



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

2024 HALF-YEAR UNAUDITED FINANCIAL RESULTS EARNINGS AGAIN RISE TO NEW RECORD

First Pacific Records Successive Highest-Ever Interim Recurring Profit

*CONTRIBUTION FROM OPERATIONS UP 12% TO RECORD US\$391.2 MLN
RECURRING PROFIT RISES 13% TO RECORD HIGH US\$339.1 MLN
INTERIM DISTRIBUTION UP 1.5 HK CENTS/SHARE TO
12.0 HK CENTS/SHARE*

Hong Kong, 23rd August 2024 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its interim financial results for the six months ended 30th June 2024, showing a rise to record highs for contribution from operations and recurring profit. The Company’s Board of Directors declared an interim distribution of 12.0 HK cents per share, up 1.5 HK cents from last year’s interim payout of 10.5 HK cents per share and the first increase in the interim dividend since 2022.

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, in the Philippines’ leading telecommunications, infrastructure, and mining companies, and in a major power generation company in Singapore.

“First Pacific continues to deliver successive record highs in contribution and recurring profit notwithstanding a difficult foreign exchange environment affecting the translation of rupiah- and peso-based contributions into U.S. dollars,” said First Pacific Managing Director and Chief Executive Officer Manuel V. Pangilinan. “Our confidence is such that the Board of Directors is pleased to declare an interim distribution of 12 HK cents per share, up 14% on the strength of a 13% rise in recurring profit, to signal our conviction regarding earnings growth going forward.”

First Pacific’s 2024 half-year results saw turnover decline 8% to US\$5.0 billion from US\$5.4 billion a year earlier, largely as a result of stabilization of electricity prices at PacificLight Power Pte. Ltd. (“PLP”), Singapore’s first-ever power producer supplied exclusively by liquified natural gas, and a weaker rupiah bringing down the U.S. dollar value of record high net sales at PT Indofood Sukses Makmur Tbk (“Indofood”), one of the largest instant noodle producers in the world. Total contribution from operations increased 12% to a record high US\$391.2 million versus US\$348.7 million in the first half of 2023 on stronger results at Indofood, Metro Pacific Investments Corporation (“MPIC”), a major infrastructure company in the Philippines, and PLDT Inc. (“PLDT”), the largest telecommunications services provider in the Philippines.

Recurring profit rose 13% to US\$339.1 million, the highest ever, from the previous record of US\$300.8 million in the first half of last year even as overall Head Office costs rose 9% to US\$52.1 million versus US\$47.9 million, driven by a rise in net interest expense of 13% to US\$39.1 million from US\$34.6 million. Corporate overheads at First Pacific's head office rose 1% to US\$9.7 million from US\$9.6 million a year earlier. Reported net profit declined 20% to US\$277.8 million versus US\$345.6 million in the year-earlier period largely as a result of mostly non-cash foreign exchange losses of US\$52.6 million at First Pacific's operating units. Non-recurring items swung to a loss of US\$3.4 million from a gain of US\$7.2 million in the year-earlier period.

The Company's recurring basic earnings per share rose 13% to 8.00 U.S. cents (62.4 HK cents) from 7.10 U.S. cents (55.4 HK cents). Basic earnings per share decreased by 19.6% to U.S. 6.56 cents (HK51.2 cents) from U.S. 8.16 cents (HK63.6 cents).

Indofood saw its contribution rising 22% to a new record high of US\$167.6 million versus US\$137.2 million as near record-high noodles margins drove net sales to a record interim high, notwithstanding inflation and foreign-exchange pressures in key markets of its Pinehill unit. Indofood expects the second half of 2024 to be stronger than the first in its Middle Eastern and African markets as it powers on towards a sixth annual record high for core profit.

The contribution from MPIC rose 28% to a highest-ever US\$101.6 million from US\$79.3 million as its 47.5%-owned Manila Electric Company ("Meralco"), the Philippine's leading electricity distributor and generator, saw its own contribution to MPIC earnings surge followed by Metro Pacific Tollways Corp. ("MPTC") on stronger tolls and traffic volumes, and Maynilad Water Services, Inc. ("Maynilad") on sharply higher tariffs and strong volume growth. Meralco, MPTC and Maynilad all recorded record-high earnings in the first half. MPIC is an infrastructure holding company whose businesses range from the country's largest electricity distributor to its biggest toll road network, water distributor, private hospital group, and other investments.

The contribution from PLDT rose 2% to US\$74.8 million from US\$73.4 million as strong demand growth at its Individual and Enterprise businesses lifted gross service revenues by 4% to a record high 103.4 billion pesos. PLDT also reported that the digital banking unit of PLDT's fintech arm Maya is now the biggest such institution in the Philippines with 4.0 million bank customers holding 32.8 billion pesos in deposits and loan disbursements of more than 46.8 billion pesos. Maya was cash flow positive in the second quarter and is on track to break even in the fourth quarter of this year.

PLP saw its contribution fall 26% to US\$47.3 million from US\$63.7 million a year earlier on lower non-fuel margins for electricity sales. PLP's electricity sales were flat at 2,875 GWh vs. 2,893 GWh while net debt stood at S\$57.3 million at end-June, down 21% from S\$72.6 million at end-2023.

Philex Mining Corporation ("Philex") saw its contribution fall 33% to US\$3.4 million from US\$5.1 million on lower metal production and metal grades as the gold and copper miner continued development of its Silangan Project in Mindanao, aiming for the launch of commercial copper and gold mining operations in 2025.

First Pacific Head Office recorded foreign exchange losses of US\$5.3 million versus a gain of US\$0.8 million a year earlier while foreign exchange losses from operating units were US\$52.6 million versus gains of US\$36.8 million in the first half of 2023. Non-recurring losses amounted to US\$3.4 million versus a gain of US\$7.2 million a year earlier.

First Pacific received US\$149.4 million in dividend and fee income from its operating companies in the first half of the year, up from US\$142.9 million received a year earlier.

At 30th June 2024, net debt at the Head Office declined 7% from year-end 2023 to approximately US\$1.3 billion, with cash on hand of US\$154.8 million, up from US\$70.9 million at end-2023. Of First Pacific's borrowings, fixed-rate debt made up 48% of the total, with floating-rate debt making up the remainder. The Company's one remaining bond (a US\$350.0 million issue with a coupon of 4.375% maturing in 2027) makes up 24% of all borrowings with bank loans forming the remainder. First Pacific's blended interest cost amounted to approximately 5.6%, up from approximately 5.4% at year-end 2023 while the average maturity of its debt was 3.5 years.

“While our blended average interest cost rose slightly in the first half of the year there are grounds for looking ahead to a more benign interest rate environment going forward even as our dividend income remains strong following last year's record high,” said Chief Financial Officer Joseph H.P. Ng. “Considering our investment-grade credit ratings from Moody's and S&P Global, we are in a strong financial position with the ability to ride out the interest rate cycle as we have no debt due until 2026.”

OUTLOOK

“Market sentiment towards First Pacific over the past year and a half or so suggests we have company in our confidence going forward,” said Pangilinan, citing a 34% rise in the Company's share price last year and continuing into 2024 amid a turbulent period for global stock markets. “We've recorded five years in a row of rising contribution and recurring profit to successive record highs.”

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

REVIEW OF OPERATIONS

Indofood reported a 22% increase in core profit to a record high 5.7 trillion rupiah from 4.7 trillion rupiah a year earlier driven largely by near-record high margins and record-high sales in its Consumer Branded Products business. Indofood's overall EBIT margin climbed to 20.5% from 15.8%, driven by higher margins at nearly all of its businesses.

More details are available at www.indofood.com.

PLDT delivered a rise of 3% in telco core profit to 18.0 billion pesos on higher EBITDA, offset by higher financing costs and depreciation as gross service revenues rose 4% to a record high 103.4 billion pesos versus 99.3 billion pesos as consumer and business demand for data and broadband services continued to rise.

More details are available at www.pldt.com.

MPIC reported a 27% increase in core profit to a record high 12.5 billion pesos vs. 9.9 billion pesos on higher volume sold at Meralco, followed by stronger contribution from MPTC's toll roads business on higher traffic and tolls, and MPIC's Maynilad water utility on higher tariffs and volumes. A consortium including its major shareholder First Pacific delisted MPIC from the Philippine Stock Exchange in October 2023.

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

PLP reported a 31% decline in core profit to S\$148.7 million vs. last year's record high S\$216.5 million on lower blended non-fuel margins. Revenues declined 28% to S\$1,062.0 million vs. S\$1,470.6 million and EBITDA fell 25% to S\$203.0 million vs. S\$268.9 million. PLP is evaluating participation in domestic solar power projects as electricity market dynamics improve, and is working with its two shareholders to develop a pilot project to import 600 megawatts of solar-generated electricity to Singapore from Indonesia, joined by PT Medco Power Indonesia and Gallant Venture Ltd.

More details are available at www.pacificlight.com.sg.

Philex reported a 42% fall in core profit to 410 million pesos vs. 702 million pesos a year earlier on lower metal grades, recovery, and revenue. Cash production costs rose 12% to 814 pesos/ton vs. 729 pesos/ton largely on sharply higher purchase contracts. In-phase development of Philex's Silangan project in the south Philippine island of Mindanao continues towards targeted commercial production of copper and gold from end-2025. In the meantime, the mine life at the north Luzon Padcal mine has been extended to 2027 while geologists conduct exploratory drilling nearby.

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

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	2024 US\$m	2023 US\$m
Turnover	4,995.1	5,411.2
Cost of sales	(3,207.9)	(3,765.7)
Gross profit	1,787.2	1,645.5
Selling and distribution expenses	(376.9)	(371.5)
Administrative expenses	(334.9)	(309.3)
Other operating income and expenses	(170.1)	123.2
Interest income	85.9	50.4
Finance costs	(292.2)	(281.7)
Share of profits less losses of associated companies and joint ventures	249.3	230.4
Profit before taxation	948.3	1,087.0
Taxation	(201.3)	(242.2)
Profit for the period	747.0	844.8
Profit attributable to:		
Owners of the parent	277.8	345.6
Non-controlling interests	469.2	499.2
	747.0	844.8
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic	6.56	8.16
Diluted	6.55	8.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2024 (Unaudited) US\$m	At 31 December 2023 (Audited) US\$m
Non-current assets		
Property, plant and equipment	3,503.6	3,730.3
Biological assets	19.3	20.9
Associated companies and joint ventures	5,102.5	5,283.8
Goodwill	3,725.1	3,967.7
Other intangible assets	6,814.3	6,839.3
Investment properties	13.4	12.5
Accounts receivable, other receivables and prepayments	114.0	118.7
Financial assets at fair value	539.9	565.2
Deferred tax assets	85.1	112.7
Other non-current assets	752.2	648.4
	20,669.4	21,299.5
Current assets		
Biological assets	57.7	49.7
Inventories	1,126.9	1,087.7
Accounts receivable, other receivables and prepayments	1,348.0	1,208.3
Financial assets at fair value	600.6	528.2
Restricted cash	112.2	315.4
Cash and cash equivalents and short-term deposits	3,064.8	2,845.8
	6,310.2	6,035.1
Assets classified as held for sale	21.7	22.9
	6,331.9	6,058.0
Current liabilities		
Accounts payable, other payables and accruals	2,059.6	1,814.9
Short-term borrowings	2,472.5	2,195.3
Provision for taxation	115.2	169.3
Current portion of deferred liabilities, provisions and payables	367.3	405.9
	5,014.6	4,585.4
Liabilities directly associated with the assets classified as held for sale	6.9	7.2
	5,021.5	4,592.6
Net current assets	1,310.4	1,465.4
Total assets less current liabilities	21,979.8	22,764.9
Equity		
Issued share capital	42.4	42.4
Shares held for share award scheme	(1.4)	(1.2)
Retained earnings	3,100.0	2,829.8
Other components of equity	506.6	817.0
Equity attributable to owners of the parent	3,647.6	3,688.0
Non-controlling interests	7,554.4	7,878.9
Total equity	11,202.0	11,566.9
Non-current liabilities		
Long-term borrowings	9,057.3	9,416.2
Deferred liabilities, provisions and payables	1,226.3	1,260.1
Deferred tax liabilities	494.2	521.7
	10,777.8	11,198.0
	21,979.8	22,764.9

CONTRIBUTION AND PROFIT SUMMARY

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2024	2023	2024	2023
Indofood	3,584.6	3,741.6	167.6	137.2
PLDT ⁽ⁱⁱ⁾	-	-	74.8	73.4
MPIC	624.4	532.3	101.6	79.3
FPM Power	786.1	1,098.3	47.3	63.7
Philex ⁽ⁱⁱ⁾	-	-	3.4	5.1
FP Natural Resources ⁽ⁱⁱⁱ⁾	-	39.0	(3.5)	(10.0)
Contribution from operations^(iv)	4,995.1	5,411.2	391.2	348.7
Head Office items:				
– Corporate overhead			(9.7)	(9.6)
– Net interest expense			(39.1)	(34.6)
– Other expenses			(3.3)	(3.7)
Recurring profit^(v)			339.1	300.8
Foreign exchange and derivative (losses)/gains, net ^(vi)			(57.9)	37.6
Non-recurring items ^(vii)			(3.4)	7.2
Profit attributable to owners of the parent			277.8	345.6

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

(ii) Associated companies.

(iii) RHI's 1H24 loss narrowed reflecting the cessation of its loss-making sugar refinery and bioethanol businesses due to extremely difficult operational and market conditions. The divestment of certain assets is ongoing, and the proceeds will mainly be used to settle its obligations.

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

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

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

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H24's non-recurring losses of US\$3.4 million mainly represent PLDT's manpower reduction costs (US\$4.5 million), partly offset by PLDT's gains on towers sales (US\$1.1 million). 1H23's non-recurring gains of US\$7.2 million mainly represent PLDT's gains on towers sales (US\$10.8 million), partly offset by PLDT's manpower reduction costs (US\$6.1 million).