



# Investor Presentation

## Fiscal Year 2023

As of August 3, 2022

A decorative collage of food and nature images in the top corners. The top-left corner shows a close-up of orange carrots and green leafy vegetables. The top-right corner features a variety of fresh vegetables including red and yellow bell peppers, green and red tomatoes, and yellow corn cobs. The bottom-right corner shows a close-up of brown, textured food, possibly a salad or roasted vegetables. The bottom-left corner shows a close-up of green trees against a blue sky.

# Forward Looking Information

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company cautions readers that any statements contained herein regarding financial condition, results of operation, and future business plans, operations, opportunities, and prospects for its performance are forward-looking statements based upon management’s current knowledge and assumptions about future events, and involve risks and uncertainties that could cause actual results, performance, or achievements to be materially different from any anticipated results, prospects, performance, or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, impacts of the COVID-19 pandemic; success in pursuing strategic investments or acquisitions and integration of new businesses and the impact of these new businesses on future results; product purchased not meeting quality and quantity requirements; reliance on a few large customers; its ability to maintain effective information technology systems and safeguard confidential information; anticipated levels of demand for and supply of its products and services; costs incurred in providing these products and services; timing of shipments to customers; changes in market structure; government regulation and other stakeholder expectations; economic and political conditions in the countries in which we and our customers operate, including the ongoing impacts from the conflict in Ukraine; product taxation; industry consolidation and evolution; changes in exchange rates and interest rates; impacts of regulation and litigation on its customers; industry-specific risks related to its plant-based ingredient businesses; exposure to certain regulatory and financial risks related to climate change; changes in estimates and assumptions underlying its critical accounting policies; the promulgation and adoption of new accounting standards, new government regulations and interpretation of existing standards and regulations; and general economic, political, market, and weather conditions. Actual results, therefore, could vary from those expected. A further list and description of these risks, uncertainties, and other factors can be found in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2022, and in other documents the Company files with the Securities and Exchange Commission. This information should be read in conjunction with the Annual Report on Form 10-K for the year ended March 31, 2022 and the Form 10-Q for the most recently ended fiscal quarter. The Company cautions investors not to place undue reliance on any forward-looking statements as these statements speak only as of the date when made, and it undertakes no obligation to update any forward-looking statements made.

## Web Disclosure

Universal Corporation’s website, [www.universalcorp.com](http://www.universalcorp.com), is the primary source of publicly disclosed news about Universal Corporation and its operating companies. Those wishing to stay on top of company news can sign up for email alerts by going to Investor Relations in the website’s Investor section.

A decorative collage of various fresh vegetables including carrots, green leafy vegetables, bell peppers, tomatoes, and mushrooms, arranged in a triangular pattern at the top of the page.

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# Investment Highlights



# Universal Corporation At-A-Glance

Agri-Products Supplier	Leading Global Leaf Tobacco Supplier
Founded	1918
Annual Revenue*	\$2.1 B
Market Cap**	\$1.5 B
Dividend yield**	5.22%
Dividend track record	Over 50 years of consecutive annual common stock dividend increases
Countries	>30

\* As of 3/31/2022

\*\* As of 6/30/2022



# Why Universal

The leading  
global  
leaf tobacco  
supplier

Experienced  
management  
team  
with proven track  
record

Long history of  
returning value to  
shareholders  
through  
dividends and  
share  
repurchases

Full service leaf  
tobacco provider  
with long  
standing supplier  
and customer  
relationships

Defensible leaf  
tobacco market  
position given  
strong barriers  
to entry

Building out a  
plant-based  
ingredients  
platform with  
recent acquisitions





# Focus on Creating Shareholder Value



# Capital Allocation Strategy

The Company's capital allocation strategy focuses on four strategic items listed below in order of priority:

- 1 Strengthening and investing for growth in our leaf tobacco business;
  - 2 Increasing our strong dividend;
  - 3 Exploring growth opportunities in plant-based ingredients businesses that utilize our assets and capabilities; and
  - 4 Returning excess capital through share repurchases
- We review our capital allocation on an annual basis



A decorative header featuring a collage of images: carrots and green leaves on the left, and a variety of fruits including bell peppers, tomatoes, and lemons on the right. The title text is overlaid on a white background in the center.

# Strengthening and Investing for Growth in our Leaf Tobacco Business

**We see opportunities in our leaf tobacco business to:**

- Increase the services we provide our customers;
- Provide further supply chain efficiencies; and
- Expand our market share



# Increasing our Strong Dividend

- After we announced a 36% increase in our annual dividend in May 2018, we have continued to increase our dividend annually to reach the current annualized dividend of \$3.16
- We are proud of our more than 50-year history of dividend increases, and we intend to continue that tradition
- We are focused on sustainable shareholder value



# Exploring Growth Opportunities in Plant-Based Ingredients Businesses that Utilize our Assets and Capabilities

- We look for opportunities outside of our leaf tobacco business that position us for long-term success
- We remain committed to maintaining our investment-grade credit rating
- We announced the completion of our first such acquisition, FruitSmart, Inc., in early January 2020
- We expanded our plant-based ingredients platform in October 2020 with the completion of our acquisition of Silva International, Inc. (“Silva”)
- On October 4, 2021, we announced the closing of our purchase of Shank’s Extracts, LLC (“Shank’s”), a privately-held, specialty ingredient, flavoring, and food company with bottling and packaging capabilities





# Returning Excess Capital Through Share Repurchases

- When there are no other investment alternatives to create shareholder value, we will return excess funds to shareholders



# Creating Shareholder Value

Sustainable dividend payout

Demonstrated ability to  
generate free cash flow

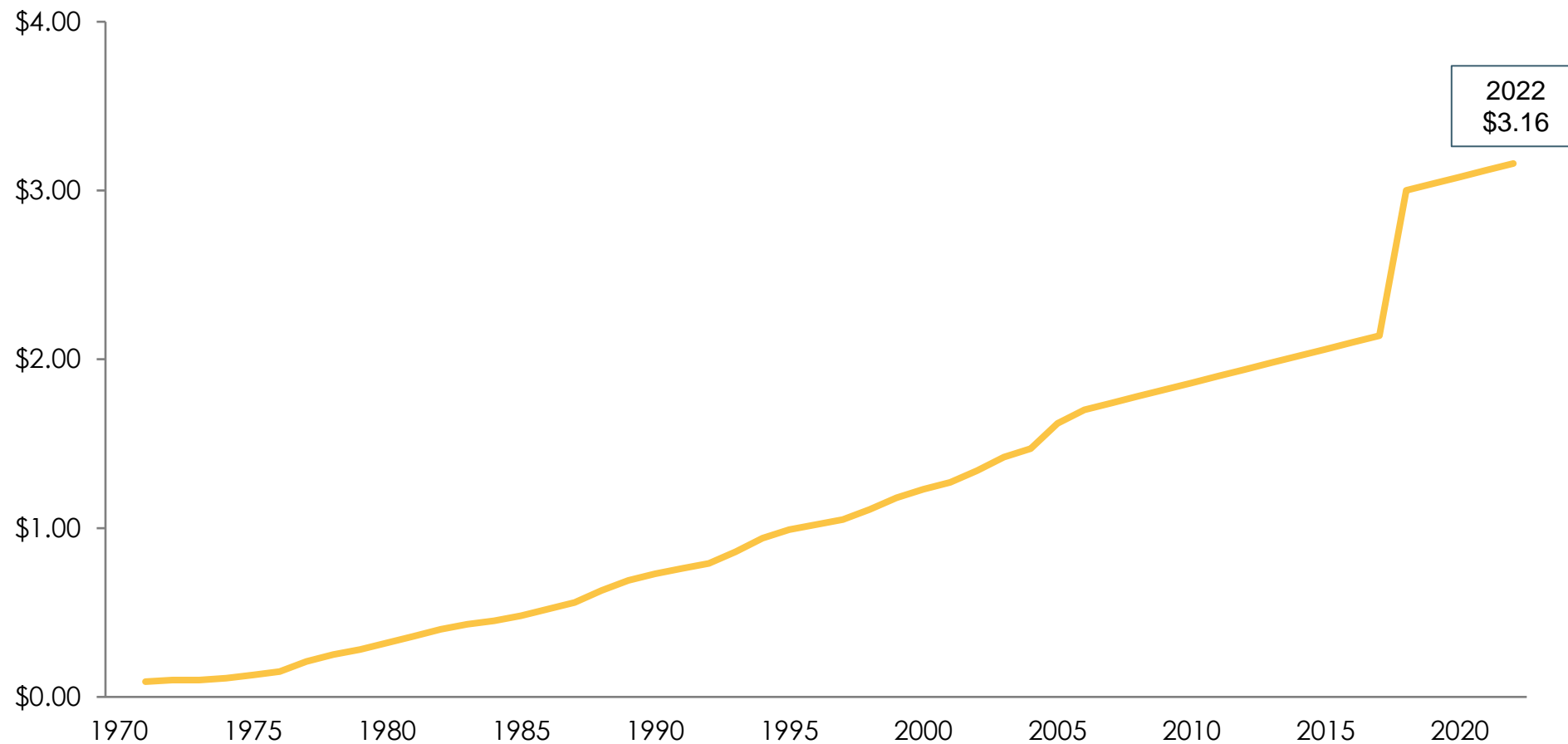
Low capital investment  
required to maintain  
leaf tobacco business

Healthy balance sheet  
allowing for flexibility

Continued commitment to  
over 50-year tradition of  
increasing dividends paid

# Dividend History

Over 50 consecutive years of increase in common stock dividend





# Business Opportunities and Trends



Continue to increase market share in our tobacco operations

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Continue to assess opportunities for supply chain efficiencies and restructurings that help reduce costs

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Expand services provided to our tobacco customers

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Continue to be part of the supply chain for next generation tobacco products

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Continue growth in our plant-based ingredients platform

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# Sustainability

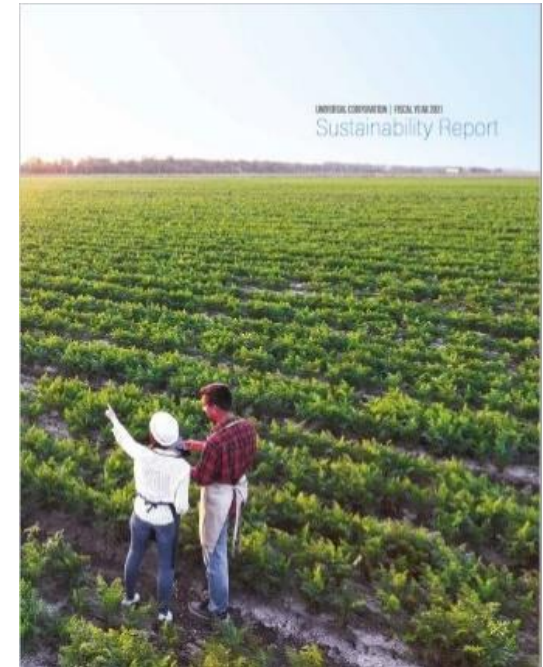
# Sustainability at Universal





# Sustainability at Universal

- Our commitment to sustainability encompasses a wide array of programs and initiatives
- We have committed to annual sustainability reporting
- Our Nominating and Corporate Governance Committee oversees our Environment, Social and Governance programs
- Sustainability effort with respect to our facilities and with our supply chain focus on agricultural labor practices and environmental impacts
- Universal Corporation has been recognized as a 2021 Supplier Engagement Leader by CDP, a non-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts
  - The top 8% of assessed companies were selected as 2021 Supplier Engagement Leaders
- Recently completed submission to CDP on climate change, forestry, and water risk
- Engaged third party to aid in analyzing and communicating our climate change policy as well as to provide independent verification of our results



**To read the full Universal Corporation Sustainability Report for Fiscal Year 2021, please click link below:**

<http://universalcorp.com/Resources/Practices/2021%20Universal%20Sustainability%20Report.pdf>

# Agricultural Labor Practices<sup>1</sup>

## Universal Commits to:

- No child labor on contracted farms by Calendar Year (CY) 2025
- Access to personal protective equipment (PPE) for farmers and farm workers on contracted farms where we supply crop inputs by CY 2022
- Minimum wage paid to farm workers on contracted farms by CY 2022
- Appropriate farm worker accommodations on contracted farms by CY 2022, where applicable



Source tobacco through  
**185,000+**  
direct contracted growers



**~ 2,300**  
Agronomists and leaf technicians  
who work directly with growers

**1,600,000+**

Farm Visits and Contacts by  
Field Technicians



# Environmental Impacts<sup>1</sup>



## Universal Commits to:

- Reduce absolute Scope 1 and 2 Greenhouse Gases (GHG) emissions 30% by CY 2030 from a 2020 base year and Scope 3 GHG emissions from purchased goods and services 30% within the same timeframe
- Collect 5 Million Liters of Rainwater annually for operational use by CY 2025
- Compost or recycle 75% of waste annually by CY 2025

RAINWATER  
COLLECTED

**2.9**  
MILLION LITERS

PERCENT  
COMPOSTED

**10%**

PERCENT  
RECYCLED

**72%**

SCOPE 1 EMISSIONS

**114,537**  
TONS OF CO<sub>2</sub>e

SCOPE 2 EMISSIONS

**48,349**  
TONS OF CO<sub>2</sub>e



**~12,000,000**  
Planted Trees in FY2020 Crop  
Season

**23,000+**

Improved Flue-Cured Curing Barns  
Around the World





# Benefits of a Supply Chain Focused on Sustainability



## FOR FARMERS

- Shared best practices to help improve yields and value and promote fair labor practices
- Focused and proactive support from leaf technicians
- Access to global marketplace



## FOR CUSTOMERS

- Responsibly sourced products that suit each customer's requirements
- Greater transparency on compliance with good agricultural and labor practices
- A more responsive tobacco supply chain



Universal

## FOR UNIVERSAL

- Broad customer support
- Focus on efficiency and diversity in the supply footprint
- Development of mutually beneficial relationships with farmers and supply chain stakeholders



# Financial Overview



# First Quarter FY2023 Results

## Highlights

- We are pleased with our start to fiscal year 2023
- We continued to effectively navigate increased costs, particularly rising prices for green leaf tobacco, and shipping constraints
- We shipped a greater amount of carryover tobacco out of Brazil in the quarter compared to the same quarter in the prior fiscal year
- Our plant-based ingredients platform continued to exceed our expectations
- Results for our Tobacco Operations segment were down modestly in the quarter, largely on unfavorable foreign currency comparisons due to the strong U.S. dollar
- Sales for all of our businesses in the Ingredients Operations segment were up in the quarter ended June 30, 2022, compared to the quarter ended June 30, 2021, with strong volumes for both human and pet food product categories
- Elevated borrowing levels reflect our acquisition of Shank's as well as higher tobacco inventory levels, largely due to higher green leaf tobacco prices and tobacco shipment timing.

<sup>1</sup> Non-GAAP measure. Please see Appendix

<sup>2</sup> Attributable to Universal Corporation. Universal holds less than 100% financial interest in certain consolidated subsidiaries, and a portion of net income is attributable to the non-controlling interests in those subsidiaries

## Summary Financials

In millions	Three Months Ended June 30,	
	2022	2021
Revenues	\$430	\$350
EBITDA <sup>1</sup>	\$27	\$23
Operating income	\$13	\$11
Adjusted operating income <sup>1</sup>	\$13	\$13
Segment operating income	\$13	\$13
Net income <sup>2</sup>	\$7	\$6
Adjusted net income <sup>1</sup>	\$6	\$7





# Fiscal Year Outlook (as reported August 3, 2022)

- Demand for leaf tobacco remains strong, and flue-cured, burley, oriental, and wrapper tobacco remain in an undersupply position
- Anticipating a reduction in African burley tobacco crop sizes due to weather conditions there
- Continuing to see increased costs for leaf tobacco across virtually all markets
- Ingredients Operations segment seeing rising costs for raw materials and the impact of higher freight costs
- Ingredients businesses working on new product development and strategies to serve the platform's diverse customers which utilize our portfolio of plant-based ingredients and botanical extracts and flavorings offerings
- Expect our seasonal borrowing levels to decrease in the second half of our fiscal year in line with our tobacco crop shipments, which are weighted to that period



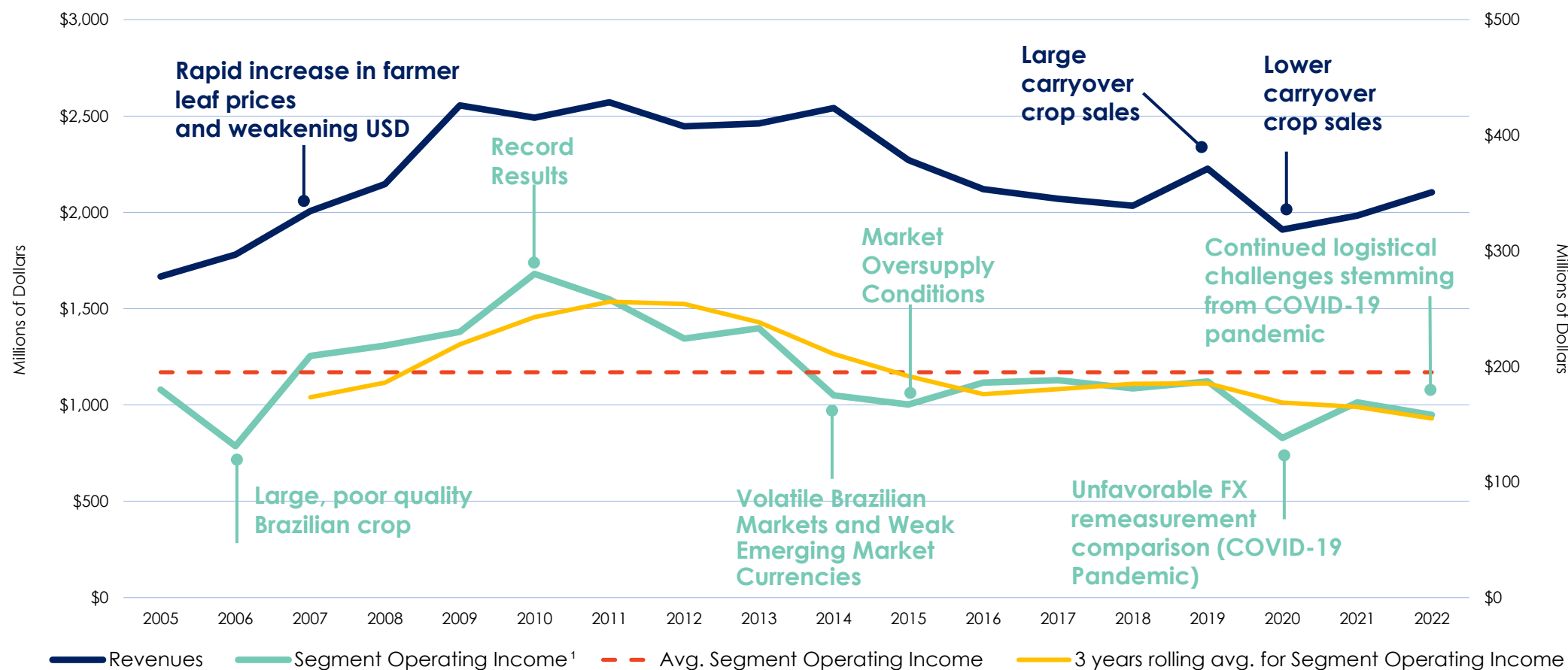
A decorative collage of various fresh vegetables including carrots, green beans, bell peppers, tomatoes, and leafy greens, arranged in a triangular pattern at the top of the slide.

# COVID-19 Pandemic Impact

- Have taken steps to mitigate potential risks
  - Employee and facility hygiene
  - Travel limitations
  - Work-from-home procedures
- Continue to assess and reevaluate protocols
- Have not experienced a material impact on our supply chain
- Increased volatility at times in foreign exchange rates
- Monitoring some logistical constraints around worldwide vessel and container availability and increased costs stemming from the ongoing COVID-19 pandemic

# Segment Revenues and Operating Income

(By Fiscal Year)



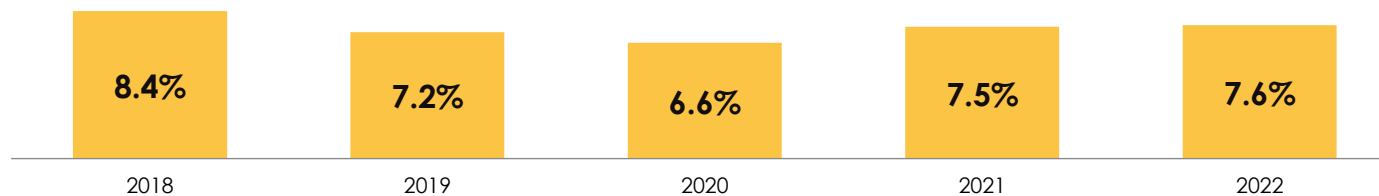
<sup>1</sup> Segment operating income includes equity in pretax earnings of unconsolidated affiliates and excludes restructuring and impairment charges and certain non-operating items as presented in our audited financial statements. Total segment operating income is a non-GAAP measure. See Appendix.

# Financial Results

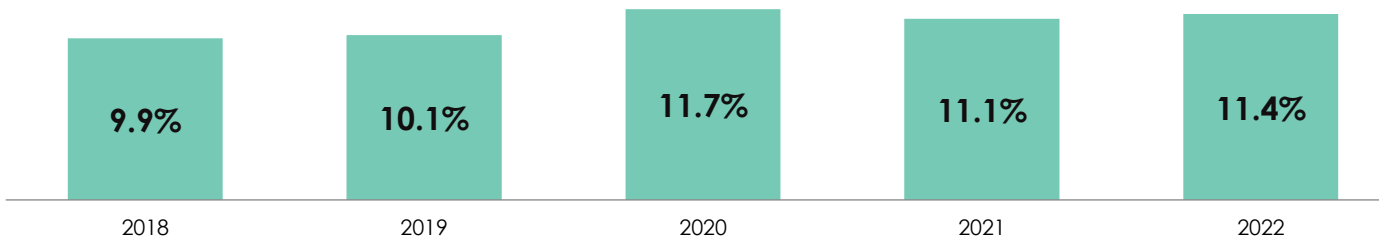
(By Fiscal Year)

In millions	FY 2018 <sup>1</sup>	FY 2019 <sup>1</sup>	FY 2020 <sup>1</sup>	FY 2021 <sup>1</sup>	FY 2022 <sup>1</sup>
Revenues	\$2,034	\$2,227	\$1,910	\$1,983	\$2,104
EBITDA <sup>2</sup>	\$215	\$204	\$169	\$195	\$219
Operating income	\$171	\$161	\$126	\$148	\$160
Net income <sup>3</sup>	\$106	\$104	\$72	\$87	\$87

## Operating Margin



## SG&A as a % of Sales



<sup>1</sup> Results include the net effect of unusual items. See Appendix for details.

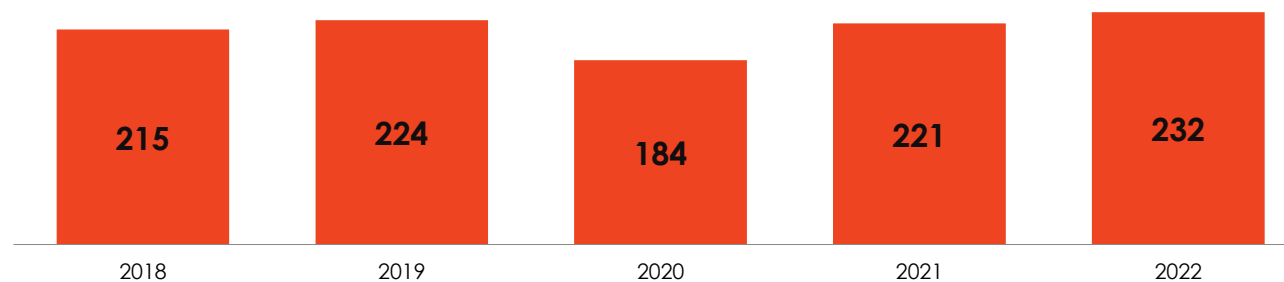
<sup>2</sup> Non-GAAP measure. Please see Appendix

<sup>3</sup> Attributable to Universal Corporation. Universal holds less than 100% financial interest in certain consolidated subsidiaries, and a portion of net income is attributable to the non- controlling interests in those subsidiaries.

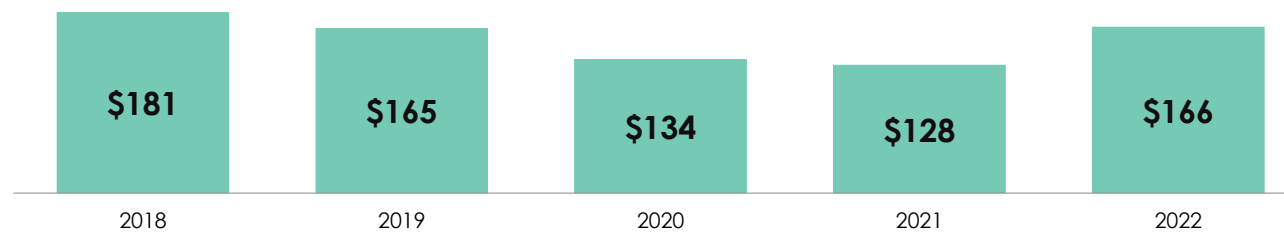
# Financial Results (continued)

(By Fiscal Year)

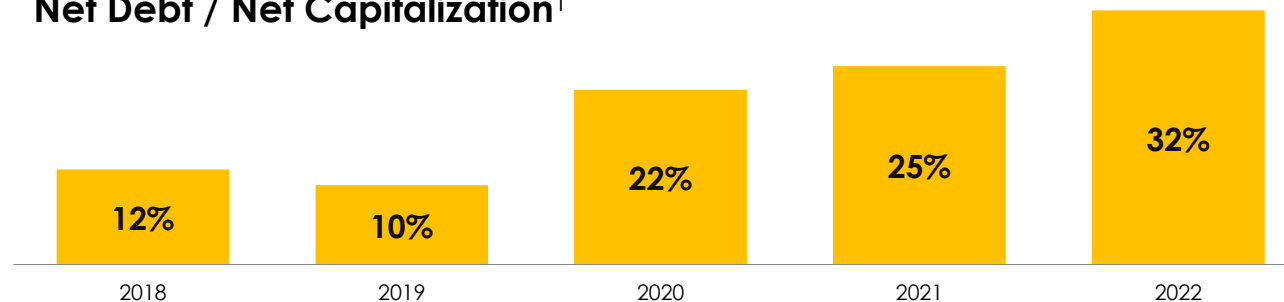
## Adjusted EBITDA<sup>1</sup>



## Free Cash Flow<sup>1</sup>



## Net Debt / Net Capitalization<sup>1</sup>



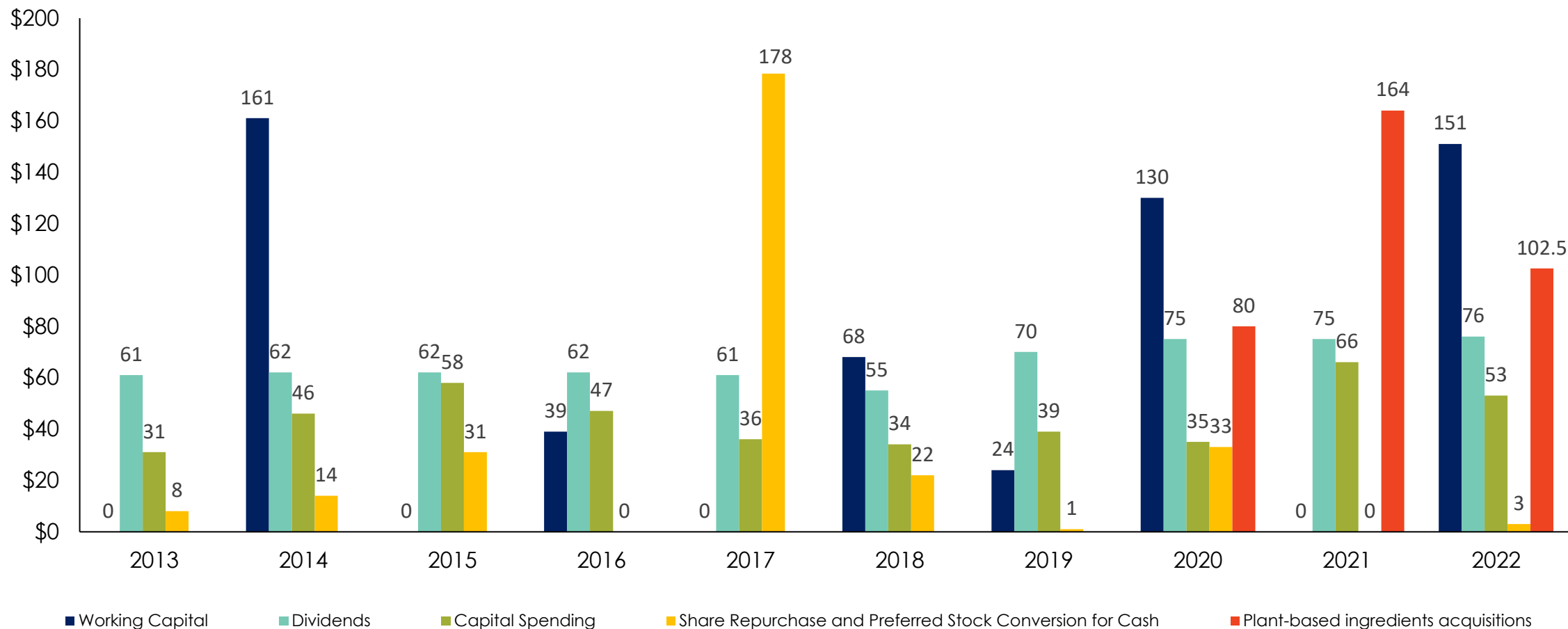
<sup>1</sup> Non-GAAP measure. Please see Appendix. Free cash flow defined as EBITDA –Capex

<sup>2</sup> Plant-based ingredients acquisitions



# Universal's Uses of Cash

(In Millions)





# Working Capital

Universal's working capital resource requirements are predominately short-term in nature

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Most working capital needs are for tobacco crop purchases

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Working capital needs for tobacco crops are seasonal within each geographic region - peak working capital requirements are generally reached during the first and second fiscal quarters

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Seasonal borrowing requirements largely relate to purchasing tobacco crops in South America and Africa

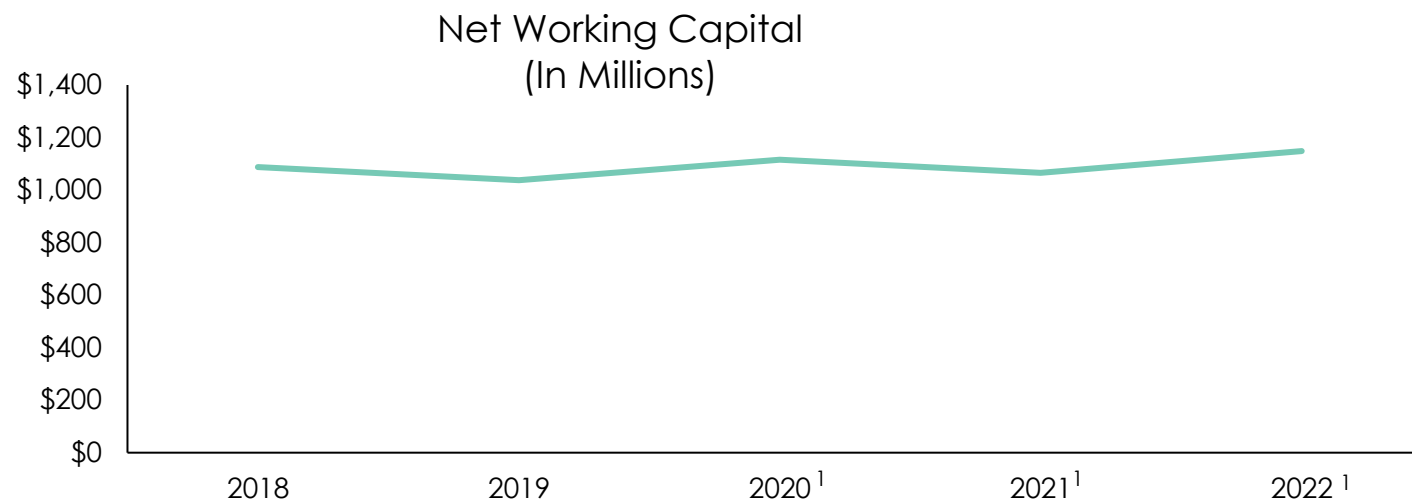
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Available capital resources include cash balances, a committed revolving credit facility, uncommitted lines of credit and long-term debt

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# Working Capital

- An important part of our role is to provide working capital to fund seasonal tobacco crop purchases
- We utilize over \$1 Billion of Net Working Capital each tobacco crop year



We consider net working capital to exclude cash and accounts receivable



# Tobacco Operations

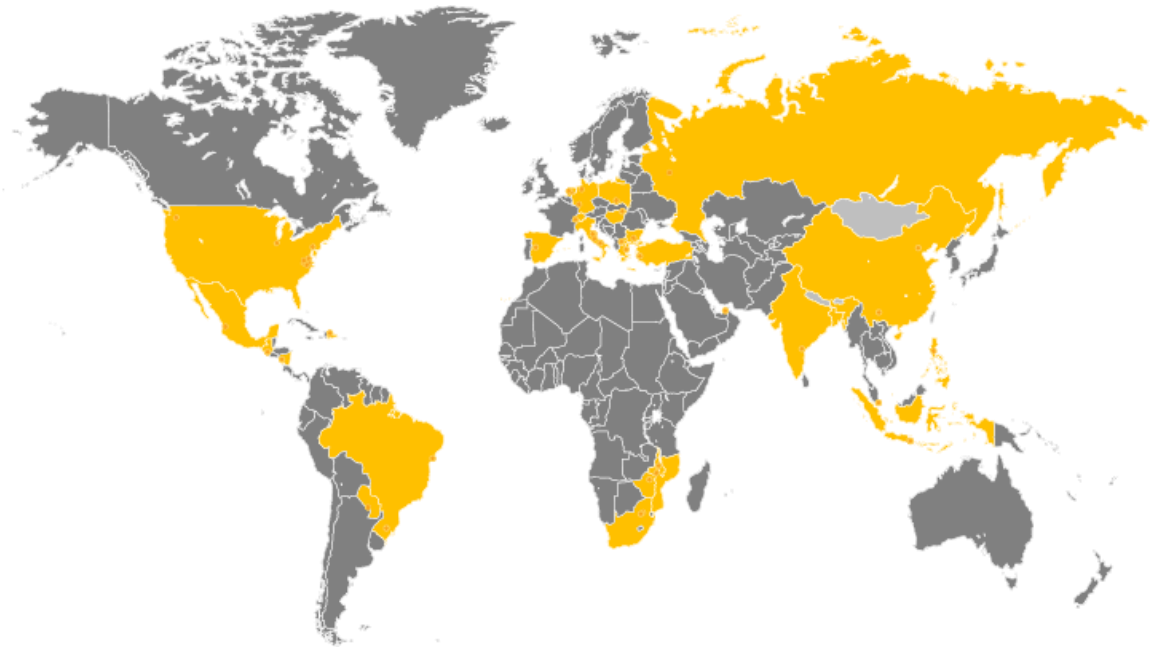


# Tobacco Operations

- Universal buys, sells, and processes flue-cured, burley, and other leaf tobaccos from around the globe for manufacturers of consumer tobacco products
- Universal is the leading global supplier of leaf tobacco and promotes a sustainable farmer base and Good Agricultural Practices (GAP)
- Universal does not manufacture consumer tobacco products

## Universal's global operations footprint

- Africa, Brazil, and the United States produce approximately two-thirds of the flue-cured and burley tobacco grown outside China
- Annual production of such tobaccos handled on average by Universal: Africa 25-35%, Brazil 15-25%, United States 35-45%
- Universal conducts its business in more than 30 countries on five continents and employs over 20,000 permanent and seasonal workers



# Diverse Tobacco Product Portfolio



## Flue-cured

- Cured leaves have a yellow to orange color and grow well in subtropical regions with light rainfall
- Matures from the bottom leaves up and are harvested at different times as they mature, after which they are cured using heat
- Used in American and English blend cigarettes



## Burley

- Cured leaves are brown in color and are typically grown in heavier soils than flue-cured
- Leaves are graded by their position on the stalk and are air-cured in barns
- Used in American blend cigarettes



## Oriental

- Small, aromatic leaf grown in Turkey, Macedonia, Bulgaria and Greece
- Sun-cured
- Used in American blend cigarettes



## Dark

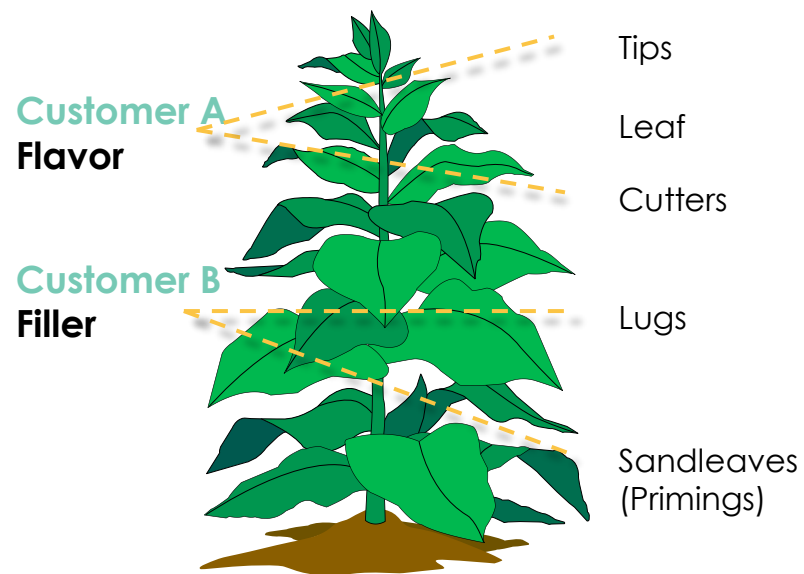
- Used in cigars, pipe tobacco and smokeless products
- Air or fire cured

# The Tobacco Plant

Style and quality variation, regional variation

Not a commodity product

Leaves harvested at different times





# Role of the Tobacco Leaf Supplier

- Intermediary between farmers and manufacturers of tobacco products
- Sources leaf tobacco for customers
- Processes tobacco to customer specifications
- Does not manufacture cigarettes or other consumer tobacco products



# Role of the Tobacco Leaf Supplier

## With Tobacco Farmers

Contracts with farmers for crops

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Manages large number of farmer relationships

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Provides seed and fertilizer in most cases

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Offers agronomy support

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Promotes sustainable farmer base and Good Agricultural Practices (GAP)

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Responsibly sourced leaf - grown under GAP supporting an approach to farming focused on sustainability, sound field production, labor management practices, farmer profitability and environmental sensitivity

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## With Tobacco Manufacturers

Works with customers before the tobacco is grown to understand needs

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Finds buyers for the different grades and styles of tobacco produced in each crop

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Processes tobacco by separating lamina from stem, removing non-tobacco materials and drying to precise moisture targets for long-term storage

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Delivers a compliant, traceable product that meets customer specifications

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Supports sustainable tobacco production

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Operates as a business-to-business supplier

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# Why Universal is the Leading Global Leaf Tobacco Supplier



Strategic  
Market  
Position

Strong  
Local  
Management

Responsibly  
Sourced  
Products

Diversified  
Sources

Financial  
Strength

# Universal's Strengths as a Leaf Tobacco Supplier



## Sourcing

- Global reach
- Strong local management teams
- Capability to market all of the different grades and styles produced in a single crop



## Agromony

- Continuous and substantial investment in grower base
- Strong commitment to delivering a quality, compliant product
  - Product traceability
  - Good agricultural practices which encompass crop quality, environmental stewardship and agricultural labor practices
  - Agronomists working with individual farmers
  - Managing future production to meet customer regulatory requirements
- Seed research and development facilities



## Processing

- State of the art processing facilities
  - Facilities in the major tobacco producing areas
  - Efficient operations



## Logistics

- Proven ability in managing a robust end-to-end tobacco supply chain connecting hundreds of thousands of small-scale farmers with the end-market
- Operational efficiency in areas with limited infrastructure and political challenges

A decorative collage at the top of the slide. On the left, there are images of fresh vegetables like carrots and green leafy plants. On the right, there are images of various fruits including tomatoes, bell peppers, and lemons, as well as a close-up of tobacco leaves and a small section of a blue sky with trees.

# High Quality Customer Base

- Over two-thirds of our tobacco sales are to customers with major positions in their respective markets and with whom we have long-standing relationships
- Our largest customers include Altria Group Inc., British American Tobacco plc, China Tobacco International, Inc., Imperial Brands plc, Japan Tobacco, Inc., Philip Morris International, Inc., and Swedish Match AB
- In total, these customers accounted for more than 60% of Universal's consolidated revenues for the past three years





# Drivers of Customer Leaf Tobacco Purchases

Price / value of the product

Responsibly sourced products

Supply / demand balance

Consistent supply  
to protect continuity  
of customer blends

Global unsold stocks

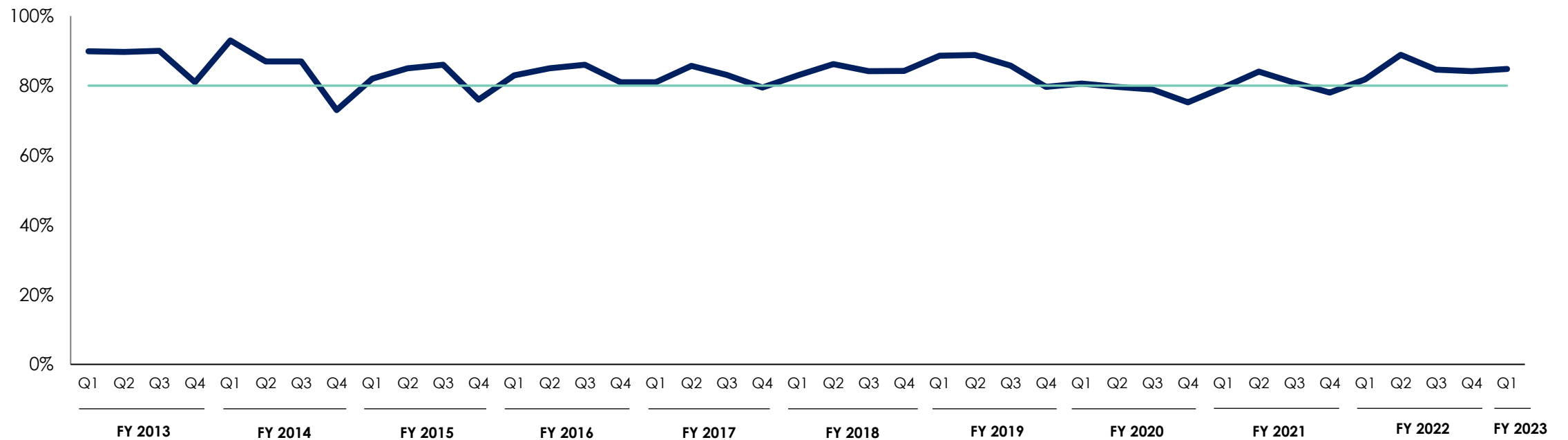
Inventory durations  
held by customers

# Committed Inventory

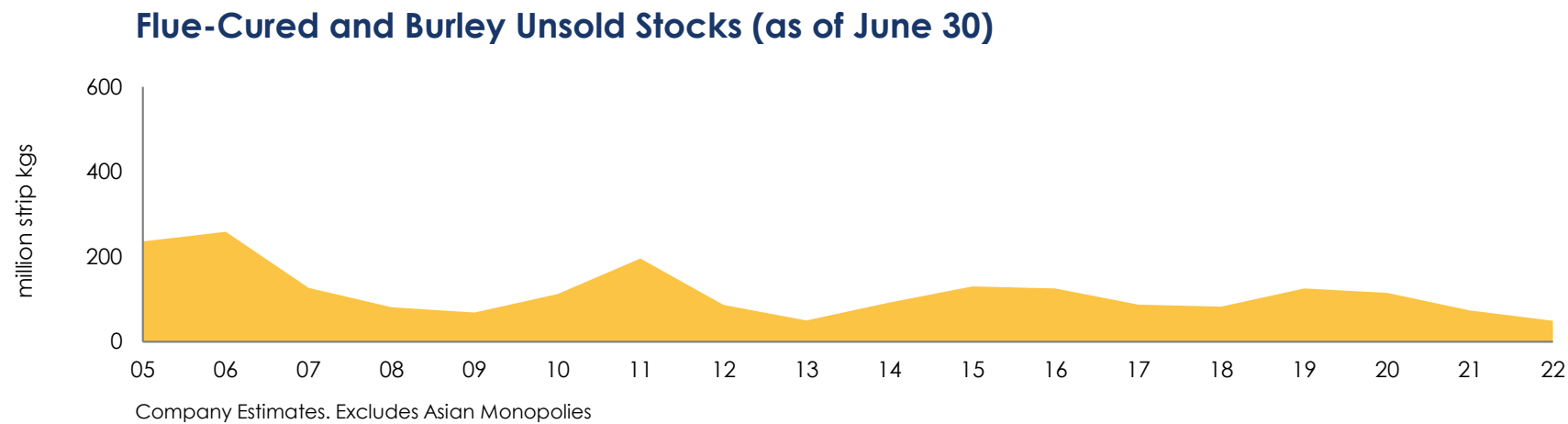
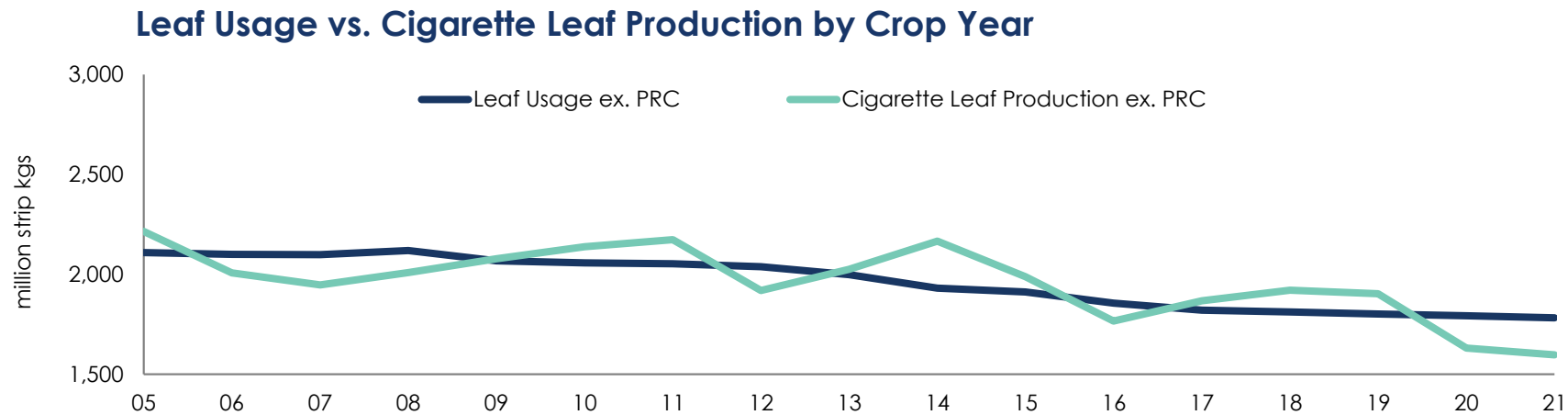
We target at least 80% of our tobacco inventory to be committed for sale to customers

We source tobacco to meet anticipated demand

**Percent of Committed Tobacco Inventory**



# Tobacco Industry Supply and Demand



# Leaf Tobacco Competitive Environment

## Barriers to Entry

Worldwide network

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Long-term relationship business

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Capital investment

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Mature industry

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## Industry Structure



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Global



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Global

Others

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Local / Regional





# Global Cigarette Market

The global tobacco industry produces about 5.3 trillion cigarettes a year

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Less than 5% of cigarettes manufactured worldwide are consumed in the United States

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Universal believes that growth in world consumption of cigarettes peaked several years ago and is declining. As a result, Universal expects that near term global demand for leaf tobacco will continue to slowly decline in line with declining cigarette consumption

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# Next Generation Tobacco Products Continuing to be Developed

## Current Status

- All of the major tobacco product manufacturers are developing next generation products
- There are many types of next generation products
- Next generation products use less leaf tobacco in a strict 1-1 comparison with a combustible cigarette

## Still Unclear or Developing

- Consumer consumption habits and patterns
- Production regulation in various countries
- Effect on demand for leaf tobacco

**Universal continues to be part of the Supply Chain for Next Generation Tobacco Products**



# Other Tobacco Businesses

## **Sheet Tobacco**

### **(Deli-HTL and DHT GmbH & Co.)**

- Sheet tobacco is a malleable sheet formed from a pulp of stems and other tobacco remnants
- Produces wrapper and binder sheet for all types of cigars, as well as cigar and cigarette filler sheets

## **Global Laboratory Services, Inc.**

- Physical and chemical testing, as well as E-Liquid and vapor testing
- Pesticide and other Crop Protection Agents (CPA) testing
- Has capabilities for testing non-tobacco products
- Moisture and chemical check samples
- Research and Development

## **AmeriNic**

- U.S. based producer of high quality liquid nicotine for next generation tobacco products

## **ULT Agronomic Center**

- Seed variety research & development
- Production techniques
- Grower sustainability studies
- Integrated Pest Management (IPM)
- Evaluation of new agrochemical products





# Ingredients Operations





# Tobacco Operations and Ingredients Operations

Shared Core Competencies

## Universal's Core Competencies

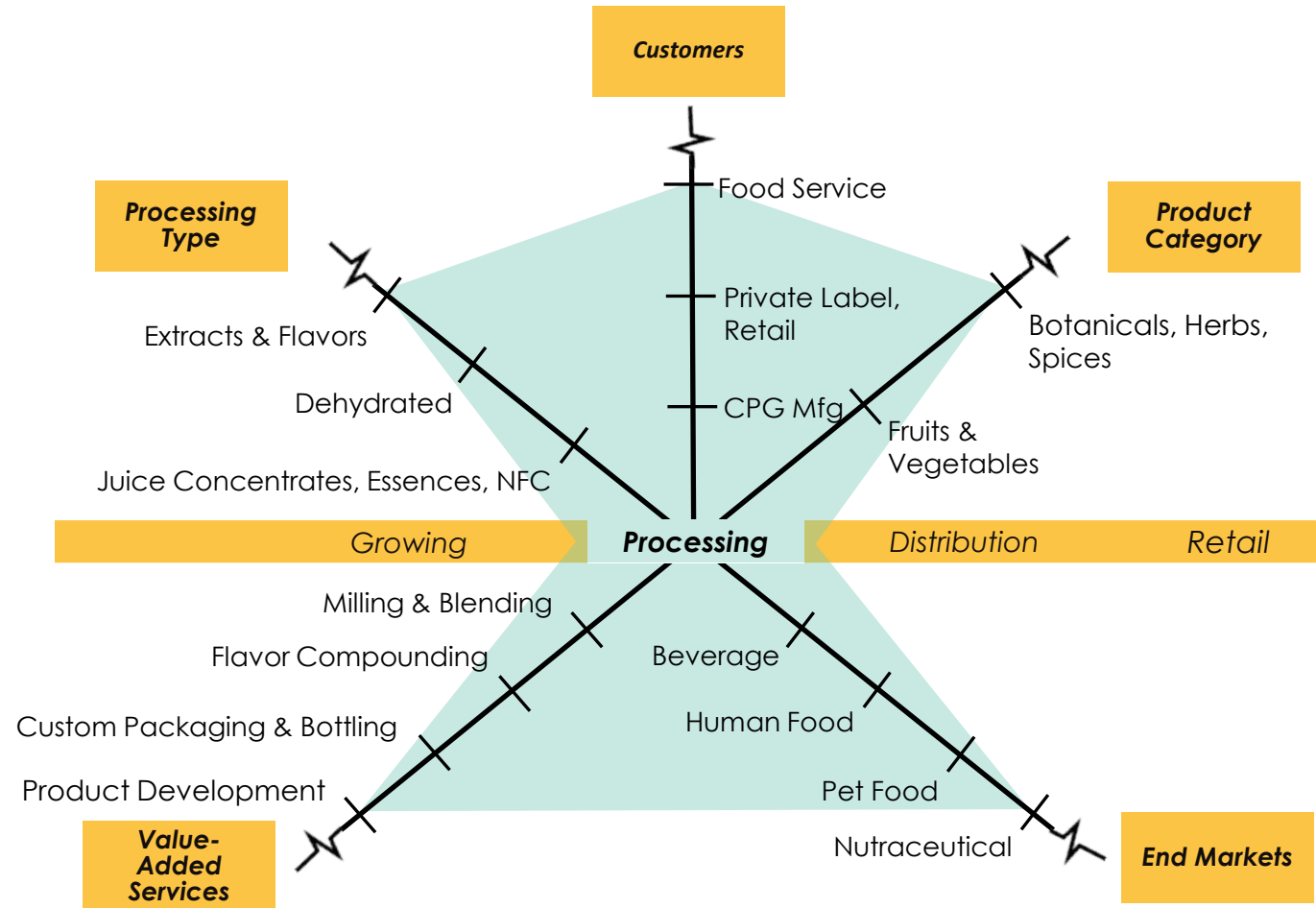
Diversified,  
Global  
Procurement  
Strategy

Strong Local  
Management

Supplying  
High-Quality  
Products to  
Major Market  
Customers

Value-Added  
Processing

# Universal's Plant-Based Ingredients Platform



The header features a white background with two large, stylized 'X' shapes formed by overlapping images of fresh produce. The left 'X' is composed of images of orange carrots and green leafy vegetables. The right 'X' is composed of images of red and yellow bell peppers, red tomatoes, green leafy vegetables, and a close-up of brown, textured food items.

# Ingredients Operations

## **FruitSmart, Inc.**

- We completed our acquisition of FruitSmart in early January 2020. FruitSmart is a specialty fruit and vegetable ingredient processor, serving global markets
- Founded in 1982, FruitSmart supplies a broad set of juices, concentrates, pomaces, purees, fibers, seed and seed powders, and other value-added products to food, beverage, and flavor companies throughout the United States and internationally through value-added processing of various fruit and vegetable products
- FruitSmart processes apples, grapes, blueberries, raspberries, cherries, blackberries, pears, cranberries and strawberries as well as other fruits and vegetables
- FruitSmart is headquartered in the Yakima Valley of the state of Washington, where it has approximately 200 employees and two manufacturing facilities
- FruitSmart is well-positioned to capitalize on recent shifts in market dynamics and consumer behavior including a secular shift towards health and wellness
  - Demand for clean-label ingredients
  - Rise of fruit as a natural label sweetener alternative to processed sugar
  - Growing consumer interest in better-for-you premium ingredients
- FruitSmart primarily sources and supplies within the continental United States



# Ingredients Operations

(continued)



## Silva International

- We completed our acquisition of Silva, a natural, specialty dehydrated vegetable, fruit and herb processing company, on October 1, 2020
- Founded in 1979, Silva procures hundreds of types of dehydrated vegetables, fruits and herbs from over 20 countries around the world
- In addition to sourcing, Silva specializes in processing natural raw materials into custom designed dehydrated vegetable- and fruit-based ingredients for a variety of end products
- Headquartered in Momence, Illinois, Silva employs over 200 people and has a 380,000 square foot manufacturing facility
- Silva has established a reputation as the 'go-to' provider for 'clean', natural, specialty dehydrated vegetable- and fruit-based ingredients
  - Longstanding relationships with farmers and suppliers around the world
  - Strong quality control procedures, ensuring consistent, high quality supply
  - Recently expanded and enhanced its manufacturing facility, therefore is well positioned to take advantage of increasing demand for natural and clean-label products across the end markets it serves, including within the attractive and growing savory and pet food end markets
- Silva has also demonstrated consistent, long-term revenue growth and has strong customer diversity





# Ingredients Operations

(continued)

## Shank's Extracts, LLC

- We completed our acquisition of Shank's on October 4, 2021. Shank's is a specialty ingredient, flavoring and food company with bottling and packaging capabilities
- Shank's has established a strong presence within the flavoring, extracts and bottling marketplace, with significant vanilla expertise
- In addition to pure vanilla botanical extract products, Shank's offers a robust portfolio of over 2,400 other extracts, distillates, natural flavors and colors for industrial and private label customers worldwide
- Headquartered in Lancaster, Pennsylvania, Shank's employs more than 200 people and has a 191,000 square foot manufacturing campus
- Shank's has been providing high-quality products and services for more than 120 years, earning a reputation for consistency, traceability and dependability
- The Shank's acquisition expands our plant-based ingredients platform, adding to our product offerings and growing the value-added services available to our customers by adding flavors, custom packaging and bottling, and product development capabilities

# Plant-Based Ingredients Market Segments

## Ingredient Types

- Fruit
- Vegetable
- Spices

## Product Types

- Concentrates
- Not-from-Concentrate Juices (NFC)
- Pastes & Purees
- Pieces
- Powders
- Flavorings & extracts

## Applications

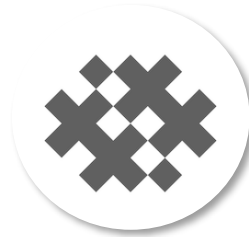
- Beverages
- Confectionary
- Bakery
- Soups & Sauces
- Dairy
- Ready-to-Eat (RTE)



# Plant-Based Ingredient Market

## Competitive Landscape

- Highly fragmented
- Essential to food value chain
- Multiple strategies for growth
- R&D as differentiator with continued brand proliferation



Globally, 73% of market is spread across companies with less than 3% share



In U.S. there are over 30K total food processing facilities owned by 26K companies



Fruit & vegetable are ~10% of total U.S. food processing, implying thousands of facilities and competitors



Growth is driven by a combination of new product development, expanding capabilities, geographic expansion and M&A

Sources: USDA Economic Research Service, using data from U.S. Census Bureau, 2016 Annual Survey of Manufacturers and County Business Patterns



A decorative collage at the top of the slide. On the left, there are images of carrots and green leafy vegetables. On the right, there are images of various fruits like tomatoes and bell peppers, a close-up of a tree trunk, and a view of trees against a blue sky.

# The Universal Effect

Every step in our production process  
requires action

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Each action ripples out and impacts lives  
in our communities around the globe

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We can't work effectively without  
investing in and strengthening the  
communities where we operate

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# Appendix

# Appendix

## EBITDA

We consider operating income plus equity in pretax earnings of unconsolidated affiliates before interest expense, amortization, depreciation and taxes to be our EBITDA

						Three Months Ended June 30,	
In millions	2018	2019	2020	2021	2022	2021	2022
<b>Net income(loss)<sup>1</sup></b>	<b>\$106</b>	<b>\$104</b>	<b>\$72</b>	<b>\$87</b>	<b>\$87</b>	<b>\$6</b>	<b>\$7</b>
Subtract: (Net income) loss attributable to noncontrolling interests in subsidiaries	(11)	(6)	(6)	(9)	(17)	2	4
Add: Income taxes	51	41	35	29	39	1	3
Subtract: Interest income	2	2	2	0	1	0	0
Add: Interest expense	16	18	20	25	28	6	7
Subtract: Equity in pretax earnings (losses) of unconsolidated affiliates	9	5	4	3	6	1	(1)
Subtract: Other non-operating income (expense)	1	1	1	0	3	0	0
<b>Operating income (loss)</b>	<b>\$171</b>	<b>\$161</b>	<b>\$126</b>	<b>\$148</b>	<b>\$160</b>	<b>\$11</b>	<b>\$13</b>
Add: Depreciation and amortization	35	37	38	45	53	12	14
Add: Equity in pretax earnings (losses) of unconsolidated affiliates	9	5	4	3	6	1	(1)
<b>EBITDA</b>	<b>\$215</b>	<b>\$204</b>	<b>\$169</b>	<b>\$195</b>	<b>\$219</b>	<b>\$23</b>	<b>\$27</b>

1. Attributable to Universal Corporation. Universal holds less than 100% financial interest in certain consolidated subsidiaries, and a portion of net income is attributable to the non-controlling interests in those subsidiaries.

Note: Numbers may not sum to totals due to rounding

# Appendix

The following tables set forth the unusual items included in reported results:

In millions	2018	2019	2020	2021	2022	Three Months Ended June 30,	
						2021	2022
<b>Operating Income</b>	\$171	\$161	\$126	\$148	\$160	\$11	\$13
Transaction costs for acquisitions	—	—	\$5	\$4	\$2	—	—
Purchase accounting adjustments	—	—	\$3	\$3	\$3	—	—
Fair value adjustment to contingent consideration for FruitSmart acquisition	—	—	—	\$(4)	\$(3)	—	—
Restructuring and impairment costs	—	\$20	\$8	\$23	\$10	\$2	—
<b>Adjusted Operating Income<sup>1</sup></b>	<b>\$171</b>	<b>\$182</b>	<b>\$141</b>	<b>\$173</b>	<b>\$174</b>	<b>\$13</b>	<b>\$13</b>

In millions	2018	2019	2020	2021	2022	2021	2022
<b>EBITDA</b>	\$215	\$204	\$169	\$195	\$219	\$23	\$27
<b>Adjusted Operating Income<sup>1</sup></b>	<b>\$171</b>	<b>\$181</b>	<b>\$141</b>	<b>\$173</b>	<b>\$174</b>	<b>\$13</b>	<b>\$13</b>
Depreciation and amortization	\$35	\$37	\$38	\$45	\$53	\$12	\$14
Equity in pretax earnings (losses) of unconsolidated affiliates	\$9	\$5	\$4	\$3	\$6	\$1	\$(1)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$215</b>	<b>\$224</b>	<b>\$184</b>	<b>\$221</b>	<b>\$232</b>	<b>\$25</b>	<b>\$27</b>

<sup>1</sup> Non-GAAP measure

Note: Numbers may not sum to totals due to rounding

Please see the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q for the corresponding fiscal periods for additional information on the unusual items.





# Appendix

The following tables set forth the unusual items included in results reported:

In millions	2018	2019	2020	2021	2022	Three Months ended June 30,	
						2021	2022
<b>Net Income</b>	\$106	\$104	\$72	\$87	\$87	\$6	\$7
Transaction costs for acquisitions	—	—	\$5	\$4	\$2	—	—
Purchase accounting adjustments	—	—	\$2	\$3	\$2	—	—
Fair value adjustment to contingent consideration for FruitSmart acquisition	—	—	—	\$(4)	\$(3)	—	—
Interest expense reversal on uncertain tax position and income tax from sale of operations in Tanzania	—	—	—	\$2	\$(1)	—	\$(1)
Income tax benefit on a final tax ruling (fiscal year 2022) and dividends paid from foreign subsidiaries (fiscal year 2021)	—	—	—	\$(4)	\$(2)	—	—
Income tax settlement for foreign subsidiary	—	—	\$3	—	—	—	—
Restructuring and impairment costs	—	\$17	\$6	\$18	\$8	\$1	—
Effect of changes to U.S. Corporate Income Taxation	\$(5)	—	—	—	—	—	—
Reversal of Dividend Withholding Tax	—	\$(8)	—	—	—	—	—
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$101</b>	<b>\$113</b>	<b>\$88</b>	<b>\$105</b>	<b>\$94</b>	<b>\$7</b>	<b>\$6</b>

Dollars per Share	2019	2019	2020	2021	2022	2021	2022
<b>EPS (diluted)</b>	\$4.14	\$4.11	\$2.86	\$3.53	\$3.47	\$0.26	\$0.27
Transaction costs for acquisitions	—	—	\$0.19	\$0.16	\$0.09	—	—
Purchase accounting adjustment	—	—	\$0.08	\$0.11	\$0.10	—	—
Fair value adjustment to contingent consideration for FruitSmart acquisition	—	—	—	\$(0.17)	\$(0.10)	—	—
Interest expense reversal on uncertain tax position and income tax from sale of operations in Tanzania	—	—	—	—	—	—	\$(0.02)
Foreign Subsidiaries Hybrid Dividend Tax Regulations	—	—	—	\$(0.18)	—	—	—
Income tax settlement for foreign subsidiary	—	—	\$0.11	\$0.08	\$(0.09)	—	—
Restructuring and impairment costs	—	\$0.64	\$0.25	\$0.72	\$0.32	\$0.04	—
Effect of changes to U.S. Corporate Income Taxation	\$(0.18)	—	—	—	—	—	—
Reversal of Dividend Withholding Tax	—	\$(0.30)	—	—	—	—	—
Mandatory Conversion of Preferred Stock	—	—	—	—	—	—	—
<b>Adjusted EPS (diluted)<sup>1</sup></b>	<b>\$3.96</b>	<b>\$4.45</b>	<b>\$3.49</b>	<b>\$4.25</b>	<b>\$3.79</b>	<b>\$0.30</b>	<b>\$0.25</b>

<sup>1</sup> Non-GAAP measure

Note: Numbers may not sum to totals due to rounding

Please see the Company's Annual Reports on Form 10-K and Quarterly Reports 10-Q for the corresponding fiscal periods for additional information on the unusual items.





# Appendix

## Net Debt and Net Capitalization

We consider the sum of notes payable and overdrafts, long-term debt (including current portion), and customer advances and deposits, less cash and cash equivalents, and short-term investments on our balance sheet to be our net debt. We also consider our net debt plus shareholders' equity to be our net capitalization.

In millions	2018	2019	2020	2021	2022
Notes payables and overdrafts	\$45	\$54	\$78	\$101	\$183
Long term debt (inc. current portion)	\$369	\$369	\$369	\$518	\$519
Customer advances and deposits	\$7	\$22	\$10	\$9	\$14
Cash and cash equivalents	\$234	\$298	\$107	\$197	\$82
<b>Net debt</b>	<b>\$187</b>	<b>\$147</b>	<b>\$350</b>	<b>\$431</b>	<b>\$633</b>
Total Universal Corporation shareholders' equity	\$1,342	\$1,337	\$1,247	\$1,307	\$1,341
<b>Net capitalization</b>	<b>\$1,530</b>	<b>\$1,484</b>	<b>\$1,596</b>	<b>\$1,738</b>	<b>\$1,974</b>

Note: Numbers may not sum to totals due to rounding

# Appendix

## Free Cash Flow

Free Cash Flow defined as EBITDA less Capital Expenditures

In millions	2018	2019	2020	2021	2022	Three Months ended June 30,	
						2021	2022
EBITDA	\$215	\$204	\$169	\$195	\$219	\$23	\$27
Capital Expenditures	\$34	\$39	\$35	\$66	\$53	\$14	\$15
<b>Free Cash Flow</b>	<b>\$181</b>	<b>\$165</b>	<b>\$134</b>	<b>\$128</b>	<b>\$166</b>	<b>\$9</b>	<b>\$12</b>

Note: Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. The non-GAAP results described in this presentation are financial measures that are not required by, or presented in accordance with generally accepted accounting principles ("GAAP"). The non-GAAP information provides information to assist comparability and estimates of future performance. Universal believes these measures are helpful in assessing operations and estimating future results and enable period-to-period comparability of financial performance. Non-GAAP results should not be considered as an alternative to revenue or income amounts determined in accordance with GAAP and should be read in conjunction with their GAAP counterparts.

Note: Numbers may not sum to totals due to rounding