

# DEL MONTE PACIFIC LTD

*A Global Heritage Brands Company*

## CORPORATE PRESENTATION



12 October 2017



NOURISHING FAMILIES.  
ENRICHING LIVES.  
EVERY DAY.



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This presentation 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.

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# Agenda

- I. Vision and Strategy
- II. Overview
- III. Growth Drivers
- IV. Financials
- V. Awards and Corporate Governance
- VI. Investment Merits
- VII. Appendix - Markets

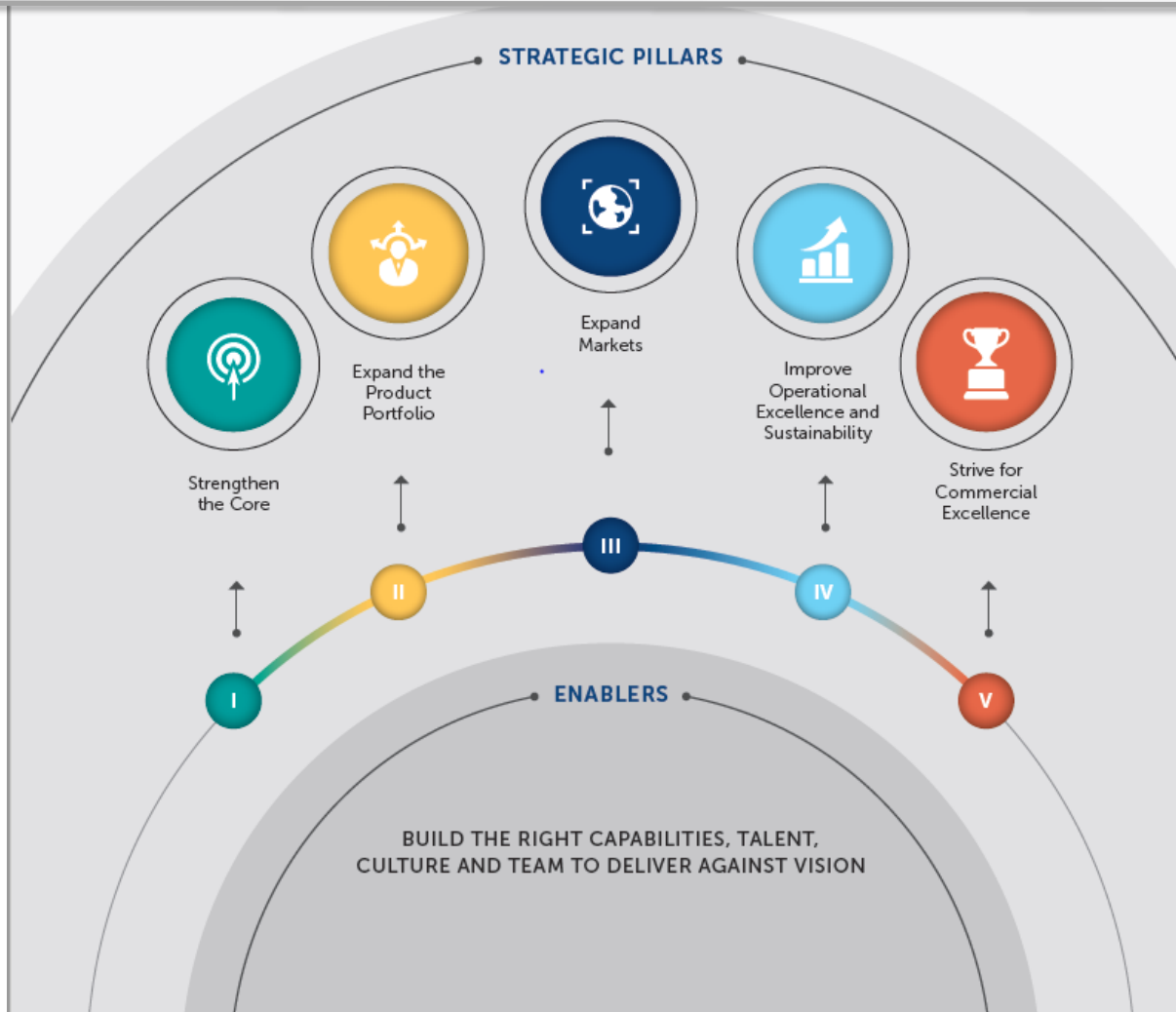


# Vision and Strategy



## NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

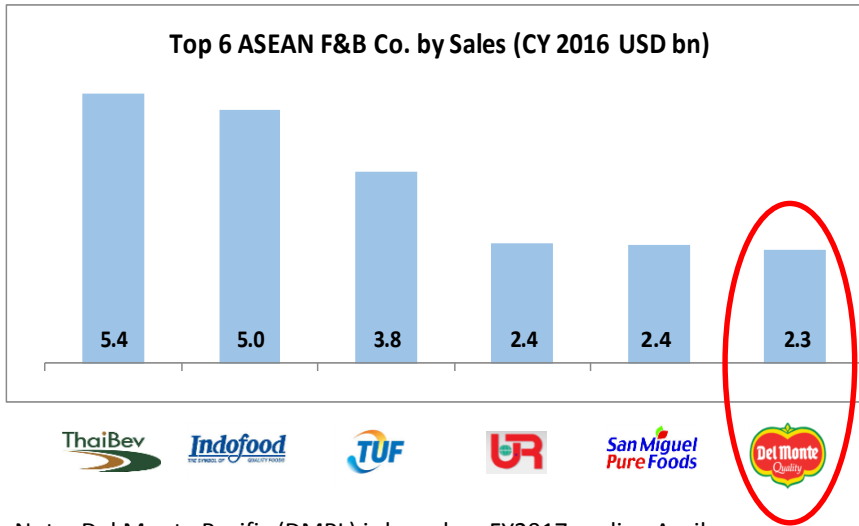
We nourish families by providing delicious food and beverages that make eating healthfully effortless – anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.





# Company Overview

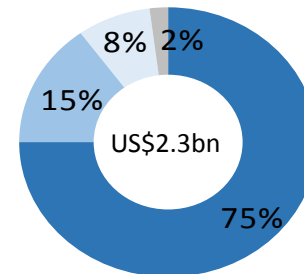
- Del Monte Pacific is one of the largest branded F&B companies listed in Southeast Asia
- Exclusive rights to premium heritage brands Del Monte and S&W in certain geographies and product categories
- Dual-listed in Singapore (since August 1999) and the Philippines (since June 2013)
- 67% owned by NutriAsia Pacific Ltd of the Campos family
- Singapore Corporate Awards (mid-cap category) Best Managed Board, CFO, IR, Annual Report



Note: Del Monte Pacific (DMPL) is based on FY2017 ending April

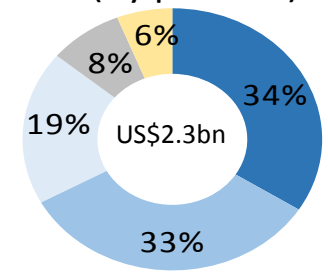


**DMPL FY2017 Sales (by geography)**



- Americas
- Philippines
- Asia ex-Philippines
- Europe

**DMPL FY2017 Sales (by product)**



- Packaged Fruit
- Packaged Veg
- Culinary
- Beverage
- Fresh Fruit and Others



# Brand Ownership

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.



## DEL MONTE

(Packaged Products)

USA, SOUTH AMERICA,  
PHILIPPINES, INDIAN  
SUBCONTINENT AND  
MYANMAR

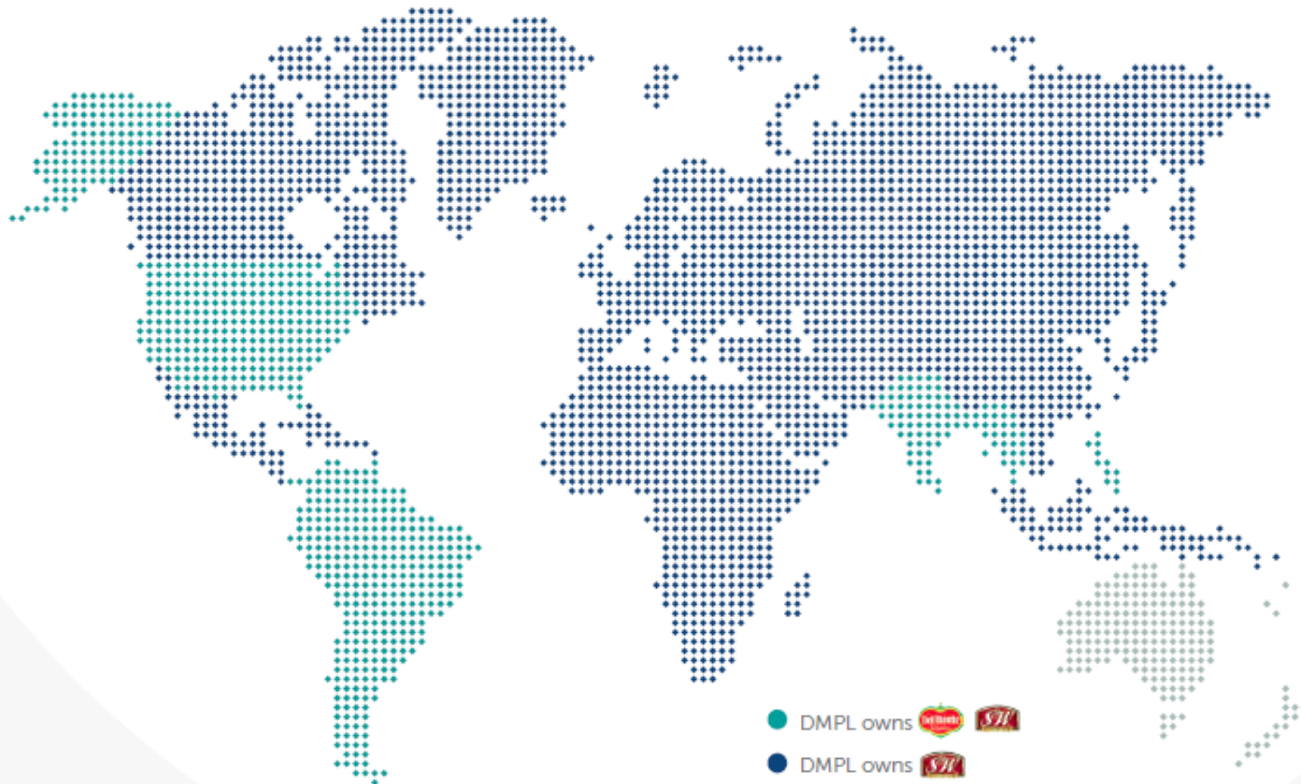
## S&W

(For Both Packaged  
and Fresh Products)

GLOBALLY  
EXCEPT AUSTRALIA AND  
NEW ZEALAND

## CONTADINA COLLEGE INN

THE GROUP ALSO  
OWNS THE CONTADINA  
AND COLLEGE INN  
TRADEMARKS



# Heritage Brands

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.



1886

- Nutritious as fresh
- All natural



1896

- Finest quality
- Healthy



1914

- Italian heritage
- Premium quality



1923

- Premium ingredients
- Taste of home

North and South America	United States	✓	✓	✓	✓
	South America	✓	✓	✓	✓
	Central America & Caribbean	Del Monte Panamerican	✓	✓	✓
	Mexico & Canada	ConAgra	✓	✓	✓
EMEA	Europe, Middle East & Africa	Fresh Del Monte	✓	✓	✓
Asia	Asia (ex Philippines, Indian subcontinent & Myanmar)	Kikkoman	✓	✓	✓
	Philippines, Indian subcontinent & Myanmar	✓	✓	✓	✓

\*for packaged segment. Fresh Del Monte owns the global rights for fresh

\*DMPL's Del Monte brand ownership is for packaged products



# Established Consumer Brands with Leading Market Positions in the US and Globally

## United States

Product	Market Share	Market Position	Products
Canned Fruit	36%	#1	
Plastic Fruit Cup	31%	#2	
Canned Vegetable	26%	#1	
Canned Tomato	9%*	#2	

\*combined share for Del Monte, S&W and Contadina brands

Source: Nielsen Scantrack dollar share, Total US Grocery+WalMart, 3M ending 29 July 2017

## Philippines

Product	Market Share
Canned pineapple	87% (#1)
Canned mixed fruit	77% (#1)
Canned and Tetra RTD juices	84% (#1)
Tomato sauce	86% (#1)
Spaghetti sauce	48% (#1)



Source: Nielsen Retail Index, 3M ending July 2017

## Others

Region	Market Share
Japan	Within Top 3
South Korea	
Singapore	
China	



Source: Management Estimates





# Large Global Business and Vertically Integrated Operations with Economies of Scale in Pineapple

## PRODUCTION FACILITIES

USA	10
Mexico	2
Venezuela	1
India	1
Philippines	3

- Production facilities
- 3<sup>rd</sup> Party Distribution



## DISTRIBUTION REACH

USA	Philippines
Canada	Cambodia
Mexico	Myanmar
Central America	Pacific Islands
Venezuela	Australia
China	Israel
Japan	UAE
South Korea	Iran
Hong Kong	Saudi Arabia
Taiwan	Qatar
Mongolia	Pakistan
Singapore	Turkey
Malaysia	France
Thailand	Spain
Indonesia	Cyprus

One of the largest integrated pineapple processors in the world with a 90+ year history in the Philippines

### Plantation



~23,000 ha. of plantation in the Philippines; planting & harvesting nearly 24 hour operation year round

### Cannery



Cannery capacity of 700,000 tons is 1 hr from plantation; processes fruit within 24 hours of harvest assuring freshness

### Fresh Packhouse



State-of-the-art fresh cold storage and packing house facility

### Nice Fruit



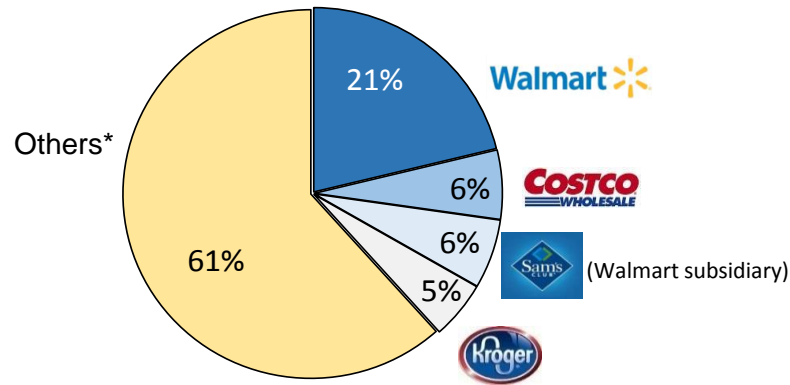
Nice Fruits patented technology called Nice Frozen Dry (NFD)



# Diversified Portfolio of Blue Chip Customers

Strong long-term relationships with major retailers across the US

US – FY2017 Net Sales Breakdown by Customers



\*Others include Supervalu, Ahold, Publix, Target and Safeway

## Philippines



## Others





# Strong Shareholder Support & Experienced Management Team with Proven Track Record

## Strong Shareholder Support

NutriAsia Pacific Limited, owned by the Campos family, has been the majority shareholder of the Company since 2006 and currently has 67% ownership. Lee Pineapple Group owns 5.5% and has been a shareholder since 2003.

## Experienced Management Team

Strong core management team across the entities with wide-ranging experience in the international markets

### DMPL CEO



**Joselito Campos, Jr.**  
35 Years  
Industry  
Experience

### DMPL COO



**Luis Alejandro**  
35 Years  
Industry  
Experience

### DMPL CCO



**Ignacio Sison**  
25 Years  
Industry  
Experience

### DMPL CFO



**Parag Sachdeva**  
20 Years  
Industry  
Experience

### DMFI CEO



**Gregory Longstreet**  
25 Years  
Industry  
Experience

### DMFI COO



**David Meyers**  
35 Years  
Industry  
Experience

### DMFI CFO



**Gene Allen**  
27 Years  
Industry  
Experience



# Key Priorities – Short to Mid Term

## USA

- A. Strengthen the core business (product differentiation through non-BPA, non-GMO, Natural Sea Salt)
- B. New products in growing categories
  - Del Monte Fruit Refreshers and Fruit & Chia - adult fruit cups for healthy snacking
  - College Inn broth
- C. Reduce SG&A
  - Optimise supply chain
  - Optimise organisation
  - Offshore more activities







# Key Priorities – Short to Mid Term Philippines, India and Rest of Asia

- A. New products
  - Del Monte Creamy & Cheesy Spaghetti Sauce
  - Del Monte Fit 'n Right Active Isotonic Drink
  - S&W Organic Apple Cider Vinegar
- B. Foodservice expansion
- C. E-commerce opportunities
- D. Improve margin through cost optimisation programmes





# Financials

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FINANCIAL YEAR <sup>1</sup> (Amounts in US\$ million unless otherwise stated)	FY2017	FY2016 (As Restated <sup>2</sup> )	FY2015 (As Restated <sup>2</sup> )	CY2013	CY2012
<b>PROFITABILITY<sup>3</sup></b>					
Turnover	2,252.8	2,274.1	2,190.0	492.2	459.7
Gross Profit	494.9	485.8	411.5	115.6	112.8
EBITDA	194.0	241.3	89.7	42.3	59.9
EBITDA - without Non-Recurring items	211.8	208.2	149.3	68.8	59.9
Profit/(loss) from Operations	127.6	168.0	38.3	27.5	49.7
Net Profit Attributable to Owners	24.4	57.0	(40.3)	16.1	32.0
EPS (US cents)	1.21	2.93	(2.90)	1.24	2.47
Net Profit - without Non-Recurring items	45.5	25.2	(3.8)	33.9	32.0
EPS - without Non-Recurring items (US cents)	2.29	1.30	(0.28)	2.62	2.47
Gross Margin (%)	22.0	21.4	18.8	23.5	24.5
EBITDA Margin (%)	8.6	10.6	4.1	8.6	13.0
Operating Margin (%)	5.7	7.4	1.7	5.6	10.8
Net Margin (%)	1.1	2.5	na	3.3	7.0
EPS Growth (%)	58.7	201.0	na	(49.8)	15.4
Return on Equity (%)	5.1	16.1	na	6.7	13.4
Return on Assets (%)	0.7	2.2	na	2.9	6.9
<b>BALANCE SHEET</b>					
Cash	37.6	47.2	35.6	132.9	24.6
Debt	1,714.0	1,843.8	1,718.5	276.7	140.5
Net Debt	1,676.4	1,796.6	1,682.9	143.8	116.0
Fixed Assets	657.2	661.2	679.3	99.5	93.4
Total Assets	2,757.1	2,706.4	2,628.4	617.6	496.7
Shareholders' Equity	578.6	377.0	330.5	228.4	250.7
Net Tangible Asset Per Share (US cents)	(8.4)	(19.2)	(22.1)	16.5	21.8
Net Debt to Equity Ratio (%)	289.8	476.6	509.2	62.9	46.3

<sup>1</sup> DMPL changed its fiscal year to end in April in line with its USA subsidiary Del Monte Foods, Inc. For 2012-2013, fiscal year was ending December.

<sup>2</sup> DMPL adopted 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. For more information on these amendments, please refer to Note 3 of the financial statements.

<sup>3</sup> The profitability of the Group from CY2013-FY2017 had been impacted by non-recurring items mostly due to the acquisition of the US company. Please refer to the Operating and Financial Review section for more details.

# Awards and Corporate Governance

- DMPL's CEO, Mr Joselito D Campos, Jr, bagged the Entrepreneur of the Year Award in the Asia Pacific Entrepreneurship Awards on 11 August 2016 in Singapore
- DMPL received a total of 12 awards between 2010-2017 from the Singapore Corporate Awards:
  - ✓ Best Managed Board
  - ✓ Best Chief Financial Officer
  - ✓ Best Investor Relations
  - ✓ Best Annual Report
- Ranked #16 or Top 3% amongst 606 Singapore-listed companies in the Governance and Transparency Index in August 2017
- Ranked #28 amongst Top 100 largest Singapore-listed companies in the ASEAN Corporate Governance Scorecard in April 2016





# Investment Merits

## Solid Fundamentals

- Global brand footprint with well-known premium Del Monte and S&W brands
- Long heritage of 130+ years
- Strong local franchise with leading market shares in anchor markets of USA and the Philippines
- Globally competitive integrated pineapple producer
- Experienced, dynamic management

## Valuations

- DMPL's net profit expected to grow in FY2018 on a recurring basis

## Growth Drivers

- Near term :  
Asian business continues to grow  
Restructuring for improving productivities and cost optimisation
- Mid-Long term :  
Long term strategic plan  
New business categories and channels in USA and Asia

## Corporate Governance

- Highly ranked (previous slide)

## Appendix - Markets





# DMFI (US Market)

130+ years of heritage

1886

Del Monte was born in California



1926

Del Monte USA set-up operations in the Philippines



1980

RJR acquired Del Monte USA

1988

KKR bought RJR-Nabisco

1996

Del Monte US fully divested from its Philippine operations

1997

TPG acquired Del Monte USA

1989

KKR sold Del Monte USA and broke up the Del Monte brand

2006

NutriAsia Pacific Limited (NPL) acquired 85% of DMPL

1999

- Del Monte Pacific Limited (DMPL) incorporated as parent of Philippine company
- Listed on Singapore Exchange



2007

- DMPL bought the S&W brand from Del Monte USA for Asia and EMEA
- DMPL entered into a joint venture called FieldFresh with the Bharti group in India



2013

- DMPL dual-listed on the Philippine Stock Exchange (PSE)
- NPL down to 67% stake



2014

DMPL acquired Del Monte US for US\$1.675 billion; Re-united with US company

2017

DMPL lists its Preference Shares on the PSE

2011

KKR reacquired Del Monte USA



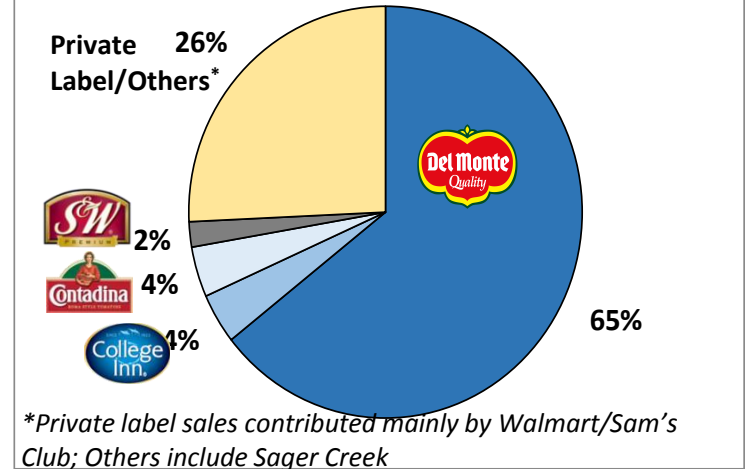


# DMFI (US Market)

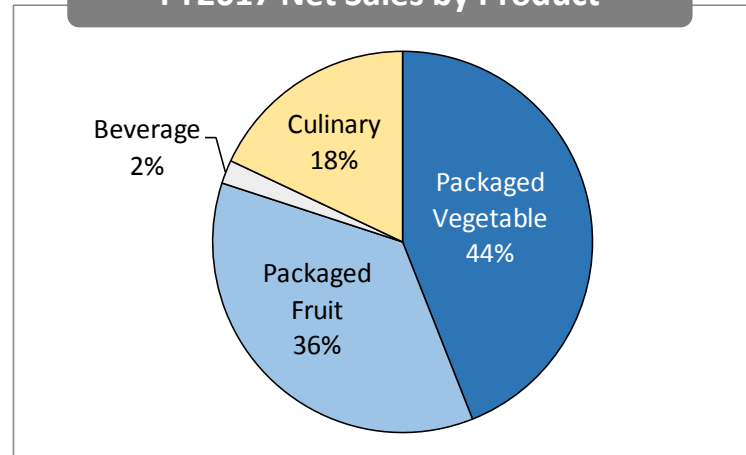
## DMFI Acquisition

- Acquisition of Del Monte Foods, Inc (“DMFI”) completed on 18 February 2014
- Purchase price of US\$1.675b or 9x EBITDA
- Financed by:
  - Debt: US\$970m LBO loans (in the US at DMFI level) and US\$280m loans (in Philippines at DMPL level)
  - Equity: US\$150m Rights, US\$200m Preference Shares and US\$75m equity from investors
- DMFI posted sales of US\$1.7 billion in FY2017, 75% of the group’s revenue.
- DMPL aligned its financial year with that of DMFI to end in April

FY2017 Net Sales by Brand



FY2017 Net Sales by Product





# USA

## Sales Split FY2017:

44% Packaged Vegetable

36% Packaged Fruit

18% Culinary

2% Beverage

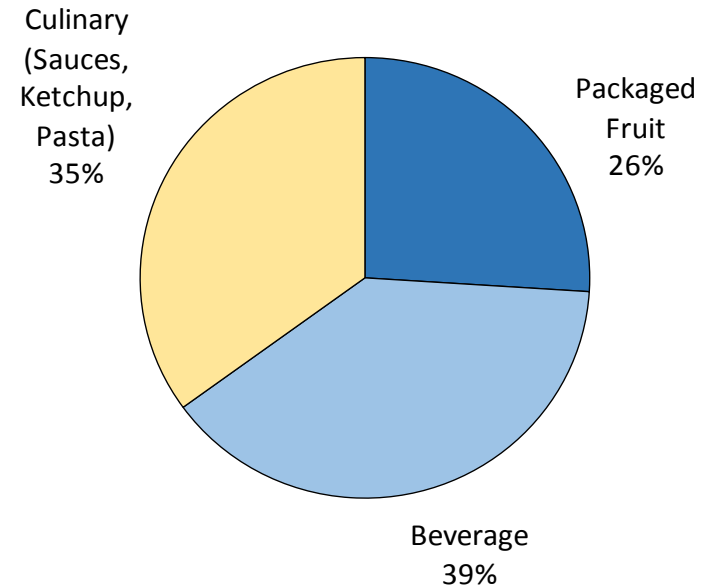




# Philippine Market

- The Company's Philippine operations were established in 1926
- World's largest integrated pineapple operation with a 23,000-hectare pineapple plantation, over 700,000-ton processing capacity and a port beside the cannery. It is proud of its long heritage of 90+ years of pineapple growing and processing
- The Group owns the Del Monte brand in the Philippines for processed products where it enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup
- The Company sells through general trade, modern trade and foodservice. DMPI utilises non-exclusive distributors nationwide to cover general trade accounts such as wholesalers, public markets and retail stores
- Philippines posted sales of US\$329m in FY2017, 15% of the group's revenue

## FY2017 Sales Split (Total Sales US\$329m)





# Philippines

Sales Split FY2017:

39% Beverage

35% Culinary  
(Sauces, Ketchup, Pasta)

26% Packaged Fruit

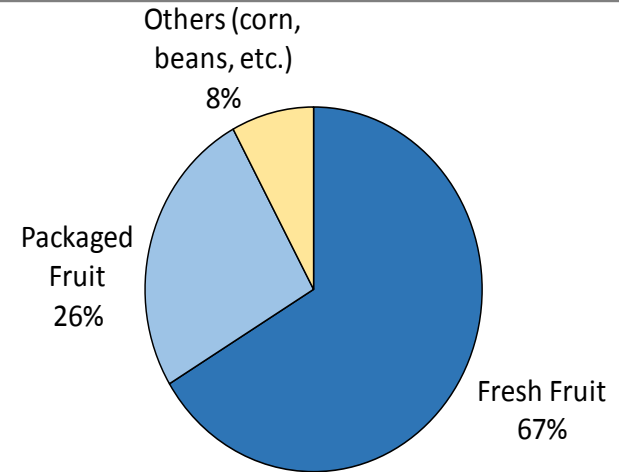




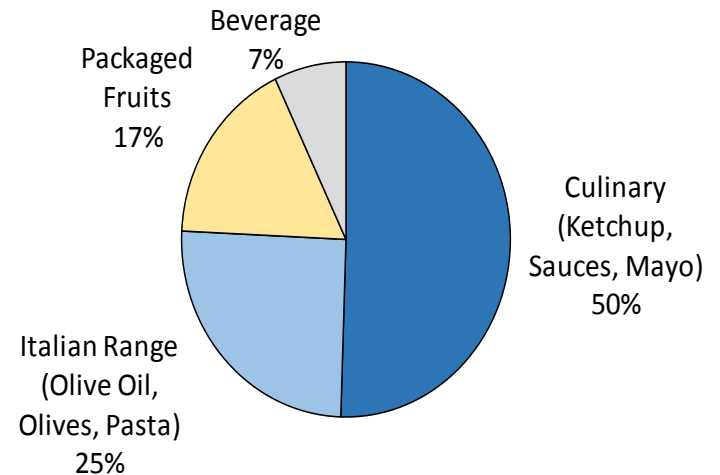
# Asia and the Middle East

- Acquired S&W International in November 2007
  - S&W entered the fresh pineapple business under the S&W brand and is now ranked Top 3 in China, South Korea, Japan and Singapore
  - Exceptional quality premium canned fruit and vegetable products
  - For Asia and Middle East, sales of US\$100m in FY2017 (S&W fresh US\$67m and S&W packaged US\$33m)
  
- For India, acquired 40% of FieldFresh in September 2007, with stake subsequently increased to 47% via capital call and voting control equally split between DMPL and Bharti Enterprises (the controlling shareholder of Airtel India)
  - In Dec 2010, the Indian operations opened a new facility near Bangalore to produce culinary products and fruit drinks
  - In FY2017, sales amounted to US\$76m with US\$64m from Del Monte sales in India

S&W Asia and Middle East FY 2017 Sales Split



India FY 2017 Sales Split







# Asia and Middle East – S&W Products

## Sales Split FY2017:

67% Fresh Pineapple

26% Packaged Fruit

8% Others





# India

## Sales Split FY2017:

50% Culinary  
(Ketchups, Sauces, Mayo)

25% Italian Range  
(Olive Oil, Olives, Pasta)

17% Packaged Fruit and  
Vegetable

7% Beverage





# Global – Private Labels/OEM

DMPL's branded business is about 80% of sales. The following are the segments of the non-branded business:

Export Markets	Customers	Products
USA	Private labels	Packaged vegetable, fruit and tomato
Canada	Del Monte brand owners	Packaged fruit and pineapple juice concentrate (PJC)
Europe	Private labels	Packaged fruit and PJC
Asia Pacific	Del Monte Asia/ Kikkoman	Packaged fruit and PJC
	Private labels	Packaged fruit, PJC and fresh pineapple
	Fresh Del Monte*	Fresh pineapple

*\*DMPL's Supply Contract with Fresh Del Monte shifted to market prices starting 1 January 2015*

