



UNITED BREWERIES LIMITED

**April 28, 2021**

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

Sub: **Intimation of Financial Results Earning call**

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 Quarter4FY21 Financial Results Earnings call is scheduled today Wednesday, April 28, 2021 @ 02:00 p.m. IST, by way of conference call with investors and analysts, hosted by Investec India.

Investor presentation is attached. Audited Financial Results for the quarter and year ended March 31, 2021 are already uploaded on the website of Bombay Stock Exchange and National Stock Exchange of India Limited.

Kindly take the same into record.

Thanking You

Yours faithfully,  
For UNITED BREWERIES LIMITED

*Govind Iyengar*

**GOVIND IYENGAR**  
Senior Vice President - Legal &  
Company Secretary

Encl: As above

**United Breweries Ltd.**  
**Q4FY21 Financial Results Earnings Call**  
**Wednesday, April 28, 2021, at 2:00 PM IST**

**Register**

Investec India is pleased to host the management of United Breweries Ltd. for a conference call with investors and analysts to discuss their

**Q4FY21 Financial Results Earnings Call**  
**Wednesday, April 28, 2021, at 2:00 PM IST with**

**Mr. Berend Odink, CFO**

**Mr. PA Poonacha, Finance and Investor Relations**

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 **Investec**

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UNITED BREWERIES LIMITED

**Investor Presentation  
Year ended March 2021**



# Disclaimer

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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.



# Exceptional year with resilient response

## Employees

*Risen to the challenge*



## Consumers

*Thematic campaigns*



## Costomers

*Trade support*



## Communities

*Continued support & relief*



- Exceptional year with lock downs, prolonged on trade closures and Covid related duty increases.
- Focus has been on health & safety incl. introducing socially distanced operations, keeping consumers engaged & reviving demand, while reducing costs & preserving cash.



# Key Results Highlights

- Strong sequential volume recovery post lock down, with Q4 net sales growth of 9%.
  - During Q4 many states saw strong recovery incl. Karnataka and Maharashtra. Telangana demand remains subdued due to Covid cess negatively impacting consumer prices.
- With an agile approach on costs & investments, full year EBITDA margin at 10% despite 39% volume decline.
- Healthy underlying profitability with Q4 EBITDA margin at 17.7%.
- Full year free operating cash flow at INR 440 Cr., INR 362 Cr above prior year.
- In a challenging year, achieved net cash position for the first time, with year end net cash at INR 155 Cr.
- Proposed dividend for approval at the next AGM is Rs 0.50 per share, maintaining historic dividend pay out ratio.



# Q4 20/21 Results

## Q4 Results (standalone)

Data in Rs. Cr.

	Mar-21	Mar-20	Change (%)
<b>Net Sales</b>	<b>1,543</b>	<b>1,424</b>	<b>8%</b>
COGS	(741)	(699)	6%
<b>Gross Profit</b>	<b>802</b>	<b>725</b>	<b>11%</b>
Employee expenses	(133)	(128)	4%
Other expenses	(408)	(465)	-12%
Other income	12	1	1797%
<b>EBITDA</b>	<b>273</b>	<b>133</b>	<b>105%</b>
Depreciation	(62)	(73)	-15%
<b>EBIT</b>	<b>211</b>	<b>59</b>	<b>254%</b>
Finance costs	(4)	(5)	-11%
<b>PBT before Exceptional Item</b>	<b>206</b>	<b>55</b>	<b>277%</b>
Exceptional Item	(62)	-	0%
<b>Profit before Tax</b>	<b>144</b>	<b>55</b>	<b>163%</b>
Tax	(47)	(14)	250%
<b>Profit after tax</b>	<b>97</b>	<b>41</b>	<b>135%</b>

As % of Net Sales	Mar-21	Mar-20	Change (bps)
Gross Profit	52.0%	50.9%	109
EBITDA	17.7%	9.3%	835
EBIT	13.6%	4.2%	947
Profit before exceptional item	13.4%	3.8%	953
Profit before tax	9.3%	3.8%	550
Profit after tax	6.3%	2.9%	338



# YTD 20/21 Results

YTD Results (standalone)			
<i>Data in Rs. Cr.</i>			
	Mar-21	Mar-20	Change (%)
<b>Net Sales</b>	<b>4,241</b>	<b>6,505</b>	<b>-35%</b>
COGS	(2,036)	(3,160)	-36%
<b>Gross Profit</b>	<b>2,204</b>	<b>3,344</b>	<b>-34%</b>
Employee expenses	(482)	(500)	-3%
Other expenses	(1,343)	(1,970)	-32%
Other income	50	9	451%
<b>EBITDA</b>	<b>430</b>	<b>884</b>	<b>-51%</b>
Depreciation	(232)	(285)	-19%
<b>EBIT</b>	<b>198</b>	<b>599</b>	<b>-67%</b>
Finance costs	(23)	(31)	-27%
<b>PBT before Exceptional Item</b>	<b>175</b>	<b>567</b>	<b>-69%</b>
Exceptional Item	(7)	-	0%
<b>Profit before Tax</b>	<b>168</b>	<b>567</b>	<b>-70%</b>
Tax	(55)	(140)	-61%
<b>Profit after tax</b>	<b>113</b>	<b>427</b>	<b>-74%</b>

As % of Net Sales	Mar-21	Mar-20	Change (bps)
Gross Profit	52.0%	51.4%	57
EBITDA	10.1%	13.6%	(345)
EBIT	4.7%	9.2%	(454)
Profit before exceptional item	4.1%	8.7%	(459)
Profit before tax	4.0%	8.7%	(476)
Profit after tax	2.7%	6.6%	(391)





# Regional volume performance vs PY

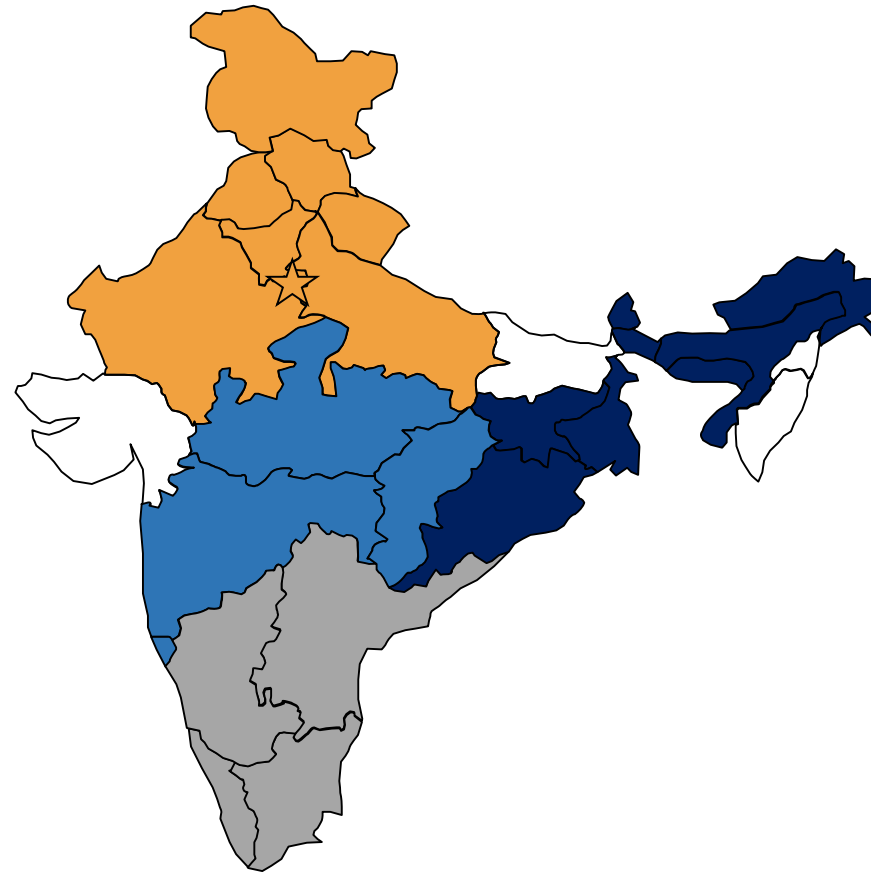
Volume Growth Total Company  
(Q4, YTD) (+9%, -39%) – Recovery in Q4

## North (+13%, -35%)

- Growth in Q4 driven by Haryana, Rajasthan, Punjab, Chandigarh and Himachal Pradesh.
- UP stable volumes. UP & Rajasthan excise policy 21/22 sees reduction in consumer beer price.

## West (+23%, -30%)

- Growth in all markets except Chhattisgarh.



## East (+26%, -39%)

- Growth across most markets.
- Substantial growth in West Bengal (>100%) on the back up of revised excise policy leading to lower consumer prices.

## South (+3%, -42%)

- Substantial growth in Karnataka & Kerala.
- Growth in region pulled back by decline in Telangana on the back of continued Covid related cess.



# Continued expansion of premium brand portfolio



Ultra family continues to grow with expansion of Ultra Witbier

- Witbier launched in Delhi in Q3 and in Maharashtra, Punjab & Chandigarh in Q4 with good consumer reactions.



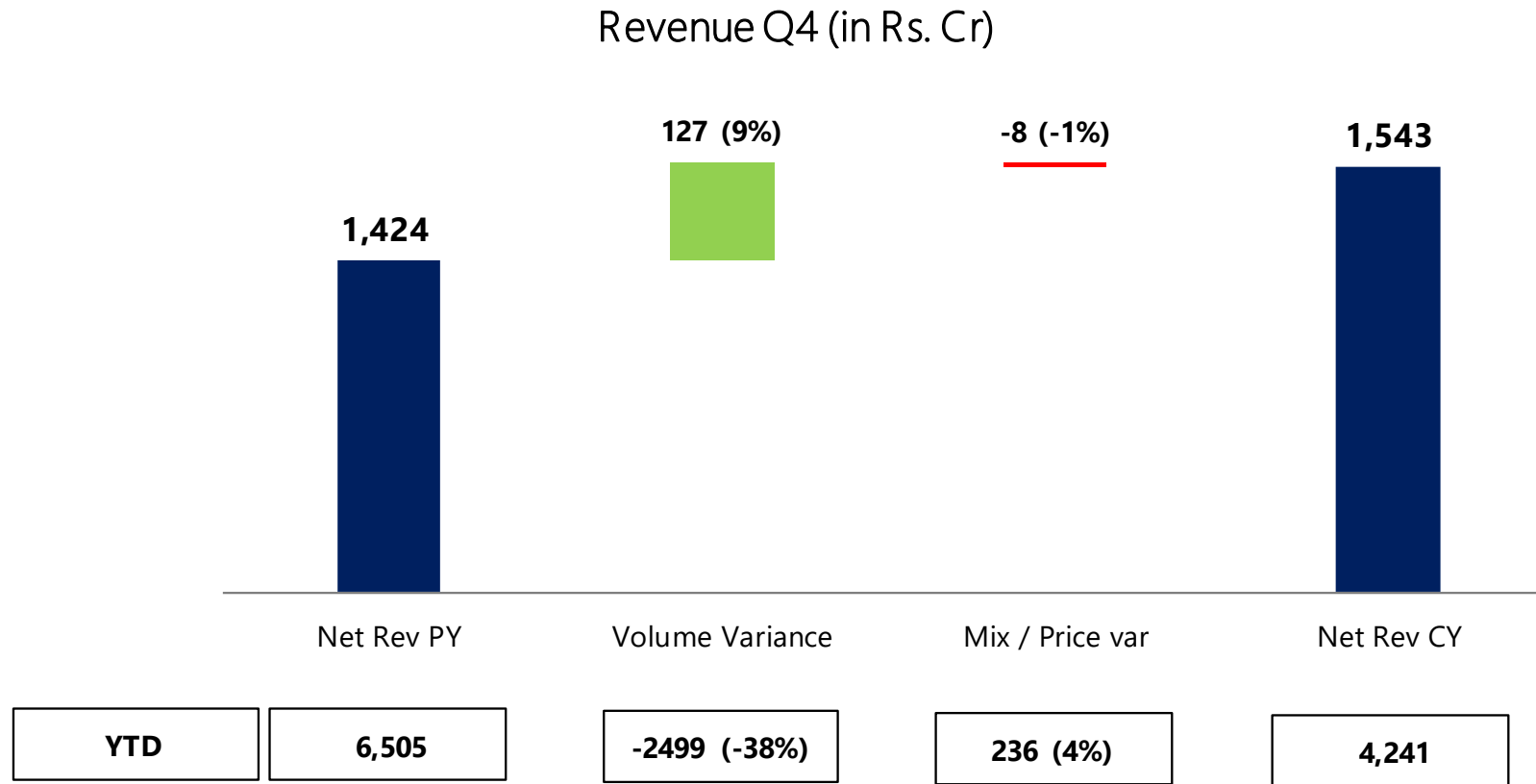
Amstel continues to grow significantly ahead of the market.

- Present in 10 markets as of March '21.
- New markets of Telangana, Maharashtra and Haryana added in FY'21.

Premium portfolio grew ahead of total portfolio in Q4.



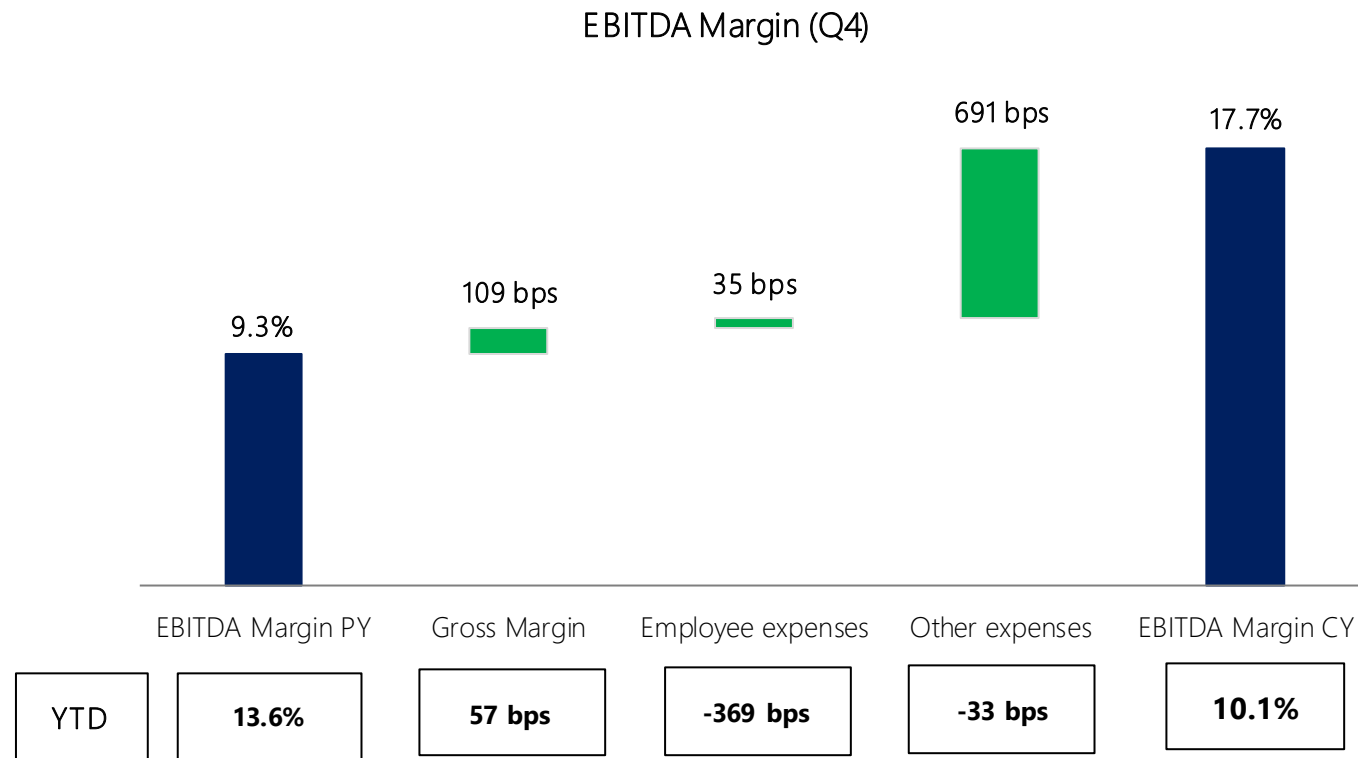
# Net Sales growth driven by volume impact



- o Higher volume in most markets driven by good demand recovery versus Covid-induced lockdown in March last year.



# Recovery of margins & profitability

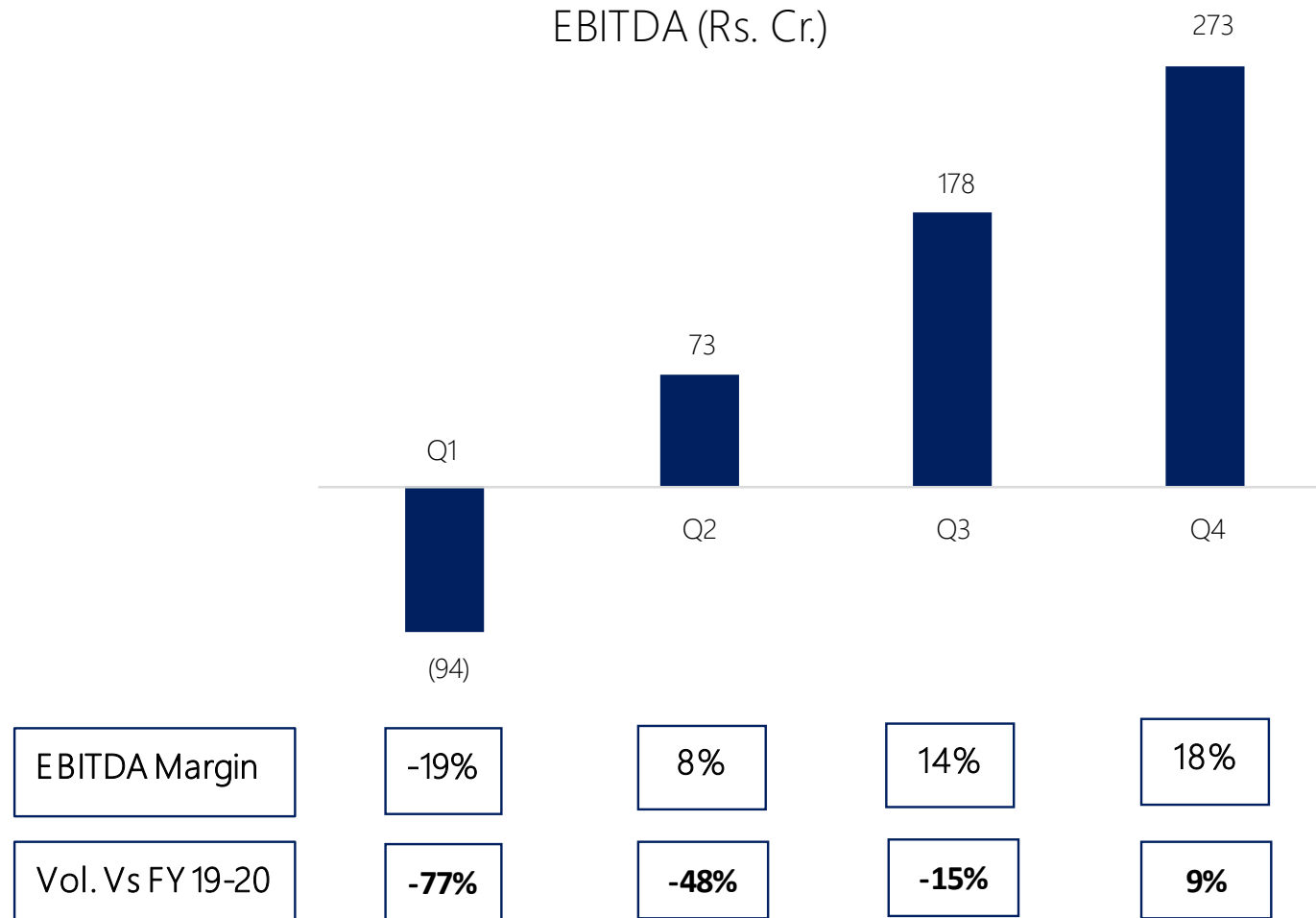


- Gross profit improvement driven by pricing and benign input costs.
- Margin improvement in other expenses over prior year due to cost measures, volume leverage and prior year provision for obsolete stocks (INR 16 Cr.)



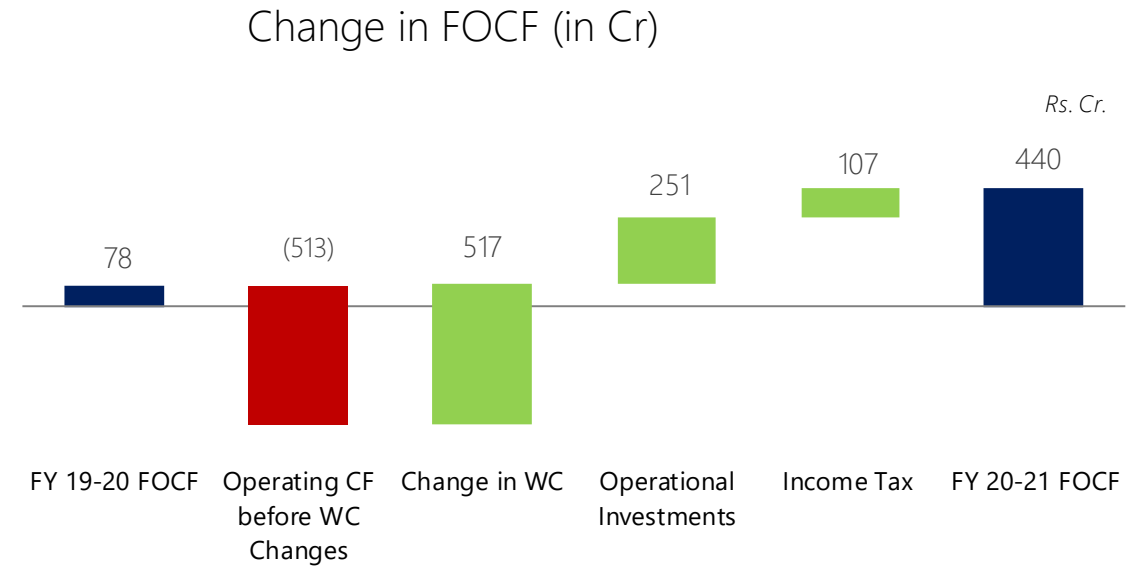
# Q3 & Q4 sharp recovery post difficult Q1

20/21 Q-o-Q Sequential Performance

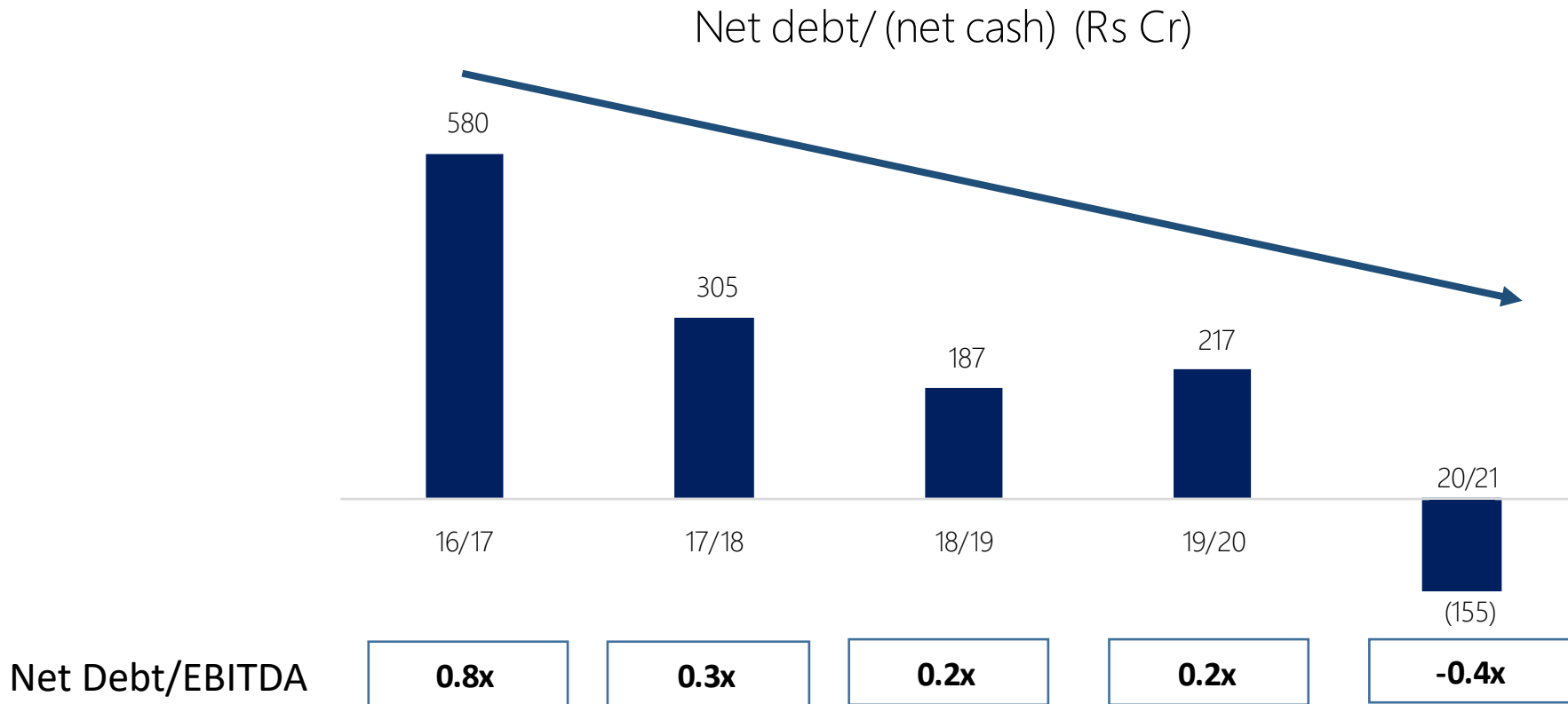


# Cash management resulted in strong FOCF, driven by lower working capital and capex, despite lower profits

Cashflow in Rs. Cr.	YTD Mar		Δ (+/-)
	2019-20	2020-21	
<b>Operating CF before change in WC</b>	<b>916</b>	<b>403</b>	<b>(513)</b>
Change in Working Capital	(220)	298	517
<b>Cash Flow from Operations</b>	<b>697</b>	<b>701</b>	<b>4</b>
Operational Investments	(402)	(151)	251
<b>Managerial Cash Flow</b>	<b>295</b>	<b>550</b>	<b>256</b>
Interest	(27)	(28)	(1)
Income Tax	(190)	(82)	108
<b>Free Operating Cash Flow</b>	<b>78</b>	<b>440</b>	<b>362</b>
Movement in Borrowing	12	6	(5)
Divident Paid	(80)	(66)	14
<b>Net Cash Generated</b>	<b>10</b>	<b>380</b>	<b>370</b>



# Consistent cash generation resulting in deleveraging and strong balance sheet. Net cash position for first time



# Outlook and summary

- Due to second wave of Covid-19, the industry outlook is volatile. Impact will depend on magnitude and duration of lockdowns, including any partial or full trade restrictions. Challenges faced during first wave include finite beer shelf life & costs for liquidation/expired product, as well as operational challenges like lower returns of used bottles.
- Health and safety of employees and stakeholders remains paramount, while operations are fully in compliance with regulations as they are introduced from time to time.
- UBL has and will continue to manage all elements of costs and capital investments with agility in light of the uncertain demand given the situation of second Covid-19 wave across the country.
- The Company has observed recovery of underlying consumer demand post the first Covid-19 wave and continues to be optimistic about the long term growth drivers of the industry.
- UBL is well positioned to navigate the current circumstances with a leading market position, strong brand portfolio and robust balance sheet.







1980



1990



2000



2005



2015

Times Change,  
**The Good Times Don't!**

