

FY2019

F&N

1Q2019
Financial
Highlights



FRASER AND NEAVE, LIMITED



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1Q2019 Performance Highlights

Earnings improved 42% to \$71 million on strong Dairies performance across core markets

- Group performance improved in the first quarter ended 31 December 2018 (“**1Q2019**”)
 - Revenue improved marginally to \$464 million
 - EBIT rose 42% to \$71 million, from \$50 million
 - Dairies profit improved 43%
 - Beverages earnings largely impacted by pre-operating costs incurred at the new brewery in Myanmar, and higher input costs
 - Profit after taxation rose 37% to \$56 million
 - A lower after-tax growth due to higher effective tax rate following the expiration of corporate tax incentive in Thailand

1Q2019 Group Financial Highlights

Revenue
(million)

\$464
▲ 0.4%

Earnings before interest and tax
(million)

\$71
▲ 41.6%

Profit after tax
(million)

\$56
▲ 37.0%

EBIT margin
(%)

15.3%
▲ 445bps

Gearing¹
(%)

10.4%
▼ 3.4% in FY2018²

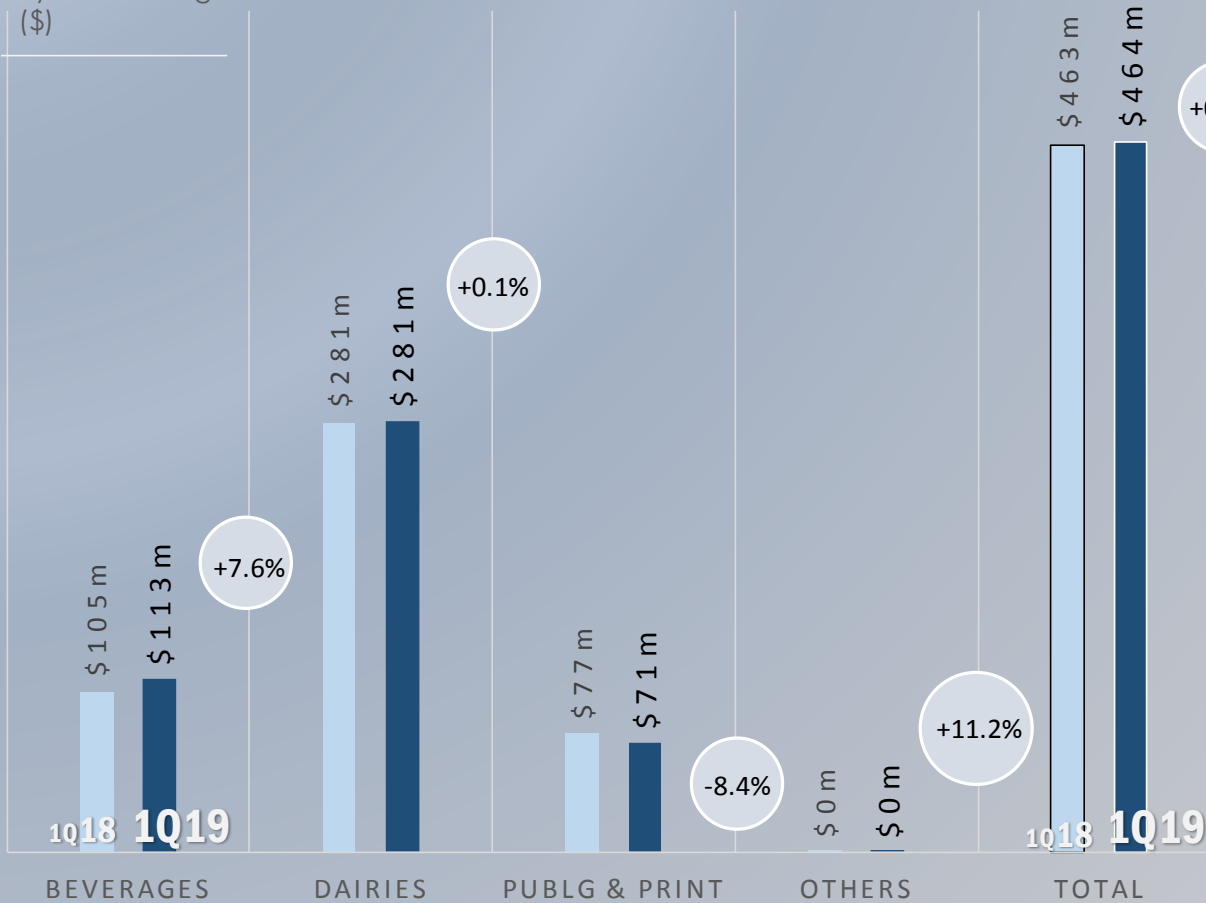
Earnings per share (basic)
(cents)

2.6³
▲ 44.4%

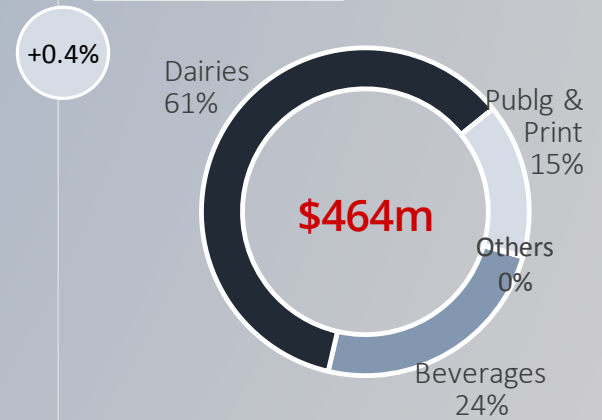
1Q2019 Revenue grew 0.4% to \$464 million

Lifted largely by stronger Beverages sales

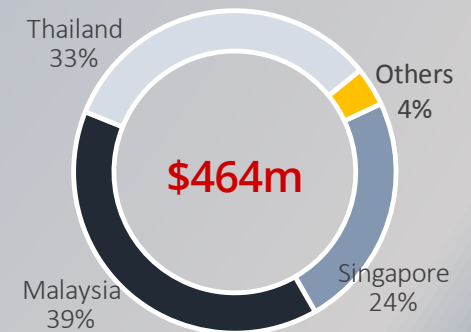
By Business Segment (\$)



By Business Segment (%)



By Geography (%)



1Q2019 Revenue | Beverages

Revenue increased 8% on early sell-in for 2019 Chinese New Year festivity

Beverages Malaysia

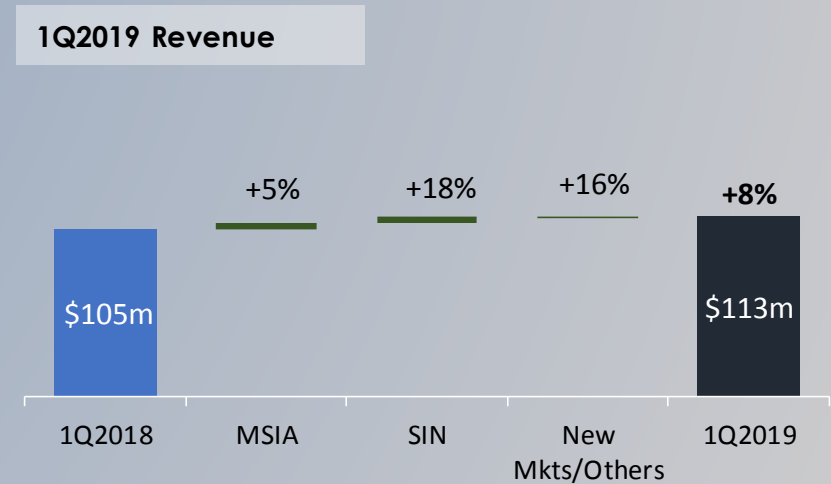
- Revenue grew 5% due to earlier Chinese New Year festive sell-in and less trade discounting

Beverages Singapore

- Revenue improved due mainly to early sell-in for 2019 Chinese New Year festivity

Beverages New Markets¹ / Others

- Revenue improved due mainly to higher concentrate sales



1Q2019 Revenue | Dairies

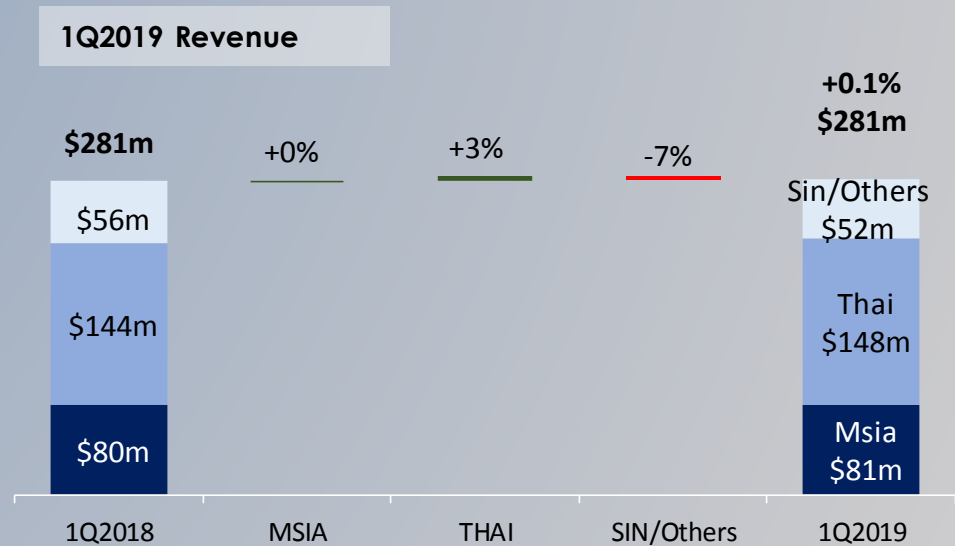
Revenue grew marginally to \$281 million

Dairies Malaysia

- Maintained domestic volume and sales amidst intense price competition in canned milk category

Dairies Thailand

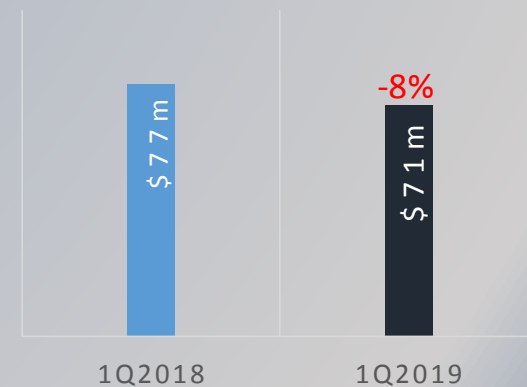
- Export sales grew, driven by market expansion and execution of promotional campaigns in Indochina
- Domestic sales was flat due to intensifying competition in the sweetened beverage creamer category, despite higher evaporated milk sales



1Q2019 Revenue | Publishing & Printing

- Revenue fell 8% due to
 - Lower print and distribution volume for magazines
 - Timing differences in the publication of business directories

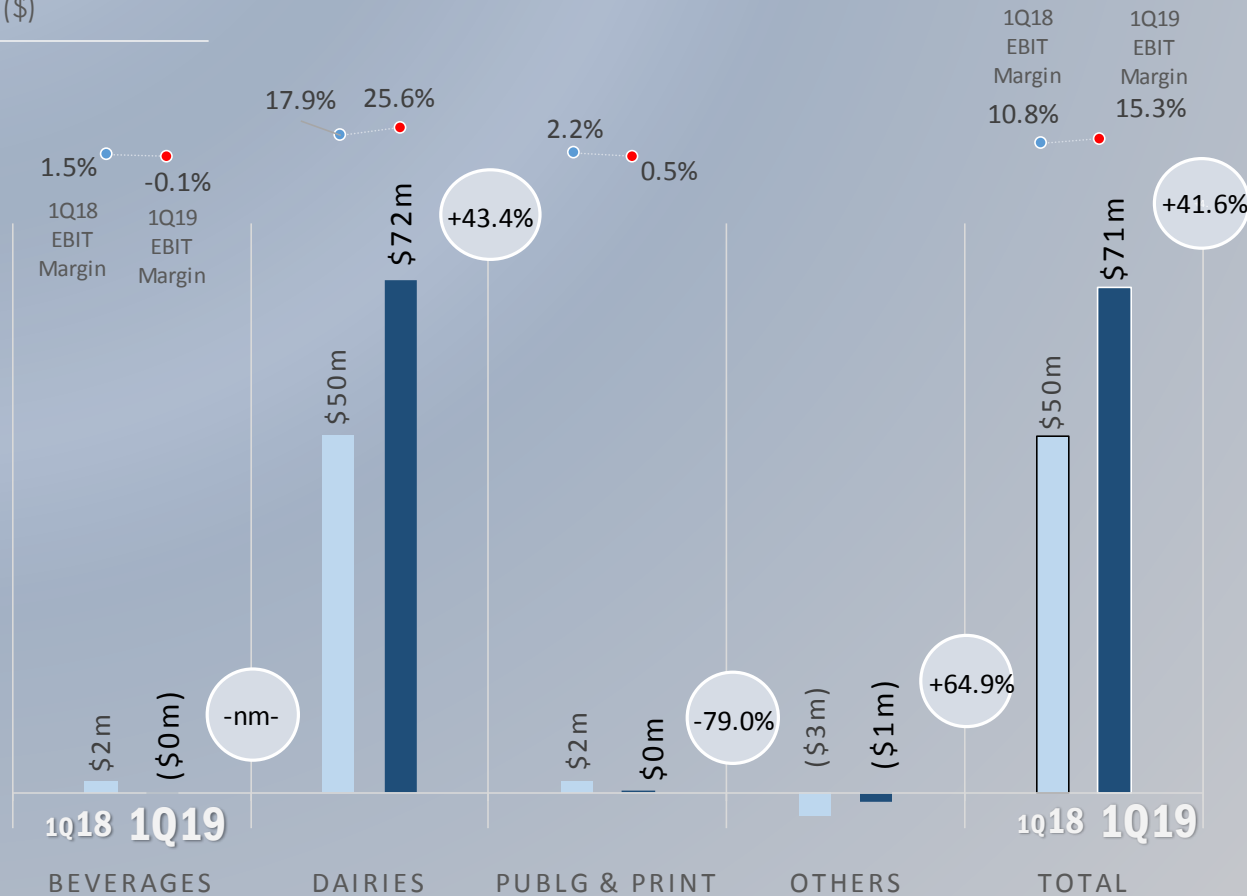
Revenue: Publishing & Printing



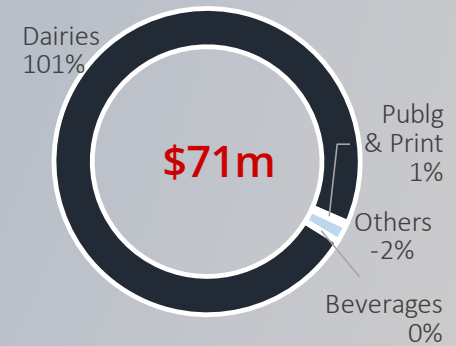
1Q2019 EBIT rose 42%

Supported by strong Dairies performance and higher contribution from Vinamilk

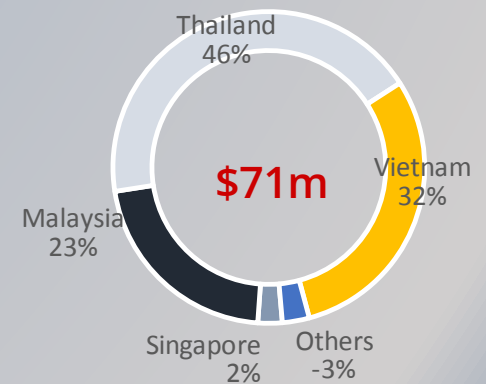
By Business Segment
(\$)



By Business Segment
(%)



By Geography
(%)



¹ Beverages comprises Soft Drinks and Beer
² Publg & Print denotes Publishing & Printing

1Q2019 EBIT | Beverages

Earnings fell due mainly to brewery pre-operating costs and higher input costs; excluding pre-operating costs, Beverages would have an EBIT of \$1.0 million

Beverages Malaysia

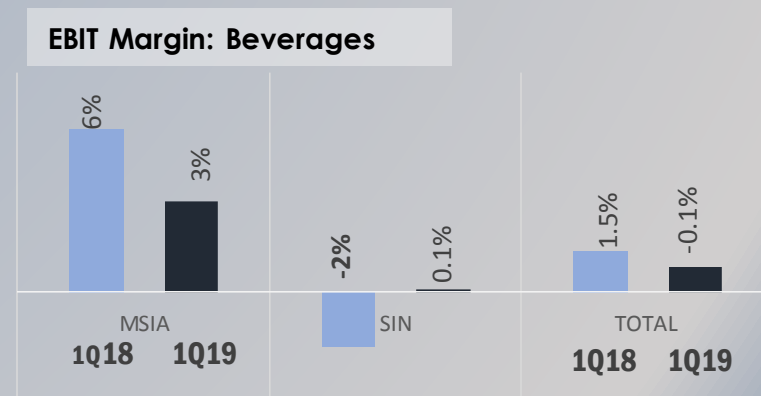
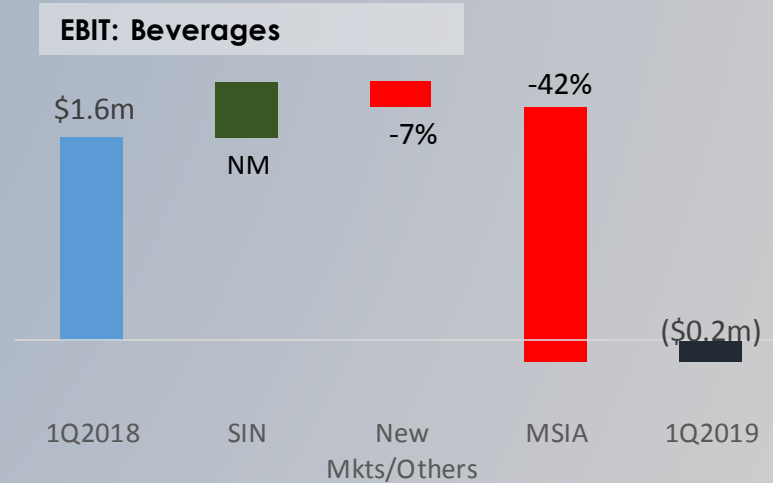
- Despite higher revenue, EBIT fell due to higher packaging costs and higher manufacturing overheads

Beverages Singapore

- EBIT improved; fueled by higher sales, lower A&P spend and favourable exchange rate impact

Beverages New Markets¹ / Others

- EBIT decreased due to pre-operating costs incurred at the new brewery in Myanmar



1Q2019 EBIT | Dairies

Growth was broad-based; earnings increased 43% on lower input costs and higher contribution from Vinamilk

Dairies Malaysia

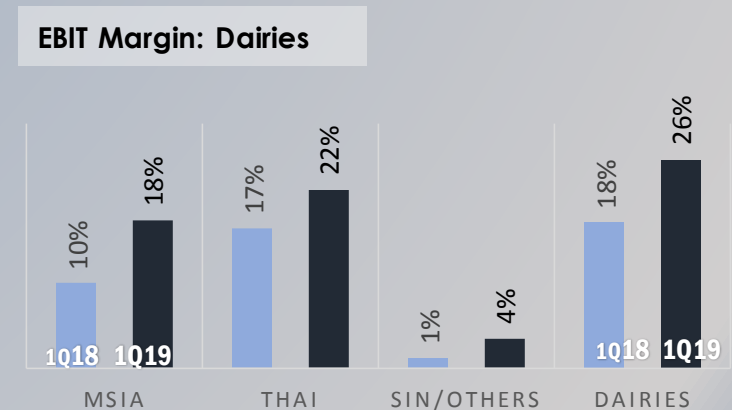
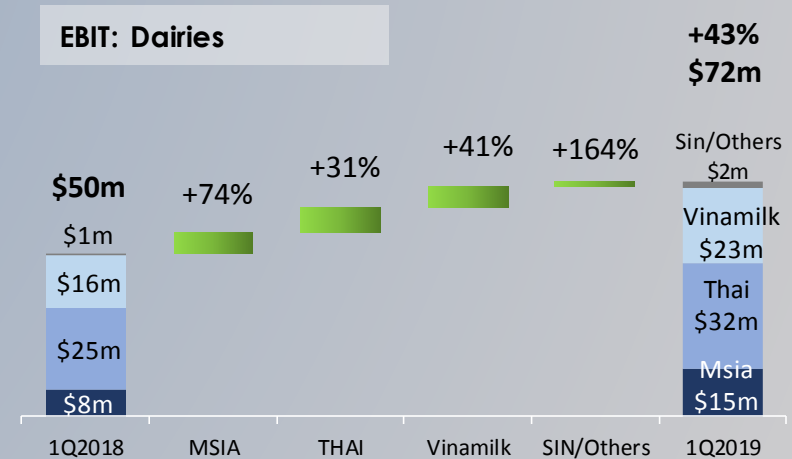
- EBIT improved 74% on lower input costs for sugar, palm oil and dairy-based commodities

Dairies Thailand

- EBIT improved driven largely by favourable input costs on key raw materials, partly offset by higher advertising and promotional expenses

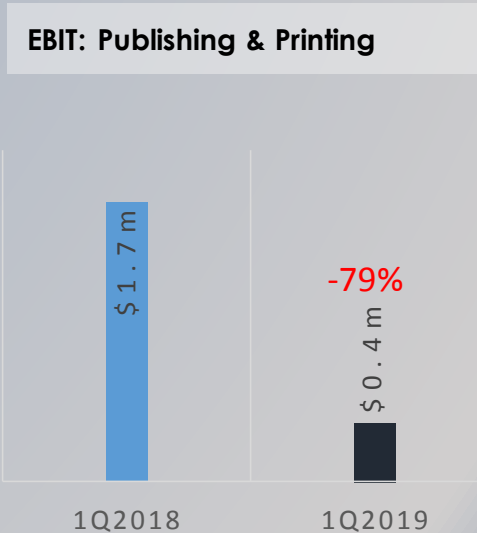
Vinamilk

- Earnings improved 41% on higher shareholding (19.2% to 20.01%) and improved performance from Vinamilk



1Q2019 EBIT | Publishing & Printing

- EBIT declined from \$1.7 million to \$0.4 million
 - Due largely to the absence of a \$1.1 million one-off gain in the sale of machinery recorded in the last corresponding period





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