

Nourishing Lives, Investing in the Future

CNPF 1H24 RESULTS PRESENTATION
AUGUST 2024

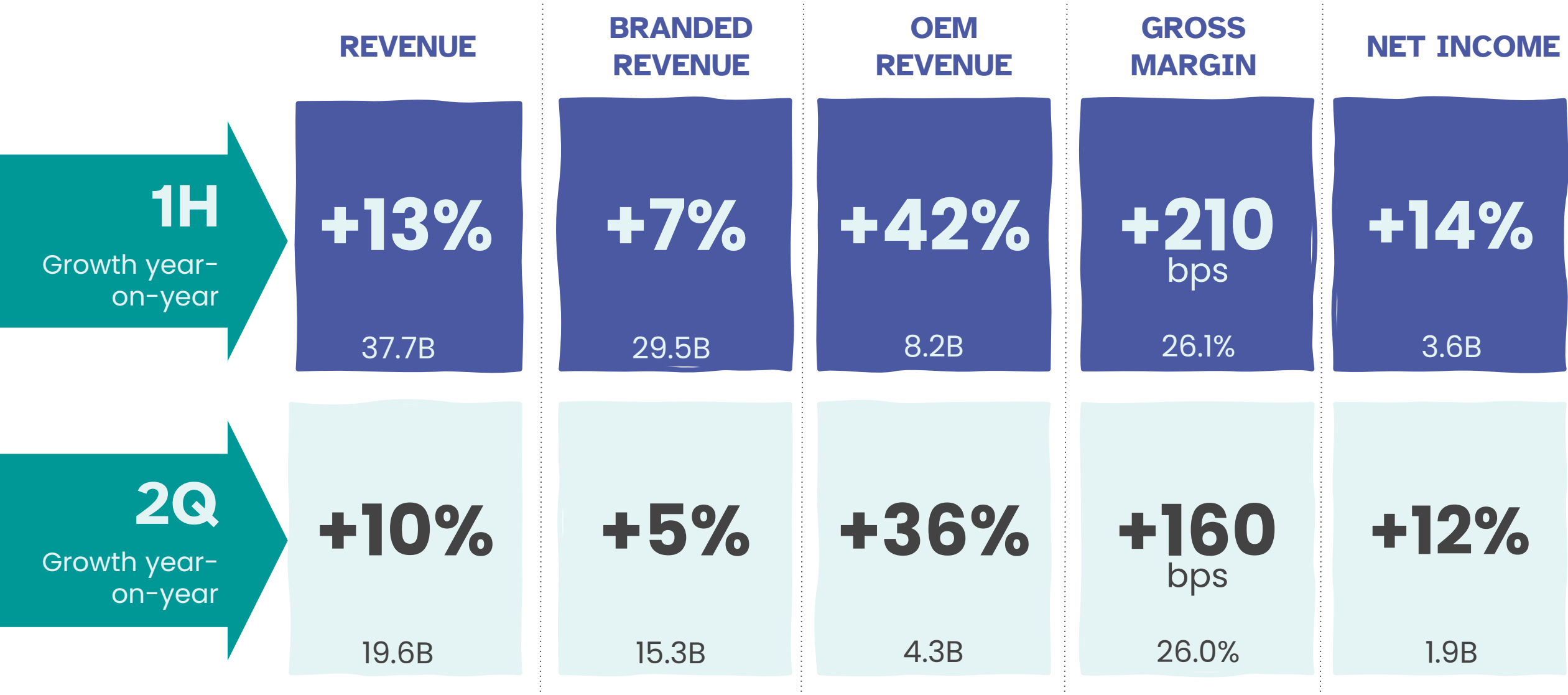




LATEST FINANCIAL PERFORMANCE



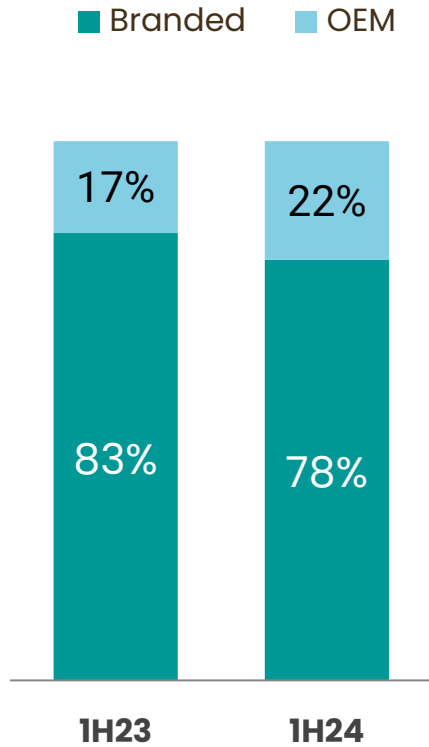
1H 2024 FINANCIAL RESULTS HIGHLIGHTS



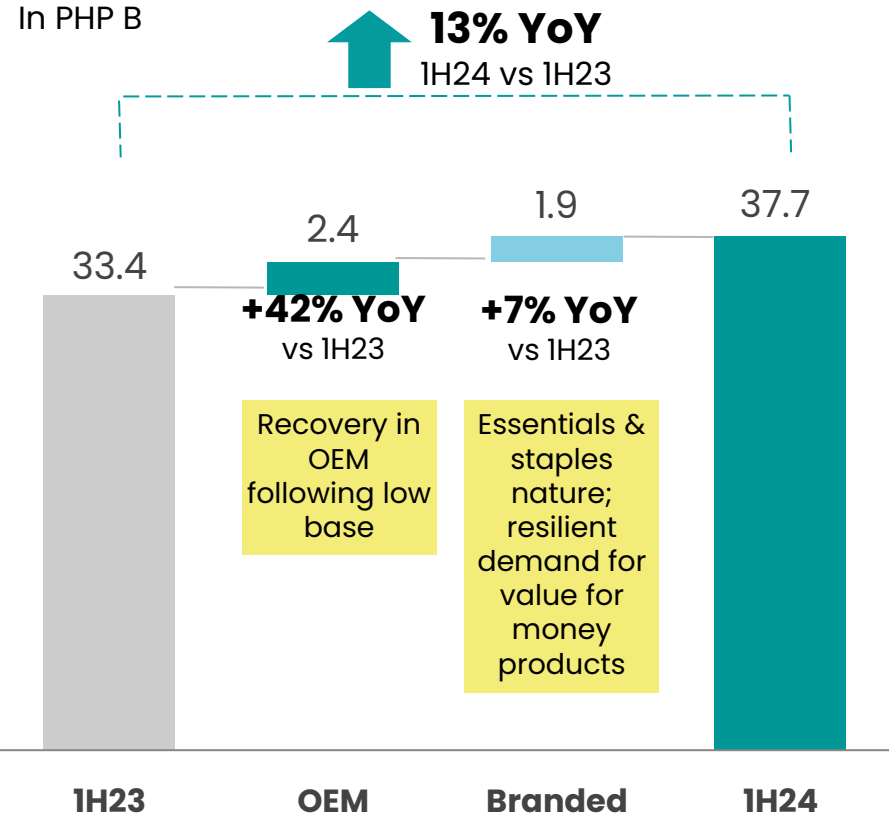
TOPLINE CONTINUES TO POST GROWTH AMIDST OEM RECOVERY AND BRANDED RESILIENCE



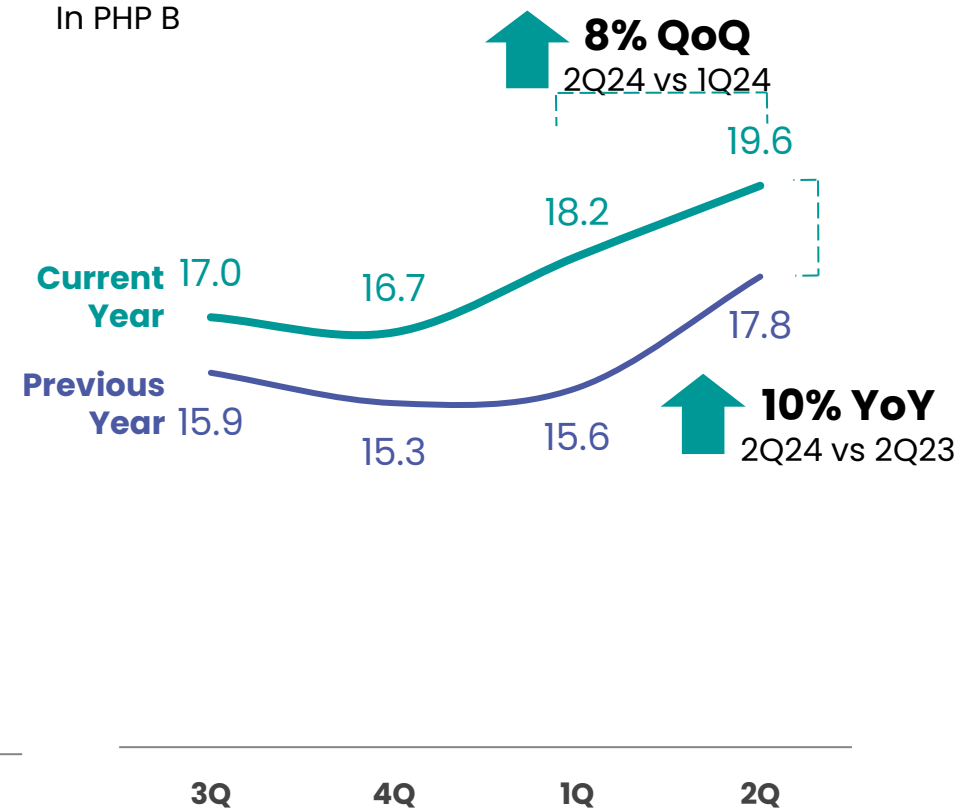
1H24 Revenue Breakdown



Revenue Growth Split



Quarterly Revenue Trend



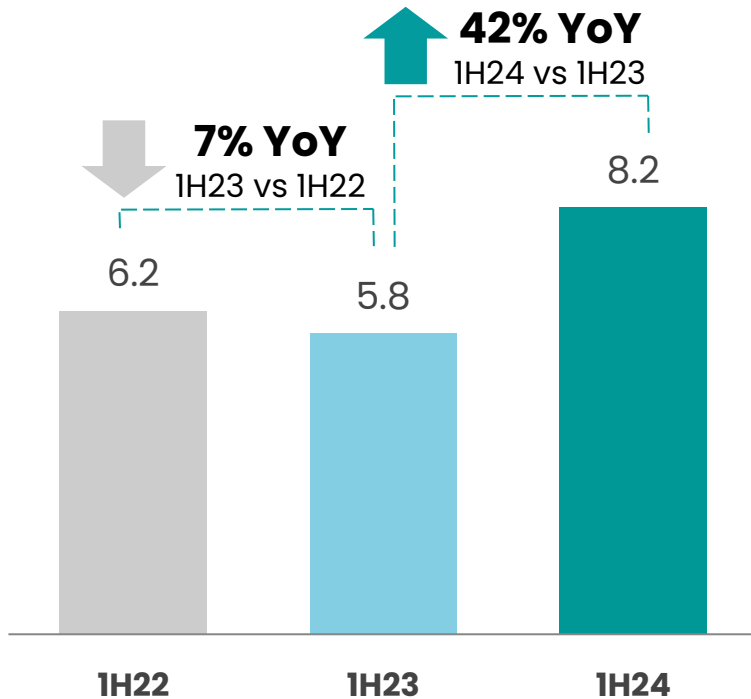
CNPF's topline performance primarily driven by the company's diversified, all-weather business model.

OEM TOPLINE CONTINUED TO RECOVER AS COMMODITIES EASE



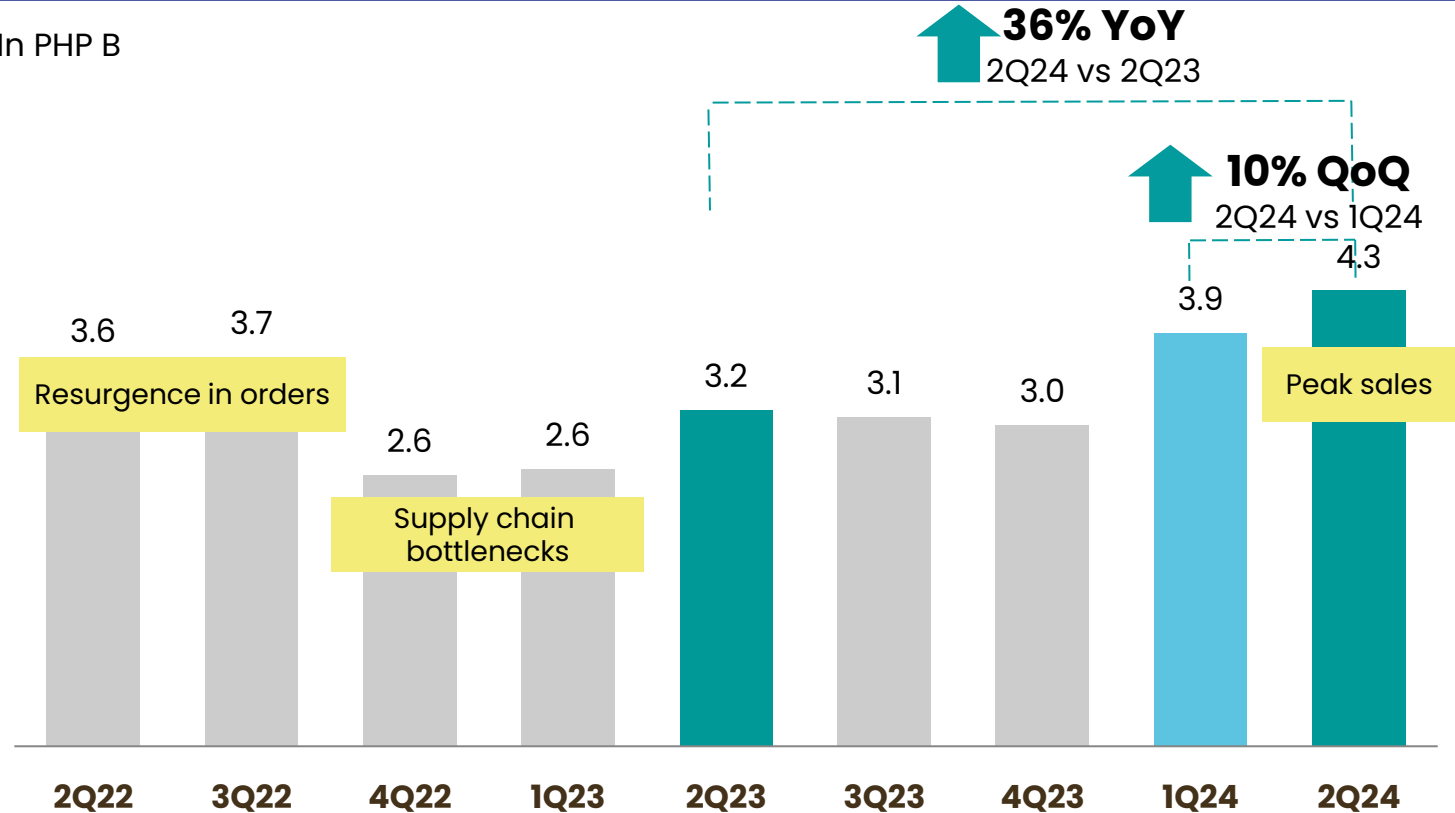
OEM YoY Revenue Trend

In PHP B



OEM Quarterly Revenue Trend

In PHP B



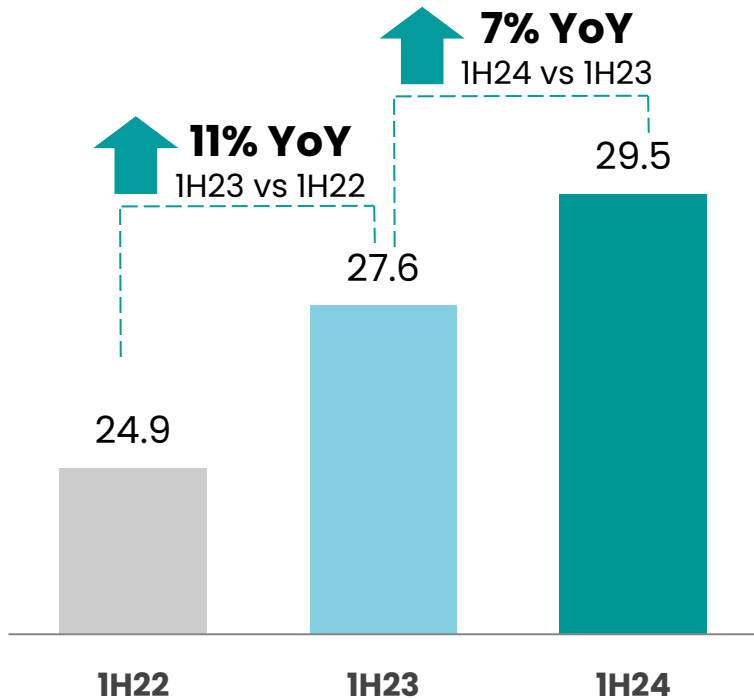
2Q 2024 OEM revenues at P4.3B, delivering **record sales** as an improving commodity environment supported the OEM exports business recovery, boosted by advance orders from customers due to geopolitical issues impacting international freight

BRANDED SEGMENT REMAINED RESILIENT AS CONSUMERS OPT FOR VALUE FOR MONEY GOODS



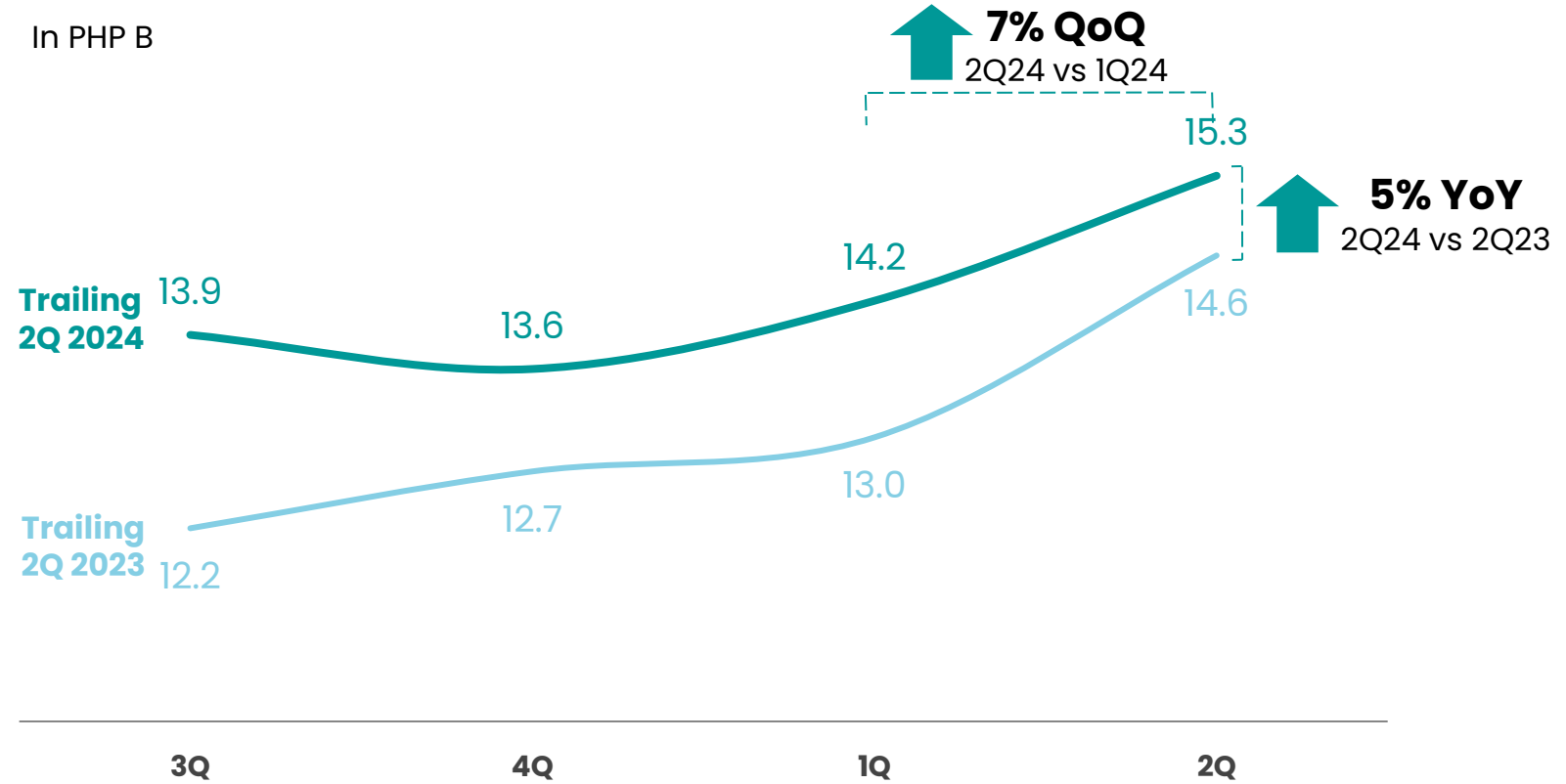
Branded YoY Revenue Trend

In PHP B



Branded Quarterly Revenue Trend

In PHP B



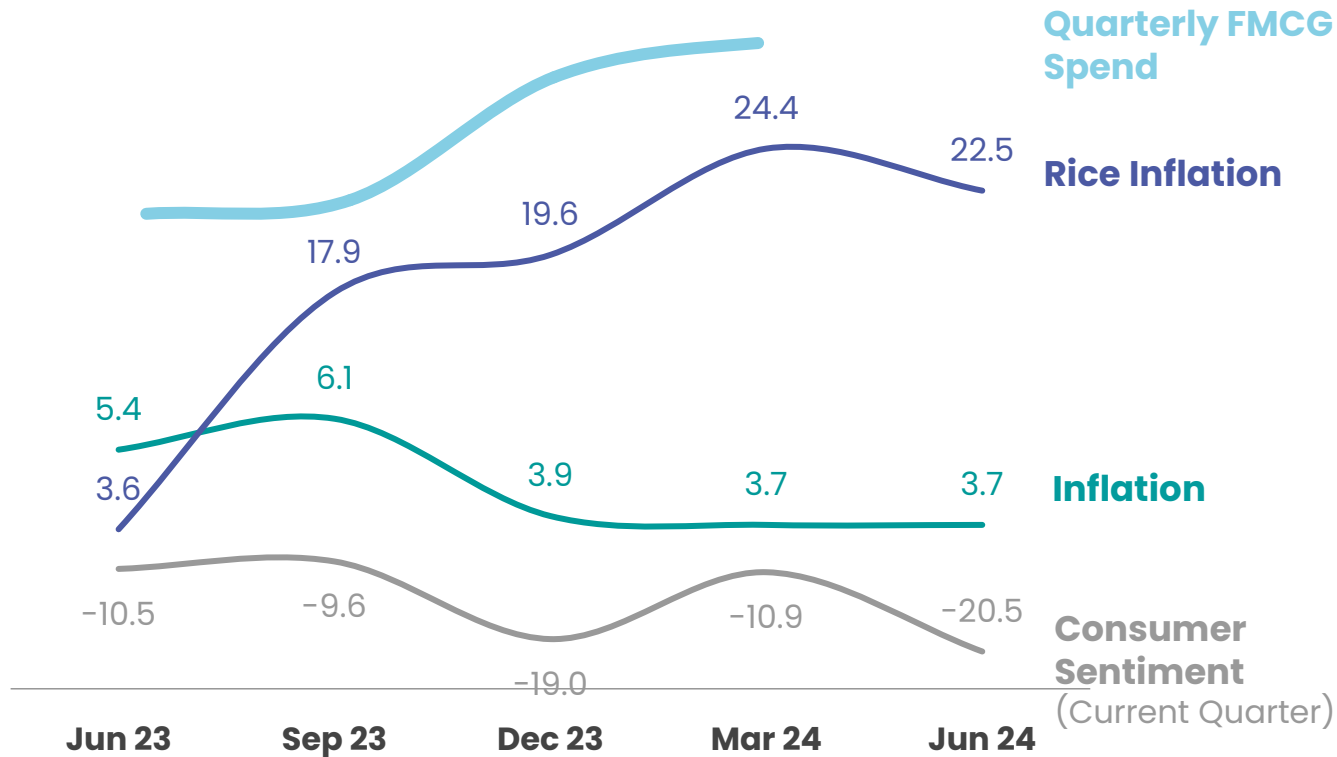
Branded revenues amounted to P15.3B in 2Q, **delivering topline growth** from a high base supported by consumers prioritizing staples and value for money goods

CONSUMERS ARE LEARNING TO COPE WITH INFLATIONARY PRESSURES



Consumers are cautiously spending as inflation tapers, while sentiment remains low due to elevated rice prices

How are consumers coping



Prioritizing Value-for-Money Offerings

Consumers opt for more affordable and accessible brands and products



Choosing Convenience & Accessibility

Consumers choose ready to eat/cook food options that are widely available in retail stores



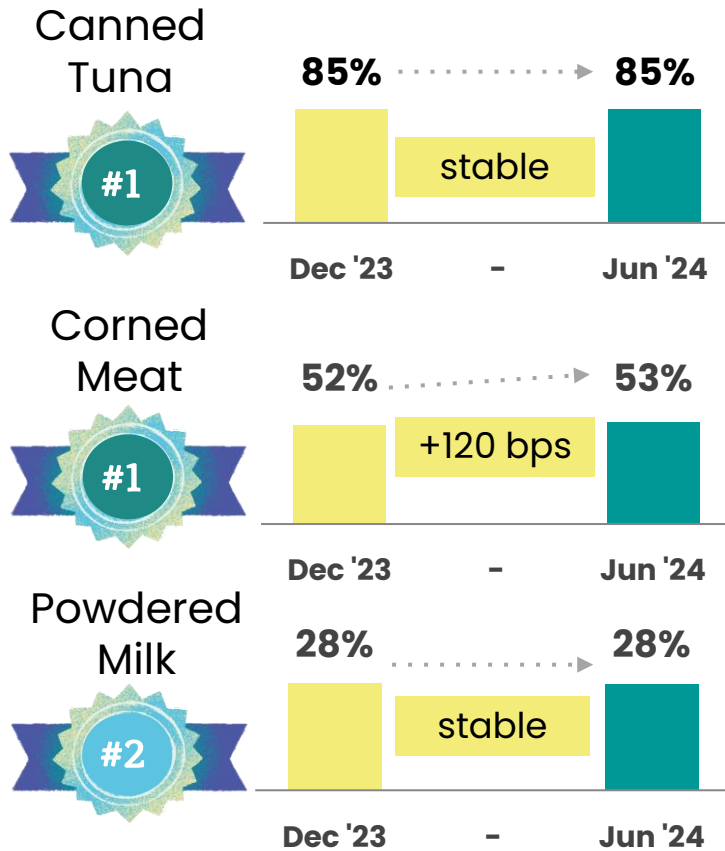
Preferring Trusted Brands that Offer Quality Products

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

AN ALL-WEATHER, RESILIENCE-FOCUSED MULTI-BRAND PORTFOLIO



Stable/improving market shares



Keeping a relevant value proposition amidst varying market conditions

| KEY SEGMENTS | Value for Money | Mass Market | Affordable Premium |
|-------------------------|----------------------|---|--|
| Marine | Lucky 7, FRESCA TUNA | 555, Ligo, BLUE BAY TUNA, KAMAYAN | Century TUNA, Century QUALITY |
| Meat & Plant-Based | Lucky 7, WOW! ULAM | 555, Argentina, Shanghai Luncheon Meat | Swift, UNMEAT |
| Milk, Coconut, & Others | CHOCO HERO | Birch Tree FORTIFIED, Angel, Coco Mama, Goodest | Hunts, Birch Tree ADVANCE, Birch Tree Full Cream Milk Powder |

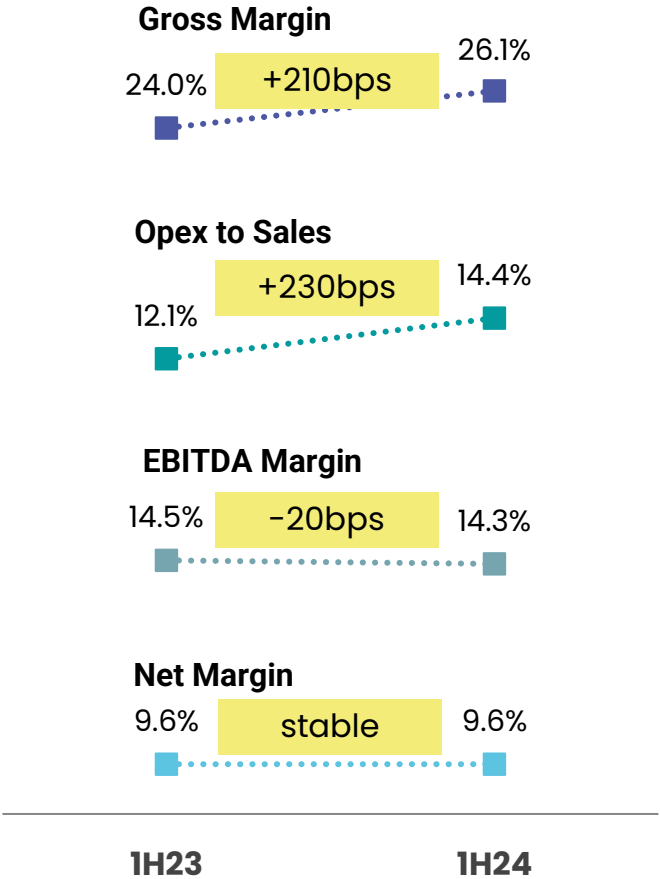
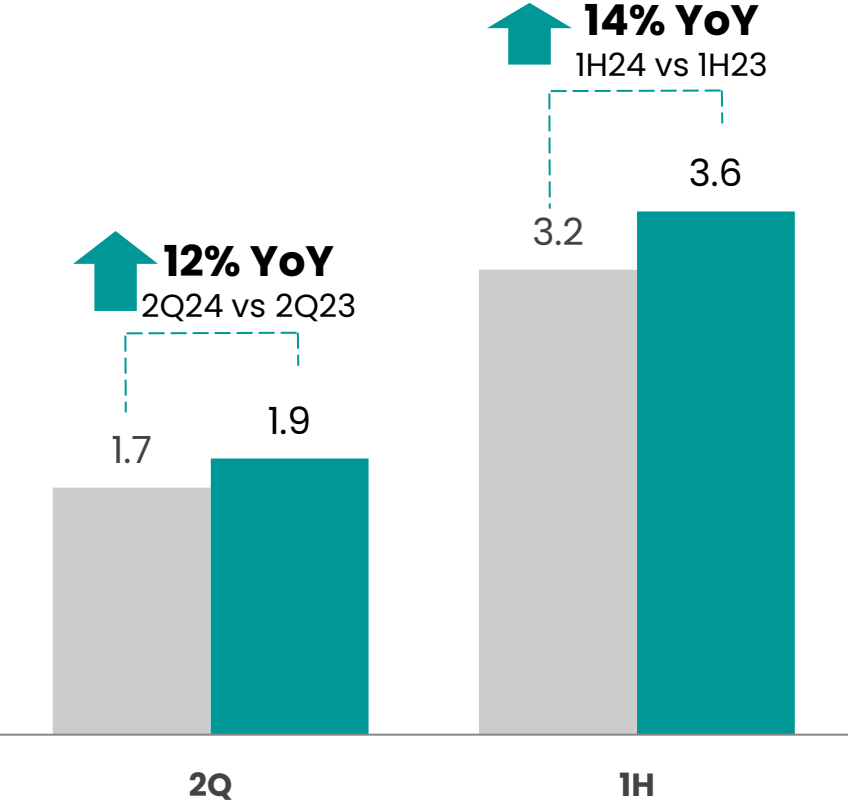
BOTTOMLINE GROWTH CLOSELY MIRRORED RISE IN SALES AS GROSS MARGIN EXPANSION REINVESTED IN OPEX



Sustained Net Income Growth

Margins Reflecting CNPF's Reinvestment Strategy

In PHP B



Gross margin improves YoY as input costs move favorably

Higher opex to sales YoY as margin gains were reinvested in demand generating activities, and systems and process improvements

Slight dip in EBITDA margins YoY as opex investments offset margin expansion

Net margins stable YoY as EBITDA margins flowed through to bottomline

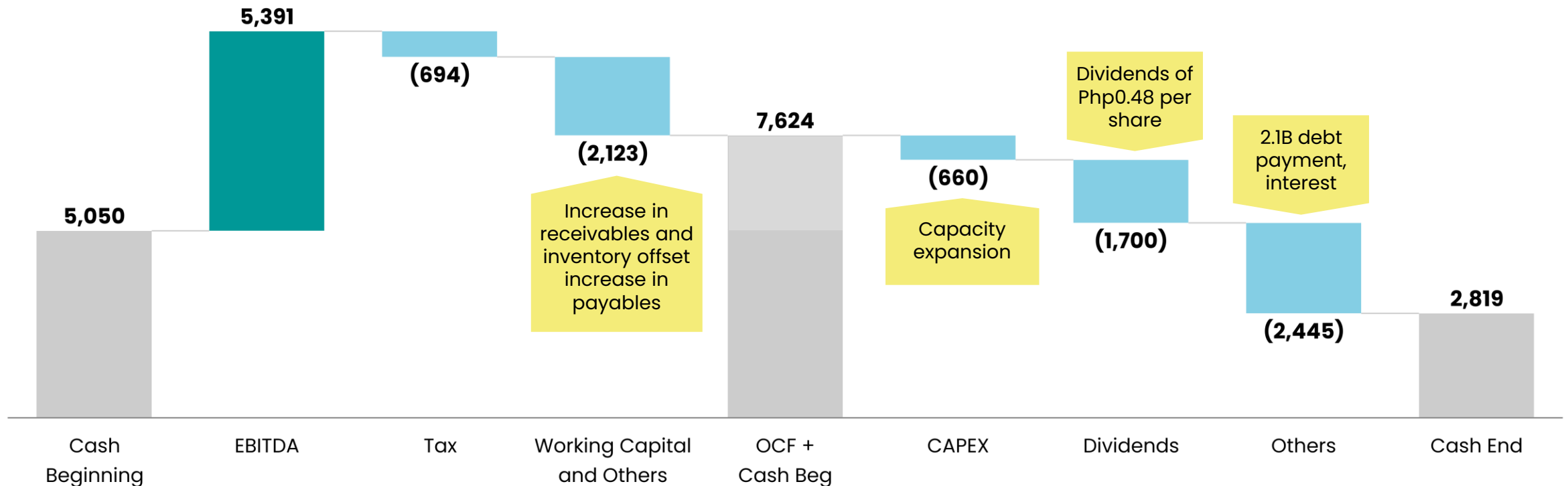
Amidst a dynamic operating landscape, net income grew in lockstep with topline as improvements in gross margins are reinvested in operating expenses.

HEALTHY CASH GENERATED FROM OPERATIONS USED FOR DEBT REPAYMENT AND HIGHER DIVIDENDS



1H 2024 Cash Flows

In PHP M



CNPF ended 1H24 with a healthy cash position, with ample levels to reinvest in growth and capacity expansion in 2024 following debt repayments and higher dividends paid



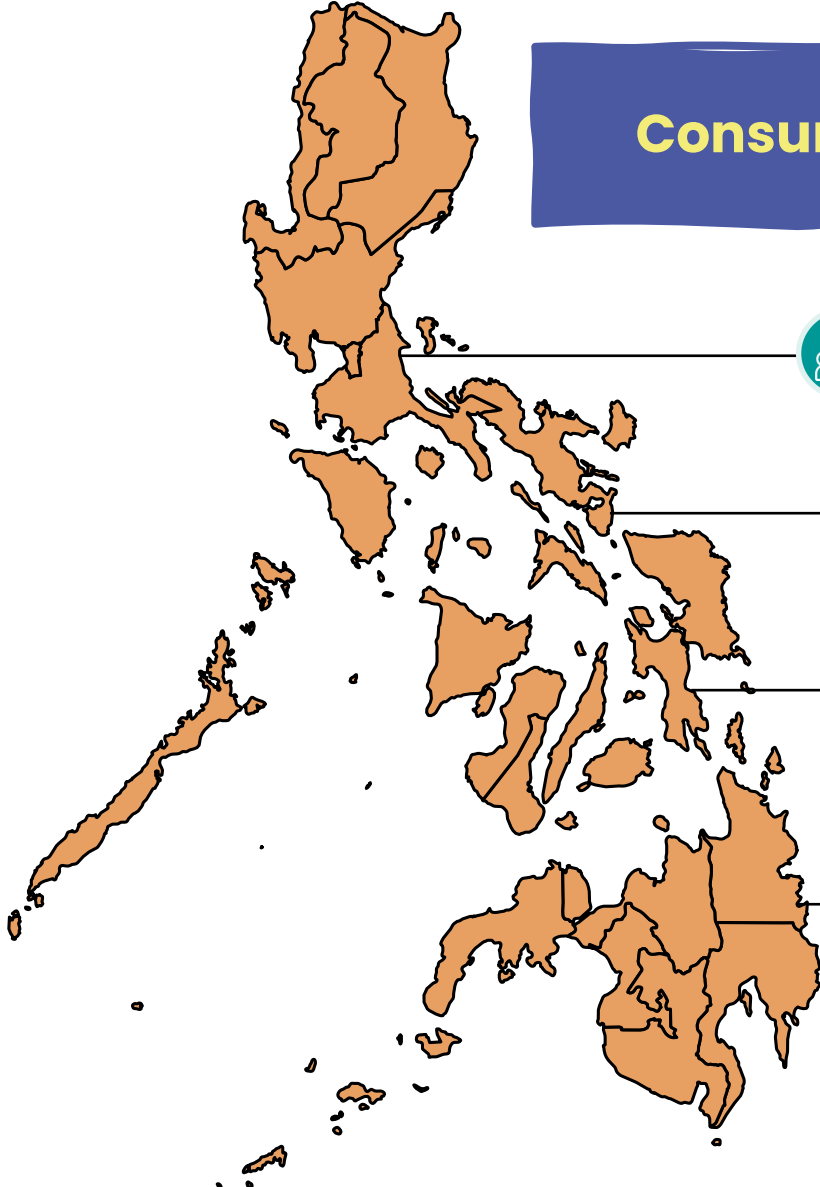
BUSINESS HIGHLIGHTS & FY 2024 OUTLOOK



THE PHILIPPINES, OUR CENTER OF GRAVITY, POSTS LONG-TERM GROWTH OPPORTUNITIES



Consumption-driven economy with favorable demographics



~120m
Population



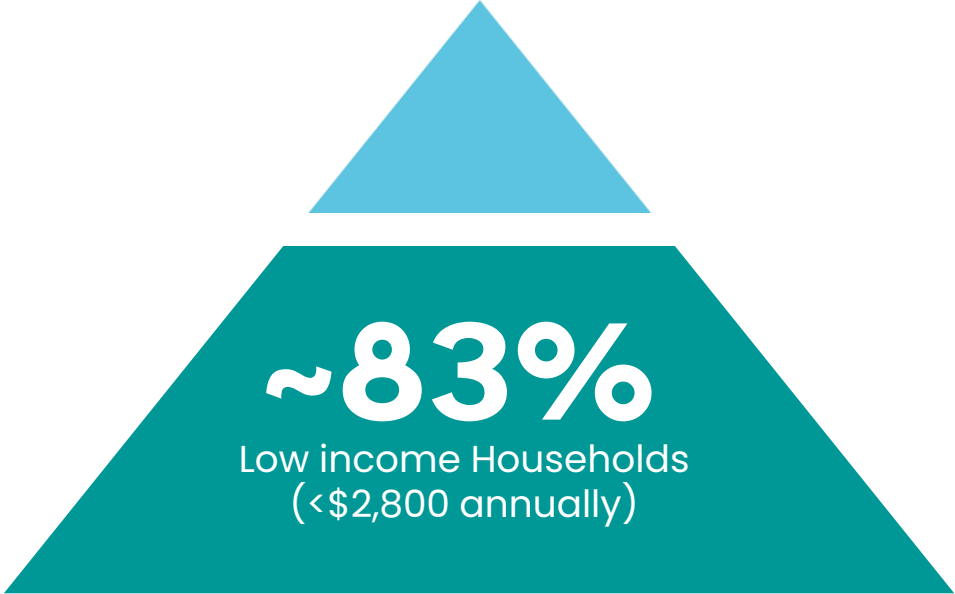
~25
Median Age



~65%
Labor Force
Participation Rate

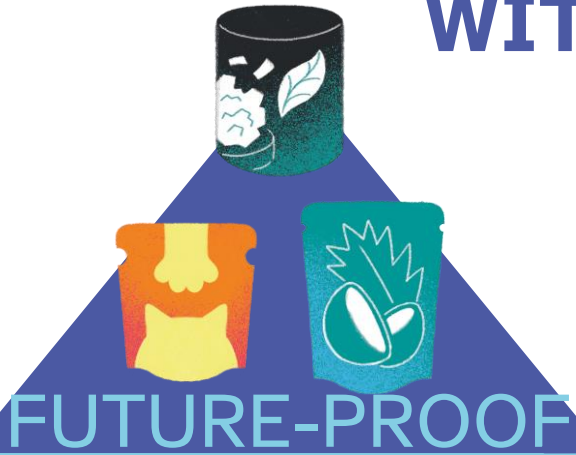


~5%
20Y Average
Real GDP



Majority of households belong to the base of the pyramid, presenting growth opportunities as incomes rise.

ALIGNING INVESTMENTS WITH 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

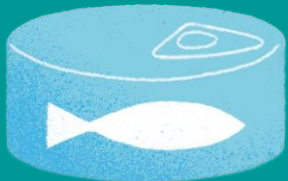


MILK

Faster growth, building scale, challengers or category builders



CORE



MARINE & MEAT

Steady growth, healthy cash generation, market-leading

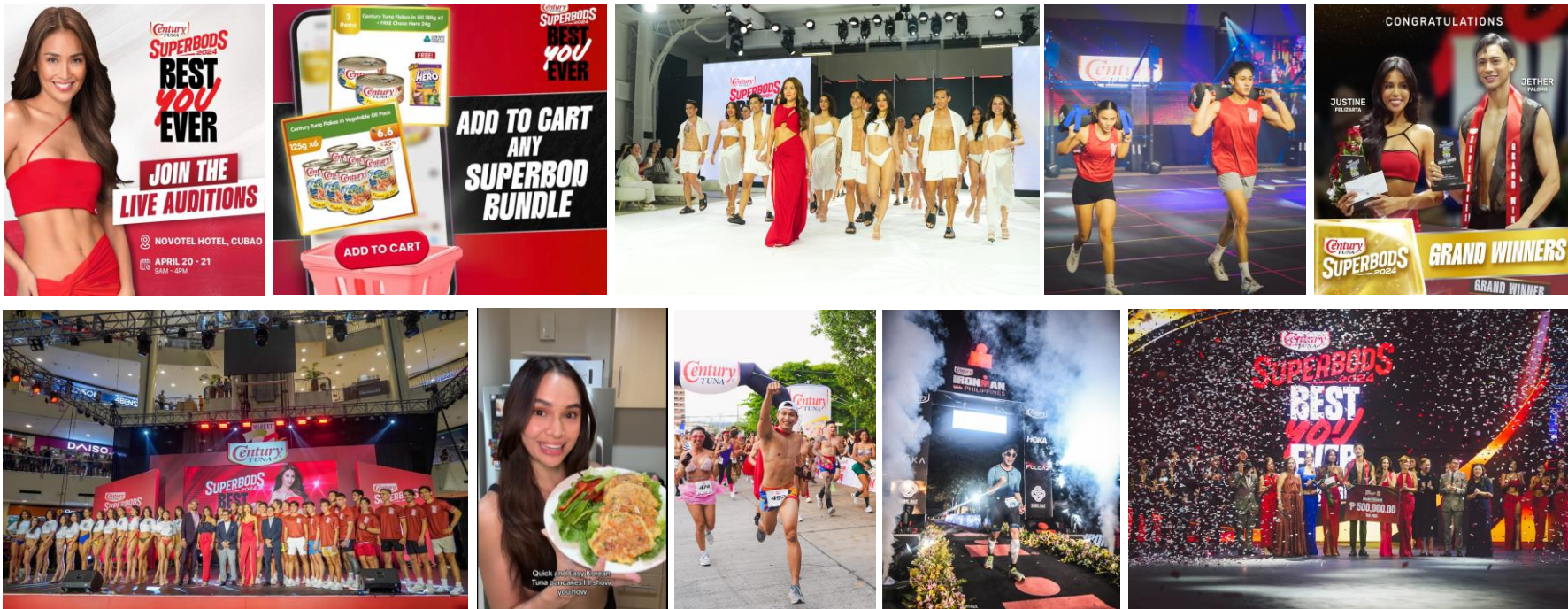


BRAND BUILDING ACTIVITIES TO BOOST SALIENCE & STRENGTHEN BRAND EQUITY

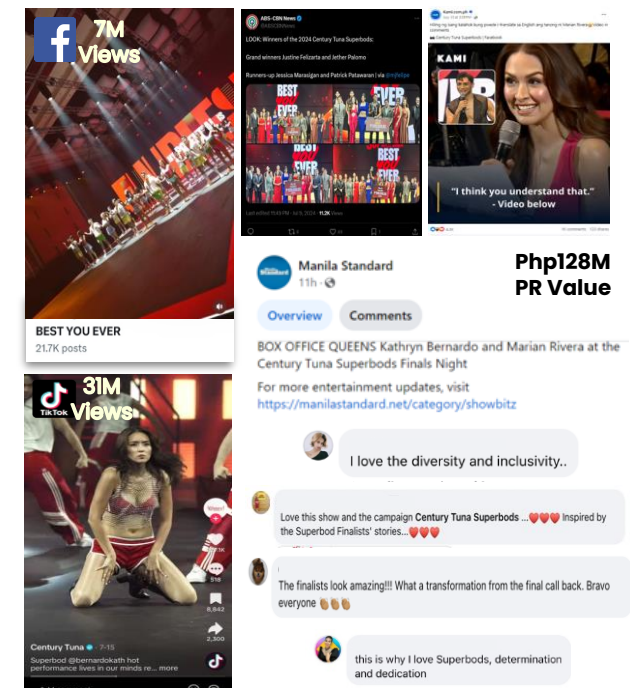


The Century Tuna Superbods 2024 Season

A series of activities both on ground and online promoting health, fitness, and inclusivity



Finals Night Reception



- Launched biennial activation campaign Century Tuna Superbods
- Promoted health and fitness with Superbods finalists through different online and in-person activities
- Released supporting communications to increase conversion and usage

BRAND BUILDING AND DEMAND GENERATING ACTIVITIES TO SUPPORT GROWTH



Communications for Value for Money Offerings

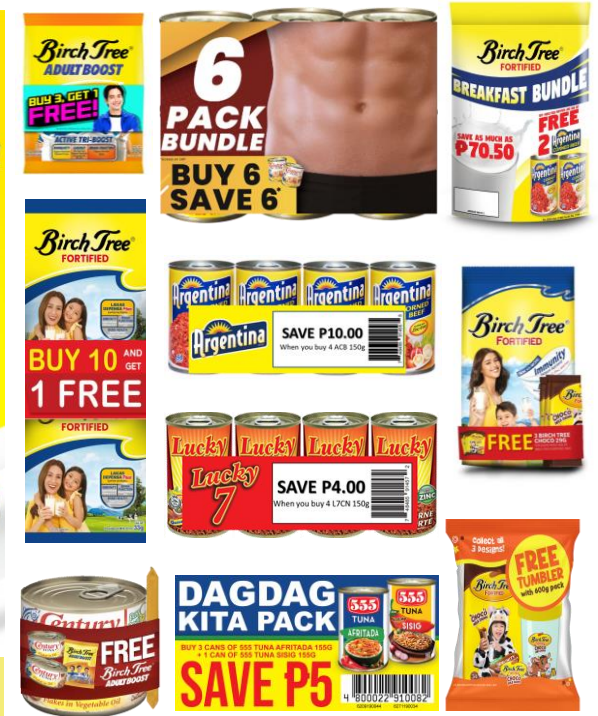
Promotional Bundles & Deals in Retail



555 Tuna Campaign



Birch Tree Fortified Campaign



- In addition to value, highlighting consumer preference for 555 Tuna and nutritional credentials for Birch Tree Fortified
- Giving back to the consumer via various promotions in trade

SUPPORTING INNOVATIONS AND MARKET DEVELOPMENT IN OTHER EMERGING SEGMENTS



Diversifying and Future-Proofing the Business



Highlighting occasions for Coco Mama usage



Highlighting nutritional benefits of Hunt's Pork and Beans



Communications for Goodest Cat & Dog



unMEAT ready-to-eat pasta range and Asian line

- Grow emerging businesses 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



Balancing the Needs of Stakeholders & Thinking Win-Win

Continue Century Tuna Saving Our Seas Program to address plastic pollution and promote circular economy

Explore opportunities to expand our solar capacity and retrofit boilers in our largest production facility



1 – 2 MT
plastic waste collected monthly

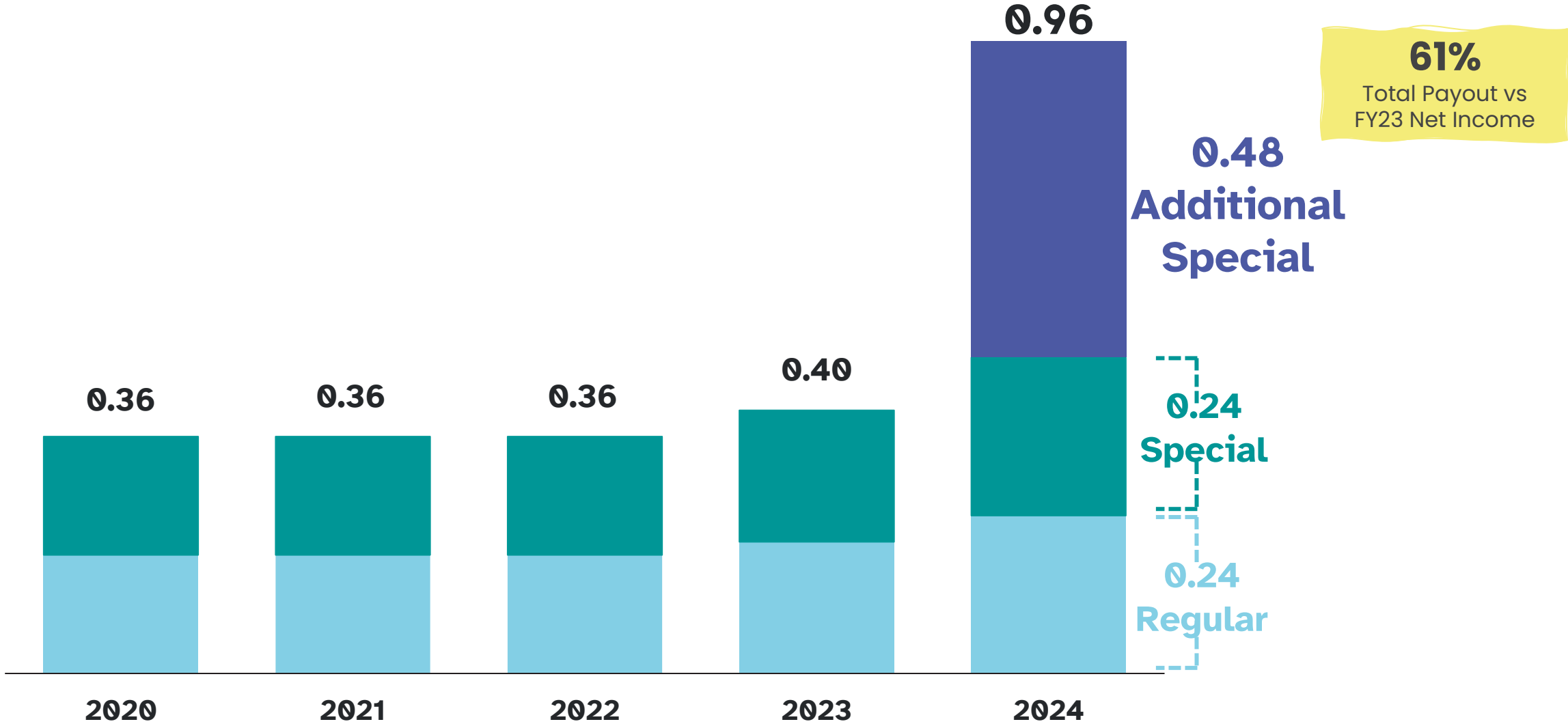
+48%
increase in average income of women micro-entrepreneurs



Fifth year of commitment to Net Zero Plastic Waste



ADDITIONAL 2024 DIVIDENDS AT PHP 0.48/SHARE



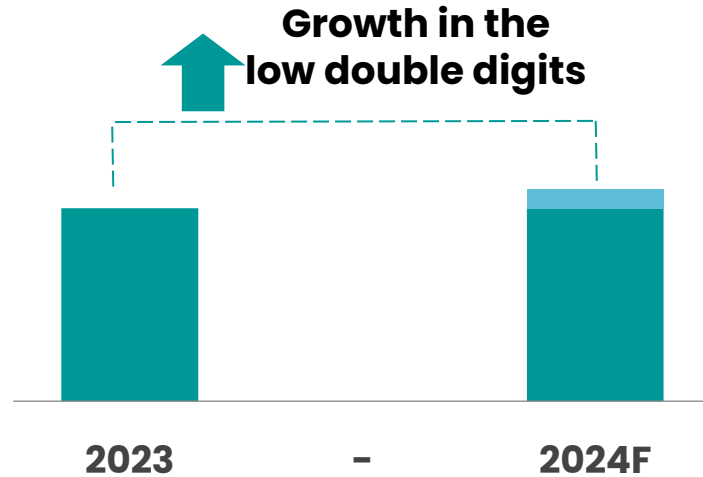
2024 PRELIMINARY OUTLOOK



2024 Outlook

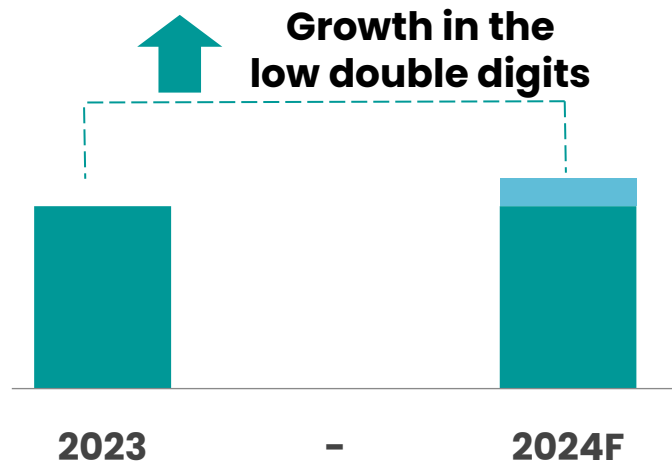
2024 Growth Drivers

Topline



- Demand for consumer staples expected to remain resilient
- OEM recovery with easing commodities
- Margin improvements to be reinvested in topline growth – innovations and demand generating activities

Bottomline



2024 Capex Guidance

Close to Php 4 Billion, considering coconut facility expansion program

KEY TAKEAWAYS



ON TRACK TO DELIVER LOW DOUBLE-DIGIT GROWTH SUPPORTED BY AN ALL-WEATHER PORTFOLIO

Topline growth on the back of OEM Exports recovery and consistent Branded growth performance

Gross margin expansion due to favorable downtrend in input prices

Reinvestment into demand generation leading to profit growth in line with topline growth



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AUGUST 2024





ANNEX





OTHER FINANCIALS

1H 2024 SUMMARIZED P&L



| In PHP Mill | 1H 2023 | 1H 2024 | Change YoY |
|---------------------------|---------------|---------------|------------|
| Net Revenues | 33,413 | 37,741 | 13% |
| Cost of Sales | 25,393 | 27,905 | 10% |
| Gross Profit | 8,020 | 9,836 | 23% |
| Operating Expenses | 4,035 | 5,442 | 35% |
| Operating Income | 4,020 | 4,498 | 12% |
| EBITDA | 4,851 | 5,391 | 11% |
| Financing Cost | 227 | 170 | -25% |
| Income before Tax | 3,794 | 4,328 | 14% |
| Income Tax | 596 | 694 | 16% |
| NET INCOME | 3,198 | 3,634 | 14% |
| EARNINGS PER SHARE | 0.90 | 1.03 | 14% |
| Margins (%) | | | |
| Gross Profit | 24.0% | 26.1% | +2.1 pps |
| Operating Expenses | 12.1% | 14.4% | +2.3 pps |
| Operating Income | 12.0% | 11.9% | -0.1 pps |
| EBITDA | 14.5% | 14.3% | -0.2 pps |
| Net Income | 9.6% | 9.6% | 0.0 pps |

- Revenues grew 13% mainly driven by OEM recovery
- Branded up 7% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM up 42% **as volumes recover following easing commodities**

- **EBITDA growth tracking topline** performance as **input cost improvements are reinvested in demand generating activities**
- **Earnings growth at 14%**, in line with topline

1H 2024 SUMMARIZED BALANCE SHEET



| In PHP Mill | FY 2023 | 1H 2024 |
|---------------------------|---------------|---------------|
| Cash | 5,050 | 2,820 |
| Receivables | 9,387 | 11,762 |
| Inventory | 16,902 | 18,784 |
| Current Assets | 34,556 | 37,593 |
| PPE | 8,980 | 8,937 |
| Non-Current Assets | 17,098 | 16,928 |
| TOTAL ASSETS | 51,654 | 54,521 |

- **Cash conversion cycle** at 97 days, stable versus end-2023

| In PHP Mill | FY 2023 | 1H 2024 |
|--------------------------|---------------|---------------|
| Trade and Other Payables | 10,452 | 13,432 |
| Notes Payable - Current | 2,877 | 777 |
| Long-Term Loan | 3,157 | 3,147 |
| TOTAL LIABILITIES | 18,814 | 19,755 |
| Retained Earnings | 24,283 | 26,228 |
| TOTAL EQUITY | 32,840 | 34,767 |
| BVPS (PHP/share) | 9.27 | 9.81 |

- Interest-bearing loans totaling PHP3.9 billion **all peso-denominated**
- 1H 2024 consolidated **net income** of PHP3.6 billion net of PHP1.7 billion dividends declared

1H 2024 SUMMARIZED CASH FLOW



| In PHP Mill | 1H 2023 | 1H 2024 |
|-----------------------------|----------------|----------------|
| Profit before Tax | 3,794 | 4,328 |
| Depreciation & Amortization | 830 | 893 |
| Working Capital Change | (1,082) | (2,106) |
| Income Tax | (596) | (694) |
| Others | 234 | 152 |
| OPERATING CASH FLOWS | 3,179 | 2,574 |
| Capital Expenditures | (715) | (660) |
| INVESTING CASH FLOWS | (712) | (658) |
| Interest Paid | (227) | (170) |
| Change in Debt | (110) | (2,110) |
| Dividends and Others | (1,581) | (1,866) |
| FINANCING CASH FLOWS | (1,918) | (4,146) |
| NET CHANGE IN CASH | 549 | (2,230) |
| CASH, ENDING | 2,699 | 2,820 |
| FREE CASH FLOW | 2,465 | 1,913 |

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

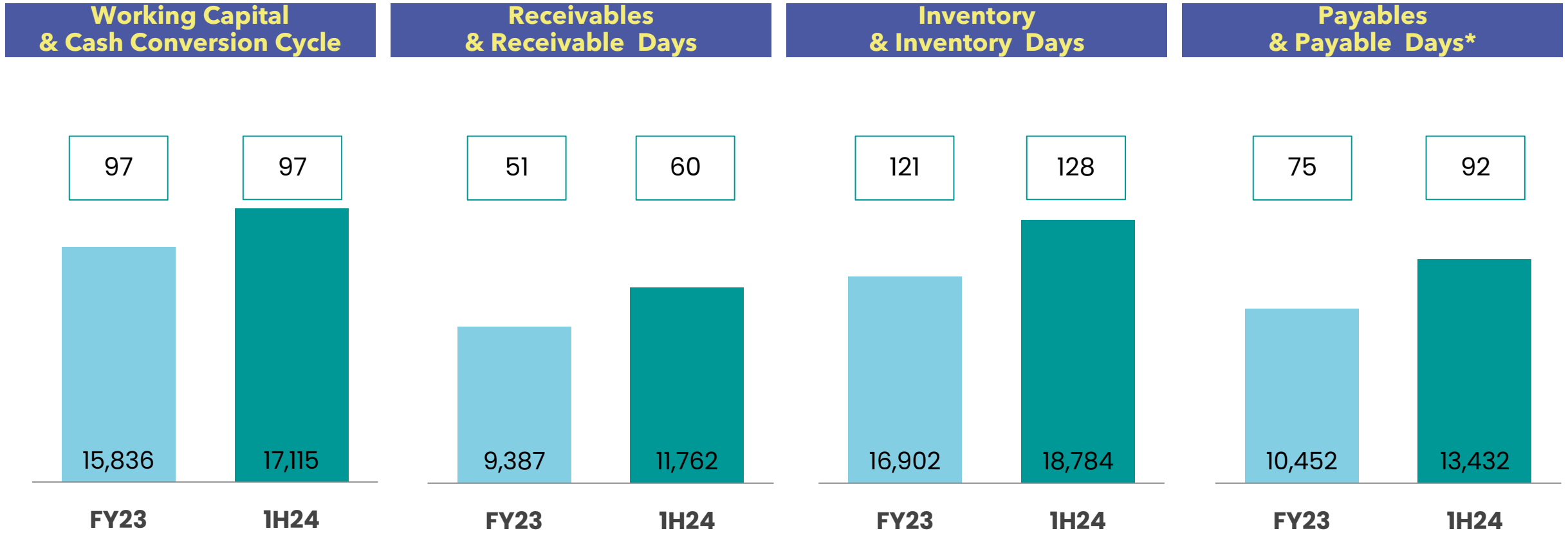
- Strong cash generation supported by **healthy profitability**

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

- **Dividends** paid in 2024 **higher by 20%** vs 2023



CCC STABLE VS YE 2023



• Cash conversion cycle at 97 days as **increase in payable days offset increase in both receivable days and inventory days**

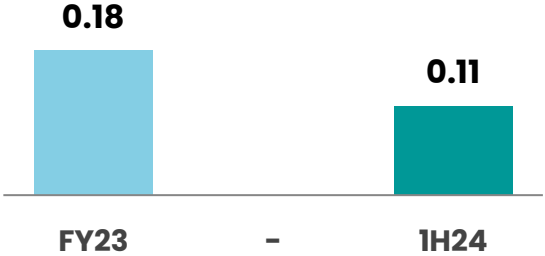
Note: Cash conversion cycle computed based on period-end balances and trailing 12 month average daily sales / COGS

*Payables and payable days exclude dividends payable as of end-March 2024

FINANCIAL RATIOS

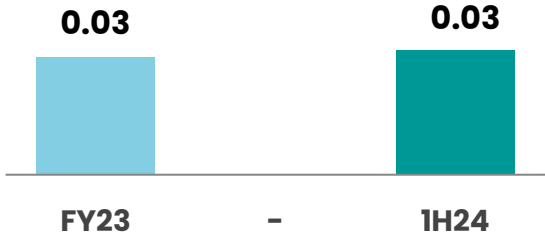


Gearing (x)



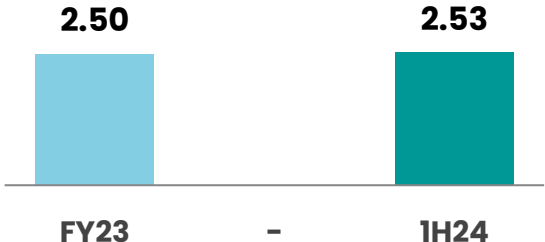
- Decrease in gearing ratio due to **decrease in debt**, comfortable levels maintained

Net Gearing (x)



- 1H24 back to net debt position** following first dividend payment

Current Ratio (x)



- Current ratio slightly increased vs YE figure

Return on Equity



- Attractive return ratios** with ROE in the high teens%


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




**CENTURY
PACIFIC
FOOD, INC.**


CNPF  **IR**

Ortigas Center, Pasig City, Philippines

 investorrelations@centurypacific.com.ph

 +632 8633 8555

 www.centurypacific.com.ph
<http://edge.pse.com.ph>

 www.linkedin.com/company/century-pacific-food-inc/

 www.facebook.com/CenturyPacificFoodInc

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