



# MANAGEMENT'S REPORT

**Christopher T. Po**  
Executive Chairman

Century Pacific Food Inc.  
Annual Stockholders' Meeting

July 3, 2018 at Marco Polo Ortigas



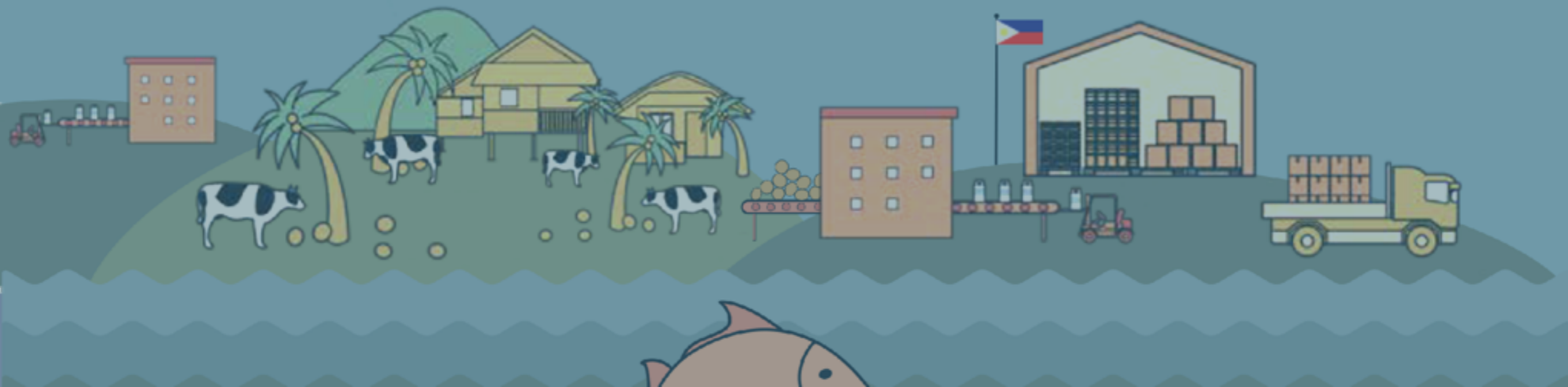
“ *When we take a step back, the sea and the sky expand. When we give way a step, the winds and the waves become calm.* ”





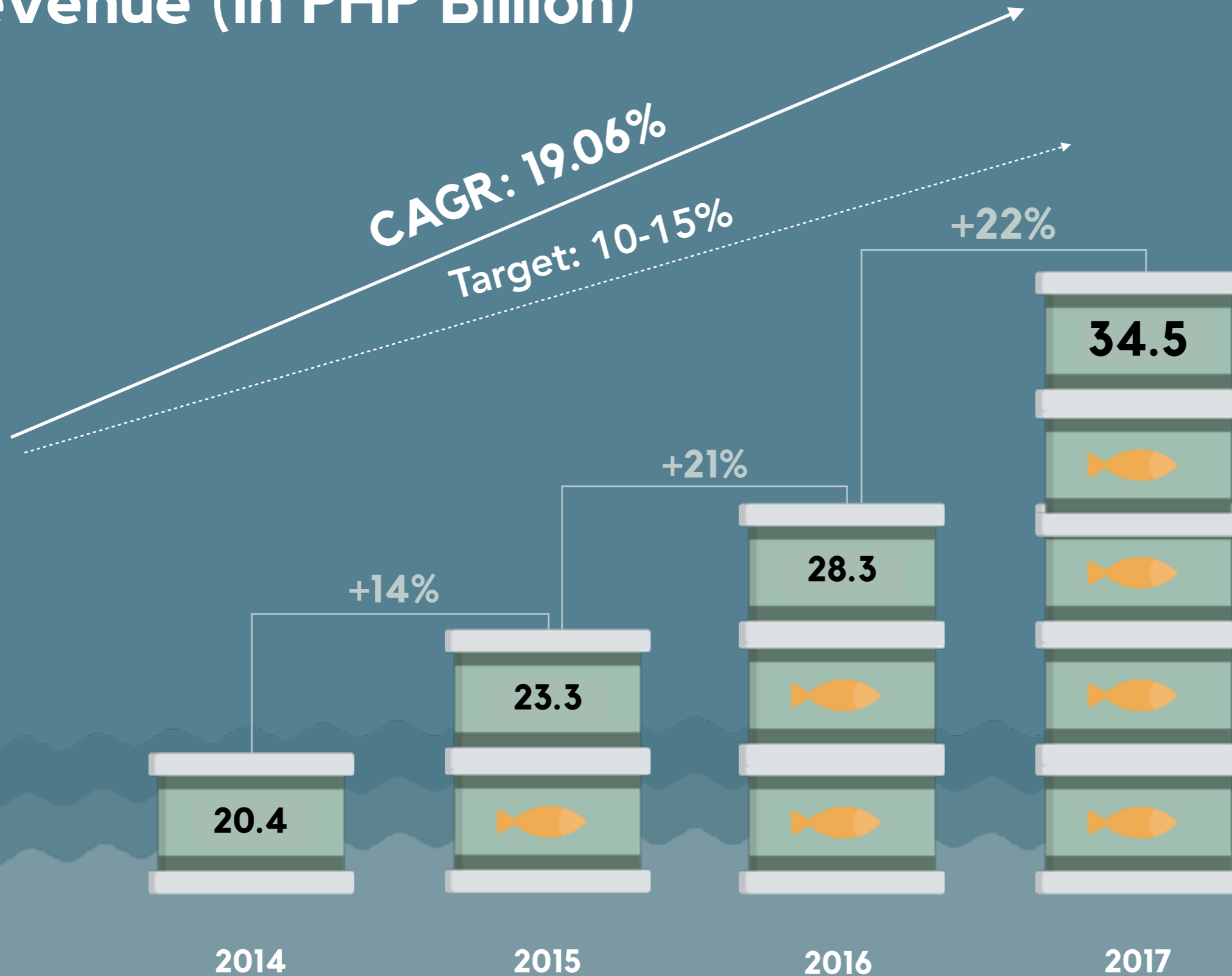
# OUR TARGET

**Our direction as a company is to grow the business 10% to 15% for the next 10 years.**



# FULL-YEAR FINANCIALS

## Revenue (in PHP Billion)

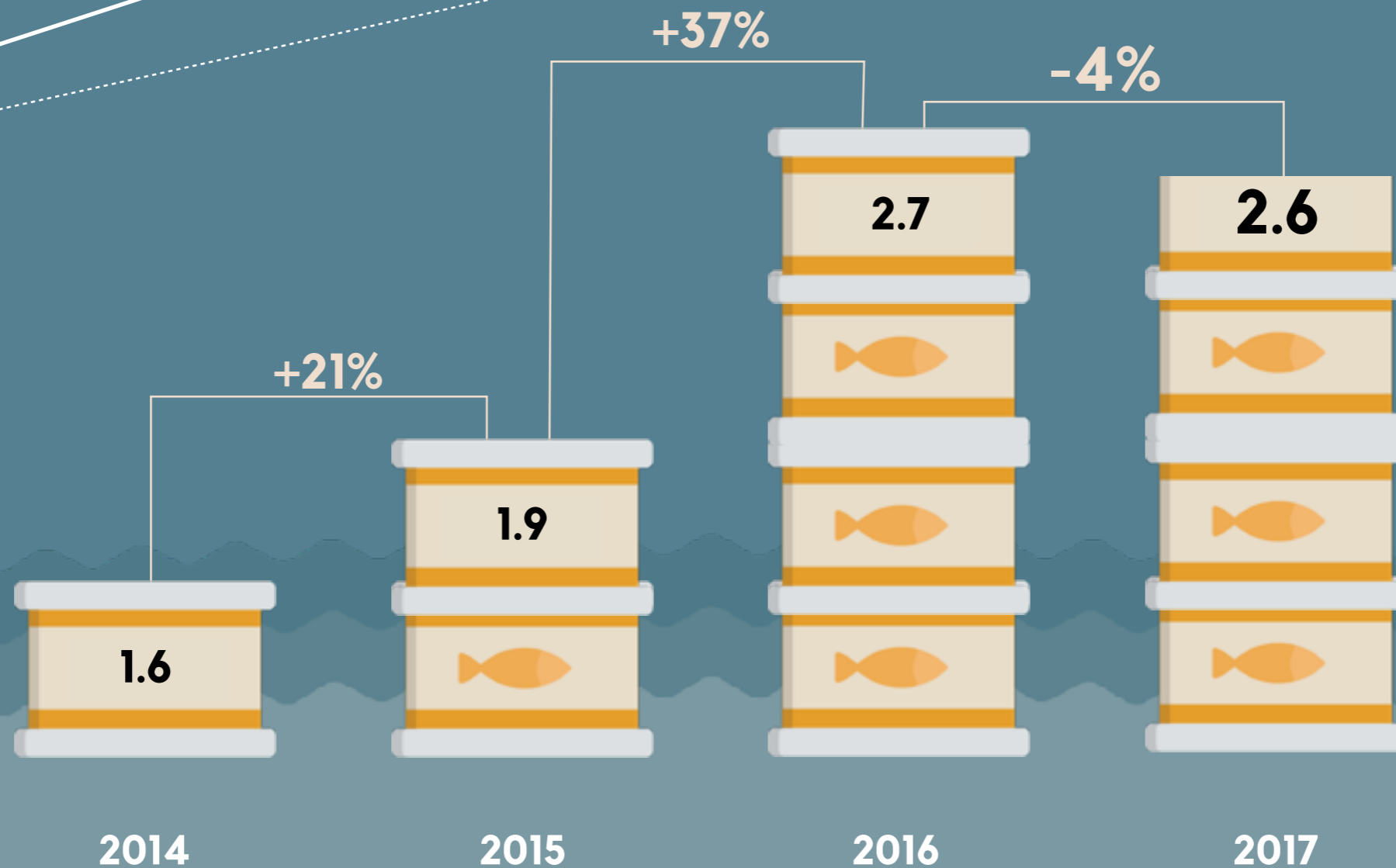


# FULL-YEAR FINANCIALS

## Net Income (in PHP Billion)

CAGR: 17.03%

Target: 10-15%



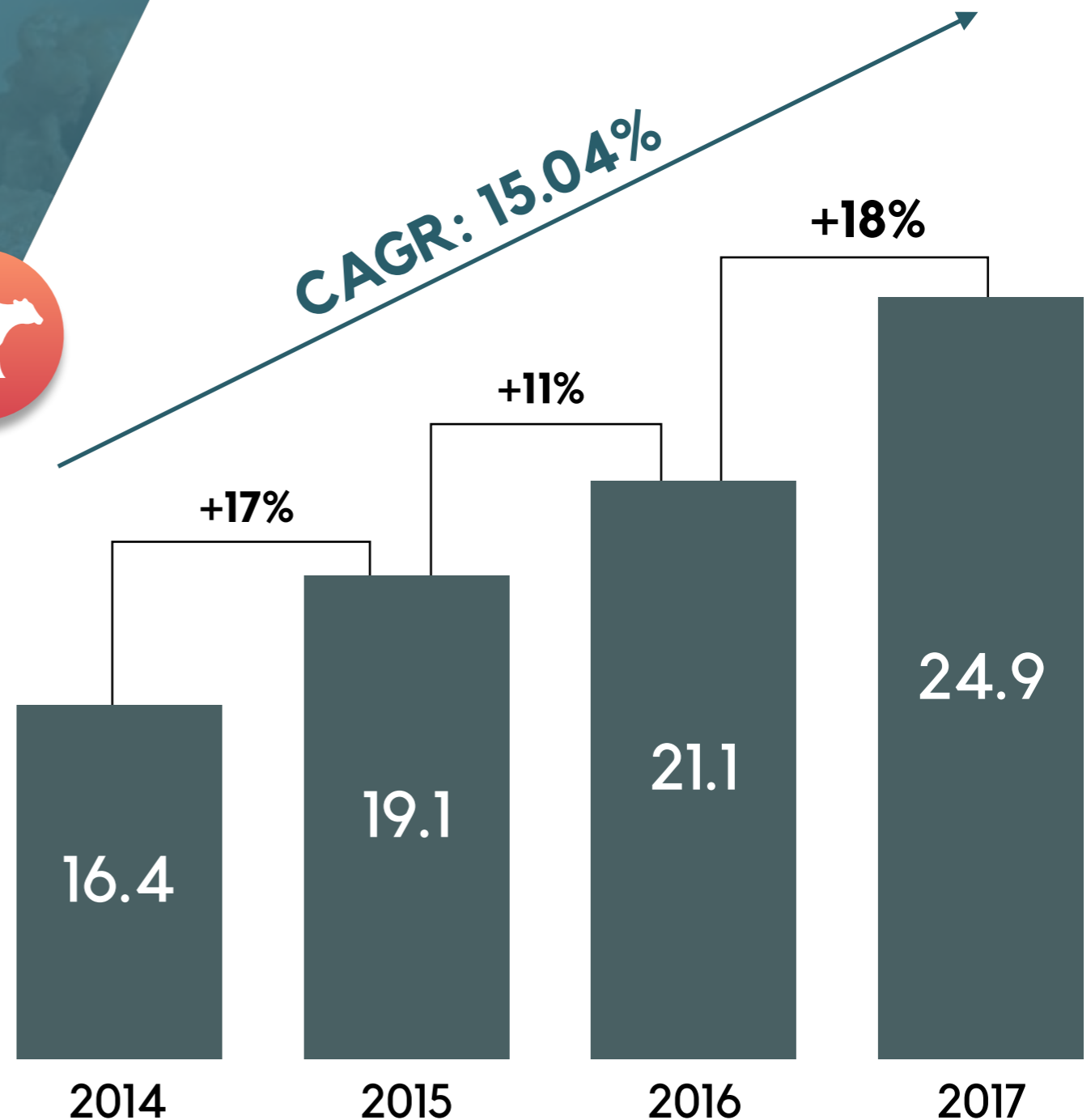
The background of the slide is a grayscale photograph of a white bowl filled with cereal, with a spoon resting to the right. The image is slightly blurred and has a dark overlay. A white rectangular border frames the central text area.

**2017**

**HIGHLIGHTS**

① Our branded revenues continue to grow at a vigorous pace, growing 18% in FY 2017

## Branded Revenue (in PHP Billion)



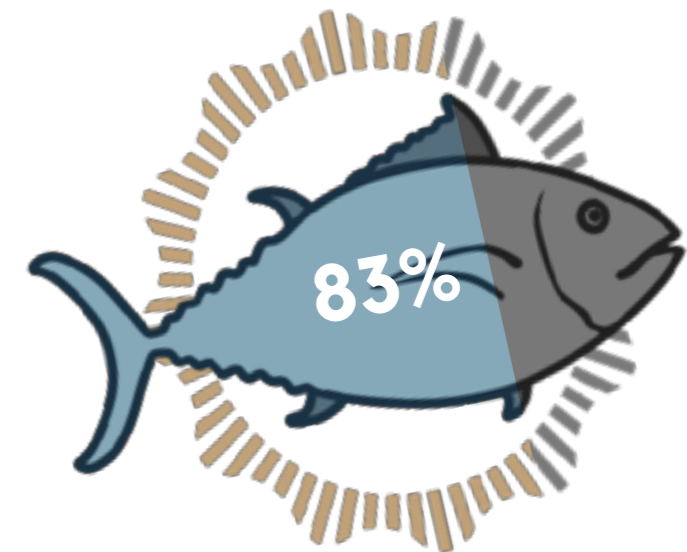
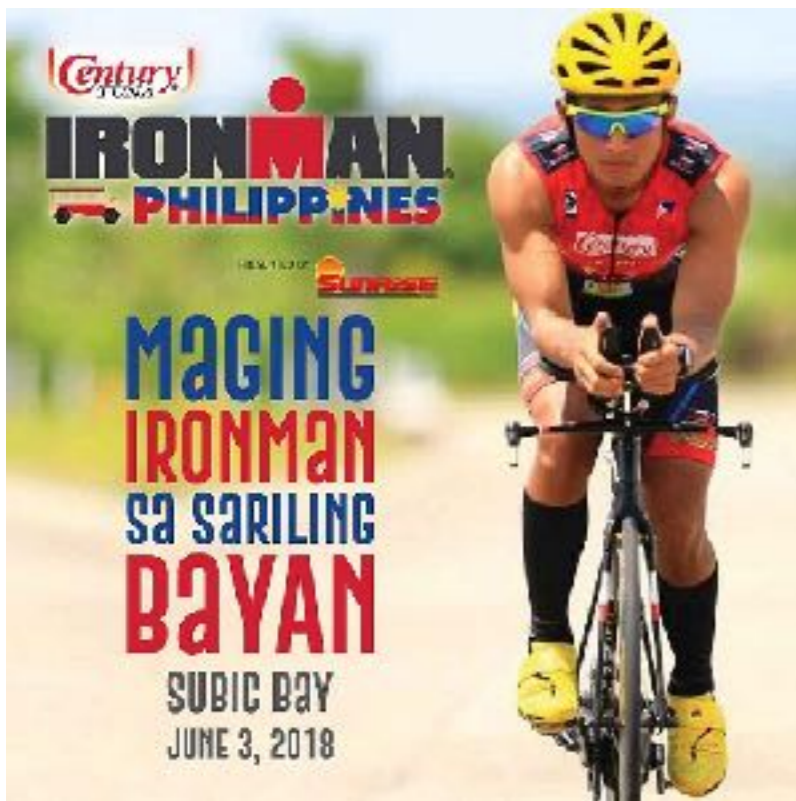
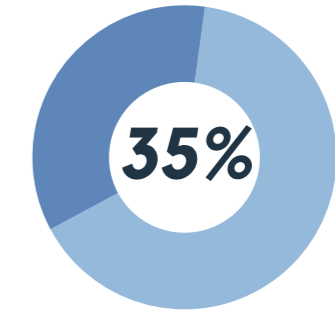
# MARINE



2017  
Revenue

**PHP**  
**12.07B**

% of  
Revenue

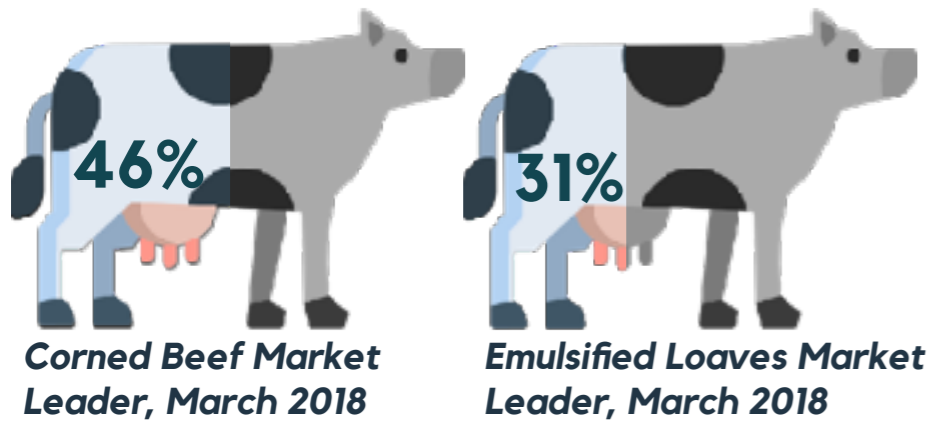
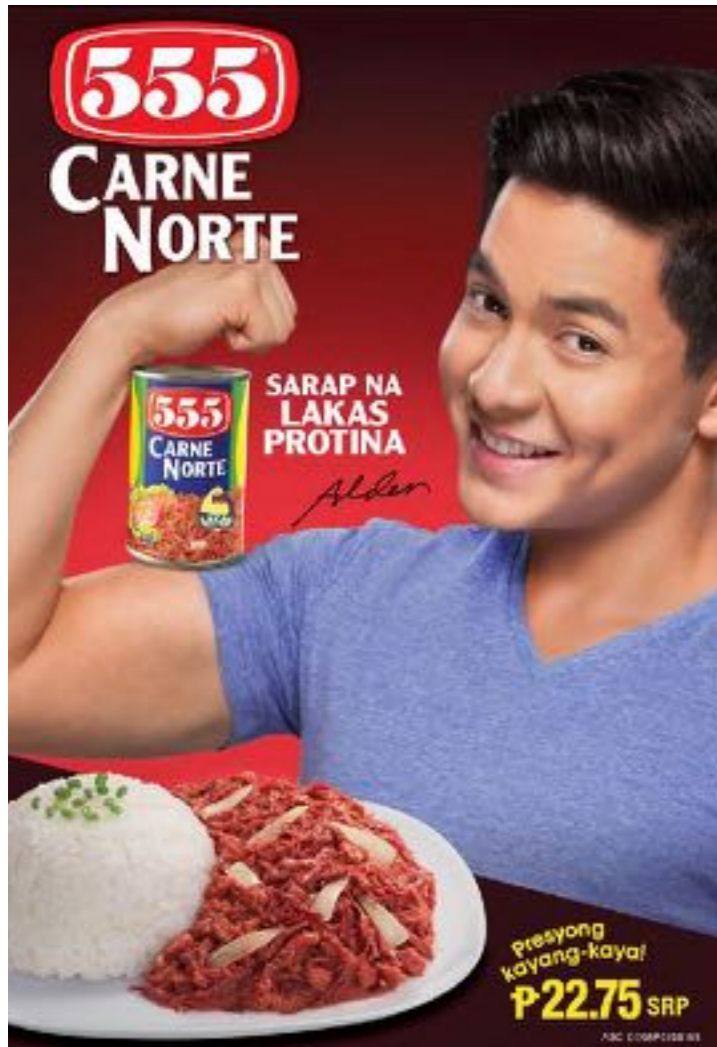


**Canned Tuna Market  
Share of CNPF, May 2018**

Source: Nielsen



# MEAT

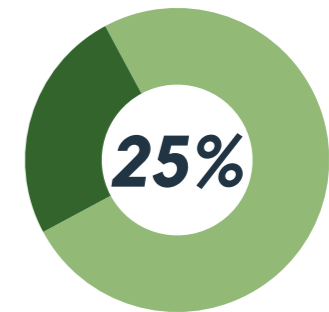


Source: Nielsen

2017  
Revenue

**PHP  
8.70B**

% of  
Revenue



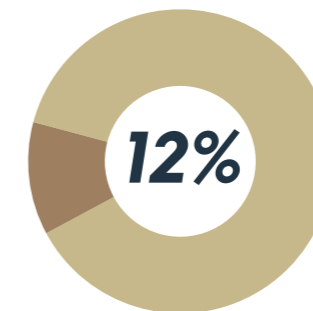
# MILK



2017  
Revenue

**PHP**  
**4.14B**

% of  
Revenue



## 2 OUR DISTRIBUTION INFRASTRUCTURE

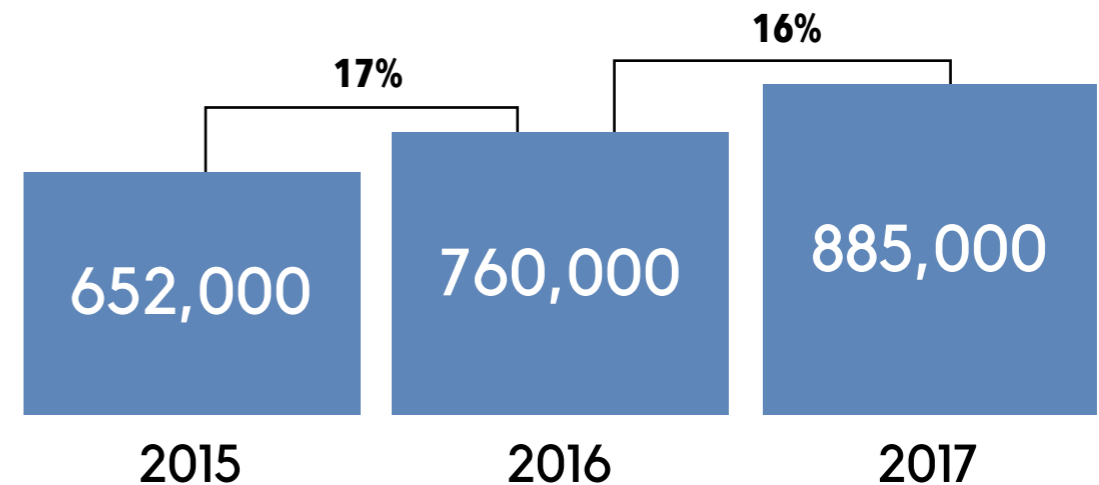
Technology enables us to strengthen our distribution capabilities and squeeze out more efficiency.

885,000

Total Philippine Outlets Products are Available In

76%

Availability as a Percentage of Total Points of Sale



Estimated Growth in Availability of Products

Source: Nielsen

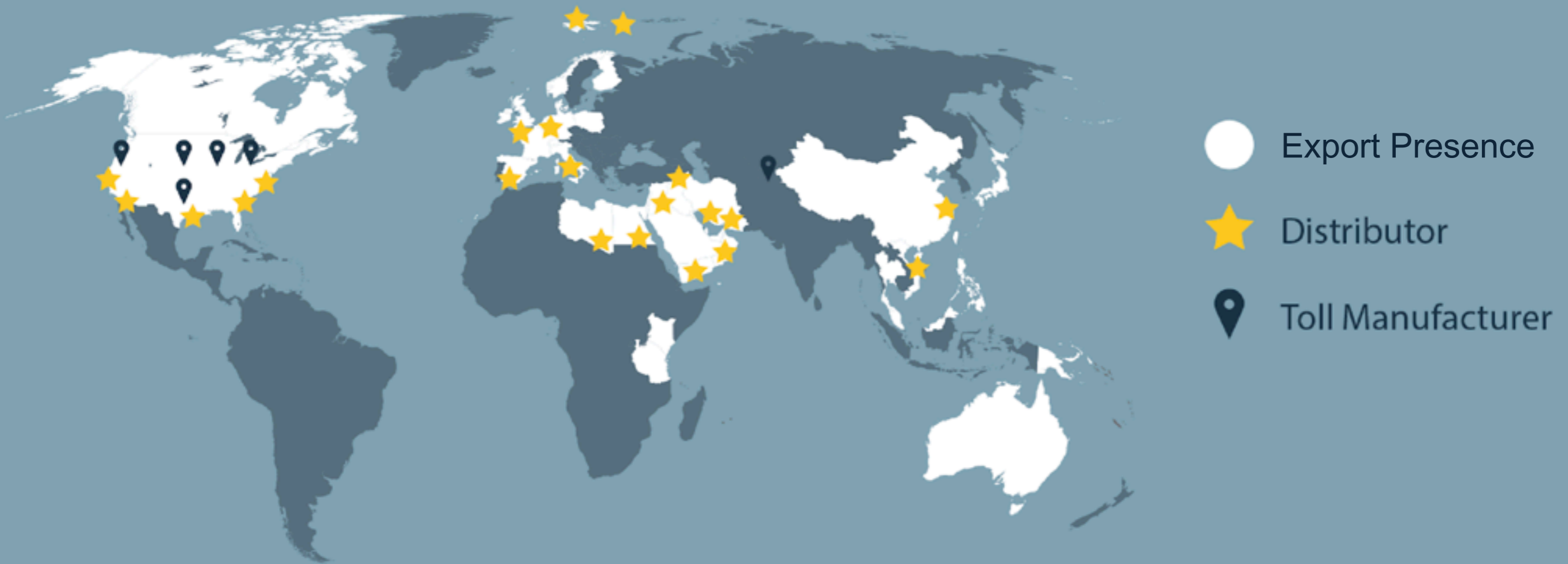
**3** Expanding international branded footprint. Establishing new partnerships with mainstream accounts, niche ethnic retailers, and e-commerce platforms in the US.

**60**

Countries where CNPF products are available

**14**

Offshore Toll Manufacturers for CNPF

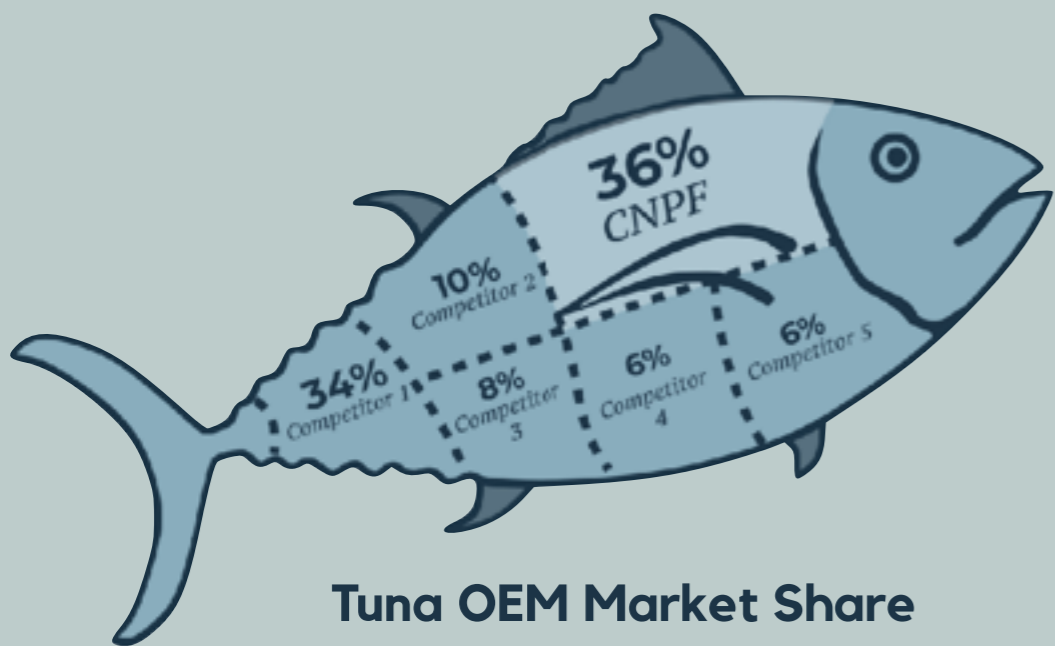
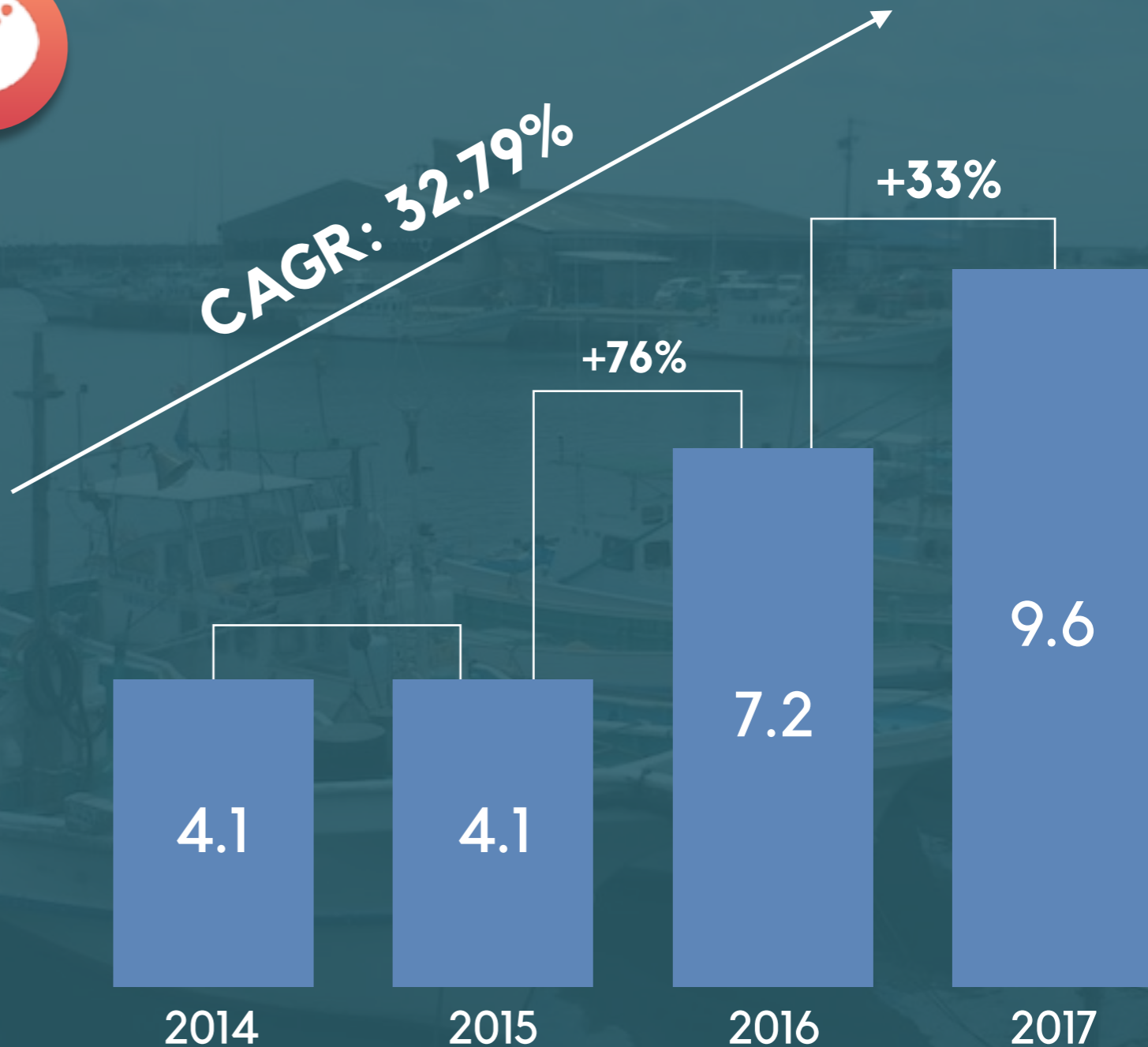


4

Robust OEM years with record high tuna export sales, providing a partial hedge for the business.



## OEM Revenue (in PHP Billion)



Tuna OEM Market Share  
Bureau of Customs, 2017

5 Consistent demand for coconut water and currently diversifying to other coconut products.



## Product Diversification

2013

Coconut Water

2015

Virgin Coconut Oil

2017

Desiccated Coconut

Coconut Flour

2018

Coconut Milk / Cream

⑥ Our Balance Sheet metrics show that CNPF is on stable footing

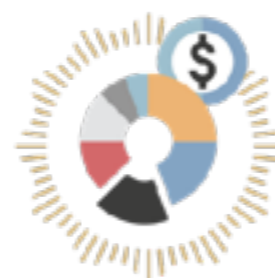
In PHP Mil	2017	Q1 2018	In PHP Mil	2017	Q1 2018
Cash	1,549	1,854	Trade and Other Payables	5,031	5,840
Receivables	5,329	5,640	Notes Payable - Current	2,089	1,941
Inventory	6,995	7,595	Long-Term Loan	1,620	1,620
Current Assets	14,684	16,012	<b>TOTAL LIABILITIES</b>	<b>8,876</b>	<b>9,779</b>
PPE	4,936	5,232	Retained Earnings	5,934	6,666
Noncurrent Assets	8,675	8,989	<b>TOTAL EQUITY</b>	<b>14,483</b>	<b>15,222</b>
<b>TOTAL ASSETS</b>	<b>23,359</b>	<b>25,001</b>			



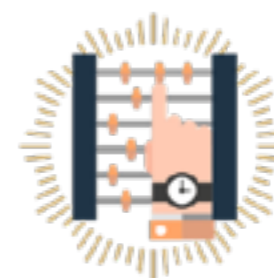
**2.06x**  
Current Ratio



**0.51x**  
Net Debt to Equity Ratio



**0.15x**  
Net Gearing Ratio

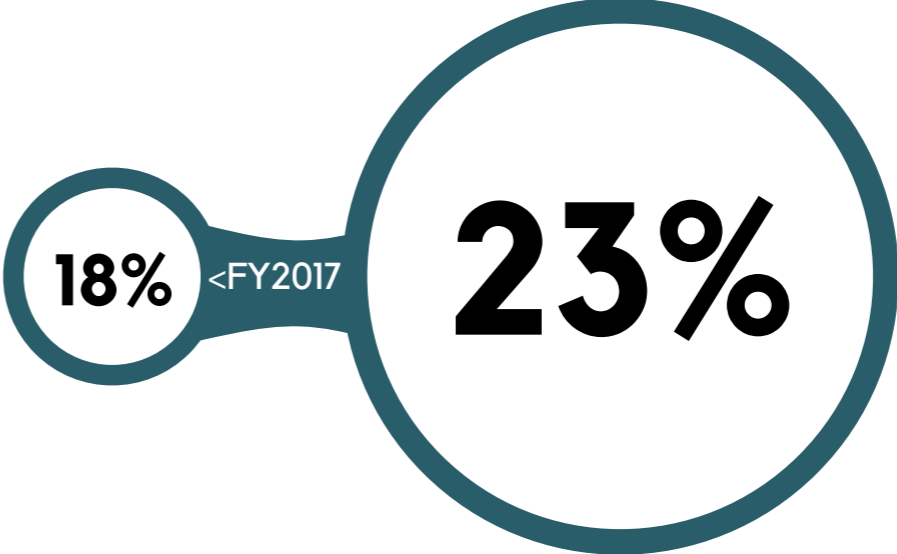
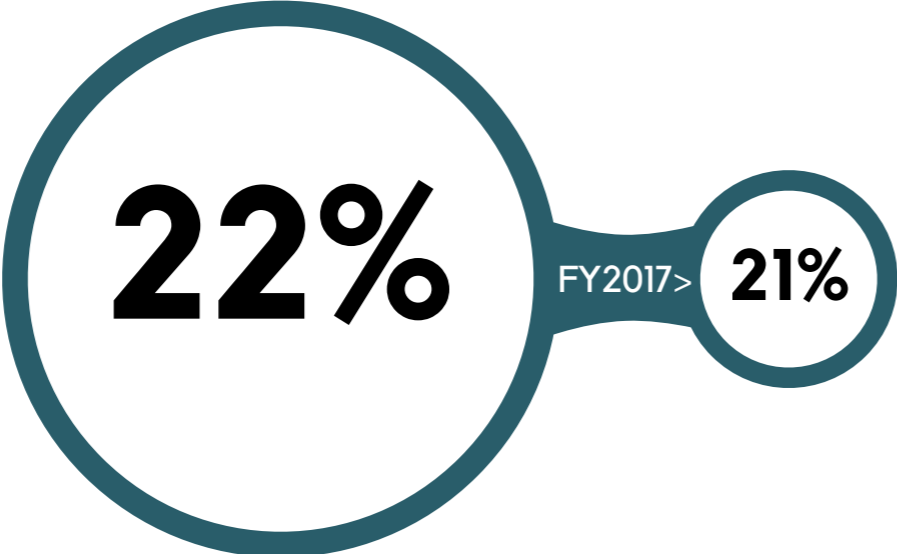


**0.55x**  
Net Interest-bearing Debt to EBITDA Ratio



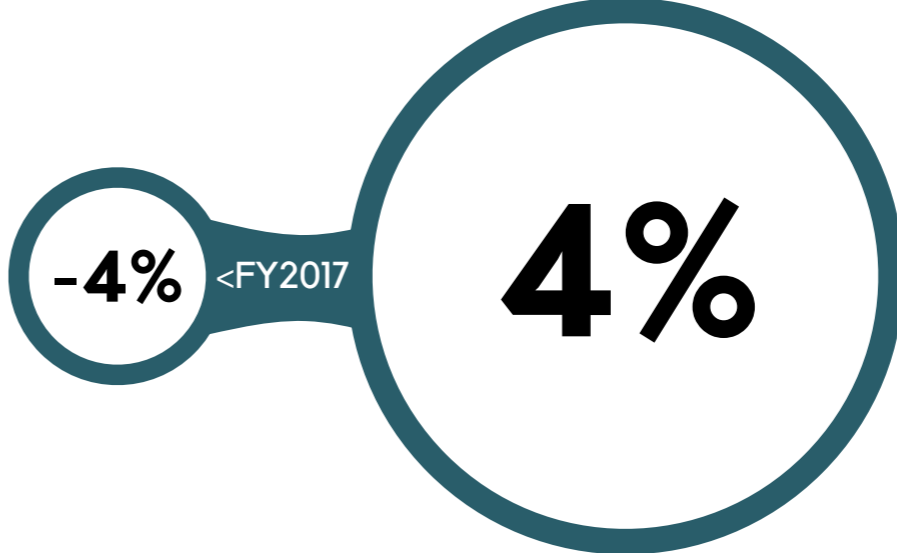
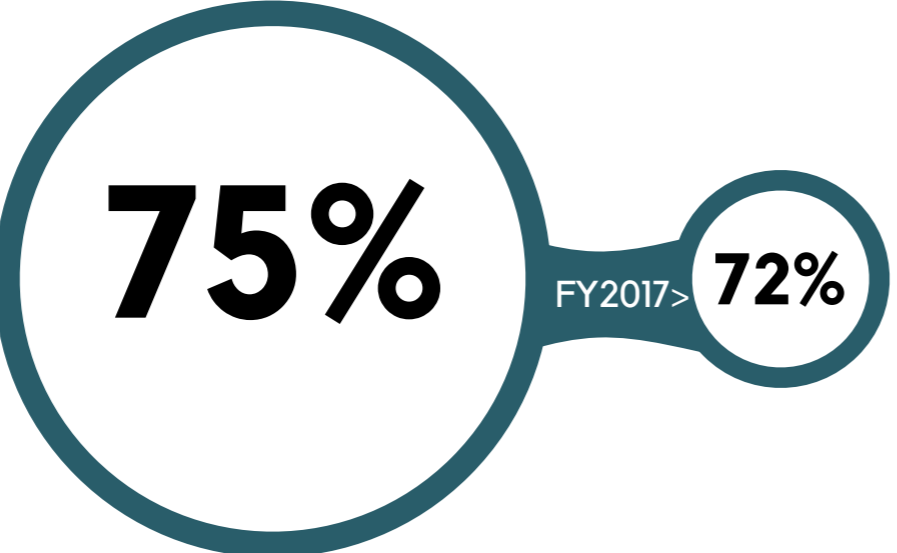
# Q1 2018 RESULTS

Revenue Increase



Branded Revenue Growth

Of Total Sales from Branded

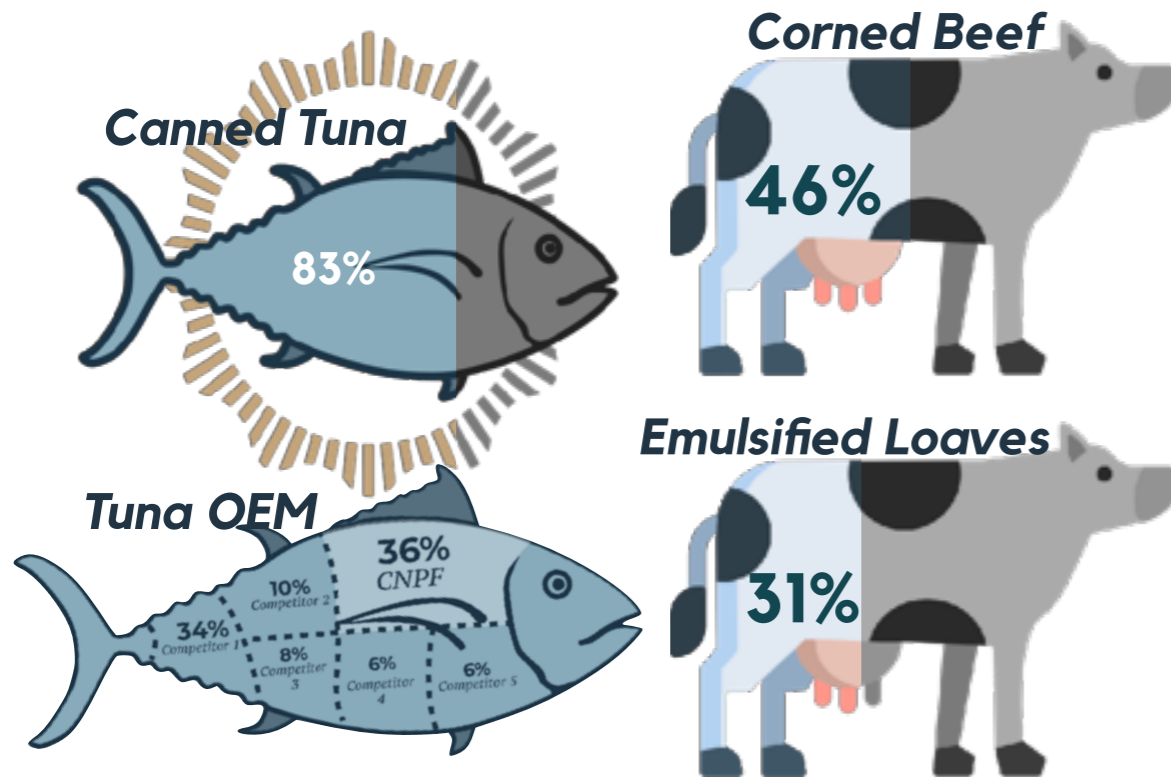


Net Income Growth

**ACCELERATING SALES MOMENTUM**

**BACK TO EARNINGS GROWTH**

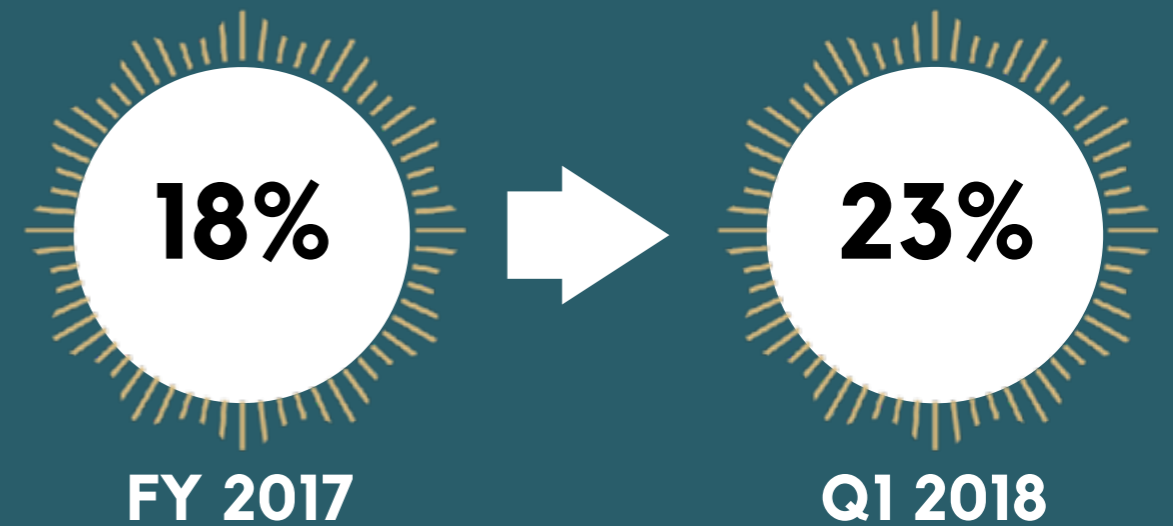
## Market Leadership



Source: Nielsen & Bureau of Customs

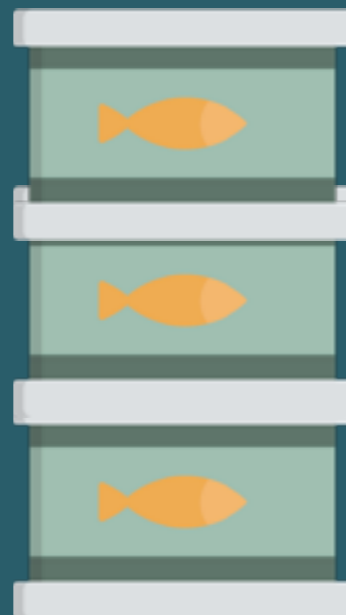
## Accelerating Sales Momentum

Branded Revenue Increase:



## Management Execution

- 2014-2017 Earnings CAGR: 17.03%
- Flat YOY earnings in 2017 despite peak costs



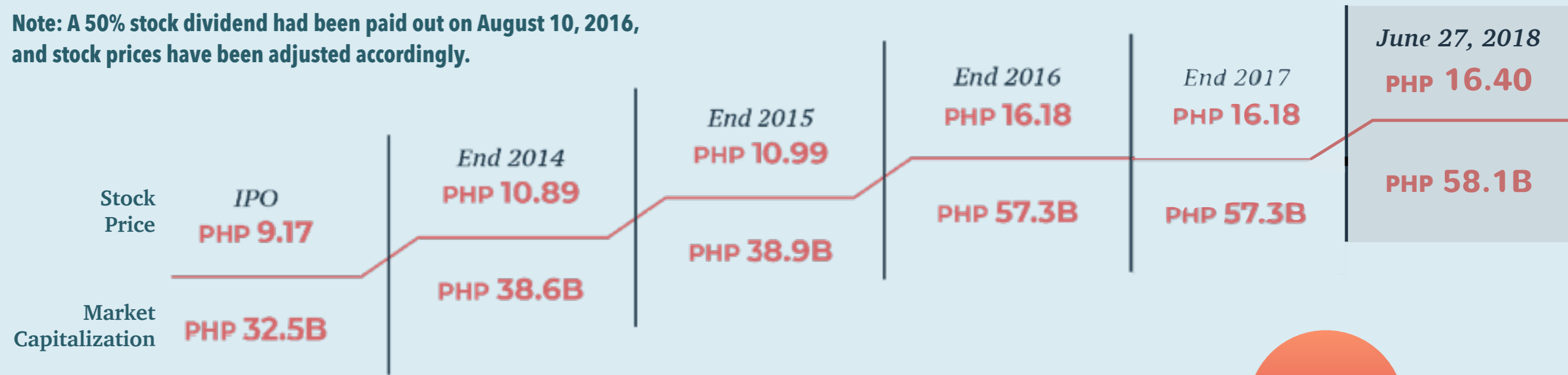
## Pipeline of New Products



# INVESTMENT HIGHLIGHTS

## 78.8% Growth since IPO

Note: A 50% stock dividend had been paid out on August 10, 2016, and stock prices have been adjusted accordingly.

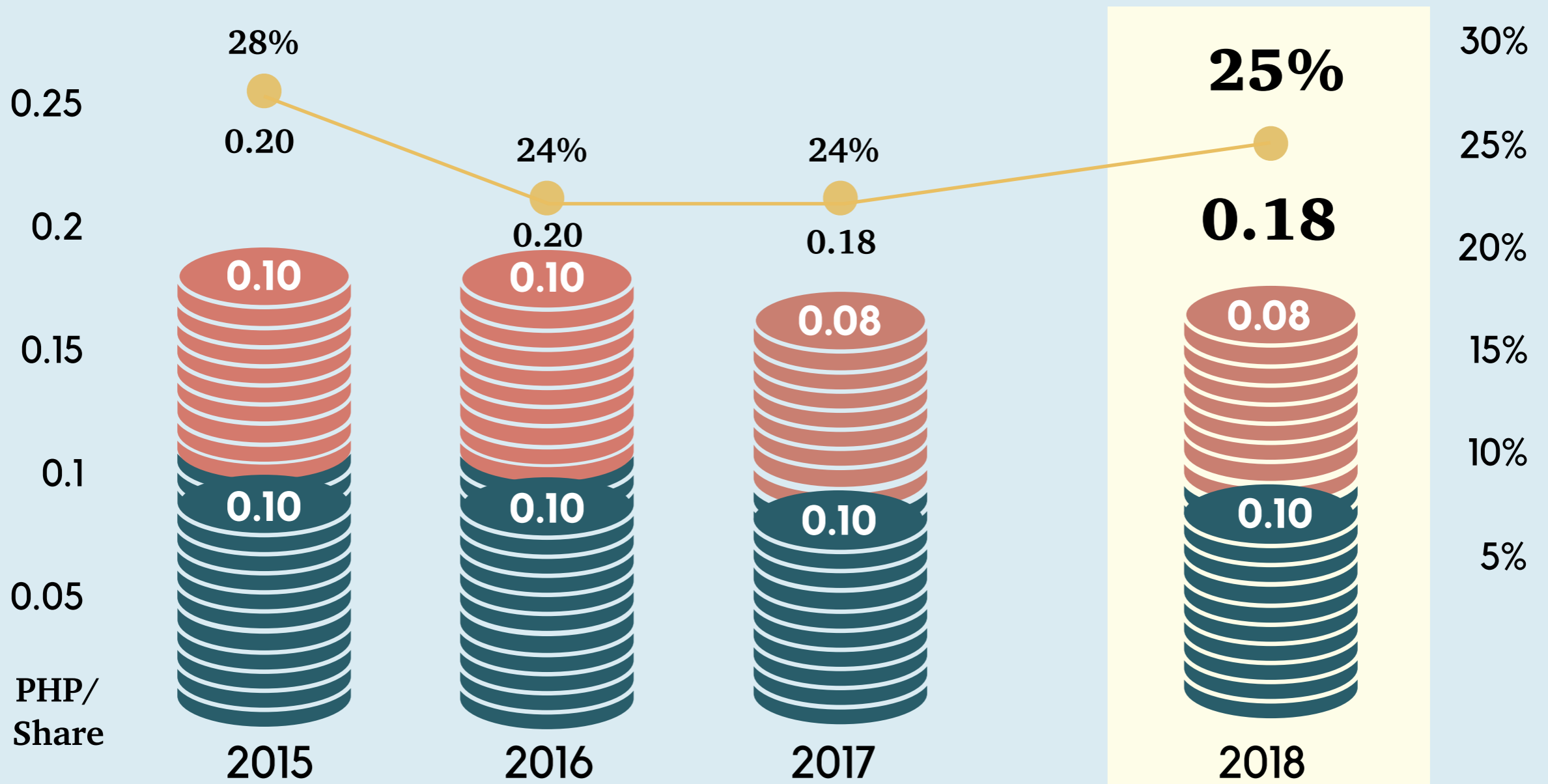


## Better performance relative to index & sector YTD

		<i>CNPF</i>	<i>SECTOR</i>
<i>PER</i>		21.3x	24.2x
<i>ROE</i>		17.2%	15.0%
<i>YTD</i>	Absolute	1.4%	-8.0%
<i>YTD</i>	Relative to Index	19.5%	10.3%

As of June 27, 2018

# CONSISTENTLY PAYING DIVIDENDS



- Special Cash
- Regular Cash
- Payout Ratio\*

\*Of previous year's net income

# AWARDS



**1000 High-Growth  
Companies - Asia  
Pacific**

by Financial Times



**#3 Best IR Professional  
in the Philippines**

by Institutional  
Investor



**Philippines' Best  
Mid Cap Company**

by Finance Asia



**Philippines' Best  
Mid Cap Company**

by Finance Asia



**Philippines' Third  
Best at Investor  
Relations**

by Finance Asia

# SUSTAINABILITY



## Skipjack Tuna

In the Western Pacific Ocean

- Abundant and can reproduce year-round in tropical and subtropical waters
- Far from being overfished even in the future
- Being measured to limit catching of non-skipjack species

Source: ISSF, "Status of the World Fisheries for Tuna: November 2017"



*Fully Compliant with **20 of 20**  
Applicable ISSF Conservation Measures*



**Century Tuna Handline's** production employs a fishing method that eliminates by-catch and juveniles, contributing to the conservation of marine life. **P1.00** from the sale of each Handline product will support the development of a **small-scale tuna sustainability program** in the Philippines.

# SUSTAINABILITY



In partnership with World Wildlife Fund for Nature (WWF) and KidZania, the Century Tuna Marine Conservation Lab was established to help kids learn more about marine ecosystems and sustainability.

# SUSTAINABILITY



CNPF, in partnership with *Friends of Hope & Vita Coco*, is developing a **20 hectare** seedling farm.

Once fully operational, will distribute **130,000 high quality seedlings a year**. Over the next 25 years, these are expected to replace **90% of the senile trees** in the vicinity of our plant in Tambler, General Santos.

# GIVING BACK



**Kain Po** launched in 2010 to improve the health of children in the poorest districts. In 2017 Kain Po served more than **5 million meals** to over **100,000 beneficiaries**.

Over **20 million** meals have been served since its launch in 2010

# GIVING BACK



We partnered with the Department of Agrarian Reform to help farmers from General Santos City for **LinkSFarm**



This program helps partner farmers by letting them gain access to ***fair and consistent buyers*** for their vegetables and sustain their livelihoods

# GIVING BACK

## PHP 5 FROM THIS PACK HELPS MAKE FILIPINO COCONUT FARMERS LIVES A LITTLE BETTER

Every Vita Coco pack purchased in the Philippines will go directly to supporting these programs for coconut farmers and their families:

### REPLANTING:

Help them grow the best yielding coconuts by providing the best seedlings.

### INTERCROPPING:

Provide them with additional sources of income by planting new crops around their existing trees like cacao, coffee and corn.

### EDUCATION:

Provide their communities with access to better classroom learning environments.

## HOW YOU CAN GET INVOLVED

Follow the conversation at @VitaCocoPH

Use the hashtag #HopeInACoconut

Tell your friends to pick up Vita Coco, because every purchase = PhP 5.00 for Filipino Coconut farming communities

## LOOK FOR THESE VITA COCO PRODUCTS IN STORE



**PHP5.00** from every purchase of Vita Coco products goes directly to supporting Filipino coconut farmers. Through this, everyone is able to lend a helping hand in giving, growing, and guiding the coconut farming communities.

# ORGANIZATIONAL CHANGES TO SUPPORT FUTURE PLANS

**Christopher T. Po**  
*Executive Chairman*



Former:  
President & CEO

**Current:  
Executive  
Chairman**

**Teodoro T. Po**  
*President & CEO*



Former:  
EVP & COO

**Current:  
President &  
CEO**

**Gregory H. Banzon**  
*EVP & COO*



Former:  
VP & GM for the  
Tuna Division

**Current:  
EVP & COO**

**Edwin C. Africa**  
*SVP & GM*



Former:  
VP & GM for the  
Meat Division

**Current:  
SVP & GM**



# Thank You

**Century Pacific Food Inc.  
Annual Stockholders' Meeting**

July 3, 2018 at Marco Polo Ortigas