



EMPERADOR INC.



# EMPERADOR INC.

FY2019 ANALYST BRIEFING



EMPERADOR INC.

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**OUR RESPONSE TO THE PANDEMIC**

# OUR FINANCIALS

## 2019 Financial Highlights



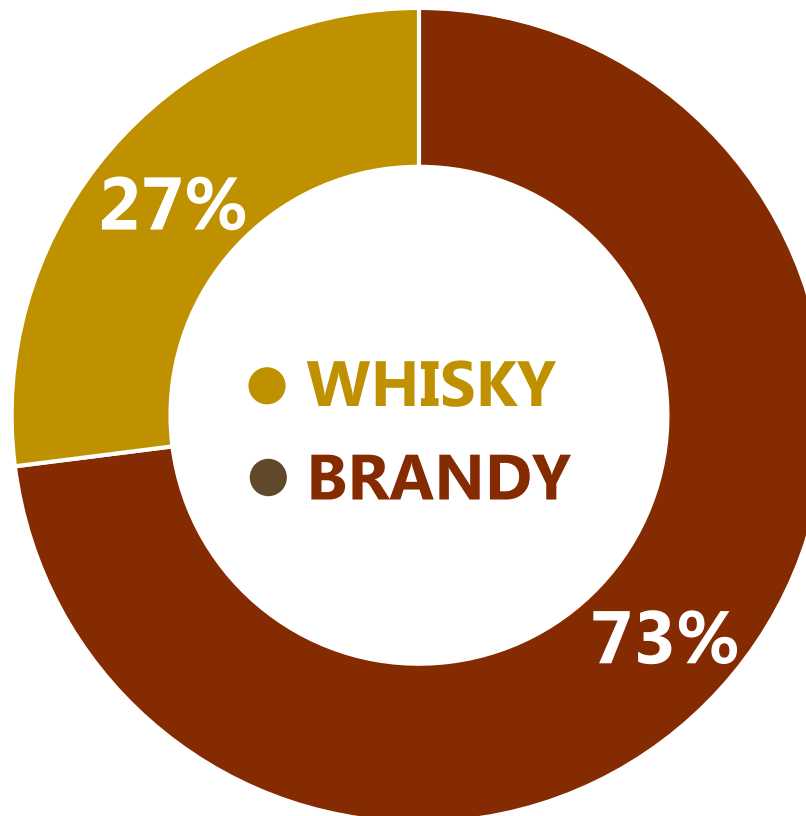
EMPERADOR INC.

**P51.6b**

**REVENUES**

**10%**

**REVENUE  
GROWTH**



**REVENUE  
BREAKDOWN**

**P7.0b**

**CORE INCOME\***

**14%**

**CORE INCOME  
MARGIN\***

*\*Attributable to parent*

# OUR FINANCIALS

## 2019 performance update



EMPERADOR INC.

	4Q19	YoY	2018	2019	YoY	Commentary
REVENUES	17,737	7%	47,050	51,565	10%	Both brandy and whisky showed top-line growth
GROSS PROFIT	4,802	-7%	16,041	16,926	6%	Consolidated GP margin still in mid-30s range in 2019 despite some COGS pressure in 4Q19
GROSS PROFIT MARGIN	28.2%		34.6%	33.7%		
CORE EBITDA	3,207	11%	10,332	11,080	7%	EBITDA showed growth but lower margin due to cost pressure in 4Q19
CORE EBITDA MARGIN	18.1%		22.0%	21.5%		
CORE INCOME*	1,727	13%	6,658	6,998	5%	Core earnings grew in 4Q19 but higher costs dampened margin.
CORE INCOME MARGIN*	9.7%		14.2%	13.6%		
<i>Non-recurring expense</i>	272		-	272		

\*Attributable to parent

All items are in million pesos except margin (%)

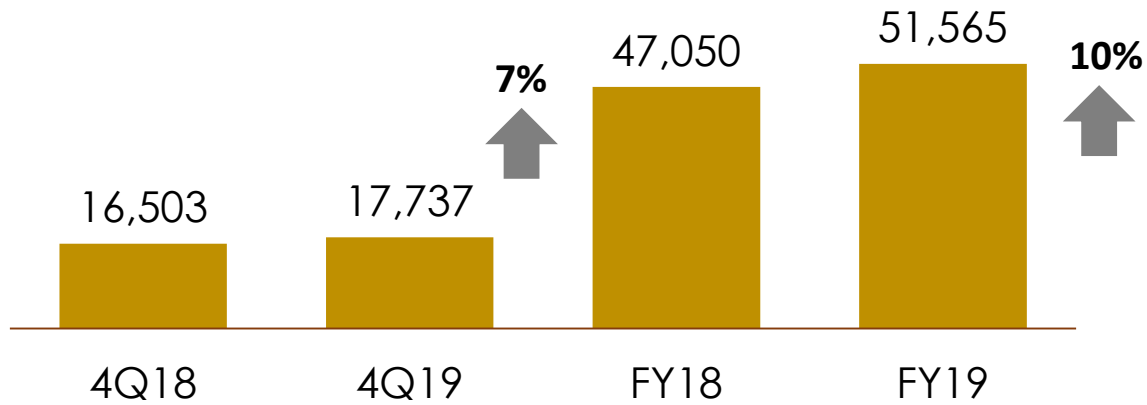
# OUR FINANCIALS

## Latest financial performance

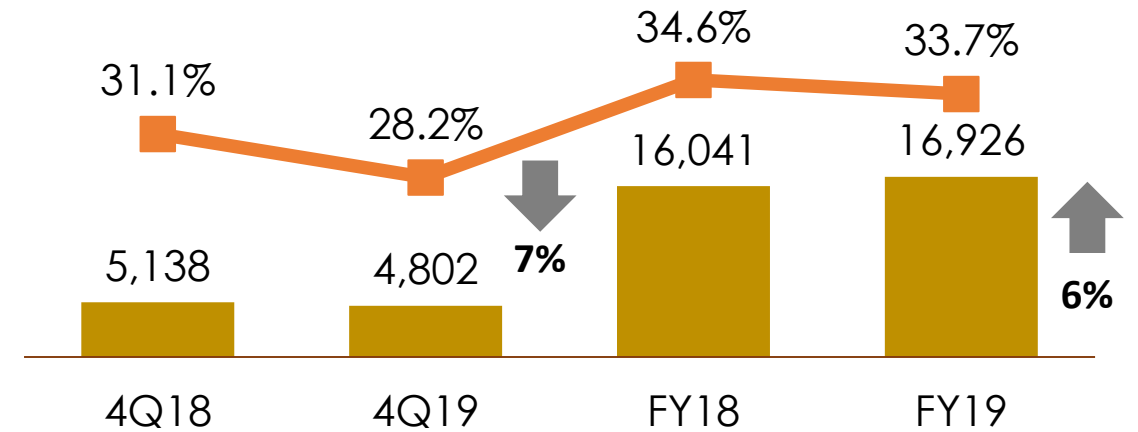


EMPERADOR INC.

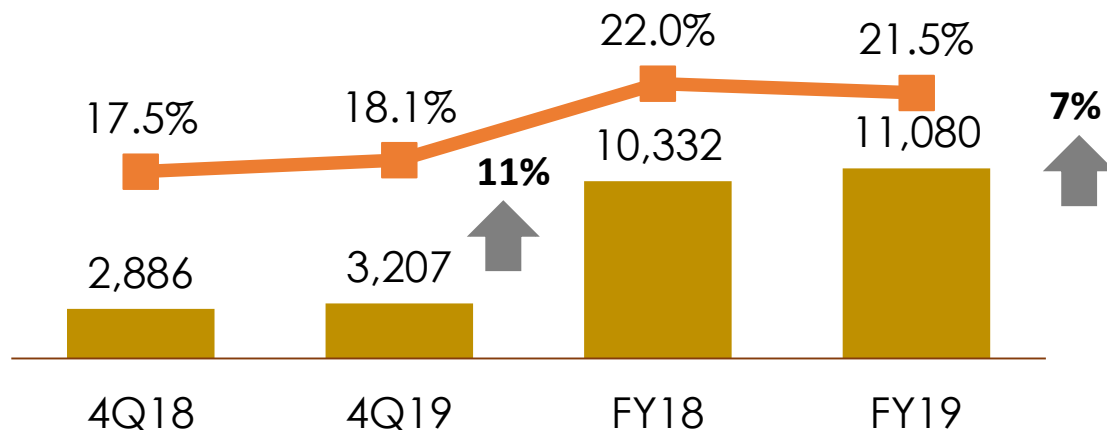
### Revenues



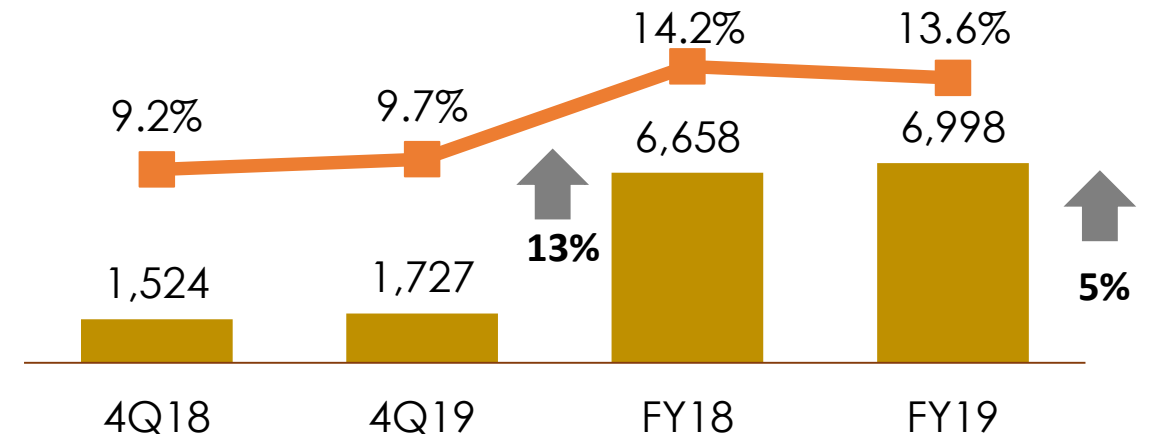
### Gross Profit & margin



### Core EBITDA & margin



### Core income\* & margin



\*Attributable to parent  
All items are in million pesos except margin (%)



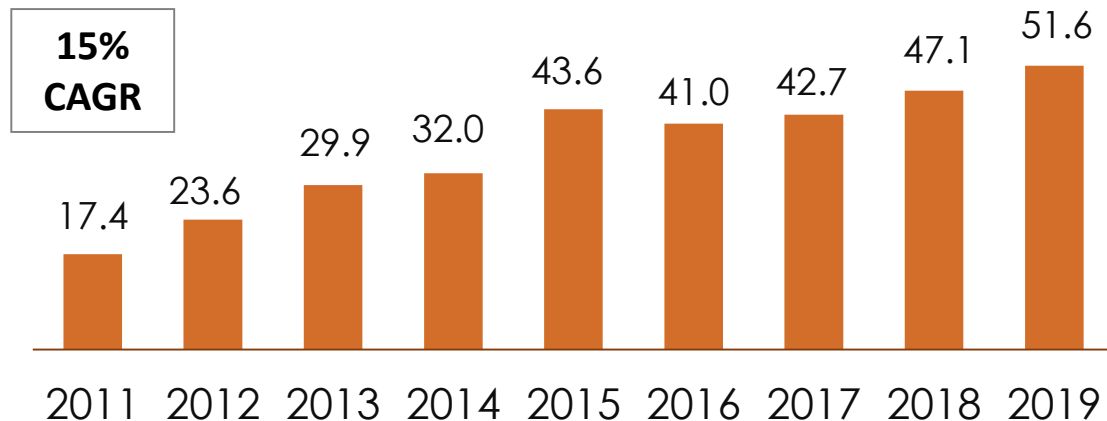
# OUR FINANCIALS

## Financial History

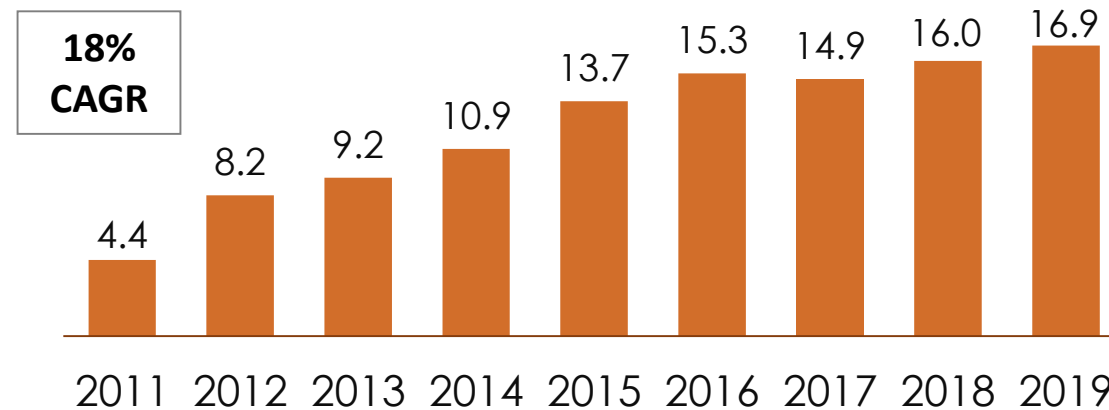


EMPERADOR INC.

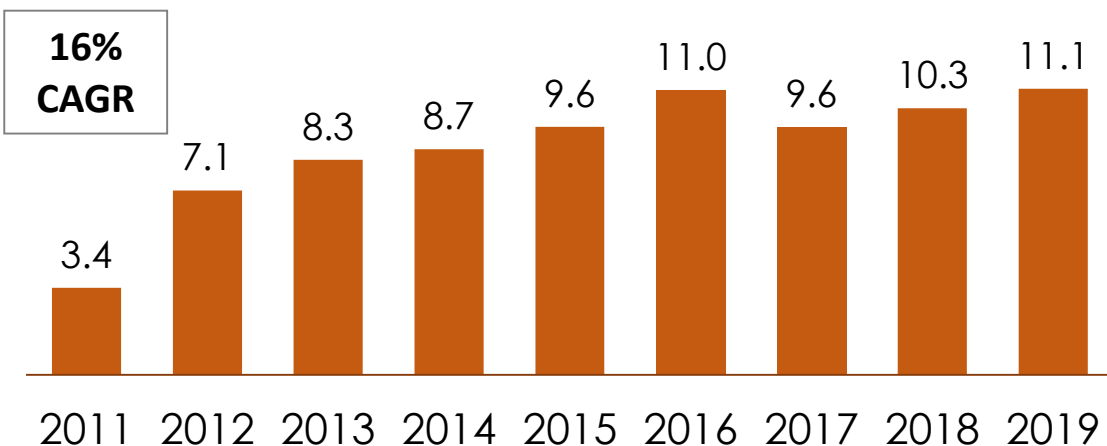
### Revenues



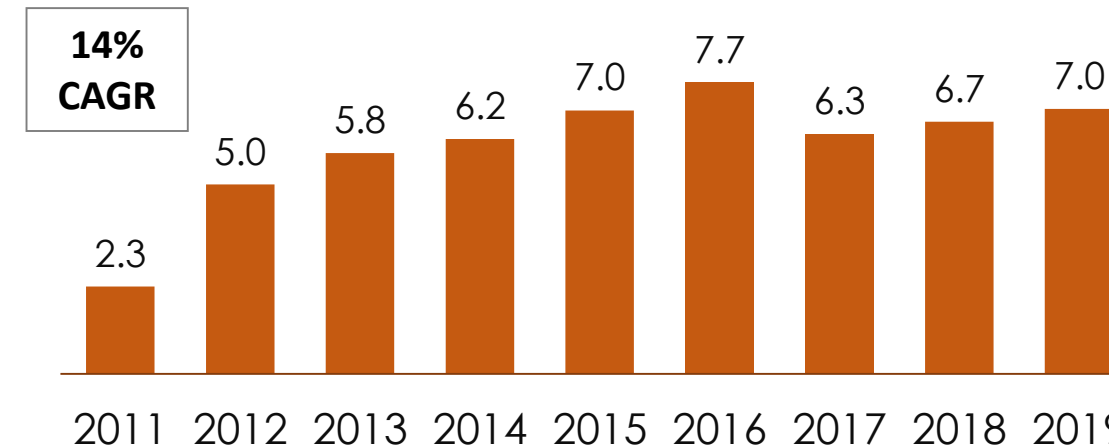
### Gross Profit



### Core EBITDA



### Core income



\*Attributable to parent  
All items are in billion pesos

# OUR FINANCIALS

## Segment Breakdown



EMPERADOR INC.

	Revenues		Gross Profit		Core EBITDA		Core Income	
	2018	2019	2018	2019	2018	2019	2018	2019
Brandy	33,681	37,627	10,730	11,339	7,870	8,414	4,846	5,031
Whisky	13,369	13,938	5,311	5,586	2,462	2,666	1,812	1,967
EMP Inc.	47,050	51,565	16,041	16,926	10,332	11,080	6,658	6,998

- All items are in million pesos
- Revenues, net of intersegment
- Core income attributable to parent

# OUR FINANCIALS

## Brandy Segment



EMPERADOR INC.

	4Q19	YoY	2018	2019	YoY	Commentary
REVENUES	13,540	9%	33,681	37,627	12%	Strong quarter, roughly Php13b sales vs Php8b average in the three prior quarters
GROSS PROFIT	3,357	-5%	10,730	11,339	6%	Pressure on gross profit mostly due to higher promos, and to a certain degree, raw material cost
GROSS PROFIT MARGIN	25.9%		31.7%	30.4%		
CORE EBITDA	2,672	25%	7,870	8,414	7%	Higher opex like professional fees, depreciation and amortization
CORE EBITDA MARGIN	19.6%		22.8%	21.9%		
CORE INCOME	1,337	14%	4,846	5,031	4%	Stripping out impairment charge, core earnings rose 14% yoy in 4Q19
CORE INCOME MARGIN	9.8%		14.1%	13.1%		
<i>Non-recurring expense</i>	272		-	272		

- All items are in million pesos
- Revenues, net of intersegment
- Core income attributable to parent



# OUR FINANCIALS

## Whisky Segment



EMPERADOR INC.

	4Q19	YoY	2018	2019	YoY	Commentary
REVENUES	4,197	3%	13,369	13,938	4%	Strong quarter, roughly Php4.2b sales vs Php3.2b average in the three prior quarters
GROSS PROFIT	1,444	-10%	5,311	5,586	5%	4Q19 performance impacted by product and geographical sales mix
GROSS PROFIT MARGIN	33.5%		39.7%	39.8%		
CORE EBITDA	535	-28%	2,462	2,666	8%	Lower EBIT due to lower GP margin coupled with higher depreciation
CORE EBITDA MARGIN	12.4%		18.2%	18.8%		
CORE INCOME	390	11%	1,812	1,967	9%	Despite cost pressures, earnings managed to show double-digit growth
CORE INCOME MARGIN	9.0%		13.4%	13.9%		

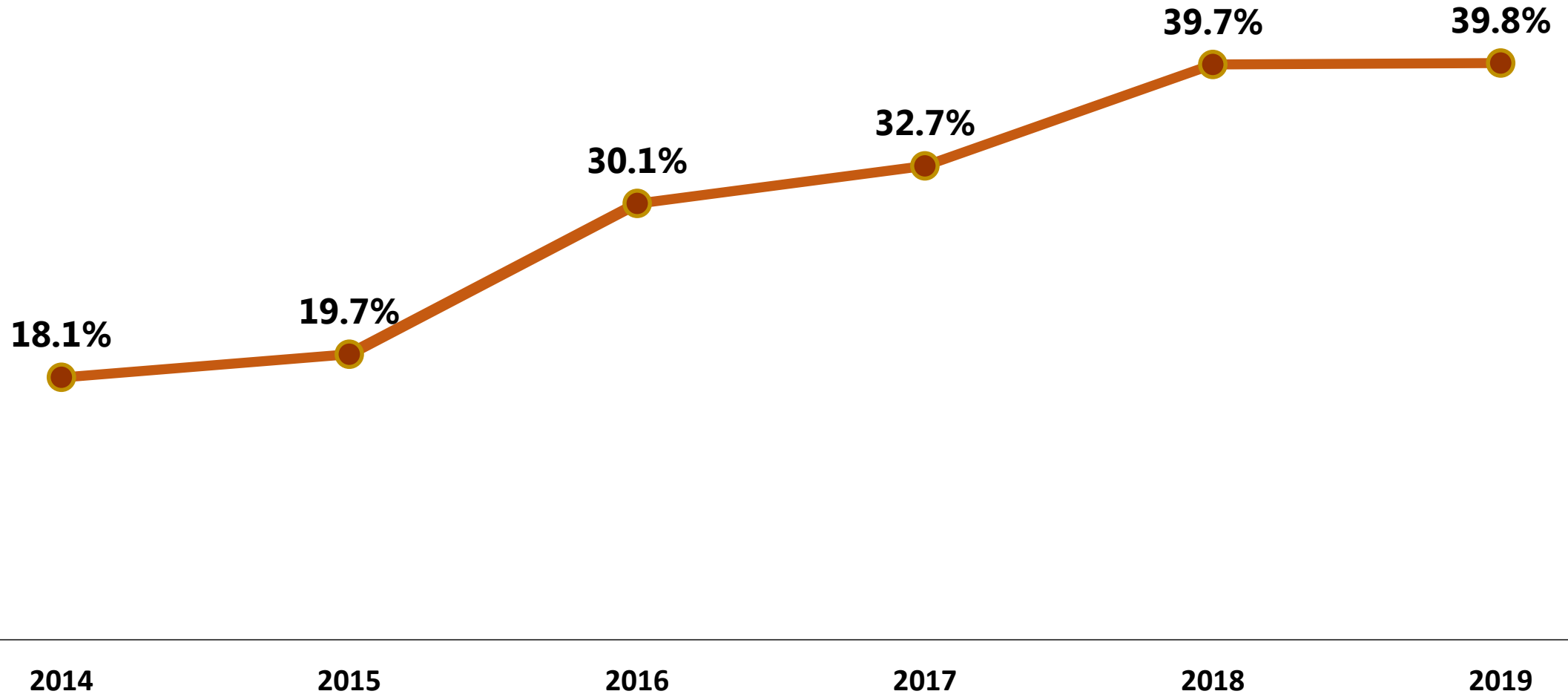
- All items are in million pesos
- Revenues, net of intersegment

# OUR FINANCIALS

## WMG Gross Profit Margin



EMPERADOR INC.



# OUR FINANCIALS

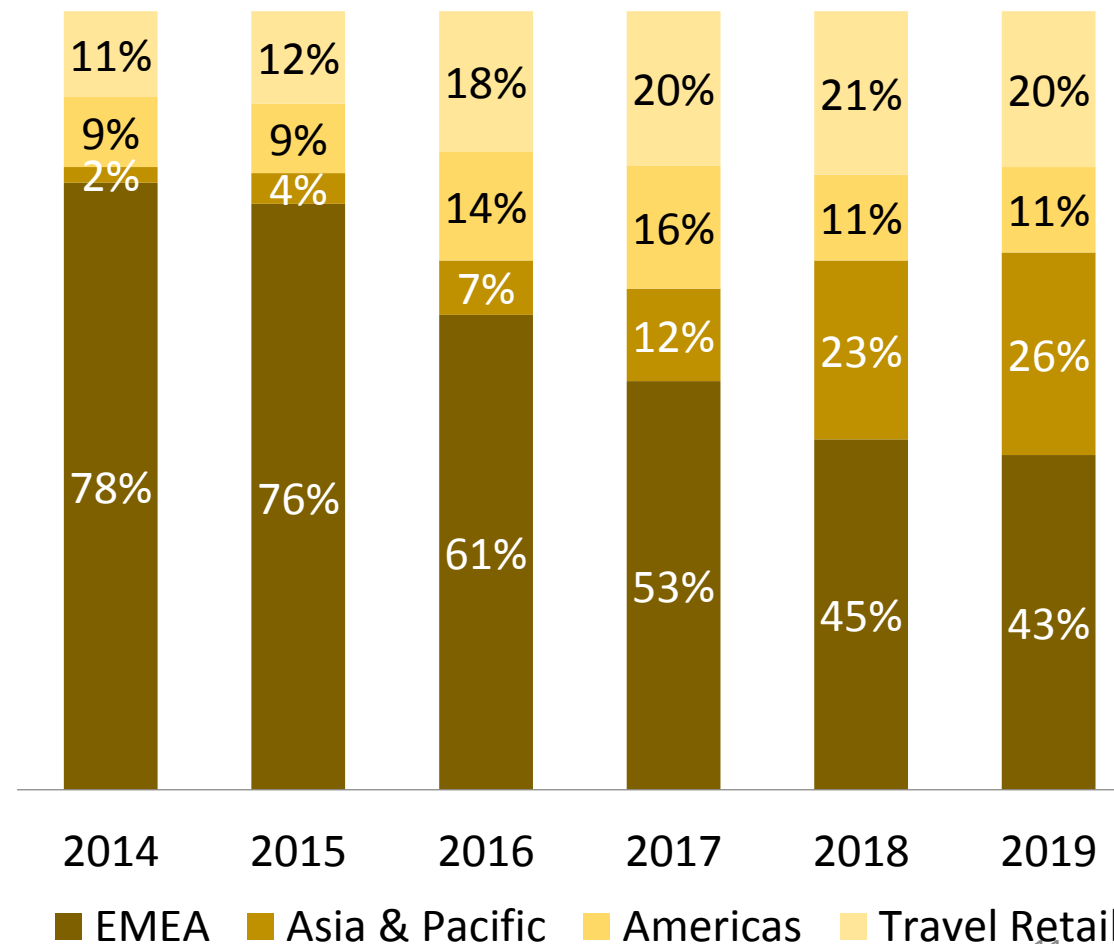
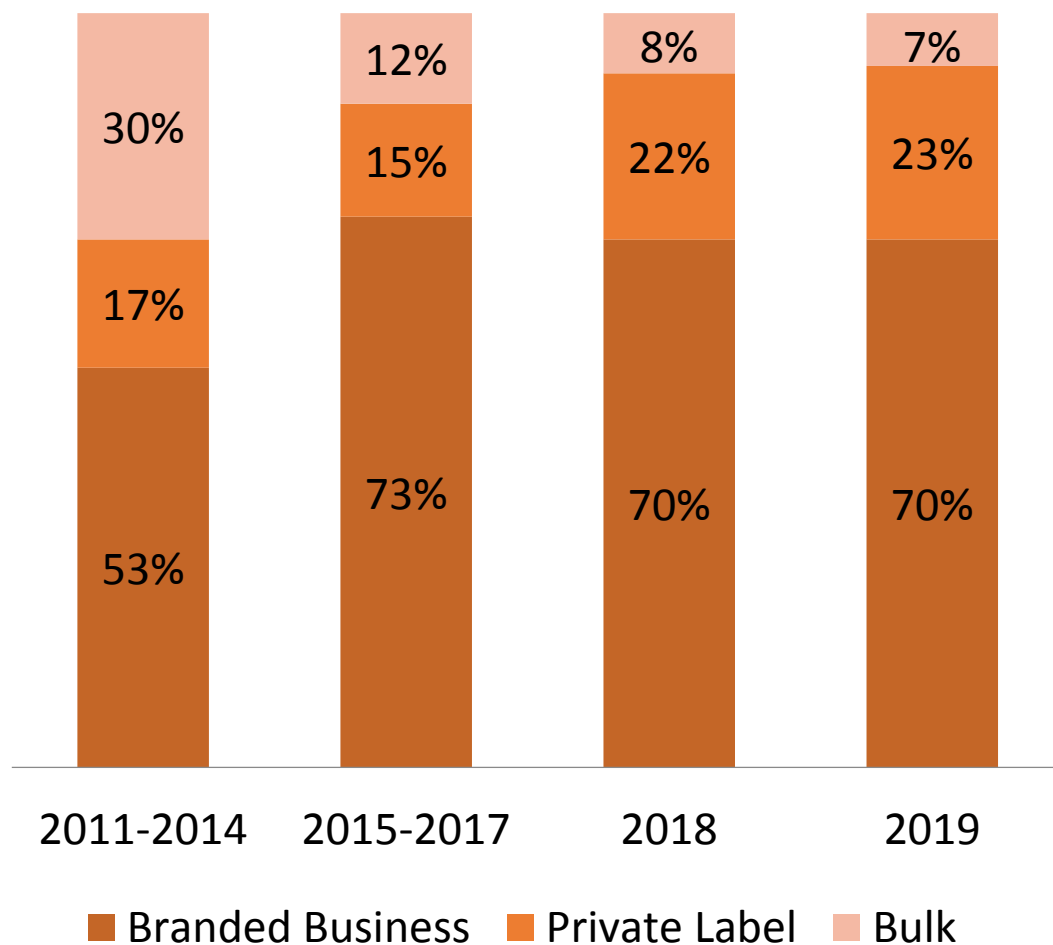
## Whyte and Mackay



EMPERADOR INC.

### Revenue Mix

### Branded Business By Region



# OUR FINANCIALS

## Solid Cash Position



EMPERADOR INC.

(PHPm)	Cash	Debt	Net Debt	Net Debt to Equity	Commentary
2019	7,741	37,220	29,479	46%	Improved net debt to equity due to net repayment of bank loans and translation adjustment.
	7,741	31,940	24,199	37%	Ex Equity-linked security
2018	6,228	39,274	33,045	54%	Lower cash due to share buyback and dividend payout
	6,228	34,015	27,786	45%	Ex Equity-linked security

# ELS Evolution



EMPERADOR INC.

**Dec 2014**

- ELS Php5.3b issuance to Arran Investment Private Limited
- ✓ Conversion rights
- ✓ Interest rate

**Jun 2017**

- Php832m worth of interest converted to 122m shares
- Removal of interest rate

**Dec 2019**

- ELS split into 2 tranches:
  - ✓ i. Php1.8b convertible to 253m shares
  - ✓ Php3.4b convertible to 475m shares

**Jan 2020**

- Removal of mandatory conversion rights

**Feb 2020**

- Tranche 1 worth Php1.8b converted to 253m shares using treasury shares

# 27 Accolades of Fundador in 2019

EMPERADOR INC.





# Emperador Amid The Pandemic

## Partially operating, thus generating some revenues



EMPERADOR INC.

- ❑ Philippines subject to dry law during quarantine
  - No operations, no sales, no production
  - Practically zero on- and off-premise sales
  
- ❑ Spain and UK mostly operational
  - No liquor ban
  - But on-trade or on-premise business affected due to closure of bars, restaurants, and the like
  - Robust off-premise sales
  
- ❑ Travel retail segment negatively impacted

# ANDREW TAN GROUP

## P1.11-BILLION

### TOTAL DONATIONS AND PROJECTS



Donation to  
Project Ugnayan  
**P100M**



1-M liters of disinfectant  
alcohol  
**P250M**



Megaworld donation of  
COVID-19 test labs to  
Philippine Red Cross  
**P60M**



AGI & subsidiaries'  
donations to LGUs and other  
organizations  
**P66M**



McDonald's Kindness Kitchen  
and funding for assistance to  
employees and communities  
**P500M**



RWM & partners' donations for  
PPEs & food distribution  
to poor communities  
**P125M**

Megaworld & subsidiaries' food  
& distribution to frontliners and  
construction workers, COVID facilities,  
and other partner beneficiaries, and free  
transport to frontliners  
**P5M**



Megaworld Hotels' donations  
of essentials and PPEs  
and medical supplies to IATF,  
LGUs and hospitals  
**P3M**





EMPERADOR INC.



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End of presentation

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