United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR FULL YEAR & QUARTER ENDED MARCH 2020

- **GROSS REVENUE UP 3%, DESPITE INDUSTRY DECLINE DURING THE YEAR**
- **DUE TO PANDEMIC, Q4 VOLUMES & REVENUES NEGATIVELY IMPACTED**

Covid 19 impacted performance in the March Quarter 2020. The full year performance was negatively impacted by elections in Q1, overall economic slowdown, unfavorable policy changes in Andhra Pradesh and input cost increases.

The price increases taken by the Company in the markets of Karnataka, Maharashtra, Rajasthan and Goa helped partially offset increased input prices of barley and new glass bottles resulting in less than 2% reduction in gross margin. In Q4 gross margin increased marginally due to a combination of positive price/mix and more stable input costs.

The Company launched Kingfisher Ultra Witbier, Kingfisher Ultra Draught and UB Export Cans. The response to Ultra Witbier and Ultra Draught has been very encouraging and the Company will expand to more markets in the coming months.

The continued efforts in premiumization was met with success in a challenging year with premium brands like Amstel growing more than fourfold to become a millionaire brand. Other premium brands like Kingfisher Storm and Kingfisher Ultra Max registered double digit growth.

The Company has put in place all recommended Covid 19 health & safety measures to protect staff & stakeholders. At the date of this release, all company breweries have received authorizations to operate except for one.

Regional performances for the year ended March 2020:

- In the North, UBL saw volume growth in Delhi, UP and Punjab while the volumes declined marginally in Rajasthan.
- In the South, UBL registered volume growth in TN. The volumes in Andhra Pradesh declined sharply in H2FY20 consequent to the new excise policy.
- Growth in the East was driven by West Bengal and Jharkhand while volumes in Orissa remained flat.
- All the key markets in the West remained sluggish with Rest of Maharashtra showing signs of recovery in Q2 & Q3 of FY20.

Interest costs remained flat and the net debt stood at Rs. 217 Cr. The focus on working capital management and the conservation of cash helped in funding the entire capex program of Rs. 402 Cr, out of internal accruals without resorting to any term borrowing.

Bangalore, June 24, 2020