



UNIVERSAL ROBINA  
CORPORATION

# FY2014 Nine Months Results

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# Disclaimer

**This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Universal Robina Corporation (URC) and plans and objectives of the management of URC. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of URC to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements were based on numerous assumptions regarding URC's present and future business strategies and the political and economic environment in which URC will operate in the future.**

# AGENDA

## 9M FY14 FINANCIAL PERFORMANCE PLANS AND EXPECTATIONS

# URC: Sustained strong operating results

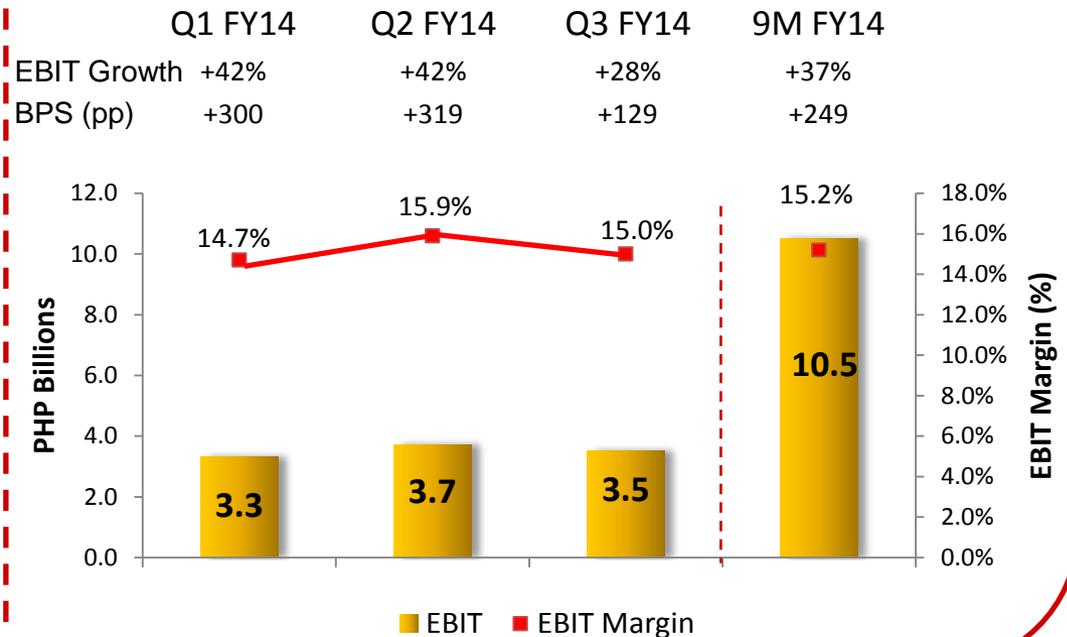
- Sales and EBIT growth driven by Branded Consumer Foods
- Margins higher vs. LY due to lower average input cost, managed opex & scale
- Lower non-recurring gains depressed Core Earnings and Net Income

## Financial Highlights

(Php Billions)

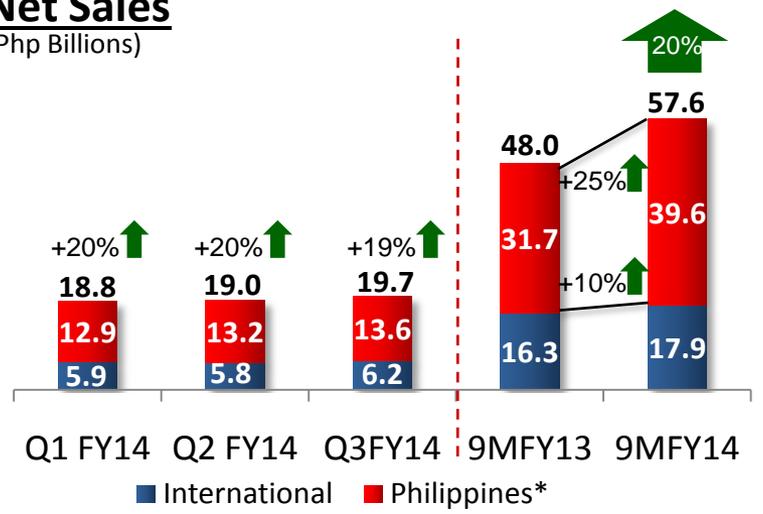
	9M FY13	9M FY14	vs. SPLY
Net Sales	60.5	69.2	↑14%
EBIT	7.7	10.5	↑37%
Core Earnings	8.8	10.7	↑22%
Net Income	8.5	8.6	↑2%

## EBIT and EBIT Margin



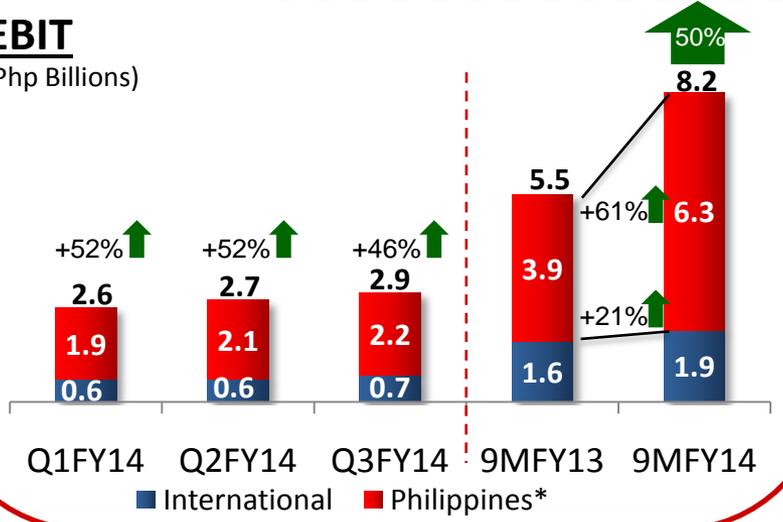
# BCF: PH maintains momentum while International growing at a slower pace

## Net Sales (Php Billions)

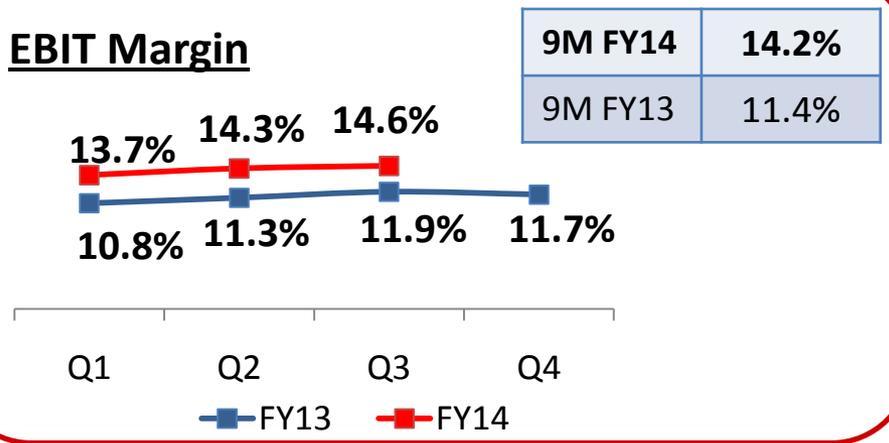


- Continue to post robust growth behind a strong Philippine performance
- Increased margins due to strong volumes, selective price increases, lower average input costs and additional scale

## EBIT (Php Billions)

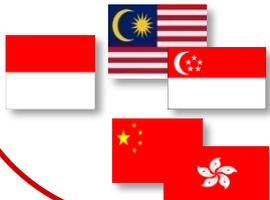


## EBIT Margin



\*Note: Includes Packaging

# BCF Growth Drivers per Market

	Growth Rate vs. SPLY				Growth Drivers
	Q1	Q2	Q3	9M	
	+28%	+25%	+25%		<ul style="list-style-type: none"> <li>• Double digit growth from all major product categories</li> <li>• Beverages growing faster than Snackfoods</li> <li>• Margins at record high</li> </ul>
	+11%	+16%	+10%		<ul style="list-style-type: none"> <li>• Biscuits grew despite market shrinkage due to our promotions and “value-for-Money” strategy</li> <li>• Wafers also posted growth, due to plain wafer and 5B Coated Wafer</li> </ul>
	+7%	+14%	+15%		<ul style="list-style-type: none"> <li>• Recovered from a weak start, growth from beverage, biscuits, and candies despite a still weak FMCG environment</li> <li>• EBIT Margins maintained at above mid-teens</li> </ul>
	+10%	flat	+3%		<ul style="list-style-type: none"> <li>• Malaysia/Singapore growth driven by chocolates, candies, and biscuits</li> <li>• Hong Kong/China posted growth from snacks, biscuits and wafer, and oats</li> </ul>



# BCF Growth Drivers

## New Product Launches



## Pervasive Coverage

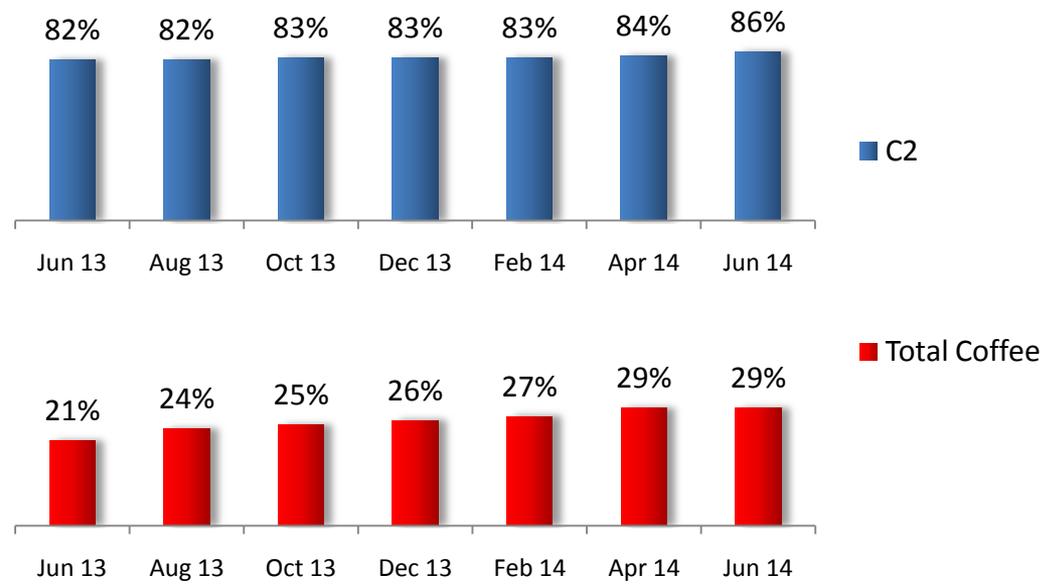


## New Facilities

Coffee/Creamer Plant - Vietnam



## Market Share Gains in Beverages



# Non-BCF: Delivering stable earnings

<i>Php Billions</i>	9M FY14 Sales	YoY	9M FY14 EBIT	YoY
<b>Flour</b>	<b>3.1</b>	<b>+4%</b>	<b>1.0</b>	<b>+21%</b>
<b>Sugar</b>	<b>2.4</b>	<b>-38%</b>	<b>1.4</b>	<b>-16%</b>
<b>Commodity Foods*</b>	<b>5.5</b>	<b>-20%</b>	<b>2.3</b>	<b>-4%</b>
<b>Feeds**</b>	<b>2.5</b>	<b>+8%</b>	<b>0.2</b>	<b>-23%</b>
<b>Farms***</b>	<b>3.7</b>	<b>+12%</b>	<b>0.6</b>	<b>+106%</b>
<b>Agro-Industrial</b>	<b>6.2</b>	<b>+11%</b>	<b>0.9</b>	<b>+44%</b>
<b>NON-BRANDED</b>	<b>11.7</b>	<b>-6%</b>	<b>3.2</b>	<b>+5%</b>

## Bio Ethanol Facility



## Growing Carcass Business



\*CFG Gross Sales for 9M FY14 of Php 4.5B for Flour and Php 5.2B for Sugar

\*\* Feeds Gross Sales for 9M FY14 of Php 5.3B, with EBIT margin based on gross sales at 4.2%

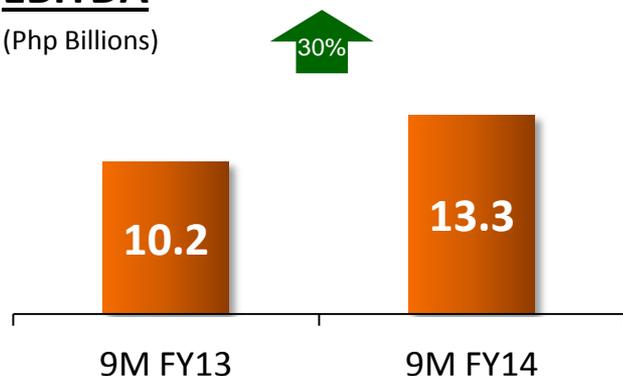
\*\*\*Includes marked-to-market revaluation gain of Php 207M for 9M FY14 vs. Php 104M SPLY

# Strong Cash Position

- CAPEX as of 9M FY 2014 is Php 5.6B
- Dividends of Php 6.5B
- Gearing ratio of 0.09
- Net cash position of Php 4.3B

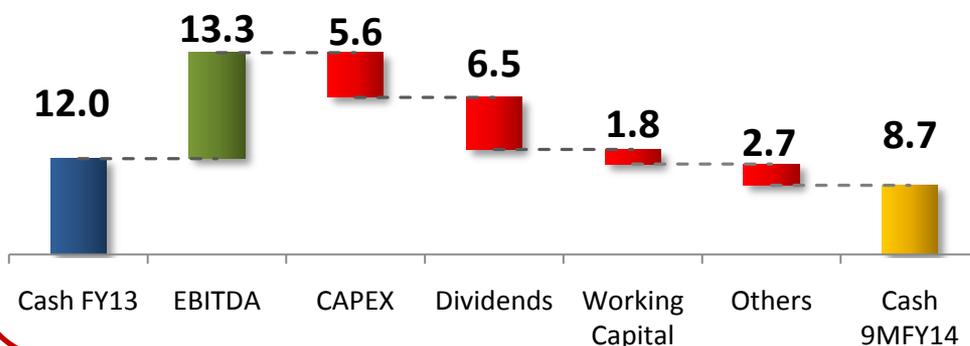
## EBITDA

(Php Billions)

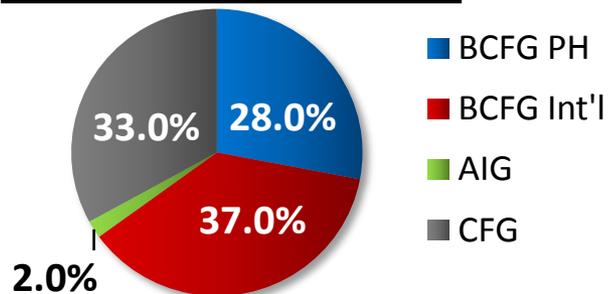


## Cash Position

(Php Billions)

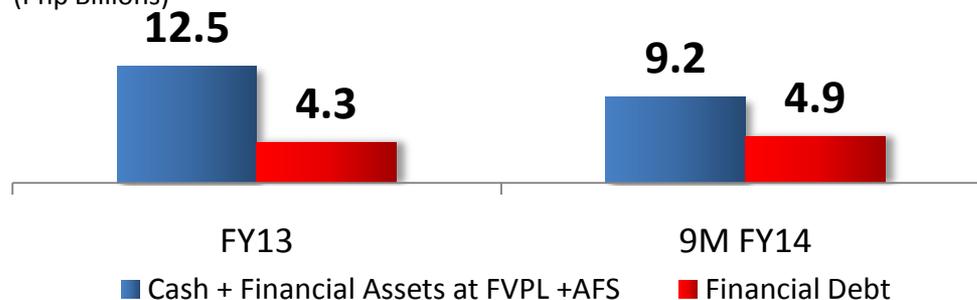


## YTD CAPEX Breakdown



## Cash and Financial Debt

(Php Billions)



# AGENDA

## 9M FY14 FINANCIAL PERFORMANCE PLANS AND EXPECTATIONS

# Plans and Guidance

## New Facilities

Quang Ngai Facility



Myanmar Facility



Biomass Co-generation Facility



- Finish construction of factory in Central Vietnam and Biomass Power Co-generation facility in the Philippines
- Myanmar facility under-construction but commissioning might be delayed a few months
- Expand product portfolio through own innovation, new markets, joint ventures and partnerships

## New Businesses

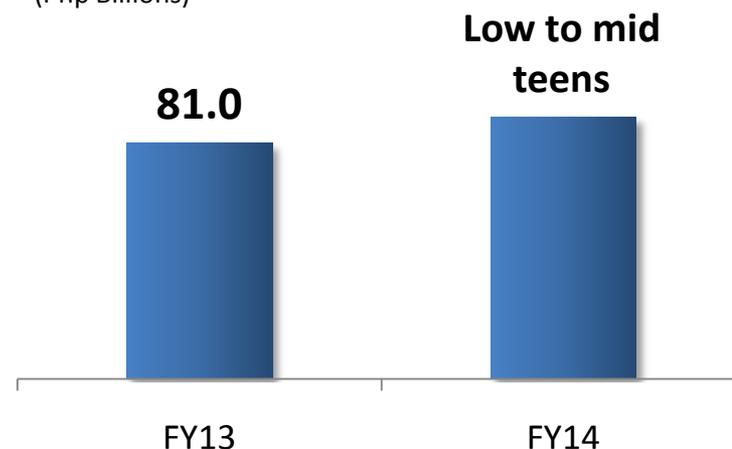


# Plans and Guidance

- Accelerate branded foods organizational alignment to benefit from synergies in Procurement, Product Development and Manufacturing
- Implement regional sourcing strategies where practicable
- Finalize financing and complete acquisition of Griffin's and explore quick wins in cross selling and marketing products in ASEAN/China and Australasia
- Total Branded Foods expected to grow mid-teens in topline
- Sugar and Flour will continue their profit contribution for the full year while Agro-Industrial is expected to have a record year driven by Farms
- With momentum sustaining after 9M, we are calling up our EBIT guidance to P14B for FY2014

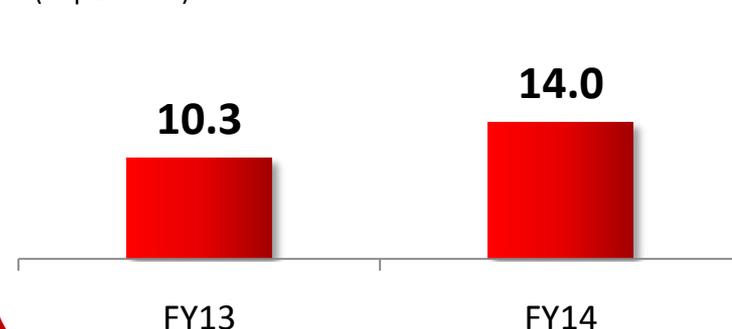
## Net Sales

(Php Billions)



## EBIT

(Php Billions)



# THANK YOU

# Income Statement

(Php Millions)	9M FY 14	9M FY 13	YoY
NET SALES	69,239	60,473	14%
Cost of Sales	47,822	43,156	11%
GROSS PROFIT	21,417	17,317	24%
Operating Expenses	(10,893)	(9,633)	13%
OPERATING INCOME	10,524	7,683	37%
Equity in net income	22	19	
Finance Revenue (cost) - net	82	249	
Other Revenues	63	848	
CORE EARNINGS	10,691	8,800	21%
Market valuation gain	43	544	
Foreign exchange gain - net	(120)	102	
INCOME BEFORE INCOME TAX	10,614	9,446	12%
Provision for income tax	1,981	951	
NET INCOME	8,634	8,495	2%
Net income attributable to holders of the parent	8,553	8,441	
EBITDA	13,350	10,244	30%

Net finance revenue decreased vs. SPLY due to:

- Lower finance revenue due to decline in level of financial assets as a result of disposal of bond and equity investments.
- Lower finance cost due to decline in level of financial debt resulting from settlement of long-term debt and repayments of short-term debts.

Market valuation gain (loss) on financial instruments at fair value through profit or loss decreased due to decline in level of financial assets as a result of disposal of all bond investments and significant portion of equity investments.

Foreign exchange gain (loss) – net posted foreign exchange loss for 9M FY14 vs. foreign exchange gain reported in the same period last year due to effect of currency translation adjustments on foreign currency denominated transaction.

Other income - net decreased to due to gain on sale of FVPL and AFS investments last year.

Higher provision for income tax due to higher taxable income of the Parent company and subsidiaries.

# Balance Sheet

(Php Millions)	9M FY14	FY13
Cash & cash equivalents (including Financial assets at FVPL and AFS)	9,179	12,469
Other current assets	25,097	20,959
Property, plant, and equipment	32,732	30,180
Other noncurrent assets	3,374	2,937
<b>TOTAL ASSETS</b>	<b>70,382</b>	<b>66,545</b>
Current liabilities	17,067	14,719
Long term debt	-	-
Other noncurrent liabilities	615	996
<b>TOTAL LIABILITIES</b>	<b>17,682</b>	<b>15,715</b>
Retained earnings	39,783	37,775
Other equity	12,917	13,055
<b>TOTAL EQUITY</b>	<b>52,700</b>	<b>50,830</b>



# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M FY14	9M FY13	YoY	9M FY14	9M FY13	YoY	9M FY14	9M FY13	BPS YOY
<b>Branded Consumer Foods</b>	<b>57,583</b>	<b>48,033</b>	<b>20%</b>	<b>8,186</b>	<b>5,460</b>	<b>50%</b>	<b>14.2%</b>	<b>11.4%</b>	<b>285</b>
Philippines	38,885	30,873	26%	6,357	3,973	60%	16.3%	12.9%	348
Packaging	749	841	-11%	(58)	(68)	15%	-7.7%	-8.1%	36
Total Philippines	39,635	31,714	25%	6,300	3,905	61%	15.9%	12.3%	358
International	17,948	16,319	10%	1,886	1,555	21%	10.5%	9.5%	98
<b>Non-Branded Consumer Foods</b>	<b>11,656</b>	<b>12,439</b>	<b>-9%</b>	<b>3,204</b>	<b>3,046</b>	<b>5%</b>	<b>27.5%</b>	<b>24.5%</b>	<b>301</b>
CFG (net)	5,485	6,860	-20%	2,343	2,448	-4%	42.7%	35.7%	703
Flour	3,079	2,972	4%	957	791	21%	31.1%	26.6%	444
Sugar	2,406	3,888	-38%	1,386	1,657	-16%	57.6%	42.6%	1,500
AIG (net)	6,172	5,579	11%	862	597	44%	14.0%	10.7%	325
Feeds	2,473	2,284	8%	222	287	-23%	9.0%	12.5%	(358)
Farms	3,699	3,295	12%	640	311	106%	17.3%	9.4%	787
Corporate Expense				(866)	(821)				
<b>TOTAL URC</b>	<b>69,239</b>	<b>60,472</b>	<b>14%</b>	<b>10,524</b>	<b>7,684</b>	<b>37%</b>	<b>15.2%</b>	<b>12.7%</b>	<b>249</b>

# Value Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	39%	URC	24%	8%
Candies	34%	URC	12%	11%
Chocolates	24%	URC	9%	8%
Biscuits	17%	34%	27%	URC
Cookies	28%	URC	24%	12%
Pretzels	41%	URC	27%	11%
Canned Beans	82%	URC	8%	4%
Cup Noodles	45%	48%	URC	1%
RTD Tea	83%	URC	5%	4%
Coffee	26%	49%	URC	20%
Instant Coffee	26%	72%	URC	2%
Coffee Mixes	27%	41%	URC	27%

AC Nielsen Survey MAT: Snacks, Coffee, RTD Tea,- June 2014; Canned Beans, - April 2014, Biscuits, Candies, Chocolates, Cup Noodles- May 2014

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	22%	URC	11%	10%
Wafers	24%	URC	14%	11%

Source: AC Nielsen Retail Index June 2014

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	38%	48%	URC	4%

Source: AC Nielsen Retail Index June 2014 (6 key cities)