DEL MONTE PACIFIC LIMITED

20 June 2019

SGX-ST/PSE/MEDIA RELEASE: (unaudited results for the fourth quarter ending 30 April 2019)

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Note to Editors: High resolution photos attached

Del Monte Pacific Posts Higher 4Q and Full Year Net Income

Highlights

- Generated higher net income of US$6.3m for the fourth quarter, and US$20.3m for the full year, a significant turnaround from prior year loss
- Innovation gaining momentum - introduced four innovative products in the growing categories of refrigerated produce and frozen, catering to health and wellness, snacking and convenience

Singapore/Manila, 20 June 2019 – Singapore Mainboard and Philippine Stock Exchange dual listed Del Monte Pacific Limited ("DMPL" or the "Group"; Bloomberg: DELM SP, DELM PM) reported today its fourth quarter FY2019 results ending April.

The Group generated fourth quarter sales of US$432.6 million, 13% lower than the prior year quarter mainly due to the divestiture of the Sager Creek vegetable business, lower sales in the USA and the Philippines, partly offset by higher sales of the S&W business in Asia.

DMFI contributed US$308.3 million or 71% of Group sales. Sales declined by 19% mainly due to the divested Sager Creek business, lower branded volume as a result of price increase, and reduced sales of low-margin non-branded business in line with strategy. EBITDA margin without one-off items improved by 4 ppts versus the prior year quarter.

Del Monte continues to diversify beyond the canned goods aisle, a declining category, and introduced four new innovative products in the growing categories of refrigerated produce and frozen to cater to demand for health and wellness, snacking and convenience.

In February, DMFI launched the new *Del Monte Citrus Bowls* in the refrigerated produce section. These are grapefruit and citrus salad in 100% juice with a longer shelf life than fresh cut fruit, and without any preservatives. Another innovative product, *Del Monte Fruit Crunch Parfaits*, which feature layers of non-dairy coconut crème, crunchy granola with probiotics, and a full serving of fruit, was introduced. In the frozen segment, DMFI introduced *Del Monte Veggieful Bites* and *Contadina Pizzettas*, frozen snacks made with cauliflower crust, with a full serving of vegetable in five bites.

"With *Veggieful Bites*, we set out to create a healthy snack with vegetables as the primary ingredient," said Del Monte Foods CEO Gregory Longstreet. "In fact," he adds, "we are the only brand in the frozen snack space that can list vegetables as the largest ingredient in the recipe, with veggies in the filling and the dough. This meets consumers' desire for quick, convenient, delicious snacks that are wholesome and nutritious."

Sales in the Philippines domestic market decreased by 8.5% mainly in the general trade, beverage and culinary categories. The short-term decline in sales was mainly due to the transition to new distributors with the aim of enlarging and strengthening the Group's distributor network in the Philippines. Key foodservice channel continued to grow.

Sales of the S&W business rose 20% in the fourth quarter due to higher sales of both fresh pineapple and packaged products. There was increased distribution of fresh pineapple in Tier 1-3 cities in China, and expansion in North Asia with new customers for canned fruit. S&W continues its sales of *S&W 100% Pineapple Juice* in carton format in China's Tmall e-commerce portal of Alibaba.

The Group reported an EBITDA of US$38.8 million, significantly higher than the prior year quarter's EBITDA of US$6.4 million. Without the one-off expenses related mainly to plant closures in the USA, the Group's recurring EBITDA would have been US$43.3 million, better than the prior year quarter's EBITDA of US$34.9 million.

The Group reported a net income of US$6.3 million, much higher than US$4.0 million in the prior year quarter. Excluding one-off items, the Group would have registered a recurring net income of US$9.2 million, a turnaround from the net loss of US$2.9 million in the prior year period.

Full Year

The Group generated sales of US$2.0 billion, down 11% versus the same period last year mainly due to the divestiture of Sager Creek and lower sales in the USA. The Group reported an EBITDA of US$143.7 million, higher by 40%, and a net income of US$20.3 million, a turnaround from the US$36.5 million loss last year. Without one-off items, recurring EBITDA would have been US$156.1 million and net income US$15.8 million, versus prior year's US$165.0 million and US$12.0 million, respectively.

DMPL CEO Joselito Campos, Jr said, "We are encouraged by the accelerated pace of innovation and new product launches especially in the United States, taking us into new categories and formats outside the can which is not growing." He added, "At the same time, we have proactively reduced costs within our control amidst headwinds of rising tin prices. We are pleased to deliver a full year net income for DMPL, driven by our results in Asia, while we invest in transforming our US business."

Strengthening Balance Sheet

The Group's gearing improved to 2.4x equity as of 30 April 2019, from 2.5x in 31 January 2019, due to a reduction in inventory in DMFI. In the fourth quarter of FY2019, the Group purchased an additional US$6.5 million of DMFI loans from the secondary market, bringing the total purchased loans to US$231.4 million out of US$260 million. This is the highest interest-bearing loan of the Group. For FY2019, interest savings realised amounted to over US$10 million.

Prospects

The Group will continue to strengthen its product offering and enter new categories, in line with market trends for health and wellness, snacking and convenience. It will grow its branded business and reduce non-strategic, non-branded business segments. The Group also continues to review its manufacturing and distribution footprint in the US to further improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including rising metal packaging prices and impact of tariffs imposed by the US. Certain one-off expenses can be expected in FY2020 from streamlining of operations. The Group is committed to improve cash flow, further strengthen the balance sheet, and reduce leverage and interest expense. Barring unforeseen circumstances, the DMPL Group is expected to be profitable in FY2020 on a recurring basis.

Dividends

The Board approved a final dividend of US$0.0052 per share representing 50% of FY2019 net profit.

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* – majority 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 for *S&W*, it owns it globally except 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 Naturals, Orchard Select, SunFresh* and *Fruit Refreshers,* while DMPL's Philippines subsidiary, Del Monte Philippines, Inc (www.delmontephil.com), has the trademark rights to *Del Monte*, *Today's*, *Fiesta*, *202*, *Fit 'n Right*, *Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, under various brands and also sells fresh pineapples under the *S&W* brand.

DMFI has joint ventures with Fresh Del Monte Produce Inc in chilled products – juices, packaged fruit, guacamole and avocado, and *Del Monte*-branded retail food and beverage outlets.

The Group owns approximately 95% of a holding company that owns 50% of FieldFresh Foods Private Limited in India (www.fieldfreshfoods.in). FieldFresh markets *Del Monte*-branded packaged products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh India is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL's USA subsidiary operates 10 plants in the USA and two in Mexico, while its Philippines subsidiary operates the world's largest fully-integrated pineapple operation with its 25,000-hectare pineapple plantation in the Philippines and a factory that is about an hour's drive away. It also operates a beverage PET plant and a frozen fruit processing facility in the Philippines.

Except the joint venture companies with Fresh Del Monte Produce Inc, 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.

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