



**EMPERADOR INC.**

**2019 Annual  
Stockholders' Meeting**



EMPERADOR INC.

# 2019 ANNUAL STOCKHOLDERS' MEETING

1. OUR FINANCIALS

2. UPDATES

3. KEY TAKEAWAYS



**JURA**  
SINGLE MALT SCOTCH WHISKY

THE **DALMORE**  
HIGHLAND SINGLE MALT SCOTCH WHISKY



**TAMNAVULIN**  
THE HILL ON THE HILL  
SPEYSIDE SINGLE MALT SCOTCH WHISKY

**ANDY PLAYER**

CASA FUNDADA EN 1730  
**TRES CEPAS**  
LIGHT



**FUNDADOR**



CASA FUNDADA EN 1730  
**TRES CEPAS**  
V.S.

FINEST BLEND  
**EMPERADOR**  
*Deluxe*

**JOHN BARR.**  
BLENDED SCOTCH WHISKY

FINEST BLEND  
**EMPERADOR**  
LIGHT

FINEST BLEND  
**EMPERADOR**  
BRANDY

**SMIRNOFF**  
MULE

DESDE 1947  
**RAFFA**  
*Sparkling*

**ANDY**  
COLA

**Hot Shot**  
BRANDY

**EMPERADOR**  
*Gold*  
BRANDY

**EMPERADOR**  
**RED**  
*Finest Brandy*

THE **BaR**  
GIN



EMPERADOR INC.

# OUR FINANCIALS

## 2018 Financial Highlights

Php47.1b

**REVENUES**

14.2%

**NET INCOME MARGIN**



**REVENUE BREAKDOWN**

Php6.7b

**NET INCOME\***

5.3%

**NET INCOME GROWTH**

*\*Attributable to parent*



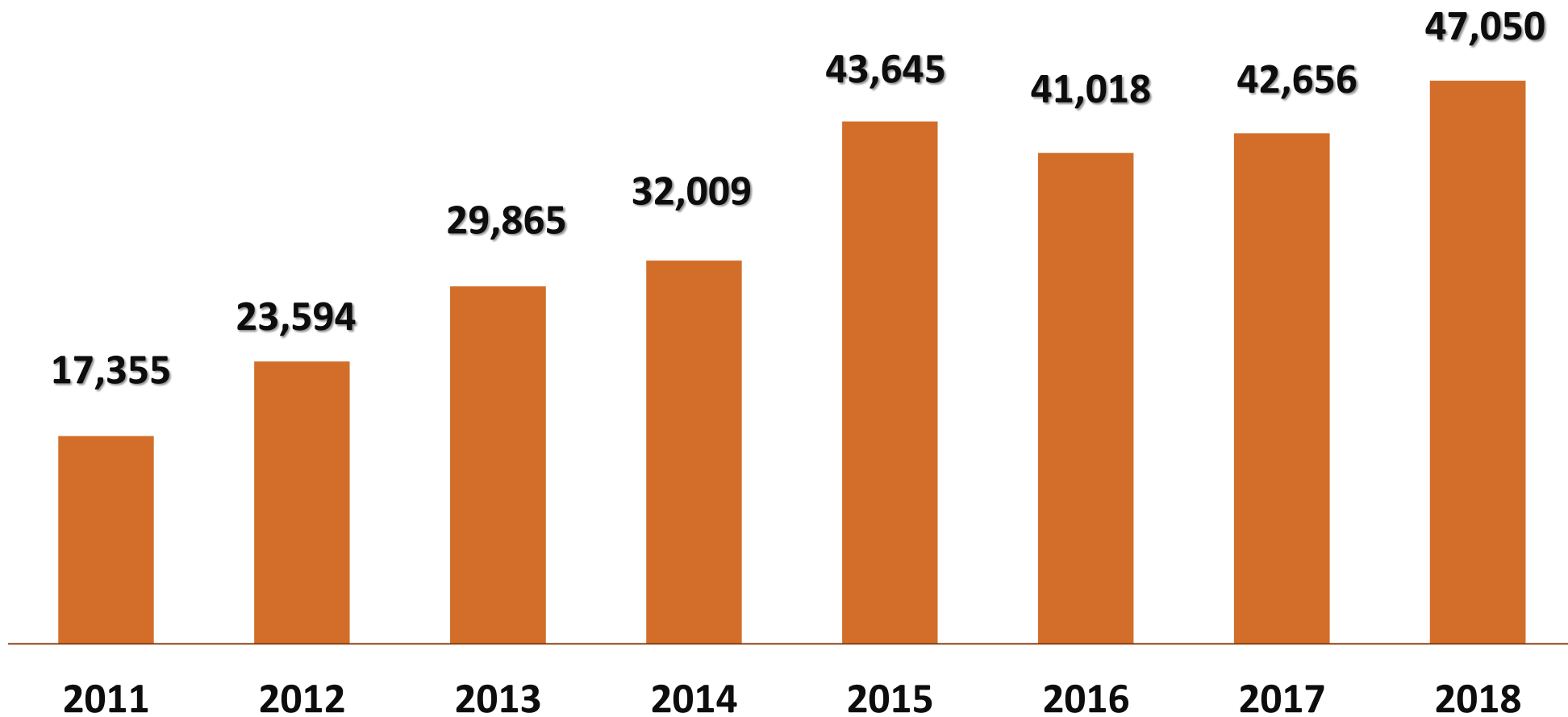
EMPERADOR INC.

# OUR FINANCIALS

## Financial History

Revenues (PHPm)

15%  
CAGR



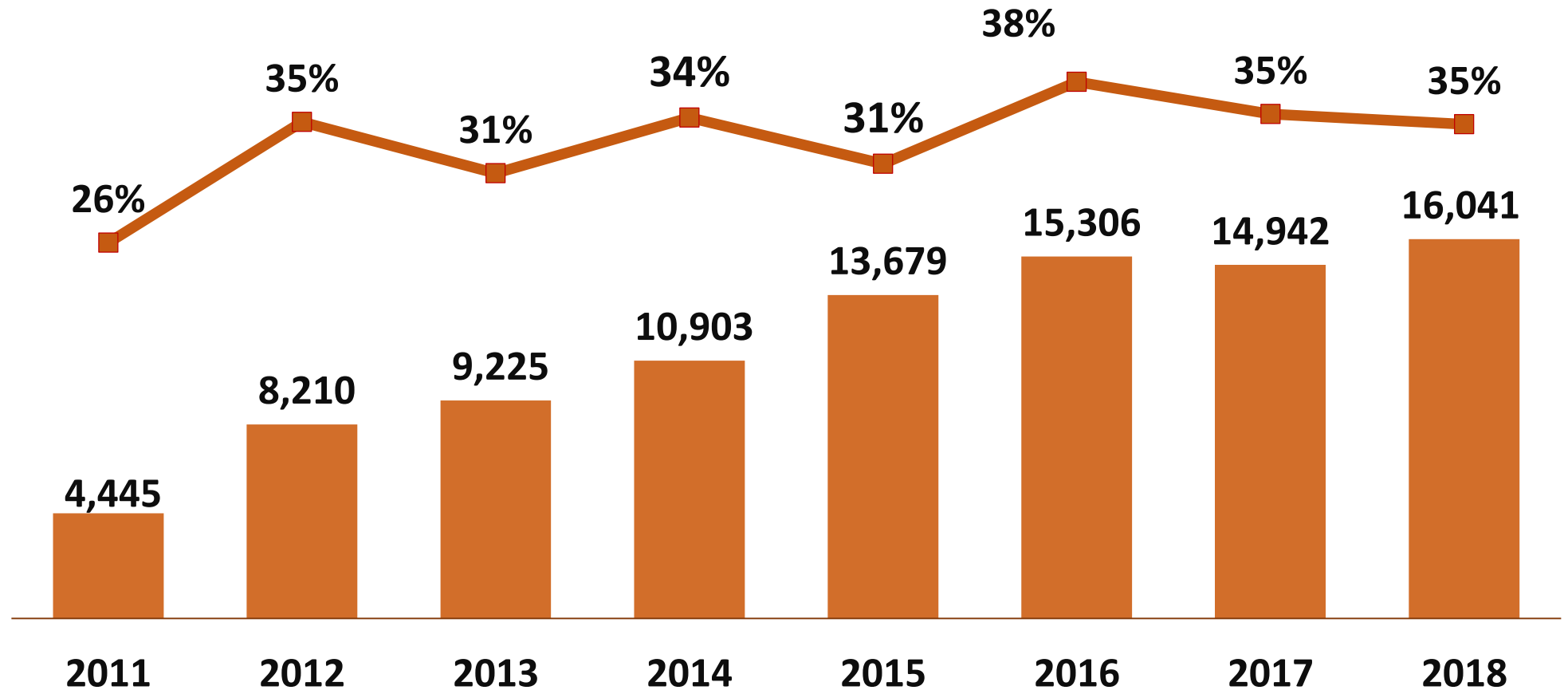


# OUR FINANCIALS

## Financial History

Gross profit (PHPm) & Margin

19%  
CAGR



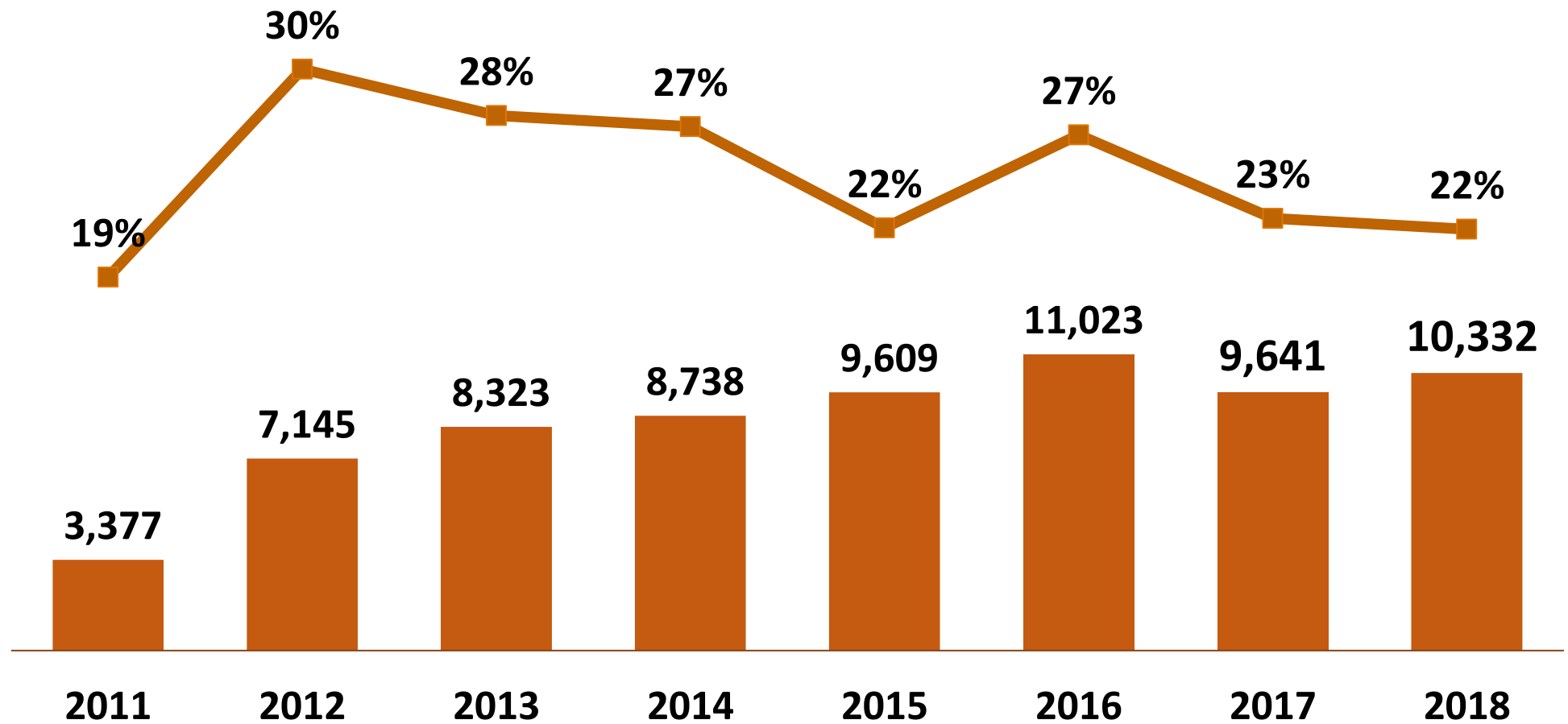


# OUR FINANCIALS

## Financial History

EBITDA (PHPm) & Margin

17%  
CAGR

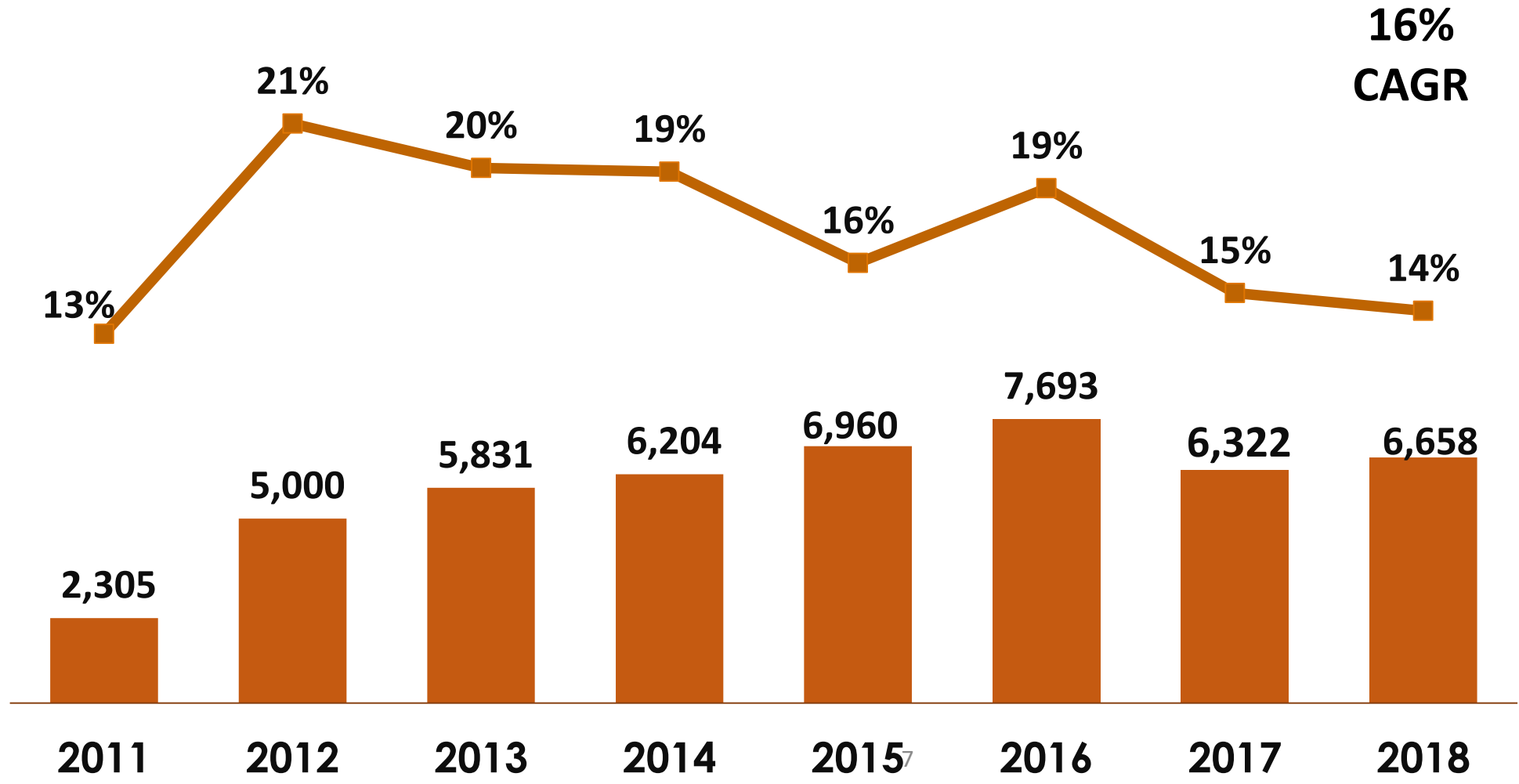




# OUR FINANCIALS

## Financial History

Net income\* (PHPm) & Margin



16%  
CAGR

\* Attributable to parent



# OUR FINANCIALS

## Segment Breakdown

	Revenues		Gross Profit		EBITDA		Net Income	
	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
<i>(PHPm)</i>								
Brandy	<b>31,174</b>	<b>34,447</b>	<b>10,852</b>	<b>10,730</b>	<b>8,024</b>	<b>7,870</b>	<b>5,012</b>	<b>5,017</b>
Whisky	<b>12,571</b>	<b>13,527</b>	<b>4,090</b>	<b>5,311</b>	<b>1,617</b>	<b>2,462</b>	<b>1,320</b>	<b>1,812</b>
EMP Inc.	<b>42,656</b>	<b>47,050</b>	<b>14,942</b>	<b>16,041</b>	<b>9,641</b>	<b>10,332</b>	<b>6,332</b>	<b>6,829</b>

- Revenues, net of intersegment
- Net income is before deducting non-controlling interest.





# OUR FINANCIALS

## 1Q19 Performance Update

	1Q18	1Q19	YoY	Commentary
REVENUES (PHPm)	<b>9,744</b>	<b>11,025</b>	<b>13.2%</b>	Overall business driven by whisky and brandy with premium and luxury brands leading growth
GROSS PROFIT (PHPm)	<b>3,345</b>	<b>3,688</b>	<b>10.3%</b>	Overall gross profit margin remains in mid 30s: whisky, 42% and brandy, 30%
GROSS PROFIT MARGIN	<b>35.9%</b>	<b>34.2%</b>		
EBITDA (PHPm)	<b>2,414</b>	<b>2,538</b>	<b>5.1%</b>	EBITDA margin above 20%: 23% for whisky and 22.5% for brandy
EBITDA MARGIN	<b>24.8%</b>	<b>23.0%</b>		
NET INCOME* (PHPm)	<b>1,585</b>	<b>1,738</b>	<b>9.6%</b>	Net margin stable at around 16%: 19% for whisky, 14% for brandy
NET INCOME MARGIN*	<b>16.3%</b>	<b>15.8%</b>		

*\*Attributable to parent*

# OUR FINANCIALS

## SEGMENT BREAKDOWN



EMPERADOR INC.

	Revenues		Gross Profit		EBITDA		Net Income	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19
<i>(PHPm)</i>								
Brandy	<b>7,012</b>	<b>7,766</b>	<b>2,290</b>	<b>2,284</b>	<b>1,908</b>	<b>1,750</b>	<b>1,208</b>	<b>1,086</b>
Whisky	<b>2,847</b>	<b>3,372</b>	<b>1,055</b>	<b>1,404</b>	<b>507</b>	<b>788</b>	<b>454</b>	<b>656</b>
EMP Inc.	<b>9,744</b>	<b>11,025</b>	<b>3,345</b>	<b>3,688</b>	<b>2,414</b>	<b>2,538</b>	<b>1,661</b>	<b>1,743</b>

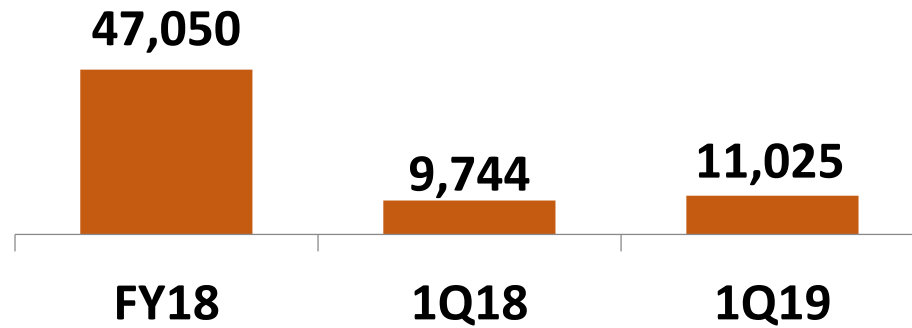
- Revenues, net of intersegment
- Net income is before deducting non-controlling interest.



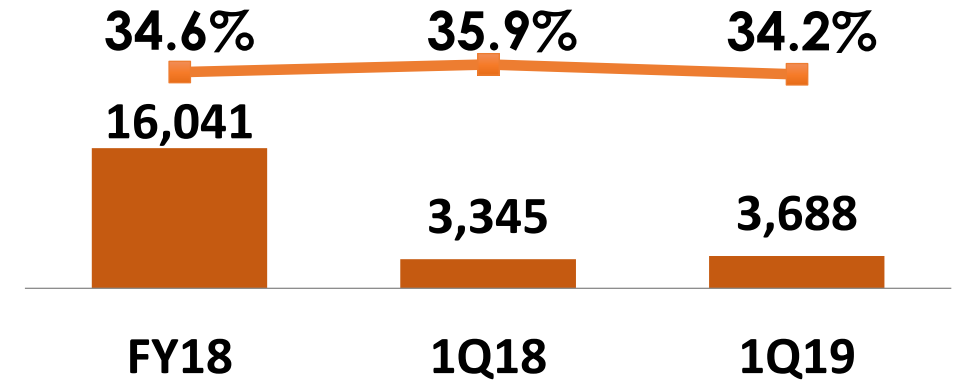
# OUR FINANCIALS

## Latest Financial Performance

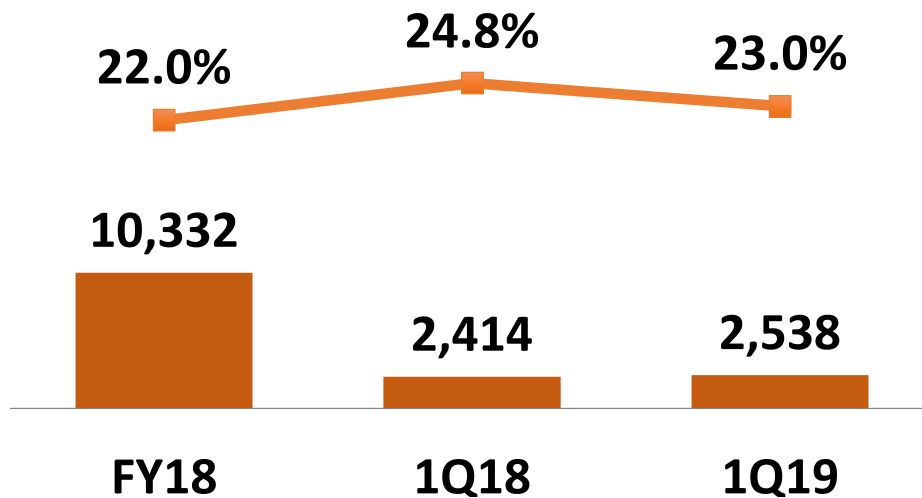
### Revenues (PHPm)



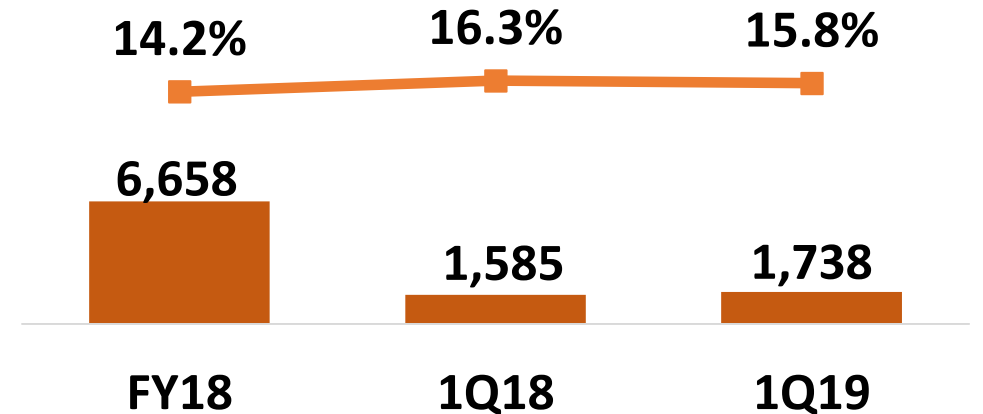
### Gross Profit (PHPm) & Margin



### EBITDA (PHPm) & Margin



### Net Income (PHPm) & Margin\*



\* Net income is before deducting non-controlling interest.

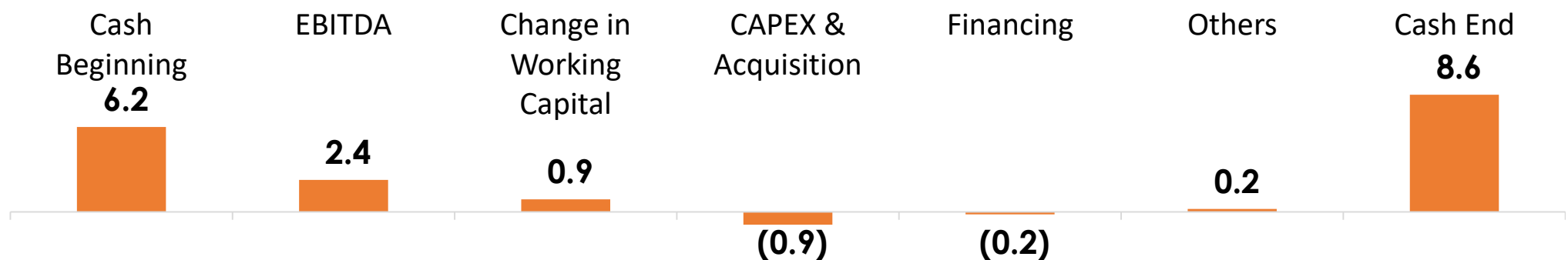


# OUR FINANCIALS

## Solid Capital Position

(PHPm)	Cash	Debt	Net Debt	Net Debt to Equity	Commentary
1Q19	8,613	38,838	30,225	47%	Higher cash due to collections
	8,613	33,541	24,928	39%	Ex Equity-linked security
2018	6,228	39,274	33,046	54%	Lower cash due to share buyback and dividend payout
	6,228	34,015	27,787	45%	Ex Equity-linked security
2017	10,162	38,150	27,988	48%	Additional borrowings to fund investments

### CASH POSITION (PHPb)





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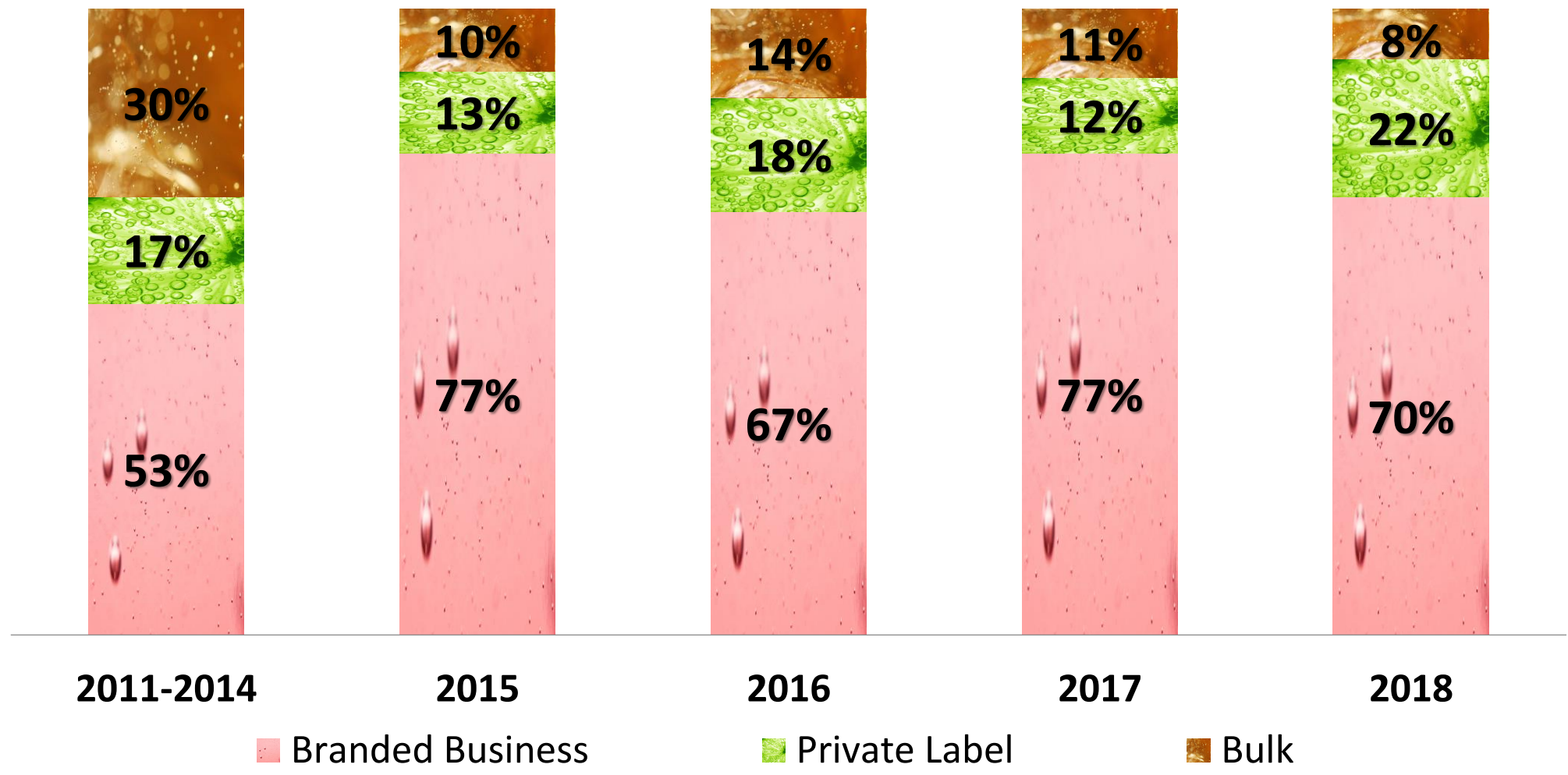




# UPDATES

## Whyte and Mackay

### Revenue Mix



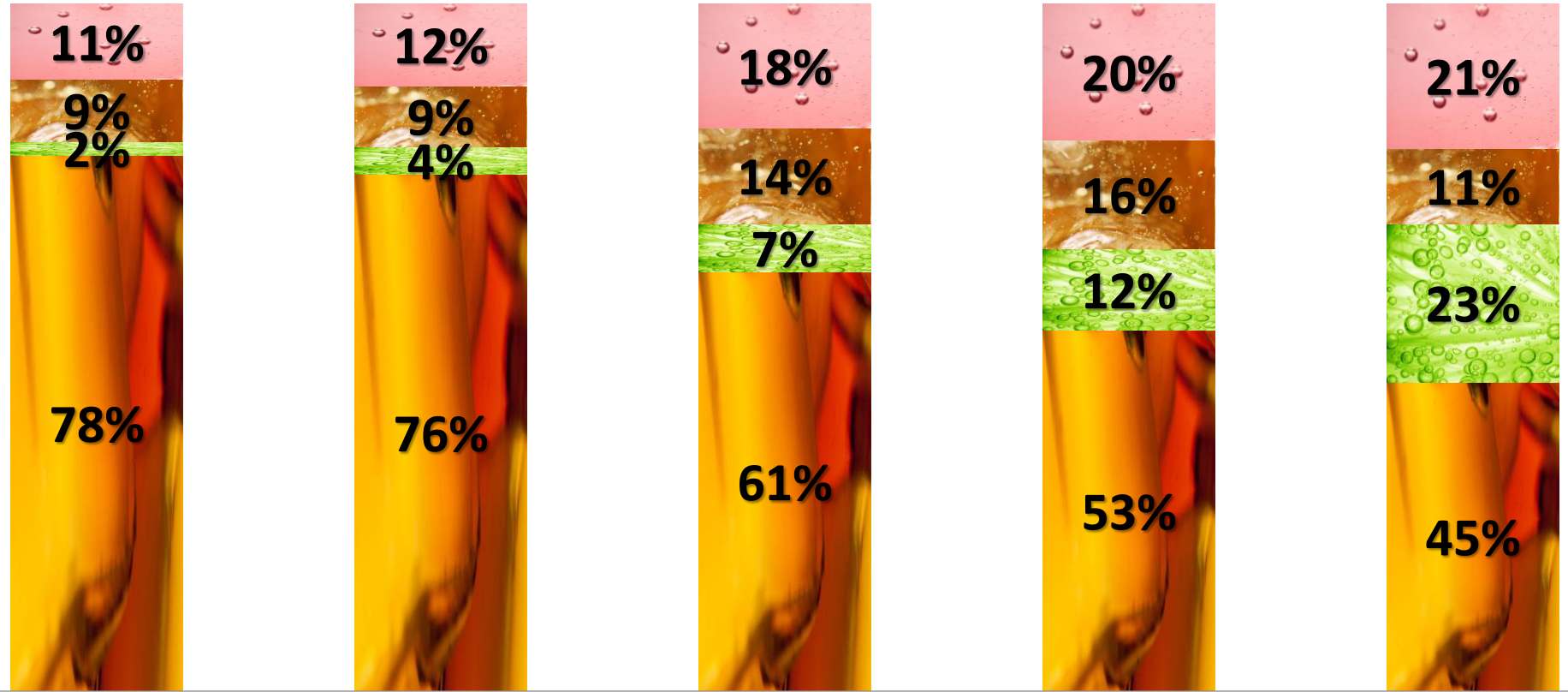


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# UPDATES

## Whyte and Mackay

### Branded Business Breakdown



2014

2015

2016

2017

2018

EMEA

Asia & Pacific

Americas

Travel Retail

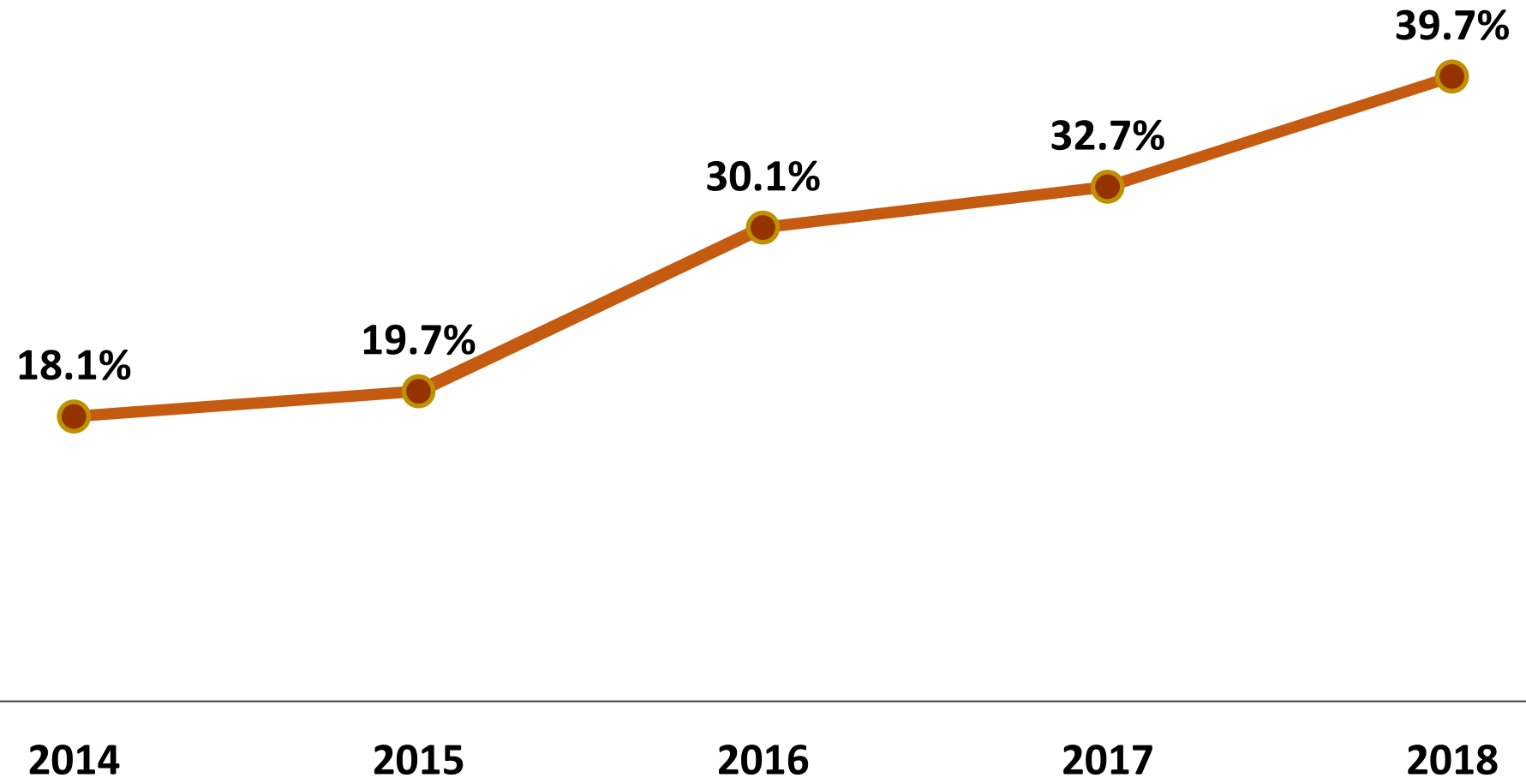


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# UPDATES

## Whyte and Mackay

### Gross Profit Margin







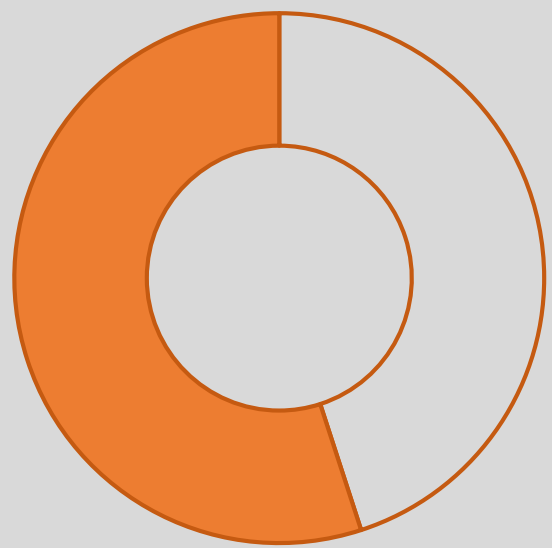
# UPDATES

## Whyte and Mackay

Strategy: Focus on Malts

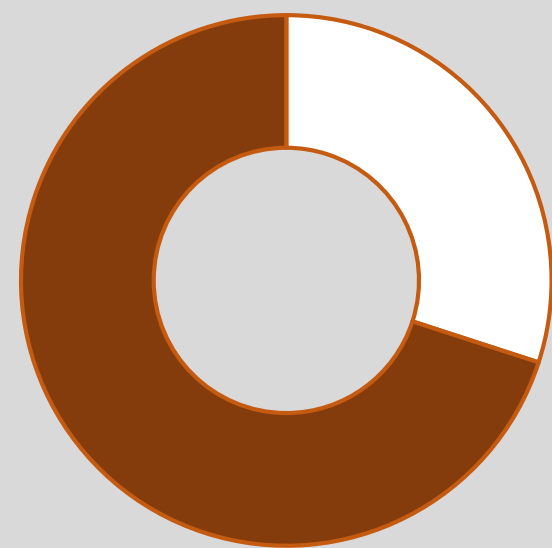
5 years ago

**55%**  
of branded business



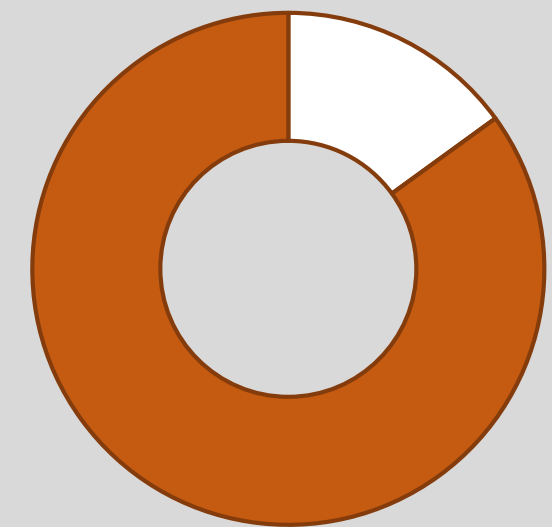
Today

**65-70%**



Vision

**80-85%**



# UPDATES

## Malt Hierarchy



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Php1,250



Php1,700



Php1,900



Php2,500



Php3,580

# SHACKLETON

BLENDED MALT SCOTCH WHISKY

DISCOVERED  
UNDER ICE  
SERVED OVER ICE





# SHACKLETON

## Short History

**1907**



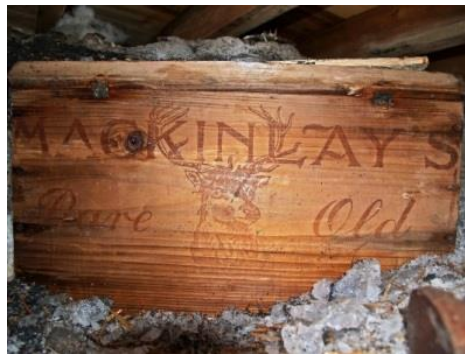
Legendary polar explorer **Sir Ernest Shackleton** went on an expedition to Antarctica.



He left behind 2 crates of 1907 Mackinlay's Rare Old Highland Malt in his hut.

**2007**

100 years later, the crates of whisky were discovered.



**TODAY**

Based on the antique whisky, Shackleton is a master class in the art of whisky blending.



# UPDATES

## Premiumization in Brandy Space



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### FUNDADOR SUPREMO

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



# UPDATES

## Brandy Hierarchy



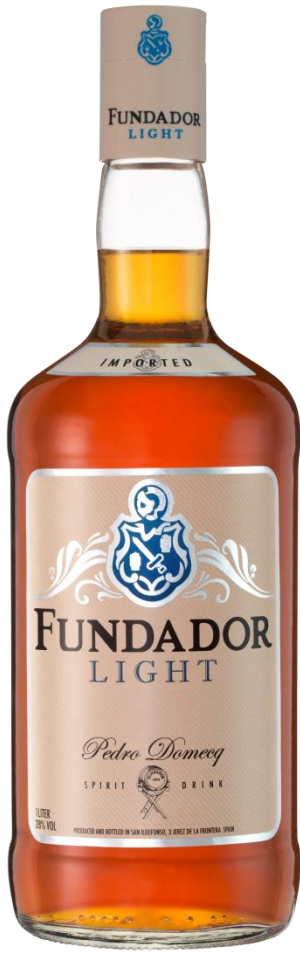
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Php120



Php260



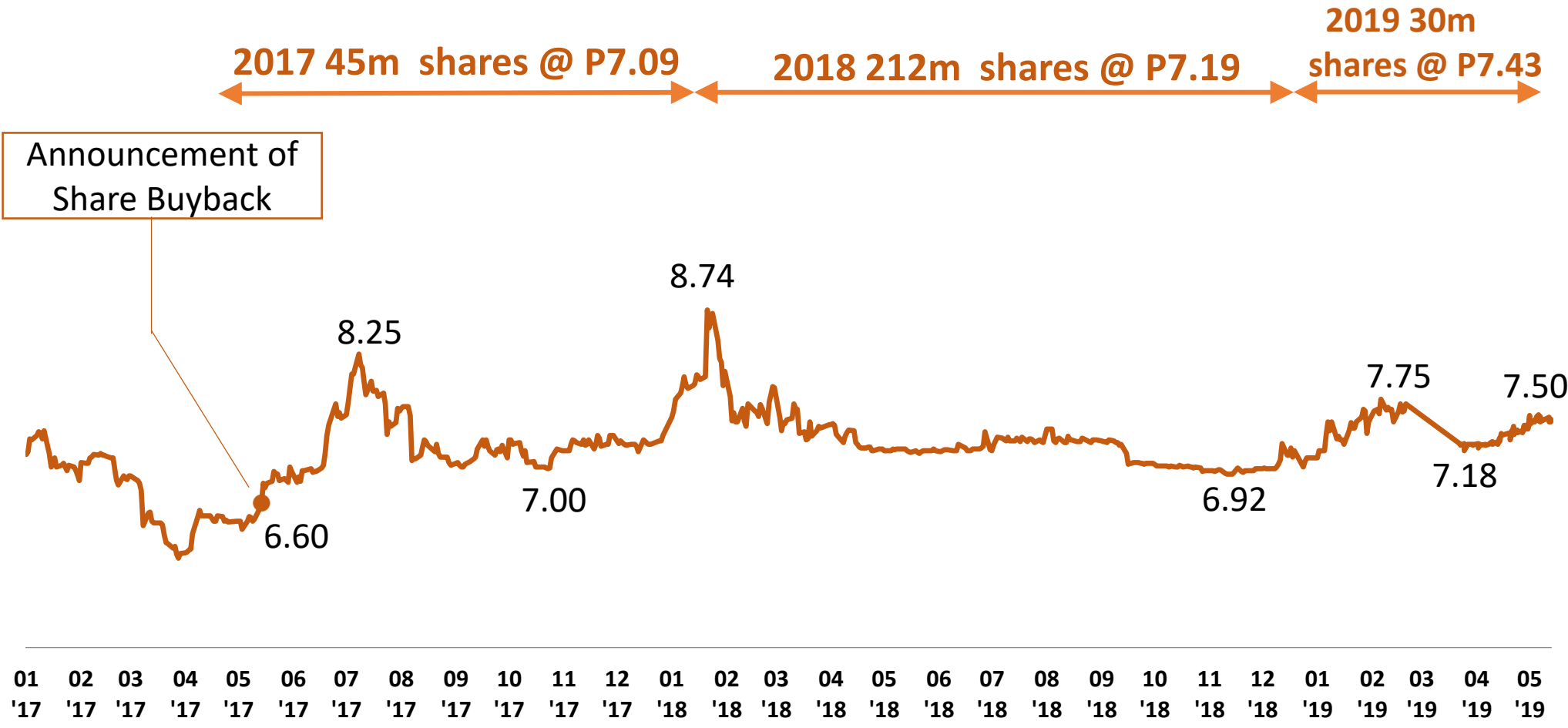
Php350



# UPDATES

## Share Buyback

**As of May 15, 2019 287m shares @ P7.20**





# 2019 Annual Stockholders' Meeting

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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.