



CENTURY PACIFIC FOOD, INC.

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PHILIPPINE STOCK EXCHANGE, INC.

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Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

RE: **PRESS RELEASE – CNPF ends 2020 strong with earnings up 24%; Declares a Php0.36 dividend for 2021 and enters refrigerated food via the acquisition of Pacific Meat**

Please be informed that Century Pacific Food Inc (CNPF) is issuing the attached press release entitled “CNPF ends 2020 strong with earnings up 24%; Declares a Php0.36 dividend for 2021 and enters refrigerated food via the acquisition of Pacific Meat”

Very Truly Yours,

GIOVANNA M. VERA

Head - Investor Relations



CENTURY PACIFIC FOOD, INC.



CNPF ends 2020 strong with earnings up 24%; Declares a Php0.36 dividend for 2021 and enters refrigerated food via the acquisition of Pacific Meat

Century Pacific Food, Inc. (CNPF), one of the country's leading branded food companies, releases its unaudited full year 2020 results, ending the year with net income of Php3.9 billion – up 24% versus the year before.

2020 consolidated revenues grew by 19%, to Php48.3 billion, driven primarily by the outperformance of the Branded business which saw sales increase by 25% versus the same period last year.

The Branded business - composed primarily of the Marine, Meat, and Milk business units – remains to be majority of the Company's overall sales representing 81% of total topline.

The balance of CNPF's 19% of sales is accounted for by its commodity-linked OEM export business, which saw topline decline 1% year-on-year as a result of softer commodity prices, reallocation of capacity to domestic requirements, and a stronger peso. It nonetheless continued to contribute positively to the Company's net income and cash flows.

Christopher Po, Executive Chairman, said, "We saw robust demand for our branded products all throughout 2020 – beginning with a strong pre-COVID 19 performance, followed by pandemic-related demand spikes, then sustained growth to wrap up the year due largely to the essentials and staples nature of our portfolio."

He added, "Amidst the uncertainties of 2020, our strong position allowed us to focus primarily on the future - improving our digital capabilities, increasing capacities across our value chain, and building up a robust pipeline of innovative and new products. Over the next 12 to 18 months, we look forward to releasing these to market as we persist in our mission of providing affordable nutrition to the Filipino population."

Over the last two years, CNPF has been launching a string of new and innovative products, the most recent of which include Coco Mama Fresh Gata – the Company's first foray into the branded coconut business, Birch Tree Adult Fortified Boost – a follow-up product to its fast-growing Birch Tree milk brand, and finally, UnMeat – CNPF's entry into plant-based and the Philippines' first local vegan brand.

Alongside its strong 2020 financial results, the Company also announced - earlier than usual - its 2021 dividend of Php0.36 a share.

The amount is similar to 2020 yet double that of 2019, signaling continued confidence in its business performance for this coming year.

CNPF has previously disclosed a double-digit topline and bottomline growth target for 2021, despite a high 2020 base and continued uncertainty around the COVID-19 pandemic. The growth target is due largely to resilient

demand for the Company's core branded products, recovery in its OEM export business, and increased contribution from new products and emerging categories.

Starting April 1 of this year, said emerging categories will include refrigerated food following the Company's acquisition of Pacific Meat Company, Inc ("PMCI") - an emerging player in the large refrigerated food category.

PMCI, a fellow subsidiary of CNPF's parent company, comes equipped with its own manufacturing facilities, cold chain distribution, and a robust innovation pipeline of refrigerated better-for-you products. It is expected to provide CNPF with growth opportunities in a major segment of the food market.

Po said, "We are looking at refrigerated food as another platform for growth and look forward to bringing in PMCI as it has now hit scale and built out a pipeline of new products that will supplement CNPF's. It will provide capabilities in a completely different food segment which is growing and will have synergies with the shelf-stable part of our portfolio."

"Moreover, as a result of this acquisition, all consumer good businesses of the Po family will consolidate into the listed CNPF, eliminating potential sources of conflict of interest, and improve our overall corporate governance. We believe the terms of the deal are minority shareholder friendly and we've undergone a robust process to ensure the transaction is at arms-length," added Po.

The total consideration of Php650 million is less than book value, significantly lower than 1x 2020 annual sales, and at a discount to the discounted cashflow value as analyzed by a major Philippine investment bank.

"Early into 2021, we're happy to be able to announce a strong 2020 finish, our entry into refrigerated food, elevated dividends, and double-digit growth during the first few months of the year. We hope to maintain this growth momentum, whilst we continue to explore more business opportunities - both organic and inorganic - which will make for an exciting 2021 for all of us at CNPF," said Po

About CNPF

Century Pacific Food, Inc. (PSE: CNPF) is one of the Philippines' largest branded food and beverage companies. It is primarily engaged in the manufacturing, marketing, and distribution of processed marine, meat, milk, and coconut products. With an established track record in brand-building spanning more than 40 years, it has developed a roster of household names which include Century Tuna, Argentina, 555, Angel, and Birch Tree. These brands of the Company hold market leading positions locally and are growing their presence abroad. Further, the Company also operates as one of the Philippines' leading providers of private label tuna and coconut products for export overseas.