

# Del Monte Pacific Ltd.

## 1Q FY2025 Results

10 September 2024



Nourishing Families. Enriching Lives. Every Day.

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# CONTENTS



- Summary
- 1Q FY2025 Results  
(1 May to 31 July 2024)
- Market Updates
- Sustainability
- Outlook

# HIGHLIGHTS



- Del Monte Pacific Limited (DMPL) Group sales grew by 4% to US\$537m
- Subsidiary Del Monte Philippines, Inc. (DMPI) achieved 13% higher sales in peso terms, driven by international sales surging 20% on robust exports of fresh and packaged pineapple, and the Philippine market's resurgence
- With the execution of improvement plans in the right direction, DMPI increased its net profit by 52% marking the start of a turnaround
- DMPL Group, however, incurred a net loss of US\$34m with the high cost from prior year's production in U.S. subsidiary Del Monte Foods, Inc. (DMFI), along with increased interest expense
- Group loss substantially decreased by more than 50% from the fourth quarter as gross margin increased to 16% from 10% with initiatives starting to make a favorable impact, paving the way for a turnaround led by DMPI



In FY2025, the Group's main priorities will be as follows:

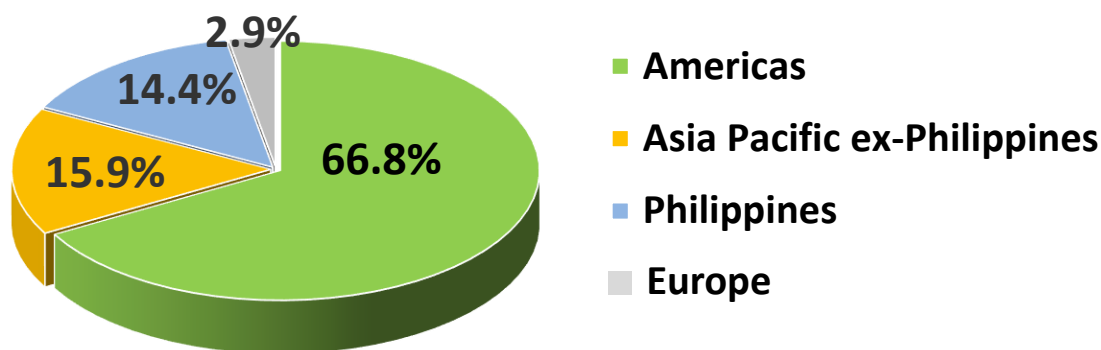
- 1) Plans are underway for the selective sale of assets in the U.S. and injection of equity in the Group through strategic partnerships. The Group intends to utilize the proceeds from these transactions to lower leverage.
  - 2) The Group continues to actively restore gross margins. Key priority is DMFI across the following areas:
    - A 30% reduction in inventory levels through a production cutback during the current pack season
    - Consolidation of manufacturing footprint to be completed in 3Q
    - Reduction of warehousing and distribution costs
    - Reduction of waste and inventory write offs
- The Group continues to relentlessly pursue all these initiatives in FY2025 but the anticipated positive financial impact will only be fully reflected in FY2026.
  - Under current conditions, and barring unforeseen circumstances, the Group expects to incur a net loss in FY2025 although at a reduced amount compared to FY2024.
  - The Group will continue to accelerate the resurgence of domestic and international sales of Del Monte Philippines, which is expected to do better in FY2025 versus prior year.

# 1Q FY2025 RESULTS



In US\$m	1Q FY2025	1Q FY2024	Chg (%)	Comments
<b>Turnover</b>	<b>536.9</b>	516.7	+3.9	Strong packaged and fresh pineapple exports and higher Philippine sales
<b>Gross profit</b>	<b>87.6</b>	108.3	-19.1	Due to DMFI's high cost of inventory and inflationary impact from prior year's production
<b>Gross margin (%)</b>	<b>16.3</b>	21.0	-4.7ppts	Same as above
<b>EBITDA</b>	<b>31.9</b>	51.1	-37.5	Same as above
<b>Net profit</b>	<b>(34.2)</b>	(13.1)	<i>nm</i>	Lower operating results and higher interest expense
<b>Net margin (%)</b>	<b>(6.4)</b>	(2.5)	<i>nm</i>	Same as above
<b>Net debt</b>	<b>2,226.2</b>	2,299.7	-3.2	Lower due to better inventory management
<b>Net debt/Equity (%)</b>	<b>1,059.0</b>	599.8	+459.3ppts	While debt level was lower, the reduction in EBITDA, and consequently net loss, reduced total equity resulting in increased gearing
<b>Net debt/EBITDA (x)</b>	<b>17.1</b>	7.2	+9.8x	Same as above

# 1Q FY2025 RESULTS



	Sales growth	Comments
Americas	-0.1%	<ul style="list-style-type: none"> <li>Strong Joyba bubble tea sales from expanded nationwide distribution and growth in broth and stock portfolio</li> <li>Offset by a slowdown in healthy snacking category sales</li> </ul>
Asia Pacific ex-Phils	+16.9%	<ul style="list-style-type: none"> <li>Higher exports of fresh and packaged pineapple with increased contribution of the premium S&amp;W Deluxe pineapple</li> </ul>
Philippines	+1.7% (+6.5% in peso terms)	<ul style="list-style-type: none"> <li>Key categories of packaged fruit, beverage and culinary performed better against targets and prior year quarter</li> <li>Modern trade and ecommerce channels performed well</li> </ul>
Europe	+81.0%	<ul style="list-style-type: none"> <li>Higher sales of pineapple juice and packaged pineapple</li> </ul>



# MARKET UPDATES



# DEL MONTE PHILIPPINES

## 1Q FY2025



- Sales of US\$175.7m, +13% in peso terms with Philippine sales of US\$77.2m, +6%
  - ✓ Resurgence under the new sales leadership, increased modern trade shopper demand, improving general trade/distributor operations, and reinvestments in marketing which shored up brand offtake against rising food costs.
  - ✓ Beverage is showing recovery with back-to-back programs across brands (e.g. Juice ‘Give in to Goodness’ summer campaign; HeartSmart Juice new campaign banner the benefit of lowered cholesterol in just 4 weeks).
  - ✓ Culinary segment grew led by Pasta/Spaghetti sauce driven by occasion advertising, with emphasis on children’s birthday events.
  - ✓ Mixed Fruit rose double-digit driven by core Del Monte Fiesta brand at premium segment, and Today’s brand at popular price positioned against regional religious and local government celebrations. Total company market share grew +4 pts to 80.3%.
  - ✓ E-commerce has seen growth as well with sales at 2x vs year ago through ads optimization, strengthened distributor operations and new media forms of live selling and short videos
- Sales in the international markets +20%, on robust fresh and packaged pineapple exports
  - ✓ Improved sales of Fresh were led by higher volume in China, South Korea and Japan, favorable mix due to increased volume of the premium S&W Deluxe pineapple.
- Operating results were commendable with operating profit up 46% to US\$27.7m, and net profit up 52% to US\$17.3m, on higher volume, pricing and better sales mix coupled with operational improvements, paving the way for DMPI’s turnaround this FY2025.



# PHILIPPINES MARKET SHARES



Leadership market shares holding or even increasing.  
Category consumption growing.

**95.1%** -1.2pts

Packaged Pineapple (#1)

Category Growth:  
Past 3 mos.: +13.3%

**80.3%** +3.8pts

Canned Mixed Fruit (#1)

Category Growth:  
Past 3 mos.: +17.2%

**41.0%** +1.1pts

RTD Juices ex foil pouches (#1)

Category Growth:  
Past 3 mos.: +6.3%

**85.0%** +0.7pt

Tomato Sauce (#1)

Category Growth:  
Past 3 mos.: +3.9%

**41.3%** -1.4pts

Spaghetti Sauce (#1)

Category Growth:  
Past 3 mos.: +4.1%

**68.5%** -3.3pts

Tomato Paste (#1)

Category Growth:  
Past 3 mos.: +20.0%

Source for Volume market shares: The Nielsen Company - Retail Audit Data for the past three months to June 2024.



# PHILIPPINES - FRUITS



## Mixed Fruits -

New “Spill the Fruity” campaign to educate consumers on trending dessert applications beyond the traditional and seasonal fruit salad



## Canned Pineapple -

Re-airing of 15s TVC material (Kids love and dish versatility)



Value Packs to increase frequency of usage of Del Monte pineapple across various dishes featured in Del Monte social media

# PHILIPPINES - BEVERAGE



Launched a new Del Monte 100% Pineapple Juice Heart Smart Campaign!



- ✓ Full IMC Campaign – TVC, Digital Media (FB, IG, YT), Medical KOLs, Hospital Activations
- ✓ Exceeding Media KPIs
- ✓ 9% Growth vs prior year



Launched  
Fit 'n Right Green Apple!

- With L-Carnitine and GCE for fat burn
- Refreshing, crisp green apple flavor

# PHILIPPINES - CULINARY



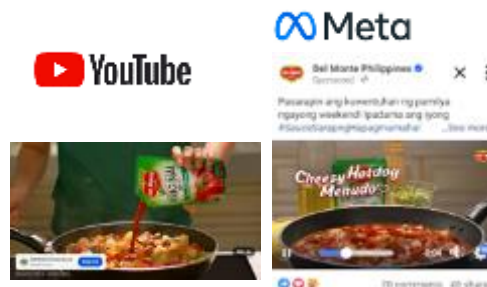
**Tomato Sauce -  
New Campaigns to revive love for cooking  
tomato saucy dishes**



**Del Monte Kitchenomics  
Dish Campaign**



**New Thematic Digital Campaign  
'Sauce-Sarap ng Hapag-mamahal'**



**Spaghetti Sauce -  
Best Birthday Ever Always On Campaign &  
New Value Bundles to push  
off-peak consumption**

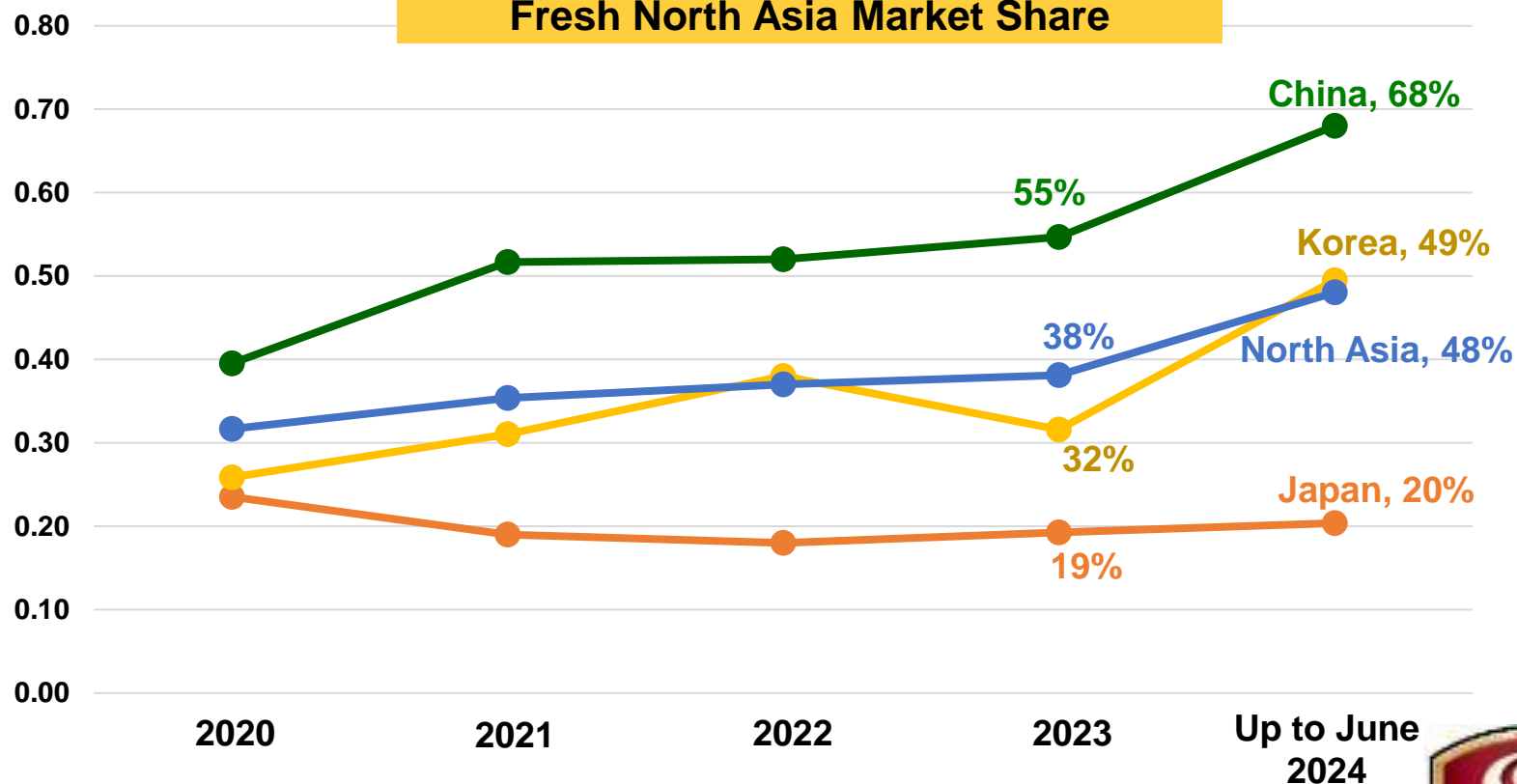


# INTERNATIONAL - FRESH MARKET SHARE



## Market shares continue to improve

### Fresh North Asia Market Share



Source: CY2021 – 2022 Import Data from Asiafruit Congress Statistical Handbook;  
CY2023 - June 2024 from Customs Data of Importing Country



# S&W FRESH - CHINA



S&W Fresh, through its partner/distributor River King, launched the Sweet 16 Pineapple Fresh Cut in Costco last May 2024. The product is now available in all 6 Costco stores in East China.



*Display of Sweet 16 Pineapple Fresh Cut in Costco stores*



# S&W FRESH - CHINA



## ***S&W Deluxe Fresh Pineapple on Douyin!***

Eachtake engaged with Chinese influencer 森叔 (English translation: Uncle Forest), to promote **S&W Deluxe Fresh Pineapple** on Douyin, the Chinese version of Tiktok.

S&W and Eachtake collaborated with 森叔 since June 2024 and has about 1 million followers in the platform.





# S&W FRESH - JAPAN



Farmin, S&W's partner/distributor in Japan for fresh cut Sweet 16 pineapples, launched their promotion campaign for Spring in over 130 stores in Japan. Promotions included a chance to win e-money or vouchers, which gained about 100,000 engagement on the app, in-store product demo and tasting and massive displays on the fresh-cut shelves to highlight our pineapples.



Customers get a chance to win e-money or voucher by scanning the QR code behind the peelable sticker. The reward is given to 3,000 successful participants.



In-store product demo and tasting



Massive displays of fresh-cut pineapple in the fresh-cut fruit section of stores



# S&W PACKAGED – HONG KONG



- McDonald's launched **Ebi Burger with Pineapple** as part of their summer season offering which started in June 2024. The summer promotion also featured **S&W Fiesta Fruit Cocktail** and **S&W Pineapple Slices** in their beverages – Peach Yogurt Soda and Pineapple Soda, respectively.
- The special promotion covers more than 250 stores all over Hong Kong and will run until November 2024.



*McDonald's Ebi Burger with Pineapple featuring S&W Pineapple Slices*



*McDonald's Pineapple Soda with S&W Pineapple Slices*

*McDonald's Peach Yogurt Soda with S&W Fiesta Fruit Cocktail*



# DEL MONTE FOODS USA

## 1Q FY2025



- Sales of US\$357m or 66% of Group sales; sales were stable as strong Joyba bubble tea sales from expanded nationwide distribution and growth in broth and stock portfolio were offset by a slowdown in healthy snacking category sales
- In May 2024, DMFI expanded the national production and distribution of Joyba bubble tea
- New products for FY2025 are just beginning to hit market, with Bubble Fruit Gel and on-trend spicy flavors of Canned Vegetables leading the way. Continued focused on innovation and sales channel development will help fuel growth in FY2025
- New products contributed 7.8% to DMFI's total sales in 1Q
- Gross margin declined to 10.5% from 18.2% driven by high cost of inventory and inflationary impacts from prior year's production. However, DMFI's gross margin of 10.5% was a notable improvement vs. the 3.0% in 4Q FY2024, as cost-cutting initiatives have started to make a favorable impact
- EBITDA loss of US\$3.9m vs. prior year quarter's EBITDA profit of US\$25.4m due to significant margin decline
- Net loss of US\$37.2m, higher vs. prior year quarter's loss of US\$9.3m, but lower than 4Q FY2024's loss of US\$75.2m



# USA MARKET SHARES



**24.6% 0.0pt**

Canned Vegetable (#1)  
Category Growth: -1.1%

**17.9% -3.3pts**

Canned Fruit (#1)  
Category Growth: -3.9%

**24.3% -2.6pts**

Fruit Cup Snacks (#2)  
Category Growth: -4.5%

**6.8% -0.7pt**

Broth & Stock (#2)  
Category Growth: +7.7%

**5.9% -0.4pt**

Canned Tomato (#3)  
Category Growth: -1.6%



Source for market shares: Circana Total US MULO+, DMFI Custom DBs, Eq Vol share & Eq Vol % Chg (Category), 3 months data ending 28 July 2024

\*brand positioning excludes Private Label

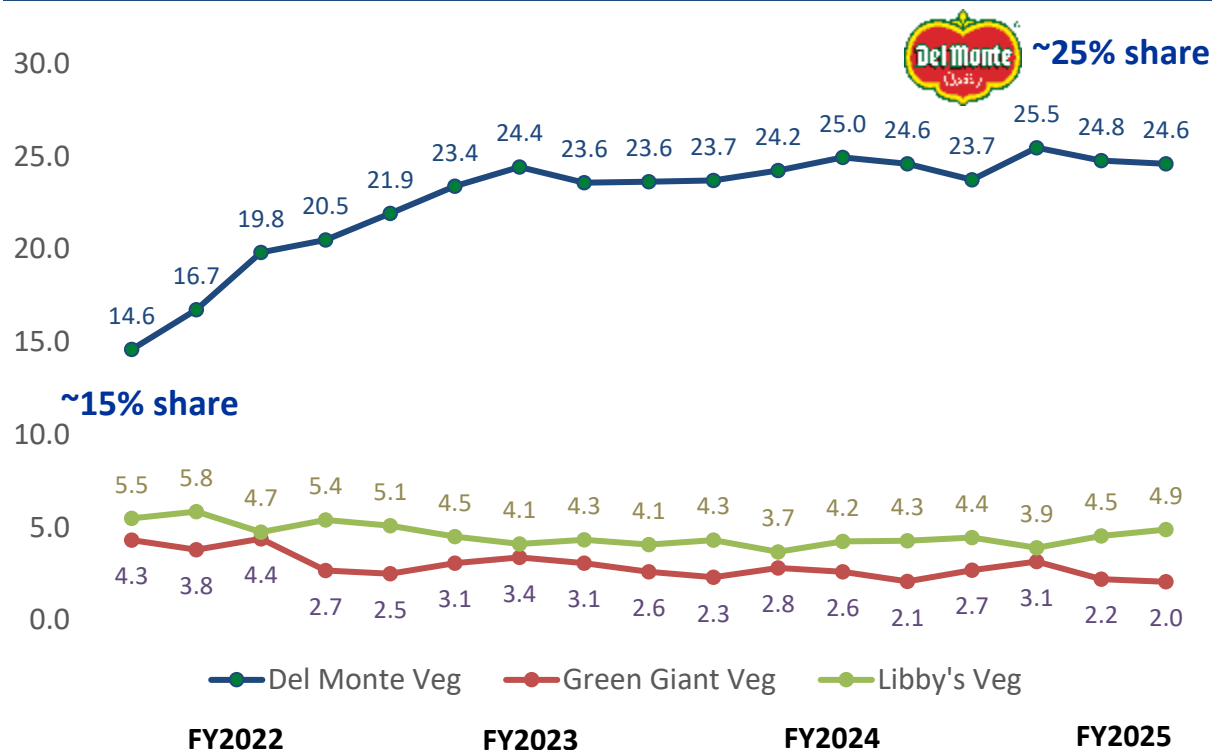
- Category dynamics continued to shift as consumers change the way they eat and shop in response to economic uncertainty, higher average prices and changes to industry supply
- Despite this, Del Monte has maintained its leading market shares across its traditional canned categories and fruit cup snacks

# USA VEGETABLE SHARES



## Dominant Leadership in Vegetable Continues

### Branded Vegetables Quarterly EQ Share Trends 2021 – 2024



*Just Launched!*  
Innovative new flavors  
will accelerate growth

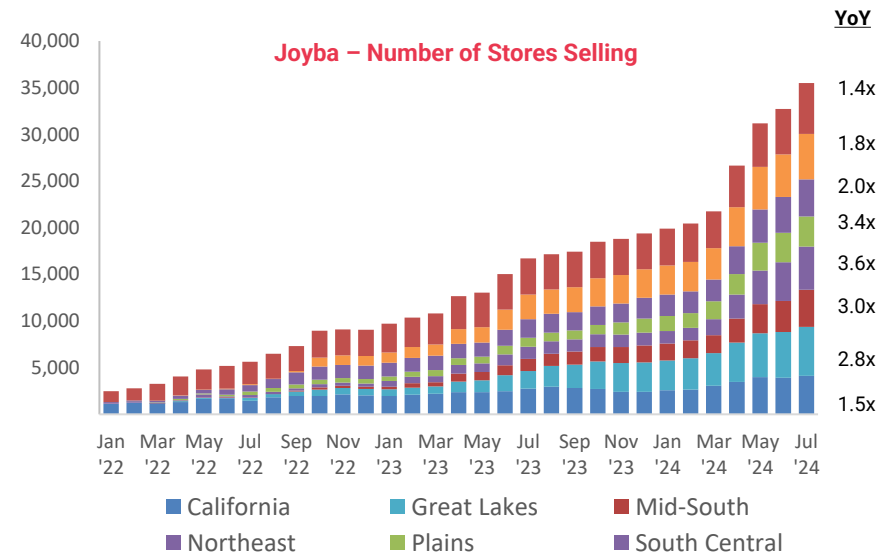
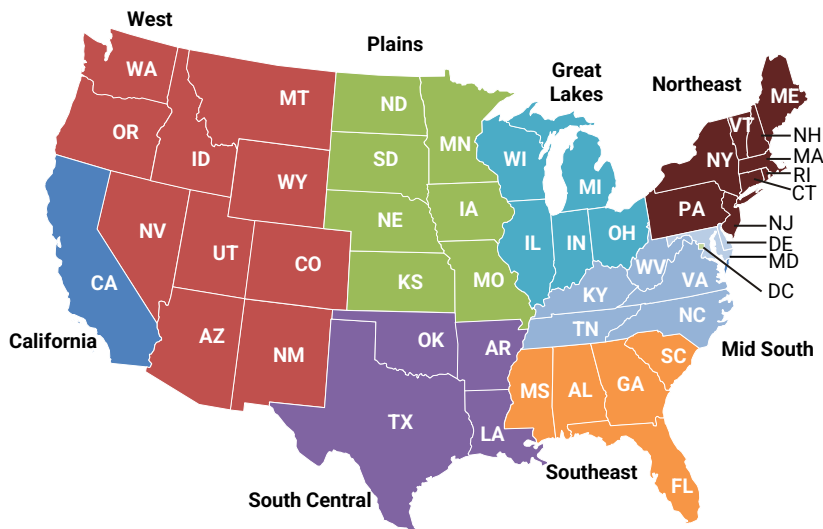


Source: Circana POS Total MULO+, Quarterly through May/June/July 28, 2024



## JOYBA is in over 35,000 stores nationally and now ranks as the 8<sup>th</sup> largest brand in Single Serve RTD Tea category, achieving the highest dollar share growth

- Joyba has surpassed **35,000 stores nationally**, increasing 2.1x overall YoY
- Total Joyba distribution has hit **70% ACV**, achieving FY2025 target and making significant progress towards long-term target of 75%



Source: Circana Del Monte Custom POS Database, Fiscal Months through FY25 7/28/24, Total US MULO+ with Convenience.

# USA 1Q MARKETING HIGHLIGHTS



## Back to School Advertising



## Bubble Fruit Gel Launch

Del Monte Foods Introduces Bubble Fruit® Gel and Limited-Time Merchandise Drop, in Partnership with Designer Steffy Degreff



Introducing Del Monte® Bubble Fruit Gel and Limited Time Merchandise created in partnership with Designer Steffy Degreff.

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## Joyba Advertising



# USA 1Q BEYOND RETAIL: DRIVING FOODSERVICE AND LATAM SUCCESSES



## Foodservice

### Non-Commercial IQ Wins



4oz, Fruit & Veg  
Portfolio



Vegetable  
Preferred  
& JOYBA  
Expansion

- 3-year Contract Renewals – Sodexo & Aramark
- Sector Expansion: Travel, Leisure, Hospitality

### Commercial IQ Wins



Expand 25K  
Pineapple Juice



Closed 23K  
Corn



Closed 24K  
4oz cups

## LATAM

### IQ Wins

**New GTM Model in Mexico**  
Great new Distribution Partner  
With Sales and Merchandising  
Support



**Expansion of Distribution Model**  
New Business Development across  
10 countries



**Joyba Launch in Mexico & PR**  
Unique Club Pack Developed  
209 club stores in Mexico  
200 retail stores in Puerto Rico





# USA 2Q AND BEYOND



## Strong focus on restoring gross margins throughout FY2025. Key activities include:

- In 2Q and beyond, higher pricing and reduced trade spend for a combined positive impact of ~US\$40m in gross profit which will drive higher margins through targeted list price increases, trade efficiency and Joyba trade returning to normal levels after 1Q launch
- Significant progress against goal of ~30% reduction in inventory levels, as well as reduction of waste and inventory write-offs
- Plans in place to further consolidate manufacturing footprint will lower operating costs

## Innovate and increase investment to accelerate Fruit Cups category growth

**On-Trend Innovation for Kids, Teens, and Adults**  
**Our innovation platforms deliver differentiation from fresh fruit**

May 2024  
Launch



2025  
Launch



# USA: GROWTH PROJECTED BEYOND RETAIL



## FOOD INGREDIENTS

### Industrial Customers

Effective outlets for Tomato and Pineapple commodity products with positive contribution to capacity utilization targets.

80% of Sales via Ingredient Brokers;  
20% Direct Customers



## INTERNATIONAL

### Retailers, Foodservice & B2B

New business potential on many Del Monte brands across Asia, Middle East, Europe. First year with dedicated resource and focus.



## ETHNIC GROCERY

### Hispanic & Asian Specialty Retailers

Selling all Del Monte brands across multiple specialty retailers, including DMPI imported products. Solid sales and share growth potential.



# USA: IMPROVE LATAM POTENTIAL



MEXICO	PUERTO RICO	CENTRAL AMERICAN & CARIBBEAN	SOUTH AMERICA
		<p data-bbox="1004 514 1275 564"><b>ALIMENTOS</b></p> 	
<p data-bbox="67 749 376 792"><b>Key Market Insights</b></p> <p data-bbox="67 799 463 913">Servicing all major Retailers, Club Stores and Foodservice Accounts</p> <p data-bbox="67 956 425 1106">Activating new distributor model to service more customers and improve margins</p> <p data-bbox="67 1142 492 1256">Conagra Foods has licensed Del Monte brand for vegetables and ketchup</p>	<p data-bbox="511 749 821 792"><b>Key Market Insights</b></p> <p data-bbox="511 799 927 913">Plaza Provisions is an excellent distributor partner, has been in place for 100+ years.</p> <p data-bbox="511 956 927 1142">Servicing all customers on the Island: Walmart, Econo, Pueblo, Ralphs and Super Max. Club stores are centralized through the U.S.</p>	<p data-bbox="985 749 1294 792"><b>Key Market Insights</b></p> <p data-bbox="985 813 1323 892">Del Monte is licensed to Alimentos Maravilla.</p> <p data-bbox="985 928 1429 1085">Currently developing distributors for S&amp;W, Contadina, College Inn, Kitchen Basics and JOYBA</p> <p data-bbox="985 1120 1391 1278">Distribution in Panama, Honduras, Trinidad, Tobago, Belize, Curacao, Barbados and Guatemala</p>	<p data-bbox="1458 749 1767 792"><b>Key Market Insights</b></p> <p data-bbox="1458 813 1787 935">Sell all DMFI brands, Contadina, College Inn, recently adding JOYBA</p> <p data-bbox="1458 971 1864 1085">Have several key distributors in territories where we own the brand rights.</p> <p data-bbox="1458 1120 1835 1235">Venezuela, Colombia, Peru, Ecuador, Bolivia, Chile, Uruguay, Guyana, Surinam</p>

# SUSTAINABILITY



## Renewable Energy



- DMPI started commissioning a **4.0MW solar power facility** for the plantation's facilities
- The cannery's waste-to-energy facility has a **capacity of 2.4MW** producing about 17% of the cannery's power requirement

## Water Consumption



- DMPI's Water Use Ratio (WUR) in its manufacturing facilities **decreased by 18%** vs. prior year, in liters per metric tons produced
- Plantation growing operations **reduced WUR by 14%**, in liters per farm hectare

## Foundation Projects



- About **22,000 individuals** benefitted from the Foundation's medical and dental mobile clinics
- **216 families** were uplifted from extreme poverty through the Foundation's ZEP2030 initiatives

## Sustainability Report



Del Monte Pacific Ltd. published its **FY2024 Sustainability Report**

- Updated DMPI's **material priorities**
- Included DMPI's **climate scenario analysis**, climate risks and mitigating measures
- Published its **Food Loss and Waste Policy**

# SUSTAINABILITY



## Science Based Targets (SBTi)



### The Science Based Targets Initiative's Target Validation Team has approved DMFI's SBTs

**Overall Net-Zero Target:** Del Monte Foods commits to reach net-zero greenhouse gas emissions across the value chain by FY2050.

**Near-Term Targets:** Del Monte Foods commits to reduce absolute scope 1 and 2 GHG emissions by 42% and scope 3 by 25% by FY2030 from a FY2021 base year.

**Long-Term Targets:** Del Monte Foods commits to reduce absolute scope 1 and 2 GHG emissions by 90% and scope 3 by 90% by FY2050 from a FY2021 base year.

## Community Giving



In 1Q FY2025, DMFI donated a total of 1.8 million kilograms of food to non-profits with a value of more than US\$4.2m



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