DIAGEO
INDIA

United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

June 4, 2019

BSE Limited,
(Regular Office & Corporate Relations Dept.)
Dalal Street, Mumbai 400 001
Scrip Code : 532432

National Stock Exchange of India Ltd
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code : MCDOWELL-N

Dear Sir/Madam,

Sub: Intimation pursuant to Regulation 30 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

Pursuant to regulation 30 and other applicable regulations, presentation made to the Investors at their meeting on June 3, 2019 and June 4, 2019 is enclosed. Please take this in your record.

Thanking you,

Yours faithfully,
for **United Spirits Limited**

V. R

V. Ramachandran
Company Secretary

F19 FULL YEAR RESULTS ROADSHOW

3 JUNE 2019


UNITED SPIRITS
A DIAGEO Group Company
KING GEORGE V
ANAND KRIPALU
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

WHAT WE WILL COVER TODAY

UNITED SPIRITS
A DIAGEO Group Company

FY19 REVIEW

PROGRESS AGAINST STRATEGY

F19 FINANCIAL PERFORMANCE

CONFIDENCE IN THE FUTURE

UNITED SPIRITS
A DIAGEO Group Company

WHAT WE WILL COVER TODAY

FY19 REVIEW

PROGRESS AGAINST STRATEGY

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CONFIDENCE IN THE FUTURE

WE HAVE THE LEADING PORTFOLIO ACROSS PRICE POINTS

UNITED SPIRITS
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Consumer prices*		Focus brands	
>Rs.2000	Luxury		
Rs.900-2000	Premium		
Rs.350-900	Prestige		
<Rs.350	Popular		

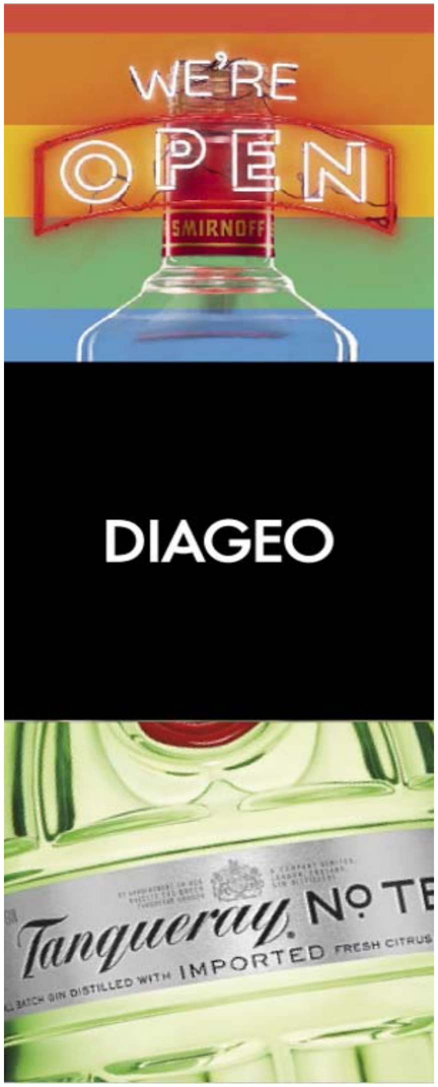
**Average consumer prices in India, 750ml bottle*

F19 IN A NUTSHELL

UNITED SPIRITS
A DIAGEO Group Company

Net sales	**+10%**
Prestige & Above net sales	**+15%**
Gross margin	**48.8%; +21bps**
EBITDA margin	**14.3%; +175 bps**
Interest costs	**-18%**
Profit after tax	**659 Cr; +17%**

** Gross margin for F18 has undergone a change due to a reclassification to maintain conformity – please refer to Annexure in Press Release for further details.*



FY19 - EXTERNAL RECOGNITION HIGHLIGHTS

UNITED SPIRITS
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Finance Leadership Awards

Sanjeev Churiwala named **CFO of the year, FMCG category,** ICAI's Leadership & Business Excellence Award, 2018

USL's Annual Report featured **in Top 100 Annual Reports worldwide** by League of American Communication Professionals (LACP).

Corporate Governance Rating

ICRA assigned a Corporate Governance Rating of **CGR2,** reinforcing the quality of our corporate governance practices.

Corporate Excellence Award

USL received Dun & Bradstreet 2019 Award for Corporate Excellence in the Acobev Category.

WHAT WE WILL COVER TODAY

UNITED SPIRITS
A DIAGEO Group Company

FY19 REVIEW

PROGRESS AGAINST STRATEGY

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CONFIDENCE IN THE FUTURE

OUR FIVE STRATEGIC PRIORITIES

UNITED SPIRITS
A DIAGEO Group Company

To be one of the best performing, most trusted and respected consumer products companies in India

5 Strategic Priorities

Strengthen & accelerate core brands	Evolve route to consumer	Drive productivity to invest in growth	Corporate citizenship	Winning organization

OUR FIVE STRATEGIC PRIORITIES

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Strengthen & accelerate core brands

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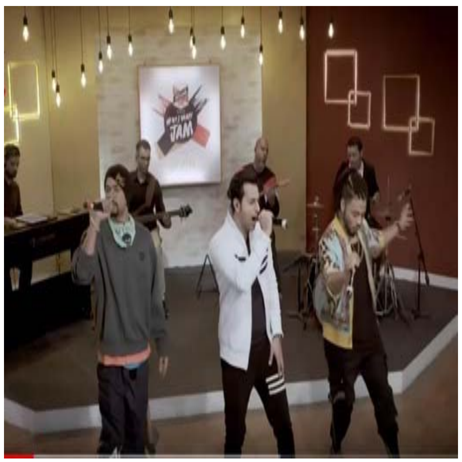
PLAYING INTO INDIA'S TOP PASSION POINTS

Music



Food

Cricket

Strengthen & accelerate core brands

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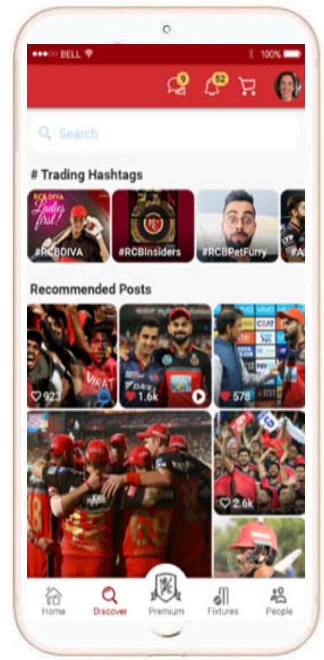
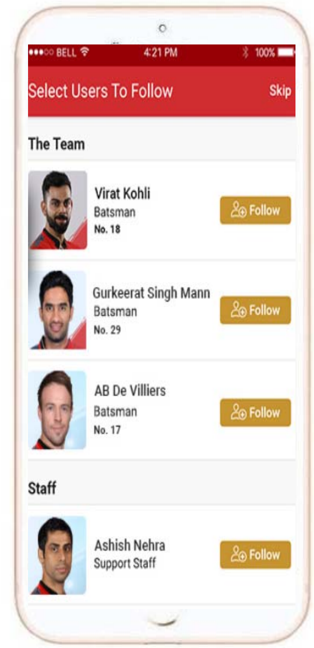
BRINGING PASSION POINT ALIVE THROUGH PURPOSE-LED MARKETING

#challengeaccepted campaign

RCB app





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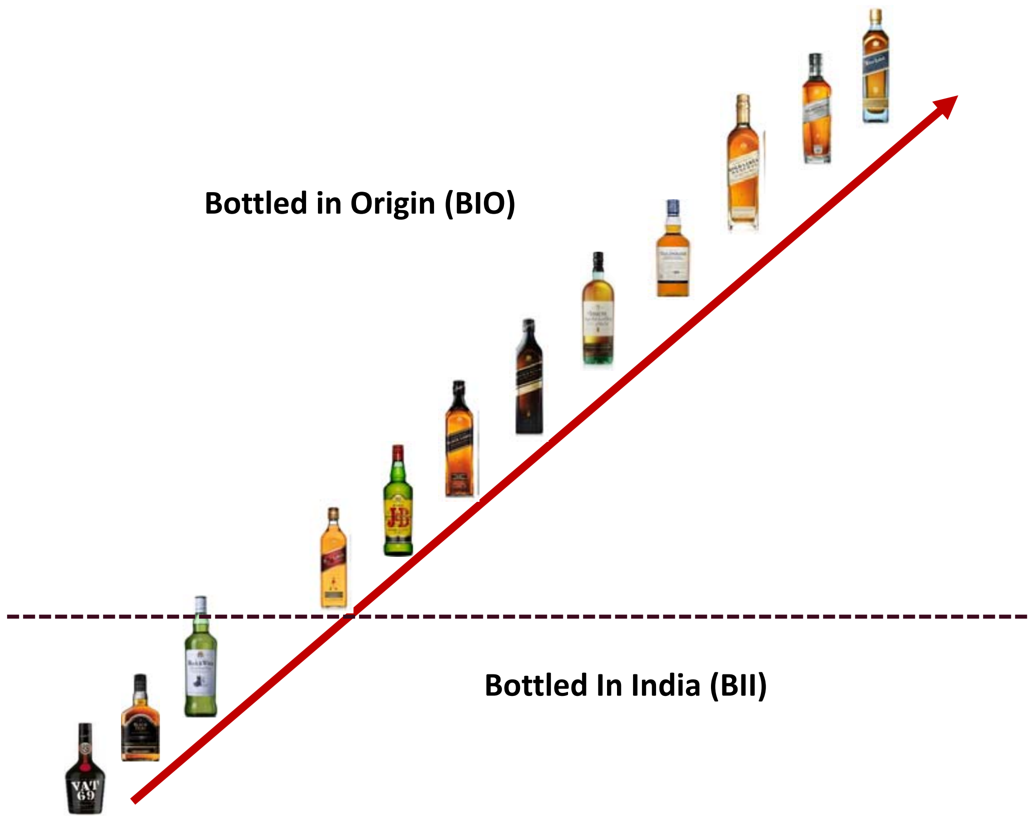
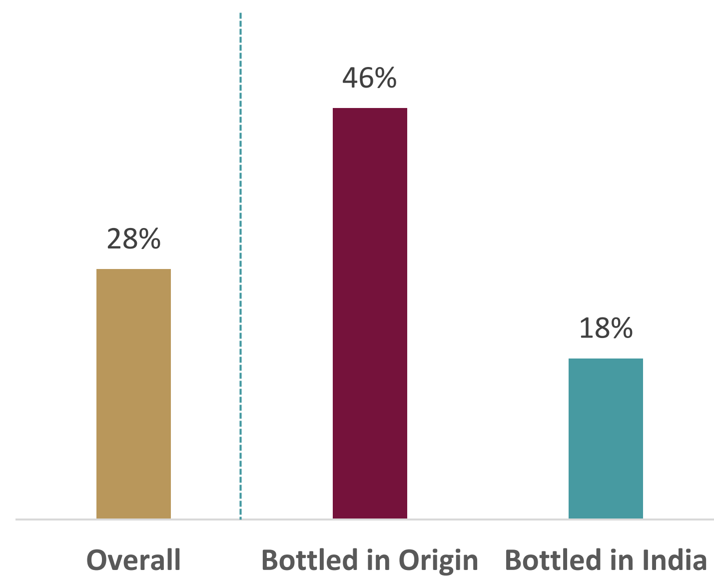
LEVERAGING OUR EXTENSIVE SCOTCH PORTFOLIO

OUR PORTFOLIO



F19 SCOTCH NET SALES GROWTH (%)



Strengthen & accelerate core brands

BRINGING CATEGORY VIBRANCY THROUGH INNOVATION

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A DIAGEO Group Company

RE-RECRUIT

through new variants

RECRUIT

through new propositions

DISRUPT

through untapped categories

Strengthen & accelerate core brands

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MAKING SCOTCH HIP: RECRUITING NEW CONSUMERS

OUR FIVE STRATEGIC PRIORITIES

UNITED SPIRITS
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5 Strategic Priorities

Strengthen & accelerate core brands	Evolve route to consumer	Drive productivity to invest in growth	Corporate citizenship	Winning organization

UNITED SPIRITS
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MULTI-PRONGED APPROACH

AFFLUENT INDIA

Unique experiences, Weddings & Banquets

MIDDLE INDIA

Leverage outlets to build brand equity

ASPIRING INDIA

Focus on retained states, support franchisees

UNITED SPIRITS
A DIAGEO Group Company

ENABLING THE MULTIPRONGED APPROACH

Affluent India

- Dedicated team driving joint business planning with top 1300 Key Accounts
- Bespoke brand experiences

Middle India

- Clear outlet execution standards
- Customized activations at brand-state-channel level

Aspiring India

- Dedicated teams driving distribution in retained states
- Strengthened engagement with Franchise partners

IT INITIATIVES

MASTER DATA MANAGEMENT	SALES FORCE AUTOMATION	POWER BI DASHBOARDS	EDGE INDIA - ADVANCED ANALYTICS	EDGE INDIA - TRAX

OUR FIVE STRATEGIC PRIORITIES

UNITED SPIRITS
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UNITED SPIRITS
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PRODUCTIVITY IS NOW EMBEDDED IN OUR ORGANIZATION

Net Revenue Management	• Efficient commercial spends • Positive price/mix from P&A growth
COGS	• Rate and feature optimization • Manufacturing footprint optimisation
Marketing	• Efficiency in agency and point of sale costs • Catalyst to calculate & improve ROI
Overheads	• Right size the organisation • Tight control on discretionary costs
Interest costs	• Debt reduction of INR 676 Cr. during FY19 • Interest cost saving of INR 48 Cr. during FY19

F19

Gross margin improvement +21bps

EBITDA margin improvement +175bps

PAT margin improvement +46 bps

OUR FIVE STRATEGIC PRIORITIES

UNITED SPIRITS
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5 Strategic Priorities

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CORPORATE CITIZENSHIP

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Shape regulatory environment

Relatively modest ED hikes

Partner with regulators on policy reform

Change reputation of industry

Alcohol in Society: Road safety, underage consumption

Building thriving communities: Project SHE

ALCOHOL IN SOCIETY: ROAD SAFETY PROGRAM

UNITED SPIRITS
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Expanding regional reach for Road Safety Program

Road Safety Week with local universities

BUILDING THRIVING COMMUNITIES

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Women empowerment: Health & Sanitation

Women Self Help Group who produce and market sanitary napkins to improve sanitation and create livelihood at Alwar, Rajasthan

Water replenishment

Pond excavation work done in Udaipur, Rajasthan increasing the storing capacity by 4114 cu. mtr.

OUR FIVE STRATEGIC PRIORITIES

UNITED SPIRITS
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To be one of the best performing, most trusted and respected consumer products companies in India

5 Strategic Priorities				
Strengthen & accelerate core brands	Evolve route to consumer	Drive productivity to invest in growth	Corporate citizenship	Winning organization

Winning organization

UNITED SPIRITS
A DIAGEO Group Company

BUILDING A FUTURE READY ORGANISATION

Attracting and developing ***talent***

Enhancing ***diversity***

SHARING OUR MESSAGE ON DIVERSITY

Black&White

Winning organization

UNITED SPIRITS
A DIAGEO Group Company

BUILDING A FUTURE READY ORGANISATION

Attracting and developing ***talent***

Enhancing ***diversity***

Driving ***Simplification***

Building a ***high performance culture***

WHAT WE WILL COVER TODAY

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A DIAGEO Group Company

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UNITED SPIRITS
A DIAGEO Group Company
SANJEEV CHURIWALA
EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER
3 JUNE 2019

F19 IN A NUTSHELL

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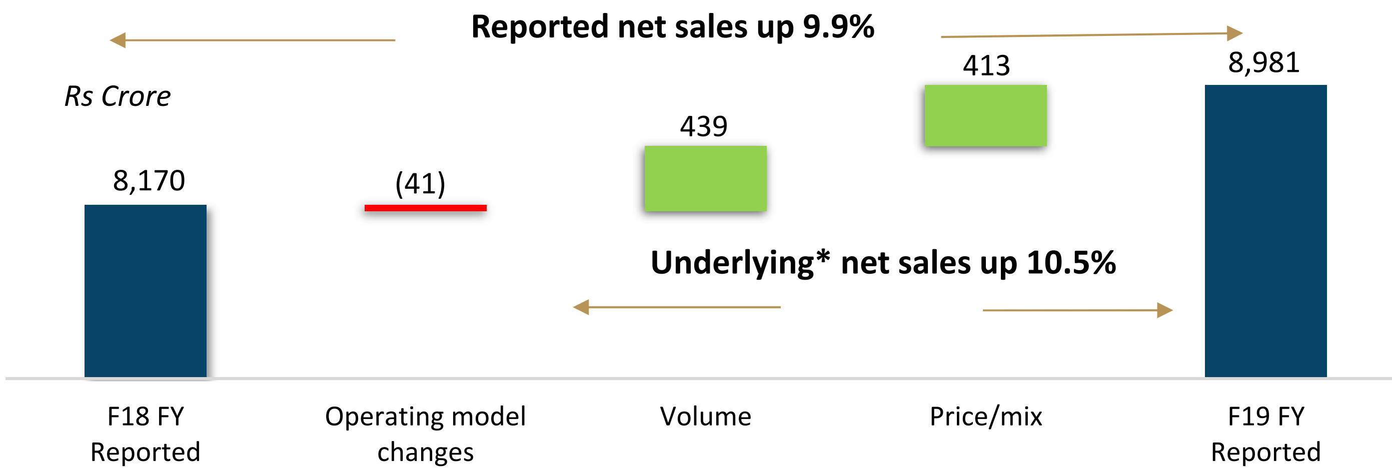
NET SALES GREW DOUBLE-DIGIT, WITH P&A SEGMENT GROWING FASTER

UNITED SPIRITS
A DIAGEO Group Company



	Reported net sales % FY19	Underlying* net sales % FY19
Prestige & Above	**15.2**	**15.2**
Popular	**(0.1)**	**1.4**
Total	**9.9**	**10.5**

** Underlying movement excludes the one off impact of operating model changes*

UNDERLYING* VOLUME GROWTH OF 5.4%

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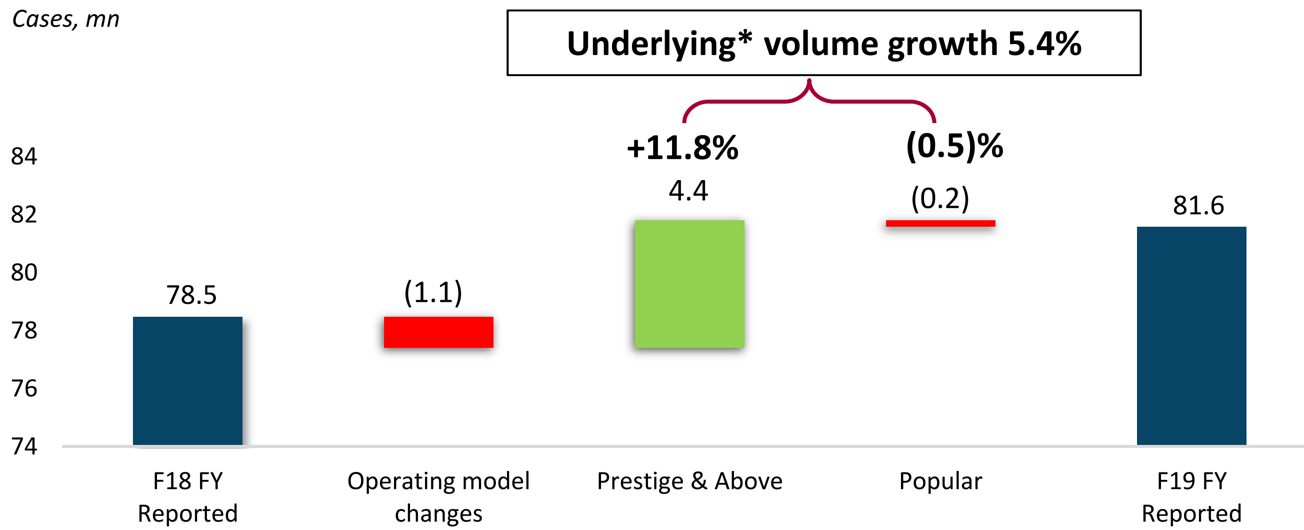

	Reported volume %	Underlying volume %	Price Mix
P&A	11.8	11.8	3.4
Popular	(3.1)	(0.5)	1.9
Total	4.0	5.4	5.1

** Underlying movement excludes the one off impact of operating model changes*

CONSISTENT PROGRESS TOWARDS PREMIUMISATION

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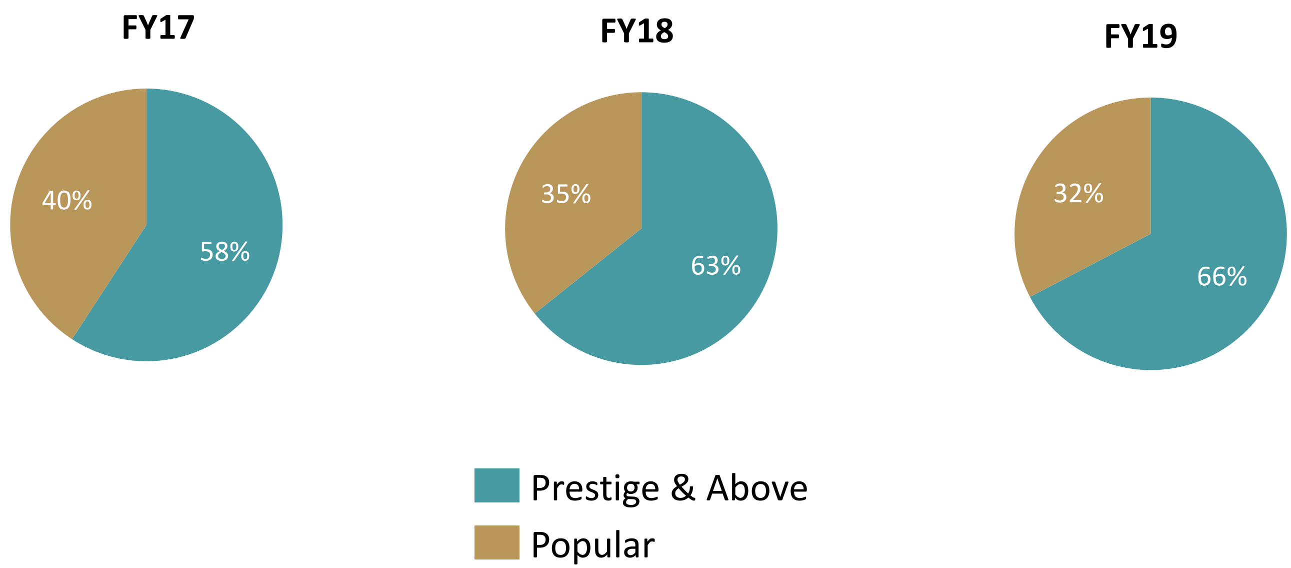
NET SALES BY SEGMENT (%)



** The total doesn't add up to 100%; the rest is "Other lines of business"*

EBITDA GROWTH OF 25%, EBITDA MARGIN EXPANSION OF 175BPS

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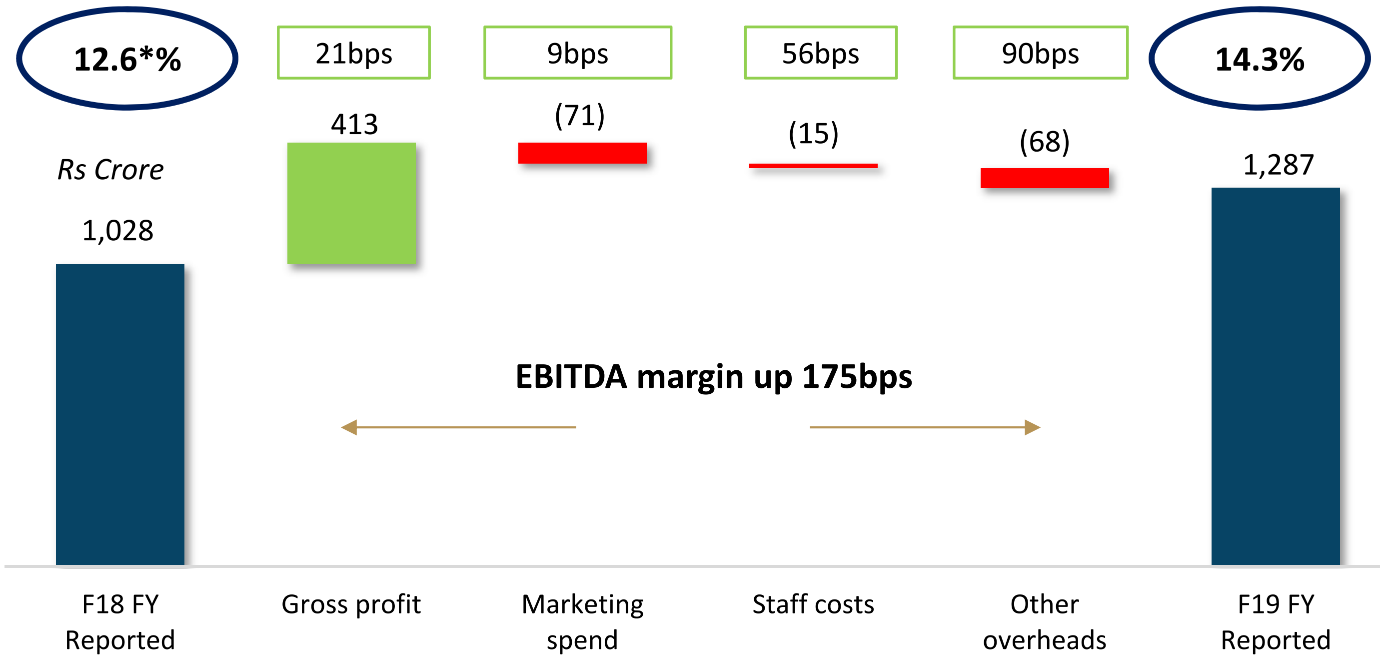

Underlying EBITDA margin excluding the impact of operating model changes, one-off restructuring costs expanded by 174bps.
**Reported EBITDA margin for F18 has gone up by 10bps due to some regrouping as explained in the published financials.*

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PAT GROWTH OF 17%

FURTHER DELEVERAGING BALANCE SHEET

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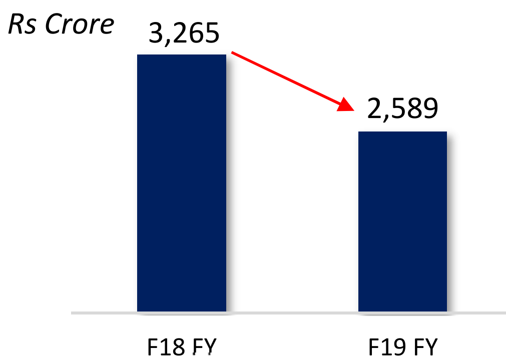
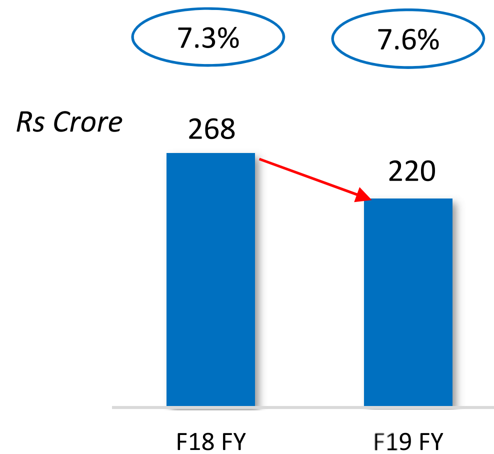
Net debt

Reduction of Rs. 676 Cr.



Interest

Interest cost saving of Rs. 48Cr.



CONTINUED FOCUS ON CASH MANAGEMENT

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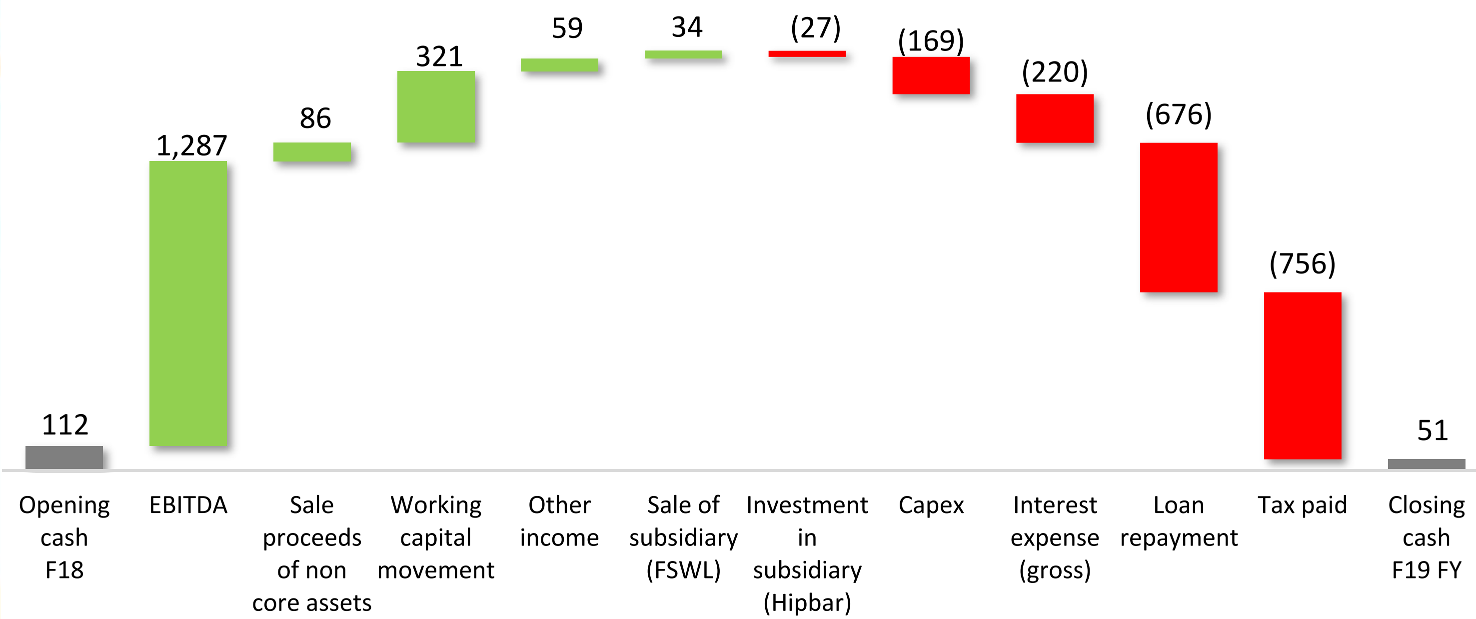
Rs. Crore



FURTHER IMPROVEMENT IN KEY FINANCIAL INDICATORS

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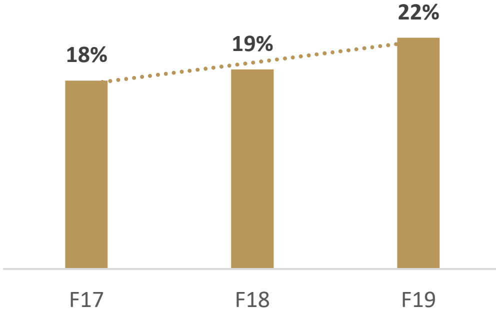
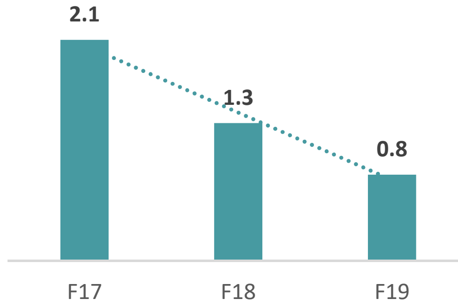
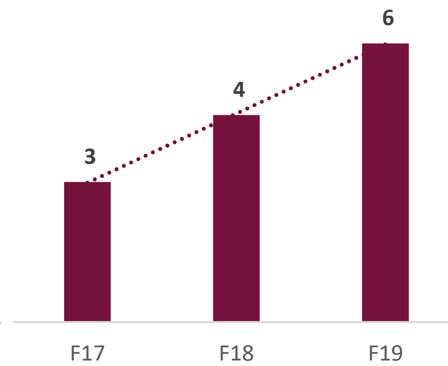
Return on Capital Employed

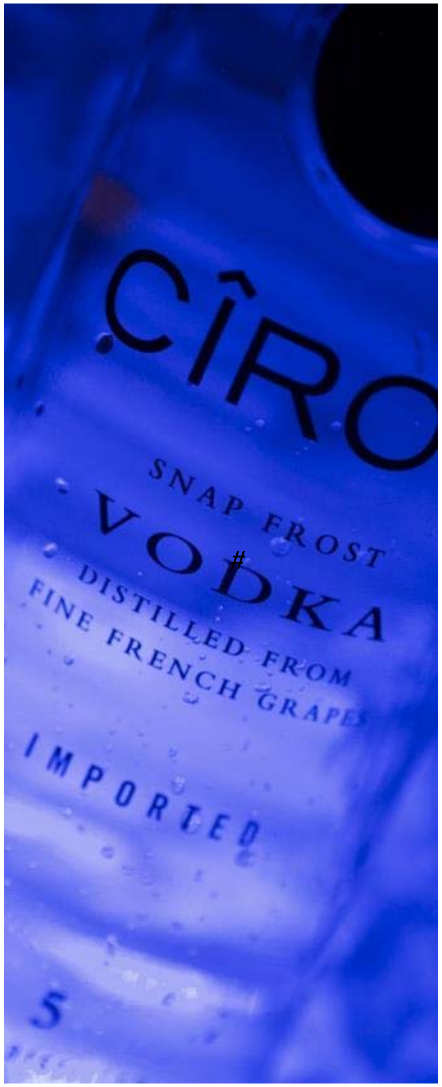


Debt-Equity ratio



Interest Coverage ratio





CREATING VALUE FOR OUR SHAREHOLDERS

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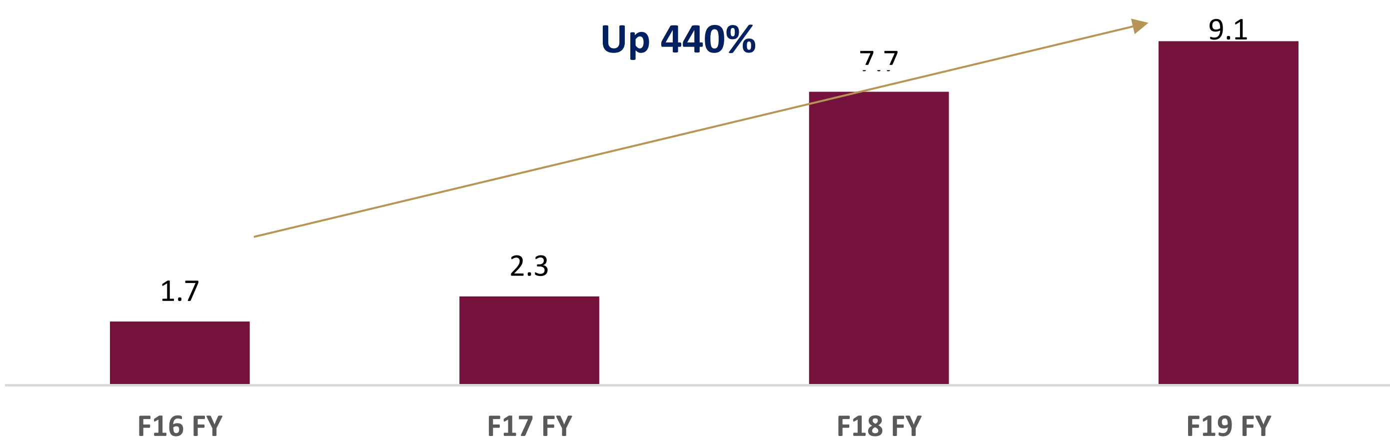
EPS Rs/share



** EPS has been retrospectively adjusted for the 1:5 stock split that became effective in F19*

WHAT WE WILL COVER TODAY

UNITED SPIRITS
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FY19 REVIEW

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CONFIDENCE IN THE FUTURE

EVOLUTION OF CONSUMER LANDSCAPE

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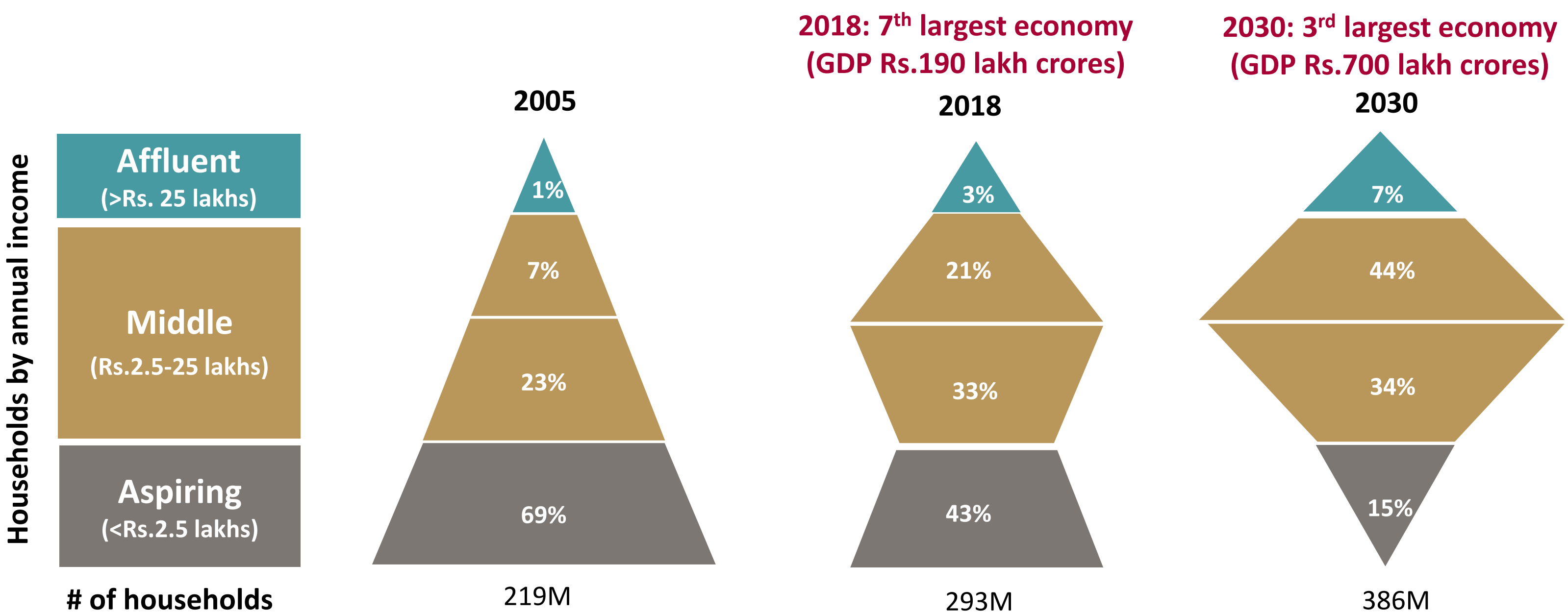

India is a young nation

- ~45% of India's population is <25 years; ~65% is <35 years
- ~17m people enter Legal Drinking Age* each year in India

Source: World Economic Forum-Bain report, Census of India (for 2016), Internal analysis
*Legal Drinking Age assumed as >21 years for Spirits; period 2016-21

GROWING PER CAPITA CONSUMPTION AND PREMIUMIZATION

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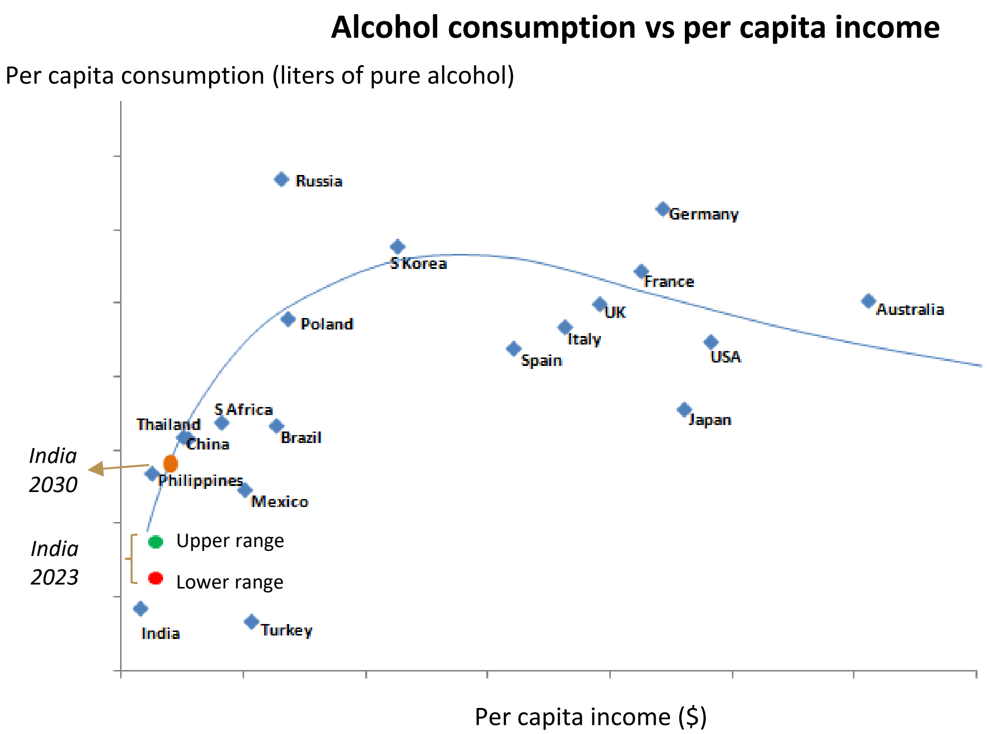
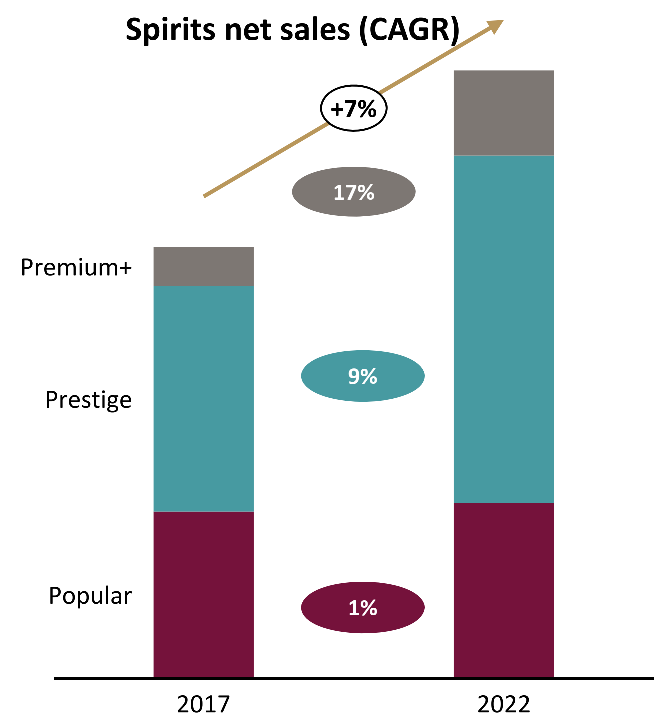
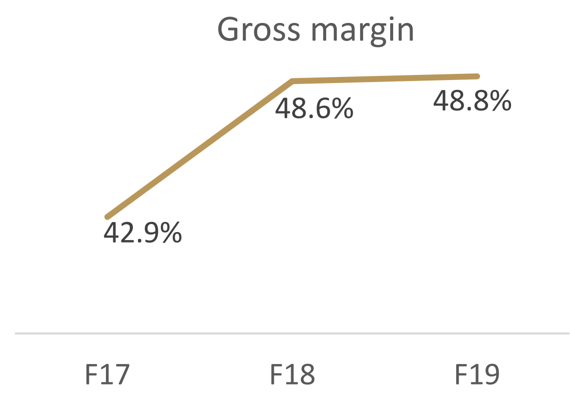


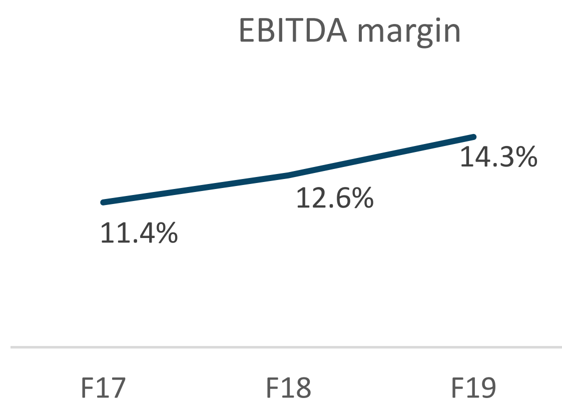
Source: David Turtle model

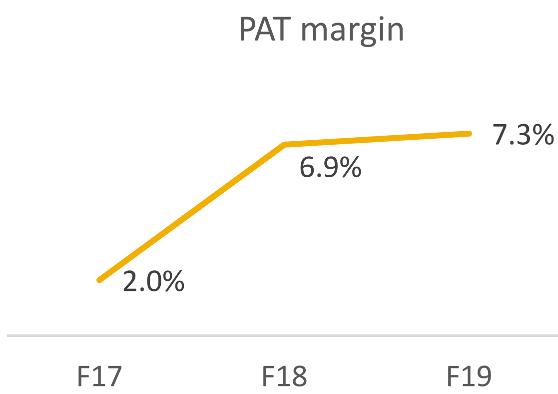


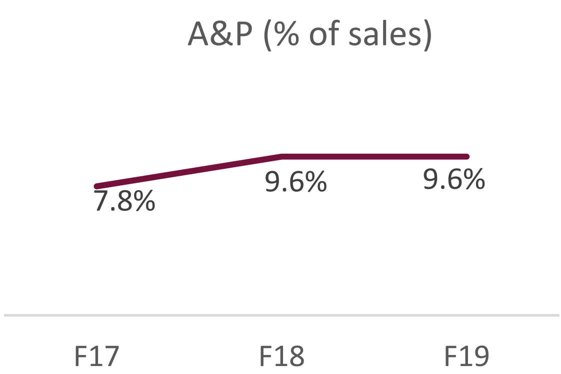
Source: IWSR, , Internal estimates

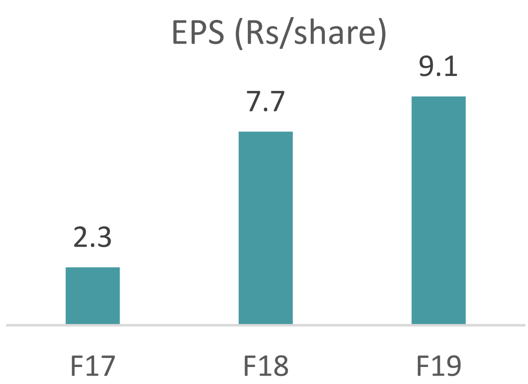
CONSISTENT DELIVERY ACROSS P&L











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CONFIDENCE IN THE FUTURE

UNITED SPIRITS
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India continues to present an attractive market opportunity

Consistent progress on our strategic priorities

Transforming business to harness the future

Medium Term Goal

Grow topline by double digit and improve EBITDA margin to mid-high teens


BAGPIPER
Director's Special
VAT 69
Black & White
BLACK DOG
TRIPLE GOLD RESERVE
BLACK LABEL
McDowell's
No1
ORIGINAL
ROYAL CHALLENGE
WHISKY
Signature
Antiquity
CÎROC
VODKA
SMIRNOFF
WHITE MISCHIEF

THANK YOU