



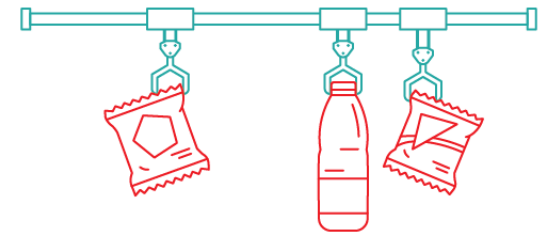
# 9M CY2019 Unaudited Results Investor Briefing

October 24, 2019

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Senior Vice President

# AGENDA



1 9M CY2019 Unaudited Financial Results

2 Our Expectations



## Sales

	Q1	Q2	Q3	9M
CY 2019	33.3	33.7	32.7	99.8
%	+7%	+2%	+6%	+5%
CY 2018	31.2	33.2	30.8	95.2

Topline was driven by the strong progress in our businesses in the Philippines

## EBIT

	Q1	Q2	Q3	9M
CY 2019	4.0	3.6	3.4	11.0
%	+10%	+6%	+10%	+9%
CY 2018	3.6	3.4	3.1	10.1
EBIT Margin	11.9%	10.8%	10.3%	11.0%
BPS +/-	+34bps	+45bps	+39bps	+40bps

Operating income improving across all divisions resulting to a stronger overall growth in Q3 and 9M

## Sales

	Q1	Q2	Q3	9M
CY 2019	15.6	15.6	15.7	46.9
%	+11%	+9%	+7%	+9%
CY 2018	14.1	14.3	14.6	43.1

Sales was driven by strong performances across all categories with Snack foods and RTD accelerating in Q3

	Q1	Q2	Q3	9M
<b>SNACKFOODS</b>	+6%	+6%	+10%	+7%
<b>RTD TEA</b>	+6%	+8%	+18%	+11%

	Q1	Q2	Q3	9M
<b>COFFEE</b>	+24%	+13%	+8%	+15%
<b>NOODLES</b>	+7%	+14%	+10%	+10%

## EBIT

	Q1	Q2	Q3	9M
CY 2019	2.2	2.0	2.0	6.1
%	+12%	+18%	+8%	+13%
CY 2018	1.9	1.7	1.9	5.4
<b>EBIT Margin</b>	13.8%	12.5%	12.7%	13.0%
<b>BPS +/-</b>	+24bps	+99bps	+4bps	+43bps

- Growth in operating income and margins driven by better average selling prices and higher volumes
- Investments in brand building will continue to further strengthen our core brands

## Sales

	Q1	Q2	Q3	9M
CY 2019	10.2	10.1	10.8	31.1
%	▼ -3%	▼ -5%	▼ -0.4%	▼ -3%
CY 2018	10.5	10.6	10.8	31.9

- Topline held back by FX by -440 bps and -407 bps in Q3 & 9M
- Decline in overall topline was mainly driven by Thailand
  - Thailand already making progress with tapering decline in Q3
- Vietnam growing at a faster pace with significant contributions from new product launches in the tea category

	Q1	Q2	Q3	9M	Q1	Q2	Q3	9M	
In local currency									
<b>VIETNAM</b>	+8%	+1%	+21%	+9%	<b>AUSTRALIA</b>	-1%	+4%	+6%	+3%
<b>THAILAND</b>	-4%	-12%	-4%	-6%	<b>NEW ZEALAND</b>	+2%	+1%	+1%	+1%

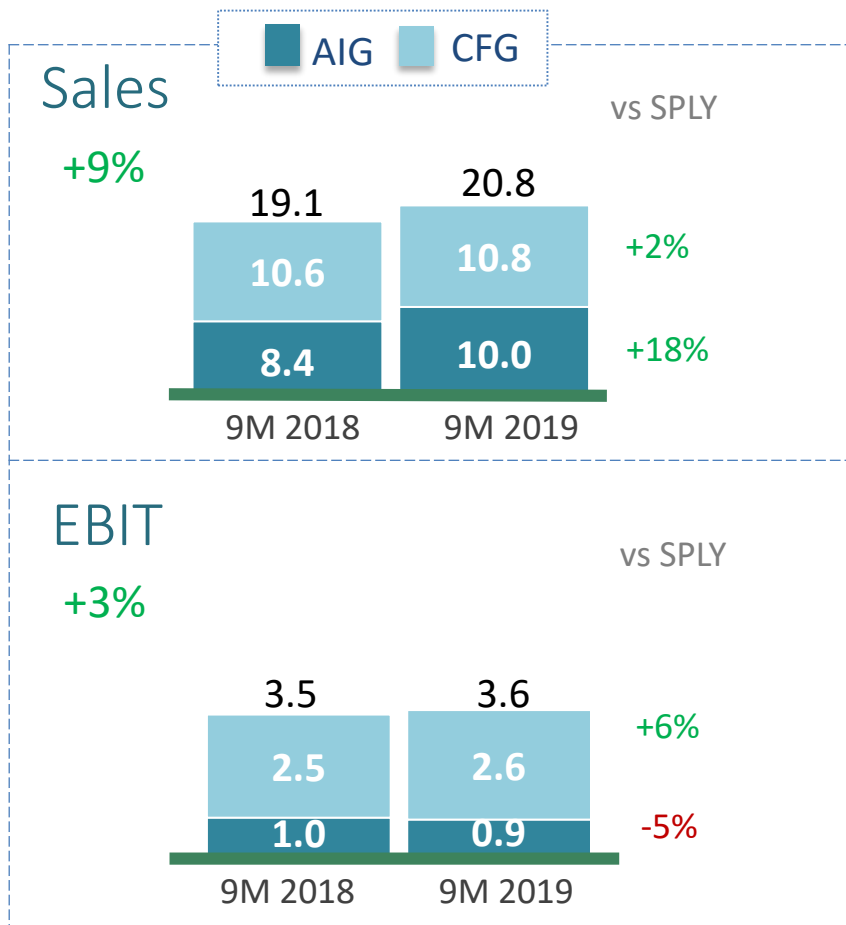
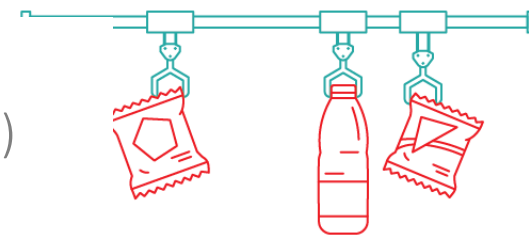
## EBIT

	Q1	Q2	Q3	9M
CY 2019	1.0	0.8	1.0	2.7
%	▲ +6%	▼ -3%	▲ +18%	▲ +7%
CY 2018	0.9	0.8	0.8	2.6
EBIT Margin	9.6%	7.7%	9.1%	8.8%
BPS +/-	+77bps	+14bps	+144bps	+80bps

Growth in profits mainly driven by better price/cost mix in Vietnam and higher volumes in Oceania

# AIC

Higher volumes in Flour along with the strong performance in Animal Nutrition & Health (ANH) boosted overall topline



## COMMODITIES

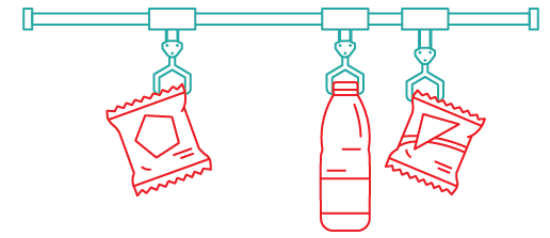
- Topline was driven by Flour due to higher volumes
- EBIT was driven by the higher volumes in Flour and Sugar

## AGRO-INDUSTRIAL

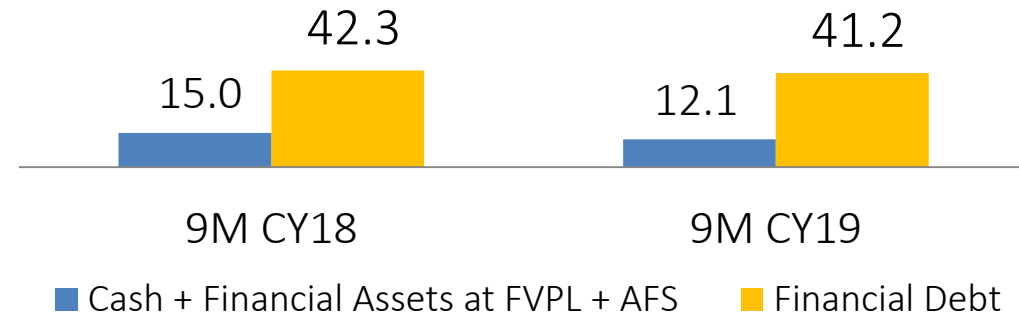
- Double digit sales growth was driven by higher volumes and better selling prices in Feeds and Pet Food
- Decline in EBIT was attributed to lower volumes in Robina Farms

In billion pesos | Non-branded Consumer Foods Group is now called Agro-Industrial and Commodities (AIC)  
 Feeds is now called Animal Nutrition & Health (including Pet Food) | Farms is now called Robina Farms  
 AIG EBIT excludes revaluation gains/loss of our biological assets for the Farms Division  
 2018 and 2019 numbers reflects the application of PFRS 15 and 9

# Strong Balance Sheet and Cash Position

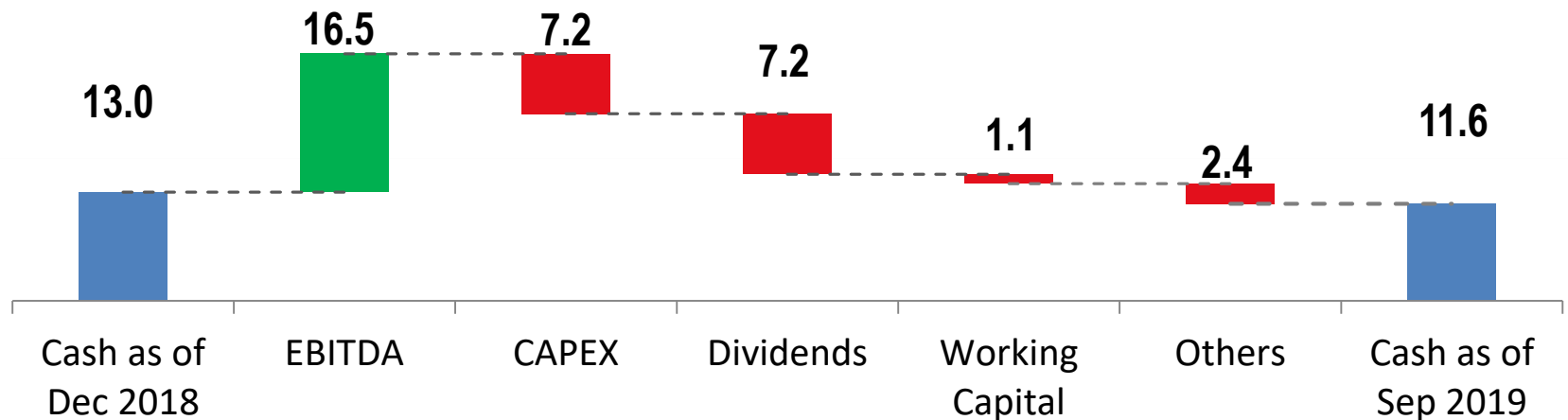


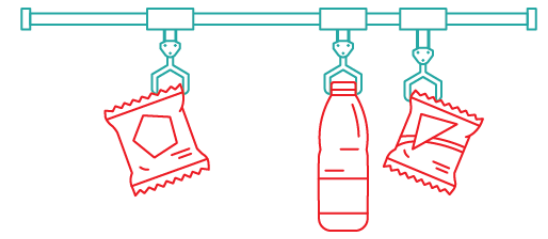
## Cash and Financial Debt



- Net debt of **Php 29.1B** due to remaining long term debt in Oceania
- Gearing ratio of **0.48**
- Major cash disbursements for CAPEX and Dividends payment

## Cash Position



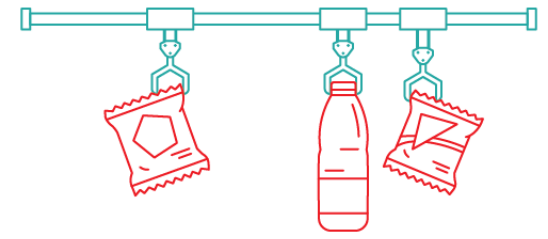


## Our Expectations

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1. **BCF PH:** reinvestments in brand building & distribution will continue enabled by a sustained topline growth
2. **BCF International:** improvement in profits will continue while topline growth is expected to improve in Q4.
3. **AIC** is expected to maintain profit contribution for the year.

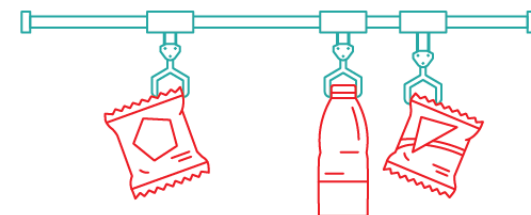




THANK YOU



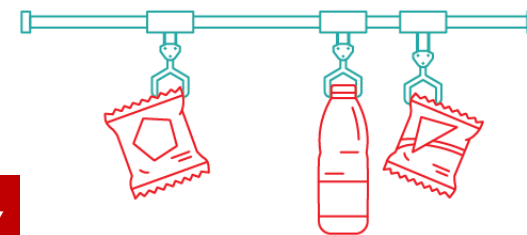
# Balance Sheet



(Php Millions)	9M 2019 (Unaudited)	CY 2018 (Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	12,131	13,494
Other current assets	43,005	40,966
Property, plant, and equipment	57,136	51,950
Other noncurrent assets	45,810	45,525
<b>TOTAL ASSETS</b>	<b>158,082</b>	<b>151,936</b>
Current liabilities	34,465	31,969
Noncurrent liabilities	36,850	35,974
<b>TOTAL LIABILITIES</b>	<b>71,314</b>	<b>67,942</b>
Retained earnings	63,843	63,789
Other equity	22,924	20,204
<b>TOTAL EQUITY</b>	<b>86,768</b>	<b>83,993</b>

\*2019 numbers reflect the application of PFRS 16

# Income Statement



(Php Millions)	9M 2019 (Unaudited)	9M 2018 (Restated)	YoY
NET SALES	99,785	95,188	5%
Cost of Sales	70,192	67,439	4%
GROSS PROFIT	29,593	27,749	7%
Operating Expense	-18,610	-17,666	5%
OPERATING INCOME	10,983	10,082	9%
Equity in net income of JVs	-39	-91	
Finance cost – net	-824	-931	
Other Revenues/ expenses	-201	-4	
CORE EARNINGS	9,919	9,056	10%
Market valuation gain/ (loss)	32	-71	
Foreign exchange gain/ (loss) – net	-1,098	-244	
Impairment Losses	-4	-37	
INCOME BEFORE INCOME TAX	8,848	8,704	2%
Provision for Income Tax	1,502	1,727	
NET INCOME	7,347	6,977	5%
Net income attributable to holders of the parent	7,071	6,802	4%
EBITDA	15,941	14,792	8%

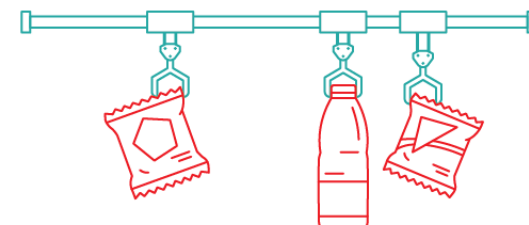
- Increase in net income was attributable to higher operating income with offsets coming from higher forex losses

\*2018 and 2019 numbers reflects the application of PFRS 15 and 9

\*PFRS 16 impact in 2019 not included for comparative purposes

\*Full P&L include market revaluation gain/loss for Farms

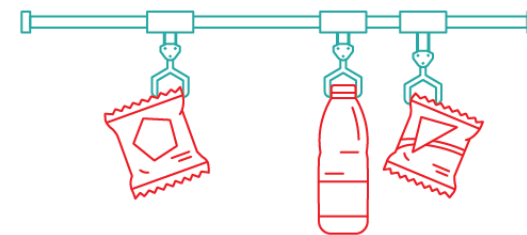
# Divisional Financials



(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M 2019	9M 2018	YoY	9M 2019	9M 2018	YoY	9M 2019	9M 2018	bps
<b>Branded Consumer Foods</b>	<b>79,017</b>	<b>76,114</b>	<b>4%</b>	<b>8,816</b>	<b>8,006</b>	<b>10%</b>	<b>11.2%</b>	<b>10.5%</b>	<b>64</b>
Total Philippines	47,955	44,214	8%	6,078	5,448	12%	12.7%	12.3%	35
Philippines	46,948	43,070	9%	6,116	5,427	13%	13.0%	12.6%	43
Packaging	1,007	1,143	-12%	-38	21	-281%	-3.8%	1.8%	-560
International	31,062	31,900	-3%	2,738	2,558	7%	8.8%	8.0%	80
<b>Agro-industrial and Commodity</b>	<b>20,768</b>	<b>19,074</b>	<b>9%</b>	<b>3,562</b>	<b>3,453</b>	<b>3%</b>	<b>17.2%</b>	<b>18.1%</b>	<b>-95</b>
CFG (net)	10,805	10,632	2%	2,630	2,474	6%	24.3%	23.3%	107
Flour	3,543	3,020	17%	696	668	4%	19.6%	22.1%	-247
SURE	7,262	7,612	-5%	1,934	1,806	7%	26.6%	23.7%	290
AIG (net)	9,963	8,443	18%	932	979	-5%	9.3%	11.6%	-224
Feeds	6,832	4,805	42%	849	586	45%	12.4%	12.2%	23
Farms	3,131	3,637	-14%	82	392	-79%	2.6%	10.8%	-816
<b>Corporate Expense</b>				<b>-1,417</b>	<b>-1,380</b>	<b>3%</b>			
<b>Total URC</b>	<b>99,785</b>	<b>95,188</b>	<b>5%</b>	<b>10,962</b>	<b>10,078</b>	<b>9%</b>	<b>11.0%</b>	<b>10.6%</b>	<b>40</b>

\*EBIT and margins excludes revaluation gains/loss of our biological assets for the Farms Division

# Value Market Shares



## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	35.1%	URC	22.5%	5.8%
Candies	26.4%	URC	12.4%	10.4%
Chocolates	21.2%	URC	13.3%	9.0%
Biscuits	16.1%	29.4%	26.0%	URC
Cup Noodles	48.0%	URC	42.0%	5.6%
RTD Tea	84.2%	URC	3.2%	2.3%
Coffee	22.1%	36.5%	36.3%	URC
Instant Coffee	23.1%	73.4%	URC	2.0%
Coffee Mixes	21.9%	43.5%	29.1%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	25.7%	URC	11.3%	8.1%
Wafers	24.0%	URC	14.6%	9.6%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	14.2%	50.9%	18.0%	URC

## New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	41.1%	URC	20.0%	12.6%
Crackers	19.8%	29.8%	URC	12.4%

## Australia

CATEGORY	MARKET SHARE	#1	#2	#3
Salty Snacks	23.7%	53.2%	URC	5.8%

AC Nielsen, Value, MAT: Snacks, Candies, Chocolates, Biscuits, RTD Tea, Coffee and Cup Noodles as of Aug 2019

URC Thailand: Biscuits and Wafers – MAT Sep 2019, URC Vietnam: RTD Tea – MAT Sep 2019

New Zealand: Sweet Biscuits and Crackers-IRI MarketEdge NZ Grocery MAT 29 Sep 2019; Australia: Aztec Scan AUS Grocery MAT to 1/9/19