



# Q1 CY2022 Unaudited Results Investor Briefing

April 29, 2022

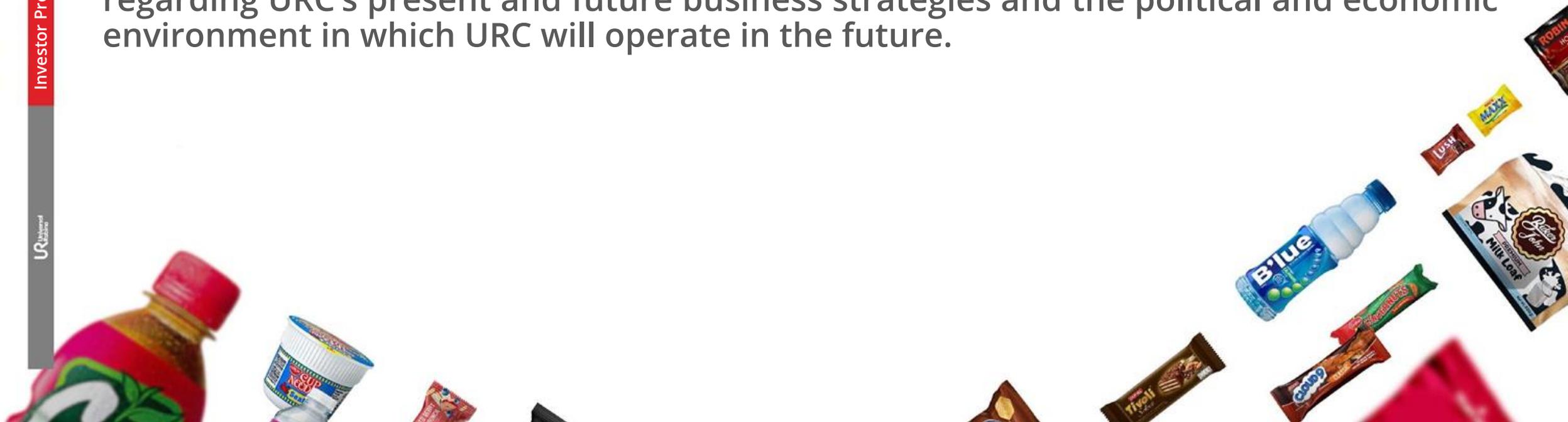
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Director

# DISCLAIMER

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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.



# Executive Summary

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- **Q1 2022 net sales grew 22%** on the back of strong performance across all business units with record sales in BCF Philippines
- **Market share gains vs. pre-pandemic retained** across most categories; Q1 sales outpacing broader category growth
- **Absolute profits protected** on the back of volume growth, higher selling prices and cost savings programs
- **Q1 2022 net income from continuing operations up 20%** from EBIT growth and forex gain; Operating income up 5% inclusive of Munchy's

# Continued market resurgence as pandemic recedes



People are the Paranaque Integrated Terminal Exchange in Paranaque City, April 11. — PHILIPPINE STAR/ RUSSELL PALMA



## Mall crowd under 'new normal' buoys retailers' confidence

By: Cheche V. Moral Philippine Daily Inquirer / 09:50 AM March 25, 2022

## Vietnam's Ho Chi Minh City economic recovery exceeds expectations, says top govt official

## Thailand to stay on growth path despite higher inflation: central bank

MONDAY, APRIL 18, 2022 - 15:19

HOME / MALAYSIA

## Malaysia on right track to revive economy, strengthen foreign ties post-Covid, assures PM

Tuesday, 29 Mar 2022 05:22 AM MYT

Market continues its momentum in 2022, showing growth across categories

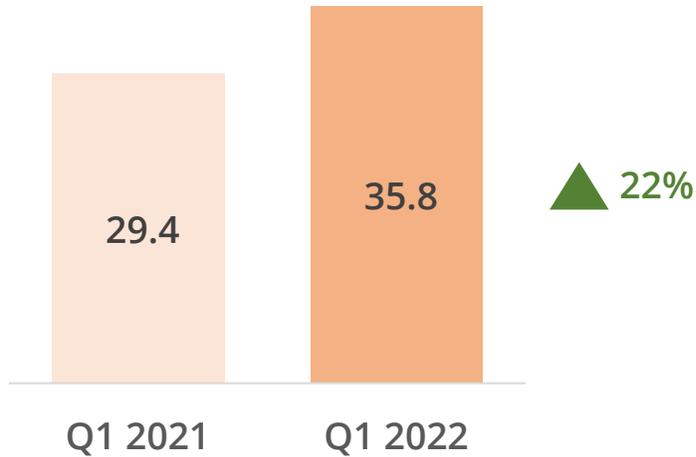
	MAT Feb21 vs. 20	MAT Feb22 vs. 21
<b>PHILIPPINES</b>		
Snacks	-14%	+12%
Candies	-32%	+14%
Chocolates	-16%	+14%
Biscuits	-18%	+7%
Noodles	-4%	+15%
RTD Tea	-26%	+28%
Coffee	-14%	+8%
<b>THAILAND</b>		
Biscuits	-11%	-3%
Wafers	-5%	+7%
<b>VIETNAM</b>		
RTD Tea	-9%	+11%

Moving Annual Total Feb – March prior year up to Feb current year

# URC (Continuing Operations)

## SALES

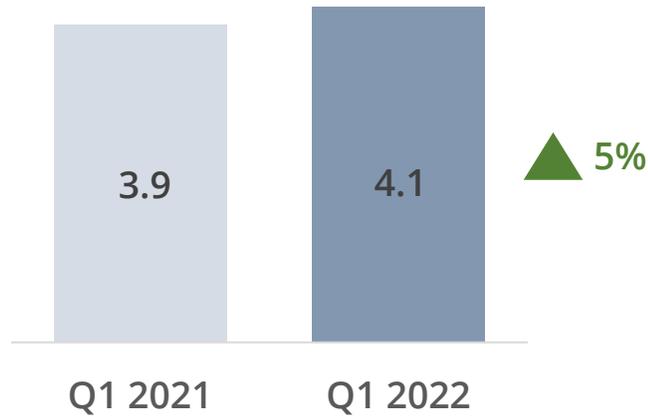
In billion pesos



- Strong double digit growth as sales momentum continued into Q1 2022
- Munchy's contributed almost 5% to topline growth

## EBIT

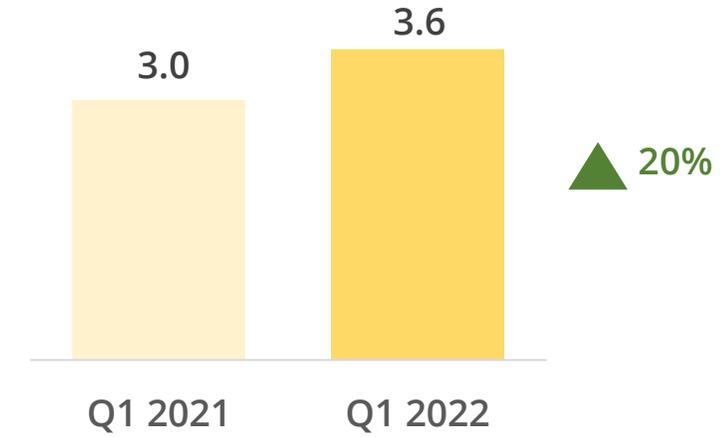
In billion pesos



- Margins still challenged by continued material cost increases
- Further pricing action in 2022 and OPEX optimization to help mitigate margin pressures

## NET INCOME

In billion pesos

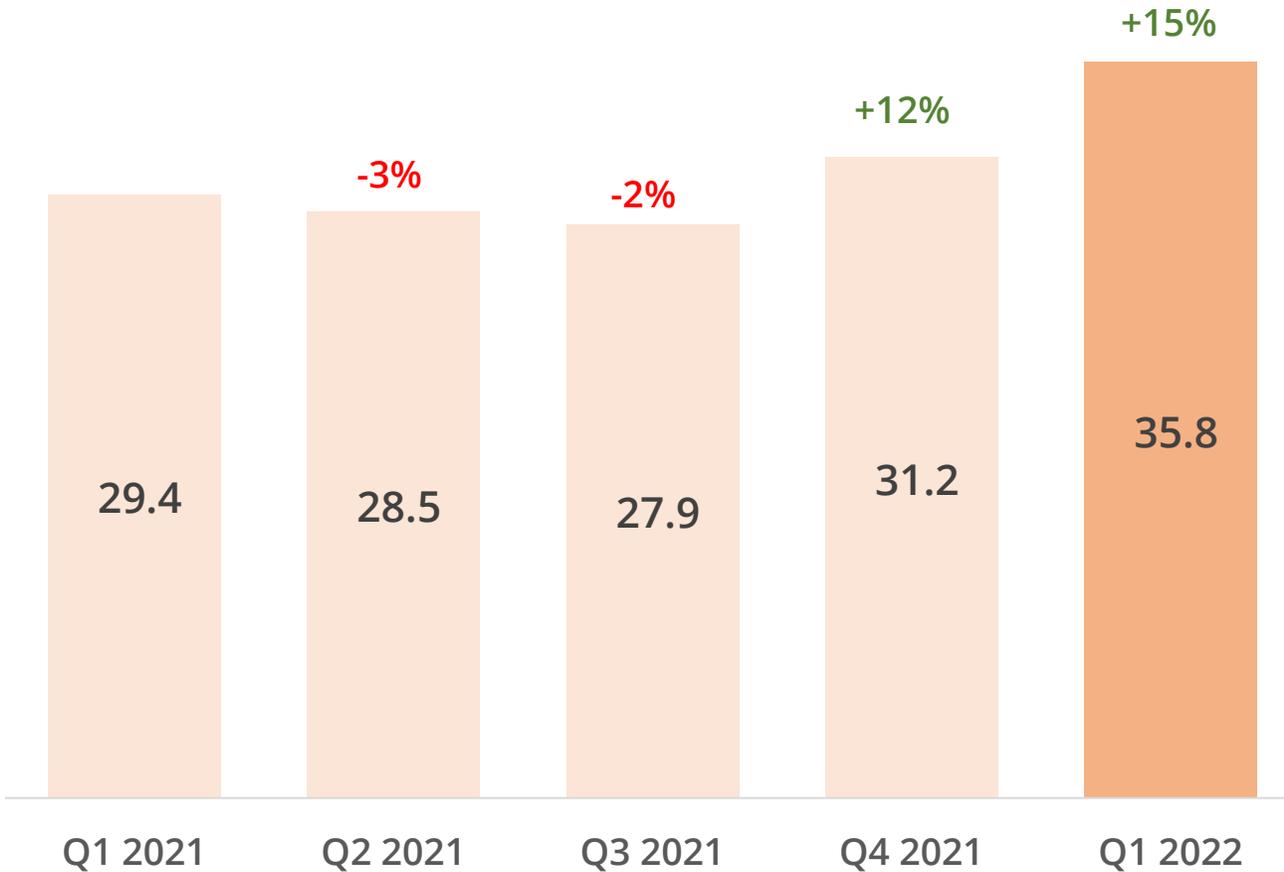


- Increase in net income driven by EBIT growth and forex gain

# Accelerating growth momentum

## QUARTER SALES

In billion pesos



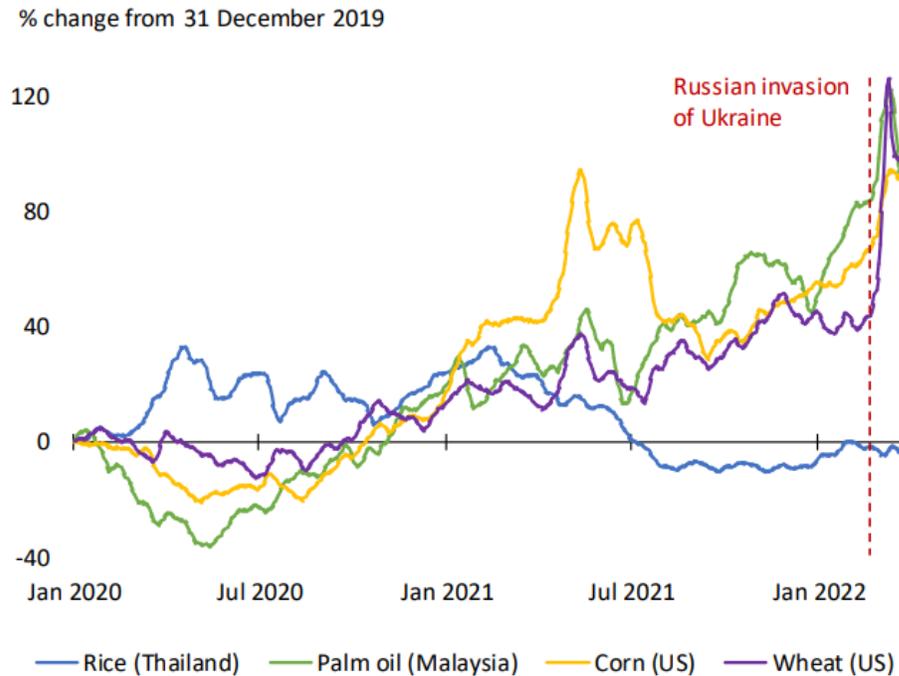
- All business units outperformed in Q1 2022, with double digit sales growth YoY
- Q1 2022 sales up 15% vs. previous quarter, driven by strong Branded and Commodities sales; Munchy's contributes 5% growth

# Focus on protecting absolute profits despite unprecedented cost pressures while recovering margins over time

## COMMODITIES

Global commodity prices soar 50%, fastest pace in 27 years

Prices of key agricultural products



## BUSINESS

Shipping rates to increase by an average of 25%

# Php12B

Estimated 2022 Full Year Impact of Materials Cost Increases

## ≥10 pts

Margin impact of Material Cost Increases

## +7 pts

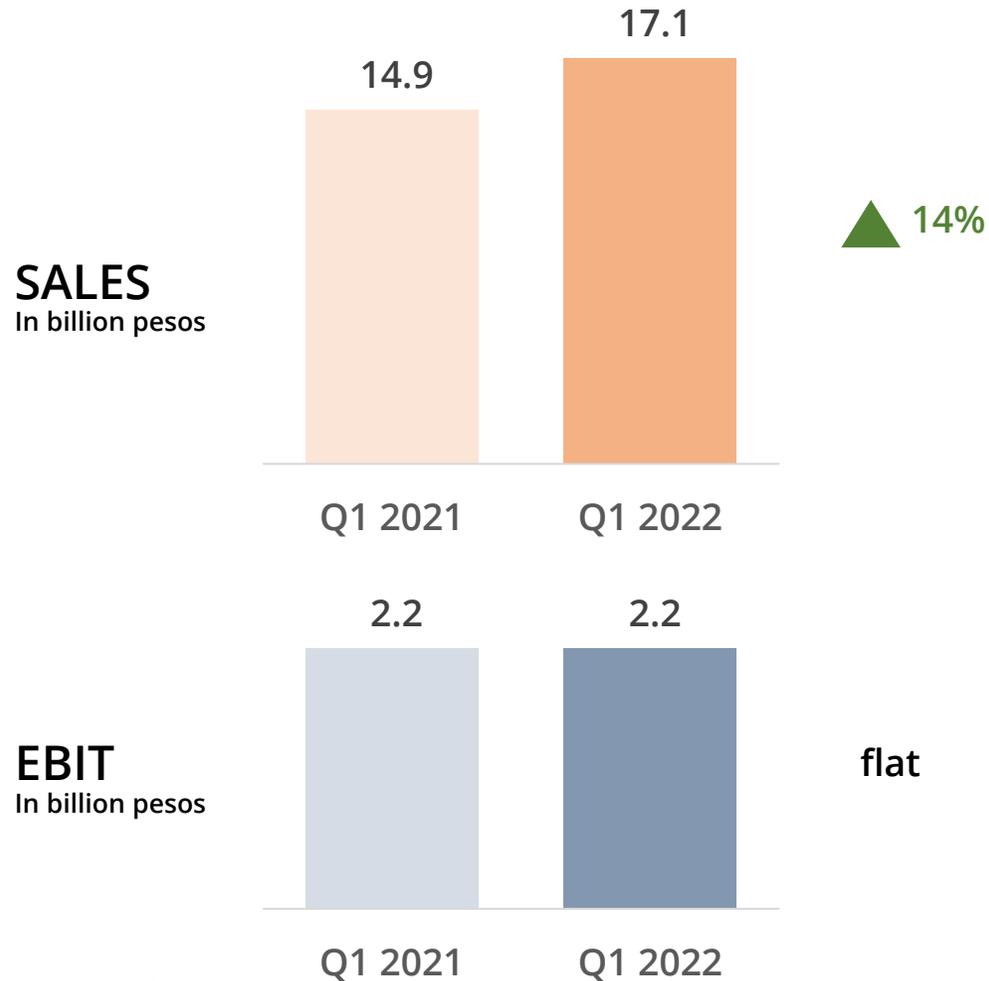
Pricing recovery

## +2 pts

Cost savings recovery

# BCF PHILIPPINES

## Accelerating momentum with BCF Philippines posting record sales



- Highest monthly sales and quarterly sales in history
- Double-digit growth seen across most categories
- Sell-through continues to strengthen, with in-store inventories remaining healthy on high order fill rates
- Impressive topline growth helped offset cost pressures from higher material and fuel prices
- Further pricing to be taken within Q2

• Excluding packaging

# Market share gains vs. pre-pandemic levels

CATEGORY	URC Market Share		YoY Category Growth	
	MAT Feb20 (pre-pandemic)	MAT Feb22	Nielsen YTD Feb22	URC (internal) Q1 2022
<b>PHILIPPINES</b>				
Snacks	35.9%	36.6%	+8%	+11%
Candies	25.6%	27.0%	+9%	Flat
Chocolates	21.1%	23.6%	+14%	+15%
Biscuits	16.1%	15.8%	+8%	+10%
Cup Noodles	48.4%	51.9%	+12%	+42%
Pouch Noodles	13.0%	13.5%	+11%	+16%
RTD Tea	85.1%	89.5%	+39%	+50%
Coffee	22.5%	22.0%	+7%	+4%

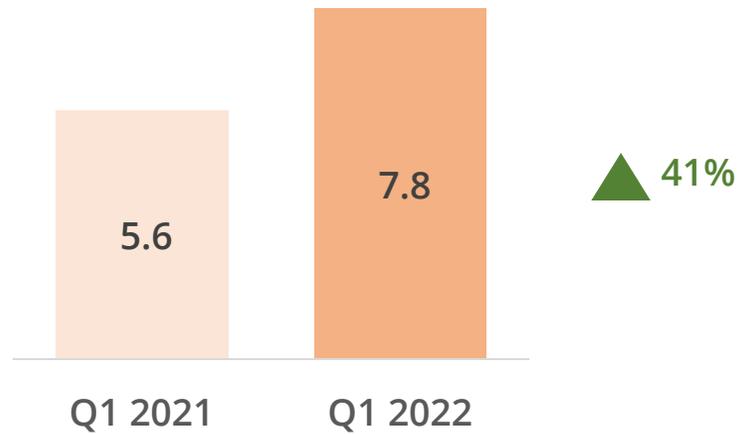
- Shares stabilizing from supply-driven highs in 2021
- Most categories improved shares vs. pre-pandemic period
- Outperformance in Q1 vs. broad category growth

\* Moving Annual Total Feb – March prior year up to Feb current year

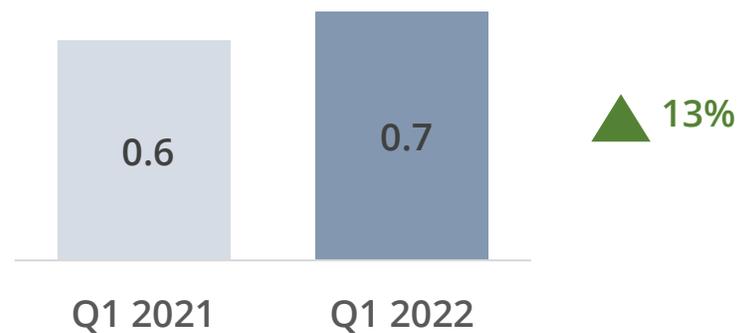
# BCF INTERNATIONAL

## Strong performance of Indochina and uplift from Munchy's

### SALES In billion pesos



### EBIT In billion pesos



- URCI up 36% in constant currency terms
- Core international business posting double digit sales growth of 15% (12% on constant currency) driven by Indochina and Indonesia
- Munchy's displaying robust sales growth, with sales up 7% vs. prior year
- Margins remain challenged by elevated commodity prices, logistics and manpower costs in some markets
- Mix, pricing, and cost management helped mitigate cost pressures
- Munchy's accretive to international EBIT and margins

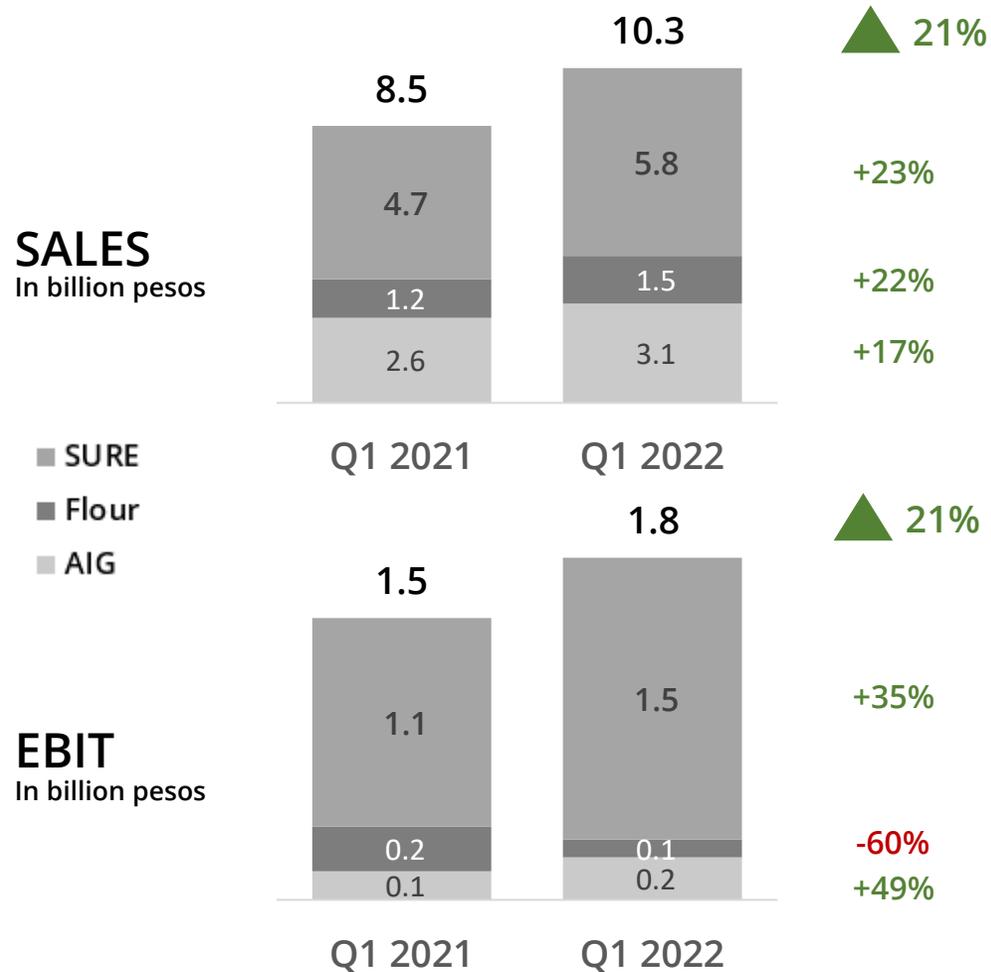
# Munchy's performing in line with expectations; integration on track



- ✓ Munchy's displaying robust sales growth, with Q1 sales up 7% vs. prior year
- ✓ Revenue and cost synergies, in both domestic Malaysia and in the International markets, have been identified
- ✓ Preparation for expansion of Munchy's portfolio within the region, starting with Philippines in Q3
- ✓ Organizational design and integration into consolidated business (Universal Robina-Munchy's Malaysia); structure optimization ongoing
- ✓ Rodney Wong appointed as country CEO for the combined Malaysia business from July 2022

# AIC

## Double digit growth across all business units

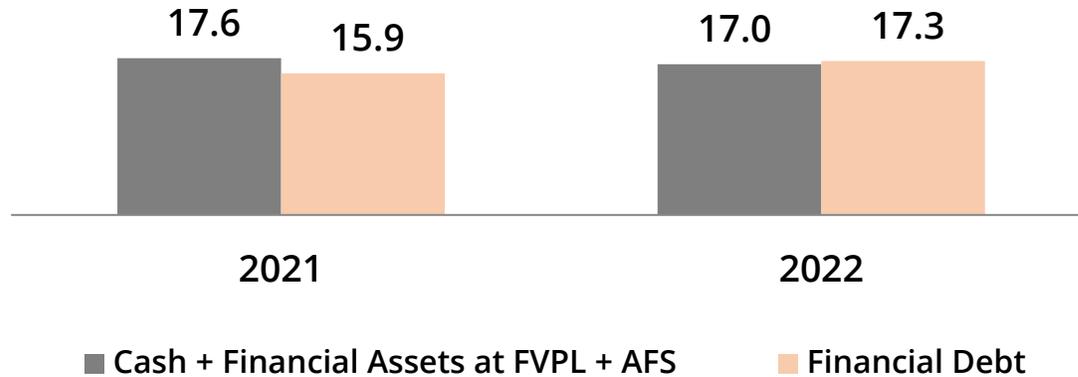


- Sugar and Renewables (SURE) and Flour leads growth, with sales up 23% on higher selling prices
- Feeds drives strong showing of AIG, with the continued outperformance of Petfood
- Strong performances in SURE and AIG offset challenges in Flour from surging wheat prices
- Further pricing moves for Flour to address elevated input costs will recover margins sequentially

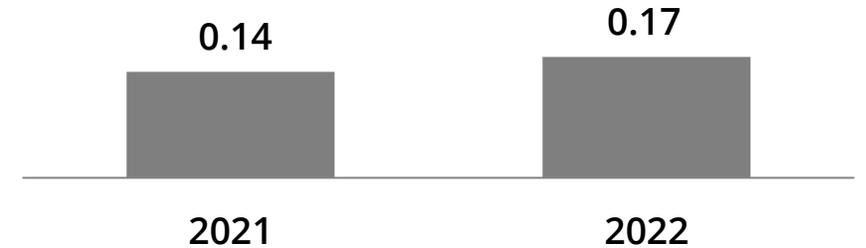
• Non-branded Consumer Foods Group is now called Agro-Industrial and Commodities (AIC)

# Balance Sheet and Cash Flow

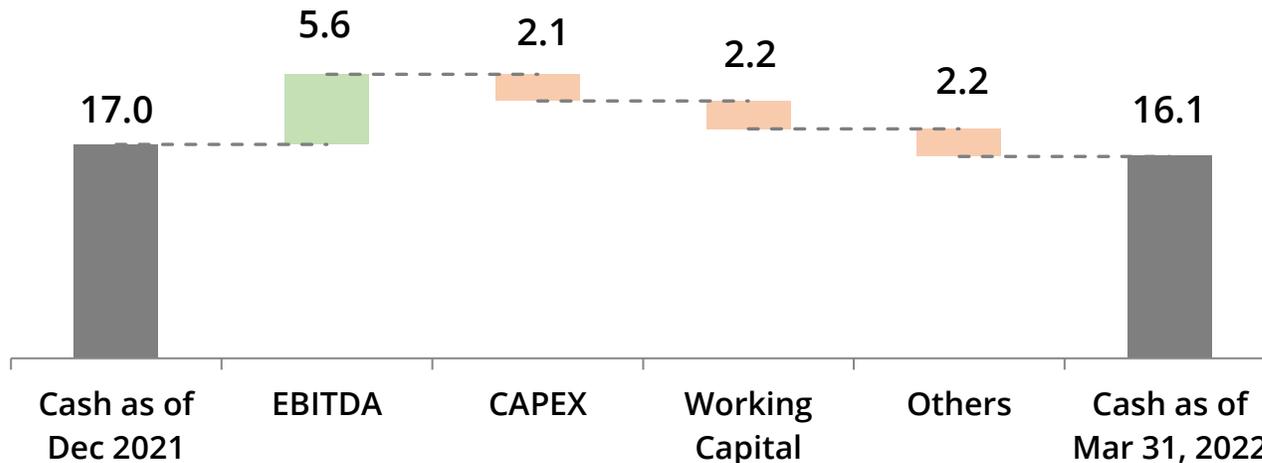
**Cash and Financial Debt**  
In billion pesos



**Gearing Ratio**



**Cash Position**  
In billion pesos



- Balance sheet remains healthy and close to a net cash position
- Increase in current liabilities vs. 2021 from accrual of Php7.6B dividends, for payout on April 29
- Share buyback program continues; almost 60% deployed to date

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# URC Strategy

## Strategic Thrusts



Grow the CORE

Expand for MORE



- People and Planet Friendly Culture
- Products and Brands People Love
- Preferred Partner of Choice
- Product Supply Chain Transformation

## Pivoting to strong growth in 2022

**We now estimate full-year topline growth to increase at the low-to-mid teens range, while improving absolute bottom line despite unprecedented cost pressures**

# THANK YOU



# Income Statement

(Php Millions)	Q1 2022	Q1 2021	YoY
	(Unaudited)	(Audited)	
NET SALES	35,783	29,366	22%
Cost of Sales	26,004	20,534	27%
GROSS PROFIT	9,779	8,831	11%
Operating Expense	-5,712	-4,973	15%
OPERATING INCOME	4,067	3,858	5%
Equity in net income of JVs	2	2	
Finance cost - net	-77	-91	
Market valuation gain/ (loss)	68	-4	
Foreign exchange gain/ (loss) - net	273	-174	
Other revenues/expense	6	22	
INCOME BEFORE INCOME TAX	4,339	3,613	20%
Provision for Income Tax	761	619	
NET INCOME FROM CONTINUING OPERATION	3,578	2,994	20%
NET INCOME FROM DISCONTINUED OPERATION	0	224	
NET INCOME	3,578	3,218	11%
Net income attributable to holders of the parent	3,473	3,005	16%
EBITDA	5,576	5,407	3%

\*Full P&L includes market revaluation gain/loss for Farms, excludes Oceania

# Balance Sheet

(Php Millions)	Q1 2022	CY 2021
	(Unaudited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	16,959	17,629
Other current assets	53,928	49,863
Property, plant, and equipment	56,986	55,881
Other noncurrent assets	29,155	29,283
<b>TOTAL ASSETS</b>	<b>157,028</b>	<b>152,657</b>
Current liabilities	48,339	39,028
Noncurrent liabilities	3,884	3,861
<b>TOTAL LIABILITIES</b>	<b>52,223</b>	<b>42,889</b>
Retained earnings	84,822	88,908
Other equity	19,983	20,860
<b>TOTAL EQUITY</b>	<b>104,805</b>	<b>109,768</b>

# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	Q1 2022	Q1 2021	YoY	Q1 2022	Q1 2021	YoY	Q1 2022	Q1 2021	bps
Branded Consumer Foods	25,450	20,820	22%	3,014	2,927	3%	11.8%	14.1%	(221)
Philippines (including Packaging)	17,610	15,259	15%	2,298	2,294	0%	13.0%	15.0%	(199)
International	7,840	5,561	41%	716	632	13%	9.1%	11.4%	(223)
Agro-industrial and Commodity (net)	10,333	8,546	21%	1,760	1,450	21%	17.0%	17.0%	6
SURE	5,800	4,725	23%	1,450	1,073	35%	25.0%	22.7%	229
Flour	1,472	1,202	22%	91	230	-60%	6.2%	19.2%	(1,297)
AIG	3,061	2,619	17%	219	147	49%	7.2%	5.6%	154
Corporate Expense				-707	-518	36%			
<b>Total URC</b>	<b>35,783</b>	<b>29,366</b>	<b>22%</b>	<b>4,067</b>	<b>3,858</b>	<b>5%</b>	<b>11.4%</b>	<b>13.1%</b>	<b>(177)</b>

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

# Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	36.6%	URC	24.0%	5.7%
Candies	27.0%	URC	12.7%	11.9%
Chocolates and Coated Wafers	23.6%	URC	13.5%	8.4%
Biscuits	15.8%	29.0%	25.7%	URC
Cup Noodles	51.9%	URC	37.4%	5.2%
RTD Tea	89.5%	URC	1.8%	1.7%
Coffee	22.0%	38.3%	34.1%	URC
Instant Coffee	22.2%	75.6%	URC	1.1%
Coffee Mixes	22.0%	42.8%	28.8%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	17.7%	URC	13.5%	7.8%
Wafers	20.7%	22.4%	URC	9.7%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	18.9%	44.0%	19.6%	URC

## Malaysia

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	23.9%	24.8%	URC	10.1%

Source: AC Nielsen, Value Shares

Philippines: Snacks, Candies, Chocolates and Coated Wafers, Biscuits, Cup Noodles, RTD Tea and Coffee - MAT Feb 2022

Thailand: Biscuits and Wafers - MAT Feb 2022

Vietnam: RTD Tea - MAT Mar 2022

Malaysia: Biscuits - MAT Feb 2022