



DEL MONTE PACIFIC

3Q FY2020 RESULTS

11 March 2020



NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY. ®



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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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- 9M FY2020 Results
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- Impact of COVID-19
- Sustainability
- Outlook





NOTES TO THE 3Q FY2020 RESULTS

- Third quarter is from 1 November 2019 to 31 January 2020.
- DMPL's effective stake in DMFI is 89.4%, hence the non controlling interest line (NCI) in the P&L. Net income/(loss) is net of NCI.
- DMPL 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 for comparability.
- The Group has adopted IFRS 16 from 1 May 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Please refer to page 24 of the MD&A for a discussion of the impact of IFRS 16.





3Q FY2020 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\$5-6m in the quarter
- Won “Product of the Year” Award in three categories in the USA





OUTLOOK

- Barring unforeseen circumstances, the DMPL Group is expected to remain profitable in FY2020 on a recurring basis (without one-offs).
- Major emphasis on responding to consumer trends through:
 - ✓ Strengthening the core business and innovating
 - Healthier options and new products (innovate outside the can)
 - Strategic investments in marketing in USA
 - ✓ Focusing on growing our branded business
 - Shifting to more branded consumer beverage in place of industrial pineapple juice concentrate
 - Introducing more value-added, less commoditised foodservice
- Improving financial performance through:
 - ✓ Four plant closure/sale in the USA within FY2020 to improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including higher metal packaging prices and impact of tariffs imposed by the US
 - ✓ Improving cash flow and strengthening the balance sheet





DMPL 3Q FY2020 GROUP RESULTS SUMMARY

- Sales of US\$555.3m, +5%

Sales	% Change
US	+2
Philippines	+11 (in peso terms +6)
S&W	+11
FieldFresh India (equity accounted)	+4 (in rupee terms +3)

All figures below without one-off items and vs prior year quarter:

- EBITDA of US\$57.6m, up 42% from US\$40.6m due to higher volume and prices in USA and Philippines, and lower operating expenses in USA
- Operating profit of US\$30.9m, up 23% from US\$25.1m
- Net profit of US\$7.4m, more than double prior year's US\$3.0m



DMPL 3Q FY2020 ONE-OFF EXPENSE/(INCOME)

In US\$ m	3Q FY19	3Q FY20	Booked under
Plant closures	0.1	0.2	CGS/G&A/Misc Expense
Severance	1.4	0.4	G&A Expense
Others	(0.7)	0.0	G&A and Other expense/ (income)
Gain due to the purchase of DMFI's 2nd lien loan at a discount to par value	(0.1)	(1.7)	
Total one-off expense/(income) (pre-tax basis)	0.7	(1.0)	
Deferred tax on undistributed share in profits	-	1.5	Tax
Tax impact on other one-offs	(0.2)	0.2	
Non-controlling interest	(0.1)	(0.1)	
Total one-offs (net of tax and NCI)	0.5	0.7	

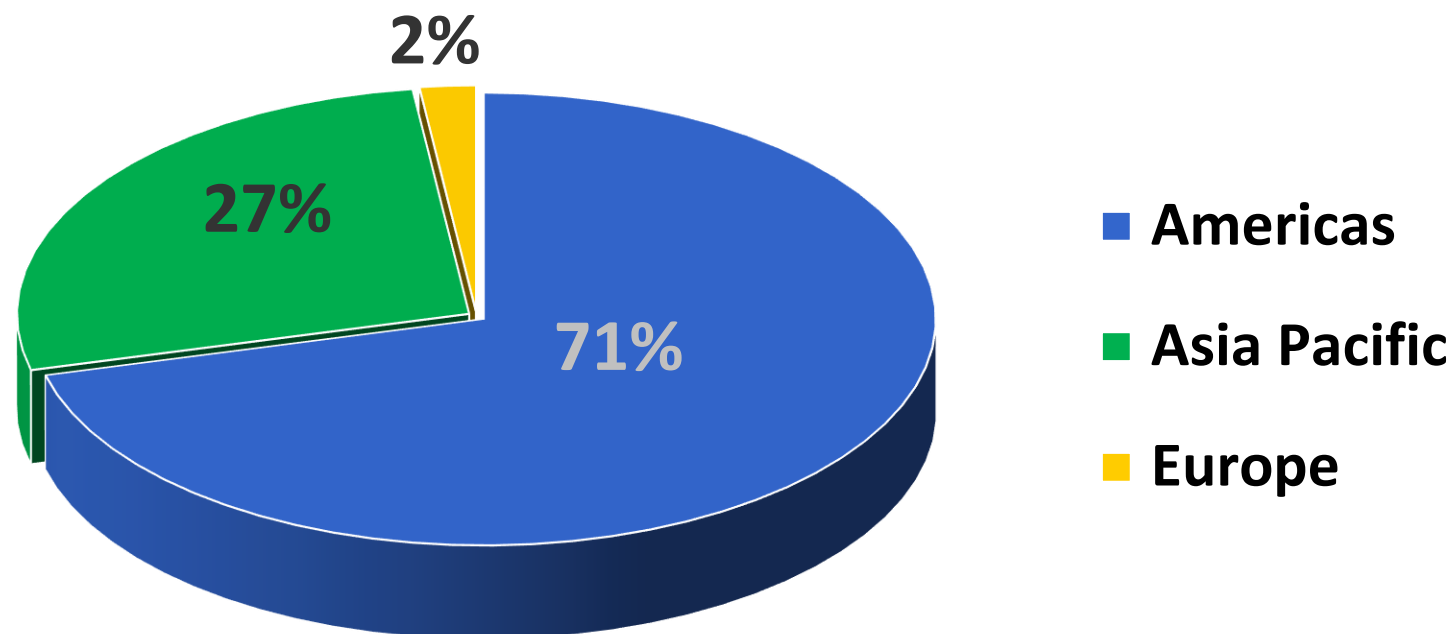


DMPL 3Q FY2020 RESULTS – AS REPORTED

In US\$m	3Q FY2019	3Q FY2020	Chg (%)	Comments
Turnover	528.7	555.3	+5.0	Higher USA, Philippines and S&W Asia sales
Gross profit	116.6	113.4	-2.7	Higher product cost mainly from metal packaging, and lower fruit and vegetable yields in USA
EBITDA	39.7	56.9	+43.4	Higher volume and prices in USA and Philippines, and lower operating expenses in USA
Operating profit	24.2	30.2	+24.6	Same as EBITDA comment
Net finance income/ (expense)	(25.6)	(23.9)	-6.7	Higher interest expense offset by gain from second lien purchase
FieldFresh equity share	0.0	(0.4)	nm	Higher supply and logistics cost from fresh business and key commodities
Tax benefit/(expense)	2.1	(0.7)	nm	Higher tax loss carryforward in prior year quarter
Net profit/(loss)	2.6	6.7	+158.9	Same as EBITDA comment
Net debt	1,531.4	1,603.1	+4.7	Slightly higher due to payment of dividend tax in 1Q as well as for general use purposes
Gearing (%)	251.4	333.0	+81.6ppts	Same as above



DMPL 3Q FY2020 TURNOVER ANALYSIS



Americas	+2.3%	<ul style="list-style-type: none"> Higher private label sales ahead of discontinuation of certain product lines, as well as price increases
Asia Pacific	+9.9%	<ul style="list-style-type: none"> Philippines sales increased across General Trade (+9%) and Modern Trade (+5%) behind consumption-building activities, as well as improvements in distributor business that had constrained growth in prior year Higher S&W sales due to strong sales of fresh pineapple and packaged fruit
Europe	+73.7%	<ul style="list-style-type: none"> Higher packaged fruit and beverage sales



DMPL 9M FY2020 GROUP RESULTS SUMMARY

- Sales of US\$1.5bn, -2.1%

Sales	% Change
US	-7
Philippines	+8 (in peso terms +5)
S&W	+12
FieldFresh India (equity accounted)	+4 (in rupee terms +5)

All figures below without one-off items and vs prior year period:

- EBITDA of US\$165.9m, up 47% from US\$112.8m due to higher prices in the USA and Philippines, lower operating expenses in the USA, plus the favourable impact of the divestiture of low-margin Sager Creek vegetable business
- Operating profit of US\$100.4m, up 57% from US\$64.2m
- Net profit of US\$27.4m, significantly higher than prior year's US\$6.6m



DMPL 9M FY2020 ONE-OFF EXPENSE/(INCOME)

In US\$ m	9M FY19	9M FY20	Booked under
Plant closures	6.5	77.4	CGS/G&A/Misc Expense
Seed operation	(1.1)	-	Other Expense
Severance	3.2	2.0	G&A Expense
Others	(0.7)	0.1	G&A and Other exp/(income)
Gain due to the purchase of DMFI's 2nd lien loan at a discount to par value	(16.3)	(1.5)	Interest Income
Total one-off expense/(income) (pre-tax basis)	(8.3)	78.0	
Final tax on intercompany dividends*	-	39.6	Tax
Deferred tax on undistributed share in profits	-	4.1	Tax
Tax impact on other one-offs	1.6	(19.0)	
Non-controlling interest	(0.6)	(6.4)	
Total one-offs (net of tax and NCI)	(7.4)	96.4	

*In preparation for its capital raising initiatives, DMPL's Philippine subsidiary, Del Monte Philippines, Inc (DMPI), declared a dividend to its parent in the first quarter of FY2020 which was taxed at 15%

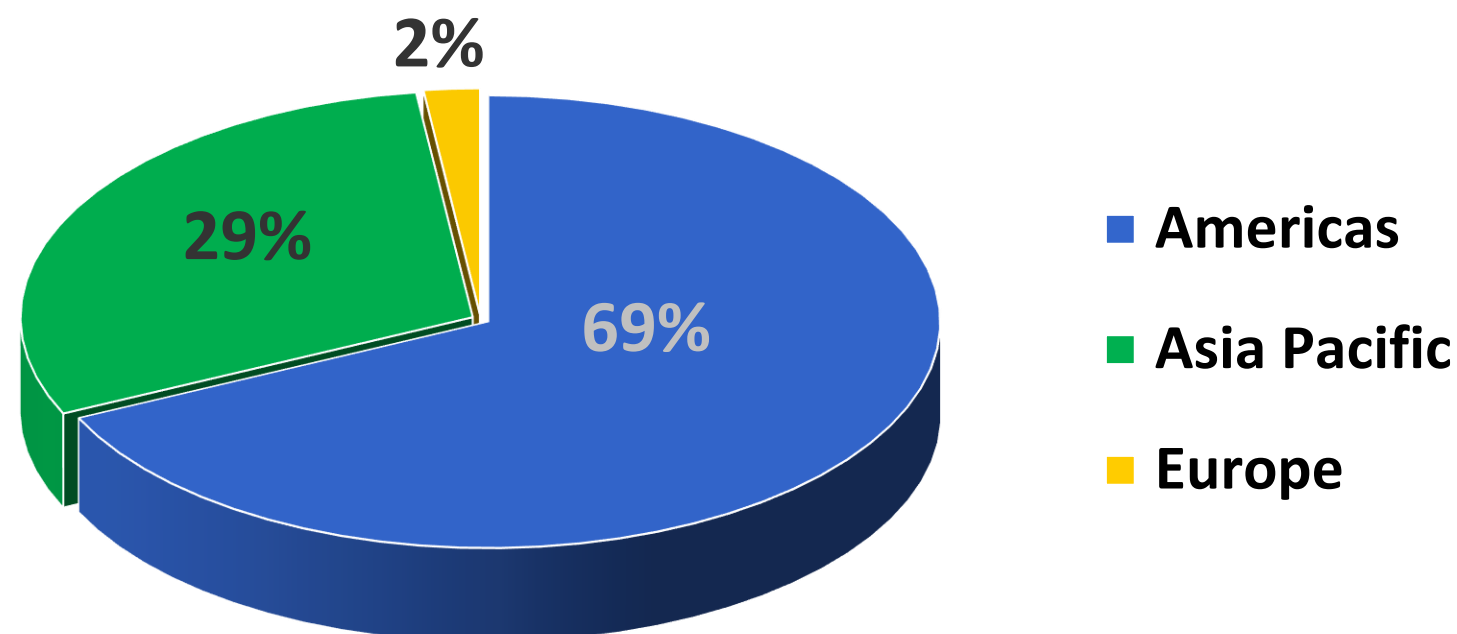


DMPL 9M FY2020 RESULTS – AS REPORTED

In US\$m	9M FY2019	9M FY2020	Chg (%)	Comments
Turnover	1,522.2	1,489.9	-2.1	Higher Philippines and S&W Asia offset by lower US sales
Gross profit	313.4	338.7	+8.1	Price increase in the US and Philippines; impact of divested low-margin Sager vegetable business
EBITDA	104.9	86.3	-17.7	One-off expenses due to 4 plant closure/sale in the US
Operating profit	56.2	20.9	-62.8	Same as EBITDA comment
Net finance income/ (expense)	(54.1)	(72.4)	+33.9	Higher level of borrowings; prior year included a one-off gain of US\$16m on purchase of second lien loan
FieldFresh equity share	0.2	(1.1)	nm	Commodity headwinds and higher overheads
Tax benefit/(expense)	6.1	(25.4)	nm	Final tax paid on dividends partly offset by loss carry-forward from DMFI
Net profit/(loss)	14.0	(69.0)	nm	Same as EBITDA comment
Net debt	1,531.4	1,603.1	+4.7	Slightly higher due to loans obtained for payment of dividend tax in 1Q as well as for general use purposes
Gearing (%)	251.4	333.0	+81.6ppts	Same as above



DMPL 9M FY2020 TURNOVER ANALYSIS



Americas	-6.8%	<ul style="list-style-type: none"> Impact of divestiture of the low-margin Sager business, in line with strategy Lower sales of low-margin non-branded businesses Lower packaged fruit and vegetable volume due to higher pricing
Asia Pacific	+10.6%	<ul style="list-style-type: none"> Philippines sales increased across Modern Trade (+6%) and General Trade (+6%), as all categories delivered growth behind consumption-building activities, as well as improvements in distributor business that had constrained growth in prior year Higher S&W sales due to strong sales of fresh pineapple, mainly in North Asia
Europe	+7.5%	<ul style="list-style-type: none"> Higher packaged fruit sales



Market Updates for 3Q FY2020



USA

30%

Market Share (#1)
Canned Vegetable

25%

Market Share (#1)
Canned Fruit

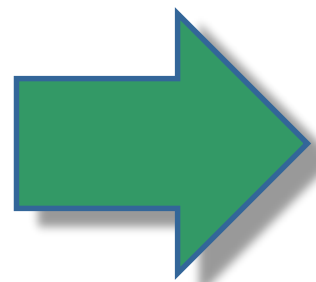
26%

Market Share (#2)
Fruit Cup Snacks

8%

Market Share (#2)
Canned Tomato

- Maintaining solid share across legacy categories, while expanding into perimeter and frozen categories
- Business fundamentals, particularly in Vegetables, on solid ground with strong shelving, new innovation and sustained marketing investments
- Innovation capitalising on growing consumer desire for convenient, healthy and tasty plant-based foods
- Continued to expand presence in new and underdeveloped channels (foodservice, e-commerce, convenience and club)



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

Source for market shares: Nielsen Scantrack dollar share, Total xAOC, 9M ending 25 January 2020

Canned market shares are for branded only, ex-private labels; Canned tomato is a combined share for Del Monte, S&W and Contadina



DEL MONTE FOODS USA 3Q RESULTS

DMFI's 3Q sales up 1.5% to US\$391.8m

- Price increases from the last quarter of FY2019
- Higher sales of private label ahead of the discontinuation of certain product lines



DMFI gross margin declined to 15.8% from 17.9%

- Higher product cost mainly metal packaging
- Lower yields of fruits and vegetables due to weather
- Higher trade spending

However, both reported and adjusted EBITDA more than doubled to US\$26.0m and US\$26.7m, respectively. There was minimal one-off item this quarter.

- Lower operating expenses



FY2020 ASSET-LIGHT STRATEGY

- On 19 November 2019, the Group announced the closure/sale of four plants in the USA
- DMFI's Asset-Light Strategy 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 over 24 months starting November 2019
- In 3Q, the Group recognised cost savings of US\$5-6m 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%



Plants closed/sold



USA – PRODUCT OF THE YEAR

Del Monte Foods Wins 2020 Product of the Year Award in **Three** Categories



- Winners determined by the votes of 40,000 consumers in a survey conducted by Kantar (World's largest consumer-voted award for product innovation – 12th year of the award in the U.S. and >30 years globally)
- This win builds on our past Product of the Year recognition for *Del Monte Fruit & Oats* in 2019 and *Del Monte Fruit Refreshers* in 2017
- Product of The Year seal is well-recognised by consumers and will be incorporated into marketing activations



USA – HOLIDAY WINS

Del Monte Vegetable



Digital Banners



In-Store Displays



Ad Features



iHeart Radio Integration

- ✓ Another successful year for our Green Bean Casserole Partnership
- ✓ Quarterly \$ Share Grew +2.8 pts
- ✓ 4.9% more in-store displays vs. year-ago

College Inn



In-Store Displays



FSI



Digital



Ad Features



USA - INNOVATION

College Inn® Culinary Stock



NEW!

Choose award-winning taste

College Inn® Artisan Chicken Culinary Stock is kettle-cooked with the highest quality ingredients, giving it the rich flavor that helped it earn the 2019 Chefs' Best® Excellence Award. Try our full line of delicious stocks.

Save 50¢
on any one (1) 32 oz. College Inn® Broth or Stock, any flavor.

Save \$1.00
on any one (1) 32 oz. College Inn® Culinary Stock, any flavor.

Delicious is in the details™

Consumer Promotion

Start Ship: July

Each glass jar:

- ✓ Finest artisanal ingredients, free-range chicken and grass-fed beef
- ✓ Is kettle cooked in small batches
- ✓ Always 100% natural

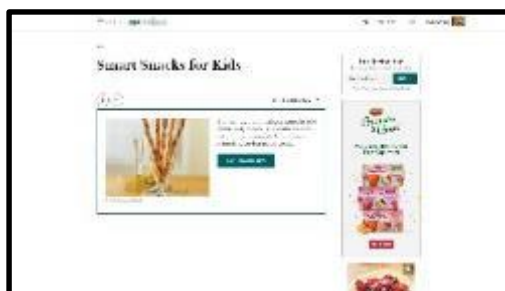


Social Media



USA - INNOVATION

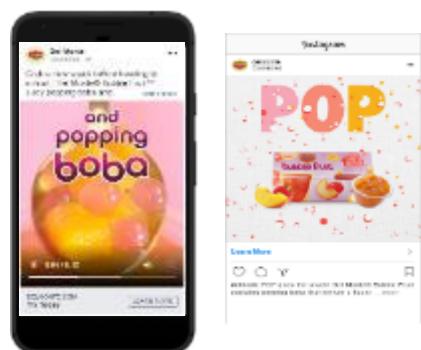
Del Monte Bubble Fruit®



Digital Display



Consumer Promotion

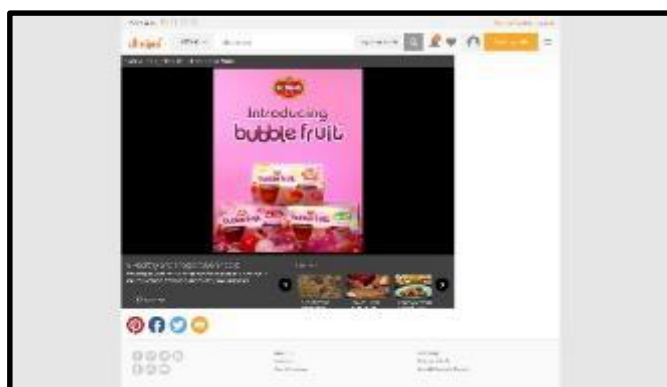


Social Media

Start Ship: July

Each 4oz cup contains:

- ✓ Popping Boba, real fruit with fruit juice
- ✓ No artificial flavours or sweeteners
- ✓ Less sugar than competing sweet treats



Online Video

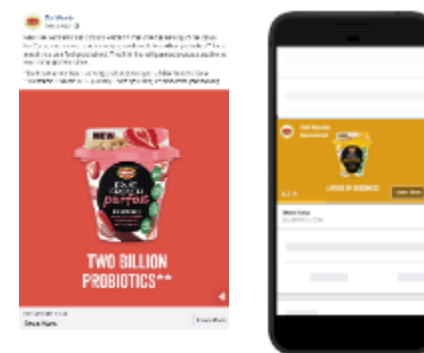
Del Monte® Fruit Crunch Parfait™



Digital Display



Consumer Promotion



Social Media

Start Ship: April

Each cup contains:

- ✓ 1 full serving of fruit
- ✓ Non-dairy
- ✓ Made with probiotics to promote gut health
- ✓ Layers of creamy, crunchy, delicious goodness



Online Video



USA – HEALTHY NEW YEAR



Social Media



Del Monte Veggieful

- Incremental volume +20% vs year-ago with better pricing, quality and/or duration



Paid Digital



GrowingGreat Partnership

- Del Monte launched a partnership with GrowingGreat, a 501(c)3 nonprofit
- Growing Great works with 450-member Association of Science and Technology (ASTC) national Early Childhood group
- Program provides educational, stem-based content to children in schools and science museums



USA - FOODSERVICE

National Account Contract Renewals



- Three major national account contracts have been renewed at pricing that provides improved margins for Del Monte:
 - KFC (Green Beans)
 - Buffalo Wild Wings (Mandarin Oranges)
 - Moe's Southwest Grill (Reduced Sodium Corn)

Refrigerated Produce Digital Promotions



- New digital campaigns have been launched to Foodservice operators, focusing on the quality and convenience of Del Monte Produce.
- Operators are driven to a web page that invites them to request a sample. Sales and Broker team members are following up directly with qualified leads.

Riced Cauliflower Bowls at Café Yumm



- *Del Monte Harvest Selects Riced Veggies* are filling bowls at Café Yumm, a 23-unit chain with a regional menu that is focused on healthy and delicious items.
- Café Yumm has promoted the Riced Cauliflower as an upcharge option in many of its bowls, with added emphasis during the health-focused New Year season.



PHILIPPINES

87% +2.9pts
Market Share (#1)
Packaged Pineapple

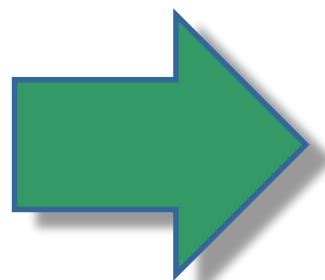
69% +1.7pts
Market Share (#1)
Canned Mixed Fruit

86% +2.9pts
Market Share (#1)
Canned and Carton Juices

84% +1.0pts
Market Share (#1)
Tomato Sauce

37% -1.4pts
Market Share (#1)
Spaghetti Sauce

- Del Monte has retained and improved market share leadership in all major categories, especially in Fruits and Beverages. However, there are challenges in Spaghetti Sauce, where the market is under attack from low-priced discount brands
- Growth is seen across both General Trade (50% of Sales) and Modern Trade (35% of Sales) behind increased consumption, with General Trade further buoyed by improvements in distributor operations
- Del Monte continues to establish a stronger presence in emerging channels of Convenience Stores and E-Commerce



To sustain growth: Continue to drive core category growth in key channels and segments; strengthen the Spaghetti portfolio to protect against low-priced entrants

Source for market shares: Nielsen Retail Index as of 3 months to December 2019; Canned mixed fruit is a combined share for Del Monte and Today's brands; Spaghetti sauce is a combined share for Del Monte, Today's and Contadina brands



PHILIPPINES

- In 3Q, 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
- Retail sales grew by 7% in peso sales value. Non-retail foodservice was flat
- Sales in the General Trade (~50% of Philippines sales) grew by 9% as the Group continued to make progress in improving its distributor business
- Sales in the Modern Trade (~35% of Philippines sales) increased by 5%
- Positive market share improvements in Beverages and Packaged Fruits



Del Monte Tomato Sauce “Sauce-special” integrated campaign to push relevance in everyday meals



PHILIPPINES – SALES DISTRIBUTOR TRANSITION



Successful transition to new distributors in key areas, accounting for 30% of General Trade volume, delivering significant growth:

- ✓ Central Luzon – Pampanga/Bataan, +15%
- ✓ Greater Manila Area, + 10%
- ✓ South Luzon – Cavite, +132%
- ✓ Provincial Cebu, +24%

General Trade performance improvement from operational fixes and focus on core sales skills



PHILIPPINES – CULINARY (KETCHUPS AND CONDIMENTS)



Launch of Stand Up Pouches

- ✓ Full range of Del Monte condiments in pouch
- ✓ Accessible pricing to recruit new users
- ✓ Enables expansion to smaller stores



Increased product supply behind core bottles products

- ✓ Added toll manufacturers
- ✓ Massive re-pipeline efforts

Push to increase consumption occasions

- ✓ New advertising with various uses of condiments beyond dipping
- ✓ Association with high penetration snacks
- ✓ Above the Line and digital presence



PHILIPPINES - CULINARY



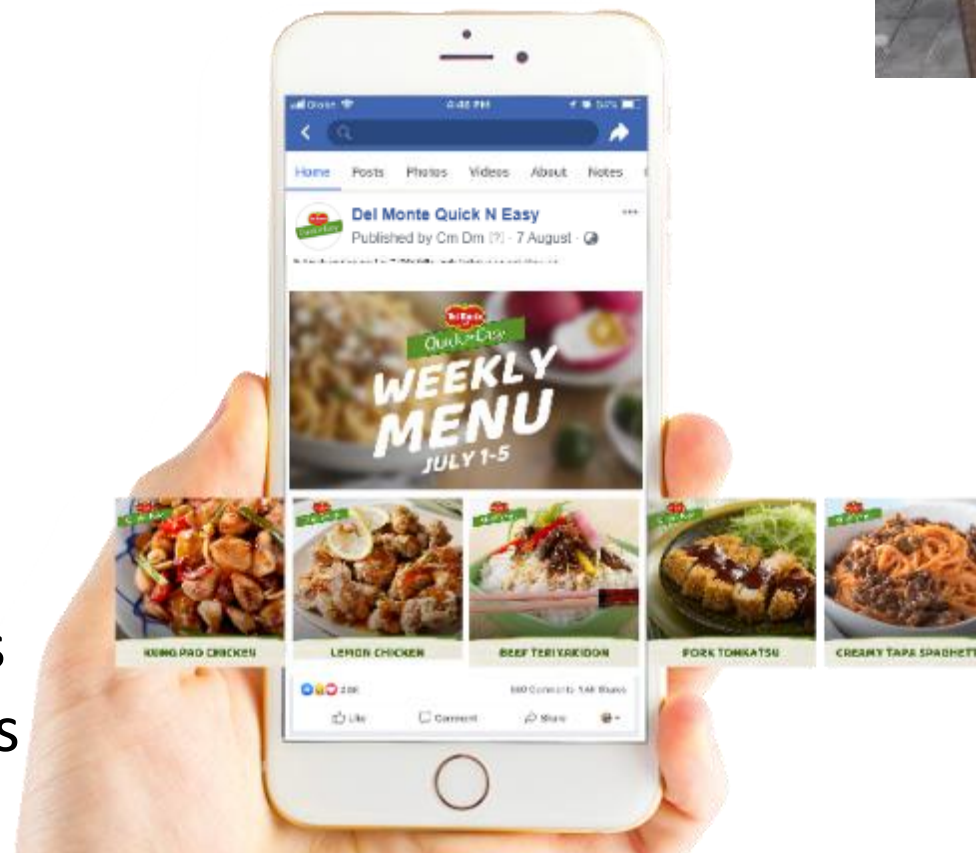
In-store events in premium supermarkets

- ✓ On the ground selling and sampling
- ✓ Product Highlights
- ✓ Bundle Packs



Leadership presence during key Christmas season

- ✓ Spaghetti Sauce and Pasta Christmas gift packs
- ✓ Variant-specific communications behind premium flavours such as Carbonara



Del Monte Quick N Easy

- ✓ Relaunch of digital with weekly menu planners
- ✓ “Choose your own Adventure” with QNE’s exciting variety of flavours



PHILIPPINES - BEVERAGE



Re-air of the 100% Fruitection TVC campaign highlighting *Del Monte 100% Pineapple Juice's* value



Broaden relevance of *Del Monte Fit 'n Right Juice* from just weight loss to holistic fitness



New “Juice up Your Life” campaign for *Del Monte Juice Drinks*



PHILIPPINES - FRUITS



Consumption-drive of packaged pineapple, by levelling up core Filipino recipes by simply adding pineapple



Expand accessibility with the launch of lower-priced Stand-Up-Pouches

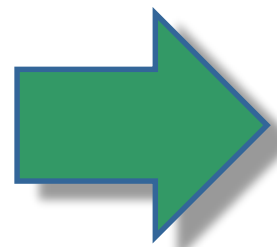


Christmas season behind *Del Monte Fiesta Fruit Cocktail*



S&W ASIA

- Consumers moving towards less processed and more natural food: S&W expanding sales of S&W *Sweet 16* fresh pineapple
- E-commerce and digital are growing with North Asia having the largest share of E-commerce pie: S&W is actively developing this channel



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





S&W ASIA

- Sales of the S&W branded business in Asia and the Middle East grew by 11% in 3Q
- Mainly driven by higher sales of fresh pineapple in North Asia and the Middle East as a result of expanded distribution
- S&W packaged product also delivered higher volume and sales



McDonald's burger in China with *S&W Pineapple Slices* during Chinese New Year promotion



Gondola display of *S&W Apple Cider Vinegar* in Indonesia



S&W IN SINGAPORE

Launch of Pinabar Machine in Singapore
Location: NTUC Fairprice Hyper, Ang Mo Kio Hub

Offering added value and convenience to consumers, an automated Pinabar machine is placed in the supermarket to cut and peel pineapples which then put the pineapple slices into a container



Reinforcement of S&W's branding by co-supporting branded containers with the participating store



Sampling program



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
- Will continue to monitor and mitigate any risks posed by COVID-19 on sales, particularly fresh pineapples in China
- In February, we experienced softer demand and some logistics hurdles in China, but have 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
- Also monitoring supply chain, primarily in China, so that we can minimise any potential impact on raw and packaging materials, and equipment sourcing
- Continue to take the necessary precautionary measures to ensure the health and safety of employees



SUSTAINABILITY

- Del Monte Foods builds on its sustainability efforts by eliminating plastic water bottles from its facilities, vending machines, and company meetings and events
- In the Philippines, Del Monte encourages all employees to eliminate single-use plastics from company premises and activities across all operating units
- Del Monte Foundation donated products to the relief operations caused by the Taal volcano eruption in the Philippines
- Del Monte Philippines has collected about 17,500 kgs of plastic waste for conversion into school chairs to be donated to public schools





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