



# Investor Presentation

Fiscal Year 2024

As of February 7, 2024



# 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 and new subvariants; 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 including increased transportation costs and delays attributed to global supply chain challenges; timing of shipments to customers; higher inflation rates; 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, 2023, 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, 2023 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.

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# Investment Highlights



# Universal Corporation At-A-Glance

<b>Agri-Products Supplier</b>	<b>Leaf Tobacco and Plant-Based Ingredients</b>
<b>Founded</b>	<b>1918</b>
<b>Annual Revenue*</b>	<b>\$2.6 B</b>
<b>Market Cap**</b>	<b>\$1.7 B</b>
<b>Dividend yield**</b>	<b>4.75%</b>
<b>Dividend track record</b>	<b>Over 50 years of consecutive annual common stock dividend increases</b>
<b>Countries</b>	<b>&gt;30</b>

\* As of 3/31/2023

\*\* As of 9/30/2023

# 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:

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



# 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 \$3.20
- 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

- 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
- Acquired FruitSmart, Inc. ("FruitSmart") on January 1, 2020; Silva International, Inc. ("Silva") on October 1, 2020; and Universal Ingredients - Shank's Extracts, LLC ("Shank's") on October 4, 2021
- In fiscal year 2023, enhanced and increased the scope of the platform by adding sales and research and development resources
- Announced plans in May 2023 to expand our plant-based ingredients platform's manufacturing 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

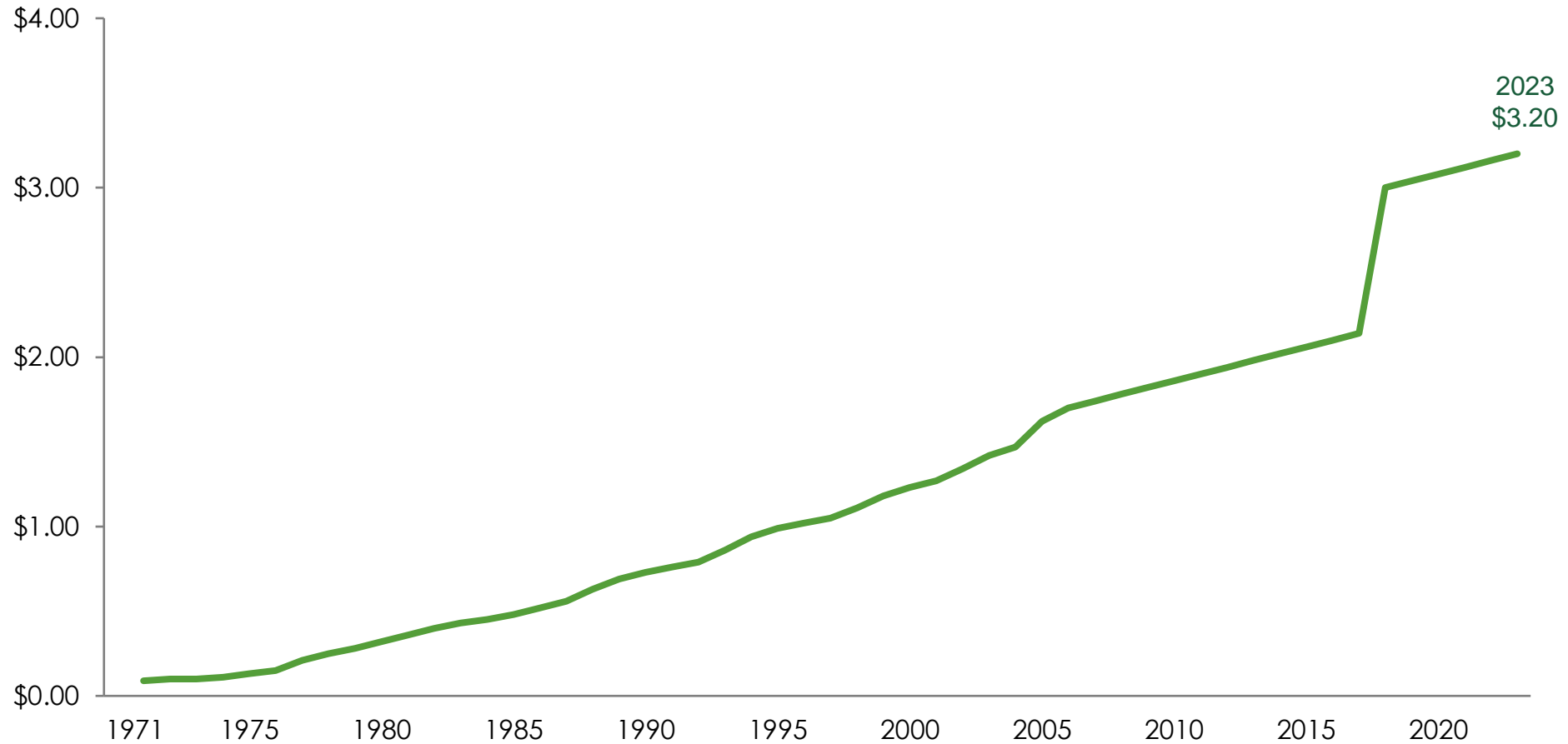
Low capital investment  
required to maintain  
leaf tobacco business

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

Social  
Responsibility

Supply Chain  
Integrity  
and  
Traceability

Good  
Agricultural  
Practices

Emissions  
Monitoring and  
Reduction  
Projects

Health and  
Safety

Environmental  
Protection

Agricultural  
Labor  
Practices

## Embedding Sustainability in the Supply Chain

# 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 efforts 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 2022 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
  - This is the second straight year Universal Corporation has earned this recognition
  - The top 8% of assessed companies were selected as 2022 Supplier Engagement Leaders
- We recently announced participation in a solar project that we believe will help us meet our target to reduce operational greenhouse gas emissions by 30 percent by 2030
- We continue to work with third parties to verify our emissions and establish our pathway to net zero through the identification and prioritization of high-impact projects throughout our footprint



**To read the full Universal Corporation Sustainability Report for Fiscal Year 2023, please click link below:**

<http://www.universalcorp.com/Resources/Practices/2023%20Universal%20Sustainability%20Report.pdf>

# Agricultural Labor Practices

Per the Fiscal Year 2023 Sustainability Report

## UNIVERSAL'S GOALS & TARGETS

UNIVERSAL FURTHERS OUR COMMITMENT TO AGRICULTURAL LABOR PRACTICES

BY CALENDAR YEAR 2025

**NO CHILD LABOR**

ON CONTRACTED FARMS

BY CALENDAR YEAR 2022

**ACCESS TO PPE FOR FARMERS  
& FARM WORKERS**

ON CONTRACTED FARMS  
WHERE WE SUPPLY CROP  
INPUTS

BY CALENDAR YEAR 2022

**MINIMUM WAGE  
PAID**

TO FARM WORKERS ON  
CONTRACTED FARMS

BY CALENDAR YEAR 2022

**APPROPRIATE  
ACCOMMODATIONS**

FOR FARM WORKERS ON  
CONTRACTED FARMS



Source tobacco through

**~202,000**

direct contracted growers



**~2,700**

Agronomists and leaf technicians  
who work directly with growers

**~1,917,000**

Farm Visits and Contacts by Field  
Technicians



We have substantially met our aims for 2022 due to the low number of incidents found. Work in our supply chain will be ongoing.

# Environmental Impacts

Per the Fiscal Year 2023 Sustainability Report



Goals

FY 2023  
Status

## Greenhouse Gases Emissions (GHG)



REDUCE  
30%  
Absolute Scope  
1 & 2 GHG Emissions  
BY CALENDAR YEAR 2030  
FROM A 2020 BASE YEAR



REDUCE  
30%  
Scope 3 GHG Emissions From  
Purchased Goods & Services  
BY CALENDAR YEAR 2030  
FROM A 2020 BASE YEAR

### SCOPE 1 EMISSIONS

~95,448  
Tons of CO<sub>2</sub>e

### SCOPE 2 EMISSIONS

~49,868  
Tons of CO<sub>2</sub>e

## Water and Waste Consumption



5  
Million Liters of  
Rainwater Collected  
Annually For Operational Use  
BY CALENDAR YEAR 2025



75%  
Waste Composted Or  
Recycled Annually  
BY CALENDAR YEAR 2025



4.9  
Million Liters  
RAINWATER  
COLLECTED



29%  
PERCENTAGE  
COMPOSTED



18%  
PERCENTAGE  
RECYCLED

## Forestry



100%  
TRACEABILITY IN OUR  
TIMBER SUPPLY CHAIN

### TREES PLANTED DURING CY23

~16,841,467

### TRACEABILITY IN OUR TIMBER SUPPLY CHAIN

79%



# 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



# Third Quarter FY2024 Results

## Highlights

- Universal Corporation again delivered strong financial performance with operating income and net income for the third quarter up 13% and 28%, respectively, relative to the third quarter of fiscal year 2023
- Our tobacco business continued to perform well, driven by a favorable product mix, improved margins, larger crops in Africa, strong demand from our customers, and strong tobacco shipments in line with our expectations
- Revenues for the Ingredients Operations segment were up in the third quarter of fiscal year 2024, compared to the same quarter in fiscal year 2023, as the sale of new products more than offset the impact of lower sales prices on core products
- Universal has continued to advance its global sustainability agenda, including publishing the 2023 Sustainability report and announcing participation in a solar project that will help meet our target to reduce operational greenhouse gas emissions by 30% by 2030

1 Non-GAAP measure. Please see Appendix

2 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	Nine Months Ended December 31,	
	2023	2022
<b>Revenues</b>	\$1,977	\$1,876
<b>EBITDA<sup>1</sup></b>	\$194	\$172
<b>Operating income</b>	\$154	\$129
<b>Adjusted operating income<sup>1</sup></b>	\$157	\$129
<b>Segment operating income</b>	\$154	\$129
<b>Net income<sup>2</sup></b>	\$79	\$70
<b>Adjusted net income<sup>1</sup></b>	\$82	\$70

# Segment Highlights – Third Quarter FY2024

## Tobacco Operations

- Demand for leaf tobacco from our customers remains strong
- A favorable tobacco product mix and higher prices benefited our results for the nine months and quarter ended December 31, 2023
- Operating income for the segment increased by \$29.9 million to \$148.9 million for the nine months ending December 31, 2023 compared with the nine months ending December 31, 2022
- African crops were larger and carryover crop shipments from South America were significantly lower in the nine months and quarter ended December 31, 2023 compared to the same periods in fiscal year 2023
- Our uncommitted tobacco inventory was 8% of tobacco inventory at December 31, 2023

## Ingredients Operations

- Investments made to build out the research and development and corporate sales teams are starting to gain momentum and have positioned us for future growth
- Revenues for the Ingredients Operations segment were up in the third quarter of fiscal year 2024, compared to the same quarter in fiscal year 2023, as the sale of new products more than offset the impact of lower sales prices on core products
- Prices for some key raw materials were down in the nine months ended December 31, 2023
- In the nine months and quarter ended December 31, 2023, selling, general, and administrative expenses were higher, compared to the same periods in the prior fiscal year, due to higher compensation and other costs related to investment in expanding sales and product development capabilities as well as higher corporate overhead allocations



# Outlook (as reported February 7, 2024)

## Tobacco Operations

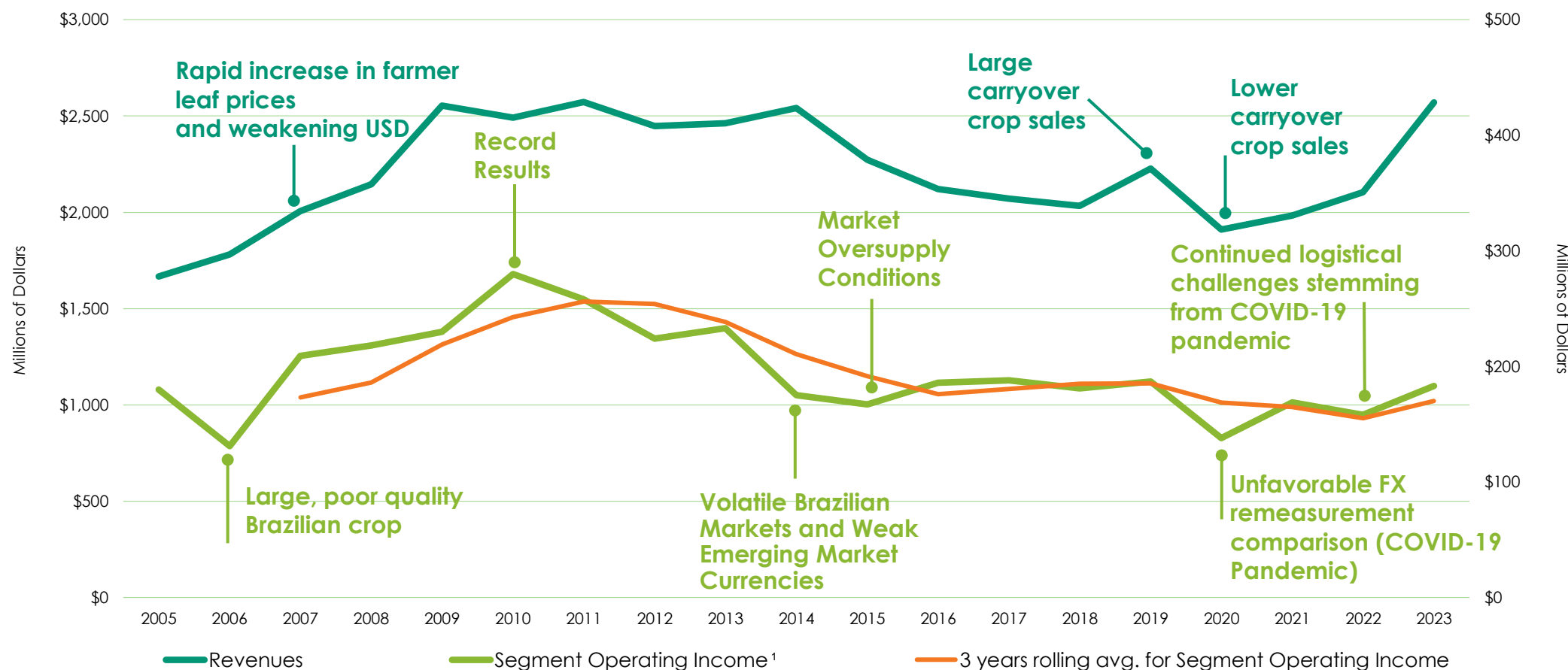
- Global leaf tobacco supply continues to be tight for all types of tobacco
- We expect global leaf tobacco supply to remain tight in fiscal year 2025, in part due to El Niño weather conditions
- We believe the strength of our diverse global footprint will help us satisfy our customers' leaf tobacco needs

## Ingredients Operations

- We believe the investments we have made to build out our research and development and corporate sales teams are starting to gain momentum and have positioned us for future growth
- We are pleased with the progress we are making on the expansion of our processing capabilities at our ingredients facility in Lancaster, Pennsylvania
- We expect those resources to be fully operational in the third quarter of fiscal year 2025 and positively contributing to our earnings as soon as fiscal year 2026

# Segment Revenues and Operating Income

(By Fiscal Year)



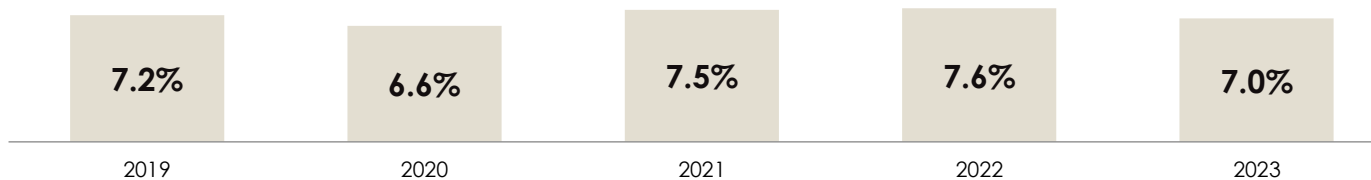
<sup>1</sup> Segment operating income includes equity in pretax earnings of unconsolidated affiliates and excludes restructuring and impairment charges and certain non-operating items as presented in our audited financial statements. Total segment operating income is a non-GAAP measure. See Appendix.

# Financial Results

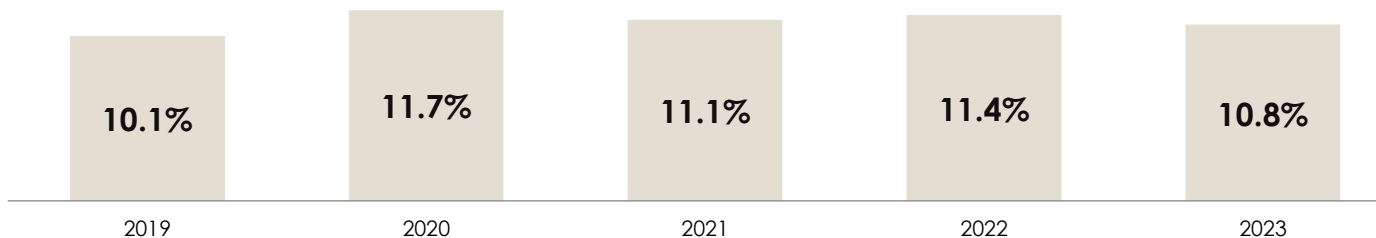
(By Fiscal Year)

In millions	FY 2019 <sup>1</sup>	FY 2020 <sup>1</sup>	FY 2021 <sup>1</sup>	FY 2022 <sup>1</sup>	FY 2023 <sup>1</sup>
Revenues	\$2,227	\$1,910	\$1,983	\$2,104	\$2,570
EBITDA <sup>2</sup>	\$204	\$169	\$195	\$219	\$241
Operating income	\$161	\$126	\$148	\$160	\$181
Net income <sup>3</sup>	\$104	\$72	\$87	\$87	\$124

## Operating Margin



## SG&A as a % of Sales



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

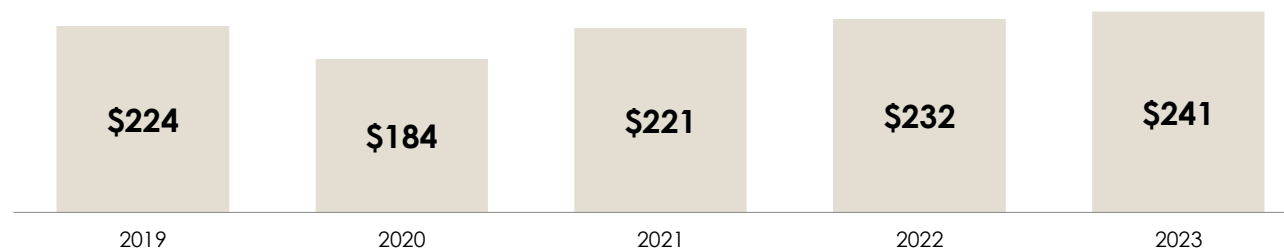
<sup>2</sup> Non-GAAP measure. Please see Appendix

<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.

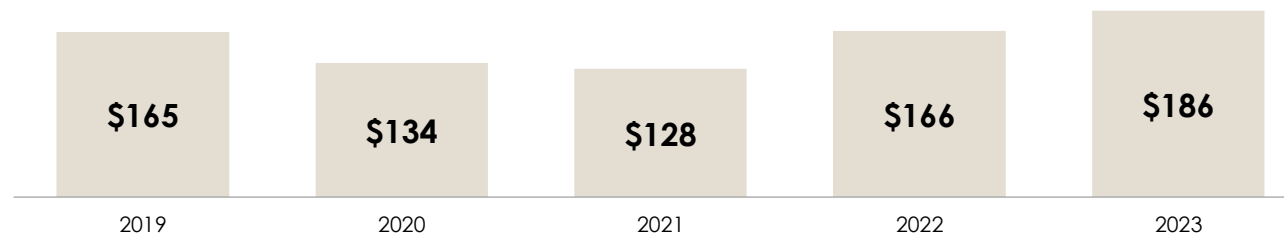
# Financial Results (continued)

(By Fiscal Year)

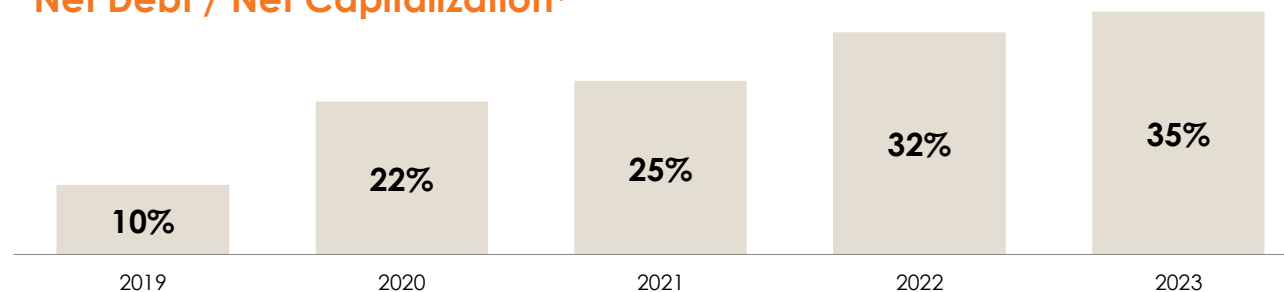
## Adjusted EBITDA<sup>1, 2</sup>



## Free Cash Flow<sup>1, 2</sup>



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

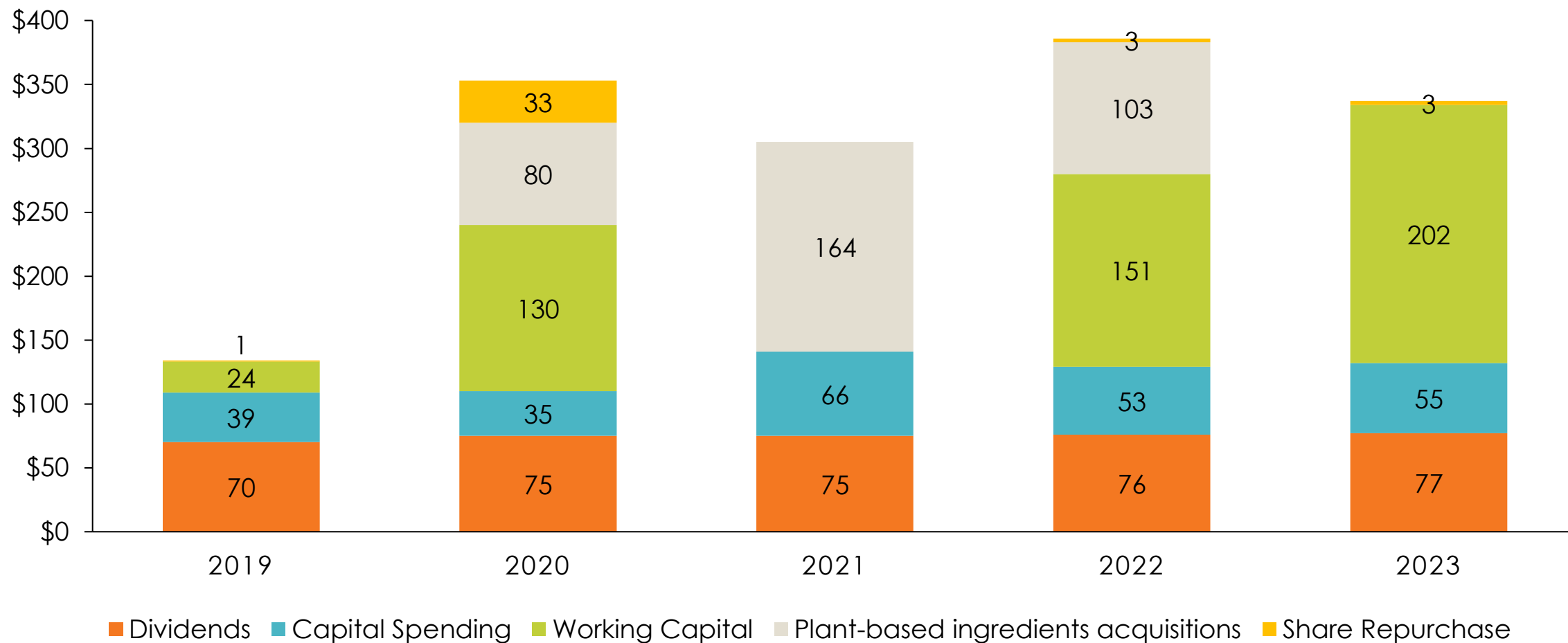


<sup>1</sup> Non-GAAP measure. Please see Appendix. Free cash flow defined as EBITDA –Capex

<sup>2</sup> In Millions

# 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

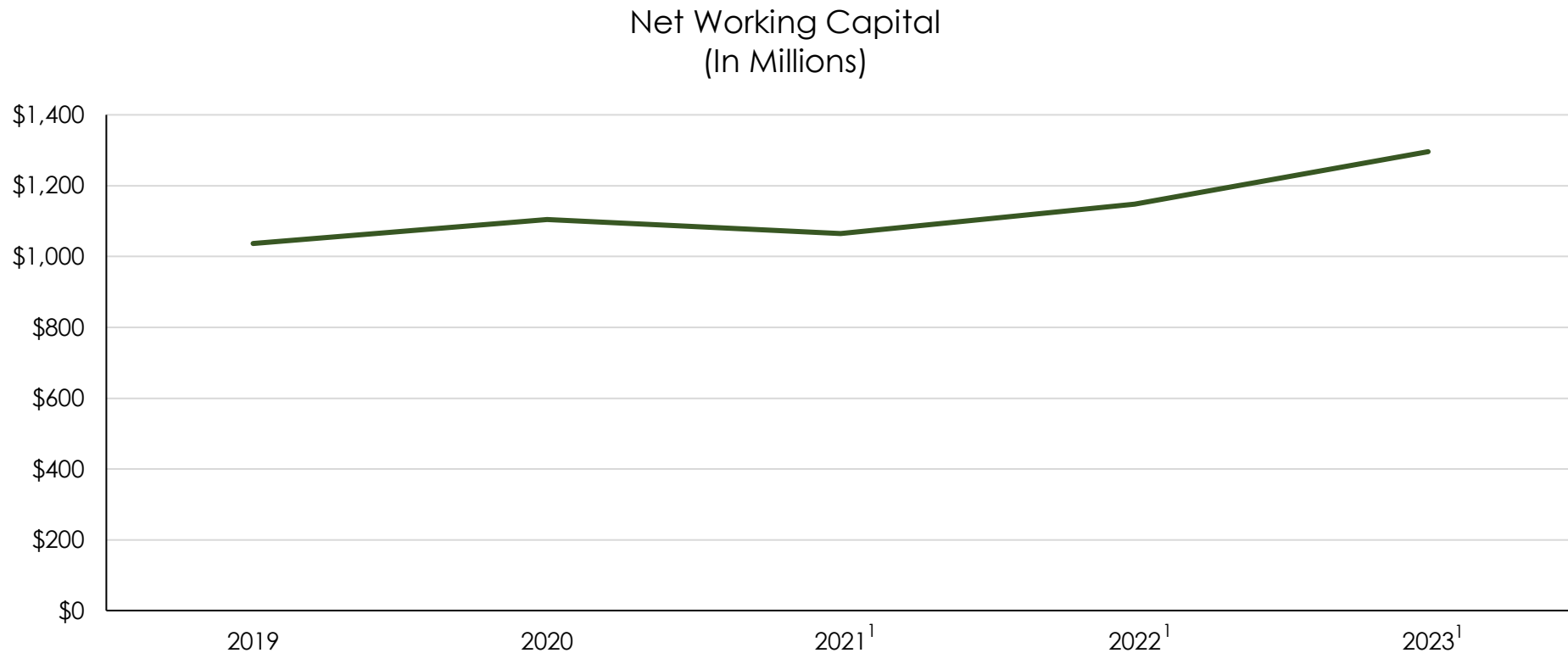
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Available capital resources include cash balances, a committed revolving credit facility, uncommitted lines of credit and long-term debt

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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 cash equivalents

<sup>1</sup> Plant-based ingredients acquisitions

# Tobacco Operations

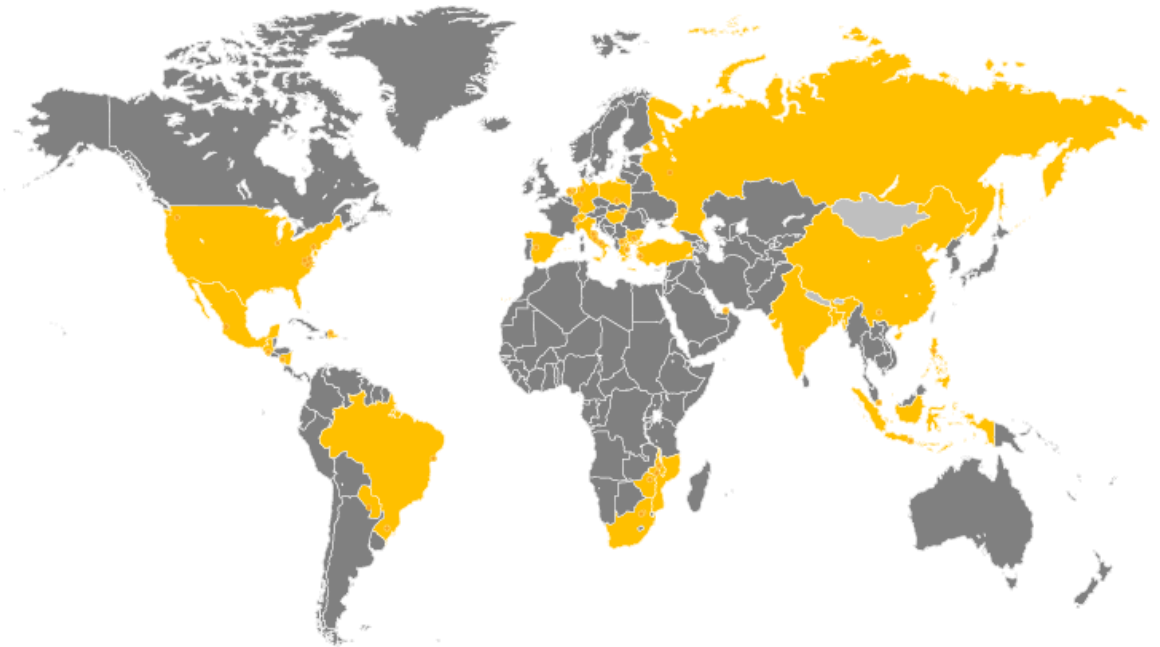


# Tobacco Operations

- 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	Burley	Oriental	Dark
<ul style="list-style-type: none"><li>• Cured leaves have a yellow to orange color and grow well in subtropical regions with light rainfall</li><li>• Matures from the bottom leaves up and are harvested at different times as they mature, after which they are cured using heat</li><li>• Used in American and English blend cigarettes</li></ul>	<ul style="list-style-type: none"><li>• Cured leaves are brown in color and are typically grown in heavier soils than flue-cured</li><li>• Leaves are graded by their position on the stalk and are air-cured in barns</li><li>• Used in American blend cigarettes</li></ul>	<ul style="list-style-type: none"><li>• Small, aromatic leaf grown in Turkey, Macedonia, Bulgaria and Greece</li><li>• Sun-cured</li><li>• Used in American blend cigarettes</li></ul>	<ul style="list-style-type: none"><li>• Used in cigars, pipe tobacco and smokeless products</li><li>• Air or fire-cured</li></ul>

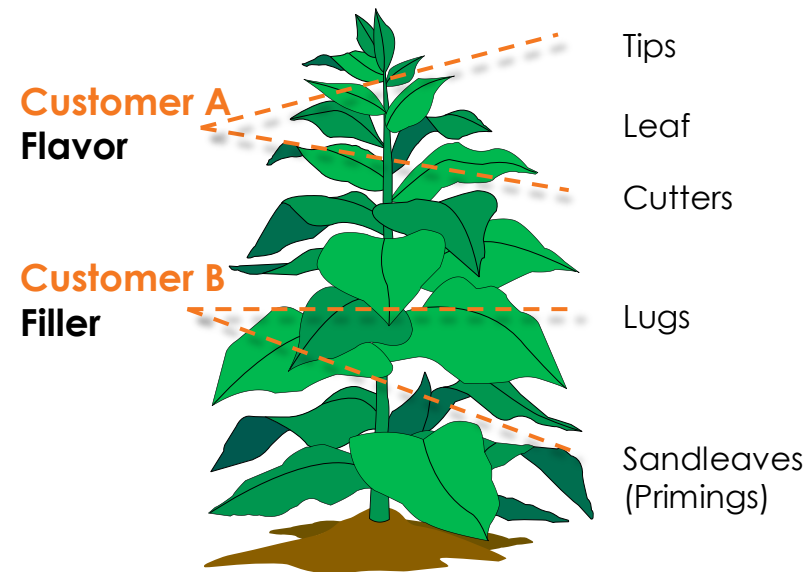


# The Tobacco Plant

Style and quality variation, regional variation

Not a commodity product

Leaves harvested at different times



# Role of the Leaf Tobacco 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 Leaf Tobacco 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	 Agronomy	 Processing	 Logistics
<ul style="list-style-type: none"><li>• Global reach</li><li>• Strong local management teams</li><li>• Capability to market all of the different grades and styles produced in a single crop</li></ul>	<ul style="list-style-type: none"><li>• Continuous and substantial investment in grower base</li><li>• Strong commitment to delivering a quality, compliant product<ul style="list-style-type: none"><li>— Product traceability</li><li>— Good agricultural practices which encompass crop quality, environmental stewardship and agricultural labor practices</li><li>— Agronomists working with individual farmers</li><li>— Managing future production to meet customer regulatory requirements</li></ul></li><li>• Seed research and development facilities</li></ul>	<ul style="list-style-type: none"><li>• State of the art processing facilities<ul style="list-style-type: none"><li>— Facilities in the major tobacco producing areas</li><li>— Efficient operations</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Proven ability in managing a robust end-to-end tobacco supply chain connecting hundreds of thousands of small-scale farmers with the end-market</li><li>• Operational efficiency in areas with limited infrastructure and political challenges</li></ul>



# High Quality Customer Base

- About 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

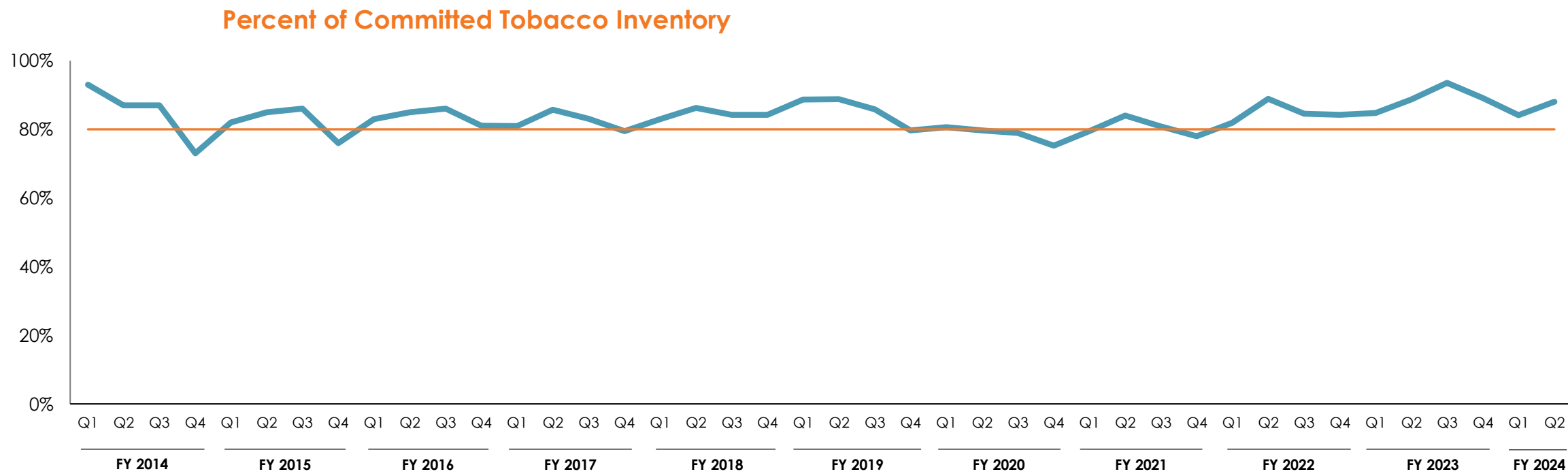
Global unsold stocks

Inventory durations  
held by customers

# Committed Inventory

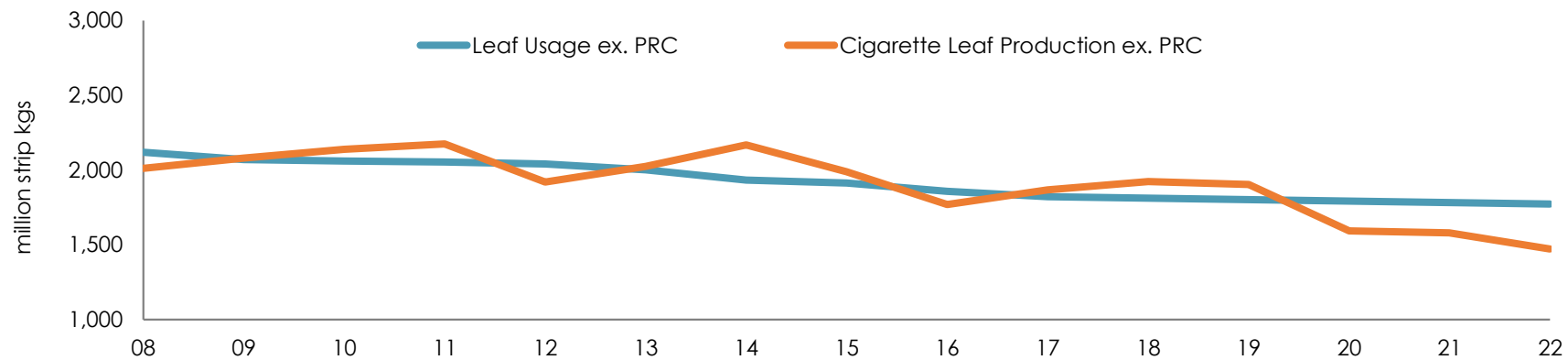
We target at least 80% of our tobacco inventory to be committed for sale to customers

We source tobacco to meet anticipated demand

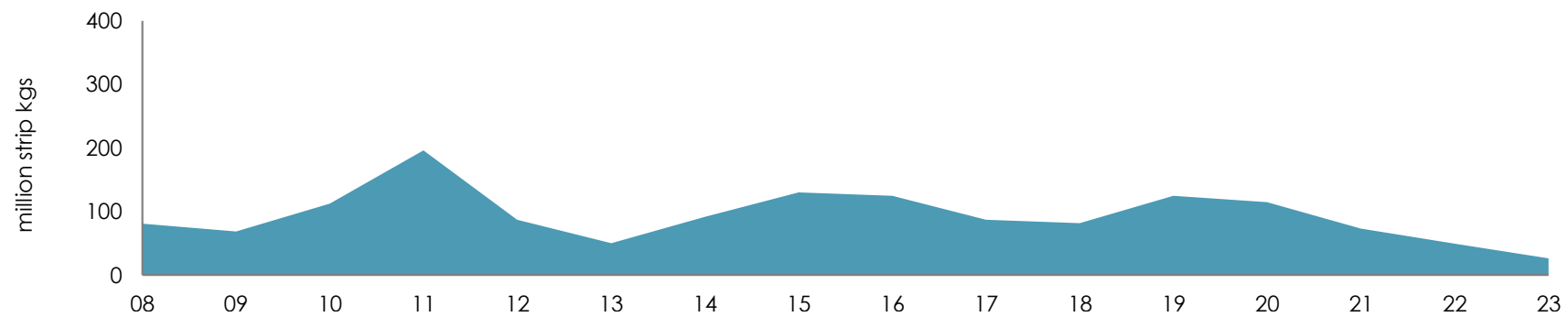


# Tobacco Industry Supply and Demand

Leaf Usage vs. Cigarette Leaf Production by Crop Year



Flue-Cured and Burley Unsold Stocks (as of June 30)



Company Estimates. Excludes Asian Monopolies



# 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 5.5 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

## 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 & Ingredients Operations

## Shared Core Competencies

### Universal's Core Competencies

Diversified,  
Global  
Procurement  
Strategy

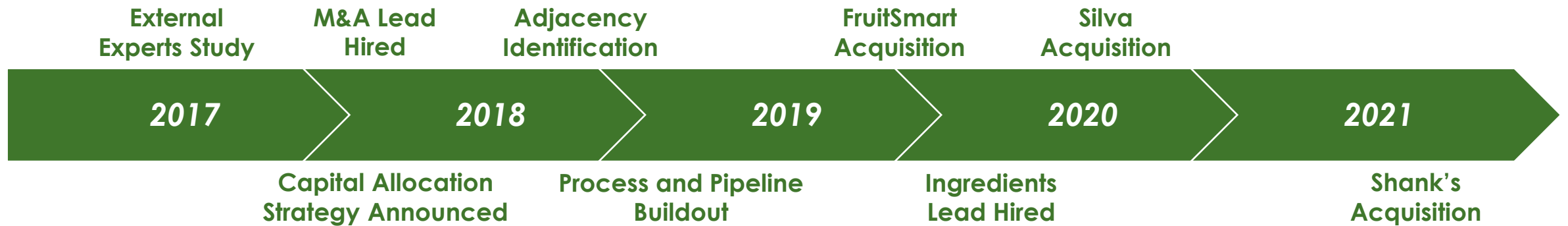
Strong Local  
Management

Supplying  
High-Quality  
Products to  
Major Market  
Customers

Value-Added  
Processing

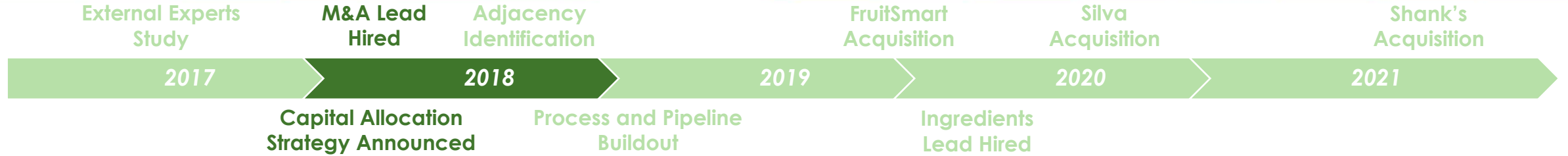
# Ingredients Platform Formation

## Timeline



# Ingredients Platform Formation

## Capital Allocation Strategy



**May 2018**

### Capital Allocation Strategy

Strengthening and investing for growth in our core tobacco business;

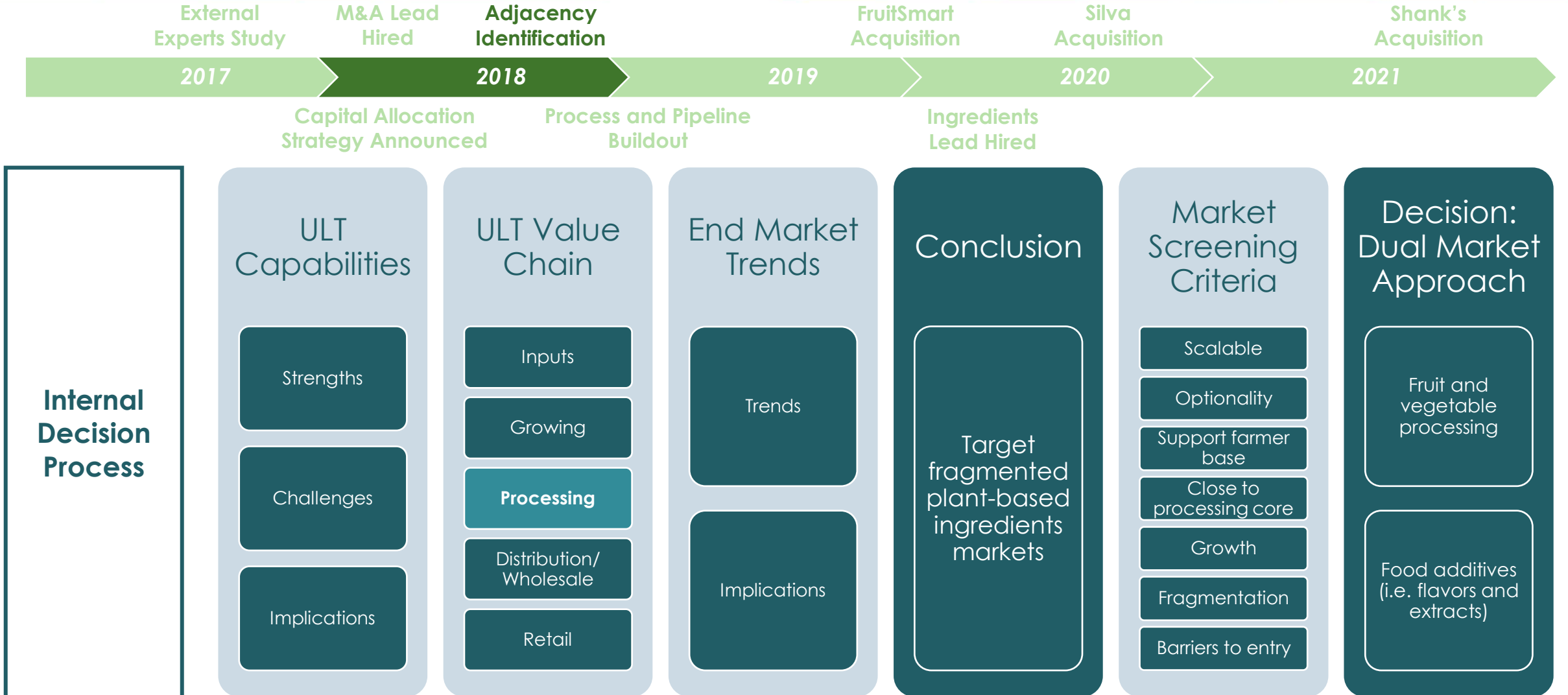
Increasing our strong dividend;

Exploring growth opportunities in adjacent industries and markets that utilize our assets and capabilities; and

Returning excess capital through share repurchases.

# Ingredients Platform Formation

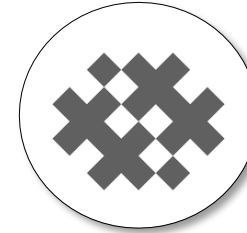
## Adjacency Identification



# Plant-Based Ingredients 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



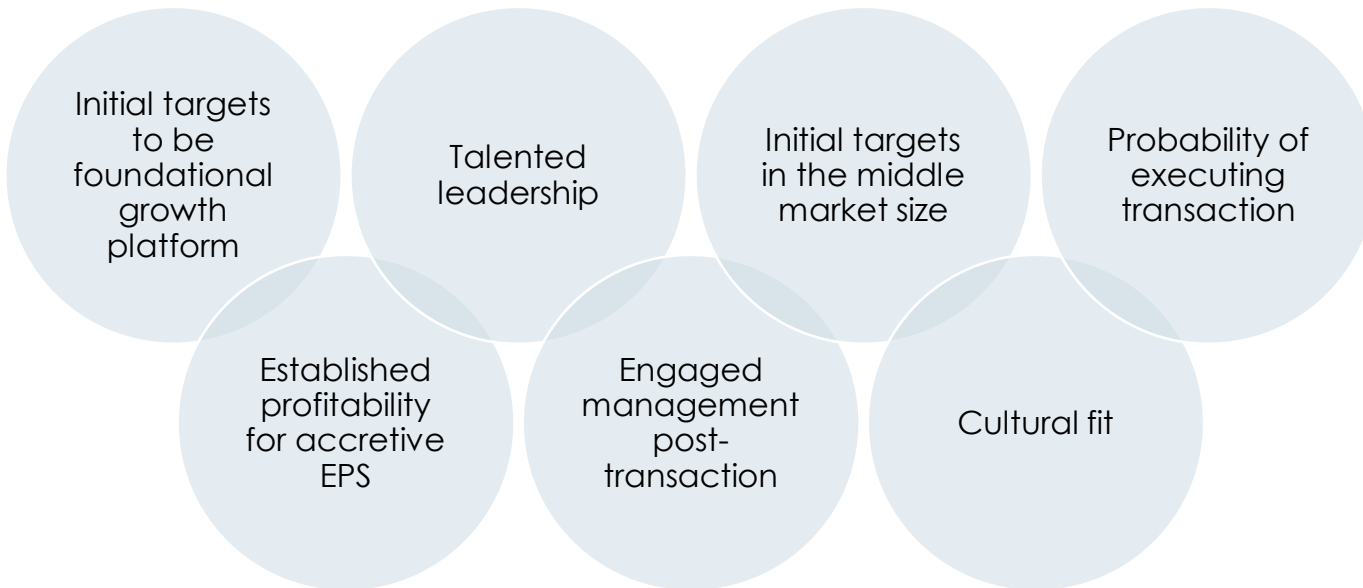
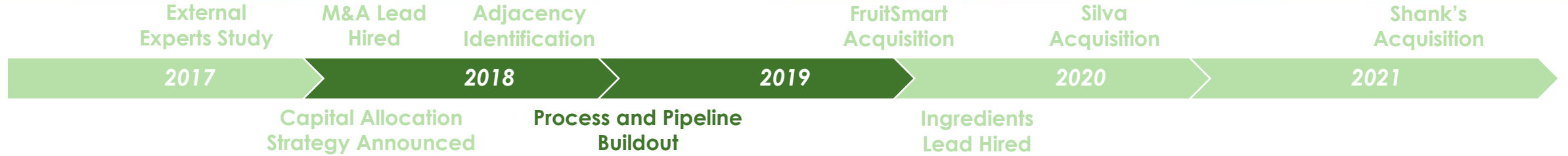
Growth is driven by a combination of new product development, expanding capabilities, geographic expansion and M&A

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



# Ingredients Platform Formation

## Pipeline Buildout



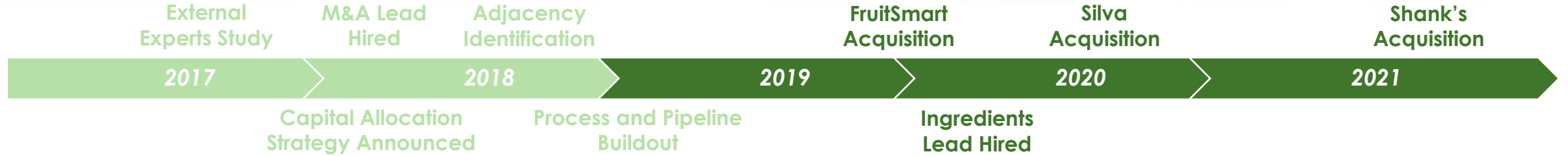
**500+ potential targets identified and ranked**

**Dual pipelines of preferred targets**

1. Processors
2. Flavors & extracts

# Ingredients Platform Formation

## Execution



**100+ actionable opportunities reviewed**

**10-15 through initial screening**

**3 transactions closed**

**~\$380M total invested**



- January 2020
- \$80M plus \$16M facilities
- Fruit focus
- Concentrates, not-from-concentrate, essences, dehydrated



- October 2020
- \$170M including facilities
- Vegetable focus
- Dehydrated



**SHANK'S**  
EXTRACTS  
EST. 1899

- October 2021
- \$100M plus \$13M facilities
- Vanilla focus with bottling and packaging
- Extracts, flavors, colors, nutraceuticals

# FruitSmart Capabilities

## Juice Concentrates & Essences

Juice Concentrates are produced from highest quality fruits, and essences are clear by products related to the concentrate process

Used for a variety of beverage applications and to balance flavor and aroma profiles

## Fruit Fibers

Made from fruit skins and pulp which is rich in natural fruit anthocyanins and fiber

Used as natural additions to nutrition bars, cereals, and other baking applications

## Pieces, Granules & Powders

Low moisture fruit powders, dices, and nuggets are made from whole fruit

Ideal for use in shelf-stable products

## NFC Cold-Pressed Juices

Cold pressed apple and other NFC juices produced from highest quality fruits with state-of-the-art processing facilities

Used for juice beverages, smoothies and as an ingredient in the production of hard ciders

## Blends

Proprietary blends of fruit juice concentrates sometimes enhanced with natural flavors and colors

Used in custom blend formulations and “black box” applications

## Fruit Purees

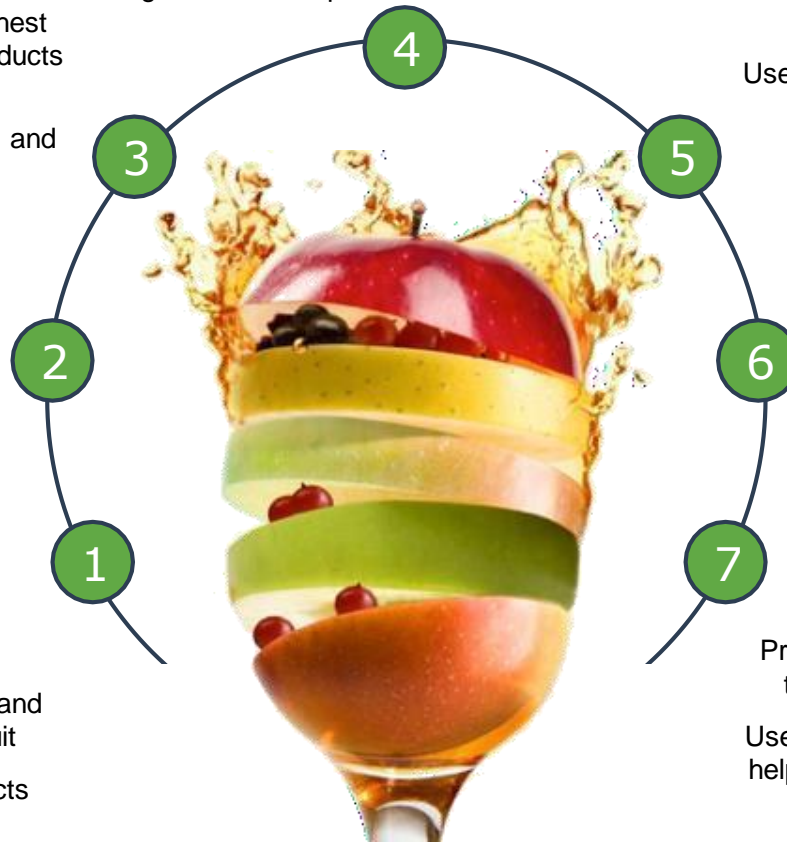
Fruit Purees are produced from the highest quality fruits

Used for juices, smoothies and as an ingredient in the production of a variety of products

## Fruit Seeds, Seed Oils & Seed Powders

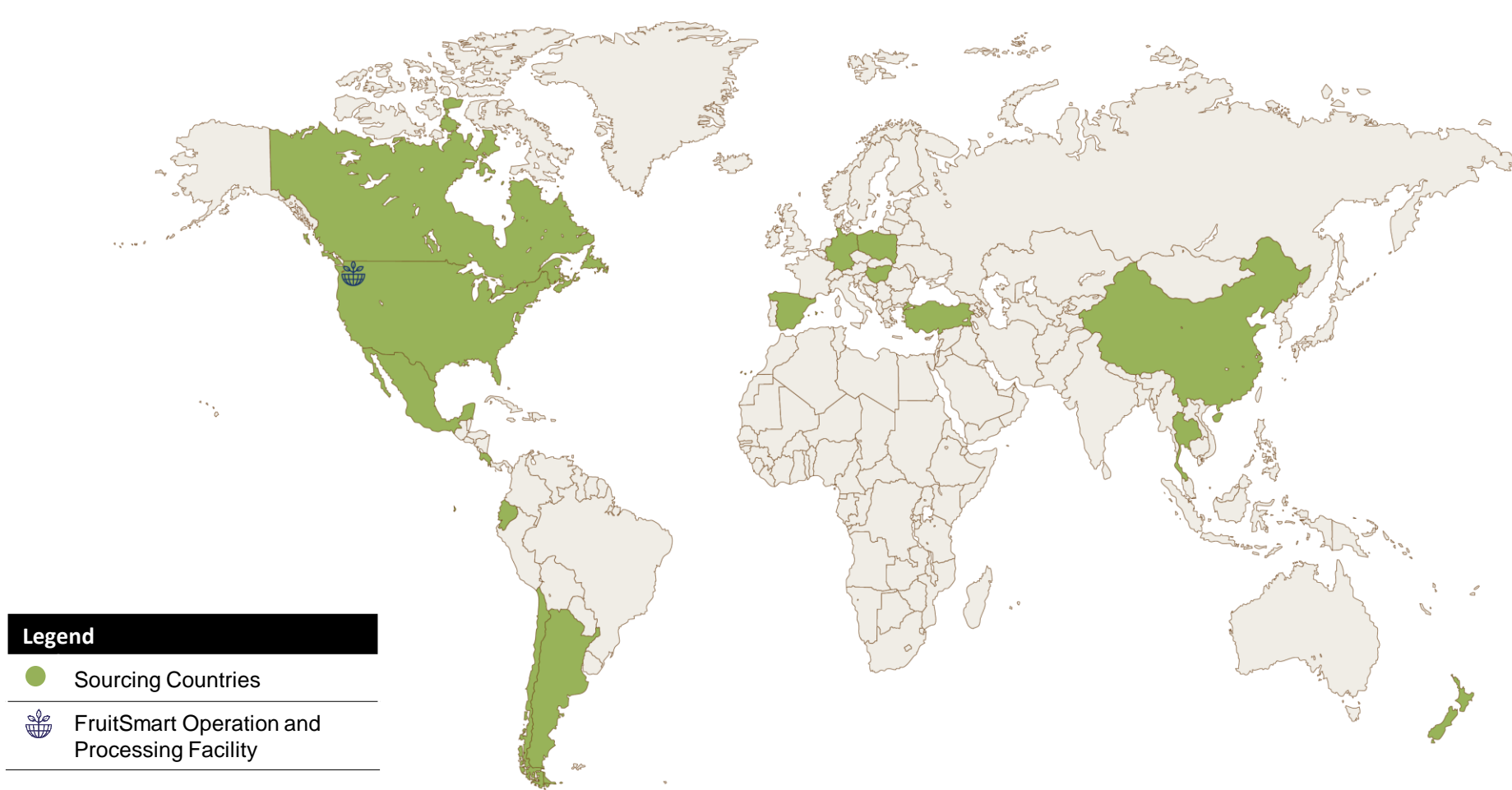
Produced from a natural process, traditional techniques and the highest quality fruits

Used to naturally add texture, balance flavors, help fortify food applications and add value to cosmetic applications



# FruitSmart

## Global Sourcing





# Silva International

## Capabilities

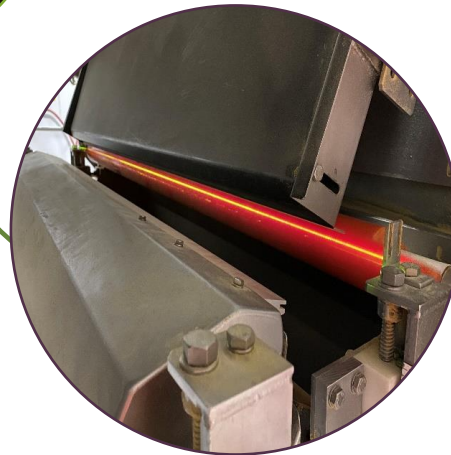
Global Sourcing



Cut to Size



Treatment Options



Cleaning &  
Sorting



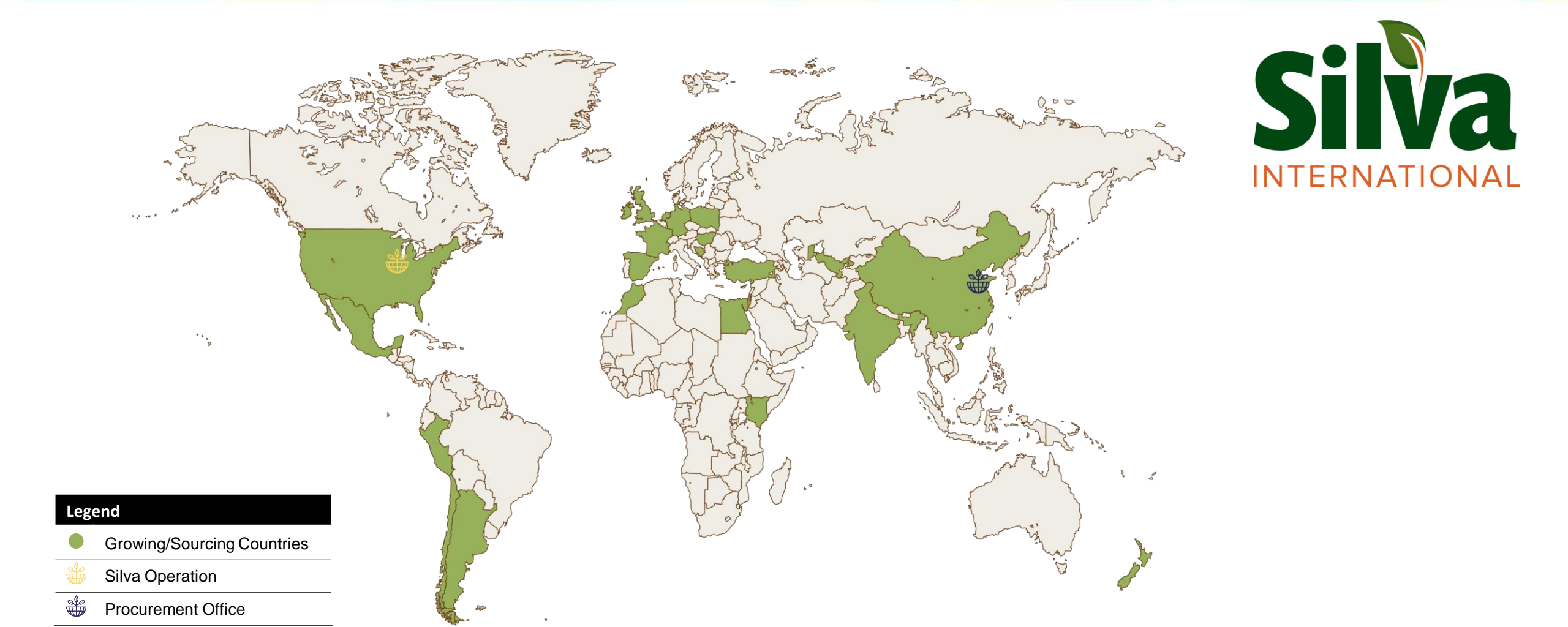
Blending





# Silva International

Global Sourcing



# Shank's Extracts

## Capabilities



### Production Lines

*Supporting:*

- Flavor Extractions
- Bottling
- Pouching
- Gelatin Cups
- Hot Fill

***Dual  
Expertise in  
Flavoring &  
Packaging***



### Library of 2,400+ Flavors

*Going into:*

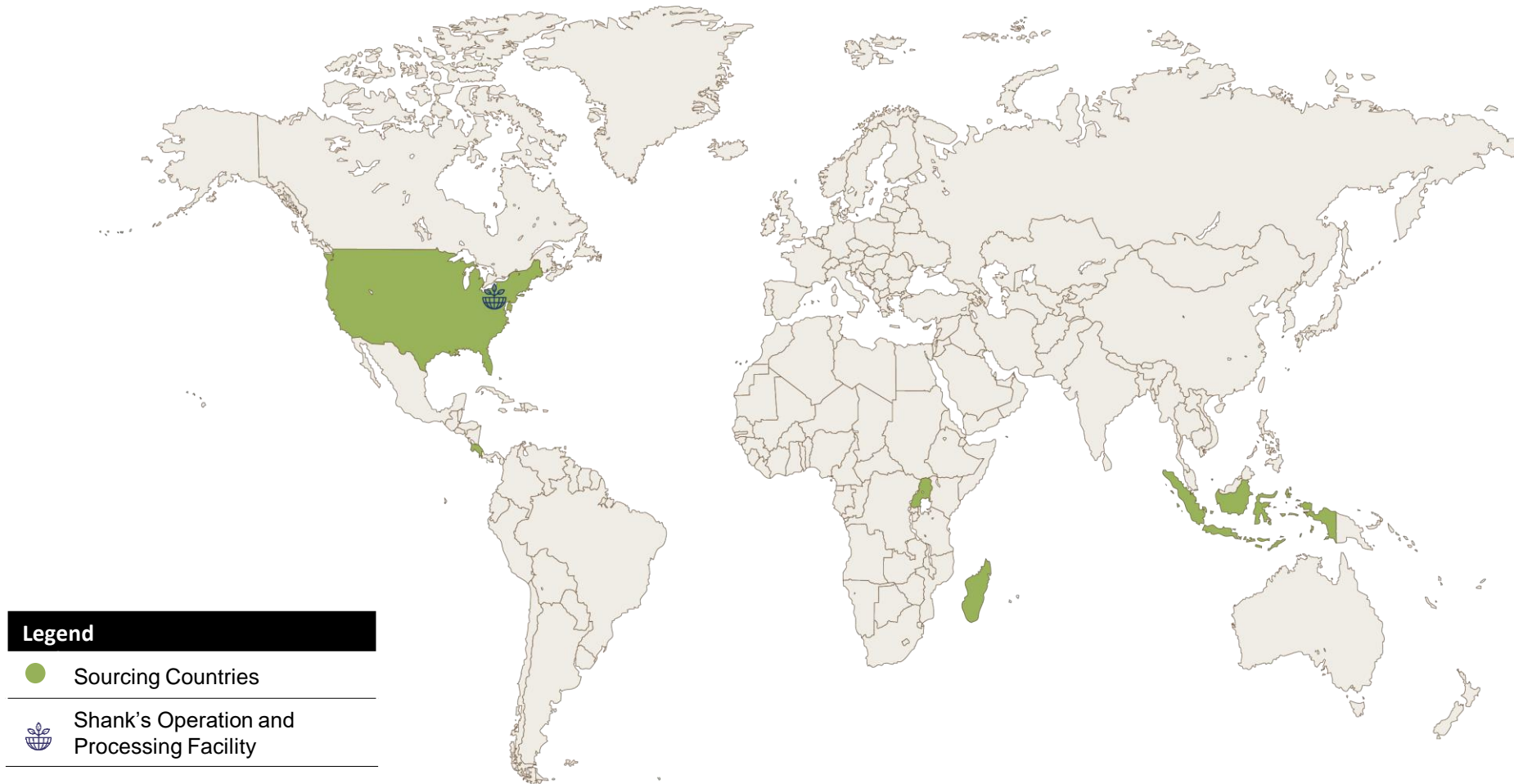
- Vanilla Products
- Beverages
- Bakery & Confection
- Fruits, Nuts & Flowers
- Savory & Dairy

# Shank's Extracts

## Global Sourcing

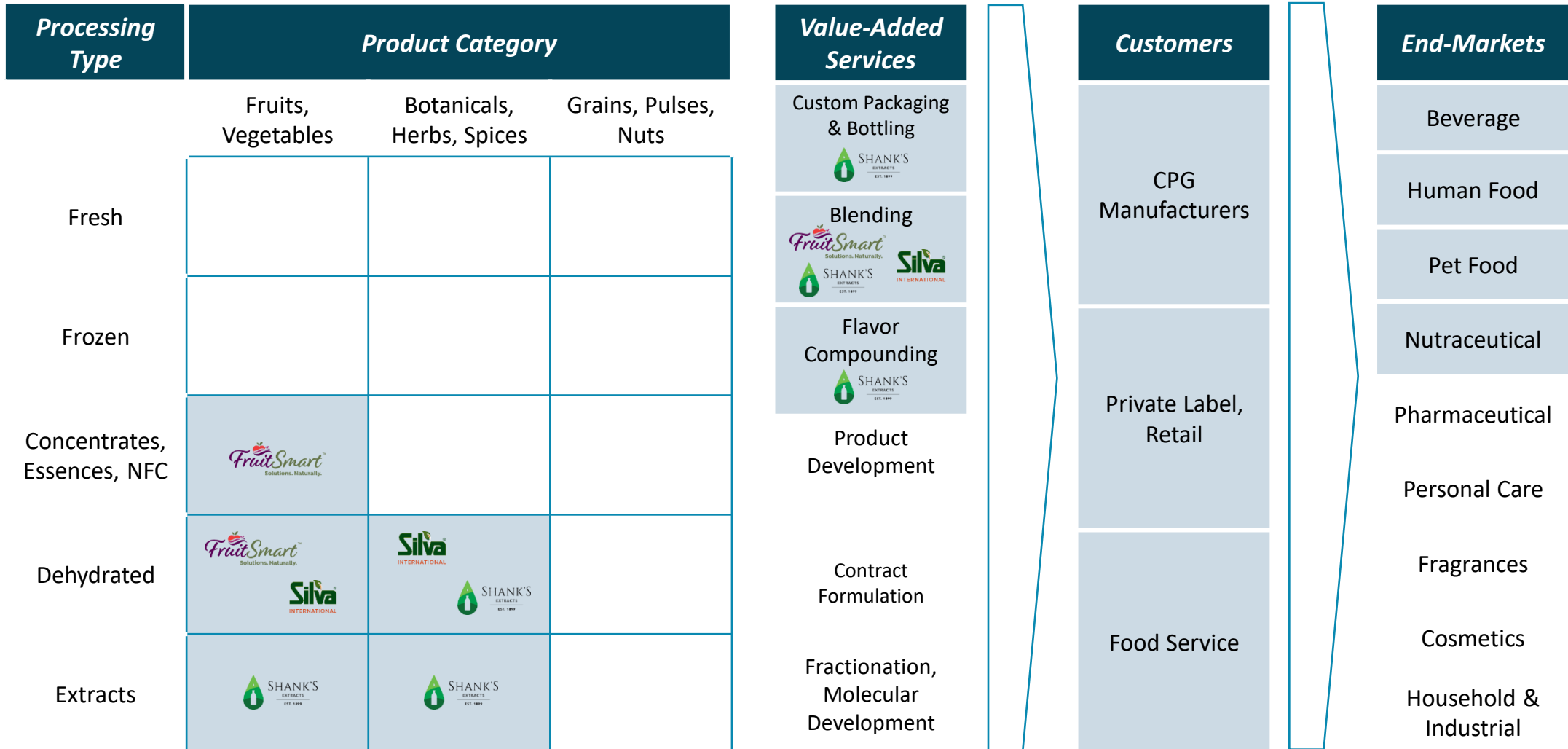


SHANK'S  
EXTRACTS  
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# Plant-Based Ingredients Platform

## Strategy Map



# Leveraging for Growth

## Timeline





# Leveraging for Growth

## Platform Future

### Platform Formation



### Investments

*Sales and R&D buildout to leverage synergies across the platform and offer solutions to customers*

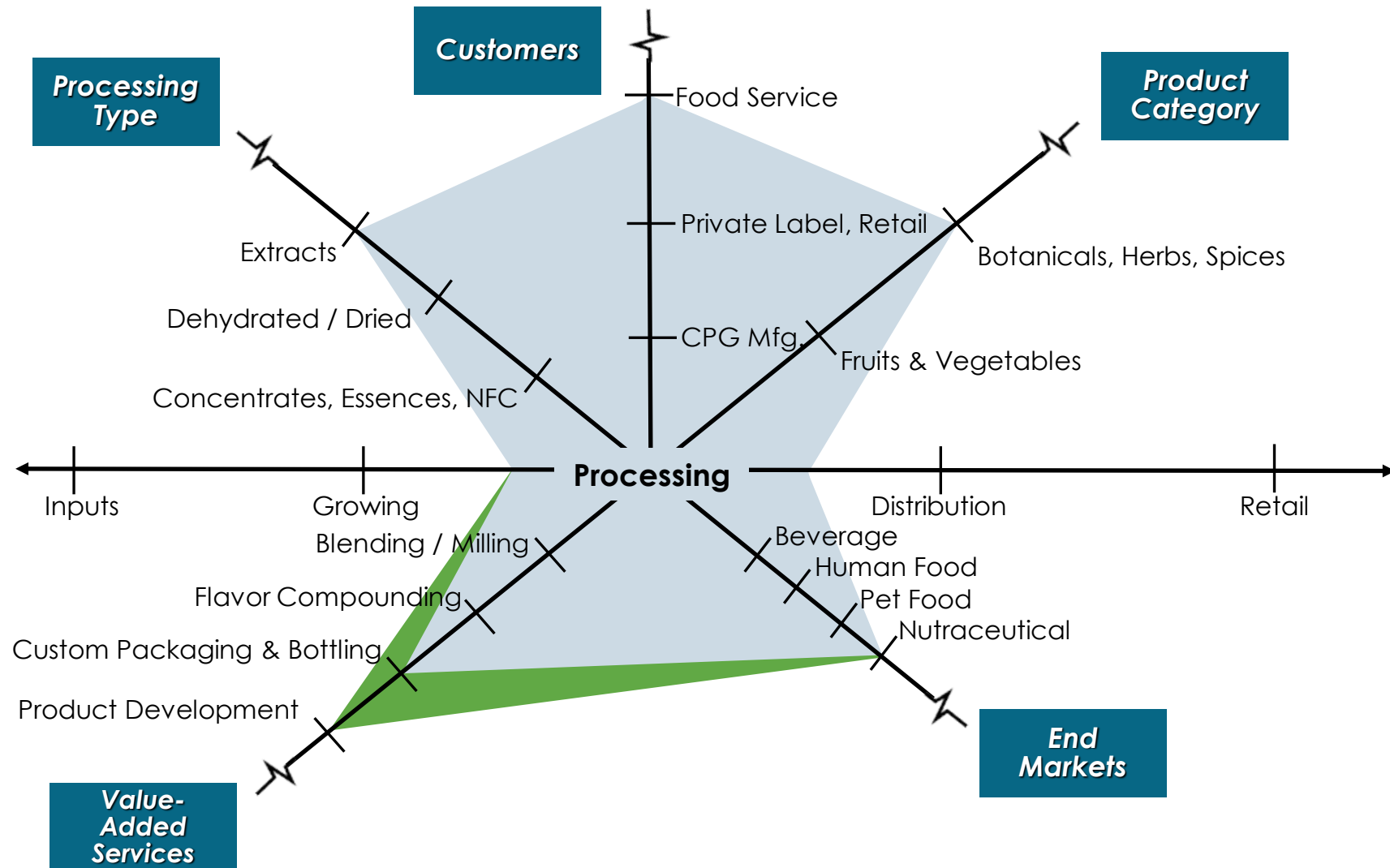
*Manufacturing capability expansion to scale with existing customer base and target new markets*

### Platform Future

**Total solutions-based suite of value-added product offerings into targeted plant-based ingredients markets and B2B customers**

# Plant-Based Ingredients Platform

## Growing from the Core



# 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

In millions	Fiscal Year Ended					Nine Months Ended December 31,	
	2019	2020	2021	2022	2023	2022	2023
<b>Net income(loss)<sup>1</sup></b>	<b>\$104</b>	<b>\$72</b>	<b>\$87</b>	<b>\$87</b>	<b>\$124</b>	<b>\$70</b>	<b>\$79</b>
Subtract: (Net income) loss attributable to noncontrolling interests in subsidiaries	(6)	(6)	(9)	(17)	(6)	(3)	(8)
Add: Income taxes	41	35	29	39	12	22	21
Subtract: Interest income	2	2	—	1	6	—	4
Add: Interest expense	18	20	25	28	49	33	48
Subtract: Equity in pretax earnings (losses) of unconsolidated affiliates	5	4	3	6	2	—	(3)
Subtract: Other non-operating income (expense)	1	1	—	3	2	—	2
<b>Operating income (loss)</b>	<b>\$161</b>	<b>\$126</b>	<b>\$148</b>	<b>\$160</b>	<b>\$181</b>	<b>\$129</b>	<b>\$154</b>
Add: Depreciation and amortization	37	38	45	53	57	44	43
Add: Equity in pretax earnings (losses) of unconsolidated affiliates	5	4	3	6	2	0	(3)
<b>EBITDA</b>	<b>\$204</b>	<b>\$169</b>	<b>\$195</b>	<b>\$219</b>	<b>\$241</b>	<b>\$172</b>	<b>\$194</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 table sets forth the unusual items included in reported results:

In millions	Fiscal Year Ended					Nine Months Ended December 31,	
	2019	2020	2021	2022	2023	2022	2023
<b>Operating Income</b>	<b>\$161</b>	<b>\$126</b>	<b>\$148</b>	<b>\$160</b>	<b>\$181</b>	<b>\$129</b>	<b>\$154</b>
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	—	—	\$4
<b>Adjusted Operating Income<sup>1</sup></b>	<b>\$181</b>	<b>\$141</b>	<b>\$173</b>	<b>\$174</b>	<b>\$181</b>	<b>\$129</b>	<b>\$157</b>
In millions	2019	2020	2021	2022	2023	2022	2023
<b>EBITDA</b>	<b>\$204</b>	<b>\$169</b>	<b>\$195</b>	<b>\$219</b>	<b>\$241</b>	<b>\$172</b>	<b>\$194</b>
<b>Adjusted Operating Income<sup>1</sup></b>	<b>\$181</b>	<b>\$141</b>	<b>\$173</b>	<b>\$174</b>	<b>\$181</b>	<b>\$129</b>	<b>\$157</b>
Depreciation and amortization	\$37	\$38	\$45	\$53	\$57	\$44	\$43
Equity in pretax earnings (losses) of unconsolidated affiliates	\$5	\$4	\$3	\$6	\$2	—	\$(3)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$224</b>	<b>\$184</b>	<b>\$221</b>	<b>\$232</b>	<b>\$241</b>	<b>\$172</b>	<b>\$198</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 table sets forth the unusual items included in results reported:

In millions	Fiscal Year Ended					Nine Months Ended December 31,	
	2019	2020	2021	2022	2023	2022	2023
<b>Net Income</b>	<b>\$104</b>	<b>\$72</b>	<b>\$87</b>	<b>\$87</b>	<b>\$124</b>	<b>\$70</b>	<b>\$79</b>
Transaction costs for acquisitions	—	\$5	\$4	\$2	—	—	—
Purchase accounting adjustments	—	\$2	\$3	\$3	—	—	—
Fair value adjustment to contingent consideration for FruitSmart acquisition	—	—	\$(4)	\$(3)	—	—	—
Interest (income) expense related to tax matters at foreign subsidiaries	—	—	\$2	\$(1)	\$(5)	—	—
Income tax benefit on a final tax ruling (fiscal year 2022) and dividends paid from foreign subsidiaries (fiscal year 2021)	—	—	\$(4)	\$(2)	\$(24)	—	—
Income tax settlement for foreign subsidiary	—	\$3	—	—	—	—	—
Restructuring and impairment costs <sup>2</sup>	\$17	\$6	\$18	\$10	—	—	\$3
Reversal of Dividend Withholding Tax	\$(8)	—	—	—	—	—	—
Interest expense reversal on uncertain tax position and income tax from sale of operations in Tanzania	—	—	—	—	\$(1)	\$(2)	—
Impact to net income attributable to noncontrolling interests in subsidiaries from Non-GAAP adjustments	—	—	—	\$(1)	—	—	—
Income tax expense from sale of operations in Tanzania	—	—	—	—	—	\$1	—
<b>Adjusted Net Income <sup>1</sup></b>	<b>\$113</b>	<b>\$88</b>	<b>\$105</b>	<b>\$94</b>	<b>\$94</b>	<b>\$69</b>	<b>\$82</b>

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

<sup>2</sup> Includes income tax benefit

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

The following table sets forth the unusual items included in results reported:

Dollars per Share	Fiscal Year Ended					Nine Months Ended December 31,	
	2019	2020	2021	2022	2023	2022	2023
<b>EPS (diluted)</b>	<b>\$4.11</b>	<b>\$2.86</b>	<b>\$3.53</b>	<b>\$3.47</b>	<b>\$4.97</b>	<b>\$2.82</b>	<b>\$3.17</b>
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)	—	—	—
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	—	—	\$0.12
Reversal of Dividend Withholding Tax	\$(0.30)	—	—	—	—	—	—
Interest expense reversal on uncertain tax position and income tax from sale of operations in Tanzania	—	—	—	—	—	\$(0.02)	—
Sale of Tanzania Operations	—	—	—	—	\$(0.02)	—	—
Brazil Tax Ruling	—	—	—	—	\$(1.18)	—	—
<b>Adjusted EPS (diluted)<sup>1</sup></b>	<b>\$4.45</b>	<b>\$3.49</b>	<b>\$4.25</b>	<b>\$3.79</b>	<b>\$3.77</b>	<b>\$2.80</b>	<b>\$3.29</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 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	Fiscal Year Ended				
	2019	2020	2021	2022	2023
Notes payables and overdrafts	\$54	\$78	\$101	\$183	\$196
Long term debt (inc. current portion)	\$369	\$369	\$518	\$519	\$617
Customer advances and deposits	\$22	\$10	\$9	\$14	\$3
Cash and cash equivalents	\$298	\$107	\$197	\$82	\$65
<b>Net debt</b>	<b>\$147</b>	<b>\$350</b>	<b>\$431</b>	<b>\$633</b>	<b>\$751</b>
Total Universal Corporation shareholders' equity	\$1,337	\$1,247	\$1,307	\$1,341	\$1,397
<b>Net capitalization</b>	<b>\$1,484</b>	<b>\$1,596</b>	<b>\$1,738</b>	<b>\$1,974</b>	<b>\$2,148</b>

Note: Numbers may not sum to totals due to rounding

# Appendix

## Free Cash Flow

Free Cash Flow defined as EBITDA less Capital Expenditures

	Fiscal Year Ended					Nine Months Ended December 31,	
In millions	2019	2020	2021	2022	2023	2022	2023
<b>EBITDA</b>	<b>\$204</b>	<b>\$169</b>	<b>\$195</b>	<b>\$219</b>	<b>\$241</b>	<b>\$172</b>	<b>\$194</b>
Capital Expenditures	\$39	\$35	\$66	\$53	\$55	\$39	\$48
<b>Free Cash Flow</b>	<b>\$165</b>	<b>\$134</b>	<b>\$128</b>	<b>\$166</b>	<b>\$186</b>	<b>\$132</b>	<b>\$146</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