



EMPERADOR

# EMPERADOR INC.

## FULL YEAR 2018 FINANCIAL RESULTS

# 1. OUR FINANCIALS

## 2. UPDATES

## 3. KEY TAKEAWAYS



# OUR FINANCIALS

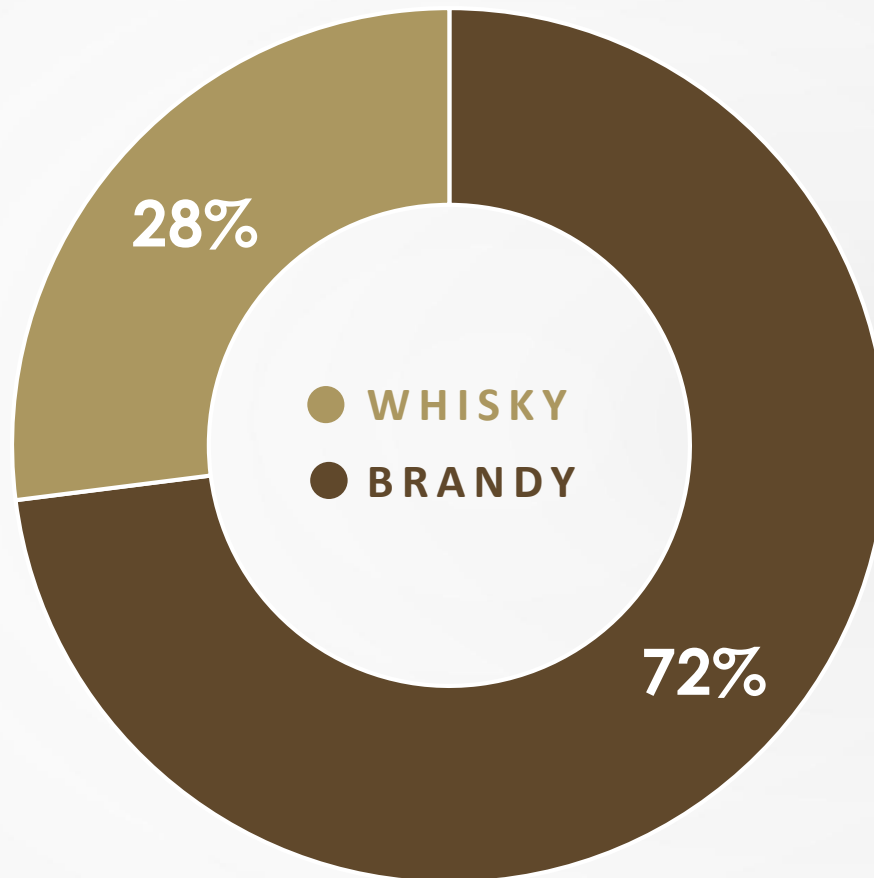
## 2018<sup>U</sup> Financial Highlights

Php47.1b

CONSOLIDATED  
REVENUES

14.2%

NET INCOME  
MARGIN\*



REVENUE  
BREAKDOWN

Php6.7b

CONSOLIDATED  
NET INCOME\*

5.3%

NET INCOME  
GROWTH\*

\*Attributable to parent  
\* 2018 numbers are unaudited

# OUR FINANCIALS

## Key Figures

	4Q18	YoY	FY17	FY18 <sup>u</sup>	YOY	Commentary
REVENUES (PHPm)	16,503	9.3%	42,656	47,050	10.3%	Record-breaking revenues in 2018, Php47b, driven by brandy and whisky sales
GROSS PROFIT (PHPm)	5,422	-12.3%	14,942	16,041	7.4%	Full-year margin above 30% despite cost pressure in 4Q18 particularly for brandy
GROSS PROFIT MARGIN	32.8%		35.4%	34.6%		
EBITDA (PHPm)	2,883	-11.6%	9,605	10,329	7.5%	Stronger advertising initiatives for brandy put pressure on margin but still in high teens for the group
EBITDA MARGIN	17.5%		22.5%	22.0%		
NET INCOME* (PHPm)	1,524	-18.8%	6,322	6,658	5.3%	Margin pressure at the GP and EBITDA levels weighed down on earnings in 4Q18.
NET INCOME MARGIN*	9.2%		14.8%	14.2%		

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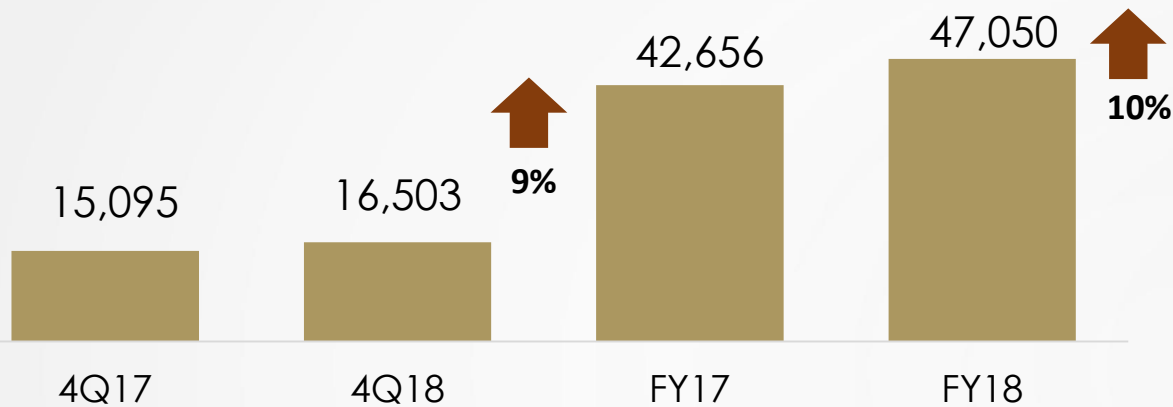


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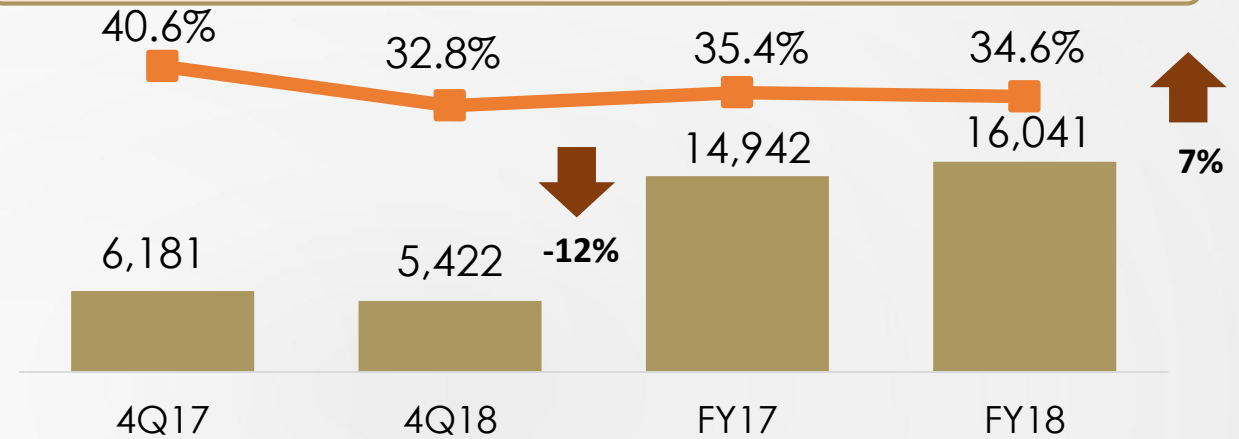
# OUR FINANCIALS

## Key Figures

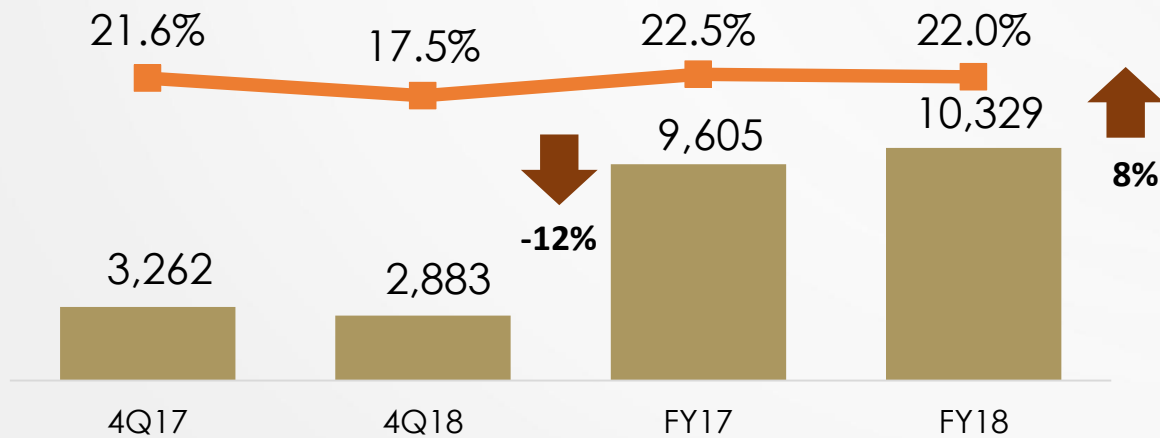
### Revenues (PHPm)



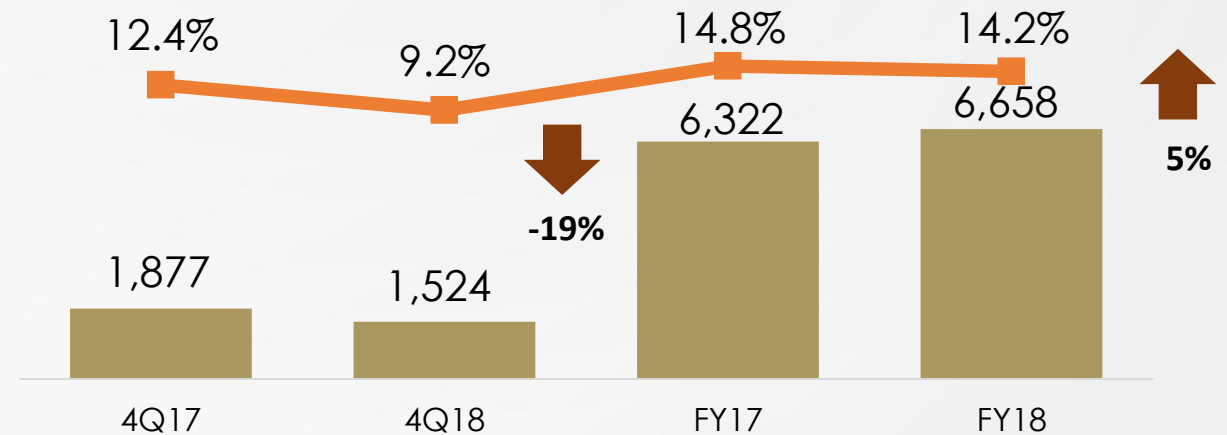
### Gross profit & margin



### EBITDA & margin



### Net income & margin\*



\*Attributable to parent

\* 2018 numbers are unaudited

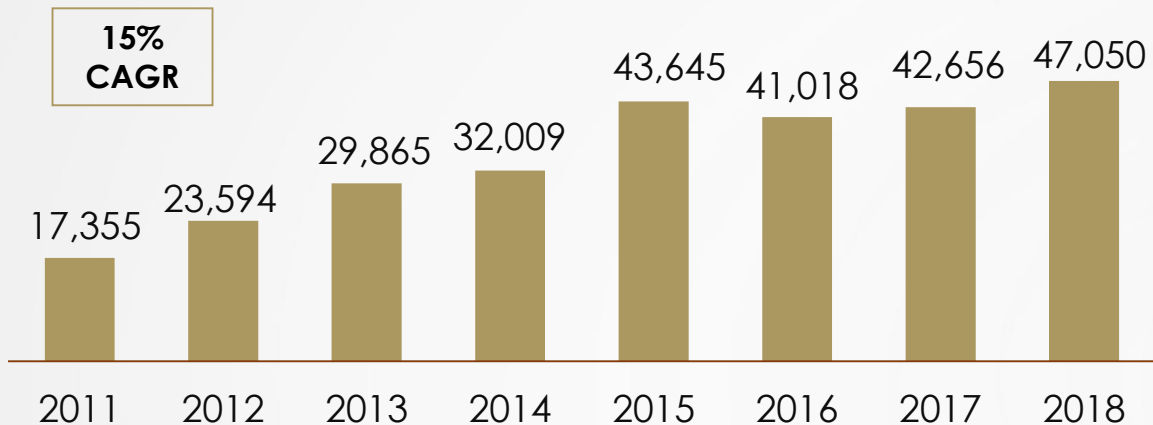


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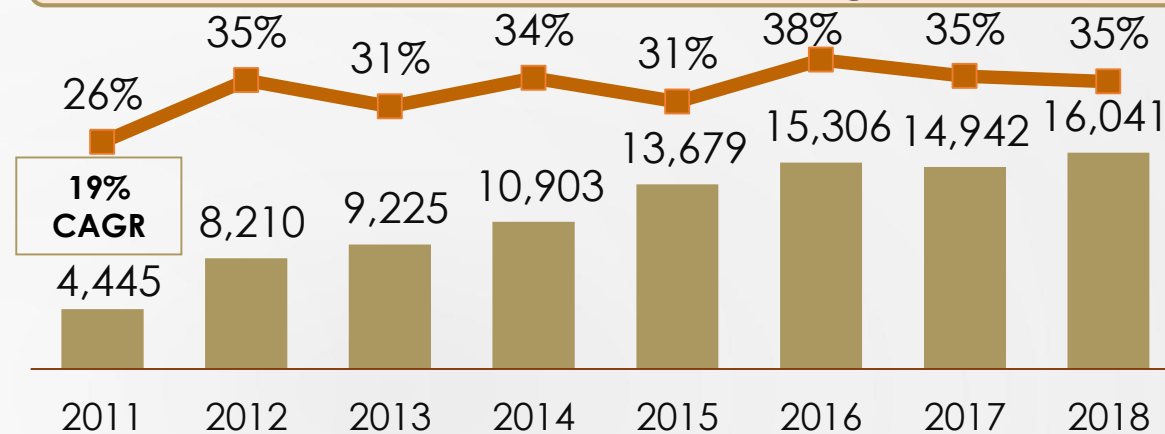
# OUR FINANCIALS

## Financial History

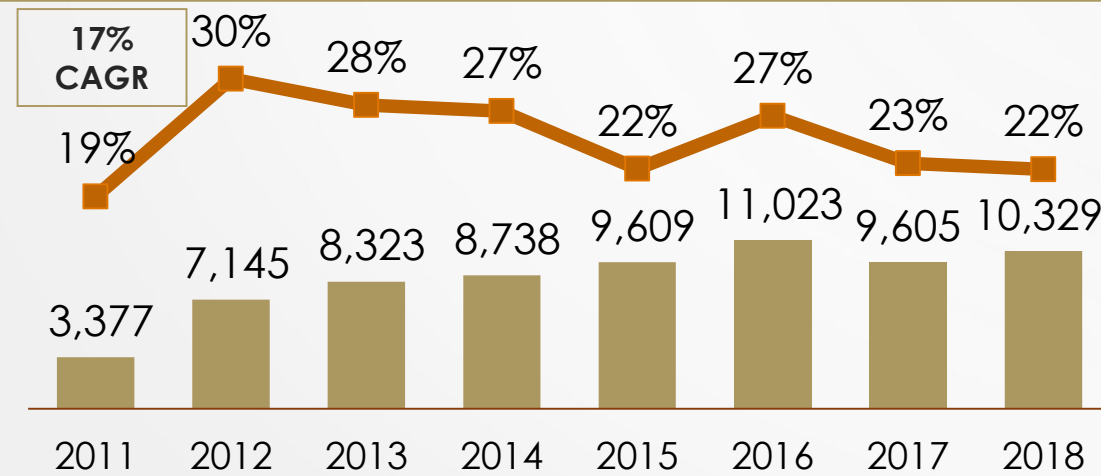
### Revenues (PHPm)



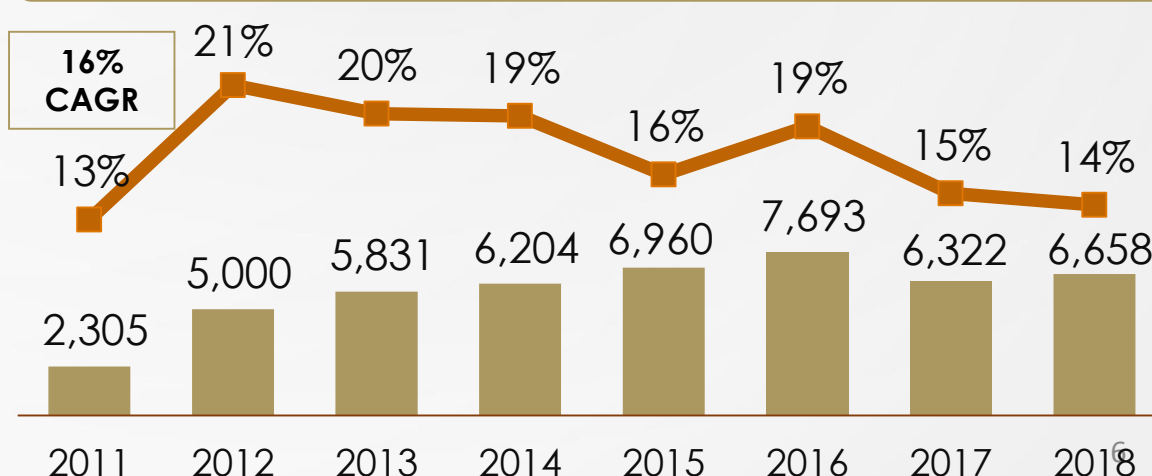
### Gross profit & margin



### EBITDA & margin



### Net income & margin\*



\* Attributable to parent  
2018 numbers are unaudited

# OUR FINANCIALS

## Segment Breakdown

	Revenues		Gross Profit		EBITDA		Net Income	
	FY17	FY18 <sup>u</sup>	FY17	FY18 <sup>u</sup>	FY17	FY18 <sup>u</sup>	FY17	FY18 <sup>u</sup>
<i>(PHPm)</i>								
<b>Brandy</b>	31,174	34,447	10,852	10,730	7,988	7,867	5,012	5,017
<b>Whisky</b>	12,571	13,527	4,090	5,311	1,617	2,462	1,320	1,812
<b>EMP Inc.</b>	42,656	47,050	14,942	16,041	9,605	10,329	6,332	6,829

- Net of intersegment
- Intersegment sales and cost of goods sold are eliminated in the consolidated
- Net income before deducting non-controlling interest
- 2018 numbers are unaudited

# OUR FINANCIALS

## Leverage

	Cash	Debt	Net Debt	Net Debt to Equity	Commentary
(PHPm)					
<b>2018<sup>u</sup></b>	6,228	39,274	31,837	52%	Lower cash partly due to share buyback
	6,228	34,015	26,578	43%	Ex Equity-linked security
<b>2017</b>	10,162	38,150	27,968	48%	Additional borrowings to fund investments



# 1. OUR FINANCIALS

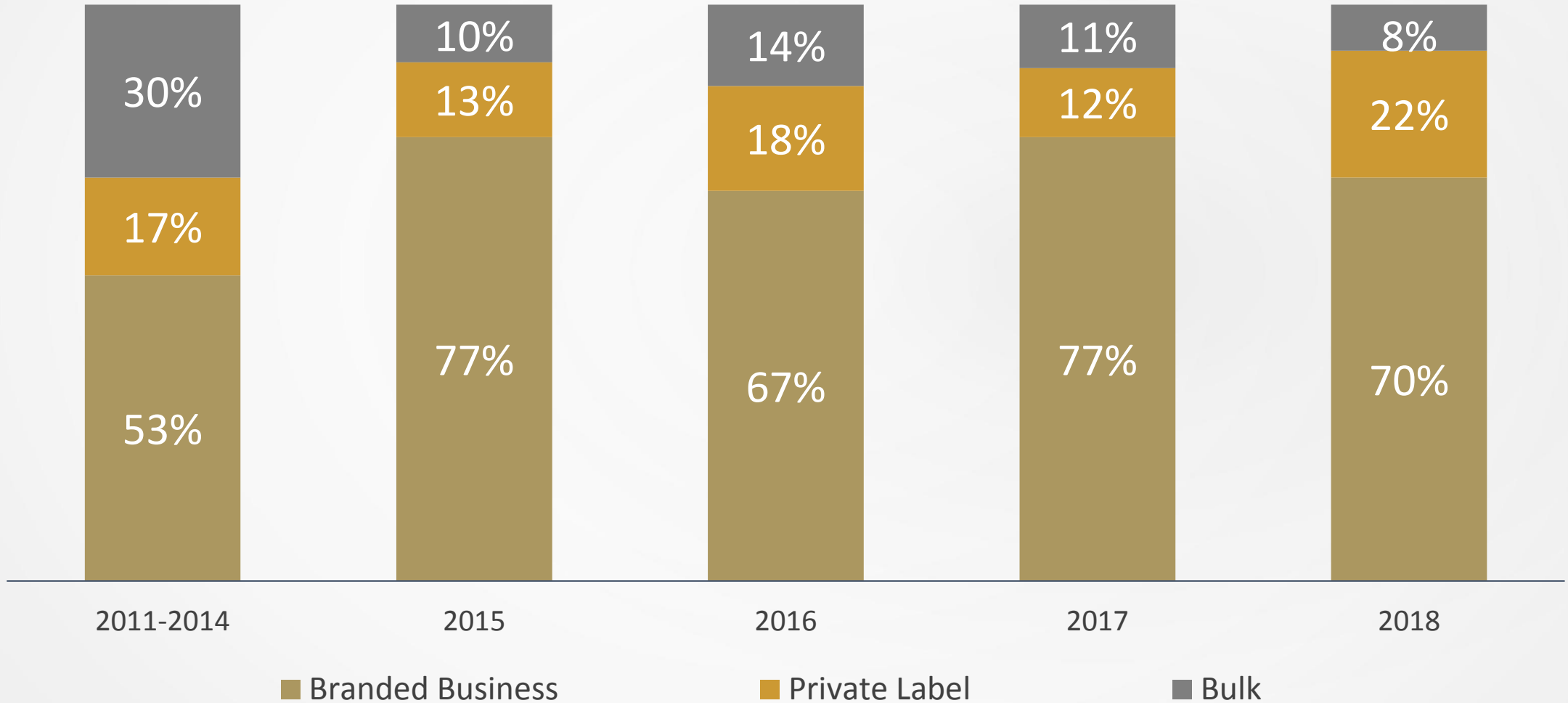
## 2. UPDATES

# 3. KEY TAKEAWAYS



# WHYTE AND MACKAY

## Revenue Mix

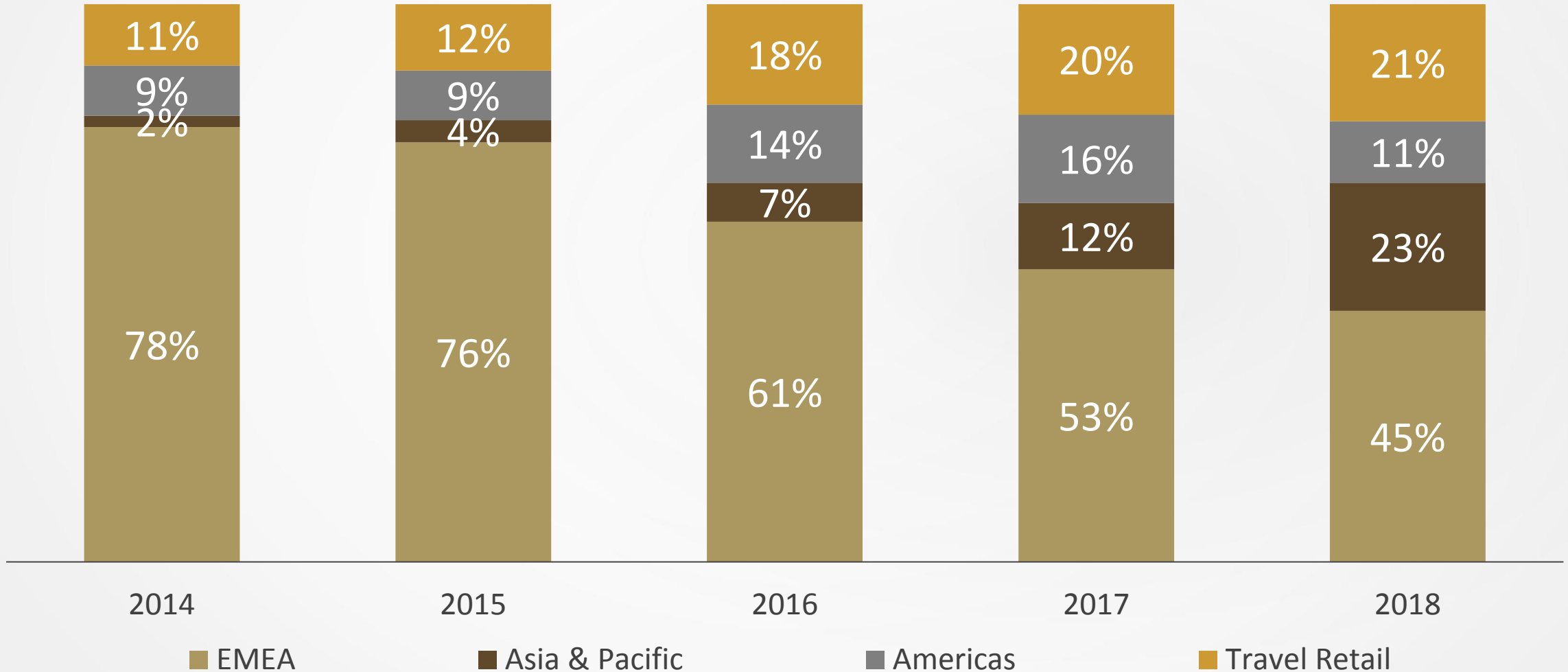




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# WHYTE AND MACKAY

## Branded Business Breakdown By Market

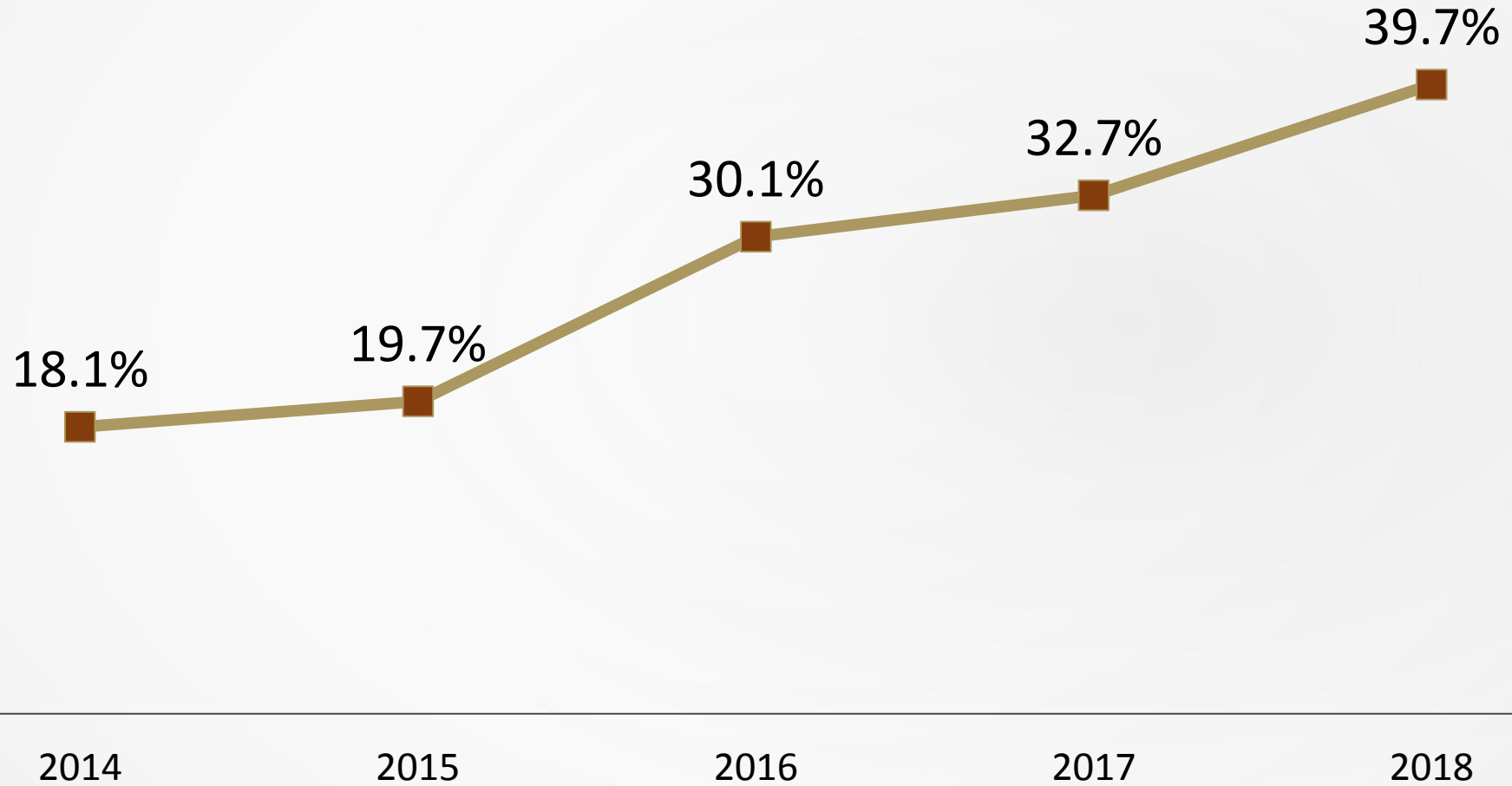




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# WHYTE AND MACKAY

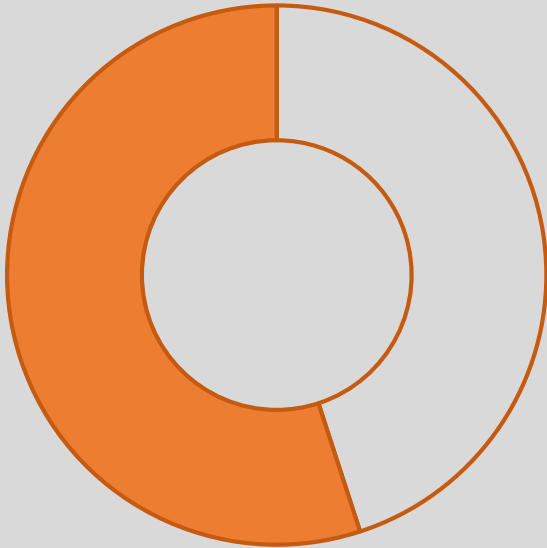
## Gross Profit Margin



## Focus on Malts

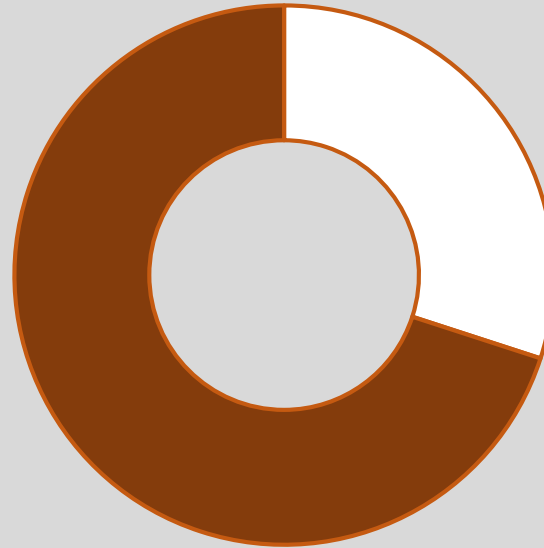
5 years ago

55%  
of branded business



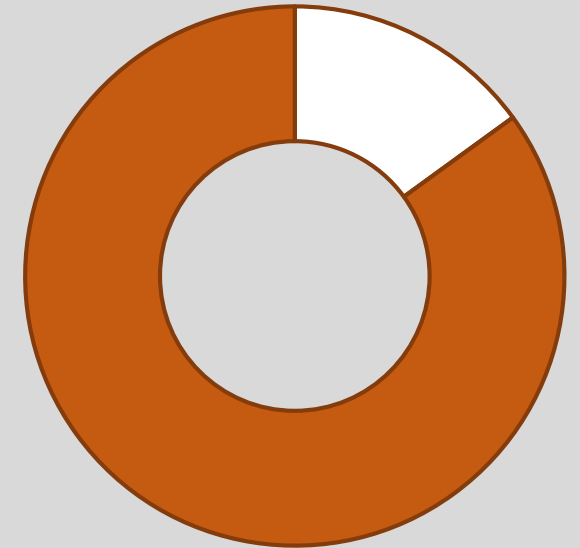
Today

65-70%



Vision

80-85%

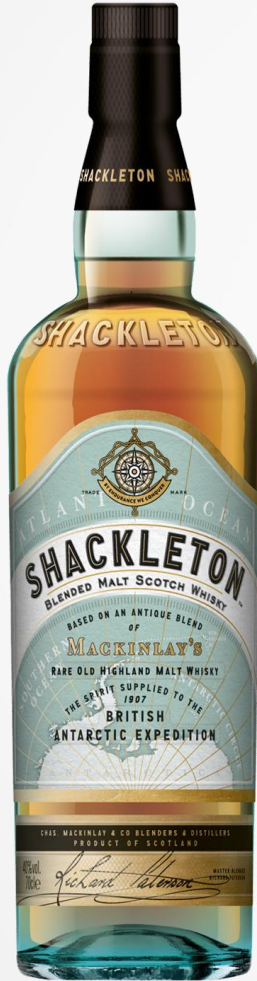




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# WHYTE AND MACKAY

## Malt Hierarchy



c. Php1,250



c. Php1,700



c. Php1,900



c. Php2,500



c. Php3,580



## FUNDADOR SUPREMO

- A super-premium Brandy
- Introduced through the Travel Retail channel in Europe and Asia, and is now available in the Philippines.



Php12,800



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# BRANDY

## Brandy Hierarchy



c. Php120



c. Php260



c. Php350

[TVC](#)

# SHARE BUYBACK

As of April 2, 2019 **259 m shares @ P7.17**

Announcement of Share Buyback

2017 45m shares @ P7.09

2018 212m shares @ P7.19

2019 1.8m shares @ P7.25



# 1. OUR FINANCIALS

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# KEY TAKEAWAYS

## Future-proofing, Premiumization and 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 INC.

