



Full Year CY2020

Audited Results
Investor Briefing

Irwin C. Lee
President and CEO

Mike P. Liwanag
Senior Vice President



OUR AGENDA

- 1.) Covid-19 Market Landscape
- 2.) Full Year CY2020 Audited Financial Results
- 3.) Updates



OUR AGENDA

1.) Covid-19 Market Landscape

2.) Full Year CY2020 Audited Financial Results

3.) Updates



COVID-19 Market Landscape

The pandemic broadly impacted all the markets we compete in

Southeast Asia economies took big hit in 2020

#Biz / Tech #Asia #Coronavirus

Tuesday, Feb. 16, 17:19



ECONOMY

Philippines GDP shrinks 9.5% in 2020, worst since 1947

ECONOMY

Thailand GDP shrinks at fastest pace in over 2 decades

Economy contracts 6.1% in 2020 due to lack of tourists and exports

BUSINESS NEWS DECEMBER 27, 2020 / 4:14 PM / UPDATED 2 MONTHS AGO

Vietnam's 2020 economic growth slips to 30-year low due to COVID-19

Australia in first recession for nearly 30 years

2 September 2020

Coronavirus pandemic



Australia's economy has plunged into its first recession in nearly 30 years, as it suffers the economic fallout from the coronavirus.

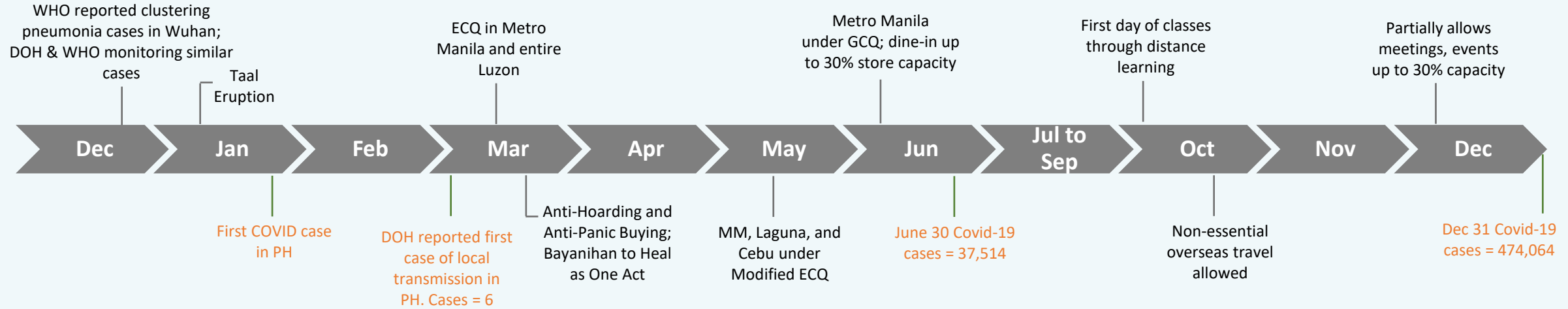
APAC SEPTEMBER 17, 2020 / 9:55 AM / UPDATED 5 MONTHS AGO

New Zealand economy in deepest recession as second-quarter GDP shrinks

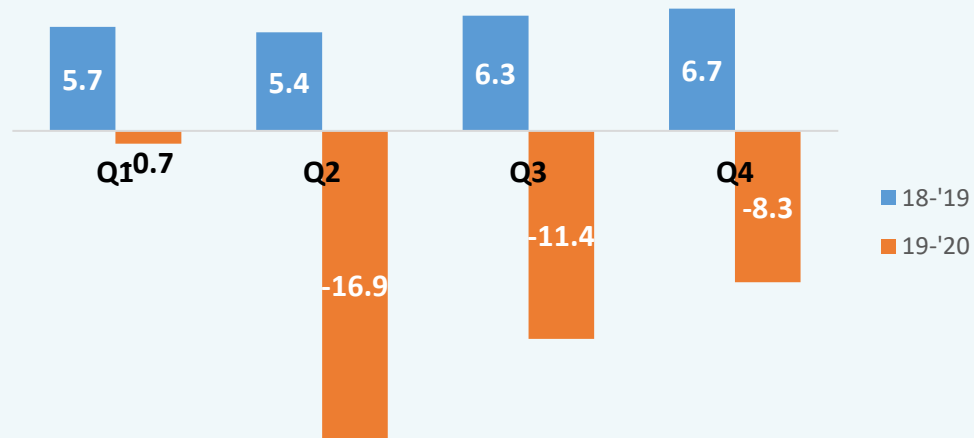
COVID-19 Market Landscape

Lockdowns hounded the Philippines in H1, putting the economy in bad shape in 2020

Notable PH events in 2020



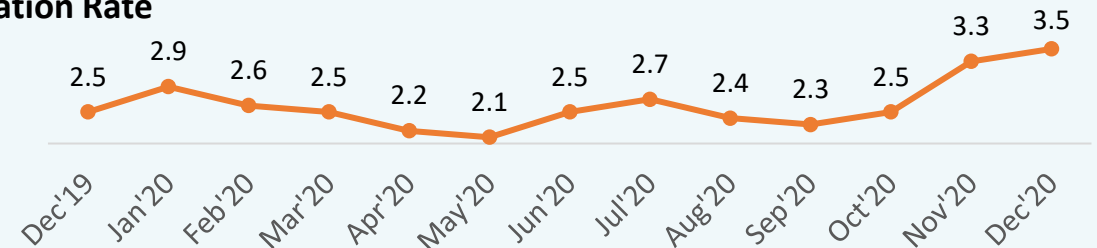
GDP Growth



Unemployment Rate

Period	Rate (%)
Oct 2019	4.6%
Jan 2020	5.3%
Apr 2020	17.6%
Jul 2020	10.0%
Oct 2020	8.7%

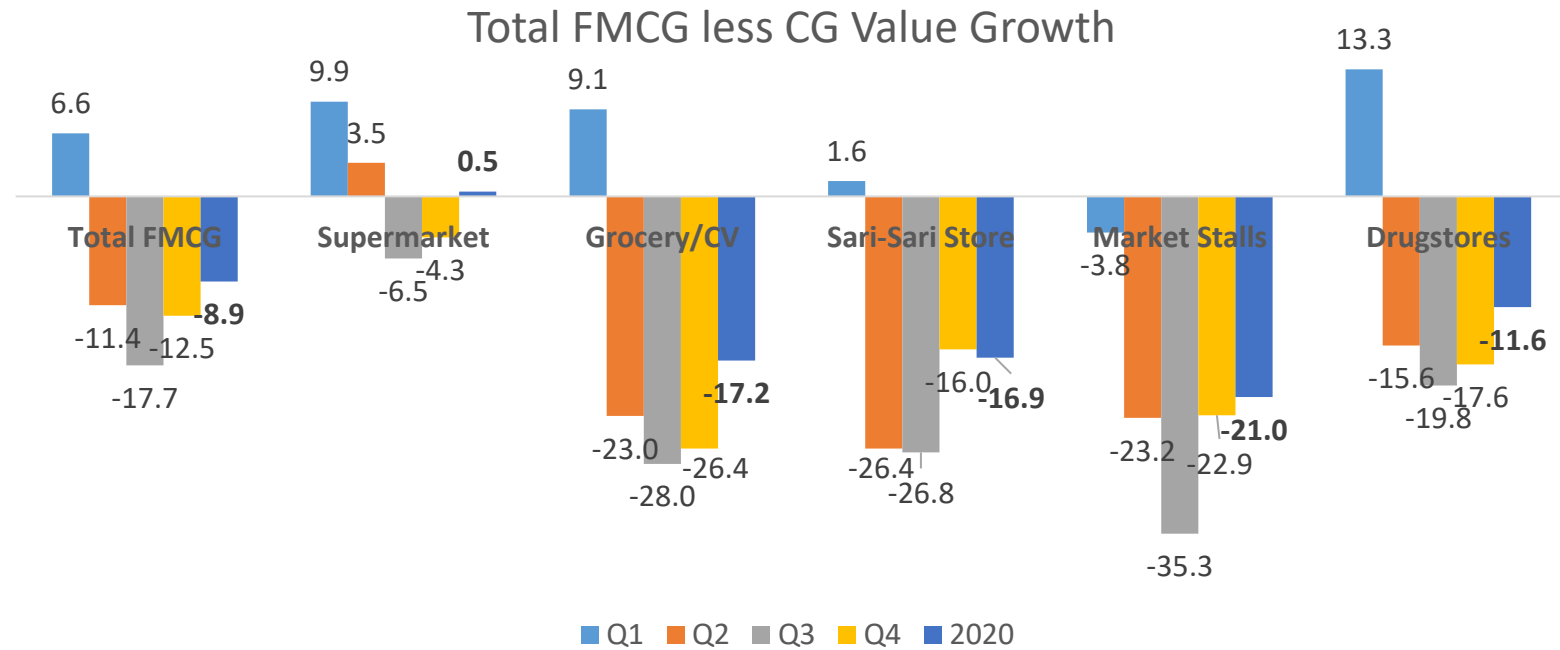
Inflation Rate



COVID-19 Market Landscape

Channels & Categories - PH

- Sales declined across all channels except Supermarket which remained flat
- Categories where we play have experienced slowdowns due to the shift from out-of-home to in-home consumption, as well as the discretionary/impulse nature of those products



Pasta	+8	Snacks	-10	Coffee Mixes	-14
Coffee Soluble	+3	Biscuits	-13	RTD Tea	-32
Instant Noodles	-1	Chocolates	-13	Packaged Water	-37

OUR AGENDA

1.) Covid-19 Market Landscape

2.) Full Year CY2020 Audited Financial Results

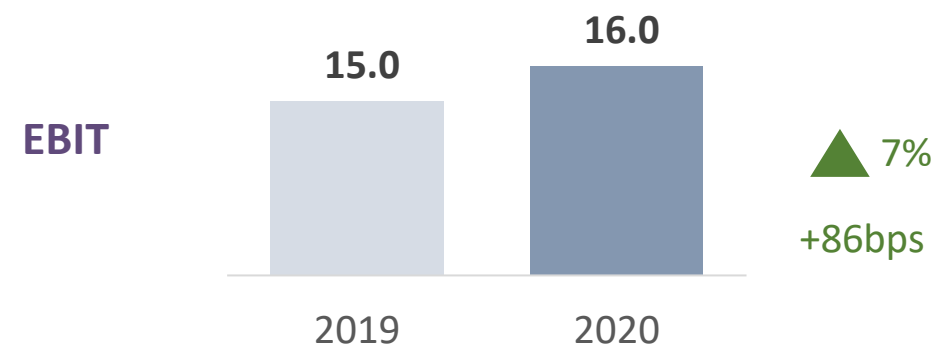
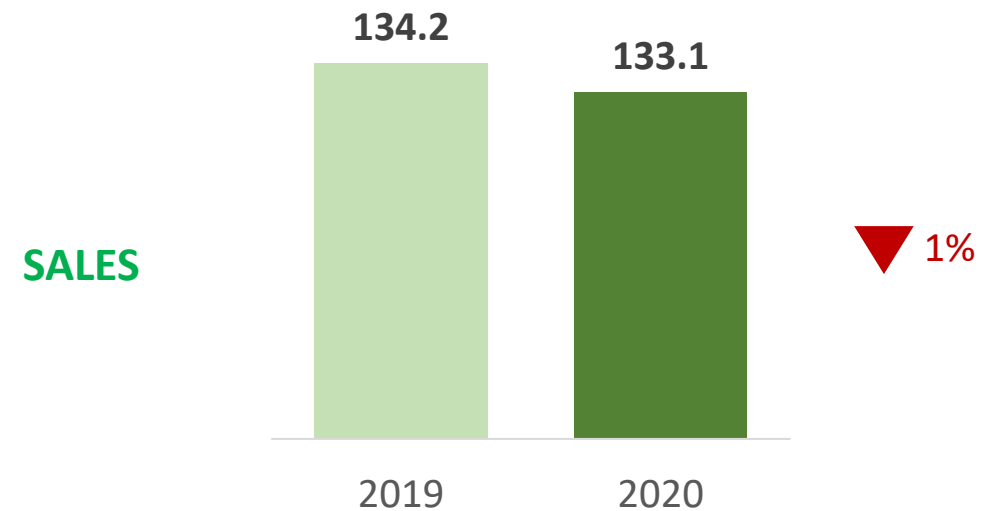
3.) Updates



URC

Profits continue strong growth.
Sales hold despite market decline.

- Flattish sales, with share gains offsetting market declines and deterioration in consumer sentiment.
- Better mix and cost management contribute to continued growth in profits and margins.



• In billion pesos

BCF | PHILIPPINES

Sustained profit growth despite weak consumer sentiment

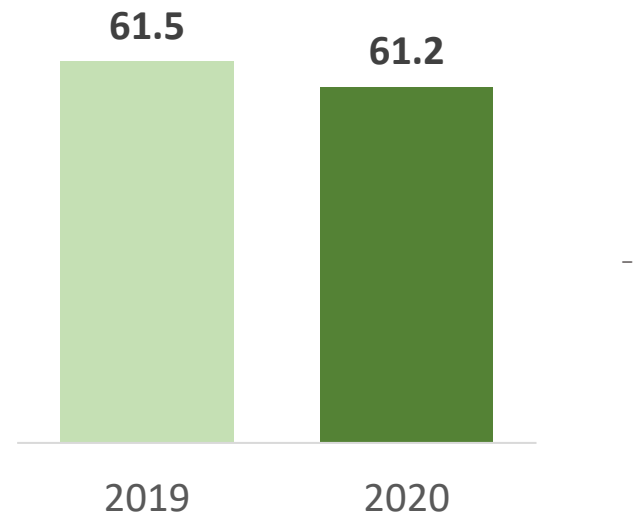
SALES

- Retail trade and market slowdown across categories post COVID-19 lockdown peak
- Sales flattish but showing strong market share gains
- Traditional trade remains challenged

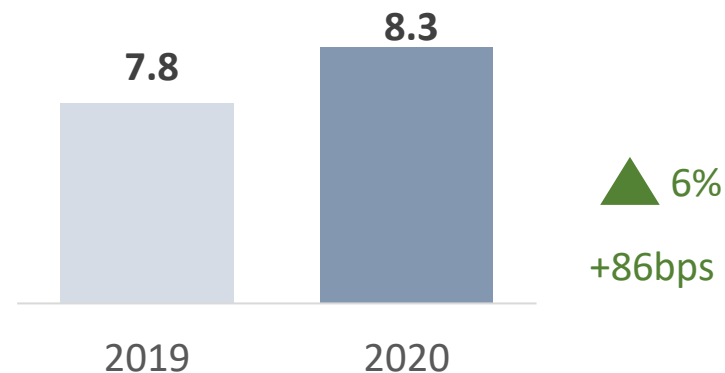
EBIT

- Improvement in profits and margins driven by better price/cost mix and tempered input costs

SALES



EBIT



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

BCF | PHILIPPINES

URC performs ahead of market and gains shares

	Category YTD Growth (Nielsen)	URC YTD Growth (Net Sales Value)	2019 YTD Market Share (Nielsen)	2020 YTD Market Share (Nielsen)	
Snacks	-10%	+3%	35.6%	38.4%	↑
Biscuits	-14%	+3%	16.1%	16.2%	↑
Cakes	-10%	+9%	6.3%	6.9%	↑
Candies	-29%	-12%	26.1%	27.4%	↑
Chocolates and Coated Wafers	-12%	+8%	21.0%	22.2%	↑
Coffee	-11%	+1%	22.3%	22.4%	↑
RTD Tea	-32%	-23%	82.9%	86.7%	↑
Noodles	-1%	+18%	20.1%	20.7%	↑

Notes:

- Nielsen category growth rates as of December 2020
- URC YTD Net Sales Value growth rates as of December 2020
- Nielsen market shares as of December 2020

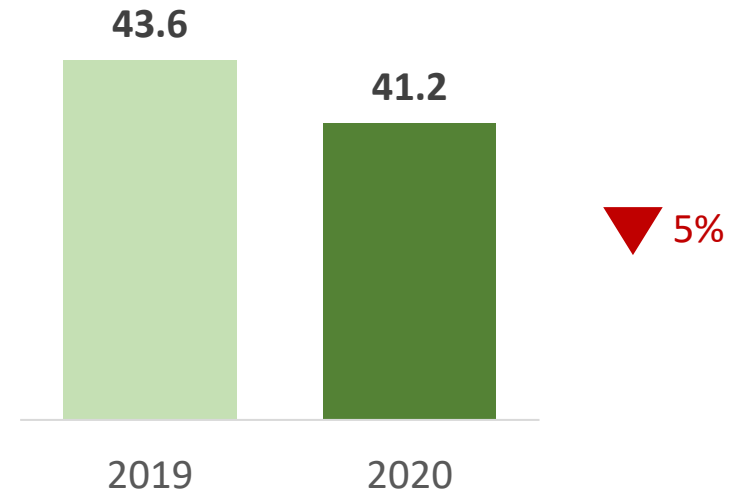
BCF | INTERNATIONAL

Decline abates as Oceania continues to grow while Vietnam recovers

SALES

- Sales flat in constant currency. FX negative impact by 5 growth points
- Oceania continues to generate positive performance
- Vietnam slowly recovering from H1 slump

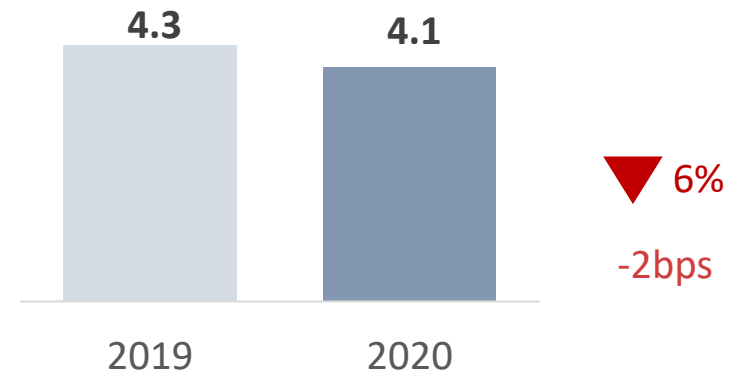
SALES



EBIT

- Similar to sales, profits declined due to FX (-501bps) and were flat in constant currency

EBIT



- In billion pesos
- includes Yarra Valley Sales

AIC

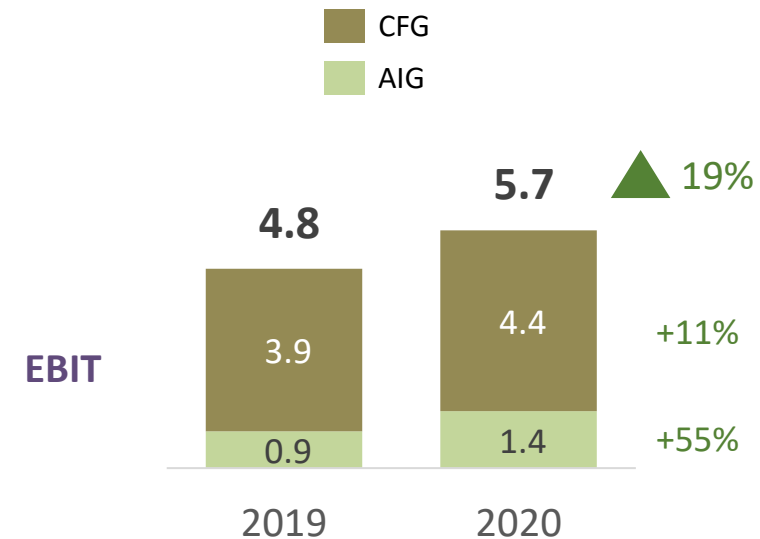
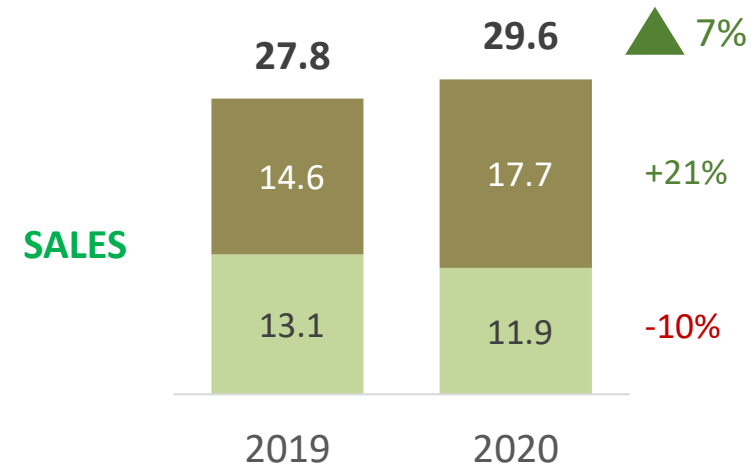
Strong performance in Sugar & Renewables offsets Farms

SALES

- Topline driven by higher volumes in Sugar
- Decrease in AIG driven by lower volumes in hogs (as an effect of downsized operation) and Animal Nutrition and Health

EBIT

- Profit growth driven by higher volumes in Sugar and lower input cost for Flour and Animal Nutrition and Health



BUSINESS UNIT PERFORMANCE

Commodity Foods Group (CFG)

SURE +33%

FLOUR -2%

Agro-Industrial Group (AIG)

ROBINA FARMS -24%

ANH -4%

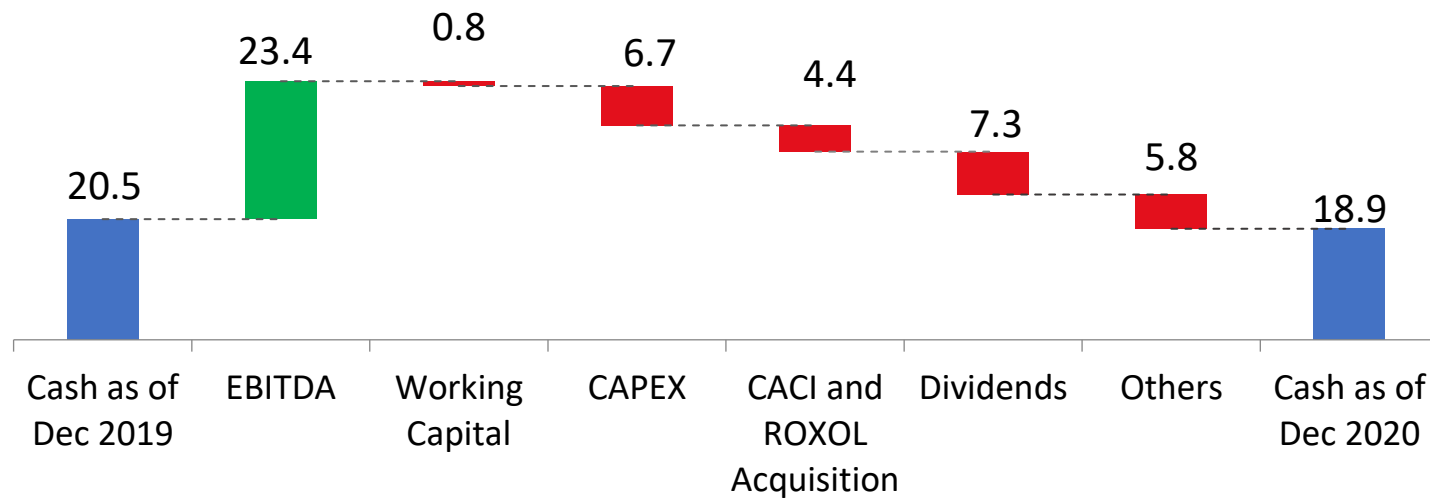
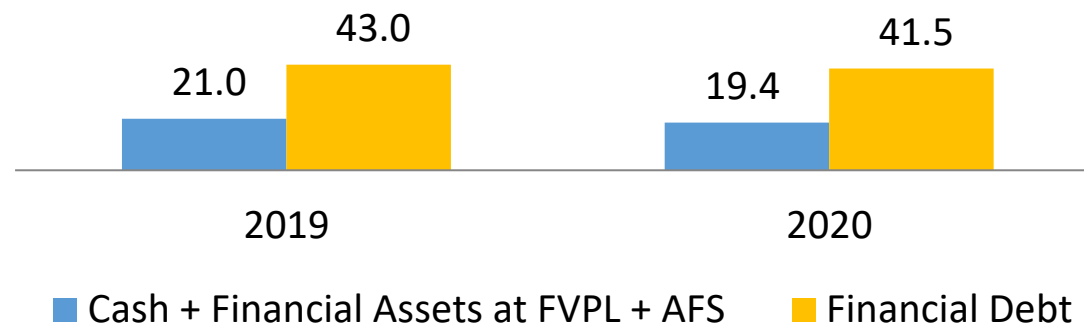
• In billion pesos | Non-branded Consumer Foods Group is now called Agro-Industrial and Commodities (AIC)
 • Feeds is now called Animal Nutrition & Health (including Pet Food) | Farms is now called Robina Farms

Balance Sheet & Cash Flows

Strong Balance Sheet and Cash Position

- Php 18.9B cash balance – very healthy and above historical levels
- Net Debt of Php 22.1B
- Gearing ratio of 0.42
- Major cash disbursement for CAPEX, acquisition of ROXOL and La Carlota, and dividends payment

Cash and Financial Debt*



In billion pesos

*As of Dec 2020 versus Dec 2019

OUR AGENDA

- 1.) Covid-19 Market Landscape
- 2.) Full Year CY2020 Audited Financial Results
- 3.) Updates



How to Win Strategic Thrusts

Products and Brands People Love

IPM 2020/21

New Consumer Trends

Brands with Purpose

Preferred Partner of Choice

Shift to Modern Retail and Digital Commerce

Distribution Expansion Recovery

Supplier Flexibility and Resiliency



People and Planet Friendly Culture

People Productivity, New Workplace

Accelerate Digital

Quality, Safety, Sustainability

Product Supply Chain Transformation

LEAN Acceleration

Logistics Service Transformation

Supply Network Revisit

Products and Brands People Love

Brands with Purpose, New Consumer Trends, Insight to Action, Protect the Core



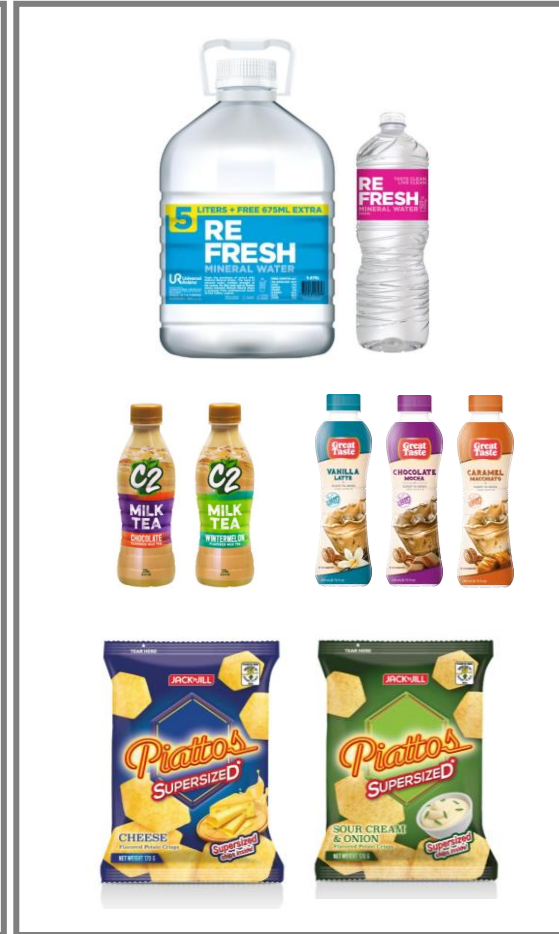
HEALTH



VALUE



IN HOME



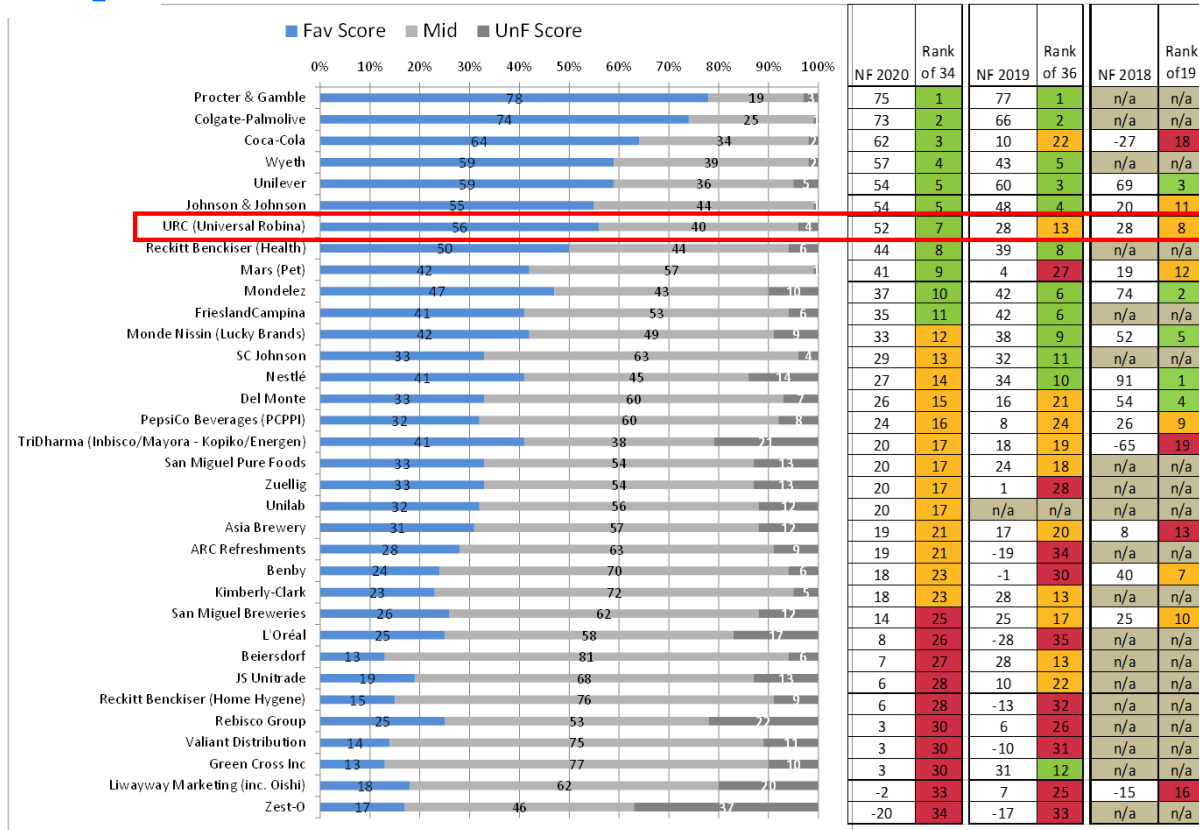
AFFORDABLE
INDULGENCE



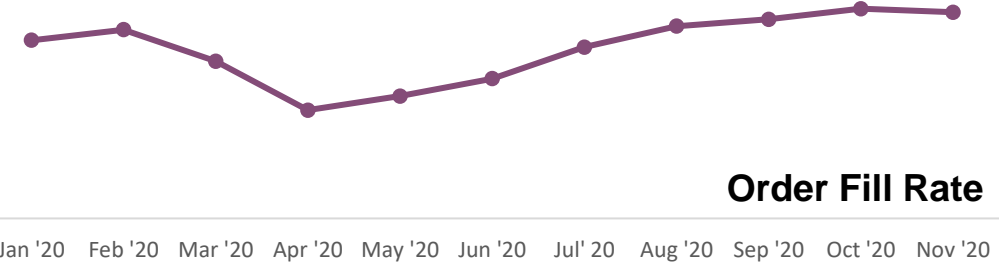
Preferred Partner of Choice

UR Universal Robina #7 of 34 in 2020 from #13 of 36 in 2019

Advantage_



Product Supply Chain Transformation



Order Fill Rate

NCC

Excellence for Continuous Improvement – Service Level, Excellence in Branding for Piattos and C2, Breakthrough in Green Initiative

Sunshine Supermarket Top Supplier Award

30 YEARS STRONG
MOST CRISIS-RELIABLE PARTNERS
MOST CRISIS-SUPPORTIVE PARTNERS

Trade Partner of the Year

THE LAZADA AWARDS 2020
Rookie of the Year
Consumer Goods Category

MINISTOP
2020 TRADE PARTNER OF THE YEAR AWARDS
UNIVERSAL ROBINA CORPORATION
FOOD DIVISION

People and Planet Friendly Culture

People productivity, new workplace



People

Purpose, Values and Ambition (PVA)



Space



Strategic Thrust: People and Planet Friendly Culture

We continue to improve on our sustainability commitments

People

OUR PEOPLE

GROWTH IN TALENT

23 Average training hours per employee¹

We started adapting to new training methodologies such as digital learning through the URC University Virtual Learning Plan.

SAFETY

Lost Time Injury Frequency Rate² **-26%**

All Injury Frequency Rate² **-27%**

OUR COMMUNITIES

EDUCATION

1. Flourish Pilipinas
2. Kabalikat Program
3. Bike for Good Project
4. Project SALIG

NUTRITION

1. Sustainable Potato Program
2. SAGANA Sustansya

ENVIRONMENT

1. Coastal Cleanup
2. Tree Planting

Natural Resources

ENERGY USE RATIO²

-3%

Our Progress

We improve our energy use ratio (EUR) versus our 2018 baseline as we continue to optimize our resources with initiatives that drives more efficient use of energy.

WATER USE RATIO²

-14%

Our water use ratio (WUR) continues to progress versus the 2018 baseline as we drive water saving initiatives.

Coverage: Manufacturing facility in PH, INT and Flour

Our Products

PORTFOLIO

We made improvements in the nutrition & wellness profile of our product portfolio aligned to the URC Wellness Criteria¹

- More than **85%** passed 1 URC Wellness Criteria
- More than **65%** passed 2 URC Wellness Criteria
- More than **30%** passed 3 URC Wellness Criteria

PACKAGING

More than **75%** of our packaging are recycle ready¹

¹Data as of Dec 2020
²2020 vs 2018 Baseline

19

Investor Presentation: Full Year CY2020 Business Results

THANK YOU



Income Statement



(Php Millions)	2020	2019	YoY
	(Audited)	(Audited)	
NET SALES	133,140	134,175	-1%
Cost of Sales	92,082	93,862	-2%
GROSS PROFIT	41,058	40,313	2%
Operating Expense	-25,011	-25,301	-1%
OPERATING INCOME	16,047	15,012	7%
Equity in net income of JVs	-30	-159	
Finance cost – net	-1,098	-1,342	
Other revenues/ expenses	-201	-220	
CORE EARNINGS	14,718	13,291	11%
Market valuation gain/ (loss)	136	-5	
Foreign exchange gain/ (loss) – net	-486	-558	
Other non-core revenues/expense	-612	-832	
INCOME BEFORE INCOME TAX	13,756	11,896	16%
Provision for Income Tax	2,132	1,782	
NET INCOME	11,625	10,115	15%
Net income attributable to holders of the parent	10,747	9,772	
EBITDA	23,412	22,322	5%

- Increase in net income was attributable to higher operating income driven by lower cost of sales and operating expenses
- Other non-core revenues/ expenses includes restructuring expense of PHP 580M in 2020 and PHP 830M in 2019

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

Balance Sheet

(Php Millions)	2020	2019
	(Audited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	19,367	20,975
Other current assets	46,271	43,945
Property, plant, and equipment	58,990	54,626
Other noncurrent assets	51,567	49,106
TOTAL ASSETS	176,195	168,653
Current liabilities	53,668	34,933
Noncurrent liabilities	24,743	38,535
TOTAL LIABILITIES	78,411	73,468
Retained earnings	70,448	66,644
Other equity	27,336	28,540
TOTAL EQUITY	97,784	95,185

Divisional Financials



	SALES			EBIT			EBIT MARGIN		
(Php Millions)	2020	2019	YoY	2020	2019	YoY	2020	2019	bps
Branded Consumer Foods	103,566	106,413	-3%	12,360	12,073	2%	11.9%	11.3%	59
Total Philippines	62,358	62,859	-1%	8,262	7,734	7%	13.3%	12.3%	95
Philippines	61,240	61,535	0%	8,262	7,775	6%	13.5%	12.6%	86
Packaging	1,118	1,324	-16%	1	-42	NA	0%	-3.1%	318
International	41,209	43,554	-5%	4,097	4,339	-6%	9.9%	10.0%	-2
Agro-industrial and Commodity	29,574	27,761	7%	5,738	4,811	19%	19.4%	17.3%	207
CFG (net)	17,715	14,623	21%	4,363	3,924	11%	24.6%	26.8%	-221
Flour	4,794	4,881	-2%	1,227	1,116	10%	25.6%	22.9%	274
SURE	12,922	9,742	33%	3,136	2,808	12%	24.3%	28.8%	-456
AIG (net)	11,858	13,138	-10%	1,375	887	55%	11.6%	6.8%	484
Animal Nutrition and Health	8,861	9,184	-4%	1,351	1,188	14%	15.2%	12.9%	230
Robina Farms	2,998	3,954	-24%	24	-301	NA	0.8%	-7.6%	841
Corporate Expense				-2,050	-1,872	9%			
Total URC	133,140	134,175	-1%	16,047	15,012	7%	12.1%	11.2%	86

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

Market Shares

Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	38.4%	URC	21.5%	4.3%
Candies	27.4%	URC	12.7%	10.7%
Chocolates and Coated Wafers	22.2%	URC	14.0%	9.7%
Biscuits	16.2%	29.4%	25.3%	URC
Cup Noodles	48.9%	URC	37.4%	8.2%
RTD Tea	86.7%	URC	2.3%	1.6%
Coffee	22.4%	37.4%	34.8%	URC
Instant Coffee	21.0%	76.4%	URC	1.4%
Coffee Mixes	22.7%	43.2%	27.9%	URC

Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	18.2%	URC	13.8%	8.1%
Biscuits (old)	22.5%	URC	10.2%	6.3%
Wafers	22.4%	URC	12.4%	9.8%

Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	16.7%	47.4%	19.2%	URC

New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	40.4%	URC	21.1%	13.8%
Crackers	19.3%	30.2%	URC	12.4%

Australia

CATEGORY	MARKET SHARE	#1	#2	#3
Salty Snacks	24.1%	52.3%	URC	6.0%

AC Nielsen, Value, YTD: Snacks, Candies, Chocolates and Coated Wafers, Biscuits, RTD Tea, Coffee and Cup Noodles as of Dec 2020

URC Thailand: Biscuits (new) includes market share reading for Pretzels and Chicken Leg which was excluded in previous disclosures. Moving forward, we will use this new definition as we explore expanding growth possibilities for total Biscuits; Biscuits and Wafers – MAT Dec 2020, URC Vietnam: RTD Tea – MAT Dec 2020

New Zealand: Sweet Biscuits and Crackers-IRI MarketEdge NZ Grocery MAT 31 Dec 2020; Australia: Aztec Scan AUS Grocery MAT to 17 Feb 2021