



# FY2013 FIRST HALF EARNINGS CALL

May 14, 2013

# 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.**

# AGENDA

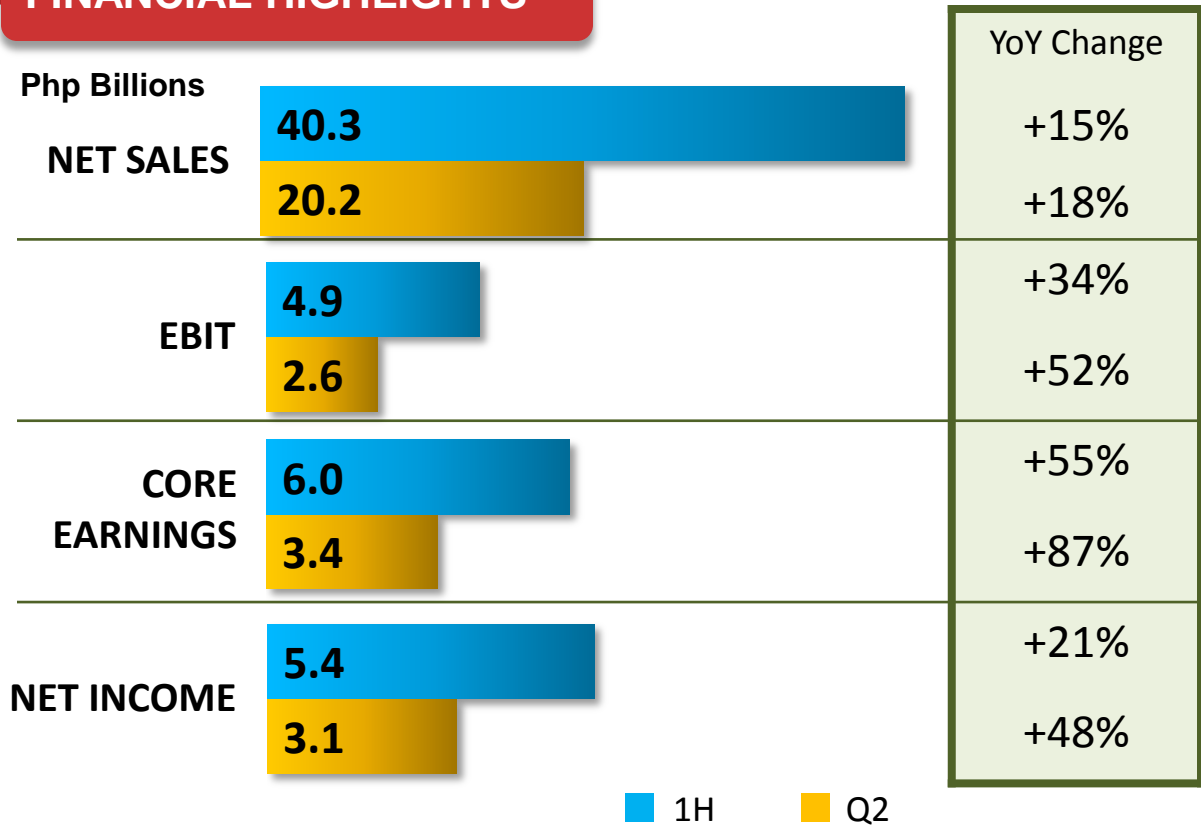
## FY13 1H Financial Performance

## Plans and Expectations



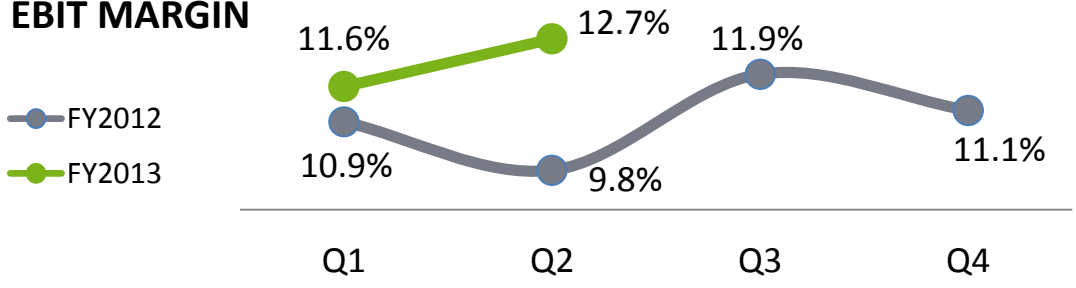
# URC: Robust sales and profitability

## FINANCIAL HIGHLIGHTS



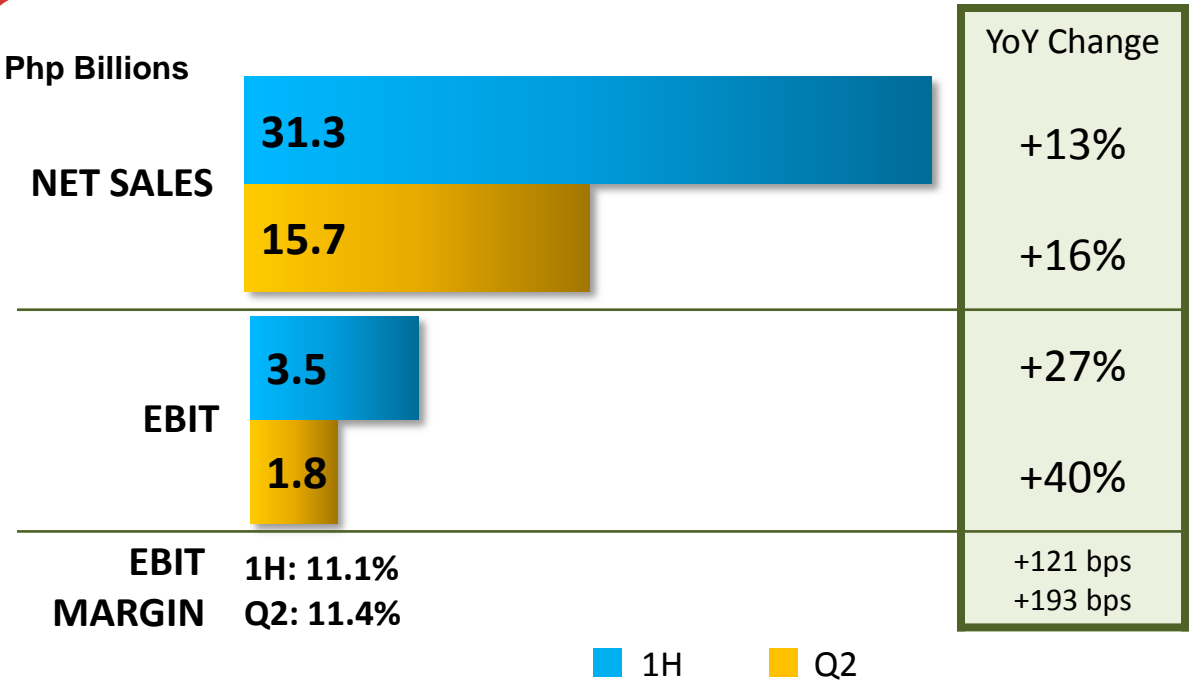
- Accelerated sales growth driven by Branded Foods PH, Sugar, and Farms
- Faster EBIT growth backed by Branded PH, Sugar, and Farms
- Increase in core earnings and net income due to other revenues and lower finance cost
- Net income affected by reduced marked-to-market valuation gain of investment portfolio and higher forex loss

### EBIT MARGIN



- Lower input prices result in higher margins

# BRANDED FOODS: PH driving growth and profitability



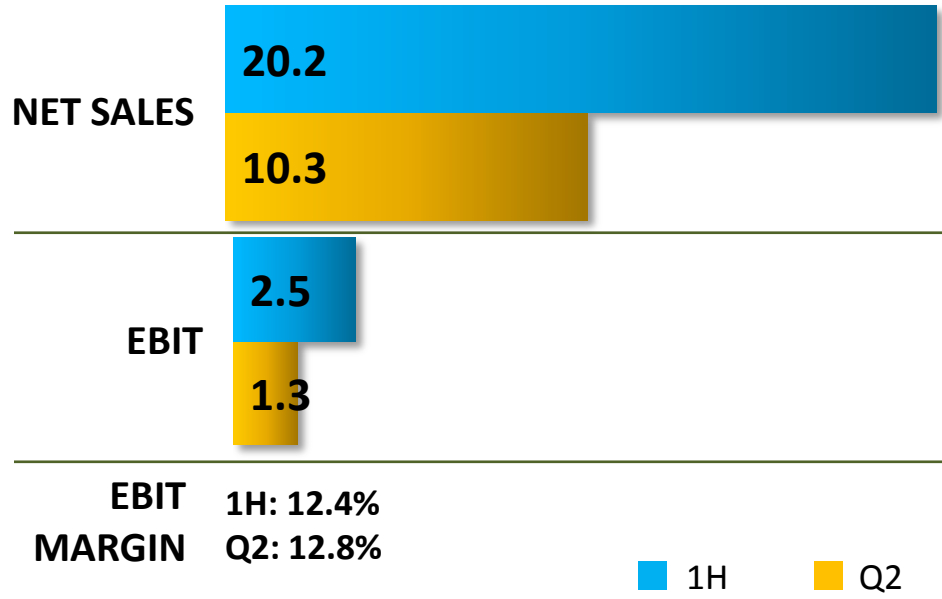
- Solid growth driven by Branded Foods PH and increased sales momentum for International
- Increased margins due to relaxed input prices and better volumes

## NEW PRODUCTS



# BRANDED FOODS PH: Accelerated sales and profit growth

Php Billions

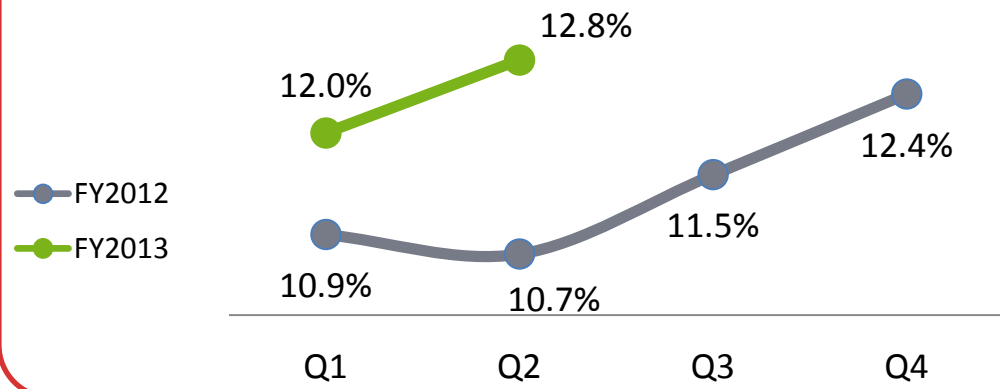


YoY Change
+22%
+25%
+40%
+50%
+162 bps
+212 bps

- Significant top-line growth mainly driven by Beverage
- Faster EBIT growth as margins continue to improve

EBIT MARGIN  
1H: 12.4%  
Q2: 12.8%

## EBIT MARGIN

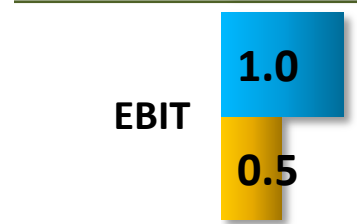
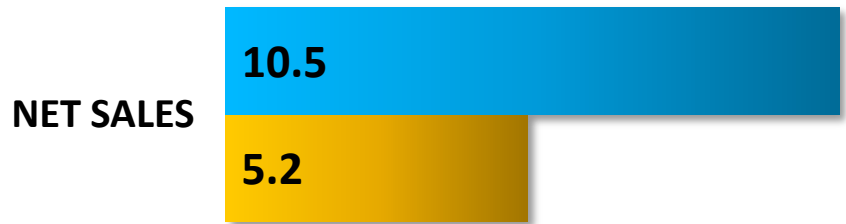


## C2 ELECTION CAMPAIGN



# BRANDED FOODS INT'L: Continued growth of VN and ID, TH recovering

Php Billions



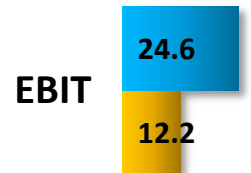
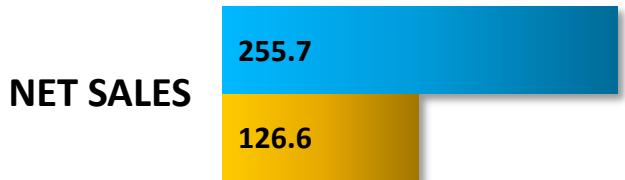
EBIT MARGIN  
1H: 9.6%  
Q2: 9.6%

■ 1H ■ Q2

YoY Change	+3%
	+7%
	+2%
	+15%
	-7 bps
	+67 bps

- Faster sales growth behind strong performance of VN and ID and continued recovery of TH
- Margins remained on the same level as we absorbed higher A&P investments

USD MM



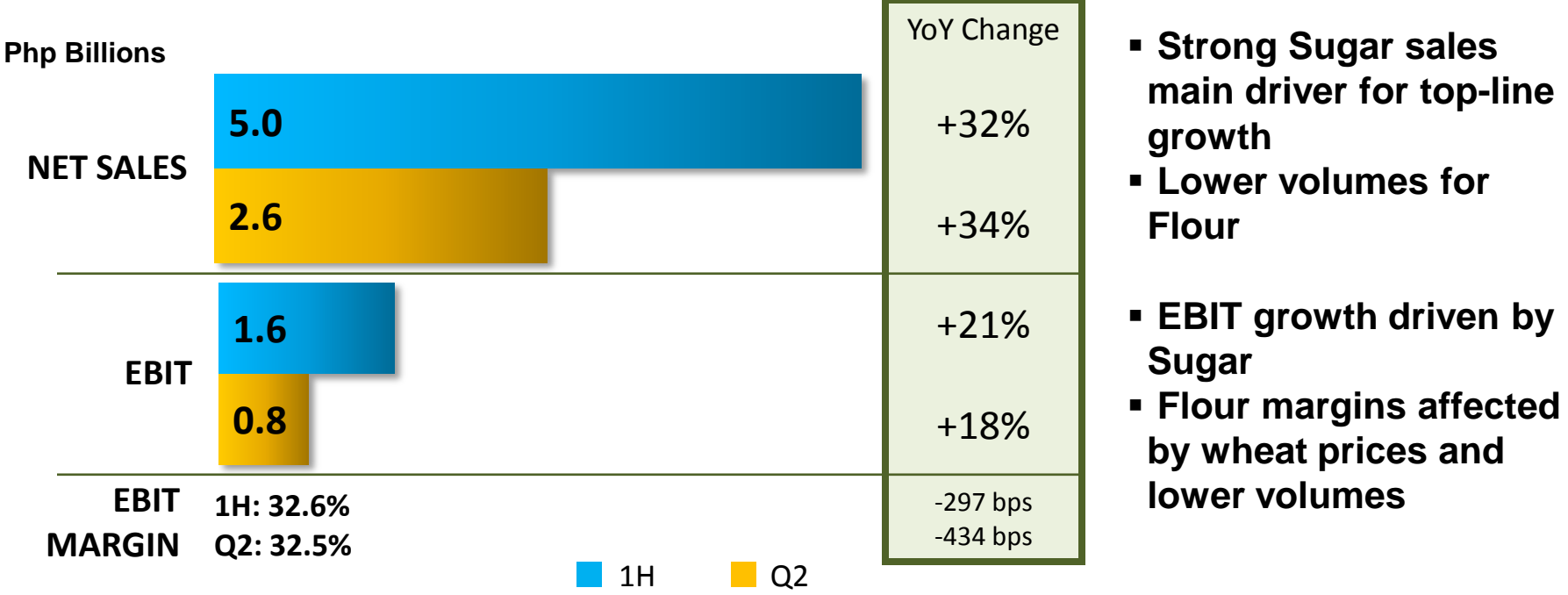
YoY Change	+9%
	+13%
	+8%
	+22%

## THAILAND INITIATIVES



- Increased grammage
- Implemented promotions in the trade

# COMMODITY FOODS: Sugar operations driving profitable growth

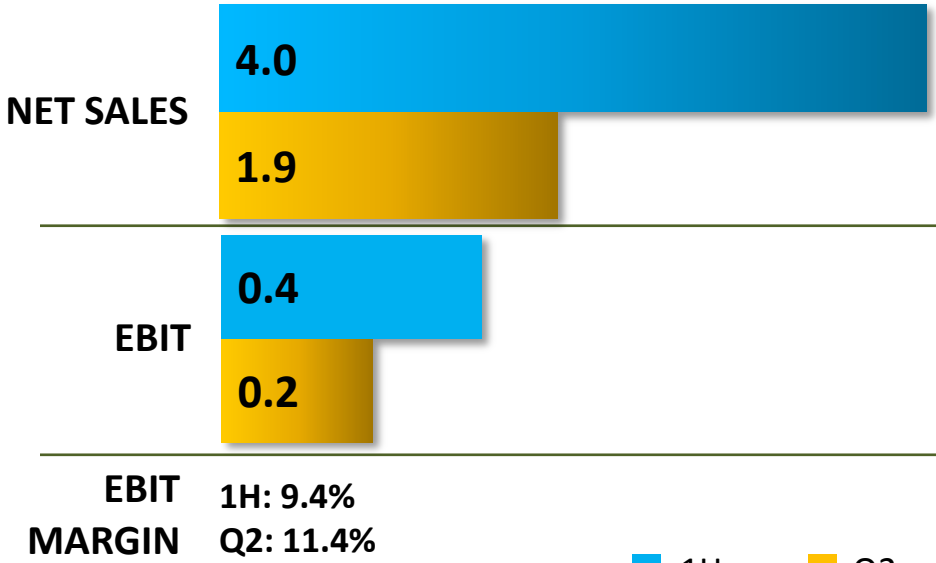


Php Billions	FLOUR				SUGAR			
	1H FY13	growth/bps vs. SPLY	Q2 FY13	growth/bps vs. SPLY	1H FY13	growth/bps vs. SPLY	Q2 FY13	growth/bps vs. SPLY
Net Sales	2.0	-9%	0.9	-10%	3.0	+87%	1.6	+88%
EBIT	0.5	-25%	0.2	-30%	1.1	+69%	0.6	+61%
EBIT Margin	26.1%	-563 bps	24.4%	-695 bps	36.9%	-389 bps	37.2%	-633 bps



# AGRO-INDUSTRIAL: Farms continued to recover

Php Billions



YoY Change
+10%
+12%
+138K%
+500%
+941 bps
+1,458 bps

- Top-line growth driven by recovery of Farms
- Better pork prices resulted in significant EBIT and EBIT margin increase

■ 1H ■ Q2

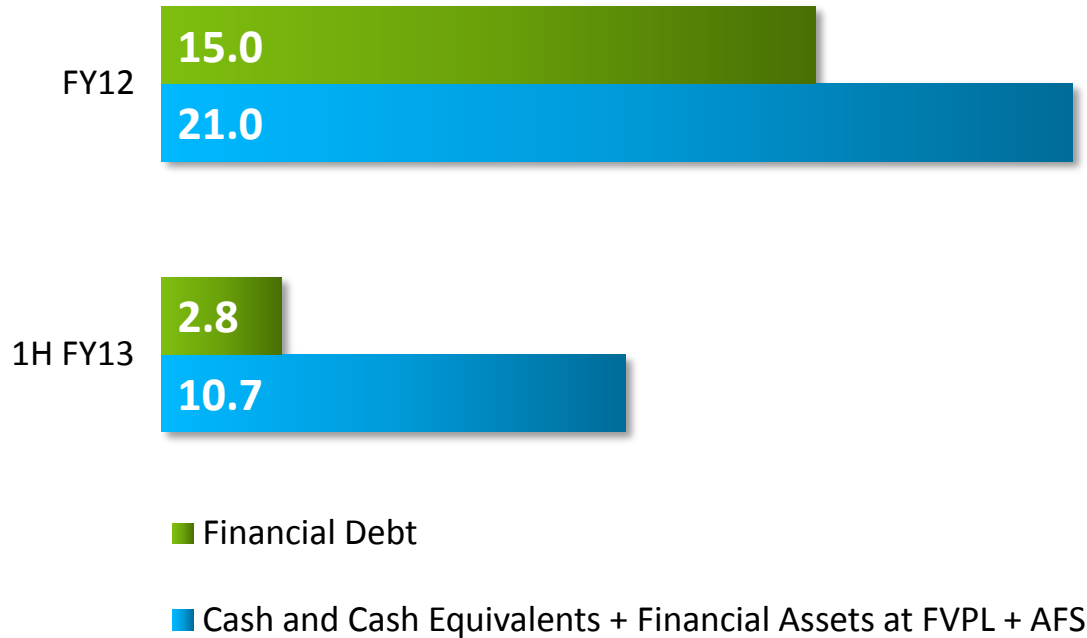
Php Billions	FARMS*				FEEDS			
	1H FY13	growth/bps vs. SPLY	Q2 FY13	growth/bps vs. SPLY	1H FY13	growth/bps vs. SPLY	Q2 FY13	growth/bps vs. SPLY
Net Sales	2.5	+39%	1.2	+43%	1.5	-17%	0.7	-19%
EBIT	0.2	+195%	0.1	+189%	0.2	-8%	0.1	-22%
EBIT Margin	7.8%	+1,919 bps	11.4%	+2,968 bps	12.0%	+112 bps	11.4%	-37 bps

\* Includes marked –to-market revaluation gain of Php 38M for Q2, Php 62M for 1H

# Strong cash position

## CASH AND FINANCIAL DEBT

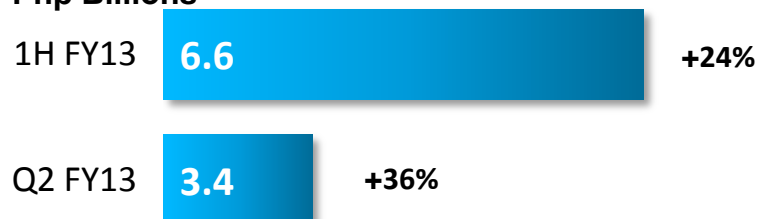
Php Billions



- Net cash position of Php 7.9B
- Gearing down to 0.05 as we paid our LT debt and some ST debt and trust receipts
- EBITDA remains healthy

## EBITDA

Php Billions



# AGENDA

## FY13 1H Financial Performance

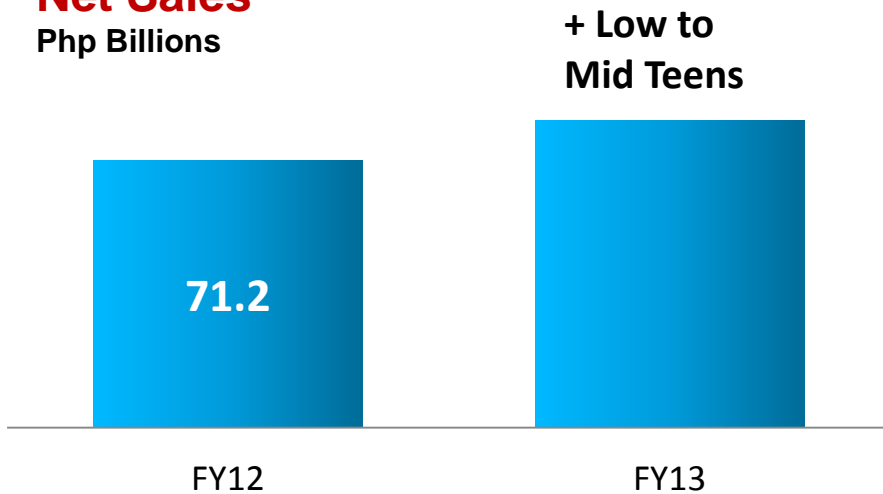
## Plans and Expectations



# Guidance

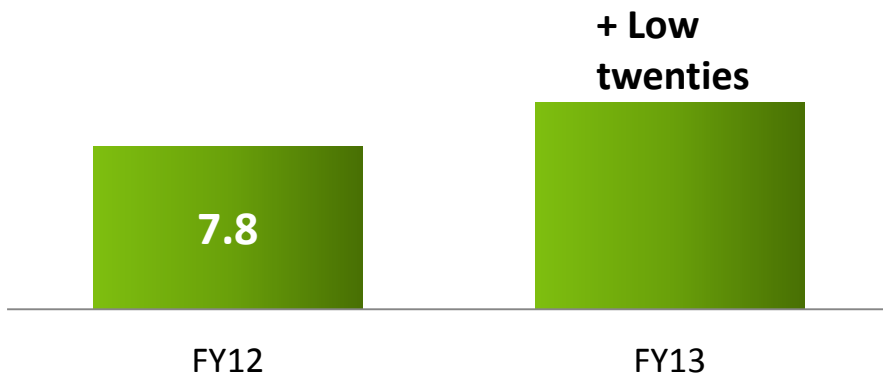
## Net Sales

Php Billions



## EBIT

Php Billions



- Sustain strong momentum of BCF Philippines and accelerate growth of BCF International
- CAPEX budget of USD 120M for new projects and additional capacities
- Input prices forecasted to be relaxed vs. FY12
- Maintain profitability of Commodity Foods and Agro-Industrial Groups
- Declared dividends of Php 2.40/share or Php 5B in total
- Retire additional short term debt from proceeds from sale of investments



UNIVERSAL ROBINA  
CORPORATION

**THANK YOU!**



# Income Statement

(Php Millions)	1H FY13	1H FY12	vs. SPLY
<b>NET SALES</b>	<b>40,317</b>	<b>35,134</b>	<b>15%</b>
Cost of sales	29,066	26,310	10%
<b>GROSS PROFIT</b>	<b>11,251</b>	<b>8,824</b>	<b>28%</b>
Operating expenses	(6,350)	(5,177)	-23%
<b>OPERATING INCOME</b>	<b>4,901</b>	<b>3,647</b>	<b>34%</b>
Equity in net income	13	18	
Finance revenue (cost)- net	231	186	
Other revenues	832	6	
<b>CORE EARNINGS</b>	<b>5,977</b>	<b>3,857</b>	<b>55%</b>
Market valuation gain	506	1,073	
Foreign exchange loss	(429)	(100)	
<b>INCOME BEFORE INCOME TAX</b>	<b>6,054</b>	<b>4,830</b>	<b>25%</b>
Provision for income tax	613	344	
<b>NET INCOME</b>	<b>5,441</b>	<b>4,486</b>	<b>21%</b>
Net income attributable to holders of the parent	5,407	4,221	
<b>EBITDA</b>	<b>6,591</b>	<b>5,317</b>	<b>24%</b>

# Balance Sheet

<b>(Php Millions)</b>	<b>FY12</b>	<b>1H FY13</b>
<b>Cash &amp; cash equivalents</b>	<b>20,956</b>	<b>10,673</b>
<b>(including Financial assets at FVPL and AFS)</b>		
<b>Other current assets</b>	<b>18,731</b>	<b>20,566</b>
<b>Property, plant and equipment</b>	<b>27,919</b>	<b>29,354</b>
<b>Other noncurrent assets</b>	<b>2,381</b>	<b>2,320</b>
<b>TOTAL ASSETS</b>	<b>69,987</b>	<b>62,913</b>
<b>Current liabilities</b>	<b>20,068</b>	<b>11,172</b>
<b>Long term debt</b>	<b>2,990</b>	<b>-</b>
<b>Other noncurrent liabilities</b>	<b>312</b>	<b>361</b>
<b>TOTAL LIABILITIES</b>	<b>23,370</b>	<b>11,533</b>
<b>Retained earnings</b>	<b>32,957</b>	<b>38,363</b>
<b>Other equity</b>	<b>13,660</b>	<b>13,017</b>
<b>TOTAL EQUITY</b>	<b>46,617</b>	<b>51,380</b>

# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	1H FY13	1H FY12	vs. SPLY	1H FY13	1H FY12	vs. SPLY	1H FY13	1H FY12	BPS vs. SPLY
<b>BCFG</b>	<b>31,267</b>	<b>27,676</b>	<b>13%</b>	<b>3,469</b>	<b>2,734</b>	<b>27%</b>	<b>11.1%</b>	<b>9.9%</b>	<b>121</b>
Philippines	20,226	16,595	22%	2,507	1,788	40%	12.4%	10.8%	162
Packaging	571	900	-37%	(46)	(41)	-14%	-8.1%	-4.5%	(361)
Total	20,797	17,495	19%	2,461	1,747	41%	11.8%	10.0%	185
International	10,470	10,181	3%	1,008	987	2%	9.6%	9.7%	(7)
<b>CFG (net)</b>	<b>5,032</b>	<b>3,821</b>	<b>32%</b>	<b>1,641</b>	<b>1,359</b>	<b>21%</b>	<b>32.6%</b>	<b>35.6%</b>	<b>(297)</b>
Flour	2,005	2,204	-9%	524	700	-25%	26.1%	31.7%	(563)
Sugar	3,027	1,617	87%	1,117	659	69%	36.9%	40.8%	(389)
<b>AIG (net)</b>	<b>4,018</b>	<b>3,637</b>	<b>10%</b>	<b>377</b>	<b>(0)</b>	<b>138081%</b>	<b>9.4%</b>	<b>0.0%</b>	<b>941</b>
Feeds	1,549	1,862	-17%	185	202	-8%	12.0%	10.9%	112
Farms	2,469	1,775	39%	192	(202)	195%	7.8%	-11.4%	1,919
<b>Corporate</b>				<b>(586)</b>	<b>(446)</b>				
<b>TOTAL URC</b>	<b>40,317</b>	<b>35,134</b>	<b>15%</b>	<b>4,901</b>	<b>3,647</b>	<b>34%</b>	<b>12.2%</b>	<b>10.4%</b>	<b>178</b>



# Value Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	40%	URC	26%	11%
Candies	40%	URC	12%	10%
Chocolates	25%	URC	10%	7%
Biscuits	16%	34%	29%	URC
Cookies	28%	URC	25%	11%
Pretzels	45%	URC	29%	14%
Canned Beans	81%	URC	7%	4%
Cup Noodles	43%	49%	URC	2%
RTD Tea	78%	URC	7%	4%
Coffee	14%	59%	23%	URC
Instant Coffee	20%	78%	URC	2%
Coffee Mixes	13%	46%	35%	URC

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	24%	URC	10%	9%
Wafers	25%	URC	15%	13%

Source: AC Nielsen Retail Index Exit Reading as of March 13

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	
RTD Tea	34%	58%	URC	

Source: AC Nielsen Retail Index Exit Reading as of March 13 (6 key cities)



AC Nielsen Survey MAT: Snacks, RTD Tea, Cup Noodles, Coffee- Feb 13, Candies- Jan//Feb 13, Chocolates, Canned Beans- Jan 13, Biscuits- Dec/Jan 13