

# Del Monte Pacific 2Q FY2024 Results

13 December 2023



Nourishing Families.  
Enriching Lives.  
Every Day.

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- 1H FY2024 Results
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- Outlook



# Notes to the Results



- 2Q FY2024 is from 1 August to 31 October 2023
- DMPL owns 87% of Del Monte Philippines, Inc. and 93.6% of Del Monte Foods, Inc. DMPL recognizes a 13% and 6.4% non-controlling interest (NCI) in these two subsidiaries, respectively. These comprise the NCI line in the P&L. Net profit/(loss) is net of NCI.
- 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.

# Highlights



## Second Quarter FY2024

- Del Monte Pacific Limited (DMPL) Group sales declined by 5% to US\$667m on lower USA and export sales
- The Group maintained leading market share positions across core products
- Posted lower gross profit of US\$136m due to higher costs
- This factor and increased interest expense led to a net loss of US\$8m from a net profit of US\$50m in the prior year quarter

## First Half FY2024

- DMPL Group sales grew by 2% to US\$1.2bn on higher sales in USA in the first quarter
- Posted lower gross profit of US\$244m due to higher costs
- Resulted in a net loss of US\$22m from a net profit of US\$19m in the prior year period



# Outlook



- 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
- Expects to deliver higher branded revenue growth in FY2024
- In the US, we are focused on increasing market share by executing a multi-faceted strategy including accelerating innovation, recapturing margins and growing contribution from under-penetrated channels
- Planning to substantially increase production of our superior MD2 fresh pineapple to support higher export demand of these highly sought-after premium products
- Addressing the high carryover inventory levels from FY2023 by reducing the pack in the US over the next 9-12 months and will include lowering the FY2024 pack across all major segments
- Group gross margin will benefit in FY2025 from the inventory reduction (with lower waste of aging items, lower trade spend to liquidate stocks and lower warehousing costs) while DMPL ex-DMFI benefits in the 2nd half of FY2024 from the restoration of productivity in our processed pineapple operations
- 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.



# 2Q FY2024 Results Summary



- Sales of US\$667.1m, -4.6%

Sales	% Change
Americas	-1.7
Philippines	flat (in peso terms -1.5)
International	-30
India (equity accounted)	-6 (in rupee terms -2)

All figures below are vs prior year quarter:

- EBITDA of US\$63.9m, down 49% from US\$124.4m, mainly due to higher costs
- Operating profit of US\$44.1m, down 57% from US\$103.2m
- Net loss of US\$8.5m from a net profit of US\$49.5m due to lower operating results and increased interest expense from higher bank loans

# 2Q FY2024 Results



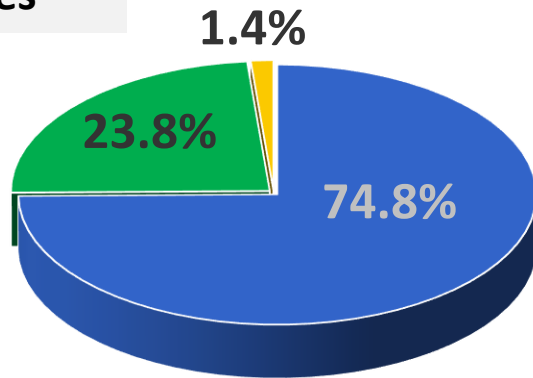
In US\$m	2Q FY2023	2Q FY2024	Chg (%)	Comments
<b>Turnover</b>	698.9	<b>667.1</b>	-4.6	Lower sales in USA and export markets
<b>Gross profit</b>	205.3	<b>135.5</b>	-34.0	Due to higher product costs
<b>Gross margin (%)</b>	29.4	<b>20.3</b>	-9.1ppts	Same as above
<b>EBITDA</b>	124.4	<b>63.9</b>	-48.7	Same as above
<b>Net profit</b>	49.5	<b>(8.5)</b>	-117.1	Lower operating results and higher interest expense
<b>Net margin (%)</b>	7.1	<i>nm</i>	<i>nm</i>	Same as above
<b>Net debt</b>	2,037.5	<b>2,478.6</b>	+21.6	Due to additional loans: 1. To refinance in Dec 2022 the redemption of US\$100m DMPL Series A-2 preference shares with coupon of 10% if not redeemed. New loans are at lower interest rate of 7.6% (at end of October) 2. Working capital loans of DMFI due to higher inventory
<b>Gearing (%)</b>	446.7	<b>677.9</b>	+231.2ppts	Same as above
<b>Net debt/EBITDA (x)</b>	5.6	<b>9.6</b>	+4.0x	Same as above



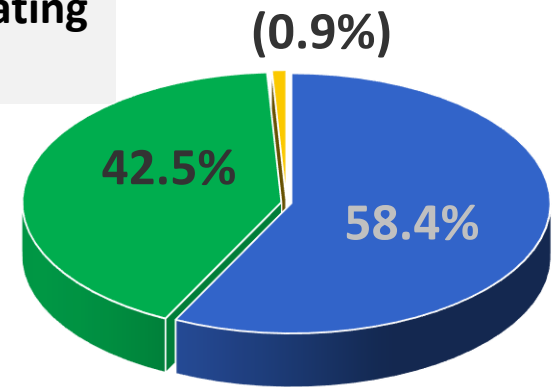
# 2Q FY2024 Turnover and Operating Profit Analysis



## Sales



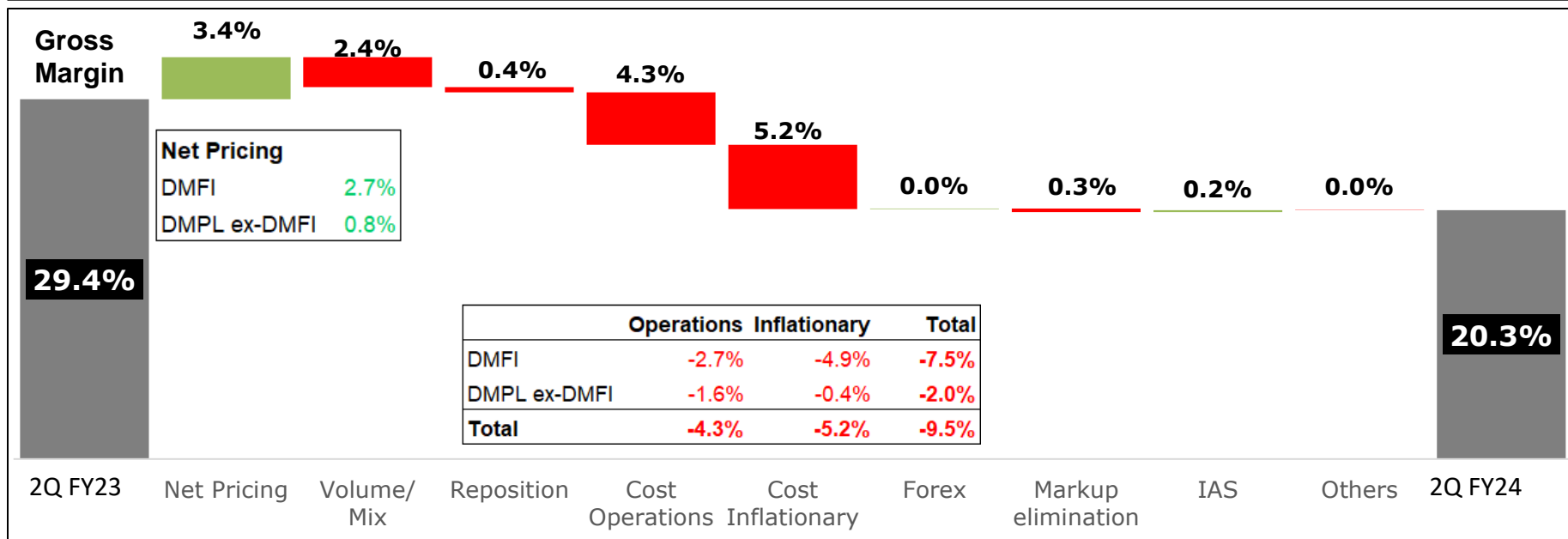
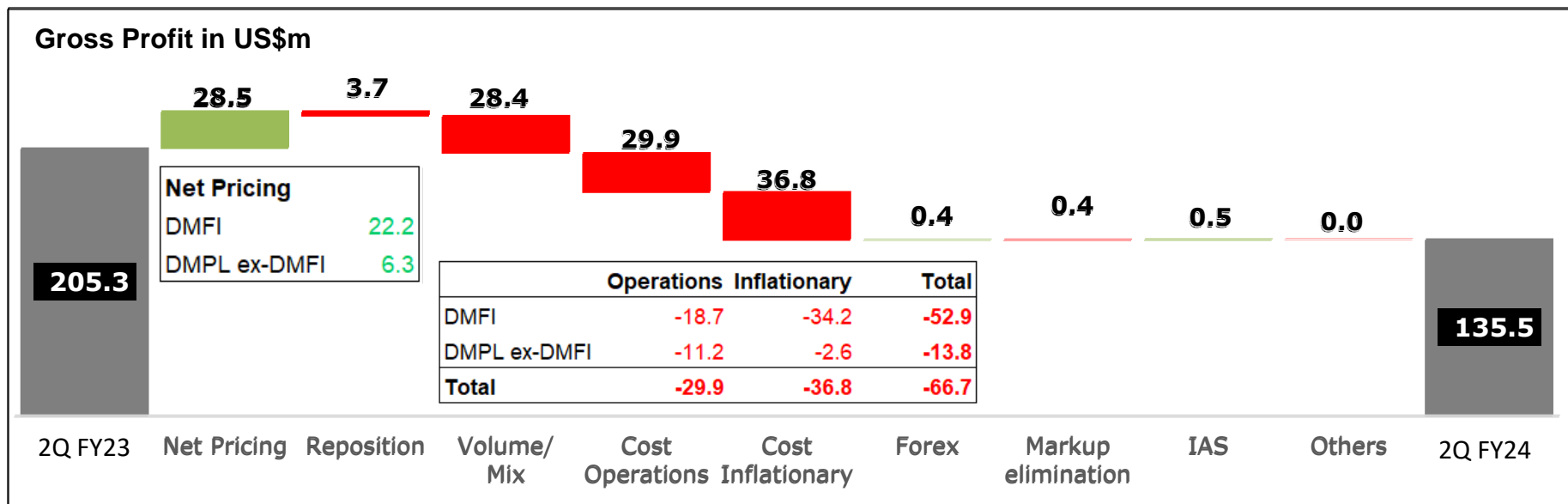
## Operating Profit



- Americas
- Asia Pacific
- Europe

	Sales growth	Comments
Americas	-1.7%	<ul style="list-style-type: none"> <li>▪ Driven by strategic exit from lower-margin co-pack products (products which DMFI packs for other manufacturers), and lower sales of plastic fruit cups and canned fruits. Branded retail accounted for 76% of DMFI's sales</li> </ul>
Asia Pacific	-10.7%	<ul style="list-style-type: none"> <li>▪ Lower exports of packaged and fresh pineapple due to lower supply</li> <li>▪ Philippines down 1.5% in peso terms but flat in USD terms</li> </ul>
Europe	-31.1%	<ul style="list-style-type: none"> <li>▪ Lower sales of packaged pineapple and beverage</li> </ul>

# Gross Profit Variance Analysis 2Q FY24 vs 2Q FY23



# 1H FY2024 Results Summary



- Sales of US\$1.2bn, +2.4%

Sales	% Change
Americas	+5.8
Philippines	flat (in peso terms +1.2)
International	-18.5
India (equity accounted)	-6 (in rupee terms flat)

All figures below are vs prior year period on recurring basis. There was no one-off item this year but last year had US\$71.9m gross (US\$50.2m net) due to early loan redemption:

- EBITDA of US\$115.0m, down 41% from US\$194.5m, mainly due to higher costs
- Operating profit of US\$70.5m, down 54% from US\$153.6m
- Net loss of US\$21.6m from a net profit of US\$69.2m due to lower operating results

# 1H FY2024 Results – Reported Basis

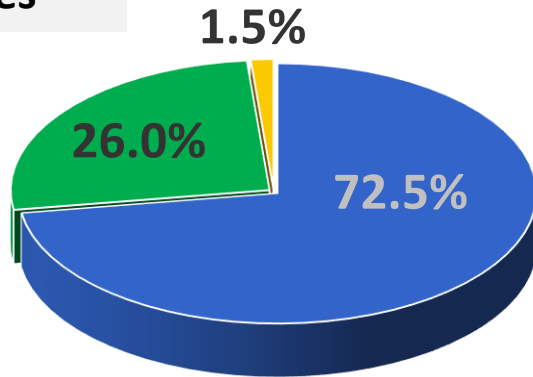


In US\$m	1H FY2023	1H FY2024	Chg (%)	Comments
Turnover	1,155.5	<b>1,183.8</b>	+2.4	Higher sales in USA
Gross profit	337.0	<b>243.8</b>	-27.7	Due to higher product costs
<i>Gross margin (%)</i>	29.2	<b>20.6</b>	-8.6ppts	Same as above
EBITDA	194.5	<b>115.0</b>	-40.9	Same as above
Net profit	19.0	<b>(21.6)</b>	-213.5	Lower operating results
<i>Net margin (%)</i>	1.6	<i>nm</i>	<i>nm</i>	Same as above
Net debt	2,037.5	<b>2,478.6</b>	+21.6	Due to additional loans: 1. To refinance in Dec 2022 the redemption of US\$100m DMPL Series A-2 preference shares with coupon of 10% if not redeemed. New loans are at lower interest rate of 7.6% (at end of October) 2. Working capital loans of DMFI due to higher inventory
Gearing (%)	446.7	<b>677.9</b>	+231.2ppts	Same as above
Net debt/EBITDA (x)	5.6	<b>9.6</b>	+4.0x	Same as above

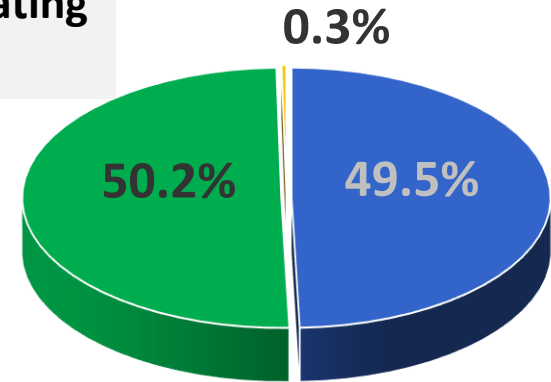
# 1H FY2024 Turnover and Operating Profit Analysis



## Sales



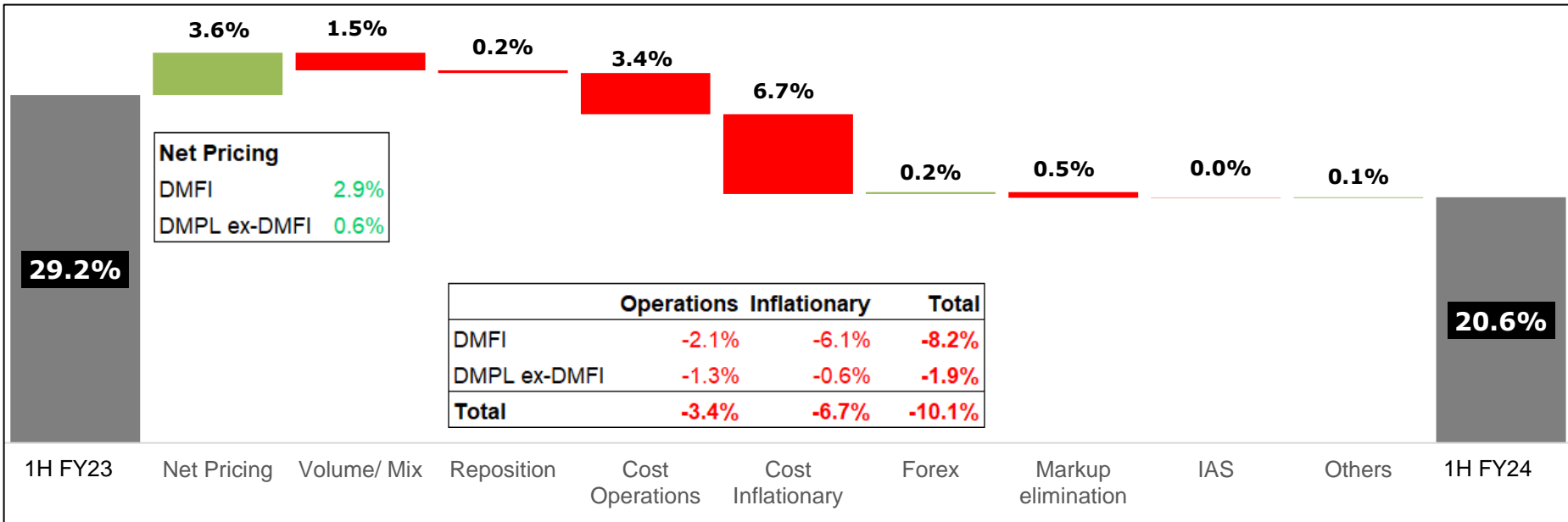
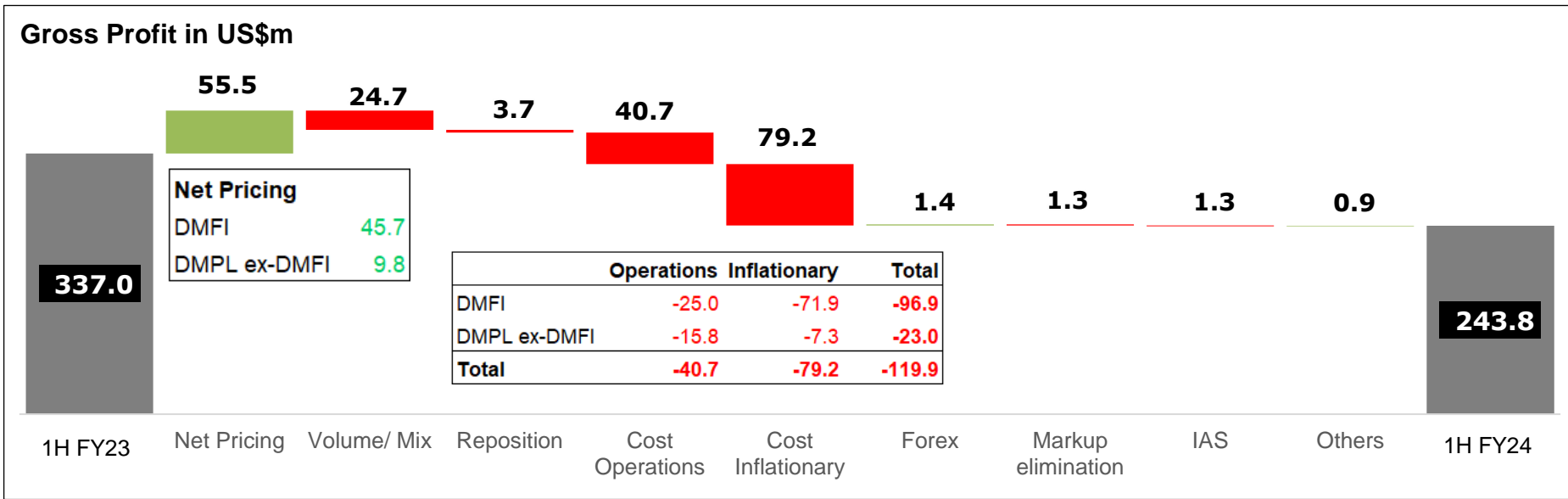
## Operating Profit



- Americas
- Asia Pacific
- Europe

	Sales growth	Comments
Americas	+5.8%	<ul style="list-style-type: none"> <li>▪ Driven by pricing actions in FY2023 and in August this year</li> <li>▪ Favorable sales mix from higher branded sales</li> <li>▪ Branded retail accounted for 77% of DMFI's sales</li> </ul>
Asia Pacific	-4.7%	<ul style="list-style-type: none"> <li>▪ Lower exports of packaged and fresh pineapple due to lower supply</li> <li>▪ Philippines up 1% in peso terms but flat in USD terms</li> </ul>
Europe	-16.2%	<ul style="list-style-type: none"> <li>▪ Mainly due to lower sales of beverage</li> </ul>

# Gross Profit Variance Analysis 1H FY24 vs 1H FY23





# Market Updates



# Del Monte Foods USA 2Q FY2024



- Sales of US\$494.6m or 74% of Group sales; sales decreased by 2% mainly driven by the strategic shift away from lower-margin co-pack products that it packs for other manufacturers
- Branded products grew by 0.5% due in part to strong performance from the JOYBA and Kitchen Basics brands, as well as growth in the foodservice channel
- New products contributed 7% to DMFI's total sales in 2Q
- EBITDA of US\$38.6m, down 55% due to reduced margins from significantly high cost and lower volume, leading to a net loss of US\$3.5m
- In the first half, EBITDA of US\$64.1m was down 48% and bottom line was a net loss of US\$12.8m for the same reasons as in 2Q





# USA Market Shares



**22.1% +0.4pts**

Canned Vegetable (#1)

**23.5% +2.1pts**

Canned Fruit (#1)

**28.4% -0.7pts**

Fruit Cup Snacks (#2)



**6.5% +0.4pt**

Canned Tomato (#3)

**9.5% -0.2pt**

Broth (#2)



Source for market shares: Nielsen RMS / Scantrack DMFI Custom DBs, Eq Vol share, Total xAOC, Latest 3M ending 28 October 2023

\*brand positioning excludes Private Label

- Category dynamics continued to shift as consumers purchase patterns change year over year in response to economic uncertainty, higher average prices and changes to industry supply
- Despite this, Del Monte grew its market leading shares across most categories, with increases in Vegetables, Canned Fruit and Canned Tomato



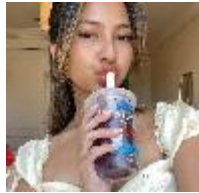
To drive growth long-term, Del Monte will continue to invest in bringing differentiated and innovative products to market, expanding distribution channels, and building its brands

# USA 2Q – Marketing Highlights



## JOYBA Summer Campaign

- Tik Tok, Meta, PR/Influencer



## Veg Fall Campaign (pre-holiday)

- Base Veg and premium sliver label



## Re-Launch of Fruit Refreshers line

- Meta, You Tube, PR/Influencer



## Meta

## Pinterest

## Google Search



# USA 2Q – Marketing Highlights



## Broth

- Pinterest, Search, PR



College Inn® | College Inn® Chicken Broth | Flavorful Chicken Broth  
[www.kitchensoup.com](http://www.kitchensoup.com)

College Inn® Chicken Broth provides additional depth of flavor to your recipe. Instead of a basic combination of roasted chicken, onion, veggie, and flavorful herbs & spices.  
 College Inn® Recipes:  
 Ideas & Tips  
 Where to Buy  
 Our Products



Chicken Broth | College Inn® Chicken Stock | Flavorful Tomatoes  
[www.kitchensoup.com](http://www.kitchensoup.com)

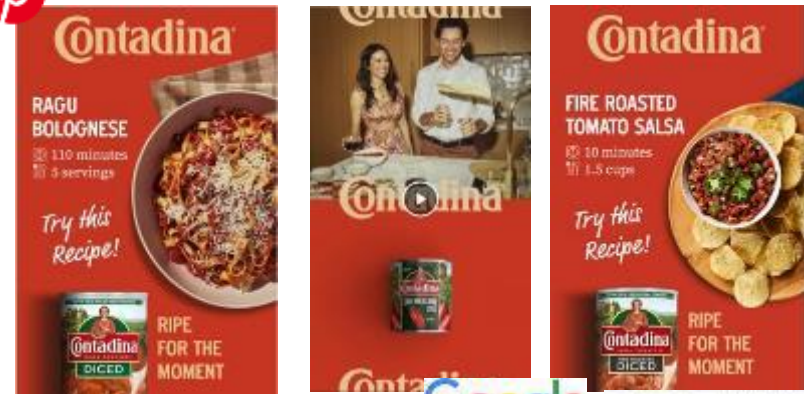
Chicken Stock® Original Chicken Stock is the perfect base for all homemade dishes. Made with full-bodied flavors of chicken, onion, veggie and premium herbs.

Where to Buy  
 Kitchen Desktop Recipes  
 Our Products



## Contadina

- Pinterest, Search, Celebrity Chef Michael Symon partnership



Contadina® Tomato Products | Contadina® Tomato Paste | Flavorful Tomato Paste  
[www.kitchensoup.com](http://www.kitchensoup.com)

Explore Contadina® brands wide range of flavorful canned tomatoes. Shop Now! Conveniently delicious. Contadina® tomatoes provide versatility for all types of cooking.

Where to Buy  
 Our Products  
 Our Story



chefsymon • Follow  
 Paid partnership with [Contadina](#)  
 Original audio

chefsymon Trust me when I say this dish is fire! Ad I'm back cooking with @Contadina Sauce & Fire Roasted Diced Tomatoes to make a tremendously balanced Tomato Braised Pork Chop & Spicy Red It dish.

The Tomato Chutney can even do a ton of your favorite food!

#Contadina #CookWithIt #RipeForTheMoment

Tomato Braised Pork Chop  
 2 Pork Chops (about 1lb)  
 2 Tbsp. extra virgin olive oil  
 1 onion, diced  
 2 stalks celery, diced

6,492 likes  
 October 17  
 Log in to like or comment.



# USA 2Q – Shopper Marketing Highlights

## JOYBA Support + Botanicals line extension

- Retailer Media – Digital Display Ads, You Tube, Social



Pop without the boba shop  
Real brewed tea with popping boba.

Shop now



JOYBA Bubble Tea  
JOYBA  
4 VIEWS OCT 2023



## Veg Meal Solutions

- Digital display, video, offers, recipes



## Take Root Organics Launch

- Digital Display, Social, Shelf Sign, Recipes, Email



# USA 2Q – Foodservice



## Launch of 4oz Branded Fruit Cups

Developed specifically for sale for the vending machine and micro market channels. These new scannable fruit cups are labeled for individual sale. The launch includes 5 variants: mixed fruit, diced peaches, diced pears, pineapple tidbits and mandarins.



## Supported by Digital Media

- Digital Display, Social and Email



# USA – Consumer Trends



## CONSUMERS ARE CLOSELY CONSIDERING HOW THEY SPEND THEIR \$

We have entered an era of calculated consumption and spending



### HOW CONSUMERS ARE EATING

- ✓ **Eating meals at-home**, most of the time
- ✓ **Opting for less costly foods** that stretch a meal & their \$
- ✓ **Cutting back on discretionary items** and ingredients
- ✓ **Shifting across forms/types to save money** - growth in starch pasta/potatoes
- ✓ **Minimizing food waste** where possible, previously 1/3 of household purchases
- ✓ Harnessing **QSR/Coffee Shops to save money** or time



### HOW CONSUMERS ARE SHOPPING

- ✓ **Adopting saving strategies** that work for them
- ✓ Hunting for the **best value across retailers and channels**
- ✓ Relying more on **just-in-time purchases**
- ✓ Sticking to the list, buying **fewer impulse items and stock up/pantry loading**
- ✓ **Reconsidering Private Label offerings**
- ✓ **Leveraging the Internet to find the best deal**, whether buying online or offline



### HOW RETAILERS ARE RESPONDING

- ✓ **Actively destocking** as volume sales soften and supply concerns abate
- ✓ **Promoting value via their own brands and leading brands** to meet consumers' demand for lower prices
- ✓ **Requiring more frequent and deeper promotional support** to win key merchandising periods
- ✓ **Looking for new ideas and new products** to spark sales
- ✓ **Taking advantage of the abundant inventory** within the supplier community

# USA – Food Companies Performance



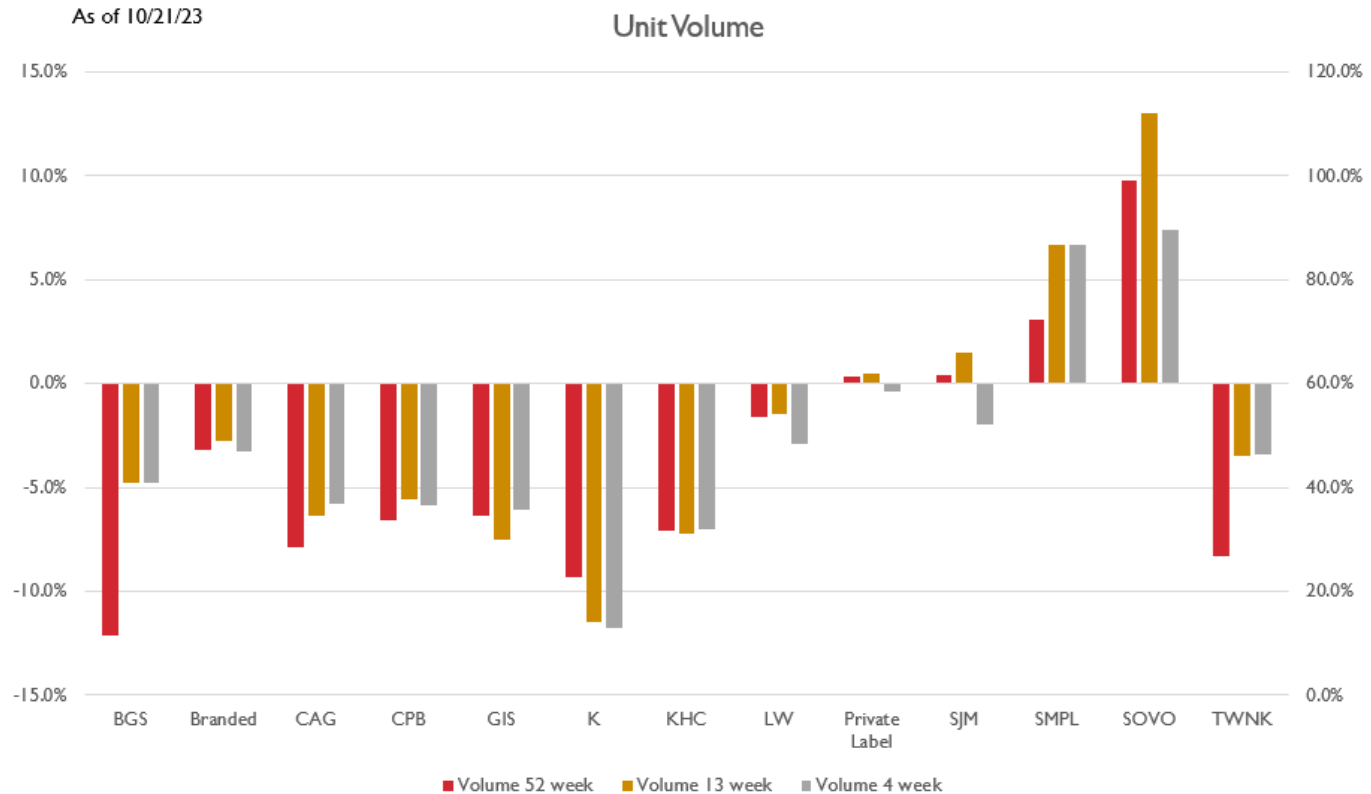
In 2023, Food Companies have struggled with low demand

13 Week Median: (3.5%)

4 Week Median: (3.4%)

**DMFI's closest peers  
B&G, Campbells,  
ConAgra, General  
Mills (down -8-9%)**

Ticker Key	
BGS	B&G Foods, Inc.
CAG	Conagra Brands, Inc.
CPB	Campbell Soup Company
DOLE	Dole plc
FDP	Fresh Del Monte Produce Inc.
GIS	General Mills, Inc.
K	Kellanova
KHC	The Kraft Heinz Company
LANC	Lancaster Colony Corporation
LW	Lamb Weston Holdings, Inc.
SJM	The J. M. Smucker Company
SMPL	The Simply Good Foods Company
SOVO	Sovos Brands, Inc.
TWNK	Hostess (acq. by SJM on Nov 7)



# USA – Strategic Growth Initiatives



- 1 Outperform our Categories and Grow Share
- 2 Increase Channel Penetration and Development
- 3 Drive Distribution Growth in Existing Channels
- 4 Accelerate New Product Growth and Brand Expansion
- 5 Win Holiday Merchandising and Improve Trade ROI



# USA – Key Areas of Focus and Corrective Actions in 2H FY2024 & FY2025



- 1 **Execute 12-month inventory reduction plan and minimize aging risk via FEFO compliance**
- 2 **Implement company-wide cost reduction and savings initiatives (+\$50MM F24/25 target)**
- 3 **Address talent need gaps across company necessary to transform organization**
- 4 **Improve forecasting and planning accuracy via increased analytics (IBP, FP&A and Marketing)**
- 5 **Drive efficiency and cost reduction while reducing F25 pack/procures volumes +30%**

# DMPL ex-DMFI 2Q FY2024




- Sales of US\$179m, down 14% due to lower supply of processed and fresh pineapple. Two major reasons for this pineapple fruit supply shortfall:
  - ✓ Our C74 variety for processed pineapple declined by 12% in raw fruit tonnage due to severe weather-related issues that impacted its growing cycle since 2022. This issue contributed to most of our huge cost variance in the company.
  - ✓ Fresh MD2 harvest fruits in 2Q had matured and ripened early, thus mostly harvested in 1Q, leaving a big supply vacuum in 2Q.
- Philippine sales of US\$108m, -1.5% in peso terms but flat in US dollar terms. Culinary (+15%) and Beverage (+2%) segments grew behind new usage building communication campaigns. However, Fruits/Pineapple category sales declined by 18% due to pineapple fruit supply particularly on our highly seasonal tropical fruit cocktail.
- Processed exports sales (primarily pineapple) of US\$32m, were 22% down due to lower sales in USA from inventory correction and the aforementioned supply shortfall for other markets. Note that total 2Q demand for other markets was strong at 2.3m cases vs constrained shipments of 2.0m cases. We expect stronger supply in 4Q.
- Fresh exports sales of US\$24m, 33% lower also due to lower supply as most of 2Q fruit supply moved to 1Q. However, adding 1Q sales, resulting sales for 1st half were US\$72m, already 1% above prior year period. We expect strong recovery of supply in 2nd half, and to close the fiscal year in line with goal.
- EBITDA of US\$24m, 34% behind, and net profit US\$1.9m, 89% behind driven by pineapple supply issues, higher costs and higher interest expense.
- For the first half, EBITDA of US\$50m, 28% behind, and net profit of US\$6.4m, 82% behind.


# Philippines – Market Shares




**95.7% +0.3pts**

Packaged Pineapple (#1)  
(Category: +2.4% )


**77.9% +3.3pts**

Canned Mixed Fruit (#1)  
(Category: -16.1% )


**38.7% -3.3pts**

RTD Juices ex foil pouches (#1)  
(Category: +2.3% )


**83.9% -0.8pt**

Tomato Sauce (#1)  
(Category: +2.5% )

**42.3% +1.1pts**

Spaghetti Sauce (#1)  
(Category: -5.3% )

**13.1% -1.6pts**

Drinkable Yogurt, DM Vinamilk + Mr. Milk (#2)  
(Category: +1.8% )

Source for Volume market shares: The Nielsen Company - Retail Audit Data as for 3M to October 2023

## Del Monte retained market leadership across core categories

- Notable increase in **Mixed Fruit** driven by Today's brand. **Packaged Pineapple** driven by multipack stand up pouches.
- **RTD Juice** share declined as the Del Monte portfolio of Juice Drinks and 100% Pineapple Juice is challenged by the growth of low-priced competitor. Campaigns launched to drive volume and share recovery via improved salience and relevance.
- **Spaghetti Sauce** also increased share driven by the Birthday campaign and strong growth of Today's, gaining significant traction in Mindanao. **Tomato Sauce's** "Sauce pa lang, ulam na" campaign (loosely translated as "The sauce is a meal on its own") helped brand offtake, as it continues to drive past 3 month's volume growth since its launch in May 2023.
- In drinkable yogurt category, **Mr. Milk** has yet to recover from the impact of the multiple price increases, resurgent competitive activities, and product quality issues that have been addressed. Volume and share recovery plans ongoing.

# Philippines – Fruit



## NEW Pinya-GIGIL campaign! (Launched August)

- Making everyday, brown-saucy dishes more delicious for kids!



TV, Digital and Radio



879k views, 27k engagements



+8% incremental volume

## NEW Today's Pista Regional Activation (in Visayas/Mindanao)

- Encourage sharing fruit salad during large community thanksgiving celebrations



Local activation +  
Local radio



1,438 event day attendees



+17% offtake in  
participating doors

# Philippines – Culinary



**Tomato Sauce - Value bundles for everyday and holiday cooking**



**Spaghetti Sauce - Winning in Birthdays with Birthday Campaign Digital & Limited Edition Plates Promo**

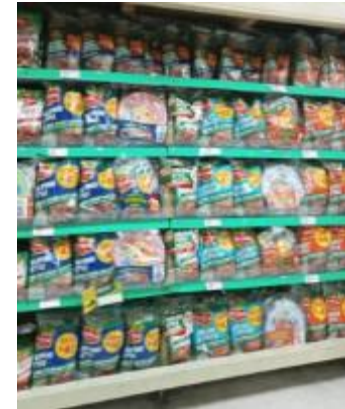
**New thematic campaign - Best birthdays are celebrated with Del Monte**



**Influencer marketing push to create excitement for the Birthday Plates Promo**



**In-store shelf take-over to highlight Campaign Promotion**



# Philippines – Beverage



## Del Monte Juices “Give In To Goodness” biggest marketing campaign in September 2023

### Message

- Indulge in the Healthy & Delicious Goodness of Del Monte Juices!
- Available in 14 refreshing flavors



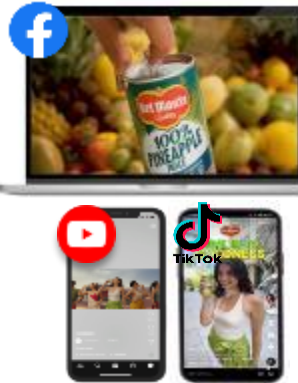
### Endorser: Anne Curtis



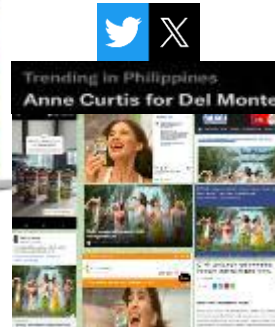
### Heavy TV & Digital Investment



TV: 122M viewers reached



FB: 96.3M views  
YT: 54.8M views  
TKT: 32.2M views



Twitter: 2K+ posts trending

### Out-of-Home Visibility



6 major sites in Metro Manila  
Reach: 53.6M Commuters

### In-Store Visibility Drive



1,800 stores nationwide

# Philippines – Beverage



## Fit 'n Right - Boost Your Passions The Natural Way

### On-ground Sampling

20,349 sampling hits in different BPO Offices & LRT



### Digital Campaign and Influencer Program

32.2M total audience reach



22,494 sampling hits in different Universities in GMA



82.5M total accumulated views from Tiktok & Facebook



# Philippines – Innovation



**Mr. Milk Nationwide  
Price Rollback &  
Value Communications**



**Mr. Milk 'Back to School'  
Tie Up Program with Puregold**



**Del Monte Potato Crisp Foodie  
Influencer Digital Marketing**





# Philippines – Foodservice and Convenience



## Foodservice channel growth driven by rebound of tourism activities

- Revenue +15% vs prior year, +3% vs pre-pandemic.
- 588 new accounts.
- Del Monte products part of ingredient in 89 dishes of strategic customers.
- 10,565 outlets now open, +5% vs pre-pandemic; Key Accounts +3% and General Trade +1%.



**DUNKIN'**



**Sarangani Bay**  
PRIME SEAFOOD

## Convenience store growth from aggressive expansion of 7-Eleven stores

- Revenue +13% vs prior year due to higher volume, but still 11% below pre-pandemic.
- 4,176 outlets now open, +26% vs pre-pandemic.



# S&W Fresh – Hong Kong



S&W joined the **Asia Fruit Logistica (AFL)** held in Hong Kong from 6-8 September 2023. S&W was proud to be one of the bronze sponsors in the exhibit, which was marked with record number of attendees with more than 13,000 trade visitors and over 700 exhibitors. This event paved the opportunity to meet current and potential customers and further expand S&W's footprint in the Fresh market.



*S&W Team in AFL*



*S&W and Goodfarmer teams*



# S&W Fresh – Guangzhou



- The **International Fruit Expo**, an international trade fair dedicated to fruit retail, fruit growing and logistics, was held in Guangzhou, China from 1-3 September 2023 and was participated by over 200 exhibitors with about 20,000 visitors in attendance. The team's participation aims to further strengthen S&W's presence in China fruit market and explore new business opportunities with current and potential partners.



*S&W and Eachtake teams*

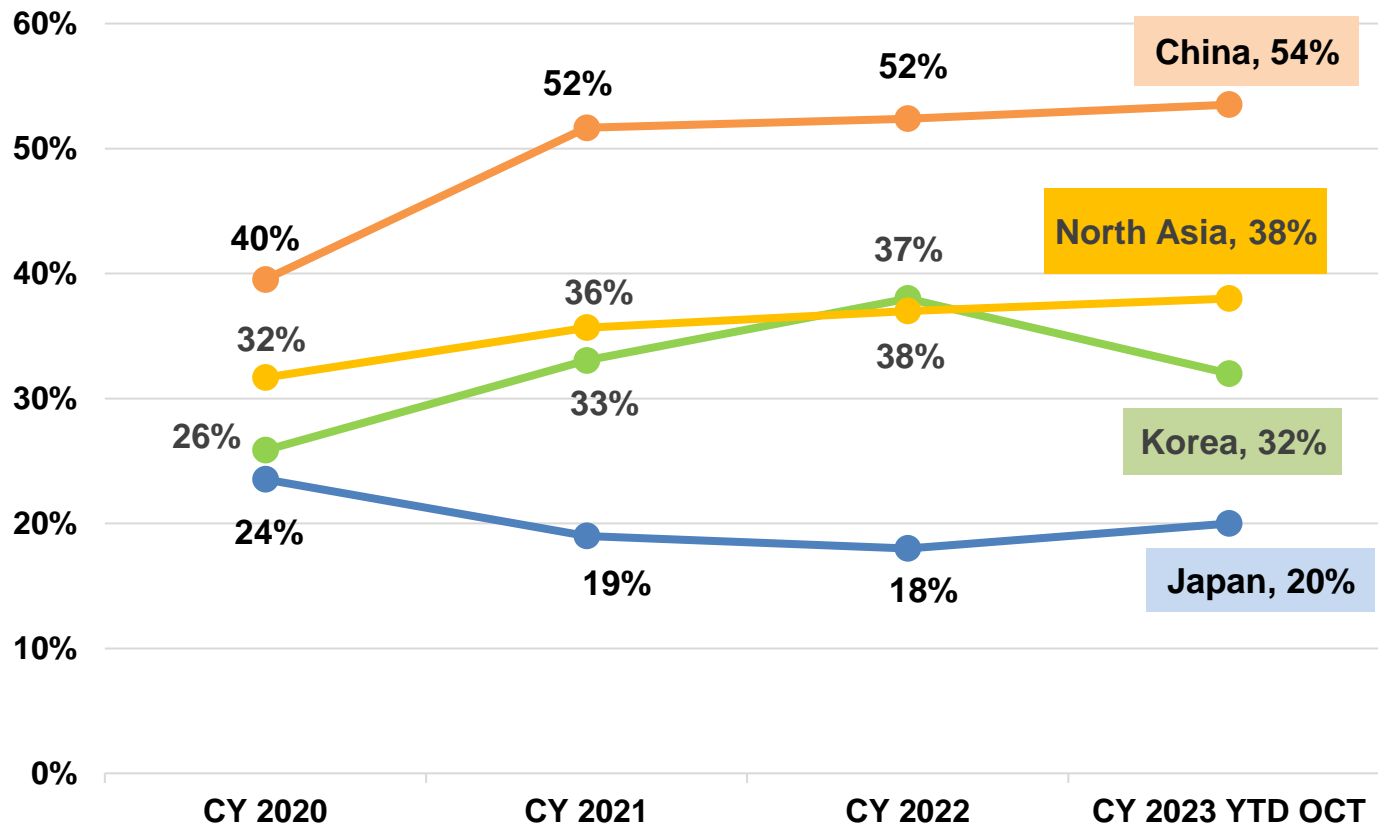


*S&W Sweet 16 and Deluxe Fresh Pineapples on display at the booth*

# S&W - Fresh Market Share



**CY 2020 – CY 2023 YEAR-TO-DATE OCTOBER**



- Our North Asia market share increased to 38% behind increased supply and sales/marketing initiatives.
- **China** at solid #1 as of YTD October 2023.
- **Korea** decreased from 38% in CY2022 to 32% in YTD October 2023 due to lower supply allocation.
- **Japan** increased by 2ppts to 20%, with improved demand vs last year.

Source: CY 2020 – CY 2022 Imports Data from Asiafruit Congress Statistical Handbook, YTD October CY2023 from Customs Data of Importing Country

# Frozen



In Europe, **Frozen Pineapple Chunks** were launched in Ireland by Green Isle as one of the 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.



## Water Conservation



The plantation's water use ratio is 34% lower vs. prior year partly due to increase in **drone spray applications** in lieu of boom sprayers, resulting in cumulative water savings of **6.8 million liters** using drones

## Plastic Recycling



Recycled **14% out of 20%** target of DMPI's post-consumer plastic waste as of October 2023

Recycled into:

- 3,452 boards
- 3,000 armchairs
- 100 benches
- 75 tables
- 600 sacks of pellets

## Social Responsibility



Del Monte Foundation partnered with Tetra Pak to launch **Cartons for Communities** to recycle used beverage cartons into chipboards and Poly Al boards that can be repurposed into school tables and chairs, among others

## Governance



- Del Monte Pacific was recognized in the **2023 Singapore Corporate Awards** for Best Managed Board and Best CFO
- DMPL ranked 8<sup>th</sup> in the **2023 Singapore Governance and Transparency Index**

## Utility Savings



Identified a total of 18 projects with goals to reduce California energy usage by 50%. Utility surveys are being conducted at all US manufacturing sites. These surveys include wastewater, water usage, air leak and steam usage surveys.

## Community Giving



In 2Q FY2024, DMFI donated more than 1.3 million pounds of food worth US\$800,000+ to non-profit organizations across the US.

# Outlook



- 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
- Expects to deliver higher branded revenue growth in FY2024
- In the US, we are focused on increasing market share by executing a multi-faceted strategy including accelerating innovation, recapturing margins and growing contribution from under-penetrated channels
- Planning to substantially increase production of our superior MD2 fresh pineapple to support higher export demand of these highly sought-after premium products
- Addressing the high carryover inventory levels from FY2023 by reducing the pack in the US over the next 9-12 months and will include lowering the FY2024 pack across all major segments
- Group gross margin will benefit in FY2025 from the inventory reduction (with lower waste of aging items, lower trade spend to liquidate stocks and lower warehousing costs) while DMPL ex-DMFI benefits in the 2nd half of FY2024 from the restoration of productivity in our processed pineapple operations
- 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.

