



Q2 2023 Earnings Call Presentation

August 2, 2023



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FORWARD-LOOKING STATEMENTS

This presentation and the related earnings call contain certain forward-looking statements regarding the intent, beliefs or current expectations of the Company. These statements include statements that are preceded by, followed by or include the words "believes", "expects", "anticipates", "may" or similar expressions with respect to various matters. Specifically, this presentation and the earnings call contain forward-looking statements regarding the Company's plans and expectations for future performance, including the Company's (a) commitment to asset optimization, strategic partnerships and product innovations and the impact on the Company's results of operations; (b) expectations regarding the ability to identify, sell or leverage underutilized assets, including the related impacts to operational efficiency; (c) anticipated demand for the Company's core products; (d) improvements in the Company's avocado business and pricing and technology developments; (e) climate-related projects, including the Company's Brighter World Tomorrow™ vision; (f) leveraging technologies to improve grower and supply-related efficiencies; (g) continued focus on innovation and value-added products; (h) strategies and goals for industry innovation, including becoming a technology-driven, sustainable company; (i) changes to, or launches of, new product lines, partnerships or programs and the ability to expand into other markets; and (j) impact of inflation and foreign exchange rates on the Company's results. It is important to note that these forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The Company's actual plans and performance may differ materially from those in the forward-looking statements as a result of various factors, including (i) macroeconomic factors, including inflation, interest rates and foreign exchange rates; (ii) the Company's ability to leverage technologies, (iii) trends and other factors affecting consumer preferences, including whether consumers are receptive to the ideas and innovations made by the Company, (iv) its inability to accurately identify underperforming product lines and assets, and (v) other factors outside the Company's control that impact its and other growers' crop quality and yields. In addition, these forward-looking statements and the information in this presentation and the earnings call are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company's Securities and Exchange Commission filings, including the Company's most recently filed Annual Report on Form 10-K. 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.





AGENDA

- **Business Update**
- **Q2 2023 Financial Results**
- **Q&A**

BUSINESS UPDATE

- Net income more than doubled
- Gross profit and gross margin increased
- Continued focus on assets optimization
- Banana and pineapples performed very well in the second quarter
- Strong demand for Honeyglow® and Pinkglow® which contributed to margin improvements in the fresh and value-added products segment
- Avocado is a growing business; we diversified our sourcing origins



BUSINESS UPDATE

- 2023 SEAL Business Sustainability award for our reduction in greenhouse gas emissions
- Shortlisted for World Sustainability Award for Del Monte Zero™
- Pinkglow® pineapple demand has outpaced supply; sales doubling versus prior-year period
- Honeyglow® pineapple demand increased; North America sales up by more than 50% versus prior-year



Kraft *Heinz* PARTNERSHIP



The background of the slide features a close-up photograph of several slices of ripe pineapple. The slices are arranged in a way that shows the characteristic diamond-shaped pattern of the fruit's flesh. The color is a vibrant yellow-orange. In the bottom right corner, there is a stylized graphic of green pineapple leaves, rendered in a flat, illustrative style. A dark green rectangular box with a slightly distressed or torn-edge effect is positioned in the upper right quadrant, containing the text.

Q2 2023 FINANCIAL RESULTS

Q2 2023 FINANCIAL RESULTS

NET SALES

\$1.18B vs. \$1.21B PY

- Lower per unit pricing of avocados due to market conditions and lower sales volume of non-tropical fruit
- Partially offset by higher net sales of banana, driven by higher pricing and volume

GROSS PROFIT

\$117M +45% vs. \$81M PY

- Lower product and distribution costs in the fresh and value-added products segment and higher banana profitability

ADJ. FDP NET INCOME*

\$46M vs. \$21M PY

ADJ. DILUTED EPS*

\$0.96 vs. \$0.43 PY

ADJUSTED EBITDA*

\$85M vs. \$56M PY

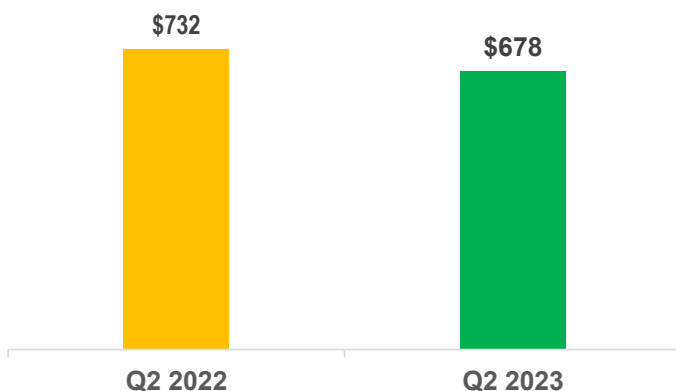
ADJ. EBITDA MARGIN*

7.2% vs. 4.6% 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

NET SALES



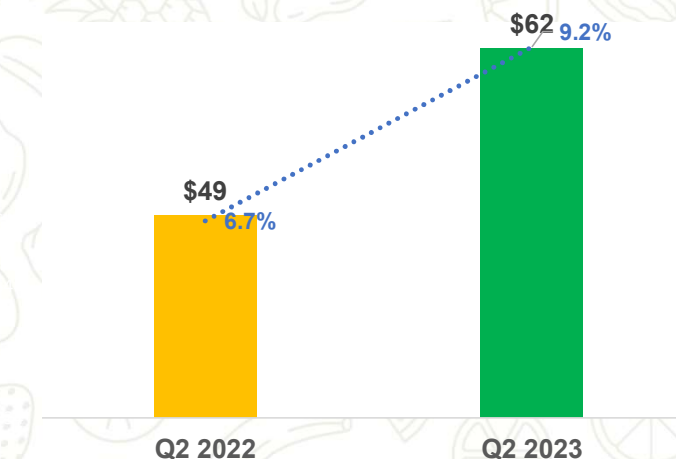
COMMENTARY

Net sales

- Lower per unit selling price of avocados due to market conditions
- Lower sales volume of non-tropical fruit
- Partially offset by higher net sales of pineapple, fresh-cut fruit, vegetables, and melons due to higher per unit selling prices and higher avocado sales volume

Gross profit increased 26% compared with the prior-year period

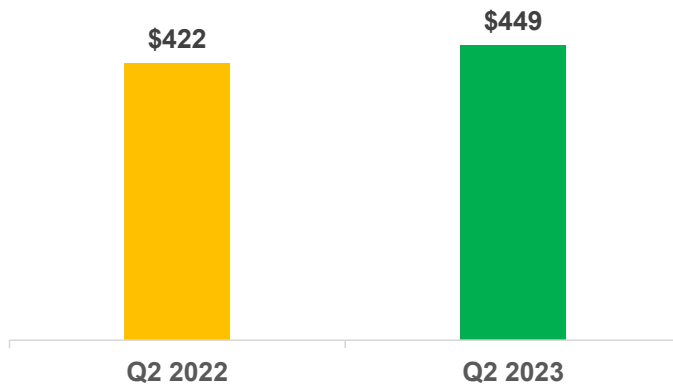
GROSS PROFIT & GROSS MARGIN



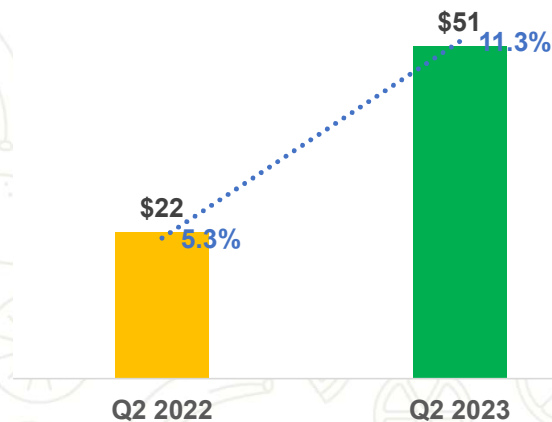
- Higher per unit selling prices for most products in the segment and lower distribution and ocean freight costs
- Higher gross profit of avocados, due to lower per unit product cost, and higher demand of Honeyglow® and Pinkglow® pineapple varieties, positively impacted gross profit
- Partially offset by higher production and procurement costs of most products which continue to be impacted by lingering inflationary pressures and foreign exchange impact of a stronger Costa Rican colon

BANANA

NET SALES



GROSS PROFIT & GROSS MARGIN



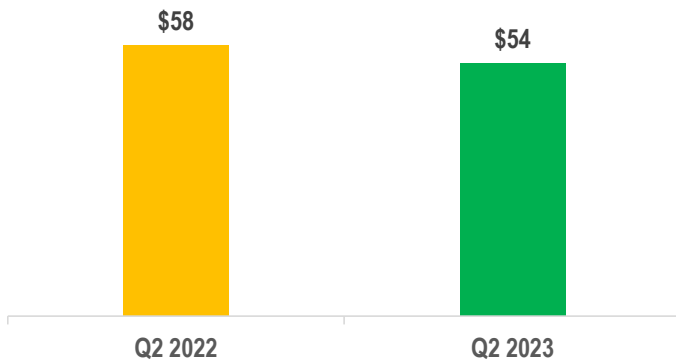
COMMENTARY

- **Net sales** increased \$27 million or 6% primarily driven by higher per unit selling prices in Europe and North America and higher sales volume in Asia, Europe and North America
- **Gross profit** increased to \$51 million or 127% driven by higher net sales and lower distribution and ocean freight costs partially offset by higher production and procurement costs due to the continuing impact of inflation combined with the foreign exchange impact of a stronger Costa Rican colon



OTHER PRODUCTS & SERVICES

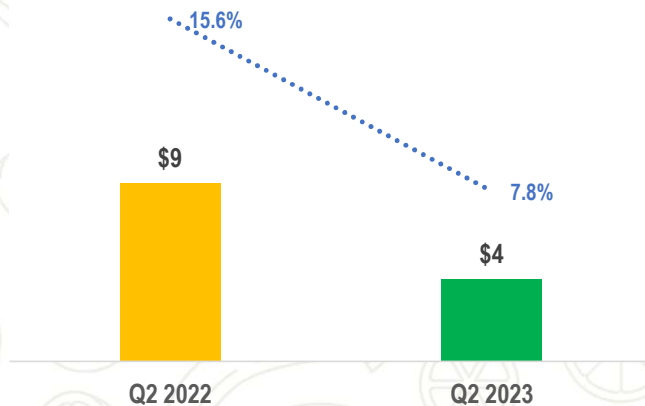
NET SALES



COMMENTARY

- Lower **net sales** of third-party freight services due to softened global demand
- Lower **gross profit** due to lower net sales of third-party freight services

GROSS PROFIT & GROSS MARGIN



A young girl with blonde hair, wearing a straw hat and a white dress with red floral patterns, is lying on a red and white checkered picnic blanket. She is holding a large slice of watermelon with both hands, partially covering her face. To her right is a wicker basket filled with various fruits, including red apples, a bunch of dark grapes, a peach, and a banana. The background is a bright, sunny outdoor setting with green grass and trees, creating a warm and cheerful atmosphere.

SELECTED FINANCIAL DATA

Q2 2023 SELECTED FINANCIAL RESULTS

SG&A

\$47M vs. \$47M PY

Net Interest Expense

\$6M vs. \$6M PY

Net Cash Provided by Operating Activities

\$133M vs. \$95M PY

Long Term Debt

\$400M vs. \$473M Q1 2023

Other Expense, Net

\$6M vs. \$3M PY

Income Tax Provision

\$11M vs. \$5M PY

Adj. Leverage Ratio*

1.34x vs. 1.84x Q1 2023

Capital Spending

\$19M vs. \$23M PY

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

Q&A





APPENDIX

NON-GAAP RECONCILIATIONS

FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
Second Quarter 2023



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 asset impairment and other charges (credits), net, gain on disposal of property, plant and equipment, net and subsidiary, and other product-related charges. 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



Fresh Del Monte Produce Inc. and Subsidiaries
Non-GAAP Reconciliation
(U.S. dollars in millions, except per-share amounts) - (Unaudited)

	Quarter ended							
	June 30, 2023				July 1, 2022			
	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	\$ 116.8	\$ 72.1	\$ 47.7	\$ 0.99	\$ 80.7	\$ 34.3	\$ 21.2	\$ 0.44
Adjustments:								
Other product-related charges ⁽¹⁾	—	—	—	—	—	—	—	—
Asset impairment and other charges, net ⁽²⁾	—	4.6	4.6	0.09	—	0.7	0.7	0.01
(Gain) on disposal of property, plant and equipment, net and subsidiary ⁽³⁾	—	(8.8)	(8.8)	(0.18)	—	(1.6)	(1.6)	(0.03)
Other adjustments ⁽⁴⁾	—	—	—	—	—	—	—	—
Tax effects of all adjustments ⁽⁵⁾	—	—	2.7	0.06	—	—	0.4	0.01
As adjusted	<u>\$ 116.8</u>	<u>\$ 67.9</u>	<u>\$ 46.2</u>	<u>\$ 0.96</u>	<u>\$ 80.7</u>	<u>\$ 33.4</u>	<u>\$ 20.7</u>	<u>\$ 0.43</u>

FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



Fresh Del Monte Produce Inc. and Subsidiaries Non-GAAP Reconciliation (U.S. dollars in millions, except per-share amounts) - (Unaudited)

	Six months ended							
	June 30, 2023				July 1, 2022			
	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	\$ 213.8	\$ 146.5	\$ 86.7	\$ 1.80	\$ 170.5	\$ 74.1	\$ 46.9	\$ 0.98
Adjustments:								
Other product-related charges ⁽¹⁾	1.8	1.8	1.8	0.04	—	—	—	—
Asset impairment and other charges, net ⁽²⁾	—	7.1	7.1	0.15	—	1.7	1.7	0.04
(Gain) on disposal of property, plant and equipment, net and subsidiary ⁽³⁾	—	(36.3)	(36.3)	(0.76)	—	(2.0)	(2.0)	(0.04)
Other adjustments ⁽⁴⁾	—	—	7.6	0.16	—	—	—	—
Tax effects of all adjustments ⁽⁵⁾	—	—	6.0	0.12	—	—	0.2	—
As adjusted	<u>\$ 215.6</u>	<u>\$ 119.1</u>	<u>\$ 72.9</u>	<u>\$ 1.51</u>	<u>\$ 170.5</u>	<u>\$ 73.8</u>	<u>\$ 46.8</u>	<u>\$ 0.98</u>

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



Fresh Del Monte Produce Inc. and Subsidiaries Segment Gross Profit Non-GAAP Reconciliation (U.S. dollars in millions) - (Unaudited)

	Quarter ended					
	June 30, 2023			July 1, 2022		
	Fresh and value-added products	Banana	Other products and services	Fresh and value-added products	Banana	Other products and services
Gross profit (as reported)	\$ 62.1	\$ 50.5	\$ 4.2	\$ 49.4	\$ 22.2	\$ 9.1
Adjustments:						
Other product-related charges ⁽¹⁾	—	—	—	—	—	—
Adjusted Gross profit	<u>\$ 62.1</u>	<u>\$ 50.5</u>	<u>\$ 4.2</u>	<u>\$ 49.4</u>	<u>\$ 22.2</u>	<u>\$ 9.1</u>
Adjusted Gross margin ^(a)	9.2 %	11.3 %	7.8 %	6.7 %	5.3 %	15.6 %

(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



Fresh Del Monte Produce Inc. and Subsidiaries Segment Gross Profit Non-GAAP Reconciliation (U.S. dollars in millions) - (Unaudited)

	Six months ended					
	June 30, 2023			July 1, 2022		
	Fresh and value-added products	Banana	Other products and services	Fresh and value-added products	Banana	Other products and services
Gross profit (as reported)	\$ 109.1	\$ 93.7	\$ 11.0	\$ 93.8	\$ 60.0	\$ 16.7
Adjustments:						
Other product-related charges ⁽¹⁾	1.7	0.1	—	—	—	—
Adjusted Gross profit	<u>\$ 110.8</u>	<u>\$ 93.8</u>	<u>\$ 11.0</u>	<u>\$ 93.8</u>	<u>\$ 60.0</u>	<u>\$ 16.7</u>
Adjusted Gross margin ^(a)	8.4 %	10.7 %	9.6 %	6.7 %	7.2 %	14.4 %

(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



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

	Quarter ended		Six months ended	
	June 30, 2023	July 1, 2022	June 30, 2023	July 1, 2022
Net income attributable to Fresh Del Monte Produce Inc.	\$ 47.7	\$ 21.2	\$ 86.7	\$ 46.9
Interest expense, net	6.1	5.7	13.9	11.0
Income tax provision	11.3	4.9	20.9	10.7
Depreciation & amortization	21.6	23.7	43.7	47.3
Share-based compensation expense	2.9	1.1	5.1	2.8
EBITDA	\$ 89.6	\$ 56.6	\$ 170.3	\$ 118.7
Adjustments:				
Other product-related charges ⁽¹⁾	—	—	1.8	—
Asset impairment and other charges, net ⁽²⁾	4.6	0.7	7.1	1.7
(Gain) on disposal of property, plant and equipment, net and subsidiary ⁽³⁾	(8.8)	(1.6)	(36.3)	(2.0)
Other adjustments ⁽⁴⁾	—	—	7.6	—
Adjusted EBITDA	\$ 85.4	\$ 55.7	\$ 150.5	\$ 118.4
Net sales	\$ 1,180.5	\$ 1,211.9	\$ 2,309.0	\$ 2,348.9
EBITDA margin ^(a)	7.6 %	4.7 %	7.4 %	5.1 %
<i>(a) Calculated as EBITDA as a percentage of net sales.</i>				
Adjusted EBITDA margin ^(b)	7.2 %	4.6 %	6.5 %	5.0 %
<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



Trailing Twelve Months Leverage Ratio Q2 2023 (U.S. dollars in millions) - Unaudited

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Trailing Twelve Months June 30, 2023
Net income attributable to Fresh Del Monte Produce Inc.	\$ 33.3	\$ 18.3	\$ 39.0	\$ 47.7	\$ 138.3
Interest expense, net	6.0	6.6	7.9	6.1	26.6
Income tax provision	3.3	6.1	9.5	11.3	30.2
Depreciation & amortization	22.9	22.3	22.1	21.6	88.9
Share-based compensation expense	2.1	2.0	2.3	2.9	9.3
EBITDA	\$ 67.6	\$ 55.3	\$ 80.8	\$ 89.6	\$ 293.3
Adjustments:					
Other product-related charges ⁽¹⁾	\$ -	\$ -	\$ 1.8	\$ -	\$ 1.8
Asset impairment and other charges (credits), net ⁽²⁾	(9.8)	3.3	2.4	4.6	0.5
(Gain) on disposal of property, plant and equipment, net and subsidiary ⁽³⁾	-	(0.3)	(27.5)	(8.8)	(36.6)
Other adjustments ⁽⁴⁾	-	0.2	7.6	-	7.8
Adjusted EBITDA	\$ 57.8	\$ 58.5	\$ 65.1	\$ 85.4	\$ 266.8
Total Long Term Debt					\$ 400.5
Less: Cash and cash equivalents					(43.8)
Net Debt					\$ 356.7
Leverage ratio ^(a)					1.22x
Adjusted leverage ratio ^(b)					1.34x

(a) Calculated as net debt divided by EBITDA.

(b) Calculated as net debt divided by Adjusted EBITDA.

FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



- (1) Other product-related charges for the six months ended June 30, 2023 of \$1.8 million consisted of inventory write-offs which were primarily related to the sale of two distribution centers in the Middle East.
- (2) Asset impairment and other charges, net for the quarter ended June 30, 2023 primarily consisted of impairment charges related to low productivity grape vines in South America and idle land in Central America. In addition, the quarter and six months ended June 30, 2023 also included expenses incurred in connection with a cybersecurity incident which occurred during early 2023. The incident temporarily impacted certain of the Company's operational and information technology systems, and resulted in incremental costs primarily related to the engagement of specialized legal counsel and other incident response advisors. The Company's critical operational data and business systems were promptly recovered and accordingly, the incident did not have a material impact on the Company's financial results for the six months ended June 30, 2023 and is not expected to have a material impact on future quarters. Asset impairment and other charges, net for the quarter ended July 1, 2022 primarily consisted of severance expenses due to the exit from a European facility. For the six months ended July 1, 2022, asset impairment and other charges, net also included severance expense in connection with the departure of the Company's former President and Chief Operating Officer.
- (3) Gain on disposal of property, plant and equipment, net and subsidiary for the quarter ended June 30, 2023 primarily included a \$3.8 million gain on the sale of the Company's plastics business subsidiary in South America and gains on the sales of land assets in South and Central America. For the six months ended June 30, 2023, gain on disposal of property, plant and equipment, net and subsidiary also included a \$20.5 million gain on the sale of two distribution centers and related assets in the Middle East and a \$7.0 million gain on the sale of an idle facility in North America. Gain on disposal of property, plant and equipment, net and subsidiary for the quarter and six months ended July 1, 2022 primarily related to a gain on the sale of vacant land in Mexico.
- (4) Other adjustments for the six months ended June 30, 2023 primarily related to the portions of the gain on disposal of property, plant, and equipment, net and other product-related charges which were attributable to a minority interest partner, reflected in net income (loss) attributable to redeemable and noncontrolling interests.
- (5) 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 adjustments were incurred, except for those items which are non-taxable for which the tax provision was calculated at 0%. Certain non-GAAP adjustments were subject to valuation allowances and therefore were calculated at 0%.