



## Q1 CY2020

### Unaudited Results Investor Briefing

April 28, 2020



**Irwin C. Lee**  
President and CEO

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Senior Vice President

## OUR AGENDA

- 1.) Business Updates:  
Our Immediate Priorities
- 2.) Q1 CY2020 Unaudited Financial  
Results
- 3.) Looking Ahead:  
Recovery linked to our strategies



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# OUR IMMEDIATE PRIORITIES

# 1

## Employee Safety and Health

### WORK PLACE STANDARDS



Vacuum carpet daily



Disinfect handrails, doorknobs, elevators (every 2 hours)



Twice a day Garbage Disposal



Regular cleaning of aircon filters & ventilation

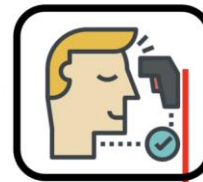


Regular cleaning of parking areas

### ENTERING THE WORK PLACE



Brush footwear on mat



Thermal Scanning



Wash Hands



Sanitize hands

### WHILE AT WORK



Maintain Social Distancing



Sanitize work area every 4 hours

### DISMISSAL



Shuttle services



Fixed shuttle seating



Provided lodging with meals & shower



Remote working arrangements





# OUR IMMEDIATE PRIORITIES

# 2

## Product Availability



You  
are our inspiration  
for our hard work.  
Lahat 'to para sa inyo.





# OUR IMMEDIATE PRIORITIES

# 3

## Supporting Communities



# OUR IMMEDIATE PRIORITIES

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## Supporting Communities





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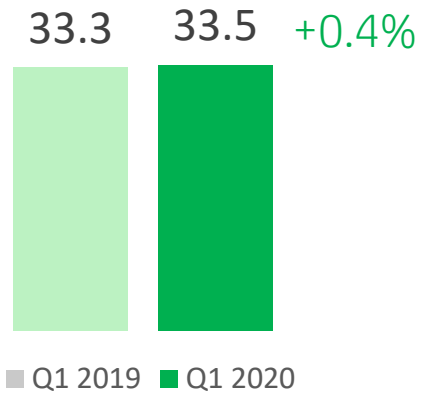




# URC

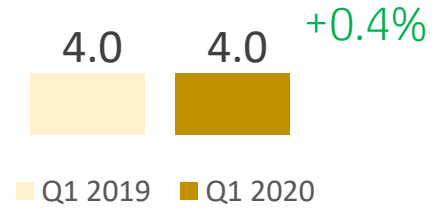
## Holding Ground in the Face of COVID-19: Philippines Offset International Drag

### SALES



- BCF Philippines and Commodity Foods remain buoyant
- Agro-Industrial is down due to the previously announced downsizing and lower prices in Robina Farms
- Indochina COVID-19 effects started earlier and prolonged

### EBIT



- Operating income and margins up strongly in BCF Philippines but offset by the decline in International business and AIC

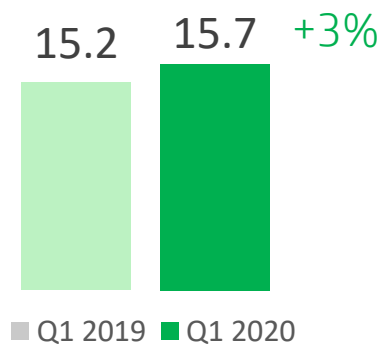
11.9%

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

# BCF PHILIPPINES

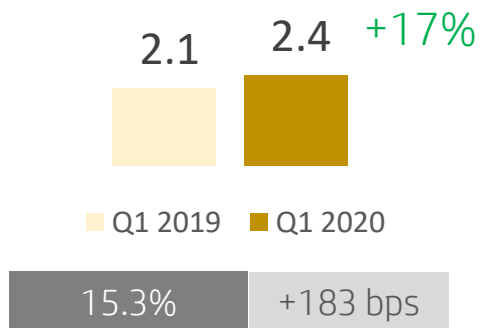
Strong start to the year slowed by sudden implementation of enhanced community quarantine (ECQ) in March

## SALES



- 2019 high comparator base due to Coffee relaunch pipeline
- January-February high single digit growth
- Sudden ECQ in mid-March impacted supply operations
- Category trends shifting dramatically led by Noodles

## EBIT



- Growth in profits mainly driven by favorable price/cost mix and OPEX control
- Margins continue to expand despite slowdown in March
- Investments in innovation continue

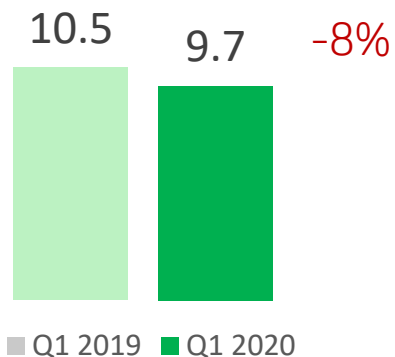
In billion pesos | Excluding packaging  
2020 and 2019 numbers reflects the application of PFRS 16 and 15

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

# BCF INTERNATIONAL

Total URC Oceania exhibited strong results in Q1 offset by weakness in Indochina

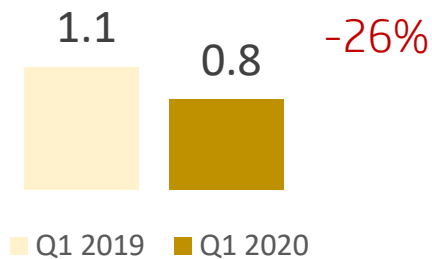
## SALES



- Sales was held back by FX by 6 growth points due to translation
- **URC Oceania** benefited from COVID 19 pantry stocking
- **Indochina** experienced earlier and more prolonged impact of COVID-19, especially in Vietnam where RTD beverage declined significantly due to curtailed out of home consumption
- Exports from the Philippines also affected by supply operations



## EBIT



- Profits down mainly due to significantly lower volumes in Vietnam, Exports, unfavorable FX and the inclusion of Yarra Valley offset by better core profits in URC Oceania

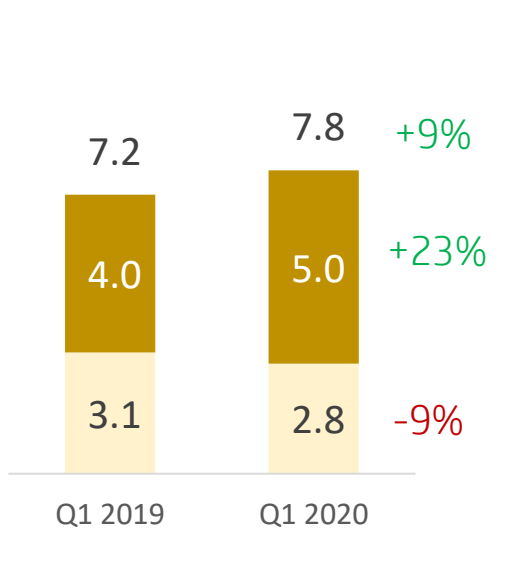




# AIC

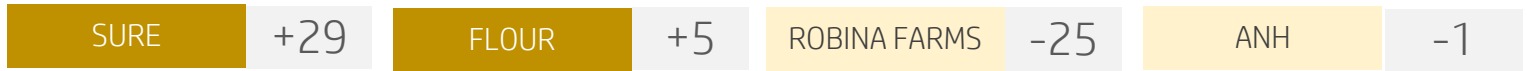
Strong Sugar/Flour business offset by AIC downsizing

## SALES

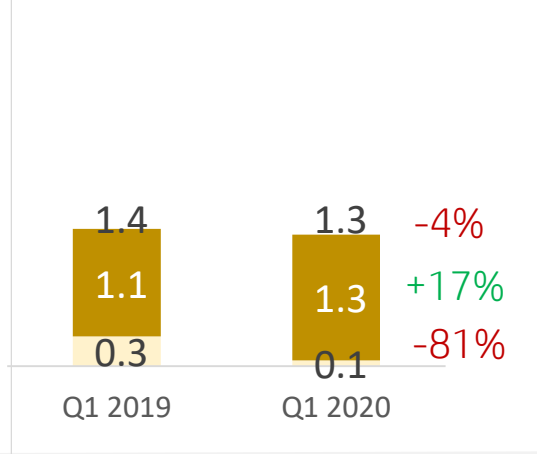


- Topline was driven by strong double-digit growth mainly from higher volumes and selling prices of SURE and higher volumes in Flour
- Decline in Agro-Industrial is due to previously announced restructuring and lower selling prices in Hogs

### Business unit sales



## EBIT

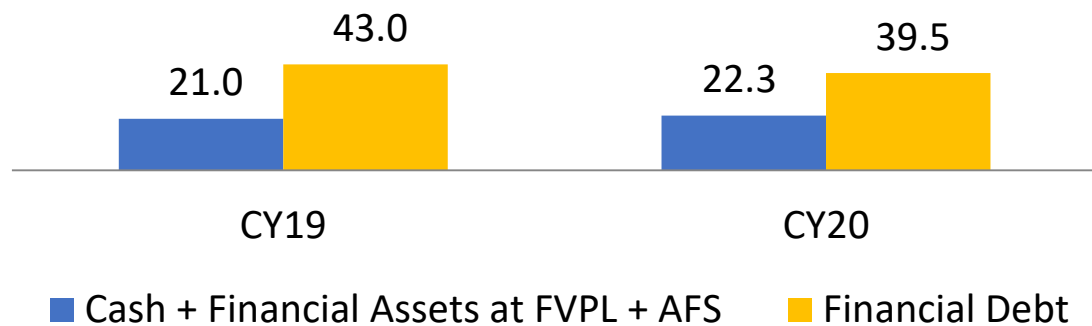


- Strong profit growth in commodities offset by Robina Farms' downsized business and lower selling prices

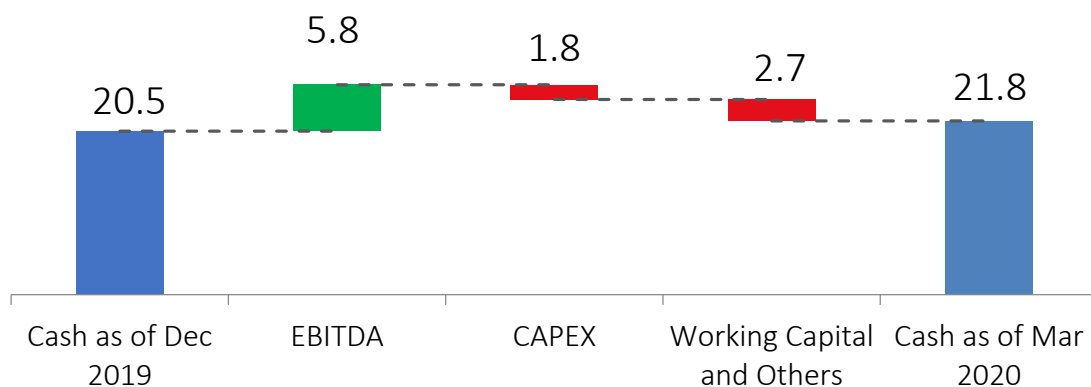
# Strong Balance Sheet and Cash Position



## Cash and Financial Debt



## Cash Position



- 20+B Cash balance very strong
- Net debt of Php 17B. LT debt in Oceania.
- Gearing ratio of 0.42
- Strong Q1 free cash flows
- OPEX and CAPEX savings identified
- Cash conversion cycle focus
- Dividends payments as planned

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# Looking Ahead

## Our recovery linked to our strategies

### People and Planet Friendly Culture

- People Productivity, New Workplace
- Digital Acceleration
- Quality/Health & Safety Enhancement
- Sustainability Savings

### Products and Brands People Love

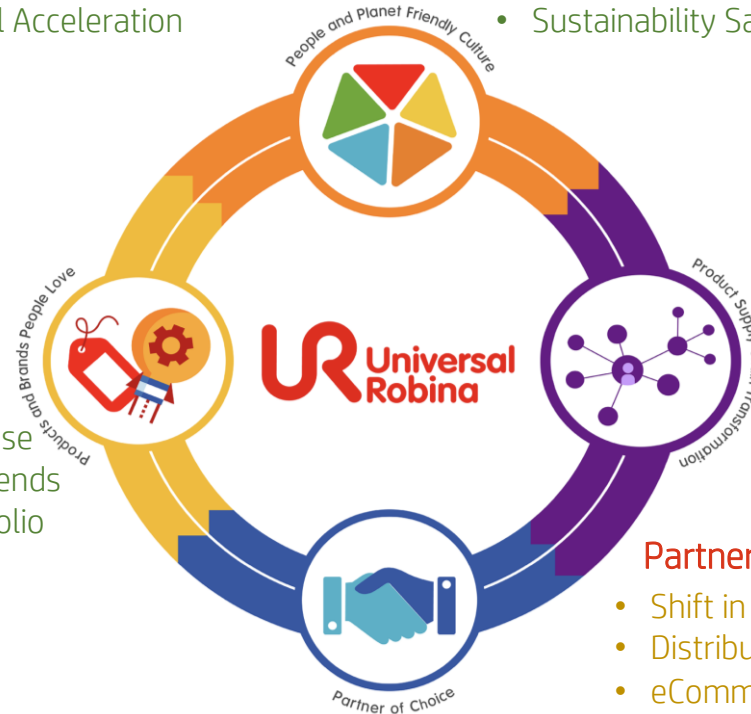
- IPM 2020
- Brands with Purpose
- New Consumer Trends
- Core & More Portfolio

### Product Supply Chain Transformation

- LEAN Acceleration
- Logistics Transformation
- Supply Network Re-Design

### Partner of Choice

- Shift in Modern Retail
- Distribution Expansion Models
- eCommerce/sCommerce/DTC.
- Supplier Base Flexibility



With the above strategies in place, coupled with the strength of our balanced sheet, we expect to weather the challenges brought by this pandemic and for the business to remain resilient

# THANK YOU

**We are with you in this.**

**Even in this difficult situation, we are inspired to make sure that our products are always available for you.**

**Maasahan nyo po kami!**

**UR** Universal  
Robina



# Income Statement

(Php Millions)	Q1 2020 (Unaudited)	Q1 2019 (Unaudited)	YoY
NET SALES	33,457	33,317	0.4%
Cost of Sales	23,343	23,106	1%
GROSS PROFIT	10,114	10,211	-1%
Operating Expense	-6,148	-6,260	-2%
OPERATING INCOME	3,966	3,950	0.4%
Equity in net income of JVs	-47	-16	
Finance cost – net	-299	-315	
Other revenues/ expenses	-53	16	
CORE EARNINGS	3,567	3,635	-2%
Market valuation gain/ (loss)	-4	0	
Foreign exchange gain/ (loss) – net	-820	207	
Other non-core revenues/expense	-1	-1	
INCOME BEFORE INCOME TAX	2,742	3,841	-29%
Provision for Income Tax	605	716	
NET INCOME	2,137	3,126	-32%
Net income attributable to holders of the parent	1,986	3,038	-35%
EBITDA	5,826	5,635	3%

- Decrease in net income was attributable to flat operating income and higher 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)	Q1 2020 (Unaudited)	CY 2019 (Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	22,278	20,975
Other current assets	45,274	43,945
Property, plant, and equipment	53,215	54,626
Other noncurrent assets	48,680	49,106
<b>TOTAL ASSETS</b>	<b>169,447</b>	<b>168,653</b>
Current liabilities	41,680	34,933
Noncurrent liabilities	34,514	38,535
<b>TOTAL LIABILITIES</b>	<b>76,194</b>	<b>73,468</b>
Retained earnings	61,688	66,644
Other equity	31,565	28,540
<b>TOTAL EQUITY</b>	<b>93,253</b>	<b>95,185</b>



\*2020 and 2019 numbers reflect the application of PFRS 16

# Divisional Financials



(Php Millions)	SALES			EBIT			EBIT MARGIN		
	Q1 2020	Q1 2019	YoY	Q1 2020	Q1 2019	YoY	Q1 2020	Q1 2019	bps
<b>Branded Consumer Foods</b>	<b>25,673</b>	<b>26,157</b>	<b>-2%</b>	<b>3,188</b>	<b>3,126</b>	<b>2%</b>	<b>12.4%</b>	<b>11.9%</b>	<b>47</b>
Total Philippines	15,953	15,612	2%	2,394	2,046	17%	15.0%	13.1%	190
Philippines	15,692	15,229	3%	2,402	2,053	17%	15.3%	13.5%	183
Packaging	261	384	-32%	-8	-7	8%	-3.1%	-1.9%	-116
International	9,720	10,544	-8%	794	1,080	-26%	8.2%	10.2%	-207
<b>Agro-industrial and Commodity</b>	<b>7,784</b>	<b>7,160</b>	<b>9%</b>	<b>1,324</b>	<b>1,383</b>	<b>-4%</b>	<b>17.0%</b>	<b>19.3%</b>	<b>-230</b>
CFG (net)	4,965	4,048	23%	1,268	1,085	17%	25.5%	26.8%	-125
Flour	1,183	1,123	5%	277	200	38%	23.4%	17.8%	557
SURE	3,782	2,925	29%	992	885	12%	26.2%	30.2%	-403
AIG (net)	2,819	3,112	-9%	56	298	-81%	2.0%	9.6%	-760
Feeds	2,024	2,047	-1%	306	266	15%	15.1%	13.0%	214
Farms	795	1,065	-25%	-250	32	-871%	-31.5%	3.0%	-3452
<b>Corporate Expense</b>				<b>-546</b>	<b>-558</b>	<b>-2%</b>			
<b>Total URC</b>	<b>33,457</b>	<b>33,317</b>	<b>0.4%</b>	<b>3,966</b>	<b>3,950</b>	<b>0.4%</b>	<b>11.9%</b>	<b>11.9%</b>	<b>-0.2</b>

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

# Value Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	35.9%	URC	22.6%	5.9%
Candies	26.0%	URC	12.5%	10.7%
Chocolates	20.7%	URC	13.8%	8.8%
Biscuits	16.0%	29.2%	26.0%	URC
Cup Noodles	48.1%	URC	41.1%	6.1%
RTD Tea	84.7%	URC	2.9%	2.2%
Coffee	22.6%	36.5%	35.6%	URC
Instant Coffee	22.6%	73.8%	URC	2.0%
Coffee Mixes	22.6%	43.9%	27.8%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	25.0%	URC	11.4%	8.1%
Wafers	23.2%	URC	11.9%	9.4%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	15.1%	49.5%	18.3%	URC

## New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	41.5%	URC	19.8%	12.6%
Crackers	20.1%	29.8%	URC	12.1%

## Australia

CATEGORY	MARKET SHARE	#1	#2	#3
Salty Snacks	24.8%	52.3%	URC	5.8%

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

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

New Zealand: Sweet Biscuits and Crackers-IRI MarketEdge NZ Grocery MAT 29 Mar 2020; Australia: Aztec Scan AUS Grocery MAT to 12/4/20