



UNITED BREWERIES LIMITED

November 09, 2020

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| 1. The Secretary-Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 023
Scrip Code: 532478 | 2. The Manager-Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot. C/1, G Bl.
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051
Symbol: UBL |
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Dear Sir,

Sub: **Intimation of Earning calls**

This has reference to Regulation 30(6) read with Para-A of Part-A of Schedule-III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

In accordance with the said Regulation(s), as Quarter2FY21 Earnings call is on Monday, November 09, 2020 @ 14:00 hrs IST, by way of Tele-conference under invitation by DAM Capital Advisors Limited (Formerly IDFC Securities Limited).

Presentation is attached. Unaudited Financial Results are already published and uploaded on the website of Bombay Stock Exchange and National Stock Exchange of India Limited.

Thanking You

Yours faithfully,
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

Encl: As above.



UNITED BREWERIES LIMITED

Investor Presentation
Quarter ended Sep 2020



Disclaimer

This presentation contains forward-looking statements with regard to the financial position and results of UBL's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond UBL's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, changes in consumer preferences, costs of raw materials, interest rate and foreign exchange fluctuations, change in tax rates, changes in law, changes in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in UBL's publicly filed annual reports.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. UBL does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

Market share estimates contained in this presentation are based on outside sources such as specialized research institutes in combination with management estimates.



Key Results Highlights

- Q2 witnessed gradual recovery from the impact of the pandemic vs Q1, with volume decline in Q2 at 48% improving vs Q1 volume decline of 77%.
- Q2 saw continued impact of Covid-19 related restrictions. However, the demand environment improved month by month, with an encouraging progressive monthly trend.
 - In September on trade opened for the first time in a number of States since the overall lockdown.
 - Excise taxation was reduced in states like Orissa and Andhra Pradesh. West Bengal introduced new excise policy per early October resulting in lower consumer prices.
- Revenue management and cost mitigation actions resulted in a positive bottom line result for Q2. Q2 gross margin was up 16 basis points vs prior year.
- Free operating cash flow for first half of the year was positive INR 95 Cr., vs negative INR 245 Cr. in prior year. Active cash management in first half of the year resulted in reduction of net debt by INR 27 Cr. and interest costs down by 20%.



Q2 20/21 Results

Q2 Results (standalone)

Data in Rs. Cr.

	Sep-20	Sep-19	Change (%)
Net Sales	901	1,579	-43%
COGS	(430)	(756)	-43%
Gross Profit	471	823	-43%
Employee expenses	(110)	(123)	-11%
Other expenses	(320)	(507)	-37%
Other income	33	2	1625%
EBITDA	73	194	-62%
Depreciation	(61)	(69)	-11%
EBIT	12	125	-91%
Finance costs	(6)	(9)	-32%
Profit before tax	6	117	-95%
Tax	(2)	(2)	17%
Profit after tax	4	115	-97%

As % of Net Sales	Sep-20	Sep-19	Change (bps)
Gross Profit	52.3%	52.1%	16
EBITDA	8.1%	12.3%	(420)
EBIT	1.3%	7.9%	(664)
Profit before tax	0.6%	7.4%	(674)
Profit after tax	0.4%	7.3%	(685)



YTD 20/21 Results

YTD Results (standalone)

Data in Rs. Cr.

	Sep-20	Sep-19	Change (%)
Net Sales	1,408	3,627	-61%
COGS	(700)	(1,773)	-61%
Gross Profit	707	1,854	-62%
Employee expenses	(225)	(246)	-9%
Other expenses	(537)	(1,086)	-51%
Other income	34	5	573%
EBITDA	(21)	526	-104%
Depreciation	(112)	(138)	-19%
EBIT	(133)	388	-134%
Finance costs	(13)	(16)	-20%
Profit before tax	(146)	372	-139%
Tax	36	(92)	-139%
Profit after tax	(110)	280	-139%

As % of Net Sales	Sep-20	Sep-19	Change (bps)
Gross Profit	50.2%	51.1%	(87)
EBITDA	-1.5%	14.5%	(1,602)
EBIT	-9.4%	10.7%	(2,015)
Profit before tax	-10.4%	10.3%	(2,063)
Profit after tax	-7.8%	7.7%	(1,555)



Regional volume performance vs PY

Volume Growth Total Company

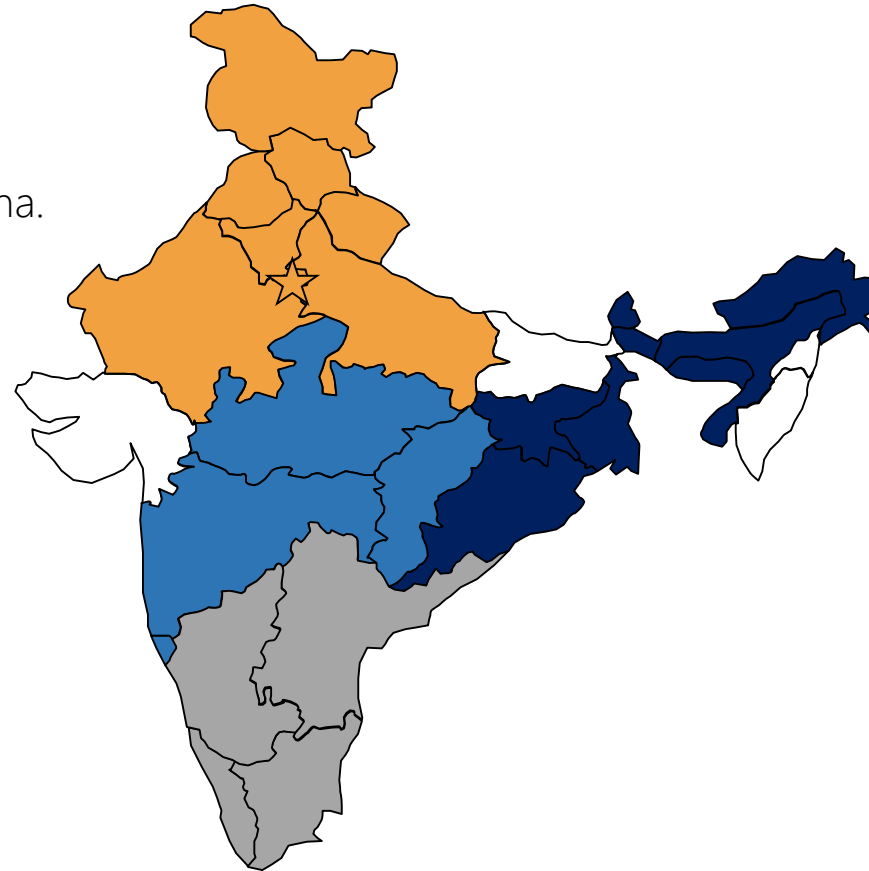
(Q2, YTD) (-48%, -64%) – Recovery in Q2 driven by gradual opening up of the markets

North (-32%, -54%)

- Recovery in Q2 driven by Delhi, Rajasthan, Uttar Pradesh and Haryana.
- Haryana performed relatively better.

West (-37%, -63%)

- Driven by Maharashtra and Goa due to opening up of markets.
- Maharashtra on trade opened in early October.



East (-59%, -76%)

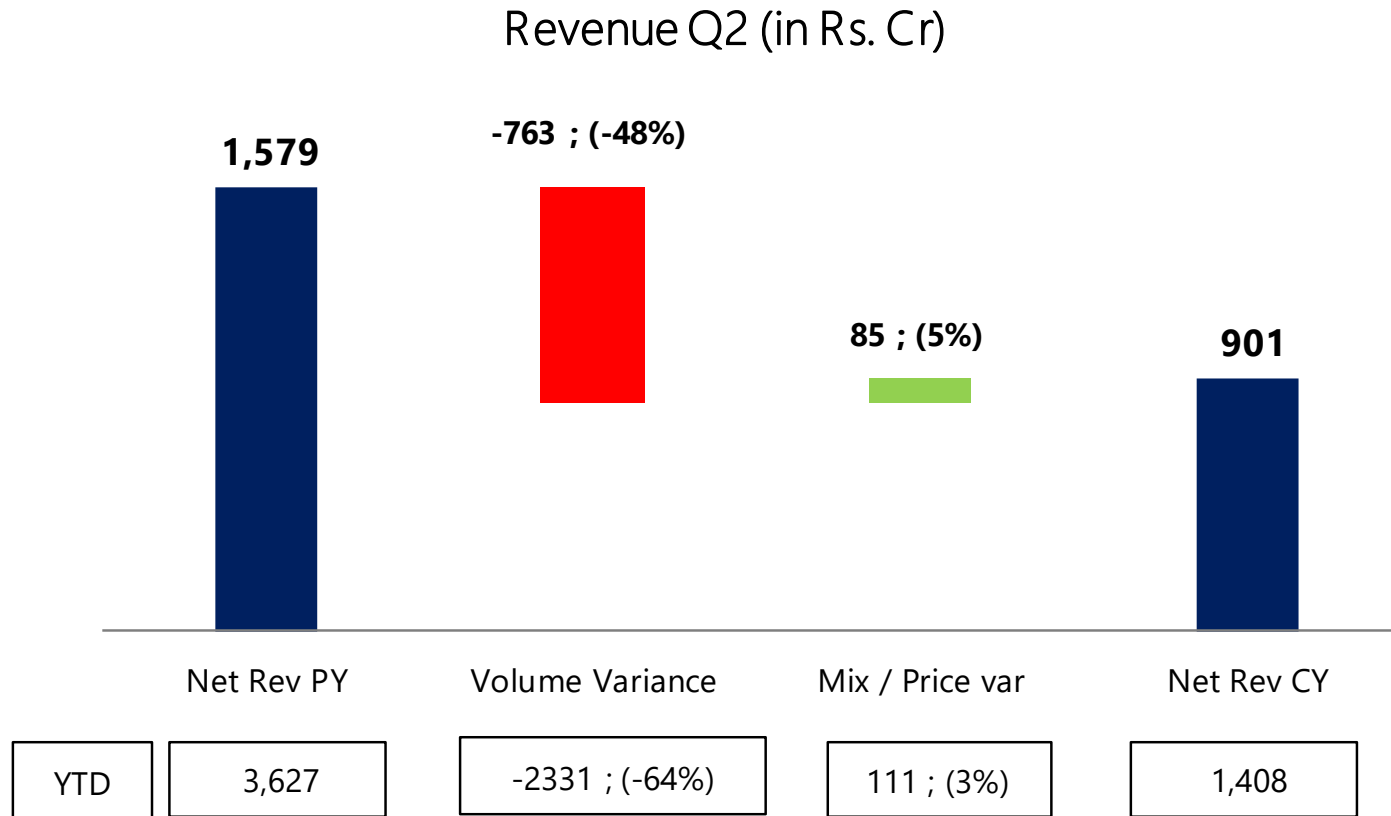
- Orissa & West Bengal industry recovery below national average.
- Rationalisation of Covid taxes in West Bengal with new excise policy per October.

South (-55%, -67%)

- Karnataka and Tamil Nadu volume trend ahead of company average. Karnataka on trade opened in September.
- Telangana recovery relatively slow, permit rooms remain closed.
- Gradual improvement in Kerala.



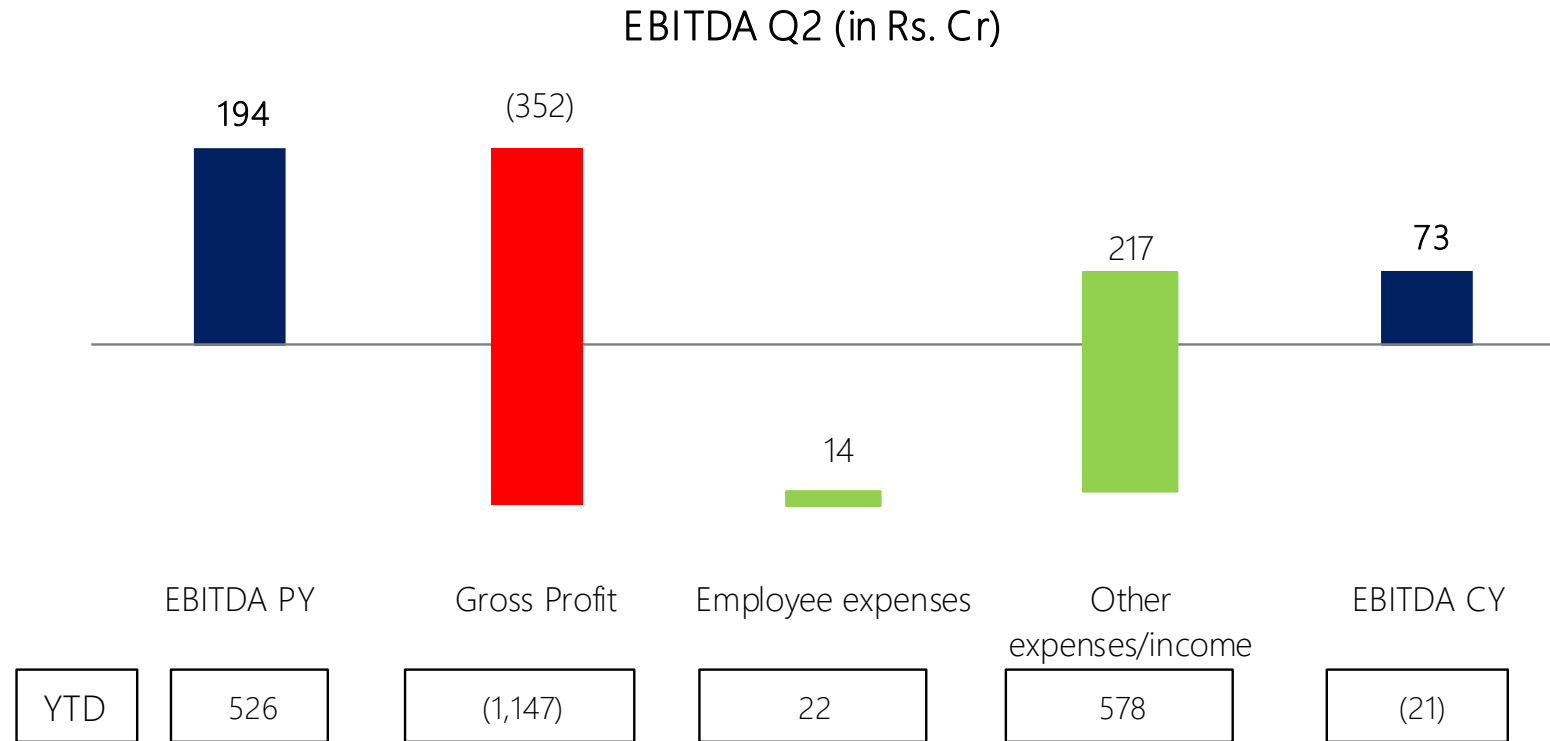
Net Sales decline driven by volume impact



- Favorable price/mix variance driven by positive state mix, price increases & brand mix.



Cost measures mitigating profit impact



- Gross profit decline driven by volume reduction, gross margin in Q2 up by 16 bps vs prior year.
- Decline in expenses over prior year have partially compensated the volume impact on gross profit: employee expenses reduced by 11%, other expenses reduced by 37% and increase in other income.



Robust FOCF driven by improvement in Working Capital

Cashflow in Rs. Cr.	YTD Sep		Δ
	2019-20	2020-21	(+/-)
Operating CF before change in WC	525	(16)	(541)
Change in Working Capital	(405)	229	634
Cash Flow from Operations	119	213	93
Operational Investments	(199)	(96)	103
Managerial Cash Flow	(80)	117	196
Interest	(15)	(17)	(2)
Income Tax	(150)	(5)	145
Free Operating Cash Flow	(245)	95	340

- Positive FOCF driven by improvement in working capital and optimisation of capital investment, resulting in INR 340 Cr. higher FOCF vs prior year.



Outlook and summary

- The Company continues to put health & safety of all staff and stakeholders as first priority. All breweries and business functions are operational and compliant with Covid-19 safety norms.
- The volatile trajectory of the pandemic results in considerable uncertainty on consumer demand. The Company continues to dynamically manage costs & funding, balanced with appropriate brand investments to support our long term market position while actively engaging consumers.
- UBL is well positioned to navigate the current circumstances with a leading market position, strong brand portfolio and robust balance sheet. The company continues to be optimistic about the long term growth drivers of the industry and is committed to strengthen its market position and driving profitable market penetration.





1980



1990



2000



2005



2015

Times Change,
The Good Times Don't!

