

FY2018

F&N

9M2018
Financial
Highlights



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9M2018 Performance Highlights

Attributable profit before exceptional items rose 9% to \$91.1 million, due to strong dairies sales and favorable translation effects

- Improved operating performance for the nine-month ended 30 June 2018 (“**9M2018**”)
 - Revenue up 1% to \$1,445.1 million
 - EBIT rose 10% year-on-year to \$158.5 million
 - Dairies earnings, supported by profit contribution from Vinamilk, grew 10% from \$159.1 million to \$175.1 million
 - Improved Beverages Malaysia 9M2018 performance helped lift profits
 - Absence of a \$1,199.6 million one-off recognition of fair value reserves¹ weighed on 9M2018 after-tax profit. PAT fell to \$136.5 million, from \$1,328.6 million



9M2018 Group Financial Highlights

Revenue
(million)

\$1,445.1

▲ 1.1%

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

\$158.5

▲ 10.4%

Profit after tax
(million)

\$136.5

▼ 89.7%¹

EBIT margin
(%)

11.0%

▲ 100bps

Gearing²
(%)

13.5%

▲ from 5.3% in FY2017³

Earnings per share (basic)⁴
(cents)

6.3

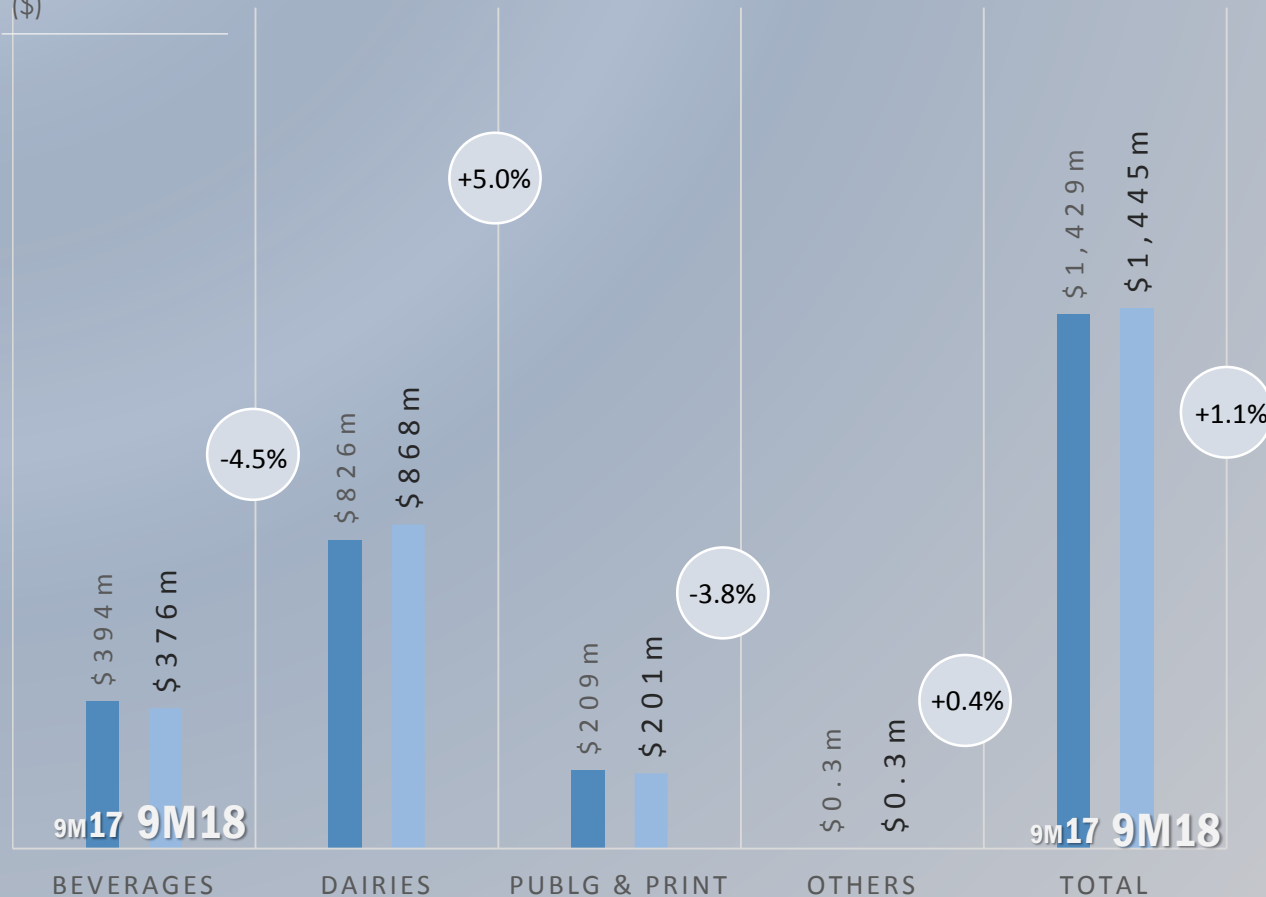
▲ 8.6%



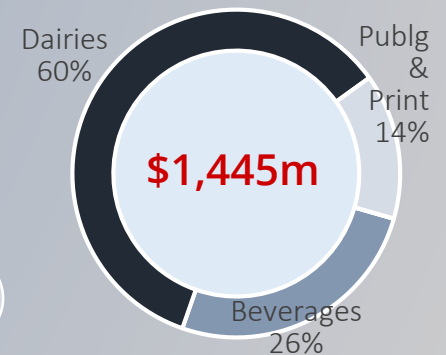
9M2018 Revenue increased 1%

Strong dairies sales and favorable translation effects lifted revenue

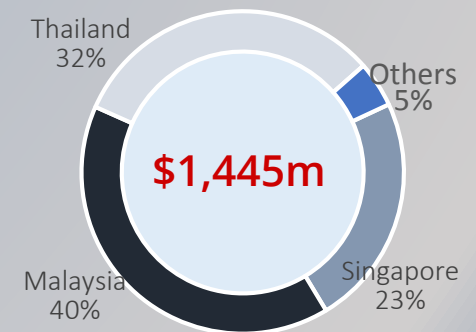
Revenue by Business Segment
(\$)



9M2018
Revenue by Business Segment (%)



9M2018
Revenue by Geography (%)

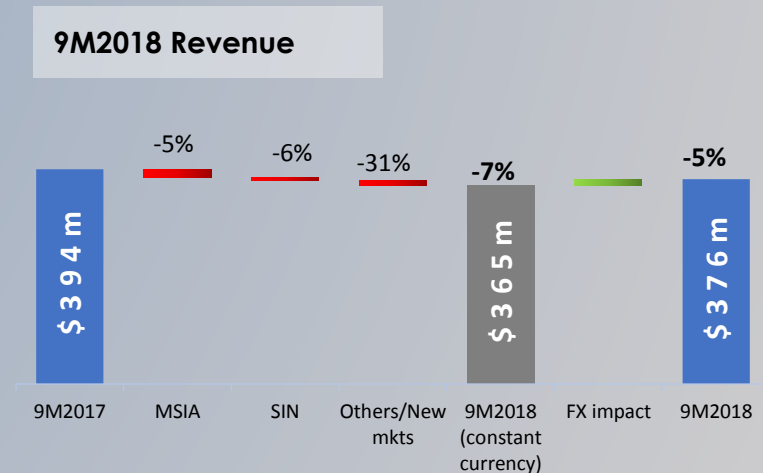


9M2018 Revenue | Beverages

Revenue dropped 5% y-o-y, affected by weak market conditions

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

- Contracting beverage sector and floods in Peninsular Malaysia in 1Q2018 adversely impacted revenue; strong 2Q sales helped cushioned impact
- Revenue shortfall was mitigated by stronger Ringgit



Beverages Singapore and New Markets¹

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

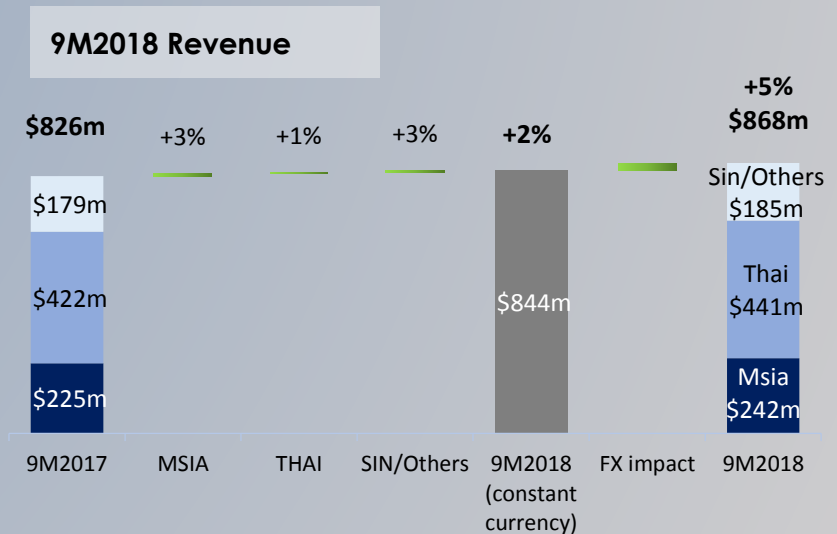


9M2018 Revenue | Dairies

Broad-based sales growth; revenue increased 5% y-o-y

Dairies Malaysia (+7%; +3% in constant currency)

- Double-digit growth in Export helped to mitigate fall in domestic sales
- Domestic market remained challenging as dairies business continue to face stiff competition



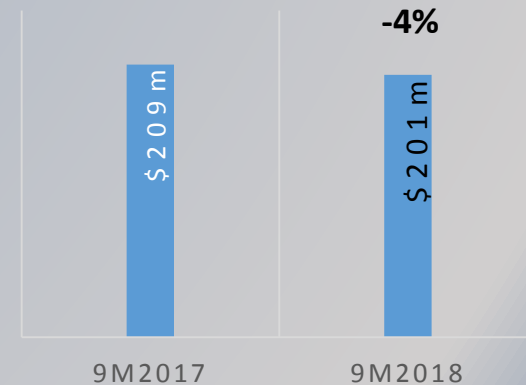
Dairies Thailand (+4%; +1% in constant currency)

- Exports grew by double-digit with increasing distribution in Indochina markets
- Continued innovations in new products and packaging formats, supported by effective branding and consumer trade campaigns helped mitigate the impact of a challenging domestic market



9M2018 Revenue | Publishing & Printing

- Revenue down 4% to \$201 million
 - Impacted mainly by timing of order deliveries and lower sales to Singapore and Americas

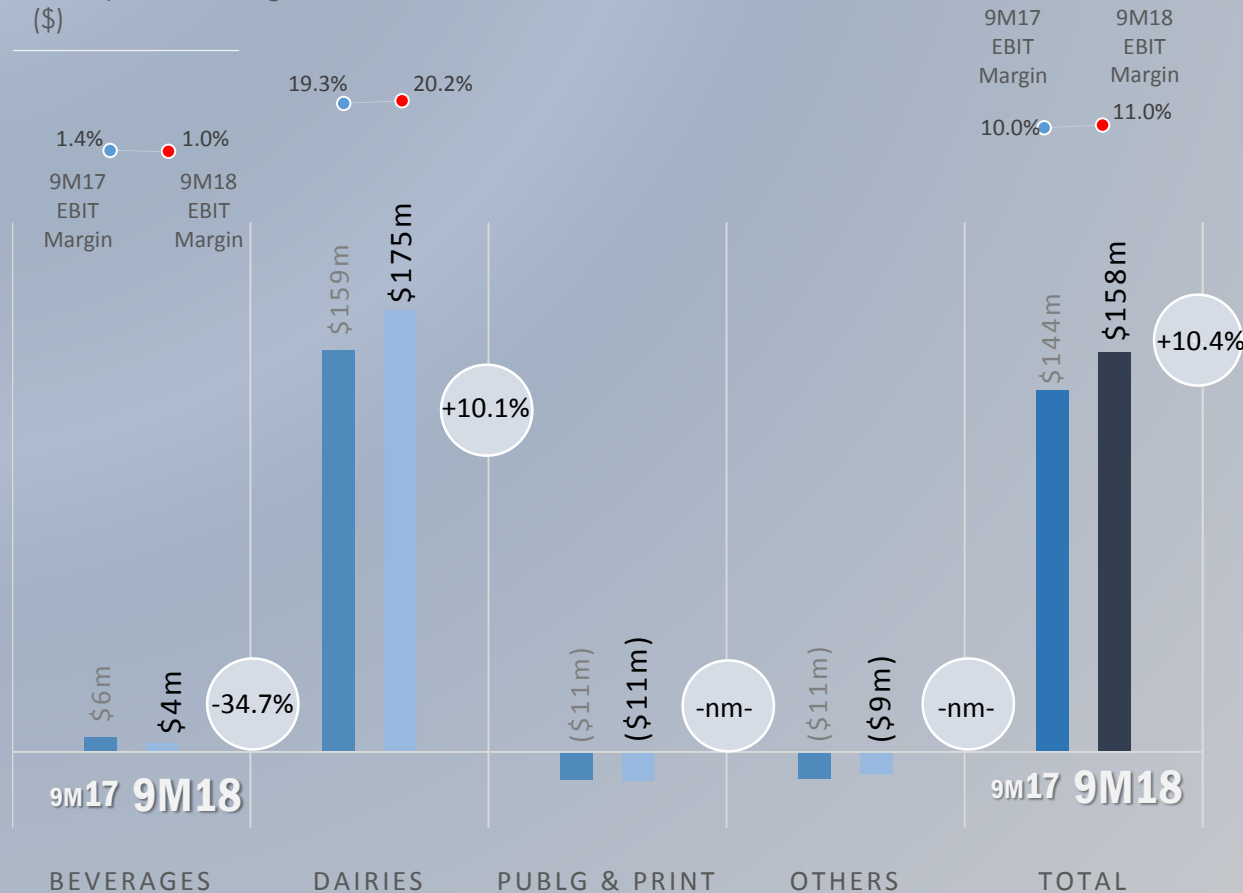




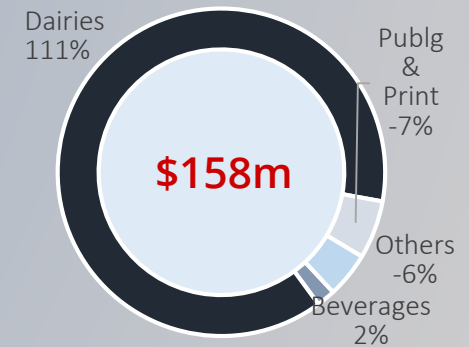
9M2018 EBIT grew 10%

Strong contribution from Dairies more than offset weaker Beverages performance

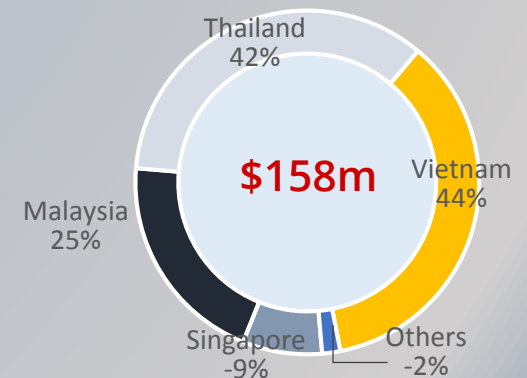
EBIT by Business Segment
(\$)



9M2018
EBIT by Business Segment (%)



9M2018
EBIT by Geography (%)



9M2018 EBIT | Beverages

Despite improved performance in Malaysia, earnings fell mainly on lower revenue in Singapore and New Market expenses

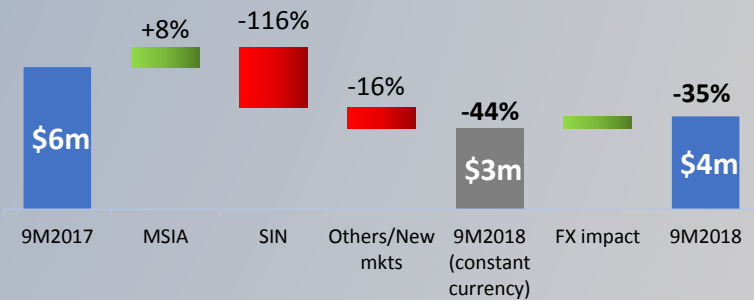
Beverages Malaysia (+12%; +8% in constant currency)

- Despite lower revenue, EBIT improved due to favorable sugar costs and lower operating costs

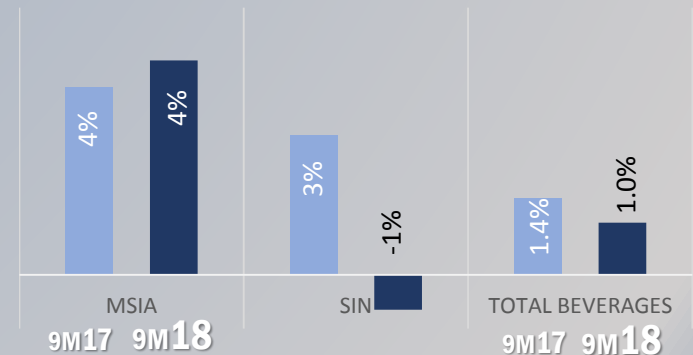
Beverages Singapore and New Markets¹

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

EBIT: Beverages



EBIT Margin: Beverages



9M2018 EBIT | Dairies

Earnings increased 10% on additional 6.5-month profit contribution from Vinamilk and strong growth in Dairies Thailand, despite the absence of a \$33.4m dividend income from Vinamilk

Vinamilk

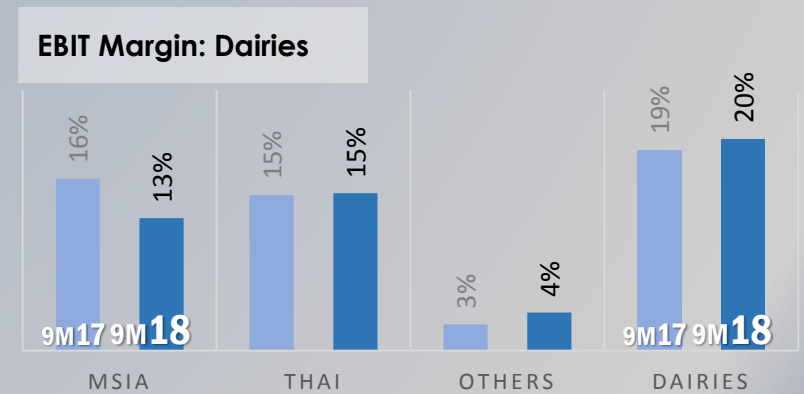
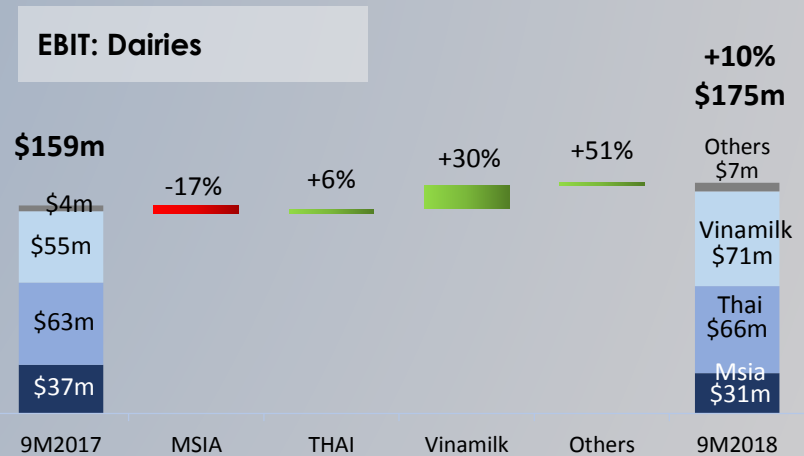
- Group's share of Vinamilk's profit under equity accounting method started from 16 April 2017; @ 9M2018, F&N's share was \$71m

Dairies Malaysia (-17%; -20% in constant currency)

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

Dairies Thailand (+6%; +2% in constant currency)

- In constant currency, EBIT grew 2%, an improvement from 1H2018's gap of -2% due to favorable input costs in 3Q2018

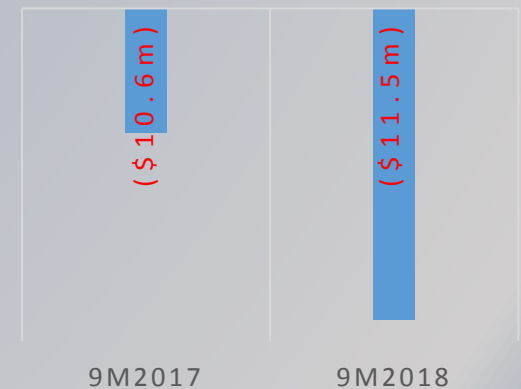




9M2018 EBIT | Publishing & Printing

- Losses before interest and tax widened to \$11.5 million mainly on lower sales

EBIT: Publishing & Printing





Maintained a strong financial position

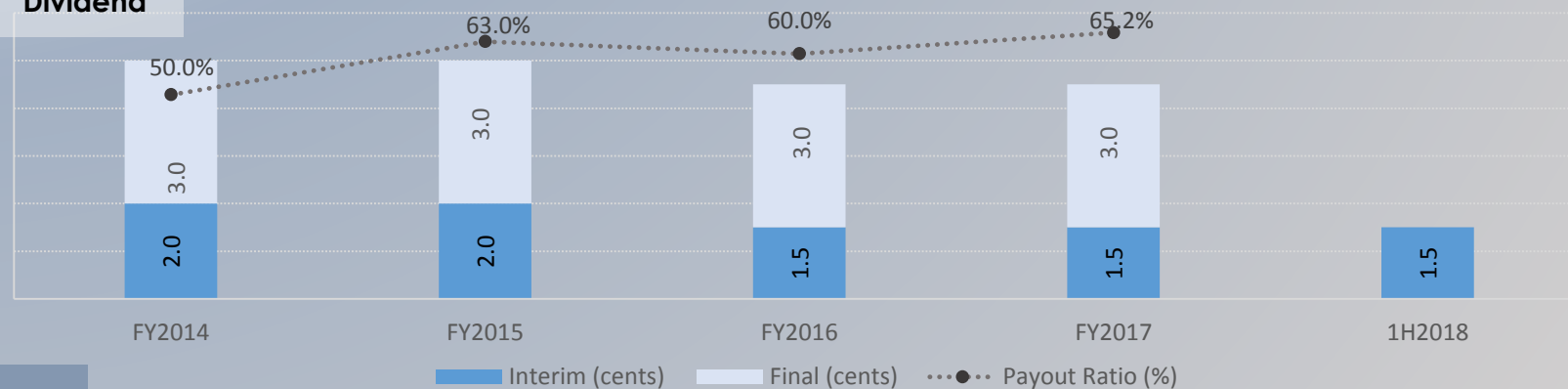
Focused on prudent balance sheet management

- Borrowings increased to finance purchases of Vinamilk shares
 - The Group owns 20.01% of Vinamilk shares @ 5 July 2018
 - The Group adopts a prudent gearing policy of up to 80%
- Declared interim of 1.5 cents per share, same as 1H2017; paid in June 2018
 - Takes into account Group's capital position and near-term capital needs
 - Dividend policy unchanged

Key Financials

	FY2017	9M2018
Total Equity ¹	\$3,132m	\$3,176m
Total Assets	\$4,891m	\$4,797m
Net Borrowings	\$165m	\$429m

Dividend





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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