



**DEL MONTE PACIFIC LIMITED**

---

23 June 2022

**SGX-ST/PSE/MEDIA RELEASE:** (unaudited results for the fourth quarter ended 30 April 2022)

**Contacts:**

Iggy Sison

Tel: +632 8856 2888

[isison@delmontepacific.com](mailto:isison@delmontepacific.com)

Jennifer Luy

Tel: +65 6594 0980

[jluy@delmontepacific.com](mailto:jluy@delmontepacific.com)

## **Del Monte Pacific Achieves Strong 4Q and Full Year Results with Net Profit up 38% and 58%, respectively**

### **Fourth Quarter**

- Del Monte Pacific's (DMPL) sales grew by 14% to US\$569.5m on better performance in USA and S&W branded fresh pineapple exports
- US subsidiary Del Monte Foods' (DMFI) net profit quadrupled to US\$19.0m
- Group net profit of US\$20.0m was higher by 38%

### **Full Year**

- DMPL sales increased by 8% to US\$2.3bn on better performance in USA, S&W fresh and packaged products
- US subsidiary DMFI's net profit more than tripled to US\$54.3m
- Group net profit of US\$100.0m was higher by 58%
- Successfully refinanced DMPL Preference Shares and DMFI Senior Secured Notes
- Final dividend of US\$0.017 per share declared, representing 33% of FY2022 net profit

Singapore/Manila, 23 June 2022 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) reported today its fourth quarter and full year FY2022 results ending April.

### **Fourth Quarter**

DMPL generated sales of US\$569.5 million, up 14% from better performance in the USA and S&W fresh pineapple exports.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), achieved sales of US\$411.0 million or 72% of Group turnover. DMFI's sales saw a significant 25% improvement on strong branded retail sales with

canned vegetable and fruit volume growing 23%, led by increased product supply and merchandising support for the Easter holiday. Del Monte canned vegetable, which had the highest contribution to branded retail sales, saw a 4-ppt increase in market share on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by superior supply chain service. Canned fruit, canned tomato and fruit cup snacks also achieved higher shares.

Amidst an inflationary market, the Philippines generated sales of US\$68.3 million, 7% lower in peso terms. Packaged fruit and spaghetti sauce category consumption was down due to shifting consumer priorities in the face of food inflation. Despite volume decline, Del Monte's market share of packaged fruit increased from sustained marketing programs. However, spaghetti sauce lost share from low-priced brands. Sales of 100% pineapple juice declined as some consumers shifted to multi-flavored juice drinks, growing by 54%. New innovations consisting of Mr. Milk yogurt drink, Potato Crisp and Fruity Munchsters snacks, and the new Del Monte-Vinamilk dairy products accounted for 9% of sales. Foodservice sales rose 14% as Del Monte capitalized on the increased restaurant foot traffic as consumers stepped out of their homes more, with menu features and partner tie-ups in this channel.

S&W branded business in Asia grew on the back of strong sales of the premium fresh pineapple segment in China and South Korea. In China, sales benefitted from expanded distribution coverage of existing distributors, plus new distributors which have supported the continued expansion into tier 2 and 3 cities. The Company launched the extra sweet S&W Deluxe Premium in China, Japan and South Korea in the earlier quarter with sustained favorable market feedback. This premium fresh variety is gaining traction in China's retail segment. The Company also started supplying 100% pineapple juice to Jollibee Malaysia, supporting their key outlet with an S&W-labelled juice dispenser.

DMPL's gross profit increased by 11% to US\$147.6 million on higher sales. DMFI's higher gross margin was led by continued benefits from Asset Light and cost reduction initiatives coupled with select price increases to help offset higher costs. DMPL ex-DMFI, however, saw lower gross margin leading to a reduction of 80 basis points in Group gross margin. DMPL's net profit surged by 38% to US\$20.0 million from US\$14.5 million on DMFI's strong performance with its net profit quadrupling to US\$19.0 million from US\$4.6 million.

### **Full Year**

DMPL achieved sales of US\$2.3 billion, up 8%, on better performance in USA, S&W fresh and packaged products. DMFI generated 12% higher sales to US\$1.7 billion and achieved record market share growth in

the core vegetable and fruit categories. DMFI successfully expanded into new categories of beverage and frozen and accelerated growth in key sales channels of dollar stores, convenience stores, e-commerce and foodservice.

DMFI won the “Product of the Year” award for the fourth straight year for its newest innovations: *Del Monte Fruit Infusions* in the fruit snack category and *Joyba Bubble Tea* in the coffee and tea category.

DMPL’s gross profit rose 12% to US\$622.7 million while gross margin increased by 90 basis points to 26.6% on favorable sales mix from improved sales of higher-margin retail branded products and selective price adjustments made to counter inflation. Net profit saw a strong growth of 58% to US\$100.0 million for the same reasons cited above. DMFI’s net profit more than tripled to US\$54.3 million from US\$15.1 million.

“Our growth in FY2022 was no small feat amidst the ongoing pressures of a pandemic and high inflation across the world. Through our trusted portfolio of quality products, strategic pricing actions and increasing efficiencies across our business, our team successfully navigated these unprecedented challenges and demonstrated our resilience. We are very pleased with our robust fourth quarter performance sustaining the momentum for the full year,” said Joselito Campos, Jr., DMPL’s Managing Director and CEO. “The road ahead still holds many challenges. We remain relentless and laser-focused in our revenue-enhancement and cost-saving initiatives.”

The Board approved a final dividend of 1.70 US cents (US\$0.0170) per share to Common Shareholders representing 33% of FY2022 net profit before preference dividends or 41% of net profit after preference dividends. This dividend represents a 42% increase over prior year’s dividend.

DMPL redeemed US\$200 million of its DMPA1 Preference Shares in April 2022 which had a dividend rate of 6.625% p.a. This was refinanced by a combination of fixed rate Senior Notes at 3.75% p.a. and floating rate loans with a much lower current average rate of 3.8% p.a.

In May 2022, DMFI raised US\$600 million through a 7-year Term Loan B facility at Adjusted SOFR, with a floor of 0.5% plus 4.25% p.a., to primarily redeem the US\$500 million Senior Secured Notes which had an interest rate of 11.875% p.a. The much lower interest rate will result in about US\$20-30 million interest savings per year. The total one-off transaction costs amount to about US\$70 million which will be booked in FY2023.

True to its vision, “Nourishing Families. Enriching Lives. Every Day.”, the Group will continue to improve and expand its offering of high quality products, and making these more readily available to consumers through traditional and digital channels including e-commerce, and through more convenient formats. Amidst a high-cost environment, the Group remains vigilant in managing its costs. DMFI has embarked on a number of cost optimization initiatives including distribution center consolidation and increased use of rail instead of trucks to save on fuel cost. Barring unforeseen circumstances, the Group expects to generate higher net profit (before one-off refinancing expenses) in FY2023.

### **About Del Monte Pacific Limited ([www.delmontepacific.com](http://www.delmontepacific.com))**

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

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

DMPL’s USA subsidiary, Del Monte Foods, Inc (DMFI) ([www.delmontefoods.com](http://www.delmontefoods.com)), owns other trademarks such as *Orchard Select*, *Fruit Refreshers*, *Veggieful* and *Bubble Fruit* while DMPL’s Philippine subsidiary, Del Monte Philippines, Inc ([www.delmontephil.com](http://www.delmontephil.com)), has the trademark rights to *Del Monte*, *Today’s*, *Fiesta*, *202*, *Fit ‘n Right*, *Heart Smart*, *Bone Smart* and *Quick ‘n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, stock, juices and frozen pineapple, under various brands and also sells fresh pineapples under the *S&W* brand ([www.swpremiumfood.com](http://www.swpremiumfood.com)).

DMPL’s USA subsidiary operates six plants in the USA and two in Mexico, while its Philippine subsidiary operates a fully-integrated pineapple operation with its 26,000-hectare pineapple plantation in Bukidnon, a frozen fruit processing facility and a Not From Concentrate juicing plant nearby, and a fruit processing facility that is about an hour away from the plantation. The Philippine subsidiary also operates a beverage bottling plant in Cabuyao, Laguna.

The Group owns approximately 95% of a holding company that owns 50% of Del Monte Foods Private Limited ([www.delmontefoods.in](http://www.delmontefoods.in)) in India which markets *Del Monte*-branded packaged products in the Indian market. The Group’s joint venture partner is the well-respected Bharti Enterprises, one of the largest conglomerates in India.

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

DMPL is 71%-owned by NutriAsia Pacific Ltd and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. A subsidiary of the NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

To subscribe to our email alerts, please send a request to [jluy@delmontepacific.com](mailto:jluy@delmontepacific.com).

### **Disclaimer**

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the “Group”) that are of a forward-looking nature and are therefore based on management’s assumptions about future developments. Such forward-looking statements are typically identified by words such as ‘believe’, ‘estimate’, ‘intend’, ‘may’, ‘expect’, and

'project' and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

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.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Del Monte Pacific.