

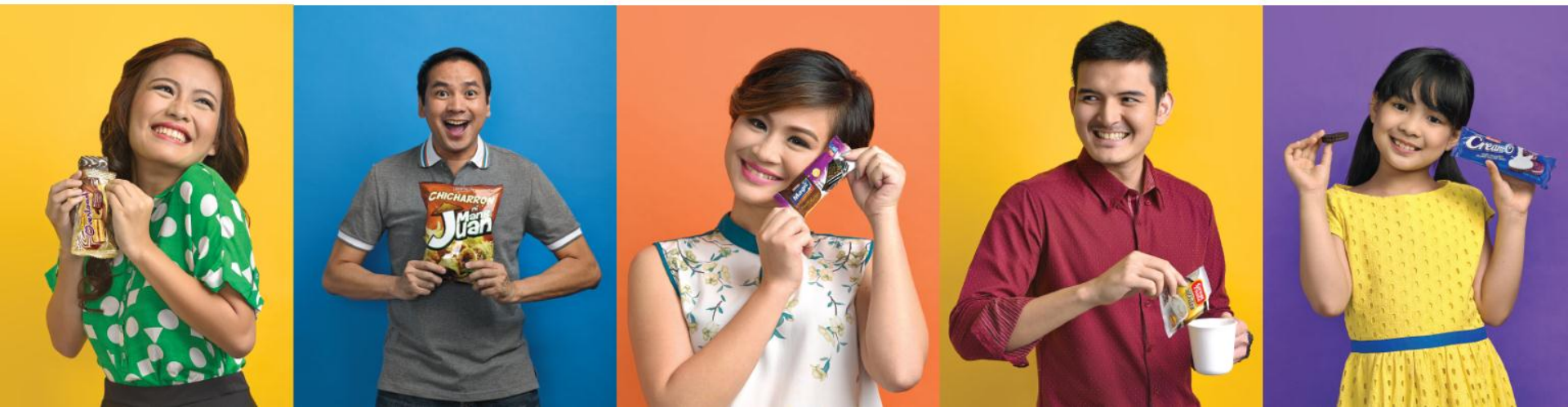


UNIVERSAL ROBINA  
CORPORATION

# FY2014 Audited Results

**Lance Y. Gokongwei**  
President & CEO

**Michael P. Liwanag**  
Vice President





# 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

## **FY14 FINANCIAL PERFORMANCE** **PLANS AND EXPECTATIONS**

# URC: Another record year...

- Consistently growing topline and margins with FY2014 setting another record high
- Strong sales and profitability driven by Branded Foods Philippines
- Lower non-recurring gains resulted to slower growth in Core Earnings and Net Income

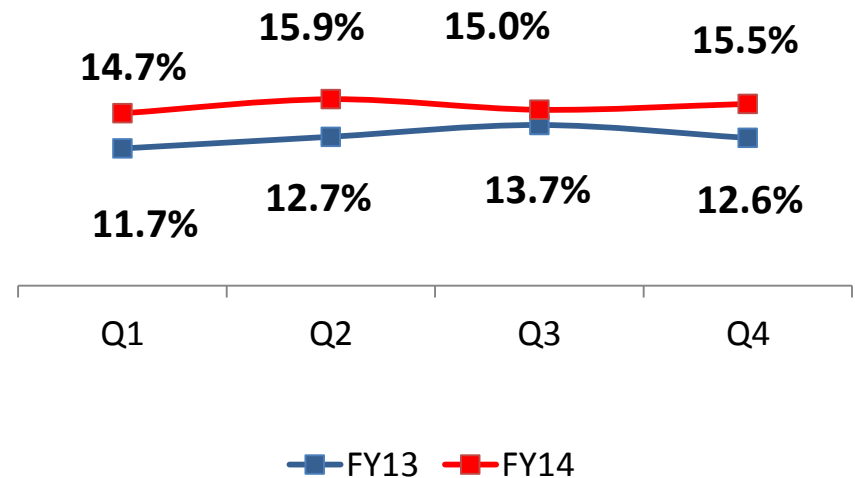
## Financial Highlights

(Php Billions)

	<b>FY14</b>	<b>vs. SPLY</b>
<b>Net Sales</b>	<b>92.4</b>	<b>↑14%</b>
<b>EBIT</b>	<b>14.1</b>	<b>↑37%</b>
<b>Core Earnings</b>	<b>14.2</b>	<b>↑26%</b>
<b>Net Income</b>	<b>11.7</b>	<b>↑15%</b>

## EBIT Margin

FY14 EBIT margin at 15.3%, +259 bps vs. FY13





# BCF: Managed to maintain double digit growth while increasing margins significantly

## Net Sales and EBIT

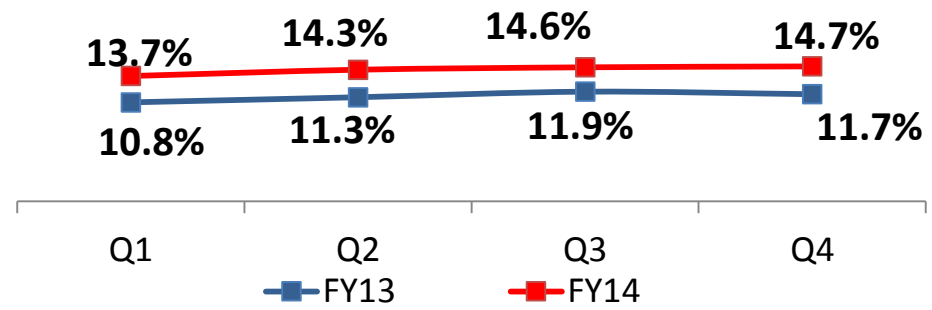
(Php Billions)

	FY14	vs. SPLY
<b>BCF Net Sales</b>	<b>77.2</b>	<b>↑ 18%</b>
Philippines	53.5	↑ 23%
International	23.8	↑ 8%
<b>BCF EBIT</b>	<b>11.1</b>	<b>↑ 48%</b>
Philippines	8.6	↑ 58%
International	2.5	↑ 22%

•Philippines includes packaging

## EBIT Margin

FY14 EBIT margin at 14.4%, +292 bps vs. FY13



## Commodity Inputs

Commodity	Ave. FY14 Prices vs. FY13
Sugar	-2% ↓
Wheat Flour	0%
Cocoa Powder	-34% ↓
Palm Oil	7% ↑
Robusta Coffee Beans	-1% ↓

•Material prices based on URC's contracted prices with suppliers. Sugar and Flour pricing are contracted internally.

# BCF PHL: Outpaced market growth in major categories

## Market and URC Growth

(Value Share and Value Growth)







	URC Growth	Market Growth	Market Share	Market Position
Salty Snacks	↑ 17%	↑ 7%	39%	1 <sup>st</sup>
Coffee	↑ 49%	↑ 11%	29%	2 <sup>nd</sup>
RTD Tea	↑ 16%	↑ 7%	83%	1 <sup>st</sup>
Biscuits	↑ 20%	↑ 4%	17%	3 <sup>rd</sup>
Chocolates	↑ 25%	↑ 20%	23%	1 <sup>st</sup>
Cup Noodles	↑ 30%	↑ 12%	46%	2 <sup>nd</sup>

\*Note: Market share and market growth taken from Nielsen, URC growth based on internal sales growth for 2014

## New Product Launches



# BCF International: Managed to buck the trend in a tough Macro Environment

	FY14 vs. SPLY Net Sales	Drivers
<b>Total International</b>	 8%	<ul style="list-style-type: none"> <li>Consolidated BCF organization under one leadership and formed regional support functions in operations, product development, procurement</li> </ul>
<b>Thailand</b>	 10%	<ul style="list-style-type: none"> <li>Inflation increased from 1.7% to 2.5% in Q2 2014</li> <li>Promotional and lower pack size strategy for biscuits and wafers buoyed up sales</li> <li>Addressed issues in the sales force organization (appointed new national sales manager and trade marketing and selling systems reorganization)</li> </ul>
<b>Vietnam</b>	 8%	<ul style="list-style-type: none"> <li>FMCG down by -4% in the past 12 months, with RTD tea at -9%</li> <li>Consumer Confidence Index low</li> <li>Sales growth driven by new launches</li> </ul>
<b>Indonesia</b>	 -4%	<ul style="list-style-type: none"> <li>Weaker Rupiah due to wider Current Account deficit</li> <li>Snackfoods +11% driven by all time high volumes from Piattos and growth of Cloud 9; revised channel strategy towards modern retail</li> <li>Installed a new cluster head to provide better focus on sales and marketing</li> </ul>
	 8%	<ul style="list-style-type: none"> <li>Growth in biscuits and confectionary sales partially offset by decline in salty snacks in MY/SG</li> <li>Aces (cereals and oats) and salty snacks growing while biscuits sales sluggish for China/HK</li> </ul>

## Non-BCF: Stable CFG earnings while Farms good performance buoyed up AIG EBIT

<i>Php Billions</i>	<b>FY14 Sales</b>	<b>YoY</b>	<b>FY14 EBIT</b>	<b>YoY</b>
<b>Flour</b>	<b>4.1</b>	<b>+5%</b>	<b>1.1</b>	<b>+10%</b>
<b>Sugar</b>	<b>2.8</b>	<b>-34%</b>	<b>2.0</b>	<b>-6%</b>
<b>Commodity Foods*</b>	<b>6.9</b>	<b>-15%</b>	<b>3.1</b>	<b>-1%</b>
<b>Feeds**</b>	<b>3.4</b>	<b>+11%</b>	<b>0.3</b>	<b>-13%</b>
<b>Farms***</b>	<b>4.8</b>	<b>+11%</b>	<b>0.8</b>	<b>+163%</b>
<b>Agro-Industrial</b>	<b>8.2</b>	<b>+11%</b>	<b>1.1</b>	<b>+62%</b>
<b>NON-BRANDED</b>	<b>15.1</b>	<b>-3%</b>	<b>4.2</b>	<b>+10%</b>

\*CFG Gross Sales for FY14 of Php 6.0B for Flour and Php 7.0B for Sugar

\*\* Feeds Gross Sales for FY14 of Php 7.3B, with EBIT margin based on gross sales at 4.5%

\*\*\*Includes marked-to-market revaluation gain of Php 183.0M for FY14 vs. Php 69.9M SPLY

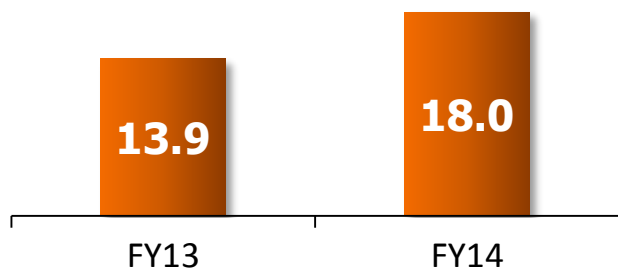


# Balance Sheet remains strong.

- CAPEX for FY 2014 is Php 7.7B
- Dividends of Php 6.6B
- Gearing ratio of 0.16
- Net cash position of Php 1.8B

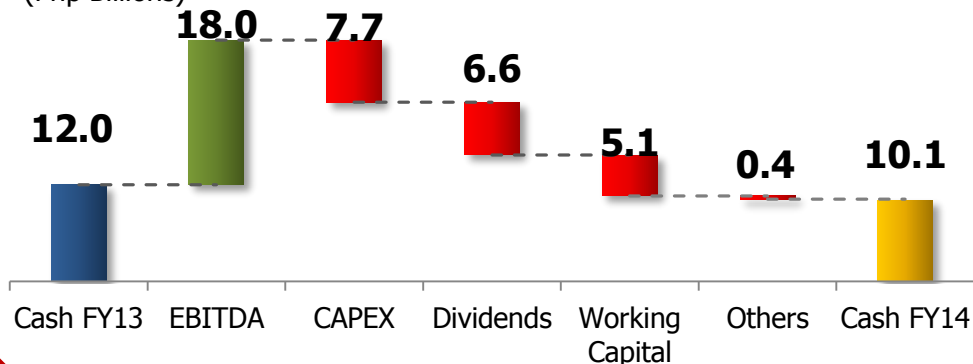
## EBITDA

(Php Billions)

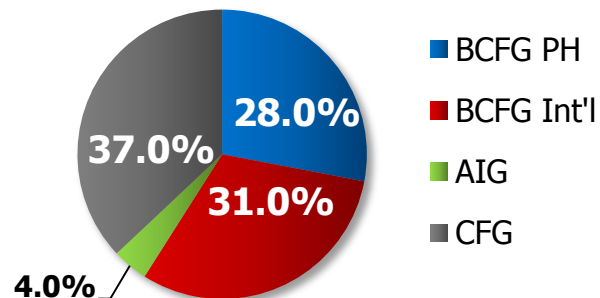


## Cash Position

(Php Billions)

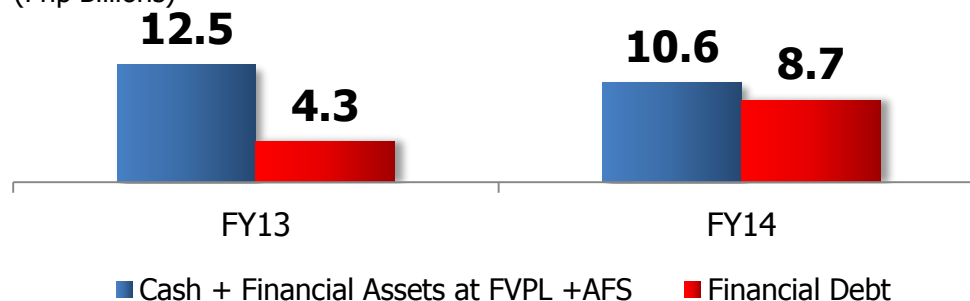


## FY14 CAPEX Breakdown



## Cash and Financial Debt

(Php Billions)



# AGENDA

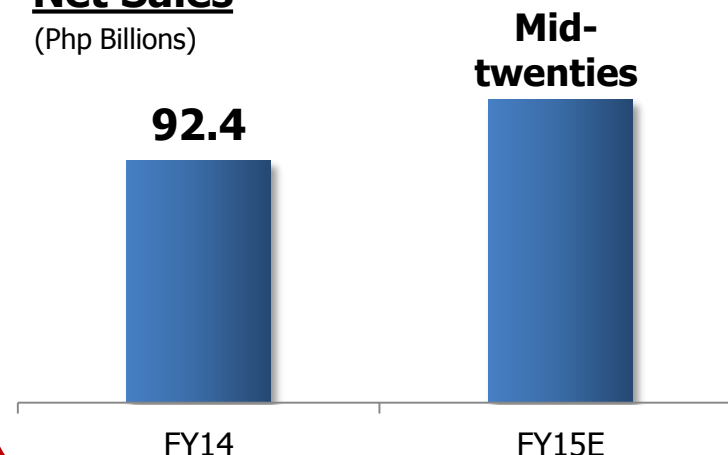
## FY14 FINANCIAL PERFORMANCE PLANS AND EXPECTATIONS

# Plans and Guidance

- **Sustain strong momentum of branded foods business**
- **Continue expansion with CAPEX budget of USD 200M**
- **Finish construction of factory in Central Vietnam and second phase Biomass Power Cogeneration facility in the Philippines in Q2 FY15**
- **Commission Myanmar facility in 2H FY15**
- **Maintain margins as weighted input cost is expected to be flattish to slightly higher**
- **CFG and AIG to continue being profitable**

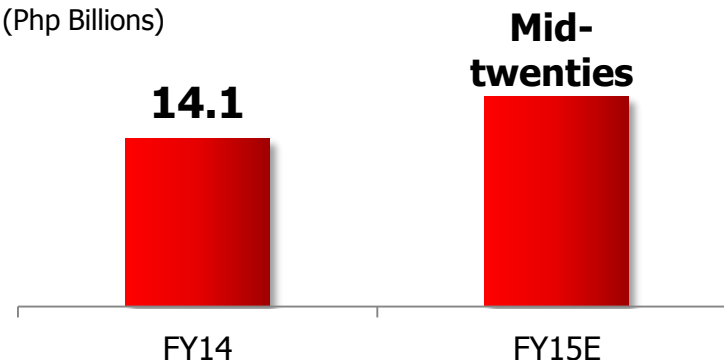
## Net Sales

(Php Billions)



## EBIT

(Php Billions)



# Update on New Businesses



## Griffins Update:

- Completed the transaction last Nov 14, 2014 and paid NZD 742M (700EV and 42M working capital)
- Financing via two 5-year term syndicated loans
- Management identifying quick wins and synergies in Operations, Product Development and Procurement
- Will start work on branding to ensure successful launch of Griffin's products into URC's markets and vice versa



# Joint Venture Updates



CALBEE-URC, INC.

- Setting up a manufacturing facility
- Expected launch of first product in Q2 FY15



- Ongoing branding/marketing work and plant trial of the product
- Expected launch is Q2 FY15



NISSIN-UNIVERSAL ROBINA  
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- Integrated noodles business under the JV with URC effectively owning 51%

# THANK YOU

# Income Statement

(Php Millions)	FY14	FY13	YoY
NET SALES	92,376	80,995	14%
Cost of Sales	64,005	57,776	11%
GROSS PROFIT	28,371	23,219	22%
Operating Expenses	14,252	12,940	10%
OPERATING INCOME	14,119	10,279	37%
Equity in net income	14	19	
Finance Revenue (cost) - net	79	264	
Other Revenues	3	700	
CORE EARNINGS	14,214	11,262	26%
Market valuation gain	63	473	
Foreign exchange gains (losses) - net	73	(157)	
Impairment loss	(122)	(29)	
INCOME BEFORE INCOME TAX	14,228	11,549	23%
Provision for income tax	2,572	1,432	
NET INCOME	11,655	10,117	15%
Net income attributable to holders of the parent	11,559	10,045	
EBITDA	18,004	13,901	30%

Net finance revenue decreased vs. SPLY due to:

- Lower finance revenue caused by a decline in level of financial assets as bonds and equity investments were disposed
- Lower finance cost due to a decline in level of financial debt as long-term debt was settled

Market valuation gain on financial instruments at fair value through profit or loss decreased due to a lower level of financial assets as all bond investments and a majority of equity investments were disposed

Foreign exchange gain (loss) – FY14 posted a gain vs. a foreign exchange loss for FY13 due to currency translation adjustments and restatements of foreign currency denominated balances

# Balance Sheet

(Php Millions)	FY14	FY13
Cash & cash equivalents (including Financial assets at FVPL and AFS)	10,574	12,469
Other current assets	29,704	20,959
Property, plant, and equipment	34,408	30,180
Other noncurrent assets	3,236	2,937
<b>TOTAL ASSETS</b>	<b>77,921</b>	<b>66,545</b>
Current liabilities	21,168	14,719
Other noncurrent liabilities	726	996
<b>TOTAL LIABILITIES</b>	<b>21,894</b>	<b>15,715</b>
Retained earnings	42,789	37,775
Other equity	13,238	13,055
<b>TOTAL EQUITY</b>	<b>56,027</b>	<b>50,830</b>





# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	FY14	FY13	YoY	FY14	FY13	YoY	FY14	FY13	BPS YOY
<b>Branded Consumer Foods</b>	<b>77,234</b>	<b>65,401</b>	<b>18%</b>	<b>11,099</b>	<b>7,487</b>	<b>48%</b>	<b>14.4%</b>	<b>11.4%</b>	<b>292</b>
Philippines	52,352	42,180	24%	8,648	5,508	57%	16.5%	13.1%	346
Packaging	1,106	1,167	-5%	(63)	(81)	22%	-5.7%	-7.0%	124
Total Philippines	53,458	43,347	23%	8,585	5,427	58%	16.1%	12.5%	354
International	23,776	22,054	8%	2,514	2,060	22%	10.6%	9.3%	123
<b>Non-Branded Consumer Foods</b>	<b>15,142</b>	<b>15,594</b>	<b>-3%</b>	<b>4,157</b>	<b>3,776</b>	<b>10%</b>	<b>27.5%</b>	<b>24.2%</b>	<b>324</b>
CFG (net)	6,939	8,201	-15%	3,091	3,119	-1%	44.5%	38.0%	651
Flour	4,137	3,948	5%	1,087	989	10%	26.3%	25.1%	122
Sugar	2,802	4,253	-34%	2,004	2,130	-6%	71.5%	50.1%	2,146
AIG (net)	8,203	7,393	11%	1,066	657	62%	13.0%	8.9%	411
Feeds	3,427	3,098	11%	326	375	-13%	9.5%	12.1%	(259)
Farms	4,776	4,295	11%	740	282	163%	15.5%	6.6%	895
Corporate Expense				(1,138)	(984)				
<b>TOTAL URC</b>	<b>92,376</b>	<b>80,995</b>	<b>14%</b>	<b>14,118</b>	<b>10,279</b>	<b>37%</b>	<b>15.3%</b>	<b>12.7%</b>	<b>259</b>



# Value Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	39%	URC	24%	8%
Candies	33%	URC	12%	11%
Chocolates	23%	URC	11%	9%
Biscuits	17%	34%	27%	URC
Cookies	28%	URC	24%	13%
Pretzels	39%	URC	26%	11%
Canned Beans	82%	URC	8%	5%
Cup Noodles	46%	47%	URC	1%
RTD Tea	83%	URC	5%	4%
Coffee	29%	47%	URC	20%
Instant Coffee	26%	71%	URC	2%
Coffee Mixes	29%	40%	URC	25%

AC Nielsen Survey MAT: Snacks, RTD Tea,- August 2014; Canned Beans, - April 2014, Biscuits, Candies, Chocolates, Cup Noodles- September 2014, Coffee – October 2014

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	22%	URC	11%	9%
Wafers	25%	URC	14%	11%

Source: AC Nielsen Retail Index September 2014

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	40%	43%	URC	11%

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