

# President's Report

**Christopher T. Po**  
President



**SIGNIFICANT ECONOMIC POTENTIAL  
AND LONG TERM SUSTAINABLE GROWTH**



**CENTURY PACIFIC FOOD, INC.**



**STABLE MACROECONOMIC  
FUNDAMENTALS**



Steps towards  
ASEAN integration



**GOVERNMENT COMMITTED  
TO ECONOMIC & POLITICAL REFORM**



Anti-corruption campaigns  
High government spending  
PPP campaigns



**ADVANTAGEOUS  
DEMOGRAPHICS**



World's 3rd largest  
English-speaking population



**STRONG PRIVATE  
CONSUMPTION**



**5.4%** YoY  
increase

(KMC Mag Group 2015)



**8 CITIES AMONG THE WORLD'S  
TOP BPO DESTINATIONS**



**#2** Manila  
**#8** Cebu

(Tholons 2015)



**6.2% INCREASE IN  
OFW REMITTANCES**



**\$26B** From 10M Filipinos

(KMC Mag Group 2015)



**102M POPULATION  
GROWING 1.7%  
ANNUALLY. 50%  
BELOW 25YO**



**6%++ DP GROWTH  
FOR THE PAST 5  
YEARS.**



**INFLATION IS  
DOWN TO LESS  
THAN 3%.**

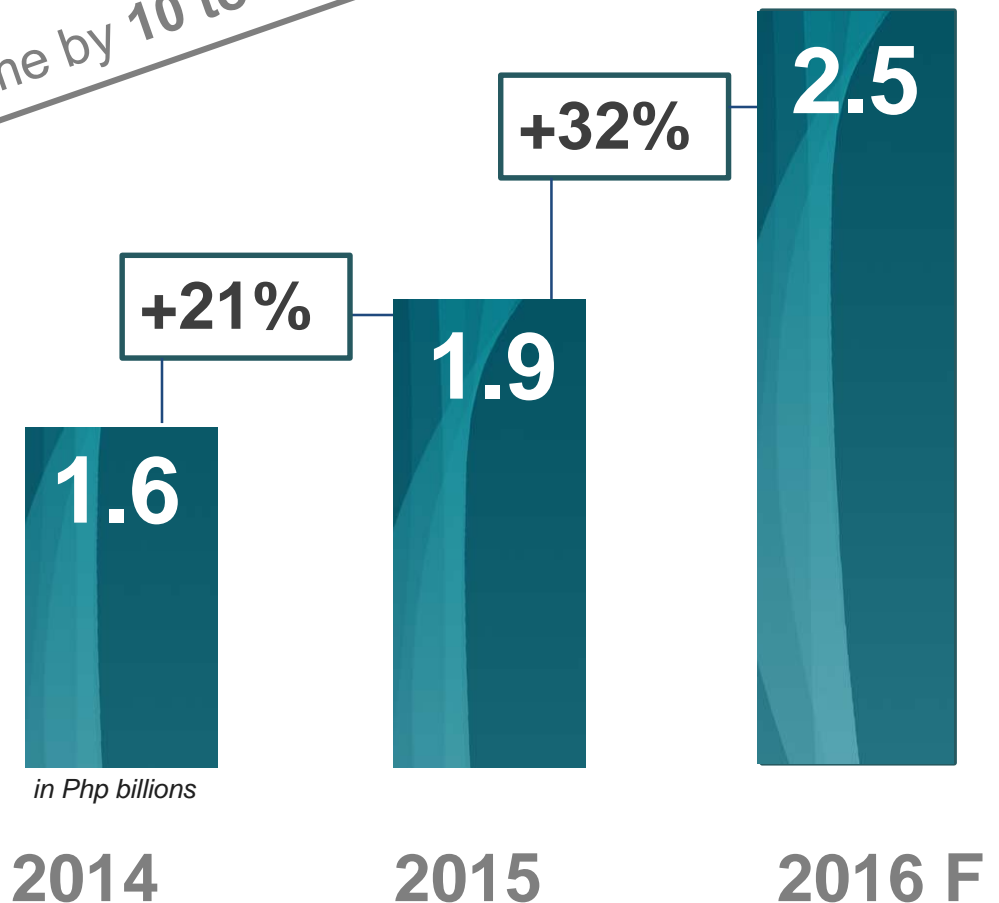
**The Philippine  
economy  
continues to  
thrive despite  
global  
headwinds**

**Domestic  
consumption  
remains the  
primary driver**

# 2015 was another remarkable year for CNPF...

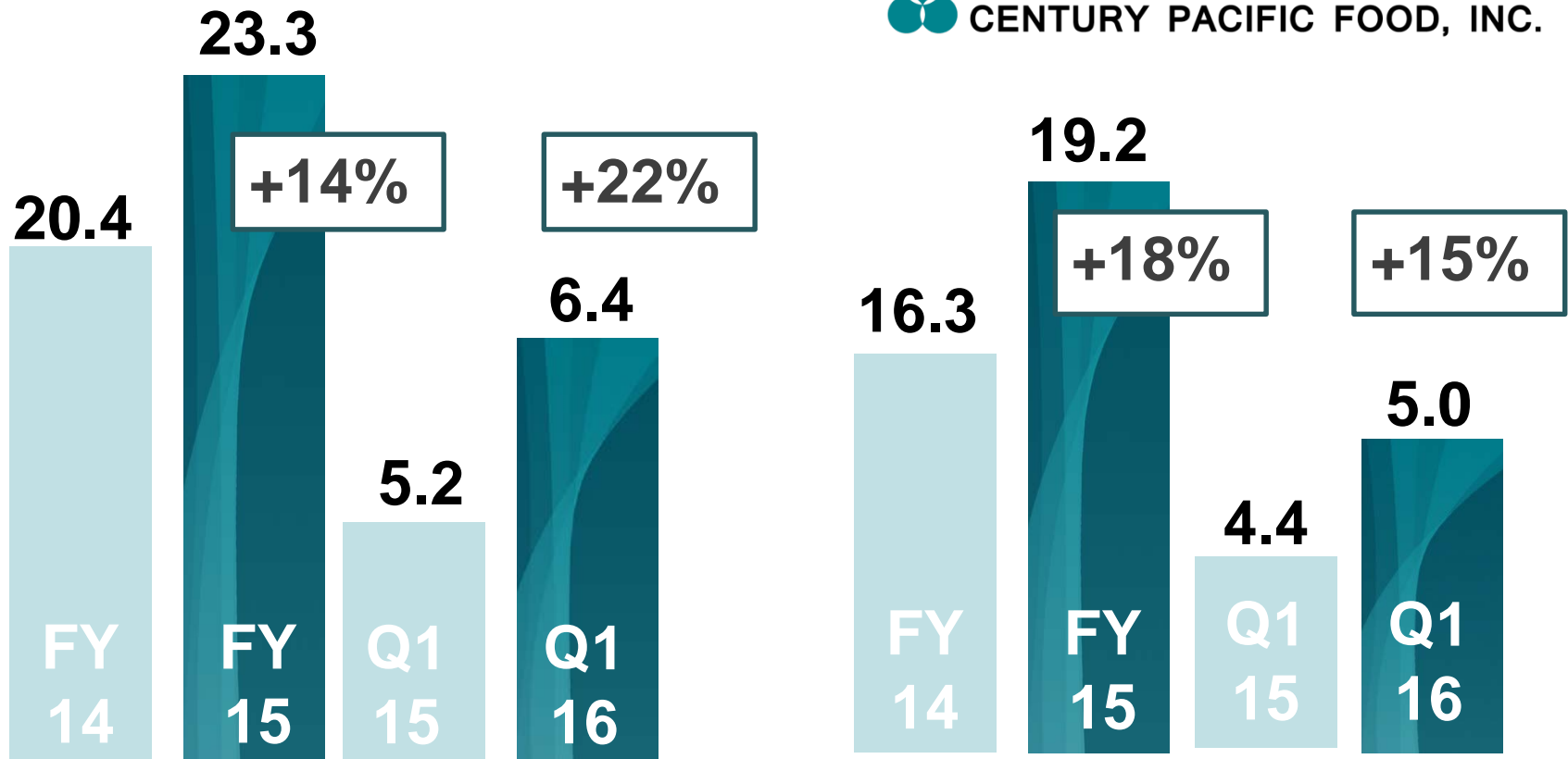
Goal of growing Net Income by 10 to 15% a year

Positive momentum continues through the first half of 2016



# Significant Milestones of the Group

- 1** Consistent double digit top and bottom line growth for core business
- 2** Exciting prospects for food service and global brands
- 3** Optimizing manufacturing and sales operations
- 4** Acquisition of new business line
- 5** Strong balance sheet and improving shareholder returns



Figures in Php billions

### Total Revenues

### Branded Revenues



**Consistent double digit top and bottom line growth for core business**



**38%**  
of CNPF  
Revenues  
Q1 2016

**86%** **#1**  
Share Of  
Canned Tuna  
Market  
As of Q1 2016  
Source: Nielsen

**239**  
Stock  
Keeping  
Units

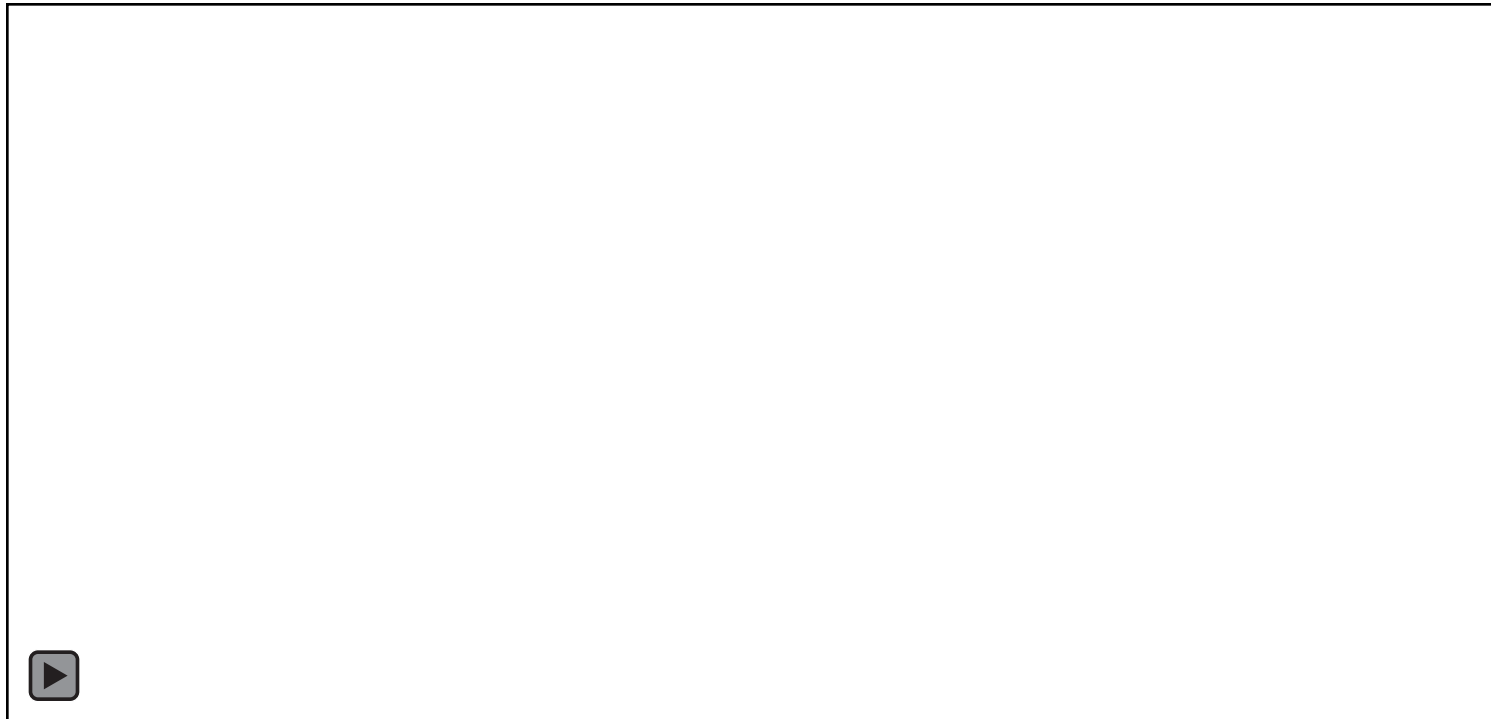
**4**  
Canned Tuna  
Brands  
As of Q1 2016

**Marine**

**Growing a premium category while cementing dominant market leadership**



# Selling Canned Tuna via the *Supebods* brand equity



One of the drivers of health and wellness trends

# Reinventing Canned Sardines

## via the most talked about viral celebrity



**160 M+**  
impressions earned

**123%**  
video completion rate

In less than 24 hrs, hashtag trended with over

**330,000**  
**mentions**

Organic views was higher than paid views by

**more than 100%**

Organic: 459,373 & Paid: 266,437 - during launch

**500,000+**

TOTAL CONVERSATIONS ABOUT THE BRAND

**10,000**

Followers gained in just one day

# Meat

**29%**  
Of CNPF  
Revenues  
Q1 2016

**47%** **#1**  
Share of  
Corned Beef  
Market  
As of Q1'16

Source: Nielsen



**90**  
Stock  
Keeping  
Units

**34%** **#1**  
Share of  
Luncheon  
Meat Market  
As of Q1 '16

Source: Nielsen

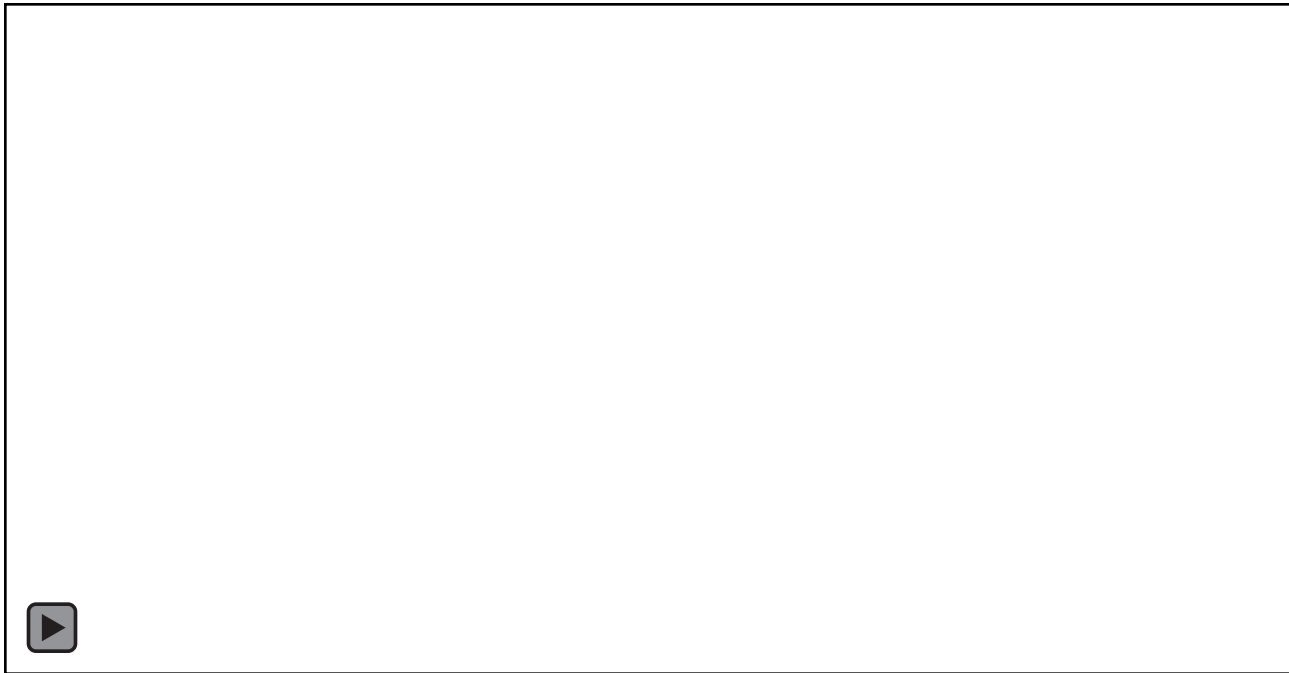


**A broad product portfolio with  
opportunity to gain market share**



Positioning for a rapidly  
*premiumizing* market by  
activating a high-end brand

# Continuing to strengthen foothold in mass market segment



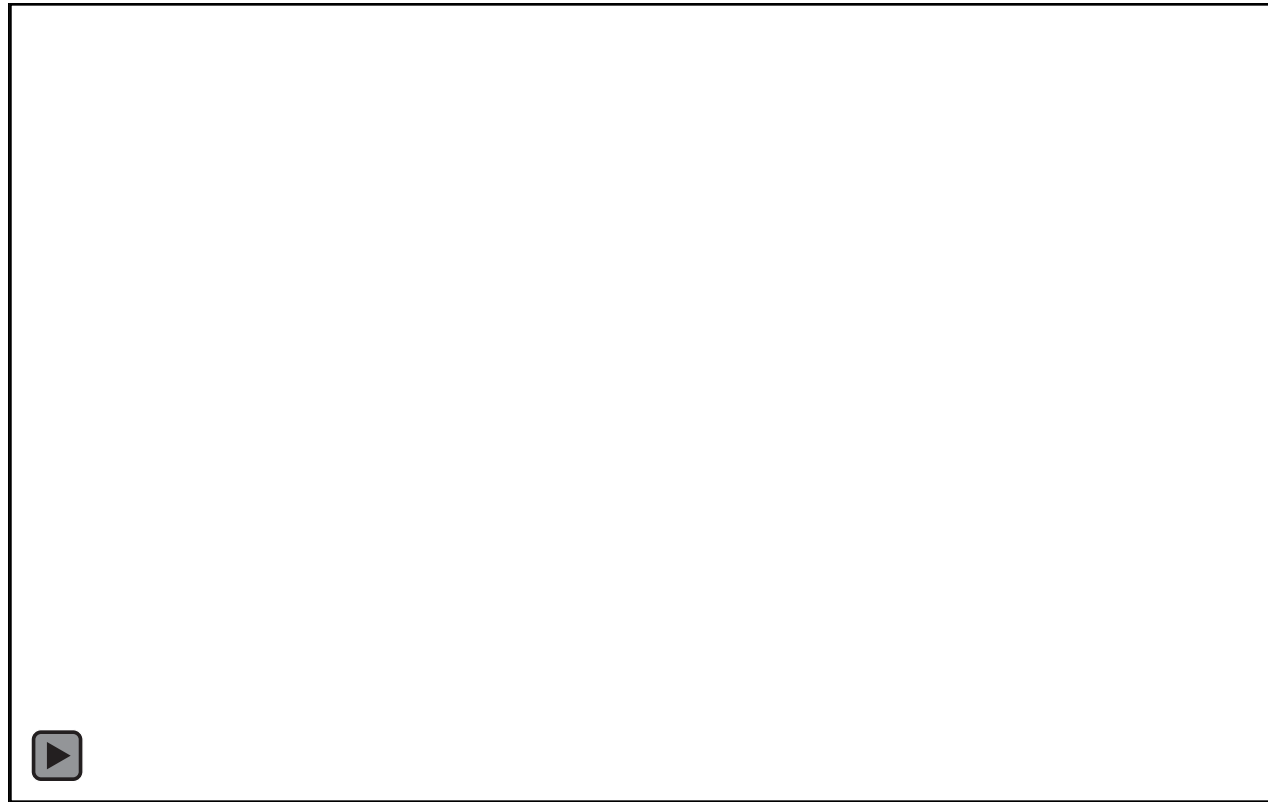
Investing in strong challenger brands and focusing on R&D driven innovation in order to benefit from a fast growing market

**Milk**

**2nd Largest**  
Player in various categories

**12%**  
Of CNPF Revenues  
Q1 2016

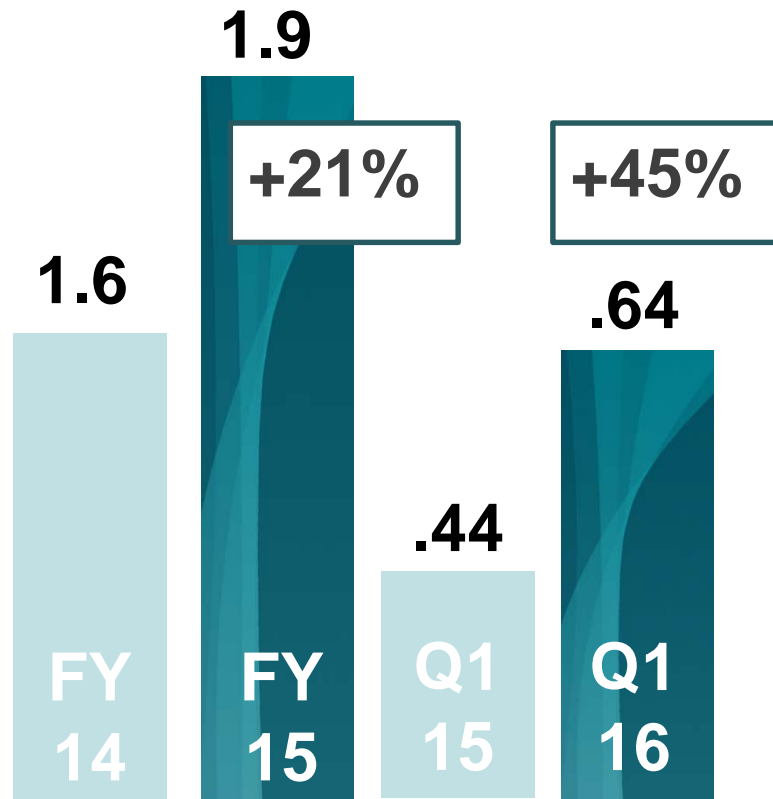




**Making in-roads in mainstream drinking milk via a heritage brand**



**Making in-roads in mainstream drinking milk via a heritage brand**



Figures in Php billions

## Total Net Income

- Subdued raw material costs and successful buying strategies
- Increased revenue contribution from higher margin segments
- Improved sales mix

1

**Consistent double digit top and bottom line growth for core business**

# 2 Exciting prospects for food service and global brands



 Export Presence

**8**  
Offshore Toll  
Manufacturers  
For CNPF  
Products

**58**  
Countries  
Availability of  
CNPF Products

**14**  
**Stock Keeping Units**  
 Exclusively for Export

**18%** **#3**  
**Share Of Canned Tuna Market**  
 In the Middle East



**Breaking country barriers with an international marketing & distribution strategy**



2

## Exciting prospects for food service and global brands

**12,000**

Food Service Outlets

As of Q1 2016

**3,500**

Food Service Accounts



**FamilyMart**

Growing participation in a  
c. Php350 billion industry

Source: Euromonitor

3

# Optimizing manufacturing and sales operations

 CENTURY PACIFIC FOOD, INC.



New cold storage facility in General Santos



3

# Optimizing manufacturing and sales operations

**281k**  
Serviced  
Accounts  
Nationwide

**60%**  
Of all  
Philippine  
Points of Sale  
Product Availability

**41**  
Distributor  
Sites  
Nationwide

**188**  
Sales  
Personnel  
As of end 2015



**4**

## Acquisition of new business line



### Century Pacific Agricultural Ventures Inc.

- Integrated Producer of Coconut Products for the Export Market
- Acquisition price at a discount to third party valuations
- Immediately EPS accretive in 2016
- Contributing double digit top line and bottom line growth for CNPF

# Local raw material advantage to serve a mainstream category abroad

- ✓ Large & Growing Market
- ✓ Health, Wellness & Organic
- ✓ Long Term Customer Relationships



**2004**  
VitaCoco and Zico  
Start selling coconut water  
In NYC and LA

**2006**  
O.N.E. enters the market

**2009**  
Coca-Cola and PepsiCo start investing

**2010**  
Naked launched its product range

**2011**  
DPSG distributes VitaCoco

**2013**  
Coca Cola acquires Zico

**2014**  
VitaCoco sells 25% Stake to RedBull China

# CNPF has the expertise to succeed in this business

 CENTURY PACIFIC FOOD, INC.

- ✓ Long Term Customer Relationships
- ✓ Manufacturing Know-How
- ✓ Low Cost Producer of Choice
- ✓ Building Scale and Capabilities in By-Products



**5**

## Strong balance sheet and improving shareholder returns

**11.2b****Current  
Assets**

As of Q1 2016

**17.6b****Total  
Assets**

As of Q1 2016

**6.4b****Current  
Liabilities**

As of Q1 2016

**6.6b****Total  
Liabilities**

As of Q1 2016

**6.4b****Non Current  
Assets**

As of Q1 2016

**4.7****Book Value  
per Share**

As of Q1 2016

**.2b****Non Current  
Liabilities**

As of Q1 2016

**11.0b****Total  
Equity**

As of Q1 2016

Figures in Php

## CNPF

**14%**

**Return on  
Assets**

Q1 2016  
Annualized

**23%**

**Return on  
Equity**

Q1 2016  
Annualized

**0.1**

**Net  
Gearing**

As of Q1 2016

**0.2**

**Gearing  
Ratio**

As of Q1 2016

## Consumer Sector

**9%**

**Return on  
Assets**

2016 Sector  
Estimate

**16%**

**Return on  
Equity**

2016 Sector  
Estimate

*Source: Maybank ATR*

**Superior returns  
while maintaining  
minimal leverage**

**A growing  
company  
but with  
return of  
cash to  
shareholders**

**1%**

**Total Dividend  
Yield**

Based on price  
as of June 27

**Regular  
Dividend**

**Php0.10 per  
share**

12% of previous  
year's net income

**Special  
Dividend**

**Php0.10 per  
share**

12% of previous  
year's net income

+

**Total  
Dividend**

**Php0.20 per  
share**

24% of previous  
year's net income

# Price appreciation far exceeding that of the general market



 CNPF  
 PSE Index

**32%**  
Investor  
Return  
YTD as of June 28

**58%**  
Investor  
Return  
Since IPO in 2014  
As of June 28

**51.3B**  
Market  
Capitalization  
In Php,  
as of June 28

# Third party coverage remains positive based on the Company's latest outlook



Php23.00 Target Price



Php23.00



Php23.30



Php24.00

**19x**

**PSEi**

Price to Earnings  
Forward As of June 24

**19x**

**CNPF**

Price to Earnings  
Forward As of June 24

**24x**

**Consumer  
Sector**

Price to Earnings  
Forward As of June 24

# Company Plans and Outlook

**1**

**Prioritize core domestic branded business to capitalize on key trends of health and convenience, in order to drive up per capita consumption**

**2**

**Improve sales coverage locally and internationally**

**3**

**Explore entry into new product categories, both organically and inorganically**

**4**

**Maximize efficiencies and capacities of various manufacturing facilities**

Source: UAI 2015

# 10 out of 10

Aware of "Century Tuna" Brand



# 7 out of 10

Purchased "Century Tuna" last 4 wks



Source: Volume over Total Population

# 9

## Tins per capita

Consumed in PH as of end 2015

### Grocery / Convenience Store

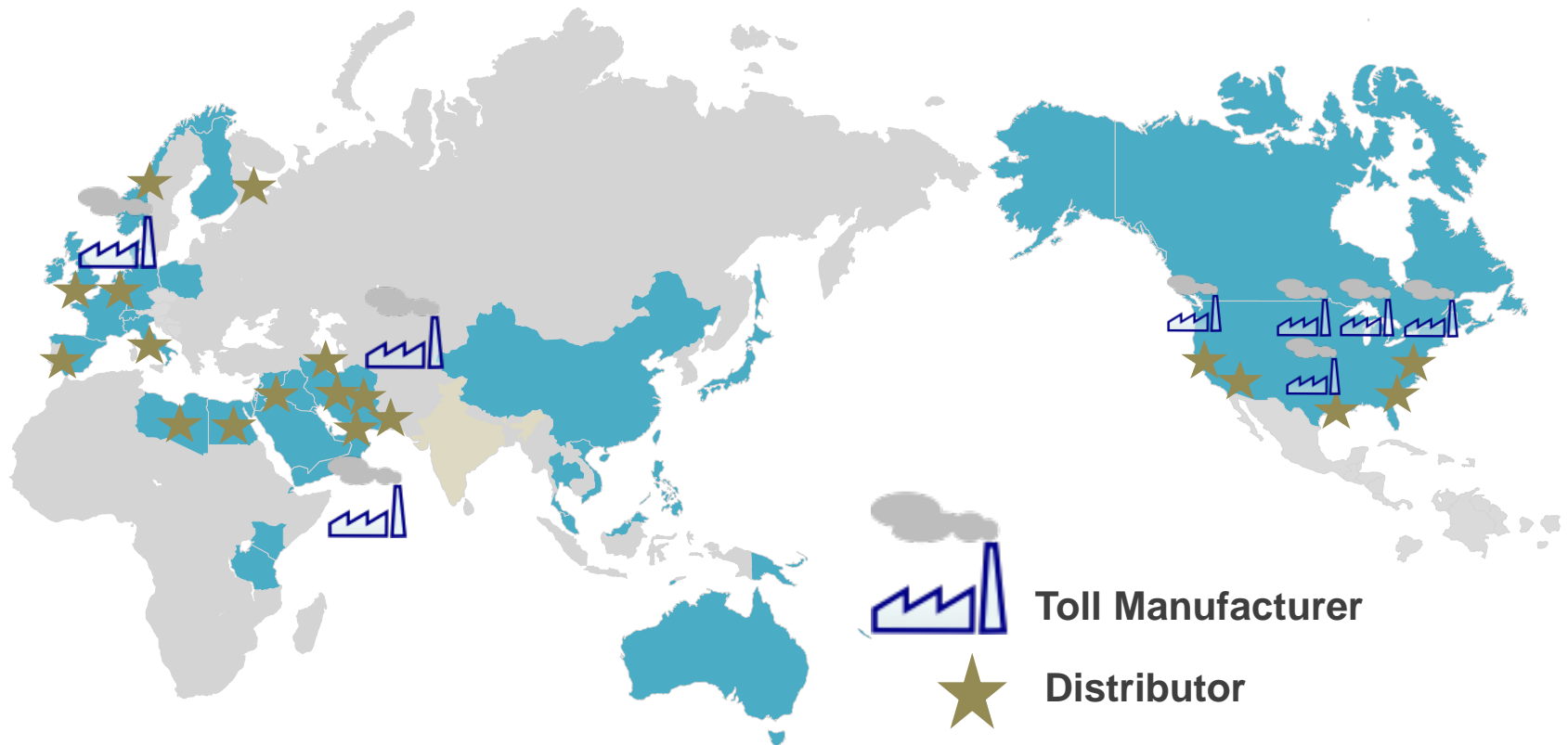
- 1-3 check-out counters (1-2 for Convenience Store)
- Regular operating hours for Grocery and 24 hours for Convenience Store
- Convenience Store: 60% male shopper for quick consumption or impulse purchases

**Convenience and accessibility increasingly important for the consumer**

# 1

**Prioritize core domestic branded business to capitalize on key trends of health and convenience, in order to drive up per capita consumption**

## Investing in and building out a global sales infrastructure



 Export Presence

**Improve sales coverage locally  
and internationally**



**3**

Explore entry into new product categories, both organically and inorganically

4

## Maximize efficiencies and capacities of various manufacturing facilities



Can Making Line



Coconut Facilities

**Total  
CAPEX  
FY 2016**

### Forecasted Amount: Php1.1 Billion

- Bulk will be going to increase the capacities of: (a) tuna plant, (b) meat plant, and (c) coconut plant

...And not just about the bottom line

## Sustainability Efforts



WWF Environmental Leadership Awards  
2012, 2013, 2014, 2015



# CSR: Hunger Alleviation & Nutrition

- 15 million free meals served since 2010
- Annual goal of >3 to 4 million meals a year
- Partnership with 70 schools and NGOs
- More than 150,000 beneficiaries of weekly/daily feeding programs

Trying to make a positive social impact in our community



# CNPF Senior Management Team



**Christopher Po**  
Chief Executive Officer

**Teodoro Po**  
Chief Operating Officer

**Oscar Pobre**  
Chief Finance Officer

**Ronald Agoncillio**  
Vice President Sales

**Enrique Gomez, Jr**  
Senior Advisor

**Greg Banzon**  
Vice President Tuna

**Emerson Villarante**  
Vice President Human Resources

**Rex Agarrado**  
Vice President Meat

**Edwin Africa**  
Vice President Dairy & Mixes

**Noel Tempongko**  
Vice President Coconut

**Teddy Kho**  
Vice President Export Tuna

**Cezar Cruz**  
Vice President Sardines



**“The  
ingredients  
of success –  
right place,  
right time,  
right people”**

**Ricardo S. Po**  
*Founder*



CENTURY PACIFIC FOOD, INC.

**Thank  
You.**

