



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

2022 FULL-YEAR AUDITED FINANCIAL RESULTS

RECORD HIGH EARNINGS

INCREASED DISTRIBUTION TO SHAREHOLDERS

Historic High Turnover, Contribution from Operations, Recurring Profit

*TURNOVER RISES 13% TO RECORD HIGH US\$10.3 BLN VS. US\$9.1 BLN
CONTRIBUTION FROM OPERATIONS UP 17% TO ALL-TIME HIGH US\$593.3 MLN
RECURRING PROFIT RISES 19% TO HISTORIC HIGH US\$508.8 MLN
NET PROFIT INCREASES 18% TO US\$391.6 MLN VS. US\$333.3 MLN
DIVIDEND AND FEE INCOME UP 11% TO US\$225.9 MLN VS. US\$204.4 MLN
FULL-YEAR DISTRIBUTION RAISED 16% TO 22.0 HK CENTS/SHARE*

Hong Kong, 30th March, 2023 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its audited financial results for the year ended 31st December 2022, showing all-time highs for turnover, contribution from operations, and recurring profit owing to record-setting performances at its global food business and Singapore power investment. In a signal of the Company’s financial and operational health, First Pacific’s Board of Directors increased the distribution to shareholders by 16%.

“The results we present today underscore the value of holding assets diversified by both business and geography,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. “While we broadly expect earnings growth from all our operations over time, we occasionally benefit from significant outperformance by one or two of our businesses and that’s what we have seen in 2022.”

First Pacific’s 2022 full-year results saw turnover rise 13% to US\$10.3 billion from US\$9.1 billion a year earlier. Total contribution from operations increased 17% to US\$593.3 million versus US\$506.4 million in 2021 as improved contributions from PacificLight Power Pte Ltd (“PLP”), PT Indofood Sukses Makmur Tbk (“Indofood”), and Metro Pacific Investments Corp. (“MPIC”) more than offset lower contributions from PLDT Inc. (“PLDT”) and Philex Mining Corp. (“Philex”) due to the significant depreciation of the Philippine peso exchange rate versus the U.S. dollar during 2022.

Recurring profit rose 19% to a record high US\$508.8 million from US\$426.5 million in 2021 as overall Head Office costs rose 6% to US\$84.5 million from US\$79.9 million owing largely to a 7% increase in the net interest expense.

In 2022, the Company reported a net profit of US\$391.6 million, up 18% from to US\$333.3 million in 2021.

“As a sign of our continuing confidence in the outlook for the First Pacific Group over the medium term, the Board of First Pacific has declared a final distribution of 11.5 HK cents per share, up from 10.0 HK cents per share last year,” Pangilinan said. “Following our higher interim payout, this will increase our full-year distribution to 22.0 HK cents in 2022, up 16% from 19.0 HK cents in 2021, and represents a payout ratio of approximately 24% of 2022 recurring profit.” At First Pacific’s recent share price of HK\$2.41, the full-year distribution amounts to a yield of approximately 9.1%.

In U.S. dollar terms, the final distribution recommended by First Pacific’s Board amounts to 1.47 U.S. cents per share and brings the full-year regular distribution to 2.82 U.S. cents versus 2.43 U.S. cents a year earlier. Recurring basic earnings per share were 11.96 U.S. cents in 2022 versus 9.88 U.S. cents a year earlier.

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’ biggest telecommunications, infrastructure, and mining companies.

In parallel with stronger results in 2022, First Pacific’s Board and management focused on sustainability matters, approving new Environment, Social and Governance (“ESG”) initiatives in acknowledgement of the increasing importance of non-financial reporting to investors and the Company’s wider stakeholder base alike. These included adherence to the new Global Reporting Initiative reporting standard and reference to reporting standards of the Task Force on Climate-related Financial Disclosures. Towards the goal of reduced greenhouse gas emissions, First Pacific Head Office saw a 14% decrease in energy consumption in 2022 over the previous year. In addition, the Corporate Governance Committee approved participation by the Company in a reforestation program at Philex aimed at rehabilitating tailings storage facilities and returning these sites to nature.

Indofood, the world’s largest maker of wheat instant noodles and the biggest food company listed in Indonesia, saw its contribution rise 12% to a record high US\$265.8 million versus US\$237.0 million a year earlier on surging sales growth in its noodles and flour businesses. Consumer Branded Products, the Bogasari flour and pasta division, and the Distribution business saw double-digit sales growth while the Agribusiness saw sales and volumes decline on higher prices for crude palm oil.

The contribution from PLDT, the largest telecommunications services provider in the Philippines, declined 4% to US\$133.7 million from US\$139.1 million as a weakened Philippine Peso offset strong growth in the Home and Enterprise businesses even as service revenues rose 4% to an all-time high 190.1 billion Philippine pesos and EBITDA exceeded 100 billion pesos (US\$1.8 billion) for the first time ever. After spending US\$1 billion or more on capital expenditures in every year since 2015, PLDT is seeing its customers respond with explosive growth in demand for data services ranging from home Wi-Fi to mobile streaming and to cloud services and data centers.

The contribution from MPIC rose 6% to US\$104.4 million from US\$98.1 million as economic recovery continued with the easing of community quarantine policies imposed amid the COVID-19 pandemic. All three of MPIC's largest businesses – electricity distribution, toll roads, and water supply – saw higher volumes in 2022 than a year earlier.

PLP saw its contribution nearly quadruple to US\$82.4 million versus US\$21.8 million in 2021 as higher electricity prices and demand saw its revenue leap 50% in 2022 to S\$2.4 billion (US\$1.7 billion) from S\$1.6 billion (US\$1.2 billion) in 2021.

For its part, Philex saw its contribution decline 31% to US\$13.4 million from US\$19.3 million in 2021 on lower ore volumes and copper prices, compounded by higher production costs. Development of its Silangan gold and copper mining project in Mindanao continues, aiming for launch of operations in 2025.

Following contributions to First Pacific's earnings, corporate overheads rose 7% to US\$22.2 million from US\$20.8 million and the Company's interest bill rose 7% to US\$54.8 million versus US\$51.3 million in 2021, while other expenses fell 4% to US\$7.5 million from US\$7.8 million. First Pacific Head Office recorded foreign exchange losses of US\$8.8 million, down from US\$9.2 million a year earlier, while investee companies recorded foreign exchange losses of US\$88.7 million versus US\$15.0 million a year earlier, mainly as a result of depreciation of the Indonesian rupiah.

In 2022, First Pacific received US\$225.9 million in dividend and fee income from the companies it has invested in, up 11% from US\$204.4 million received in 2021, led by PLDT, Indofood, and MPIC.

At 31st December 2022, net debt at the Head Office was approximately US\$1.4 billion, slightly higher than a year earlier, with cash on hand of US\$97 million. Fixed-rate debt made up 64% of the total, with floating-rate debt making up the remaining 36%. First Pacific's blended interest cost amounted to 4.8%, up from 3.5% a year earlier, and the average maturity of its debt was 2.8 years versus 3.9 years at the end of 2021. At year-end 2022, the Company's interest coverage ratio stood at 4.0 times versus 3.8 times a year earlier.

As part of the Company's proactive liability management, First Pacific has obtained committed banking facilities in excess of the US\$357.8 million outstanding bond due for redemption in April 2023.

OUTLOOK

“Our financial and operating results demonstrate the value of holding a group of assets diversified across geographies and industry,” Pangilinan said. “Thanks to particularly strong results at Indofood and PLP, we delivered a performance strong enough to support a higher distribution to our shareholders. We are hopeful that these will find recognition in the wider market.

“Our core holdings of Indofood, PLDT and MPIC – joined now by PLP – continue to promise a strong outlook, making us confident in the prospects for these core businesses,” he said. “Looking ahead, we expect our financial position to be increasingly robust, built on the solid ground of medium-term earnings growth.”

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

REVIEW OF OPERATIONS

Indofood reported a 12% increase in core income to a record high Rp9.1 trillion from Rp8.0 trillion a year earlier largely as a result of strong sales growth to a record high at its Consumer Branded Products business. The Bogasari flour and pasta division and the Distribution business also set record highs for sales.

More details are available at www.indofood.com.

PLDT reported a 10% increase in telco core income to ₱33.1 billion from ₱30.2 billion in 2021 as service revenues climbed to an all-time high.

More details are available at www.pldt.com.

MPIC reported a 15% increase in core income to ₱14.2 billion from ₱12.3 billion a year earlier on record-high contributions from its toll roads and electricity businesses as demand recovered with the easing of community quarantine measures in the wake of the COVID-19 pandemic.

More details are available at www.mpic.com.ph.

PLP saw an increase of 3.6 times in core profit to S\$287.8 million from S\$80.7 million a year earlier as revenue rose 50% to S\$2.4 billion from S\$1.6 billion on higher electricity prices and demand.

Philex reported core profit declining 32% to ₱1.7 billion from ₱2.5 billion a year earlier on lower production volumes and lower copper prices, compounded by higher production costs.

More details are available at www.philexmining.com.ph.

Further information and analysis

Attached to this news release are:

- First Pacific's consolidated income statement
- Consolidated statement of financial position
- Contribution and profit summary

More details about the earnings of First Pacific and of the businesses it is invested in can be found on www.firstpacific.com under the Investor Relations tab. The 2022 Annual Report will be posted to the website and to shareholders before the end of April 2023.

Corporate Profile

First Pacific is a Hong Kong-based investment holding company with operations located in Asia-Pacific. The Company's principal businesses are in consumer food products, telecommunications, infrastructure, and natural resources. First Pacific is listed in Hong Kong (HKSE: 00142) and its shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, visit www.firstpacific.com.

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For further information, please contact:

John Ryan	Tel: +852 2842 4355
Associate Director	Mobile: +852 6336 1411
Group Chief Sustainability Officer	+353 087 376 7751

Sara Cheung	Tel: +852 2842 4336
Vice President	
Group Corporate Communications	

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	2022 US\$m	2021 US\$m
Turnover	10,304.9	9,103.2
Cost of sales	(7,248.4)	(6,275.2)
Gross profit	3,056.5	2,828.0
Selling and distribution expenses	(723.2)	(704.5)
Administrative expenses	(565.4)	(698.6)
Other operating income and expenses	(239.5)	(274.3)
Interest income	62.5	43.5
Finance costs	(483.6)	(479.2)
Share of profits less losses of associated companies and joint ventures	265.6	373.9
Profit before taxation from continuing operations	1,372.9	1,088.8
Taxation	(323.3)	(281.9)
Profit for the year from continuing operations	1,049.6	806.9
Profit for the year from a discontinued operation	-	88.8
Profit for the year	1,049.6	895.7
Profit attributable to:		
Owners of the parent	391.6	333.3
Non-controlling interests	658.0	562.4
	1,049.6	895.7
Profit attributable to owners of the parent arising from:		
Continuing operations	391.6	300.5
A discontinued operation	-	32.8
	391.6	333.3
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic		
Continuing operations	9.20	6.96
A discontinued operation	-	0.76
	9.20	7.72
Diluted		
Continuing operations	9.19	6.95
A discontinued operation	-	0.76
	9.19	7.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December 2022 US\$m	At 31 December 2021 US\$m
Non-current assets		
Property, plant and equipment	3,758.6	3,953.0
Biological assets	20.5	23.0
Associated companies and joint ventures	5,316.2	5,266.2
Goodwill	3,893.1	4,299.0
Other intangible assets	6,033.7	6,040.6
Investment properties	17.6	11.1
Accounts receivable, other receivables and prepayments	89.2	55.5
Financial assets at fair value through other comprehensive income	527.0	361.1
Deferred tax assets	96.2	87.0
Other non-current assets	555.2	663.0
	20,307.3	20,759.5
Current assets		
Cash and cash equivalents and short-term deposits	2,620.6	3,209.3
Restricted cash	108.5	53.6
Financial assets at fair value through other comprehensive income	64.1	205.0
Accounts receivable, other receivables and prepayments	1,189.5	1,327.8
Inventories	1,136.8	950.1
Biological assets	48.9	61.4
	5,168.4	5,807.2
Assets classified as held for sale	16.1	-
	5,184.5	5,807.2
Current liabilities		
Accounts payable, other payables and accruals	1,737.3	1,660.9
Short-term borrowings	1,824.3	1,645.7
Provision for taxation	134.5	147.9
Current portion of deferred liabilities, provisions and payables	412.5	1,170.3
	4,108.6	4,624.8
Net current assets	1,075.9	1,182.4
Total assets less current liabilities	21,383.2	21,941.9
Equity		
Issued share capital	42.4	42.8
Shares held for share award scheme	(2.2)	(2.0)
Retained earnings	2,328.3	1,936.4
Other components of equity	928.0	1,321.4
Equity attributable to owners of the parent	3,296.5	3,298.6
Non-controlling interests	7,069.3	7,314.5
Total equity	10,365.8	10,613.1
Non-current liabilities		
Long-term borrowings	9,398.0	9,482.7
Deferred liabilities, provisions and payables	1,216.7	1,469.3
Deferred tax liabilities	402.7	376.8
	11,017.4	11,328.8
	21,383.2	21,941.9

CONTRIBUTION AND PROFIT SUMMARY

For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2022	2021	2022	2021
Indofood	7,429.8	6,925.9	265.8	237.0
PLDT ⁽ⁱⁱ⁾	-	-	133.7	139.1
MPIC	934.1	882.5	104.4	98.1
FPM Power	1,747.6	1,194.5	82.4	21.8
Philex ⁽ⁱⁱ⁾	-	-	13.4	19.3
FP Natural Resources	193.4	100.3	(6.4)	(8.9)
Contribution from operations⁽ⁱⁱⁱ⁾	10,304.9	9,103.2	593.3	506.4
Head Office items:				
- Corporate overhead			(22.2)	(20.8)
- Net interest expense			(54.8)	(51.3)
- Other expenses			(7.5)	(7.8)
Recurring profit^(iv)			508.8	426.5
Foreign exchange and derivative losses, net ^(v)			(97.5)	(24.2)
Non-recurring items ^(vi)			(19.7)	(69.0) ^(vii)
Profit attributable to owners of the parent			391.6	333.3

(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/assets and the changes in the fair value of derivatives.

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2022's non-recurring losses of US\$19.7 million mainly represent PLDT's accelerated depreciation for network assets (US\$180.3 million) and manpower reduction costs (US\$17.7 million), and the Group's impairment provisions for investments (US\$51.6 million), partly offset by the reversal of impairment provisions for the Group's investments in PLP (US\$92.0 million), PLDT's gains on tower sales (US\$88.2 million) and prescription of redemption liability on preference shares (US\$27.6 million), and MPIC's gains on step acquisition of Landco Pacific Corporation (US\$29.4 million). 2021's non-recurring losses of US\$69.0 million mainly represent the Group's impairment provisions for investments and network assets and provision for claims (US\$88.6 million), and the Group's debt refinancing costs (US\$5.7 million), partly offset by MPIC's gains on deconsolidation of Global Business Power Corporation (US\$28.3 million) and disposal of Don Muang Tollway Public Company Limited (US\$9.4 million).

(vii) Re-presented to include gain on changes in fair value of biological assets (US\$1.8 million) as non-recurring items to align with current year presentation.