



**BUSINESS UPDATE
FOR THE NINE MONTHS ENDED 30 JUNE 2021**

KEY HIGHLIGHT

- Sales revenue for the nine months ended 30 June 2021 amounting to Baht 192,120 million, an increase of 1.1% year-on-year (“YoY”) despite the continued impact from the COVID-19 pandemic
- Delivered strong earnings growth, with EBITDA¹ increasing 11.5% YoY to Baht 36,638 million, underpinned by satisfactory improvements in EBITDA from spirits, beer, and food business
- Reported satisfactory improvement in EBITDA margin amidst the challenge in business operation during the pandemic, as a result of the Company’s prudent cost-control measures
- Financial position remains solid, with strong free cash flow and lower leverage ratios

BANGKOK, Thailand, 13 August 2021 – The board of directors (the “Board”) of Thai Beverage Public Company Limited (“ThaiBev”, and together with its subsidiaries, the “Group”) today provided an update on the Group’s business during the nine months ended 30 June 2021 (“9M21”).

BUSINESS SEGMENT

	<i>(Million Baht)</i>					
9M21	SPIRITS	BEER	NAB	FOOD	ELIMINATE	THAIBEV
Sales Revenue	91,630	80,265	11,688	8,649	(112)	192,120
<i>Changes YoY</i>	<i>3.6%</i>	<i>1.2%</i>	<i>-6.4%</i>	<i>-12.9%</i>		<i>1.1%</i>
EBITDA	23,605	10,631	1,629	773	-	36,638
<i>Changes YoY</i>	<i>9.5%</i>	<i>20.4%</i>	<i>-4.6%</i>	<i>2.9%</i>		<i>11.5%</i>

9M20	SPIRITS	BEER	NAB*	FOOD	ELIMINATE	THAIBEV
Sales Revenue	88,455	79,317	12,488	9,935	(96)	190,099
EBITDA	21,560	8,833	1,707	751	-	32,851

* 9M20 NAB’s EBITDA was Bt 1,707 M, and if excluding non-recurring item for other income amounting to Bt 293 M due to insurance claim on property damaged from fire incident of Oishi beverage factory, 9M20 NAB’s EBITDA would be Bt 1,414 M

SPIRITS – In 9M21, the Group’s spirits business generated sales revenue amounting to Baht 91,630 million, an increase of 3.6% while total sale volume of spirits increased 4.2%. Although there were COVID-19-related measures such as the temporary closure of entertainment venues and restaurants in Thailand, the business is proven to be resilient as a result of strong spirits product portfolio with variety of segmentation and off-premise consumption nature. Our spirits business performance in Myanmar remained stable due to our strong brand and market shares

¹ Earnings before interest, taxation, depreciation, and amortization

in whisky segment, and the Company believes that the business in Myanmar remains solid and continue to generate strong positive cashflow. The spirits business' EBITDA grew by a satisfactory 9.5% to Baht 23,605 million, driven by strength of our product portfolio and selling expenses reduction in both Thailand and Myanmar.

BEER – The Group's beer business was also impacted by the COVID-19 related measures in Thailand and Vietnam. Total sales volume decreased 1.1% YoY due to a decrease in SABECO's sales volume. Excluding SABECO, the business' sales volume increased YoY despite the ongoing closure of entertainment venues and restaurants in Thailand as part of the country's COVID control measures. The business recorded sales revenue amounting to Baht 80,265 million in 9M21, an increase of 1.2% YoY. As a result of the sales team's area management selling program to drive volume growth, and effective cost control measures, the beer business' EBITDA improved 20.4% to Baht 10,631 million.

NON-ALCOHOLIC BEVERAGES (NAB) – The Group's NAB business recorded sales revenue amounting to Baht 11,688 million in 9M21, down 6.4% YoY as a result of a decline in sales volume of 8.6%. The NAB business continued to prudently manage its costs, thereby reducing advertising and promotion expenses. The cost control measures enabled the business to report EBITDA amounting to Baht 1,629 million, an increase of 15.2% comparing to EBITDA excluding insurance claim on property damaged from fire incident of Oishi beverage factory.

FOOD – In 9M21, the food business was directly impacted by COVID-19 and reported sales revenue amounting to Baht 8,649 million, down 12.9% YoY as a result of the Thai government's restrictions on dining-in at restaurants and other food outlets in order to contain COVID-19 infection. The continued restaurant cost control measures, as well as the initiative to manage employees to increase productivity, resulted in an improvement in the business' EBITDA of 2.9% YoY to Baht 773 million. In order to cope with the challenging business environment during COVID-19 for food segment, the team has put more focus on take away and home delivery channels to ride on the current situation opportunities, while dine-in is still limited.

FINANCIAL UPDATE

		<i>(Million Baht)</i>		
BALANCE SHEET	30-Sep-20	30-Jun-21	<i>Changes</i>	
<u>TOTAL ASSETS</u>	433,520	451,347	17,827	
Current assets	86,315	89,961	3,646	
Non-current assets	347,205	361,386	14,181	
<u>TOTAL LIABILITIES</u>	254,115	261,034	6,919	
Current liabilities	90,752	92,605	1,853	
Non-current liabilities	163,363	168,429	5,066	
<u>TOTAL SHAREHOLDER'S EQUITY</u>	179,405	190,313	10,908	
Total equity	179,405	190,313	10,908	

		<i>(Million Baht)</i>		
INTEREST BEARING DEBT (From Banks and Debentures)	30-Sep-20	30-Jun-21	<i>Changes</i>	
<u>Interest Bearing Debt for Normal Operation</u>				
Current	64,450	65,745	1,295	
Non-current	152,209	145,260	(6,949)	
Total Interest Bearing Debt for Normal Operation	216,659	211,005	(5,654)	
<u>Interest Bearing Debt for Subscription of the Rights Issue for Additional Shares of an Associated Company</u>				
Non-current	-	8,000	8,000	
Total	216,659	219,005	2,346	
Cash and Cash Equivalents	34,695	37,431	2,736	
Net Interest Bearing Debt	181,964	181,574	(390)	

		<i>(Million Baht)</i>
INTEREST BEARING DEBT (From Banks and Debentures)		30-Jun-21
Within one year (Jun 2022)		65,745
After one year but within two years (Jun 2023)		21,998
After two years		131,262
Total		219,005

FINANCIAL RATIOS	30-Sep-20	30-Jun-21
Net Interest Bearing Debt to Equity Ratio (times)	1.01	0.95
Net Interest Bearing Debt to EBITDA Ratio (times) (LTM)	3.91	3.60

In June 2021, the Group issued debentures with an aggregate principal amount of Baht 40,000 million, which comprises the initial required funding amount of Baht 35,000 million and a greenshoe option of Baht 5,000 million. The debentures were more than 1.52 times oversubscription of an aggregate principal amount. The debentures carry an average annual coupon rate of 1.95% and have an average tenor of 4.10 years.

The proceeds from the debenture issue were used for the repayment of a Baht 40,000 million bridging loan facility that will mature in March 2023.

<i>(Million Baht)</i>	
CASH FLOW STATEMENT	9M21
	<i>Ended 30 Jun 21</i>
Net cash from operating activities	28,315
Net cash from (used in) investing activities	(10,208)
Net cash from (used in) financing activities	(17,038)
Increase (decrease) in cash and cash equivalents	1,069
Adjustment from financial statement translation	(97)
Net increase (decrease) in cash at financial institutions	1,764
Net increase (decrease) in cash and cash at financial institutions	2,736
Cash and cash at financial institutions at beginning of period	34,695
Cash and cash at financial institutions at end of period	37,431

UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 JUNE 2021

The Board wishes to remind shareholders and investors that the above business update has been prepared based on the Group's internal records and management accounts, and has not been reviewed or audited by independent auditors.

Shareholders and investors are advised not to place undue reliance on the business update and to exercise caution when dealing in ThaiBev's shares and other securities.