



Growers
OF Good™

DEL MONTE PACIFIC 3Q FY2021 RESULTS

10 March 2021



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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Notes to the 3Q FY2021 Results

- Third quarter is from 1 November 2020 to 31 January 2021.
- DMPL owns 87% of Del Monte Philippines, Inc and 93.6% of Del Monte Foods, Inc. DMPL, therefore, recognises 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.



3Q FY2021 Highlights

- DMPL grew sales by 13% on higher consumption of healthy, shelf-stable food at home – Philippines sales expanded by 20% and USA sales rose 12%
- Achieved improved gross margin of 26.9% from 20.4% on better sales mix, lower trade spending and lower costs
- Group delivered EBITDA of US\$99m, 74% higher versus prior year, and net profit of US\$30m, a 4-fold increase over last year
- DMPL's USA subsidiary, Del Monte Foods, achieved an EBITDA of US\$61m, more than double the prior year's US\$26m, and delivered a net profit from a loss last year
- Group reduced net debt to US\$1.3bn from US\$1.6bn, significantly lowering gearing to 2.2x from 3.3x equity



Outlook

- To meet sustained demand for our trusted, healthy and shelf-stable products, we will continue to optimise our production while implementing strict safety measures against COVID-19
- Strengthen our core business, expand the product portfolio, in response to market trends for health and wellness, and grow our branded business
- DMPL is well-positioned in this environment given its nutritious and long shelf-life products which enable consumers to prepare nutritious meals at home and build their immunity amidst the pandemic
- DMFI is also well-placed to improve performance in the US in FY2021 with a more efficient supply chain accomplished from the restructuring in the last fiscal year, better sales mix and management of costs
- The DMPL Group expects to generate a net profit for the balance of the year and a net profit for the full year





DMPL 3Q FY2021 Group Results Summary

- Sales of US\$628.4m, +13%

Sales	% Change
Americas	+13
Philippines	+20 (in peso terms +14)
S&W	-7
FieldFresh India (equity accounted)	-9 (in rupee terms -6)

There are no one-off items this quarter. All figures below are vs prior year quarter (excluding one-off items which were minimal):

- EBITDA of US\$99.0m, up 72% from US\$57.6m, due to higher volume and better sales mix in USA and Philippines from pandemic-driven higher consumption of trusted, high quality, healthy, shelf-stable products; active cost management with significant savings from DMFI's asset-light strategy and other cost saving initiatives
- Operating profit of US\$74.3m, up 141% from US\$30.9m
- Net profit of US\$30.2m, up 4x from US\$7.4m



DMPL 3Q and 9M FY2021 One-Off Expense/(Income)

There are no one-off items this period

<i>Amounts in US\$ million</i>	For the three months ended 31 January			For the nine months ended 31 January		
	FY2021 (Unaudited)	FY2020 (Unaudited)	%	FY2021 (Unaudited)	FY2020 (Audited)	%
DMFI one-off expenses:						
Plant closures	-	0.2	nm	-	77.4	nm
Severance	-	0.4	nm	-	2.0	nm
Others	-	0.0	nm	-	0.1	nm
Total (pre-tax basis)	-	0.7	nm	-	79.5	nm
Tax impact	-	(0.2)	nm	-	(19.4)	nm
Non-controlling interest	-	(0.1)	nm	-	(6.4)	nm
Total DMFI one-off expenses (post tax, post NCI basis)	-	0.5	nm	-	53.8	nm
Second Lien Loan Purchase:						
Net (gain) cost due to the purchase of DMFI's second lien loan at a discount	-	(1.7)	nm	-	(1.5)	nm
Tax impact for the other one-off items	-	0.4	nm	-	0.4	nm
Total one-off gain on second lien loan purchase (post tax basis)	-	(1.3)	nm	-	(1.2)	nm
Intercompany Dividends Tax:						
Final tax paid on intercompany dividends	-	-	nm	-	39.6	nm
Deferred tax on undistributed share in profits	-	1.5	nm	-	4.1	nm
Total one-off final taxes on intercompany dividends	-	1.5	nm	-	43.8	nm
Total (post-tax and post non-controlling interest)	-	0.7	nm	-	96.4	nm

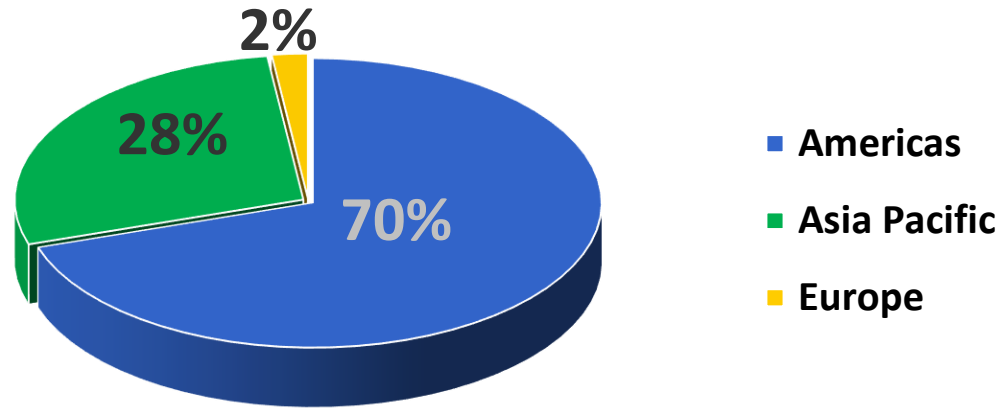


DMPL 3Q FY2021 Results – As Reported

In US\$m	3Q FY2020	3Q FY2021	Chg (%)	Comments
Turnover	555.3	628.4	+13.1	Higher USA, Philippines and international market sales driven by the pandemic
Gross profit	113.4	168.9	+48.9	Higher volume, better sales mix and active cost management including savings from DMFI's asset-light strategy and other cost saving initiatives
EBITDA	57.0	99.0	+73.9	Same as above
Operating profit	30.2	74.3	+146.1	Same as above
Net finance income/ (expense)	(23.9)	(26.7)	+11.9	Higher interest expense and lower interest income
FieldFresh equity share	(0.4)	(0.1)	nm	Improving B-to-B business
Tax benefit/(expense)	(0.7)	(12.1)	nm	Higher profit
Net profit/(loss)	6.7	30.2	+352.5	Same as EBITDA
Net debt	1,603.1	1,325.9	-17.3	Lower due to stronger operating results
Gearing (%)	333.0	219.2	-114ppts	Same as above plus higher shareholder's equity



DMPL 3Q FY2021 Turnover Analysis



Americas	+12.5%	<ul style="list-style-type: none"> Sustained higher demand from the pandemic The principal categories experienced strong growth as consumers chose healthy and shelf-stable products in response to COVID-19
Asia Pacific	+14.6%	<ul style="list-style-type: none"> Robust sales in the Philippines, up 20% in US dollar terms Increased total Fresh sales by 11%
Europe	+16.0%	<ul style="list-style-type: none"> Higher beverage sales with higher pineapple juice concentrate price



9M FY2021



DMPL 9M FY2021 Group Results Summary

- Sales of US\$1.7bn, +12%

Sales	% Change
Americas	+13
Philippines	+17 (in peso terms +11)
S&W	-10
FieldFresh India (equity accounted)	-20 (in rupee terms -16)

There are no one-off items this period. All figures below are vs prior year period (excluding one-off items):

- EBITDA of US\$235.8m, up 42% from US\$165.9m, due to higher volume and better sales mix in USA and Philippines from pandemic-driven higher consumption of trusted, high quality, healthy, shelf-stable products; active cost management with significant savings from DMFI's asset-light strategy and other cost saving initiatives
- Operating profit of US\$162.7m, up 62% from US\$100.4m
- Net profit of US\$48.8m, up 78% from US\$27.4m

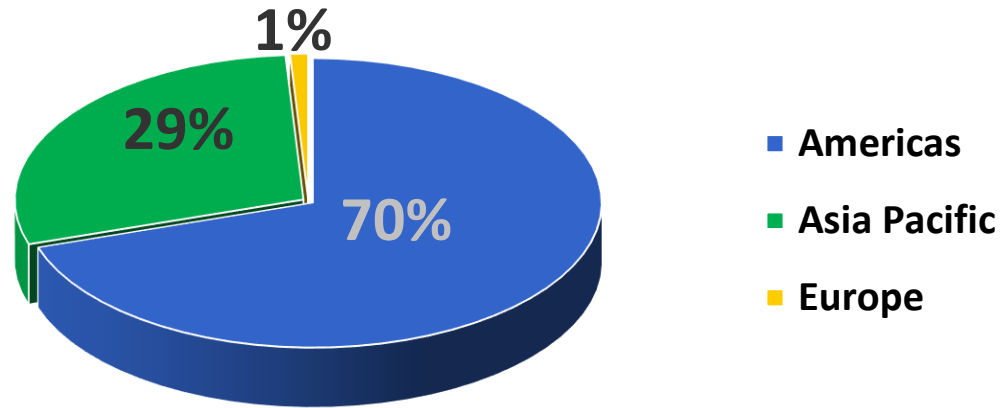


DMPL 9M FY2021 Results – As Reported

In US\$m	9M FY2020	9M FY2021	Chg (%)	Comments
Turnover	1,489.9	1,664.9	+11.7	Higher USA, Philippines and S&W packaged sales driven by the pandemic
Gross profit	338.7	422.8	+24.8	Higher volume, better sales mix and active cost management including savings from DMFI's asset-light strategy and other cost saving initiatives
EBITDA	86.3	235.8	+173.2	Same as above, plus last year had one-off expenses
Operating profit	20.9	162.7	+678.3	Same as above
Net finance income/ (expense)	(72.4)	(79.2)	+9.3	Higher interest expense and lower interest income
FieldFresh equity share	(1.1)	(1.0)	-9.0	Improving B-to-B business
Tax benefit/(expense)	(25.4)	(23.8)	-6.2	Higher last year due to payment of final taxes on dividend from subsidiary
Net profit/(loss)	(69.0)	48.8	+170.7	Same as EBITDA
Net debt	1,603.1	1,325.9	-17.3	Lower due to stronger operating results
Gearing (%)	333.0	219.2	-114ppts	Same as above plus higher shareholder's equity



DMPL 9M FY2021 Turnover Analysis



Americas	+12.9%	<ul style="list-style-type: none"> Sustained higher demand from the pandemic The principal categories experienced strong growth as consumers chose healthy and shelf-stable products in response to COVID-19
Asia Pacific	+10.1%	<ul style="list-style-type: none"> Higher sales in the Philippines, up 17% in US dollar terms Strong S&W sales of shelf-stable packaged products
Europe	-8.1%	<ul style="list-style-type: none"> Lower packaged fruit and beverage sales



Market Updates for 3Q FY2021



USA

18.9%

Market Share

Canned Vegetable (#1)

20.2%

Market Share

Canned Fruit (#2)

24.8%

Market Share

Fruit Cup Snacks (#2)

5.2%

Market Share

Canned Tomato (#3)

- Strong category growth momentum continued into 3Q although moderating versus 1H
- Consumers continuing to turn to trusted brand names as they prepare more meals at home and seek healthy snacking in response to pandemic
- Del Monte growth momentum strong, as supply constraints eased by the end of the quarter



To drive growth long-term, 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 RMS / Scantrack DMFI Custom DBs, Eq Vol share, Total xAOC, Latest 3M ending 30 January 2021. In 3Q FY2020, we reported based on value. For comparability, 3Q FY2021 value shares are 21.8% Canned Veg, 23.9% Canned Fruit, 26.0% Fruit Cup and 6.3% Canned Tomato. Share ranking for Del Monte in a category / segment is based on Branded universe only and excludes Private Label. Beginning month ending 30 May 2020, new expanded definition of Veg category which includes Southern and Unique



Del Monte Foods USA 3Q Results

- DMFI's 3Q sales improved by 12% to US\$440m mainly due to higher branded retail sales, up 26%, arising from the pandemic
- Higher sales of new products launched in the past 3 years accounted for 5% of DMFI's total net sales and 7% of branded sales in 3Q
- DMFI won a "Product of the Year" award for innovation
 - ✓ Del Monte Deluxe Gold Pineapple, a premium canned pineapple produced by Del Monte Philippines, Inc, won in the Fruit category
 - ✓ Del Monte Veggieful Pocket Pies won in the Convenience Meal category
- E-commerce sales saw significant increase continuing the strong growth momentum
- Much higher gross margin of 24.4% from 15.8% on favourable sales mix from higher sales of higher-margin retail branded products, lower trade spending and lower costs
- Improved EBITDA substantially to US\$61.2m from US\$26.0m, and generated a net profit, reversing the loss in the prior year





USA

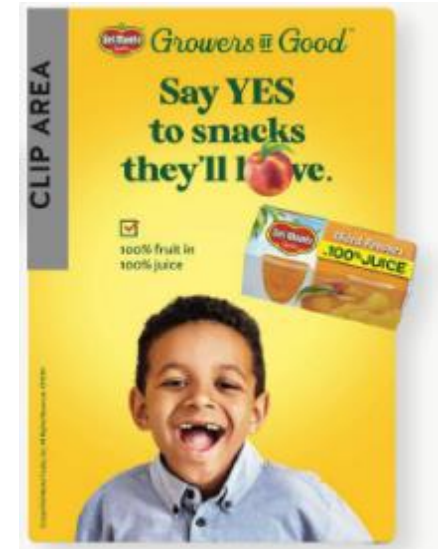
Del Monte Vegetables Holiday



Holiday Green Bean Casserole Partnership:

- ✓ Partnered with French's Onions & Campbell's Soup
- ✓ Shopper marketing and in-store support across key retailers
- ✓ Strong digital and social support

Del Monte Fruit Cup



Return to School

- ✓ Strong digital, social and shopper support
- ✓ New Tik Tok video for Bubble Fruit showing great performance
- ✓ Strong share growth



USA

Del Monte Bubble Fruit Tik-Tok Video



College Inn Holiday

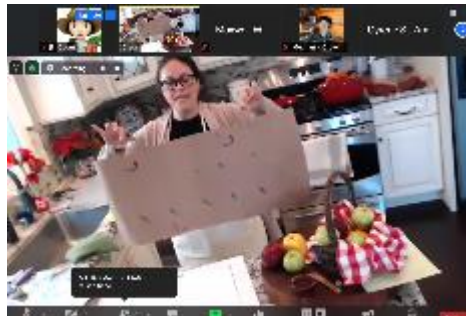


- ✓ Continued new item support for **Savory Infusions**, including Shopper, in-store, coupon and digital ads
- ✓ **College Inn “base”** support, including Shopper, digital ads and a College Inn + Del Monte Vegetable holiday ad



USA PR Highlights

- **1.6bn garnered impressions** - In 3Q, Del Monte Brands and Corporate secured over 2,200 media placements garnering 1.6bn impressions
- **Brand activations during key holiday periods drove high impressions** – Our brands were part of the Holiday cooking conversations in consumers’ homes via Broadcast and Social where we showed how to use Del Monte and College Inn products
- **Growing Great partnership** – Despite COVID in-person restrictions, our Growing Great partnership continues to reach out to kids and parents through distance learning programmes



THE SPLENDID TABLE
Store-bought Chicken Stock Staff Tasting



THE WALL STREET JOURNAL

Thanksgiving in a Pandemic Means Smaller Birds, Fewer Leftovers

Holiday season brings new challenges to grocers and food makers



Just for your regular news, Del Monte Foods Co. includes very small capital letters like I covered Thanksgiving news. This paragraph is getting smaller, so we added extra to previous, and this paragraph. Del Monte's CEO: "It's wonderful!"

Wirecutter



The Best Chicken Broth and Stock You Can Get in the Store

2. The **College Inn Unsalted Chicken Stock** (about \$3.00 per quart) got different grades from the testers, as I thought it was rich and Wimmie ranked it as her number-two pick. In her notes, Wimmie wrote that this stock had "sweet chicken flavor" that was "pleasant and clean." She also found it "surprisingly rich" given the "fairly clear straw color." I put the College Inn Unsalted Chicken Stock squarely in the middle.





USA Foodservice

Recently secured new strategic partnerships with 2 of the top 5 broadline distributors. These new partnerships will support our objective to grow business within targeted segments and increase distribution on core products and innovation.



US Foods® is the #2 ranked broadline foodservice distributor within the US market. They support approximately 300,000 restaurants and foodservice operators with a broad range of food and beverage products and business solutions. They employ 28,000 and have 70 distribution centers across the US.



PFG is the #3 ranked broadline foodservice distributor within the US market. They provide food and beverage products to over 200,000 locations including independent and chain restaurants, schools, business and industry locations, healthcare facilities, vending distributors, office coffee service distributors, big box retailers, theaters and convenience stores. They currently have 100 distribution centers across the US.



New Account: 37 Advocate Health Locations

Sold 10 new Grab & Go products into 37 on-site retail locations, cafes and coffee shops.



Secured KFC Green Bean business
 Now the primary supplier for KFC green beans.
 Delivering sales of 260,000 cases and US\$4m in sales





Philippines

88.0% +1.1pts
Market Share
Packaged Pineapple (#1)

75.5% +6.3pts
Market Share
Canned Mixed Fruit (#1)

49.2% +5.9pts
Market Share
RTD Juices ex-SUP* (#1)

86.7% +2.8pts
Market Share
Tomato Sauce (#1)

38.4% +1.9pts
Market Share
Spaghetti Sauce (#1)

- Del Monte continues to enjoy strong market share leadership across all its major categories, and further strengthened share during the pandemic, as Del Monte is sought as a trusted, healthy, high quality brand that is perfect for the increased incidence in-home cooking
- In particular, market share in Spaghetti Sauce has grown significantly behind its new “*Iba ang Sarap Del Monte*” (Del Monte’s distinct taste) campaign. The new campaign emphasizes the remarkable Del Monte Spaghetti Sauce quality, and is successfully countering the intense competition of affordable brands that continue to rely heavily on price promotions

To sustain growth: Continue to strengthen the competitive position of our brands, and drive core category growth in key channels and segments



Philippines

- In 3Q, Philippines sales soared 20% in US\$ terms and 14% in peso terms. Retail channel sales rose 27%, offsetting declines in foodservice
- Higher packaged fruit and culinary product sales behind consumer campaigns promoting regular cooking with Del Monte pineapples and tomato sauces. Beverage continues focus on immunity-building benefit
- Expanded our e-commerce presence, investing in both digital capability and partnerships with leading online platforms Lazada and Shopee. This resulted in significant growth albeit from a low base
- Launched the all new Del Monte Kitchenomics app which features thousands of recipes with Del Monte products, as well as meal planners, shopping lists, and easy links to e-commerce platforms
- Introduced limited edition Christmas products such as Del Monte Deluxe Gold and Fiesta Fruit Cocktail in festive clear cans for smaller in-home celebrations during the pandemic
- Launched the Tomato Sauté (Tomato Ginisa) pack in January, a low-unit price offer for the popular Del Monte Tomato Sauce, in an effort to extend its use to everyday dishes



100% Pineapple Juice:
"Help avoid sickness"

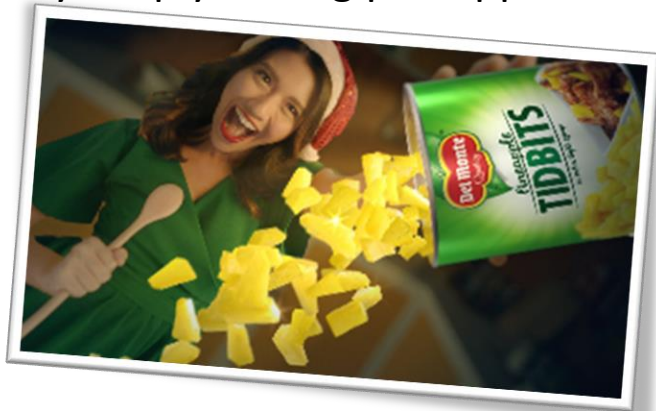




Philippines - Fruits

Core communications focusing on increased usage during Christmas:

- Level up Filipino Christmas recipes by simply adding pineapple



- Sustain the Filipino tradition of preparing fruit salad during Christmas



New product introductions to maximise the peak season:

Del Monte Deluxe Gold:

Premium pineapples for the ABC1 segment, perfect for gifting and snacking



Fiesta Fruit Cocktail in Clear Cans:

Targets smaller family celebrations during the pandemic



Philippines - Beverage

Strengthening the core strengths of each brand, even while improving pandemic relevance during COVID-19:

100% Pineapple Juice:

Super Fruit campaign promises strong immunity plus now a mood boost



Del Monte Juice Drink:

Health with 1 can/glass = 1 serving of fruit and 100% Vitamin C



Del Monte Fit 'n Right:

Promotes fitness paired with at-home consumption of FnR. Also promoted the new SKU – Apple Tetra 1-litre in key targeted cities





Philippines - Culinary

Maximising the opportunities from increased home-cooking incidence:

Del Monte Tomato Sauce:

‘Sauce-Sulit*, Sauce-Special’ campaign now pushes everyday cooking; Christmas dishes heavily featured in 3Q



Del Monte Ketchup:

Promotes the full range as well as extending usage to different applications



*Sulit means worth it



Philippines - Culinary

Expanding our offers to be accessible to all consumers:

Del Monte Tomato Paste:

Launch of PHP 5 sachet Tomato Ginisa (Tomato Sauté)

Today's Tomato Sauce:

Launch in Visayas and Mindanao, where competition invests in budget brands





Philippines - Culinary

Highlighting product quality and superiority :

Del Monte Quick 'n Easy:

New #AchieveRealSarap campaign, emphasizes the Natural Ingredients promise



Del Monte Spaghetti Sauce:

“Iba Ang Sarap” (the difference is delicious) superiority campaign highlights real quality ingredients which make it the best-tasting





S&W

- COVID-19 started in China which is S&W's largest market in Asia. The pandemic affected the Fresh market in China most significantly but is now recovering
- It also affected the foodservice channel especially in South Korea, Japan and UAE for fresh and processed products
- E-commerce and digital are growing with North Asia having the largest share of E-commerce pie. S&W is in most of the portals in China and South Korea. Fresh ecommerce sales in China were up significantly in 3Q from a small base

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



Hema



Dingdong



Pinduoduo





S&W

- 3Q sales of S&W packaged products in Asia and the Middle East decreased by 9% as higher sales of canned pineapple and juices were offset by the decline in other categories partly due to supply constraints
- Sales of fresh pineapples, the majority of which are branded, grew by 11%
- We expect the fresh business to continue growing in 4Q as more consumers venture to retail outlets in North Asia coupled with increased e-commerce sales
- The Group's branded pineapples are ranked #1 in the imported pineapple category of China's JD.com and Pinduoduo.com



2021 Chinese New Year tag used for China, Singapore and Taiwan for 1,000,000 fruits for 6 weeks



Penetration into 3rd-4th tier cities by Pinduoduo.com. We are no. 1 in the imported pineapple category



S&W



Hong Kong: In Nov 2020, over 250 McDonald's outlets included S&W sliced pineapples in their McSpicy burgers

In Jan-Feb 2021, S&W Fiesta Fruit Cocktail was included in McDonald's Prosperity McFizz drink

China: In Dec-Feb, 9 Popeyes outlets included S&W sliced pineapples in their Pineapple Fish-o-Burger



FieldFresh India

- DMPL's share of loss in 3Q was US\$0.1m, lower than prior year quarter's US\$0.4m as business continued to recover from the impact of the pandemic on foodservice and QSR business. Foodservice accounted for about 50% of sales pre-pandemic in India
- Retail and e-commerce sales continued to improve as B-to-B business recovered



Mayo Bottle Range revamp in Nov 2020

- Moved from glass to an easy-to-use, premium-shaped, plastic 'tottle' in order to better tap into a Rs12bn annual opportunity
- 'Squeeze, Spread, Smile' messaging crafted to communicate the product/format proposition

Soy sauce introduction in Dec 2020

- Launched in two formats: glass bottle and spout pack
- Completes our range of oriental sauces enabling Del Monte to play in a Rs7bn annual opportunity



Sustainability

- DMPL is gearing up for the Rainforest Alliance certification of its pineapple operation in the Philippines
- Initiatives underway to enhance soil conservation
- Solar power facility to be installed in the Philippines
- To date, DMPL has collaborated with over 300 organisations to support marginalised communities and frontliners during the COVID-19 pandemic
- NBC news network in the US cited Del Monte Foods in reducing plastics, carbon emissions and waste by donating products to food banks
- Materiality assessment in the US identified key sustainability priorities across stakeholders
- DMPL's FY2021 Sustainability Report was shortlisted as a finalist in the 2020 Asia Sustainability Reporting Awards, Singapore - Asia's Best Community Reporting Category



Outlook

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