



Building on LEGACY for a BETTER Tomorrow

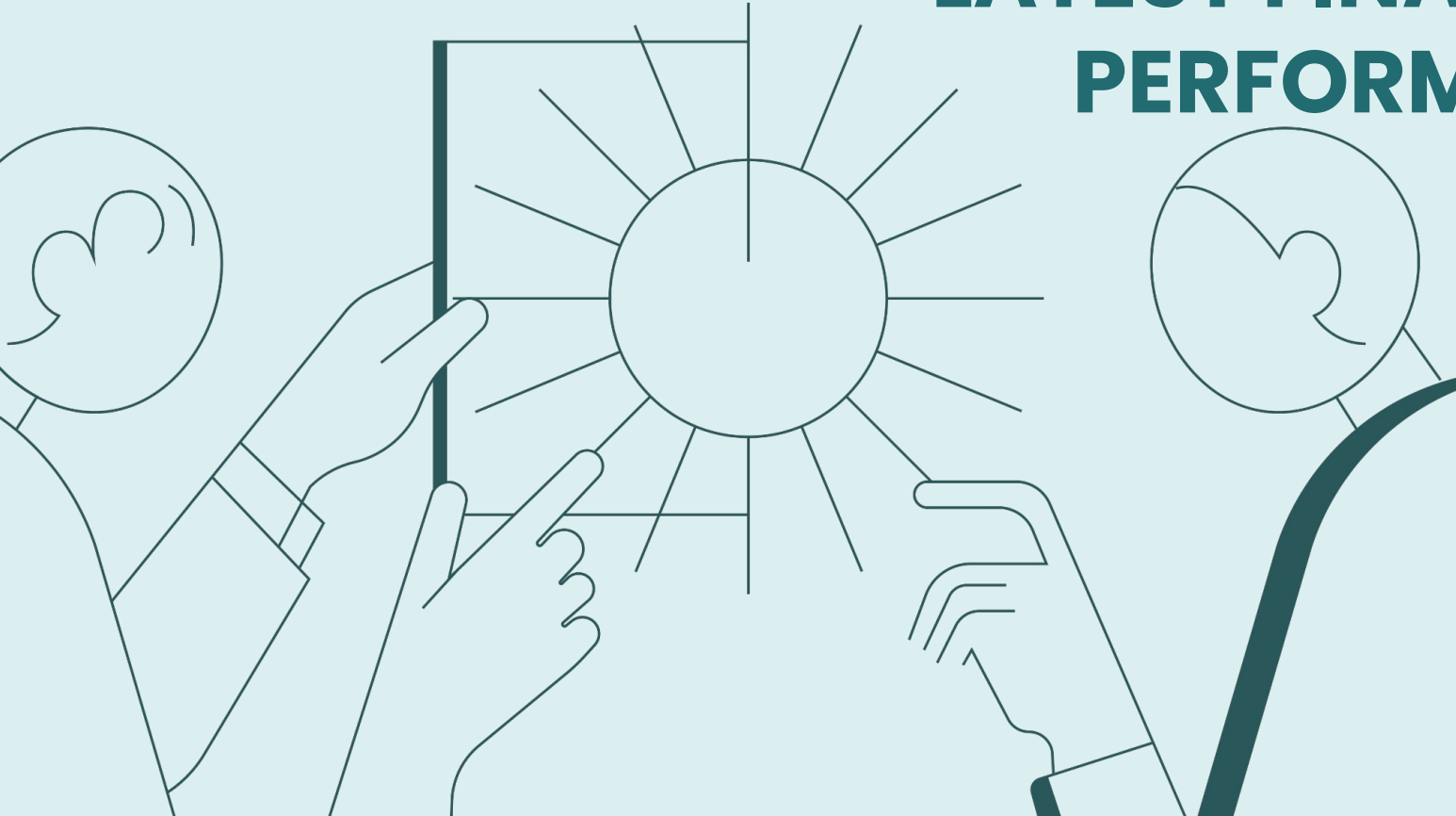
CNPF 9M22 RESULTS PRESENTATION

NOVEMBER 2022





LATEST FINANCIAL PERFORMANCE



9M 2022 FINANCIAL RESULTS HIGHLIGHTS



	REVENUE	BRANDED REVENUE	OEM REVENUE	GROSS MARGIN	NET INCOME
9M Growth year-on-year	+14%	+17%	+5%	+10 bps	+6%
3Q Growth year-on-year	+13%	+15%	+5%	-20 bps	+0.4%*

TOPLINE SUSTAINS MOMENTUM

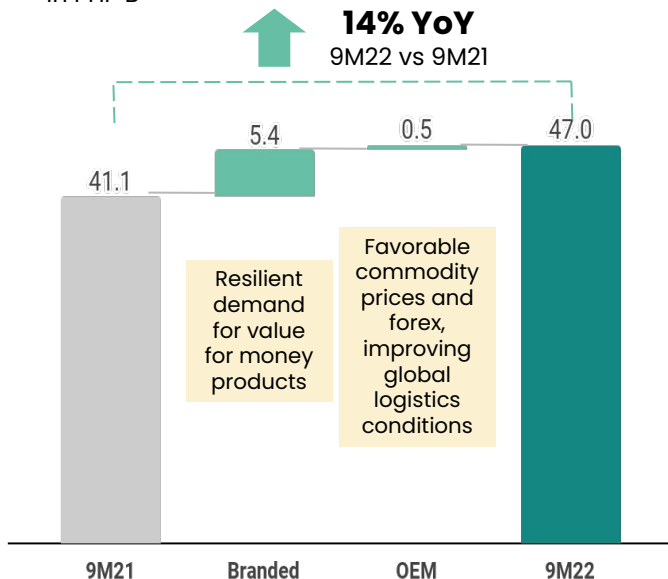


Revenue Growth Split

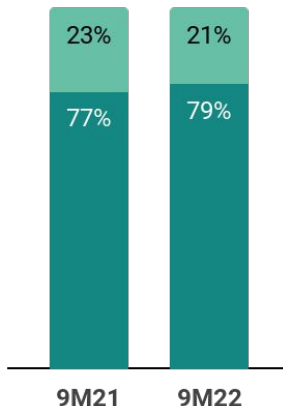
9M22 Revenue Breakdown

Quarterly Revenue Trend

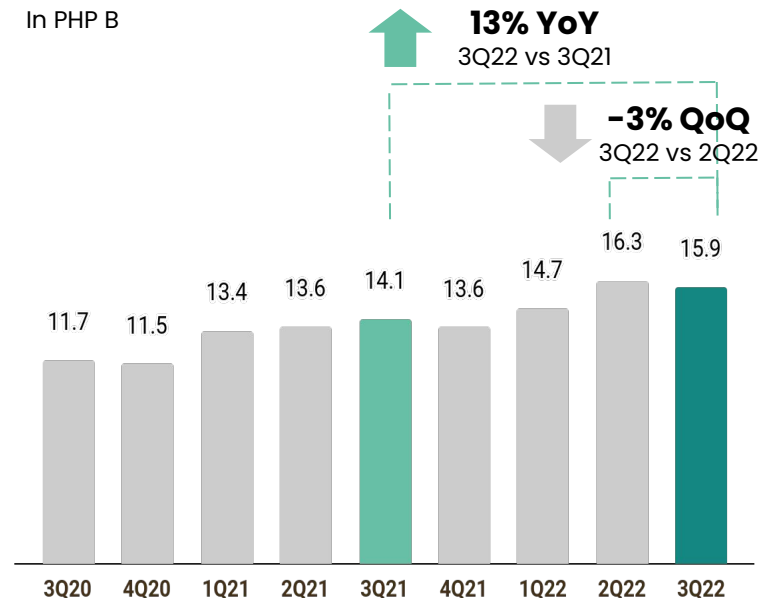
In PHP B



■ OEM ■ Branded



In PHP B

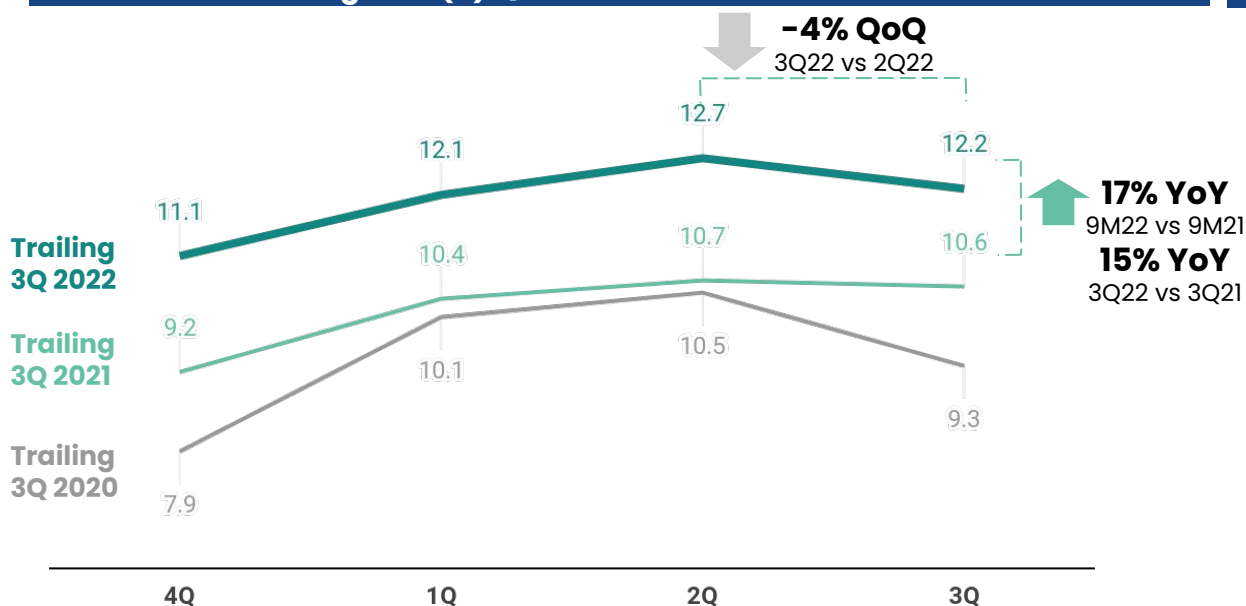


CNPF's topline performance primarily driven by the continued resilience in demand for value for money products and the staples nature of our portfolio

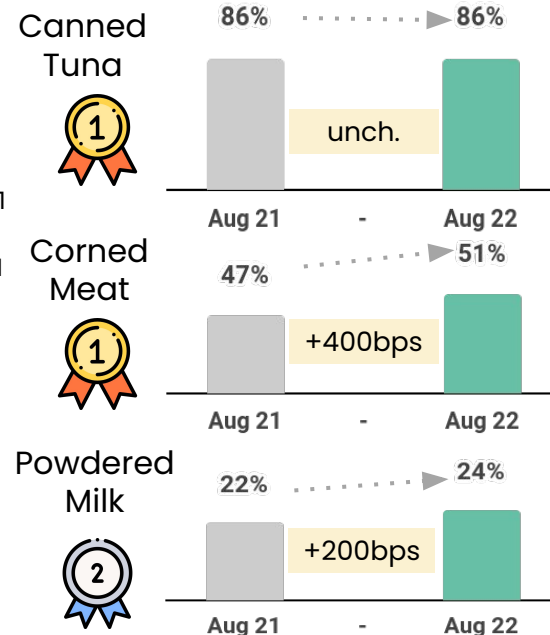
SUSTAINED DEMAND FOR ESSENTIALS & STAPLES



Trailing Four (4) Quarters Branded Revenue Trend



Market Shares



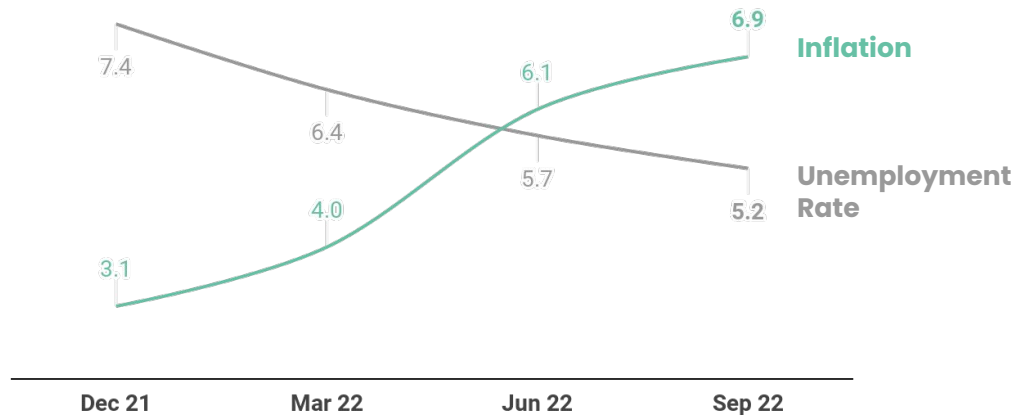
Resilient branded revenues amounting to P12.2B driven by:

- the essentials and staples nature of our portfolio and
- consumers prioritizing trusted, value-for-money brands and products.

RELEVANT VALUE PROPOSITION IN A CHALLENGING ENVIRONMENT



**Philippine economic reopening dampened
by increasing commodity prices**



**Essential and staples nature
of our portfolio address consumer needs**



**All-weather
Business
Model**

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



**Health &
Wellness**

Accessible packaged food products that deliver quality proteins, vitamins, and other nutrients



**Trusted
Brands**

Household brands holding market-leading positions in categories we participate

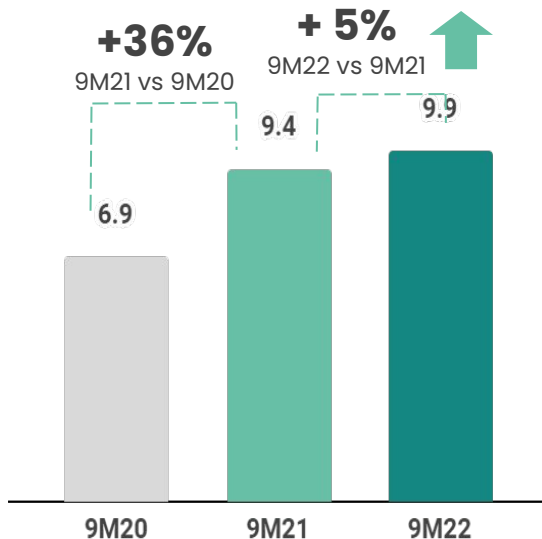
The economy has rebounded from the pandemic, but majority of Filipino consumers are still economizing. While they have more means to spend, they continue to prioritize staples, value for money goods, and trusted brands.

COMMODITY-LINKED OEM CONTINUES TO GROW AS SUPPLY CHAIN CONDITIONS IMPROVE



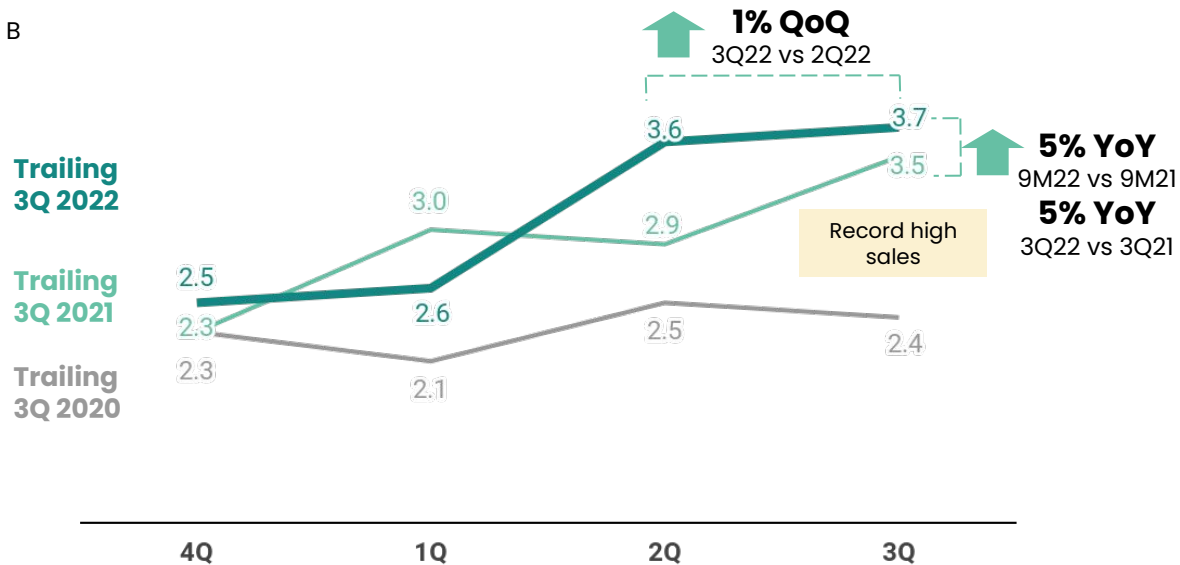
9M22 OEM Revenues

In PHP B



Trailing Four (4) Quarters OEM Revenue Trend

In PHP B



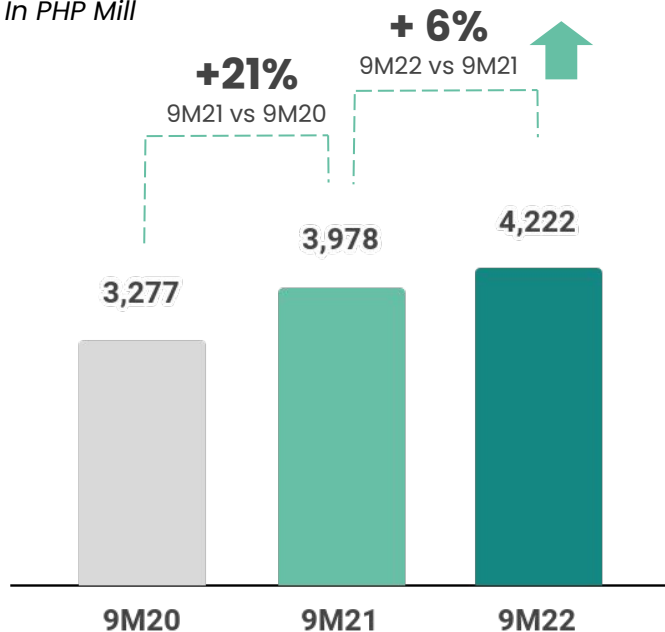
OEM revenues at P3.7 driven by **easing global logistics issues** and **favorable commodity price**.

GROWTH IN BOTTOMLINE AMIDST INFLATIONARY PRESSURES



9M Net Income

In PHP Mill



9M Margins & Tax Rates

Gross Margin

+10bps

EBITDA Margin

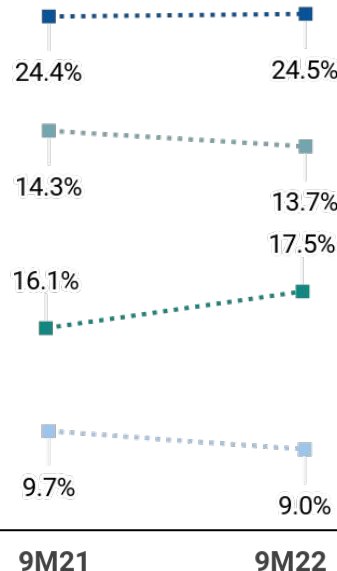
-50bps

Effective Tax Rates

+140bps

Net Margin

-70bps



Gross margin expansion due to favorable 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

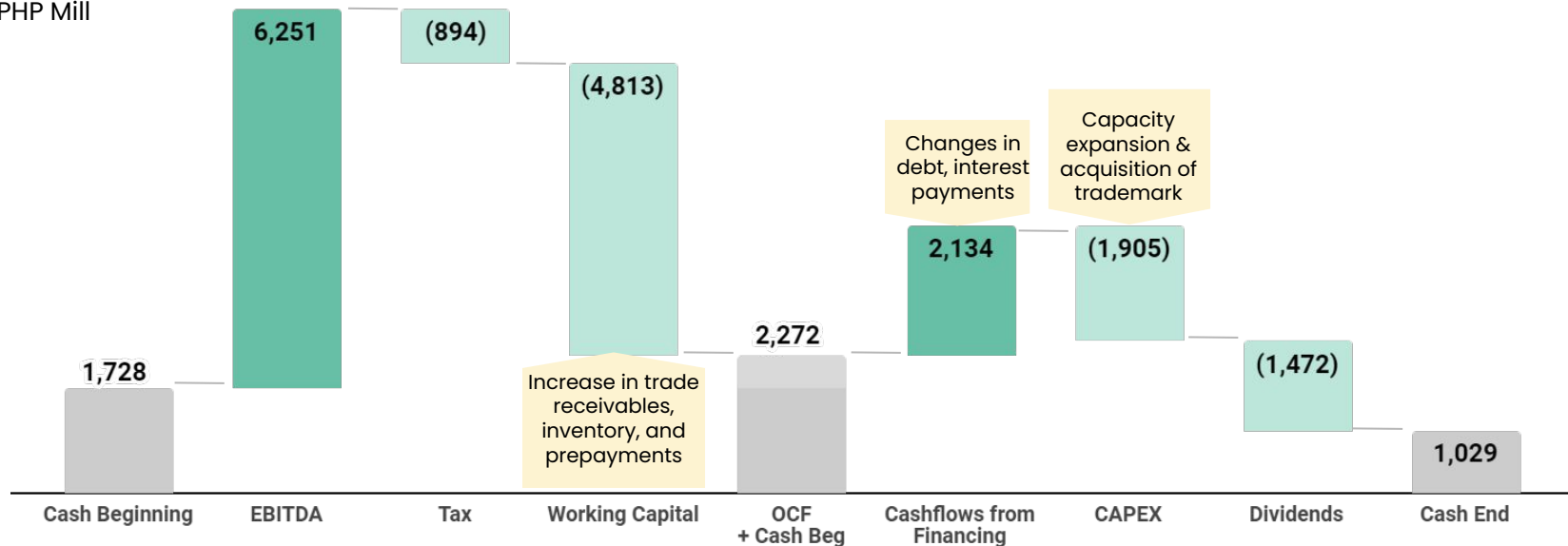
Despite a high base for the past 2 years and ongoing global supply chain challenges, net income continued to grow driven by a resilient topline, sustained gross margins and cost optimization measures.

CASH FLOW SHAPED BY SUPPLY SECURITY



9M 2022 Cash Flows

In PHP Mill



- Secured inventory in light of uncertain global supply conditions
- Operating cash flows reinvested in **capacity expansion** & **inorganic growth opportunities**

KEY TAKEAWAYS



STRONG TOPLINE

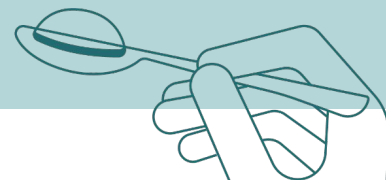
from resilient
Branded business
and a rebounding OEM
Exports segment

MAINTAINED GROSS MARGIN

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

RESILIENT EARNINGS GROWTH

amidst volatile
operating condition,
leading to healthy cash
position





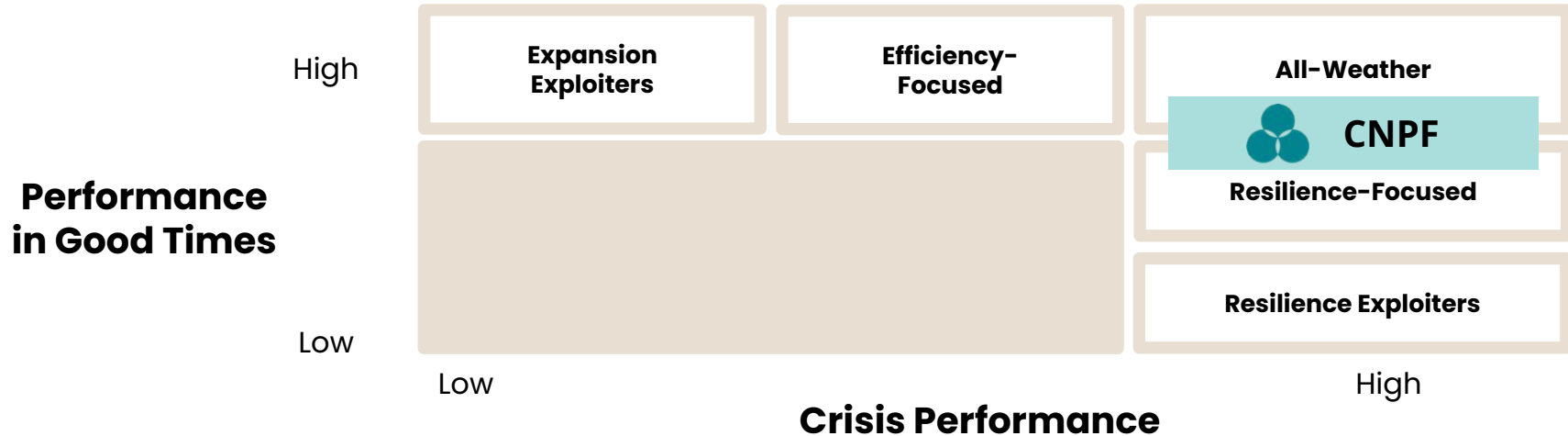
2022 OUTLOOK



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**

REMAINING STEADFAST IN OUR 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

PROVIDING AFFORDABLE NUTRITION TO OUR CONSUMERS



Vast portfolio of brands that cut across different price tiers to address varying consumer needs

KEY SEGMENTS

Value for Money

Mass Market

Affordable Premium

Marine

Lucky
7

FRESCA
TUNA

555

BLUE BAY
Tuna

KAMAYAN

Century
TUNA

Century
QUALITY

Meat & Plant-Based

Lucky
7

WOW!

555

Shanghai
Luncheon
Meat

Argentina

Swift

unMEAT

Milk, Coconut, & Others

HomePride

Kaffe
de ORO

CHOCO
HERO

Angel

Birch Tree
FORTIFIED

Coco
Mama

Goodest
Cat

Hunts

Birch Tree
Full Cream Milk Powder

SUPPORTING INNOVATIONS THAT WILL DELIVER LONG-TERM GROWTH

Core

Emerging

Marine and Meat



December 2020



June 2021



March 2021

Milk

August
2020



October
2021

July
2022



Coconut



September
2019

Culinary



April 2021



September
2020

Plant-Based



Institutional
October 2020;
Retail Feb 2021



January 2022



May 2022

Pet Food



October 2021

Product innovations in line with mission of providing affordable nutrition to Filipinos

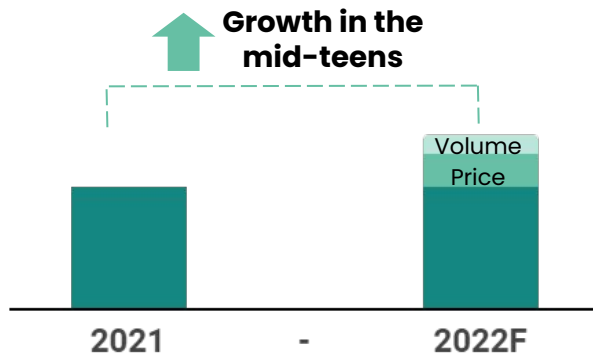
2022 OUTLOOK & GUIDANCE



2022 Outlook

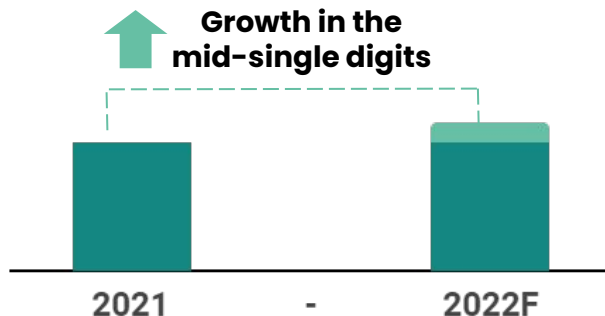
2022 Growth Drivers

Topline



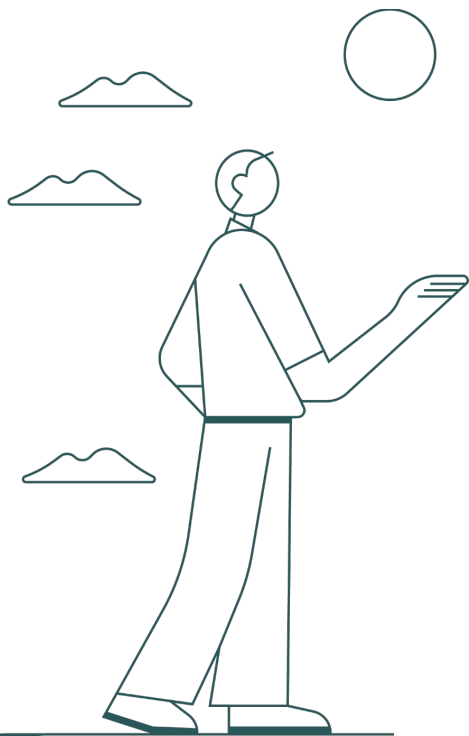
- Mid-teens topline growth supported by volume and price growth
- Domestic branded business remains resilient while OEM exports recover
- Price increases implemented but closely monitoring impact on demand

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

2023 PRELIMINARY OUTLOOK



Sustain
the growth momentum
of the topline

Expect
input costs
to **remain elevated**

Manage operations
to deliver
income growth



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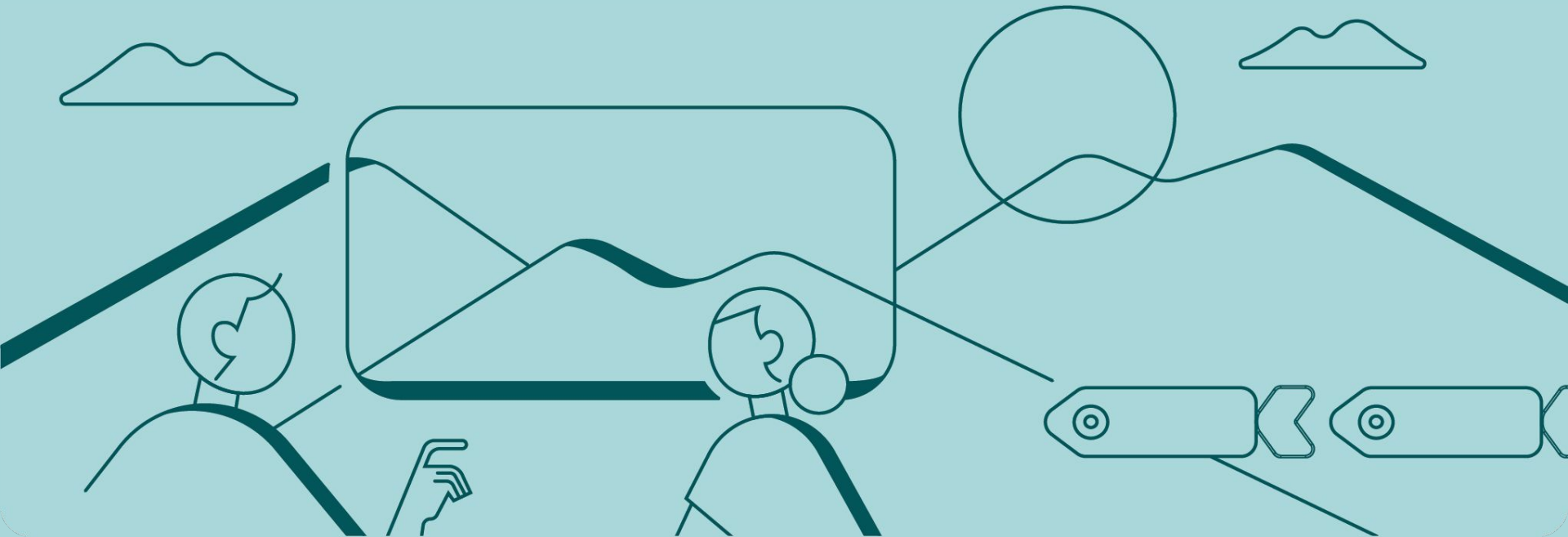
CNPF 1H22 RESULTS PRESENTATION

NOVEMBER 2022



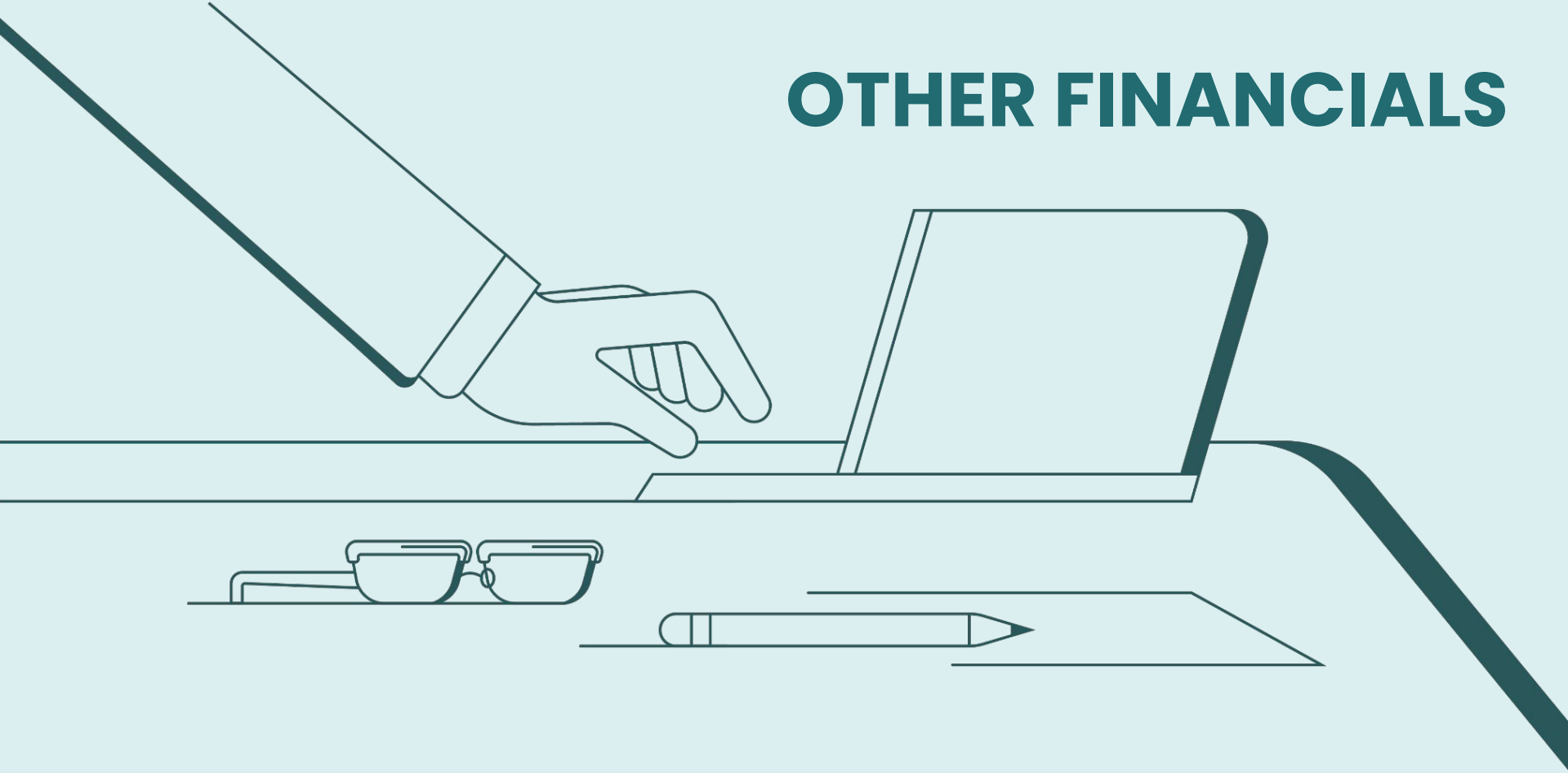


ANNEX





OTHER FINANCIALS



9M 2022 SUMMARIZED P&L



In PHP Mill	9M 2021	9M 2022	Change YoY
Net Revenues	41,083	46,953	14%
Cost of Sales	31,054	35,446	14%
Gross Profit	10,029	11,508	15%
Operating Expenses	5,397	6,600	22%
Operating Income	4,883	5,315	9%
EBITDA	5,857	6,450	10%
Financing Cost	143	199	39%
Income before Tax	4,740	5,116	8%
Income Tax	761	894	18%
Net Income	3,979	4,222	6%
Earnings per Share	1.12	1.19	6%
Margins (%)			
Gross Profit	24.4%	24.5%	+0.1 pps
Operating Expenses	13.1%	14.1%	+1.0 pps
Operating Income	11.9%	11.3%	-0.6 pps
EBITDA	14.3%	13.7%	-0.6 pps
Net Income	9.7%	9.0%	-0.7 pps

- Revenues grew double-digit
- Branded up 17% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM 5% 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 +6%** due to robust operational performance and one-off effects in 2021 from the CREATE Law

9M 2022 SUMMARIZED CASH FLOW



In PHP Mill	9M 2021	9M 2022
Profit before Tax	4,739	5,116
Depreciation & Amortization	974	1,135
Working Capital Change	(2,993)	(5,014)
Income Tax	(761)	(894)
Others	116	201
OPERATING CASH FLOWS	2,075	544
Capital Expenditures	(1,652)	(1,905)
INVESTING CASH FLOWS	(2,186)	(1,903)
Interest Paid	(143)	(199)
Change in Debt	(206)	2,330
Dividends	(1,275)	(1,275)
FINANCING CASH FLOWS	(458)	660
NET CHANGE IN CASH	234	(700)
CASH, ENDING	1,464	1,029
FREE CASH FLOW	1,402	(1,361)

- 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**

9M 2022 SUMMARIZED BALANCE SHEET



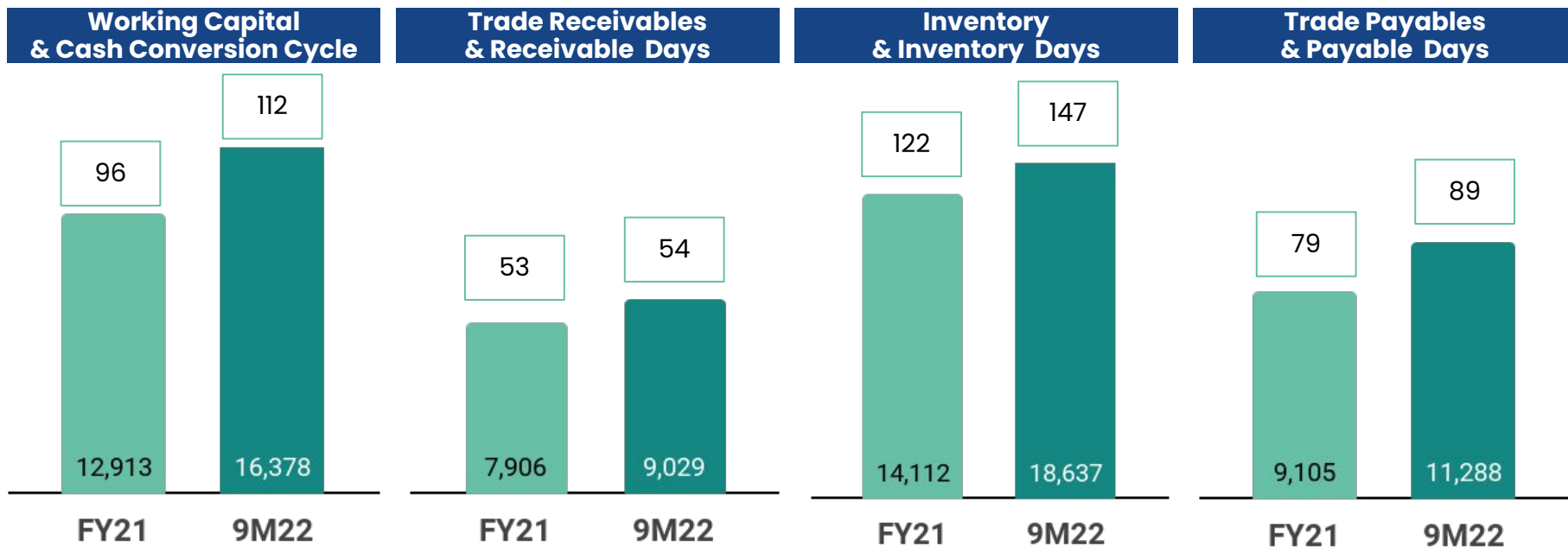
In PHP Mill	FY 2021	9M 2022
Cash	1,728	1,029
Receivables	7,906	9,029
Inventory	14,112	18,637
Current Assets	26,486	32,897
PPE	8,574	8,748
Non-Current Assets	14,394	15,494
TOTAL ASSETS	40,880	48,391

- Lengthening of **cash conversion cycle** to 112 days versus 96 days as of end 2021
- Increase in PPE driven by **capacity expansion and maintenance**

In PHP Mill	FY 2021	9M 2022
Trade and Other Payables	9,105	11,288
Notes Payable – Current	2,810	3,940
Long-Term Loan	1,982	3,182
TOTAL LIABILITIES	15,992	20,554
Retained Earnings	16,346	19,293
TOTAL EQUITY	24,888	27,837
BVPS (PHP/share)	7.03	7.86

- Interest-bearing loans totaling PHP7.1 billion **all peso-denominated**
- 9M 2022 consolidated **net income** of PHP4.2 billion

INVENTORY BUILDUP DRIVING CCC

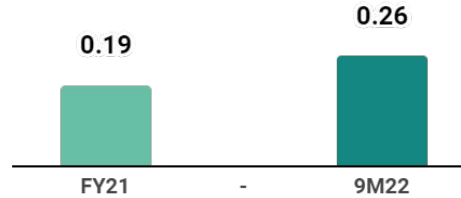


- Cash conversion cycle lengthens to 112 days due to **increase in inventories**
- **Strict monitoring of receivables** amidst current economic conditions resulting in maintained receivable days despite increasing receivables
- Inventory levels augmented in preparation for projected demand for 4Q22 and early 1Q23

FINANCIAL RATIOS

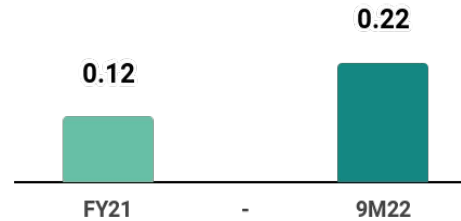


Gearing (x)



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

Net Gearing (x)



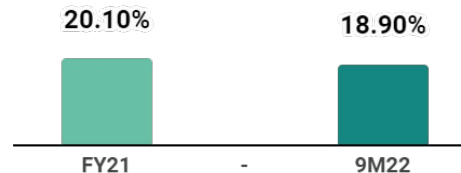
- Increase in net gearing ratios due to **increase in debt and lower cash**, but comfortable level maintained

Current Ratio (x)




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

Return on Equity



- **Attractive return ratios** with ROE close to 20%



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