

## **CNPF accelerates in the third quarter, Posts double-digit YTD growth for both top and bottomline**

- Net income growth in 3Q at 22%, resulting in a YTD bottomline increase of 21%
- YTD revenues up by 12% YOY as 3Q topline hits 21% growth
- Enters the Pet Food category and expands Dairy portfolio through new brand launches

**Century Pacific Food, Inc. (PSE:CNPF)**, one of the Philippines' leading branded food and beverage companies, accelerates in the third quarter of the year. Net income in 3Q is up 22% versus the same period last year, pulling up year-to-date bottomline growth to 21%. These results are driven by double-digit sales growth in the third quarter and favorable tax rates.

Consolidated revenues clock in at P41.1B for the nine-month period, a growth of 12% year-on-year. Third quarter sales gain momentum as the Branded segment picks up the pace with a 13% growth versus the same period last year. The Branded business -- comprising the majority of CNPF's revenues -- continues to be driven by the resilience in demand for consumer staples.

CNPF's OEM Exports business continues to see a surge in sales, posting a growth of 49% for the third quarter versus prior year and 20% quarter-on-quarter. The Company attributes this growth to the faster reopening of global markets.

Chad Manapat, CNPF's Chief Financial Officer, stated, "Consumer sentiment has been impacted by the ongoing pandemic. Thus, they continue to prioritize consumer staples and affordable goods. As a result, our core segments and value-for-money portfolio are demonstrating robust performance."

Manapat continued, "Shifts in consumer behavior are proving sticky. Consumers continue to cook and dine at home, gravitating towards market leaders and trusted brands. All these are favorable to our business, given the essentials and staples nature of our portfolio and market-leading positions. Improving customer service level is also behind these topline results."

In terms of profitability, CNPF's net income lands at P4.0B for the nine-month period, growing by 21% year-on-year despite cost pressures. Year-to-date gross margin stands at 24.4%, softening, as expected, by 130bps versus the comparable period last year due to the general rise in input prices globally. Operating expenses as a percentage of sales drops by 30bps, leading to a flattish EBITDA margin at 14.3%.

CNPF continues to benefit 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. Year-to-date effective tax rates are at 16.1%, down by 710 bps versus that same period last year.

“Overall, we are pleased with the results of the past nine months,” said Manapat. “Despite the challenges this year, we have been able to post a healthy bottomline, giving us room to reinvest in innovations and capacity expansion, which will, in turn, generate quality manufacturing jobs.”

CNPF continuously demonstrates healthy cashflow generation with operating cashflows amounting to P2.1B. This allowed CNPF to fund the 50% increase in capacity for its coconut facility, the commissioning of a 5.2 MW solar PV plant for its tuna and coconut facilities, and a string of new innovations.

The Company has recently launched two new brand innovations -- its venture into the fast-growing Pet Food category through a new brand called ‘Goodest’ and its Dairy portfolio expansion into the Chocolate Malt segment via new brand, ‘Choco Hero’.

These new businesses come at a time where CNPF is just kickstarting the global rollout of ‘unMEAT’, the Company’s entry into the nascent Plant-based Meat Alternatives category.

Manapat said, “At Century, we maintain a robust pipeline of new products because we view innovation and diversification as the key to unlocking long-term growth. We are hopeful that these new product launches will eventually become major building blocks of the business.”

“We are now at the homestretch, grateful for the strong results posted thus far. We continue to expect that CNPF will end the year with a topline growth between 10 to 15% and a bottomline growth closer to 20%,” Manapat concluded.