

CENTURY PACIFIC FOOD, INC.

(PSE: CNPF)

CORPORATE PRESENTATION

APRIL 2017



Company Overview

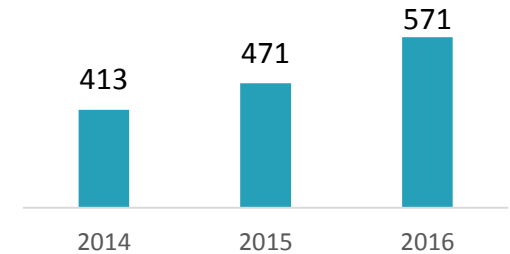


Snapshot

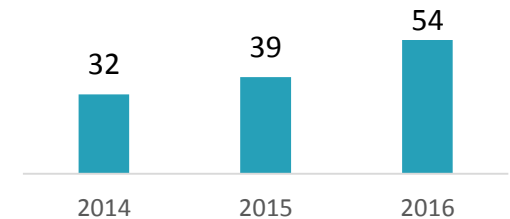
- **Century Pacific Food, Inc** is the largest canned food company in the Philippines
- Over its 40 year operating history, it has built a portfolio of leading and well recognized brands in three core segments - marine (37% of sales), meat (27% of sales) and milk (11% of sales). It is also the Philippines' leading exporter of OEM tuna (15% of sales) and OEM coconut products (10% 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 USD1.2 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, Sardines in Cavite and Zamboanga City)
- **Key Management:** Christopher T. Po, President and CEO – 14 years at CNPF (8 years as CEO), 11 years of prior multi-industry experience; Teodoro T. Po, EVP and COO – 25 years experience of running various business units in CNPF; Oscar A. Pobre, CFO – 20 years in CNPF's corporate finance, treasury, accounting and controllership

Financials

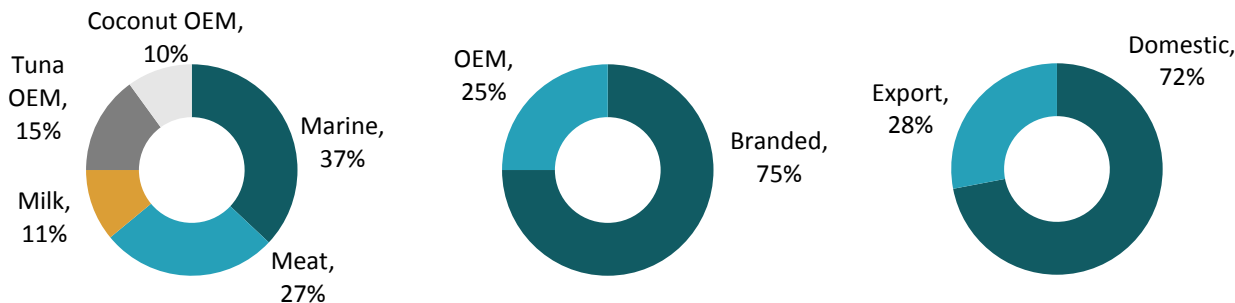
Revenues (in USD Mill)



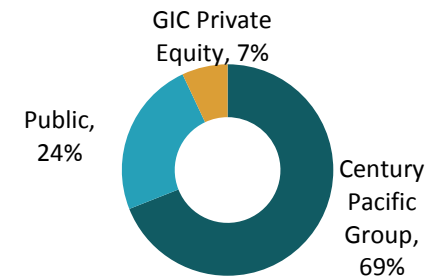
Net Income (in USD Mill)



Revenue Breakdown



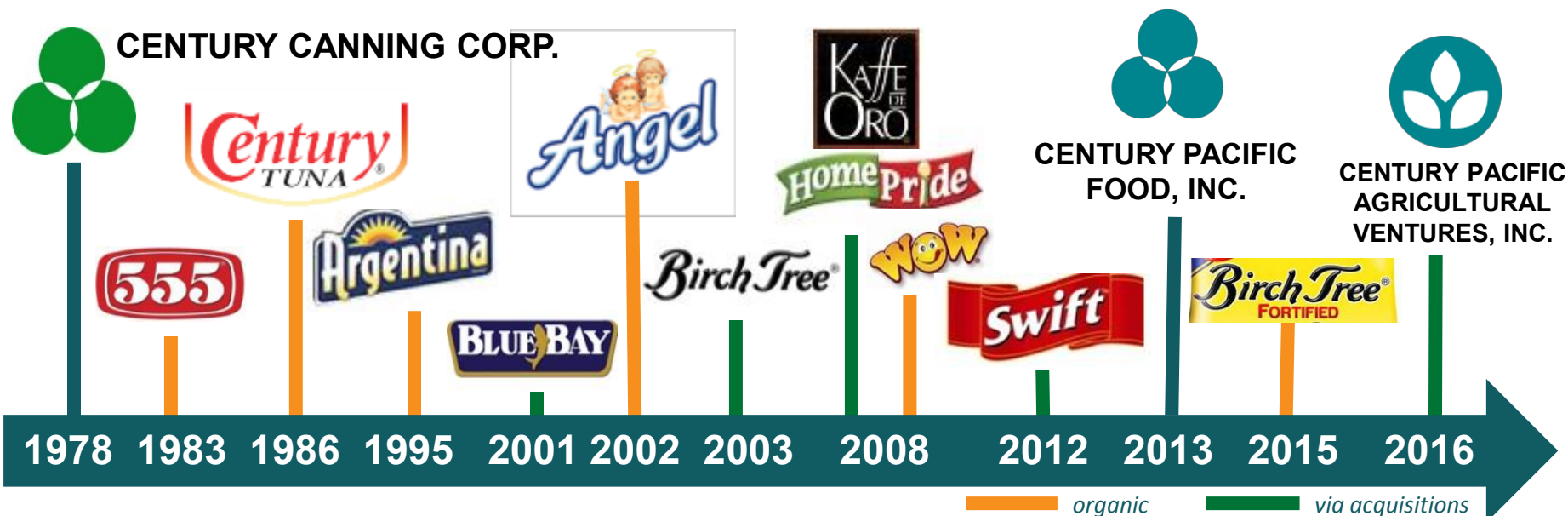
Ownership Structure



Company Overview



Proven track record in brand-building



2011

Century Canning Marketing Company of the Year

2011 to 2013

Century Tuna and Argentina
Reader's Digest Trusted Brand

2014

Gregory Banzon Awardee for Marketing Excellence

2016

Asia Marketing Federation
CNPF Asia's Marketing Company of the Year

2016

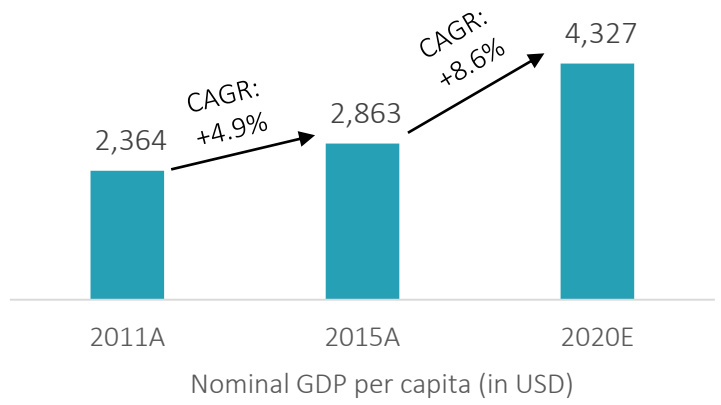
CNPF Philippines' Best Managed Company – Small Cap

1

Well-positioned to take advantage of rising consumer demand



Rising nominal GDP per capita...



Source: IMF

...to support an emerging middle class

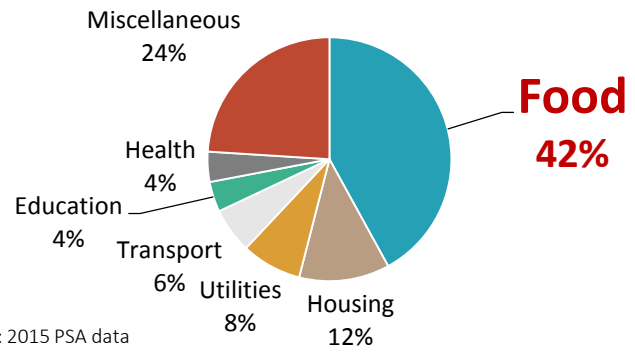
Distribution of Families and Income

SE class	Households		Annual income in Php
	Number in 000	% share	
AB	193	1	2,213,000
C	2,228	10	632,000
D	12,684	59	218,000
E	6,321	30	68,000
Total	21,426	100	

Source: NSCB, Kantar Worldpanel, SWS
Based on 2012 data

Food accounting for bulk of family expenditure

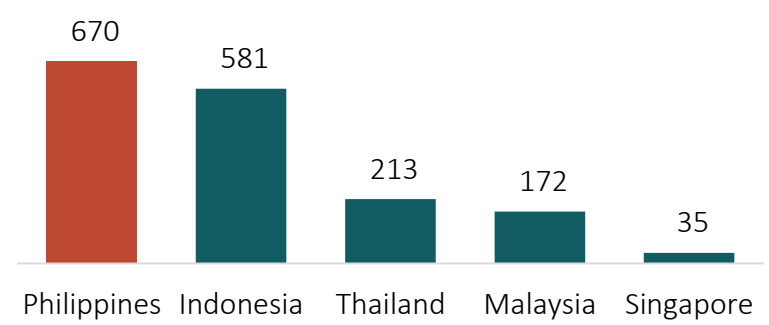
Breakdown of Family Expenditures



Source: 2015 PSA data

PH shelf-stable market the largest in ASEAN

Shelf-stable food total consumption (US\$m)

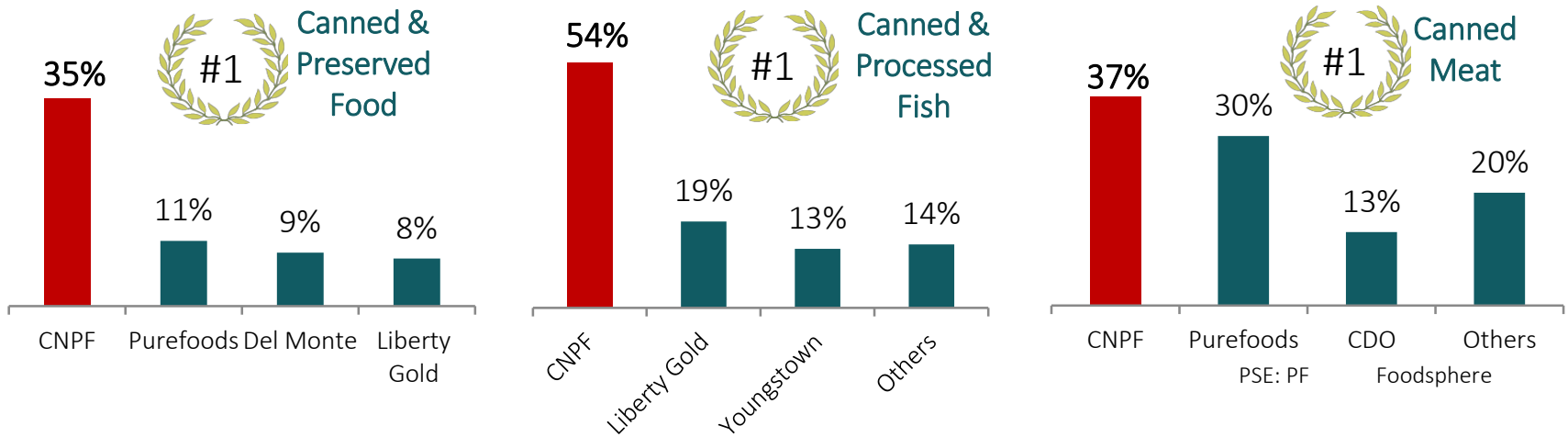


Source: 2016 Euromonitor data

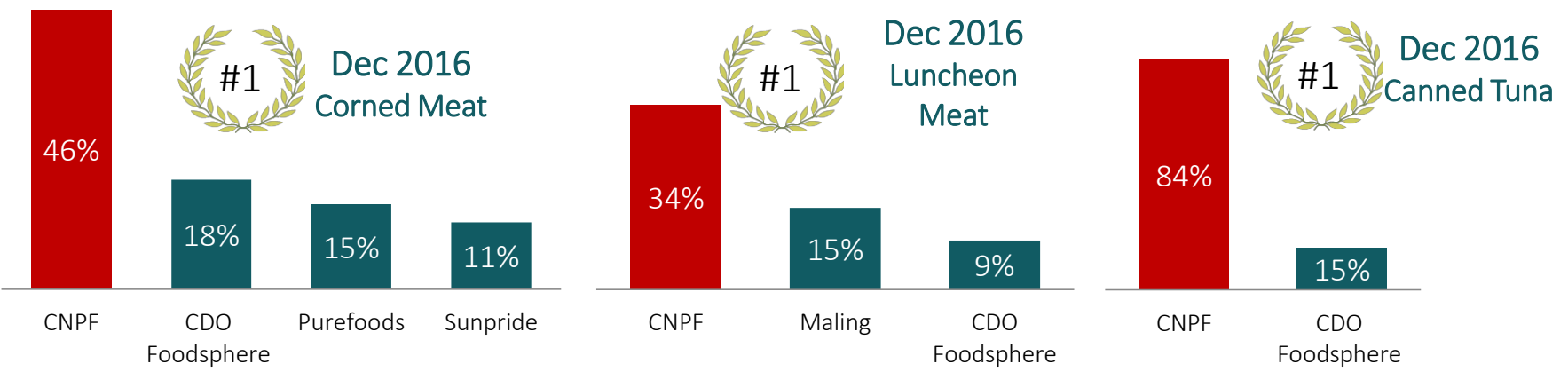
2 Dominant market leadership in ambient food in the Philippines



Largest and Leading Canned Producer



Dominant Positions in Key Sub-Segments



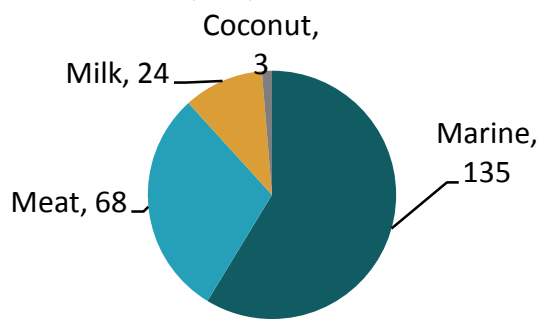
Multiple brands and products catering to all consumers



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	Century TUNA, Century QUALITY
Canned and Processed Meat	Lucky 7, WOW	555, Shanghai, Argentina	Swift
Canned and Drinking Milk; Mixes	Home Pride, KAFFE OF ORO	Angel, Birch Tree FORTIFIED	Birch Tree Full Cream Milk Powder

Current Company Portfolio – 230 SKUs



Significant benefits of a multi-brand, multi-product portfolio

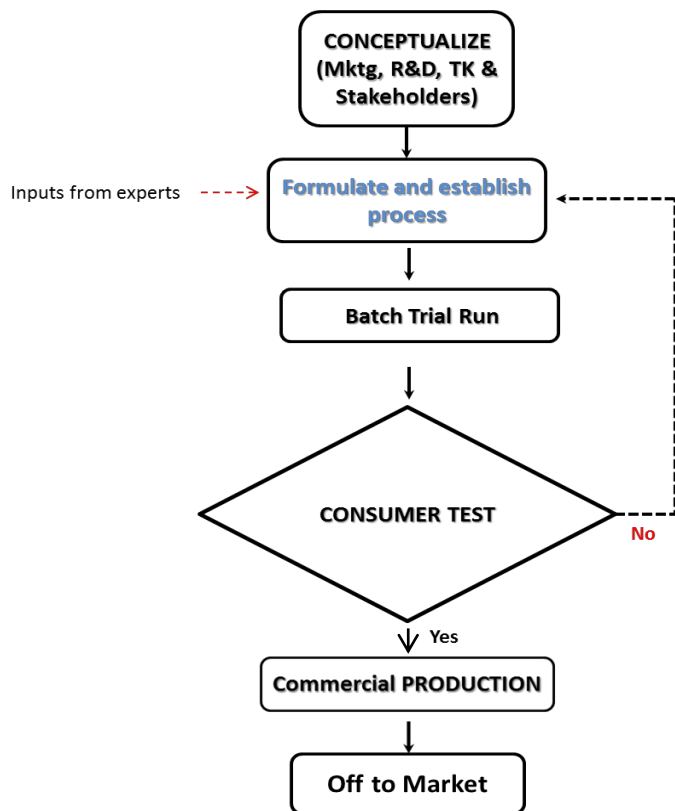
- Catering to a broad customer base through multiple brands and capturing larger share of the consumers' wallet / stomach through multiple segments / products
- Increased bargaining power with suppliers and distributors
- Diversification of risk and facilitate brand consolidation play

A strong focus on marketing and R&D driven innovation



R&D Process Flow

An integral part of launching new products and improving profitability



Innovative Marketing Campaigns

Enhancing brand recognition through active and targeted marketing and promotional campaigns



Capitalizing on healthier lifestyles



Ability to reposition and develop premium products



Intuitive and appealing ad-campaigns employing celebrity endorsers to create must have and aspirational brands



6 Experienced and dedicated management team



Highly experienced professionals in their respective areas of expertise

Executive Committee Profile

President & CEO **EVP & COO** **8 Vice Presidents**

Average Tenure – 11 years

Average Work Experience – 20 years



Cumulative Professional Experience – 280 years

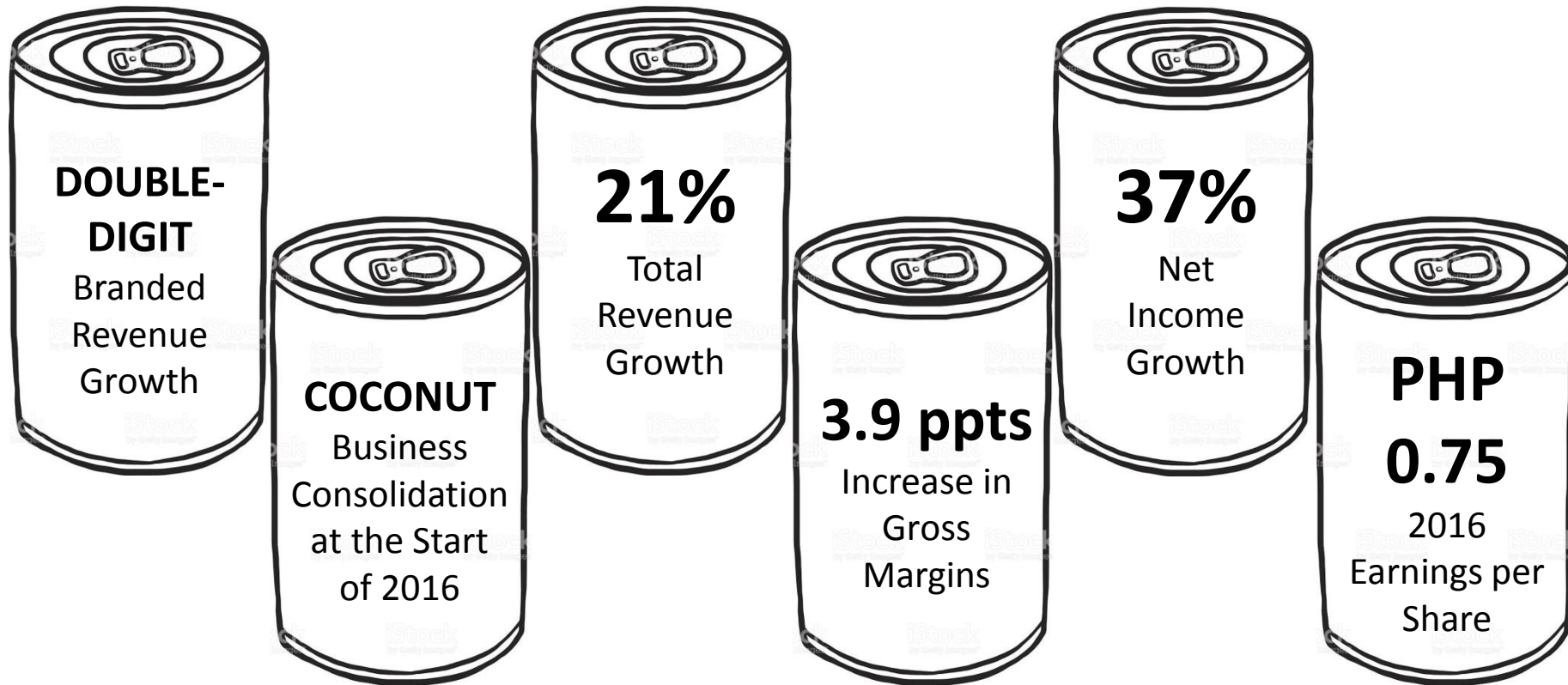
<p>Christopher Po President and CEO</p>	<ul style="list-style-type: none"> Previously served as Management Consultant at McKinsey, Managing Director at Guggenheim Partners, and Corporate Planning Head at JG Summit Summa Cum Laude from Wharton; MBA from Harvard Business School
<p>Teodoro Po EVP and COO</p>	<ul style="list-style-type: none"> 23 years experience of running various business units of Century Group; Designed, built and managed several factories of the group Summa Cum Laude from Boston University; Owner/President Management Program from Harvard Business School
<p>Oscar Pobre VP and CFO</p>	<ul style="list-style-type: none"> 19 years managing the corporate finance, treasury, accounting and controllership at Century Group of Companies 17 years in finance functions at RFM, Cosmos, Dole, and Meralco
<p>Gregory Banzon VP - GM Canned Fish, Tuna</p>	<ul style="list-style-type: none"> 22 years of experience in various general management, marketing and sales roles including VP-Marketing of Johnson & Johnson ASEAN, Country General Manager of Johnson & Johnson Indonesia, and General Manager at RFM
<p>Cezar Cruz, Jr. VP - GM Canned Fish, Sardine</p>	<ul style="list-style-type: none"> 29 years of experience in various technical, operations and business development roles at San Miguel and RFM President of the Sardine Association of the Philippines
<p>Rex Agarrado VP – GM Canned Meat</p>	<ul style="list-style-type: none"> 18 years of experience in various technical and manufacturing roles at San Miguel, RFM, Quaker and California Manufacturing Corporation Director of the Philippine Association of Meat Processors, Inc.
<p>Edwin Africa VP – GM Dairy and Mixes</p>	<ul style="list-style-type: none"> 22 years of experience in general and brand management roles in the Philippines, Taiwan, Thailand, Singapore, Malaysia and China Procter & Gamble from 1991 to 2001, Nippon Paint from 2001 to 2004, and Pepsico from 2005-2012
<p>Teddy Kho VP – GM Tuna Export</p>	<ul style="list-style-type: none"> 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
<p>Noel Tempongko VP – GM CPAVI</p>	<ul style="list-style-type: none"> 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
<p>Ron Agoncillo VP - Sales</p>	<ul style="list-style-type: none"> 8 years of experience in sales management roles at National Sales and Cadbury, Unilever Indonesia & Philippines, 3M, and Shell



FY 2016 FINANCIAL PERFORMANCE



FY 2016 Results Highlights



FY 2016 Financial Performance



in PHP Mill	2015	2016	Change YoY
Net Revenues	23,325	28,288	21%
Cost of Sales	17,128	19,678	15%
Gross Profit	6,196	8,610	39%
Operating Expenses	3,529	5,218	48%
Operating Income	2,732	3,613	32%
EBITDA	2,923	3,972	36%
Net Income	1,934	2,656	37%
EPS (PHP/sh)	0.58*	0.75	30%
Margins (%)			
Gross	26.6%	30.4%	+3.9pps
Operating	11.7%	12.8%	+ 1.1pps
Net Income	8.3%	9.4%	+1.1pps
Effective Tax Rate	29.2%	24.9%	-4.3pps

Ex-Coconut	2015	2016	Change YoY
Net Income	1,934	2,420	25.1%
Net Margin	8.3%	9.5%	+1.2pps

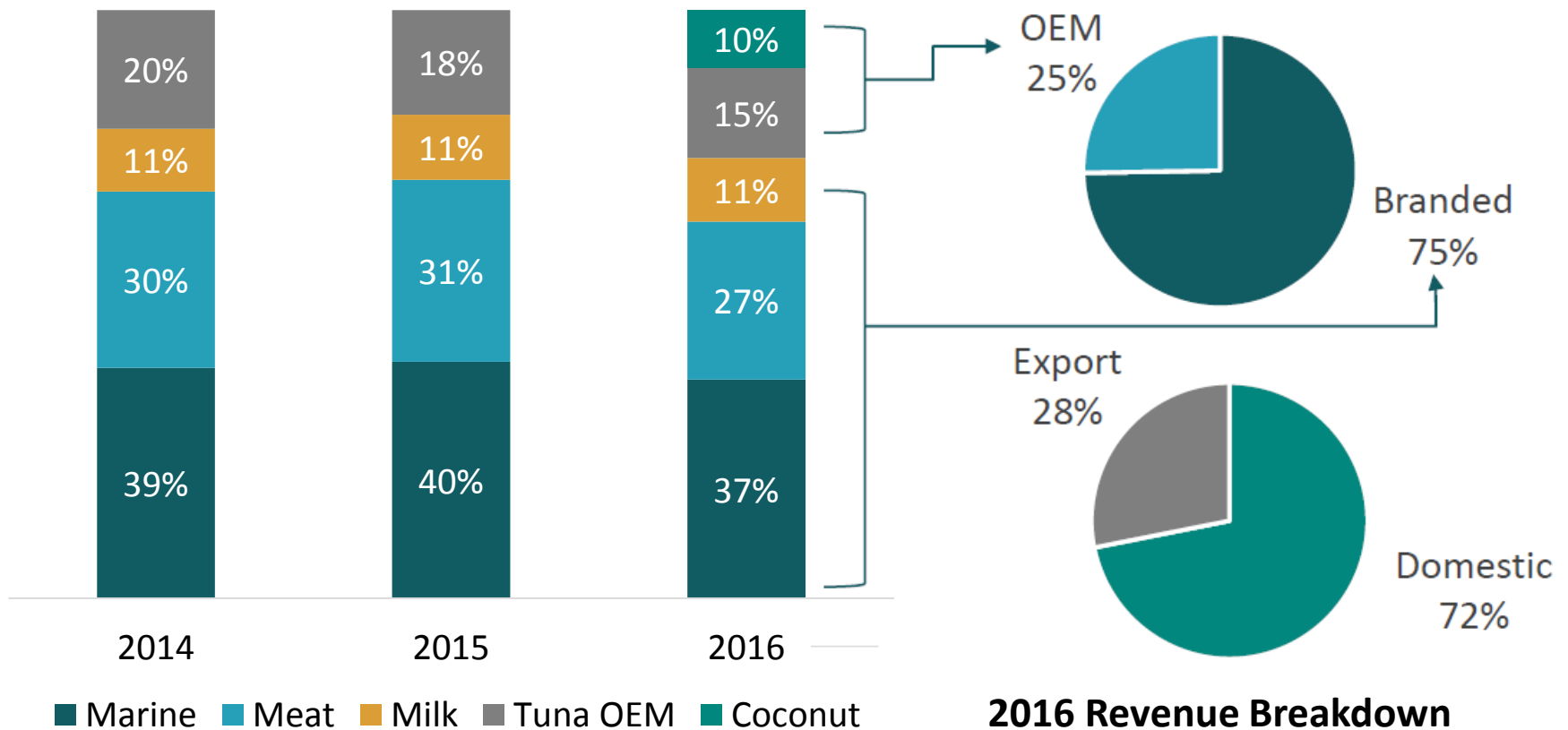
Note: *2015 EPS of PHP0.87 adjusted for 50% stock dividend

- Double digit **BRANDED REVENUE** growth
- Sustained recovery in **TUNA OEM** sales
- Consolidation of recently-acquired **COCONUT** business
- Favourable **INPUT COST** trends during the early part of 2016
- Improvement in **TAX EFFICIENCY**

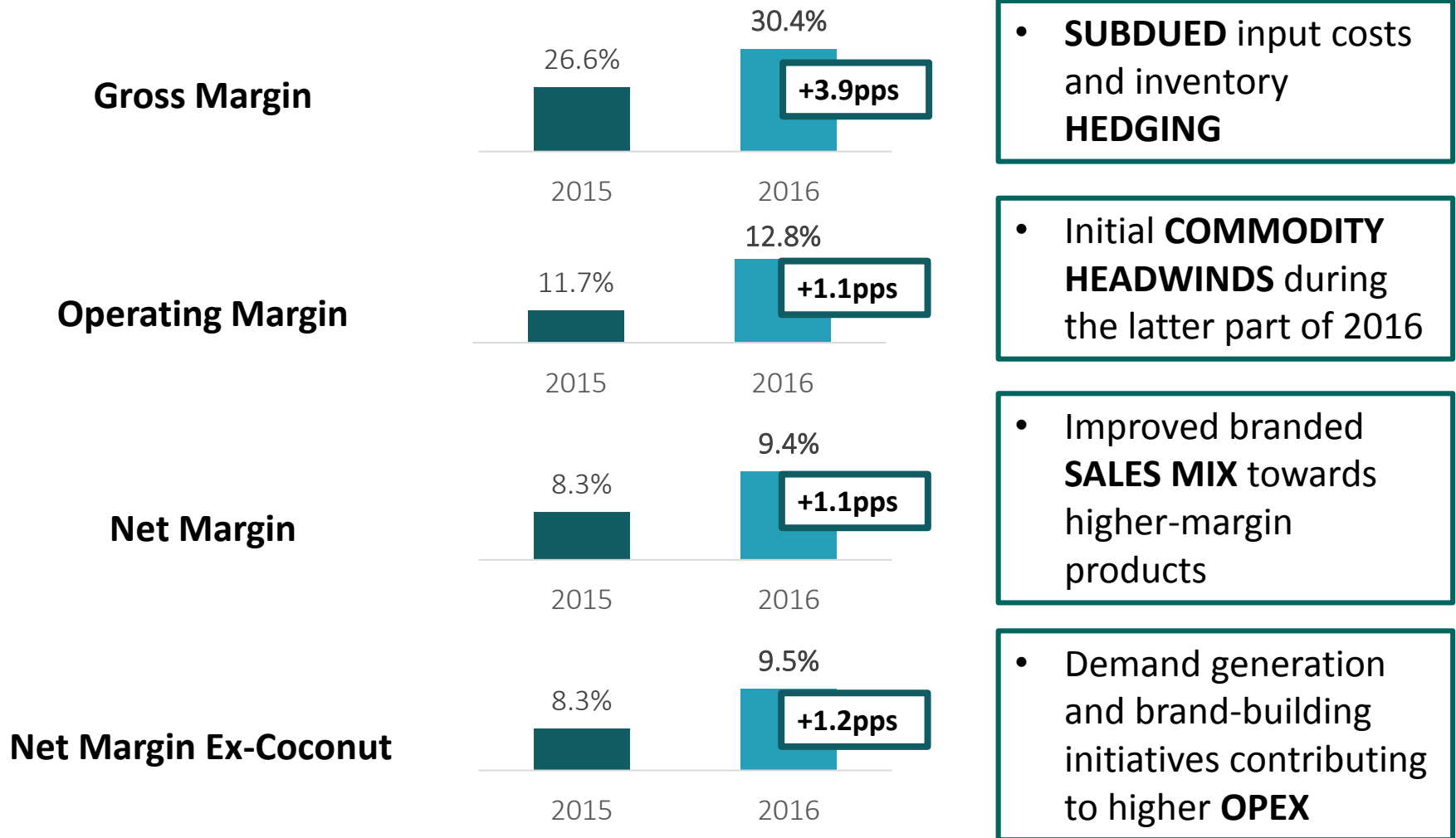
Strategic Revenue Diversification



- Predominantly a Philippine-based branded company
- Increasing diversification from core marine business



Sustained Margin Improvement



Balance Sheet Highlights



in PHP mill	2015	2016
Cash	722	696
Receivables	3,593	3,955
Inventory	5,926	7,529
Current Assets	10,547	12,758
PPE	3,134	3,945
Intangible Assets	2,955	3,054
TOTAL ASSETS	16,782	19,932

- Higher **INVENTORY** level as part of hedging strategy
- Increased **PLANT CAPACITY** across different business units
- **KAMAYAN** and **CHINA** acquisitions

in PHP mill	2015	2016
Trade and Other Payables	3,864	4,730
Notes Payable – Current	2,250	671
Long-Term Loan	0	1,634
TOTAL LIABILITIES	6,435	7,393
Retained Earnings	2,990	4,015
TOTAL EQUITY	10,347	12,539
BVPS (PHP/sh)*	3.09	3.54

- **REFINANCING** of portion of PHP2.25 bil loan to fixed rate, long-term debt
- 2016 **EARNINGS** of PHP2.66 billion reduced by **CASH AND STOCK DIVIDENDS**

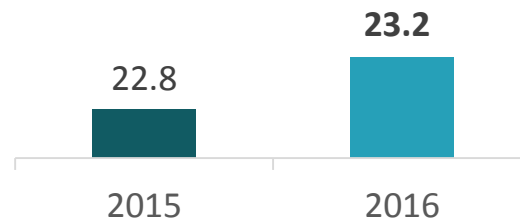
Notes:*2015 BVPS adjusted for 50% stock dividend

Key Balance Sheet Metrics



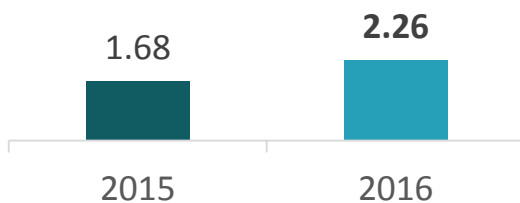
Return on Equity (%)

using average equity



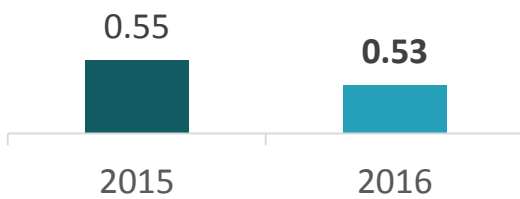
- Sustained industry-leading **RETURN ON EQUITY**

Current Ratio (x)



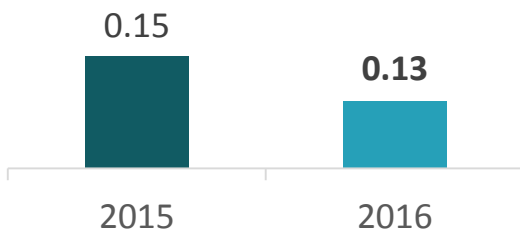
- Improved **CURRENT RATIO** with lower short-term debt

Net Debt to Equity (x)*



- **LIABILITIES** mostly non-interest bearing

Net Gearing (x)**



- Very manageable **LEVERAGE** ratios provide financing flexibility

Notes: *Net debt to equity = (Total Liabilities Less Cash) / Equity

**Net gearing = (Interest-bearing Liabilities Less Cash) / Equity

Cash Flow Highlights



In PHP mill	2015	2016
Profit before tax	2,730	3,535
Depreciation	152	359
Working capital change	(2,823)	(1,359)
Income tax	(783)	(924)
OPERATIONS CASH FLOWS	(698)	1,715
Additions to PPE	(1,068)	(1,559)*
Proceeds from Sale of PPE	364	358*
Changes in equity	2,272	0
Changes in debt	2,250	54
Finance costs	0	(65)
Dividends paid	(446)	(477)
NET CHANGE IN CASH	(542)	(27)
Cash, ENDING	722	696
FREE CASH FLOW**	(1,765)	545

- Higher **DEPRECIATION** due to larger asset base

- Net CAPEX amount of PHP1.2B due to continued **CAPACITY EXPANSIONS**

- Short term **BRIDGE LOAN** for working capital

- Equivalent to **PHP0.20 per share** and 25% of 2015 net income

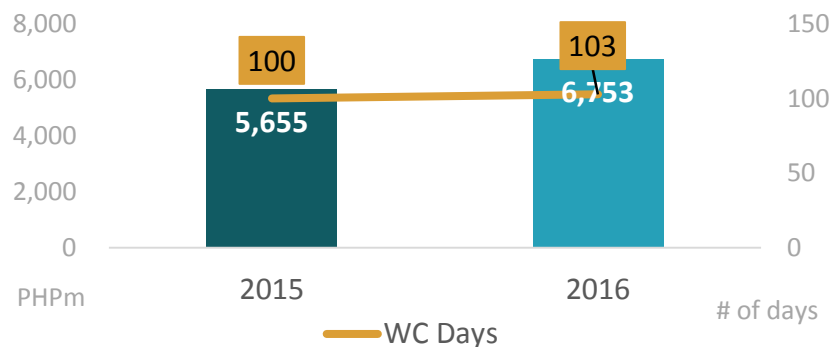
Notes: *Inclusive of intercompany PPE Transfers
Net CAPEX of PHP1.2 billion

**Operating Cash Flow-Net CAPEX

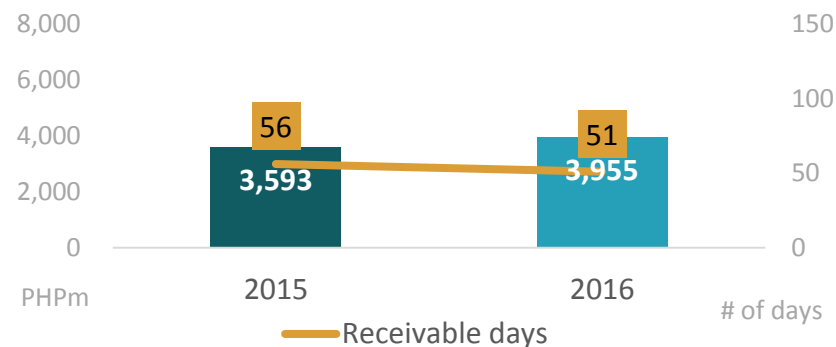
Working Capital



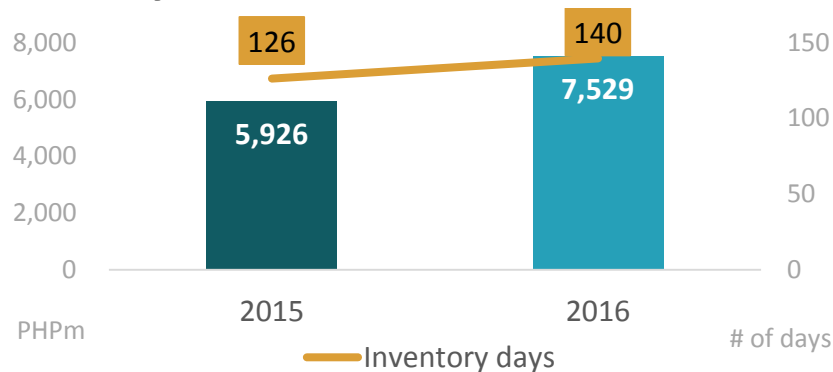
Working Capital



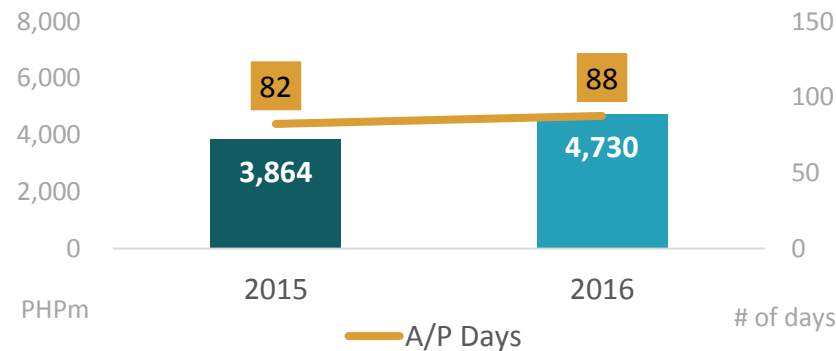
Receivables



Inventory



Payables



- Increase in working capital to PHP6.75 billion due to elevated inventory level
- Higher inventory level to protect margins and manage costs
- Slight improvement in receivable days due to process enhancement and efficiencies

Note: Computations based on yearend amounts

Recent Acquisitions



Kamayan Brand

- **Oct 2016: Acquired the license to the *Kamayan* brand for the US and Canada**
- Exploring other key overseas Filipino markets to widen distribution base
- Ongoing new product development to expand the brand to other categories



China Group of Companies

- **Dec 2016: Acquired distribution companies in China selling *Century Tuna***
- *Century Tuna* currently the #1 canned tuna brand in China
- Improving cost structure via supply chain integration
- Optimizing sales infrastructure via piping-in CNPF's other existing brands and products





STOCK HIGHLIGHTS



Investor Relations



MARKET CAPITALIZATION

\$0.8B

December 2015

\$1.2B

March 2017

ASIAMONEY

Philippines' Best
Managed Company
Small Cap (2016)

FinanceAsia

Philippines' Best
Company
Mid Cap (2016)

AVERAGE DAILY VALUE TRADED

\$0.2M

2015

\$1.1M

Jan-Mar 2017

MSCI 

MSCI Philippine Small Cap
May 31, 2016



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

52-Week Stock Price Performance (Bloomberg Ticker: CNPF PM)

PHP/SHARE



Investor Relations



As of 03/22/17	
Current Price	PHP16.90
52 Week Range	PHP12.33-18.60
3 Mo Avg Turnover	USD1.1 Million
Market Capitalization	PHP59.86 Billion USD1.19 Billion
Free Float	23.9%
12 Mo Absolute Performance	+36.3%
12 Mo Relative to Index	+37.5%
3 Mo Absolute Performance	+7.5%
3 Mo Relative to Index	-2.6%

Source: Maybank ATR 2017 Estimates	CNPF	Phil Consumer Average
PER	20.0x	19.3x
EV/EBITDA	14.8x	11.4x
PBV	4.1x	3.3x
Operating Margin	14.2%	14.1%
ROE	22.2%	16.8%

Sell-Side Coverage





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



Ortigas Center, Pasig City, Philippines

+632-633-8555

www.centurypacific.com.ph

investorrelations@centurypacific.com.ph

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