

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Aug 5, 2020
2. SEC Identification Number
11840
3. BIR Tax Identification No.
000-100-341-000
4. Exact name of issuer as specified in its charter
SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City, Metro Manila
Postal Code
1604
8. Issuer's telephone number, including area code
(632) 5317-5000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES (FB)	5,909,220,090
SERIES A BONDS DUE MARCH 2025 (IN PESO)	8,000,000,000.00
SERIES B BONDS DUE MARCH 2027 (IN PESO)	7,000,000,000.00
TOTAL DEBT as of June 30, 2020 (IN MIL PESO-CONSO)	139,357

11. Indicate the item numbers reported herein
ITEM 9. OTHER EVENTS

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SAN MIGUEL
 FOOD AND BEVERAGE, INC.

San Miguel Food and Beverage, Inc.
FB

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
SMFB press release entitled "SMFB POSTS H1 REVENUES OF P122.82B, POISED FOR RECOVERY".
Background/Description of the Disclosure
Please see attached.
Other Relevant Information
None.

Filed on behalf by:

Name	Alexandra Trillana
Designation	Corporate Secretary and Compliance Officer

SMFB POSTS H1 REVENUES OF P122.82B, POISED FOR RECOVERY

San Miguel Food and Beverage, Inc. (SMFB) registered consolidated revenues of P122.82 billion for the first half of the year, 19% lower than the same period last year as the full impact of the COVID-19 pandemic weighed on its volume performance in the second quarter, especially for its Beer and Spirits divisions.

Consolidated EBITDA of P17.67 billion was P8.89 billion lower than last year, primarily driven by the Beer Division, which declined by P11.49 billion. This was, however, partly offset by the positive performance of the Food and Spirits Divisions. Consolidated operating income reached P11.36 billion while net income was at P7.34 billion.

The effect of the restrictions that accompanied the ECQ was most pronounced from mid-March to mid-May. During the period, liquor bans were imposed across key cities, there were closures of food service and retail establishments, as well as limitations on movement and delivery of goods to the trade due to checkpoints.

To counter trade limitations, the Food Division implemented non-traditional selling channels as early as the start of the ECQ to address the surge in consumer demand and to ensure food availability at the doorsteps of customers. These include the rollout of mobile stores, community reselling in barangays and villages, and the utilization of online ordering platforms and home deliveries.

As a result, San Miguel Foods (SMF) registered consolidated revenues of P65.18 billion in the first semester, tracking the same levels as last year, and P5.74 billion in EBITDA, 67% higher year-on-year. Consolidated operating income of SMF more than doubled to P2.24 billion versus the same period last year, while consolidated net income likewise more than doubled to P1.34 billion.

The Prepared and Packaged Food segment sustained its revenue growth of 17%, cushioning the impact of the ECQ on the Food division, as it benefitted from consumer stock piling and demand for essential packaged goods during the quarantine period.

As in-home dining became the norm, consumer demand for canned meats such as corned beef and SPAM, as well as refrigerated meats soared. Sales of dairy products, likewise, grew by double-digits. Over the same period, the Flour segment registered a slight growth in revenues, driven by the increased demand for breads by households and the resumption of operations of institutional customers.

For the Beer Division, San Miguel Brewery, Inc.'s (SMB) consolidated revenues amounted to P42.79 billion, 39% lower than the same period last year on lower domestic volumes as a result of the liquor bans implemented in mid-March, which

forced the closure of both on- and off-premise outlets. Correspondingly, EBITDA amounted to P9.68 billion, 54% lower than last year, while net income stood at P5.03 billion.

SMB's international operations likewise reflected the effect of different levels of lockdowns and restrictions in the markets where it operates such as Indonesia. There were markets, however, that registered favorable results, particularly in Hong Kong, Vietnam, and Exports.

On the other hand, while volumes of Ginebra San Miguel Inc. (GSMI) declined during the ECQ, there was a quick rebound as restrictions eased and liquor bans lifted in most of its key markets and resulted in record sales in June.

As a result, GSMI's consolidated revenues for the first half of 2020 amounted to P14.84 billion, slightly higher year-on-year. EBITDA rose 17% to P2.30 billion while net income increased 28% to P1.26 billion. This signified a strong turnaround from the first quarter performance.

SMFB remains optimistic given actual volume recovery that started mid-May and continued to July, with beer posting a double-digit volume increase from June to July. Spirits volumes, on the other hand, remained strong, with July volumes higher year-on year.

On the food side, there has been an increase in the number of food service and institutional customers resuming operations, paving the way for a recovery in the segment in the coming months.

Notwithstanding the obstacles of the first half of the year, SMFB remains fundamentally sound with a strong balance sheet, relatively light debt service obligations, and sufficient liquidity. It has reduced its planned expenses for the year without sacrificing long-term investments.

"As the pandemic continues to affect our everyday lives, we keep in mind that this is only temporary. We remain steadfast in our commitment to ensure food sufficiency and help and provide opportunities to the most vulnerable communities," said Ramon S. Ang, President and Chief Executive Officer of SMFB.

"We continue to build long-term resilience across SMFB. At the same time, we are mindful of the changes necessary to help us navigate through the crisis in the short-term. All told, we believe that SMFB is in a position to emerge stronger and better than it was before," said Ang.