



Malee Group Public Company Limited

Q1/2018 Opportunity Day

16 May 2018

Disclaimers

The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approve practices and principles in the investment industry. The views are based on assumption subject to various risks and uncertainties and no assurance is made as to whether such future events will occur. No assurance is made as to the accuracy or completeness of information presented in this document.

Please note that the Company has agreed that any all information in connection with CMG products and manufacturing activities shall be kept strictly confidential and not be disclosed to any third party.



AGENDA

Company Overview

Business Update

Results of Operations and Profitability

Forward Looking

Group Structure

Subsidiary

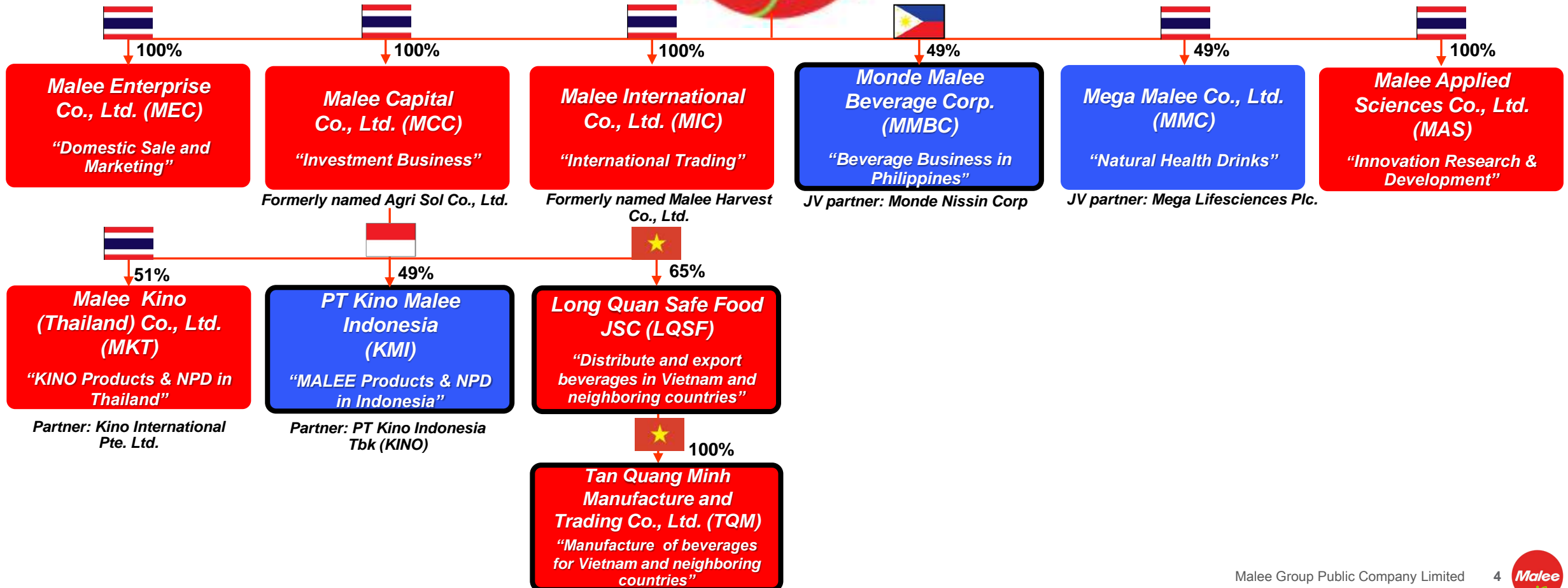
JV/ Associate

Overseas Entity



Malee Group Plc 

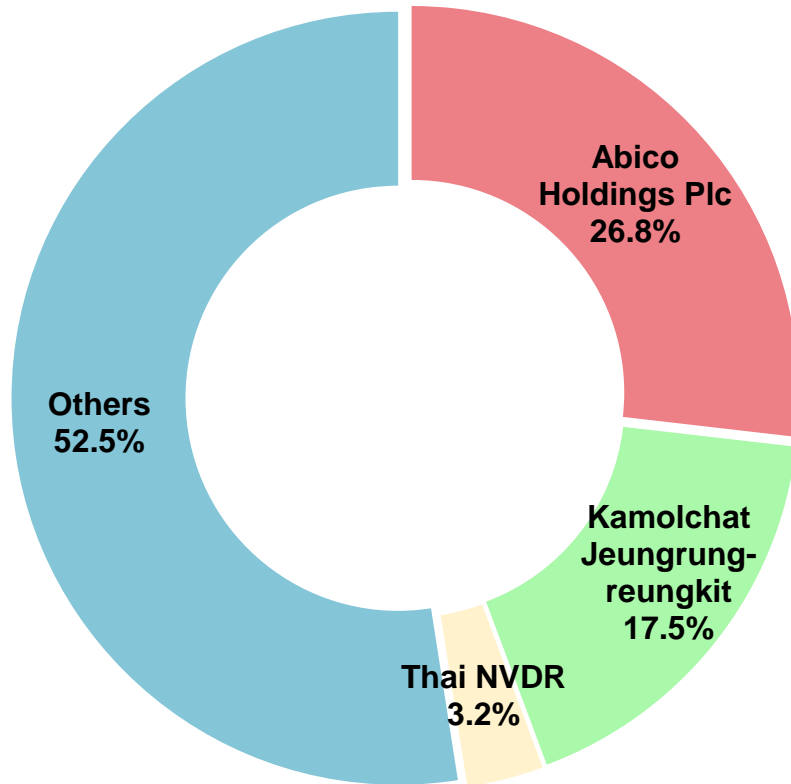
A leading manufacturer, distributor, and exporter of fruit juices, beverages, and canned fruits.



Shareholding Structure & Share Information

Shareholding Structure

(As of 9 March 2018)



Share Information

(As of 11 May 2018)

Stock Symbol:	MALEE
Industry and Sector:	Agro & Food Industry / Food and Beverage
No. of Listed Shares:	280,000,000 Shares
Registered Capital:	THB 140,000,000
Paid-up Capital:	THB 140,000,000
Par Value:	THB 0.50 per Share
Listing Date:	13 March 1992
Foreign Limit:	49% (available 45.55%)
Dividend Policy:	Not less than 50% of the net profit from normal operation according to consolidated financial statement after deduction of tax revenue and legal reserve (with additional conditions)
Market Capitalization:	5,040MB or 158MUSD
Free Float:	48.63%

Milestones

On 2 February 1978, **Malee Sampran Factory Co., Ltd.** was established with capital of 10MB as a manufacturer and distributor of canned food and canned fruits.

On 3 March 1992, MALEE was listed on the Stock Exchange of Thailand (SET).

On 15 May 1998, the Company's name was changed to **Malee Sampran Plc.**

- On 12 January 2017, the Company set up a new subsidiary named Malee Applied Sciences Co., Ltd. (**MAS**)
- On 30 October 2017, **MCC** signed a joint venture agreement with PT Kino Indonesia Tbk (**KINO**) to set up 2 joint venture companies in Thailand and Indonesia.

1978

1981

1992

1995

1998

2016

2017

2018

The Company expanded its production base on the land of 30 rais in Sampran District, Nakhon Pathom Province.

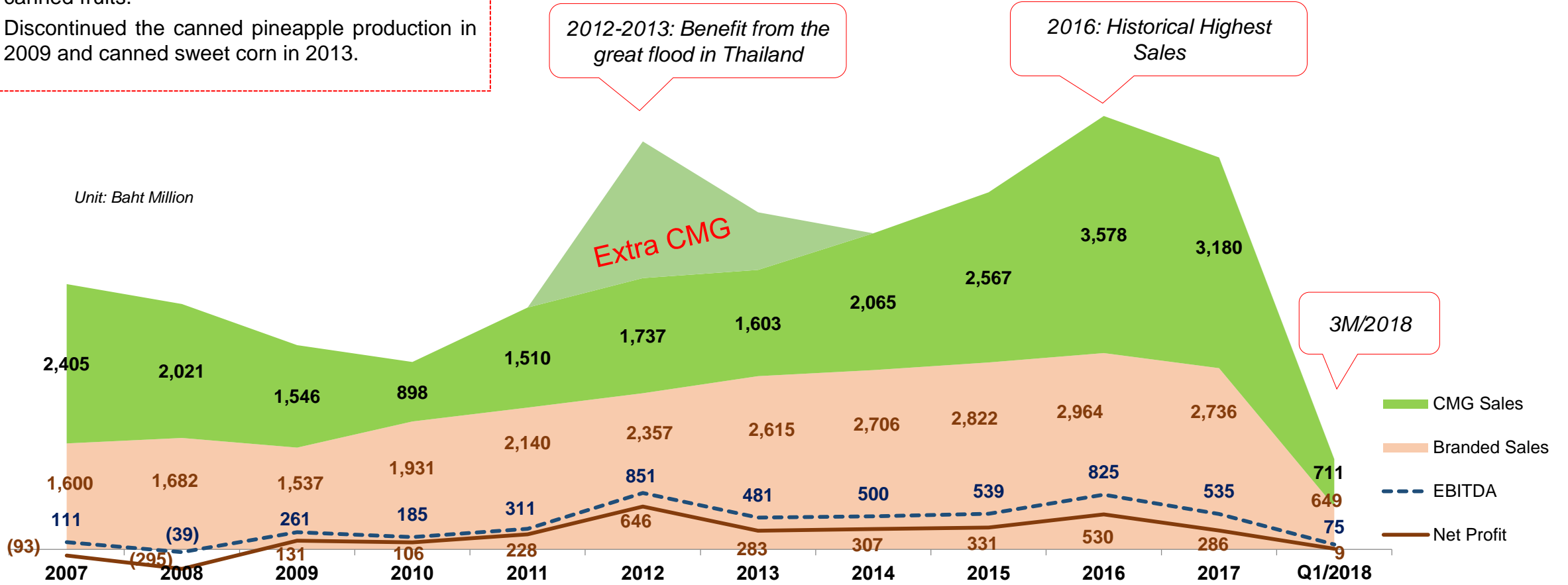
In April 1995, **Abico Holdings Plc** acquired 40% from the existing shareholders.

- In Q1/2016, MALEE, together with Monde Nissin Corp (**MNC**) set up a joint venture company in the Philippines named Monde Malee Beverage Corporation (**MMBC**)
- On 12 May 2016, the Company's name was changed to **Malee Group Plc**
- On 22 August 2016, the Company signed a JV agreement with Mega Lifesciences Plc (**MEGA**) to set up Mega Malee Co., Ltd. (**MMC**), in order to develop natural health-focused RTD products.

On 27 April 2018, **MCC** has completed its acquisition of 65% ownership in Long Quan Safe Food JSC (**LQSF**), which owns Tan Quang Minh Manufacture and Trading Co., Ltd. (**TQM**), a manufacturer and distribution of consumer products in Vietnam.

Historical Performance

- Prior to 2009, major contribution of CMG was from canned fruits.
- Discontinued the canned pineapple production in 2009 and canned sweet corn in 2013.



CMG: Contract Manufacturing

Malee Brand Portfolio

Malee

Daily Nutrition



Malee 100% Juice UHT



Malee 100% Juice Pasteurize



Malee Coco



Malee Nutrient



Malee i-Corn

Functionality



Malee Healthi Plus



Malee Light

Tactical



Malee Food Service



Malee Tropical



Malee Canned Fruit

Canned Fruit



First Choice



Farmer

OTHERS

Dairy Product

Chokchai Farm



UHT



Pasteurize



Canned Sweetened Condensed Non Dairy Creamer

Other Beverages



TurBusta Maxx

Subsidiary/Joint Venture Portfolio

LQSF
(Vietnam)



MMBC
(Philippines)



MAS
(Thailand)



Mega Malee
(Thailand)

Natural Health Drinks -- to be announced

Malee Kino
(Thailand)

Personal Care Products -- to be announced

Kino Malee
(Indonesia)

Food and Beverages -- to be announced

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Company Overview

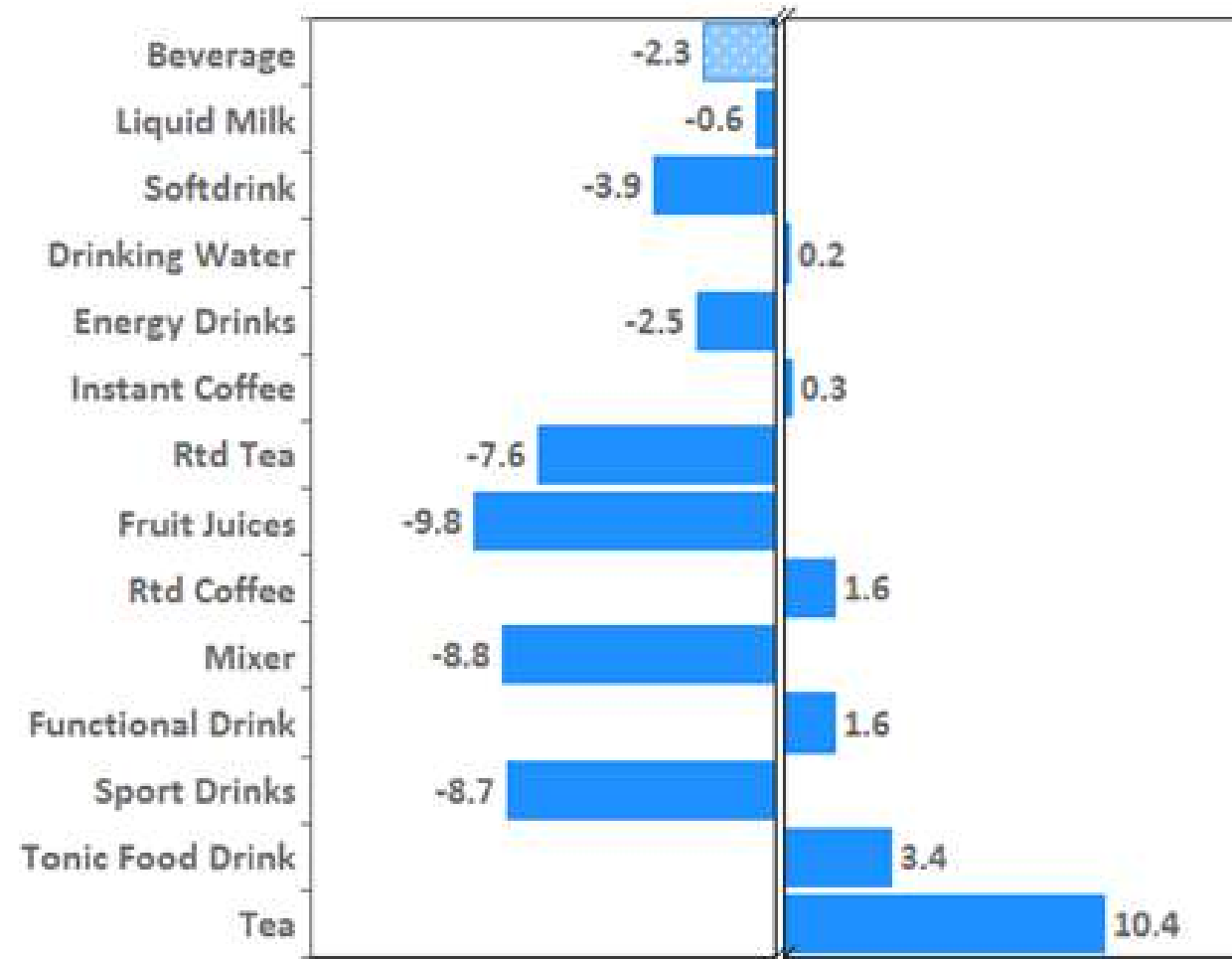
Business Update

Results of Operations and Profitability

Forward Looking

Domestic Beverage Market

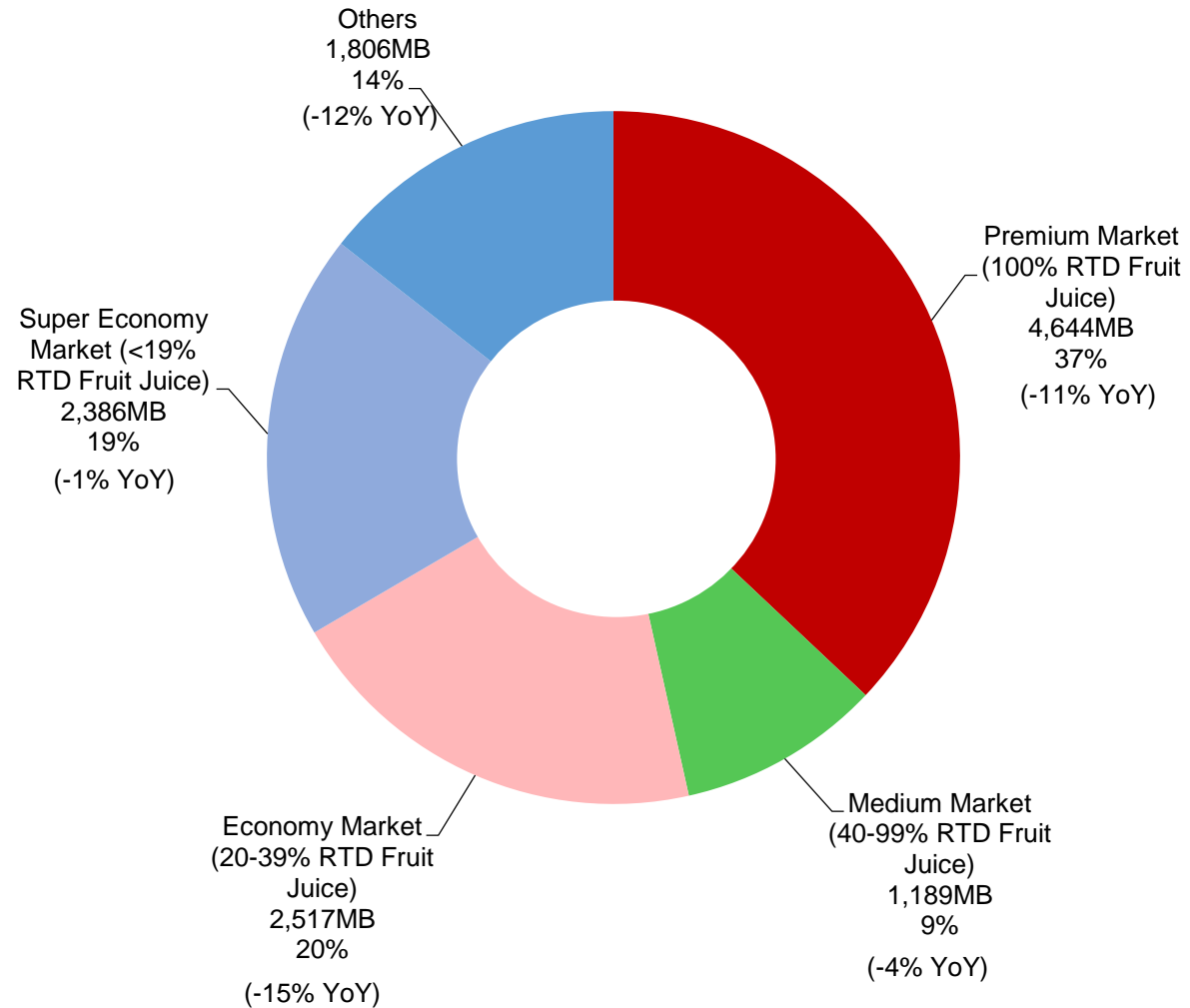
MAT Mar 2018 Overall Beverage Market Dropped 2.3% YoY



Source: Nielsen

Domestic RTD Fruit Juice Market

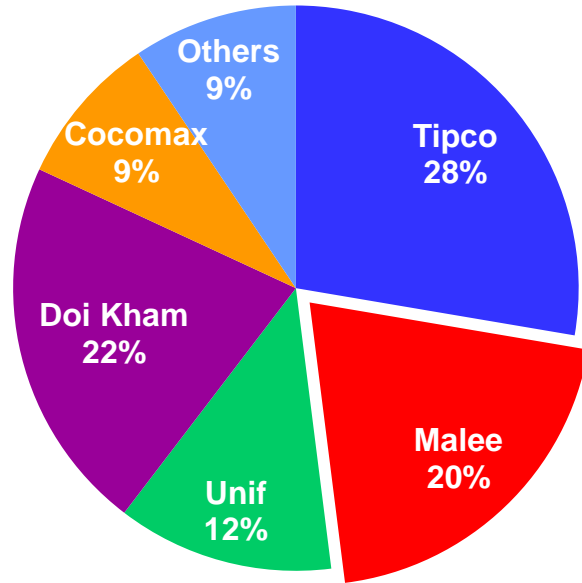
MAT Mar 2018 Market Value of 12,542 MB, a Decrease of 10% YoY



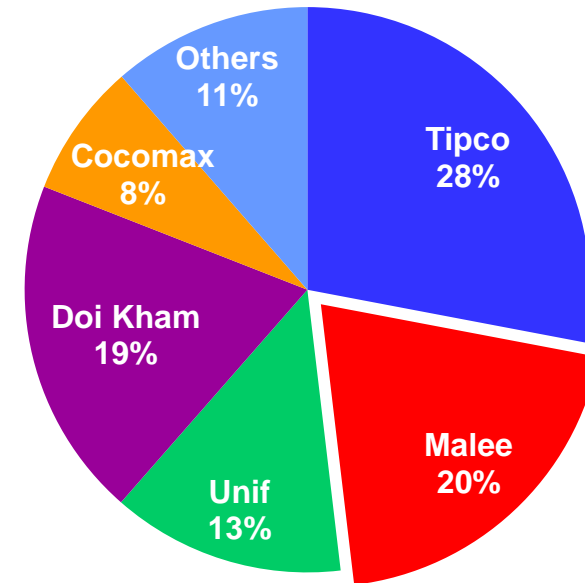
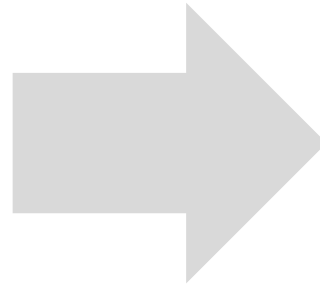
Source: Nielsen

Domestic RTD Premium Fruit Juice UHT Market Share

MAT Mar 2018 Market Value of 4,345 MB, a Decrease of 11% YoY



MAT Mar 2017

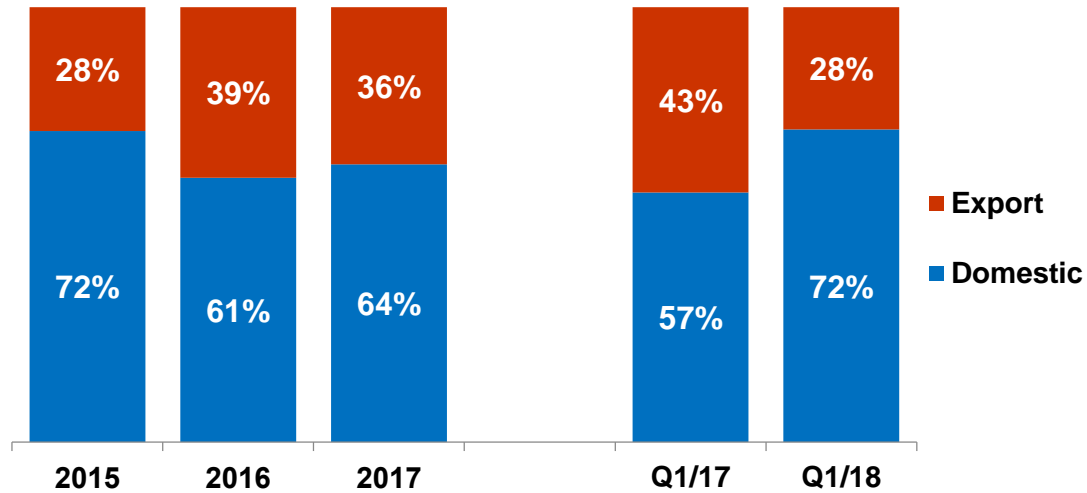


MAT Mar 2018

Source: Nielsen

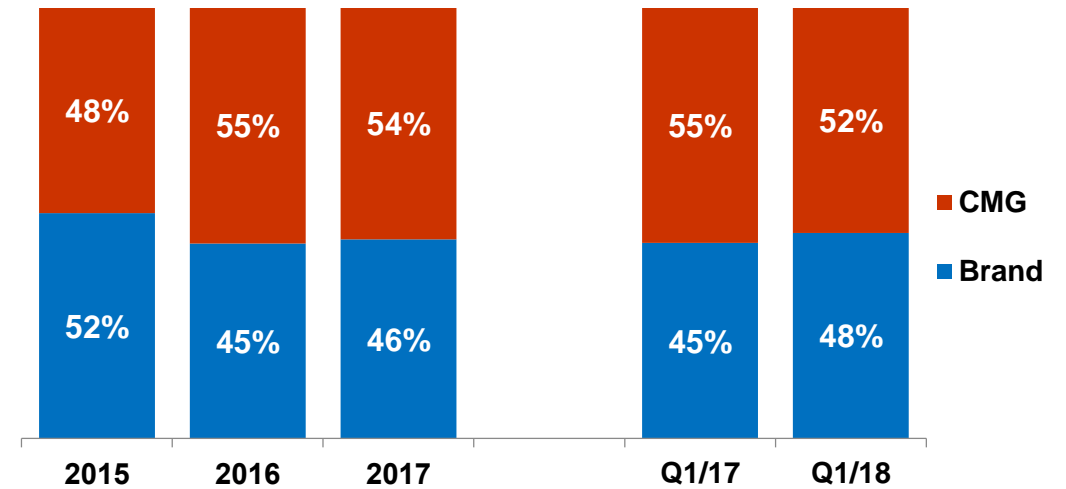
Sales Structure

Domestic : International Business



- Domestic Sales
 - Q1/2018 : + 12% YoY
- Export Sales
 - Q1/2018 : -41% YoY

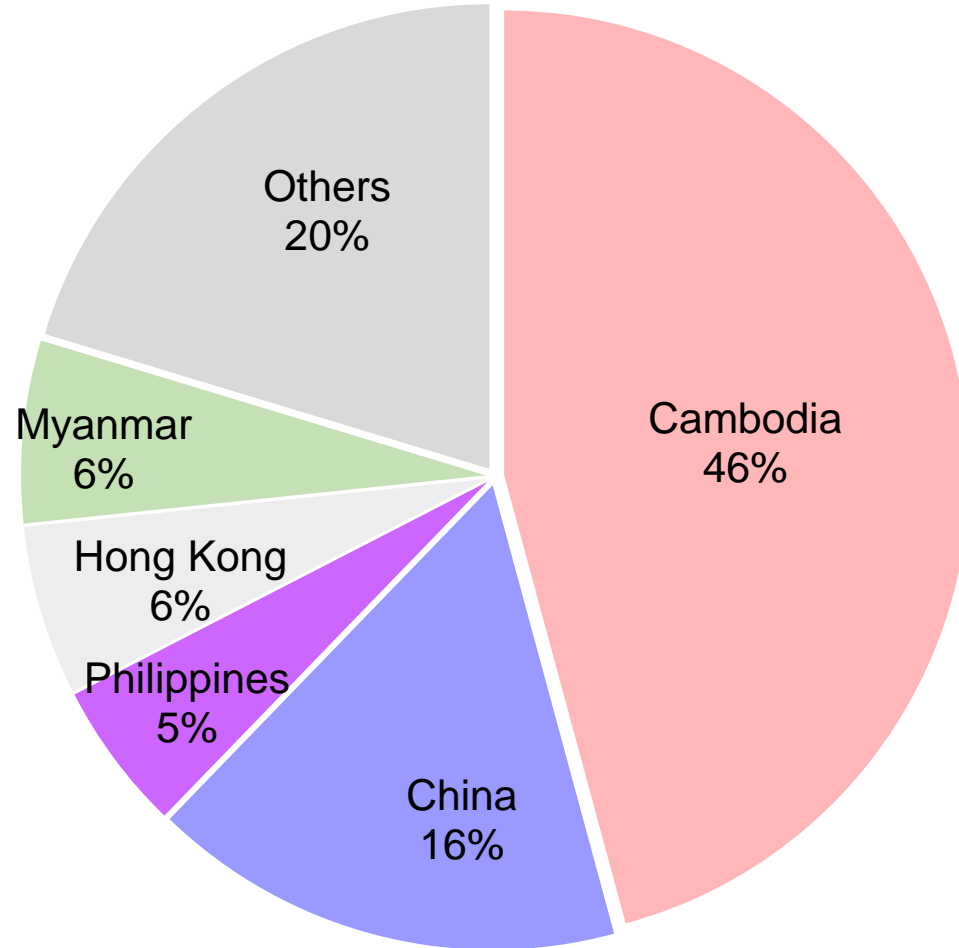
Brand : Contract Manufacturing



CMG: Contract Manufacturing

- Brand Sales
 - Q1/2018 : -6% YoY
- CMG Sales
 - Q1/2018 : -14% YoY

Q1/2018 Export Branded Sales by Country



- Q1/2018 Export branded dropped 20% YoY, as sales of coconut water last year with annual contract already expired. Thai baht strengthened to nearly 10% YoY against the US dollar also had an impact on sales.
- However, if considering only normal sales, sales of the Company's major focused countries still continued to grow.

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Company Overview

Business Update

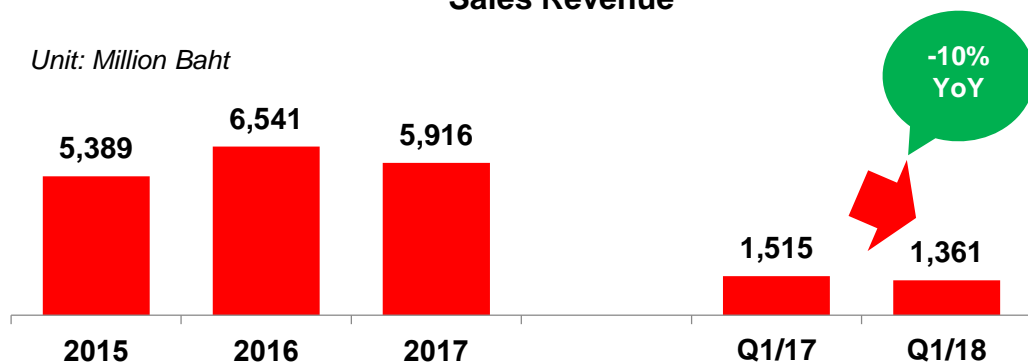
Results of Operations and Profitability

Forward Looking

Financial Highlights

Sales Revenue

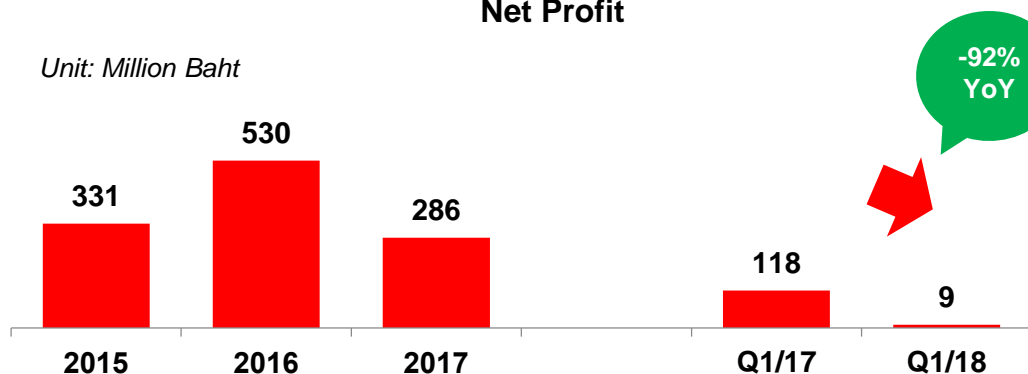
Unit: Million Baht



- Domestic branded sales maintained YoY.
- Export branded sales dropped by c.20% YoY, since last year there were sales of coconut water with annual contract which already expired, while Thai baht strengthened to nearly 10% YoY against the US dollar also impacted sales.
- Export CMG sales decreased by c.45% YoY, since there was some customer ending the distribution contract with some retailer resulting in reduced sales since Q4/2017. Meanwhile, there was some customer changing the sales format from overseas to domestic. Baht strengthening also had a partial impact on customers' costs and sales volume.
- However, domestic CMG sales grew outstandingly by c.35% from new products as well as growth from some exiting products.

Net Profit

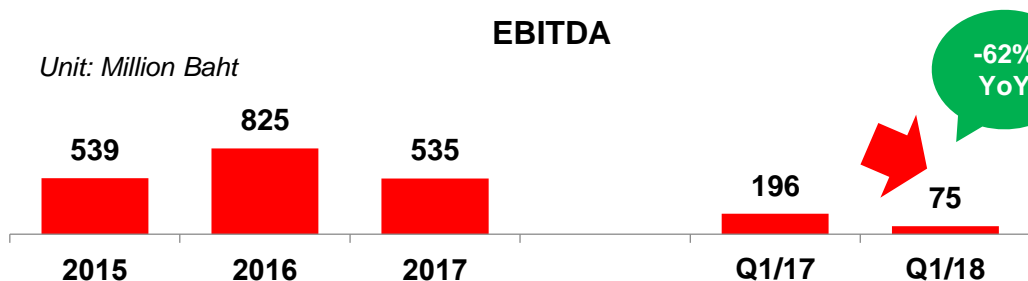
Unit: Million Baht



- Q1/2018 Net profit dropped mainly due to 1) lower sales contribution of export pressuring net profit margin 2) higher depreciation resulted from additional investment in plant, machinery, and office renovations; 3) cost from trial runs and start-up of a new production line driving higher yield loss; 4) higher excise tax as well as sugar tax following the Excise Act, B.E. 2560, effective since 16 September 2017; 5) higher R&D expenses; and 6) higher finance costs.
- The increase in costs is mainly due to investments to build the foundation for growth from Q3/2018 onwards, while some investments cannot generate revenue immediately, and some investments are not fully utilized or have not reached the optimal level yet.

EBITDA

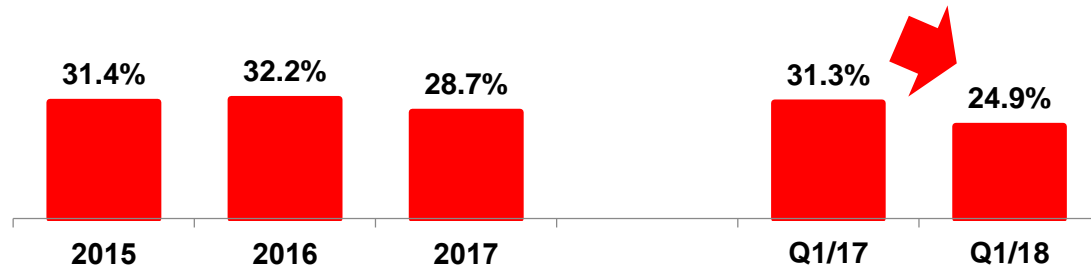
Unit: Million Baht



- Lower EBITDA YoY was mainly due to higher depreciation and finance costs from the Company's investments previously, which has affected the Company's performance since Q4/2016.
- However, EBITDA improved 19% QoQ from 63MB in Q4/2017.

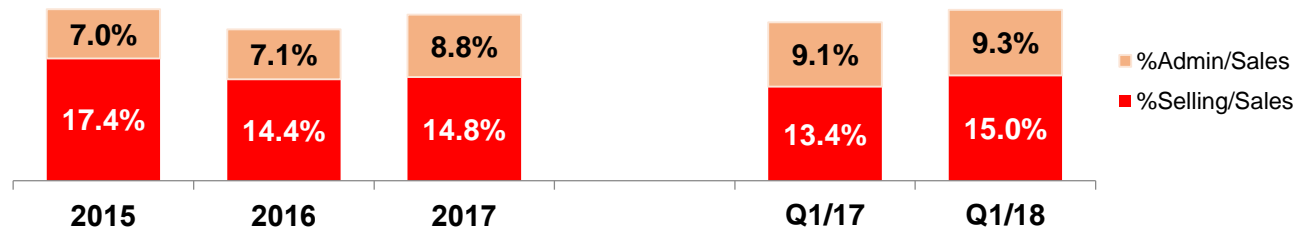
Profitability Margin

%Gross Profit Margin



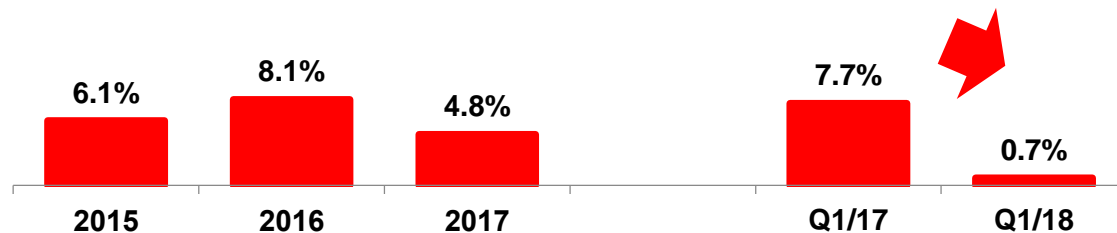
- Lower Q1/2018 %GPM YoY was mainly due to higher depreciation resulted from additional investments in plant and machinery; cost from trial runs and start-up of a new production line; cost from production relocation; and higher excise tax as well as sugar tax following the Excise Act, B.E. 2560.

%SG&A to Sales



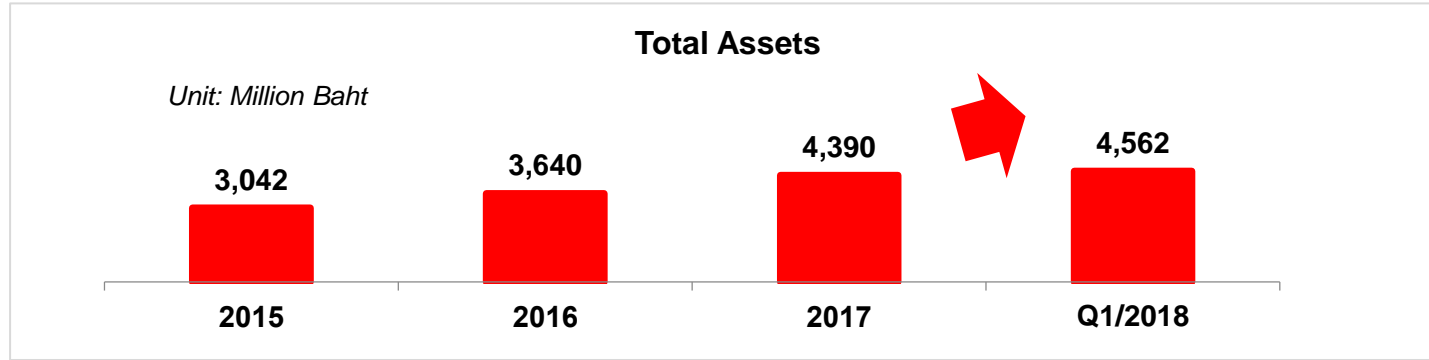
- Higher Q1/2018 selling expenses to sales and personnel expenses YoY was mainly due lower sales, while expenses from new packaging in Q2/2017 will continue until Q2/2018.

%Net Profit Margin

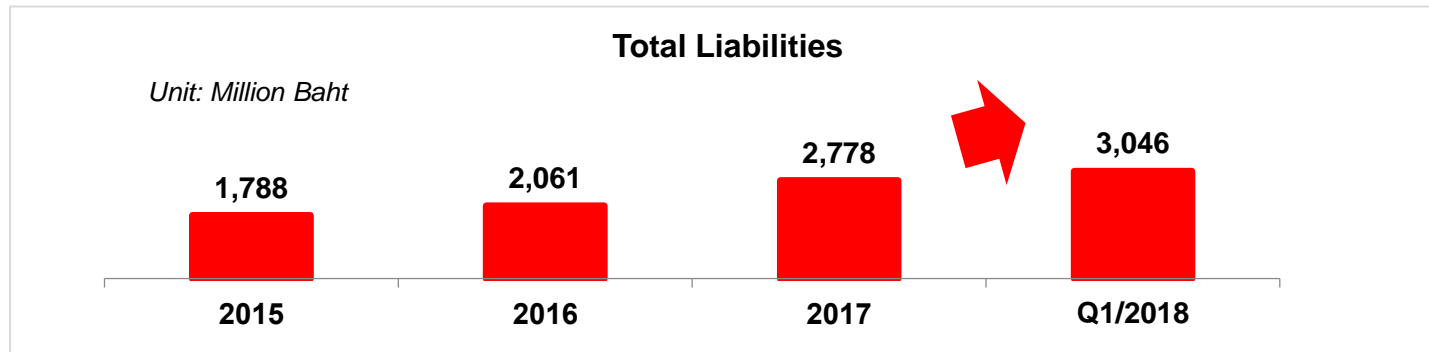


- Lower Q1/2018 %NPM YoY was mainly due to the same reasons as lower net profit.

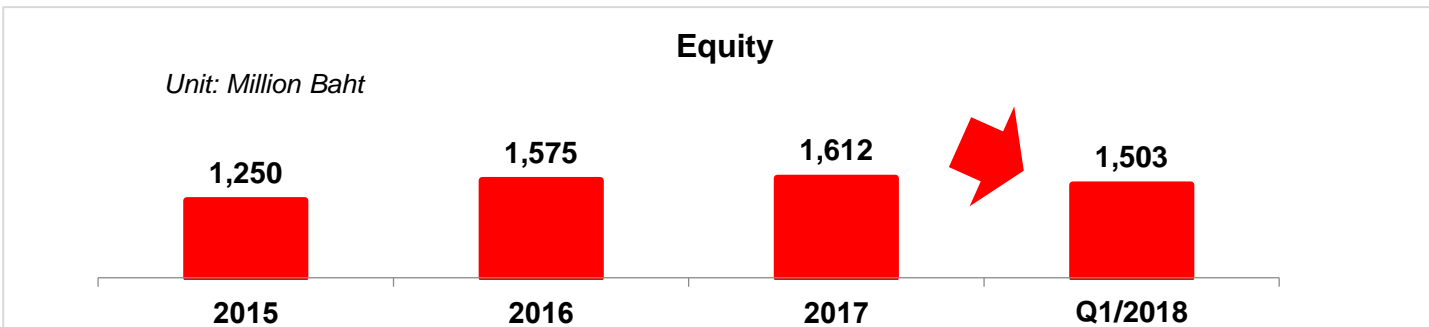
Statements of Financial Position



- Higher total assets were mainly due to increased cash on hand prepared for scheduled investment in subsidiary and joint ventures. Trade receivables were also higher due to higher sales contribution of domestic sales whose collection period is longer than export.

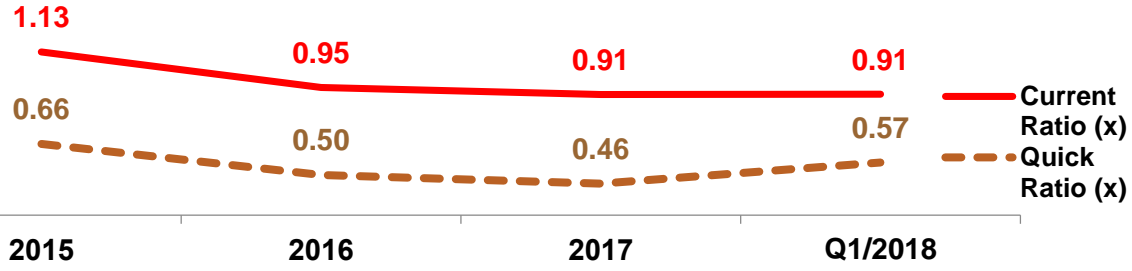


- Higher liabilities were mainly due to an increase in loans from financial institutions for investments and working capital.

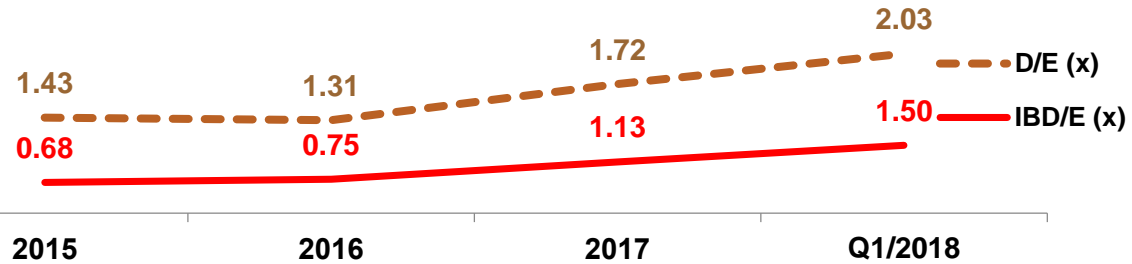


- Decreased equity of parent Company's shareholders was due to the Company's share repurchase program for financial management of 4 million shares, with total share buyback amount of Baht 114 million.

Liquidity

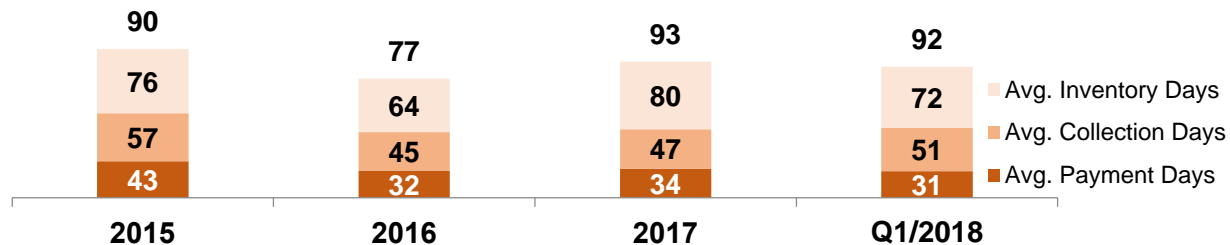


- Current ratio was unchanged from the end of last year, since current assets were higher resulted from increased cash on hand prepared for scheduled investments and higher trade receivables due to higher sales contribution of domestic sales whose collection period is longer than export. Meanwhile, current liabilities were also higher mainly due to an increase in short-term loans for investments and working capital.
- Higher quick ratio was mainly due to lower inventory.



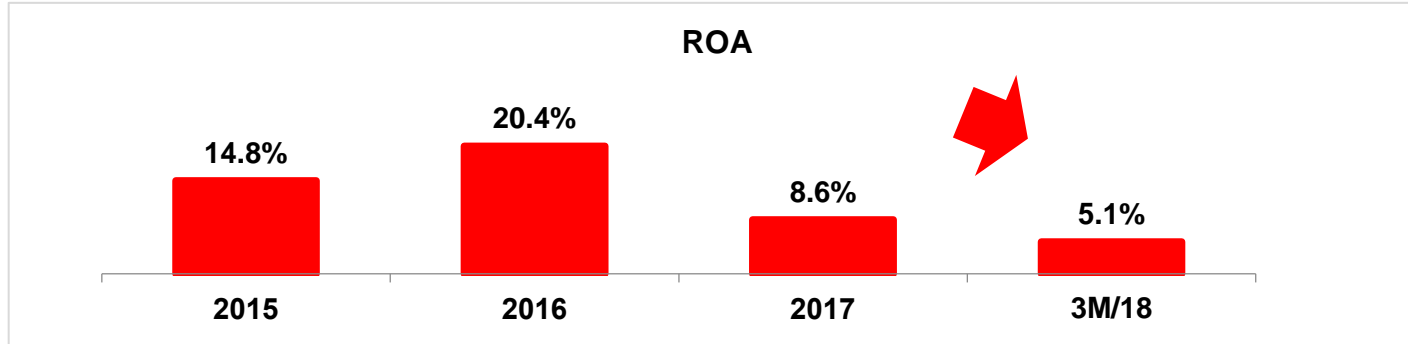
- Increased IBD/E and D/E was mainly due to higher borrowings and liabilities under financial lease agreements for the use of working capital and investments, while equity was lower as a result of the Company's share repurchase program for financial management of 4 million shares, with total share buyback amount of Baht 114 million.

Cash Cycle Days

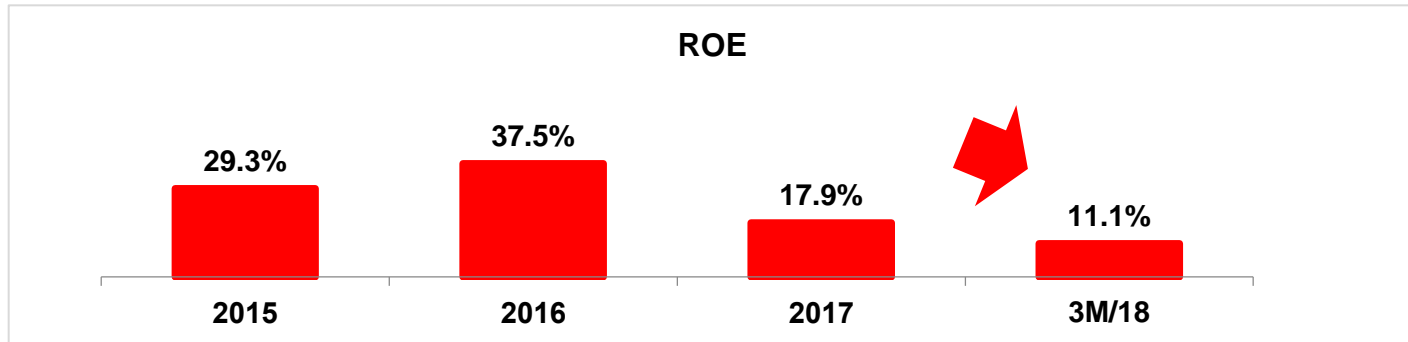


- Slightly decreased cash cycle days was due to shorter Inventory days, despite longer A/R days due to higher portion of domestic sales whose trade term is longer than export, and shorter A/P days due to lower purchase of materials resulted from lower sales.

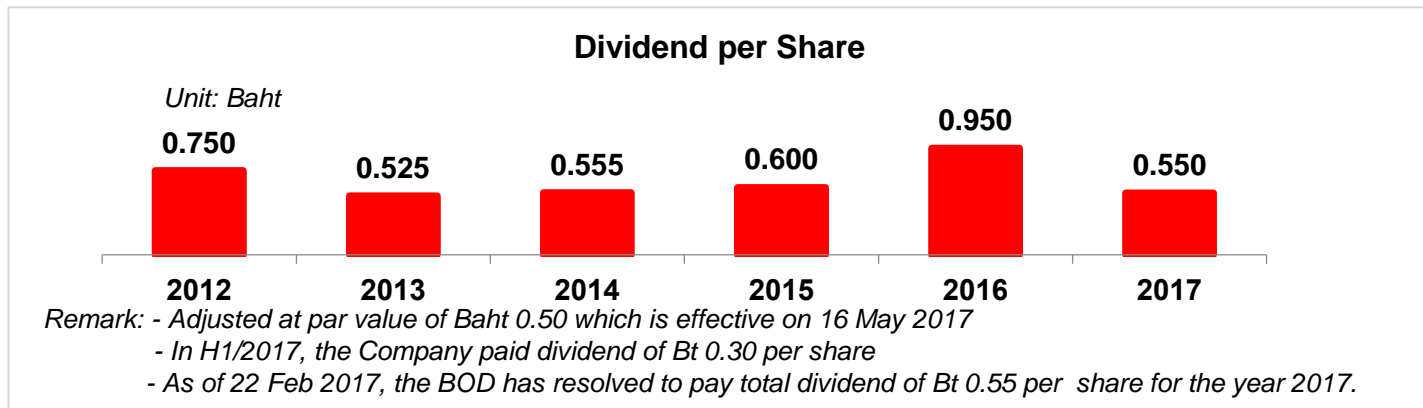
Return to Shareholders



- Lower ROA was due to lower earnings but higher assets, as a result of additional investments to improve production efficiency and reduce production cost, in order to prepare for increased level of production and the Company's growth, from the second half of 2018 onwards.



- Lower ROE was mainly due to lower earnings, as a result of higher fixed costs from key investments in preparation for the Company's future growth, while some investments cannot generate revenue immediately, and some investments are not fully utilized or have not reached the optimal level yet.



- The Company has a policy to pay dividend not less than 50% of the net profit from normal operation according to consolidated financial statements after deduction of tax revenue and legal reserve (with additional conditions).
- The Company normally pays dividend twice a year.

AGENDA

Company Overview

Business Update

Results of Operations and Profitability

Forward Looking

Our 9-Year Strategy

Phase 1 2015 - 2017

Building and Strengthening Organization and Foundation

- Brand / Product Repositioning
- Organizational Restructuring
- New Business Model Formulation
- Infrastructure Readiness and Development
- Technology-driven Organization

Phase 2 2018 - 2020

Sprinting Business Performance

- Top of Mind on Product Champion / Brand Awareness
- Business / Market Portfolio Balancing
- Inorganic Business Diversification
- Accelerating Financial Performance

Phase 3 2021 - 2023

Sustaining Business with Global Presence

- Excellence in Business, Operations and Finance
- Business and Organization Expansion

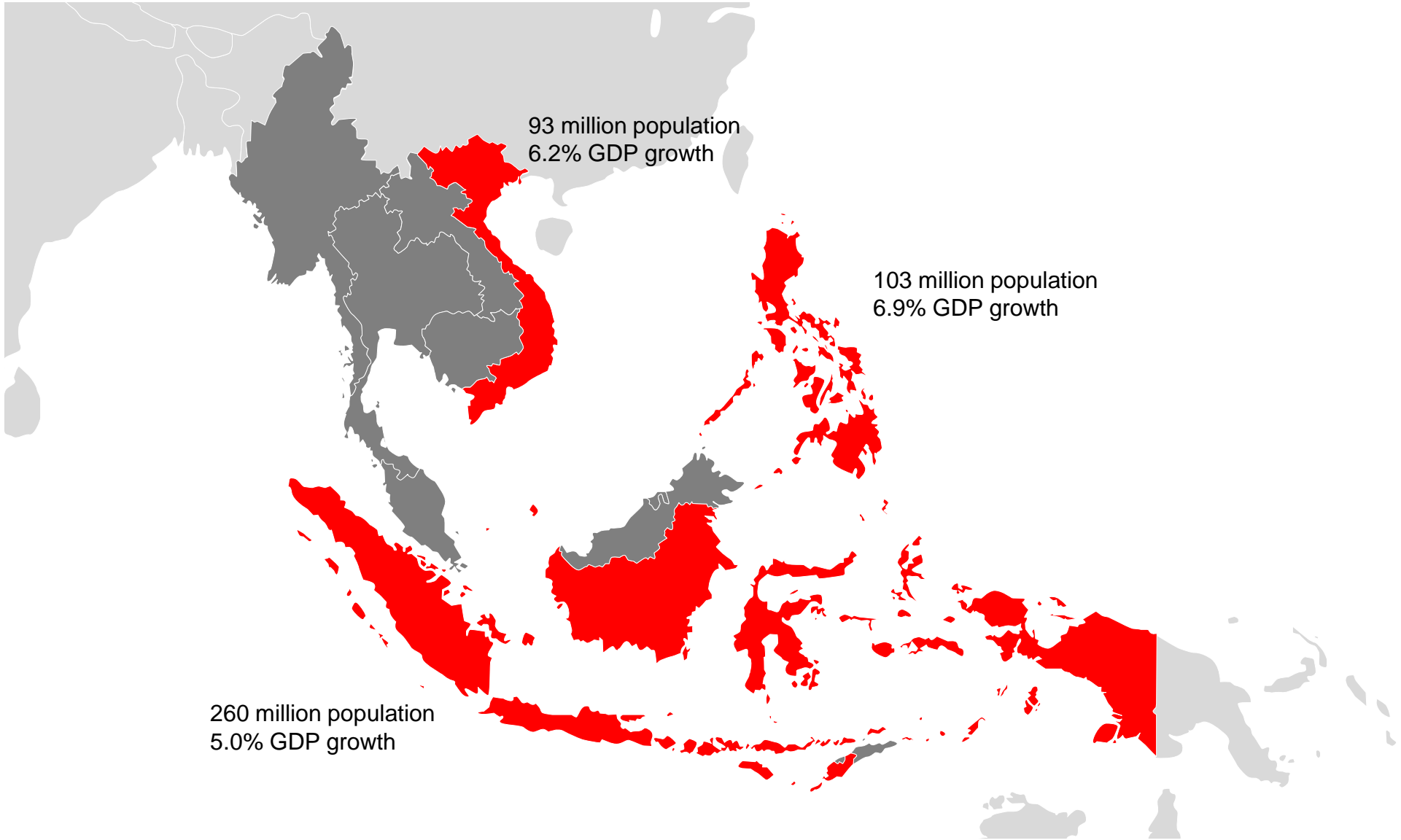
Short-term Cost Increase from Investments

- 1) Lower sales contribution of export pressuring net profit margin;
- 2) Depreciation resulted from additional investments in plant, machinery, and office renovations to improve production efficiency and reduce production cost;
- 3) Cost from trial runs and start-up of a new PET production line;
- 4) Excise tax as well as sugar tax following the Excise Act, B.E. 2560, effective since 16 September 2017;
- 5) Selling expenses from new packaging launch for branded products;
- 6) Personnel expenses;
- 7) R&D expenses;

Forward Looking

- Domestic Brand: New Products
 - New products in new categories besides ready-to-drink fruit juice, in end of Q2/2018
 - MAS, starting in end of Q2/2018
- Strategic Partnership
 - LQSF (Vietnam), starting in Q2/2018
 - Malee Kino (Thailand), starting in end of Q2/2018
 - Kino Malee (Indonesia), starting in Q4/2018
 - MMBC (Philippines), new products in Q3
- CMG: Diversification
 - New products will take off in Q3/2018

Connecting the Dots with our Strategic Partners



Source: ASEANstats using data from the ASEAN Secretariat, UNCTAD, UNICT, and UN Population Division



Awards



**Best Company Performance Awards
SET Awards 2017**



**Nominated for Best CEO Awards
SET Awards 2017**



**CEO receiving the Best Company Performance Awards
SET Awards 2017**



**Best Exporter
The Prime Minister's Export Award 2017**

Share Endorsements



Added to MSCI Global Small Cap Indexes
Effective as of the close of 30 November 2016



“Very Good” Level of CG Scoring



Growing well together

Thank You

For more information, please visit our website at <http://www.malee.co.th>
or contact us at ir@malee.co.th. Tel: +66 2080 7899 Ext 1137