



EMPERADOR INC.

EMPERADOR INC.  
1H17 Financials Results



EMPERADOR INC.



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Our Financials

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Key Takeaways



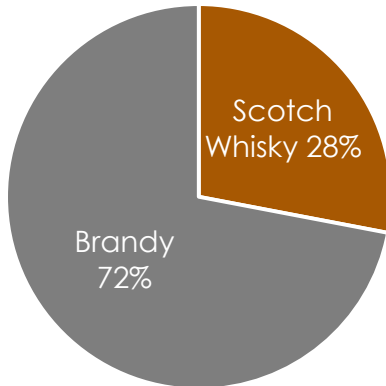
## 1H17 Financial Highlights

**PHP18.1b**  
Consolidated  
Revenues

Net Income  
Margin  
**15%**



### Revenue Breakdown



**PHP2.7b**  
Consolidated  
Net Income

Net Income  
Growth  
**-22%**



## 1H17 Performance Update

	2Q17	YoY	1H16	1H17	YoY	Commentary
Revenues (PHPm)	9,114	-2.9%	18,358	18,093	-1.4%	Soft brandy business offset by Scotch whisky growth
Gross profit (PHPm)	2,894	-12.0%	6,030	5,941	-1.5%	Sale of goods flat but down 1% while COGS went up 5% yoy in 2Q17
Gross profit margin (%)	33%		35%	33%		
EBITDA (PHPm)	1,902	-31.8%	4,777	4,051	-15.2%	Lower EBITDA and earnings were mostly a result of higher expenses: <ul style="list-style-type: none"> <li>• Ads and promo</li> <li>• Salaries – higher employee count at WMG and Bodegas Fundador</li> <li>• Interest charges + forex loss</li> </ul>
EBITDA margin	21%		26%	22%		
Net income (PHPm)	1,199	-41.0%	3,439	2,698	-21.6%	
Net income margin	13%		19%	15%		

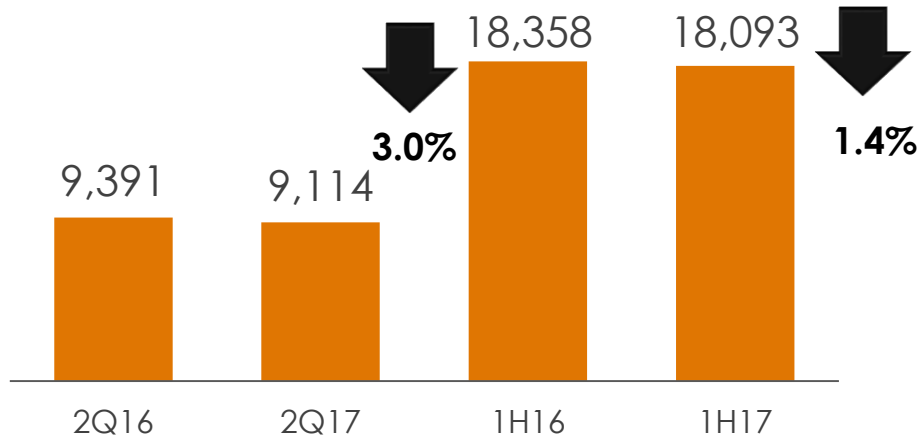
# Our Financials



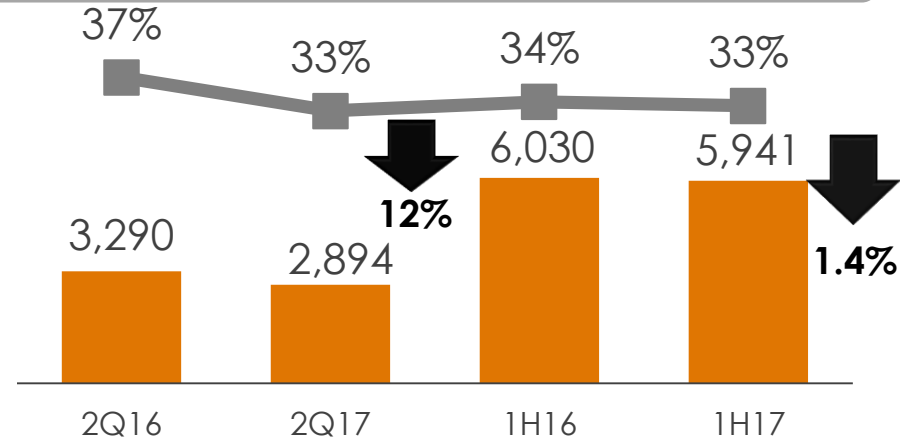
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## Latest Financial Performance

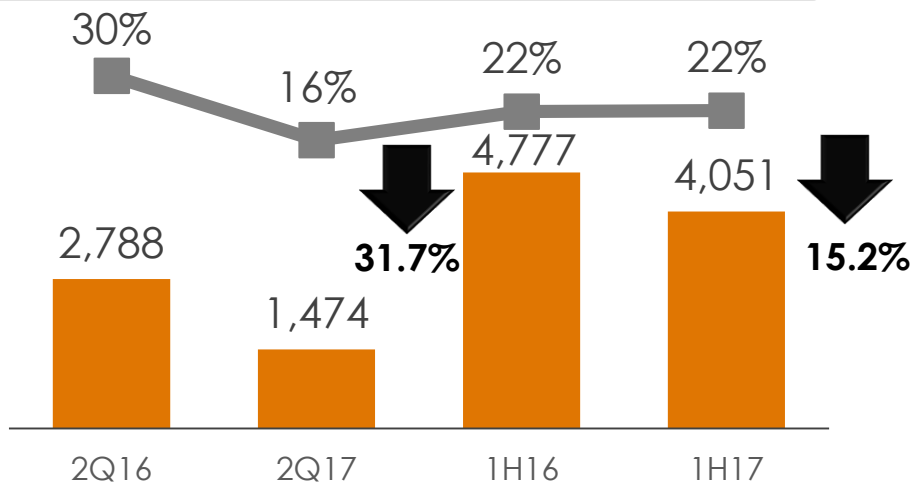
### Revenues (PHPm)



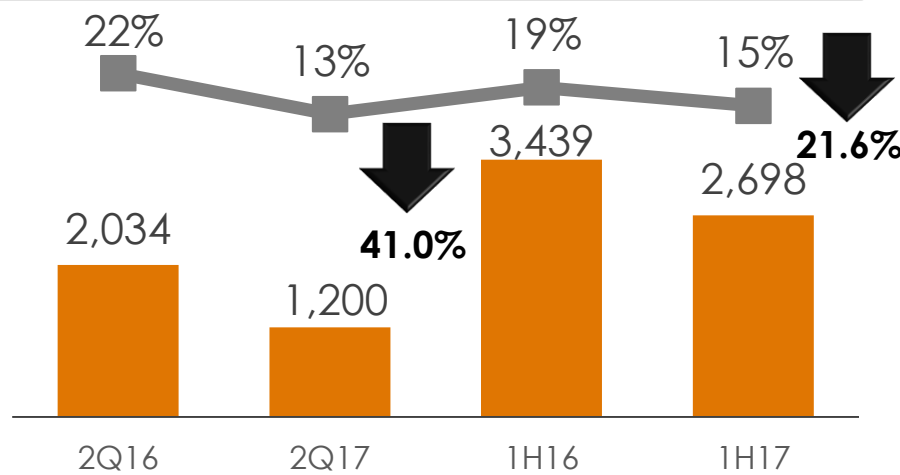
### Gross profit & margin



### EBITDA & margin



### Net income & margin



# Our Financials

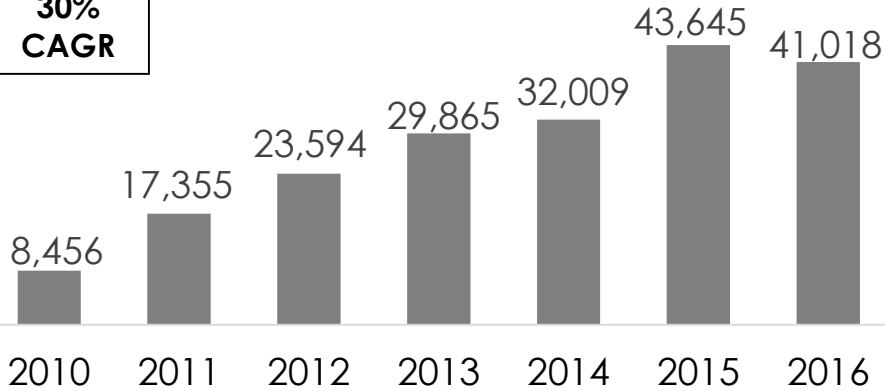


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## Financial History

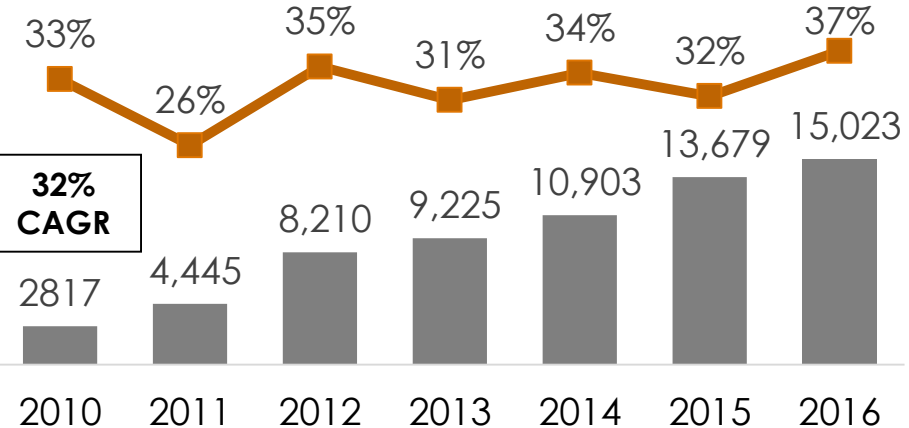
### Revenues\* (PHPm)

**30%  
CAGR**



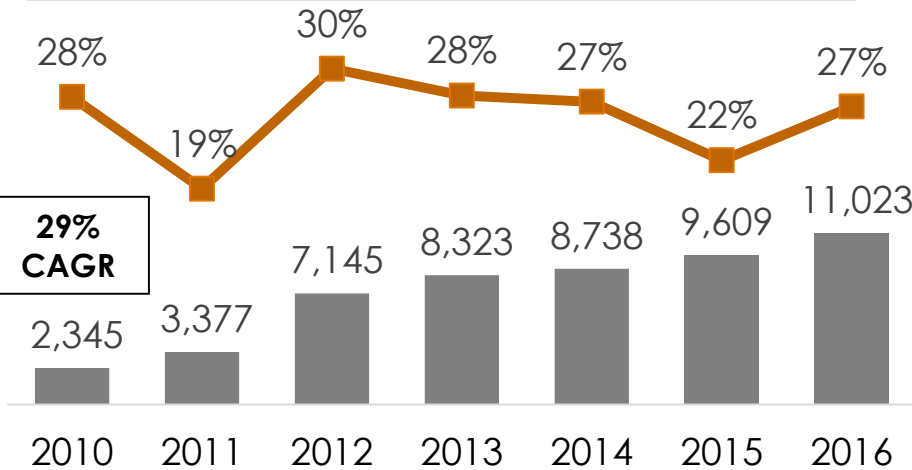
### Gross profit\* & margin

**32%  
CAGR**



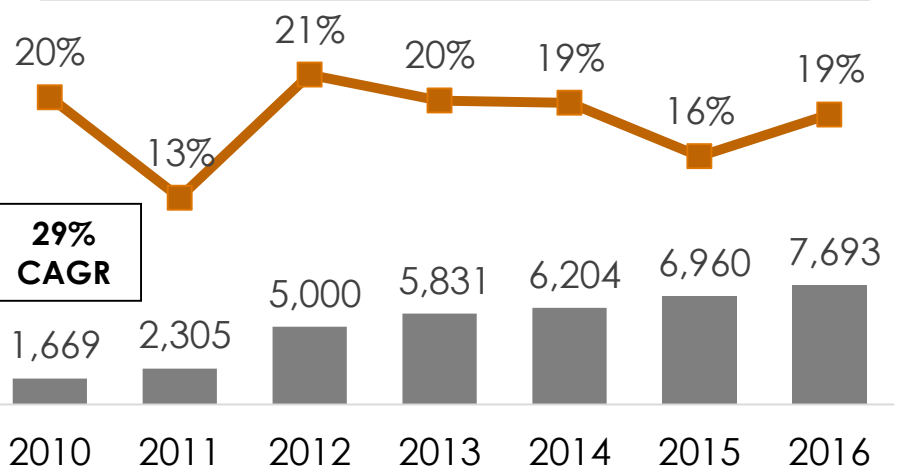
### EBITDA & margin

**29%  
CAGR**



### Net income & margin

**29%  
CAGR**



\* Consolidated (sale of goods + other revenues); gross profit on sales



## Segment Breakdown

In PHP millions	Revenues		Gross Profit		EBITDA		Net Income	
	1H16	1H17	1H16	1H17	1H16	1H17	1H16	1H17
Brandy	13,398	13,074	4,740	4,467	4,269	3,457	3,058	2,194
Whisky	4,960	5,318	1,290	1,475	508	594	380	504
EMP* (consolidated)	18,358	18,093	6,030	5,941	4,777	4,051	3,439	2,698

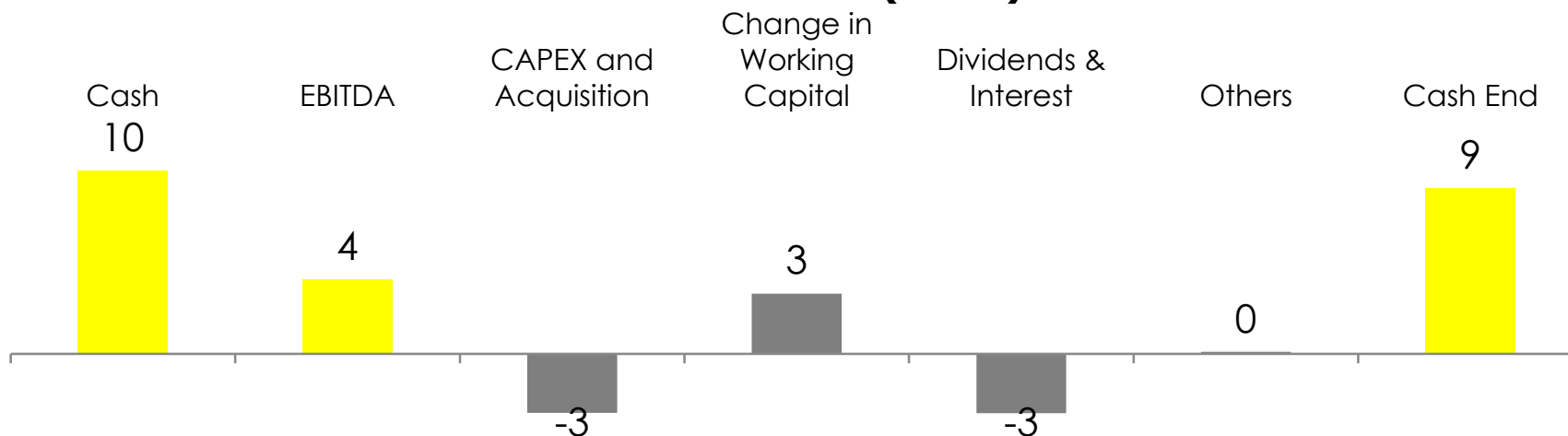
- Net of intersegment
- Intersegment sales and cost of goods sold are eliminated in the consolidated



## Capital Position

(PHPm)	Cash	Debt	Net Debt	Net Debt to Equity	Commentary
<b>1H2017</b>	9,065	32,306	(23,241)	44.7%	Higher leverage due to M&As
	9,065	27,042	(17,977)	34.6%	Ex Equity-Linked Securities
<b>2016</b>	10,174	29,363	(19,189)	36.7%	

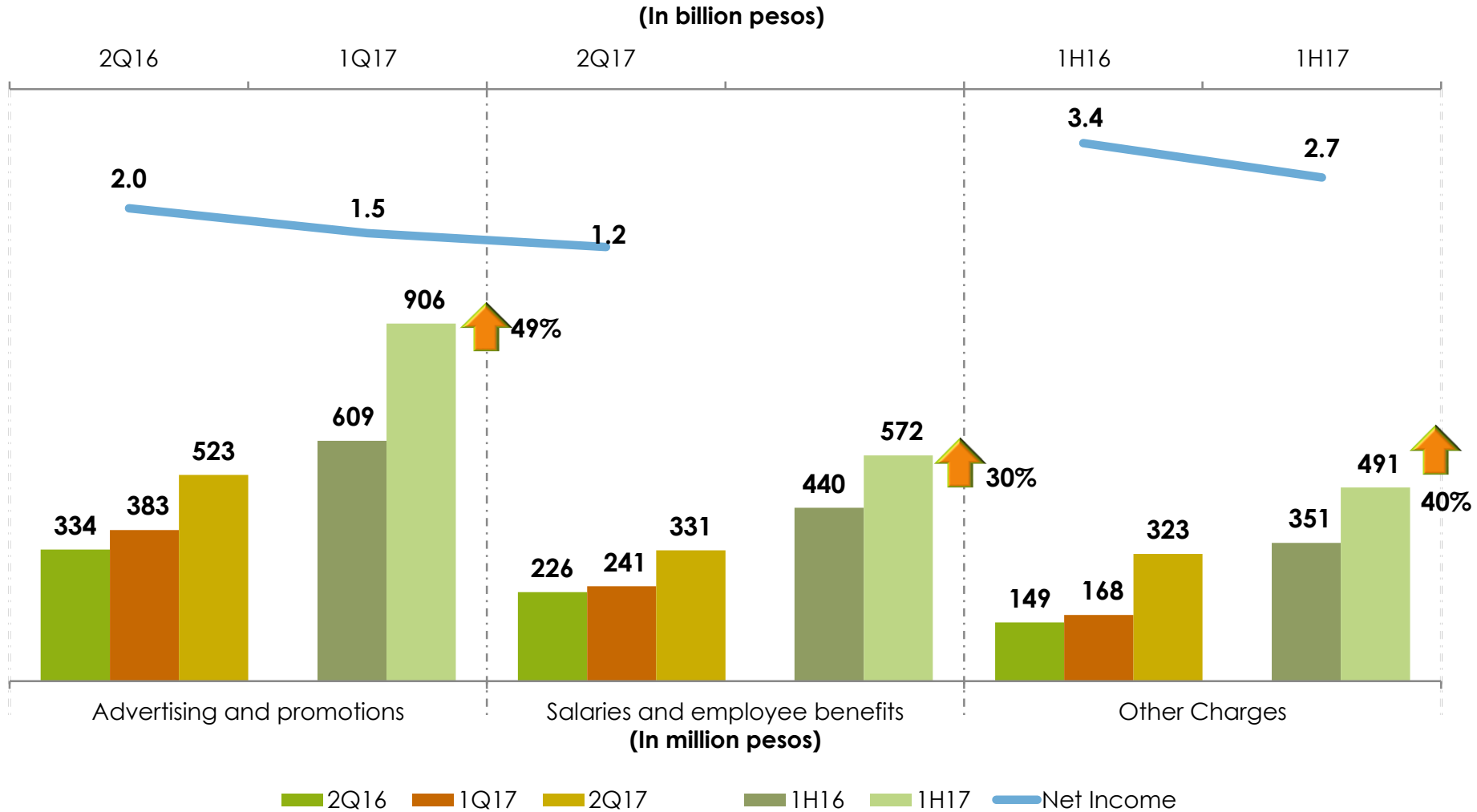
### Cash Position (PHPb)







## Cost Drivers and Earnings





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Key Takeaways



## Dominance, Premiumization, Profitability

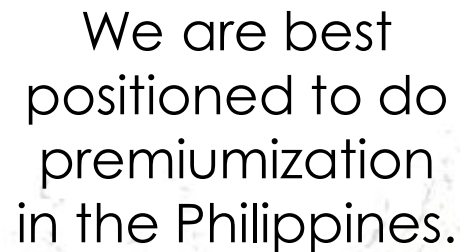
### Future-proofing dominance

We want to secure our dominance in Philippine liquor while making a dent on global liquor.



### Premiumization

We are best positioned to do premiumization in the Philippines.



### Profitability

We want margin sustainability and stability.





**EMPERADOR**  
BRANDY



**EMPERADOR**  
LIGHT



**SMIRNOFF**  
MULE



THE DALMORE

**JURA**



**FUNDADOR**



EMPERADOR INC.

**END OF PRESENTATION**