



**DEL MONTE PACIFIC LIMITED**

## **Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the First Quarter Ended 31 July 2022**

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### **AUDIT**

First Quarter FY2023 results covering the period from 1 May to 31 July 2022 have neither been audited nor reviewed by the Group's auditors.

### **ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2022 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2022. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3, Reference to the Conceptual Framework.
- Amendments to IAS 16, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37, Onerous Contracts – Costs of Fulfilling a Contract.
- Annual Improvements to IFRSs 2018-2020 Cycle

### **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 to shares in Del Monte Pacific.

## **SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS**

The Company confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) have been procured.

## **DIRECTORS' ASSURANCE**

Confirmation by Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Del Monte Pacific Limited which may render these interim financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of Del Monte Pacific Limited

(Signed)  
Rolando C. Gapud  
Executive Chairman

(Signed)  
Joselito D. Campos, Jr.  
Executive Director

8 September 2022

## NOTES ON THE 1Q FY2023 DMPL RESULTS

- On 30 April 2020, the Group recognized the sale of a 12% stake in Del Monte Philippines, Inc. (DMPI) and started recognizing this as non-controlling interest (NCI) on 1 May 2020. On 16 December 2020, the Group recognized an additional sale of 1% stake in DMPI thereby increasing the NCI share to 13%. In addition, DMPL's effective stake in Del Monte Foods, Inc. (DMFI) increased to 93.6% starting 15 May 2020 and had henceforth recognized a 6.4% NCI. These two comprise the NCI line in the P&L. Net profit/(loss) is net of NCI. Please refer also to profit and loss summary of DMFI and DMPI on page 19 (gross of NCI).
- FY means Fiscal Year for the purposes of this MD&A.
- The 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.

## FINANCIAL HIGHLIGHTS – FIRST QUARTER ENDED 31 JULY 2022

<i>in US\$'000 unless otherwise stated</i> <sup>1</sup>	For the quarter ended 31 July		
	Fiscal Year 2023	Fiscal Year 2022	% Change
Turnover	456,587	462,134	(1.2)
Gross profit	131,736	133,420	(1.3)
Gross margin (%)	28.9	28.9	0.0
EBITDA	70,045	74,983	(6.6)
Operating profit	50,430	56,773	(11.2)
Operating margin (%)	11.0	12.3	(1.3)
Net profit attributable to owners of the Company	(30,523)	18,322	(266.6)
Net margin (%)	(6.7)	4.0	(10.7)
EPS (US cents)	(1.65)	0.69	(339.1)
EPS before preference dividends (US cents)	(1.57)	0.94	(267.0)
Net profit attributable to owners of the Company (Without one-off items <sup>2</sup> )	19,639	18,322	7.2
Net debt	1,730,152	1,303,688	32.7
Gearing (%) <sup>3</sup>	416.5	206.0	210.5
Net debt to adjusted EBITDA <sup>4</sup>	5.0	3.8	1.2
Cash flow from operations	6,003	48,491	(87.6)
Capital expenditure	43,026	42,432	1.4
Inventory (days)	215	170	45
Receivables (days)	36	33	3
Account Payables (days)	69	61	8

<sup>1</sup> The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.38 in July 2022 and 1.33 in July 2021. For conversion to PhP, these exchange rates can be used: 52.87 in July 2022 and 48.87 in July 2021.

<sup>2</sup> Please refer to the last page of this MD&A for a schedule of the one-off items

<sup>3</sup> Gearing = Net Debt / Equity

<sup>4</sup> Adjusted EBITDA = Last twelve months without one-off items

## REVIEW OF OPERATING PERFORMANCE

The Group generated sales of US\$456.6 million for the first quarter of FY2023, lower by 1.2% versus the prior year quarter driven by lower sales in the Philippines partly offset by higher sales in the US as well as higher exports of fresh and packaged pineapples and other products.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI) generated US\$302.4 million or 66.2% of Group sales. DMFI's sales increased by US\$4.3 million or 1.5% driven by branded retail in the US and growth in Latin America. Revenue growth was mainly driven by pricing taken across categories in line with inflation offsetting impact from inventory de-loading by key customers and supply constraints mainly in Plastic Fruit Cup and Produce segments.

DMFI continues to pursue its innovation efforts and expand on new product offerings in the recent years. New products launched in the past three years contributed 6.8% to DMFI's total sales in the first quarter.

The higher sales performance in the first quarter more than offset cost increases driven by inflation and logistics headwinds resulted in DMFI generating a gross profit of US\$78.4 million, higher by 1.5% versus prior year quarter's US\$77.3 million. Gross margin at 25.9% was in line with prior year.

DMPL ex-DMFI generated sales of US\$173.7 million (inclusive of the US\$19.5 million sales by DMPL to DMFI which were netted out during consolidation) which were 5.3% lower than the US\$183.4 million sales in the prior year quarter. The higher exports sales of S&W fresh and processed pineapples and other products were offset by lower sales and unfavorable forex impact from the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.3% from 30.8% in the same period last year as overall pricing improvement was offset by higher product costs brought about by increase in prices of raw and packaging materials particularly tinfoil, sugar, tomato paste as well as fuel and related inputs.

The Group's second largest subsidiary, DMPI, achieved sales of US\$168.5 million, up 3.6% in peso terms versus the prior year period driven by increased sales of S&W branded processed and fresh pineapples. However, net profit of US\$19.7 million was down 16.9% in peso terms, as higher sales were offset by higher product and distribution costs attributed to inflation. About half of DMPI's sales are in the Philippines, with the balance in the international market and others.

In the Philippines, sales were lower by 18.2% in US dollar terms and 9.7% in peso terms driven by the decline in volume across core categories as consumers continued to adjust to high inflationary environment. Packaged mixed fruits and beverage sales were down as consumers shifted priorities in the face of high food prices, and are spending more on necessities and products offering improved value. Del Monte Philippines capitalized by highlighting the superior value and post-pandemic relevance of multi-flavored juice drinks in large packs, which grew by 12%. Value promotions also encouraged higher purchases among the current households, especially with tomato sauce. The first quarter also saw the temporary impact of transitions to new distributors which are expected to deliver increased reach and downline availability across categories.

Furthermore, we also de-loaded inventory in the trade by three weeks. Our offtake in General Trade grew by 7% versus prior year and with reduced inventory across categories, we are poised for a stronger festive season. Del Monte's volume and market share of packaged pineapples in the Philippines increased from sustained marketing programs. New innovations in dairy and snacking are gaining traction, now accounting for 8.2% of Philippine market sales. Foodservice sales rose 19.8% with increased consumer traffic and dining out. Convenience stores also started to fully re-open, with first quarter sales up by 38.5%.

Sales of packaged products in the international markets grew by 12.3% on the back of robust sales of S&W canned pineapple and mixed fruit in North Asia, canned Del Monte Deluxe Gold premium pineapple in USA and pineapple juice concentrate in Europe and North Asia.

In FY2022, the Company launched the naturally-ripened extra sweet S&W Deluxe Premium fresh pineapple in China, Japan and South Korea with favorable market feedback, which has continued to gain traction in China's retail segment. The fresh business performed strongly, up 19.8%, driven by additional sales from this premium pineapple variety along with improved supply of S&W Sweet 16 pineapple.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US\$0.6 million profit which is a significant improvement from prior year quarter's share in losses of US\$0.7 million. B2B business delivered solid performance with a 66% sales increase supported by growth in foodservice, key accounts and exports. B2C sales also grew double digit at 19% coming from increases in core categories both in modern and general trade channels.

DMFI delivered an EBITDA of US\$36.0 million, down 4.1% versus the US\$37.5 million in the prior year quarter driven by higher logistics and operating costs which more than offset the favorable impact of higher sales.

In May 2022, DMFI raised US\$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. Proceeds were used to primarily redeem the US\$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The much lower interest rate, currently at 6.45% p.a., from the Term Loan B is expected to result in about US\$20-30 million interest savings per year. The redemption of the Notes incurred a one-off cost of US\$71.9 million or US\$50.2 million post tax and NCI. US\$26.3 million of the US\$71.9 million was non-cash. Please refer to page 23 for the details of the one-off cost.

As a result of this one-off cost, DMFI generated a net loss of US\$42.2 million. Excluding one-off cost, DMFI delivered a net income of US\$8.0 million, 66.8% higher versus prior year quarter which was mainly driven by savings from lower interest as a result of the refinancing.

DMPL ex-DMFI generated an EBITDA of US\$33.1 million, lower by 12.4%, and a net profit of US\$17.1 million lower by 17.1% versus the US\$20.6 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US\$70.0 million which was lower versus prior year's US\$75.0 million and a net loss of US\$30.5 million versus prior year quarter's net income of US\$18.3 million, mainly driven by the one-off redemption cost of DMFI. On a recurring basis, the Group generated a net income of US\$19.6 million which was 7.2% higher versus prior year quarter mainly driven by savings from interest and improved results from joint ventures Del Monte Foods Private Limited and Nice Fruit.

The Group's net debt/adjusted EBITDA increased to 5.0x from 3.8x last year and gearing to 4.2x from 2.1x due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, increase in DMFI's ABL (working capital) loans, and lower equity due to net losses arising from refinancing costs. The impact of the one-off redemption cost on leverage was about 0.5x and will be diluted as we expect to have higher profitability in the coming quarters.

The Group's cash flow from operations in the first quarter was US\$6.0 million which was lower versus last year's US\$48.5 million mainly due to higher inventories.

## **SUBSEQUENT EVENT**

On 3 August 2022, DMFI acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings. The Kitchen Basics brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today, with net sales of approximately US\$45 million. The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the company expands its retail presence in the category.

## **VARIANCE FROM PROSPECT STATEMENT**

The Group expects to generate profits for the balance of the year. It is on track to achieving a net profit after the one-off redemption cost.

## BUSINESS OUTLOOK

In an environment with increased emphasis on health and wellness, the Del Monte Pacific Group is well-positioned to respond to consumer trends given its nutritious and long shelf-life products which enable consumers to prepare meals at home and build their immunity. This trend has been supported with campaigns highlighting the functional health benefits of its products. The Group's iconic brands, Del Monte, S&W, Contadina and College Inn, are trusted names with over a century-long heritage of quality.

Our operating subsidiaries will continue to be one of the leading CPG companies in the markets we serve. We will strive to maintain all our operating metrics at the highest possible levels. Our strong portfolio of branded health and wellness products, together with our entry into adjacent and new categories, will allow us to maintain our revenue and income growth over the years to come. We also expect a new growth stream from our recent acquisition of Kitchen Basics, as well as from new e-commerce infrastructure.

Amidst an inflationary environment, we remain vigilant in managing our operating expenses and have embarked on a number of cost optimization and revenue enhancing initiatives, mindful that the road ahead still holds many challenges. DMPL is proactively addressing inflationary impact from commodity headwinds and increased transportation costs through revenue and cost drivers including driving efficiencies and productivity across operation. 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 a net profit after the one-off redemption cost in FY2023.

## REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

### AMERICAS

For the quarter ended 31 July

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	115,090	114,925	0.1	48,899	44,297	10.4	29,288	27,135	7.9
Packaged fruit	131,406	132,145	(0.6)	20,915	25,335	(17.4)	(1,855)	952	(294.9)
Beverage	11,475	6,222	84.4	4,459	1,260	253.9	1,849	15	nm
Culinary	44,467	45,172	(1.6)	8,689	8,896	(2.3)	752	2,313	(67.5)
Others	901	1,412	(36.2)	(328)	(172)	(90.7)	(668)	(2,473)	73.0
Total	303,339	299,876	1.2	82,634	79,616	3.8	29,366	27,942	5.1

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Sales in the Americas increased by 1.2% to US\$303.3 million, driven by branded retail in the US and growth in Latin America. Revenue growth was mainly driven by pricing taken across categories in line with inflation offsetting impact from inventory de-loading by key customers and supply constraints mainly in Plastic Fruit Cup and Produce segments.

Gross profit was higher by 3.8% this quarter driven by higher net sales.

Americas reported an operating profit for the quarter of US\$29.4 million versus prior year quarter's US\$27.9 million mainly due to improved margins as discussed above.

## ASIA PACIFIC

For the quarter ended 31 July

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged vegetable	521	517	0.8	104	111	(6.3)	86	90	(4.4)
Packaged fruit	24,683	29,788	(17.1)	7,159	9,483	(24.5)	3,708	6,572	(43.6)
Beverage	33,149	37,485	(11.6)	10,280	11,442	(10.2)	4,930	6,963	(29.2)
Culinary	31,063	34,331	(9.5)	12,461	14,302	(12.9)	9,024	10,428	(13.5)
Others	56,195	53,724	4.6	16,764	16,559	1.2	1,885	4,069	(53.7)
Total	145,611	155,845	(6.6)	46,768	51,897	(9.9)	19,633	28,122	(30.2)

Reported under this segment are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Asia Pacific's sales in the first quarter declined by 6.6% to US\$145.6 million from US\$155.8 million driven by lower sales and unfavorable forex impact from the Philippines.

In the Philippines, sales declined by 18.2% in US dollar terms and by 9.7% in peso terms driven by the decline in volume across core categories as consumers continued to adjust to high inflationary environment.

However, sales of S&W fresh and packaged products grew strongly by 27.0%.

## EUROPE

For the quarter ended 31 July

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg	FY2023	FY2022	% Chg
Packaged fruit	4,335	4,891	(11.4)	1,244	1,580	(21.3)	501	591	(15.2)
Beverage	3,246	1,466	121.4	1,061	309	243.4	903	109	728.4
Culinary	56	56	-	29	18	61.1	27	9	200.0
Total	7,637	6,413	19.1	2,334	1,907	22.4	1,431	709	101.8

Included in this segment are sales of co-branded and unbranded products in Europe.

For the first quarter, Europe's sales increased by 19.1% to US\$7.6 million from US\$6.4 million on higher pineapple juice concentrate sales. Gross profit also rose 22.4%, and Europe generated an operating income of US\$1.4 million, an increase from prior year period's operating income of US\$0.7 million driven by higher PJC sales.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the quarter ended 31 July		
	FY2023	FY2022	Explanatory Notes
Cost of Goods Sold	71.1	71.1	Flat against last year. Increase in product costs was offset by pricing actions.
Distribution and Selling Expenses	10.9	9.3	Higher ocean freight cost in DMFI and DMPI
G&A Expenses	7.5	7.0	Driven by higher personnel cost in DMFI
Other Operating Expenses (Income)	(0.5)	0.4	Loss last year in DMFI driven by Hanford

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US\$'000	For the quarter ended 31 July			
	FY2023	FY2022	%	Explanatory Notes
Depreciation and amortization	(49,828)	(48,607)	(2.5)	Higher depreciation of bearer plants from DMPI due to higher harvested tons
Reversal/ (Provision) of asset impairment	-	(47)	nm	Impairment losses last year in DMFI driven by Hanford
Reversal/ (Provision) for inventory obsolescence	(72)	236	(130.5)	Driven by obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	-	11	(100.0)	nm
Net gain/(loss) on disposal of fixed assets	-	102	(100.0)	Gain last year in DMFI from disposal of a pea harvester.
Foreign exchange gain/(loss)- net	1,713	1,461	17.2	Higher forex gain in DMPI
Interest income	240	170	41.2	Driven by DMPI for interest charges on unpaid warehousing fees.
Interest expense	(94,746)	(26,349)	(259.6)	Driven by redemption cost and write-off of deferred financing cost related to refinancing
Share in net loss of JV	668	(1,042)	164.1	Improvement in results for the FieldFresh joint venture from higher sales and margins.
Taxation benefit (expense)	10,945	(8,933)	222.5	Tax benefit driven by net loss in DMFI due to one-off refinancing costs.



## REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 July 2022 (Unaudited)	31 July 2021 (Unaudited)	30 April 2022 (Audited)	% Variance vs April FY22	Explanatory Notes
<b><i>In US\$'000</i></b>					
<b>ASSETS</b>					
Property, plant and equipment - net	562,872	535,557	577,647	(2.6)	nm
Right-of-use (ROU) assets	115,243	125,650	123,539	(6.7)	Mainly due to amortizations on ROU assets
Investment in joint ventures	18,808	21,677	17,172	9.5	Increase driven by additional investment in joint venture and share in profits of FieldFresh
Intangible assets and goodwill	686,384	693,034	688,047	(0.2)	nm
Other noncurrent assets	27,196	22,243	30,411	(10.6)	Reclass of notes receivable to current, and lower downpayments for capital expenditures
Deferred tax assets - net	132,483	128,089	116,745	13.5	Driven by deferred tax on carry forward benefit on interest, in excess of taxable profit, for DMFI
Pension assets	8,995	7,147	9,799	(8.2)	Driven by accrual of retirement expense in DMPI
Biological assets	45,560	45,919	50,081	(9.0)	Decrease due to harvest and lower valuation on produce prior to harvest
Inventories	868,256	681,878	685,958	26.6	Higher inventories in the US driven by higher production ready for peak season
Trade and other receivables	198,900	184,953	214,553	(7.3)	Timing of collection of sales
Prepaid expenses and other current assets	51,360	42,840	49,052	4.7	nm
Cash and cash equivalents	24,468	19,582	21,853	12.0	Increase driven by additional loans
<b>EQUITY</b>					
Share capital	29,449	49,449	29,449	0.0	nm
Share premium	298,339	478,339	298,339	0.0	nm
Retained earnings	76,546	78,361	140,320	(45.4)	Net loss and dividend distribution
Reserves	(51,028)	(34,990)	(42,541)	(20.0)	Driven by translation adjustment
Non-controlling interest	62,095	61,697	69,138	(10.2)	Share in net loss and dividends received
<b>LIABILITIES</b>					
Loans and borrowings	1,754,620	1,323,270	1,567,366	11.9	Driven by DMFI refinancing and higher short term loans for working capital requirements
Lease liabilities	110,243	116,064	121,320	(9.1)	Driven by lease payments
Other noncurrent liabilities	22,565	18,864	23,023	(2.0)	nm
Employee benefits	54,556	62,214	61,300	(11.0)	Driven by DMFI due to payout of benefits in July
Environmental remediation liabilities	203	265	203	0.0	nm
Deferred tax liabilities - net	6,762	6,805	12,421	(45.6)	Reversal of deferred tax liability related to DMPI's distribution of profit this quarter.
Trade and other current liabilities	371,265	341,977	302,833	22.6	Higher trade payables in the US due to inventory builds in preparation of the pack season
Current tax liabilities	4,910	6,254	1,686	191.2	Timing of tax payment for DMPI

## SHARE CAPITAL

Total shares outstanding were 1,953,960,024 (common shares 1,943,960,024 and preference shares 10,000,000) as of 31 July 2022. On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares. Share capital was US\$29.5 million as of 31 July 2022 and 30 April 2022. Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below. No options or share awards were granted since 2015.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2015	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding excludes 975,802 shares held by the Company as treasury shares as at 31 July 2022 and 30 April 2022. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 July 2022.

## BORROWINGS AND NET DEBT

<i>Liquidity in US\$'000</i>	31 July 2022 (Unaudited)	31 July 2021 (Unaudited)	30 April 2022 (Audited)
<b>Gross borrowings</b>	<b>(1,754,620)</b>	(1,323,270)	(1,567,366)
<b>Current</b>	<b>(673,974)</b>	(378,036)	(479,354)
<b>Secured</b>	<b>(309,479)</b>	(113,481)	(151,560)
<b>Unsecured</b>	<b>(364,495)</b>	(264,555)	(327,794)
<b>Non-current</b>	<b>(1,080,646)</b>	(945,234)	(1,088,012)
<b>Secured</b>	<b>(714,976)</b>	(663,235)	(703,488)
<b>Unsecured</b>	<b>(365,670)</b>	(281,999)	(384,524)
<b>Less: Cash and bank balances</b>	<b>24,468</b>	19,582	21,853
<b>Net debt</b>	<b>(1,730,152)</b>	(1,303,688)	(1,545,513)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$1.73 billion as at 31 July 2022, higher than the US\$1.54 billion as at 30 April 2022 due to higher loans from DMPL's US\$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, and increase in DMFI's ABL (working capital) loans.

## DIVIDENDS

No dividends were declared for this quarter and the prior year quarter. The Group does not declare dividends based on first quarter, third quarter or nine months results. The last dividend declaration was in June 2022 based on FY2022 results, and paid on 27 July 2022.

## INTERESTED PERSON TRANSACTIONS

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

In US\$'000		Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
For the quarter ended 31 July	Nature of Relationship	FY2023	FY2022	FY2023	FY2022
NutriAsia, Inc	Affiliate of the Company	-	-	79	69
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	-	-	441	461
NutriAsia, Inc Retirement Fund	Retirement Fund of Affiliate's Employees	-	-	154	162
<b>Aggregate Value</b>		-	-	<b>674</b>	<b>692</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**

<i>Amounts in US\$'000</i>	For the quarter ended 31 July		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%
Turnover	456,587	462,134	(1.2)
Cost of sales	<u>(324,851)</u>	<u>(328,714)</u>	1.2
<b>Gross profit</b>	<b>131,736</b>	133,420	(1.3)
Distribution and selling expenses	<b>(49,645)</b>	(42,818)	(15.9)
General and administration expenses	<b>(34,098)</b>	(32,148)	(6.1)
Other operating income/(loss)	<b>2,437</b>	(1,681)	245.0
<b>Profit from operations</b>	<b>50,430</b>	56,773	(11.2)
Financial income*	<b>2,323</b>	1,726	34.6
Financial expense**	<b>(95,116)</b>	(26,444)	(259.7)
Share in net loss of joint venture	<b>668</b>	(1,042)	164.1
<b>Profit before taxation</b>	<b>(41,695)</b>	31,013	(234.4)
Taxation	<b>10,945</b>	(8,933)	222.5
<b>Profit after taxation</b>	<b>(30,750)</b>	22,080	(239.3)
<b>Profit attributable to:</b>			
Owners of the Company	<b>(30,523)</b>	18,322	(266.6)
Non-controlling interest ***	<b>(227)</b>	3,758	(106.0)
<b>Profit for the period</b>	<b>(30,750)</b>	22,080	(239.3)
<b>Notes:</b>			
Depreciation and amortization	<b>(49,828)</b>	(48,607)	(2.5)
Reversal of (provision for) asset impairment	-	(47)	nm
Reversal of (provision for) inventory obsolescence	<b>(72)</b>	236	(130.5)
Provision for doubtful debts	-	11	(100.0)
Gain (loss) on disposal of fixed assets	-	102	(100.0)
<b>*Financial income comprise:</b>			
Interest income	<b>240</b>	170	41.2
Foreign exchange gain	<b>2,083</b>	1,556	33.9
	<b>2,323</b>	1,726	34.6
<b>**Financial expense comprise:</b>			
Interest expense	<b>(94,746)</b>	(26,349)	(259.6)
Foreign exchange loss	<b>(370)</b>	(95)	(289.5)
	<b>(95,116)</b>	(26,444)	(259.7)

nm – not meaningful

Earnings per ordinary share in US cents	For the quarter ended 31 July	
	FY2023	FY2022
Earnings per ordinary share based on net profit attributable to shareholders:		
(i) Based on weighted average no. of ordinary shares	<b>(1.65)</b>	0.69
(ii) On a fully diluted basis	<b>(1.65)</b>	0.69

\*\*\*Includes (US\$2,897m) for DMFI, US\$2,611m for DMPI and US\$59m for Del Monte Foods Private Limited (previously FieldFresh) in first quarter ended 31 July of FY2023 and US\$330m for DMFI, US\$3,463m for DMPI and (US\$34m) for Del Monte Foods Private Limited (previously FieldFresh) for the first quarter ended 31 July of FY2022.

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amounts in US\$'000</i>	<b>For the quarter ended 31 July</b>		
	<b>FY2023</b> <b>(Unaudited)</b>	FY2022 (Unaudited)	%
<b>Profit for the period</b>	<b>(30,750)</b>	22,080	(239.3)
<b>Other comprehensive income (after reclassification adjustment):</b>			
<i><b>Items that will or may be reclassified subsequently to profit or loss</b></i>			
Exchange differences on translating of foreign operations	<b>(9,796)</b>	(7,022)	(39.5)
Effective portion of changes in fair value of cash flow hedges	<b>35</b>	1,498	(97.7)
Income tax expense on cash flow hedge	<b>(9)</b>	(367)	97.5
	<b>(9,770)</b>	(5,891)	(65.8)
<i><b>Items that will not be classified to profit or loss</b></i>			
Remeasurement of retirement benefit	<b>32</b>	24	33.3
Income tax expense on retirement benefit	<b>(4)</b>	(3)	(33.3)
	<b>28</b>	21	33.3
<b>Other comprehensive income/(loss) for the period</b>	<b>(9,742)</b>	(5,870)	(66.0)
<b>Total comprehensive income for the period</b>	<b>(40,492)</b>	16,210	(349.8)
<b>Attributable to:</b>			
Owners of the Company	<b>(39,010)</b>	13,285	(393.6)
Non-controlling interests	<b>(1,482)</b>	2,925	(150.7)
<b>Total comprehensive income for the period</b>	<b>(40,492)</b>	16,210	(349.8)

Please refer to page 3 for the Notes

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**

<i>Amounts in US\$'000</i>	Group			Company		
	31	31	30	31	31	30
	July 2022 (Unaudited)	July 2021 (Unaudited)	April 2022 (Audited)	July 2022 (Unaudited)	July 2021 (Unaudited)	April 2022 (Audited)
<b>Non-Current Assets</b>						
Property, plant and equipment - net	562,872	535,557	577,647	-	-	-
Right-of-use (ROU) assets	115,243	125,650	123,539	101	58	132
Investment in subsidiaries	-	-	-	917,053	905,799	980,008
Investment in joint ventures	18,808	21,677	17,172	2,830	2,446	2,836
Intangible assets and goodwill	686,384	693,034	688,047	-	-	-
Other noncurrent assets	27,196	22,243	30,411	47	-	49
Deferred tax assets - net	132,483	128,089	116,745	24	145	-
Pension assets	8,995	7,147	9,799	-	-	-
Biological assets	2,645	2,634	2,735	-	-	-
	<b>1,554,626</b>	<b>1,536,031</b>	<b>1,566,095</b>	<b>920,055</b>	<b>908,448</b>	<b>983,025</b>
<b>Current Assets</b>						
Inventories	868,256	681,878	685,958	-	-	-
Biological assets	42,915	43,285	47,346	-	-	-
Trade and other receivables	198,900	184,953	214,553	37,898	99,096	84,832
Prepaid expenses and other current assets	51,360	42,840	49,052	902	997	931
Cash and cash equivalents	24,468	19,582	21,853	1,773	1,471	2,129
	<b>1,185,899</b>	<b>972,538</b>	<b>1,018,762</b>	<b>40,573</b>	<b>101,564</b>	<b>87,892</b>
<b>Total Assets</b>	<b>2,740,525</b>	<b>2,508,569</b>	<b>2,584,857</b>	<b>960,628</b>	<b>1,010,012</b>	<b>1,070,917</b>
	-	-	-	-	-	-
<b>Equity attributable to equity holders of the Company</b>						
Share capital	29,449	49,449	29,449	29,449	49,449	29,449
Share premium	298,339	478,339	298,339	298,478	478,478	298,478
Retained earnings	76,546	78,361	140,320	76,546	78,361	140,320
Reserves	(51,028)	(34,990)	(42,541)	(51,028)	(34,990)	(42,541)
Equity attributable to owners of the Company	<b>353,306</b>	<b>571,159</b>	<b>425,567</b>	<b>353,445</b>	<b>571,298</b>	<b>425,706</b>
Non-controlling interest	62,095	61,697	69,138	-	-	-
<b>Total Equity</b>	<b>415,401</b>	<b>632,856</b>	<b>494,705</b>	<b>353,445</b>	<b>571,298</b>	<b>425,706</b>
<b>Non-Current Liabilities</b>						
Loans and borrowings	1,080,646	945,234	1,088,012	323,898	291,268	434,587
Lease liabilities	88,769	89,484	91,771	-	54	-
Other noncurrent liabilities	22,565	18,864	23,023	-	-	-
Employee benefits	24,587	31,861	24,342	38	397	12
Environmental remediation liabilities	203	265	203	-	-	-
Deferred tax liabilities - net	6,762	6,805	12,421	-	-	8
	<b>1,223,532</b>	<b>1,092,513</b>	<b>1,239,772</b>	<b>323,936</b>	<b>291,719</b>	<b>434,607</b>
<b>Current Liabilities</b>						
Trade and other current liabilities	371,265	341,977	302,833	39,025	42,946	40,029
Loans and borrowings	673,974	378,036	479,354	244,166	104,049	170,571
Lease liabilities	21,474	26,580	29,549	-	-	-
Current tax liabilities	4,910	6,254	1,686	56	-	4
Employee benefits	29,969	30,353	36,958	-	-	-
	<b>1,101,592</b>	<b>783,200</b>	<b>850,380</b>	<b>283,247</b>	<b>146,995</b>	<b>210,604</b>
<b>Total Liabilities</b>	<b>2,325,124</b>	<b>1,875,713</b>	<b>2,090,152</b>	<b>607,183</b>	<b>438,714</b>	<b>645,211</b>
<b>Total Equity and Liabilities</b>	<b>2,740,525</b>	<b>2,508,569</b>	<b>2,584,857</b>	<b>960,628</b>	<b>1,010,012</b>	<b>1,070,917</b>
NAV per ordinary share (US cents)	13.03	13.95	16.75	13.04	13.96	16.75
NNAV per ordinary share (US cents)	(22.28)	(21.70)	(18.65)	13.04	13.96	16.75

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>											
<b>Fiscal Year 2023</b>											
At 1 May 2022	29,449	298,339	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,567	69,138	494,705
<b>Total comprehensive income for the period</b>											
Profits for the period								(30,523)	(30,523)	(227)	(30,750)
<b>Other comprehensive income</b>											
Currency translation differences recognized directly in equity	-	-	(8,535)	-	-	-	-	-	(8,535)	(1,261)	(9,796)
Remeasurement of retirement plan, net of tax	-	-	-	-	24	-	-	-	24	4	28
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	24	-	-	24	2	26
<b>Total other comprehensive income/(loss)</b>	-	-	(8,535)	-	24	24	-	-	(8,487)	(1,255)	(9,742)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(8,535)	-	24	24	-	(30,523)	(39,010)	(1,482)	(40,492)
<b>Transactions with owners recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Payment of Dividends	-	-	-	-	-	-	-	(33,251)	(33,251)	(5,561)	(38,812)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	(33,251)	(33,251)	(5,561)	(38,812)
<b>At 31 July 2022</b>	<b>29,449</b>	<b>298,339</b>	<b>(103,857)</b>	<b>14,278</b>	<b>43,776</b>	<b>(4,939)</b>	<b>(286)</b>	<b>76,546</b>	<b>353,306</b>	<b>62,095</b>	<b>415,401</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
<b>Group</b>												
<b>Fiscal Year 2022</b>												
At 1 May 2021	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
<b>Total comprehensive income for the period</b>												
Profits for the period	-	-	-	-	-	-	-	-	18,322	18,322	3,758	22,080
<b>Other comprehensive income</b>												
Currency translation differences recognized directly in equity	-	-	(6,115)	-	-	-	-	-	-	(6,115)	(907)	(7,022)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20	1	21
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,058	-	-	-	1,058	73	1,131
<b>Total other comprehensive income/(loss)</b>	-	-	(6,115)	-	20	1,058	-	-	-	(5,037)	(833)	(5,870)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(6,115)	-	20	1,058	-	-	18,322	13,285	2,925	16,210
<b>Transactions with owners recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Payment of Dividends	-	-	-	-	-	-	-	-	(23,310)	(23,310)	(2,540)	(25,850)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(23,310)	(23,310)	(2,540)	(25,850)
<b>At 31 July 2021</b>	<b>49,449</b>	<b>478,339</b>	<b>(88,086)</b>	<b>14,278</b>	<b>35,069</b>	<b>2,282</b>	<b>1,753</b>	<b>(286)</b>	<b>78,361</b>	<b>571,159</b>	<b>61,697</b>	<b>632,856</b>



**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure- ment of retirement plan	Hedging Reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>									
<b>Fiscal Year 2023</b>									
At 1 May 2022	29,449	298,478	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,706
<b>Total comprehensive income for the period</b>									
Profits for the period								(30,523)	(30,523)
<b>Other comprehensive income</b>									
Currency translation differences recognized directly in equity	-	-	(8,535)	-	-	-	-	-	(8,535)
Remeasurement of retirement plan, net of tax	-	-	-	-	24	-	-	-	24
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	24	-	-	24
<b>Total other comprehensive income/(loss)</b>	-	-	(8,535)	-	24	24	-	-	(8,487)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(8,535)	-	24	24	-	(30,523)	(39,010)
<b>Transactions with owners recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Payment of Dividends	-	-	-	-	-	-	-	(33,251)	(33,251)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	(33,251)	(33,251)
<b>At 31 July 2022</b>	<b>29,449</b>	<b>298,478</b>	<b>(103,857)</b>	<b>14,278</b>	<b>43,776</b>	<b>(4,939)</b>	<b>(286)</b>	<b>76,546</b>	<b>353,445</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
<b>Company</b>										
<b>Fiscal Year 2022</b>										
At 1 May 2021	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
<b>Total comprehensive income for the period</b>										
Profits for the period	-	-	-	-	-	-	-	-	18,322	18,322
<b>Other comprehensive income</b>										
Currency translation differences recognized directly in equity	-	-	(6,115)	-	-	-	-	-	-	(6,115)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,058	-	-	-	1,058
<b>Total other comprehensive income/(loss)</b>	-	-	(6,115)	-	20	1,058	-	-	-	(5,037)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(6,115)	-	20	1,058	-	-	18,322	13,285
<b>Transactions with owners recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Payment of Dividends	-	-	-	-	-	-	-	-	(23,310)	(23,310)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(23,310)	(23,310)
<b>At 31 July 2021</b>	<b>49,449</b>	<b>478,478</b>	<b>(88,086)</b>	<b>14,278</b>	<b>35,069</b>	<b>2,282</b>	<b>1,753</b>	<b>(286)</b>	<b>78,361</b>	<b>571,298</b>

**DEL MONTE PACIFIC LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>Amounts in US\$'000</i>	For the quarter ended 31 July	
	FY2023 (Unaudited)	FY2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	(30,750)	22,080
Adjustments for:		
Depreciation of property, plant and equipment	40,118	38,856
Amortization of right-of-use assets	8,047	8,088
Amortization of intangible assets	1,663	1,663
Impairment loss on property, plant and equipment	-	47
Gain on disposal of property, plant and equipment	-	(102)
Share in net (profit) loss of joint venture	(668)	1,042
Finance income	(2,323)	(1,726)
Finance expense	24,245	26,444
Redemption fee on Senior Secured Loans	44,530	-
Write-off of deferred financing costs	26,341	-
Tax expense - current	9,069	6,583
Tax expense (deferred)	(20,014)	2,350
Net loss (gain) on derivative financial instrument	-	(208)
Operating profit before working capital changes	<u>100,258</u>	<u>105,117</u>
Changes in:		
Other assets	1,557	78
Inventories	(183,083)	(125,981)
Biological assets	1,816	(309)
Trade and other receivables	10,548	(4,804)
Prepaid and other current assets	(3,350)	(1,387)
Trade and other payables	91,753	86,152
Employee Benefit	(7,697)	(7,517)
Operating cash flow	<u>11,802</u>	<u>51,349</u>
Income taxes paid	(5,799)	(2,858)
<b>Net cash flows provided by operating activities</b>	<u>6,003</u>	<u>48,491</u>
<b>Cash flows from investing activities</b>		
Interest received	400	225
Proceeds from disposal of property, plant and equipment	58	148
Purchase of property, plant and equipment	(43,026)	(42,432)
Additional investment in joint venture	(968)	(189)
<b>Net cash flows used in investing activities</b>	<u>(43,536)</u>	<u>(42,248)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(45,583)	(39,392)
Proceeds of borrowings	905,969	677,990
Repayment of borrowings	(713,585)	(628,374)
Payments of lease liability	(13,550)	(12,134)
Dividends paid	(38,811)	(11,492)
Redemption fee on Senior Secured Loans	(44,530)	-
Payments of debt related costs	(13,915)	-
<b>Net cash flows provided by (used in) financing activities</b>	<u>35,995</u>	<u>(13,402)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,538)</u>	<u>(7,159)</u>
<b>Cash and cash equivalents, beginning</b>	<u>21,853</u>	<u>29,435</u>
<b>Effect of exchange rate fluctuations on cash held in foreign currency</b>	<u>4,153</u>	<u>(2,694)</u>
<b>Cash and cash equivalents at end of period</b>	<u>24,468</u>	<u>19,582</u>

## PROFIT AND LOSS SUMMARY OF MAJOR SUBSIDIARIES

### DEL MONTE FOODS HOLDINGS LIMITED AND SUBSIDIARIES UNAUDITED CONSOLIDATED INCOME STATEMENT

<i>Amounts in US\$'000</i>	For the quarter ended 31 July		
	FY2023 (Unaudited)	FY2022 (Unaudited)	%
Turnover	302,445	298,100	1.5
Cost of sales	(224,030)	(220,822)	(1.5)
<b>Gross profit</b>	<b>78,415</b>	<b>77,278</b>	<b>1.5</b>
Distribution and selling expenses	(29,866)	(26,267)	(13.7)
General and administration expenses	(24,708)	(22,751)	(8.6)
Other operating income/(loss)	1,490	(1,597)	193.3
<b>Profit from operations</b>	<b>25,331</b>	<b>26,663</b>	<b>(5.0)</b>
Interest income	10	10	0.0
Interest expense	(85,551)	(19,863)	(330.7)
Forex exchange gain (loss)	(356)	8	(4,550.0)
<b>Profit before taxation</b>	<b>(60,566)</b>	<b>6,818</b>	<b>(988.3)</b>
Taxation	15,505	(1,690)	1,017.5
<b>Profit after taxation</b>	<b>(45,061)</b>	<b>5,128</b>	<b>(978.7)</b>

### DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES UNAUDITED CONSOLIDATED INCOME STATEMENT

	FY2023	FY2022	%	FY2023	FY2022	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	<i>In PHP'000</i>			<i>In US\$'000</i>		
Turnover	8,911,107	8,599,669	3.6	168,548	175,970	(4.2)
Cost of sales	(6,338,025)	(6,010,713)	(5.4)	(119,879)	(122,994)	2.5
<b>Gross profit</b>	<b>2,573,082</b>	<b>2,588,956</b>	<b>(0.6)</b>	<b>48,669</b>	<b>52,976</b>	<b>(8.1)</b>
Distribution and selling expenses	(994,001)	(735,849)	(35.1)	(18,801)	(15,057)	(24.9)
General and administration expenses	(272,296)	(260,577)	(4.5)	(5,150)	(5,332)	3.4
Other operating loss	(54,598)	(45,590)	(19.8)	(1,033)	(933)	(10.7)
<b>Profit from operations</b>	<b>1,252,187</b>	<b>1,546,940</b>	<b>(19.1)</b>	<b>23,685</b>	<b>31,654</b>	<b>(25.2)</b>
Interest income	19,466	11,129	74.9	368	228	61.4
Interest expense	(180,160)	(167,103)	(7.8)	(3,408)	(3,419)	0.3
Forex exchange gain	101,461	70,172	44.6	1,919	1,436	33.6
<b>Profit before taxation</b>	<b>1,192,954</b>	<b>1,461,138</b>	<b>(18.4)</b>	<b>22,564</b>	<b>29,899</b>	<b>(24.5)</b>
Taxation	(153,272)	(210,312)	27.1	(2,899)	(4,303)	32.6
<b>Profit after taxation</b>	<b>1,039,682</b>	<b>1,250,826</b>	<b>(16.9)</b>	<b>19,665</b>	<b>25,596</b>	<b>(23.2)</b>

Forex translation used: 52.87 in July 2022 and 48.87 in July 2021

**DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**  
**OPERATING SEGMENT BY PRODUCT**

	For the quarter ended 31 July					
	FY23	FY22	% Chg	FY23	FY22	% Chg
	(In PHP'000)			(In US\$'000)		
<b>Revenues</b>						
Convenience Cooking and Desert	2,308,878	2,748,406	(16.0)	43,671	56,239	(22.3)
Healthy Beverages and Snacks	1,705,924	1,695,049	0.6	32,266	34,685	(7.0)
Premium Fresh Fruit	2,080,095	1,572,802	32.3	39,069	32,601	19.8
Packaged fruit and Beverages - Export	2,124,918	1,729,180	22.9	40,191	35,383	13.6
Others	21,287	17,493	21.7	678	(60)	nm
Changes in fair value – PAS 41	670,005	836,739	(19.9)	12,673	17,122	(26.0)
<b>Total</b>	<b>8,911,107</b>	<b>8,599,669</b>	<b>3.6</b>	<b>168,548</b>	<b>175,970</b>	<b>(4.2)</b>
<b>Gross income</b>						
Convenience Cooking and Desert	898,483	1,068,200	(15.9)	16,994	21,858	(22.3)
Healthy Beverages and Snacks	525,224	537,488	(2.3)	9,934	10,998	(9.7)
Premium Fresh Fruit	856,340	717,617	19.3	16,197	14,684	10.3
Packaged fruit and Beverages - Export	329,392	212,457	55.0	6,230	4,347	43.3
Others	10,027	7,498	33.7	191	154	24.0
Changes in fair value - PAS 41	(46,384)	45,696	(201.5)	(877)	935	(193.8)
<b>Total</b>	<b>2,573,082</b>	<b>2,588,956</b>	<b>(0.6)</b>	<b>48,669</b>	<b>52,976</b>	<b>(8.1)</b>
<b>Earnings before interest and tax</b>						
Convenience Cooking and Desert	544,402	716,113	(24.0)	10,297	14,653	(29.7)
Healthy Beverages and Snacks	213,236	286,802	(25.7)	4,033	5,869	(31.3)
Premium Fresh Fruit	467,718	466,253	0.3	8,847	9,541	(7.3)
Packaged fruit and Beverages - Export	169,171	97,318	73.8	3,200	1,991	60.7
Others	5,505	4,908	12.2	104	100	4.0
Changes in fair value - PAS 41	(46,384)	45,718	(201.5)	(877)	936	(193.7)
<b>Total</b>	<b>1,353,648</b>	<b>1,617,112</b>	<b>(16.3)</b>	<b>25,604</b>	<b>33,090</b>	<b>(22.6)</b>

Forex translation used: 52.87 in July 2022 and 48.87 in July 2021

**DMPI's Product segments**

**Convenience Cooking and Dessert**

This segment includes sales of packaged tomato-based and non-tomato-based products, such as tomato sauce and paste, spaghetti sauce, ketchup, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments, sold under the *Del Monte* and *Contadina* brands and soy sauces under the *Kikkoman* brand as part of an exclusive distributorship arrangement for the Philippines. This category also includes packaged pineapple solids and tropical mixed fruit products sold within the Philippines under the *Del Monte*, *Fiesta* and *Today's* brands.

**Healthy Beverages and Snacks**

Healthy beverages which are sold in the Philippines under the *Del Monte* brand include ready-to-drink juices, fruit and vegetable juice drinks, and pineapple juice concentrate in various packaging formats, including Tetra Pak and PET. DMPI's hallmark product in the beverage segment is *100% Pineapple Juice*, including derivations thereof, such as *100% Pineapple Juice* that is enriched with additional vitamins, fiber or calcium or that is specifically developed to help manage cholesterol. In addition, the beverage segment covers juice drinks made from other fruits, vegetables, herbs and botanicals, such as *Tipco* juice, and DMPI's *Fit 'n Right* products, which are drinks fortified with green coffee extract (an antioxidant-containing supplement derived from unroasted raw coffee beans, which is believed to improve blood pressure and cholesterol levels) to help reduce sugar absorption from food and L-carnitine (a chemical compound similar to an amino acid that is produced by the body and which helps the body to metabolize fat into energy) to assist in fat metabolism.

## **Packaged Fruits and Beverages – Export**

This segment includes packaged fruit and beverages products sold internationally.

### *Packaged Fruit*

Packaged fruit includes sales of fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the *S&W* brand and the *Del Monte* brand for parties who have the license rights to *Del Monte* in other markets, as well as under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce *Nice Fruit* frozen pineapple products and not-from-concentrate juices or packaged as a premium version of DMPI's *Del Monte*-branded packaged pineapples, *Deluxe Gold*. *Deluxe Gold* products, which were launched in May 2020, are exported primarily to the United States through an affiliate.

### *Beverages*

Beverages includes sales of *100% Pineapple Juice* and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from concentrate juice is prepared solely from the juice of whole pineapple at DMPI's Not-From-Concentrate juicing plant and contains no additional ingredients. DMPI produces 100% MD2 Not-From-Concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

## **Premium Fresh Fruit**

Premium Fresh Fruit category include sales of *S&W*-branded premium fresh pineapples in Asia Pacific and private label or non-branded MD2 and C74 fresh pineapples in Asia. DMPI's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the main export product and sold under the "S&W Sweet 16" brand.

## **Others**

The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also includes culinary products sold internationally.

**ONE-OFF EXPENSES IN 1Q FY2023**

<b>DMFI one-off expenses:</b>	<b>in US\$m</b>
Redemption fee	44.5
Write-off of Deferred Financing Cost (non-cash)	26.3
Ticking fee	1.0
<b>Total (pre-tax basis)</b>	<b>71.9</b>
Tax impact	(18.3)
Non-controlling interest	(3.4)
<b>Total DMFI one-off expenses (post tax, post NCI basis)</b>	<b>50.2</b>