



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

2022 HALF-YEAR UNAUDITED FINANCIAL RESULTS EARNINGS UP, DISTRIBUTION HIGHER

Highest-Ever Interim Recurring Profit

*CONTRIBUTION FROM OPERATIONS UP 21% TO RECORD US\$302.5 MLN
RECURRING PROFIT RISES 26% TO RECORD HIGH US\$263.3 MLN
NET PROFIT RISES 34% TO US\$241.7 MLN VS. US\$181.0 MLN
TURNOVER ON TRACK TO SET RECORD HIGH FOR FULL YEAR
INTERIM DISTRIBUTION RAISED 17% TO 10.5 HK CENTS/SHARE*

Hong Kong, 31st August 2022 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its interim financial results for the six months ended 30th June 2022, showing a rise in contribution from operations, recurring profit, and reported net profit notwithstanding exchange-rate and commodity price volatility as the global economy recovers from the COVID-19 pandemic.

“Despite a more challenging macro-environment, all of our investee companies showed improved results,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. “Looking ahead we see strong potential for stable earnings growth over the medium to long term.”

First Pacific is a leading investment holding company focused on the economies of emerging Asia and is a major or controlling shareholder in Indonesia’s biggest vertically integrated food company and in the Philippines’ leading telecommunications, infrastructure, and mining companies.

First Pacific’s Board of Directors approved an interim distribution of 10.5 HK cents per share, up 1.5 HK cents or 17% from the year-earlier distribution and making up approximately 22% of recurring profit. During the period, shareholder returns were boosted by expenditure of US\$5.6 million on share repurchases, part of a three-year US\$100 million program launched in March 2021.

First Pacific’s 2022 half-year results saw turnover rise 20% to US\$5.1 billion from US\$4.2 billion a year earlier, led by PT Indofood Sukses Makmur Tbk (“Indofood”), one of the largest instant noodle producers in the world with its *Indomie* brand. Total contribution from operations increased 21% to a record high US\$302.5 million versus US\$249.2 million on stronger results at all operating companies in the First Pacific Group.

Recurring profit rose 26% to US\$263.3 million, the highest ever, from US\$209.5 million in the first half of last year as overall Head Office costs fell 1% to US\$39.2 million versus US\$39.7 million as net interest expense fell 5% to US\$24.4 million from US\$25.8 million. Reported net profit rose 34% to US\$241.7 million versus US\$181.0 million in the year-earlier period. It was a record high for an interim figure in the 41 years of First Pacific's existence as a listed company.

The Company's basic earnings per share rose 36% to 5.67 U.S. cents (44.2 HK cents) per share in the first half of 2022 from 4.18 U.S. cents (32.6 HK cents) per share in the first half of 2021. Recurring basic earnings per share (based on recurring profit) rose 27% to 6.17 U.S. cents (48.1 HK cents) from 4.84 U.S. cents (37.8 HK cents). In U.S. dollar terms, the interim payout rose to 1.35 U.S. cents from 1.15 U.S. cent.

Indofood saw its contribution rising to a new record high of US\$124.4 million versus US\$122.9 million as improved profitability at the Agribusiness offset lower profit at the Consumer Branded Products business.

The contribution from PLDT Inc. ("PLDT"), the largest telecommunications services provider in the Philippines, rose 3% to US\$73.0 million from US\$71.2 million as strong demand growth at its Home and Enterprise businesses lifted net service revenues by 5% to a record high US\$1.8 billion.

The contribution from Metro Pacific Investments Corporation ("MPIC") rose 20% to US\$59.6 million from US\$49.9 million as the Philippine government's response to the COVID-19 pandemic began to deliver greater freedom of movement and the easing of restrictions on economic activity. MPIC is an infrastructure holding company whose businesses range from the country's largest electricity distributor to its biggest toll road network, water distributor, and private hospital group.

PacificLight Power Pte. Ltd. ("PLP") contributed US\$39.0 million to First Pacific in the first half of 2022, up more than 10-fold from US\$2.8 million a year earlier as higher non-fuel margin for electricity sales, gradual economic recovery, and the development of data centers in Singapore contributed to demand growth.

Philex Mining Corporation ("Philex") saw its contribution rise 42% to US\$9.8 million from US\$6.9 million on higher prices for the copper and gold produced.

Following contributions from operating companies to First Pacific's earnings, corporate overheads rose 15% to US\$11.3 million from US\$9.8 million in the year-earlier period, the interest bill fell 5% to US\$24.4 million versus US\$25.8 million, and other expenses fell 15% to US\$3.5 million from US\$4.1 million. First Pacific Head Office recorded foreign exchange losses of US\$9.5 million versus US\$2.9 million a year earlier and foreign exchange losses from operating units were US\$40.2 million versus US\$19.6 million.

First Pacific received US\$66.3 million in dividend and fee income from its operating companies in the first half of the year, down 3% from US\$68.0 million received a year earlier. This total includes distributions from PLDT, MPIC and others, but not Indofood, which pays one distribution annually, usually in August.

At 30th June 2022, net debt at the Head Office was approximately US\$1.3 billion, little changed from the end of 2021, with cash on hand of US\$138.6 million, up from US\$113.0 million. Fixed-rate debt made up 64% of total debt, with floating-rate debt making up the remaining 36%. First Pacific's blended interest cost amounted to 3.7%, up from 3.2% at year-end while the average maturity of its debt was 3.3 years, unchanged from the end of 2021.

As part of its proactive liability management initiatives, First Pacific has obtained committed banking facilities totaling US\$370.0 million to refinance the US\$357.8 million outstanding bond due for redemption in April 2023.

Up to the end of July 2022, the Company has spent approximately US\$32 million since the launch of its US\$100 million share repurchase program in March 2021.

"We are several months into a challenging interest-rate environment as can be seen with the rise to 3.7% in our blended average interest cost in the first half of the year from 3.2% for the whole of 2021," said Joseph H.P. Ng, appointed as Chief Financial Officer on 1st August 2022. "While our earnings continue to grow, our dividend income follows at a slower pace," he said. "In the months ahead, we will be reviewing our capital allocation policy taking into account the above factors and macroeconomic volatility with a view to maintaining resilience going forward."

OUTLOOK

"We are pleased to increase our semi-annual distribution for a fourth time in a row even as we continue our biggest share repurchase program in a decade. We anticipate that these will be welcomed by our shareholders and the wider market," said First Pacific CEO Pangilinan. "Our core holdings of Indofood, PLDT, and MPIC remain stable sources of your Company's strength. Looking ahead, we are optimistic for the prospects of these businesses lying at the core of First Pacific."

Further details of earnings by First Pacific's subsidiary and associated companies follow.

REVIEW OF OPERATIONS

Indofood reported a 2% increase in core income to a record high Rp4.0 trillion from Rp3.9 trillion a year earlier as improved profitability at the Agribusiness offset lower profit at the Consumer Branded Products business.

More details are available at www.indofood.com.

PLDT reported a 12% increase in telco core income to ₱17.0 billion from ₱15.2 billion in the first half of 2021 on service revenues rising 6% to a record high of ₱97.1 billion versus ₱91.6 billion as consumer and business demand for data and broadband services continued to rise.

More details are available at www.pldt.com.

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	2022	2021
	US\$m	US\$m
Turnover	5,071.9	4,226.0
Cost of sales	(3,564.4)	(2,855.7)
Gross profit	1,507.5	1,370.3
Selling and distribution expenses	(383.8)	(354.9)
Administrative expenses	(293.6)	(354.8)
Other operating expenses, net	(29.3)	(66.2)
Interest income	25.1	19.8
Finance costs	(229.2)	(233.9)
Share of profits less losses of associated companies and joint ventures	164.9	167.3
Profit before taxation from continuing operations	761.6	547.6
Taxation	(172.1)	(140.7)
Profit for the period from continuing operations	589.5	406.9
Profit for the period from a discontinued operation	-	90.7
Profit for the period	589.5	497.6
Profit attributable to:		
Owners of the parent	241.7	181.0
Non-controlling interests	347.8	316.6
	589.5	497.6
Profit attributable to owners of the parent arising from:		
Continuing operations	241.7	147.7
A discontinued operation	-	33.3
	241.7	181.0
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic		
Continuing operations	5.67	3.41
A discontinued operation	-	0.77
	5.67	4.18
Diluted		
Continuing operations	5.66	3.40
A discontinued operation	-	0.77
	5.66	4.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2022 (Unaudited) US\$m	At 31 December 2021 (Audited) US\$m
Non-current assets		
Property, plant and equipment	3,745.4	3,953.0
Biological assets	22.4	23.0
Associated companies and joint ventures	5,000.3	5,266.2
Goodwill	4,121.2	4,299.0
Other intangible assets	5,921.6	6,040.6
Investment properties	15.2	11.1
Accounts receivable, other receivables and prepayments	57.8	55.5
Financial assets at fair value through other comprehensive income	356.4	361.1
Deferred tax assets	83.3	87.0
Other non-current assets	739.6	663.0
	20,063.2	20,759.5
Current assets		
Cash and cash equivalents and short-term deposits	2,641.6	3,209.3
Restricted cash	104.7	53.6
Financial assets at fair value through other comprehensive income	165.3	205.0
Accounts receivable, other receivables and prepayments	1,364.6	1,327.8
Inventories	1,257.4	950.1
Biological assets	53.6	61.4
	5,587.2	5,807.2
Current liabilities		
Accounts payable, other payables and accruals	1,873.1	1,660.9
Short-term borrowings	1,747.2	1,645.7
Provision for taxation	102.2	147.9
Current portion of deferred liabilities, provisions and payables	487.9	1,170.3
	4,210.4	4,624.8
Net current assets	1,376.8	1,182.4
Total assets less current liabilities	21,440.0	21,941.9
Equity		
Issued share capital	42.7	42.8
Shares held for share award scheme	(2.2)	(2.0)
Retained earnings	2,178.4	1,936.4
Other components of equity	1,057.0	1,321.4
Equity attributable to owners of the parent	3,275.9	3,298.6
Non-controlling interests	7,159.7	7,314.5
Total equity	10,435.6	10,613.1
Non-current liabilities		
Long-term borrowings	9,263.6	9,482.7
Deferred liabilities, provisions and payables	1,366.7	1,469.3
Deferred tax liabilities	374.1	376.8
	11,004.4	11,328.8
	21,440.0	21,941.9

CONTRIBUTION AND PROFIT SUMMARY

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2022	2021	2022	2021
Indofood	3,639.8	3,293.4	124.4	122.9
PLDT ⁽ⁱⁱ⁾	-	-	73.0	71.2
MPIC	464.8	448.5	59.7	49.9
FPM Power	863.7	412.9	39.0	2.8
Philex ⁽ⁱⁱ⁾	-	-	9.8	6.9
FP Natural Resources	103.6	71.2	(3.4)	(4.5)
Contribution from operations⁽ⁱⁱⁱ⁾	5,071.9	4,226.0	302.5	249.2
Head Office items:				
– Corporate overhead			(11.3)	(9.8)
– Net interest expense			(24.4)	(25.8)
– Other expenses			(3.5)	(4.1)
Recurring profit^(iv)			263.3	209.5
Foreign exchange and derivative losses, net ^(v)			(49.7)	(22.5)
Non-recurring items ^(vi)			28.1	(6.0) ^(vii)
Profit attributable to owners of the parent			241.7	181.0

(i) After taxation and non-controlling interests, where appropriate.

(ii) Associated companies.

(iii) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.

(iv) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses and non-recurring items.

(v) Foreign exchange and derivative losses, net represent the net losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives.

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H22's non-recurring gains of US\$28.1 million mainly represent PLDT's gains on towers sale (US\$61.9 million) and prescription of redemption liability on preferred shares (US\$28.8 million), and MPIC's gain on consolidation of Landco Pacific Corporation (US\$29.2 million), partly offset by PLDT's accelerated depreciation for network assets (US\$60.5 million) and manpower reduction costs (US\$17.7 million), and Indofood's loss on changes in fair value of biological assets (US\$1.7 million). 1H21's non-recurring losses of US\$6.0 million mainly represent the Group's provisions for impairments of investments and network assets, and claims (US\$40.2 million), partly offset by MPIC's gains on deconsolidation of Global Business Power Corporation (US\$28.7 million) and disposal of Don Muang Tollway Public Company Limited (US\$9.6 million).

(vii) Re-presented to include changes in fair value of biological assets as non-recurring items to align with current period presentation.