

CENTURY PACIFIC FOOD, INC. 2024 MANAGEMENT REPORT

BUSINESS OVERVIEW AND GENERAL INFORMATION

Business Overview

Century Pacific Food, Inc. (PSE:CNPF or the Company) is one of the leading food and beverage companies in the Philippines. It owns a portfolio of well-recognized and trusted brands in the canned and processed fish, canned meat, dairy and mixes, coconut, pet food, and plant-based business segments. These brands include well-established names such as Century Tuna, 555, Ligo, Argentina, and Birch Tree, as well as emerging and challenger names such as Blue Bay, Fresca, Swift, Wow, Lucky Seven, Angel, Coco Mama, unMEAT, Choco Hero, and Goodest. The Corporation exports its branded products to international markets, particularly where there are huge Filipino communities such as the United States and Middle East. The Company is also the Philippines' largest exporter of private label original equipment manufacturer (OEM) tuna and coconut products.

Corporation traces its history from the Century Pacific Group, a focused branded food company for more than 40 years. Century Pacific Group began in 1978 when Mr. Ricardo S. Po, Sr. established Century Pacific Group, Inc. (formerly Century Canning Corporation) as an exporter of canned tuna. In subsequent years, Century Pacific Group, Inc. then expanded and diversified into other food-related businesses. Establishing market leading positions, it built a multi-brand, multi-product portfolio catering to a broad and diverse customer base and supported this with a distribution infrastructure with nationwide reach, directly serving hundreds of thousands of retail outlets and food service companies.

In October 2013, the Po Family reorganized the Century Pacific Group to maximize business synergies and shareholder value. It incorporated CPFI, carving out the branded canned seafood, meat, dairy, mixes, and OEM tuna export businesses, folding them into the Corporation. On January 1, 2014, the Corporation commenced business operations under the new corporate set-up.

The Corporation manages its food business through operating divisions and wholly owned subsidiaries.

The canned and processed fish segment produces and markets a variety of tuna, sardine, other fish, and seafood-based products under the Century Tuna, 555, Ligo, Blue Bay, Fresca, and Lucky 7 brands. The Corporation acquired Ligo, a legacy brand known for its high quality marine products, in 2022.

The canned meat segment produces corned beef, meat loaf, luncheon meat, and other meat-based products which are sold under the Argentina, Swift, 555, Shanghai, and Wow brands.

The dairy and mixes segment is comprised of products such as evaporated milk, condensed milk, full cream and fortified powdered milk, chocomalt powdered milk drink, and all-purpose creamer under the Angel, Birch Tree, and Choco Hero brands.

The tuna export segment produces OEM canned tuna, pouched tuna, and vacuum-packed frozen tuna loin products for overseas markets including North America, Europe, Asia, Australia, and the Middle East.



At the end of 2015, the Corporation acquired a 100% interest in Century Pacific Agricultural Ventures, Inc., an integrated coconut producer of high value organic-certified and conventional coconut products for both export and domestic markets.

During 2016, the Corporation also acquired the license to the *Kamayan* trademark for North America and the Middle East. The brand is one of the top names in the U.S. market for shrimp paste – a popular condiment in Philippine cuisine, locally known as *bagoong*. The Corporation also acquired distribution companies in China which sell *Century Tuna*, the number one canned tuna brand in China.

In 2017, the Corporation acquired the Philippine license for *Hunt's*, the country's number one pork & beans brand. The acquisition also included the transfer of manufacturing assets and inventory related to *Hunt's* product lineup. This lineup includes pork & beans, tomato-based spaghetti sauce, tomato sauce, and marinade sauce.

In 2019, the Corporation began marketing *Coco Mama Fresh Gata* for the Philippine coconut market. It is the Company's first major launch of a culinary coconut product using its own brand.

In 2020, the Company entered the meat-free market with the launch of the '*unMeat*' brand - the first large-scale plant-based meat alternative brand in the Philippines. The brand is rolled out in retail and institutional channels in the Philippines and key international markets such as USA, Singapore, the Middle East, and Australia. unMEAT entered Europe in 2024, achieving distribution in more than 13,000 points of sale globally.

The Corporation acquired Pacific Meat Company, Inc. (PMCI), an emerging player in the refrigerated food category. PMCI, which was added to the Corporation's portfolio on April 1, 2021, came equipped with its own manufacturing facilities, cold chain distribution, and pipeline of refrigerated products.

The Company also launched its pet food business in 2021, through a brand called *Goodest*.

In 2024, the Corporation acquired a 100% interest in Coco Harvest, Inc. (CHI), which owns a fully integrated coconut processing facility located in Misamis Occidental, Mindanao. The facility has the capability to produce higher value coconut-based products such as coconut water, coconut milk, desiccated coconut, and virgin coconut oil. The capacity expansion is expected to generate more than 1,500 quality manufacturing jobs in Mindanao.

Factors Affecting Results of Operations

Actual or alleged contamination or deterioration of, or safety concerns about, the Corporation's food products or similar products produced by third parties could give rise to product liability claims and harm the Corporation's reputation.

The Corporation's operations may be impacted by natural or man-made calamities.

The Corporation's financial performance may be materially and adversely affected by fluctuations in prices or disruption in the supply of key raw materials.



The Corporation's revenue growth depends on the successful introduction of new products and new product extensions, which is subject to consumer preference and other market factors at the time of introduction.

Competition in the Corporation's businesses may adversely affect its financial condition and results of operations.

The Corporation relies on key suppliers for certain raw materials and the failure by such suppliers to adhere to and perform contractual obligations may adversely affect the Corporation's business and results of operations.

The Corporation may be subject to risks in data breaches, cybersecurity system threats, and IT system failures.

The Corporation may be subject to risks in asset misappropriations and financial misstatements.

The Corporation generally does not have long-term contracts with many of its customers, and it is subject to uncertainties and variability in demand and product mix.

The Corporation is exposed to the credit risks of its customers, and delays or defaults in payment by its customers could have a material adverse effect on the Corporation's financial condition, results of operations and liquidity.

Any infringement or failure to protect the Corporation's trademarks and proprietary rights could materially and adversely affect its business.

The Corporation's growth strategy, including acquisitions, entering new product categories and international expansion, may not always be successful or may entail significant costs, which could adversely affect its business, financial condition and results of operations.

The Corporation may be subject to labor unrest, slowdowns and increased wage costs, as well as workplace safety risks due to accidents.

The Corporation may be subject to risks in volatility in macroeconomic and political factors, such as foreign exchange, interest rates, availability of funding, rule of law, among others.

The Corporation is effectively controlled by the Po family and their interests may differ from the interests of other shareholders.

The Corporation's international operations may present operating, financial and legal challenges, particularly in countries where the Corporation has little or no experience.

The Corporation's existing insurance policies and self-insurance measures may not be sufficient to cover the full extent of all losses.

The Corporation's businesses and operations are substantially dependent upon key executives.

Key Variable and other Qualitative and Quantitative Factors

A. Any known Trends, Events or Uncertainties (Material Impact on Liquidity and Sales)

The Corporation is exposed to various types of market risks in the ordinary course of business, including foreign exchange rate risk, commodity price risk, credit risk and liquidity risk.

Commodity Price Risk

The Corporation's commodity price risk exposure primarily results from the use of commodities as raw materials in its production processes. In particular, the supply and prices of fish are subject to seasonality and there is limited fish-catching activity from November to March of the following year. To reduce its exposure to increased fish prices during this time, the Corporation typically builds up sufficient inventories of finished products by October of each year to minimize the need to purchase fish at increased prices. The Corporation currently does not have a commodity price hedging policy.

Foreign Exchange Rate Risk

The Corporation's foreign exchange rate risk arises primarily from the fluctuations in exchange rate that arise between the Philippine Peso and the U.S. dollar. The substantial majority of the Corporation's revenues are denominated in Pesos, while certain of its expenses, particularly its raw material costs, are denominated in U.S. dollars or based on prices determined in U.S. dollars. In addition, the Corporation is exposed to foreign exchange risk through its export of private label tuna and its branded products. To hedge its exposure to exchange rate fluctuations, the Corporation enters into a forward contract for each export order to secure the expected profit at time of delivery.

Credit Risk

The Corporation's exposure to credit risk relates primarily to its trade and other receivables. Generally, the Corporation's maximum credit exposure in the event of customers' and counterparties' failure to perform their obligations is the total carrying amount of the financial asset as shown on the statement of financial position. To minimize its credit risk, the Corporation evaluates customer credit, receivables and payment habits for all major customers on a quarterly basis.

Liquidity Risk

The Corporation is exposed to the possibility that adverse changes in the business environment, or its operations could result in substantially higher working capital requirements and consequently, a difficulty in financing additional working capital. The Corporation manages its liquidity risk by monitoring its cash position and maintaining credit lines from financial institutions that exceed projected financing requirements for working capital.

B. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

Credit Facilities

The credit facilities of the Group with several major banks are basically short-term omnibus lines intended for working capital use. Included in these omnibus bank lines are revolving promissory note line, import letters of credit and trust receipts line, export packing credit line, domestic and foreign bills purchase line, and foreign exchange line. As at end 2024, the total credit line facility of the Company exceeded its requirements.

There are other commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying consolidated financial statements. As at December 31, 2024, Management is of the opinion that losses, if any, from these commitments and contingencies will not have a material effect on the Group's consolidated financial statements.

C. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

Capital Commitments

As of December 31, 2024, the Group has construction-in progress amounting to Php 1.65 billion relating to ongoing construction of the Group's new production plant and administration building as part of the Group's expansion program. The construction is expected to be completed in 2025.

For full-year 2025, the Company is allotting approximately Php 3.0-4.0 billion in capital expenditures.

The Group shall finance the remaining estimated costs from internally generated cash from operations.

D. Seasonal Aspects that have Material Effect on the financial statements

The supply and prices of fish are subject to seasonality, and there is limited fish-catching activity from November to March of the following year. To reduce its exposure to increased fish prices during this time, the Corporation typically builds up sufficient inventories of finished products by October of each year to minimize the need to purchase fish at increased prices. The Corporation currently does not have a commodity price hedging policy.

- E. **Any Significant Elements of Income or Loss (from continuing operations) and Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)**

Causes for material changes are explained in Management's Discussion and Analysis or Plan of Operation and Notes to the Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Description of Key Line Items

Sale of Goods

The Corporation derives its net sales from sale of goods to their customers less value-added tax ("VAT") and sales returns and allowances. Its customers include customer accounts serving the modern trade, general trade and food service channels of the domestic market. It also consists of importer-brand owners, food producers and retailers, traders and agents in the international tuna and coconut markets.

Cost of goods sold

The Corporation's cost of goods sold consists primarily of cost of goods available for sale (i.e. inventory at the beginning of the year plus additional stocks from production and purchases during the year) less inventory at the end of the year. The cost elements comprising cost of goods sold include raw materials and packaging materials cost plus conversion costs. Conversion costs consist of direct labor cost, utilities expense, and manufacturing overhead expense.

Operating Expenses (Income)

The Corporation's operating expenses comprise primarily of salaries and wages and other staff costs, advertising and promotions cost, freight and distribution expenses, other selling and market expenses, depreciation, repairs and maintenance expenses, and other administrative expenses.

Other Income (Expense)

Other income (expense) consists primarily of interest expense and other financing charges, investment income, foreign exchange gain (loss), inventory loss, and other miscellaneous income and expenses.

Income Tax Expense

Income tax expense comprises current income tax expense and deferred income tax expense.

Trade Receivables

Trade receivables are recorded at fair value plus transaction less provisions for impairment loss, and are primarily from sales with an average credit term of 30 to 45 days. Impairment loss is provided when there is objective evidence that the Company will not be able to collect from specific customers certain amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined based on evaluation of available facts and circumstances, including but not limited to, the



length of the Company's relationship with the customers, the customers' current credit status based on known market forces, average age of the accounts, collection experience and historical loss perspective.

Inventories

Inventories comprise primarily of raw materials, work-in-process goods and finished goods. These are booked at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Finished goods and work-in process include the cost of raw materials, direct labor and a proportion of manufacturing overhead based on normal operating capacity. Raw material costs include all costs attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities. Inventories are derecognized when sold or otherwise disposed of.

Trade Payable

Trade payables comprise of obligations to suppliers incurred in the ordinary course of business. These are recognized at fair value and subsequently measured at amortized cost during the period when the goods or services are received or rendered.

FINANCIAL POSITION
31 March 2025 vs. 31 December 2024

	31 Mar2025	31 Dec2024	% Change
Cash and cash equivalents	2,868,192,392	3,227,606,273	-11%
Trade and other receivables - net	11,624,174,726	10,718,133,404	8%
Inventories - net	18,891,428,248	18,593,752,925	2%
Due from related parties	216,079,525	249,575,960	-13%
Prepayments and other current assets	3,143,902,866	3,195,953,784	-2%
Property, plant & equipment - net	10,360,683,085	10,023,483,010	3%
Right of use assets - net	1,635,037,897	1,705,105,396	-4%
Intangible assets	6,004,844,068	6,010,223,027	0%
Deferred tax assets	1,326,450,706	1,326,450,706	0%
Retirement asset	16,647,808	16,647,808	0%
Other non-current assets	261,360,105	174,295,170	50%
Total Assets	56,348,801,426	55,241,227,463	2%
Trade and other payables	13,892,976,209	13,786,983,036	1%
Due to related parties	40,537,539	40,135,878	1%
Income tax payable	518,928,637	168,582,580	208%
Finance Lease obligation - current	303,031,334	358,563,283	-15%
Current portion of borrowings	24,076,203	24,076,203	0%
Short-term loans payable	900,000,000	200,000,000	350%
Borrowings - net of current portion	3,099,762,411	3,099,762,411	0%
Retirement benefit obligation	234,607,149	183,161,042	28%
Finance Lease obligation - non-current	1,560,860,074	1,566,173,197	0%
Total Liabilities	20,574,779,556	19,427,437,630	6%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Currency translation adjustment	29,141,564	25,734,786	13%
Retained earnings	27,226,922,224	27,270,096,966	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Appraisal Increment / Other Reserves	30,628,942	30,628,942	0%
Total Equity	35,774,021,869	35,813,789,833	0%

Century Pacific Food, Inc.'s total assets as of 31 March 2025 amounted to Php 56.3 billion, increasing by 2% versus its total assets as of 31 December 2024, which amounted to Php 55.2 billion. The change is due to the following:

11% Decrease in Cash

The Company's cash outflow for the period was primarily due to dividend payments and capital expenditures. Net cash from operating activities amounted to Php 1.7 billion.

8% Increase in Trade and Other Receivables

The growth in receivables was driven by higher sales for the period.

2% Increase in Inventories

Inventory increased due to the Company's expanded sales volumes, alongside inventory covers for key raw materials and finished goods.

3% Increase in Property, Plant, and Equipment

Property, Plant, & Equipment increased as a result of capital expenditures amounting to Php 697 million undertaken by the group.

350% Increase in Short-term Loans

The Company's short term loans increased by Php 700 million for general corporate purposes.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.34x. Interest-bearing debt over equity and net gearing ratio increased to 0.11x and 0.03x, respectively.

FINANCIAL POSITION
31 December 2024 vs. 31 December 2023

	31 Dec2024	31 Dec2023	% Change
Cash and cash equivalents	3,227,606,273	5,050,017,194	-36%
Trade and other receivables - net	10,718,133,404	9,386,654,691	14%
Inventories	18,593,752,925	16,901,959,562	10%
Due from related parties	249,575,960	258,634,411	-4%
Prepayments and other current assets - net	3,195,953,784	2,878,991,150	11%
Property, plant & equipment - net	10,023,483,010	8,980,273,509	12%
Goodwill and intangible assets - net	6,010,223,028	5,526,648,873	9%
Right of use assets - net	1,705,105,397	1,520,443,376	12%
Deferred tax assets - net	1,326,450,706	878,291,362	51%
Retirement asset - net	16,647,808	11,036,687	51%
Other non-current assets	174,295,168	149,143,486	17%
Total Assets	55,241,227,463	51,542,094,301	7%
Short-term loans payable	200,000,000	2,870,000,000	-93%
Trade and other payables	13,786,983,036	10,452,242,572	32%
Current portion of borrowings	24,076,203	7,360,791	227%
Income tax payable	168,582,580	143,502,629	17%
Due to related parties	40,135,878	30,545,975	31%
Lease liabilities - current portion	358,563,283	297,536,128	21%
Borrowings - net of current portion	3,099,762,411	3,156,982,518	-2%
Retirement benefit obligation	183,161,042	330,438,483	-45%
Lease liabilities - net of current portion	1,566,173,197	1,402,955,848	12%
Total Liabilities	19,427,437,630	18,691,564,944	4%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	25,734,786	38,674,173	-33%
Retained earnings	27,270,096,966	24,293,897,103	12%
Total Equity	35,813,789,833	32,850,529,357	9%

Century Pacific Food, Inc.'s total assets as of 31 December 2024 amounted to Php 55.2 billion, increasing by 7% versus its total assets as of 31 December 2023, which amounted to Php 51.5 billion. The change is due to the following:

36% Decrease in Cash

Cash generated from operations was used to service loans, fund capital expenditures, and pay dividends for the twelve-month period.

14% Increase in Trade and Other Receivables

The growth in receivables was driven by higher sales for the period.

10% Increase in Inventories

Inventory increased due to the Company's expanded sales volumes, alongside inventory covers for key raw materials and finished goods.

11% Increase in Property, Plant, & Equipment

Property, Plant, & Equipment increased as a result of capital expenditures amounting to Php 2.3 billion undertaken by the group.

32% Increase in Trade Payables

Trade payables increased, driven by the purchase of inventory to support the growth in sales volume and changes in terms.

93% Decrease in Short-term Loans

Strong cash position allowed the Company to repay short-term loans.

12% Increase in Retained Earnings

Retained earnings expanded due to the recognition of Php 6.3 billion in net income and the declaration of dividends amounting to Php 3.4 billion.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.47x. Interest-bearing debt over equity and net gearing decreased to 0.10x and 0.00x), respectively.

FINANCIAL POSITION
31 December 2023 vs. 31 December 2022

	31 Dec2023	31 Dec2022	% Change
Cash and cash equivalents	5,050,017,194	2,149,448,030	135%
Trade and other receivables - net	9,386,654,691	8,771,584,426	7%
Due from related parties	258,634,411	197,448,146	31%
Inventories	16,901,959,562	17,728,873,867	-5%
Other current assets	2,878,991,150	2,802,218,295	3%
Property, plant & equipment	8,980,273,509	8,793,816,459	2%
Intangible assets and royalties	5,526,648,873	5,548,164,713	0%
Right of use asset	1,520,443,376	1,391,652,591	9%
Deferred tax assets	878,291,362	718,562,929	22%
Retirement asset - net	11,036,687	7,128,419	55%
Other non-current assets	149,143,486	224,893,319	-34%
Total Assets	51,542,094,301	48,333,791,194	7%
Trade and other payables	10,452,242,572	9,797,085,023	7%
Short-term loans payable	2,870,000,000	4,640,000,000	-38%
Current portion of borrowings	7,360,791	9,390,325	-22%
Income tax payable	143,502,629	102,714,783	40%
Due to related parties	30,545,975	25,918,837	18%
Current portion of lease liabilities	297,536,128	293,030,338	2%
Borrowings - net of current portion	3,156,982,518	3,164,823,670	0%
Retirement benefit obligation	330,438,483	272,878,497	21%
Lease liabilities - net of noncurrent portion	1,402,955,848	1,248,956,896	12%
Total Liabilities	18,691,564,944	19,554,798,369	-4%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	38,674,173	29,397,439	32%
Retained earnings	24,293,897,103	20,231,637,305	20%
Total Equity	32,850,529,357	28,778,992,825	14%

Century Pacific Food, Inc.'s total assets as of 31 December 2023 amounted to Php 51.5 billion, increasing by 7% versus its total assets as of 31 December 2022, which amounted to Php 48.3 billion. The growth is due to the following:

135% Increase in Cash

The increase in cash was due to healthy cash generation from higher sales and improvements in working capital management.

7% Increase in Trade and Other Receivables

The growth in receivables was driven by higher sales for the period.

5% Decrease in Inventories

Less inventories were held at yearend due to higher sales and better working capital management.

38% Decrease in Short-term Loans

Strong cash generation allowed the Company to repay short-term loans.

7% Increase in Trade Payables

Trade payables increased driven by purchase of inventory to support the growth in sales volume and changes in terms.

20% Increase in Retained Earnings

Retained earnings increased from Php 20.2 billion to Php 24.3 billion as a result of the recognition of Php 5.6 billion in net income for the period and the declaration and payment of increased dividends amounting to Php 1.4 billion.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.50x. Interest-bearing debt over equity and net gearing ratio decreased to 0.18x and 0.03x, respectively.

FINANCIAL POSITION
31 December 2022 vs. 31 December 2021

	31 Dec2022	31 Dec2021	% Change
Cash and cash equivalents	2,149,448,030	1,728,308,358	24%
Trade and other receivables - net	8,771,584,426	7,905,701,602	11%
Due from related parties	197,448,146	119,485,746	65%
Inventories	17,728,873,867	14,112,400,431	26%
Other current assets	2,802,218,295	2,619,774,907	7%
Property, plant & equipment	8,793,816,459	8,574,285,847	3%
Intangible assets and royalties	5,548,164,713	3,850,025,258	44%
Right of use asset	1,391,652,591	1,298,679,221	7%
Deferred tax assets	718,562,929	540,950,655	33%
Retirement asset - net	7,128,419	-	-
Other non-current assets	224,893,319	130,020,844	73%
Total Assets	48,333,791,194	40,879,632,869	18%
Trade and other payables	9,797,085,024	9,104,641,236	8%
Short-term loans payable	4,640,000,000	2,800,000,000	66%
Current portion of borrowings	9,390,325	9,764,285	-4%
Income tax payable	102,714,783	89,626,028	15%
Due to related parties	25,918,837	84,941,137	-69%
Current portion of lease liabilities	293,030,338	247,628,625	18%
Borrowings - net of current portion	3,164,823,670	1,982,127,068	60%
Retirement benefit obligation	272,878,497	508,776,526	-46%
Lease liabilities - net of noncurrent portion	1,248,956,896	1,164,210,050	7%
Total Liabilities	19,554,798,370	15,991,714,955	22%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	29,397,439	23,886,813	23%
Retained earnings	20,231,637,304	16,346,073,020	24%
Total Equity	28,778,992,824	24,887,917,914	16%

Century Pacific Food, Inc.'s total resources as of 31 December 2022 were at Php 48.3 billion, increasing by 18% versus its total assets as of 31 December 2021, which amounted to Php 40.9 billion. The growth is due to the following:

26% Increase in Inventories

The increase in inventories was due to the higher sales and the buildup of stocks in light of volatile supply chain conditions and an inflationary environment.

11% Increase in Trade and Other Receivables

Higher trade and other receivables were due to the increase in the Company's sales for the period.

44% Increase in Intangibles

The growth in intangible assets was driven by the acquisition of a new trademark.

8% Increase in Trade Payables

Trade payables increased driven by purchase of inventory to support the growth in sales volume.

66% Increase in Short-term Loans Payable and 60% Increase in Borrowings

The company utilized its credit facilities for general corporate purposes.

24% Increase in Retained Earnings

Retained earnings increased from Php 16.3 billion to Php 20.2 billion as a result of the recognition of Php 5.0 billion in net income for the period.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.13x. Interest-bearing debt over equity and net gearing ratio increased to 0.27x and 0.20x, respectively.

FINANCIAL POSITION
31 December 2021 vs. 31 December 2020

	31 Dec2021	31 Dec2020	% Change
Cash and cash equivalents	1,728,308,358	1,229,381,273	41%
Trade and Other Receivables - net	7,905,701,602	6,913,305,061	14%
Due from Related Parties	119,485,746	280,788,885	-57%
Inventories	14,112,400,431	12,972,572,720	9%
Biological Assets	-	65,726,630	-
Other current assets	2,619,774,907	2,511,700,094	4%
Property, plant & equipment	8,574,285,847	7,290,756,893	18%
Intangible assets and royalties	3,850,025,258	3,448,276,612	12%
Right of use asset	1,298,679,221	678,300,084	91%
Deferred Tax assets	540,950,655	752,107,229	-28%
Other non-current assets	130,020,844	133,450,145	-3%
Total Assets	40,879,632,869	36,276,365,626	13%
Trade and Other Payables	9,104,641,236	9,670,565,636	-6%
Short-term Notes Payable	2,800,000,000	1,949,466,680	44%
Current portion of borrowings	9,764,285	1,584,000,000	-99%
Income Tax Payable	89,626,028	194,877,487	-54%
Due to Related Parties	84,941,137	75,894,675	12%
Current portion of lease liabilities	247,628,625	271,207,134	-9%
Borrowings - net of current portion	1,982,127,068	-	-
Retirement benefit obligation	508,776,526	618,902,329	-18%
Lease liabilities - net of noncurrent portion	1,164,210,050	465,842,247	150%
Deferred tax liability	-	9,398,845	-
Total Liabilities	15,991,714,955	14,840,155,033	8%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	23,886,813	23,818,317	0%
Retained earnings	16,346,073,020	12,894,434,195	27%
Total Equity	24,887,917,914	21,436,210,593	16%

Century Pacific Food, Inc.'s total resources as of 31 December 2021 was at Php 40.9 billion, 13% higher than the 31 December 2020 level of Php 36.3 billion due to the following:

41% Increase in Cash and cash equivalents

The increase in cash and cash equivalents was primarily driven by the boost in the Company's profitability, combined with an improvement in working capital days.

14% Increase in Trade and Other Receivables

Higher trade and other receivables were due to the increase in the Company's sales for the period.

9% Increase in Inventories

Inventory increased due to the Company's expanded sales volumes, alongside inventory covers for key raw materials.

18% Increase in Property, Plant, & Equipment

Property, Plant, & Equipment increased as a result of capital expenditures amounting to Php 2.3 billion undertaken by the group.

91% Increase in Right of Use Asset

The increase in Right of Use Asset was due to the extension and renewal of long-term lease agreements for warehouse, plant, and equipment.

44% Increase in Short-term Notes Payable

Short-term Notes Payable increased by 44% as the Group acquired several short-term loans amounting to Php 5.8 billion as at December 31, 2021.

-99% Decrease in Current portion of Borrowings

The decrease in current portion of borrowings was due to loan repayments made in 2021.

27% Increase in Retained Earnings

Retained earnings increased from Php 12.9 billion to Php 16.3 billion as a result of the recognition of Php 4.7 billion in net income.

The Company maintained its strong and healthy balance sheet with current ratio of 2.15x and net gearing at 0.12x. Interest-bearing debt over equity increased to 0.19x, as the Company rolled over regular long-term loans.

RESULTS OF OPERATIONS
31 December 2024 vs. 31 December 2023

	31 Mar2025	31 Mar2024	% Change
Net Revenue	19,936,107,976	18,151,619,600	10%
Cost of Goods Sold	(14,718,978,201)	(13,414,113,054)	10%
Gross Profit	5,217,129,775	4,737,506,546	10%
Operating Expenses	(2,898,310,674)	(2,768,974,113)	5%
Other Income (Expenses)	3,855,193	172,384,873	-98%
Operating Income	2,322,674,294	2,140,917,306	8%
Finance Costs	(66,518,569)	(104,278,990)	-36%
Income Before Income Tax	2,256,155,724	2,036,638,317	11%
Income Tax Expense	(351,088,239)	(314,687,305)	12%
Net Income	1,905,067,486	1,721,951,012	11%
Other Comprehensive Income (Loss)	3,406,776	(2,391,135)	-242%
Total Comprehensive Income	1,908,474,262	1,719,559,877	11%

Results of Operations for the period ended 31 March 2025 compared to the period ended 31 March 2024.
10% Increase in Net Revenues

Consolidated net revenues for the first quarter of 2025 registered at Php 19.9 billion, reflecting a growth of 10% year-on-year. Growth was fueled by the Branded Segment, which increased by 13%.

10% Increase in Gross Profit

Carryover inventory from the previous year which benefitted from favorable input costs resulted in a gross profit growth of 10%, in line with revenue growth. As a result, gross margins were largely stable at 26.2%, representing a modest 10-basis point expansion year-on-year.

8% Increase in Operating Income

Disciplined spending led operating expenses as a percentage of sales to decrease by 70 basis points to 14.5%, largely mitigating the unfavorable impact of forex movements on other income. As a result, operating margin saw a mild 10-basis point compression.

11% Increase in Net Income

Consolidated net income after tax as at period ended 31 March 2025 amounted to Php 1.9 billion.

RESULTS OF OPERATIONS
31 December 2024 vs. 31 December 2023

	31 Dec2024	31 Dec2023	% Change
Revenue from Contracts with Customers	75,491,910,157	67,124,343,619	12%
Cost of Goods Sold	(55,787,094,216)	(50,987,309,427)	9%
Gross Profit	19,704,815,941	16,137,034,192	22%
Operating Expenses	(11,710,490,472)	(9,238,580,052)	27%
Other Income	485,226,003	487,580,077	0%
Other Expenses	(872,983,048)	(454,033,632)	92%
Income from Operations	7,606,568,424	6,932,000,585	10%
Finance Costs	(316,498,015)	(483,876,139)	-35%
Interest Income	104,870,060	78,306,591	34%
Income Before Income Tax	7,394,940,469	6,526,431,037	13%
Income Tax Expense	(1,057,169,275)	(947,271,477)	12%
Net Income	6,337,771,194	5,579,159,560	14%
Other Comprehensive Income (Loss)	26,057,533	(90,719,589)	-129%
Total Comprehensive Income	6,363,828,727	5,488,439,971	16%

Results of Operations for the period ended 31 December 2024 compared to the period ended 31 December 2023.
12% Increase in Net Revenues

Consolidated net revenues for the twelve-month period amounted to Php 75.5 billion, increasing by 12% year-on-year. Growth was driven by both the branded and OEM exports segments, which increased by 7% and 36% year-on-year, respectively.

22% Increase in Gross Profit

Favorable trends in input costs led the Company's gross profit to increase by 22%, representing a 210 basis point expansion in the gross margin.

27% Increase in Operating Expenses

Gross margin gains were reinvested in operating expenses to support brand building and demand generating activities.

14% Increase in Net Income

Consolidated net income after tax as at year ended 31 December 2024 amounted to Php 6.3 billion.

RESULTS OF OPERATIONS
31 December 2023 vs. 31 December 2022

	31 Dec2023	31 Dec2022	% Change
Revenue from Contracts with Customers	67,124,343,619	62,258,920,244	8%
Cost of Goods Sold	(50,987,309,427)	(47,885,162,632)	6%
Gross Profit	16,137,034,192	14,373,757,612	12%
Operating Expenses	(9,238,580,052)	(8,713,881,749)	6%
Other Income	487,580,077	836,353,330	-42%
Other Expenses	(454,033,632)	(411,997,405)	10%
Income from Operations	6,932,000,585	6,084,231,788	14%
Finance Costs	(483,876,139)	(315,173,214)	54%
Interest Income	78,306,591	8,498,205	821%
Income Before Income Tax	6,526,431,037	5,777,556,779	13%
Income Tax Expense	(947,271,477)	(778,387,954)	22%
Net Income	5,579,159,560	4,999,168,825	12%
Other Comprehensive Income (Loss)	(90,719,589)	167,119,179	-154%
Total Comprehensive Income	5,488,439,971	5,166,288,004	6%

Results of Operations for the period ended 31 December 2023 compared to the period ended 31 December 2022.
8% Increase in Net Revenues

Consolidated net revenues for the year increased by 8% to Php 67.1 billion compared to Php 62.3 billion in 2022. Growth was driven by the branded segment, which increased by 11% year-on-year on the back of a resilient domestic demand.

12% Increase in Gross Profit

Favorable trends in input costs led the Company's gross profit to increase by 12%. Gross margin increased by 95 basis points to 24.0%.

6% Increase in Operating Expenses

The increase in operating expenses was due to higher advertising and promotions to support domestic local demand. Operating expenses as a percentage of sales decreased by 20 basis points.

12% Increase in Net Income

Consolidated net income after tax for the year ended 31 December 2023 amounted to Php 5.6 billion, clocking in a growth of 12% year-on-year.

RESULTS OF OPERATIONS
31 December 2022 vs. 31 December 2021

	31 Dec2022	31 Dec2021	% Change
Revenue from Contracts with Customers	62,258,920,244	54,710,155,254	14%
Cost of Goods Sold	(47,885,162,632) ▲	(41,958,358,259)	14%
Gross Profit	14,373,757,612	12,751,796,995	13%
Operating Expenses	(8,713,881,749)	(7,064,201,886)	23%
Finance Costs	(315,173,214)	(296,882,673)	6%
Other Income	844,851,535	557,776,763	51%
Other Expenses	(411,997,405)	(380,575,165)	8%
Income Before Income Tax	5,777,556,779	5,567,914,034	4%
Provision for Income Tax	(778,387,954) ▲	(894,897,620)	-13%
Net Income	4,999,168,825	4,673,016,414	7%
Other Comprehensive Income	167,119,179	53,904,001	210%
Total Comprehensive Income	5,166,288,004	4,726,920,415	9%

Results of Operations for the period ended 31 December 2022 compared to the period ended 31 December 2021.
14% Increase in Net Revenues

Consolidated net revenues for 2022 grew 14%, amounting to Php 62.26billion compared to Php 54.71 billion versus the same period the previous year. Growth was driven by the branded segment, which grew by 16% year-on-year because of resilient domestic demand.

13% Increase in Gross Profit

Cost of sales for the period increased by 14% versus 2021, leading to a 13% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

23% Increase in Operating Expenses

The Corporation's operating expenses were up 23% due to increased logistics expenses, continuous brand building and demand generation activities, as well as one-off costs attributable to its recent acquisition, systems improvements, and compliance.

7% Increase in Net Income

Consolidated net income after tax for year ended 31 December 2022 amounted to Php 5.0 billion, representing a 7% growth versus the net income after tax of Php 4.7 billion reported in 2021.

RESULTS OF OPERATIONS
31 December 2021 vs. 31 December 2020

	31 Dec2021	31 Dec2020	% Change
Revenue from Contracts with Customers	54,710,155,254	48,301,741,084	13%
Cost of Goods Sold	41,958,358,259	36,374,034,421	15%
Gross Profit	12,751,796,995	11,927,706,663	7%
Operating Expenses	(7,064,201,886)	(6,350,811,842)	11%
Finance Costs	(296,882,673)	(261,151,374)	14%
Other Income	557,776,763	615,688,399	-9%
Other Expenses	(380,575,165)	(803,600,697)	-53%
Income Before Income Tax	5,567,914,034	5,127,831,149	9%
Provision for Income Tax	894,897,620	1,248,387,296	-28%
Net Income	4,673,016,414	3,879,443,853	20%
Other Comprehensive Income	53,904,001	(322,337,913)	-117%
Total Comprehensive Income	4,726,920,415	3,557,105,940	33%

Results of Operations for the period ended 31 December 2021 compared to the period ended 31 December 2020.
13% Increase in Net Revenues

Consolidated net revenues for 2021 grew 13%, amounting to Php 54.7 billion compared to Php 48.3 billion versus the same period the previous year. Growth was driven by both the branded and the OEM exports businesses, which grew by 10% and 29% year-on-year, respectively.

The Company's double-digit growth rate was achieved despite last year's high-base and the various macro-economic challenges. The essentials and staples nature of its portfolio has largely kept its performance resilient, and the faster re-opening in other countries has likewise benefitted the Company's export businesses.

7% Increase in Gross Profit

For the full year ending December 31, 2021, cost of sales grew by 15%, leading to a 7% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

Gross margin ratio dipped by 140-basis points to 23.3% due to the general rise of input prices globally and the higher contribution of the OEM Exports segment.

11% Increase in Operating Expenses

The Corporation's operating expenses were up 11% due to increased advertising and promotional expenses and logistics expenses.

28% Decrease in Provision for Income Tax

The Corporation's provision for income tax decreased as a result of the implementation of the CREATE Law.

20% Increase in Net Income

The Corporation's consolidated net income after tax for the year ended December 31, 2021 totaled Php4.67 billion, representing a 20% growth versus the net income after tax of P3.88 billion reported for the full year 2020.

FINANCIAL RATIOS

	December 2024	December 2023	December 2022
Gross Profit Margin (Gross Profit/Net Revenue)	26.1%	24.0%	23.1%
Before Tax Return on Sales (Net Profit Before Tax / Net Revenue)	9.8%	9.7%	9.3%
Return on Sales (Net Profit After Tax / Net Revenue)	8.4%	8.3%	8.0%
Interest-Bearing Debt to Equity (Loans Payable / Total Stockholders' Equity)	0.10x	0.18x	0.27x
Current Ratio (Total Current Assets / Total Current Liabilities)	2.47x	2.50x	2.13x