



Q1 2023 Earnings Call Presentation

May 3, 2023



Mohammad Abu-Ghazaleh
Chairman & CEO




Monica Vicente
SVP, CFO



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 efficiency and optimization of resources and the impact on its results of operations; (b) strategies and goals for evaluation of its product lines and assets and the impacts to profitability; (c) focus on flexibility and identification of market opportunities and the impact to shareholder value; (d) focus on optimizing the use of capital and operating assets; (e) expectations regarding the impact on its return of assets, reduction of costs and increase in efficiency associated with the sale of underutilized assets; (f) expansion of its logistics business, the strategies for expansion and the impacts of such strategies; (g) ongoing focus on innovation and value-added products, including developing opportunities with customers in North America; (h) changes to, or launches of, new product lines or programs and the impact to the Company's results; and (i) strategies and goals for industry innovation, including becoming a technology-driven, sustainable company. 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 successfully develop and expand its logistics business, (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 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**
- **Q1 2023 Financial Results**
- **Q&A**

BUSINESS UPDATE

Q1 2023 HIGHLIGHTS

Gross Profit	\$97 million
Gross Margin	8.6%



COMMENTARY

- Strong Gross Profit and Gross Margin
- Foreign exchange rates and interest rates posed significant headwinds
- Upgraded capacity of 6 container ships by 10%
- Bulk-cut produce, new form of fresh-cut products
- One of America's Most Trusted Companies for the second year in a row

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

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

Confident in our growth path grounded on profitability, disciplined expense management, digital transformation and sustainability

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 with a white outline, adding a tropical touch to the design.

Q1 2023 FINANCIAL RESULTS

Q1 2023 FINANCIAL RESULTS

NET SALES

\$1.129B -1% vs. \$1.137B PY

- Lower volumes, lower per unit selling prices of avocados, and negative fluctuations in foreign exchange rates
- Partially offset by higher per unit selling prices across most other products and higher banana volumes

ADJ. FDP NET INCOME*

\$27M vs. \$26M PY

ADJ. DILUTED EPS*

\$0.55 vs. \$0.55 PY

ADJ. GROSS PROFIT*

\$99M vs. \$90M PY

- Higher per unit selling prices across most product categories combined with lower distribution costs
- Partially offset by higher production and procurement costs in most product categories and higher ocean freight

ADJUSTED EBITDA*

\$65M vs. \$63M PY

ADJ. EBITDA MARGIN*

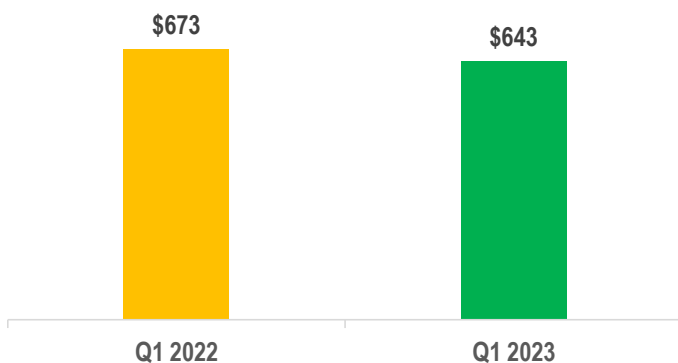
5.8% vs. 5.5% PY

*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

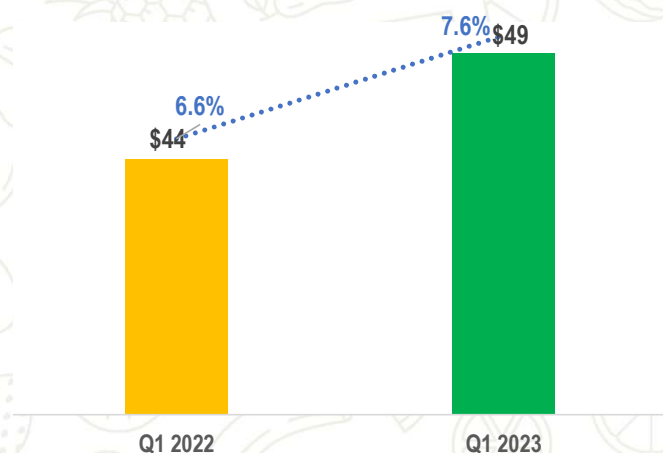
NET SALES



Net sales decreased compared with the prior-year period

- Lower per unit selling prices of avocados due to market volatility
- Lower sales volume in fresh-cut vegetables, prepared foods and vegetables
- Offset by higher per unit selling prices across most other product categories and higher pineapple sales volume

ADJ. GROSS PROFIT* & ADJ. GROSS MARGIN*



Adjusted gross profit increased compared with the prior-year period

- Higher per unit selling prices for most product categories
- Negatively impacted by cost pressures for raw materials and higher ocean freight costs



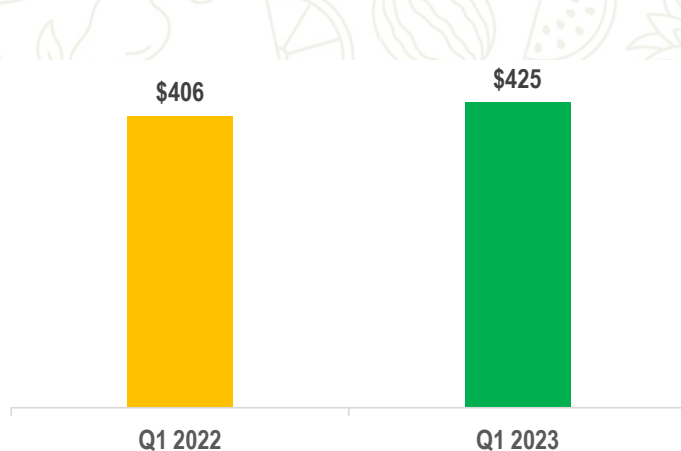
*Non-GAAP financial measure. Reconciliations and other information required by Regulation G can be found in the Appendix section of the presentation.

BANANA

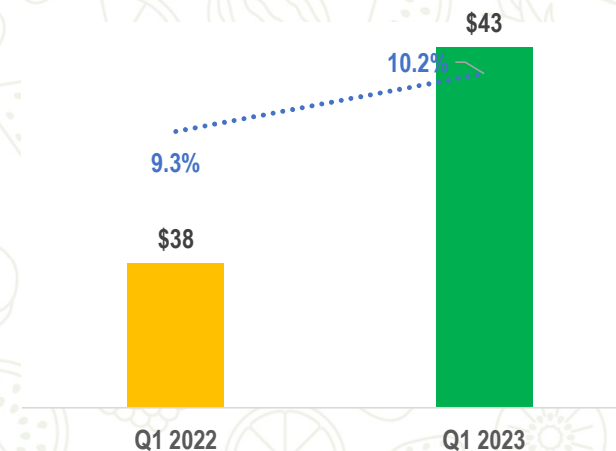
COMMENTARY

- **Net sales** increased 5% primarily driven by higher per unit selling prices in most regions and higher sales volume in North America and Europe
- **Adjusted gross profit** increased driven by higher per unit selling prices, partially offset by higher procurement, production and ocean freight costs

NET SALES



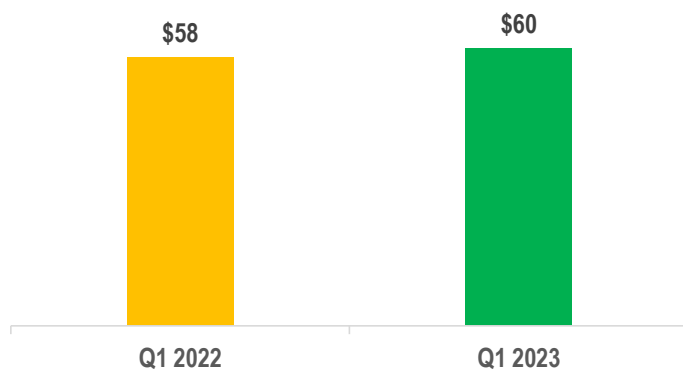
ADJ. GROSS PROFIT* & ADJ. GROSS MARGIN*



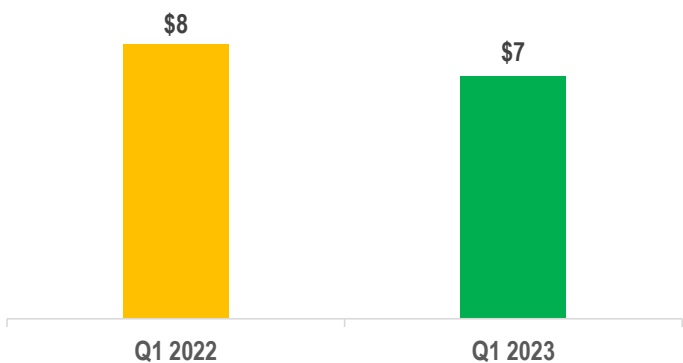
*Non-GAAP financial measure. Reconciliations and other information required by Regulation G can be found in the Appendix section of the presentation.

OTHER PRODUCTS & SERVICES

NET SALES



ADJ. GROSS PROFIT*



COMMENTARY

- Higher **net sales** of third-party ocean freight services
- Lower **adjusted gross profit** due to higher costs



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

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, dark purple 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

Q1 2023 SELECTED FINANCIAL RESULTS

SG&A

\$48M vs. \$45M PY

Interest Expense, Net

\$8M vs. \$5M PY

Operating Cash Flow

\$16M vs. (\$0.3M) PY

Long Term Debt

\$473M vs. \$554M PY

Other Expense, Net

\$9M vs. \$4M PY

Income Tax Provision

\$10M vs. \$6M PY

Capital Spending

\$10M vs. \$11M PY

Dividend Payout

Increase in quarterly cash dividend from \$0.15 to \$0.20 per share payable in second quarter 2023

Q&A





APPENDIX

NON-GAAP RECONCILIATIONS

FRESH DEL MONTE PRODUCE INC. AND SUBSIDIARIES
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
First 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 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							
	March 31, 2023				April 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	\$ 97.0	\$ 74.5	\$ 39.0	\$ 0.81	\$ 89.8	\$ 39.8	\$ 25.8	\$ 0.54
Adjustments:								
Other product-related charges ⁽¹⁾	1.8	1.8	1.8	0.03	—	—	—	—
Asset impairment and other charges, net ⁽²⁾	—	2.4	2.4	0.05	—	1.0	1.0	0.02
(Gain) on disposal of property, plant and equipment, net ⁽³⁾	—	(27.5)	(27.5)	(0.57)	—	(0.4)	(0.4)	(0.01)
Other adjustments ⁽⁴⁾	—	—	7.6	0.16	—	—	—	—
Tax effects of all adjustments ⁽⁵⁾	—	—	3.3	0.07	—	—	(0.2)	—
As adjusted	<u>\$ 98.8</u>	<u>\$ 51.2</u>	<u>\$ 26.6</u>	<u>\$ 0.55</u>	<u>\$ 89.8</u>	<u>\$ 40.4</u>	<u>\$ 26.2</u>	<u>\$ 0.55</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							
	March 31, 2023				April 1, 2022			
	Fresh and value- added products	Banana	Other products and services	Total	Fresh and value- added products	Banana	Other products and services	Total
Gross profit (as reported)	\$47.1	\$43.2	\$6.7	\$97.0	\$44.4	\$37.7	\$7.7	\$89.8
Adjustments:								
Other product-related charges ⁽¹⁾	1.7	0.1	—	1.8	—	—	—	—
Adjusted Gross profit	<u>\$48.8</u>	<u>\$43.3</u>	<u>\$6.7</u>	<u>\$98.8</u>	<u>\$44.4</u>	<u>\$37.7</u>	<u>\$7.7</u>	<u>\$89.8</u>
Adjusted Gross margin ^(a)	7.6 %	10.2 %	11.2 %	8.8 %	6.6%	9.3%	13.1%	7.9%

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	
	March 31, 2023	April 1, 2022
Net income attributable to Fresh Del Monte Produce Inc.	\$ 39.0	\$ 25.8
Interest expense, net	7.9	5.3
Income tax provision	9.5	5.8
Depreciation & amortization	22.1	23.6
Share-based compensation expense	2.3	1.7
EBITDA	\$ 80.8	\$ 62.2
Adjustments:		
Other product-related charges ⁽¹⁾	1.8	—
Asset impairment and other charges, net ⁽²⁾	2.4	1.0
(Gain) on disposal of property, plant and equipment, net ⁽³⁾	(27.5)	(0.4)
Other adjustments ⁽⁴⁾	7.6	—
Adjusted EBITDA	\$ 65.1	\$ 62.8
Net sales	\$ 1,128.5	\$ 1,136.9
EBITDA margin ^(a)	7.2 %	5.5 %
<i>(a) Calculated as EBITDA as a percentage of net sales.</i>		
Adjusted EBITDA margin ^(b)	5.8 %	5.5 %
<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 Q1 2023
(U.S. dollars in millions) - Unaudited

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Trailing Twelve Months March 31, 2023
Net income attributable to Fresh Del Monte Produce Inc.	\$ 21.2	\$ 33.3	\$ 18.3	\$ 39.0	\$ 111.8
Interest expense, net	5.7	6.0	6.6	7.9	26.2
Income tax provision	4.9	3.3	6.1	9.5	23.8
Depreciation & amortization	23.7	22.9	22.3	22.1	91.0
Share-based compensation expense	1.1	2.1	2.0	2.3	7.5
EBITDA	\$ 56.6	\$ 67.6	\$ 55.3	\$ 80.8	\$ 260.3
Adjustments:					
Other product-related charges ⁽¹⁾	\$ -	\$ -	\$ -	\$ 1.8	\$ 1.8
Asset impairment and other charges (credits), net ⁽²⁾	0.7	(9.8)	3.3	2.4	(3.4)
(Gain) on disposal of property, plant and equipment, net ⁽³⁾	(1.6)	-	(0.3)	(27.5)	(29.4)
Other adjustments ⁽⁴⁾	-	-	0.2	7.6	7.8
Adjusted EBITDA	\$ 55.7	\$ 57.8	\$ 58.5	\$ 65.1	\$ 237.1
Total Long Term Debt					\$ 472.7
Less: Cash and cash equivalents					(35.7)
Net Debt					\$ 437.0
Net Debt to EBITDA ratio					1.68x
Net Debt to Adjusted EBITDA ratio					1.84x

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



- (1) Other product-related charges for the quarter ended March 31, 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 March 31, 2023 primarily consisted of 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 first quarter of 2023 and is not expected to have a material impact on future quarters. Asset impairment and other charges, 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.
- (3) Gain on disposal of property, plant and equipment, net for the quarter ended March 31, 2023 primarily related to a \$20.5 million gain on the sale of two distribution centers and related assets in the Middle East and a \$6.8 million gain on the sale of an idle facility in North America. 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.
- (4) Other adjustments for the quarter ended March 31, 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%.