



DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 31 October 2022

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AUDIT

Second Quarter FY2023 results covering the period from 1 August to 31 October 2022 have neither been audited nor reviewed by the Group's auditors.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2022 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2022. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3, Reference to the Conceptual Framework.
- Amendments to IAS 16, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37, Onerous Contracts – Costs of Fulfilling a Contract.
- Annual Improvements to IFRSs 2018-2020 Cycle

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 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 announcement or its contents.

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

SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) have been procured.

DIRECTORS' ASSURANCE

Confirmation by Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Del Monte Pacific Limited which may render these interim financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of Del Monte Pacific Limited

(Signed)
Rolando C. Gapud
Executive Chairman

(Signed)
Joselito D. Campos, Jr.
Executive Director

7 December 2022

NOTES ON THE 2Q FY2023 DMPL RESULTS

- On 30 April 2020, the Group recognized the sale of a 12% stake in Del Monte Philippines, Inc. (DMPI) and started recognizing this as non-controlling interest (NCI) on 1 May 2020. On 16 December 2020, the Group recognized an additional sale of 1% stake in DMPI thereby increasing the NCI share to 13%. In addition, DMPL's effective stake in Del Monte Foods, Inc. (DMFI) increased to 93.6% starting 15 May 2020 and had henceforth recognized a 6.4% NCI. These two comprise the NCI line in the P&L. Net profit/(loss) is net of NCI. Please refer also to profit and loss summary of DMFI and DMPI on page 19 (gross of NCI).
- FY means Fiscal Year for the purposes of this MD&A.
- 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.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2022

	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2023	Fiscal Year 2022	% Change	Fiscal Year 2023	Fiscal Year 2022	% Change
<i>in US\$'000 unless otherwise stated</i> ¹						
Turnover	698,923	650,991	7.4	1,155,510	1,113,125	3.8
Gross profit	205,275	178,481	15.0	337,011	311,901	8.1
Gross margin (%)	29.4	27.4	2.0	29.2	28.0	1.2
EBITDA	124,426	107,360	15.9	194,471	182,343	6.7
Operating profit	103,205	83,233	24.0	153,635	140,006	9.7
Operating margin (%)	14.8	12.8	2.0	13.3	12.6	0.7
Net profit attributable to owners of the Company	49,524	35,801	38.3	19,001	54,123	(64.9)
Net margin (%)	7.1	5.5	1.6	1.6	4.9	(3.3)
EPS (US cents)	2.34	1.59	47.2	0.81	2.28	(64.5)
EPS before preference dividends (US cents)	2.55	1.84	38.6	0.98	2.78	(64.7)
Net profit attributable to owners of the Company (Without one-off items ²)	49,524	35,801	38.3	69,163	54,123	27.8
Net debt	2,037,539	1,532,441	33.0	2,037,539	1,532,441	33.0
Gearing (%) ³	446.7	232.1	214.7	446.7	232.1	214.7
Net debt to adjusted EBITDA ⁴	5.6	4.3	1.3	5.6	4.3	1.3
Cash flow from operations	(158,387)	(144,290)	(9.8)	(152,384)	(95,799)	(59.1)
Capital expenditure	47,310	46,686	1.3	90,336	89,118	1.4
Inventory (days)	193	149	44	213	162	51
Receivables (days)	28	29	(1)	36	34	2
Account Payables (days)	64	51	13	72	53	19

1 The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.39 in October 2022 and 1.34 in October 2021. For conversion to PhP, these exchange rates can be used: 55.49 in October 2022 and 49.36 in October 2021.

2 Please refer to the last page of this MD&A for a schedule of the one-off items

3 Gearing = Net Debt / Equity

4 Adjusted EBITDA = Last twelve months without one-off items

REVIEW OF OPERATING PERFORMANCE

Second Quarter

The Group generated sales of US\$698.9 million for the second quarter of FY2023, higher by 7.4% versus the prior year quarter driven by higher sales in the US, improved sales performance for the Philippine business, as well as higher exports of S&W branded fresh and processed pineapples and other products. Excluding Kitchen Basics (KB), Group's net sales are higher by 5.5 % versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI) generated US\$506.3 million or about 72% of Group sales. DMFI's sales increased by US\$28.8 million or 6.0% driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew by 11.1% attributed to pricing taken to address inflation, distribution expansion for Joyba bubble tea and acquisition of Kitchen Basics. KB contributed revenue of US\$12.1 million, representing 2.4% of net sales. Excluding KB, DMFI's net sales would have increased by US\$16.7 million or 3.5%.

As announced on 4 August 2022, DMFI has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. The assets, which were comprised mainly of intellectual property and inventory, were acquired for an aggregate consideration of US\$99 million. Such price was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the company expands its retail presence in the category.

DMFI continues to pursue its innovation efforts and expand on new product offerings in the recent years. Recently, DMFI launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI an exciting new brand to reach the growing consumer base that seeks high-quality and accessibly-priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms, as well as three new Pocket Pie Pizza flavors – Plant-Based Pepperoni, Plant-Based Sausage & Mushroom, and 4 Cheese. New products launched in the past three years contributed 5.3% to DMFI's total sales in the second quarter.

The higher sales performance in the second quarter resulted in DMFI generating a gross profit of US\$141.8 million, higher by 19.1% versus prior year quarter's US\$119.1 million. Gross margin at 28.0% was 306 basis points higher than prior year quarter's 24.9% driven by pricing, in line with inflation, and improved margins from reduced sales of low-margin products. However, this was partly offset by unfavorable sales mix in retail with shifts to multi-pack as the company addresses shifts in consumer spends in line with inflation. Kitchen Basics contribution to gross profit amounted to US\$4.3million with a gross margin of 35.1%. Excluding the impact of Kitchen Basics, DMFI's gross margin is favorable at 27.8% or an improvement of 289 basis points versus prior quarter period.

DMPL ex-DMFI generated sales of US\$206.9 million (inclusive of the US\$14.0 million sales by DMPL to DMFI which were netted out during consolidation) which were 8.8% higher than the US\$190.2 million sales in the prior year quarter. Higher sales were mainly driven by strong sales performance from the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products. This was however negatively impacted by peso devaluation on sales in the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.1% from 32.1% in the same period last year as overall increase in volume as well as pricing improvements were offset by higher cost to produce attributed to commodity headwinds which caused prices to soar especially raw materials, packaging, traded goods, tomato paste, sugar, fuel and coal, among others. This was further aggravated by the negative impact of peso devaluation on all imported products.

The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 21.6% in peso terms, and up 4.9% in US dollar terms, driven by increased sales in the Philippines as well as higher exports of S&W branded fresh and processed pineapples. However, resulting net profit of PhP1.3 billion was down 2.1% in peso terms, and down 15.6% in US dollar terms, as higher sales were offset by commodity headwinds and higher distribution costs. About 55% of DMPI's sales are in the Philippines, with the balance in the international market and others.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US\$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively as the economy opens up post extended COVID lockdowns.

New innovations in dairy and snacking are gaining traction, now accounting for 7.5% of Philippine sales. As schools in the Philippines shifted to onsite from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain to promote its milk product.

International markets generated higher sales of US\$84.9 million, up 13.1%, driven by the strong performance of fresh pineapple which offset declines in processed industrial products. Fresh sales rose 46.3% on the back of higher demand and consumer promotions in North Asia and Middle East, coupled with improved supply availability this quarter. Fresh sales also benefitted from continued favorable consumer and trade acceptance to the naturally-ripened extra-sweet S&W Deluxe premium variant. However, erratic demand in North Asia due to high inflation and extended COVID lockdowns in China had started to impact sales towards the end of the quarter. In the U.S., a major QSR launched new summer drinks and one of which - Pineapple Passionfruit Refreshers - includes our pineapple product. Meanwhile, S&W packaged products grew by 13.9% driven by higher sales of mixed fruit and juice drinks.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US\$0.1 million profit, an improvement from prior year quarter's share in losses of US\$0.5 million driven by better sales performance and margins, as well as overall improvement in cost management.

DMFI delivered an EBITDA of US\$86.5 million, up 22.2% versus the US\$70.7 million in the prior year quarter driven by improved gross margin as discussed above. DMFI generated a net profit of US\$37.8 million, significantly higher by 66.4% versus prior quarter's US\$22.7 million. This was mainly due to higher sales, better sales mix, and lower interest expense driven by refinancing. Kitchen Basics contribution was a net loss of US\$0.7 million attributed to one-off expense of US\$1.7 million, net of tax and minority, pertaining to write-off of excess net realizable value over cost of inventory.

DMPL ex-DMFI generated an EBITDA of US\$36.7 million, lower by 5.6%, and a net profit of US\$17.5 million lower by 18.4% versus the US\$21.4 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US\$124.4 million, 15.9% higher versus prior quarter's US\$107.4 million, mainly driven by the strong operating results of DMFI. Consequently, the Group delivered a net profit of US\$49.5 million, 38.3% higher than prior quarter's US\$35.8 million which was also partly attributed to savings from interest due to refinancing of high yield bonds in May 2022.

The Group's cash outflow from operations in the second quarter was US\$158.4 million, higher versus last year's US\$144.3 million mainly due to higher inventories.

First Half

For the first half of FY2023, the Group generated sales of US\$1.2 billion, up 3.8% versus prior year period. DMFI generated US\$808.7 million or about 70.0% of Group sales, higher by 4.3% as pricing improvements to address inflation and favorable sales mix more than offset lower volume driven by inventory de-loading from the first quarter and continued supply chain challenges in second quarter. Excluding Kitchen Basics, Group's net sales are higher by 2.7% versus previous year.

DMFI continued to innovate and offer exciting products to consumers. New products contributed 5.1% to DMFI's total sales in the first half.

The improved sales performance during the second quarter which made up for the low first quarter inventory de-loading resulted in DMFI generating a gross profit of US\$220.2 million, 12.1% higher than the US\$196.3 million in the prior year. This led to better gross margin of 27.2% from 25.3%, mainly driven by pricing actions to counter inflationary increase in cost of production. In addition, the acquisition of Kitchen Basics contributed US\$12.1 million or 1.5% of DMFI's net sales.

The Philippine market sales were up 7.1% in peso terms but down 4.7% in US dollar terms due to peso depreciation. Improvement in sales is seen across almost all channels driven by culinary and innovation segments while sales from core beverage and fruits were almost in line with last year. Innovations grew strongly due to higher sales of Mr. Milk and Potato Crisps in the snacking segment. New products launched in the past 3 years contributed 7.8% to total Philippine market sales.

Export sales of S&W fresh pineapples continued to experience double digit growth increasing by 31.8% during the first half driven by higher sales in China, Japan, South Korea and the Middle East. In China, sales increased on the back of expanded distribution coverage for the Company's top three distributors.

The Company recently launched the naturally-ripened extra sweet S&W Deluxe Premium fresh pineapple in China, Japan and South Korea with favorable market feedback, which has continued to gain traction in China's retail segment. The fresh business performed strongly, up 23.2%, driven by additional sales from this premium pineapple variety along with improved supply of S&W Sweet 16 pineapple.

DMPL ex-DMFI delivered lower gross margin of 30.2% from 31.4% in the same period last year mainly from the impact of higher product cost.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh) joint venture in India was at US\$0.7 million gain from a US\$1.2 million loss in the prior year period driven by improved operating results. Strong performance was supported by increase in sales across core categories particularly B2C on the back of improved market execution for general, modern trade and e-commerce platforms. B2B business also grew driven by recovery in foodservice from a lower base last year.

In May 2022, DMFI raised US\$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. Proceeds were used to primarily redeem the US\$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The redemption of the Notes incurred a one-off cost of US\$71.9 million or US\$50.2 million post tax and NCI. US\$26.3 million of the US\$71.9 million was non-cash. Please refer to page 27 for the details of the one-off cost.

As a result of the above one-off cost, DMFI incurred a net loss of US\$4.4 million versus the net income of US\$27.5 million from the prior year first half. Excluding the impact of the one-off refinancing cost, DMFI delivered a net income of US\$47.4 million which was significantly higher by 72.2% versus the prior period net income of US\$27.5 million. DMFI delivered EBITDA of US\$122.5 million, up 13.1% versus the US\$108.3 million in the prior year due to higher gross profit as explained above and lower marketing spend.

DMPI achieved sales of Php20.2 billion, up 13.0% in peso terms and up 0.5% in US dollar terms, while net profit of Php2.3 billion, was down 9.4% in peso terms and down 19.4% in US dollar terms driven by commodity headwinds and higher distribution cost. More than half of DMPI's sales are in the Philippines, with the balance in the international market and others.

DMPL ex-DMFI generated an EBITDA of US\$69.8 million, lower by 9.0% and a net profit of US\$34.6 million, lower by 17.7% versus the US\$42.0 million last year driven by the unfavorable impact of high cost as discussed above and higher interest costs.

The Group generated an EBITDA of US\$194.5 million, 6.7% higher versus prior year's US\$182.3 million, and a net profit of US\$19.0 million, lower than last year's US\$54.1 million, mainly driven by the one-off refinancing cost as discussed above. Without the one-off cost, net profit of US\$70.8 million was significantly higher by 30.7% due to the strong performance of DMFI and S&W branded business.

The Group's net debt/adjusted EBITDA increased to 5.6x from 4.3x last year and gearing to 4.5x from 2.3x due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022 and resulting lower equity due to net losses arising from refinancing costs, increase in DMFI's ABL (working capital) loans which includes acquisition of Kitchen Basics. The impact of the one-off redemption cost on leverage was about 0.4x and will be diluted as the Group expects to have higher profitability in the coming quarters.

The Group's cash outflow from operations in the first half was US\$152.4 million, higher versus last year's outflow of US\$95.8 million mainly due to higher inventories. Increase in inventory was mainly inflationary-driven and higher inventory in certain segments to support customer service levels.

The Group has negative working capital as at 31 October 2022 amounting to US\$7.8 million which was partly attributed to increase in current loans attributed to KB acquisition as well as due to current portion of long-term loans maturing within the next fiscal year that will be refinanced as they fall due.

VARIANCE FROM PROSPECT STATEMENT

The Group expects to generate profits for the balance of the year. It is on track to achieving a net profit after the one-off redemption cost.

BUSINESS OUTLOOK

In an environment with increased emphasis on health and wellness, the Del Monte Pacific Group is well-positioned to respond to consumer trends given its nutritious and long shelf-life products. This trend has been supported with campaigns highlighting the functional health benefits of its products. The Group's iconic brands, Del Monte, S&W, Contadina and College Inn, are trusted names with over a century-long heritage of quality.

Our operating subsidiaries will continue to be one of the leading CPG companies in the markets we serve. We will strive to maintain all our operating metrics at the highest possible levels. Our strong portfolio of branded health and wellness products, together with our entry into adjacent and new categories, will allow us to maintain our revenue and income growth over the years to come. We also expect a new growth stream from our recent acquisition of Kitchen Basics, as well as from new e-commerce infrastructure.

Amidst an inflationary environment, we remain vigilant in managing our operating expenses and have embarked on a number of cost optimization and revenue enhancing initiatives, mindful that the road ahead still holds many challenges. DMPL is proactively addressing inflationary impact from commodity headwinds and increased transportation costs through revenue and cost drivers including driving efficiencies and productivity across operation. DMFI has embarked on a number of cost optimization initiatives including distribution center consolidation and increased use of rail instead of trucks to save on fuel cost. Distribution consolidation should bring benefits in the longer term.

Barring unforeseen circumstances, the Group expects to generate a net profit after the one-off redemption cost in FY2023.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	207,135	205,105	1.0	88,275	77,494	13.9	62,300	50,098	24.4
Packaged fruit	185,307	186,299	(0.5)	28,990	28,440	1.9	2,543	3,763	(32.4)
Beverage	15,329	10,212	50.1	4,308	1,382	211.7	1,425	437	226.1
Culinary	97,160	78,959	23.1	23,978	15,141	58.4	10,288	4,243	142.5
Others	2,521	1,181	113.5	(1,284)	(370)	(247.0)	(4,216)	(2,988)	(41.1)
Total	507,452	481,756	5.3	144,267	122,087	18.2	72,340	55,553	30.2

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	322,225	320,030	0.7	137,174	121,791	12.6	91,588	77,233	18.6
Packaged fruit	316,713	318,444	(0.5)	49,905	53,775	(7.2)	688	4,715	(85.4)
Beverage	26,804	16,434	63.1	8,767	2,642	231.8	3,274	452	624.3
Culinary	141,627	124,131	14.1	32,667	24,037	35.9	11,040	6,556	68.4
Others	3,422	2,593	32.0	(1,612)	(542)	(197.4)	(4,884)	(5,461)	10.6
Total	810,791	781,632	3.7	226,901	201,703	12.5	101,706	83,495	21.8

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Sales in the Americas increased by 5.3% to US\$507.5 million, driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew attributed to pricing taken to address inflation, distribution expansion for Joyba bubble tea and acquisition of Kitchen Basics.

Gross profit was higher by 18.2% this quarter driven by higher net sales.

Americas reported an operating profit for the quarter of US\$72.3 million versus prior year quarter's US\$55.6 million due to higher sales and improved margins.

ASIA PACIFIC

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	445	414	7.5	55	85	(35.3)	46	72	(36.1)
Packaged fruit	42,699	43,127	(1.0)	14,029	15,003	(6.5)	10,635	11,018	(3.5)
Beverage	33,368	31,936	4.5	5,620	9,585	(41.4)	(423)	2,915	(114.5)
Culinary	43,727	39,216	11.5	16,230	15,499	4.7	11,716	9,808	19.5
Others	57,192	44,360	28.9	21,496	12,520	71.7	6,580	1,048	527.9
Total	177,431	159,053	11.6	57,430	52,692	9.0	28,554	24,861	14.9

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	966	931	3.8	159	196	(18.9)	132	162	(18.5)
Packaged fruit	67,382	72,915	(7.6)	21,188	24,486	(13.5)	14,343	17,590	(18.5)
Beverage	66,517	69,421	(4.2)	15,900	21,027	(24.4)	4,507	9,878	(54.4)
Culinary	74,790	73,547	1.7	28,691	29,801	(3.7)	20,740	20,236	2.5
Others	113,387	98,084	15.6	38,260	29,079	31.6	8,465	5,117	65.4
Total	323,042	314,898	2.6	104,198	104,589	(0.4)	48,187	52,983	(9.1)

Reported under this segment are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Asia Pacific's sales in the second quarter increased by 11.6% to US\$177.4 million from US\$159.1 million driven by strong sales performance in the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US\$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively as the economy opens up post extended COVID lockdowns.

EUROPE

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged fruit	10,683	5,808	83.9	2,709	2,361	14.7	1,744	1,793	(2.7)
Beverage	3,270	4,353	(24.9)	824	1,334	(38.2)	531	1,023	(48.1)
Culinary	87	21	314.3	45	7	542.9	36	3	nm
Total	14,040	10,182	37.9	3,578	3,702	(3.3)	2,311	2,819	(18.0)

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged fruit	15,018	10,699	40.4	3,953	3,941	0.3	2,245	2,384	(5.8)
Beverage	6,516	5,819	12.0	1,885	1,643	14.7	1,434	1,132	26.7
Culinary	143	77	85.7	74	25	196.0	63	12	425.0
Total	21,677	16,595	30.6	5,912	5,609	5.4	3,742	3,528	6.1

Included in this segment are sales of co-branded and unbranded products in Europe.

For the second quarter, Europe's sales increased by 37.9% to US\$14.0 million from US\$10.2 million on higher sales from packaged fruits and culinary. However, gross profit declined by 3.3% due to unfavorable sales mix from lower pineapple juice concentrate (PJC) sales. Europe delivered an operating income of US\$2.3 million, lower than prior year period's US\$2.8 million due to lower PJC sales.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 October			For the six months ended 31 October		
	FY2023	FY2022	Explanatory Notes	FY2023	FY2022	Explanatory Notes
Cost of Goods Sold	70.6	72.6	Increase in cost of goods sold was more than offset by increase in sales	70.8	72.0	Same as 2Q
Distribution and Selling Expenses	9.4	9.2	Higher transfer and ocean freight cost in DMFI and DMPI	10.0	9.2	Same as 2Q
G&A Expenses	5.1	5.2	Lower turnover as increase in G&A was more than offset by increase in sales.	6.0	5.9	Driven by higher personnel cost in DMFI
Other Operating Expenses (Income)	0.1	0.2	Other expense this quarter was mainly from write-off of excess of NRV over cost of inventory of the newly acquired KB brand	(0.2)	0.3	Other income this year was mainly from reversal of over accruals

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US\$'000	For the three months ended 31 October				For the six months ended 31 October			
	FY2023	FY2022	%	Explanatory Notes	FY2023	FY2022	%	Explanatory Notes
Depreciation and amortization	(45,527)	(51,988)	12.4	Mainly due to translation (PHP depreciation) versus last year	(95,355)	(100,595)	5.2	Same as 2Q
Reversal/ (Provision) of asset impairment	-	14	(100.0)	nm	-	(33)	100.0	Impairment losses last year in DMFI driven by Hanford, none this year
Reversal/ (Provision) for inventory obsolescence	(322)	(181)	(77.9)	Driven by unrealized demand in DMPI	(394)	55	(816.4)	Same as 2Q
Reversal/ (Provision) for doubtful debts	-	15	(100.0)	nm	-	26	(100.0)	nm
Net gain/(loss) on disposal of fixed assets	110	(8)	n.m.	Driven by DMFI, net loss reversal	110	94	17.0	Same as 2Q
Foreign exchange gain/(loss)- net	542	(562)	196.4	Driven by forex gain in ICMOSA	2,255	899	150.8	Higher forex gain in DMPI and ICMOSA
Interest income	268	198	35.4	Driven by DMPI, higher interest income from advance land lease	508	368	38.0	Same as 2Q
Interest expense	(29,220)	(27,156)	(7.6)	Driven by higher market rates in the Philippines and US, partially offset by savings from refinancing	(123,966)	(53,505)	(131.7)	Driven by redemption cost and write-off of deferred financing cost related to refinancing
Share in net loss of JV	(714)	(508)	(40.6)	Driven by startup losses in Vinamilk JV, which share in losses only started being recognized in November 2021	(46)	(1,550)	97.0	Improvement in results for the FieldFresh JV from higher sales and margins.
Taxation benefit (expense)	(19,116)	(14,528)	(31.6)	Higher taxable income this quarter versus last year	(8,171)	(23,461)	65.2	Lower taxable income in DMFI due to one-off refinancing costs.

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)	% Variance vs April FY22	Explanatory Notes
In US\$'000					
ASSETS					
Property, plant and equipment - net	564,025	540,253	577,647	(2.4)	nm
Right-of-use (ROU) assets	107,467	116,360	123,539	(13.0)	Mainly due to amortizations on ROU assets
Investment in joint ventures	18,714	21,169	17,172	9.0	Increase driven by additional investment in joint venture and share in profits of FieldFresh
Intangible assets and goodwill	754,532	691,372	688,047	9.7	Increase driven by acquisition of Kitchen Basics Brand
Other noncurrent assets	26,847	26,898	30,411	(11.7)	Reclass of notes receivable to current, and lower downpayments for capital expenditures
Deferred tax assets - net	118,863	120,282	116,745	1.8	nm
Pension assets	8,340	6,625	9,799	(14.9)	Driven by accrual of retirement expense in DMPI
Biological assets	48,573	46,778	50,081	(3.0)	nm
Inventories	1,250,423	884,020	685,958	82.3	Buil up of inventories in the US for the peak season
Trade and other receivables	322,318	269,816	214,553	50.2	Timing of collection of sales
Prepaid expenses and other current assets	49,393	47,034	49,052	0.7	nm
Cash and cash equivalents	19,482	37,248	21,853	(10.8)	Decrease mainly due to timing from operating activities
EQUITY					
Share capital	29,449	49,449	29,449	0.0	nm
Share premium	298,339	478,339	298,339	0.0	nm
Retained earnings	122,820	104,287	140,320	(12.5)	Driven by dividend distribution
Reserves	(59,831)	(37,004)	(42,541)	(40.6)	Driven by translation adjustment
Non-controlling interest	65,327	65,293	69,138	(5.5)	Driven by dividend received
LIABILITIES					
Loans and borrowings	2,057,021	1,569,689	1,567,366	31.2	Driven by DMFI refinancing and higher short term loans for working capital requirements
Lease liabilities	104,158	110,134	121,320	(14.1)	Driven by lease payments
Other noncurrent liabilities	21,695	16,014	23,023	(5.8)	nm
Employee benefits	57,867	63,351	61,300	(5.6)	Driven by DMFI due to payout of benefits in the first half
Environmental remediation liabilities	203	265	203	0.0	nm
Deferred tax liabilities - net	7,082	9,180	12,421	(43.0)	Reversal of deferred tax liability related to DMPI's distribution of profit
Trade and other current liabilities	581,512	376,130	302,833	92.0	Higher trade payables in the US due to inventory builds in preparation of the pack season
Current tax liabilities	3,335	2,728	1,686	97.8	Timing of tax payment for DMPI

SHARE CAPITAL

Total shares outstanding were 1,953,960,024 (common shares 1,943,960,024 and preference shares 10,000,000) as of 31 October 2022. On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares. Share capital was US\$29.5 million as of 31 October 2022 and 2021. Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below. No options or share awards were granted since 2015.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2015	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding excludes 975,802 shares held by the Company as treasury shares as at 31 October 2022 and 2021. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 October 2022.

BORROWINGS AND NET DEBT

<i>Liquidity in US\$'000</i>	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)
Gross borrowings	(2,057,021)	(1,569,689)	(1,567,366)
Current	(1,056,362)	(633,108)	(479,354)
Secured	(663,212)	(342,705)	(151,560)
Unsecured	(393,150)	(290,403)	(327,794)
Non-current	(1,000,659)	(936,581)	(1,088,012)
Secured	(653,908)	(657,886)	(703,488)
Unsecured	(346,751)	(278,695)	(384,524)
Less: Cash and bank balances	19,482	37,248	21,853
Net debt	(2,037,539)	(1,532,441)	(1,545,513)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$2.04 billion as at 31 October 2022, higher than the US\$1.55 billion as at 30 April 2022 due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, and increase in DMFI's ABL (working capital) loans which included the acquisition of Kitchen Basics.

DIVIDENDS

No dividends were declared for this quarter and the prior year quarter. The Group generally declares dividends based on yearend full year results. The last dividend declaration was in June 2022 based on FY2022 results, and paid on 27 July 2022.

INTERESTED PERSON TRANSACTIONS

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

In US\$'000		Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
For the quarter ended 31 July	Nature of Relationship	FY2023	FY2022	FY2023	FY2022
NutriAsia, Inc	Affiliate of the Company	-	-	165	132
NutriAsia Pacific Limited	Affiliate of the Company	-	-	-	430
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	-	-	898	910
NutriAsia, Inc Retirement Fund	Retirement Fund of Affiliate's Employees	-	-	309	333
Aggregate Value		-	-	1,372	1,805

DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT

<i>Amounts in US\$'000</i>	For the three months ended			For the six months ended		
	31 October			31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited)	FY2022 (Unaudited)	%
Turnover	698,923	650,991	7.4	1,155,510	1,113,125	3.8
Cost of sales	(493,648)	(472,510)	(4.5)	(818,499)	(801,224)	(2.2)
Gross profit	205,275	178,481	15.0	337,011	311,901	8.1
Distribution and selling expenses	(65,611)	(60,078)	(9.2)	(115,256)	(102,896)	(12.0)
General and administration expenses	(35,783)	(33,914)	(5.5)	(69,881)	(66,062)	(5.8)
Other operating income/(loss)	(676)	(1,256)	nm	1,761	(2,937)	160.0
Profit from operations	103,205	83,233	24.0	153,635	140,006	9.7
Financial income*	452	(83)	644.6	2,775	1,643	68.9
Financial expense**	(28,862)	(27,437)	(5.2)	(123,978)	(53,881)	(130.1)
Share in net loss of joint venture	(714)	(508)	(40.6)	(46)	(1,550)	97.0
Profit before taxation	74,081	55,205	34.2	32,386	86,218	(62.4)
Taxation	(19,116)	(14,528)	(31.6)	(8,171)	(23,461)	65.2
Profit after taxation	54,965	40,677	35.1	24,215	62,757	(61.4)
Profit attributable to:						
Owners of the Company	49,524	35,801	38.3	19,001	54,123	(64.9)
Non-controlling interest ***	5,441	4,876	11.6	5,214	8,634	(39.6)
Profit for the period	54,965	40,677	35.1	24,215	62,757	(61.4)
Notes:						
Depreciation and amortization	(45,527)	(51,988)	12.4	(95,355)	(100,595)	5.2
Reversal of (provision for) asset impairment	-	14	nm	-	(33)	nm
Reversal of (provision for) inventory obsolescence	(322)	(181)	(77.9)	(394)	55	(816.4)
Provision for doubtful debts	-	15	(100.0)	-	26	(100.0)
Gain (loss) on disposal of fixed assets	110	(8)	n.m	110	94	17.0
*Financial income comprise:						
Interest income	268	198	35.4	508	368	38.0
Foreign exchange gain	184	(281)	165.5	2,267	1,275	77.8
	452	(83)	644.6	2,775	1,643	68.9
**Financial expense comprise:						
Interest expense	(29,220)	(27,156)	(7.6)	(123,966)	(53,505)	(131.7)
Foreign exchange loss	358	(281)	227.4	(12)	(376)	96.8
	(28,862)	(27,437)	(5.2)	(123,978)	(53,881)	(130.1)

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2023	FY2022	FY2023	FY2022
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	2.34	1.59	0.81	2.28
(ii) On a fully diluted basis	2.34	1.59	0.81	2.28

***Includes (US\$301m) for DMFI, US\$5,482m for DMPI and US\$34m for Del Monte Foods Private Limited (previously FieldFresh) in the first half ended 31 October of FY2023 and US\$1,892m for DMFI, US\$6,803m for DMPI and (US\$61m) for Del Monte Foods Private Limited in the first half ended 31 October of FY2022. Includes US\$2,596 for DMFI, US\$2,871m for DMPI and (US\$25m) for Del Monte Foods Private Limited in the second quarter ended 31 October of FY2023 and US\$1,562m for DMFI, US\$3,340m for DMPI and (US\$27m) for Del Monte Foods Private Limited in the second quarter ended 31 October of FY2022.

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in US\$'000</i>	For the three months ended 31			For the six months ended 31		
	October			October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited)	FY2022 (Unaudited)	%
Profit for the period	54,965	40,677	35.1	24,215	62,757	(61.4)
Other comprehensive income (after reclassification adjustment):						
<i>Items that will or may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	(9,788)	(1,140)	(758.6)	(19,584)	(8,162)	(139.9)
Effective portion of changes in fair value of cash flow hedges	(459)	(1,438)	68.1	(424)	60	(806.7)
Income tax expense on cash flow hedge	115	352	(67.3)	106	(15)	806.7
	(10,132)	(2,226)	(355.2)	(19,902)	(8,117)	(145.2)
<i>Items that will not be classified to profit or loss</i>						
Remeasurement of retirement benefit	74	-	n.m.	106	24	341.7
Income tax expense on retirement benefit	(11)	-	n.m.	(15)	(3)	(400.0)
	63	-	n.m.	91	21	333.3
Other comprehensive income/(loss) for the period	(10,069)	(2,226)	(352.3)	(19,811)	(8,096)	(144.7)
Total comprehensive income for the period	44,896	38,451	16.8	4,404	54,661	(91.9)
Attributable to:						
Owners of the Company	40,721	33,787	20.5	1,711	47,072	(96.4)
Non-controlling interests	4,175	4,664	(10.5)	2,693	7,589	(64.5)
Total comprehensive income for the period	44,896	38,451	16.8	4,404	54,661	(91.9)

Please refer to page 3 for the Notes

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION

<i>Amounts in US\$'000</i>	Group			Company		
	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)	31 October 2022 (Unaudited)	31 October 2021 (Unaudited)	30 April 2022 (Audited)
Non-Current Assets						
Property, plant and equipment - net	564,025	540,253	577,647	-	-	-
Right-of-use (ROU) assets	107,467	116,360	123,539	119	75	132
Investment in subsidiaries	-	-	-	938,211	836,795	980,008
Investment in joint ventures	18,714	21,169	17,172	2,705	2,952	2,836
Intangible assets and goodwill	754,532	691,372	688,047	-	-	-
Other noncurrent assets	26,847	26,898	30,411	-	-	49
Deferred tax assets - net	118,863	120,282	116,745	-	34	-
Pension assets	8,340	6,625	9,799	-	-	-
Biological assets	2,640	2,708	2,735	-	-	-
	1,601,428	1,525,667	1,566,095	941,035	839,856	983,025
Current Assets						
Inventories	1,250,423	884,020	685,958	-	-	-
Biological assets	45,933	44,070	47,346	-	-	-
Trade and other receivables	322,318	269,816	214,553	28,938	83,312	84,832
Prepaid expenses and other current assets	49,393	47,034	49,052	1,370	107	931
Cash and cash equivalents	19,482	37,248	21,853	2,307	3,519	2,129
	1,687,549	1,282,188	1,018,762	32,615	86,938	87,892
Total Assets	3,288,977	2,807,855	2,584,857	973,650	926,794	1,070,917
	-	-	-	-	-	-
Equity attributable to equity holders of the Company						
Share capital	29,449	49,449	29,449	29,449	49,449	29,449
Share premium	298,339	478,339	298,339	298,478	478,478	298,478
Retained earnings	122,820	104,287	140,320	122,820	39,254	140,320
Reserves	(59,831)	(37,004)	(42,541)	(59,831)	(65,075)	(42,541)
Equity attributable to owners of the Company	390,777	595,071	425,567	390,916	502,106	425,706
Non-controlling interest	65,327	65,293	69,138	-	-	-
Total Equity	456,104	660,364	494,705	390,916	502,106	425,706
Non-Current Liabilities						
Loans and borrowings	1,000,659	936,581	1,088,012	251,707	248,392	434,587
Lease liabilities	82,945	84,464	91,771	-	-	-
Other noncurrent liabilities	21,695	16,014	23,023	-	-	-
Employee benefits	24,927	31,855	24,342	62	244	12
Environmental remediation liabilities	203	265	203	-	-	-
Deferred tax liabilities - net	7,082	9,180	12,421	34	-	8
	1,137,511	1,078,359	1,239,772	251,803	248,636	434,607
Current Liabilities						
Trade and other current liabilities	581,512	376,130	302,833	37,654	53,411	40,029
Loans and borrowings	1,056,362	633,108	479,354	293,261	122,641	170,571
Lease liabilities	21,213	25,670	29,549	-	-	-
Current tax liabilities	3,335	2,728	1,686	16	-	4
Employee benefits	32,940	31,496	36,958	-	-	-
	1,695,362	1,069,132	850,380	330,931	176,052	210,604
Total Liabilities	2,832,873	2,147,491	2,090,152	582,734	424,688	645,211
Total Equity and Liabilities	3,288,977	2,807,855	2,584,857	973,650	926,794	1,070,917
NAV per ordinary share (US cents)	14.96	15.18	16.75	14.97	10.40	16.75
NTAV per ordinary share (US cents)	(23.86)	(20.39)	(18.65)	14.97	10.40	16.75

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2023												
At 1 May 2022	29,449	298,339	(95,322)	14,278	43,752	(4,963)	-	(286)	140,320	425,567	69,138	494,705
Total comprehensive income for the period												
Profits for the period									19,001	19,001	5,214	24,215
Other comprehensive income												
Currency translation differences recognized directly in equity	-	-	(17,071)	-	-	-	-	-	-	(17,071)	(2,513)	(19,584)
Remeasurement of retirement plan, net of tax	-	-	-	-	79	-	-	-	-	79	12	91
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(298)	-	-	-	(298)	(20)	(318)
Total other comprehensive income/(loss)	-	-	(17,071)	-	79	(298)	-	-	-	(17,290)	(2,521)	(19,811)
Total comprehensive (loss)/income for the period	-	-	(17,071)	-	79	(298)	-	-	19,001	1,711	2,693	4,404
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Payment of Dividends	-	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
At 31 October 2022	29,449	298,339	(112,393)	14,278	43,831	(5,261)	-	(286)	122,820	390,777	65,327	456,104

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2022												
At 1 May 2021	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
Total comprehensive income for the period												
Profits for the period	-	-	-	-	-	-	-	-	54,123	54,123	8,634	62,757
Other comprehensive income												
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)	(1,049)	(8,162)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20	1	21
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42	3	45
Total other comprehensive income/(loss)	-	-	(7,113)	-	20	42	-	-	-	(7,051)	(1,045)	(8,096)
Total comprehensive (loss)/income for the period	-	-	(7,113)	-	20	42	-	-	54,123	47,072	7,589	54,661
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
At 31 October 2021	49,449	478,339	(89,084)	14,278	35,069	1,266	1,753	(286)	104,287	595,071	65,293	660,364

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2023										
At 1 May 2022	29,449	298,478	(95,322)	14,278	43,752	(4,963)	-	(286)	140,320	425,706
Total comprehensive income for the period										
Profits for the period									19,001	19,001
Other comprehensive income										
Currency translation differences recognized directly in equity	-	-	(17,071)	-	-	-	-	-	-	(17,071)
Remeasurement of retirement plan, net of tax	-	-	-	-	79	-	-	-	-	79
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(298)	-	-	-	(298)
Total other comprehensive income/(loss)	-	-	(17,071)	-	79	(298)	-	-	-	(17,290)
Total comprehensive (loss)/income for the period	-	-	(17,071)	-	79	(298)	-	-	19,001	1,711
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Payment of Dividends	-	-	-	-	-	-	-	-	(36,501)	(36,501)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(36,501)	(36,501)
At 31 October 2022	29,449	298,478	(112,393)	14,278	43,831	(5,261)	-	(286)	122,820	390,916

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2022										
At 1 May 2021	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
Total comprehensive income for the period										
Profits for the period	-	-	-	-	-	-	-	-	54,123	54,123
Other comprehensive income										
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42
Total other comprehensive income/(loss)	-	-	(7,113)	-	20	42	-	-	-	(7,051)
Total comprehensive (loss)/income for the period	-	-	(7,113)	-	20	42	-	-	54,123	47,072
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(33,185)	(33,185)
At 31 October 2021	49,449	478,478	(89,084)	14,278	35,069	1,266	1,753	(286)	104,287	595,210

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DEL MONTE PACIFIC LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in US\$'000</i>	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2023 (Unaudited)	FY2022 (Unaudited)	FY2023 (Unaudited)	FY2022 (Unaudited)
Cash flows from operating activities				
Profit for the period	54,965	40,677	24,215	62,757
Adjustments for:				
Depreciation of property, plant and equipment	34,596	38,505	74,714	77,361
Amortization of right-of-use assets	9,194	11,821	17,241	19,909
Amortization of intangible assets	1,737	1,662	3,400	3,325
Impairment loss on property, plant and equipment	-	(14)	-	33
Gain on disposal of property, plant and equipment	(110)	8	(110)	(94)
Share in net (profit) loss of joint venture	714	508	46	1,550
Finance income	(452)	83	(2,775)	(1,643)
Finance expense	28,862	27,437	53,107	53,881
Redemption fee on Senior Secured Loans	-	-	44,530	-
Write-off of deferred financing costs	-	-	26,341	-
Tax expense - current	4,532	3,988	13,601	10,571
Tax expense (deferred)	14,584	10,540	(5,430)	12,890
Net loss (gain) on derivative financial instrument	-	(116)	-	(324)
Operating profit before working capital changes	<u>148,622</u>	<u>135,099</u>	<u>248,880</u>	<u>240,216</u>
Changes in:				
Other assets	(2,519)	(6,387)	(962)	(6,309)
Inventories	(386,468)	(203,857)	(569,551)	(329,838)
Biological assets	(5,236)	(1,155)	(3,420)	(1,464)
Trade and other receivables	(126,333)	(86,231)	(115,785)	(91,035)
Prepaid and other current assets	2,081	(5,989)	(1,269)	(7,376)
Trade and other payables	211,956	27,554	303,709	113,706
Employee Benefit	3,511	1,964	(4,186)	(5,553)
Operating cash flow	<u>(154,386)</u>	<u>(139,002)</u>	<u>(142,584)</u>	<u>(87,653)</u>
Income taxes paid	(4,001)	(5,288)	(9,800)	(8,146)
Net cash flows provided by operating activities	<u>(158,387)</u>	<u>(144,290)</u>	<u>(152,384)</u>	<u>(95,799)</u>
Cash flows from investing activities				
Interest received	673	309	1,073	534
Proceeds from disposal of property, plant and equipment	35	63	93	211
Purchase of property, plant and equipment	(47,310)	(46,686)	(90,336)	(89,118)
Purchase of Kitchen Basics brand	(69,886)	-	(69,886)	-
Additional investment in joint venture	(494)	-	(1,462)	(189)
Net cash flows used in investing activities	<u>(116,982)</u>	<u>(46,314)</u>	<u>(160,518)</u>	<u>(88,562)</u>
Cash flows from financing activities				
Interest paid	(24,664)	(3,848)	(70,247)	(43,240)
Proceeds of borrowings	666,890	881,557	1,572,859	1,559,547
Repayment of borrowings	(347,372)	(635,841)	(1,060,957)	(1,264,215)
Payments of lease liability	(7,892)	(8,569)	(21,442)	(20,703)
Dividends paid	(4,194)	(25,301)	(43,005)	(36,793)
Redemption fee on Senior Secured Loans	-	-	(44,530)	-
Payments of debt related costs	(2,611)	-	(16,526)	-
Net cash flows provided by (used in) financing activities	<u>280,157</u>	<u>207,998</u>	<u>316,152</u>	<u>194,596</u>
Net increase (decrease) in cash and cash equivalents	<u>4,788</u>	<u>17,394</u>	<u>3,250</u>	<u>10,235</u>
Cash and cash equivalents, beginning	<u>24,468</u>	<u>19,582</u>	<u>21,853</u>	<u>29,435</u>
Effect of exchange rate fluctuations on cash held in foreign cu	<u>(9,774)</u>	<u>272</u>	<u>(5,621)</u>	<u>(2,422)</u>
Cash and cash equivalents at end of period	<u>19,482</u>	<u>37,248</u>	<u>19,482</u>	<u>37,248</u>

PROFIT AND LOSS SUMMARY OF MAJOR SUBSIDIARIES

DEL MONTE FOODS HOLDINGS LIMITED AND SUBSIDIARIES UNAUDITED CONSOLIDATED INCOME STATEMENT

<i>Amounts in US\$'000</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited) (Unaudited)	(Unaudited)	%
Turnover	506,298	477,477	6.0	808,743	775,577	4.3
Cost of sales	(364,535)	(358,411)	(1.7)	(588,565)	(579,234)	(1.6)
Gross profit	141,763	119,066	19.1	220,178	196,343	12.1
Distribution and selling expenses	(43,682)	(40,192)	(8.7)	(73,548)	(66,459)	(10.7)
General and administration	(25,359)	(24,325)	(4.3)	(50,067)	(47,076)	(6.4)
Other operating income/(loss)	(1,966)	(1,191)	(65.1)	(476)	(2,789)	82.9
Profit from operations	70,756	53,358	32.6	96,087	80,019	20.1
Interest income	10	10	0.0	20	20	0.0
Interest expense	(17,782)	(20,691)	14.1	(103,333)	(40,554)	(154.8)
Forex exchange gain (loss)	1,313	(349)	476.2	957	(341)	380.6
Profit before taxation	54,297	32,328	68.0	(6,269)	39,144	(116.0)
Taxation	(13,900)	(8,057)	(72.5)	1,605	(9,747)	116.5
Profit after taxation	40,397	24,271	66.4	(4,664)	29,397	(115.9)
Profit(loss) attributable to:						
Owners of the DMPL	37,801	22,709	66.5	(4,363)	27,505	(115.9)
Non-controlling interest	2,596	1,562	66.2	(301)	1,892	(115.9)
Profit/(loss) for the period	40,397	24,271	66.4	(4,664)	29,397	(115.9)

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INCOME STATEMENT

	For the three months ended 31 October					
	FY2023	FY2022	%	FY2023	FY2022	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	11,281,348	9,274,004	21.6	195,346	186,138	4.9
Cost of sales	(7,979,779)	(6,397,716)	(24.7)	(138,146)	(128,392)	(7.6)
Gross profit	3,301,569	2,876,288	14.8	57,200	57,746	(0.9)
Distribution and selling expenses	(1,192,006)	(952,085)	(25.2)	(20,594)	(19,139)	(7.6)
General and administration expenses	(278,196)	(236,633)	(17.6)	(4,771)	(4,741)	(0.6)
Other operating loss	(6,331)	(21,981)	71.2	(65)	(436)	85.1
Profit from operations	1,825,036	1,665,589	9.6	31,770	33,430	(5.0)
Interest income	39,792	15,546	156.0	700	312	124.4
Interest expense	(256,876)	(179,061)	(43.5)	(4,468)	(3,594)	(24.3)
Forex exchange gain (loss)	(52,823)	(15,497)	(240.9)	(1,042)	(328)	(217.7)
Share in net loss of joint venture	(65,208)	-	nm	(1,175)	-	nm
Profit before taxation	1,489,921	1,486,577	0.2	25,785	29,820	(13.5)
Taxation	(223,365)	(192,661)	(15.9)	(3,888)	(3,861)	(0.7)
Profit after taxation	1,266,556	1,293,916	(2.1)	21,897	25,959	(15.6)

	For the six months ended 31 October					
	FY2023	FY2022	%	FY2023	FY2022	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	20,192,455	17,873,673	13.0	363,894	362,108	0.5
Cost of sales	(14,317,804)	(12,408,429)	(15.4)	(258,025)	(251,386)	(2.6)
Gross profit	5,874,651	5,465,244	7.5	105,869	110,722	(4.4)
Distribution and selling expenses	(2,186,007)	(1,687,934)	(29.5)	(39,395)	(34,196)	(15.2)
General and administration expenses	(550,492)	(497,210)	(10.7)	(9,921)	(10,073)	1.5
Other operating loss	(60,929)	(67,571)	9.8	(1,098)	(1,369)	19.8
Profit from operations	3,077,223	3,212,529	(4.2)	55,455	65,084	(14.8)
Interest income	59,258	26,675	122.1	1,068	540	97.8
Interest expense	(437,036)	(346,164)	(26.3)	(7,876)	(7,013)	(12.3)
Forex exchange gain	48,638	54,675	(11.0)	877	1,108	(20.8)
Share in net loss of joint venture	(65,208)	-	nm	(1,175)	-	nm
Profit before taxation	2,682,875	2,947,715	(9.0)	48,349	59,719	(19.0)
Taxation	(376,637)	(402,973)	6.5	(6,787)	(8,164)	16.9
Profit after taxation	2,306,238	2,544,742	(9.4)	41,562	51,555	(19.4)

Forex translation used: 55.49 in October 2022 and 49.36 in October 2021

**DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
OPERATING SEGMENT BY PRODUCT**

	For the three months ended 31 October						For the six months ended 31 October					
	FY23 (In PHP'000)	FY22	% Chg	FY23 (In US\$'000)	FY22	% Chg	FY23 (In PHP'000)	FY22	% Chg	FY23 (In US\$'000)	FY22	% Chg
Revenues												
Convenience Cooking and Desert	4,314,982	3,406,537	26.7	75,699	68,456	10.6	6,623,860	6,154,943	7.6	119,370	124,695	(4.3)
Healthy Beverages and Snacks	1,836,953	1,638,789	12.1	31,581	32,856	(3.9)	3,542,877	3,333,838	6.3	63,847	67,541	(5.5)
Premium Fresh Fruit	2,246,331	1,365,868	64.5	38,625	27,352	41.2	4,326,426	2,938,670	47.2	77,968	59,535	31.0
Packaged fruit and Beverages - Export	2,049,643	2,093,748	(2.1) ▲	35,040 ▲	42,067	(16.7)	4,174,561	3,822,928	9.2	75,231	77,450	(2.9)
Others	34,502	19,422	77.6	602	390	54.4	55,789	36,915	51.1 ▲	1,006	748	34.5
Changes in fair value – PAS 41	798,937	749,640	6.6	13,799	15,017	(8.1)	1,468,942	1,586,379	(7.4)	26,472	32,139	(17.6)
Total	11,281,348	9,274,004	21.6	195,346	186,138	4.9	20,192,455	17,873,673	13.0	363,894	362,108	0.5
Gross income												
Convenience Cooking and Desert	1,609,299	1,374,291	17.1	28,199	27,625	2.1	2,507,782	2,442,491	2.7	45,193	49,483	(8.7)
Healthy Beverages and Snacks	310,077	475,566	(34.8)	5,119	9,526	(46.3)	835,301	1,013,054	(17.5)	15,053	20,524	(26.7)
Premium Fresh Fruit	1,011,374	660,758	53.1	17,462	13,241	31.9	1,867,714	1,378,375	35.5	33,659	27,925	20.5
Packaged fruit and Beverages - Export	238,146	444,345	(46.4)	3,998	8,959	(55.4)	567,538	656,802	(13.6)	10,228	13,306	(23.1)
Others	16,189	8,862	82.7	282	178	58.4	26,216	16,360	60.2 ▲	473 ▲	332	42.5
Changes in fair value - PAS 41	116,484	(87,534)	233.1	2,140	(1,783)	220.0	70,100	(41,838)	267.6	1,263	(848)	248.9
Total	3,301,569	2,876,288	14.8	57,200	57,746	(0.9)	5,874,651	5,465,244	7.5	105,869	110,722	(4.4)
Earnings before interest and tax												
Convenience Cooking and Desert	1,092,094	856,426	27.5	19,195	17,206	11.6	1,636,496	1,572,539	4.1	29,492	31,859	(7.4)
Healthy Beverages and Snacks	(144,287)	114,666	(225.8)	(2,790)	2,264	(223.2)	68,949	401,468	(82.8)	1,243	8,133	(84.7)
Premium Fresh Fruit	563,095	425,777	32.3	9,730	8,531	14.1	1,030,813	892,030	15.6	18,577	18,072	2.8
Packaged fruit and Beverages - Export	66,219	332,002	(80.1)	1,042	6,707	(84.5)	235,390	429,320	(45.2)	4,242	8,698	(51.2)
Others	13,400	8,757	53.0	236	177	33.3	18,905	13,665	38.3 ▲	340	277	22.7
Changes in fair value - PAS 41	116,484	(87,536)	233.1	2,140	(1,783)	220.0	70,100	(41,818)	267.6	1,263	(847)	249.1
Total	1,707,005	1,650,092	3.4	29,553	33,102	(10.7)	3,060,653	3,267,204	(6.3)	55,157	66,192	(16.7)

Forex translation used: 55.49 in October 2022 and 49.36 in October 2021

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DMPI's Product segments

Convenience Cooking and Dessert

This segment includes sales of packaged tomato-based and non-tomato-based products, such as tomato sauce and paste, spaghetti sauce, ketchup, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments, sold under the *Del Monte* and *Contadina* brands and soy sauces under the *Kikkoman* brand as part of an exclusive distributorship arrangement for the Philippines. This category also includes packaged pineapple solids and tropical mixed fruit products sold within the Philippines under the *Del Monte*, *Fiesta* and *Today's* brands.

Healthy Beverages and Snacks

Healthy beverages which are sold in the Philippines under the *Del Monte* brand include ready-to-drink juices, fruit and vegetable juice drinks, and pineapple juice concentrate in various packaging formats, including Tetra Pak and PET. DMPI's hallmark product in the beverage segment is *100% Pineapple Juice*, including derivations thereof, such as *100% Pineapple Juice* that is enriched with additional vitamins, fiber or calcium or that is specifically developed to help manage cholesterol. In addition, the beverage segment covers juice drinks made from other fruits, vegetables, herbs and botanicals, such as *Tipco* juice, and DMPI's *Fit 'n Right* products, which are drinks fortified with green coffee extract (an antioxidant-containing supplement derived from unroasted raw coffee beans, which is believed to improve blood pressure and cholesterol levels) to help reduce sugar absorption from food and L-carnitine (a chemical compound similar to an amino acid that is produced by the body and which helps the body to metabolize fat into energy) to assist in fat metabolism.

Packaged Fruits and Beverages – Export

This segment includes packaged fruit and beverages products sold internationally.

Packaged Fruit

Packaged fruit includes sales of fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the *S&W* brand and the *Del Monte* brand for parties who have the license rights to *Del Monte* in other markets, as well as under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce *Nice Fruit* frozen pineapple products and not-from concentrate juices or packaged as a premium version of DMPI's *Del Monte*-branded packaged pineapples, *Deluxe Gold*. *Deluxe Gold* products, which were launched in May 2020, are exported primarily to the United States through an affiliate.

Beverages

Beverages includes sales of *100% Pineapple Juice* and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from concentrate juice is prepared solely from the juice of whole pineapple at DMPI's Not-From-Concentrate juicing plant and contains no additional ingredients. DMPI produces 100% MD2 Not-From-Concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

Premium Fresh Fruit

Premium Fresh Fruit category include sales of *S&W*-branded premium fresh pineapples in Asia Pacific and private label or non-branded MD2 and C74 fresh pineapples in Asia. DMPI's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the main export product and sold under the "S&W Sweet 16" brand.

Others

The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also includes culinary products sold internationally.

ONE-OFF EXPENSES

<i>Amounts in US\$ million</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%	FY2023 (Unaudited)	FY2022 (Unaudited)	%
DMFI one-off expenses:						
Redemption fee	-	-	nm	44.5	-	nm
Write-off of deferred financing costs (non cash)	-	-	nm	26.3	-	nm
Ticking fee	-	-	nm	1.0	-	nm
Total (pre-tax basis)	-	-	nm	71.9	-	nm
Tax impact	-	-	nm	(18.3)	-	nm
Non-controlling interest	-	-	nm	(3.4)	-	nm
Total DMFI one-off expenses (post tax, post NCI basis)	-	-	nm	50.2	-	nm