

RESILIENT GROWTH

DEL MONTE PACIFIC FY2021 RESULTS

27 August 2021



Nourishing Families.
Enriching Lives.
Every Day.



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➤ FY2021 Highlights

- DMPL Group improved its gross margin to 25.7% from 21.2% on better sales mix, lower trade spending and lower costs
- EBITDA more than doubled to US\$309m
- Net profit of US\$63m was a significant turnaround from the US\$81m loss in the prior year
- EBITDA of Del Monte Foods surged to US\$170.5m from US\$33m in the prior year and delivered a net profit of US\$15m from a loss of US\$100m last year due to asset-light strategy which has generated significant savings
- Del Monte Foods achieved net profit for first time since the acquisition in 2014
- Group reduced net debt, lowering gearing to 2.0x from 2.4x equity
- Final dividend declared representing 37% of FY2021 net profit



➤ FY2021 Results Summary

- Sales of US\$2.2bn, +2%

Sales	% Change
Americas	-3
Philippines	+16 (in peso terms +10)
S&W	-1
FieldFresh India (equity accounted)	-12 (in rupee terms -8)

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

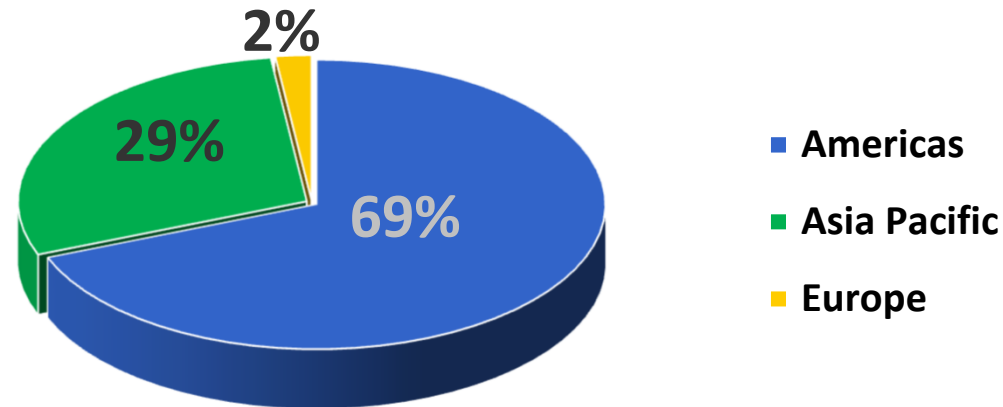
- EBITDA of US\$309.0m, up 37% from US\$225.7m, due to better sales mix, lower trade spending, active cost management with significant savings from DMFI's asset-light strategy and other cost saving initiatives
- Operating profit of US\$211.9m, up 57% from US\$134.7m
- Net profit of US\$63.3m, up 97% from US\$32.2m



➤ DMPL FY2021 Results – As Reported

In US\$m	FY2020	FY2021	Chg (%)	Comments
Turnover	2,128.3	2,162.7	+1.6	Higher Philippines and international market sales partly offset by USA sales
Gross profit	452.2	556.0	+23.0	Better sales mix, lower trade spending and active cost management including savings from DMFI's asset-light strategy and other cost saving initiatives
EBITDA	142.2	309.0	+117.2	Same as above, plus last year had one-off expenses
Operating profit	51.2	211.9	+313.9	Same as above
Net finance income/ (expense)	(112.8)	(106.6)	-5.5	Lower interest expense
FieldFresh equity share	(2.0)	(1.0)	-50.0	Higher retail sales, lower marketing and overhead costs
Tax benefit/(expense)	(29.2)	(27.3)	-6.5	Higher last year due to payment of final taxes on dividend from subsidiary
Net profit/(loss)	(81.4)	63.3	+177.7	Same as EBITDA
Net debt	1,362.6	1,256.3	-7.8	Lower due to stronger operating results
Gearing (%)	240.8	195.5	-45.2ppts	Same as above plus higher shareholder's equity

➤ DMPL FY2021 Turnover Analysis



Americas	-2.7%	<ul style="list-style-type: none"> ▪ Strategic planned exit from the non-branded private label retail segment ▪ But branded retail sales grew by 2.5% and e-commerce sales significantly increased continuing the strong growth momentum
Asia Pacific	+13.0%	<ul style="list-style-type: none"> ▪ Higher sales in the Philippines, up 16% in US dollar terms ▪ Strong S&W sales of shelf-stable packaged products
Europe	+13.2%	<ul style="list-style-type: none"> ▪ Higher packaged fruit and culinary sales

➤ Del Monte Foods USA FY2021 Results

- DMFI's sales for FY2021 were US\$1.5bn or 70% of Group sales
 - ✓ Branded retail sales grew by 2.5% and e-commerce sales significantly increased, continuing the strong growth momentum
 - ✓ However, total sales were down 3% due to strategic planned exit from the non-branded private label segment
- Continued to innovate and expand product portfolio
 - ✓ Successfully launched the premium canned pineapple 'Deluxe Gold' produced by Del Monte Philippines, and Del Monte Veggieful line of frozen vegetarian pocket pies. Introduced new "Joyba" brand
 - ✓ New products launched in the past 3 years contributed 6% to DMFI's total sales in FY2021
- Gross margin surged to 22.6% from 17.6% on favourable sales mix, lower trade spending and costs, including about US\$40m savings generated by plant closures in the prior year
- EBITDA soared to US\$170.5m from US\$33.2m
- Generated a net profit of US\$15.1m, reversing the loss of US\$100.4m in FY2020
- There were no one-off items this year. Completed cost-saving programs 6 months ahead of schedule
- Refinanced all debt and lowered Debt/EBITDA to 4.6x from 9.8x



➤ Del Monte Philippines FY2021 Results

- DMPL's 2nd largest subsidiary, Del Monte Philippines, Inc, achieved its record sales of US\$705.8m in FY2021, up 14% versus the prior year
 - ✓ Sales in the Philippines rose 16% to US\$392.9m, as strong retail sales more than offset the decline in foodservice sales
 - Spaghetti sauce, pasta, ketchup and packaged fruit products performed from increased home cooking, anchored on quality and nutrition
 - Beverage sales also improved, with Del Monte's equity associated with healthy and immunity-boosting 100% Pineapple Juice
 - Entered the fast-growing ready-to-drink milk and biscuits categories with the launch of Del Monte Mr Milk, a fruit- and yoghurt-flavoured milk drink, and Del Monte Potato Crisp Biscuits
 - ✓ International sales up 14% on higher packaged and fresh sales
- Gross margin expanded to 30% from 26.7% on higher volume, favourable sales mix, lower costs and expenses, and greater efficiency
- Achieved EBITDA of US\$152.6m, up 37%
- Generated a record net profit of US\$94.5m, up 40%



➤ Dividends

- The Board approved a final dividend of 1.20 US cents (US\$0.0120) per share to Common Shareholders representing 37% of FY2021 net profit before preference dividends or 54% of net profit after preference dividends



	For the fiscal year ended 30 April	
	2020	2021
Name of dividend	Special	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	US\$0.0154 per ordinary share	US\$0.0120 per ordinary share
Tax rate	Nil	Nil
Book closure date	12 August 2020	13 July 2021
Payable date	19 August 2020	27 July 2021



➤ Outlook

- Strengthen our core business, expand the product portfolio, in response to market trends for health and wellness, and grow our branded business
- More product availability through better distribution and expanded sales channels including e-commerce
- 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
- DMPL is well-placed to build on momentum achieved in FY2021 and expects to offset the impact of commodity and transportation headwinds
- Barring unforeseen circumstances, the DMPL Group expects to generate higher net profit in FY2022
- Continued margin improvement and leverage reduction from higher profitability

