

Del Monte Pacific 3Q FY2024 Results

15 March 2024



Nourishing Families.
Enriching Lives.
Every Day.

Disclaimer



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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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Contents

- Summary
- 3Q FY2024 Results
- 9M FY2024 Results
- Market Updates
- Sustainability
- Outlook



Notes to the Results



- 3Q FY2024 is from 1 November 2023 to 31 January 2024
- 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



Third Quarter FY2024

- Del Monte Pacific Limited (DMPL) Group sales declined by 5% to US\$647m on lower USA, Philippines and packaged export sales despite a 17% growth in Fresh exports
- The Group maintained its leading market share position across core products
- Together with higher operating costs, lower sales resulted in lower gross profit of US\$117m
- Along with increased interest expense, the Group suffered a net loss of US\$29m from a net profit of US\$10m in the prior year quarter

Nine Months FY2024

- DMPL Group sales were maintained at US\$1.8bn on stable turnover in USA and the Philippines
- Gross profit was lower at US\$360m due to inflationary and higher operating costs
- A net loss of US\$51m was recorded vs a net profit of US\$29m in the prior year period



Outlook

- Expects to deliver improved 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
- In Asia, increasing production of our superior MD2 fresh pineapple to support higher export demand of these highly sought-after premium products
- 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
- Anticipates that FY2024 will be a year during which the company focuses on reducing inventory and further lowering operating costs. It expects to incur a loss in this financial year, in line with earlier guidance
- In FY2025, DMFI will continue to correct the inventory by reducing the aggregate pack plan across all categories by over 30%. Groupwide gross margin will benefit from the inventory reduction plan since FY2024 with lower waste of aging items, lower warehousing costs and lower trade spend to liquidate stocks
- DMFI will also close two vegetable plants in Wisconsin and Washington which will lower fixed costs and improve margins. DMFI will consolidate its green beans volume from Wisconsin into another plant



3Q FY2024 Results Summary



- Sales of US\$646.7m, -5.1%

Sales	% Change
Americas	-5.8
Philippines	-2.1 (in peso terms -4.0)
International	-20.6
India (equity accounted)	-7.3 (in rupee terms -5.7)

All figures below are vs prior year quarter:

- EBITDA of US\$40.5m, down 49% from US\$80.2m, mainly due to higher operating costs
- Operating profit of US\$22.8m, down 60% from US\$57.2m
- Net loss of US\$29.0m from a net profit of US\$9.8m due to lower operating results and increased interest expense from higher bank loans

3Q FY2024 Results

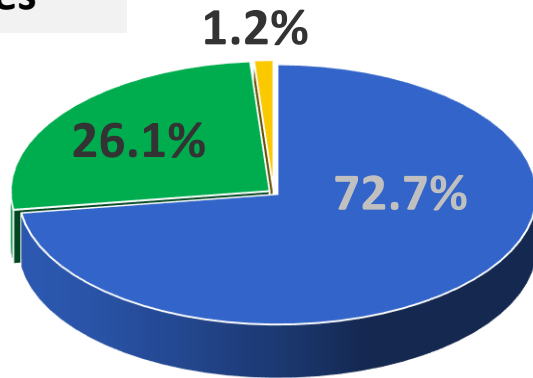


In US\$m	3Q FY2023	3Q FY2024	Chg (%)	Comments
Turnover	681.2	646.7	-5.1	Lower sales in USA, Philippines and exports of packaged pineapple
Gross profit	152.2	116.6	-23.4	Mainly due to higher operating costs
Gross margin (%)	22.3	18.0	-4.3ppts	Same as above
EBITDA	80.2	40.5	-49.5	Same as above
Net profit	9.8	(29.0)	<i>nm</i>	Lower operating results and higher interest expense
Net margin (%)	1.4	(4.5)	<i>nm</i>	Same as above
Net debt	2,187.3	2,432.4	+11.2	Due to working capital and debt servicing
Gearing (%)	582.5	731.7	+149.2ppts	Same as above
Net debt/EBITDA (x)	6.1	11.4	+5.3x	Same as above

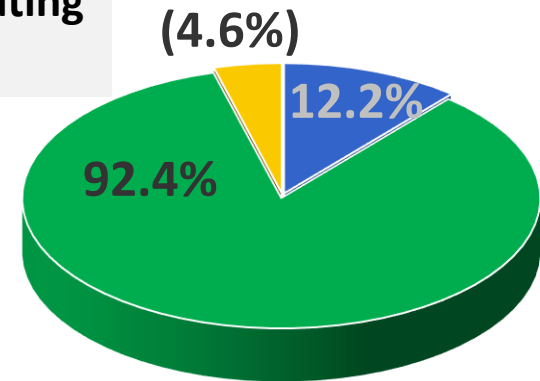
3Q FY2024 Turnover and Operating Profit Analysis



Sales



Operating Profit



- Americas
- Asia Pacific
- Europe

	Sales growth	Comments
Americas	-5.8%	<ul style="list-style-type: none"> ▪ Driven by strategic shift away from lower-margin co-pack products (products which DMFI packs for other manufacturers), as well as lower canned fruit and vegetable sales on declining category trends
Asia Pacific	+0.7%	<ul style="list-style-type: none"> ▪ Higher sales of Fresh from favorable mix due to increased volume of the higher-margin S&W Deluxe pineapple as well as better pricing ▪ Offset by lower Philippine sales
Europe	-47.4%	<ul style="list-style-type: none"> ▪ Lower sales of pineapple juice and packaged pineapple

9M FY2024 Results Summary



- Sales of US\$1.8bn, flat

Sales	% Change
Americas	+1.4
Philippines	-0.6 (in peso terms -0.8)
International	-19.2
India (equity accounted)	-5.4 (in rupee terms -2.0)

All figures below are vs prior year period on recurring basis. There was no one-off item this year but last year had US\$77.4m gross (US\$53.9m net) due to early loan redemption:

- EBITDA of US\$155.5m, down 43% from US\$274.7m, mainly due to inflationary and higher operating costs
- Operating profit of US\$93.3m, down 56% from US\$210.9m
- Net loss of US\$50.6m from a net profit of US\$82.7m due to lower operating results

9M FY2024 Results – Reported Basis

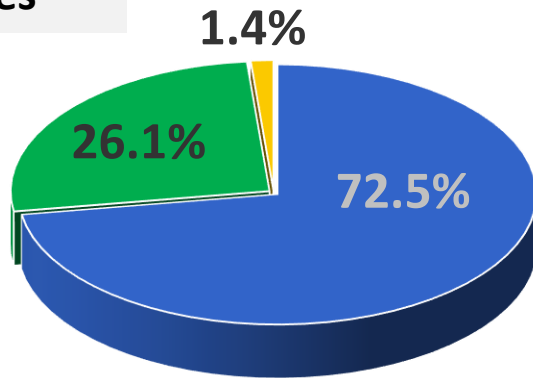


In US\$m	9M FY2023	9M FY2024	Chg (%)	Comments
Turnover	1,836.7	1,830.5	-0.3	Higher sales in USA and higher exports of fresh pineapple were offset by lower exports of packaged pineapple and lower Philippine sales
Gross profit	489.2	360.4	-26.3	Mainly due to inflationary and higher operating costs
Gross margin (%)	26.6	19.7	-6.9ppts	Same as above
EBITDA	274.7	155.5	-43.4	Same as above
Net profit	28.9	(50.6)	<i>nm</i>	Lower operating results
Net margin (%)	1.6	(2.8)	<i>nm</i>	Same as above
Net debt	2,187.3	2,432.4	+11.2	Due to working capital and debt servicing
Gearing (%)	582.5	731.7	+149.2ppts	Same as above
Net debt/EBITDA (x)	6.1	11.4	+5.3x	Same as above

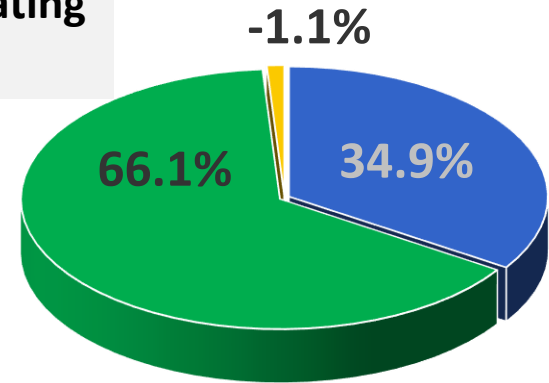
9M FY2024 Turnover and Operating Profit Analysis



Sales



Operating Profit



- Americas
- Asia Pacific
- Europe

	Sales growth	Comments
Americas	+1.4%	<ul style="list-style-type: none"> ▪ Driven by pricing actions in FY2023 and in August this year ▪ Incremental volume from USDA ▪ Partly offset by lower sales from the non-strategic co-pack business and higher trade spends
Asia Pacific	-2.9%	<ul style="list-style-type: none"> ▪ Lower exports of packaged and fresh pineapple due to lower supply ▪ Philippine sales were relatively flat
Europe	-28.8%	<ul style="list-style-type: none"> ▪ Lower sales of packaged fruit and beverage



Market Updates



Del Monte Foods USA 3Q FY2024



- Sales of US\$466.4m or 72% of Group sales; sales down 6% due to the strategic shift away from lower-margin co-pack products that it packs for other manufacturers, as well as lower canned fruit and vegetable sales on declining category trends
- However, Del Monte canned vegetable had a good holiday season and achieved a record market share. Del Monte remains to be a leading brand with a number 1 or 2 ranking in a majority of its categories
- Lower DMFI sales were partially mitigated by higher tomato and broth sales, and increased foodservice and USDA wins
- New products contributed 7.2% to DMFI's total sales in 3Q
- Received Product of the Year awards in two categories: healthy snack for *Del Monte Fruit Refreshers* and meal ingredient for *Take Root Organics*
- EBITDA of US\$14.3m, down 62% due to reduced margins from high cost and lower volume, leading to a net loss of US\$23.1m
- In the nine months, EBITDA of US\$78.4m was down 54% and bottom line was a net loss of US\$35.9m for the same reasons as in 3Q
- DMFI will close two vegetable plants in Wisconsin and Washington which will lower fixed costs and improve margins. DMFI will consolidate its green beans volume from Wisconsin into another plant



USA Market Shares



22.8% +1.1pts

Canned Vegetable (#1)

20.4% +0.9pt

Canned Fruit (#2)

27.5% +0.7pt

Fruit Cup Snacks (#2)

6.0% +0.3pt

Canned Tomato (#3)

9.9% -0.1pt

Broth & Stock (#2)



Source for market shares: Circana OmniMarket Core Outlets, DMFI Custom DBs, Eq Vol share, Total US MULO, Latest 9M ending 28 January 2024
**brand positioning excludes Private Label*

- Over the last 9 months, category dynamics continued to shift as consumers change the way they eat and shop in response to economic uncertainty, higher average prices and changes to industry supply
- Despite this, Del Monte's share performance has been solid across its traditional canned categories and fruit cup snacks

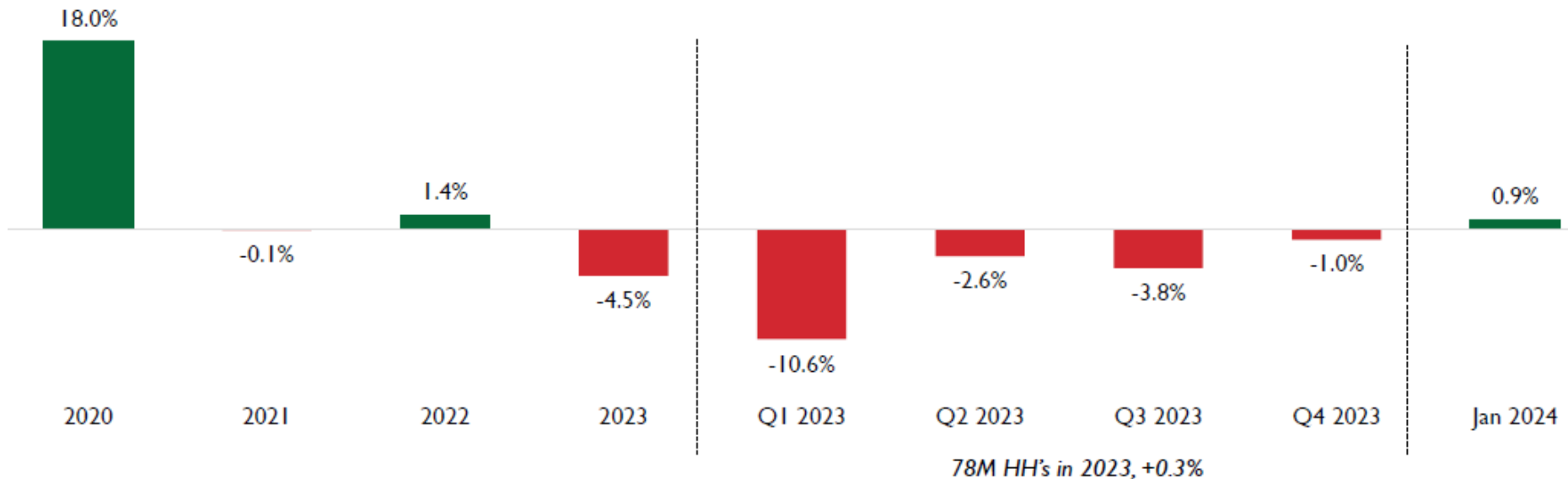
To drive growth long-term, Del Monte will continue to invest in bringing differentiated and innovative products to market, expanding distribution channels, and building its brands

USA Volume



January 2024 volume grew after steady quarterly improvement in 2023

Total Del Monte EQ Volume % Change vs YA – Total US MULO



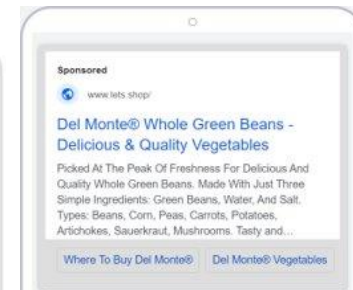
- January growth led by ingredient businesses, Broth +17.8% and Canned Tomatoes +10.3%
- Winning with Walmart, +7.7%

USA 3Q – Marketing Highlights



Vegetable Fall Campaign Holiday

- Base Vegetable and premium sliver label



Retailer Programs – Holiday Partnerships:
 Del Monte, College Inn, Kitchen Basics, Ocean Spray,
 King's Hawaiian, Betty Crocker, Country Crock

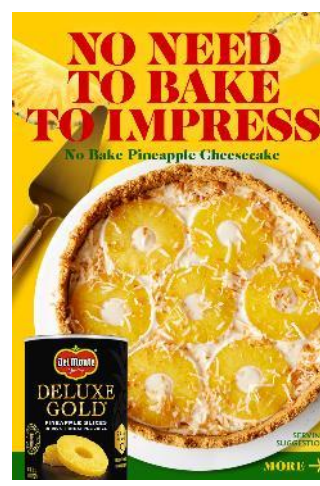
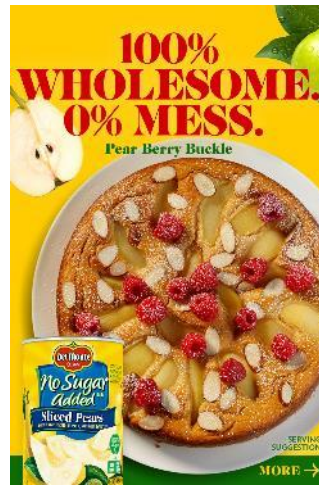
Green Bean Casserole Partnership:
 Del Monte/Campbell's/French's

USA 3Q – Marketing Highlights

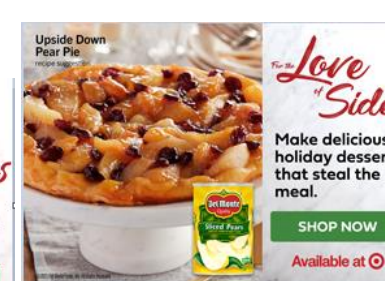
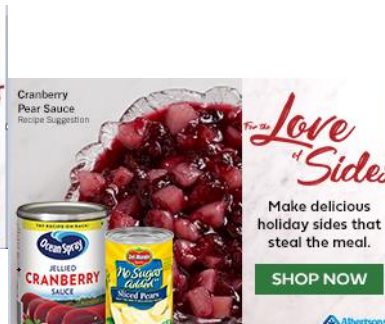


Canned Fruit & Pineapple – Holiday and New Year

- Pinterest, Meta



Retailer Media = Holiday



USA 3Q – Marketing Highlights



College Inn

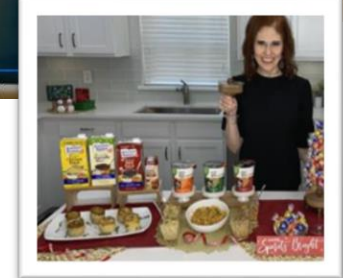
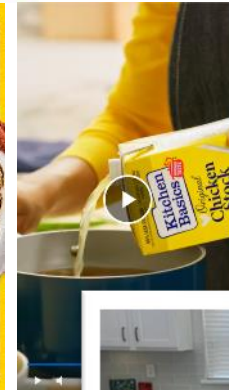
- Pinterest, PR/Satellite Media Tour



Food Network Celebrity Chef Claire Robinson

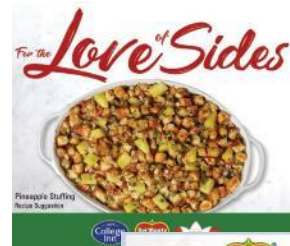
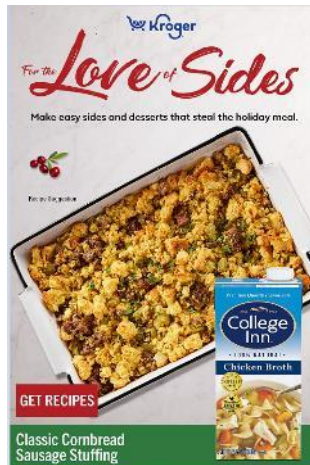
Kitchen Basics

- Pinterest, PR/Satellite Media Tours & Influencer



RD Amy Goodson

Retailer Holiday Campaigns



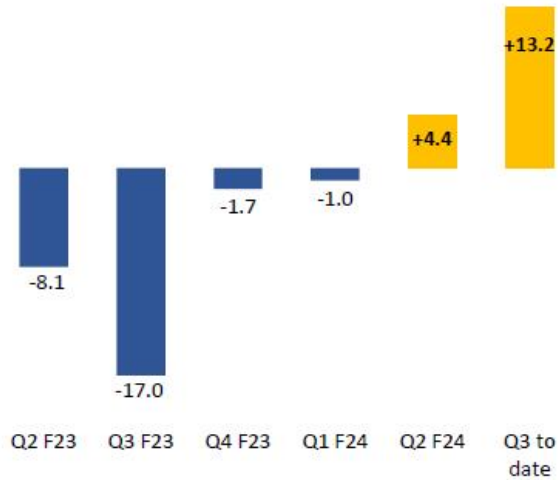
USA Kitchen Basics



Unlocking the Potential of Kitchen Basics

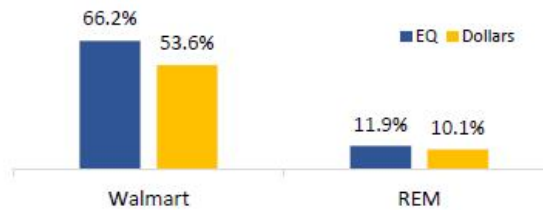
Stabilized under our Ownership and Now Unlocking Growth Potential

EQ Consumption vs YA - xAOC



Customer and Distribution Growth

Kitchen Basics % vs PY



Expanded PODs

+7,000
PODs in F24

Optimizing Price, Promotion, Distribution, and Marketing



Source: Circana Market Advantage, Total US MII Q - WF 1 21 24

Source: Circana Market Advantage, Total US MII Q 1 13 WF 1 14 2024

USA Products



New Item Platforms Inspired by Consumer Trends



**Global Cuisine
& Bold Flavors**



Global / Spicy Flavors



Botanicals



Fire-Roasted



Refrigerated Smoothie



Unique "Charcuterie" Varieties



Bubble Fruit Gel



Health & Wellness



High Protein Bone Broth Protein



Petite and Tender Vegetables



Sippables Protein, Red Sodium



Tomato Reduced Sodium



Fruit Refreshers BFY Snacking



Reduced Sugar



Everyday Value



Value Packs/Value Pricing



USA JOYBA



JOYBA is poised to be the biggest U.S. beverage launch in 2024



In the two years since launch in Summer 2021, JOYBA brand has earned:

- ✓ **#1 Bubble Tea in Total US** in Dollar Sales and strongest velocities
- ✓ **#1 New Brand in \$ Sales** in the RTD Tea + Coffee single-serve category
- ✓ **Over 100 Million Media Impressions** in the past 52 weeks



USA 3Q – Foodservice



K12 Segment Expansion into new school districts and states

Providing nutritious fruit and vegetables that are **“Buy American Compliant”** and meet the K12 School Nutrition dietary policies

We strive to:

- Expand the fruits and vegetables children have access to
- Increase their fruit and vegetable consumption
- Make a difference in children’s diets to impact their present and future health

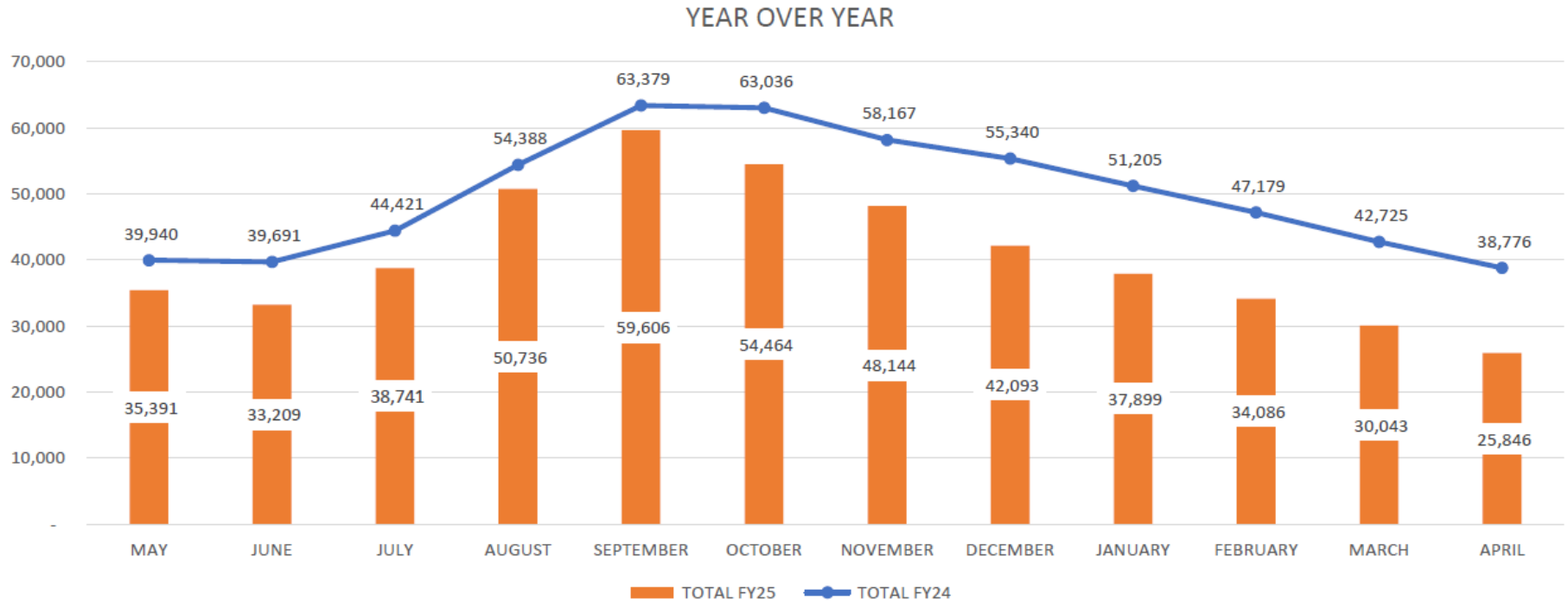
+24% Sales Growth
Vs PY



USA Inventory



FY2025 Projected Inventory Declines



- Improved demand planning and inventory management process is working.
- DMFI F25 Inventory levels will be reduced 33% year over year.

DMPL ex-DMFI 3Q FY2024



- Sales of US\$183m, down 10% due to lower exports of packaged pineapple because of lower supply as a result of unfavorable weather conditions. Pineapple supply is expected to show some improvement in 4Q.
- Philippine sales of US\$107m, -4% in peso terms and -2% in US dollar terms, mainly due to a drop in beverage sales with the growth of simple juice drink brands and juice PET formats.
 - ✓ Efforts to bolster juice sales through brand campaigns to build brand salience and relevance.
 - ✓ Spaghetti Sauce achieved its highest December market share at 37.8% since 2020, fueled by the accelerated recovery of spaghetti value packs, distribution expansion and Christmas communication focused on inviting spaghetti preparations to enhance family celebrations.
 - ✓ Mr. Milk yogurt drink introduced the Blueberry flavor which is the second top flavor in this category, while Del Monte Potato Crisp launched the Sour Cream and Barbecue flavors.
- Sales in the international markets declined by 21% on reduced packaged product sales which offset the strong 17% growth in Fresh.
 - ✓ Improved sales of Fresh were driven by favorable mix due to increased volume of the higher-margin S&W Deluxe pineapple as well as better pricing.
 - ✓ Packaged sales declined with lower sales to USA due to their inventory correction and unserved demand in other markets due to lower pineapple fruit supply.
- EBITDA of US\$25m, 4% lower, and net profit US\$1.4m, 90% lower driven by pineapple supply issues, higher costs and interest expense.
- For 9M, EBITDA of US\$76m, 27% lower, and net profit of US\$8m from US\$48m.

Philippines – Market Shares



95.8% +0.6pt

Packaged Pineapple (#1)
Category: +0.3 %

75.4% +1.8pts

Canned Mixed Fruit (#1)
Category: -15.2%

39.1% -1.7pts

RTD Juices ex foil pouches (#1)
Category: +13.4 %

84.4% +0.2pt

Tomato Sauce (#1)
Category: +0.1%

41.3% +1.7pts

Spaghetti Sauce (#1)
Category: -9.1%

13.1% -2.7pts

Drinkable Yogurt, DM Vinamilk + Mr. Milk (#2)
Category: +10.1%

Source for Volume market shares: The Nielsen Company - Retail Audit Data as of Fiscal YTD to December 2023

Del Monte retained market leadership across core categories

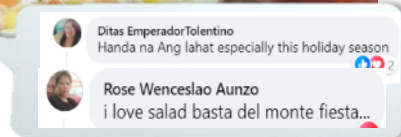
- **Mixed Fruits** market share buoyed by Today's brand amidst declining category; **Packaged Pineapple** sustained share driven by multipack stand up pouches.
- **RTD Juice** share declined with the growing emergence of low juice content brands and juice PET formats. Campaigns are ongoing to drive volume and share recovery with improved brand salience and relevance.
- **Spaghetti Sauce** also increased share amidst declining category, with December registering Del Monte's highest share since 2020. Share gains are coming from both single and value packs.
- **Tomato Sauce** sustained market share driven by the 200g SKU for both Original and Filipino Style variants with stable to strong volume performance.
- 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 Del Monte Fiesta Cocktail Christmas thematic

- Giving a new purpose to preparing fruit salad during the holidays : creating a tradition of manifesting good fortune



- ✓ **ALL above media benchmark**
BF, ER, Cost Efficiency
- ✓ **Google Best In Class Brand Impact recognition**

Digital TVC



- Engagement Rate above 3% norm
- Comments/interactions
 - 20.9K reacts; 390k comments; 253K shares

NEW Pineapple Noche Buena dish education

- Teaching moms to elevate their Christmas specialties with pineapple



Kitchenomics partnership with Chef RV

- Reverted category December decline
- Engagement Rate above 3% norm
- Comments/interactions
 - 55.1K reacts; 4.8k comments; 2.6K shares

Philippines – Culinary

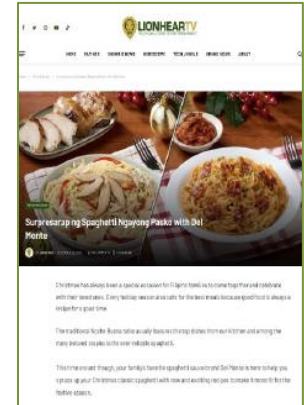


Value bundles for more red dishes this holiday cooking season



Del Monte Spaghetti Sauce Tactical Christmas Campaign: Exciting ways to prepare spaghetti for an extra special family celebration

Digital PR Campaign



In-store thematic tactical displays and shelf take-over



Philippines – Beverage



Del Monte Juices “Give In To Goodness” Campaign

Digital Campaign

Anne Curtis' Holiday Organic Posts



Retail Activations

Luzon Sampling - 35 Stores



7-Eleven Trade Show



In-Store Visibility Drive

1,800 stores nationwide

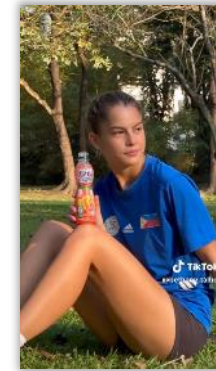


900 7-Eleven Stores



Fit 'n Right “Boost Your Passions” Influencer Activation

3 Macro KOLs - 2.5M organic views



14 Macro KOLs - 900K organic views



Philippines – Innovation



MR. MILK Big 'Back-to-School' Campaign

- *Owning kids' school lunchbox occasion*

In-store Back-to-School Program
& School Activations



Barangay Distribution & Activations



DEL MONTE POTATO CRISP Original & Cheese 14g Distribution Drive

Barangay Distribution & Activations



In-store Visibility Drive



NEW MR. MILK BLUEBERRY Launch

- *Launch of the 2nd top flavor in the yogurt milk drink category*



NEW DEL MONTE POTATO CRISP Sour Cream & BBQ Launch

- *New, exciting snack flavors*



Philippines – Foodservice and Convenience



Positive outlook for Foodservice as momentum continues

- Revenue +13% vs prior year quarter, +7% vs pre-pandemic.
- Del Monte products part of ingredient in 203 dishes of strategic customers.
- 13,901 outlets now open: Key Accounts at 8,588 and General Trade at 5,169.
- Launched Pineapple Juice Litro Pack and All Purpose Dressing in 1,266 accounts.



Convenience business yet to recover vs pre-pandemic in line with the CVS Industry in PH

- Revenue +3% vs prior year quarter due to higher volume, almost flat at 99% vs pre-pandemic.
- 3,734 outlets now open, +14% vs pre-pandemic.
- Launched 5 Tetra Pak flavors in January



S&W Packaged – Hong Kong



- McDonald's Hong Kong and McDonald's China launched Chinese New Year promotions featuring
- **S&W Pineapple Slices** and **S&W Fiesta Fruit Cocktail**
- The special promotions covered more than 5,000 McDonald's stores in China and more than 250 stores in Hong Kong



Chicken Pineapple Burger
featuring S&W Pineapple Slices
in McDonald's HK



Pineapple Chicken Fillet Burger
featuring S&W Pineapple Slices
in McDonald's China



Pineapple Shrimp Burger
with S&W Pineapple



Yuzu Punch with S&W Fiesta Fruit Cocktail

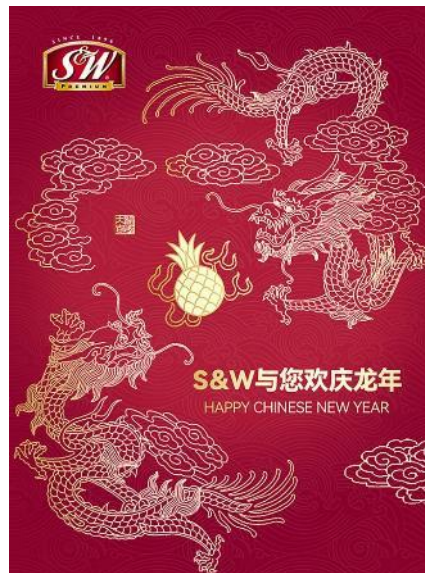
S&W Fresh – China



S&W celebrated the 2024 Chinese New Year in China with in-store promotions and roadshows



Roadshow for Chinese New Year with S&W Sweet 16 Fresh Pineapple at RT-Mart, Guangdong, China

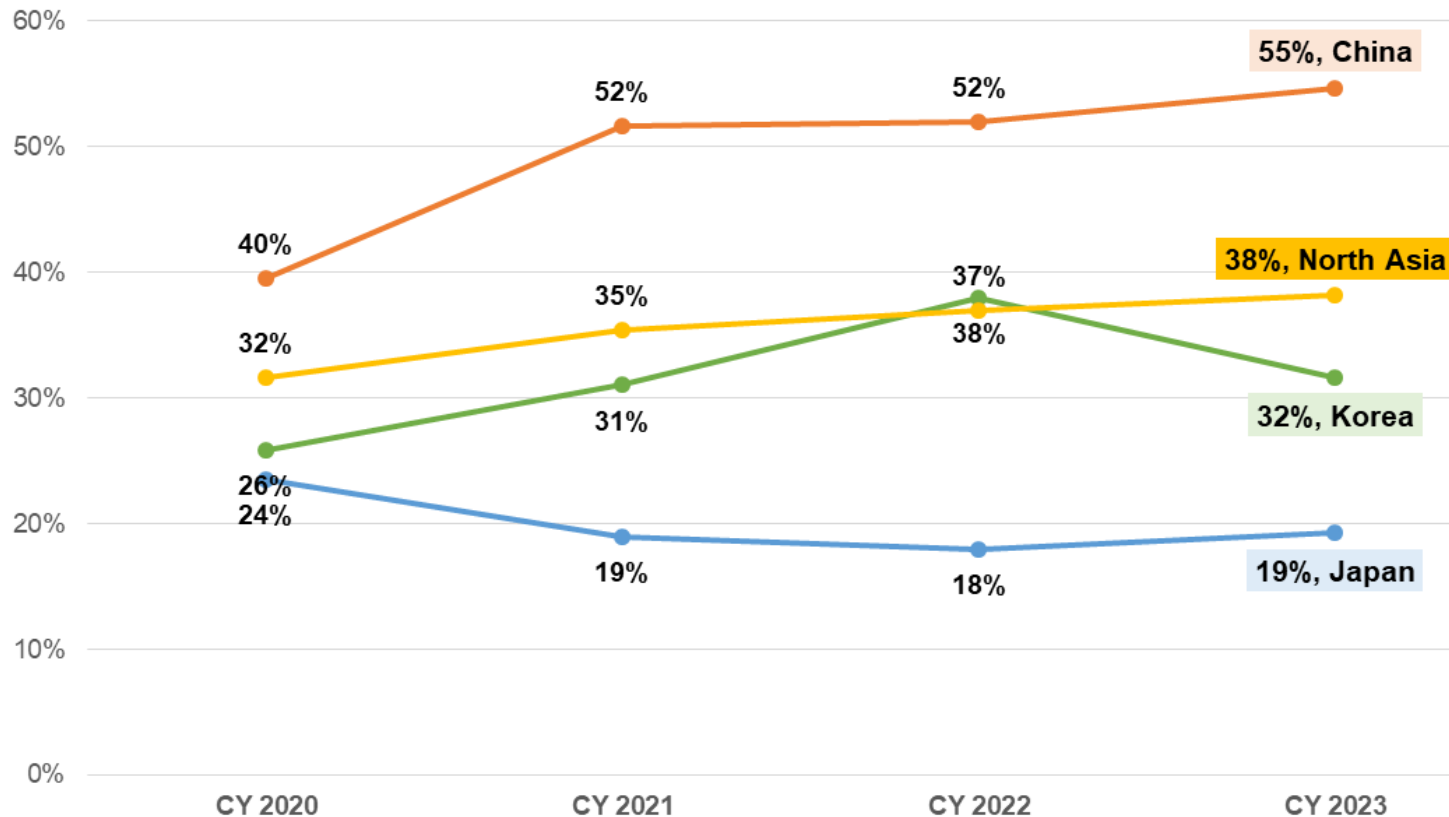


S&W Deluxe Fresh Pineapple with special CNY tags and gift boxes displayed in supermarkets.

S&W - Fresh Market Share



CY 2020 - CY 2023



- Our North Asia market share increased to 38% behind increased supply and sales/marketing initiatives
- **China** at solid #1 in CY 2023
- **Korea** decreased from 38% in CY 2022 to 32% in CY 2023 due to lower supply allocation
- **Japan** increased to 19% with improved demand vs last year

Source: CY 2020 – CY 2022 Imports Data from Asiafruit Congress Statistical Handbook; CY 2023 from Customs Data of Importing Country

Sustainability



Best Employer 2024



Del Monte was recognized as one of the country's **Best Employers for 2024**.

The company ranked top 23 among 300 companies recognized by the country's leading newspaper, Philippine Daily Inquirer, and Statista

EPR Law Compliance



Recycled **20% of DMPI's post-consumer plastic waste** in 2023 into plastic boards, armchairs, benches, tables and plastic pellets, in partnership with a waste management company and a cement company

Mangrove Project



DMPI employee volunteers from the Cannery and Plantation planted over **4,000 mangrove trees** in Misamis Oriental, not far from its production facility, with the support of a leading scientist that is a mangrove specialist

Renewable Energy



DMPI's **2.0MW solar energy project** for the Cannery is projected to be completed within 2024, while a **4.1MW solar project** in the company's Fresh Pack House and production facilities in Bukidnon is expected in 2025

Science Based Targets Initiative (SBTi)



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

DMFI submitted its carbon reduction targets to SBTi for validation. These targets, once validated, will align our 2030 and 2050 net-zero targets as consistent with the levels required to meet the Paris Climate Accord 1.5-degree scenario.

Community Giving



A group of our employees from Pittsburgh volunteered at the Women's Center & Shelter of greater Pittsburgh at the shelter we organized/packed used cell phones that will be turned in in exchange for a monetary donation to the shelter, cleaned/disinfected the children's advocacy room, and cleaned/disinfected the dining area.

Outlook

- Expects to deliver improved 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
- In Asia, increasing production of our superior MD2 fresh pineapple to support higher export demand of these highly sought-after premium products
- 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
- Anticipates that FY2024 will be a year during which the company focuses on reducing inventory and further lowering operating costs. It expects to incur a loss in this financial year, in line with earlier guidance
- In FY2025, DMFI will continue to correct the inventory by reducing the aggregate pack plan across all categories by over 30%. Groupwide gross margin will benefit from the inventory reduction plan since FY2024 with lower waste of aging items, lower warehousing costs and lower trade spend to liquidate stocks
- DMFI will also close two vegetable plants in Wisconsin and Washington which will lower fixed costs and improve margins. DMFI will consolidate its green beans volume from Wisconsin into another plant

