

# 9M CY2022 Unaudited Results Investor Briefing

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# Disclaimer

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

- **9M 2022 Net Sales grew 26%** on the back of continued strong sales momentum across all business units. **Q3 sales up 32% vs. same period last year**, while BCFG hits a third straight record high quarter in revenues
- **9M 2022 Operating Income up 10% and Q3 up 35% vs. same period last year** with pricing and cost optimizations executed as planned to further drive absolute income growth
- Commodity prices remain elevated; inflation and the strong US dollar a challenge for faster margin expansion
- Successful new products and segment entries continue to drive growth.

# Consumer demand resilient but watchout on inflationary challenges

## Southeast Asia Far From Inflation Victory Amid Deceleration Sign

Asia | Feeling the pinch

Soaring inflation is making South-East Asians hungrier and poorer

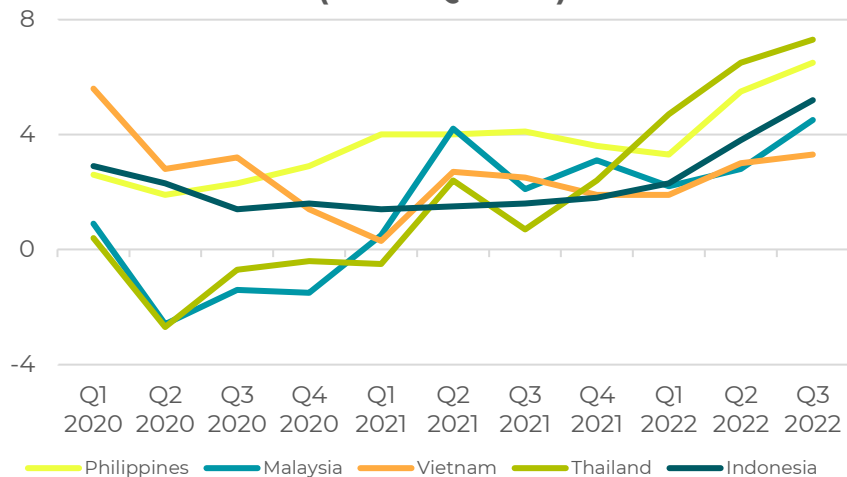
News

### Inflation soars to four-year high

High inflation is biggest risk for Vietnam's economy: officials

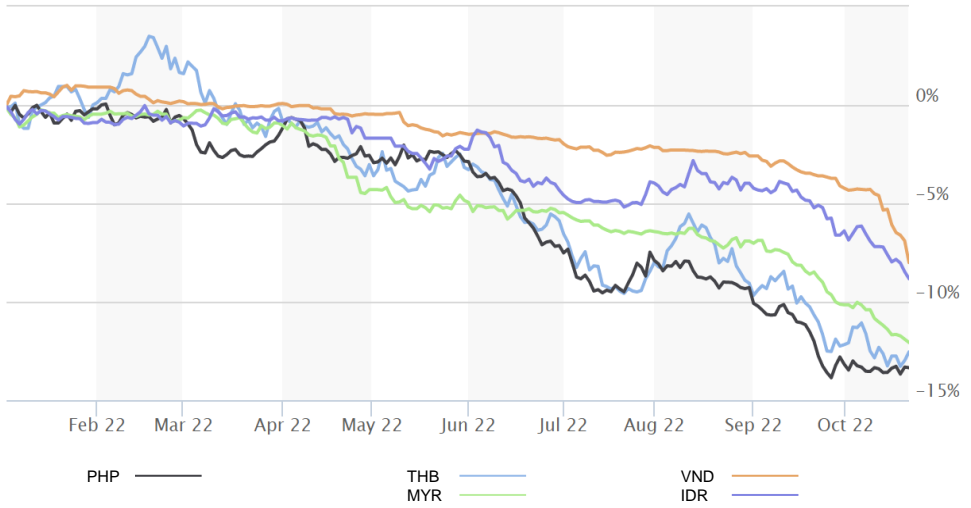
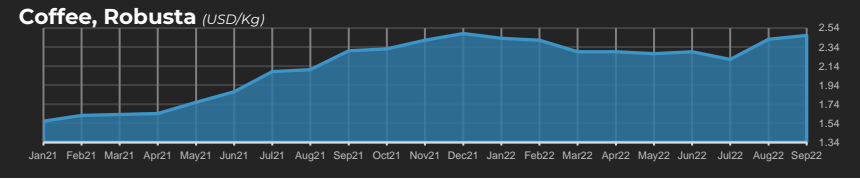
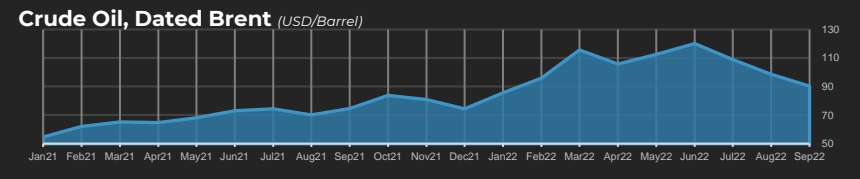
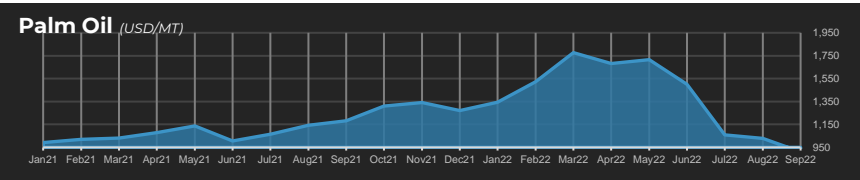
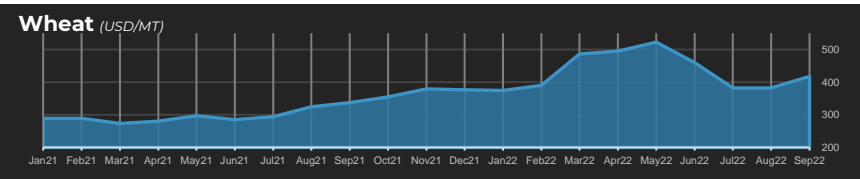
### Thai headline inflation rose to 14-year high in August

Quarterly Inflation Trend (2020 – Q3 2022)



	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
PH	4.0	4.0	4.1	3.6	3.3	5.5	6.5
TH	-0.5	2.4	0.7	2.4	4.7	6.5	7.3
VN	0.3	2.7	2.5	1.9	1.9	3.0	3.3
MY	0.5	4.2	2.1	3.1	2.2	2.8	4.5
ID	1.4	1.5	1.6	1.8	2.3	3.8	5.2

# Commodity costs remain above last year's levels; USD strength impacting landed costs



**~Php15B**

Year-to-date Impact of Material and Freight Cost Increases

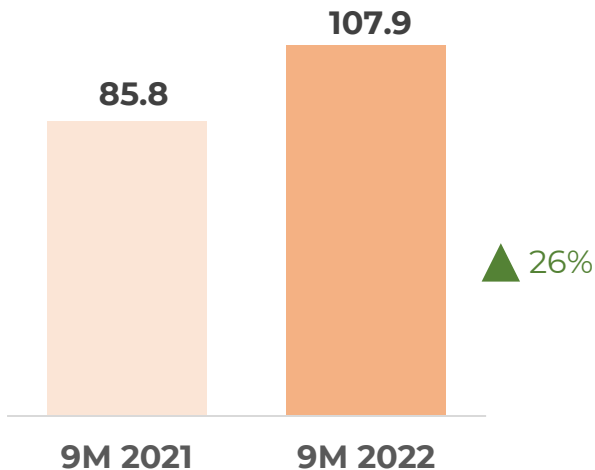
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Estimated Full Year Impact

# URC (Continuing Operations)

## SALES

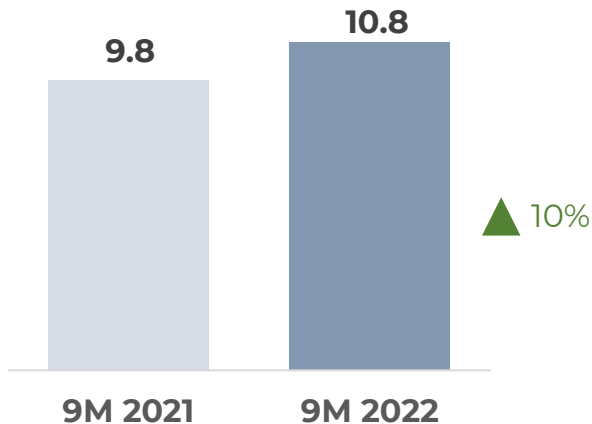
In billion pesos



- Strong topline momentum sustained in Q3 2022 with 26% growth vs. LY and continued quarter on quarter increases
- Q3 up 32% vs. SPLY, on lower comparables with the impact of Delta

## EBIT

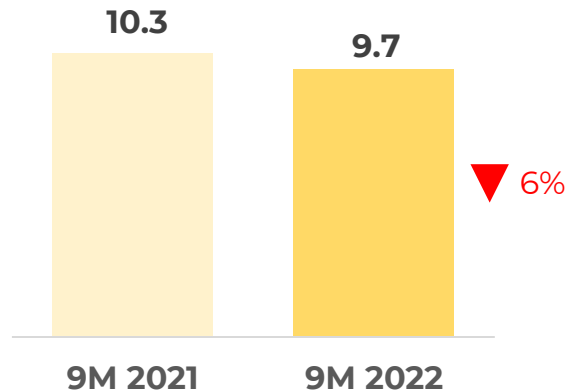
In billion pesos



- Profits continued growing, up 10% vs. LY (Q3 +35% vs LY) on strong topline growth and programmed price increases and cost optimization
- Margin recovery on track, led by significant double-digit price increases

## NET INCOME

In billion pesos



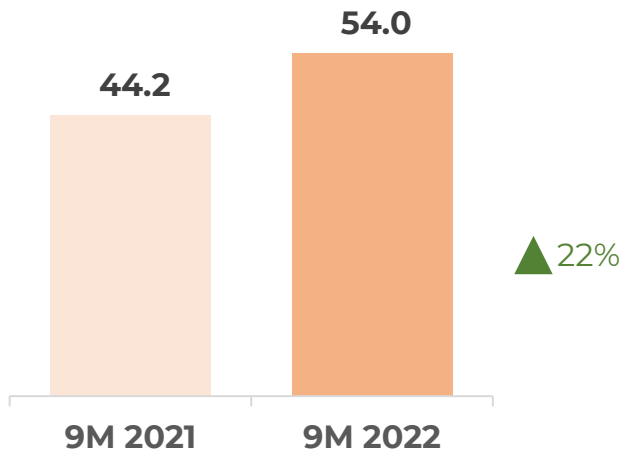
- Decline in net income due to gain on sale of idle assets in 2021, partially offset by forex gains
- Net Income for the period up 9% without non-recurring items

# BCF PHILIPPINES

Reopening momentum continues with another record quarter

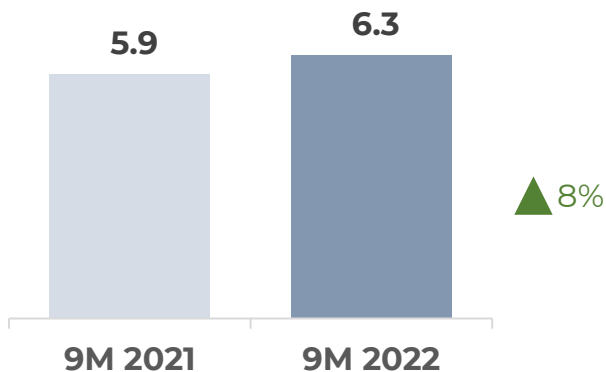
## SALES

In billion pesos



## EBIT

In billion pesos



- Record monthly and quarterly sales for the 3<sup>rd</sup> period in a row; up 26% vs Q3 last year
- Continued double-digit growth across most categories
- Topline growth and programmed pricing and cost optimization supported profits as URC cycles through inventories purchased during RUS-UKR
- Additional price increases in September and November
- Some key commodity prices easing, but USD strengthening from Q2 onwards impacting landed costs

# Market Share

CATEGORY	URC Market Share		YoY Category Growth	
	MAT Feb20 (pre-pandemic)	MAT Aug22	Nielsen YTD Aug22	URC (internal) 9M 2022
<b>PHILIPPINES</b>				
Snacks	35.9%	36.1%	+19%	+23%
Candies	25.6%	26.1%	+14%	+20%
Chocolates	21.1%	23.1%	+23%	+24%
Biscuits	16.1%	15.8%	+15%	+22%
Cup Noodles	48.4%	54.2%	+29%	+44%
Pouch Noodles	13.0%	14.7%	+7%	+20%
RTD Tea	85.1%	88.4%	+37%	+45%
Coffee	22.5%	21.3%	+7%	+5%

- Internal sales have broadly outpaced Nielsen category growth
- Shares generally above pre-pandemic levels but under pressure from consumer downtrading and growth from value players
- Volume and sales growth constrained by supply issues but managing well with retailers; URC now the #2 ranked supplier in Philippines (Advantage Survey 2022)

\* MAT – Moving Annual Total (past 12 months)

\*\* YTD Aug 22 – Jan to Aug 2022 category growth from Nielsen

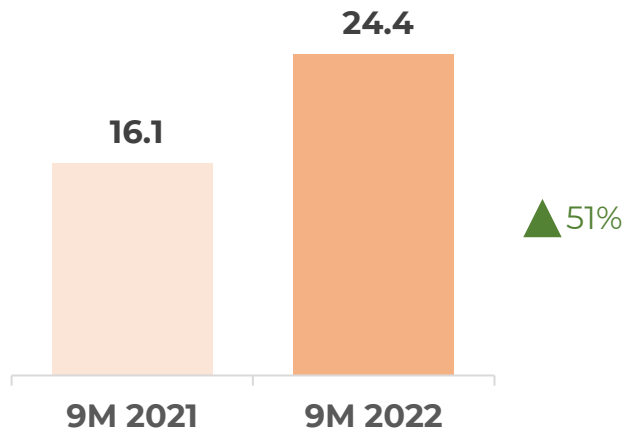


# BCF INTERNATIONAL

Accelerating momentum across the region

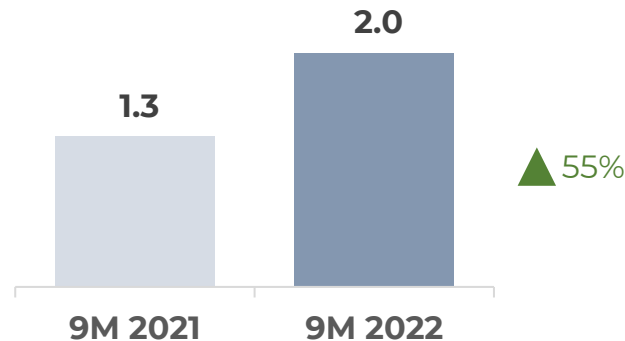
## SALES

In billion pesos



## EBIT

In billion pesos



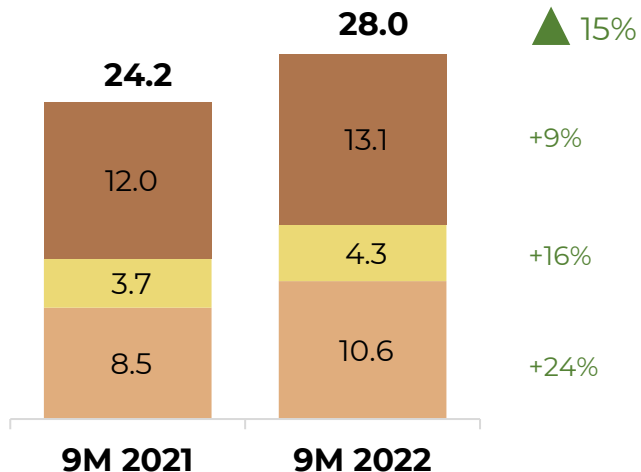
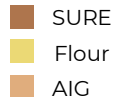
- URCI growing 44% in constant currency terms
- Core international business up by 24% (18% on constant currency) with all manufacturing businesses growing at double digit rates
- Strong topline momentum accelerates into Q3 with 12% quarter-on-quarter growth (8% on constant currency) and up 67% vs. Q3 2021 (57% on constant currency)
- Significant profit growth and margin recovery in Q3, up 98% vs. Q3 2021 for core international (86% on constant currency)
- Planned Q2 and Q3 direct and indirect pricing moves across URCI supported margins
- Continued volatility on higher commodity costs and operating expenses

# AIC

Strong topline growth across all business units

## SALES

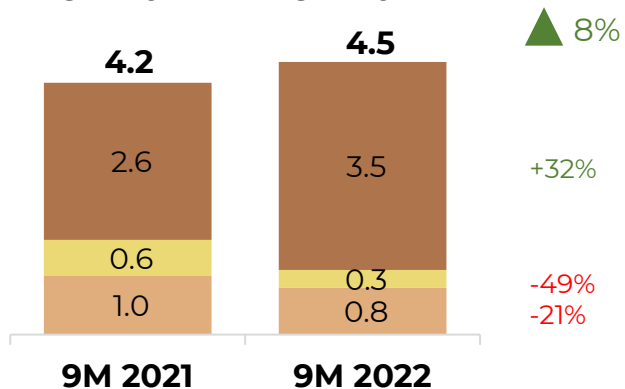
In billion pesos



- Continued growth on higher selling prices
- Earlier start to milling season and elevated sugar and molasses prices contribute to SURE growth
- Flour up on higher selling prices vs LY but volumes down on price sensitivity
- AIG up on the back of strong Petfood sales

## EBIT

In billion pesos

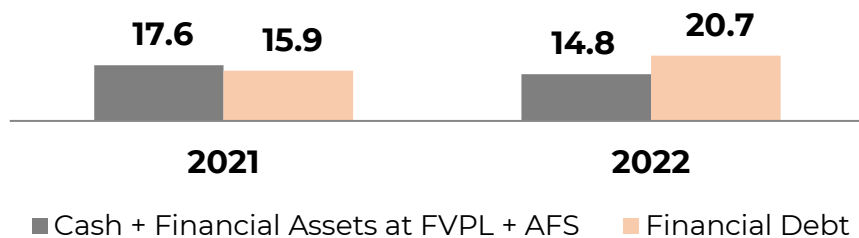


- Strong performance from SURE on selling prices
- Flour still working through higher landed wheat costs on US dollar strength and continued RUS-UKR conflict
- Feeds up on aggressive price increases, while Farms impacted by higher input costs and ASF/AI

# Balance Sheet and Cash Flow

## Cash and Financial Debt

In billion pesos

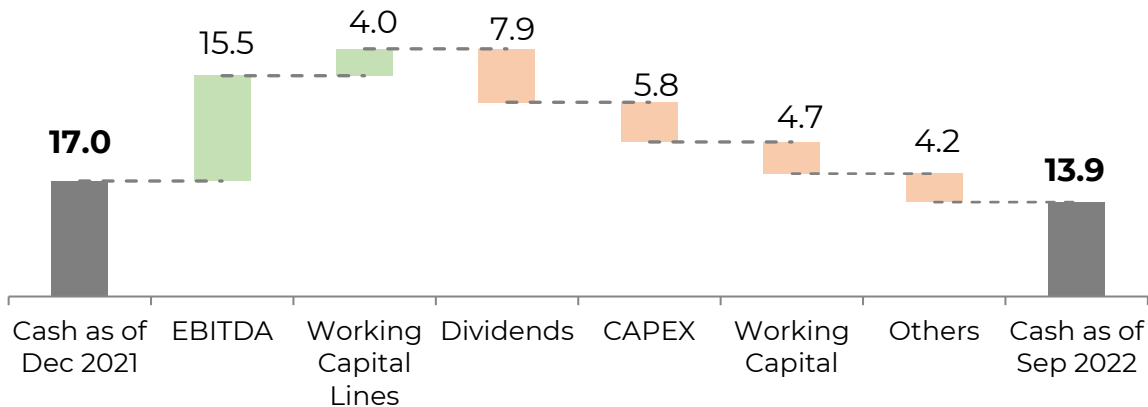


## Gearing Ratio



## Cash Position

In billion pesos



- Balance sheet continues to be strong with gearing ratio at 0.19
- Continued discipline on inventories despite volatile environment

# Growth continues to be augmented by successful product launches...

**>5%**  
of Branded  
Sales

Indonesia



Philippines



Vietnam



Thailand



...and will continue as we enter new categories and segments that will widen our portfolio



# Organizing for Growth



**Anna Milagros D. David**  
Managing Director,  
URC International



**Oscar I. Villamora**  
Managing Director,  
Beverages, BCFG Philippines



**Shanie S. Kawpeng**  
Managing Director,  
Snack Foods, BCFG Philippines



**Francisco M. Del Mundo**  
Chief Investment, Strategy, and  
Corporate Services Officer



**Evelyn Chua-Ng**  
Chief Financial Officer

# Executive Summary

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- Commodity prices remain elevated; inflation and the strong US dollar a challenge for faster margin expansion
- Successful new products and segment entries continue to drive growth
- Projecting full-year topline to grow in the mid- to high-twenties range, and double-digit growth on operating income





# Income Statement

(Php Millions)	9M 2022	9M 2021	YoY
	(Unaudited)	(Unaudited)	
NET SALES	107,873	85,797	26%
Cost of Sales	79,098	60,840	30%
GROSS PROFIT	28,775	24,957	15%
Operating Expense	-18,000	-15,177	19%
OPERATING INCOME	10,775	9,780	10%
Equity in net income of JVs	-326	-90	
Finance cost – net	-303	-270	
Market valuation gain/ (loss)	65	23	
Foreign exchange gain/ (loss) – net	1,350	16	
Other revenues/expense	-74	2,170	
INCOME BEFORE INCOME TAX	11,487	11,628	-1%
Provision for Income Tax	1,768	1,293	
NET INCOME FROM CONTINUING OPERATION	9,720	10,335	-6%
NET INCOME FROM DISCONTINUED OPERATION	0	896	
NET INCOME	9,720	11,231	-13%
Net income attributable to holders of the parent	9,347	10,524	-11%
EBITDA	15,458	14,142	9%

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

# Balance Sheet

(Php Millions)	9M 2022	CY 2021
	(Unaudited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	14,783	17,629
Other current assets	60,549	49,863
Property, plant, and equipment	58,265	55,881
Other noncurrent assets	29,323	29,283
<b>TOTAL ASSETS</b>	<b>162,920</b>	<b>152,657</b>
Current liabilities	48,335	39,028
Noncurrent liabilities	3,962	3,861
<b>TOTAL LIABILITIES</b>	<b>52,298</b>	<b>42,889</b>
Retained earnings	90,695	88,908
Other equity	19,927	20,860
<b>TOTAL EQUITY</b>	<b>110,622</b>	<b>109,768</b>

# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M 2022	9M 2021	YoY	9M 2022	9M 2021	YoY	9M 2022	9M 2021	bps
<b>Branded Consumer Foods</b>	79,918	61,551	30%	8,389	7,209	16%	10.5%	11.7%	(122)
Philippines	55,532	45,422	22%	6,427	5,946	8%	11.6%	13.1%	(152)
International	24,386	16,129	51%	1,962	1,264	55%	8.0%	7.8%	21
<b>Agro-industrial and Commodity (net)</b>	27,955	24,246	15%	4,523	4,178	8%	16.2%	17.2%	(105)
SURE	13,098	12,003	9%	3,452	2,610	32%	26.4%	21.7%	461
Flour	4,296	3,706	16%	296	586	-49%	6.9%	15.8%	(891)
AIG	10,561	8,537	24%	775	982	-21%	7.3%	11.5%	(416)
<b>Corporate Expense</b>				-2,136	-1,606	33%			
<b>Total URC</b>	<b>107,873</b>	<b>85,797</b>	<b>26%</b>	<b>10,775</b>	<b>9,780</b>	<b>10%</b>	<b>10.0%</b>	<b>11.4%</b>	<b>(141)</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	36.1%	URC	23.7%	5.8%
Candies	26.1%	URC	12.7%	12.7%
Chocolates and Coated Wafers	23.1%	URC	13.7%	8.4%
Biscuits	15.8%	28.0%	26.8%	URC
Cup Noodles	54.2%	URC	35.0%	5.3%
RTD Tea	88.4%	URC	2.2%	1.9%
Coffee	21.3%	39.0%	34.1%	URC
Instant Coffee	21.9%	75.8%	URC	1.1%
Coffee Mixes	21.2%	42.7%	29.7%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	17.7%	URC	13.6%	7.9%
Wafers	20.5%	20.7%	URC	9.0%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	20.0%	41.6%	20.3%	URC

## Malaysia

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	24.1%	URC	23.9%	9.6%

Source: AC Nielsen, Value Shares

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

Thailand: Biscuits and Wafers - MAT Aug 2022

Vietnam: RTD Tea - MAT Aug 2022

Malaysia: Biscuits - MAT Aug 2022