

FY2018

F&N

1H2018

Financial
Highlights



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1H2018 Performance Highlights

Attributable profit rose 58% to \$41 million

- Earnings for the half-year ended 31 March 2018 (“**1H2018**”) rose 26%
 - Revenue growth was broad based; grew 1% to \$960 million
 - EBIT increased 26% to \$87 million
 - Dairies earnings, supported by earnings from associate company, grew 29% despite rising input costs
 - Beverages earnings impacted by lower soft drink sales, higher input costs and brand investments
 - Profit after taxation grew 11% to \$71 million
- Interim dividend of 1.5 cents per share declared, unchanged from last year



1H2018 Group Financial Highlights

Revenue
(million)

\$960.2
▲ 1.5%

Earnings before interest and tax ("EBIT")
(million)

\$86.8
▲ 26.4%

Profit after tax
(million)

\$71.2
▲ 11.4%

EBIT margin
(%)

9.0%
▲ 178bps

Gearing¹
(%)

13.2%
▲ from 5.3% in FY2017²

Earnings per share (basic)³
(cents)

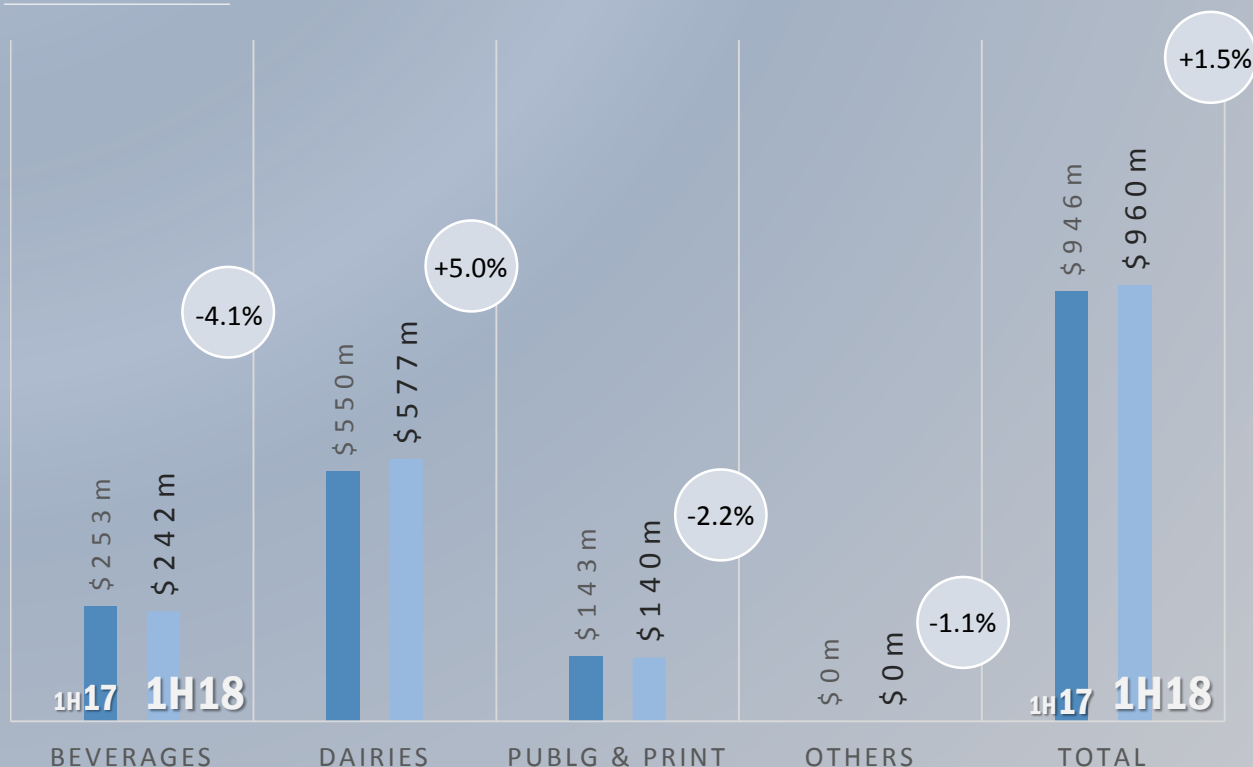
2.9
▲ 61.1%



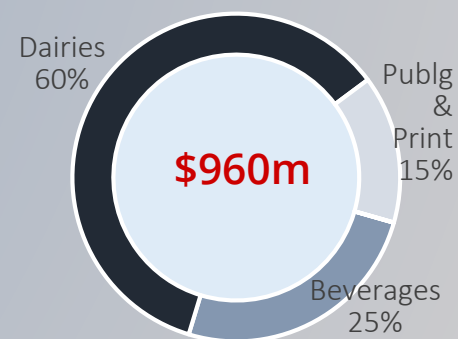
1H2018 Revenue increased 1%

Strong export sales and favourable translation effects lifted revenue

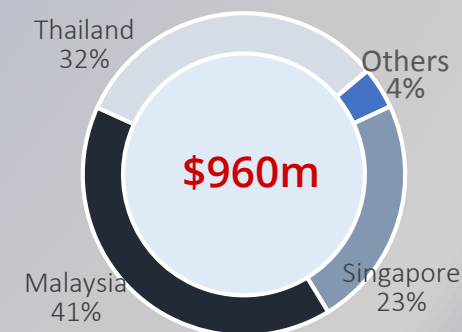
Revenue by Business Segment (\$)



1H2018 Revenue by Business Segment (%)



1H2018 Revenue by Geography (%)

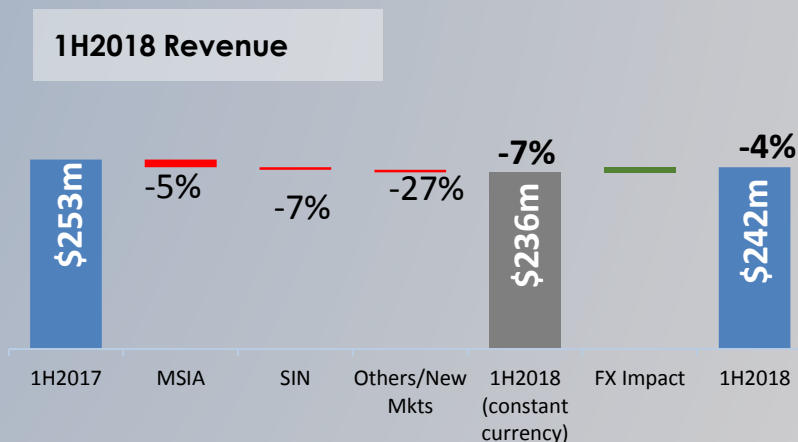


1H2018 Revenue | Beverages

Despite a strong Q2 performance, 1H2018 revenue was 4% lower than 1H2017

Beverages Malaysia (-2%; -5% in constant currency)

- Revenue lifted by stronger Ringgit
- Strong Q2 revenue growth (+18% vs LY) lifted revenue; successful execution of Chinese New Year festive promotion and the launch of limited edition classic *F&N Orange Crush* in vintage theme lifted sales
- Revenue driven by *100Plus* and *F&N CSD*



Beverages Singapore and New Markets¹

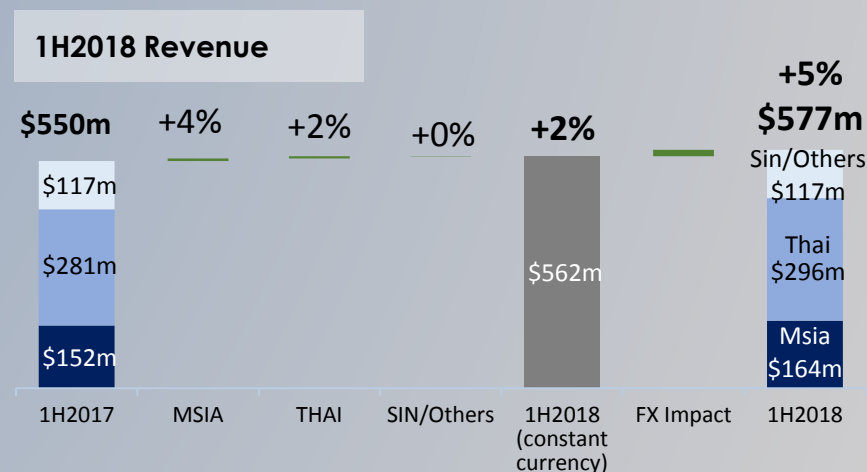
- Beverages Singapore revenue adversely affected by the government's campaign against diabetes and stiff price competition
- Revenue growth in New Markets¹ impacted by higher sell-in to the trade during last financial year in Myanmar and weaker Indonesian Rupiah

1H2018 Revenue | Dairies

Broad-based sales growth; revenue increased 5%

Dairies Malaysia (+8%; +4% in constant currency)

- Revenue boosted by stronger Ringgit
- Double-digit growth in Export helped to mitigate lower domestic sales which has been impacted by intense competition



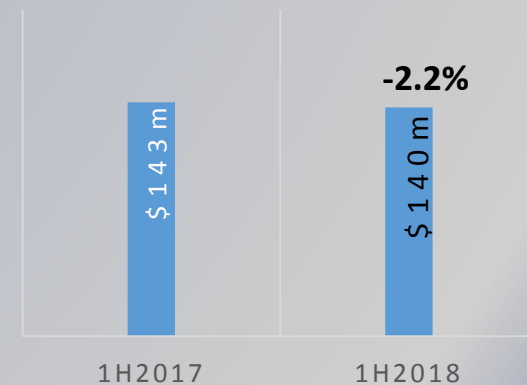
Dairies Thailand (+5%; +2% in constant currency)

- Revenue lifted by stronger Thai Baht and higher export sales
 - Sales in Indochina markets grew by double-digit with increasing distribution
- Continued innovations in new products and packaging formats, supported by effective branding and consumer trade campaigns helped bolster the impact of challenging domestic market conditions in a soft economy



1H2018 Revenue | Publishing & Printing

- Revenue down marginally to \$140m
 - Supported by turnaround in Print and Distribution segments
 - Impacted by lower sales (timing differences) and shift in product mix in Publishing

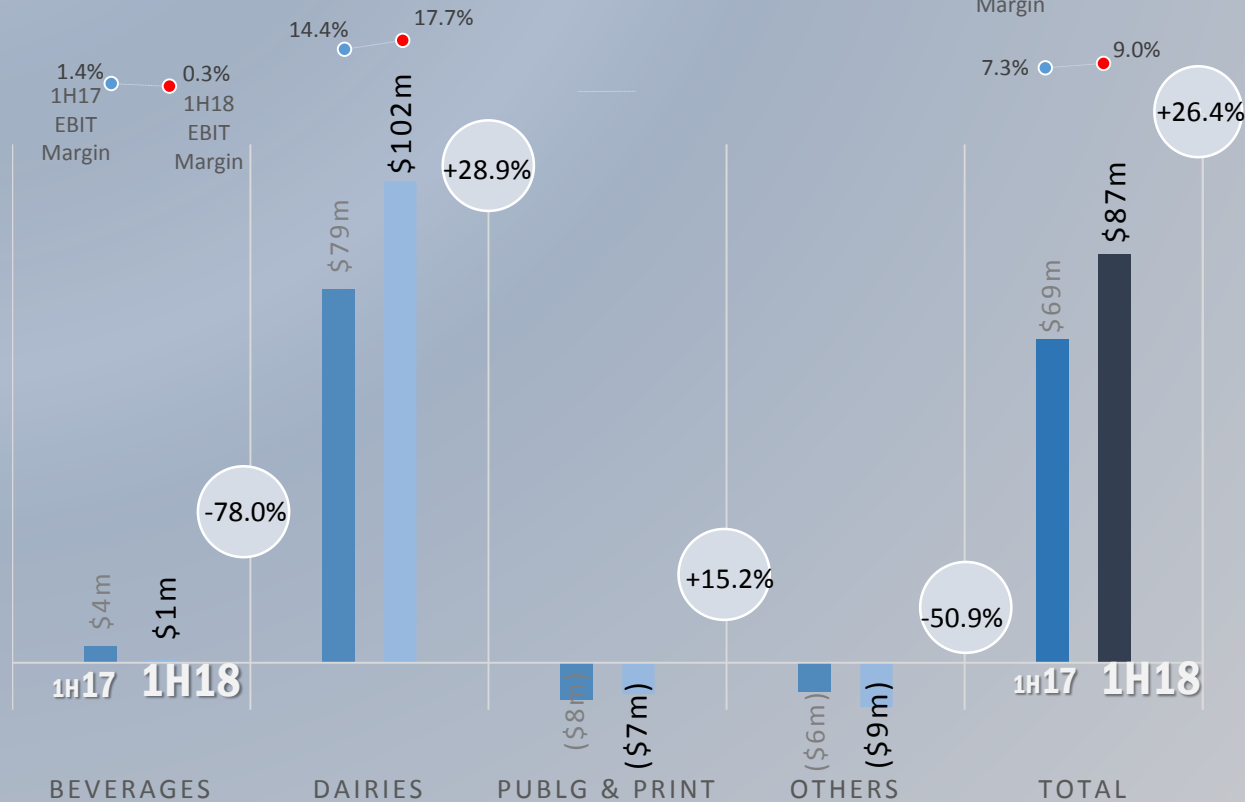




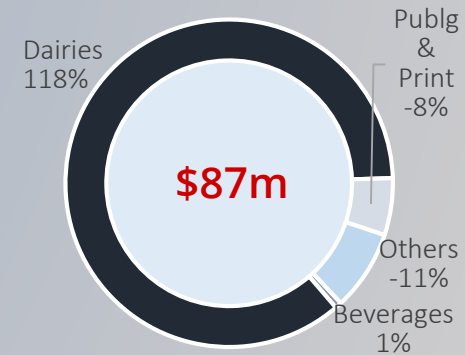
1H2018 EBIT grew 26%

Contributions from associated company, Vinamilk mitigated weaker performances in Beverages

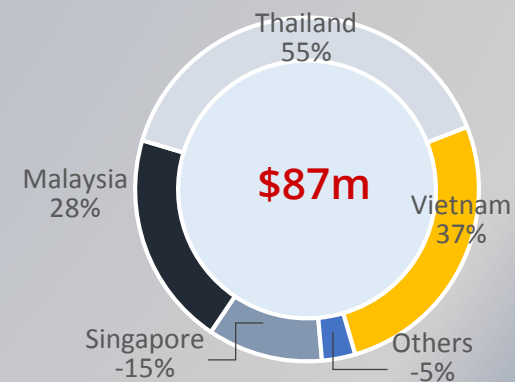
EBIT by Business Segment (\$)



1H2018 EBIT by Business Segment (%)



1H2018 EBIT by Geography (%)



1H2018 EBIT | Beverages

Earnings fell mainly on lower soft drinks sales in Malaysia, higher input costs and New Markets expenses

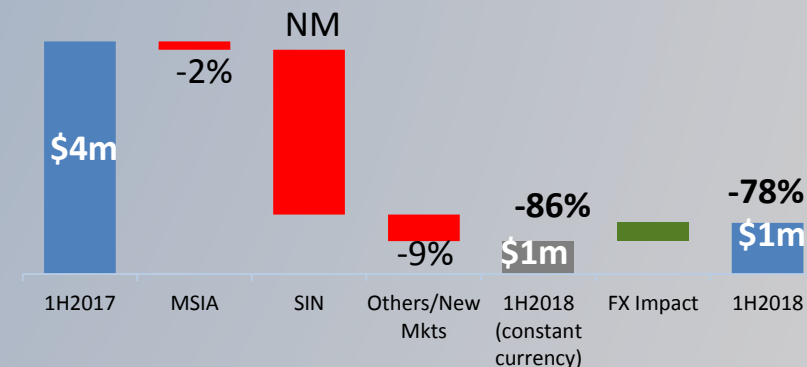
Beverages Malaysia (+2%; -2% in constant currency)

- EBIT lifted by stronger Ringgit
- EBIT impacted by lower revenue and higher input costs

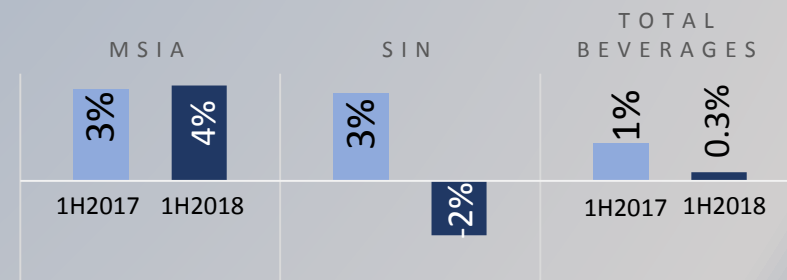
Beverages Singapore and New Markets¹

- Beverages Singapore EBIT impacted by lower revenue and higher input costs
- Continued targeted spend on brand building activities, trade promotions and widening of distribution channels in New Markets of Indonesia, Myanmar and Vietnam

EBIT: Beverages



EBIT Margin: Beverages



1H2018 EBIT | Dairies

Earnings jumped 29% on maiden profit contribution from associated company, Vinamilk

Vinamilk

- Group's share of Vinamilk's profit under equity accounting method effective mid-April 2017

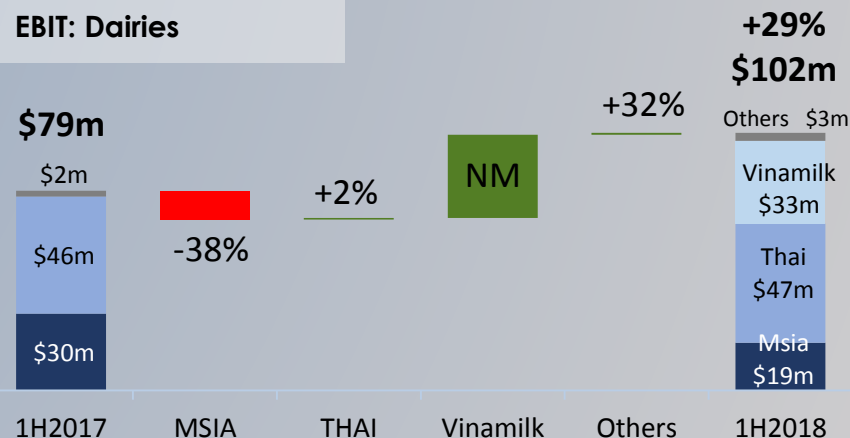
Dairies Malaysia (-38%; -40% in constant currency)

- Despite higher sales, EBIT fell on higher dairy-based commodity prices and packaging cost

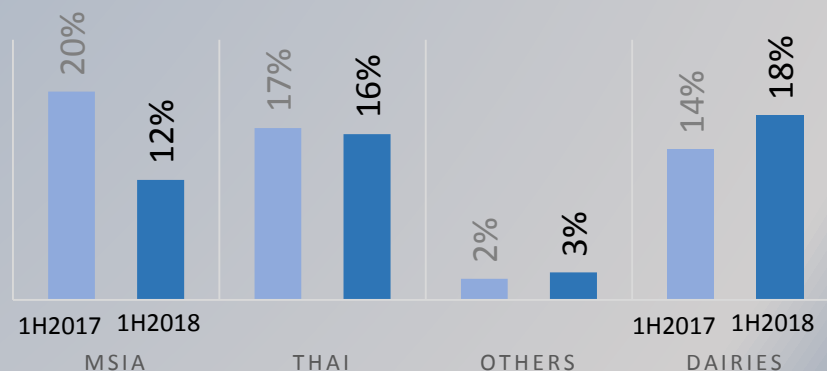
Dairies Thailand (+2%; -2% in constant currency)

- EBIT lifted by stronger Thai Baht
- In constant currency, EBIT contracted by 2% despite higher revenue, mainly due to higher input costs, cushioned by lower advertising and promotional expenses

EBIT: Dairies



EBIT Margin

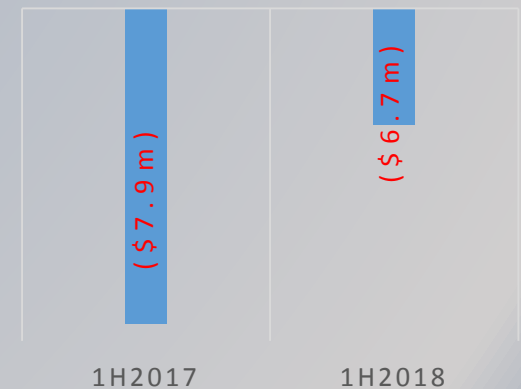




1H2018 EBIT | Publishing & Printing

- 1H2018 losses narrowed from \$8m to \$7m owing to improving operational efficiencies and productivity as a result of prior years' cost rationalization efforts

EBIT: Publishing & Printing





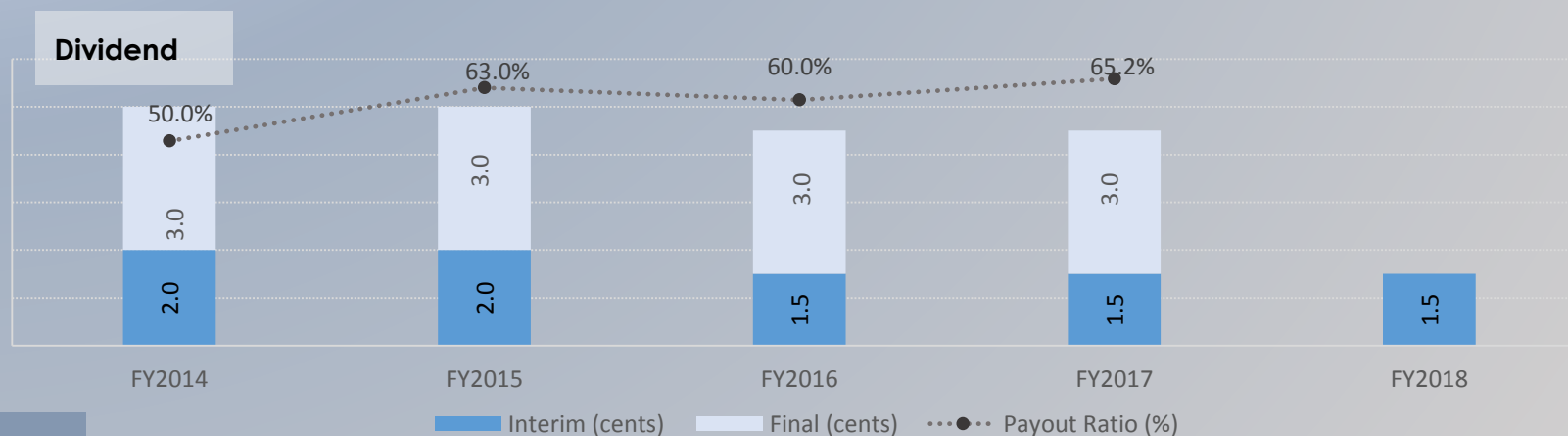
Maintained a strong financial position

Focused on prudent balance sheet management

- Borrowings increased to finance purchases of Vinamilk shares
 - The Group owned 19.96% of Vinamilk shares @ 31 March 2018
 - The Group adopts a prudent gearing policy of up to 80%
- Declared interim dividend of 1.5 cents per share, equal to last year
 - Takes into account Group's capital position and near-term capital needs
 - Dividend policy unchanged

Key Financials

	FY2017	1H2018
Total Equity ¹	\$3,136m	\$3,077m
Total Assets	\$4,895m	\$4,656m
Net (Borrowings)/Cash	(\$165m)	(\$407m)





zero in

ON THE MOMENT

Zero Sugar, Zero Calories

Replenish Essential Minerals and Electrolytes

Thirst Quenching

Whatever your passions may be, 100PLUS Zero Sugar helps you stay hydrated, enabling you to fully immerse in life's moments.



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Analyst and media contact:

Jennifer Yu

Head, Investor Relations

T: (65) 6318 9231

E: jenniferyu@fngroup.com.sg

Fraser and Neave, Limited

