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May 5, 2021

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street cor. 5<sup>th</sup> Avenue

Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

RE: **PRESS RELEASE – CNPF starts the year strong with net income up 24%; Sees upside to earnings growth target for 2021**

Please be informed that Century Pacific Food Inc (CNPF) is issuing the attached press release entitled “CNPF starts the year strong with net income up 24%; Sees upside to earnings growth target for 2021”

Very Truly Yours,

A handwritten signature in black ink, appearing to read "G. Vera", is written over a light blue horizontal line.

GIOVANNA M. VERA

Head - Investor Relations



## **CNPF starts the year strong with net income up 24%; Sees upside to earnings growth target for 2021**

- **Double-digit topline growth despite a high 2020 base**
- **Gross margin expansion and lower taxes support investment in capacity and innovations**
- **Implementation of CREATE pushes potential 2021 earnings growth above 15%**

Century Pacific Food, Inc. (CNPF), one of the country's leading branded food companies, starts 2021 strong, ending the first quarter with net income of Php1.3 billion – up 24% versus the year before.

Consolidated revenues continued to grow double-digits – up 11% to Php13.4 billion – despite a high comparable period last year. In particular, the Branded business, which accounts for majority of total revenues, saw demand remain resilient - posting a 4% increase notwithstanding pandemic-related demand spikes during the same period last year.

Chad Manapat, Chief Finance Officer, said, “We are pleased by our double-digit growth rate this quarter considering last year’s high-base and the various macro-economic challenges. The essentials and staples nature of our portfolio has largely kept us resilient, and the faster re-opening in other countries has benefitted our export businesses quite nicely.”

As a result of this demand, the Company is now in the midst of expanding its coconut facility by close to 50% and its meat facility by 20%, with further expansions along the way. Capacity investments are also partly supported by profits generated from lower tax rates – brought about by the implementation of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law.

“We look forward to gaining much-needed capacity, particularly in Coconut - coming online early third quarter - as we see a lot of potential in this business. Not only will this support our growth but also create more than 500 quality manufacturing jobs for our countrymen. We are also excited about our potential entry into other new and emerging categories as we continue to manage our pipeline of innovations,” said Manapat.

Over the last two years, CNPF has launched a number of innovations, the most recent of which include *Coco Mama Fresh Gata* – the Company’s first foray into branded coconut, *Birch Tree Adult Fortified Boost* – a follow-up product to its fast-growing Birch Tree milk brand, *Century Tuna Yellowfin in Olive Oil* - a premium addition to its marine portfolio, and finally, *UnMeat* – CNPF’s foray into plant-based.

This April 2021, the Company’s product line-up will also include a string of other refrigerated and chilled items to complement its growing portfolio of shelf-stable products.

In terms of profitability, CNPF's gross profit margin for the period was up 60bps year-on-year, whilst EBITDA margins remained relatively flat versus same period last year.

In the first quarter, CNPF's operating expenses were up 20% due to increased new product support. The Company also continues to spend on pandemic related-expenses and the purchase of vaccines amidst a program to vaccinate all employees and their dependents from COVID-19.

All-in-all, CNPF net income margins ended at 9.6% - up 100 bps versus same period last year.

"Despite continued uncertainties and expectations of increased raw material costs, our strong start puts us in a good position to meet or, potentially, even exceed our original earnings growth target of 10 to 15% this year - thanks in part to the benefits of CREATE," said Manapat.

He added, "We remain cautiously optimistic and continue to monitor closely the demand for our core products, growth trajectory of our emerging categories, and performance of our new product launches. Meanwhile, we continue to build capabilities and invest in new areas which we believe will help us benefit from burgeoning consumer trends and the eventual recovery of the Philippine economy. We look forward to further building on our portfolio of brands that Filipinos love – encompassing both core branded products that deliver steady growth and healthy cash generation, as well as emerging categories that will benefit from long-term increases in income and consumption per capita – so we can further serve our consumers' need for affordable nutrition."

#### About CNPF

Century Pacific Food, Inc. (PSE: CNPF) is one of the Philippines' largest branded food and beverage companies. It is primarily engaged in the manufacturing, marketing, and distribution of processed marine, meat, milk, and coconut products. With an established track record in brand-building spanning more than 40 years, it has developed a roster of household names which include Century Tuna, Argentina, 555, Angel, and Birch Tree. These brands of the Company hold market leading positions locally and are growing their presence abroad. Further, the Company also operates as one of the Philippines' leading providers of private label tuna and coconut products for export overseas.



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