



1H CY2024 Unaudited Results Investor Briefing

Aug 2, 2024

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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

- 1H 2024 Revenues Php80.7B up +3% vs. SPLY, on the back of 7% volume growth across all business units, but offset by negative price/mix of 4%
- 1H 2024 Operating Income at Php9.4B, up +10% vs. SPLY. All business units except SURE have delivered high single-digit to double-digit profit growth, offsetting the significant price and margin decline in SURE.
- Overall consumer sentiment across Southeast Asia remains muted, with most Philippine market category volumes flat or declining except instant coffee and ready-to-drink (RTD) beverages
- Strategic exit from China announced, with winding down expected to conclude in 2025
- 2nd dividend for the year announced at Php1.90/share; total yearly dividend per share up 5% vs prior year for the 4th straight year



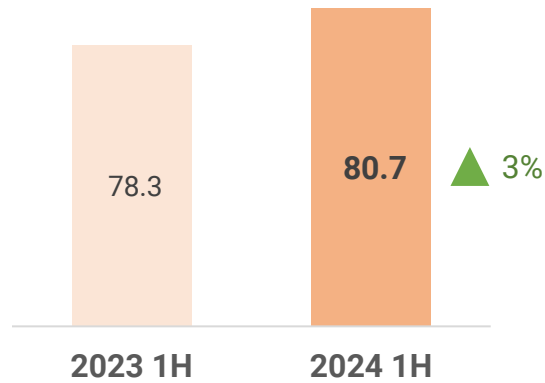


TOTAL URC (CONTINUING OPERATIONS)



SALES

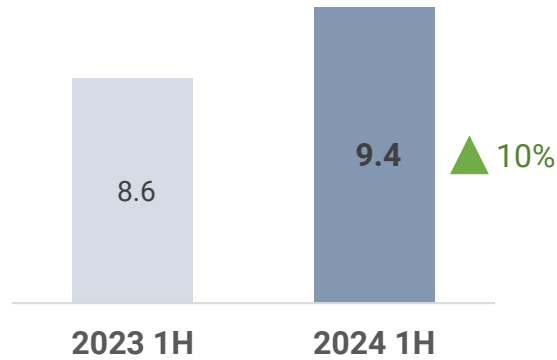
In billion pesos



- Total revenue up 3% for the first half of the year, with all business units posting volume driven growth
- Q2 revenue flat, as higher volumes offset by negative price/mix from lower sugar prices and lower price tier growth in consumer brands

EBIT

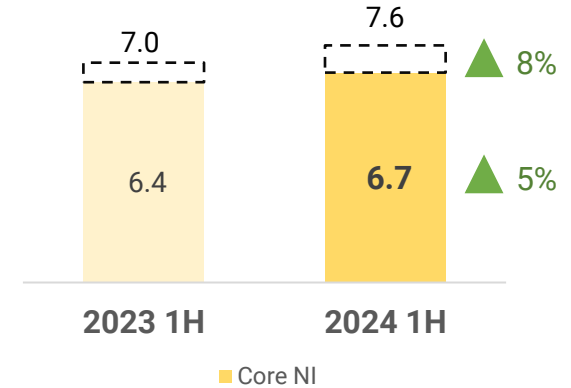
In billion pesos



- Operating income grew 10% vs. SPLY, outpacing revenue growth
- Overall margin expanded by ~70bps, as improvements from other business units able to offset impact of lower sugar prices

NET INCOME

In billion pesos



- Net income from continuing operations up 8%
- Core net income up 5% as double-digit operating income growth offset by higher tax provisions

*Excluding China



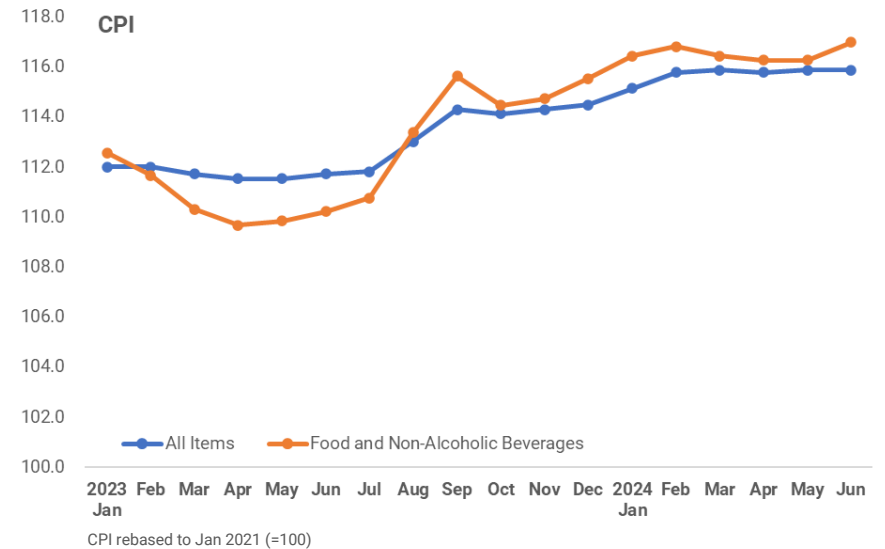


Market and Consumer Landscape

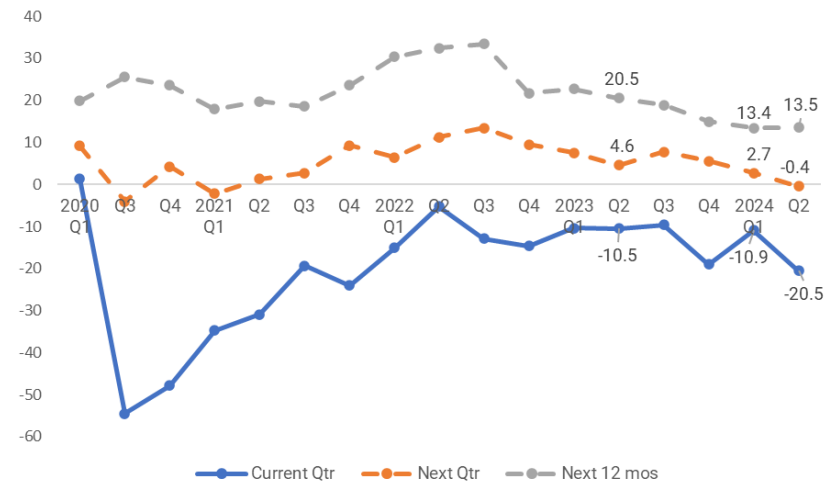
Weak consumer confidence with concerns on increasing food prices

| Top Concern | APAC | Philippines |
|----------------------------------|------|-------------|
| Increasing Food Prices | 23% | 34% |
| Increasing Utility Bills | 6% | 7% |
| Job Security | 6% | 7% |
| Increasing Fuel/Transport Prices | 4% | 4% |
| Economic Downturn | 9% | 3% |

Food prices elevated, affecting household purchasing power



Philippine consumers still wary but turning optimistic for the next 12 months



Source: Nielsen, Bangko Sentral ng Pilipinas, Philippine Statistics Authority

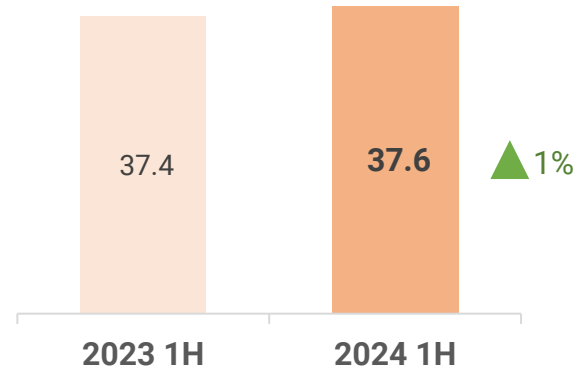


BCF PHILIPPINES

Sustained volume growth momentum led by RTD beverages

SALES

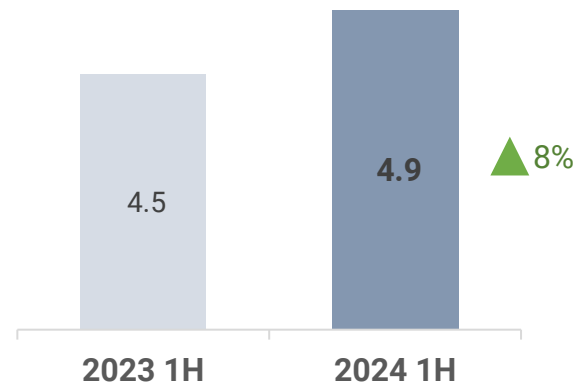
In billion pesos



- Overall growth in volumes sustained vs. high base (Q2 2023 highest volumes post SAP transition), though value growth tempered by product mix (lower price tier growth)
- YTD revenue and market share growth driven by Snacks, Bakery and double-digit increase in RTD Beverages. Growth in value segments continues, but challenges remain for mid-tier brands

EBIT

In billion pesos



- Operating income grew 8% vs. SPLY on the back of gross margin expansion from easing input costs and cost savings initiatives
- Brand reinvestments and other A&P initiatives continue, to support volume growth

*Excluding packaging



Current Growth Focus Areas

BCF
PH

CORE

✓ Volume Driven Growth

YTD Volume Growth +5%, though category performance mixed as value brands driving growth



✓ Customer Service and Supply Network Upgrade

YTD Order Fill Rate improved to 93%, with Q2 OFR at 95%

MORE

✓ Emerging Bakery and Beverage Segments

RTD (ex-C2) and Cakes, both up over 20% in H1 2024





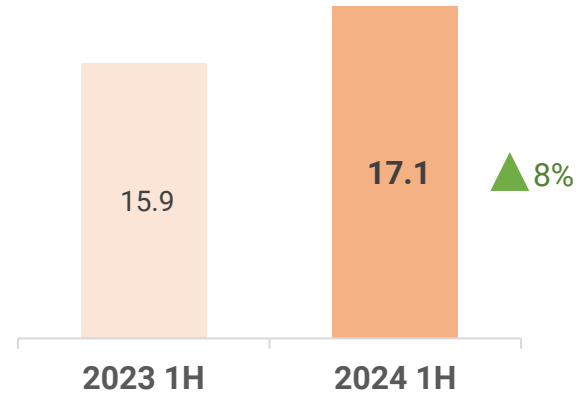
BCF INTERNATIONAL

Robust revenue growth across all markets alongside sustained margin expansion



SALES

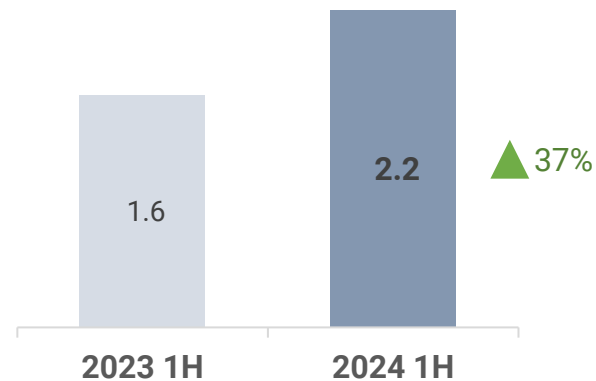
In billion pesos
Constant forex



- International Sales up 8% vs. SPLY on constant currency (+4% on Peso) with core businesses continuing to deliver growth
- Vietnam, Indonesia, and Myanmar setting the pace for BCF International, with markets showing double digit increases
- Thailand and Malaysia (ex-7Days) accelerating sales momentum

EBIT

In billion pesos
Constant forex

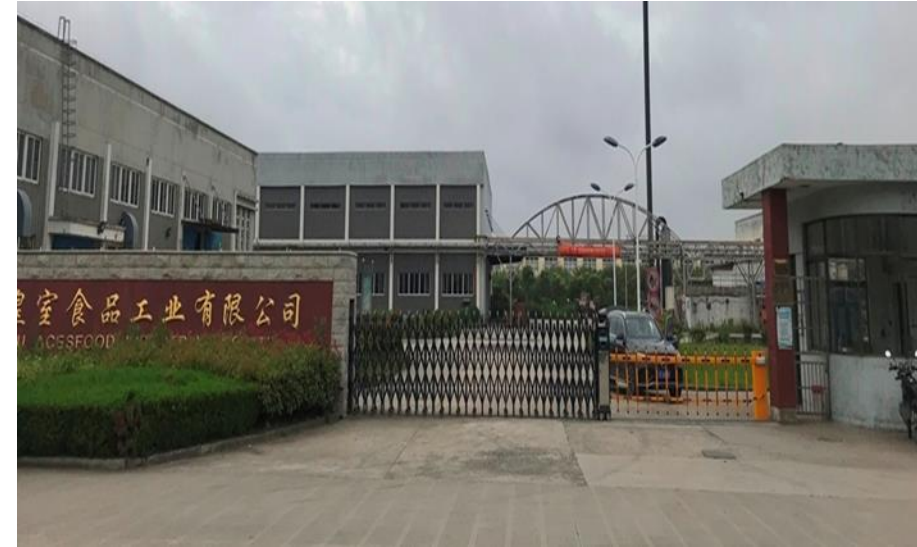


- Operating income grew 37% vs. SPLY with all key markets posting double digit growth
- BCF International margins expanded by ~280 bps, hitting all-time high margin

*Excluding China

Rationalization of China Business

- URC has announced its intention to strategically exit China, where it participates in the Cereals and Snacks categories
- Business has been downsized over the years, with URC previously exiting Biscuits (2016) and Coffee (2018)
- URC has impaired the business, setting up a restructuring reserve and moving this to discontinued operations, while evaluating strategic options for the assets
- Expect the business to fully wind down by 2025, allowing URC to redeploy resources fully to higher-growth markets

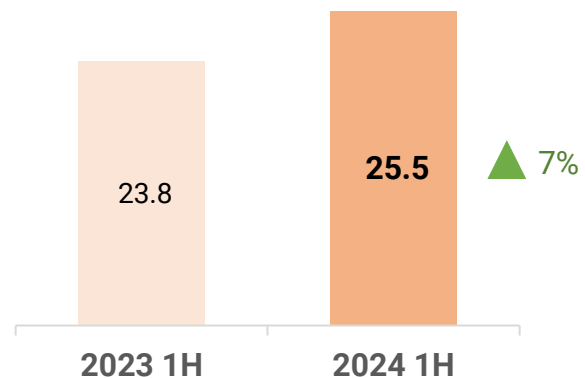


AGRO-INDUSTRIAL AND COMMODITIES

Volume-led growth of commodities and pet food

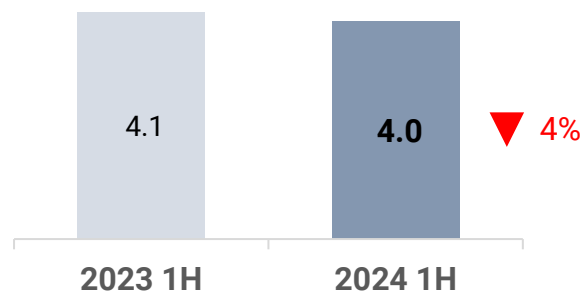
SALES

In billion pesos



EBIT

In billion pesos



- Pet food continues its growth trajectory, while hog feeds down as overall feeds demand affected by disease outbreak
- Commodities topline growth driven by higher overall volumes, offset by significant price decreases in both sugar and flour

| Sales | vs LY |
|-------|-------|
| AIG | 0% |
| SURE | +13% |
| Flour | +3% |

- AIG margins continue to expand on product mix and lower input costs
- Easing sugar prices from imports carryover in 2022-23 crop year and lower industry demand driving down SURE margins

| EBIT | vs LY |
|-------|-------|
| AIG | +45% |
| SURE | -19% |
| Flour | +198% |

Current Growth Focus Areas

URCI

- ✓ **Sustain Top 3 Markets Growth**
Volume and Share Growth across top 3 markets



AIC

- ✓ **Mills Capacity Expansion**
Raw Sugar and Flour Volumes up mid-teens; Refined Sugar Volumes up >2x
URC the largest sugar miller and refiner for crop year 2023-24

MORE

- ✓ **Munchy's Expansion in Southeast Asia**
- ✓ **New Legs**



- ✓ **Pet Expansion**

Penetration into Modern Trade with smaller packs; Cat Food growth





Balance Sheet and Cash Flow

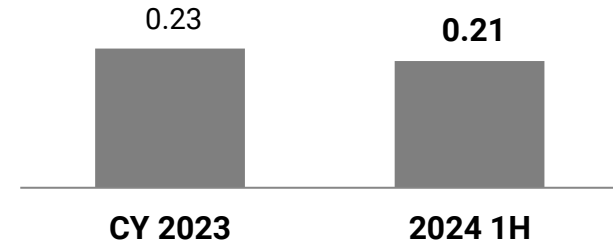


Cash and Financial Debt

In billion pesos

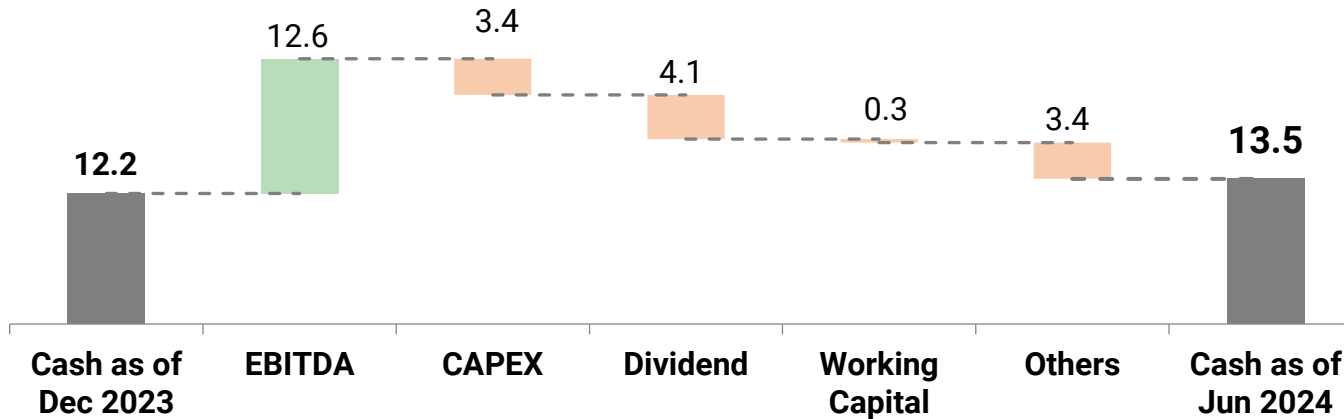


Gearing Ratio



Cash Position

In billion pesos





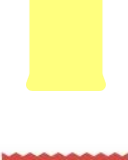



- Strong profits/EBITDA able to support investments for future growth
- 2nd dividend of Php1.90 to stockholders on record as of August 30
- Total dividends for the year up by 5% vs. prior year for the 4th consecutive year

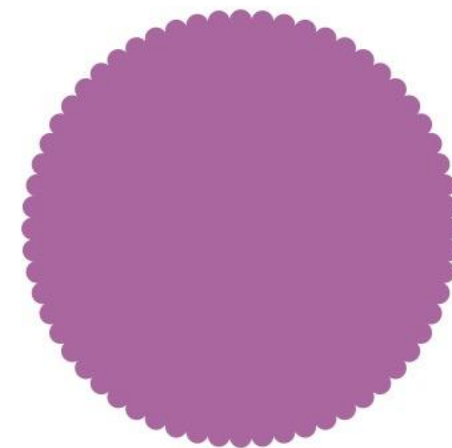
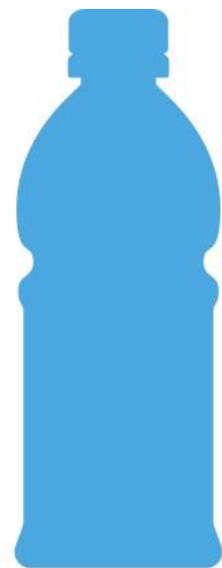




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 - Overall consumer sentiment across Southeast Asia remains muted, with most Philippine market category volumes flat or declining except instant coffee and ready-to-drink (RTD) beverages
 - 2nd dividend for the year announced at Php1.90/share; total yearly dividend per share up 5% vs prior year for the 4th straight year
 - Full year sales expected to be low- to-mid single digit growth due to continuing consumer mix shift to value and delayed 2024 sugar milling season. Full year profits expected to show double digit growth for URC excluding SURE due to better margins. Total URC earnings for the year subject to uncertain volatility in our sugar commodities unit
- 
- 
- 
- 
- 
- 

Thank You!





Income Statement



| (Php Millions) | 2024 1H | 2023 1H | YoY |
|--|-------------|-----------|-----|
| | (Unaudited) | (Audited) | |
| NET SALES | 80,748 | 78,320 | 3% |
| Cost of Sales | 57,726 | 57,529 | 0% |
| GROSS PROFIT | 23,022 | 20,790 | 11% |
| Operating Expense | -13,610 | -12,204 | 12% |
| OPERATING INCOME | 9,412 | 8,586 | 10% |
| Equity in net income of JVs | -62 | -33 | |
| Finance cost – net | -703 | -569 | |
| Market valuation gain/ (loss) | 164 | 120 | |
| Foreign exchange gain/ (loss) – net | 662 | 720 | |
| Other revenues/expense | -70 | -325 | |
| INCOME BEFORE INCOME TAX | 9,403 | 8,499 | 11% |
| Provision for Income Tax | 1,825 | 1,473 | |
| NET INCOME FROM CONTINUING OPERATION | 7,578 | 7,026 | 8% |
| NET INCOME FROM DISCONTINUED OPERATION | -580 | -14 | |
| NET INCOME | 6,998 | 7,011 | 0% |
| Net income attributable to holders of the parent | 6,597 | 6,662 | -1% |
| EBITDA | 12,562 | 11,742 | 7% |
| CORE NET INCOME | 6,708 | 6,396 | 5% |

*Full P&L includes market revaluation gain/loss for Farms





Income Statement



| (Php Millions) | 2024 1H (Unaudited) | | | 2023 1H (Audited) | | |
|-------------------------------------|---------------------|-------|---------|-------------------|-------|---------|
| | Ex-China | China | Total | Ex-China | China | Total |
| NET SALES | 80,748 | 225 | 80,973 | 78,320 | 310 | 78,629 |
| Cost of Sales | 57,726 | 116 | 57,842 | 57,529 | 182 | 57,711 |
| GROSS PROFIT | 23,022 | 109 | 23,131 | 20,790 | 128 | 20,918 |
| Operating Expense | -13,610 | -126 | -13,736 | -12,204 | -154 | -12,358 |
| OPERATING INCOME | 9,412 | -17 | 9,395 | 8,586 | -26 | 8,560 |
| Equity in net income of JVs | -62 | | -62 | -33 | | -33 |
| Finance cost – net | -703 | 7 | -696 | -569 | 11 | -558 |
| Market valuation gain/ (loss) | 164 | | 164 | 120 | | 120 |
| Foreign exchange gain/ (loss) – net | 662 | 1 | 663 | 720 | 1 | 721 |
| Other revenues/expense | -70 | -570 | -640 | -325 | 2 | -323 |
| INCOME BEFORE INCOME TAX | 9,403 | -579 | 8,824 | 8,499 | -12 | 8,486 |
| Provision for Income Tax | 1,825 | 1 | 1,826 | 1,473 | 2 | 1,475 |
| NET INCOME | 7,578 | -580 | 6,998 | 7,026 | -14 | 7,011 |



*Full P&L includes market revaluation gain/loss for Farms



Balance Sheet



| (Php Millions) | 2024 1H | CY 2023 |
|---|----------------|----------------|
| | (Unaudited) | (Audited) |
| Cash & cash equivalents (including Financial assets at FVPL and FVOCI) | 14,887 | 13,311 |
| Other current assets | 75,799 | 76,316 |
| Property, plant, and equipment | 63,117 | 62,410 |
| Other noncurrent assets | 28,928 | 28,264 |
| TOTAL ASSETS | 182,731 | 180,302 |
| Current liabilities | 57,358 | 57,118 |
| Noncurrent liabilities | 4,861 | 4,692 |
| TOTAL LIABILITIES | 62,218 | 61,810 |
| Retained earnings | 101,979 | 99,510 |
| Other equity | 18,535 | 18,982 |
| TOTAL EQUITY | 120,513 | 118,492 |



Divisional Financials (Continuing Operations)



| (Php Millions) | SALES | | | EBIT | | | EBIT MARGIN | | |
|--|---------|---------|------|---------|---------|------|-------------|---------|-------|
| | 2024 1H | 2023 1H | YoY | 2024 1H | 2023 1H | YoY | 2024 1H | 2023 1H | bps |
| Branded Consumer Foods | 55,261 | 54,517 | 1% | 7,088 | 6,118 | 16% | 12.8% | 11.2% | 161 |
| Philippines | 37,598 | 37,372 | 1% | 4,870 | 4,496 | 8% | 13.0% | 12.0% | 92 |
| International | 17,082 | 16,452 | 4% | 2,233 | 1,683 | 33% | 13.1% | 10.2% | 284 |
| Packaging | 582 | 694 | -16% | -14 | -61 | | -2.4% | -8.8% | 640 |
| Agro-Industrial and Commodities (net) | 25,487 | 23,802 | 7% | 3,972 | 4,124 | -4% | 15.6% | 17.3% | (174) |
| SURE | 14,379 | 12,748 | 13% | 2,686 | 3,315 | -19% | 18.7% | 26.0% | (732) |
| Flour | 3,081 | 2,989 | 3% | 226 | 76 | 198% | 7.3% | 2.5% | 479 |
| AIG | 8,027 | 8,065 | 0% | 1,060 | 733 | 45% | 13.2% | 9.1% | 411 |
| Corporate Expense | | | | -1,648 | -1,656 | 0% | | | |
| Total URC | 80,748 | 78,320 | 3% | 9,412 | 8,586 | 10% | 11.7% | 11.0% | 69 |





Market Shares



Philippines

| CATEGORY | MARKET SHARE | #1 | #2 | #3 |
|------------------------------|--------------|-------|-------|-------|
| Snacks | 34.9% | URC | 25.0% | 6.4% |
| Candies | 24.6% | URC | 15.3% | 13.4% |
| Chocolates and Coated Wafers | 21.7% | URC | 14.2% | 7.5% |
| Biscuits | 15.0% | 28.5% | 27.4% | URC |
| Cup Noodles | 52.0% | URC | 38.3% | 4.3% |
| Pouch Noodles | 14.3% | 73.9% | URC | 3.4% |
| RTD Tea | 84.8% | URC | 3.9% | 3.4% |
| Coffee | 17.3% | 42.0% | 34.7% | URC |
| Instant Coffee | 20.2% | 76.6% | URC | 1.4% |
| Coffee Mixes | 16.5% | 44.3% | 32.5% | URC |

Thailand

| CATEGORY | MARKET SHARE | #1 | #2 | #3 |
|----------|--------------|-------|-------|------|
| Biscuits | 14.4% | URC | 13.2% | 7.7% |
| Wafers | 19.4% | 25.1% | URC | 7.9% |

Vietnam

| CATEGORY | MARKET SHARE | #1 | #2 | #3 |
|----------|--------------|-------|-----|-------|
| RTD Tea | 23.1% | 33.5% | URC | 20.5% |

Malaysia

| CATEGORY | MARKET SHARE | #1 | #2 | #3 |
|----------|--------------|-----|-------|-------|
| Biscuits | 24.4% | URC | 19.8% | 11.1% |

Source: AC Nielsen, Value Shares
 Philippines: Moving Annual Total (MAT) Jun 2024
 Thailand: MAT Jun 2024
 Vietnam: MAT May 2024
 Malaysia: MAT Jun 2024

