DEL MONTE PACIFIC LIMITED

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SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the third quarter ending 31 January 2020)

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Del Monte Pacific's Third Quarter FY2020 Results

Highlights

- Higher sales across all key markets of USA, Philippines and S&W business in Asia
- Achieved EBITDA of US$56.9m, up 43%, operating profit of US$30.2m, up 25%, while net profit more than doubled to US$6.7m
- Asset-Light Strategy delivered cost savings of US$5 to 6m in the quarter
- Won "Product of the Year" Award in three categories in the USA

Singapore/Manila, 11 March 2020 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) reported today its third quarter FY2020 results ending January.

The Group generated third quarter sales of US$555.3 million, 5% higher than prior year quarter due to improved sales across all key markets – USA, Philippines and S&W business in Asia.

Del Monte Foods, Inc (DMFI), the Group's US subsidiary, contributed US$391.8 million or 71% of Group sales. DMFI sales increased by 1.5% due to higher prices and higher volumes. The Philippines domestic market sustained its solid growth, generating sales of US$98.5 million, an 11% increase in US dollar terms and 6% in peso terms. This strong performance was underpinned by higher retail sales, both in general trade and modern trade channels, while also recording significant market share improvements across canned and carton juices, and packaged fruit. Performance of the S&W branded business in Asia and the Middle East improved by 11% on higher sales from both packaged and fresh business. Packaged fruit sales increased due to higher demand, while fresh pineapple sales grew in North Asia and the Middle East as a result of expanded distribution.

Nine Months

The Group generated sales of US$1.5 billion for the first nine months of FY2020, 2% lower than prior year period, but gross margin improved by 210 basis points to 22.7% due to better volume and pricing. Without one-off expenses, the Group generated an EBITDA of US$165.9 million and a net profit of US$27.4 million, significantly higher by 47% and 315%, respectively. However, the Group reported an EBITDA of US$86.3 million and a net loss of US$69.0 million due to one-off expenses totaling US$96.4 million (US$53.8 million from the plant closures/sale in the US in the second quarter of FY2020, mostly non-cash expenses, and US$43.8 million for dividend tax). In preparation for its capital raising initiatives, DMPL's Philippine subsidiary, Del Monte Philippines, Inc, declared a dividend to its parent which was taxed at 15% in the first quarter of FY2020.

Asset-Light Strategy

On 19 November 2019, the Group announced the closure/sale of four plants in the USA. The Asset-Light Strategy of DMFI has been a critical step in repositioning DMFI for the future. Execution of this strategy and other cost saving initiatives should improve the Group's EBITDA margin by an estimated 225–275 basis points (US$50 to 60 million) over 24 months starting from November 2019. In the third quarter of FY2020, the Group recognised cost savings of US$5 to 6 million which had a favourable impact on profitability. DMFI is expected to achieve 95% capacity utilisation for vegetable in the next pack season this year, up from 50%.

A portion of these improved cost savings will be reinvested in the growth and expansion of DMFI's iconic brands. DMFI is capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods. It is expanding its brands beyond centre store grocery into higher growth categories such as frozen, produce and deli, and expanding its presence within the foodservice, convenience stores and club store channels.

"Ongoing transformational initiatives at DMFI are already showing a positive impact on third quarter results, with significant improvements in profitability as well as operational efficiencies," said DMPL Managing Director and Chief Executive Officer Joselito D Campos, Jr. "We are encouraged that the expected cost savings are on track," he added.

Major Award Wins

Three of DMFI's new products won "Product of the Year" awards in the US: *Del Monte Veggieful Veggie Bowl* in the convenience meal category, *Contadina Pizzettas* in the frozen snack category, and *Del Monte*

Fruit Crunch Parfait in the snack cup category. This win builds on DMFI's past Product of the Year recognition for *Del Monte Fruit & Oats* in 2019 and *Del Monte Fruit Refreshers* in 2017.

Product of the Year is the world's largest consumer-voted award for product innovation. Winners are determined by the votes of about 40,000 consumers in a nationally representative survey conducted by research partner Kantar, a global leader in consumer research. This year marked the 12th year of the award in the U.S..

Ready-to-eat *Del Monte Veggieful Veggie Bowl* features one serving of vegetables with quinoa blended with whole grains and flavourful sauce, while *Contadina Pizzettas* offer a delicious and wholesome alternative to traditional pizza, with a crust made with cauliflower. *Del Monte Fruit Crunch Parfait* contains one full serving of fruit, non-dairy coconut crème, a crunchy granola topping and packed with 2 billion probiotics.

"We couldn't be more proud to see three of our products honoured this year," said Bibie Wu, Chief Marketing Officer of Del Monte Foods Inc. "To be selected as winner within a brand new category like frozen snacks is very exciting and demonstrates the strength of our R&D and Innovation teams."

Prospects

The Group will continue to strengthen its product offerings and enter new categories, in line with market trends for health and wellness, snacking and convenience. It will grow its branded business and reduce non-strategic, non-branded business segments. The Group also continues to review its manufacturing and distribution footprint in the US to further improve operational efficiency, reduce costs and increase margins.

The Group is expected to refinance existing DMFI loan facilities of approximately US$1.4 billion, comprising of: US$442.5 million (Asset Based Loan facility), US$670 million (First Lien Term Loan) and US$260 million (Second Lien Term Loan), which will mature in November 2020, February 2021, and August 2021, respectively. The Group has continued to support the capital structure requirements and deleveraging efforts of DMFI, including the purchase from March 2018 to November 2019 of approximately US$237 million of DMFI's Second Lien Term Loan at a discount.

Barring unforeseen circumstances, the DMPL Group is expected to remain profitable in FY2020 on a recurring basis.

Impact of COVID-19

The coronavirus (COVID-19) epidemic did not have any material impact on DMPL's results for the period ended 31 January 2020.

The Group will continue to monitor and mitigate any risks posed by COVID-19 on sales, particularly fresh pineapples in China. In February, the Group experienced softer demand and some logistics hurdles in China, but has the flexibility to allocate products to other markets and will continue to expand e-commerce sales. Sales in China account for approximately 3% of Group sales.

The Group is also monitoring its supply chain, primarily in China, so that it can minimise any potential impact on raw and packaging materials, and equipment sourcing. The Group will continue to take the necessary precautionary measures to ensure the health and safety of its employees.

About Del Monte Pacific Limited (www.delmontepacific.com)

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc, Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – majority of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while for *S&W*, it owns it globally except Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc (DMFI) (www.delmontefoods.com) owns other trademarks such as *Fruit Naturals, Orchard Select, SunFresh* and *Fruit Refreshers,* while DMPL's Philippines subsidiary, Del Monte Philippines, Inc (www.delmontephil.com), has the trademark rights to *Del Monte*, *Today's*, *Fiesta*, *202*, *Fit 'n Right*, *Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, juices and frozen pineapple, under various brands and also sells fresh pineapple under the *S&W* brand.

The Group owns approximately 95% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (www.fieldfreshfoods.in). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL's USA subsidiary operates six plants in the USA and two in Mexico, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 26,000-hectare pineapple plantation in the Philippines and a factory that is about an hour's drive away. It also operates a beverage bottling plant and a frozen fruit processing facility in the Philippines.

DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc, Del Monte Canada, Del Monte Asia Pte Ltd and these companies' affiliates.

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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.

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