



CENTURY PACIFIC FOOD, INC.

(PSE: CNPF)

CORPORATE PRESENTATION

APRIL 2018



Company Overview

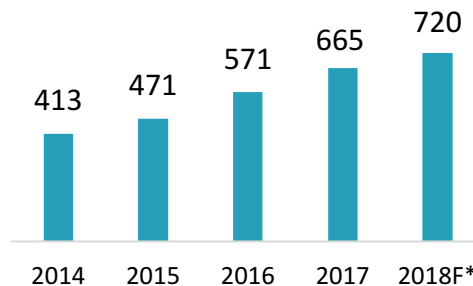


Snapshot

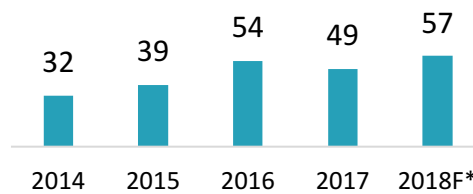
- **Century Pacific Food, Inc.** is the largest canned food company in the Philippines.
- Over its 40 year operating history, it has built a portfolio of leading and well-recognized brands in three core segments - marine (35% of sales), meat (25% of sales), and milk (12% of sales). It is also the Philippines' leading exporter of OEM tuna (18% 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, Executive Chairman – 11 years at CNPF as CEO, 11 years of prior multi-industry experience; Teodoro T. Po, President and CEO – 28 years of experience in running various business units at CNPF; Oscar A. Pobre, CFO – 24 years in CNPF's corporate finance, treasury, accounting and controllership

Full Year Financials

Revenues (In USD Mill)

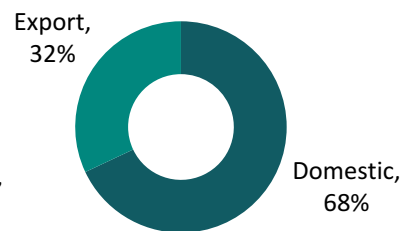
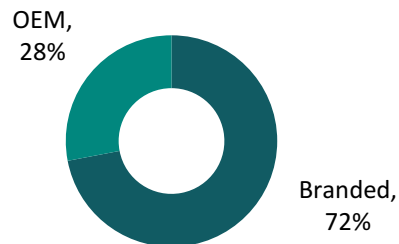
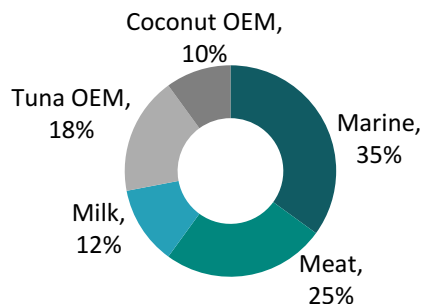


Net Income (In USD Mill)

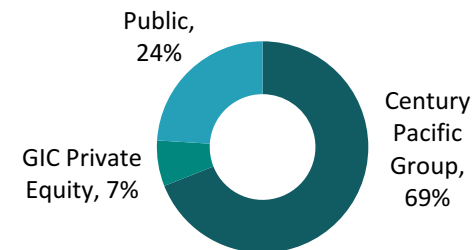


*Consensus of Active Brokers

2017 Revenue Breakdown



Ownership Structure



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

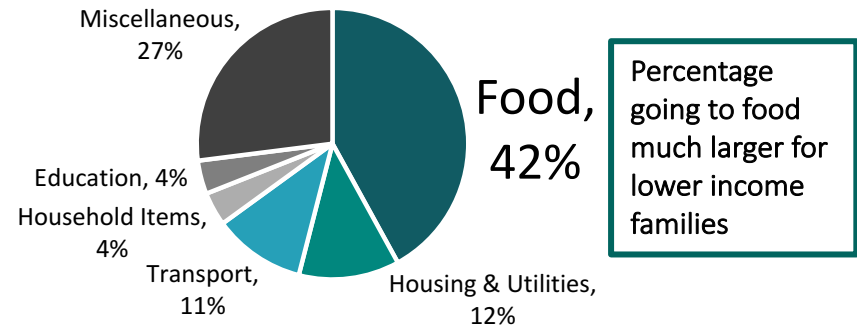
SE CLASS	% Share of Families	% Share of Income	Annual Income in PHP	Annual Income in USD
AB	1	9	1,857,000	36,880
C	9	26	603,000	11,976
D	60	56	191,000	3,793
E	30	9	62,000	1,231
Total	100	100	206,000	4,091

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

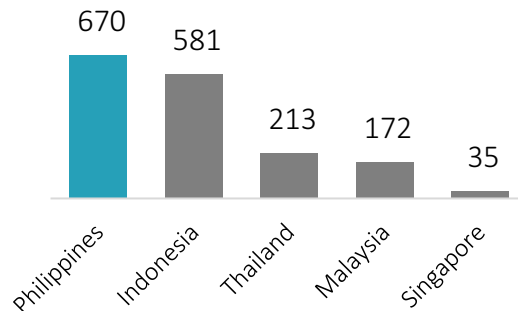
Breakdown of Family Expenditures



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

Philippine shelf-stable market largest in ASEAN

Shelf-Stable Food Total Consumption (USDm)

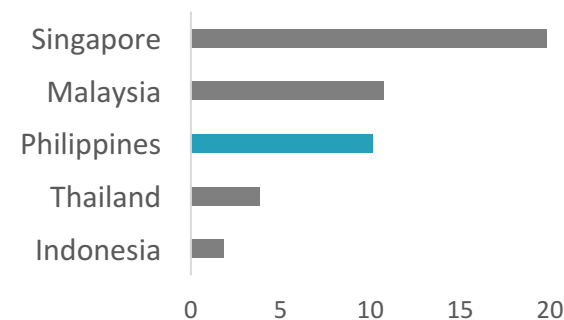


Due primarily to the country's Western influence and archipelagic nature

Source: 2016 Euromonitor data

Room to grow on a per capita basis

Per Capita Canned Goods Consumption (USD)



Increase in consumption as per capita incomes increase

Source: Euromonitor

Company Milestones



Proven track record in brand-building



organic

via acquisitions

2011	2011 to 2013, 2015 to 2016	2014	2016	2016	2016	2017
<p>Century Canning Marketing Company of the Year</p>	<p>Century Tuna and Argentina Reader's Digest Trusted Brand</p>	<p>Gregory Banzon Awardee for Marketing Excellence</p>	<p>Asia Marketing Federation CNPFF Asia's Marketing Company of the Year</p>	<p>CNPFF Philippines' Best Managed Small Cap Company</p>	<p>CNPFF Philippines' Best Mid Cap Company</p>	<p>Gregory Banzon Awardee for Communication Excellence</p>

Investment Highlights



1

Market Leadership

- Dominates the canned tuna 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 & 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 885,000 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

*Source: Nielsen

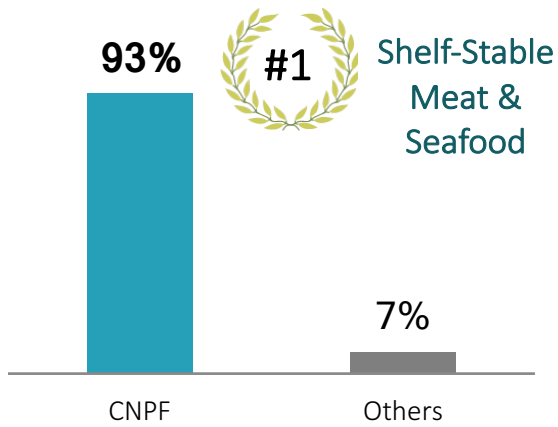
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Dominant Market Leadership in Ambient Food in the Philippines



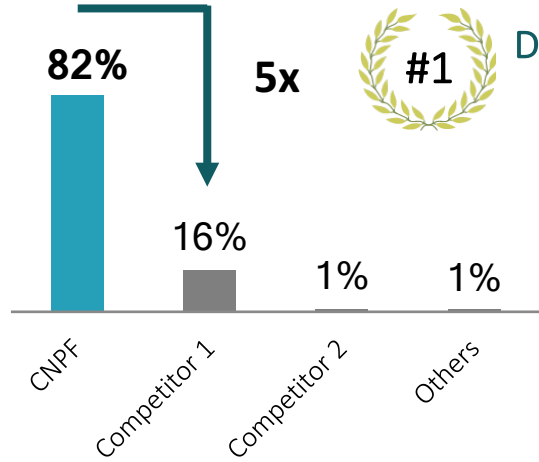
Largest Producer of Shelf-Stable Products

Dominance in key segments with presence in most categories



Source: Euromonitor 2016

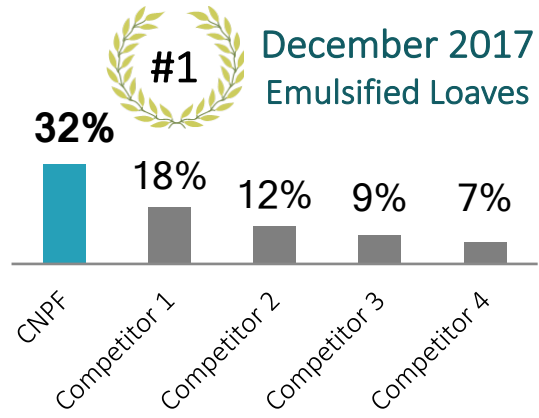
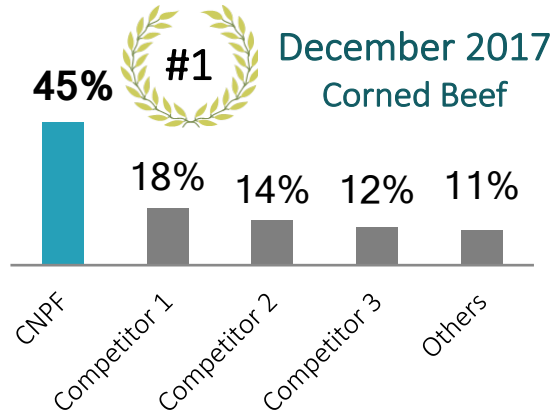
Primary Driver of Canned Tuna Consumption Domestically



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

Source: Nielsen

Market Leader in Other Philippine Staples



Source: Nielsen

Multiple Brands and Products Catering to All Consumers

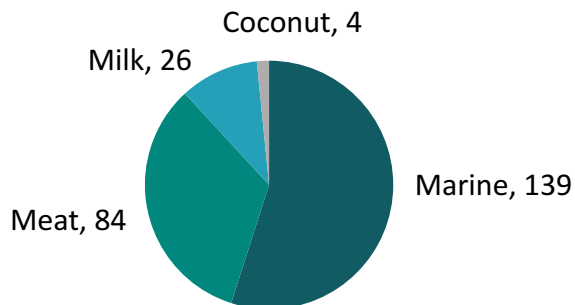


Diverse product portfolio catering to a broad customer base and different customer tastes and needs

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 2017

253 SKUs



Significant Benefits of a Multi-Brand, Multi-Product Portfolio

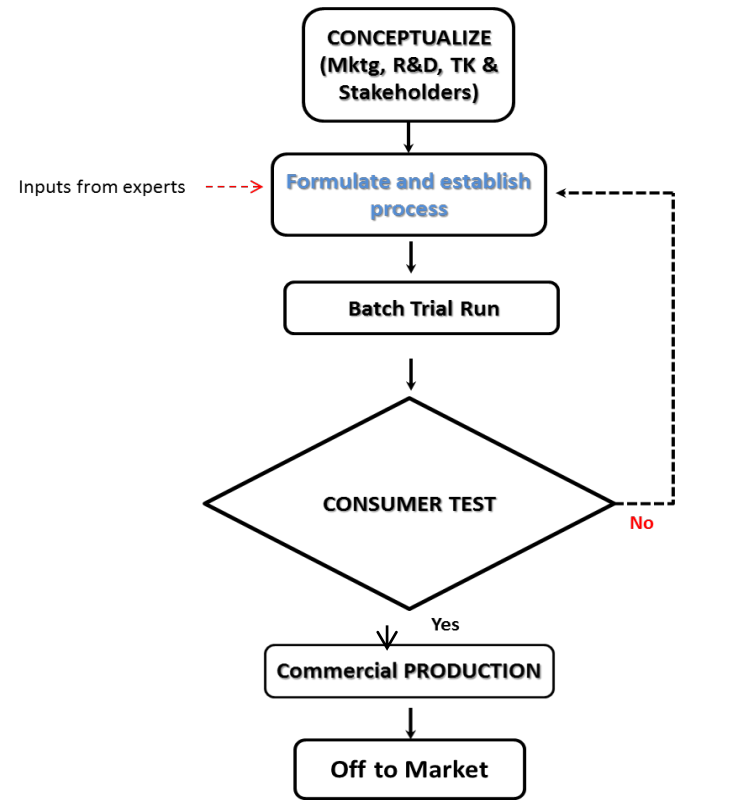
- Catering to a broad customer base through multiple brands and capturing larger share of the consumers' wallet/stomach through multiple segments/products
- Increased bargaining power with suppliers and distributors
- Diversification of risk and facilitate brand consolidation play

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



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

Extensive Market Penetration and Distribution Network



147k

Total Philippine Outlets Serviced by CNPF

885k

Total Philippine Outlets CNPF Products are AVAILABLE in

Source: 2016 Nielsen data

Availability Equivalent to **76%** of All Points of Sale in the Philippines

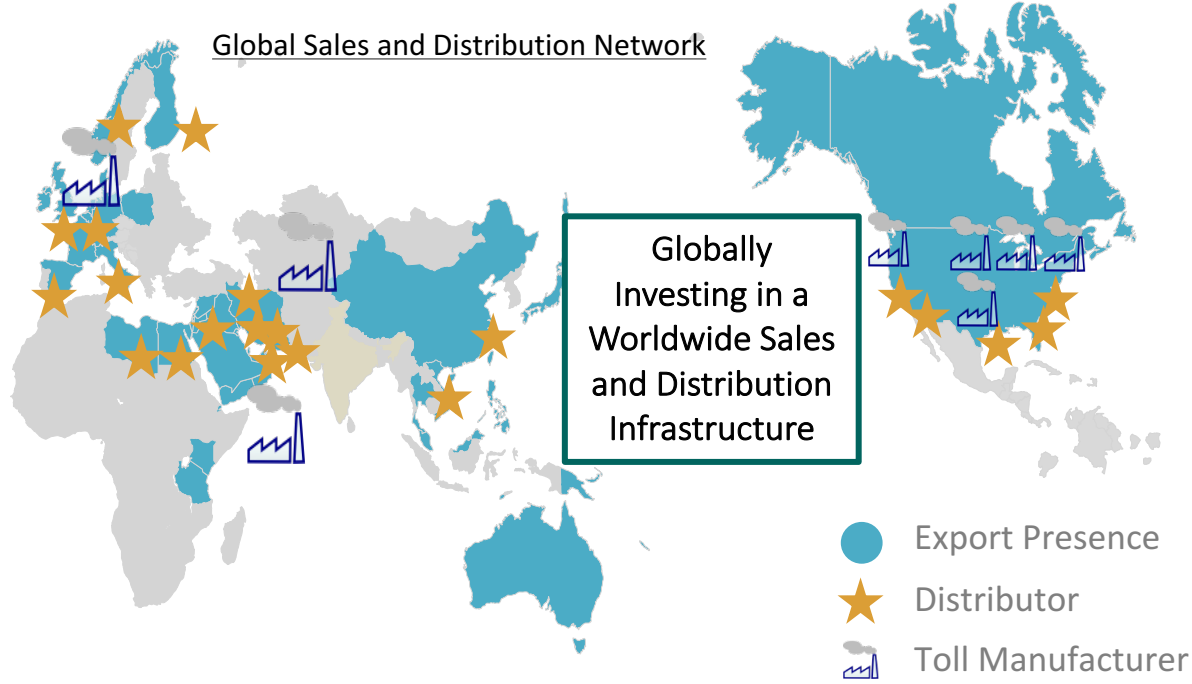
14

Offshore Toll Manufacturers for CNPF Products

60

Countries CNPF Products are AVAILABLE in

Availability of Branded Products



Walmart



SAFeway

99 Ranch Market

Spinneys



Choithrams

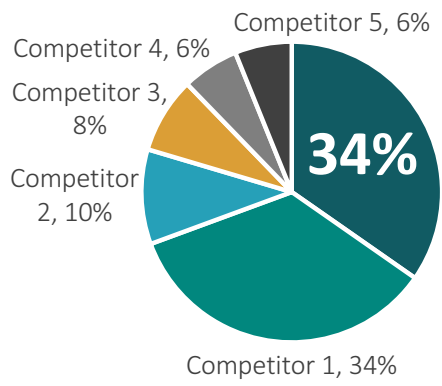
full of goodness

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, 2017

Key Customers

Largest single-brand restaurant chain	UK's leading importer of canned food	Japan's leading manufacturers of food products



Worldwide market leader in coconut water

Branded Products Sold Exclusively for Export



Our Experienced and Dedicated Management Team



Highly experienced professionals in their respective areas of expertise

Board Composition

9 Members
3 Independent Directors

4 Committees
All chaired by an independent director

- Audit Committee
- Corporate Governance Committee
- Board Risk Oversight Committee
- Related Party Transaction Committee

Previous Work Experience



Procter&Gamble

Unilever

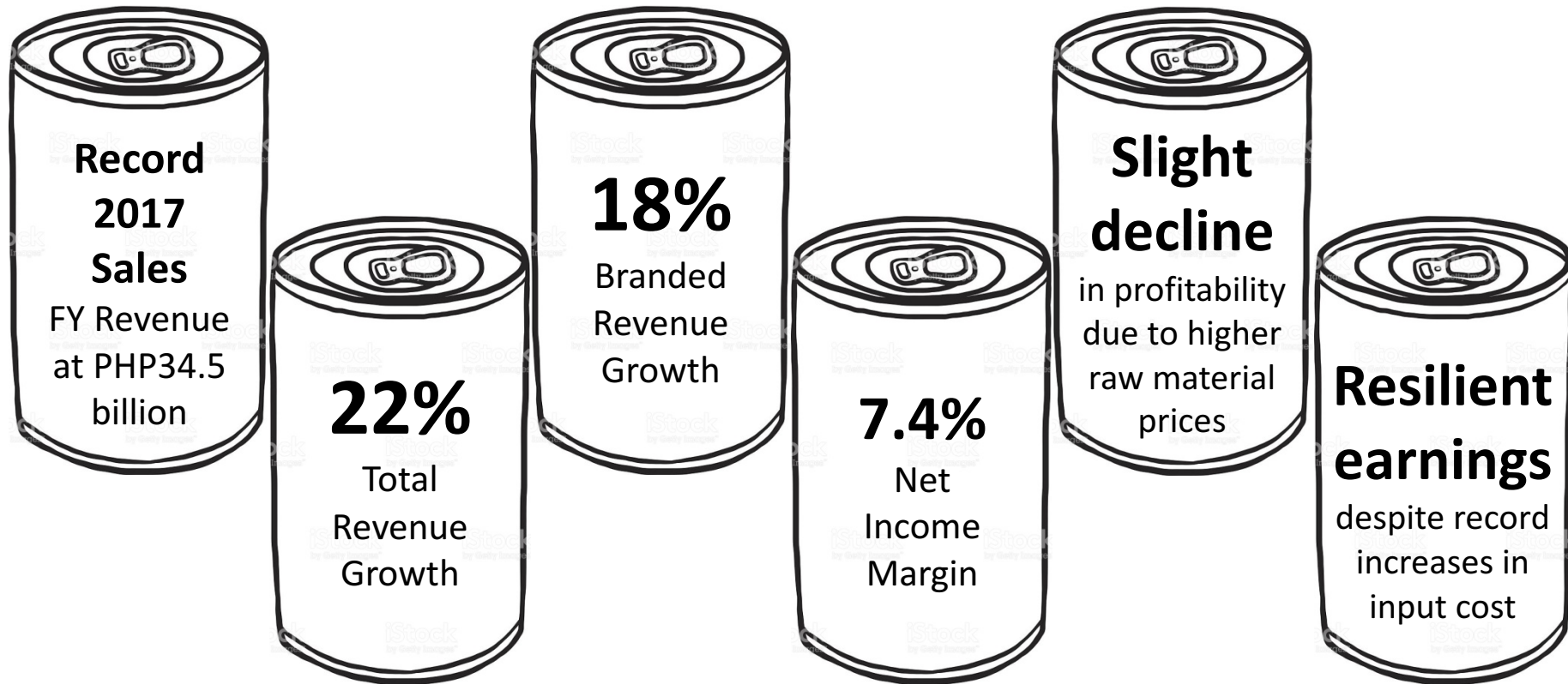
Christopher Po Executive Chairman	<ul style="list-style-type: none"> • 9 years of experience as Management Consultant at McKinsey, Managing Director at Guggenheim Partners, and Corporate Planning Head at JG Summit
Teodoro Po President and CEO	<ul style="list-style-type: none"> • 27 years of experience in running various business units of Century Group; Designed, built, and managed several factories of the group
Gregory Banzon EVP and COO	<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
Oscar Pobre VP and CFO	<ul style="list-style-type: none"> • 23 years managing the corporate finance, treasury, accounting, and controllership at Century Group of Companies • 17 years of experience in finance functions at RFM, Cosmos, Dole, and Meralco
Edwin Africa SVP – GM	<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
Teddy Kho VP – GM Tuna Export	<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
Cezar Cruz, Jr. VP - GM Canned Fish, Sardine	<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
Noel Tempongko VP – GM CPAVI	<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
Ronald Agoncillo VP – GM Milk	<ul style="list-style-type: none"> • 19 years of experience in various national sales management, engineering, and logistics roles at Unilever Philippines and Indonesia, 3M, Shell, Cadbury, and San Miguel
Wilhelmino Nicolasora VP – Domestic Sales	<ul style="list-style-type: none"> • 9 years of experience in sales management roles at Unilever Philippines, PepsiCo International, and Kimberly-Clark Philippines and Thailand



FINANCIAL PERFORMANCE



FY 2017 Results Highlights



FY 2017 Financial Performance



In PHP Mill	YTD Dec 2016	YTD Dec 2017	Change YoY
Net Revenues	28,288	34,496	22%
Cost of Sales	19,678	25,973	32%
Gross Profit	8,610	8,523	-1%
Operating Expenses	5,218	5,482	5%
Operating Income	3,613	3,429	-5%
EBITDA	3,972	3,954	0%
Income before Tax	3,535	3,322	-6%
Income Tax	880	770	-13%
Net Income	2,656	2,552	-4%
Earnings per Share	0.75	0.72	-4%
Margins (%)			
Gross Profit	30.4%	24.7%	-5.7 pps
Operating Expenses	18.4%	15.9%	-2.6 pps
Operating Income	12.8%	9.9%	-2.8 pps
EBITDA	14.0%	11.5%	-2.6 pps
Net Income	9.4%	7.4%	-2.0 pps

- Consistent double-digit **BRANDED REVENUE** growth
- Strong **TUNA OEM EXPORT** sales

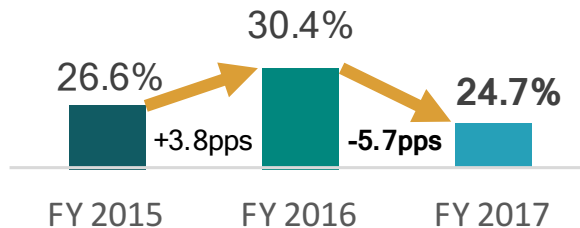
- Higher **INPUT COST** against cyclical lows in 2016
- Increased contribution from **LOWER MARGIN OEM BUSINESS**

- Managed admin cost while continuing to focus and invest in **BRANDED PORTFOLIO**

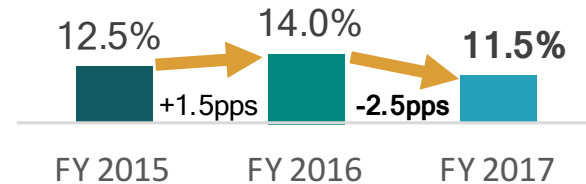
Healthy & Resilient Margins amidst Peak Costs



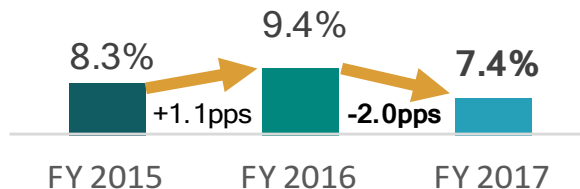
Gross Margin



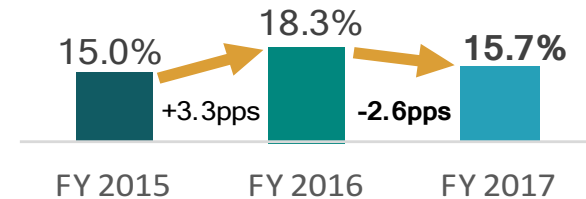
EBITDA Margin



Net Margin



Cash OPEX as a % of Sales



- Higher product pricing combined with cyclically low costs make 2016 a **DIFFICULT COMPARABLE PERIOD**
- **MANAGED PRICE INCREASES IN 2017**, not enough to offset the increase in costs
- **MUTED MOVEMENT** in EBITDA and net margins relative to GP

Balance Sheet Highlights



In PHP Mill	FY 2016	FY 2017
Cash	696	1,549
Receivables	3,955	5,329
Inventory	7,529	6,995
Current Assets	12,758	14,684
PPE	3,945	4,936
Noncurrent Assets	7,175	8,675
TOTAL ASSETS	19,932	23,359

- Faster **CASH CONVERSION CYCLE** (83 vs 103 days) with lower inventory level
- **CAPEX for CAPACITY EXPANSION, NEW PRODUCTS**

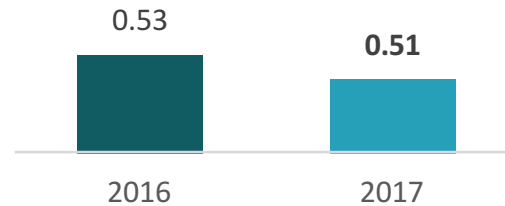
In PHP Mill	FY 2016	FY 2017
Trade and Other Payables	4,730	5,031
Notes Payable – Current	671	2,089
Long-Term Loan	1,634	1,620
TOTAL LIABILITIES	7,393	8,876
Retained Earnings	4,015	5,934
TOTAL EQUITY	12,539	14,483
BVPS (PHP/sh)*	3.54	4.09

- **NET ADDITIONAL SHORT-TERM DEBT** of PHP1.4 billion
- FY 2017 consolidated **NET INCOME** of PHP2.55 billion LESS **DIVIDEND** declaration of PHP638 million

Strong Balance Sheet and Low Leverage Ratios

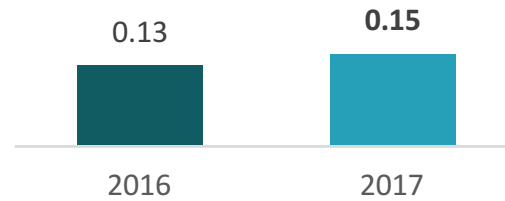


Net Debt to Equity (x)*



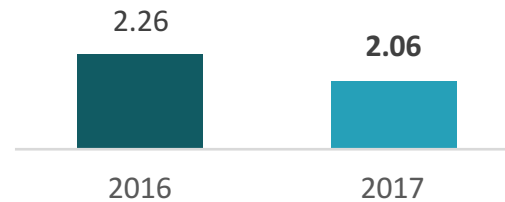
- Maintained **GEARING** ratios as equity grew faster than debt increase

Net Gearing (x)**



- Manageable **LEVERAGE** ratios provide financing flexibility

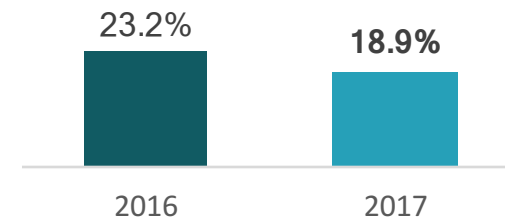
Current Ratio (x)



- Lower **CURRENT RATIO** due to increase in short-term debt, but still >2.0

Return on Equity (%)

using trailing 12 months' earnings and average equity



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

OCF Growth with Positive FCF Maintained



In PHP Mill	FY 2016	FY 2017
Profit before Tax	3,535	3,322
Depreciation & Amortization	359	525
Working Capital Change	(1,359)	(321)
Income Tax	(924)	(1,019)
OPERATIONS CASH FLOWS	1,715	2,212
Additions to PPE	(1,559)	(1,532)
Acquisitions	(61)	(538)
INVESTING CASH FLOWS	(1,259)	(2,038)
Change in Debt	54	1,404
Finance Costs	(65)	(105)
FINANCING CASH FLOWS	(483)	679
NET CHANGE IN CASH	(27)	853
Cash, ENDING	696	1,549
FREE CASH FLOW	156	680

- Higher depreciation due to **LONG TERM INVESTMENTS IN PPE**

- **SIGNIFICANT INCREASE IN OPERATING CASH FLOW** for the period

- **CAPEX** for capacity expansion, new product development, and efficiency projects with high IRRs
- Acquisition of **HUNT'S**

- All debt in **PHP**

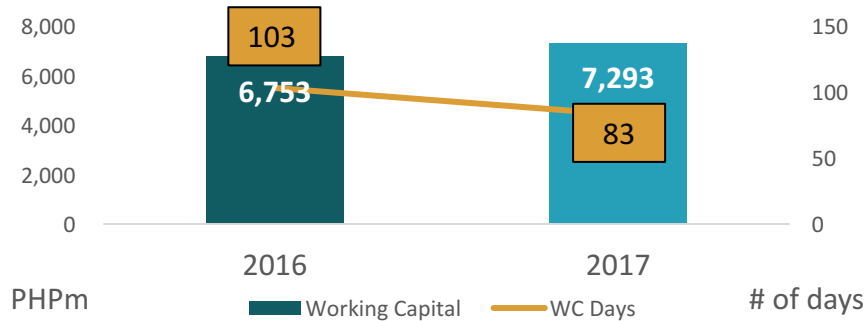
- **INCREASE** in free cash

Significant Improvement in Cash Conversion

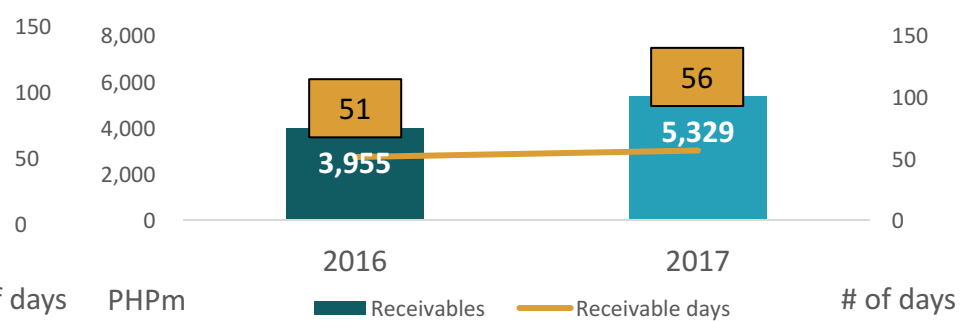


- **A DROP OF 20 DAYS** in cash conversion cycle to 83 days from 103 last year
- **REDUCED RAW MATERIAL STOCKS** due to higher tuna prices
- Lower payable days due to **STREAMLINING OF PAYABLE PROCESSES**

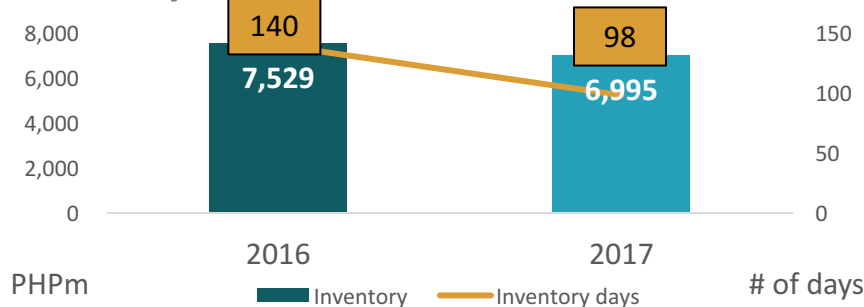
Working Capital



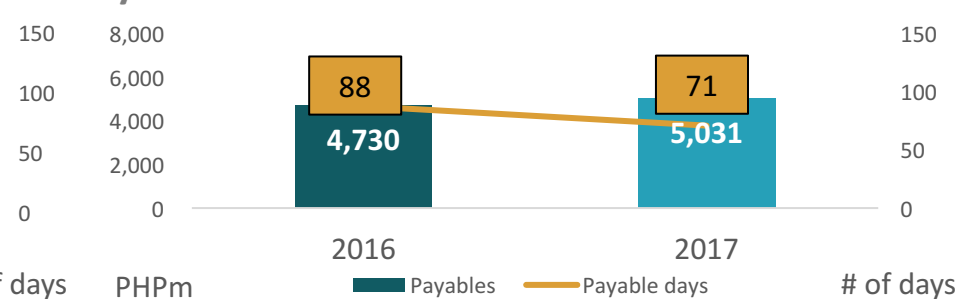
Receivables



Inventory



Payables

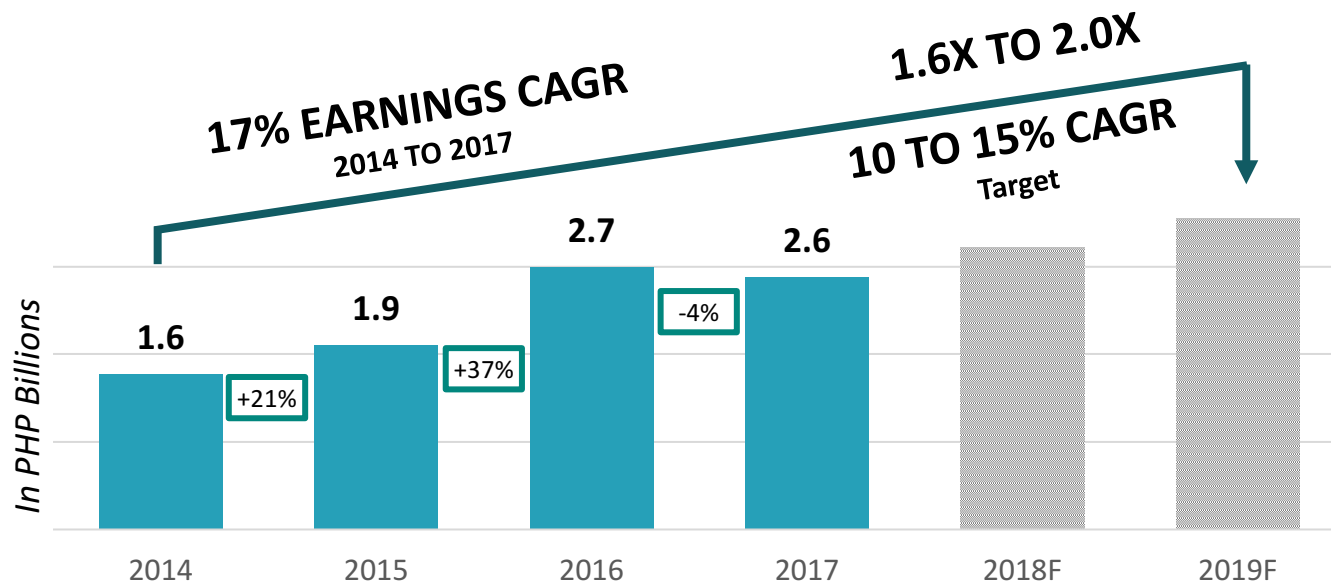




Pursue Long-Term Sustainable Earnings Growth



LONG-TERM TARGET
to grow net income by **~2X GDP CAGR**



Earnings CAGR still **EXCEEDS LT TARGET**

On track to **DOUBLING NET INCOME** over 5 years

2018 Guidance and Outlook

- **TOPLINE:** Low teens revenue growth driven by increasing market size and market shares in key categories
- **BOTTOMLINE:** Mid single earnings growth with earnings improvement expected by middle of year

Long Term Strategy

- **TOPLINE:** Focus on increasing consumption, market share, and brand loyalty for consistent growth
- **BOTTOMLINE:** Manage profitability during high cost environment and maximize returns when input prices fall



SUSTAINABILITY HIGHLIGHTS



Sustainability Highlights



There are different species of tuna



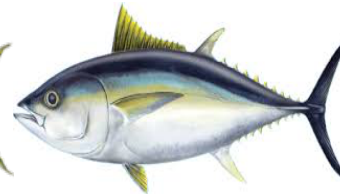
Bluefin



Albacore



Yellowfin



Bigeye



Skipjack

We use skipjack tuna from the Western Pacific Ocean

Skipjack tuna stocks are at healthy levels



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

*All information taken from "Status of the World Fisheries for Tuna: November 2017" by the ISSF

Sustainability Highlights



Balancing Business with Environmental and Social Impact

Environmental



- VP for Tuna 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**

*Our 2017 ISSF Final Compliance Report is available on the company website (<http://www.centurypacific.com.ph>).

Social

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





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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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