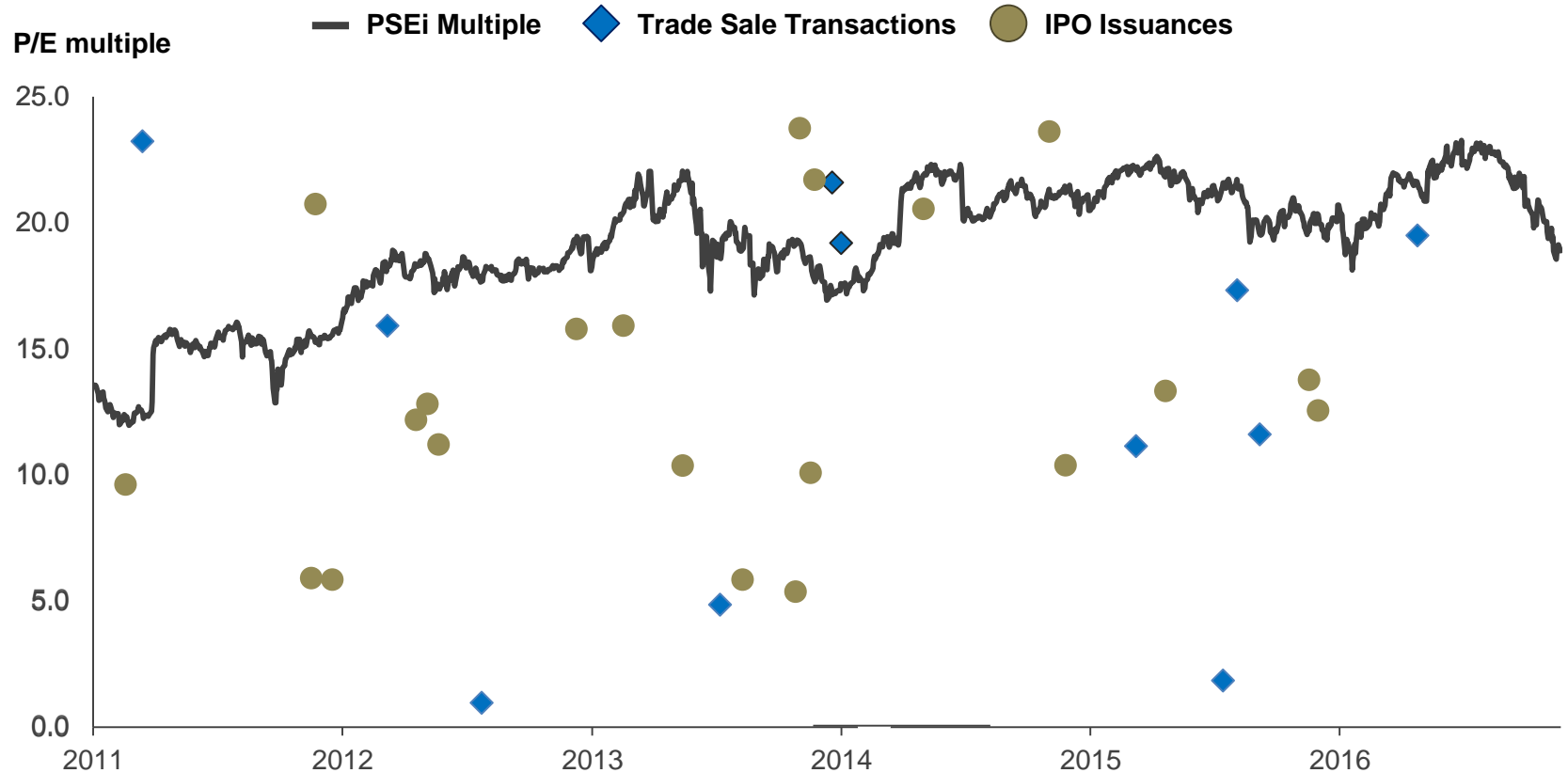


Divestment Options: Trade Sale vs. Initial Public Offering

November 2016

Comparative Multiples on IPO and Trade Sale Transactions

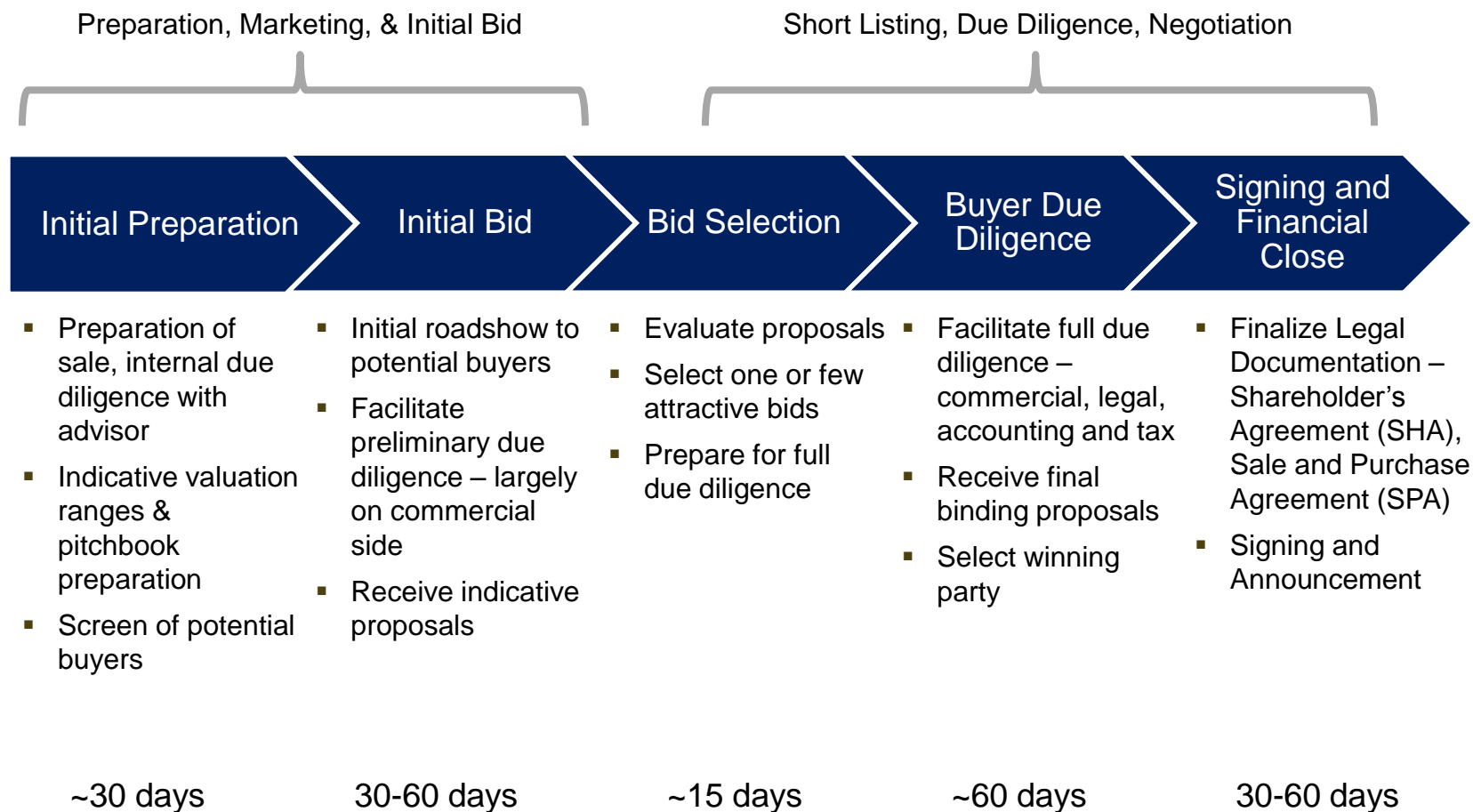
Valuation multiples are not dependent on the performance of the PSEi.



Divestment Options

	Initial Public Offering (IPO)	Trade Sale
Potential Valuation	<ul style="list-style-type: none"> Purely based on earnings (P/E) of last 12 months or next 12 months 	<ul style="list-style-type: none"> Possible value enhancement with synergies to acquirer especially if buyer is in related industry
Maximum Divestment	<ul style="list-style-type: none"> Generally “required” to allocate around 50% of IPO proceeds to growth capital 100% divestment not possible 	<ul style="list-style-type: none"> 100% divestment possible, depending on investor type
Transaction Timeline	<ul style="list-style-type: none"> 9 – 12 months, including reg. filings, documentation, marketing, etc. 	<ul style="list-style-type: none"> 4 – 6 months, from initial meetings & due diligence to transaction close New reporting rules on PCC may increase timeline
Founder / Management Involvement	<ul style="list-style-type: none"> Management team largely needs to stay-on and professionalize for corporate governance purposes 	<ul style="list-style-type: none"> Flexible on involvement on existing team
Regulatory / Compliance	<ul style="list-style-type: none"> Have to comply with governance rules, setup investor relations team, disclose significant events 	<ul style="list-style-type: none"> Little or no change in compliance / governance requirements, largely dependent on buyer

Typical Trade Sale Process




Case Study: Divestment of Liuson Family from The Generics Pharmacy

In mid-2016, the Liuson family sold a 51% stake in leading generic pharmacy chain The Generics Pharmacy to the Robinsons Retail Group.

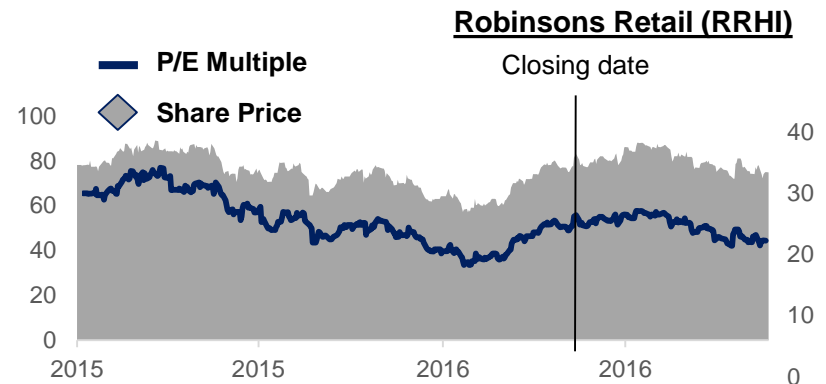
Transaction Overview



Company	The Generics Pharmacy ("TGP")
Seller	Liuson Family (founder)
Buyer	Robinson Retail Holdings Inc ("RRHI") 
Year Founded	2001
Year Sold	2016
Stake Sold	51%
No of branches	~1,900 as of mid 2016
Process Duration	6 months

Key Points

- 1 Succession Issues**
With no successor to family business, Liuson family was looking to exit completely from TGP.
- 2 Strategic Acquisition**
RRHI already had a majority stake in South Star Drug, and was looking to expand store network.
- 3 Business Chemistry**
Deal negotiated to include Liuson family's personal preferences and practices (eg. Keeping stores alcohol-free)



Case Study: Divestment of Sia Family from Mang Inasal

In late-2010, the Sia family sold a 70% stake in quick-service chain Mang Inasal to the Jollibee Foods Group.

Transaction Overview



Company	Mang Inasal Philippines Inc ("Mang Inasal")
Seller	Sia Family (founder)
Buyer	Jollibee Foods Corporation (JFC) 
Year Founded	2003
Year Sold	2010
Stake Sold	70% in 2010, remaining 30% in 2015
No of branches	~300 as of late 2010
Process Duration	3 months

Key Points

- 1 Attractive Valuation**
Transaction executed at 8.5x EBITDA for 300 branches.
- 2 Acquired by Market Leader**
JFC increased market share in fast food industry by acquiring fast-growing Mang Inasal, now at 460 stores.
- 3 Post-deal Business Opportunities**
JFC and Sia family have entered into non-food related ventures (eg. Real estate – Double Dragon)

