OPPORTUNITY DAY - QUARTER 3/2019
MONDAY, DECEMBER 16, 2019
AGENDA

I. BRR in Brief
II. 9M19 Operating Results
III. Sugar Situations
IV. Investment Update
V. Q&A
Business Overview

Sugar Made in the Field

Main Business
- Raw and brown sugar: 105 – 118 kg.
- Molasses: 40 – 45 kg.

By-product Business
- Bagasse: 250 - 260 kg.
- Electricity Business: 111.6 - 116.1 kWh
- Filter Cake: 40-50 kg.
- Fertilizer Business: 30 - 35 kg.

Cane 1 ton → Sugar Factory
Company Structure

Buriram Sugar Public Company Limited

99.90%

Buriram Sugar Factory Company Limited (Sugar Production & Distribution)

99.99%

Buriram Sugarcane Research and Development Company Limited (Sugarcane Planting Promotion)

99.99%

Buriram Energy Company Limited (Biomass Power Plant 9.9 MW)

99.99%

Key Brand Fertilizer Company Limited (Production & Distribution of Organic & Chemical Fertilizers)

99.99%

Buriram Power Plus Company Limited (Biomass Power Plant 9.9 MW)

99.99%

Chamni Sugar Factory Company Limited (Sugar Production & Distribution)

99.99%

Buriram Sugar Capital Company Limited (Sugar Production & Distribution)

99.99%

Sugarcane Ecoware Company Limited (Packaging made from bagasse Production & Distribution)

99.98%

Buriram Power Company Limited (Biomass Power Plant 9.9 MW)

BRR Logistics Management Company Limited (Logistic Services)

Sugar Made in the Field
Management Structure

Mr. Anant Tangtongwichai
Chief Executive Officer / Managing Director

Mr. Jirawan Pongsichitkul
Senior Deputy Managing Director
Domestic Investment: Agricultural Business

Ms. Chitima Tangtongwichai
Senior Deputy Managing Director
Domestic Investment: Commercial

Mr. Kritt Tangtongwichai
Senior Deputy Managing Director
International Investment

Mr. Adul Tangtongwichai
Senior Deputy Managing Director
Domestic Investment: Energy Business

Mr. Somjit Chongyongvapany
Assistant Managing Director
Accounting Controller

Mr. Phol Chanvong
Deputy Managing Director / Chief Financial Officer

Mr. Adul Tankaithkul
Deputy Managing Director
(Financial Management and CIO)

Mr. Phattamaoni Ponpiprawadi
Deputy Managing Director (Foreign Affairs) / Investor Relations

น้ำตาลสร้างใสดี Sugar Made in the Field
BRR in brief

- Pioneer of sugar factory in the Northeast
- Exceptional sugarcane field management system
- The nation’s Third highest sugar yield at 119 kg/ton in 2018/19 crop year, national average at 109 kg/ton.
- Strong ties with 13,000 contracted sugarcane growers
- Potential for by-products further development
Cane fields within 40 km radius
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9M19 Performance Recap

Total Revenue

9M-2018: 4,460
9M-2019: 4,144
-7.08% y-y
Unit: million baht

Revenue Breakdown

- Sugar: 4.37%
- Electricity: 15.32%
- Fertilizer: 13.01%
- Other: 15.23%

- Sugar: 67.31%
- Electricity: 12.42%
- Fertilizer: 15.23%
- Other: 68.71%

9M19 posed lower revenues compared to 9M18, primarily because of sugar export price and category.

น้ำตาลสร้างใหม่ Sugar Made in the Field
9M19 reported lower net profit margin compared to 9M18 due to higher costs and expenses especially cost of sales and services that increased almost 5% from 9M18.
9M19 reported lower EBIT margin compared to 9M18 due to higher raw material cost for electricity business, loss in refinery production process for the 1st year production, and effects from drought on lower than expected sale of fertilizer business.
Crushing update for 2019/20
- Started from Dec 1, 2019, has crushed 138,843 tons, sugar 11,187.90 MT
BRR cane yield is above national average by 19%, 29%, 32% and 17% in four crop years respectively due to the favorable weather as well as farm management.
Forecasting 2019/20, BRR would crush 2.30 million ton cane, produce sugar 271,446 MT and molasses 92,000 MT, the reducing cane volume caused by effect from drought as well as lower cane price.
Sugar Export Destination 2018/19

- Indonesia (106,723.28 MT)
- China (22,638.44 MT)
- Tanzania (18,661.00 MT)
- Senegal (13,200.00 MT)
- South Korea (19,320.00 MT)
- Others (20,446.90 MT)
Sugar Price: NY No. 11, Mar 20 (Dec 13, 2019)

Sugar #11 Mar '20 (SBH20) - Barchart.com
Sugar Price: London No. 5, Mar 20 (Dec 13, 2019)

White Sugar #5 Mar '20 (SWH20) - Barchart.com
Experts agreed that the preference for ethanol in Brazil should cut supply of sugar by 2 million MT, sugar production should stay around 26 - 27 million MT.

The United States is facing a “frightening” sugar crisis as a result of the unstable weather that has damaged crops and forced the country to increase imports. Heavy rainfall, snow and off-season cold affect sugarcane and sugar beet crops in major states this year. On Tuesday, the US Department of Agriculture (USDA) once again cut estimates for US production: total production is forecast to fall 8% from last season to 7.5M MT. Because of problems in domestic production, the US will be forced to increase sweetener imports, and the USDA has increased its projected purchases by 22%. But getting these remittances may not be an easy task, even after the government has already intervened to secure the supply.

High demand for ethanol over the past two years and prospects for growth have affected the way mills direct their raw material. In 2017/18, for example, 53.5% of sugarcane was directed to ethanol production. In the following crop, the index rose to 64.8%. And in the accumulated from 2019/20 until the first half of November, this value already reaches 65.2%. This strategic decision also affects the direction of investments in the sector.
Due to the drought since December 2018 to April 2019 coupled with competition from other crops – cassava, corn and rice, cane volumes for 2019/20 nation-wide are expected to be around 105 +/- million tons or 21.6% lower than 2018/19.

Initial projection for 2019/20 crop year:

+ Lower Thai production;
+ Lower Australian production;
+ Lower Pakistan export;
+ Possible EU and US rising import;
- India still surplus despite the possible weather problem; and
+/- Brazil’s ethanol parity to sugar.
## BEAR vs BULL

<table>
<thead>
<tr>
<th>Bearish factors</th>
<th>Bullish factors</th>
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<tbody>
<tr>
<td>1) US – China trade war</td>
<td>1) Emerging market currencies and oil rebound</td>
</tr>
<tr>
<td>2) Geo – political instability affecting oil &amp; currencies</td>
<td>2) Ethanol surprises in India and Brazil sugar output below 22 million MT</td>
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<td>3) India’s sugar stock to be exported 1</td>
<td>3) India exports program disappointment</td>
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<td>4) Big release of China domestic stocks rather than increase raw imports in 2020</td>
<td>4) Asian crops shrinking further</td>
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### Global Production Estimated

#### 2018/19 & 2019/20

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<tr>
<td>EU</td>
<td>17.1</td>
<td>17.3</td>
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<tr>
<td>India</td>
<td>33</td>
<td>26 - 27</td>
</tr>
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<td>Thailand</td>
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### Production Estimated by Countries

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Unit: Million MT
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Sugar Refinery Project

✓ The 1,000 tons/day sugar refinery project was already completed. This year (2019/20) has plan to improve the productivity.

✓ Products:
- Refined Sugar
- White Sugar
Bio-Degradable Package Project

- Company: Sugarcane Ecoware Co., Ltd.
- Project: Produce bio-degradable packages from bagasse
- Estimated investment Cost: 350 Million THB
- Current status & timing of project: under the test run and to commencement by February 2020

Testing run...
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