



Charting the Path to Resilience & Growth

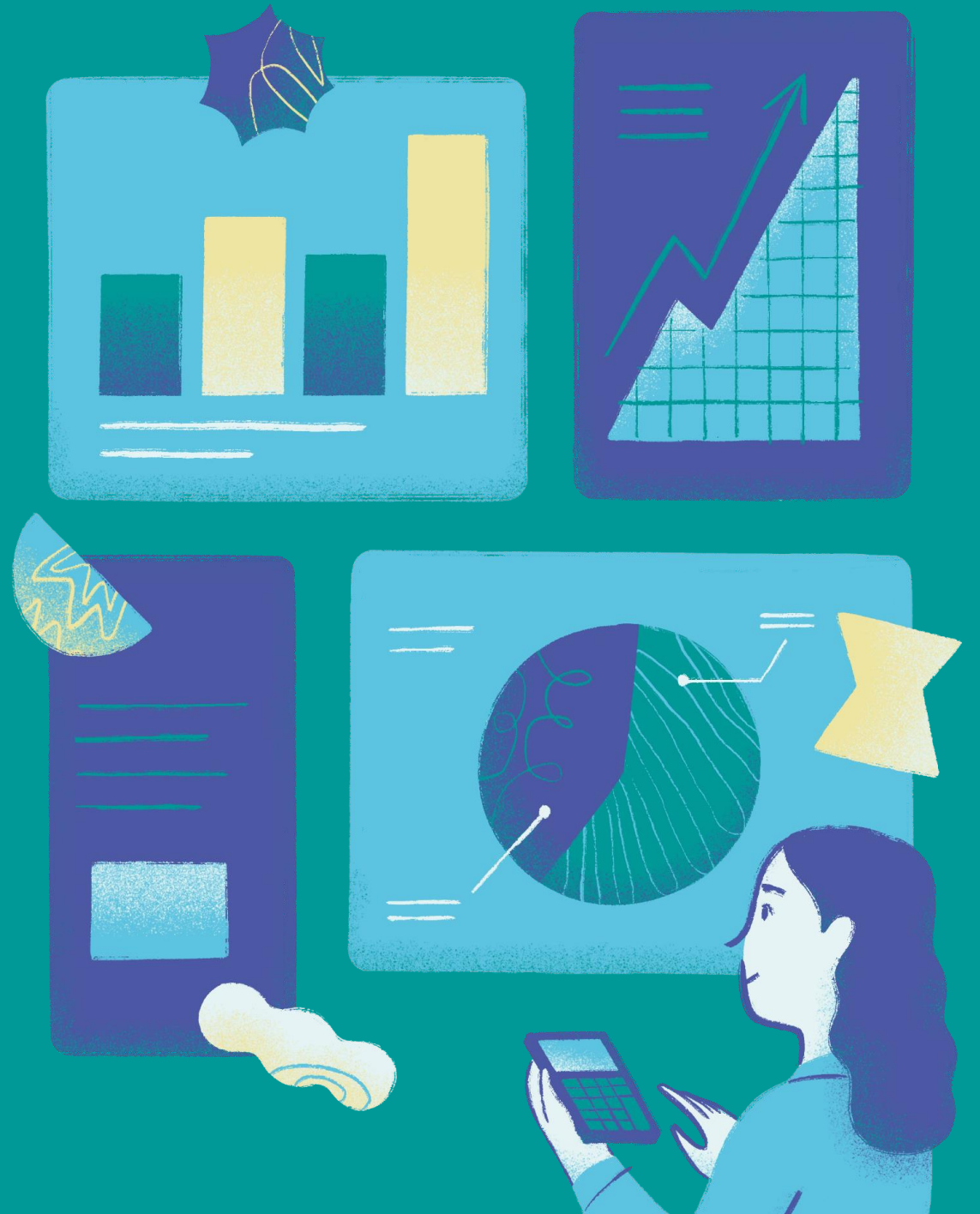
CNPF 1H23 RESULTS PRESENTATION

AUGUST 2023





LATEST FINANCIAL PERFORMANCE



1H 2023 FINANCIAL RESULTS HIGHLIGHTS



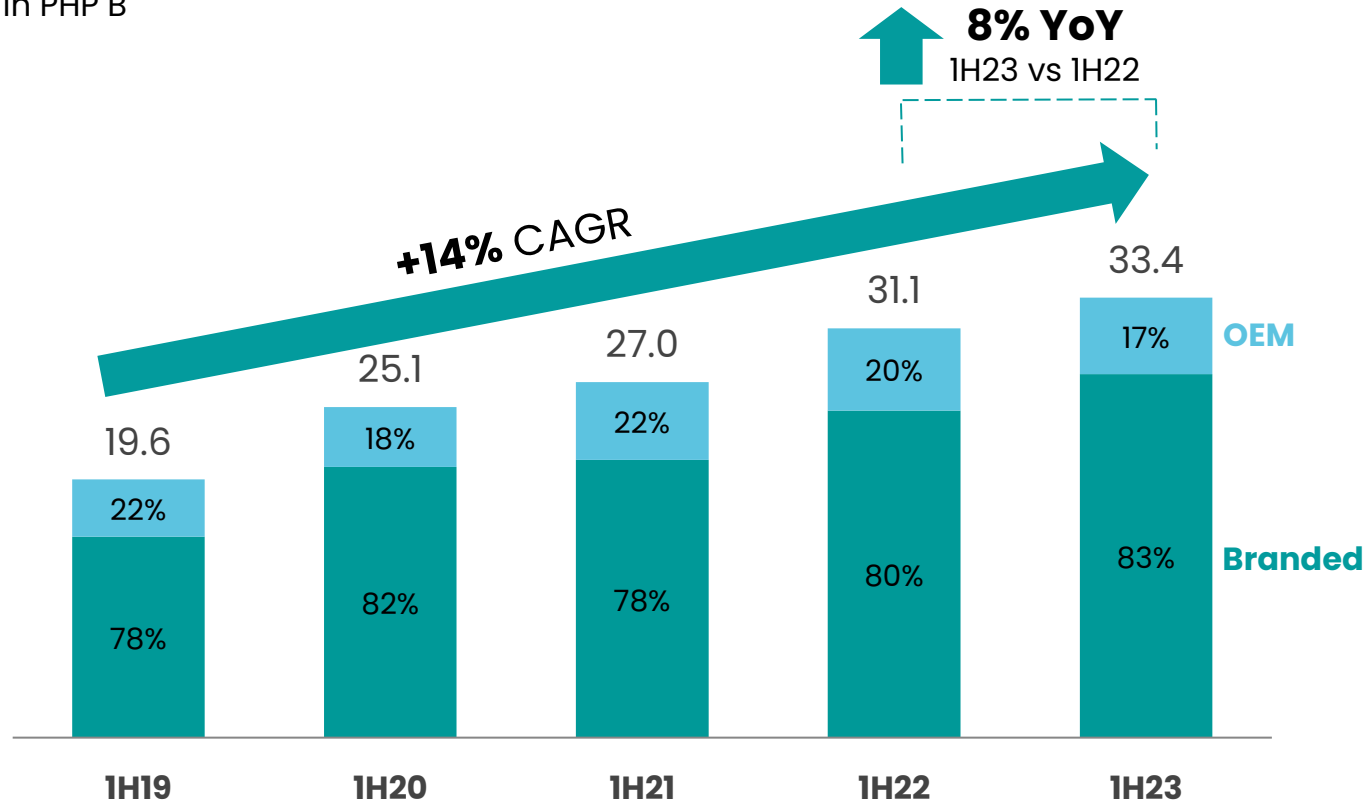
	REVENUE	BRANDED REVENUE	OEM REVENUE	GROSS MARGIN	NET INCOME
2Q Growth year- on-year	+9% P17.8B	+15% P14.6B	-13% P3.2B	-10 bps 24.4%	+10% P1.7B
1H Growth year- on-year	+8% P33.4B	+11% P27.6B	-7% P5.8B	-110 bps 24.0%	+8% P3.2B

TOPLINE CONTINUES TO POST GROWTH ON TOP OF A HIGH BASE



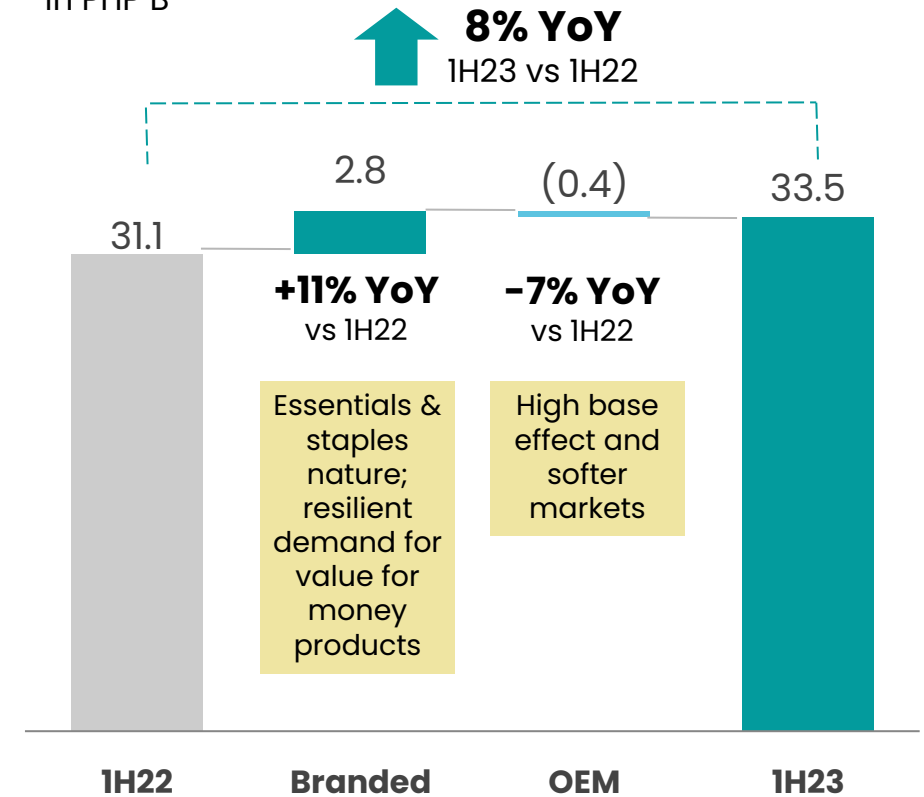
5-Year Revenue Trend

In PHP B



Revenue Growth Split

In PHP B



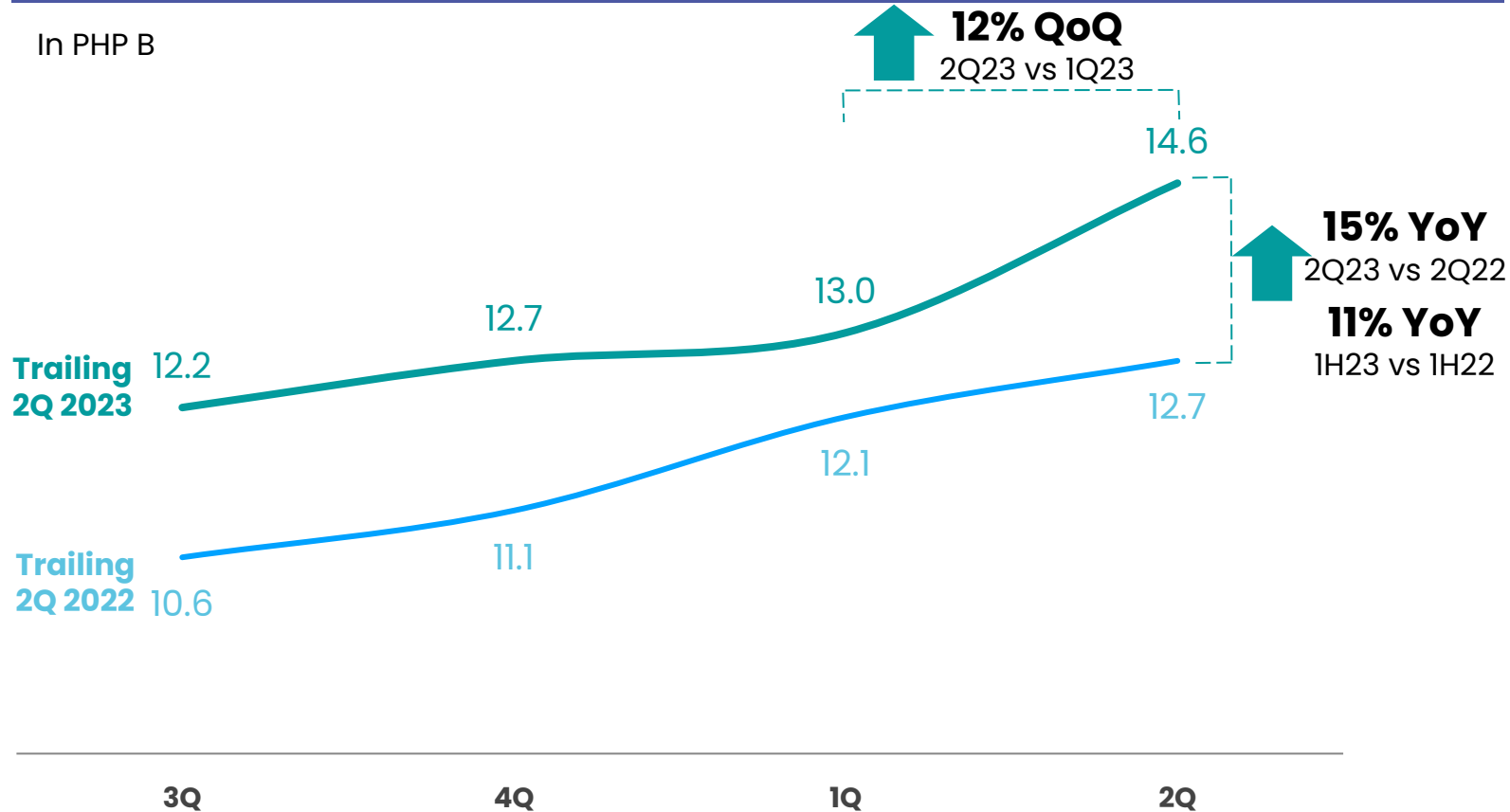
CNPF's topline performance primarily driven by the company's resilient business model and the sustained demand for value for money products and staples

RESILIENT DEMAND FOR VALUE FOR MONEY GOODS

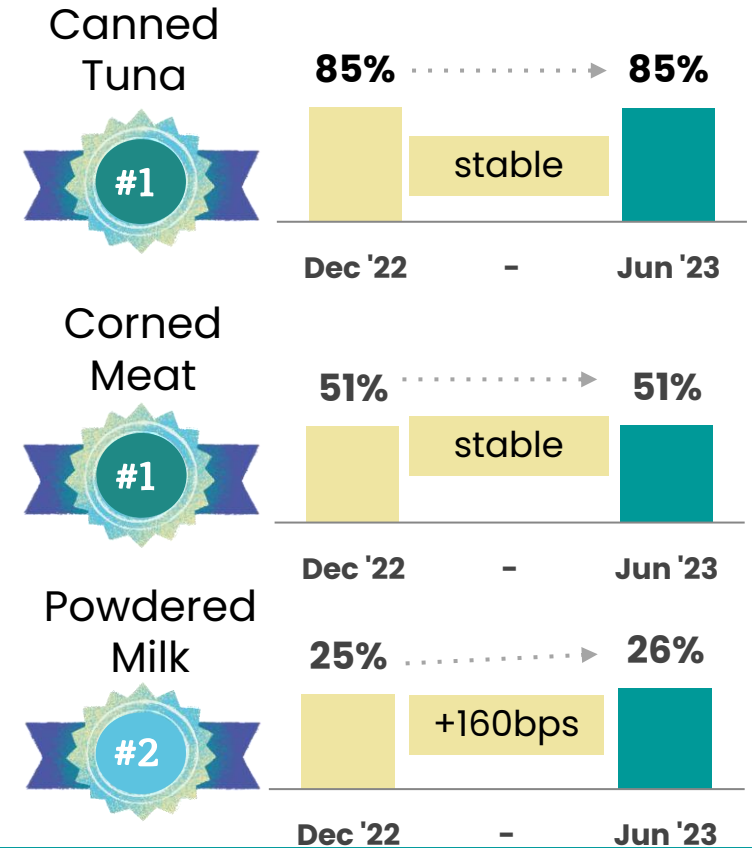


Branded Revenue Trend

In PHP B



Market Shares

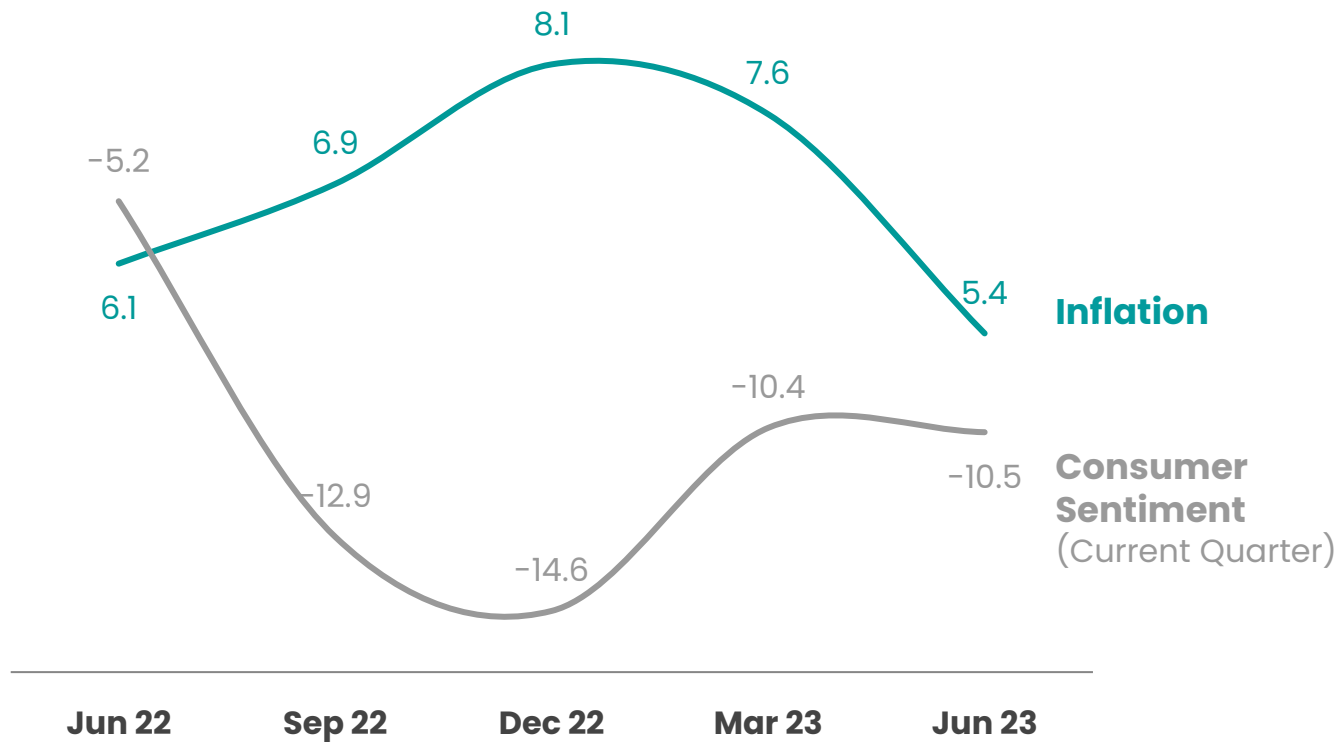


Branded revenues amounted to P14.6B in 2Q, **delivering topline growth** supported by **resilient domestic demand** for consumer staples and value for money goods and higher QoQ growth due to **improved supply conditions in Marine**

CONSUMERS STILL PRIORITIZE SPENDING EVEN AS INFLATION DECELERATES



Consumer sentiment still low despite decelerating inflation



Keeping a relevant value proposition
amidst varying market conditions



Value-for-Money

Choose more affordable and accessible brands and products



Trusted Brands

Time-tested and proven brands that deliver good value and address consumer needs consistently



Convenience

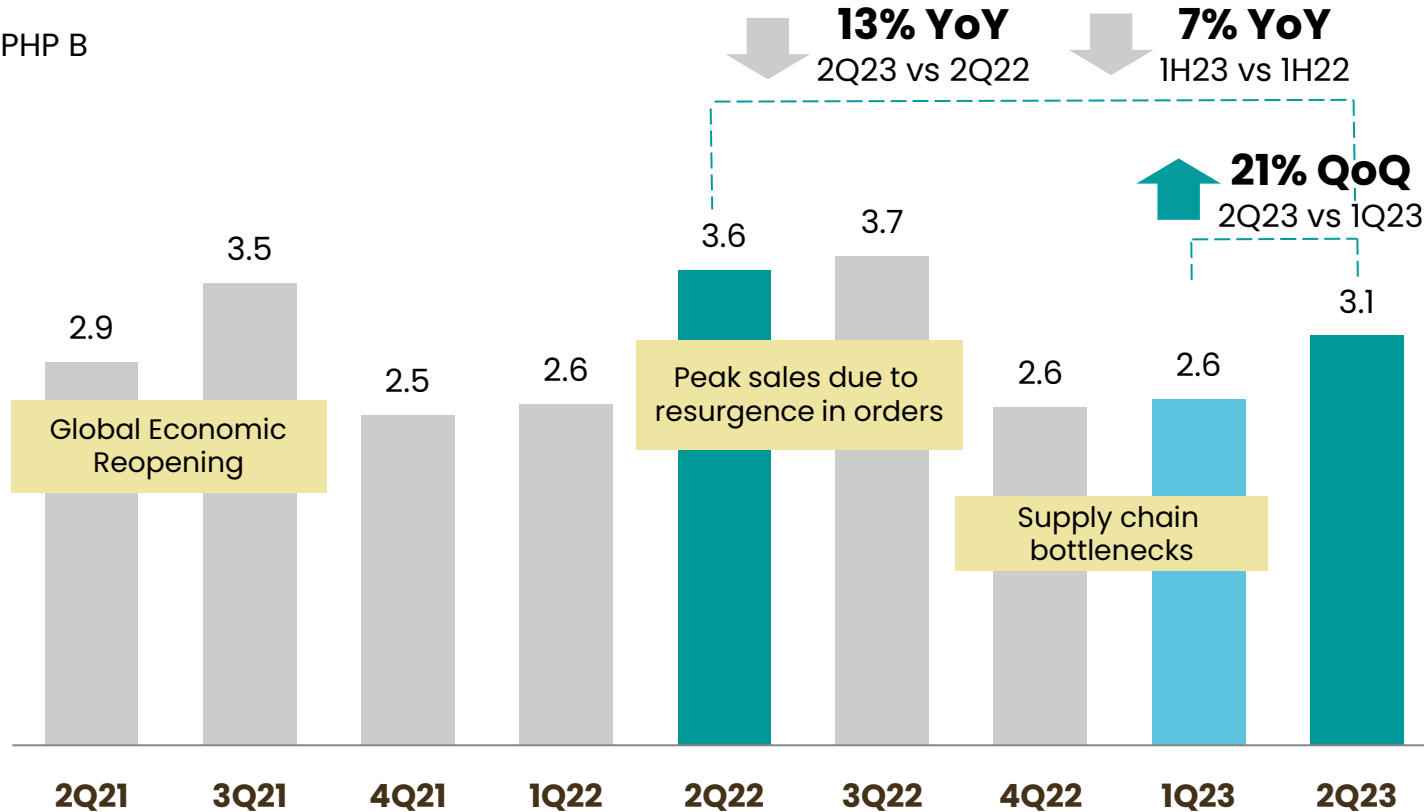
Accessibility & ease of preparation as more consumers return to offices

CHALLENGED OEM TOPLINE DUE TO A HIGH BASE & SOFTER MARKETS



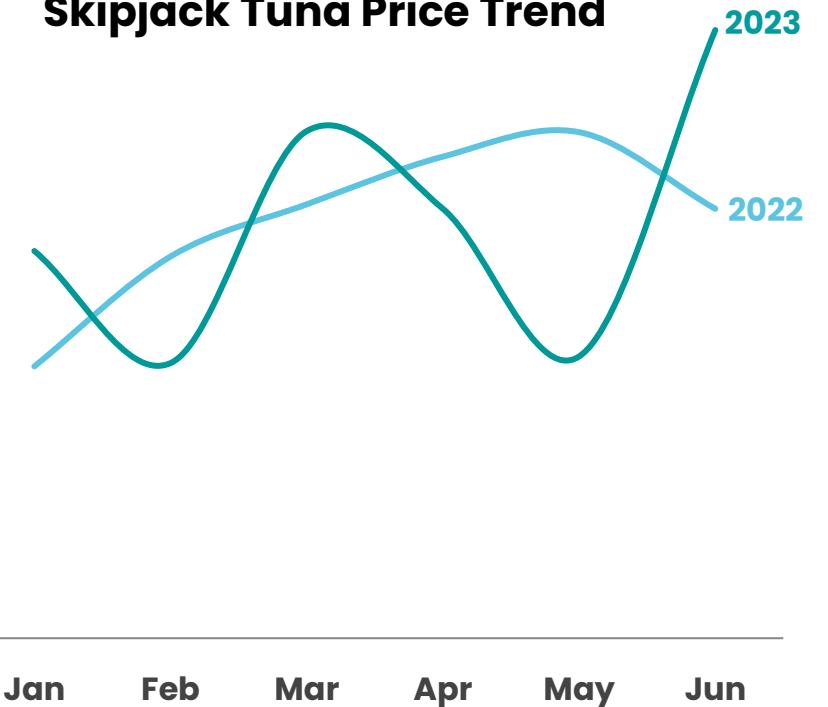
OEM Revenue Trend

In PHP B



Softer markets due to elevated prices

Skipjack Tuna Price Trend



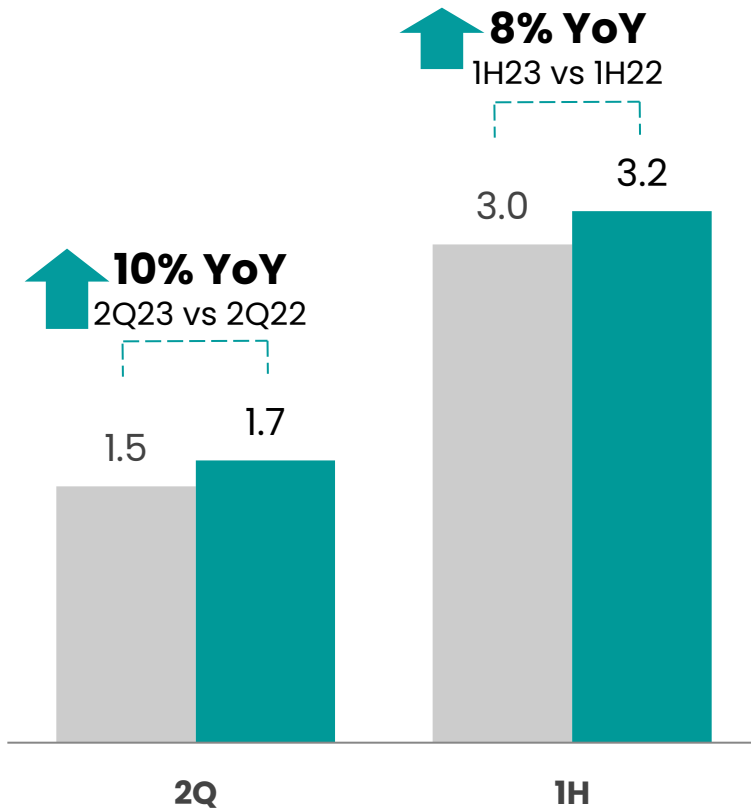
OEM revenues at P3.1B posted quarterly growth, but **softer markets** due to an elevated cost environment challenged the OEM exports business.

DELIVERED BOTTOMLINE GROWTH AMIDST INFLATIONARY PRESSURES



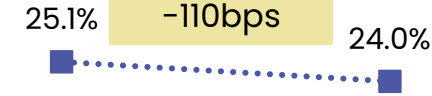
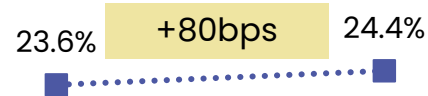
Net Income

In PHP B



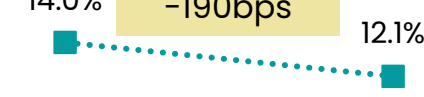
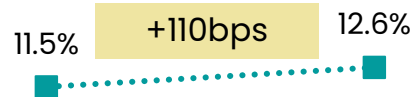
Margins

Gross Margin



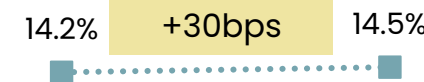
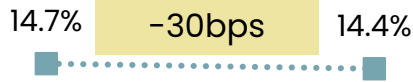
Gross margin dropped YoY as expected due to higher input prices as a result of inventory carryover from 2022

Opex to Sales



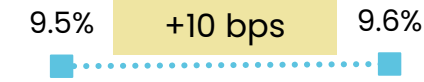
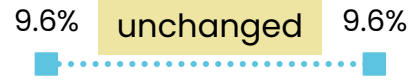
Lower opex to sales YoY due to streamlined discretionary spending

EBITDA Margin



EBITDA margins slightly higher YoY as cost optimization measures offset higher input costs

Net Margin



Stable net margin YoY as EBITDA margins trickled down to bottomline

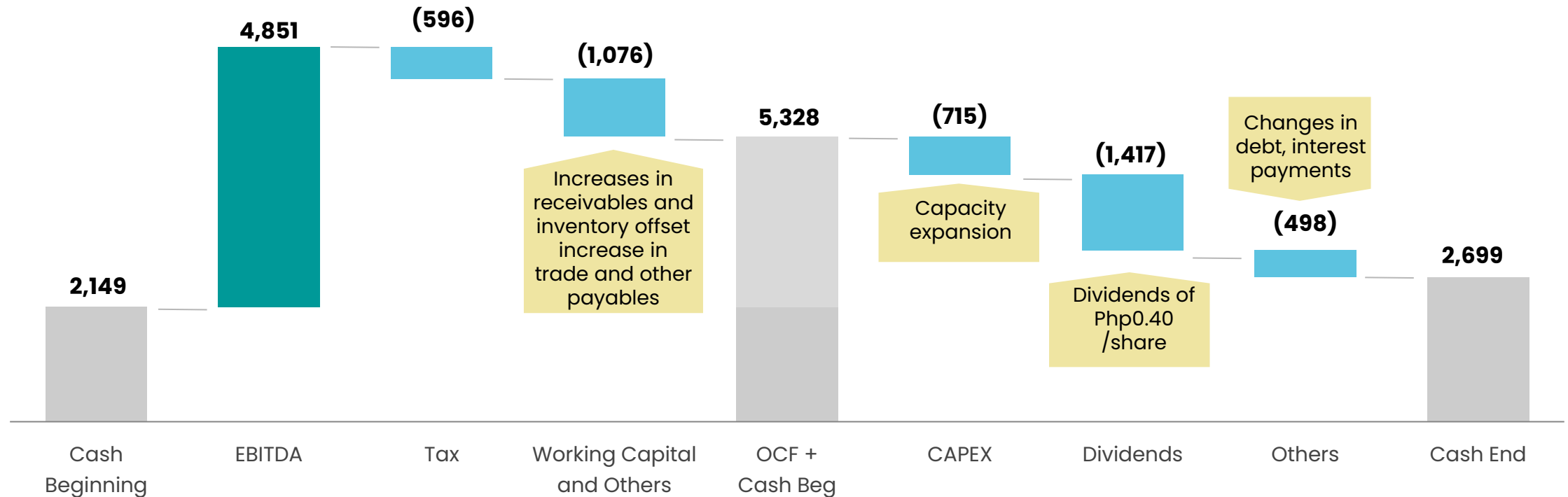
Despite inflationary pressures and a continuous volatile operating landscape, net income continued to grow driven by a resilient topline and cost optimization measures.

HEALTHY CASH FLOWS FUND CAPITAL EXPENDITURES AND ALLOW FOR HIGHER DIVIDEND PAYMENTS



1H 2023 Cash Flows

In PHP M



KEY TAKEAWAYS



ALL-WEATHER BUSINESS MODEL

**Revenues edged up
in 2Q on the back of
a resilient Branded
business**

**Gross margins
beginning to
recover**

**Consistent
bottomline growth
amidst a complex
operating
environment**





BUSINESS HIGHLIGHTS & FY 2023 OUTLOOK



STEADFAST IN OUR STRATEGIC GROWTH PILLARS



STRENGTHEN THE CORE



INNOVATE



FUTURE-PROOF



PROSPER SUSTAINABLY



STRENGTHENING THE CORE BY INCREASING CONSUMPTION



Maximize Assets - Ligo



- Communications highlighting high quality yet affordable product for sardines and building on Ligo brand equity to introduce a new meat product

Value for Money Offerings - 555 and Argentina

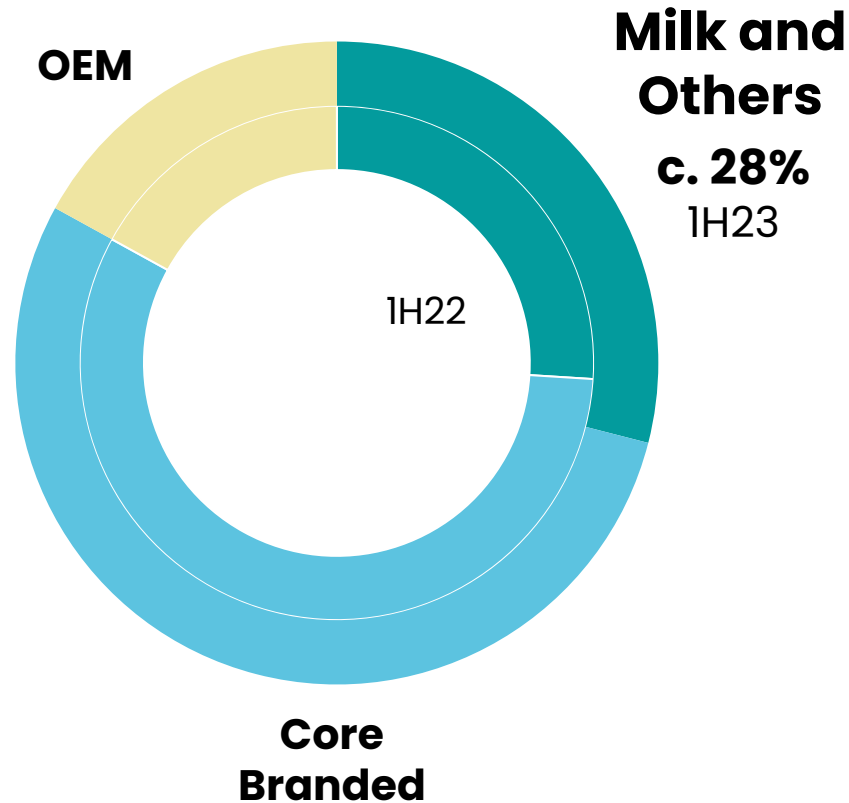


- Communications geared towards affordability for 555 Tuna; introduction of new pack size for Argentina ground pork offering

FUTURE-PROOFING THE BUSINESS BY UNLOCKING MARKET OPPORTUNITIES



Build CNPF's Milk and Emerging Businesses to Deliver Long-term Growth



Expansion of Birch Tree Advance in Modern Trade



Continuous growth in CocoMama revenues



UnMeat in ~2,000 Albertsons doors



Pilot of Goodest Dog Food in E-commerce

- Growing these by developing the market, launching relevant innovations, generating awareness and trial, and increasing the brands' footprint where it matters

EMBRACING MORE RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES



National Zero Hunger Summit



Mangrove Planting



Additional Solar Capacity

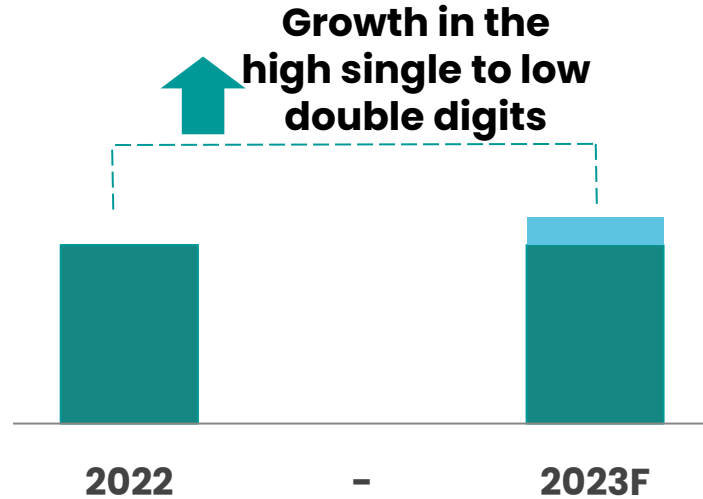


2023 OUTLOOK

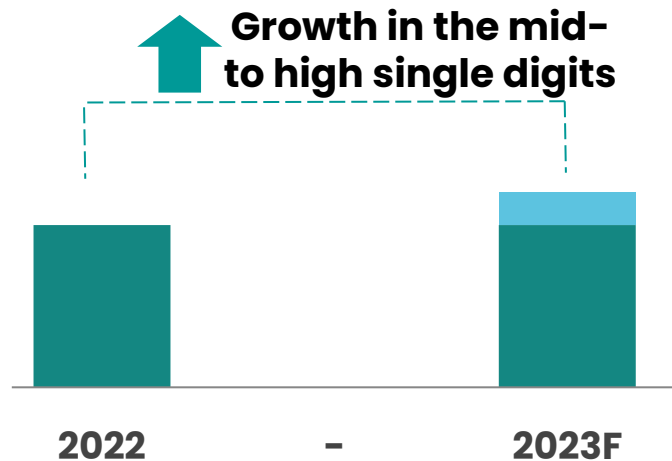


2023 Outlook

Topline



Bottomline

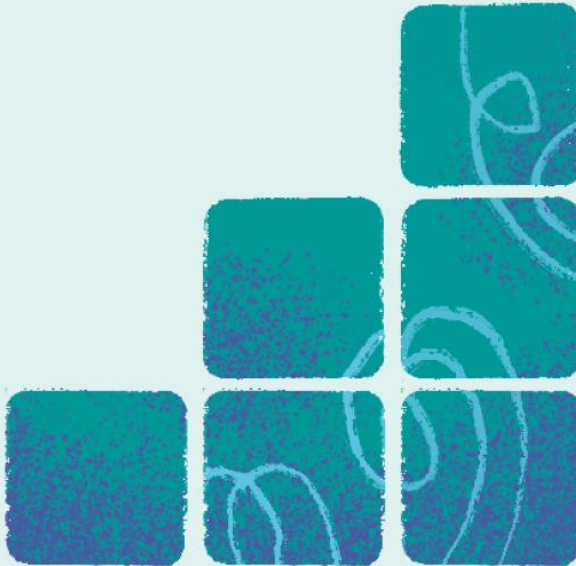


2023 Growth Drivers

- High single to low double digit topline growth supported by a resilient Branded business
- Softer markets in OEM Exports
- Combination of volume and price growth
- Growth skewed towards the latter part of the year

- Favorable outlook on most commodity costs expected to drive margin improvement in H2
- Re-affirms guidance of mid- to high single digit profit growth for the year

THANK YOU!



**Institutional
Investor**

2023 ASIA (EX-JAPAN) EXECUTIVE TEAM

HONORED COMPANY

Consumer Staples Sector, Rest of Asia

2nd
PLACE Best Company Board - Buyside

3rd
PLACE Best CEO - Combined & Buyside
Ted Po

2nd
PLACE Best CFO - Buyside
Chad Manapat

3rd
PLACE Best ESG - Combined

2nd
PLACE Best ESG - Buyside

2nd
PLACE Best IR Program - Buyside

3rd
PLACE Best IR Professional - Buyside
Dappy Tecson



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AUGUST 2023



ANNEX





OTHER FINANCIALS



1H 2023 SUMMARIZED P&L



In PHP Mill	1H 2022	1H 2023	Change YoY
Net Revenues	31,081	33,413	8%
Cost of Sales	23,267	25,393	9%
Gross Profit	7,814	8,020	3%
Operating Expenses	4,350	4,035	-7%
Operating Income	3,668	4,020	10%
EBITDA	4,418	4,851	10%
Financing Cost	117	227	94%
Income before Tax	3,551	3,794	7%
Income Tax	597	596	0%
NET INCOME	2,954	3,198	8%
EARNINGS PER SHARE	0.83	0.90	6%
Margins (%)			
Gross Profit	25.1%	24.0%	-1.1 pps
Operating Expenses	14.0%	12.1%	-1.9 pps
Operating Income	11.8%	12.0%	+0.2 pps
EBITDA	14.2%	14.5%	+0.3 pps
Net Income	9.5%	9.6%	+0.1 pps

- Revenues grew 8% mainly driven by price
- Branded up 11% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM 7% lower YTD **due to supply chain pressures**

- **EBITDA growth tracking slightly above topline performance as cost optimization measures offset input cost increases**
- Profits to be reinvested in **capacity expansion programs and sustainability initiatives**
- **Earnings growth at 8%**, growing in lockstep with topline

1H 2023 SUMMARIZED BALANCE SHEET



In PHP Mill	FY 2022	1H 2023
Cash	2,149	2,699
Receivables	8,772	9,800
Inventory	17,729	18,929
Current Assets	31,650	34,997
PPE	8,794	8,867
Non-Current Assets	16,684	16,885
TOTAL ASSETS	48,334	51,881

- **Cash conversion cycle** maintained at 111 days versus 112 days as of end 2022

In PHP Mill	FY 2022	1H 2023
Trade and Other Payables	9,797	11,366
Notes Payable - Current	4,649	4,549
Long-Term Loan	3,165	3,155
TOTAL LIABILITIES	19,555	21,315
Retained Earnings	20,232	22,012
TOTAL EQUITY	28,779	30,567
BVPS (PHP/share)	8.12	8.63

- Interest-bearing loans totaling PHP7.7 billion **all peso-denominated**
- 1H 2023 consolidated **net income** of PHP3.2 billion, PHP1.4 billion paid out as dividends

1H 2023 SUMMARIZED CASH FLOW



In PHP Mill	1H 2022	1H 2023
Profit before Tax	3,551	3,794
Depreciation & Amortization	750	830
Working Capital Change	(2,576)	(1,082)
Income Tax	(597)	(596)
Others	118	234
OPERATING CASH FLOWS	1,246	3,179
Capital Expenditures	(254)	(296)
INVESTING CASH FLOWS	(1,653)	(712)
Interest Paid	(117)	(227)
Change in Debt	1,660	(110)
Dividends and Others	(133)	(1,581)
FINANCING CASH FLOWS	1,410	(1,918)
NET CHANGE IN CASH	1,003	549
CASH, ENDING	2,731	2,699
FREE CASH FLOW	(410)	2,411

- Increase in working capital as **higher receivables and inventories offset higher trade and other payables**

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

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

- Dividends paid this year at **Php0.40/share**

CCC ROUGHLY THE SAME DESPITE HIGHER WORKING CAPITAL

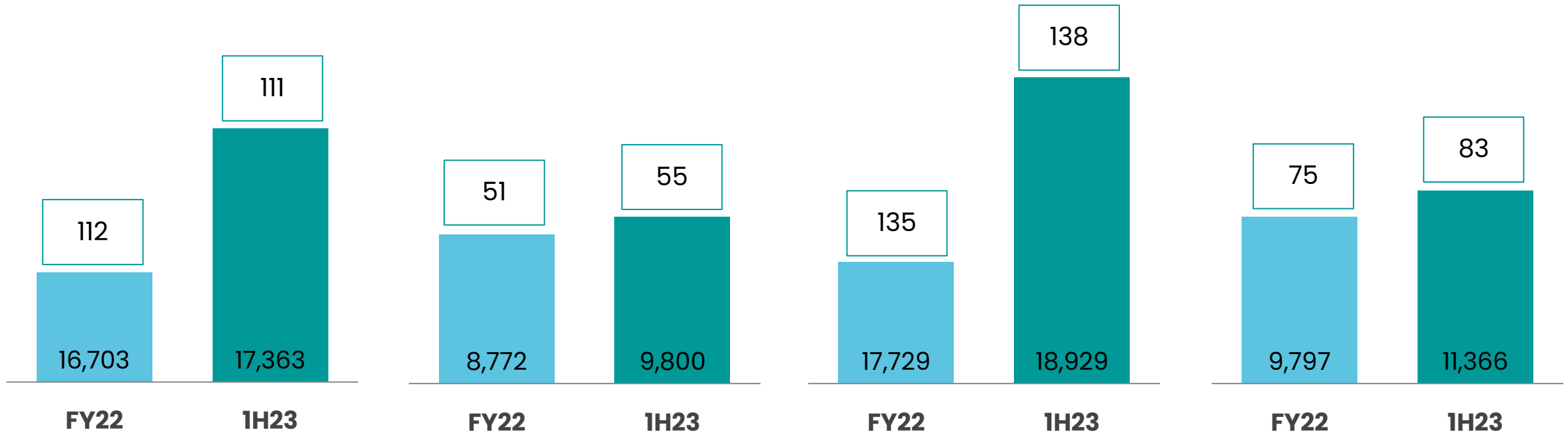


Working Capital & Cash Conversion Cycle

Trade Receivables & Receivable Days

Inventory & Inventory Days

Trade Payables & Payable Days

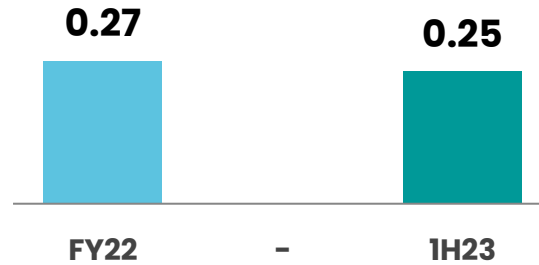


- Cash conversion cycle at 111 days as **increase in payable days more than offset slight increases in receivable and inventory days**
- **Increasing current accounts receivables compared to YE 2022** despite slightly higher receivable days

FINANCIAL RATIOS

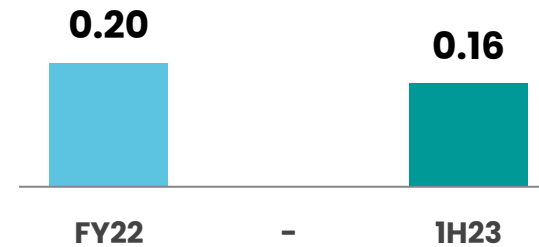


Gearing (x)



- Gearing ratios stable, with comfortable levels maintained

Net Gearing (x)



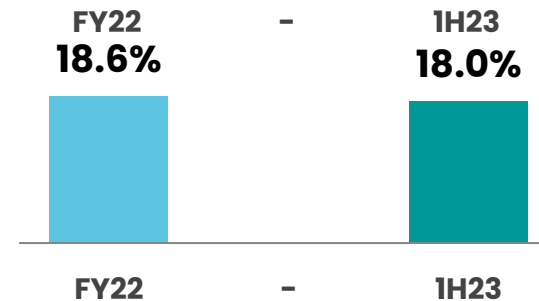
- Decrease in net gearing ratio due to **increase in cash**, comfortable levels maintained

Current Ratio (x)



- Current ratios stable

Return on Equity



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

Notes: Gearing Ratio = (Interest-Bearing Liabilities) / Equity
 Net Gearing = (Interest-Bearing Liabilities Less Cash) / Equity
 Return on Equity uses trailing 12 months' earnings and average equity

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