

# Full Year CY2022 Audited 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.

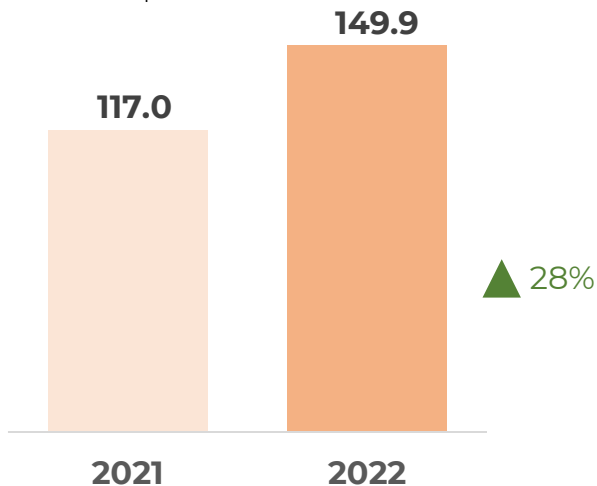
# Executive Summary

- **2022 Net Sales closed at a record Php149.9 billion, growing 28%** on the back of continued strong sales momentum across all business units. Q4 2022 sales up 35% vs. same period last year.
- **2022 Operating Income hit Php15.2 billion, up 20%** as pricing and cost optimizations were executed as planned to further drive absolute income growth.
- Consumer demand remained robust despite rising inflation across the region.
- Commodity prices remain elevated culminating in over Php21 billion of cost inflation that was recovered.

# Total URC

## SALES

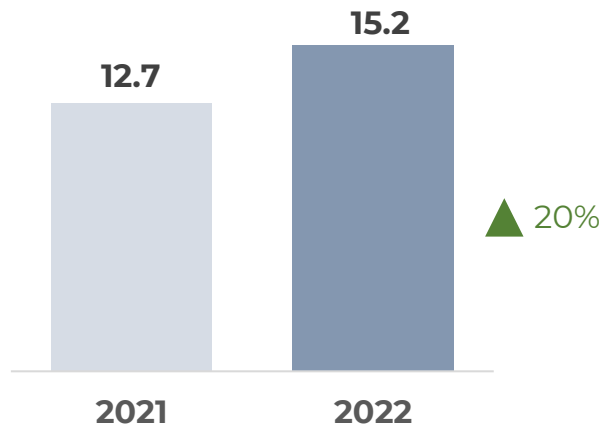
In billion pesos



- Total business up +28%, with all business units growing in double digits
- Strong finish with Q4 quarter on quarter growth +14% vs. Q3 and +35% vs. SPLY

## EBIT

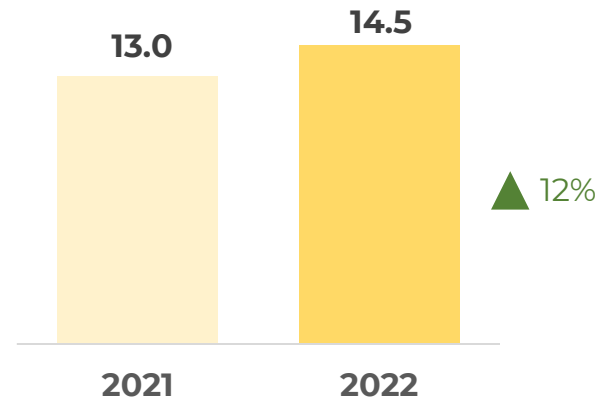
In billion pesos



- Profits grew above guidance, hitting +20% vs. last year
- Driven by strong topline growth coupled with programmed price increases and cost savings initiatives

## NET INCOME

In billion pesos



- Net income up +12%, due to higher one-time gains in 2021
- Core Net Income without non-recurring items up +14%

# Despite rising inflation, consumer demand remained strong

## BSP: Dec inflation likely revved up to as high as 8.6%

By: [Rommel W. Domingo](#) - @inquirerdotnet Philippine Daily Inquirer / 02:02 AM December 30, 2022

## Thai economy firmly on recovery path despite risks - finmin

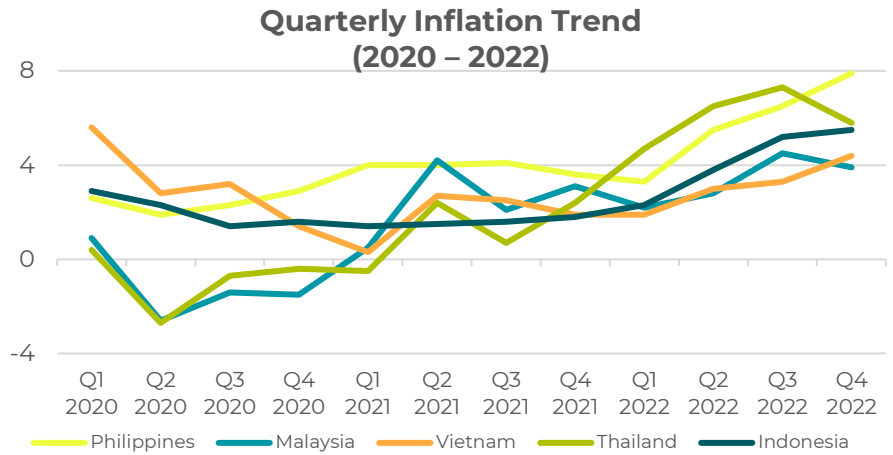
By [Orathai Sriring](#) and [Satawasin Staporncharnchai](#) REUTERS®



## Vietnam Pulls Off Asia's Fastest Growth as Economy Powers On

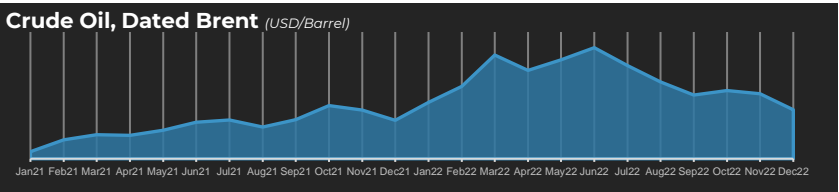
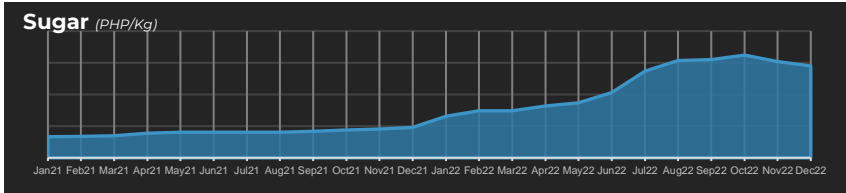
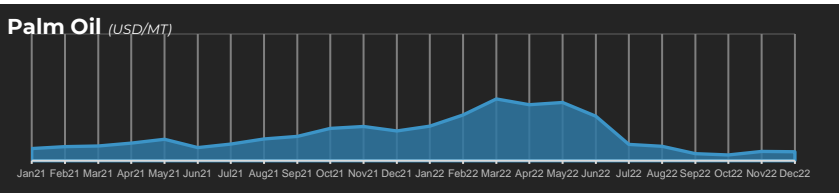
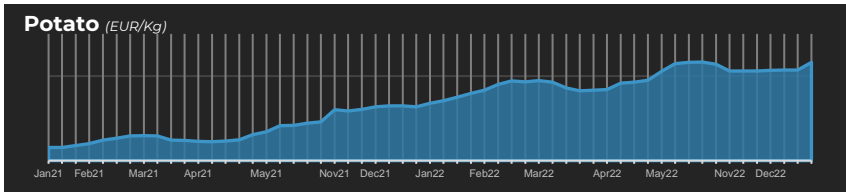
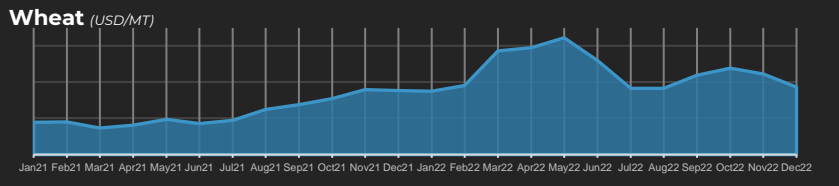
**S&P Global**  
Market Intelligence

## Malaysia records buoyant GDP growth in 2022

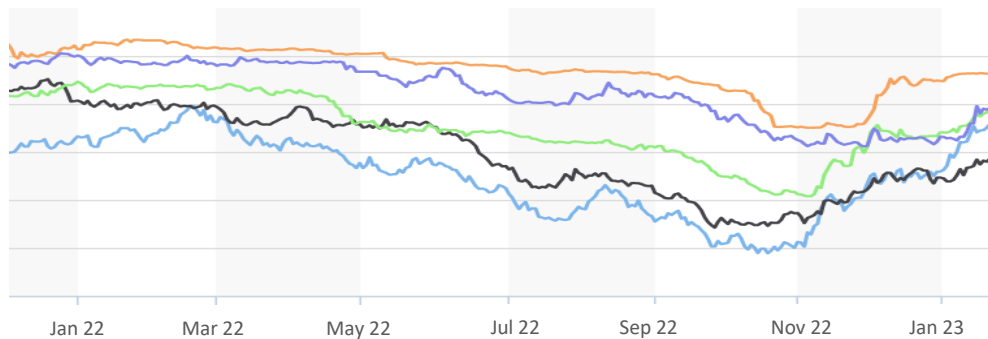


	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
PH	4.0	4.0	4.1	3.6	3.3	5.5	6.5	7.9
TH	-0.5	2.4	0.7	2.4	4.7	6.5	7.3	5.8
VN	0.3	2.7	2.5	1.9	1.9	3.0	3.3	4.4
MY	0.5	4.2	2.1	3.1	2.2	2.8	4.5	3.9
ID	1.4	1.5	1.6	1.8	2.3	3.8	5.2	5.5

# Commodity costs movements are mixed; forex correcting at year-end



## USD vs. Other Currencies



PHP —

THB —

VND —

MYR —

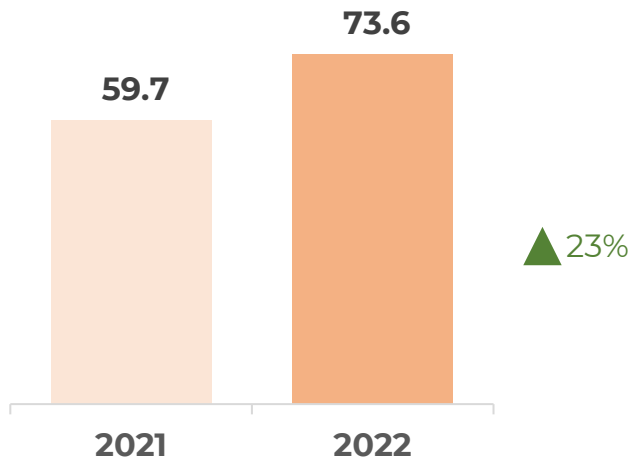
IDR —

# BCF PHILIPPINES

Closing out record 2022 with another record quarter

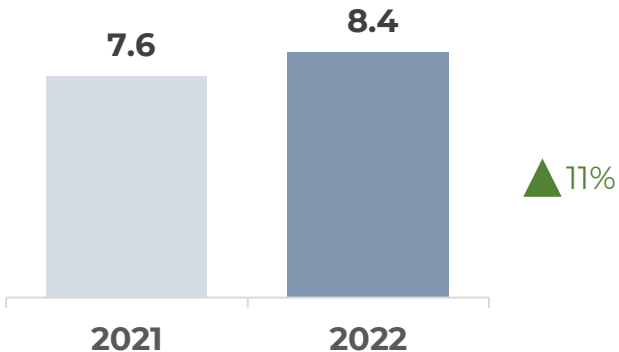
## SALES

In billion pesos

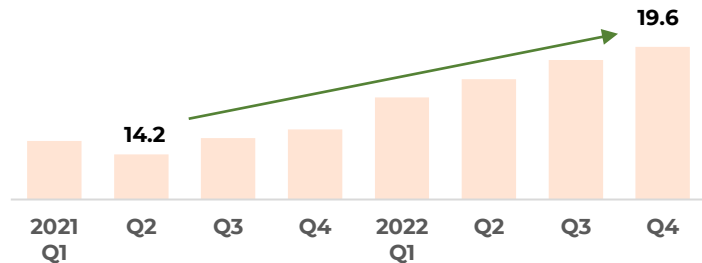


## EBIT

In billion pesos



- Record monthly and quarterly sales for the 4<sup>th</sup> quarter in a row (inclusive of trade stock increases in preparation for ERP transition)
- Sequential quarter on quarter growth since Q1 2022 to close the year strong



- Strong volumes, programmed price increases, and cost savings initiatives helped grow operating income while BCF PH cycled through high value inventories
- Strong USD and high input prices from Q2 onwards impacted costs

\*Excluding packaging

# Market Share

CATEGORY	URC Market Share		YoY Category Growth	
	MAT Feb20 (pre-pandemic)	MAT Dec22	Nielsen YTD Dec22	URC (internal) 2022
<b>PHILIPPINES</b>				
Snacks	35.9%	36.1%	+21%	+24%
Candies	25.6%	25.6%	+15%	+24%
Chocolates	21.1%	23.3%	+22%	+21%
Biscuits	16.1%	16.0%	+19%	+23%
Cup Noodles	48.4%	57.3%	+30%	+44%
Pouch Noodles	13.0%	15.8%	+7%	+23%
RTD Tea	85.1%	87.6%	+38%	+45%
Coffee	22.5%	20.9%	+8%	+6%

- Market shares stable, but seeing increasing strength from lower value players
- Non-core segments growing; new product innovations for launch to counter competition

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

\*\* YTD Dec22 – Jan to Dec 2022 category growth from Nielsen

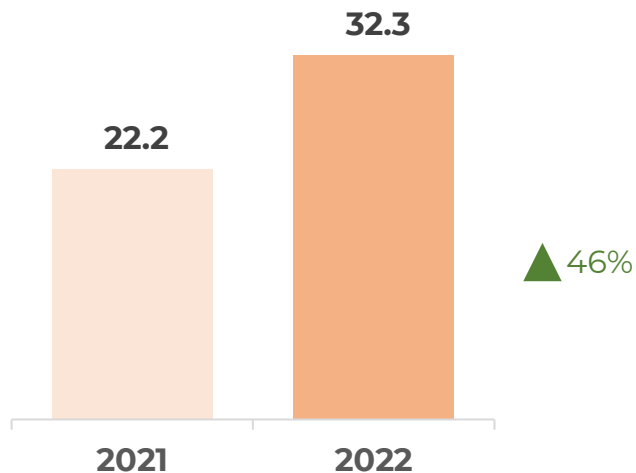


# BCF INTERNATIONAL

Strong organic growth plus accretive Munchy's impact

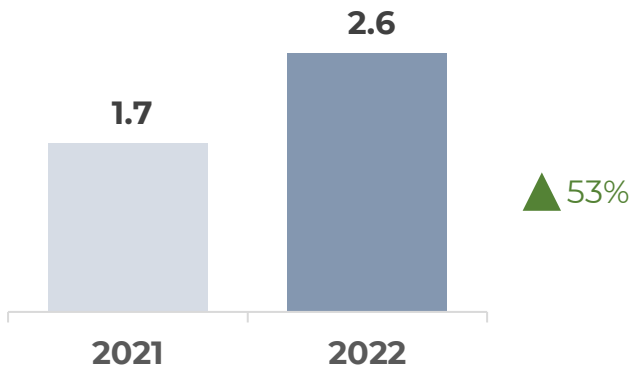
## SALES

In billion pesos



## EBIT

In billion pesos



- Core international business up by 17% (11% on constant currency) with all manufacturing businesses growing significantly
- Indochina leads expansion across the region. Munchy's continues to deliver synergies above expectations.
- Slower growth in Indonesia due to domestic consumption challenges
- Sequential margin improvement for URCI with quarter on quarter expansion
- Pricing actions through the year supported margin expansion despite volatility on higher commodity costs and operating expenses

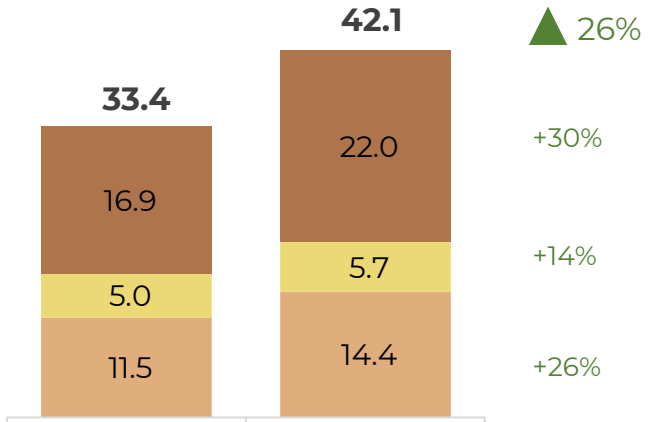
# AIC

Higher prices driving topline growth

## SALES

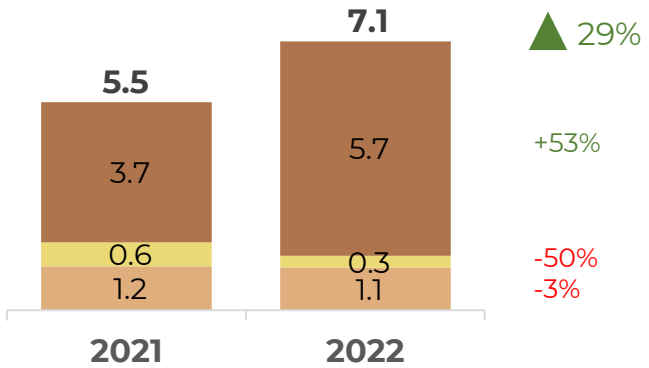
In billion pesos

- SURE
- Flour
- AIG



## EBIT

In billion pesos



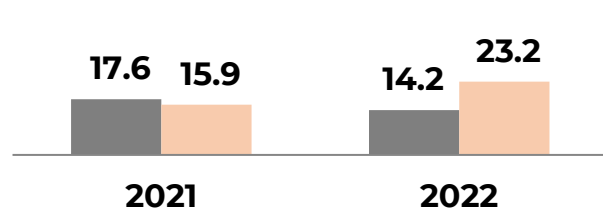
- Commodity sales up on higher market prices but with double-digit volume reduction
- AIG growth driven by strong double-digit growth of Feeds, offsetting decline in Farms

- Strong SURE profits driven by higher market prices and mill operating efficiencies despite lower sugarcane supply
- Flour continues to manage through higher landed wheat costs
- Feeds up on price increases and topline growth, while Farms still working through ASF/AI impact

# Balance Sheet and Cash Flow

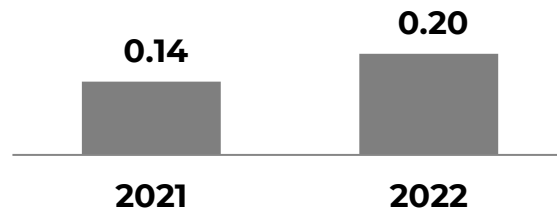
## Cash and Financial Debt

In billion pesos

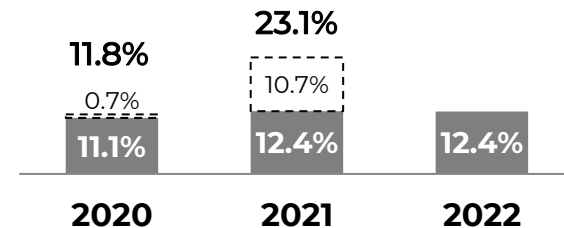


■ Cash + Financial Assets at FVPL + AFS  
■ Financial Debt

## Gearing Ratio



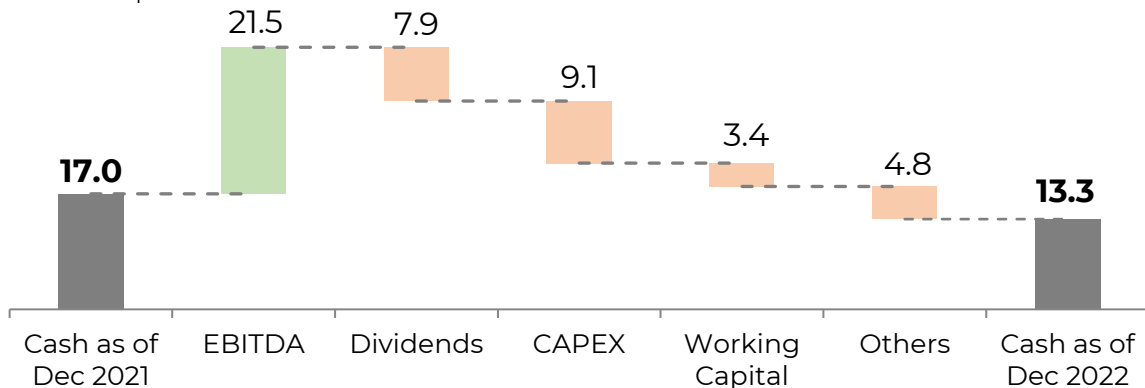
## Return on Equity



□ Impact of Oceania

## Cash Position

In billion pesos



- Balance sheet continues to be healthy with gearing ratio at 0.20 and ROE of 12.4%
- Continued discipline on working capital and inventory levels
- Returned over Php10 billion to shareholders through dividends and share buyback

# Strategy Recap: Where to Play and How to Win

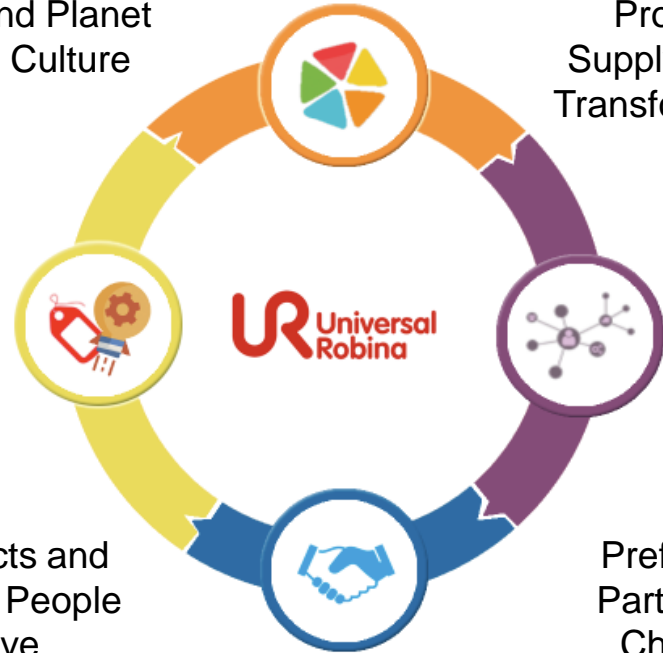
Grow the CORE



Expand for MORE

People and Planet  
Friendly Culture

Product  
Supply Chain  
Transformation



Products and  
Brands People  
Love

Preferred  
Partner of  
Choice

# Products and Brands People Love

Growth continues as we launch new product developments to widen our portfolio

## >9% of Branded Sales



Vietnam



Thailand



Philippines



Malaysia



Indonesia



# People and Planet Friendly Culture

Continued initiatives and projects for our 2030 commitments



**People & Communities**



**Climate Action**

## NEWS

**URC conserves water through reduce, reuse and recycle program**



**URC kicks off efforts to reach 'plastic neutrality'**



**Product**



**Packaging**



**Water**



**Sourcing**

## WELLNESS CRITERIA

**100%**

of our products passed 1 Wellness criteria

**98%**

of our products passed 2 Wellness Criteria

**90%**

of our products passed 3 Wellness Criteria



**URC installs solar panels in climate-friendly push**

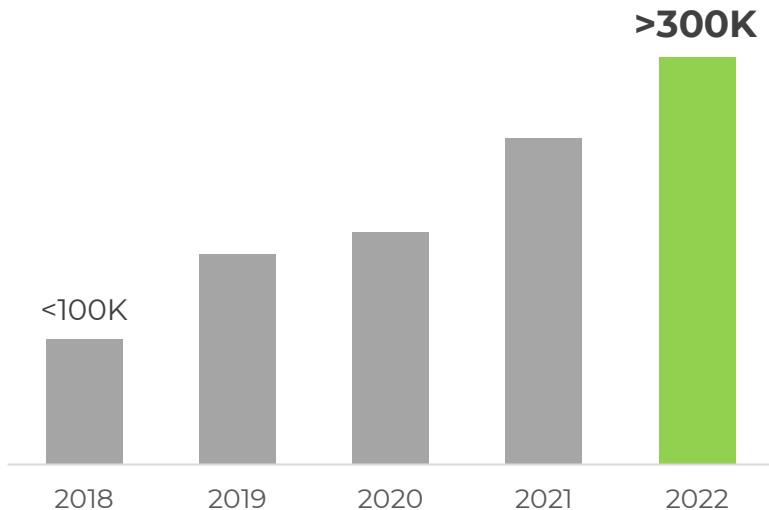


**URC caps off Environment Month celebration with nationwide tree-planting event**

# Preferred Partner of Choice

Expanded distribution depth through the reopening; continuous Improvements in retailer partnership

Number of Doors Directly Covered in the Philippines



Advantage Survey

Company	2019 Ranking	2020 Ranking	2021 Ranking	2022 Ranking
Global MNCs	#1-8	#1-6	#1-4	#1, 3-6
<b>URC</b>	<b>13</b>	<b>7</b>	<b>5</b>	<b>2</b>

- Highest-scoring local manufacturer for 3 straight years

# Product Supply Chain Transformation

Optimizing for future growth



## PHP 5B

*Fuel For Growth Program*

- On track towards hitting the Php5B target, achieving **over Php1.5B in savings** for 2022
  - ✓ Manufacturing Efficiencies
  - ✓ Supply Chain Optimization
  - ✓ Yield Improvement
  - ✓ Procurement Efficiencies
- New BCFG mega-site to go online in 2024, yielding further operational savings

**SAP** ECC → **S/4 HANA**

- ERP systems transformation in January 2023 for all Philippine business units
- Full ERP switchover, covering 9 critical business processes
- Early challenges with delayed order bookings, impacting order fill rates in early January
- Invoicing already recovered; expected to catch up on sales in balance quarter



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- **2022 Operating Income hit Php15.2 billion, up 20%** as pricing and cost optimizations were executed as planned to further drive absolute income growth.
- Consumer demand remained robust despite rising inflation across the region.
- Commodity prices remain elevated culminating in over Php21 billion of cost inflation that was recovered.
- Targeting to grow high single digits on topline in the coming year, with operating income growing at a faster rate as we phase in our margin recovery.

# Thank you!



# Income Statement

(Php Millions)	2022	2021	YoY
	(Audited)	(Audited)	
NET SALES	149,904	116,955	28%
Cost of Sales	110,686	83,490	33%
GROSS PROFIT	39,217	33,465	17%
Operating Expense	-23,994	-20,749	16%
OPERATING INCOME	15,224	12,716	20%
Equity in net income of JVs	-379	-91	
Finance cost – net	-511	-318	
Market valuation gain/ (loss)	70	87	
Foreign exchange gain/ (loss) – net	383	346	
Other revenues/expense	2,684	1,803	
INCOME BEFORE INCOME TAX	17,471	14,544	20%
Provision for Income Tax	3,000	1,579	
NET INCOME FROM CONTINUING OPERATION	14,471	12,965	12%
NET INCOME FROM DISCONTINUED OPERATION	0	11,281	
NET INCOME	14,471	24,246	-40%
Net income attributable to holders of the parent	13,956	23,324	-40%
EBITDA	21,512	18,479	16%

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

# Balance Sheet

(Php Millions)	2022	2021
	(Audited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	14,191	17,629
Other current assets	66,069	49,863
Property, plant, and equipment	60,117	56,383
Other noncurrent assets	29,576	29,571
<b>TOTAL ASSETS</b>	<b>169,954</b>	<b>153,446</b>
Current liabilities	49,401	39,028
Noncurrent liabilities	4,582	4,651
<b>TOTAL LIABILITIES</b>	<b>53,983</b>	<b>43,679</b>
Retained earnings	95,304	88,908
Other equity	20,666	20,860
<b>TOTAL EQUITY</b>	<b>115,970</b>	<b>109,768</b>

# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	2022	2021	YoY	2022	2021	YoY	2022	2021	bps
<b>Branded Consumer Foods</b>	107,767	83,523	29%	11,115	9,398	18%	10.3%	11.3%	(94)
Philippines	75,471	61,352	23%	8,512	7,702	11%	11.3%	12.6%	(128)
International	32,297	22,170	46%	2,603	1,696	53%	8.1%	7.6%	41
<b>Agro-industrial and Commodity (net)</b>	42,136	33,432	26%	7,129	5,516	29%	16.9%	16.5%	42
SURE	21,994	16,941	30%	5,685	3,715	53%	25.8%	21.9%	392
Flour	5,711	5,009	14%	316	636	-50%	5.5%	12.7%	(717)
AIG	14,431	11,483	26%	1,129	1,165	-3%	7.8%	10.1%	(232)
<b>Corporate Expense</b>				-3,020	-2,198	37%			
<b>Total URC</b>	<b>149,904</b>	<b>116,955</b>	<b>28%</b>	<b>15,224</b>	<b>12,716</b>	<b>20%</b>	<b>10.2%</b>	<b>10.9%</b>	<b>(72)</b>

\*BCF PH inclusive of Packaging; 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	25.6%	URC	13.4%	13.2%
Chocolates and Coated Wafers	23.3%	URC	13.5%	8.0%
Biscuits	16.0%	27.5%	27.2%	URC
Cup Noodles	57.3%	URC	31.5%	5.4%
RTD Tea	87.6%	URC	2.7%	2.4%
Coffee	20.9%	39.0%	34.5%	URC
Instant Coffee	21.3%	76.2%	URC	1.1%
Coffee Mixes	20.8%	42.7%	30.1%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	17.4%	URC	13.8%	7.9%
Wafers	20.4%	20.6%	URC	8.5%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	20.7%	40.1%	URC	20.4%

## Malaysia

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	24.3%	URC	23.3%	10.2%

Source: AC Nielsen, Value Shares

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

Thailand: Biscuits and Wafers - MAT Dec 2022

Vietnam: RTD Tea - MAT Dec 2022

Malaysia: Biscuits - MAT Dec 2022