



**Q1** 2022

**Earnings Call Presentation**  
MAY 4, 2022





**Mohammad Abu-Ghazaleh**  
Chairman & CEO



**Monica Vicente**  
SVP, CFO

# FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements regarding the intent, beliefs or current expectations of the Company or its officers with respect to the Company's plans and future performance, including our focus on driving operational leverage through product innovation, cost management, pricing actions and operational efficiencies. These statements also include statements that are preceded by, followed by or include the words "believes", "expects", "anticipates", "may" or similar expressions with respect to various matters. It is important to note that these forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Fresh Del Monte's actual plans and performance may differ materially from those in the forward-looking statements as a result of various factors, including (i) the impact of the on-going pandemic and the war in Ukraine on our business, suppliers, customers, consumers, employees, and communities, including the inflationary impact on fuel, petroleum-based products such as fertilizer and packaging materials; (ii) disruptions or inefficiencies in our operations and supply chain, including any impact of the pandemic, the war in Ukraine and the inflationary environment, (iii) the duration and spread of the pandemic and related government restrictions and our ability to maintain the safety of our workforce, especially outside the U.S., (iv) our ability to successfully execute our plan to stabilize our core business, diversify our business and transform our business to a value-added business, (v) the impact of governmental trade restrictions, including adverse governmental regulation that may impact our ability to access certain markets, (vi) our ability to meet our anticipated cash needs, (vii) the continued ability of our distributors and suppliers to have access to sufficient liquidity to fund their operations, (viii) trends and other factors affecting our financial condition or results of operations from period to period, including changes in product mix, consumer preferences or consumer demand for branded products such as ours; anticipated price and expense levels; the impact of crop disease, such as vascular diseases, one of which is known as Tropical Race 4, or TR4 (also known as Panama Disease), severe weather conditions, such as flooding, or natural disasters, such as earthquakes, on crop quality and yields and on our ability to grow, procure or export our products; disruptions or issues that impact our production facilities or complex logistics network; and the availability of sufficient labor during peak growing and harvesting seasons, (ix) competitive pressures and our ability to realize the full benefits of the inflation driven price increases implemented; (x) the impact of inflation and foreign currency fluctuations, including the effectiveness of our hedging activities, (xi) our plans for expansion of our business (including through acquisitions) and cost savings, (xii) our ability to successfully integrate acquisitions into our operations, (xiii) the impact of impairment or other charges associated with exit activities, crop or facility damage or otherwise, (xiv) the timing and cost of resolution of pending and future legal and environmental proceedings or investigations, (xv) the impact of changes in tax accounting or tax laws (or interpretations thereof), (xvi) the impact of claims and adjustments proposed by the IRS or other foreign taxing authorities in connection with our current or future tax audits and our ability to successfully contest such tax claims and pursue necessary remedies, (xvii) the cost and other implications of changes in regulations applicable to our business, including potential legislative or regulatory initiatives in the United States or elsewhere directed at mitigating the effects of climate change, (xviii) damage to our reputation or brand names or negative publicity about our products, (xix) exposure to product liability claims and associated regulatory and legal actions, product recalls, or other legal proceedings relating to our business, (xx) our ability to successfully implement our optimization program and to realize its expected benefits within the anticipated timeframe, and (xxi) our ability to successfully manage the risks associated with international operations. All forward-looking statements in this presentation are based on information available to us on the date hereof, and we assume no obligation to update such statements. These statements and our future plans and performance may also be affected by the factors described in our Annual Report on Form 10-K for the year ended December 31, 2021, along with other reports that we have filed with the Securities and Exchange Commission.







# AGENDA

- Business Update
- Q1 2022 Financial Results
- Q&A



# BUSINESS UPDATE – Q1 2022 VS. LAST YEAR

## Q1 2022 HIGHLIGHTS

Net Sales	<b>\$1.137 BILLION</b>
Adj. EBITDA	<b>\$63 MILLION</b>
Adj. EBITDA Margin	<b>5.5%</b>

## COMMENTARY

- Net sales **increased** by **\$49 million** compared with the prior-year period
  - A direct benefit of leading the industry in the implementation of inflation-justified pricing actions
  - Healthy net sales, near pre-COVID levels
- Cost of product sold increased by \$64 million due to across-the-board inflationary pressures, resulting in lower operating income
- Strong Adjusted EBITDA margin of 5.5%
- Focus on operating leverage through product innovation, cost management, and operational efficiencies as reflected in the significant growth in our third-party freight services





# STRATEGIC FOCUS REMAINS ON TRACK



**PROTECT &  
GROW OUR  
CORE  
BUSINESS**



**DRIVE  
INNOVATION  
AND EXPAND  
GROWTH ON  
VALUE-ADDED  
CATEGORIES**



**EVOLVE OUR  
CULTURE TO  
INCREASE  
EMPLOYEE  
ENGAGEMENT &  
PRODUCTIVITY**



**BECOME A  
TECHNOLOGY  
DRIVEN  
COMPANY  
TO DRIVE  
EFFICIENCIES**



**BECOME A  
CONSUMER  
DRIVEN  
COMPANY**



**LEAD THROUGH  
SUSTAINABILITY  
FOR A BRIGHTER  
WORLD  
TOMORROW**

We made progress on our strategic initiatives effectively managing the business for the long-term despite incremental deterioration of already unprecedented supply chain constraints and higher inflation compounded by the war in Ukraine



# DRIVING SHAREHOLDER VALUE

## INVESTING IN GROWTH

- Capex
- Strategic Investments



[www.goodculture.com](http://www.goodculture.com)



[purelyelizabeth.com](http://purelyelizabeth.com)



## RETURNING CASH TO SHAREHOLDERS

- Dividends
- Debt Repayment





Won award based on consumer,  
investor, employee trust

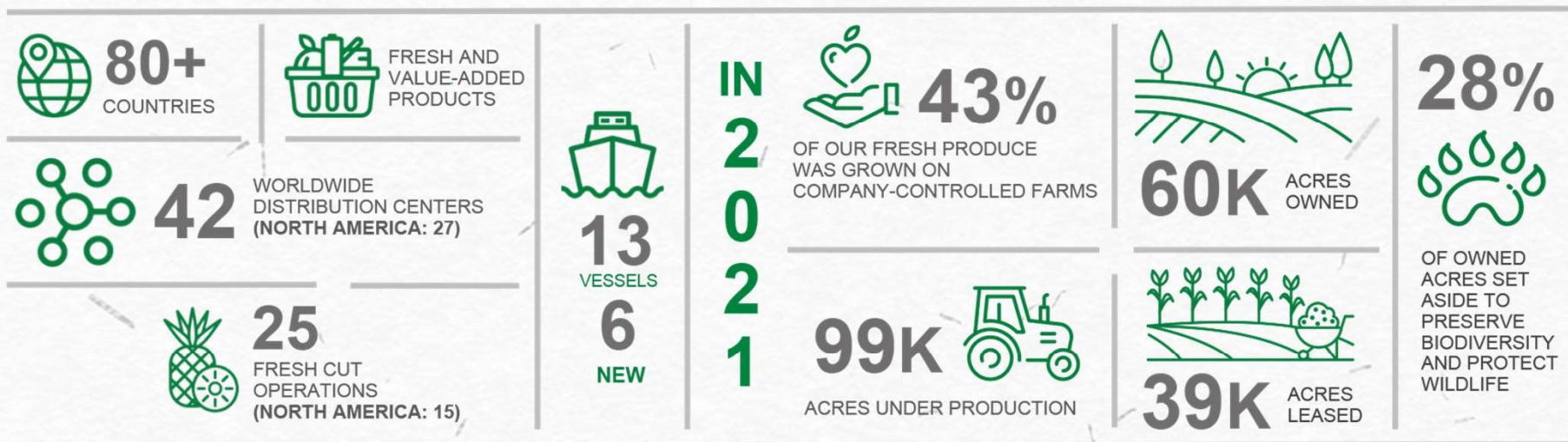
Our **sustainability efforts** are at the core of what we do as we work to build a food system **where agricultural production and biodiversity thrive together**

Received high-level scores in the water security and climate change and forest categories by CDP, winning a 2021 SEAL Business Sustainability Award for our approach to farming while conserving biodiversity

Currently, two of our largest farming operations are certified carbon neutral, and we are actively working on amplifying those efforts



# UNMATCHED GLOBAL NETWORK





# Q1 2022 FINANCIAL RESULTS



# Q1 2022 FINANCIAL RESULTS

## NET SALES

**\$1.137B approximately +5% vs. PY**

- A direct benefit of leading the industry in the implementation of inflation-justified pricing actions
- Higher sales in fresh and value-added products
- Higher sales in other products and services

## ADJ GROSS PROFIT\*

**\$89.8M vs. \$106.6M PY**

- Higher cost across-the-board including packaging materials, fertilizers, ocean and inland freight, fuel and labor impacted performance

## ADJ NET INCOME\*

**\$26.2M vs. \$41.6M PY**

- Primarily due to lower gross profit and net impact of disposal of property, plant and equipment, partially offset by lower administrative expense

**ADJ. DILUTED EPS\***

**\$0.55 vs. \$0.88 PY**

## ADJUSTED EBITDA\*

**\$62.8M vs. \$82.3M PY**

**ADJ. EBITDA MARGIN\***

**5.5% vs. 7.6% PY**

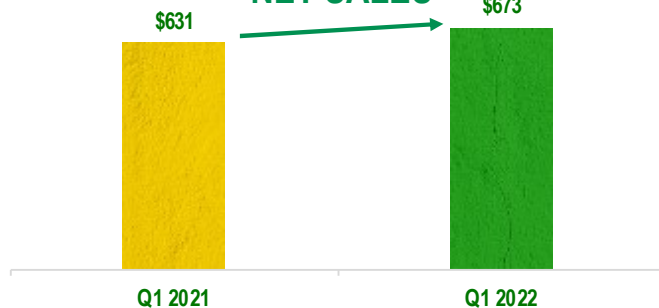
\*Non-GAAP financial measure. Reconciliations and other information required by Regulation G can be found in the Appendix section of the presentation.



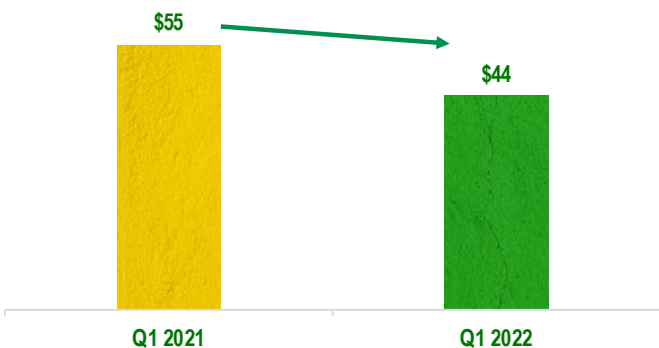
# FRESH AND VALUE-ADDED PRODUCTS

In \$ millions

## NET SALES



## ADJUSTED GROSS PROFIT



## COMMENTARY

- **Net sales** increased \$42M, or approximately 7%, compared with the prior-year period, as a result of increased net sales across most product categories mainly related to higher pricing
- **Gross profit** in the segment continued to be impacted by inflationary and other cost pressures, which resulted in higher per unit production and distribution costs

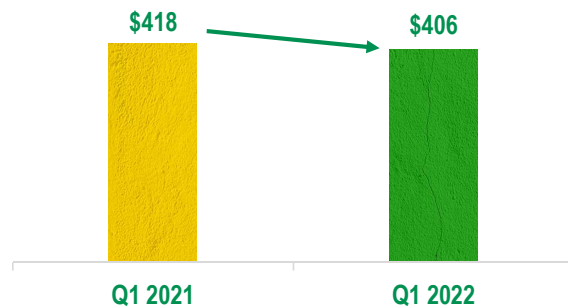




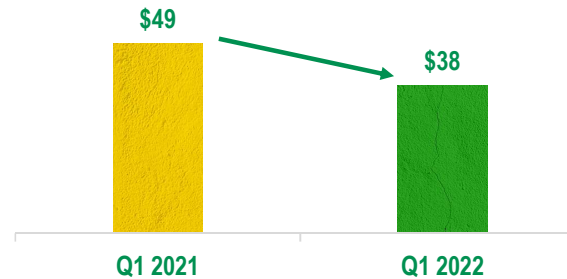
# BANANAS

*In \$ millions*

## NET SALES



## ADJUSTED GROSS PROFIT



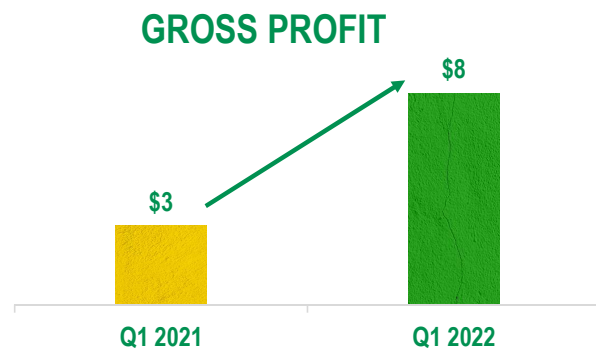
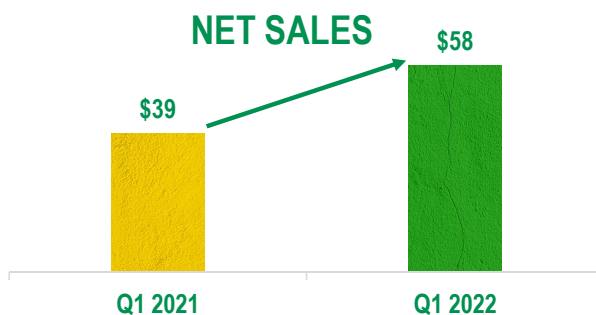
## COMMENTARY

- **Net sales** slightly below the same period last year
- Despite higher pricing compared to the prior-year period, higher cost and lower sales volume negatively impacted operating leverage



# OTHER PRODUCTS & SERVICES

*In \$ millions*



## COMMENTARY

- Higher net sales mainly due to higher sales of third-party freight services
- Our vessel fleet has enabled the expansion of our commercial cargo services, which are benefiting from elevated shipping rates and demand due to current supply chain constraints and inflationary pressures







# **SELECTED FINANCIAL DATA**





# Q&A





# APPENDIX

## NON-GAAP RECONCILIATIONS



**FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**First Quarter 2022**

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The Company's results are determined in accordance with U.S. generally accepted accounting principles (GAAP). Certain information presented reflects adjustments to GAAP measures such as amounts related to restructuring, asset impairment and other charges (credits), net, (loss) gain on disposal of property, plant and equipment, net, other product-related charges and certain other non-recurring items, if any. These adjustments result in non-GAAP financial measures and are referred to as Adjusted Gross profit, Adjusted Gross margin, Adjusted Operating income, Adjusted FDP Net income, and Adjusted Diluted EPS. Management believes these adjustments provide a more comparable analysis of the underlying operating performance of the business.

The measurements we share as part of our earnings call also include non-GAAP measures such as EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, and Trailing Twelve Month Leverage Ratio. EBITDA is defined as net income attributable to Fresh Del Monte Produce Inc. excluding interest expense, net, provision for income taxes, depreciation and amortization, and share-based compensation expense. Adjusted EBITDA represents EBITDA with additional adjustments for non-recurring items. EBITDA margin represents EBITDA as a percentage of net sales, and adjusted EBITDA margin represents adjusted EBITDA as a percentage of net sales.

Adjusted Gross profit, Adjusted Operating income, Adjusted FDP Net income, and Adjusted EBITDA provide the Company with an understanding of the results from the primary operations of its business. The Company uses these metrics because management believes they provide more comparable measures to evaluate period-over-period operating performance since they exclude special items that are not indicative of the Company's core business or operations. These measures may be useful to an investor in evaluating the underlying operating performance of the Company's business because these measures:

1. Are used by investors to measure a company's comparable operating performance;
2. Are financial measurements that are used by lenders and other parties to evaluate creditworthiness; and
3. Are used by the Company's management for various purposes, including as measures of performance of its operating entities, as a basis of strategic planning and forecasting, and in certain cases as a basis for incentive compensation.

Because all companies do not use identical calculations, the Company's presentation of these non-GAAP financial measures may not be comparable to similarly titled measures used by other companies. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the financial tables herein.



**FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**

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(U.S. dollars in millions, except per-share amounts) - (Unaudited)

	Quarter ended							
	April 1, 2022				April 2, 2021			
	Gross profit	Operating income	Net income attributable to Fresh Del Monte Produce Inc.	Diluted EPS	Gross profit	Operating income	Net income attributable to Fresh Del Monte Produce Inc.	Diluted EPS
As reported	\$ 89.8	\$ 39.8	\$ 25.8	\$ 0.54	\$ 105.0	\$ 59.7	\$ 42.7	\$ 0.90
Adjustments:								
Other product-related charges <sup>(1)</sup>	—	—	—	—	1.6	1.6	1.6	0.03
Asset impairment and other charges (credits), net <sup>(2)</sup>	—	1.0	1.0	0.02	—	(0.9)	(0.9)	(0.02)
(Gain) on disposal of property, plant and equipment, net <sup>(3)</sup>	—	(0.4)	(0.4)	(0.01)	—	(2.7)	(2.7)	(0.05)
Tax effects of all adjustments <sup>(4)</sup>	—	—	(0.2)	—	—	—	0.9	0.02
As adjusted	<u>\$ 89.8</u>	<u>\$ 40.4</u>	<u>\$ 26.2</u>	<u>\$ 0.55</u>	<u>\$ 106.6</u>	<u>\$ 57.7</u>	<u>\$ 41.6</u>	<u>\$ 0.88</u>



**FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**

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**Segment Gross Profit Non-GAAP Reconciliation**  
**(U.S. dollars in millions) - (Unaudited)**

	Quarter ended					
	April 1, 2022			April 2, 2021		
	Fresh and value-added products	Banana	Other products and services	Fresh and value-added products	Banana	Other products and services
Gross profit (as reported)	\$ 44.4	\$ 37.7	\$ 7.7	\$ 52.2	\$ 50.0	\$ 2.8
Adjustments:						
Other product-related charges <sup>(1)</sup>	—	—	—	3.1	(1.5)	—
Adjusted Gross profit	<u>\$ 44.4</u>	<u>\$ 37.7</u>	<u>\$ 7.7</u>	<u>\$ 55.3</u>	<u>\$ 48.5</u>	<u>\$ 2.8</u>
Adjusted Gross margin <sup>(a)</sup>	6.6 %	9.3 %	13.1 %	8.8 %	11.6 %	7.3 %

(a) Calculated as Adjusted Gross profit as a percentage of net sales.





## FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

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### Fresh Del Monte Produce Inc. and Subsidiaries Reconciliation of EBITDA and Adjusted EBITDA (U.S. dollars in millions) - (Unaudited)

	Quarter ended	
	April 1, 2022	April 2, 2021
Net income attributable to Fresh Del Monte Produce Inc.	\$ 25.8	\$ 42.7
Interest expense, net	5.3	5.2
Income tax provision	5.8	11.0
Depreciation & amortization	23.6	23.8
Share-based compensation expense	1.7	1.6
EBITDA	\$ 62.2	\$ 84.3
Adjustments:		
Other product-related charges <sup>(1)</sup>	—	1.6
Asset impairment and other charges (credits), net <sup>(2)</sup>	1.0	(0.9)
(Gain) on disposal of property, plant and equipment, net <sup>(3)</sup>	(0.4)	(2.7)
Adjusted EBITDA	\$ 62.8	\$ 82.3
Net sales	\$ 1,136.9	\$ 1,088.3
EBITDA margin <sup>(a)</sup>	5.5 %	7.7 %
<i>(a) Calculated as EBITDA as a percentage of net sales.</i>		
Adjusted EBITDA margin <sup>(b)</sup>	5.5 %	7.6 %
<i>(b) Calculated as Adjusted EBITDA as a percentage of net sales.</i>		



## FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES

### RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

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- (1) Other product-related charges for the quarter ended April 2, 2021 primarily related to \$3.1 million in inventory write-offs of non-tropical fruit resulting from inclement weather in Chile, partially offset by a \$1.5 million net insurance recovery associated with damages to the Company's Guatemala banana operations caused by two hurricanes in the fourth quarter of 2020.
- (2) Asset impairment and other charges (credits), net for the quarter ended April 1, 2022 primarily related to severance expense in connection with the departure of the Company's former President and Chief Operating Officer. Asset impairment and other charges (credits), net for the quarter ended April 2, 2021 primarily related to an insurance recovery associated with damages to fixed assets in Guatemala caused by two hurricanes in the fourth quarter of 2020.
- (3) Gain on disposal of property, plant and equipment, net of \$0.4 million for the quarter ended April 1, 2022 primarily related to sales of assets, mainly in Central America. Gain on disposal of property, plant and equipment, net for the quarter ended April 2, 2021 primarily related to a \$2.4 million gain on the sale of a refrigerated vessel.
- (4) Tax effects are calculated in accordance with ASC 740, Income Taxes, using the same methodology as the GAAP provision of income taxes. Income tax effects of non-GAAP adjustments are calculated based on the applicable statutory tax rate for each jurisdiction in which such charges were incurred, except for those items which are non-taxable for which the tax provision (benefit) was calculated at 0%. Certain non-GAAP adjustments were subject to valuation allowances and therefore were calculated at 0%.

