

FIRST
PACIFIC



Indofood
THE SYMBOL OF QUALITY FOODS

Indofood CBP



GBP
GLOBAL BUSINESS POWER



**METRO
PACIFIC**
INVESTMENTS

MPTC
METRO PACIFIC TOLLWAYS



**METRO
PACIFIC**
HOSPITALS



METRO PAC
MOVERS INC.

Investor Presentation

First-Half 2020 Financial and Operational Results

HKEx: 00142

ADR: FPAFY

www.firstpacific.com

Creating
long-term value
in **Asia**

FIRST PACIFIC

Consumer Foods

Indofood
THE SYMBOL OF QUALITY FOODS

Indofood CBP

First Pacific owns 50.1% of Indofood and has an economic interest of 40.3% in ICBP.

Infrastructure

**METRO
PACIFIC**
INVESTMENTS

GBP
GLOBAL BUSINESS POWER

MERALCO

First Pacific owns 42.2% of MPIC and has economic interests of 19.2% in Meralco, 26.3% in Global Business Power, 47.4% of PacificLight, 22.3% of Maynilad, and 42.1% of Metro Pacific Tollways.

Natural Resources

**PHILEX MINING
CORPORATION**

PXP
ENERGY

IndoAgri

First Pacific owns 31.2% of Philex and Two Rivers, a Philippine affiliate, holds 15.0%. First Pacific holds an effective economic interest of 42.4% in PXP Energy, 35.7% in IndoAgri, and 50.8% in Roxas Holdings.

Telecommunications

PLDT

Smart

First Pacific owns 25.6% of PLDT which in turn owns 100% of Smart, its mobile telecommunications subsidiary.

Senior Management of First Pacific



Joseph H.P. Ng
Associate Director



Chris H. Young
Executive Director & CFO



Manuel V. Pangilinan
Managing Director & CEO



John W. Ryan
Associate Director



Ray C. Espinosa
Associate Director



Richard P.C. Chan
*Exec. Vice President,
Financial Controller*



Peter T.H. Lin
*Exec. Vice President,
Tax & Treasury*



Stanley H. Yang
*Exec. Vice President,
Corp. Development*



Victorico P. Vargas
Associate Director



Marilyn A.
Victorio-Aquino
Associate Director

Covid-19 Response



First Pacific Has Stress-Tested its Liquidity

- The early months of the Covid-19 pandemic have coincided with greater demand for many of the products and services provided by First Pacific Group companies
- The company has laid out several scenarios of potential impacts on liquidity
 - Foreign exchange risk
 - Cash inflow
- First Pacific holds sufficient cash resources, in particular cash proceeds from the sale of Goodman Fielder last year, to meet all cash requirements in 2020, including the only borrowing falling due in 2020, all interest expense and Head Office overheads plus reserve
- FPC pandemic response at Head Office includes temperature checks at building entrances, and persistent advocacy of thorough hand-washing, social distancing and the wearing of masks
- All business travel is suspended indefinitely
- Group companies in the Philippines are offering extended payment terms where possible, introduced work-from-home policies where possible, ensured salary payments to staff, and have released end-year bonus payments early

Philex and Roxas Are Helping Their Communities

- Philex, a large gold and copper mining company, has introduced pandemic response policies at all its sites
- Roxas, a sugar and alcohol producer, is producing 70% ethyl alcohol for use in hand and surface disinfectants for use in hospitals and public places

Indofood Is Gearing up to Help Those in Need

- In a practice it has followed for many years when Indonesia faces natural disaster, Indofood is gearing up to help the Government ensure that all regions of the country have adequate food supplies
- Like other Group companies, Indofood and its subsidiaries are following government guidelines for helping to slow and isolate the pandemic, such as work-from-home policies where possible, temperature checks of staff and visitors, and other such practices

PLDT Is Ensuring its Data Network Remains Robust

- PLDT is carrying out its public service obligation to ensure that its data network is prepared to withstand greatly increased demands for bandwidth
- It has introduced data discounts and giveaways to protect public access to news and information
- PLDT has strengthened sanitation measures at stores and service centers and introduced temperature checks

MPIC Companies Are Adjusting to Evolving Demand

- The toll roads business has suspended construction activities
- Meralco is observing declines in electricity demand from the industrial and commercial sectors while residential demand rises with more people staying home
- The Maynilad water company has reported it has sufficient reserves of water through June and has commitments of further supply for the balance of the year
- MPIC's 20%-owned hospitals business is undertaking crash preparations to help cope with the Covid-19 pandemic

Renewed Focus on Core Assets



Core Assets Are Engines of Growth

- First Pacific's key investments are based in the fast-growing economies of Southeast Asia, a region we know well
- Our ambition is threefold:
 - Increase distributable earnings
 - Narrow valuation discounts
 - Nurture core holdings for growth

Non-core Investments to Be Guided to Exit

- First Pacific has selected a handful of investments to be sold, freeing capital for debt reduction and distribution to shareholders via share repurchases
- These assets are outside our chosen geography of emerging Asia and outside our sector focus on consumer foods, infrastructure, telecommunications and natural resources
- Potential disposals after Goodman Fielder will come from non-core investments

Value Investments

- Our holding company is currently trading at a relatively high discount to its net asset value
- Two of our three core investments are also trading at large discounts – Indofood and MPIC
- First Pacific management is rigorously seeking to narrow our NAV discount and release value to shareholders
- Our key means is seeking disposal of those assets deemed non-core while focusing on value-creation at core investments and narrowing interest and head-office costs

Diverse Emerging ASEAN Investments

- Our Hong Kong-based investment management and holding company has developed three core assets in fast-growing ASEAN markets: Indofood, MPIC, and PLDT
- Together they offer earnings stability and high growth potential
- Capital is continually recycled to the most promising opportunities

Indofood (Gross Annual Revenues of \$5.4 Billion)

- One of the largest food companies in Indonesia
- One of the world's largest instant wheat noodle makers
- Largest flour and pasta manufacturer in Indonesia
- Operator of one of the largest FMCG distribution networks in Indonesia

PLDT (Gross Annual Revenues of \$3.1 Billion)

- The largest telecom services provider in the Philippines
- Delivering the finest customer experience in the market
- Operator of the most technologically advanced network in the country
- Gaining momentum in a new phase of sustained growth in both subscriber numbers and data revenues

MPIC (Gross Annual Revenues of \$1.7 Billion)

- The largest infrastructure investment holding company in the Philippines and expanding in other ASEAN markets
- Invested in key natural monopolies in electricity distribution and generation, toll roads, and water, as well as other growth investments, e.g. hospitals and logistics

Gross Asset Value of \$4.63 Billion



Objectives

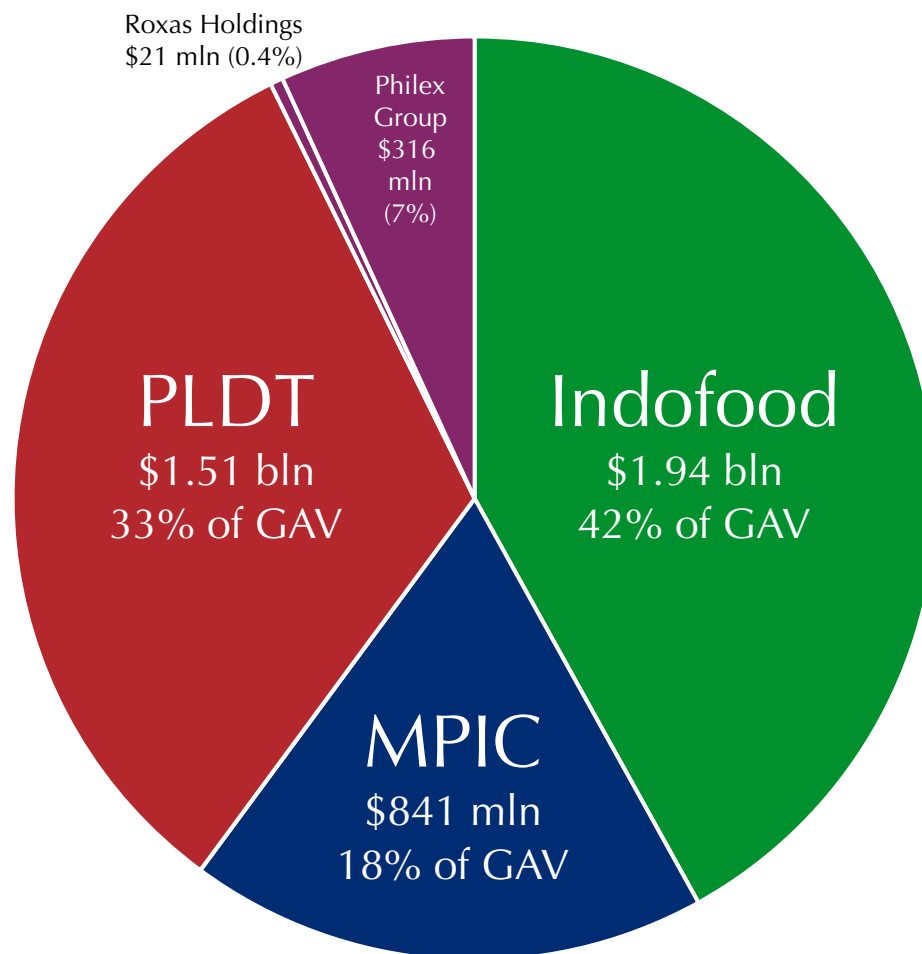
- Unlock value, enhance cash flows to deliver dividend/distribution returns, grow share price, and finance further investment in value-enhancing businesses, taking into consideration all relevant criteria, including Environmental, Social and Governance (ESG) factors, to better manage risk and generate sustainable long-term returns

Criteria

- Be located in or trading with fast-growing economies of emerging Asia
- Be related to our four industry sectors (consumer foods, infrastructure, natural resources and telecommunications)
- Have a strong or dominant market position in their sectors
- Possess the potential for substantial cash flows
- Allow FPC to establish management control or significant influence

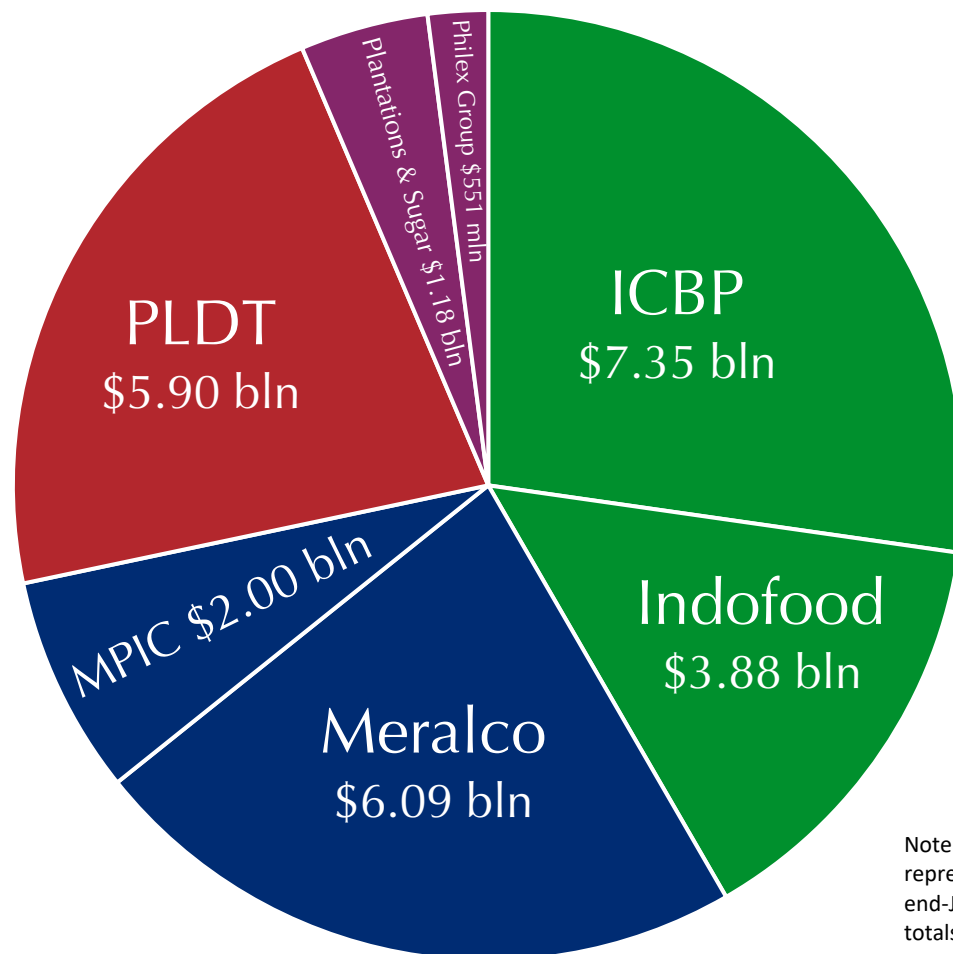
Strategies

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Set strategic direction, develop business plans and define targets
- Raise reporting and ESG standards to world-class levels at First Pacific and the companies we invest in



Data as at end-July 2020; rounding may affect totals. Head Office cash not included.

\$27.0 Bln of Major Assets Represented in Holdings



Diversified Investments, Strong Returns

- Balanced weighting of mature and growth investments
- Balanced weighting of different sectors
- 16 years of growth: Gross Asset Value grew at a compound annual growth rate of 9% from end-2003 to end-2019
- CAGR of 17% in dividend income to First Pacific from 2003 to 2019
- First Pacific dividend policy of at least 25% of recurring profit since 2010
- First Pacific market cap: \$908 million at end-July 2020

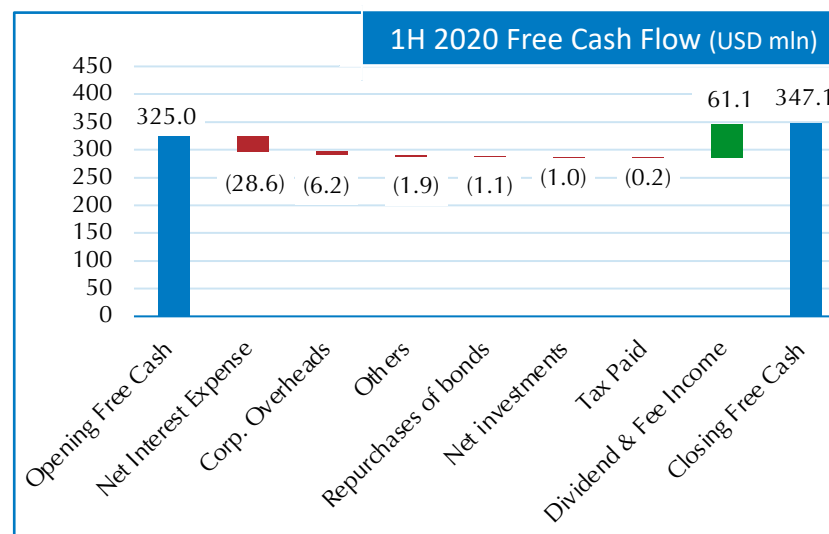
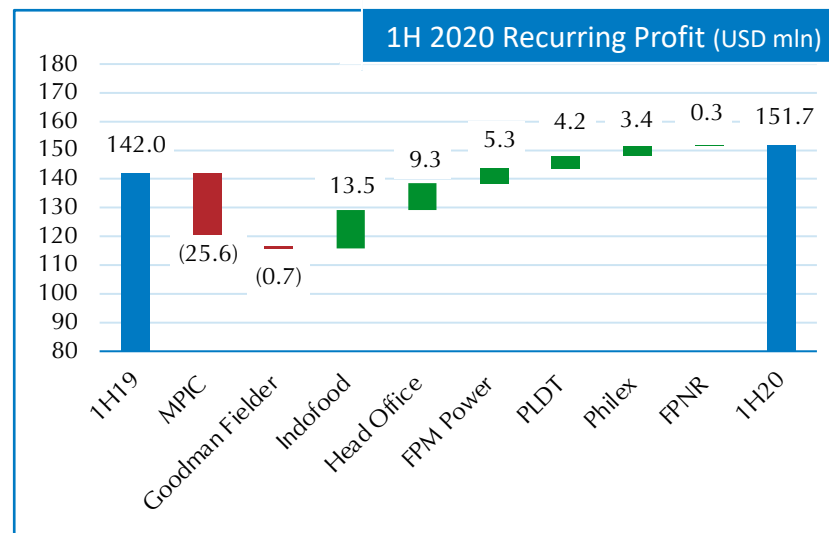
Note: Area of pie chart segments represents market capitalization as at end-July 2020. Rounding may affect totals. Data from Bloomberg.

Consumer Foods	42%
Infrastructure	30%
Telecommunications	22%
Natural Resources	6%

Diversified Investments Prove Resilient to Covid-19

Recurring Profit Rises 7% on Indofood, PLDT, Cost Cuts

- Indofood and PLDT delivered their highest-ever half-year revenues on lockdown-induced increase in demand
- MPIC was the sole major holding set back by the pandemic, but is maintaining its dividend unchanged owing to the strength of its balance sheet as cash flows recover from lockdown-induced lows (see [slide 23](#))
- Contribution from operations was flat at \$197.4 million vs. \$197.0 million as strong performances led by Indofood, PLDT and Philex offset MPIC's lower contribution
- Sharply lower interest expense and overheads improved Head Office costs by \$9.3 million, bringing 7% improvement in recurring profit to \$151.7 million vs. \$142.0 million
- First Pacific recorded net profit of \$100.6 million vs. net loss of \$148.3 million a year earlier largely as a result of loss on disposal of Goodman Fielder being replaced by far lower non-cash impairment in the value of investment in the Philippine sugar business RHI under FPNR holding
- Net interest expense fell 21% to \$31.5 million vs. \$40.0 million, corporate overheads fell 16% to \$9.4 million vs. \$11.2 million and other expenses rose 26% to \$4.8 million vs. \$3.8 million
- Interim distribution raised to 7.0 HK cents/share vs. 6.5 HK cents/share amounts to 26% of recurring profit as First Pacific enters its 11th year of distributing at least 25% of recurring profit to shareholders



Prudent Capital Management, Healthy Balance Sheet

Head Office Balance Sheet as at end-June 2020

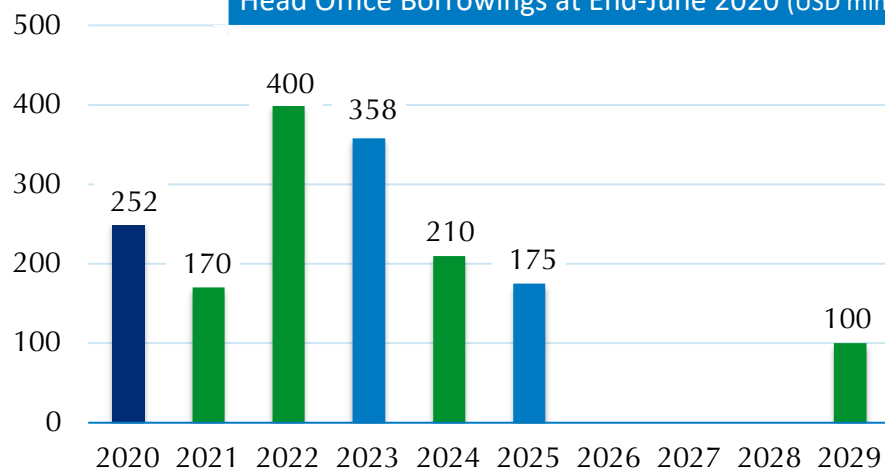
- Gross assets \$4.7 billion at end-June 2020
- Gross debt \$1.66 billion, gross debt cover 2.9x
- Net debt \$1.31 billion, net debt cover 3.6x
- Average maturity of 2.7 years
- Blended interest cost of 3.5%
- Secured debt at 15% of the total, fixed at 61%
- Cash balance of \$347 million
- Last secured borrowing, the September 2020 bond maturity to be fully financed with cash in hand
- No Head Office recourse for subsidiary or affiliate borrowing
- FPC bonds on Bloomberg: FIRPAC <Corp> <Go>

Head Office Bond Issues at a Glance

Principal	Coupon	Price*	Term	Maturity
US\$252 mln	6¾%	100.73	10-Year	28 Sept 2020
US\$358 mln	4½%	100.91	10-Year	16 April 2023
US\$175 mln	5¾%	102.35	7-Year	30 May 2025

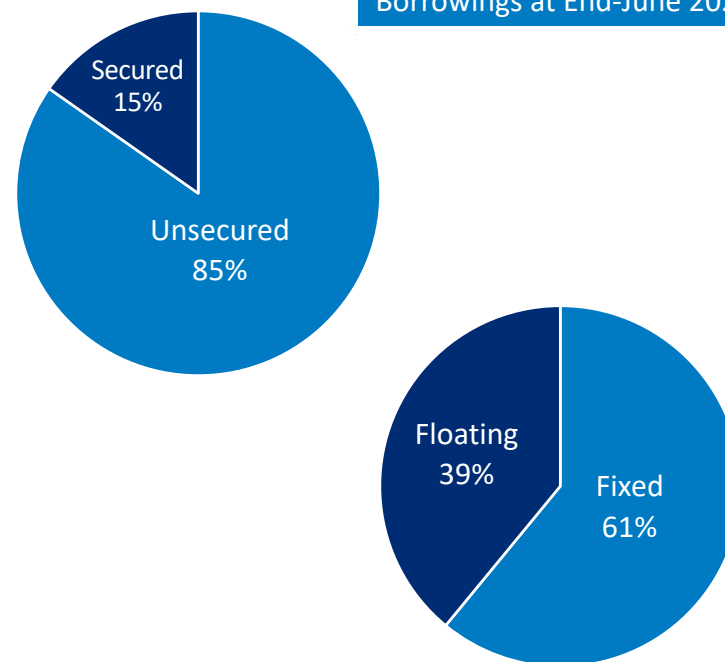
*Mid-market data from Bloomberg 30 June 2020.

Head Office Borrowings at End-June 2020 (USD mln)



■ Secured Bond ■ Unsecured Bank Loans ■ Unsecured Bonds

Borrowings at End-June 2020



Maximum ISS Governance QualityScore

ISS Governance QualityScore of 1; ISS ESG Prime Rating

- First Pacific has a best-possible QualityScore rating of 1 from Institutional Shareholder Services
- Only 20 of the 2,248 companies listed in Hong Kong have this score
- The scale ranges from a best score of 1 to a worst score of 10
- First Pacific was awarded a “Prime” status by ISS ESG for fulfilling “demanding requirements regarding sustainability performance” in our sector
- ISS ESG has awarded First Pacific a C rating, putting FPC in the second decile with “high relative performance”

Member of Key ESG Indexes

- First Pacific is a founding member of Bloomberg’s Gender Equality Index – one of only two listed in Hong Kong
- The Company is also a member of the Hang Seng Corporate Sustainability Index

Governance Leads Improvements in 2019 & 2020

- A fifth INED was appointed to the Board in March 2020
- Finance Committee formed in 2019 to supervise all capital allocation
- ESG is a regular agenda item for Board and Corporate Governance Committee meetings
- First Pacific is committed to incorporating ESG considerations in making and overseeing investments
- First Pacific’s inaugural ESG Report covered the 2016 financial year
- FPC began publishing key ESG performance indicators for several group companies in the 2017 ESG Report
- In 2018 First Pacific incorporated new data protection, privacy and other policies to bring the company in line with evolving regulations and global best practices
- Our ESG Reports are available [here](#)

ESG Reporting by Group Companies

Company	GRI Standard	First Report	Frequency
IndoAgri	Yes	2013	Annual
Maynilad	Yes	2011	Annual
MPIC	Yes	2016	Annual
PLDT	Yes	2015	Annual
Philex	Yes	2014	Annual
Roxas	Yes	2015	Annual

Historical FPC GHG Emissions

	Unit	2013	2014	2015	2016	2017	2018	2019
Total GHG Emissions of FPC Head Office	tonnes CO2-e	303.0	308.4	226.7	185.1	180.9	185.6	170.9
Ratio indicator in terms of GFA	kg CO2-e/ft2	23.5	23.9	17.6	14.4	14.0	14.4	13.3
Ratio indicator in terms of staff number	tonnes CO2-e/capita	6.3	6.4	5.4	4.3	4.2	4.3	4.3
Ratio indicator in terms of revenue	kg CO2-e/USD mln	50.5	45.1	35.2	27.3	24.8	24.0	21.2

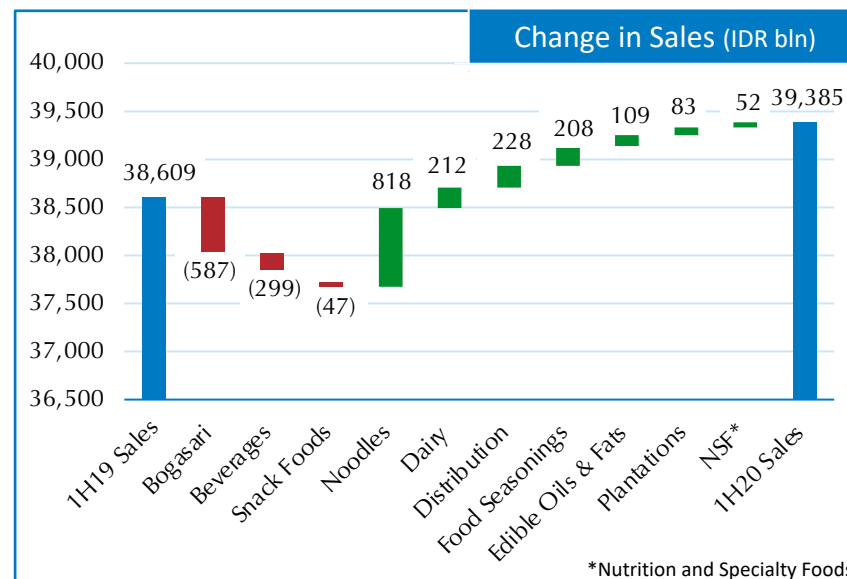
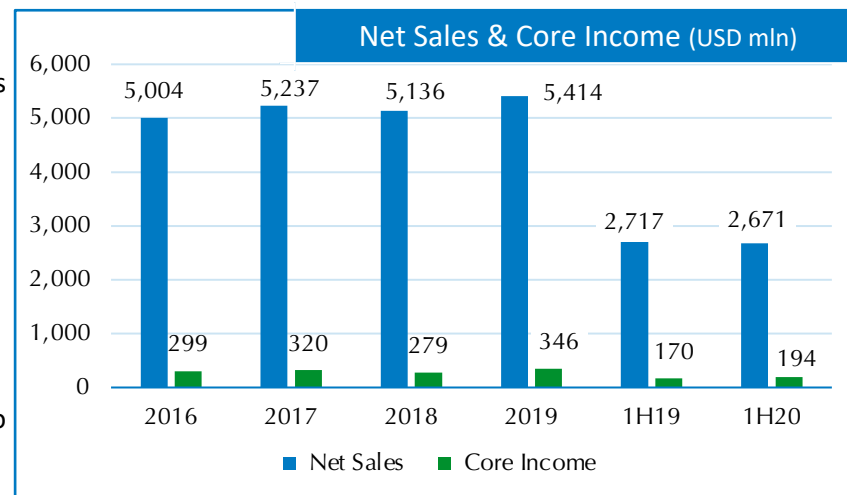
1H 2020 Financial Highlights

- Net sales rose 2% to IDR39.4 trillion vs. IDR38.6 trillion on 4% sales growth at Consumer Branded Products unit and stronger sales at the Distribution and Agribusiness divisions, offset by weaker sales in the Bogasari flour and pasta division
- Core income rose 18% to IDR2.87 trillion vs. IDR2.42 trillion driven by sales growth and lower cost of goods sold
- Unit performance*:
 - CBP sales up 4% to IDR22.8 trillion, EBIT up 15% to IDR4.21 trillion driven by Noodles and Food Seasonings
 - Bogasari sales down 5% to IDR11.1 trillion, EBIT down 10% to IDR764 billion
 - Agribusiness sales up 7% to IDR6.88 trillion, EBIT at IDR224 billion vs. year-earlier EBIT loss of IDR41 billion
 - Distribution sales up 11% to IDR2.31 trillion, EBIT down 16% to IDR85 billion

Outlook

- Robust sales growth is seen continuing at CBP, supported by strong product innovation and an extensive distribution network
- Further expansion of CPO milling facilities to support production growth, whilst expansion in flour milling and dairy will also boost production capacity
- Continued development of food services channels and export business will continue to accelerate growth
- With market leading positions in many categories, supported by an extensive and growing distribution network, Indofood's products are readily available across Indonesia, and well positioned to capture growth in the FMCG sector
- CEO notes "challenging" outlook, enhancing competitiveness

*Before elimination and unallocated expenses.



*Nutrition and Specialty Foods

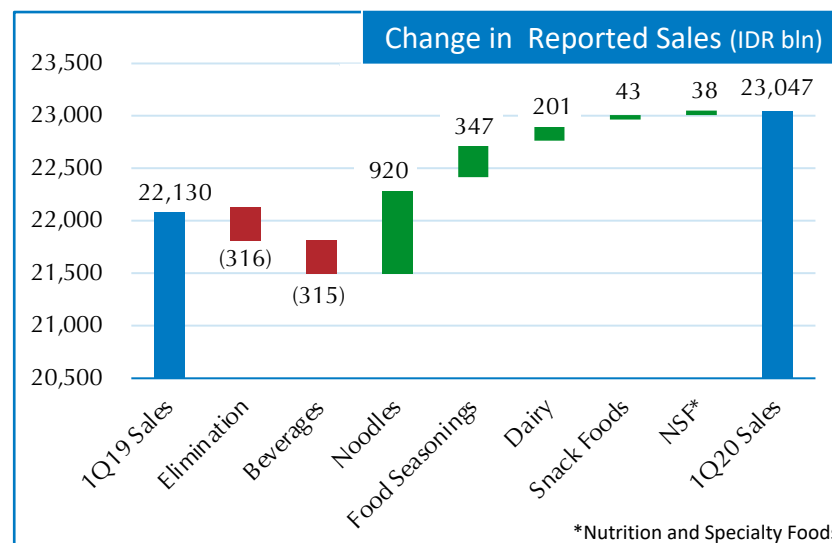
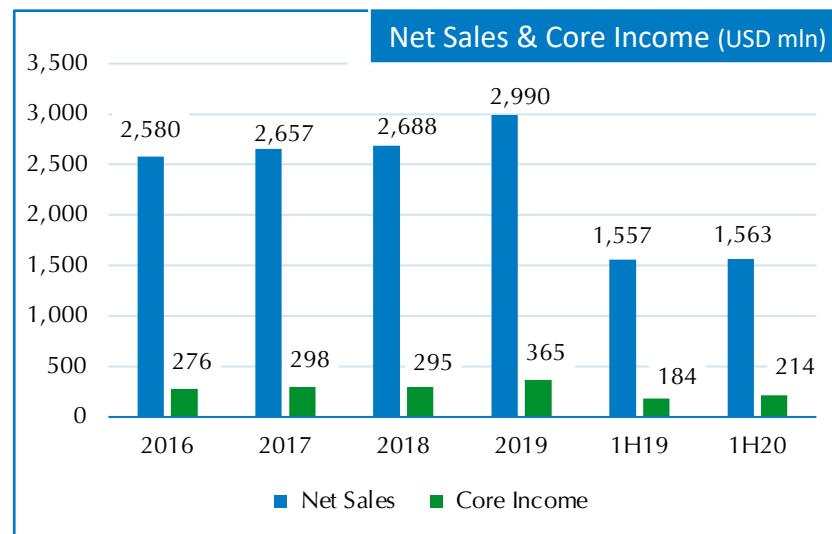
Indofood CBP Earnings Surge on Highest-Ever Margins

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1H 2020 Financial Highlights

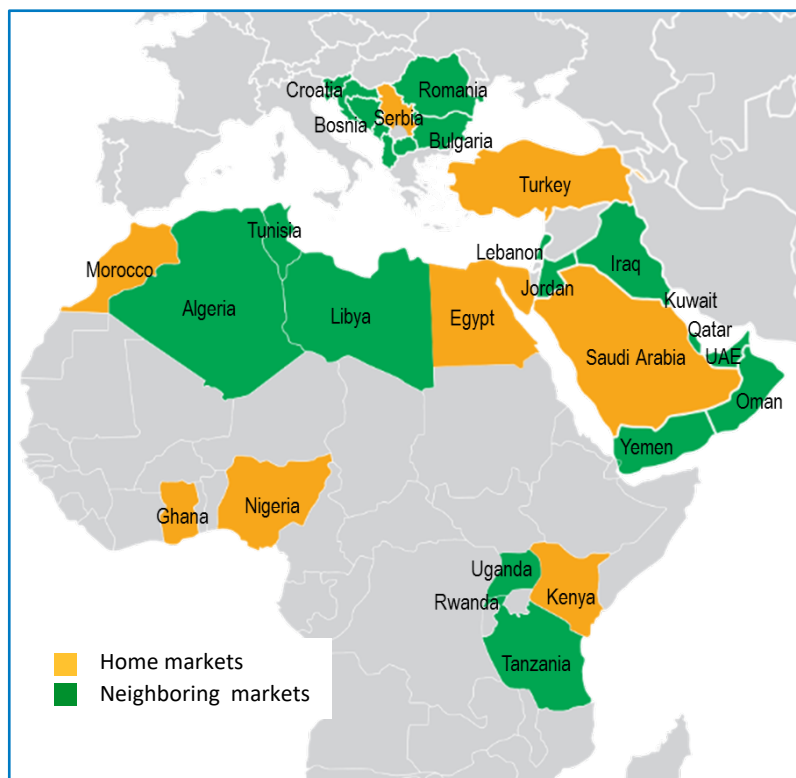
- Net sales rose 4% in Rupiah terms to IDR23.0 trillion vs. IDR22.1 trillion on growth led by Noodles and Food Seasonings
- EBITDA rose 21% to IDR5.38 trillion vs. IDR4.44 trillion as cost of goods sold grew more slowly than sales
- EBIT margin rose to highest-ever 20.3% vs. 17.4%, lifted by Noodles margin growth to 22.6% vs. 21.4% as the Snack Foods margin swung to 9.4% vs. -4.4%
- Core income rose 21% to IDR3.16 trillion vs. IDR2.62 trillion
- End-period cash on hand at ICBP was IDR8.94 trillion
- ICBP to remain focused on maintaining supply and quality of products while continuing to improve competitiveness
- With steady and strong sales growth, Indomie noodles remain well regarded all over the world

	Overall Sales (IDR bln)		
	1H19	1H20	Change
Noodles	14,573	15,493	6%
Dairy	4,073	4,274	5%
Snack Foods	1,413	1,456	3%
Food Seasonings	1,275	1,622	27%
Nutrition & Specialty Foods	447	485	9%
Beverages	976	661	-32%
Elimination	(627)	(943)	50%
Total	22,130	23,047	4%



*Nutrition and Specialty Foods

Note: Figures are before elimination.



Export markets bring total population
to 885 million potential consumers

Noodles Business Is the Driver of Contribution Growth

- Noodles contributed about 75% of EBIT at ICBP and 62% at Indofood in the first half of 2020
- Noodles contributed 60% of annual sales growth on average 2010-2019
- Pinehill Group noodle sales will immediately add significantly to ICBP's annual sales of Instant Noodles
- Indofood pays 50% of net profit as dividends to shareholders
- Via FPC's 50.1% stake in Indofood and Indofood's 80% stake in ICBP, First Pacific would receive as dividends approximately 20% of all net profit contribution delivered by Pinehill to ICBP

DUFIL	
Production from:	1995
2019 Sales:	4,062 mln
Population:	237 mln

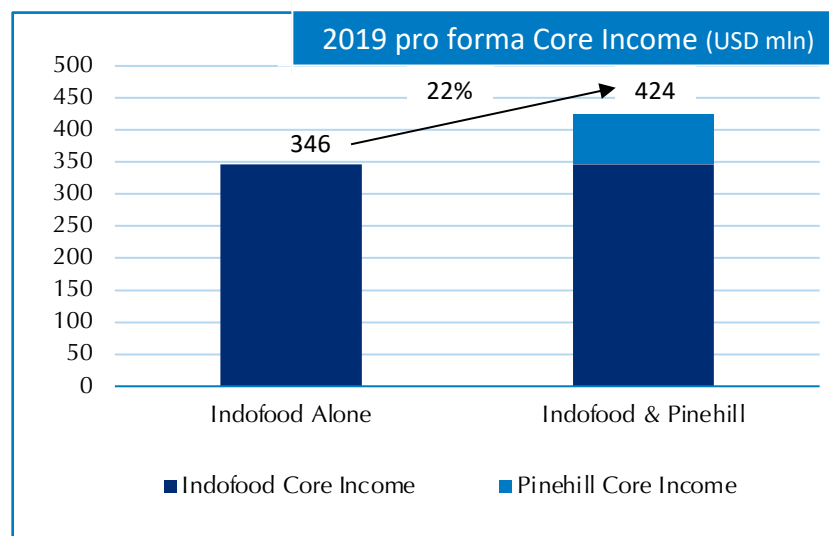
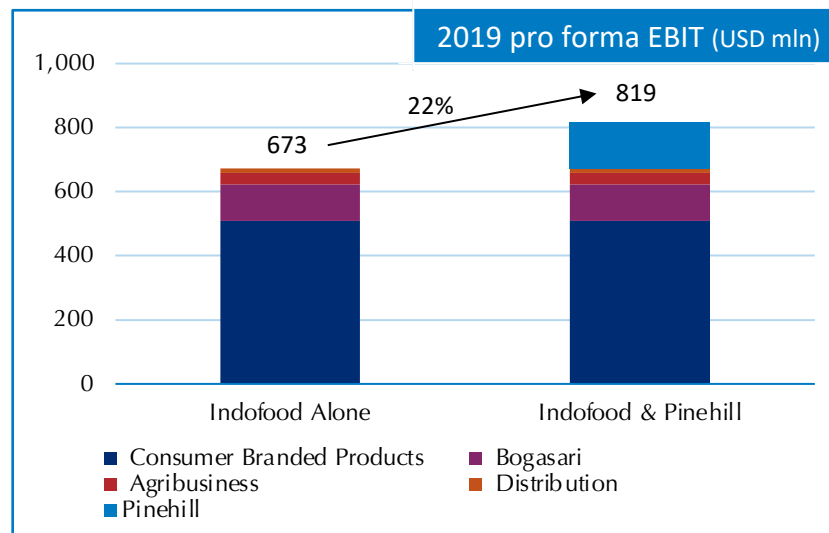
Pinehill Arabia Food (PAFL)	
Production from:	1995
2019 Sales:	1,779 mln
Population:	35 mln

SAWAZ	
Production from:	2010
2019 Sales:	1,550 mln
Population:	195 mln

Adkoturk	
Production from:	2015
2019 Sales:	211 mln
Population:	84 mln

Pinehill Transforms Indofood Into a Global Food Company

- The Pinehill Group began a quarter-century ago and is well established in its fast-growing markets and has been closely integrated with noodle production plants and processes nearly identical or similar to ICBP's
- The Pinehill acquisition seen as earnings and value enhancing from the first year after financing costs
- Indonesian independent valuer KJPP concluded that the acquisition would increase ICBP's revenue and net profit up to 20% per year on average
- The profit guarantee by the sellers would have raised the pro forma recurring profit of the enlarged First Pacific Group to US\$313.5 million vs. US\$290.0 million in 2019, according to the [Pinehill transaction circular](#)
- With an average consumption of instant noodles per capita that is still very low, the rapid growth in Pinehill's markets is expected to continue over the long term
- The acquisition represents a "turn-key" entry into fast-growing markets with dominant market share in every case, nearly quadrupling ICBP's customer base
- ICBP becomes a global company with a diverse geography
- The transaction is in line with ICBP's current business and its core *Indomie* brand
- Following the acquisition, ICBP plans to deepen integration of Pinehill into ICBP's operational management with cost savings and further synergies to follow
- Pinehill distribution networks are ready to take on additional ICBP products, all of which are Halal, meeting the needs of 885 million new consumers
- The acquisition is expected to be completed by end-August



1H 2020 Financial Highlights

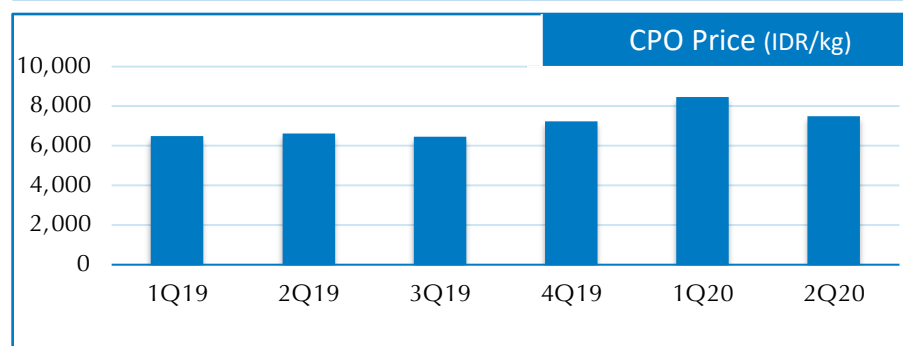
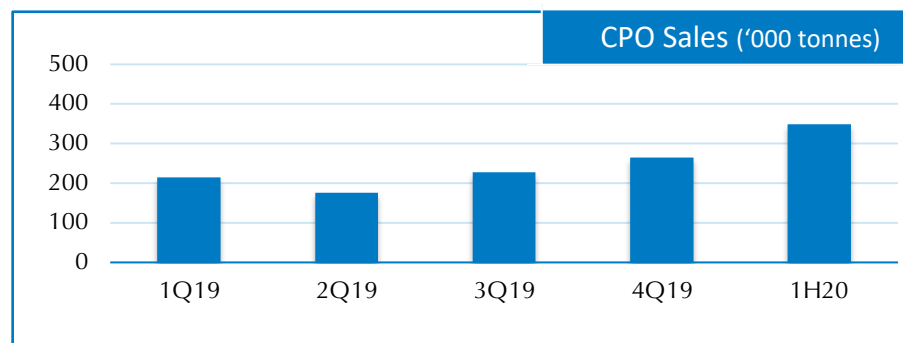
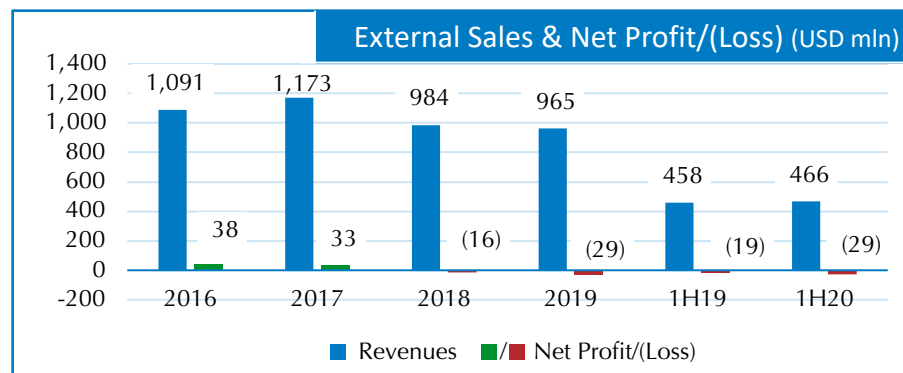
- Sales rose 6% to IDR6.87 trillion vs. IDR6.50 trillion mainly due to higher prices despite the challenges of a market affected by the COVID-19 outbreak
- Plantations sales rose 3% to IDR3.57 trillion while sales at the larger Edible Oils & Fats division rose 5% to IDR5.55 trillion
- Net loss increased to IDR429 billion from IDR274 billion on biological assets loss as a result of lower volume and prices of FFB, higher losses of associate companies, and higher income tax expenses arising from deferred tax adjustments as a result of tax rate changes in Indonesia

Operational Highlights

- CPO production fell 7% to 350,000 tonnes owing to lower external purchases of fresh fruit bunches, pushing sales down 11% to 348,000 tonnes vs. 390,000 tonnes
- FFB nucleus production fell 5% to 1.4 million tonnes, while intake of external FFB declined 13% to 335,000 tonnes
- Palm kernel production fell 11% to 82,000 tonnes while sales of PK products fell 4% to 86,000 tonnes

Outlook

- Replacing older palms in North Sumatra and Riau with higher-yielding varieties
- Milling facilities continue expanding with 45 tonne/hour FFB mill in East Kalimantan to open in 4Q20
- Maintaining competitive pricing strategy for Bimoli branded cooking oil and expanding Delima as a second brand to capture more affordable product segment
- Increasing capacity to meet growing consumer demand

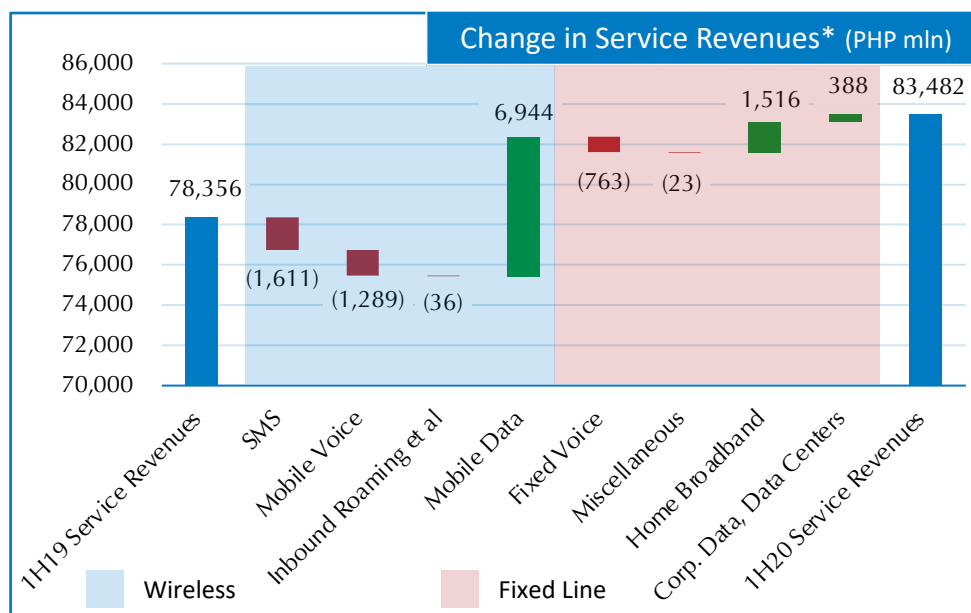
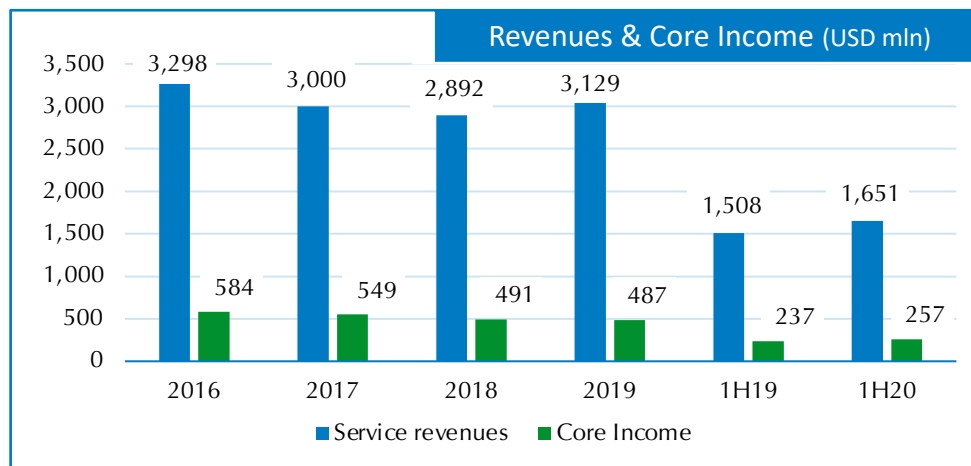


1H 2020 Financial Highlights

- Service revenues rose 7% to record high ₱83.5 billion due to an 18% surge in data and broadband revenues, partly offset by lower SMS revenues and voice revenues in wireless and fixed line businesses
- EBITDA rose 9% to ₱43.2 billion on stronger service revenues offset by higher cash opex and cost of services, provisions, and subsidies
- EBITDA margin rose to 52% vs. 51% a year earlier
- Telco core income rose 5% to ₱13.9 billion on higher EBITDA, lower tax provision, offset by higher depreciation and net financing costs
- Net debt/EBITDA at 2.19x vs. 2.0 at year-end after issue of record-setting 30-year bond at 3.45%
- Data revenues account for 71% of service revenues

Outlook

- Service revenues seen rising to new record high in 2020, led by continuing double-digit data growth
- Full-year telco core profit seen matching 2019 level
- 5G mobile services are live, building on technology and customer experience leadership in the market
- 2020 telco core income outlook uncertain owing to effect of Enhanced Community Quarantine (ECQ)
- Dividend policy remains at 60% of telco core income
- 2020 revised capex budget of ₱70.0 billion (down from ₱83.0 billion) to focus on upholding service quality and customer experience
- Market leadership in technology, service quality and customer experience continues to grow



*Gross of interconnection costs.

Individual Business Leads Growth on Mobile Data Surge

- 1H 2020 Individual service revenues rose 16% to ₱39.8 billion, now 48% of total first-half revenues
- Individual business seen continuing strong revenue growth on strength of industry-leading customer experience
- Exploding take-up of LTE handsets and SIMs doubles data usage and multiplies Smart's network advantage
- Mobile data consumption on Smart network overtook industry rival in 3Q 2019; lead continues to widen in 2020

Businesses Continue to Choose PLDT Enterprise First

- 1H 2020 Enterprise service revenues rose 5% to ₱20.3 billion despite pandemic lockdown on demand for work-from-home
- Enterprise revenues now make up 24% of service revenues
- Revenues have reached or exceeded ₱10.0 billion for three quarters in a row
- New opportunities seen in e-learning, telemedicine, increasing work-from-home
- Much billing has been suspended temporarily under ECQ

Home Business Building Fixed Wireless for Fresh Surge

- 1H 2020 Home service revenues rose 7% to ₱19.6 billion, now 24% of all service revenues
- ECQ resulted in temporary fall in installations, higher demand for home broadband with surge in data demand in homes
- Stronger take-up of fixed wireless while payment terms extended
- Total homes passed up 8% since end-2019 to 7.8 million, port capacity up 5% to 3.67 million, fiber footprint up 11% to 358,700 cable km

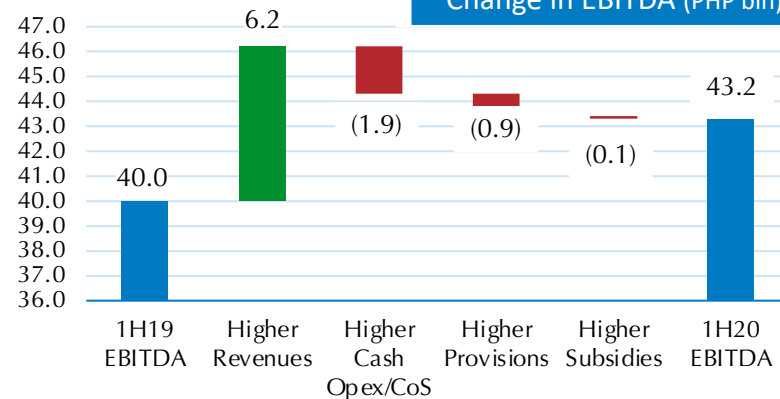
Shareholder Returns

Core EPS	₱64
Dividend Payout	60%
Dividend/Share	₱38
Dividend Yield	6.1%

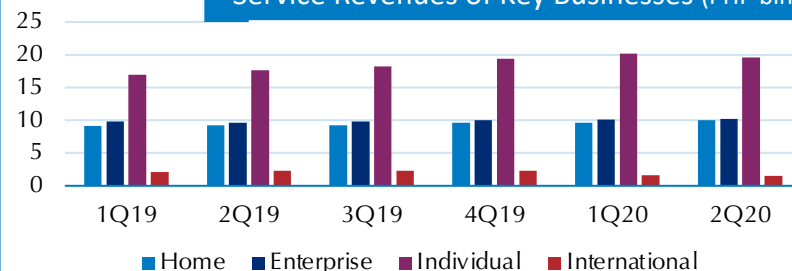
Data as a Share of Revenues

Individual	73%
Home	79%
Enterprise	69%
Total	71%

Change in EBITDA (PHP bln)



Service Revenues of Key Businesses (PHP bln)



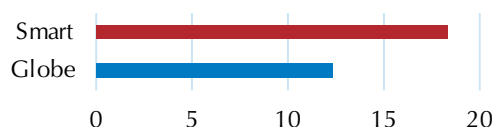
PLDT Network Is the Country's Best, Say Observers

- Independent industry observers agree PLDT customer experience is the best in the Philippines on both mobile and fixed-line networks (Ookla data for the first half of 2020 is [here](#) and below)
- [Opensignal](#) said "Smart dominated the awards" in April 2020 report
- International cable capacity increased by 1Tb/s following start of ECQ to boost capacity to meet 25% surge in network traffic
- 2G spectrum repurposed to LTE for additional capacity
- Revised 2020 capex budget:
 - Network/IT: ₱48 billion
 - Business: ₱13 billion
 - Data centers/others: ₱9 billion

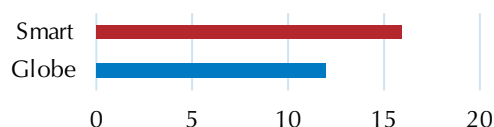
Capex Delivers New Lead in Postpaid ARPU

- Capex/service revenues seen at 40-41% in 2020
- Focus on LTE expansion, transport/backhaul, and ADSL upgrade to fiber
- Number of 4G LTE base stations up 2,500 in 1H 2020 to 27,100, triple the end-2017 figure
- Number of 3G base stations rose by 1,200 to 15,000
- Focus on LTE 4G buildout delivers future-proofing with faster data, lower latency and overall better customer experience
- Smart now offers LTE and 3G coverage to 95% of the Philippine population; 73% of customers have LTE (64%) or 3G (9%) handsets
- Smart seized the lead in postpaid mobile ARPU for the first time since 2013 as mobile data traffic doubled to 1,368 Petabytes
- Overall mobile market share rose 2 percentage points to 47%

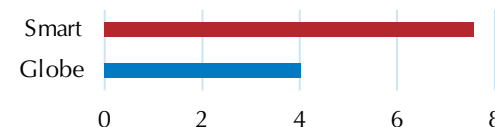
Cellular Speed Score



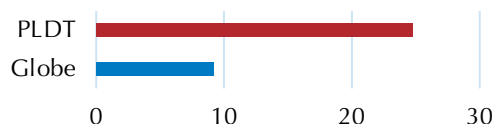
Avg. Download Speed (Mbps)



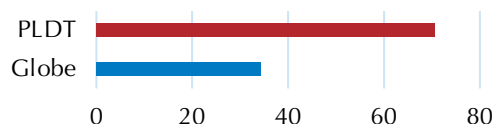
Avg. Upload Speed (Mbps)



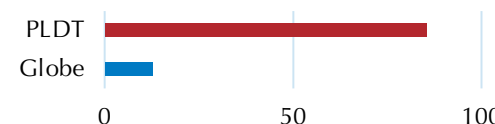
Fixed-Line Speed Score



Top Download Speed (Mbps)



Top Upload Speed (Mbps)





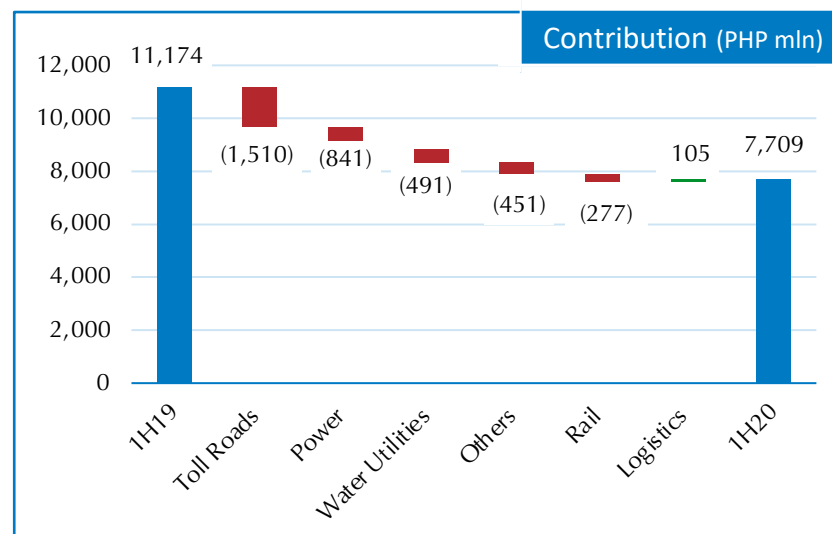
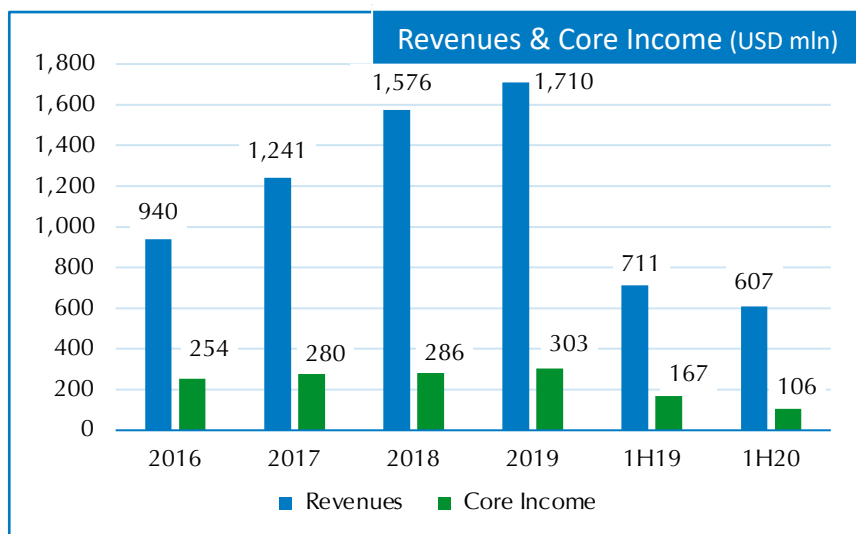
*Economic interest in Meralco and Global Business Power, respectively.

1H 2020 Financial Highlights

- Contribution from operating companies fell 31% to ₱7.71 billion vs. ₱11.2 billion on lower contribution from most businesses
- Core income declined 38% to ₱5.34 billion vs. ₱8.67 billion on lower contribution and partly offset by lower head office costs
- Non-recurring expenses rose four-fold to ₱2.31 billion vs. ₱560 million largely on provision of carrying value of Meralco's investment in PacificLight Power in Singapore
- MPIC Head Office holds sufficient cash (₱27.5 billion) following sell-down of Hospitals business, sees no capital call from investee companies
- Performance at major businesses is beginning to recover (see [slide 23](#)) as the pandemic response evolves but the outlook is for lower earnings in the full year

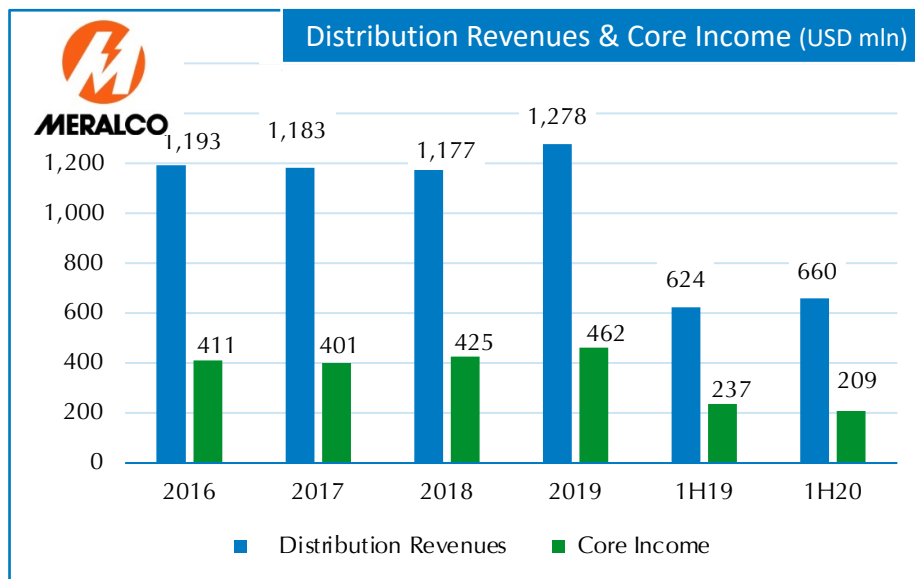
Responses to Enhanced Community Quarantine (ECQ)

- All businesses pass stress test on cash flow under ECQ regime
- Full-year earnings are difficult to forecast but 2020 dividend commitment remains unchanged from the 2019 distribution
- Priorities are led by staff welfare and business preservation followed by profitability
- Power business sees electricity demand lower by 20-30%
- Toll road business sees sharply lower traffic
- Light rail operations were suspended from mid-March and later resumed with far lower passenger capacities; end-May 2020 sell-down cuts stake to 36% vs. 55% with proceeds of ₱3.04 billion
- Hospitals business holds excess capacity to deal with COVID-19 amid sharply lower demand for elective hospital services



1H 2020 Financial Highlights & Outlook: Meralco

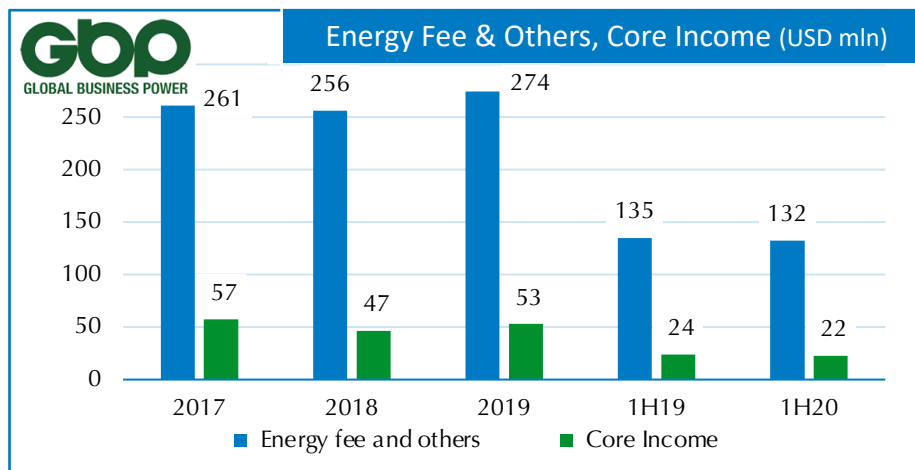
- Distribution revenues rose 3% to ₱33.4 billion vs. ₱32.5 billion as lower volumes offset average distribution tariff increase of 11% (on strong residential sales growth during ECQ lockdown)
- Core EBITDA fell 23% to ₱15.4 billion vs. ₱19.9 billion on higher provisions for uncollectible accounts
- Core income fell at a slower pace of 14% to ₱10.6 billion vs. ₱12.3 billion on contribution from San Buenaventura power plant which opened in September 2019
- During Covid-19 shutdown, higher residential demand offset much of the decline in demand by industry
- Volume sold in first half fell 7% to 21.1 GWh
- Overall electricity volume seen down in 2020



Note: Meralco franchise until 2028.

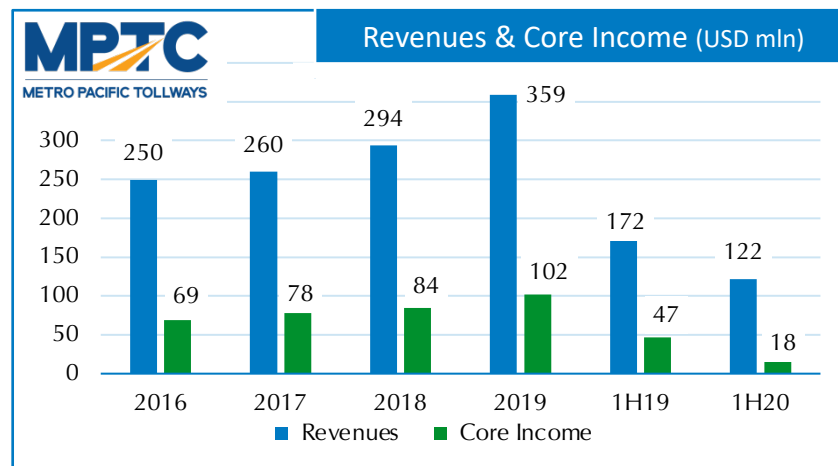
1H 2020 Financial Highlights & Outlook: GBP

- Energy fee and other revenues fell 5% to ₱6.68 billion vs. ₱7.01 billion on lower prices
- Core EBITDA fell faster at 11% to ₱4.08 billion vs. ₱4.59 billion on higher provision for uncollectible receivables partly offset by collection of liquidated damages
- Core income fell more slowly at 9% to ₱1.14 million vs. ₱1.24 million on higher ATEC contribution on opening of Saranggani expansion in October 2019
- Electricity demand seen falling 20-30% owing to ECQ



1H 2020 Financial Highlights & Outlook: Toll Roads

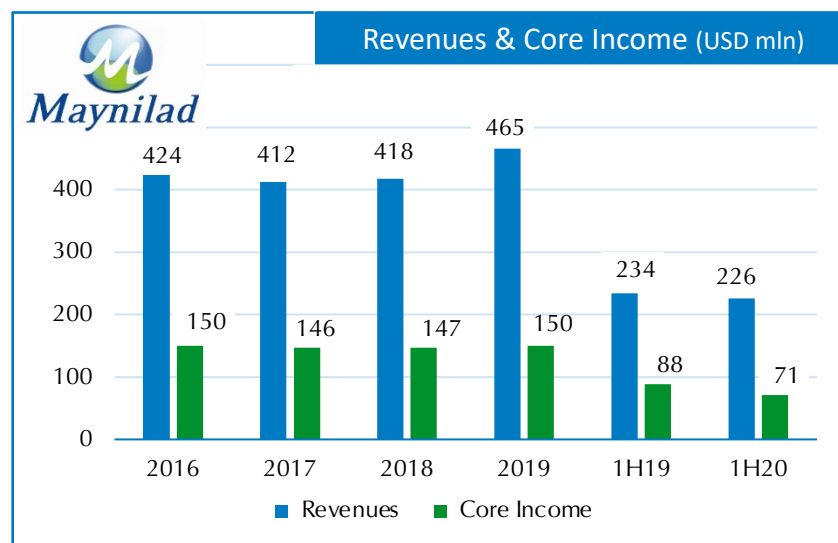
- ❑ Revenues fell 31% to ₱6.15 billion vs. ₱8.92 billion on a sharp fall in traffic late owing to ECQ lockdown
- ❑ Core EBITDA fell 40% to ₱3.78 billion vs. ₱6.26 billion
- ❑ Core income declined more steeply, by 62% to ₱922 million vs. ₱2.44 billion on higher borrowing costs from additional drawdown and interest cost recognition on completed projects
- ❑ Dividend payments seen lower owing to lower traffic
- ❑ Traffic growth was sharply down in ECQ to less than a quarter of ordinary levels but is now recovering
- ❑ Post-ECQ traffic is expected to grow from 2019 levels



Note: NLEX concession until 2037; SCTEX until 2043; CAVITEX until 2033/2046.

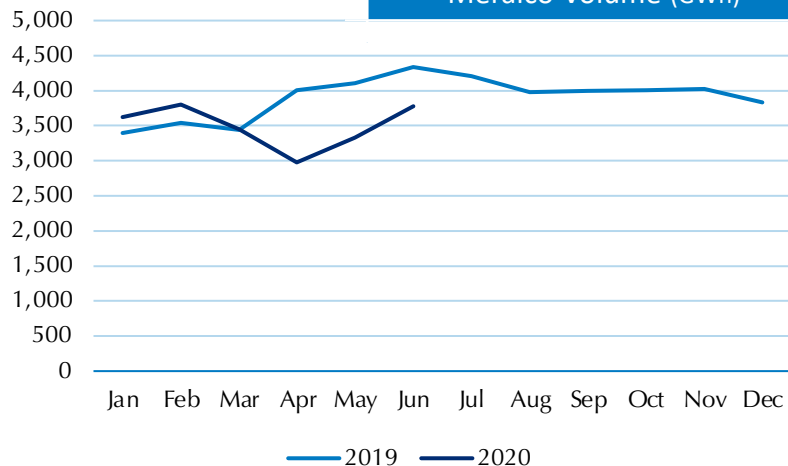
1H 2020 Financial Highlights & Outlook: Water

- ❑ Maynilad revenues fell 6% to ₱11.4 billion vs. ₱12.2 billion as growth in low-tariff domestic demand partly offset lower (more expensive) commercial demand, reducing the average tariff, and volume decline in the second quarter
- ❑ Core EBITDA fell 6% to ₱8.27 billion vs. ₱8.83 billion
- ❑ Core income fell 22% to ₱3.57 billion vs. ₱4.60 billion on higher amortization and net interest expense as well as awarded tariff increases not yet implemented
- ❑ Dividend payments remain on hold in ECQ amid continuing concession uncertainty
- ❑ Billed volumes grew strongly in first two months of year, seen returning to growth in a post-ECQ economy

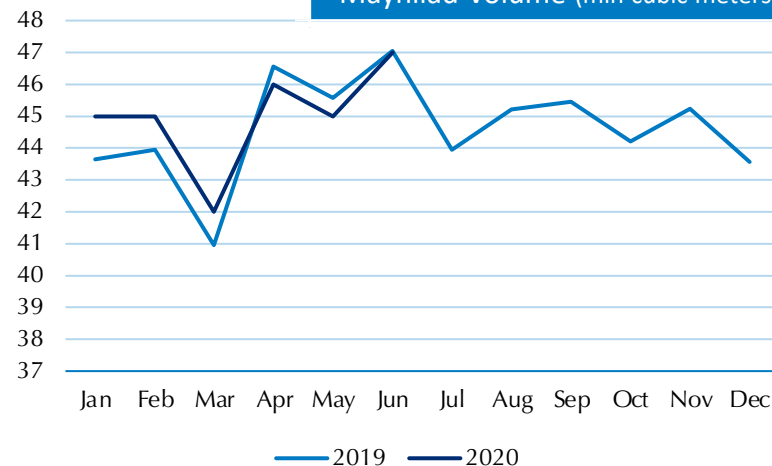


Note: Maynilad concession until 2037.

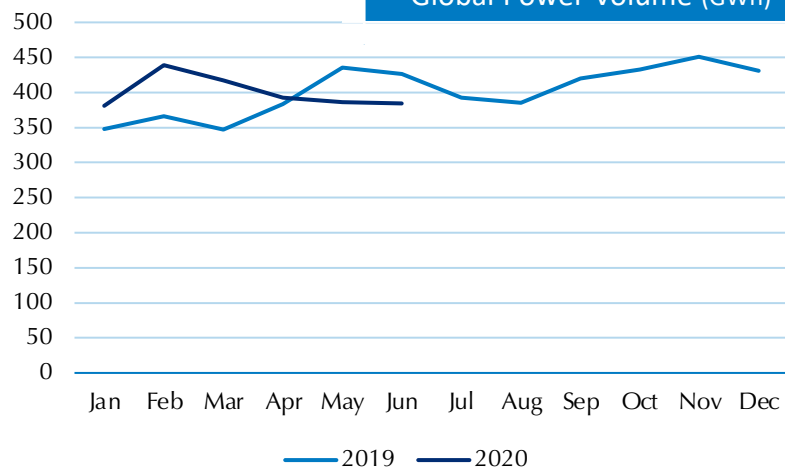
Meralco Volume (GWh)



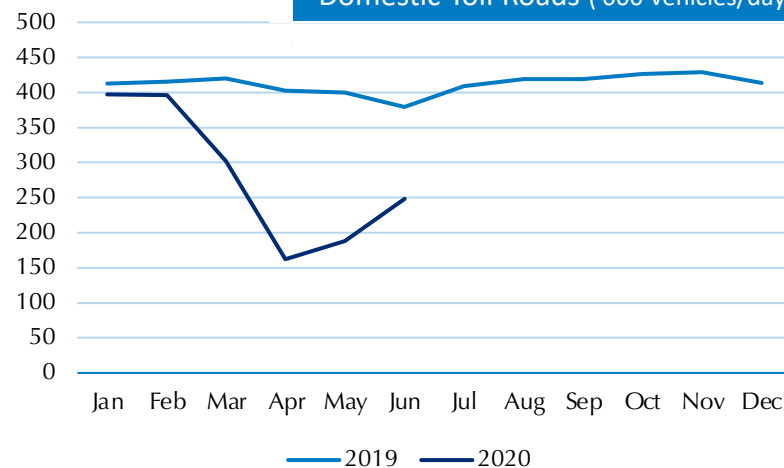
Maynilad Volume (mIn cubic meters)



Global Power Volume (GWh)

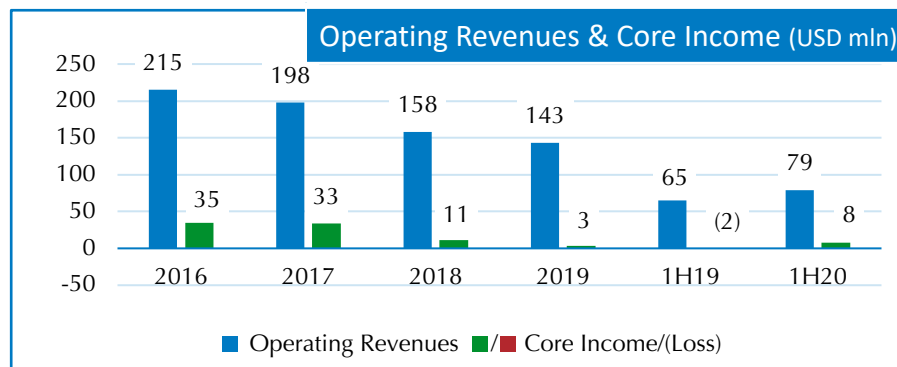


Domestic Toll Roads ('000 vehicles/day)



1H 2020 Financial Highlights

- Operating revenues rose 18% to ₱3.98 billion vs. ₱3.37 billion as a result of higher volumes of ore milled and improved grades of gold and copper resulting in higher metal production, combined with higher gold prices, offset in part by lower copper prices and stronger Peso
- Cash production cost fell 1% to ₱2.09 billion vs. ₱2.11 billion on lower costs for power, materials and supplies, labor and purchase contracts
- Core income swung to ₱402 million vs. a core loss of ₱19 million a year earlier on higher operating revenue
- Realized gold price rose 27% to \$1,677 vs. \$1,316 per oz.
- Realized copper price fell 11% to \$2.46 vs. \$2.75 per lb.



Outlook

- Production volume and metal grades seen higher in the second half of 2020
- Padcal mine life extended by two years to 2022 with declaration of further proved mineable reserves
- Underground sub-level caving mining at the Silangan Project's Boyongan phase one planned to begin commercial production after 2.5 years of development funded by entry of equity partner and project finance
- First Pacific is not seen adding equity to the project
- Definitive Feasibility Study for the first phase of production is finalized, sees 81 million tons of high-grade ore containing copper and gold
- Initial mining stage of Boyongan ore body to see gold grade of 1.2 grams/tonne and 0.63% copper content
- Project will involve both flotation and leaching refining methods
- Total of 571 million tonnes of mineral resources estimated at Silangan's Boyongan, Bayugo and Kalayaan ore deposits
- Silangan is located at the northeastern tip of Mindanao Island

1H 2020 Production Highlights

- Volume of ore milled rose 4% to 3.97 million tons
- Gold output 28,332 oz., up 20% from 23,675 oz.
- Gold grade 0.283 grams/ton vs. 0.253 grams/ton
- Copper output rose 13% to 13.5 million lb. vs. 12.0 million lb.
- Copper grade at 0.189% vs. 0.175%
- Operating cost per ounce of gold was \$1,343 vs. \$1,293, and \$1.97 vs. \$2.69 per pound of copper produced

Silangan Mineral Resource Estimate					
	Metric tonnes (mln)	Cu (percent)	Au (g/t)	Cu (mln lb.)	Au ('000 oz.)
Measured	438	0.55	0.67	5,280	9,390
Indicated	133	0.43	0.47	1,260	2,010
Total M&I	571	0.52	0.62	6,540	11,400
Inferred	224	0.36	0.48	1,790	3,490
Total	795	0.47	0.58	8,320	14,890

Appendix

Shareholder Information
Selected Financial Data

Adjusted NAV per Share



		At 30 June 2020	At 31 December 2019
US\$ millions	Basis		
Indofood	(i)	2,010.8	2,506.2
PLDT	(i)	1,386.1	1,077.8
MPIC	(i)	982.0	908.7
Philex	(i)	121.4	127.5
PXP	(i)	74.1	94.8
FP Natural Resources	(ii)	21.9	25.5
Head Office - Other assets	(iii)	101.2	99.5
- Net debt		(1,327.3)	(1,330.6)
Total Valuation		3,370.1	3,509.4
Number of Ordinary Shares in Issue (millions)		4,344.9	4,344.9
Value per share - U.S. dollars		0.78	0.81
- HK dollars		6.01	6.30
Company's closing share price (HK\$)		1.48	2.65
Share price discount to HK\$ value per share (%)		75.4	57.9

(i) Based on quoted share prices applied to the Group's economic interests.

(ii) Based on quoted share price of RHI applied to the Group's economic interest.

(iii) Represents the carrying value of SMECI's notes.

Contribution and Profit Summary



For the six months ended 30 June	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2020	2019	2020	2019
US\$ millions				
Indofood	2,671.4	2,716.9	93.8	80.3
PLDT ⁽ⁱⁱ⁾	-	-	62.5	58.3
MPIC	607.5	858.6	44.4	70.0
Philex ⁽ⁱⁱⁱ⁾	-	-	2.2	(1.2)
FPM Power	253.9	364.0	(1.8)	(7.1)
FP Natural Resources	117.9	151.7	(3.7)	(4.0)
FPW ⁽ⁱⁱⁱ⁾	-	-	-	0.7
Contribution from operations^(iv)	3,650.7	4,091.2	197.4	197.0
Head Office items:				
– Corporate overhead			(9.4)	(11.2)
– Net interest expense			(31.5)	(40.0)
– Other expenses			(4.8)	(3.8)
Recurring profit^(v)			151.7	142.0
Foreign exchange and derivative gains, net ^(vi)			4.5	6.9
(Loss)/gain on changes in fair value of biological assets			(2.2)	0.4
Non-recurring items ^(vii)			(53.4)	(297.6)
Profit/(loss) attributable to owners of the parent			100.6	(148.3)

- i. After taxation and non-controlling interests, where appropriate.
- ii. Associated companies.
- iii. FPW Singapore Holdings Pte. Ltd. ("FPW"), a joint venture and was sold on 16 December 2019.
- iv. Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
- v. Recurring profit represents the profit/(loss) attributable to owners of the parent excluding the effects of foreign exchange and derivative gains, (loss)/gain on changes in fair value of biological assets and non-recurring items.
- vi. Foreign exchange and derivative gains, net represent the net gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated net assets/liabilities and the changes in the fair values of derivatives.
- vii. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H20's non-recurring losses of US\$53.4 million mainly represent impairment provisions for the Group's investment in RHI (US\$32.0 million) and PLDT's investment in iflix (US\$3.0 million), and PLP's provisions for take-or-pay obligation and onerous contracts (US\$5.3 million). 1H19's non-recurring losses of US\$297.6 million mainly represent the Group's impairment provisions for assets, including the Group's investment in Goodman Fielder Pty Limited ("Goodman Fielder") (US\$280.0 million) and Philex's mining assets (US\$5.2 million).

Head Office Free Cash Flow⁽ⁱ⁾



For the six months ended 30 June	2020	2019
US\$ millions		
Cash dividend and fee income	61.1	68.4
Head Office overhead expense	(6.2)	(9.2)
Net cash interest expense	(28.6)	(37.5)
Tax paid	(0.2)	(0.3)
Net Cash Inflow from Operating Activities	26.1	21.4
Net Investments ⁽ⁱⁱ⁾	(1.0)	(42.5)
Financing activities		
- (Repurchase of bonds)/net borrowings	(1.1)	13.5
- Others ⁽ⁱⁱⁱ⁾	(1.9)	(1.4)
Net Increase/(Decrease) in Cash and Cash Equivalents	22.1	(9.0)
Cash and cash equivalents at 1 January	325.0	89.5
Cash and cash equivalents at 30 June	347.1	80.5

(i) Excludes restricted cash as at 30 June 2020 of US\$0.7 million, 1 January 2020 of US\$0.04 million, 30 June 2019 of US\$0.03 million and 1 January 2019 of US\$0.1 million.

(ii) Principally represent the investments in PLP and Goodman Fielder in 2019.

(iii) Mainly payments for lease liabilities and to the trustee for share purchase scheme.

Group Net Debt and Gearing

Consolidated

	At 30 June 2020			At 31 December 2019		
US\$ millions	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)
Head Office	1,308.6	1,641.1	0.80x	1,330.6	1,740.0	0.76x
Indofood	732.7	4,009.1	0.18x	664.2	3,886.0	0.17x
MPIC	3,756.4	5,009.9	0.75x	3,361.0	4,842.5	0.69x
FPM Power	438.3	(62.5)	-	448.5	-	-
FP Natural Resources	180.0	96.6	1.86x	174.1	167.0	1.04x
Group adjustments ⁽ⁱⁱⁱ⁾	-	(1,767.0)	-	-	(1,877.5)	-
Total	6,416.0	8,927.2	0.72x	5,978.4	8,758.0	0.68x

Associated Companies

	At 30 June 2020			At 31 December 2019		
US\$ millions	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)
PLDT	3,321.2	2,296.6	1.45x	3,321.2	2,296.6	1.45x
Philex	187.2	453.6	0.41x	187.2	453.6	0.41x

(i) Includes short-term deposits and restricted cash.

(ii) Calculated as net debt divided by total equity.

(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments to present the Group as a single economic entity.

Headline Group Data 1H20 & End-June (USD mIn)

**FIRST
PACIFIC**

	Turnover	EBITDA	Core Profit/(Loss)	Gross Debt	Net Debt/(Cash)	Cash On Hand	Gearing (times)	Interest Cover	Total Equity
PLDT	1,715.8	853.9	256.8	4,722.1	3,803.5	918.6	1.59	5.9	2,392.8
MPIC ⁽ⁱ⁾	607.5	313.7	105.6	5,151.6	3,756.4	1,395.2	0.75	2.8	5,002.0
MPIC - Head Office	146.3	127.3	79.0	1,605.1	1,054.0	551.1	0.37	2.8	2,818.1
MPTC	121.6	74.9	18.2	1,580.3	1,277.7	302.6	1.11	2.5	1,155.7
Maynilad	225.8	163.6	70.6	812.3	613.1	199.2	0.57	5.2	1,083.2
Meralco	2,814.1	304.0	209.5	820.8	(922.8)	1,743.6	n/a	n/a	1,598.0
GBPC	213.0	80.7	22.5	600.1	392.7	207.4	0.60	2.8	654.5
Beacon Electric ⁽ⁱⁱ⁾	81.1	81.1	81.1	-	(0.2)	0.2	n/a	n/a	1,853.5
Beacon PowerGen	0.1	(0.0)	(4.9)	177.4	154.0	23.4	0.52	n/a	296.3
FPM Power ⁽ⁱ⁾	253.9	8.4	(3.1)	484.6	438.3	46.3	n/a	n/a	(143.3)
PacificLight Power	253.9	8.5	(13.8)	484.6	438.7	45.9	2.84	n/a	154.5
Philex	72.8	22.3	8.0	205.4	187.1	18.3	0.40	n/a	467.8
PXP Energy	0.1	(1.1)	(0.5)	-	(3.5)	3.5	n/a	n/a	108.8
Indofood ⁽ⁱⁱ⁾	2,671.4	500.8	194.5	1,839.3	732.7	1,106.6	0.18	8.9	4,009.2
ICBP	1,563.3	365.1	214.2	185.2	(439.6)	624.8	n/a	55.3	2,109.5
IndoAgri	466.2	64.5	(10.7)	805.5	616.7	188.8	0.46	n/a	1,346.9
SIMP	466.2	65.7		739.8	554.4	185.4	0.46	0.5	1,216.0
Lonsum	106.2	24.3		-	(112.3)	112.3	n/a	n/a	599.9
Roxas	117.8	5.2	(8.0)	188.1	182.8	5.3	1.04	n/a	175.4
First Pacific - Head Office	139.5	130.1	93.8	1,656.4	1,308.6	347.8	0.80	2.7	1,641.1

(i) Consolidated.

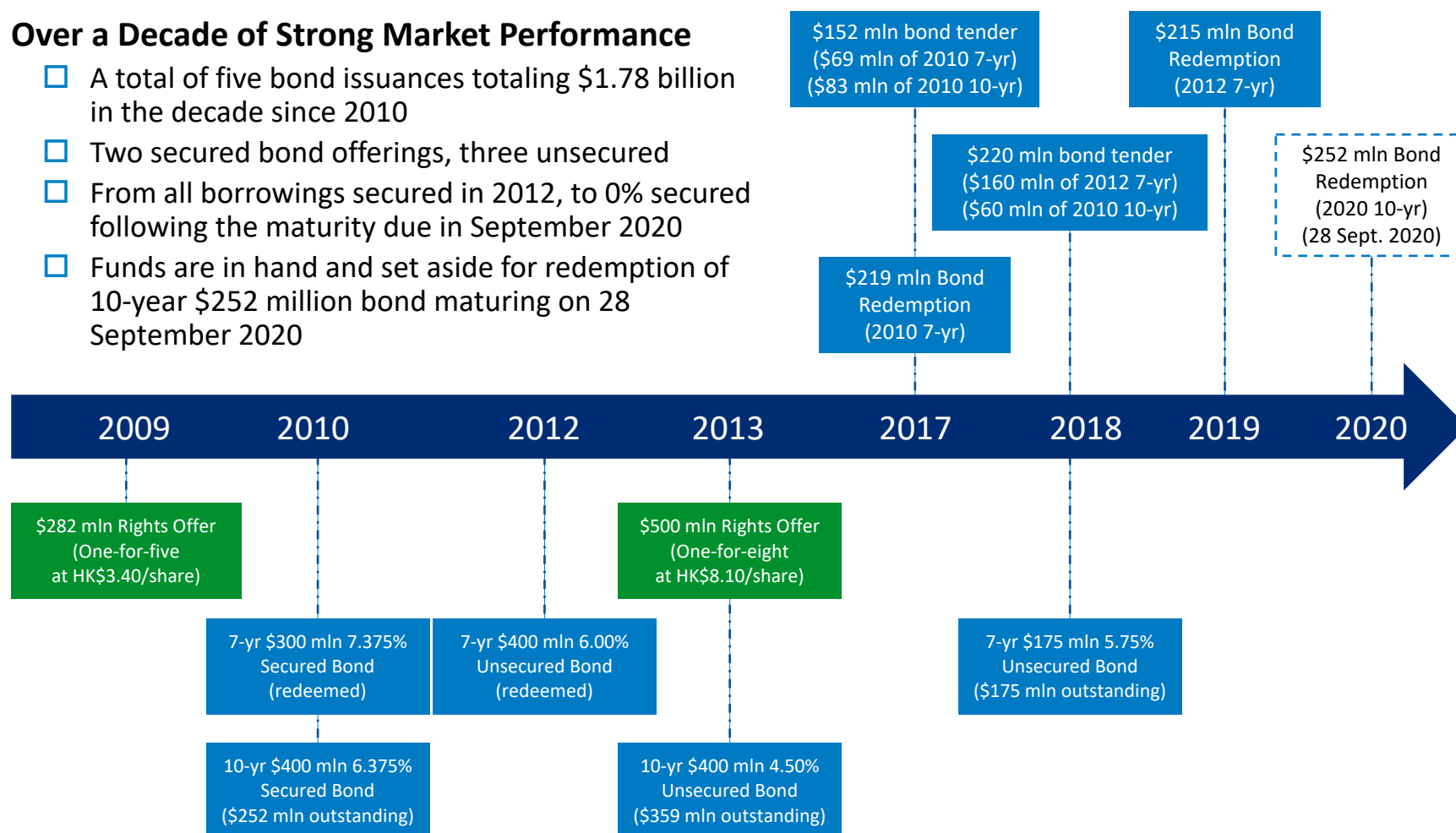
(ii) Excludes preferred shares of Pesos 23.1 billion (US\$464 million).

FX rates vs. USD	PHP	IDR	SGD
Closing	49.83	14,302	1.394
Average	50.55	14,743	1.400

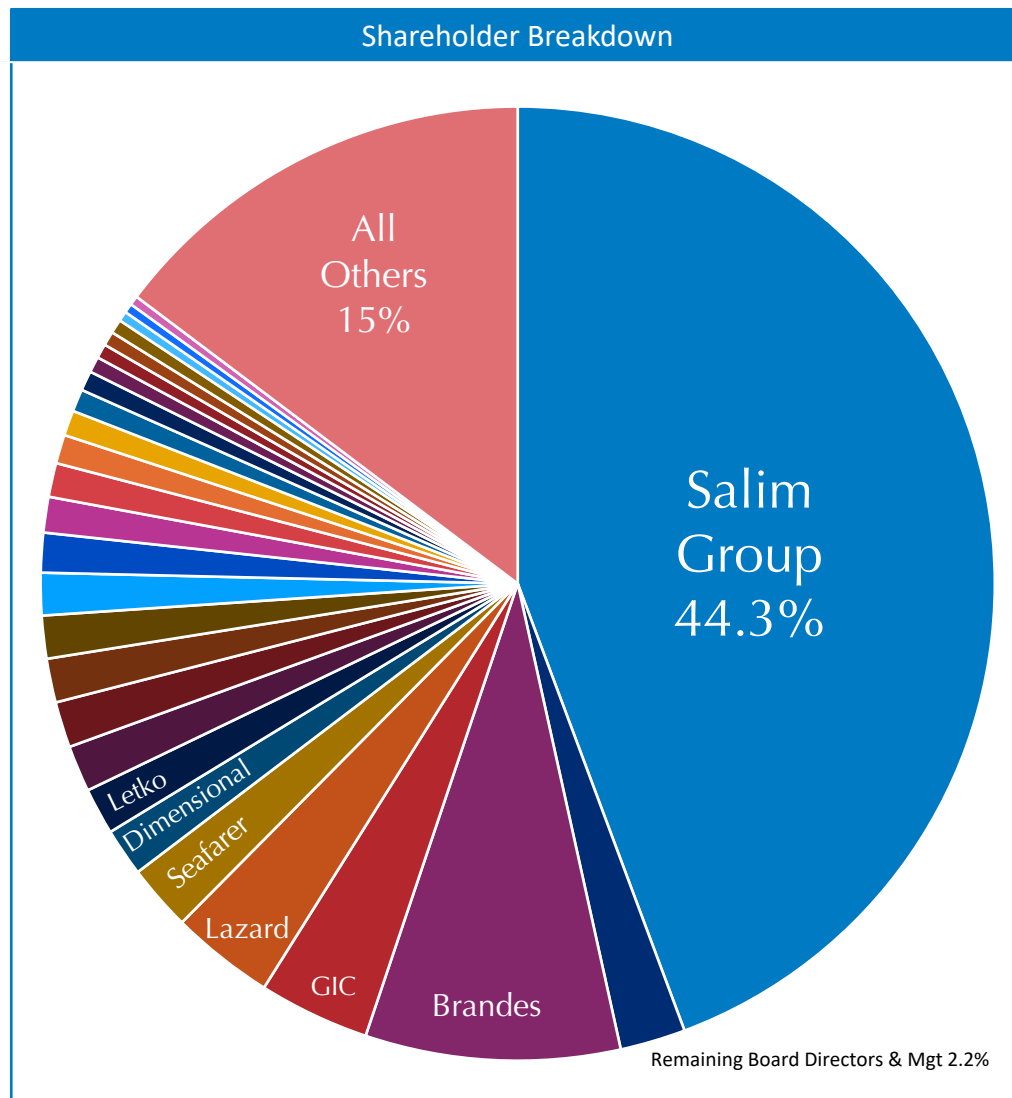
Proven Track Record in the Capital Markets

Over a Decade of Strong Market Performance

- A total of five bond issuances totaling \$1.78 billion in the decade since 2010
- Two secured bond offerings, three unsecured
- From all borrowings secured in 2012, to 0% secured following the maturity due in September 2020
- Funds are in hand and set aside for redemption of 10-year \$252 million bond maturing on 28 September 2020



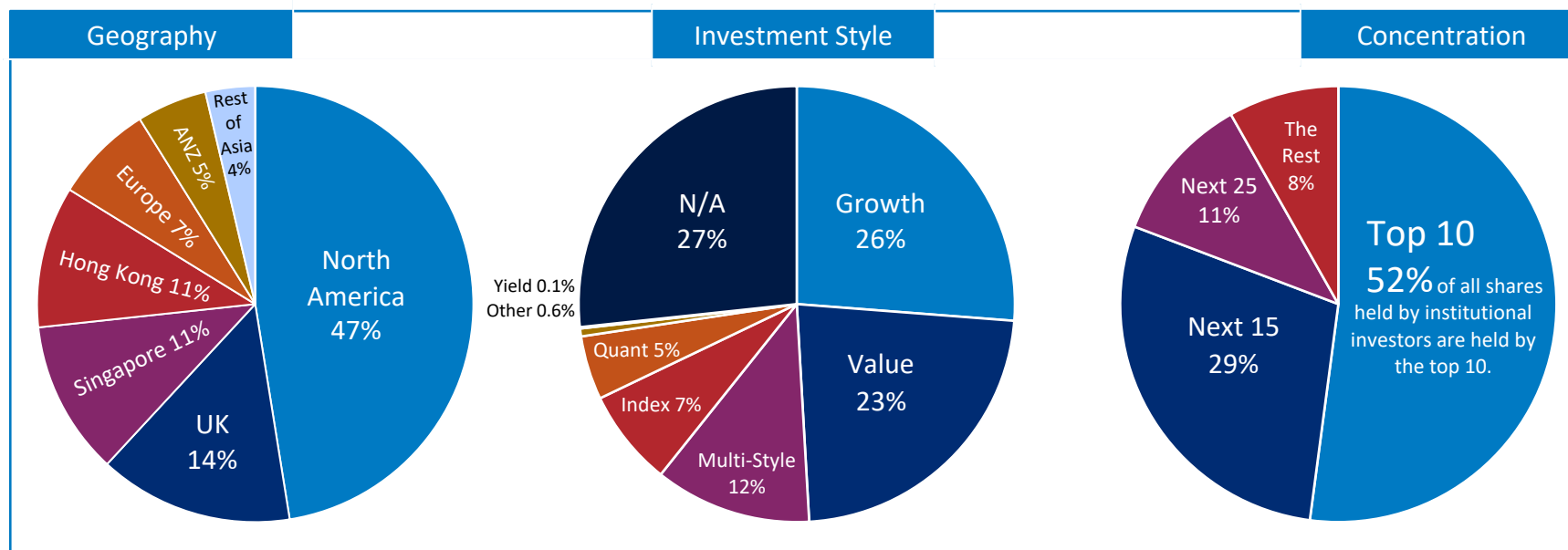
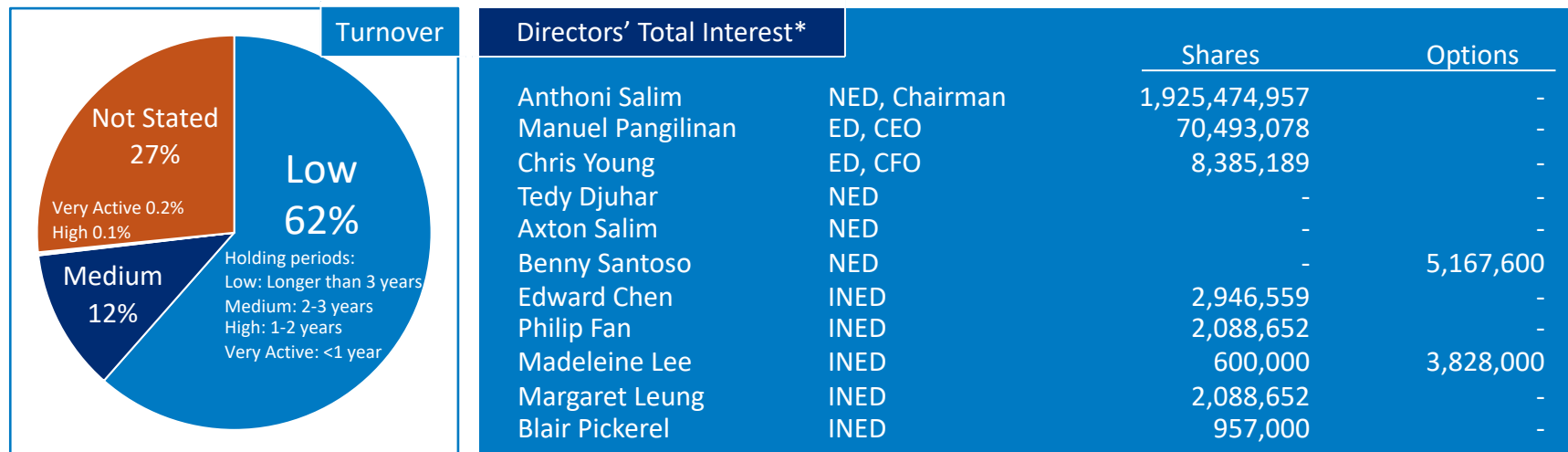
Shareholding Structure of the Company



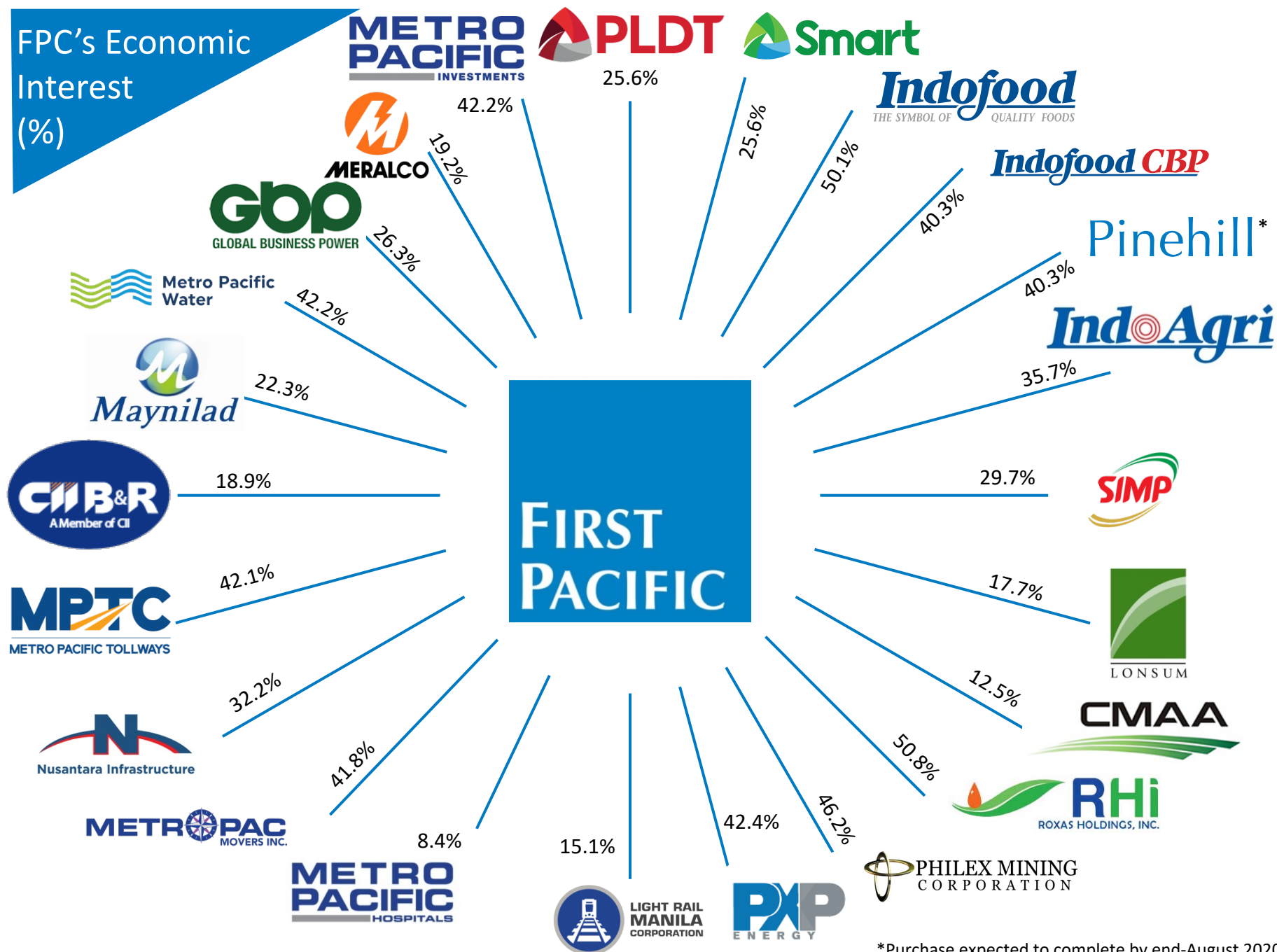
Investor	MIn Shares	% Stake
1 Brandes Investment Partners	375	8.6%
2 GIC Asset Management	163	3.8%
3 Lazard Asset Management	152	3.5%
4 Seafarer Capital Partners	97	2.2%
5 Dimensional Fund Advisors	70	1.6%
6 Letko, Brosseau & Associates	69	1.6%
7 Gokongwei Investors	68	1.6%
8 Oldfield Partners	67	1.6%
9 M&G Investment Management	65	1.5%
10 The Vanguard Group	63	1.5%
11 Marathon Asset Management	62	1.4%
12 Guthrie Venture	58	1.3%
13 Prusik Investment Management	53	1.2%
14 Charles Schwab IM	50	1.1%
15 BlackRock Fund Advisors	42	1.0%
16 Maple-Brown Abbott	37	0.9%
17 Invesco Canada	33	0.8%
18 Hof Hoorneman Bankiers	29	0.7%
19 Nordea Investment Management	23	0.5%
20 Banque Pictet & Cie	21	0.5%
21 Acadian Asset Management	21	0.5%
22 Value Square	21	0.5%
23 City of Bradford District Council	15	0.3%
24 State Street Global Advisors	14	0.3%
25 BofA Securities	14	0.3%

Data as at 29 June 2020, except directors' interest (see next page). Analysis counts 258 institutional shareholders. Total shares out 4,344,931,044; free float 2,320,526,004.

Insider Ownership & Institutional Shareholder Statistics



FPC's Economic Interest (%)



*Purchase expected to complete by end-August 2020.

Notes

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