

# CORPORATE PRESENTATION

MAY 2019



# CENTURY PACIFIC FOOD, INC.

(PSE: CNPF)



# Company Overview

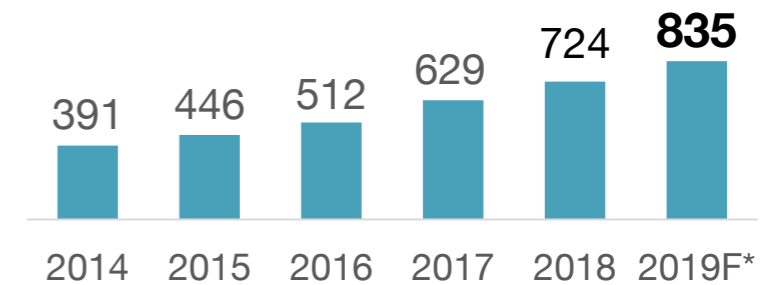


## SNAPSHOT

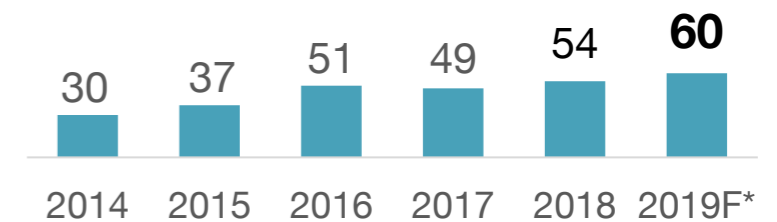
- **Century Pacific Food, Inc.** is the largest canned food company in the Philippines.
- Over its 40-year operating history, it has built a portfolio of leading and well-recognized brands in three core segments - marine (32% of sales), meat (25% of sales), and milk (17% of sales). It is also the Philippines' leading exporter of OEM tuna (17% of sales) and OEM coconut products (9% of sales).
- The Company listed on the Philippine Stock Exchange in 2014 under the trading symbol CNPF. It currently has a market capitalization of about USD1.0 billion.
- **Production Facilities:** 6 manufacturing facilities across the Philippines strategically located adjacent to supply sources (Tuna and Coconut in General Santos City, Meat in Laguna City, Dairy in Taguig City, and Sardines in Cavite and Zamboanga City)
- **Key Management:** Christopher T. Po - Executive Chairman, Teodoro T. Po - President & CEO, Gregory H. Banzon - Executive Vice President & COO, Edwin C. Africa - Senior Vice President & General Manager, Oscar A. Pobre - Vice President & CFO

## FULL-YEAR FINANCIALS

### Revenues (In USD Mill)

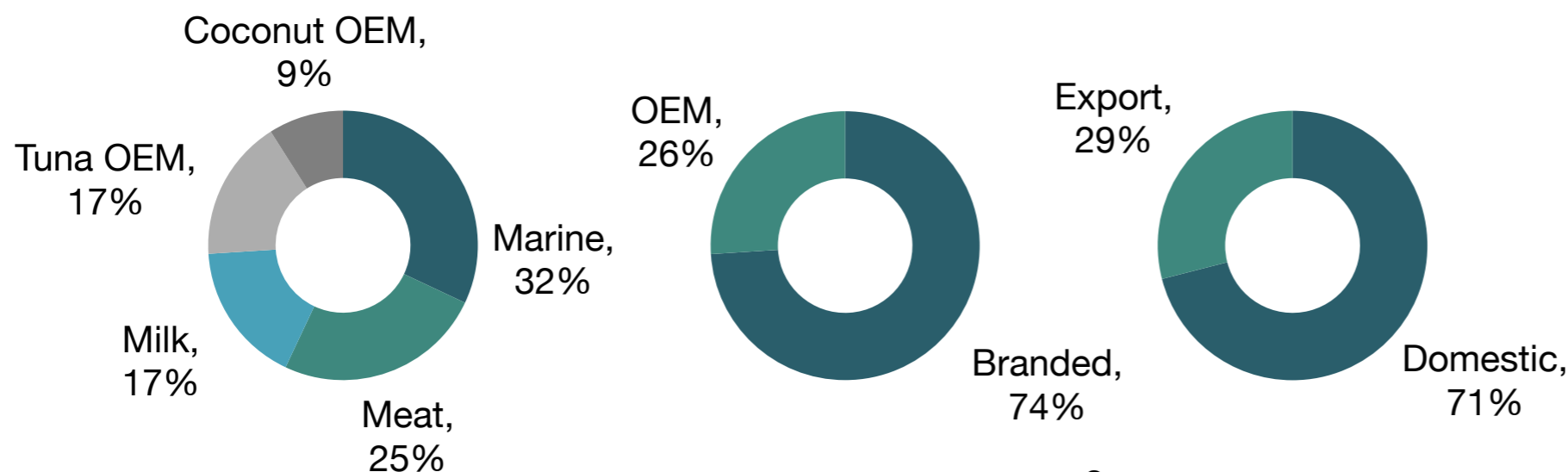


### Net Income (In USD Mill)

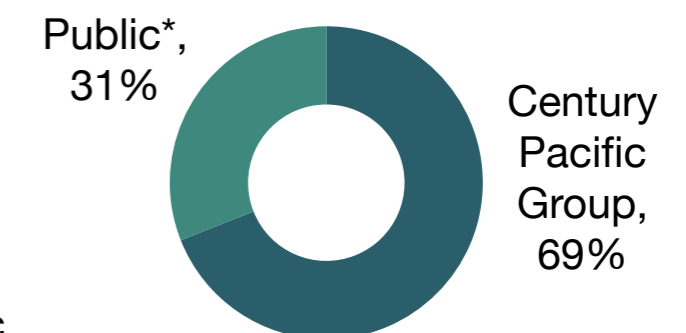


\*Consensus of active brokers

## 2018 REVENUE BREAKDOWN



## OWNERSHIP STRUCTURE



\*Includes GIC's 7% ownership

# The Big Picture

Well-positioned to take advantage of rising consumer demand



## MAJORITY STILL LOW TO MIDDLE CLASS IN THE PHILIPPINES

Distribution of Families and Income

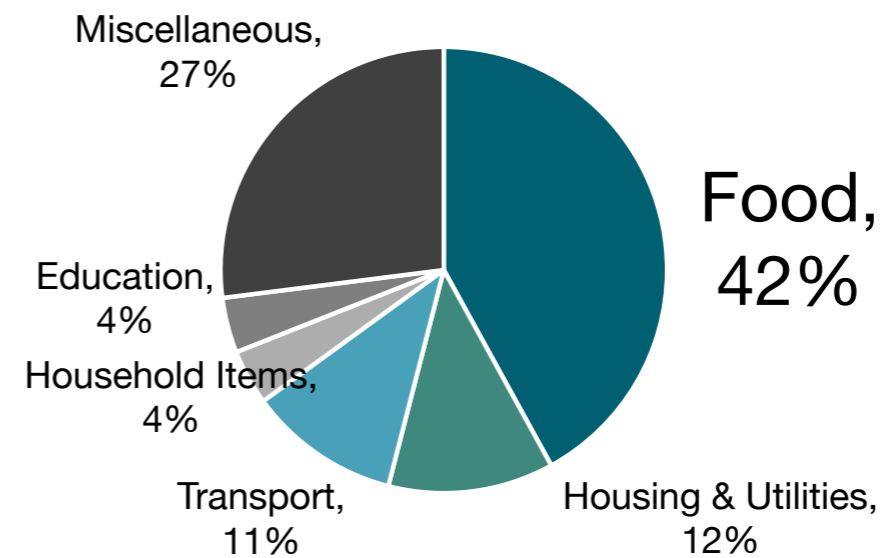
SE CLASS	% Share of Families	% Share of Income	Annual Income in PHP	Annual Income in USD
AB	1	9	1,857,000	36,880
C	9	26	603,000	11,976
D	60	56	191,000	3,793
E	30	9	62,000	1,231
<b>Total</b>	<b>100</b>	<b>100</b>	<b>206,000</b>	<b>4,091</b>

Represents a typical Filipino family size of 3 to 5 pax

Source: BPI Securities Social Weather System Survey, 2016

## FOOD ACCOUNTING FOR BULK OF FAMILY EXPENDITURE

Breakdown of Family Expenditures

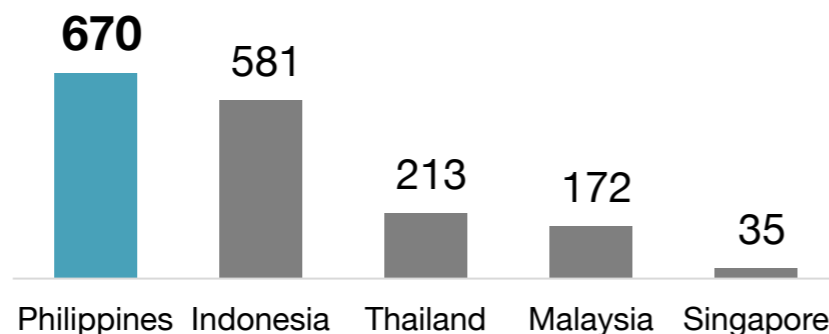


Percentage going to food much larger for lower income families

Source: Philippine Statistics Authority Family Income and Expenditure Survey, 2016

## PHILIPPINE SHELF-STABLE MARKET LARGEST IN ASEAN

Shelf-Stable Food Total Consumption (USDm)

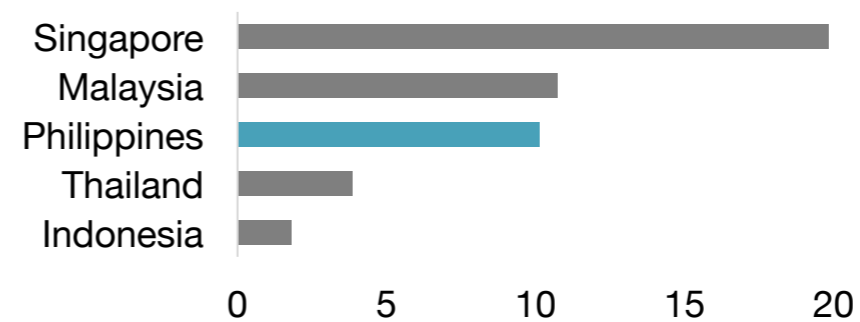


Due primarily to the country's Western influence and archipelagic nature

Source: Euromonitor, 2016

## ROOM TO GROW ON A PER CAPITA BASIS

Per Capita Canned Goods Consumption (USD)



Increase in consumption as per capita incomes increase

3 Source: Euromonitor

# Company Milestones

Proven track record in brand building



TUNA OEM BUSINESS

1978



1983

1986



1995

2001



2002



2008



2012

2014



COCONUT BUSINESS



CENTURY INTERNATIONAL (CHINA) CO. LTD.



2015

2016

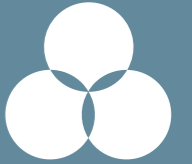
2017



— organic      ..... via acquisitions

# Company Milestones

## Recognized for excellence



**Marketing Company of the Year**  
*Agora Awards*  
2011



**Century Tuna and Argentina**  
*Reader's Digest Trusted Brands*  
2011-2013, 2015-2016



**Gregory Banzon**  
**Marketing Excellence**  
*Agora Awards*  
2014



**Asia's Marketing**  
**Company of the Year**  
*Asia Marketing Federation*  
2016



**Philippines' Best Managed**  
**Small Cap Company**  
*Asia Money*  
2016



**Gregory Banzon**  
**Communication Excellence**  
*CEO Excel Awards*  
2017



**Philippines' Best**  
**Mid Cap Company**  
*Finance Asia*  
2017-2018



**1000 High-Growth Companies**  
**Asia Pacific**  
*Financial Times*  
2018



**Outstanding Achievement**  
**in Export Marketing**  
*Agora Awards*  
2018



**Family Business Award**  
**Country Winner & ASEAN Winner**  
*ASEAN Business Awards*  
2018



**Best in Sector**  
**Consumer Staples Finalist**  
*IR Magazine Awards*  
**South East Asia**  
2018

# Investment Highlights



## 1 Market Leadership

- Dominates the canned fish and canned meat categories locally\* with a growing presence in milk
- Company's brands are the brands of choice for Filipino consumers

## 2 Multiple Brands and Products

- A broad product portfolio catering to different tastes and needs to capture a larger share of consumers' wallet and stomach
- Diversification of risk and input price exposures

## 3 Strong Focus on Marketing and Innovation

- Innovative marketing campaigns to create must-have and aspirational brands
- Strong R&D process to launch products and improve profitability

## 4 Extensive Market Penetration and Distribution

- Products available in 927,000 points of sale locally\*
- A growing network of food service and international accounts

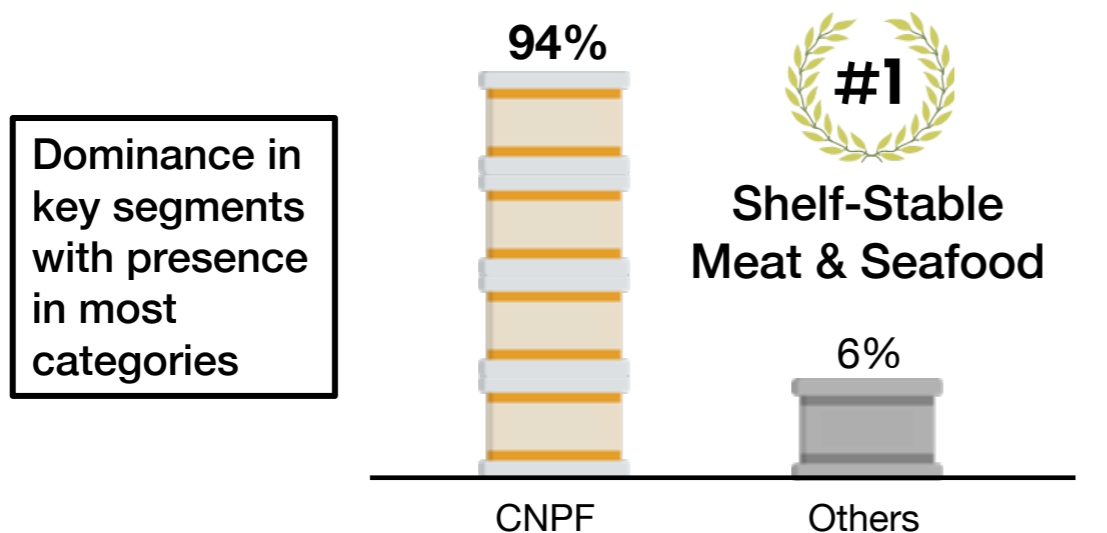
## 5 Trusted Partner for International Customers

- Long-standing relationships with large international private label customers, initially just for tuna but now also for various coconut products
- One of the Philippines' largest exporter of tuna and various coconut products

# Dominant Market Leadership in Ambient Food in the Philippines



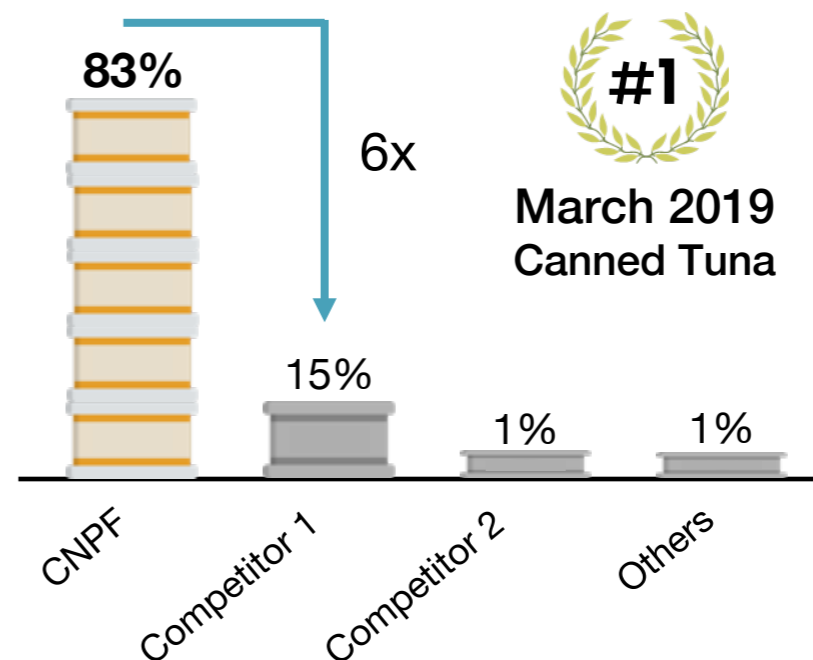
## LARGEST PRODUCER OF SHELF-STABLE PRODUCTS



Dominance in key segments with presence in most categories

Source: Euromonitor, 2018

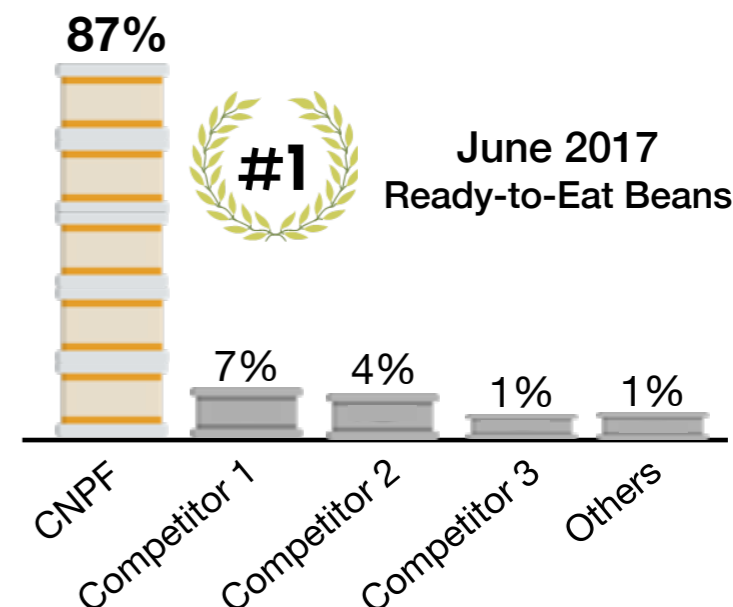
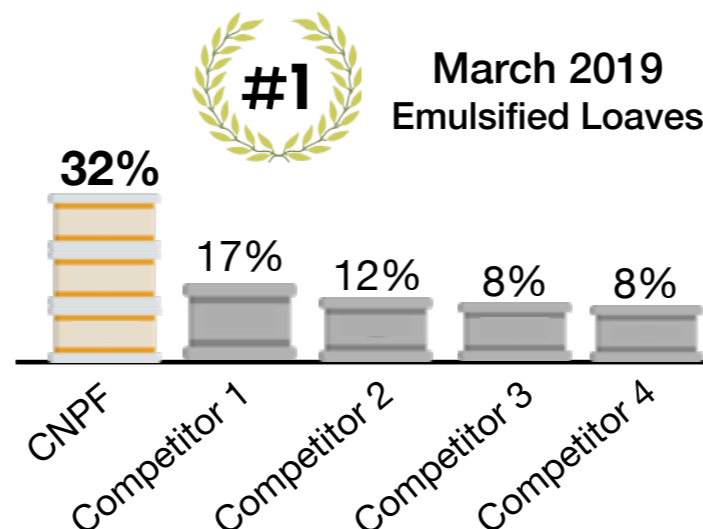
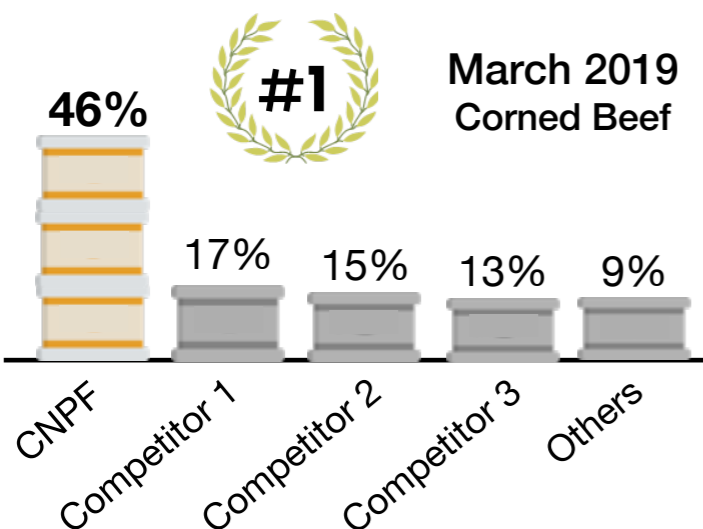
## PRIMARY DRIVER OF CANNED TUNA CONSUMPTION DOMESTICALLY



Flagship brand "Century Tuna" is now a champion for health and wellness

Source: Nielsen

## MARKET LEADER IN OTHER PHILIPPINES STAPLES



Source: Nielsen

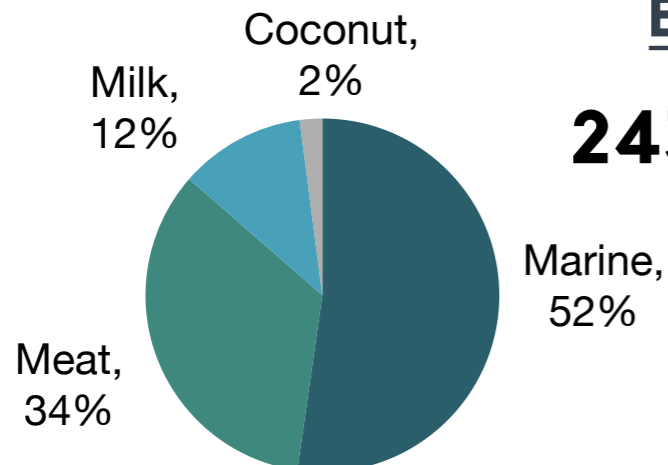
# 2 Multiple Brands and Products Catering to All Consumers



Diverse product portfolio catering to a broad customer base and different customer tastes and needs

Positioning	Value for Money	Mass Market	Affordable Premium
Canned and Processed Fish	Lucky 7, FRESCA TUNA	555, BLUE BAY Tuna, KAMAYAN	Century TUNA, Century QUALITY
Canned and Processed Meat	Lucky 7, WOW!	555, Shanghai Luncheon Meat, Argentina, Hunts, Swift	
Canned and Drinking Milk; Mixes	HomePride, KAFFE DE ORO	Angel, Birch Tree FORTIFIED	Birch Tree Full Cream Milk Powder

## COMPANY PORTFOLIO AS OF END 2018



**243 SKUs**

## SIGNIFICANT BENEFITS OF A MULTI-BRAND, MULTI-PRODUCT PORTFOLIO

- Catering to a broad customer base through multiple brands and capturing a larger share of the consumers' wallet and stomach through multiple segments and products
- Increased bargaining power with suppliers and distributors
- Diversification of risk and facilitate brand consolidation play

# 3 Strong Focus on R&D-Driven Innovation and Marketing



## INNOVATIVE MARKETING CAMPAIGNS



Enhancing brand recognition through active and targeted marketing and promotional campaigns

- Continuous launching of new products and improvements in profitability made possible through intensive R&D
- Promotions capitalize on healthier lifestyles
- Intuitive and appealing ad campaigns employ celebrity endorsers to create must-have and aspirational brands

# 4

# Extensive Market Penetration and Distribution Network



**138k**

Total Philippine Outlets Serviced by CNPF

**927k**

Total Philippine Outlets CNPF Products are Available in

Source: Nielsen

Availability Equivalent to

**80%**

of All Points of Sale in the Philippines

**14**

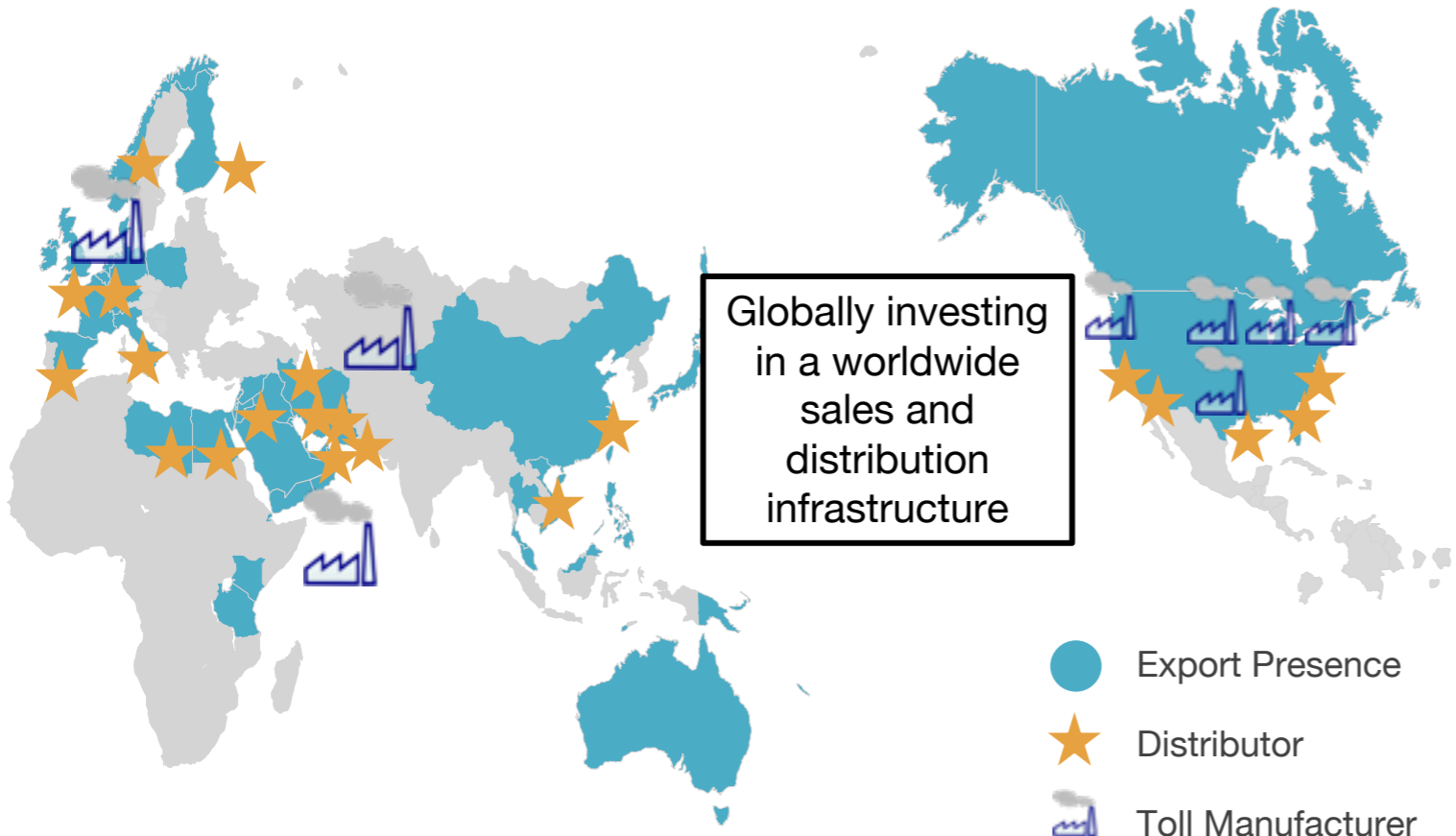
Offshore Toll Manufacturers for CNPF Products

**62**

Countries CNPF Products are Available in

## GLOBAL SALES AND DISTRIBUTION NETWORK

## AVAILABILITY OF BRANDED PRODUCTS

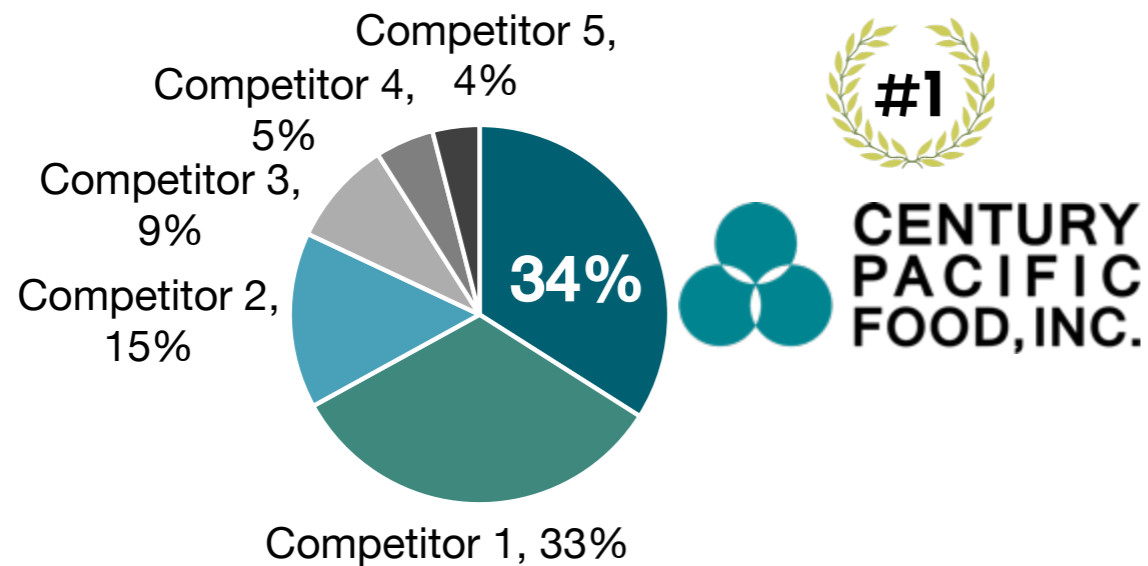


# 5 Trusted Partner for Customers Around the World



Works closely with long-standing international partners to produce private label and branded products for sale in international markets

## TUNA OEM MARKET SHARE



Source: Bureau of Customs, 2018

## KEY CUSTOMERS



Largest single-brand restaurant chain



UK's leading importer of canned food



Japan's leading manufacturers of food products

## BRANDED PRODUCTS SOLD EXCLUSIVELY FOR EXPORT



## NEWEST FACILITY FOR COCONUT MILK

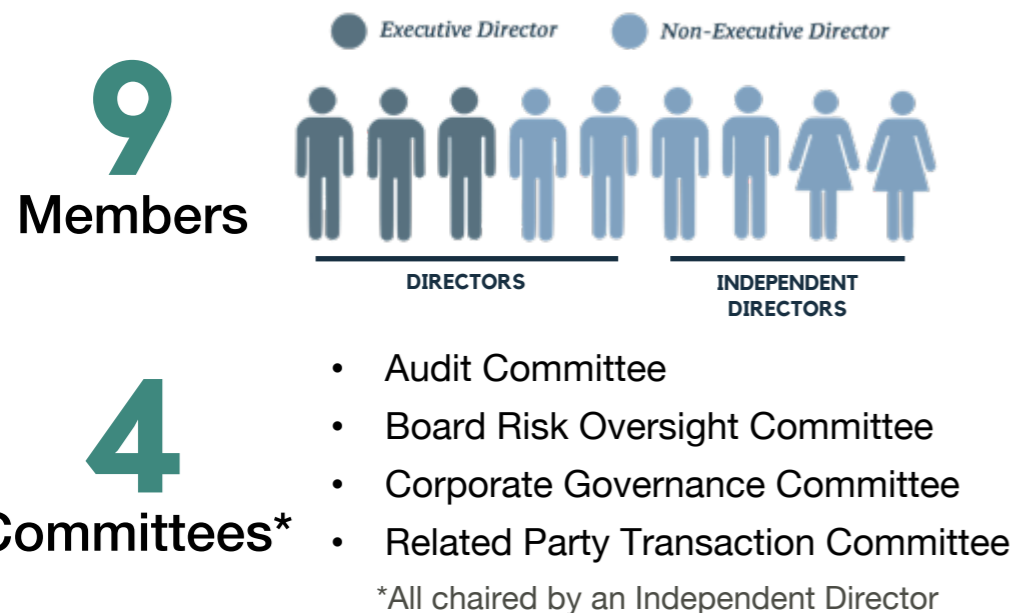


# Our Experienced and Dedicated Management Team



Highly experienced professionals in their respective areas of expertise

## BOARD COMPOSITION



## PREVIOUS WORK EXPERIENCE



<b>CHRISTOPHER PO</b> Executive Chairman	<ul style="list-style-type: none"> <li>• 9 years of experience as Management Consultant at McKinsey, Managing Director at Guggenheim Partners, and Corporate Planning Head at JG Summit</li> </ul>
<b>TEODORO PO</b> President & CEO	<ul style="list-style-type: none"> <li>• 27 years of experience in running various business units of Century Group; Designed, built, and managed several factories of the group</li> </ul>
<b>GREGORY BANZON</b> EVP & COO	<ul style="list-style-type: none"> <li>• 22 years of experience in various general management, marketing, and sales roles including VP - Marketing of Johnson &amp; Johnson ASEAN, Country General Manager of Johnson &amp; Johnson Indonesia, and General Manager at RFM</li> </ul>
<b>OSCAR POBRE</b> VP & CFO	<ul style="list-style-type: none"> <li>• 23 years managing the corporate finance, treasury, accounting, and controllership at Century Group of Companies</li> <li>• 17 years of experience in finance functions at RFM, Cosmos, Dole, and Meralco</li> </ul>
<b>EDWIN AFRICA</b> SVP – GM Meat	<ul style="list-style-type: none"> <li>• 22 years of experience in general and brand management roles in the Philippines, Taiwan, Thailand, Singapore, Malaysia, and China</li> <li>• Procter &amp; Gamble from 1991 to 2001, Nippon Paint from 2001 to 2004, and Pepsico from 2005-2012</li> </ul>
<b>CEZAR CRUZ</b> VP – GM Sardines	<ul style="list-style-type: none"> <li>• 29 years of experience in various technical, operations, and business development roles at San Miguel and RFM</li> <li>• President of the Sardine Association of the Philippines</li> </ul>
<b>RONALD AGONCILLO</b> VP – GM Milk & Mixes	<ul style="list-style-type: none"> <li>• 19 years of experience in various national sales management, engineering, and logistics roles at Unilever Philippines and Indonesia, 3M, Shell, Cadbury, and San Miguel</li> </ul>
<b>TEDDY KHO</b> VP – GM Tuna OEM Exports	<ul style="list-style-type: none"> <li>• 21 years of experience in various management, operations, and technical roles including President and General Manager of San Miguel Foods Vietnam and Plant Manager of San Miguel Hoecheong</li> </ul>
<b>NOEL TEMPONGKO</b> VP – GM Coconut OEM Exports	<ul style="list-style-type: none"> <li>• 27 years of experience in various general management roles in fast-moving consumer goods companies including San Miguel Yamamura Packaging Corp and The Purefoods-Hormel Company Inc.</li> </ul>
<b>WILHELMINO NICOLASORA</b> VP – Domestic Sales	<ul style="list-style-type: none"> <li>• 9 years of experience in sales management roles at Unilever Philippines, PepsiCo International, and Kimberly-Clark Philippines and Thailand</li> </ul>

# Strategic Priorities



**1**  
Solidify market dominance, strengthen brands, and drive up per capita consumption in key categories

**2**  
Explore new categories via in-house product innovation and development, as well as an active search for undervalued brands

**3**  
Establish international presence by pursuing foreign markets with sizeable Filipino base and building on world-class export capabilities

**4**  
Increase operational productivity via high-return CapEx projects and improve depth and quality of sales coverage

**5**  
Pursue long-term sustainable earnings growth, striking a balance between consistently increasing revenue base and managing profitability



# FINANCIAL PERFORMANCE & OUTLOOK

---

---

# FY 2018 Financial Results Highlights



## TOTAL REVENUE GROWTH



## BRANDED REVENUE GROWTH



## GROSS PROFIT GROWTH



## OPERATING INCOME GROWTH



## EBITDA GROWTH



## NET INCOME GROWTH



# FY 2018 Summarized P&L



In PHP Mill	YTD Dec 2017	YTD Dec 2018	Change YoY
<b>Net Revenues</b>	<b>32,907</b>	<b>37,885</b>	<b>15%</b>
Cost of Sales	25,973	29,738	14%
<b>Gross Profit</b>	<b>6,935</b>	<b>8,148</b>	<b>17%</b>
Operating Expenses	3,893	4,721	21%
<b>Operating Income</b>	<b>3,429</b>	<b>3,799</b>	<b>11%</b>
<b>EBITDA</b>	<b>3,954</b>	<b>4,526</b>	<b>14%</b>
Financing Cost - Net	107	197	84%
<b>Income before Tax</b>	<b>3,322</b>	<b>3,602</b>	<b>8%</b>
Income Tax	770	768	0%
<b>Net Income</b>	<b>2,552</b>	<b>2,834</b>	<b>11%</b>
<b>Earnings per Share</b>	<b>0.72</b>	<b>0.80</b>	<b>11%</b>
<b>Margins (%)</b>			
Gross Profit	21.1%	21.5%	+0.4 pps
Operating Expenses	11.8%	12.5%	+0.6 pps
Operating Income	10.4%	10.0%	-0.4 pps
EBITDA	12.0%	11.9%	-0.1 pps
Net Income	7.8%	7.5%	-0.3 pps

- **HIGHER SALES FROM ALL SEGMENTS** with overall growth driven by branded segment
- Revenue growth from branded business driven almost completely by **HIGHER VOLUMES**

- Slight expansion in gross margins due primarily to **DIVERSIFIED OPERATIONS** as softer input prices **OFFSET PRESSURES** from other costs

- Increase in operating expenses driven primarily by **HIGHER FREIGHT AND LOGISTICS COSTS**
- Continued **INVESTMENT IN BRANDS**

- Earnings growth momentum continued as **TOTAL NET INCOME INCREASED BY A HEALTHY +11%**

# Q1 2019 Financial Results Highlights



TOTAL REVENUE  
GROWTH



BRANDED REVENUE  
GROWTH



GROSS PROFIT  
GROWTH



OPERATING INCOME  
GROWTH



EBITDA  
GROWTH



NET INCOME  
GROWTH



# Q1 2019 Summarized P&L



In PHP Mill	YTD Mar 2018	YTD Mar 2019	Change YoY
<b>Net Revenues</b>	<b>8,783</b>	<b>9,744</b>	<b>11%</b>
Cost of Sales	6,781	7,564	12%
<b>Gross Profit</b>	<b>2,002</b>	<b>2,180</b>	<b>9%</b>
Operating Expenses	1,204	1,172	-3%
<b>Operating Income</b>	<b>977</b>	<b>1,116</b>	<b>14%</b>
<b>EBITDA</b>	<b>1,146</b>	<b>1,323</b>	<b>15%</b>
Financing Cost - Net	33	91	176%
<b>Income before Tax</b>	<b>944</b>	<b>1,025</b>	<b>9%</b>
Income Tax	211	232	10%
<b>Net Income</b>	<b>732</b>	<b>793</b>	<b>8%</b>
<b>Earnings per Share</b>	<b>0.21</b>	<b>0.22</b>	<b>8%</b>

<b>Margins (%)</b>			
Gross Profit	22.8%	22.4%	-0.4 pps
Operating Expenses	13.7%	12.0%	-1.7 pps
Operating Income	11.1%	11.4%	+0.3 pps
EBITDA	13.1%	13.6%	+0.5 pps
Net Income	8.3%	8.1%	-0.2 pps

- Higher revenues mainly driven by **BRANDED OUTPERFORMANCE**
- Consistent volume growth for **CORE CATEGORIES** underscored by products' value-for-money proposition
- Performance boosted by **EMERGING CATEGORIES** – most notably **MILK**

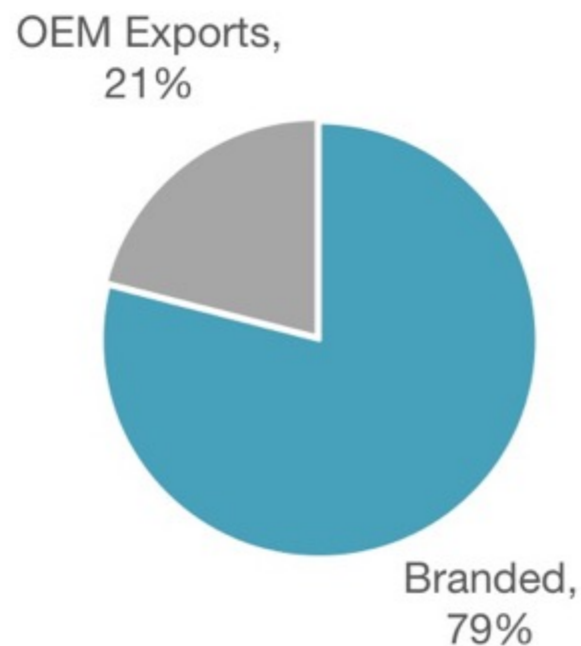
- Steady gross profit margin due primarily to **DIVERSIFIED COST BASE** as softer input prices **OFFSET PRESSURES** from other costs

- Lower operating expenses due to **FRONT-LOADED A&P IN 1Q18** lead to margin expansion at operating income and EBITDA level
- Increase in financing cost to fund **STRATEGIC INVENTORY POSITIONS**

# Branded as Key Driver of Growth; Consistent Outperformance

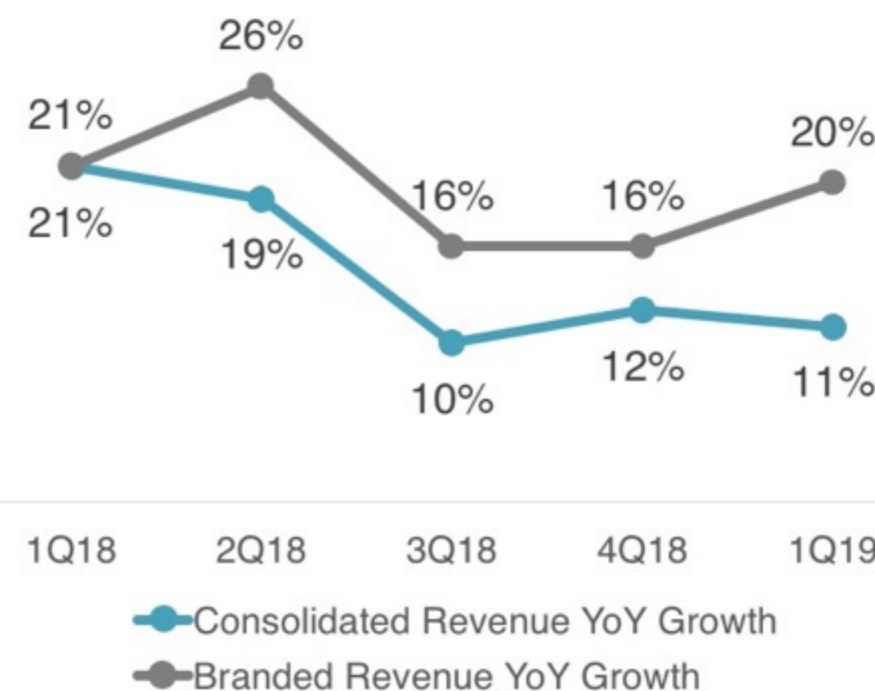
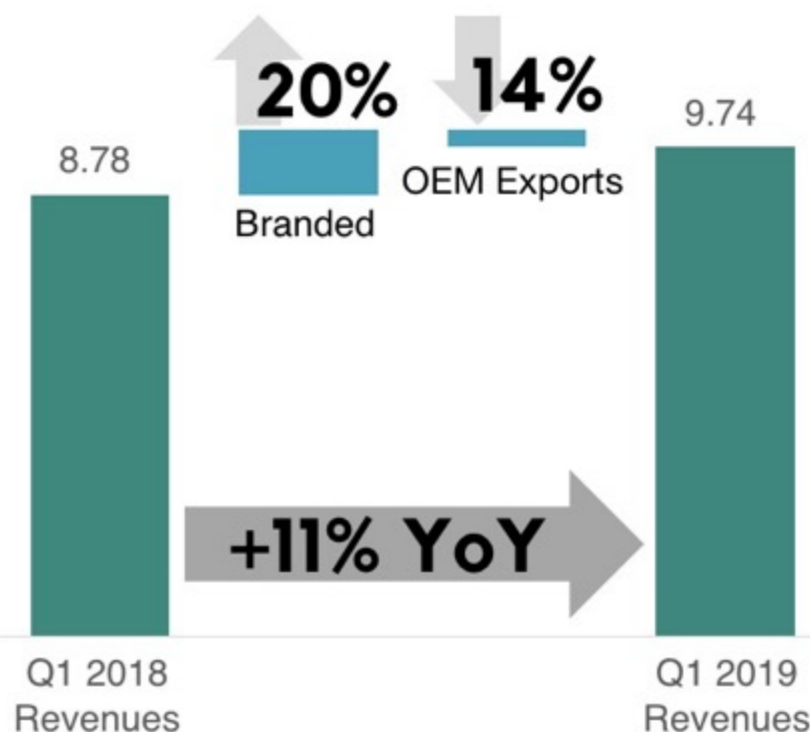


## 1Q19 Revenue Breakdown



## Revenue Growth Split

In PHP Bill

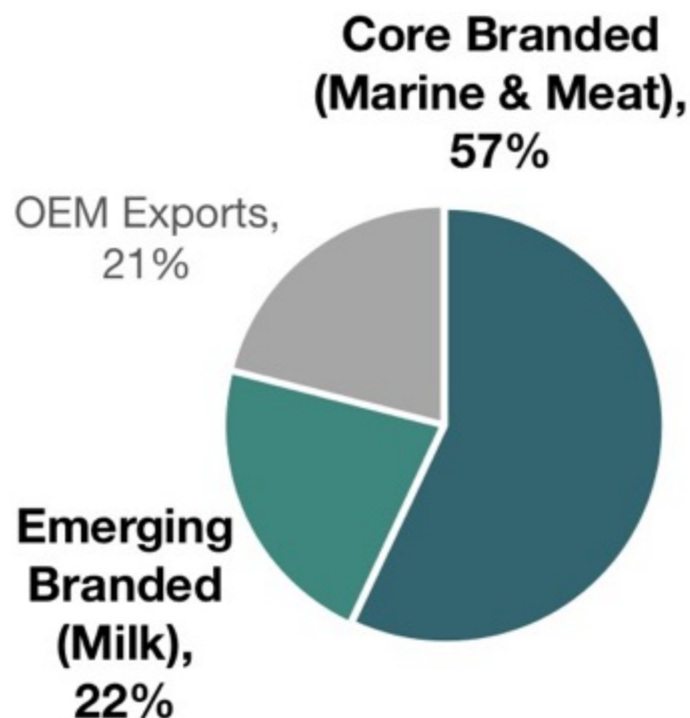


- **CONSISTENT DOUBLE-DIGIT REVENUE GROWTH** driven by maintained branded outperformance
- **SUSTAINED DOMESTIC DEMAND** despite dampening effects of last year's inflation and El Niño
- Resilience built through years of **CONTINUED BRAND-BUILDING** and **DISTRIBUTION INITIATIVES**, plus introduction of new product innovations
- **TEMPORARY DIP** in OEM exports with softness in global demand and normalizing of lower pass-on prices in tuna and coconut

# Healthy Sales in Core and Emerging; Milk's Share of Revenue Increases

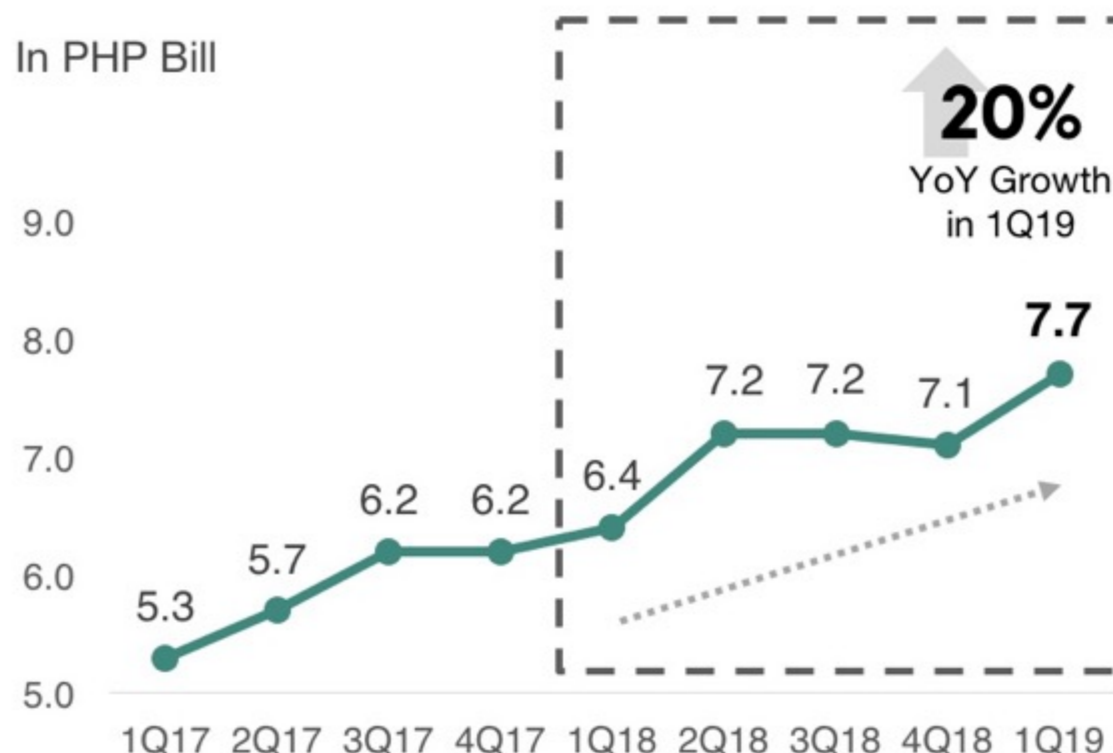


## 1Q19 Revenue Breakdown



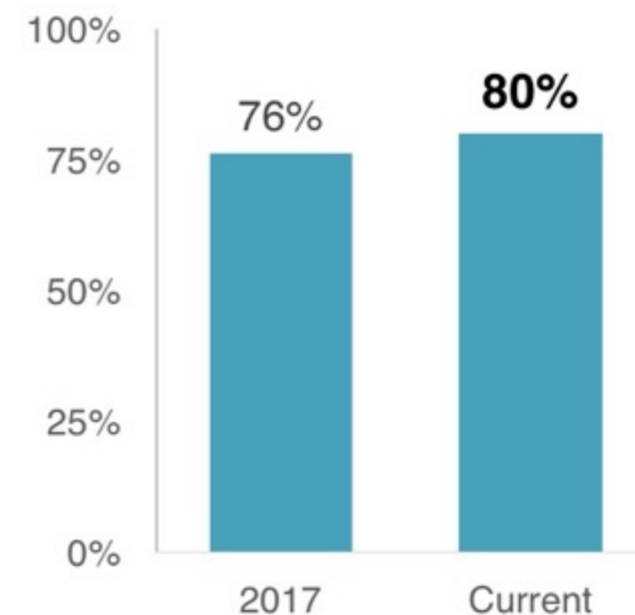
## Branded Quarterly Revenues

In PHP Bill



## Increased Availability

CNPF Product Availability Relative to Total Points of Sale in the Philippines



Source: Nielsen

- Continued upward sales momentum supported by **BRAND LOYALTY** and **IMPROVING PRESENCE AND PRODUCT AVAILABILITY**, particularly in Visayas and Mindanao
- **INCREASING REVENUE SHARE OF MILK** with growth faster than rest of business
- Healthy growth in core branded segments due to **SUSTAINED MARKET LEADERSHIP, VALUE-FOR-MONEY PROPOSITION**, and **MAINSTAY STATUS WITH PHILIPPINE HOUSEHOLDS**

# Emergence of Challenger Brands in a Category Poised for Growth



## Milk Brands Value Proposition

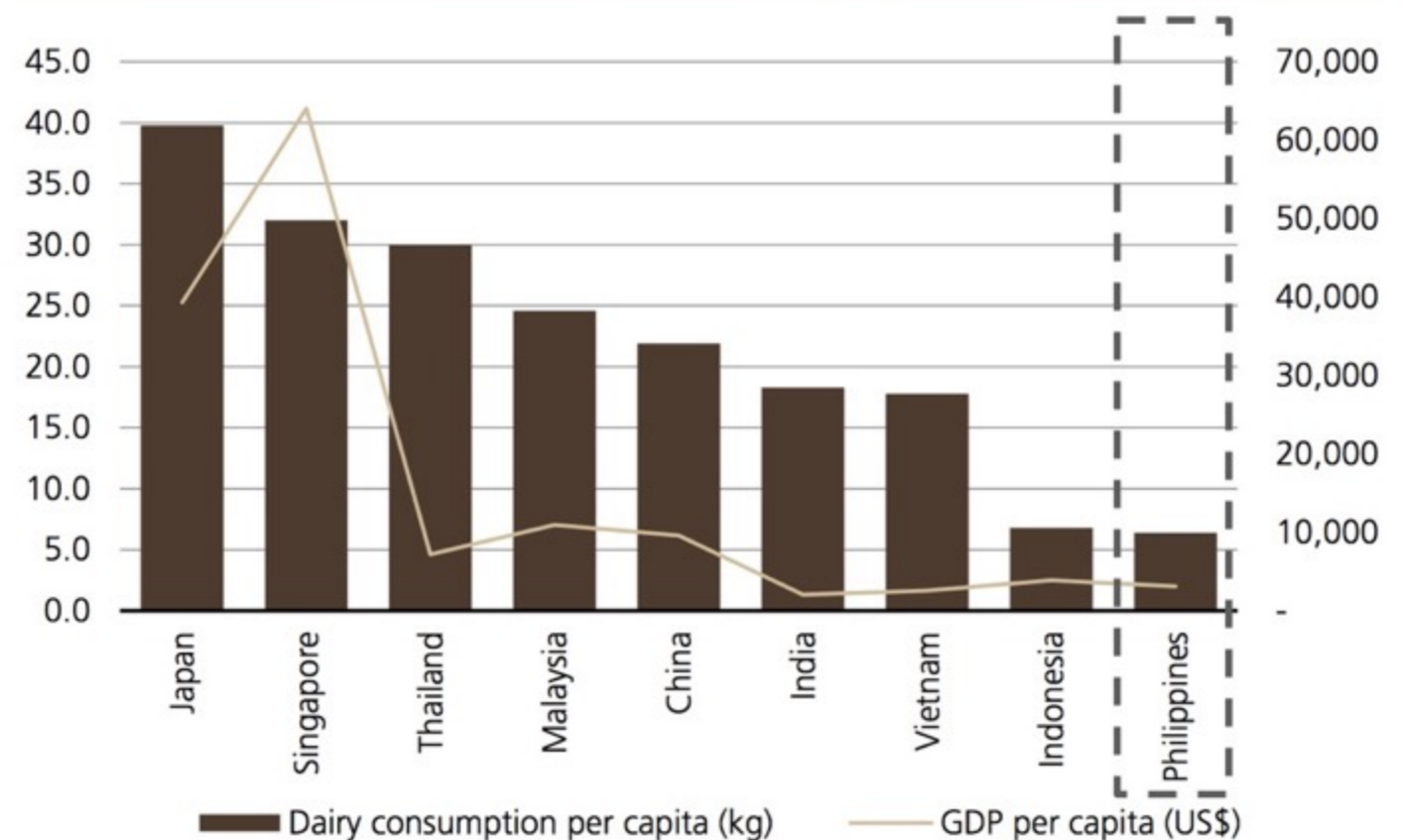
**INNOVATING**  
in traditional canned liquid milk segment



**VALUE-FOR-MONEY**  
product in large and high-growth powdered milk market



## Dairy Annual Consumption per Capita in 2018



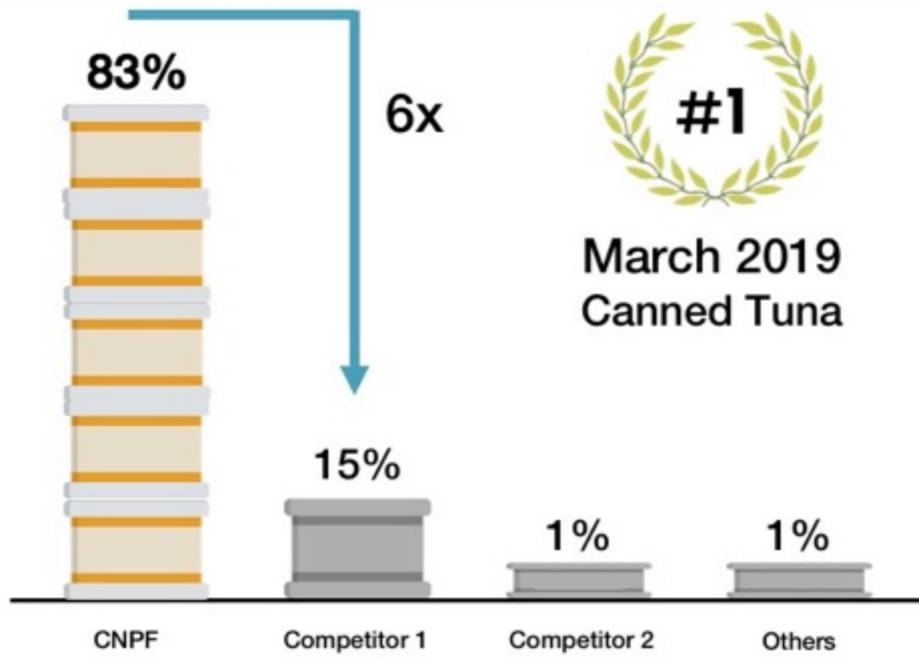
Source: Euromonitor

- Growth in milk business driven by both **CATEGORY GROWTH** and **MARKET SHARE GAINS**
- Both **CANNED AND POWDERED MILK** showing robust year-on-year sales increase with recent gains in brand equity and product availability
- **PHILIPPINE DAIRY - A HIGH POTENTIAL MARKET WITH CONSUMPTION STILL ONE OF THE LOWEST** in the region and versus peers with similar GDP per capita

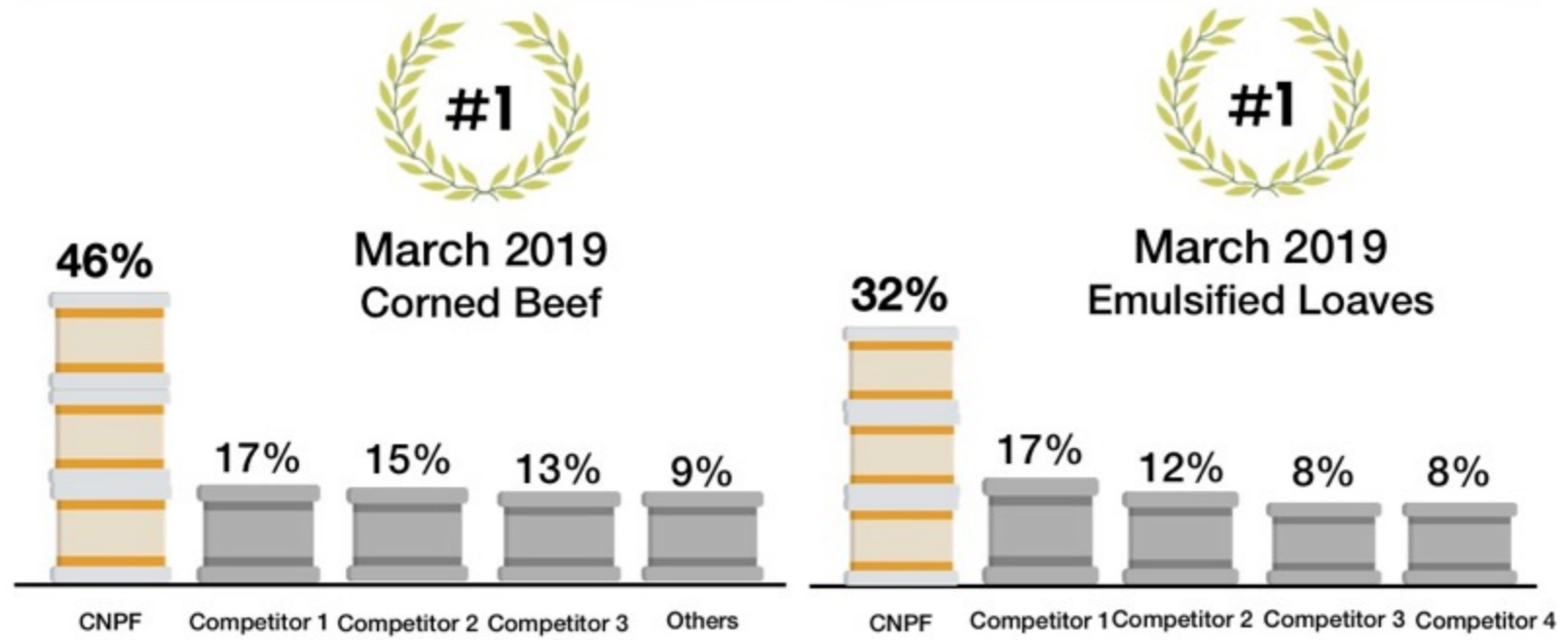
# Sustained Market Leadership in Core Branded Categories



## Marine Market Share



## Meat Market Share



Source: Nielsen

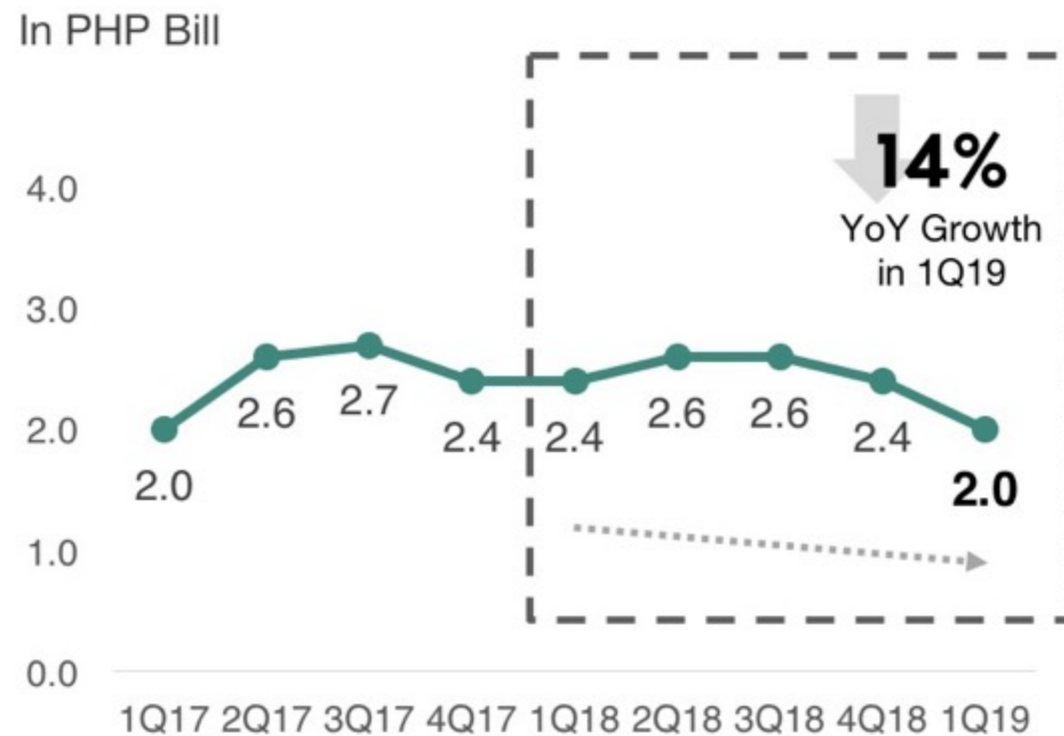


- **MARINE:** current campaign focused on affordability in light of a more cost-conscious consumer environment
- **MEAT:** capitalizing on goodwill of top brand by expanding to adjacent categories
- **HEALTH** an emerging theme across all business units

# Tempered OEM Sales Growth; Recovery Expected in Full Year

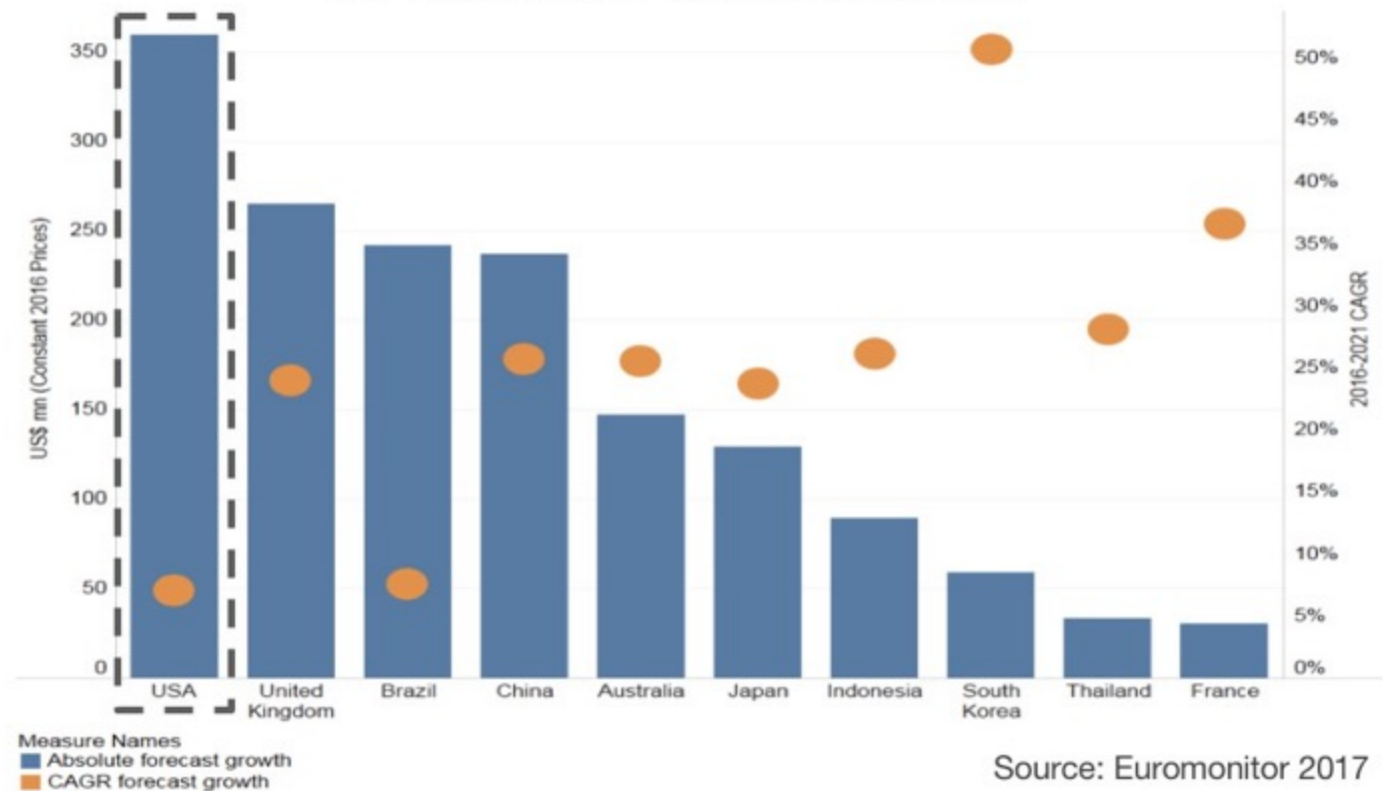


## OEM Export Quarterly Revenues



## Global Coconut Water Market

Global Coconut Water and Other Plant Waters Off-Trade Value Forecast 2016-2021



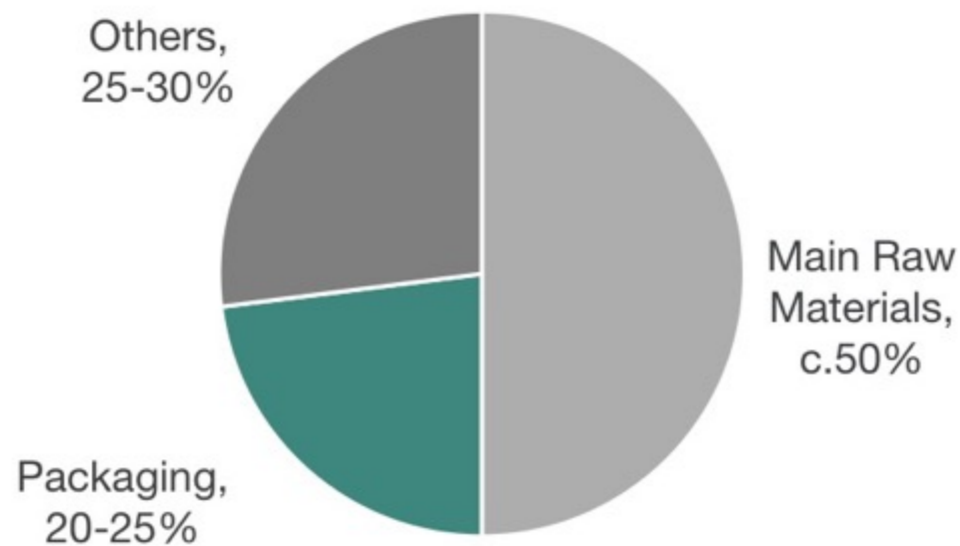
Source: Euromonitor 2017

- Decline in OEM sales in line with **SOFTNESS IN EXPORT DEMAND** and **NORMALIZING PASS-ON PRICES OF TUNA AND COCONUT**
- **PIVOT TO GROWTH** expected by full-year 2019
- Larger coconut water markets expected to transition to **MORE SUSTAINABLE GROWTH LEVELS**, with acceleration to come from **NEWER TERRITORIES** and increased sales of **HIGH-VALUE COCONUT MEAT**

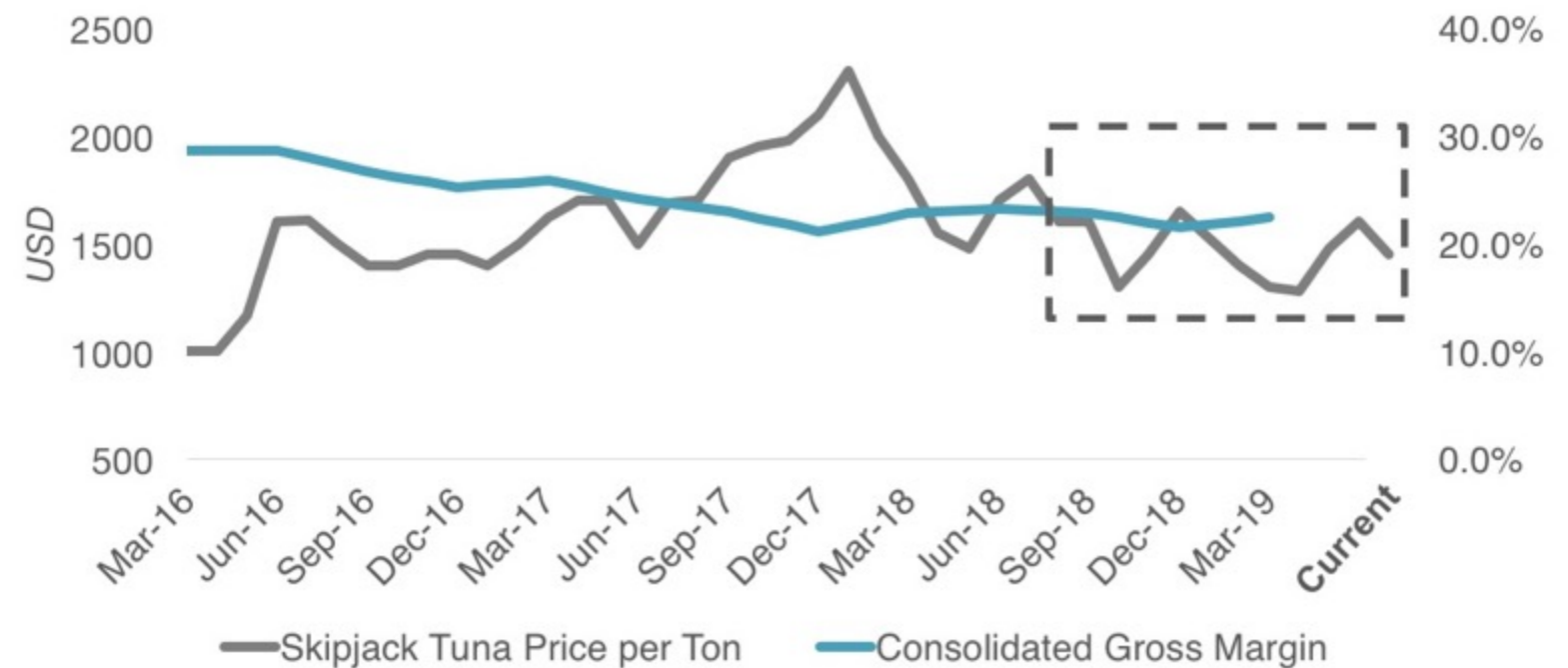
# Diversified Cost Base Provides Stability in Gross Profit Margins



## Cost of Sales Breakdown



## Consolidated Gross Profit Margins versus Skipjack Tuna Prices monthly with 3-month delay

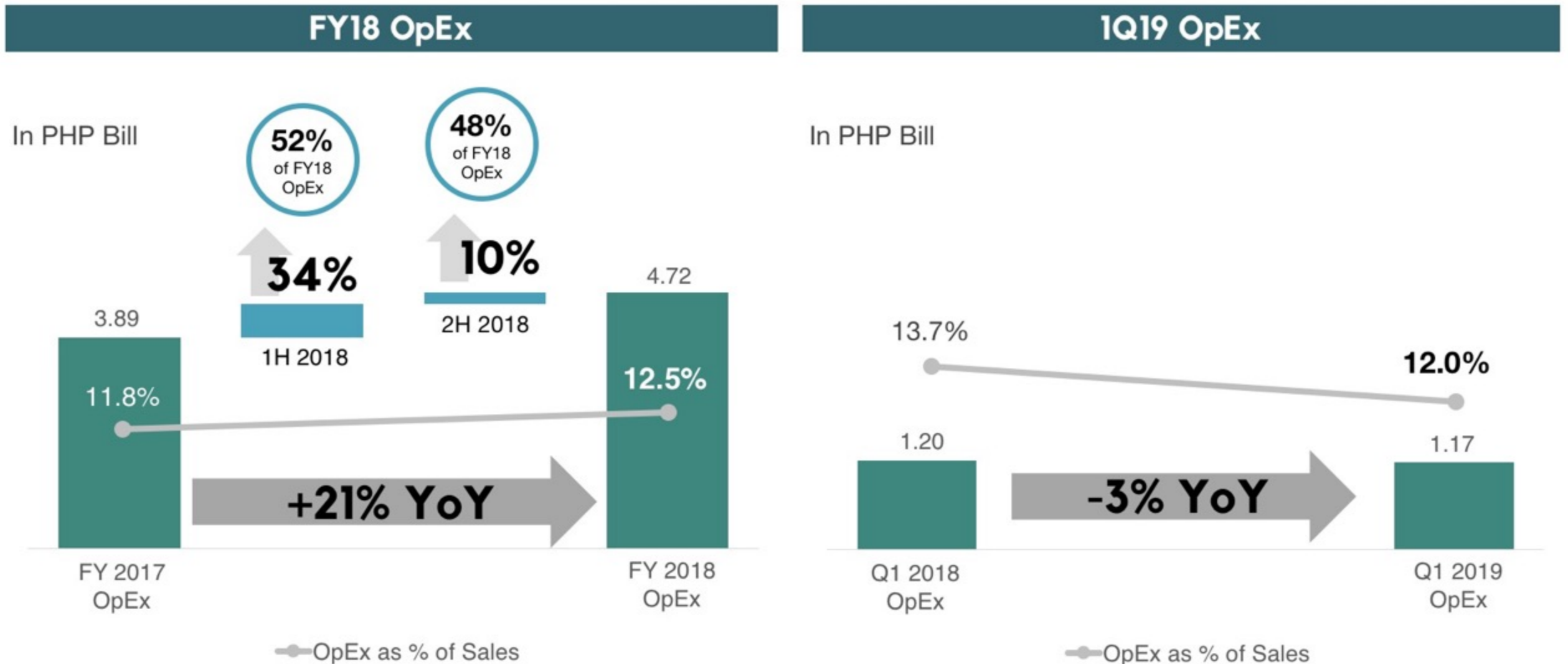


Source: [http://investor.thaiunion.com/raw\\_material.html](http://investor.thaiunion.com/raw_material.html)

Source: CNPF

- Steady gross profitability both year-on-year and sequentially due to **DIVERSIFIED COST BASE**
- Softer tuna and coconut prices offset **HIGHER COSTS OF PACKAGING AND OTHER KEY INPUTS** which increased beginning mid-2018

# OpEx Down Year-on-Year Due to Front-Loaded A&P in Prior Year



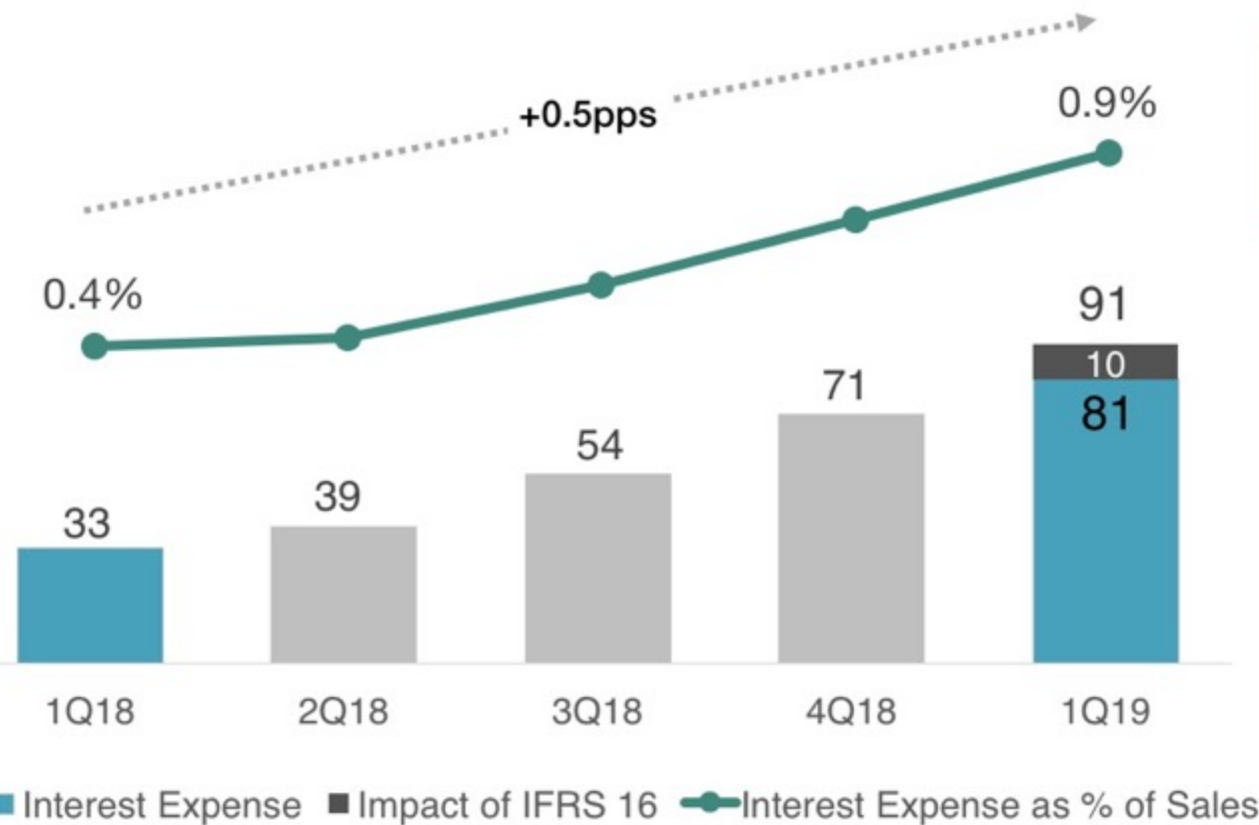
- Decline in 1Q19 operating expenses reflect **FRONT-LOADED A&P IN PREVIOUS YEAR**
- Current OpEx as a percent of sales remain **WELL-WITHIN FY17 AND FY18 LEVELS**

# Temporary Increase in Financing to Support Inventory Hedge



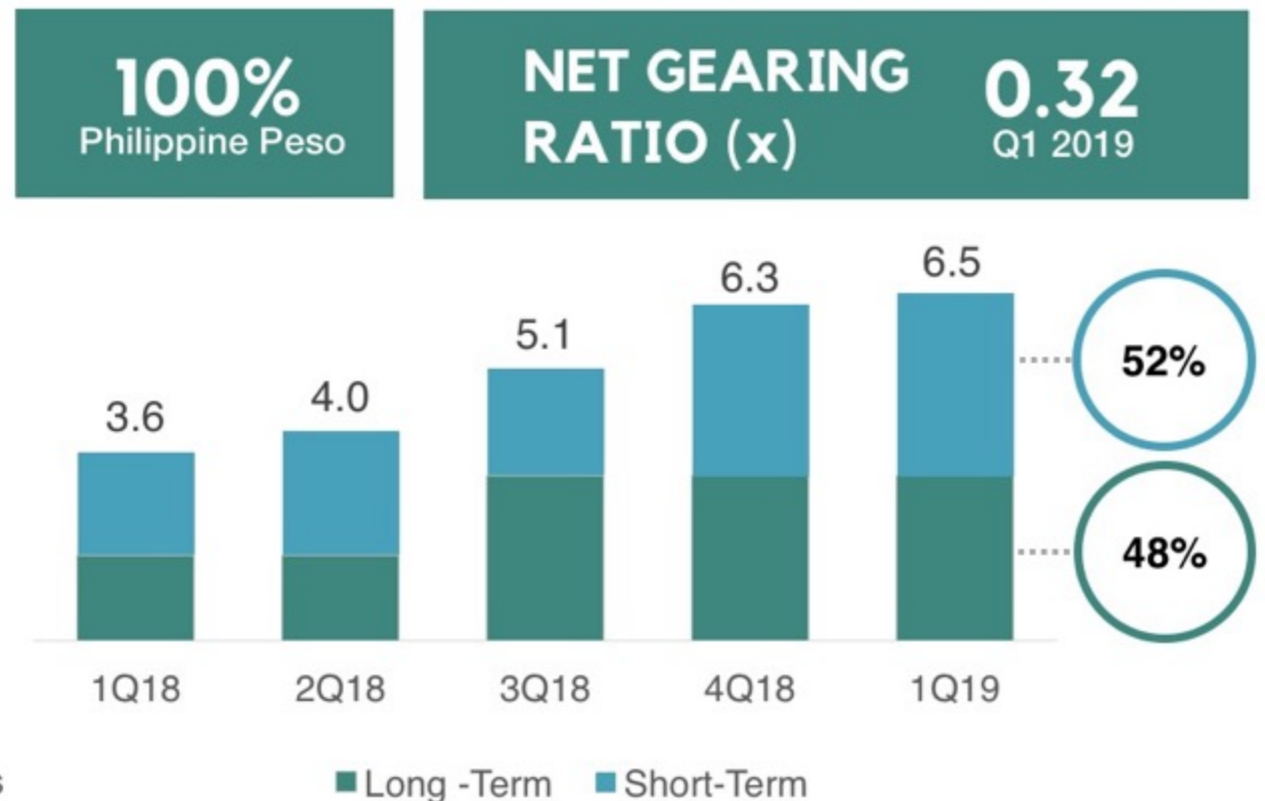
## Interest Expense

In PHP Mill



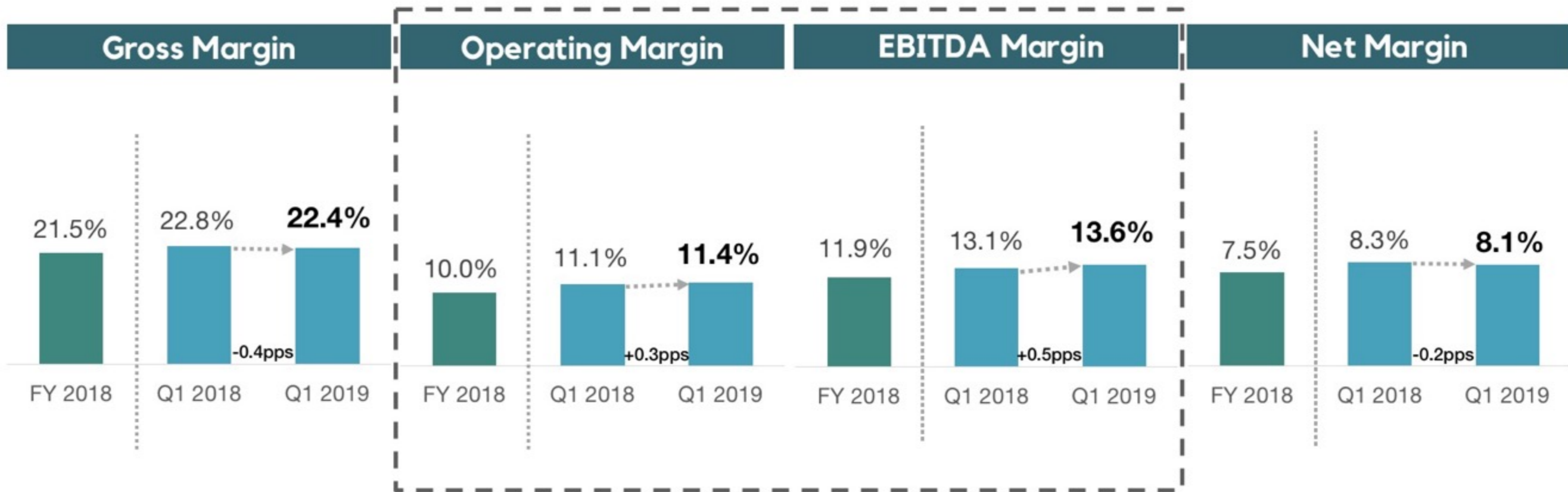
## Interest-Bearing Debt

In PHP Bill



- Spike in financing costs year-on-year due to **HIGHER DEBTS** to support strategic inventory positions and **INCREASED BORROWING COSTS**
- Year-on-year growth in debt and financing costs expected to **NORMALIZE FOR BALANCE OF YEAR**
- **LARGE PORTION OF DEBT IS SHORT-TERM** to take advantage of potentially softening interest rates
- **DEBT STILL SMALL** relative to size of balance sheet; gearing ratios healthy

# Better Operating Income and EBITDA Margins with Steady Gross Profit and Softer OpEx



- **STEADY GROSS PROFITABILITY** helped by diversified cost base. Slight margin dip year-on-year due to higher packaging and other input costs beginning mid-2018.
- **IMPROVEMENTS IN OPERATING AND EBITDA MARGIN** due to previous year's front-loaded A&P expenses
- **SLIGHT DECLINE IN NET INCOME MARGIN** resulting from temporary year-on-year spike in financing costs

# Q1 2019 Summarized Cash Flow



In PHP Mill	Q1 2018	Q1 2019
Profit before Tax	944	1,025
Depreciation & Amortization	167	207
Working Capital Change	4	(1,635)
Income Tax	(211)	(232)
Others	40	76
<b>OPERATIONS CASH FLOWS</b>	<b>943</b>	<b>(559)</b>
Additions to PPE	(457)	(309)
<b>INVESTING CASH FLOWS</b>	<b>(457)</b>	<b>(309)</b>
Interest Paid	(33)	(91)
Change in Debt	(147)	217
<b>FINANCING CASH FLOWS</b>	<b>(180)</b>	<b>126</b>
<b>NET CHANGE IN CASH</b>	<b>306</b>	<b>(742)</b>
<b>CASH, ENDING</b>	<b>1,854</b>	<b>935</b>
<b>FREE CASH FLOW</b>	<b>486</b>	<b>(868)</b>

- Higher depreciation due to **PPE INVESTMENTS** needed to sustain long-term growth

- Working capital surge due to significant **RAW MATERIAL INVENTORY** to hedge input costs

- Majority of CapEx spent for ongoing **AUTOMATION**, and **EXPANSION OF FACILITIES AND PRODUCTION LINES**

- Increase in PHP-denominated debt to **SUPPORT WORKING CAPITAL REQUIREMENTS**

# Cash Bridge



## Interest Expense

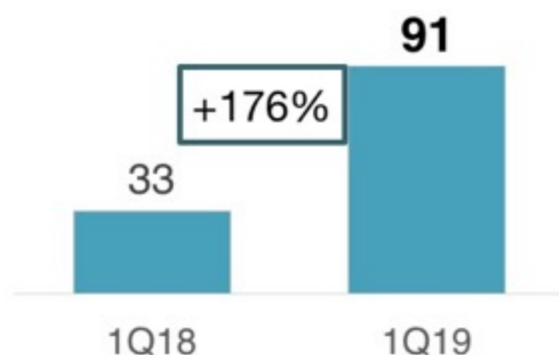
In PHP Mill

### GEARING RATIO (x)

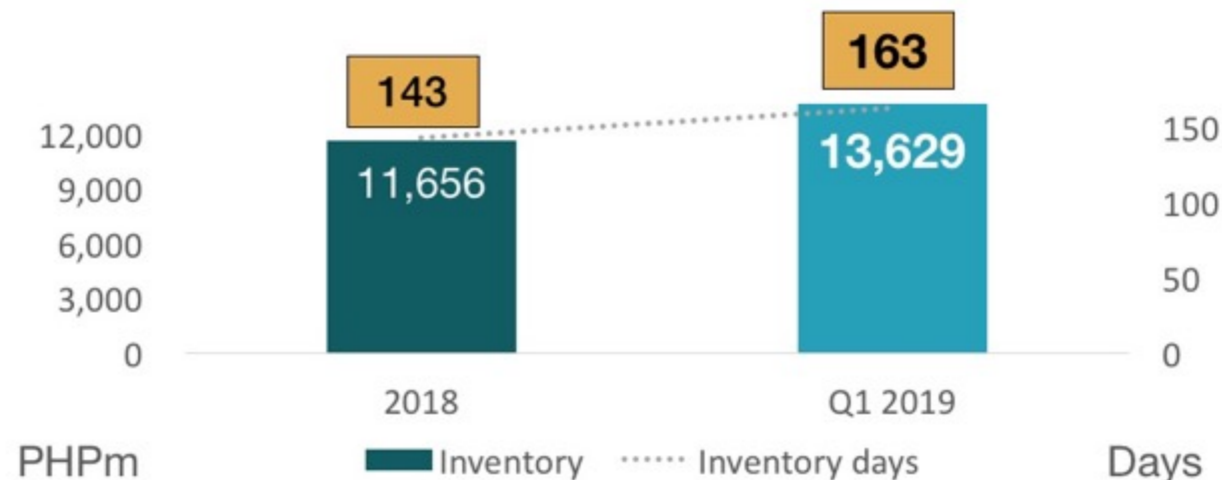
**0.37**  
Q1 2019

### NET GEARING RATIO (x)

**0.32**  
Q1 2019

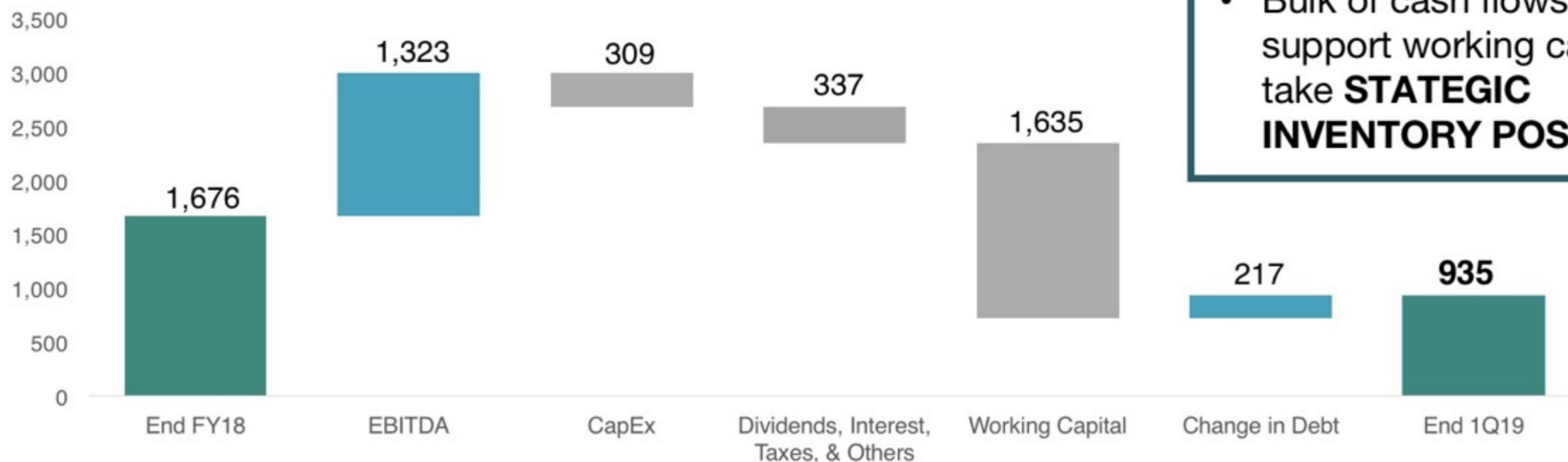


## Inventory



## Cash Flow Bridge

In PHP Mill



- Bulk of cash flows used to support working capital to take **STRATEGIC INVENTORY POSITIONS**

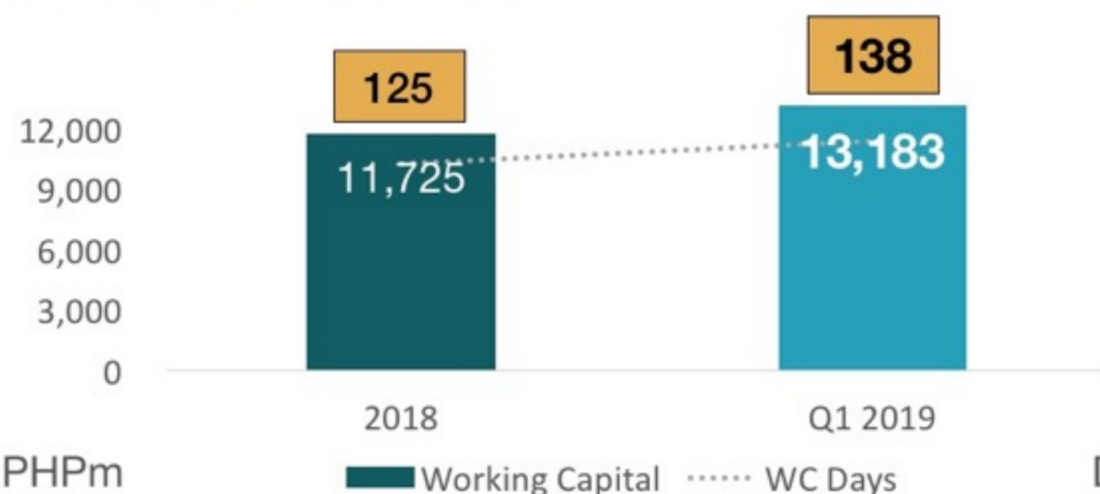
\*Period-end figures were used to compute for working capital components.

# Working Capital Details

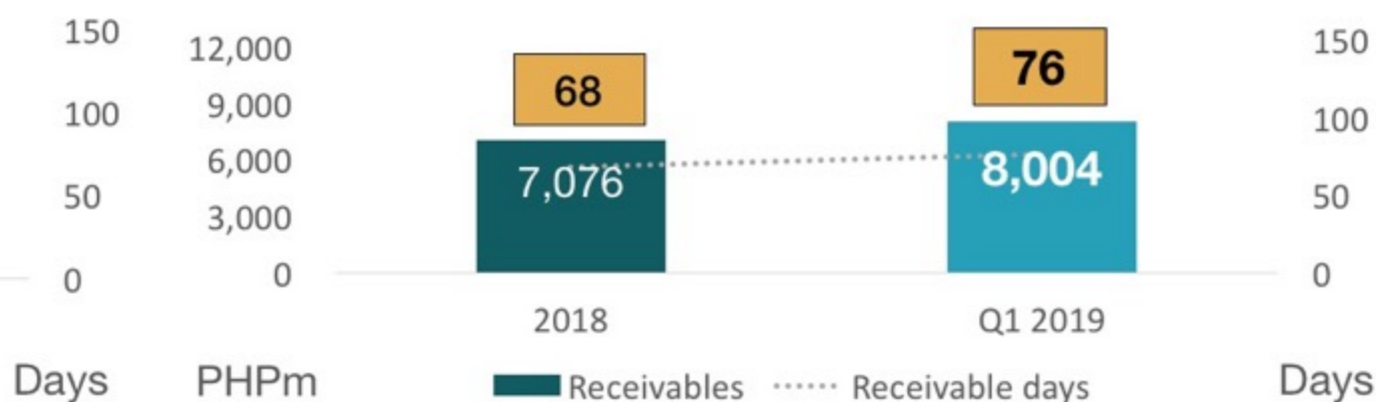


- **STRETCH IN INVENTORY DAYS** to 163 brings cash conversion cycle longer to 138
- Higher **RAW MATERIAL INVENTORY** reflects hedging strategies in tuna
- Longer receivable and inventory days **SLIGHTLY CUSHIONED** by payable days extension to 101

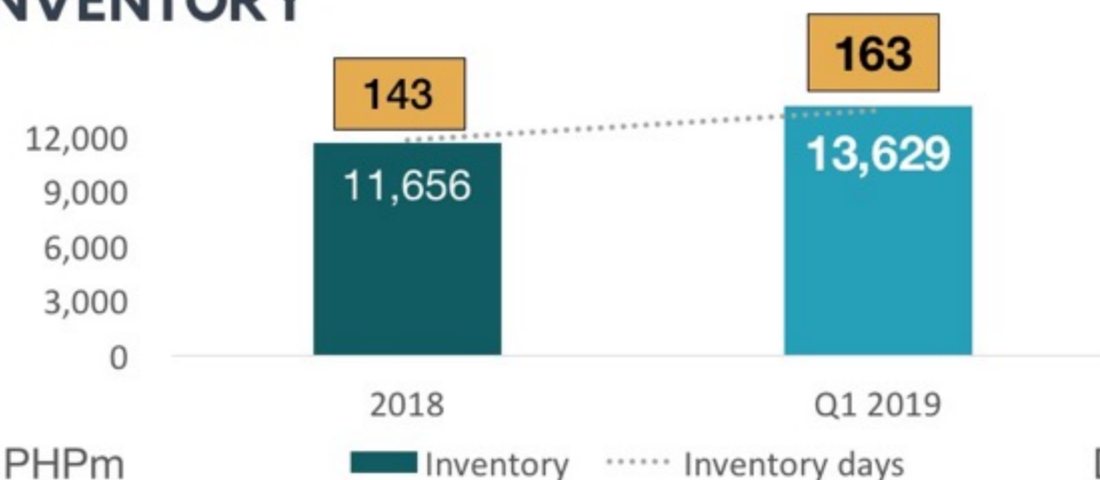
## WORKING CAPITAL



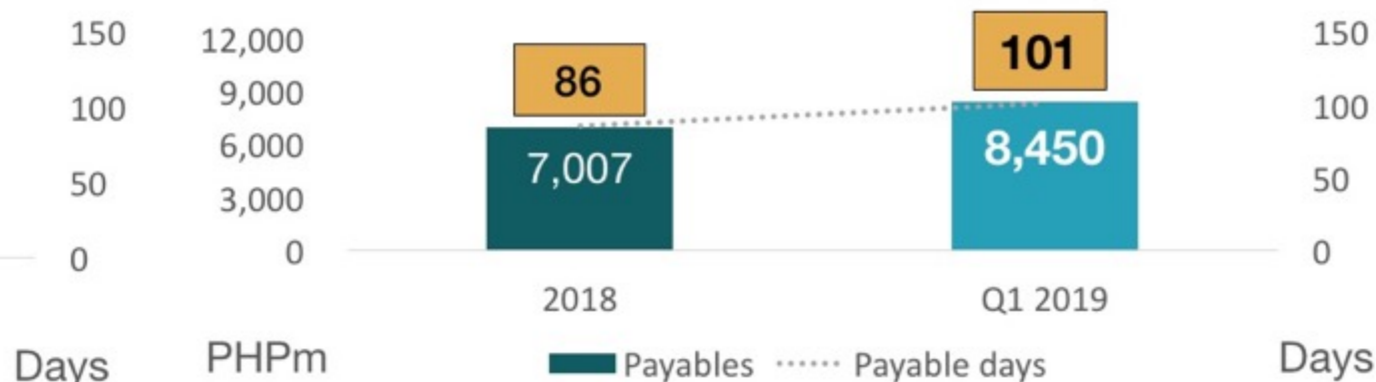
## RECEIVABLES



## INVENTORY



## PAYABLES



\*Period-end figures were used to compute for working capital components.

# Q1 2019 Summarized Balance Sheet



In PHP Mill	2018	Q1 2019	In PHP Mill	2018	Q1 2019
Cash	1,676	935	Trade and Other Payables	7,007	8,450
Receivables	7,076	8,004	Notes Payable - Current	3,210	3,427
Inventory	11,656	13,629	Long-Term Loan	3,103	3,103
<b>Current Assets</b>	<b>21,042</b>	<b>23,400</b>	<b>TOTAL LIABILITIES</b>	<b>13,613</b>	<b>15,901</b>
PPE	5,458	6,147	Retained Earnings	8,164	8,957
<b>Non-Current Assets</b>	<b>9,296</b>	<b>10,004</b>	<b>TOTAL EQUITY</b>	<b>16,725</b>	<b>17,502</b>
<b>TOTAL ASSETS</b>	<b>30,337</b>	<b>33,403</b>	<b>BVPS (PHP/share)</b>	<b>4.72</b>	<b>4.94</b>

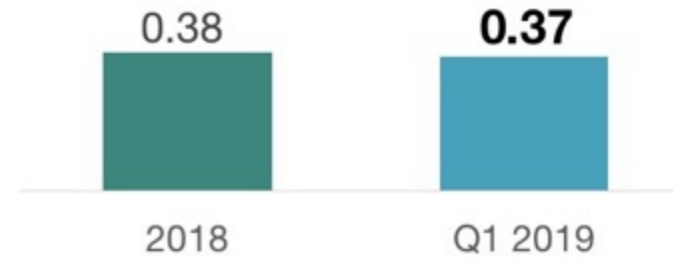
- Longer **CASH CONVERSION CYCLE** of 138 days versus 125 days as of end-2018
- Uptick in **INVENTORY** due to growing volumes and stretch in inventory days

- Loans totaling PHP6.5 billion **ALL PESO-DENOMINATED**
- Q1 2019 consolidated **NET INCOME** of PHP793 million

# Financial Ratios



## Gearing (x)



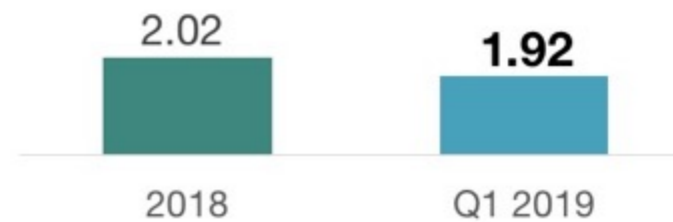
- **COMFORTABLE LEVEL** of gearing ratios maintained despite increase in debt

## Net Gearing (x)



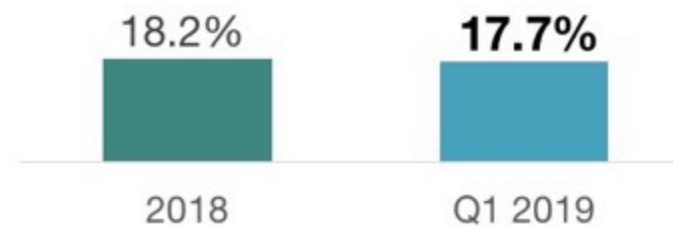
- **INCREASE IN PESO-DENOMINATED DEBT** in Q1 2019 led to higher leverage ratios

## Current Ratio (x)



- Steady current ratio implies **HEALTHY LIQUIDITY**

## Return on Equity



- **MAINTAINED INDUSTRY-LEADING ROE** in the high teens

# Aiming for Sustained Double-Digit Growth for Top and Bottom Line



## 2019 Guidance and Outlook

### TOP LINE

- **Low double-digit revenue growth**
- Top line will continue to be anchored by branded business
- Expected recovery in growth of OEM exports

### BOTTOM LINE

- **Low double-digit profit growth**
- Cost pressures from packaging and other key raw materials offset by flattish tuna and coconut prices
- Subdued inflation and interest rate outlook
- However, initial one-off costs for new product innovations may temper margin upside

# Improved Cost Outlook Allows for Reinvestment into Innovations



## New Product Developments

1



**ARGENTINA  
CORNED CHICKEN**

2



**BIRCH TREE  
FORTIFIED CHOCO**

3



**TO BE  
RELEASED**

- **Argentina Corned Chicken:** positioned as a HEALTHIER ALTERNATIVE to traditional canned meat products

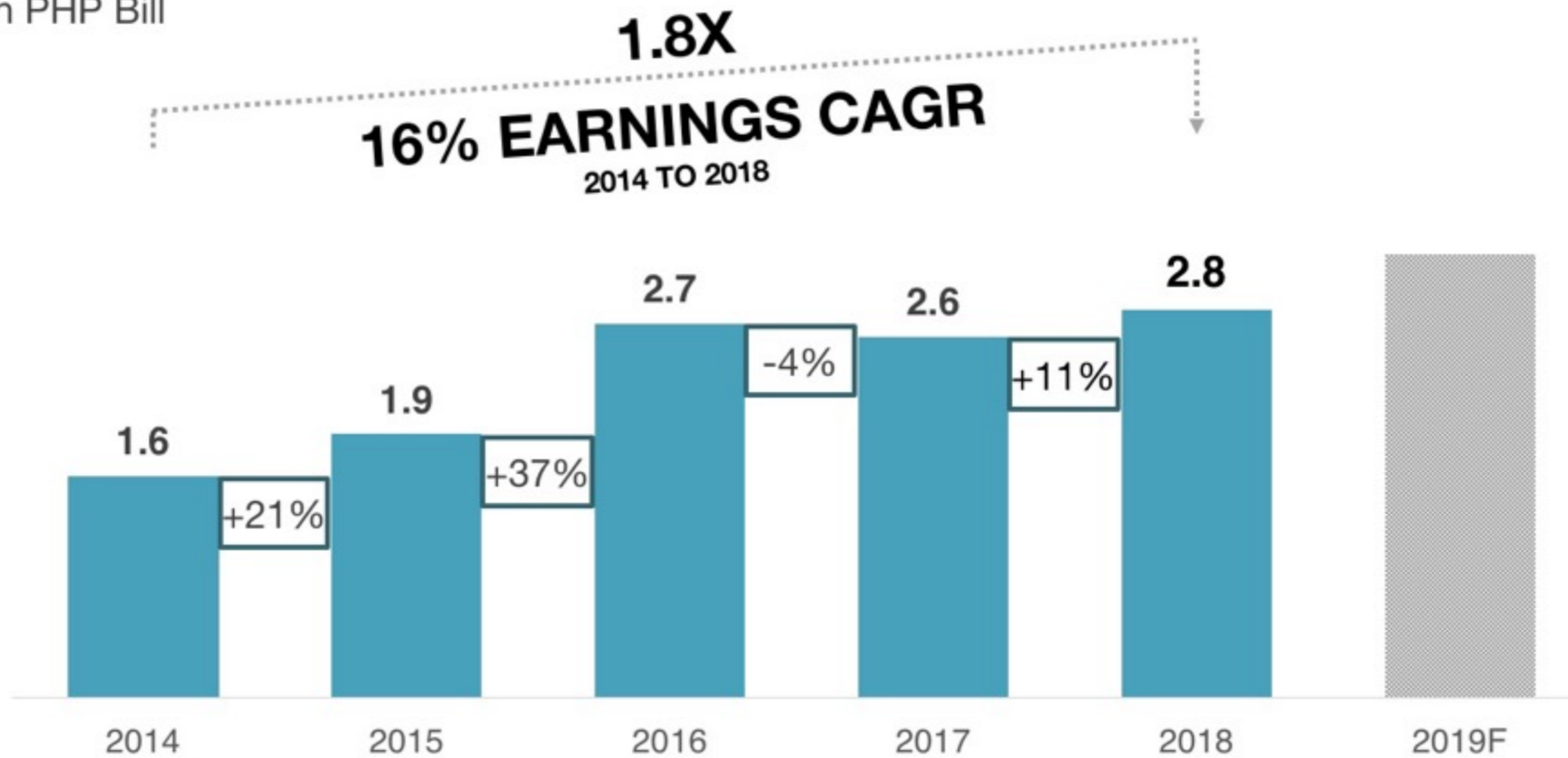
- **Birch Tree Fortified Choco:** capitalizing on goodwill of challenger brand with its FIRST FLAVOR EXTENSION

# Pursuing a Sustainable Business and Long-Term Growth



Earnings CAGR still IN LINE WITH LONG-TERM TARGET

Net Income  
In PHP Bill



**1.8X**  
**16% EARNINGS CAGR**  
2014 TO 2018

**1.6X TO 2.0X**  
OR  
**10 TO 15% CAGR**  
2014 TO 2019 TARGET

Aspire to **DOUBLING NET INCOME** over 5 YEARS



# STOCK & INVESTOR RELATIONS HIGHLIGHTS

---

---

# Stock Highlights



## MARKET CAPITALIZATION

**\$0.8B**  
December 2015

**\$1.0B**  
May 2019

## AVERAGE DAILY VALUE TRADED

**\$0.2M**  
2015

**\$0.3M**  
Last Three Months

	CNPF	Philippine Consumer Average
PER	14.4x	28.6x
PBV	2.5x	4.4x
ROE	18.6%	13.6%
Operating Margin*	10.0%	9.9%
Net Income Margin*	7.7%	7.1%

Source: BPI Securities 2019 Estimates as of 16 May 2019

\*Bloomberg, trailing 12 months

## STOCK PRICE PERFORMANCE

(BLOOMBERG TICKER: CNPF PM)

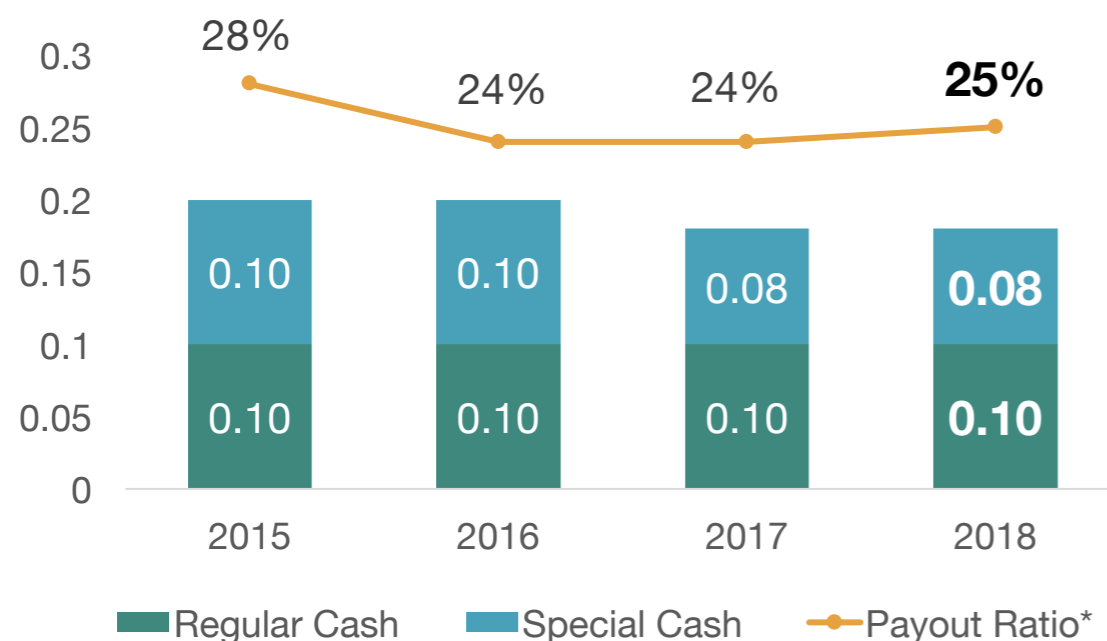
PHP/SHARE



# Stock Highlights

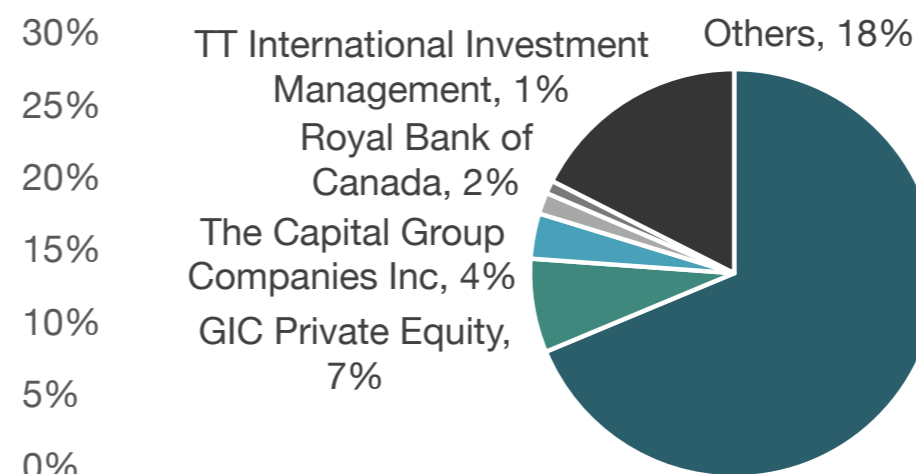


## DIVIDEND HISTORY



## SHAREHOLDERS

Source: Bloomberg, May 2019



**Century Pacific Group Inc (CPGI), 69%**

- Wholly owned by the Philippines' Po family
- Majority shareholder of PIZZA PM and ALCO PM

Free Float Level: 31%

Foreign Ownership Limit: 100%

	Declaration Date	Record Date	Payment Date
2015	June 30	July 30	August 25
2016	June 15	July 15	August 10
2017	June 30	July 28	August 23
<b>2018</b>	<b>July 3</b>	<b>July 17</b>	<b>August 8</b>
<b>50% Stock Dividend</b>	<b>June 3, 2016</b>	<b>July 15, 2016</b>	<b>August 10, 2016</b>

\*Of previous year's net income

# Investor Relations Highlights



<b>Current Price</b>	PHP14.50
<b>52-Week Range</b>	PHP12.90 –17.14
<b>YTD Average Turnover</b>	USD0.3 million
<b>Market Capitalization</b>	PHP51.36 billion USD0.98 billion
<b>Free Float</b>	31%
<b>YTD Absolute Performance</b>	-9.3%
<b>YTD Relative to Index</b>	-10.8%
<b>3-Month Absolute Performance</b>	-13.0%
<b>3-Month Relative to Index</b>	-8.8%

## SELL-SIDE ACTIVE COVERAGE\*\*

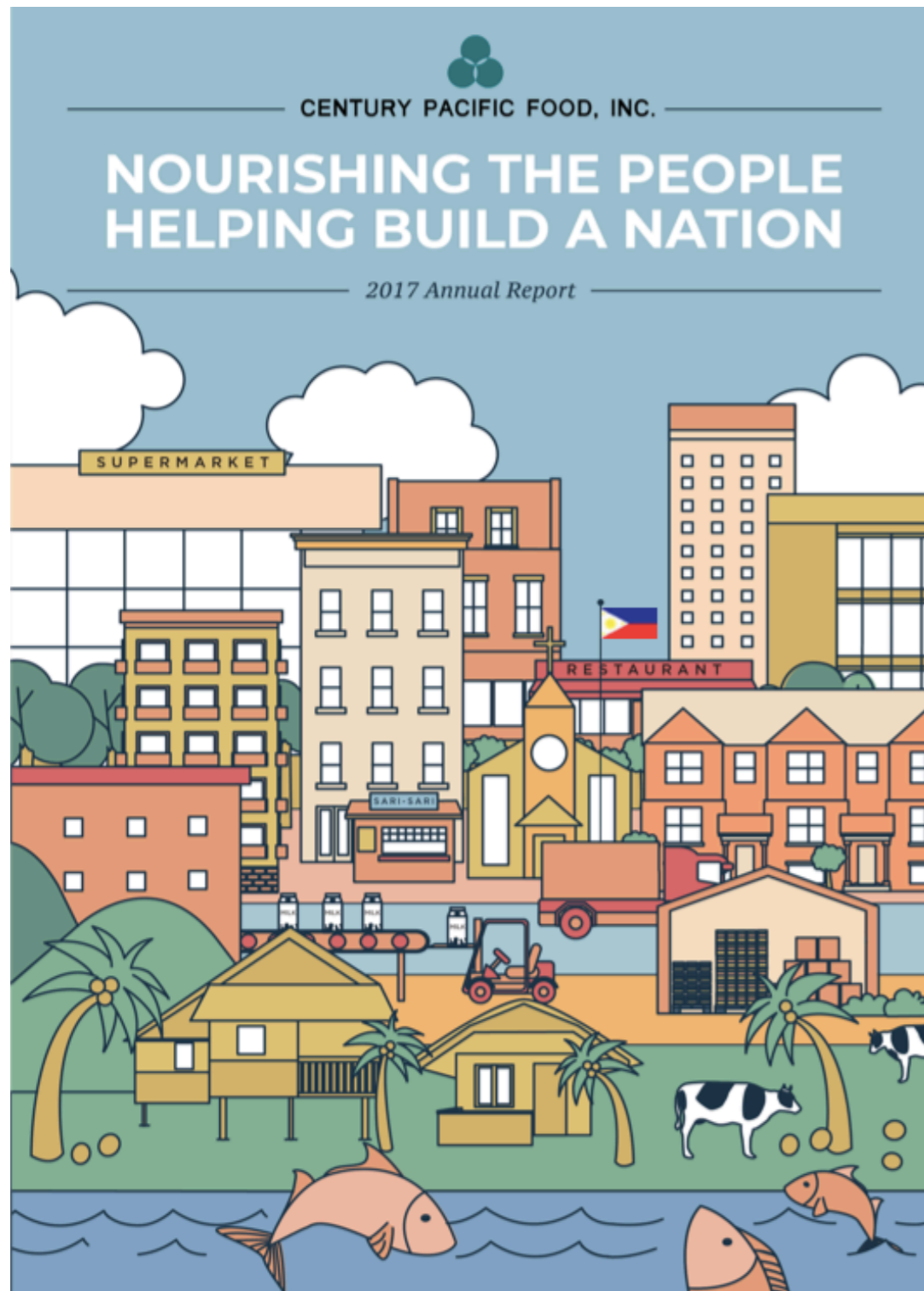
Institution	Analyst	Latest Call
BDO Nomura	Angelo Torres	BUY
BPI Jefferies	Javier Consunji	BUY
CLSA	Joyce Ramos	BUY
COL Financial	Andy Dela Cruz	BUY
Credit Suisse	Hazel Tanedo	OUTPERFORM
Deutsche Bank	Carissa Mangubat	BUY
First Metro DBS	Mark Angeles	BUY
Macquarie	Karisa Magpayo	OUTPERFORM
RCBC	Fiorenzo De Jesus	BUY



\*As of 16 May 2019

\*\*At least one research report published in the past 12 months as of 15 May 2019

# Investor Relations Highlights



CNPF's 2017 Glossy Annual Report can be found on the Company's corporate website.

**Our 2018 Glossy Annual Report will be available by July 1, 2019.**

Investor Relations > Investor Presentations & Reports

<http://www.centurypacific.com.ph/investorpdf/CNPF%202017%20Glossy%20Annual%20Report.pdf>



## LETTER FROM THE EXECUTIVE CHAIRMAN

Dear Fellow Shareholders,

Our direction as a company is to grow the business 10% to 15% a year, year-on-year, for the next 10 years. We think this is a stretching but an attainable target given that the Philippine economy is expanding at around 6% to 7%.

Measuring ourselves against these performance indicators, we can say that the years 2014 to 2016 were outstanding years as revenues increased at a compounded annual rate of 18%. During this period, our earnings compounded at an annual rate of 29%.

# Investor Relations Highlights



## Investor Conferences

**AUG**

**20**

UBS Philippines Corporate Day  
(Hong Kong)

**26**

Macquarie ASEAN Conference  
(Singapore)

**SEP**

**2**

dbAccess Philippines Corporate Day  
(London)

## Earnings Release

**JUL**

**1**

Annual Stockholders' Meeting

**31**

2Q19 Earnings Release

**NOV**

**6**

3Q19 Earnings Release

*\*Schedule updated as of 15 May 2019*

# Award Highlights



## Stock & Investor Relations Milestones



**Initial Public Offering  
Best Deal in the Philippines**  
*Asset Publishing & Research Ltd.*  
2014



**Philippine Small Cap Index**  
*MSCI*  
2016



**Small Cap & All Cap Indices  
Asia Pacific**  
*FTSE*  
2017



**Philippines' Third Best  
at Investor Relations**  
*Finance Asia*  
2018



**Philippines' Third Best  
Investor Relations Professional**  
*Institutional Investor*  
2018



**Certificate for Excellence  
in Investor Relations**  
*IR Magazine Awards  
South East Asia*  
2018



**Asia's Best CEO (Investor Relations),  
Philippines' Best Investor Relations  
Company and Professional**  
*Corporate Governance Asia*  
2019



# SUSTAINABILITY HIGHLIGHTS

---

---

# First GRI-Compliant Sustainability Report Out by July 2019



## Sustainability Framework

### HEALTHIER FOOD FOR ALL

Nutrition

Accessibility

Food Quality & Safety

#### ENVIRONMENTAL STEWARDSHIP

- Natural Resource Efficiency
- Environmental Impact Management
- Food Loss

#### RESPONSIBLE SOURCING

- Supplier Assessment
- Responsible Packaging

#### PEOPLE DEVELOPMENT

- Diversity & Inclusion
- Professional & Personal Growth
- Workplace Safety

- Long-term financial goals now coupled with **ENTERPRISE-WIDE INITIATIVE TO MONITOR AND MEASURE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE METRICS**

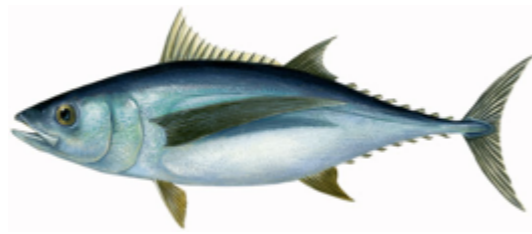
# Sustainability Highlights



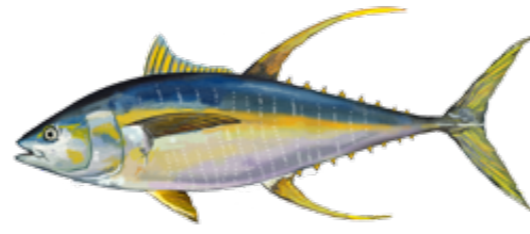
There are different species of tuna.



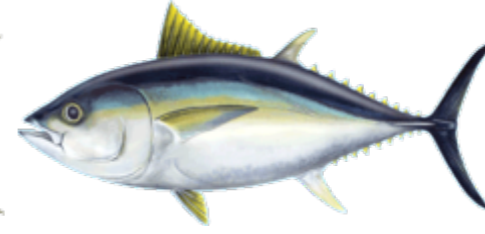
Bluefin



Albacore



Yellowfin



Bigeye

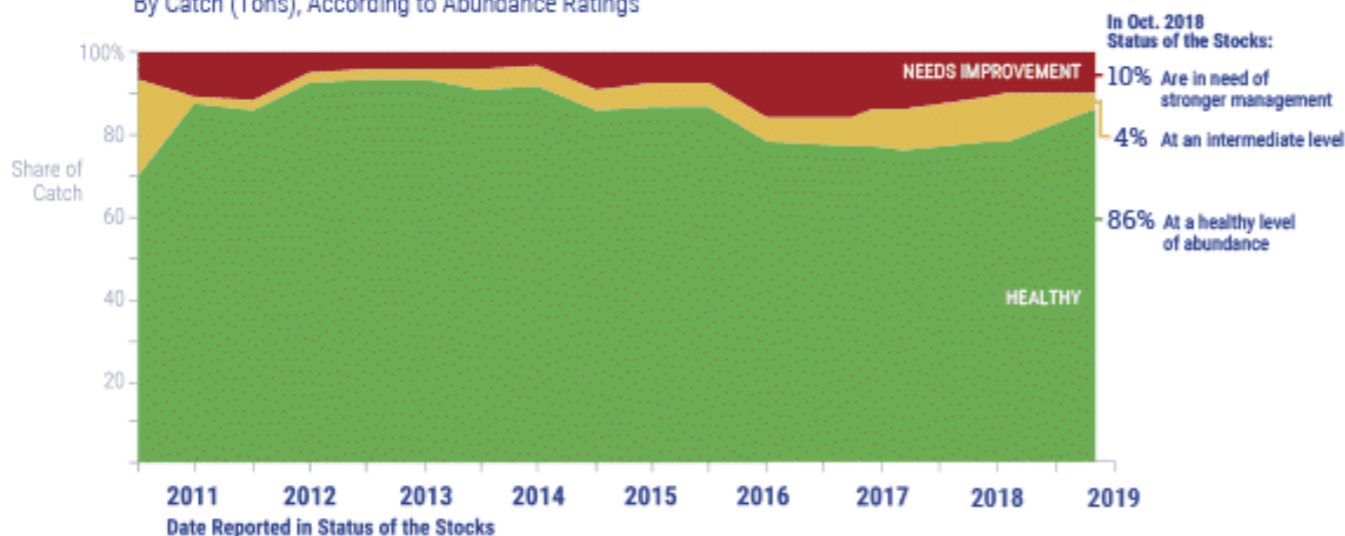


Skipjack

86% of worldwide tuna stocks are in healthy states.

We use skipjack tuna from the Western Pacific Ocean where stock is 100% healthy.

**Distribution of Stocks of Major commercial tunas** (As reported 2011-Oct. 2018)  
By Catch (Tons), According to Abundance Ratings



**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" and "Status of the Stocks," October 2018

# Sustainability Highlights



Century Pacific remains a committed member of global initiatives that address sustainability issues, particularly those involving tuna supply.

In particular, its on-going membership in the **International Seafood Sustainability Foundation (ISSF)**, through wholly-owned subsidiary General Tuna Corporation, requires strict compliance to all ISSF conservation measures. ISSF engages MRAG Americas to conduct an audit of this performance against conservation measures and commitments in force in 2015. MRAG's latest 2018 audit showed General Tuna Corporation as **fully compliant** with all measures.



- 1) Tuna Regional Fisheries Management Organizations (RFMO) Authorized Vessel Record
- 2) RFMO Participation
- 3) Product Traceability
- 4) Quarterly Data Submission to RFMO
- 5) Shark-Fin角度 Policy
- 6) Prohibition of Transactions with Shark-Fin角度 Vessels

- 7) Prohibition of Transactions with Companies without a Public Policy Prohibiting Shark Finning
- 8) Large-scale Pelagic Driftnets Prohibition
- 9) Full Retention of Tunas
- 10) Skippers Best Practices
- 11) Transactions with Vessels that Use Only Non-Entangling Fish Aggregating Devices (FADs)
- 12) Unique Vessel Identifiers (UVI)- International Maritime Organization (IMO)
- 13) Purse Seine Unique Vessel Identifiers
- 14) Observer Coverage
- 15) Transshipments
- 16) Illegal, Unreported and Unregulated (IUU) Fishing
- 17) IUU Product Response
- 18) Transaction Ban for Large-Scale Purse-Seine Vessels not Actively Fishing for Tuna as of December 31, 2012
- 19) Purchases from Purse Seine Vessels in Fleets with Other Vessels Not in Compliance with ISSF Conservation Measures 6.1 and 6.2(a)
- 20) Registration of Controlled Vessels
- 21) Purchases from Proactive Vessel Register (PVR) Vessels

# Sustainability Highlights



## Balancing business with environmental and social impact



### ENVIRONMENTAL

- VP for Tuna OEM Exports Teddy Kho part of **ISSF GLOBAL BOARD OF TRUSTEES**
- **CONSERVATION EFFORTS** recognized by **WWF**
- **IN PARTNERSHIP** with multiple institutions for **AQUATIC RESOURCE MANAGEMENT** and more **SUSTAINABLE FISHING**

- Landed a **TOP** position in Greenpeace's 2018 Canned Tuna Ranking for the Philippines
- Criteria included **TRACEABILITY, SOURCING SUSTAINABILITY,** and **LEGALITY**

**GREENPEACE**

# Sustainability Highlights



## Balancing business with environmental and social impact

### SOCIAL

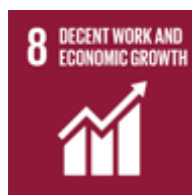
- Established **CPG-RSPO FOUNDATION, INC.** committed to **CORPORATE SOCIAL RESPONSIBILITY PROGRAMS**
- Partnered with **KIDZANIA** in **RAISING THE YOUTH'S AWARENESS** on **MARINE SUSTAINABILITY**



**"Kain Po"**  
**Feeding Program**



**Employees' Children**  
**Scholarship Program**



**Job Caravan**  
**Program**



**Partnerships**  
**with Farmers**



**#KapatidForMarawi**  
**Project**



**Partnership**  
**with WWF**

- Organized **VARIOUS PROGRAMS** involving both **EMPLOYEES** and **COMMUNITIES**
- Initiatives provide **FINANCIAL SUPPORT, JOB OPPORTUNITIES, SKILLS EDUCATION,** and **DISASTER RELIEF**



**CENTURY PACIFIC FOOD, INC.**

This document is highly confidential and being given solely for your information and for your use and may not be, or any portion thereof, shared, copied, reproduced or redistributed to any other person in any manner.

The statements contained in this document speak only as of the date which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies in any such information which may become apparent.

This presentation contains statements, including forward-looking statements, based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements in particular involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.

Any reference herein to "the Company" shall mean, collectively, Century Pacific Food, Inc. and its subsidiaries.



---

Centerpoint Building  
Julia Vargas Avenue corner Garnet Road  
Ortigas Center, Pasig City, Philippines  
(632) 633 8555

[www.centurypacific.com.ph](http://www.centurypacific.com.ph)  
[investorrelations@centurypacific.com.ph](mailto:investorrelations@centurypacific.com.ph)

<http://edge.pse.com.ph>