

**STAY STRONG,  
PILIPINAS!**

**#THEFILIPINOCAN**

CNPF FIRST QUARTER 2021  
RESULTS PRESENTATION  
MAY 2021



**CENTURY  
PACIFIC  
FOOD, INC.**



# LATEST FINANCIAL PERFORMANCE

# 1Q 2021 Financial Results Highlights



## TOTAL REVENUE GROWTH YoY

**+11%**  

---

1Q

following +24% growth in 1Q20

## BRANDED REVENUE GROWTH YoY

**+4%**  

---

1Q

following +31% growth in 1Q20

## OEM EXPORT REVENUE GROWTH YoY

**+45%**  

---

1Q

## EBITDA GROWTH YoY

**+10%**  

---

1Q

## NET INCOME GROWTH YoY

**+24%**  

---

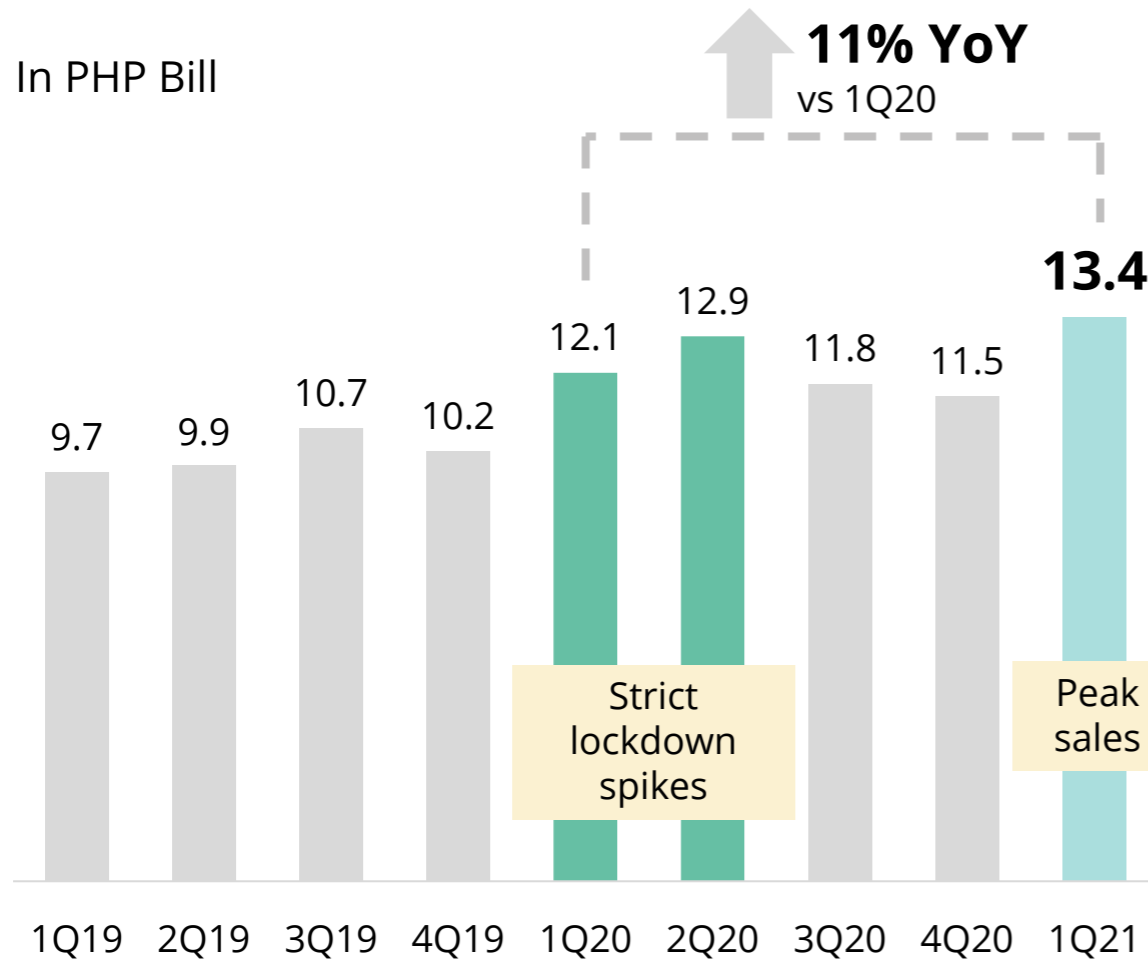
1Q

# Consolidated Revenues



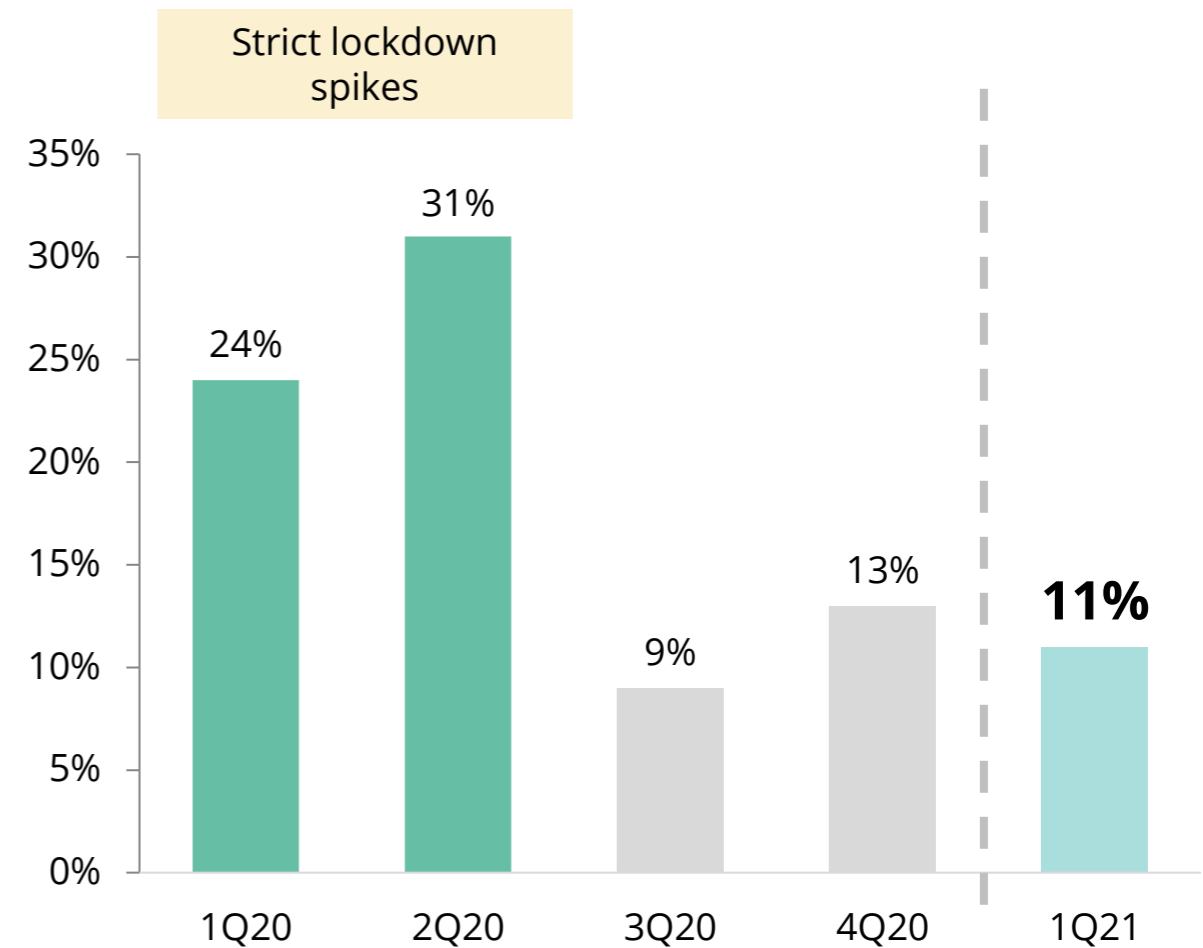
## Quarterly Revenue Trend

In PHP Bill



➔ **16% QoQ**  
Sequential growth

## Quarterly Revenue Growth Trend



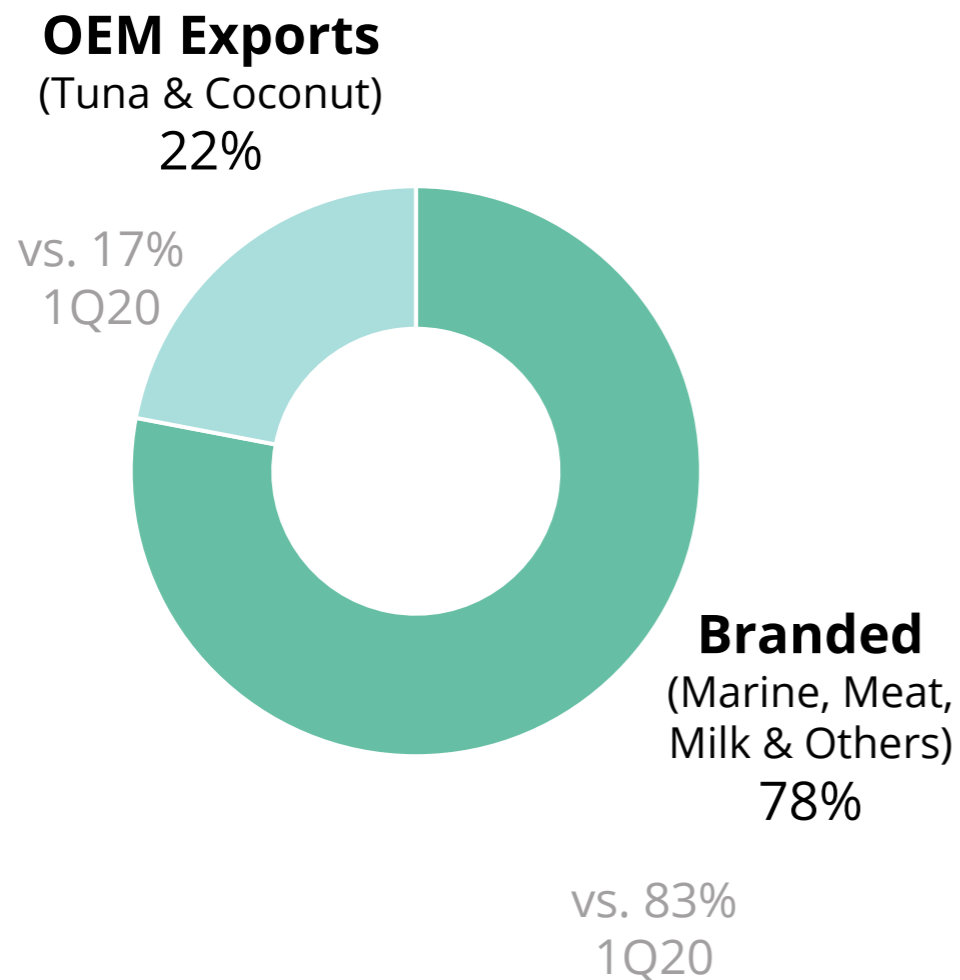
- **Double-digit revenue growth** achieved despite a high comparable period last year and current macroeconomic challenges



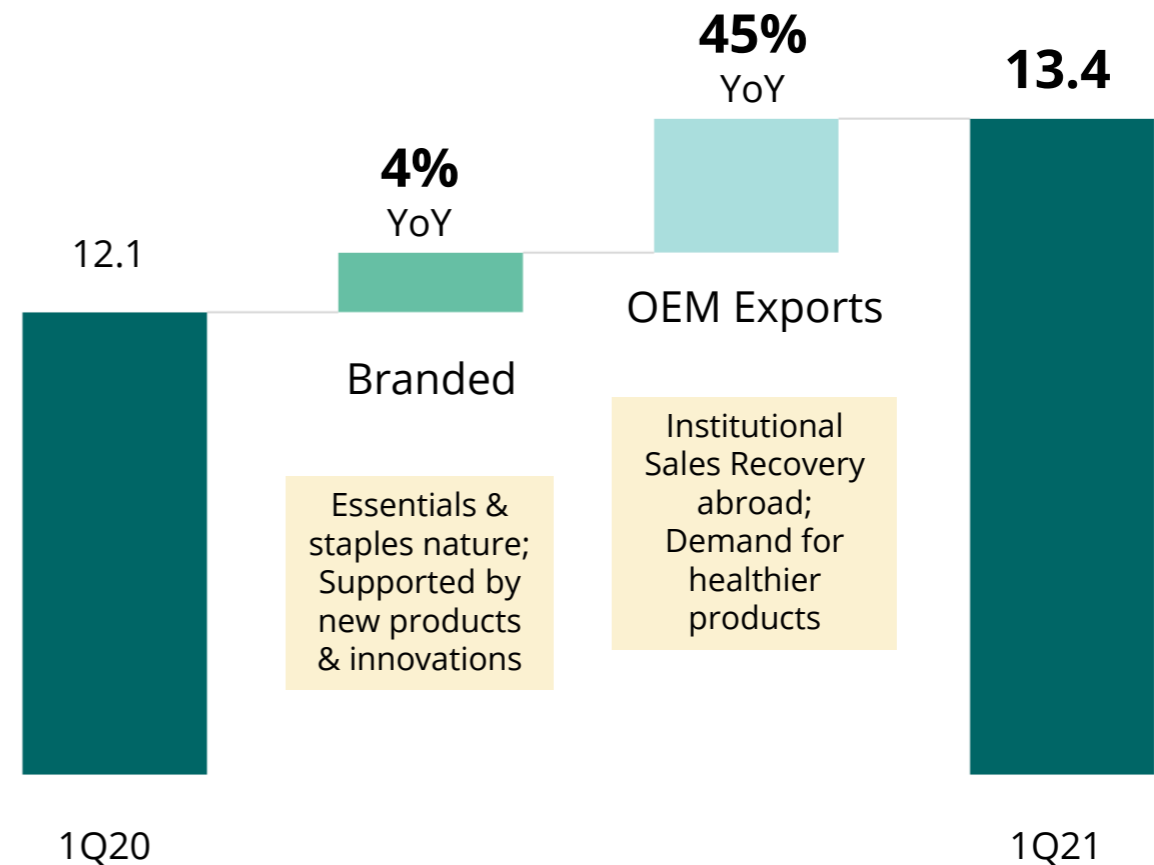
# Branded vs OEM Export Split

## 1Q Revenue Breakdown

## 1Q Revenue Growth Split



In PHP Bill



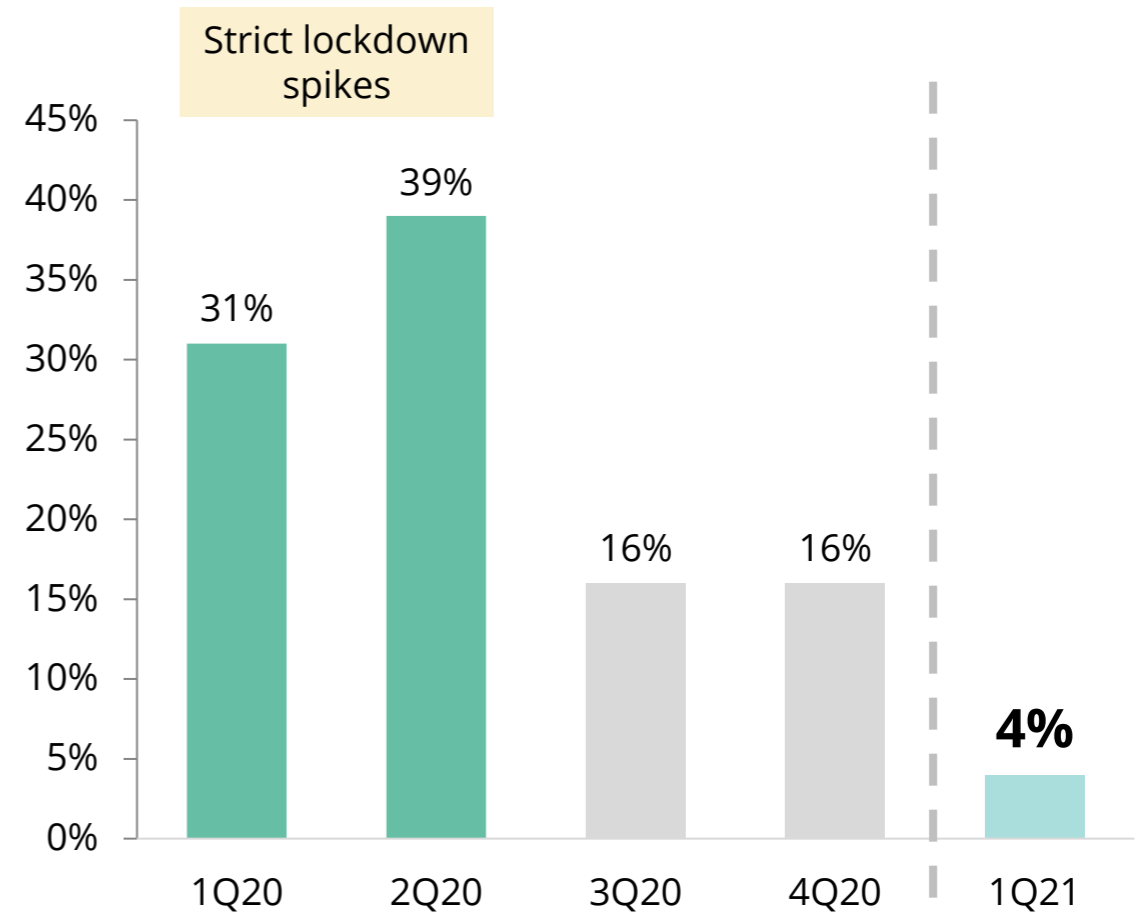
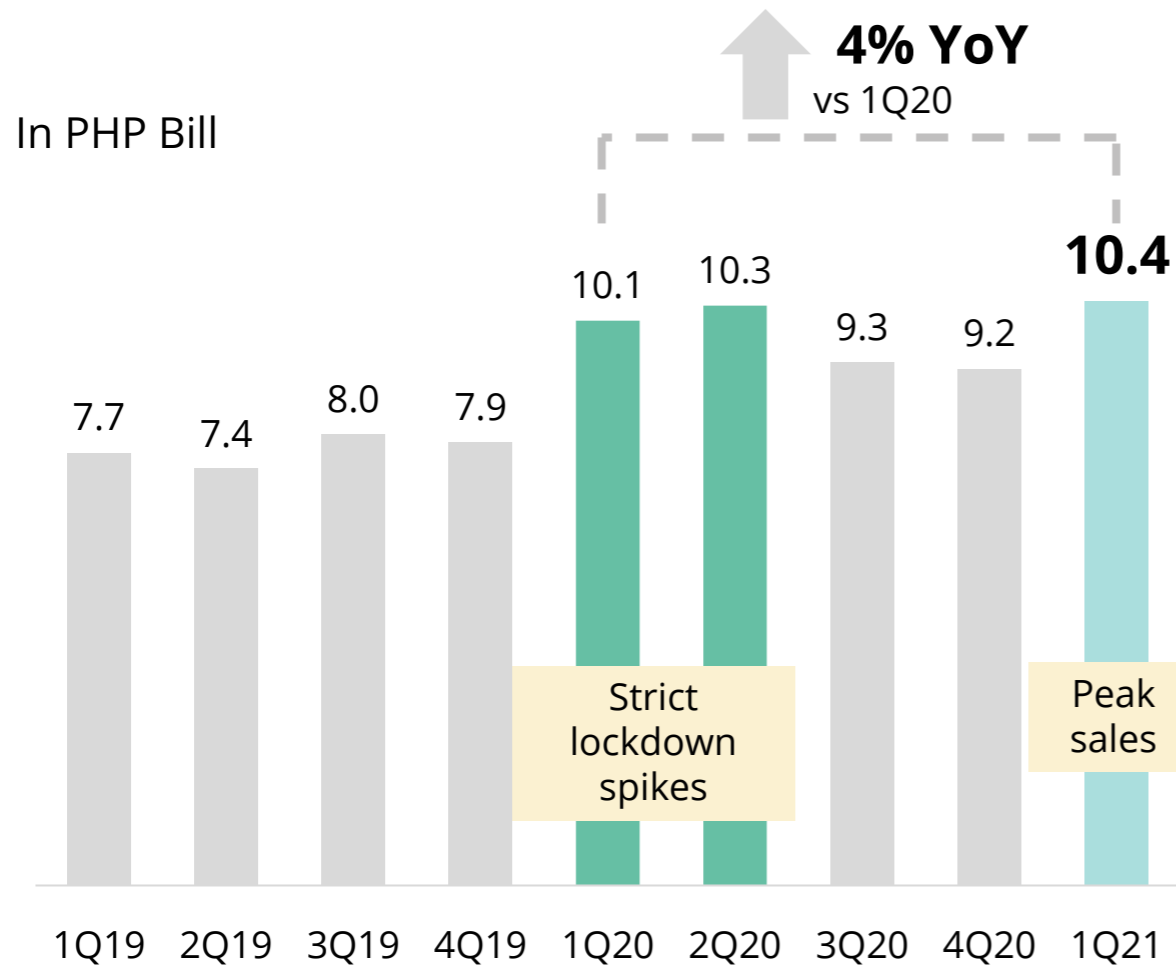
- Branded business, making up majority of overall revenues, saw demand **remain resilient** notwithstanding strict lockdown spikes
- Faster reopening in other countries plus high demand for better-for-you products provide **boost to OEM export business**

# Branded Revenues



## Quarterly Branded Revenue Trend

## Quarterly Branded Revenue Growth Trend



➔ **13% QoQ**  
Sequential growth

• **Resilient branded revenues** driven by the essentials and staples nature of our portfolio, combined with a successful line up of product innovations

# Resilient Demand for Our Products



## Key Critical Household Items\*

CNPF participates in 3 out of 6



Canned sardines



Canned meat



Milk



Coffee



Instant noodles



Rice

## Emerging Consumer Trends

Emerging trends have shifted many consumer behaviors in our favor



Cooking at Home



Digital Channels



Safety



Health & Wellness



Trusted Brands



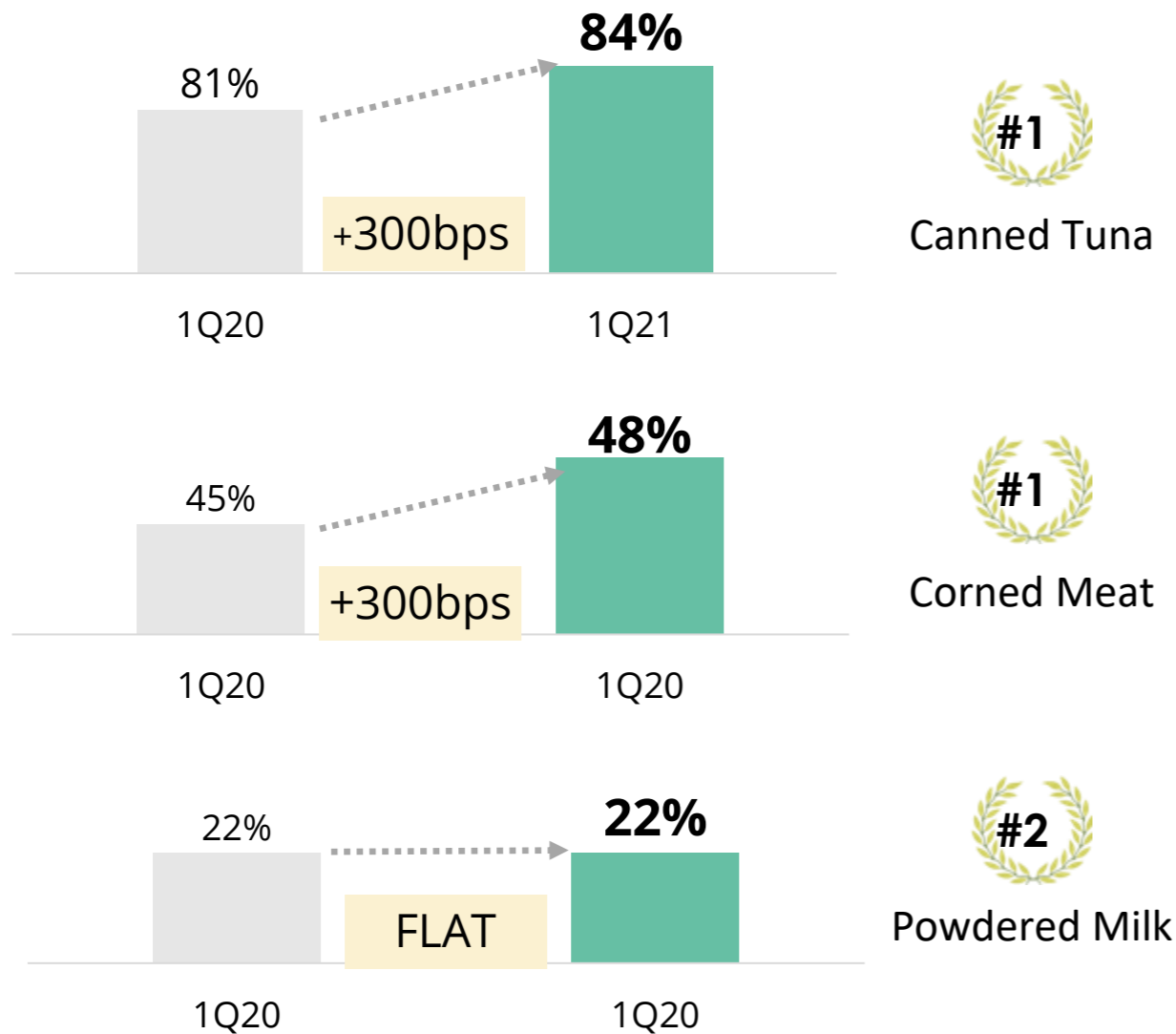
Value for Money

- Products are **staples of the Filipino household** both through tough times and better ones
- Brands and product portfolio reflect consumer themes of value-for-money, trusted brands, health and safety, and convenient in-home food choices

# Market Shares



## Market Share Trends



## Share Performance Drivers

Consumers gravitated towards market leaders and well-known, trusted brands amidst macroeconomic uncertainties

Ability to execute despite pandemic-related logistical challenges and the unexpected jump in sales

Adequate capacity, specifically in Marine with the opening of new tuna plant, to address heightened demand

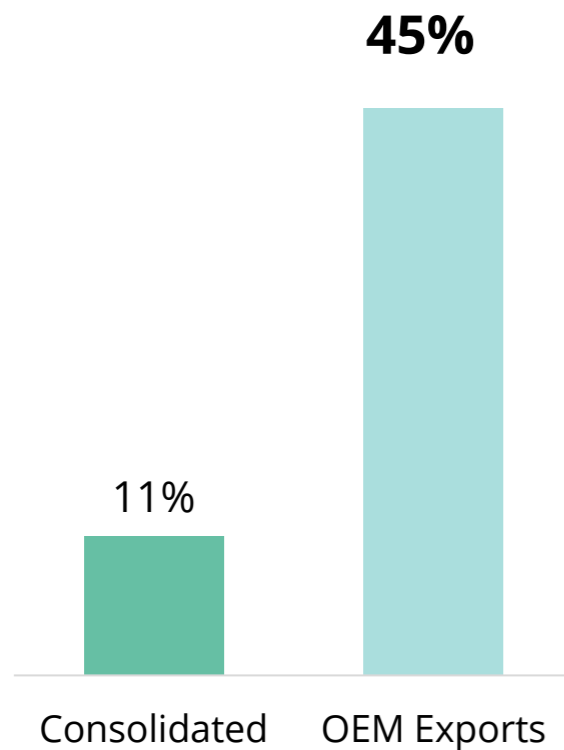
- **Market share gains** reflect consumers' preference for well-known and trusted brands, and increased importance of excellent execution amidst logistical challenges



# OEM Exports Revenue

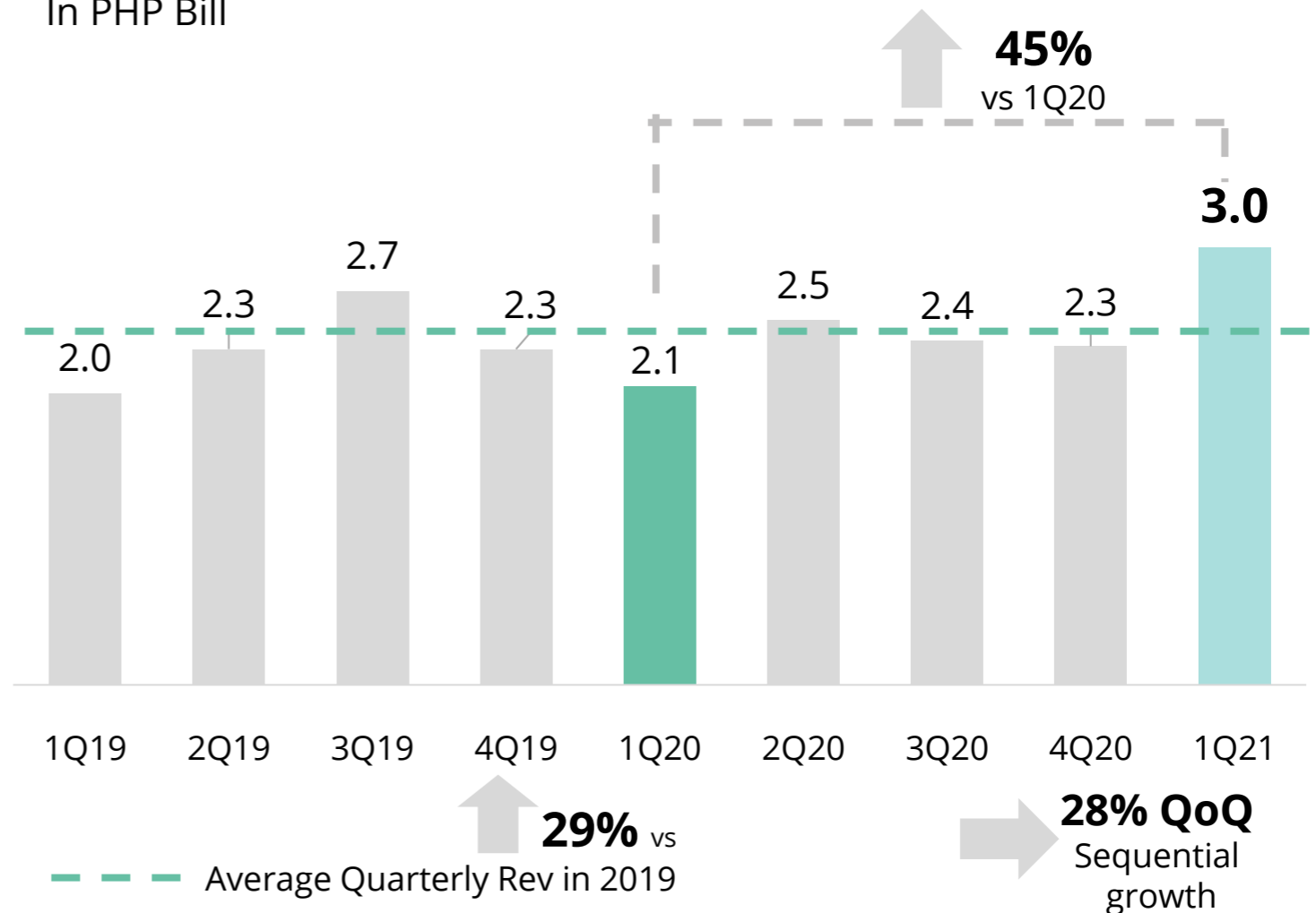


## 1Q Revenue Growth



## Quarterly OEM Export Revenue Trend

In PHP Bill



- Tuna export business a beneficiary of **global foodservice recovery** as other countries reopen faster than the Philippines; Coconut demand heightened amidst need for healthier and **better-for-you products**
- Total OEM export sales - higher than average pre-COVID demand

# Coconut Capacity Expansion



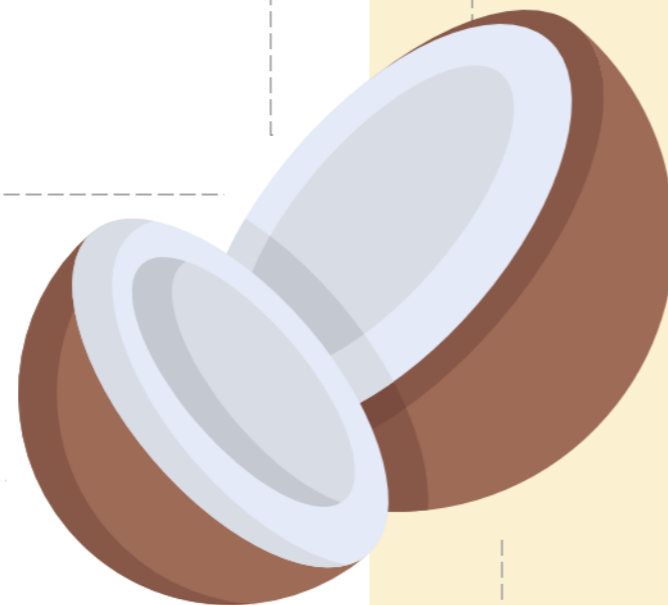
## Product Diversification and Innovation in Coconut

2018  
**Coconut Milk /  
Cream**

2017  
**Desiccated Coconut  
Coconut Flour**

2015  
**Virgin  
Coconut Oil**

2013  
**Coconut  
Water**




2019  
**Entry into packaged  
coconut cream in the  
Philippines with launch  
of own brand Coco  
Mama**



2020  
**Expanded  
Partnership with  
Key OEM export  
Customers**



2021  
**Ongoing coconut capacity  
expansion**

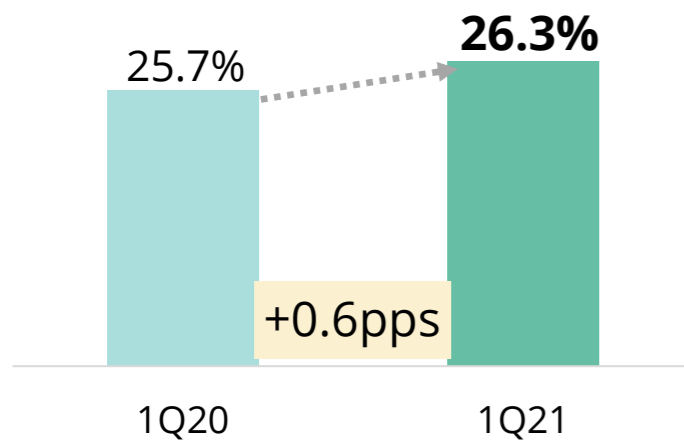
 **50%**  
increase in capacity

- **Much-needed coconut capacity expansion** online by early Q3; Up by 50%
- Partly supported by tax savings due to CREATE and will generate 500+ high quality manufacturing jobs in a low-income region of Mindanao

# Profitability

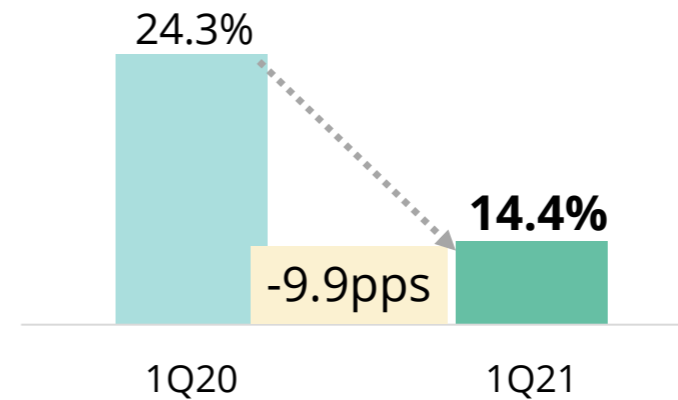


## Gross Margin



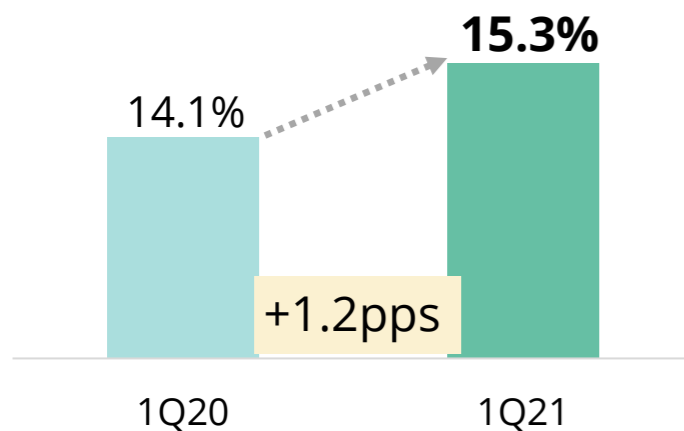
**Higher margin** driven by steady tuna input prices and favorable forex

## Effective Tax Rate



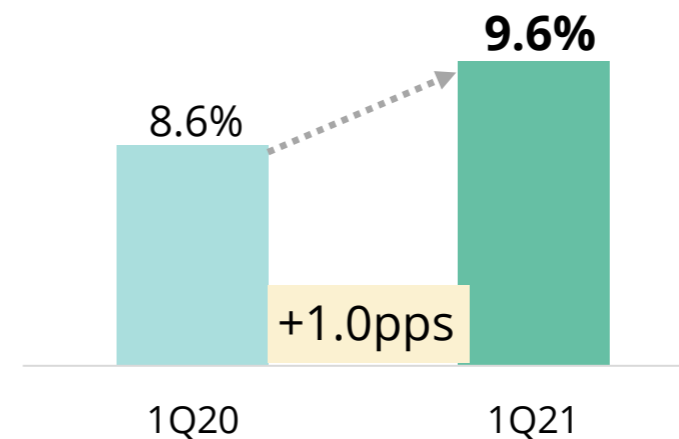
**Lower effective tax rate** due to implementation of CREATE Law and income tax holiday on new tuna plant

## Opex as % of Sales



Uptick due to **new product support** to take advantage of expanded gross margin and lower tax rates; Pandemic-related expenses, inc vaccines

## Net Margin



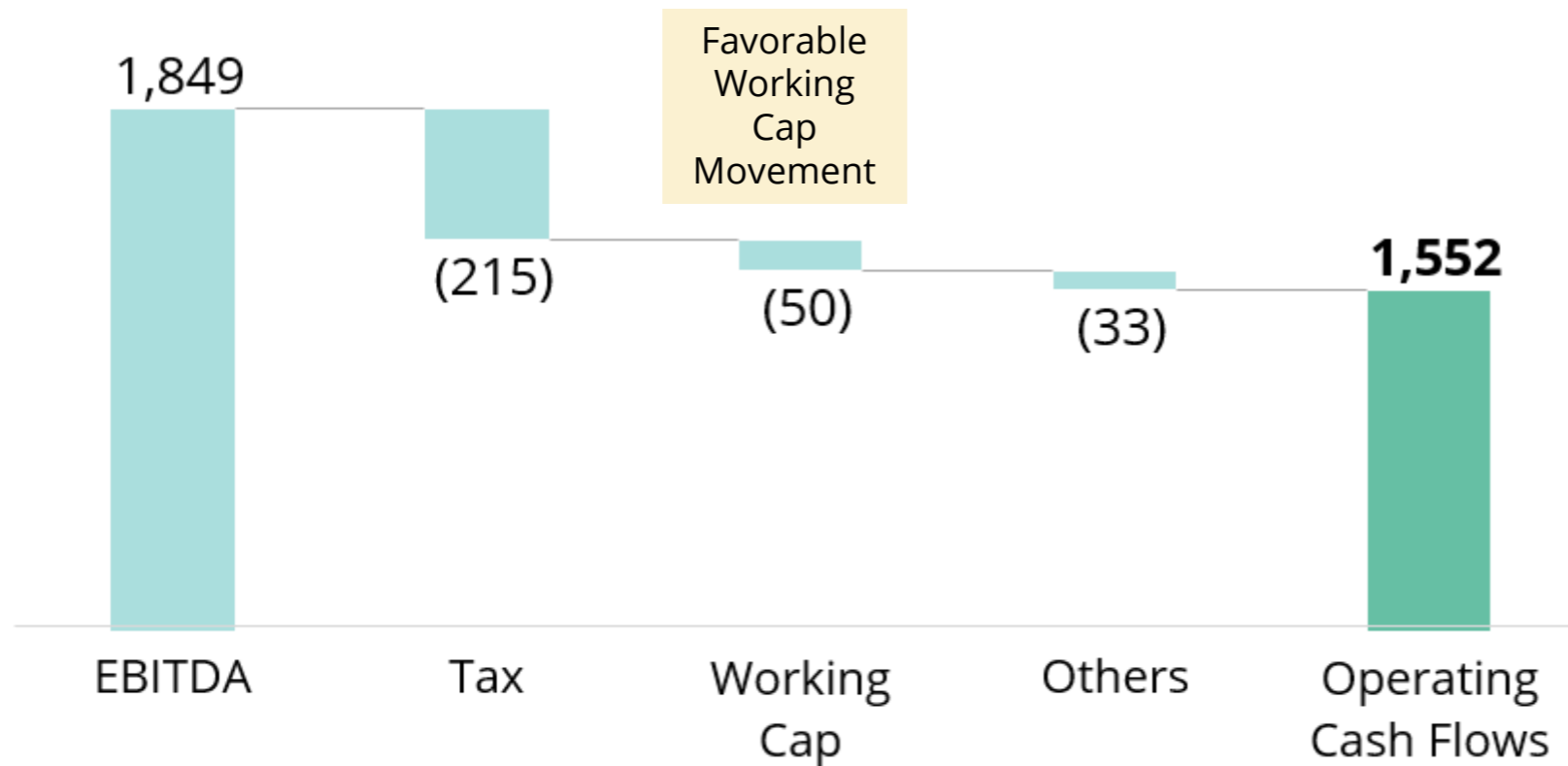
Improvement in net margin **despite increased investment** in innovations to support diversification and ensure LT growth

# Operating Cash Flows

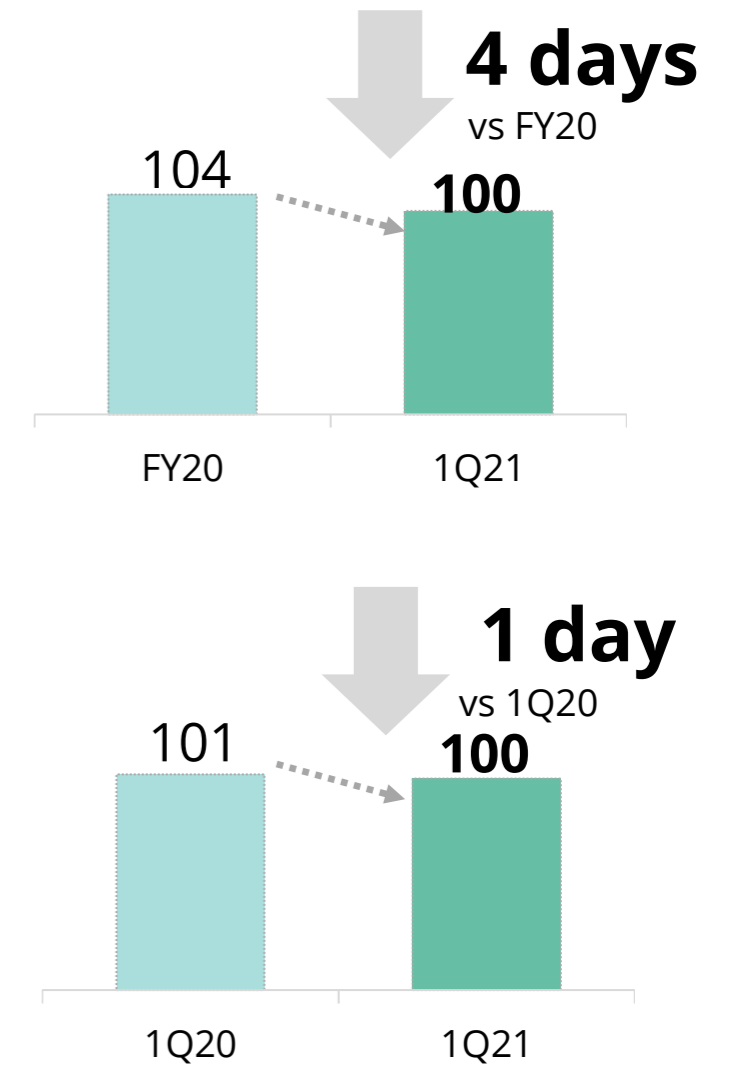


## Operating Cash Flow Bridge

In PHP Mill



## Cash Conversion Cycle



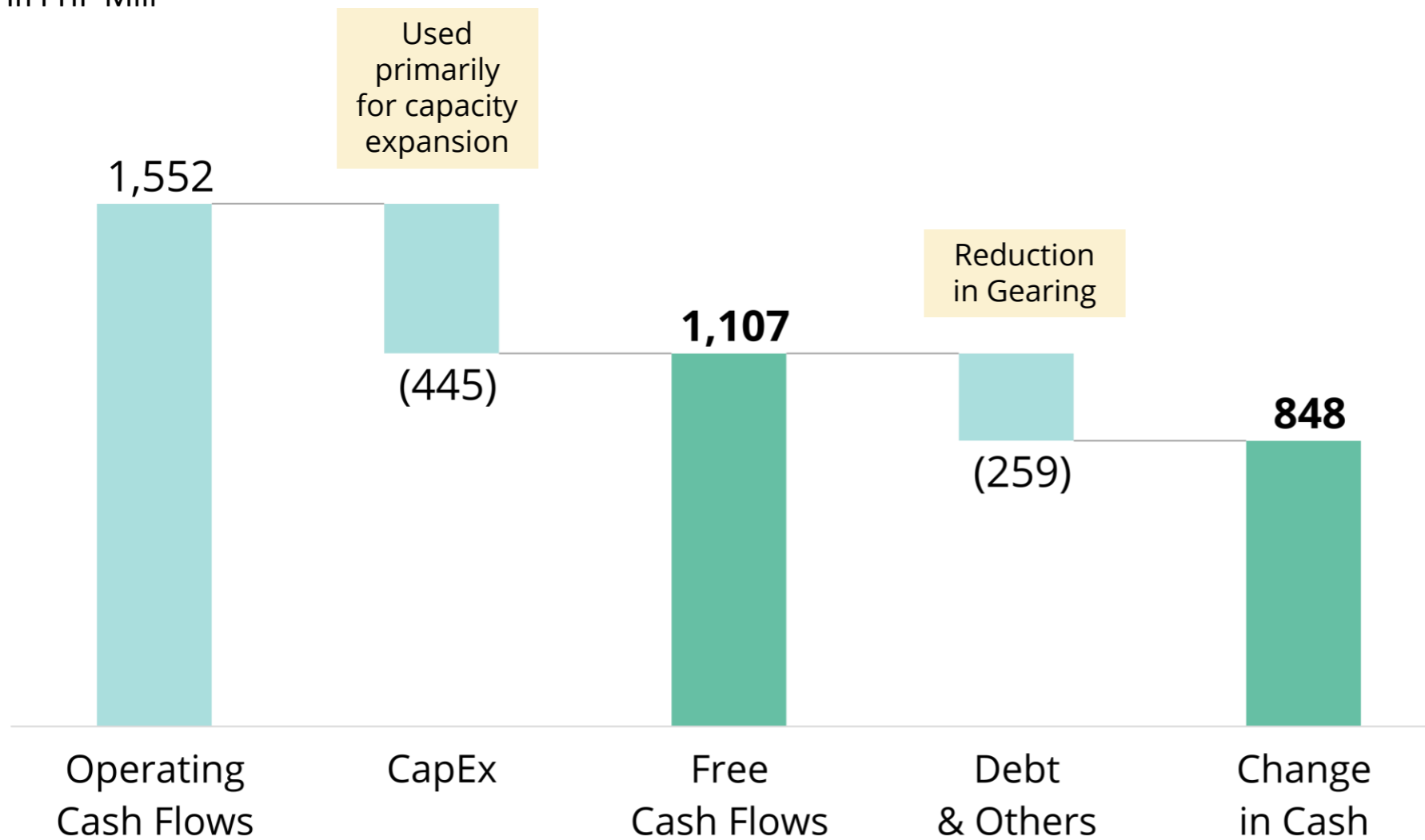
- Healthy cash flow generation driven by increased profitability and improvement in working capital days

# Free Cash Flows

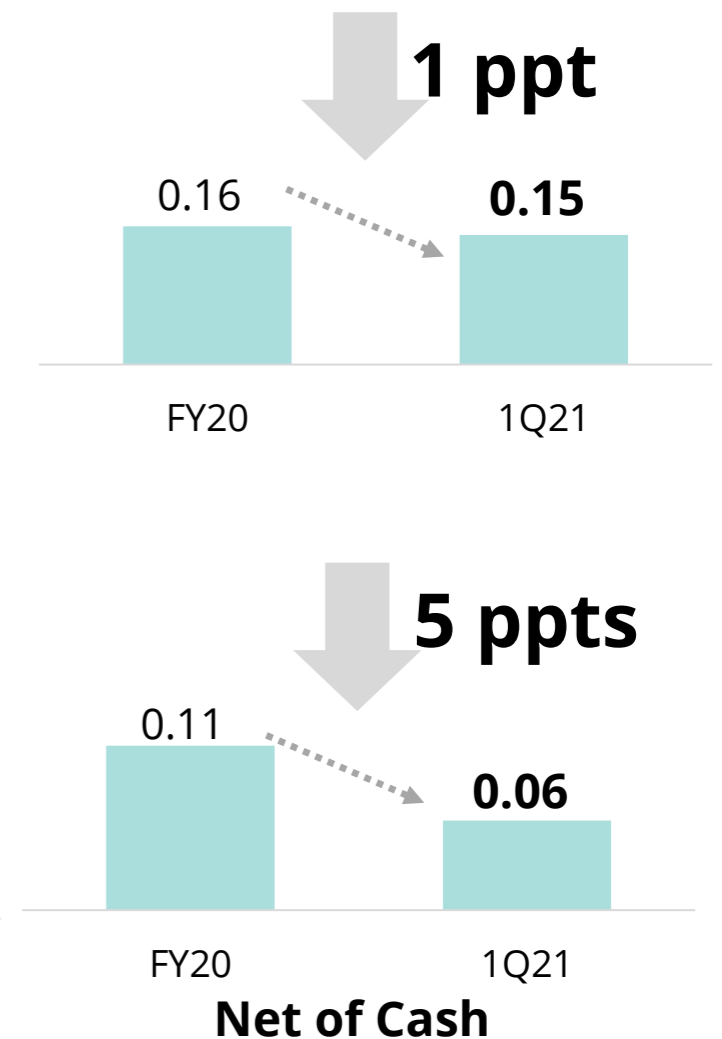


## Cash Bridge

In PHP Mill



## Gearing Ratios (x)



- Operating cash flows reinvested to ongoing capacity expansion in coconut and meat
- Reduced gearing strengthens balance sheet for potential organic and inorganic opportunities



# PRODUCT INNOVATIONS

# Started the year with a diverse set of new product launches across our branded businesses



## CORE

## EMERGING

### MARINE

### MEAT

### MILK



February 2021



March 2021



March 2021  
(Re-Launch: New & Improved Formulation)

# MARINE

Making waves in e-commerce with our new line of premium products

- 100% tuna in new and exciting flavors



**Product Line of CNPF  
in e-Commerce**



**Now listing in physical retail outlets, supported by a Special Edition Digital Campaign**



# MEAT

Pioneering in shelf-stable meat and giving Filipinos access to affordable protein sources amidst rising fresh food prices



Less  
21%

Php <b>39.50</b>	vs	Php <b>50</b>
<b>ARGENTINA*</b>		<b>FRESH PORK^</b>
Per ¼ kilo		

**Philippines' first and only shelf-stable ground pork mix**

\*Based on SRP

^Based on Executive Order No.124 Mandated Price Ceiling for Pork Kasim/Pigue: Php 270/kg (January 2021)

# MILK

Further building our nutritional credentials as a milk brand through a full relaunch and a new immunity-boosting formulation



New and improved formulation supported by a full campaign to further strengthen the Birch Tree brand platform

# Continuously supporting our past innovations



## Recent Product Launches

### Core

#### Marine and Meat



December 2020



December 2020 (Relaunch)

### Emerging

#### Milk



April 2019



August 2020

#### Coconut



September 2019

#### Plant-Based



Institutional October 2020;  
Retail Feb 2021

Product innovations in line with mission of providing affordable nutrition to Filipinos

# MILK

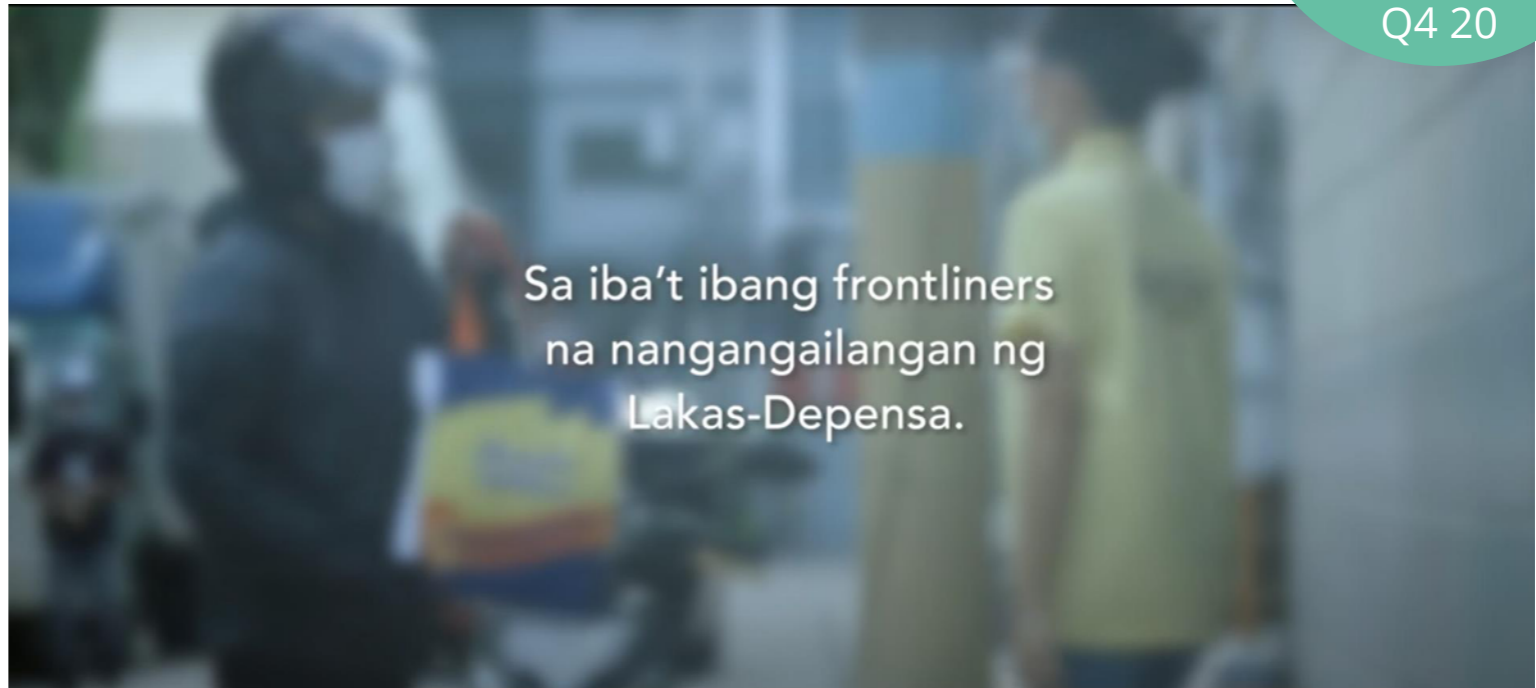


## Birch Tree Adult Boost gaining ground in the adult segment



Leveraging digital, in-store, and e-commerce for growth

**+360**  
bps  
Market share  
Q1 21 vs  
Q4 20



\*Market Share c/o Nielsen

# COCONUT

Expanding plant capacity to meet the increasing demand for packaged coconut products



**+50%** Capacity by Q3 2021

**+500** Quality manufacturing jobs



Increased capacity expected to improve the product's customer service levels and address currently unmet demand

# Plant-based UnMeat Lands in the US & China



## Retail and Institutional Launch



## PR Launch of UnMeat



Nicole Ponseca, Filipina Restaurateur in New York City adding UnMeat to her menu



Michelin Star Chef in UnMeat China PR Launch

**Taking our 25 years of experience with plant-protein technology and nutrition science to develop a globally competitive line of plant-based products**

# CNPF's new line of refrigerated and chilled products supported by cold chain capabilities



## CNPF Brands

**Century**



**Argentina**



**Swift**



**Wow**



**UnMeat**



## Licensed

**Shakey's**



**Peri**



## Toll Manufacturing

Toll manufacturer for Refrigerated Food domestically

## Food Service

Supplier of Refrigerated Food ingredients to domestic food service outlets

# Building a portfolio of well-known and trusted brands that will deliver sustainable long-term growth



## Branded Product Portfolio



**Innovation pipeline, organic and inorganic opportunities, existing and adjacent categories**



**Faster growth, building scale, challengers or category builders**



**Steady growth, healthy cash generation, market-leading**

Core Branded  
Marine & Meat

Emerging  
Milk

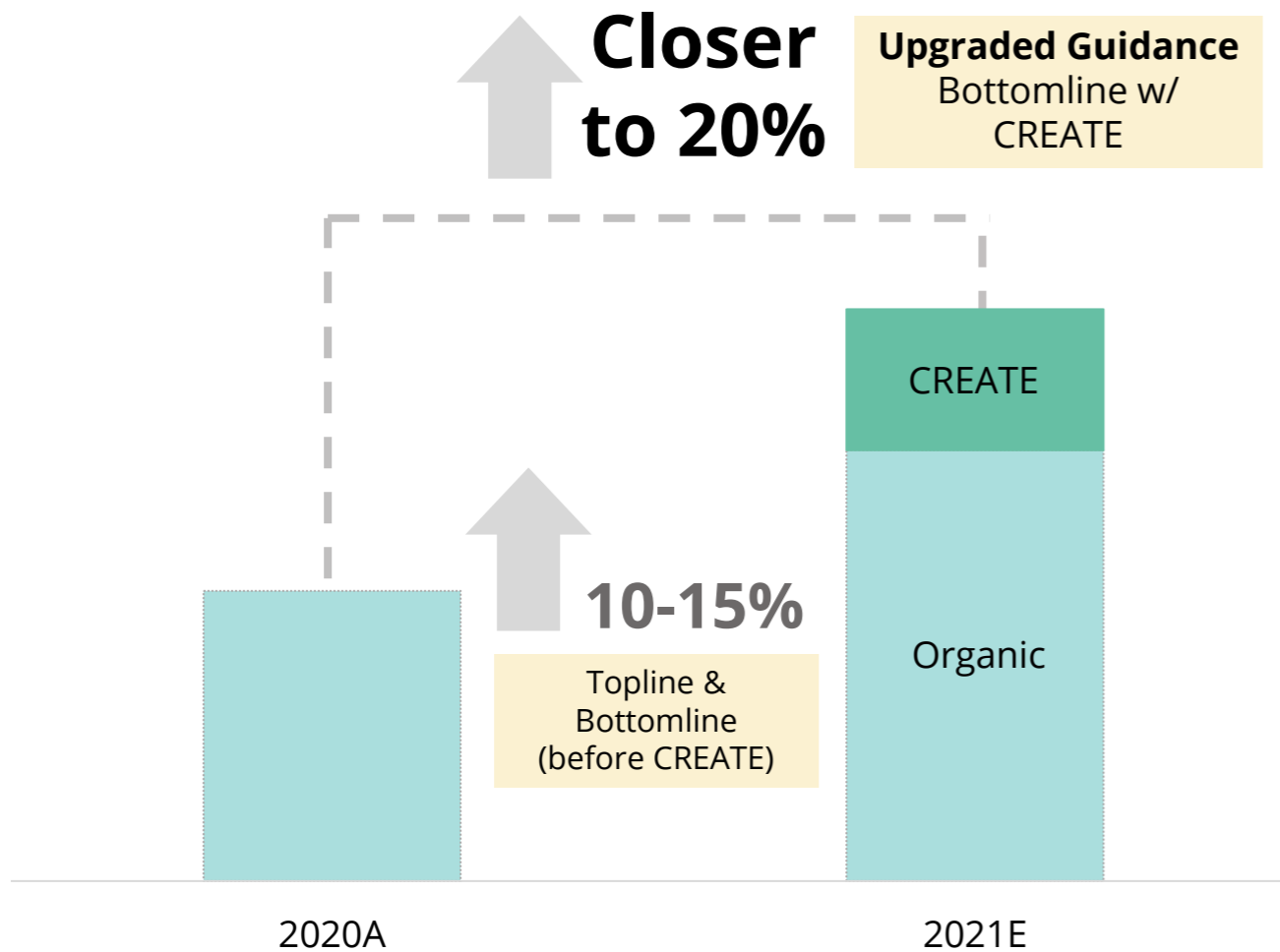
New Products  
Branded Coconut  
Plant-Based  
Refrigerated Food



# Outlook & Guidance



## 2021 Guidance



## 2021 Growth Drivers

### Resilient Demand for Core Branded

- Demand for essentials to remain resilient
- Steady growth also driven by favorable shifts in consumer behavior

### OEM Export Recovery

- Recovery expected for tuna OEM; Maximize capacity of new plant
- Coconut benefiting from health trends; Much needed new capacity to go online mid-2021

### New Products & Emerging Categories

- Recent innovations gaining momentum; Full-year impact in 2021
- Roll out of other new products over the next few months including refrigerated and chilled product-line beginning April 1

- 2021 target to grow organically by 10-15%, but upside from lower tax rates via CREATE lead to upgraded bottomline guidance of closer to 20%



# ANNEX

# 1Q 2021 Summarized P&L



In PHP Mill	1Q 2020	1Q 2021	Change YoY
<b>Net Revenues</b>	<b>12,110</b>	<b>13,387</b>	<b>11%</b>
Cost of Sales	8,992	9,873	10%
<b>Gross Profit</b>	<b>3,118</b>	<b>3,514</b>	<b>13%</b>
Operating Expenses	1,710	2,047	20%
<b>Operating Income</b>	<b>1,448</b>	<b>1,548</b>	<b>7%</b>
<b>EBITDA</b>	<b>1,687</b>	<b>1,849</b>	<b>10%</b>
Financing Cost - Net	77	50	-34%
<b>Income before Tax</b>	<b>1,372</b>	<b>1,498</b>	<b>9%</b>
Income Tax	334	215	-36%
<b>Net Income</b>	<b>1,038</b>	<b>1,283</b>	<b>24%</b>
<b>Earnings per Share</b>	<b>0.29</b>	<b>0.36</b>	<b>24%</b>
<b>Margins (%)</b>			
Gross Profit	25.7%	26.3%	+0.6 pps
Operating Expenses	14.1%	15.3%	+1.2 pps
Operating Income	12.0%	11.6%	-0.4 pps
EBITDA	13.9%	13.8%	-0.1 pps
Net Income	8.6%	9.6%	+1.0 pps

- Revenues continued to grow **double-digits despite a high base** last year.
- Branded up 4% as **demand remains resilient**, driven by essentials nature of portfolio
- **Faster reopening in other countries** drive OEM 45% higher

- Improvement in gross margin driven by **subdued raw materials, favorable FX, and inventory covers**
- Elevated operating expense due to **increased product support and pandemic-related spend**

- **Earnings momentum sustained at +24%**, thanks in part to benefits of CREATE

# 1Q 2021 Summarized Cash Flow



In PHP Mill	1Q 2020	1Q 2021
Profit before Tax	1,372	1,498
Depreciation & Amortization	238	301
Working Capital Change	911	-50
Income Tax	-334	-215
Others	322	18
<b>OPERATING CASH FLOWS</b>	<b>2,509</b>	<b>1,552</b>
Additions to PPE	-540	-445
<b>INVESTING CASH FLOWS</b>	<b>-540</b>	<b>-443</b>
Interest Paid	-77	-50
Change in Debt	-665	-150
Dividends	0	0
<b>FINANCING CASH FLOWS</b>	<b>-794</b>	<b>-261</b>
<b>NET CHANGE IN CASH</b>	<b>1,175</b>	<b>848</b>
<b>CASH, ENDING</b>	<b>2,782</b>	<b>2,077</b>
<b>FREE CASH FLOW</b>	<b>1,969</b>	<b>1,106</b>

- Steady working capital on the back of **strict monitoring of receivables**

- Strong cash generation due to **robust profitability and lower tax rates**

- Capital expenditures primarily for **expansion of coconut and meat business units**

- Decline in financing cost due to **decrease in debt and lower interest rates**

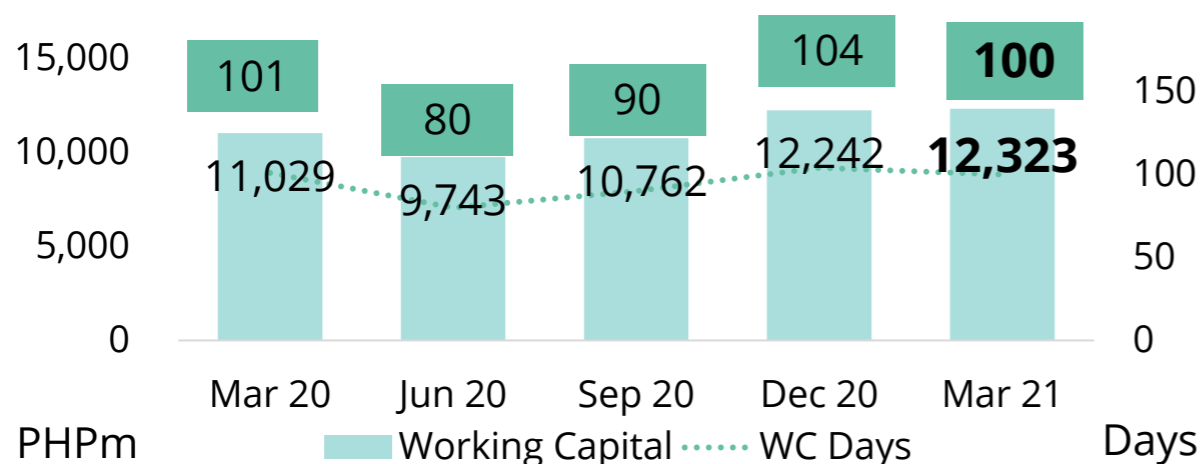
- Debt repayment supported by **healthy free cash flows**

# Working Capital Details

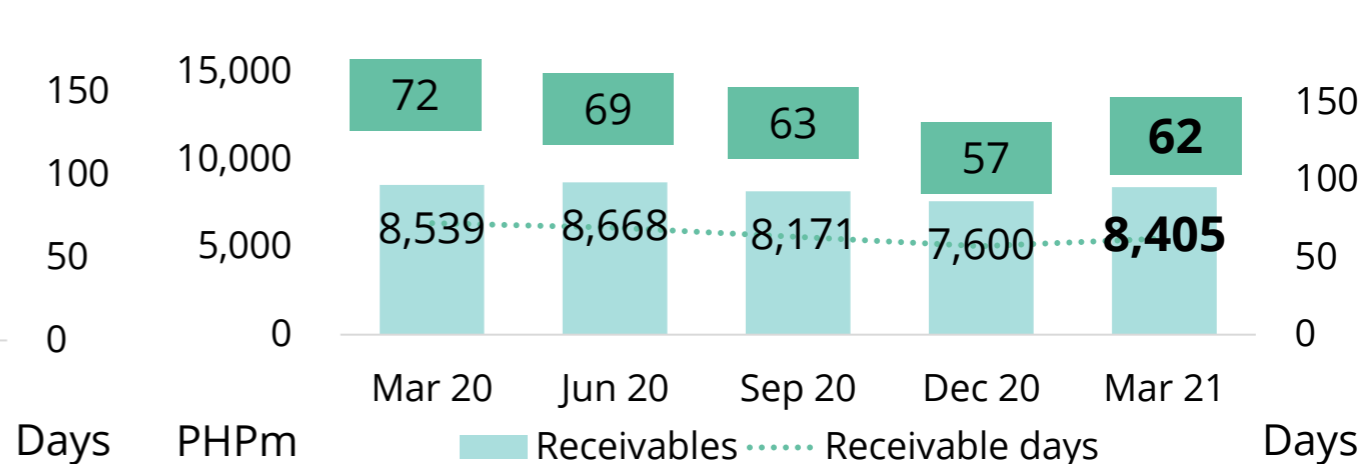


- Build-up of inventory in 2H 2020 driven by increase in **raw material covers**
- Shorter payable days offset by **improvement in receivable days**
- **Strict monitoring of receivables** amidst current economic conditions

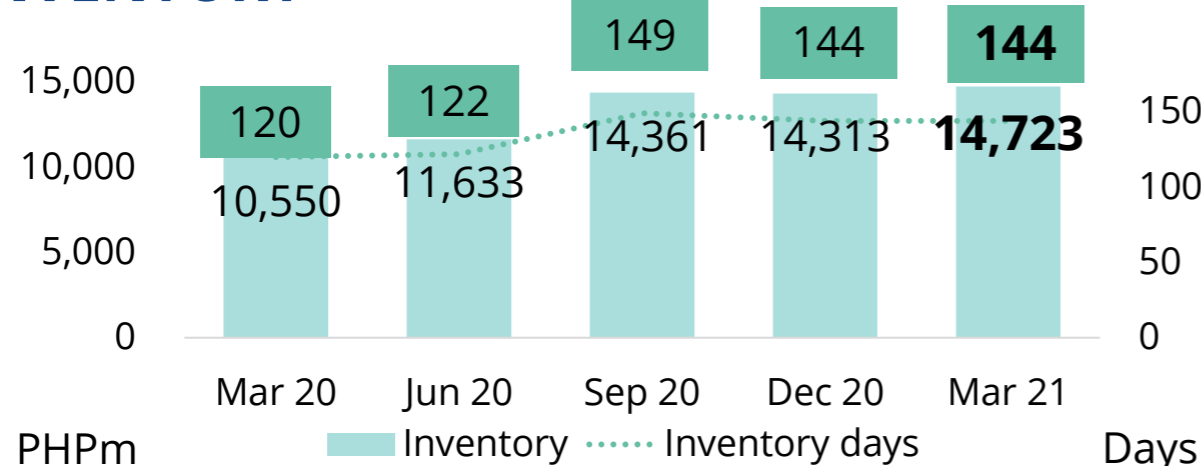
## WORKING CAPITAL



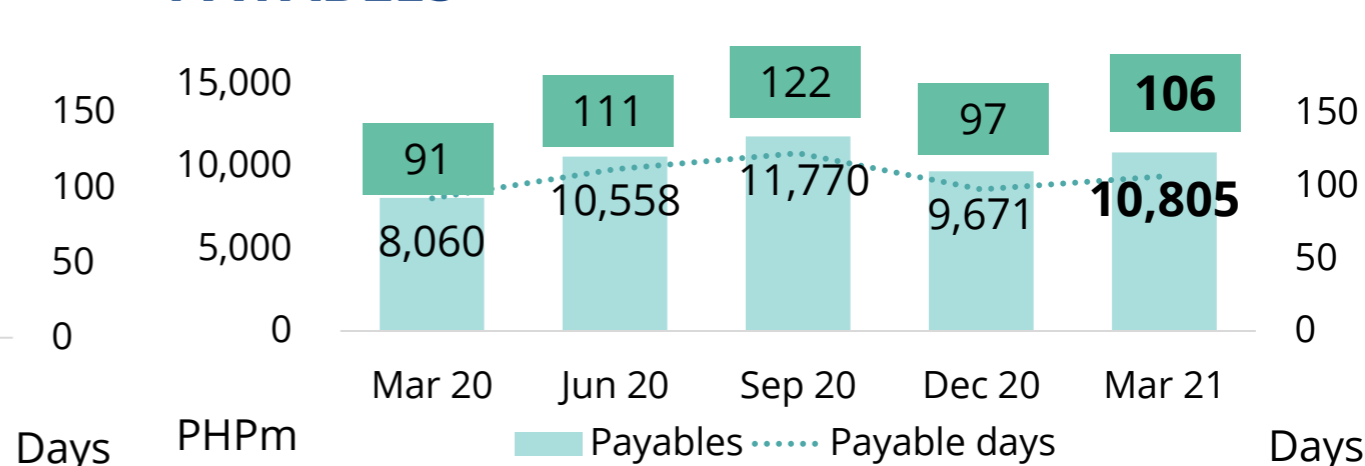
## RECEIVABLES



## INVENTORY



## PAYABLES



# 1Q 2021 Summarized Balance Sheet



In PHP Mill	FY 2020	1Q 2021	In PHP Mill	FY 2020	1Q 2021
Cash	1,229	2,077	Trade and Other Payables	9,671	10,805
Receivables	7,600	8,405	Notes Payable - Current	3,533	3,383
Inventory	14,313	14,723	Long-Term Loan	0	0
<b>Current Assets</b>	<b>23,973</b>	<b>26,134</b>	<b>TOTAL LIABILITIES</b>	<b>14,840</b>	<b>15,940</b>
PPE	7,291	7,500	Retained Earnings	12,894	14,151
<b>Non-Current Assets</b>	<b>12,303</b>	<b>12,499</b>	<b>TOTAL EQUITY</b>	<b>21,436</b>	<b>22,693</b>
<b>TOTAL ASSETS</b>	<b>36,276</b>	<b>38,633</b>	<b>BVPS (PHP/share)</b>	<b>6.05</b>	<b>6.41</b>

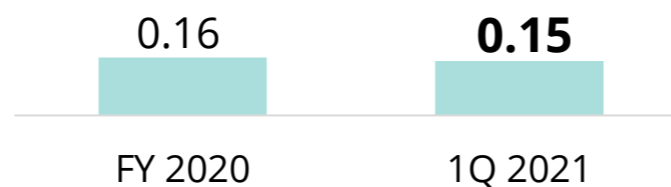
- Improvement in **cash conversion cycle** to 100 days versus 104 days as of end-2020
- Increase in PPE driven by **capacity expansion in coconut and meat**

- Loans totaling PHP3.4 billion **all peso-denominated**
- 1Q 2021 consolidated **net income** of PHP1.3 billion

# Financial Ratios

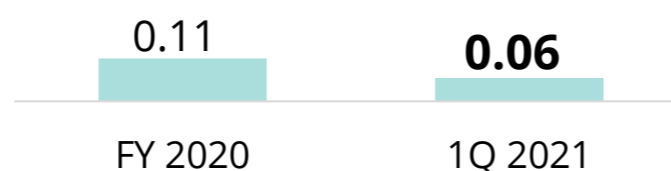


## Gearing (x)



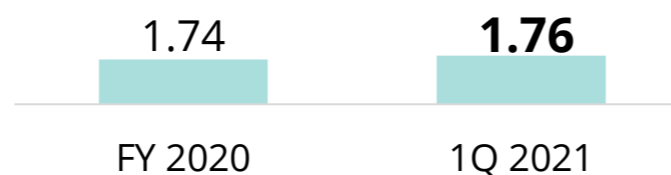
- **Comfortable level** of gearing ratios maintained

## Net Gearing (x)



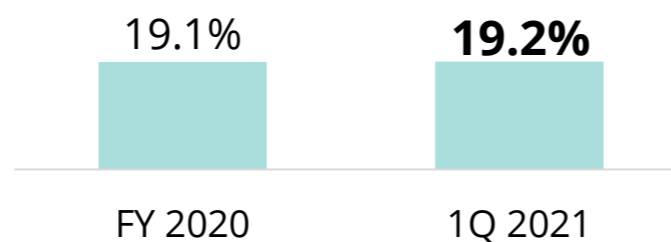
- **Decrease in peso-denominated debt** led to lower leverage ratios

## Current Ratio (x)



- Increase in current ratio due to **higher cash level**

## Return on Equity



- **Attractive return ratios** with ROE in the high teens



**CENTURY  
PACIFIC  
FOOD, INC.**

This document is highly confidential and being given solely for your information and for your use and may not be, or any portion thereof, shared, copied, reproduced or redistributed to any other person in any manner. The statements contained in this document speak only as of the date which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies in any such information which may become apparent.

This presentation contains statements, including forward-looking statements, based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements in particular involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.

Any reference herein to "the Company" shall mean, collectively, Century Pacific Food, Inc. and its subsidiaries.

# CNPF iR

Ortigas Center, Pasig City, Philippines



[investorrelations@centurypacific.com.ph](mailto:investorrelations@centurypacific.com.ph)



+632 8633 8555



[www.centurypacific.com.ph](http://www.centurypacific.com.ph)  
<http://edge.pse.com.ph>



[www.linkedin.com/company/century-pacific-food-inc/](http://www.linkedin.com/company/century-pacific-food-inc/)



[www.facebook.com/CenturyPacificFoodInc](http://www.facebook.com/CenturyPacificFoodInc)