



Building on LEGACY for a BETTER Tomorrow

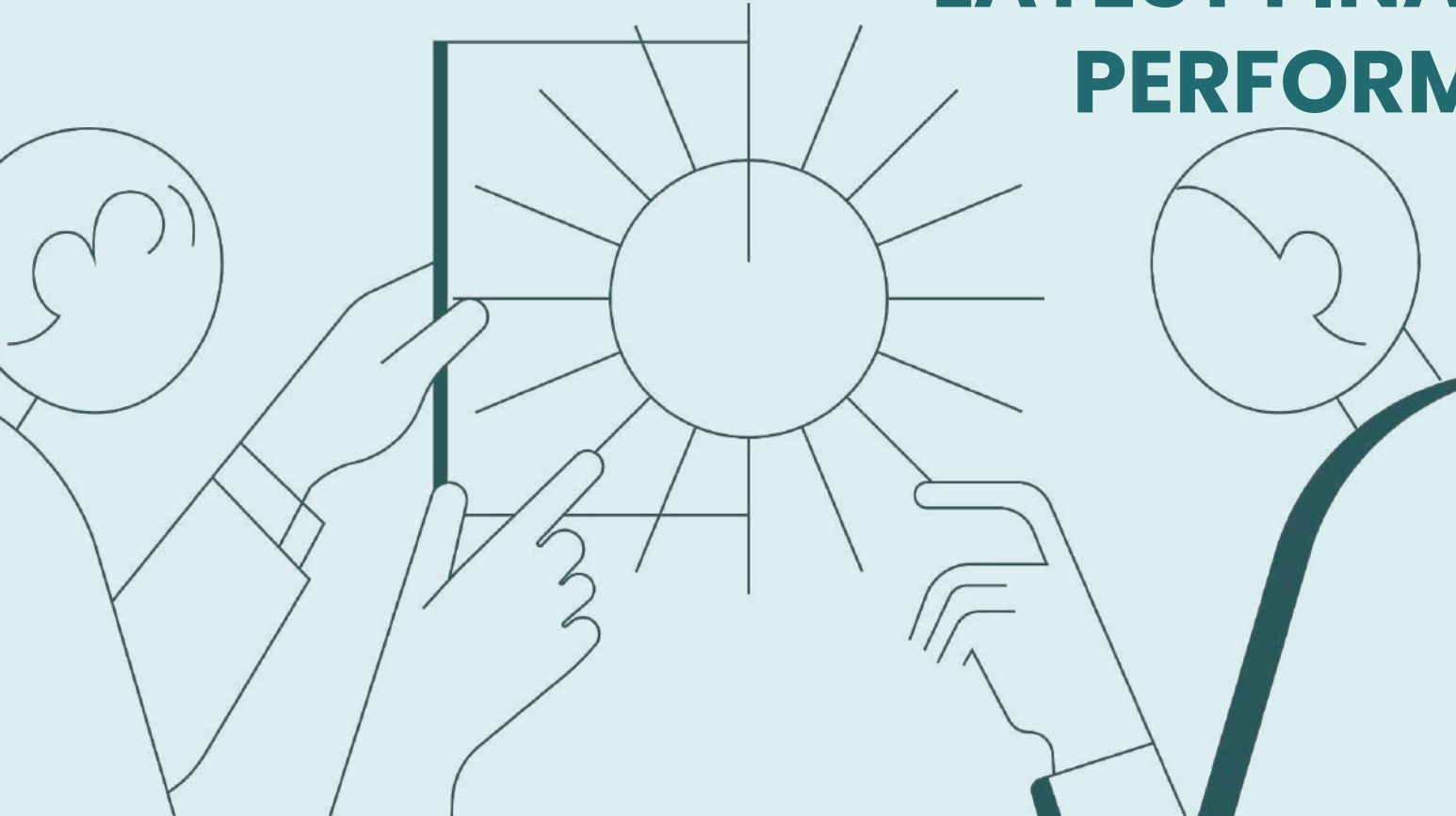
CNPF 1H22 RESULTS PRESENTATION

AUGUST 2022





LATEST FINANCIAL PERFORMANCE



1H 2022 FINANCIAL RESULTS HIGHLIGHTS



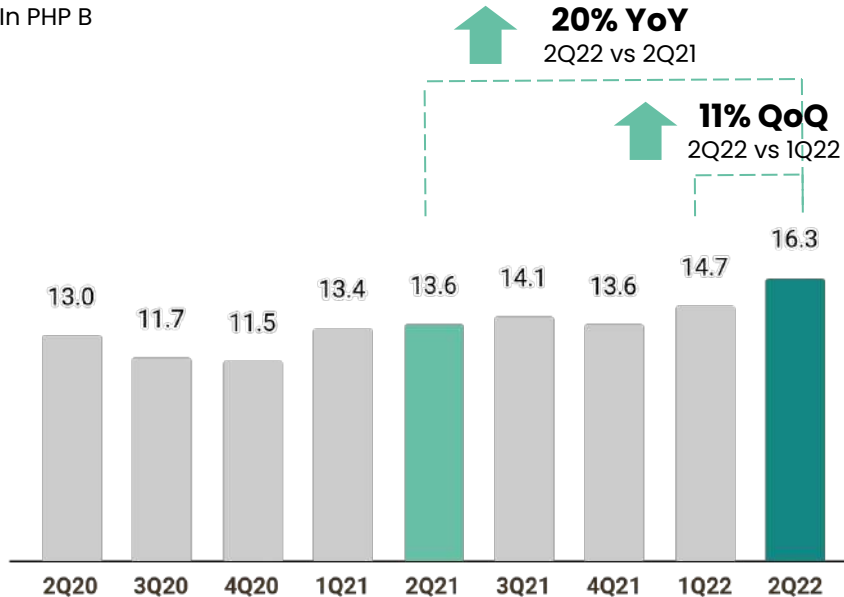
| | REVENUE | BRANDED REVENUE | OEM REVENUE | GROSS MARGIN | NET INCOME |
|------------------------------|---------|--------------------|----------------|-----------------|------------|
| 1H Growth year-on-year | +15% | +18% | +6% | +20 bps | +9% |
| 2Q Growth year-on-year | +20% | +19% | +25% | +90 bps | +8% |

ROBUST TOPLINE PERFORMANCE



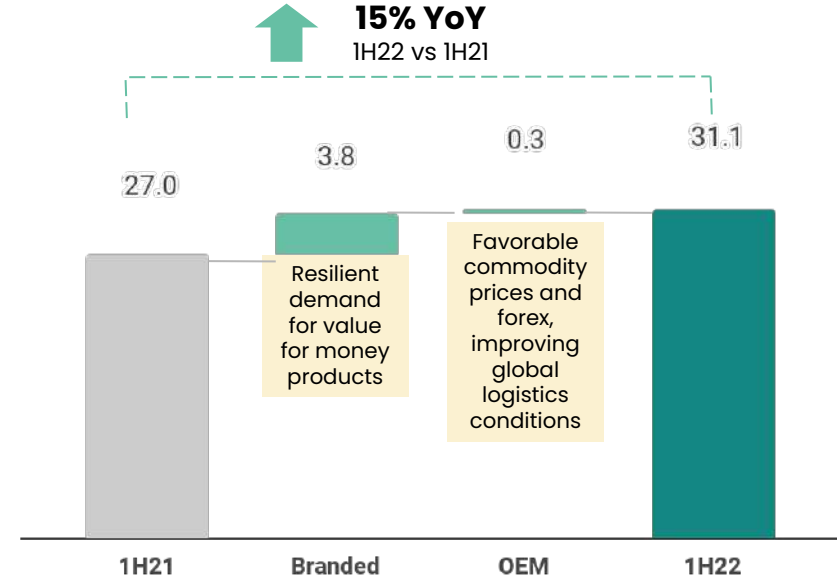
Quarterly Revenue Trend

In PHP B



Revenue Growth Split

In PHP B

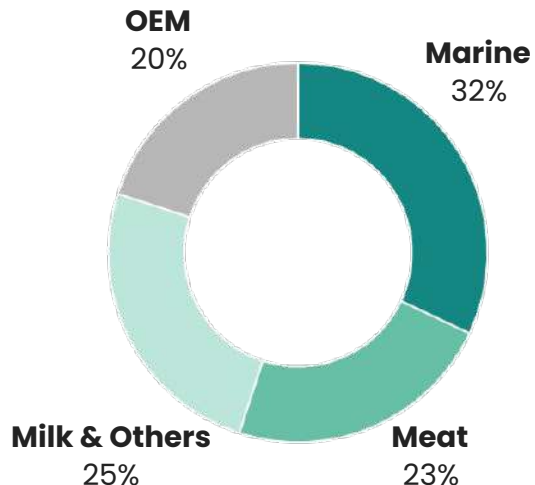


CNPF's topline performance primarily driven by the continued resilience in demand for value for money products and the staples nature of our portfolio

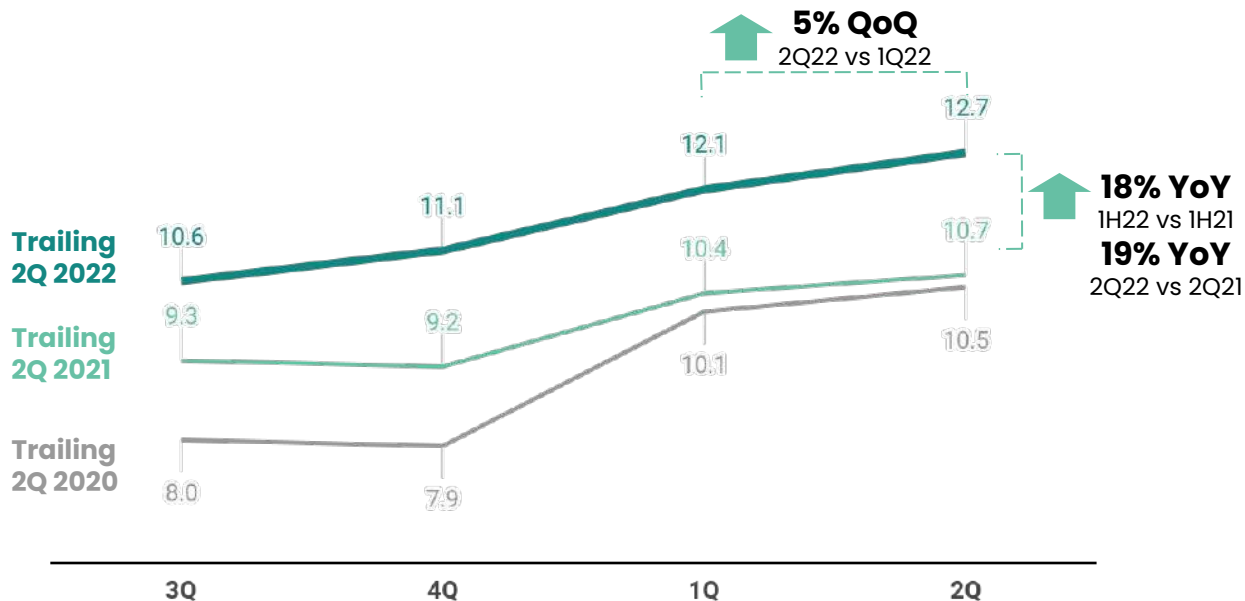
BRANDED SEGMENT REPORTS STRONG TOPLINE



1H22 Revenue Breakdown



Trailing Four (4) Quarters Branded Revenue Trend



Resilient branded revenues amounting to P12.7B driven by the essentials and staples nature of our portfolio, consumers prioritizing trusted, value-for-money brands and products

RESILIENT DEMAND FOR OUR PRODUCTS



Philippine economic reopening dampened by increasing commodity prices



Essential and staples nature of our portfolio address consumer needs



Value for Money

Multi-brand portfolio strategy that cuts across different price tiers – value for money to affordable premium



Trusted Brands

Household brands holding market-leading positions in the categories that we play in

Majority of Filipino consumers are **beginning to rebound from the pandemic**. They have more means to spend, but continue to prioritize staples, value for money goods, and trusted brands.

MARKET SHARES REFLECT RESILIENT DEMAND



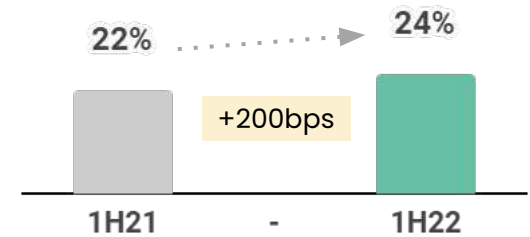
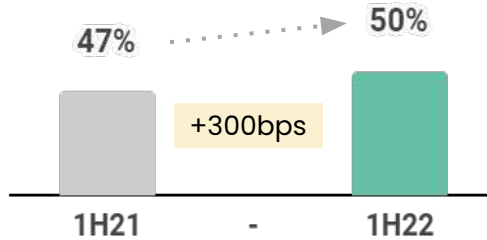
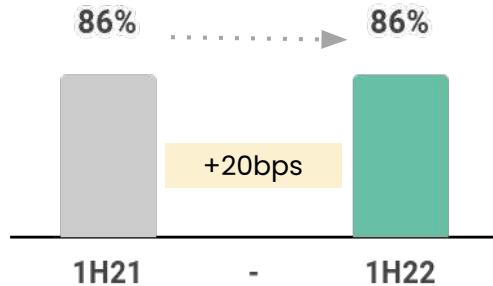
Canned
Tuna



Corned
Meat



Powdered
Milk

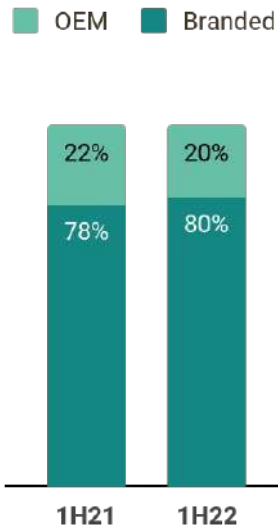


- **Market share gains** across all segments driven by value for money offerings and continuous brand building initiatives

OEM SEGMENT REBOUNDS AS GLOBAL SUPPLY CHAIN CONDITIONS IMPROVE

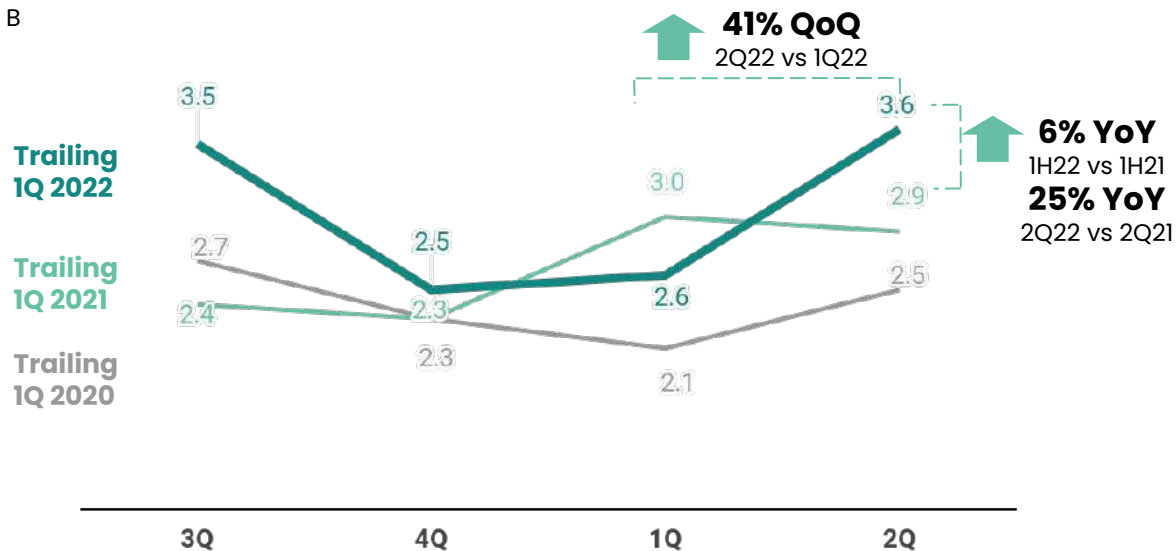


1H22 Revenue Breakdown



Trailing Four (4) Quarters OEM Revenue Trend

In PHP B



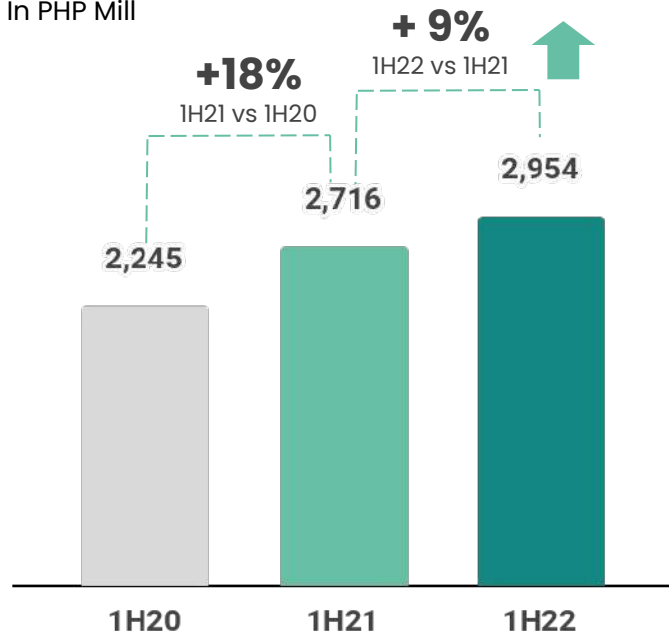
OEM revenues at P3.6B driven by **easing global logistics issues in 2Q22** and **favorable commodity price and forex movements**

CONTINUED GROWTH IN BOTTOMLINE



1H Net Income

In PHP Mill



1H Margins & Tax Rates

Gross Margin

+20bps

EBITDA Margin

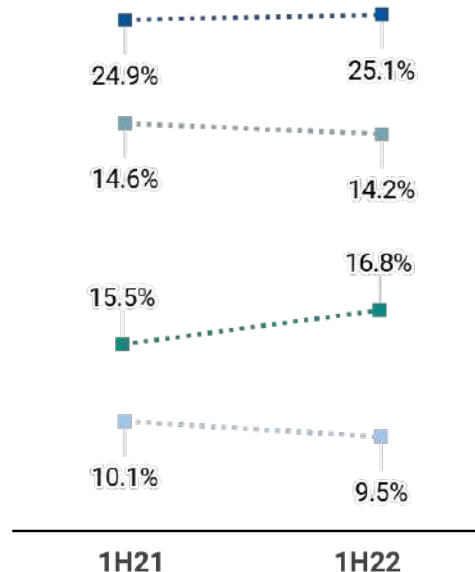
-40bps

Effective Tax Rates

+130bps

Net Margin

-60bps



Gross margin expansion due to favorable product mix, price increases, and cost optimization

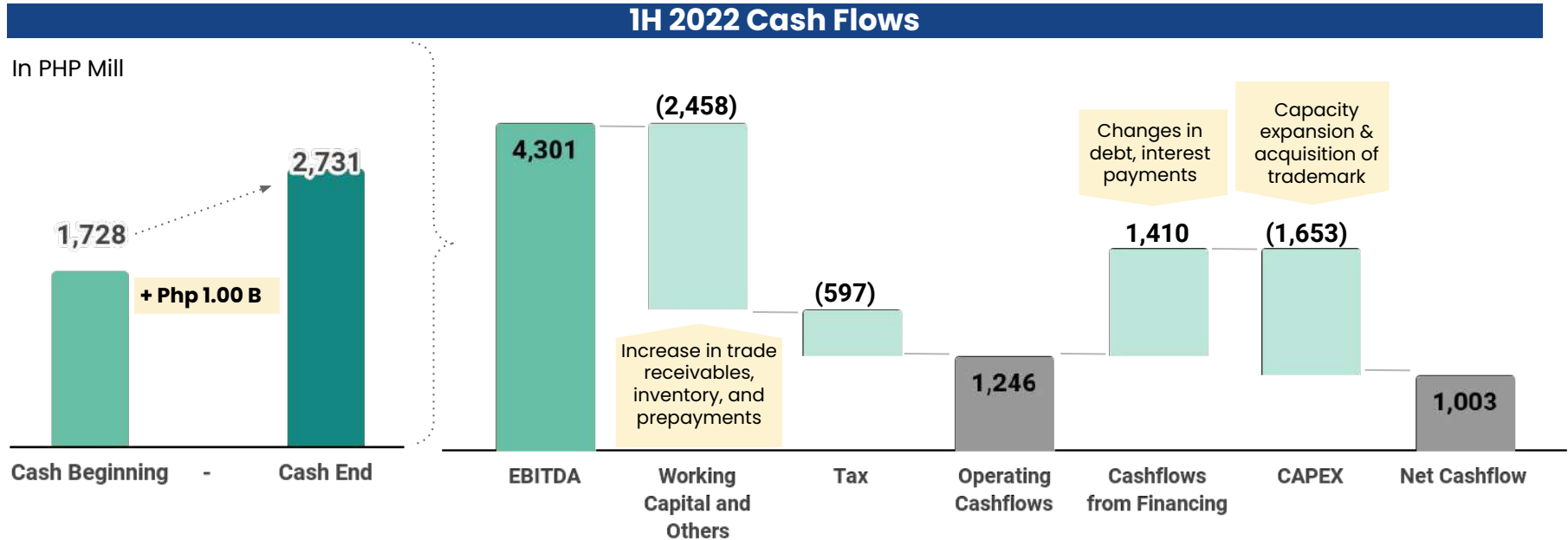
Contraction in EBITDA margins due to higher logistics costs, support for innovations, and brand building activities

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

Lower net margin as EBITDA margin contraction and higher effective tax rate trickle down to bottomline

Reported net income demonstrated strong growth in 1H 2022 amidst a high base in 2021 due to robust sales and efficient operating performance.

HEALTHY CASH FLOW GENERATION



- Healthy cash flow generation continue to be driven by **robust operational performance**
- Operating cash flows reinvested in **capacity expansion & inorganic growth opportunities**

KEY TAKEAWAYS



STRONG TOPLINE

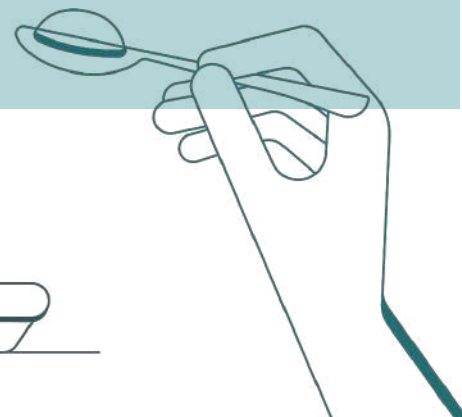
from resilient
Branded business
and a rebounding OEM
Exports segment

GROSS MARGIN MAINTAINED

despite increasing cost
pressures, driven by a
favorable mix, price
increase, and cost
optimization measures

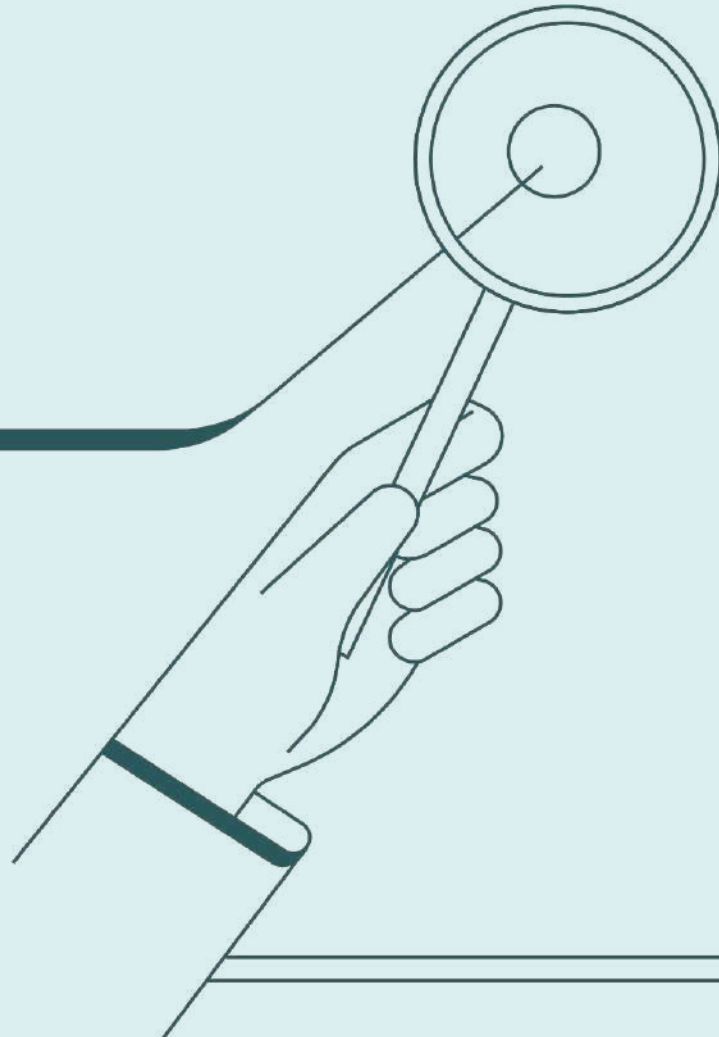
NET INCOME GROWTH

amidst volatile
operating condition,
leading to healthy cash
flow generation





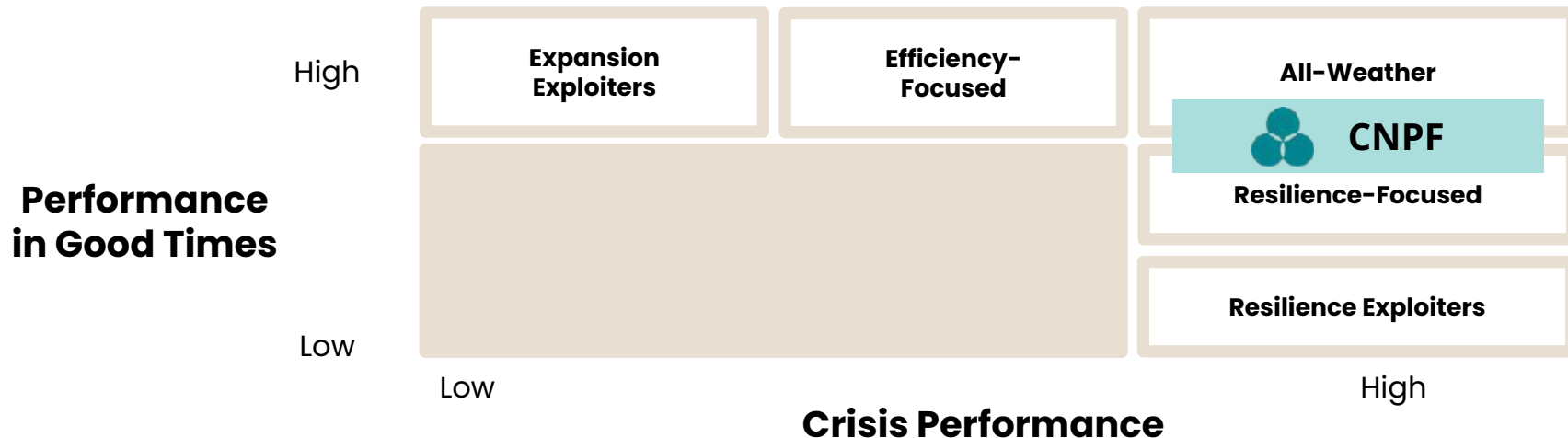
2022 OUTLOOK



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**

STRATEGIC PRIORITIES



Branded Product Portfolio



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

NEW PRODUCTS:

Branded Coconut, Condiments, Plant-Based, Refrigerated, & Pet Food



Faster growth, building scale, challengers or category builders

EMERGING: Milk



Steady growth, healthy cash generation, market-leading

CORE BRANDED: Marine & Meat

STRENGTHENING THE CORE



Brand-Building Campaigns



- Launched Century Tuna Superbods this year
- Century Tuna Superbods is a biennial fitness competition launched in 2006

Ligo Acquisition



Aligned with our mission of providing affordable nutrition to our consumers



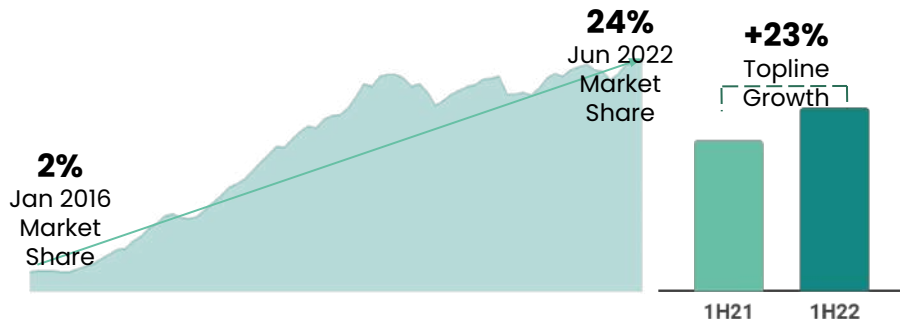
Effectively doubles CNPF's market share, making us a strong challenger in Sardines

- A bolt-on acquisition, with CNPF leveraging its scale and capabilities to create more value for the brand
- Acquisition is accretive, especially as synergies materialize

INVESTING IN GROWTH BUSINESSES



Building Scale in Milk



- Underscore category relevance as consumers prioritize their spending through hard-hitting communications and value-for-money promos

Supporting Key Innovations

Innovating in Plant-based with unMEAT Breakfast Line, Shelf Stable Luncheon Meat, and Fish-Free Tuna



Double-digit growth for Coco Mama



Building route-to-market capabilities for Pet Food



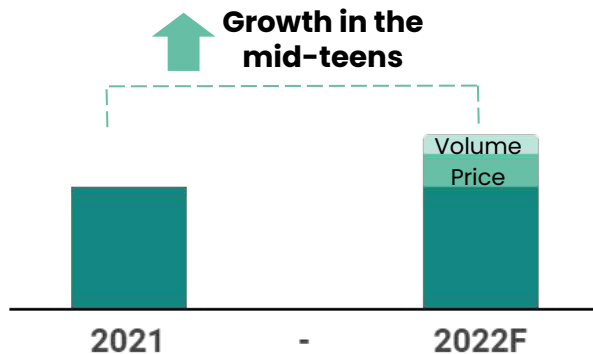
2022 OUTLOOK & GUIDANCE



2022 Outlook

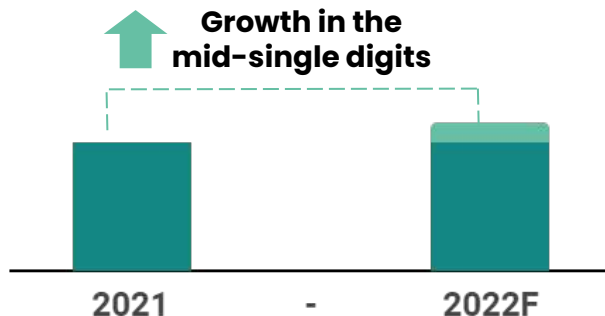
2022 Growth Drivers

Topline



- Mid-teens topline growth supported by volume and price growth
- Domestic branded business remains resilient while OEM exports recover
- Price increases implemented but closely monitoring impact on demand

Bottomline



- Locked in majority of the year's requirements through a proactive procurement strategy
- Price increases and cost optimization measures implemented cushion impact of higher input costs
- Deprioritized expenses mostly discretionary in nature

THANK YOU FOR YOUR CONTINUED TRUST AND CONFIDENCE



Institutional Investor

2022 ASIA (EX-JAPAN) EXECUTIVE TEAM

**CNPF wins the following
awards among Asia ex-China
Consumer Staples companies:**



- Best CEO (Buy-Side)
- Best Investor Relations Team (Buy-Side)



- Best Investor Relations Team (Combined Buy-Side and Sell-Side)
- Best ESG Program (Buy-Side)
- Best Investor Relations Program (Buy-Side)



- **Overall**
- Best CEO (Combined Buy-Side and Sell-Side)
- Best ESG Program (Combined Buy-Side and Sell-Side)
- Best Investor Relations Program (Combined Buy-Side and Sell-Side)
- Best Investor Relations Professional (Buy-Side)



Building on LEGACY for a BETTER Tomorrow

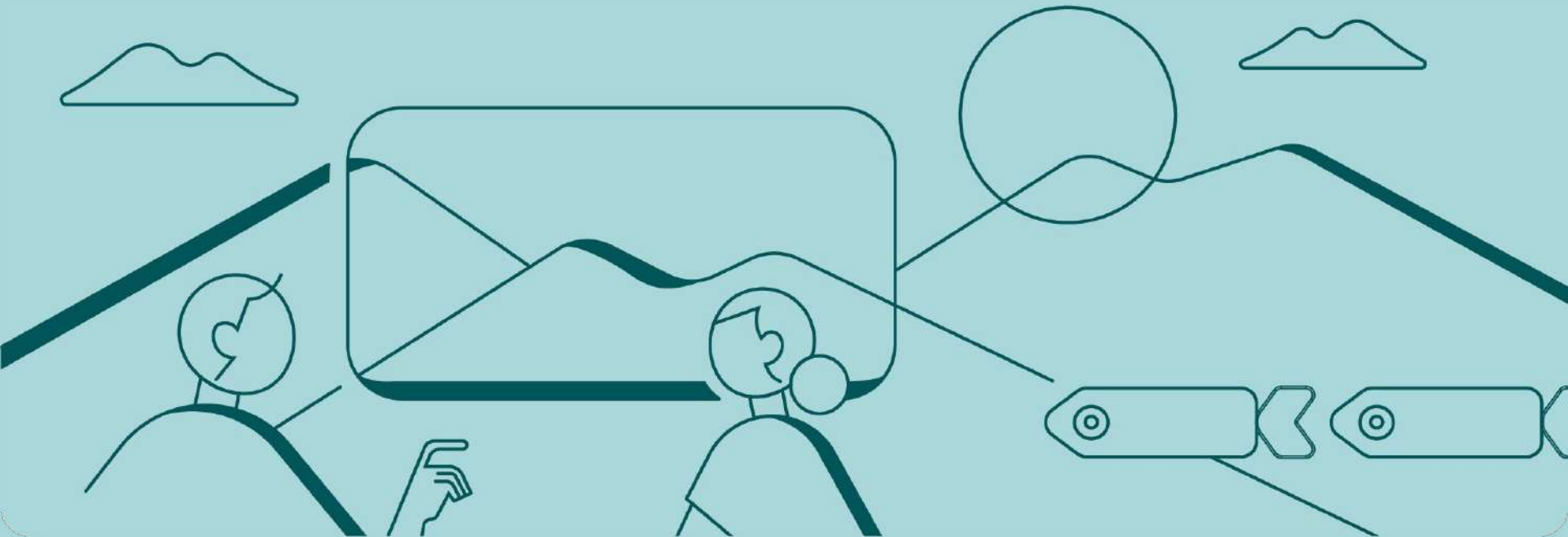
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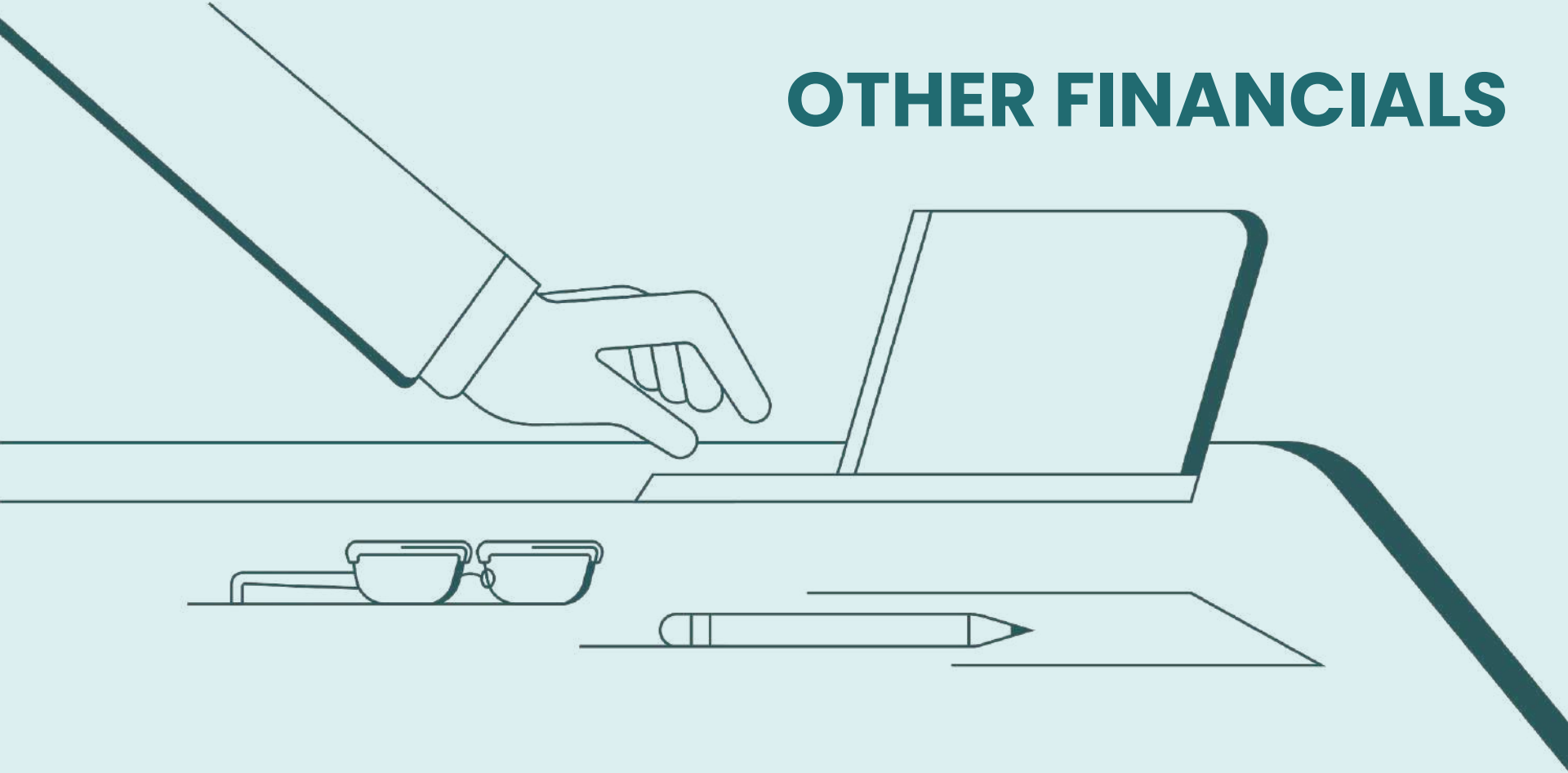


ANNEX





OTHER FINANCIALS



1H 2022 SUMMARIZED P&L



| In PHP Mill | 1H 2021 | 1H 2022 | Change YoY |
|---------------------------|---------------|---------------|------------|
| Net Revenues | 27,006 | 31,081 | 15% |
| Cost of Sales | 20,283 | 23,267 | 15% |
| Gross Profit | 6,724 | 7,814 | 16% |
| Operating Expenses | 3,520 | 4,350 | 24% |
| Operating Income | 3,308 | 3,668 | 11% |
| EBITDA | 3,947 | 4,418 | 12% |
| Financing Cost | 94 | 117 | 25% |
| Income before Tax | 3,215 | 3,551 | 11% |
| Income Tax | 498 | 597 | 20% |
| Net Income | 2,716 | 2,954 | 9% |
| Earnings per Share | 0.77 | 0.83 | 9% |
| Margins (%) | | | |
| Gross Profit | 24.9% | 25.1% | +0.2 pps |
| Operating Expenses | 13.0% | 14.0% | +1.0 pps |
| Operating Income | 12.3% | 11.8% | -0.4 pps |
| EBITDA | 14.6% | 14.2% | -0.4 pps |
| Net Income | 10.1% | 9.5% | -0.6 pps |

- Revenues grew double-digit
- Branded up 18% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM 6% higher YTD as **logistics issues begin to ease in 2Q22**

- **EBITDA growth tracking below topline** performance due to **higher logistics costs, support for innovations, and brand building activities**
- Profits to be reinvested in **capacity expansion programs and sustainability initiatives**
- **Earnings growth at +9%** due to robust operational performance and one-off effects in 2021 from the CREATE Law

1H 2022 SUMMARIZED CASH FLOW



| In PHP Mill | 1H 2021 | 1H 2022 |
|-----------------------------|----------------|----------------|
| Profit before Tax | 3,214 | 3,551 |
| Depreciation & Amortization | 639 | 750 |
| Working Capital Change | (935) | (2,576) |
| Income Tax | (498) | (597) |
| Others | 68 | 118 |
| OPERATING CASH FLOWS | 2,487 | 1,246 |
| Capital Expenditures | (1,085) | (1,657) |
| INVESTING CASH FLOWS | (1,515) | (1,653) |
| Interest Paid | (94) | (117) |
| Change in Debt | 767 | 1,660 |
| Dividends | (1,275) | 0 |
| FINANCING CASH FLOWS | (738) | (1,440) |
| NET CHANGE IN CASH | 234 | 1,003 |
| CASH, ENDING | 1,464 | 2,731 |
| FREE CASH FLOW | 1,402 | (410) |

- Increase in working capital due to **higher receivables, inventories, and prepayments**

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

- Capital expenditures primarily for **capacity expansion and maintenance**, as well as for the **Ligo acquisition**

1H 2022 SUMMARIZED BALANCE SHEET



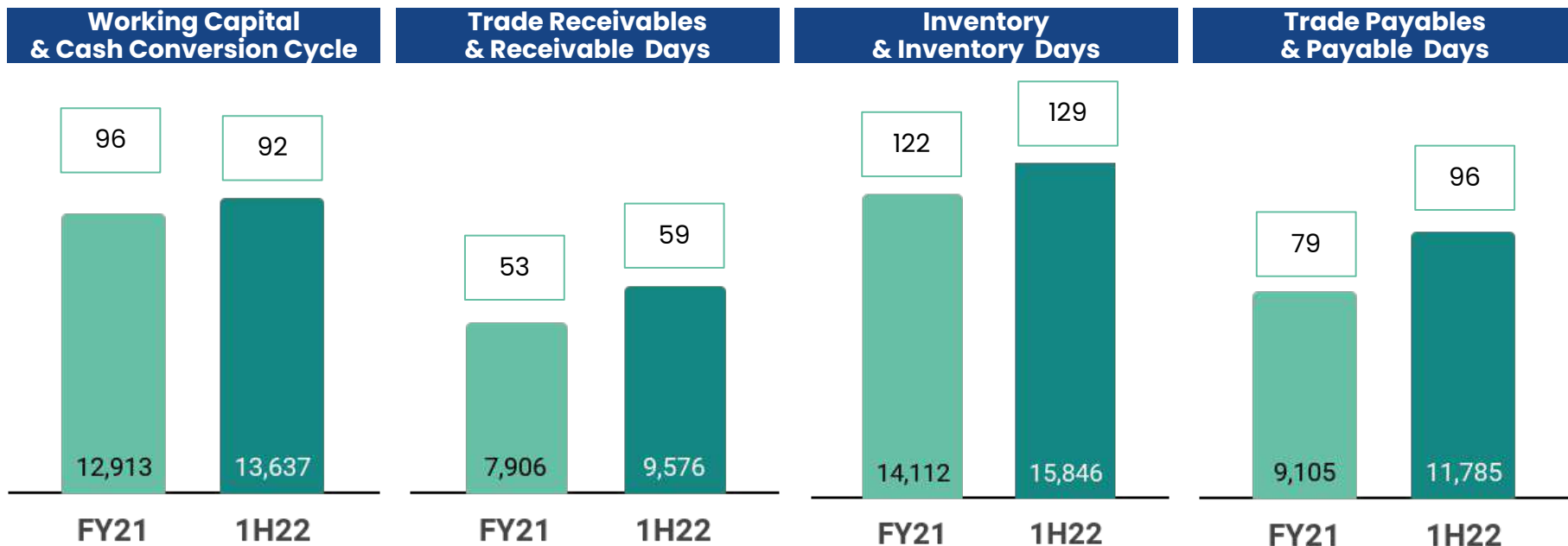
| In PHP Mill | FY 2021 | 1H 2022 |
|---------------------------|---------------|---------------|
| Cash | 1,728 | 2,731 |
| Receivables | 7,906 | 9,576 |
| Inventory | 14,112 | 15,846 |
| Current Assets | 26,486 | 32,780 |
| PPE | 8,574 | 8,810 |
| Non-Current Assets | 14,394 | 15,604 |
| TOTAL ASSETS | 40,880 | 48,383 |

- Acceleration in **cash conversion cycle** to 92 days versus 96 days as of end 2021
- Increase in PPE driven by **capacity expansion and maintenance**

| In PHP Mill | FY 2021 | 1H 2022 |
|--------------------------|---------------|---------------|
| Trade and Other Payables | 9,105 | 11,785 |
| Notes Payable – Current | 2,810 | 3,270 |
| Long-Term Loan | 1,982 | 3,182 |
| TOTAL LIABILITIES | 15,992 | 20,540 |
| Retained Earnings | 16,346 | 19,300 |
| TOTAL EQUITY | 24,888 | 27,843 |
| BVPS (PHP/share) | 7.03 | 7.86 |

- Interest-bearing loans totaling PHP6.5 billion **all peso-denominated**
- 1H 2022 consolidated **net income** of PHP3.0 billion

WORKING CAPITAL DETAILS

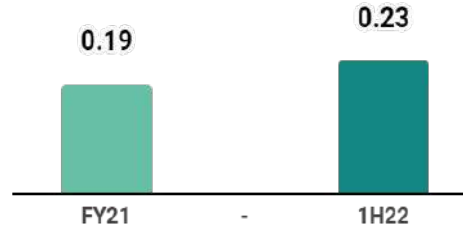


- Cash conversion cycle shortens to 92 days due to **increase in payables**
- **Strict monitoring of receivables** amidst current economic conditions resulting in maintained receivable days despite increasing receivables
- Healthy inventory levels maintained to mitigate supply risks

FINANCIAL RATIOS

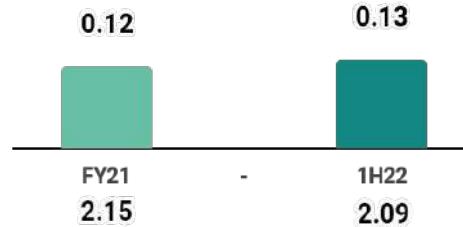


Gearing (x)



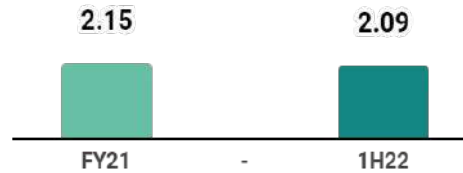
- Slight increase in gearing ratios due to **increase in debt**, but comfortable level maintained

Net Gearing (x)



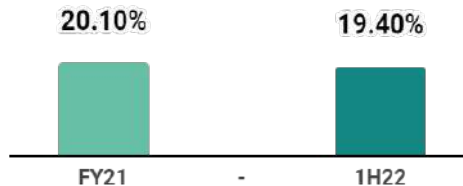
- Maintained net gearing ratio

Current Ratio (x)




- Slight decrease in current ratio due to **higher payables**

Return on Equity



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



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