



DEL MONTE PACIFIC LIMITED

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Del Monte Pacific's First Quarter FY2025 Results

- Del Monte Pacific Limited (DMPL) Group sales grew by 4% to US\$537m
- Subsidiary Del Monte Philippines, Inc. (DMPI) achieved 13% higher sales in peso terms, driven by international sales surging 20% on robust exports of fresh and packaged pineapple, and the Philippine market's resurgence
- With the execution of improvement plans in the right direction, DMPI increased its net profit by 52% marking the start of a turnaround
- DMPL Group, however, incurred a net loss of US\$34m with the high cost from prior year's production in U.S. subsidiary Del Monte Foods, Inc. (DMFI), along with increased interest expense
- Group loss substantially decreased by more than 50% from the fourth quarter as gross margin increased to 16% from 10% with initiatives starting to make a favorable impact, paving the way for a turnaround led by DMPI

Singapore/Manila, 10 September 2024 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited (“DMPL” or the “Group”; Bloomberg: DELM SP, DELM PM) reported today its first quarter FY2025 results ending July.

DMPL generated sales of US\$536.9 million, up 4% on robust exports of packaged and fresh pineapple as well as higher sales in the Philippines.

The Group's subsidiary in USA, Del Monte Foods, Inc. (DMFI), generated sales of US\$356.6 million or 66% of Group turnover. DMFI's sales were stable as strong Joyba bubble tea sales from expanded nationwide distribution and growth in broth and stock portfolio were offset by a

slowdown in healthy snacking category sales.

The Philippine market delivered sales of US\$77.2 million, 2% and 6% higher in US dollar and peso terms, respectively, as all key categories of packaged fruit, beverage and culinary performed better against targets and prior year quarter. Del Monte Philippines, Inc. has seen resurgence under the new sales leadership, increased modern trade shopper demand, improving general trade/distributor operations, and reinvestments in marketing which shored up brand offtake against rising food costs. E-commerce sales more than doubled through ads optimization, strengthened distributor operations and new media forms of live selling and short videos.

Beverage is showing recovery with back-to-back programs across brands. The financial year started with a big Juice 'Give in to Goodness' summer campaign against the heat wave that struck the country. 100% Pineapple Juice grew behind the launch of a new campaign for HeartSmart highlighting the benefit of lowered cholesterol in just four weeks. The Group also launched the Fit 'n Right Green Apple flavor with L-Carnitine and Green Coffee Extract to aid in fat burning.

Culinary segment grew led by Pasta/Spaghetti sauce driven by occasion advertising, with emphasis on children's birthday events. Mixed fruits rose double digit driven by core Del Monte Fiesta brand at premium segment, and Today's brand at popular price positioned against regional religious and local government celebrations. Total company market share grew +4 ppts to 80.3%.

Sales in the international markets grew by 20% in peso terms driven by improved performance across all product categories - processed, fresh, frozen and NFC juice. Processed exports to EMEA and Asia were higher, while increased fresh sales were led by higher volume in China, South Korea and Japan, as well as favorable mix due to increased volume of the premium S&W Deluxe pineapple. S&W launched the Sweet 16 Pineapple Fresh Cut in all six Costco stores in east China last May 2024. In addition, McDonald's Hong Kong featured the Group's pineapple slices and fruit cocktail in their summer products -- ebi burger, pineapple soda and peach yogurt soda.

DMPL's gross profit declined by 19% to US\$87.6 million due to DMFI's high cost of inventory and inflationary impact from prior year's production. However, Group gross margin of 16% was a commendable improvement versus the 10% in the fourth quarter of FY2024, as cost-cutting initiatives have started to make a favorable impact. Del Monte Philippines delivered higher gross profit, up 15% in peso terms, and better margin of 26.8% from 26.3% in prior year, and even better versus the 23.4% in the fourth quarter of FY2024.

DMPL reported a net loss of US\$34.2 million versus prior year's net loss of US\$13.1 million largely driven by unfavorable results from DMFI and increased interest expenses. However, on a quarter-on-quarter comparison, the net loss was reduced by more than half versus fourth quarter FY2024 loss of US\$78.6 million.

Del Monte Philippines, Inc. increased its net profit by 52% against last year, with its turnaround program firmly on track.

OUTLOOK

In FY2025, the Group's main priorities will be as follows:

- 1) Plans are underway for the selective sale of assets in the U.S. and injection of equity in the Group through strategic partnerships. The Group intends to utilize the proceeds from these transactions to lower leverage.
- 2) The Group continues to actively restore gross margins. Key priority is DMFI across the following areas:
 - A 30% reduction in inventory levels through a production cutback during the current pack season
 - Consolidation of manufacturing footprint to be completed in the third quarter
 - Reduction of warehousing and distribution costs
 - Reduction of waste and inventory write offs

The Group continues to relentlessly pursue all these initiatives in FY2025 but the anticipated positive financial impact will only be fully reflected in FY2026. Under current conditions, and barring unforeseen circumstances, the Group expects to incur a net loss in FY2025 although at a reduced amount compared to FY2024. The Group will continue to accelerate the resurgence of

domestic and international sales of Del Monte Philippines, which is expected to do better in FY2025 versus prior year.

Against this backdrop, DMPL's COO Luis Alejandro said, "First quarter margins have increased against the fourth quarter, resulting in lower first quarter losses than the fourth quarter. We are executing the priorities we have set to improve our operating and financial performance across all businesses. This is most evident in Del Monte Philippines where profitability has significantly increased. We are optimistic that the Group's performance will continue to improve, paring losses on track for a Group turnaround in FY2026, with DMPI leading the way as it bounces back in FY2025."

About Del Monte Pacific Limited (www.delmontepacific.com)

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc., Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to consumer needs for premium quality, healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, stock, juices and frozen pineapple, under various brands and also sells fresh pineapples under the S&W brand (www.swpremiumfood.com).

The Group owns heritage brands - *Del Monte*, *S&W*, *Contadina* and *College Inn* – all of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while it owns *S&W* globally except for Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Bubble Fruit*, *Joyba*, *Kitchen Basics* and *Take Root Organics* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), owns exclusive rights to trademarks such as *Del Monte*, *Today's*, *Fiesta*, *202*, *Fit 'n Right*, *Heart Smart*, *Bone Smart* and *Quick 'n Easy* in the Philippines.

DMPL's USA subsidiary operates four plants in the USA and two in Mexico, while its Philippine subsidiary operates a fully-integrated pineapple operation with its 28,000-hectare pineapple plantation in Bukidnon, a frozen fruit processing facility and a Not From Concentrate juicing plant nearby, and a fruit processing facility that is about an hour away from the plantation. The Philippine subsidiary also operates a beverage bottling plant in Cabuyao, Laguna.

The Group owns approximately 96% of a holding company that owns 50% of Del Monte Foods Private Limited (www.delmontefoods.in) in India which markets *Del Monte*-branded packaged products in the Indian market. The Group's joint venture partner is the well-respected Bharti Enterprises, one of the largest conglomerates in India.

DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc., Del Monte Canada, Del Monte Asia Pte. Ltd. and these companies' affiliates.

DMPL is 71%-owned by NutriAsia Pacific Ltd. and Bluebell Group Holdings Limited, which are beneficially owned by the Campos family of the Philippines. A subsidiary of the NutriAsia Group, NutriAsia Inc., is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

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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 not to unduly rely on these forward-looking statements.

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