
GROWING **STRONGER** TOGETHER

DEL MONTE PACIFIC
FY2022 RESULTS

26 August 2022



Nourishing Families.
Enriching Lives.
Every Day.

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> FY2022 Highlights

- Record sales of US\$2.3bn, up 8% on higher sales in the USA and international markets
- US subsidiary Del Monte Foods, Inc. (DMFI) accounted for US\$1.65bn or 70% of Group revenue, driven by branded retail sales growth
- Del Monte Philippines, Inc. (DMPI) delivered record sales of US\$729.5m, higher by 3%
- Group gross margin expanded 90 bps to 26.6% on better sales mix, proactive cost management and strategic price increases to cover increasing costs
- Record EBITDA of US\$351.5m, up 14%, and highest ever net profit of US\$100.0m, up 58%; no one-off items in FY2021 and FY2022
- DMFI sustained its robust profit growth, more than tripled its net profit to US\$54.3m
- DMPI, the Group's most profitable subsidiary, achieved record net profit of US\$97.7m, up 3%
- Successfully redeemed and refinanced US\$200m DMPL Preference Shares and US\$500m DMFI Senior Secured Notes at much lower interest rates
- Final dividend of US\$0.017 per share, 42% higher vs. prior year



> FY2022 Results Summary

- Sales of US\$2.3bn, +8%

Sales	% Change
Americas	+11
Philippines	-4 (in peso terms -1)
S&W	+13
India (equity accounted)	-2 (in rupee terms -2)*

**Del Monte Foods Pvt. Ltd. (India) discontinued the fresh business. Del Monte packaged business sales were up 6% in both US\$ and in rupee terms*

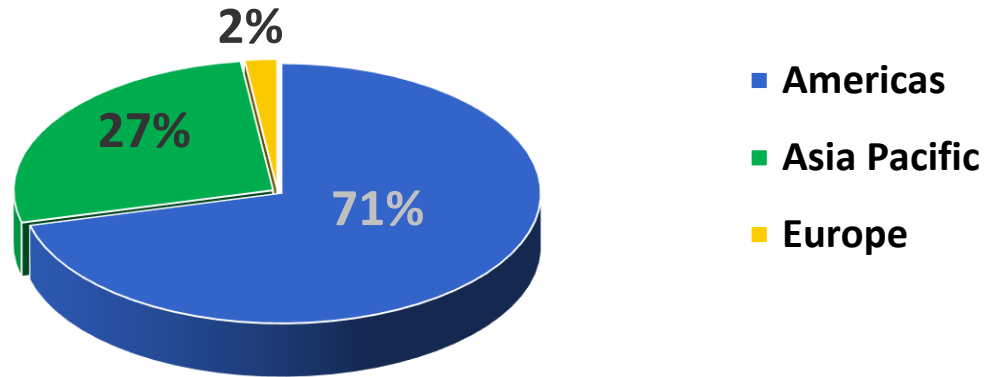
All figures below are vs. prior year:

- EBITDA of US\$351.5m, up 14% from US\$309.0m, on higher sales and lower G&A
- Operating profit of US\$267.3m, up 26% from US\$211.9m
- Net profit of US\$100.0m, up 58% from US\$63.3m

> FY2022 Results

In US\$m	FY2021	FY2022	Chg (%)	Comments
Turnover	2,162.7	2,342.1	+8.3	Higher sales in USA, S&W fresh and packaged products
Gross profit	556.0	622.7	+12.0	Higher sales, better sales mix in USA, price increases to offset inflation
<i>Gross margin (%)</i>	25.7	26.6	+0.9ppt	Same as above
EBITDA	309.0	351.5	+13.8	Same as above
Net profit	63.3	100.0	+58.1	Due to favorable operating results
<i>Net margin (%)</i>	2.9	4.3	+1.4ppts	Same as above
Net debt	1,256.3	1,545.5	+23.0	Due to additional loans to refinance the redemption of US\$200m Series A-1 preference shares with coupon of 6.625%. New loans are at much lower rate of 4.1%
Gearing (%)	195.5	312.4	+116.9ppts	Same as above
Net debt/EBITDA (x)	4.1	4.4	+0.3x	Same as above

➤ FY2022 Turnover Analysis



Americas	+11.4%	<ul style="list-style-type: none"> ▪ Branded retail sales grew by 13% offsetting reduced sales of non-core private label as planned; Foodservice sales also increased significantly by 36% ▪ In Americas, branded retail accounted for 73% while foodservice and private label were 5% each of total sales
Asia Pacific	+1.9%	<ul style="list-style-type: none"> ▪ Higher sales of S&W fresh and packaged products offset 1% lower sales in the Philippines, given higher FY2021 base partly impacted by pandemic buying, plus competition from lower priced brands. However, sales in the Philippines improved by 9% compared vs. two years ago.
Europe	-9.0%	<ul style="list-style-type: none"> ▪ Lower demand in retail and logistics challenges

➤ Del Monte Foods USA FY2022

- DMFI's sales were US\$1.7bn or about 70% of Group turnover
 - ✓ Sales up 12% driven by increases across all major segments led by canned vegetable and fruit following improvement in supply and distribution gains
 - ✓ Branded retail and foodservice sales were up 13% and 36%, respectively, which more than offset the planned reduction of low-margin private label
- New products reached US\$90m of sales contributing 5.3% to DMFI's total turnover
- Gross margin increased to 23.9% from 22.6% on better sales mix and price increases
- EBITDA rose 25% to US\$213.6m from US\$170.5m
- Net profit tripled to US\$54.3m from US\$15.1m
- DMFI achieved a credit rating upgrade to "B2" from "B3" from Moody's and an upgrade to Positive Outlook from S&P. This reflects DMFI's strengthening operating performance following prior year's recapitalization and major operational restructuring which has improved liquidity and leverage.
- In May 2022, DMFI raised US\$600m through a 7-year Term Loan at adjusted SOFR, with a floor of 0.5% plus 4.25% p.a. to primarily redeem the US\$500m Senior Notes at 11.875% p.a. The much lower interest rate will result in about US\$20-30m interest savings per year. There will be one-off redemption costs of about US\$70m (of which US\$26 million is non-cash) to be booked in FY2023.



USA Innovation

Innovation Now Accounts for 6.5% of Retail Topline

Closest to Fresh

2020



Ready-to-Eat Produce Bowls



Deluxe Gold Pine

2021-2022



Vac Pack Vegetables



Exceptional Veg

Plant-Based Goodness



Frozen Handheld Sandwiches



Frozen Riced Veg



Frozen Pizza Pocket Pies



Frozen Veg Pasta

Culinary Meal Helpers



Bone Broth



San Marzano Tomatoes



Organic Tomatoes



Veg Stock



Bone Beef Reduced Sodium

Purposeful Snacking



Fruit & Chia



Fruit Infusions



Happy Heart



Fruit Crunch Parfait



Joyba™ Bubble Fruit Tea

Everyday Value



Multi-Packs



Del Monte Classics

Innovation accounts for 5.3% of DMFI's total sales

➤ Del Monte Philippines FY2022

- DMPL's 2nd largest and most profitable subsidiary, DMPI, achieved record sales and net profit of US\$729.5m and US\$97.7m, both up 6% in peso terms. More than half of DMPI's sales are in the Philippines, with the balance in the international market.
 - Sales in the Philippines slightly declined by 1% to US\$377.9m as seasonal and special occasion items were unfavorably affected by an inflationary environment plus a high base last year from pandemic buying. However, compared to 2 years ago, sales in the Philippines rose 9%, while retail sales improved by 12%.
 - In August 2021, DMPI entered into a JV with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company to expand into the dairy sector in the Philippines, synergizing Vinamilk's strength in dairy manufacturing and technology with Del Monte's strength in marketing and distribution in the Philippines. The JV imports products from Vietnam, and markets them under a co-branded label through DMPI. The JV's products include Fresh Milk, IQ Smart Flavored Milk, YoGurt Drink and Tea Bliss Milk Tea.
 - New products accounted for 6.5% of total Philippine sales.
- International market generated much higher growth of 14%, led by S&W branded fresh pineapple in China.



➤ Philippines - Innovation

Innovation Now Accounts for 6.5% of Total FY2022 Sales



Mr. Milk

Flavor Range: *Plain, Apple, Strawberry, Mango;*
New in FY2023: *Orange*



Potato Crisp

Flavor Range: *Original, Spicy;*
New in FY2023: *Cheese, BBQ, 20g*



Fruity Munchsters

Flavor Range: *Strawberry, Orange*



Del Monte Vinamilk Range

Flavor Range: *Fresh Milk; Wintermelon Milk Tea; IQ Smart Chocolate, Vanilla, Strawberry; Yogurt Drink Strawberry, Mixed Fruit*

➤ International - Innovation

NICE FRUIT Frozen Snacks



Japan
7-11
Sticks



Middle East
McDonald's
Dubai, Qatar, KSA



Japan
7-Eleven
Chunks



Europe
Lamex/KFC



CANADA
McDonald's
Canada



US
Del Monte
Foods



Saudi Arabia
Aroma
Frio



Singapore
Popeyes



China
Family Mart,
Parkinson's,
Jialejia,
Zhongbai



Hongkong
U-Select
Vango,
Park N Shop
Wellcome

IQF Pineapple Chunks

Japan, China, USA

As ingredient for industrial, coffee and tea shops, convenience stores



NFC Juice

As ingredient in industrial & convenience store juices



MD2 Pineapple



➤ Dividends

- The Board approved a final dividend of 1.70 US cents (US\$0.0170) per share to Common Shareholders representing 33% of FY2022 net profit before preference dividends or 41% of net profit after preference dividends
- This dividend represents a 42% increase over last year's dividend



	For the fiscal year ended 30 April	
	2021	2022
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	US\$0.0120 per ordinary share	US\$0.0170 per ordinary share
Tax rate	Nil	Nil
Book closure date	13 July 2021	13 July 2022
Payable date	27 July 2021	27 July 2022

➤ Outlook

- Strengthen our core business, expand the product portfolio, in response to consumer preference for health and wellness, and grow our branded business
- More product availability through a more efficient supply chain, better distribution and expanded sales channels including e-commerce
- 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
- DMPL 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 in the USA, and tin can packaging optimization in the Philippines
- Barring unforeseen circumstances, the DMPL Group expects to generate a higher net profit (before one-off redemption expenses) in FY2023. These one-off expenses amount to about US\$70m (of which US\$26 million is non-cash) and will be booked in FY2023.

