



1H CY2021
Unaudited Results
Investor Briefing
July 30, 2021

Irwin C. Lee
President and CEO

Mickey T. Manalang
Strategy & Investor Relations
Director

Agenda

1. COVID-19 Impact
2. 1H CY2021 Unaudited Financial Results
3. Business Updates



Resurgence of COVID-19 as vaccination rates remain low

Delta Engulfs Southeast Asia With Fastest-Growing Deaths

- ▶ Variant's spread threatens region twice as populated as U.S.
- ▶ Vaccination rates lag developed economies that are reopening

Former COVID haven Vietnam confronts Ho Chi Minh City spike

Prime minister calls for drastic solutions as health system comes under strain

Indonesia overtakes India to become Asia's COVID epicenter

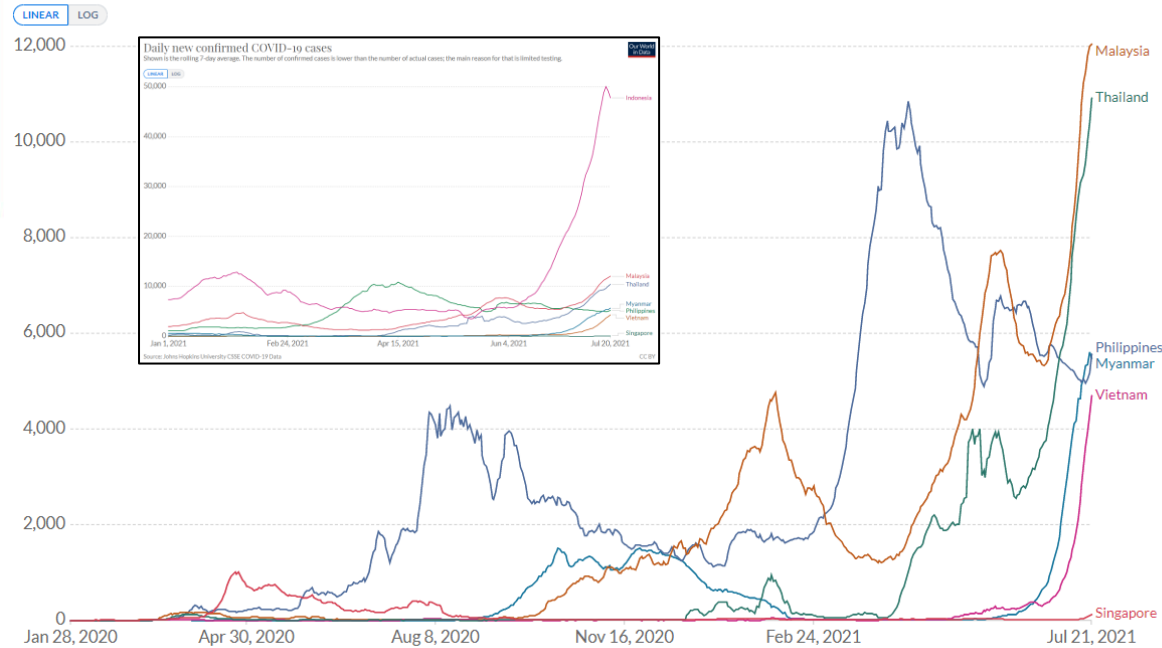
Southeast Asia's largest economy reports new daily record of 47,899 new cases

Thailand locks down Greater Bangkok as delta rips through ASEAN

Variant makes up 52% of recent cases in Bangkok, government sampling shows

Daily new confirmed COVID-19 cases

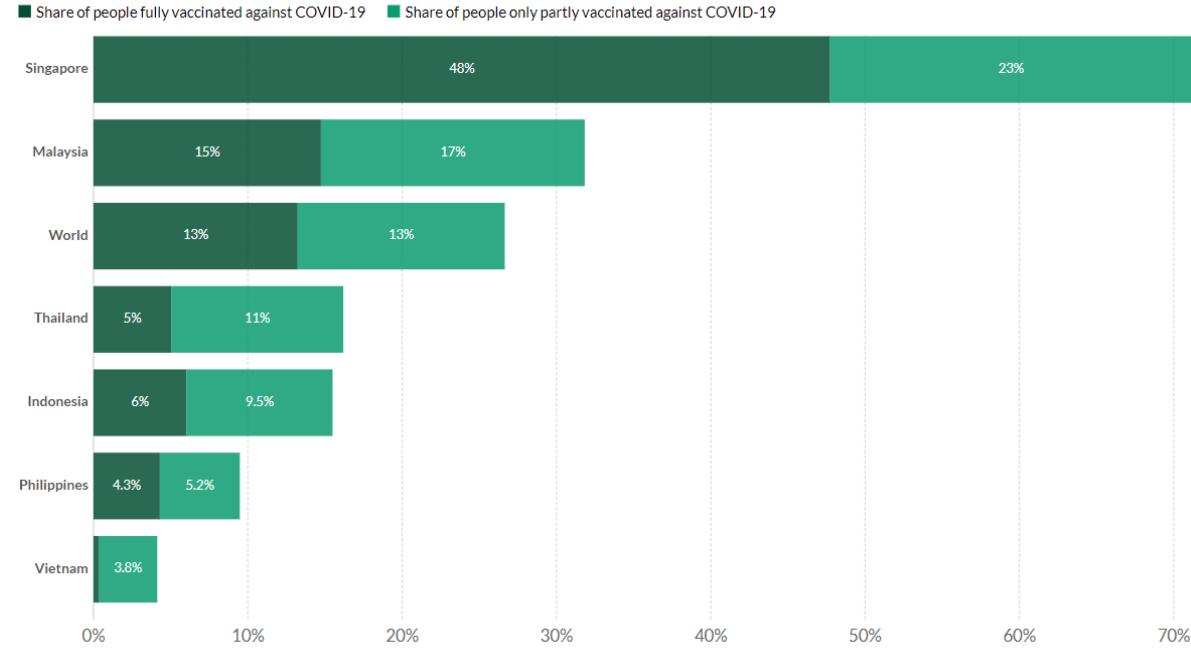
Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Our World in Data

Share of people vaccinated against COVID-19

This data is only available for countries which report the breakdown of doses administered by first and second doses.



Our World in Data

Economic recovery to be slower than initially projected

Delta variants create roadblock on Asia's path toward normalcy

Vaccination efforts accelerate in face of evolving virus



Estimated timing of 60% population coverage and current vaccination rate* (As of June 30¹)

Country/region	Current rate* (In percent)	Country/region	Current rate* (In percent)
Late 2021		Late 2022	
U.K.	48.68	China	15.51
U.S.	46.31	Japan	12.61
Singapore	35.80	Malaysia	7.13
Hong Kong	19.74	India	4.18
Mid 2022		Thailand	4.04
Russia	11.88	Vietnam	0.20
South Korea	9.83	Early 2023 onward	
New Zealand	9.22	Cambodia	18.24
Australia	5.89	Laos	7.29
Taiwan	0.18	Indonesia	4.92
		Myanmar	2.81
		Bangladesh	2.60
		Philippines	2.40
		Pakistan	1.41

*Percentage of population who are fully vaccinated
¹Or latest available data in June
 Source: Economist Intelligence Unit, Our World in Data

ECONOMY

India and ASEAN growth forecasts cut amid COVID delta outbreak

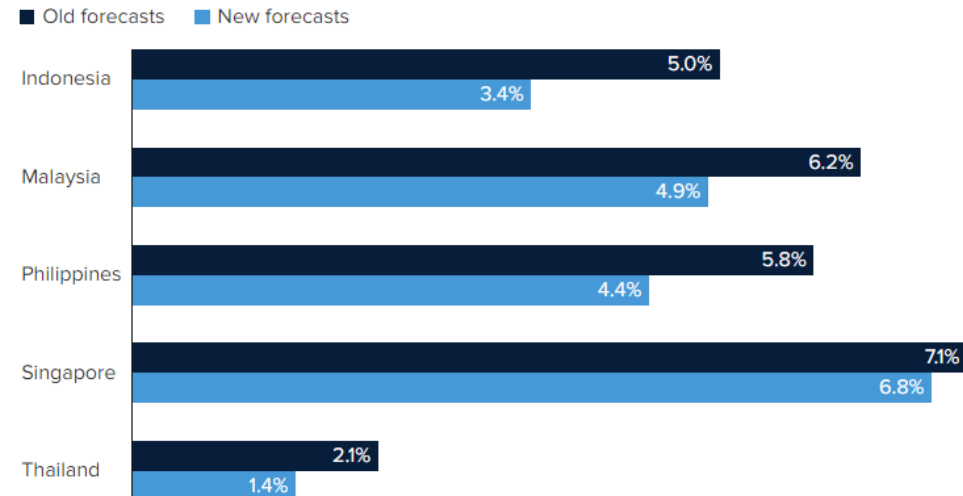
ADB lowers emerging Asia's economic rebound to 7.2% in 2021

ASIA ECONOMY

Goldman Sachs says Covid delta variant could 'significantly' hit growth in Southeast Asia

PUBLISHED THU, JUL 15 2021-8:25 PM EDT | UPDATED THU, JUL 15 2021-8:38 PM EDT







- Goldman Sachs slashed its 2021 growth forecasts for major Southeast Asian economies as the region grapples with a renewed surge in Covid-19 infections.



Source: Goldman Sachs Global Investment Research

Market remains challenged while cost pressure continues

Asia Nielsen Retail Audit Growth Rates

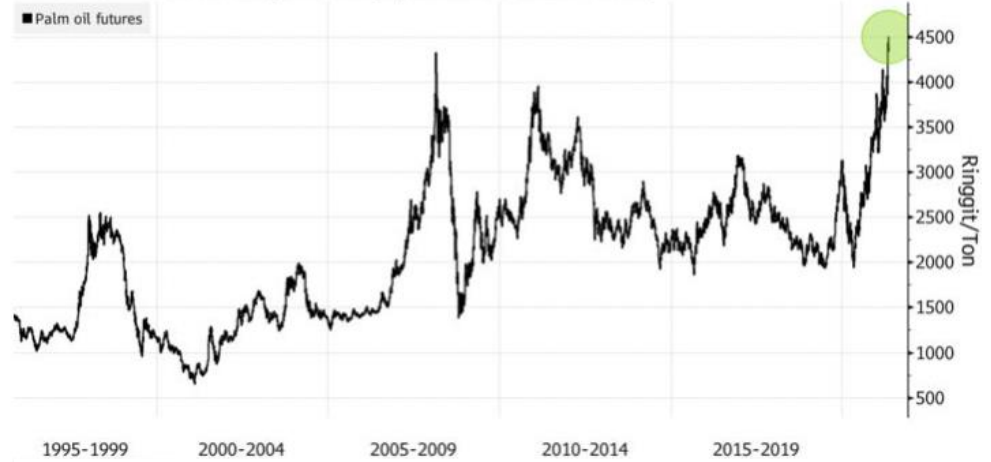
	Q1 2021 vs. YA
 Singapore	-5.3%
 China	8.8%
 India	9.3%
 Thailand	-8.2%
 Malaysia	-7.6%
 Vietnam	-3.7%



CATEGORY	GROWTH RATES	
	MAT Apr21	YTD Apr21
Snacks	-18%	-15%
Candies	-35%	-23%
Chocolates and Coated Wafers	-19%	-14%
Biscuits	-24%	-24%
Noodles	-10%	-10%
RTD Tea	-38%	-28%
Coffee	-19%	-19%

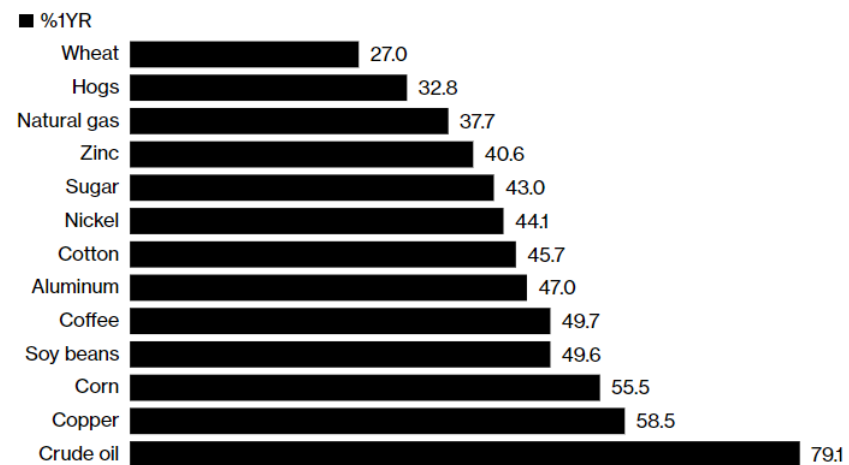
Highest Ever

Palm oil hits record-high as crop prices continue to rally



Raw Returns

12 month prices change for key commodities



Agenda

1. COVID-19 Impact
2. 1H CY2021 Unaudited Financial Results
3. Business Updates

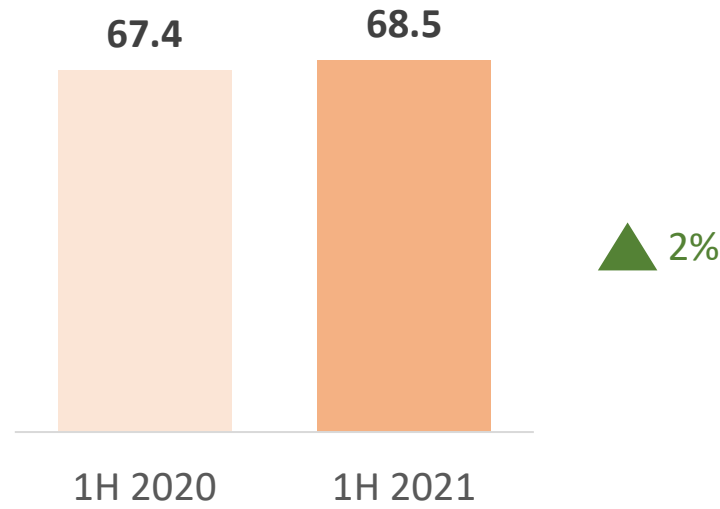


URC

Overall growth cycling through high pre-COVID and pantry loading 2020 base

SALES

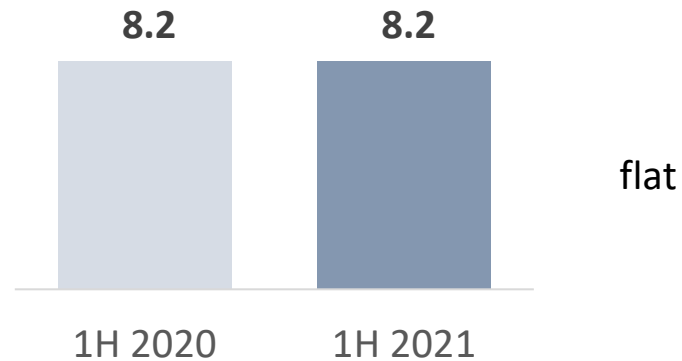
In billion pesos



- Growth driven by International and Commodities divisions
- Philippines cycling through higher base vs. last year

EBIT

In billion pesos



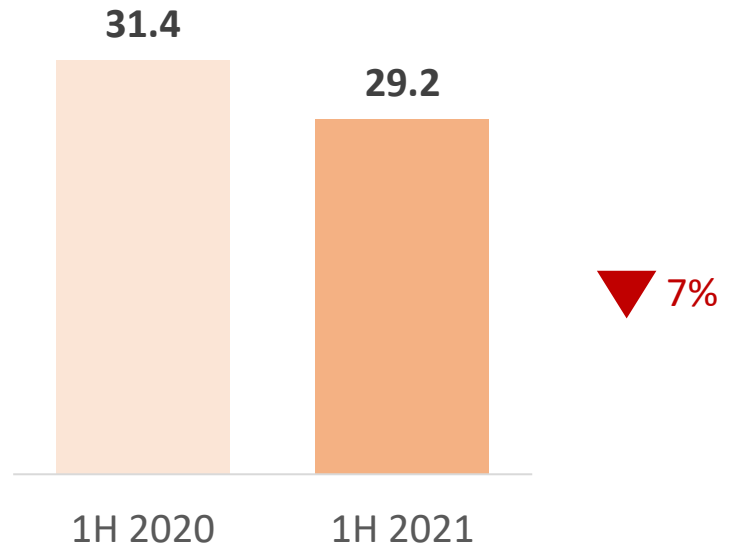
- Net Income up 42% on gain from idle land sale and CREATE tax law impact
- Operating Income flat with margins down -25 bps
- Margin pressure from higher input costs and changes in mix; offset by cost savings, pricing initiatives, SG&A improvements

BCF PHILIPPINES

1H results in line with expectations, managing market decline and input cost pressures

SALES

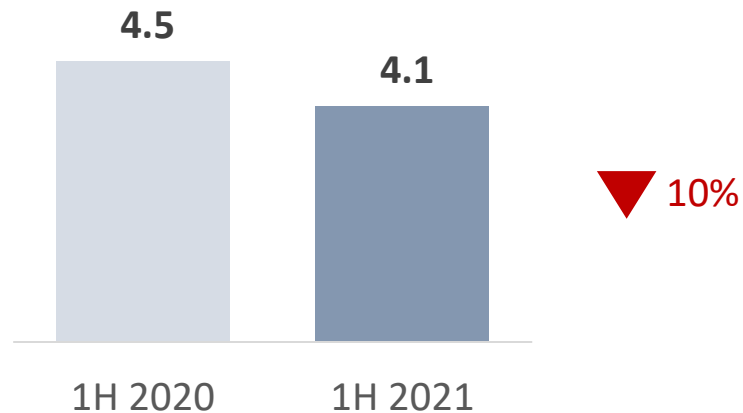
In billion pesos



- Expected decline vs. 2020 base (Taal eruption, COVID stock-up)
- 2021 market recovery delayed; consumer sentiment still weak
- URC market share gains vs. continued category declines

EBIT

In billion pesos



- Lower EBIT driven by lower volumes and unfavorable mix
- Operational efficiency improvements and pricing moves partially offsetting higher input costs
- Managed SG&A OPEX in line with volume adjustments

• Excluding packaging

BCF PHILIPPINES

URC continues to perform ahead of the market that is on double-digit decline

CATEGORY	Growth	
	Nielsen YTD Apr21	URC YTD Jun21
Snacks	-15%	-8%
Candies	-23%	+2%
Chocolates and Coated Wafers	-14%	+11%
Biscuits	-24%	-15%
Noodles	-10%	-3%
RTD Tea	-28%	+13%
Coffee	-19%	-13%

URC Market Share	
MAT Apr20	MAT Apr21
36.2%	39.1% ▲
26.2%	28.2% ▲
21.3%	24.3% ▲
16.1%	16.5% ▲
20.4%	20.0%
84.2%	88.3% ▲
22.9%	22.1%

POS DATA YTD Jun21	Growth	
	Customer	URC
CVS A	-12%	-9%
CVS B	-25%	-23%
Supermarket A*	-14%	-10%
Supermarket B	-10%	-5%
Supermarket C	-9%	-10%

*data as of YTD May 2021

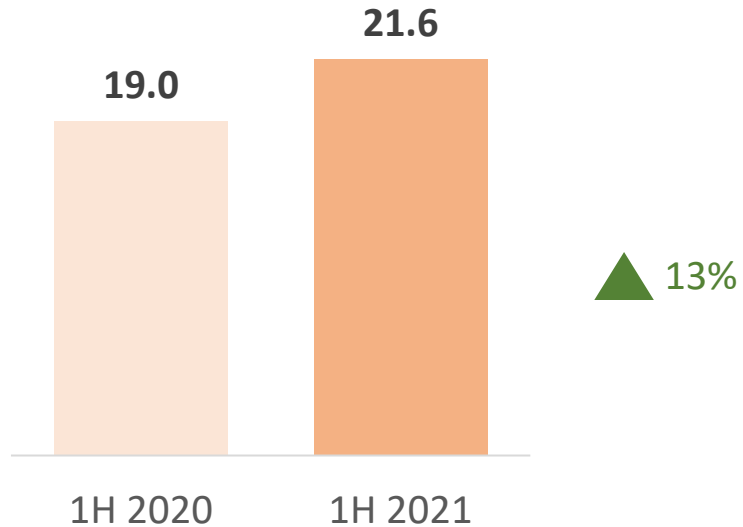
Source: Nielsen and Internal Sales

BCF INTERNATIONAL

Continued growth momentum into Q2

SALES

In billion pesos

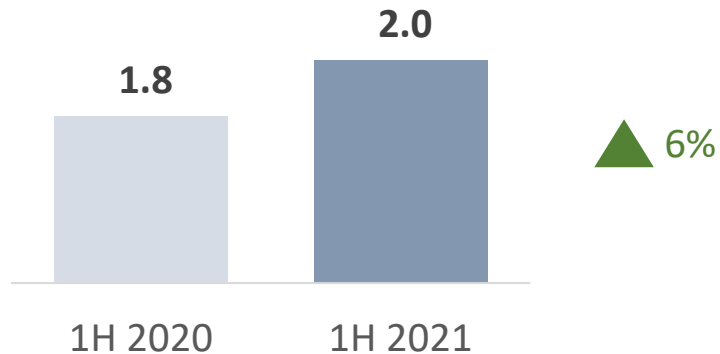


- Strong sales momentum carried into Q2 with all clusters growing vs LY and 4 pts improvement on forex
- Oceania +1%* vs. high 2020 COVID pantry loading base
- Vietnam and Thailand grew high double-digits* vs. low 2020 base but watchouts on latest COVID cases surge

**on local currency basis*

EBIT

In billion pesos

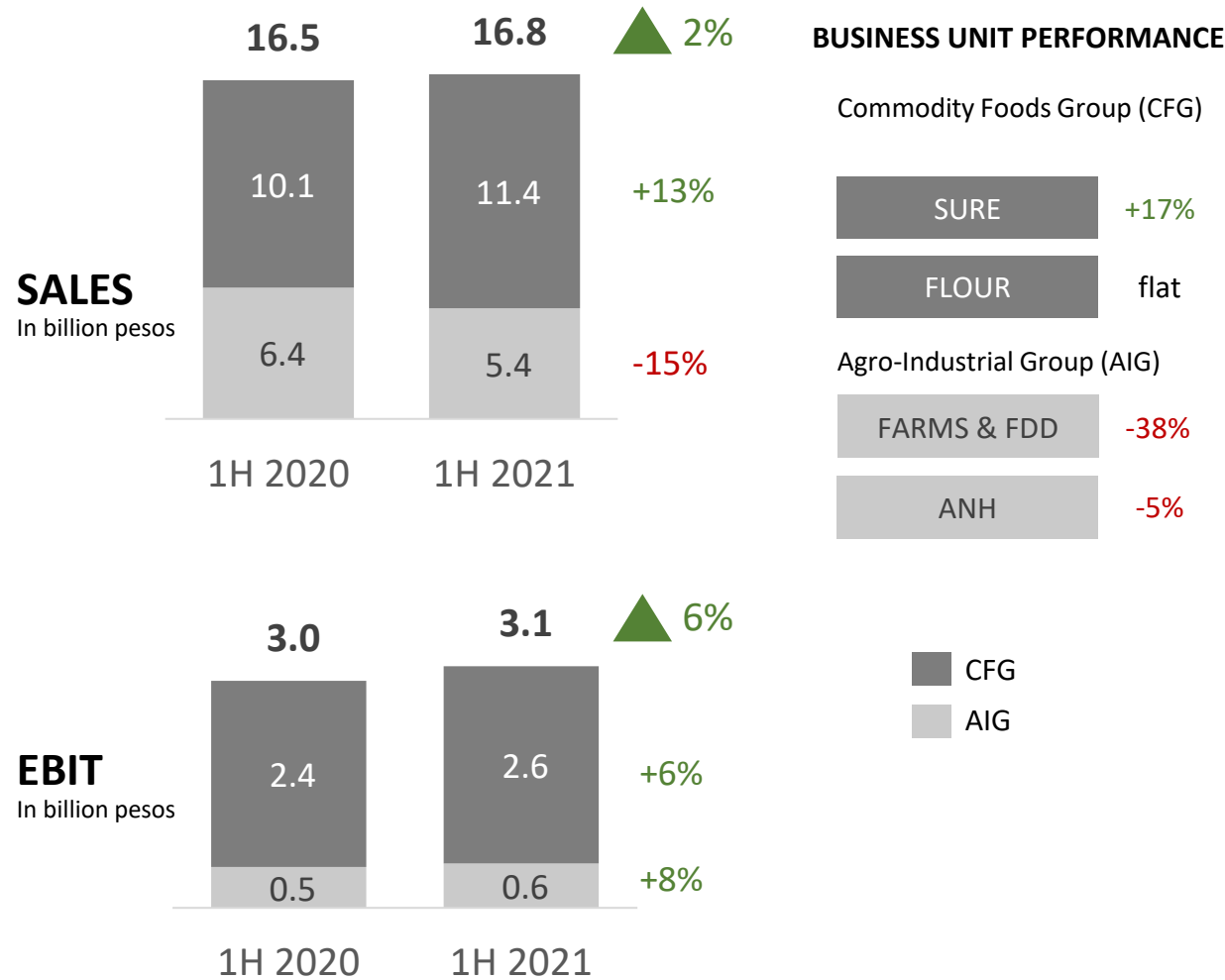


- EBIT growth driven by higher volumes and positive mix
- Margins impacted by significant materials and freight cost increases and resumption of A&P support

• includes Proper Crisps Sales

AIC

Commodities growth driven by new businesses



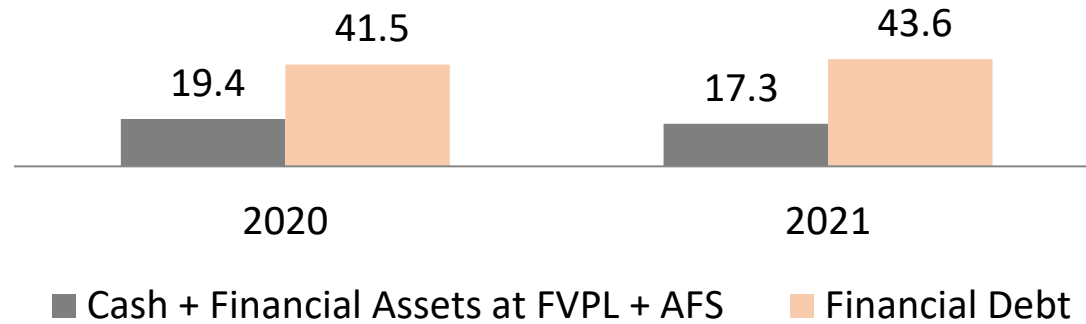
- Growth in Sugar as La Carlota and Roxol contribute to base business
- AIG down on higher base as farms downsizing completed in Q2 2020

- AIG margin expansion from post-restructuring operational improvements
- Commodities margins growth slower due to higher wheat prices, as well as lower sugarcane yields driven by La Niña impact

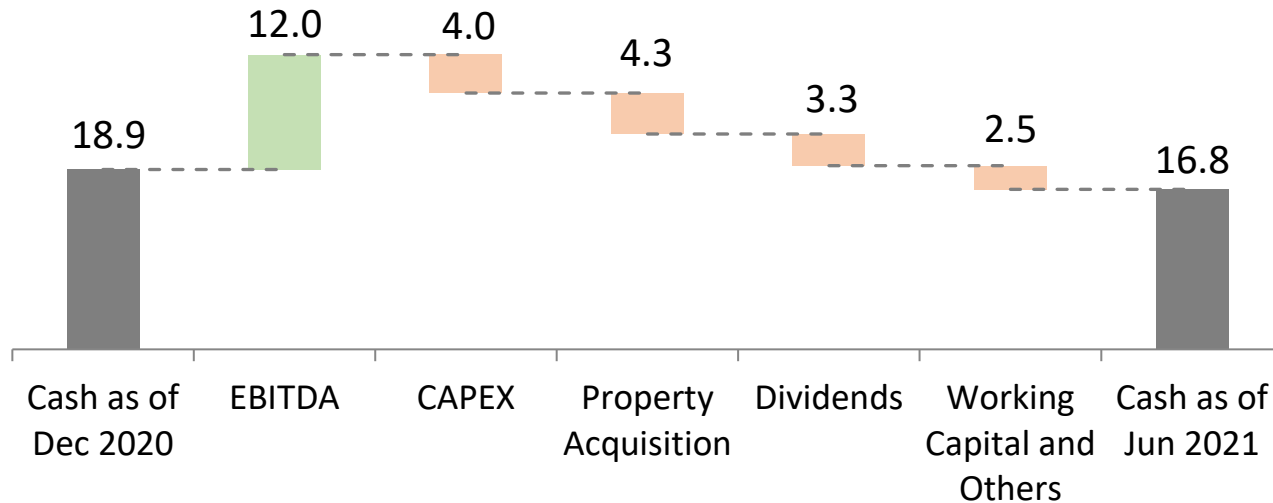
• Non-branded Consumer Foods Group is now called Agro-Industrial and Commodities (AIC)
 • Feeds is now called Animal Nutrition & Health (including Pet Food) | Farms is now called Robina Farms | FDD is Food, Drugs & Disinfectants

Balance Sheet and Cash Flow

Cash and Financial Debt
In billion pesos



Cash Position
In billion pesos



- Cash balance healthy at Php 17.3B
- Net Debt of Php 26.3B
- Gearing ratio of 0.42
- Major cash disbursement for CAPEX, long-term infrastructure investments and dividends

Agenda

1. COVID-19 Impact
2. 1H CY2021 Unaudited Financial Results
3. Business Updates

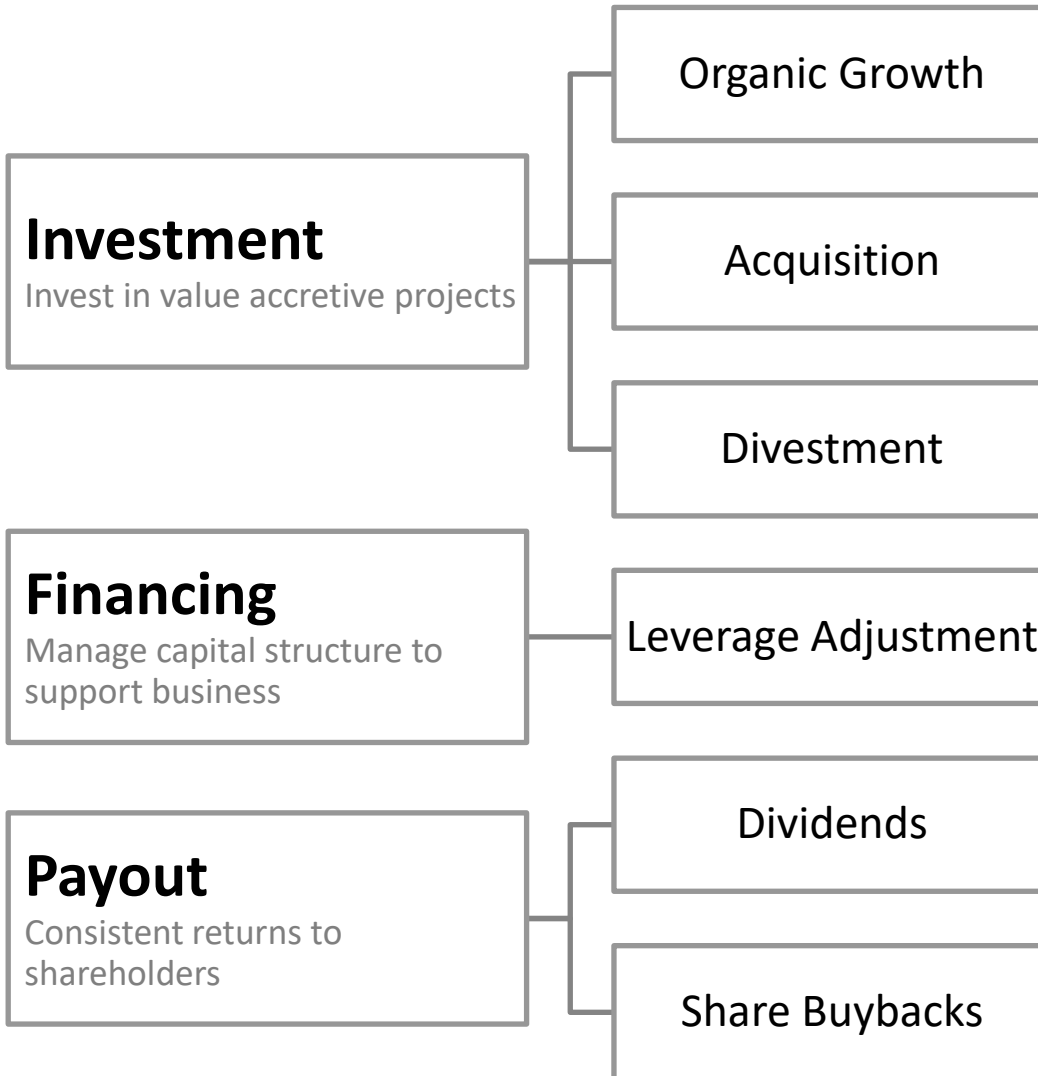


Divestment in Oceania



- Remaining 60% stake in the consolidated Australia and New Zealand business sold to existing joint venture partner Intersnack Group
- Efficiencies and synergies created in the market monetized through the sale
- Continued focus on higher growth segments and geographies across developing markets
- Transaction to close in 3-4 months

Optimizing shareholder returns



- Increasing investment for organic growth (ROI-disciplined CAPEX)
- Enhancing portfolio with acquisition/divestiture program and new equity ventures
- Plenty of leverage headroom to support growth capacity and M&A
- 2021 increase returns to shareholders with higher dividends and share buy back

Optimizing shareholder returns

- Increase of dividends to 1.80 in second tranche

Declaration Date	Current	Proposed
April 29, 2021	1.50	1.50
July 30, 2021	1.65	1.80
2021 Total	3.15	3.30

- On top of investing for growth, a Php3B buyback program will be executed in 2021 to maximize returns and increase shareholder value

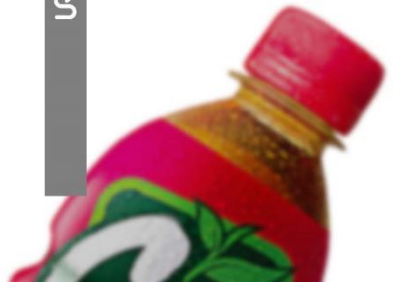
Appointment of new independent director



Antonio Jose U. Periquet, Jr.

- Established Deutsche Regis Partners in 2000, one of the largest stockbrokers in the Philippines
- Served on three government boards: the Development Bank of the Philippines, the DBP Leasing Corp., and the Metro Rail Transit Corp.
- Current board member of several publicly listed corporations
- Vast experience in improving corporate governance to further create shareholder value
- Appointed Chairman of URC's Corporate Governance Committee (alongside Cesar Purisima and Christine Angco, both IDs)

THANK YOU



Income Statement

(Php Millions)	1H 2021	1H 2020	YoY
	(Unaudited)	(Unaudited)	
NET SALES	68,529	67,407	2%
Cost of Sales	47,954	46,936	2%
GROSS PROFIT	20,575	20,472	1%
Operating Expense	-12,370	-12,235	1%
OPERATING INCOME	8,205	8,236	0%
Equity in net income of JVs	-92	-55	
Finance cost – net	-483	-630	
Market valuation gain/ (loss)	32	-13	
Foreign exchange gain/ (loss) – net	-266	-330	
Other revenues/expense	2,233	-78	
INCOME BEFORE INCOME TAX	9,629	7,131	35%
Provision for Income Tax	1,128	1,155	
NET INCOME	8,501	5,975	42%
Net income attributable to holders of the parent	8,055	5,528	
EBITDA	12,039	11,925	1%

- Increase in net income attributed to higher other income from gain on sale of idle land, as well as impact of CREATE

Balance Sheet

(Php Millions)	1H 2021	CY 2020
	(Unaudited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	17,306	19,367
Other current assets	54,414	46,271
Property, plant, and equipment	62,133	58,990
Other noncurrent assets	52,905	51,567
TOTAL ASSETS	186,758	176,195
Current liabilities	59,569	53,668
Noncurrent liabilities	24,268	24,743
TOTAL LIABILITIES	83,837	78,411
Retained earnings	75,197	70,448
Other equity	27,725	27,336
TOTAL EQUITY	102,922	97,784

Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	1H 2021	1H 2020	YoY	1H 2021	1H 2020	YoY	1H 2021	1H 2020	bps
Branded Consumer Foods	51,696	50,914	2%	6,119	6,345	-4%	11.8%	12.5%	(62)
Total Philippines	30,145	31,902	-6%	4,166	4,508	-8%	13.8%	14.1%	(31)
Philippines	29,167	31,381	-7%	4,065	4,518	-10%	13.9%	14.4%	(46)
Packaging	978	521	88%	101	-10	NA	10.3%	-1.9%	1,225
International	21,550	19,012	13%	1,953	1,837	6%	9.1%	9.7%	(60)
Agro-industrial and Commodity	16,834	16,494	2%	3,146	2,955	6%	18.7%	17.9%	77
CFG (net)	11,407	10,106	13%	2,569	2,421	6%	22.5%	24.0%	(144)
Flour	2,326	2,335	0%	443	567	-22%	19.0%	24.3%	(524)
SURE	9,081	7,771	17%	2,127	1,855	15%	23.4%	23.9%	(45)
AIG (net)	5,427	6,388	-15%	577	534	8%	10.6%	8.4%	228
Animal Nutrition and Health	4,265	4,510	-5%	622	719	-13%	14.6%	15.9%	(135)
Farms & Food, Drugs, Disinfectants	1,162	1,878	-38%	-45	-185	NA	-3.9%	-9.9%	599
Corporate Expense				-1,060	-1,063	0%			
Total URC	68,529	67,407	2%	8,205	8,236	0%	12.0%	12.2%	(25)

*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	39.1%	URC	22.2%	5.9%
Candies	28.2%	URC	12.2%	11.8%
Chocolates and Coated Wafers	24.3%	URC	13.3%	9.4%
Biscuits	16.5%	30.0%	25.2%	URC
Cup Noodles	48.8%	URC	38.7%	7.2%
RTD Tea	88.3%	URC	2.3%	1.8%
Coffee	22.1%	38.2%	34.6%	URC
Instant Coffee	21.6%	76.0%	URC	1.2%
Coffee Mixes	22.2%	43.5%	28.4%	URC

Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	18.6%	URC	13.2%	7.7%
Wafers	21.5%	URC	20.3%	10.0%

Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	18.0%	45.9%	19.8%	URC

New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	41.3%	URC	19.8%	15.2%
Crackers	18.5%	33.8%	URC	12.7%

Australia

CATEGORY	MARKET SHARE	#1	#2	#3
Salty Snacks	24.4%	51.9%	URC	6.3%

AC Nielsen, Value, MAT: Snacks, Candies, Chocolates and Coated Wafers, Biscuits, Cup Noodles, RTD Tea and Coffee as of Apr 2021

URC Thailand: Biscuits (new) includes market share reading for Pretzels and Chicken Leg which was excluded in disclosures from 2020 and earlier. Moving forward, we will use this new definition as we explore expanding growth possibilities for total Biscuits; Biscuits and Wafers – MAT Jun 2021, URC Vietnam: RTD Tea – MAT Jun 2021

New Zealand: Sweet Biscuits and Crackers-IRI MarketEdge NZ Grocery MAT 20 Jun 2021; Australia: Aztec Scan AUS Grocery MAT to 6 Jun 2021