



# DEL MONTE PACIFIC

## 4Q FY2019 RESULTS

20 June 2019



NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY. ®



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- FY2019 Results
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## NOTES TO THE 4Q FY2019 RESULTS

- Fourth quarter is 1 February to 30 April 2019.
- 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.





## 4Q AND FY2019 HIGHLIGHTS

- Generated higher net income of US\$6.3m for the fourth quarter, and US\$20.3m for the full year, a significant turnaround from prior year loss
- Innovation gaining momentum - introduced four innovative products in refrigerated produce and frozen categories, catering to health and wellness, snacking and convenience





## OUTLOOK

- Barring unforeseen circumstances, the Group is expected to be profitable in FY2020 on a recurring basis (without one-offs). Certain one-off expenses can be expected from streamlining of operations
- 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 products
- Improving financial performance through:
  - ✓ Review of manufacturing and distribution footprint in the USA to further improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including rising metal packaging prices and impact of tariffs imposed by the US
  - ✓ Improving cash flow, strengthening the balance sheet, and reducing leverage and interest expense





## DMPL 4Q FY2019 GROUP RESULTS SUMMARY

- Sales of US\$432.6m, -13%

Sales	% Change
US	-19
Philippines	-8.5 (in peso terms -8)
S&W	+20
FieldFresh India (equity accounted)	+1 (in rupee terms +11)

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

- EBITDA of US\$43.3m, up 24% from US\$34.9m due to higher EBITDA in the USA on higher list price, lower trade spend plus the favourable impact of the divestiture of low margin Sager Creek vegetable business
- Operating profit of US\$28.3m, up 55% from US\$18.3m
- Net profit of US\$9.2m, a turnaround from the US\$2.9m net loss



## DMPL 4Q FY2019 ONE-OFF EXPENSE/(INCOME)

In US\$ m	4Q FY18	4Q FY19	Booked under
Closure of Sager Creek, Arkansas plant	29.1	(0.4)	CGS
Closure of Plymouth, Indiana plant	(0.6)	0.1	G&A/Misc Expense
Severance	0.8	2.9	G&A Expense
Gain due to the purchase of DMFI's 2nd lien loan at a discount to par value	(33.6)	(0.4)	Interest Income
Others	(0.7)	1.8	Misc/G&A
<b>Total one-off expense/(income) (pre-tax basis)</b>	<b>(5.0)</b>	<b>4.0</b>	
Tax impact	(7.0)	(0.8)	
Non-controlling interest	(2.3)	(0.4)	
<b>Total one-offs (net of tax and NCI)</b>	<b>(14.3)</b>	<b>2.9</b>	



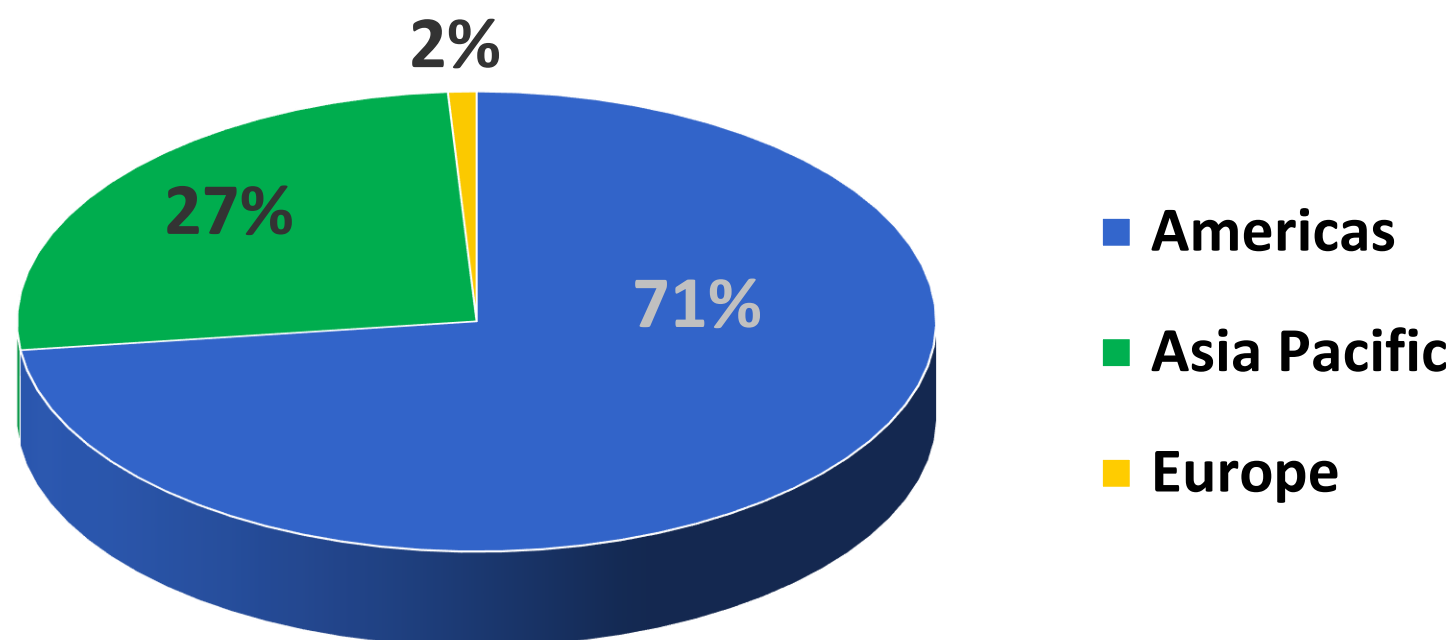


# DMPL 4Q FY2019 RESULTS – AS REPORTED

In US\$m	4Q FY2018	4Q FY2019	Chg (%)	Comments
<b>Turnover</b>	499.0	<b>432.6</b>	-13.3	Mainly due to the divested Sager business, and lower USA and Philippine sales
<b>Gross profit</b>	87.1	<b>81.6</b>	-6.2	Lower sales and higher product costs that were partly offset by price increase in the US and Philippines, and lower trade spend in the US
<b>EBITDA</b>	6.4	<b>38.8</b>	+511.3	Last year included a US\$29m one-off from the closure of Sager Creek Arkansas plant
<b>Operating profit</b>	(9.5)	<b>23.9</b>	+352.6	Same as EBITDA comment
<b>Net finance income/ (expense)</b>	9.7	<b>(24.4)</b>	-351.4	Last year included a one-off gain of US\$33.6m from purchase of US\$125.9m of loans in USA at a discount
<b>FieldFresh equity share</b>	0.1	<b>(0.3)</b>	-382.0	Commodity headwinds and higher overheads
<b>Tax benefit</b>	0.5	<b>7.5</b>	+1,497	Due to higher future tax benefits from loss carryforwards in DMFI
<b>Net profit/(loss)</b>	4.0	<b>6.3</b>	+59.2	Lower sales but higher operating profit
<b>Net debt</b>	1,441.0	<b>1,457.0</b>	+1.1	Slightly higher due to timing for working capital needs
<b>Gearing (%)</b>	236.9	<b>242.4</b>	+2.3ppts	Same as above



# DMPL 4Q FY2019 TURNOVER ANALYSIS



Americas	-18.7%	<ul style="list-style-type: none"> <li>▪ In line with strategy, divested the Sager business. Stripping it out, sales would have been down 13.7%</li> <li>▪ Lower volume of canned vegetable and tomato, and lower pricing to USDA for processed fruit and pineapple juice concentrate</li> </ul>
Asia Pacific	+3.5%	<ul style="list-style-type: none"> <li>▪ Philippines sales were lower mainly in the general trade, and beverage and culinary categories, as it addresses operational issues and strengthens its distribution network in that channel. Foodservice continued to grow</li> <li>▪ Higher S&amp;W sales due to strong sales of fresh pineapple and packaged product</li> </ul>
Europe	-0.2%	<ul style="list-style-type: none"> <li>▪ Lower beverage sales offset by higher packaged fruit sales</li> </ul>



## DMPL FY2019 GROUP RESULTS SUMMARY

- Sales of US\$1.95bn, -11%

Sales	% Change
US	-14
Philippines	-8 (in peso terms -4)
S&W	+9
FieldFresh India (equity accounted)	+2 (in rupee terms +10)

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

- EBITDA of US\$156.1m, down 5% from US\$165.0m due to lower sales in USA, lower exports of processed pineapple, significantly reduced PJC prices and higher product costs that were partly offset by price increase in the US and Philippines, and lower trade spend in the US
- Operating profit of US\$92.5m, down 2% from US\$94.2m
- Net profit of US\$15.8m, up 32% from net profit of US\$12.0m



## DMPL FY2019 ONE-OFF EXPENSE/(INCOME)

In US\$ m	FY2018	FY2019	Booked under
Closure of Sager Creek, Arkansas plant	42.4	6.2	CGS
Closure of Plymouth, Indiana plant	12.7	(0.0)	G&A/Misc Income
Severance	4.6	6.1	G&A Expense
Gain due to the purchase of DMFI's 2nd lien loan at a discount to par value	(33.6)	(16.7)	Interest Income
Others	3.0	0.1	Misc/G&A
<b>Total one-off expense/(income) (pre-tax basis)</b>	<b>29.1</b>	<b>(4.3)</b>	
Write off of deferred tax assets (non-cash)*	39.8	-	
Tax impact	(11.7)	0.8	
Non-controlling interest	(8.7)	(1.0)	
<b>Total one-offs (net of tax and NCI)</b>	<b>48.5</b>	<b>(4.5)</b>	

\*The Group wrote off US\$39.8m of deferred tax assets at DMFI due to the change in Federal income tax rate from 35% to 21%. Other companies in the US with deferred tax assets had similar write-offs due to the reduction in income tax rates. However, this should be more than offset by the reduced tax rates in future years which will be substantial.

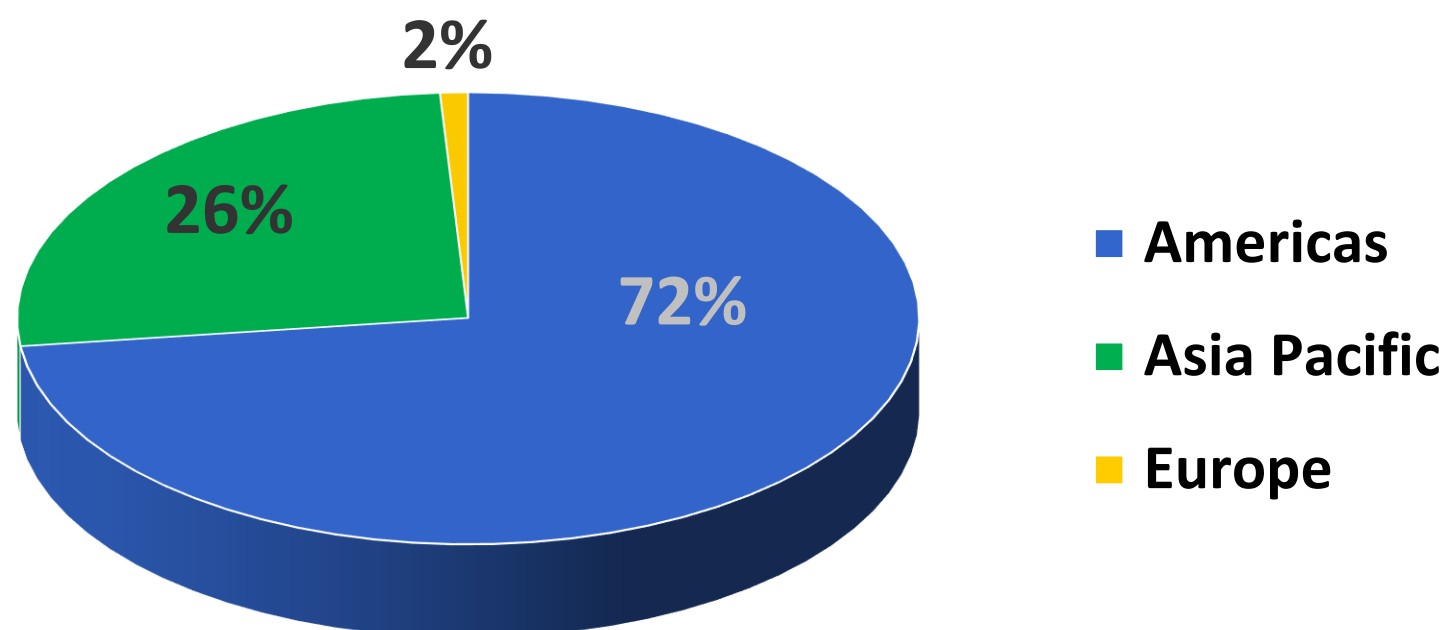


## DMPL FY2019 RESULTS – AS REPORTED

In US\$m	FY2018	FY2019	Chg (%)	Comments
<b>Turnover</b>	2,197.3	<b>1,954.8</b>	-11.0	Lower USA sales and the divested Sager business; lower Philippine sales
<b>Gross profit</b>	432.5	<b>395.0</b>	-8.7	Lower sales, significantly reduced PJC prices and higher product costs that were partly offset by price increase in the US and Philippines, and lower trade spend in the US
<b>EBITDA</b>	102.3	<b>143.7</b>	+40.5	Last year included a US\$29m one-off from the closure of Sager Creek Arkansas plant
<b>Operating profit</b>	29.5	<b>80.1</b>	+171.6	Same as EBITDA comment
<b>Net finance expense</b>	(64.2)	<b>(78.4)</b>	+22.2	Last year included a one-off gain of US\$33.6m from purchase of US\$125.9m of loans in USA at a discount
<b>FieldFresh equity share</b>	(0.3)	<b>(0.1)</b>	+64.6	Higher sales and margin
<b>Tax benefit/(expense)</b>	(14.8)	<b>13.5</b>	+191.1	Last year included the write-off of US\$39.8m non-cash deferred tax assets
<b>Net profit/(loss)</b>	(36.5)	<b>20.3</b>	+155.7	Same as above
<b>Net debt</b>	1,441.0	<b>1,457.0</b>	+1.1	Slightly higher due to timing for working capital needs
<b>Gearing (%)</b>	236.9	<b>242.4</b>	+2.3ppts	Same as above



# FY2019 TURNOVER ANALYSIS



Americas	-14.0%	<ul style="list-style-type: none"> <li>▪ In line with strategy, divested Sager vegetable business</li> <li>▪ Lower volume of retail branded products due to promotion reduction and distribution losses</li> </ul>
Asia Pacific	-2.0%	<ul style="list-style-type: none"> <li>▪ Philippines sales were lower mainly in the general trade and mixed fruit category, as it addresses operational issues and strengthens its distribution network in that channel. Modern trade and foodservice continued to grow</li> <li>▪ Higher S&amp;W sales due to strong sales of fresh pineapple, which offset lower packaged sales</li> </ul>
Europe	-4.7%	<ul style="list-style-type: none"> <li>▪ Lower packaged fruit sales</li> </ul>



## IMPROVED BALANCE SHEET AND CASH FLOW

- Committed to improve cash flow, reduce debt and interest expense
- Raised US\$300m from two Preference Share tranches in April and December 2017 to repay loans
- DMPL purchased an additional US\$6.5m second lien loans of DMFI in 4Q FY2019, bringing the total amount purchased since 4Q FY2018 to US\$231m out of the total US\$260m, and bought at a discount in the secondary market. This is the highest interest-bearing loan of the Group at 10.15% p.a., and saved DMPL >US\$10m of interest payments in FY2019
- Reduced gearing to 2.4x equity as of 30 April 2019, from 2.5x as of 31 January 2019





# Market Updates for 4Q FY2019





# USA

**29%**

**Market Share (#1)**  
Canned Vegetable

**37%**

**Market Share (#1)**  
Canned Fruit

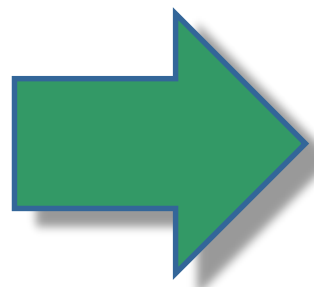
**29%**

**Market Share (#2)**  
Fruit Cup Snacks

**8%**

**Market Share (#2)**  
Canned Tomato

- Successfully executed further price advance, maintaining solid share across categories
- Innovation continues to expand the business into new uses, spaces and categories
- Business fundamentals remain on solid ground with strong shelving, new innovation, and sustained marketing investments
- Continued to develop new channels (foodservice and e-commerce)



**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 US Grocery + Walmart, 3M ending 27 April 2019  
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 4Q RESULTS

DMFI's 4Q sales down 19% to US\$308.3m

- Stripping out the Sager Creek business which was divested in September 2017, DMFI sales were down 15%
- Lower branded volume as a result of price increase
- Reduced sales of low-margin non-branded business in line with strategy

DMFI EBITDA margin (without one-off items) improved by 4 pts versus the prior year quarter

## New Products

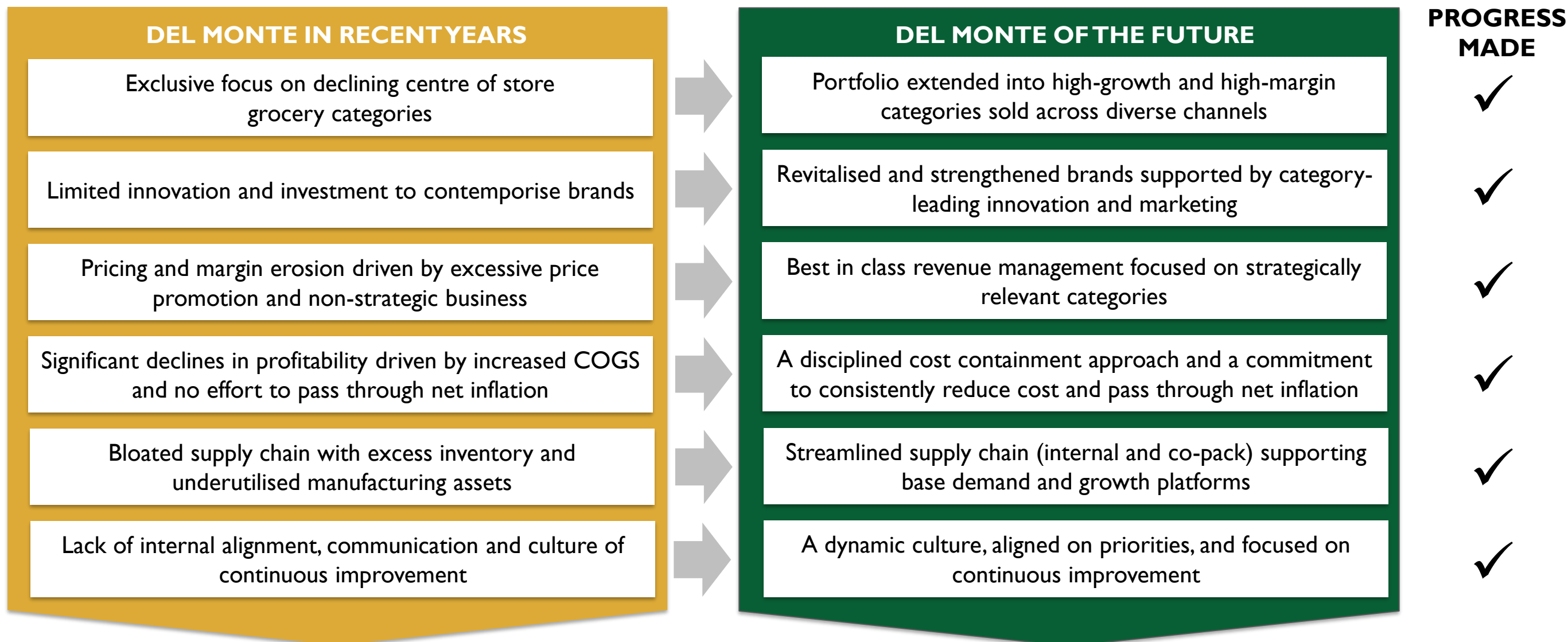
- Del Monte continues to diversify beyond the canned goods aisle, a declining category
- 4 new innovative products in the growing categories of refrigerated produce and frozen to cater to demand for health and wellness, snacking and convenience
  - *Del Monte Citrus Bowls*, grapefruit and citrus salad in 100% juice with a longer shelf life than fresh cut fruit, and without any preservatives; launched in the refrigerated produce section
  - *Del Monte Fruit Crunch Parfaits* feature layers of non-dairy coconut crème, crunchy granola with probiotics, and a full serving of fruit
  - For the frozen segment, *Del Monte Veggieful Bites* and
  - *Contadina Pizzettas*, frozen snacks made with cauliflower crust, with a full serving of vegetable in five bites





# DEL MONTE FOODS TRANSFORMATION

## TRANSFORMATION – A 130 YEAR OLD “START UP”



A Canned Food Company

A Consumer-Driven Packaged Food Innovator





# PROGRESS MADE

### **New Turnaround Plan & Financing:**

- ABL Extension March 2018
- US\$231m Second Lien Loan buyback by parent DMPL in 2018-2019

### **Immediate Trade & Cost Reduction:**

- -US\$150m FY2019 Trade Spend/Price Promotion Reduction
- 10% List Price Increase Feb 2019
- -US\$100M Cost Out over 18 months

### **Accelerated Innovation:**

- Approved long-term innovation strategy and growth plan
- Entered Frozen Category
- Expanding Centre Store, and Perimeter in FY2019-2020

### **Reallocated Resources New Sales Capabilities:**

- Perimeter & Convenience team
- Foodservice Organisation
- Direct Retail Sales Model

### **Reductions in Non-Strategic Sales:**

- USDA
- Private Label

### **Reductions and Idling in Supply Chain:**

- 1 Plant and 7 Warehouses Idled
- US\$200m reduction in inventory





# DEL MONTE FOODS GROWTH STRATEGY

## A CLEAR AND FOCUSED PATH FORWARD...

### Building Relevance

Differentiating our brands and products to drive customer and consumer preference

- Investing to communicate our points of difference
- Improving our taste, health, and wellness across portfolio
- Pursuing new more contemporary packaging solutions

### Driving Innovation

Addressing consumer needs, shifts in eating behaviors, and evolving demographics

- Reaching new younger consumer targets
- Extending plant based into new usage: Healthy snacking, morning & dinner meals
- Entering attractive adjacencies for Del Monte and Contadina

### Expanding Distribution

Extend our reach into growing sales channels and new grocery store aisles

- Expanding Center of Store Leadership
- Establishing long-term growth plans in Latin America, Foodservice, Convenience, Deli, and Produce.
- Ramping up DM Fresh Joint Venture activity

### Optimizing Organization

Building org model and cost structure which enables agility and fuels growth

- Rationalizing non-strategic businesses and focusing on brand
- Realigning our manufacturing and supply chain footprint
- Driving efficiencies in global sourcing and procurement



# OUR STRATEGIES

## Strengthen the Core



## Expand Into New Areas



## Build Our Brands





# FY2019 ACCOMPLISHMENTS

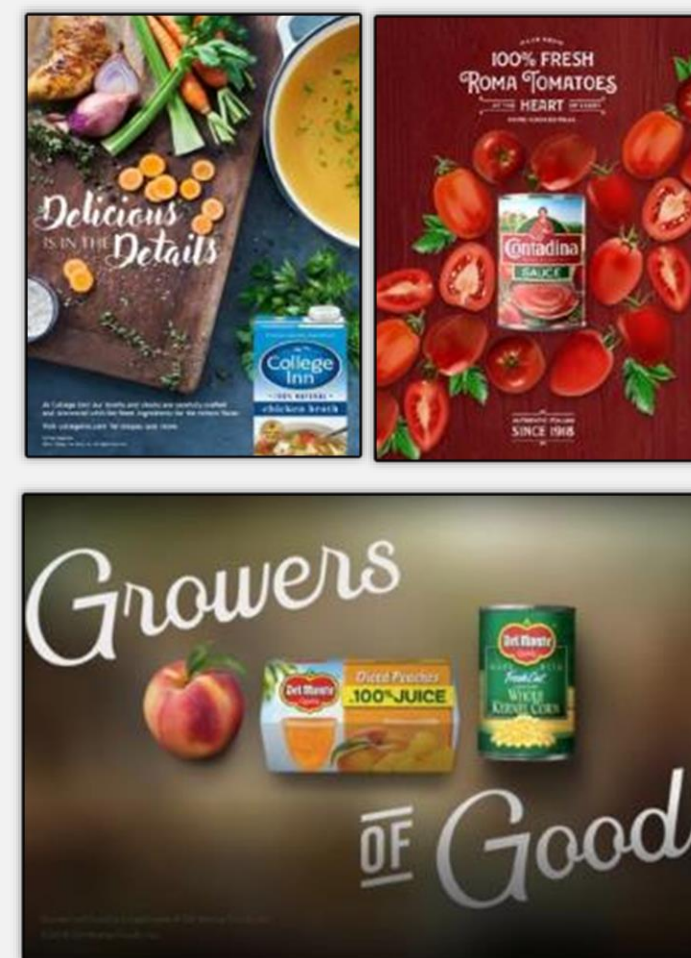
## Strengthen the Core



## Expand Into New Areas



## Build Our Brands





# TRANSFORMATION

## VEGETABLE



**FROM:**

Leader in  
Canned Vegetables



**TO:**

Leader in  
Vegetable Goodness



## FRUIT



**FROM:**

Leader in  
Canned Fruit



**TO:**

Fruit Made Exciting & Accessible Goodness







# TRANSFORMATION (CONT'D)

## CONTADINA

**FROM:**

Leader in  
Canned Tomato Paste



**TO:**

Leader in Contemporary Italian Meal Ingredients  
and Solutions



## COLLEGE INN

**FROM:**

Leader in  
Canned Broth



**TO:**

Leader in Rich Savoury Stocks





# USA - INNOVATION

## Produce



### Available in 2 Varieties

#### Each cup contains:

- ✓ 4-½ servings of fruit
- ✓ Fruit in 100% juice
- ✓ No preservatives
- ✓ 12 months shelf life using High Pressure Processing



### Available in 4 Varieties

#### Each cup contains:

- ✓ 3 layers of goodness
- ✓ 1 full serving of fruit
- ✓ Non-dairy coconut creme
- ✓ Probiotics to support digestive health
- ✓ No artificial flavours or sweeteners



# USA - INNOVATION

## Frozen Bites



### Available in 3 Varieties

#### Each 5-bite serving contains:

- ✓ Veggies made crave-worthy
- ✓ 1 serving of vegetables
- ✓ Baked in a crust made with cauliflower
- ✓ No artificial flavours or preservatives



### Available in 3 Varieties

#### Each 5-bite serving contains:

- ✓ Rich Italian flavor
- ✓ Baked crust made with cauliflower
- ✓ 9-10g protein
- ✓ No artificial flavours or preservatives



# UNLOCKING FOODSERVICE GROWTH POTENTIAL

We have launched several innovative healthy Restaurant & Grab & Go Product Solutions



## Riced Vegetables Frozen

- 4 varieties of low-carb riced cauliflower blends
- Perfect for reducing calorie count with a simple substitution
- Frozen, pre-blended for easy handling and preparation



## Frozen & Refrigerated Pineapple

- Delicious golden Philippine pineapple
- Patented freezing process retains cellular integrity and fresh-quality colour, taste, and texture
- Labour-free solution for serving high-quality fruit in fresh applications with cost savings



## Single-Serve Fruit

- On-the-go product perfect for college students
- Fruit Refreshers – light snack, <100 calories
- Fruit & Chia – elevated nutrition and energy benefits
- Fruit and Oats – delicious & filling snack or meal replacement
- Fruit Crunch Parfaits – healthy, on-the-go non dairy with probiotics



## Quality Kitchen Ingredients

- College Inn Broth
- Del Monte Fruit
- Del Monte Vegetables
- Contadina Tomatoes



# FOODSERVICE HIGHLIGHTS IN 4Q

## National Vending Trade Show



- Presented Del Monte's lineup of grab-and-go solutions to the National Automated Merchandising Association trade show, including Fruit Crunch Parfaits, Fruit & Oats, Fruit & Chia, and Fruit Refreshers
- Very positive response from vending distributors and operators, especially on the Parfaits, due to the micro-mart need for diverse offerings and extended shelf life

## Vistar Business Alignment



- Sales Team has realigned and reinforced our relationship with Vistar, the leading nationwide distributor for Vending, Concessions, and Hospitality
- Partnership with Vistar will increase the availability of our products to operators across the US



# PHILIPPINES

**86%**

**Market Share (#1)**  
Packaged Pineapple

**72%**

**Market Share (#1)**  
Canned Mixed Fruit

**84%**

**Market Share (#1)**  
Canned and Carton Juices

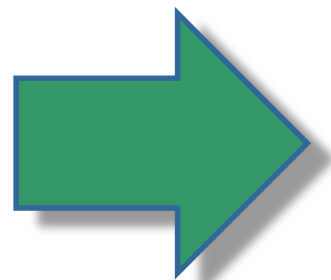
**83%**

**Market Share (#1)**  
Tomato Sauce

**39%**

**Market Share (#1)**  
Spaghetti Sauce

- Del Monte is the market leader across several categories
- Foodservice and Modern trade are growing: Del Monte is strong in modern trade, generating about 30% of sales, while foodservice accounts for about 20% of Philippine sales
- E-commerce and digital are growing



**To drive growth, continue to build new categories, channels and markets to ensure future competitiveness and growth**

*Source for market shares: Nielsen Retail Index as of 3 months to April 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

- 4Q sales were lower by 8%
- Down mainly in the general trade and beverage and culinary categories
- The short-term decline in sales was mainly due to the transition to new distributors with the aim of enlarging and strengthening the Group's distributor network in the Philippines
- Foodservice continued to grow



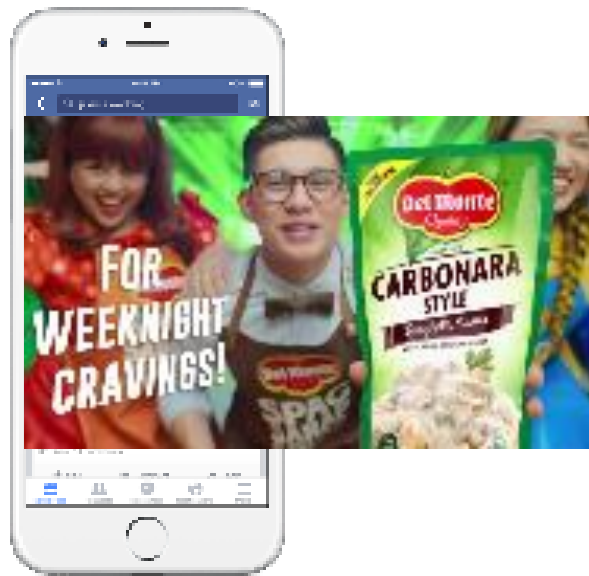
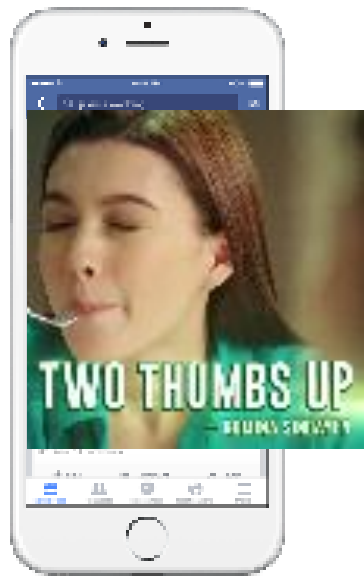
## How are we strengthening the General Trade?

- 1 Develop the distributor core processes (policies, ways of working) and implement a clear-cut expectations on Service Level Agreement to instill excellence in execution
- 2 Develop a scalable business model framework to have effective coverage while managing cost-to-serve and track performance
- 3 Assess current distributors' performance and apply a rigid selection process for new partners
- 4 Transform to high performing team through mentoring, standard cadence, clear measures of productivity and recognition scheme to improve collaboration



# PHILIPPINE MARKET – CULINARY

- ✓ Continuous TVC airing and digital support for Del Monte Spaghetti flavour campaign



- ✓ Del Monte Quick 'n Easy transition to new, fresh design



- ✓ Culinary recipe and usage bundles

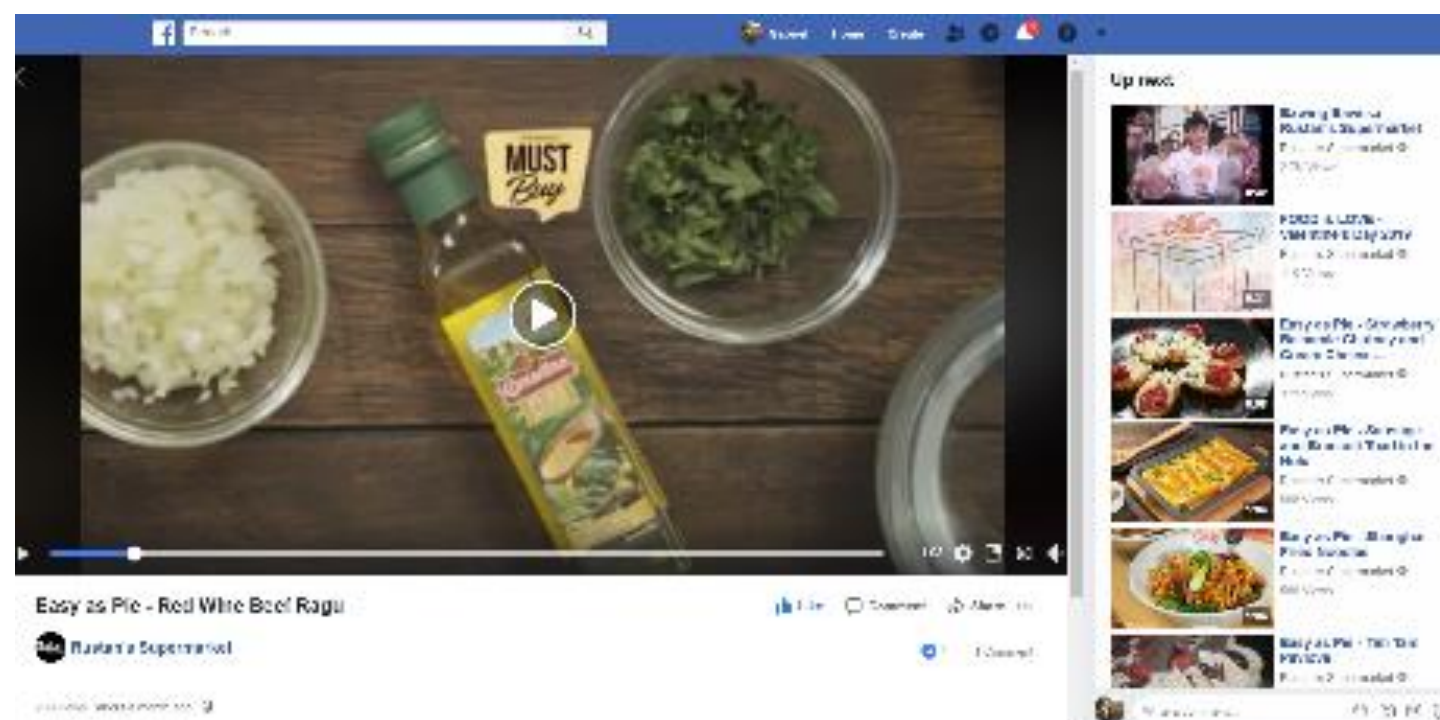






# PHILIPPINE MARKET – CULINARY

- ✓ Contadina's influencer online engagement and retailer collaboration





# PHILIPPINE MARKET – OUTLOOK

**User base expansion and continuous builds on functional health**



**Immunity, Daily Detoxification, Cholesterol Management**



**Holistic weight management, Low calorie, Sugar-blocking**



**Optimise distribution**

**Continuous drive to increase share-of-plate with special focus on young households**



**Naiiba, Sauce-special!**



**Go beyond fried in 3 easy steps!**

**Gourmet made easy**



**Pinadobo as new standard, preferred by 3 out of 4 kids + regional recipe ads**

**Weekend & Christmas recipes, renewed support**



**Sustained counter-offensive on challenged categories**



**Optimising low-hanging fruits by expanding wins into other variants**



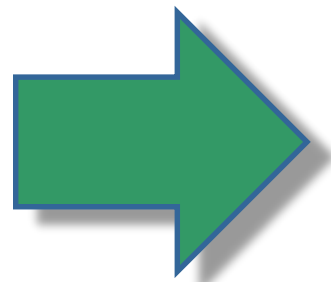
**Reignite an innovation mindset**





## 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 and other products, channels, and build S&W's brand equity in key markets

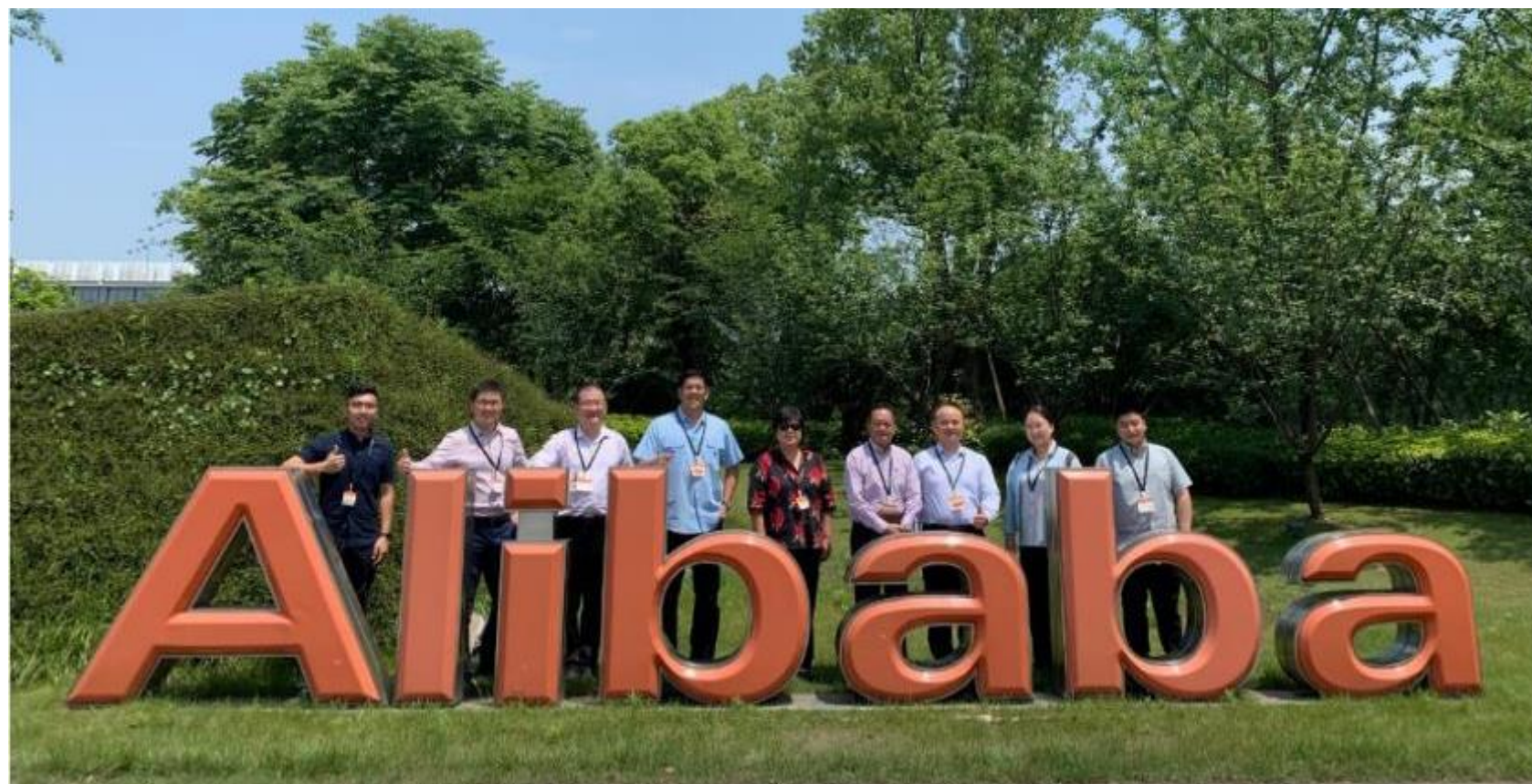




## S&W ASIA

- Sales of the S&W business rose 20% in 4Q due to higher sales of both fresh pineapple and packaged products
- Increased distribution of fresh pineapple in Tier 1-3 cities in China, and expansion in North Asia with new customers for canned fruit
- Continues its sales of *S&W 100% Pineapple Juice* in carton format in China's Tmall e-commerce portal of Alibaba

### S&W Pineapple Juice in Tmall.com



S&W Team meets with Alibaba



# S&W CHINA



**S&W WeChat account to engage with consumers/followers in China, using fun themes to attract viewers with content focusing on health and wellness**





# S&W ASIA



S&W joined Gulfood in Dubai in February 2019. Gulfood is the the world's largest annual F&B trade exhibition.



In-store sampling activations at NTUC Fairprice outlets in Singapore for S&W *Organic Apple Cider* along with S&W *Pineapple Slices* and S&W *Fiesta Fruit*



# S&W FRESH



Visiting customers and business partners in North Asia (Traders Store in Seoul, South Korea on the left and Xian Feng Store in Hangzhou, China below)





# S&W FRESH OUTLOOK

China: Goodfarmer to develop more sales to Southwest China; Xian Feng is engaging in doubling up their fruit chain stores together with China's fast growing e-commerce company, Yunji



Asia Fruit Logistica- an international platform to build new businesses and re-connecting with our existing valued partners



Distribution expansion in Dubai, Oman and Lebanon

Continued fresh cut expansion in Korea, Japan and Singapore

Singapore: periodic product training to NTUC Fairprice for continuous awareness of S&W, and product displays at select outlets







# S&W PACKAGED OUTLOOK

Development of Juices in carton, Spaghetti Sauces and Spaghetti/Pasta in China



Continuous market expansion for Apple Cider Vinegar (ACV) (From Singapore/Malaysia/Indonesia to Philippines) + increasing product depth to the ACV range. Also focus on driving the business mileage with increased foodservice developments



Clear Cans development in Japan

Pineapple Slices for Burger King (Taiwan)



Continuous active brand building activities and improving product visibility in Israel

Contadina Broth in Hong Kong



Clear Cans launch in Taiwan

Tropical packaging from St Mamet's





## FIELDFRESH INDIA

- FieldFresh sales were up 11% in Rupee terms in 4Q due to higher Del Monte packaged product sales
- DMPL's share of loss in 4Q was US\$0.3m, versus prior year quarter's share of profit of US\$0.1m, due to commodity headwinds and higher overheads
- DMPL's share of loss for the full year was US\$0.1m, versus prior year's share of loss of US\$0.3m due to higher sales and margins



### Del Monte @ Aahar, India's largest B2B food exhibition

- Held in New Delhi on 12-16 March
- Signature B2B food event in India with 100,000+ footfalls over 5 days
- 10,000+ visits to the Del Monte stall
- 1 litre juices, Kikkoman Teriyaki sauce and Del Monte emulsions range were the focus this year



# INDIA – LAUNCH OF MAYONNAISE 80G SPOUT RANGE

- Trial pack range aimed at increasing both consumer and outlet penetration for our mayonnaise range in retail
- 3 variants: Eggless, Sandwich spread & Tandoori





# DEL MONTE TRAIL MIX/DRIED FRUITS ASSOCIATION WITH RUNNING & FITNESS COMMUNITIES IN INDIA

Objective: Strengthen our association with health and fitness communities in India, thereby leveraging their influence. This is a key part of the growth strategy for our Dried Fruits



What did we do?

- Del Monte tied up with TUFFMAN, a running community that organises marathons across India, as their snacking partner for 11 events through the year
- Our first association was for the Gurugram half marathon on 21 April where we sampled our trail mix and prunes, and disseminated information about our product range to runners and their friends during the pre-run bib collection event
- Approximately 600 consumers were sampled
- A lot of positive product feedback and buzz generated online as well
- Next event: Ultramarathon in June 2019





## SUSTAINABILITY

- Del Monte Pacific’s maiden Sustainability Report published in October 2018 was a finalist in the Asia Sustainability Reporting Awards as one of “Asia’s Best First Time Sustainability Report” amongst companies listed in 14 countries in Asia
- The Philippine Securities and Exchange Commission requires listed companies to publish Sustainability Reports beginning 2019
- DMFI outlined several initiatives towards achieving its 2025 packaging goals:
  - ✓ Joined the Sustainable Packaging Coalition to collaborate with other leading packaging suppliers and make the materials more sustainable
  - ✓ Obtain 100% certification across suppliers through Forest Stewardship Council (FSC) or Sustainable Forestry Initiative (SFI) for corrugate and other packaging materials





## DIVIDENDS

- The Board approved a final dividend of 0.52 US cents (US\$0.0052) per share representing 50% of FY2019 net profit

	For the fiscal year ended 30 April	
	2019	2018
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	US\$0.0052 per ordinary share	Nil
Tax rate	Nil	Nil
Book closure date	12 July 2019	NA
Payable date	19 July 2019	NA





## OUTLOOK

- Barring unforeseen circumstances, the Group is expected to be profitable in FY2020 on a recurring basis (without one-offs). Certain one-off expenses can be expected from streamlining of operations
- 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 products
- Improving financial performance through:
  - ✓ Review of manufacturing and distribution footprint in the USA to further improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including rising metal packaging prices and impact of tariffs imposed by the US
  - ✓ Improving cash flow, strengthening the balance sheet, and reducing leverage and interest expense

