

RESILIENT GROWTH

DEL MONTE PACIFIC 1Q FY2022 RESULTS

9 September 2021



Nourishing Families.
Enriching Lives.
Every Day.



Disclaimer

This presentation 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 presentation or its contents.

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



Contents

- Summary
- 1Q FY2022 Results
- Market Updates
- Sustainability
- Outlook



➤ Notes to the Results



- First quarter is from 1 May to 31 July 2021
- DMPL owns 87% of Del Monte Philippines, Inc. and 93.6% of Del Monte Foods, Inc. DMPL recognizes a 13% and 6.4% non-controlling interest (NCI) in these two subsidiaries, respectively. These comprise the NCI line in the P&L. Net profit/(loss) is net of NCI.
- 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.



➤ 1Q FY2022 Highlights



- DMPL Group sustained its strong performance from full year FY2021 with net profit of US\$18.3m in 1Q, a marked turnaround from the US\$3.2m loss in the prior year quarter
- EBITDA rose 77% to US\$75.0m
- US subsidiary Del Monte Foods increased its EBITDA to US\$37.5m from US\$10.4m in prior year and delivered a net profit of US\$4.8m from a loss of US\$14.3m, sustaining its path to higher profitability coming off its FY2021 turnaround
- Del Monte Philippines grew its EBITDA by 19% to US\$39.9m and net profit by 37% to US\$25.6m
- Group notably reduced its debt/EBITDA to 3.8x from 5.4x last year
- DMPI and Vinamilk established a joint venture to enter the growing dairy sector in the Philippines



➤ Outlook

- Strengthen our core business, expand the product portfolio, in response to consumer preference for health and wellness, and grow our branded business
- More product availability through better distribution and expanded sales channels including e-commerce
- DMPL is well-positioned in this environment given its nutritious and long shelf-life products which enable consumers to prepare nutritious meals at home and build their immunity
- DMPL is well-placed to build on momentum achieved in FY2021 and expects to offset the impact of commodity and transportation headwinds
- Barring unforeseen circumstances, the DMPL Group expects to generate a higher net profit in FY2022
- Continued margin improvement and leverage reduction from higher profitability



> 1Q FY2022 Results Summary

- Sales of US\$462.1m, +12%

Sales	% Change
Americas	+10
Philippines	+2 (in peso terms -2)
S&W	+20
FieldFresh India (equity accounted)	+41 (in rupee terms +37)

All figures below are vs prior year quarter:

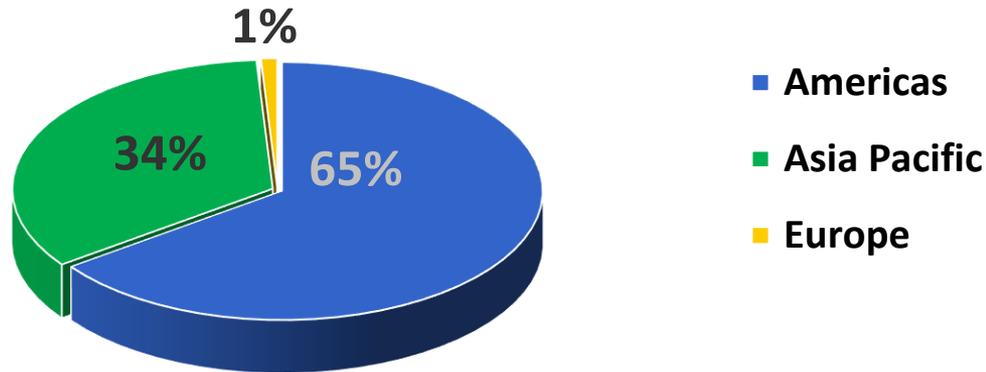
- EBITDA of US\$75.0m, up 77% from US\$42.4m, due to higher sales, better sales mix in USA and lower costs
- Operating profit of US\$56.8m, up 175% from US\$20.7m
- Net profit of US\$18.3m, a turnaround from the loss of US\$3.2m



1Q FY2022 Results

In US\$m	1Q FY2021	1Q FY2022	Chg (%)	Comments
Turnover	413.1	462.1	+11.9	Higher USA and international market sales including S&W business in Asia
Gross profit	94.1	133.4	+41.8	Higher sales, better sales mix in USA, lower costs
EBITDA	42.4	75.0	+76.7	Same as above plus lower G&A expenses
Operating profit	20.7	56.8	+174.9	Same as above
Net finance income/ (expense)	(24.6)	(24.7)	+0.6	Lower forex gain from DMFI
FieldFresh equity share	(0.7)	(0.7)	0.0	
Tax benefit/(expense)	2.6	(8.9)	-442.4	Tax benefit last year due to loss in the US
Net profit/(loss)	(3.2)	18.3	+663.9	Same as EBITDA
Net debt	1,240.5	1,303.7	+5.1	Due to higher working capital loans (ABL) in the US
Gearing (%)	219.2	206.0	-13.2ppts	Stronger results
Net debt/EBITDA (x)	5.4	3.8	-1.6 x	Higher EBITDA

➤ 1Q FY2022 Turnover Analysis



Americas	+10.0%	<ul style="list-style-type: none"> ▪ Branded retail and foodservice sales grew by a combined 17% offsetting reduced sales of non-core private label as planned
Asia Pacific	+14.7%	<ul style="list-style-type: none"> ▪ Strong sales of S&W fresh pineapple coming off a low base in the prior year quarter which was impacted by the pandemic in China; expanded distribution coverage
Europe	+37.5%	<ul style="list-style-type: none"> ▪ Higher packaged fruit and beverage sales

Market Updates for 1Q FY2022



➤ Del Monte Foods USA 1Q FY2022

- DMFI's sales for 1Q FY2022 were US\$298.1m or 65% of Group sales
 - ✓ Branded retail and foodservice sales grew by 17%
 - ✓ Overall sales up 11% as non-branded private label sales were reduced as planned
- Continued to innovate and expand product portfolio
 - ✓ Del Monte Fruit Infusions - delicious and energizing fruit cup snacks infused with antioxidants and other healthy functional ingredients
 - ✓ Joyba Bubble Tea - a new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and popping boba
 - ✓ Del Monte Veggieful Riced Veggies - DMFI continued its Frozen Foods expansion with this line of flavorful vegetables replacing the higher calorie and carbohydrate regular rice
 - ✓ New products launched in the past 3 years contributed 4.8% to DMFI's total sales in 1Q
- Gross margin surged to 25.9% from 17.6% on favorable sales mix and lower costs
- EBITDA soared to US\$37.5m from US\$10.4m
- Generated a net profit of US\$4.8m, reversing the loss of US\$14.3m in 1Q FY2021



USA

18.6% +1.1pts

Market Share
Canned Vegetable (#1)

25.5% +1.4pts

Market Share
Fruit Cup Snacks (#2)

19.9% +1.1pts

Market Share
Canned Fruit (#2)

5.2% -0.7pts

Market Share
Canned Tomato (#3)



- Del Monte brand outperformed across categories as consumers continued to turn to trusted brand names for meal preparation and healthy snacks. Canned vegetable and fruit experienced higher market share largely from broader distribution and competitive supply issues. In canned tomato, Contadina experienced lower share after disproportionately benefitting from competitive out of stocks in 1Q FY2021, distribution and supply issues.

To drive growth long-term, Del Monte will continue to invest in bringing differentiated and innovative products to market, expanding distribution channels, as well as building its brands

USA 1Q Marketing Highlights



Pocket Pies distribution WIN at Walmart

- Successful end cap display event translating into permanent distribution in 2H
- Robust shopper marketing support delivering strong velocities
 - Digital media (25m impressions)
 - Shopper Apps including Ibotta and Shopkick



Veggieful Riced Veggies launch off to a good start

- Distribution wins including Kroger, Publix and HEB
- New Veggieful creative campaign amplifying taste message
- Strong upfront support to jumpstart trial and awareness



USA 1Q Marketing Highlights



Back-to-school campaigns

- National social media Facebook/Instagram and Influencer campaigns for fruit cups
- Launched first Tik Tok campaign with preliminary above benchmark results for Bubble Fruit

Del Monte Fruit Infusions

- New Del Monte fruit cup snacks in refrigerated produce, with value-added wellness benefits
- This healthy snack comes with a full serving of fruit and no added sugar, artificial sweeteners, artificial flavors or GMO ingredients
- Integrated marketing plan support to build throughout FY2022

Available in four varieties:

- **GUT LOVE:** Pineapple in pineapple ginger flavored juice with turmeric and prebiotics
- **BOOST ME:** Mangos and pineapple in mango and dragon fruit flavored juice with vitamin C and coffee extract
- **GLOW ON:** Peaches in passionfruit guava flavored juice with aloe juice and coconut water
- **STAY WELL:** Grapefruit in pomegranate flavored juice with vitamin C and elderberry extract



USA PR Highlights



Garnered 656+ million impressions in 1Q

Very positive media verbatims for Joyba

- "I'm excited to drink my Joyba as a Friday afternoon treat!" - **Food Navigator**
- "I especially liked the Joyba Bubble Tea :) " - **VegOut Magazine**
- "The bubble tea trend is not ready to burst and Joyba Bubble Tea by Del Monte puts the beverage on a new track. With this new beverage from Del Monte, enjoying bubble tea is within everyone's grasp." - **Foodsided**



Strong coverage of Del Monte Foods Innovation Media Event, featuring latest products



Media outreach continues to ramp up including PR mailers for BTS coverage



Del Monte's plant-based frozen innovation mentioned in [Entrepreneur article](#)



'Best Ketchup for Kids' from Taste of Home kitchen taste test [HERE](#)



Pocket Pies wins '25 Best Packaged Snacks for School' from Parents [HERE](#)



Executives continue to amplify innovation, social purpose and media coverage via social channels



➤ USA Foodservice



NEW College Inn Business

- Replaced Competitor Hanover Broths
- Volume: 15,000 cases
- Revenue: US\$382,500
- Distribution Locations: 9
- Unipro Member



Cheney 
Brothers

➤ Del Monte Philippines 1Q FY2022

- DMPL's 2nd largest and most profitable subsidiary, Del Monte Philippines, Inc., achieved sales of US\$176.0m for 1Q FY2022, up 20% versus prior year
 - ✓ International sales rose 40% to US\$67.8m on higher Premium Fresh Fruit, and Packaged Fruit and Beverages sales (including premium packaged pineapple Del Monte Deluxe Gold in the US)
 - ✓ Sales in the Philippines grew by 2% to US\$92.1m, as the 11% growth behind Convenience Cooking and Dessert (in particular, packaged fruit, tomato and spaghetti sauce) was offset by a slowdown in the Healthy Beverages and Snacks category. Beverage came off an exceptional quarter in the previous year. However, compared to 1Q two years ago, sales in the Philippines grew by 25% in US\$ terms
 - ✓ Promoted Del Monte products in everyday meal recipes for pineapples and tomato sauce, and new simple desserts with mixed fruits. Spaghetti sauce continues to grow behind its campaign "Iba ang Sarap Del Monte" (Del Monte's Distinct Taste), and focus behind its special Carbonara sauce now available in a larger family-sized pack
- Gross margin increased to 30.1% from 29.7% on higher volume and lower cost
- Achieved EBITDA of US\$39.9m, up 19%, and net profit of US\$25.6m, up 37%. DMPI benefited from the reduced corporate tax rate of 25% with the passage of the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) in March 2021



> Philippines

89.8% +2.1pts

Market Share

Packaged Pineapple (#1)

77.2% +4.4pts

Market Share

Canned Mixed Fruit (#1)

48.6% +3.0pts

Market Share

RTD Juices ex foil pouches (#1)

86.4% +0.8pts

Market Share

Tomato Sauce (#1)

38.7% 0.0pt

Market Share

Spaghetti Sauce (#1)

- Del Monte continues to enjoy strong market share leadership across all its major categories, with share further strengthened in Packaged Pineapple, Canned Mixed Fruit and Tomato Sauce behind continued promotion of recipes for use. Beverage was also up while Spaghetti Sauce was flat.

To sustain growth: Continue to strengthen the competitive position of our brands, and drive core category growth in key channels and segments

Source for market shares: The Nielsen Company - Retail Audit Data for 12M to June 2021; Canned mixed fruit is a combined share for Del Monte and Today's brands; Spaghetti sauce is a combined share for Del Monte, Today's and Contadina brands



➤ Philippines Fruits

Building Relevance in Meal Occasions

- Piñadobo and Piña fritada mainstream TV/Digital



- ‘Staylebrations’ with Fiesta! On Digital



Expanding Availability In-Trade

- Listing of Chunks Stand-Up Pouch 200g in 223 additional supermarkets



- Downline seeding/distribution packs:
+2,670 Sari-sari stores (mom and pop)
and +1,451 Market Stalls



➤ Philippines Beverage

Strengthened the core strengths of each brand, even while improving pandemic relevance during COVID-19:

100% Pineapple Juice:

Super Fruit campaign promises strong immunity (Vitamin ACE) plus mood boost (Zinc, Manganese and Bromelain)



Del Monte Juice Drink:

Delicious and healthy flavors to drive home consumption occasions. New Del Monte Juice Drink variants Melon Cucumber and Tropical Punch, and 100% Tipco Kiwi and Lychee, were highlighted online in May-July



➤ Philippines Beverage – Fit ‘n Right



Major relaunch of our PET beverage
Fit ‘n Right!

- Targets the very relevant space of weight loss and weight management, which is important to 56% of RTD drinkers
- Modernizes Fit ‘n Right to reflect the needs of younger consumers, who are empowered by choice and personalization
- Fit ‘n Right now offers a range of solutions to conform to individual wellness needs



➤ Philippines Beverage – Mr. Milk



WHAT IS MR. MILK?

- Fruit- and yogurt-flavored milk drink (plain, strawberry, green apple + mango) loved by kids
- Sold in packs of six at P50, providing moms better value-for-money

RESULTS IN ONLY 13 MONTHS....

- Placed in about 53K outlets nationwide (including 46K tertiary accounts)
- Shipped 889K cases
- P450m sales (US\$9m) since launch



➤ Philippines Culinary

Increase regular usage of Del Monte Tomato Sauce in line with the rise in home cooking

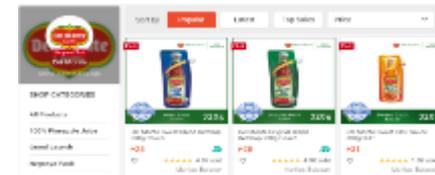


Distribution expansion of Del Monte Condiments in resealable pouch beyond supermarkets

Market Stalls

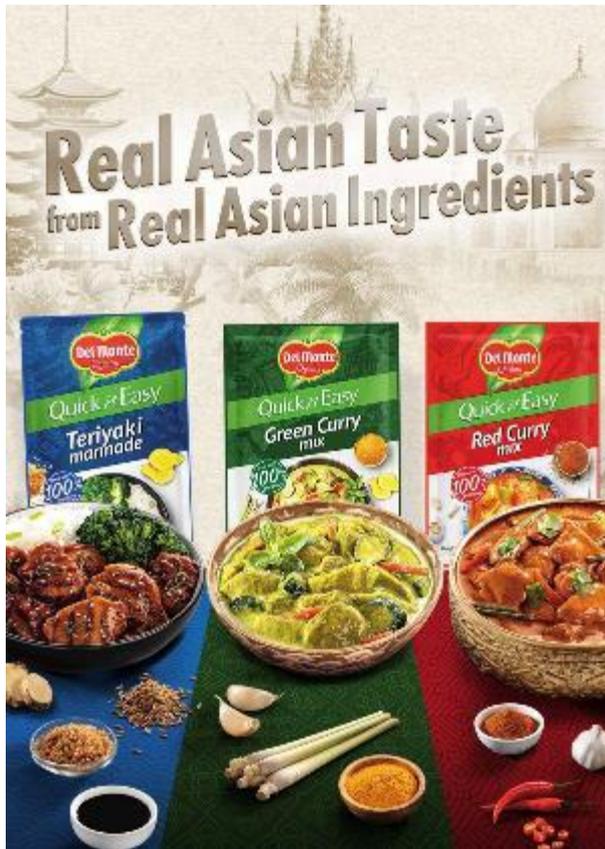


E-Commerce



➤ Philippines Culinary

Launch of the New Del Monte Quick 'n Easy Asian Flavors - Green Curry, Red Curry and Teriyaki Marinade – bringing international flavors into consumers' homes



Ensure consumption frequency by highlighting the relevance of Del Monte Spaghetti during special moments and in different occasions (beyond Christmas and birthdays)



➤ Philippines Snacks - Biscuits



In Feb 2021, we entered the highly attractive Biscuits category with a uniquely healthy offer:

- Made with Real Potato
- Baked, Not Fried
- Delicious like chips, healthy like biscuits



In July, we further expanded to the next largest biscuits segment: crème-filled cookies

- Fun, new brand – Del Monte Fruity Munchsters
- Delicious fruit flavors leveraging Del Monte equity on fruit and health
- Priced at just P5.50 per pack of 3 cookies



➤ Del Monte Philippines JV with Vinamilk

- Del Monte Philippines, Inc. (DMPI) entered into a JV with Vinamilk to expand into the dairy sector in the Philippines. The JV will import dairy products from Vinamilk, and market and distribute them in the Philippines through DMPI
- Vinamilk is among the Top 40 largest dairy companies globally, ranked 36th by revenue with US\$2.6bn of sales in 2020; 45-year track record
 - ✓ Largest listed F&B in the stock exchange of Vietnam with a market cap of US\$9bn
 - ✓ End-to-end value chain: 13 dairy farms, ~160,000 cattle, 13 factories and 250,000 retail outlets across Vietnam
 - ✓ Has been exporting to 56 countries
- JV will combine the strengths of Del Monte and Vinamilk, leveraging Vinamilk's technical and manufacturing expertise for developing value-added product offerings anchored on quality, health and functional benefits, while also leveraging the brand and extensive distribution network of DMPI in the Philippines



➤ Del Monte Philippines JV with Vinamilk

DRINKABLE YOGURT



Focus on Dairy sub-categories:

- ✓ with high growth potential
- ✓ where Vinamilk's technical expertise can be leveraged
- ✓ where DMPI can profitably compete

FLAVORED MILK



FRESH (UHT)



MILK TEA



➤ S&W Market Overview

- Largest fresh pineapple exporter to China, with 53% value share. In China alone, penetration of imported pineapples remains low giving substantial prospects for continued growth
- One of the 3 biggest fresh pineapple exporters to Japan, South Korea and the Middle East
- E-commerce and digital are growing with North Asia having the largest share of e-commerce pie. S&W is in most of the portals in China and South Korea. Fresh e-commerce sales in China were up in 1Q from a small base

To drive growth, build S&W brand equity and realize S&W's full potential in fresh pineapple, frozen and other products and channel distribution



Dingdong



Pinduoduo



➤ S&W 1Q FY2022 Results

- 1Q sales of S&W branded business rose 20% on higher sales of fresh pineapples in China and South Korea
 - ✓ Recovered from low base in 1Q FY2021 due to pandemic in China
 - ✓ Expanded distribution coverage with 747 new stores for the Company's top 3 distributors in China. 3,000 Goodme and 1,000 ChaBaiDao fruit tea shops also used S&W pineapple in their offerings
 - ✓ S&W fresh cut pineapple is the best-selling among various fresh cut pineapple products on South Korea's largest e-commerce platform, Coupang



S&W 통파인 파인애플, 540g, 4개

18,900원  로켓프레시

(100g당 875원)

오늘(화) 5/25 도착 보장

★★★★★ (5285)

 최대 189원 적립

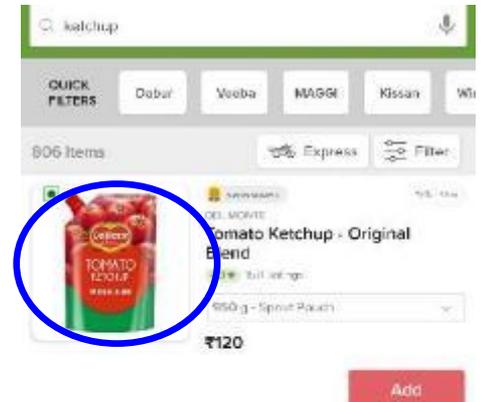
S&W fresh pineapples sold in Coupang, South Korea's biggest e-commerce distributor

➤ FieldFresh India

- DMPL's share of loss in 1Q was US\$0.7m, same level as prior year quarter. Business continued to focus on e-commerce partly offset by declines in the culinary category from high base of pantry loading last year at the onset of the pandemic in India
- E-commerce grew by 43% for Del Monte in India on the back of manifold growth on local platforms like Bigbasket & Flipkart
- Del Monte launched India's first ever "King Coconut Water" on e-commerce

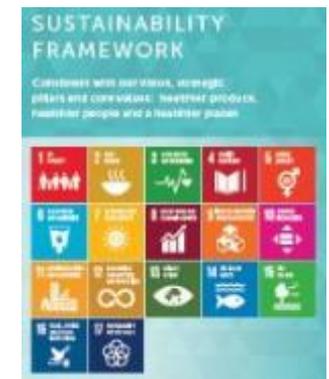
Product Details

- King Coconut Water is unique to Sri Lanka and is known to be naturally sweeter than other coconut waters
- Launched in a 250ml Tetrapak at INR 60/-
- E-Commerce-led launch: Among the top 5 brands on Amazon within 2 months of launch
- Social media support across FB & Instagram for awareness generation



➤ Sustainability

- Del Monte Pacific Limited published its FY2021 Sustainability Report – “*Sustaining our Future*”
- DMPL aligned its sustainability pillars with the UN Sustainable Development Goals
- Del Monte Foods, Inc. (DMFI) reclaimed pineapple juice from tidbits which were added to Fruit Infusion cups instead of going as food waste
- DMFI’s Growing Great initiative partnered with 2 large school districts in California and 8 museums nationwide to promote healthy eating
- Renewable energy generated 1.4MW of Bugo cannery’s electricity in Del Monte Philippines, Inc. in FY2021. The solar project for this facility is in progress
- The Del Monte Foundation’s mobile clinic served over 23,800 patients in 50 remote local communities amidst the COVID-19 pandemic



➤ Outlook

- Strengthen our core business, expand the product portfolio, in response to consumer preference for health and wellness, and grow our branded business
- More product availability through better distribution and expanded sales channels including e-commerce
- DMPL is well-positioned in this environment given its nutritious and long shelf-life products which enable consumers to prepare nutritious meals at home and build their immunity
- DMPL is well-placed to build on momentum achieved in FY2021 and expects to offset the impact of commodity and transportation headwinds
- Barring unforeseen circumstances, the DMPL Group expects to generate a higher net profit in FY2022
- Continued margin improvement and leverage reduction from higher profitability

