



# 9M CY2023 Unaudited Results Investor Briefing

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# Disclaimer

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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

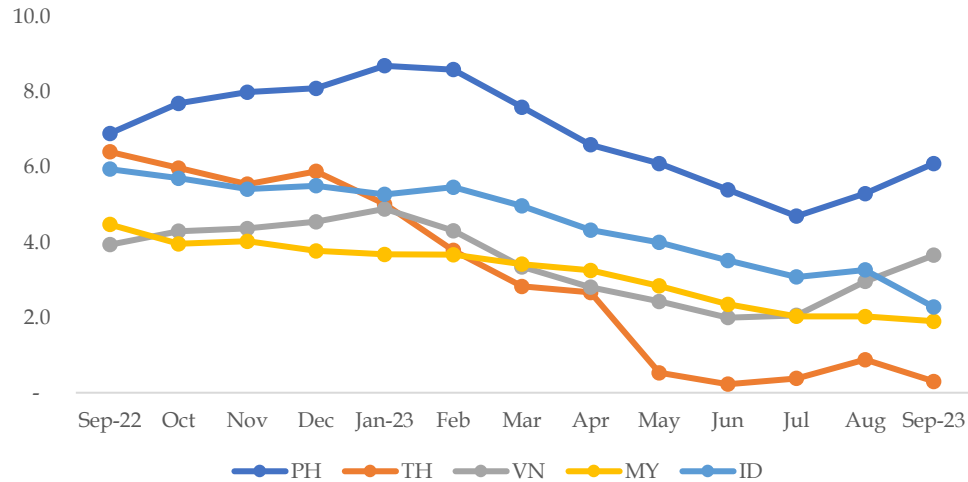
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- Topline was sustained quarter-on-quarter, but growth index tapering against a higher 2022 base. Q3 2023 sales hit Php39.0 billion, holding quarter-on-quarter and up 6% vs. SPLY. YTD 9M 2023 Sales of Php117.6 billion, up 9% vs. SPLY.
- Operating Income continued to outpace topline growth and accelerated in Q3 to Php4.0 billion, +4% quarter-on-quarter and up 19% vs. SPLY. YTD 9M 2023 Operating Income of Php12.6 billion, up 17% vs. SPLY.
- Focused cost recovery through pricing and optimization, supported by easing commodity costs and savings programs, drove margin expansion.
- Consumers feeling the pressure from elevated inflation, driven by price increases in food and fuel costs.



# Inflation affecting consumer confidence in SEA

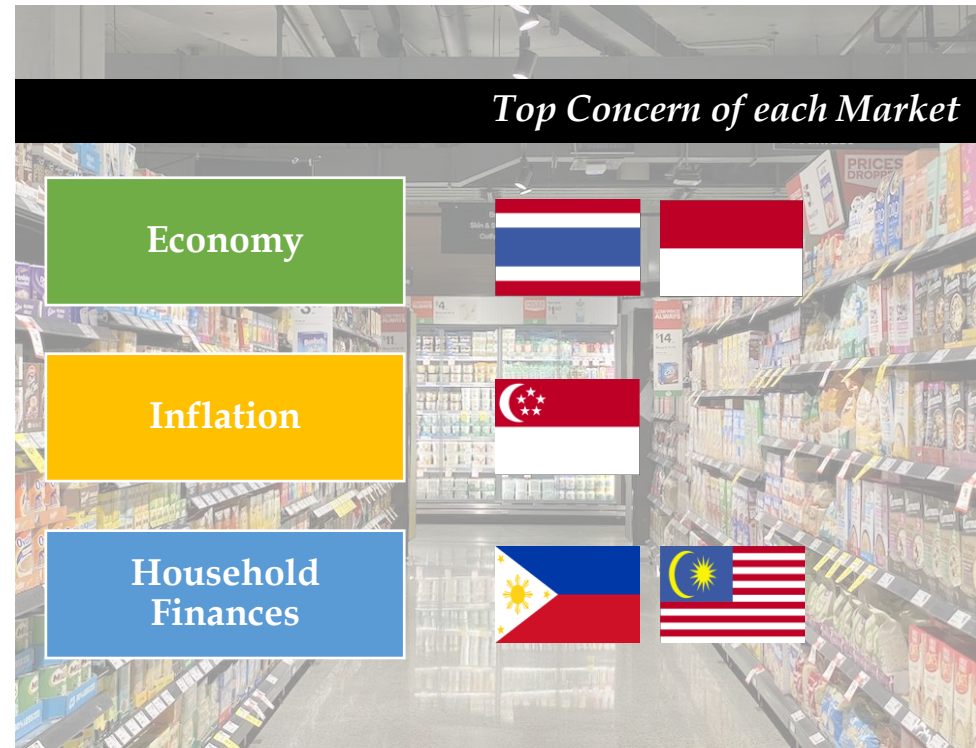
Consumers still absorbing higher inflation from last year; certain markets seeing increases



Vietnam's rising headline inflation matter of concern: World Bank

**Price pain: Inflation soars for second straight month to 6.1% in September 2023**

Markets in SEA mostly concerned about topics affecting consumer purchasing power



# Higher food prices impacting PH household budgets

*Elevated food prices driving up headline inflation in the Philippines...*

**Philippines**    **Sep 2022**    **Jul 2023**    **Aug 2023**    **Sep 2023**

	Headline	6.9%	4.7%	5.3%	<b>6.1%</b>
	Food and Non-Alcoholic Bev	7.4%	6.3%	8.1%	<b>9.7%</b>
	Alcoholic Bev and Tobacco	9.8%	10.9%	10.1%	9.8%
	Transport	14.5%	-4.7%	0.2%	<b>1.2%</b>

**Food and Non-Alcoholic Bev**    **Jul 2023**    **Aug 2023**    **Sep 2023**

	Rice	4.2%	8.7%	<b>17.9%</b>
	Corn	5.8%	-0.9%	<b>1.6%</b>
	Flour, Bakery, Pasta Products	10.1%	9.0%	8.1%
	Sugar, Confectionery and Desserts	21.4%	13.2%	9.0%
	Ready-Made Food and Other Food Products	7.8%	7.3%	6.8%

*... affecting consumer purchasing power and behavior*



**Pulse Asia: Controlling inflation still top concern for Filipinos**



*Consumers looking into saving strategies, prioritizing value for money*

*Smaller Format, Smaller Basket Sizes*

Vs. LY 2022	Big Format	Small Format
Average amount spent on last visit	-17%	+34%
Number of categories bought	Decrease: From 10 to 8.9	Increase: From 7.7 to 9.2

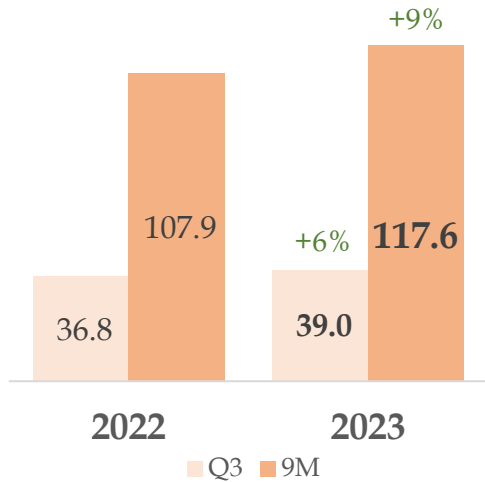
*Publicly listed retailers' reported results*

SSSG	9M 2023 vs 2022	Q3 2023 vs 2022
Puregold	Mid single digit	Low single digit
RRHI (Supermarkets)	Mid single digit	Low single digit
SMIC (Food Retail)	Mid single digit	Low single digit

# Total URC

## SALES

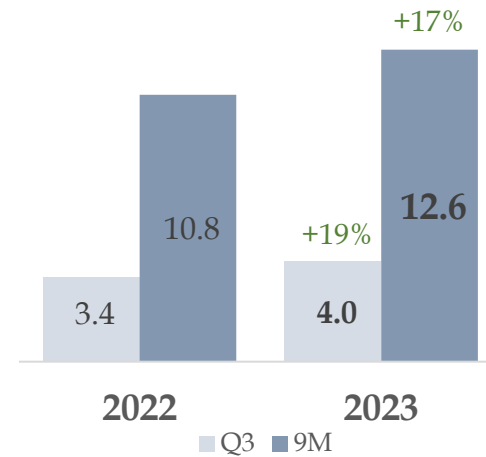
In billion pesos



- Total revenue for the 3rd quarter up 6%
- AIC continues to drive growth, with both SURE and AIG up in double digit figures
- Challenging macro backdrop for Branded Consumer Foods

## EBIT

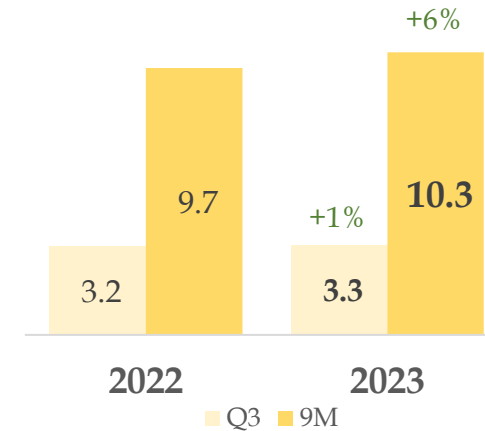
In billion pesos



- Operating income up +19% for the quarter, continuing to outpace topline uplift
- Continued margin expansion and profit recovery as planned

## NET INCOME

In billion pesos



- 3<sup>rd</sup> quarter net income up 1%, on higher comparables from forex gains LY as well as higher finance costs.
- Core net income and EBITDA up 12% and 14%, respectively, for the quarter

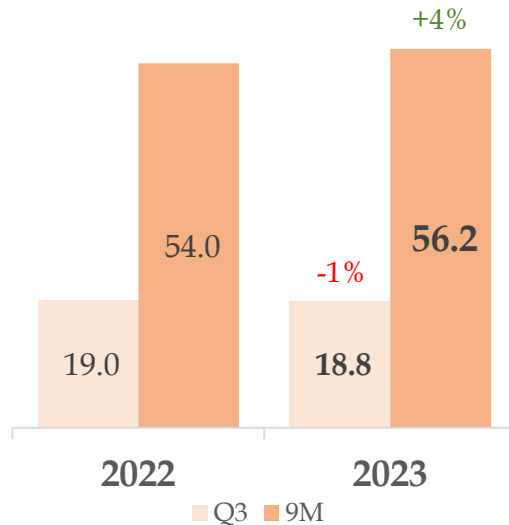


# BCF PHILIPPINES

Mixed topline by-category but delivering on market shares, customer service and margin recovery

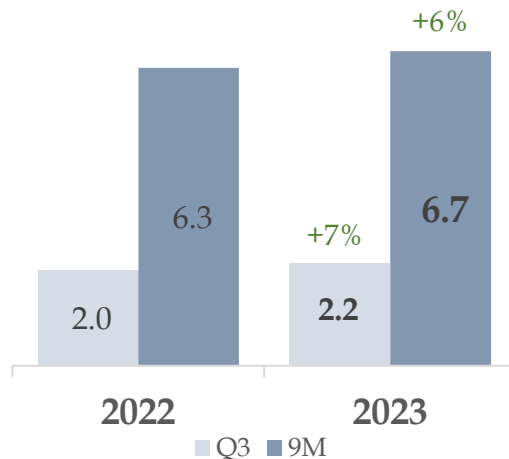
## SALES

In billion pesos



## EBIT

In billion pesos



- Mixed Q3 performance, with growth in Snacks and Noodles offset by Confectionery supply transition and post-pricing volume softness
- Market Shares improving vs. Q1, except Coffee. Reinvesting in A&P for volume recovery
- Net orders holding but coming up against higher base and cautious consumer sentiment
- Order fill rates back towards 90%. Accelerating Supply Chain reinvestments to support higher post-pandemic volumes
- Operating income continues to grow, as pricing and continued opex savings offset elevated costs
- Gross margins showing sequential improvement through 2023; to support A&P and Supply Chain reinvestments

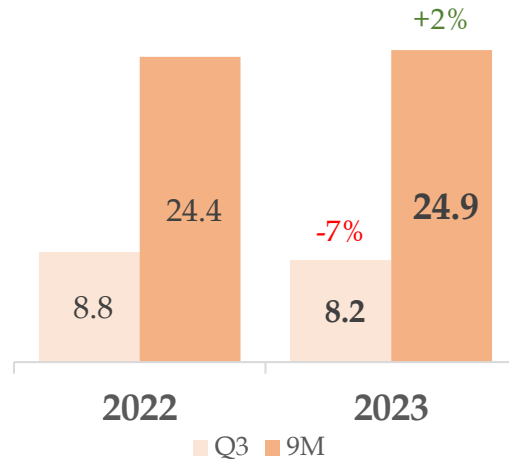


# BCF INTERNATIONAL

Continued double-digit profit growth while rebuilding topline growth

## SALES

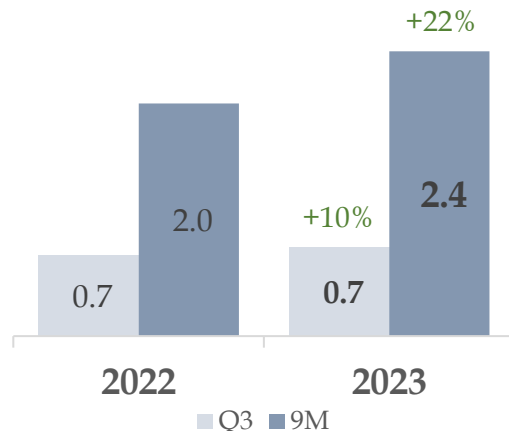
In billion pesos



- International Sales (in constant USD) up +6% quarter-on-quarter, although down -5% vs. a high base LY
- Vietnam, Myanmar, and Malaysia (ex-contract manufacturing discontinuation) continuing to drive growth vs. LY
- Thailand and Indonesia completing trade inventory corrections of price point SKU changes; stronger growth expected in Q4

## EBIT

In billion pesos



- Operating income up +10% quarter-on-quarter and vs. high base LY
- Significant margin improvement now approaching 10%, driven by pricing and aggressive cost savings programs

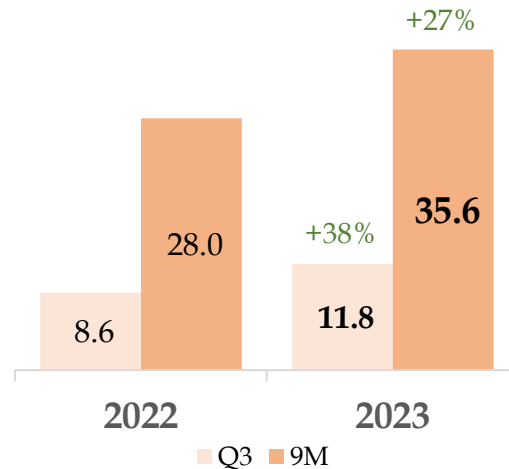




## Strong Sugar and Feeds performance; recovery in Flour

### SALES

In billion pesos

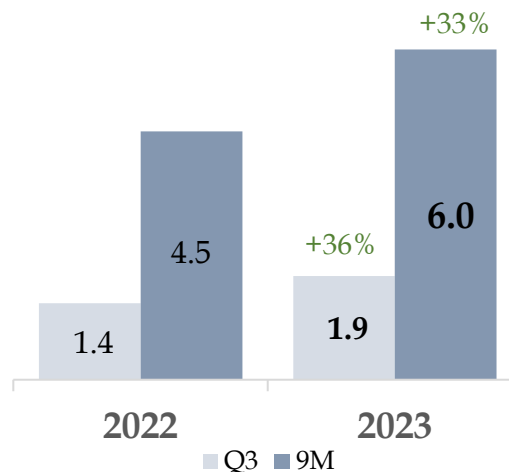


- Strong Q3 growth from SURE and Flour on higher volumes
- AIG continues to outperform on higher feeds and petfood volumes despite higher pricing

Sales	Q3 vs LY	9M vs LY
SURE	+81%	+41%
AIG	+12%	+19%
Flour	+15%	+7%

### EBIT

In billion pesos



- Continued strong Sugar profits and Flour margin recovery on higher volumes, although prices beginning to ease below past year peaks
- AIG profit outperformance driven by topline growth and margin expansion

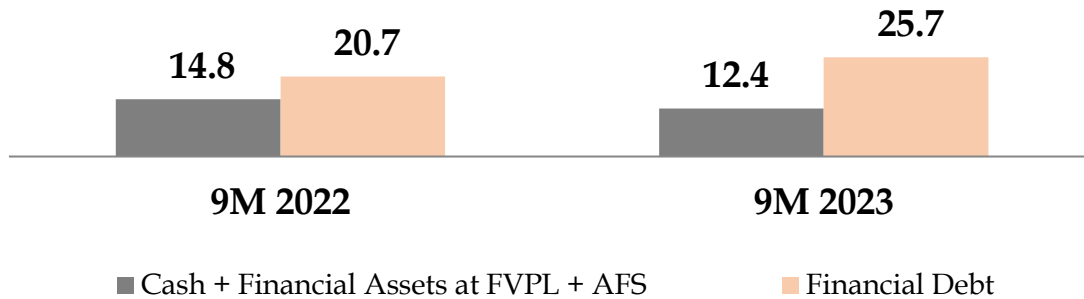
EBIT	Q3 vs LY	9M vs LY
SURE	+25%	+32%
AIG	+53%	+58%
Flour	+105%	-24%



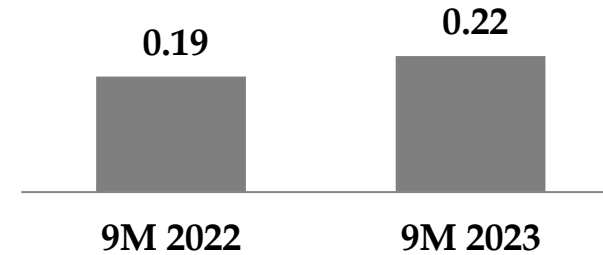
# Balance Sheet and Cash Flow

## Cash and Financial Debt

In billion pesos

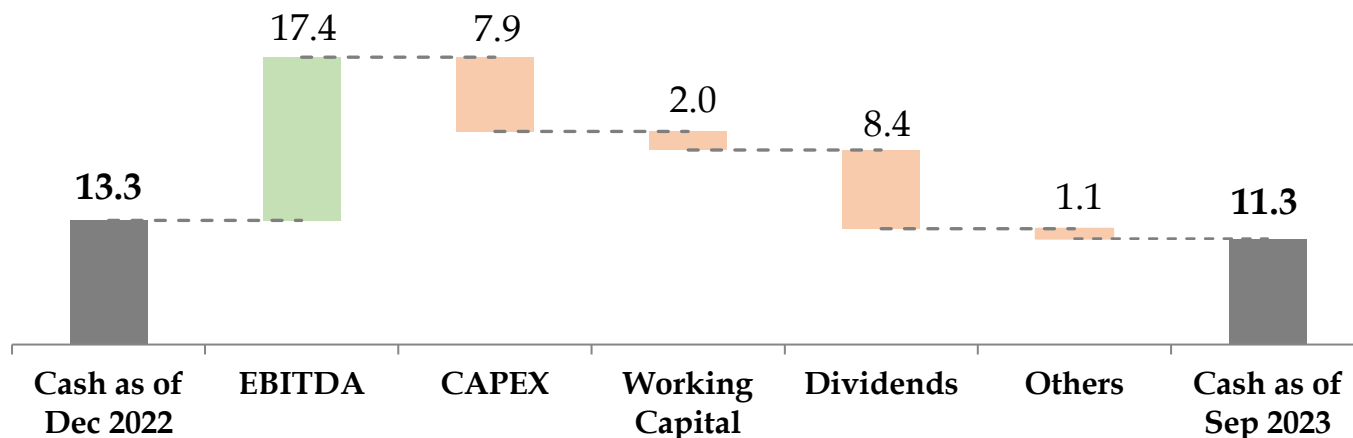


## Gearing Ratio



## Cash Position

In billion pesos



- Balance sheet continues to be healthy with a gearing ratio at 0.22
- Total dividends to shareholders at Php 3.62/share, up 5% vs. previous year for the last 3 years
- First tranche of approved share buyback complete; second phase to resume in Q4



# Continued investments for long term growth

## South Luzon



- Site development works ongoing
- 1<sup>st</sup> phase operational by Q4 2024

## Quezon



- Additional capacity for flour expansion
- Commissioning by Q3 2024

## Cebu



- Building construction ongoing
- Commercial run by Q2 2024

## Batangas



- Reconditioning of assets in the next 2 years to increase mill production efficiency and capacity in Balayan



# Purposeful new products to drive growth

## Sustaining Innovations:

Value for Money, Affordable Premium, Health & Wellness



## Power Brand Extensions



## New Category Expansions



7+%

Share of NPDs to Branded Sales

Strong POS sales data, ahead of older players in the market

Now #3 in CMYD and driving category growth

5-year CAGR of 50%; now entering Dry Cat and Modern Trade



# Executive Summary

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- Focused cost recovery through pricing and optimization, supported by easing commodity costs and savings programs, drove margin expansion.
- Strong profit and cashflow growth will support further reinvestments into brand building and supply network infrastructure.
- Guiding for high single-digit revenue growth and double-digit operating income growth, in line with planned and purposeful choices towards margin recovery.



Thank you!



# Income Statement

(Php Millions)	9M 2023	9M 2022	YoY
	(Unaudited)	(Unaudited)	
NET SALES	117,621	107,873	9%
Cost of Sales	86,026	79,098	9%
GROSS PROFIT	31,594	28,775	10%
Operating Expense	-18,992	-18,000	6%
OPERATING INCOME	12,602	10,775	17%
Equity in net income of JVs	-65	-326	
Finance cost - net	-912	-303	
Market valuation gain/ (loss)	135	65	
Foreign exchange gain/ (loss) - net	1,000	1,350	
Other revenues/expense	-328	-74	
INCOME BEFORE INCOME TAX	12,431	11,487	8%
Provision for Income Tax	2,144	1,768	
NET INCOME	10,287	9,720	6%
Net income attributable to holders of the parent	9,737	9,347	4%
EBITDA	17,400	15,458	13%



# Balance Sheet

(Php Millions)	9M 2023	CY 2022
	(Unaudited)	(Audited)
Cash & cash equivalents (including Financial assets at FVPL and FVOCI)	12,359	14,191
Other current assets	72,541	66,069
Property, plant, and equipment	62,384	60,117
Other noncurrent assets	28,556	29,576
<b>TOTAL ASSETS</b>	<b>175,840</b>	<b>169,954</b>
Current liabilities	55,519	49,401
Noncurrent liabilities	4,123	4,582
<b>TOTAL LIABILITIES</b>	<b>59,642</b>	<b>53,983</b>
Retained earnings	97,156	95,304
Other equity	19,043	20,666
<b>TOTAL EQUITY</b>	<b>116,198</b>	<b>115,970</b>





# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	9M 2023	9M 2022	YoY	9M 2023	9M 2022	YoY	9M 2023	9M 2022	bps
<b>Branded Consumer Foods</b>	82,023	79,918	3%	8,985	8,389	7%	11.0%	10.5%	46
Philippines	56,169	54,035	4%	6,681	6,327	6%	11.9%	11.7%	19
International	24,918	24,386	2%	2,402	1,962	22%	9.6%	8.0%	160
Packaging	936	1,497	-38%	-99	100		-10.6%	6.7%	(1,728)
<b>Agro-Industrial and Commodities (net)</b>	35,598	27,955	27%	6,014	4,523	33%	16.9%	16.2%	72
SURE	18,421	13,098	41%	4,563	3,452	32%	24.8%	26.4%	(158)
Flour	4,593	4,296	7%	224	296	-24%	4.9%	6.9%	(202)
AIG	12,584	10,561	19%	1,227	775	58%	9.7%	7.3%	242
<b>Corporate Expense</b>				-2,397	-2,136	12%			
<b>Total URC</b>	117,621	107,873	9%	12,602	10,775	17%	10.7%	10.0%	73

\*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	35.0%	URC	25.3%	5.9%
Candies	25.4%	URC	14.4%	14.2%
Chocolates and Coated Wafers	22.5%	URC	13.8%	7.7%
Biscuits	15.0%	28.3%	27.4%	URC
Cup Noodles	55.1%	URC	32.6%	5.9%
Pouch Noodles	15.0%	74.2%	URC	3.5%
RTD Tea	86.5%	URC	3.7%	2.8%
Coffee	19.1%	39.6%	35.9%	URC
Instant Coffee	19.1%	77.8%	URC	1.5%
Coffee Mixes	19.1%	44.2%	30.8%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits (new)	15.4%	URC	13.8%	7.6%
Wafers	19.9%	23.7%	URC	8.6%

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	21.5%	36.8%	URC	20.6%

## Malaysia

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	22.9%	23.1%	URC	11.1%

Source: AC Nielsen, Value Shares

Philippines: Snacks, Candies, Chocolates and Coated Wafers, Biscuits, Cup Noodles, RTD Tea and Coffee - MAT Aug 2023

Thailand: Biscuits and Wafers - MAT Aug 2023

Vietnam: RTD Tea - MAT Sep 2023

Malaysia: Biscuits - MAT Aug 2023

