

Nourishing Lives, Investing in the Future

CNPF 9M24 RESULTS PRESENTATION
NOVEMBER 2024

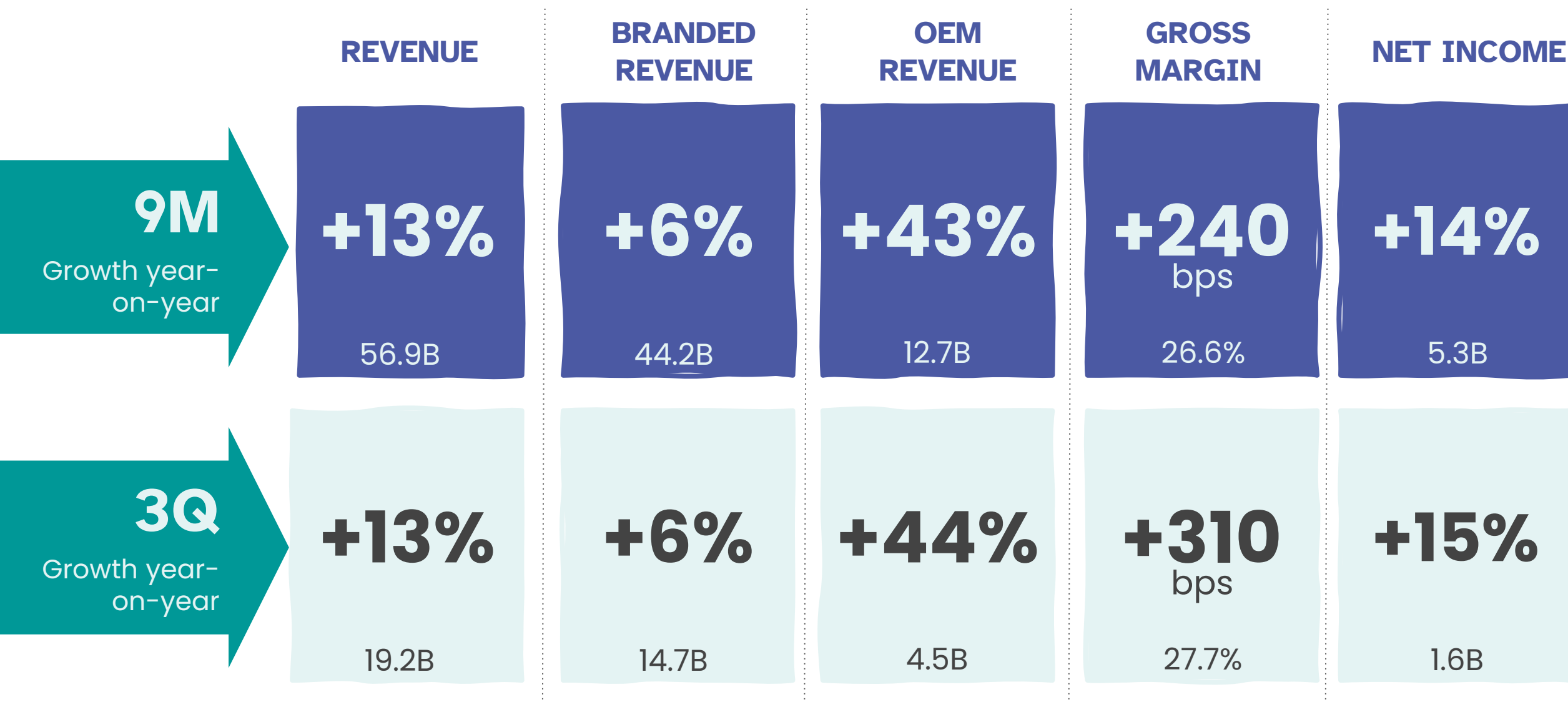




LATEST FINANCIAL PERFORMANCE



9M 2024 FINANCIAL RESULTS HIGHLIGHTS

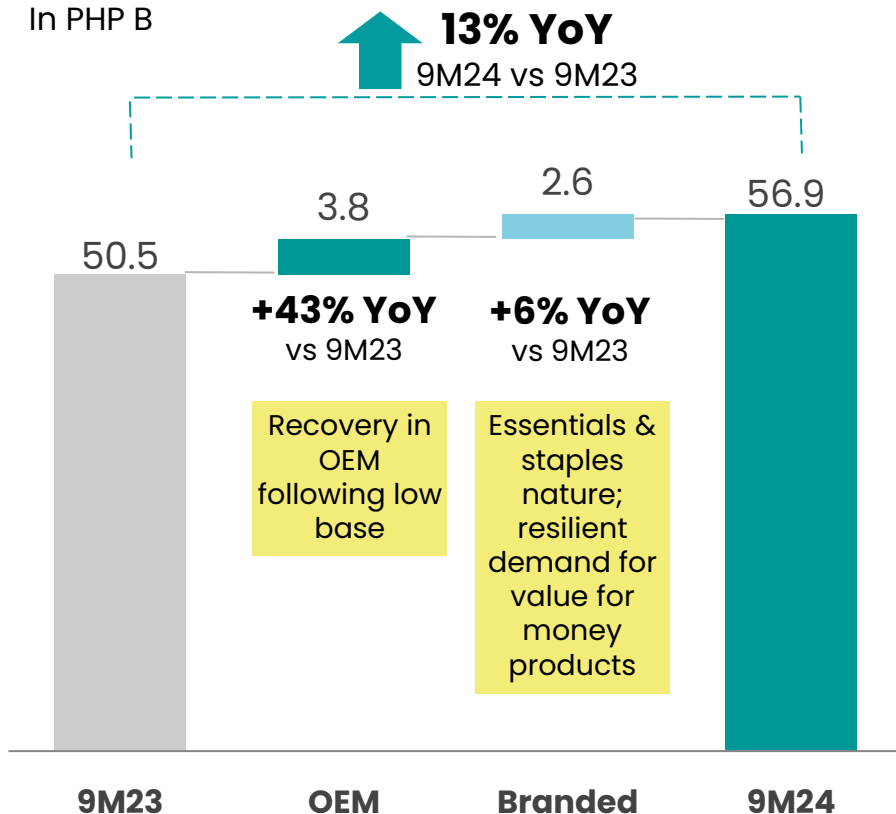


TOPLINE CONTINUES TO POST GROWTH AMIDST OEM RECOVERY AND BRANDED RESILIENCE



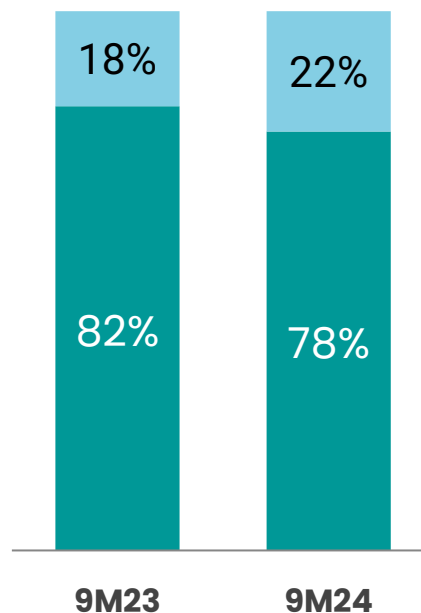
Revenue Growth Split

In PHP B



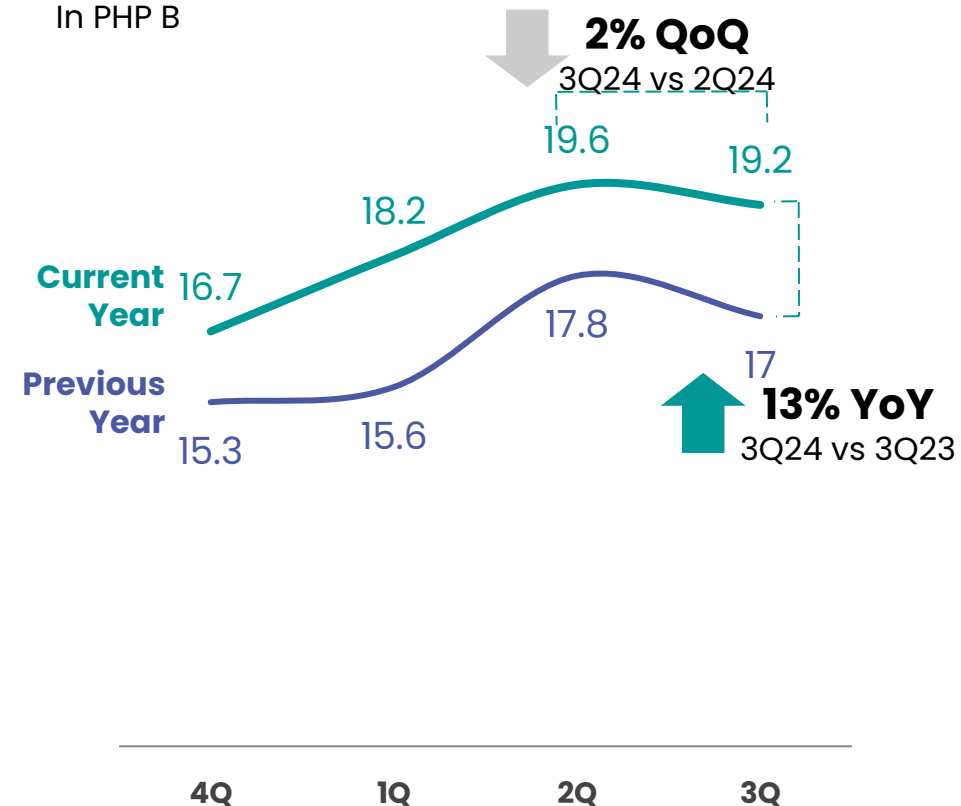
9M24 Revenue Breakdown

■ Branded ■ OEM



Quarterly Revenue Trend

In PHP B



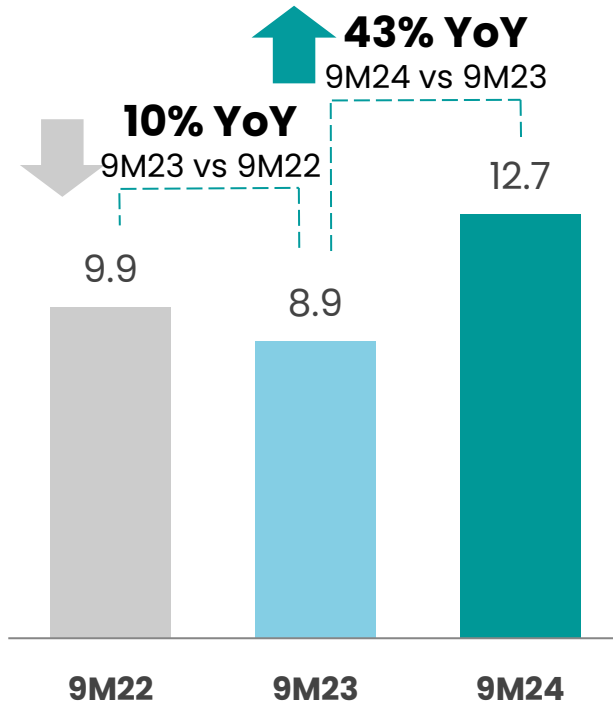
CNPF's topline performance primarily driven by the company's diversified, all-weather business model.

OEM TOPLINE CONTINUED TO RECOVER AS COMMODITIES EASE

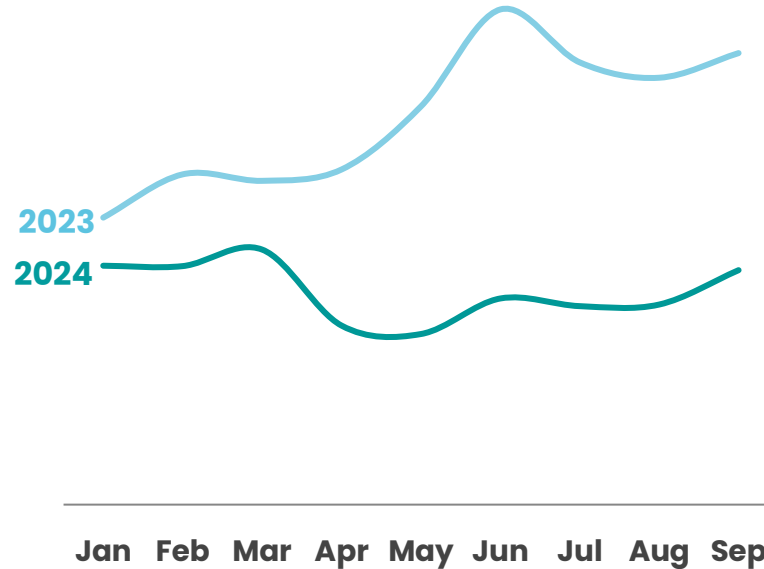


OEM YoY Revenue Trend

In PHP B

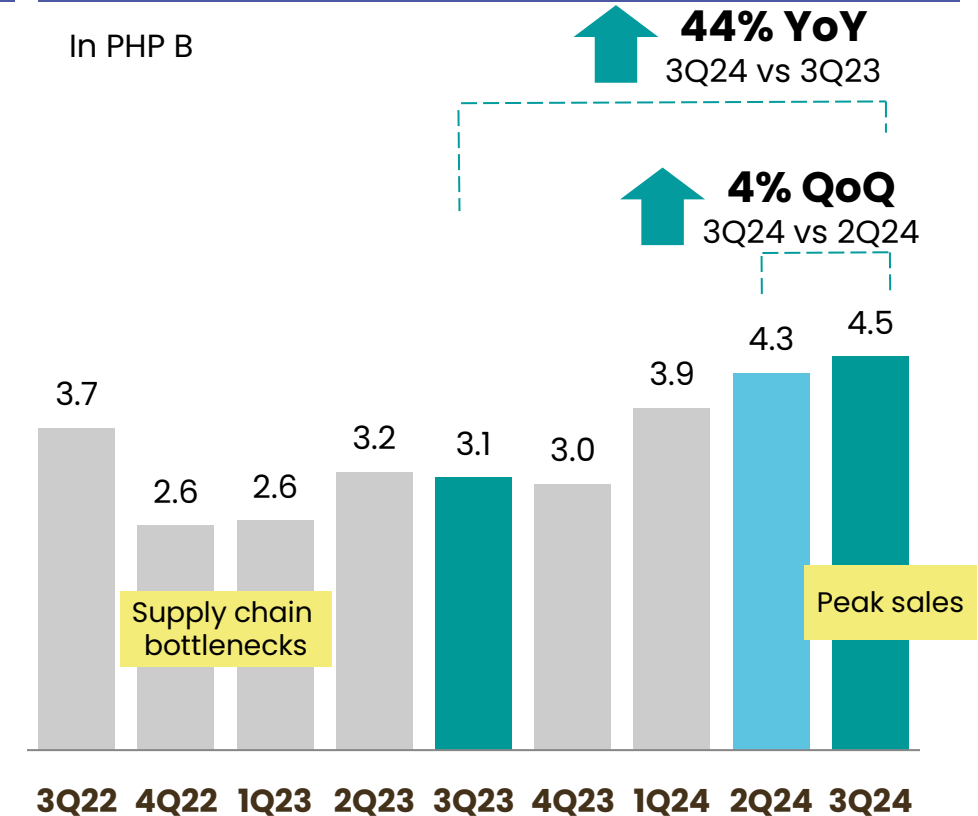


Skipjack Tuna Price Trend



OEM Quarterly Revenue Trend

In PHP B



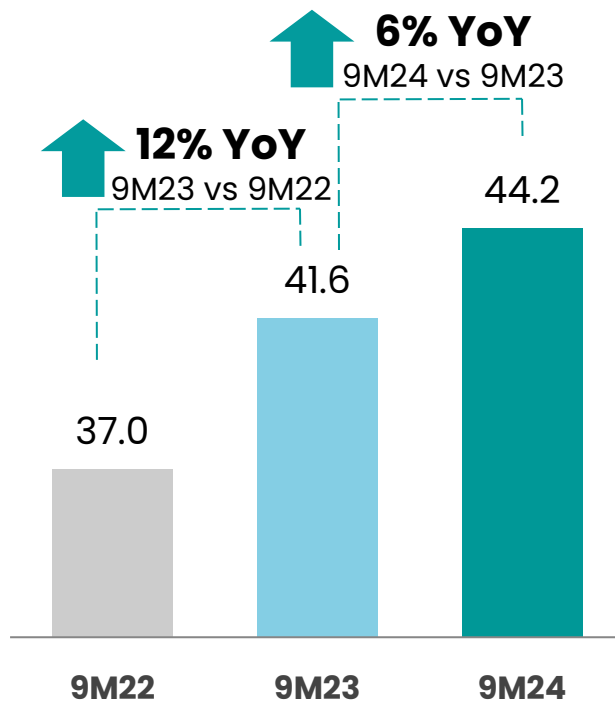
3Q 2024 OEM revenues at P4.5B, delivering **record sales** as an improving commodity environment and a favorable forex trend supported the OEM exports business recovery

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



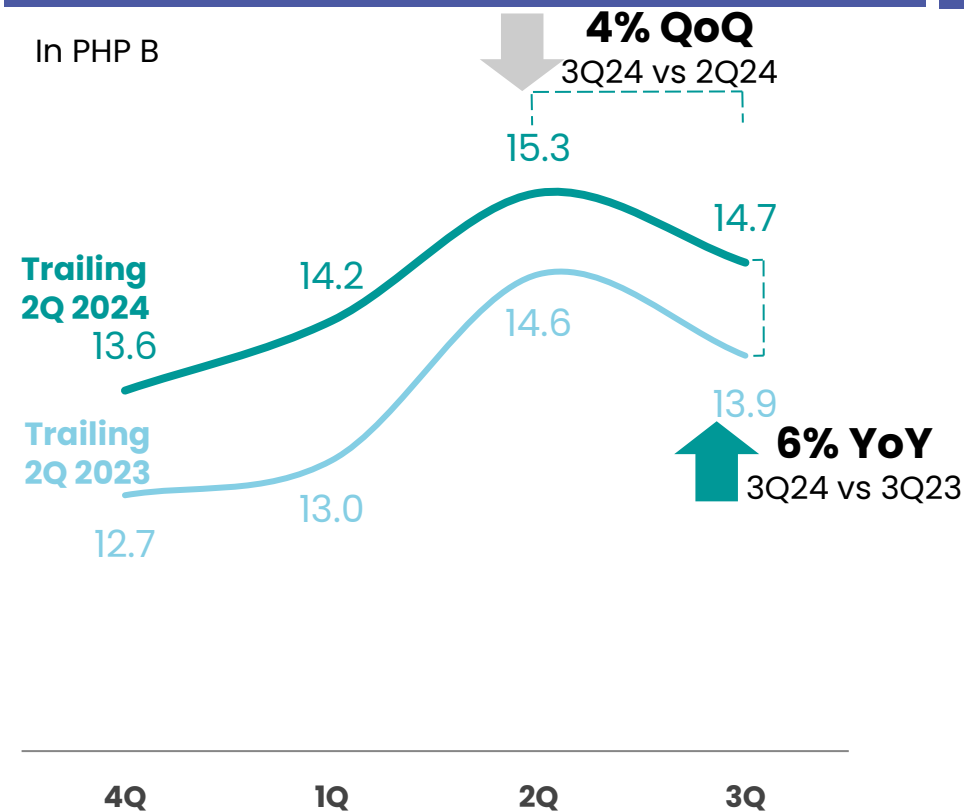
Branded YoY Revenue Trend

In PHP B



Branded Quarterly Revenue Trend

In PHP B



Market Share Trends

Canned Tuna



84% → 85%

+70 bps

Dec '23 - Sep '24

Corned Meat



51% → 52%

+100 bps

Dec '23 - Sep '24

Powdered Milk



28% → 28%

stable

Dec '23 - Sep '24

Source: Kantar, Nielsen

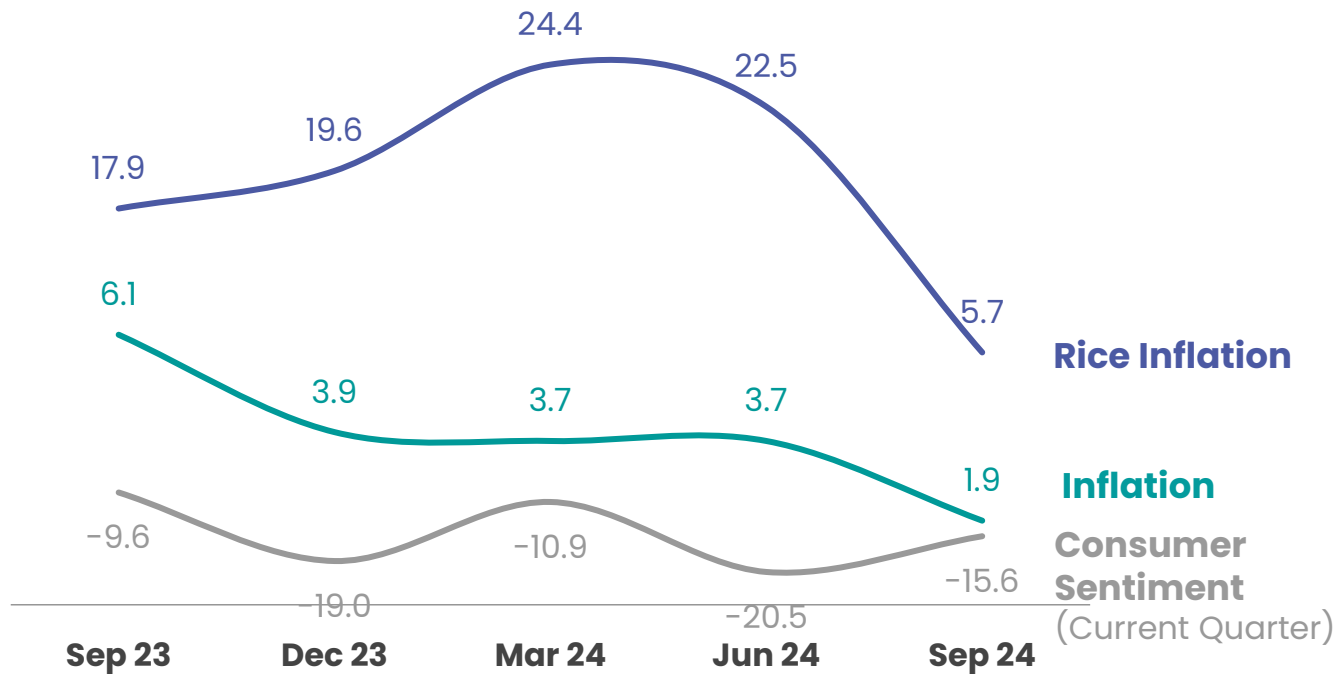
Branded revenues amounted to P14.7B in 3Q, **delivering topline growth** from a high base supported by consumers prioritizing staples and value for money goods

CONSUMERS LEARN TO COPE WITH INFLATIONARY PRESSURES, SUPPORTING DOMESTIC DEMAND



Inflation has come down as rice prices trend lower, but consumer sentiment has yet to improve significantly

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

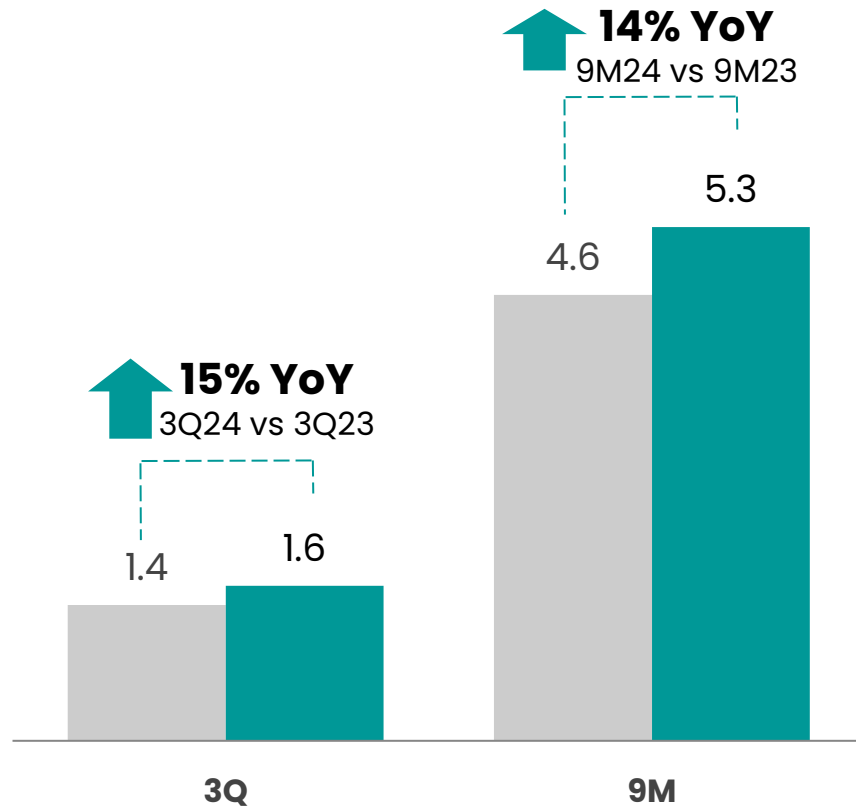
Consumers prefer time-tested and proven brands that deliver good value and address key consumer needs consistently

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



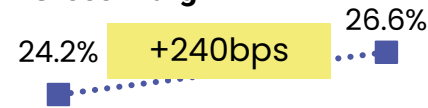
Sustained Net Income Growth

In PHP B



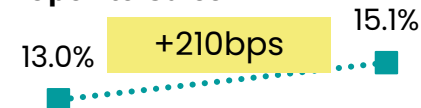
Margins Reflecting CNPF's Reinvestment Strategy

Gross Margin



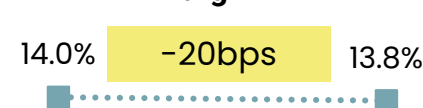
Gross margin improves YoY as input costs move favorably

Opex to Sales



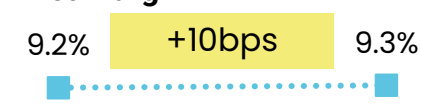
Higher opex to sales YoY as margin gains were reinvested in demand generating and market share building activities

EBITDA Margin



Slight dip in EBITDA margins YoY, with opex investments offsetting margin expansion

Net Margin



Modest improvement in net margins reflecting lower interest expenses

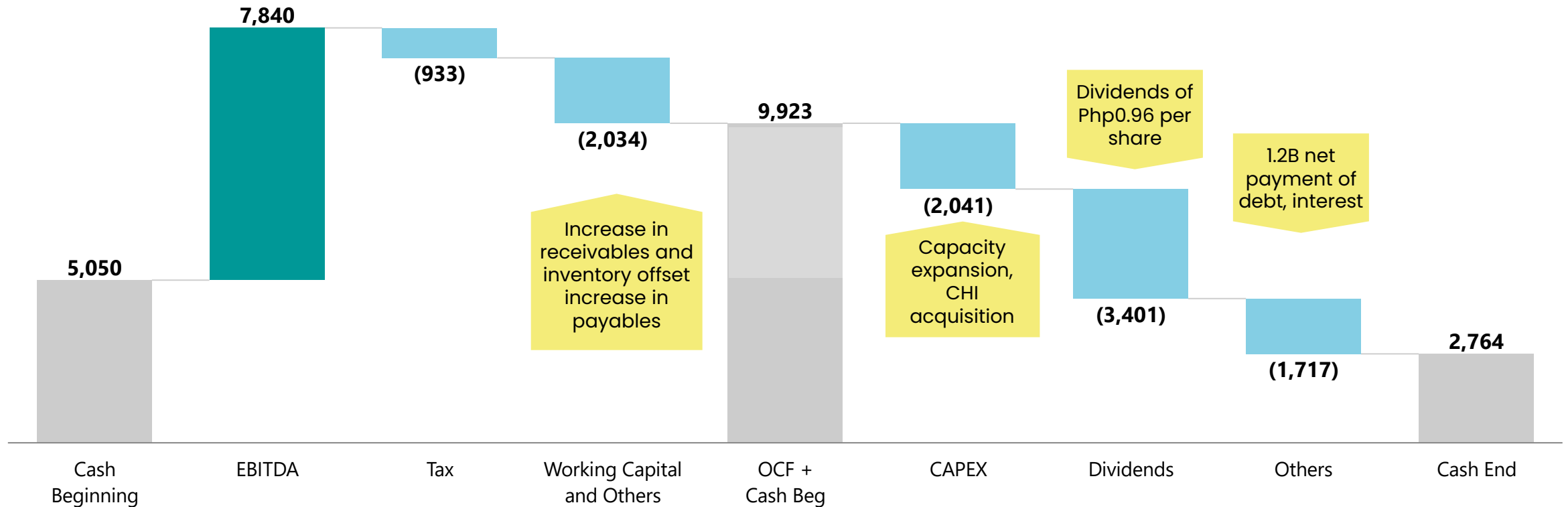
Amidst a dynamic operating landscape, net income grew in lockstep with topline as improvements in gross margins are reinvested in operating expenses.

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



9M 2024 Cash Flows

In PHP M



CNPF ended 9M24 with a healthy cash position, with ample levels to reinvest in growth even after debt repayments, higher dividends paid, and the coconut facility expansion



BUSINESS HIGHLIGHTS & FY 2024 OUTLOOK



STEADFAST IN OUR STRATEGIC GROWTH PILLARS



**STRENGTHEN
OUR BRANDS**



DIVERSIFY



**FUTURE-
PROOF**



**PROSPER
SUSTAINABLY**



BRAND BUILDING AND DEMAND GENERATING ACTIVITIES TO SUPPORT GROWTH



Strengthened Communications for Core Brands

The collage features three main panels for the Argentina Corned Beef campaign. The top-left panel shows a man smiling while eating, with the text 'SARAP NA HINAHANAP-HANAP!' and 'BUSOG ANG ARAW-ARAW KO!'. The top-right panel shows a man eating, with the text 'TARA, ACB NA!' and 'MADE WITH 100% REAL BEEF'. The bottom panel shows a man eating, with the text 'SARAP NA HINAHANAP-HANAP!' and 'BUSOG ANG ARAW-ARAW KO!'. The Argentina Corned Beef logo is visible in the top-left corner.

Argentina Corned Beef Campaign

Promotional Bundles & Deals in Retail



- In addition to value, highlighting consumer preference for Argentina Corned Beef
- Giving back to the consumer via various promotions in trade

BRAND BUILDING AND DEMAND GENERATING ACTIVITIES TO SUPPORT GROWTH



Communications to Support Growth of Dairy Business



Angel x BINI Holiday Campaign



Birch Tree Fortified Campaign



- Launching Angel holiday campaign with leading celebrities
- Leveraging company-wide portfolio to recruit premier endorsers across brands

SUPPORTING INNOVATIONS AND DIVERSIFICATION ACROSS THE PORTFOLIO



Diversifying and Future-Proofing the Business



Expanding refrigerated line with Century Tuna Nuggets



Enhancing regional play in VisMin with Wow Meaty Corned Beef



Reinforcing communications for Birch Tree Advance



Entering new categories in pet food with Goodest dry range

- Re-invest in the business by launching relevant innovations, generating awareness and trial, and increasing the brands' footprint where it matters

INVESTING IN CAPACITY



Acquisition of Coco Harvest, Inc.



At least 1,500 quality manufacturing jobs

With expected increase in demand for plant auxiliary services



Diversified raw material sourcing

While providing market access to coconut farmers in the region



Room for further expansion

To serve requirements for both OEM and domestic branded businesses

EMBRACING SUSTAINABILITY AND GOOD GOVERNANCE PRACTICES



Balancing the Needs of Stakeholders & Thinking Win-Win

Launched Save Our Coconuts Program with Coco Mama to aid smallholder coconut farmers

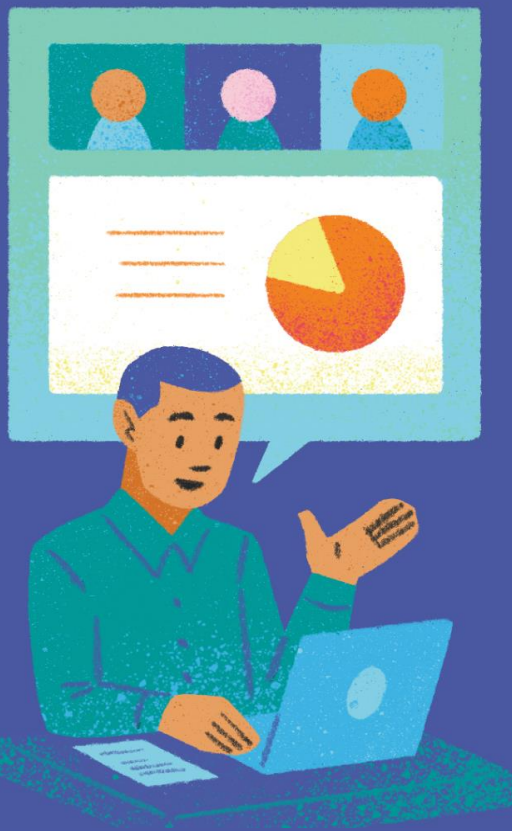


Received Two Golden Arrows from the Institute of Corporate Directors for upholding ACGS standards





THANK YOU!



Consumer Staples Sector, Rest of Asia

3rd PLACE Best Company Board - Buyside
Best CEO - Overall

Ted Po

Best CFO - Overall

Chad Manapat

Best Investor Relations - Overall

2nd PLACE Best CEO - Buyside
Ted Po

Best CFO - Buyside

Chad Manapat

Best ESG - Overall & Buyside

Best Investor Relations - Buyside

Best IR Team - Buyside

Best IR Professional - Buyside

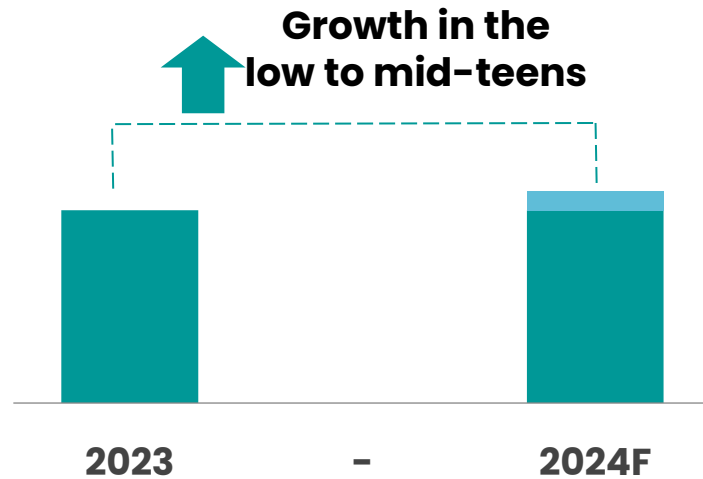
Dappy Tecson

2024 OUTLOOK

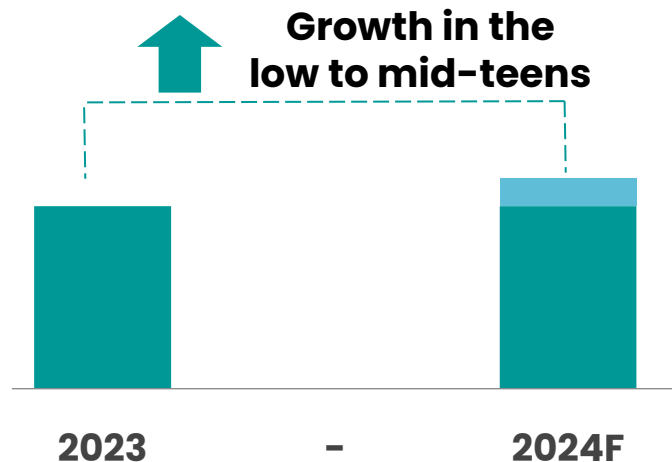


2024 Outlook

Topline



Bottomline



2024 Growth Drivers

- 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

2024 Capex Guidance

Close to Php 3 Billion, considering coconut facility expansion program

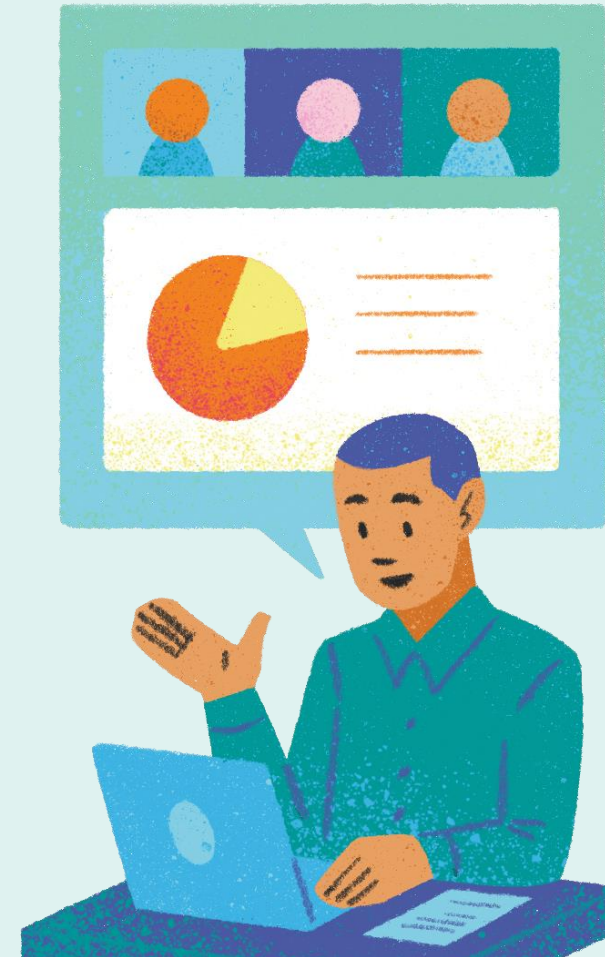
2025 PRELIMINARY OUTLOOK



10–15% TOPLINE & BOTTOMLINE GROWTH

Demand to remain resilient as inflationary pressures ease

Balancing margin movements and opex spending to deliver bottomline growth in lockstep with topline growth



KEY TAKEAWAYS



ON TRACK TO DELIVER LOW TO MID-TEENS 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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NOVEMBER 2024





ANNEX





OTHER FINANCIALS

9M 2024 SUMMARIZED P&L



In PHP Mill	9M 2023	9M 2024	Change YoY
Net Revenues	50,450	56,948	13%
Cost of Sales	38,238	41,791	9%
Gross Profit	12,212	15,157	24%
Operating Expenses	6,553	8,617	31%
Operating Income	5,795	6,470	12%
EBITDA	7,062	7,840	11%
Financing Cost	355	260	-27%
Income before Tax	5,440	6,210	14%
Income Tax	809	933	15%
NET INCOME	4,631	5,277	14%
EARNINGS PER SHARE	1.31	1.49	14%
Margins (%)			
Gross Profit	24.2%	26.6%	+2.4 pps
Operating Expenses	13.0%	15.1%	+2.1 pps
Operating Income	11.5%	11.4%	-0.1 pps
EBITDA	14.0%	13.8%	-0.2 pps
Net Income	9.2%	9.3%	+0.1 pps

- Revenues grew 13% mainly driven by OEM recovery
- Branded up 6% as **demand remains resilient**, driven by essentials and staples nature of portfolio
- OEM up 43% **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

9M 2024 SUMMARIZED BALANCE SHEET



In PHP Mill	FY 2023	9M 2024
Cash	5,050	2,764
Receivables	9,387	11,542
Inventory	16,902	20,218
Current Assets	34,476	38,280
PPE	8,980	9,248
Non-Current Assets	17,066	18,196
TOTAL ASSETS	51,542	56,475

- **Cash conversion cycle** at 95 days, stable versus 97 days as of end-2023

In PHP Mill	FY 2023	9M 2024
Trade and Other Payables	10,452	14,559
Notes Payable - Current	2,877	1,677
Long-Term Loan	3,157	3,147
TOTAL LIABILITIES	18,692	21,752
Retained Earnings	24,283	26,170
TOTAL EQUITY	32,851	34,723
BVPS (PHP/share)	9.27	9.80

- Interest-bearing loans totaling PHP4.6 billion **all peso-denominated**
- Increase in retained earnings driven by 9M 2024 consolidated **net income** of PHP5.3 billion net of PHP3.4 billion dividends declared

9M 2024 SUMMARIZED CASH FLOW



In PHP Mill	9M 2023	9M 2024
Profit before Tax	5,440	6,210
Depreciation & Amortization	1,267	1,369
Working Capital Change	(1,189)	(2,030)
Income Tax	(809)	(933)
Others	353	257
OPERATING CASH FLOWS	5,061	4,873
Capital Expenditures	(1,132)	(2,041)
INVESTING CASH FLOWS	(1,123)	(2,039)
Interest Paid	(355)	(260)
Change in Debt	(510)	(1,210)
Dividends and Others	(1,665)	(3,651)
FINANCING CASH FLOWS	(2,530)	(5,121)
NET CHANGE IN CASH	1,408	(2,286)
CASH, ENDING	3,557	2,764
FREE CASH FLOW	3,929	2,832

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

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

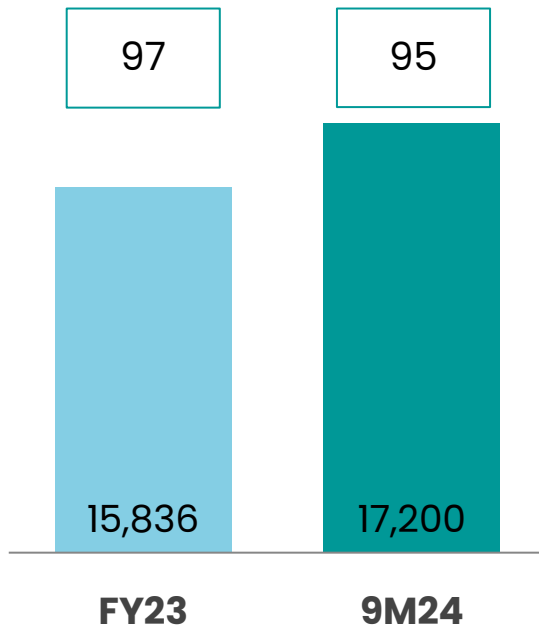
- Capital expenditures as of 9M 2024 include **acquisition of coconut facility**

- **Dividends** paid in 2024 **higher by 140%** vs 2023

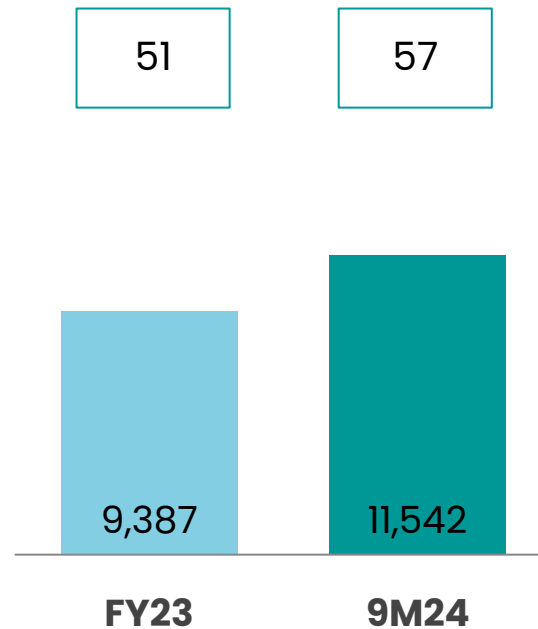
CCC STABLE VS YE 2023



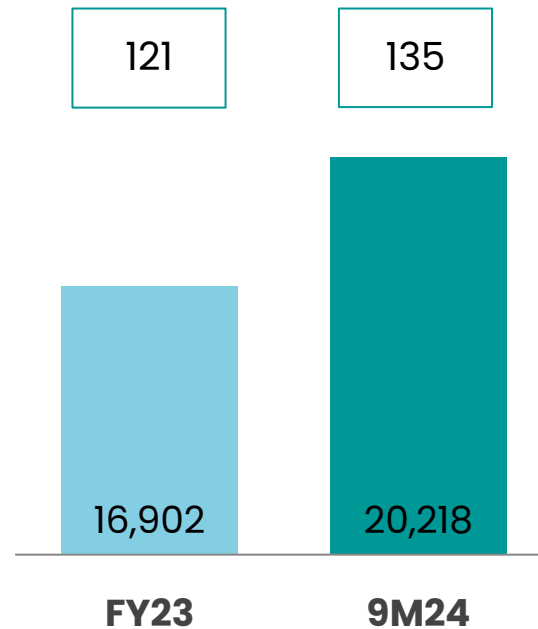
Working Capital & Cash Conversion Cycle



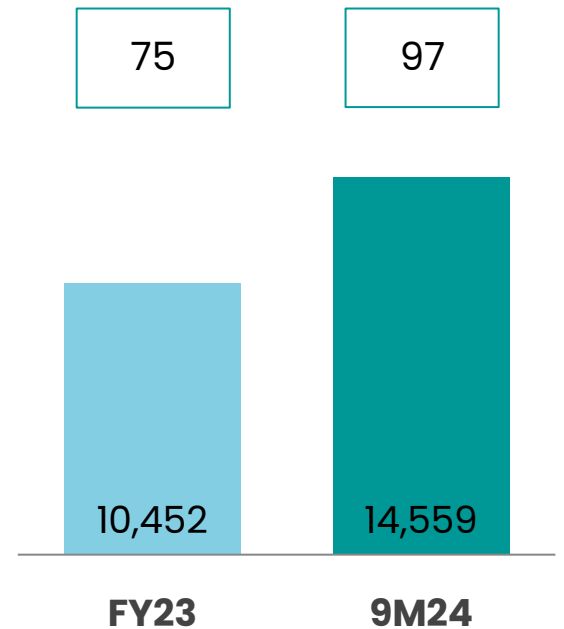
Receivables & Receivable Days



Inventory & Inventory Days



Payables & Payable Days*

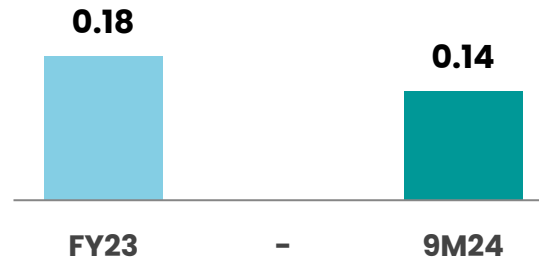


- Cash conversion cycle at 95 days as **increase in payable days offset increase in both receivable days and inventory days**

FINANCIAL RATIOS

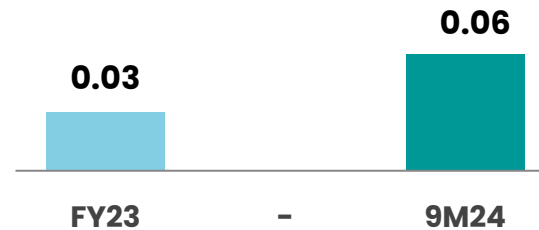


Gearing (x)



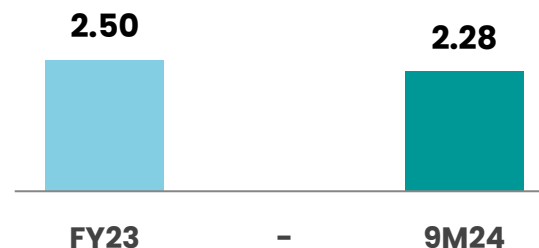
- Decrease in gearing ratio due to **decrease in debt**, comfortable levels maintained

Net Gearing (x)



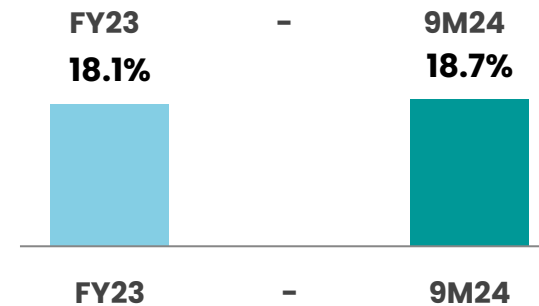
- Slightly higher net gearing ratio as **cash is used for dividends and acquisitions**

Current Ratio (x)



- Current ratio decreased vs YE figure driven by faster growth in payables

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




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