



CENTURY PACIFIC FOOD, INC.

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PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue

Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

RE: **PRESS RELEASE** – Century Pacific revenues up 17% on the back of sustained branded sales growth; Earnings maintain its momentum at plus 7%

Please be informed that Century Pacific Food Inc (CNPF) is issuing the attached press release entitled “Century Pacific revenues up 17% on the back of sustained branded sales growth; Earnings maintain its momentum at plus 7%”

Very Truly Yours,

GIOVANNA M. VERA

Head - Investor Relations



CENTURY PACIFIC FOOD, INC.



Century Pacific revenues up 17% on the back of sustained branded sales growth; Earnings maintain its momentum at plus 7%

Century Pacific Food Inc (CNPF), the Philippines' largest canned food company and leading exporter of original equipment manufacturer (OEM) tuna and coconut products, saw consolidated revenues increase by 17% in the first 9 months of 2018 on the back of sustained branded sales growth.

Revenues during the period hit Php29.5 billion, with the branded business accounting for 75% of total sales.

"Amidst the more challenging environment, branded continues to show very healthy growth. This remains driven by higher volumes - a trend we've been seeing for a number of quarters now," said Oscar Pobre, CNPF's Chief Finance Officer.

Branded sales stood at Php22.0 billion for the nine months ending September 2018, 22% higher versus the same period last year. The third quarter alone saw branded revenues at Php7.6 billion, sustaining the record high sales number from the quarter before.

Pobre added, "Apart from improvements in distribution, we think the consistency in our branded revenue growth reflects both the nature of our products as consumer staples, as well as the strong loyalty to our brands. The broad based increase in sales, seen across both core and emerging categories, will hopefully sustain our growth pipeline for the foreseeable future."

Revenues from the OEM business, 25% of total, were also up 3% to Php7.5 billion in the nine months ending September despite a high base last year.

All in all, CNPF sustained its earnings growth momentum, posting a 7% increase in net income for the period ending September 2018. This brought total net income to Php2.4 billion for the most recent nine month period.

In terms of profitability, the Company's gross margin stood at 25.9% as of end September 2018, flattish relative to the year before. This led to an increase in gross profit of 18% versus last year.

However, margins were pressured sequentially as key raw materials, packaging, and financing costs rose on a quarter on quarter basis.

"As expected, we saw margin compression this third quarter relative to the first half of 2018. However, profitability metrics continue to remain stable on a year on year basis, despite the rising costs that most Philippine companies are currently facing," said Pobre.

In the nine months ending September 2018, earnings before interest, taxes and depreciation grew at 10% year-on-year, slower than gross profit, due to increased expenses brought about by support for the Company's brands, investments in supply chain, and higher operating costs.

Pobre added, "We continue to invest in our business as part of a long term strategy to deliver consistent earnings growth. This is also an indication that we remain positive on the Philippines and the Filipino consumer, and look forward to further taking advantage of increases in consumption."

The Company also maintained its strong balance sheet and financial flexibility with gearing and net gearing ratios at 0.32x and 0.26x respectively. The Company's return on equity likewise remains healthy at 18% as of the same period.

About CNPF

Century Pacific Food, Inc. (PSE: CNPF), the Philippines' largest canned food company, is engaged in the development, marketing, and distribution of processed fish, meat, dairy, and coconut under its own brands, as well as the brands of others. It maintains market leadership locally in the canned fish and canned meat segments, while actively growing its presence in canned and powdered milk. With an established track record in brand-building spanning close to 40 years, it has developed a roster of household names which include *Century Tuna*, *Argentina*, *555*, *Angel*, and *Birch Tree*.

The Company is also a leading exporter of OEM tuna and coconut products in the Philippines.