



Malee Group Public Company Limited

Year 2019

2 April 2020

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

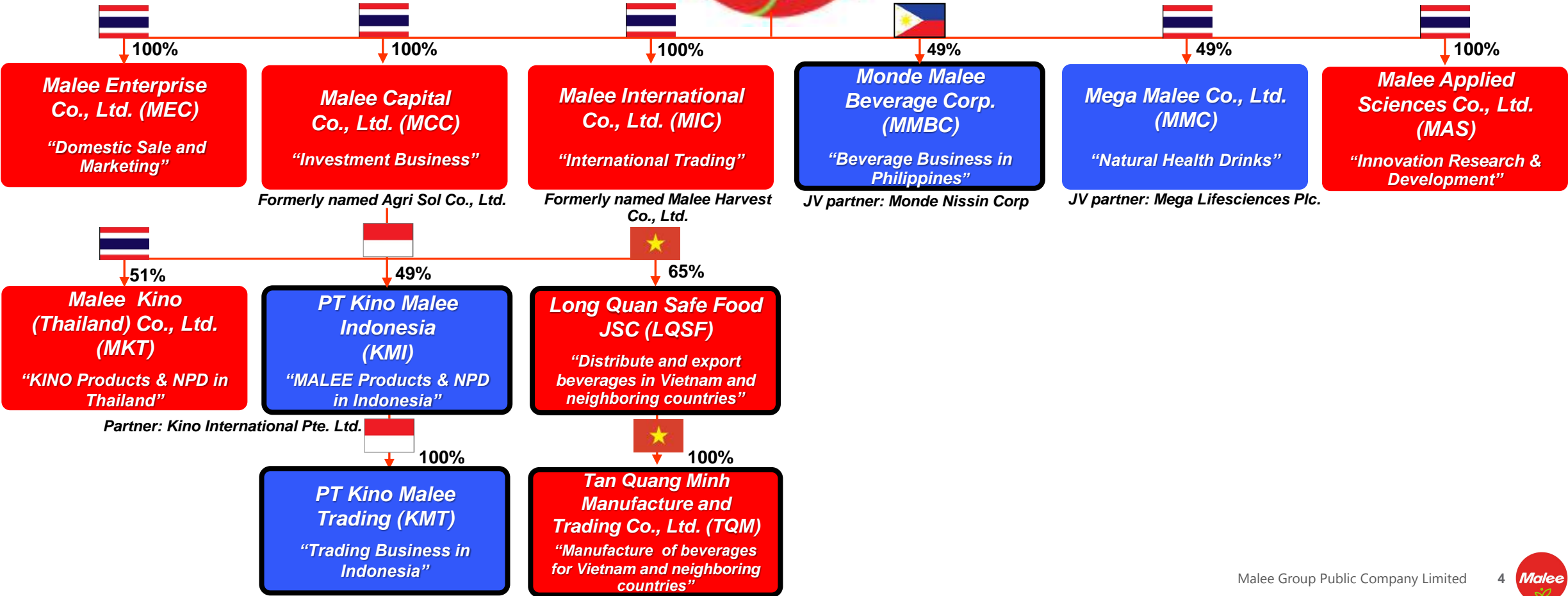
JV/ Associate

Overseas Entity



Malee Group Plc 

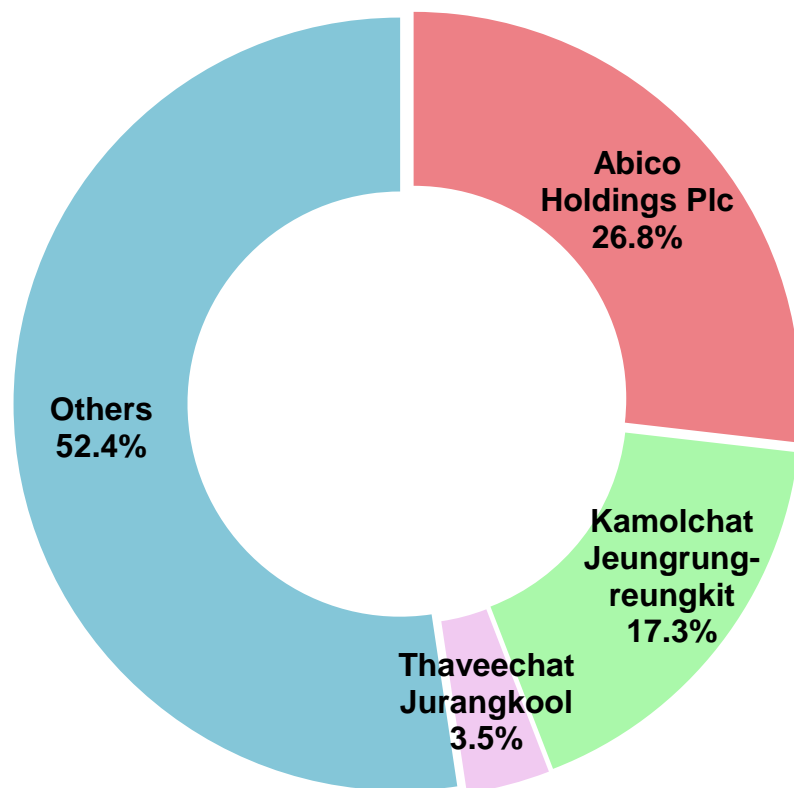
A leading manufacturer, distributor, and exporter of fruit juices, beverages, and canned fruits.



Shareholding Structure & Share Information

Shareholding Structure

(As of 13 March 2020)



Share Information

(As of 13 March 2020)

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:	1,165 MB or 36.6 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.

1978

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

1981

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

1992

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

1995

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

1998

- 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.

2016

- 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.

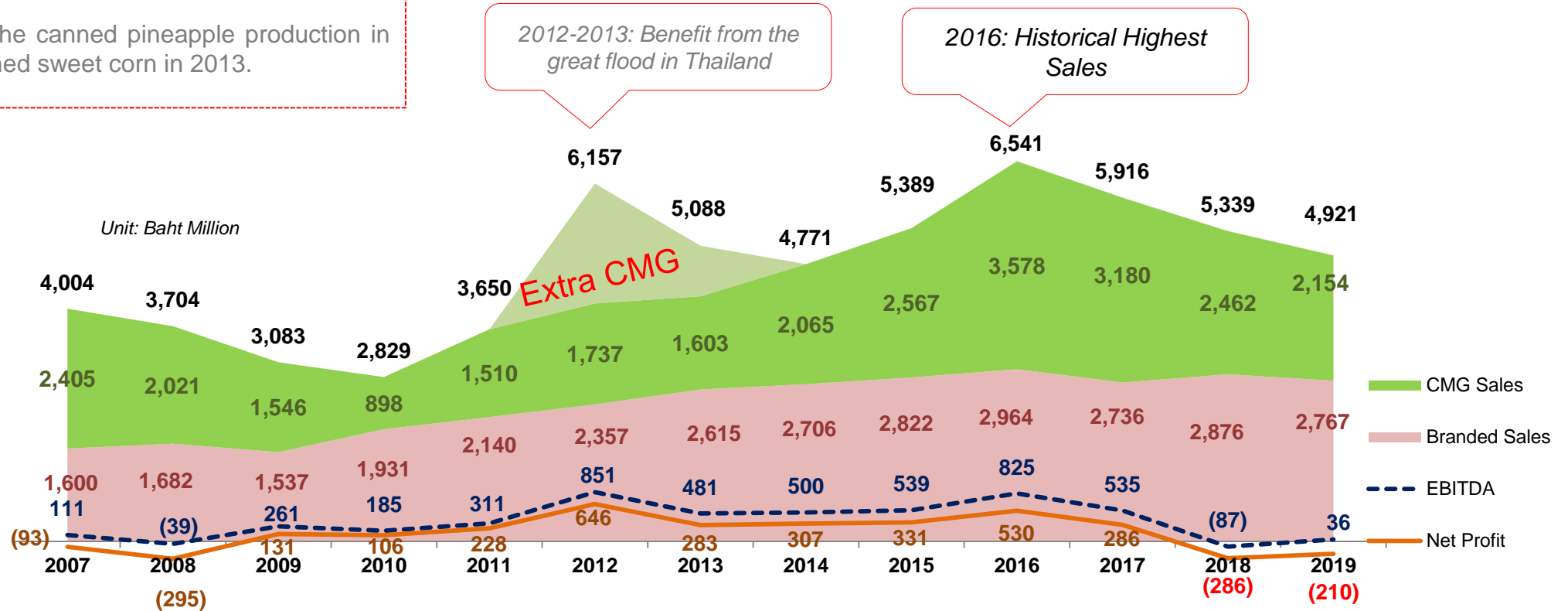
2017

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.

2018

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% UHT Vegetable and fruit juice

100% Pasteurized

100% Malee Fruit Fresh

Malee Coco

Food Service

Malee Tropical

Malee canned Fruit

OTHERS

Canned Fruit

First Choice

Farmer

Chokchai Farm

Dairy Product

UHT

Pasteurized

Milk Tablet

Others

Other Beverages

Jelly Joop

Good Water

Turbot Maxx (RTD Coffee)



Subsidiary/Joint Venture Portfolio

LQSF
(Vietnam)



MAS
(Thailand)



Malee Kino
(Thailand)



MMBC
(Philippines)



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

Mega Malee
(Thailand)



Kino Malee
(Indonesia)



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Company Overview

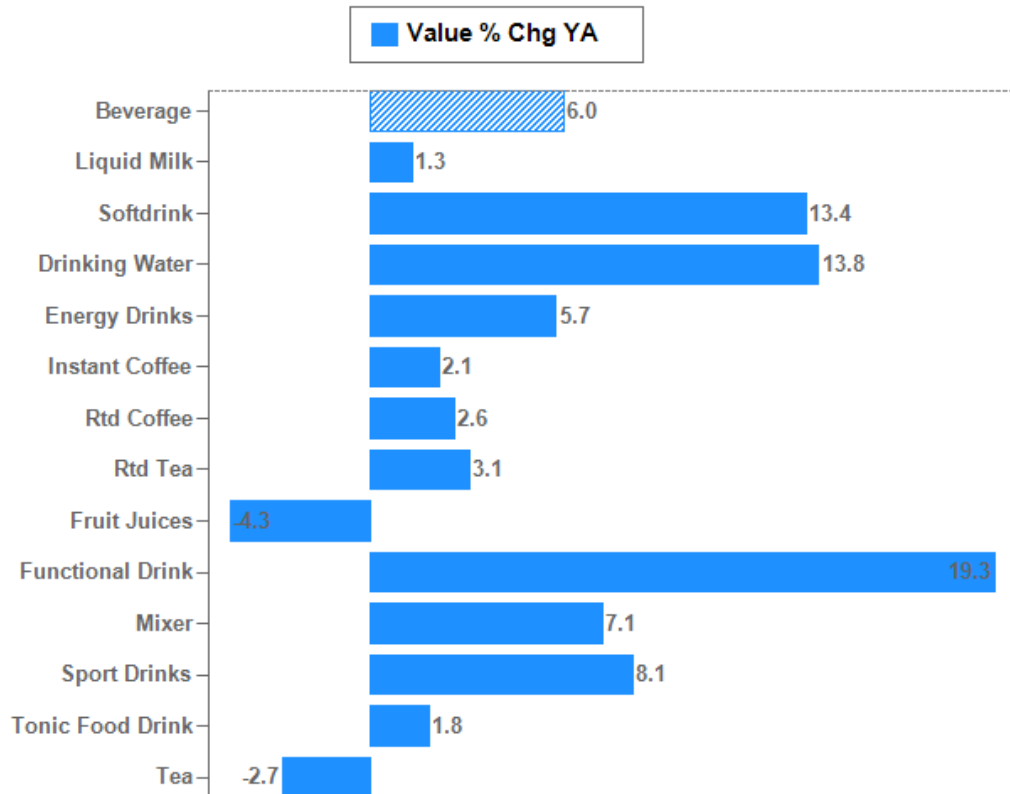
Business Update

Results of Operations and Profitability

Forward Looking

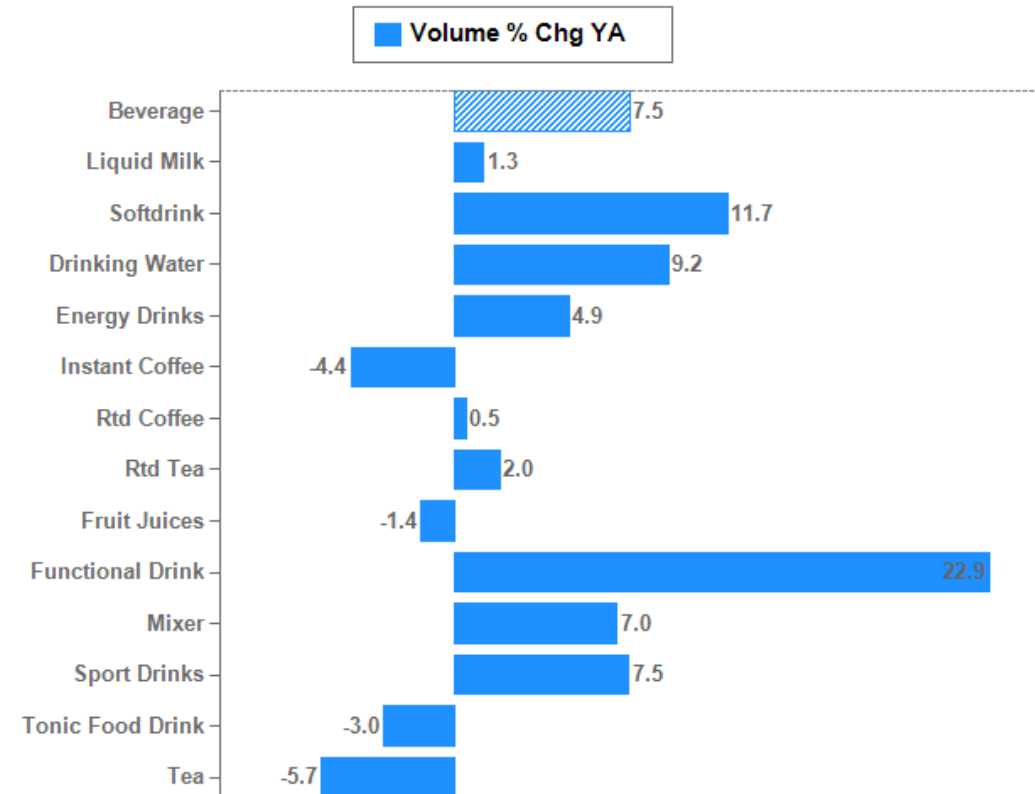
Domestic Beverage Market : Year 2019

Total Thailand+MTSR - YTD TY



BEVERAGE - sort by category size (value)

Total Thailand+MTSR - YTD TY

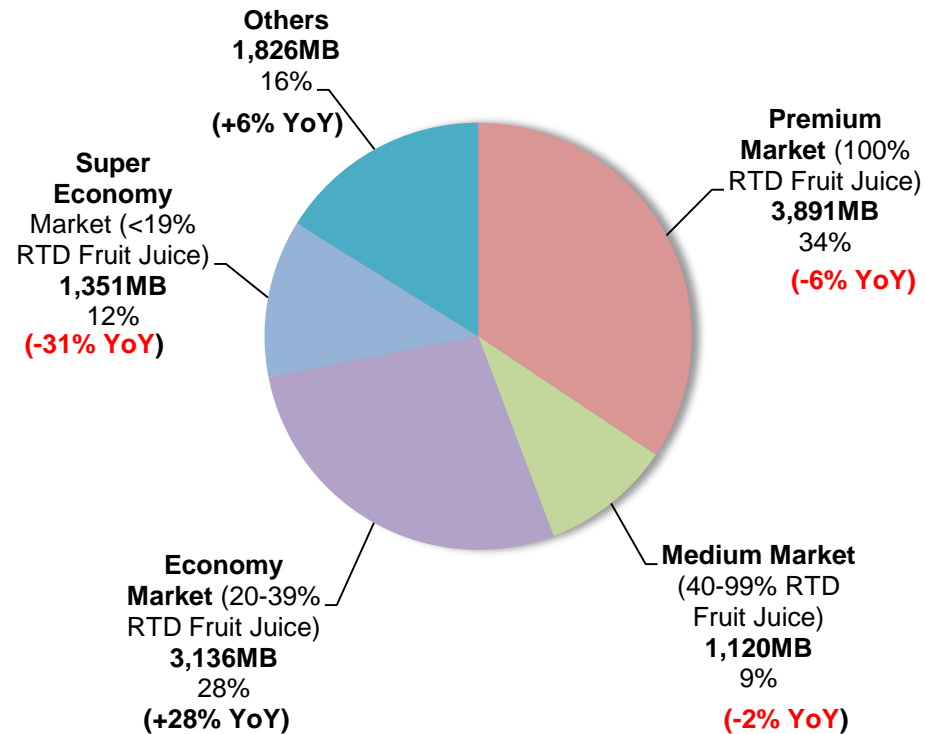


BEVERAGE - sort by category size (value)

Source: Nielsen

Domestic RTD Fruit Juice Market

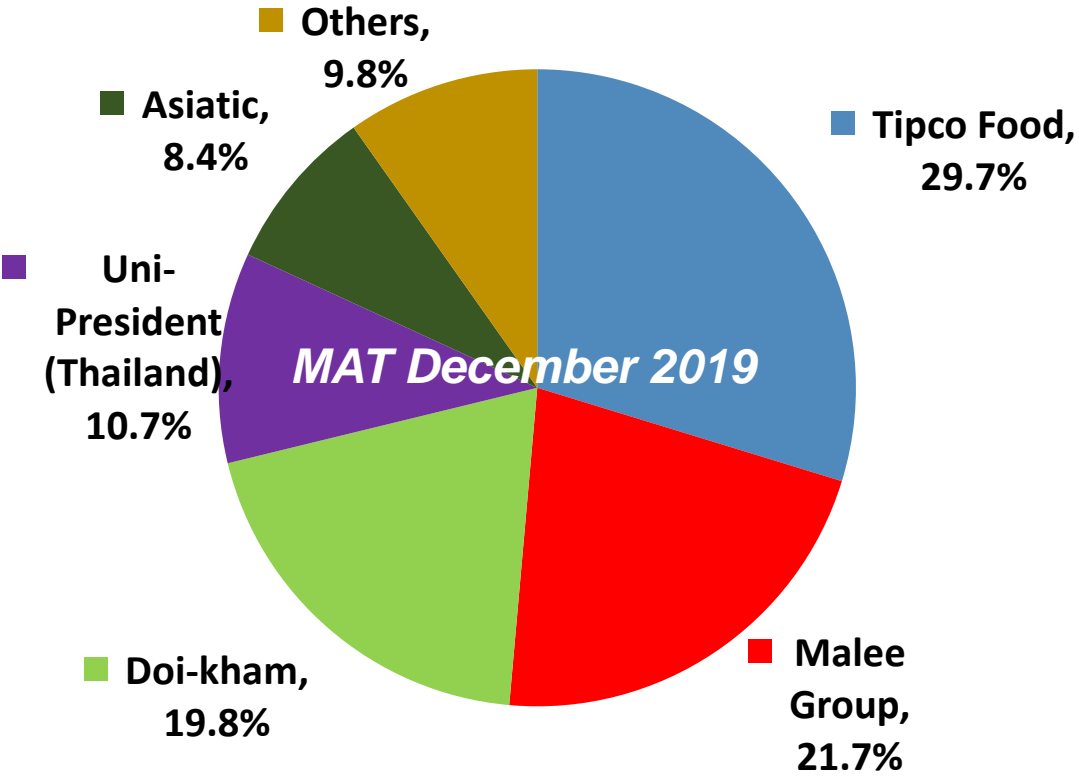
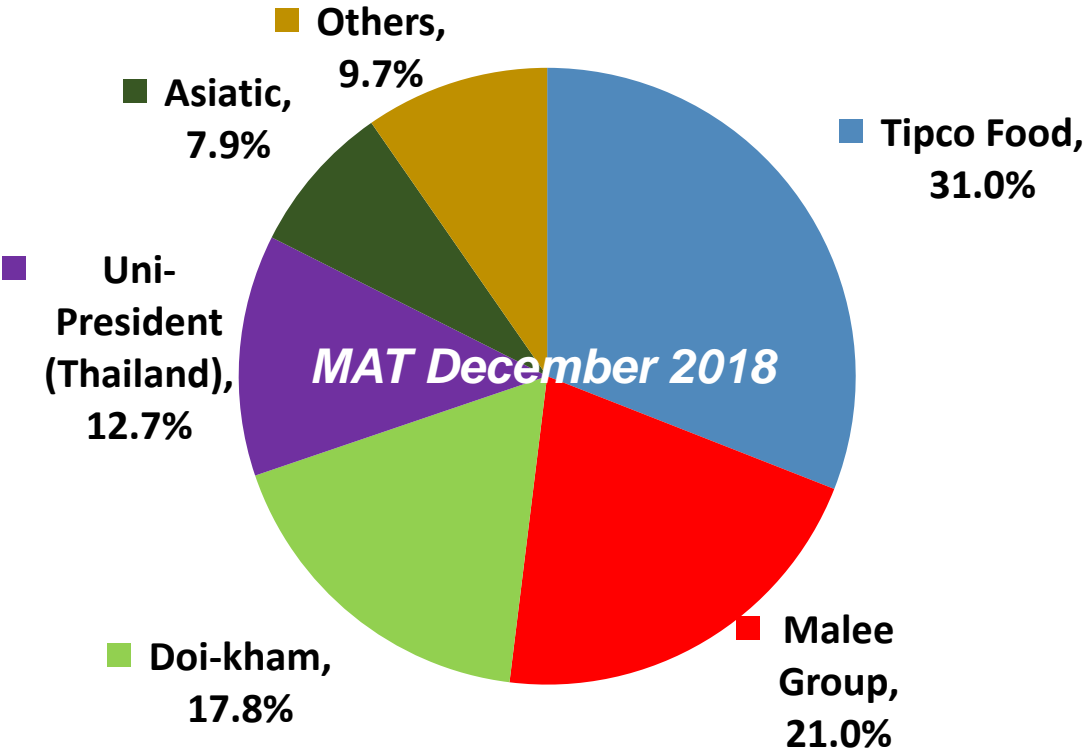
MAT December 2019 Market Value of 11,324 MB, a Decrease of 1% YoY



Source: Nielsen

Domestic RTD Premium Fruit Juice UHT Market Share

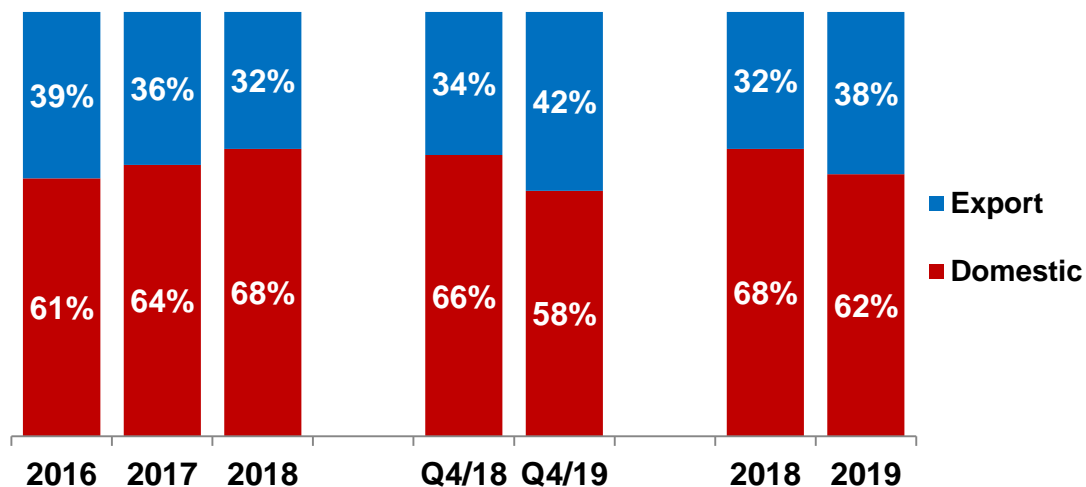
MAT December 2019 Market Value of 3,556MB, a Decrease of 9.14% YoY



Source: Nielsen

Sales Structure

Domestic : International Business



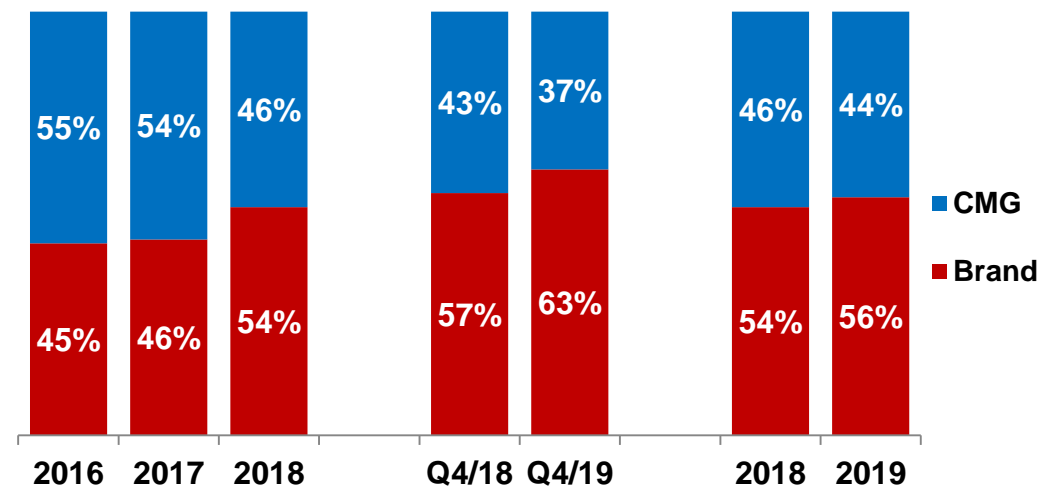
Domestic Sales

- Q4/2019: - 30% YoY
- Year 2019: - 16% YoY

Export Sales

- Q4/2019: +1% YoY
- Year 2019: +9% YoY

Brand : Contract Manufacturing



CMG: Contract Manufacturing

Brand Sales

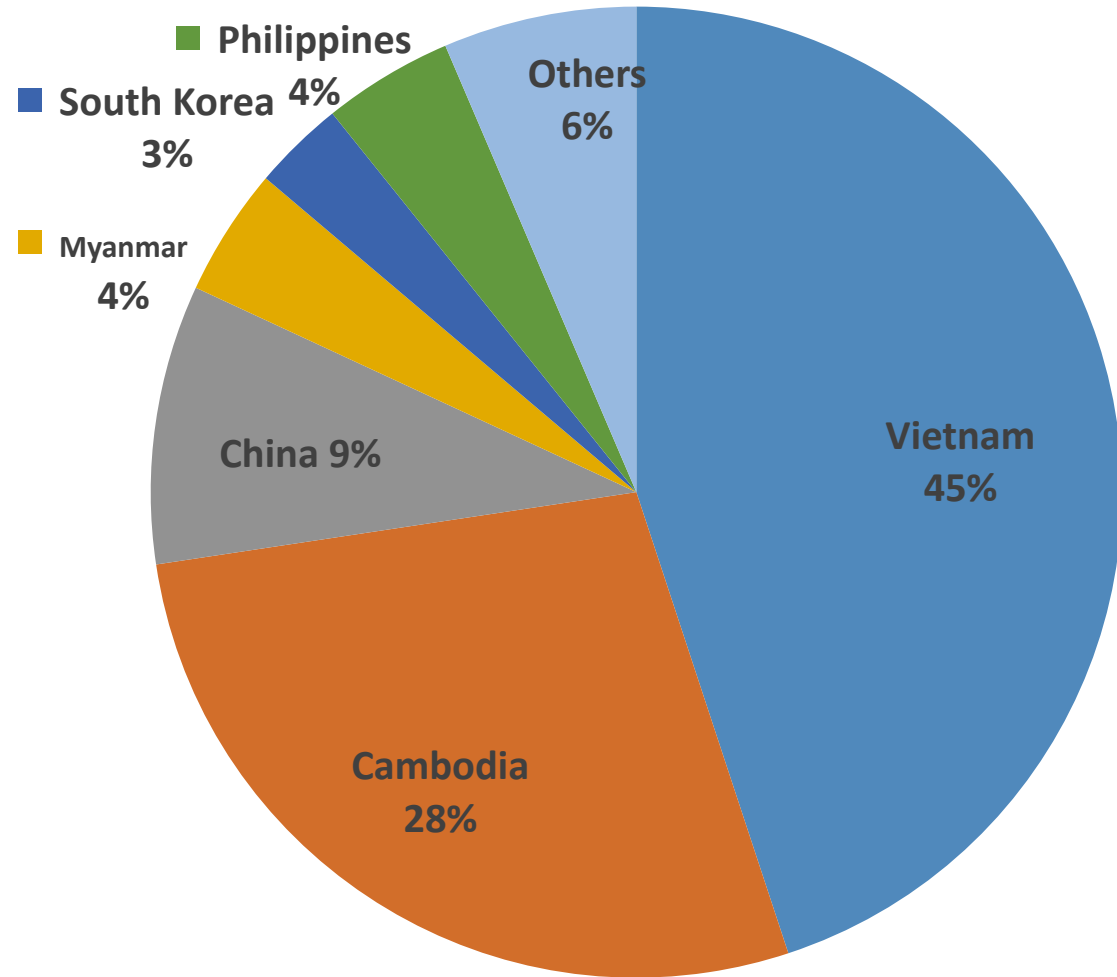
- Q4/2019: -12% YoY
- Year 2019: -4% YoY

CMG Sales

- Q4/2019: -30% YoY
- Year 2019: -13% YoY

- In 2019, the Company and its subsidiaries recorded total sales of Baht 4,921 million, a decrease of 8% YoY, mainly due to 16% YoY decline in domestic branded sales and financial statement adjustment in accordance with new Thai accounting standards, while export branded sales increased 9% YoY. According to the previous accounting standards, the Company and its subsidiaries would have recognized a total sales Baht 5,248 million, lower than Year 2018 total sales of Baht 5,349 million, or a decrease of 2% YoY.

Year 2019 Export Branded Sales by Country



- Year 2019 Export branded expanded 24% 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 18% YoY

AGENDA

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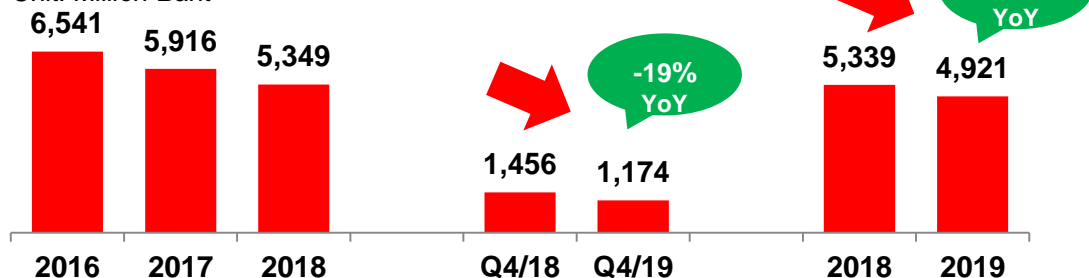
Results of Operations and Profitability

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Financial Highlights

Sales Revenue

Unit: Million Baht

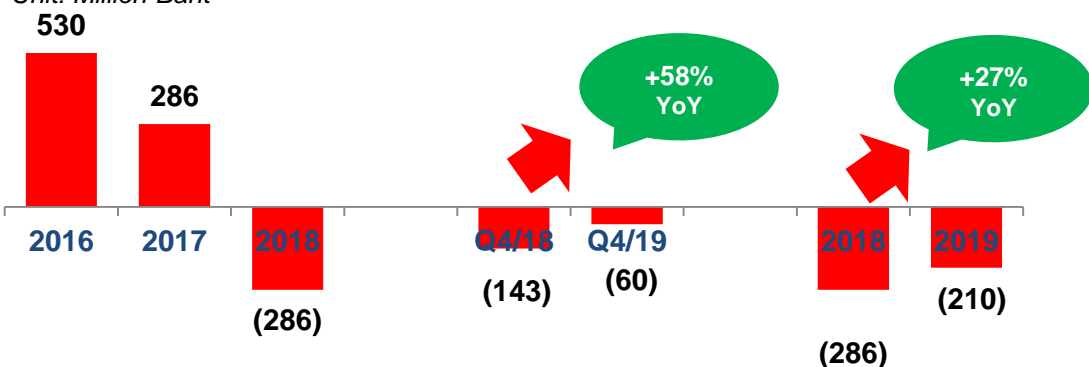


■ **Year 2019 Sales revenue of Baht 4,921 million, a decrease of 8% YoY, remained due to**

- 1) Domestic branded sales decreased 16% YoY.
- 2) Export Branded Business sales increased 24% YoY, mainly due to sales increase from fruit juice and milk products, and sales recognition from Long Quan Safe Food JSC (LQSF), Vietnam.
- 3) Total Contract Manufacturing Business (CMG) sales decreased 13% YoY.

Net Profit

Unit: Million Baht



■ **Year 2019 Net loss of Baht 210 million, a decrease loss from net loss of Baht 286 million in previous year. In 2019, better performance resulted from efficient process improvement as well as selling and administrative expense reduction. However, outstanding loss remained due to**

- 1) sales shrinkage;
- 2) higher cost as a result of higher depreciation from investments in machinery;
- 3) higher financial costs from investments;
- 4) one-time expenses of employee compensation Baht 32 million; and
- 5) one-time loss from selling unused, outdated machines Baht 23 million.

EBITDA

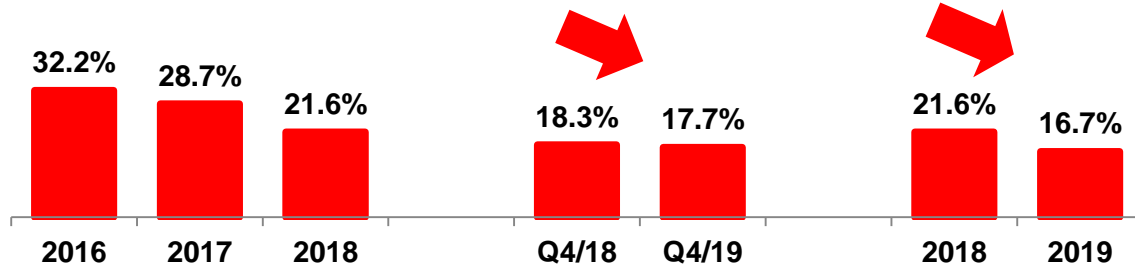
Unit: Million Baht



■ **Q4/2019 and Year 2019 EBITDA increased** mainly due to the reasons explained above for Net Profit.

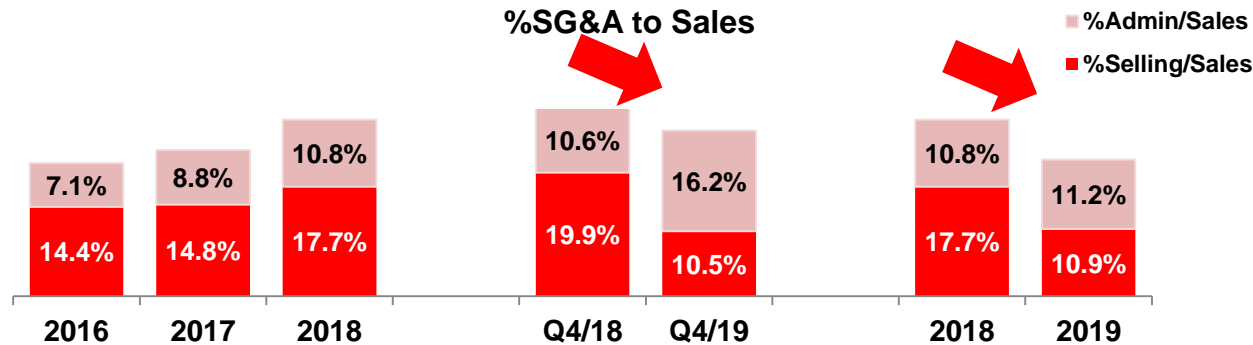
Profitability Margin

%Gross Profit Margin



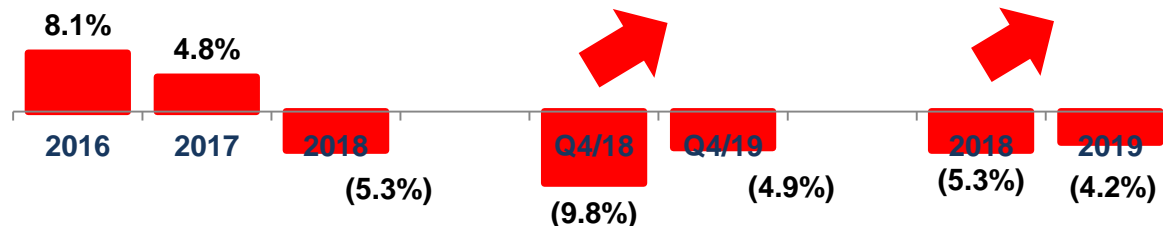
- Lower Year 2019 % gross profit a decrease of 29% YoY, representing gross profit margin of 16.7%, reduced from 21.6% in previous year, mainly due to financial statement adjustment in accordance with new Thai accounting standards.

%SG&A to Sales



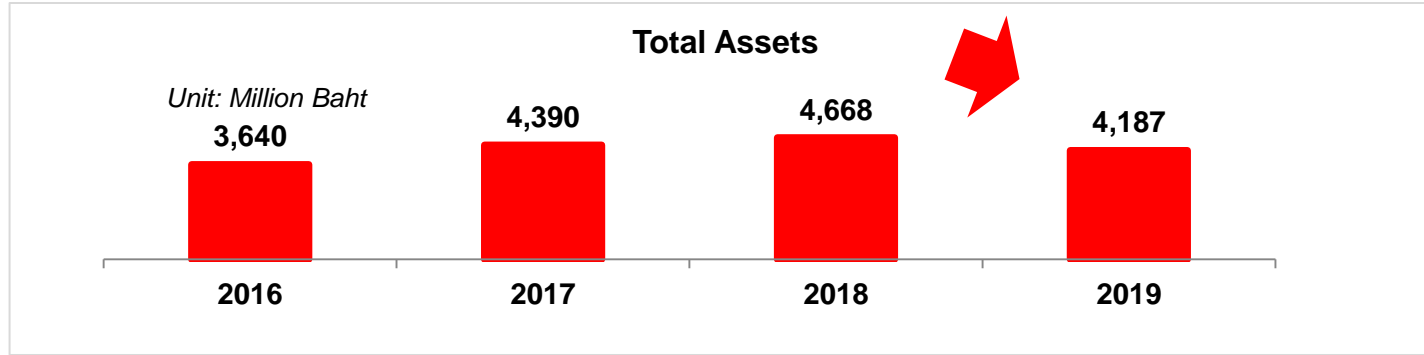
- Lower Year 2019 selling expenses to sales YoY was mainly due to financial statement adjustment in accordance with new Thai accounting standards, selling expenses recognition from Long Quan Safe Food JSC (LQSF), Vietnam, and efficient expenses control.
- Higher up Year 2019 administrative expenses to sales YoY was mainly due to one-time expense from employee compensation and the decrease in sales impacted from financial statement adjustment in accordance with new Thai accounting standards.

%Net Profit Margin

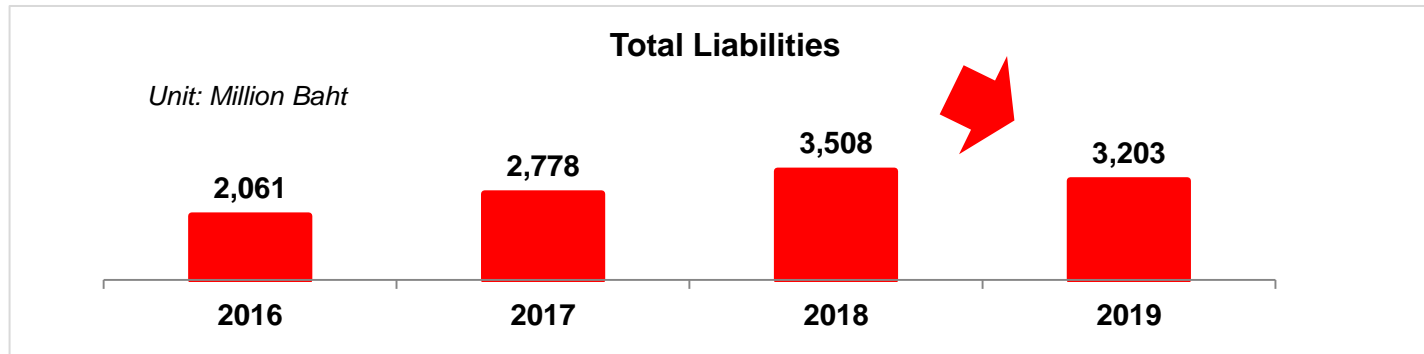


- In 2019, better performance resulted from efficient process improvement as well as selling and administrative expense reduction. However, outstanding loss remained due to 1) sales shrinkage; 2) higher cost as a result of higher depreciation from investments in machinery; 3) higher financial costs from investments; 4) one-time expenses of employee compensation Baht 32 million; and 5) one-time loss from selling unused, outdated machines Baht 23 million.

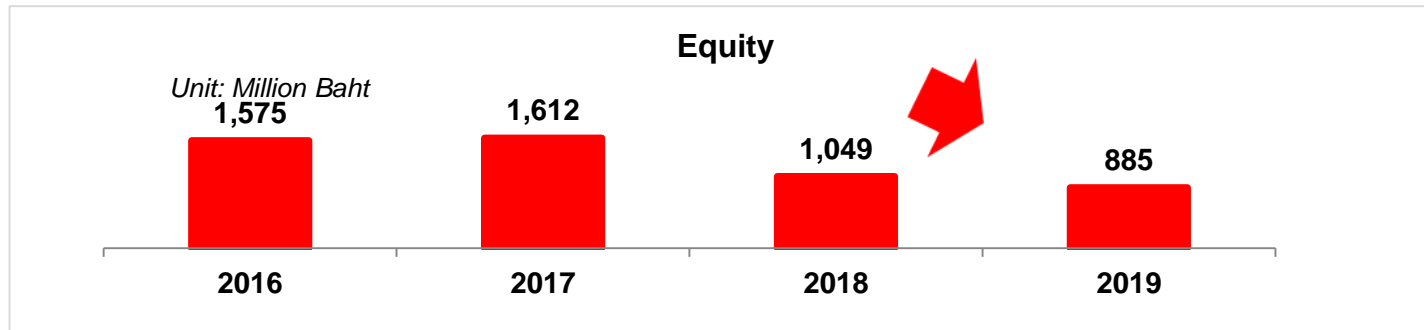
Statements of Financial Position



- 11% Decreased of total assets were mainly due to the decrease in inventories and fixed assets.

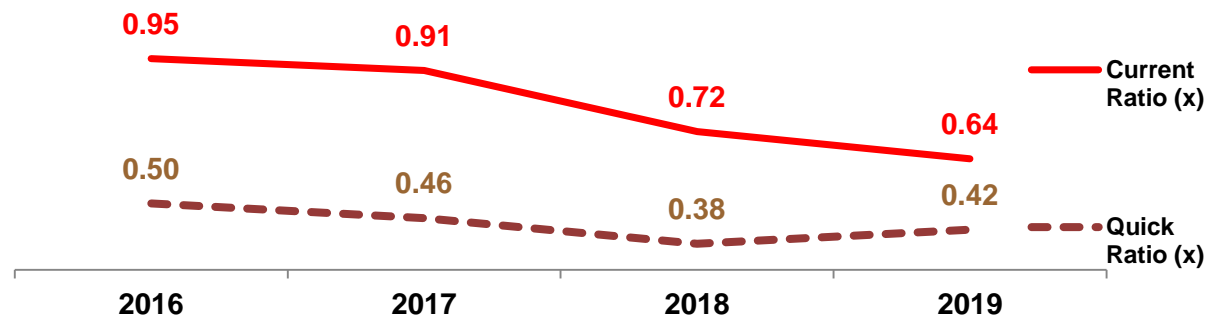


- 9% Decrease of Total Liabilities were mainly due to the decrease in loans from financial institutions

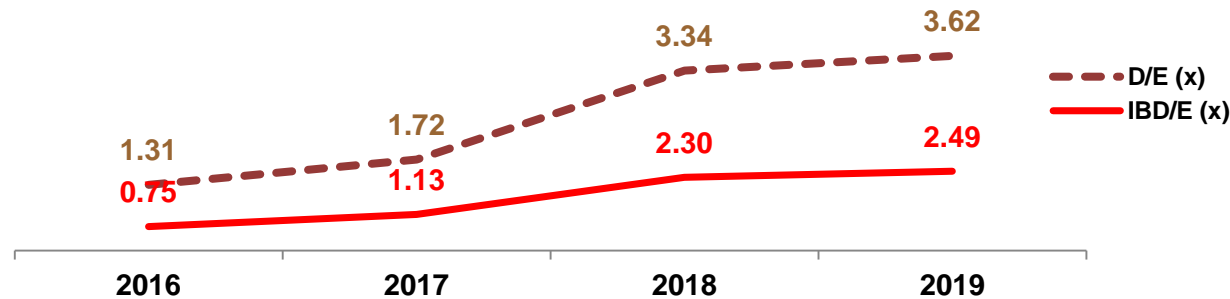


- 16% Decreased equity of parent Company's shareholders mainly was due to net loss performance.

Liquidity

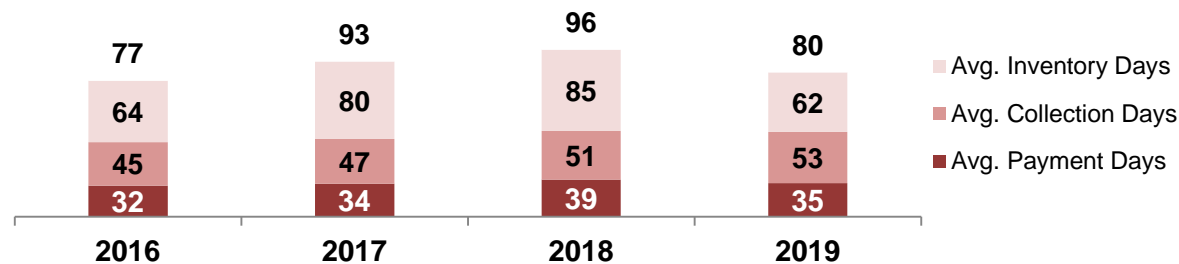


- Decrease Current ratio was mainly due to decreases in inventories were more than current liabilities that the Company repaid to loans from financial institutions.
- Higher quick ratio was mainly due to an increased cash and account receivable with a decrease in account payable, short-term loans and 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.

Cash Cycle Days



- 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.

AGENDA

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Forward Looking

Forward Looking

- Operating results in 2020 expected to improve QoQ
- 2020 recovery focus:
 - Continue to expand export branded business aggressively
 - Continue to improve work processes in all areas for higher efficiency
 - Continue to cut/reduce/control costs and expenses
 - Ramp up assets utilization.

Share Endorsements



“Excellent” Level of CG Scoring





Thank You