



PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED MARCH 2018

- **FULL YEAR VOLUME GROWTH OF 10% AHEAD OF INDUSTRY GROWTH OF 7%**
- **NET SALES GROWTH OF 18%, PROFIT BEFORE TAX UP BY 75%**
- **Q4 VOLUME GROWTH OF 24% WITH CONTINUED MARKET SHARE GAINS**

UBL delivered a strong set of financials for FY2017-18, despite significant challenges in the external environment, including the enforcement of the highway ban in Q1 as well as the introduction of GST in Q2. The implementation of GST in July had a negative impact on input costs, as the industry's outputs are excluded from GST. During most of Q3 UBL did not supply in Maharashtra due to a lack of clarity around the new excise duty structure. A similar situation prevailed in West Bengal in Q4.

For the year, the beer industry grew by about 7% with UBL delivering 10% volume growth. This was the first double-digit volume growth since FY 2010-11 and resulted in market share gains. These share gains were realized in most large states across the country, especially in Telangana, Andhra Pradesh, Rajasthan, Orrisa, Tamil Nadu and Karnataka. Net revenue increased by 18%.

Gross profit grew by 15%, benefiting from a favourable state mix as well as from several price increases taken during the year. Strong operating profit growth was due to UBL mitigating the negative effects of GST where possible, by implementing strict cost controls and because of a higher capacity utilization ratio.

In the fourth quarter ended March 2018, UBL recorded a volume growth of 24% compared with industry growth of 22%. This growth was partly the result of a low comparative, as Q4 2016-17 already included the effects of the highway ban. Net revenue grew 32%, primarily due to volume growth and also a favourable state mix.

Given the higher profits and better working capital management, cash flow from operations improved significantly, further reducing debt levels. At year end, the company's net debt to EBITDA was 0.3x and interest costs decreased by 19%.

For FY 2018-19, in the absence of any large regulatory market disruptions, UBL expects continued mid-single digit industry volume growth. In order to meet consumer demand, the company is planning to increase its capital expenditure towards capacity expansion by about 50%, from the current capital investment level of approximately Rs. 200 Core.

Amsterdam, May 24, 2018