



FRASER AND NEAVE, LIMITED

# 9M2020 VOLUNTARY BUSINESS UPDATES (UNAUDITED)

06 August 2020



# Important notice













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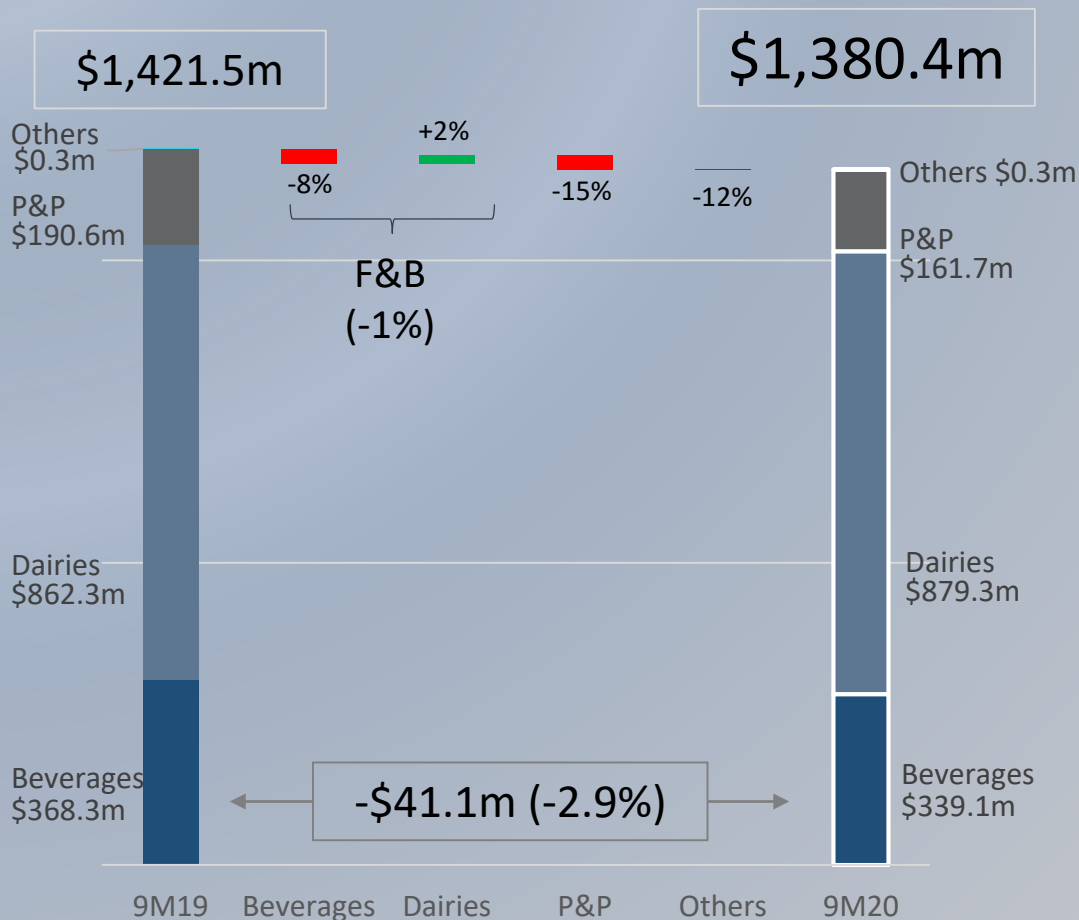
# FINANCIAL HIGHLIGHTS

9M2020 Financial Report (Unaudited)

|   |   |  |
|---|---|--|
| <p><b>\$1,380.4M</b> </p> <p><b>-2.9%</b></p> <p> REVENUE</p> | <p><b>\$211.0M</b> </p> <p><b>-7.2%</b></p> <p> PBIT</p>                              | <p><b>15.3%</b> </p> <p><b>-71BPS</b></p> <p> PBIT MARGIN</p>                              |
| <p><b>\$164.9M</b> </p> <p><b>-7.7%</b></p> <p> PAT</p>     | <p><b>\$118.0M</b> </p> <p><b>-8.2%</b></p> <p> ATTRIBUTABLE PROFIT<sup>1</sup></p> | <p><b>8.1CTS</b> </p> <p><b>-9.0%</b></p> <p> EARNINGS PER SHARE<sup>1</sup> (CENTS)</p> |

# FINANCIAL ANALYSIS

9M2020 Revenue by BUSINESS Segment

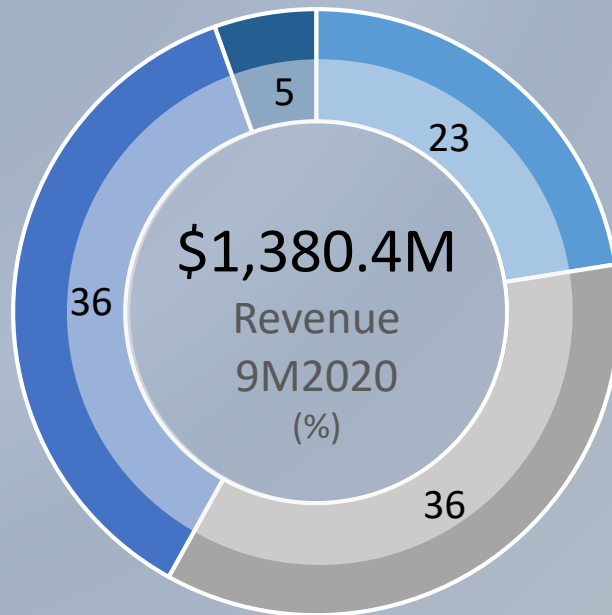


## KEY TAKEAWAYS

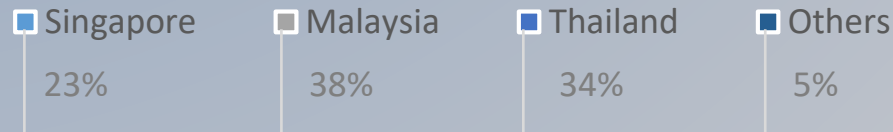
- Adverse impacts of COVID-19 pandemic and flooding in East Malaysia contributed to the 2.9% decline in 9M2020 revenue
- Despite the maiden contribution from new brewery in Myanmar, Beverages revenue fell 7.9% on lower soft drinks volume, largely in Malaysia
- Dairies Thailand, Singapore and Indonesia recorded higher sales. Dairies Malaysia continued to be impacted by subdued domestic demand and weak sentiments, despite strong export sales
- Effects of COVID-19 – temporary plant closures, deferment of textbooks sales orders and reduction in print requirement – adversely impacted P&P sales

# FINANCIAL ANALYSIS

9M2020 Revenue by GEOGRAPHICAL Segment



\$1,421.5M  
9M2019



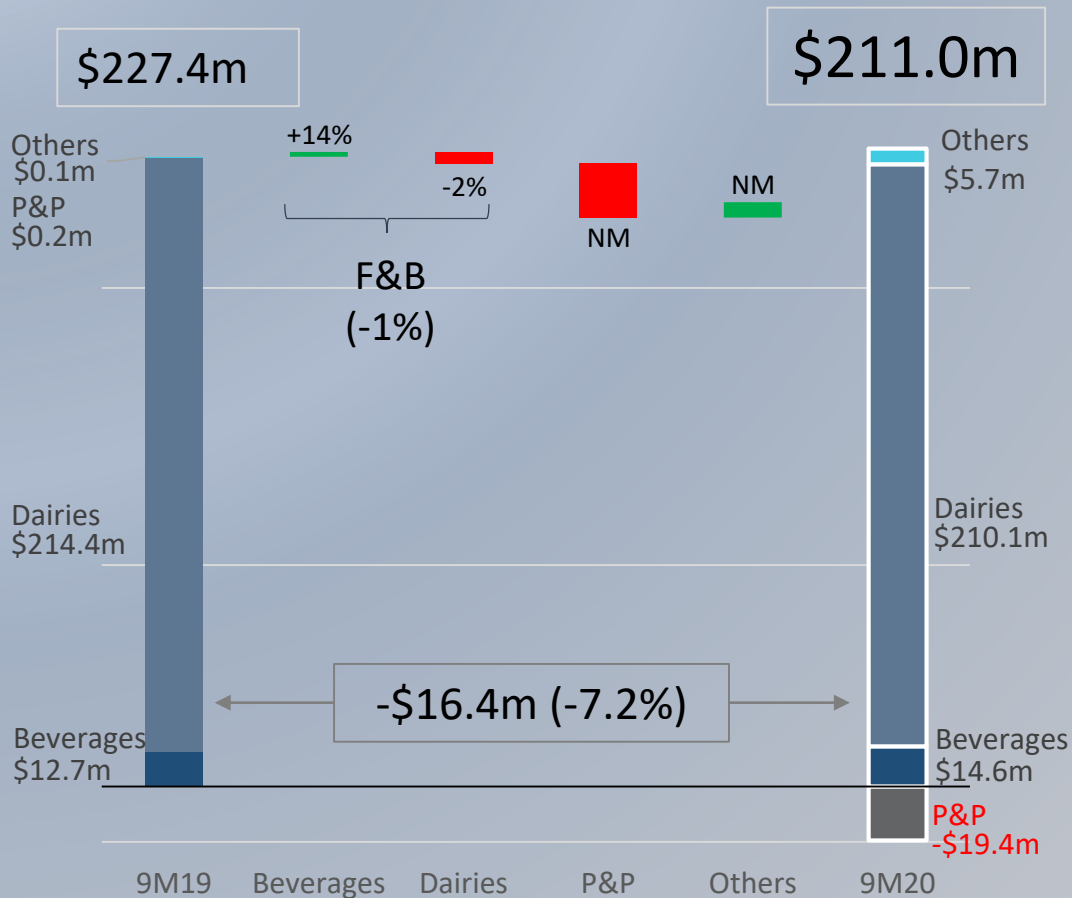
## KEY TAKEAWAYS

- Contribution to sales balanced across key markets
- Key markets of Malaysia and Thailand recorded sales of \$995.0m, down 3.8% y-o-y
- Successful customer loyalty programme and hawker installation initiatives, wider outlet coverage, new products and positive translation effect fueled growth in Dairies Thailand (+3.0%)
- The decrease in Malaysia's sales (-10.2%) reflected the adverse impacts of flooding in East Malaysia and subdued demand due to the COVID-19 pandemic



# FINANCIAL ANALYSIS

9M2020 PBIT by BUSINESS Segment

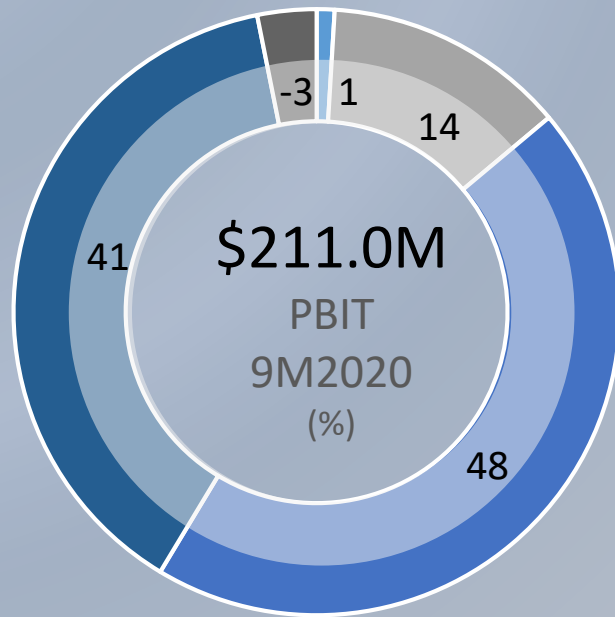


## KEY TAKEAWAYS

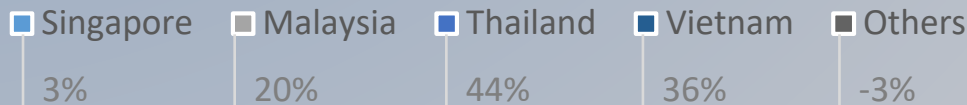
- 9M2020 PBIT impacted by weak 3Q2020 performance
- Despite weak 3Q2020 soft drinks performance, improved brewery earnings in Myanmar lifted 9M2020 Beverages PBIT
- Dairies profit fell due mainly to higher commodity and manufacturing costs, and effects of COVID-19 pandemic in Malaysia
- P&P largely impacted by plant closures and deferment of textbook adoption due to COVID-19

# FINANCIAL ANALYSIS

9M2020 PBIT by GEOGRAPHICAL Segment



\$227.4M  
9M2019

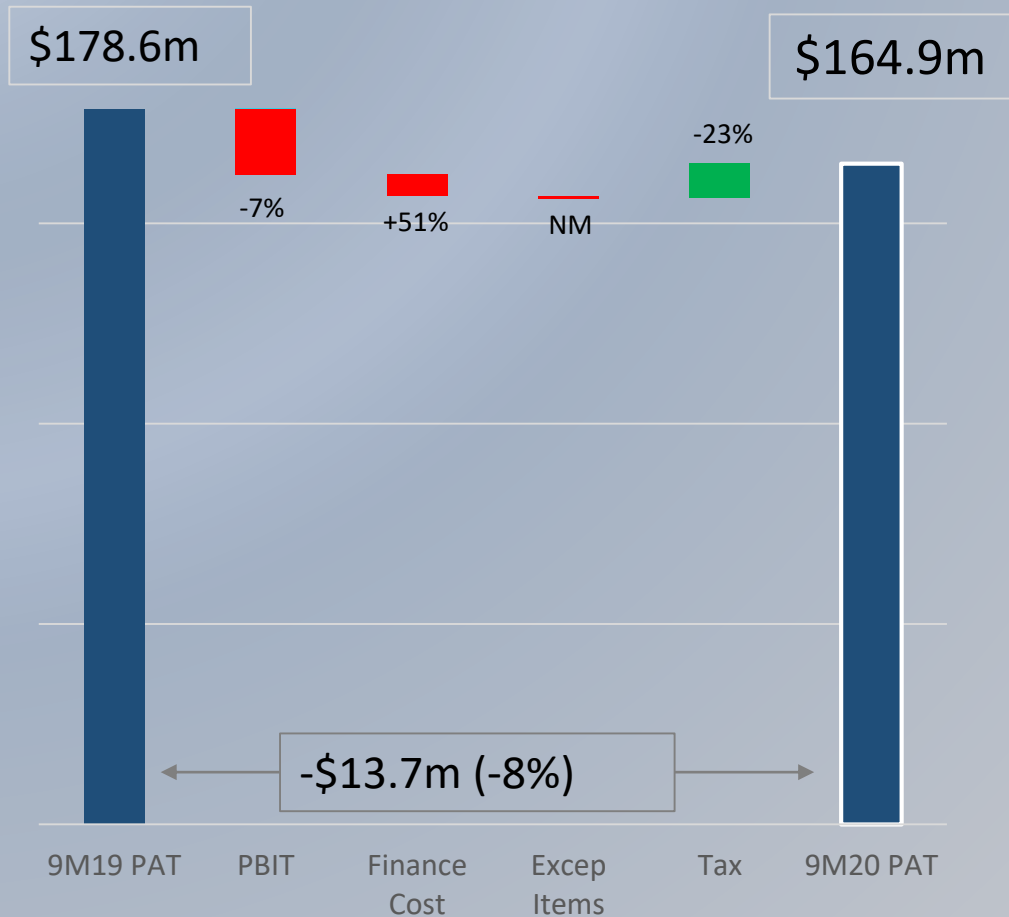


## KEY TAKEAWAYS

- Thailand remains the largest profit contributor (47.7%, up from 44.3% last corresponding period) on higher sales
- Malaysia's contribution fell from 19.4% to 13.8%, impacted by lower sales, higher A&P spending in support of new products, and higher input costs
- Contribution from Vinamilk, associated company of F&N, increased marginally due to higher share of profit

# FINANCIAL ANALYSIS

9M2020 PROFIT AFTER TAX



## KEY TAKEAWAYS

- 9M2020 Profit after taxation impacted by lower earnings and higher finance cost
- Higher finance cost arose from borrowings to finance investment in Starbucks Thailand
- Lower 9M2020 effective tax rate (15.3% vs 17.7% in 9M2019) arose from non-taxable income and the write-back of tax provision in prior years





# FINANCIAL HIGHLIGHTS

9M2020 Financial Report (Unaudited): BALANCE SHEET

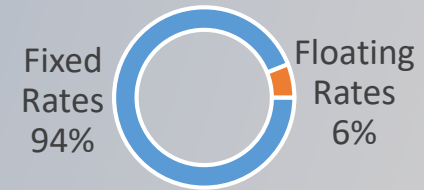
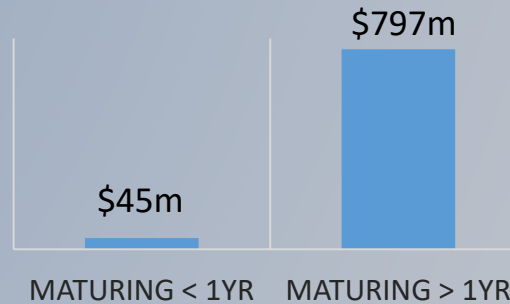
|                            |                          |                                 |                          |
|----------------------------|--------------------------|---------------------------------|--------------------------|
|                            |                          | <b><u>TOTAL LIABILITIES</u></b> | <b><u>\$1,368.2M</u></b> |
|                            |                          | Borrowings                      | \$842.3M                 |
|                            |                          | Other Current Liabilities       | \$426.5M                 |
|                            |                          | Other Non-Current Liabilities   | \$99.4M                  |
| <b><u>TOTAL ASSETS</u></b> | <b><u>\$4,757.4M</u></b> | <b><u>TOTAL EQUITY</u></b>      | <b><u>\$3,389.2M</u></b> |
| Cash and Bank Balances     | \$203.2M                 | Share Capital                   | \$855.9M                 |
| Other Current Assets       | \$692.5M                 | Reserves                        | \$2,119.9M               |
| Non-Current Assets         | \$3,861.7M               | Non-Controlling Interests       | \$413.4M                 |

# STRONG CAPITAL STRUCTURE

## Maturity Profile of Group Debt

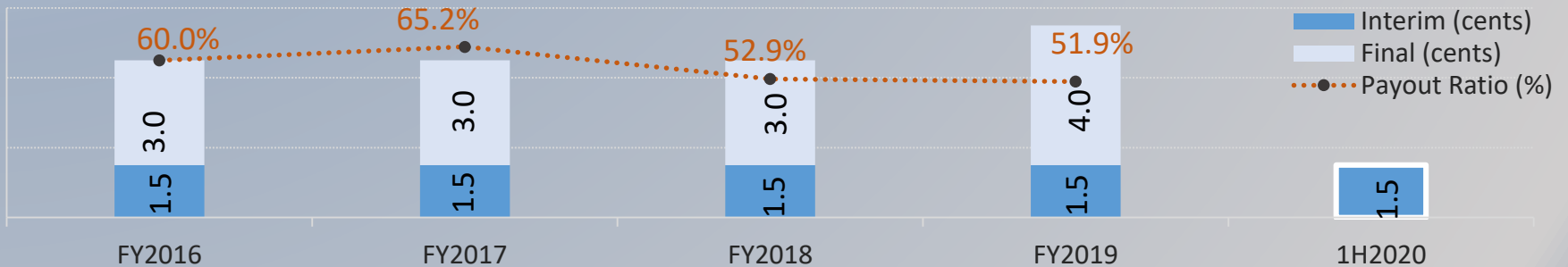
Generous debt headroom for acquisitions

|                      | 9M2020        | FY2019 |
|----------------------|---------------|--------|
| Cash                 | <b>203.2M</b> | 420.3M |
| Borrowings           | <b>842.3M</b> | 829.7M |
| Gearing <sup>1</sup> | <b>18.9%</b>  | 12.3%  |



## Dividend

FY2020 interim dividend maintained



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# 9M2020 Group Financial Highlights (Unaudited)

| Nine months ended 30 June<br>(\$ million)        | 9M2020       | 9M2019       | Change<br>(%) |
|--|--------------|--------------|---------------|
| Revenue  | 1,380.4      | 1,421.5      | ▼ 2.9         |
| Gross Profit                                     | 449.7        | 466.7        | ▼ 3.6         |
| Profit before interest and tax<br>("PBIT")       | 211.0        | 227.4        | ▼ 7.2         |
| <i>PBIT margin (%)</i>                           | <i>15.3%</i> | <i>16.0%</i> | ▼ 71bps       |
| Profit after tax                                 | 164.9        | 178.6        | ▼ 7.7         |
| Profit attributable to Shareholders <sup>1</sup> | 118.0        | 128.6        | ▼ 8.2         |
| Earnings per share (cents) <sup>1</sup>          | 8.1          | 8.9          | ▼ 9.0         |