



Malee Group Public Company Limited

SET Digital Roadshow

13 March 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

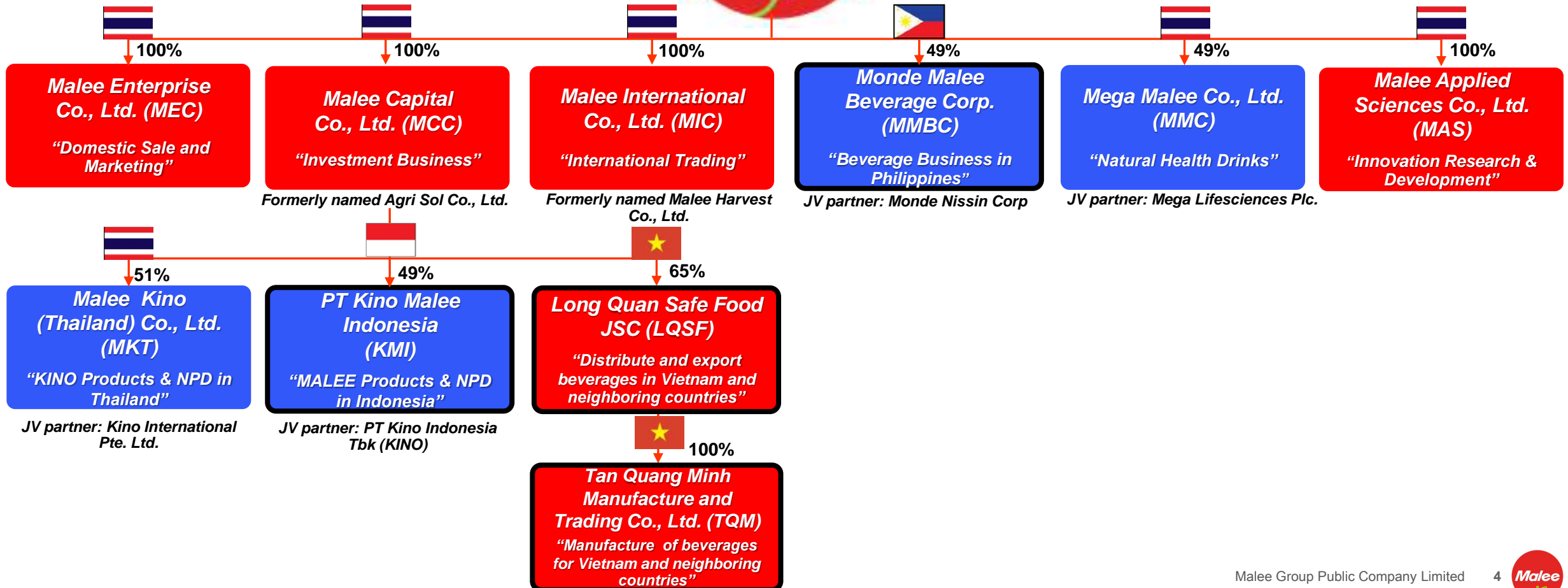
Joint Venture

Overseas Entity



Malee Group Plc 

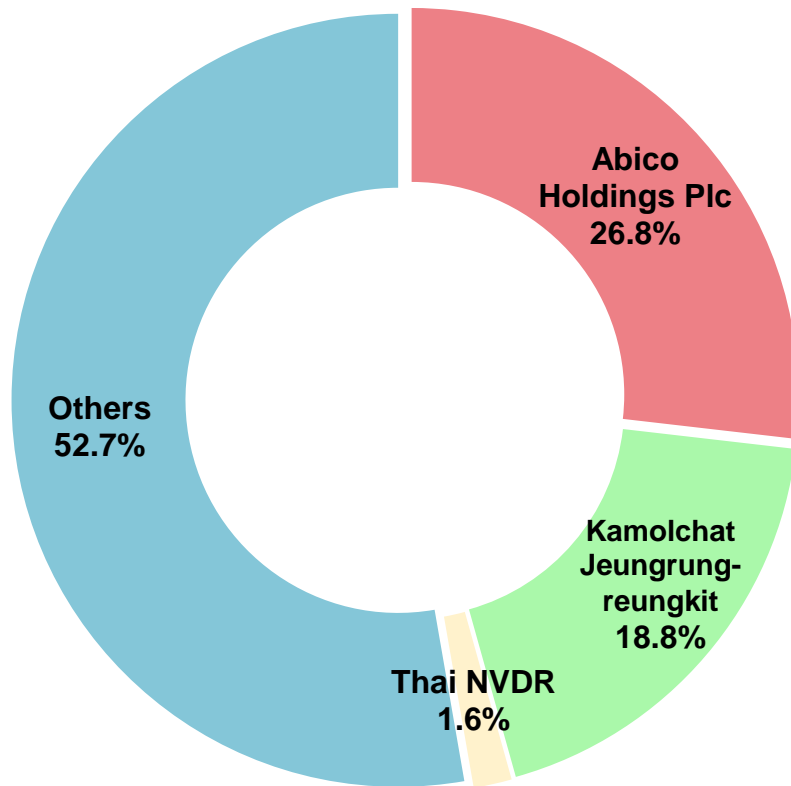
A leading manufacturer, distributor, and exporter of fruit juices, beverages, and canned fruits.



Shareholding Structure & Share Information

Shareholding Structure

(As of 25 August 2017)



Share Information

(As of 26 February 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 39.6%)
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:	7,140MB or 228MUSD
Free Float:	48.45%

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.

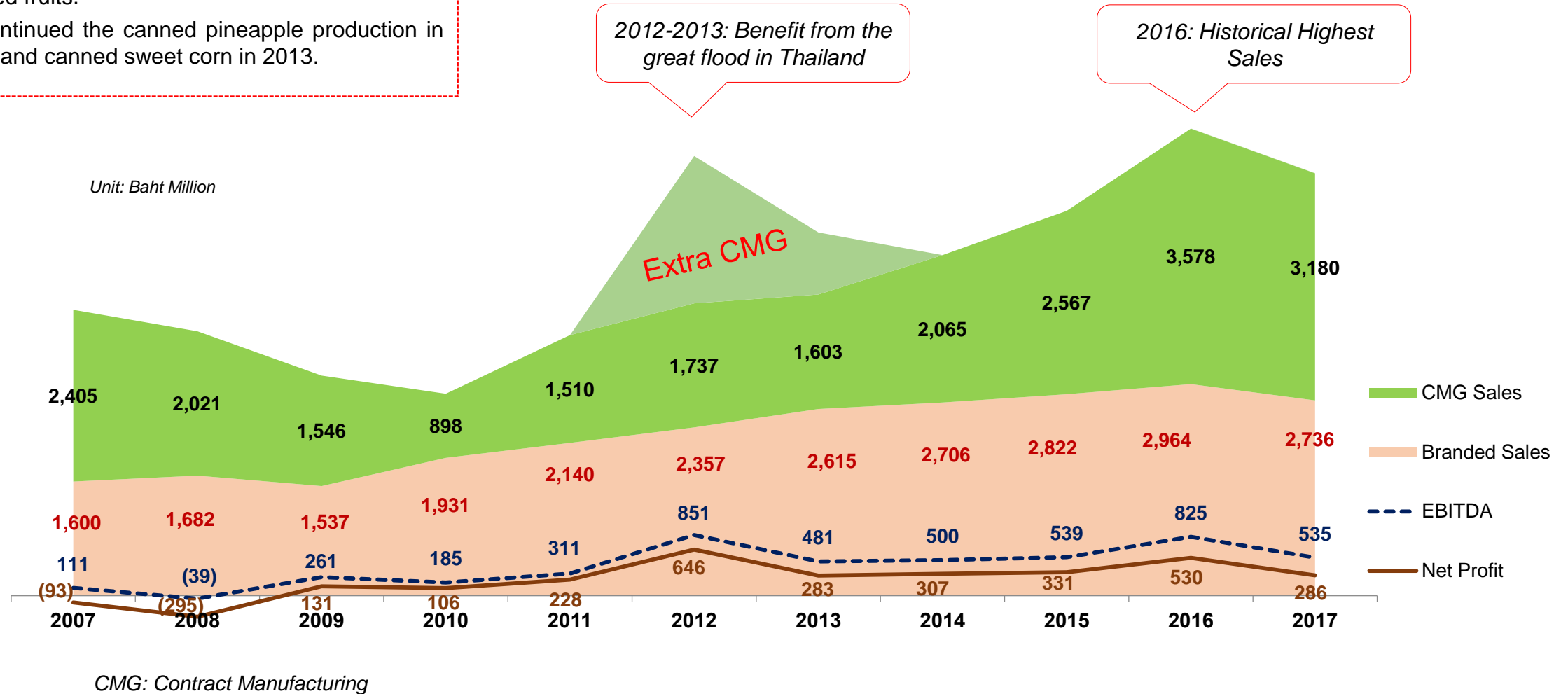
In April 1995, **Abico Holdings Plc** acquired 40% from the existing shareholders.

- 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 18 January 2018, **MCC** signed a Share Purchase Agreement to acquire 65 % shares 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.



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

AGENDA

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Business Update

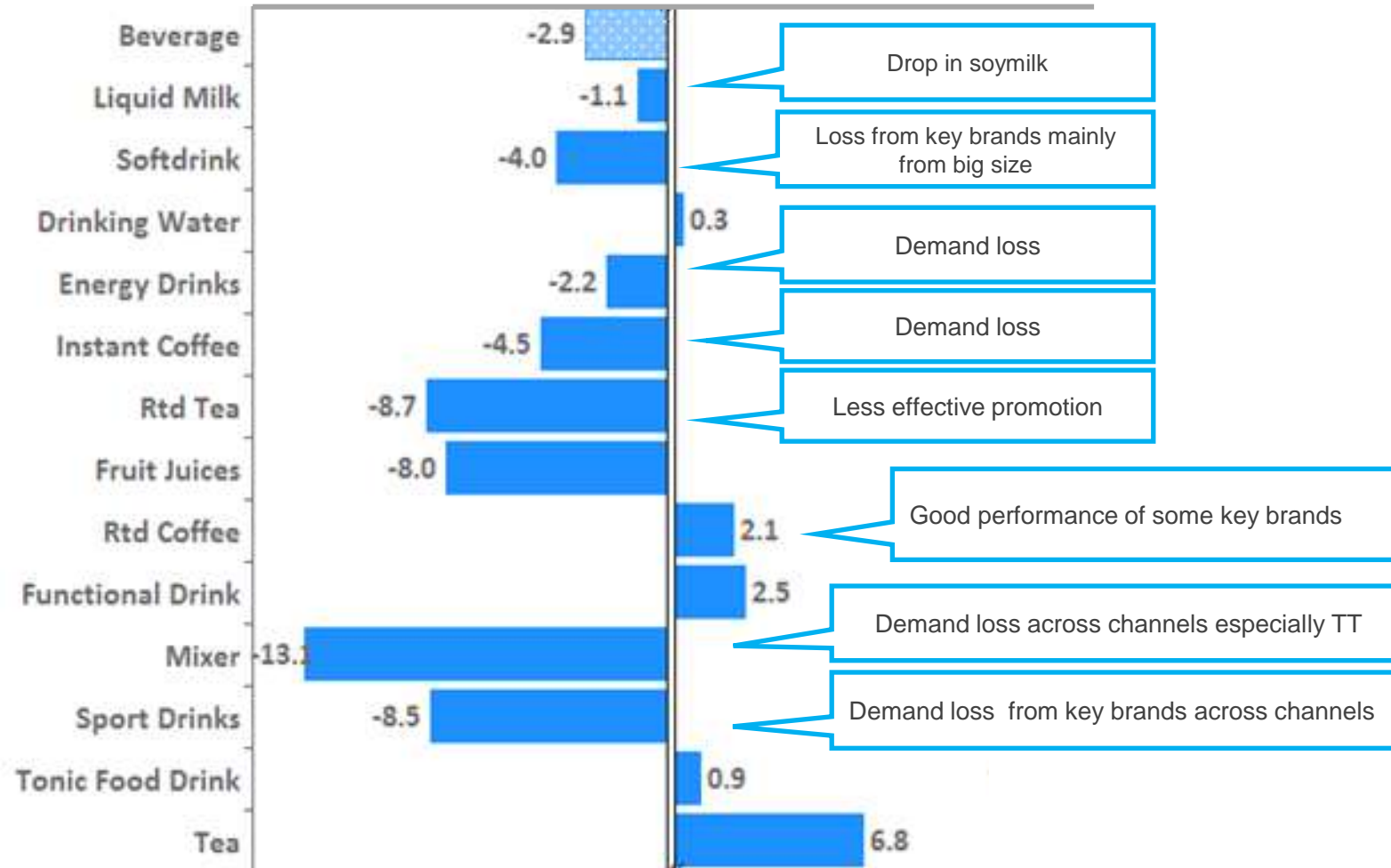
Results of Operations and Profitability

Forward Looking

Domestic Beverage Market

MAT Dec 2017 Overall Beverage Market Dropped 2.9% YoY

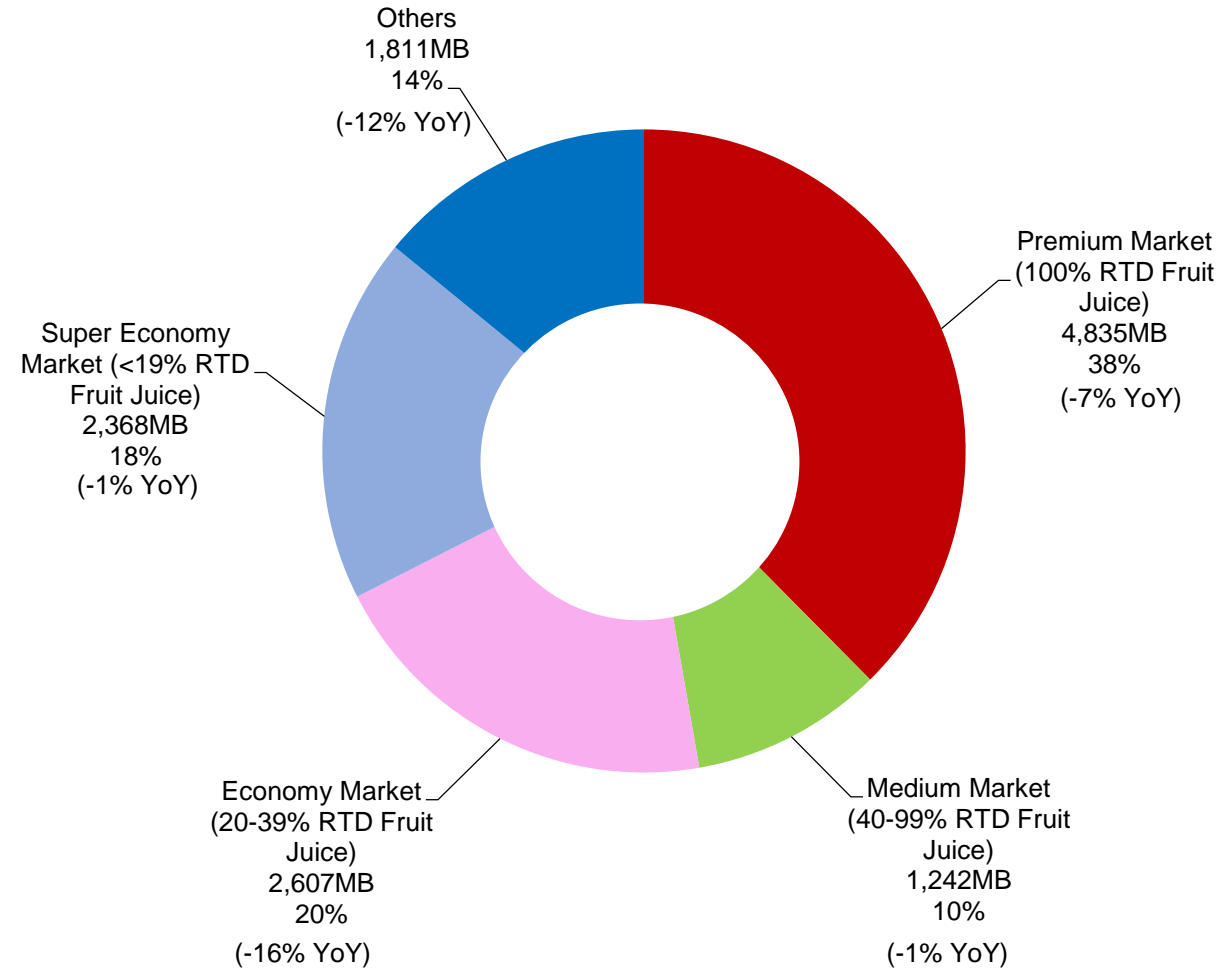
Beverage reflects downward trend across categories, but demand loss remains an issue.



Source: Nielsen

Domestic RTD Fruit Juice Market

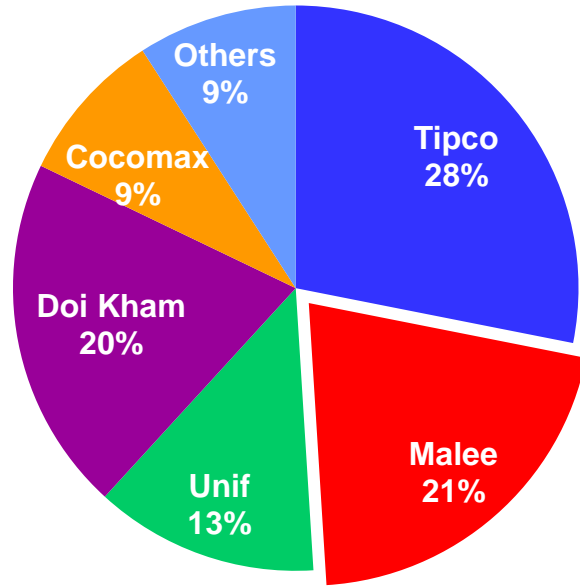
MAT Dec 2017 Market Value of 12,863 MB, a Decrease of 8% YoY



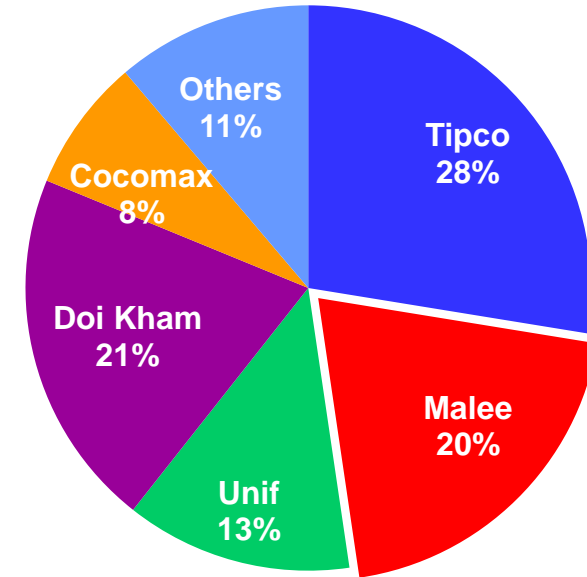
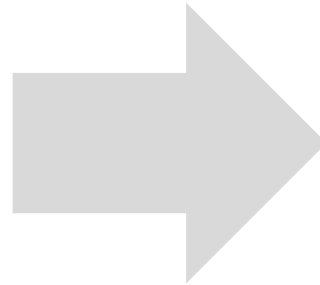
Source: Nielsen

Domestic RTD Premium Fruit Juice UHT Market Share

MAT Dec 2017 Market Value of 4,528 MB, a Decrease of 6% YoY



MAT Dec 2016

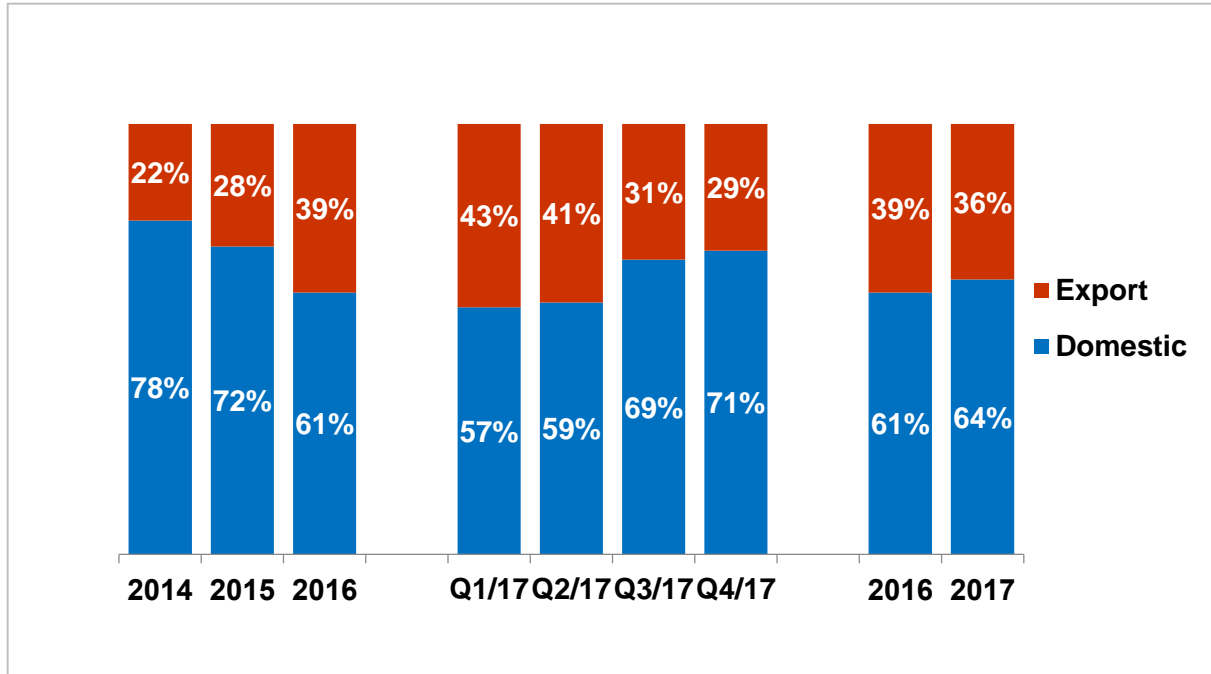


MAT Dec 2017

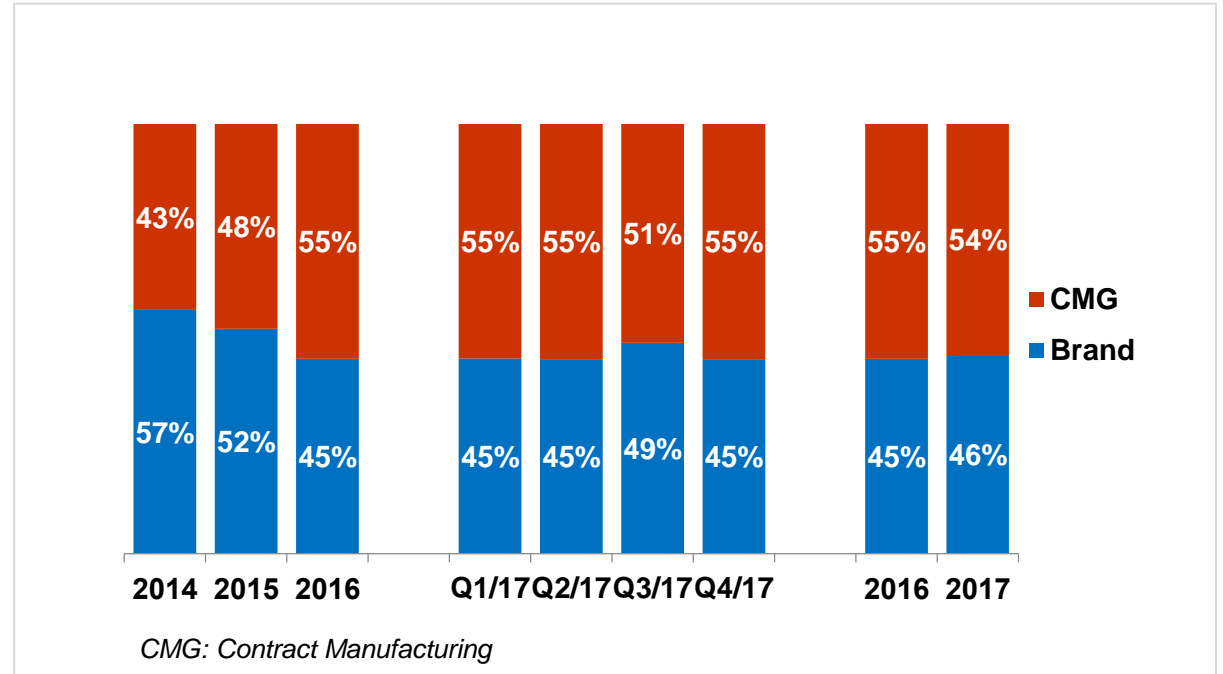
Source: Nielsen

Sales Structure

Domestic : International Business



Brand : Contract Manufacturing



- Domestic Sales
 - Q4/2017 : + 24% YoY
 - 2017 : -5% YoY
- Export Sales
 - Q4/2017 : -29% YoY
 - 2017 : -17% YoY

- Brand Sales
 - Q4/2017 : -3% YoY
 - 2017 : -8% YoY
- CMG Sales
 - Q4/2017 : +5% YoY
 - 2017 : -11% YoY

Sales Territory

N. AMERICA

Canada

EUROPE

Russia
Germany
Poland

EAST ASIA

China
Hong Kong
Macau
Japan
S. Korea
N. Korea

SOUTH EAST ASIA

Thailand
Cambodia
Myanmar
Laos
Vietnam
Malaysia
Philippines
Indonesia

OCEANIA

Australia

We have the strongest brand presence and/or traction in the these countries:

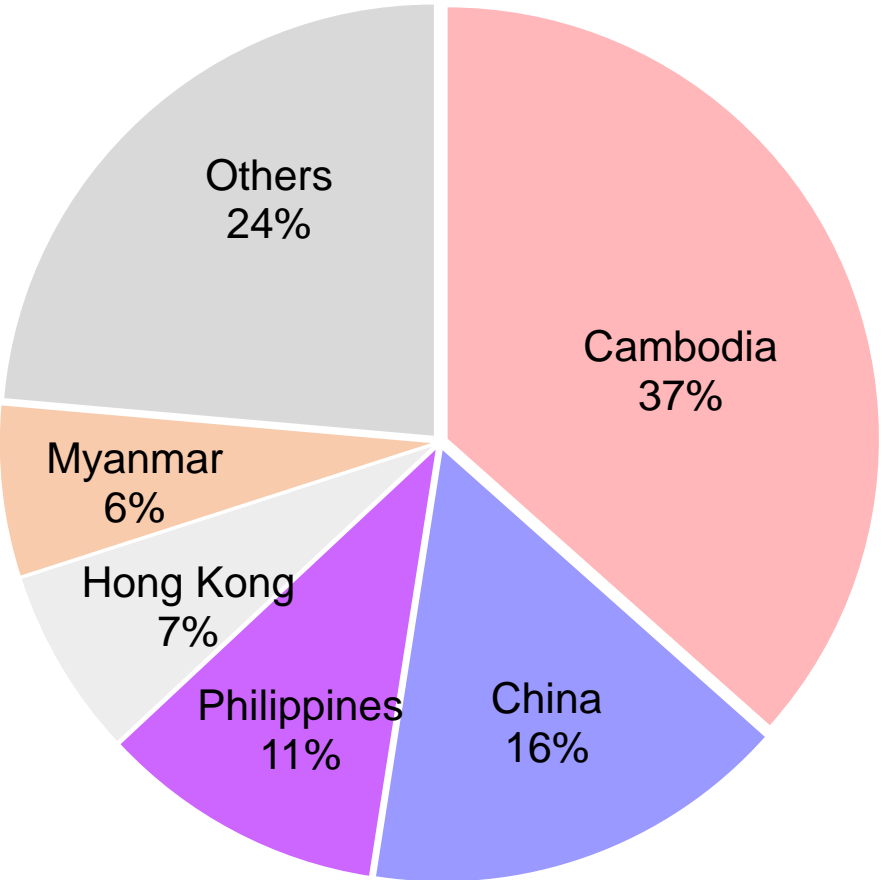
Thailand
Laos
Cambodia
Myanmar
China

Our brand awareness is strongest in our neighboring countries.

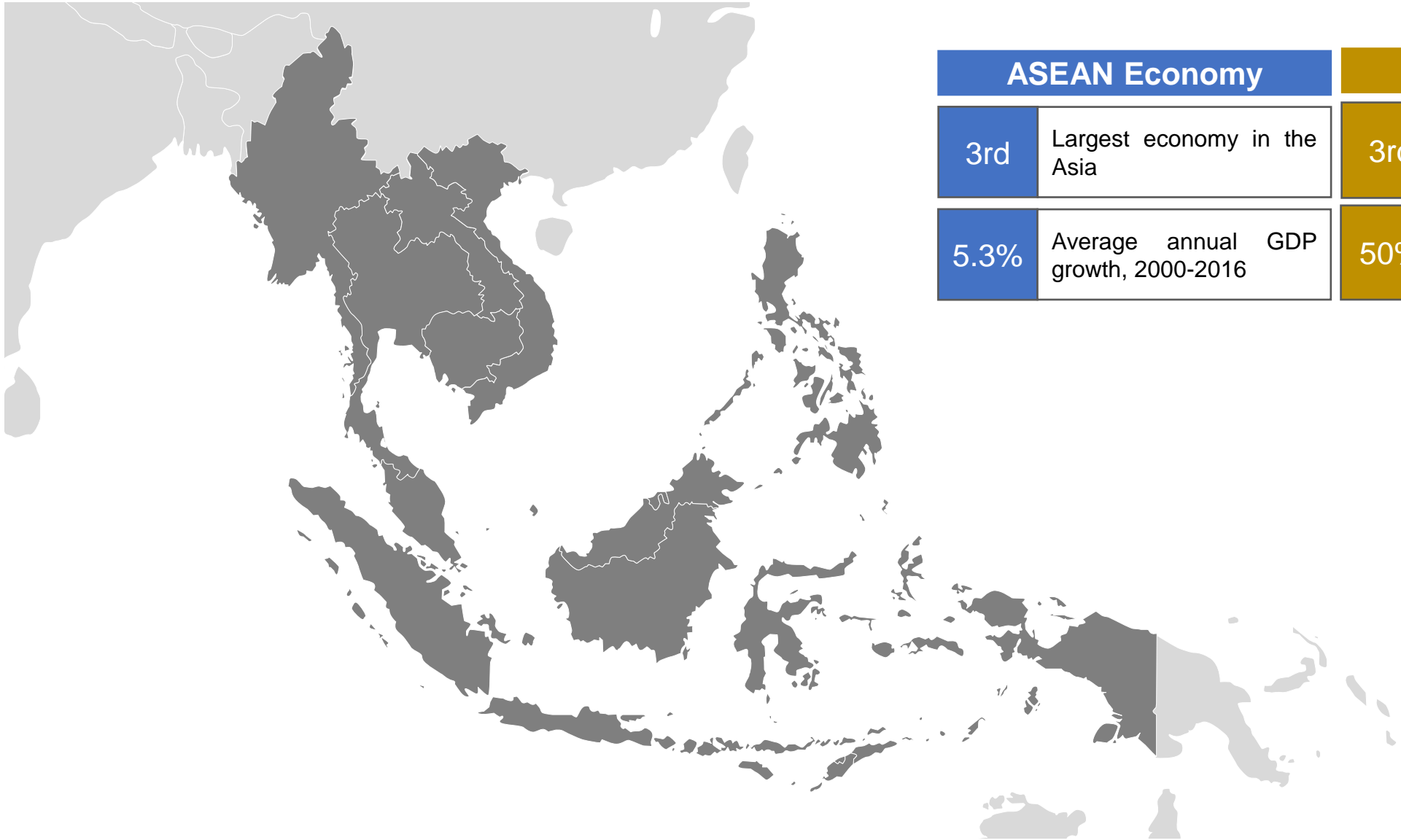
Approx. population of SEA is 650 million people, plus China of 1.3 billion people

2017 Branded Export Sales by Country

2017 Branded Export Grew 30% YoY



ASEAN Overview



ASEAN Economy

3rd Largest economy in the Asia

5.3% Average annual GDP growth, 2000-2016

ASEAN People

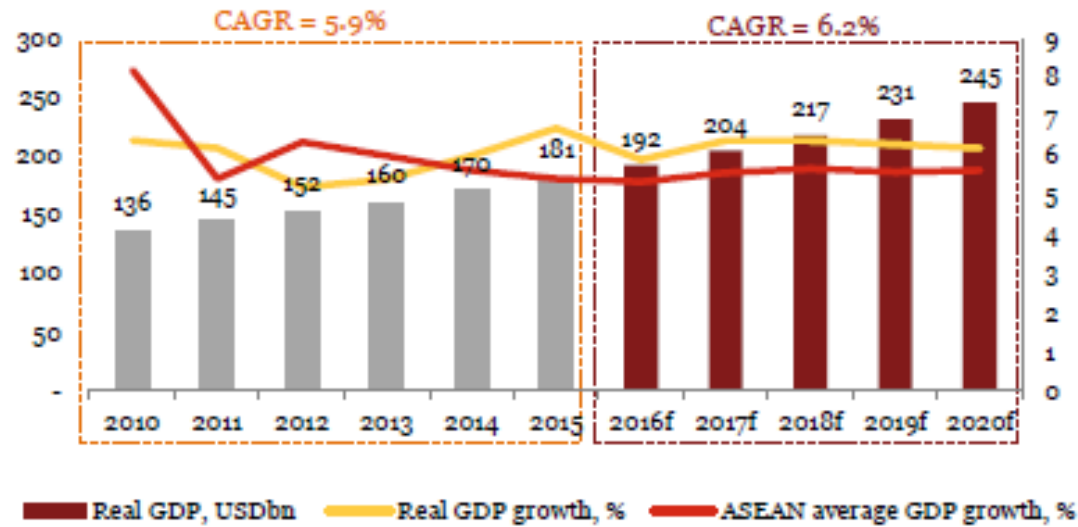
3rd Largest population in the world at **635 million**

50% Population **below 30** years of age in 2016.

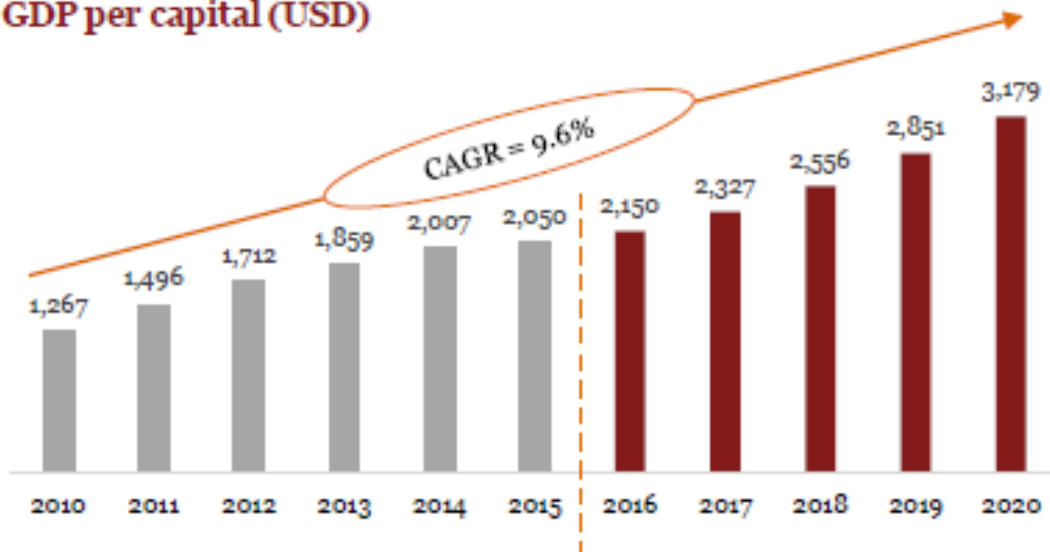
Source: ASEANstats using data from the ASEAN Secretariat, UNCTAD, UNICT, and UN Population Division

Why Vietnam...

GDP in USD bn (2010-2020f)

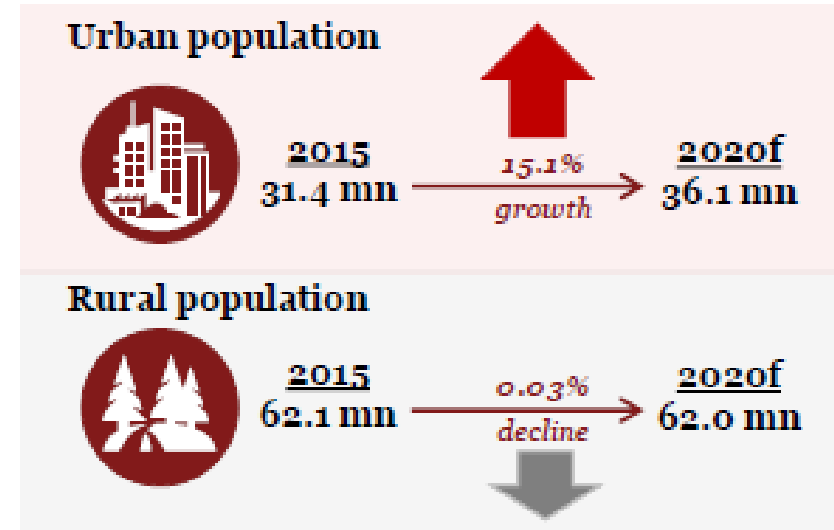


GDP per capital (USD)



Source: BMI, Boston Consulting Group

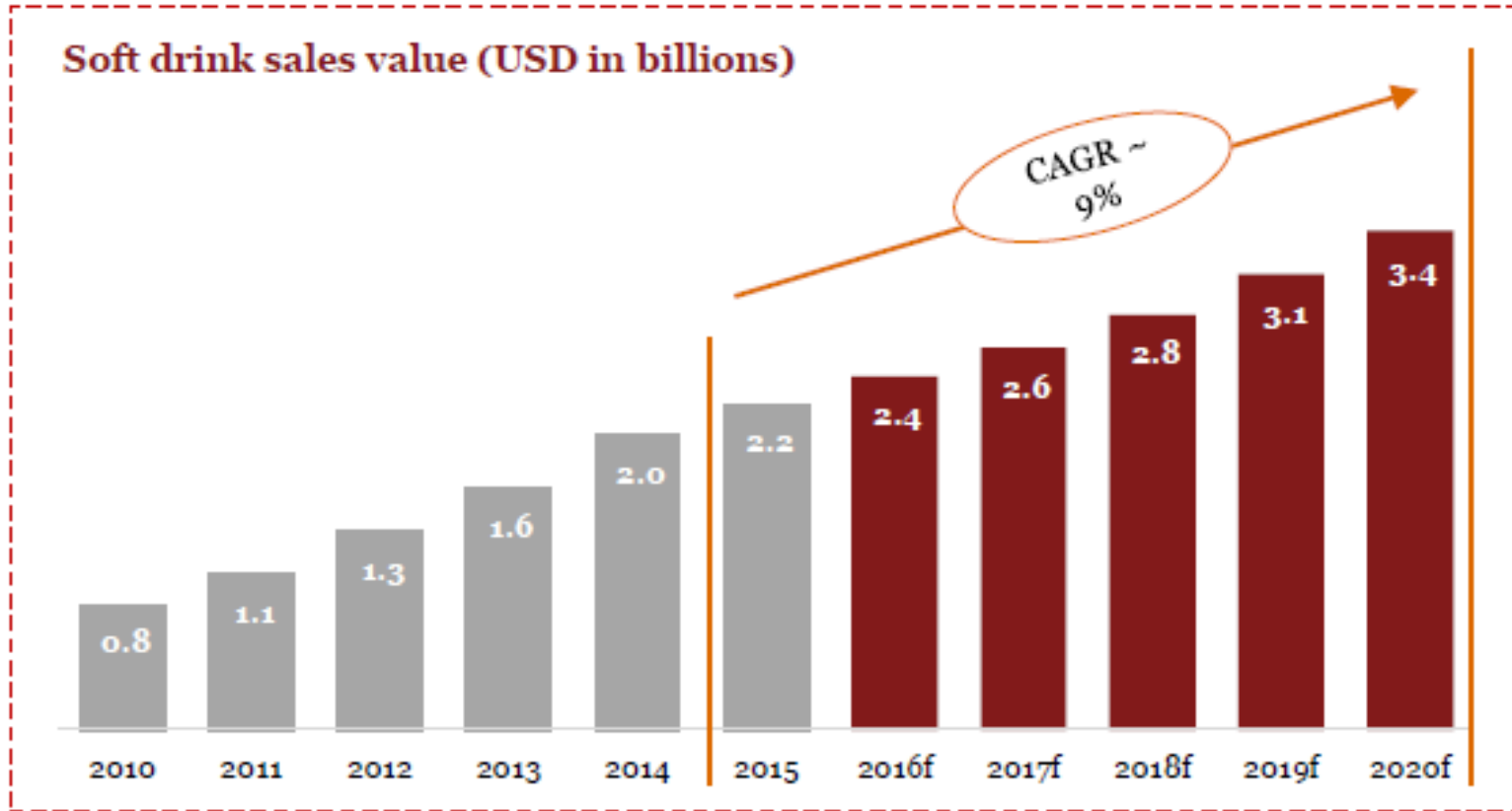
Urban vs. Rural population



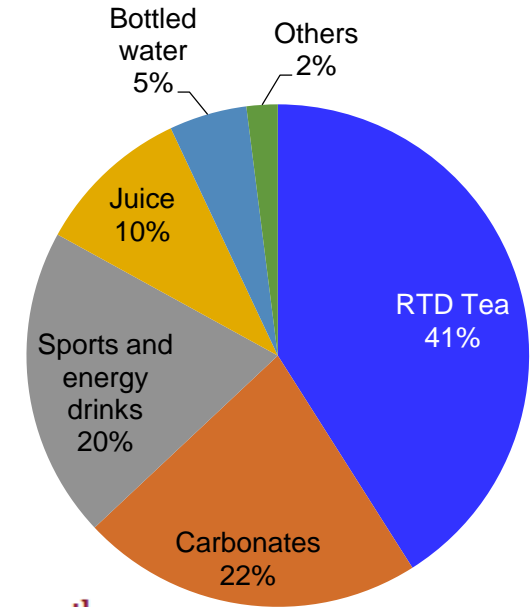
Highlights

- Vietnam is becoming an economic powerhouse in Asia with an increasingly open market, positive indicators in GDP, and strong domestic consumption
- Nearly 50% of the population is under 30 years old with a growing urbanization rate

Beverage Market in Vietnam



Source: Euromonitor International

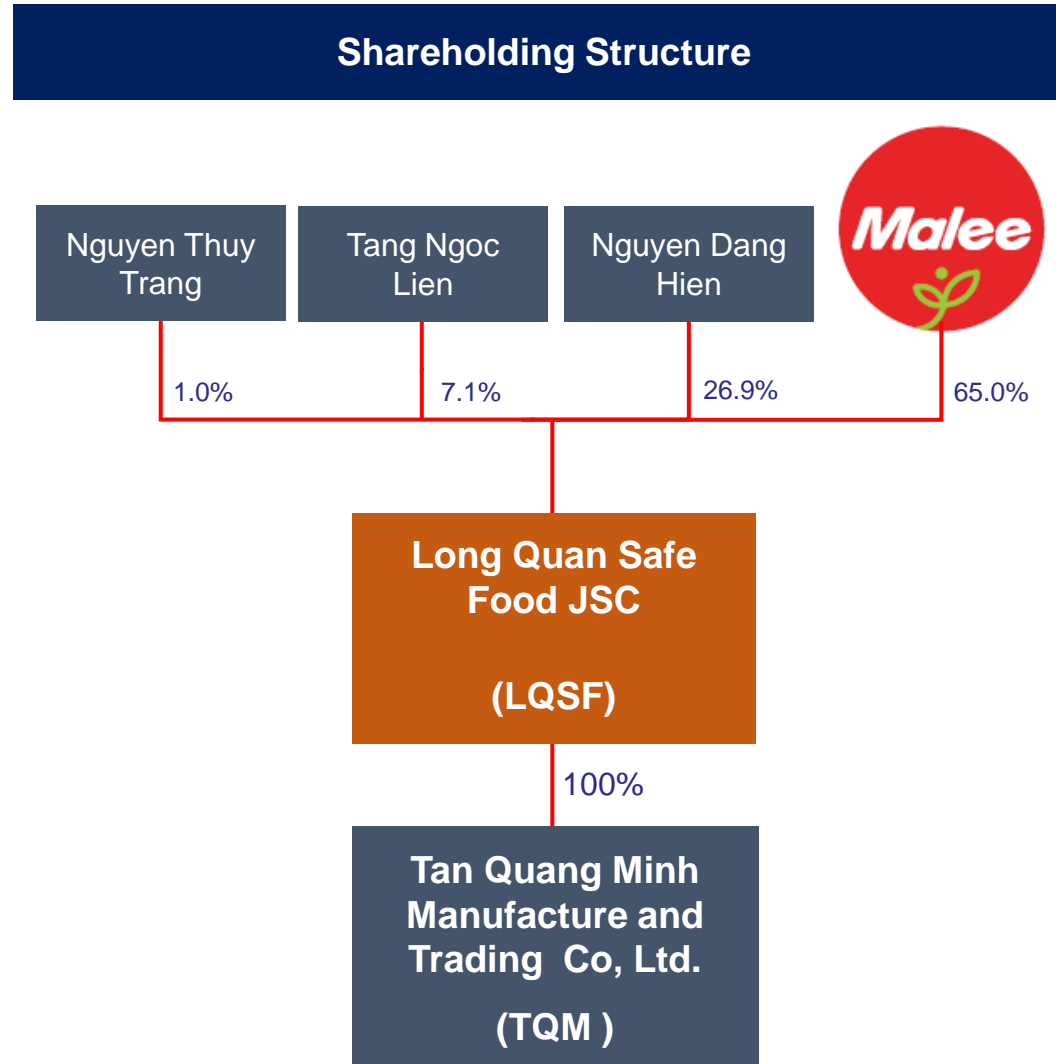


Sales growth

2015-2020
CAGR

Sales growth	2015-2020 CAGR
Others	4.6%
Bottled water	8.8%
Juice	7.1%
Sports and energy drinks	9.3%
Carbonated	7.9%
RTD Tea	9.8%
Total	8.9%

New Subsidiary in Vietnam: Long Quan Safe Food JSC (LQSF)

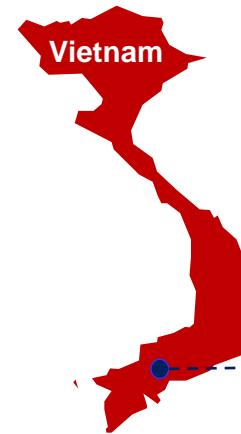


Production Facilities in Vietnam

Overview

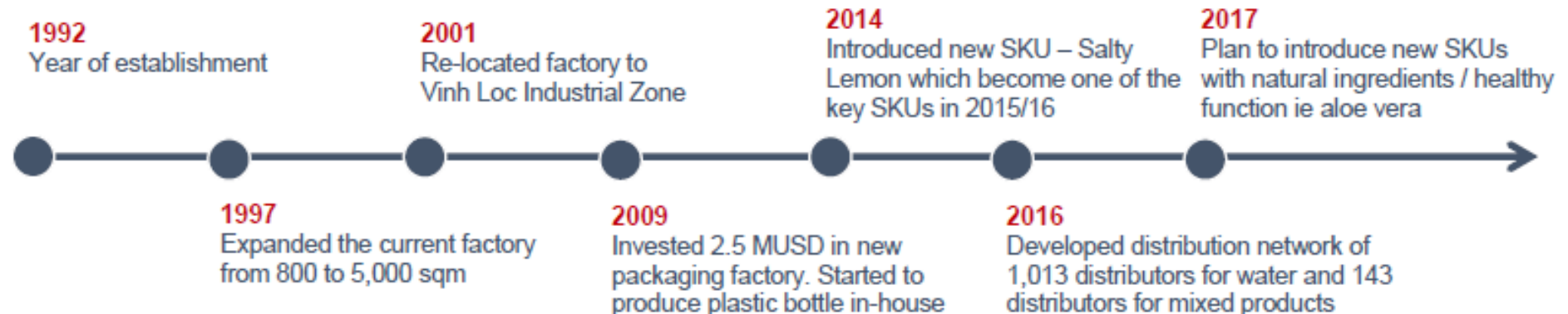
- Founded in 1992 as the beverage manufacturer in Vietnam
- Currently considered as a leading player in Vietnam's fast-growing beverage sector:
 - As one of the top seven beverage manufacturers in Vietnam
 - Strong customer database that reaches more than 30 million customers nationwide
 - Strong distribution nationwide
- Its products are varied among CSD, non-CSD and others.

Location



Manufacturing Plant & HQ located in Ho Chi Minh City, Vietnam

Significant Milestones



Production Capabilities in Vietnam

Production Capacity

- 12 production lines for 8 product categories with total production capacity of 300 million liters per annum
- Production lines include Drinking Yoghurt, Fruit Juice and Winter Melon, Jelly, Water, Energy Drink, Green Tea, Bird Nest, and CSD.



Facilities



Bottle Inlet Conveyor



Bottle Washing Machine



Filling Machine



Capping Machine

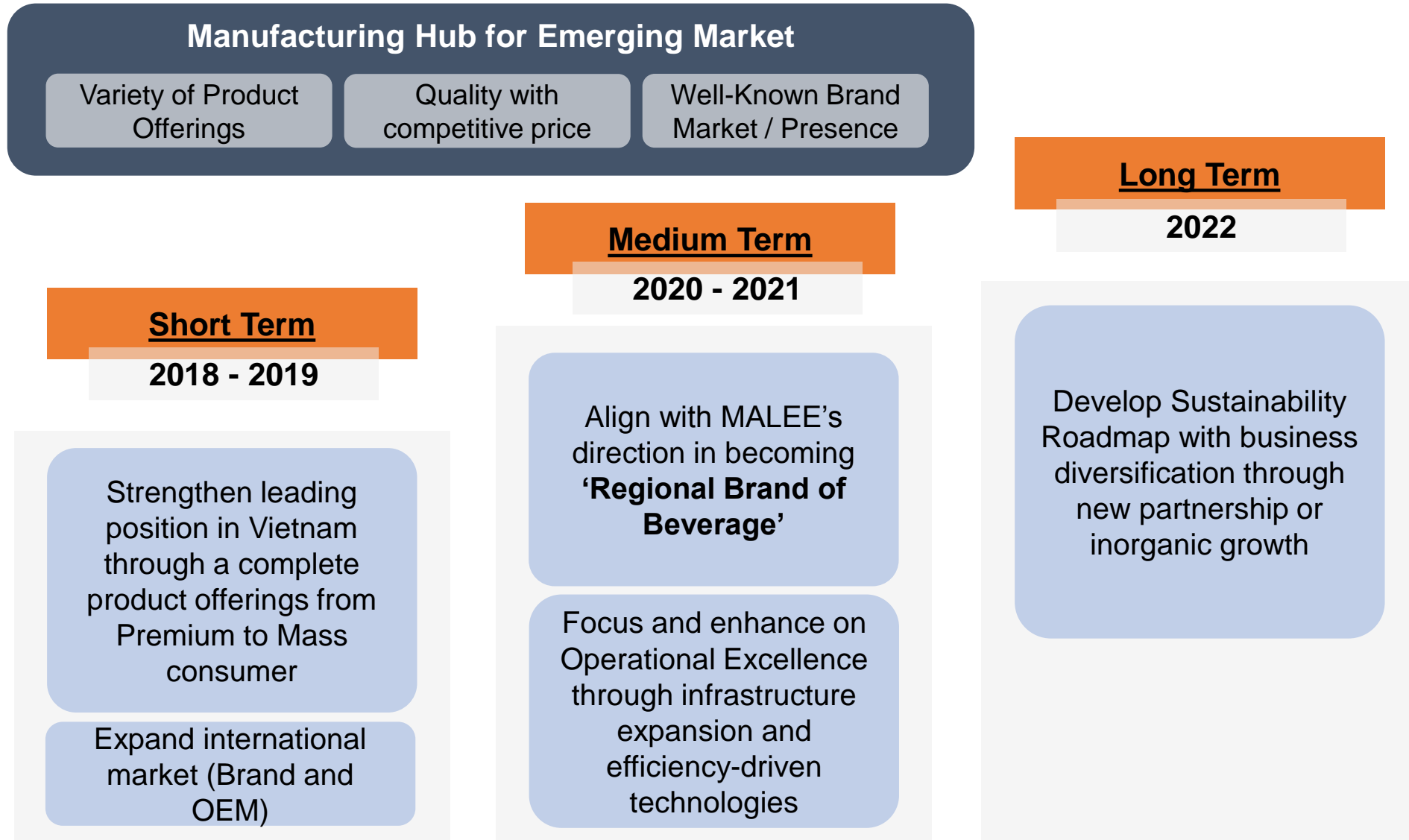


Automatic sleeve labeler

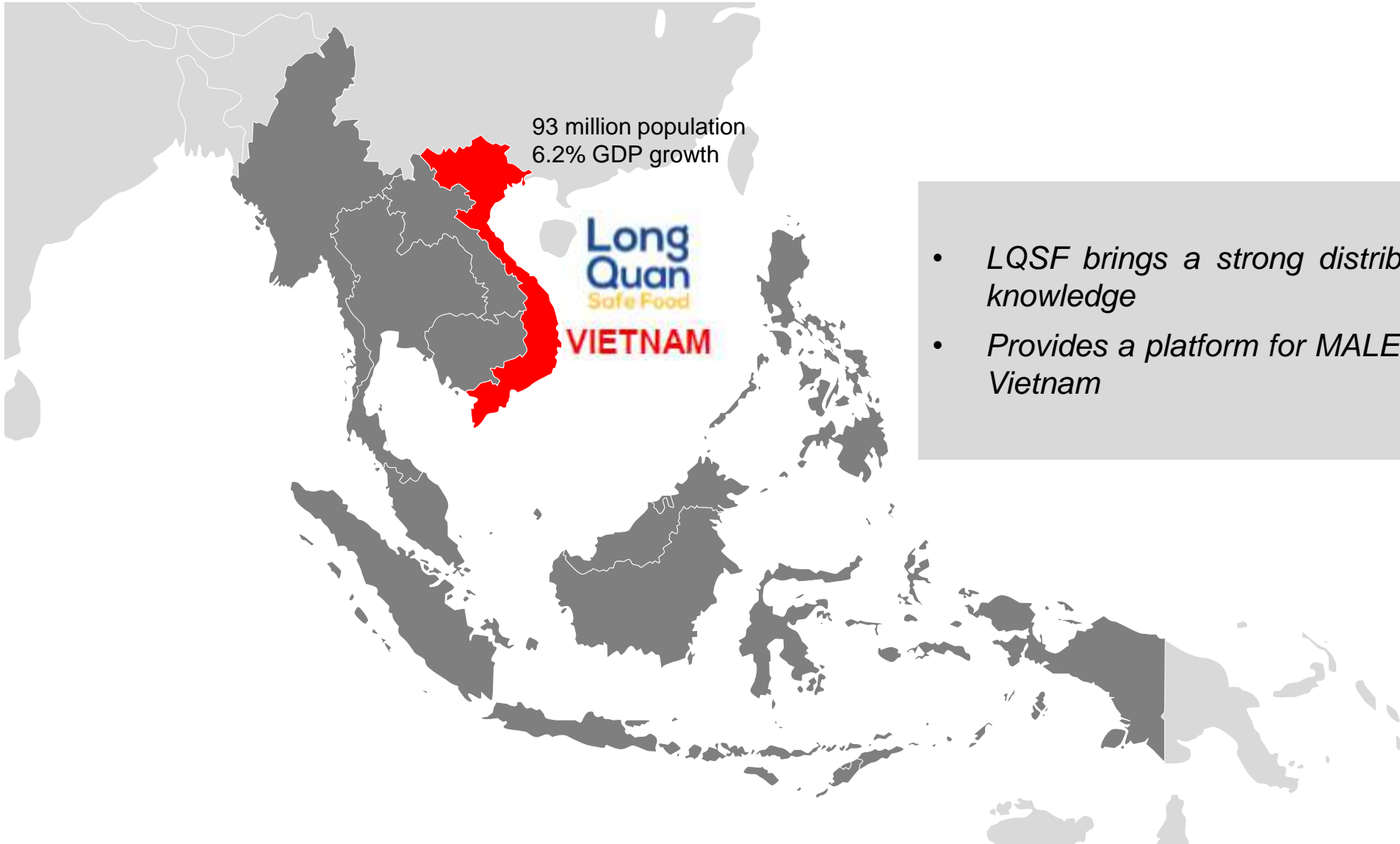


Transferring end product

Impact to MALEE's Regional Strategy



Impact to Vietnam Business



- *LQSF brings a strong distribution network and local knowledge*
- *Provides a platform for MALEE to expand presence in Vietnam*

Malee Applied Sciences (MAS)



**Better Innovation :
Solution for a better life**

- To encourage MALEE's value chain, especially local farmers
- To aim for innovation and create HVA (High Value Added) products and services
- To connect with flexible consumers' health lifestyle



Product Categories:

- Food Ingredients
- Functional Food
- Nutraceuticals
- Cosmetic Ingredients
- Green Materials
- Etc.

MAS: Finalist of World Food Innovation Awards

VINTICO

The natural remedy to boost
your health and wellness

“ from History
to ETERNITY ”



Coconut Water Vinegar
Best quality of Thai coconut source
Proprietary technology
Premium taste
Beneficial for health

- ◆ Boost Immune system
- ◆ Lower Cholesterol & Triglyceride
- ◆ Help to control weight
- ◆ Regulate Blood Sugar Level
- ◆ Promote digestive health & detox
- ◆ Potent Antioxidant



in association with HOTELYMPIA

FINALIST

MAS: BOI Tax Incentives

Tax Incentives

Import duty exemptions/
reductions

Exemption of import duty on imported goods for use in research and development for a period of 1 year from the first date of import.

Corporate income tax
exemption for up to 8 years

In the case of loss making during the period of tax exemption, MAS is allowed to deduct such annual loss from the net profits of not more than 5 years after the expiration of the period of exemption (can deduct such loss from the net profit of any one year or several years).

50% reduction of corporate
income tax for up to 5 years

In addition, according to the government's new tax incentives for R&D, MALEE also can claim deductions for R&D expenses of 300% (up from 200%), during 2015 – 2019 (5 years).

AGENDA

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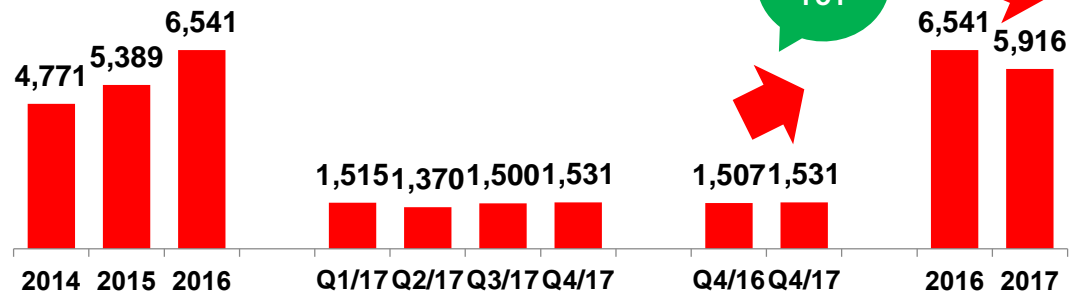
Forward Looking



Financial Highlights

Sales Revenue

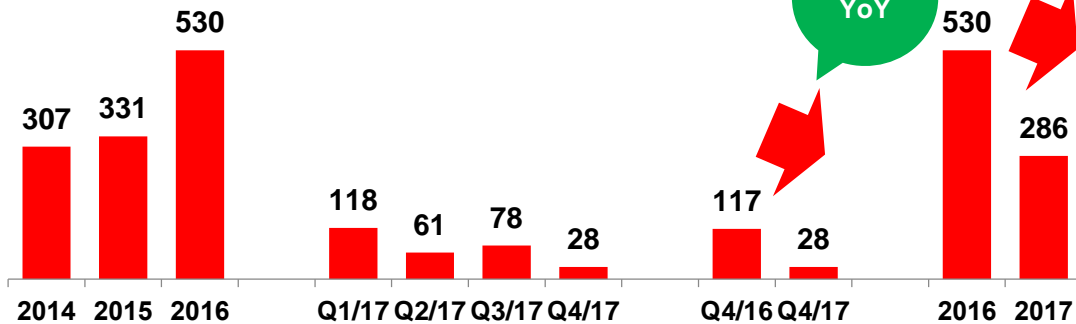
Unit: Million Baht



- Q4/2017 Sales grew by 2% YoY due to higher domestic CMG sales supported by new products launch as well as continue growth from export branded business, despite a decrease in export CMG and domestic branded.
- 2017 Sales dropped 10% YoY due to a decrease in export CMG resulted from the implementation of the preventive measures since Q2/2017 to strictly control the quality of coconut water throughout the supply chain, which was completed at the end of 2017. Meanwhile, some customer ended the distribution contract with some retailer, while some customer changed the sales format from overseas to domestic. Domestic branded sales also declined due to the delay of the new crop for canned fruit during Q2/2017, while fruit juice sales dropped following the contraction of domestic fruit juice market.

Net Profit

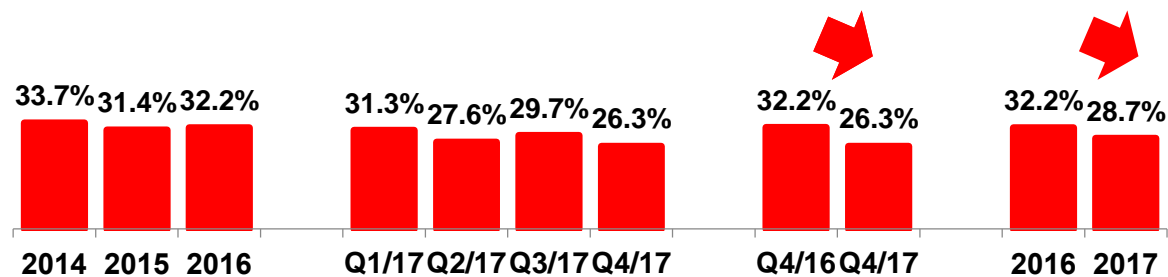
Unit: Million Baht



- Q4/2017 Net profit decreased YoY 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 selling expenses from new packaging launch for branded products; 6) higher personnel expenses; 7) higher R&D expenses; and 8) higher finance costs.
- 2017 Net profit decreased YoY mainly due to the same reasons as Q4/2017 drop, plus higher cost per unit resulted from lower capacity utilization.
- However, the increase in costs is mainly due to investments to build the foundation for aggressive growth from 2018 onwards, while some investments cannot generate revenue immediately, and some investments are not fully utilized or have not reached the optimal level yet.

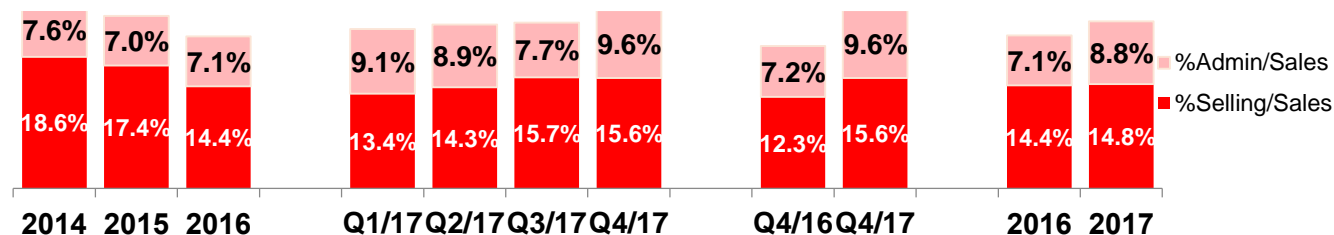
Profitability Margin

%Gross Profit Margin



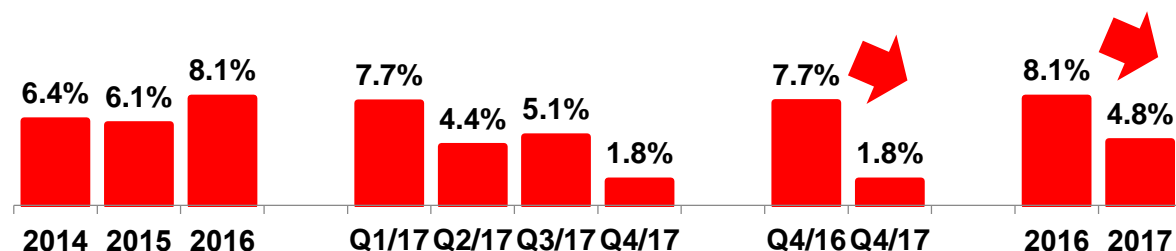
- Lower Q4/2017 %GPM YoY was mainly due to higher depreciation resulted from additional investments in plant, machinery, and office renovations; cost from trial runs and start-up of a new production line; cost from production relocation; higher sales contribution of CMG business; and higher excise tax as well as sugar tax following the Excise Act, B.E. 2560.
- Lower 2017 %GPM YoY was mainly due to the same reasons as Q4/2017 drop, plus higher cost per unit resulted from lower capacity utilization.

%SG&A to Sales



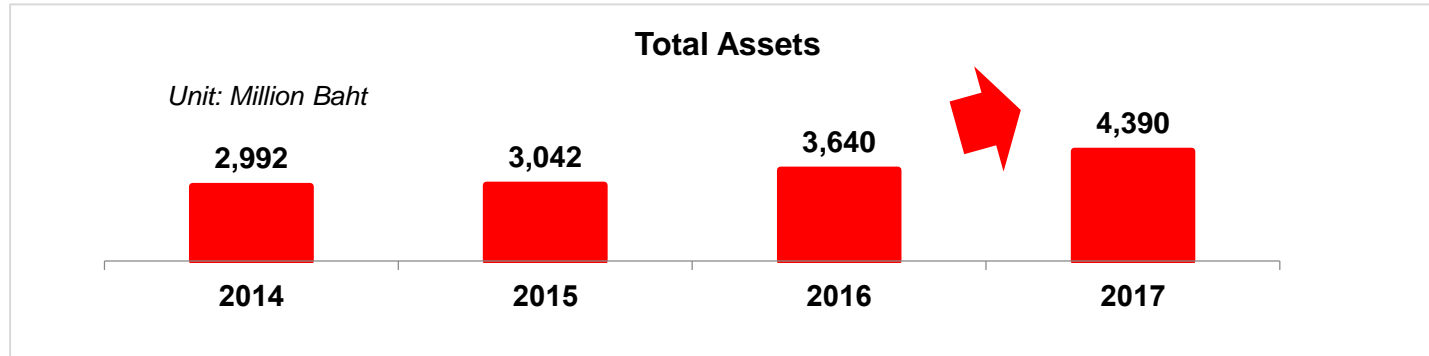
- Higher Q4/2017 and 2017 YoY selling expenses to sales YoY was mainly due to higher expenses from new packaging launch for branded products.
- Higher Q4/2017 and 2017 YoY administrative expenses to sales was resulted from higher personnel expenses including additional employment in a new subsidiary, gradual improvement of employee benefits as well as higher R&D expenses. All above activities have been prepared for the upcoming aggressive growth from 2018 onwards.

%Net Profit Margin

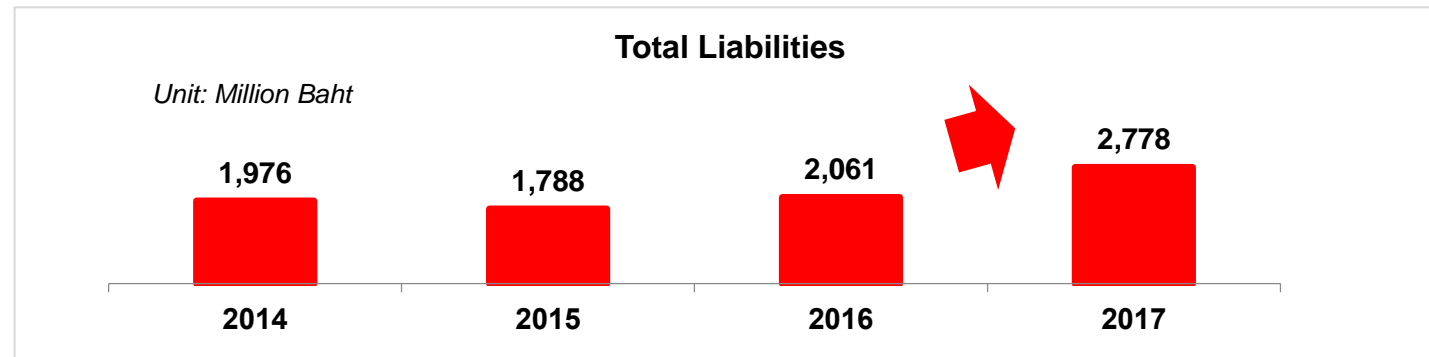


- Lower Q4/2017 and 2017 %NPM YoY was mainly due to the same reasons for lower Q4/2017 and 2017 net profit..

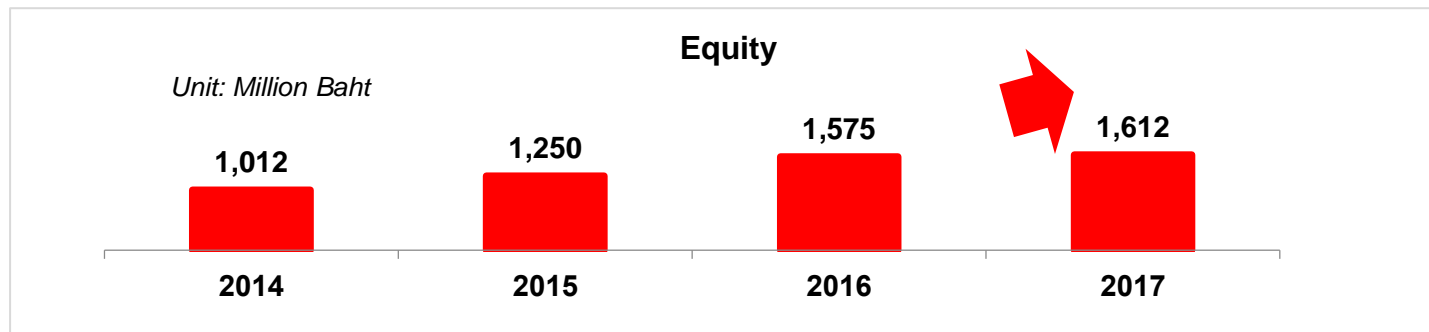
Statements of Financial Position



- Higher total assets were mainly due to increased inventories from higher stock level of branded canned fruit preparing for sale until the next crop season and increased CMG inventories. Trade receivables were also higher due to higher sales contribution of domestic whose collection period is longer than domestic. There were also additional investments in joint venture as well as plant, machinery, and office, in order to prepare for the Company's aggressive growth from 2018 onwards.

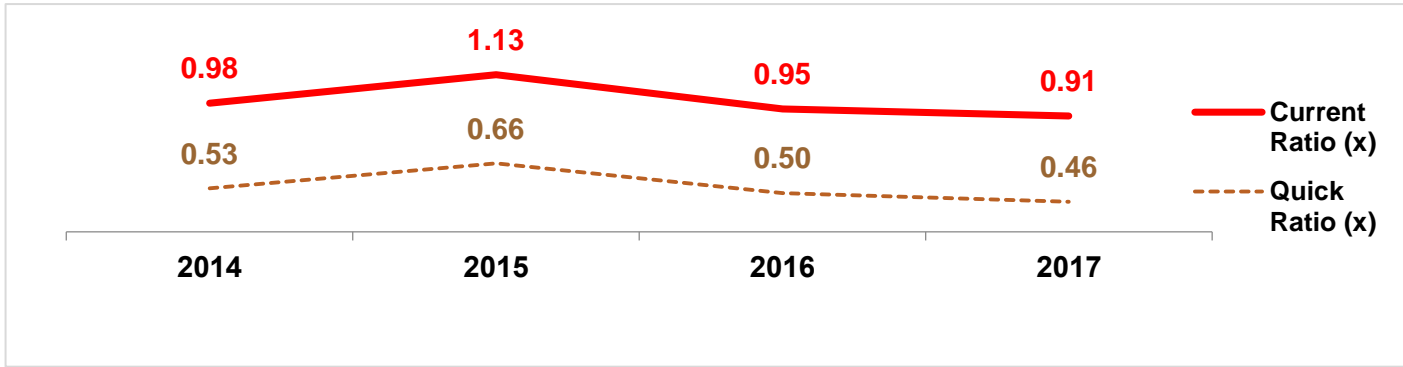


- Higher liabilities were mainly due to an increase in loans from financial institutions for the use of working capital and investments as well as higher trade payables under the group of packaging materials whose payment period is quite long.

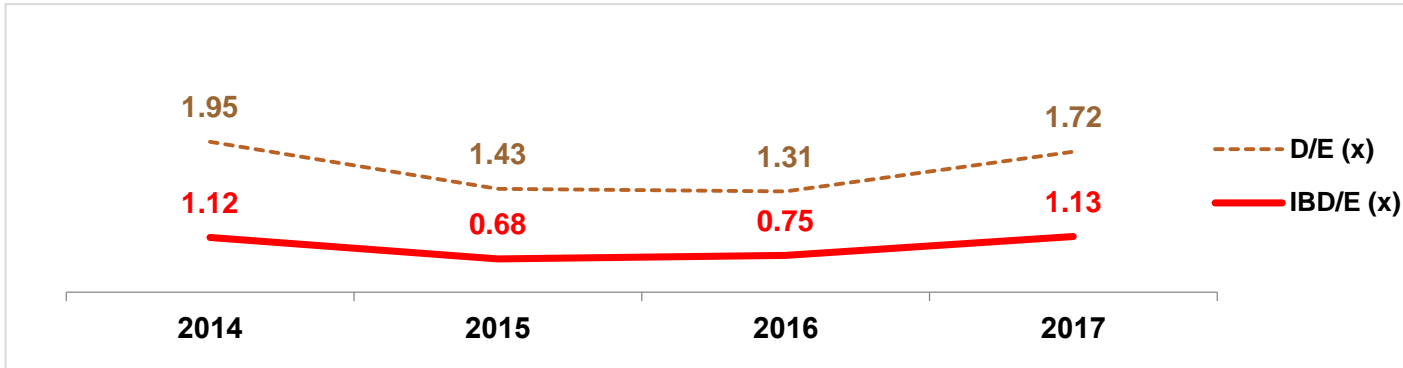


- Increased equity of parent Company's shareholders slightly increased by 1% as a result of operating profit during the year as well as interim dividend payment.

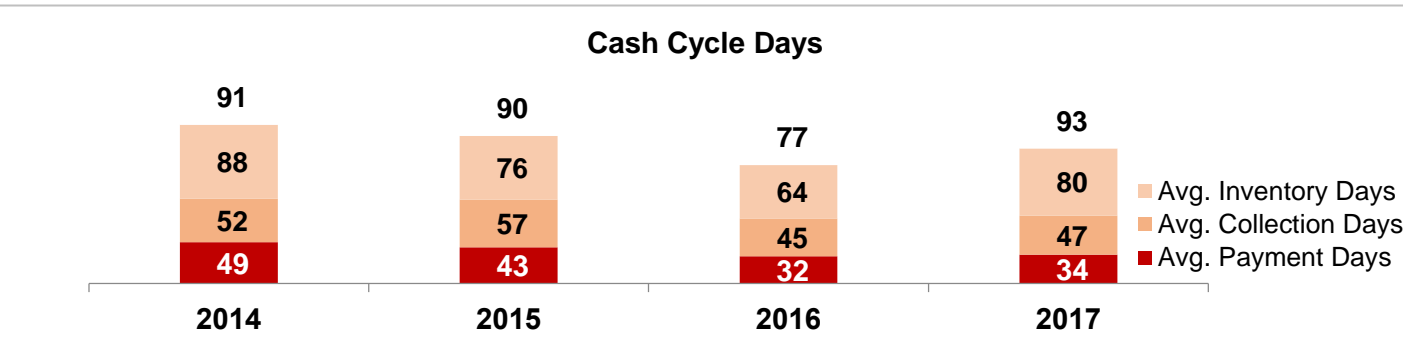
Liquidity



- Lower current ratio and quick ratio was mainly resulted from increased trade payables, higher short-term borrowings from financial institutions for the use of working capital as well as an increase in current portion of long-term liabilities and current portion of liabilities under financial lease agreements.

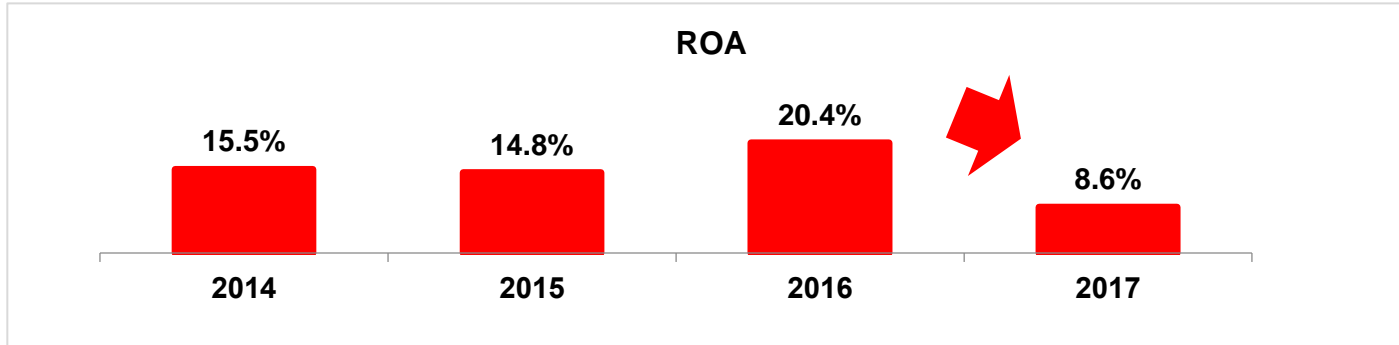


- Increased IBD/E was mainly due to higher borrowings and liabilities under financial lease agreements for the use of working capital and investments.
- Increased D/E was mostly resulted from the same reasons as higher IBD/E plus higher trade payables under the group of packaging materials whose payment period is quite long.

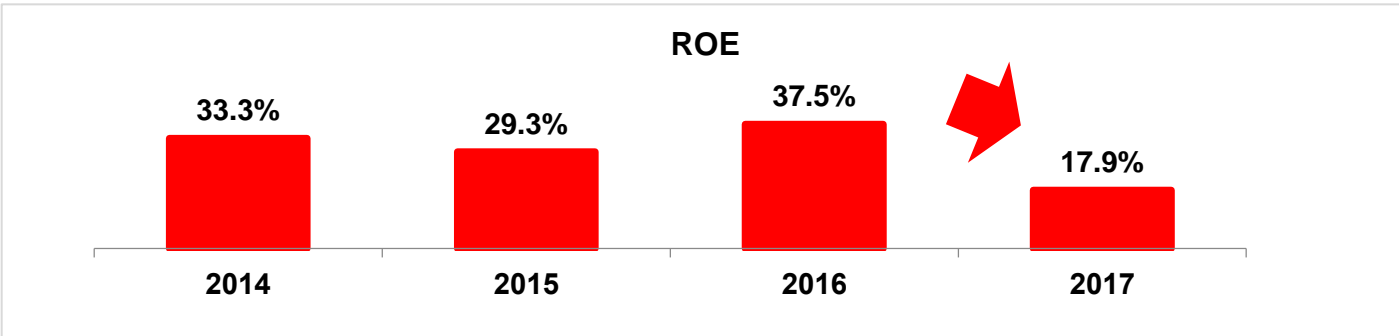


- Extended cash cycle days was due to longer Inventory Days resulted from higher stock level of branded canned fruits preparing for sale until the next crop season, increased CMG inventories, and longer A/R days due to higher portion of domestic sales whose trade term is longer.
- Longer A/P days was mainly owing to higher trade payables under the group of packaging materials whose payment period is quite long.

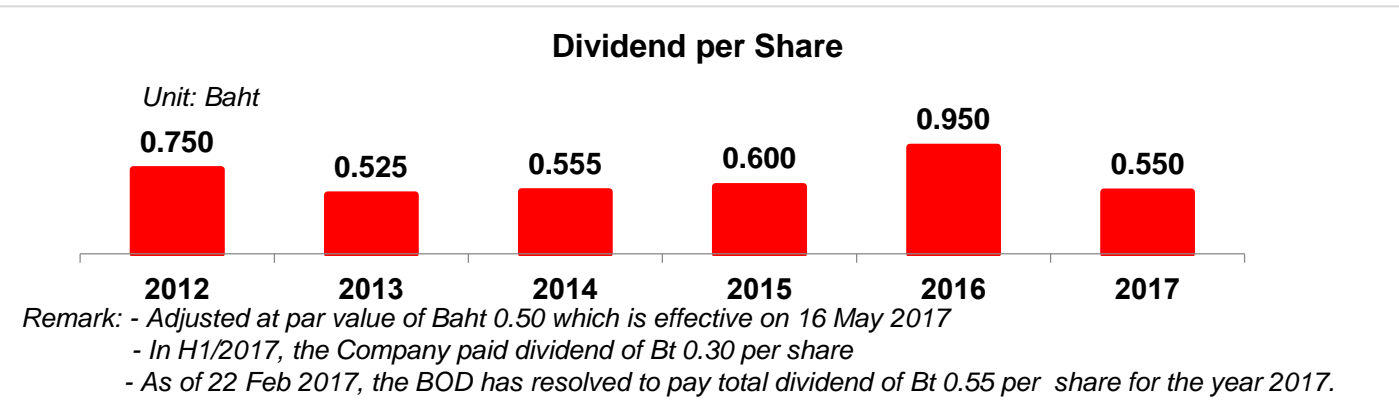
Return to Shareholders



- Lower ROA was due to lower earnings but increased 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 aggressive growth from 2018 onwards.



- Lower ROE was mainly due to lower earnings, as a result of higher fixed costs from various key investments as a 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

What we have done during the first phase of strategic plan (2015-2017)

- 1) Investments in plant, machinery, and office renovations;
- 2) Investments in research and development;
- 3) Adding the competent personnel to support the future growth plan;
- 4) Establishing a subsidiary, Malee Applied Sciences Company Limited (MAS) to encourage farmers' incomes as well as enhancing security of raw materials, aiming at developing innovation and high value added products (HVA);
- 5) Establishing joint ventures to develop products and distribution channels across the region:
 - Mega Malee Company Limited (MMC), Thailand
 - Monde Malee Beverage Corporation (MMBC), Philippines
 - PT Kino Malee Indonesia (KMI), Indonesia
 - Malee Kino (Thailand) Company Limited (MKT), Thailand
- 6) Entering into an agreement to acquire 65% ownership of Long Quan Safe Food JSC (LQSF)
 - LQSF is a major manufacturer and distributor of beverage and food products in Vietnam.
 - LQSF's cost competitiveness will enhance the Company's production base for emerging markets in Southeast Asia
 - LQSF's wide-coverage distribution that reaches almost all regions of Vietnam will help expand the Company's business in Vietnam.

Short-term Cost Increase from Investments

- 1) Lower sales contribution of export pressuring net profit margin;
- 2) Higher 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) Higher excise tax as well as sugar tax following the Excise Act, B.E. 2560, effective since 16 September 2017;
- 5) Higher selling expenses from new packaging launch for branded products;
- 6) Higher personnel expenses;
- 7) Higher R&D expenses;
- 8) Loss from MMBC.

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