



Malee Group Public Company Limited

18 November 2019

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

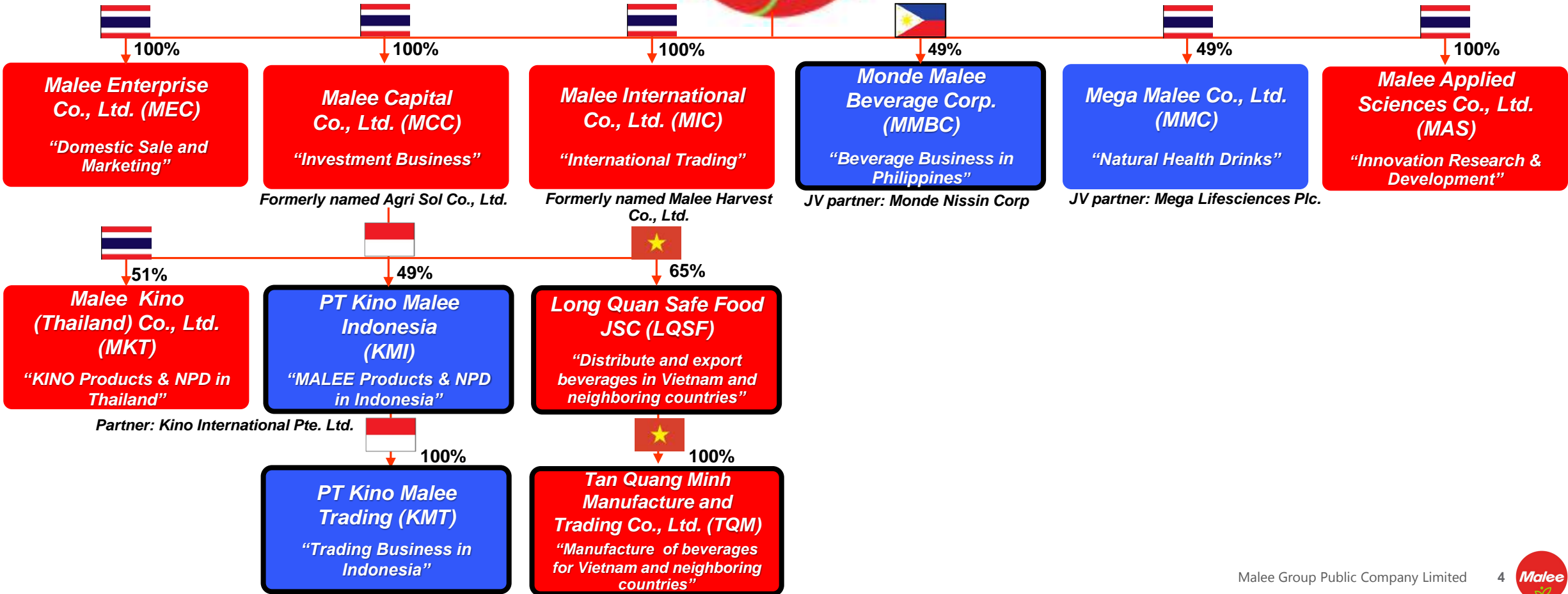
JV/ Associate

Overseas Entity



Malee Group Plc 

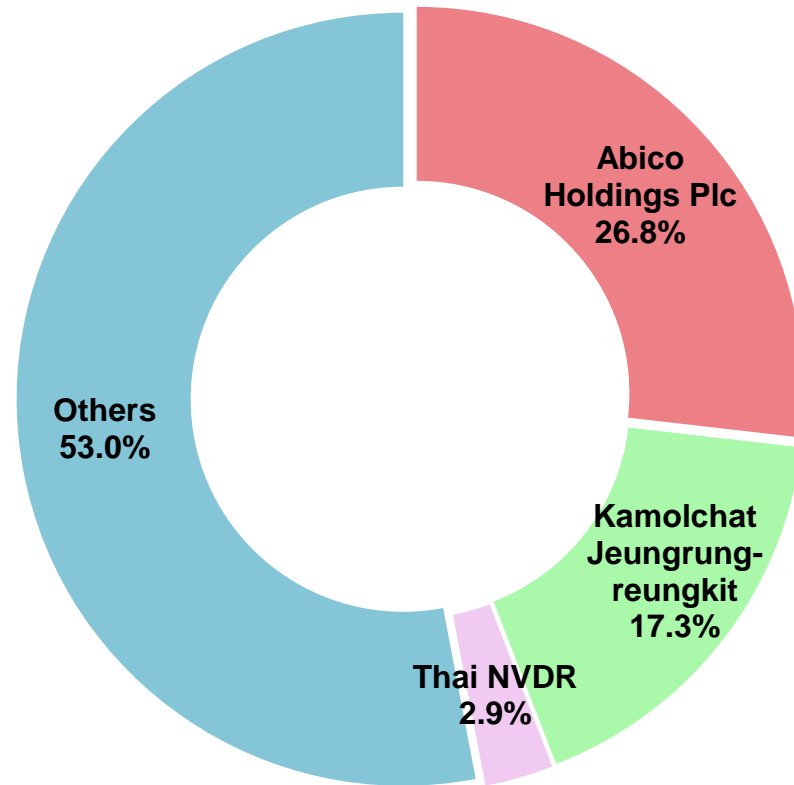
A leading manufacturer, distributor, and exporter of fruit juices, beverages, and canned fruits.



Shareholding Structure & Share Information

Shareholding Structure

(As of 13 March 2019)



Share Information

(As of 18 November 2019)

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 47.97%)
Dividend Policy:	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.
Market Capitalization:	1,890 MB or 62.5 MUSD
Free Float:	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.

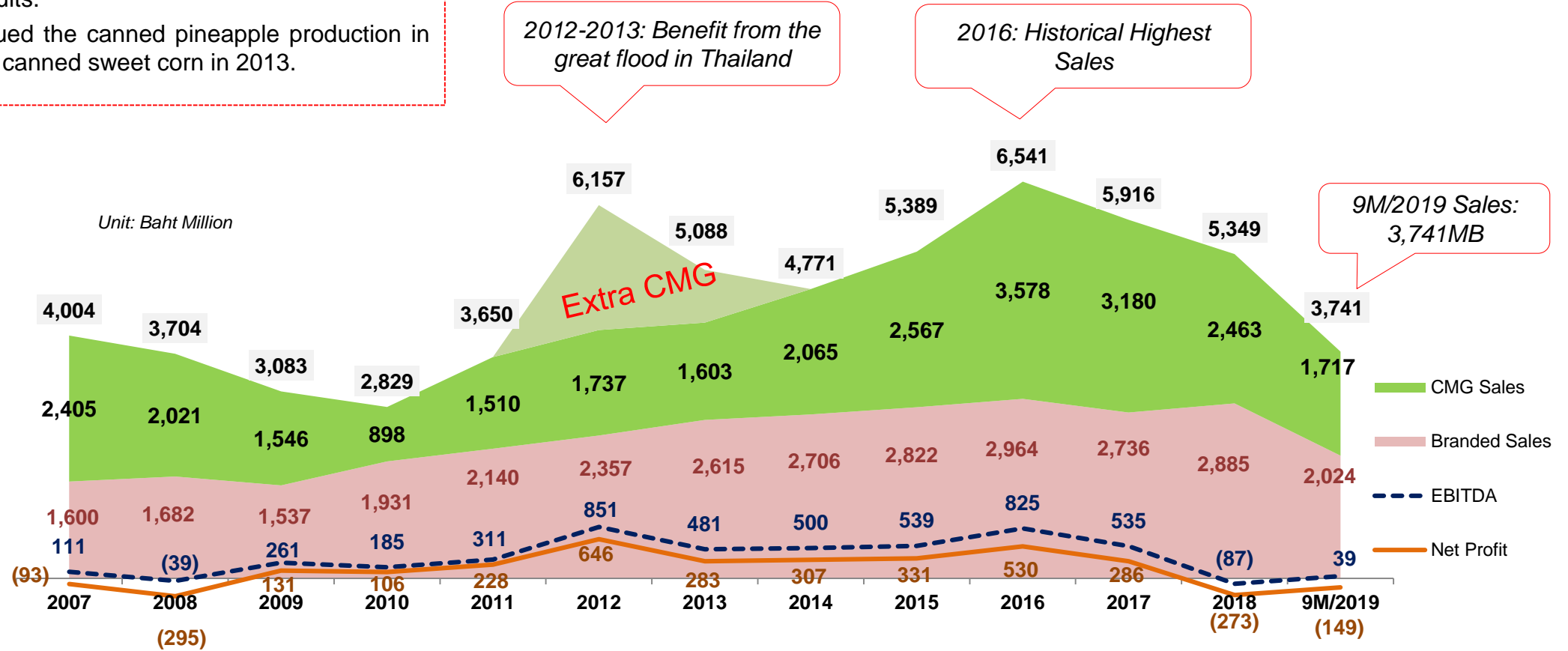
In April 1995, **Abico Holdings Plc** acquired 40% from the existing shareholders.

- 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 i-Corn

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)

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)



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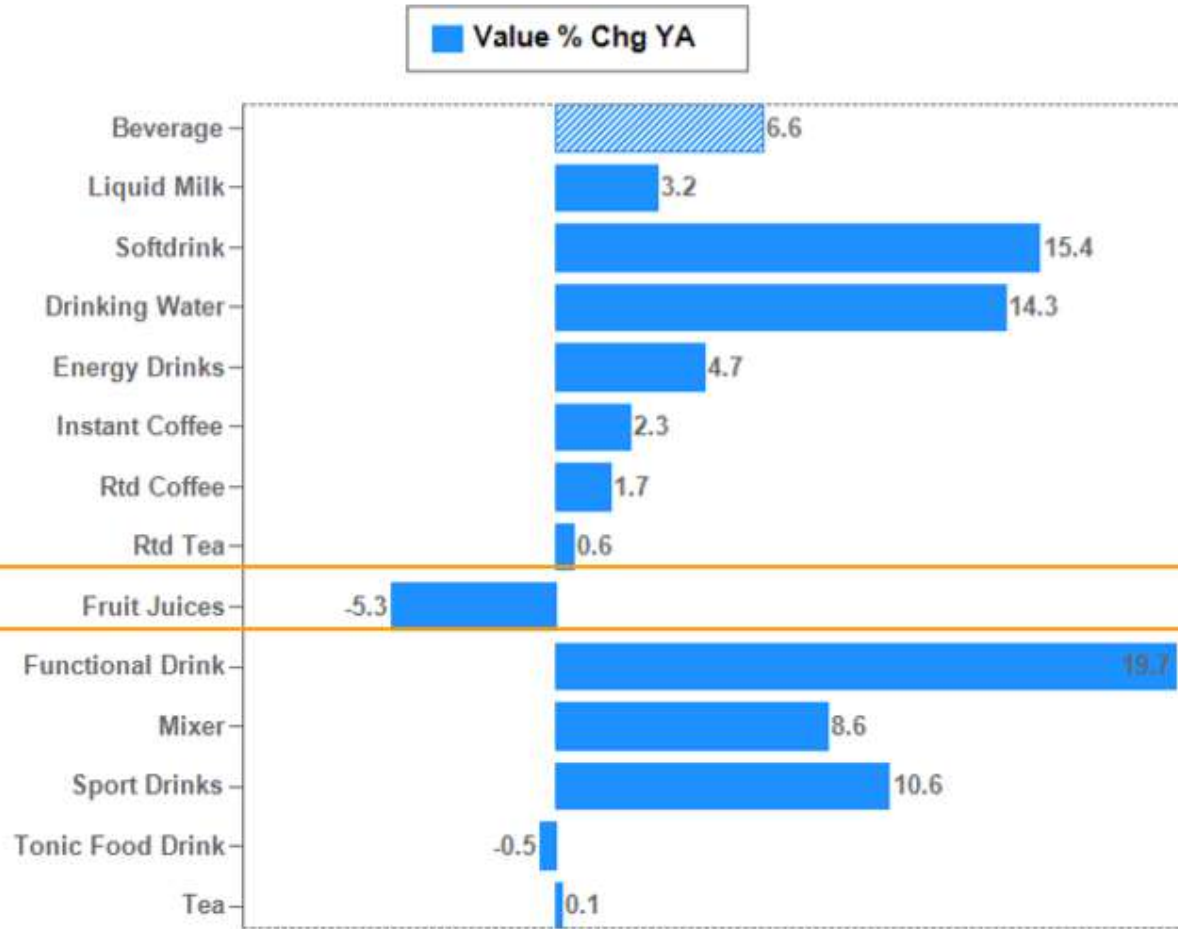
Results of Operations and Profitability

Forward Looking



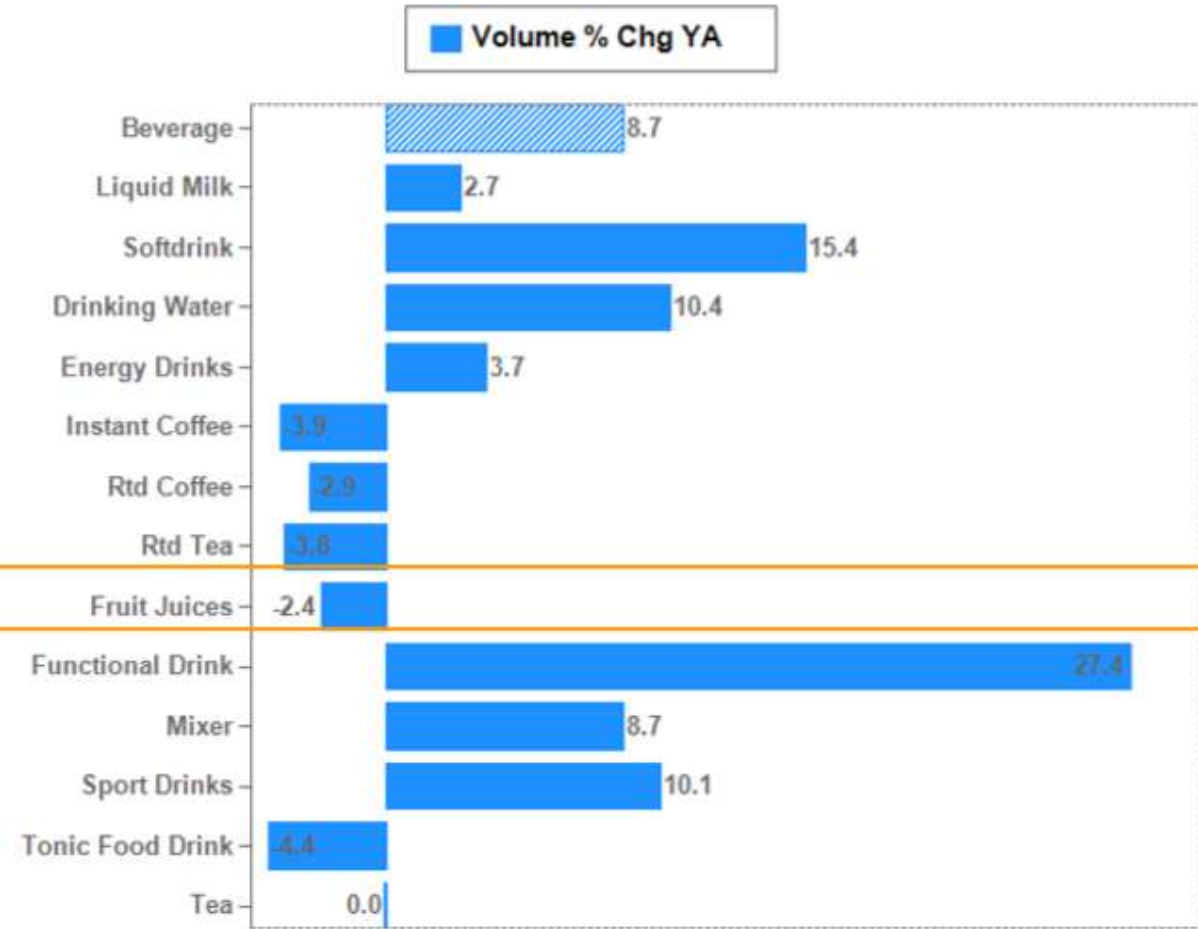
Domestic Beverage Market : September 2019

Total Thailand+MTSR - MAT TY



BEVERAGE - sort by category size (value)

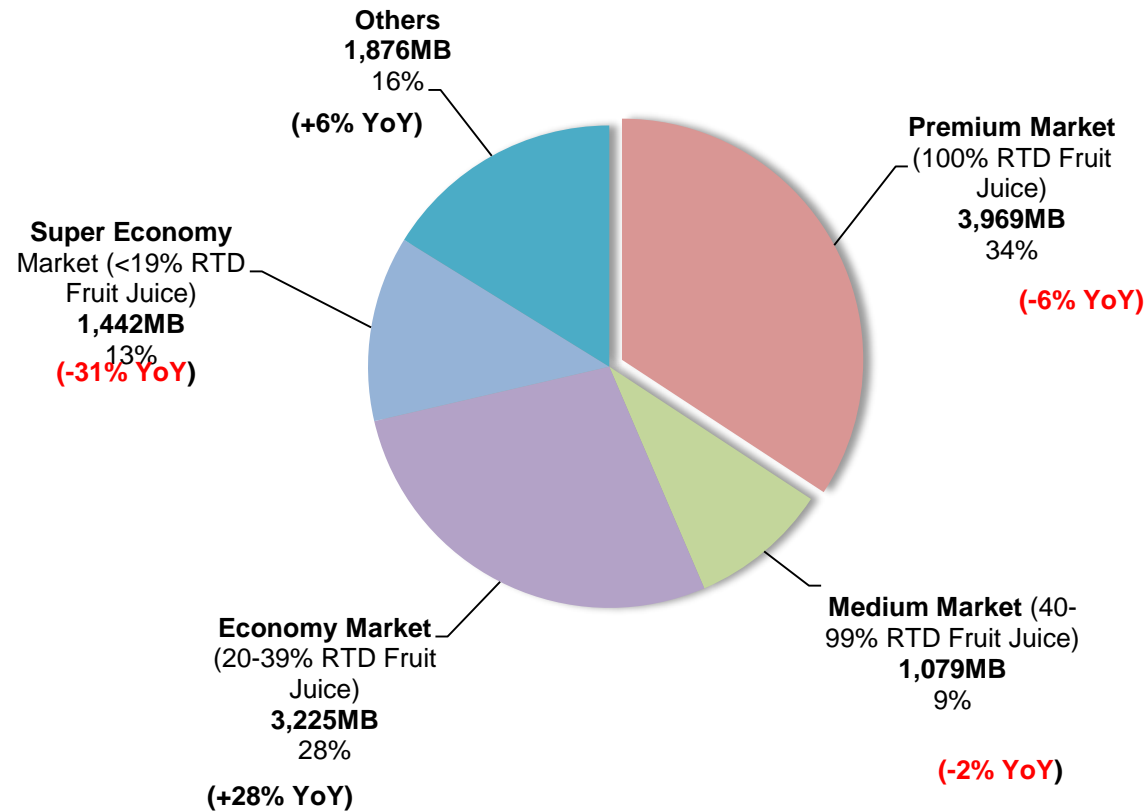
Total Thailand+MTSR - MAT TY



BEVERAGE - sort by category size (value)

Domestic RTD Fruit Juice Market

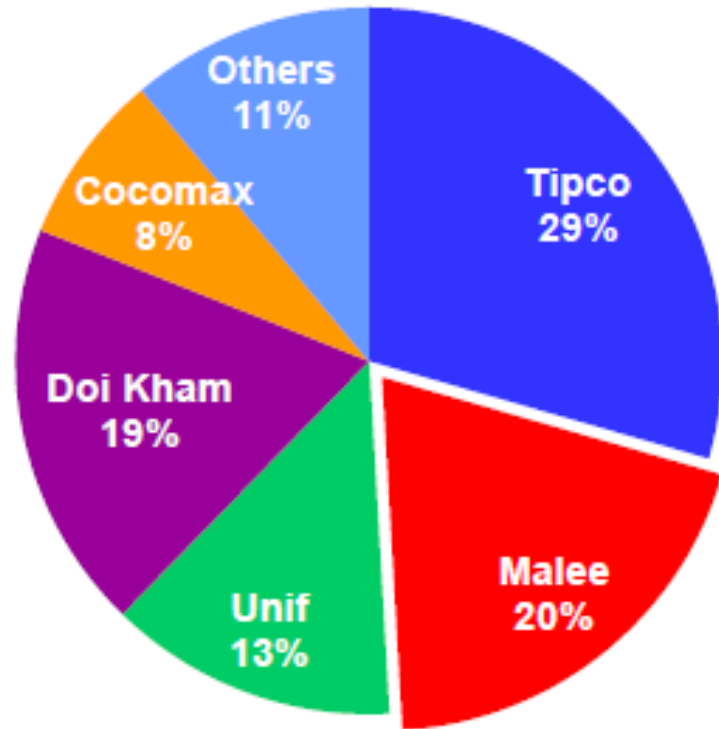
MAT September 2019 Market Value of 11,591 MB, a Decrease of 1% YoY



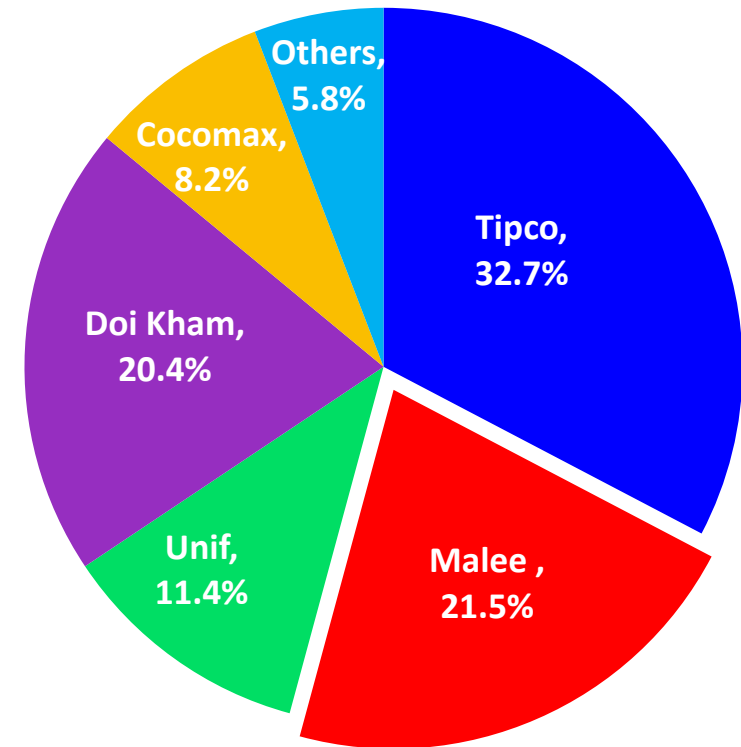
Source: Nielsen

Domestic RTD Premium Fruit Juice UHT Market Share

MAT September 2019 Market Value of 3,519 MB



MAT September 2018

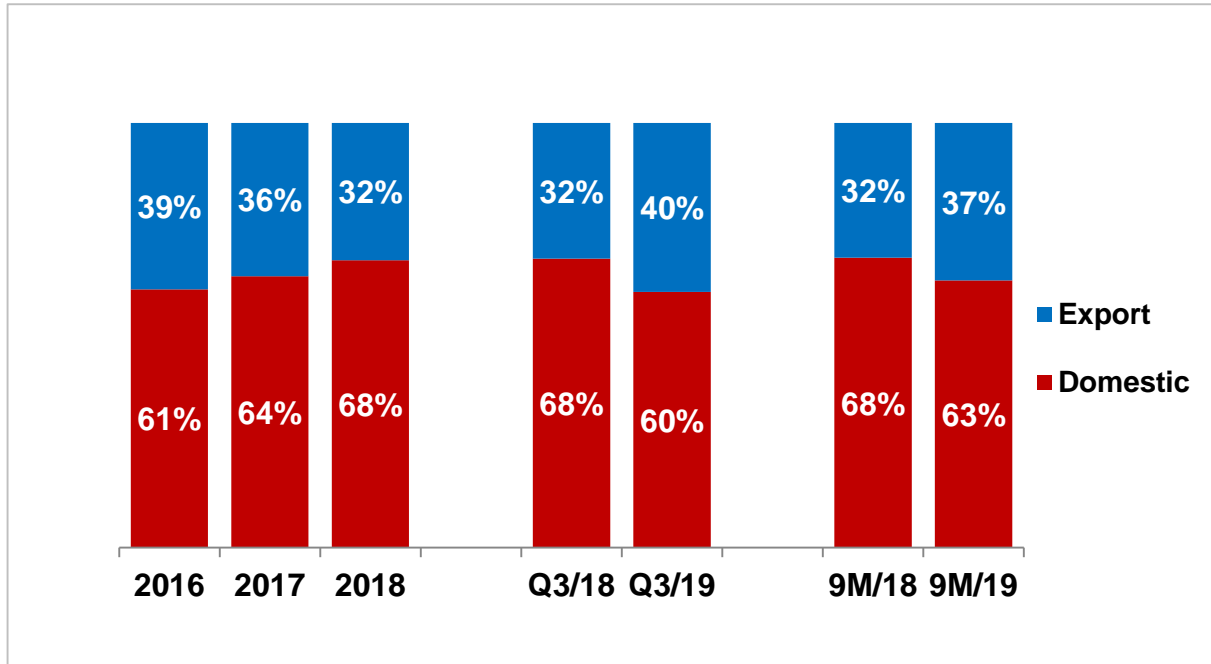


MAT September 2019

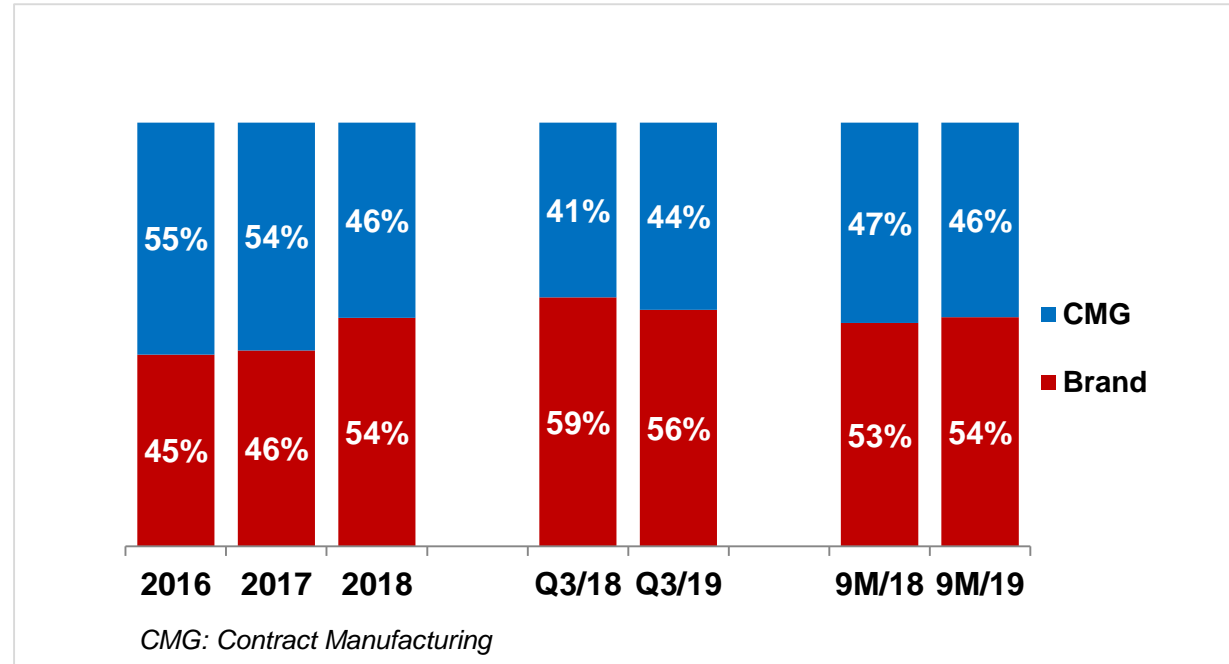
Source: Nielsen

Sales Structure

Domestic : International Business



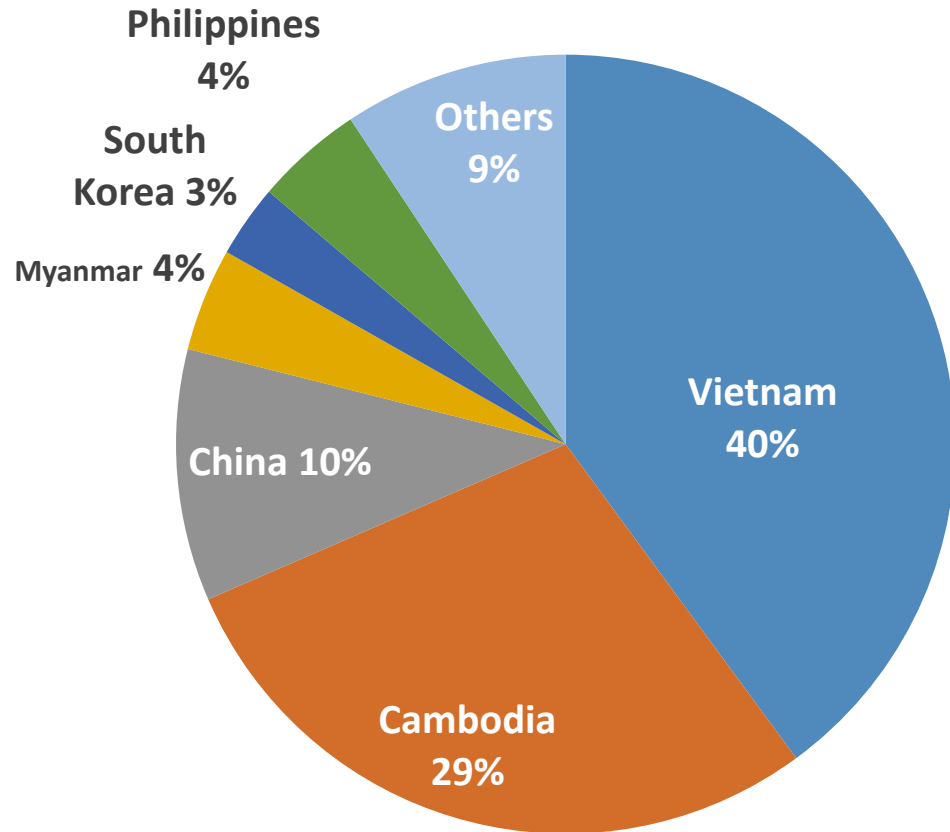
Brand : Contract Manufacturing



- Domestic Sales
 - Q3/2019 : - 11% YoY
 - 9M/2019: - 11% YoY
- Export Sales
 - Q3/2019 : +25% YoY
 - 9M/2019: +12% YoY

- Brand Sales
 - Q3/2019 : -5% YoY
 - 9M/2019: -1% YoY
- CMG Sales
 - Q3/2019 : +7% YoY
 - 9M/2019: -7% YoY

9M/2019 Export Branded Sales by Country



- 9M/2019 Export branded expanded 43% 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 29% YoY

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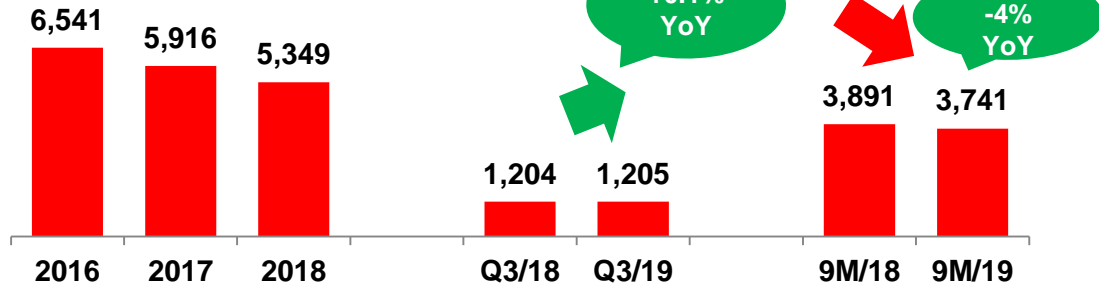
Forward Looking



Financial Highlights

Sales Revenue

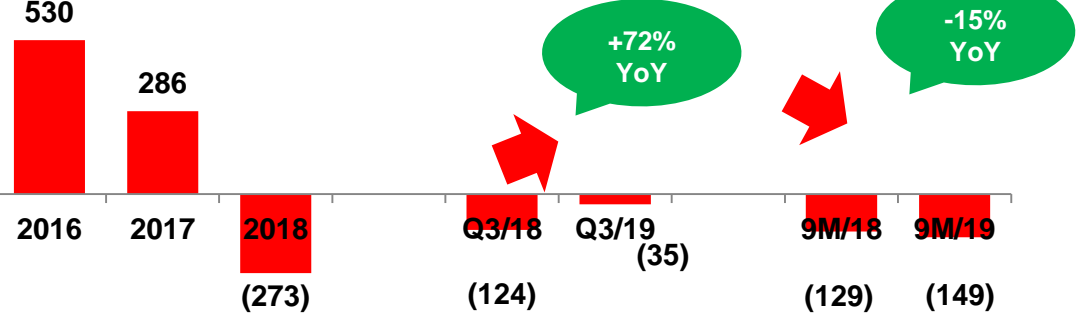
Unit: Million Baht



- In Q3/2019, Domestic branded sales decreased 19% YoY.
- Export branded business sales increased 23% YoY, mainly due to sales increase from milk product and fruit juice, and sales recognition from Long Quan Safe Food JSC (LQSF), Vietnam.
- Total Contract Manufacturing Business (CMG) sales increased 7% YoY.

Net Profit

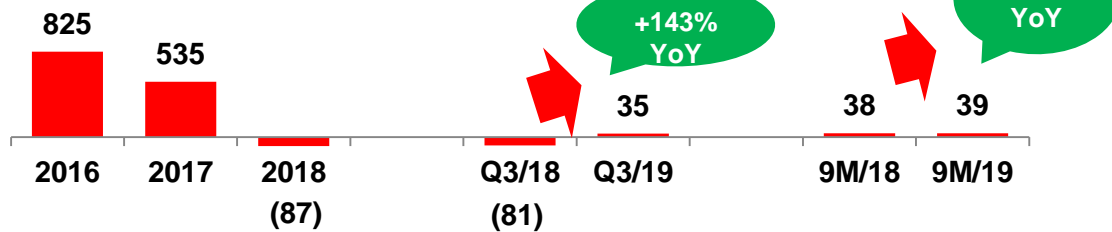
Unit: Million Baht



- Q3/2019 Net profit loss decreased mainly due to
 - 1) sales shrinkage in domestic branded sales
 - 2) 42% decrease from Q3/2018 in selling and administrative expenses
 - 3) higher finance costs due to investments in machinery, and joint ventures in Thailand and overseas
 - 4) higher depreciation of investments in machinery
 - 5) non-cash, one-time expenses recognized from selling unused old machines Baht 23 million

EBITDA

Unit: Million Baht

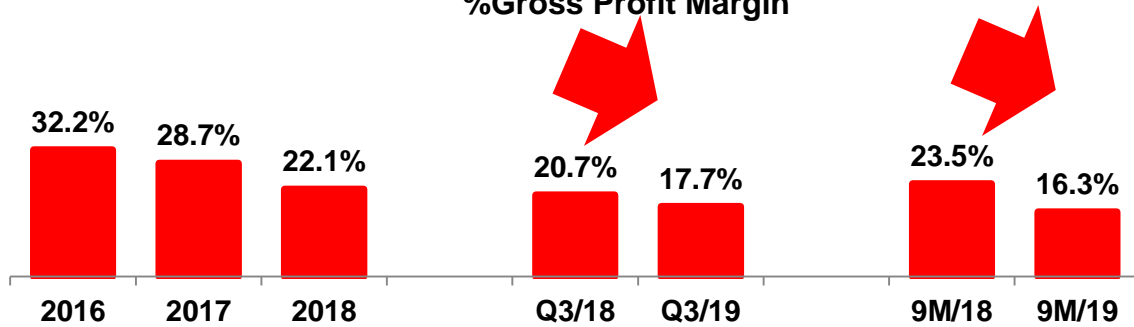


- Q3/2019 EBITDA increased mainly due to the same reasons explained above for the loss decreased in net profit.

Note : The new Thai accounting standards adjustment effective since 1st January 2019

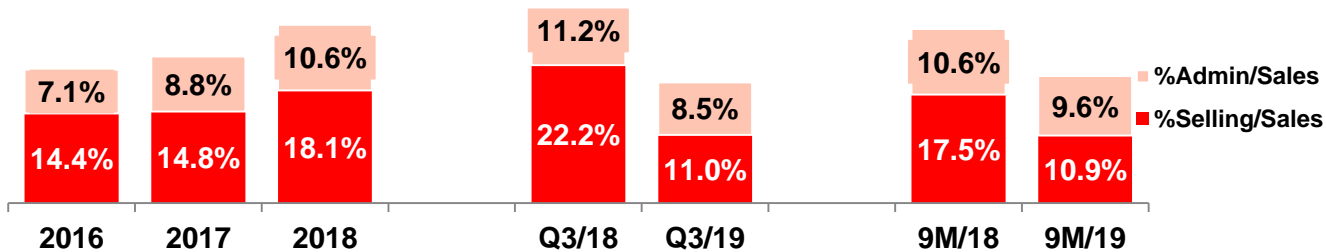
Profitability Margin

%Gross Profit Margin



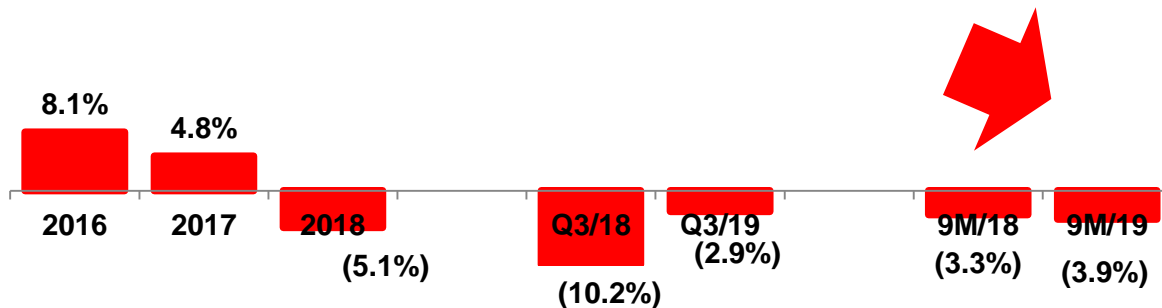
- Lower Q3/2019 %GPM YoY was mainly due to financial statement adjustment in accordance with new Thai accounting standards, and higher cost per unit as a result of higher depreciation.

%SG&A to Sales



- Lower Q3/2019 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 Q3/2019 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.

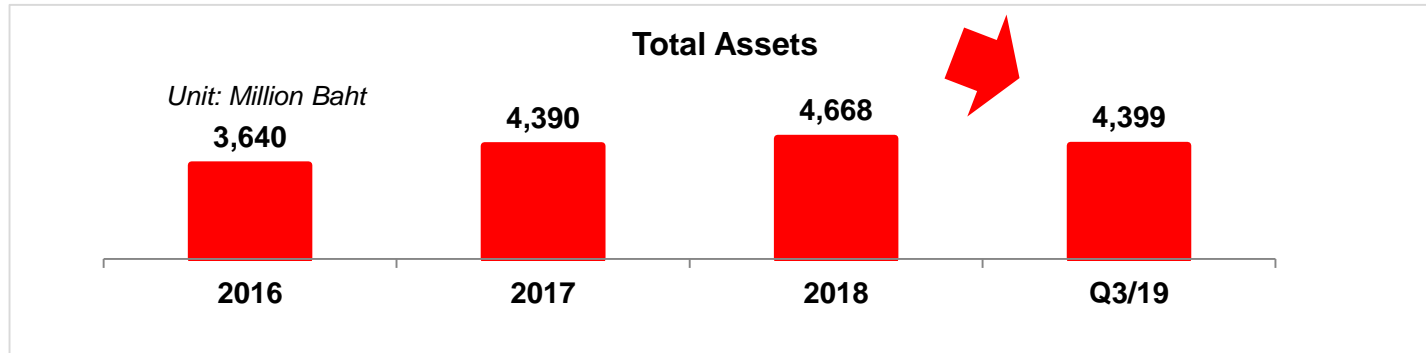
%Net Profit Margin



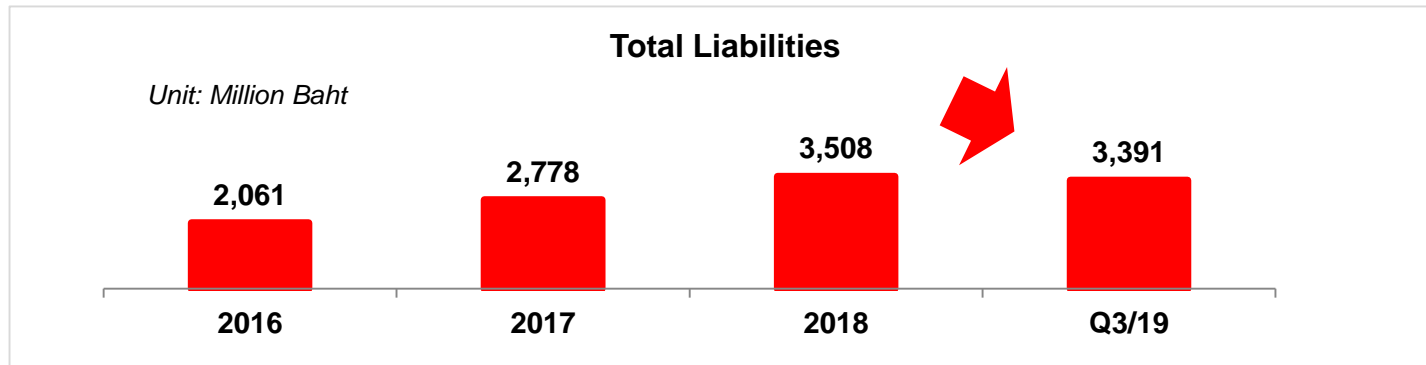
- Lower Q3/2019 %NPM YoY was mainly due to the same reasons as the loss decreased in net profit.

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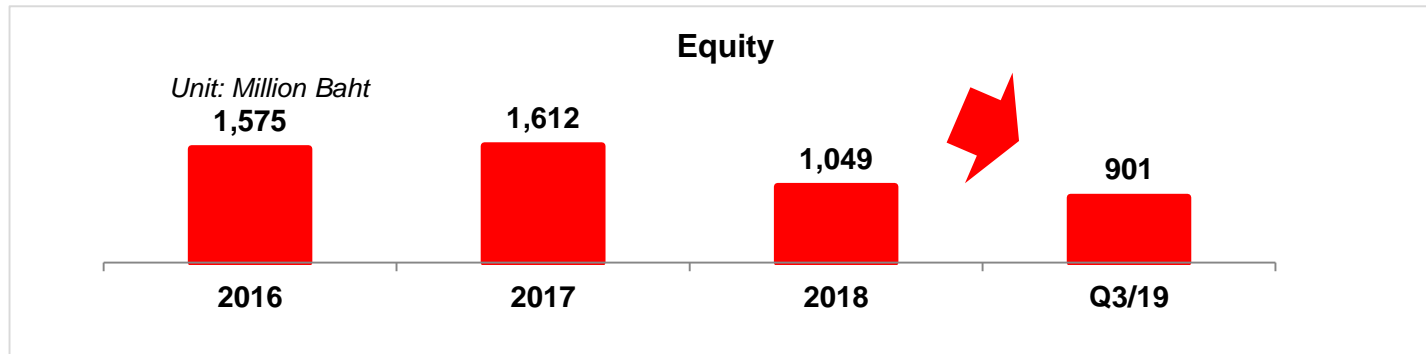
Statements of Financial Position



- 6% Decreased of total assets were mainly due to the decrease in inventories

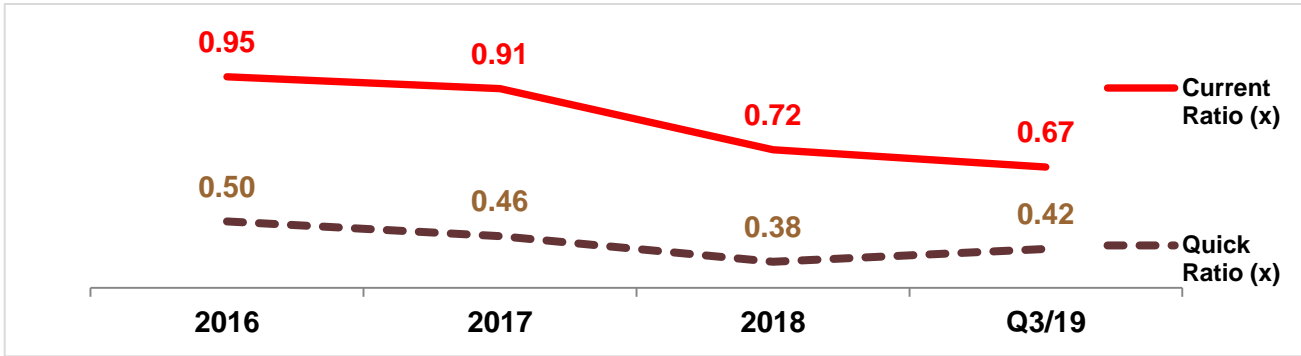


- 3% Decrease of Total Liabilities were mainly due to the decrease in loans from financial institutions

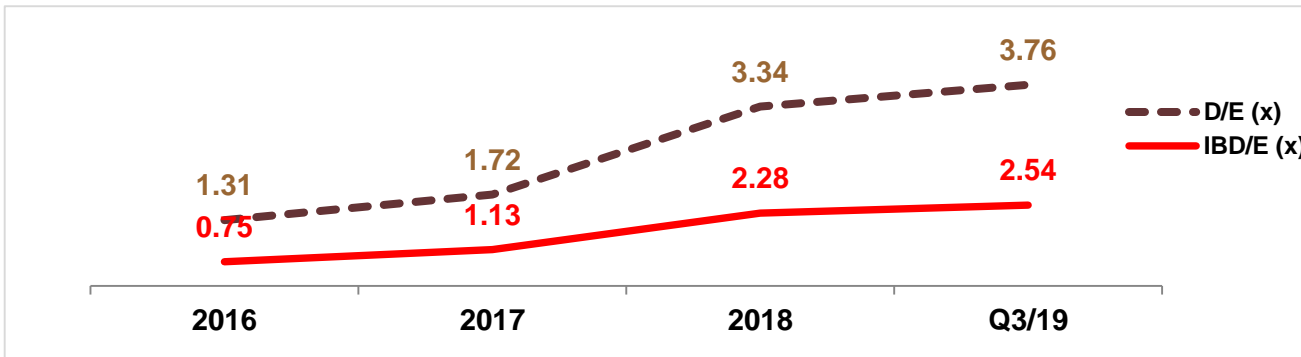


- 14% Decreased equity of parent Company's shareholders mainly was due to net loss of Baht 149 million in 9M/2019.

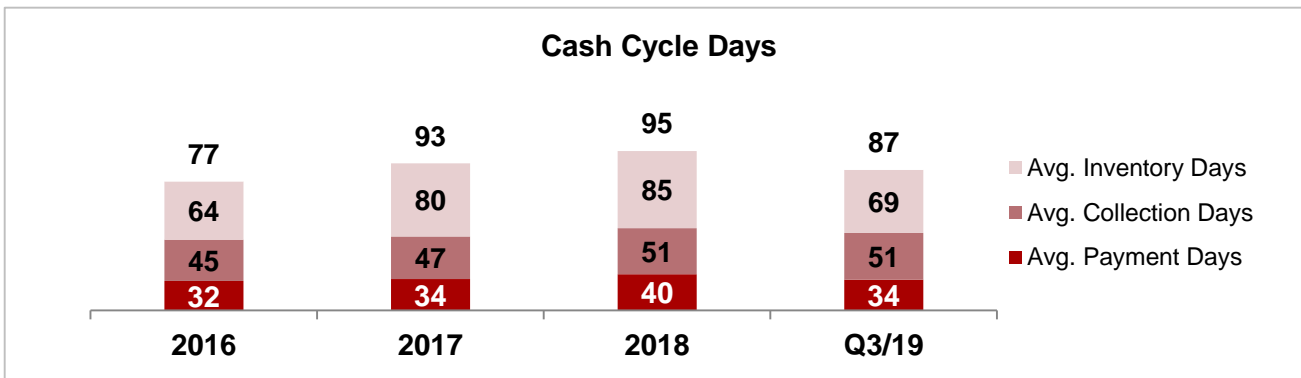
Liquidity



- Decrease Current ratio was mainly due to decrease 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 tighten stock management.
 - Equal in 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 decreased sales.

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Forward Looking



Forward Looking

- 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



“Excellent” Level of CG Scoring



Thank You