

CHIEF EXECUTIVE OFFICER'S MESSAGE

LEADER & TRAILBLAZER

Industry Leader, Established Trailblazer



F&N's journey has always been defined by innovation, adaptability, and resilience – traits that continue to help us navigate challenging times.



REVENUE

\$2,162m

\$2,099m in FY2023

↑ 3%



PROFIT BEFORE
INTEREST AND TAX

\$297m

\$249m in FY2023

↑ 19%



HUI CHOON KIT

A YEAR OF TRANSFORMATION AND GROWTH

FY2024 was a pivotal year for Fraser and Neave, Limited (“**F&N**”, the “**Company**”, or the “**Group**”). Alongside delivering strong financial and operational performance, we underwent a significant strategic realignment, becoming a subsidiary of Thai Beverage Public Company Limited (“**ThaiBev**”). This transition marked a new chapter in our 141-year journey, further solidifying F&N’s position as a leading non-alcoholic beverage and dairy player in Southeast Asia. Our integration into the ThaiBev family opened new avenues for synergies, accelerating our long-term ambitions.

F&N’s journey has always been defined by innovation, adaptability, and resilience – traits that have consistently helped us navigate challenging times. Supported by our dedicated teams, we demonstrated our ability to overcome obstacles, including economic downturns and shifting consumer preferences. FY2024 was no exception. Despite headwinds such as inflation and regional currency volatility, we delivered solid results across all business segments, underscoring the strength of our diversified business model, which provides a robust buffer against market instability.

FY2024 FINANCIAL PERFORMANCE

In FY2024, F&N recorded a 3% increase in revenue, reaching \$2,162M, compared to \$2,099M in FY2023. In constant currency terms, this represented a 5% growth, driven primarily by the strong performance of our Food & Beverage (“**F&B**”) segment. Profit Before Interest and Tax (“**PBIT**”) surged by 19% to \$297M, reflecting prudent cost management, favourable commodity prices, and successful expansion into new business areas. Despite the expiration of tax incentives in Thailand, which led to a higher foreign effective tax rate, our after-tax profit grew by 7% to \$219M. Profit attributable to shareholders increased by 13%, rising to \$150M.

FOOD & BEVERAGE FY2024 PERFORMANCE

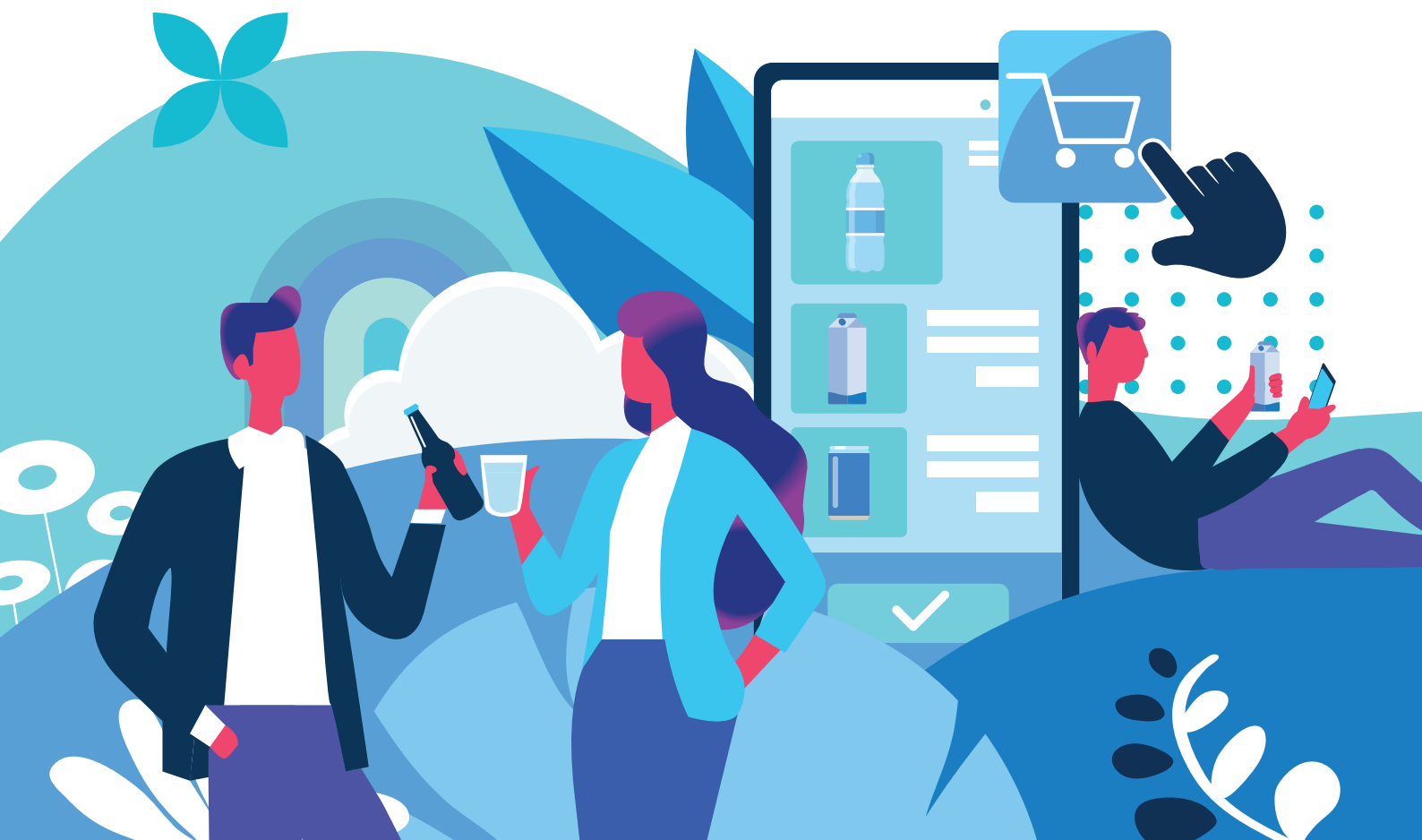
Our F&B division demonstrated remarkable resilience in FY2024, supported by strategic initiatives aimed at extending market reach and leveraging digital channels for growth. Revenue grew by 4% to \$1,876M, compared to \$1,798M in the previous year, with a 7% increase in constant currency terms. This growth was driven

by increased sales volumes across key markets, innovative product launches, and targeted marketing initiatives that aligned with consumer preferences.

All divisions within F&B contributed to the Group’s overall revenue growth. The Beverages segment, comprising Beer and Soft Drinks, achieved an 11% increase in revenue (+13% in constant currency), reaching \$668M. This growth was propelled by a favourable sales mix, higher volumes from festive campaigns and new product launches.

Notably, the Beer division experienced a 50% surge in revenue, fuelled by heightened demand for CHANG Beer and the successful launch of TAPPER, a European-inspired strong lager. TAPPER’s market penetration benefited from CHANG’s established distribution network and targeted brand-building campaigns.

The Soft Drinks division also reported robust growth, particularly for core brands like 100PLUS, F&N, F&N SEASONS, and OYOSHI, driven by strong festive demand, new products, and sustained momentum across key distribution channels. Various marketing campaigns and expanded outlet penetration contributed to the success of these brands.



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PUBLISHING & PRINTING FY2024 PERFORMANCE

The Publishing & Printing (“P&P”) segment experienced a 9% drop in revenue, decreasing to \$201M from \$221M in FY2023. This decline was primarily due to reduced print orders and the planned discontinuation of unprofitable business units. Through stringent cost controls, the closure of non-viable units, and international expansion in the Education and sustainable packaging divisions, P&P turned around its performance, achieving a PBIT of \$0.5M in FY2024, an improvement from a (\$10M) loss in FY2023.

The Education division achieved significant growth in higher-margin, non-print offerings, such as digital solutions and professional development programs, and expanded its presence in markets across Central Asia, the Middle East, and Latin America. Additionally, the Green Lab sustainable packaging initiative gained traction with multinational F&B clients, contributing positively to the segment’s performance.

The Dairies segment achieved modest top-line growth of 1%, driven by the consistent performance of canned milk in Malaysia, Thailand, and Indochina. Excluding adverse foreign currency impacts, the Dairies segment would have recorded a 3% improvement in revenue.

Overall, F&B remained the primary driver of growth with PBIT rising by 21% to \$303M. Both Beverages and Dairies recorded strong profit growth, with Beverages’ PBIT increasing by 22% to \$45M and Dairies by 21% to \$258M. These results were driven by higher sales, improved cost efficiencies, and favourable commodity prices, despite challenges from forex fluctuations and increased brand investments.

Beverages’ profitability was particularly buoyed by Soft Drinks, which saw a notable 28% rise in PBIT (+33% in constant currency). However, Beer’s profitability continued to be impacted by weakness in the Kyat, leading to a net loss after considering finance costs and translation impact.

The Dairies segment benefited from a favourable cost environment and operational efficiencies across key markets, including Malaysia, Singapore, Thailand, and Vietnam. The latter, through the Group’s associate, Vietnam Dairy Products Joint Stock Company (Vinamilk), recorded strong profit growth.



STRATEGIC IMPERATIVES FOR SUSTAINABLE GROWTH

As a subsidiary of ThaiBev, F&N aligns its strategic direction with ThaiBev’s “PASSION 2030” vision, which emphasises agility and adaptability in a dynamic market. Our strategy is anchored by two key imperatives: Reach Competitively and Digital for Growth. These imperatives guide our market expansion, brand diversification, and digital transformation efforts, establishing F&N as a stable and sustainable leader in the ASEAN food and beverage sector.

(i) REACH COMPETITIVELY

Our Reach Competitively approach focuses on optimising channel coverage, expanding market penetration, and enhancing service quality across key regions. We are positioning ourselves as a “multi-local champion” by tailoring strategies to local demands and deepening our footprint across product groups, including implementing end-to-end operating models tailored to core markets.

Expanding our brand portfolio remains central to this strategy. By regionalising flagship brands and elevating local champions, we adapt to consumer preferences, with a focus on health, wellness and premium products. Aligned with our environmental, social, and governance commitments, these efforts ensure competitiveness while advancing sustainability.

(ii) DIGITAL FOR GROWTH

The Digital for Growth imperative drives our transformation across the business. We are developing robust B2B and B2C platforms that create new income streams and provide valuable insights into consumer behaviour, enabling us to tailor our offerings to market needs. Our digitalised operations enhance speed, efficiency, and agility, optimising our processes to better serve customers and stakeholders.

In line with our sustainability goals, we are building a resilient digital infrastructure that fosters innovation while managing costs. By prioritising strong leadership, talent development, and a culture of Oneness among our employees, we empower our workforce to make meaningful contributions to achieving our strategic goals.



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FY2024 IN SUMMARY

As we reflect on our progress, FY2024 was a pivotal year characterised by our commitment to extending market reach, accelerating innovation, and cultivating new growth areas. These priorities supported our overarching goals of enhancing market presence, improving digital capabilities, and advancing sustainability — key components for building a resilient and forward-looking business.

Through Strengthening Our Market Presence, we broadened our distribution networks and boosted brand visibility across ASEAN. In Investing in Innovation and Sustainability, we leveraged digital and sustainable practices to improve operational efficiencies and meet shifting consumer expectations. Lastly, Nurturing New Business Areas demonstrated our commitment to diversification and sustainable growth as we expanded into new segments and integrated sustainable practices across our value chain.



A
STRENGTHENING OUR MARKET PRESENCE



Throughout FY2024, we focused on bolstering our market positions in Southeast Asia, where growth potential remains high. By improving our route-to-market capabilities and expanding distribution, we captured new opportunities, particularly in our core markets of Malaysia, Singapore, and Thailand. Targetted marketing investments have further enhanced our brands' visibility and consumer preference.

In Malaysia, demand for brands like 100PLUS, F&N ICE MOUNTAIN, F&N SEASONS and OYOSHI drove strong growth. Adapting to changing consumer trends, particularly toward healthier beverage options, has been key to this success. We have also made strides in expanding our presence in the convenience and on-trade channels, which have been important drivers of volume growth. Similarly, in Singapore,



we launched several new products to drive excitement and growth, reinforcing our market leadership through our strong distribution network and diverse portfolio. To complement these new offerings, we focused on enhancing our e-commerce and digital marketing channels, aiming to strengthen consumer loyalty and engagement through targeted campaigns.

In Thailand, our Dairies business delivered strong performance, with F&N, TEAPOT and CARNATION maintaining their lead in the canned milk segment. We successfully expanded our product portfolio to include new offerings that cater to the growing demand for premium and health-conscious products. This year, we introduced new flavours and packaging formats to meet evolving preferences, further solidifying our presence in the Thai market. Our increased focus on e-commerce and digital marketing channels has also helped us reach a wider audience and drive higher engagement with our brands.

A key strategic approach of the Group in entering new markets is to prioritise building demand through exports before committing to local manufacturing investments. Cambodia highlights the success of this strategy, where we have established a leading position in the canned milk sector. With the market poised for growth, we have committed a capital investment of US\$37.5M (approximately S\$50M) to develop a state-of-the-art dairy manufacturing facility in the Suvannaphum Special

Economic Zone. This facility, scheduled to commence operations in early 2026, will focus on producing canned milk — a rapidly growing category in Cambodia's dairy market. As the facility scales its operations, we plan to diversify production to include a broader range of dairy products, tapping into rising consumer interest in premium and value-added dairy offerings. By establishing local production capabilities, we aim not only

to reduce reliance on imports but also to build a more agile supply chain that can respond swiftly to market demand. This move underscores our ambition to reinforce our leadership in Cambodia's dairy sector and contribute to local economic development. Through this investment, we are also creating local job opportunities, advancing our sustainability practices, and supporting Cambodia's long-term growth in the dairy industry.

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B
INVESTING IN INNOVATION AND SUSTAINABILITY

Our commitment to innovation extends beyond products to include operational practices and value delivery. Investments in digitalisation and automation have improved efficiencies, lowered costs, and enabled us to respond more effectively to market shifts.

As we navigate a dynamic market environment, our focus on digital transformation is paramount. Over the past year, we continued to make strides in enhancing our e-commerce capabilities and integrating AI-driven solutions into our consumer-facing platforms. These initiatives aim to elevate the customer experience and leverage data analytics for informed decision-making. Expanding digital sales channels has enabled us to capitalise on the growing trend of online shopping and meet evolving consumer preferences. Our online sales strategies and festive campaigns have positioned us well to capture shifts in consumer behaviour, thereby fortifying our market presence.

To meet the demand for health-focused products, we introduced innovative offerings across key markets. In Singapore, the 100PLUS Isotonic Slushy was developed in partnership with NUS Project HeatSafe to support effective hydration in rising temperatures. F&N ICE MOUNTAIN launched a lychee-flavoured sparkling water, offering a refreshing



zero-sugar and zero-calorie option. Meanwhile, F&N NUTRISOY introduced a limited-edition Fresh Soya Milk Kurogoma with Black Sesame, catering to the growing demand for nutritious, vegan-friendly beverages. Similarly in Malaysia, F&N SEASONS responded to the demand for healthier options with a limited-edition Zero Sugar variant of Ice Lemon Tea, as part of our inaugural wellness campaign, "JOM SIHAT, KEKAL CERGAS".

Complementing our innovation efforts is a strong commitment to sustainability, which underpins our long-term strategy. Over the years, the Group has been active in implementing initiatives to reduce our environmental impact, including expanding our renewable energy usage and adopting environmentally-friendly

packaging solutions. As part of our decarbonisation strategy, we have installed rooftop solar panels across our plants in Singapore, Malaysia, Thailand, and Myanmar, significantly reducing greenhouse gas emissions. Additionally, we are minimising the use of virgin materials in our packaging to support a circular economy. Collaborating with suppliers, we have increased the recycled content in our packaging and partnered with companies to develop sustainable solutions.

In partnership with other F&B players, our role as a founding member of BCRS Ltd, a Singapore-based beverage container recycling initiative, further reflects our commitment to waste reduction and sustainable industry practices.





C
**NUTURING
NEW BUSINESS
AREAS**

In FY2024, we made substantial strides in our strategy to enhance and expand our new business areas, particularly in the packaged food sector. Building on our successful acquisitions, we have broadened our portfolio of snack and confectionery products, positioning ourselves as a leading player in this rapidly growing market. Our recent acquisition of Cocoaland, a prominent Malaysian confectionery company, has laid a strong foundation for this expansion and opened new avenues for growth.

As part of this strategy, we have integrated Cocoaland's operations with those of Sri Nona, a well-established brand known for its diverse range of food products. This strategic combination enabled us to leverage the strengths of both brands effectively, generating synergies in distribution, product innovation, and brand development. By combining our capabilities, we are well-positioned to deliver innovative products that resonate with consumers while driving growth in this dynamic sector.

In parallel, our investments in integrated dairy farming are progressing with the development of F&N AgriValley in Gemas, Negeri Sembilan. This ambitious project remains a key driver of growth for our Dairies business. While the timeline for the initial milking, originally targeted for early 2025, is under review due to the suspension of the first livestock delivery by Malaysian authorities, we are confident that the project will continue to make significant progress. The suspension, which was issued due to bird flu concerns despite all necessary precautions being in place, represents a temporary delay to the timeline. The Group is actively exploring alternatives to mitigate the impact.

F&N AgriValley is designed as a fully integrated facility, combining corn cultivation for cattle feed, dairy farming, and milk processing. This project is key to strengthening our supply chain resilience, reducing reliance on external suppliers, and achieving our sustainability goals through stringent quality control standards. With land clearance and site preparation nearing completion, we remain confident in the long-term potential of F&N AgriValley to drive local economic development and reinforce our leadership in the dairy sector.

**BUILDING A RESILIENT
AND AGILE ORGANISATION**

As we embark on the next phase of F&N's journey, we mark an important leadership transition. Mr Charoen Sirivadhanabhakdi, whose guidance and vision have been instrumental in F&N's growth and resilience, will retire from his roles as Chairman and Director following our 126th Annual General Meeting. His dedicated leadership has laid a strong foundation for F&N's continued success, and we are deeply grateful that he will remain with us as Chairman Emeritus, continuing to lend his invaluable insights and experience to both the Board and Management.

We are grateful that Mr Koh Poh Tiong will be stepping up as the incoming Chairman of the Board. With decades of engagement with F&N and a proven track record within the organisation, Mr Koh is well-prepared to guide us through this next chapter. His strategic vision and unwavering commitment to F&N's core values make him ideally suited to lead us as we continue to pursue our long-term objectives.

As we transition into this new leadership phase, we continue to focus on strengthening our operations and reinforcing our competitive edge. Over the years, we have enhanced operational efficiency, streamlined processes, and embraced digitalisation. These efforts, alongside optimised production and improved distribution, have positioned F&N to respond rapidly to market dynamics, driving operational excellence and ensuring agility in seizing emerging opportunities.

Our strategic priorities are further supported by the dedication and strength of our workforce. By investing in targeted training and development, we empower our employees to thrive in a fast-evolving landscape. Our culture of collaboration and innovation fosters a growth mindset, helping us stay ahead in our journey toward sustainable success.

Looking ahead, we remain committed to advancing initiatives that drive long-term, sustainable growth. Strengthening core capabilities, reinforcing established markets, and exploring new opportunities will continue to guide us as we strive toward our vision of becoming a leader in the ASEAN food and beverage sector.

