

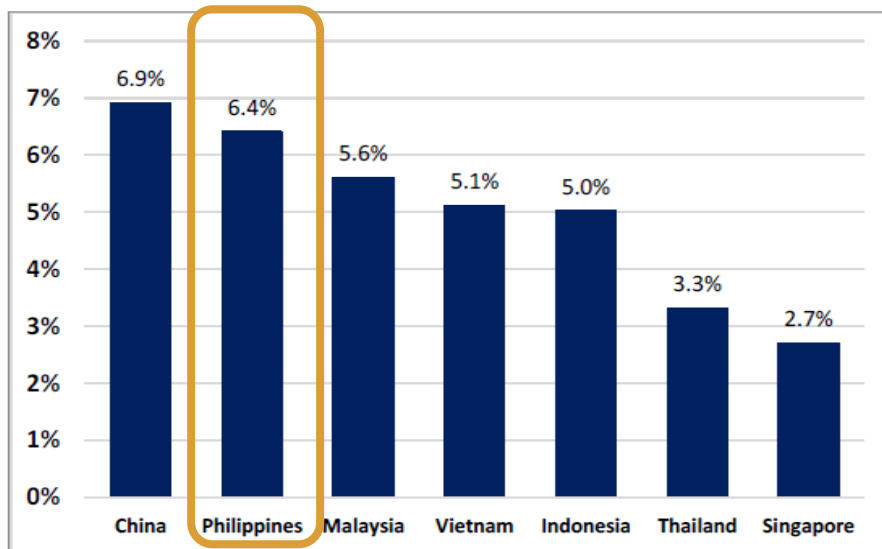


# President's Report

**Christopher T. Po**

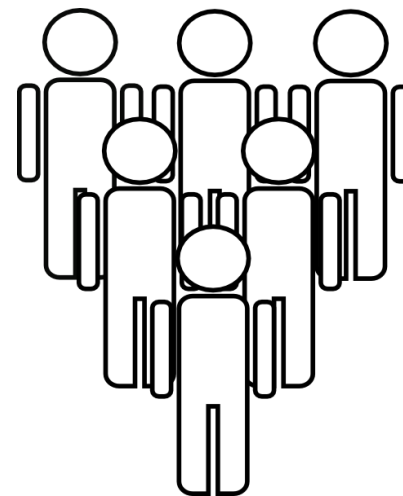
President

# Healthy consumption supported by robust macro fundamentals



Sources: Philippine Statistics Authority and Financial Times

**Second largest population** in ASEAN with median age of only **23 years old**

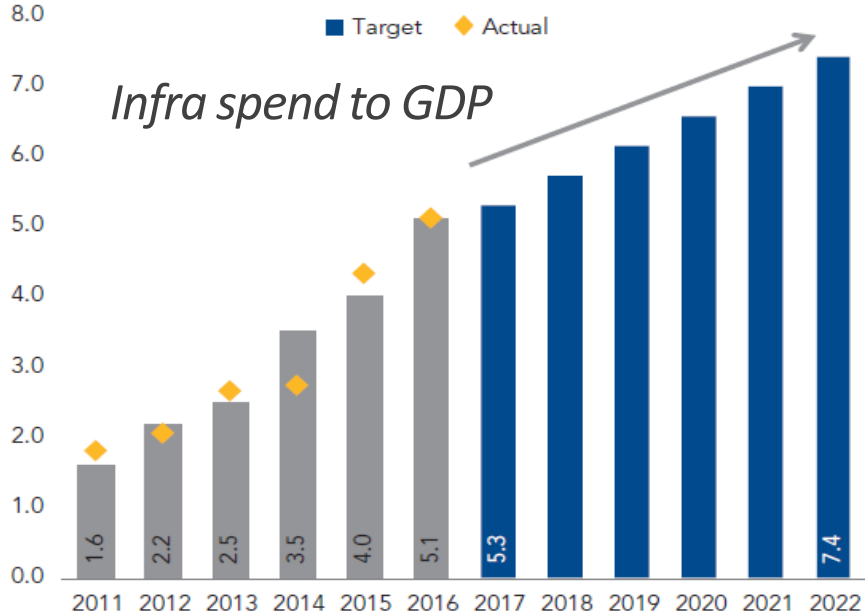


Still one of the fastest **growing Asian economy** in Q1 2017

Source: World Bank data, NSO, Maybank ATR



# Healthy consumption supported by robust macro fundamentals



## Presence of other engines of consumption

2016

BPO Revenues

+12%

OFW Remittances

+5%

Tourism Arrivals

+10%

Government's infrastructure priority to drive increased consumer spend

Source: Philippine Development Plan, 2017-2022, BDO

# Business Highlights – 2016 and 2017



- 1 Delivered financial results consistently ahead of targets
- 2 Managed business for sustainable growth and strategic diversification
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- 5 Recognized by regional award-giving bodies and progressed in CSR and sustainability initiatives

# Business Highlights – 2016 and 2017

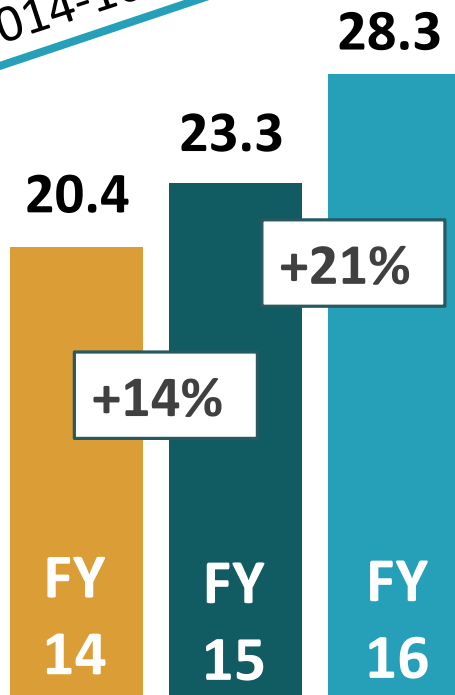


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# Double-digit revenue growth mainly driven by branded



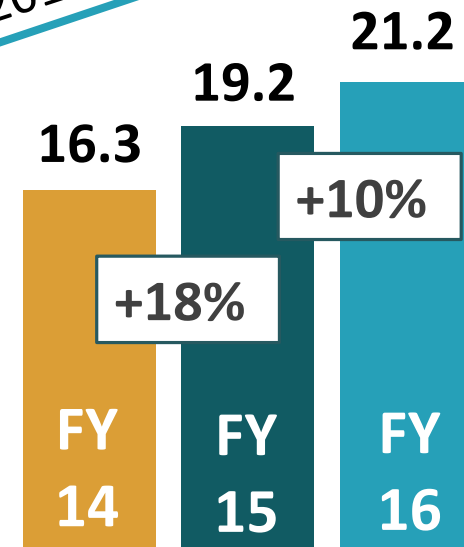
2014-16 CAGR: +18%



PHP billions

## Total Revenues

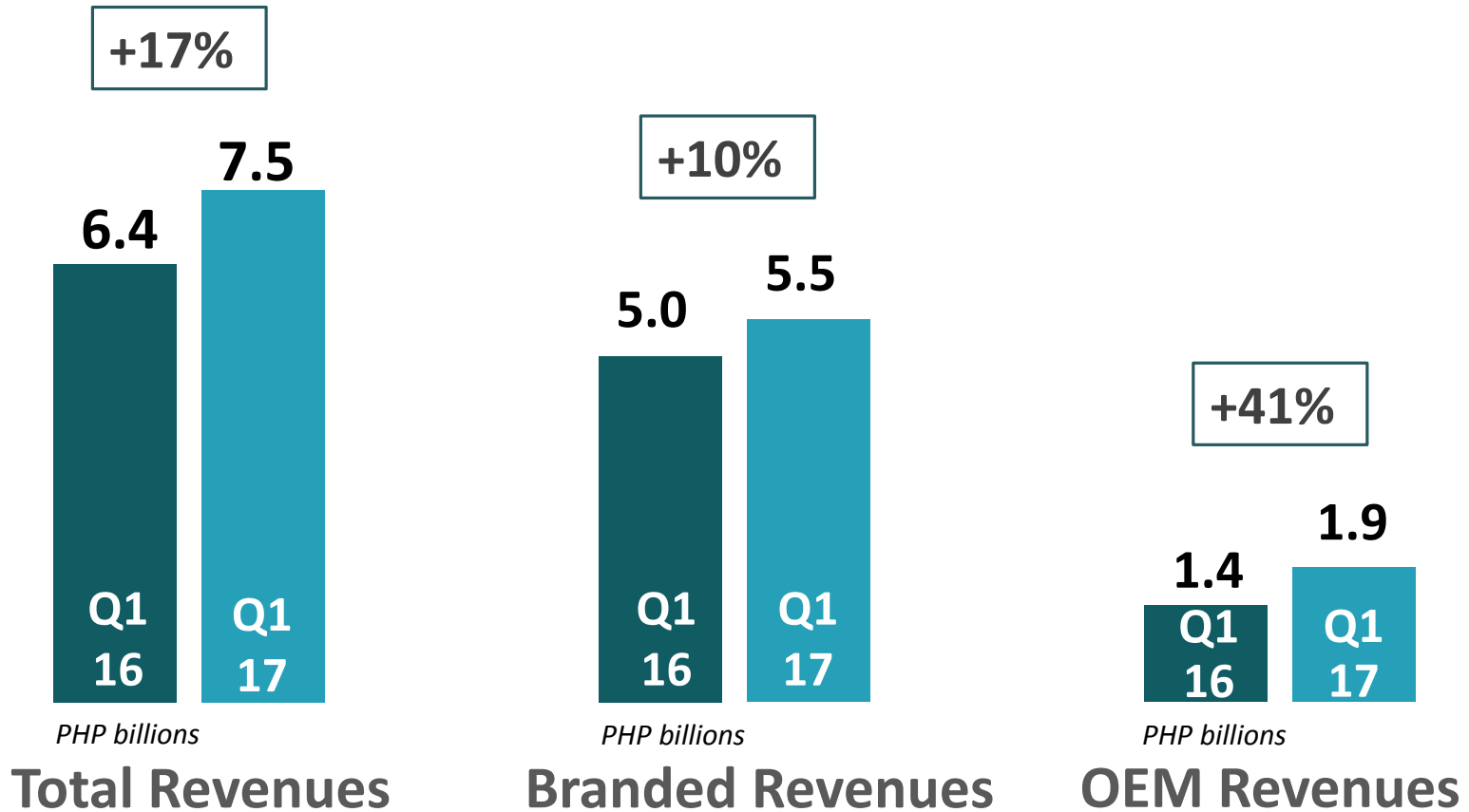
2014-16 CAGR: +14%



PHP billions

## Branded Revenues

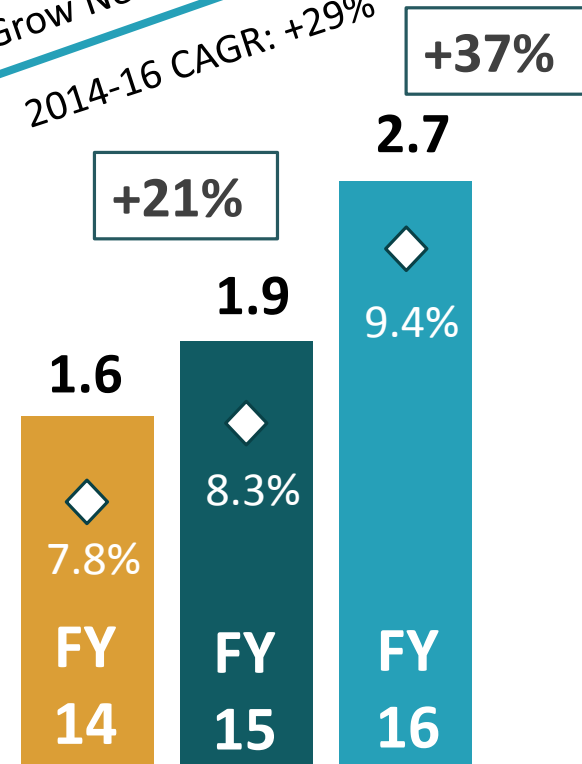
# Healthy topline performance sustained during start of 2017



# Consistent double-digit earnings growth



Target to Grow Net Income by ~2X GDP  
2014-16 CAGR: +29%



PHP billions

**Total Net Income**

◇ Net Margin

## 2016 Margin Expansion

- Commodity tailwinds improved margins
- Effective buying and inventory hedging strategies
- Various operational efficiencies

# Consistent double-digit earnings growth



## Total Net Income

◇ Net Margin

## 2017 Margin Normalization

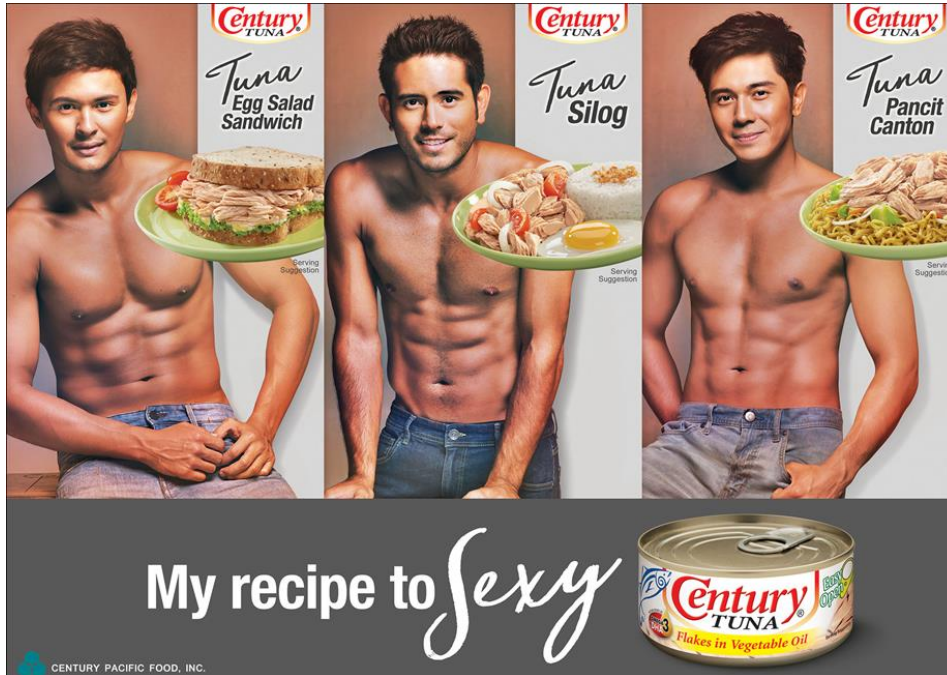
- Higher commodity prices increasing input costs
- Weaker peso leading to more expensive imports
- Sales mix skewed towards OEM

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# Marine focusing on key trends of health and convenience



**84%** **#1**  
Share Of Canned  
Tuna Market  
2016

**37%**  
of CNPF  
Revenues  
FY 2016

**54%** **#1**  
Canned &  
Processed Fish  
Market Share

**7**  
Marine  
Brands

Sources: Nielsen, Euromonitor



# Continuous innovation that combines wellness and value for money



# Reaching consumers through viral online campaigns



Century TUNA

65 pounds off.  
3 months diet and exercise.

#CenturyTunaNoExcuses

Mond Gutierrez

From the Country's No. 1

Century TUNA  
Flakes in Vegetable Oil

ASC C054P050817C

CENTURY PACIFIC FOOD, INC.

**8.7 M+**  
Impressions  
Earned

**2.2 M+**  
Organic Impressions

**5.7 M+**  
Viral Impressions

**0.9 M+**  
Paid Impressions

**High social  
media  
engagement**

# Meat delivering on taste and price competitiveness proposition



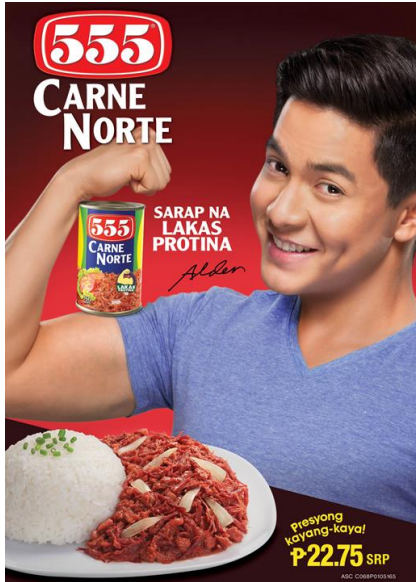
**46%** **#1**  
Share Of  
Corned Beef  
Market  
FY 2016

**27%**  
of CNPF  
Revenues  
FY 2016

**34%** **#1**  
Share Of  
Luncheon Meat  
Market  
FY 2016

**7**  
Meat  
Brands

Source: Nielsen



Continuing to strengthen foothold in mass market segment





Ongoing brand activation in premium and international markets

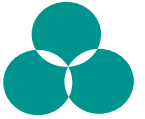
# Milk underpinned by strategy of innovation and value



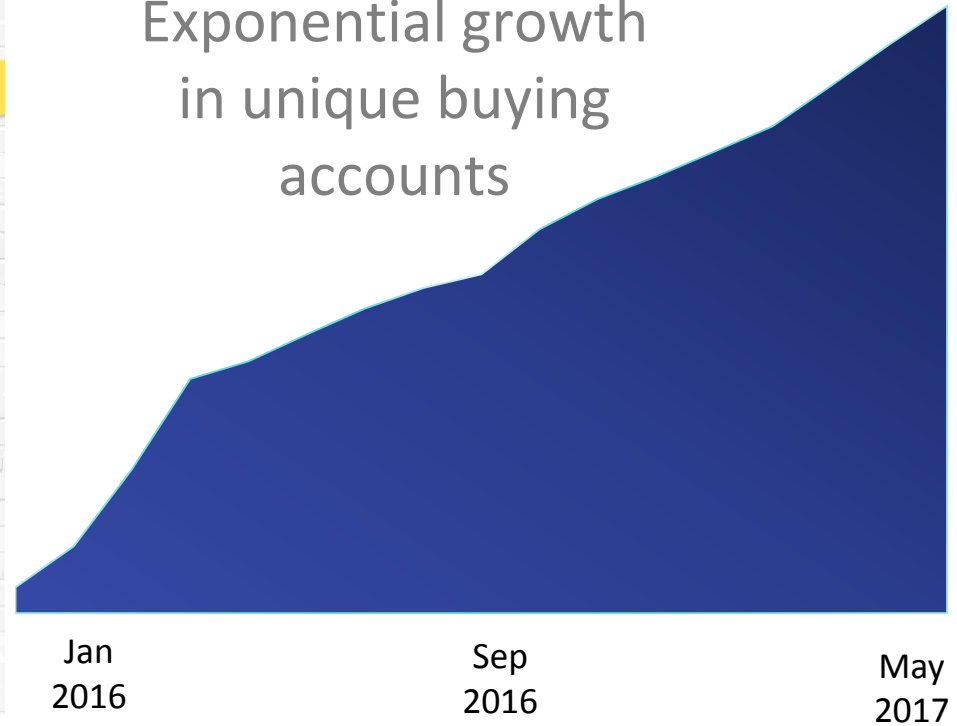
**2nd**  
Largest  
Player in  
Various  
Categories

**11%**  
of CNPF  
Revenues  
FY 2016

**5**  
Milk and  
Mixes  
Brands



Exponential growth  
in unique buying  
accounts



**Building on the launch of new  
mainstream drinking milk product**

# Actively growing our coconut product portfolio



2013 **Coconut Water**

2015 **Virgin Coconut Oil**

2017 **Desiccated Coconut,  
Coconut Flour**





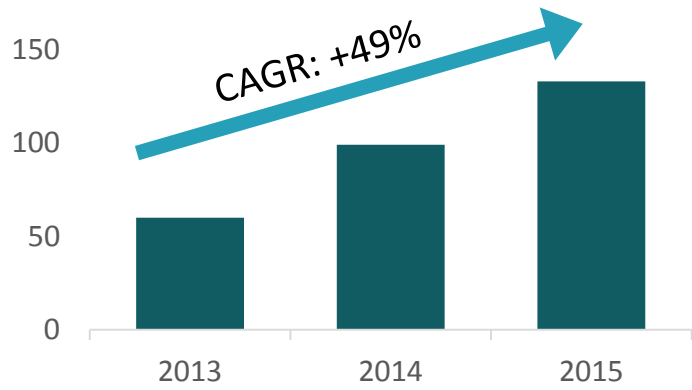
**US coconut water market growing ~20% p.a.**



**Global VCO demand expected to grow 11% p.a. in 2017-2023**



**Fast-expanding demand for coconut water in Europe**



Source: Tetrapak  
Data in million liters

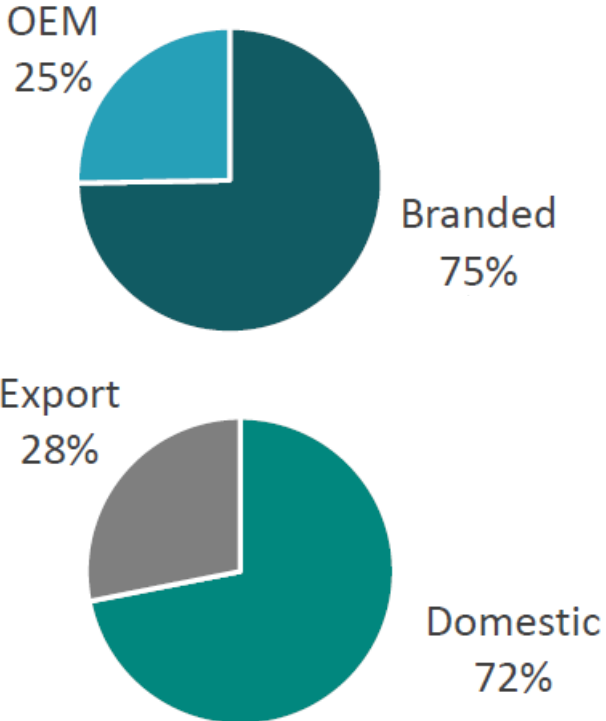
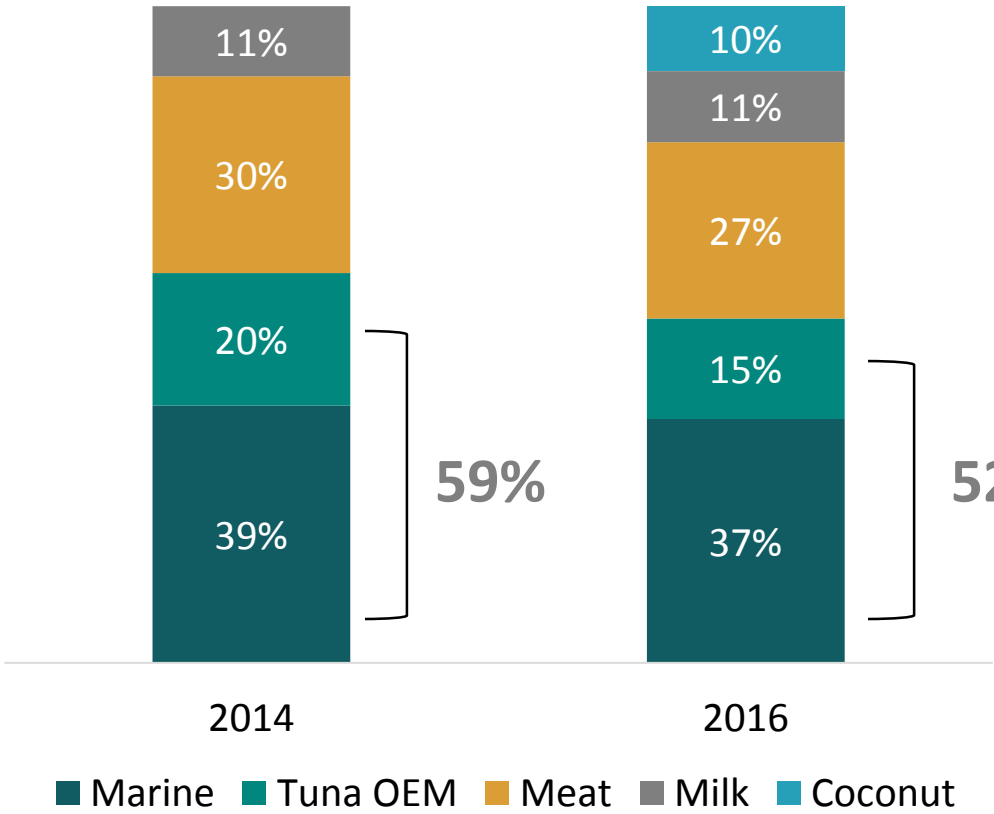
**Asia Pacific with the largest VCO market share globally**



Source: Research Nester



# Managing risk through strategic diversification



**2016 Revenue Breakdown**

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# Acquired the long-term license for Hunt's brand in the Philippines



- More than **30 years of brand heritage locally**
- **86% market share\*** in ready-to-eat pork and beans
- **Synergies** in raw material sourcing, packaging and distribution

*\*Source: 2016 Nielsen data*

# Secured the Kamayan license for North America and Middle East



- Leading brand for **shrimp paste** serving Asian market in **North America**
- Unserved **OFW** demand in **Middle East**
- Potential to **expand brand's product lineup**

# Consolidated distribution companies in China via Century China acquisition



- **Number 1 brand** in the retail canned tuna market
- Distribution capabilities in **27 key cities**
- Opportunity to develop **market for other existing products**

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# Maintaining strong balance sheet and light leverage



in PHP mill	Q1 2017		
Current Assets	14,031	<b>2.2x</b> Current Ratio As of Q1 2017	<b>0.1x</b> Net Gearing As of Q1 2017
Noncurrent Assets	7,322		
<b>TOTAL ASSETS</b>	<b>21,353</b>		
Current Liabilities	6,333	<b>43.1x</b> Interest Cover As of Q1 2017	<b>0.5x</b> Net Debt to Equity As of Q1 2017
Total Noncurrent Liabilities	1,753		
<b>TOTAL LIABILITIES</b>	<b>8,086</b>		
<b>TOTAL EQUITY</b>	<b>13,267</b>		
<b>TOTAL LIABS AND EQUITY</b>	<b>21,353</b>		

# Above-industry returns while valuations remain attractive



## CNPF

**14.0%**

**Return on  
Assets**

Q1 2017 Trailing 12  
Months

**22.4%**

**Return on  
Equity**

Q1 2017 Trailing 12  
Months

**20.1x**

**Price to  
Earnings**  
FY2017

Source: Maybank ATR

## Consumer Sector

**8.7%**

**Return on  
Assets**

2016 Sector  
Estimate

**16.1%**

**Return on  
Equity**

2016 Sector  
Estimate

**20.5x**

**Price to  
Earnings**  
FY2017

Source: Maybank ATR



# Sustained price appreciation with return of cash to shareholders

## Share Price Appreciation

**27%**

**52-week Share Price Return**

Based on price as of June 23

**101%**

**Share Price Return Since IPO**

Based on price as of June 23

## Cash Dividend

**1%**

**Total Dividend Yield**

Based on price as of June 23

**Php0.18**

**per share**  
24% of 2016 net income

## Historical Stock Price Performance (Bloomberg Ticker: CNPF PM)

PHP/SHARE



**MARKET CAPITALIZATION**

**\$1.3B**

**AVERAGE DAILY VALUE TRADED**

**\$0.9M**

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# Company Awards and Recognitions



Asia Marketing Federation

**Asia's Marketing  
Company of the Year  
(2016)**



**ASIAMONEY**

**Philippines' Best  
Managed Company  
Small Cap (2016)**

**MSCI**



**Inclusion to  
MSCI Philippine  
Small Cap Index  
May 31, 2016**



**Inclusion to FTSE Index  
Small Cap and AllCap –  
Asia Pacific  
March 20, 2017**

**FinanceAsia**

**Philippines' Best  
Company  
Mid Cap (2016)**

# Balancing Business with Social Impact



- Teddy Kho (VP for Tuna Exports) joined the **Global Board of Trustees** for **ISSF**
- Partnered with **KidZania** in **raising the youth's awareness on marine sustainability**
- Recognized by **WWF** for **conservation efforts**

# Balancing Business with Social Impact



## Century Pacific Group – RSPo Foundation feeding program:

- **4 million meals** served in 2016
- Over **18 million meals** to more than **200k beneficiaries** since inception

# CNPF Management Team





Thank You.