



# Malee Group Public Company Limited

16 August 2019

# Disclaimers

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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.



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# AGENDA

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Company Overview

Business Update

Results of Operations and Profitability

Forward Looking

# Group Structure

Subsidiary

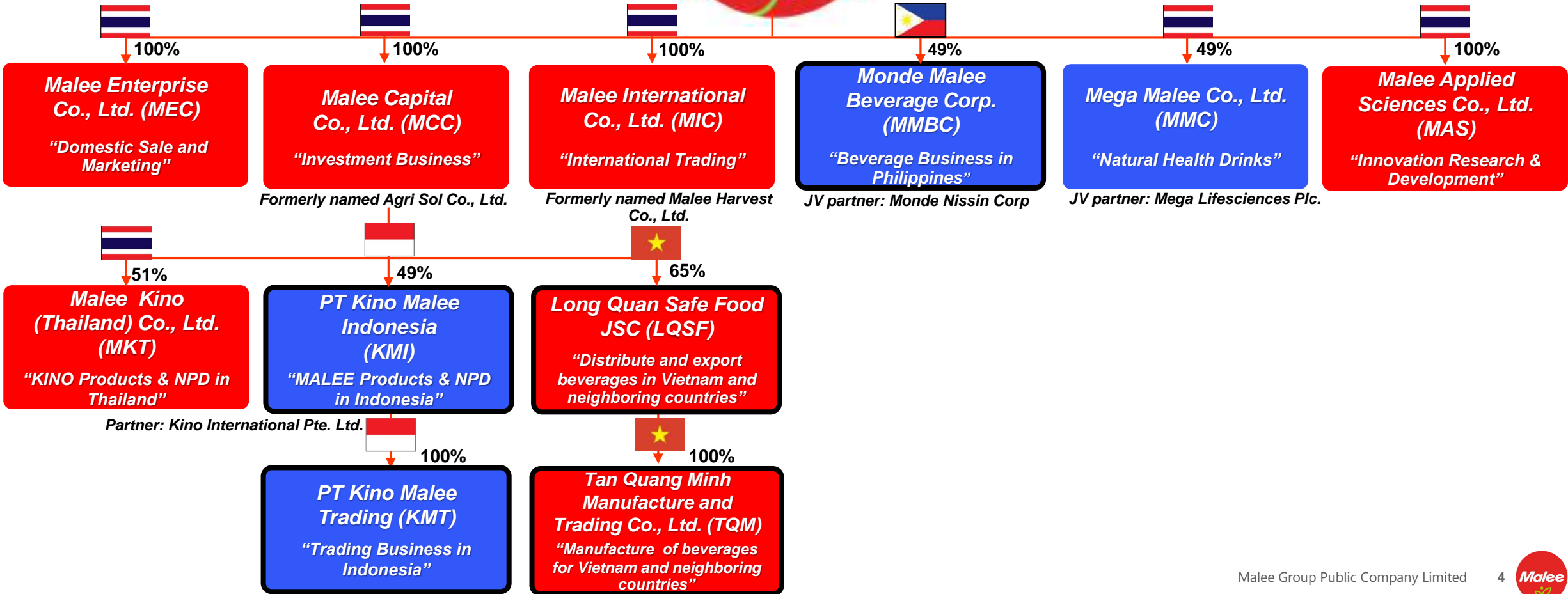
JV/ Associate

Overseas Entity



Malee Group Plc 

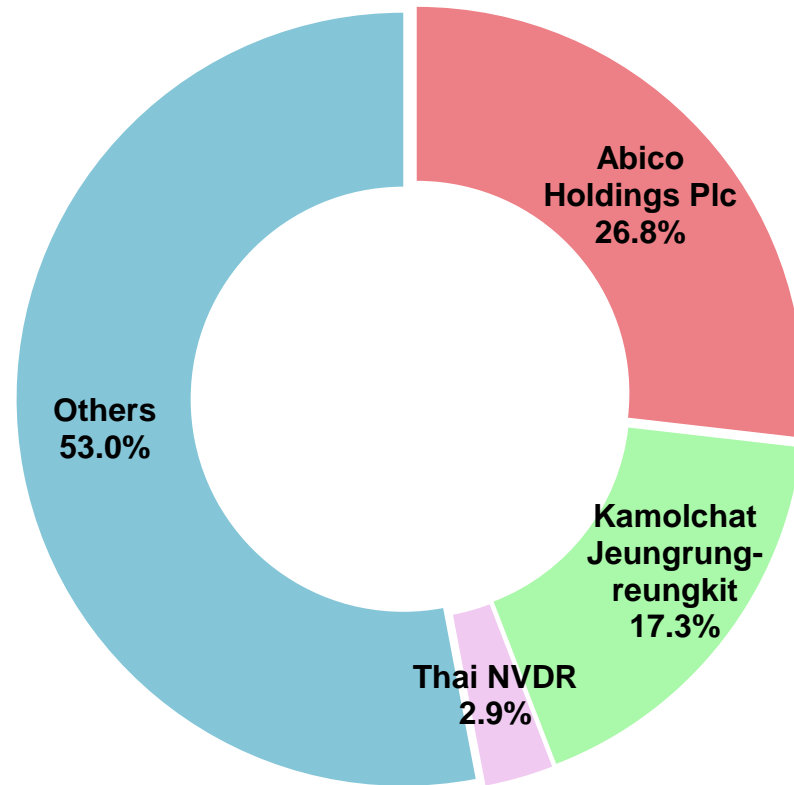
A leading manufacturer, distributor, and exporter of fruit juices, beverages, and canned fruits.



# Shareholding Structure & Share Information

## Shareholding Structure

(As of 13 March 2019)



## Share Information

(As of 16 August 2019)

<b>Stock Symbol:</b>	MALEE
<b>Industry and Sector:</b>	Agro & Food Industry / Food and Beverage
<b>No. of Listed Shares:</b>	280,000,000 Shares
<b>Registered Capital:</b>	THB 140,000,000
<b>Paid-up Capital:</b>	THB 140,000,000
<b>Par Value:</b>	THB 0.50 per Share
<b>Listing Date:</b>	13 March 1992
<b>Foreign Limit:</b>	49% (available 47.97%)
<b>Dividend Policy:</b>	Not less than 50% of the net profit from normal operation according to consolidated financial statements after deduction of tax revenue and legal reserve. However, actual payments will depend on cash flows and investment plans of the Company's and its affiliates as well as other necessities as the Board of Directors deems appropriate.
<b>Market Capitalization:</b>	2,128 MB or 68.6 MUSD
<b>Free Float:</b>	48.57%

# 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.

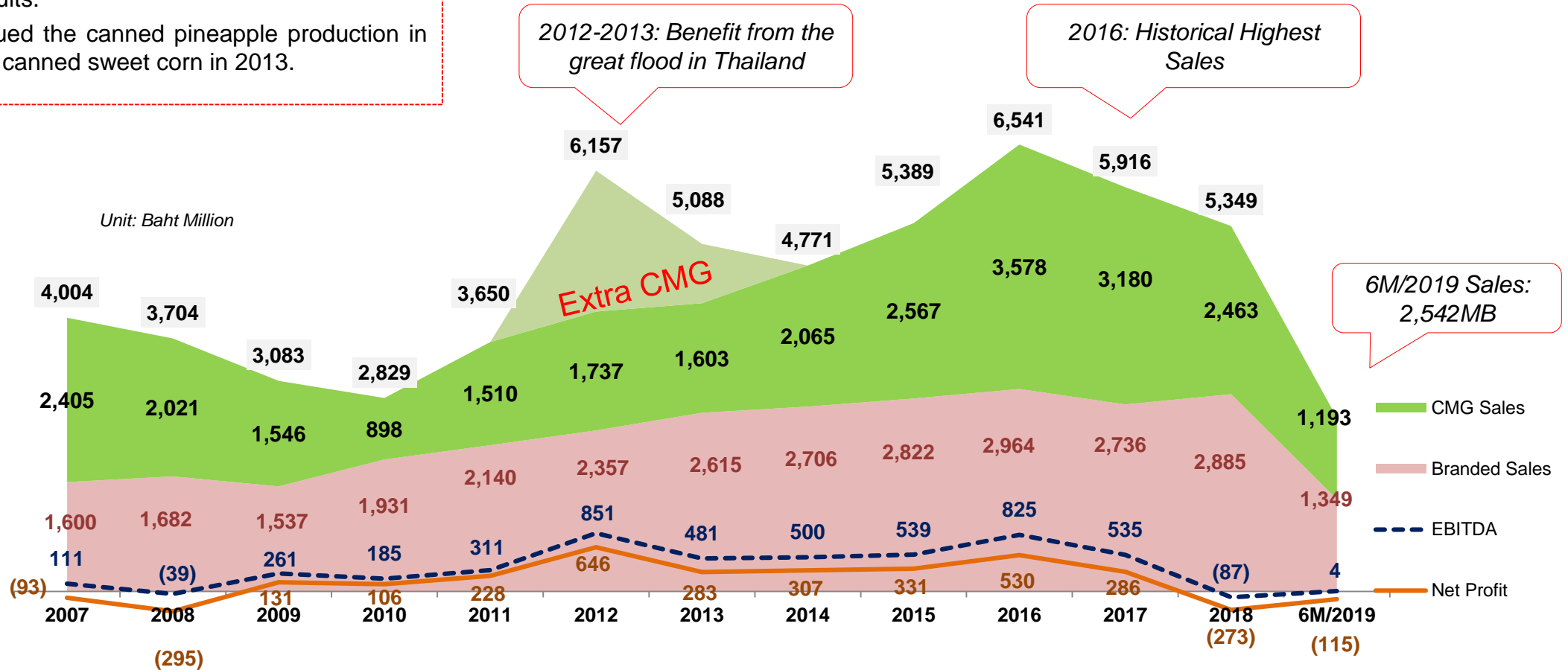
In April 1995, **Abico Holdings Plc** acquired 40% from the existing shareholders.

- 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

## 100% Fruit Juice and Cereal Nutrition



Malee 100% UHT Fruit Juice



Malee 100% Pasteurized Fruit Juice



Malee 100% Malee Fruit Fresh



Malee Coco



Malee Nutrient



Malee i-Corn

## Functionality



Malee Healti Plus



Malee Light



Malee Flo

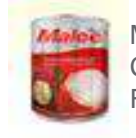
## Tactical



Malee Food Service



Malee Tropical



Malee Canned Fruit

## Canned Fruit



First Choice



Farmer

# OTHERS

## Dairy Product

Chokchai Farm



UHT



Pasteurized



Milk Tablet

## Other Beverages



TurBusta Maxx (RTD Coffee)

## Others





# Subsidiary/Joint Venture Portfolio

## LQSF (Vietnam)



## MMBC (Philippines)



\*\*Kratos canned coffee removed from the market at the end of 2018.

## MAS (Thailand)



## Mega Malee (Thailand)



## Malee Kino (Thailand)



## Kino Malee (Indonesia)

Food and Beverages – to be launched in Q3/2019

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Company Overview

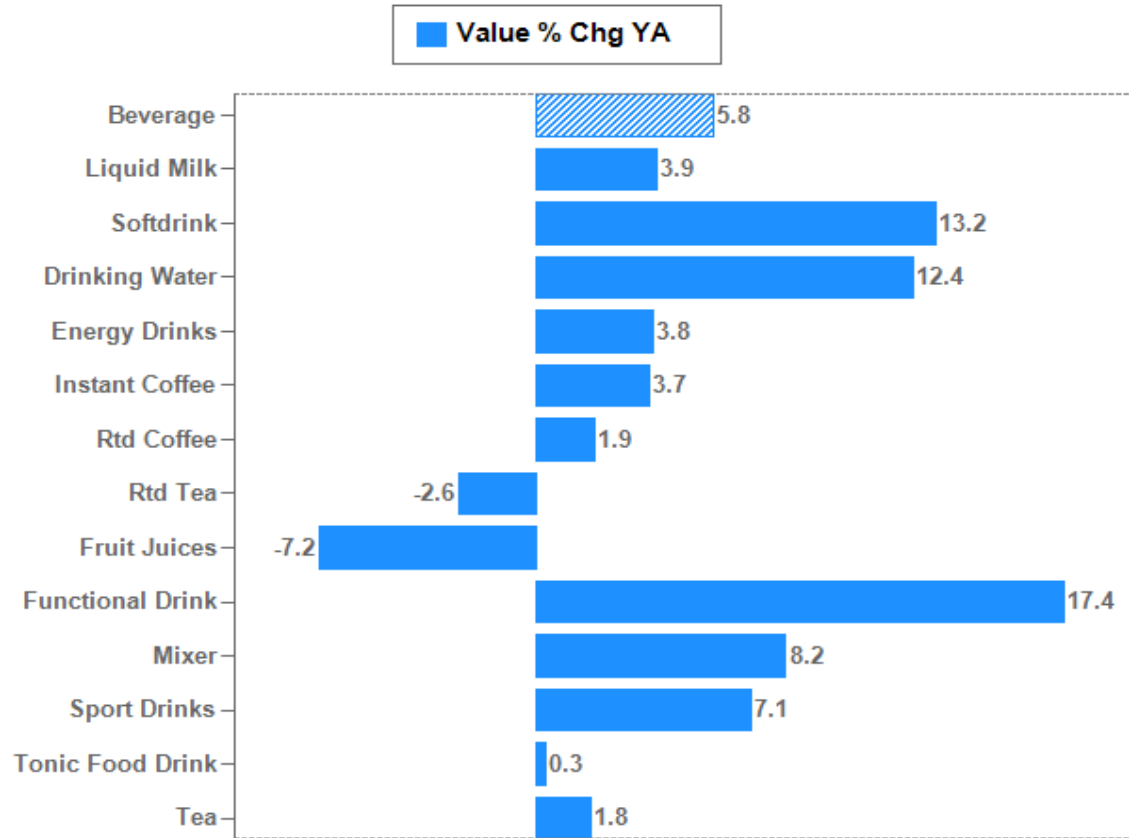
**Business Update**

Results of Operations and Profitability

Forward Looking

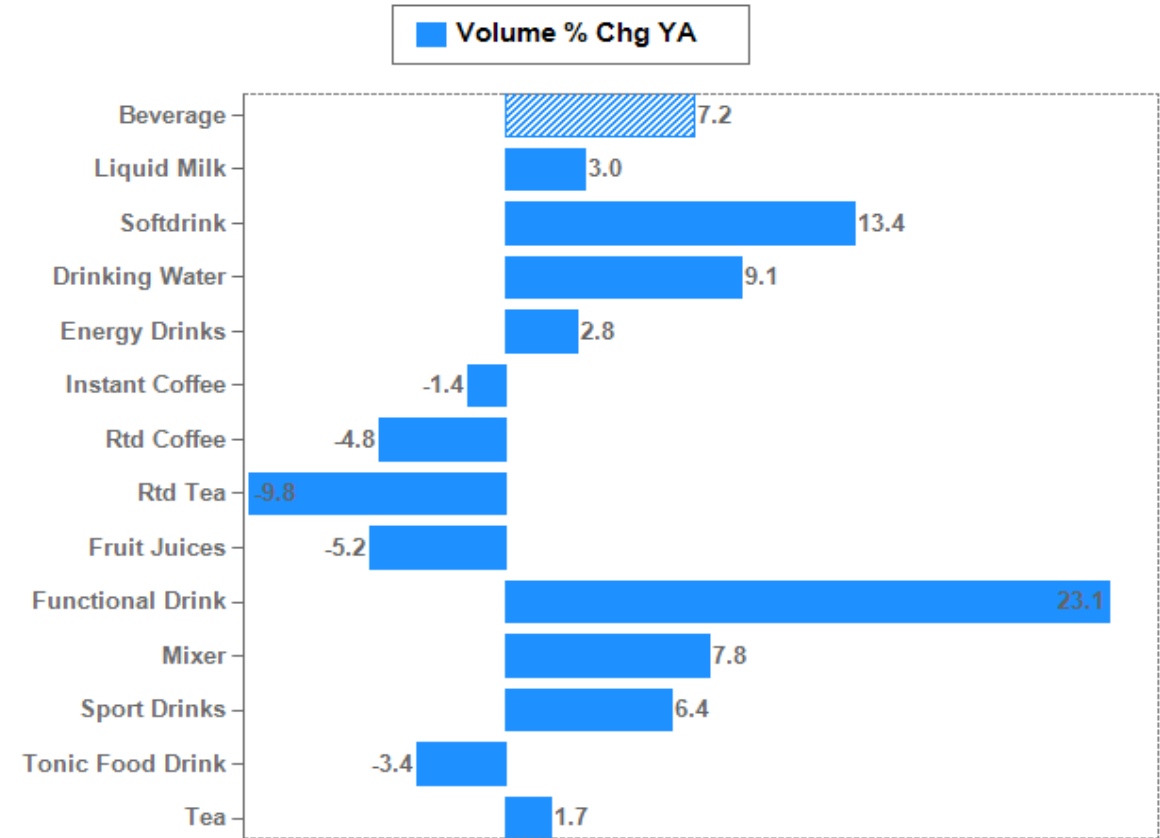
# Domestic Beverage Market : June 2019

Total Thailand+MTSR - MAT TY



BEVERAGE - sort by category size (value)

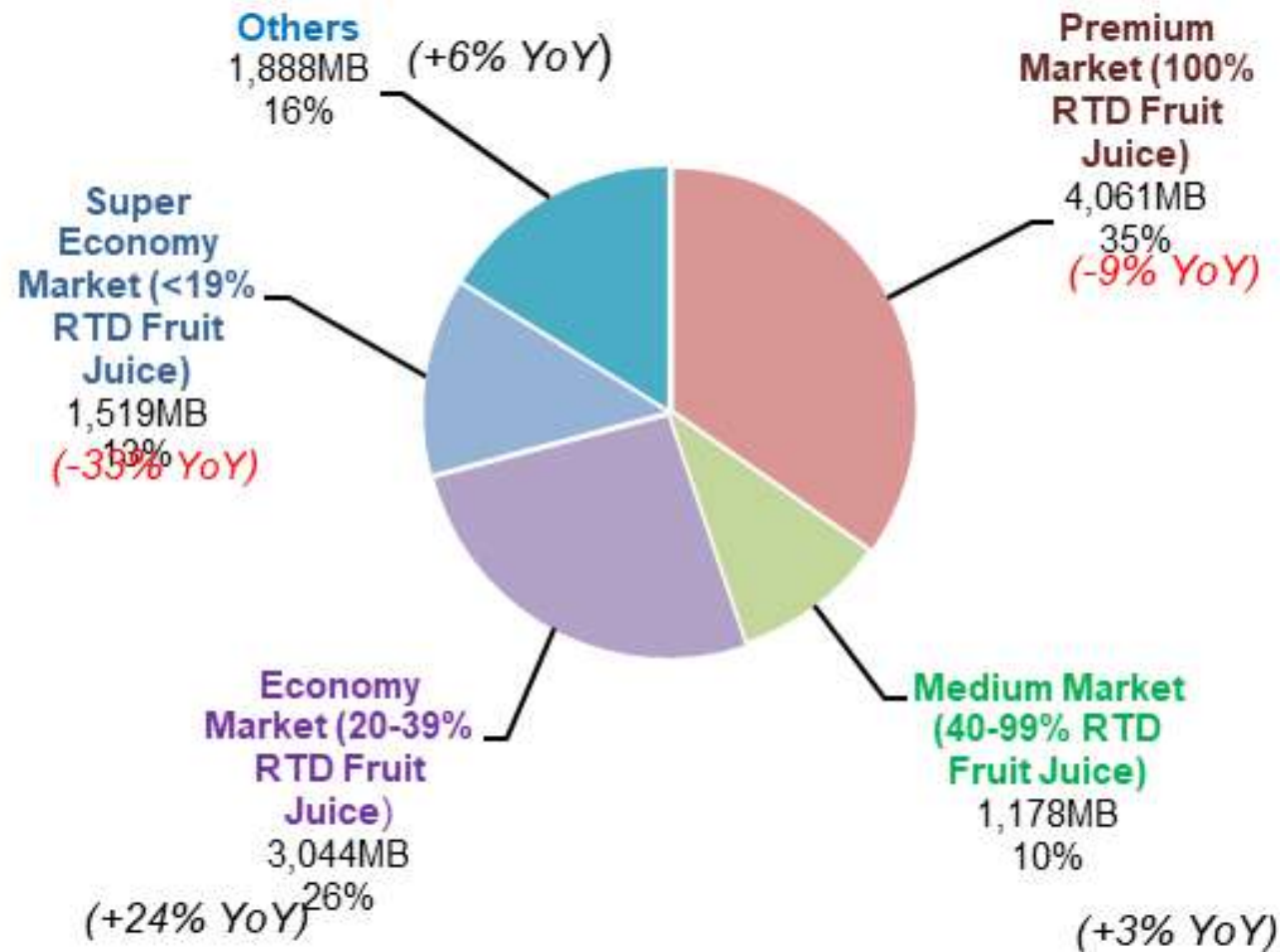
Total Thailand+MTSR - MAT TY



BEVERAGE - sort by category size (value)

# Domestic RTD Fruit Juice Market

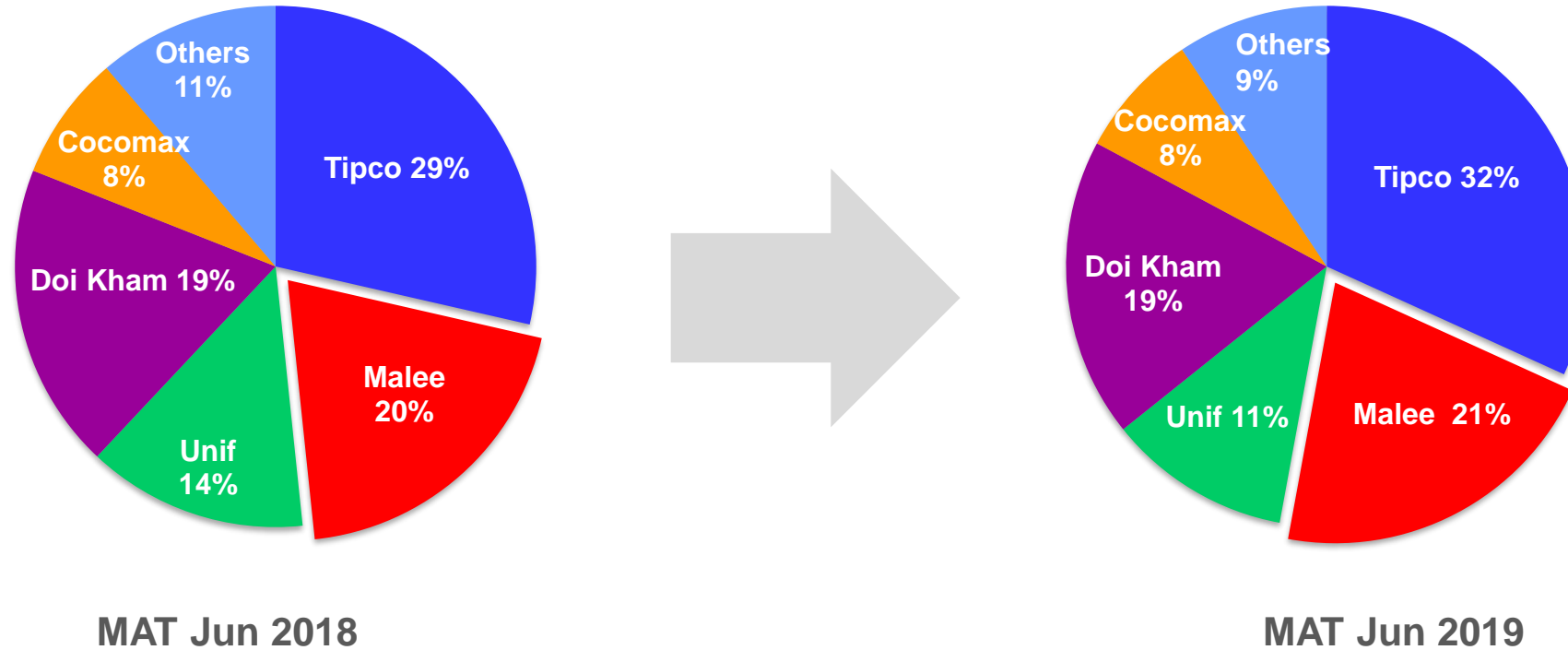
*MAT Jun 2019 Market Value of 11,690 MB, a Decrease of 4% YoY*



Source: Nielsen

# Domestic RTD Premium Fruit Juice UHT Market Share

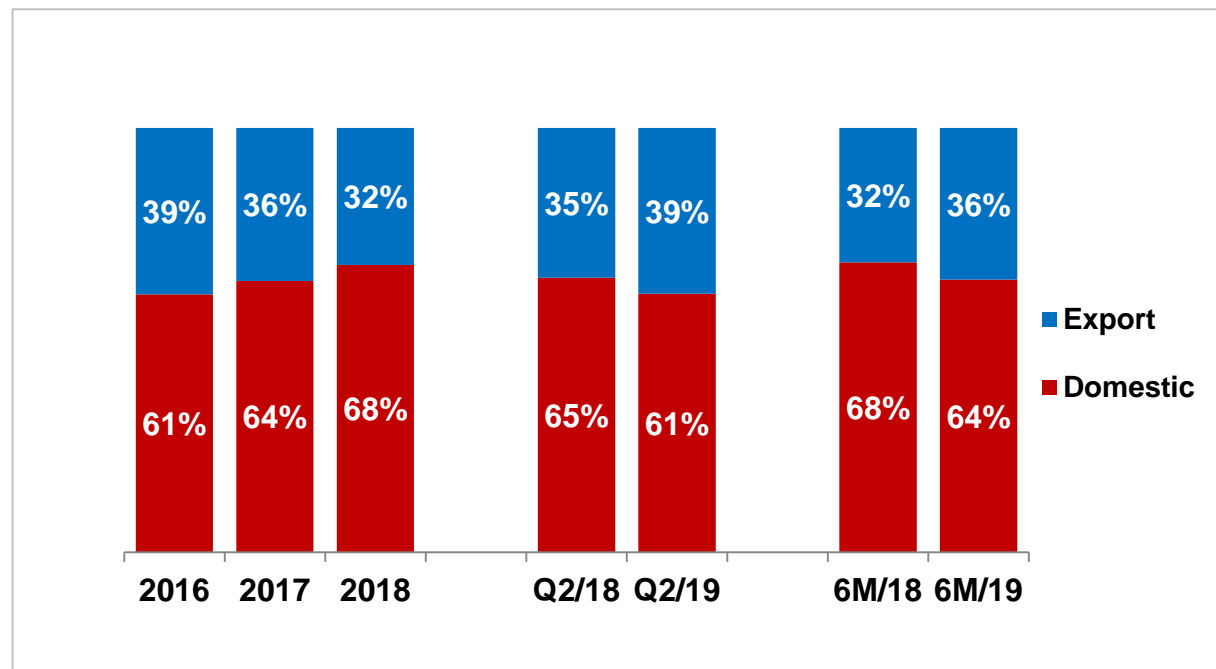
*MAT Jun 2019 Market Value of 4,061 MB, a Decrease of 2.4% YoY*



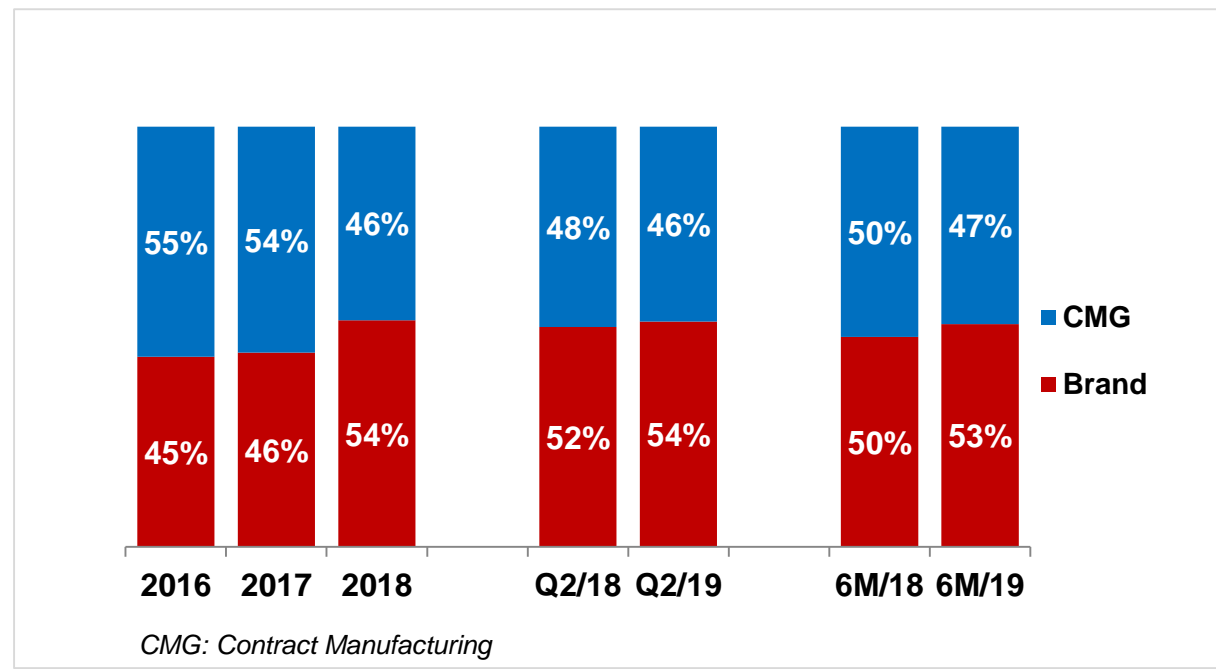
Source: Nielsen

# Sales Structure

## Domestic : International Business



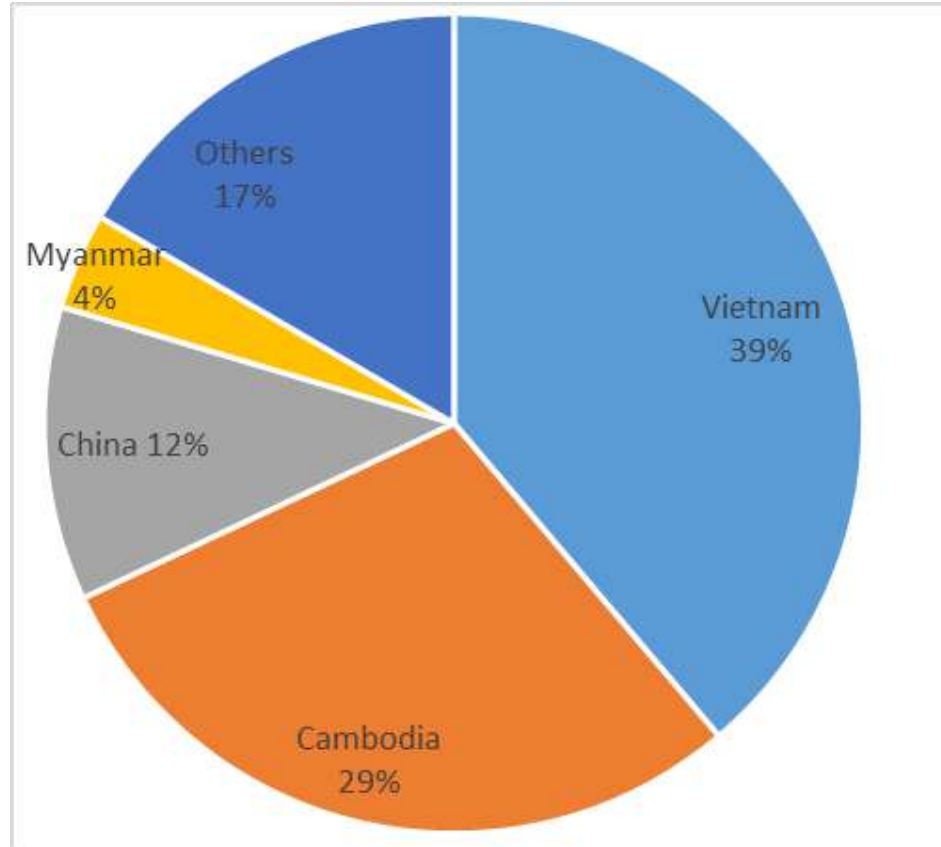
## Brand : Contract Manufacturing



- Domestic Sales
  - Q2/2019 : - 12% YoY
  - 6M/2019: - 11% YoY
- Export Sales
  - Q2/2019 : +3% YoY
  - 6M/2019: +7% YoY

- Brand Sales
  - Q2/2019 : -3% YoY
  - 6M/2019: +0.3% YoY
- CMG Sales
  - Q2/2019 : -7% YoY
  - 6M/2019: -11% YoY

# 6M/2019 Export Branded Sales by Country



- *6M/2019 Export branded expanded 54% YoY due to sales increase from fruit juice and milk products, and sales recognition from Long Quan Safe Food JSC (LQSF), Vietnam.*
- *If excluding LQSF (Vietnam), export Branded Business sales still increased 28% YoY*

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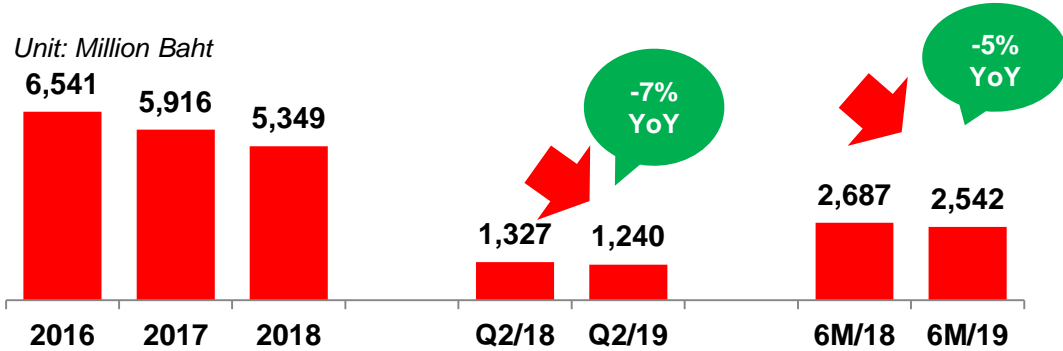
**Results of Operations and Profitability**

Forward Looking



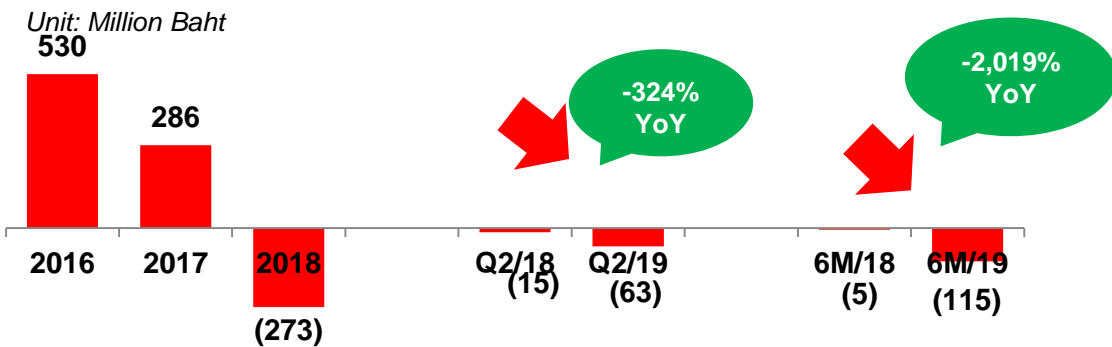
# Financial Highlights

## Sales Revenue



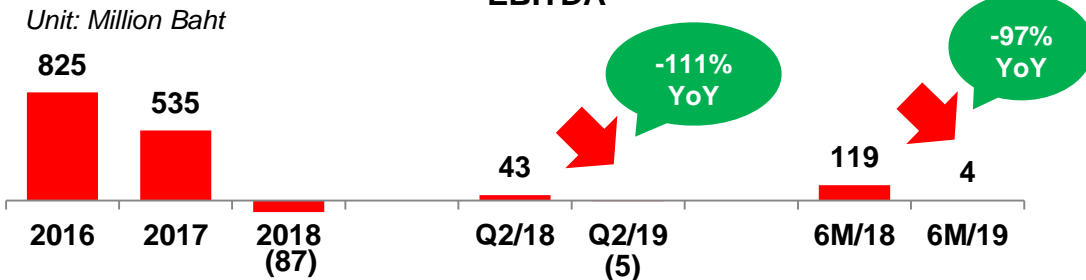
- In Q2/2019, Domestic branded sales decreased 13% YoY.
- Export branded business sales increased 13% YoY, mainly due to sales increase from milk product and sales recognition period, starting from April 27, which was longer than that of Q2/2018 from Long Quan Safe Food JSC (LQSF), Vietnam.
- Total Contract Manufacturing Business (CMG) sales decreased 9% YoY.

## Net Profit



- Q2/2019 Net profit dropped mainly due to
  - 1) domestic branded business and CMG sales decrease.
  - 2) higher cost per unit as a result of lower utilization rate.
  - 3) higher finance costs due to investments in machinery, and joint ventures in Thailand and overseas.
  - 4) non-cash, one-time expenses recognized from selling unused old machines.

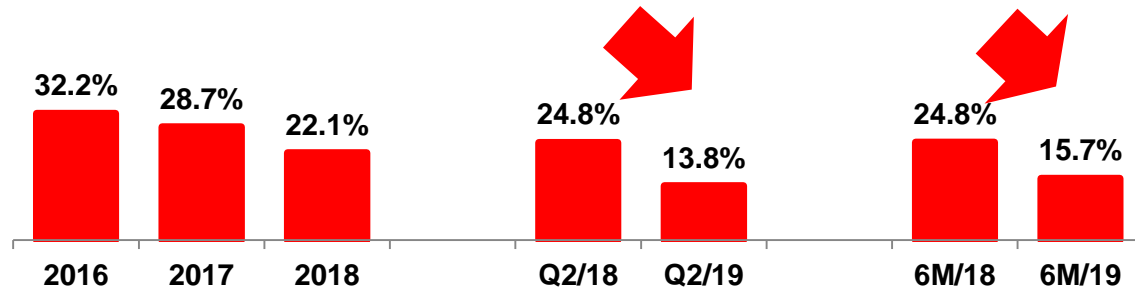
## EBITDA



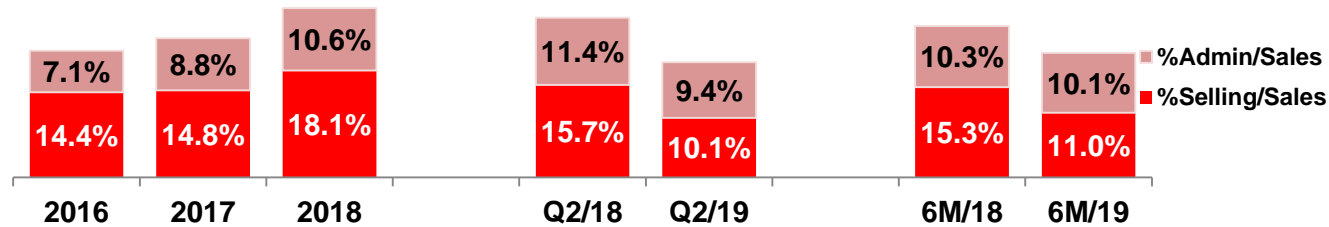
- Q2/2019 EBITDA decreased mainly due to the same reasons explained above for the drop in net profit.

# Profitability Margin

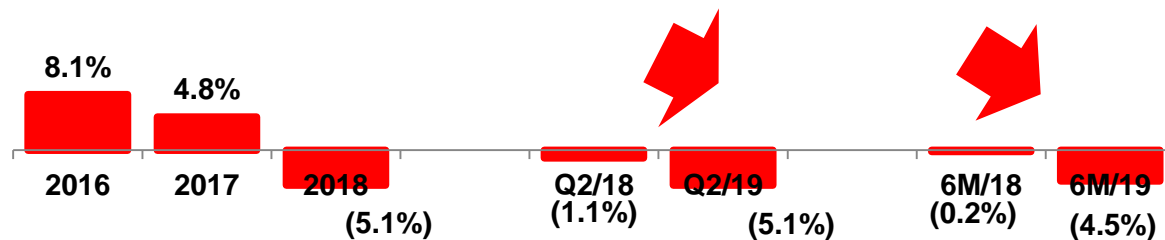
**%Gross Profit Margin**



**%SG&A to Sales**



**%Net Profit Margin**



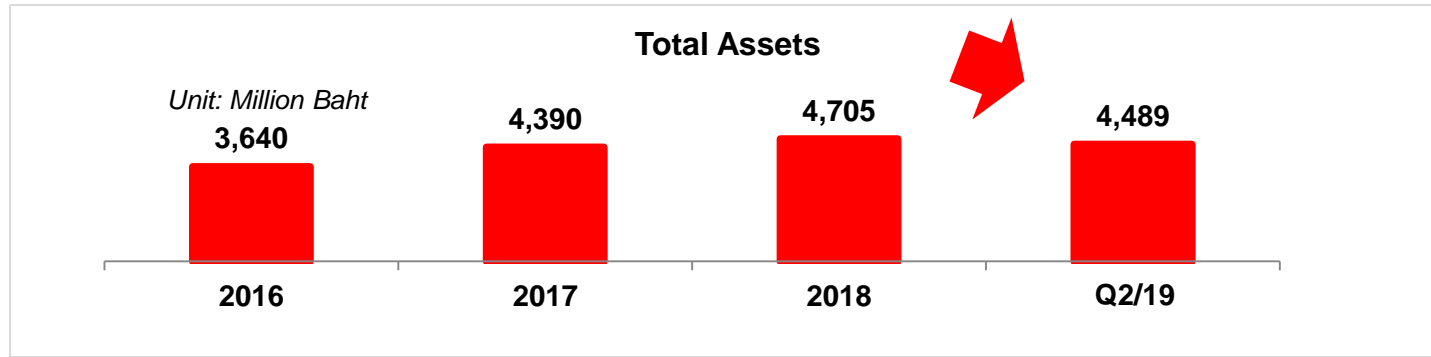
- Lower Q2/2019 %GPM YoY was mainly due to financial statement adjustment in accordance with new Thai accounting standards, and higher cost per unit as a result of lower utilization rate and higher depreciation.

- Lower Q2/2019 selling expenses to sales YoY was mainly due to financial statement adjustment in accordance with new Thai accounting standards, selling expenses recognition from Long Quan Safe Food JSC (LQSF), Vietnam, and efficient expenses control.

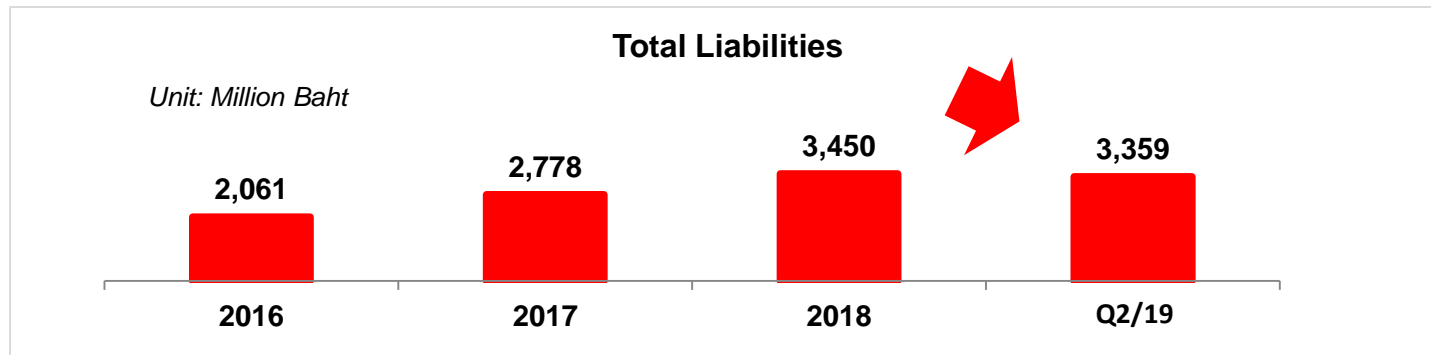
- Lower Q2/2019 administrative expenses to sales YoY was mainly due to efficient expenses control despite the decrease in sales impacted from financial statement adjustment in accordance with new Thai accounting standards that caused administrative expenses to sales ratio to rise.

- Lower Q2/2019 %NPM YoY was mainly due to the same reasons as lower net profit.

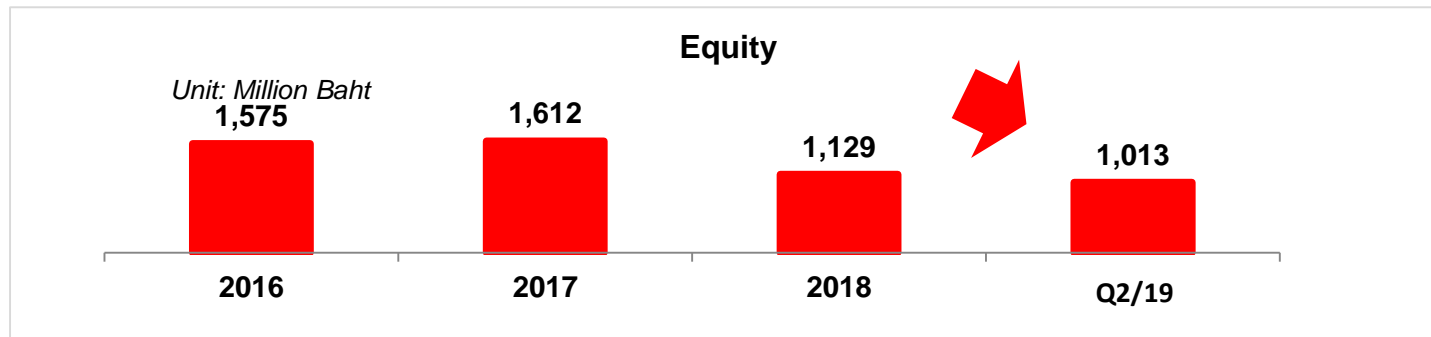
# Statements of Financial Position



- 5% Decreased of total assets were mainly due to the decrease in inventories

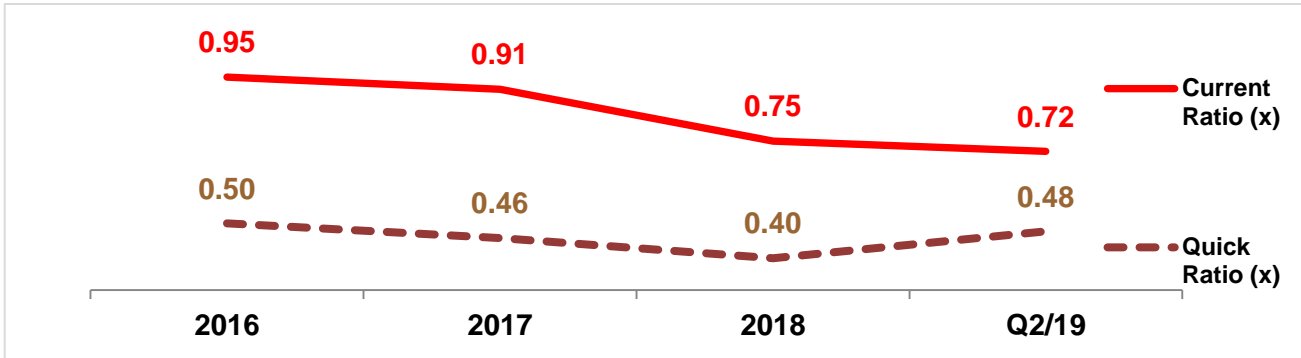


- 3% Decrease of Total Liabilities were mainly due to the decrease in loans from financial institutions

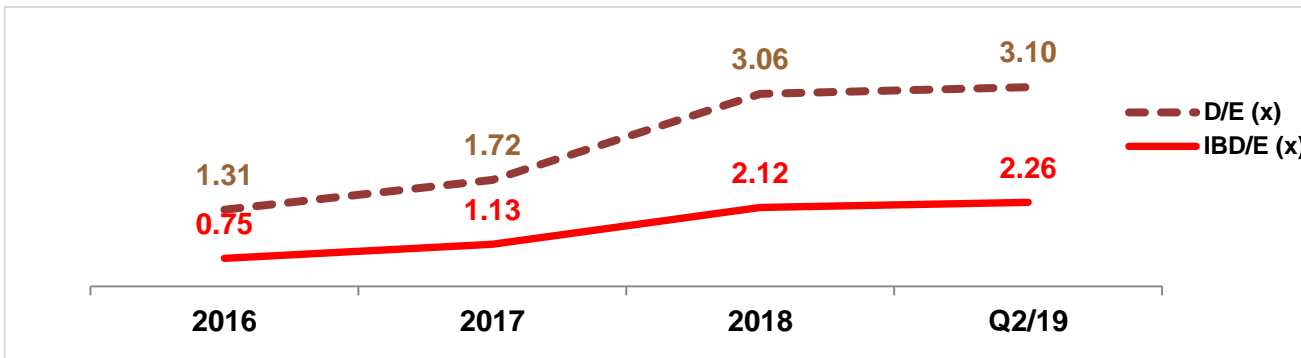


- 10% Decreased equity of parent Company's shareholders mainly was due to net loss of Baht 115 million in H1/2019.

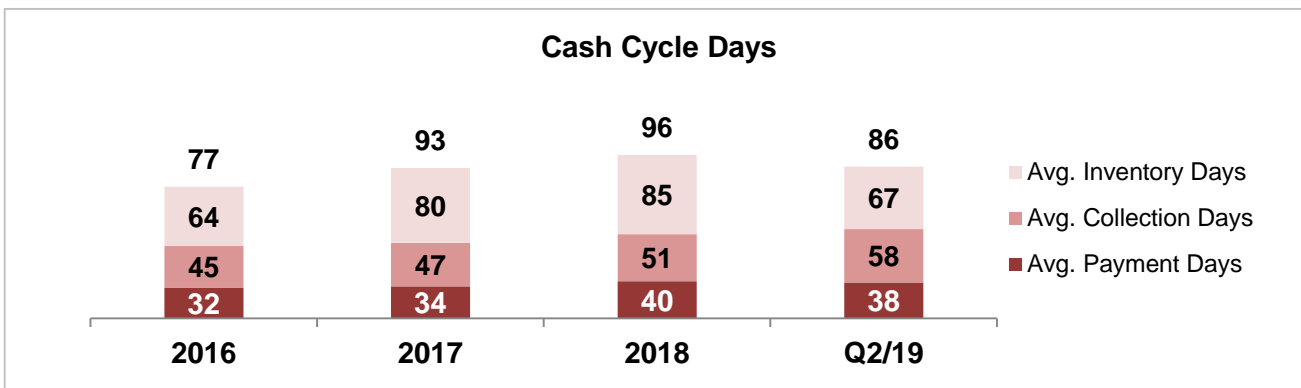
# Liquidity



- Decrease Current ratio was mainly due to decreases in inventories were more than current liabilities that the Company repaid to loans from financial institutions.
- Higher quick ratio was mainly due to an increased trade receivables with a decrease in short-term loans and current portion of long-term loans.



- Increased IBD/E was mainly due to loans from financial institutions reduced less than the decrease of the parent company's shareholders.
- Increased D/E was the same reason as higher IBD/E.



- Decreased cash cycle days was mainly due to shorter Inventory days and A/P Days, longer collection days.
- Improved inventory days was mainly due to tighter stock management.
- Longer collection days was mainly due to higher portion of branded sales whose trade terms are longer than CMG sales.
- Shorter payment days was mainly due to lower purchase of materials resulted from lower sales.

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**Forward Looking**

# Forward Looking

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- Operating results in 2019 expected to improve QoQ
- 2019 recovery focus:
  - Increase capacity utilization
  - Focus on brand export business for volume growth and better profitability
  - Cost and expenses control and reduction
  - Inventory management
  - No new investments
  - Process and work flow improvement
  - Better data management for faster decision making



# Share Endorsements

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**“Very Good” Level of CG Scoring**



Thank You