creditrisk monitor®

DEL MONTE FOODS BANKRUPTCY CASE STUDY

FILED ON 07/01/2025

The FRISK® Score warned of Del Monte Foods' bankruptcy risk.

Score/Index	2024						2025						
	J	A	S	O	N	D	J	F	M	A	M	J	J
FRISK® Score	5	5	3	3	3	3	3	3	3	3	3	3	3
Z"-Score	1.92										Z"	Z"	Z"

Del Monte Foods is a prime example of why credit and supply chain professionals access the Confidential Financial Statements Solution to stay ahead of private company bankruptcy!

"Latency Effect"

Z"-Score, a financial-only based model, failed to warn by consistently indicating financial stability.

The FRISK® Score of "3" accurately signaled elevated bankruptcy risk over the past year.

Del Monte Foods is a privately held company, and all financial information used in this case study is publicly available. This case study is for educational purposes and does not include any confidential data.

HELPING TRADE CREDITORS

Problem: Del Monte Foods' filed bankruptcy on July 1, 2025. Its top 30 unsecured creditors were owed about **$74 million in open accounts receivable!**

Consequence: Trade creditors are typically impleaded into the bankruptcy proceeding, where recoveries are less than 15% and may take years to obtain.

Solution: CreditRiskMonitor® identifies 96%+ of public company bankruptcies at least 3 months before filing.

Payment and financial-only risk models often don't provide enough advanced warning.

> **Trade creditors with average dollar exposure who mitigated risk received a 10x to 100x ROI on the CreditRiskMonitor® service after only one bankruptcy ...**
>
> **a highly cost-effective insurance policy**

In this case, the Confidential Financial Statements Solution provided the following warning signs for subscribers:

96%-accurate FRISK® Score indicated Del Monte Foods' high-risk for more than one year unlike other financial-based scores.

Financial ratios indicated stress across many performance, leverage, liquidity, and efficiency ratios.

Industry Peer Analysis revealed numerous financial ratios trending in the bottom quartile of industry peers.

MONTHLY AVERAGE FRISK® SCORE

With the Confidential Financial Statement Solution, the FRISK® Score would have provided warning for more than 12 months. The company ultimately filed for bankruptcy on July 1, 2025.

The FRISK® Score of “5” was driven by fiscal year-end April 30, 2024 financials, which showed an 87% surge in total debt outstanding.

The FRISK® Score downgraded to a “3” in part as the P&L showed significant net losses and a weak interest coverage ratio.

Despite Del Monte Pacific’s substantial equity interest and intercompany relationship, it allowed Del Monte Foods to file for bankruptcy!

Business Name	2024								2025				
	J	A	S	O	N	D	J	F	M	A	M	J	J
Del Monte Foods	5	5	3	3	3	3	3	3	3	3	3	3	3

BANKRUPT!

Del Monte Pacific Limited, the parent company of Del Monte Foods, was also under pressure, reporting a string of net losses.

Almost a year elapsed since being unable to service its net interest expenses, which signaled elevated refinancing / bankruptcy risk.

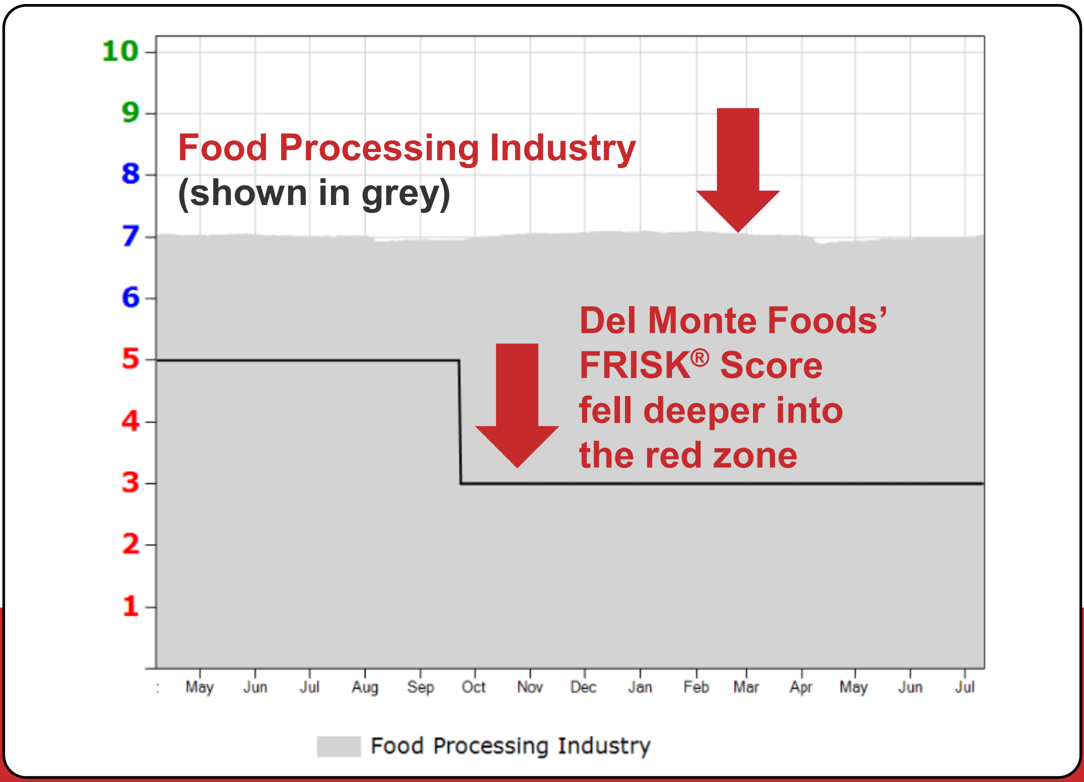
FRISK® Score is 96% accurate in predicting the risk of corporate failure over a 12-month horizon.

FRISK® Score	Probability of Bankruptcy within 12 Months	
	From	To
10	0.00%	0.12%
9	0.12%	0.27%
8	0.27%	0.34%
7	0.34%	0.55%
6	0.55%	0.87%
5	0.87%	1.40%
4	1.40%	2.10%
3	2.10%	4.00%
2	4.00%	9.99%
1	9.99%	50.00%

A FRISK® Score of 5 or less indicates an above average risk of bankruptcy, an important warning sign for clients. Maximize your ROI by continuously monitoring such counterparties, begin considering mitigation strategies and taking action as they fall toward FRISK® 3 and below.

FRISK® DEEP DIVE

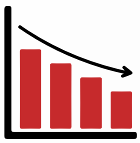
Per the FRISK® Score, this company **has a 2-to-4 times greater risk of bankruptcy** than the average public company.



The FRISK® Score relative to the broader Food Processing industry raised a red flag signaling heightened risk relative to peers.

MAKING IMMEDIATE ATTENTION REQUIRED!

FRISK® Score Comparison



Subscribers should evaluate the company's FRISK® Score of "3" relative to the average FRISK® Score of "7" for the broader industry. With much higher bankruptcy risk, further research and mitigation steps should be taken.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Del Monte Foods trended in the **bottom quartile** rankings across key financial ratios versus industry peers!

Businesses in Peer Group: 7302	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range Low	Median	High
	Credit Ratings					
ZScore	1201	1673	1.92	-7,480.08	3.62	907.12
	Performance ratios:					
Net Sales (Thousands of U.S. Dollars)	225	1700	1,737,342	[illegible]	[illegible]	[illegible]
Gross Margin % Of Sales	1202	1655	14.11	[illegible]	[illegible]	[illegible]
SG&A % Of Sales	940	1652	15.32	[illegible]	[illegible]	[illegible]
Operating Margin % Of Sales	1411	1668	-1.56	[illegible]	[illegible]	[illegible]
EBITDA Margin Of Sales	1271	[illegible]	1.32	[illegible]	[illegible]	[illegible]
Net Profit Margin % Of Sales	1480	1668	-6.83	[illegible]	[illegible]	[illegible]
Pre-tax Income % Of Sales	1493	1668	-8.70	[illegible]	[illegible]	[illegible]
Effective Tax Rate	81	1659	-21.53	[illegible]	[illegible]	[illegible]
Depreciation % Of Prop/Plant/Equipment	N/A	1624	N/A	0.00	9.17	249.59
Capital Expense % Of Prop/Plant/Equipment	884	1548	12.92	0.00	11.47	2,490.10
Interest Coverage	1254	1427	0.18	-37,895.48	6.27	16,886.32
	Liquidity ratios:					
Cash Ratio	1588	1705	0.01	[illegible]	[illegible]	[illegible]
Quick Ratio	1347	1667	[illegible]	[illegible]	[illegible]	[illegible]
Current Ratio	362	1705	2.90	[illegible]	[illegible]	[illegible]
	Efficiency ratios:					
Accounts Receivable Turnover	530	1623	13.07	[illegible]	[illegible]	[illegible]
Days Sales Outstanding	613	1666	27.92	[illegible]	[illegible]	[illegible]
% of Inventory Financed by Vendors	1256	1484	18.68	[illegible]	[illegible]	[illegible]
Inventory Turnover	1480	1611	1.57	0.00	5.10	2,470.67
Days Sales in Inventory	1480	1586	232.11	0.15	70.50	5,639.74
Inventory to Working Capital	892	1646	1.30	-2,632.00	0.54	841.67
Accounts Payable Turnover	714	1401	8.69	0.00	8.81	29,426.00
	Leverage & debt coverage:					
Total Debt to Equity Ratio	1434	1565	1.67	0.00	0.39	45.20
Debt to Tangible Equity Ratio	N/A	1505	N/A	0.00	0.41	65.65
Total Debt to Assets Ratio	1471	1643	0.51	0.00	0.23	253.61
Short-Term Debt % of Total Debt	44	1578	1.93	0.00	57.21	100.00
Short-Term Debt % of Working Capital	241	1609	3.11	-23,208.83	16.19	71,152.16
Liabilities to Net Worth Ratio	N/A	1566	N/A	0.00	0.87	127.75
Total Liabilities to Equity Ratio	1428	1626	2.30	0.00	0.82	61.68
TTM EBITDA Over Total Debt	1264	1447	0.02	-2,810.66	0.36	9,375.92
Net Debt Over TTM EBITDA	1288	1295	51.48	-262.75	1.16	738.85

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

TTM = trailing 12 months
N/A = Not Available

Company Name
Kraft Heinz Company
General Mills, Inc.
Campbell Soup Company

Company Name
Conagra Brands, Inc.
Hormel Foods Corporation
B&G Foods, Inc.

Click to access hundreds of alternate suppliers or customers.

SEQUENTIAL QUARTERLY RATIOS

PERFORMANCE RATIOS

What does this tell us?

- ✓ Deterioration in operating profit and substantial net losses
- ✓ Volatile free cash flow performance, in part due to inventory working capital requirements
- ✓ Interest coverage ratio falls below 1, signaling an inability to service its interest payments

Performance Ratios - Annual

(Thousands of U.S. Dollars)

Period Ended	12 mos 4/28/2024	12 mos 4/30/2023	12 mos 5/1/2022	12 mos 5/2/2021
Net Sales $	**$1,737,342**	**$1,733,102**	**$1,654,913**	**$1,483,057**
% change	*0.24%*	*4.72%*	*11.59%*	*n/a*
Gross Profit $	**$245,056**	**$400,348**	**$396,096**	**$335,120**
% change	*-38.79%*	*1.07%*	*18.20%*	*n/a*
% of sales	*14.11%*	*23.10%*	*23.93%*	*22.60%*
change as % of incremental sales	*-3,662.55%*	*5.44%*	*35.48%*	*n/a*
SG&A $	**$266,243**	**$235,443**	**$238,716**	**$237,701**
% change	*13.08%*	*-1.37%*	*0.43%*	*n/a*
% of sales	*15.32%*	*13.59%*	*14.42%*	*16.03%*
change as % of incremental sales	*726.42%*	*-4.19%*	*0.59%*	*n/a*
Operating Profit $	**($27,177)**	**$153,558**	**$155,801**	**$101,444**
% change	*-117.70%*	*-1.44%*	*53.58%*	*n/a*
% of sales	*-1.56%*	*8.86%*	*9.41%*	*6.84%*
change as % of incremental sales	*-4,262.62%*	*-2.87%*	*31.63%*	*n/a*
EBITDA $	**$22,926**	**$206,017**	**$213,595**	**$170,499**
% change	*-88.87%*	*-3.55%*	*25.28%*	*n/a*
% of sales	*1.32%*	*11.89%*	*12.91%*	*11.50%*
change as % of incremental sales	*-4,318.18%*	*-9.69%*	*25.08%*	*n/a*
EBIT $	**($27,177)**	**$153,558**	**$155,801**	**$101,444**
% change	*-117.70%*	*-1.44%*	*53.58%*	*n/a*
% of sales	*-1.56%*	*8.86%*	*9.41%*	*6.84%*
change as % of incremental sales	*-4,262.62%*	*-2.87%*	*31.63%*	*n/a*
Pre-tax income $	**($151,189)**	**($4,496)**	**$71,455**	**$16,863**
% change	*-3,262.74%*	*-106.29%*	*323.74%*	*n/a*
% of sales	*-8.70%*	*-0.26%*	*4.32%*	*1.14%*
change as % of incremental sales	*-3,459.74%*	*-97.14%*	*31.77%*	*n/a*
Net income (loss) $	**($118,641)**	**($2,941)**	**$57,198**	**$15,848**
% change	*-3,934.04%*	*-105.14%*	*260.92%*	*n/a*
% of sales	*-6.83%*	*-0.17%*	*3.46%*	*1.07%*
change as % of incremental sales	*-2,728.77%*	*-76.91%*	*24.06%*	*n/a*
Tax expense $	**$32,548**	**($1,555)**	**$14,257**	**$1,015**
Effective tax rate	*-21.53%*	*34.59%*	*19.95%*	*6.02%*
Capital expenditures $	**$43,290**	**$47,589**	**$32,122**	**$25,112**
% change	*-9.03%*	*48.15%*	*27.91%*	*n/a*
% of PP&E, net (annualized)	*12.92%*	*14.42%*	*9.90%*	*7.70%*
% of working capital (annualized)	*5.49%*	*8.63%*	*14.10%*	*12.92%*
Interest coverage ratio	**0.18**	**1.30**	**2.53**	**2.02**
% change	*-85.82%*	*-48.53%*	*25.63%*	*n/a*
Free cash flow $	**$137,776**	**($276,295)**	**$22,727**	**$81,95**
% change	*149.87%*	*-1,315.71%*	*-72.27%*	
[illegible]	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMo on 09/23/202
[illegible]	Managed	Managed	Managed	Man

LEVERAGE RATIOS

What does this tell us?

- ✓ Heavy debt burden nearly doubles YOY
- ✓ Tangible net worth turned negative
- ✓ Total debt to EBITDA trended toward mid-single digits before becoming untenable.

Leverage Ratios - Annual

(Thousands of U.S. Dollars)

Period Ended	4/28/2024	4/30/2023	5/1/2022	5/2/2021
Total debt $	**$1,183,828**	**$1,187,511**	**$635,240**	**$555,187**
% change	*-0.31%*	*86.94%*	*14.42%*	*n/a*
Stockholders' equity $	**$710,576**	**$816,841**	**$813,005**	**$758,659**
% change	*-13.01%*	*0.47%*	*7.16%*	*n/a*
Total debt to equity ratio	**1.67**	**1.45**	**0.78**	**0.73**
% change	*14.60%*	*86.07%*	*6.76%*	*n/a*
Tangible net worth $	**($23,348)**	**$75,882**	**$137,840**	**$76,844**
% change	*-130.77%*	*-44.95%*	*79.38%*	*n/a*
Total debt to tangible net worth	**n/a**	**15.65**	**4.61**	**7.22**
% change	*n/a*	*239.58%*	*-36.21%*	*n/a*
Total assets $	**$2,342,456**	**$2,338,309**	**$1,847,773**	**$1,719,002**
% change	*0.18%*	*26.55%*	*7.49%*	*n/a*
Total debt to assets ratio	**0.51**	**0.51**	**0.34**	**0.32**
% change	*-0.49%*	*47.73%*	*6.44%*	*n/a*
Tangible assets $	**$1,608,532**	**$1,597,350**	**$1,172,608**	**$1,037,187**
% change	*0.70%*	*36.22%*	*13.06%*	*n/a*
Short-term debt $	**$22,875**	**$29,223**	**$161,581**	**$90,032**
% change	*-21.72%*	*-81.91%*	*79.47%*	*n/a*
Short-term debt % of total debt	**1.93%**	**2.46%**	**25.44%**	**16.22%**
% change	*-21.48%*	*-90.33%*	*56.85%*	*n/a*
Short-term debt % of working capital	**3.11%**	**3.47%**	**61.84%**	**46.34%**
% change	*-10.40%*	*-94.39%*	*33.45%*	*n/a*
Total liabilities $	**$1,631,880**	**$1,521,468**	**$1,034,768**	**$960,343**
% change	*7.26%*	*47.03%*	*7.75%*	*n/a*
Total liabilities to equity ratio	**2.30**	**1.86**	**1.27**	**1.27**
% change	*23.30%*	*46.34%*	*0.55%*	*n/a*
Total liabilities to tangible net worth ratio	**n/a**	**20.05**	**7.51**	**12.50**
% change	*n/a*	*167.09%*	*-39.93%*	*n/a*
Total debt to EBITDA ratio (annualized)	**51.64**	**5.76**	**2.97**	**3.26**
% change	*795.84%*	*93.82%*	*-8.67%*	*n/a*
Source:	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024
Confidential Form:	Managed	Managed	Managed	Managed

SEQUENTIAL QUARTERLY RATIOS

LIQUIDITY RATIOS

What does this tell us?

- ✓ Limited cash balance shows reliance on external funding sources
- ✓ Continuously weak cash and quick ratios

Liquidity Ratios - Annual
(Thousands of U.S. Dollars)

Period Ended	4/28/2024	4/30/2023	5/1/2022	5/2/2021
Current assets $	**$1,123,146**	**$1,129,721**	**$727,809**	**$574,108**
% change	*-0.58%*	*55.22%*	*26.77%*	*n/a*
% of short-term debt	*4,909.93%*	*3,865.86%*	*450.43%*	*637.67%*
Current liabilities $	**$387,733**	**$287,911**	**$466,522**	**$379,816**
% change	*34.67%*	*-38.29%*	*22.83%*	*n/a*
Working capital $	**$735,413**	**$841,810**	**$261,287**	**$194,292**
% change	*-12.64%*	*222.18%*	*34.48%*	*n/a*
% of sales (annualized)	*42.33%*	*48.57%*	*15.79%*	*13.10%*
Cash $	**$3,605**	**$6,846**	**$2,355**	**$4,125**
% change	*-47.34%*	*190.70%*	*-42.91%*	*n/a*
% of short-term debt	*15.76%*	*23.43%*	*1.46%*	*4.58%*
Cash ratio	**0.01**	**0.02**	**0.01**	**0.01**
% change	*-60.92%*	*376.00%*	*-54.13%*	*n/a*
Quick assets $	**$128,632**	**$147,588**	**$114,256**	**$99,707**
% change	*-12.84%*	*29.17%*	*14.59%*	*n/a*
% of short-term debt	*562.33%*	*505.04%*	*70.71%*	*110.75%*
Quick ratio	**0.33**	**0.51**	**0.24**	**0.26**
% change	*-35.27%*	*109.31%*	*-6.70%*	*n/a*
Current ratio	**2.90**	**3.92**	**1.56**	**1.51**
% change	*-26.18%*	*151.52%*	*3.22%*	*n/a*
Source:	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024
Confidential Form:	Managed	Managed	Managed	Managed

RATES OF RETURN

- ✓ Negative returns on equity and total assets

Rate of Return - Annual
(Thousands of U.S. Dollars)

Period Ended	12 mos 4/28/2024	12 mos 4/30/2023	12 mos 5/1/2022	12 mos 5/2/2021
Return on equity	**-14.52%**	**-0.36%**	**7.54%**	**n/a**
% change	*-3,915.59%*	*-104.80%*	*n/a*	*n/a*
Return on net tangible equity	**-156.35%**	**-2.13%**	**74.43%**	**n/a**
% change	*-7,227.96%*	*-102.87%*	*n/a*	*n/a*
Return on total assets	**-5.07%**	**-0.14%**	**3.21%**	**0.92%**
% change	*-3,508.04%*	*-104.38%*	*247.90%*	*n/a*
Return on tangible assets	**-7.40%**	**-0.21%**	**5.18%**	**1.53%**
% change	*-3,386.34%*	*-104.10%*	*238.80%*	*n/a*
Source:	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024
Confidential Form:	Managed	Managed	Managed	Managed

ANNUAL STATEMENTS

CASH FLOWS

What does this tell us?

- ✓ Net losses and significant issuance of debt to fund operations
- ✓ Low net cash-beginning and ending balances

Statement of Cash Flows - Annual - Standardized
(Thousands of U.S. Dollars)

Period Ended	12 mos 4/28/2024	12 mos 4/30/2023	12 mos 5/1/2022	12 mos 5/2/2021
Cash Flows from Operating Activities:				
Net income	($118,641)	($2,941)	$57,198	$15,848
Depreciation/depletion	24,555	23,867	24,891	34,948
Amortization	25,548	28,592	32,903	34,107
Deferred taxes	(32,583)	(3,525)	13,791	381
Non-cash Items	164,910	167,378	86,688	95,844
Changes in working capital	117,277	(442,077)	(160,622)	(74,058)
Total cash from operating activities	**181,066**	**(228,706)**	**54,849**	**107,070**
Cash Flows from Investing Activities:				
Capital expenditures	(43,290)	(47,589)	(32,122)	(25,112)
Other investing cash flow items, total	6,340	(71,700)	124	6,759
Total cash from investing activities	**(36,950)**	**(119,289)**	**(31,998)**	**(18,353)**
Cash Flows from Financing Activities:				
Financing cash flow items	(118,343)	(100,170)	(66,715)	(51,909)
Issuance/retirement of debt, net	(28,943)	452,613	42,245	(40,031)
Total cash from financing activities	**(147,286)**	**352,443**	**(24,470)**	**(91,940)**
Foreign exchange effects	**(71)**	**43**	**(151)**	**(15)**
Net change in cash	**(3,241)**	**4,491**	**(1,770)**	**(3,238)**
Net cash-beginning balance	**6,846**	**2,355**	**4,125**	**7,363**
Net cash-ending balance	**$3,605**	**$6,846**	**$2,355**	**$4,125**
Auditor/Opinion:	SyCip Gorres Velayo & Co. **Unqualified**	Sycip Gorres Velayo & Co. **Unqualified**	Sycip Gorres Velayo & Co. **Unqualified**	Sycip Gorres Velayo & Co. **Unqualified**
Source:	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024	Entered by CreditRiskMonitor on 09/23/2024
Confidential Form:	Managed	Managed	Managed	Managed

ABOUT CREDITRISKMONITOR

About Our Bankruptcy Case Study

CreditRiskMonitor Bankruptcy Case Studies provide post-filing analyses of public and private company bankruptcies. Our case studies educate subscribers about how they can use our proprietary solutions to avoid the disastrous impact from bankrupt creditors and suppliers.

About Our Company

CreditRiskMonitor is a financial risk analysis and news service that helps credit and supply chain professionals stay ahead of and manage risk quickly, accurately and cost effectively.

Nearly 40% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our coverage of 30+ million public companies and private companies globally.

Contact us at:

845.230.3000

creditriskmonitor.com/contact-us

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