DEL MONTE PACIFIC LIMITED

12 March 2025

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the third quarter ended 31 January 2025)

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Del Monte Pacific's Third Quarter FY2025 Results

Singapore/Manila, 12 March 2025 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or "the Group"; Bloomberg: DELM SP, DELM PM) announced today its financial results for the third quarter and nine months ending 31 January 2025.

The Group reported a 3% year-on-year increase in sales to US$663 million for the quarter, driven by its Philippine subsidiary, Del Monte Philippines, Inc. ("DMPI"), which achieved a 10% sales growth to US$199 million. However, the Group incurred a net loss of US$36 million, primarily due to higher operational costs and increased interest expenses at its U.S. subsidiary, Del Monte Foods Corp. II, Inc. ("DMFC"). This negated the strong performance of DMPI whose net profit rose 83% to US$21.4 million for the quarter.

Third Quarter FY2025 Highlights

Group Sales: *Increased by 3% to US$663 million, driven by 29% growth in international sales of fresh pineapple and packaged products.*

DMPI Performance: *Achieved an 83% increase in net profit to US$21 million, supported by export growth, favorable sales mix and cost reduction.*

DMFC Challenges: *Reported a net loss of US$40.5 million due to higher operational costs, unfavorable fixed cost absorption, and increased interest expenses, leading to Group loss of US$35.9 million*

Nine Months FY2025 Highlights

Group Sales: *Grew by 3% to US$1.9 billion, with DMPI contributing a 13% increase to US$582 million.*

Net Loss: *The Group recorded a net loss of US$92 million, largely attributable to DMFC's underperformance, partially offset by DMPI's 80% net profit growth to US$61 million.*

Operational and Market Performance

Philippines

DMPI's domestic sales in the Philippines reached US$106.9 million, reflecting a 4% increase in peso terms despite a slight 1% decline in U.S. dollar terms. Growth was driven by solid performance across the beverage, packaged fruit and culinary segments. The company's strategic marketing initiatives during the festive Christmas season resonated deeply with consumers.

For the holiday season, Del Monte launched a campaign celebrating mothers as the heart and planner of *Noche Buena* (Christmas eve), reinforcing the brand's role in creating meaningful holiday gatherings. The campaign evoked the nostalgic flavors of home, bringing the warmth of Christmas to every household, no matter where families celebrated. Marketing efforts centered on iconic products – *Del Monte Spaghetti, Fiesta Fruit Cocktail* and *Juices* – which are key holiday essentials for festive traditions.

In the beverage segment, Del Monte gained four percentage points in market share, outpacing category growth. The company's *100% Pineapple Juice Fiber-Enriched* variant, promoted for its digestive health benefits, saw strong consumer adoption. Additionally, new beverage product introductions, such as *Fruity Zing* and *Fit 'n Right Green Apple*, contributed to Del Monte's expanding presence in the ready-to-drink juice segment.

International Markets

International sales rose 29%, driven by strong demand for fresh pineapple and packaged products. China, South Korea and Japan led the growth, supported by an improved product mix. The premium *S&W Deluxe Pineapple,* which now accounts for approximately 30% of the company's exported fresh pineapple, received the prestigious Superior Taste Award from the International Taste Institute's jury of the world's best Chefs and Sommeliers in January 2025. The product earned a 3-star rating, placing it among the top-tier awardees in the Fruits and Vegetables category.

Packaged exports to North Asia, Europe and the Americas also grew, driven by increased sales of packaged pineapple and industrial products. In January 2025, S&W expanded its product portfolio by launching *S&W Salted Egg Cookies* in Hong Kong and Macau, marking its entry into the growing snack category in these markets.

USA

DMFC generated sales of US$461.3 million, representing 70% of Group turnover. However, sales declined by 1% due to lower retail volume and an unfavorable sales mix, partly offset by improved pricing and higher foodservice volume.

Financial Performance

Notwithstanding DMPI's 38% jump in gross profit, and improvement in gross margin from 22.9% to 27.4% on lower costs, better pricing and favorable sales mix, the Group's gross profit decreased marginally by 1% to US$115.9 million with gross margin of 17.5% from 18.0% in the prior year quarter. This was due to DMFC's gross profit decline to US$58.2 million from US$73.1 million, mainly due to unfavorable fixed cost absorption, increased warehousing, and transfer freight costs.

The unfavorable performance at DMFC led to the Group's net loss of US$35.9 million versus prior year's net loss of US$29.0 million. DMFC's net loss increased to US$40.5 million from US$23.1 million due to the continued impact of higher costs and increased interest expenses. Meanwhile, DMPI increased its net profit by 83% to US$21.4 million.

For the nine-month period, DMPL grew sales by 3% to US$1.9 billion on 13% higher sales in DMPI, which offset the 2% decline in DMFC. However, gross profit declined by 5% to US$340.9 million on higher costs in DMFC. EBITDA decreased by 13% to US$134.9 million, resulting in the Group's net loss of US$92.2 million, from a net loss of US$50.6 million in the same period last year. DMFC's net loss was partly offset by DMPI's increase in sales to US$581.9 million and cost reduction, that led to an 80% net profit growth to US$60.8 million.

Strategic Priorities and Outlook

The Group remains focused on its strategic priorities to drive long-term growth and profitability:

1. **Consolidation of Underutilized Assets**: DMFC is reducing its U.S. manufacturing footprint to lower costs and improve margins in FY2026 and FY2027.
2. **Surplus Inventory Reduction**: DMFC has achieved a 25% year-on-year or a US$291 million reduction in inventory at the end of the third quarter, with further reductions planned over the coming quarters.
3. **Comprehensive Cost Reduction**: Streamlining SG&A, warehousing, distribution and operational costs through a new organizational structure and supply chain established in FY2025.

DMFC will continue to expand its newer businesses as well as the foodservice and e-commerce channels, while maintaining its leading market share in the Del Monte Vegetable business.

The Group expects to incur a net loss in FY2025 but projects gradual improvement in FY2026, continuing into FY2027 as it executes its strategic initiatives.

Leadership Commentary

Against this backdrop, DMPL Group COO and DMPI President & COO Luis Alejandro remarked:

"Del Monte Philippines is experiencing good momentum, a testament to our team's unwavering commitment to consumer engagement and cost optimization. In our U.S. business, we continue to address the challenges we face, and are diligently working towards the goals we have set. Our steadfast focus remains on executing our strategic priorities to increase operational efficiency and deliver sustainable financial outcomes."

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 consumer needs for premium quality, healthy products. The Group innovates, produces, markets and distributes its products worldwide.

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).

The Group owns heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – all 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 operating subsidiary, Del Monte Foods Corporation II, Inc. (DMFC), a subsidiary of Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *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.

DMPL's USA subsidiary operates four 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.

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.

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