



Extraordinary Resilience during Extraordinary Times

CNPF 1Q 2022
RESULTS PRESENTATION
MAY 2022





LATEST FINANCIAL PERFORMANCE



1Q 2022 FINANCIAL RESULTS HIGHLIGHTS



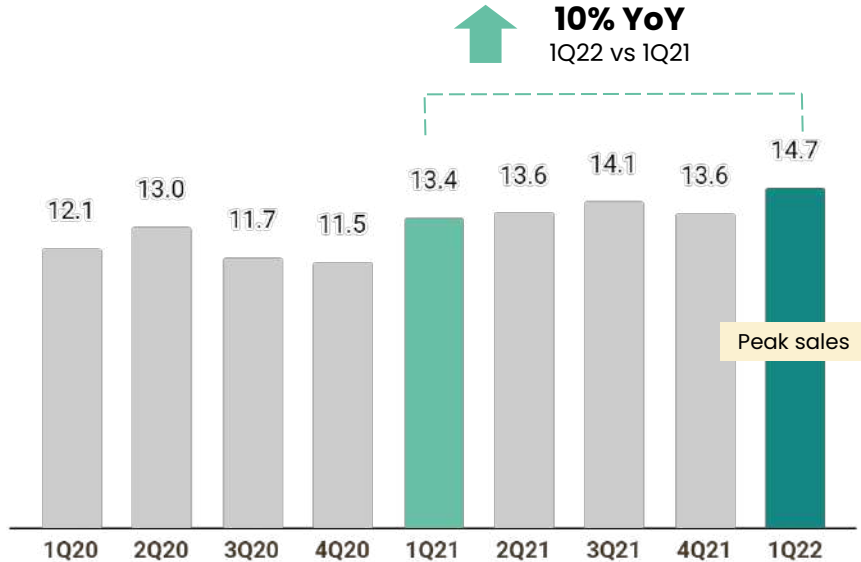
	REVENUE	BRANDED REVENUE	OEM REVENUE	NET INCOME
1Q Growth year-on-year	+10%	+17%	-13%	+10%
REPORTED RESULTS	14.7B	12.1B	2.6B	1.4B

ROBUST TOPLINE PERFORMANCE



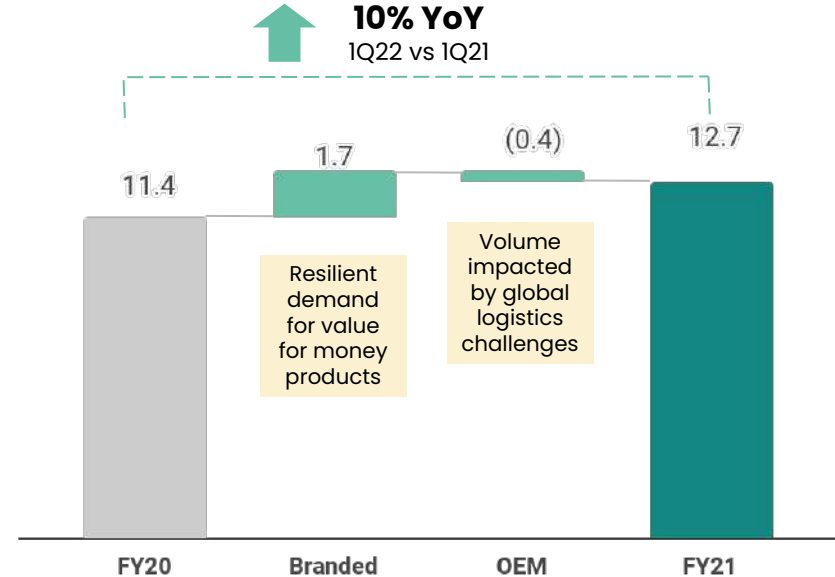
Quarterly Revenue Trend

In PHP B



Revenue Growth Split

In PHP B



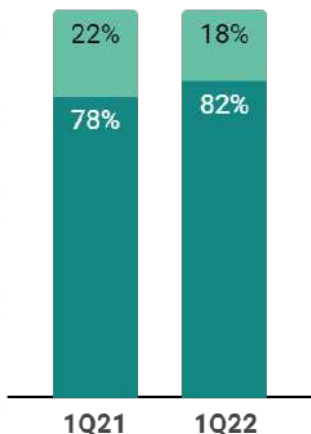
CNPF's topline performance can be attributed to the continued resilience in demand for value for money products and the staples nature of our portfolio

BRANDED SEGMENT REPORTS STRONG TOPLINE

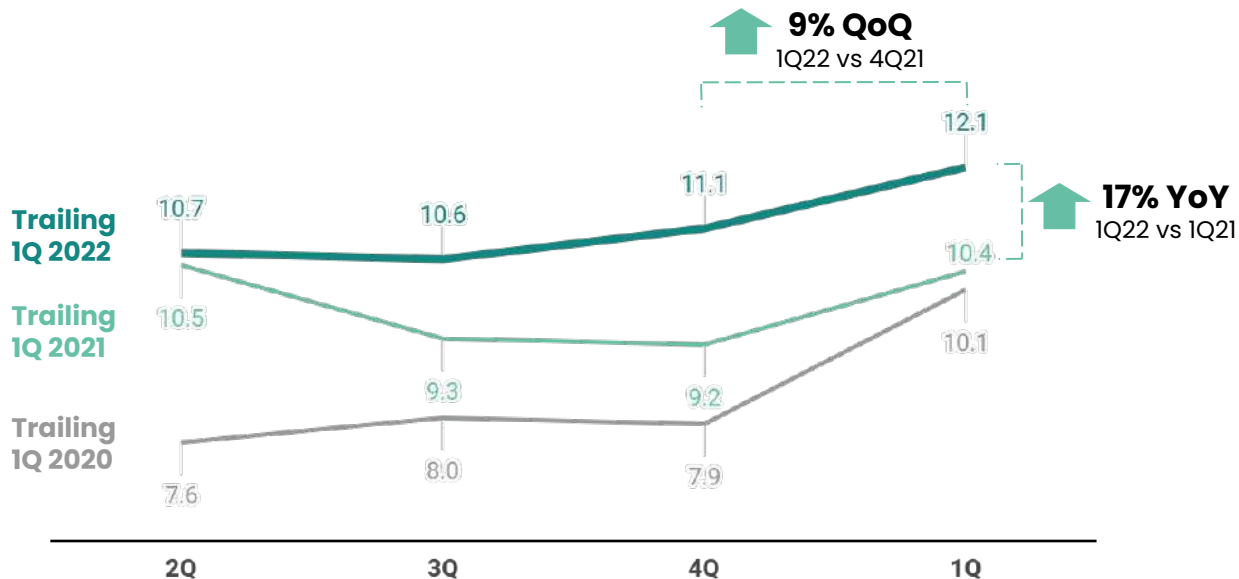


1Q22 Revenue Breakdown

■ OEM ■ Branded



Trailing Four (4) Quarters Branded Revenue Trend

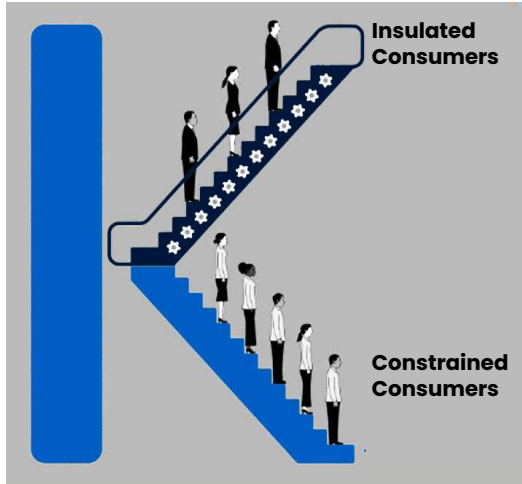


Resilient branded revenues amounting to P12.1B driven by the essentials and staples nature of our portfolio, consumers prioritizing trusted, value-for-money brands and products

RESILIENT DEMAND FOR OUR PRODUCTS



K-shape recovery leads consumers to prioritize spending



Philippine reopening generates more jobs



Essential and staples nature of our portfolio address consumer needs



Trusted Brands

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



Easy & Convenient

Shelf stable products are easy and convenient to prepare, without the need for extra ingredients and can be eaten directly.



Value for Money

Diverse roster and affordable, value-for-money CNPF brands cater to price conscious consumers

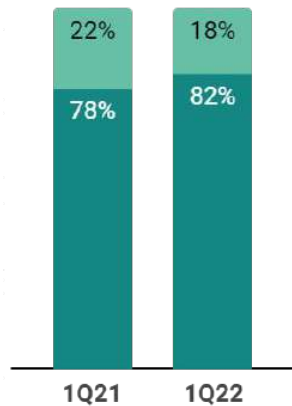
Majority of Filipino consumers are feeling the financial impact of the pandemic. More people continue gravitating towards trusted brands, preferring easy and convenient products that require less preparation and ingredients, and choosing value-for-money goods.

OEM SOFTENED AS GLOBAL SUPPLY CHAIN REMAINS CHALLENGED



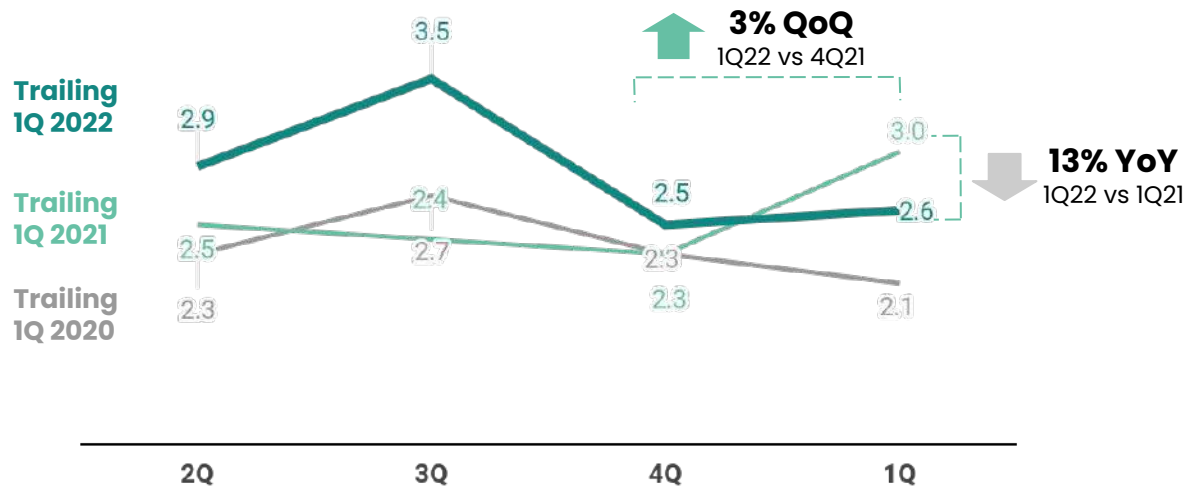
1Q22 Revenue Breakdown

■ OEM ■ Branded



Trailing Four (4) Quarters OEM Revenue Trend

In PHP B



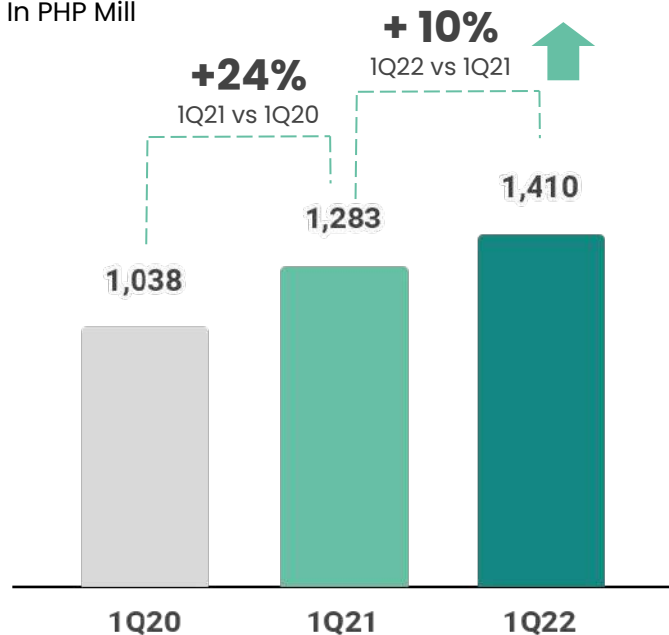
1Q22 softening due to **global logistics issues** and **base effects** from the global reopening in 2021

BACK-TO-BACK BOTTOMLINE PERFORMANCE



1Q Net Income

In PHP Mill



1Q Margins & Tax Rates

Gross Margin

-40bps



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

EBITDA Margin

+70bps



Improvement in EBITDA margins due to the efficient management of costs

Effective Tax Rates

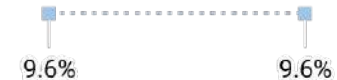
+350bps



Higher effective tax rates due to one-off effects from CREATE law during 2021

Net Margin

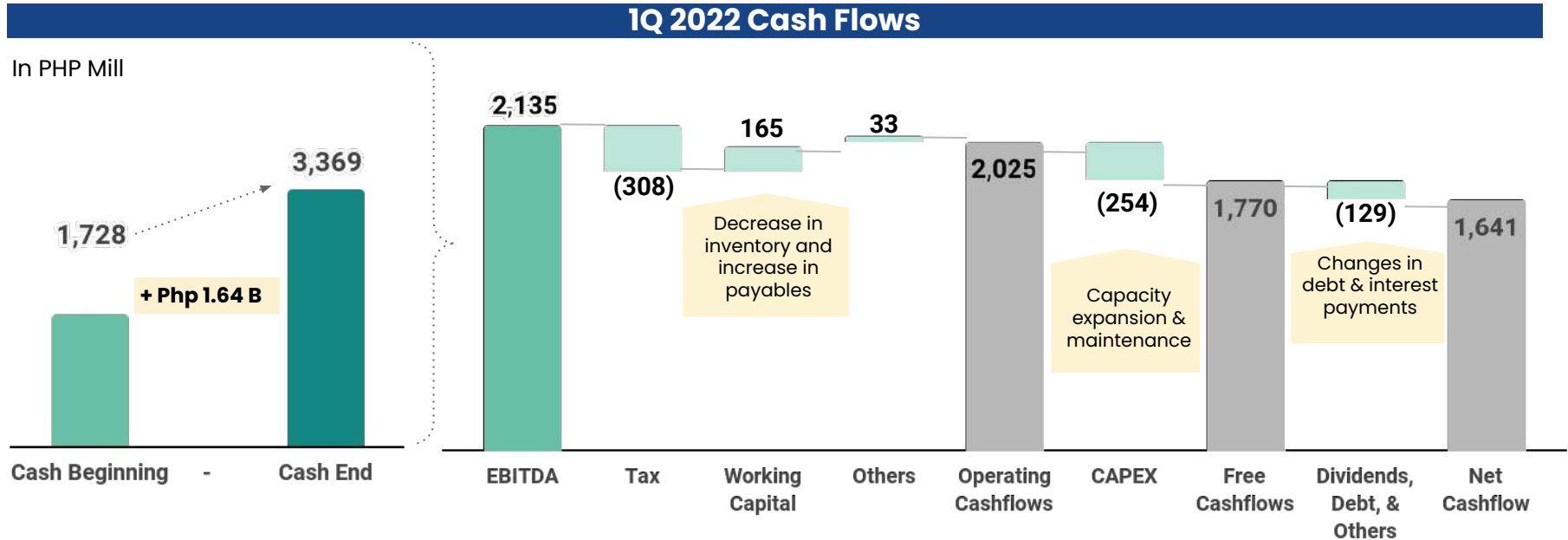
unchanged



Sustained net margin due to strong operational performance

Reported net income demonstrated strong double-digit growth in 1Q 2022, amidst a high base in 2021 and gross margin contraction, due to robust sales and efficient operating performance.

HEALTHY CASH FLOW GENERATION



- Healthy cash flow generation driven by **robust operational performance**
- Operating cash flows reinvested in **capacity expansion & maintenance**

2022 OUTLOOK



STRATEGIC PRIORITIES



Branded Product Portfolio



ACTIVATING INORGANIC OPPORTUNITIES TO STRENGTHEN THE CORE

M&A



AFFORDABLE NUTRITION

Aligned with our mission of providing affordable nutrition to our consumers

#2 STRENGTHENING THE CORE

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



CONSOLIDATION PLAY

The Sardine category is quite fragmented, ripe for consolidation



RIGHT TO WIN

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

- CNPF entered into an **asset purchase** and transition agreement to acquire Ligo operational assets and marks.
- The acquisition is expected to **close by 2Q 2022**.
- The acquisition price is **at a discount to CNPF current and forward EV/EBITDA multiples**.
- Ligo is a **bolt-on acquisition**, with CNPF leveraging its scale and capabilities to create more value for the brand, which will in turn strengthen the core marine portfolio. The acquisition is accretive to CNPF's core business, especially as **synergies** materialize.

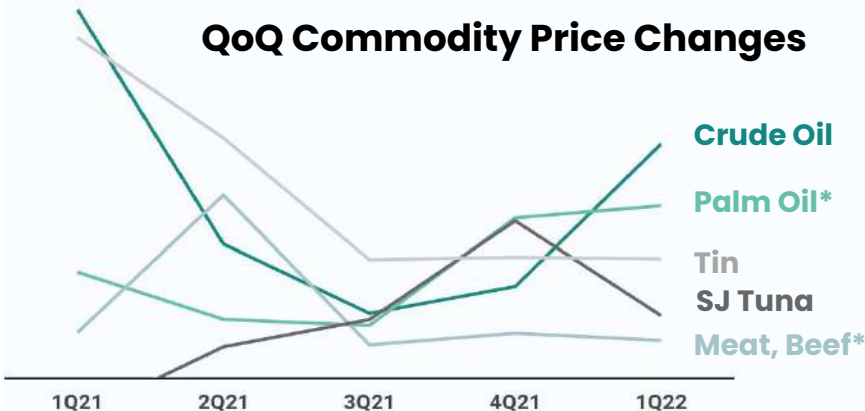
2022 OUTLOOK



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



*Source: Worldbank Commodities, Thai Union Skipjack Prices

CNPF is poised to weather uncertainties and remain resilient amidst headwinds

Positive topline momentum continues in early 2Q22

1

- Double-digit growth of the Branded segment maintained as demand for essentials and value for money goods remained resilient in early 2Q22

CNPF is actively managing risks & deliver a decent bottomline

2

- 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

CNPF planning for double-digit growth amid high uncertainty

3

- 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**

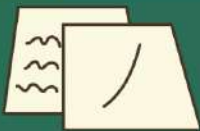


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ANNEX



OTHER FINANCIALS



1Q 2022 SUMMARIZED P&L



In PHP Mill	1Q 2021	1Q 2022	Change YoY
Net Revenues	13,387	14,733	10%
Cost of Sales	9,873	10,914	11%
Gross Profit	3,514	3,819	9%
Operating Expenses	2,047	2,121	4%
Operating Income	1,548	1,767	13%
EBITDA	1,849	2,135	15%
Financing Cost	50	50	1%
Income before Tax	1,498	1,718	15%
Income Tax	215	308	43%
Net Income	1,283	1,410	10%
Earnings per Share	0.36	0.40	10%
Margins (%)			
Gross Profit	26.3%	25.9%	-0.4 pps
Operating Expenses	15.3%	14.4%	-0.9 pps
Operating Income	11.6%	12.0%	+0.4 pps
EBITDA	13.8%	14.5%	+0.7 pps
Net Income	9.6%	9.6%	0.0 pps

- Revenues grew double-digit
- Branded up 17% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- **Logistics issues in other countries** drive OEM 13% lower

- **EBITDA growth tracking above topline** performance due to **cost optimizations** at the opex level
- Profits to be reinvested in **capacity expansion programs and sustainability initiatives**
- **Earnings growth at +10%** due to robust operational performance and one-off effects in 2021 from the CREATE Law

1Q 2022 SUMMARIZED CASH FLOW



In PHP Mill	1Q 2021	1Q 2022
Profit before Tax	1,498	1,718
Depreciation & Amortization	301	368
Working Capital Change	(50)	198
Income Tax	(215)	(308)
Others	18	49
OPERATING CASH FLOWS	1,552	2,025
Additions to PPE	(445)	(254)
INVESTING CASH FLOWS	(443)	(252)
Interest Paid	(50)	(50)
Change in Debt	(150)	0
Dividends	0	0
FINANCING CASH FLOWS	(261)	(131)
NET CHANGE IN CASH	848	1,641
CASH, ENDING	2,077	3,369
FREE CASH FLOW	1,106	1,770

- Decrease in working capital due to **lower inventories and higher payables**

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

- Capital expenditures primarily for **capacity expansion and maintenance**

1Q 2022 SUMMARIZED BALANCE SHEET



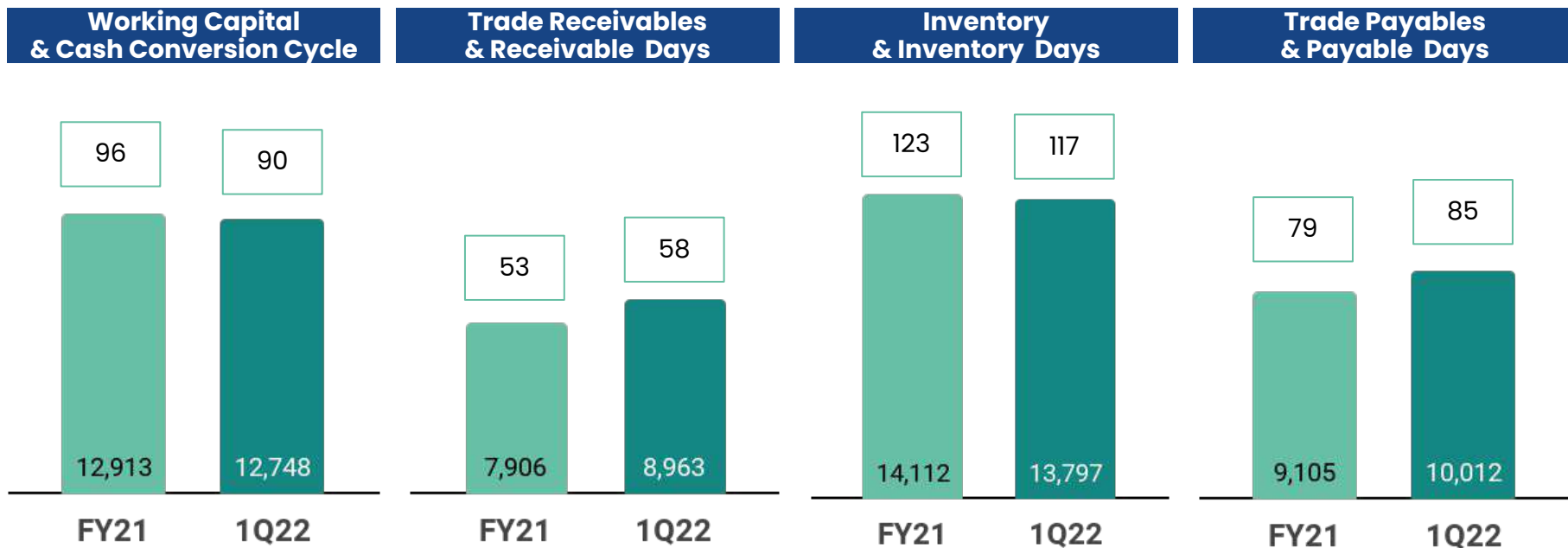
In PHP Mill	FY 2021	1Q 2022
Cash	1,728	3,369
Receivables	7,906	8,963
Inventory	14,112	13,797
Current Assets	26,486	29,084
PPE	8,574	8,549
Non-Current Assets	14,394	14,427
TOTAL ASSETS	40,880	43,511

- Acceleration in **cash conversion cycle** to 90 days versus 96 days as of end 2021
- Increase in PPE driven by **capacity expansion and maintenance**

In PHP Mill	FY 2021	1Q 2022
Trade and Other Payables	9,105	10,012
Notes Payable – Current	2,810	2,810
Long-Term Loan	1,982	1,982
TOTAL LIABILITIES	15,992	17,214
Retained Earnings	16,346	17,756
TOTAL EQUITY	24,888	26,297
BVPS (PHP/share)	7.03	7.42

- Interest-bearing loans totaling PHP4.8 billion **all peso-denominated**
- 1Q 2022 consolidated **net income** of PHP1.4 billion

WORKING CAPITAL DETAILS

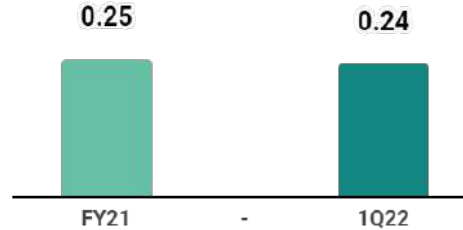


- Cash conversion cycle shortens to 90 days due to **increase in payables and decrease in inventory**
- **Strict monitoring of receivables** amidst current economic conditions resulting in maintained receivable days despite increasing receivables
- Decline in inventory for the first quarter, but healthy inventory levels maintained to mitigate supply risks

FINANCIAL RATIOS

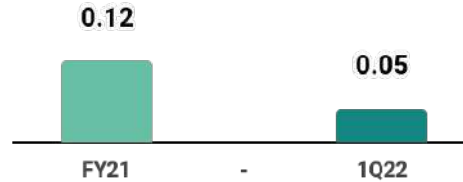


Gearing (x)



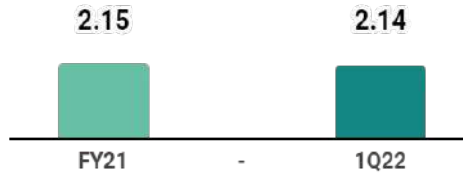
- **Comfortable level** of gearing ratios maintained

Net Gearing (x)



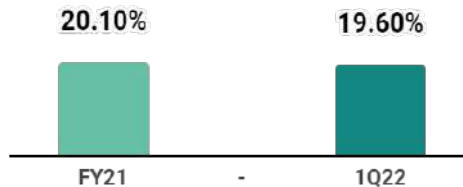
- **Lower net gearing** due to increase in cash for the quarter

Current Ratio (x)



- Maintained current ratio due to **lower inventories and higher payables**

Return on Equity



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



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