

Growing the New Del Monte (USA)

06.29.18



Strategic Overview - DMFI

Greg Longstreet, CEO



Del Monte Foods 130-year Heritage of Innovation

1880 1900 1920 1940 1960 1980 2000 2018

1890

1886

Del Monte Premier

First used on a premium coffee prepared for the Hotel Del Monte on the Monterey peninsula.



1910

1909

The Shield is Introduced

Del Monte puts quality at the center of its brand promise. Early ads assure customers that the brand's seal is "not just a label—but a guarantee."



1907

The Cannery is built

One of San Francisco's treasured landmarks, and by 1909 the largest fruit and vegetable cannery in the world



1930

1911

Packaging Innovation

The sanitary three piece can replaces hand-soldered containers to better preserve product integrity



1950

1917

National Advertising

April 21, 1917, the Saturday Evening Post carried a full page ad boosting brand recognition nationwide.



1971

Leaders in Nutritional Labeling

Del Monte becomes the first major US food producer to voluntarily adopt food nutritional labeling



2010

2015

Product Revitalization

Del Monte renews its quality promise for a new generation of consumers, committing to remove BPA and GMOs in its products



2018

One of the Most Trusted Brands

Recognized in Authentic Brands study as among the top 100 brands that people trust most across the world, ranking ahead of other admired brands Starbucks, Facebook, and Pepsi.

Del Monte's Solid Foundation with US Consumers

Leverageable Equity

High Brand Recognition, Broad Appeal, And Better-for-You

High Brand Recognition

- National footprint
- +98% Brand awareness

Broad Demographic Appeal

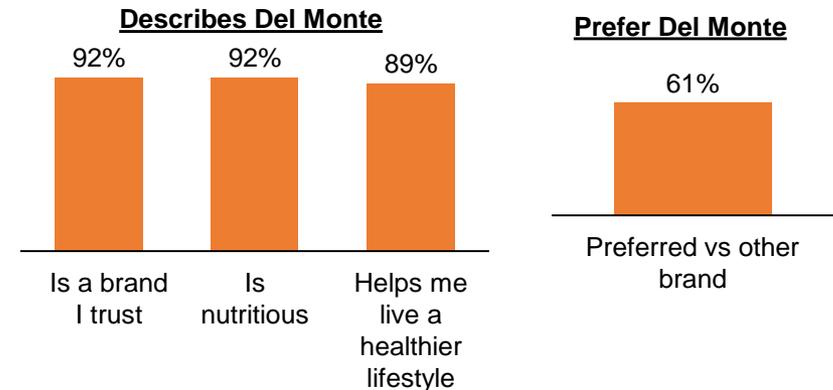
- Products in 6 of 10 Households
- Broad appeal across consumers
- Grounded in quality and health

Healthy Lifestyle

- Good for you categories
- High nutrition

A Powerhouse

Well trusted with strong health & wellness credentials



Recognized as one of the world's most authentic brands

- #80 globally, ahead of brands including Crayola, Starbucks, and Facebook
- #23 in the US, ahead of brands including The Home Depot, Kellogg's, and Rolls Royce

Sources: ACNielsen, DMFI Brand Equity Tracking, 2017



DMFI Brand Equity Tracking. Among Adults Aware of Brand, 2017

Cohn & Wolfe global brand study, 2017

Leading U.S. Market Positions

- Growing share positions across our core businesses



Canned Vegetables

Canned Fruits

Plastic Fruit Cups

Canned Tomatoes

Broth

Del Monte Brand Ranking	#1	#1	#2	#2	#2
Category Size (US\$ bn)	1.65	.64	.68	1.4	1.2
All Outlet 13 Week US\$ Share	29.1	26.9	32.3	8.7	14.1
All Outlet 13 Week US\$ Share Change	+2.4	+1.9	+2.5	-0.4	-0.6



Source: Aggregate of DMFI brands, XAOC, ACNielsen, L13 W/E 5/26/18

4 Joint Ventures established with Fresh Del Monte

Chilled Avocado/Guacamole	Chilled Beverages	Chilled Fruit Snacks	Food & Beverage Outlets
<p>Avocado & Guacamole products</p> 	<p>Juice, fruit or vegetable-based beverage products</p> 	<p>Whole or Cut Fruit products with extended shelf life</p> 	<p>Del Monte branded QSR concept in the USA</p> 

Strategic Imperatives

- Develop range of value-added prepared avocado products
- Extend into deli and new channels
- Relaunch Del Monte Pure Earth line of pineapple-based SKUs, phasing geographically
- Extend with more value-added/on-trend offering
- Close gaps in our line
- Launch new value-added cups and snacks
- Extend into new channels
- Evaluating business models/opportunities that will best fit the Del Monte brand



Lessons Learned

- Sager Creek Mistake
- Supply Chain Imbalance
- Total Company Focus on Center Store
- Fill Canned Capacity “At All Costs” Mentality
- Exorbitant Trade Spending and Reliance on Price
- High Fixed Expenses and duplication of tasks
- Strong capabilities within our commercial teams and R&D resources
- A bright and talented team needing new leadership and clear direction



Our Strategic Focus

Objectives
Priorities

Gross Margin & Profit Growth

Branded Growth & Development

Product Innovation & Portfolio Expansion

Reduced Costs to Operate

Strategic pillars/tactics

I

Strengthen the Core:

Invest to Grow and Innovate our Brands

II

Expand into Adjacencies:

Enter New Categories and Channels

III

Expand Internationally:

Drive Growth in Latin America and Asia

IV

Improve Operational Excellence and Sustainability:

Production = Branded Demand

V

Strive for Commercial Excellence:

Leverage our Leadership Position



Enablers

Build the right capabilities, talent, culture and team to deliver against our strategy



Building a Culture of Innovation

Del Monte in Recent Years

Focused on declining center of the store categories and mature retail channels

Limited innovation and investment to contemporize brands (past decade)

Pricing and margin erosion driven by increased trade promotion and non-strategic business

Significant decline in profits led by increased COGS and lower volumes (past decade)

Bloated supply chain and manufacturing base that exceeds demand

Lack of internal alignment, communication and culture of continuous improvement

A Canned Food Company

Del Monte of the Future

Portfolio extended into high growth and high margin categories sold across diverse channels

Revitalized and strengthened brands supported by category-leading innovation and marketing

Best in class revenue management focused on strategically relevant categories

A disciplined cost containment approach and a commitment to pass through net inflation

Streamlined supply chain (internal and co-pack) supporting base demand and growth platforms

A dynamic culture, cross functionally aligned on growth, innovation, execution, and continuous improvement

A Consumer-Driven
Packaged Food Innovator



FY2019: Product News & Innovation

Product Improvements



Plastic Fruit Cup Product Improvement
(100% Juice, Natural NSA)



Canned Broth Product Improvement
(100% Natural)



S&W Product Improvement
(Spicy Tomato)



Contadina Product Improvement
(100% Fresh Tomatoes)



Line Extensions



Fruit Refreshers



Produce (Reintroduction)



Premium Vegetable



Stock (Mushroom)

New Platforms



Fruit & Oats Platform



Updated Grab & Go Line



Vegetable & Beans Platform



Bone Broth Platform

Entering New Categories and Channels

Innovate & Expand into New Aisles

Perimeter



New Joint Ventures creating opportunity to accelerate innovation and expand distribution...

Frozen



Pursuing new capabilities and supply partnerships, creating opportunity to innovate and extend brands into Frozen...

Extend Reach into Growing Channels

Building new capabilities and selling relationships across...

Convenience & Club



E-commerce



Foodservice Innovation

New Del Monte Frozen Riced Veggies



- Easy and Tasty Alternative to High Carb Sides
- Pre-cut, Recipe Ready
- 100% Usable with No Waste
- High Quality and Consistency
- Loaded with Vitamins and Minerals



Foodservice Innovation

New Del Monte Fruit Burst® Squeezers!



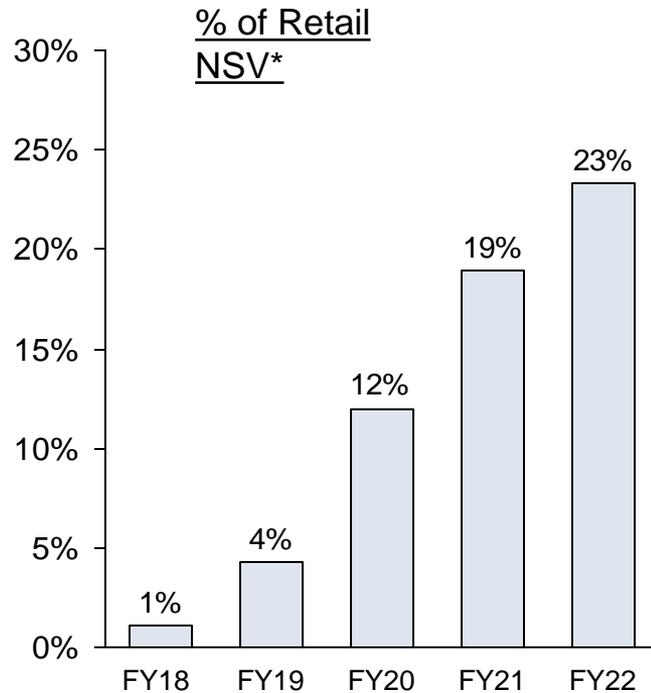
ALL VARIETIES:

- ✓ 1/2 Cup Equivalent Fruit
- ✓ Buy American Compliant
- ✓ Shelf Stable
- ✓ Smart Snacks Compliant
- ✓ Excellent Source of Vitamin C
- ✓ Labelled for Individual Sale

Innovation Growth

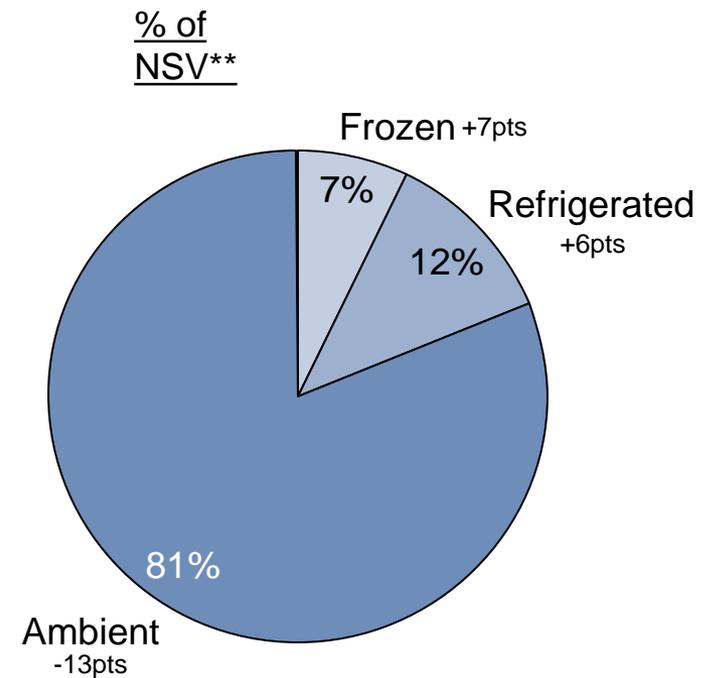
Innovation will transform our portfolio and go to market strategies

Innovation



* New products created since FY2017.
Based on Retail Sales only.

Long-term Category Breakout



** Retail only. Vs FY18



Gross Margin Improvement

	GM%
FY2018	16.2%
Retail pricing (trade reduction)	2.1%
Network Optimization	1.3%
Net impact of Sager Creek	0.9%
Reduced Private Label Retail	0.6%
USDA pricing	0.3%
Innovation	-0.7%
Inflation	-0.5%
Retailer	-0.4%
Other	-0.1%
FY2019	19.8%
Delta	3.6%

Have we
taken Action?



Marketing Plans

Bibie Wu, CMO



US Market - Macro Trends



Tailwinds



Del Monte Foods, Inc.



Headwinds

- Culinary trends elevating role of fruits/vegetables
- Wellness trends increasing importance of plant-based nutrition
- Growth in snack and meal solutions that strike a balance on health and convenience
- Traditional retailers seeking solutions to improve productivity of shelf

- Shift in food values to avoid processed foods and desire for “closer to fresh” solutions
- Dynamic lifestyles diminishing and simplifying home-cooked meals
- Rapidly evolving retail landscape and growth in unconventional formats
- Consumers have more choices than ever before



Marketplace Results: Vegetable



Winning at Shelf

- Displaced branded competitor at several major retailers
- Simplify shelf and improve productivity

Marketplace Success

- Growing US\$ share
- Growing retail US\$ sales in declining category
- Increased consumer loyalty +2.4pt

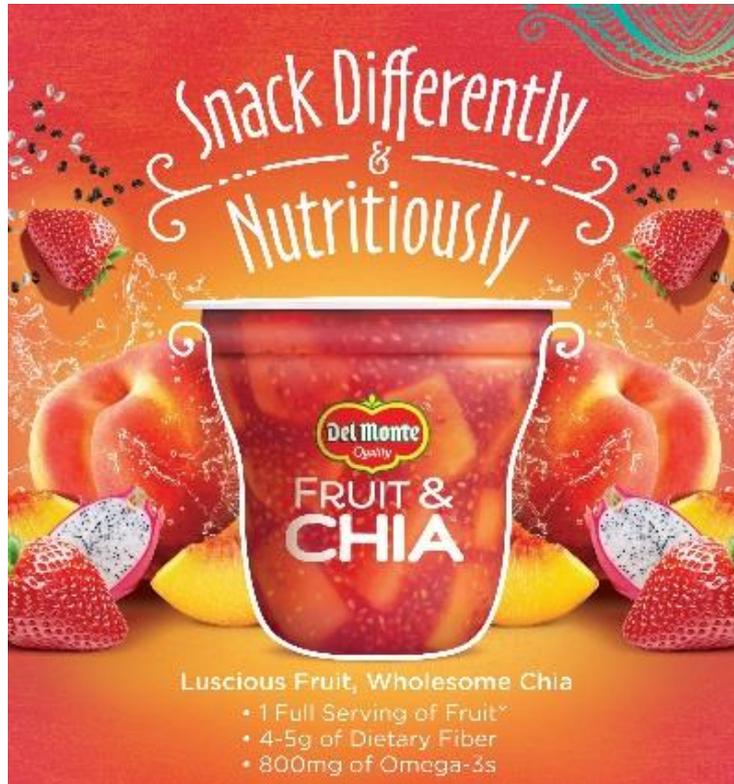
Growing the Category

- Retailers who rationalized shelf outperforming
- Marketing helping to offset category decline
- Attracting new users: +5% household penetration among Millennials



Marketplace Results: Fruit & Chia

Launched Summer 2017



Marketplace Success

- Distribution above target
 - 64% Grocery
 - 91% Walmart
- Velocities above target

Attracting New Users

- Trial of >6m households to date
- 138 Index for Younger, Millennial shoppers

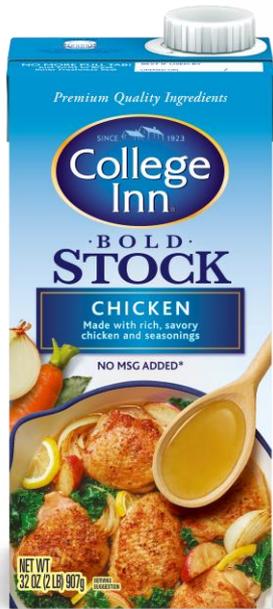
Growing the Category

- 44% incremental to category
- 63% incremental to Del Monte



Sources: ACNielsen Scantrack & Panel, Total US, 12ME 04/28/18.

Marketplace Results: Aseptic Broth



Launched
Summer
2016



Launched
Summer
2017

Igniting Premium Aseptic Growth

- College Inn Premium NSV projected to grow significantly over 2 years
- College Inn Premium Aseptic +16% price per ounce vs Canned Broth

Establishing National Footprint

- National Walmart distribution
- +24% Distribution in East Coast

Growing the Category

- Southeast Retailers with College Inn outperform competitors (+12% vs +6%)



Strategic Objectives

Build Relevance

Differentiate our brands and drive consumer preference

- Elevate products & packaging
- Communicate points of difference
- Optimize retail fundamentals

Drive Innovation

Address changing consumer needs and desires

- Reach new consumer targets
- Extend into new usage occasions
- Enter attractive adjacencies



Modernize & Ignite Passion for our Brands and Products



Taste



Delicious, accessible, on-trend meals and snacks



Health



Plant-based nutrition



Convenience



New formats and temperature states

Vegetable Strategy

Current Context

52-wk Category:	-2.9% vs YA
Share: Del Monte	28.9%, +1.4pt
Green Giant	8.7%, -0.9pt
Private Label	43.3%, -0.1pt

Vision: THE UNASSAILABLE LEADER OF VEGETABLES

Strategic Initiatives & FY2019 Plans

- **Fortify Del Monte's leadership position**
 - Ensure accounts that rationalized are successful and prepare to accelerate rationalization in FY2020+
 - Optimize pricing and promotion
 - Launch Master Brand campaign "Growers of Good"
- **Contemporize Center of Store Vegetable**
 - Launch new line of Vegetable & Beans
 - Launch Premium Vegetable line extensions
- **Extend Reach Beyond Canned Veg**
 - Innovate into Frozen & Refrigerated



Fruit Strategy

Plastic Fruit Cup

52-wk Category:	+4.1% vs YA
Share: Del Monte	33.1%, +3.1pt
Dole	41.5%, -1.9pt
Private Label	25.2%, -1.2pt

Canned Fruit

52-wk Category:	-5.5% vs YA
Share: Del Monte	26.4%, +1.5pt
Dole	26.8%, -0.5pt
Private Label	40.4%, -0.4pt

Vision: THE INNOVATION LEADER IN FRUIT SNACKING

Strategic Initiatives & FY2019 Plans

- **Accelerate Base Fruit Growth**
 - Plastic Fruit Cup improvements (100% Juice and All Natural No Salt Added)
 - Optimize retail fundamentals (shelving, assortment, pricing and promotion)
 - Support base business with Fruit execution of "Growers of Good"
- **Build Adult Snacking Platform**
 - Launch new line of Fruit & Oats
 - Launch Fruit Refreshers line extension
- **Make Fruit more accessible**
 - Grow perimeter with Fruit Naturals and new innovation platform
 - Expand "Grab & Go" Singles line and launch in Convenience
 - Customized offerings in Club



Fruit Innovation

Be an innovative Healthy Snacking brand by making Fruit exciting and accessible

Fruit & Oats



The Opportunity:

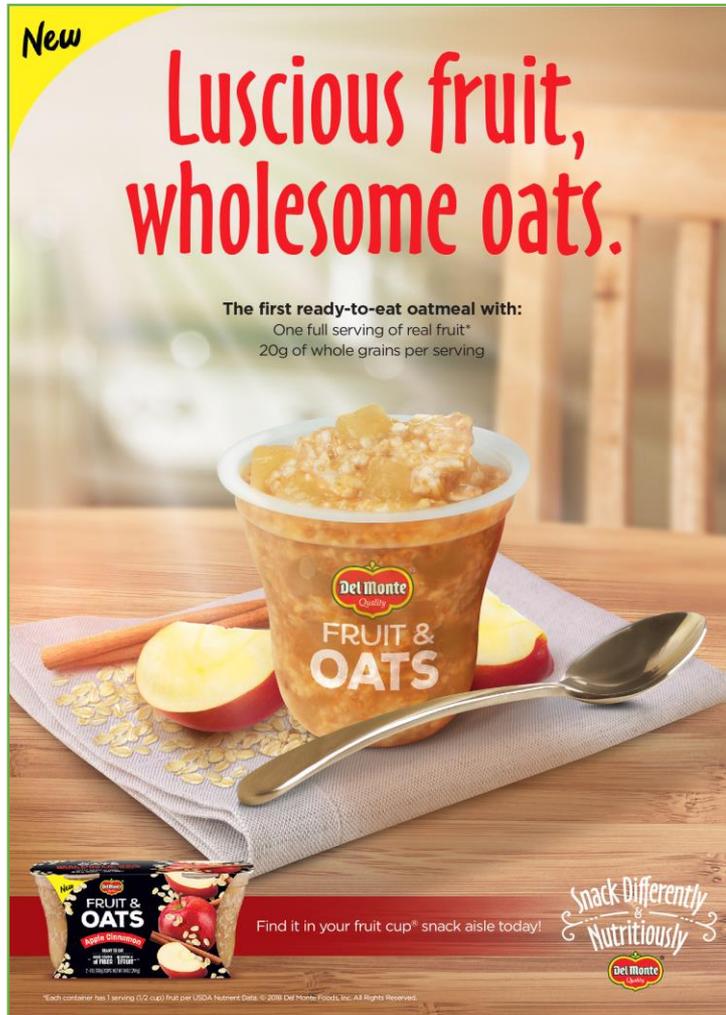
- Large Oatmeal category US\$1.2bn
- Limited on-the-go options
- New occasion for Plastic Fruit Cup

Our Point of Difference:

- Luscious chunks of fruit
- Ready to eat warm or cold



Fruit & Oats Advertising



Key Insights/Barriers:

- Rise of mid-morning snacks & mini-breakfasts
- Fruit is #1 thing to add to oatmeal
- Consumers looking for more lasting satiety

Communication Objective:

- The first ready-to-eat oatmeal with luscious fruit and wholesome oats

Marketing Support:

- Print
- Influencer
- Digital Display/Social
- Consumer Promotions
- Retail Search
- Shopper Marketing



Tomato Strategy

Current Context

L52W Category:	-1.2% vs YA
Share: DMFI	8.9%, -0.7pt
Contadina	4.2%, -0.1pt
Conagra	37.2%, +0.8pt
Private Label	32.2%, -0.5pt

Vision: CONTADINA, A LEADER IN CONTEMPORARY ITALIAN MEAL SOLUTIONS

Strategic Initiatives & FY2019 Plans

- **Expand Contadina** as a leader in contemporary Italian meal solutions
 - Improve products and update packaging
 - Expand distribution & support with national marketing campaign
 - Innovate outside of ingredient space / current aisle
- **Stabilize Del Monte Tomato**, through scale of master brand
 - Leverage Del Monte Master brand campaign
 - Bundle trade events with Vegetables
- **Protect S&W in the West**, with focused investments
 - Begin to optimize assortment with re-stage of S&W Spicy Diced items



Contadina Advertising



Key Insights/Barriers:

- Contadina is not a top-of-mind Tomato brand
- She doesn't have a reason to believe Contadina is worth paying more for

Communication Objective:

- Contadina 100% fresh tomatoes is the gold standard for Italian cooking

Marketing Support:

- Print
- Digital Display/Social
- Consumer Promotions
- Traditional/Retail Search
- Shopper Marketing



College Inn Broth Strategy

Current Context

FY2018 Category:	5.8% vs YA
Share: College Inn	15.8%, -0.1pt
Swanson	30.2%, -2.9pt
Pacific	5.7%, +0.6pt
Private Label	26.7%, 2.9pt

Vision: THE DIFFERENTIATED #2 BRAND NATIONALLY

Strategic Initiatives & FY2019 Plans

- **Drive Core Market Leadership**
 - Launch premium Carton Innovation (Bone Broths and Mushroom Stock)
 - Deliver "All Natural" improvement on Cans
 - Invest at competitive marketing levels
- **Pursue National Brand footprint**
 - Continue to close distribution gaps and build trial in South Atlantic
 - Expand distribution in at least 1 targeted account in West
 - Launch and leverage differentiated Broth innovation as part of expansion story
- **Pursue Transformative Growth**
 - Build pipeline of innovation in new benefit platforms and categories



College Inn Innovation

Fuel expansion with innovation that adds rich and flavorful taste



Bone Broths:

- Segment Size: US\$43.5m
- Segment Growth: +125% vs YA

The Opportunity:

- Bone Broth segment is small, but growing exponentially
- Protein is on-trend across multiple categories
- Competition struggles to deliver on taste

Our Point of Difference:

- Outperforms leading bone broth in taste, protein content, and price



Bone Broth Advertising

POUR IN MORE
Protein
SERVE UP
Delicious

10g PROTEIN PER SERVING

Our new College Inn® Bone Broth with 10 grams of protein is carefully crafted with the finest ingredients. Then it's slowly simmered for more protein and the richest flavor.

College Inn
10g PROTEIN^{100%}
• 100% NATURAL •
BONE BROTH
chicken
NON-GMO NO MSG

Key Insights/Barriers:

- Aware of Bone Broths, but it's not well understood
- Consumers looking for more protein

Communication Objective:

- New College Inn Bone Broth has the same great depth of flavor, now with 10 grams of protein

Marketing Support:

- Print
- Influencer
- Digital Display/Social
- Consumer Promotions
- Retail Search
- Shopper Marketing



Summary

- ✓ Our Imperatives
 - Build Relevance – *Drive Our Advantage*
 - Drive Innovation – *Think Outside of the Can*

- ✓ Back to our roots
 - Market like a brand leader
 - Packaging and product innovator
 - Leader in plant-based goodness

- ✓ Right to win
 - Trusted, extendable equities
 - Quality fruits and vegetables
 - #1 brand with strong insights and category captaincy
 - Energized team with significantly more resources
 - Strategic external partners to accelerate innovation



Finance

Gene Allen, CFO



FY2019 Progress

- ✓ Expecting **growth** vs. last year
 - 1Q is typically the lowest volume quarter
- ✓ **Actions** show encouraging results
 - Gross Margins ↑ ~150 bps
 - EBITDA ↑ ~25%
- ✓ Solid **Sales Execution**
 - Improved product mix
 - Effective trade spend management
- ✓ Good **SG&A management**
 - Established new capabilities while keeping costs flat ... retaining prior year savings



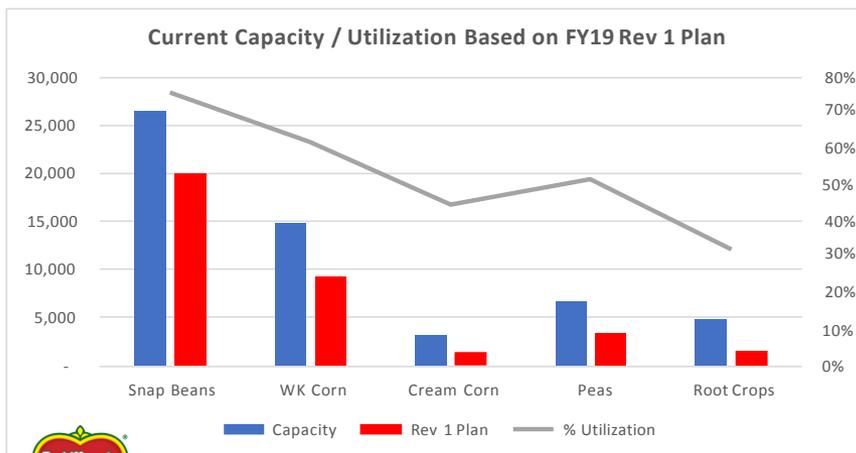
Supply Chain: Key Metrics*

Key Metrics

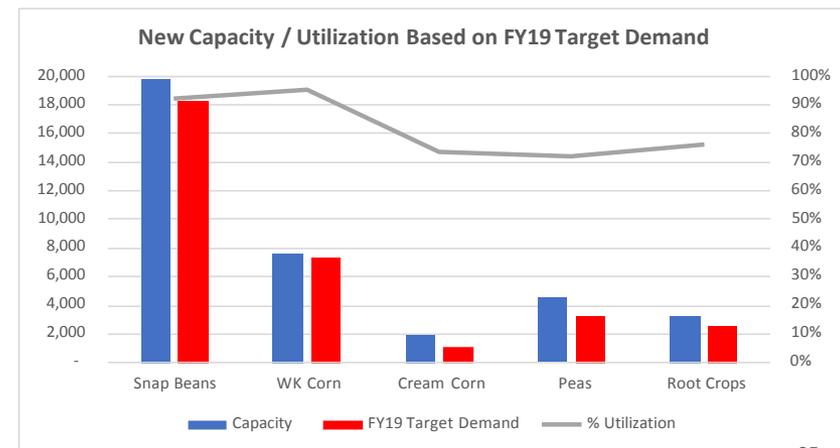
- Inventory (\$M)
- Utilization %_(Veg)
- OEE %
- GM (%)

<u>FY18</u>		<u>LTE</u>
\$634	<ul style="list-style-type: none"> • FG Inventory Management • Demand & Supply Balance Process 	\$400
62%	<ul style="list-style-type: none"> • Site consolidations across network 	85%
72%	<ul style="list-style-type: none"> • Traksys roll-out • Del Monte Performance System 	85%
16.5%	<ul style="list-style-type: none"> • (2) Sites • (4) DC's & (2) Overflows 	23.0%

Before



After



* Subject to Board approval

CAPEX

- ✓ A rationalized Manufacturing and DC footprint reduces annual Capex to less than **\$25M** vs. \$40M

Reduction supports :

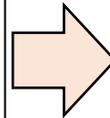
- Maintenance for best in class facilities
 - All regulatory requirements
 - Projects with a good payback
- ✓ Strategy is to leverage strategic co-packers



Working Capital Management

Action Plan

- ✓ Align production plan with demand forecast
- ✓ Improve controls to minimize over pack
- ✓ Review quantity on hand formula
- ✓ Compliance and monitoring
- ✓ Leverage Global Shared Service Center to improve DSO
- ✓ Selling Property, Plant and Equipment that is not essential to the Long Range Plan



Benefits

- ✓ Significant reduction in finished goods inventory
- ✓ Lowers aged inventory write-offs
- ✓ Reduces over-flow warehousing
- ✓ Fewer inventory touches
- ✓ Lowers transfer freight
- ✓ Improves cash flow