DEL MONTE PACIFIC LIMITED

15 March 2024

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the third quarter ended 31 January 2024)

Contacts:
Iggy Sison
Tel: +632 8856 2888
isison@delmontepacific.com

Jennifer Luy
Tel: +65 6594 0980
jluy@delmontepacific.com

Del Monte Pacific's Third Quarter and Nine Months FY2024 Results

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

Singapore/Manila, 15 March 2024 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) reported today its third quarter FY2024 results ending January.

THIRD QUARTER FY2024

For the quarter, DMPL generated sales of US$646.7 million, down 5% due to lower sales in the USA by subsidiary Del Monte Foods, Inc. (DMFI), and lower sales in the Philippines and exports of packaged pineapple by Del Monte Philippines, Inc. (DMPI).

USA

DMFI achieved sales of US$466.4 million or 72% of Group turnover. DMFI's sales decreased by 6% mainly driven by 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 of 23.6%. 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.

Recently, DMFI received Product of the Year awards in two categories: first in the healthy snack category for one of its newest innovations, *Del Monte Fruit Refreshers*, and another in the meal ingredient category for *Take Root Organics*. Product of the Year award is the world's largest consumer-voted award for product innovation. Winners are determined by the votes of 40,000 consumers in a nationally representative survey conducted by research partner Kantar, a global leader in consumer research.

In the foodservice channel, DMFI continued to expand into new school districts and states providing nutritious fruit and vegetables that are "Buy American Compliant" and meet the K12 School Nutrition dietary policies. This contributed to the double-digit sales growth in this channel.

Philippines

Philippine market delivered sales of US$107.4 million, 4% lower in peso terms and 2% lower in US dollar terms. The decline in sales was primarily driven by a reduction in beverage sales, attributed to the growing emergence of simple juice drink brands and juice PET formats. Efforts to bolster juice sales through ongoing brand campaigns aimed at building brand salience and relevance remain ongoing to spur recovery. Meanwhile, Spaghetti Sauce achieved its highest December market share at 37.8% since 2020, culminating in a third quarter FY2024 share of 39.3%. This holiday season performance was fueled by the accelerated recovery of spaghetti value packs, distribution expansion and Christmas communication focused on 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. The foodservice channel continued to grow with sales up 13% on new outlets, menu ideas and products. It launched the Pineapple Juice 1-liter pack and All Purpose Dressing in 1,266 accounts.

International Markets

Sales in the international markets were lower 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. In the foodservice segment, McDonald's China and McDonald's Hong Kong launched Chinese New Year promotions featuring S&W Pineapple Slices in their burgers and S&W Fiesta Fruit Cocktail in their yuzu drink. The special promotions covered more than 5,000 McDonald's stores in China and more than 250 stores in Hong Kong.

Group

DMPL's gross profit was lower by 23% to US$116.6 million as gross margin declined to 18% from 22%, driven by inflationary factors and higher operating costs from increased inventory and lower pineapple supply. DMFI has proactively taken measures to offset the inflation-driven effects of margin compression, including a price increase on July 31st and a strategic shift away from the lower-margin co-packing business. As a result of lower gross profit and increased interest expense, DMPL reported a net loss of US$29.0 million versus prior year quarter's net profit of US$9.8 million.

NINE MONTHS FY2024

DMPL sales were maintained at US$1.8 billion on stable USA and Philippines sales. DMFI continued to gain market share in the U.S. in canned vegetable, fruit and tomato, and DMPI grew its market share in the Philippines in packaged pineapple, mixed fruit, tomato and spaghetti sauces.

DMPL’s gross profit declined by 26% to US$360.4 million on higher costs. EBITDA decreased by 43% to US$155.5 million and the Group generated a net loss of US$50.6 million from a net profit of US$28.9 million on lower operating results.

OUTLOOK

The Group is actively addressing the high carryover inventory levels from FY2023 by reducing the FY2024 pack across all major segments especially in the U.S. 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.

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 is also rightsizing its workforce to reduce the G&A cost of the business.

The Group recognizes the uncertainty in the global environment and is committed to effectively managing its operating expenses. To achieve this, the Group is implementing various strategies, such as optimizing packaging materials, implementing power and fuel initiatives, making investments to enhance efficiency, productivity, and wastage minimization, and introducing product bundling initiatives in distribution centers. By actively pursuing these measures, the Group aims to streamline operations, reduce costs, and ensure sustainable growth in an ever-changing market.

The Group expects to deliver improved branded revenue growth in FY2024.

In the U.S., DMFI is dedicated to expanding its market share through a comprehensive strategy that encompasses several key aspects. This includes a focus on accelerating innovation, recapturing margins, and capitalizing on growth opportunities in under-penetrated channels. As

DMFI's branded portfolio continues to strengthen its position as a market leader across various categories, the Group anticipates that its Joyba and Kitchen Basics brands will make important contributions to both sales and margins. DMFI has been winning significant new Joyba distribution and is primed to do a national launch within the next six months.

Furthermore, in response to the growing demand for premium products, particularly the superior MD2 fresh pineapple, plans have been developed to substantially increase production. This initiative will support the rising export demand for these highly sought-after products and further strengthen the Group's reputation as a provider of exceptional quality.

The Group anticipates that FY2024 will be a year during which the company focuses on reducing inventory and further lowering operating costs. DMPL expects to incur a loss in this financial year, in accordance with the guidance given in the last quarter.

Against this backdrop, DMPL's Managing Director and CEO Joselito Campos Jr. said, "We expect that consumer spending will continue to be affected by inflation and high living costs. The Group is focused on navigating through these challenges. Additionally, we will explore opportunities to enhance our capital structure, reduce leverage, and minimize interest expenses."

Further to the Company's announcements on 19 and 20 February 2024, the Company's indirect subsidiary, Jubilant Year Investments Limited, will issue on 18 March 2024 US$70 million Senior Perpetual Capital Securities to be guaranteed by Del Monte Philippines, Inc. (DMPI) and Philippine Packaging Management Service Corporation. As disclosed, the proceeds of such issuance will be used to settle certain derivative rights of DMPI minority shareholder, SEA Diner Holdings (S) Pte. Ltd., and redeem less than half of its shareholdings in DMPI.

About Del Monte Pacific Limited (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* – most 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), owns other trademarks such as *Fruit Refreshers, Veggieful, Bubble Fruit, JOYBA, Kitchen Basics* and *Take Root Organics* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), owns exclusive rights to trademarks such as *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).

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 28,000-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 96% of a holding company that owns 50% of Del Monte Foods Private Limited (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, NutriAsia Inc., 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.

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.