

**Century Pacific Delivers Profitable Growth in 2023 Amid Headwinds from Inflation**  
**Net Income Up by 12%, Revenues Rise by 8%**  
**Fueled by Double-Digit Growth in Branded Business**

- Audited revenues amounted to Php 67.1 billion, expanding by 8% year-on-year from a high 2022 base, driven by the resilience of the Branded business.
- The Branded segment bolstered topline with a year-on-year (YoY) growth rate of 11%, offsetting the softness in OEM.
- Audited net income after tax landed at Php 5.6 billion, exhibiting a 12% YoY growth rate, buoyed by topline performance, favorable movements in commodities, and efficient spending.

**Century Pacific Food, Inc. (PSE:CNPF)**, one of the leading branded food and beverage companies in the Philippines, concluded the year 2023 delivering consistent, profitable growth despite the inflationary environment. Net income after tax amounted to Php 5.6 billion – up 12% versus the previous year.

Consolidated sales amounted to Php 67.1 billion – an increase of 8% compared to 2022, delivering growth atop a challenging base. CNPF has been demonstrating consistent revenue growth for the past five years with a compounded annual growth rate of 13%. In 2022, revenues increased by 14% year-on-year.

CNPF's 2023 topline performance was fueled by the performance of Branded business, outweighing the softness of the Original Equipment Manufacturer (OEM) Exports segment.

The Branded segment is the primary growth driver of CNPF, comprising the majority of the group's sales. It is composed of Marine, Meat, Milk, and other emerging segments, such as Pet Food, Coconut, Refrigerated Food, and Plant-Based Alternatives.

For FY23, the Branded segment posted an increase of 11%, following a robust 16% YoY growth from the year before. Branded sales were boosted by the faster-growing Milk and other emerging segments and the steady performance of core Marine and Meat segments.

CNPF's Chief Financial Officer, Chad Manapat, said, "The Branded business continued to exhibit resilience amidst a volatile macroeconomic environment. Our primary focus is on delivering affordable nutrition through our vast assortment of brands and products spanning multiple price tiers – our way of providing value to our consumers in both good and challenging times."

Meanwhile, CNPF's commodity-linked OEM Tuna and Coconut Exports segment saw a softening in 2023. The segment declined by 4% YoY, impeded by supply chain challenges and elevated commodity costs, which in turn led to softer markets. Nonetheless, the segment saw an upswing in the 4Q23, increasing by 18% versus the same period last year, supported by favorable trends in commodities and a low comparable base.

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In terms of profitability, CNPF's gross margin landed at 24.0%, improving by 95 basis points YoY, on the back of downtrends in most of its input costs, especially towards the second half of the year. Gross margin expansion, coupled with efficient OPEX management, led earnings before interest, taxes, depreciation, and amortization (EBITDA) to increase by 15% YoY to Php 8.7 billion. EBITDA margin likewise posted an 80-basis point improvement to 13.0%.

Net income after tax was recorded at Php 5.6 billion, representing a 12% growth from the previous year and resulting in a moderate 30-basis point YoY expansion to 8.3% in net profit margin.

In 2023, CNPF generated operating cashflows amounting to Php 8.4 billion. Of which, Php 1.4 billion was released as dividends, representing an 11% increase compared to the year before. Furthermore, Php 1.5 billion was reinvested in capital expenditures for capacity expansion and sustainability initiatives to enhance the Company's capability to harness renewable energy. CNPF expanded its solar capacity to 8.8MW and commissioned a new biomass boiler that can be fueled by coconut shells.

CNPF has a three-pronged sustainability framework – Protein Delivery, Planet Preservation, and People Development. In line with this, apart from investments in renewable energy, the Company leveraged one of its leading brands, Century Tuna, to launch a program promoting the circular economy called, "Saving Our Seas", which empowers coastal communities to take action against plastic pollution and supports women micro-entrepreneurs in the community. The Group also sustained its commitment to keeping its brands as '100% Net Zero Plastic Waste', reducing its plastic footprint ahead of the Extended Producer Responsibility Act. Furthermore, through its non-profit arm, RSPo Foundation, CNPF delivered 12.4 million protein servings to partner communities nationwide.

Manapat said, "On the whole, we are pleased to deliver consistent and profitable growth despite operating in a volatile environment in 2023. We attribute this to the all-weather nature of our business model, diversified portfolio, and prudent usage of our resources. We ended the year on solid footing, putting us in a good position to reinvest in growth and sustainability as well as to provide our shareholders with a healthy return on their investment."

"We are only in the early days of 2024. While the road ahead is still clouded with uncertainty, Century Pacific remains committed to grow in the low double-digit territory for both top and bottomline. We plan to reinvest gains from improving commodities into growth and expansion, as we continue to focus on affordability and providing better, healthier food options to Filipino consumers," Manapat concluded.