COVER SHEET

PW00000112

S.E.C. Registration Number

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

JY CAMPOS CENTRE, 9TH AVENUE CORNER 30TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY

(Business Address : No. Street Company / Town / Province)

Parag Sachdeva

Contact Person

(088) 855-4312

Company Telephone Number

SEC FORM (2nd Quarter FY2024)

Month *Day*

17-Q

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **October 31, 2023**

2. Commission identification number. **N/A**

3. BIR Tax Identification No. **000-291-799-000**

4. Exact name of issuer as specified in its charter **Del Monte Philippines, Incorporated**

5. **Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address:
   JY Campos Centre, 9th Avenue corner 30th Street, Fort Bonifacio, Taguig City, Philippines

8. **(088) 855-4312**
   Issuer's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	2,797,320,004
Preference Shares	-
Bonds	PHP 645,900,000

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [ ] No [/]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [/]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the Financial Statements (FS) section of this report

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

None

PART II--OTHER INFORMATION

Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **Del Monte Philippines, Inc.**

Signature and Title P. Sachdeva
Parag Sachdeva
Chief Financial Officer and Duly Authorized Officer

Date December 13, 2023

Del Monte Philippines, Inc. and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
As at 31 October 2023
and for the Six-month Periods
Ended 31 October 2022 and 2021
(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2023 and 2022)

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands)

	31 October 2023	30 April 2023	30 April 2022
	(Unaudited)	(Audited)	(Audited)
Current assets			
Cash and cash equivalents (Note 5)	**₱997,973**	₱584,903	₱856,653
Receivables (Note 6, 20 and 23)	**13,859,722**	14,179,134	7,696,415
Inventories (Note 7)	**6,792,375**	7,345,733	5,170,899
Biological assets (Note 8)	**2,565,977**	2,489,173	2,476,150
Prepaid expenses and other current assets (Note 9)	**1,084,238**	1,093,341	1,142,001
Total Current Assets	**25,300,285**	25,692,284	17,342,118
Noncurrent assets			
Investment in Joint Venture (Note 10)	**–**	–	–
Biological assets (Note 8)	**180,720**	168,588	144,876
Financial assets at fair value through other comprehensive income (FVOCI)	**33,054**	34,054	15,384
Investment property	**162,434**	165,524	171,703
Property, plant and equipment (Note 11)	**22,947,981**	22,075,145	19,261,622
Intangible assets (Note 12)	**2,987,400**	2,987,400	2,987,400
Receivable – net of current portion (Note 6 and 23)	**145,969**	145,975	157,627
Net retirement benefits asset	**559,298**	586,670	512,850
Other noncurrent assets (Note 13)	**1,139,249**	1,185,145	1,089,581
Total Noncurrent Assets	**28,156,105**	27,348,501	24,341,043
Total Assets	**₱53,456,390**	₱53,040,785	₱41,683,161

LIABILITIES AND EQUITY			
Current Liabilities			
Short-term notes payable (Notes 14)	**17,391,266**	₱20,472,924	₱8,777,789
Accounts payable and accrued expenses (Notes 20)	**7,031,074**	7,433,190	6,792,153
Current portion of:			
Bonds payable (Note 16)	**-**	5,816,019	–
Long-term debt (Note 15)	**875,000**	687,500	–
Lease liabilities (Note 23)	**438,346**	429,222	472,454
Income tax payable	**-**	28,955	121,190
Total Current Liabilities	**25,735,686**	34,867,810	16,163,586
Noncurrent Liabilities			
Long-term debt - net of current portion (Note 15)	**10,683,360**	2,303,855	2,985,632
Bonds payable - net of current portion (Note 16)	**641,473**	640,414	6,422,398
Deferred tax liabilities - net	**321,180**	281,651	190,989
Lease liabilities - net of current portion (Note 23)	**2,475,448**	2,026,501	2,398,620
Total Noncurrent Liabilities	**14,121,461**	5,231,910	11,997,639
Total Liabilities	**39,857,147**	40,099,720	28,161,225
Equity Attributable to Equity Holders of the Parent			
Common stock	**2,797,320**	2,797,320	2,797,320
Other comprehensive income reserves	**1,042,044**	1,040,601	582,420
Retained earnings:			
Appropriate	**2,796,541**	2,796,541	2,796,541
Unappropriated	**6,955,351**	6,298,582	7,337,584
Total Equity Attributable to Equity Holders of the Parent	**13,591,256**	12,933,044	13,513,865
Non-controlling interest	**7,987**	8,021	8,071
Total Equity	**13,599,243**	12,941,065	13,521,936
	₱53,456,390	₱53,040,785	₱41,683,161

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	31 October 2023	31 October 2022	31 October 2021
REVENUES	**₱18,788,099**	₱20,192,455	₱17,873,673
COST OF SALES	**(14,245,338)**	(14,317,804)	(12,408,429)
GROSS INCOME	**4,542,761**	5,874,651	5,465,244
DISTRIBUTION AND SELLING EXPENSES	**(1,854,264)**	(2,259,943)	(1,765,692)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 18)	**(446,299)**	(476,557)	(419,452)
FINANCE COST	**(893,656)**	(496,693)	(389,474)
FOREIGN EXCHANGE GAIN	**7,377**	48,638	54,675
INTEREST INCOME	**216,027**	59,258	26,675
LOSS FROM JOINT VENTURE	**(25,888)**	(65,208)	-
OTHER INCOME	**49,368**	188,638	(88,093)
OTHER EXPENSE	**(124,670)**	(189,910)	63,832
INCOME BEFORE INCOME TAX	**1,470,756**	2,682,874	2,947,715
INCOME TAX EXPENSE			
Current	**191,164**	345,144	(361,458)
Deferred	**38,915**	31,494	(41,516)
	230,079	376,638	(402,974)
NET INCOME	**1,240,677**	2,306,236	2,544,741
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to profit or loss			
Unrealized gain on change in fair value of forward contracts	**3,057**	-	-
Income tax effect	**(764)**	-	
	2,293	-	-
Items that will never be reclassified to profit or loss			
Unrealized gain (loss) on change in fair value of financial assets at FVOCI	**(1,000)**	6,190	516
Income tax effect	**150**	(930)	(75)
	(850)	**5,260**	**441**
TOTAL COMPREHENSIVE INCOME	**₱1,242,120**	₱2,311,496	₱2,545,182
Total net income (loss) attributable to:			
Equity holders of the Company	**₱1,240,712**	₱2,306,288	₱2,544,798
Non-controlling interests	**(35)**	(52)	(57)
	1,240,677	2,306,236	₱2,544,741
Total comprehensive income (loss) attributable to:			
Equity holders of the Company	**₱1,242,155**	₱2,311,548	₱2,545,239
Non-controlling interests	**(35)**	(52)	(57)
	1,242,120	2,311,496	₱2,545,182
Attributable to equity holders of the parent			
Basic earnings per share (Note 25)	₱0.44	₱0.82	₱0.91
Diluted earnings per share (Note 25)	₱0.44	₱0.82	₱0.91

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands)

	Capital Stock	Other Comprehensive Income Reserves	Retained Earnings		Total Equity Attributable to Holders of the Parent	Non-Controlling Interest	Total Equity
	Common (Note 18)		Appropriated	Unappropriated			
As at May 1, 2023	**₱2,797,320**	**₱1,040,601**	**₱2,796,541**	**₱6,298,582**	**₱12,933,044**	**₱8,022**	**₱12,941,066**
Total comprehensive income for the year							
Net income (loss) for the year	–	–	–	**1,240,712**	**1,240,712**	**(35)**	**1,240,677**
Other comprehensive income during the year – net of tax	–	**1,443**	–	–	**1,443**		**1,443**
Total comprehensive income (loss) for the year	–	**1,042,044**	-	**1,240,712**	**1,242,155**	**(35)**	**1,242,120**
Cash Dividend	–	–	–	**(583,943)**	**(583,943)**	-	**(583,943)**
As at October 31, 2023	**₱2,797,320**	**₱1,042,044**	**₱2,796,541**	**₱6,955,351**	**₱13,591,256**	**₱7,987**	**₱13,599,243**
As at May 1, 2022	₱2,797,320	₱582,420	₱2,796,541	₱7,337,584	₱13,513,865	₱8,071	₱13,521,936
Total comprehensive income for the year							
Net income (loss) for the year	–	–	–	2,306,288	2,306,288	(52)	2,306,236
Other comprehensive income during the year – net of tax	–	5,260	–	–	5,260	–	5,260
Total comprehensive income (loss) for the year	–	-	–	2,306,288	2,311,548	(52)	2,311,496
Cash Dividend	–	–	–	(2,742,744)	(2,742,744)	–	(2,742,744)
As at October 31, 2022	₱2,797,320	₱587,680	₱2,796,541	₱6,901,128	₱13,082,669	₱8,019	₱13,090,688
As at May 1, 2021	₱2,797,320	₱412,963	₱2,796,541	₱4,691,860	₱10,698,684	₱8,126	₱10,706,810
Total comprehensive income for the year							
Net income (loss) for the year	–	-	–	2,544,799	2,544,799	(57)	2,544,742
Other comprehensive income during the year - net of tax	–	441	–	-	441		441
Total comprehensive income (loss) for the year	–	441	–	2,544,799	2,545,240	(57)	2,545,183
Conversion of convertible common shares to RCPS (Note 19)	-	–					
Cash dividend	–	–	–	(1,353,665)	(1,353,665)	–	(1,353,665)
As at October 31, 2021	₱2,797,320	₱413,404	₱2,796,541	₱5,882,994	₱11,890,259	₱8,069	₱11,898,328

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	31 October 2023	31 October 2022	31 October 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱ 1,470,755**	₱2,682,874	₱2,947,715
Adjustments for:			
Depreciation of property, plant and equipment	**4,051,840**	3,826,475	3,527,991
Finance Cost	**786,924**	417,050	327,111
Net retirement benefit expense	**41,889**	41,972	59,313
Share in Net Loss of joint venture	**25,888**	65,208	-
Unrealized foreign exchange gains (loss) - net	**(171,511)**	(660,064)	(56,462)
Interest income	**(215,772)**	(59,110)	(26,675)
Amortization of debt issue cost	**(48,727)**	19,841	19,053
Gain (loss) on disposal of property, plant and equipment	**(201)**	(1,778)	(1,799)
	5,941,085	6,332,468	6,796,247
Changes in:			
Trade and other receivables	**184,742**	(6,157,935)	(2,782,750)
Inventories	**553,358**	(2,650,047)	(610,839)
Biological assets	**(88,937)**	(199,977)	(75,167)
Prepaid and other current assets	**13,793**	156,728	(266,069)
Trade and other payables	**(796,670)**	1,086,585	629,705
Operating cash flows	**5,807,371**	(1,432,178)	3,691,127
Interest received	**24,608**	58,522	25,661
Taxes Paid	**(97,904)**	(203,191)	(204,171)
Net cash flows generated from operating activities	**5,734,075**	(1,576,847)	3,512,617
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**(4,081,316)**	(4,248,062)	(3,717,269)
Other noncurrent assets	**(35,808)**	(168,237)	(377,921)
Proceeds from disposal of property, plant and equipment	**2,956**	4,235	4,693
Investment in joint venture	**(14,774)**	(29,000)	(9,000)
Net cash flows used in investing activities	**(4,128,942)**	(4,441,064)	(4,099,497)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	**78,724,094**	26,941,143	57,571,648
Repayment of borrowings	**73,042,137)**	(20,414,472)	(56,152,293)
Payments of Bonds Payable	**(5,832,560)**	-	-
Interest paid	**(629,134)**	(293,010)	(228,097)
Payments of lease liability- net of proceeds from lease receivables	**(350,535)**	(285,190)	(211,758)
Dividends paid	**(64,525)**	(303,073)	(149,580)
Net cash flows provided by financing activities	**(1,194,797)**	5,645,398	829,920
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**2,734**	71	6,171
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**413,070**	(372,442)	35,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**584,903**	856,653	856,653
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱997,973**	₱484,211	₱892,014

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Reporting Entity

Del Monte Philippines, Inc. ("DMPI" or the "Parent Company") was incorporated in the Philippines on January 11, 1926. On September 13, 1963, the Board of Directors (the "Board") amended the Parent Company's Articles of Incorporation to extend its life by 50 years from January 11, 1976, which was approved by the Philippine Securities and Exchange Commission ("SEC") on February 23, 1966. On March 1, 2021, the SEC approved the Parent Company's amended Articles of Incorporation to extend the corporate term to perpetual life. The Parent Company's principal activities are the growing, processing and distribution of food products mainly under the brand names "Del Monte", "Today's" and "S&W".

The Parent Company is a subsidiary of Central American Resources, Inc. ("CARI"), a company incorporated in Panama. The intermediate parent company is Del Monte Pacific Ltd. ("DMPL"), a company incorporated in the British Virgin Islands and a listed entity in the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange. The Parent Company's ultimate shareholders is NutriAsia Inc., which is also incorporated in the British Virgin Islands.

The Parent Company's cannery operation is registered with the Philippine Economic Zone Authority ("PEZA") at the Philippine Packing Agricultural Export Processing Zone ("PPAEPZ") as an Ecozone Export Enterprise under Certificate of Registration No. 05-34F which was approved on December 3, 2007. On October 12, 2015, Certificate of Registration No. 07-68 was approved for the registration of its additional activity, particularly the Fresh Fruit Processing Project at the Bukidnon Agro-Resource Export Zone (BAREZ) in Manolo Fortich, Bukidnon.

The Parent Company's registered address is JY Campos Centre 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Philippines.

The Parent Company and its subsidiaries (collectively referred to as the "Group") are all incorporated in the Philippines. The principal activities of the Parent Company's subsidiaries are as follows:

			Effective equity held by DMPI		
Name of subsidiary	Principal Place of Business	Principal Activities	**October 31, 2023**	April 30, 2023	April 30, 2022
Philippines Packing Management Services Corporation (PPMSC)	Philippines	Own and administer intellectual property assets; management, logistics and support services	**100%**	100%	100%
Del Monte Txanton Distribution Inc. (DMTDI)	Philippines	Trading, selling and distributing food, beverages and other related products	**40%**	40%	40%

On May 1, 2020, Dewey Sdn. Bhd., a subsidiary of CARI and organized and existing under the laws of Malaysia, assigned to PPMSC the various trademarks which includes the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines for US$60 million.

On July 27, 2020, the SEC approved the amendment of the Articles of Incorporation of PPMSC to adopt the acquisition, ownership, holding and management of intellectual property assets as its primary purpose and the provision of management, logistical and support services as its secondary purpose.

On April 22, 2019, at a joint special meeting, the Board and stockholders of DMTDI authorized the dissolution and liquidation of DMTDI by shortening its corporate term. As at April 30, 2022, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

On December 9, 2019, in a joint special meeting of the Board and stockholders of the Parent Company, the following amendments to the Articles of Incorporation were unanimously approved:

1. Conversion of the authorized common shares amounting to ₱3,000,000,000 to common shares convertible to voting, participating, redeemable and convertible preferred shares (RCPS). The RCPS shall be convertible to common shares.

2. The RCPS may be issued from time to time as the Board may determine the amount and the issue price, cash dividend rate, and period and manner of redemption of the RCPS. To the extent not set forth in this amended articles of incorporation, the specific terms and restrictions of each issuance of the RCPS shall be specified through Enabling Resolutions as may be adopted by the Board prior to the issuance thereof, which Enabling Resolutions shall be filed with the SEC and thereupon be deemed a part of the amended articles of incorporation.

The SEC approved these amendments to the Articles of Incorporation on February 11, 2020.

On January 24, 2020, DMPL, CARI, the Parent Company and SEA Diner Holdings (S) Pte. Ltd. (SEA Diner), a company incorporated in Singapore, entered into a Share Purchase Agreement whereby CARI will sell 335,678,400 shares equivalent to 12% ownership interest in the Parent Company to SEA Diner for a consideration of US$120 million. Under the Shareholders' Agreement (SHA) entered into by the same parties, upon the occurrence of any of certain agreed RCPS default events, SEA Diner may require the Parent Company, DMPL or CARI to redeem all of the shares sold by CARI at such price that will allow SEA Diner to meet certain internal rate of return in case of default events, including but not limited to, any of DMPL, CARI or the Parent Company is in breach of the agreed transaction documents, the Parent Company fails to comply with its obligation to effect the conversion of the ordinary shares sold to SEA Diner to RCPS, enter the name of SEA Diner as the registered holder of the RCPS, and issue to SEA Diner the RCPS certificates within the agreed long-stop date, and any of NutriAsia Pacific Ltd. or NutriAsia, Inc. ceasing to be the direct or indirect controlling shareholder of DMPL or the Parent Company.

In the case of any other redemption events, including but not limited to, an exit not completed within five years from the closing date, breach of any financial covenant by DMPL, CARI and the Parent Company or a relevant DMPL Group Company is in default on any of its indebtedness which is not cured within 30 business days from written notice thereof, and any relevant DMPL Group Company or Del Monte Foods Holdings Limited or its subsidiaries suffers insolvency, the Parent Company shall redeem the RCPS subject to the mutual consent of the Parent Company and the holder of the RCPS.

The Board and the stockholders approved the share purchase transaction above and other transaction documents on March 3, 2020, including the conversion of the convertible common shares to RCPS. On August 3, 2020, the SEC approved the amendment of the Parent Company's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of ₱6,478,460,000, with the following series of the Bonds: (i) 3.4840% p.a. three-year fixed-rate bonds due 2023 and (ii) 3.7563% p.a. five-year fixed-rate bonds due 2025.

On December 16, 2020, CARI sold additional 27,973,200 common shares of the Parent Company to SEA Diner for US$10 million, which increased the ownership of SEA Diner in the Parent Company to 13%.

On February 5, 2021, the Board approved the amendment to the Articles of Incorporation to change the authorized capital stock to common shares in the amount of three (3) billion pesos (₱3,000,000,000) and with par value of ₱1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares. The SEC approved this amendment to the Articles of Incorporation on March 1, 2021. As a result, SEA Diner owns 363,651,600 common shares or 13% of the Parent Company, while CARI owns 2,433,668,396 common shares or 87% of the Parent Company.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRSs also includes Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

2.2 Basis of measurement

The consolidated financial statements of the Company have been prepared on a historical cost basis, except for the following items which are measured on the following basis at each reporting date:

- Financial instruments at fair value through other comprehensive income (FVOCI) are measured at fair value;
- Land under "Property, plant and equipment" account is measured at revalued amount;
- Biological assets are measured at fair value less point-of-sale costs, except for those whose fair value cannot be measured reliably, have no active markets or no similar assets are available in the relevant market. In such cases, these biological assets are stated at cost; and
- Retirement benefits asset/liability is measured at the net total of the fair value of the plan assets less the present value of the defined benefit obligation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Philippine peso, which is also the Company's functional currency. All amounts have been rounded off to the nearest thousand (₱000), unless otherwise indicated.

2.4 Basis of consolidation

Subsidiaries are entities controlled by the Parent Company. The Parent Company controls an investee if and only if the Parent Company has:

- power over the investee (i.e. existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Parent Company has less than majority of the voting rights or similar rights to an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is obtained by the Parent Company and cease to be consolidated from the date the Parent Company loses control over the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All significant intra-Company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented separately from equity attributable to equity holders of the Parent Company in the consolidated financial statements. This includes non-controlling equity interests in DMTDI.

2.5 Loss of control

If the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate

2.6 Transaction eliminated during consolidation

Intra-company balances and transactions, and any unrealized income or expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Parent Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.7 Events after reporting period

The Board of Directors of Del Monte Philippines, Inc. (the "Company") approved on 11 December 2023 the declaration of cash dividends in the amount of PhP0.14355 per share to all common shareholders of record as of 26 December 2023, payable on 27 December 2023. The source of dividend payment is the Company's unrestricted retained earnings as of 31 October 2023.

3. Significant accounting policies

Changes in Accounting Policies and Disclosures

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 Company's 2023 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2024, which did not have any significant impact on the Company's financial position or performance, unless otherwise indicated:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 (which the Group will adopt on or after May 1, 2024) and must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 (which the Group will adopt on or after May 1, 2024) and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025 (May 1, 2025 for the Group)

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from May 1, 2023 to May 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025 (which the Group will adopt on or after May 1, 2025), with comparative figures required. Early application is permitted.

Deferred effectivity

Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Seasonality of Operations

The Company's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. The Company's sales are usually highest during the three months from October to December. This seasonal production primarily relates to the majority of processed fruits and toll pack goods.

5. Cash and cash equivalents

	31 October 2023	30 April 2023	30 April 2022
Cash on hand	**₱4,420**	₱4,400	₱3,300
Cash in banks	**991,370**	560,503	853,353
Cash Equivalents	**2,183**	20,000	–
	₱997,973	₱584,903	₱856,653

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from per annum as of 31 October 2023 (30 April 2023: 0.06% to 0.50% per annum).

6. Receivables

	31 October 2023	30 April 2023	30 April 2022
Trade receivables from third parties	**₱2,967,852**	₱3,060,941	₱3,137,659
Due from related parties	**10,027,012**	10,387,221	4,233,001
Nontrade receivables from third parties	**142,667**	142,667	151,981
Advances to officers and employees	**42,438**	43,226	45,132
Others	**905,597**	771,047	378,162
	14,085,566	14,405,102	7,945,935
Less allowance for ECL	**79,869**	79,993	91,893
	14,005,697	14,325,109	7,854,042
Less noncurrent portion:			
Lease receivable	**3,308**	3,308	10,168
Receivable from third parties	**142,667**	142,667	147,459
Noncurrent portion	**145,975**	145,975	157,627
Current Portion	**₱13,859,722**	₱14,179,134	₱7,696,415

The movements in allowance for expected credit losses are as follows:

	31 October 2023	30 April 2023	30 April 2022
Trade Receivables			
Balance at beginning of year	**₱73,225**	₱85,510	₱37,782
Additional provision	**-**	–	47,728
Reversals	**(354)**	(12,285)	–
	72,871	73,225	85,510
Nontrade Receivables			
Balance at beginning of year	**6,767**	6,383	10,242
Additional provision	**230**	385	–
Reversals	–	–	(3,859)
	6,997	6,768	6,383
Balance at the end of year	**₱79,869**	₱79,993	₱91,893

Source of estimation uncertainty

The Company maintains an allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with debtors, their payment behaviour and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined through a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates. An increase in the Company's allowance for impairment would increase the Company's recorded operating expenses and decrease current assets.

7. Inventories

	31 October 2023	30 April 2023	30 April 2022
Cased goods and other merchandise			
At NRV –net	**₱1,777,157**	₱1,900,384	₱1,269,502
At cost	**1,062,206**	1,247,558	956,754
Production materials and supplies- at NRV	**3,109,507**	3,284,700	2,260,832
Storeroom supplies- at NRV	**843,505**	913,091	683,811
	₱6,792,375	₱7,345,733	₱5,170,899

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the period/year are as follows:

	31 October 2023	30 April 2023	30 April 2022
At beginning of the period/year	**₱241,377**	₱250,906	₱390,938
Allowance for the period/year	**68,530**	209,765	88,184
Write-off against allowance	**(78,165)**	(219,294)	(228,216)
At end of the period/year	**₱231,742**	₱241,377	₱250,906

Source of estimation uncertainty

The Company recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Company believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Company reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Company reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and decrease current assets.

8. Biological assets

	31 October 2023	30 April 2023	30 April 2022
Current -			
Unharvested agricultural produce - at fair value	**₱2,565,976**	₱2,489,173	2,476,150
Noncurrent -			
Growing herd - at cost	**180,720**	168,588	144,876
	₱ 2,746,696	₱2,657,761	₱ 2,621,026

Carrying amounts of the unharvested agricultural produce are as follows:

	31 October 2023	30 April 2023	30 April, 2022
Balance at beginning of year	**₱2,489,173**	₱2,476,150	₱2,158,274
Additions	**245,281**	1,033,590	894,050
Harvest	**(1,432,869)**	(4,292,431)	(3,872,298)
Fair value attributable to price changes, actual harvest and estimated future harvest	**1,264,391**	3,271,864	3,296,124
Balance at end of year	**₱2,565,976**	₱2,489,173	₱2,476,150

Movements in the carrying amounts of growing herd, are as follows:

	31 October 2023	30 April 2023	30 April 2022
Balance at beginning of year	**₱168,588**	₱144,876	₱129,530
Purchases	**33,249**	67,737	46,517
Sales and transfers	**(21,117)**	(44,025)	(31,171)
Balance at end of year	**₱180,720**	₱168,588	₱144,876

9. Prepaid expenses and other current assets

	31 October 2023	30 April 2023	30 April 2022
Advances to suppliers	**₱521,960**	₱401,658	₱664,830
Prepaid expenses	**142,561**	173,634	88,242
Short-term deposit	**181,000**	1,000	21,172
Derivative Asset	**34,067**	58,866	–
Prepaid taxes	**113,033**	141,743	96,844
Input VAT - net	**-**	199,883	162,790
Deferred transportation cost	**61,089**	92,322	93,166
Prepaid rent	**26,169**	21,864	13,992
Others	**4,359**	2,371	966
	₱1,084,238	₱1,093,341	₱1,142,001

Advances to suppliers are down payments incurred by the Company for the purchase of materials and supplies that will be used for operations.

Prepaid expenses pertain to costs associated with subscription fees, employee benefits, and insurance on stocks and bonds.

Short-term deposit pertains to a 182-day deposit in Robinsons Bank, with an interest rate of 0.75%, maturing on October 11, 2022 and April 12, 2022, for period as of July 31, 2022 and April 30, 2022, respectively.

Input VAT pertain to prepayments made to regulatory authorities for the purchase of materials and supplies that will be used for manufacturing goods.

Deferred transportation cost pertains to advanced payment on delivery and transportation services and is normally incurred within the next financial period.

Prepaid taxes pertain to real property, local business, and excise taxes which are paid in advance to regulatory authorities and are usually amortized within the next reporting period.

Prepaid rent pertains to advance payments to suppliers for the lease of various warehouses.

Other current assets consist of advances to employees and insurance.

10. Investment in Joint Venture

On March 2021, the Parent Company entered into a joint venture with Vietnam Dairy Products Joint Stock Company. Del Monte – Vinamilk Dairy Philippines, Inc. (DMVDPI) was incorporated in the Philippines on July 2021 to undertake importation, marketing, promotion, selling and distribution of any and all goods, commodities, wares, merchandise of every nature and description related to milk and dairy. The equity held by the Group on the joint venture is 50% as at October 31, 2023 and amounts to nil as of the same date.

11. Property, Plant and Equipment

	Buildings, land improvements and leasehold improvements	**Machineries and equipment**	**Construction -in-progress**	**Bearer Plants**	**Right of use assets**	**Land (At revalued amount)**	**Total**
At 1 May 2023	**₱4,433,486**	**₱13,033,408**	**₱1,836,667**	**₱19,027,837**	**₱5,145,219**	**₱1,037,394**	**₱44,514,011**
Additions	**46,32**	**87,260**	**282,206**	**3,702,712**	**805,473.00**	**-**	**4,923,974**
Transfers /adjustments	**82,749**	**907,883**	**(990,632)**	**-**	**-**	**-**	**-**
Disposals/write-offs	**-**	**(68,726)**	**-**	**(1,864,348)**	**-285,968.00**	**-**	**-2,219,042**
At 31 October 2023	**4,562,558**	**13,959,825**	**1,128,241**	**20,866,201.00**	**5,664,724**	**1,037,394**	**47,218,943**
Accumulated Depreciation and Amortization							
At 1 May 2023	**2,128,558**	**10,166,823**	**-**	**7,941,792**	**2,201,693**	**-**	**22,438,866**
Depreciation and amortization	**137,814**	**364,944**	**-**	**3,118,854**	**427,138**	**-**	**4,048,750**
Transfers/Adjustments	**(97)**	**(269)**	**-**	**-**	**-**	**-**	**(366)**
Disposals	**-**	**(65,972)**	**-**	**(1,864,348)**	**(285,968)**	**-**	**(2,216,288)**
At 31 October 2023	**2,266,275**	**10,465,526**	**-**	**9,196,298**	**2,342,863**	**-**	**24,270,962**
Carrying Value	**2,296,283**	**3,494,299**	**1,128,241**	**11,669,903**	**3,321,861**	**1,037,394**	**22,947,981**

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2022	₱3,356,653	₱12,413,528	₱1,263,267	₱18,463,026	₱4,896,093	₱ 610,232	₱41,002,799
Additions	544,292	245,810	1,175,257	8,071,969	297,465	-	10,334,793
Revaluation	-	-	-	-	-	427,163	427,163
Transfers /adjustments	115,144	486,713	(601,857)	-	-	-	-
Disposals/write-offs	(337)	(112,644)	-	(7,507,158)	(48,339)	-	(7,668,478)
At 31 April 2023	4,015,752	13,033,407	1,836,667	19,027,837	5,145,219	1,037,395	44,096,277
Accumulated Depreciation and Amortization							
At 1 May 2022	₱1,480,968	₱9,570,147	-	₱9,194,783	₱1,495,279	-	₱21,741,177
Depreciation and amortization	230,349	704,511	-	6,254,167	754,754	-	7,943,781
Transfers /adjustments	(194)	(2,185)	-	-	-	-	-2,379
Disposals/write-offs	(299)	(105,650)	-	(7,507,158)	-48,340	-	(7,661,447)
At 31 April 2023	1,710,824	10,166,823	-	7,941,792	2,201,693	-	22,021,132
Carrying Value	₱2,304,928	₱2,866,584	₱1,836,667	₱11,086,045	₱2,943,526	₱1,037,395	₱22,075,145

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2021	₱3,409,828	₱11,593,571	₱763,944	₱18,003,802	₱4,152,258	₱610,232	₱38,533,635
Additions	345,224	718,573	647,793	6,784,988	1,030,650	-	9,527,228
Disposals	19,335	129,135	(148,470)	-	-	-	-
Change in lease term	-	(27,751)	-	(6,325,764)	(286,815)	-	(6,640,330)
At 30 April 2022	3,774,387	12,413,528	1,263,267	18,463,026	4,896,093	610,232	41,420,533
Accumulated Depreciation and Amortization							
At 1 May 2021	₱1,694,521	₱8,960,615	–	₱10,300,809	₱1,078,841	–	₱22,034,786
Charge for the year	204,375	636,190	–	5,219,738	703,253	–	6,763,556
Transfers/Adjustment	(194)	(2,625)	–	–	-	–	(2,819)
Disposals	-	(24,033)	–	(6,325,764)	(286,815)	–	(6,636,612)
At 30 April 2022	1,898,702	9,570,147	–	9,194,783	1,495,279	–	22,158,911
Carrying Value	₱1,875,685	₱2,843,381	₱1,263,267	₱9,268,243	₱3,400,814	₱610,232	₱19,261,622

12. Intangible asset

On May 1, 2020, Dewey Sdn. Bhd., assigned to PPMSC, various trademarks which includes the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines. The Parent Company and Dewey Sdn. Bhd. subsequently entered into an offsetting agreement wherein the payable amounting ₱2,987,400 to Dewey Sdn. Bhd. was offset against the receivables from DMPL.

Management has assessed the trademark as having indefinite useful life as the Group has exclusive access to the use of these trademarks. The trademark is expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows. The trademark has a carrying value of ₱2,987,400 as at October 31, 2023, April 30, 2023 and 2022.

13. Other noncurrent assets

	31 October 2023	30 April 2023	30 April 2022
Advance rent	**₱895,967**	₱815,817	₱632,887
Refundable deposits	**103,507**	101,740	111,561
Advances to suppliers	**61,635**	160,834	220,416
Security deposits	**53,943**	53,943	57,969
Deferred input VAT	**13,922**	25,988	25,988
Others	**10,275**	26,823	40,760
	₱1,139,249	₱1,185,145	₱1,089,581

Advance rent pertains to payments related to lease contracts which will commence beyond one year from the reporting period.

Refundable rental deposits are deposits made under lease contracts entered by the Parent Company and expected to be refunded at a future date.

Advances to supplier represent advance payments made to cover capital expenditures of the Parent Company.

Security deposits pertain to deposits made under lease contracts entered by the Parent Company and DEARBC.

Deferred input VAT on capital goods represents input VAT on property and equipment that are to be amortized over its useful life or 5 years, whichever is shorter.
Other noncurrent assets pertain to deferred expenses expected to be amortized beyond one year from the next reporting period.

14. Short-term notes payable

	31 October2023	30 April 2023	30 April 2022
Peso-denominated loans	**₱6,700,000**	₱7,975,000	₱5,880,000
Dollar-denominated loans	**10,691,266**	12,497,924	2,897,789
	₱17,391,266	₱20,472,924	₱8,777,789

The unsecured peso-denominated loans bear interest at 6.50% to 7.25%, 4.50% to 6.75%, and 2.125% to 2.250% as at October 2023, April 2023, and April 2022 respectively, and usually mature after 30 to 90 days.

As at October 2023, April 2023, April 2022, the balance of dollar-denominated unsecured notes payable in original currency amounted to US$188,200 or ₱10,691,266, US$225,200 or ₱12,497,924, and US$55,370 or ₱2,897,789 respectively. The loans bear an interest at 5.63% to 6.94%,4.43% to 6.50%, and 1.85% to 2.00% as at October 2023, April 2023, and April 2022 respectively and usually mature after 28 to 90 days.

Total interest expense on short-term loans amounted to ₱553,283, ₱560,266, and ₱206,923 for period ended October 2023, April 2022 and April 2021, respectively.

15. Long-term debt

	31 October 2023	30 April 2023	30 April 2022
Bank and Financial Institutions:			
BDO	**₱7,133,333**	₱1,500,000	₱1,500,000
DBP	**4,500,000**	1,500,000	1,500,000
	11,633,333	3,000,000	3,000,000
Less debt issuance cost	**74,973**	8,645	14,368
	₱11,558,360	2,991,355	2,985,632
Less current portion	**875,000**	687,500	
	₱10,683,360	₱2,303,855	₱2,985,632

On August 3, 2020, the Company repaid ₱1,500,000 of the long-term loan through its existing short-term credit facility. On October 23, 2020 the Company has refinanced its ₱1,500,000 loan payable over 9 equal quarterly installments with the first repayment date on August 3, 2023 and last repayment date on August 3, 2025.

On November 6, 2020, the Company availed of an unsecured long-term credit facility amounting to ₱1,500,000 at an interest rate of 3.00% p. a., maturing on 2025, to partially finance its general corporate requirements and/or refinance existing debts. The Company shall repay the loan in 5 years, inclusive of a 3-year grace period on the principal, the principal payable in 8 equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid.

In October 31, 2023, the Company availed of its long-term credit facility amounting to ₱5,800,000 with a variable rate, maturing on 2028, to finance payment for the recently matured bonds payable. The Company shall repay the loan in 5 years, the principal payable in 13 equal quarterly installments.

In October 31, 2023, the Company availed of its long-term credit facility amounting to ₱3,000,000 with a variable rate, maturing on 2028, to partially finance its general corporate requirements and/or

refinance existing debts. The Company shall repay the loan in 5 years, inclusive of a 3-year grace period on the principal, the principal payable in 12 equal quarterly installments.
Interest expense on long-term loans amounted to ₱42,864, ₱126,497, and ₱93,063 for the periods ended October 2023, April 2023, and April 2022, respectively.

The Company is compliant with its loan covenants as at October 31, 2023, April 30, 2023 and April 30, 2022.

16. Bonds Payable

	October 2023	April 2023	April 2022
Face Value of Bonds	**₱645,900**	6,478,460	6,478,460
Less: current portion	**-**	-	-
Less: Discount on Bonds Payable	**4,427**	22,028	56,062
Carrying Value	**641,473**	6,456,432	6,422,398
Less: current portion	**-**	5,816,019	-
	₱641,473	640,414	6,422,398

On October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of 5,000,000,000 with an oversubscription option of up to 2,500,000,000.

The following are the series of the bonds:
- (i) 3.4840% p.a. three-year fixed-rate bonds due 2023 and
- (ii) 3.7563% p.a. five-year fixed-rate bonds due 2025.

As of October 31, 2023, the ₱5,832,560 three-year fixed rate bond is already paid.

The movement in unamortized debt issuance costs follow:

	31 October 2023	30 April 2023	30 April 2022
Balance at beginning of year	**₱22,028**	56,062	88,668
Additions	**-**	-	-
Amortisations	**17,600**	34,034	32,606
Balance at end of year	**₱4,427**	22,028	56,062

17. Accounts payable and accrued expenses

	31 October 2023	30 April 2023	30 April 2022
Accounts payable:			
Trade	**₱4,755,929**	₱5,367,137	₱5,115,778
Nontrade	**295,572**	122,392	98,919
Due to related parties	**60,006**	20,265	107,857
Accrued expenses:			
Advertising, promotions, sales returns and discounts	**587,632**	193,467	309,705
Freight and warehousing	**126,677**	219,734	173,375
Tinplate and consigned stocks	**201,038**	204,086	225,434
Interest	**139,224**	188,208	32,563
Salaries, bonuses and other employee benefits	**171,714**	158,894	171,352
Professional and outside services	**89,092**	169,656	105,770
Payable to government agencies	**222,011**	391,980	184,060
Utilities	**62,121**	79,634	65,316
Land preparation and rental	**130,882**	102,098	105,051
Forward Contract	**-**	27,856	**-**

Others	**189,176**	187,783	96,973
	₱7,031,074	7,433,190	6,792,153

Trade payables are noninterest-bearing and are normally settled on 30 to 120-day terms.

Due to related parties are unsecured and noninterest-bearing purchases of services, rentals, toll pack and management services from related parties which are expected to be paid within the next fiscal year. Accrued expenses are payable within the next fiscal year.

18. General and administrative expenses

This account consists of the following:

	31 October 2023	31 October 2022	31 October 2021
Personnel	**₱184,083**	₱254,545	₱225,923
Depreciation and amortization	**58,962**	58,425	57,053
Professional fees	**36,112**	39,150	43,293
Technology cost	**41,509**	32,879	24,323
Training and employee activities	**36,928**	28,788	15,215
Travel and transportation	**19,655**	14,481	9,453
Rent	**10,747**	8,565	8,680
Taxes and insurance	**16,280**	9,127	8,315
Utilities	**10,651**	9,594	7,202
Supplies	**4,720**	3,125	6,005
Outside services	**8,289**	5,120	4,985
Others	**18,365**	12,756	9,005
	₱446,299	₱476,557	₱419,452

19. Common Stock

	31 October 2023	30 April 2023	30 April 2022
		No. of shares	
Common stock – ₱1 par value			
Authorized – 3,000,000,000			
Issued – 2,797,320,004	**2,797,320**	2,797,320	2,797,320
	2,797,320	2,797,320	2,797,320

On December 9, 2019, in a joint special meeting of the Board and stockholders of the Parent Company, the conversion of the authorized common shares amounting to ₱3,000,000,000 to common shares convertible to voting, participating RCPS was approved. The RCPS shall be convertible to common shares. The SEC approved the amendment of the Parent Company’s articles of incorporation on February 11, 2020 (see Note 1).

On August 3, 2020, the SEC approved the amendment of the Parent Company’s Articles of Incorporation to reflect the conversion of 335,678 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On February 5, 2021, the Board approved the conversion of 335,678,400 RCPS issued to SEA Diner to 335,678,400 common shares. The common shares do not have the dividend and liquidation preference and conversion and redemption features of the RCPS.

As of and for the year ended October 31, 2023, the Company did not meet the above financial ratios. However, as discussed in Note 1, in case of other redemption events, the redemption of the RCPS is subject to mutual consent of the Parent Company and the holder of the RCPS. As of December 13, 2023, the Parent Company and SEA Diner have been in discussion to resolve the matter and have no intention to mutually agree to a redemption of the RCPS.

20. Related Party Transactions

Related party transactions

The Company has transactions with related parties as described below. These transactions are done in the normal course of business and outstanding balances are usually settled in cash.

A summary of significant transactions and accounts balances with related parties follows:

Category/ Transaction	**Period**	**Amount of the transaction, 31 October**	**Outstanding balance – receivables/ (payables) as of 31 October 2023, 30 April 2023 and 2023**	**Terms**	**Conditions**
Ultimate Parent					
▪ Sales	**2024**	**(2,727)**	**408**	non–interest bearing	no impairment
	2023	833	0		
	2022	611	2,012		
▪ Purchases	**2024**	**2,083**	**(172)**	non–interest bearing	no impairment
	2023	(4,308)	(934)		
	2022	(9,363)	(2,743)		
▪ Advances and security deposits	**2024**	-	-	non–interest bearing	no impairment
	2023	-	-		
	2022	(376)			
▪ Services and other reimbursements	**2024**	**4,145**	**2,407**	non–interest bearing	no impairment
	2023	3,058	3,947		
	2022	10,452	2,298		
Under Common Control					
▪ Sales	**2024**	**2,338,157**	**6,870,203**	non–interest bearing	no impairment
	2023	7,838,344	6,457,055		
	2022	6,056,154	3,564,801		
▪ Purchases and royalties	**2024**	**(25,042)**	**(1,276)**	non–interest bearing	no impairment
	2023	(37,613)	(35,662)		
	2022	(17,553)	(14,155)		
▪ Advances	**2024**	**2,897,384**	**1,986,228**	non–interest bearing	no impairment
	2023	10,993,826	3,158,207		
	2022	3,257,294	0		
▪ Services and other reimbursements	**2024**	**(363,889)**	**1,001,279**	non–interest bearing	no impairment
	2023	557,253	590,701		
	2022	6,790	46,599		
Other Related Party					
▪ Sales	**2024**	**(48,218)**	**105,494**	non–interest bearing	no impairment
	2023	305,395	132,687		
	2022	299,775	380,895		
▪ Purchases	**2024**	**7,647**	**(29,040)**	non–interest bearing	no impairment
	2023	(273,959)	(16,465)		
	2022	(71,007)	(49,383)		
▪ Rendering of services	**2024**	**(37,568)**	**31,410**	non–interest bearing	no impairment
	2023	(241,717)	87,143		
	2022	199,489	214,674		
▪ Lease receivables	**2024**	**0**	**3,368**	non–interest bearing	no impairment
	2023	(41)	3,426		
	2022	159	3,385		
▪ Rental of office space and	**2024**	**69,956**	**(3,301)**	non–interest bearing	no impairment

common use area	2023	(124,922)	(23,241)
	2022	(100,207)	(336)
	2024	**₱4,841,928**	**₱9,967,008**
	2023	19,016,149.00	10,356,865
	2022	9,632,217.50	4,148,047

The transactions with related parties are carried out on an arms-length basis and on normal commercial terms consistent with the Company's usual business practices and policies, which are generally no more favorable to the related parties than those extended to unrelated parties. Pricing for the sales of products is market driven, less certain allowances in accordance with applicable business norms. For purchases, the Company's policy is governed by the same internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best products and/or services on the best possible terms.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. As at October 31, 2023, April 30, 2022 and April 30, 2021, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties.

21. Accounting classification and fair values

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximate of fair values as at October 31, 2023, April 30, 2023and April 30, 2022.

	October 31, 2023		April 30, 2023		April 30, 2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
Measured at amortized cost:						
Long-term notes payable	**₱11,558,360**	₱9,229,837	₱2,991,355	₱2,906,707	₱2,985,632	₱2,984,270
Bonds payable	**641,473**	**605,828**	6,456,432	6,347,364	6,422,398	6,414,308
	₱11,324,833		₱9,447,787	₱9,254,071	₱9,408,030	₱9,398,578

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities for which it is practicable to estimate such value:

Cash and Cash Equivalents, Receivables, Short-term Deposits and Accounts Payable and Accrued Expenses
The Company has determined that carrying amounts of cash and cash equivalents, receivables, short-term deposits and accounts payable and accrued expenses reasonably approximate their fair values because these are mostly short-term in nature.

Security and Refundable Deposits
The fair value approximates the carrying amount since the Company does not anticipate its carrying amount to be significantly different from the actual value that the deposit would be eventually collected.

Financial Assets at FVOCI
The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

Short-term Notes Payable
The carrying amount of short-term loans approximates its fair value as at reporting date due to its short-term in nature.

Long-term Notes Payable
The fair value of interest-bearing floating rate loans, categorized as Level 3 input, is based on discounted value of expected future cash flows using the applicable market rates for similar types of instrument as of reporting date. As at April 31, 2022, the fair value of the long-term loan amounted to ₱2,984,270 using 3.00% average incremental borrowing rate of the Company as at the same date.

Bonds Payable
The fair value of interest-bearing bonds, categorized as Level 1 input, is based on quoted market prices in an active market as of reporting date.

22. Determination of fair values

Fair value hierarchy

The following table provides the measurement hierarchy of assets measured at fair value:

	31 October 2023			
	Level 1	**Level 2**	**Level 3**	**Totals**
Financial assets				
Financial Assets at FVOCI	₱33,054	₱-	₱-	₱33,054
Non-financial assets				
Fair value of agricultural produce				
Harvested*	-	-	4,108,758	4,108,758
Unharvested			2,565,977	2,565,977
Land			1,037,394	1,037,394
Investment Property			162,434	162,434

** Pertains to fair value of agricultural produce being processed as cased goods as of year-end*

	30 April 2023			
	Level 1	**Level 2**	**Level 3**	**Totals**
Financial assets				
Financial Assets at FVOCI	₱34,054	₱–	₱–	₱34,054
Non-financial assets				
Fair value of agricultural produce				
Harvested*	–	–	3,387,621	3,387,621
Unharvested	–	–	4,108,988	4,108,988
Land	–	–	610,232	610,232
Investment Property	–	–	165,524	165,524

** Pertains to fair value of agricultural produce being processed as cased goods as of year-end*

	30 April 2022			
	Level 1	**Level 2**	**Level 3**	**Totals**
Financial assets				
Financial Assets at FVOCI	₱15,384	₱–	₱–	₱15,384
Non-financial assets				
Fair value of agricultural produce				
Harvested*	–	–	5,052,436	5,052,436
Unharvested	–	–	2,476,150	2,476,150
Land	–	–	610,232	610,232
Investment Property			171,703	171,703

** Pertains to fair value of agricultural produce being processed as cased goods as of year-end*

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Fair values of non-financial assets have been determined for measurement and/or disclosure purposes based on the following methods.

Assets	Valuation technique	Significant unobservable inputs
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is based on the selling price of fresh fruits as sold in the local and international markets (Level 3).	The unobservable input is the estimated selling price of pineapple per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated selling price of pineapple and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used estimated gross margin at point of harvest less future growing costs to be incurred until harvest as the basis of fair value.	The unobservable inputs are estimated selling price of pineapple and gross margin per ton for fresh and processed products, respectively, estimated volume of harvest and future growing costs.
Land	The fair value of the land was estimated using comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by involving comparison.	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved.
Investment Property	The valuation method used to determine fair value is Sales Comparison Approach and Income Approach for land and buildings, respectively.	The unobservable inputs used to determine market value are the prevailing rental rates and return on investment as at valuation date.

Significant increase (decrease) in the significant unobservable inputs of harvested crops sold as fresh fruit and harvested crop used in processed products would result in higher (lower) fair values.

Significant increase (decrease) in the estimated future selling price of pineapple, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

23. Leases

Company as a lessee

The following are the amounts recognised in income statement for the periods ended:

	31 October 2023	31 October 2022	31 October 2021
Amortization expense of right-of-use assets	**₱403,273**	338,243	227,901
Interest expense on lease liabilities	**93,914**	72,304	77,656
Expenses relating to short-term leases	**93,378**	208,952	237,161
Total amount recognized in statement of income	**₱590,565**	619,499	542,718

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	31 October 2023	30 April 2023	30 April 2022
At the beginning of period/year	**₱2,435,212**	₱2,871,074	₱2,404,981
Additions	**747,527**	370,429	841,456
Accretion of interest	**93,914**	163,173	156,820
Payments	**(362,859)**	(969,408)	(531,072)
Prepayments	**-**	(56)	-
Adjustment	**-**	-	(1,111)
At the end of period/year	**2,913,794**	2,435,212	2,871,074
Current lease liabilities	**(299,570)**	(429,222)	(472,454)
Noncurrent lease liabilities	**₱ 2,614,224**	₱ 2,005,990	₱ 2,398,620

Company as a lessor

The company has sublease agreements which provide for lease rentals based in an agreed fixed monthly rate.

Lease receivable represents receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	31 October 2023	30 April 2023	30 April 2022
At the beginning of period/year	**₱10,315**	₱36,203	59,767
Adjustments/Transitions	**-**	148	89
Contractual receipts	**(7,085)**	(26,994)	(25,475)
Interest income	**140**	959	1,822
At the end of period/year	**3,370**	10,315	36,203
Current lease receivable	**(84)**	(7,008)	(26,035)
Non-current lease receivable	**₱3,286**	₱3,308	10,168

The Parent Company has lease contract with DEARBC that has termination option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether the termination option is reasonably certain to be exercised.

24. Commitments and contingencies

a. Royalty agreement with S&W Fine Foods International Limited and the Parent Company provides for the payment of royalty computed at 3% of list sales, effective May 1, 2019 and 0.5% of list sales, effective May 1, 2020 for 10 years. Royalty expense recognized under "Cost of Sales" account amounted to ₱ 95,606, ₱26,907, ₱21,380 as of October 2023, April 2023 and 2022.

b. Future capital expenditures based on approved budgets and executable contracts are as follows:

	31 October 2023	April 2023	April 2022
Amounts approved by the board	**₱360,332**	₱92,238	₱94,118
Commitments in respect of contracts made	**360,332**	332,287	359,993
Total capex commitments	**₱720,664**	₱424,525	₱454,111

c. There are lawsuits, tax assessments and certain claims arising out of the normal course of business. Management, in consultation with legal counsel, believes that the resolution of these contingencies, other than those already with provision, will not have a material effect on the consolidated financial statements.

d. The Company has a pending case for decision of the Court of Tax En Banc (CTA EB) pertaining to deficiency tax assessment covering taxable year 2013 amounting ₱6,796. The Company continues to cooperate with the Court of Tax Appeals by submitting all the requested documents and information explaining how the Assessment Notices for 2013 were rebutted. As of December 13, 2023, the case is pending resolution.

25. Earnings (loss) per share

Basic and diluted earnings per share are calculated by dividing the net income (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	31 October 2023	31 October 2022	31 October 2021
Profit (loss) attributable to owners of the Company **(a)**	**1,240,712**	2,306,288	2,544,799
Weighted average number of common shares issued **(b)**	**2,797,320**	2,797,320	2,797,320
Basic Earnings per Common Share attributable to equity holders of the Parent **(a/b)**	**0.44**	0.82	0.91

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of common shares is adjusted to take into account the dilutive effect arising the conversion of common shares to RCPS, with the potential ordinary shares weighted for the period outstanding.

	31 October 2023	31 October 2022	31 October 2021
Weighted average number of common shares issued	**2,797,320**	2,797,320	2,797,320
Convertible preference shares	**-**	-	-
Weighted average number of common shares issued (diluted) **(c)**	**2,797,320**	2,797,320	2,797,320
Diluted Earnings per Common Share attributable to equity holders of the Parent **(a/c)**	**0.44**	0.82	1.65

26. Operating segments

Product Segments

In 2021, the Company reorganized its product segments to better reflect how the Company monitors the performance of its business units for the purpose of making decisions about resource allocation as the Company ventured into the dairy and snacks market, and the demand for convenience cooking and healthy products increased. The Company also reclassified the prior year segment results based on the new product segments for comparative purposes.

Convenience Cooking and Dessert

The Company's convenience cooking and dessert 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

The Company's 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. The Company'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 the Company'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. This segment also includes the Company's recently launched dairy products and biscuit snacks.

Premium Fresh Fruit

The Company's 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. The Company's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the Company's main export product and sold under the "S&W Sweet 16" brand.

Packaged Fruit and Beverages – Export

This segment includes revenues from sales of packaged fruit and beverage products sold internationally. Packaged fruit in this segment includes 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 in approximately 30 countries 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 the Company's Del Monte-branded packaged pineapples, Deluxe Gold. Deluxe Gold products. Beverage products in this segment include 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 pineapples at the Company's not-from-concentrate juicing plant and contains no additional ingredients. The Company 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.

Others

The Company's cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to animals. This segment also includes culinary products sold internationally. The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Information about reportable segments

	Three months ended 31 October 2023			Three months ended 31 October 2022			Three months ended 31 October 2021		
	Combined	**Elimination**	**Consolidated**	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated
Revenues									
Convenience Cooking and Desert	**₱6,849,265**	**-**	**₱6,849,265**	₱6,624,316	-	₱6,624,316	₱6,154,943	-	₱6,154,943
Healthy Beverages and Snacks	**3,444,495**	**-**	**3,444,495**	3,542,877	-	3,542,877	3,333,838	-	3,333,838
Premium Fresh Fruit	**4,219,461**	**₱ (204,372)**	**4,015,089**	4,611,289	(284,863)	4,326,426	3,026,206	₱ (87,536)	2,938,670
Packaged fruit and Beverages	**3,132,307**	**-**	**3,132,307**	4,174,561	-	4,174,561	3,822,928	-	3,822,928
Others	**188,146**	**(105,596)**	**82,550**	164,968	(109,635)	55,333	136,759	(99,844)	36,915
Changes in fair value – PAS 41	**1,264,392**	**-**	**1,264,392**	1,468,942	-	1,468,942	1,586,379	-	1,586,379
Total	**₱19,098,066**	**₱ (309,968)**	**₱18,788,098**	₱20,586,953	₱ (394,498)	₱20,192,455	₱18,061,053	₱ (187,380)	₱17,873,673
Income before interest and tax									
Convenience Cooking and Desert	**₱1,211,683**	**-**	**₱1,211,683**	₱1,637,203	-	₱1,637,203	₱1,572,539	-	₱ 1,572,539
Healthy Beverages and Snacks	**(67,440)**	**-**	**(67,440)**	68,951	-	68,951	401,468	-	401,468
Premium Fresh Fruit	**1,019,076**	**-**	**1,019,076**	1,030,815	-	1,030,815	892,030	-	892,030
Packaged fruit and Beverages	**(110,548)**	**-**	**(110,548)**	235,393	-	235,393	429,320	-	429,320
Others	**11,579**	**-**	**11,579**	18,191	-	18,191	13,665	-	13,665
Changes in fair value – PAS 41	**(2,070)**	**-**	**(2,070)**	70,100	-	70,100	(41,817)	-	(41,817)
Total	**₱2,062,280**	**-**	**₱2,062,280**	₱3,060,653	-	₱3,060,653	₱3,267,205	-	₱3,267,205

a. Events after the Reporting Period

The Board of Directors of Del Monte Philippines, Inc. (the “Company”) approved on December 11, 2023 the declaration of cash dividends in the amount of PhP0.14355 per share to all common shareholders of record as of December 26, 2023, payable on December 27, 2023. The source of dividend payment is the Company's unrestricted retained earnings as of October 31, 2023.

b. Other Matters

a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company’s liquidity.

b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or revenues or income from continuing operations.

c. There were no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual statements of financial position date.

d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.

e. The effects of seasonality or cyclicality on the interim operations of the Company’s businesses are explained in Note 4, Seasonality of operations.

f. The Company’s material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of October 31, 2023. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short and long-term loans.

g. The Company is the subject of, or a party to, various suits and pending or threatened litigations. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of these legal proceedings will have a material adverse effect on its financial position.

h. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealised asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

Annex A

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by SEC.

A. Current Ratio

	31-Oct-23	30-Apr-23	30-Apr-22	Benchmark
Current Ratio	**0.98**	**0.74**	**1.07**	**Minimum of 1.20**

Higher compared to April 30, 2023, due to decrease in current liabilities, primarily due to payment of bonds payable (current portion).

B. Debt to Equity

	31-Oct-23	30-Apr-23	30-Apr-22	Benchmark
Debt* to Equity	**2.39**	**3.10**	**2.08**	**Maximum of 2.50**

Lower compared to April 2023 due to lower liabilities as of October 2023.

C. Net Profit Margin

	31-Oct -23	30-Apr-23	30-Apr-22	Benchmark
Net Profit Margin attributable to owners of the company	**6.60%**	**9.03%**	**11.92%**	**Minimum of 3%**

Lower net profit compared to April 2023 and April 2022 due to lower sales volume, inflationary impact on costs and higher interest expense.

D. Return on Asset

	31-Oct-23	30-Apr-23	30-Apr-22	Benchmark
Return on Asset	**4.94%**	**6.99%**	**11.74%**	**Minimum of 1.21**

Lower return on asset compared to April 2023 and April 2022 due to lower net income.

E. Return on Equity

	31-Oct-23	30-Apr-23	30-Apr-22	Benchmark
Return on Equity	**19.43%**	**28.66%**	**36.19%**	**Minimum of 8%**

Lower return on equity compared to April 2023 and April 2022 due to lower net income during the period.

Causes for any Material Changes in the Financial Statements

A. Receivables

Receivables decreased by ₱285.4 million, or 2.0%, from ₱14,179.1 million as of April 30, 2023 to ₱13,893.8 million as of October 31, 2023 due to intercompany collections during the period.

B. Short-term notes payable

Short-term notes decreased by ₱3,081.7 million, or 15.1%, from ₱20,472.9 million as of April 30, 2023 to ₱17,391.3 million as of October 31, 2023 due to payments of loan within the period.

C. Prepaid expenses and other current assets

Prepaid and other current assets decreased by ₱9.1 million, or 0.8%, from ₱1,093.3 million as of April 30, 2023 to ₱1,084.2 million as of October 31, 2023. The decrease is due to lower input VAT.

D. Accounts payable and accrued expenses

Accounts payable decreased by ₱402.1 million, or 5.4%, from ₱7,433.2 million as of April 30, 2023 to ₱7,031.1 million as of October 31, 2023. The decrease is mainly driven by lower purchases and importations during the period, and lower accruals at the end of the period.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, and maximum annual capital expenditure restrictions.

The Company monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Company's reputation. The Company maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

As of October 31, 2023, April 30, 2023 and April 30, 2022, the Company is in compliance with the covenants stipulated in its loan agreements.

Annex B

DEL MONTE PHILIPPINES, INC.

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	**Formula**	**31 October 2023**	**30 April 2023**	**30 April 2022**
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.98	0.74	1.07
Quick Ratio	(Current Assets - Inventory - Biological – Prepaid Expenses) / Current Liabilities	0.58	0.42	0.53
(ii) Solvency Ratio	Total Assets / Total Liabilities*	1.34	1.32	1.48
Financial Leverage Ratios:				
Debt Ratio	Total Liabilities*/Total Assets	0.59	0.49	0.51
Debt-to-Equity Ratio	Total Liabilities/Total Stockholders' Equity	2.39	3.10	2.08
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	3.93	4.10	3.08
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) ** / Interest Charges	2.55	5.07	10.30
(v) Profitability Ratios				
Return on Assets	Net Income*** / Total Assets	4.94%	6.99%	11.74%
Return on Equity	Net Income*** / Total Stockholders' Equity	19.43%	28.66%	36.19%
		31 October 2023	**31 October 2022**	**31 October 2021**
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	24.18%	29.09%	30.58%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	6.60%	11.42%	14.24%
Net Profit Margin	Net Profit / Sales	6.60%	11.42%	14.24%

** Total Debt used for October 2023 refers to financial liabilities bonds payable, and leases.*

*** EBIT =Earnings before interests and taxes*

**** Net Income uses trailing twelve months for October 2023*