



UNITED BREWERIES LIMITED

June 25, 2020

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

Dear Sir,

Sub: **Intimation of Analyst/Investor 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 Analyst/Investor call is on Thursday, June 25, 2020 @ 16:00 hrs IST, by way of Tele-conference under invitation by IDFC Securities Limited.

Presentation is attached. Annual Financial Results are already published and uploaded on the website of Bombay Stock Exchange and National Stock Exchange of India Limited, as well as Company' website.

Thanking You

Yours faithfully,
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

IDFC Securities invites you to the

Q4FY20 Earnings call of

United Breweries Ltd

Thursday, 25th June 2020 at 16:00 hrs IST

United Breweries' management will be represented by:

Mr. Berend Odink- CFO

Mr. Poonacha - IR

Dial-in numbers

Universal Access: +91 22 6280 1384
+91 22 7115 8285

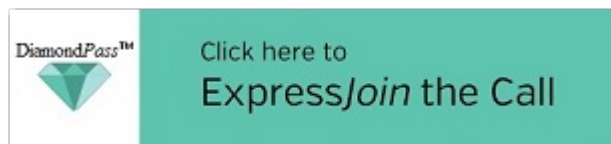
The numbers listed above are universally accessible from all networks and all countries.

Local Access Number: +91-7045671221

International Toll Free Number:

Hong Kong	800964448
Singapore	8001012045
UK	08081011573
USA	18667462133

Dial-in link: [Click here](#)



Please dial-in at least 5-10 minutes prior to the conference schedule to ensure that you are connected to the call in time.

For further information please contact

Mehul Desai / Rohit Dokania

IDFC Securities Ltd

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UNITED BREWERIES LIMITED

Investor Presentation
Year ended March 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

	Q4	FY
Volume growth	-21%	-4%
Volume growth, excl Covid-19	-6%	0%
Gross profit growth	-12%	-3%
EBITDA growth	-27%	-24%
EBITDA margin	-183 bps	-449 bps
Profit after tax growth	-39%	-24%



FY Results

FY Results (standalone)			
<i>Data in Rs. Cr.</i>			
	Mar-20	Mar-19	Change (%)
Net Sales	6,505	6,472	0%
COGS	(3,160)	(3,017)	5%
Gross Profit	3,344	3,455	-3%
Employee expenses	(500)	(444)	13%
Other expenses	(1,970)	(1,873)	5%
Other income	9	32	-71%
EBITDA	884	1,169	-24%
Depreciation	(285)	(260)	10%
EBIT	599	910	-34%
Finance costs	(31)	(31)	0%
Profit before tax	567	878	-35%
Tax	(140)	(316)	-56%
Profit after tax	427	563	-24%
As % of Net Sales			
	Mar-20	Mar-19	Change (bps)
Gross Profit	51.4%	53.4%	(197)
EBITDA	13.6%	18.1%	(449)
EBIT	9.2%	14.1%	(485)
Profit before tax	8.7%	13.5%	(478)
Profit after tax	6.6%	8.7%	(213)



Key Results Highlights

- 19/20 witnessed challenging circumstances with an overall economic slowdown, impact of elections in Q1, adverse policy changes per October in Andhra Pradesh and Covid-19 impacting Q4.
- FY 19/20 volumes down -4% and net revenues remained flat, due to positive price/mix per case.
- Impact of Covid-19 estimated at Rs. 103 Cr. for 19/20.
 - Covid-19 lockdown led to complete closure of all outlets for the period 24 March – May 4. On trade was progressively closed in weeks leading up to March 24. Assessed profit impact for March comprises lost sales volumes in March of estimated Rs. 87 Cr and provision for obsolete stocks Rs. 16 Cr.
- Robust FOCF Rs. 78 Cr. and low net debt of Rs. 217 Cr. at year end.
- Dividend proposed at the AGM is Rs. 2.50 per share.



Regional volume performance

Volume Growth Total Company

FY -4%, Q4 -21%

North -3%, -18%

- Growth in Delhi, Punjab and Uttar Pradesh offset by declines in Haryana and Rajasthan.

West -9%, -29%

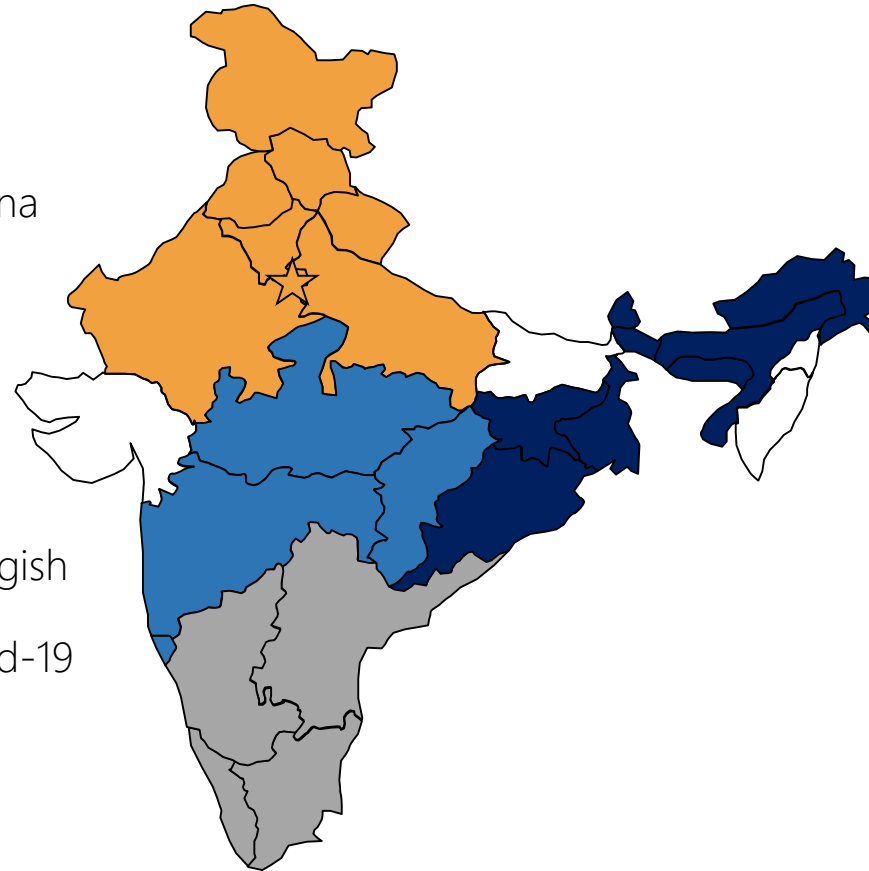
- Decline in West on the back of sluggish markets in Mumbai & Goa. Rest of Maharashtra was flattish up to Covid-19 impact.

East 18%, -2%

- Market recovery versus prior year in West Bengal.
- Orissa flattish year over year. Growth in Jharkhand

South -7%, -27%

- Growth capped by adverse policy impact in Andhra Pradesh per Oct 1st and election curbs in Q1.
- Tamil Nadu posted high single digit growth.



Continued expansion of brand portfolio



Ultra family continues to grow with addition of Ultra Witbier & Ultra draught.

- Witbier launched in Karnataka & Goa in Q3 FY'20 with good consumer reactions.
- Ultra draught beer launched in Q3.



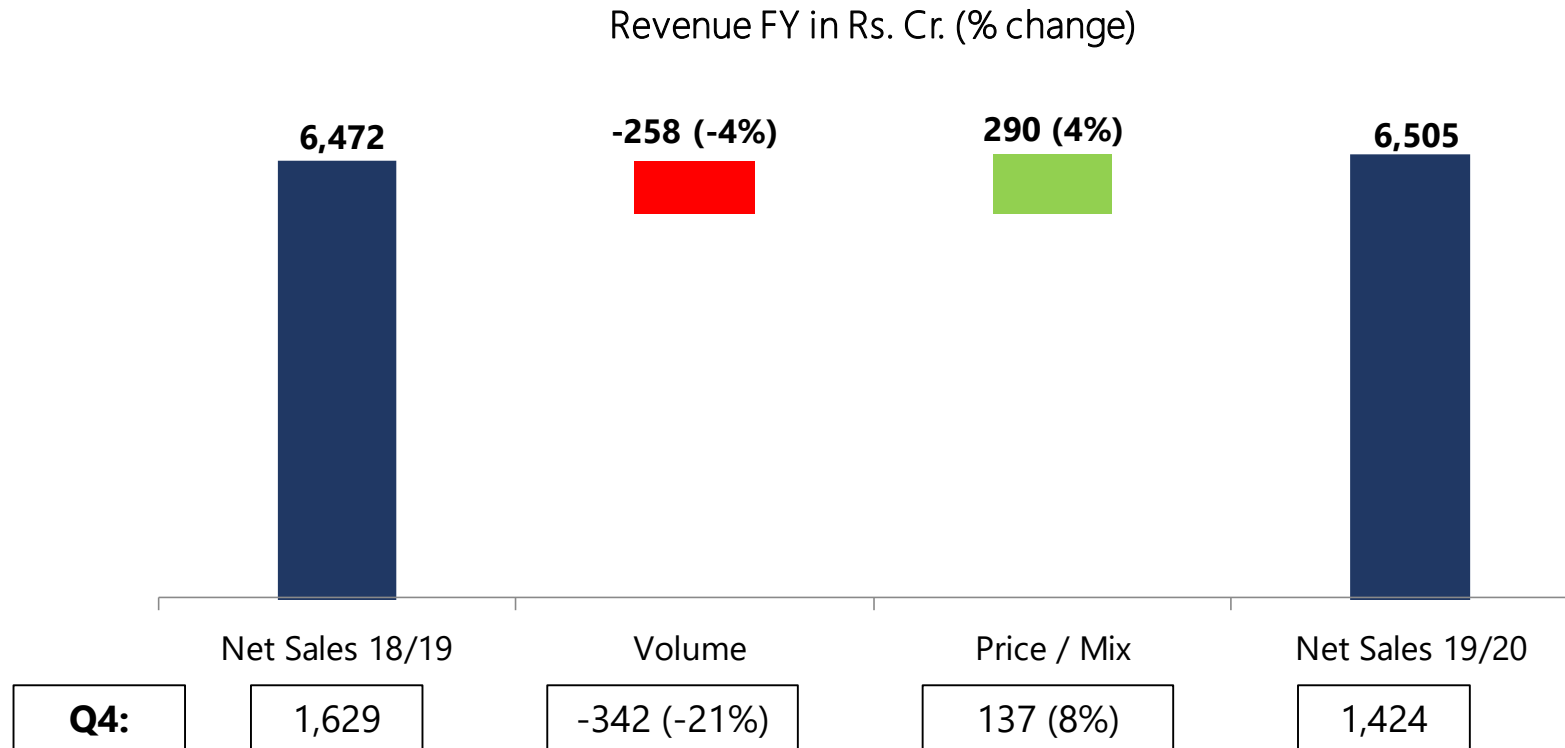
KF Storm & Amstel growing significantly ahead of the market.

- Present in 19 & 7 markets respectively as of March '20.
- Amstel sales volumes passed 1 million cases.

Total premium portfolio continued to grow ahead of total portfolio in full year.



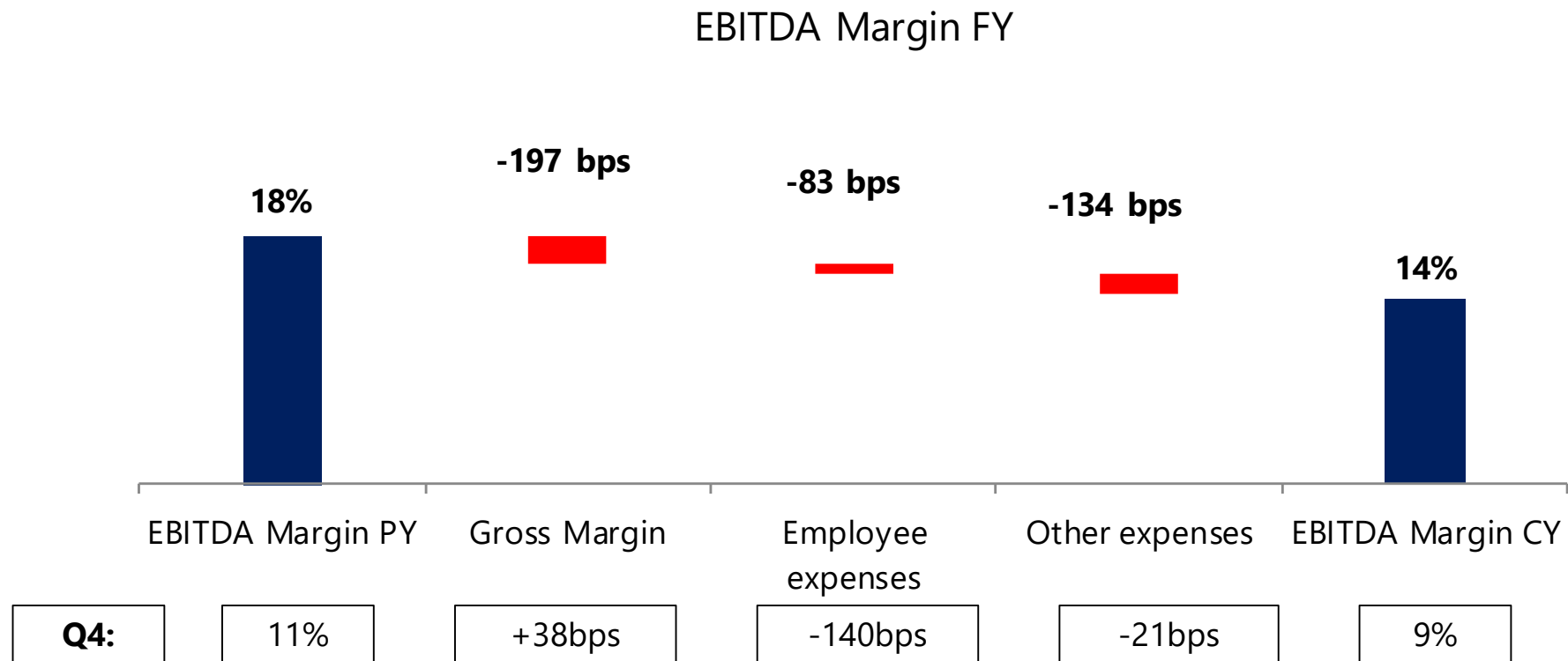
Net Sales driven by positive price/mix



- Positive price mix due to premium brand growth, positive state mix and price. Price increases realized in a number of states, incl. Rajasthan, Maharashtra, Karnataka and Goa.



Input costs impacted EBITDA margin, Q4 up



- FY impacted by input cost increases in malt & glass
- In Q4 Covid-19 negatively impacted margin, however stabilization of input costs resulted in gross margin expansion



Robust FOCF & strong balance sheet

Cashflow in Rs. Cr.	FY		Δ
	2018-19	2019-20	(+/-)
Operating CF before change in WC	1,142	915	(228)
Change in Working Capital	(109)	(218)	(109)
Cash Flow from Operations	1,033	697	(337)
Operational Investments	(430)	(402)	28
Managerial Cash Flow	604	295	(309)
Interest	(31)	(27)	5
Income Tax	(389)	(190)	199
Free Operating Cash Flow	183	78	(105)
Movement in Borrowing	(103)	12	115
Divident Paid	(64)	(80)	(16)
Net Cash Generated	17	10	(7)

- Continued positive FOCF with capital investments enabling enhanced brewery capacities.



Covid-19 Update

- Company has put in place all recommended health & safety measures to protect staff & stakeholders, incl. sanitization and hygiene, thermal scanning, maintaining physical / social distancing and deep cleansing of premises
- At the outset, formation of management crisis team focusing on 1) health & safety, 2) business continuity, 3) business impact mitigations and 4) cash management.
- As per latest government guidelines 'unlock 1.0' on trade bars remain closed. Retail outlets have progressively opened after May 4, subject to guidelines on containment zones and other restrictions.
 - Various states have allowed home delivery/ on-line ordering, including Maharashtra, Orissa, West Bengal, Kerala and Punjab.
- Brewery operations can run at circa 55% - 60% of normal capacity due to limitations on hours of operations. No unfulfilled demand. One brewery in our network is not yet operational due to containment zone restrictions.



Covid-19 Update

- CSR activities: supporting those in need, some 35,000 families will be supported with dry rations & hygiene kits across seven states. Furthermore, launched disaster relief support for 1,000 households in West Bengal impacted by the cyclone.
- There is sufficient financing headroom put in place and no significant debt repayments in current year.
- Due to closure of all outlets for the period 24 March – May 4, sales volume in April was negligible. Sales volumes in May were down in the range of 70% vs LY due to partial and phased reopening.
- A number of states have increased excise duty due to Covid-19 which have been incorporated in consumer prices. Main increases include Andhra Pradesh +75%, West Bengal 30%, Orissa 38%, Rajasthan +10 in MRP, Telangana +30 INR in MRP. Covid tax of 70% in Delhi has been cancelled.
- Company has suspended all discretionary spends, cost management stepped up and capital expenditure levels reduced to focus any newly initiated projects on safety & compliance only.



Outlook and summary

- Industry outlook is uncertain with negative macro economic growth outlook and continued direct & indirect impact from Covid-19 measures.
- United Breweries is well positioned to navigate these circumstances with a leading market position, strong brand portfolio and robust balance sheet.
- Management continue to be optimistic about industry long term growth drivers: growing population with new entrants into legal drinking age, favorable long term economic outlook, urbanization and growing social acceptance of beer consumption. Management committed to leverage new opportunities such as home delivery.



Annex: Q4 Results

Q4 Results (standalone)

Data in Rs. Cr.

	Mar-20	Mar-19	Change (%)
Net Sales	1,424	1,629	-13%
COGS	(699)	(806)	-13%
Gross Profit	725	823	-12%
Employee expenses	(128)	(124)	4%
Other expenses	(465)	(528)	-12%
Other income	1	11	-94%
EBITDA	133	182	-27%
Depreciation	(73)	(64)	15%
EBIT	59	118	-50%
Finance costs	(5)	(12)	-60%
Profit before tax	55	106	-48%
Tax	(14)	(38)	-65%
Profit after tax	41	68	-39%

As % of Net Sales	Mar-20	Mar-19	Change (bps)
Gross Profit	50.9%	50.5%	38
EBITDA	9.3%	11.2%	(183)
EBIT	4.2%	7.2%	(306)
Profit before tax	3.8%	6.5%	(267)
Profit after tax	2.9%	4.2%	(128)





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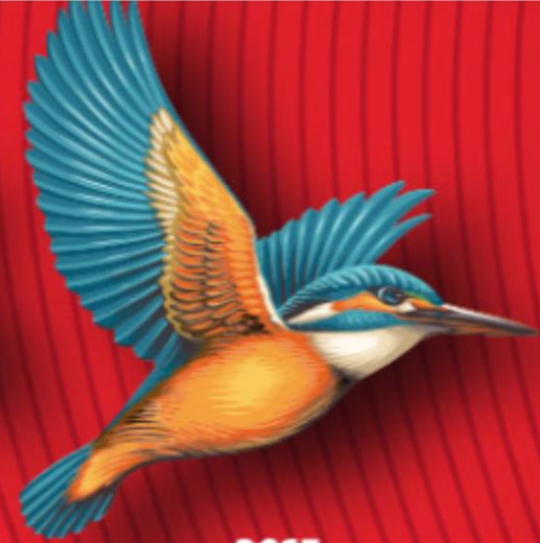
1990



2000



2005



2015

Times Change,
The Good Times Don't!

