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Wednesday 5th May 2021, 11:07 GMT

First-quarter sales dip at Del Monte

Despite lower sales, net income attributable to the group climbs nearly US\$30m year-on-year



Del Monte's sales took a hit in the first quarter of 2021, as Covid-19 continued to hit the industry.

The group noted that its net sales for Q1 fell US\$29.7m. This was attributed to the continued negative effect of the Covid-19 pandemic on the company's foodservice distribution channel, and the negative impact on fruit supply due to hurricanes Eta and Iota.

These hurricanes "drastically impacted" Del Monte's production areas in Guatemala in the fourth quarter of 2020, the company explained.

Despite this, Del Monte turned in a net income attributable to the group

that was nearly US\$30m higher than Q1 2020, up from US\$13m to US\$42.7m.

Operating income for the first quarter of 2021 increased US\$41.9m and adjusted operating income grew US\$33.7m.

"Despite slightly lower net sales resulting from the continued impact of Covid-19 restrictions on our foodservice customers, and the reduced supply of fruit due to the two hurricanes in Guatemala in the fourth quarter of 2020, we generated strong results," said Mohammad Abu-Ghazaleh, chairman and chief executive officer. "We remained focused on creating greater efficiencies and controlling costs throughout our operations."

The group's fresh and value-added segment saw net sales decrease 5 per cent year-on-year. The company estimated that the Covid-19 pandemic had impacted net sales segment by US\$19.4m in the first quarter of 2021.

In bananas, net sales dropped 2 per cent, principally due to lower net sales in North America and the Middle East. This was partially offset by higher net sales in Asia. Worldwide banana sales volume fell 8 per cent while pricing increased 7 per cent.