



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

2021 HALF-YEAR UNAUDITED FINANCIAL RESULTS EARNINGS UP, DISTRIBUTION HIGHER

Highest Interim Recurring Profit in a Decade

*CONTRIBUTION FROM OPERATIONS RISES 26% TO US\$249.2 MLN
RECURRING PROFIT UP 38% TO US\$209.5 MLN, 10-YEAR HIGH
NET PROFIT UP 80% TO US\$181.0 MLN VS. US\$100.6 MLN
TURNOVER ON TRACK TO SET RECORD HIGH FOR FULL YEAR
INTERIM DISTRIBUTION RAISED 29% TO 9.0 HK CENTS/SHARE
ENTERING 12TH CONSECUTIVE YEAR OF 25% MINIMUM PAYOUT RATIO*

Hong Kong, 25th August 2021 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its interim financial results for the six months ended 30th June 2021, showing a rise in contribution from operations, recurring profit, and reported net profit notwithstanding the continuing business and social consequences of the global COVID-19 pandemic.

“Our first-half results testify to the resilience of our core businesses,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. “Looking ahead we can see strong potential for stable earnings growth over the medium to long term.”

First Pacific’s Board of Directors approved an interim distribution of 9.0 HK cents per share, up 2.0 HK cents or 29% from the year-earlier distribution, in line with the Company’s policy of distributing 25% of full-year recurring profit to shareholders. This policy is now entering its 12th year. It was joined in March 2021 by a three-year, US\$100 million share repurchase program to signal the Company’s confidence in the outlook going forward and support shareholder returns.

First Pacific’s 2021 half-year results saw turnover rise 23% to a record high US\$4.2 billion from US\$3.4 billion a year earlier, led by PT Indofood Sukses Makmur Tbk (“Indofood”), one of Indonesia’s largest food producers and one of the largest instant noodle producers in the world. Total contribution from operations increased 26% to US\$249.2 million versus US\$197.4 million on stronger results at nearly all operating companies in the First Pacific Group.

Recurring profit rose 38% to US\$209.5 million, the second-highest ever, from US\$151.7 million in the first half of last year as overall Head Office costs fell 13% to US\$39.7 million from US\$45.7 million thanks largely to an 18% decline in net interest expense. Reported net profit rose 80% to US\$181.0 million versus US\$100.6 million in the year-earlier period.

The Company's basic earnings per share rose 80% to 4.18 U.S. cents (32.6 HK cents) per share in the first half of 2021 from 2.32 U.S. cents (18.1 HK cents) per share in the first half of 2020. Recurring basic earnings per share (based on recurring profit) rose 38% to 4.84 U.S. cents (37.8 HK cents) from 3.50 U.S. cents (27.3 HK cents). In U.S. dollar terms, the interim payout rose to 1.15 U.S. cents from 0.90 U.S. cent.

First Pacific is a leading investment management and 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.

Indofood, the world's largest maker of wheat instant noodles and the biggest food company listed in Indonesia, saw its contribution rise 31% to a record high US\$122.9 million versus US\$93.8 million a year earlier on surging growth in its noodles business following the acquisition of Pinehill Company Limited ("Pinehill") in end-August 2020, a noodle maker based in Africa, the Middle East and Southeast Europe, and double-digit external sales growth at all four Indofood businesses – Consumer Branded Products, the Bogasari flour and pasta division, Agribusiness, and Distribution.

The contribution from PLDT Inc. ("PLDT"), the largest telecommunications services provider in the Philippines, rose 14% to US\$71.2 million from US\$62.5 million as strong demand growth at all three of its main businesses lifted net service revenues by 9% to a record high 89.9 billion Philippine pesos. After spending US\$1 billion or more on capital expenditures on average in every year since 2015, PLDT is seeing its customers respond with explosive growth in demand for data services ranging from home broadband to mobile streaming, and to cloud services and data centers.

The contribution from Metro Pacific Investments Corporation ("MPIC") rose 12% to US\$49.9 million from US\$44.4 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 and water distributors to its largest toll road network and private hospital group.

Philex Mining Corporation ("Philex") more than tripled its contribution to US\$6.9 million on sharply higher prices for the copper it produces and higher prices for its gold, notwithstanding lower production volumes of both metals as a result of lower recoveries and concentrations.

PacificLight Power Pte. Ltd. ("PLP") contributed US\$2.8 million profit to First Pacific in the first half of 2021 as higher non-fuel margin for electricity sales, gradual economic recovery and the development of data centres in Singapore contributed to demand growth. In the previous period, PLP contributed a loss of US\$1.8 million.

Following contributions from operating companies to First Pacific's earnings, corporate overheads increased 4% to US\$9.8 million from US\$9.4 million, the interest bill fell 18% to US\$25.8 million versus US\$31.5 million in the year-earlier period, and other expenses fell 15% to US\$4.1 million from US\$4.8 million. First Pacific Head Office recorded foreign exchange losses of US\$2.9 million versus a gain of US\$1.0 million a year earlier and foreign exchange losses from operating units were US\$19.6 million versus a gain of US\$3.5 million.

First Pacific received US\$68.0 million in dividend and fee income from its operating companies in the first half of the year, up 11% from US\$61.1 million received a year earlier.

At 30th June 2021, net debt at the Head Office was approximately US\$1.3 billion, little changed from the end of 2020, with cash on hand of US\$132.0 million, up from US\$111.4 million. Fixed-rate debt made up 74% of the total, with floating-rate debt making up the remaining 26%. First Pacific's blended interest cost amounted to 3.5%, unchanged from year-end while the average maturity of its debt was 3.4 years versus 3.9 years at the end of 2020.

Up to the end of July, the Company spent US\$9.5 million since the launch of its US\$100 million share repurchase program at the end of March and remains fully committed to this three-year program.

OUTLOOK

"We were unable for safety reasons to mark our 40th anniversary as a company earlier this year though there are achievements to commemorate," Pangilinan said. "The management and Board of Directors are grateful that the Company is able to mark this milestone with record financial numbers notwithstanding the continuing uncertainty posed by the ongoing COVID-19 pandemic. We are pleased to increase our semi-annual distribution for a third time in a row even as we expand the Company's return to shareholders with our biggest share repurchase program in a decade. We anticipate that these will be welcomed by our shareholders and the wider market.

"Our core holdings of Indofood, PLDT and MPIC continue to be a stable source of your Company's strength. Looking ahead, we are cautiously optimistic for the prospects of these businesses lying at the core of First Pacific," he said.

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

REVIEW OF OPERATIONS

Indofood reported a 37% increase in core profit to a record high Rp3.9 trillion from Rp2.9 trillion a year earlier largely because of strong sales growth at the Consumer Branded Products, Bogasari, and Edible Oils and Fats businesses and the inclusion of Pinehill sales.

More details are available at www.indofood.com.

PLDT reported a 10% increase in telco core income to ₱15.2 billion from ₱13.9 billion in the first half of 2020 on service revenues rising 9% to a record high of ₱91.6 billion versus ₱83.5 billion as consumer and business demand for data and broadband services continued to surge under conditions of COVID-19 pandemic.

More details are available at www.pldt.com.

MPIC reported a 13% increase in core income to ₱6.0 billion from ₱5.3 billion a year earlier on contribution growth led by its toll road, power and hospitals businesses.

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

Philex reported a near-tripling in core income to ₱1.1 billion from ₱402 million a year earlier on higher prices of copper and gold produced.

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

Further information and analysis

Attached to this news release are:

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

More details about the earnings of First Pacific and of its operating companies can be found on www.firstpacific.com under the Investor Relations tab. The 2021 Interim Report will be posted to the website and to shareholders before the end of September 2021.

Corporate Profile

First Pacific is a Hong Kong-based investment management and 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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CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	2021	2020
	US\$m	(Restated) US\$m
Turnover	4,226.0	3,437.7
Cost of sales	(2,855.7)	(2,365.3)
Gross profit	1,370.3	1,072.4
Selling and distribution expenses	(354.9)	(304.0)
Administrative expenses	(354.8)	(289.1)
Other operating expenses, net	(66.2)	(47.4)
Interest income	19.8	38.1
Finance costs	(233.9)	(205.4)
Share of profits less losses of associated companies and joint ventures	167.3	148.3
Profit before taxation from continuing operations	547.6	412.9
Taxation	(140.7)	(151.9)
Profit for the period from continuing operations	406.9	261.0
Profit for the period from a discontinued operation	90.7	37.9
Profit for the period	497.6	298.9
Profit attributable to:		
Owners of the parent	181.0	100.6
Non-controlling interests	316.6	198.3
	497.6	298.9
Profit attributable to owners of the parent arising from:		
Continuing operations	147.7	93.4
A discontinued operation	33.3	7.2
	181.0	100.6
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic		
Continuing operations	3.41	2.15
A discontinued operation	0.77	0.17
	4.18	2.32
Diluted		
Continuing operations	3.40	2.15
A discontinued operation	0.77	0.17
	4.17	2.32

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2021 (Unaudited) US\$m	At 31 December 2020 (Audited) US\$m
Non-current assets		
Property, plant and equipment	3,986.4	4,038.1
Biological assets	21.8	22.2
Associated companies and joint ventures	5,264.1	5,314.4
Goodwill	4,251.1	4,366.3
Other intangible assets	6,121.7	5,927.3
Investment properties	9.2	9.3
Accounts receivable, other receivables and prepayments	149.4	63.9
Financial assets at fair value through other comprehensive income	455.8	426.0
Deferred tax assets	88.3	110.1
Other non-current assets	655.8	687.5
	21,003.6	20,965.1
Current assets		
Cash and cash equivalents and short-term deposits	2,638.0	2,377.8
Restricted cash	33.6	50.2
Financial assets at fair value through other comprehensive income	107.6	3.3
Accounts receivable, other receivables and prepayments	1,296.5	1,073.9
Inventories	930.6	835.6
Biological assets	49.8	55.7
	5,056.1	4,396.5
Assets classified as held for sale	-	1,582.0
	5,056.1	5,978.5
Current liabilities		
Accounts payable, other payables and accruals	1,722.9	1,552.8
Short-term borrowings	1,808.8	1,659.7
Provision for taxation	119.0	180.6
Current portion of deferred liabilities, provisions and payables	1,172.0	593.9
	4,822.7	3,987.0
Liabilities directly associated with the assets classified as held for sale	-	843.8
	4,822.7	4,830.8
Net current assets	233.4	1,147.7
Total assets less current liabilities	21,237.0	22,112.8
Equity		
Issued share capital	43.2	43.4
Shares held for share award scheme	(2.0)	(2.4)
Retained earnings	1,784.1	1,604.4
Other components of equity	1,358.3	1,494.6
Equity attributable to owners of the parent	3,183.6	3,140.0
Non-controlling interests	7,253.3	7,488.5
Total equity	10,436.9	10,628.5
Non-current liabilities		
Long-term borrowings	8,896.2	8,973.9
Deferred liabilities, provisions and payables	1,525.9	2,111.3
Deferred tax liabilities	378.0	399.1
	10,800.1	11,484.3
	21,237.0	22,112.8

CONTRIBUTION AND PROFIT SUMMARY

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2021	2020 (Restated) ⁽ⁱⁱ⁾	2021	2020
Indofood	3,293.4	2,671.4	122.9	93.8
PLDT ⁽ⁱⁱⁱ⁾	-	-	71.2	62.5
MPIC	448.5	394.5	49.9	44.4
Philex ⁽ⁱⁱⁱ⁾	-	-	6.9	2.2
FPM Power	412.9	253.9	2.8	(1.8)
FP Natural Resources	71.2	117.9	(4.5)	(3.7)
Contribution from operations^(iv)	4,226.0	3,437.7	249.2	197.4
Head Office items:				
– Corporate overhead			(9.8)	(9.4)
– Net interest expense			(25.8)	(31.5)
– Other expenses			(4.1)	(4.8)
Recurring profit^(v)			209.5	151.7
Foreign exchange and derivative (losses)/gains, net ^(vi)			(22.5)	4.5
Loss on changes in fair value of biological assets			(0.6)	(2.2)
Non-recurring items ^(vii)			(5.4)	(53.4)
Profit attributable to owners of the parent			181.0	100.6

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

(ii) The Group has restated its 1H20 turnover to US\$3,437.7 million from US\$3,650.7 million following the classification of Global Business Power Corporation (“GBPC”) as a disposal group held for sale and as a discontinued operation in December 2020.

(iii) Associated companies.

(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, loss on changes in fair value of biological assets 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/assets 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. 1H21’s non-recurring losses of US\$5.4 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 GBPC (US\$28.7 million) and disposal of Don Muang Tollway Public Company Limited (US\$9.6 million). 1H20’s non-recurring losses of US\$53.4 million mainly represent impairment provisions for the Group’s investment in Roxas Holdings, Inc. (US\$32.0 million) and PLDT’s investment in iflix Limited (US\$3.0 million), and PLP’s provisions for take-or-pay obligation and onerous contracts (US\$5.3 million).