





EMPERADOR INC.



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Key Takeaways



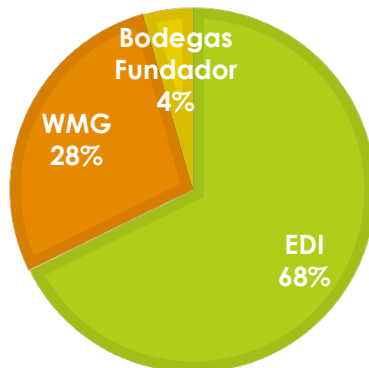
## 2016 Financial Highlights

**PHP41b**  
Consolidated  
Revenues

Net Income  
Margin  
**19%**



### Revenue Breakdown



**PHP7.7b**  
Consolidated  
Net Income

Net Income  
Growth  
**11%**



## 2016 Performance Update

	4Q16	YoY	2015	2016	YoY	Commentary
Revenues (PHPm)	13,137	-9.6%	43,645	41,018	-6.0%	Up 5% in 4Q16 and 6% in 2016 ex Russian Standard vodka
Gross profit (PHPm)	5,749	34.4%	13,679	15,023	9.8%	28% margin for WMG, 40% margin for EMP ex WMG
Gross profit margin (%)	43.4%		31.6%	37.1%		
EBITDA (PHPm)	3,852	38.7%	9,609	11,023	14.7%	11% margin for WMG, 33% margin for EMP ex WMG
EBITDA margin	29.3%		22.0%	26.9%		
Net income (PHPm)	2,771	22.8%	6,960	7,693	10.5%	9% margin for WMG, 22% margin for EMP ex WMG
Net income margin	21.1%		15.9%	18.8%		

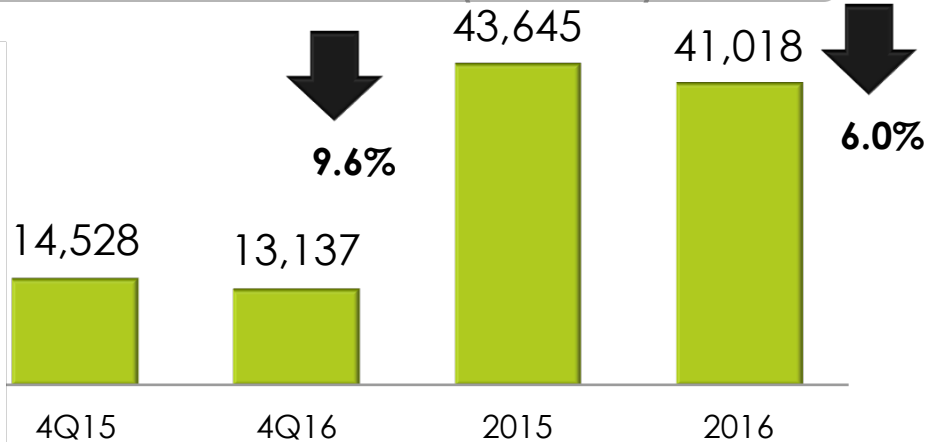
# Our Financials



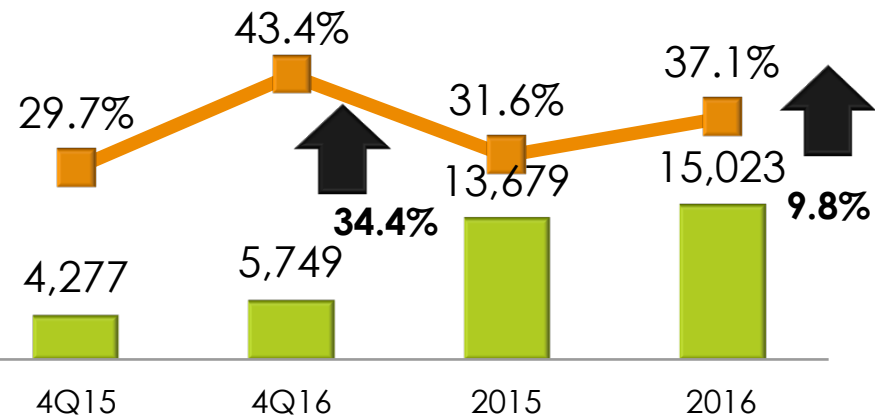
EMPERADOR INC.

## Latest Financial Performance

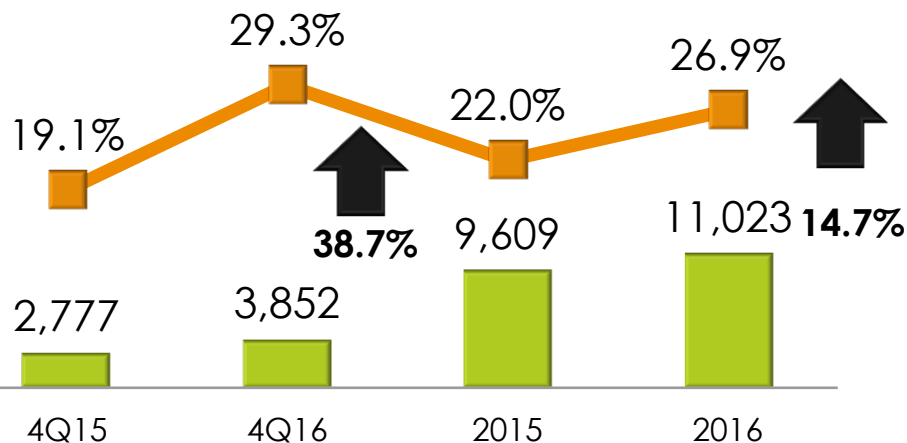
### Revenues (PHPm)



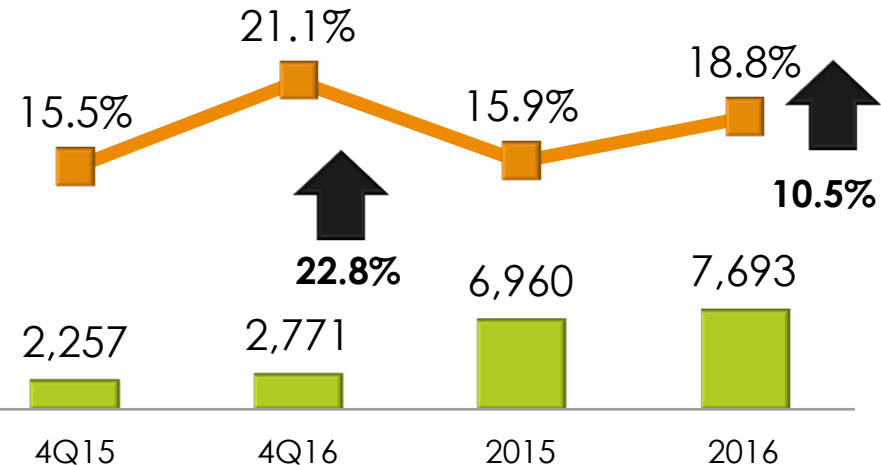
### Gross profit & margin



### EBITDA & margin



### Net income & margin



# Our Financials

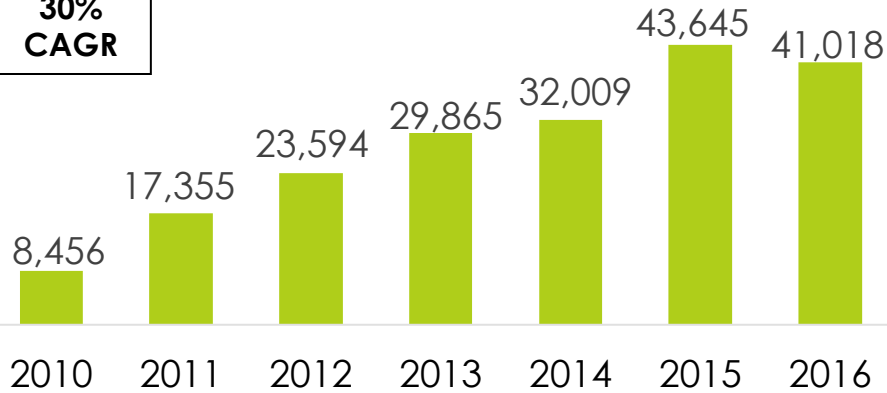


EMPERADOR INC.

## Financial History

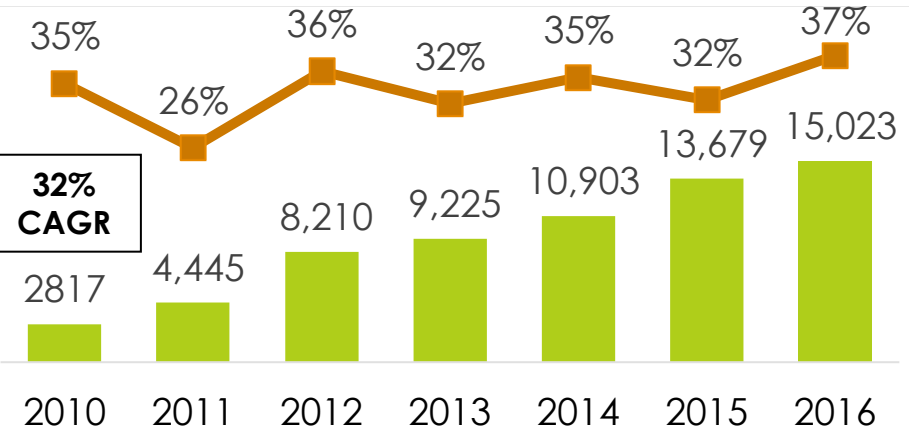
### Revenues\* (PHPm)

**30%  
CAGR**



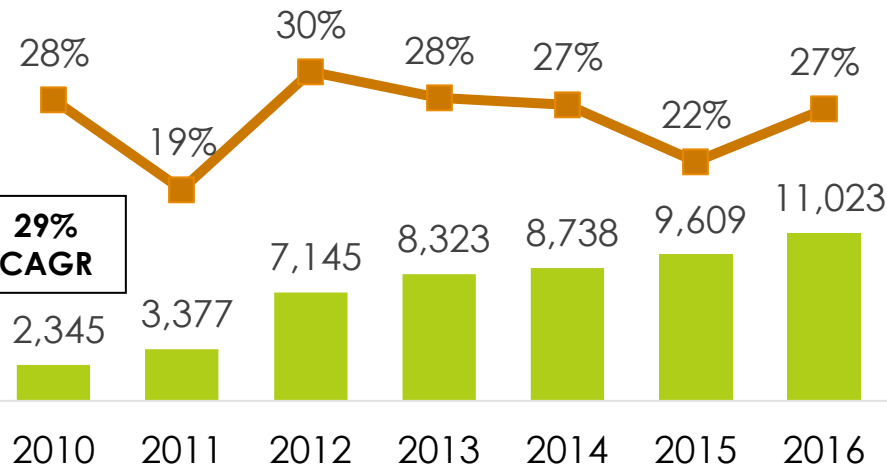
### Gross profit\* & margin

**32%  
CAGR**



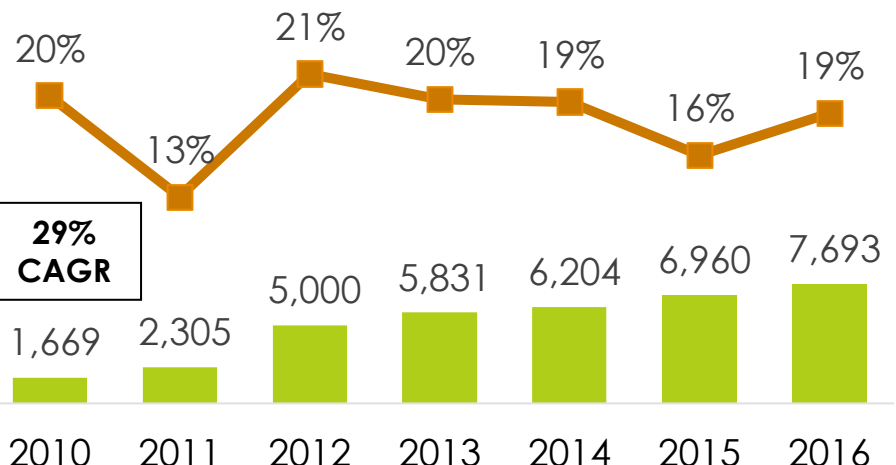
### EBITDA & margin

**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	
	2015	2016	2015	2016	2015	2016	2015	2016
EMP (ex WMG)	27,120	30,025	10,423	11,884	8,547	9,790	5,856	6,646
WMG	16,525	11,469	3,255	3,138	1,062	1,232	1,104	1,047
EMP (consolidated)	43,645	41,018*	13,679	15,023	9,609	11,023	6,960	7,693

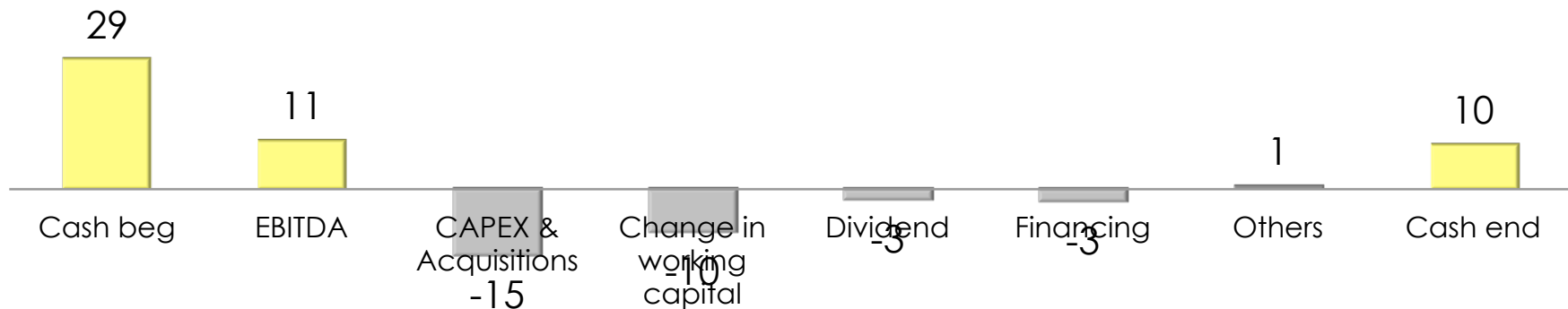
\*Net of intersegment



## Solid Capital Position

(PHPm)	Cash	Debt	Net Debt	Net Debt to Equity	Commentary
<b>2016</b>	10,174	29,363	19,189	37%	Use of cash to fund acquisitions, debt repayment, dividend payment
	10,174	24,100	13,926	27%	Ex Equity-linked security
<b>2015</b>	29,178	29,159	cash	cash	Additional debt to purchase Bodegas Fundador

### Cash Position (PHPb)







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# Recent Developments

## US Launch of Emperador Brandy



EMPERADOR INC.

# EMPERADOR BRANDY



**G.K. Skaggs** announced the addition of Emperador Brandy and Emperador Light throughout the United States. Imported from **Emperador Distillers Inc.** in the Philippines, Emperador Brandy is 40 percent alcohol by volume and offers the fruity aroma of grapes on the nose, which is balanced in the mouth with a subtle finish of almond, the company says. Emperador Light is 27.5 percent alcohol by volume and offers the aromas of fruit and raisins on the nose. Emperador Light is easy and balanced in the mouth, with hints of peach and a subtle finish of wood and almond, it adds. The brandies will launch in major U.S. markets during the first quarter of 2017, it says. Packaged in 750-ml glass bottles, the brandies will have a suggested retail price of **\$14.99**.



## Dalmore Flagship Store

**84 vaults** are available in the **Dalmore Keeper's Den** - a private lounge where VIPs can deposit their bottle and enjoy a dram upon reservation.



An exclusive release of The Dalmore collection being featured at the flagship is the **Constellation Collection**, which is touted as the “most expensive single malt whisky collection in the Philippines,” valued at PHP18 million.



# Recent Developments



EMPERADOR INC.

## Fortifying Brandy Dominance

“Bunso”



350ml  
USD0.84-0.96/  
PHP42-48



750ml  
USD1.65-1.90/  
PHP83-95



1l  
USD2.25-2.60/  
PHP 113-130



1l  
USD4.28-4.90/  
PHP215-246



1l  
USD6.17-7.05/  
PHP310-354

# Recent Developments



EMPERADOR INC.

## Building The Whisky Segment

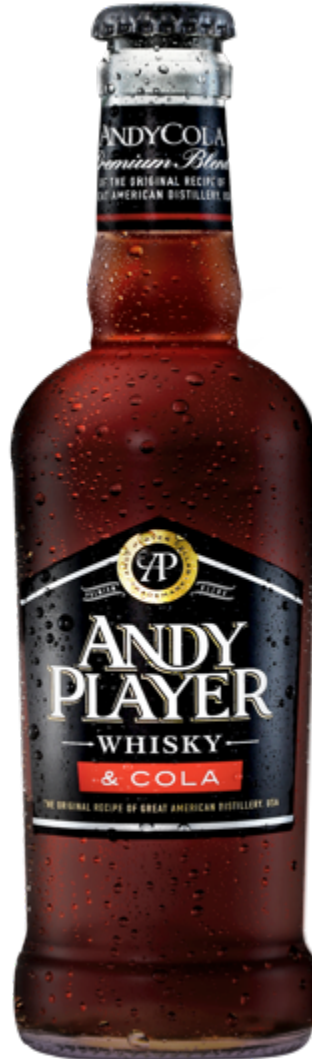
# ANDYCOLA

*Premium Blend*

OF THE ORIGINAL RECIPE OF  
GREAT AMERICAN DISTILLERY, USA

Launched late last  
year

330ml  
USD0.52-0.60/  
PHP26.25-30



# Recent Developments



EMPERADOR INC.

## Building Philippine Whisky Segment





## Purchase of Assets (30 March 2017)

- ❑ Buyer: Bodegas Las Copas (BLC), S.L., a 50/50 joint venture company of Grupo Emperador Spain and Gonzales Byass
- ❑ Seller: Pernod Ricard
- ❑ Assets bought: the Domecq and Pedro Domecq brands, including the brands Presidente, Don Pedro and Azteca de Oro, as well as a winery in Baja California.
- ❑ Purchase price: €80.9m



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## Dominance, Premiumization, Profitability

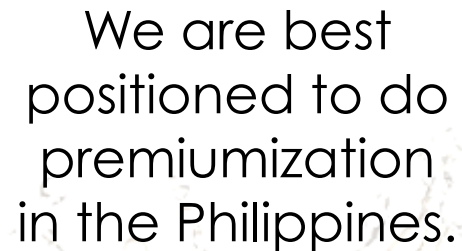
### Future-proofing dominance

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 ice. The glass is partially filled with a golden-brown liquid, and a large ice cube is visible. The liquid is splashing upwards, creating a dynamic and energetic scene.

### Premiumization

We are best positioned to do premiumization in the Philippines.

A close-up photograph of a glass filled with whiskey and ice. The glass is partially filled with a golden-brown liquid, and a large ice cube is visible. The liquid is splashing upwards, creating a dynamic and energetic scene.

### Profitability

We want margin sustainability and stability.

A close-up photograph of a glass filled with whiskey and ice. The glass is partially filled with a golden-brown liquid, and a large ice cube is visible. The liquid is splashing upwards, creating a dynamic and energetic scene.



EMPERADOR  
BRANDY



EMPERADOR  
*Deluxe*



EMPERADOR  
LIGHT



SMIRNOFF  
MULE



DALMORE

JURA



FUNDADOR



EMPERADOR INC.

END OF PRESENTATION