

**DIAGEO**

INDIA

United Spirits Limited

Registered Office:

UB Tower

#24 Vittal Mallya Road,

Bengaluru 560 001

Tel: +91 80 4544 8000

Fax: +91 80 3985 6862

[www.diageoindia.com](http://www.diageoindia.com)

30<sup>th</sup> May 2022

BSE Limited  
Listing Department  
Dalal Street,  
Mumbai 400 001  
Scrip Code: 532432

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

Dear Sirs,

**Sub: Investor Presentation**

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our intimation dated 19<sup>th</sup> May 2022 regarding investors' call, enclosed presentation which will be used in the call. The same is being uploaded on our website.

This is for your information and records.

Thank you.

For United Spirits Limited

Mital Sanghvi  
Company Secretary

Encl: as above





UNITED SPIRITS LIMITED

*Investor Meet*  
30<sup>TH</sup> MAY 2022

# TODAY'S AGENDA

FY22 Progress on Strategy

1

FY22 Financial Highlights

2

Looking Ahead

3

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# PROGRESS ON STRATEGY

Top performing CPG company in India delivering  
sustained double-digit, profitable topline growth

&

long-term value to *all* our Stakeholders

Great Place to  
Work

*Organization  
of the Future*

Leveraged  
Growth

*Portfolio  
Re-shape*

*Diageo in Society*

ESG for Stakeholder Value

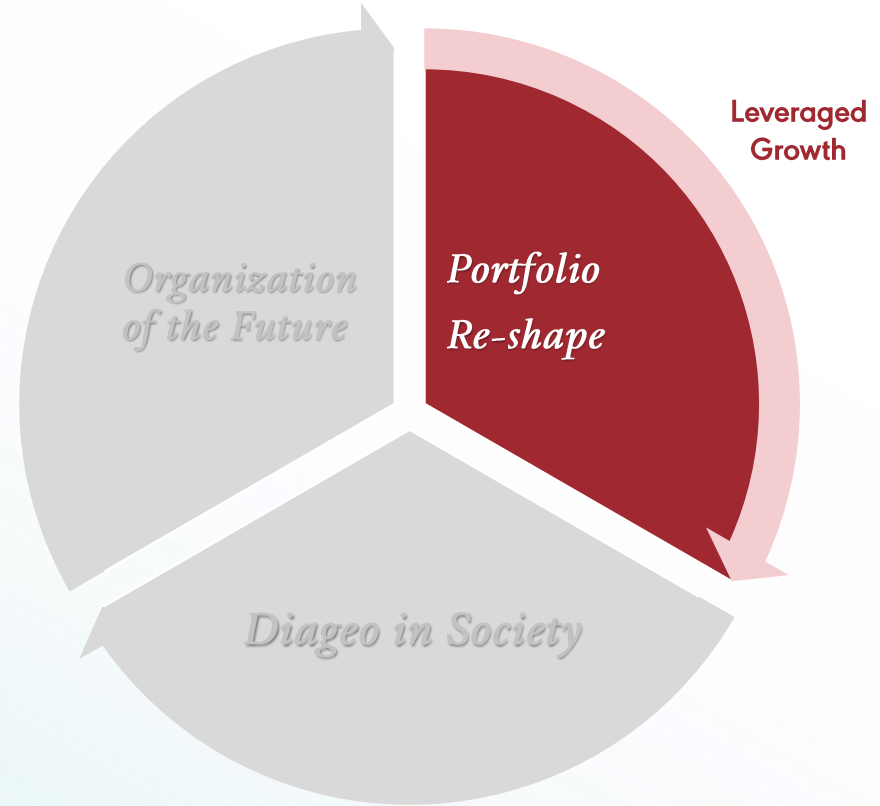


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# 'POPULAR PORTFOLIO STRATEGIC REVIEW' - *What changes after closure*

|                   | Current State | Future State |
|-------------------|---------------|--------------|
| Volume            | 79M cases     | 56M cases    |
| NSV               | ₹ 9.3k Cr     | ₹ 8k Cr      |
| P&A NSV Saliency  | 74%           | 85%          |
| Popular Portfolio | 47 Brands     | 15 Brands    |

# ACCELERATE LUXURY AND PREMIUM PORTFOLIO

## JOHNNIE WALKER

JW INSPIRES 100 MN INDIANS TO KEEP WALKING



BRINGING BACK THE VIBE TO AFTERHOURS



ICONIC VISIBILITY AT STORES



## BLACK & WHITE WINNING IN SOCIAL OCCASIONS



HESTON BLUMENTHAL  
PARTNERSHIP

IN STORE VISIBILITY



HIPSTER SCALEUP



## BLACK DOG RENOVATING AN ICON

RENOVATION REFRAMES WITH NEW CODES



CAMPAIGN WITH KEIRA KNIGHTLEY TO  
BUILD CREDENTIALS





# PORTFOLIO RESHAPE: PRESTIGE

*Strengthen Play in Upper Prestige*

## SIGNATURE



## RC AMERICAN PRIDE



*Reshape Value Proposition in Lower & Mid Prestige*

## Royal Challenge



# RIDING THE T20 SEASON WITH #NO1YAARICHEERS

**YAAD RAKHNA SAB THIS YEAR  
YAARI KI BHASHA AB HAI CHEER**



OFFICIAL CELEBRATION  
PARTNERS



IF AD NOT RELEVANT, PLEASE OPT OUT

# NEW GROWTH ENGINES



*Epitome Reserve*



*Godawan*



*Nao Spirits*

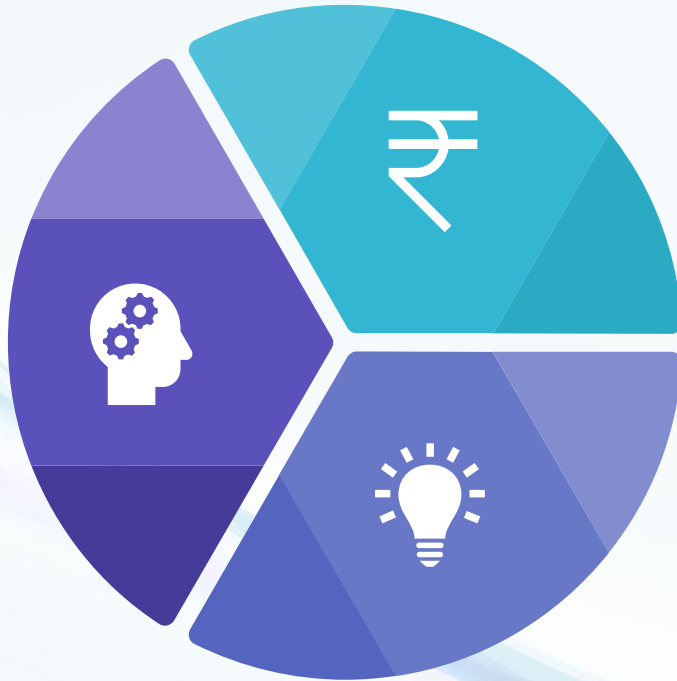
## INDUSTRY'S REACTION....

What's heartening for me personally apart from one more excellent whisky joining the pantheon, is that a company like Diageo has embraced Indian craft spirits, thereby giving the entire craft spirits ecosystem in India a welcome vote of confidence. It also marks that innovation is not solely confined to small and mid-sized companies, but that big boys can dance too. Godawan's success in the marketplace, however, is yet to be determined, but definitely a critical first step has been taken. I, for one, am also waiting for when no doubt the next set of malts in the series is launched!



**Vikram Achanta** is founder and CEO of **Tulleeho**, a drinks training and consulting firm, and a co-founder of [www.tulleeho.com](http://www.tulleeho.com), a drinks website. He is also co-founder of 30 Best Bars India, India's first bar awards and ranking platform. His Instagram handle is @rumdoodle69.

# VALUE CHAIN EFFICIENCY EXTRACTION



## *Net Revenue Management*

- Price Mix
- Leveraging consumer tailwinds
- Margin rich 'Product Launches'

## *Productivity*

- COGS
- Marketing
- Overheads

## *Investing Smartly*

- A&P
- Capex



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*Diageo in Society*

# ORG OF THE FUTURE

Here are the results for the Your Voice survey:



We launched the bar.com  
<https://in.thebar.com/>

*#RadicalLiberation*

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ESG for Stakeholder Value

# DRIVING ESG FROM 'GRAIN TO GLASS'



*Learning for Life:*  
Business and hospitality  
skills programme



*Water Stewardship*



*Plastic Waste EPR*



*Net ZERO carbon*

# SIGNIFICANT PACKAGING SUSTAINABILITY INITIATIVES IN '22-'23

1

*100% Bio- degradable  
& Recyclable Hipster  
packs*



2



*IBC & Mono-carton removal*



3

*Extended  
Producer's  
Responsibility*



4

*Digital Track  
& Trace*





# MOVING INDIA TOWARDS 'DRINK BETTER, NOT MORE'



## Curbing Underage consumption



## Anti Drink Drive: Wrong Side of the road



## Moderation



# LEADING INCLUSION & DIVERSITY

Continue to drive industry leading *progressive narratives, ideas & conversations*



Signature



J&B



Smirnoff



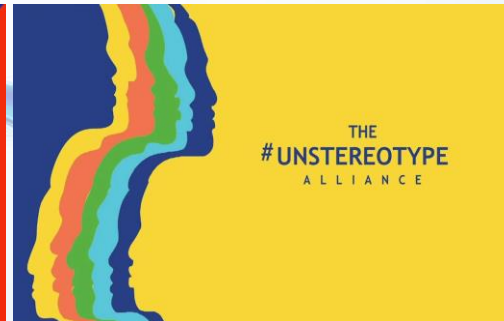
Black Dog



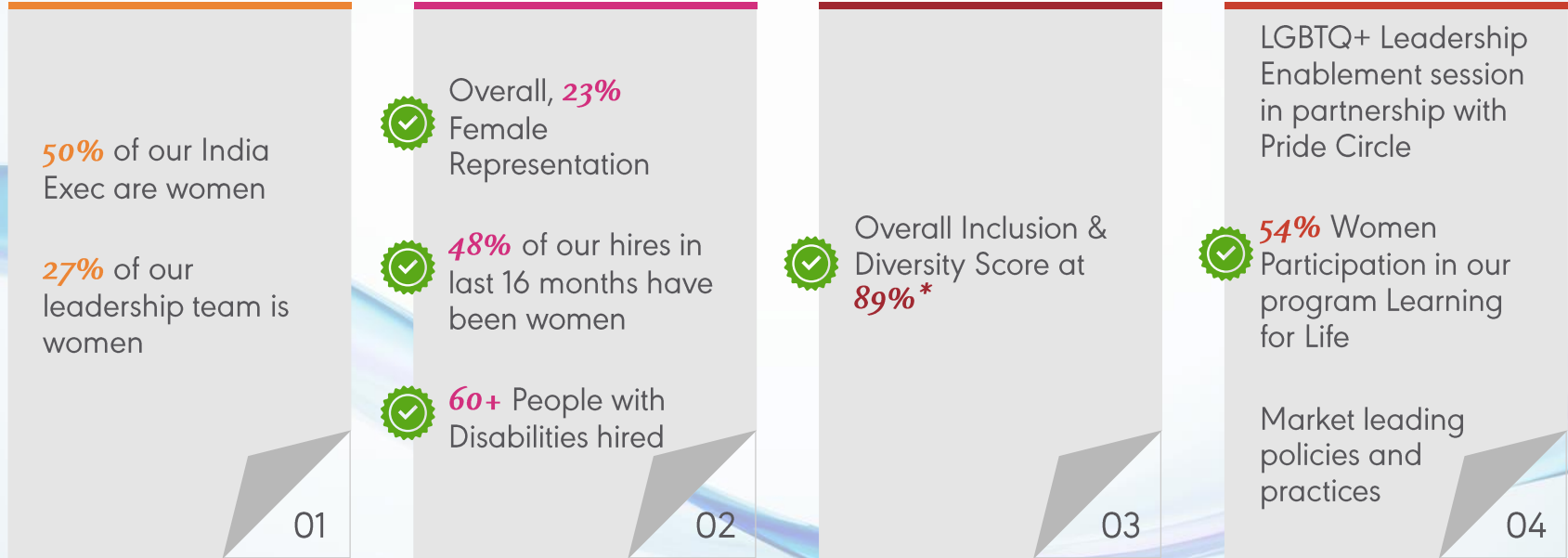
Gordon's

Led & championed initiatives & partnerships that put *inclusion, equity & diversity at the heart of it*

PROGRESSIVE  
GENDER PORTRAYAL



# TALENT REPRESENTATION & INCLUSIVE LEADERSHIP



Launched "Thriving through menopause" policy for Diageo India

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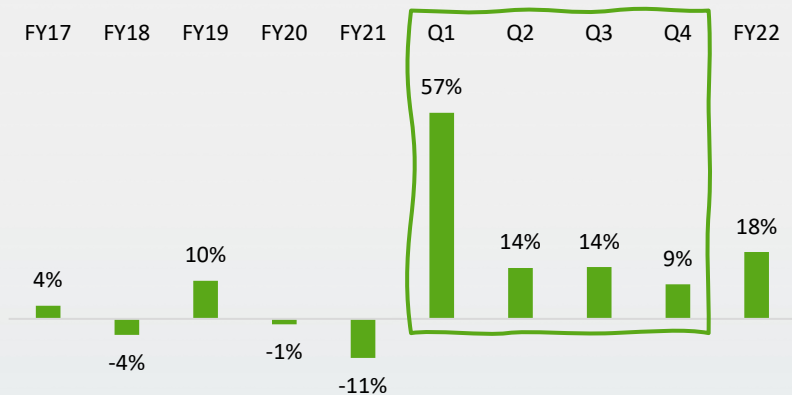
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Looking Ahead

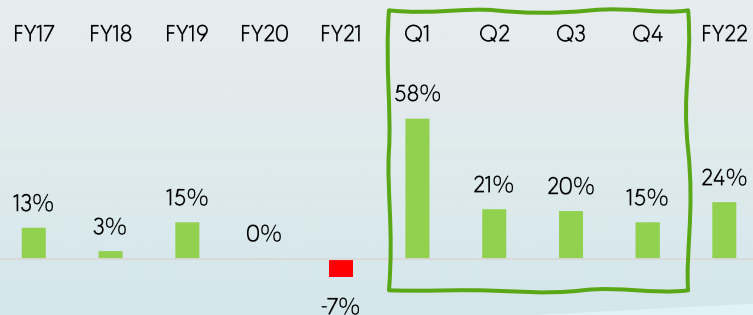
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# ACCELERATED TOP LINE MOMENTUM THRU THE YEAR

## Underlying Sales trend



## P&A Sales trend



**FY22 Net Sales: 9,382 Crores**

**Net Sales growth: 18.9%<sup>1</sup>**

**P&A growth: 23.6%**

**Gross Margin: 43.6% (+25 bps)**

**EBITDA Margin: 16.1% (+358 bps)<sup>2</sup>**

**PAT Margin: 8.2% (+427 bps)**

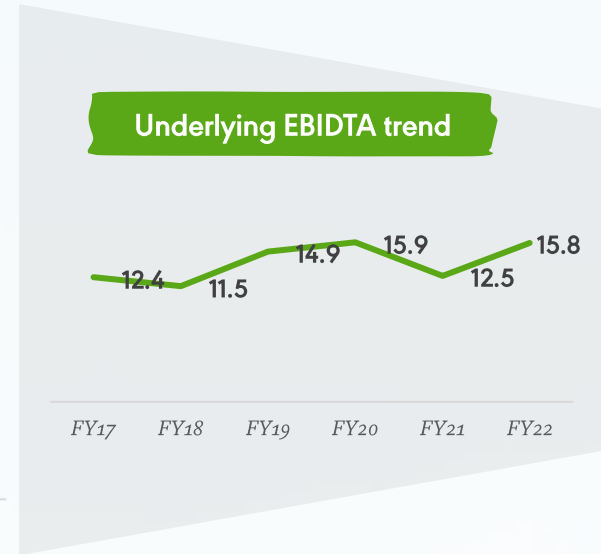
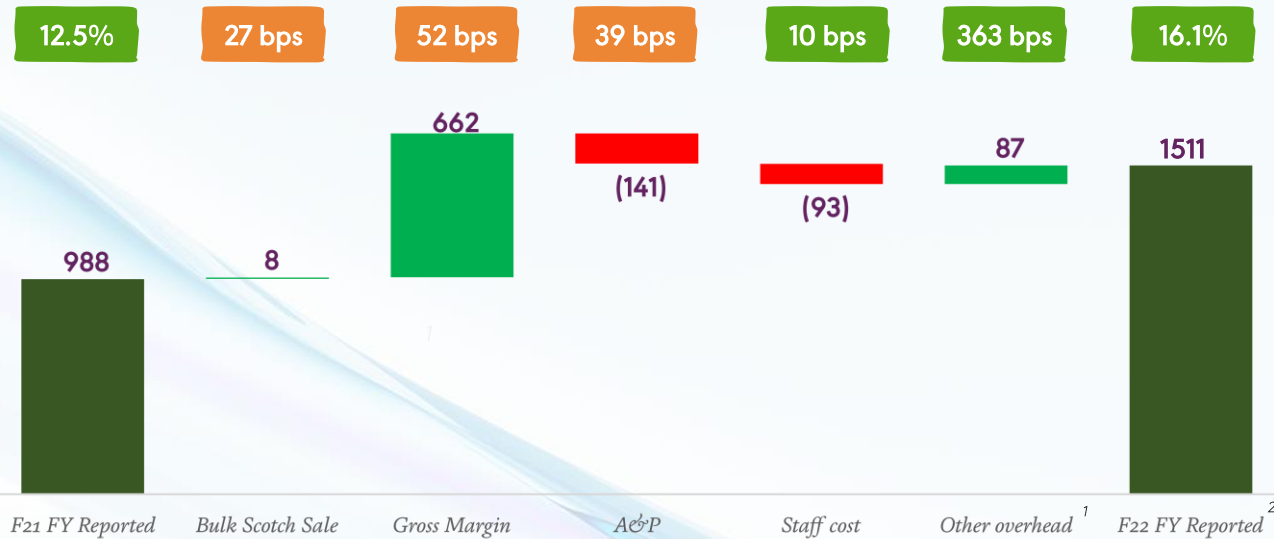
<sup>1</sup> Underlying net sales increased 18.4%, excluding one-off bulk Scotch sale.

<sup>2</sup> Underlying EBITDA margin excluding one-off bulk Scotch sale increased 247bps



# EBITDA MARGIN BACK TO PRE-COVID LEVELS

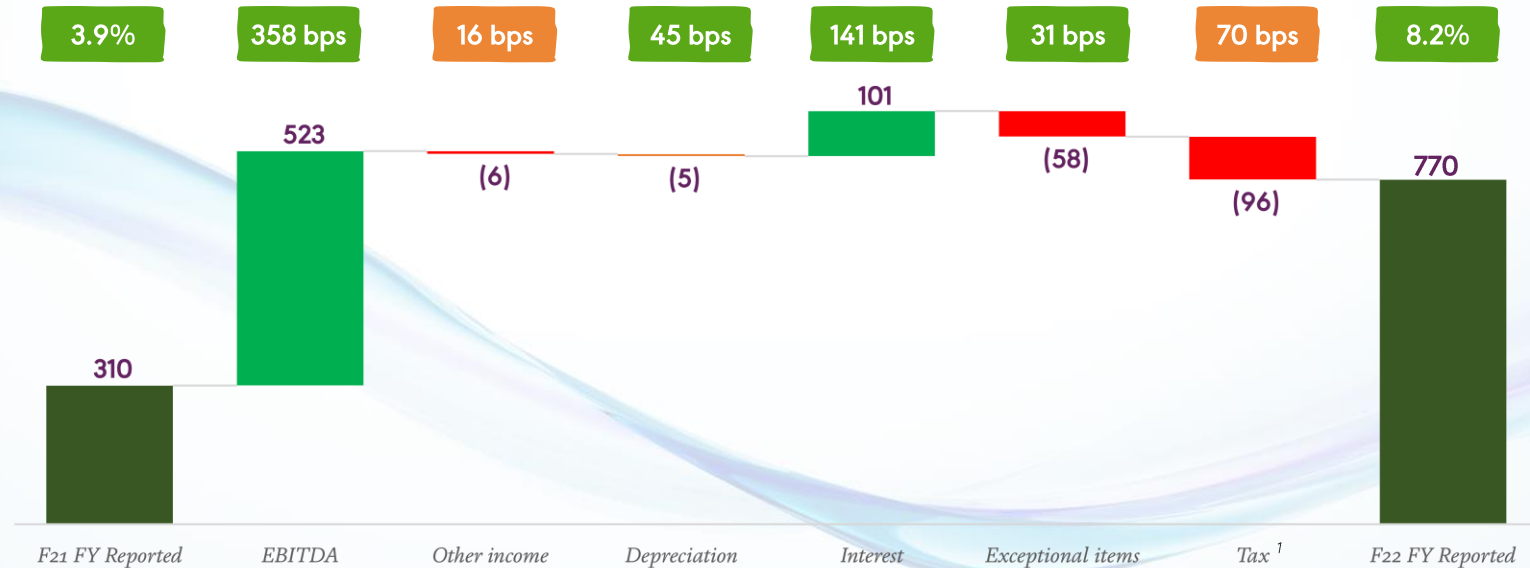
Figures in Rs. Crores



<sup>1</sup> Excluding one-off expense in prior year and a net one-off tax reversal in Q2, underlying overheads improved 270 bps  
<sup>2</sup> Excluding one-off and bulk scotch sale gain, underlying EBITDA increased 247 bps

# AND PAT MARGIN REFLECTING THE TOPLINE RECOVERY AIDED BY LOWER INTEREST COSTS

Figures in Rs. Crores



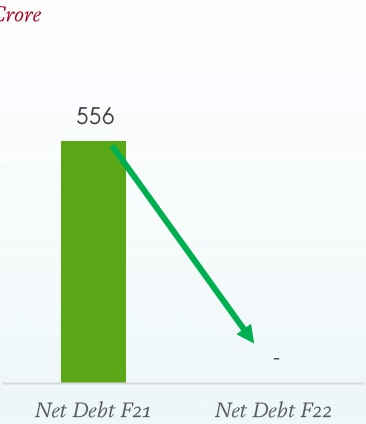
# STRONG CASH FLOW ENABLING DEBT FREE STATUS DURING THE YEAR



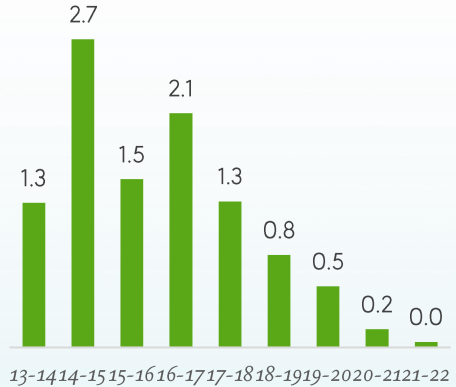
# IMPROVING FINANCIAL LEVERAGE

Debt reduction 556 Crores & interest saving of ₹101 Cr.

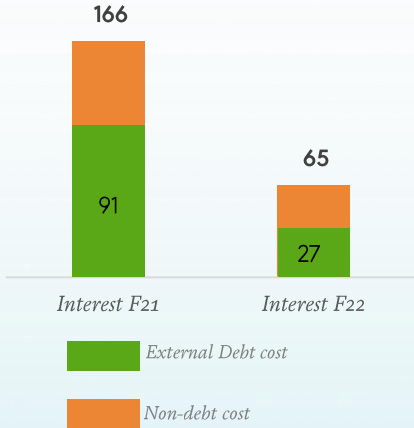
## Net Debt



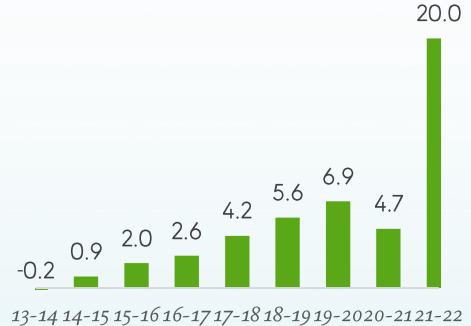
## Debt Equity ratio



## Interest Cost



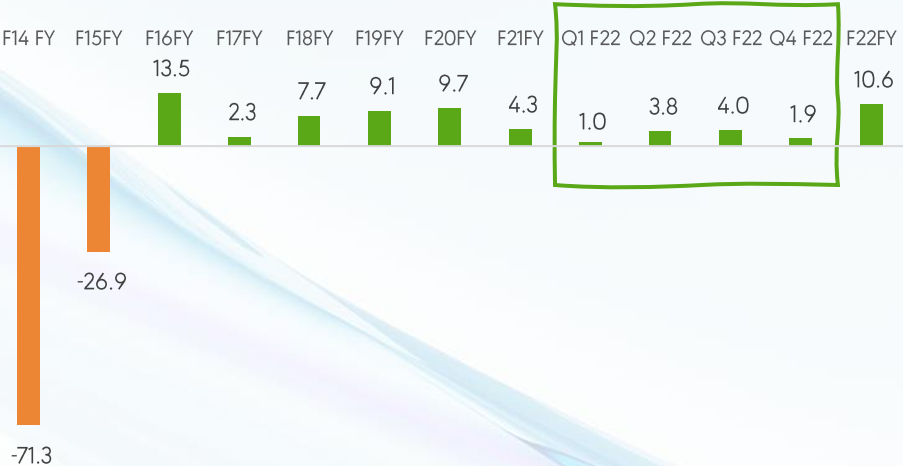
## Interest Coverage ratio



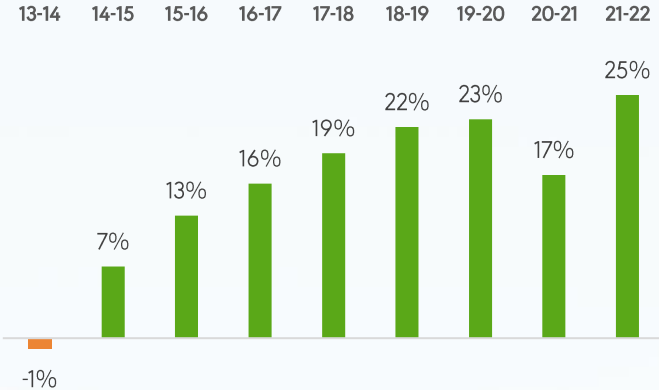
CRISIL upgraded its USL rating on its bank facilities to 'CRISIL AAA/Stable/CRISIL A1+'

# AND CREATING VALUE FOR OUR SHAREHOLDERS

## EPS Rs/ share



## Return on capital employed



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



# CONCLUDED STRATEGIC REVIEW OF *Select popular brands*

**UNITED SPIRITS**  
A DIAGEO Group Company



**inbrew**  
BEVERAGES

- 11 Brands
- Royalty payable over 5 years
- Legal title remains with USL

**Slump  
Sale**

- 32 Brands
- Consideration ₹828.5 Cr

**Fixed Term  
Franchise  
Agreement**

- Franchise with perpetual right to use brands OR acquire the brands
- Consideration - INR 1331 Cr

**Option**

- Transfer of 1 manufacturing facility & 4 Contract manufacturing arrangements
- Transaction completion by 30th Sept

**Others**

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## WHILE SHORT TERM OPERATING ENVIRONMENT REMAINS CHALLENGING

WE REMAIN *Confident on our strategy and the future*

Significant inflationary headwinds

Global supply chain disruptions

Geopolitical tension

Overall consumer price inflation

Regulated Price Increases

- *Demographics & Premiumisation headroom*
- *Portfolio Strength*
- *Our People & Culture*
- *Diageo in Society*
- *Proven Productivity Muscle*
- *Regulatory environment tailwinds*

# THANK YOU

If you wish to ask a question, please dial-in to the following numbers. Please log out of the webcast if you ask a question to avoid echo/voice quality issues.

|                         |                                      |
|-------------------------|--------------------------------------|
| Universal Dial-In       | +91 22 6280 1250<br>+91 22 7115 8151 |
| International Toll Free |                                      |
| Hong Kong               | 800964448                            |
| Singapore               | 8001012045                           |
| UK                      | 08081011573                          |
| USA                     | 18667462133                          |
| International Toll      |                                      |
| HongKong                | 85230186877                          |
| Singapore               | 6531575746                           |
| UK                      | 442034785524                         |
| USA                     | 13233868721                          |