

FY2016

# F&N 9M2016 FINANCIAL HIGHLIGHTS

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4 August 2016



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# 9M2016 Performance Highlights

43%<sup>1</sup> Profit After Tax Growth

Strong operating performance in the nine-month ended 30 June 2016  
("9M2016")

- Impacted by adverse foreign exchange effect
- Food & Beverage EBIT up 31%; margin improved to 10%, from 7%
- Dairies growth momentum continued unabated; EBIT up 66%
- Marketing investments in new product and market launches



## 9M2016 Group Financial Highlights

Revenue  
(millions)

\$1,486.9

▼ 6.8%

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

\$140.8

▲ 26.0%

Profit after tax<sup>1</sup>  
(millions)

\$127.2

▲ 42.7%

Gearing  
(millions)

\$835.0 (net cash)

▼ 3.5%<sup>3</sup>

Dividend per share (interim)  
(cents)

1.5<sup>4</sup>

▼ 25.0%

Earnings per share (basic)<sup>1,2</sup>  
(cents)

5.2

▲ 44.4%

<sup>1</sup> Continuing Operations

<sup>2</sup> Before Exceptional Items

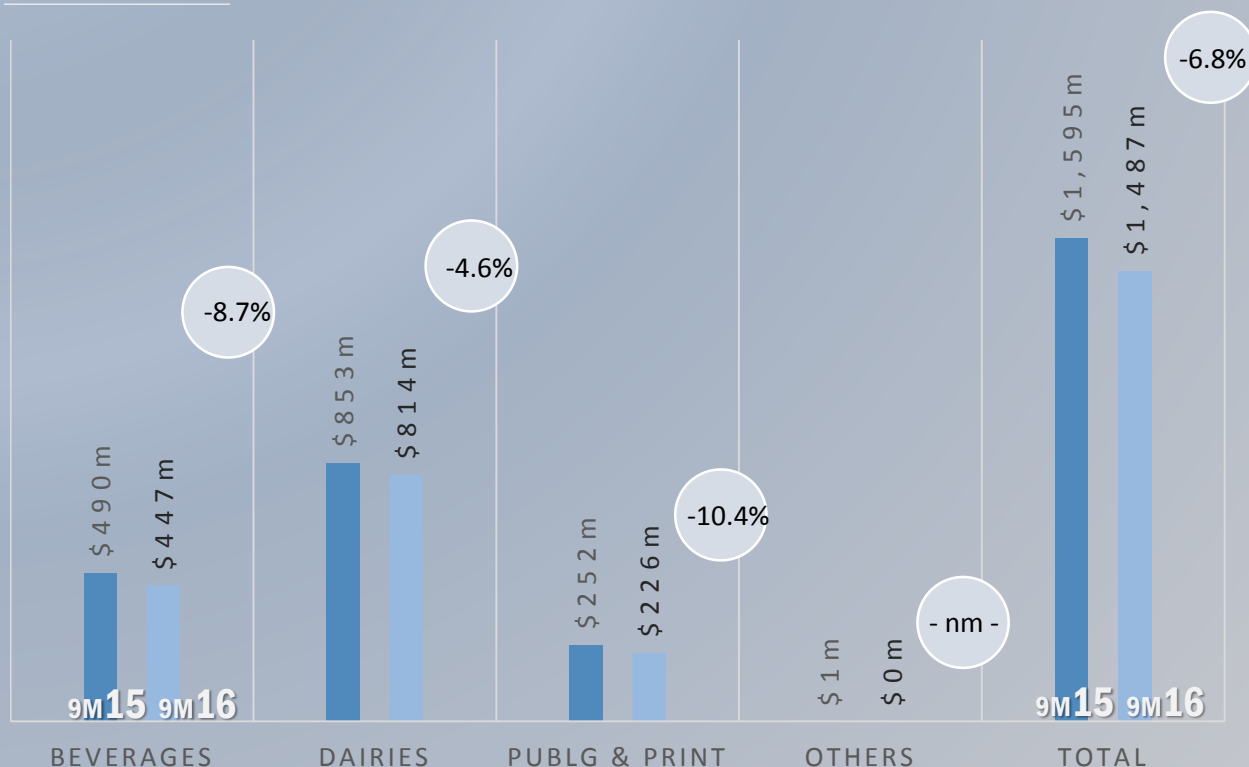
<sup>3</sup> As at 30 September 2015

<sup>4</sup> Interim dividend was declared on 10 May 2016 and paid on 9 June 2016

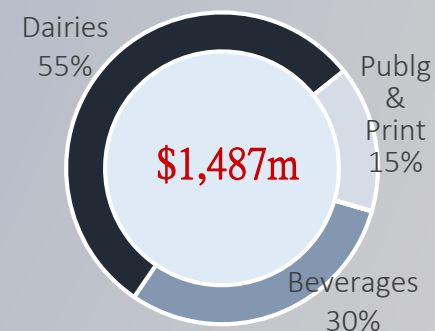
# 9M2016 Revenue Down 6.8%

due to negative translation effects and competitive pricing, despite volume growth

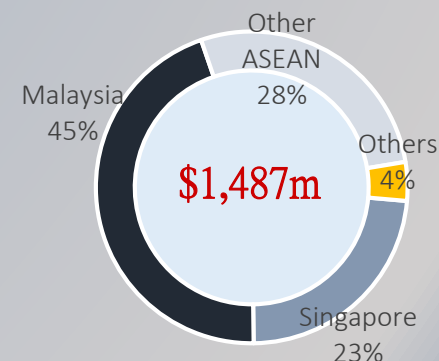
Revenue by Business Segment  
(\$)



9M2016  
Revenue by Business Segment (%)



9M2016  
Revenue by Geography(%)



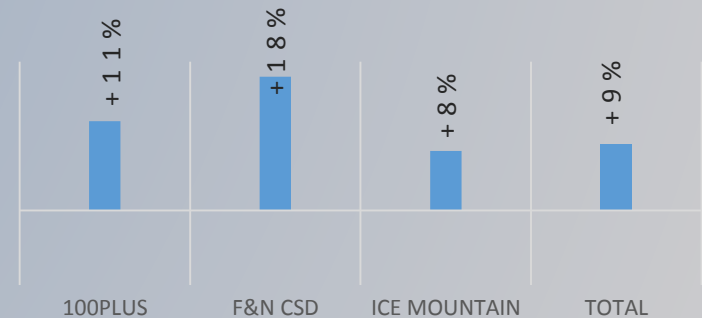
## 9M2016 Revenue | Beverages

Revenue declined 9% on weaker Ringgit, competitive pricing in Malaysia and loss of *Red Bull* sales

### Beverages Malaysia (-15%; -5% in constant currency)

- Volume increased 7%, despite lost sales from *Red Bull*, due to effective execution of consumer and trade marketing programmes centred around the Lunar New Year period
- Revenue impacted by weaker Ringgit, end-consumer related competitive pricing pressures and loss of *Red Bull* sales
- Retained leadership positions in key categories

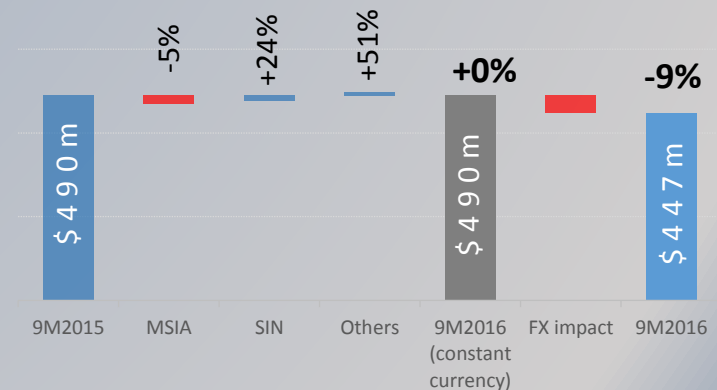
**Volume Growth**  
(Key Brands) (%)



### Beverages Singapore and New Markets

- Revenue grew 24%, driven by new products *F&N Ice Mountain Sparkling Water*, *OISHI* and *COCO LIFE* in Singapore, and *100PLUS* and *OISHI* in Indonesia, Myanmar and Vietnam
- Revenue growth also supported by brand building activities and channel penetration

**9M2016 Revenue**





## 9M2016 Revenue | Dairies

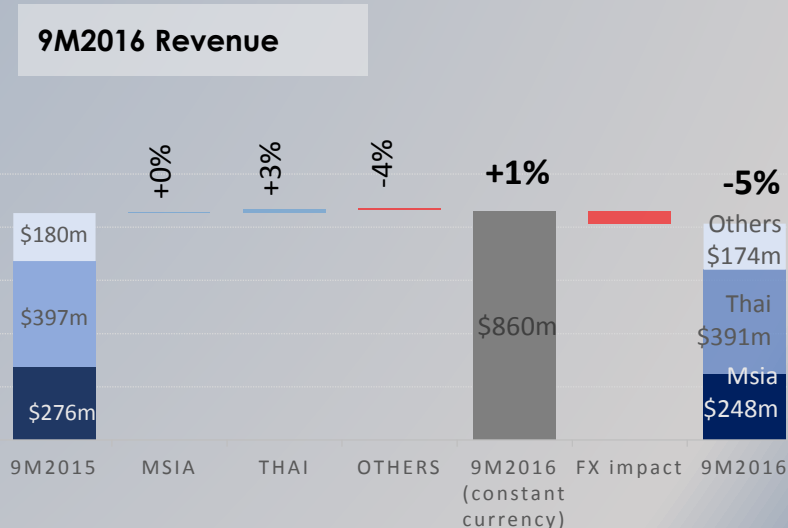
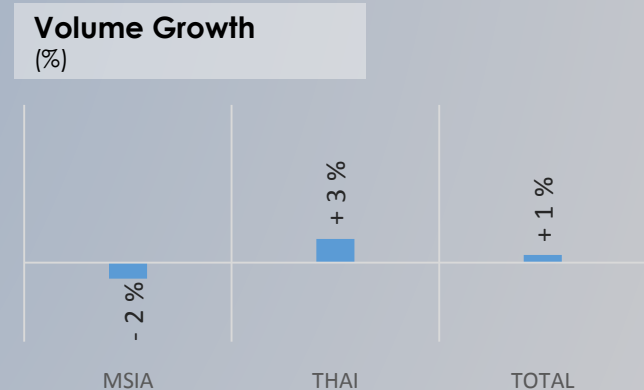
Revenue fell 5%, impacted by negative translation effects and higher tactical discounts

### Dairies Malaysia (-10%; flat in constant currency)

- Impacted by weaker Ringgit and higher trade discounts given (in view of lower input costs)
- Consolidated its market leadership positions for sweetened condensed milk and evaporated milk segments
- Higher export sales have offset impact of lower domestic sales from cautious spending

### Dairies Thailand (-1%; +3% in constant currency)

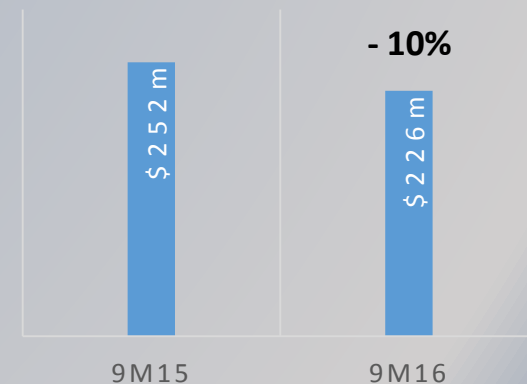
- Despite lost sales from *Bear* and *Milo* UHT, revenue grew 3% in constant currency, on 3% volume growth
- Supported by strong demand for its brands, strong network, increased distribution points and effective execution of trade and consumer marketing campaigns





## 9M2016 Revenue | Publishing & Printing

- Retail and Distribution divisions recorded revenue gains
  - Strong sales performance in airport retail and high street stores
  - Higher partwork sales in Hong Kong and Singapore
- Publishing and Printing divisions revenue fell
  - Slow-down in demand in Education Publishing's key markets of Latin America, USA and Singapore
  - Lower domestic and export print volumes



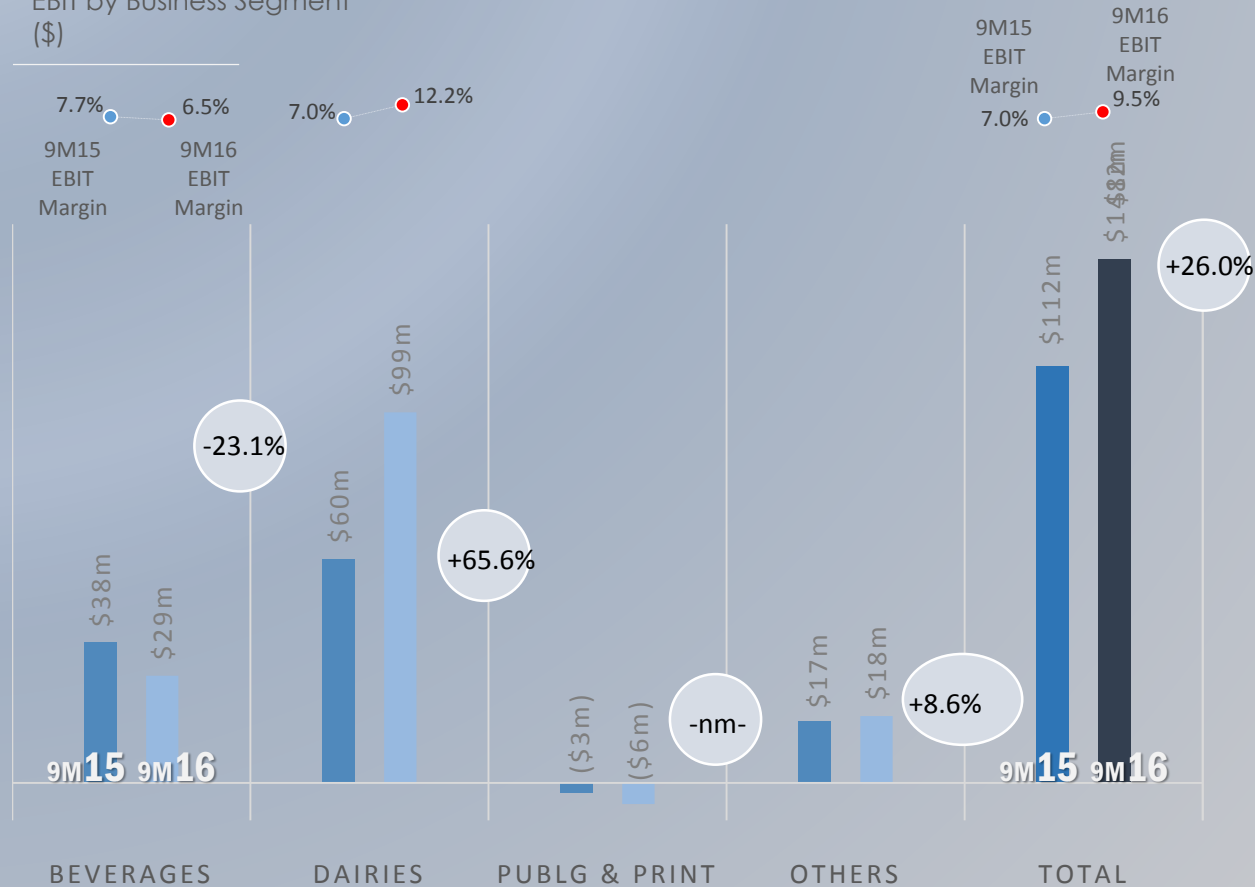




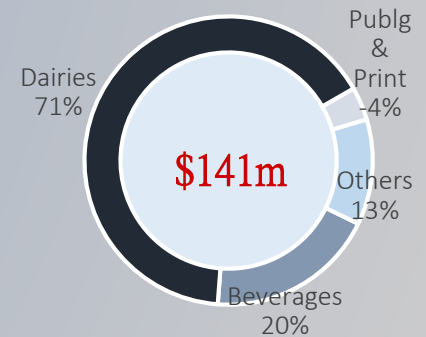
# 9M2016 EBIT Grew 26.0%

Profit growth supported by Dairies, despite negative translation impact

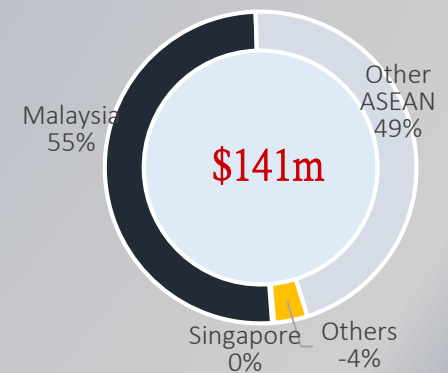
EBIT by Business Segment  
(\$)



9M2016  
EBIT by Business Segment (%)



9M2016  
EBIT by Geography (%)



## 9M2016 EBIT | Beverages

Weaker Ringgit, increased pricing pressures and lost contribution from *Red Bull* impacted earnings

### Beverages Malaysia (-26%; -18% in constant currency)

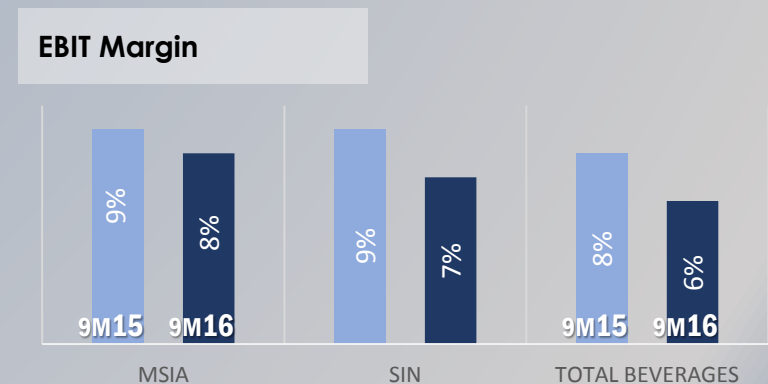
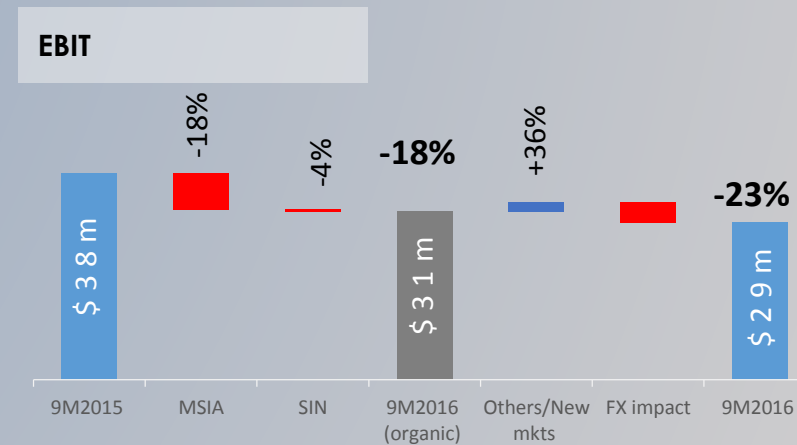
- EBIT dropped from loss of contribution from *Red Bull*, increased pricing pressures and higher marketing spend on new product launches

### Beverages Singapore

- EBIT fell 4% due to higher marketing spend on new product launches of *F&N ICE MOUNTAIN Sparkling Water*, *OISHI*, *COCO LIFE* and *CHANG* beer

### Others / New Markets

- Strong revenue and EBIT contribution from Indonesia more than offset additional brand investment cost in new markets of Vietnam, Myanmar, Thailand and Indonesia



## 9M2016 EBIT | Dairies

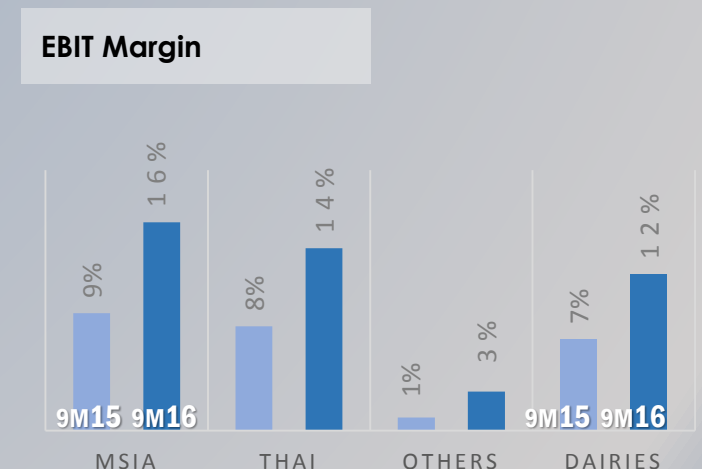
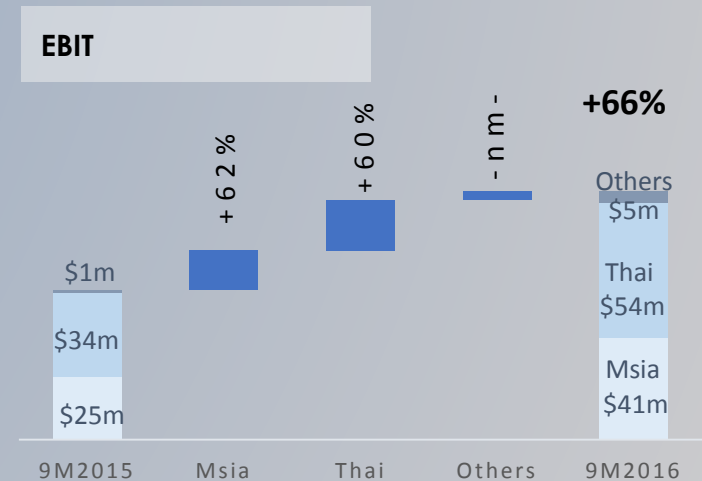
Earnings surged 66%; margin expansion on the back of higher contribution from Malaysia and Thailand

### Dairies Malaysia (+62%; +81% in constant currency)

- Driven by lower input costs
- Weaker Ringgit affected extent of earnings growth
- EBIT margin improved to 16%, from 9%

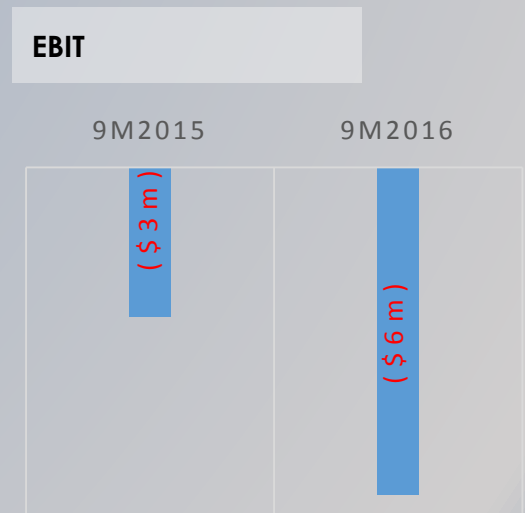
### Dairies Thailand (+60%; +67% in constant currency)

- Strong profit growth supported by significant savings from input costs, lower trade discounting, increased manufacturing utilisation and efficiency and one-off cost recovery
- EBIT margin improved to 14%, from 8%



## 9M2016 EBIT | Publishing & Printing

- Losses before interest and taxation increased to \$5.6m on lower revenue, investments made in an e-commerce project and foreign exchange losses



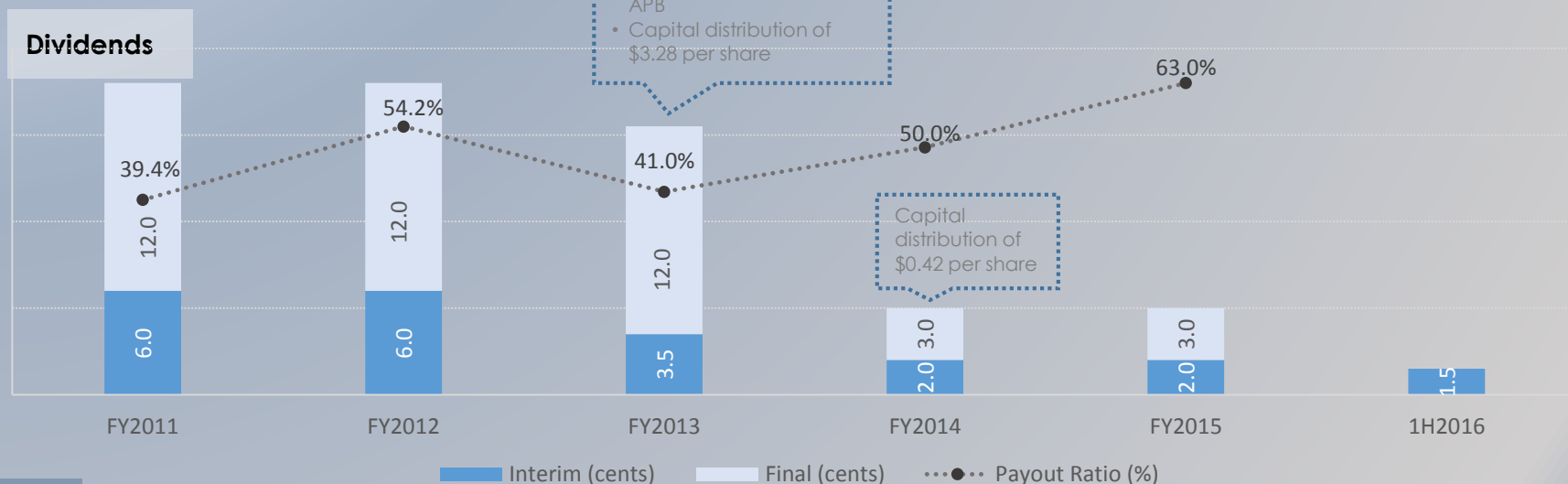
# Maintained a strong financial position

Focused on prudent balance sheet management

- Reflects the Group's underlying operational results following sale of brewery in Myanmar
- Takes into account Group's capital position and near-term capital needs
- Dividend policy unchanged; an interim dividend of 1.5 cents per share was declared

## Key Financial Ratios

	9M2016	FY2015
Total Equity <sup>1</sup>	\$2,879m	\$2,556m
Total Assets	\$3,487m	\$3,143m
Net cash	\$835m	\$865m



KEY  
DEVELOPMENTS:  
Investing for  
Growth





## Investing for our future

RM  
**180**  
MILLION

### **NEW ASEPTIC COLD-FILLING PET BOTTLE LINE**

Offers new formulations and packaging formats  
Reduces PET resin packaging material by 40%  
Produces 6.5 million cases per year

### **STATE-OF-THE-ART FACILITY, Shah Alam**

Offers a four-fold increase in storage capacity  
Achieves cost efficiencies

OPERATIONAL BY 2017



Artist's impression of the facility

RM  
**30**  
MILLION

### **NEW UHT LINE, Kuching**

Produces 3.4 million cases per year

OPERATIONAL BY END-2016





11 May, 2017



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