



1H CY2020

Unaudited Results
Investor Briefing

July 31, 2020

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President and CEO

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OUR AGENDA

- 1.) Business Updates:
How we are navigating the Situation
- 2.) 1H CY2020 Unaudited Financial Results
- 3.) Balance of the Year Plans



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Business Updates: How we are navigating the situation

OUR PEOPLE

Employee Safety and Health: Protocols on handling COVID-19 cases

-  Case Investigation
-  Contact Tracing
-  Communication Plan
-  Complete Disinfection
-  Check COVID-19 Protocols Execution

OPERATIONS

Adapted to new normal with record production



-  Plant attendance improved and all manufacturing lines are running
-  Record highest-ever noodles, snacks, and bakery production for a quarter
-  Truck requirements fully support all requirements
-  Rebuilding stock levels to support demand spikes

SALES

Adapting the way we serve our customers in the “New Normal” through alternative shopping channels



Telesales



Direct to Consumers



Distributor Social Commerce



eCommerce Selling



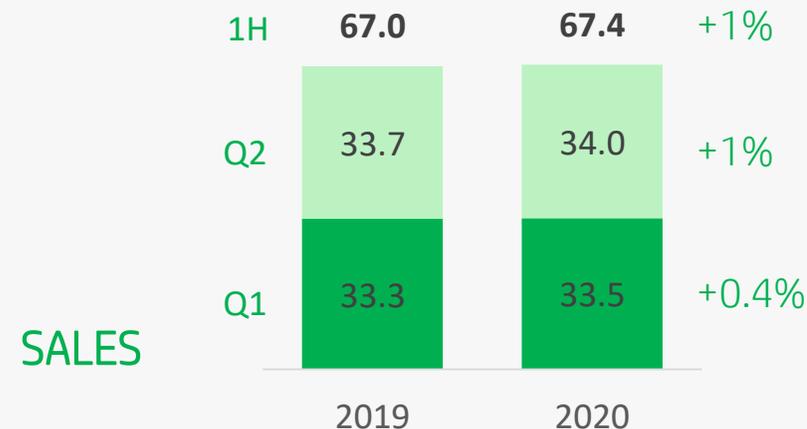
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URC Earnings Grow Strongly through first wave of COVID crisis

- Better than expected performance under COVID lockdowns especially in Philippines and Oceania
 - Strong growth in Snackfoods offset out of home consumption declines
-
- Positive Mix and Spend Controls drive strong margin, profit and cashflow growth
 - Cost savings offset COVID related expenses and fuel brand building investments



	Q1	Q2	1H
Margins	11.9%	12.6%	12.2%
BPS	--	+169	+85

- In billion pesos
- 2020 and 2019 numbers reflects the application of PFRS 16 and 15

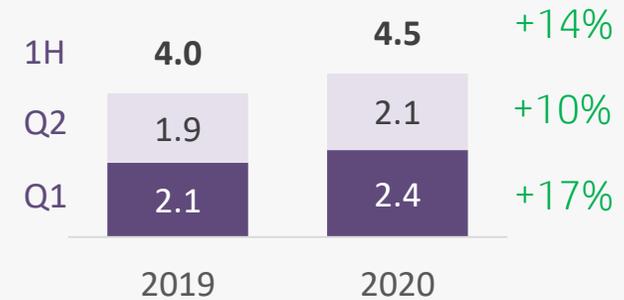
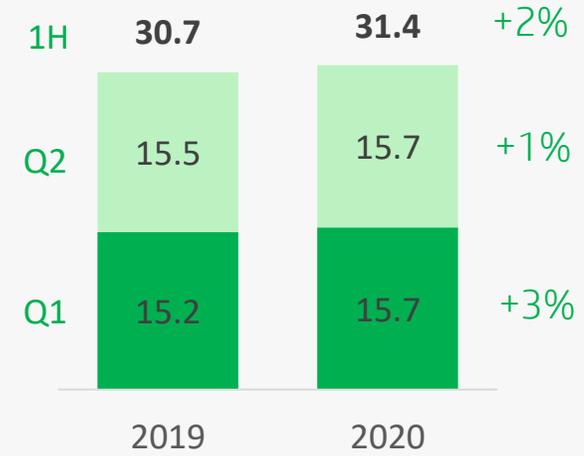
Double-digit growth in operating income and market share gains in core categories

SALES

- Strong growth in snacks, bakery, noodles, and coffee versus out-of-home consumption declines in confectionery and RTD beverages
- Gained strong market shares in all key categories

EBIT

- Growth in profits driven by favorable price/cost mix, coupled with OPEX control and cost savings
- Investments in innovation and A&P continues



	Q1	Q2	1H
Margins	15.3%	13.5%	14.4%
BPS	+183	+111	+148

- In billion pesos | Excluding packaging
- 2020 and 2019 numbers reflects the application of PFRS 16 and 15
- Note that Sales & EBIT of exports to non-affiliates from the Philippines was removed for both CY2019 and CY2020 and now treated as part of URC International

Double-digit growth in operating income and market share gains in core categories

CATEGORY SALES

	Q1	Q2	1H
Snackfoods	+3%	+8%	+6%
Snacks	+5%	+10%	+8%
Bakery	+2%	+19%	+10%
Confectionery	+1%	-11%	-5%
Coffee	-6%	+8%	+1%
RTD Tea	-6%	-30%	-18%
Noodles	+28%	+22%	+25%

MARKET SHARES*

	JANUARY 2019	Average APRIL, MAY, JUNE 2020
Snacks	35.1%	41.3%
Biscuits	16.0%	16.9%
Candies	26.8%	28.9%
Chocolates	20.2%	24.7%
Coffee	21.1%	22.1%
RTD Tea	83.0%	87.7%
Noodles	19.9%	21.6%

*Based on AC Nielsen's Exit reading from January 2019 to April, May, June 2020

Double digit growth in operating profit in Q2

SALES

- FX held back sales (by 6 growth points) and total business has been impacted by the lockdown in varying degrees
- Total Oceania continue to post buoyant sales
- Indochina negatively impacted by COVID-19 but improving month by month

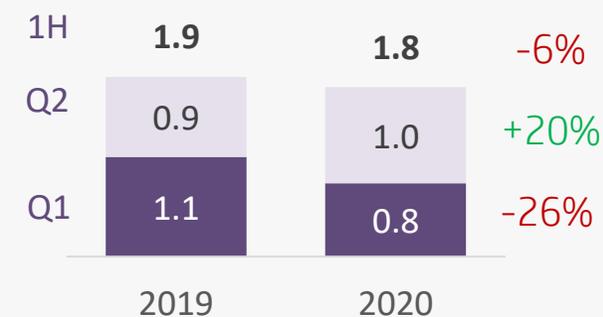
EBIT

- Profits and margins pivoted in Q2 with double digit growth as a result of higher volumes in Oceania and cost control measures across all countries



In Constant FOREX	Q1	Q2	1H
Oceania*	+19%	+5%	+12%

In Local Currency	Q1	Q2	1H
Vietnam	-36%	-32%	-34%
Thailand	-11%	+1%	-6%



	Q1	Q2	1H
Margins	8.2%	11.2%	9.7%
BPS	-207	+288	+37

- In billion pesos
- 2019 and 2020 numbers reflects the application of PFRS 16 and 15
- *includes Yarra Valley Sales

AIC

Strong performance in Commodities and Animal Nutrition & Health

SALES

- Double digit growth driven by higher volumes in Sugar, Flour, and Animal Nutrition and Health
- Decline in Robina Farms due to downsized operations and lower volumes

EBIT

- Profit growth is driven by higher volumes in Sugar and Flour and higher margins in Animal Nutrition and Health and Flour



BUSINESS UNIT PERFORMANCE

Commodity Foods Group (CFG)



Agro-Industrial Group (AIG)



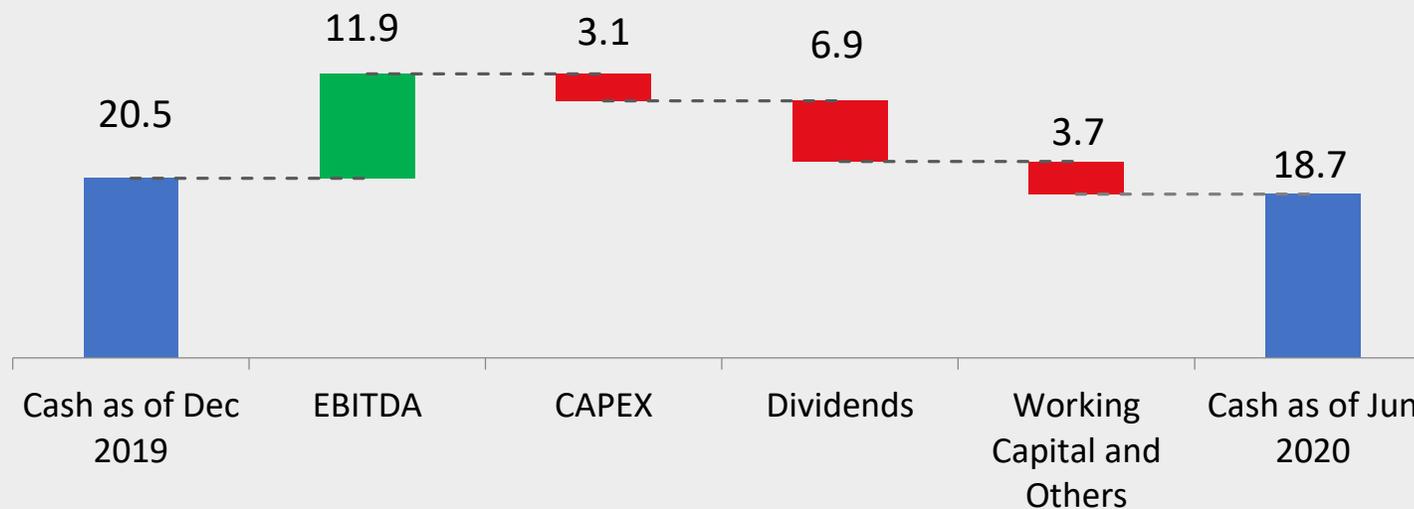
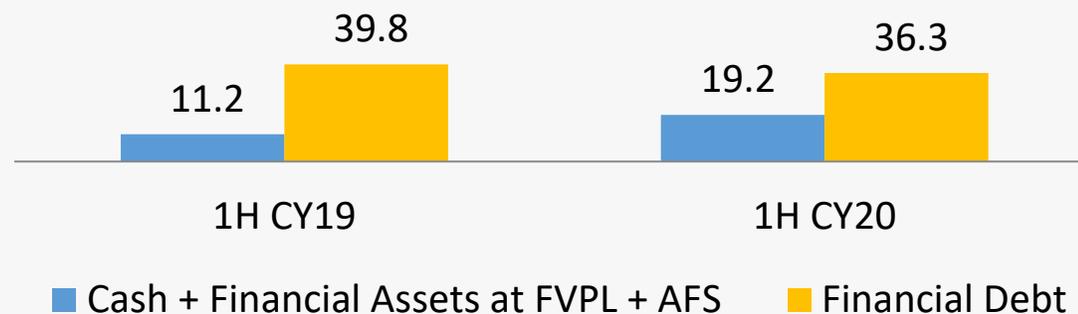
- In billion pesos | Non-branded Consumer Foods Group is now called Agro-Industrial and Commodities (AIC)
- Feeds is now called Animal Nutrition & Health (including Pet Food) | Farms is now called Robina Farms

Balance Sheet & Cash Flows

Strong Balance Sheet and Cash Position

- Php 18.7B Cash balance – very strong
- Net Debt of Php 17.1B, LT debt in Oceania
- Gearing ratio of 0.38
- Strong 1H free cash flows
- OPEX and CAPEX savings identified
- Cash conversion cycle focus
- Special cash dividends payments as planned last June 26, 2020

Cash and Financial Debt*



In billion pesos

*As of June 2020 versus June 2019

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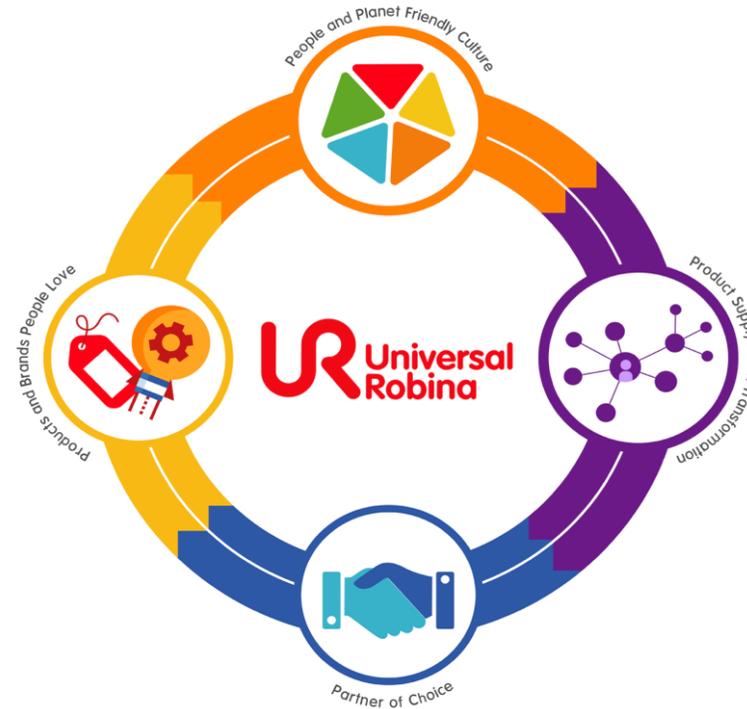
Balance of The Year Plans

Products and Brands People Love

IPM 2020;
Brands with Purpose;
New Consumer Trends towards health and in-home consumption;
Strengthen the Core and Expand for More Portfolio

People and Planet Friendly Culture

People Productivity, New Workplace,
Accelerate Digital, Quality/Health & Safety Enhancement;
Sustainability Savings



Product Supply Chain Transformation

LEAN Acceleration; Logistics Transformation;
Supply Network Re-Design

Preferred Partner of Choice

Shift in Modern Retail; Distribution Expansion models;
Route to Market availability and Service; eCommerce/sCommerce/DTC;
Supplier Base Flexibility

THANK YOU



Income Statement



(Php Millions)	1H 2020 (Unaudited)	1H 2019 (Unaudited)	YoY
NET SALES	67,407	67,041	1%
Cost of Sales	46,936	47,143	-0.4%
GROSS PROFIT	20,472	19,898	3%
Operating Expense	-12,235	-12,276	-0.3%
OPERATING INCOME	8,236	7,623	8%
Equity in net income of JVs	-55	-32	
Finance cost – net	-630	-687	
Other revenues/ expenses	-78	-38	
CORE EARNINGS	7,474	6,866	9%
Market valuation gain/ (loss)	-13	13	
Foreign exchange gain/ (loss) – net	-330	-425	
Other non-core revenues/expense	0	-2	
INCOME BEFORE INCOME TAX	7,131	6,452	11%
Provision for Income Tax	1,156	1,147	
NET INCOME	5,975	5,305	13%
Net income attributable to holders of the parent	5,528	5,130	8%
EBITDA	11,925	11,369	5%

- Increase in net income was attributable to higher operating income driven by flat cost of sales and operating expenses as well as lower forex losses



Full P&L include market revaluation gain/loss for Farms
2020 and 2019 numbers reflects the application of PFRS 16 and 15 along with its impact to Sugar

Balance Sheet

(Php Millions)	1H 2020 (Unaudited)	CY 2019 (Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	19,180	20,975
Other current assets	44,895	43,945
Property, plant, and equipment	53,385	54,626
Other noncurrent assets	48,745	49,106
TOTAL ASSETS	166,204	168,653
Current liabilities	34,774	34,933
Noncurrent liabilities	36,938	38,535
TOTAL LIABILITIES	71,712	73,468
Retained earnings	65,229	66,644
Other equity	29,263	28,540
TOTAL EQUITY	94,492	95,185

*2020 and 2019 numbers reflect the application of PFRS 16

Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	1H 2020	1H 2019	YoY	1H 2020	1H 2019	YoY	1H 2020	1H 2019	bps
Branded Consumer Foods	50,914	52,444	-3%	6,345	5,908	7%	12.5%	11.3%	120
Total Philippines	31,902	31,477	1%	4,508	3,960	14%	14.1%	12.6%	155
Philippines	31,381	30,725	2%	4,518	3,970	14%	14.4%	12.9%	148
Packaging	521	752	-31%	-10	-11	-6%	-1.9%	-1.4%	-50
International	19,012	20,967	-9%	1,837	1,949	-6%	9.7%	9.3%	37
Agro-industrial and Commodity	16,494	14,597	13%	2,955	2,663	11%	17.9%	18.2%	-33
CFG (net)	10,106	8,008	26%	2,421	2,018	20%	24.0%	25.2%	-124
Flour	2,335	2,090	12%	567	456	24%	24.3%	21.8%	245
SURE	7,771	5,918	31%	1,855	1,562	19%	23.9%	26.4%	-253
AIG (net)	6,388	6,589	-3%	534	645	-17%	8.4%	9.8%	-144
Animal Nutrition and Health	4,510	4,351	4%	719	536	34%	15.9%	12.3%	361
Robina Farms	1,878	2,238	-16%	-185	109	-271%	-9.9%	4.9%	-1,471
Corporate Expense				-1,063	-949	12%			
Total URC	67,407	67,041	1%	8,236	7,623	8%	12.2%	11.4%	85

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

Market Shares



Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	37.1%	URC	21.8%	5.7%
Candies	26.3%	URC	12.7%	10.9%
Chocolates	21.3%	URC	13.7%	9.2%
Biscuits	16.2%	25.6%	18.9%	URC
Cup Noodles	49.1%	URC	38.7%	7.1%
RTD Tea	84.4%	URC	2.9%	2.5%
Coffee	22.6%	36.0%	35.9%	URC
Instant Coffee	21.6%	75.1%	URC	1.7%
Coffee Mixes	22.8%	43.7%	27.5%	URC

Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	24.6%	URC	11.4%	7.7%
Wafers	23.0%	URC	11.9%	9.4%

Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	15.4%	49.1%	18.4%	URC

New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	40.8%	URC	20.4%	13.0%
Crackers	20.0%	30.1%	URC	12.0%

Australia

CATEGORY	MARKET SHARE	#1	#2	#3
Salty Snacks	24.7%	52.3%	URC	5.8%

AC Nielsen, Value, MAT: Snacks, Candies, Chocolates, Biscuits, RTD Tea, Coffee and Cup Noodles as of Jun 2020

URC Thailand: Biscuits and Wafers – MAT Jun 2020, URC Vietnam: RTD Tea – MAT May 2020

New Zealand: Sweet Biscuits and Crackers-IRI MarketEdge NZ Grocery MAT 21 June 2020; Australia: Aztec Scan AUS Grocery MAT to 7/6/20