





EMPERADOR INC.



1

Our Financials

2

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 | -31.7% | 4,777 | 4,051 | -15.2% | Lower EBITDA and earnings were mostly a result of higher expenses: <ul style="list-style-type: none"> • Ads and promo • Salaries – higher employee count at WMG and Bodegas Fundador • Interest charges + forex loss |
| EBITDA margin | 21% | | 26% | 22% | | |
| Net income (PHPm) | 1,199 | -41.0% | 3,439 | 2,698 | -21.6% | |
| Net income margin | 13% | | 19% | 15% | | |

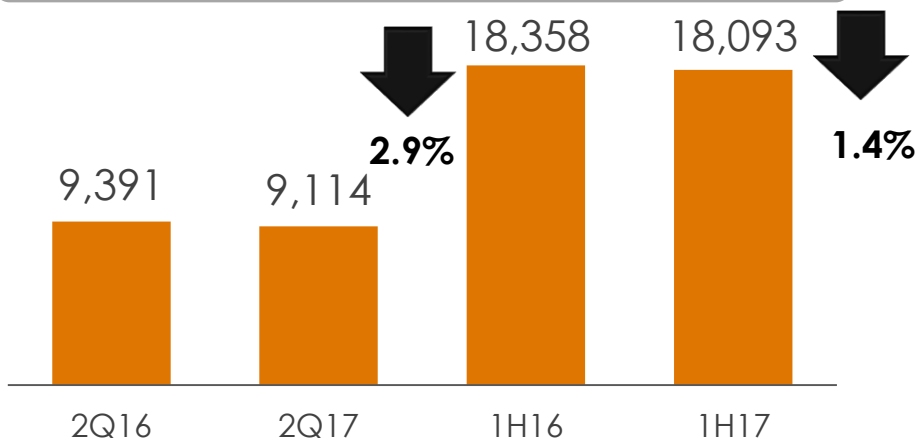
Our Financials



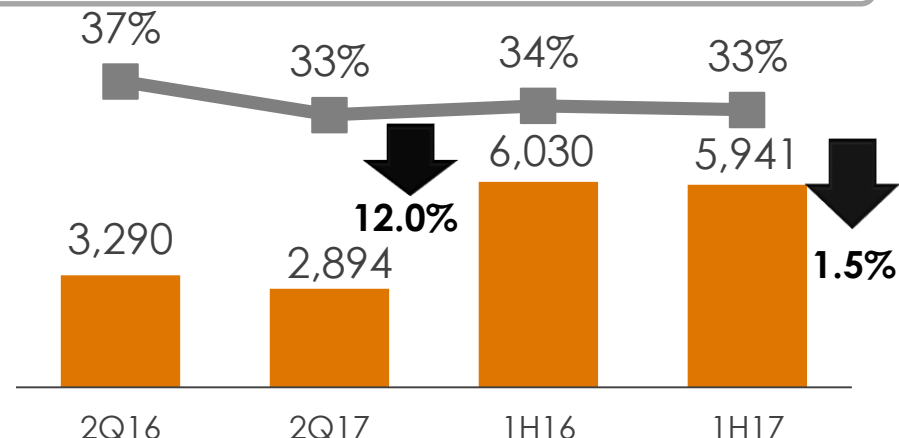
EMPERADOR INC.

Latest Financial Performance

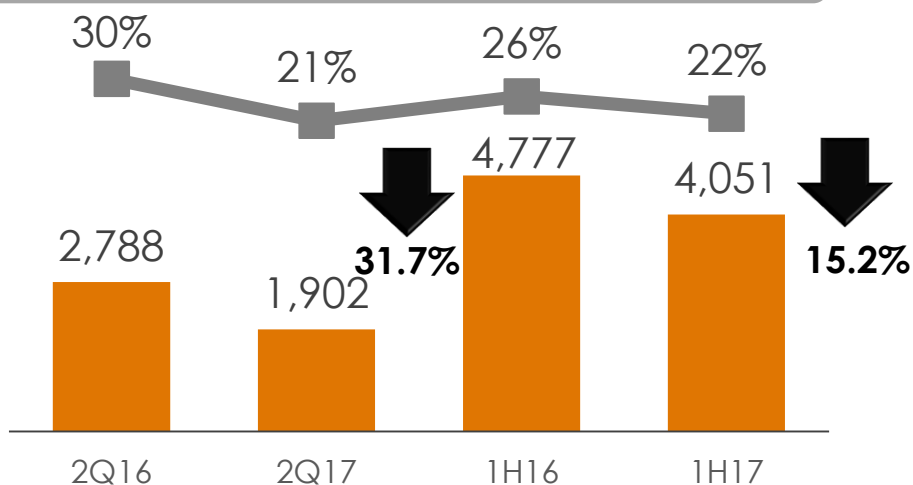
Revenues (PHPm)



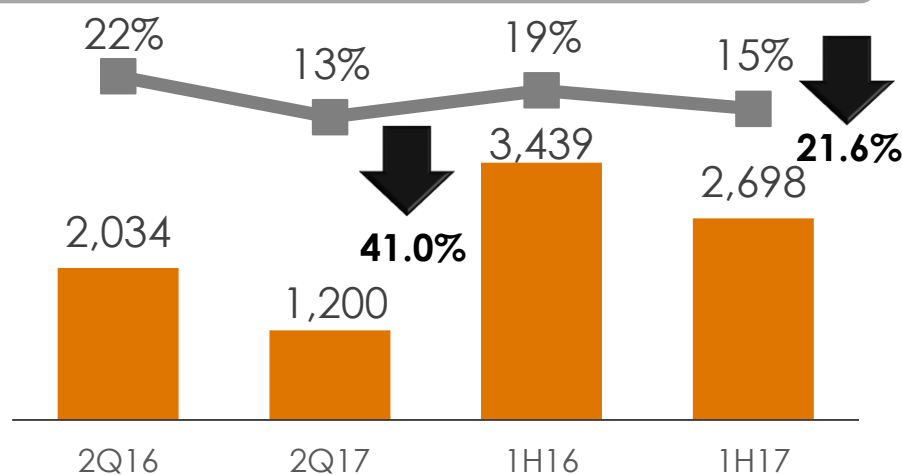
Gross profit & margin



EBITDA & margin



Net income & margin



Our Financials

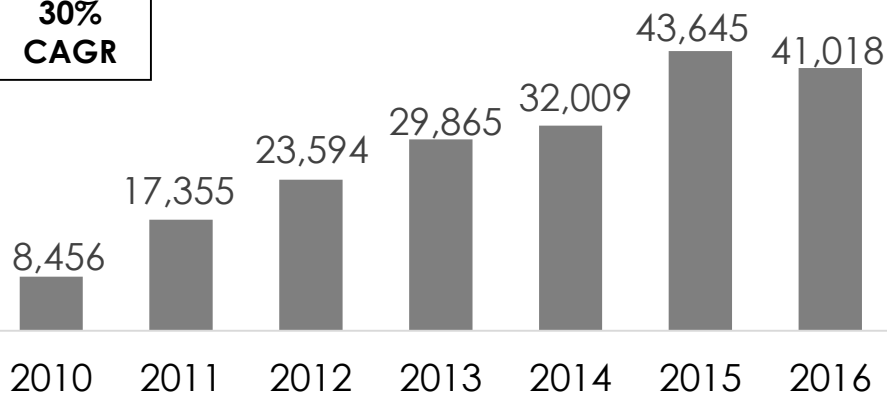


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Financial History

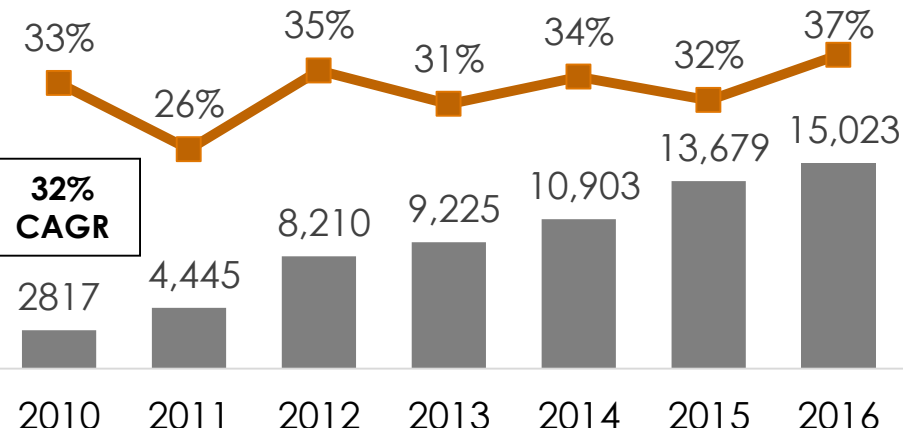
Revenues* (PHPm)

**30%
CAGR**



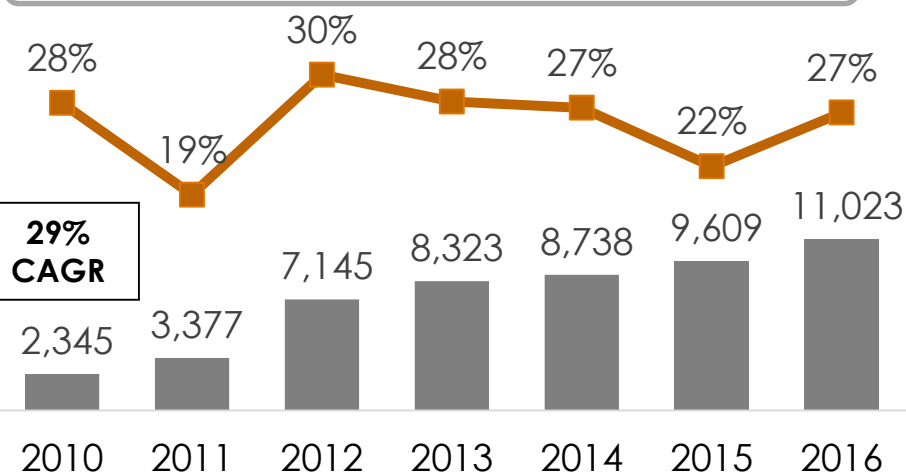
Gross profit* & margin

**32%
CAGR**



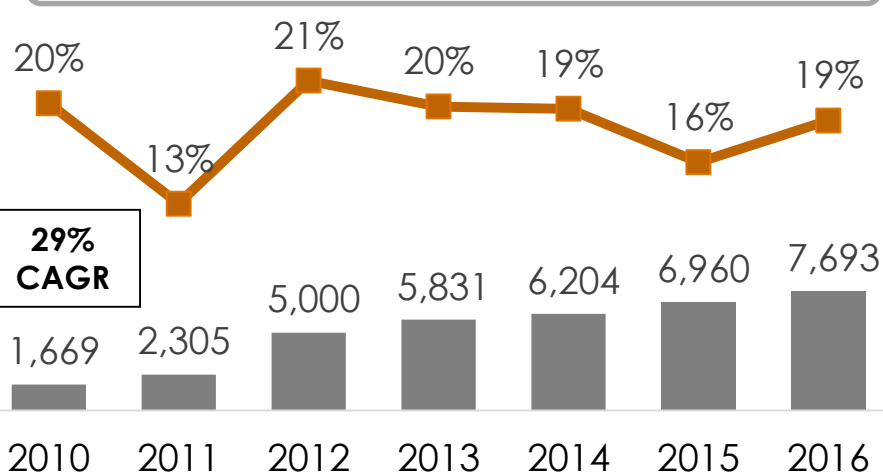
EBITDA & margin

**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 |

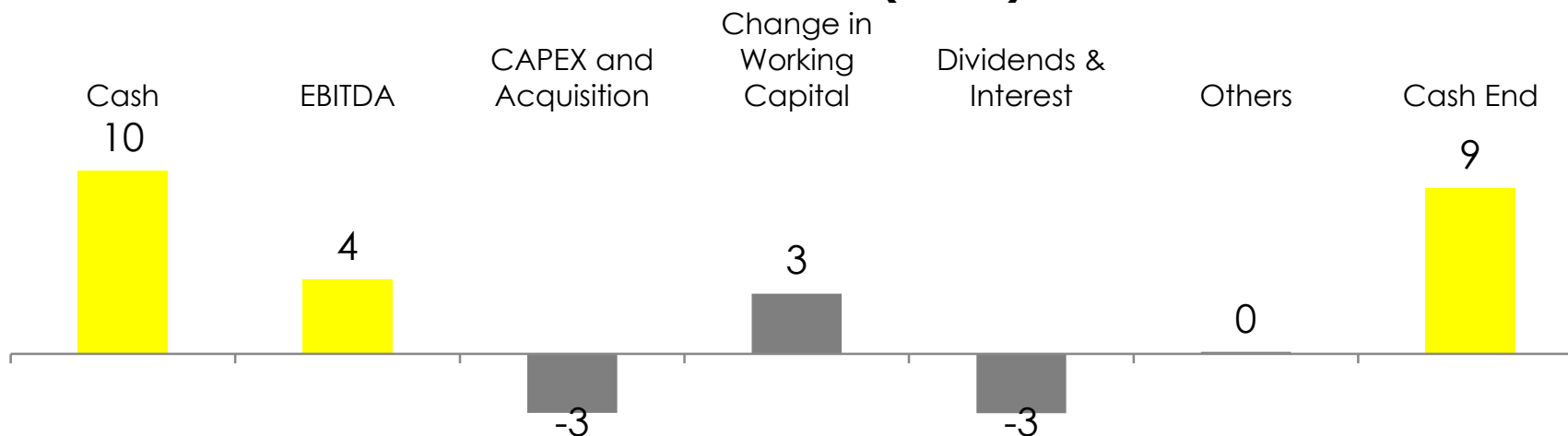
- Net of intersegment
- Intersegment sales and cost of goods sold are eliminated in the consolidated



Solid Capital Position

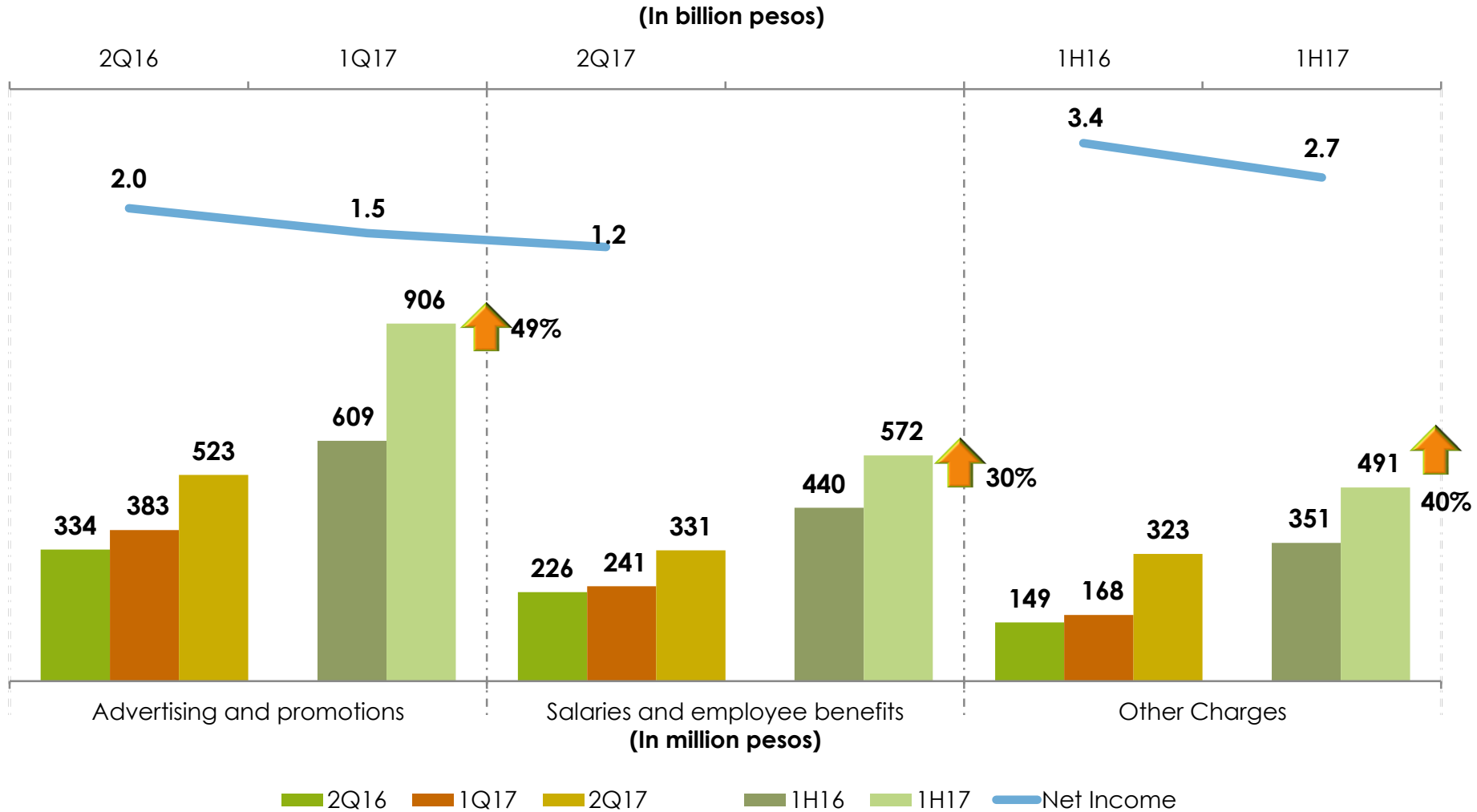
| (PHPm) | Cash | Debt | Net Debt | Net Debt to Equity | Commentary |
|---------------|--------|--------|----------|--------------------|-----------------------------|
| 1H2017 | 9,065 | 32,306 | (23,241) | 44.7% | Higher leverage due to M&As |
| | 9,065 | 27,042 | (17,977) | 34.6% | Ex Equity-Linked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

Cash Position (PHPb)





Cost Drivers and Earnings





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Key Takeaways



Dominance, Premiumization, Profitability

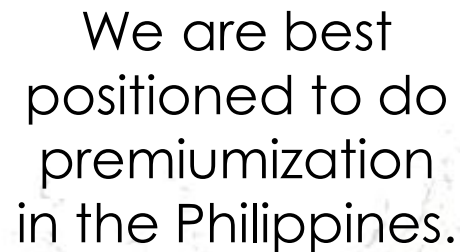
Future-proofing dominance

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

A close-up photograph of a glass filled with whiskey and several ice cubes. The liquid is splashing upwards, creating a dynamic and energetic scene. The glass is clear and cylindrical, and the whiskey has a rich, golden-brown hue.

Premiumization

We are best positioned to do premiumization in the Philippines.

A close-up photograph of a glass filled with whiskey and several ice cubes. The liquid is splashing upwards, creating a dynamic and energetic scene. The glass is clear and cylindrical, and the whiskey has a rich, golden-brown hue.

Profitability

We want margin sustainability and stability.

A close-up photograph of a glass filled with whiskey and several ice cubes. The liquid is splashing upwards, creating a dynamic and energetic scene. The glass is clear and cylindrical, and the whiskey has a rich, golden-brown hue.



EMPERADOR
BRANDY



EMPERADOR
LIGHT



SMIRNOFF
MULE



JURA



FUNDADOR



EMPERADOR INC.

END OF PRESENTATION