



SBS PHILIPPINES CORPORATION

August 2016

A vertical graphic on the left side of the slide, consisting of a red circle at the top, followed by four white circles, all connected by a thin grey line. The red circle is the largest and is positioned to the left of the first agenda item. The white circles are smaller and are positioned to the left of the subsequent three agenda items.

Introduction to SBS

SBS Business

Financial Highlights 1H 2016

Outlook and Investment

Q & A

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SBS Philippines Corporation

YOUR STRATEGIC CHEMICAL SUPPLY PARTNER

SBS IPO 10 Aug 2015

A pioneer Filipino company in third-party chemical distribution business in Philippines.

Among the major leaders in chemical distribution in the country

Offering a seamless One-Stop-Shop Solution connecting global suppliers with local customers.

Carries a broad line of chemical products that are distributed nationwide across various industries



Vision: “To be the best-in-class chemical raw materials provider and the chemical supplier of choice”

**GOAL 2020:
THE MARKET LEADER IN CHEMICAL DISTRIBUTION**

MISSION

Create a ***legacy of growth*** by:

- Distributing a wide-range of top quality and cost-efficient products
- Extending delightful customer service at all times
- Developing strong, long-term relationships with suppliers and customers
- Seeking to continuously improve our internal business processes and systems

CORE VALUES

- Honesty and Integrity
- Hard work and Perseverance
- Productivity and Excellence
- Customer Satisfaction
- Loyalty and dedication
- Faith in God Almighty

Evolving Through the Years



Opened first warehouse in Manila



Over 200 chemical products

1980s

1970

Started with 5 chemical products



Started selling to multinational companies

1990s



Formally organized SBS Philippines Corporation



Expanded distribution capacity with 5 warehouses



2000s



2020

Value added products and services

2010s



Professionalized management team



With over 3,000 chemical products from more than 500 suppliers



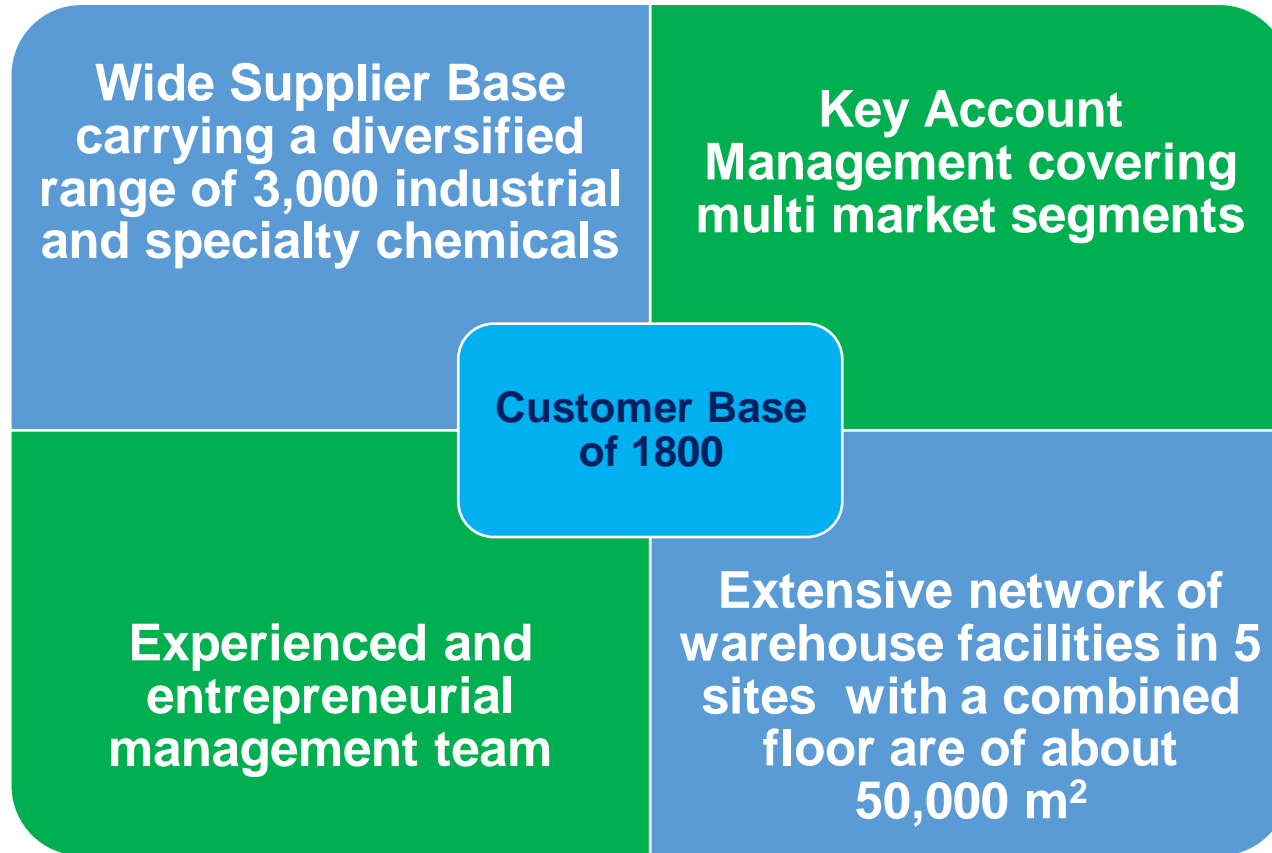


The SBS Board and Management represent a diverse balance of experience, insight, perspective and knowledge in trade and business management, accounting and finance, corporate governance & risk management, as well as regulatory compliance.



Key elements in the value chain of a chemical distributor:

- ✓ Sourcing from multiple producers to ensure a broad and complementary product offering
- ✓ Taking physical ownership of products
- ✓ Warehousing the products
- ✓ Mixing, blending, and repacking the products (if required by specific customers)
- ✓ Selling and physically transporting goods to customers



*Broad market presence mitigates industry specific cyclicity
Cross industry application makes for a resilient business model*



FOOD INGREDIENTS

35% of Total Sales*



INDUSTRIAL CHEMICALS

32% of Total Sales*



ANIMAL FEED INDUSTRY

22% of Total Sales*

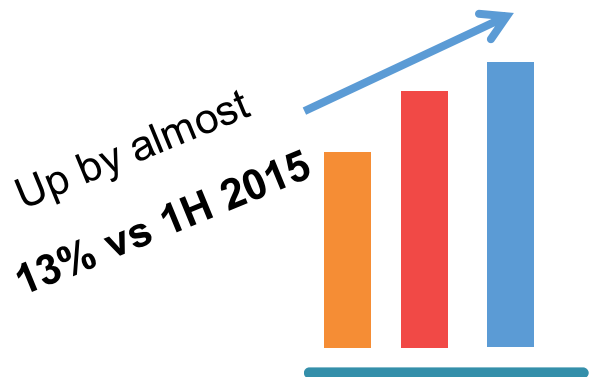


OTHER INDUSTRIES

11% of Total Sales*

* 1H 2016 Sales

Financial Highlights – 1H 2016

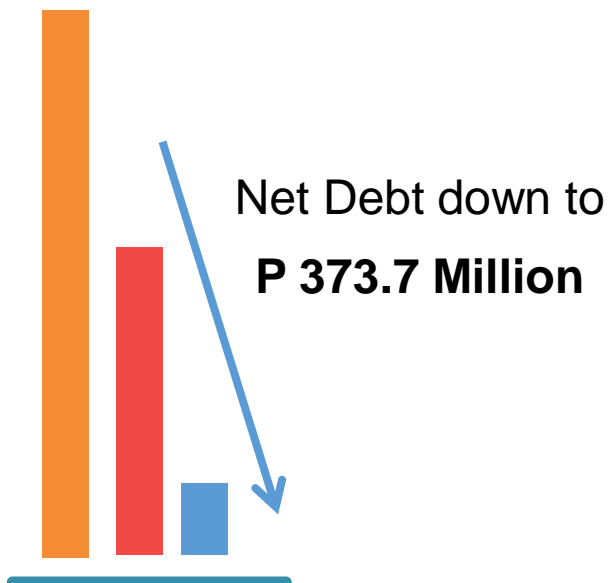


P 517 Million

in Sales Revenue

SBS EARNs PHP 910.7 MILLION IN THE FIRST HALF OF 2016

- Highlights 1H 2016
- First half 2016 net sales increased by 12.8% year on year, from P458.6 million to P517.1 million
- Gross operating profit from core business grew by 18.9% year on year
- Realized a one-off gain of P826.3 million from the sale of certain real estate investments



**Dividends at P 0.037 per share
paid on 22 June 2016,
representing a 28% payout
ratio of 2015 net income**

INCOME STATEMENT	As of December 31			June 30		% Growth 1H 16 vs 15
	2013	2014	2015	2015	2016	
	<i>(All amounts in millions of pesos)</i>				<i>(unaudited)</i>	
Sales	786	933	940	459	517	12.8%
Operating Profit	70	147	206	95	113	18.9%
Net Income	60	100	159	73	911	
Net Income (excl one off gain)				73	84	15.3%

BALANCE SHEET	As of December 31			June 30	
	2013	2014	2015	2016	% change
	<i>(All amounts in millions of pesos)</i>				
ASSETS					
Current Assets	2,560	2,180	2,624	2,552	-3%
Non-Current Assets	996	1,248	1,243	959	-23%
	3,556	3,427	3,868	3,511	-9%
LIABILITIES					
Current Liabilities	1,455	1,684	1,277	254	-80%
Non-Current Liabilities	1,596	1,166	319	119	-63%
	3,051	2,849	1,597	374	-77%
EQUITY	505	578	2,271	3,137	38%

SBS PHILIPPINES CORPORATION
Schedule of Financial Indicators for June 30, 2016 and 2015

	2016	2015
Liquidity Ratio ¹	1003.4%	133.3%
Debt to Equity Ratio ²	11.9%	199.9%
Asset to Equity Ratio ³	111.9%	301.8%
Return on Assets ⁴	27.2%	2.1%
Return on Equity ⁵	43.4%	8.9%
Cost to Income Ratio ⁶	10.3%	17.7%
Interest Cost Coverage Ratio ⁷	7151.27%	384.8%
Earnings per Share ⁸	PHP 0.76	PHP 0.12

^{1/} Current Assets over Current Liabilities

^{2/} Total Liabilities over Equity

^{3/} Total Assets over Equity

^{4/} Net Income over Average Assets

^{5/} Net Income over Average Equity

^{6/} Cost and Expenses over Revenues

^{7/} EBIT over Interest Expense

^{8/} Net Income over Weighted Average Number of Common Outstanding Shares

Share Performance



Published on Investing.com, 19/Aug/2016 - 8:42:53 GMT, Powered by TradingView.

SBS Philippines Corp, Philippines, Philippines:SBS, D



SBS has continuously outperformed the PSEi since listing last 10 August 2015.

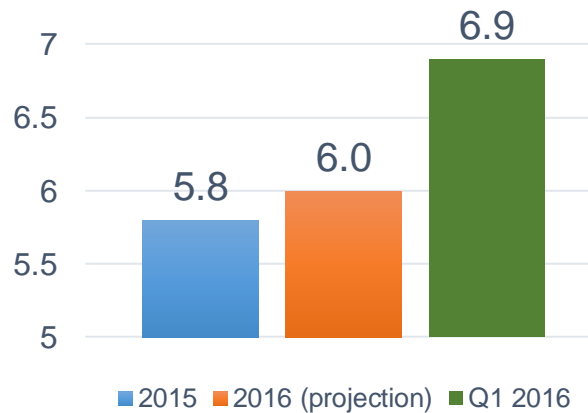


General Market Outlook

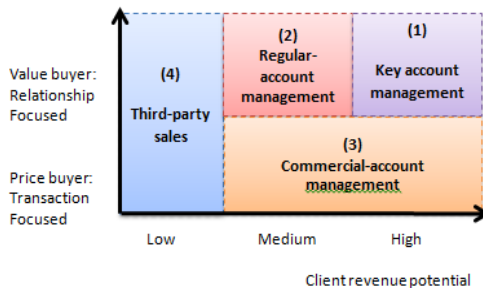


Source:
ADB, Asian Development Outlook 2016
Official Gazette, Republic of the Philippines

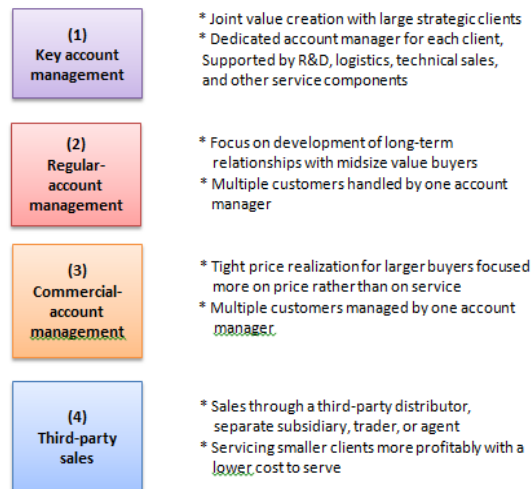
Philippine GDP Growth (%)



Segmentation based on client revenue potential and servicing needs

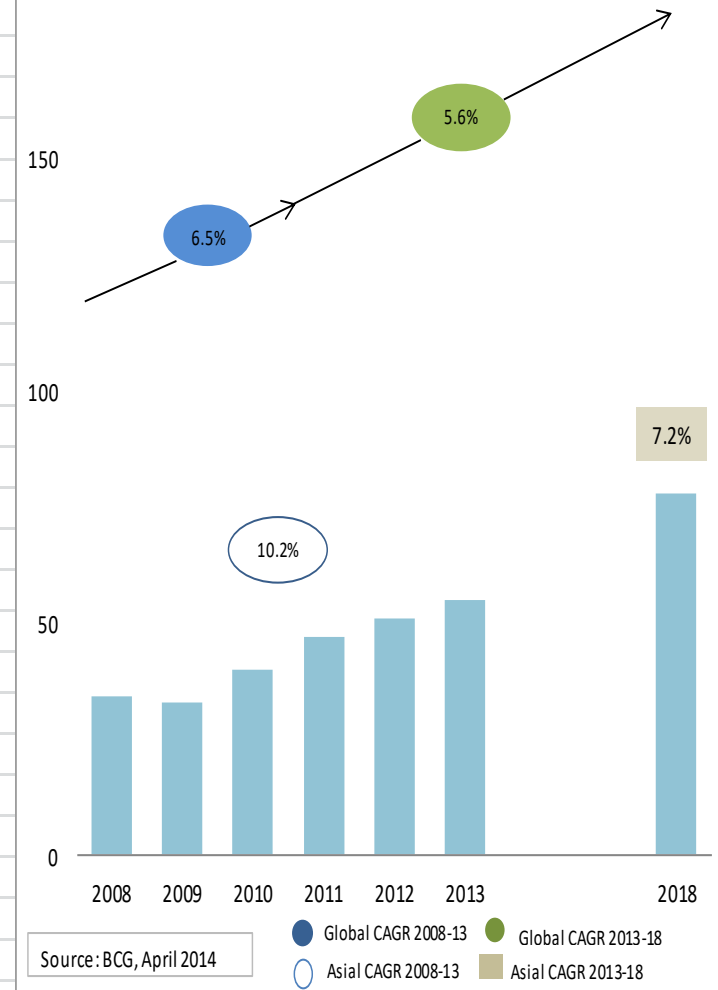


Four Supplier-channel models



Source: BCG analysis

Third-party chemical distribution market growth rate Asia and Global

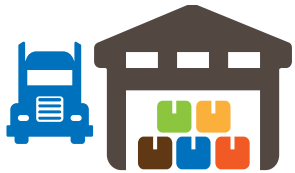


Source: BCG, April 2014



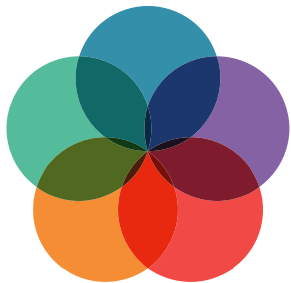
Business Development: Enhance Product Offering (Php 100M)

- WATER TREATMENT
- AGRICULTURAL
- HOUSEHOLD AND INDUSTRIAL CLEANING
- PHARMACEUTICALS



Warehouse Improvements and Value added Services (Php 100M)

Acquisition of Equipment and Machinery (Php 104M)



Investment in Allied Chemical Business or
Synergistic Acquisition (Php 350M)

This Presentation may contain forward-looking statements relating to the future performance of SBS that are based on the Company's current expectations, forecasts and assumptions and involve risks and uncertainties. Actual results may differ materially from those expressed in forward-looking statements and reported results should not be considered as an indication of future performance.

Factors that can cause or contribute to such differences include, but are not limited to, changes in political, business and economic conditions, general economic downturn or crisis, major fluctuations in exchange rates, effect of business initiatives and management changes, changes in business strategy, shifts in customer demands and preferences, industry trends, changes in government regulations, and the Company's ability to deal with the increasingly competitive commercial environment.

THANK YOU

Q & A