



DEL MONTE PACIFIC 2Q FY2021 RESULTS

10 December 2020



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 for shares in Del Monte Pacific.



Contents

- Summary
- 2Q FY2021 Results
- 1H FY2021 Results
- Del Monte Philippines Bond
- Market Updates
- Sustainability
- Outlook



Notes to the 2Q FY2021 Results

- Second quarter is from 1 August 2020 to 31 October 2020.
- DMPL owns 88% of Del Monte Philippines, Inc and 93.6% of Del Monte Foods, Inc. DMPL, therefore, recognises a 12% 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.



2Q FY2021 Highlights



- Group sales grew by 12% on higher consumption of healthy, shelf-stable food at home – USA sales expanded by 13% and Philippines sales increased by 10%
- Del Monte Pacific delivered EBITDA of US\$94m and net profit of US\$22m, a turnaround from losses last year due to one-off expenses; there were no one-off items this period
- Del Monte Philippines generated a net income of US\$24m while Del Monte Foods achieved a net profit of US\$9m due to the US\$10m cost savings from the execution of asset-light strategy in the previous fiscal year plus other initiatives
- Reduced Group net debt to US\$1.5bn from US\$1.7bn, and gearing to 2.6x from 3.6x equity



Outlook

- To meet sustained demand for our trusted, healthy and shelf-stable products, we will continue to optimise our production while implementing strict safety measures against COVID-19
- Strengthen our core business, expand the product portfolio, in response to market trends for health and wellness, and grow our branded business while reducing non-strategic business segments
- 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 amidst the pandemic
- DMFI is also well-placed to improve performance in the US in FY2021 with a more efficient supply chain accomplished from the restructuring in the last fiscal year, better sales mix and management of costs
- The DMPL Group expects to return to profitability in FY2021, barring unforeseen circumstances





DMPL 2Q FY2021 Group Results Summary

- Sales of US\$623.5m, +12%

Sales	% Change
Americas	+13
Philippines	+10 (in peso terms +4)
S&W	-10
FieldFresh India (equity accounted)	-9 (in rupee terms -3)

There are no one-off items this quarter. All figures below are vs prior year quarter (excluding one-off items):

- EBITDA of US\$94.4m, up 36% from US\$69.5m, due to higher volume and better sales mix in USA and Philippines from pandemic-driven higher consumption of trusted, healthy and shelf-stable products; active cost management with US\$10m of savings from DMFI's asset-light strategy and other cost saving initiatives
- Operating profit of US\$67.7m, up 43% from US\$47.2m
- Net profit of US\$21.9m, up 37% from US\$15.9m



DMPL 2Q and 1H FY2021 One-Off Expense/(Income)

There are no one-off items this period

<i>Amounts in US\$ million</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2021 (Unaudited)	FY2020 (Unaudited)	%	FY2021 (Unaudited)	FY2020 (Audited)	%
DMFI one-off expenses:						
Plant closures	-	75.5	nm	-	77.2	nm
Severance	-	1.2	nm	-	1.6	nm
Others	-	0.0	nm	-	0.1	nm
Total (pre-tax basis)	-	76.8	nm	-	78.9	nm
Tax impact	-	(18.7)	nm	-	(19.2)	nm
Non-controlling interest	-	(6.1)	nm	-	(6.3)	nm
Total DMFI one-off expenses (post tax, post NCI basis)	-	51.9	nm	-	53.3	nm
Second Lien Loan Purchase:						
Net (gain) cost due to the purchase of DMFI's second lien loan at a discount	-	0.1	nm	-	0.1	nm
Tax impact for the other one-off items	-	(0.0)	nm	-	(0.0)	nm
Total one-off gain on second lien loan purchase (post tax basis)	-	0.0	nm	-	0.1	nm
Intercompany Dividends Tax:						
Final tax paid on intercompany dividends	-	-	nm	-	39.6	nm
Deferred tax on undistributed share in profits	-	1.3	nm	-	2.7	nm
Total one-off final taxes on intercompany dividends	-	1.3	nm	-	42.3	nm
Total (post-tax and post non-controlling interest)	-	53.3	nm	-	95.7	nm



DMPL 2Q FY2021 Results – As Reported

In US\$m	2Q FY2020	2Q FY2021	Chg (%)	Comments
Turnover	558.7	623.5	+11.6	Higher USA, Philippines and S&W packaged sales driven by the pandemic
Gross profit	134.1	159.7	+19.1	Higher volume, better sales mix and active cost management
EBITDA	(7.3)	94.4	nm	Same as above, plus last year had one-off expenses
Operating profit	(29.6)	67.7	nm	Same as above plus US\$10m savings from DMFI's asset-light strategy and other cost saving initiatives
Net finance income/ (expense)	(27.2)	(27.9)	-2.2	Higher interest expense and lower interest income
FieldFresh equity share	(0.5)	(0.2)	nm	Recovering from the pandemic impact
Tax benefit/(expense)	14.0	(14.4)	nm	Tax benefit last year due to net loss before tax
Net profit/(loss)	(37.4)	21.9	nm	Same as EBITDA
Net debt	1,738.6	1,464.8	-15.8	Lower due to stronger operating results
Gearing (%)	363.0	263.6	-99ppts	Same as above plus higher shareholder's equity



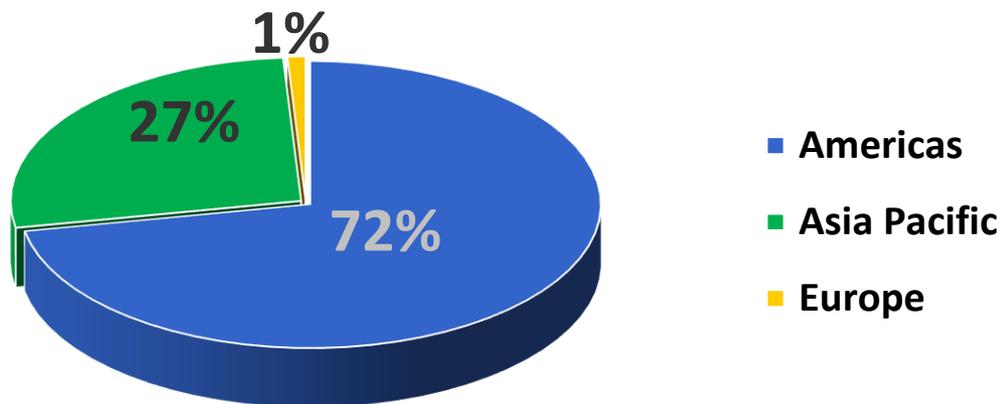
Del Monte Philippines Bond

- In October, Del Monte Philippines successfully raised PhP 6.47bn (US\$134m) worth of fixed-rate bonds
- The issuance, which consisted of 3-year bonds at 3.484% pa interest rate and 5-year bonds at 3.7563% pa, was oversubscribed
- DMPI's credit rating for this bond is Aaa, the highest rating assigned by the Philippine Rating Services Corporation
- The proceeds of the offering were used to refinance existing loans with lower cost funding and longer maturities





DMPL 2Q FY2021 Turnover Analysis



Americas	+12.9%	<ul style="list-style-type: none"> Sustained higher demand from the pandemic The principal categories experienced strong growth as consumers chose healthy and shelf-stable products in response to COVID-19
Asia Pacific	+10.1%	<ul style="list-style-type: none"> Higher sales in the Philippines, up 10% in US dollar terms Strong S&W sales of shelf-stable packaged products Increased total Fresh sales by 7%
Europe	-24.4%	<ul style="list-style-type: none"> Lower packaged fruit and beverage sales



1H FY2021



DMPL 1H FY2021 Group Results Summary

- Sales of US\$1bn, +11%

Sales	% Change
Americas	+13
Philippines	+15 (in peso terms +10)
S&W	-14
FieldFresh India (equity accounted)	-26 (in rupee terms -21)

There are no one-off items this period. All figures below are vs prior year period (excluding one-off items):

- EBITDA of US\$136.8m, up 26% from US\$108.2m, due to higher volume and better sales mix in USA and Philippines from pandemic-driven higher consumption of trusted, healthy and shelf-stable products; active cost management with US\$15-16m of savings from DMFI's asset-light strategy and other cost saving initiatives
- Operating profit of US\$88.4m, up 27% from US\$69.6m
- Net profit of US\$18.6m, down 7% from US\$20.1m

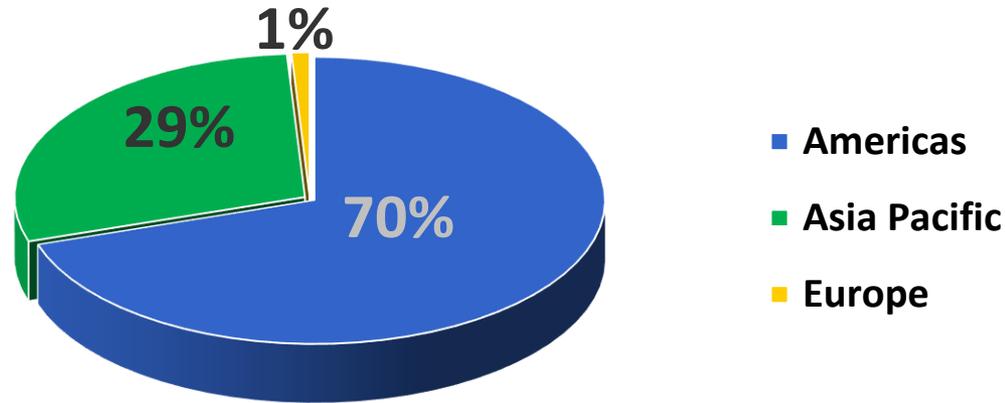


DMPL 1H FY2021 Results – As Reported

In US\$m	1H FY2020	1H FY2021	Chg (%)	Comments
Turnover	934.6	1,036.5	+10.9	Higher USA, Philippines and S&W packaged sales driven by the pandemic
Gross profit	225.3	253.9	+12.7	Higher volume, better sales mix and active cost management
EBITDA	29.4	136.8	+365.6	Same as above, plus last year had one-off expenses
Operating profit	(9.3)	88.4	nm	Same as above plus US\$15-16m savings from DMFI's asset-light strategy and other cost saving initiatives
Net finance income/ (expense)	(48.5)	(52.4)	+8.0	Higher interest expense and lower interest income
FieldFresh equity share	(0.8)	(0.9)	-12.5	Unfavourable pandemic impact
Tax benefit/(expense)	(24.7)	(11.8)	-52.4	Higher last year due to payment of final taxes on dividend from subsidiary
Net profit/(loss)	(75.6)	18.6	nm	Same as EBITDA
Net debt	1,738.6	1,464.8	-15.8	Lower due to stronger operating results
Gearing (%)	363.0	263.6	-99ppts	Same as above plus higher shareholder's equity



DMPL 1H FY2021 Turnover Analysis



Americas	+13.1%	<ul style="list-style-type: none"> ▪ Sustained higher demand from the pandemic ▪ The principal categories experienced strong growth as consumers chose healthy and shelf-stable products in response to COVID-19
Asia Pacific	+7.7%	<ul style="list-style-type: none"> ▪ Higher sales in the Philippines, up 15% in US dollar terms ▪ Strong S&W sales of shelf-stable packaged products
Europe	-23.8%	<ul style="list-style-type: none"> ▪ Lower packaged fruit and beverage sales



Market Updates for 2Q FY2021



USA

15.5%

Market Share

Canned Vegetable (#1)

18.3%

Market Share

Canned Fruit (#2)

26.2%

Market Share

Fruit Cup Snacks (#2)

4.7%

Market Share

Canned Tomato (#3)

- Market share for Canned Vegetable, Fruit and Tomato temporarily impacted due to out of stock in September/October. Full recovery expected in 3Q
- Consumers continue to choose trusted brand names as they prepare more meals at home and seek healthy snacking in response to the pandemic

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





Del Monte Foods USA 2Q Results

- DMFI's 2Q sales improved by 13% to US\$446.7m due to higher branded retail sales, up 21%, arising from the pandemic
 - Consumers staying at home, preparing meals and snacking with DMFI's trusted, healthy and shelf-stable vegetable, fruit, tomato and broth products
 - Higher sales of new products launched in the past 3 years accounted for 5% of DMFI's total net sales and 7% of branded sales in 2Q. New products growth factors:
 - College Inn - Bone Broth
 - Bubble Fruit - Club Stores success
 - Deluxe Gold Pineapple - Far exceeding new distribution goals

Del Monte Category Trends Pre and Post COVID

26 Week Dollar Sales % Chg vs YA
Pre-COVID versus COVID

	 Vegetables	 Fruit	 Broth	 Tomato	 Pizza Sauce
Pre-COVID	1.4%	0.7%	0.9%	(0.9%)	4.1%
COVID	21.6%	19.4%	31.0%	34.2%	51.8%

Source: Nielsen Latest
26 weeks ending 9.26.20



Del Monte Foods USA 2Q Results (cont'd)

- Ecommerce sales, coming off a low base, were up significantly despite tight supply which tempered full sales potential. Our marketing investment continues to support brand awareness, findability and conversion online
- Gross margin of 22.8%, up 1.6% due to lower trade spend and improved mix
- EBITDA of US\$57.7m, significantly higher by 43% on higher sales and lower marketing cost
- Net profit of US\$9.1m, a turnaround from quarters of losses in the past; No one-off items this period
- Moreover, the execution of DMFI's asset-light strategy and other cost saving initiatives generated about US\$10m savings in 2Q and US\$15-16m in 1H



USA – New Products

Del Monte® Veggieful™ Pocket Pies

Start Ship: May 2020



Each Pocket Pie contains:

- ✓ 1 full serving of vegetables
- ✓ Crust made with cauliflower
- ✓ 9-10 grams of protein
- ✓ 100% real cheese
- ✓ No artificial flavours or artificial preservatives

Awareness and trial building behind Digital, Social, Consumer Promotion, and Shopper Marketing



Start Ship: Aug 2020



3 Delicious Varieties

Each variety:

- ✓ Boosts the flavour of mains, sides and soups
- ✓ Or use to easily make broth
- ✓ More convenient with less mess than market leader
- ✓ Less sodium and 0 artificial flavours or preservatives





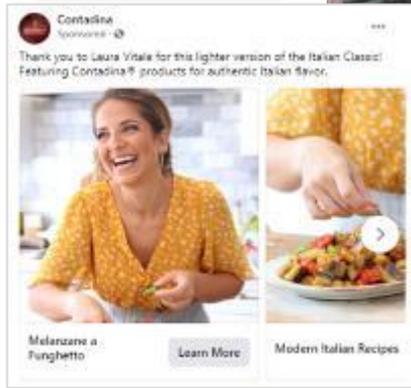
USA - Marketing

Del Monte® Fruit Cup



Back to School

- ✓ New campaign creative debut
- ✓ Strong digital, social, PR, and shopper support
- ✓ Strong share growth
- ✓ Expanded distribution
- ✓ Share Leader in fast growing 12ct segment



Contadina FY2021 Marketing:

- ✓ Establishing new modern Italian positioning
- ✓ Partnering with chef and influencer Laura Vitale to create Italian recipes that are healthy enough to serve every day



USA - PR Highlights

- **3.8bn garnered impressions** - In 2Q, Del Monte Brands and Corporate secured nearly 1,500 media placements garnering 3.8bn impressions
- **Coverage with top tier media** – Our brands earned top of mind awareness with parents and families during important back to school season through top tier media
- **Amplified our Growing Great partnership** – We continued to drive awareness of our GG partnership with parents through Red Tricycle media partnership, and helped educate parents on importance of raising healthy eaters with our [online curriculum content](#)
- **Industry and media recognition** – We continue to be recognized by the industry for our innovation products, and our tried-and-true established brands continue to make ‘Best of’ lists with media



Del Monte Fruit Crunch Porrito – Blueberry, Del Monte Foods



25 Best Pantry Staples to Add to Your Grocery List



Resulting from a media interview with Del Monte President & CEO, Greg Longstreet; Continued relationship building in progress with WSJ reporter





USA - Foodservice

New National Account Win!

Schlotzsky's
— AUSTIN EATERY —



A Fast Casual chain with 350+ units in the US, specializing in gourmet sandwiches and pizzas. Recently converted to Contadina Pizza Sauce, **generating 13,000 cases of new business.**



Supporting COVID 19 Relief Efforts



Utilising our foodservice distribution network, we supplied much needed shelf-stable products for meal kit distribution to government food-relief organisations across USA. This generated incremental sales of over 250,000 cases year-to-date. This program is expected to continue as the pandemic spreads and people remain out of work. DMFI expects to generate additional sales from this program in the coming quarters.



Philippines

87.5% +1.0pts
Market Share

Packaged Pineapple (#1)

75.3% +0.1pts
Market Share

Canned Mixed Fruit (#1)

48.9% +5.9pts
Market Share

RTD Juices ex-SUP* (#1)

86.2% +2.8pts
Market Share

Tomato Sauce (#1)

40.6% +1.9pts
Market Share

Spaghetti Sauce (#1)

- Del Monte continues to enjoy strong market share leadership across all its major categories, and further strengthened share during the pandemic, as Del Monte is sought as a trusted, healthy, high quality brand that is perfect for the increased incidence in-home cooking
- In particular, market share in Spaghetti Sauce has grown significantly behind its new “*Iba ang Sarap Del Monte*” (Del Monte’s distinct taste) campaign, with a marked turnaround from the challenges of previous periods (-1.5pt in 1Q). The new campaign emphasizes the remarkable Del Monte Spaghetti Sauce quality, and is successfully countering the intense competition of affordable brands that continue to rely heavily on price promotions.

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



Philippines

- In 2Q, Philippines sales grew by 10% in US dollar terms and 4% in peso terms, demonstrating the resilience of Del Monte during home quarantine
- Retail sales rose 13% despite a weak economy and high unemployment
- However, this was offset by the foodservice business which remained soft notwithstanding improvements over 1Q
- The strong retail growth was in both modern trade and general trade, driven primarily by the beverage category - led by immunity-building Del Monte 100% Pineapple Juice - and the culinary category - driven by Del Monte Quick 'n Easy meal mixes and Del Monte ketchup
- We continued to highlight the health benefits of our product portfolio with targeted advertising, as well as meal planning and preparation by Del Monte Kitchenomics
- Ecommerce sales expanded from a small base driven by category growth for grocery products due to lockdown, increased Del Monte investment in ecommerce platform promotions, and the transformation of digital marketing media placements into shoppable ads linked directly to purchase



100% Pineapple Juice:
"Help avoid sickness"





Philippines - Fruits

Core communications focused on increasing consumption:



- Level up core Filipino recipes by simply adding pineapple
- Improved accessibility behind lower-priced Stand-Up Pouches

Communications designed to be even more relevant in a pandemic environment:



Mixed Fruits: in-home, small scale celebrations “Stay-Lebrations”

Canned Pineapple: health and immunity to level up dishes

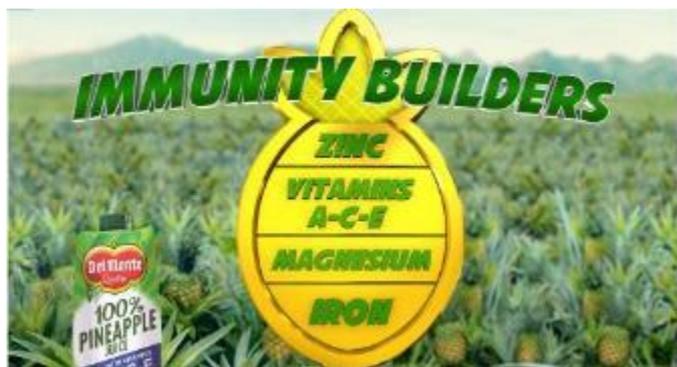




Philippines - Beverage

Communications strengthened core strengths of the brand, even while improving to be more relevant during the pandemic:

100% Pineapple Juice: Immunity and protection against disease-causing viruses



Del Monte Juice Drink: health with 1 can/glass = 1 serving of fruit and 100% Vitamin C



Del Monte Fit 'n Right: promoting fitness with exercise at home, in collaboration with known studios





Philippines - Culinary

Maximising the opportunities from increased home-cooking incidence:

Promoting an array of Del Monte cooking ingredients online via

Del Monte Love to be Home Food Box



Del Monte Tomato Sauce:
 'Everyday Sauce Special'
 Campaign (TV/Online)





Philippines - Culinary

Highlighting natural ingredients:

Del Monte Quick 'n Easy: Launch of the new #AchieveRealSarap campaign, pushing the Natural Ingredients promise



Del Monte Spaghetti Sauce: Relaunch via a Superiority campaign that banners the real ingredient story of our brand making it the best-tasting spaghetti





S&W

- COVID-19 started in China which is S&W's largest market in Asia. The pandemic affected the Fresh market in China most significantly but is now recovering
- It also affected the foodservice channel especially in South Korea for processed products
- 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 ecommerce sales in China were up significantly in 2Q from a small base

To drive growth, realise S&W's full potential in fresh pineapple, frozen and other products, channels, and build S&W's brand equity in key markets



Hema



Dingdong



Pinduoduo





S&W

- 2Q sales of S&W shelf-stable packaged pineapple products in Asia and the Middle East improved significantly by 34% over last year with robust sales of canned pineapples
- Sales of fresh pineapples, the majority of which are branded S&W, grew by 7% versus the same period last year, a turnaround from the 28% decline in 1Q ending July due to the impact of the pandemic lockdown in China
- We expect the fresh business to continue growing in the remainder of the year as more consumers venture to retail outlets in North Asia



Indonesia: Participation in
USA Fair at Grand Indonesia



S&W

China: S&W distributor Eachtake being interviewed in TV News about CIIE Exhibition



S&W distributor Goodfarmer displaying co-branding fresh pineapples in their booth



Using video to introduce our farm and brand at Greenland Group Booth (Greenland is a real estate developer and super store chain owner)

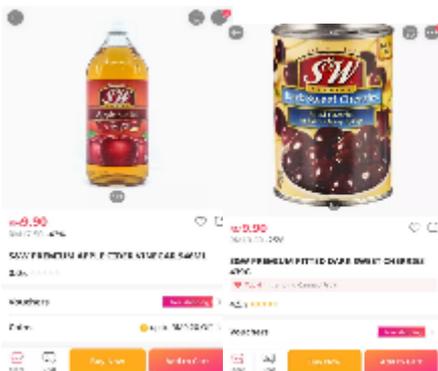


S&W

Singapore: 7th month promotion with Giant



Malaysia: E-commerce developments with online partners such as Lazada, Shopee and Potboy



10.10 Promotions with Potboy



FieldFresh India

- DMPL's share of loss in 2Q was US\$0.2m, lower than prior year quarter's US\$0.5m as business continued to recover from the impact of the pandemic on foodservice and QSR business. Foodservice accounted for about 50% of sales pre-pandemic in India
- Retail and e-commerce sales continued to surge



Providing Indian consumers easy ways to make and pair in-home snacks with Del Monte Mayo & Chinese range during this rainy season and work from home



Launched Del Monte Olive Oil in a 1-litre pouch, offering olive oil at a never before price, 30% cheaper than bottled olive oil!



Del Monte Raw Seeds – Amazon Exclusive Launch

Variants:

- Pumpkin Seeds
- Sunflower Seeds
- Flax Seeds
- Chia Seeds





Sustainability

- DMPL subsidiaries, Del Monte Foods (DMFI) and Del Monte Philippines, issued their Sustainability Goals
- DMFI appointed a seasoned Senior Sustainability Manager, Molly Laverty
- Research developed a new water treatment design that improves the fruit quality and saves fresh water consumption by enabling re-use of flume water
- DMFI supported COVID-19 efforts by utilising the foodservice distributor network and supplying shelf-stable products for meal-kit distribution to government food relief operations
- Del Monte Foundation continued donating food and beverage to private and local government organisations to support indigent communities and frontline workers during the pandemic



Outlook

- To meet sustained demand for our trusted, healthy and shelf-stable products, we will continue to optimise our production while implementing strict safety measures against COVID-19
- Strengthen our core business, expand the product portfolio, in response to market trends for health and wellness, and grow our branded business while reducing non-strategic business segments
- 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 amidst the pandemic
- DMFI is also well-placed to improve performance in the US in FY2021 with a more efficient supply chain accomplished from the restructuring in the last fiscal year, better sales mix and management of costs
- The DMPL Group expects to return to profitability in FY2021, barring unforeseen circumstances

