



Centerpoint Building, Julia Vargas Ave.,
Ortigas Center, Pasig City, Philippines
TL: (632) 633-8555
www.centurypacific.com.ph

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PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street cor. 5th Avenue
Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

RE: **PRESS RELEASE – Century Pacific caps off 1H21 with double-digit 21% earnings growth**

Please be informed that Century Pacific Food Inc (CNPF) is issuing the attached press release entitled "Century Pacific caps off 1H21 with double-digit 21% earnings growth."

Very Truly Yours,

A handwritten signature in black ink, appearing to read "JMS", is written over a horizontal line.

JENIFER MAE SAN JUAN - TECSON
Investor Relations Manager

Century Pacific caps off 1H21 with double-digit 21% earnings growth

- Revenues up by 8% driven by sustained volumes and surging exports despite a high 2020 base
- OEM export sales grew by 29%, driving consolidated revenues
- Aims to deliver a double-digit net income growth by year end

Century Pacific Food, Inc. (PSE:CNPF), one of the Philippines' leading branded food companies, ended the first half of 2021 with a net income of P2.7B, clocking in a double-digit growth of 21% versus the same period last year on the back of strong export sales, resilient local demand, and favorable tax rates.

Consolidated revenues landed at P27.0B – up by 8% despite the surge in sales in the comparable period last year. This performance was primarily driven by the double-digit growth in the Company's OEM exports business, which was up by 29% year-on-year as a result of the continuous reopening of global markets.

CNPF's branded revenues were sustained versus last year, registering a 3% year-on-year growth, notwithstanding spikes in demand due to strict lockdowns imposed in the first half of 2020.

Chad Manapat, CNPF's Chief Financial Officer, said, "We are grateful for this revenue growth following the surge in sales we saw last year. We see this as a reflection of organic demand, given that pantry loading hasn't occurred in the same magnitude as 2020."

On profitability, gross margins and operating expenses as a percentage of sales were maintained, thus, EBITDA registered a growth of 9% in 1H21, tracking topline performance. The Company also benefited from favorable tax rates due to the implementation of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law and an income tax holiday on its new tuna plant, lowering effective income tax rates to 16%. According to Manapat, profits will be reinvested in capacity expansion programs, sustainability initiatives, and upcoming innovations.

CNPF is currently expanding its coconut production facility to boost the plant's capacity by 50%. This is expected to go online in the third quarter of the year, generating 500 quality manufacturing jobs. The Company also recently commissioned a 5.2mw Solar PV plant to partially serve the energy requirements of its tuna and coconut manufacturing facilities in General Santos.

All in all, CNPF rounded up its 1H performance with a net income of P2.7B, clocking in a year-on-year growth of 21%.

"We are pleased to share positive results for the first half of the year. That said, 2021 isn't over yet. We remain cautiously optimistic as we navigate through the rest of the year," Manapat said.

With another round of strict lockdowns imposed due to control the spread of COVID Delta variant, CNPF beefed up its inventory covers to ensure food security and business continuity. Early in July, the Company also rolled out its company-wide vaccination program, prioritizing manufacturing and sales employees.

“As we ease into the second half of the year, we acknowledge that we are still very much in uncertain times. We continue to monitor key risks, such as inflationary pressures and forex fluctuations, and we have plans in place to mitigate and hedge ourselves against the potential impact,” said Manapat.

“We continue to work towards double-digit growth, and we believe this will be supported by the resilient demand for essentials and consumer staples, continuous growth in our OEM exports business, and innovations underway. Taken together with the boost from CREATE, we are looking to end the year with a double-digit bottomline growth as well. Overall, despite the uncertainties of the times, Century Pacific remains committed to deliver long-term sustainable growth as we further build our portfolio of brands, strengthen our capabilities, and ultimately serve our consumers’ need for affordable nutrition,” Manapat concluded.



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.



CNPF Investor Relations

investorrelations@centurypacific.com.ph

+(632) 8 633 8555