



UNITED BREWERIES LIMITED

Investor Presentation
Quarter ended Sep 2021



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.

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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

- Volume growth of 49% in the quarter vs prior year driven by strong recovery of demand, prevalent across nearly all markets. Volumes were up 23% vs the first quarter.
 - Versus pre Covid period of 2019, the quarter volumes were at 78%, with continued month-on-month recovery. September volumes were at 88% vs 2019.
- Strong EBITDA results at INR 170 Cr. contributed by volume growth/ lower impact of COVID in current year and cost efficiencies.
- EBITDA margin increased to 11.9%, up from 8.1% last year
- Robust free operating cash flows at INR 227 Cr year to date, up from INR 95 Cr prior year. ·The Company has a strong liquidity positions with circa INR 600 Cr bank balances
- The Company has received a CCI Order with the imposition of INR 752 Cr as penalty. The Company is in the process of preparing the grounds of appeal and the appeal will be filed within the time frame of 2 months from the date of the order. Basis legal advice, the Company believes that it has a strong case on merits for successful appeal on this matter. Accordingly, no provision is considered necessary.



Q2' 22 Results

Q2 Results (standalone)			
<i>Data in Rs. Cr.</i>			
	Sep-21	Sep-20	Change (%)
Net Sales	1,426	901	58%
COGS	(688)	(430)	60%
Gross Profit	738	471	57%
Employee expenses	(134)	(110)	22%
Other expenses	(438)	(320)	37%
Other income	5	33	-86%
EBITDA	170	73	133%
Depreciation	(56)	(61)	-9%
EBIT	115	12	n.m.
Finance costs	(5)	(6)	-21%
Profit before tax	110	6	n.m.
Tax	(29)	(2)	n.m.
Profit after tax	81	4	n.m.

As % of Net Sales	Sep-21	Sep-20	Change (bps)
Gross Profit	51.7%	52.3%	(52)
EBITDA	11.9%	8.1%	382
EBIT	8.0%	1.3%	672
Profit before tax	7.7%	0.6%	705
Profit after tax	5.7%	0.4%	521

*n.m. stands for "Not Meaningful" for changes more than +/- 200%



YTD' 22 Results

YTD Results (standalone)			
<i>Data in Rs. Cr.</i>			
	Sep-21	Sep-20	Change (%)
Net Sales	2,544	1,408	81%
COGS	(1,266)	(700)	81%
Gross Profit	1,278	707	81%
Employee expenses	(248)	(225)	10%
Other expenses	(770)	(537)	43%
Other income	11	34	-69%
EBITDA	272	(21)	n.m.
Depreciation	(111)	(112)	-1%
EBIT	161	(133)	n.m.
Finance costs	(9)	(13)	-34%
Profit before tax	152	(146)	n.m.
Tax	(41)	36	n.m.
Profit after tax	111	(110)	n.m.

As % of Net Sales	Sep-21	Sep-20	Change (bps)
Gross Profit	50.2%	50.2%	1
EBITDA	10.7%	-1.5%	1,219
EBIT	6.3%	-9.4%	1,577
Profit before tax	6.0%	-10.4%	1,636
Profit after tax	4.4%	-7.8%	1,222

*n.m. stands for "Not Meaningful" for changes more than +/- 200%



Regional volume performance vs PY

Volume Growth
Q2, YTD Sep (+49%, +73%)

North (+44%, +72%)

- Driven by higher volume in Uttar Pradesh, Rajasthan
- New policy to be introduced in Delhi in coming months

West (+33%, +51%)

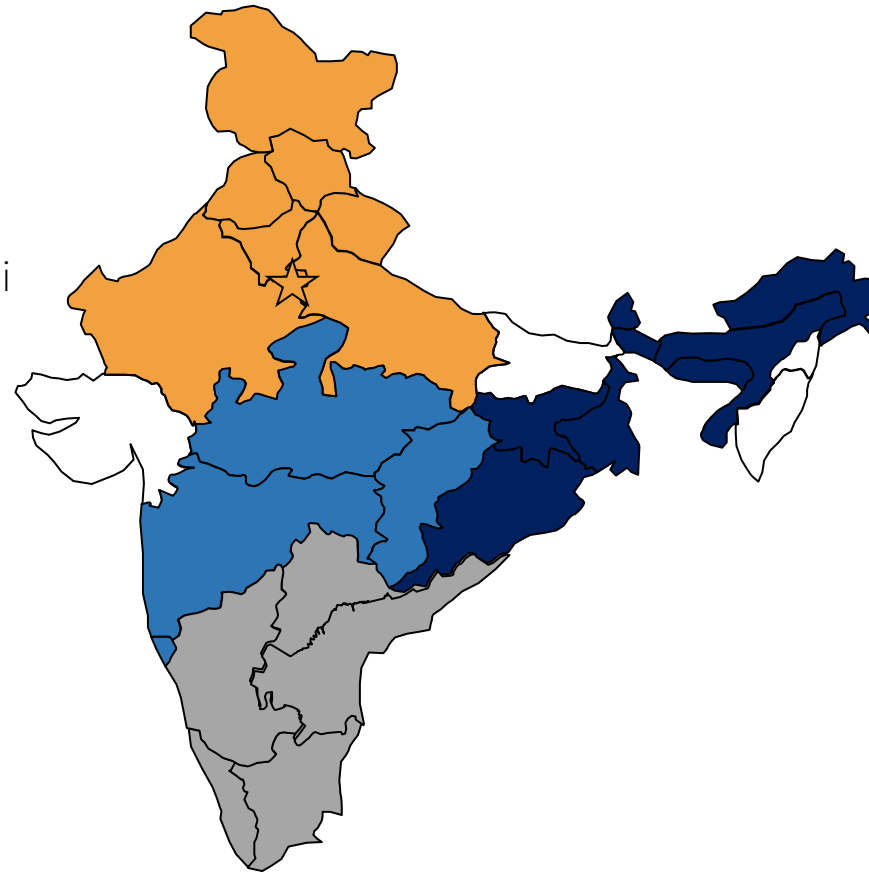
- Driven by higher volume in Maharashtra state, Goa, Madhya Pradesh

East (+89%, +208%)

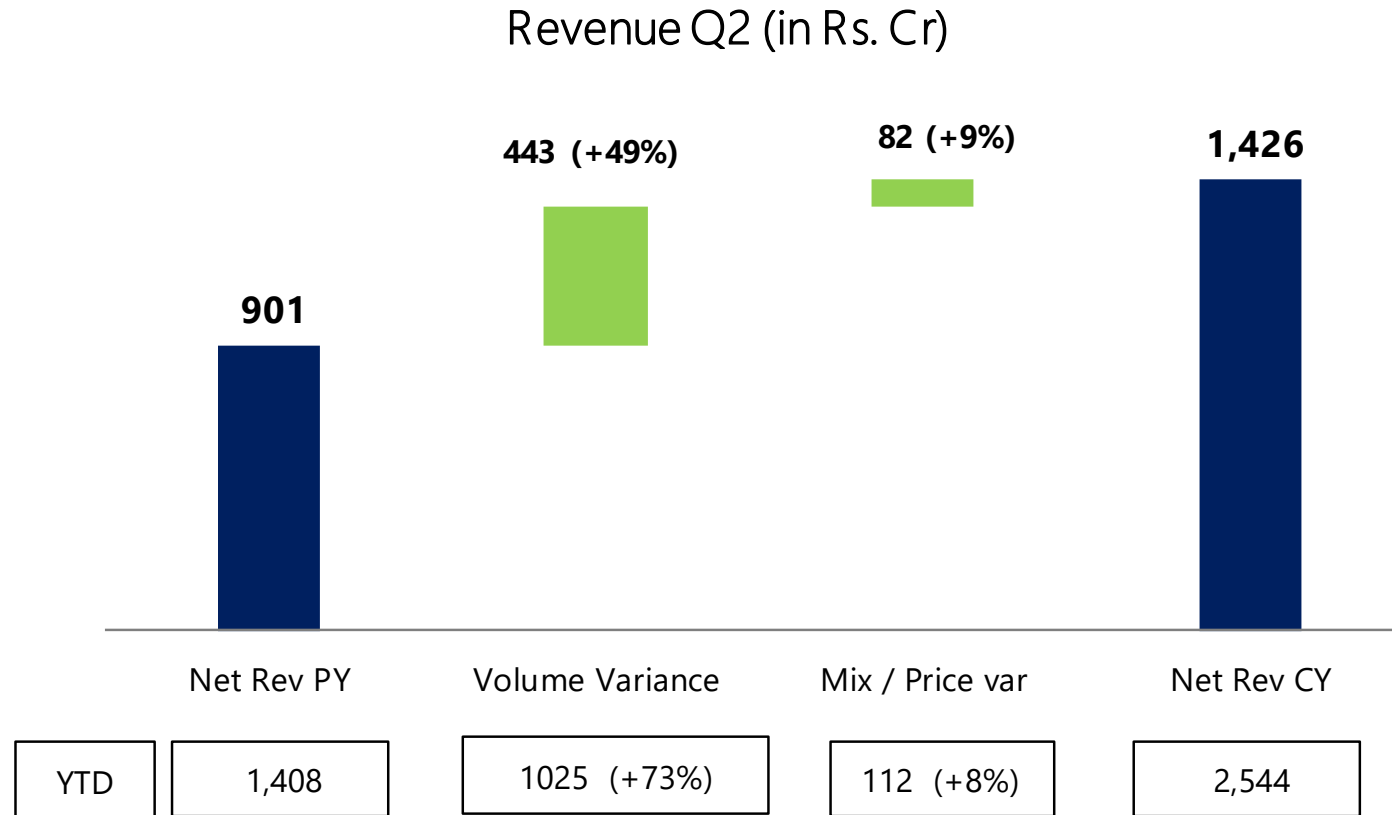
- Driven by higher volume in Orissa, West Bengal, Jharkhand, Assam
- Higher growth on account of a relatively lower base due to later opening of market

South (+49%, +53%)

- Driven by higher volume in Telangana, Tamil Nadu, Karnataka
- Growth in Telangana has been impacted by higher taxation levels vs pre Covid



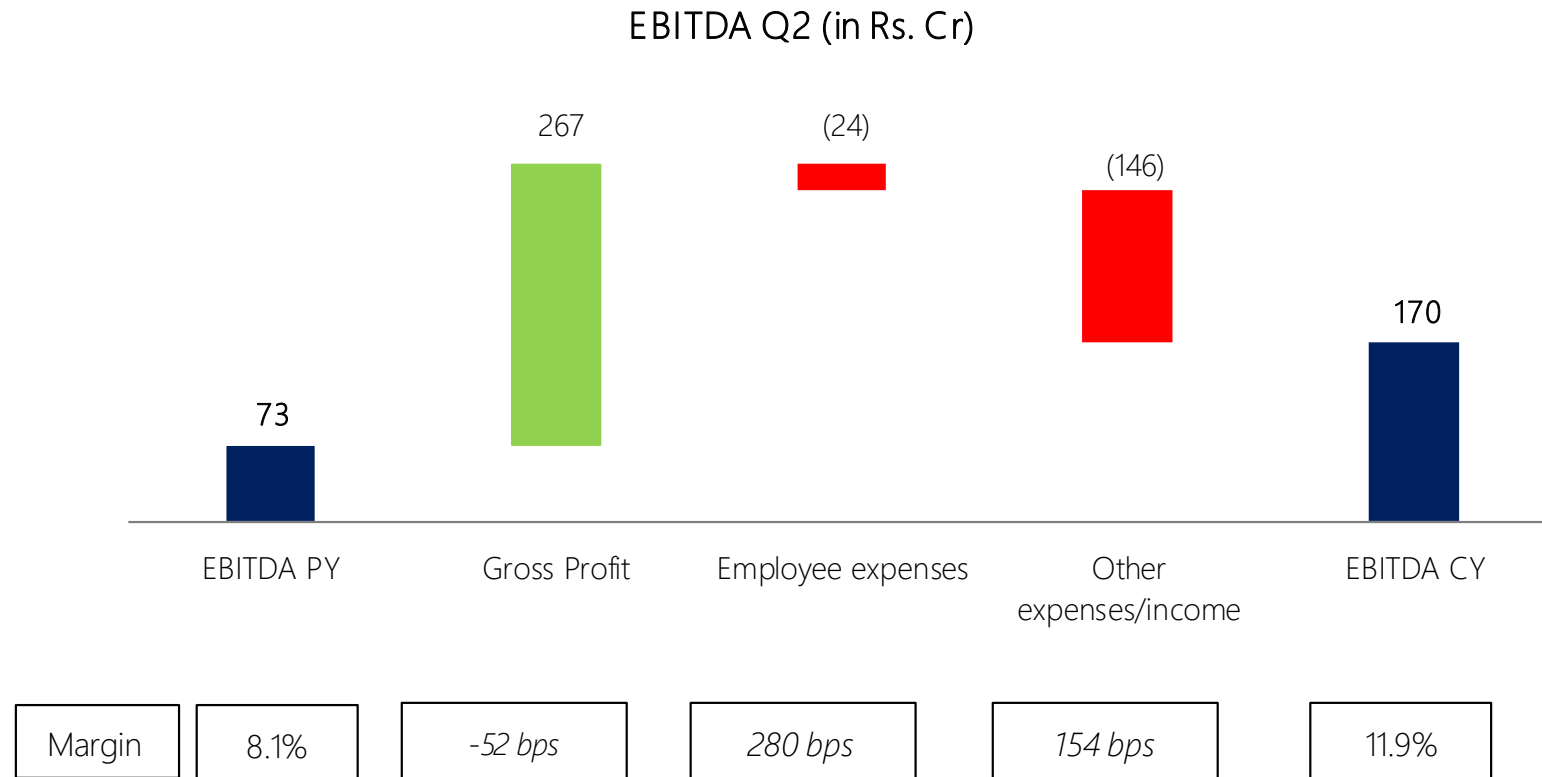
Net Sales growth driven by higher volume



- o Higher volume in most markets driven by different nature of Covid-induced lockdown versus last year
- o Favourable price/mix variance



Volume growth and cost management led to improvement in EBITDA Margin



- Gross profit increase driven by volume growth
- Improvement in EBITDA margin due to fixed cost optimisation and leverage on account of revenue growth



Robust FOCF driven by ↑ Operating Profits

Cashflow in Rs. Cr.	YTD Sep		Δ
	2020-21	2021-22	(+/-)
Operating CF before change in WC	(16)	273	289
Change in Working Capital	229	104	(125)
Cash Flow from Operations	213	377	165
Operational Investments	(96)	(74)	22
Managerial Cash Flow	117	303	187
Interest	(17)	(7)	10
Income Tax	(5)	(69)	(64)
Free Operating Cash Flow	95	227	133
Movement in Borrowing	85	(34)	(119)
Divident Paid	(66)	(13)	53
Net Cash Generated	114	180	66

- Positive FOCF driven by improvement in profitability and lower working capital.



Outlook and summary

- UBL has observed progressive recovery of underlying consumer demand post the first and second Covid-19 wave.
- Although the trajectory and future impact of the pandemic remains uncertain, the Company has adapted its operations accordingly and will continue to manage the business with agility.
- The Company is optimistic about the long-term growth drivers of the industry on the basis of GDP growth, urbanization and evolving consumer trends. UBL is well positioned to leverage and drive these opportunities with its leading market position, portfolio of brands and healthy balance sheet.





1980



1990



2000



2005



2015

Times Change,
The Good Times Don't!

