

FY2019

F&N

9M2019
Financial
Highlights



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9M2019 Performance Highlights

Earnings rose 43.6% to \$228 million underpinned by solid performances from all divisions

- Group performance improved for the nine-month ended 30 June 2019 (“**9M2019**”)
 - Revenue increased 3.5% to \$1,422 million on higher soft drinks and dairy sales
 - EBIT rose 43.6% to \$228 million, from \$158 million
 - Supported by strong Dairies earnings growth of 27.0%
 - Beverages earnings improved 29.3%, lifted by strong soft drinks sales and lower sugar costs
 - Publishing & Printing earnings improved mainly due to one-off income from sale of non-core assets and maiden profit contribution from newly-acquired business
 - Profit after taxation grew 30.9% to \$179 million
 - A lower after-tax growth due to higher effective tax rate (17.7% in 9M2019 vs 7.2% in 9M2018) following the expiration of corporate tax incentive in Thailand

9M2019 Group Financial Highlights

Revenue
(million)

\$1,422
▲ 3.5%

Earnings before interest and tax
(million)

\$228
▲ 43.6%

Profit after tax
(million)

\$179
▲ 30.9%

EBIT margin
(%)

16.0%
▲ 447bps

Gearing¹
(%)

15.2%
▲ 4.4%²

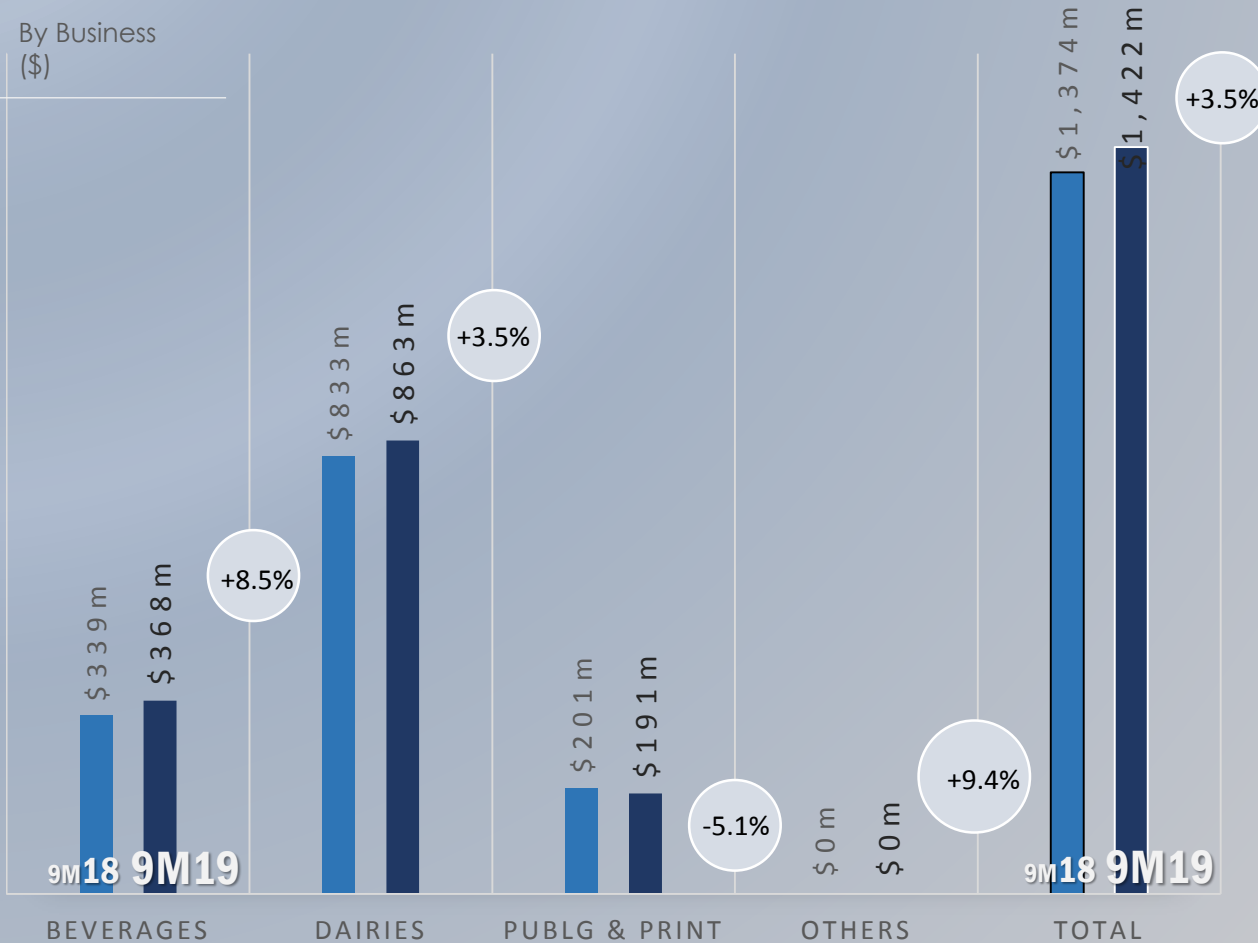
Earnings per share (basic)
(cents)

8.9³
▲ 41.3%

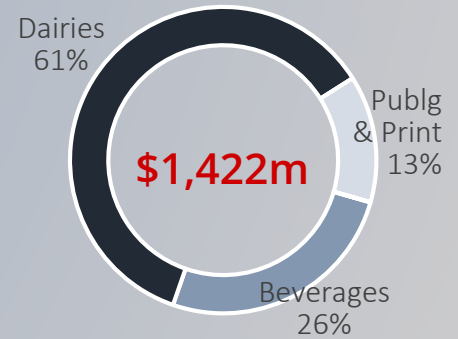
9M2019 Revenue grew 3.5% to \$1,422 million

Lifted by higher dairy and soft drinks sales

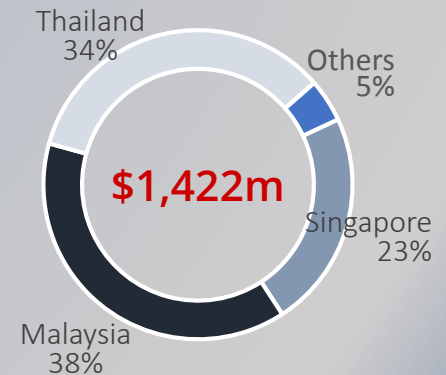
By Business (\$)



By Business (%)



By Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

9M2019 Revenue | Beverages

Revenue increased 8.5% driven by higher sales across most markets

Beverages Malaysia

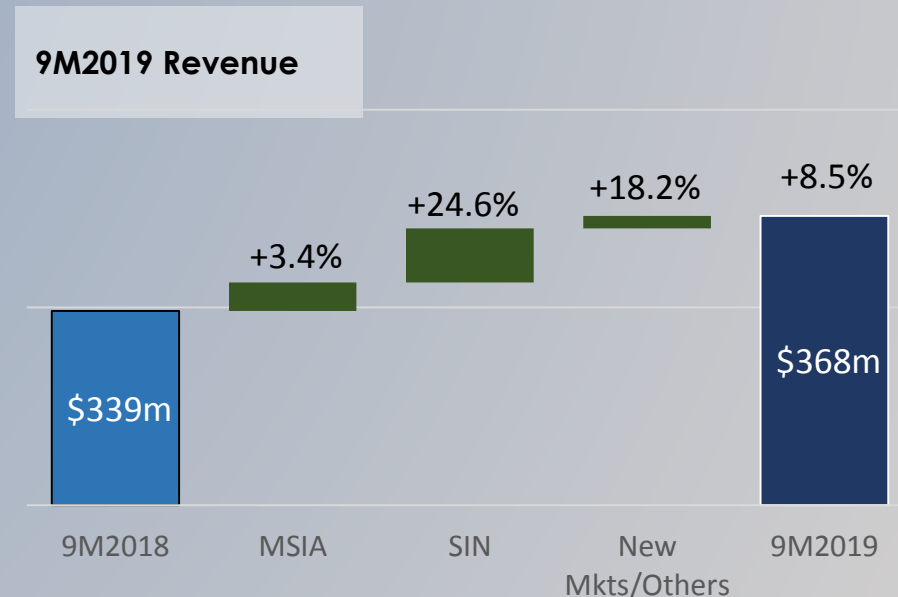
- Revenue growth lifted by successful festive activations, improvements in route-to-market and introduction of new healthier products

Beverages Singapore

- Revenue improved 24.6% mainly due to higher *100PLUS* sales on successful execution of marketing activities and promotions

Beverages New Markets¹ / Others

- Revenue growth was mainly due to higher sales in Indonesia, driven by increased market penetration



9M2019 Revenue | Dairies

Revenue grew 3.5% to \$863 million driven mainly by Dairies Thailand

Dairies Malaysia

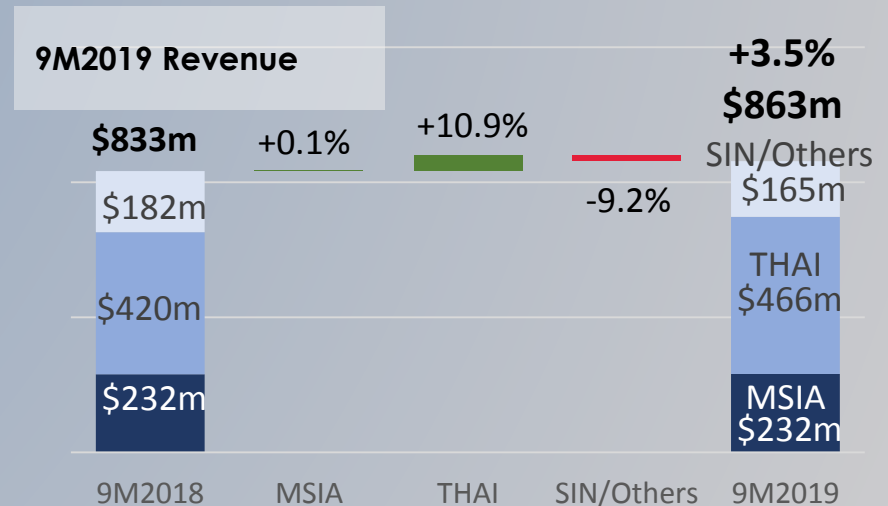
- Sales flat at \$232 million despite intense price competition in canned milk category; in local currency, sales rose 1.5%

Dairies Thailand

- Higher sales mainly due to successful execution of marketing and branding initiatives in domestic and Indochina markets and favourable translation effect (in local currency, revenue grew 8.1%)

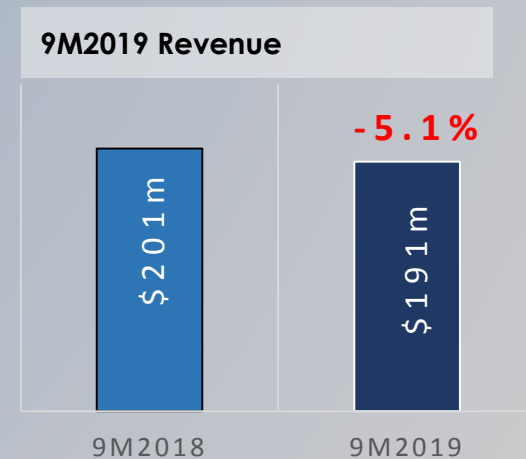
Dairies Singapore/Others

- Decline was due to absence of last year's one-off co-pack export sales



9M2019 Revenue | Publishing & Printing

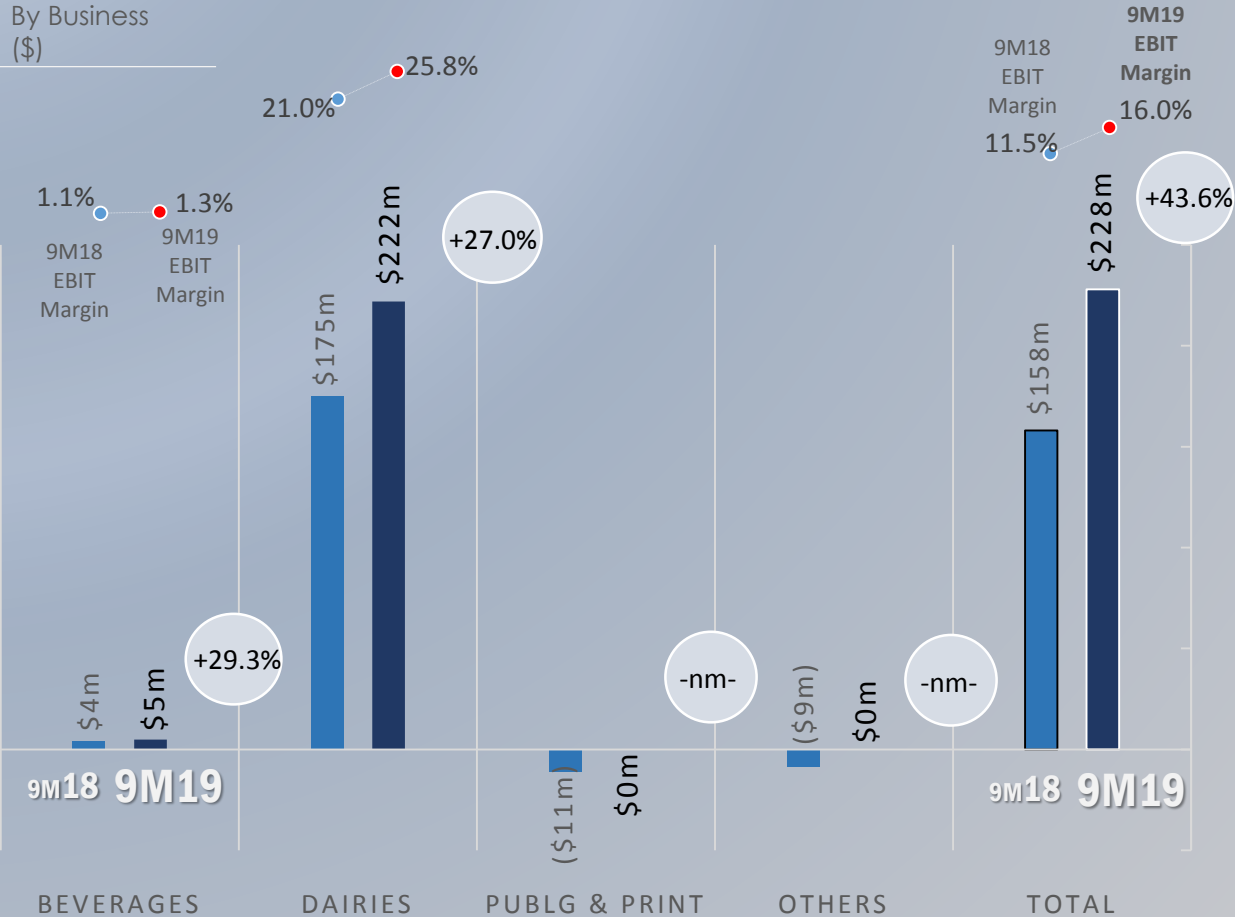
- Revenue fell 5.1% due to
 - Change in sales mix of education publishing business
 - Decline in magazine print volume



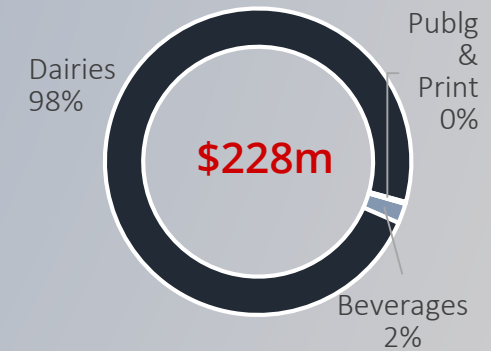
9M2019 EBIT rose 43.6%

All business segments reported earnings growth

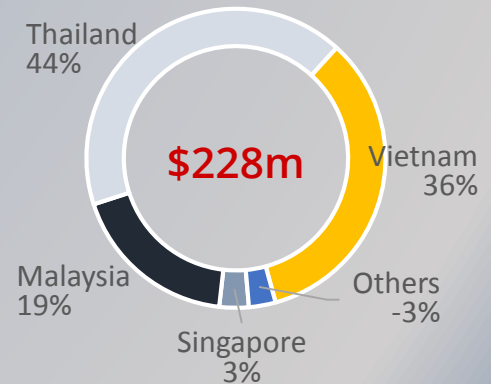
By Business (\$)



By Business (%)



By Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

9M2019 EBIT | Beverages

Earnings grew 29.3% mainly due to higher sales and lower sugar costs, despite brewery pre-operating costs of \$2.5 million

Beverages Malaysia

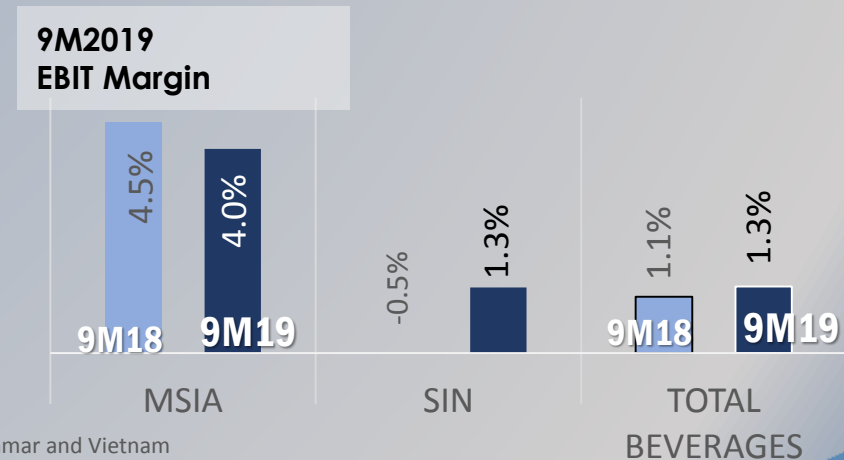
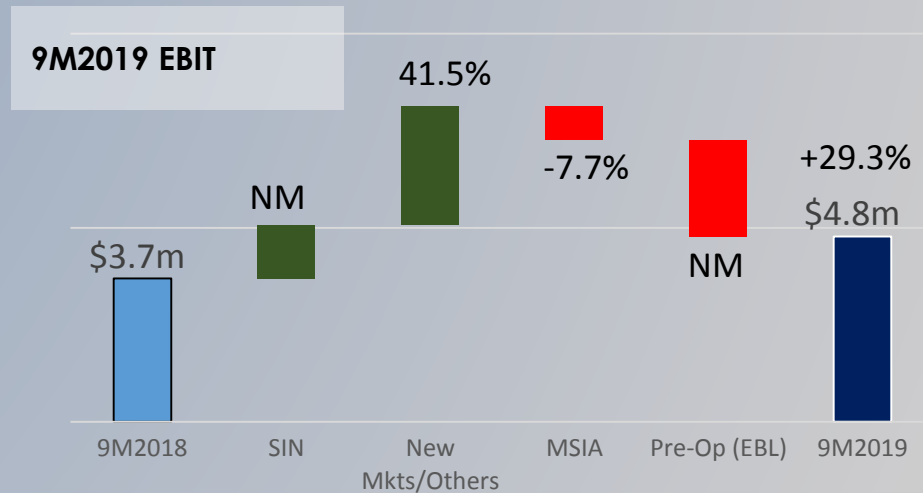
- Despite higher revenue, EBIT dropped due to higher repairs and maintenance costs and depreciation of new capex

Beverages Singapore

- Largely supported by higher soft drinks and beer sales

Beverages New Markets¹ / Others

- EBIT improvement was largely due to higher sales and lower supply chain costs in Indonesia



9M2019 EBIT | Dairies

Earnings increased 27.0% on lower input costs and higher contribution from Vinamilk

Dairies Malaysia

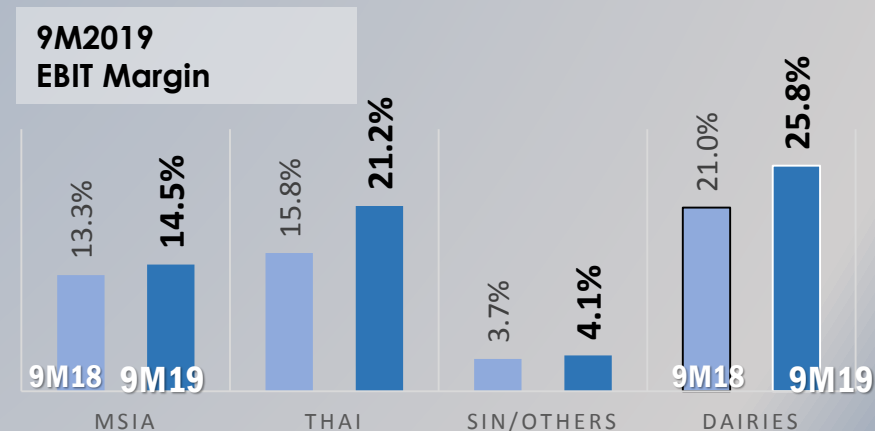
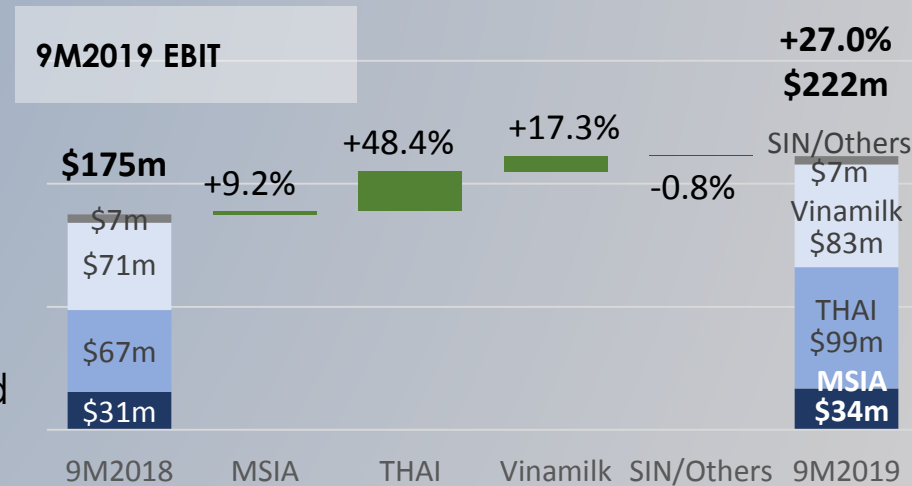
- EBIT increased 9.2% on lower input costs

Dairies Thailand

- EBIT increased 48.4% largely driven by higher sales, phasing of marketing spend and favourable input costs on key raw and packaging materials

Vinamilk

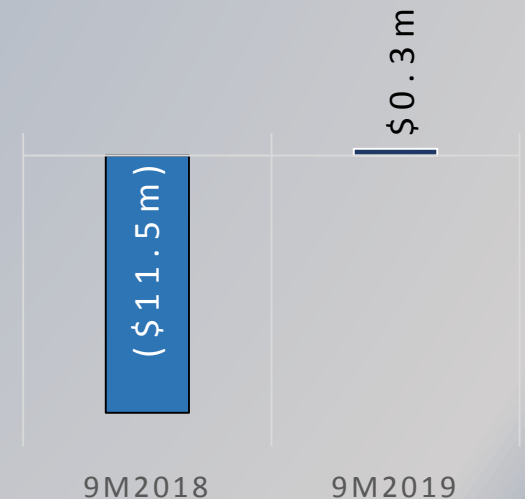
- Increase in share in results of Vinamilk was due to Vinamilk's higher revenue from recovery of domestic demand and absence of last year's one-off expense



9M2019 EBIT | Publishing & Printing

- Earnings improved to \$0.3 million from a loss of \$11.5 million in the corresponding period last year
 - Mainly driven by maiden profit contribution from newly-acquired business and one-off income from the sale of non-core assets

9M2019 EBIT



Maintained a strong financial position

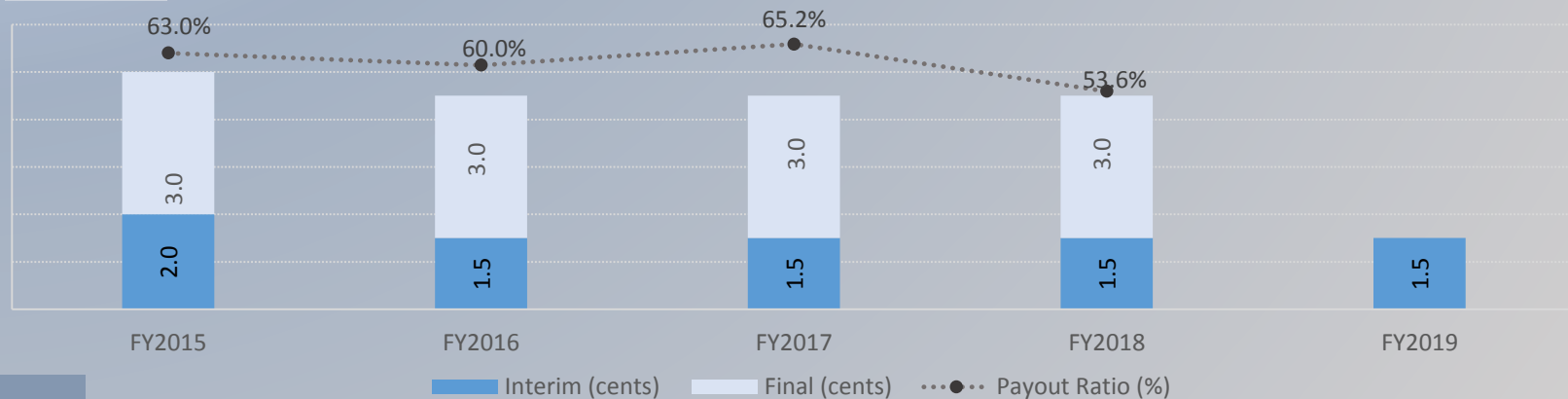
Focused on prudent balance sheet management

- Higher borrowings to finance various acquisitions
- Declared interim dividend of 1.5 cents per share, same as last year; paid in June 2019
 - Takes into account Group's capital position and near-term capital needs
 - Dividend policy unchanged

Key Financials

	FY2018 (restated)	9M2019
Total Equity ¹	\$3,168m	\$3,238m
Total Assets	\$4,491m	\$4,512m
Net Borrowings	\$341m	\$492m

Dividend



100 PLUS
AKTIFKAN
POTENSIMU

CORPORATE
DEVELOPMENTS



F&N acquires majority interest in Print Lab Pte. Ltd.

60.0%

INTEREST

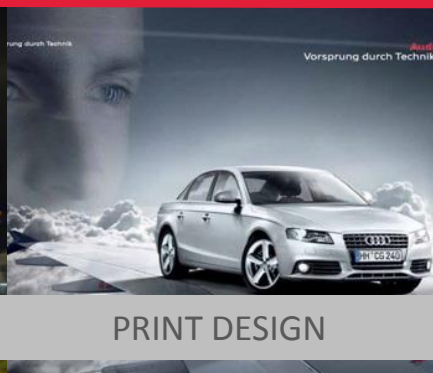
@ April 2019

PRINT LAB PTE. LTD. (“PL”)

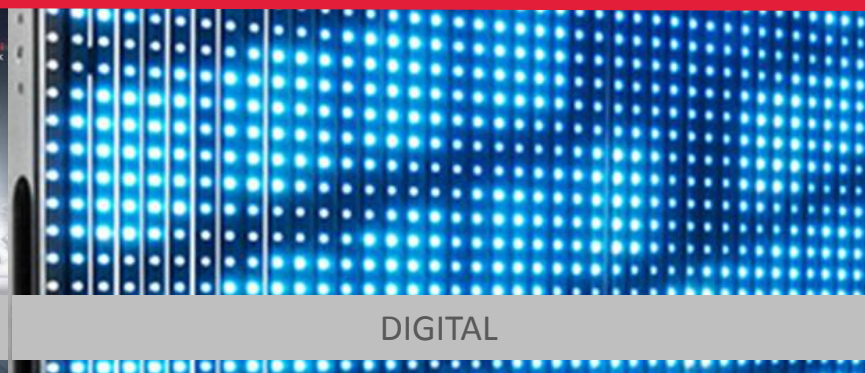
- Acquired a 60% stake for \$24.5 million
- PL is a one-stop print, creative and digital out-of-home solution provider in Singapore
- It serves many blue-chip companies across a diverse set of industries including clients in the creative retail marketing segment, FMCG, retail, automobile and financial institutions



LARGE FORMAT PRINTING



PRINT DESIGN



DIGITAL

F&N enters food business in Thailand



GENKI SUSHI

20.75%

EFFECTIVE
INTEREST

@ April 2019

GENKI SUSHI BANGKAPI CO. LTD. ("GSB")

- GSB is a franchised sushi restaurant business in Thailand, under its principal brand, *GENKI SUSHI*
- F&N's effective stake in GSB ~20.75%

F&N enters fast-growing premium retail coffee segment in Thailand



STARBUCKS COFFEE (THAILAND) CO., LTD (“STARBUCKS THAILAND”)

- F&N, through Coffee Concepts (Thailand) Co., Ltd., a partnership between F&N Retail Connection Co., Ltd. and Maxim’s Caterers Limited (“**Maxim’s**”), acquired the entire issued share capital of Starbucks Thailand
- Leverage Maxim’s long-standing partnership with Starbucks, its extensive experience in running Starbucks stores in multiple markets as well as other food and beverage retail outlets to enter the fast-growing premium retail coffee segment in Thailand
- The acquisition is earnings accretive



AMAZING FLAVOUR WITH

LESS = SUGAR



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