CENTURY
PACIFIC
FOOD, INC.

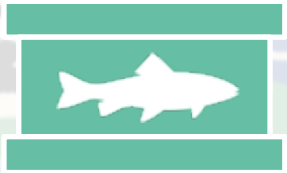
MANAGEMENT'S REPORT

CHRISTOPHER T. PO
EXECUTIVE CHAIRMAN

ANNUAL STOCKHOLDERS MEETING
JUNE 30, 2020 (VIRTUAL)

THE HEALTH, SAFETY, AND FINANCIAL PROTECTION OF OUR WORKFORCE REMAIN PARAMOUNT.

Stricter security and safety protocols across all worksites



Frontliner incentives, financial assistance, canned food, and vitamins

Free transportation, accommodation, and meals as needed

Partnership with Reliance United (Unilab) for COVID Infection Control Program

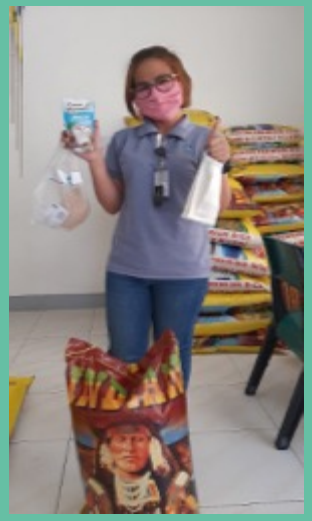
Temperature checks at entrances

Regular disinfection of worksites

Shuttles to and from facilities

Personal protective equipment for employees

Financial & food assistance



Dormitories for select workers

OUR EMPLOYEES, OUR FRONTLINERS

We are grateful to our teams who have risen to this immense challenge.

"We safety officers play a vital role by leading daily sanitation and ensuring proper use of personal protective equipment."

Glenn Umali, Plant Safety Officer

"I also have a responsibility to the company and my team members to ensure the supply chain will not be hampered and will continue to provide its services to the people."

Manolito Oliquiano, Distribution Center Manager

WE ARE COMMITTED TO ENSURING CONTINUOUS SUPPLY.

WE HAVE TAKEN MEASURES TO ENSURE BUSINESS CONTINUITY.

Mitigating supply chain disruptions

Accelerated production to keep up with demand

Operational adjustments in consideration of safety

MITIGATING POTENTIAL DISRUPTIONS IN THE GLOBAL AND LOCAL SUPPLY CHAINS

- Alternative suppliers in place
- Alignment across wider business ecosystem (suppliers, distributors, etc.)
- Increased logistics capabilities
- Coordination with the Department of Trade and Industry as well as the Inter Agency Task Force

ACCELERATING PRODUCTION AND EXPANSION PROGRAMS TO MEET HIGH DEMAND

- Commissioned new tuna plant in General Santos
- Accelerating expansion plans of meat plant in Laguna
- Hired additional merchandisers and warehousing staff
- Frontliner incentives to encourage employee attendance
- Continued automation and expansion of production lines

IMPLEMENTING OPERATIONAL ADJUSTMENTS FOR SAFETY WHILE MAINTAINING PRODUCTION LEVELS

Revised plant layouts to ensure social distancing

New shift schedules to reduce personnel per shift

Implemented stricter security and safety protocols across all worksites

WE ARE ONE WITH THE NATION IN
THE BATTLE AGAINST COVID-19.
Today, we face the fight of our lives.
But our spirit can't be defeated.

CENTURY CARES

1 million

assorted food packs, including around 260,000 snacks distributed to 128 hospitals and facilities.

Various Partnerships

Philippine Disaster Resilience Foundation's Project Ugnayan-Damayan

ABS-CBN's Pantawid ng Pag-Ibig

Frontline Feeders Philippines

To my surprise, Century Pacific Food, Inc. responded to my email. In no time, boxes upon boxes were being delivered to us! We received goods that we then distributed to the slum area near our subdivision. After budgeting and repacking the resources we were going to distribute, we were able to help around 120 families.

Enah Calanog

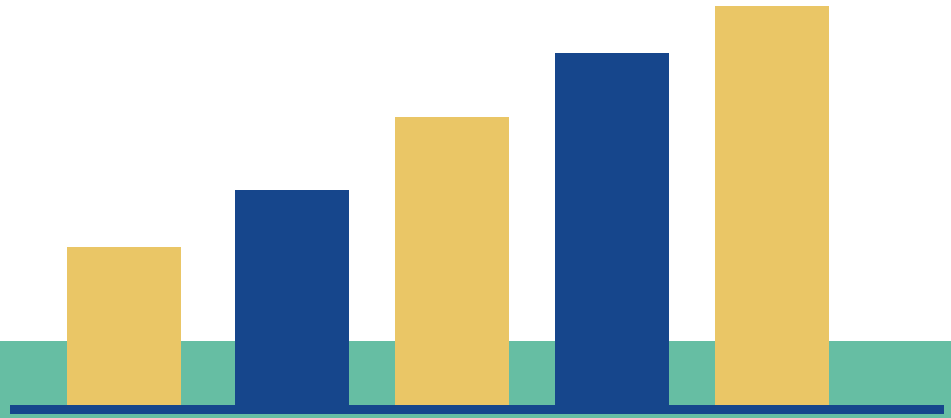
Calma Sandwich Group received distressed messages from UPLB students stranded inside the campus, asking for help with their daily food and toiletry needs. So that's when we reached out to friends who can connect us to Century Pacific Food, Inc., who kindly donated so much to our cause. With their help, we were able to help those stranded at UPLB.

Laarni Paredes

#TheFilipinoCan

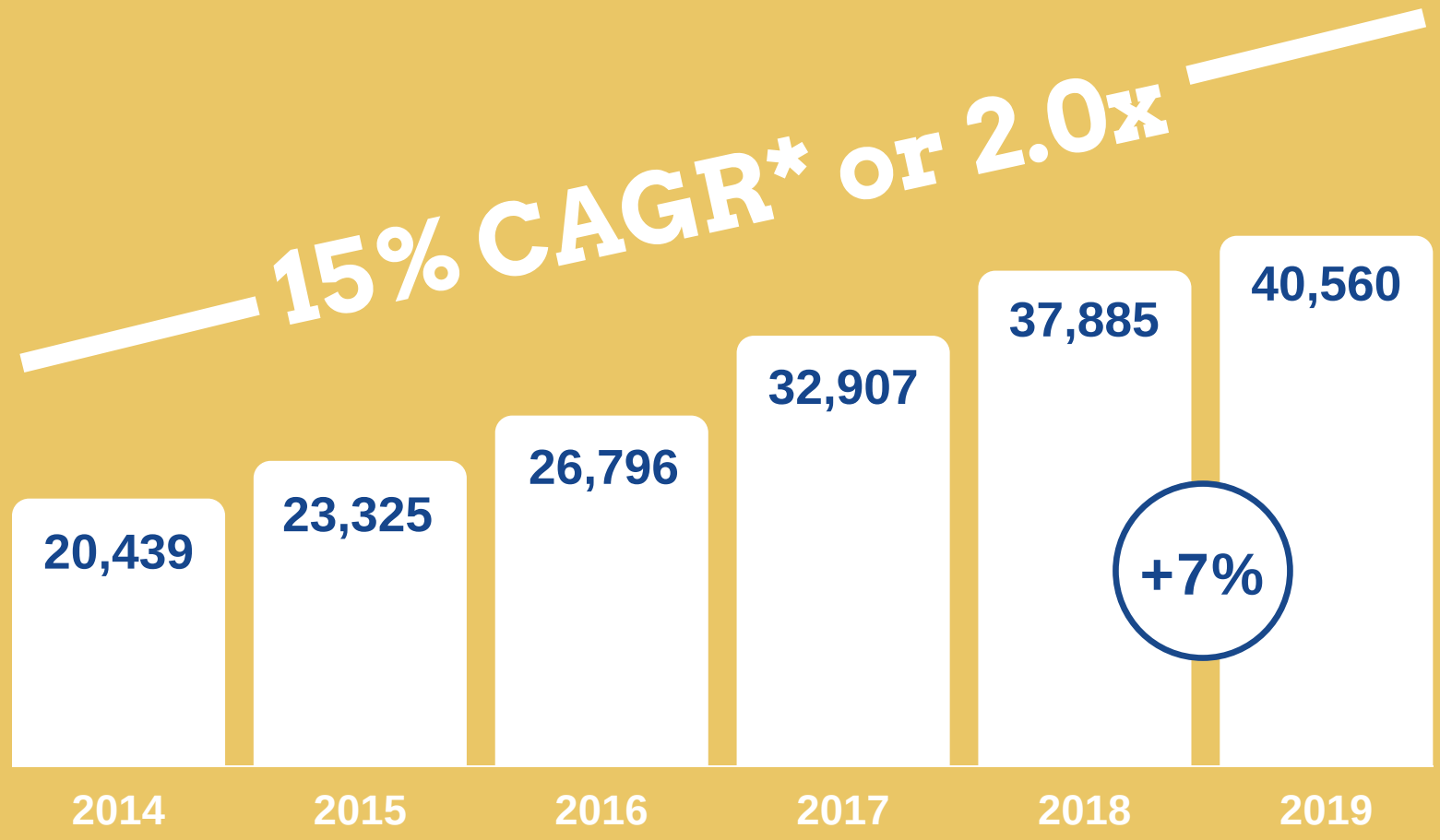
THE AMBITION

To grow the business 10% to 15% a year for the next 10 years, doubling in size every 5 years



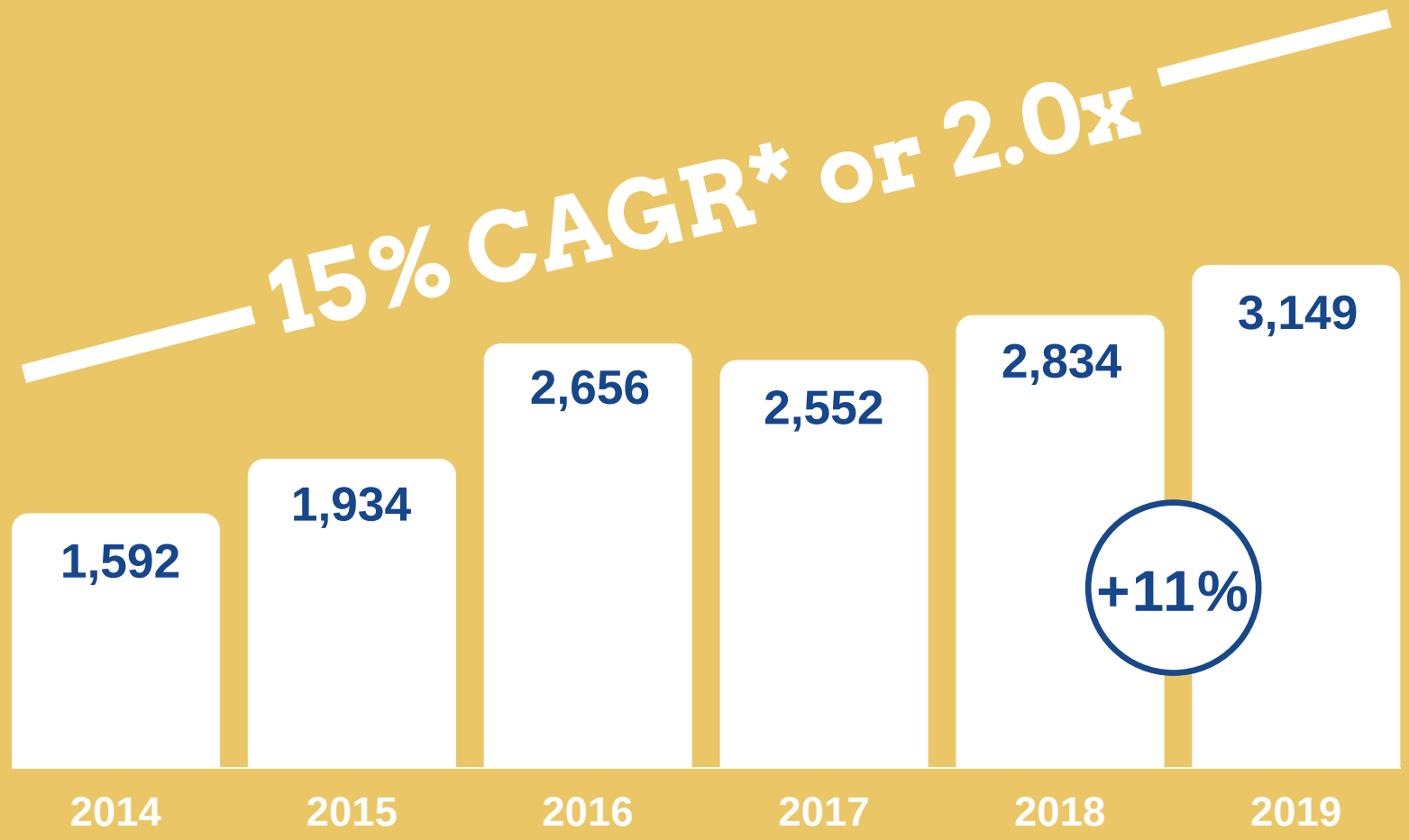
HOW HAVE WE FARED SO FAR?

DOUBLED TOP LINE IN 5 YEARS



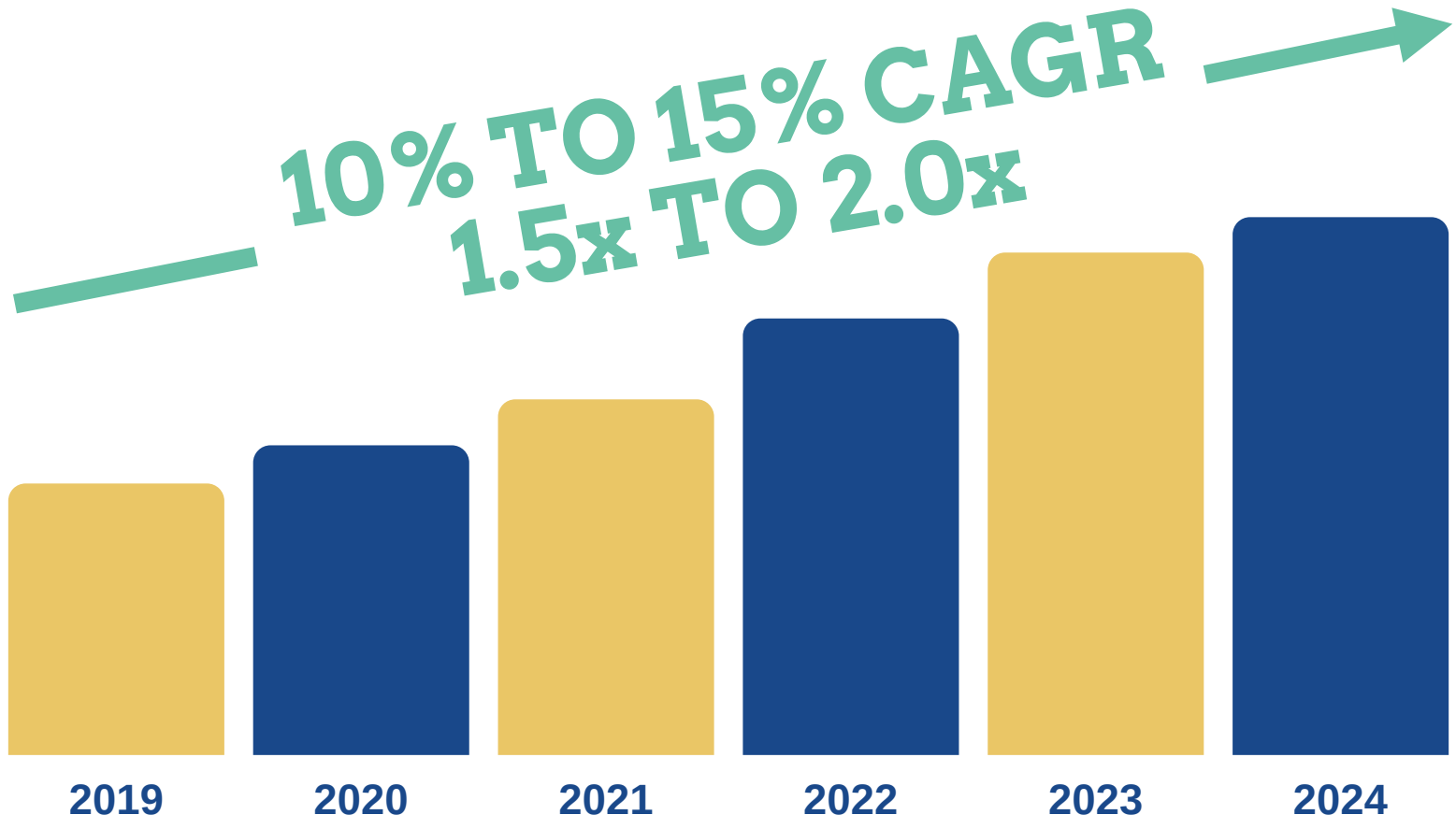
*Figures 2016 onwards are adjusted for IFRS 15, with CAGR based on pre-adjusted revenues.

DOUBLED NET INCOME IN 5 YEARS



Net Income in PHP Million

Beginning a new 5-year growth cycle once again…



STRENGTHENING OUR PLATFORMS OF GROWTH

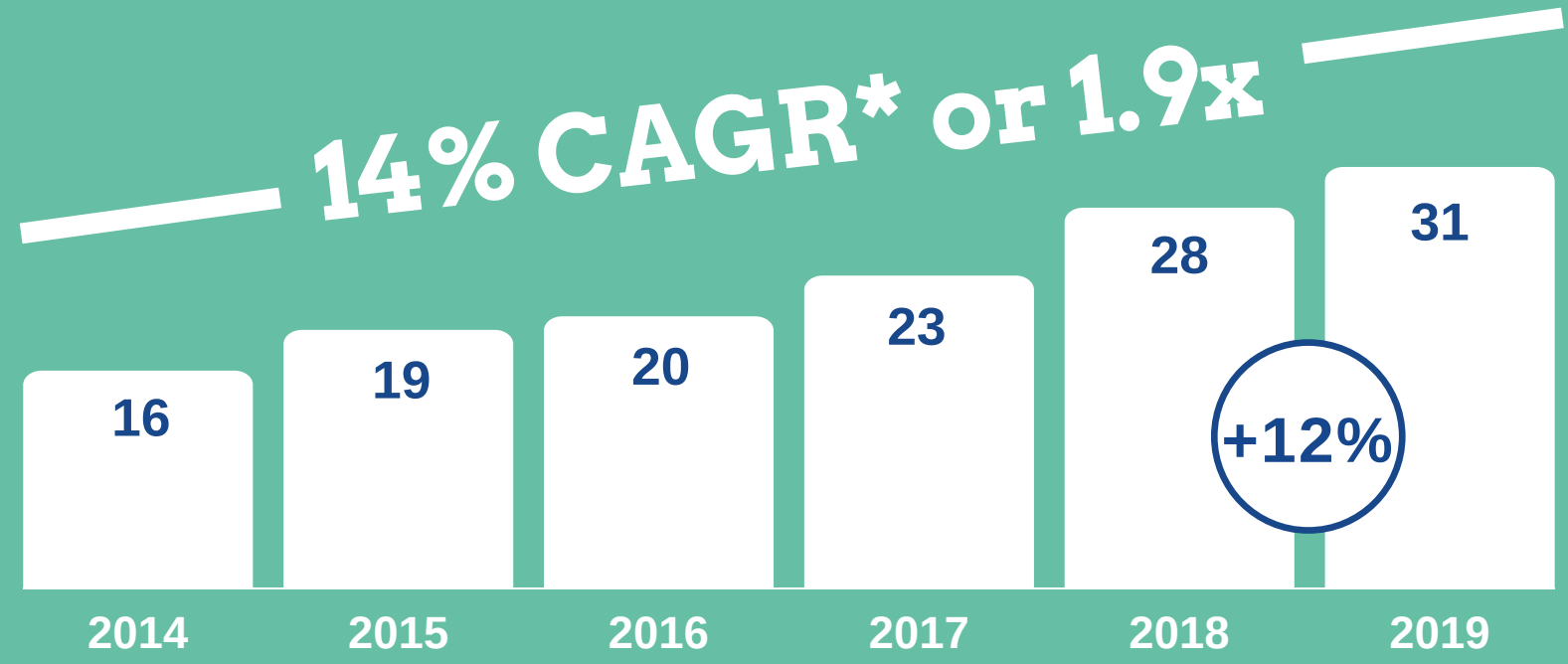
GROW BRANDED

DIVERSIFY

INNOVATE WITHIN EXISTING BUSINESSES

EXPLORE ADJACENT CATEGORIES

BRANDED TO CONTINUE DRIVING GROWTH



Branded Revenues in PHP Billion

*Figures 2016 onwards are adjusted for IFRS 15, with CAGR based on pre-adjusted revenues. Revenue breakdown is based on management report after intersegment eliminations.

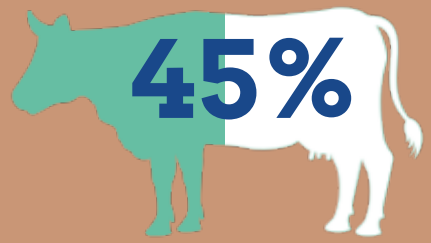
STRONG CORE ON THE BACK OF MARKET LEADERSHIP AND TRUSTED BRANDS

Market Shares

Canned Tuna

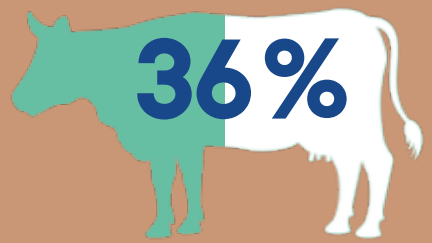
82%
2017 to March 2020 Average

Corned Meat



46%
2017 to March 2020 Average

Emulsified Loaves



34%
2017 to March 2020 Average

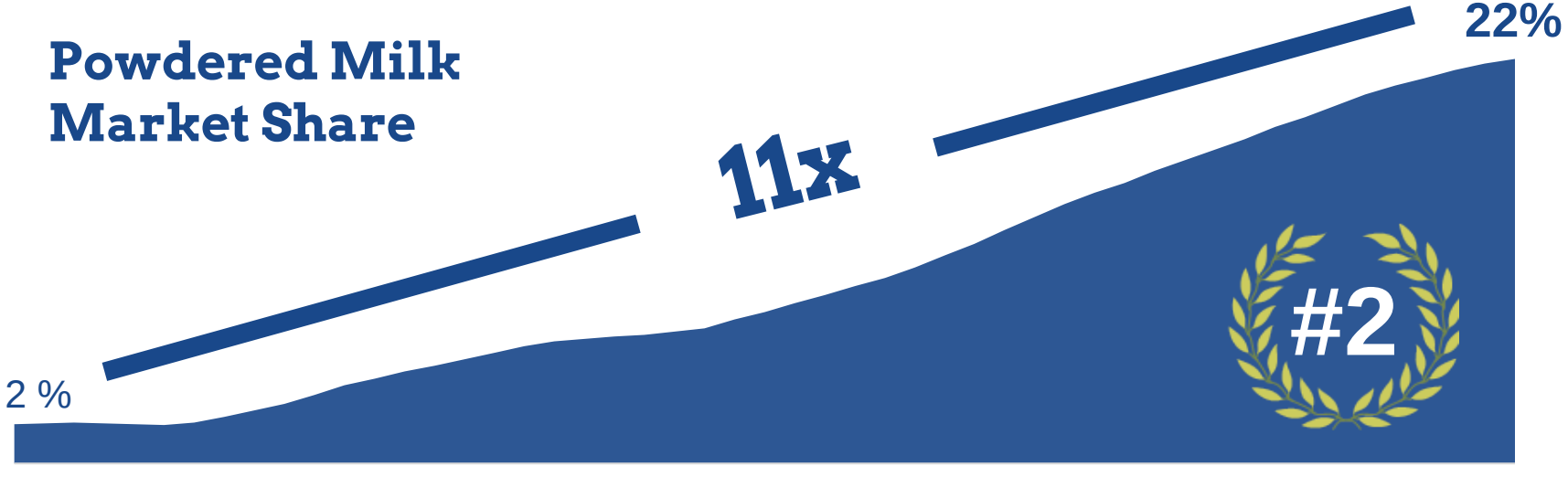
*Source: Nielsen, latest market share as of March 2020

EMERGING MILK NOW A FORMIDABLE CHALLENGER

Philippines' Fastest Growing Brand in 2019

Source: Kantar (among all FMCG brands on Consumer Reach Points)

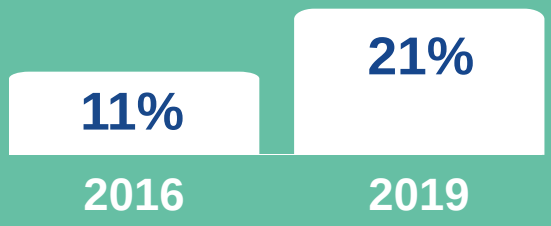
46% 2016 to 2019 Revenue CAGR



*Source: Nielsen

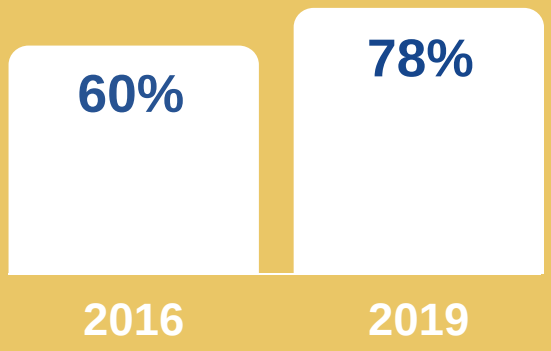
INCREASING AVAILABLITIES DOMESTICALLY AND INTERNATIONALLY

Restaurants served as a percentage of total consumer food establishments in the Philippines

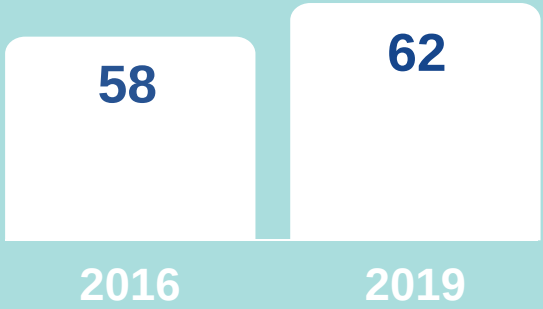


*Source: Nielsen, Euromonitor

Availability as a percentage of total points of sale in the Philippines



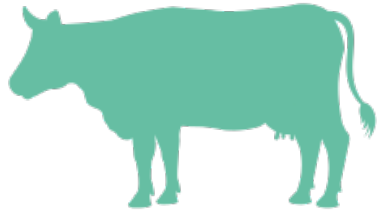
Number of countries where our products are available



CONTINUED DIVERSIFICATION IN BRANDED

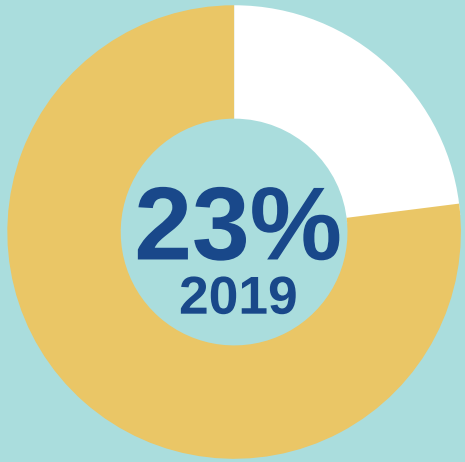
Marine

Milk



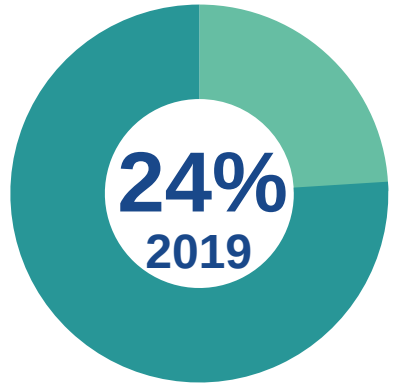
Meat

37% in 2016



11% in 2016

of Total Revenue



25% in 2016

*Revenue breakdown is based on management report after intersegment eliminations.

ENTRY INTO COCONUT

Coconut Water
2013

Virgin Coconut Oil
2015

Desiccated Coconut
Coconut Flour
2017

Coconut Milk / Cream
2018

Coco Mama
2019

INNOVATING WITHIN EXISTING BUSINESSES

A healthier alternative to traditional canned meat products

First flavor extension of Birch Tree Fortified

EXPLORING ADJACENT FOOD CATEGORIES

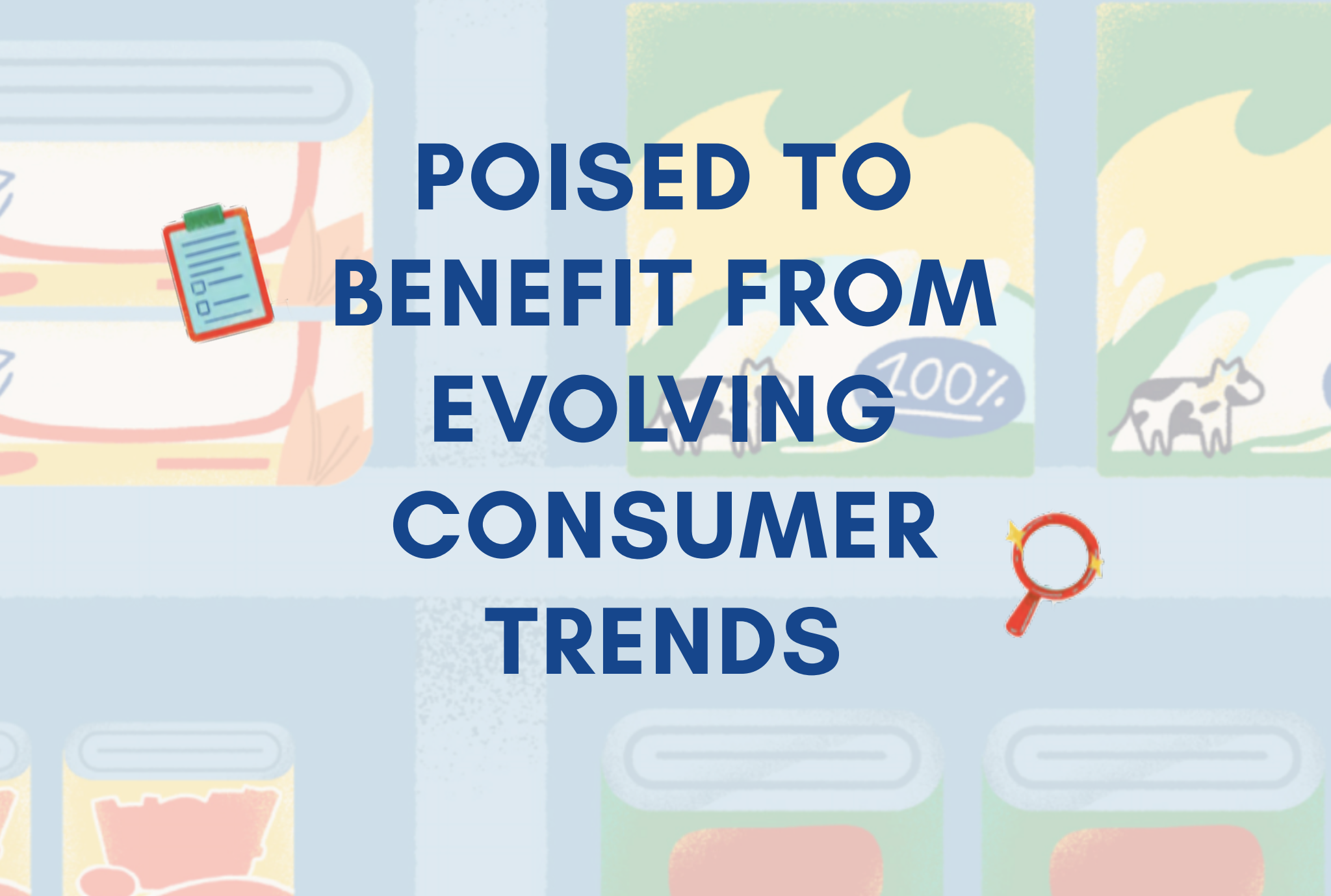
Organically

First coconut brand, entering the domestic coconut market

Via Acquisitions

Presence in canned beans as well as sauces

POISED TO BENEFIT FROM EVOLVING CONSUMER TRENDS



COOKING AT HOME

HEALTH & SAFETY

DIGITAL CHANNELS

VALUE FOR MONEY

PRODUCTS PRIMARILY FOR HOME USE

RECIPES AND HOW-TO GUIDES TO PROMOTE USE

Century Pacific Food, Inc.
May 3 at 10:00 AM ·

One of the most-searched merienda recipe this ECQ period. Everybody's favorite, Coco Mama Ginataang Bilo-Bilo #WeekendDelights #CenturyCares

Ingredients:
Glutinous Rice Balls:
1 ½ cups glutinous rice powder... See More

YOUTUBE.COM
Ginataang Bilo-Bilo Recipe with Coco Mama Fresh Gata
Easying-easy nang gumawa ng Ginataang Bilo-Bilo with Coco Mama...

Century Pacific Food, Inc.
April 26 at 10:00 AM ·

Don't let the heat lock down your craving for something cool and sweet - Angel Milk homemade ice cream on sticks #WeekendDelights #CenturyCares #iloveAngelMilk

Ingredients:
3 pieces medium sized ripe mango, diced and pureed using a blender
2-370 ml Angel All Purpose Creamer, chilled overnight... See More

ADDED HEALTH BENEFITS IN OUR EXISTING PRODUCTS

HIGH HEAT PROCESSES AND STRICT QUALITY STANDARDS

INCREASING PRESENCE IN NON-TRADITIONAL OR ONLINE CHANNELS

AFFORDABLE AND VALUE-FOR-MONEY PRODUCTS

Marine

Meat

Milk

STRONG BALANCE SHEET TO TAKE ADVANTAGE OF OPPORTUNITIES

HEALTHY RATIOS ALLOW FOR INCREASED FINANCIAL FLEXIBILITY

2.22x
Current Ratio

0.73x
Net Interest-Bearing Debt-to-EBITDA Ratio

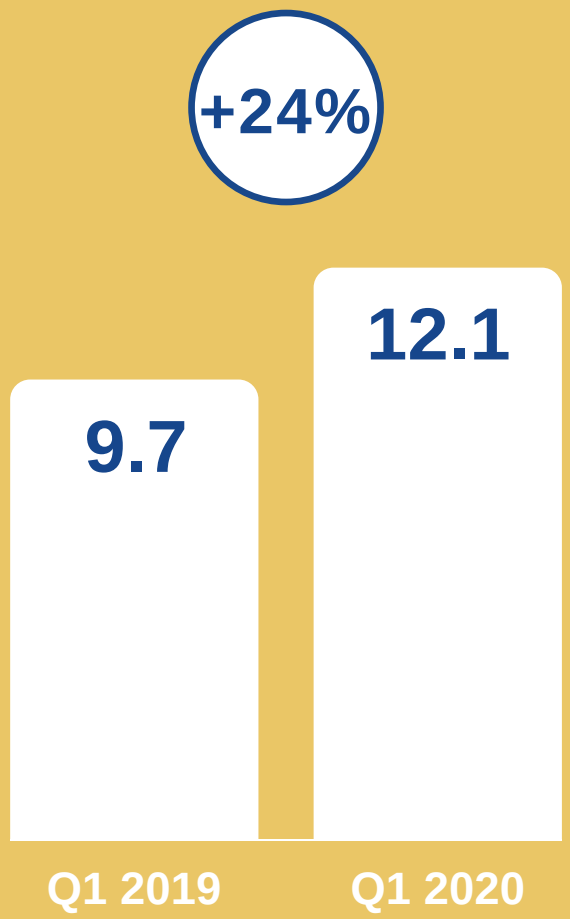
0.62x
Net Debt-to-Equity Ratio

0.20x
Net Gearing Ratio

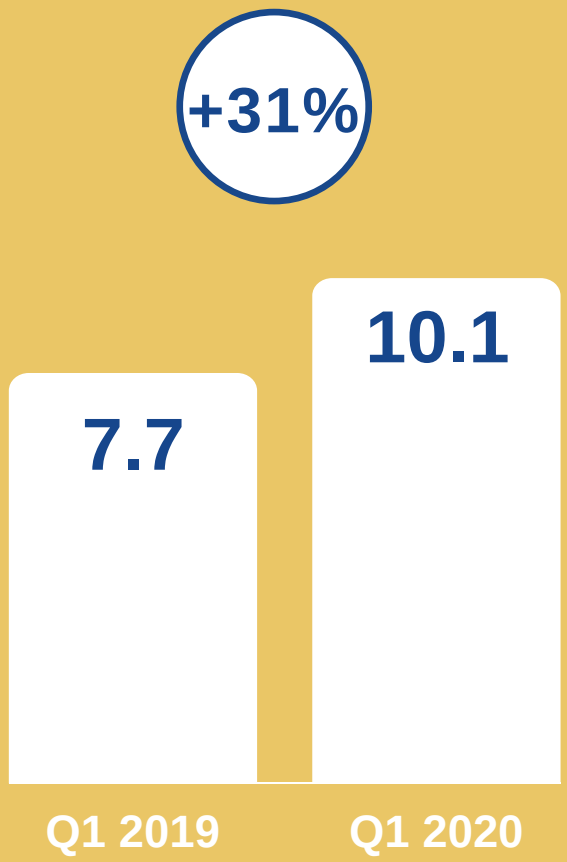
*As of end 2019.

RESILIENT AMIDST COVID-19

RESILIENT AMIDST COVID-19



Revenue in PHP Billion



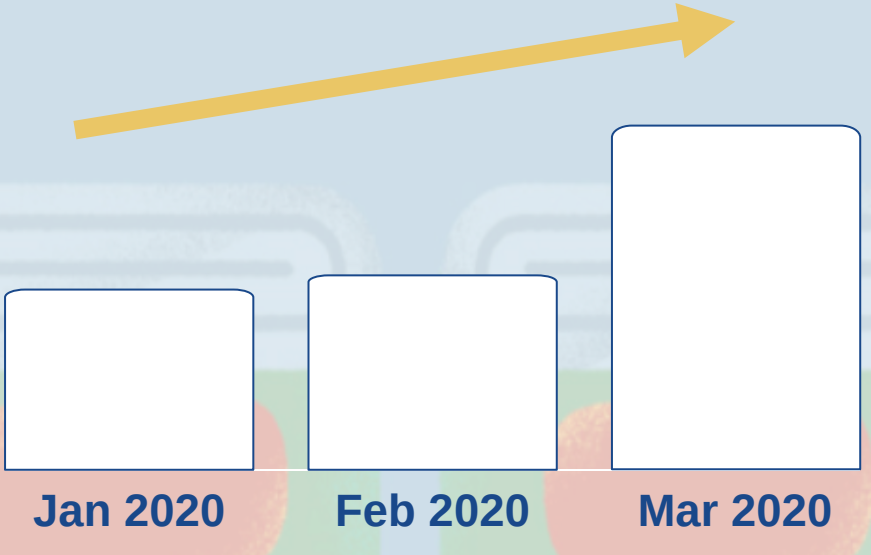
Branded Revenues in PHP Billion

Net Income in PHP Billion

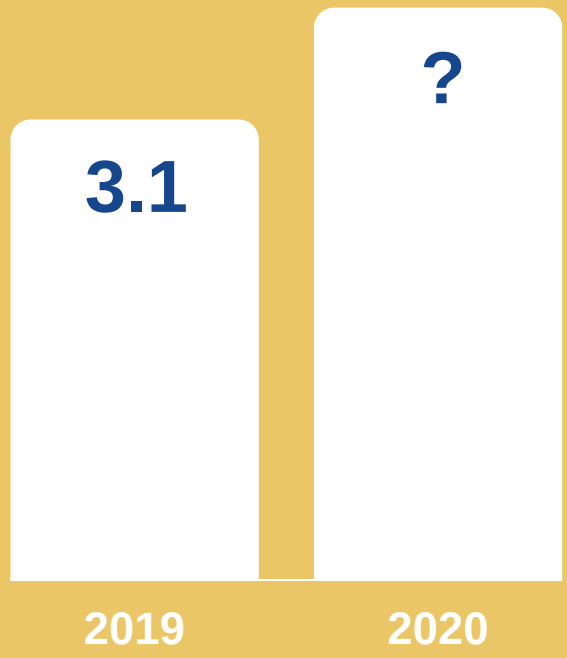
HEIGHTENED DEMAND FOR OUR FOOD PRODUCTS AMIDST THE COVID-19 PANDEMIC

Q1 2020 Branded Revenue Trend

March sales 40% to 50% higher versus January & February average



We expect to achieve high-teens growth in 2020.



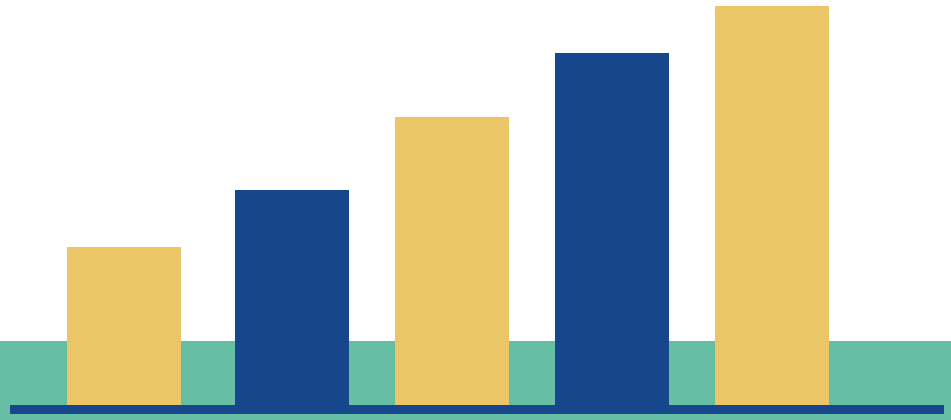
Net Income in PHP Billion

In good times, we aim to grow 2x GDP. During more challenging periods, we outperform due to the nature of our products.

Increasing cash dividend to

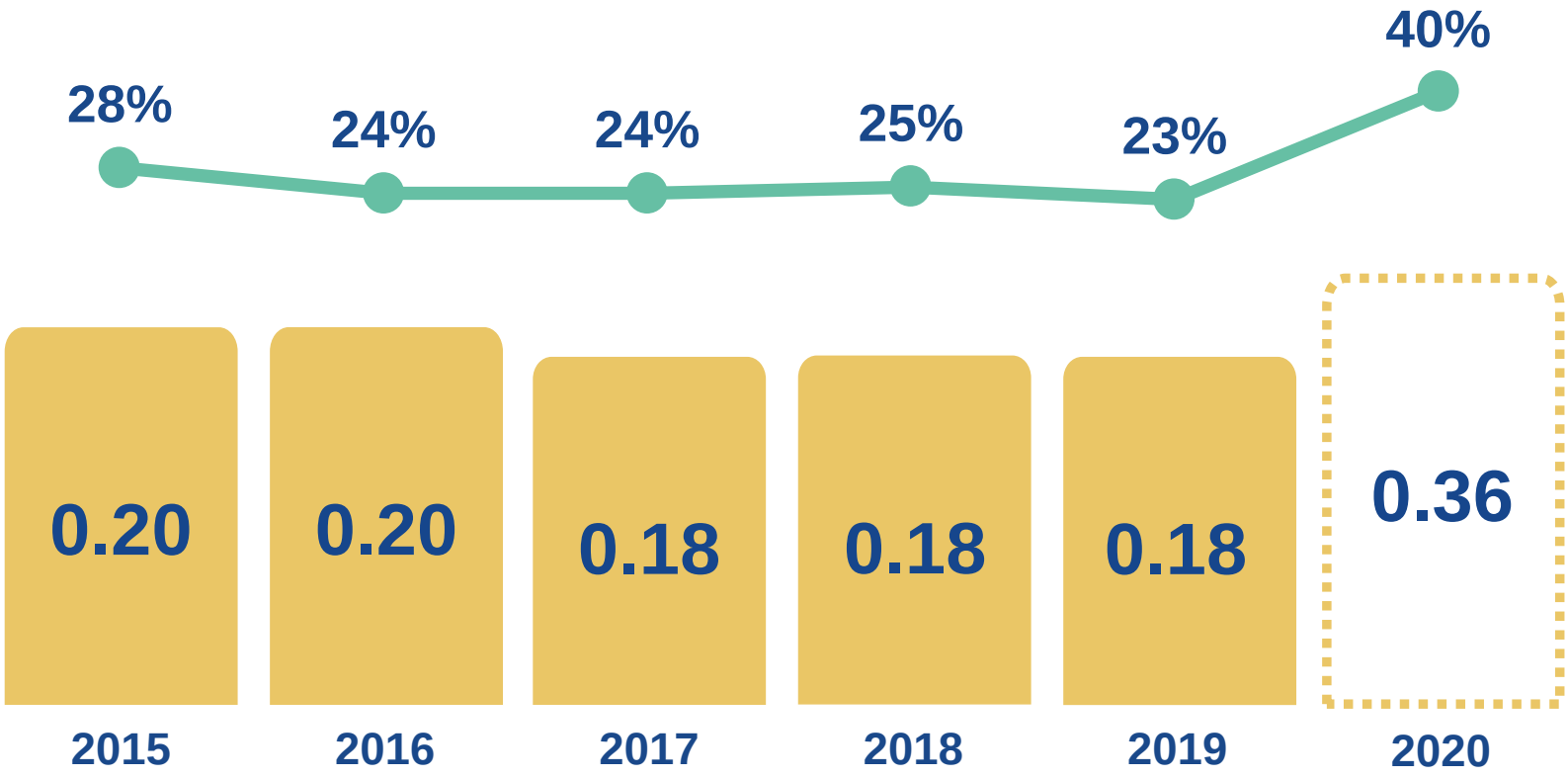
PHP0.36 a share

from PHP0.18 previously



*Increasing regular dividends from PHP0.10 to PHP0.18 and special dividends from PHP0.08 to PHP0.18.

Consistent dividends for shareholders



Dividends in PHP per Share & Payout Ratio*

*Of previous year's net income

ADVANCING OUR SUSTAINABILITY FRAMEWORK

PROTEIN
delivery

PLANET
preservation

PEOPLE
development

SUSTAINABILITY HIGHLIGHTS

22 million
kilograms of protein distributed in the Philippines

1 year
plastic neutral

14,549
jobs supported

3x
increase in investments for employee training

30+ million
free meals provided via Kain Po Program

Scaling up use of solar power by
60x
by 2021

TO NOURISH AND DELIGHT EVERYONE, EVERYDAY, EVERYWHERE THROUGH OUR RESPONSIBLE FOOD BUSINESS.

PROTEIN delivery

We commit to **innovating healthier, affordable products** that address the nutritional needs of Filipinos, through sustainable and responsible manufacturing processes.

PLANET preservation

We commit to **decreasing our water and energy consumption**, efficiently utilizing resources as we continue to grow our business. We will also work towards better managing our environmental impacts by **lessening our greenhouse gas emissions** through renewable energy and **actively monitoring our waste generation**.

PEOPLE development

We commit to **building a highly engaged, inclusive, and competitive workforce** to support the company's sustainable success. We also target to **adopt communities and increase nutritional education** through our products.

To my Century Pacific family,

Thank you all for your invaluable contribution to the Company and for living up to our purpose of nourishing and delighting everyone, everyday, everywhere.

Because of you, I am confident more than ever that while the sky is gloomy today, we can create a brighter path for our company and our society tomorrow.

Ricardo S. Po, Sr.
Founder & Chairman Emeritus