DEL MONTE PACIFIC LIMITED

11 December 2024

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the second quarter ended 31 October 2024)

Contacts:

Iggy Sison	Jennifer Luy
Tel: +632 8856 2888	Tel: +65 6594 0980
isison@delmontepacific.com	jluy@delmontepacific.com

Del Monte Pacific's Second Quarter FY2025 Results

Second Quarter FY2025

- Del Monte Pacific Limited (DMPL) Group sales grew by 4% to US$694m
- Subsidiary Del Monte Philippines, Inc. (DMPI) excelled with a 20% rise in sales to US$208m, driven by an impressive 43% growth in international sales due to robust exports of fresh and packaged pineapple, complemented by a 6% improvement in the Philippine market
- DMPI continued its outstanding performance with a noteworthy 98% increase in net profit to US$20m
- The DMPL Group, however, incurred a net loss of US$22m from higher costs in U.S. subsidiary Del Monte Foods, Inc. (DMFI), coupled with increased interest expense

First Half FY2025

- DMPL Group sales grew by 4% to US$1.2bn driven by DMPI's high 14% growth to US$383m
- However, the Group incurred a net loss of US$56m due to losses at DMFI partly offset by the strong 78% net profit growth of DMPI to US$40m

Singapore/Manila, 11 December 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 second quarter FY2025 results ending October.

SECOND QUARTER FY2025

DMPL generated sales of US$694.0 million, up 4% on impressive growth of 43% for fresh and packaged pineapple exports as well as higher sales of 6% in the Philippines. This offset the 3%

decline in USA. DMPL incurred a net loss of US$22m from higher costs in U.S. subsidiary Del Monte Foods, Inc. (DMFI), coupled with increased interest expense. This offset the outstanding performance of Del Monte Philippines whose net profit surged 98% to US$20.3 million.

Philippines

The Philippine market delivered sales of US$113.5 million, growing by 5% in US dollar terms and 6% in peso terms, fueled by robust growth in beverage and packaged fruit. The growth in beverage was anchored on the *100% Pineapple Juice* functional portfolio, with impactful brand campaigns that stimulated consumption. Del Monte launched a "Nightly Cleansing Habit," which encouraged consumers to adopt a daily routine of drinking *Fiber-Enriched Juice* to aid digestion and reduce bloating. *Heart Smart's* "Drink Smart for Your Heart" campaign highlighted Reducol to lower cholesterol in as fast as four weeks. These strategic initiatives drove a significant three-percentage-point market share gain, with Del Monte outperforming category growth. New beverage product introductions, such as *Fruity Zing* and *Fit 'n Right Green Apple*, further strengthened the brand's market share gains in the ready-to-drink juice segment.

The packaged fruit segment achieved substantial growth, driven by regional fiesta activations promoting fruit salad usage, reinforcing Del Monte's leadership in the mixed fruit category. Additionally, "Everyday Piña-Sarap Meals" (pineapple-delicious) digital campaign for packaged pineapple highlighted the versatility of adding pineapple to everyday dishes.

International Markets

Sales in the international markets performed strongly, with sales up 43%, driven by higher fresh pineapple and processed product sales. Robust sales of fresh were led by higher volume in China, South Korea and Japan, favorable pricing, as well as better mix due to increased volume of the premium *S&W Deluxe Pineapple*. S&W continued to join trade fairs in North Asia to promote its *Deluxe Pineapple*. China's famous tea shop, Chapanda, launched three new drinks featuring *S&W Sweet 16 Fresh Pineapple* in over 1,000 stores. Processed exports volume to Europe, Middle East and Asia were also higher, coupled with favorable pricing.

USA

The Group's subsidiary in USA, Del Monte Foods, Inc. (DMFI), generated sales of US$480.3 million or 69% of Group turnover. DMFI's sales decreased by 3% driven by changing sales mix and delayed timing of holiday shipments. Del Monte's foodservice channel, e-commerce business and Latin America business posted the most growth in the second quarter.

DMPL Group

DMPL's gross profit increased by 2% to US$137.5 million with gross margin of 20%, same as prior year quarter. Del Monte Philippines delivered significantly higher gross profit, up 43%, and better margin of 26.6% from 22.2% on higher volume, pricing and favorable sales mix.

DMFI's gross profit declined to US$78.5 million from US$94.4 million mainly due to higher costs driven by unfavorable manufacturing costs (inflation and under absorption), and higher costs due to excess inventory (trade, waste, write offs).

DMPL reported a net loss of US$22.2 million versus prior year's net loss of US$8.5 million due to unfavorable results of DMFI. DMFI's net loss increased to US$27.0 million from US$3.5 million due to the continued impact of excess inventory, unfavorable operating costs and increased interest expenses. Meanwhile, Del Monte Philippines, Inc. increased its net profit by 98% to US$20.3 million, with its profit trajectory on track.

FIRST HALF FY2025

DMPL grew sales by 4% to US$1.2 billion on 14% higher sales in DMPI, which offset the 2% decline in USA; however, gross profit declined by 8% to US$225.1 million on higher costs in USA. EBITDA decreased by 19% to US$93.0 million and the Group generated a net loss of US$56.3 million from a net loss of US$21.6 million in the prior year period. DMFI's net loss was partly offset by DMPI's stellar 78% net profit growth.

OUTLOOK

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

1) Plans have commenced and are continuing for the selective sale of assets in the U.S. and capital raising efforts are being worked on. The Group intends to utilize the proceeds from these transactions and lower inventory levels to reduce debt in FY2025.

2) The Group continues to actively restore gross margins. Key priority is DMFI across the following areas:
   - Surplus inventory reduction - A 30% reduction in inventory levels through reduced pack season production. DMFI reduced inventory at the end of the second quarter by US$250.2 million, which drove the US$269.0 million inventory reduction of the Group.
   - Consolidation of underutilized assets - DMFI manufacturing footprint is on track to be completed in the second half of FY2025.
   - Reduction of warehouse, distribution and operational costs - This is expected to benefit the Group in FY2026 as actions are taken to reduce and streamline warehouse footprint and storage space.

3) DMFI will continue to drive the growth of its newer businesses, Joyba Boba Tea and Kitchen Basics Stock, and growth channels foodservice and e-commerce.

The Group continues to relentlessly pursue all these initiatives. DMPL's financial outlook is based on gradual improvement in FY2026 and continuing into FY2027.

Under current conditions, and barring unforeseen circumstances, the Group expects to incur a net loss in FY2025. 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 Group COO and DMPI President & COO Luis Alejandro said, "We are encouraged by the robust performance of Del Monte Philippines, which reflects our effective strategies and market engagement. However, we acknowledge the challenges faced by our U.S. business and are committed to addressing these issues. Our unwavering focus remains on executing our strategic priorities to enhance operational efficiency and financial results across all subsidiaries."

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.

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.

To subscribe to our email alerts, please send a request to jluy@delmontepacific.com.

Disclaimer