



## 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 2023

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## AUDIT

Second Quarter FY2024 results covering the period from 1 August to 31 October 2023 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 FY2023 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2023. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*.
- Amendments to IAS 8, *Definition of Accounting Estimates*.
- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.
- IFRS 17, *Insurance Contracts*

## 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

13 December 2023

## FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2023

	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2024	Fiscal Year 2023	% Change	Fiscal Year 2024	Fiscal Year 2023	% Change
<i>in US\$'000 unless otherwise stated</i> <sup>1</sup>						
Turnover	667,081	698,923	(4.6)	1,183,814	1,155,510	2.4
Gross profit	135,517	205,275	(34.0)	243,812	337,011	(27.7)
Gross margin (%)	20.3	29.4	(9.1)	20.6	29.2	(8.6)
EBITDA	63,857	124,422	(48.7)	114,999	194,467	(40.9)
Operating profit	44,083	103,205	(57.3)	70,523	153,635	(54.1)
Operating margin (%)	6.6	14.8	(8.2)	6.0	13.3	(7.3)
Net profit attributable to owners of the Company	(8,492)	49,524	(117.1)	(21,573)	19,001	(213.5)
Net margin (%)	(1.3)	7.1	(8.4)	(1.8)	1.6	(3.4)
EPS (US cents)	(0.44)	2.46	(117.9)	(1.11)	0.81	(237.0)
<b>Without one-off items</b> <sup>2</sup>						
Net profit attributable to owners of the Company	(8,492)	49,524	(117.1)	(21,573)	69,163	(131.2)
Net debt	2,478,583	2,037,539	21.6	2,478,583	2,037,539	21.6
Gearing (%) <sup>3</sup>	677.9	446.7	231.2	677.9	446.7	231.2
Net debt to adjusted EBITDA (x) <sup>4</sup>	9.6	5.6	4.0	9.6	5.6	4.0
Cash flow from operations	(91,762)	(158,387)	42.1	(38,261)	(152,384)	74.9
Capital expenditure	48,174	47,310	1.8	95,173	90,336	5.4
Inventory (days)	220	193	27	239	213	26
Receivables (days)	30	28	2	34	36	(2)
Account Payables (days)	53	64	(11)	57	72	(15)

1 The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.35 in October 2023 and 1.39 in October 2022. For conversion to PHP, these exchange rates can be used: 55.95 in October 2023 and 55.49 in October 2022.

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

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\$667.1 million for the second quarter of FY2024, lower by 4.6% versus the prior year quarter, mainly driven by lower co-pack sales in the US, and lower export sales of fresh and packaged pineapple and other products.

The Group's US subsidiary, Del Monte Foods Inc. (DMFI), achieved sales of US\$494.6 million or 74% of Group turnover. DMFI's revenues declined by 2.3% driven by strategic exit from lower margin co-pack business (packing for other manufacturers), lower sales of plastic fruit cups and canned fruits, partly offset by price increases across branded and non-branded categories. New products launched in the past three years contributed 7.0% to DMFI's total sales in the second quarter.

DMFI grew its leading market share positions across its core businesses of canned fruit, vegetable and tomato.

However, DMFI generated a gross profit of US\$94.4 million, lower by 33.4% versus prior year quarter's US\$141.8 million. Gross margin was 19.1% versus the prior quarter's 28.0%. Cost was significantly impacted by unfavorable

cost from the sale of high cost FY2023 inventory which was inflated due to high metal, raw produce and logistics cost, as well as continued commodity price volatility.

DMPL ex-DMFI generated sales of US\$178.7 million (inclusive of the US\$5.9 million sales by DMPL to DMFI which were netted out during consolidation), 13.6% lower than the US\$206.9 million sales in the prior year quarter. Lower exports of fresh and packaged pineapple and other products were impacted by lower pineapple supply for the second quarter as majority of fruits had matured or ripened early and were thus harvested in the first quarter. Pineapple supply is expected to improve in the fourth quarter.

DMPL ex-DMFI delivered a lower gross margin of 22.5% from 30.1% in the same period last year as overall pricing improvements were offset by higher product costs brought about by lower plantation supply and inflationary factors as it sells through higher cost inventory from FY2023.

Philippine market delivered sales of US\$107.8 million, 1.5% lower in peso terms but flat in US dollar terms. Sales in the culinary and beverage segments experienced growth, driven by the launch of strategic campaigns. Spaghetti Sauce Birthday Campaign including the Limited-Edition Birthday Collectibles resonated well with consumers as it reinforced Del Monte's value amidst the inflationary environment. Del Monte juices launched a youth recruitment campaign aimed at redefining its brand proposition to align with today's dynamic beverage landscape. Del Monte also strengthened its market leadership in key product categories, including packaged pineapple, mixed fruits, and spaghetti sauce behind programs driving occasion-based messaging, versatile recipe usage and expansion of value-for-money package formats. Foodservice and convenience store channels continued their growth momentum with sales up 15.5% and 13.2%, respectively, on new accounts, outlets and menu ideas.

Sales in the international markets declined on both reduced fresh and packaged sales. Lower fresh sales were driven by lower pineapple supply, as discussed above, which offset favorable sales mix (on the back of increased sales of premium higher-margin S&W Deluxe fresh pineapples) as well as better pricing. Packaged sales decreased with lower sales in USA due to their inventory correction and unserved demand in other markets due to lower pineapple fruit supply. S&W participated in large trade fairs in Hong Kong and Guangzhou to meet current and potential customers and to further expand S&W's footprint in China. In Europe, Frozen Pineapple Chunks were launched in Ireland by the Group's customer, Green Isle, as one of their latest additions to their perfect-for-lunchbox and on-the-go fruit snacks range. These are now available in all major retail stores in Ireland.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US\$0.2 million profit which was higher than prior year quarter's share in profit of US\$0.1 million. This was mainly driven by continued margin improvements both from price increases coupled with strategic sourcing of key raw materials.

DMFI delivered an EBITDA of US\$38.6 million, down 55.3% versus the US\$86.5 million in the prior year quarter driven by reduced margins from significantly high cost, and lower volume as discussed above partly offset by lower administration cost. Consequently, DMFI generated a net loss of US\$3.5 million, versus prior year quarter's net profit of US\$37.8 million.

DMPL ex-DMFI generated an EBITDA of US\$24.3 million, lower by 33.9%, and a net profit of US\$1.9 million lower by 88.9% versus the US\$17.5 million last year mainly driven by lower volume attributed to lower pineapple supply and lower shipment to the US.

The Group generated an EBITDA of US\$63.9 million which was lower than the prior year's US\$124.4 million mainly driven by unfavorable operating results from both DMFI and DMPL ex-DMFI. The Group incurred a net loss of US\$8.5 million versus the prior year quarter's net profit of US\$49.5 million.

The Group's cash outflow from operations in the second quarter was US\$91.8 million, better than last year's cash outflow of US\$158.4 million. This was mainly driven by lower additions to inventory and accounts receivable. Lowering inventory and working capital is a key priority in FY2024 and FY2025.

### **First Half**

The Group generated sales of US\$1.2 billion for the first half of FY2024, higher by 2.4% versus the prior year period driven by higher sales in the US.

The Group's US subsidiary, Del Monte Foods Inc. (DMFI), achieved sales of US\$851.0 million or 72% of Group turnover. DMFI's revenues grew by 5.2% driven by pricing actions in FY2023 and in August this year, as well as

favorable sales mix from higher branded sales partly offset by lower sales from the non-strategic co-pack business and higher trade spends.

Innovation helped fuel the company's growth led by the success of its new JOYBA Bubble Tea brand which was named by the Refrigerated and Frozen Food Awards as one of the Best New Retail Products for 2023. In addition, Del Monte's new Gut Love and Boost Me Fruit Cup Snacks were recognized as Snack Products of the Year by the 2023 Mindful Awards.

New products launched in the past three years contributed 7.6% to DMFI's total sales in the first half.

DMFI generated a gross profit of US\$159.1 million, lower by 27.7% than prior year period's US\$220.2 million. Gross margin at 18.7% declined from 27.2%. This was mainly driven by inflationary factors coming from sales of high cost FY2023 pack inventory, and incremental cost from commodity price volatility.

DMPL ex-DMFI generated sales of US\$345.7 million (inclusive of the US\$12.3 million sales by DMPL to DMFI which were netted out during consolidation), 9.2% lower than the US\$380.6 million sales in the prior year period. This was mainly driven by lower pineapple supply as explained above which drove lower exports of pineapples and other packaged products in the second quarter, as well as lower shipments to the US.

DMPL ex-DMFI delivered a lower gross margin of 24.3% from 30.2% in the same period last year as overall pricing improvements were offset by higher product costs brought about by lower plantation supply, resulting in lower cannery tonnage and unfavorable absorption, and higher cost rate for inventory sold from FY2023.

Philippine sales of US\$183.7 million were 1.2% higher in peso terms but marginally flat in US dollar terms due to peso depreciation. Higher sales were driven by strong performance in foodservice and convenience store channels which grew by 18.4% and 12.2%, respectively, while e-commerce sales almost tripled.

Fresh sales declined by 8.5%, driven by lower pineapple supply in the second quarter. This was partly offset by increased sales of premium S&W Deluxe fresh pineapples and pricing action to offset inflation. S&W, along with a major distributor partner, held the first ever S&W Pineapple Festival in China covering more than 300 retail stores and 9 wholesale markets to communicate S&W's strong commitment to the Chinese market and showcase its innovative products. S&W Deluxe fresh pineapple was also launched for the first time in select retail outlets in Metro Manila. S&W Frozen Pineapple Stick for consumption as a popsicle was launched in 7-Eleven Taiwan.

Sales of packaged pineapple declined by 27.9% mainly due to reduced shipments to USA. As a result of this, total international market sales of US\$138.9 million were lower by 18.5%.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US\$0.3 million profit which declined from prior year period's share in profit of US\$0.7 million (which included a one-off miscellaneous income from the sale of its Fresh business). The India joint venture continued to deliver improved profitability through better margins because of price increases to address inflation, and better sourcing of key raw materials.

DMFI delivered an EBITDA of US\$64.1 million, down 47.7% versus the US\$122.5 million in the prior year period due to margin declines from the impact of unprecedented inflation last year which was carried in inventories sold during the first half of FY2024. DMFI generated a net loss of US\$12.8 million, higher than the prior year's net loss of US\$4.4million mainly due to margin declines, as discussed, partly offset by lower administrative costs.

DMPL ex-DMFI generated an EBITDA of US\$50.1 million, lower by 28.1%, and a net profit of US\$6.4 million lower by 81.5% versus the US\$34.6 million last year mainly driven by decline in margins partly offset by lower distribution and administrative costs.

The Group generated an EBITDA of US\$115.0 million which was lower than the previous year's US\$194.5 million mainly driven by unfavorable operating results from both DMFI and DMPL ex-DMFI. The Group incurred a net loss of US\$21.6 million versus the prior year period's net profit of US\$19.0 million.

The Group's net debt/adjusted EBITDA increased to 9.6x from 5.6x last year and gearing to 6.8x from 4.5x due to debt servicing, higher loans and reduced equity from the redemption of DMPL's US\$100 million Series A-2 Preference Shares in December 2022, and higher working capital, mainly DMFI's inventory primarily to build up for the peak season, and lower sales than plan.

Although debt levels had gone up, the refinancing of the US\$300 million Preference Shares with bank loans at an average interest rate of 6.80% versus the Preference Share coupon of 10% on a step-up basis if not redeemed, saves the company about US\$10-11 million annually.

Despite a lower profit for the period, the Group's cash outflow from operations in the first half was US\$38.3 million, better versus last year's US\$153.4 million mainly driven by lower increase in inventory and accounts receivable.

The Group had negative working capital as of 31 October 2023 amounting to US\$14.5 million which was an improvement against the negative working capital of US\$205.3 million as of 30 April 2023.

## **VARIANCE FROM PROSPECT STATEMENT**

The first half results were below expectations. The Group expects to have weaker results this year versus FY2023 driven by slower than planned category growth both in US and Philippines although market shares continue to be strong. The Group has also been impacted by unprecedented inflationary conditions since FY2023, unfavorable weather impacting the pineapple operations in particular and increased inventory.

## **BUSINESS OUTLOOK**

The global environment remains uncertain with consumers being more cautious with their spending while inflation has not abated to normal levels. It is more imperative to offer superior brand and product value to consumers.

The Group is expecting to deliver higher branded revenue growth in FY2024.

In the US, our Company will continue to accelerate its transformation into a leading, innovative consumer packaged goods company focused on building brands. As we grow our core products, we will also expand our portfolio of newer brands JOYBA in bubble tea, Take Root Organics in culinary and Kitchen Basics in stock and broth. Innovation and expanded distribution in several high growth channels will continue to be drivers of growth. We continue to scale up our premium MD2 fresh pineapple production in the Philippines to sustain the export growth of these products and our market leadership in North Asia.

We will remain vigilant in managing our operating expenses throughout the supply chain from production to distribution with better operational and energy efficiency, optimized packaging, and reduced wastage.

The Group is addressing the high carryover inventory levels from FY2023 by reducing the pack in the US for the next two years, i.e. FY2024-25. The correction in inventory will need to be done over the next 9 to 12 months and will include lowering the FY2024 pack across all major segments. Groupwide gross margin will also benefit in FY2025 from the inventory reduction plan in the US (with lower waste of aging items, lower trade spend to liquidate stocks and lower warehousing costs) while DMPL ex-DMFI benefits in the second half of FY2024 from the restoration of productivity in our processed pineapple operations.

With the planned cut in production in FY2025 to reduce or normalize inventory, the Group will have an unfavorable impact from fixed costs that will be spread over lower volume. This unfavorable impact from fixed plant costs will be offset by the efficiencies outlined above from lower inventory.

Reducing leverage and interest expense is a key imperative and we are exhausting all options to strengthen our capital structure.

In light of the persistent gloomy global economic outlook, the Group anticipates that FY2024, notwithstanding the higher branded sales growth, will be a year during which the company focuses on reducing inventory and further lowering operating costs. DMPL has taken the decision to revise its earlier guidance. It now expects to incur a loss in this financial year.

## OPERATING SEGMENT AND REVIEW OF TURNOVER

For the three months ended 31 October

In US\$'000	Americas			Asia Pacific			Europe			Total		
	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg
<b>Turnover</b>												
Meals and Meal Enhancers	260,353	260,920	(0.2)	48,873	40,043	22.1	787	5,295	(85.1)	310,013	306,258	1.2
Snacking and Desserts	114,613	116,197	(1.4)	41,169	49,654	(17.1)	23	73	(68.5)	155,805	165,924	(6.1)
Premium Fresh Fruit	-	-	-	24,007	39,654	(39.5)	-	-	-	24,007	39,654	(39.5)
Beverages	2,130	3,130	(31.9)	32,501	33,701	(3.6)	590	642	(8.1)	35,221	37,473	(6.0)
Others	121,795	127,204	(4.3)	11,968	14,379	(16.8)	8,272	8,031	3.0	142,035	149,614	(5.1)
<b>Total Turnover</b>	<b>498,891</b>	<b>507,451</b>	<b>(1.7)</b>	<b>158,518</b>	<b>177,431</b>	<b>(10.7)</b>	<b>9,672</b>	<b>14,041</b>	<b>(31.1)</b>	<b>667,081</b>	<b>698,923</b>	<b>(4.6)</b>
<b>Operating Income</b>	<b>28,243</b>	<b>74,306</b>	<b>(62.0)</b>	<b>24,582</b>	<b>35,769</b>	<b>(31.3)</b>	<b>(405)</b>	<b>2,335</b>	<b>(117.3)</b>	<b>52,420</b>	<b>112,410</b>	<b>(53.4)</b>
Unallocated G&A										(6,010)	(8,529)	29.5
Other Income (Expense)										(2,327)	(676)	(244.2)
<b>Operating Income - Group Level</b>	<b>28,243</b>	<b>74,306</b>	<b>(62.0)</b>	<b>24,582</b>	<b>35,769</b>	<b>(31.3)</b>	<b>(405)</b>	<b>2,335</b>	<b>(117.3)</b>	<b>44,083</b>	<b>103,205</b>	<b>(57.3)</b>

### Americas

Sales in the Americas decreased by 1.7% to US\$498.9 million, driven by strategic exit from lower-margin co-pack products, and lower sales of plastic fruit cups and canned fruits partly offset by price increases across branded and non-branded categories. Operating profit was down 62.0%, driven by significantly high cost, and lower sales as discussed partly offset by lower administration cost.

### Asia Pacific

Asia Pacific's sales in the second quarter declined by 10.7% to US\$158.5 million from US\$177.4 million driven by lower export sales of fresh and packaged pineapple and other products which were largely due to lower pineapple supply.

In the Philippines, sales were marginally flat versus prior year's quarter in US dollar terms and declined by 1.5% in peso terms as growth in beverage and culinary segments was offset by declines in packaged fruit and new products.

### Europe

For the second quarter, Europe's sales decreased by 31.1% to US\$9.7 million from US\$14.0 million on lower sales across branded categories.

## OPERATING SEGMENTS AND REVIEW OF TURNOVER

For the six months ended 31 October

In US\$'000	Americas			Asia Pacific			Europe			Total		
	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg	FY2024	FY2023	% Chg
<b>Turnover</b>												
Meals and Meal Enhancers	422,428	393,372	7.4	92,602	86,604	6.9	1,567	5,741	(72.7)	516,597	485,717	6.4
Snacking and Desserts	230,235	218,945	5.2	55,480	62,526	(11.3)	60	144	(58.3)	285,775	281,615	1.5
Premium Fresh Fruit	-	-	-	72,030	78,723	(8.5)	-	-	-	72,030	78,723	(8.5)
Beverages	4,017	3,163	27.0	64,020	67,681	(5.4)	848	1,039	(18.4)	68,885	71,883	(4.2)
Others	201,161	195,311	3.0	23,666	27,507	(14.0)	15,700	14,754	6.4	240,527	237,572	1.2
<b>Total Turnover</b>	<b>857,841</b>	<b>810,791</b>	<b>5.8</b>	<b>307,798</b>	<b>323,041</b>	<b>(4.7)</b>	<b>18,175</b>	<b>21,678</b>	<b>(16.2)</b>	<b>1,183,814</b>	<b>1,155,510</b>	<b>2.4</b>
<b>Operating Income</b>	<b>36,773</b>	<b>101,322</b>	<b>(63.7)</b>	<b>47,579</b>	<b>62,826</b>	<b>(24.3)</b>	<b>228</b>	<b>3,742</b>	<b>(93.9)</b>	<b>84,580</b>	<b>167,890</b>	<b>(49.6)</b>
Unallocated G&A										(12,341)	(16,016)	22.9
Other Income (Expense)										(1,716)	1,761	(197.4)
<b>Operating Income - Group Level</b>	<b>36,773</b>	<b>101,322</b>	<b>(63.7)</b>	<b>47,579</b>	<b>62,826</b>	<b>(24.3)</b>	<b>228</b>	<b>3,742</b>	<b>(93.9)</b>	<b>70,523</b>	<b>153,635</b>	<b>(54.1)</b>

### Americas

Sales in the Americas grew by 5.8% to US\$857.9 million, driven by pricing actions in FY2023 and in August this year, as well as favorable sales mix from higher branded sales partly offset by lower sales from the non-strategic co-pack business and higher trade spends.

### Asia Pacific

Asia Pacific's sales in the first half declined by 4.7% to US\$307.8 million from US\$323.0 million driven by lower export sales of fresh and packaged pineapple and other products which were largely due to lower pineapple supply.

In the Philippines, sales were higher in peso terms but marginally flat in US dollar terms due to peso depreciation. Higher sales were driven by strong performance in foodservice and convenience store channels which grew by 18.4% and 12.2%, respectively, while e-commerce sales almost tripled.

### Europe

For the first half, Europe's sales decreased by 16.2% to US\$18.2 million from US\$21.7 million on lower sales across all branded categories.

## 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		
	FY2024	FY2023	Explanatory Notes	FY2024	FY2023	Explanatory Notes
Cost of Goods Sold	79.7	70.6	Higher manufacturing cost driven by inflationary factors coming from sales of high cost FY 23 Pack inventory	79.4	70.8	Same as 2Q
Distribution and Selling Expenses	9.4	9.4	nm	9.4	10.0	Lower freight cost in DMFI and distribution cost in DMPI, coming from high base last year
G&A Expenses	4.0	5.1	Driven by lower people cost	5.1	6.0	Same as 2Q
Other Operating Expenses (Income)	0.3	0.1	This year's other expense was mainly driven by accruals on class action wage in the US	0.1	(0.2)	Income from last year was mainly driven by reversal of over accruals. This year's other expense was mainly driven by accruals on class action wage in the US

## 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			
	FY2024	FY2023	%	Explanatory Notes	FY2024	FY2023	%	Explanatory Notes
Depreciation and amortization	(42,903)	(45,527)	5.8	Lower amortization of ROU assets	(93,488)	(95,355)	2.0	Same as 2Q
Reversal/ (Provision) for inventory obsolescence	(6,610)	(2,234)	(195.8)	Higher obsolescence in the US due to aged inventory	(8,389)	(2,414)	(247.5)	Same as 2Q
Reversal/ (Provision) for doubtful debts	3	-	0.0	nm	2	-	0.0	nm
Net gain/(loss) on disposal of fixed assets	(8)	110	(107.3)	Driven by equipment disposal in DMFI	(17)	110	(115.5)	Same as 2Q
Foreign exchange gain/(loss)- net	(197)	542	(136.3)	Driven by forex loss from ICMOSA	4,791	2,255	112.5	Driven by forex gain from ICMOSA
Interest income	310	268	15.7	Higher interest income from DMPI placements	515	508	1.4	nm
Interest expense	(49,243)	(29,220)	(68.5)	Driven by higher market rates in the Philippines and US, partially offset by savings from refinancing	(93,274)	(123,966)	24.8	Lower interest this year as last year's interest includes one-off redemption cost and write-off of deferred financing cost related to high yield loan refinancing
Share in net loss of JV	(478)	(714)	33.1	Improvement in results for the Indian JV and Vinamilk	(344)	(46)	(647.8)	Lower net loss in JV last year as it was offset by one-time gain from sale of Fresh business in Indian JV
Taxation benefit (expense)	(1,870)	(19,116)	90.2	Lower tax expense driven by net loss in DMFI	(1,844)	(8,171)	77.4	Same as 2Q

## REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	October 2023 (Unaudited)	October 2022 (Unaudited)	April 2023 (Audited)	% Variance vs April 2023	Explanatory Notes
<b>In US\$'000</b>					
<b>ASSETS</b>					
Property, plant and equipment - net	670,589	564,025	658,991	1.8	Higher CIP in the US
Right-of-use (ROU) assets	103,500	107,467	100,566	2.9	Increase due to renewal of office building lease
Investment in joint ventures	20,845	18,714	20,161	3.4	Driven by additional investment in Vinamilk
Intangible assets and goodwill	750,305	754,532	753,841	(0.5)	nm
Other noncurrent assets	46,485	26,847	42,250	10.0	Higher derivative asset from interest rate cap and swap
Deferred tax assets - net	120,140	118,863	118,060	1.8	nm
Pension assets	9,851	8,340	10,630	(7.3)	Driven by accrual of retirement expense in DMPI
Biological assets	48,320	48,573	47,859	1.0	nm
Inventories	1,420,077	1,250,423	1,076,772	31.9	Mainly driven by higher volume and higher cost of production
Trade and other receivables	271,965	322,318	231,036	17.7	Mainly from timing of collection of sales
Prepaid expenses and other current assets	60,332	49,393	59,667	1.1	nm
Cash and cash equivalents	28,665	19,482	19,836	44.5	Higher cash driven by financing activities
<b>EQUITY</b>					
Share capital	19,449	29,449	19,449	0.0	nm
Share premium	208,339	298,339	208,339	0.0	nm
Retained earnings	95,425	122,820	119,540	(20.2)	Driven by net loss during the period
Reserves	(25,055)	(59,831)	(28,511)	12.1	Higher hedging reserve from interest rate swap
Non-controlling interest	67,480	65,327	66,941	0.8	nm
<b>LIABILITIES</b>					
Loans and borrowings	2,507,248	2,057,021	2,273,353	10.3	Driven by higher short term loans for working capital requirements
Lease liabilities	106,799	104,158	100,096	6.7	Increase due to renewal of office building lease
Other noncurrent liabilities	14,629	21,695	16,826	(13.1)	Driven by lower derivative liabilities due to favorability in interest and commodity hedges
Employee benefits	45,165	57,867	45,574	(0.9)	nm
Environmental remediation liabilities	-	203	-	0.0	nm
Deferred tax liabilities - net	12,834	7,082	11,630	10.4	Higher deferred tax liability related to undistributed profits of DMPI
Trade and other current liabilities	498,067	581,512	304,940	63.3	Driven by higher trade payables in the US
Current tax liabilities	694	3,335	1,492	(53.5)	Timing of tax payment for DMPI

## SHARE CAPITAL

Total shares outstanding were 1,943,960,024 (all common shares as preference shares had all been redeemed) as of 31 October 2023. Share capital was US\$19.5 million as of 31 October 2023 and 30 April 2023.

The number of shares outstanding excludes 975,802 shares held by the Company as treasury shares as at 31 October 2023 and 30 April 2023. There was no sale, disposal and cancellation of treasury shares during the six months ended 31 October 2023.

## BORROWINGS AND NET DEBT

<i>Liquidity in US\$'000</i>	October 2023 (Unaudited)	October 2022 (Unaudited)	April 2023 (Audited)
<b>Gross borrowings</b>	<b>(2,507,248)</b>	(2,057,021)	(2,273,353)
<b>Current</b>	<b>(1,288,436)</b>	(1,056,362)	(1,278,876)
<b>Secured</b>	<b>(727,515)</b>	(663,212)	(645,760)
<b>Unsecured</b>	<b>(560,921)</b>	(393,150)	(633,116)
<b>Non-current</b>	<b>(1,218,812)</b>	(1,000,659)	(994,477)
<b>Secured</b>	<b>(924,238)</b>	(653,908)	(781,067)
<b>Unsecured</b>	<b>(294,574)</b>	(346,751)	(213,410)
<b>Less: Cash and bank balances</b>	<b>28,665</b>	19,482	19,836
<b>Net debt</b>	<b>(2,478,583)</b>	(2,037,539)	(2,253,517)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$2.48 billion as at 31 October 2023, higher than the US\$2.25 billion as at 30 April 2023 due to increase in DMFI's working capital loans.

## 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 July 2023 based on FY2023 results and paid on 25 July 2023.

## 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 six months ended 31 October	Nature of Relationship	FY2024	FY2023	FY2024	FY2023
NutriAsia, Inc	Affiliate of the Company	-	-	336	165
NutriAsia Pacific Limited	Affiliate of the Company	-	-	-	-
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	-	-	957	898
NutriAsia, Inc Retirement Fund	Retirement Fund of Affiliate's Employees	-	-	297	309
<b>Aggregate Value</b>		-	-	<b>1,590</b>	<b>1,372</b>

**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		
	FY2024 (Unaudited)	FY2023 (Unaudited)	%	FY2024 (Unaudited)	FY2023 (Unaudited)	%
Turnover	667,081	698,923	(4.6)	1,183,814	1,155,510	2.4
Cost of sales	<b>(531,564)</b>	(493,648)	(7.7)	<b>(940,002)</b>	(818,499)	(14.8)
<b>Gross profit</b>	<b>135,517</b>	205,275	(34.0)	<b>243,812</b>	337,011	(27.7)
Distribution and selling expenses	<b>(62,408)</b>	(65,611)	4.9	<b>(111,171)</b>	(115,256)	3.5
General and administration expenses	<b>(26,699)</b>	(35,783)	25.4	<b>(60,402)</b>	(69,881)	13.6
Other operating income/(loss)	<b>(2,327)</b>	(676)	nm	<b>(1,716)</b>	1,761	(197.4)
<b>Profit from operations</b>	<b>44,083</b>	103,205	(57.3)	<b>70,523</b>	153,635	(54.1)
Financial income*	85	452	(81.2)	5,322	2,775	91.8
Financial expense**	<b>(49,215)</b>	(28,862)	(70.5)	<b>(93,290)</b>	(123,978)	24.8
Share in net loss of joint venture	<b>(478)</b>	(714)	33.1	<b>(344)</b>	(46)	(647.8)
<b>Profit before taxation</b>	<b>(5,525)</b>	74,081	(107.5)	<b>(17,789)</b>	32,386	(154.9)
Taxation	<b>(1,870)</b>	(19,116)	90.2	<b>(1,844)</b>	(8,171)	77.4
<b>Profit after taxation</b>	<b>(7,395)</b>	54,965	(113.5)	<b>(19,633)</b>	24,215	(181.1)
<b>Profit attributable to:</b>						
Owners of the Company	<b>(8,492)</b>	49,524	(117.1)	<b>(21,573)</b>	19,001	(213.5)
Non-controlling interest***	<b>1,097</b>	5,441	(79.8)	<b>1,940</b>	5,214	(62.8)
<b>Profit for the period</b>	<b>(7,395)</b>	54,965	(113.5)	<b>(19,633)</b>	24,215	(181.1)
<b>Notes:</b>						
Depreciation and amortization	<b>(42,903)</b>	(45,527)	5.8	<b>(93,488)</b>	(95,355)	2.0
Reversal of (provision for) inventory obsolescence	<b>(440)</b>	(322)	(36.6)	<b>(867)</b>	(394)	(120.1)
Provision for doubtful debts	3	-	#DIV/0!	2	-	nm
Gain (loss) on disposal of fixed assets	<b>(8)</b>	110	(107.3)	<b>(17)</b>	110	nm
<b>*Financial income comprise:</b>						
Interest income	310	268	15.7	515	508	1.4
Foreign exchange gain	<b>(225)</b>	184	(222.3)	<b>4,807</b>	2,267	112.0
	<b>85</b>	452	(81.2)	<b>5,322</b>	2,775	91.8
<b>**Financial expense comprise:</b>						
Interest expense	<b>(49,243)</b>	(29,220)	(68.5)	<b>(93,274)</b>	(123,966)	24.8
Foreign exchange loss	<b>28</b>	358	(92.2)	<b>(16)</b>	(12)	(33.3)
	<b>(49,215)</b>	(28,862)	(70.5)	<b>(93,290)</b>	(123,978)	24.8

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2024	FY2023	FY2024	FY2023
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	<b>(0.44)</b>	2.46	<b>(1.11)</b>	0.81
(ii) On a fully diluted basis	<b>(0.44)</b>	2.46	<b>(1.11)</b>	0.81

***NCI Includes: (amounts in US\$)	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2024	FY2023	FY2024	FY2023
DMFI NCI	<b>(242)</b>	2,597	<b>(880)</b>	(301)
DMPI NCI	<b>1,332</b>	2,871	<b>2,808</b>	5,483
FieldFresh NCI	<b>10</b>	(24)	<b>14</b>	34

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amounts in US\$'000</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2024 (Unaudited)	FY2023 (Unaudited)	%	FY2024 (Unaudited)	FY2023 (Unaudited)	%
<b>Profit for the period</b>	<b>(7,395)</b>	54,965	(113.5)	<b>(19,633)</b>	24,215	(181.1)
<b>Other comprehensive income (after reclassification adjustment):</b>						
<i>Items that will or may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	(7,152)	(9,788)	26.9	(4,687)	(19,584)	76.1
Effective portion of changes in fair value of cash flow hedges	(2,965)	(459)	(546.0)	10,802	(424)	nm
Income tax expense on cash flow hedge	741	115	544.3	(2,701)	106	nm
	<u>(9,376)</u>	<u>(10,132)</u>	7.5	<u>3,414</u>	<u>(19,902)</u>	117.2
<i>Items that will not be classified to profit or loss</i>						
Remeasurement of retirement benefit	-	74	(100.0)	(18)	106	(117.0)
Income tax expense on retirement benefit	-	(11)	100.0	3	(15)	120.0
	<u>-</u>	<u>63</u>	(100.0)	<u>(15)</u>	<u>91</u>	(116.5)
<b>Other comprehensive income/(loss) for the period</b>	<b>(9,376)</b>	<b>(10,069)</b>	6.9	<b>3,399</b>	<b>(19,811)</b>	117.2
<b>Total comprehensive income for the period</b>	<b>(16,771)</b>	44,896	(137.4)	<b>(16,234)</b>	4,404	(468.6)
<b>Attributable to:</b>						
Owners of the Company	(16,744)	40,721	(141.1)	(18,117)	1,711	(1,158.9)
Non-controlling interests	(27)	4,175	(100.6)	1,883	2,693	(30.1)
<b>Total comprehensive income for the period</b>	<b>(16,771)</b>	44,896	(137.4)	<b>(16,234)</b>	4,404	(468.6)

Please refer to page 3 for the Notes

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**

<i>Amounts in US\$'000</i>	<b>Group</b>			<b>Company</b>		
	<b>October 2023 (Unaudited)</b>	October 2022 (Unaudited)	April 2023 (Audited)	<b>October 2023 (Unaudited)</b>	October 2022 (Unaudited)	April 2023 (Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment - net	670,589	564,025	658,991	-	-	-
Right-of-use (ROU) assets	103,500	107,467	100,566	69	119	77
Investment in subsidiaries	-	-	-	962,793	938,211	967,159
Investment in joint ventures	20,845	18,714	20,161	1,653	2,705	2,623
Intangible assets and goodwill	750,305	754,532	753,841	-	-	-
Other noncurrent assets	46,485	26,847	42,250	5,023	-	5,023
Deferred tax assets - net	120,140	118,863	118,060	-	-	-
Pension assets	9,851	8,340	10,630	6	-	60
Biological assets	3,151	2,640	3,007	-	-	-
	<u>1,724,866</u>	<u>1,601,428</u>	<u>1,707,506</u>	<u>969,544</u>	<u>941,035</u>	<u>974,942</u>
<b>Current Assets</b>						
Inventories	1,420,077	1,250,423	1,076,772	-	-	-
Biological assets	45,169	45,933	44,852	-	-	-
Trade and other receivables	271,965	322,318	231,036	28,356	28,938	26,406
Prepaid expenses and other current assets	60,332	49,393	59,667	14	1,370	94
Cash and cash equivalents	28,665	19,482	19,836	1,526	2,307	554
	<u>1,826,208</u>	<u>1,687,549</u>	<u>1,432,163</u>	<u>29,896</u>	<u>32,615</u>	<u>27,054</u>
<b>Total Assets</b>	<u>3,551,074</u>	<u>3,288,977</u>	<u>3,139,669</u>	<u>999,440</u>	<u>973,650</u>	<u>1,001,996</u>
	-	-	-	-	-	-
<b>Equity attributable to equity holders of the Company</b>						
Share capital	19,449	29,449	19,449	19,449	29,449	19,449
Share premium	208,339	298,339	208,339	208,478	298,478	208,478
Retained earnings	95,425	122,820	119,540	95,425	122,820	119,540
Reserves	(25,055)	(59,831)	(28,511)	(25,055)	(59,831)	(28,511)
Equity attributable to owners of the Company	298,158	390,777	318,817	298,297	390,916	318,956
Non-controlling interest	67,480	65,327	66,941	-	-	-
<b>Total Equity</b>	<u>365,638</u>	<u>456,104</u>	<u>385,758</u>	<u>298,297</u>	<u>390,916</u>	<u>318,956</u>
<b>Non-Current Liabilities</b>						
Loans and borrowings	1,218,812	1,000,659	994,477	284,832	251,707	241,959
Lease liabilities	76,002	82,945	72,204	-	-	-
Other noncurrent liabilities	14,629	21,695	16,826	-	-	-
Employee benefits	22,428	24,927	21,294	-	62	-
Environmental remediation liabilities	-	203	-	-	-	-
Deferred tax liabilities - net	12,834	7,082	11,630	-	34	49
	<u>1,344,705</u>	<u>1,137,511</u>	<u>1,116,431</u>	<u>284,832</u>	<u>251,803</u>	<u>242,008</u>
<b>Current Liabilities</b>						
Trade and other current liabilities	498,067	581,512	304,940	120,556	37,654	116,134
Loans and borrowings	1,288,436	1,056,362	1,278,876	295,760	293,261	324,898
Lease liabilities	30,797	21,213	27,892	-	-	-
Current tax liabilities	694	3,335	1,492	(5)	16	-
Employee benefits	22,737	32,940	24,280	-	-	-
	<u>1,840,731</u>	<u>1,695,362</u>	<u>1,637,480</u>	<u>416,311</u>	<u>330,931</u>	<u>441,032</u>
<b>Total Liabilities</b>	<u>3,185,436</u>	<u>2,832,873</u>	<u>2,753,911</u>	<u>701,143</u>	<u>582,734</u>	<u>683,040</u>
<b>Total Equity and Liabilities</b>	<u>3,551,074</u>	<u>3,288,977</u>	<u>3,139,669</u>	<u>999,440</u>	<u>973,650</u>	<u>1,001,996</u>
NAV per ordinary share (US cents)	15.34	14.96	16.40	15.34	14.97	16.41
NTAV per ordinary share (US cents)	(23.26)	(23.86)	(22.38)	15.34	14.97	16.41

**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	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>											
<b>Fiscal Year 2024</b>											
At 1 May 2023	19,449	208,339	(105,020)	29,354	46,051	1,390	(286)	119,540	318,817	66,941	385,758
<b>Total comprehensive income for the period</b>											
Profits for the period								(21,573)	(21,573)	1,940	(19,633)
<b>Other comprehensive income</b>											
Currency translation differences recognized directly in equity	-	-	(4,109)	-	-	-	-	-	(4,109)	(578)	(4,687)
Remeasurement of retirement plan, net of tax	-	-	-	-	(13)	-	-	-	(13)	(2)	(15)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	7,578	-	-	7,578	523	8,101
<b>Total other comprehensive income/(loss)</b>	-	-	(4,109)	-	(13)	7,578	-	-	3,456	(57)	3,399
<b>Total comprehensive (loss)/income for the period</b>	-	-	(4,109)	-	(13)	7,578	-	(21,573)	(18,117)	1,883	(16,234)
<b>Transactions with owners recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Payment of Dividends	-	-	-	-	-	-	-	(2,542)	(2,542)	(1,344)	(3,886)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	(2,542)	(2,542)	(1,344)	(3,886)
<b>At 31 October 2023</b>	<b>19,449</b>	<b>208,339</b>	<b>(109,129)</b>	<b>29,354</b>	<b>46,038</b>	<b>8,968</b>	<b>(286)</b>	<b>95,425</b>	<b>298,158</b>	<b>67,480</b>	<b>365,638</b>

**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	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>											
<b>Fiscal Year 2023</b>											
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
<b>Total comprehensive income for the period</b>											
Profits for the period	-	-	-	-	-	-	-	19,001	19,001	5,214	24,215
<b>Other comprehensive income</b>											
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)
<b>Total other comprehensive income/(loss)</b>	-	-	(17,071)	-	79	(298)	-	-	(17,290)	(2,521)	(19,811)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(17,071)	-	79	(298)	-	19,001	1,711	2,693	4,404
<b>Transactions with owners recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Payment of Dividends	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	(36,501)	(36,501)	(6,504)	(43,005)
<b>At 31 October 2022</b>	<b>29,449</b>	<b>298,339</b>	<b>(112,393)</b>	<b>14,278</b>	<b>43,831</b>	<b>(5,261)</b>	<b>(286)</b>	<b>122,820</b>	<b>390,777</b>	<b>65,327</b>	<b>456,104</b>

**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
<b>Company</b>										
<b>Fiscal Year 2024</b>										
At 1 May 2023	19,449	208,478	(105,020)	29,354	46,051	1,390	-	(286)	119,540	318,956
<b>Total comprehensive income for the period</b>										
Profits for the period									(21,573)	(21,573)
<b>Other comprehensive income</b>										
Currency translation differences recognized directly in equity	-	-	(4,109)	-	-	-	-	-	-	(4,109)
Remeasurement of retirement plan, net of tax	-	-	-	-	(13)	-	-	-	-	(13)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	7,578	-	-	-	7,578
<b>Total other comprehensive income/(loss)</b>	-	-	(4,109)	-	(13)	7,578	-	-	-	3,456
<b>Total comprehensive (loss)/income for the period</b>	-	-	(4,109)	-	(13)	7,578	-	-	(21,573)	(18,117)
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Payment of Dividends	-	-	-	-	-	-	-	-	(2,542)	(2,542)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(2,542)	(2,542)
<b>At 31 October 2023</b>	<b>19,449</b>	<b>208,478</b>	<b>(109,129)</b>	<b>29,354</b>	<b>46,038</b>	<b>8,968</b>	<b>-</b>	<b>(286)</b>	<b>95,425</b>	<b>298,297</b>

**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
<b>Company</b>										
<b>Fiscal Year 2023</b>										
At 1 May 2022	29,449	298,478	(95,322)	14,278	43,752	(4,963)	-	(286)	140,320	425,706
<b>Total comprehensive income for the period</b>										
Profits for the period	-	-	-	-	-	-	-	-	19,001	19,001
<b>Other comprehensive income</b>										
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)
<b>Total other comprehensive income/(loss)</b>	-	-	(17,071)	-	79	(298)	-	-	-	(17,290)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(17,071)	-	79	(298)	-	-	19,001	1,711
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Payment of Dividends	-	-	-	-	-	-	-	-	(36,501)	(36,501)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(36,501)	(36,501)
<b>At 31 October 2022</b>	<b>29,449</b>	<b>298,478</b>	<b>(112,393)</b>	<b>14,278</b>	<b>43,831</b>	<b>(5,261)</b>	<b>-</b>	<b>(286)</b>	<b>122,820</b>	<b>390,916</b>

**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	
	FY2024	FY2023	FY2024	FY2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>				
Profit for the period	(7,394)	54,965	(19,632)	24,215
Adjustments for:				
Depreciation of property, plant and equipment	35,696	34,596	76,604	74,714
Amortization of right-of-use assets	5,439	9,194	13,348	17,241
Amortization of intangible assets	1,768	1,737	3,536	3,400
Gain on disposal of property, plant and equipment	8	(110)	17	(110)
Share in net (profit) loss of joint venture	478	714	344	46
Finance income	(85)	(452)	(5,322)	(2,775)
Finance expense	49,215	28,862	93,290	53,107
Redemption fee on Senior Secured Loans	-	-	-	44,530
Write-off of deferred financing costs	-	-	-	26,341
Tax expense - current	2,212	4,957	4,945	14,026
Tax expense (deferred)	(342)	14,159	(3,101)	(5,855)
Operating profit before working capital changes	<u>86,995</u>	<u>148,622</u>	<u>164,029</u>	<u>248,880</u>
Changes in:				
Other assets	(3,262)	(2,519)	(3,752)	(962)
Inventories	(245,299)	(386,468)	(340,467)	(569,551)
Biological assets	(2,617)	(5,236)	(1,566)	(3,420)
Trade and other receivables	(63,432)	(126,333)	(38,384)	(115,785)
Prepaid and other current assets	1,887	2,081	6,616	(1,269)
Trade and other payables	139,892	211,956	177,563	303,709
Employee Benefit	(3,892)	3,511	112	(4,186)
Operating cash flow	<u>(89,728)</u>	<u>(154,386)</u>	<u>(35,849)</u>	<u>(142,584)</u>
Income taxes paid	(2,034)	(4,001)	(2,412)	(9,800)
<b>Net cash flows provided by operating activities</b>	<u>(91,762)</u>	<u>(158,387)</u>	<u>(38,261)</u>	<u>(152,384)</u>
<b>Cash flows from investing activities</b>				
Interest received	2,252	673	3,806	1,073
Proceeds from disposal of property, plant and equipment	25	35	113	93
Purchase of property, plant and equipment	(48,174)	(47,310)	(95,173)	(90,336)
Purchase of Kitchen Basics brand	-	(69,886)	-	(69,886)
Additional investment in joint venture	(992)	(494)	(992)	(1,462)
<b>Net cash flows used in investing activities</b>	<u>(46,889)</u>	<u>(116,982)</u>	<u>(92,246)</u>	<u>(160,518)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(44,164)	(24,664)	(85,280)	(70,247)
Proceeds of borrowings	1,310,947	666,890	2,909,050	1,572,859
Repayment of borrowings	(1,108,245)	(347,372)	(2,661,829)	(1,060,957)
Payments of lease liability	(9,801)	(7,892)	(16,847)	(21,442)
Dividends paid	(1,016)	(4,194)	(3,886)	(43,005)
Redemption fee on Senior Secured Loans	-	-	-	(44,530)
Payments of debt related costs	(2,426)	(2,611)	(3,421)	(16,526)
<b>Net cash flows provided by (used in) financing activities</b>	<u>145,295</u>	<u>280,157</u>	<u>137,787</u>	<u>316,152</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>6,644</u>	<u>4,788</u>	<u>7,280</u>	<u>3,250</u>
<b>Cash and cash equivalents, beginning</b>	<u>23,155</u>	<u>24,468</u>	<u>19,836</u>	<u>21,853</u>
<b>Effect of exchange rate fluctuations on cash held in foreign currency</b>	<u>(1,134)</u>	<u>(9,774)</u>	<u>1,549</u>	<u>(5,621)</u>
<b>Cash and cash equivalents at end of period</b>	<u>28,665</u>	<u>19,482</u>	<u>28,665</u>	<u>19,482</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		
	<b>FY2023</b> (Unaudited)	FY2022 (Unaudited)	%	<b>FY2024</b> (Unaudited)	FY2023 (Unaudited)	%
Turnover	<b>494,633</b>	506,298	(2.3)	<b>850,989</b>	808,743	5.2
Cost of sales	<b>(400,240)</b>	(364,535)	(9.8)	<b>(691,857)</b>	(588,565)	(17.5)
<b>Gross profit</b>	<b>94,393</b>	141,763	(33.4)	<b>159,132</b>	220,178	(27.7)
Distribution and selling expenses	<b>(47,229)</b>	(43,682)	(8.1)	<b>(78,342)</b>	(73,548)	(6.5)
General and administration expenses	<b>(18,727)</b>	(25,359)	26.2	<b>(44,020)</b>	(50,067)	12.1
Other operating income/(loss)	<b>(2,507)</b>	(1,966)	(27.5)	<b>(1,852)</b>	(476)	(289.1)
<b>Profit from operations</b>	<b>25,930</b>	70,756	(63.4)	<b>34,918</b>	96,087	(63.7)
Interest income	<b>20</b>	10	100.0	<b>37</b>	20	85.0
Interest expense	<b>(30,597)</b>	(17,782)	(72.1)	<b>(57,330)</b>	(103,333)	44.5
Forex exchange gain (loss)	<b>(492)</b>	1,313	(137.5)	<b>4,425</b>	957	362.4
<b>Profit before taxation</b>	<b>(5,139)</b>	54,297	(109.5)	<b>(17,950)</b>	(6,269)	(186.3)
Taxation	<b>1,365</b>	(13,900)	109.8	<b>4,258</b>	1,605	165.3
<b>Profit after taxation</b>	<b>(3,774)</b>	40,397	(109.3)	<b>(13,692)</b>	(4,664)	(193.6)
<b>Profit(loss) attributable to:</b>						
Owners of the DMPL	<b>(3,532)</b>	37,801	(109.3)	<b>(12,812)</b>	(4,363)	(193.7)
Non-controlling interest	<b>(242)</b>	2,596	(109.3)	<b>(880)</b>	(301)	(192.4)
<b>Profit/(loss) for the period</b>	<b>(3,774)</b>	40,397	(109.3)	<b>(13,692)</b>	(4,664)	(193.6)

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

	For the three months ended 31 October					
	FY2024	FY2023	%	FY2024	FY2023	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	9,735,485	11,281,348	(13.7)	173,482	195,346	(11.2)
Cost of sales	(7,569,200)	(7,979,779)	5.1	(134,900)	(138,146)	2.3
<b>Gross profit</b>	<b>2,166,285</b>	<b>3,301,569</b>	<b>(34.4)</b>	<b>38,582</b>	<b>57,200</b>	<b>(32.5)</b>
Distribution and selling expenses	(831,207)	(1,192,006)	30.3	(14,801)	(20,594)	28.1
General and administration expenses	(240,967)	(278,196)	13.4	(4,291)	(4,771)	10.1
Other operating loss	(70,914)	(6,331)	(1,020.1)	(1,262)	(65)	(1,841.5)
<b>Profit from operations</b>	<b>1,023,197</b>	<b>1,825,036</b>	<b>(43.9)</b>	<b>18,228</b>	<b>31,770</b>	<b>(42.6)</b>
Interest income	116,425	39,792	192.6	2,075	700	196.4
Interest expense	(415,392)	(256,876)	(61.7)	(7,401)	(4,468)	(65.6)
Forex exchange gain (loss)	3,428	(52,823)	106.5	61	(1,042)	105.9
Share in net loss of joint venture	(26,270)	(65,208)	59.7	(470)	(1,175)	60.0
<b>Profit before taxation</b>	<b>701,388</b>	<b>1,489,921</b>	<b>(52.9)</b>	<b>12,493</b>	<b>25,785</b>	<b>(51.5)</b>
Taxation	(124,643)	(223,365)	44.2	(2,221)	(3,888)	42.9
<b>Profit after taxation</b>	<b>576,745</b>	<b>1,266,556</b>	<b>(54.5)</b>	<b>10,272</b>	<b>21,897</b>	<b>(53.1)</b>

	For the six months ended 31 October					
	FY2024	FY2023	%	FY2024	FY2023	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	18,788,099	20,192,455	(7.0)	335,802	363,894	(7.7)
Cost of sales	(14,245,338)	(14,317,804)	0.5	(254,608)	(258,025)	1.3
<b>Gross profit</b>	<b>4,542,761</b>	<b>5,874,651</b>	<b>(22.7)</b>	<b>81,194</b>	<b>105,869</b>	<b>(23.3)</b>
Distribution and selling expenses	(1,783,241)	(2,186,007)	18.4	(31,872)	(39,395)	19.1
General and administration expenses	(517,322)	(550,492)	6.0	(9,246)	(9,921)	6.8
Other operating loss	(161,407)	(60,929)	(164.9)	(2,885)	(1,098)	(162.8)
<b>Profit from operations</b>	<b>2,080,791</b>	<b>3,077,223</b>	<b>(32.4)</b>	<b>37,191</b>	<b>55,455</b>	<b>(32.9)</b>
Interest income	216,027	59,258	264.6	3,861	1,068	261.5
Interest expense	(807,553)	(437,036)	(84.8)	(14,433)	(7,876)	(83.3)
Forex exchange gain	7,377	48,638	(84.8)	132	877	(84.9)
Share in net loss of joint venture	(25,888)	(65,208)	60.3	(463)	(1,175)	60.6
<b>Profit before taxation</b>	<b>1,470,754</b>	<b>2,682,875</b>	<b>(45.2)</b>	<b>26,288</b>	<b>48,349</b>	<b>(45.6)</b>
Taxation	(230,079)	(376,637)	38.9	(4,112)	(6,787)	39.4
<b>Profit after taxation</b>	<b>1,240,675</b>	<b>2,306,238</b>	<b>(46.2)</b>	<b>22,176</b>	<b>41,562</b>	<b>(46.6)</b>

Forex translation used: 55.95 in October 2023 and 55.49 in October 2022

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

	For the three months ended 31 October						For the six months ended 31 October					
	FY24	FY23	% Chg	FY24	FY23	% Chg	FY24	FY23	% Chg	FY24	FY23	% Chg
	<i>(In PHP'000)</i>			<i>(In US\$'000)</i>			<i>(In PHP'000)</i>			<i>(In US\$'000)</i>		
<b>Revenues</b>												
Convenience Cooking and Desert	4,324,507	4,314,982	0.2	77,147	75,699	1.9	6,849,265	6,623,860	3.4	122,418	119,370	2.6
Healthy Beverages and Snacks	1,738,365	1,836,953	(5.4)	30,972	31,581	(1.9)	3,444,495	3,542,877	(2.8)	61,564	63,847	(3.6)
Premium Fresh Fruit	1,341,209	2,246,331	(40.3)	23,817	38,624	(38.3)	4,015,089	4,326,426	(7.2)	71,762	77,968	(8.0)
Packaged fruit and Beverages - Export	1,640,555	2,049,643	(20.0)	29,236	35,040	(16.6)	3,132,307	4,174,561	(25.0)	55,984	75,231	(25.6)
Others	51,388	34,502	48.9	917	603	52.1	82,551	55,789	48.0	1,475	1,006	46.6
Changes in fair value – PAS 41	639,461	798,937	(20.0)	11,393	13,799	(17.4)	1,264,392	1,468,942	(13.9)	22,599	26,472	(14.6)
Total	9,735,485	11,281,348	(13.7)	173,482	195,346	(11.2)	18,788,099	20,192,455	(7.0)	335,802	363,894	(7.7)
<b>Gross income</b>												
Convenience Cooking and Desert	1,413,770	1,609,299	(12.1)	25,220	28,199	(10.6)	2,244,123	2,507,782	(10.5)	40,109	45,193	(11.2)
Healthy Beverages and Snacks	301,575	310,077	(2.7)	5,367	5,119	4.8	697,320	835,301	(16.5)	12,463	15,053	(17.2)
Premium Fresh Fruit	347,499	1,011,374	(65.6)	6,149	17,462	(64.8)	1,431,247	1,867,714	(23.4)	25,581	33,659	(24.0)
Packaged fruit and Beverages - Export	(49,701)	238,146	(120.9)	(899)	3,998	(122.5)	142,431	567,538	(74.9)	2,546	10,228	(75.1)
Others	16,394	16,189	1.3	293	282	3.9	29,710	26,216	13.3	532	473	12.5
Changes in fair value - PAS 41	136,748	116,484	17.4	2,452	2,140	14.6	(2,070)	70,100	(103.0)	(37)	1,263	(102.9)
Total	2,166,285	3,301,569	(34.4)	38,582	57,200	(32.5)	4,542,761	5,874,651	(22.7)	81,194	105,869	(23.3)
								29.1%		24.2%	29.1%	
<b>Earnings before interest and tax</b>												
Convenience Cooking and Desert	826,696	1,092,094	(24.3)	14,754	19,195	(23.1)	1,211,683	1,636,496	(26.0)	21,657	29,492	(26.6)
Healthy Beverages and Snacks	(156,985)	(144,287)	(8.8)	(2,811)	(2,790)	(0.8)	(67,440)	68,949	(197.8)	(1,205)	1,243	(196.9)
Premium Fresh Fruit	350,814	563,095	(37.7)	6,232	9,730	(36.0)	1,019,076	1,030,813	(1.1)	18,214	18,577	(2.0)
Packaged fruit and Beverages - Export	(160,323)	66,219	(342.1)	(2,869)	1,042	(375.3)	(110,548)	235,390	(147.0)	(1,976)	4,242	(146.6)
Others	3,406	13,400	(74.6)	61	236	(74.2)	11,579	18,905	(38.8)	207	340	(39.1)
Changes in fair value - PAS 41	136,747	116,484	17.4	2,452	2,140	14.6	(2,070)	70,100	(103.0)	(37)	1,263	(102.9)
Total	1,000,355	1,707,005	(41.4)	17,819	29,553	(39.7)	2,062,280	3,060,653	(32.6)	36,860	55,157	(33.2)

Forex translation used: 55.95 in October 2023 and 55.49 in October 2022

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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.

### DMPL ONE-OFF EXPENSES

<i>Amounts in US\$ million</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2024 (Unaudited)	FY2023 (Unaudited)	%	FY2024 (Unaudited)	FY2023 (Unaudited)	%
<b>DMFI one-off expenses:</b>						
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
<b>Total DMFI one-off expenses (post tax, post NCI basis)</b>	-	-	nm	-	50.2	nm