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Antonio E.S. Ungson

**+65 6324 6822**

Company Telephone Number \_\_\_\_\_

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **October 31, 2022**
2. Commission identification number. **N/A**
3. BIR Tax Identification No. **N/A**
4. Exact name of issuer as specified in its charter **Del Monte Pacific Limited**
5. **British Virgin Islands**  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code:  (SEC Use Only)
7. c/o Philippine Resident Agent,  
Craigmuir Chambers, PO Box 71 Road Town,  
Tortola, British Virgin Islands Postal Code
8. **+65 6324 6822**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	1,943,960,024
Preference Shares	10,000,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ / ] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Singapore Exchange Securities Trading Limited - Ordinary Shares  
Philippine Stock Exchange - Ordinary and Preference Shares

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [ / ]    No [   ]

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ / ]    No [   ]

## **PART I--FINANCIAL INFORMATION**

### **Item 1. Financial Statements.**

Please refer to the Financial Statements (FS) section of this report, FS to FS64

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this report.

## **PART II--OTHER INFORMATION**

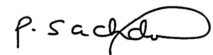
Not Applicable

## **SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **Del Monte Pacific Limited**

Signature and Title



Parag Sachdeva  
Chief Financial Officer and Duly Authorized Officer

Date

December 7, 2022

**Del Monte Pacific Limited and its Subsidiaries**

Unaudited Interim Condensed Consolidated  
Financial Statements  
As at 31 October 2022  
and for the Periods Ended 31 October 2022 and 2021  
(With Comparative Audited Consolidated Statement of  
Financial Position as at 30 April 2022)

**Del Monte Pacific Limited and its Subsidiaries**  
*Unaudited Interim Condensed Consolidated Financial Statements*  
*As at 31 October 2022 and for the three-month and six-month periods ended 31 October 2022 and 2021*

**Unaudited Interim Consolidated Statements of Financial Position**

(With Comparative Audited Figures as at 30 April 2022)

	Note	As at 31 October 2022 US\$'000 (Unaudited)	As at 30 April 2022 US\$'000 (Audited)
<b>Noncurrent assets</b>			
Property, plant and equipment – net	6	564,025	577,647
Right-of-use assets	30	107,467	123,539
Investments in joint ventures	8	18,714	17,172
Intangible assets and goodwill	7	754,532	688,047
Deferred tax assets – net	22	118,863	116,745
Biological assets	10	2,640	2,735
Pension assets		8,340	9,799
Other noncurrent assets	9	26,847	30,411
		<b>1,601,428</b>	<b>1,566,095</b>
<b>Current assets</b>			
Biological assets	10	45,933	47,346
Inventories	11	1,250,423	685,958
Trade and other receivables	12, 24	322,318	214,553
Prepaid expenses and other current assets	13	49,393	49,052
Cash and cash equivalents	14, 24	19,482	21,853
		<b>1,687,549</b>	<b>1,018,762</b>
<b>Total assets</b>		<b>3,288,977</b>	<b>2,584,857</b>
<b>Equity</b>			
Share capital	28	29,449	29,449
Share premium		298,339	298,339
Retained earnings		122,820	140,320
Reserves	15	(59,831)	(42,541)
Equity attributable to owners of the Company		<b>390,777</b>	<b>425,567</b>
Non-controlling interests		65,327	69,138
<b>Total equity</b>		<b>456,104</b>	<b>494,705</b>
<b>Noncurrent liabilities</b>			
Loans and borrowings	16, 24	1,000,659	1,088,012
Lease liabilities	30	82,945	91,771
Employee benefits		24,927	24,342
Environmental remediation liabilities	19	203	203
Deferred tax liabilities – net	22	7,082	12,421
Other noncurrent liabilities	17	21,695	23,023
		<b>1,137,511</b>	<b>1,239,772</b>
<b>Current liabilities</b>			
Loans and borrowings	16, 24	1,056,362	479,354
Lease liabilities	30	21,213	29,549
Employee benefits		32,940	36,958
Trade and other current liabilities	20, 24	581,512	302,833
Current tax liabilities		3,335	1,686
		<b>1,695,362</b>	<b>850,380</b>
<b>Total liabilities</b>		<b>2,832,873</b>	<b>2,090,152</b>
<b>Total equity and liabilities</b>		<b>3,288,977</b>	<b>2,584,857</b>

## Unaudited Interim Consolidated Statements of Income

	Note	Three months ended		Six months ended	
		31 October		31 October	
		2022	2021	2022	2021
		US\$'000	US\$'000	US\$'000	US\$'000
Revenue	4, 21	<b>698,923</b>	650,991	<b>1,155,510</b>	1,113,125
Cost of sales		<b>(493,648)</b>	(472,510)	<b>(818,499)</b>	(801,224)
<b>Gross profit</b>	4	<b>205,275</b>	178,481	<b>337,011</b>	311,901
Distribution and selling expenses		<b>(65,611)</b>	(60,078)	<b>(115,256)</b>	(102,896)
General and administrative expenses	27	<b>(35,783)</b>	(33,914)	<b>(69,881)</b>	(66,062)
Other income (expense) – net		<b>(676)</b>	(1,256)	<b>1,761</b>	(2,937)
<b>Results from operating activities</b>		<b>103,205</b>	83,233	<b>153,635</b>	140,006
Finance income	33	<b>452</b>	(83)	<b>2,775</b>	1,643
Finance expense	33	<b>(28,862)</b>	(27,437)	<b>(123,978)</b>	(53,881)
Net finance expense		<b>(28,410)</b>	(27,520)	<b>(121,203)</b>	(52,238)
Share in net loss of joint ventures	4	<b>(714)</b>	(508)	<b>(46)</b>	(1,550)
<b>Profit (loss) before taxation</b>	4	<b>74,081</b>	55,205	<b>32,386</b>	86,218
Tax expense – current	22	<b>(4,957)</b>	(3,988)	<b>(14,026)</b>	(10,571)
Tax benefit (expense) – deferred	22	<b>(14,159)</b>	(10,540)	<b>5,855</b>	(12,890)
	22	<b>(19,116)</b>	(14,528)	<b>(8,171)</b>	(23,461)
<b>Profit (loss) for the period</b>		<b>54,965</b>	40,677	<b>24,215</b>	62,757
<b>Profit (loss) attributable to:</b>					
Non-controlling interest		<b>5,441</b>	4,876	<b>5,214</b>	8,634
Owners of the Company		<b>49,524</b>	35,801	<b>19,001</b>	54,123
		<b>54,965</b>	40,677	<b>24,215</b>	62,757
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share (U.S. cents)	29	<b>2.46</b>	1.59	<b>0.81</b>	2.28
Diluted earnings (loss) per share (U.S. cents)	29	<b>2.46</b>	1.59	<b>0.81</b>	2.28

## Unaudited Interim Consolidated Statements of Comprehensive Income

	Three months ended 31 October		Six months ended 31 October	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Profit (loss) for the period</b>	<b>54,965</b>	40,677	<b>24,215</b>	62,757
<b>Other comprehensive income (loss)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Share in remeasurement of retirement plans	74	–	106	24
Tax impact on share in remeasurement of retirement plans	(11)	–	(15)	(3)
	<b>63</b>	–	<b>91</b>	21
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share in currency translation differences	(9,788)	(1,140)	(19,584)	(8,162)
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	(459)	(1,438)	(424)	60
Tax impact on share in cash flow hedges	115	352	106	(15)
	<b>(10,132)</b>	(2,226)	<b>(19,902)</b>	(8,117)
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>(10,069)</b>	(2,226)	<b>(19,811)</b>	(8,096)
<b>Total comprehensive income (loss) for the period</b>	<b>44,896</b>	38,451	<b>4,404</b>	54,661
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the Company	40,721	33,787	1,711	47,072
Non-controlling interests	4,175	4,664	2,693	7,589
	<b>44,896</b>	38,451	<b>4,404</b>	54,661

*The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.*



**Unaudited Interim Consolidated Statements of Changes in Equity**  
**Six months ended 31 October 2022 and 2021**

	<----- Attributable to owners of the Company ----->											
	Share capital US\$'000 (Note 28)	Share premium US\$'000 (Note 28)	Translation reserve US\$'000	Revalua- tion reserve US\$'000	Remeasure- ment of retirement plans US\$'000	Hedging reserve US\$'000	Share option reserve US\$'000	Reserve for own shares US\$'000	Retained earnings US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Fiscal Year 2023</b>												
At 1 May 2022	29,449	298,339	(95,322)	14,278	43,752	(4,963)	—	(286)	140,320	425,567	69,138	494,705
<b>Total comprehensive income (loss) for the period</b>												
Loss for the period (Note 29)	—	—	—	—	—	—	—	—	19,001	19,001	5,214	24,215
<b>Other comprehensive income (loss)</b>												
Currency translation differences	—	—	(17,071)	—	—	—	—	—	—	(17,071)	(2,513)	(19,584)
Remeasurement of retirement plans	—	—	—	—	79	—	—	—	—	79	12	91
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	—	(298)	—	—	—	(298)	(20)	(318)
<b>Total other comprehensive income (loss)</b>	—	—	(17,071)	—	79	(298)	—	—	—	(17,290)	(2,521)	(19,811)
<b>Total comprehensive income (loss) for the period</b>	—	—	(17,071)	—	79	(298)	—	—	19,001	1,711	2,693	4,404
<b>Transactions with owners of the Company recognized directly in equity</b>												
<b>Contributions by and distributions to owners of the Company</b>												
Payment of dividends	—	—	—	—	—	—	—	—	(36,501)	(36,501)	(6,504)	(43,005)
<b>At 31 October 2022</b>	29,449	298,339	(112,393)	14,278	43,831	(5,261)	—	(286)	122,820	390,777	65,327	456,104

*The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.*

**Unaudited Interim Consolidated Statements of Changes in Equity**  
**Six months ended 31 October 2022 and 2021**

	<----- Attributable to owners of the Company ----->											
	Share capital US\$'000 (Note 28)	Share premium US\$'000 (Note 28)	Translation reserve US\$'000	Revalua- -tion reserve US\$'000	Remeasure- ment of retirement plans US\$'000	Hedging reserve US\$'000	Share option reserve US\$'000	Reserve for own shares US\$'000	Retained earnings US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Fiscal Year 2022</b>												
At 1 May 2021	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
<b>Total comprehensive income (loss) for the period</b>												
Profit for the period (Note 23)	—	—	—	—	—	—	—	—	54,123	54,123	8,634	62,757
<b>Other comprehensive income</b>												
Currency translation differences	—	—	(7,113)	—	—	—	—	—	—	(7,113)	(1,049)	(8,162)
Remeasurement of retirement plans	—	—	—	—	20	—	—	—	—	20	1	21
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	—	42	—	—	—	42	3	45
<b>Total other comprehensive income (loss)</b>	—	—	(7,113)	—	20	42	—	—	—	(7,051)	(1,045)	(8,096)
<b>Total comprehensive income (loss) for the period</b>	—	—	(7,113)	—	20	42	—	—	54,123	47,072	7,589	54,661
<b>Transactions with owners of the Company recognized directly in equity</b>												
<b>Contributions by and distributions to owners of the Company</b>												
Payment of dividends	—	—	—	—	—	—	—	—	(33,185)	(33,185)	(3,608)	(36,793)
<b>Total contributions by and distributions to owners</b>	—	—	—	—	—	—	—	—	(33,185)	(33,185)	(3,608)	(36,793)
<b>At 31 October 2021</b>	<b>49,449</b>	<b>478,339</b>	<b>(89,084)</b>	<b>14,278</b>	<b>35,069</b>	<b>1,266</b>	<b>1,753</b>	<b>(286)</b>	<b>104,287</b>	<b>595,071</b>	<b>65,293</b>	<b>660,364</b>

*The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.*

**Unaudited Interim Consolidated Statements of Cash Flows**

		<b>Six months ended</b>	
		<b>31 October</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>			
Profit (loss) for the period		<b>24,215</b>	62,757
Adjustments for:			
Depreciation of property, plant and equipment	26	<b>74,714</b>	77,361
Amortization of right-of-use assets		<b>17,241</b>	19,909
Amortization of intangible assets	7, 26	<b>3,400</b>	3,325
Impairment loss (reversal) on property, plant and equipment	6	–	33
Loss/(Gain) on disposal of property, plant and equipment		<b>(110)</b>	(94)
Share in net loss (profit) of joint ventures	4	<b>46</b>	1,550
Net gain/(loss) on derivative financial instrument		–	(324)
Finance income*	33	<b>(2,775)</b>	(1,643)
Finance expense*	33	<b>53,107</b>	53,881
Redemption fee on Senior Secured Loans	33	<b>44,530</b>	–
Write-off of deferred financing costs	33	<b>26,341</b>	–
Tax expense – current	22	<b>14,026</b>	10,571
Tax expense – deferred	22	<b>(5,855)</b>	12,890
		<b>248,880</b>	240,216
Changes in:			
Other assets		<b>(962)</b>	(6,309)
Inventories		<b>(569,551)</b>	(329,838)
Biological assets		<b>(3,420)</b>	(1,464)
Trade and other receivables		<b>(115,785)</b>	(91,035)
Prepaid expenses and other current assets		<b>(1,269)</b>	(7,376)
Trade and other payables		<b>303,709</b>	113,706
Employee benefits		<b>(4,186)</b>	(5,553)
<b>Operating cash flows</b>		<b>(142,584)</b>	(87,653)
Taxes paid		<b>(9,800)</b>	(8,146)
<b>Net cash flows used in operating activities</b>		<b>(152,384)</b>	(95,799)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	<b>(90,336)</b>	(89,118)
Proceeds from disposal of property, plant and equipment		<b>93</b>	211
Purchase of intellectual property	7	<b>(69,886)</b>	–
Interest received		<b>1,073</b>	534
Investment in new joint venture	8	<b>(1,462)</b>	(189)
<b>Net cash flows used in investing activities</b>		<b>(160,518)</b>	(88,562)

*(continued on next page)*

\*Includes foreign exchange gains and losses

**Unaudited Interim Consolidated Statements of Cash Flows (continued)**

		<b>Six months ended</b>	
		<b>31 October</b>	
	<b>Note</b>	<b>2022</b>	<b>2022</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		<b>1,572,859</b>	1,559,547
Repayment of borrowings		<b>(1,060,957)</b>	(1,264,215)
Interest paid		<b>(70,247)</b>	(43,240)
Payments of lease liabilities		<b>(21,442)</b>	(20,703)
Dividends paid		<b>(43,005)</b>	(36,793)
Redemption fee on Senior Secured Loans	33	<b>(44,530)</b>	–
Payment of debt related costs		<b>(16,526)</b>	–
<b>Net cash flows provided by (used in) financing activities</b>		<b>316,152</b>	194,596
<b>Net decrease in cash and cash equivalents</b>		<b>3,250</b>	10,235
Cash and cash equivalents at beginning of period		<b>21,853</b>	29,435
Effect of exchange rate changes on balances held in foreign currency		<b>(5,621)</b>	(2,422)
<b>Cash and cash equivalents at end of period</b>	14	<b>19,482</b>	37,248

## **Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

These notes form an integral part of the unaudited interim condensed consolidated financial statements.

### **1. Domicile and activities**

Del Monte Pacific Limited (the “Company”) was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands.

The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, fresh pineapples, sauces, condiments, pasta, broth and juices, mainly under the brand names of “Del Monte”, “S&W”, “Today’s”, “Contadina”, “College Inn”, “Kitchen Basics” and other brands. The Company’s subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited (“NAPL”), and the indirect shareholders of which are NutriAsia Inc. (“NAI”) and Well Grounded Limited (“WGL”), which at 31 October 2022 and 30 April 2022, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. (“PSE”) on 10 June 2013. The first tranche of the Company’s Preference Shares (Series A-1) was listed on 7 April 2017 and the second tranche (Series A-2) on 15 December 2017. On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares (see Note 16).

On 6 August 2010, the Company established DM Pacific Limited-ROHQ (“ROHQ”), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Securities and Exchange Commission (“SEC”) to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

The consolidated financial statements of the Group as at and for the periods ended 31 October 2022 and 2021 comprise the Company and its subsidiaries (together referred to as the “Group”, and individually as “Group entities”), and the Group’s interests in joint ventures.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

The accompanying unaudited interim condensed consolidated financial statements as at 31 October 2022 and for the three months and six months ended 31 October 2022 and 2021 have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2022 annual audited consolidated financial statements, comprising the consolidated statements of financial position as at 30 April 2022 and 2021 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 April 2022, 2021, and 2020.

### **2.2 Basis of measurement**

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the succeeding notes below.

### **2.3 Functional and presentation currency**

These unaudited interim condensed consolidated financial statements are presented in United States dollars (US\$), which is the Company’s functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

### **2.4 Use of estimates and judgements**

The preparation of the unaudited interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### ***Judgements***

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the unaudited interim condensed consolidated financial statements are included in the following notes:

Note 7 – Assessment of useful life of intangible assets with indefinite useful life

Note 30 – Determination of lease term of contracts with renewal options

Note 31 – Contingencies

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. There are no changes in significant judgment and estimate since 30 April 2022.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation
- Note 6 – Impairment of property, plant and equipment
- Note 7 – Useful lives of intangible assets and impairment of goodwill and intangible assets with infinite life
- Note 8 – Recoverability of investments in joint ventures
- Note 10 – Future cost of growing crops and fair value of livestock, harvested crops, and produce prior to harvest and future volume of harvest
- Note 11 – Allowance for inventory obsolescence and net realizable value
- Note 12 – Impairment of trade and nontrade receivables
- Note 18 – Measurement of employee benefit obligations
- Note 19 – Estimation of environmental remediation liabilities
- Note 20 – Estimation of trade promotion accruals
- Note 22 – Measurement of income tax
- Note 22 – Realizability of deferred tax assets
- Note 25 – Determination of fair values
- Note 30 – Determination of incremental borrowing rate for lease liabilities
- Note 31 – Contingencies

## 2.5 Going concern

The Group's current liabilities were higher by US\$7.8 million as at 30 October 2022, driven by the increase in current loans attributed to KB acquisition as well as due to the current portion of long-term loans maturing within the next fiscal year that will be refinanced as they fall due.

Management believes that the Group will be able to pay its liabilities as and when they fall due. Accordingly, the use of the going concern assumption is appropriate taking into account the following:

- The Group remains vigilant in managing its cost. Management has undertaken various measures to improve operating costs such as Del Monte Foods, Inc.'s ("DMFI") asset-light strategy recently undertaken and cost optimization initiatives including distribution center consolidations, among others, which has contributed to DMFI's improved operating performance following prior year's major operational restructuring and refinancing.
- The Group continuously reviews its manufacturing and distribution footprint in the US as well as continues to improve and streamline its operations to further promote operational efficiency with the intent of increasing future operating cash flows.
- The Group continues to find new sources of funding. DMPL has recently issued a 3-year unrated Senior Notes amounting to US\$90.0 million, which was utilized to redeem its Series A-1 Preferred Shares on 7 April 2022 which were due for a step-up rate on 22 April 2022. The Group has sufficient credit lines available for drawdown and as such, management believes that the Group will have sufficient working capital to enable it to meet its objectives and future financial obligations.

### 3. Significant accounting policies

#### Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2022 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2022, which did not have any significant impact on the Group's financial position or performance, unless otherwise indicated:

##### *Effective beginning on or after 1 May 2022*

- Amendments to IFRS 3, *Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of IFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after 1 May 2022 and apply prospectively.

- Amendments to IAS 16, *Plant and Equipment: Proceeds before Intended Use*. The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 May 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to IAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 May 2022. The Group will apply these amendments to contracts for which it has yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.



▪ *Annual Improvements to IFRSs 2018-2020 Cycle*

- Amendments to IFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D15(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 May 2022 with earlier adoption permitted.

- Amendments to IFRS 9, Financial Instruments, Fees in the "10 per cent" test for derecognition of financial liabilities. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 May 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to IAS 41, Agriculture, Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 May 2022 with earlier adoption permitted.

#### **4. Operating segments**

The Group has two types of operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

##### **Geographical segments**

###### *Americas*

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn, Kitchen Basics and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

###### *Asia Pacific*

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded fresh and packaged goods.

###### *Europe*

Included in this segment are sales of S&W co-branded, buyers' own label and unbranded products in Europe.

##### **Product segments**

###### *Packaged fruit and vegetable*

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte, S&W and Today's brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

###### *Beverage*

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

### *Culinary*

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

### *Fresh fruit and others*

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in October 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

### *Information about reportable segments*

	<b>Americas</b>		<b>Asia Pacific</b>		<b>Europe</b>		<b>Total</b>	
	<b>Three months ended</b>		<b>Three months ended</b>		<b>Three months ended</b>		<b>Three months ended</b>	
	<b>31 October</b>		<b>31 October</b>		<b>31 October</b>		<b>31 October</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>								
Packaged fruit and vegetable	392,442	391,404	43,144	43,541	10,683	5,808	446,269	440,753
Beverage	15,329	10,212	33,368	31,936	3,270	4,353	51,967	46,501
Culinary	97,160	78,959	43,727	39,216	87	21	140,974	118,196
Fresh fruit and others	2,521	1,181	57,192	44,360	—	—	59,713	45,541
<b>Total</b>	<b>507,452</b>	<b>481,756</b>	<b>177,431</b>	<b>159,053</b>	<b>14,040</b>	<b>10,182</b>	<b>698,923</b>	<b>650,991</b>
<b>Gross profit (loss)</b>								
Packaged fruit and vegetable	117,265	105,934	14,084	15,088	2,709	2,361	134,058	123,383
Beverage	4,308	1,382	5,620	9,585	824	1,334	10,752	12,301
Culinary	23,978	15,141	16,230	15,499	45	7	40,253	30,647
Fresh fruit and others	(1,284)	(370)	21,496	12,520	—	—	20,212	12,150
<b>Total</b>	<b>144,267</b>	<b>122,087</b>	<b>57,430</b>	<b>52,692</b>	<b>3,578</b>	<b>3,702</b>	<b>205,275</b>	<b>178,481</b>
<b>Share in net profit (loss) of joint ventures</b>								
Packaged fruit and vegetable	—	—	(124)	(177)	—	—	(124)	(177)
Beverage	—	—	1	(31)	—	—	1	(31)
Culinary	—	—	24	(283)	—	—	24	(283)
Fresh fruit and others	—	—	(615)	(17)	—	—	(615)	(17)
<b>Total</b>	<b>—</b>	<b>—</b>	<b>(714)</b>	<b>(508)</b>	<b>—</b>	<b>—</b>	<b>(714)</b>	<b>(508)</b>

(continued to next page)

**Del Monte Pacific Limited and its Subsidiaries**  
**Unaudited Interim Condensed Consolidated Financial Statements**  
As at 31 October 2022 and for the three-month and six-month periods ended 31 October 2022 and 2021

	Americas		Asia Pacific		Europe		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	31 October		31 October		31 October		31 October	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Profit (loss) before taxation</b>								
Packaged fruit and vegetable	49,175	34,485	9,442	10,032	1,487	1,672	60,104	46,189
Beverage	787	(100)	(1,429)	2,173	432	943	(210)	3,016
Culinary	3,779	297	10,551	8,702	34	2	14,364	9,001
Fresh fruit and others	(4,426)	(3,035)	4,249	34	—	—	(177)	(3,001)
<b>Total</b>	<b>49,315</b>	<b>31,647</b>	<b>22,813</b>	<b>20,941</b>	<b>1,953</b>	<b>2,617</b>	<b>74,081</b>	<b>55,205</b>
<b>Other information</b>								
Capital expenditure	7,268	5,125	40,042	41,561	—	—	47,310	46,686
	Americas		Asia Pacific		Europe		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	31 October		31 October		31 October		31 October	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>								
Packaged fruit and vegetable	638,938	638,474	68,348	73,846	15,018	10,699	722,304	723,019
Beverage	26,804	16,434	66,517	69,421	6,516	5,819	99,837	91,674
Culinary	141,627	124,131	74,790	73,547	143	77	216,560	197,755
Fresh fruit and others	3,422	2,593	113,387	98,084	—	—	116,809	100,677
<b>Total</b>	<b>810,791</b>	<b>781,632</b>	<b>323,042</b>	<b>314,898</b>	<b>21,677</b>	<b>16,595</b>	<b>1,155,510</b>	<b>1,113,125</b>
<b>Gross profit (loss)</b>								
Packaged fruit and vegetable	187,079	175,566	21,347	24,682	3,953	3,941	212,379	204,189
Beverage	8,767	2,642	15,900	21,027	1,885	1,643	26,552	25,312
Culinary	32,667	24,037	28,691	29,801	74	25	61,432	53,863
Fresh fruit and others	(1,612)	(542)	38,260	29,079	—	—	36,648	28,537
<b>Total</b>	<b>226,901</b>	<b>201,703</b>	<b>104,198</b>	<b>104,589</b>	<b>5,912</b>	<b>2,054</b>	<b>337,011</b>	<b>311,901</b>
<b>Share in net profit (loss) of joint ventures</b>								
Packaged fruit and vegetable	—	—	(58)	(565)	—	—	(58)	(565)
Beverage	—	—	53	(81)	—	—	53	(81)
Culinary	—	—	521	(814)	—	—	521	(814)
Fresh fruit and others	—	—	(562)	(90)	—	—	(562)	(90)
<b>Total</b>	<b>—</b>	<b>—</b>	<b>(46)</b>	<b>(1,550)</b>	<b>—</b>	<b>—</b>	<b>(46)</b>	<b>(1,550)</b>
<b>Profit (loss) before taxation</b>								
Packaged fruit and vegetable	2,188	43,927	13,079	15,923	1,950	2,201	17,217	62,051
Beverage	(704)	(603)	3,258	8,611	1,306	1,033	3,860	9,041
Culinary	(8,868)	(784)	19,797	18,165	60	11	10,989	17,392
Fresh fruit and others	(5,366)	(5,614)	5,686	3,348	—	—	320	(2,266)
<b>Total</b>	<b>(12,750)</b>	<b>36,926</b>	<b>41,820</b>	<b>46,047</b>	<b>3,316</b>	<b>3,245</b>	<b>32,386</b>	<b>86,218</b>
<b>Other information</b>								
Capital expenditure	13,402	10,825	76,934	78,293	—	—	90,336	89,118

***Major customer***

Revenues from a major customer of the Americas segment for the three months and six months ended 31 October 2022 amounted to US\$162.2 million (31 October 2021: US\$155.7 million) and US\$279.0 million (31 October 2021: US\$274.6 million) representing 32.0% (31 October 2021: 32.3%) and 34.4% (31 October 2021: 35.1%) of the total Americas segment's net revenue, respectively.

**5. Seasonality of operations**

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 11 production facilities in the USA, Mexico, and the Philippines as at 31 October 2022 and 30 April 2022. Fruit plants are located in California and Washington in the United States and in the Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant are located in California.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its *College Inn* broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

## 6. Property, plant and equipment

Group Cost/Valuation	<----- At cost ----->					At appraised value
	Buildings, land improvements and leasehold improvements US\$'000	Machineries and equipment US\$'000	Construction- in-progress US\$'000	Bearer Plants US\$'000	Freehold land US\$'000	Total US\$'000
At 1 May 2022	229,900	602,399	57,384	382,782	61,878	1,334,343
Additions	4,674	776	22,487	66,539	—	94,476
Disposals	(6)	(3,759)	—	—	—	(3,765)
Write off - closed fields	—	—	—	(39,247)	—	(39,247)
Reclassifications from CIP	1,724	11,146	(12,870)	—	—	—
Currency realignment	(7,278)	(22,756)	(2,377)	(37,620)	(1,441)	(71,472)
At 31 October 2022	229,014	587,806	64,624	372,454	60,437	1,314,335
At 1 May 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Additions	6,596	17,429	47,509	133,622	—	205,156
Disposals	(167)	(12,106)	—	—	—	(12,273)
Write off - closed fields	—	—	—	(95,754)	—	(95,754)
Reclassifications from CIP	1,942	21,871	(23,813)	—	—	—
Currency realignment	(5,990)	(18,691)	(1,265)	(29,889)	(1,267)	(57,102)
At 30 April 2022	229,900	602,399	57,384	382,782	61,878	1,334,343
<b>Accumulated depreciation and impairment losses</b>						
At 1 May 2022	117,622	424,819	—	205,719	8,536	756,696
Charge for the period	5,036	16,914	—	54,561	—	76,511
Write off - closed fields	—	—	—	(39,247)	—	(39,247)
Disposals	(5)	(1,947)	—	—	—	(1,952)
Currency realignment	(3,722)	(17,875)	—	(20,101)	—	(41,698)
At 31 October 2022	118,931	421,911	—	200,932	8,536	750,310
At 1 May 2021	110,782	415,584	—	214,638	8,536	749,540
Charge for the year	10,163	35,201	—	104,753	—	150,117
Write off - closed fields	—	—	—	(95,754)	—	(95,754)
Disposals	(138)	(11,098)	—	—	—	(11,236)
Other adjustments	—	62	—	—	—	62
Currency realignment	(3,185)	(14,930)	—	(17,918)	—	(36,033)
At 30 April 2022	117,622	424,819	—	205,719	8,536	756,696
<b>Carrying amounts</b>						
At 31 October 2022	110,083	165,895	64,624	171,522	51,901	564,025
At 30 April 2022	112,278	177,580	57,384	177,063	53,342	577,647

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories.

The Group has property, plant and equipment acquisitions of US\$4.1 million as at 31 October 2022 (30 April 2022: US\$3.0 million) presented under “Accrued operating expenses” in “Trade and other current liabilities”. Down payments made by the Group for the acquisition of property, plant and equipment amounted to US\$3.3 million as at 31 October 2022 (30 April 2022: US\$4.2 million) recorded under “Advances to suppliers” in “Other noncurrent assets”. The cost of fields closed and written off amounted to US\$39.2 million for the six months ended 31 October 2022 (30 April 2022: US\$95.8 million).

## 7. Intangible assets and goodwill

	<b>Goodwill</b>	<b>Indefinite life</b>	<b>Amortizable</b>	<b>Customer</b>	
	<b>US\$'000</b>	<b>trademarks</b>	<b>trademarks</b>	<b>relationship</b>	<b>Total</b>
		<b>US\$'000</b>	<b>US\$'000</b>	<b>and others</b>	<b>US\$'000</b>
				<b>US\$'000</b>	
<b>Cost</b>					
At 1 May 2022	203,432	408,043	24,180	107,000	742,655
Additions	9,685	53,700	–	6,500	69,885
31 October 2022	213,117	461,743	24,180	113,500	812,540
At 1 May 2021/ 30 April 2022	203,432	408,043	24,180	107,000	742,655
<b>Accumulated amortization</b>					
At 1 May 2022	–	–	10,819	43,789	54,608
Amortization	–	–	650	2,750	3,400
At 31 October 2022	–	–	11,469	46,539	58,008
At 1 May 2021	–	–	9,519	38,439	47,958
Amortization	–	–	1,300	5,350	6,650
At 30 April 2022	–	–	10,819	43,789	54,608
<b>Carrying amounts</b>					
At 31 October 2022	213,117	461,743	12,711	66,961	754,532
At 30 April 2022	203,432	408,043	13,361	63,211	688,047

Amortization expense amounted to US\$3.4 million for the six months ended 31 October 2022 and 2021.

### **Goodwill**

Goodwill of US\$203.4 million, related to the acquisition of Consumer Food Business, was allocated to Del Monte Foods, Inc. (DMFI) and its subsidiaries, which is considered as one cash generating unit (“CGU”).

On 3 August 2022, DMFI acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. The assets, which were comprised mainly of intellectual property and inventory, were acquired for an aggregate consideration of US\$99.0 million. Such price was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities.

The consideration was allocated as follows:

	<b>US\$'000</b>
Trademark	53,700
Inventory	29,114
Customer Relationships	3,900
Product Formulations	2,600
Residual Goodwill	9,686
<b>Total</b>	<b>99,000</b>

Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the company expands its retail presence in the category.

Goodwill arising from the acquisition of Kitchen Basics brand amounted to US\$9.7 million.

### ***Indefinite life trademarks***

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks. These trademarks are expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

### **America trademarks**

The indefinite life trademarks of US\$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademarks in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The "Kitchen Basic" trademark in the United States and Canada was estimated to have an indefinite useful life and was valued at US\$53.7 million.

### **The Philippines trademarks**

On 1 May 2020, Dewey Sdn Bhd., assigned to Philippine Packing Management Services Corporation, various trademarks which include the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks") with carrying value amounting to US\$1.8 million.

### **Indian sub-continent trademark**

In November 1996, a subsidiary, Del Monte Pacific Resources Limited (DMPRL), entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in Del Monte Foods Private Limited (DMFPL) (formerly FieldFresh Foods Private Limited (FFPL)) and caused the licensing of trademarks to DMFPL to market its products under the "Del Monte" brand in India. These trademarks have a carrying value of US\$4.1 million.

### **Asia S&W trademark**

In November 2007, a subsidiary, S&W Fine Foods International Limited (S&W), entered into an agreement with Del Monte Corporation to acquire the "S&W" trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US\$10.0 million. The trademark has a carrying value of US\$8.2 million.



### **Impairment test**

Management performs an annual impairment testing for all indefinite life trademarks every end of the year. There were no impairment indicators identified.

### ***Amortizable trademarks and customer relationships***

	Net Carrying amount		Remaining amortization period (years)	
	31 October 2022 US\$'000	30 April 2022 US\$'000	31 October 2022	30 April 2022
Asia S&W Trademark	—	—	—	—
America S&W trademark	263	363	1.3	1.8
America Contadina trademark	12,448	12,998	11.3	11.8
	<b>12,711</b>	<b>13,361</b>		

### **Asia S&W trademark**

The amortizable trademark pertains to “Label Development” trademark. The trademark was fully amortized on 31 July 2019.

### **America trademarks**

The amortizable trademarks relate to the exclusive right to use of the “S&W” trademark in the United States, Canada, Mexico and certain countries in Central and South America and “Contadina” trademark in the United States, Canada, Mexico, South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

### **Customer relationships and others**

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market, through contracts.

Newly acquired customer relationships related to the “Kitchen Basics” brand was estimated to have a remaining useful life of 13 years and was valued at US\$3.9 million at acquisition date.

	31 October 2022 US\$'000	30 April 2022 US\$'000
<b>Consumer Food Business</b>		
Net carrying amount	66,961	63,211
Remaining amortization period	11.3	11.8
<b>Kitchen Basics</b>		
Net carrying amount	3,825	—
Remaining amortization period	12.8	—

Other intellectual properties pertain to the product formulations acquired with the Kitchen Basics brand, which were valued at US\$2.6 million and have an indefinite life.

*Source of estimation uncertainty*

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

## 8. Investments in joint ventures

Name of joint venture	Principal activities	Place of Incorporation and Business	Effective Equity Held by the Group	
			As at 31 Oct 2022 %	As at 30 Apr 2022 %
Del Monte Foods Private Limited (DMFPL) (formerly FieldFresh Foods Private Limited (FFPL)) *	Production and sale of fresh and processed fruits and vegetable food products	India	47.63	47.56
Nice Fruit Hong Kong Limited (NFHKL)	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00
Del Monte - Vinamilk Dairy Philippines, Inc. (DVDPI)	Distribution of milk and dairy products	Philippines	43.50	43.50

\* In July 2022, DMPL India Pte Ltd invested an additional US\$1.0 million in DMPL India Limited, who invested the same in DMFPL.

The summarized financial information of a material joint venture, DMFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	31 October 2022 US\$'000	30 April 2022 US\$'000
<b>Assets</b>		
Current assets	23,106	23,686
Noncurrent assets	11,360	11,600
Total assets	34,466	35,286
<b>Liabilities</b>		
Current liabilities	(12,935)	(12,879)
Noncurrent liabilities	(19,128)	(21,890)
Total liabilities	(32,063)	(34,769)
<b>Net assets (liabilities)</b>	2,403	517
	31 October 2022 US\$'000	30 April 2022 US\$'000
<b>Results</b>		
Revenue	1,764	66,871
Profit (loss) from continuing operations	1,408	(6,810)
Other comprehensive income	—	—
<b>Total comprehensive profit (loss)</b>	1,408	(6,810)

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	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>Carrying amount of interest in DMFPL at beginning of the period</b>	<b>14,336</b>	19,741
Capital injection during the year	<b>968</b>	–
Impairment loss	–	(2,000)
Group's share of:		
- Profit (loss) from continuing operations	<b>704</b>	(3,405)
- Other comprehensive income	–	–
Total comprehensive profit (loss)	<b>704</b>	(3,405)
<b>Carrying amount of interest at end of the period/year</b>	<b>16,008</b>	14,336

The interest in the net assets of an immaterial joint venture, NFHKL, is as follows:

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>Carrying amount of interest in NFHKL at beginning of the period/year</b>	<b>2,836</b>	2,789
Additional advances during the year	–	595
Group's share of:		
- Loss from continuing operations	<b>(130)</b>	(548)
- Other comprehensive income	–	–
Total comprehensive loss	<b>(130)</b>	(548)
<b>Carrying amount of interest at end of the period/year</b>	<b>2,706</b>	2,836
Capital investment	<b>3,502</b>	3,502
Advances	<b>4,095</b>	4,095
Cumulative share in comprehensive income (losses)	<b>(4,891)</b>	(4,761)
	<b>2,706</b>	2,836

The interest in the net assets of an immaterial joint venture, DVDPI, is as follows:

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>Carrying amount of interest in DVDPI at beginning of the period/year</b>	–	–
Capital injection	495	1,001
Group's share of:		
- Loss from continuing operations	(620)	(1,001)
- Other comprehensive income	–	–
Total comprehensive loss	(620)	(1,001)
<b>Net movement during the period</b>	(125)	–
<b>Offset to receivables from DVDPI</b>	125	–
<b>Carrying amount of interest at end of the period/year</b>	–	–
Capital investment	1,496	1,001
Cumulative share in comprehensive income (losses)	(1,621)	(1,001)
Offset to receivables from DVDPI	125	–
	–	–

The Group continued recognizing losses in excess of the cost of investment as DMPI has committed to provide further financial support to DVDPI in accordance with the Agreement on Equity Plan executed on 3 October 2022.

The negative carrying amount of interest in DVDPI was offset against the receivables of the Group from DVDPI.

The summarized interest in joint ventures of the Group is as follows:

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>Group's interest in joint ventures</b>		
FFPL	16,008	14,336
NFHKL	2,706	2,836
Del Monte - Vinamilk Dairy Philippines, Inc.	–	–
<b>Carrying amount of investment in joint ventures</b>	18,714	17,172

### *Determination of Joint Control and the Type of Joint Arrangement*

Joint control is presumed to exist when the investors contractually agreed sharing of control on an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Management has assessed that it has joint control in all joint arrangements.

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

- (a) the structure of the joint arrangement.
- (b) when the joint arrangement is structured through a separate vehicle:
  - i. the legal form of the separate vehicle;
  - ii. the terms of the contractual arrangement; and
  - iii. when relevant, other facts and circumstances.

The Group determined that the arrangements in DMFPL, NFHKL and DVDPI are joint ventures as these were structured in separate legal vehicles that have rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

### *Source of Estimation Uncertainty*

In the event a joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgement and estimation. An estimate is made on the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

From the time the investment in DMFPL was made, the Indian sub-continent trademark (Note 7) and such investment were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

## **9. Other noncurrent assets**

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Advance rentals and deposits	15,069	16,679
Advances to suppliers	3,403	4,212
Excess insurance	3,669	3,762
Receivable from sale and leaseback	2,540	2,818
Note receivables	–	1,000
Lease receivable	175	194
Others	1,991	1,746
	<b>26,847</b>	<b>30,411</b>

Advance rentals and deposits consist of noninterest-bearing cash and other advances to growers and landowners which are collected against delivery of fruits or minimum guaranteed profits of the growers or against payment of rentals to landowners.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to certain assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation (“DEARBC”) and subsequently leased back to the Group in fiscal year 2021. The current portion of US\$0.03 million is presented under “Trade and other receivables”.

As at 30 April 2022, notes receivable of US\$1.0 million relates to the sale by DMFI of certain assets at Plymouth in fiscal year 2019. This receivable will be due on 2 July 2023 and was reclassified to “Trade and other receivables” as at 31 October 2022 since it is already current.

## 10. Biological assets

	31 October 2022 US\$'000	30 April 2022 US\$'000
<b>Livestock</b>		
At beginning of the period/year	2,735	2,655
Purchases of livestock	495	895
Sales of livestock	(323)	(601)
Currency realignment	(267)	(214)
At end of the period/year	<u>2,640</u>	<u>2,735</u>
	31 October 2022 US\$'000	30 April 2022 US\$'000
<b>Agricultural produce</b>		
At beginning of the period/year	13,768	10,878
Additions	9,187	16,177
Harvested	(6,540)	(12,016)
Currency realignment	(700)	(1,271)
At end of the period/year	<u>15,715</u>	<u>13,768</u>
Fair value gain on produce prior to harvest	30,218	33,578
At end of the period/year	<u>45,933</u>	<u>47,346</u>
	31 October 2022 US\$'000	30 April 2022 US\$'000
Current	45,933	47,346
Noncurrent	2,640	2,735
<b>Totals</b>	<u>48,573</u>	<u>50,081</u>

## 11. Inventories

	<b>31 October</b>	<b>30 April</b>
	<b>2022</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Finished goods		
- at cost	<b>666,810</b>	430,070
- at net realizable value	<b>28,467</b>	20,380
Semi-finished goods		
- at cost	<b>388,000</b>	94,966
- at net realizable value	<b>9,067</b>	8,182
Raw materials and packaging supplies		
- at cost	<b>79,701</b>	75,165
- at net realizable value	<b>78,378</b>	57,195
	<b>1,250,423</b>	685,958

Total cost of inventories carried at net realizable value amounted to US\$124.1 million as at 31 October 2022 (30 April 2022: US\$92.2 million).

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the period/year are as follows:

	<b>Note</b>	<b>31 October</b>	<b>30 April</b>
		<b>2022</b>	<b>2022</b>
		<b>US\$'000</b>	<b>US\$'000</b>
At beginning of the period/year		<b>6,464</b>	13,254
Allowance for the period/year	26	<b>2,414</b>	4,135
Write-off against allowance		<b>(263)</b>	(10,157)
Currency realignment		<b>(472)</b>	(768)
At end of the period/year		<b>8,143</b>	6,464

The allowance for inventory obsolescence recognized during the period is included in “Cost of sales”.

### ***Source of estimation uncertainty***

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to the consolidated statements of income and are written off. In addition to an allowance for a specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given period. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events

occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to its net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and decrease current assets.

## 12. Trade and other receivables

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Trade receivables	<b>272,563</b>	189,839
Nontrade receivables	<b>59,489</b>	34,881
Allowance for expected credit loss – trade	<b>(5,422)</b>	(5,850)
Allowance for expected credit loss – nontrade	<b>(4,312)</b>	(4,317)
Trade and other receivables	<b>322,318</b>	214,553

Set out below is the expected credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

<b>31 October 2022</b>						
<b>Days past due</b>						
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-120 days</b>	<b>Over 120 days</b>	<b>Total</b>
	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>
Trade receivables	181,914	53,800	6,676	4,226	25,947	272,563
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	20.90%	–
Expected credit loss	–	–	–	–	5,422	5,422

<b>30 April 2022</b>						
<b>Days past due</b>						
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-120 days</b>	<b>Over 120 days</b>	<b>Total</b>
	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>	<b>US'000s</b>
Trade receivables	121,769	42,343	5,565	1,948	18,214	189,839
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	32.12%	–
Expected credit loss	–	–	–	–	5,850	5,850

The recorded allowance for expected credit loss falls within the Group's historical experience in the collection of trade and other receivables. Therefore, Management believes that there is no significant additional credit risk beyond what has been recorded.



### **Source of estimation uncertainty**

The Group maintains an allowance for impairment of accounts receivable at a level considered adequate to provide for potential uncollectible receivables based on the applicable expected credit loss (ECL) methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behavior and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilized different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

### **13. Prepaid expenses and other current assets**

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Prepaid expenses	<b>35,630</b>	32,622
Down payment to contractors and suppliers	<b>11,310</b>	12,737
Short-term placements	<b>1,368</b>	1,288
Derivative asset	<b>713</b>	1,486
Others	<b>372</b>	919
	<b>49,393</b>	49,052

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Down payment to contractors and suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

Short-term placements have maturities of five months to nine months and earn interest at 0.75%-1.00% per annum.

#### **Derivative**

The Group uses interest rate caps, commodity swaps and foreign currency forward contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate credit exposure to any one party.

As at 31 October 2022 and 30 April 2022, the Group designated each of its derivative contracts, as a hedge of a highly probable forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

The following fair value of cash flow hedges were outstanding for the Group:

		<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
	<b>Note</b>		
Commodity contracts		<b>346</b>	685
Foreign currency forward contracts		<b>300</b>	801
Interest rate cap		<b>(7,896)</b>	(7,896)
Total		<b>(7,250)</b>	(6,410)
Included in:			
Prepaid expenses and other current assets		<b>713</b>	1,486
Trade and other current liabilities	20	<b>(84)</b>	–
Other noncurrent liabilities	17	<b>(7,879)</b>	(7,896)
		<b>(7,250)</b>	(6,410)

The notional amounts of the Group's commodity contracts were as follows as of 31 October 2022 and 30 April 2022:

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Natural gas – Metric Million British Thermal Unit (MMBTU)	<b>337</b>	1,329
Diesel (gallons)	<b>2,785</b>	1,029

### Foreign Currency

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Mexican pesos	<b>61,173</b>	221,199

## Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

<b>31 October 2022</b>			
	<b>Change in value used for calculating hedge effectiveness US\$'000</b>	<b>Cash flow hedge reserve US\$'000</b>	<b>Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US\$'000</b>
<b>Commodity price risk</b>			
Inventory purchases	1,536	(5,364)	—
<b>Foreign exchange risk</b>			
Inventory purchases	1,120	(348)	—
<b>30 April 2022</b>			
	<b>Change in value used for calculating hedge effectiveness US\$'000</b>	<b>Cash flow hedge reserve US\$'000</b>	<b>Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US\$'000</b>
<b>Interest rate risk</b>			
Variable rate instruments	7,896	(5,922)	—
<b>Commodity price risk</b>			
Inventory purchases	5,986	116	—
<b>Foreign exchange risk</b>			
Inventory purchases	165	413	—

### Amounts Relating to Hedging Instruments (cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	31 October 2022			During the first six months of fiscal 2023			
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US\$'000						
<b>Interest rate risk</b>							
Interest rate swaps	575,000	—	(7,879)	Derivative liabilities	—	—	Net finance expense
				Non-Current Liabilities			
			(17)	Derivative liabilities			
				Current Liabilities			
<b>Commodity price risk</b>							
Commodity contracts							
Natural gas	337	—	(67)	Derivative liabilities	(1,236)	(1,145)	Cost of sales
(MMBTU)				Current Liabilities			
Diesel (gallons)	2,785	413	—	Prepaid and Other	(300)	(431)	Cost of sales
				Current Assets			
<b>Foreign exchange risk</b>							
Foreign currency forwards	61,173	300	—	Prepaid and Other	(1,120)	(656)	Cost of sales
				Current Assets			

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	30 April 2022			During fiscal 2022			
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
US\$'000							
<b>Interest rate risk</b>							
Interest rate swaps	575,000	–	(7,896)	Derivative liabilities	(7,896)	–	Net finance expense
				Non-Current Liabilities			
<b>Commodity price risk</b>							
Commodity contracts							
Natural gas (MMBTU)	1,329	24	–	Prepaid and Other Current Assets	(1,872)	(1,701)	Cost of sales
Diesel (gallons)	1,029	661	–	Prepaid and Other Current Assets	(4,114)	(2,830)	Cost of sales
<b>Foreign exchange risk</b>							
Foreign currency forwards	221,199	801	–	Prepaid and Other Current Assets	(165)	(710)	Cost of sales

## Hedging Reserves

The following table provides a reconciliation by risk category of the hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	<b>Group</b>	
	<b>31 October</b>	<b>30 April</b>
	<b>2022</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Balance at beginning of year	(5,395)	1,218
Changes in fair value:		
- Commodity risk	(1,536)	(5,986)
- Foreign exchange risk	(1,120)	(165)
- Interest rate risk	–	(7,896)
Amount reclassified to profit or loss		
- Interest rate risk	–	–
Amount included in cost of non-financial items		
- Commodity risk	1,576	4,531
- Foreign exchange risk	656	710
Tax movements on reserves during the year	106	2,193
Balance at end of year	<b>(5,713)</b>	<b>(5,395)</b>

## 14. Cash and cash equivalents

	<b>31 October</b>	<b>30 April</b>
	<b>2022</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash on hand	74	67
Cash in banks	18,057	20,902
Cash equivalents	1,351	884
Cash and cash equivalents	<b>19,482</b>	<b>21,853</b>

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% per annum for the period (30 April 2022: 0.01% to 0.50% per annum). Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest rate of 1.00% per annum in fiscal year 2023 (30 April 2022: 0.75% to 1.00% per annum).

## 15. Reserves

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Translation reserve	(112,393)	(95,322)
Remeasurement of retirement plan	43,831	43,752
Revaluation reserve	14,278	14,278
Hedging reserve	(5,261)	(4,963)
Reserve for own shares	(286)	(286)
	<u>(59,831)</u>	<u>(42,541)</u>

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures with functional currencies other than US dollar.

The remeasurement of retirement plan relates to actuarial gains and losses for the defined benefit plans and return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the consolidated statements of income of the Group.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 31 October 2022 and 30 April 2022, the Group held 975,802 of the Company's shares.

## 16. Loans and borrowings

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>Current liabilities</b>		
Unsecured bank loans	393,150	327,794
Secured bank loans	663,212	151,560
	<u>1,056,362</u>	<u>479,354</u>
<b>Non-current liabilities</b>		
Unsecured bank loans	346,751	384,524
Secured bank loans	653,908	703,488
	<u>1,000,659</u>	<u>1,088,012</u>
	<u>2,057,021</u>	<u>1,567,366</u>

### **Terms and debt repayment schedule**

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	31 October 2022		30 April 2022	
				Face value US\$'000	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000
<b>Group</b>							
Secured bank loans	PHP	4.125%	2025	25,841	25,749	28,662	28,532
Unsecured bank loans	PHP	3.373%-5.25%	2022- 2025	145,830	145,723	141,015	140,870
Unsecured 3Y bonds	PHP	3.4840%	2023	100,480	99,920	111,446	110,519
Unsecured 5Y bonds	PHP	3.7563%	2025	11,127	11,015	12,342	12,198
Unsecured bank loans	USD	3.80%-6.86%	2022- 2025	394,879	394,875	360,760	360,755
Secured bank loans	USD	5.285%-7.10%	2023- 2025	145,000	144,633	145,000	144,309
Secured bridging loan	USD	3.0585%	2023	60,000	59,993	67,500	67,488
Unsecured bonds	USD	3.75%	2024	90,000	88,368	90,000	87,986
Term Loans	USD	7.37%	2029	600,000	586,533		
Secured senior notes	USD	11.875%	2025	–	–	500,000	473,659
Secured bank loan under ABL Credit Agreement	USD	Base Tranche B (ABL) - 7.25% 402MM SOFR - 6.1877% 75MM SOFR - 5.83895%	2021- 2023	506,800	500,212	146,000	141,060
				<b>2,079,957</b>	<b>2,057,021</b>	1,602,725	1,567,366

The balance of unamortized debt issuance cost follows:

	Six months ended 31 October 2022 US\$'000	Year ended 30 April 2022 US\$'000
At beginning of the period/year	35,359	44,702
Additions	16,526	2,915
Amortization	(2,608)	(12,258)
Write-off	(26,341)	–
At end of the period/year	<b>22,936</b>	<b>35,359</b>



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*As at 31 October 2022 and for the three-month and six-month periods ended 31 October 2022 and 2021*

**Long Term Borrowings**

Long-term Borrowings	Original Principal (In '000)	Outstanding Balance as of 31 October 2022 (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 31 October 2022 (In '000)
Term Loans	USD 600,000	USD 600,000	7.36842%	2029	Monthly interest payments and quarterly installment payments of US\$1.5 million beginning January 2023 and balance on maturity date.	USD 16,356
Unsecured Bonds	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturity date.	PHP 92,009
Secured Bridging Loan	USD 75,000	USD 60,000	3.0585%	2023	Quarterly interest payment and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	USD 539
Unsecured Loan	USD 75,000	USD 70,909	5.6937%	2024	Quarterly interest payment and principal 15% on 11 equal quarterly installments starting January 2022 and 85% on maturity date.	USD 1,204
Secured Loan	USD 45,000	USD 45,000	7.100%	2025	Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	USD 1,119
Unsecured Loan	USD 30,000	USD 28,500	6.86%	2025	Quarterly interest payment and principal 20% on four equal semi-annual installments starting October 2022 and 80% on maturity date.	USD 729
Secured Loan	USD 100,000	USD 100,000	5.285%	2023	Semi-annual interest payments and principal on maturity date.	USD 1,767
Unsecured Loan	PHP 1,500,000	PHP 1,500,000	3.373%	2025	Quarterly interest payment; and principal on eight quarterly installments starting February 2024	PHP 22,750
Secured Loan	PHP 1,500,000	PHP 1,500,000	4.125%	2023	Quarterly interest payment; and principal on nine quarterly installments starting August 2023	PHP 31,109
Unsecured Loan	USD 57,300	USD 51,570	5.96029%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 975
Unsecured Bonds	USD 90,000	USD 90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	USD 1,689

### ***DMFI Term Loan B***

On 16 May 2022, Del Monte Foods, Inc. (DMFI) issued US\$600.0 million of Term Loans (“Notes”). The Notes bear interest equal to a 1-month secured overnight financing rate (SOFR), plus a spread adjustment of 0.10%, plus a margin of 4.25%. As of 31 October 2022, the interest rate for the Notes is 7.37% per annum.

Interest is initially payable monthly and can be paid quarterly at DMFI’s option. The Notes will mature on 16 May 2029. Proceeds of US\$600.0 million from the issuance were used to pay the existing US\$500.0 million Senior Secured Notes and the remainder was used for original issue discount, interest, and fees. The Group paid redemption fee of US\$44.5 million and wrote-off the unamortized debt issuance costs of US\$26.3 million on the Senior Secured Notes (see note 33).

The Notes include restrictive covenants limiting the Group’s ability, and the ability of the Group’s restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group’s capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group’s lines of business.

### ***ABL Credit Agreement***

On 15 May 2020, Del Monte Foods Holdings Limited (DMFHL) entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US\$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, \$100.2 million was drawn on this facility. Loans under the ABL Credit Agreement bear interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin.

On 29 April 2021, the ABL Credit Agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any Refinancing Indebtedness in respect thereof.

On 21 September 2022, the agreement was amended to increase the total available commitment to US\$625.0 million. Effective on the same date, the loans bear interest based on either the Term SOFR rate or the alternative base rate, plus an applicable margin.

As at 31 October 2022, there were US\$506.8 million (30 April 2022: US\$146.0 million) of loans outstanding and US\$24.3 million of letters of credit issued (30 April 2022: US\$24.3 million). The net availability to DMFHL Group under the ABL Credit Agreement was US\$93.9 million as at 31 October 2022 (30 April 2022: US\$279.7 million). The weighted average interest rate was approximately 6.11% on 31 October 2022 (30 April 2022: 4.31%). The ABL Credit Agreement provided for a sub limit for letters of credit and for borrowings on same day notice, referred to as “swingline loans.”

### ***Security interests***

*Restrictive and Financial Covenants.* The ABL Credit Agreement includes restrictive covenants limiting the DMFHL Group’s ability, and the ability of the DMFHL Group’s

restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the DMFHL Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

*Financial Maintenance Covenants.* The ABL Credit Agreement generally does not require that the DMFHL Group including DMFI comply with financial maintenance covenants.

### **Unsecured Bank Loans**

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

The Group is compliant with its loan covenants as at 31 October 2022 and 30 April 2022.

## **17. Other noncurrent liabilities**

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Workers' compensation	13,395	14,639
Accrued vendors liabilities	421	488
Derivative liabilities	7,879	7,896
	<u><b>21,695</b></u>	<u><b>23,023</b></u>

Workers' compensation would cover liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for tort or negligence.

The current portion of workers' compensation is included in "Trade and other current liabilities" in the consolidated statement of financial position (see note 20).

## **18. Employee Benefits**

Certain Group companies contribute to the post-employment defined benefit plans such as the following:

### **The DMPI Plan**

DMPI has both funded defined benefit and defined contribution retirement plans (collectively the "Plan") which cover all of its regular employees. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date was 30 April 2022. Valuations are obtained on a periodic basis.

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

The retirement plan meets the minimum retirement benefit specified under Republic Act (RA) No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan which is responsible for the Plan's investment strategy.

DMPI does not expect to make contributions to the plan in fiscal year 2023.

#### **The ROHQ Plan**

The ROHQ has a funded defined benefit plan wherein starting on the date of membership of an employee in the ROHQ Plan, the ROHQ contributes to the retirement fund 7.00% of the member's salary every month. In addition, the ROHQ contributes periodically to the fund the amounts which may be required to meet the plan's guaranteed minimum benefit provision. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable on retirement. The ROHQ's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

The ROHQ does not expect to make contributions to the plan in fiscal year 2023.

#### **The DMFI Plan**

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan (“Part B”) which provides benefits for eligible salaried employees and provides that a participant’s benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant’s eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month’s ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.
- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI’s defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the six months ended 31 October 2022 and fiscal year 2023.

In fiscal year 2020, there were amendments to the DMFI Plan and the post-retirement benefit plan. Under these DMFI Plan amendments, certain benefits were eliminated effective 31 December 2019 and 30 April 2022 and the plan obligations associated with these amendments decreased by US\$9.1 million. Under the post-retirement amendments, certain benefits will be eliminated effective 30 April 2022 and the plan obligations associated with this amendment would be decreased by US\$5.9 million. Both amendments were recognized immediately in “General and administrative expenses” in the fiscal year 2020 consolidated statements of income.

DMFI does not expect to make contributions to the plan in fiscal year 2023.

## 19. Environmental remediation liabilities

	31 October 2022	30 April 2022
Note	US\$’000	US\$’000
At beginning of the period/year	203	7,429
Provisions used during the period/year	–	(7,164)
Provisions released during the period/year	–	(62)
At end of the period/year	<u>203</u>	<u>203</u>

The current portion of environmental liabilities of US\$0.1 million is included in “Trade and other current liabilities” in the consolidated statements of financial position (see note 20).

## 20. Trade and other current liabilities

	<b>Note</b>	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Trade payables		<b>431,925</b>	196,833
Accrued operating expenses:			
Freight and warehousing		<b>22,070</b>	8,898
Trade promotions		<b>19,982</b>	8,607
Advertising		<b>11,034</b>	8,825
Taxes and insurance		<b>11,004</b>	9,044
Interest		<b>8,588</b>	34,122
Professional fees		<b>8,327</b>	6,762
Tinplate and consigned stocks		<b>2,844</b>	2,569
Salaries, bonuses and other employee benefits		<b>2,149</b>	3,042
Utilities		<b>2,396</b>	3,704
Miscellaneous		<b>18,273</b>	5,541
Overdrafts		<b>34,579</b>	5,655
Accrued payroll expenses		<b>4,501</b>	5,304
Deferred revenue		<b>2,144</b>	2,091
Withheld from employees (taxes and social security cost)		<b>1,141</b>	1,466
Advances from customers		<b>293</b>	241
VAT payables		<b>178</b>	129
Derivative liabilities		<b>84</b>	–
		<b>581,512</b>	302,833

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

## 21. Revenue

Disaggregation of revenue is presented in Note 4.

### *Contract balances*

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	<b>Note</b>	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
Receivables, included in Trade and other receivables			
- Gross of ECL allowance	12	<b>272,563</b>	189,839
Contract liabilities	20	<b>2,144</b>	2,091

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within periods of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

## 22. Income taxes

	Three months ended 31 October		Six months ended 31 October	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Current tax expense</b>				
- Current year	4,957	3,988	14,025	10,571
<b>Deferred tax expense</b>				
- Origination and reversal of temporary differences	14,159	10,540	(5,854)	12,890
	<b>19,116</b>	<b>14,528</b>	<b>8,171</b>	<b>23,461</b>
	Three months ended 31 October		Six months ended 31 October	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Reconciliation of effective tax rate</b>				
Profit (loss) before taxation	74,081	55,205	32,386	86,218
Taxation on profit at applicable tax rates	15,778	10,644	3,325	15,981
Final tax on dividend	1,237	2,480	2,376	5,465
Non-deductible expenses	1,774	1,269	2,511	1,862
Non-taxable income	(1)	(1)	(3)	(3)
Others	328	136	(38)	156
	<b>19,116</b>	<b>14,528</b>	<b>8,171</b>	<b>23,461</b>

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities	
	31 October	30 April	31 October	30 April
	2022	2022	2022	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Provisions	7,001	6,532	—	—
Employee benefits	14,629	13,954	—	—
Property, plant and equipment - net	—	—	(14,667)	(14,959)
Intangible assets and goodwill	—	—	(97,484)	(92,089)
Effective portion of changes in fair value of cash flow hedges	1,709	1,603	—	—
Tax loss carry-forwards	147,874	155,391	—	—
Inventories	1,482	1,409	—	—
Biological assets	—	—	(1,770)	(1,916)
Interest	44,043	29,234	—	—
Undistributed profits from subsidiaries	—	—	(1,435)	(5,730)
Charitable contributions	3,321	3,321	—	—
Others	7,078	7,574	—	—
Deferred tax assets (liabilities)	227,137	219,018	(115,356)	(114,694)
Set off of tax	(108,274)	(102,273)	108,274	102,273
<b>Deferred Taxes</b>	<b>118,863</b>	<b>116,745</b>	<b>(7,082)</b>	<b>(12,421)</b>

	Six months ended	
	31 October	
	2022	2021
	US\$'000	US\$'000
<b>Applicable tax rates</b>		
- Philippines (non-PEZA)	25.0%	25.0%
- Philippines (PEZA)*	5.0%	5.0%
- India	31.2%	31.0%
- Singapore	17.0%	17.0%
- United States of America	25.0%	25.0%
- Mexico	30.0%	30.0%

*\*based on gross profit for the year*

### **Sources of estimation uncertainty**

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



## 23. Stock option and incentive plans

The Company adopted the Del Monte Pacific Executive Share Option Plan 2016 (“ESOP 2016”), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives and directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of 10 years; however, it has yet to be implemented, and no options had been granted to date.

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

### *Fair value of share options/awards and assumptions*

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	<-----ESOP----->			<----- Del Monte Pacific RSP ----->				
Fair value at measurement date	US\$0.12	US\$0.18	US\$0.29	US\$0.37	US\$0.40	US\$0.18	US\$0.65	US\$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	—	—	—	—	—
Expected volatility	5.00%	2.00%	2.00%	—	—	—	—	—
Time to maturity	2 years	2 years	2 years	—	—	—	—	—
Risk-free interest rate	3.31%	1.51%	2.51%	—	—	—	—	—

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

### *Del Monte Foods Holding Equity Compensation Plan*

During the second quarter of fiscal year 2016, Del Monte Foods Holdings, Inc. (DMFHI) established a new plan, the 2015 Executive Long-Term Incentive Plan (“LTIP”), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, DMFHL granted nonqualified stock options and cash incentive awards under the plan.

In September 2016, the authorized shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. The plan was already retired in fiscal year 2022.

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the “simplified” method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid.

The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	<b>3 November 2015</b>
Expected life (in years)	5.5
Expected volatility	38.49%
Risk-free interest rate	1.64%

Stock option activity and related information during the periods indicated are as follows:

	<b>30 April 2022</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>
Outstanding at beginning of year	223,500	5
Cancelled	(223,500)	5
Outstanding at end of year	—	—
Exercisable at end of year	—	—

The remaining 223,500 options were cancelled in fiscal year 2022 through a “buy-out” as a means of retiring the plan. Each holder was offered US\$1 per share with a total cost of US\$0.2 million.

## 24. Accounting classification and fair values

### *Fair values versus carrying amounts*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Financial assets at amortized cost US\$'000	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>31 October 2022</b>						
Cash and cash equivalents	14	19,482	–	–	19,482	19,482
Trade and other receivables*	12	325,033	–	–	325,033	325,033
Short-term placements	13	1,368	–	–	1,368	1,368
Refundable deposits**	9	1,731	–	–	1,731	1,731
Derivative assets	13	–	713	–	713	713
		<b>347,614</b>	<b>713</b>	<b>–</b>	<b>348,327</b>	<b>348,327</b>
Loans and borrowings	16	–	–	2,057,021	2,057,021	2,130,512
Trade and other current liabilities****	20	–	–	577,672	577,672	577,672
Derivative liabilities	17,20	–	7,963	–	7,963	7,963
		<b>–</b>	<b>7,963</b>	<b>2,634,693</b>	<b>2,642,656</b>	<b>2,716,147</b>

\* includes noncurrent portion of receivables from sale and leaseback and lease receivables

\*\* included under advance rentals and deposits

\*\*\* excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

	Note	Financial assets at amortized cost US\$'000	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>30 April 2022</b>						
Cash and cash equivalents	14	21,853	–	–	21,853	21,853
Trade and other receivables*	12	217,565	–	–	217,565	217,565
Short-term placements	13	1,288	–	–	1,288	1,288
Notes receivables	9	1,000	–	–	1,000	1,000
Refundable deposits**	9	2,136	–	–	2,136	2,136
Derivative assets	13	–	1,486	–	1,486	1,486
		<b>243,842</b>	<b>1,486</b>	<b>–</b>	<b>245,328</b>	<b>245,328</b>
Loans and borrowings	16	–	–	1,567,366	1,567,366	1,642,995
Trade and other current liabilities***	20	–	–	298,906	298,906	298,906
Derivative liabilities	17, 20	–	7,896	–	7,896	7,896
		<b>–</b>	<b>7,896</b>	<b>1,866,272</b>	<b>1,874,168</b>	<b>1,949,797</b>

\* includes noncurrent portion of receivables from sale and leaseback and lease receivables

\*\* included under advance rentals and deposits

\*\*\* excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

## 25. Determination of fair values

### *Fair value hierarchy*

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

	Note	31 October 2022			Totals
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Derivative assets	13	–	713	–	713
<b>Non-financial assets</b>					
Fair value of agricultural produce harvested under inventories		–	–	3,811	3,811
Fair value of agricultural produce	10	–	–	45,933	45,933
Freehold land	6	–	–	51,901	51,901
<b>Financial liabilities</b>					
Derivative liabilities	13, 20	–	7,963	–	7,963
Lease liabilities		–	–	104,158	104,158
Loans and borrowings		–	1,524,125	606,387	2,130,512
	Note	30 April 2022			Totals
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Derivative assets	13	–	1,486	–	1,486
Notes receivable	9	–	–	1,000	1,000
<b>Non-financial assets</b>					
Fair value of agricultural produce harvested under inventories		–	–	3,375	3,375
Fair value of agricultural produce	10	–	–	47,346	47,346
Freehold land	6	–	–	53,342	53,342
<b>Financial liabilities</b>					
Derivative liabilities	13, 20	–	7,896	–	7,896
Lease liabilities		–	–	131,723	131,723
Loans and borrowings		–	858,253	784,742	1,642,995

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

#### **Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Commodities contracts	Market comparison technique: The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.
Derivative liabilities	The estimated fair value of the additional Redeemable and Controllable Preference Shares (RCPS) and call option as at 31 October 2022, is based on the Cox-Ross-Rubinstein (CRR) binomial tree model of valuing derivatives. The value of these derivatives is driven primarily by DMPI's forecasted net income which is not based on observable market data.

#### **Financial instruments not measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Financial liabilities, note receivable and refundable deposits	The fair value of the secured senior notes, first lien term loans, second lien term loans, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values.

#### **Other non-financial assets**

<b>Assets</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued.  The valuation method used is sales comparison approach. This is a comparative approach that considers the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved.  The market value per square meter ranges from US\$75.4 to US\$79.3. The market value per acre ranges from US\$4,252 to US\$94,556.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.

<b>Assets</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Harvested crops – sold as fresh fruits	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

## 26. Profit for the period

The following non-cash items have been included in arriving at profit for the period:

	Note	Three months ended 31 October		Six months ended 31 October	
		2022	2021	2022	2021
		US\$'000	US\$'000	US\$'000	US\$'000
Provision for inventory obsolescence		2,235	260	2,414	759
Provision of allowance for ECL (trade and nontrade)		–	15	–	26
Amortization of intangible assets	7	1,737	1,662	3,400	3,325
Amortization of right-of-use assets	30	8,498	11,879	15,074	19,169
Depreciation of property, plant and equipment		34,596	38,505	74,714	77,361

## 27. General and administrative expenses

This account consists of the following:

	Three months ended		Six months ended	
	31 October		31 October	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Personnel costs	19,809	19,479	40,075	37,556
Professional and contracted services	6,323	5,367	11,335	11,311
Computer costs	3,015	2,824	5,829	6,204
Facilities expense	2,071	2,228	4,104	4,313
Employee-related expenses	835	622	1,763	1,268
Postage and telephone	318	260	575	550
Research and development projects	129	193	292	340
Travelling and business meals	710	491	1,110	629
Utilities	232	177	384	319
Materials and supplies	85	66	159	194
Auto operating and maintenance costs	125	31	199	99
Machinery and equipment maintenance	129	136	247	207
Miscellaneous overhead	2,002	2,040	3,809	3,072
	<b>35,783</b>	<b>33,914</b>	<b>69,881</b>	<b>66,062</b>

Miscellaneous overhead consists of donation, corporate initiatives, and other expenses.

## 28. Share capital

	31 October 2022		30 April 2022	
	No. of shares (‘000)	US\$'000	No. of shares (‘000)	US\$'000
<b>Authorized:</b>				
Ordinary shares of US\$0.01 each	3,000,000	30,000	3,000,000	30,000
Preference shares of US\$1.00 each	600,000	600,000	600,000	600,000
	<b>3,600,000</b>	<b>630,000</b>	<b>3,600,000</b>	<b>630,000</b>
<b>Issued and fully paid:</b>				
Ordinary shares of US\$0.01 each	1,944,936	19,449	1,944,936	19,449
Preference shares of US\$1.00 each	10,000	10,000	10,000	10,000
	<b>1,954,936</b>	<b>29,449</b>	<b>1,954,936</b>	<b>29,449</b>

The details of the Company's preference shares are as follows:

Preference Shares	Par Value	Share Capital US\$'000	Share Premium US\$'000	Contributed Capital US\$'000
Series A-1	US\$1.00	—	—	—
Series A-2	US\$1.00	10,000	90,000	100,000
		<b>10,000</b>	<b>90,000</b>	<b>100,000</b>

The Series A-1 Preference shares were redeemed on 7 April 2022. The Series A-2 Preference shares are non-convertible, have no maturity date and are redeemable on the option of the Company on the fifth anniversary from the issue date (the “Step Up Date”) or on any dividend payment date thereafter. The preference shares bear a cumulative non-participating cash dividend at an initial dividend rate of 6.50% per annum, applicable from the issue date up to the Step Up Date. The dividends are payable semi-annually every 7 April and 7 October of each year, being the last day of each 6-month period following the issue date. If the preference shares have not been redeemed on the Step Up Date, the dividend rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus initial spread plus margin of 2.50% per annum (the “Step Up Rate”). The initial spread shall be 4.44% per annum. However, if the initial dividend rate is higher than the applicable Step Up Rate, there shall be no adjustment to the dividend rate, and the initial dividend rate shall continue to be the dividend rate. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

### ***Dividends***

On 23 June 2022, the Company declared dividends of US\$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

The Group does not declare dividends based on first quarter and third quarter results. Undeclared preference dividends as at 31 October 2022 amounted to US\$0.4 million.

### ***Capital management***

The Board of Directors’ policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group’s capital comprises its share capital, retained earnings and total reserves as presented in the consolidated statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders’ equity. The Board also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group’s approach to capital management during the fiscal year.



## 29. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 31 October		Six months ended 31 October	
	2022	2021	2022	2021
<b>Earnings per share is based on:</b>				
Profit (loss) attributable to owners of the Company (US\$'000)	<b>49,524</b>	35,801	<b>19,001</b>	54,123
Cumulative preference share dividends (US\$'000)	<b>(1,625)</b>	(4,938)	<b>(3,250)</b>	(9,875)
	<b>47,899</b>	30,863	<b>15,751</b>	44,248
<b>Weighted average number of ordinary shares ('000):</b>				
Outstanding ordinary shares at 1 Nov /1 May	<b>1,943,960</b>	1,943,960	<b>1,943,960</b>	1,943,960
Effect of shares awards granted	—	—	—	—
Weighted average number of ordinary shares at end of period (basic)	<b>1,943,960</b>	1,943,960	<b>1,943,960</b>	1,943,960
<b>Basic/diluted earnings (loss) per share (in U.S. cents)</b>				
	<b>2.46</b>	1.59	<b>0.81</b>	2.28

## 30. Leases

### *Group as a lessee*

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

	Buildings, land improvements and leasehold improvements US\$'000	Land US\$'000	Machineries and equipment US\$'000	Total US\$'000
<b>Cost/Valuation</b>				
At 1 May 2022	<b>137,477</b>	<b>57,076</b>	<b>40,918</b>	<b>235,471</b>
Additions	<b>4,557</b>	<b>3,798</b>	<b>38</b>	<b>8,393</b>
Disposals	—	<b>(390)</b>	<b>(168)</b>	<b>(558)</b>
Transfers/Adjustments	<b>(7)</b>	—	—	<b>(7)</b>
Currency realignment	<b>(3,629)</b>	<b>(5,615)</b>	—	<b>(9,244)</b>
At 31 October 2022	<b>138,398</b>	<b>54,869</b>	<b>40,788</b>	<b>234,055</b>
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	16,131	12,174	3,534	31,839
Disposals	(4,249)	(1,258)	—	(5,507)
Currency realignment	(2,897)	(4,006)	—	(6,903)
At 30 April 2022	137,477	57,076	40,918	235,471

**Del Monte Pacific Limited and its Subsidiaries**  
**Unaudited Interim Condensed Consolidated Financial Statements**  
*As at 31 October 2022 and for the three-month and six-month periods ended 31 October 2022 and 2021*

	<b>Buildings, land improvements and leasehold improvements US\$'000</b>	<b>Land US\$'000</b>	<b>Machineries and equipment US\$'000</b>	<b>Total US\$'000</b>
<b>Accumulated amortization</b>				
At 1 May 2022	59,933	20,312	31,687	111,932
Amortization	9,887	4,494	4,038	18,419
Disposals	–	(390)	(168)	(558)
Currency realignment	(969)	(2,236)	–	(3,205)
At 31 October 2022	<b>68,851</b>	<b>22,180</b>	<b>35,557</b>	<b>126,588</b>
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	21,452	8,645	9,006	39,103
Disposals	(4,222)	(1,258)	–	(5,480)
Currency realignment	(929)	(1,596)	–	(2,525)
At 30 April 2022	59,933	20,312	31,687	111,932
<b>Carrying amounts</b>				
At 31 October 2022	<b>69,547</b>	<b>32,689</b>	<b>5,231</b>	<b>107,467</b>
At 30 April 2022	77,544	36,764	9,231	123,539

The following are the amounts recognized in consolidated statements of income for three months ended 31 October:

	<b>Three months ended 31 October</b>		<b>Six months ended 31 October</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Amortization expense of right-of-use assets	8,498	11,879	15,074	19,169
Interest expense on lease liabilities	1,343	1,497	2,848	3,195
Expenses relating to short-term leases	3,408	4,128	6,314	6,269
Variable lease payments	(4)	218	32	218
<b>Total amount recognized in consolidated statement of income</b>	<b>13,245</b>	<b>17,722</b>	<b>24,268</b>	<b>28,851</b>

Amortization expense is net of amount capitalized to inventory amounting to US\$2.2 million and US\$0.7 million for the six months ended 31 October 2022 and 2021, respectively.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<b>31 October 2022 US\$'000</b>	<b>30 April 2022 US\$'000</b>
<b>At the beginning of period/year</b>	<b>121,320</b>	128,803
Additions	<b>6,048</b>	28,075
Accretion of interest	<b>3,523</b>	7,534
Payments of principal	<b>(21,442)</b>	(38,870)
Adjustments	–	(10)
Terminations	<b>147</b>	(151)
Currency realignment	<b>(5,438)</b>	(4,061)
<b>At the end of period/year</b>	<b>104,158</b>	121,320
Current	<b>21,213</b>	29,549
Non-current	<b>82,945</b>	91,771
	<b>104,158</b>	121,320

### 31. Commitments and contingencies

#### *Purchase commitments*

The Group had entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes and packaging services. As at the reporting date, the Group has commitments for future minimum payments under non-cancellable agreements at approximately US\$819.0 million.

#### *Contingencies*

As at 31 October 2022, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at 31 October 2022, management has assessed that the probable cash outflow to settle these assessments is not material.

## 32. Related parties

### *Related party transactions*

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the consolidated financial statements, transactions with related parties are as follows:

Category/ Transaction	Period	Amount of the transaction US\$'000	Outstanding balance – receivables/ (payables) US\$'000	Terms	Conditions
<b>Under Common Control</b>					
Shared IT services	<b>October 2022</b>	<b>57</b>	<b>45</b>	Due and demandable;	Unsecured;
	April 2022	112	41	non-interest bearing	no impairment
Sale of raw materials	<b>October 2022</b>	<b>24</b>	<b>(4)</b>	Due and demandable;	Unsecured;
	April 2022	48	(68)	non-interest bearing	no impairment
Sale of apple juice concentrate/materials	<b>October 2022</b>	<b>8</b>	<b>5</b>	Due and demandable;	Unsecured;
	April 2022	12	–	non-interest bearing	no impairment
Purchases	<b>October 2022</b>	<b>62</b>	<b>(20)</b>	Due and demandable;	Unsecured;
	April 2022	122	(6)	non-interest bearing	no impairment
Tollpack fees	<b>October 2022</b>	<b>–</b>	<b>–</b>	Due and demandable;	Unsecured;
	April 2022	12	58	non-interest bearing	no impairment
Security deposit and other charges	<b>October 2022</b>	<b>2</b>	<b>–</b>	Due and demandable;	Unsecured;
	April 2022	7	–	non-interest bearing	no impairment
Cash advances	<b>October 2022</b>	<b>–</b>	<b>–</b>	Short-term;	Unsecured;
	April 2022	1,261	1,261	non-interest bearing	no impairment
<b>Other Related Party</b>					
Management fees from DMPI Retirement fund	<b>October 2022</b>	<b>14</b>	<b>–</b>	Due and demandable;	Unsecured;
	April 2022	53	9	non-interest bearing	no impairment
Rental to DMPI Retirement	<b>October 2022</b>	<b>896</b>	<b>(351)</b>	Due and demandable;	Unsecured
	April 2022	1,837	(362)	non-interest bearing	
Rental to NAI Retirement	<b>October 2022</b>	<b>309</b>	<b>(114)</b>	Due and demandable;	Unsecured
	April 2022	652	(121)	non-interest bearing	
Rental to DMPI Provident Fund	<b>October 2022</b>	<b>–</b>	<b>–</b>	Short-term;	Unsecured;
	April 2022	7	–	non-interest bearing	no impairment
	<b>October 2022</b>	<b>1,372</b>	<b>(439)</b>		
	April 2022	4,123	812		

The transactions with related parties are carried out on an arms-length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favorable to the related parties than those extended to unrelated parties. Pricing for the sales of products is market driven, less certain allowances in accordance with applicable business norms. For purchases, the Group's policy is governed by the same internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best products and/or services on the best possible terms.

All outstanding balances at financial reporting date are unsecured, interest-free, to be settled in cash, and are collectible or payable on demand. As at 31 October 2022 and 30 April 2022, the Group has not made any provision for ECL relating to amounts owed by related parties.

### 33. Net Finance Expense

	Three months ended 31 October		Six months ended 31 October	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Finance income</b>				
Foreign exchange gain	184	(281)	2,267	1,275
Interest income from:				
Bank deposits	15	7	25	22
Others	253	191	483	346
	<b>452</b>	<b>(83)</b>	<b>2,775</b>	<b>1,643</b>
<b>Finance expense</b>				
Interest expenses on:				
Bank loans	(26,724)	(22,704)	(47,639)	(44,328)
Redemption costs related to refinancing	–	–	(44,530)	–
Written off portion of debt discount/deferred financing fee	–	–	(26,341)	–
Amortization of debt issue cost, discount	(1,153)	(2,958)	(2,608)	(5,982)
Leases	(1,343)	(1,494)	(2,848)	(3,195)
Foreign exchange loss	358	(281)	(12)	(376)
	<b>(28,862)</b>	<b>(27,437)</b>	<b>(123,978)</b>	<b>(53,881)</b>
Net finance expense	<b>(28,410)</b>	<b>(27,520)</b>	<b>(121,203)</b>	<b>(52,238)</b>

### 34. Share Purchase Agreement and Shareholders' Agreement with Sea Diner Holdings (S) Pte. Ltd.

On 24 July 2020, the Company, CARI, DMPI and SEA Diner, a company incorporated in Singapore, entered into a Share Purchase Agreement and Shareholders' Agreement whereby CARI will sell 335,678,400 existing common shares equivalent to 12% ownership interest in DMPI to SEA Diner for a consideration of US\$120.0 million, subject to fulfilment of certain conditions precedent. These common shares are convertible to voting, convertible, participating and RCPS of DMPI.

The Board and the stockholders of DMPI approved the conversion of the convertible common shares to RCPS subject to the completion of the transaction and the Enabling Resolutions which further defined the terms of the RCPS on 3 March 2020. As at 30 April 2020, the Company, CARI and DMPI had fulfilled the conditions precedent under the Share Purchase Agreement. The closing date of the agreement is on 20 May 2020.

#### *Terms of the RCPS*

The terms of the RCPS are as follow:

- The RCPS holders participate in the dividends on an as-converted basis, that is, if common shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis.
- The investor as an RCPS holder will have proportional shareholder voting rights in DMPI on an as-converted basis. There will also be certain reserved matters (for example, matters not in the ordinary course of business) which the investor will have the right to approve.
- SEA Diner, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into common shares of DMPI at a ratio of one (1) RCPS to one (1) common share of DMPI. The RCPS is automatically converted into common share in the event of IPO of DMPI.
- Upon the occurrence of any of certain agreed “RCPS Default Events”, SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price, which is the amount of RCPS consideration plus the agreed rate of return (compounded on a per annum basis) calculated from 20 May 2020 up to the date of redemption.
- In case of “Other Redemption Events”, redemption shall be subject to the mutual agreement of the parties. If DMPI does not consent to the RCPS holder’s written redemption request, the internal rate of return would be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis.

On 3 August 2020, the SEC approved the amendment of DMPI’s Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US\$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

As at 30 April 2020 up to the time the RCPS were converted back to common shares on 2 March 2021, the Group is in compliance with the terms set out for the RCPS.

On 1 March 2021, the SEC approved the amendment of DMPI’s Articles of Incorporation to change DMPI’s Php 3 billion authorized capital stock to common shares with a par value of Php 1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares.

### Call Option Agreement

On 24 July 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement wherein SEA Diner would be entitled to a call option or the right to buy from CARI additional DMPI shares (“Option Shares”). The exercise price for each Option Share is US\$0.357 (computed based on the DMPI equity valuation of US\$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The call option is exercisable within the Option Period which means:

(A) commencing on:

- (i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:
  - (a) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of US\$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or
  - (b) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalisation of more than US\$2,000,000,000 and following such IPO, the SEA Diner sells any DMPI shares at a price per DMPI share which implies that DMPI’s valuation is at or lower than an IPO pre-money market capitalisation of US\$2,000,000,000, the date on which the SEA Diner makes such sale of DMPI shares; or
- (ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

(B) ending on the earliest of:

- (i) the date falling ten (10) years after the date of completion of the closing date;
- (ii) the date falling five (5) years after the consummation of an IPO of DMPI; and
- (iii) the date on which the SEA Diner receives an amount in respect of a redemption of its DMPI shares pursuant to the Agreement that provides the SEA Diner with a rate of return of no less than eight (8) per cent.

### ***Source of estimation uncertainty***

The Call Option Agreement may give rise to an obligation on the part of CARI to sell additional shares to SEA Diner at the stipulated price subject to certain conditions stated therein. Management assessed that the Group’s derivative liability to sell additional shares to SEA Diner is immaterial as at 31 October 2022 and 30 April 2022 as the estimated pre-money market capitalisation has been established to be higher than the threshold in the Agreement, and the exercise of the call option is subject to mutual consent of both parties.

The fair value of the derivative liability related to the call option is measured using CRR binomial tree model. The inputs to this model are taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss.

### 35. Other Matters

- a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
- b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- c. Other than those disclosed in other notes, there were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual consolidated statements of financial position date
- d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.
- e. The effects of seasonality or cyclicity on the interim operations of the Group's businesses are explained in Note 5, Seasonality of operations.
- f. The Group's material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of 31 October 2022. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short-term loans and long-term loans.
- g. The Group is the subject of, or a party to, various suits and pending or threatened litigations. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its consolidated financial position.
- h. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealized asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.
- i. Deferment of DMPI IPO Due to Volatile Market Conditions

In light of increased market volatility, on 4 August 2021, the Board of the Company, in consultation with its advisors, had decided to delay the IPO of DMPI on the PSE. The Board believed that it is in the best interests of the Company, its shareholders and potential investors to defer the listing until conditions improve.

The Board remains committed to listing DMPI and continues to believe strongly in the growth and resilience of its business.



## Annex A

### Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e., current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by SEC.

**A. Current Ratio**

	31-Oct-22	31-Oct-21	30-Apr-22	Benchmark
<b>Current Ratio</b>	<b>0.9954</b>	<b>1.1993</b>	<b>1.1980</b>	<b>Minimum of 1.20</b>

Lower current ratio attributed to increase in current loans attributed to KB acquisition as well as due to current portion of long term loans maturing within the next fiscal year that will be refinanced as they fall due.

**B. Net Debt to Equity\***

	31-Oct-22	31-Oct-21	30-Apr-22	Benchmark
<b>Net Debt to Equity</b>	<b>4.4673</b>	<b>2.3206</b>	<b>3.1241</b>	<b>Maximum of 2.50</b>

Higher net debt to equity driven by higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022 and resulting lower equity due to net losses arising from refinancing costs, increase in DMFI's ABL (working capital) loans which includes acquisition of Kitchen Basics.

**C. Net Profit Margin**

	31-Oct-22	31-Oct-21	30-Apr-22	Benchmark
<b>Net Profit Margin attributable to owners of the company</b>	<b>1.64%</b>	<b>4.86%</b>	<b>4.27%</b>	<b>Minimum of 3%</b>

Lower net profit margin driven by the refinancing costs incurred in the first quarter.

**D. Return on Asset\*\***

	31-Oct-22	31-Oct-21	30-Apr-22	Benchmark
<b>Return on Asset</b>	<b>2.34%</b>	<b>2.24%</b>	<b>4.47%</b>	<b>Minimum of 1.21</b>

Lower return driven by net loss in the first quarter of fiscal year 2023 from the incurred refinancing costs.

**E. Return on Equity\***

	31-Oct-22	31-Oct-21	30-Apr-22	Benchmark
<b>Return on Equity</b>	<b>16.88%</b>	<b>9.50%</b>	<b>23.35%</b>	<b>Minimum of 8%</b>

Lower return driven by net loss in the first quarter of fiscal year 2023 from the incurred refinancing costs.

\* *Net debt refers to total loans and borrowings less cash and cash equivalents*

\*\* *Based on last twelve months returns*

**Material Changes in Accounts**

**A. Trade and other receivables**

Mainly due to timing of collection of sales.

**B. Inventories**

Build-up of inventories in the US for the peak season

**C. Intangible assets and Goodwill**

Increase driven by acquisition of Kitchen Basics Brand

**D. Loans and borrowings**

Driven by DMFI refinancing and higher short term loans for working capital requirements.

**E. Trade and other current liabilities**

Higher trade payables in the US due to inventory builds in preparation of the pack season.

## **Liquidity and Covenant Compliance**

Certain unsecured bank loan agreements contain various covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, and maximum annual capital expenditure restrictions.

The following financial covenants apply to the Company and its subsidiaries, as Borrower.

- For the US\$90.0 million senior notes, the fixed charge coverage ratio shall not fall below 2.25 times.

The following financial covenants apply to the Company and its subsidiaries, as Borrower, excluding DMFHL and its subsidiaries.

- For the US\$57.3 million loan and US\$75.0 million loan from Development Bank of the Philippines (DBP), the debt shall not exceed 3 times the equity.
- For the US\$30.0 million loan from Bank of Commerce (BOC), interest coverage ratio shall not fall below 2.0x and the debt shall not exceed 3 times the equity.
- For the Php1.5 billion loan from DBP, and DMPI bonds, DMPI's debt service coverage ratio shall not fall below 1.2x and its debt shall not exceed 2.5 times the equity.

The Group monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Group's reputation. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

As at 31 October 2022 and 30 April 2022, the Company is in compliance with the covenants stipulated in its loan agreements.

## **Annex B**

### **DEL MONTE PACIFIC, LTD.**

#### **SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

<b>Ratio</b>	<b>Formula</b>	<b>Six months ended</b>	
		<b>31 October</b>	
		<b>2022</b>	<b>2021</b>
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.0	1.2
Quick Ratio	(Current Assets - Inventory - Prepaid expense - Biological assets) / Current Liabilities	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Debt*	1.2	1.3
Financial Leverage Ratios:			
Debt Ratio	Total Debt*/Total Assets	0.9	0.8
Debt-to-Equity Ratio	Total Debt*/Total Stockholders' Equity	6.2	3.3
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	7.2	4.3
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	5.3	1.6
(v) Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	29.17%	28.02%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	1.64%	4.86%
Net Profit Margin	Net Profit / Sales	2.10%	5.64%
Return on Assets	Net Income*** / Total Assets	0.74%	2.24%
Return on Equity	Net Income*** / Total Stockholders' Equity	5.31%	9.50%

\* Total Debt refers to total loans and borrowings.

\*\* EBIT = Profit before tax plus finance expenses excluding foreign exchange gain/loss

\*\*\* Last twelve months net income



**DEL MONTE PACIFIC LIMITED**

## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 31 October 2022**

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### **AUDIT**

Second Quarter FY2023 results covering the period from 1 August to 31 October 2022 have neither been audited nor reviewed by the Group's auditors.

### **ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2022 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2022. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3, Reference to the Conceptual Framework.
- Amendments to IAS 16, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37, Onerous Contracts – Costs of Fulfilling a Contract.
- Annual Improvements to IFRSs 2018-2020 Cycle

### **DISCLAIMER**

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the "Group") that are of a forward-looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

Representative examples of these factors include (without limitation) general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, service providers' performance, production efficiencies, input costs and availability, competition, shifts in customer demands and preferences, market acceptance of new products, industry trends, and changes in government and environmental regulations. Such factors that may affect the Group's future financial results are detailed in the Annual Report. The reader is cautioned to not unduly rely on these forward-looking statements.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe to shares in Del Monte Pacific.

## **SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS**

The Company confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) have been procured.

## **DIRECTORS' ASSURANCE**

Confirmation by Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Del Monte Pacific Limited which may render these interim financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of Del Monte Pacific Limited

(Signed)  
Rolando C. Gapud  
Executive Chairman

(Signed)  
Joselito D. Campos, Jr.  
Executive Director

7 December 2022

## NOTES ON THE 2Q FY2023 DMPL RESULTS

- On 30 April 2020, the Group recognized the sale of a 12% stake in Del Monte Philippines, Inc. (DMPI) and started recognizing this as non-controlling interest (NCI) on 1 May 2020. On 16 December 2020, the Group recognized an additional sale of 1% stake in DMPI thereby increasing the NCI share to 13%. In addition, DMPL's effective stake in Del Monte Foods, Inc. (DMFI) increased to 93.6% starting 15 May 2020 and had henceforth recognized a 6.4% NCI. These two comprise the NCI line in the P&L. Net profit/(loss) is net of NCI. Please refer also to profit and loss summary of DMFI and DMPI on page 19 (gross of NCI).
- FY means Fiscal Year for the purposes of this MD&A.
- The Group adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants) in April 2017. The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation.

## FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2022

	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2023	Fiscal Year 2022	% Change	Fiscal Year 2023	Fiscal Year 2022	% Change
<i>in US\$'000 unless otherwise stated</i> <sup>1</sup>						
Turnover	698,923	650,991	7.4	1,155,510	1,113,125	3.8
Gross profit	205,275	178,481	15.0	337,011	311,901	8.1
Gross margin (%)	29.4	27.4	2.0	29.2	28.0	1.2
EBITDA	124,422	107,360	15.9	194,467	182,343	6.6
Operating profit	103,205	83,233	24.0	153,635	140,006	9.7
Operating margin (%)	14.8	12.8	2.0	13.3	12.6	0.7
Net profit attributable to owners of the Company	49,524	35,801	38.3	19,001	54,123	(64.9)
Net margin (%)	7.1	5.5	1.6	1.6	4.9	(3.3)
EPS (US cents)	2.46	1.59	54.7	0.81	2.28	(64.5)
EPS before preference dividends (US cents)	2.55	1.84	38.6	0.98	2.78	(64.7)
Net profit attributable to owners of the Company (Without one-off items <sup>2</sup> )	49,524	35,801	38.3	69,163	54,123	27.8
Net debt	2,037,539	1,532,441	33.0	2,037,539	1,532,441	33.0
Gearing (%) <sup>3</sup>	446.7	232.1	214.7	446.7	232.1	214.7
Net debt to adjusted EBITDA <sup>4</sup>	5.6	4.3	1.3	5.6	4.3	1.3
Cash flow from operations	(158,387)	(144,290)	(9.8)	(152,384)	(95,799)	(59.1)
Capital expenditure	47,310	46,686	1.3	90,336	89,118	1.4
Inventory (days)	193	149	44	213	162	51
Receivables (days)	28	29	(1)	36	34	2
Account Payables (days)	64	51	13	72	53	19

1 The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.39 in October 2022 and 1.34 in October 2021. For conversion to PhP, these exchange rates can be used: 55.49 in October 2022 and 49.36 in October 2021.

2 Please refer to the last page of this MD&A for a schedule of the one-off items

3 Gearing = Net Debt / Equity

4 Adjusted EBITDA = Last twelve months without one-off items

## REVIEW OF OPERATING PERFORMANCE

### Second Quarter

The Group generated sales of US\$698.9 million for the second quarter of FY2023, higher by 7.4% versus the prior year quarter driven by higher sales in the US, improved sales performance for the Philippine business, as well as higher exports of S&W branded fresh and processed pineapples and other products. Excluding Kitchen Basics (KB), Group's net sales are higher by 5.5 % versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI) generated US\$506.3 million or about 72% of Group sales. DMFI's sales increased by US\$28.8 million or 6.0% driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew by 11.1% attributed to pricing taken to address inflation, distribution expansion for Joyba bubble tea and acquisition of Kitchen Basics. KB contributed revenue of US\$12.1 million, representing 2.4% of net sales. Excluding KB, DMFI's net sales would have increased by US\$16.7 million or 3.5%.

As announced on 4 August 2022, DMFI has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. The assets, which were comprised mainly of intellectual property and inventory, were acquired for an aggregate consideration of US\$99 million. Such price was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the company expands its retail presence in the category.

DMFI continues to pursue its innovation efforts and expand on new product offerings in the recent years. Recently, DMFI launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI an exciting new brand to reach the growing consumer base that seeks high-quality and accessibly-priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms, as well as three new Pocket Pie Pizza flavors – Plant-Based Pepperoni, Plant-Based Sausage & Mushroom, and 4 Cheese. New products launched in the past three years contributed 5.3% to DMFI's total sales in the second quarter.

The higher sales performance in the second quarter resulted in DMFI generating a gross profit of US\$141.8 million, higher by 19.1% versus prior year quarter's US\$119.1 million. Gross margin at 28.0% was 306 basis points higher than prior year quarter's 24.9% driven by pricing, in line with inflation, and improved margins from reduced sales of low-margin products. However, this was partly offset by unfavorable sales mix in retail with shifts to multi-pack as the company addresses shifts in consumer spends in line with inflation. Kitchen Basics contribution to gross profit amounted to US\$4.3million with a gross margin of 35.1%. Excluding the impact of Kitchen Basics, DMFI's gross margin is favorable at 27.8% or an improvement of 289 basis points versus prior quarter period.

DMPL ex-DMFI generated sales of US\$206.9 million (inclusive of the US\$14.0 million sales by DMPL to DMFI which were netted out during consolidation) which were 8.8% higher than the US\$190.2 million sales in the prior year quarter. Higher sales were mainly driven by strong sales performance from the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products. This was however negatively impacted by peso devaluation on sales in the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.1% from 32.1% in the same period last year as overall increase in volume as well as pricing improvements were offset by higher cost to produce attributed to commodity headwinds which caused prices to soar especially raw materials, packaging, traded goods, tomato paste, sugar, fuel and coal, among others. This was further aggravated by the negative impact of peso devaluation on all imported products.



The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 21.6% in peso terms, and up 4.9% in US dollar terms, driven by increased sales in the Philippines as well as higher exports of S&W branded fresh and processed pineapples. However, resulting net profit of PhP1.3 billion was down 2.1% in peso terms, and down 15.6% in US dollar terms, as higher sales were offset by commodity headwinds and higher distribution costs. About 55% of DMPI's sales are in the Philippines, with the balance in the international market and others.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US\$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively as the economy opens up post extended COVID lockdowns.

New innovations in dairy and snacking are gaining traction, now accounting for 7.5% of Philippine sales. As schools in the Philippines shifted to onsite from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain to promote its milk product.

International markets generated higher sales of US\$84.9 million, up 13.1%, driven by the strong performance of fresh pineapple which offset declines in processed industrial products. Fresh sales rose 46.3% on the back of higher demand and consumer promotions in North Asia and Middle East, coupled with improved supply availability this quarter. Fresh sales also benefitted from continued favorable consumer and trade acceptance to the naturally-ripened extra-sweet S&W Deluxe premium variant. However, erratic demand in North Asia due to high inflation and extended COVID lockdowns in China had started to impact sales towards the end of the quarter. In the U.S., a major QSR launched new summer drinks and one of which - Pineapple Passionfruit Refreshers - includes our pineapple product. Meanwhile, S&W packaged products grew by 13.9% driven by higher sales of mixed fruit and juice drinks.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US\$0.1 million profit, an improvement from prior year quarter's share in losses of US\$0.5 million driven by better sales performance and margins, as well as overall improvement in cost management.

DMFI delivered an EBITDA of US\$86.5 million, up 22.2% versus the US\$70.7 million in the prior year quarter driven by improved gross margin as discussed above. DMFI generated a net profit of US\$37.8 million, significantly higher by 66.4% versus prior quarter's US\$22.7 million. This was mainly due to higher sales, better sales mix, and lower interest expense driven by refinancing. Kitchen Basics contribution was a net loss of US\$0.7 million attributed to one-off expense of US\$1.7 million, net of tax and minority, pertaining to write-off of excess net realizable value over cost of inventory.

DMPL ex-DMFI generated an EBITDA of US\$36.7 million, lower by 5.6%, and a net profit of US\$17.5 million lower by 18.4% versus the US\$21.4 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US\$124.4 million, 15.9% higher versus prior quarter's US\$107.4 million, mainly driven by the strong operating results of DMFI. Consequently, the Group delivered a net profit of US\$49.5 million, 38.3% higher than prior quarter's US\$35.8 million which was also partly attributed to savings from interest due to refinancing of high yield bonds in May 2022.

The Group's cash outflow from operations in the second quarter was US\$158.4 million, higher versus last year's US\$144.3 million mainly due to higher inventories.

### **First Half**

For the first half of FY2023, the Group generated sales of US\$1.2 billion, up 3.8% versus prior year period. DMFI generated US\$808.7 million or about 70.0% of Group sales, higher by 4.3% as pricing improvements to address inflation and favorable sales mix more than offset lower volume driven by inventory de-loading from the first quarter and continued supply chain challenges in second quarter. Excluding Kitchen Basics, Group's net sales are higher by 2.7% versus previous year.

DMFI continued to innovate and offer exciting products to consumers. New products contributed 5.1% to DMFI's total sales in the first half.

The improved sales performance during the second quarter which made up for the low first quarter inventory de-loading resulted in DMFI generating a gross profit of US\$220.2 million, 12.1% higher than the US\$196.3 million in the prior year. This led to better gross margin of 27.2% from 25.3%, mainly driven by pricing actions to counter inflationary increase in cost of production. In addition, the acquisition of Kitchen Basics contributed US\$12.1 million or 1.5% of DMFI's net sales.

The Philippine market sales were up 7.1% in peso terms but down 4.7% in US dollar terms due to peso depreciation. Improvement in sales is seen across almost all channels driven by culinary and innovation segments while sales from core beverage and fruits were almost in line with last year. Innovations grew strongly due to higher sales of Mr. Milk and Potato Crisps in the snacking segment. New products launched in the past 3 years contributed 7.8% to total Philippine market sales.

Export sales of S&W fresh pineapples continued to experience double digit growth increasing by 31.8% during the first half driven by higher sales in China, Japan, South Korea and the Middle East. In China, sales increased on the back of expanded distribution coverage for the Company's top three distributors.

The Company recently launched the naturally-ripened extra sweet S&W Deluxe Premium fresh pineapple in China, Japan and South Korea with favorable market feedback, which has continued to gain traction in China's retail segment. The fresh business performed strongly, up 23.2%, driven by additional sales from this premium pineapple variety along with improved supply of S&W Sweet 16 pineapple.

DMPL ex-DMFI delivered lower gross margin of 30.2% from 31.4% in the same period last year mainly from the impact of higher product cost.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh) joint venture in India was at US\$0.7 million gain from a US\$1.2 million loss in the prior year period driven by improved operating results. Strong performance was supported by increase in sales across core categories particularly B2C on the back of improved market execution for general, modern trade and e-commerce platforms. B2B business also grew driven by recovery in foodservice from a lower base last year.

In May 2022, DMFI raised US\$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. Proceeds were used to primarily redeem the US\$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The redemption of the Notes incurred a one-off cost of US\$71.9 million or US\$50.2 million post tax and NCI. US\$26.3 million of the US\$71.9 million was non-cash. Please refer to page 27 for the details of the one-off cost.

As a result of the above one-off cost, DMFI incurred a net loss of US\$4.4 million versus the net income of US\$27.5 million from the prior year first half. Excluding the impact of the one-off refinancing cost, DMFI delivered a net income of US\$47.4 million which was significantly higher by 72.2% versus the prior period net income of US\$27.5 million. DMFI delivered EBITDA of US\$122.5 million, up 13.1% versus the US\$108.3 million in the prior year due to higher gross profit as explained above and lower marketing spend.

DMPI achieved sales of Php20.2 billion, up 13.0% in peso terms and up 0.5% in US dollar terms, while net profit of PhP2.3 billion, was down 9.4% in peso terms and down 19.4% in US dollar terms driven by commodity headwinds and higher distribution cost. More than half of DMPI's sales are in the Philippines, with the balance in the international market and others.

DMPL ex-DMFI generated an EBITDA of US\$69.8 million, lower by 9.0% and a net profit of US\$34.6 million, lower by 17.7% versus the US\$42.0 million last year driven by the unfavorable impact of high cost as discussed above and higher interest costs.

The Group generated an EBITDA of US\$194.5 million, 6.7% higher versus prior year's US\$182.3 million, and a net profit of US\$19.0 million, lower than last year's US\$54.1 million, mainly driven by the one-off refinancing cost as discussed above. Without the one-off cost, net profit of US\$70.8 million was significantly higher by 30.7% due to the strong performance of DMFI and S&W branded business.

The Group's net debt/adjusted EBITDA increased to 5.6x from 4.3x last year and gearing to 4.5x from 2.3x due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022 and resulting lower equity due to net losses arising from refinancing costs, increase in DMFI's ABL (working capital) loans which includes acquisition of Kitchen Basics. The impact of the one-off redemption cost on leverage was about 0.4x and will be diluted as the Group expects to have higher profitability in the coming quarters.

The Group's cash outflow from operations in the first half was US\$152.4 million, higher versus last year's outflow of US\$95.8 million mainly due to higher inventories. Increase in inventory was mainly inflationary-driven and higher inventory in certain segments to support customer service levels.

The Group has negative working capital as at 31 October 2022 amounting to US\$7.8 million which was partly attributed to increase in current loans attributed to KB acquisition as well as due to current portion of long-term loans maturing within the next fiscal year that will be refinanced as they fall due.

## **VARIANCE FROM PROSPECT STATEMENT**

The Group expects to generate profits for the balance of the year. It is on track to achieving a net profit after the one-off redemption cost.

## **BUSINESS OUTLOOK**

In an environment with increased emphasis on health and wellness, the Del Monte Pacific Group is well-positioned to respond to consumer trends given its nutritious and long shelf-life products. This trend has been supported with campaigns highlighting the functional health benefits of its products. The Group's iconic brands, Del Monte, S&W, Contadina and College Inn, are trusted names with over a century-long heritage of quality.

Our operating subsidiaries will continue to be one of the leading CPG companies in the markets we serve. We will strive to maintain all our operating metrics at the highest possible levels. Our strong portfolio of branded health and wellness products, together with our entry into adjacent and new categories, will allow us to maintain our revenue and income growth over the years to come. We also expect a new growth stream from our recent acquisition of Kitchen Basics, as well as from new e-commerce infrastructure.

Amidst an inflationary environment, we remain vigilant in managing our operating expenses and have embarked on a number of cost optimization and revenue enhancing initiatives, mindful that the road ahead still holds many challenges. DMPL is proactively addressing inflationary impact from commodity headwinds and increased transportation costs through revenue and cost drivers including driving efficiencies and productivity across operation. DMFI has embarked on a number of cost optimization initiatives including distribution center consolidation and increased use of rail instead of trucks to save on fuel cost. Distribution consolidation should bring benefits in the longer term.

Barring unforeseen circumstances, the Group expects to generate a net profit after the one-off redemption cost in FY2023.

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### AMERICAS

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	207,135	205,105	1.0	88,275	77,494	13.9	62,300	50,098	24.4
Packaged fruit	185,307	186,299	(0.5)	28,990	28,440	1.9	2,543	3,763	(32.4)
Beverage	15,329	10,212	50.1	4,308	1,382	211.7	1,425	437	226.1
Culinary	97,160	78,959	23.1	23,978	15,141	58.4	10,288	4,243	142.5
Others	2,521	1,181	113.5	(1,284)	(370)	(247.0)	(4,216)	(2,988)	(41.1)
Total	507,452	481,756	5.3	144,267	122,087	18.2	72,340	55,553	30.2

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	322,225	320,030	0.7	137,174	121,791	12.6	91,588	77,233	18.6
Packaged fruit	316,713	318,444	(0.5)	49,905	53,775	(7.2)	688	4,715	(85.4)
Beverage	26,804	16,434	63.1	8,767	2,642	231.8	3,274	452	624.3
Culinary	141,627	124,131	14.1	32,667	24,037	35.9	11,040	6,556	68.4
Others	3,422	2,593	32.0	(1,612)	(542)	(197.4)	(4,884)	(5,461)	10.6
Total	810,791	781,632	3.7	226,901	201,703	12.5	101,706	83,495	21.8

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Sales in the Americas increased by 5.3% to US\$507.5 million, driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew attributed to pricing taken to address inflation, distribution expansion for Joyba bubble tea and acquisition of Kitchen Basics.

Gross profit was higher by 18.2% this quarter driven by higher net sales.

Americas reported an operating profit for the quarter of US\$72.3 million versus prior year quarter's US\$55.6 million due to higher sales and improved margins.

## ASIA PACIFIC

### For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	445	414	7.5	55	85	(35.3)	46	72	(36.1)
Packaged fruit	42,699	43,127	(1.0)	14,029	15,003	(6.5)	10,635	11,018	(3.5)
Beverage	33,368	31,936	4.5	5,620	9,585	(41.4)	(423)	2,915	(114.5)
Culinary	43,727	39,216	11.5	16,230	15,499	4.7	11,716	9,808	19.5
Others	57,192	44,360	28.9	21,496	12,520	71.7	6,580	1,048	527.9
Total	177,431	159,053	11.6	57,430	52,692	9.0	28,554	24,861	14.9

### For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	966	931	3.8	159	196	(18.9)	132	162	(18.5)
Packaged fruit	67,382	72,915	(7.6)	21,188	24,486	(13.5)	14,343	17,590	(18.5)
Beverage	66,517	69,421	(4.2)	15,900	21,027	(24.4)	4,507	9,878	(54.4)
Culinary	74,790	73,547	1.7	28,691	29,801	(3.7)	20,740	20,236	2.5
Others	113,387	98,084	15.6	38,260	29,079	31.6	8,465	5,117	65.4
Total	323,042	314,898	2.6	104,198	104,589	(0.4)	48,187	52,983	(9.1)

Reported under this segment are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Asia Pacific's sales in the second quarter increased by 11.6% to US\$177.4 million from US\$159.1 million driven by strong sales performance in the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US\$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively as the economy opens up post extended COVID lockdowns.

## EUROPE

### For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged fruit	10,683	5,808	83.9	2,709	2,361	14.7	1,744	1,793	(2.7)
Beverage	3,270	4,353	(24.9)	824	1,334	(38.2)	531	1,023	(48.1)
Culinary	87	21	314.3	45	7	542.9	36	3	nm
Total	14,040	10,182	37.9	3,578	3,702	(3.3)	2,311	2,819	(18.0)

### For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged fruit	15,018	10,699	40.4	3,953	3,941	0.3	2,245	2,384	(5.8)
Beverage	6,516	5,819	12.0	1,885	1,643	14.7	1,434	1,132	26.7
Culinary	143	77	85.7	74	25	196.0	63	12	425.0
Total	21,677	16,595	30.6	5,912	5,609	5.4	3,742	3,528	6.1

Included in this segment are sales of co-branded and unbranded products in Europe.

For the second quarter, Europe's sales increased by 37.9% to US\$14.0 million from US\$10.2 million on higher sales from packaged fruits and culinary. However, gross profit declined by 3.3% due to unfavorable sales mix from lower pineapple juice concentrate (PJC) sales. Europe delivered an operating income of US\$2.3 million, lower than prior year period's US\$2.8 million due to lower PJC sales.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 October			For the six months ended 31 October		
	FY2023	FY2022	Explanatory Notes	FY2023	FY2022	Explanatory Notes
Cost of Goods Sold	70.6	72.6	Increase in cost of goods sold was more than offset by increase in sales	70.8	72.0	Same as 2Q
Distribution and Selling Expenses	9.4	9.2	Higher transfer and ocean freight cost in DMFI and DMPI	10.0	9.2	Same as 2Q
G&A Expenses	5.1	5.2	Lower turnover as increase in G&A was more than offset by increase in sales.	6.0	5.9	Driven by higher personnel cost in DMFI
Other Operating Expenses (Income)	0.1	0.2	Other expense this quarter was mainly from write-off of excess of NRV over cost of inventory of the newly acquired KB brand	(0.2)	0.3	Other income this year was mainly from reversal of over accruals

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US\$'000	For the three months ended 31 October				For the six months ended 31 October			
	FY2023	FY2022	%	Explanatory Notes	FY2023	FY2022	%	Explanatory Notes
Depreciation and amortization	(45,527)	(51,988)	12.4	Mainly due to translation (PHP depreciation) versus last year	(95,355)	(100,595)	5.2	Same as 2Q
Reversal/ (Provision) of asset impairment	-	14	(100.0)	nm	-	(33)	100.0	Impairment losses last year in DMFI driven by Hanford, none this year
Reversal/ (Provision) for inventory obsolescence	(322)	(181)	(77.9)	Driven by unrealized demand in DMPI	(394)	55	(816.4)	Same as 2Q
Reversal/ (Provision) for doubtful debts	-	15	(100.0)	nm	-	26	(100.0)	nm
Net gain/(loss) on disposal of fixed assets	110	(8)	n.m.	Driven by DMFI, net loss reversal	110	94	17.0	Same as 2Q
Foreign exchange gain/(loss)- net	542	(562)	196.4	Driven by forex gain in ICMOSA	2,255	899	150.8	Higher forex gain in DMPI and ICMOSA
Interest income	268	198	35.4	Driven by DMPI, higher interest income from advance land lease	508	368	38.0	Same as 2Q
Interest expense	(29,220)	(27,156)	(7.6)	Driven by higher market rates in the Philippines and US, partially offset by savings from refinancing	(123,966)	(53,505)	(131.7)	Driven by redemption cost and write-off of deferred financing cost related to refinancing
Share in net loss of JV	(714)	(508)	(40.6)	Driven by startup losses in Vinamilk JV, which share in losses only started being recognized in November 2021	(46)	(1,550)	97.0	Improvement in results for the FieldFresh JV from higher sales and margins.
Taxation benefit (expense)	(19,116)	(14,528)	(31.6)	Higher taxable income this quarter versus last year	(8,171)	(23,461)	65.2	Lower taxable income in DMFI due to one-off refinancing costs.

## REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)	% Variance vs April FY22	Explanatory Notes
<b>In US\$'000</b>					
<b>ASSETS</b>					
Property, plant and equipment - net	564,025	540,253	577,647	(2.4)	nm
Right-of-use (ROU) assets	107,467	116,360	123,539	(13.0)	Mainly due to amortizations on ROU assets
Investment in joint ventures	18,714	21,169	17,172	9.0	Increase driven by additional investment in joint venture and share in profits of FieldFresh
Intangible assets and goodwill	754,532	691,372	688,047	9.7	Increase driven by acquisition of Kitchen Basics Brand
Other noncurrent assets	26,847	26,898	30,411	(11.7)	Reclass of notes receivable to current, and lower downpayments for capital expenditures
Deferred tax assets - net	118,863	120,282	116,745	1.8	nm
Pension assets	8,340	6,625	9,799	(14.9)	Driven by accrual of retirement expense in DMPI
Biological assets	48,573	46,778	50,081	(3.0)	nm
Inventories	1,250,423	884,020	685,958	82.3	Buil up of inventories in the US for the peak season
Trade and other receivables	322,318	269,816	214,553	50.2	Timing of collection of sales
Prepaid expenses and other current assets	49,393	47,034	49,052	0.7	nm
Cash and cash equivalents	19,482	37,248	21,853	(10.8)	Decrease mainly due to timing from operating activities
<b>EQUITY</b>					
Share capital	29,449	49,449	29,449	0.0	nm
Share premium	298,339	478,339	298,339	0.0	nm
Retained earnings	122,820	104,287	140,320	(12.5)	Driven by dividend distribution
Reserves	(59,831)	(37,004)	(42,541)	(40.6)	Driven by translation adjustment
Non-controlling interest	65,327	65,293	69,138	(5.5)	Driven by dividend received
<b>LIABILITIES</b>					
Loans and borrowings	2,057,021	1,569,689	1,567,366	31.2	Driven by DMFI refinancing and higher short term loans for working capital requirements
Lease liabilities	104,158	110,134	121,320	(14.1)	Driven by lease payments
Other noncurrent liabilities	21,695	16,014	23,023	(5.8)	nm
Employee benefits	57,867	63,351	61,300	(5.6)	Driven by DMFI due to payout of benefits in the first half
Environmental remediation liabilities	203	265	203	0.0	nm
Deferred tax liabilities - net	7,082	9,180	12,421	(43.0)	Reversal of deferred tax liability related to DMPI's distribution of profit
Trade and other current liabilities	581,512	376,130	302,833	92.0	Higher trade payables in the US due to inventory builds in preparation of the pack season
Current tax liabilities	3,335	2,728	1,686	97.8	Timing of tax payment for DMPI



## SHARE CAPITAL

Total shares outstanding were 1,953,960,024 (common shares 1,943,960,024 and preference shares 10,000,000) as of 31 October 2022. On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares. Share capital was US\$29.5 million as of 31 October 2022 and 2021. Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below. No options or share awards were granted since 2015.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2015	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding excludes 975,802 shares held by the Company as treasury shares as at 31 October 2022 and 2021. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 October 2022.

## BORROWINGS AND NET DEBT

<i>Liquidity in US\$'000</i>	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)
<b>Gross borrowings</b>	<b>(2,057,021)</b>	(1,569,689)	(1,567,366)
<b>Current</b>	<b>(1,056,362)</b>	(633,108)	(479,354)
<b>Secured</b>	<b>(663,212)</b>	(342,705)	(151,560)
<b>Unsecured</b>	<b>(393,150)</b>	(290,403)	(327,794)
<b>Non-current</b>	<b>(1,000,659)</b>	(936,581)	(1,088,012)
<b>Secured</b>	<b>(653,908)</b>	(657,886)	(703,488)
<b>Unsecured</b>	<b>(346,751)</b>	(278,695)	(384,524)
<b>Less: Cash and bank balances</b>	<b>19,482</b>	37,248	21,853
<b>Net debt</b>	<b>(2,037,539)</b>	(1,532,441)	(1,545,513)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$2.04 billion as at 31 October 2022, higher than the US\$1.55 billion as at 30 April 2022 due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, and increase in DMFI's ABL (working capital) loans which included the acquisition of Kitchen Basics.

## DIVIDENDS

No dividends were declared for this quarter and the prior year quarter. The Group generally declares dividends based on yearend full year results. The last dividend declaration was in June 2022 based on FY2022 results, and paid on 27 July 2022.

## INTERESTED PERSON TRANSACTIONS

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

In US\$'000		Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
For the quarter ended 31 July	Nature of Relationship	FY2023	FY2022	FY2023	FY2022
NutriAsia, Inc	Affiliate of the Company	-	-	165	132
NutriAsia Pacific Limited	Affiliate of the Company	-	-	-	430
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	-	-	898	910
NutriAsia, Inc Retirement Fund	Retirement Fund of Affiliate's Employees	-	-	309	333
<b>Aggregate Value</b>		-	-	<b>1,372</b>	<b>1,805</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**

<i>Amounts in US\$'000</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited)	FY2022 (Unaudited)	%
Turnover	698,923	650,991	7.4	1,155,510	1,113,125	3.8
Cost of sales	(493,648)	(472,510)	(4.5)	(818,499)	(801,224)	(2.2)
<b>Gross profit</b>	<b>205,275</b>	<b>178,481</b>	<b>15.0</b>	<b>337,011</b>	<b>311,901</b>	<b>8.1</b>
Distribution and selling expenses	(65,611)	(60,078)	(9.2)	(115,256)	(102,896)	(12.0)
General and administration expenses	(35,783)	(33,914)	(5.5)	(69,881)	(66,062)	(5.8)
Other operating income/(loss)	(676)	(1,256)	nm	1,761	(2,937)	160.0
<b>Profit from operations</b>	<b>103,205</b>	<b>83,233</b>	<b>24.0</b>	<b>153,635</b>	<b>140,006</b>	<b>9.7</b>
Financial income*	452	(83)	644.6	2,775	1,643	68.9
Financial expense**	(28,862)	(27,437)	(5.2)	(123,978)	(53,881)	(130.1)
Share in net loss of joint venture	(714)	(508)	(40.6)	(46)	(1,550)	97.0
<b>Profit before taxation</b>	<b>74,081</b>	<b>55,205</b>	<b>34.2</b>	<b>32,386</b>	<b>86,218</b>	<b>(62.4)</b>
Taxation	(19,116)	(14,528)	(31.6)	(8,171)	(23,461)	65.2
<b>Profit after taxation</b>	<b>54,965</b>	<b>40,677</b>	<b>35.1</b>	<b>24,215</b>	<b>62,757</b>	<b>(61.4)</b>
<b>Profit attributable to:</b>						
Owners of the Company	49,524	35,801	38.3	19,001	54,123	(64.9)
Non-controlling interest ***	5,441	4,876	11.6	5,214	8,634	(39.6)
<b>Profit for the period</b>	<b>54,965</b>	<b>40,677</b>	<b>35.1</b>	<b>24,215</b>	<b>62,757</b>	<b>(61.4)</b>
<b>Notes:</b>						
Depreciation and amortization	(45,527)	(51,988)	12.4	(95,355)	(100,595)	5.2
Reversal of (provision for) asset impairment	-	14	nm	-	(33)	nm
Reversal of (provision for) inventory obsolescence	(322)	(181)	(77.9)	(394)	55	(816.4)
Provision for doubtful debts	-	15	(100.0)	-	26	(100.0)
Gain (loss) on disposal of fixed assets	110	(8)	n.m	110	94	17.0
<b>*Financial income comprise:</b>						
Interest income	268	198	35.4	508	368	38.0
Foreign exchange gain	184	(281)	165.5	2,267	1,275	77.8
	452	(83)	644.6	2,775	1,643	68.9
<b>**Financial expense comprise:</b>						
Interest expense	(29,220)	(27,156)	(7.6)	(123,966)	(53,505)	(131.7)
Foreign exchange loss	358	(281)	227.4	(12)	(376)	96.8
	(28,862)	(27,437)	(5.2)	(123,978)	(53,881)	(130.1)

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended 31 October		For the six months ended 31 October	
	FY2023	FY2022	FY2023	FY2022
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	2.46	1.59	0.81	2.28
(ii) On a fully diluted basis	2.46	1.59	0.81	2.28

\*\*\*Includes (US\$301m) for DMFI, US\$5,482m for DMPI and US\$34m for Del Monte Foods Private Limited (previously FieldFresh) in the first half ended 31 October of FY2023 and US\$1,892m for DMFI, US\$6,803m for DMPI and (US\$61m) for Del Monte Foods Private Limited in the first half ended 31 October of FY2022. Includes US\$2,596 for DMFI, US\$2,871m for DMPI and (US\$25m) for Del Monte Foods Private Limited in the second quarter ended 31 October of FY2023 and US\$1,562m for DMFI, US\$3,340m for DMPI and (US\$27m) for Del Monte Foods Private Limited in the second quarter ended 31 October of FY2022.

# **DEL MONTE PACIFIC LIMITED** **UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amounts in US\$'000</i>	For the three months ended 31 October			For the six months ended 31 October		
	<b>FY2023</b> <b>(Unaudited)</b>	FY2022 (Unaudited)	%	<b>FY2023</b> <b>(Unaudited)</b>	FY2022 (Unaudited)	%
<b>Profit for the period</b>	<b>54,965</b>	40,677	35.1	<b>24,215</b>	62,757	(61.4)
<b>Other comprehensive income (after reclassification adjustment):</b>						
<b>Items that will or may be reclassified subsequently to profit or loss</b>						
Exchange differences on translating of foreign operations	<b>(9,788)</b>	(1,140)	(758.6)	<b>(19,584)</b>	(8,162)	(139.9)
Effective portion of changes in fair value of cash flow hedges	<b>(459)</b>	(1,438)	68.1	<b>(424)</b>	60	(806.7)
Income tax expense on cash flow hedge	<b>115</b>	352	(67.3)	<b>106</b>	(15)	806.7
	<b>(10,132)</b>	(2,226)	(355.2)	<b>(19,902)</b>	(8,117)	(145.2)
<b>Items that will not be classified to profit or loss</b>						
Remeasurement of retirement benefit	<b>74</b>	-	n.m.	<b>106</b>	24	341.7
Income tax expense on retirement benefit	<b>(11)</b>	-	n.m.	<b>(15)</b>	(3)	(400.0)
	<b>63</b>	-	n.m.	<b>91</b>	21	333.3
<b>Other comprehensive income/(loss) for the period</b>	<b>(10,069)</b>	(2,226)	(352.3)	<b>(19,811)</b>	(8,096)	(144.7)
<b>Total comprehensive income for the period</b>	<b>44,896</b>	38,451	16.8	<b>4,404</b>	54,661	(91.9)
<b>Attributable to:</b>						
Owners of the Company	<b>40,721</b>	33,787	20.5	<b>1,711</b>	47,072	(96.4)
Non-controlling interests	<b>4,175</b>	4,664	(10.5)	<b>2,693</b>	7,589	(64.5)
<b>Total comprehensive income for the period</b>	<b>44,896</b>	38,451	16.8	<b>4,404</b>	54,661	(91.9)

Please refer to page 3 for the Notes

# **DEL MONTE PACIFIC LIMITED** **UNAUDITED STATEMENT OF FINANCIAL POSITION**

<b>Amounts in US\$'000</b>	<b>Group</b>			<b>Company</b>		
	<b>31</b> <b>October 2022</b> <b>(Unaudited)</b>	<b>31</b> <b>October 2021</b> <b>(Unaudited)</b>	<b>30</b> <b>April 2022</b> <b>(Audited)</b>	<b>31</b> <b>October 2022</b> <b>(Unaudited)</b>	<b>31</b> <b>October 2021</b> <b>(Unaudited)</b>	<b>30</b> <b>April 2022</b> <b>(Audited)</b>
<b>Non-Current Assets</b>						
Property, plant and equipment - net	564,025	540,253	577,647	-	-	-
Right-of-use (ROU) assets	107,467	116,360	123,539	119	75	132
Investment in subsidiaries	-	-	-	938,211	836,795	980,008
Investment in joint ventures	18,714	21,169	17,172	2,705	2,952	2,836
Intangible assets and goodwill	754,532	691,372	688,047	-	-	-
Other noncurrent assets	26,847	26,898	30,411	-	-	49
Deferred tax assets - net	118,863	120,282	116,745	-	34	-
Pension assets	8,340	6,625	9,799	-	-	-
Biological assets	2,640	2,708	2,735	-	-	-
	<b>1,601,428</b>	<b>1,525,667</b>	<b>1,566,095</b>	<b>941,035</b>	<b>839,856</b>	<b>983,025</b>
<b>Current Assets</b>						
Inventories	1,250,423	884,020	685,958	-	-	-
Biological assets	45,933	44,070	47,346	-	-	-
Trade and other receivables	322,318	269,816	214,553	28,938	83,312	84,832
Prepaid expenses and other current assets	49,393	47,034	49,052	1,370	107	931
Cash and cash equivalents	19,482	37,248	21,853	2,307	3,519	2,129
	<b>1,687,549</b>	<b>1,282,188</b>	<b>1,018,762</b>	<b>32,615</b>	<b>86,938</b>	<b>87,892</b>
<b>Total Assets</b>	<b>3,288,977</b>	<b>2,807,855</b>	<b>2,584,857</b>	<b>973,650</b>	<b>926,794</b>	<b>1,070,917</b>
	-	-	-	-	-	-
<b>Equity attributable to equity holders of the Company</b>						
Share capital	29,449	49,449	29,449	29,449	49,449	29,449
Share premium	298,339	478,339	298,339	298,478	478,478	298,478
Retained earnings	122,820	104,287	140,320	122,820	39,254	140,320
Reserves	(59,831)	(37,004)	(42,541)	(59,831)	(65,075)	(42,541)
Equity attributable to owners of the Company	390,777	595,071	425,567	390,916	502,106	425,706
Non-controlling interest	65,327	65,293	69,138	-	-	-
<b>Total Equity</b>	<b>456,104</b>	<b>660,364</b>	<b>494,705</b>	<b>390,916</b>	<b>502,106</b>	<b>425,706</b>
<b>Non-Current Liabilities</b>						
Loans and borrowings	1,000,659	936,581	1,088,012	251,707	248,392	434,587
Lease liabilities	82,945	84,464	91,771	-	-	-
Other noncurrent liabilities	21,695	16,014	23,023	-	-	-
Employee benefits	24,927	31,855	24,342	62	244	12
Environmental remediation liabilities	203	265	203	-	-	-
Deferred tax liabilities - net	7,082	9,180	12,421	34	-	8
	<b>1,137,511</b>	<b>1,078,359</b>	<b>1,239,772</b>	<b>251,803</b>	<b>248,636</b>	<b>434,607</b>
<b>Current Liabilities</b>						
Trade and other current liabilities	581,512	376,130	302,833	37,654	53,411	40,029
Loans and borrowings	1,056,362	633,108	479,354	293,261	122,641	170,571
Lease liabilities	21,213	25,670	29,549	-	-	-
Current tax liabilities	3,335	2,728	1,686	16	-	4
Employee benefits	32,940	31,496	36,958	-	-	-
	<b>1,695,362</b>	<b>1,069,132</b>	<b>850,380</b>	<b>330,931</b>	<b>176,052</b>	<b>210,604</b>
<b>Total Liabilities</b>	<b>2,832,873</b>	<b>2,147,491</b>	<b>2,090,152</b>	<b>582,734</b>	<b>424,688</b>	<b>645,211</b>
<b>Total Equity and Liabilities</b>	<b>3,288,977</b>	<b>2,807,855</b>	<b>2,584,857</b>	<b>973,650</b>	<b>926,794</b>	<b>1,070,917</b>
NAV per ordinary share (US cents)	14.96	15.18	16.75	14.97	10.40	16.75
NTAV per ordinary share (US cents)	(23.86)	(20.39)	(18.65)	14.97	10.40	16.75

## DEL MONTE PACIFIC LIMITED

### UNAUDITED STATEMENTS OF CHANGES IN EQUITY

<i>Amounts in US\$'000</i>												
Group	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Fiscal Year 2023</b>												
At 1 May 2022	29,449	298,339	(95,322)	14,278	43,752	(4,963)	-	(286)	140,320	425,567	69,138	494,705
<b>Total comprehensive income for the period</b>												
Profits for the period									19,001	19,001	5,214	24,215
<b>Other comprehensive income</b>												
Currency translation differences recognized directly in equity	-	-	(17,071)	-	-	-	-	-	-	(17,071)	(2,513)	(19,584)
Remeasurement of retirement plan, net of tax	-	-	-	-	79	-	-	-	-	79	12	91
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(298)	-	-	-	(298)	(20)	(318)
<b>Total other comprehensive income/(loss)</b>	-	-	(17,071)	-	79	(298)	-	-	-	(17,290)	(2,521)	(19,811)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(17,071)	-	79	(298)	-	-	19,001	1,711	2,693	4,404
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Payment of Dividends	-	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
<b>At 31 October 2022</b>	<b>29,449</b>	<b>298,339</b>	<b>(112,393)</b>	<b>14,278</b>	<b>43,831</b>	<b>(5,261)</b>	<b>-</b>	<b>(286)</b>	<b>122,820</b>	<b>390,777</b>	<b>65,327</b>	<b>456,104</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>												
<b>Fiscal Year 2022</b>												
At 1 May 2021	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
<b>Total comprehensive income for the period</b>												
Profits for the period	-	-	-	-	-	-	-	-	54,123	54,123	8,634	62,757
<b>Other comprehensive income</b>												
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)	(1,049)	(8,162)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20	1	21
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42	3	45
<b>Total other comprehensive income/(loss)</b>	-	-	(7,113)	-	20	42	-	-	-	(7,051)	(1,045)	(8,096)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(7,113)	-	20	42	-	-	54,123	47,072	7,589	54,661
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
<b>At 31 October 2021</b>	<b>49,449</b>	<b>478,339</b>	<b>(89,084)</b>	<b>14,278</b>	<b>35,069</b>	<b>1,266</b>	<b>1,753</b>	<b>(286)</b>	<b>104,287</b>	<b>595,071</b>	<b>65,293</b>	<b>660,364</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>										
<b>Fiscal Year 2023</b>										
At 1 May 2022	29,449	298,478	(95,322)	14,278	43,752	(4,963)	-	(286)	140,320	425,706
<b>Total comprehensive income for the period</b>										
Profits for the period									19,001	19,001
<b>Other comprehensive income</b>										
Currency translation differences recognized directly in equity	-	-	(17,071)	-	-	-	-	-	-	(17,071)
Remeasurement of retirement plan, net of tax	-	-	-	-	79	-	-	-	-	79
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(298)	-	-	-	(298)
<b>Total other comprehensive income/(loss)</b>	-	-	(17,071)	-	79	(298)	-	-	-	(17,290)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(17,071)	-	79	(298)	-	-	19,001	1,711
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Payment of Dividends	-	-	-	-	-	-	-	-	(36,501)	(36,501)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(36,501)	(36,501)
<b>At 31 October 2022</b>	<b>29,449</b>	<b>298,478</b>	<b>(112,393)</b>	<b>14,278</b>	<b>43,831</b>	<b>(5,261)</b>	<b>-</b>	<b>(286)</b>	<b>122,820</b>	<b>390,916</b>



**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>										
<b>Fiscal Year 2022</b>										
At 1 May 2021	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
<b>Total comprehensive income for the period</b>										
Profits for the period	-	-	-	-	-	-	-	-	54,123	54,123
<b>Other comprehensive income</b>										
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42
<b>Total other comprehensive income/(loss)</b>	-	-	(7,113)	-	20	42	-	-	-	(7,051)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(7,113)	-	20	42	-	-	54,123	47,072
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(33,185)	(33,185)
<b>At 31 October 2021</b>	<b>49,449</b>	<b>478,478</b>	<b>(89,084)</b>	<b>14,278</b>	<b>35,069</b>	<b>1,266</b>	<b>1,753</b>	<b>(286)</b>	<b>104,287</b>	<b>595,210</b>

7 December 2022

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>Amounts in US\$'000</b>	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>31 October</b>		<b>31 October</b>	
	<b>FY2023</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>				
Profit for the period	54,965	40,677	24,215	62,757
Adjustments for:				
Depreciation of property, plant and equipment	34,596	38,505	74,714	77,361
Amortization of right-of-use assets	9,194	11,821	17,241	19,909
Amortization of intangible assets	1,737	1,662	3,400	3,325
Impairment loss on property, plant and equipment	-	(14)	-	33
Gain on disposal of property, plant and equipment	(110)	8	(110)	(94)
Share in net (profit) loss of joint venture	714	508	46	1,550
Finance income	(452)	83	(2,775)	(1,643)
Finance expense	28,862	27,437	53,107	53,881
Redemption fee on Senior Secured Loans	-	-	44,530	-
Write-off of deferred financing costs	-	-	26,341	-
Tax expense - current	4,532	3,988	13,601	10,571
Tax expense (deferred)	14,584	10,540	(5,430)	12,890
Net loss (gain) on derivative financial instrument	-	(116)	-	(324)
Operating profit before working capital changes	148,622	135,099	248,880	240,216
Changes in:				
Other assets	(2,519)	(6,387)	(962)	(6,309)
Inventories	(386,468)	(203,857)	(569,551)	(329,838)
Biological assets	(5,236)	(1,155)	(3,420)	(1,464)
Trade and other receivables	(126,333)	(86,231)	(115,785)	(91,035)
Prepaid and other current assets	2,081	(5,989)	(1,269)	(7,376)
Trade and other payables	211,956	27,554	303,709	113,706
Employee Benefit	3,511	1,964	(4,186)	(5,553)
Operating cash flow	(154,386)	(139,002)	(142,584)	(87,653)
Income taxes paid	(4,001)	(5,288)	(9,800)	(8,146)
<b>Net cash flows provided by operating activities</b>	<b>(158,387)</b>	<b>(144,290)</b>	<b>(152,384)</b>	<b>(95,799)</b>
<b>Cash flows from investing activities</b>				
Interest received	673	309	1,073	534
Proceeds from disposal of property, plant and equipment	35	63	93	211
Purchase of property, plant and equipment	(47,310)	(46,686)	(90,336)	(89,118)
Purchase of Kitchen Basics brand	(69,886)	-	(69,886)	-
Additional investment in joint venture	(494)	-	(1,462)	(189)
<b>Net cash flows used in investing activities</b>	<b>(116,982)</b>	<b>(46,314)</b>	<b>(160,518)</b>	<b>(88,562)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(24,664)	(3,848)	(70,247)	(43,240)
Proceeds of borrowings	666,890	881,557	1,572,859	1,559,547
Repayment of borrowings	(347,372)	(635,841)	(1,060,957)	(1,264,215)
Payments of lease liability	(7,892)	(8,569)	(21,442)	(20,703)
Dividends paid	(4,194)	(25,301)	(43,005)	(36,793)
Redemption fee on Senior Secured Loans	-	-	(44,530)	-
Payments of debt related costs	(2,611)	-	(16,526)	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>280,157</b>	<b>207,998</b>	<b>316,152</b>	<b>194,596</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,788</b>	<b>17,394</b>	<b>3,250</b>	<b>10,235</b>
<b>Cash and cash equivalents, beginning</b>	<b>24,468</b>	<b>19,582</b>	<b>21,853</b>	<b>29,435</b>
<b>Effect of exchange rate fluctuations on cash held in foreign cu</b>	<b>(9,774)</b>	<b>272</b>	<b>(5,621)</b>	<b>(2,422)</b>
<b>Cash and cash equivalents at end of period</b>	<b>19,482</b>	<b>37,248</b>	<b>19,482</b>	<b>37,248</b>

## PROFIT AND LOSS SUMMARY OF MAJOR SUBSIDIARIES

### DEL MONTE FOODS HOLDINGS LIMITED AND SUBSIDIARIES UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US\$'000	For the three months ended 31 October			For the six months ended 31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited) (Unaudited)	(Unaudited)	%
Turnover	506,298	477,477	6.0	808,743	775,577	4.3
Cost of sales	(364,535)	(358,411)	(1.7)	(588,565)	(579,234)	(1.6)
<b>Gross profit</b>	<b>141,763</b>	119,066	19.1	<b>220,178</b>	196,343	12.1
Distribution and selling expenses	(43,682)	(40,192)	(8.7)	(73,548)	(66,459)	(10.7)
General and administration	(25,359)	(24,325)	(4.3)	(50,067)	(47,076)	(6.4)
Other operating income/(loss)	(1,966)	(1,191)	(65.1)	(476)	(2,789)	82.9
<b>Profit from operations</b>	<b>70,756</b>	53,358	32.6	<b>96,087</b>	80,019	20.1
Interest income	10	10	0.0	20	20	0.0
Interest expense	(17,782)	(20,691)	14.1	(103,333)	(40,554)	(154.8)
Forex exchange gain (loss)	1,313	(349)	476.2	957	(341)	380.6
<b>Profit before taxation</b>	<b>54,297</b>	32,328	68.0	<b>(6,269)</b>	39,144	(116.0)
Taxation	(13,900)	(8,057)	(72.5)	1,605	(9,747)	116.5
<b>Profit after taxation</b>	<b>40,397</b>	24,271	66.4	<b>(4,664)</b>	29,397	(115.9)
<b>Profit(loss) attributable to:</b>						
Owners of the DMPL	37,801	22,709	66.5	(4,363)	27,505	(115.9)
Non-controlling interest	2,596	1,562	66.2	(301)	1,892	(115.9)
<b>Profit/(loss) for the period</b>	<b>40,397</b>	24,271	66.4	<b>(4,664)</b>	29,397	(115.9)

**DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**

	For the three months ended 31 October					
	FY2023	FY2022	%	FY2023	FY2022	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	11,281,348	9,274,004	21.6	195,346	186,138	4.9
Cost of sales	(7,979,779)	(6,397,716)	(24.7)	(138,146)	(128,392)	(7.6)
Gross profit	3,301,569	2,876,288	14.8	57,200	57,746	(0.9)
Distribution and selling expenses	(1,192,006)	(952,085)	(25.2)	(20,594)	(19,139)	(7.6)
General and administration expenses	(278,196)	(236,633)	(17.6)	(4,771)	(4,741)	(0.6)
Other operating loss	(6,331)	(21,981)	71.2	(65)	(436)	85.1
Profit from operations	1,825,036	1,665,589	9.6	31,770	33,430	(5.0)
Interest income	39,792	15,546	156.0	700	312	124.4
Interest expense	(256,876)	(179,061)	(43.5)	(4,468)	(3,594)	(24.3)
Forex exchange gain (loss)	(52,823)	(15,497)	(240.9)	(1,042)	(328)	(217.7)
Share in net loss of joint venture	(65,208)	-	nm	(1,175)	-	nm
Profit before taxation	1,489,921	1,486,577	0.2	25,785	29,820	(13.5)
Taxation	(223,365)	(192,661)	(15.9)	(3,888)	(3,861)	(0.7)
Profit after taxation	1,266,556	1,293,916	(2.1)	21,897	25,959	(15.6)

	For the six months ended 31 October					
	FY2023	FY2022	%	FY2023	FY2022	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	20,192,455	17,873,673	13.0	363,894	362,108	0.5
Cost of sales	(14,317,804)	(12,408,429)	(15.4)	(258,025)	(251,386)	(2.6)
Gross profit	5,874,651	5,465,244	7.5	105,869	110,722	(4.4)
Distribution and selling expenses	(2,186,007)	(1,687,934)	(29.5)	(39,395)	(34,196)	(15.2)
General and administration expenses	(550,492)	(497,210)	(10.7)	(9,921)	(10,073)	1.5
Other operating loss	(60,929)	(67,571)	9.8	(1,098)	(1,369)	19.8
Profit from operations	3,077,223	3,212,529	(4.2)	55,455	65,084	(14.8)
Interest income	59,258	26,675	122.1	1,068	540	97.8
Interest expense	(437,036)	(346,164)	(26.3)	(7,876)	(7,013)	(12.3)
Forex exchange gain	48,638	54,675	(11.0)	877	1,108	(20.8)
Share in net loss of joint venture	(65,208)	-	nm	(1,175)	-	nm
Profit before taxation	2,682,875	2,947,715	(9.0)	48,349	59,719	(19.0)
Taxation	(376,637)	(402,973)	6.5	(6,787)	(8,164)	16.9
Profit after taxation	2,306,238	2,544,742	(9.4)	41,562	51,555	(19.4)

Forex translation used: 55.49 in October 2022 and 49.36 in October 2021

**DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**  
**OPERATING SEGMENT BY PRODUCT**

	For the three months ended 31 October						For the six months ended 31 October					
	FY23 (In PHP'000)	FY22	% Chg	FY23 (In US\$'000)	FY22	% Chg	FY23 (In PHP'000)	FY22	% Chg	FY23 (In US\$'000)	FY22	% Chg
<b>Revenues</b>												
Convenience Cooking and Desert	4,314,982	3,406,537	26.7	75,699	68,456	10.6	6,623,860	6,154,943	7.6	119,370	124,695	(4.3)
Healthy Beverages and Snacks	1,836,953	1,638,789	12.1	31,581	32,856	(3.9)	3,542,877	3,333,838	6.3	63,847	67,541	(5.5)
Premium Fresh Fruit	2,246,331	1,365,868	64.5	38,625	27,352	41.2	4,326,426	2,938,670	47.2	77,968	59,535	31.0
Packaged fruit and Beverages - Export	2,049,643	2,093,748	(2.1)	35,040	42,067	(16.7)	4,174,561	3,822,928	9.2	75,231	77,450	(2.9)
Others	34,502	19,422	77.6	602	390	54.4	55,789	36,915	51.1	1,006	748	34.5
Changes in fair value – PAS 41	798,937	749,640	6.6	13,799	15,017	(8.1)	1,468,942	1,586,379	(7.4)	26,472	32,139	(17.6)
Total	11,281,348	9,274,004	21.6	195,346	186,138	4.9	20,192,455	17,873,673	13.0	363,894	362,108	0.5
<b>Gross income</b>												
Convenience Cooking and Desert	1,609,299	1,374,291	17.1	28,199	27,625	2.1	2,507,782	2,442,491	2.7	45,193	49,483	(8.7)
Healthy Beverages and Snacks	310,077	475,566	(34.8)	5,119	9,526	(46.3)	835,301	1,013,054	(17.5)	15,053	20,524	(26.7)
Premium Fresh Fruit	1,011,374	660,758	53.1	17,462	13,241	31.9	1,867,714	1,378,375	35.5	33,659	27,925	20.5
Packaged fruit and Beverages - Export	238,146	444,345	(46.4)	3,998	8,959	(55.4)	567,538	656,802	(13.6)	10,228	13,306	(23.1)
Others	16,189	8,862	82.7	282	178	58.4	26,216	16,360	60.2	473	332	42.5
Changes in fair value - PAS 41	116,484	(87,534)	233.1	2,140	(1,783)	220.0	70,100	(41,838)	267.6	1,263	(848)	248.9
Total	3,301,569	2,876,288	14.8	57,200	57,746	(0.9)	5,874,651	5,465,244	7.5	105,869	110,722	(4.4)
<b>Earnings before interest and tax</b>												
Convenience Cooking and Desert	1,092,094	856,426	27.5	19,195	17,206	11.6	1,636,496	1,572,539	4.1	29,492	31,859	(7.4)
Healthy Beverages and Snacks	(144,287)	114,666	(225.8)	(2,790)	2,264	(223.2)	68,949	401,468	(82.8)	1,243	8,133	(84.7)
Premium Fresh Fruit	563,095	425,777	32.3	9,730	8,531	14.1	1,030,813	892,030	15.6	18,577	18,072	2.8
Packaged fruit and Beverages - Export	66,219	332,002	(80.1)	1,042	6,707	(84.5)	235,390	429,320	(45.2)	4,242	8,698	(51.2)
Others	13,400	8,757	53.0	236	177	33.3	18,905	13,665	38.3	340	277	22.7
Changes in fair value - PAS 41	116,484	(87,536)	233.1	2,140	(1,783)	220.0	70,100	(41,818)	267.6	1,263	(847)	249.1
Total	1,707,005	1,650,092	3.4	29,553	33,102	(10.7)	3,060,653	3,267,204	(6.3)	55,157	66,192	(16.7)

Forex translation used: 55.49 in October 2022 and 49.36 in October 2021

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**DMPI's Product segments****Convenience Cooking and Dessert**

This segment includes sales of packaged tomato-based and non-tomato-based products, such as tomato sauce and paste, spaghetti sauce, ketchup, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments, sold under the *Del Monte* and *Contadina* brands and soy sauces under the *Kikkoman* brand as part of an exclusive distributorship arrangement for the Philippines. This category also includes packaged pineapple solids and tropical mixed fruit products sold within the Philippines under the *Del Monte*, *Fiesta* and *Today's* brands.

**Healthy Beverages and Snacks**

Healthy beverages which are sold in the Philippines under the *Del Monte* brand include ready-to-drink juices, fruit and vegetable juice drinks, and pineapple juice concentrate in various packaging formats, including Tetra Pak and PET. DMPI's hallmark product in the beverage segment is *100% Pineapple Juice*, including derivations thereof, such as *100% Pineapple Juice* that is enriched with additional vitamins, fiber or calcium or that is specifically developed to help manage cholesterol. In addition, the beverage segment covers juice drinks made from other fruits, vegetables, herbs and botanicals, such as *Tipco* juice, and DMPI's *Fit 'n Right* products, which are drinks fortified with green coffee extract (an antioxidant-containing supplement derived from unroasted raw coffee beans, which is believed to improve blood pressure and cholesterol levels) to help reduce sugar absorption from food and L-carnitine (a chemical compound similar to an amino acid that is produced by the body and which helps the body to metabolize fat into energy) to assist in fat metabolism.

**Packaged Fruits and Beverages – Export**

This segment includes packaged fruit and beverages products sold internationally.

*Packaged Fruit*

Packaged fruit includes sales of fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the *S&W* brand and the *Del Monte* brand for parties who have the license rights to *Del Monte* in other markets, as well as under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce *Nice Fruit* frozen pineapple products and not-from concentrate juices or packaged as a premium version of DMPI's *Del Monte*-branded packaged pineapples, *Deluxe Gold*. *Deluxe Gold* products, which were launched in May 2020, are exported primarily to the United States through an affiliate.

*Beverages*

Beverages includes sales of *100% Pineapple Juice* and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from concentrate juice is prepared solely from the juice of whole pineapple at DMPI's Not-From-Concentrate juicing plant and contains no additional ingredients. DMPI produces 100% MD2 Not-From-Concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

**Premium Fresh Fruit**

Premium Fresh Fruit category include sales of *S&W*-branded premium fresh pineapples in Asia Pacific and private label or non-branded MD2 and C74 fresh pineapples in Asia. DMPI's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the main export product and sold under the "S&W Sweet 16" brand.

**Others**

The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also includes culinary products sold internationally.

## ONE-OFF EXPENSES

Amounts in US\$ million	For the three months ended 31 October			For the six months ended 31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited)	FY2022 (Unaudited)	%
<b>DMFI one-off expenses:</b>						
Redemption fee	-	-	nm	44.5	-	nm
Write-off of deferred financing costs (non cash)	-	-	nm	26.3	-	nm
Ticking fee	-	-	nm	1.0	-	nm
Total (pre-tax basis)	-	-	nm	71.9	-	nm
Tax impact	-	-	nm	(18.3)	-	nm
Non-controlling interest	-	-	nm	(3.4)	-	nm
<b>Total DMFI one-off expenses (post tax, post NCI basis)</b>	-	-	nm	50.2	-	nm