggested retail price exclude VAT.

- For non-alcoholic beverages - artificial mineral water, soda water, carbonated soft drinks, fruit and vegetable juice which have no alcohol or have alcohol content not exceed 0.5% and are in airtight packaging, the key change is the tax collection method based on a suggested retail price instead of the ex-factory price and the excise sugar tax which is implemented for the first time ever. The excise tax is based on both ad valorem rates (a percentage of suggested retail price) and specific rates (Baht per gram of sugar content). The beverage with over 6 grams of sugar per 100 ml. will be subject to the new specific sugar tax which the rate will be increased every two years until 1 October 2023 onwards.

Understanding this Presentation

- 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
- Volumes in millions of liters unless otherwise stated
- EBITDA = Earnings from total revenues before interest expense, income tax, depreciation, and amortization

Highlights

2Q18 Performance Highlights

- Domestic alcohol beverage showed an improvement in spirits segment
 - Spirits sales volume (exclude Grand Royal Group) increased 0.7%
- Growth in attributable profit from spirits and food business
 - Spirits attributable profit increased 2.8%, contributed from Grand Royal Group
 - Food reported drastic growth in sales revenue and improvement in margin, driven by contribution from the acquisition of KFC stores
- The results of operations and cash flows of Sabeco were already included in the consolidated statements of income and cash flows in 2Q18
 - Sabeco's operations were recognized under beer business
 - Sabeco contributed positive net profit to beer business, due to the finance cost related to Sabeco's acquisition was lower than their profit
- Refinance of bridging loans
 - Bridging loans from various local and foreign banks were obtained to fund the acquisitions in 1Q18
 - The Company has managed to take out short term debts to long term debts in March 2018 about Baht 50,000 million
 - The Company will further manage to take out short term debts to long term debts per approval at the Extraordinary General Meeting of Shareholders on 30 April 2018

1H18 Performance Highlights

- Domestic alcohol beverage was affected by destocking of sales agents' inventory
- Improvement in food business, driven by contribution from the acquisition of KFC stores
- Non-recurring expenses related to acquisitions and finance cost before taking Sabeco results of Baht 2,459 million
- Due to 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 of 1Q18, but results of operations and cash flows were included in the consolidated statements of income and cash flows of 2Q18 onwards.

Group Financial Highlights 2Q18

Revenue from sales (million Baht) **67,603** ▲ 34.3%

EBITDA
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

11,898

▲ 28.2%

EBITDA
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

11,897

▲ 28.2%

Net profit
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

7,434

▲ 13.0%

Net profit
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

7,433

▲ 13.0%

EPS (basic)
(exclude a non-recurring expense relating to business acquisitions)
(Baht)

0.25

▼ -3.8%

EPS (basic)
(exclude a non-recurring expense relating to business acquisitions)
(Baht)

0.25

▼ -3.8%

Attributable Profit
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

6,346

▼ -3.2%

Attributable Profit
(exclude a non-recurring expense relating to business acquisitions)
(million Baht)

6,345

▼ -3.2%

* Note: non-recurring expenses relating to Havi acquisition of Baht 1 million

Group Financial Highlights 1H18

Revenue from sales (million Baht)

113,207 ▲ 16.5%

EBITDA

(exclude a non-recurring expense relating to business acquisitions and finance cost relating to Sabeco acquisition before results taking)

(million Baht)

19,839

▲ 0.3%

EBITDA

(million Baht)

17,487

▼ -11.6%

Net profit

(exclude a non-recurring expense relating to business acquisitions and finance cost relating to Sabeco acquisition before results taking)

(million Baht)

12,910

▼ -9.9%

Net profit

(million Baht)

10,451

▼ -27.0%

EPS (basic)

(exclude a non-recurring expense relating to business acquisitions and finance cost relating to Sabeco acquisition before results taking)

(Baht)

0.47

▼ -17.9%

EPS (basic)

(Baht)

0.37

▼ -35.1%

Attributable Profit

(exclude a non-recurring expense relating to business acquisitions and finance cost relating to Sabeco acquisition before results taking)

(million Baht)

11,715

▼ -17.9%

Attributable Profit

(million Baht)

9,256

▼ -35.1%

* Note: a non-recurring expenses relating to business acquisition of Baht 2,352 million, and a finance cost before taking Sabeco results of Baht 107 million

Interim Dividend

Dividend Payment	Interim'17 (Oct 16 - Mar 17)	Interim'18 (Oct 17 - Mar 18)
Net Profit belonging to the Company <i>(Million Baht)</i>	14,272	9,256
Number of Shares <i>(Million Shares)</i>	25,110	25,111
Interim Dividend <i>(Million Baht)</i>	5,022	3,767
Dividend per share (Baht)	0.20	0.15



Dividend Payment

(M Baht)

	2Q17 Jan17 - Mar17	2Q18 Jan18 - Mar18	Change
Sales Revenue	50,347	67,603	34.3%
COGS	(34,798)	(47,764)	
<i>% of Sales Revenue</i>	<i>69.1%</i>	<i>70.7%</i>	
SG&A	(8,125)	(10,850)	
<i>% of Sales Revenue</i>	<i>16.1%</i>	<i>16.0%</i>	
EBITDA (exclude F&N/FPL, and non-recurring expenses)	8,789	11,338	29.0%
Net Profit (exclude F&N/FPL, non-recurring expenses)	6,228	6,949	11.6%
F&N/FPL EBITDA (from normal operation)	493	560	
F&N/FPL Net Profit (from normal operation)	351	485	
EBITDA (exclude non-recurring expenses)	9,282	11,898	28.2%
Net Profit (exclude non-recurring expenses)	6,579	7,434	13.0%
Non-recurring cost relating to business acquisitions	-	(1)	
Finance cost relating to Sabeco acquisition before results taking	-	-	
EBITDA	9,282	11,897	28.2%
Net Profit	6,579	7,433	13.0%
Attributable Profit to:			
Owners of the Company	6,557	6,345	-3.2%
Non-controlling interests	22	1,088	
Attributable Profit (exclude non-recurring expenses):	6,557	6,346	-3.2%
Margin*			
EBITDA (exclude F&N/FPL, and non-recurring expenses)	17.5%	16.8%	
Net Profit (exclude F&N/FPL, and non-recurring expenses)	12.4%	10.3%	
EBITDA (exclude non-recurring expenses)	18.4%	17.6%	
Net Profit (exclude non-recurring expenses)	13.1%	11.0%	
EBITDA	18.4%	17.6%	
Net Profit	13.1%	11.0%	

* margins are % of sales revenue

Consolidated: 2Q18 Highlights

(M Baht)

	1H17 Oct16 - Mar17	1H18 Oct17 - Mar18	Change
Sales Revenue	97,176	113,207	16.5%
COGS	(67,329)	(79,480)	
<i>% of Sales Revenue</i>	<i>69.3%</i>	<i>70.2%</i>	
SG&A	(14,972)	(19,862)	
<i>% of Sales Revenue</i>	<i>15.4%</i>	<i>17.6%</i>	
EBITDA (exclude F&N/FPL, and non-recurring expenses)	17,510	18,487	5.6%
Net Profit (exclude F&N/FPL, non-recurring expenses, finance cost relating to Sabeco acquisition before results taking)	12,366	11,743	-5.0%
F&N/FPL EBITDA (from normal operation)	2,275	1,352	
F&N/FPL Net Profit (from normal operation)	1,956	1,167	
EBITDA (exclude non-recurring expenses)	19,785	19,839	0.3%
Net Profit (exclude non-recurring expenses, finance cost relating to Sabeco acquisition before results taking)	14,322	12,910	-9.9%
Non-recurring cost relating to business acquisitions	-	(2,352)	
Finance cost relating to Sabeco acquisition before results taking	-	(107)	
EBITDA	19,785	17,487	-11.6%
Net Profit	14,322	10,451	-27.0%
Attributable Profit to:			
Owners of the Company	14,272	9,256	-35.1%
Non-controlling interests	50	1,195	
Attributable Profit (exclude non-recurring expenses, finance cost relating to Sabeco acquisition before results taking):	14,272	11,715	-17.9%
Margin*			
EBITDA (exclude F&N/FPL, and non-recurring expenses)	18.0%	16.3%	
Net Profit (exclude F&N/FPL, non-recurring expenses, finance cost relating to Sabeco acquisition before results taking)	12.7%	10.4%	
EBITDA (exclude non-recurring expenses)	20.4%	17.5%	
Net Profit (exclude non-recurring expenses, finance cost relating to Sabeco acquisition before results taking)	14.7%	11.4%	
EBITDA	20.4%	15.4%	
Net Profit	14.7%	9.2%	

* margins are % of sales revenue

Consolidated: 1H18 Highlights

Consolidated: 2Q18 Highlights

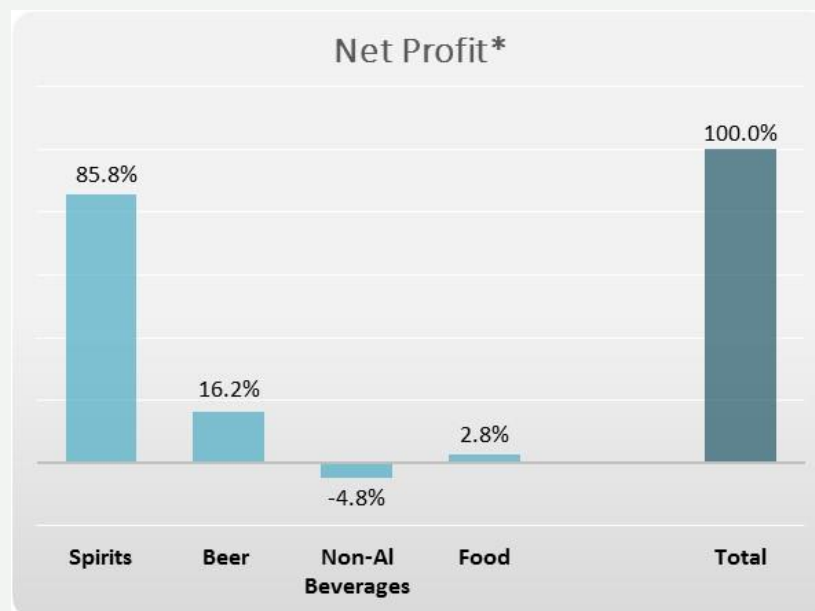
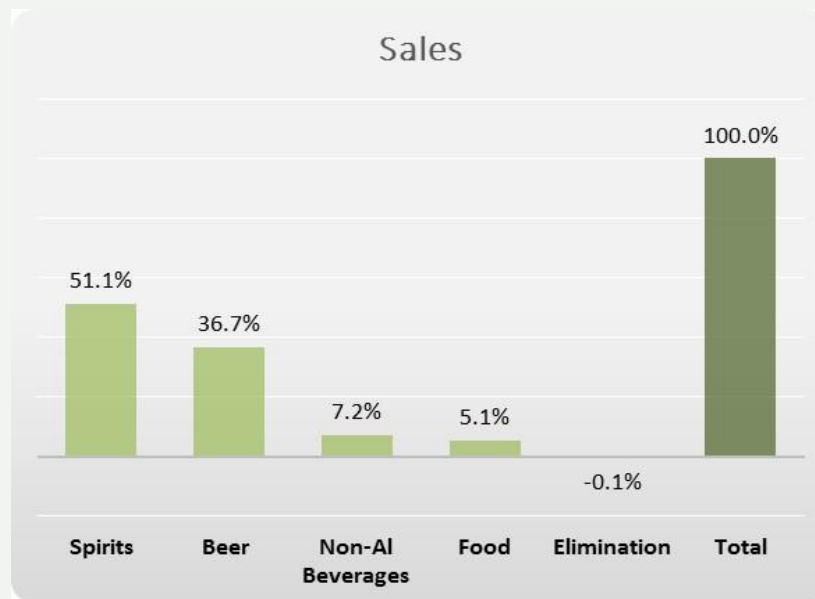
	ThaiBev	F&N / FPL	Total	(M Baht)
2Q18				
Sales	67,603	-	67,603	
Gross Profit	19,839	-	19,839	
EBITDA	11,337	560	11,897	
Net Profit	6,948	485	7,433	
Attributable Profit (Loss) by Business:	5,860	485	6,345	
<i>Spirits</i>	5,696	-	5,696	
<i>Beer</i>	307	-	307	
<i>Non-Alcohol</i>	(351)	-	(351)	
<i>Food</i>	209	-	209	
<i>Non-recurring cost relating to business acquisition</i>	(1)	-	(1)	
<i>F&N/FPL</i>	-	485	485	
2Q17				
Sales	50,347	-	50,347	
Gross Profit	15,549	-	15,549	
EBITDA	8,789	493	9,282	
Net Profit	6,228	351	6,579	
Attributable Profit (Loss) by Business:	6,206	351	6,557	
<i>Spirits</i>	5,541	-	5,541	
<i>Beer</i>	923	-	923	
<i>Non-Alcohol</i>	(286)	-	(286)	
<i>Food</i>	28	-	28	
<i>Non-recurring cost relating to business acquisition</i>	-	-	-	
<i>F&N/FPL</i>	-	351	351	
Increase (Decrease)				
Sales	17,256	-	17,256	
Gross Profit	4,290	-	4,290	
EBITDA	2,548	67	2,615	
Net Profit	720	134	854	
Attributable Profit (Loss) by Business:	(346)	134	(212)	
<i>Spirits</i>	155	-	155	
<i>Beer</i>	(616)	-	(616)	
<i>Non-Alcohol</i>	(65)	-	(65)	
<i>Food</i>	181	-	181	
<i>Non-recurring cost relating to business acquisition</i>	(1)	-	(1)	
<i>F&N/FPL</i>	-	134	134	
% Increase (Decrease)				
Sales	34.3%	-	34.3%	
Gross Profit	27.6%	-	27.6%	
EBITDA	29.0%	13.6%	28.2%	
Net Profit	11.6%	38.2%	13.0%	
Attributable Profit (Loss) by Business:	(5.6%)	38.2%	(3.2%)	
<i>Spirits</i>	2.8%	-	2.8%	
<i>Beer</i>	(66.7%)	-	(66.7%)	
<i>Non-Alcohol</i>	(22.7%)	-	(22.7%)	
<i>Food</i>	646.4%	-	646.4%	
<i>Non-recurring cost relating to business acquisition</i>	-	-	-	
<i>F&N/FPL</i>	-	38.2%	38.2%	

Consolidated: 1H18 Highlights

	ThaiBev	F&N / FPL	Total	(M Baht)
1H18				
Sales	113,207	-	113,207	
Gross Profit	33,727	-	33,727	
EBITDA	16,135	1,352	17,487	
Net Profit	9,284	1,167	10,451	
Attributable Profit (Loss) by Business:	8,089	1,167	9,256	
<i>Spirits</i>	9,532	-	9,532	
<i>Beer</i>	1,306	-	1,306	
<i>Non-Alcohol</i>	(597)	-	(597)	
<i>Food</i>	307	-	307	
<i>Non-recurring cost relating to business acquisition</i>	(2,459)	-	(2,459)	
<i>F&N/FPL</i>	-	1,167	1,167	
1H17				
Sales	97,176	-	97,176	
Gross Profit	29,847	-	29,847	
EBITDA	17,510	2,275	19,785	
Net Profit	12,366	1,956	14,322	
Attributable Profit (Loss) by Business:	12,316	1,956	14,272	
<i>Spirits</i>	10,653	-	10,653	
<i>Beer</i>	2,183	-	2,183	
<i>Non-Alcohol</i>	(553)	-	(553)	
<i>Food</i>	33	-	33	
<i>Non-recurring cost relating to business acquisition</i>	-	-	-	
<i>F&N/FPL</i>	-	1,956	1,956	
Increase (Decrease)				
Sales	16,031	-	16,031	
Gross Profit	3,880	-	3,880	
EBITDA	(1,375)	(923)	(2,298)	
Net Profit	(3,082)	(789)	(3,871)	
Attributable Profit (Loss) by Business:	(4,227)	(789)	(5,016)	
<i>Spirits</i>	(1,121)	-	(1,121)	
<i>Beer</i>	(877)	-	(877)	
<i>Non-Alcohol</i>	(44)	-	(44)	
<i>Food</i>	274	-	274	
<i>Non-recurring cost relating to business acquisition</i>	(2,459)	-	(2,459)	
<i>F&N/FPL</i>	-	(789)	(789)	
% Increase (Decrease)				
Sales	16.5%	-	16.5%	
Gross Profit	13.0%	-	13.0%	
EBITDA	(7.9%)	(40.6%)	(11.6%)	
Net Profit	(24.9%)	(40.3%)	(27.0%)	
Attributable Profit (Loss) by Business:	(34.3%)	(40.3%)	(35.1%)	
<i>Spirits</i>	(10.5%)	-	(10.5%)	
<i>Beer</i>	(40.2%)	-	(40.2%)	
<i>Non-Alcohol</i>	(8.0%)	-	(8.0%)	
<i>Food</i>	830.3%	-	830.3%	
<i>Non-recurring cost relating to business acquisition</i>	-	-	-	
<i>F&N/FPL</i>	-	(40.3%)	(40.3%)	

1H18

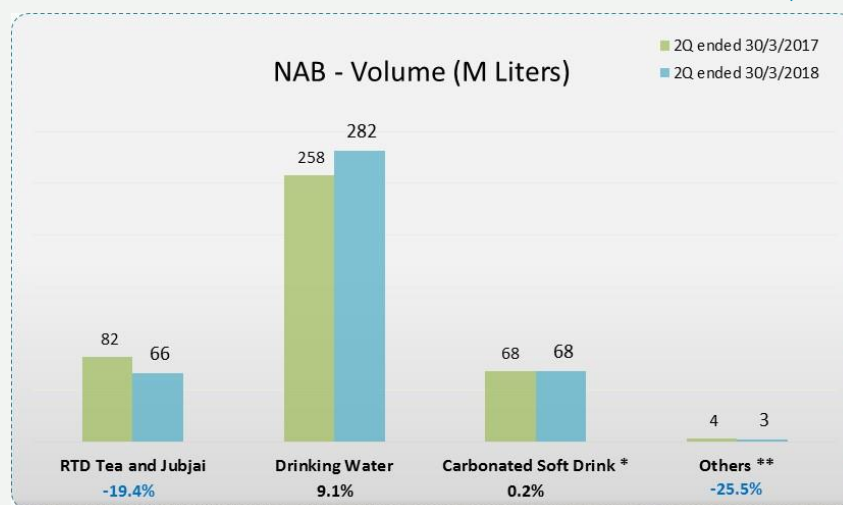
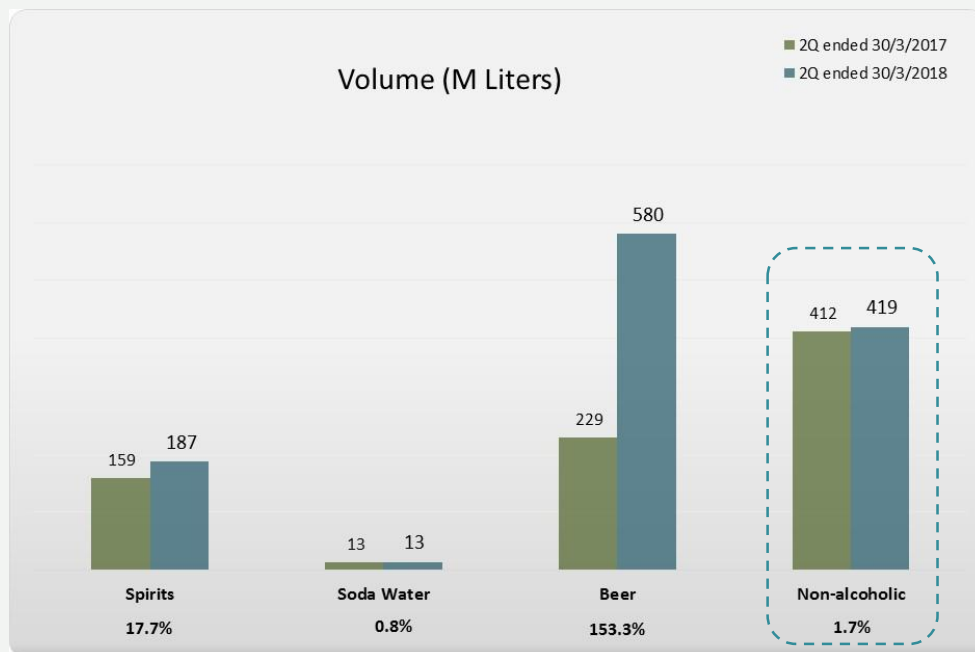
Contribution per Business Segment



* Exclude F&N/FPL and non-recurring expenses

Total Sales Volume 2Q18

2Q18

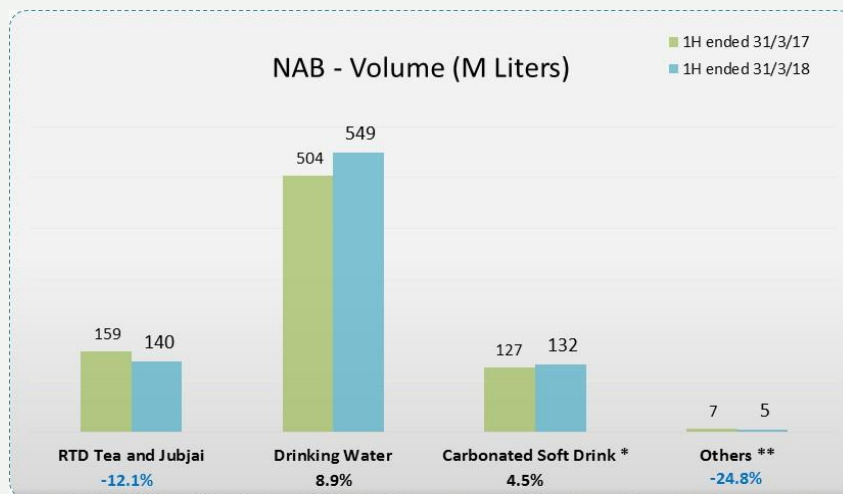
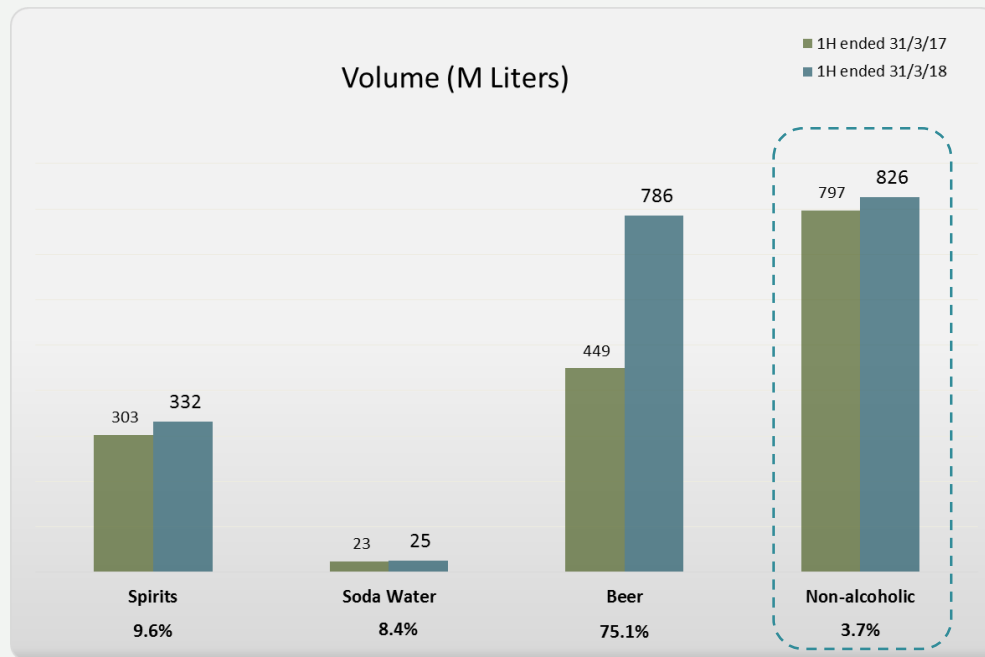


* est and 100Plus

** Energy drink, sports drink and other beverages

Total Sales Volume 1H18

1H18



* est and 100Plus

** Energy drink, sports drink and other beverages

Business Segments

Spirits

Spirits	2Q17	2Q18	Change (M Baht)
	Jan17 - Mar17	Jan18 - Mar18	
Sales Revenue	28,898	33,043	14.3%
COGS	(19,196)	(21,896)	
<i>% of Sales Revenue</i>	<i>66.4%</i>	<i>66.3%</i>	
SG&A	(2,785)	(3,644)	
<i>% of Sales Revenue</i>	<i>9.6%</i>	<i>11.0%</i>	
EBITDA	7,359	8,046	9.3%
Net Profit	5,542	6,050	9.2%
Attributable Profit to Shareholders	5,541	5,696	2.8%
<u>Margin*</u>			
EBITDA	25.5%	24.4%	
Net Profit	19.2%	18.3%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a product mix
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses and staff costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses and staff costs
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit from MSC & MDC's spirits although there was a decrease in net profit from the Company existing spirits

Spirits

Spirits	1H17	1H18	Change (M Baht)
	Oct16 - Mar 17	Oct17 - Mar 18	
Sales Revenue	55,195	57,812	4.7%
COGS	(36,780)	(38,374)	
<i>% of Sales Revenue</i>	<i>66.6%</i>	<i>66.4%</i>	
SG&A	(5,115)	(6,920)	
<i>% of Sales Revenue</i>	<i>9.2%</i>	<i>12.0%</i>	
EBITDA	14,200	13,561	-4.5%
Net Profit	10,654	10,076	-5.4%
Attributable Profit to Shareholders	10,653	9,532	-10.5%
<u>Margin*</u>			
EBITDA	25.7%	23.5%	
Net Profit	19.3%	17.4%	

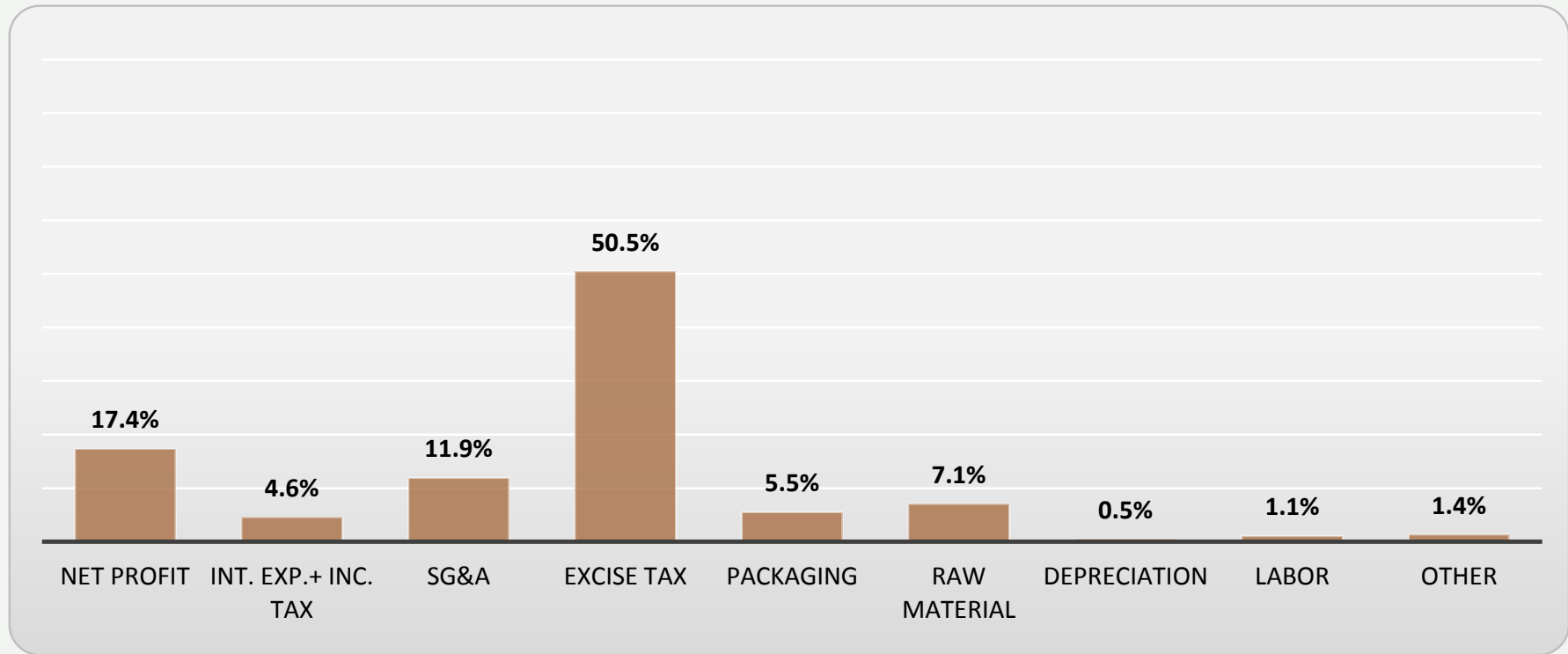
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume from MSC & MDC
<u>COGS (%)</u>	DOWN	a product mix
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses and staff costs
<u>EBITDA</u>	DOWN	an increase in advertising and promotion expenses and staff costs although there was an increase in gross profit
<u>Net Profit</u>	DOWN	a decrease in EBITDA
<u>Attributable Profit</u>	DOWN	a decrease in net profit from the Company existing spirits although there was an increase in net profit from MSC & MDC's sprits

Spirits: Revenue-Cost Break Down

(% of total revenue)

1H18



Beer

Beer	2Q17	2Q18	Change (M Baht)
	Jan17 - Mar17	Jan18 - Mar18	
Sales Revenue	15,522	27,077	74.4%
COGS	(11,895)	(21,321)	
<i>% of Sales Revenue</i>	<i>76.6%</i>	<i>78.7%</i>	
SG&A	(2,605)	(3,955)	
<i>% of Sales Revenue</i>	<i>16.8%</i>	<i>14.6%</i>	
EBITDA	1,283	2,917	127.4%
Net Profit	923	1,022	10.7%
Attributable Profit to Shareholders	923	307	-66.7%
<u>Margin*</u>			
EBITDA	8.3%	10.8%	
Net Profit	5.9%	3.8%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume from Sabeco
<u>COGS (%)</u>	UP	a product mix and excise tax for Elderly Fund
<u>SG&A (%)</u>	DOWN	sales increased at a higher rate than the increase in SG&A
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses and staff costs
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	DOWN	a decrease in net profit from the Company's existing beer although there was an increase in net profit from Sabeco's beer caused from finance cost related to acquisition was lower than the profit

Beer

Beer	1H17 Oct16 - Mar 17	1H18 Oct17 - Mar 18	Change (M Baht)
Sales Revenue	30,560	41,511	35.8%
COGS	(23,444)	(32,543)	
<i>% of Sales Revenue</i>	<i>76.7%</i>	<i>78.4%</i>	
SG&A	(4,625)	(6,330)	
<i>% of Sales Revenue</i>	<i>15.1%</i>	<i>15.3%</i>	
EBITDA	2,989	4,172	39.6%
Net Profit	2,183	1,908	-12.6%
Attributable Profit to Shareholders	2,183	1,306	-40.2%
<u>Margin*</u>			
EBITDA	9.8%	10.1%	
Net Profit	7.1%	4.6%	

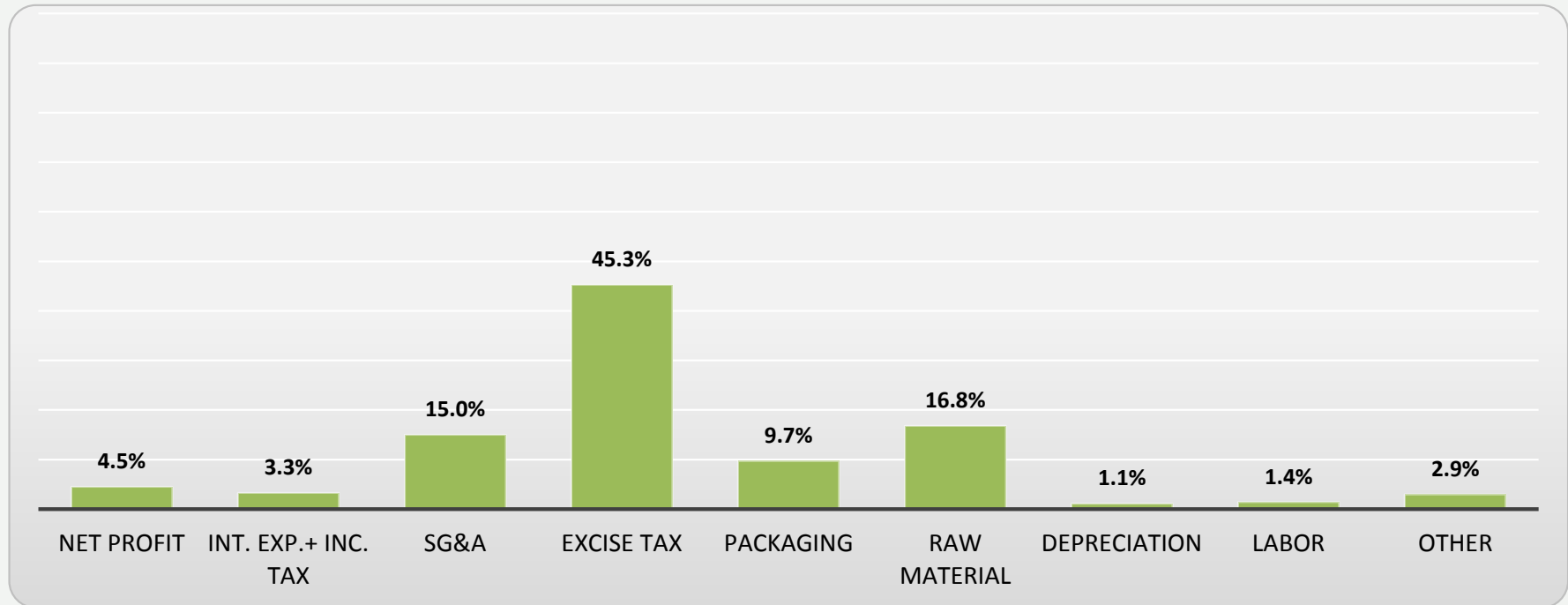
* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume from Sabeco
<u>COGS (%)</u>	UP	a product mix and excise tax for Elderly Fund
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses and staff costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses and staff costs
<u>Net Profit</u>	DOWN	an increase in finance costs although there was an increase in EBITDA
<u>Attributable Profit</u>	DOWN	a decrease in net profit from the Company's existing beer although there was an increase in net profit from Sabeco's beer caused from finance cost related to acquisition was lower than the profit

Beer: Revenue-Cost Break Down

(% of total revenue)

1H18



Non-alcoholic Beverages

Non-Alcoholic Beverages	2Q17	2Q18	Change
	Jan17 - Mar17	Jan18 - Mar18	
Sales Revenue	4,293	4,089	-4.8%
COGS	(2,823)	(2,718)	
<i>% of Sales Revenue</i>	<i>65.8%</i>	<i>66.5%</i>	
SG&A	(2,041)	(2,017)	
<i>% of Sales Revenue</i>	<i>47.6%</i>	<i>49.3%</i>	
EBITDA (Loss)	(28)	(97)	-246.4%
Net Profit (Loss)	(272)	(340)	-25.0%
Attributable Profit (Loss) to Shareholders	(286)	(351)	-22.7%
Margin*			
EBITDA (-Loss)	-0.7%	-2.4%	
Net Profit (-Loss)	-6.3%	-8.3%	

* margins are % of sales revenue

<u>Sales Revenue</u>	DOWN	a product mix although there was an increase in sales volumes
<u>COGS (%)</u>	UP	a product mix
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses
<u>EBITDA Loss</u>	UP	a decrease in gross profit
<u>Net Loss</u>	UP	an increase in EBITDA loss
<u>Attributable Loss</u>	UP	an increase in net loss

Non-alcoholic Beverages

Non-Alcoholic Beverages	1H17	1H18	Change (M Baht)
	Oct16 - Mar 17	Oct17 - Mar 18	
Sales Revenue	8,181	8,202	0.3%
COGS	(5,316)	(5,479)	
<i>% of Sales Revenue</i>	<i>65.0%</i>	<i>66.8%</i>	
SG&A	(3,872)	(4,494)	
<i>% of Sales Revenue</i>	<i>47.4%</i>	<i>54.8%</i>	
EBITDA (Loss)	7	(47)	-771.4%
Net Profit (Loss)	(511)	(567)	-11.0%
Attributable Profit (Loss) to Shareholders	(553)	(597)	-8.0%
<u>Margin*</u>			
EBITDA (-Loss)	0.1%	-0.6%	
Net Profit (-Loss)	-6.2%	-6.9%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	a product mix and a cost increase from sugar tax
<u>SG&A (%)</u>	UP	property damages from fire incident at UHT RTD tea plant while insurance claims recovery in other income
<u>EBITDA Loss</u>	UP	a decrease in gross profit
<u>Net Loss</u>	UP	a decrease in EBITDA
<u>Attributable Loss</u>	UP	an increase in net loss

Food

Food	2Q17	2Q18	Change (M Baht)
	Jan17 - Mar17	Jan18 - Mar18	
Sales Revenue	1,647	3,421	107.7%
COGS	(898)	(1,846)	
<i>% of Sales Revenue</i>	<i>54.5%</i>	<i>54.0%</i>	
SG&A	(720)	(1,272)	
<i>% of Sales Revenue</i>	<i>43.7%</i>	<i>37.2%</i>	
EBITDA	175	472	169.7%
Net Profit	35	217	520.0%
Attributable Profit to Shareholders	28	209	646.4%
<u>Margin*</u>			
EBITDA	10.6%	13.8%	
Net Profit	2.1%	6.3%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in the number of restaurants from SOA & QSA
<u>COGS (%)</u>	DOWN	better margin from new restaurants acquired
<u>SG&A (%)</u>	DOWN	sales increased at a higher rate than the increase in SG&A
<u>EBITDA</u>	UP	an increase in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Food

	1H17	1H18	
Food	Oct16 - Mar 17	Oct17 - Mar 18	Change (M Baht)
Sales Revenue	3,283	5,749	75.1%
COGS	(1,822)	(3,130)	
<i>% of Sales Revenue</i>	<i>55.5%</i>	<i>54.4%</i>	
SG&A	(1,430)	(2,198)	
<i>% of Sales Revenue</i>	<i>43.6%</i>	<i>38.3%</i>	
EBITDA	314	801	155.1%
Net Profit	40	326	715.0%
Attributable Profit to Shareholders	33	307	830.3%
<u>Margin*</u>			
EBITDA	9.6%	13.9%	
Net Profit	1.2%	5.7%	

* margins are % of sales revenue

<u>Sales Revenue</u>	UP	an increase in the number of restaurants from SOA & QSA
<u>COGS (%)</u>	DOWN	better margin from new restaurants acquired
<u>SG&A (%)</u>	DOWN	sales increased at a higher rate than the increase in SG&A
<u>EBITDA</u>	UP	an increase in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA
<u>Attributable Profit</u>	UP	an increase in net profit

Update: International Business

1H18 sales revenue of Baht 20.9 Bn improved 554% from last year as a result of the consolidation of Grand Royal Group (6 months) and Sabeco (3 months)

- International spirits
 - Sales revenue reported a growth of 357% driven by Grand Royal Group
 - Bulk whisky sales in UK continued to perform well
 - Most of the premium brands reported a double digit growth, and OEM brands picked up well
 - Performance in Chinese spirits remained weak

- Beer
 - Sales revenue reported a growth of 925% driven by Sabeco
 - Sales in ASEAN, exclude Sabeco, continued to slow down

Financials

Statement of Financial Position

Statement of Financial Position	30-Sep-17	31-Mar-18	Change
<i>(Million Baht)</i>			
Assets			
Current assets	55,921	80,941	25,020
Non-current assets	138,320	327,247	188,927
Total assets	194,241	408,188	213,947
Liabilities			
Current liabilities	47,671	44,357	(3,314)
Non-current liabilities	14,057	221,993	207,936
Total liabilities	61,728	266,350	204,622
Shareholders' Equity			
Total equity	132,513	141,838	9,325

<u>Current assets</u>	UP	an increase in cash and cash equivalents and current investments
<u>Non-current assets</u>	UP	an increase in goodwill from the acquisitions
<u>Current liabilities</u>	DOWN	a decrease in current portion of bill of exchanges and long-terms loans from financial institutions
<u>Non-current liabilities</u>	UP	an increase in loans from financial institutions for acquisitions
<u>Total equity</u>	UP	an increase in non controlling interest from consolidation

Interest Bearing Debt

Interest Bearing Debt	30-Sep-17	31-Mar-18
<i>(Million Baht)</i>		
Current		
Bank overdrafts	-	1
Short-term loans from financial institutions	5,703	6,780
Current portion of bill of exchanges and long-term loans	24,950	9,003
Current Portion of debentures	-	1,000
Other short-term loan	5	-
	30,658	16,784
Non-current		
Debentures	2,000	50,961
Long-term loans from financial institutions	8,000	166,772
	10,000	217,733
Total	40,658	234,517
Cash and cash equivalents	9,929	20,419
Net Interest Bearing Debt	30,729	214,098

The periods to maturity of interest-bearing debts were as follows*

	Unit: Million Baht
Within one year (Mar 2019)	16,784
After one year but within two years (Mar 2020)	163,766
After two years	<u>53,967</u>
Total	<u>234,517</u>

* The Company obtained bridging loans from various local and foreign banks to fund the acquisition in the first quarter ended 31 December 2017. The Company has managed to take out short term debts to long term debts in March 2018 about Baht 50,000 million. The Company will further manage to take out short term debts to long term debts per approval at the Extraordinary General Meeting of Shareholders on 30 April 2018.

Financial Ratios

Ratios	30-Sep-17	31-Mar-18
Current Ratio (times)	1.17	1.82
Liability to Equity Ratio (Gearing Ratio) (times)	0.47	1.88
Interest Bearing Debt to Equity Ratio (times)	0.31	1.65
Net Interest Bearing Debt to Equity Ratio (times)	0.23	1.51
Net Interest Bearing Debt to EBITDA (times)	0.68	4.27
Net asset value per share (Baht)	5.13	4.96
Net asset value per share (SGD)*	0.22	0.21

* exchange rate at THB 23.5973 : SGD 1

EPS	31-Mar-17	31-Mar-18
Earnings per share for the quarter (Baht)	0.26	0.25
Earnings per share for the six-months period (Baht)	0.57	0.37

Turnover	Oct 16 - Sep 17	Oct 17 - Mar 18
A/R Turnover (days)	5	7
Inventory Turnover (days)		
Spirit Business: finished goods	56	49
Beer Business: finished goods	14	18
Non-alcohol Business: finished goods	26	23
Food Business: finished goods	2	3

Note: use 365 days to calculate turnover

<u>Current Ratio</u>	UP	an increase in cash and cash equivalents, trade account receivable and a decrease in current portion of bill of exchanges and long-terms loans from financial institutions
<u>Liability to Equity Ratio</u>	UP	an increase in loans from financial institutions for acquisitions

Thank You