

Century Pacific Continues Growth Trajectory in 3Q24
Year-to-date Revenues Increase by 13% as OEM Exports Recover and Branded Remains Resilient
Net Income Rises by 14% Year-on-Year

- *9M24 consolidated sales improved by 13% from the same period last year driven by the outperformance of CNPF's OEM Exports business.*
- *OEM Exports continued to recover, posting a year-on-year (yoy) growth rate of 43% in 9M24 and 44% in 3Q24.*
- *The Branded Segment remained resilient amid a soft consumer environment, posting a volume-led growth of 6% yoy for both the nine-month period and the third quarter of the year.*
- *Year-to-date profits improved by 14% versus 9M23, nearly in lockstep with topline, with gross margin gains ploughed back into the business to fuel topline growth.*

Century Pacific Food, Inc. (PSE:CNPF), one of the leading branded food companies in the Philippines, posted sustained double-digit growth performance for the first nine months of 2024. The company generated Php 56.9 billion in consolidated sales, up by 13% compared to the same period last year due to the outperformance of the OEM Exports business and continued resilience in the Branded segment. Net income amounted to Php 5.3 billion, increasing by 14% yoy. Profits grew in line with sales, with gross margin improvements reinvested in operating expenditures to drive topline growth.

CNPF's third quarter sales likewise increased by 13%, while net income rose by 15%, a close reflection of its year-to-date performance.

Majority of CNPF's revenues stem from the Branded business – composed of Marine, Meat, and Milk & Other Emerging segments. Amid a soft consumer environment, the segment continued to post sustained growth, supported by a diverse portfolio of brands spanning progressive price tiers.

Meanwhile, the OEM Exports business, captures both the Tuna and Coconut exports. Coming from a soft 2023, the segment saw an upswing in 2024 as commodity prices and forex trended favorably compared to the same period the year before.

Chad Manapat, CNPF's Chief Financial Officer, said, "We are grateful to be able to deliver consistent, volume-led growth for the first nine months of 2024. Our operating landscape faced multiple crosswinds—from inflationary pressures straining domestic demand to improving commodities aiding exports recovery. This performance reflects the resilience of CNPF's all-weather, diversified business model, which enables us to adapt to varying market conditions."

According to Manapat, the Company had more elbow room to support consumer demand thanks to gross margin gains. For the 9-month period, gross margins expanded by 240 basis points (bps) to 26.6% as input costs improved. Gains were reinvested into operating expenses to fund demand-generating activities, brand-building programs, innovations and sustainability initiatives.

During the third quarter, CNPF rolled out new, endorser-backed campaigns for Argentina and Birch Tree Advance and continued to double down on value for money offerings and promotions. New innovations were launched such as the Century Superkids Crispy Tuna Nuggets and Wow Meaty Corned Beef. Goodest Pet Food also expanded its range with new products.

As a result of the Company's reinvestment efforts, earnings before interest, taxes, depreciation, and amortization in 9M24 improved by 11%. Net income rose by 14%, leading net margins, which stood at 9.3%, to modestly improve by 10bps.

CNPF's performance generated healthy operating cashflow for first three quarters of the year, amounting to Php 4.9 billion. This allowed the company to fund the acquisition of Coco Harvest, Inc. (CHI), thereby increasing its coconut processing capacity. CHI is a fully integrated coconut facility in Misamis Occidental that will support CNPF's Branded and OEM Coconut exports businesses. The new facility is expected to open up more than 1,500 quality manufacturing jobs. Furthermore, it will help stimulate the local economy by increasing the demand for plant auxiliary services and providing market access to coconut farmers in the region. The group likewise released regular and special dividends totaling Php 3.4 billion to provide its shareholders with decent returns.

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Manapat shared, "As the year nears its conclusion, we remain committed to executing the plans and finishing strong in 4Q24. Apart from our seasonal promotions, brand-building campaigns are in motion, especially for the Dairy business, which feature BINI, a leading Philippine pop group, and Coco Martin, one of the premier actors in the country."

"We affirm our low to mid-teens growth outlook for both revenues and profits this year. With 2025 on the horizon, we are in the midst of planning to ensure that we deliver growth at a sustainable pace. We approach 2025 with cautious optimism as macroeconomic conditions improve and look forward to unlocking new opportunities – all in line with our mission of providing affordable nutrition to our consumers," he concluded.