



Charting the Path to Resilience & Growth

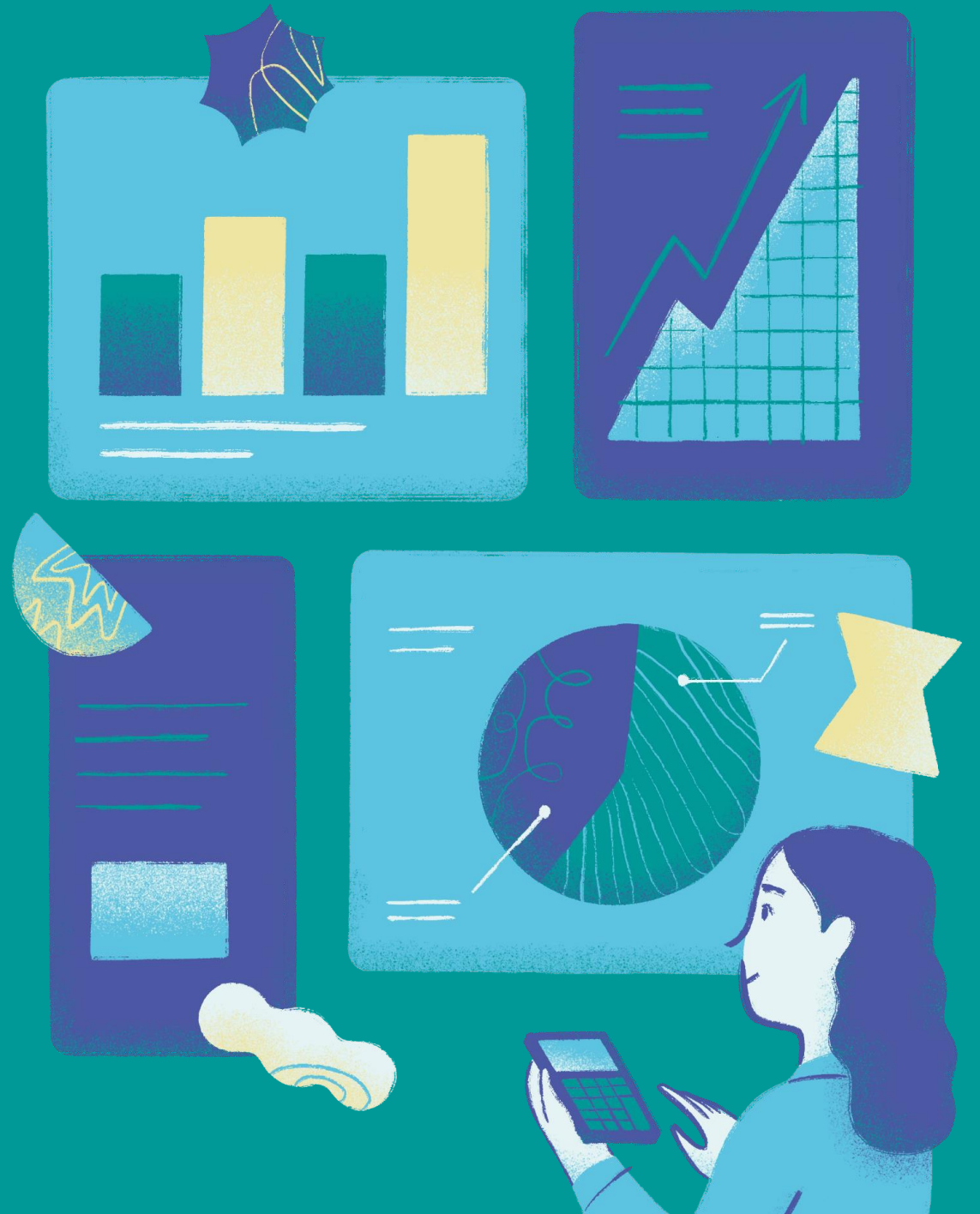
CNPF 9M23 RESULTS PRESENTATION

NOVEMBER 2023





LATEST FINANCIAL PERFORMANCE



9M 2023 FINANCIAL RESULTS HIGHLIGHTS



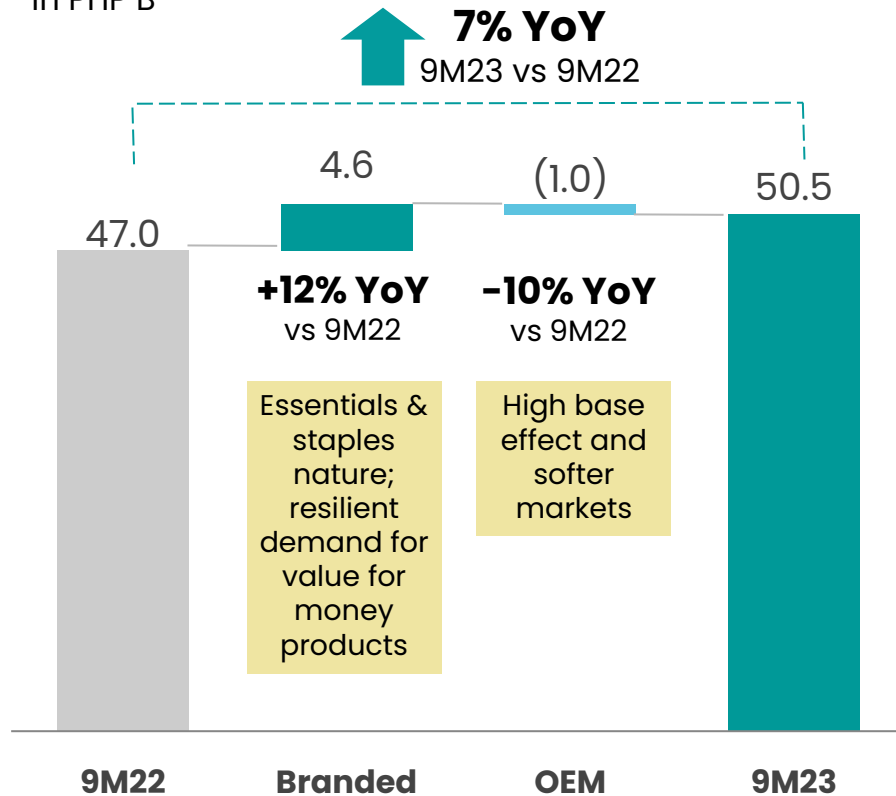
	REVENUE	BRANDED REVENUE	OEM REVENUE	GROSS MARGIN	NET INCOME
3Q Growth year- on-year	+7% P17.0B	+14% P13.9B	-15% P3.1B	+130 bps 24.6%	+13% P1.4B
9M Growth year- on-year	+7% P50.5B	+12% P41.6B	-10% P8.9B	-30 bps 24.2%	+10% P4.6B

TOPLINE CONTINUES TO POST GROWTH ON TOP OF A HIGH BASE



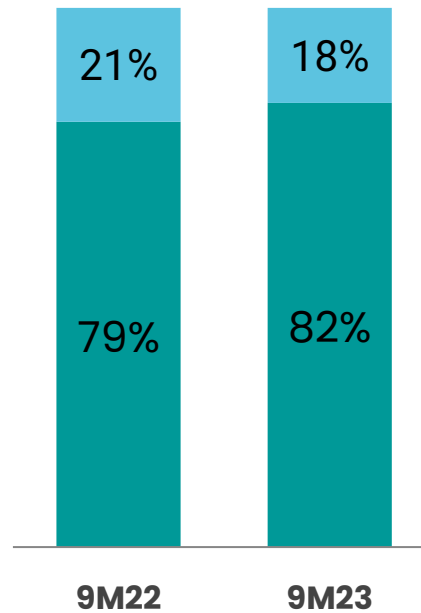
Revenue Growth Split

In PHP B



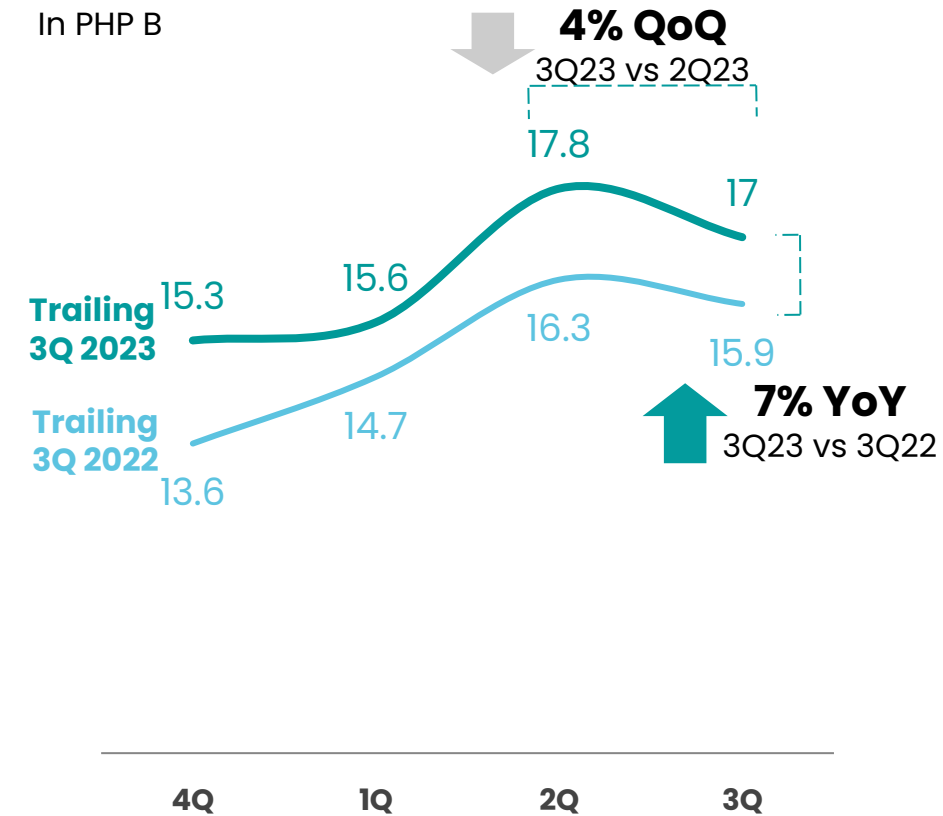
9M23 Revenue Breakdown

■ Branded ■ OEM



Quarterly Revenue Trend

In PHP B

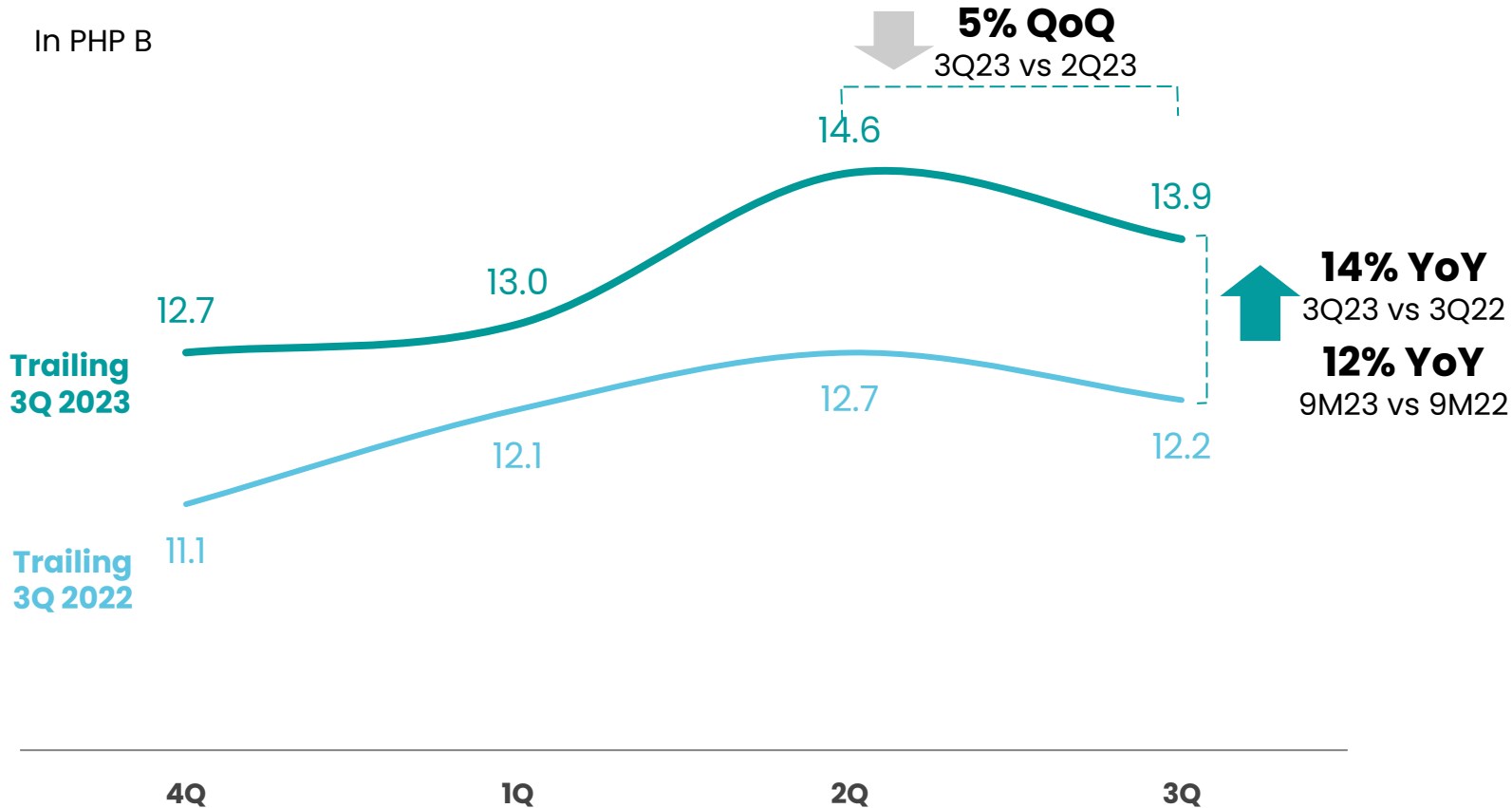


CNPF's topline performance primarily driven by the company's resilient business model and the sustained demand for value for money products and staples

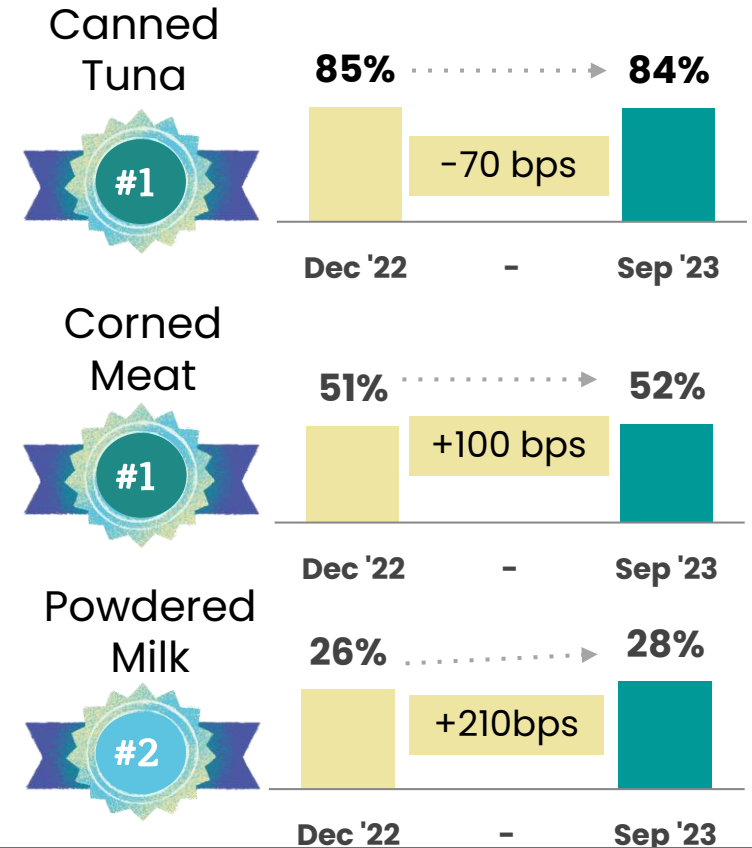
RESILIENT DEMAND FOR VALUE FOR MONEY GOODS



Branded Revenue Trend



Market Shares



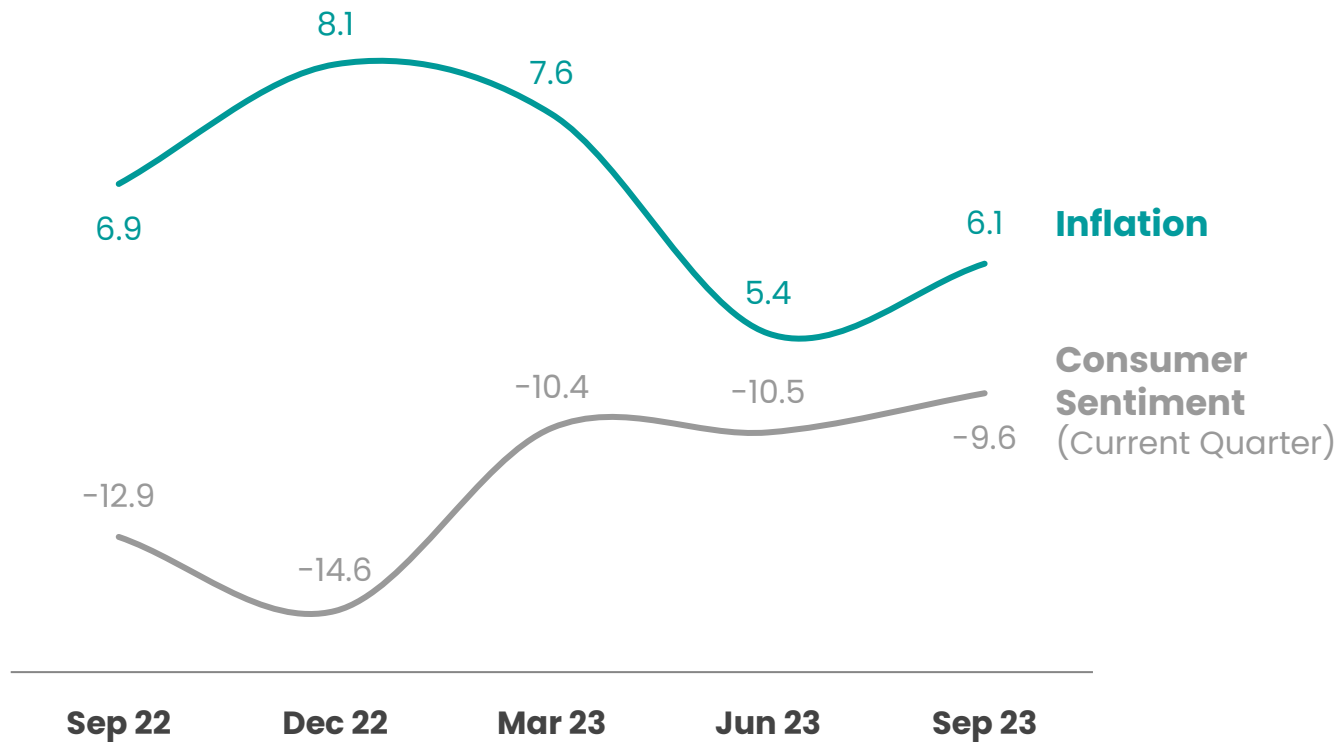
Branded revenues amounted to P13.9B in 3Q, **delivering topline growth** supported by **resilient domestic demand** for consumer staples and value for money goods

CONSUMERS SEEK VALUE-FOR-MONEY, TRUSTED BRANDS AS INFLATION PICKS UP



Consumer sentiment remains low as inflation picks up

Keeping a relevant value proposition amidst varying market conditions



Highlight Value-for-Money Offerings

Consumers opt for more affordable and accessible brands and products



Communicate Convenience & Accessibility

Consumers need easy meal prep solutions as they return to offices and children go back to school



Harp on Health & Wellness to Strengthen Brand Equity

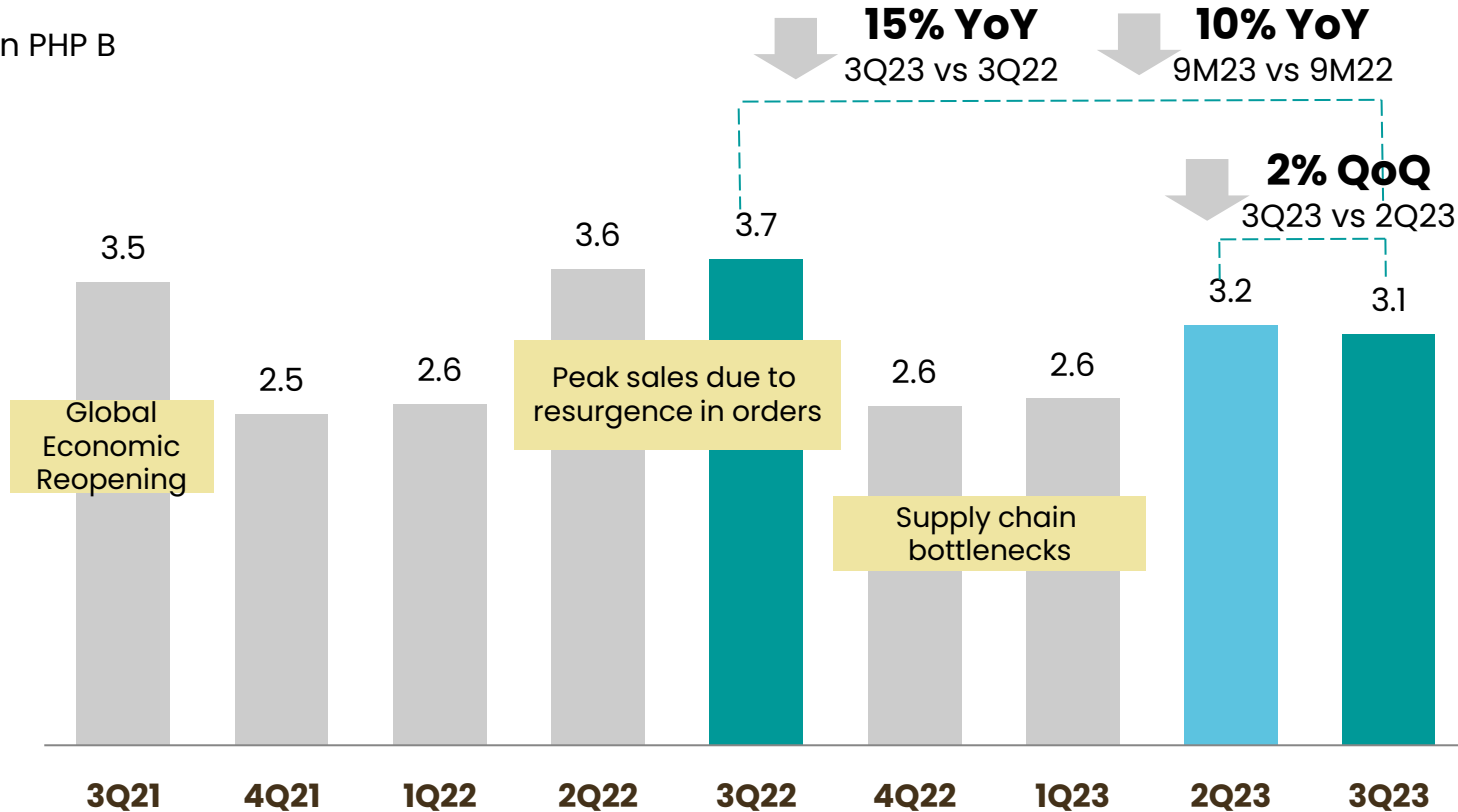
Consumers prefer time-tested and proven brands that deliver good value and address key consumer needs consistently

CHALLENGED OEM TOPLINE DUE TO A HIGH BASE & SOFTER MARKETS



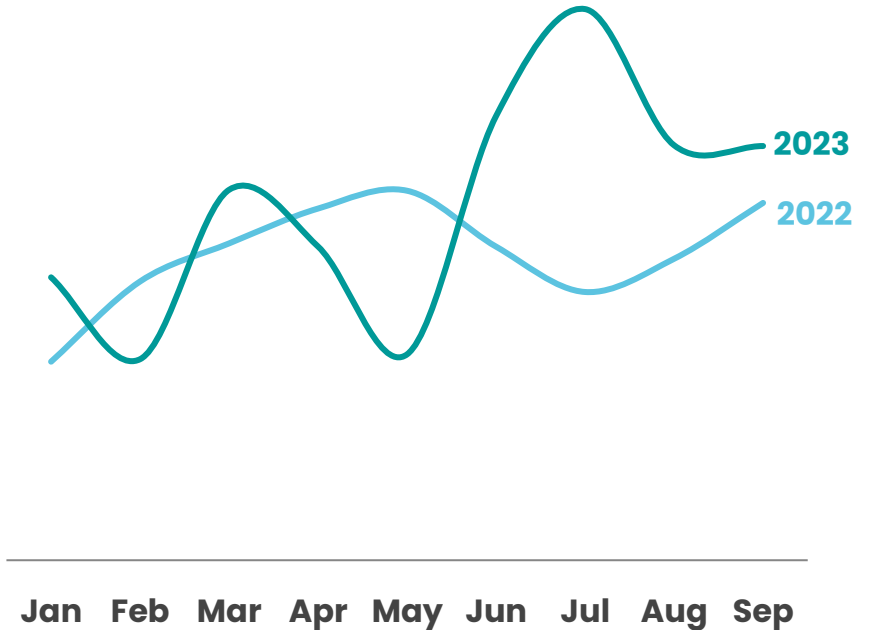
OEM Revenue Trend

In PHP B



Softer markets due to elevated prices

Skipjack Tuna Price Trend



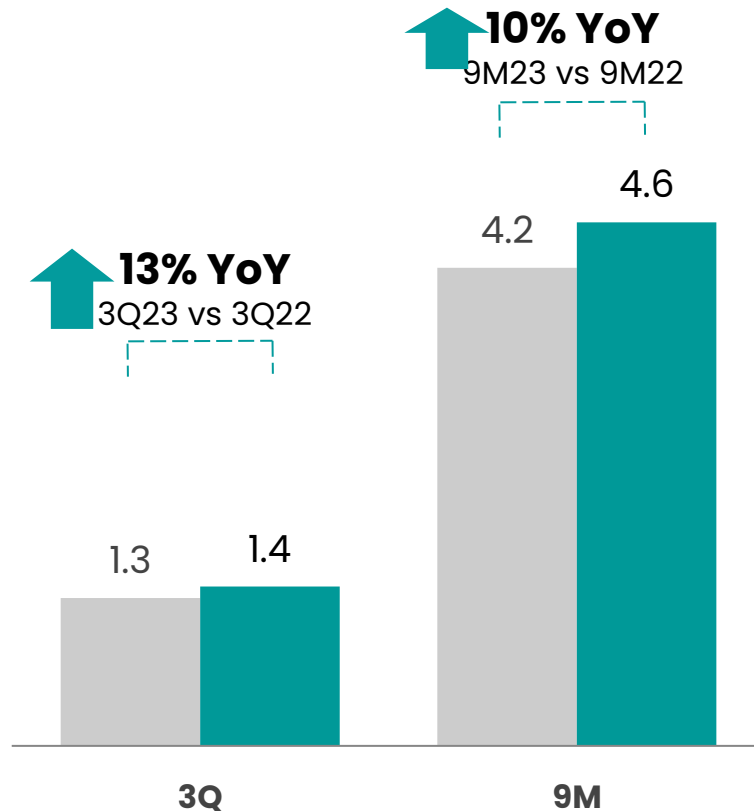
OEM revenues at P3.1B flattish quarter-on-quarter, but **softer markets** due to an elevated cost environment challenged the OEM exports business.

DELIVERED BOTTOMLINE GROWTH AMIDST INFLATIONARY PRESSURES



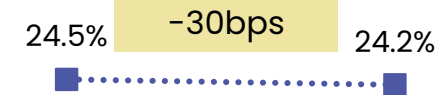
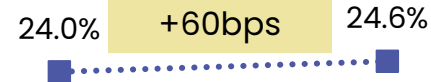
Net Income

In PHP B



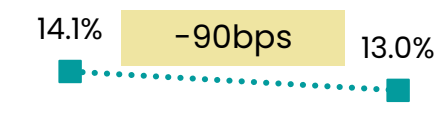
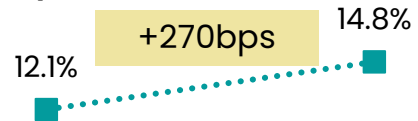
Margins

Gross Margin



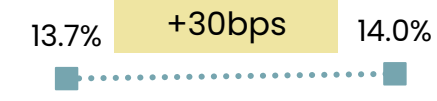
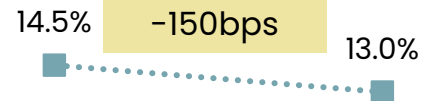
Gross margin slightly dip YoY, with cumulative price increases and lower input costs in Q3 mitigating high inventory costs in 1H23

Opex to Sales



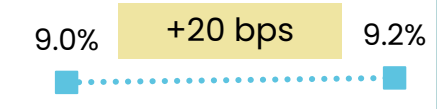
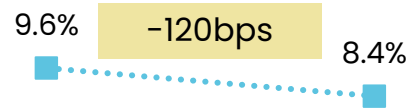
Lower opex to sales YoY, but accelerating in Q3 after streamlined discretionary spending in 1H23

EBITDA Margin



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

Net Margin



Net margins slightly higher YoY as EBITDA margins trickled down to bottomline

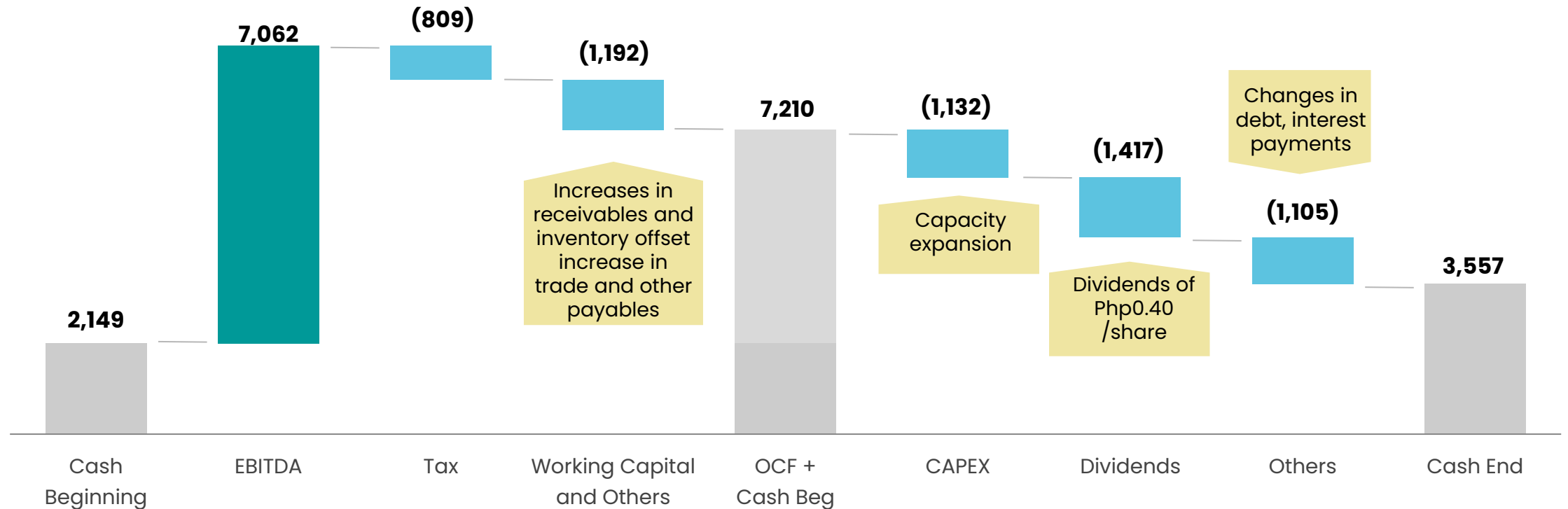
Despite inflationary pressures and a continuous volatile operating landscape, net income continued to grow driven by a resilient topline and cost optimization measures.

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



9M 2023 Cash Flows

In PHP M



KEY TAKEAWAYS

CONSISTENT GROWTH PERFORMANCE SUPPORTED BY AN ALL-WEATHER BUSINESS MODEL

Revenues remain resilient in 3Q on the back of the Branded business

Gross margins beginning to recover as input costs trend down

Profits gain momentum amidst a complex operating environment





BUSINESS HIGHLIGHTS & FY 2023 OUTLOOK



STEADFAST IN OUR STRATEGIC GROWTH PILLARS



NEW PRODUCTS:

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

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



EMERGING



MILK

Faster growth, building scale, challengers or category builders



CORE

MARINE & MEAT

Steady growth, healthy cash generation, market-leading



STRENGTHENING THE CORE AND FUTURE-PROOFING THE BUSINESS



Swap Right Campaign for Century Tuna



New 150g Offering for Fresca



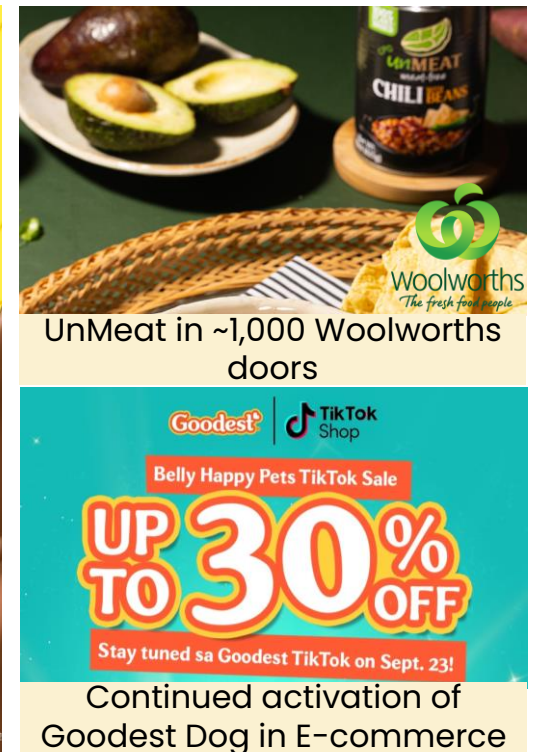
Sustained Communications for Argentina Corned Beef



New Campaign for Birch Tree Choco



Market Development for Emerging Businesses



- Remain focus and committed in delivering long-term value by growing the branded business, aligning our tactics to ladder up to our growth strategy

COMMITMENT TO SUSTAINABILITY AND GOOD GOVERNANCE



Solar Expansion



Biomass Boiler in Coconut Plant



3 Golden Arrows Awardee

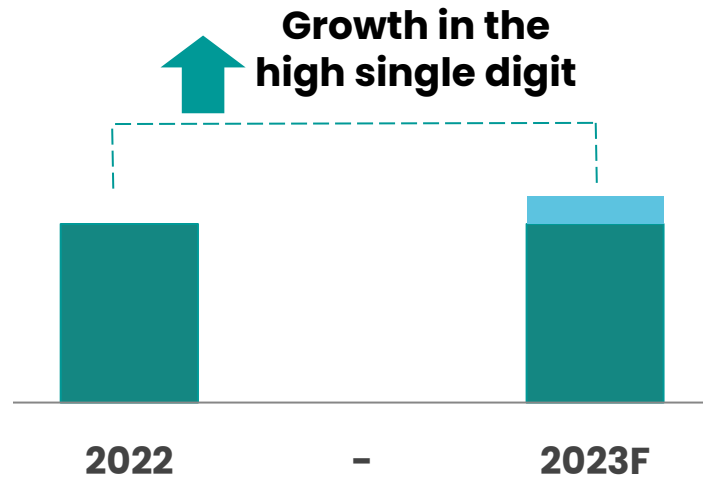


2023 OUTLOOK

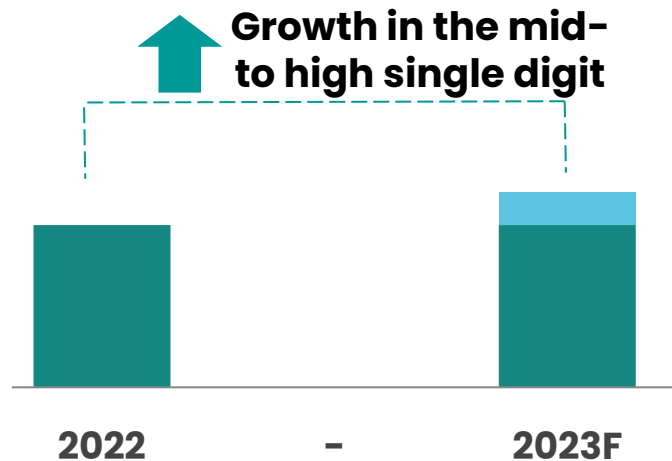


2023 Outlook

Topline



Bottomline



2023 Growth Drivers

- High single 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

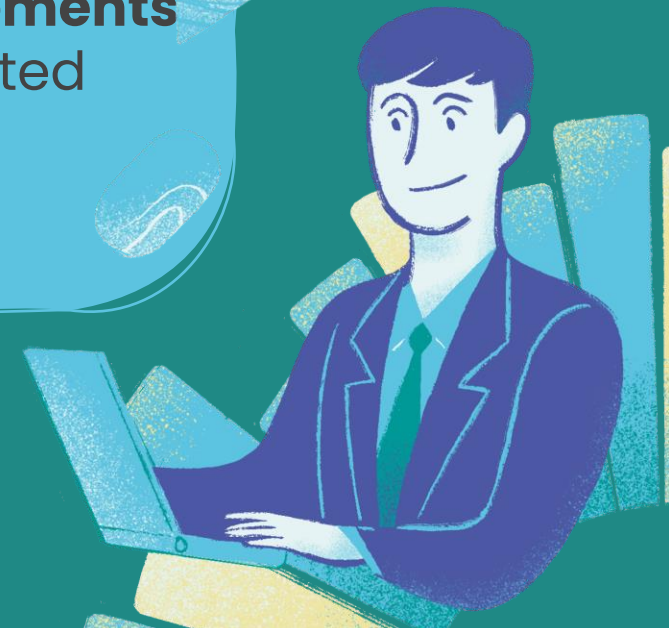
2024 PRELIMINARY OUTLOOK



LOW TO MID-TEENS TOPLINE & BOTTOMLINE GROWTH

Demand to remain resilient as consumers adjust to inflationary pressures

Margin improvements to be reinvested in growth





Charting the Path to Resilience & Growth

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NOVEMBER 2023



ANNEX





OTHER FINANCIALS



9M 2023 SUMMARIZED P&L



In PHP Mill	9M 2022	9M 2023	Change YoY
Net Revenues	46,953	50,450	7%
Cost of Sales	35,446	38,238	8%
Gross Profit	11,508	12,212	6%
Operating Expenses	6,600	6,553	-1%
Operating Income	5,315	5,795	9%
EBITDA	6,450	7,062	9%
Financing Cost	199	355	78%
Income before Tax	5,116	5,440	6%
Income Tax	894	809	-10%
NET INCOME	4,222	4,631	10%
EARNINGS PER SHARE	1.19	1.31	10%
Margins (%)			
Gross Profit	24.5%	24.2%	-0.3 pps
Operating Expenses	14.1%	13.0%	-1.1 pps
Operating Income	11.3%	11.5%	+0.2 pps
EBITDA	13.7%	14.0%	+0.3 pps
Net Income	9.0%	9.2%	+0.2 pps

- Revenues grew 7% mainly driven by price
- Branded up 12% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM 10% 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 10%**, growing faster than topline

9M 2023 SUMMARIZED BALANCE SHEET



In PHP Mill	FY 2022	9M 2023
Cash	2,149	3,557
Receivables	8,772	10,213
Inventory	17,729	18,789
Current Assets	31,650	35,875
PPE	8,794	8,944
Non-Current Assets	16,684	16,938
TOTAL ASSETS	48,334	52,812

- **Cash conversion cycle** maintained at 110 days versus 112 days as of end 2022

In PHP Mill	FY 2022	1H 2023
Trade and Other Payables	9,797	11,408
Notes Payable - Current	4,649	4,149
Long-Term Loan	3,165	3,155
TOTAL LIABILITIES	19,555	20,821
Retained Earnings	20,232	23,446
TOTAL EQUITY	28,779	31,991
BVPS (PHP/share)	8.12	9.03

- Interest-bearing loans totaling PHP7.3 billion **all peso-denominated**
- 9M 2023 consolidated **net income** of PHP4.6 billion, PHP1.4 billion paid out as dividends

9M 2023 SUMMARIZED CASH FLOW



In PHP Mill	9M 2022	9M 2023
Profit before Tax	5,116	5,440
Depreciation & Amortization	1,135	1,267
Working Capital Change	(5,014)	(1,189)
Income Tax	(894)	(809)
Others	201	353
OPERATING CASH FLOWS	544	5,061
Capital Expenditures	(1,905)	(1,132)
INVESTING CASH FLOWS	(1,903)	(1,123)
Interest Paid	(199)	(355)
Change in Debt	2,330	(510)
Dividends and Others	(1,472)	(1,665)
FINANCING CASH FLOWS	660	(2,530)
NET CHANGE IN CASH	(700)	1,408
CASH, ENDING	1,029	3,557
FREE CASH FLOW	(1,361)	3,929

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

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

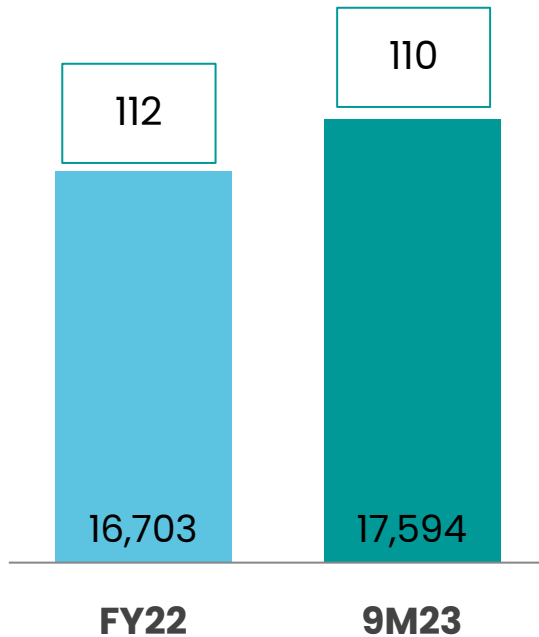
- Capital expenditures primarily for **capacity expansion and maintenance**

- **Dividends** paid this year **higher by 11%** vs 2022

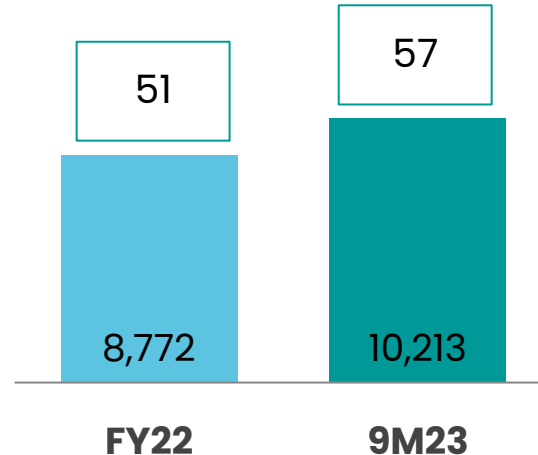
CCC ROUGHLY THE SAME DESPITE HIGHER WORKING CAPITAL



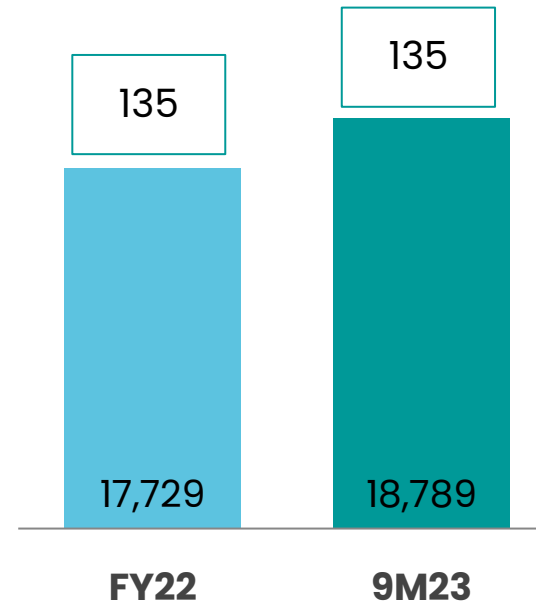
Working Capital & Cash Conversion Cycle



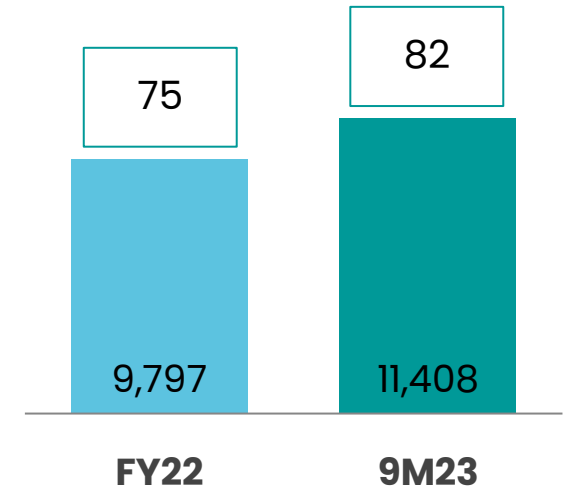
Trade Receivables & Receivable Days



Inventory & Inventory Days



Trade Payables & Payable Days

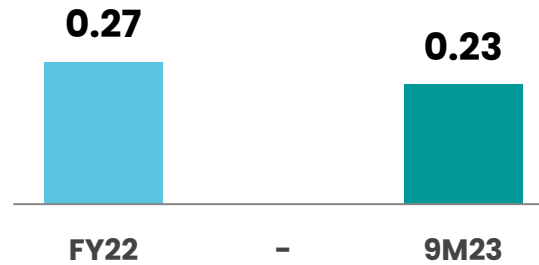


- Cash conversion cycle at 110 days as **increase in payable days more than offset increase in receivable days**
- **Increasing current accounts receivables compared to YE 2022** despite slightly higher receivable days

FINANCIAL RATIOS

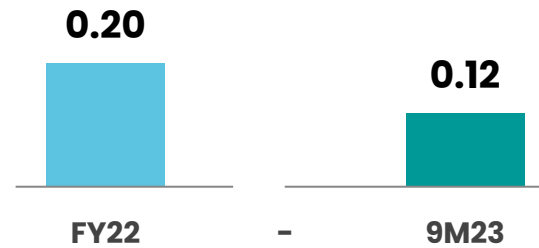


Gearing (x)



- Gearing ratios stable, with comfortable levels maintained

Net Gearing (x)



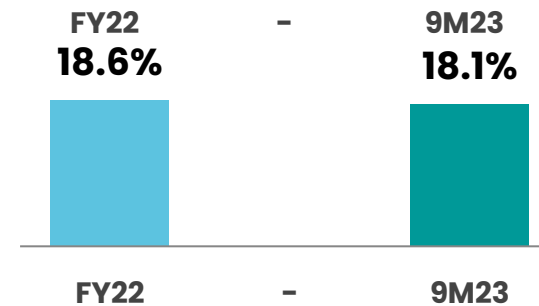
- Decrease in net gearing ratio due to **increase in cash and decrease in debt**, comfortable levels maintained

Current Ratio (x)



- Current ratio slightly increased vs YE figure

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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