



INVESTOR FACT SHEET: NOVEMBER 2021

Company Overview

Vitarich Corporation (PSE: VITA) is a pioneer, agribusiness partner, and leader in the animal feeds industry in the Philippines. Recognized with international standards for sanitation, food safety, and quality, VITA operates in three primary industry segments: feeds, foods, and farms.

Investment Highlights

Experienced leadership team with extensive industry expertise

- + Diverse skills and experience ranging from technical (veterinary, nutrition, R&D) to creative (marketing, strategy) with strong execution track record and deep commitment to leading by example and living our values

Scalable operations with multiple growth levers and advantaged synergies

- + Integrated business model and deep technical expertise enhanced by technology advancements enables scalability and quick responses to critical events, such as natural disasters, and outbreaks of diseases
- + Company culture and Lifetime Profitable Partnership™ gain long-standing stakeholder relationships (≥5 years), including 1,100+ feed distributors, 140+ contract growers, suppliers, and key accounts—demonstrating a sustainability approach that translates to clear benefits for all

Attractive Philippine economy and demographics, and rising domestic prospects for poultry

- + Over 109 million population with annual growth rate of 1.6%—fastest in Southeast Asia and second in Asia Pacific
- + Annual GDP growth averaging 6.3% (2011–2019) driven by household consumption, higher wages, remittances, and low interest rates
- + Rising incomes and ongoing urbanization to intensify demand for meat, processed and convenience food, and food service¹
- + Poultry meat consumption to rise as income increases and become a popular substitute for other meats, while pork remains a common choice for Filipinos

Focused on accelerating growth while maintaining financial discipline

- + 25% 4-year revenue CAGR (2015-2019)
- + 9M 2021 revenues highest in history

- + Low debt of P397.3M (of which P104.5M is long term) with borrowing cost of 5.25% to 6.25%
- + Consistent cash generation and efficient working capital with cash conversion cycle of 6 days
- + Mid-term outlook of progressive margin expansion and net income CAGR of at least 30% (2019-2026)

Growth Strategies

Grow the core

- + Add new OEM accounts, and deepen businesses with many of our existing hotels, restaurants, institutional customers through joint product development, customization, and collaborative supply chain demand planning
- + Expand downstream by focusing on our Cook's brand and introducing ready-to-cook lines in Greater Manila, Central Luzon, and Bicol

Diversify into adjacent opportunities

- + Following African swine fever, capture domestic opportunities in hog repopulation and pork meat market by replicating our poultry contract growing operations and building on our large geographical footprint and trusted partnerships

Transform the cost base and deliver profitable growth

- + Manage raw materials volatility and save on lease payments by developing more warehouses
- + Consolidate feed milling in Luzon
- + Offset upward pressure on costs through automation, further integration, innovation, supply chain optimization, and continual assessment for improvements in feeds formulation and efficiency

Invest and adapt for the future

- + Invest approximately P670M in CAPEX until 2022 to:
 - 1) Construct a new feed mill plant in Davao, adding +60% capacity to 473,200 MT by 2024
 - 2) Upgrade dressing plant facilities in Bulacan to double site capacity, and build a central kitchen
 - 3) Implement operations automation and information systems which began in 2017

Create shared value for Philippines' food self-sufficiency

History

1950s	Brothers Feliciano, Lorenzo, and Pablo Sarmiento founded Philippine American Milling Co Inc and later incorporated Vitarich Corporation in 1962
1970s to 1980s	Built dressing plant and cold storage facilities and expanded to Visayas and Mindanao, including Davao, Cagayan de Oro, Iloilo, and Bacolod
1995	Listed on the Philippine Stock Exchange
2007	Entered corporate rehabilitation where the aggregate debt of P3.2B was restructured to allow longer payment terms and lower interest rates
2016	Ricardo Manuel M. Sarmiento became President and CEO Granted successful exit from corporate rehabilitation on September 16 (6 years ahead of schedule)

Key Milestones (post-rehabilitation)

2017	Opened a new feed mill in Davao under a lease agreement, automated the feed mill facilities in Iloilo, and introduced a new distribution system for commercial feeds Approved the: - issuance of authorized and existing but unissued capital stock of P267,836,113 with a par value of P1/share; - conversion of P407,110,891 debt to Kormasinc into equity at a 1:1.52 ratio and its application as full payment to the 267,836,113 shares issued
2018	Launched new product lines for hog and layer feeds Received SEC approval of: - decrease in capital stock from P3.5B at P1.00/share par value to P1.33B at P0.38 par; - equity restructuring to wipe out the capital deficit of P2,256,037,517 against additional paid-in capital
2019	Acquired Davao feed mill, and widened hatchery and poultry operations in Rizal and Bicol
2020	Expanded Cook's portfolio in Central Luzon and launched <i>Freshly Frozen</i> line
2021	Continued the development of Cook's value-added products

Financial Highlights

(in PHP millions)	9M21	2020	2019
Revenues	7,310	7,682	8,439
By Segment			
Foods	3,099	3,119	4,032
Feeds	3,412	4,109	3,941
Farms	799	455	466
By Customer			
Commercial	4,538	3,906	4,378
Retail	2,773	3,776	4,061
By Geography			
Luzon	3,549	3,511	3,746
Mindanao	2,579	2,962	3,378
Visayas	911	1,209	1,314
EBITDA	321	222	386
Net income	180	9	129
Earnings per share	0.059	0.003	0.042
Bank debt	397	278	532
Cash conversion cycle (days)	6	1	23

Operating Data

	9M21	2020	2019
Feeds production (MT)	147,289	209,739	215,727
Foods production (MT)	26,260	29,467	36,085
Feeds utilization	74%	72%	77%
Foods utilization	73%	70%	84%

Leadership

Jose Vicente C. Bengzon III

Chairman of the Board

Ricardo Manuel M. Sarmiento

President and CEO

Stephanie Nicole Sarmiento-Garcia

Treasurer and Corporate Services

Reynaldo D. Ortega

Poultry, Food, and Feed Sales

Alicia G. Danque

Supply Chain

Emmanuel S. Manalang

Nutrition and R&D

Marian A. Dionisio

Comptroller

Market Data and Ownership Structure

Market Capitalization	PHP2.4B / USD47.4M
Outstanding shares	3,054,334,014
Free float (%)	25.92%
Major shareholders	
<i>Kormasinc, Inc.</i>	48.47%
<i>Chocoholic Holdings, Inc.</i>	23.10%