



Extraordinary Resilience during Extraordinary Times

CNPF FULL YEAR 2021
RESULTS PRESENTATION
APRIL 2022





LATEST FINANCIAL PERFORMANCE



FY 2021 FINANCIAL RESULTS HIGHLIGHTS



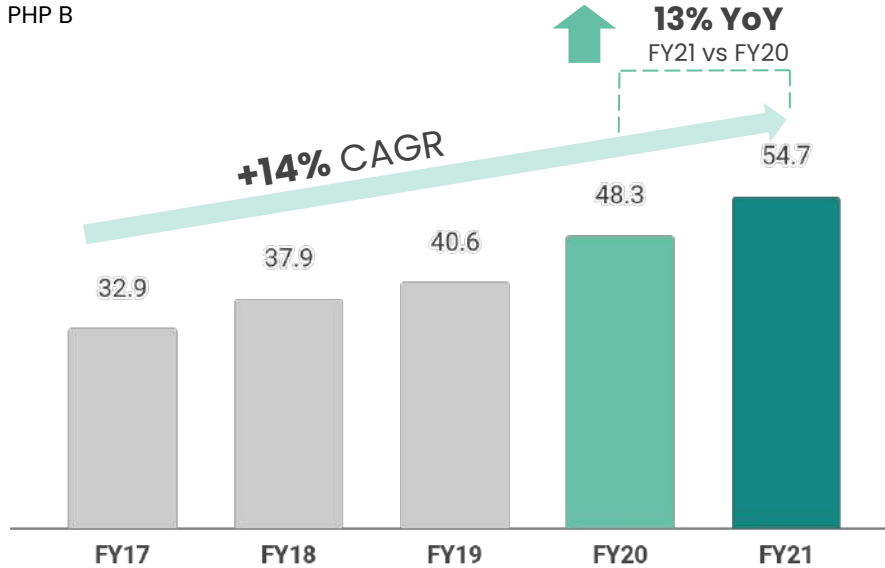
	TOTAL REVENUE GROWTH YoY	BRANDED REVENUE GROWTH YoY	OEM REVENUE GROWTH YoY	NET INCOME GROWTH YoY
FY	+13%	+10%	+29%	+20%
4Q	+18%	+21%	+8%	+14%

CONSISTENT GROWTH OVER THE YEARS

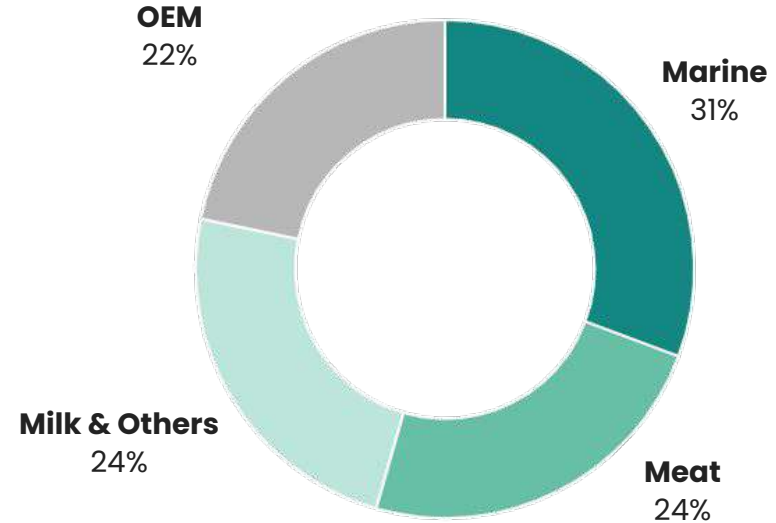


5Y Revenue Trend

In PHP B



Segment Contribution



Consistent performance can be attributed to CNPF's strategy of continuously strengthening its core business, Branded Marine and Meat and investing in emerging Branded businesses such as Milk.

DOUBLE-DIGIT GROWTH OF BOTH OEM & BRANDED SEGMENTS

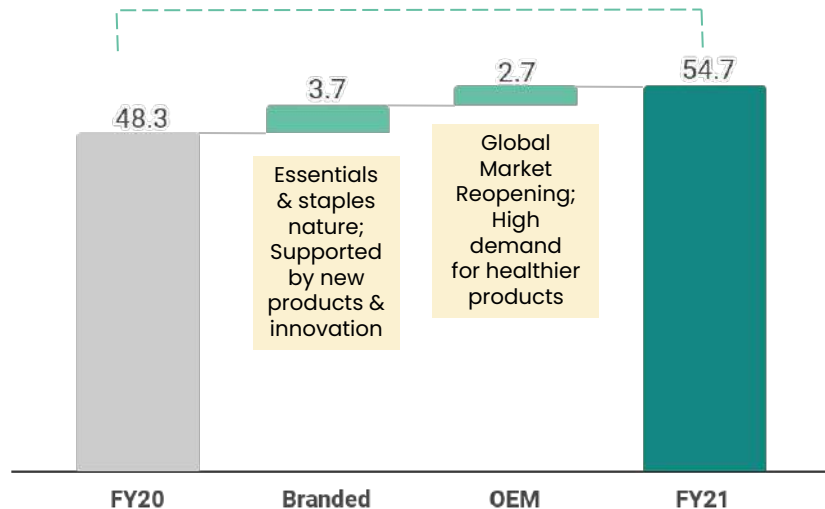


FY Revenue Growth Split

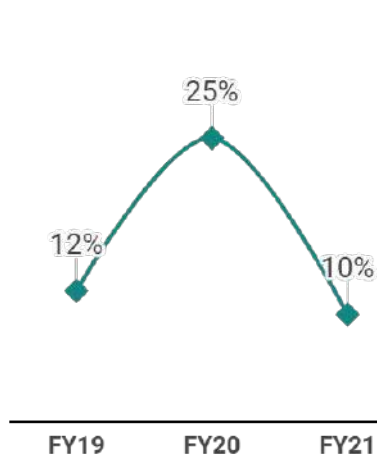
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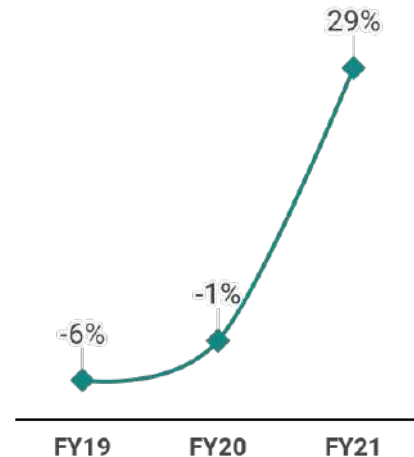
13% YoY
FY21 vs FY20



YoY Branded Performance



YoY OEM Performance



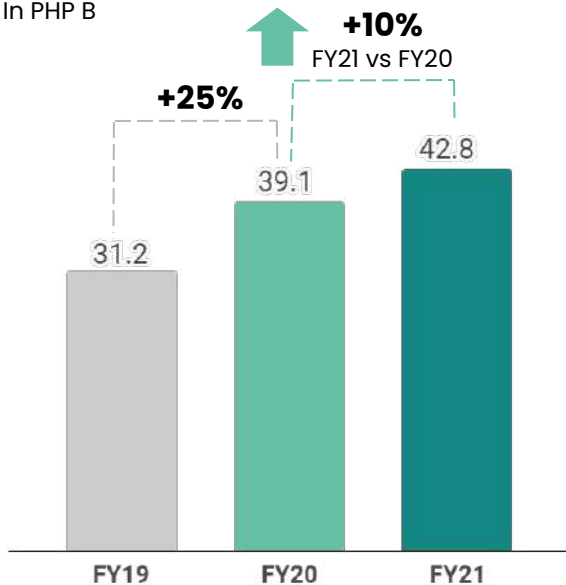
- **Branded segment** growth was supported by the **resilient demand for consumer staples**, following 2020 which saw extraordinary performance as demand spiked due to strict COVID-related quarantine restrictions imposed.
- **OEM Exports** saw a strong recovery in institutional sales due to the global reopening of key markets and benefited from health and wellness trends..

BRANDED REVENUES AT AN ALL-TIME HIGH

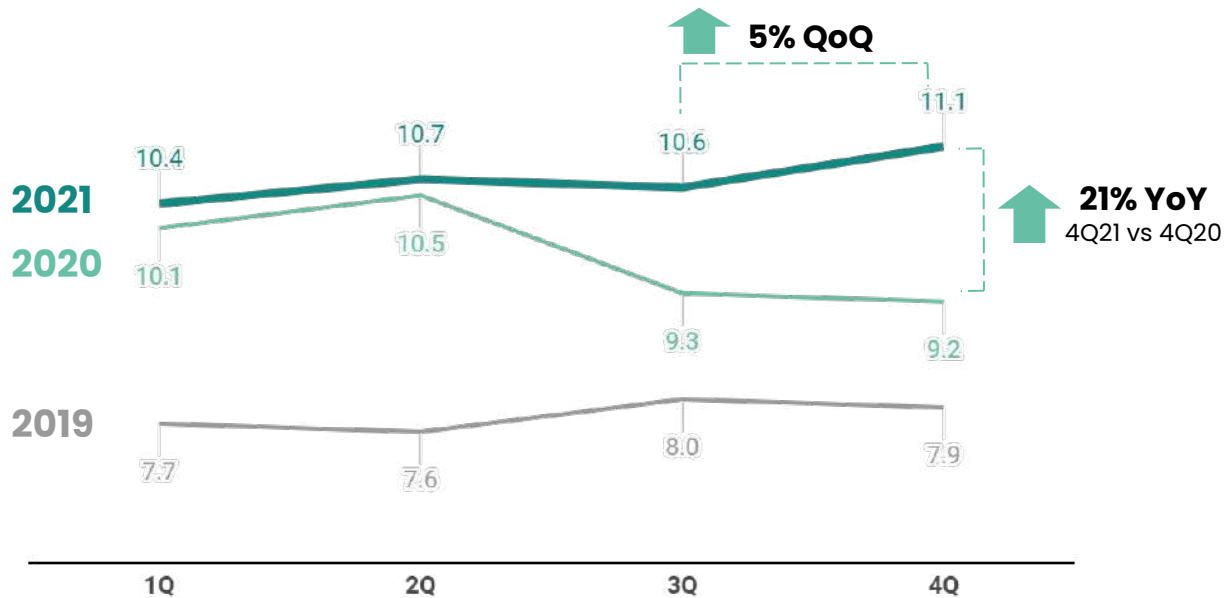


FY BRANDED REVENUE GROWTH

In PHP B



QUARTERLY REVENUE TREND

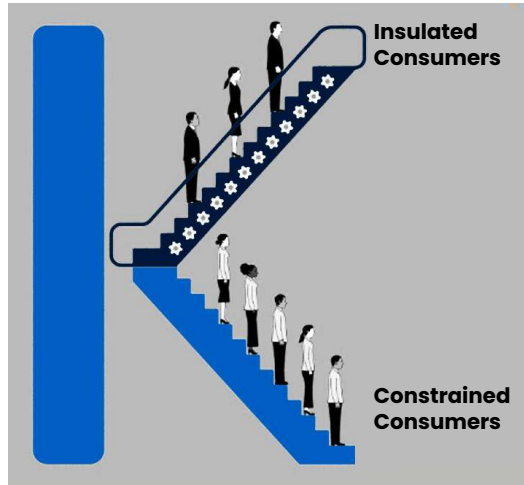


- **Resilient branded revenues** amounting to P42.8B driven by the essentials and staples nature of our portfolio, consumers prioritizing trusted, value-for-money brands and products, combined with a robust pipeline of product innovations and improved customer service level

RESILIENT DEMAND FOR OUR PRODUCTS



K-shape Recovery



Favorable shifts in consumer behavior



Value for Money

Diverse roster and affordable, value for money brands caters to price conscious consumers



Cooking at Home

Fastest-growing and key critical food categories are the ones where we either lead or actively participate in



Trusted Brands

Core brands are staples of Filipino in-home consumption, holding market-leading positions in core categories



Safety

Increased consciousness over safety and hygiene translates to preference for packaged products



Health & Wellness

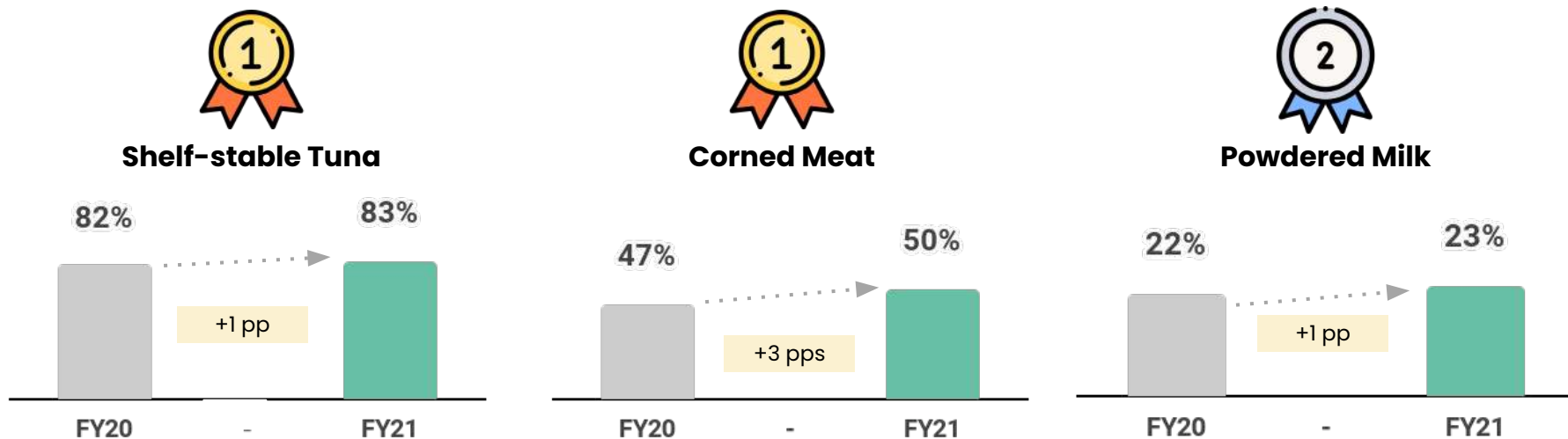
Actively communicating the health benefits of our products addresses the needs of health-conscious consumers

- Majority of Filipino consumers are feeling the financial impact of the pandemic, leading more people to prioritize spending -- **choosing value-for-money goods, cooking and dining at home for savings and safety,** and gravitating towards brands that are **safe** and **trusted**.

Market share gains across all segments



Market Share Trends



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

Supported by the growth of relevant innovations



Core

Emerging

Marine and Meat



December 2020



June 2021



March 2021

Milk



April 2019

August 2020



October 2021

Coconut



September 2019

Culinary



April 2021



September 2020

Plant-Based



Institutional
October 2020;
Retail Feb 2021

Pet Food



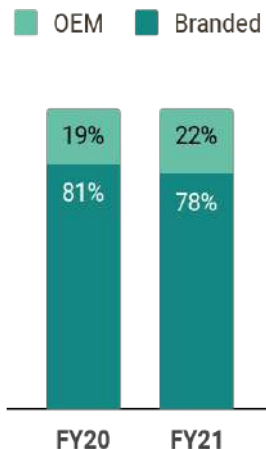
October 2021

Product innovations to support long-term growth ambition of CNPF

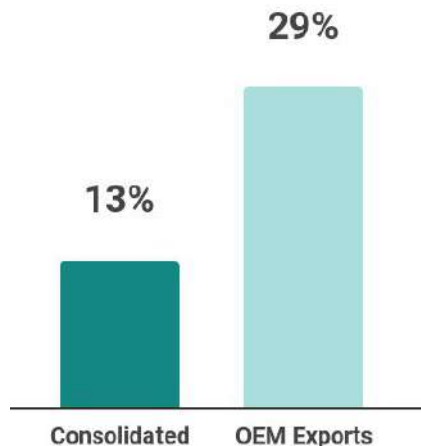
OEM EXPORTS OUTPERFORMED IN 2021



Revenue Split

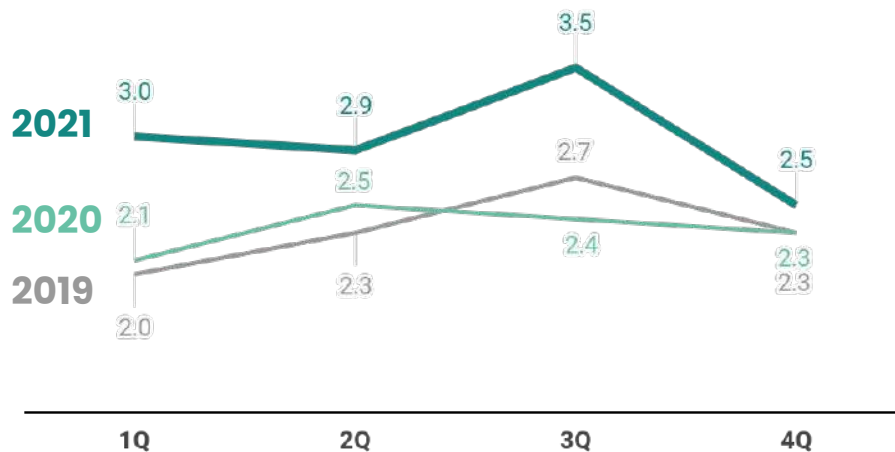


FY21 Revenue Growth



OEM Export Revenue Trend

In PHP B



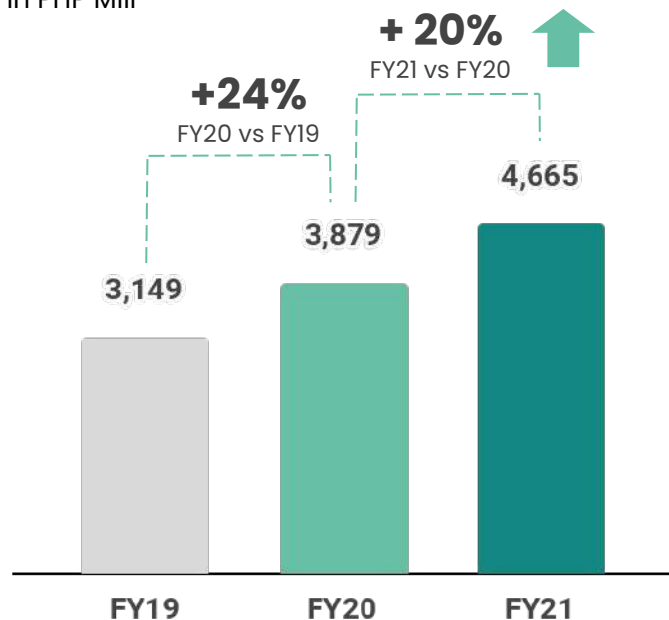
- Tuna export business a beneficiary of **global foodservice recovery** as global markets continue to reopen; Coconut demand heightened amidst need for healthier and **better-for-you products**
- Total OEM export sales higher than average pre-COVID demand driven by **expansion of global footprint**
- **4Q21** softening due to global supply chain congestion, hampering growth despite strong demand

BACK-TO-BACK BOTTOMLINE PERFORMANCE



Net Income

In PHP Mill



FY Margins & Tax Rates

Gross Margin

-140bps

24.7%

23.3%

Expected gross margin softening due to general rise of input prices globally

EBITDA Margin

-40bps

13.4%

13.0%

Largely sustained EBITDA margins due to the efficient management of costs

Effective Tax Rates

-810bps

24.3%

16.2%

Lower effective tax rates due to CREATE law and ITH on new tuna plant

Net Margin

+50bps

8.0%

8.5%

Net Margin expansion due to strong operational performance and beneficial tax rates

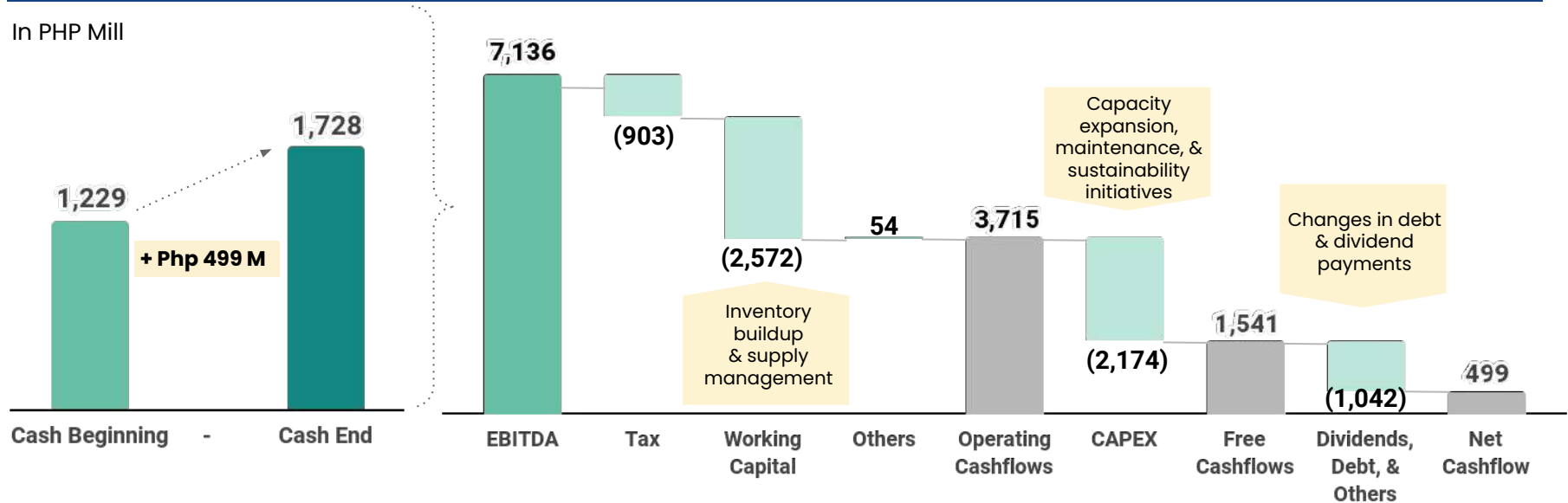
Net income demonstrated a strong double-digit growth in 2021 despite a high base in 2020 and gross margin contraction due to robust sales, efficient operating performance, and beneficial tax rates.

HEALTHY CASH FLOW GENERATION



2021 Cash Flows

In PHP Mill



- Healthy cash flow generation driven by **robust operational performance**
- Operating cash flows reinvested in **capacity expansion** in coconut and meat, **sustainability initiatives**, and **new innovations**
- Released special dividends to shareholders

2021 WRAP-UP & 2022 OUTLOOK



STRATEGIC PRIORITIES



Branded Product Portfolio



ROBUST INNOVATION LINEUP TO ADDRESS EMERGING CONSUMER NEEDS



Core

Marine and Meat

*Value For money
cooking ingredients & viands*



Emerging

Milk

*Value for money
energy-booster for kids*



Plant-Based

*Healthy, accessible, & better
for the planet food options*



Pet Food

*Accessible and nutritious
pet food for fur babies*



ACTIVATING INORGANIC OPPORTUNITIES TO STRENGTHEN THE CORE

M&A



AFFORDABLE NUTRITION

Aligned with our mission of providing affordable nutrition to our consumers



CONSOLIDATION PLAY

The Sardine category is quite fragmented, ripe for consolidation

#2

STRENGTHENING THE CORE

Effectively doubles CNPF's market share, making us a strong challenger in Sardines



RIGHT TO WIN

Given our long standing business in Sardines, we have the capability to grow the brand & benefit from multiple synergies

- Ligo is an accretive, bolt on acquisition
- CNPF will be leveraging its scale and capabilities to create more value for the brand, which will in turn strengthen the core marine portfolio

FUTURE-PROOFING THE BUSINESS BY INVESTING IN SUSTAINABILITY



SPOTLIGHT PROJECTS

**2021: 2nd year of plastic neutrality
11 brands certified**

**1 Million Trees for farmers
& Road to Carbon Neutrality by 2028**

**Largest manufacturing hub
powered by solar energy**



**PLASTIC
NEUTRAL
COMPANY**



**PLASTIC
NEUTRAL
BRAND**

plasticcreditexchange.com



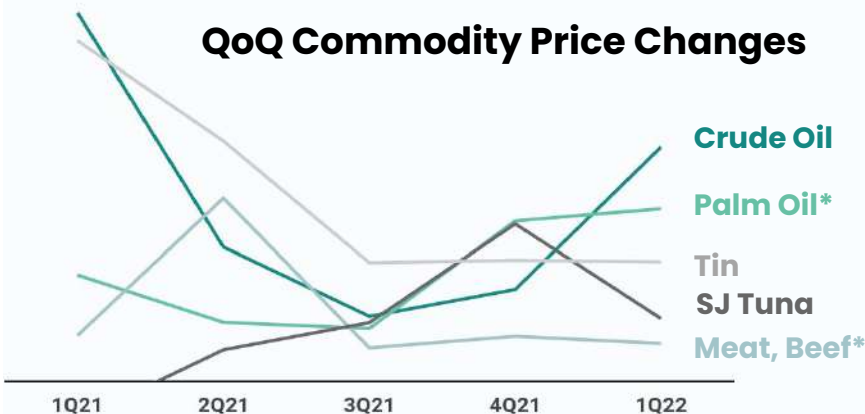
2022 Outlook



Inflationary & volatile environment exacerbated by Ukraine & Russia War

- Expected higher input prices as we entered 2022
- War in Ukraine & Russia pushing commodity prices up

QoQ Commodity Price Changes



CNPF is poised to weather uncertainties and remain resilient amidst headwinds

1 CNPF starts the year strong

- High-single digit revenue growth driven by the double-digit growth of the Branded segment as demand for essentials and value for money goods remained resilient in 1Q22

2 CNPF is actively managing risks & deliver a decent bottomline

- Price increase program being executed in tranches to cushion the impact of rising input prices
- Proactive procurement strategy, locking in decisively when prices take favorable dips
- Maintaining ample inventory level to mitigate supply risks
- Implementing cost optimization measures

3 CNPF planning for double-digit growth amid high uncertainty

- Expects demand for essentials and value for money goods to remain resilient in 2022
- Continues to invest in innovations launched in the last 24 months
- Should have more clarity after 1H

LONG-TERM STRATEGY



Performance Positioning



- Delivering low double-digit to mid-teens growth during good times, and **outperforming our growth targets during bad times**
- Our branded portfolio has proven **resilient amidst various macroeconomic situations**

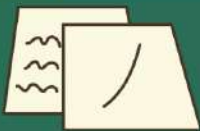


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APRIL 2022



ANNEX





SUSTAINABILITY UPDATES

OTHER FINANCIALS



FY 2021 SUMMARIZED P&L



In PHP Mill	FY 2020	FY 2021	Change YoY
Net Revenues	48,302	54,710	13%
Cost of Sales	36,374	41,957	15%
Gross Profit	11,928	12,753	7%
Operating Expenses	6,351	7,065	11%
Operating Income	5,389	5,865	9%
EBITDA	6,496	7,136	10%
Financing Cost	261	297	14%
Income before Tax	5,128	5,568	9%
Income Tax	1,248	903	-28%
Net Income	3,879	4,665	20%
Earnings per Share	1.10	1.32	20%
Margins (%)			
Gross Profit	24.7%	23.3%	-1.4 pps
Operating Expenses	13.1%	12.9%	-0.2 pps
Operating Income	11.2%	10.7%	-0.4 pps
EBITDA	13.4%	13.0%	-0.4 pps
Net Income	8.0%	8.5%	+0.5 pps

- Revenues grew double-digit **despite a high base** last year
- Branded up 10% as **demand remains resilient**, driven by essentials nature of portfolio
- **Faster reopening in other countries** drive OEM 29% higher

- **EBITDA growth tracking below topline** performance
- Profits to be reinvested in **capacity expansion programs, sustainability initiatives and upcoming innovations**
- **Earnings momentum at +20%**, thanks in part to the benefits of the CREATE Law

- Beefed up inventory covers amidst anticipated volatility and global supply chain pressures

FY 2021 SUMMARIZED CASH FLOW



In PHP Mill	FY 2020	FY 2021
Profit before Tax	5,128	5,568
Depreciation & Amortization	1,106	1,272
Working Capital Change	135	(2,572)
Income Tax	(1,248)	(903)
Others	(26)	351
OPERATING CASH FLOWS	5,094	3,715
Additions to PPE	(1,737)	(2,174)
INVESTING CASH FLOWS	(1,704)	(2,722)
Interest Paid	(261)	(297)
Change in Debt	(1,987)	1,258
Dividends	(1,275)	(1,275)
FINANCING CASH FLOWS	(3,769)	(458)
NET CHANGE IN CASH	378	499
CASH, ENDING	1,229	1,728
FREE CASH FLOW	3,358	1,541

- Increase in working capital due to **buildup of inventory covers and lower payables as part of supply management**

- Strong cash generation supported by **healthy profitability**

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

FY 2021 SUMMARIZED BALANCE SHEET



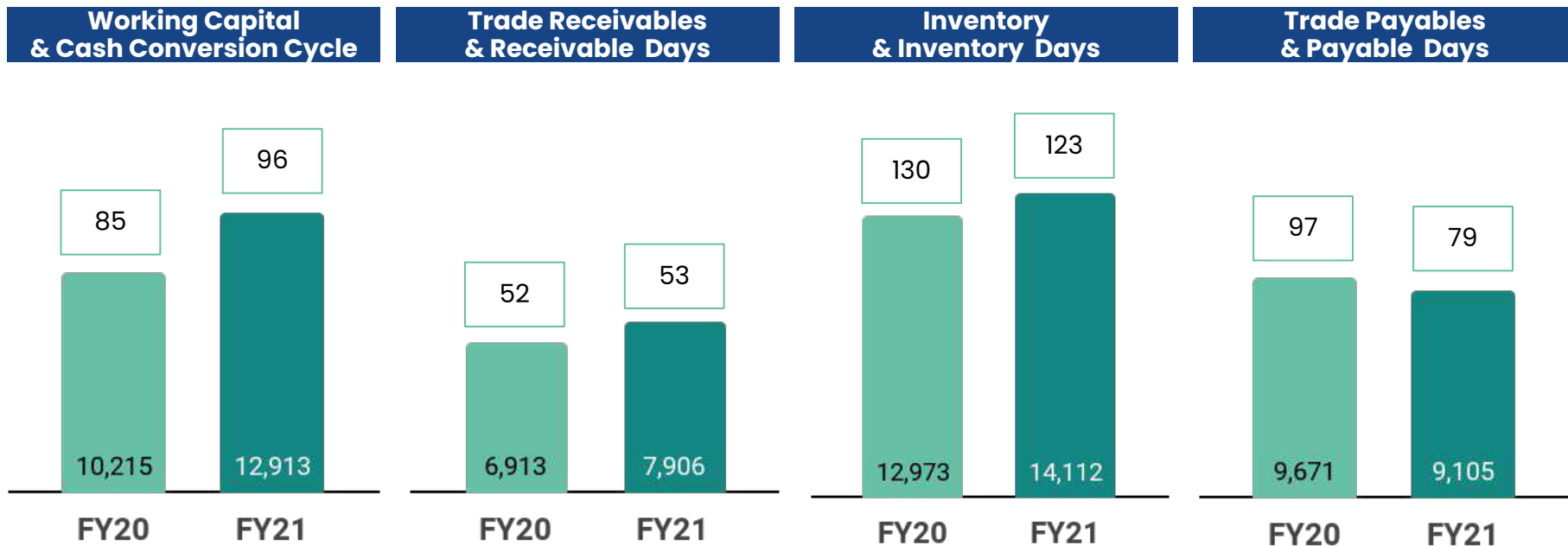
In PHP Mill	FY 2020	FY 2021
Cash	1,229	1,728
Receivables	6,913	7,906
Inventory	12,973	14,112
Current Assets	23,973	26,478
PPE	7,291	8,574
Non-Current Assets	12,303	14,827
TOTAL ASSETS	36,276	41,305

- Uptick in **cash conversion cycle** to 96 days versus 85 days as of end 2021
- Increase in PPE driven by **capacity expansion in coconut and meat**

In PHP Mill	FY 2020	FY 2021
Trade and Other Payables	9,671	9,105
Notes Payable – Current	3,533	2,810
Long-Term Loan	0	1,982
TOTAL LIABILITIES	14,840	16,425
Retained Earnings	12,894	15,572
TOTAL EQUITY	21,436	24,880
BVPS (PHP/share)	6.05	7.02

- Interest-bearing loans totaling PHP4.8 billion **all peso-denominated**
- FY 2021 consolidated **net income** of PHP4.7 billion

WORKING CAPITAL DETAILS



- Cash conversion cycle lengthens to 96 days due to **reduction in payables**
- **Strict monitoring of receivables** amidst current economic conditions resulting in maintained receivable days despite increasing receivables
- Build-up of inventory driven to mitigate supply risks
- **Reduction in payables** done as part of supply security management

FINANCIAL RATIOS



Gearing (x)

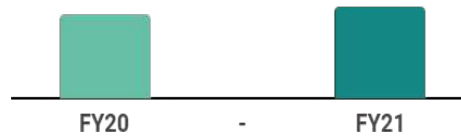
0.16 0.19



- **Comfortable level** of gearing ratios maintained

Net Gearing (x)

0.11 0.12



- **Higher net gearing** due to cash being reinvested in growth initiatives

Current Ratio (x)

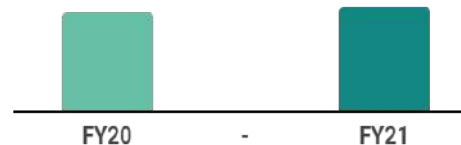
1.74 2.04



- Increase in current ratio due to **higher inventory and lower payables**

Return on Equity

19.10% 20.10%



- **Attractive return ratios** with ROE in the 20s



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