TOTAL PRODUCE PLC

2019 PRELIMINARY RESULTS

Total Produce continues strong growth in 2019

- **Total Revenue up 22.4% to €6.2 billion**
- **Adjusted EBITDA up 52.1% to €202.8m**
- **Adjusted EBITA up 53.1% to €150.1m**
- **Adjusted profit before tax up 27.9% to €98.3m**
- **Adjusted fully diluted EPS (pre-IFRS 16 *Leases*) up 41.4% to 14.86 cent**
- **Adjusted fully diluted EPS (post-IFRS 16 *Leases*) up 34.3% to 14.12 cent**
- **Final dividend up 2.5%**

Key performance measures are defined on pages 33 to 37

Commenting on the results, Carl McCann, Chairman, said:

"We are pleased that the Group has delivered a strong performance in 2019 with a 41.4% increase in adjusted fully diluted earnings per share. This is the first year to include twelve months contribution from Dole Food Company, Inc. The Group acquired 45% of Dole for $300m on 31 July 2018.

The Group is monitoring Covid-19 and, while it is too early to form a definitive view, any disruption is not expected to be material.

Trading in early 2020 has been satisfactory and the Group is targeting continued growth.

The Group is also pleased to report a 2.5% increase in the final dividend to 2.5770 cent per share"

5 March 2020

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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €'million	2018 €'million	change
Total Revenue[(1)]	**6,173**	5,043	+22.4%
Group Revenue	**3,729**	3,728	0.0%
Adjusted EBITDA[(1)] (after add back of right of use asset depreciation)	**251.2**	133.3	+88.4%
Adjusted EBITDA[(1)]	**202.8**	133.3	+52.1%
Adjusted EBITA[(1)]	**150.1**	98.0	+53.1%
Operating profit after intangible asset amortisation	**87.5**	77.9	+12.4%
Adjusted profit before tax[(1)]	**98.3**	76.9	+27.9%
Profit before tax	**76.5**	69.8	+9.6%
	€'cent	€'cent	
Adjusted fully diluted earnings per share (pre-IFRS 16 *Leases*)[(1)]	**14.86**	10.51	+41.4%
Adjusted fully diluted earnings per share (post-IFRS 16 *Leases*) [(1)]	**14.12**	10.51	+34.3%
Basic earnings per share	**13.72**	9.37	+46.4%
Diluted basic earnings per share	**13.69**	9.34	+46.6%
Final dividend per share	**2.5770**	2.5140	+2.5%
Total dividend per share	**3.4899**	3.4269	+1.8%

(1) **Alternative Performance Measures**
The Group uses a number of alternative performance measures ('APMs'), which are non-IFRS measures to monitor financial performance. These measures are referred to throughout the discussion of our reported operating performance and financial position and are measures which are regularly reviewed by Group management in assessing Group performance. The APMs are defined together with calculations in pages 33 to 37 of this statement.

Forward-looking statement
Any forward-looking statements made in this announcement have been made in good faith based on the information available as of the date of this announcement and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in these statements, and the Company undertakes no obligation to update any such statements whether as a result of new information, future events, or otherwise. Total Produce's Annual Report contains and identifies important factors that could cause these developments or the Company's actual results to differ materially from those expressed or implied in these forward-looking statements.

Overview

Total Produce (the 'Group') has delivered a good performance in 2019. The results for the year include the Group's 45% share of Dole Food Company ('Dole') for the full year. The comparative 2018 period included the Group's share of the results of Dole for five months from the date of completion of the transaction on 31 July 2018 after receiving regulatory approval.

Total revenue in the year grew 22.4% to €6,173m (2018: €5,043m), adjusted EBITDA increased by 52.1% to €202.8m (2018: €133.3m) with adjusted EBITA increasing 53.1% to €150.1m (2018: €98.0m). The increase was due to the incremental benefit of the acquisition of Dole, the improvement of the Fresh Vegetable Division in Dole, good trading in the International division offset in part by competitive conditions in certain markets in the Eurozone.

Adjusted fully diluted earnings per share pre the effect of the new lease accounting standard (IFRS 16 *Leases*) was 14.86 cent, an increase of 41.4%. The increase is due to the incremental impact of the acquisition of Dole for the full year in 2019 when compared to 2018. The 2018 results for Dole were included for five months from 31 July 2018. Including the effect of IFRS 16 *Leases*, adjusted fully diluted earnings per share grew 34.3% to 14.12 cent (2018: 10.51 cent).

The Group is cash-generative with adjusted operating cash flows of €59.4m (2018: €52.9m) and free cashflow increasing to €35.0m (2018: €31.2m).

The Board is pleased to announce a 2.5% increase in the final dividend to 2.5770 (2018: 2.5140) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, the total dividend for 2019 will amount to 3.4899 (2018: 3.4269) cent per share which represents an increase of 1.8% on 2018.

Operating Review

The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for the year ended 31 December 2019. The European and International operating segments are primarily involved in the procurement, marketing and distribution of hundreds of lines of fresh fruit and vegetables. The Group's 45% share of the results of Dole is included as a separate operating segment. Dole is one of the world's leading fresh producers, marketers and distributors of fresh fruit and vegetables which they sell and distribute through a wide network in North America, Europe, Latin America, the Middle East and Africa. Segment performance is evaluated based on total revenue and adjusted EBITA.

	Year-ended 31 December 2019		Year-ended 31 December 2018	
	Total revenue €'000	**Adjusted EBITA €'000**	Total revenue €'000	Adjusted EBITA €'000
Europe – Non-Eurozone	**1,502,653**	**40,610**	1,511,780	41,593
Europe – Eurozone	**1,638,341**	**21,780**	1,716,584	27,252
International	**1,271,566**	**22,284**	1,175,297	18,880
Dole *(Group share)**	**1,821,400**	**65,440**	692,239	10,297
Inter-segment revenue	**(60,765)**	–	(52,410)	–
Total Group	**6,173,195**	**150,114**	5,043,490	98,022

**Dole's financial calendar consists of thirteen 4 weekly periods. The results for 2019 are for the 52-week period ended 28 December 2019. The Group's share of the adjusted EBITA of Dole above is after the deduction of the Group's share of the non-controlling interests charge within Dole and an allocation of a corporate overhead.*

Total revenue increased 22.4% to €6,173m (2018: €5,043m) with adjusted EBITA increasing by 53.1% to €150.1m (2018: €98.0m) due to the incremental impact of the acquisition of Dole, the improvement of the Fresh Vegetable division in Dole and good trading in the International division offset in part by the competitive conditions in certain markets in the Eurozone. On a like-for-like basis, excluding acquisitions, divestments and currency translation, revenues were 2% behind the prior year with a small decrease in volume partially offset by price increases.

Fresh produce markets in 2019 were particularly competitive in certain parts of Europe. The International division performed strongly in the year helped by good pricing and margins in some key categories. This was offset in part by the poor weather in California in April to June which led to less optimal growing conditions and weaker trading in the strawberry growing operation. The uncertainty surrounding international trade led to a small reduction of exported goods from the US to India and China due to higher tariffs.

Europe – Non-Eurozone

This segment includes the Group's businesses in the Czech Republic, Poland, Scandinavia and the UK. Revenue decreased by 0.6% to €1,503m (2018: €1,512m). This was due in particular to the adverse impact of the translation of the results of foreign currency denominated operations into Euro, the cessation of a small distribution business in the second half of 2018, offset in part by the incremental contribution of bolt-on acquisitions. On a like-for-like basis excluding divestments, acquisitions and disposals, revenue decreased by circa 0.5% with a small decrease in volumes offset in part by marginal average price increases. Adjusted EBITA decreased 2.4% to €40.6m (2018: €41.6m) due to currency translation and reduced earnings in some joint ventures and associates.

Europe – Eurozone

This segment includes the Group's businesses in France, Ireland, Italy, the Netherlands and Spain. Revenue decreased by 4.6% to €1,638m (2018: €1,717m) with a 20.1% decrease in adjusted EBITA to €21.8m (2018: €27.3m). Trading conditions were challenging, particularly in the Netherlands in the vegetable and salad categories where the market remains very competitive. Trading was satisfactory in southern Europe but lower compared to a particularly strong year in 2018. Excluding the effect of acquisitions and divestments, revenue on a like-for-like basis was circa 5% behind prior year due to volume decreases partially offset by marginal price increases.

International

This division includes the Group's businesses in North America, South America and India. Revenue increased by 8.2% to €1,272m (2018: €1,175m) with the benefit on translation of the results to Euro from the stronger US and Canadian Dollar which strengthened by 5.2% and 2.8% respectively. On a like-for-like basis excluding effects of currency, revenue increased circa 3% due to higher average pricing with volumes similar to prior year. Domestic US volumes have marginally increased offset by a small drop in US export volumes to India and China due to increased tariffs. Adjusted EBITA increased 18.0% to €22.3m (2018: €18.9m) with a particularly good performance in the second half of the year with favourable trading conditions, pricing and margins in many product categories. The reported result also benefitted from the stronger US and Canadian Dollars which benefitted the results on translation to Euro. This was partially offset by the effect of the poor weather in California in April to June which led to weakness in the results of a strawberry growing operation.

Dole

This segment includes the Group's share of the results of Dole. As noted earlier, the Group completed the acquisition of the initial tranche of 45% of Dole on 31 July 2018 and is equity accounting for its 45% share of the results of Dole on an IFRS basis with effect from 1 August 2018. The 2019 financial year is therefore the first full year to reflect this transaction with the comparative 2018 year reflecting the results of Dole for 5 months from 1 August 2018 to 29 December 2018.

Dole's financial calendar consists of thirteen periods of four weeks, and the 2019 results reflected the 52-week period ended 28 December 2019. Dole's overall business is seasonal, with the greater share of adjusted EBITA earned in the first half of the financial year. As Dole is vertically integrated its operations are sensitive to a number of factors including weather related phenomena and the effects on industry volumes, prices, produce quality and growing costs.

On an IFRS basis, Dole has recorded revenues of $4,566m (€4,048m) for the year ended 28 December 2019. Adjusted EBITDA was $245.0m (€217.2m) with adjusted EBITA of $173.8m (€154.0m). For the five-month period ended 29 December 2018, Dole recorded revenues of $1,767m (€1,538m), adjusted EBITDA of $59.5m (€51.8m) and adjusted EBITA of $27.3m (€23.7m).

Trading for the year ended 28 December 2019 has been strong with a good recovery in adjusted EBITDA. Revenues on a like-for-like basis, excluding the disposal of the salad business in Sweden, was 1.5% ahead of the prior year. Adjusted EBITDA and adjusted EBITA increased, led by a recovery in the Fresh Vegetable division which was impacted by two industry-wide safety notices in 2018, not directly linked to Dole, which affected romaine lettuce. The Fresh Fruit division remained strong in 2019.

For the full year 2019, the Group's 45% share of revenue and adjusted EBITA was €1,821m and €65.4m respectively. For the five-month period ending 29 December 2018, the Group's 45% share of revenue and adjusted EBITA was €692m and €10.3m respectively with the net result reflecting that earnings are weighted towards the first half of the year and the impact of the industry wide safety notices in the second half of 2018.

Further details on the acquisition of Dole and its financial performance and position for the year ended 28 December 2019 are outlined in Note 7 of the accompanying financial information.

Financial Review

Impact of IFRS 16 Leases
As explained in detail in Note 1 of the accompanying financial information, the Group has adopted IFRS 16 *Leases* (IFRS 16) with effect from 1 January 2019.

As a result of initially applying IFRS 16 in relation to leases that were previously classified as operating leases, the Group recognised €111.2m of right of use assets and €118.6m of lease liabilities at 31 December 2019.

The incremental impact of adoption of IFRS 16 in the income statement in the year is a reduction in operating expenses of €1,201,000 and an increase in the net financial expense of €2,957,000. Profit after tax of joint ventures and associates, which includes the Group's 45% share of the results of Dole has decreased by €1,940,000. The incremental impact of IFRS 16 on the Group's diluted and adjusted fully diluted earnings per share for the year was a reduction of 0.74 cent per share.

Revenue and Adjusted EBITA
An analysis of the factors influencing the changes in revenue and adjusted EBITA are discussed in the operating review above.

Share of profits of joint ventures and associates
The Group's share of after-tax profits of Dole for the year amounted to €19.3m before exceptional items. Post exceptional items the Group's share of after-tax profits was €26.4m. Further details of the performance of Dole and its financial position at the end of the year is outlined in Note 7 of the accompanying financial information.

Excluding the contribution from Dole the share of after-tax profits of joint ventures and associates increased in the period to €11.3m (2018: €10.8m). Dividends declared from joint ventures and associates in the year amounted to €11.1m (2018: €11.2m) with €10.7m (2018: €10.9m) received in cash reflecting the Group's continued focus on the cash contributions from these investments.

Intangible asset amortisation
Acquisition related intangible asset amortisation within subsidiaries amounted to €10.3m (2018: €10.3m) in the year with additional amortisation charges due to recent acquisitions offset by other assets becoming fully amortised. The share of intangible asset amortisation within joint ventures and associates was €2.7m (2018: €2.7m).

Exceptional items
Exceptional items in the year amounted to a net gain after tax of €5.2m (2018: €3.7m gain). The net gain in 2019 primarily relates to the Group's share of €7.0m of the net gains within Dole. A full analysis of exceptional items for both 2019 and 2018 are set out in Note 5 of the accompanying financial information and have been excluded from the calculation of the adjusted numbers.

Operating profit
Operating profit before exceptional items increased 14.2% to €82.3m (2018: €72.1m) due primarily to the incremental impact from the Dole acquisition offset by reduced profits in some subsidiaries in the Eurozone. Including exceptional items operating profits increased by 12.4% to €87.5m (2018: €77.9m).

Net financial expense
Net financial expense (before exceptional items) in the year increased to €11.0m (2018: €7.4m). The first-time application of IFRS 16 *Leases* from 1 January 2019 accounted for €3.0m of this increase along with the effect of higher average net debt in the year due to the acquisition of Dole. This was partly offset by the lower cost of funding. The Group's share of the net interest expense of joint ventures and associates in the year was €40.8m (2018: €13.8m) due to the incremental impact of Dole.

Profit before tax
Excluding acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and share of joint venture interest and tax which is netted in profit before tax in the statutory income statement, the adjusted profit before tax increased by 27.9% in the year to €98.3m (2018: €76.9m) due primarily to the increased contribution from Dole partly offset by a reduction in profits in some entities in the Eurozone and higher interest charges as referred to above. Statutory profit before tax after these items increased 9.6% to €76.5m (2018: €69.8m)

Taxation
The adjusted tax charge for the year, including the Group's share of joint ventures and associates tax and before non-trading items, as set out on page 35 of the accompanying financial information, was €27.5m (2018: €18.6m) representing an underlying tax rate of 28.0% (2018: 24.2%) when applied to the Group's adjusted profit before tax. The increase is primarily due to the inclusion of the higher underlying tax rate in Dole.

Non-controlling interests
The non-controlling interest's share of after-tax profits in the year was €12.9m (2018: €18.0m). Included in this was the non-controlling interests' share of the net charge on exceptional items, amortisation charges and acquisition related costs (net of tax) of €2.9m (2018: €nil). Excluding these non-trading items, the non-controlling interests' share of adjusted after tax profits was decreased by €2.2m to €15.8m (2018: €18.0m) with the decrease due to the non-controlling interests share of earnings in certain non-wholly owned companies in Europe.

Adjusted and basic earnings per share
Adjusted fully diluted earnings per share (pre-IFRS 16 *Leases*) was 14.86 cent, an increase of 41.4% due to the benefit of the Dole acquisition offset in part by higher interest charges to fund the Dole transaction and challenging conditions is some markets in the Eurozone. Including the effect of IFRS 16, adjusted fully diluted earnings per share increased by 34.3% to 14.12 cent per share (2018: 10.51 cent).

Management believes that adjusted fully diluted earnings per share, which excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings, exceptional items and the related tax on these items, provides a fairer reflection of the underlying trading performance of the Group.

Basic earnings per share and diluted earnings per share after these non-trading items amounted to 13.72 cent per share (2018: 9.37 cent) and 13.69 cent per share (2018: 9.34 cent) respectively.

Note 6 of the accompanying financial information provide details of the calculation of the respective earnings per share amounts.

Cash flow and net debt
Net debt (which excludes lease liabilities) at 31 December 2019 of €221.2m (2018: €219.7) marginally increased in the year. Average net debt for the year was €284.0m compared to €217.1m in 2018 with the increase due to the incremental impact of financing the acquisition of the initial 45% interest in Dole on 31 July 2018. In addition, the Group has non-recourse trade receivables financing of €46.4m at 31 December 2019 (2018: €30.0m).

The Group generated €52.8m (2018: €68.1m) in adjusted operating cash flows before working capital outflows with the decrease due to lower earnings in subsidiaries and higher finance costs due to the funding of the Dole acquisition. The working capital inflow in 2019 was €6.6m (2018: €15.2m outflow) assisted by the incremental increase in non-recourse trade receivables financing. After working capital movements, adjusted operating cash flows were €59.4m (2018: €52.9m). Cash outflows on routine capital expenditure, net of disposals, were €19.0m (2018: €22.1m). Dividends received from joint ventures and associates in the year were €10.7m (2018: €10.9m) representing the Group's continued focus on cash returns from these investments. Dividends paid to non-controlling interests increased to €16.1m (2018: €10.5m) which reflects dividends on increased prior year profits and the non-controlling interests' share of prior year exceptional items.

Free cashflow generated by the Group increased to €35.0m (2018: €31.2m) with the benefit of the higher working capital inflows offset in part by higher dividends to non-controlling interests. Free cashflow is the measure of the funds available after outflows relating to routine capital expenditure, dividends to non-controlling interests but before acquisition related expenditure, development capital expenditure and the payment of dividends to equity shareholders.

Cash outflows on acquisitions and investments amounted to €14.5m (2018: €259.6m) with the payments in 2019 due to investments in bolt-on acquisitions and the final payment of the Dole transaction costs. Contingent and deferred consideration payments relating to prior period acquisitions were €11.1m (2018: €7.0m). Payments for non-routine property and plant additions amounted to €4.5m (2018: €7.4m). The Group distributed €13.3m (2018: €13.1m) in dividends to equity shareholders in the year representing payment of final 2018 dividend and the 2019 interim dividend. Proceeds from share issue were €0.1m in the year (2018: €141.4m) of which €141.0m in 2018 related to the proceeds of the share placing in February 2018 to fund the 45% investment in Dole. At 31 December 2019, there was a €2.7m loss (2018: €1.7m gain) on the translation of foreign currency denominated net debt to Euro due primarily to the stronger US Dollar and Sterling partly offset by a weaker Swedish Krona.

	2019 €'million	2018 €'million
Adjusted EBITDA[1]	**202.8**	133.3
Deduct adjusted EBITDA of joint ventures and associates	**(121.1)**	(44.5)
Net financial expense and tax paid	**(26.3)**	(20.5)
Other	**(2.6)**	(0.2)
Adjusted operating cash flows before working capital movements	**52.8**	68.1
Working capital movements	**6.6**	(15.2)
Adjusted operating cash flows[1]	**59.4**	52.9
Routine capital expenditure net of routine disposal proceeds	**(19.0)**	(22.1)
Dividends received from joint ventures and associates	**10.7**	10.9
Dividends paid to non-controlling interests	**(16.1)**	(10.5)
Free cash flow[1]	**35.0**	31.2
Cashflows from exceptional items	**5.8**	3.0
Acquisition payments, net[1]	**(14.5)**	(259.6)
Net cash assumed/disposed on acquisition/disposal of subsidiaries	**2.1**	3.8
Contingent and deferred consideration payments	**(11.1)**	(7.0)
Non-routine capital expenditure	**(4.5)**	(7.4)
Dividends paid to equity shareholders	**(13.3)**	(13.1)
Proceeds from issue of share capital	**0.1**	141.4
Other	**–**	(0.6)
Total net debt movement in year	**(0.4)**	(108.3)
Net debt[1] at beginning of year	**(219.7)**	(113.1)
Finance leases reclassified to lease liabilities	**1.6**	–
Foreign currency translation	**(2.7)**	1.7
Net debt[1] at end of year	**(221.2)**	(219.7)

[1] *Key metrics including net debt are defined on pages 33 to 37.*

Defined benefit pension obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) was €9.3m at 31 December 2019 (2018: €9.1m). There was an 11% average return on pension scheme assets in 2019 offset by the impact of a reduction in the discount rates for the Irish and UK schemes which result in an increase in the net present value of the schemes obligations. Other post-employment benefit obligations increased to €5.9m (2018: €5.0m). Further details are outlined in Note 8 of the accompanying financial information.

Shareholders' equity

Shareholders' equity increased by €18.0m to €451.1m (2018: €433.1m). On adoption of IFRS 16 *Leases*, the net impact to Shareholders' equity at 1 January 2019 was a reduction of €6.8m. The increase was due to profit after tax of €53.3m attributable to equity shareholders and the currency translation gain of €3.9m on the retranslation of the net assets of foreign currency denominated operations into Euro. This was offset by remeasurement losses of €5.7m (net of deferred tax) on post-employment benefit schemes, effective portions of cashflow hedges movements (net of deferred tax) of €4.6m, a €10.3m movement in the put option reserve and the payment of dividends of €13.3m to equity shareholders of the Company.

Development Activity

The Group made some bolt-on acquisitions in 2019 in the fresh produce sector in Europe as well as investments in existing joint ventures. The total committed investment was €10.m including €1.6m of deferred and contingent consideration payable on the achievement of future profit targets.

Dividends

The Board is proposing a 2.5% increase in the final dividend to 2.5770 (2018: 2.5140) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, this dividend will be paid on 20 May 2020 to shareholders on the register at 14 April 2020 subject to dividend withholding tax. The total dividend for 2019 will amount to 3.4899 (2018: 3.4269) cent per share and represents an increase of 1.8% on 2018. The total dividend represents a pay-out of almost 25% of the adjusted earnings per share.

Post Balance Sheet Events

There have been no material events subsequent to 31 December 2019 which would require disclosure or adjustment in the financial statements.

Environmental, Social and Governance (ESG)
As sustainability becomes increasingly important to all of us, we continue to recognise, as a global Group, our responsibilities in relation to environmental & social issues. Sustainability has always been central to our Group's strategy and business model with Sustainable Business Practices, The People Behind our Produce and Responsible Fiscal Oversight being three of our core strategic priorities. We are committed to building a better business in a responsible and sustainable way for all of our stakeholders.

It is very encouraging to report upon the work undertaken by our Sustainability Steering and Working Group ('SSWG') and our local operations during 2019 on ESG matters. We operate in an industry known for its health benefits and the low environmental impact of its products. We have therefore chosen the UN Sustainable Development Goal 3 "Good Health and Well-Being" as our pillar goal, with our aim being to increase the consumption of healthy fruit and vegetables. The introduction of new formalised structures includes a panel who will meet regularly to share ideas and adopt new policies and practices which will be established by the committee and approved by the Board. The SSWG have developed their sustainability agenda for 2020 and the Board will be updated on their progress at each scheduled meeting.

Brexit and International Trade
The result of the UK's exit from the European Union ('Brexit') on 31 January 2020 and its impact in terms of the exit deal including tariffs and trade agreements remain unclear. Brexit committees, set up in relevant areas of the business continue to assess and prepare for the risks and opportunities that may arise.

With continuing uncertainty surrounding global trade, the impact of any tariffs on international trade will continue to be monitored by the Group.

COVID-19 Outbreak
The Group is monitoring COVID-19. With a broad spread of sources and operations, the Group does not expect any disruption to be material.

Going Concern
The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Board Changes
As part of a planned transition to provide orderly board refreshment and succession and as previously announced, Imelda Hurley, CEO of Coillte and former Director and CFO of Origin Enterprises plc and Helen Nolan, former Company Secretary of Bank of Ireland have joined the Board. Frank Gernon, Executive Director, and Jerome Kennedy, Non-Executive Director have advised the Board that they will retire as Directors on 31 March 2020. From this date the Board will comprise six independent Non-Executive Directors and three Executive Directors.

Commenting on these Board changes, Total Produce's Chairman Carl McCann said;

"*Frank has been an integral part of our Group for over 45 years and has served as an Executive Director of Total Produce since 2007. His outstanding service, dedication and accomplishments have been invaluable. During his tenure he has played a key role in the stewardship and development of the Group.*

Jerome has served as a Non-executive Director on the Board and its Committees since the formation of Total Produce Plc. The Group has benefitted greatly from his business acumen, professionalism and wise counsel over the years.

I join the Board in extending to Frank and Jerome our sincerest appreciation for their dedication and commitment. Their valuable contributions have added greatly to the success of Total Produce. We wish them the very best for the future".

Summary and Outlook
We are pleased that the Group has delivered a strong performance in 2019 with a 41.4% increase in adjusted fully diluted earnings per share. This is the first year to include twelve months contribution from Dole Food Company, Inc. The Group acquired 45% of Dole for $300m on 31 July 2018.

The Group is monitoring Covid-19 and, while it is too early to form a definitive view, any disruption is not expected to be material.

Trading in early 2020 has been satisfactory and the Group is targeting continued growth.

The Group is also pleased to report a 2.5% increase in the final dividend to 2.5770 cent per share.

Carl McCann, Chairman
On behalf of the Board
5 March 2020

Total Produce plc

Extract from the Group Income Statement

for the year ended 31 December 2019

	Note	Before exceptional items 2019 €'000	Exceptional items (Note 5) 2019 €'000	Total 2019 €'000	Before exceptional items 2018 €'000	Exceptional items (Note 5) 2018 €'000	Total 2018 €'000
Revenue, including Group share of joint ventures and associates	3	**6,173,195**	**–**	**6,173,195**	5,043,490	–	5,043,490
Group revenue	3	**3,729,346**	**–**	**3,729,346**	3,727,591	–	3,727,591
Cost of sales		**(3,212,057)**	**–**	**(3,212,057)**	(3,220,805)	–	(3,220,805)
Gross profit		**517,289**	**–**	**517,289**	506,786	–	506,786
Operating expenses (net)		**(455,371)**	**(1,816)**	**(457,187)**	(432,618)	9,450	(423,168)
Share of profit/(loss) of joint ventures - Dole	7	**19,327**	**7,048**	**26,375**	(2,697)	(3,658)	(6,355)
Share of profit of joint ventures - Other		**10,658**	**–**	**10,658**	8,685	–	8,685
Share of profit of associates		**666**	**–**	**666**	2,183	–	2,183
Operating profit before acquisition related intangible asset amortisation		**92,569**	**5,232**	**97,801**	82,339	5,792	88,131
Acquisition related intangible asset amortisation		**(10,301)**	**–**	**(10,301)**	(10,281)	–	(10,281)
Operating profit after acquisition related intangible asset amortisation		**82,268**	**5,232**	**87,500**	72,058	5,792	77,850
Net financial expense		**(10,967)**	**–**	**(10,967)**	(7,365)	(667)	(8,032)
Profit before tax		**71,301**	**5,232**	**76,533**	64,693	5,125	69,818
Income tax expense		**(10,282)**	**(47)**	**(10,329)**	(14,619)	(1,395)	(16,014)
Profit for the year		**61,019**	**5,185**	**66,204**	50,074	3,730	53,804
Attributable to:							
Equity holders of the parent				**53,302**			35,793
Non-controlling interests				**12,902**			18,011
				66,204			53,804
Earnings per ordinary share							
Basic	6			**13.72**			9.37
Fully diluted	6			**13.69**			9.34

Total Produce plc
Extract from the Group Statement of Comprehensive Income
for the year ended 31 December 2019

	2019 €'000	2018 €'000
Profit for the year	**66,204**	53,804
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation effects:		
· foreign currency net investments – subsidiaries	**5,664**	(6,416)
· foreign currency net investments – joint ventures and associates	**3,274**	3,236
· foreign currency recycled to income statement on joint venture/associate becoming a subsidiary	**–**	90
· foreign currency borrowings designated as net investment hedges	**(3,397)**	(4,387)
Effective portion of changes in fair value of cash flow hedges, net	**(149)**	340
Changes in fair value of cost of hedging, net of recycling	**137**	23
Deferred tax on items above	**(9)**	(97)
Share of joint ventures and associates effective portion of cash flow hedges	**(5,101)**	51
Share of joint ventures and associates deferred tax on items above	**497**	696
	916	(6,464)
Items that will not be reclassified to profit or loss:		
Remeasurement (loss)/gain on employee benefit schemes	**(3,009)**	6,677
Revaluation gain on property, plant and equipment, net	**2,095**	475
Deferred tax on items above	**(966)**	(1,172)
Share of joint venture gain on revaluation of property, plant and equipment	**1,369**	-
Share of joint ventures loss on employee benefit schemes	**(2,601)**	(1,867)
Share of joint ventures deferred tax on items above	**(75)**	854
	(3,187)	4,967
Other comprehensive (expense)/income for the year	**(2,271)**	(1,497)
Total comprehensive income for the year	**63,933**	52,307
Attributable to:		
Equity holders of the parent	**49,417**	33,071
Non-controlling interests	**14,516**	19,236
	63,933	52,307

Total Produce plc
Extract from the Group Balance Sheet
As at 31 December 2019

	2019 €'000	2018 €'000
Assets		
Non-current		
Property, plant and equipment	**175,485**	175,825
Right of use assets	**113,032**	–
Investment property	**11,843**	7,344
Goodwill and intangible assets	**268,462**	266,950
Investments in joint ventures and associates – Dole	**264,893**	245,881
Investments in joint ventures and associates – Other	**104,050**	105,172
Other investments	**2,743**	3,465
Other receivables	**19,796**	18,724
Deferred tax assets	**13,497**	12,393
Total non-current assets	**973,801**	835,754
Current		
Inventories	**98,031**	90,295
Biological assets	**3,965**	5,066
Trade and other receivables	**380,791**	392,786
Other investments	**2,306**	6,612
Corporation tax receivables	**2,439**	4,523
Derivative financial instruments	**4,489**	4,388
Cash and cash equivalents	**115,529**	102,299
Total current assets	**607,550**	605,969
Total assets	**1,581,351**	1,441,723
Equity		
Share capital	**4,105**	4,104
Share premium	**295,487**	295,421
Other reserves	**(131,309)**	(123,057)
Retained earnings	**282,816**	256,654
Total equity attributable to equity holders of the parent	**451,099**	433,122
Non-controlling interests	**98,768**	82,483
Total equity	**549,867**	515,605
Liabilities		
Non-current		
Interest-bearing loans and borrowings	**250,572**	263,356
Lease liabilities	**99,770**	–
Other payables	**2,904**	1,611
Contingent consideration and other provisions	**7,957**	12,931
Put option liability	**23,083**	34,975
Corporation tax payable	**6,541**	6,676
Deferred tax liabilities	**27,731**	31,140
Employee benefits	**16,736**	15,964
Total non-current liabilities	**435,294**	366,653
Current		
Interest-bearing loans and borrowings	**86,150**	58,686
Lease liabilities	**20,306**	–
Trade and other payables	**475,202**	482,934
Contingent consideration and other provisions	**8,534**	14,333
Put option liability	**3,529**	–
Derivative financial instruments	**305**	296
Corporation tax payable	**2,164**	3,216
Total current liabilities	**596,190**	559,465
Total liabilities	**1,031,484**	926,118
Total liabilities and equity	**1,581,351**	1,441,723

Total Produce plc

Extract from the Group Statement of Changes in Equity

for the year ended 31 December 2019

	Attributable to equity holders of the parent										
	Share capital €'000	***Share premium €'000***	***Undenom-inated capital €'000***	***Own shares reserve €'000***	***Currency translation reserve €'000***	***Reval-uation reserve €'000***	***Other equity reserves* €'000***	***Retained earnings €'000***	***Total €'000***	***Non-controlling interests €'000***	***Total equity €'000***
As at 1 January 2019 as presented in the Balance Sheet	**4,104**	**295,421**	**140**	**(8,580)**	**(22,721)**	**28,336**	**(120,232)**	**256,654**	**433,122**	**82,483**	**515,605**
Adjust for impact of transition to IFRS 16 net of tax	–	–	–	–	**159**	–	–	**(6,937)**	**(6,778)**	**(1,337)**	**(8,115)**
Balance at 1 January 2019 as presented in the Balance Sheet	**4,104**	**295,421**	**140**	**(8,580)**	**(22,562)**	**28,336**	**(120,232)**	**249,717**	**426,344**	**81,146**	**507,490**
Adjust for NCI subject to put option transferred for presentation purposes	–	–	–	–	–	–	**(34,673)**	–	**(34,673)**	**34,673**	–
As at 1 January 2019	**4,104**	**295,421**	**140**	**(8,580)**	**(22,562)**	**28,336**	**(154,905)**	**249,717**	**391,671**	**115,819**	**507,490**
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	**53,302**	**53,302**	**12,902**	**66,204**
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation effects, net	–	–	–	–	**3,863**	–	**33**	–	**3,896**	**1,645**	**5,541**
Effective portion of cash flow hedges, net of recycling	–	–	–	–	–	–	**(148)**	–	**(148)**	**(1)**	**(149)**
Changes in fair value of cost of hedging, net of recycling	–	–	–	–	–	–	**155**	–	**155**	**(18)**	**137**
Deferred tax on items above	–	–	–	–	–	–	–	–	–	**(9)**	**(9)**
Share of joint ventures & associates effective portion of cashflow hedges	–	–	–	–	–	–	**(5,101)**	–	**(5,101)**	–	**(5,101)**
Share of joint ventures & associates deferred tax on cashflow hedges	–	–	–	–	–	–	**497**	–	**497**	–	**497**
Items that will not be reclassified subsequently to profit or loss:											
Revaluation gain on property, plant and equipment, net	–	–	–	–	–	**1,624**	–	–	**1,624**	**471**	**2,095**
Remeasurement loss on employee benefit schemes	–	–	–	–	–	–	–	**(2,955)**	**(2,955)**	**(54)**	**(3,009)**
Deferred tax on items above	–	–	–	–	–	**(520)**	–	**(26)**	**(546)**	**(420)**	**(966)**
Share of joint ventures remeasurement loss on employee pension schemes	–	–	–	–	–	–	–	**(2,601)**	**(2,601)**	–	**(2,601)**
Share of joint ventures revaluation gains on property, plant and equipment	–	–	–	–	–	**1,369**	–	–	**1,369**	–	**1,369**
Share of joint ventures deferred tax on items above	–	–	–	–	–	–	–	**(75)**	**(75)**	–	**(75)**
Total other comprehensive income	–	–	–	–	**3,863**	**2,473**	**(4,564)**	**(5,657)**	**(3,885)**	**1,614**	**(2,271)**
Total comprehensive income	–	–	–	–	**3,863**	**2,473**	**(4,564)**	**47,645**	**49,417**	**14,516**	**63,933**
Transactions with equity holders of the parent											
New shares issued	**1**	**66**	–	–	–	–	**(20)**	**20**	**67**	–	**67**
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	**959**	**959**
Put option liability extinguished	–	–	–	–	–	–	**11,657**	–	**11,657**	–	**11,657**
Fair value movement on put option liability	–	–	–	–	–	–	**(3,294)**	–	**(3,294)**	–	**(3,294)**
Acquisition of non-controlling interests	–	–	–	–	–	–	–	**(1,102)**	**(1,102)**	**(554)**	**(1,656)**
Acquisition of non-controlling interests by a joint venture	–	–	–	–	–	–	–	**(151)**	**(151)**	–	**(151)**
Disposal of subsidiary	–	–	–	–	–	–	–	–	–	**121**	**121**
Dividends paid	–	–	–	–	–	–	–	**(13,313)**	**(13,313)**	**(16,055)**	**(29,368)**
Share-based payment transactions	–	–	–	–	–	–	**109**	–	**109**	–	**109**
Total transactions with equity holders of the parent	**1**	**66**	–	–	–	–	**8,452**	**(14,546)**	**(6,027)**	**(15,529)**	**(21,556)**
As at 31 December 2019	**4,105**	**295,487**	**140**	**(8,580)**	**(18,699)**	**30,809**	**(151,017)**	**282,816**	**435,061**	**114,806**	**549,867**
Transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	**16,038**	–	**16,038**	**(16,038)**	–
As at 31 December 2019	**4,105**	**295,487**	**140**	**(8,580)**	**(18,699)**	**30,809**	**(134,979)**	**282,816**	**451,099**	**98,768**	**549,867**

*Other equity reserves comprise the demerger reserve, share option reserve, cash flow hedge reserve, cost of hedging reserve and the put option reserve.

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2019

	Attributable to equity holders of the parent										
	Share capital €'000	***Share premium €'000***	***Undenom-inated capital €'000***	***Own shares reserve €'000***	***Currency translation reserve €'000***	***Reval-uation reserve €'000***	***Other equity reserves* €'000***	***Retained earnings €'000***	***Total €'000***	***Non-controlling interests €'000***	***Total equity €'000***
As at 1 January 2018 as presented in the Balance Sheet	3,468	150,763	140	(8,580)	(14,168)	28,035	(133,481)	233,632	259,809	79,774	339,583
Adjust for NCI subject to put option transferred for presentation purposes	–	–	–	–	–	–	(26,788)	–	(26,788)	26,788	–
As at 1 January 2018	3,468	150,763	140	(8,580)	(14,168)	28,035	(160,269)	233,632	233,021	106,562	339,583
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	35,793	35,793	18,011	53,804
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation effects, net	–	–	–	–	(8,553)	–	154	–	(8,399)	922	(7,477)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	248	–	248	92	340
Changes in fair value of cost of hedging, net	–	–	–	–	–	–	(14)	–	(14)	37	23
Deferred tax on items above	–	–	–	–	–	–	(63)	–	(63)	(34)	(97)
Share of joint ventures & associates effective portion of cashflow hedges	–	–	–	–	–	–	51	–	51	–	51
Share of joint ventures & associates deferred tax on cashflow hedges	–	–	–	–	–	–	696	–	696	–	696
Items that will not be reclassified subsequently to profit or loss:											
Revaluation gain on property, plant and equipment, net	–	–	–	–	–	409	–	–	409	66	475
Remeasurement gain on employee benefit schemes	–	–	–	–	–	–	–	6,536	6,536	141	6,677
Deferred tax on items above	–	–	–	–	–	(108)	–	(1,065)	(1,173)	1	(1,172)
Share of joint ventures remeasurement loss on employee benefit schemes	–	–	–	–	–	–	–	(1,867)	(1,867)	–	(1,867)
Share of joint ventures and associates deferred tax on items above	–	–	–	–	–	–	–	854	854	–	854
Total other comprehensive income	–	–	–	–	(8,553)	301	1,072	4,458	(2,722)	1,225	(1,497)
Total comprehensive income	–	–	–	–	(8,553)	301	1,072	40,251	33,071	19,236	52,307
Transactions with equity holders of the parent											
New shares issued	636	144,658	–	–	–	–	(97)	(3,790)	141,407	–	141,407
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	2,314	2,314
Recognition of put option liability on acquisition	–	–	–	–	–	–	(896)	–	(896)	–	(896)
Fair value movement on put option liability	–	–	–	–	–	–	4,728	–	4,728	–	4,728
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(388)	(388)	(723)	(1,111)
Disposal of shareholding to non-controlling interest	–	–	–	–	–	–	–	11	11	275	286
Contribution by non-controlling interest	–	–	–	–	–	–	–	–	–	130	130
Dividends paid	–	–	–	–	–	–	–	(13,062)	(13,062)	(10,638)	(23,700)
Share-based payment transactions	–	–	–	–	–	–	557	–	557	–	557
Total transactions with equity holders of the parent	636	144,658	–	–	–	–	4,292	(17,229)	132,357	(8,642)	123,715
As at 31 December 2018	4,104	295,421	140	(8,580)	(22,721)	28,336	(154,905)	256,654	398,449	117,156	515,605
Transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	34,673	–	34,673	(34,673)	–
As at 31 December 2018 as presented in the Balance Sheet	4,104	295,421	140	(8,580)	(22,721)	28,336	(120,232)	256,654	433,122	82,483	515,605

*Other equity reserves comprise the demerger reserve, share option reserve, cash flow hedge reserve, cost of hedging reserve and the put option reserve.

Total Produce plc
Extract from the Group Statement of Cash Flows
for the year ended 31 December 2019

	2019	2018
	€'000	€'000
Net cash flows from operating activities before working capital movements	**67,249**	65,208
Movements in working capital	**6,527**	(20,265)
Net cash flows from operating activities (Note 11)	**73,776**	44,943
Investing activities		
Acquisition of subsidiaries	**(6,683)**	(2,496)
Cash assumed on acquisition of subsidiaries, net	**2,308**	3,833
Acquisition of, and investment in joint ventures and associates	**(7,145)**	(251,949)
Payments of contingent consideration	**(11,103)**	(7,009)
Acquisition of equity investments	**(150)**	–
Proceeds from disposal of joint ventures and associates	**48**	–
Proceeds from disposal of investments for resale	**1,043**	–
Cash derecognised on subsidiary becoming a joint venture	**(191)**	–
Disposal of investment in subsidiary to non-controlling interests	**–**	286
Acquisition of property, plant and equipment	**(19,518)**	(25,942)
Expenditure on computer software	**(4,621)**	(4,352)
Acquisition of intangible assets – brands	**–**	(19)
Development expenditure capitalised	**(62)**	(121)
Proceeds from disposal of property, plant and equipment and software – routine	**678**	797
Proceeds from disposal of investments and property - exceptional item	**9,307**	5,876
Dividends received from joint ventures and associates	**10,652**	10,908
Government grants received	**106**	11
Net cash flows from investing activities	**(25,331)**	(270,177)
Financing activities		
Drawdown of borrowings	**345,764**	436,319
Repayment of borrowings	**(333,211)**	(329,766)
Lease payments	**(17,902)**	–
Proceeds from the issue of share capital, net	**67**	141,408
Capital element of finance lease repayments	**–**	(681)
Acquisition of non-controlling interests	**(1,656)**	(490)
Capital contribution by non-controlling interests	**–**	130
Dividends paid to non-controlling interests	**(16,055)**	(10,535)
Dividends paid to equity holders of the parent	**(13,313)**	(13,062)
Net cash flows from financing activities	**(36,306)**	223,323
Net decrease in cash, cash equivalents and bank overdrafts	**12,139**	(1,911)
Net foreign exchange movement	**1,149**	5,671
Cash, cash equivalents and bank overdrafts at 1 January	**92,739**	88,979
Cash, cash equivalents and overdrafts at end of year (Note 12)	**106,027**	92,739

Total Produce plc
Extract from the Summary Group Reconciliation of Net Debt
for the year ended 31 December 2019

	2019	2018
	€'000	€'000
Net decrease in cash, cash equivalents and bank overdrafts	**12,139**	(1,911)
Drawdown of borrowings	**(345,764)**	(436,319)
Repayment of borrowings	**333,211**	329,766
Capital element of finance lease repayments	**–**	681
Other movements on finance leases	**–**	(500)
Foreign exchange movement	**(2,672)**	1,666
Movement in net debt	**(3,086)**	(106,617)
Finance lease reclassified from net debt on adoption of IFRS 16*	**1,636**	–
Net debt at beginning of the year	**(219,743)**	(113,126)
Net debt at end of the period	**(221,193)**	(219,743)

Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current borrowings. For 2019 it excludes lease liabilities. The calculation is outlined on Note 12.

*As described in accounting policy and disclosures changes on pages 16 to 18, the Group has adopted IFRS 16 *Leases* with effect from 1 January 2019.

Total Produce plc
Selected explanatory notes for the Preliminary Results for the year ended 31 December 2019

1. Basis of preparation

The financial information included in this preliminary results statement has been extracted from the Group's Financial Statements for the year ended 31 December 2019 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year with the exception of the effect of the new accounting standards listed below. As permitted by European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report does not include all the information and disclosures required in the full statutory financial statements. The Group Financial Statements will be filed with the Company's annual return in the Companies Registration Office and circulated to shareholders in due course.

The information included has been derived from the Group Financial Statements which were approved by the Board of Directors on 4 March 2020. The auditors have reported on the financial statements for the year ended 31 December 2019 and their report was unqualified and did not contain any matters to which attention was drawn by way of emphasis. The financial information for the year ended 31 December 2018 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office. The financial information is presented in Euro, rounded to the nearest thousand where applicable.

Changes in accounting policy and disclosures

IFRS 16 *Leases*
The Group has initially adopted IFRS 16 *Leases* with effect from 1 January 2019.

IFRS 16 introduces a single lessee accounting model to be adopted and accordingly the majority of all lease agreements will now result in the recognition of a right of use asset and a lease liability on the balance sheet. This will increase the Group's recognised assets and liabilities. The income statement charge in relation to all leases will now comprise a depreciation element relating to the right of use asset and also a financing charge relating to the lease liability. Lessor accounting remains similar to previous accounting policies. The Group has applied IFRS 16 using the modified retrospective approach on transition, under which the cumulative effect of initial application is recognised in equity as an adjustment to the opening balance of retained earnings, non-controlling interest and currency translation reserve at 1 January 2019. The comparative information for prior periods has not been re-stated. It is presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

Definition of a lease
Under IFRS 16 a contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Group used the practical expedient to grandfather the assessment of which contracts were leases and therefore applied IFRS 16 on transition only to those contracts that had previously been identified as leases.

Changes as a lessee
As a lessee, the Group previously classified leases as operating or finance leases based on whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right of use assets and lease liabilities for most leases on its balance sheet. However, the Group has elected not to recognise right of use assets and lease liabilities for some short-term leases and leases of low-value assets. The Group recognises the lease payments for these leases as an expense on a straight-line basis over the lease term.

Accounting policies applied in respect of leases
The Group recognises a right of use asset and a lease liability at the lease commencement date.

The right of use asset is initially measured at cost and subsequently at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liability. The cost of the right of use asset includes the lease liability recognised, any initial direct costs, restoration costs and payments made on or before the lease commencement date less any lease incentives received. The right of use asset is depreciated on a straight line basis over the lower of the lease term and the useful life of the asset. Where the lease contains a purchase option and the lessee is reasonably certain to exercise the purchase option the asset is depreciated over the useful life of the asset. Right of use assets are subject to impairment testing.

The lease liability is initially measured as the present value of the lease payments to be made over the term of the lease, discounted using the rate implicit in the lease or, where this is not available, the Group's incremental borrowing rate. Lease payments include fixed and variable lease payments and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option where the Group is reasonably certain that they will exercise the option and also any termination costs associated with a lease where the lease term reflects the termination of the lease.

The lease liability is subsequently increased by the interest cost of the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments as a result of a change in an index or rate, a change in the amount expected to be paid under a residual value guarantee, or a change in the assessment of whether a purchase or termination option is reasonably expected to be exercised or not exercised. The Group has availed of the practical expedient not to separate lease components from any associated non-lease components for leases of plant and equipment and motor vehicles.

The Group has applied judgement in determining the lease term for leases where it is the lessee and the lease contract contains renewal and/or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which in turn impacts the right of use asset and lease liability to be recognised.

Transition

At transition, for leases previously classified as operating leases under IAS 17, lease liabilities were measured as the present value of the remaining lease payments, discounted at the incremental borrowing rate at 1 January 2019. Right of use assets were measured at either:

- their carrying amount if IFRS 16 had been applied since the commencement date, discounted using the incremental borrowing rate at 1 January 2019. The Group applied this approach for certain property leases; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise right of use assets and lease liabilities for leases with less than 12 months of a lease term.
- Excluded initial direct costs from measuring the right of use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contained options to extend or terminate the lease.

At transition, for leases previously classified as finance leases under IAS 17, the carrying amount of the right of use asset and lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Impact on the financial statements

Impact on transition

On transition to IFRS 16, the Group recognised additional right of use assets, lease liabilities and restoration provisions with the difference being recognised in reserves. The impact on transition is summarised below:

	1 January 2019
	€'000
Right of use assets	**115,336**
Lease liabilities	**(121,101)**
Restoration provisions	**(905)**
Investment in joint ventures and associates - Dole	**(3,326)**
Prepayments/accruals (net)	**1,513**
Deferred tax asset	**368**
Retained earnings	**6,937**
Non-controlling interests	**1,337**
Currency translation reserve	**(159)**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied was 2.6%.

The lease liabilities recognised at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2018 as follows:

	€'000
Operating lease commitment at 31 December 2018	**86,583**
Extension options reasonably certain to be exercised	**59,416**
Non-lease components	**3,360**
Commitments relating to low value and short-term leases	**(997)**
Lease contracts not commenced at 1 January 2019	**(5,635)**
Effect of discounting	**(21,626)**
Finance lease liabilities recognised at 31 December 2018	**1,636**
Lease liabilities at 1 January 2019	**122,737**

Impact on the income statement in 2019

For subsidiaries in relation to those leases previously classified as operating leases, under IFRS 16, the Group has recognised depreciation and interest costs instead of an operating lease expense. During the year to 31 December 2019 the Group recognised €18,576,000 of depreciation costs and €2,957,000 of interest costs from these leases. Under IAS 17 the operating lease cost associated with these leases would have been €19,777,000.

The Group's share of depreciation costs and of interest costs of joint ventures and associates from leases that would previously have been classified as operating leases amounted to €28,843,000 and €7,847,000 respectively. Under IAS 17 the Group's share of the operating lease cost associated with these leases would have been €34,482,000.

The net incremental impact on Group's profit after tax and non-controlling interests in the year was a decrease of €2,911,000.

The incremental impact of IFRS 16 on fully diluted and adjusted fully diluted earnings per share for 2019 was a decrease of €0.74 cent.

Impact on the balance sheet in 2019

As a result of initially applying IFRS 16, in relation to leases that were previously classified as operating leases, the Group recognised €111.2m of right of use assets and €118.6m of lease liabilities at 31 December 2019.

The carrying amount of right of use assets are as follows;

	Land and buildings 2019	**Plant and equipment 2019**	**Motor vehicles 2019**	**Total 2019**
	€'000	**€'000**	**€'000**	**€'000**
Carrying value at 1 January 2019	–	–	–	–
Arising on adoption of IFRS 16	105,372	5,920	4,044	**115,336**
Reclassification from PPE on adoption of IFRS 16	–	379	1,521	**1,900**
Arising on acquisition of subsidiaries	3,256	245	63	**3,564**
Arising on disposal of a business	(645)	–	–	**(645)**
Additions	8,095	1,070	2,925	**12,090**
Disposals	(427)	–	(370)	**(797)**
Depreciation	(15,003)	(1,822)	(2,428)	**(19,253)**
Exchange adjustment	826	(43)	54	**837**
Carrying value at 31 December 2019	**101,474**	**5,749**	**5,809**	**113,032**

The carrying amount of lease liabilities are as follows:

	2019
	€'000
Reclassification of finance leases on adoption of IFRS 16	**1,636**
Arising on adoption of IFRS 16	**121,101**
New leases arising in year	**12,090**
Arising on acquisition of a business	**3,553**
Arising on business disposals	**(654)**
Leases terminated	**(610)**
Lease payments	**(20,897)**
Interest	**2,995**
Foreign exchange movement	**862**
Balance at 31 December 2019	**120,076**

2. Translation of foreign currencies

The reporting currency of the Group is Euro. Group results are impacted by fluctuations in exchange rates year-on-year versus the Euro. The rates used in the translation of results and balance sheets into Euro were as follows:

	Average rate			**Closing rate**		
	2019	2018	% change	**2019**	2018	% change
Brazilian Real	**4.4996**	4.4162	(1.9%)	**4.5157**	4.4440	(1.6%)
Canadian Dollar	**1.4864**	1.5288	2.8%	**1.4599**	1.5601	6.4%
Czech Koruna	**25.6150**	25.7000	0.3%	**25.4080**	25.7240	1.2%
Danish Kroner	**7.4647**	7.4530	(0.2%)	**7.4717**	7.4668	(0.1%)
Indian Rupee	**78.7716**	80.6220	2.3%	**79.9301**	79.5453	(0.5%)
Polish Zloty	**4.2969**	4.2601	(0.9%)	**4.2551**	4.2973	1.0%
Pound Sterling	**0.8743**	0.8849	1.2%	**0.8506**	0.8986	5.3%
Swedish Krona	**10.5858**	10.2695	(3.1%)	**10.4778**	10.2188	(2.5%)
US Dollar*	**1.1173**	1.1784	5.2%	**1.1216**	1.1445	2.0%

*The average rate used in translating the results of Dole to Euro in 2019 was 1.1282.

3. Revenue

Revenue

	2019	2018
	€'000	€'000
Group Revenue	**3,729,346**	3,727,591
Plus:		
Share of revenue of joint ventures – Dole	**1,821,400**	692,239
Share of revenue of joint ventures – Other	**632,934**	622,295
Share of revenue of associates	**75,687**	74,447
Total share of revenue of joint ventures and associates	**2,530,021**	1,388,981
Less:		
Elimination of proportionate share of transactions between Group subsidiaries and joint ventures and associates [1]	**(86,172)**	(73,082)
Total Revenue	**6,173,195**	5,043,490

[1]*For calculation of Total Revenue which includes the Group's share of joint ventures and associates, the Group eliminates the proportionate share of revenue transactions between Group subsidiaries and joint ventures and associates.*

4. Segmental Analysis

The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for the years ended 31 December 2019 and 31 December 2018.

In accordance with IFRS 8, the Group's reportable operating segments based on how performance is currently assessed and resources are allocated are as follows:

- *Europe – Eurozone:* This reportable segment is an aggregation of thirteen operating segments principally in France, Ireland, Italy, the Netherlands and Spain primarily involved in the procurement, marketing and distribution of fresh produce and some healthfoods and consumer goods products. These operating segments have been aggregated because they have similar economic characteristics.
- *Europe – Non-Eurozone*: This operating segment is an aggregation of six operating segments in the Czech Republic, Poland, Scandinavia and the United Kingdom primarily involved in the procurement, marketing and distribution of fresh produce. Up to the middle of 2019 it also included a small healthfoods business that has been discontinued. These operating segments have been aggregated because they have similar economic characteristics.
- *International*: This segment is an aggregation of five operating segments in North America, one in South America and one in India primarily involved in the procurement, marketing and distribution of fresh produce. These operating segments have been aggregated because they have similar customer profiles and primarily transact in US Dollar.
- *Dole:* This operating segment represents the Group's 45% interest in Dole. Dole is one of the world's leading producers, marketers and distributors of fresh fruit and vegetables. It has an iconic brand and leading market positions. It is one of the world's largest producers of bananas and pineapples and a leader in other fresh fruits, value added and fresh-packed vegetables and berries. In terms of market share they hold the number one and three positions respectively for bananas in North American and Europe and are number two and three respectively for pineapples in North America and Europe. They sell and distribute throughout a wide network in North America, Europe, Latin America, the Middle East and Africa.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. Adjusted EBITA is therefore measured differently from operating profit in the Group financial statements as explained and reconciled in full detail in the analysis that follows.

Finance costs, finance income and income taxes are managed on a centralised basis. These items are not allocated between operating segments for the purpose of the information presented to the Chief Operating Decision Maker ('CODM') and are accordingly omitted from the detailed segmental analysis that follows.

	Year ended 31 December 2019			Year ended 31 December 2018		
	Segmental revenue €'000	**Third party revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Third party revenue €'000	Adjusted EBITA €'000
Europe - Non-Eurozone	**1,502,653**	**1,477,276**	**40,610**	1,511,780	1,482,600	41,593
Europe - Eurozone	**1,638,341**	**1,614,081**	**21,780**	1,716,584	1,695,773	27,252
International	**1,271,566**	**1,271,566**	**22,284**	1,175,297	1,175,297	18,880
Dole[1]	**1,821,400**	**1,810,272**	**65,440**	692,239	689,820	10,297
Inter-segment revenue	**(60,765)**	**-**	**-**	(52,410)	–	–
Total Group	**6,173,195**	**6,173,195**	**150,114**	5,043,490	5,043,490	98,022

All inter-segment revenue transactions are at arm's length
[1] The Group's share of the adjusted EBITA of Dole above is after the deduction of the Group's share of the non-controlling interests charge within Dole and an allocation of corporate overhead.

Reconciliation of segmental profit to operating profit

Below is a reconciliation of adjusted EBITA per the Group's management reports to operating profit and profit before tax as presented in the Group income statement:

	Note	**2019 €'000**	2018 €'000
Adjusted EBITA per management reporting		**150,114**	98,022
Acquisition related intangible asset amortisation in subsidiaries	(i)	**(10,301)**	(10,281)
Share of joint ventures and associates acquisition related intangible asset amortisation	(i)	**(2,696)**	(2,684)
Fair value movements on contingent consideration	(ii)	**204**	4,043
Acquisition related costs within subsidiaries	(iii)	**(177)**	(105)
Share of joint ventures and associates net financial expense	(iv)	**(40,817)**	(13,784)
Share of joint ventures and associates tax (before tax on exceptional items)	(iv)	**(14,059)**	(3,153)
Operating profit before exceptional items		**82,268**	72,058
Net financial expense before exceptional items	(v)	**(10,967)**	(7,365)
Profit before tax before exceptional items		**71,301**	64,693
Exceptional items (Note 5)	(vi)	**5,232**	5,125
Profit before tax		**76,533**	69,818

(i) Acquisition related intangible asset amortisation charges are not allocated to operating segments in the Group's management reports.

(ii) Fair value movements on contingent consideration are not allocated to operating segments in the Group's management reports.

(iii) Acquisition related costs are transaction costs directly related to the acquisition of subsidiaries and are not allocated to operating segments in the Group's management reports.

(iv) Under IFRS, included within profit before tax is the Group's share of joint ventures and associates profit after acquisition related intangible amortisation charges and costs, tax and interest. In the Group's management reports these items are excluded from the adjusted EBITA calculation.

(v) Financial income and expense is primarily managed at Group level and is therefore not allocated to individual operating segments in the Group's management reports.

(vi) Exceptional items (Note 5) are not allocated to operating segments in the Group's management reports.

5. Exceptional items

	2019 €'000	2018 €'000
(Loss)/gain on disposal of investment (a)	**(670)**	14,728
Restructuring costs and costs associated with termination of a business (b)	**(1,146)**	(4,891)
Share of exceptional items within joint ventures & associates – Dole (c)	**5,523**	(4,580)
Foreign currency gains arising on foreign currency denominated intercompany borrowings relating to proceeds from share placing (d)	**–**	12,535
Impairment of goodwill (e)	**–**	(9,060)
Costs associated with the Dole transactions, net (f)	**–**	(3,225)
Charge on employee defined benefit obligations (g)	**–**	(1,304)
Total exceptional items (before share of joint ventures and associates' tax)	**3,707**	4,203
Share of joint ventures and associates' tax on exceptional items - Dole (c)	**1,525**	922
Exceptional items within profit before tax*	**5,232**	5,125
Net tax charge on exceptional items (h)	**(47)**	(1,395)
Total net of tax	**5,185**	3,730
Attributable as follows:		
Equity holders of the parent	**5,246**	560
Non-controlling interests	**(61)**	3,170
	5,185	3,730

*Of the €5.2m net exceptional credit in 2019, €1.8m has been recognised as net operating expense and €7.0m a net exceptional gain has been recognised within profits of joint ventures and associates. Of the €5.1m net exceptional gain in 2018, €9.5m has been recognised as net operating income, €3.7m has been recognised as a loss within joint ventures and associates and €0.7m recognised as an exceptional financial expense.

(a) (Loss)/gain on disposal of equity/farming investment
In 2018 a subsidiary of the Group disposed of an interest in a farming entity for consideration of shares in an equity investment which was to be realised over a period of two to three years and could vary depending on certain circumstances. The exceptional loss of €0.7m in 2019 represents the gain on the equity investments sold in the year less the fair value movement on the remaining equity investment and any associated costs. The exceptional gain of €14.7m in 2018 represented the gain on the disposal of the investments that were received at that date, the fair value movement on the investment held in escrow at 31 December 2018 and net of all associated costs.

(b) Restructuring costs and costs associated with termination and disposal of businesses
In the second half of 2019, the Group incurred losses of €0.6m on the disposal of and termination of two small businesses in the Non-Eurozone Division. Restructuring charges of €0.5m were incurred in the year on ongoing restructuring programs in the Eurozone Division.

In the second half of 2018, the Group ceased operations in a non-performing sports supplements business in the UK. The total costs associated with the termination of this business were €2.3m including the write off of fixed assets, intangible assets, other assets and redundancies. The Group implemented restructuring programmes in a number of entities primarily within the Eurozone Division in late 2018 with the €2.6m of costs associated with these programmes being recorded as an exceptional cost in the income statement.

(c) Share of exceptional items within joint ventures and associates - Dole
The Group's share of the exceptional items in Dole in 2019 was a net gain of €5.5m (5 month period ended 29 December 2018 was a loss of €4.6m). The share of the associated tax credit was €1.5m (2018: €0.9m).

Included in these exceptional items are net gains of €11.8m (2018: €nil) on disposals of businesses/assets, net gains of €0.1m (2018: €nil) on mark to market of derivative financial instruments and foreign currency gains/losses on long term foreign currency denominated intercompany borrowings, net restructuring charges of €4.1m (2018: €2.5m), transaction costs of €0.6m (2018: €0.6m) and costs of €1.7m (2018: €1.5m) associated with industry wide product recalls.

(d) Foreign currency gains on foreign currency intercompany borrowings relating to proceeds from share placing
In February 2018 the Group issued 63 million new ordinary shares, raising proceeds of €141m (net of associated costs) to finance the Dole transaction. The net proceeds from this share placing were used, via an intercompany loan, to purchase US Dollars in February. The strengthening of the US Dollar from the date of purchase to when the intercompany loan was converted to equity in August 2018 following the completion of the acquisition of Dole resulted in a foreign currency gain of €12.5m.

(e) Impairment of goodwill
In December 2018 the Group recognised a non-cash impairment charge of €9.1m in relation to its fresh produce business in the Netherlands which have experienced a difficult trading environment resulting in a slower recovery than had been anticipated.

(f) Costs associated with the Dole transactions, net
Costs associated with the committed financing and other transaction costs associated with Dole net of interest income on the proceeds of share placing were €0.9m in the period to 30 June 2018 and totalled €3.2m in the year ended 31 December 2018.

(g) Charge on employee benefit obligations
In December 2018, a charge of €1.3m relating to the UK defined benefit pension schemes was recognised in the income statement as a result of the UK High Court ruling that pension benefits must be equalised in respect of Guaranteed Minimum Pensions (GMPs) accrued between 17 May 1990 and 5 April 1997.

(h) Tax credit / (charge) on exceptional items
The net tax effect on the exceptional items above was a net charge of less than €0.1m (2018: a charge of €1.4m).

Effect of exceptional items on cash flow statement
The net effect of the items above was a net cash inflow of €5.8m in the year (2018: €3.0m) including cashflows relating to prior period exceptional items.

6. Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding shares purchased by the company which are held as treasury shares.

	2019	2018
	€'000	€'000
Profit attributable to equity holders of the parent	**53,302**	35,793
	'000	'000
Shares in issue at beginning of year	**410,429**	346,829
New shares issued from exercise of share options (weighted average)	**51**	275
New shares issued from share placing (weighted average)	**–**	56,786
Shares repurchased by company (weighted average)	**(2)**	–
Effect of treasury shares held	**(22,000)**	(22,000)
Weighted average number of shares	**388,478**	381,890
Basic earnings per share – cent	**13.72**	9.37

Diluted earnings per share
Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2019	2018
	€'000	€'000
Profit attributable to equity holders of the parent	**53,302**	35,793
	'000	'000
Weighted average number of shares	**388,478**	381,890
Effect of share options with a dilutive effect	**817**	1,257
Weighted average number of shares (diluted)	**389,295**	383,147
Diluted earnings per share – cent	**13.69**	9.34

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options were outstanding.

Adjusted basic earnings per share and adjusted fully diluted earnings per share
Management believe that adjusted fully diluted earnings per share as set out below provides a fairer reflection of the underlying trading performance of the Group after eliminating the effect of acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items and the related tax on these items.

Adjusted basic earnings per share is calculated by dividing the adjusted profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding shares purchased by the company which are held as treasury shares.

Adjusted fully diluted earnings per share is calculated by dividing the adjusted profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2019	2018
	€'000	€'000
Profit attributable to equity holders of the parent	**53,302**	35,793
Adjustments:		
Exceptional items - net of tax (Note 5)	**(5,185)**	(3,730)
Acquisition related intangible asset amortisation within subsidiaries	**10,301**	10,281
Share of joint ventures and associates acquisition related intangible asset amortisation	**2,696**	2,684
Acquisition related costs within subsidiaries	**177**	105
Fair value movements on contingent consideration	**(204)**	(4,043)
Tax effect of amortisation of goodwill, intangible assets and fair value movements on contingent consideration	**(3,188)**	(805)
Non-controlling interests share of the items above	**(2,915)**	1
Adjusted profit attributable to equity holders of the parent	**54,984**	40,286
	'000	'000
Weighted average number of shares	**388,478**	381,890
Weighted average number of shares (diluted)	**389,295**	383,147
Adjusted basic earnings per share – cent	**14.15**	10.55
Adjusted fully diluted earnings per share – cent	**14.12**	10.51
Adjusted fully diluted earnings per share (pre-IFRS 16 leases) – cent (calculation presented on page 35)	**14.86**	10.51
Memo item for 2018		
Adjusted fully diluted earnings per share – cent (excluding the effect of the Dole acquisition and related share placing	**n/a**	13.50

*The calculation presented here is the adjusted fully diluted earnings per share calculating excluding the impact of the Dole acquisition and the related 63 million related share placing in early February 2018.

7. Investment in Dole

As disclosed previously, on 31 July 2018 the Group completed the transaction to acquire a 45% stake in Dole Food Company ('Dole') for $300m.

In addition, and at any time after closing of the First Tranche, the Group has the right, but not the obligation, to acquire (in any one or more tranches of 1%) up to an additional 6% of Dole common stock (the 'Second Tranche'). In the event the Group exercises the right to acquire the additional 6%, the total consideration for the 51% stake shall be $312 million.

Following the second anniversary of the closing of the First Tranche, the Group has the right, but not the obligation, to acquire the balance of Dole common stock (the 'Third Tranche'), whereby the consideration for the Third Tranche is to be calculated based on nine times the preceding three year average historical Dole Adjusted EBITDA less net debt. However, in no event shall the Third Tranche purchase price be less than $250 million or exceed $450 million (such cap subject to increase after six years). The Third Tranche consideration is payable in cash or, if the parties mutually agree, Total Produce stock.

From the fifth anniversary of completion of the acquisition of the First Tranche, in the event the Group has not exercised its right to acquire 100% of Dole, Mr. David H. Murdock is permitted to cause a process to market and sell 100% of Dole common stock.

On completion of the acquisition of the First Tranche on 31 July 2018, the Group and Mr. David H. Murdock have balanced governance rights with respect to Dole. The Board of Directors of Dole comprises of six members, three of which are appointed by Total Produce and three by Mr. David H. Murdock. Mr. David H. Murdock remains Chairman of Dole and Mr. Carl McCann was appointed Vice Chairman. Major decisions require consent of at least one Board Member appointed by each of Total Produce and Mr. David H. Murdock.

The investment in Dole and its financial contribution is being treated as a joint venture and accounted for under the equity method in accordance with IFRS in the consolidated Group accounts following completion of the acquisition of the First Tranche on 31 July 2018 and until an exercise of the Third Tranche.

Total Produce is therefore equity accounting for its 45% share of the results of Dole with effect from 1 August 2018. The overall business is seasonal with the greater share of EBITDA in the first half of the financial year. The 2019 financial year is therefore the first full year reflecting this transaction.

The table below summarises the consideration paid and fair value of the net identifiable assets of Dole on acquisition as prepared in accordance with IFRS. The initial assignment of fair values to net assets for this investment was performed on a provisional basis in respect of this acquisition given the timing of completion of the transaction and could be finalised within twelve months from the acquisition date. A number of adjustments were identified and are presented in the table below. There was no income statement impact from these adjustments in the period from date of acquisition to 31 December 2018. Given that the adjustments are all equity accounted for within investment in joint ventures and associates on the Balance Sheet, no adjustment was required in the Total Produce Group Balance Sheet.

	Updated within 12-month period		**Provisional acquisition accounting**	
	2018	**2018**	**2018**	**2018**
Consideration paid	**US$'000**	**€'000**	**US$'000**	**€'000**
Cash consideration	300,000	256,208	300,000	256,208
Acquisition fees (net of contribution from Dole) [(a)]	1,605	1,370	1,605	1,370
Fair value of Second Tranche Option [(b)]	(4,940)	(4,218)	(4,940)	(4,218)
Total cost of acquisition	**296,665**	**253,360**	**296,665**	**253,360**
Fair value of indemnification assets on acquisition[(c)]	(4,106)	(3,507)	(4,106)	(3,507)
Total deemed cost of acquisition	**292,559**	**249,853**	**292,559**	**249,853**
Fair value identifiable assets and liabilities on acquisition				
Intangible assets – Brand	287,033	245,135	287,033	245,135
Property, plant and equipment	1,007,623	860,539	1,007,623	860,539
Assets held for sale / Actively marketed property	185,178	158,148	185,178	158,148
Other non-current assets	104,541	89,281	104,541	89,281
Other current assets	868,558	741,774	868,558	741,774
Net debt	(1,342,601)	(1,146,621)	(1,342,601)	(1,146,621)
Employee benefit obligations	(183,532)	(156,742)	(183,532)	(156,742)
Other current liabilities	(599,132)	(511,676)	(599,132)	(511,676)
Other non-current liabilities	(282,197)	(241,005)	(286,085)	(244,325)
Non-controlling interests	(7,978)	(6,813)	(7,978)	(6,813)
Fair value of identifiable assets and liabilities on acquisition	37,493	32,020	33,605	28,700
Group 45% share of identifiable assets & liabilities on acquisition	**16,872**	**14,409**	**15,122**	**12,915**
Goodwill arising	**275,687**	**235,444**	**277,437**	**236,938**

(a) As part of the Securities Purchase Agreement, Dole agreed to contribute $15m to cover professional and advisory fees relating to the transaction.

(b) As part of the provisions of acquisition accounting, a fair value was determined for the Second Tranche Option which is recognised as a current derivative financial asset in the Total Produce Group balance sheet and correspondingly reduces the deemed cost of the acquisition of the First Tranche. The fair value of the Third Tranche Option was not deemed material at the date of acquisition.

(c) As part of the Securities Purchase Agreement, the seller provided indemnities against certain liabilities outstanding at the date of acquisition. The fair value of these indemnities was recognised as a long-term asset in the Total Produce Group balance sheet with a corresponding reduction in the deemed cost of the acquisition.

Summary of financial information for year ended 28 December 2019

The following is the summarised financial information of Dole for the year ended 28 December 2019 and the 5-month period ended 29 December 2018 based on consolidated financial statements prepared under IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Summary income statement for year ended 28 December 2019 (in USD'000)

	Year ended 28 December 2019			5 months ended 29 December 2018		
	US$'000 Pre-exceptional	US$'000 Exceptional Items	US$'000 Total	US$'000 Pre-exceptional	US$'000 Exceptional Items	US$'000 Total
Revenue	**4,566,354**	**–**	**4,566,354**	**1,766,625**	–	**1,766,625**
Operating profit	**173,790**	**13,846**	**187,636**	**27,252**	**(11,689)**	**15,563**
Net finance expense	(78,369)	–	(78,369)	(32,349)	–	(32,349)
Leasing interest -IFRS 16	(19,284)	–	(19,284)	–	–	–
Profit/(loss) before tax	**76,137**	**13,846**	**89,983**	**(5,097)**	**(11,689)**	**(16,786)**
Income tax	(25,477)	3,823	(21,654)	(812)	**2,352**	1,540
Profit/(loss) for period	**50,660**	**17,669**	**68,329**	**(5,909)**	**(9,337)**	**(15,246)**
Non-controlling interests	(2,205)	–	(2,205)	(974)	–	(974)
Profit/(loss) for period attributable to equity shareholders	**48,455**	**17,669**	**66,124**	**(6,883)**	**(9,337)**	**(16,220)**
Groups' 45% share of profit/(loss) attributable to equity shareholders	**21,805**	**7,951**	**29,756**	**(3,097)**	**(4,202)**	**(7,299)**

Summary of other comprehensive income statement for the for year ended 28 December 2019 (in USD'000)

	2019	2018
	US$'000	US$'000
Effective portion of cashflow hedges, net of recycling	**(12,753)**	239
Remeasurement loss on employee benefit schemes	**(6,459)**	(4,764)
Revaluation gain on property, plant and equipment	**3,411**	–
Deferred tax on items above	**1,048**	3,927
Foreign currency translation effects	**(8,015)**	(7,908)
Remeasurement loss on employee benefit schemes	**(22,768)**	(8,506)
Non-controlling interests share	–	–
Attributable to equity shareholders	**(22,768)**	**(8,506)**
Group's 45% share of other comprehensive expense attributable to equity shareholders	**(10,246)**	**(3,828)**

Summary income statement for year ended 28 December 2019 (in €'000)

	12 months ended 28 December 2019			5 months ended 29 December 2018		
	€'000 Pre-exceptional	€'000 Exceptional Items	€'000 Total	€'000 Pre-exceptional	€'000 Exceptional items	€'000 Total
Revenue	**4,047,555**	**–**	**4,047,555**	**1,538,309**	–	**1,538,309**
Operating profit	**154,044**	**12,274**	**166,318**	**23,730**	**(10,178)**	**13,552**
Net finance expense	(69,465)	–	(69,465)	(28,168)	–	(28,168)
IFRS 16 leasing interest	(17,093)	–	(17,093)	–	–	–
Profit/(loss) before tax	**67,486**	**12,274**	**79,760**	**(4,438)**	**(10,178)**	**(14,616)**
Income tax	(22,582)	3,388	(19,194)	(707)	2,048	1,341
Profit/(loss) for period	**44,904**	**15,662**	**60,566**	**(5,145)**	**(8,130)**	**(13,275)**
Non-controlling interests	(1,954)	–	(1,954)	(848)	–	(848)
Profit/(loss) for period attributable to equity shareholders	**42,950**	**15,662**	**58,612**	**(5,993)**	**(8,130)**	**(14,123)**
Groups' 45% share of profit/(loss) attributable to equity shareholders	**19,327**	**7,048**	**26,375**	**(2,697)**	**(3,658)**	**(6,355)**

Summary of other comprehensive income statement for year ended 28 December 2019 (in €'000)

	2019 €'000	2018 €'000
Effective portion of cashflow hedges, net of recycling	**(11,414)**	208
Remeasurement loss on employee benefit schemes	**(5,781)**	(4,148)
Revaluation gain on property, plant and equipment	**3,041**	–
Deferred tax on items above	**938**	3,419
Foreign currency translation effects	**(7,174)**	(6,885)
Effective portion of cashflow hedges, net of recycling	**(20,389)**	(7,406)
Non-controlling interests share	–	–
Attributable to equity shareholders	**(20,390)**	**(7,406)**
Group's 45% share of other comprehensive expense attributable to equity shareholders	**(9,175)**	**(3,333)**

Key performance indicators for the year ended 28 December 2019

	Year-ended 28 December 2019 US$'000	5 months ended 29 December 2018 US'000	**Year-ended 28 December 2019 €'000**	5 months ended 29 December 2018 €'000
Adjusted EBITDA (adding back depreciation of right of use assets)	**307,724**	n/a	**272,762**	n/a
Adjusted EBITDA	**245,013**	59,449	**217,176**	51,675
Adjusted EBITA	**173,790**	27,252	**154,045**	23,730

Impact of IFRS 16 on Dole

Impact on transition

As explained in Note 1, the Group has adopted IFRS 16 *Leases* using the modified retrospective approach, with the date of initial application of 1 January 2019. On transition to IFRS 16, the Group recognised additional right of use assets, lease liabilities and restoration provisions with the difference being recognised in reserves. The impact on transition in Dole is summarised as follows:

	2019
	US$'m
Right of use assets	315
Lease liabilities	(325)
Prepaid/deferred rent (net)	(1)
Deferred tax asset	3
Retained earnings	8

Impact for the period ended 28 December 2019

As a result of applying IFRS 16 to leases that were previously classified as operating leases, the Group has recognised depreciation and interest costs instead of an operating lease expense. During the year ended 28 December 2019, Dole recognised US$63m of depreciation costs and US$18m of interest costs from these leases. Under IAS 17 the operating lease costs associated with these leases would have been US$76m.

Right of use assets

The following is a reconciliation of the total right of use lease assets in the year in Dole;

	2019
	US$'m
Opening balance at 29 December 2018	-
Reclassification of assets held under finance leases from property, plant and equipment on adoption of IFRS 16	21
Arising on adoption of IFRS 16	315
Additions, disposals, foreign exchange (net)	14
Depreciation charge to income statement	(62)
Depreciation capitalised as crop growing costs	(9)
Closing value at 28 December 2019	279

Lease liabilities

The following is a reconciliation of the total right of use liabilities in the year in Dole.

	2019
	US$'m
Opening balance at 29 December 2018	-
Reclassification of finance leases on adoption of IFRS 16	22
Arising on adoption of IFRS 16	325
Payments during period	(90)
Interest charge to income statement	20
Interest expense capitalised as crop growing costs	3
Additions, disposals, foreign currency (net)	14
Closing value at 28 December 2019	294

Summary Balance Sheet of Dole at 28 December 2019

	2019 US$'000	2018* US$'000	2019 €'000	2018* €'000
Intangible assets – Brand	**285,540**	286,299	**254,592**	250,155
Property, plant and equipment	**1,069,546**	1,045,465	**953,622**	913,477
Right of use assets	**279,068**	–	**248,821**	–
Assets held for sale / Actively marketed property	**64,760**	102,730	**57,741**	89,760
Other non-current assets	**107,753**	113,058	**96,074**	98,784
Other current assets	**862,588**	863,439	**769,096**	754,431
Net debt	**(1,287,328)**	(1,349,976)	**(1,147,800)**	(1,179,545)
Lease liabilities	**(294,034)**	–	**(262,165)**	–
Employee benefit obligations	**(175,059)**	(185,734)	**(156,085)**	(162,286)
Other non-current liabilities	**(238,636)**	(261,258)	**(212,771)**	(228,275)
Other current liabilities	**(617,365)**	(592,726)	**(550,452)**	(517,892)
Non-controlling interests	**(9,170)**	(8,531)	**(8,176)**	(7,454)
Fair value of net assets attributable to equity shareholders	**47,663**	12,766	**42,497**	11,155
Group 45% share of net assets	**21,448**	5,745	**19,124**	5,020
Goodwill	**275,687**	275,687	**245,769**	240,861
Total carrying amount of 45% interest in Dole	**297,135**	281,432	**264,893**	245,881

**As explained on page 24, the fair value of the net identifiable assets on Dole were revised and finalised with twelve months from the acquisition date.*

Reconciliation of Group's carrying value of investment in Dole

	2019 US$'000	2018 US$'000	2019 €'000	2018 €'000
Opening carrying value of 45% interest in Dole at start of year	**281,432**	–	**245,881**	–
Retained earnings adjustment on transition to IFRS 16	**(3,807)**	–	**(3,326)**	–
Arising on acquisition	**–**	292,559	**–**	249,853
Group share of profit for period attributable to equity shareholders	**29,756**	(7,299)	**26,375**	(6,355)
Group share of other comprehensive expense for period attributable to equity shareholders	**(10,246)**	(3,828)	**(9,175)**	(3,333)
Foreign exchange movement	**–**	–	**5,138**	5,716
Total carrying value of 45% interest in Dole at end of year	**297,135**	281,432	**264,893**	245,881

8. Employee benefit obligations

	2019 €'000	2018 €'000
Employee defined benefit pension schemes obligations	**(10,828)**	(10,941)
Other post-employment obligations	**(5,908)**	(5,023)
	(16,736)	(15,964)

Employee defined benefit pension schemes

	2019 €'000	2018 €'000
Pension assets	**192,227**	168,766
Pension obligations	**(203,055)**	(179,707)
Net liability at end of year	**(10,828)**	(10,941)
Net related deferred tax asset	**1,479**	1,889
Net liability after tax at end of year	**(9,349)**	(9,052)

Analysis of movement in the year		
Net liability at beginning of year	**(10,941)**	(16,707)
Net interest expense and service costs recognised in the income statement	**(1,677)**	(2,035)
Exceptional charge in the income statement	**–**	(1,304)
Employer contributions to schemes – normal	**4,866**	2,693
Remeasurement gains recognised in other comprehensive income	**(2,683)**	6,323
Translation adjustment	**(393)**	89
Net liability at end of year before deferred tax	**(10,828)**	(10,941)

The table above summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK, Continental Europe and North America in accordance with IAS 19 *Employee Benefits (2011)*.

The Group's balance sheet at 31 December 2019 reflects net pension liabilities of €10.8m (2018: €10.9m) in respect of schemes in deficit, resulting in a net deficit of €9.3m (2018: €9.1m) after deferred tax.

The current and past service costs and the net finance expense on the net scheme liabilities are charged to the income statement. Remeasurement gains and losses are recognised in other comprehensive income. In determining the valuation of pension obligations, consultation with independent actuaries is required. The estimation of employee benefit obligations requires the determination of appropriate assumptions such as discount rates, inflations rates and mortality rates.

On 26 October 2018, the UK High Court ruled (in a landmark case relating to the Lloyds Banking Group's pension schemes) that pension benefits must be equalised in respect of Guaranteed Minimum Pensions (GMPs) accrued between 17 May 1990 and 5 April 1997. The calculation of the GMP equalisation adjustment required is complex with each pension having to be equalised. In 2018, the Group engaged the services of an actuary to perform a preliminary estimate of the impact of GMP, and the estimated charge of €1.3m was recognised as a past service cost in the 2018 income statement and classified as an exceptional item.

The pension deficit of €10.8m at 31 December 2019 was a marginal reduction on the deficit of €10.9m at 31 December 2018. There was an 11% average return on pension scheme assets in the year and a reduction in both the Irish and UK inflation assumptions which decreases the net present value of the scheme's obligations. This was offset by the impact of a reduction in the discount rates for the Irish and UK schemes which results in an increase in the net present value of the schemes' obligations. The discount rate in Ireland and the Eurozone decreased to 1.4% (2018: 2.1%) and in the UK decreased to 2.0% (2018: 2.9% – 3.0%). The inflation assumption for Ireland and the Eurozone decreased to 1.4% (2018: 1.60%) and in the UK decreased to 2.7% (2018: 3.2%).

9. Dividends

	2019 €'000	2018 €'000
Dividends paid on Ordinary Euro 1 cent shares		
Final dividend for 2018 of 2.5140 cent (2017: 2.4527 cent)	**9,767**	9,517
Interim dividend for 2019 of 0.9129 cent per share (2018: 0.9129 cent)	**3,546**	3,545
Total dividend paid in the year	**13,313**	13,062
Total dividend per share paid in the year	**3.4269**	3.3656

The Board is proposing a 2.5% increase in the final dividend to 2.5770 cent per share (2018: 2.5140 cent), subject to approval at the forthcoming AGM. If approved, this dividend will be paid on 20 May 2020 to shareholders on the register at 14 April 2020 subject to dividend withholding tax. The total dividend for 2019 will amount to 3.4899 (2018: 3.4269) cent per share and represents an increase of 1.8% on 2018. In accordance with IFRS, this dividend has not been provided for in the Balance Sheet at 31 December 2019.

During the year dividends of €16,055,000 (2018: €10,535,000) were paid to non-controlling interests.

10. Businesses acquired and other developments in 2019

Investments in subsidiaries
A key part of the Group's strategy is to grow by acquisition. During the year, the Group made a number of bolt-on acquisitions and investments in the fresh produce sector in Europe with committed investment of €8.3m including €1.5m of contingent consideration payable on the achievement of future profit targets and deferred consideration of €0.1m. Goodwill arising on these acquisitions amounts to €3.6m. The principal factor contributing to the recognition of the goodwill is the realisation of costs savings and synergies expected to be achieved for integrating the acquired entities, and the value and skills of the assembled workforce in the acquired entities.

The initial assignment of fair values to net assets for all investments has been performed on a provisional basis in respect of these acquisitions given the timing of the completion of these transactions and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*.

	2019 €'000	2018 €'000
Consideration paid and payable		
Cash consideration	**6,683**	2,496
Contingent consideration	**1,461**	1,126
Deferred consideration	**114**	–
Total fair value of consideration	**8,258**	3,622
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	**1,054**	2,422
Right of use assets	**3,564**	–
Investment property	–	223
Intangible assets	**3,015**	904
Inventories	**590**	945
Trade and other receivables	**9,859**	9,794
Cash, and cash equivalents	**2,308**	3,833
Lease liabilities	**(3,553)**	–
Corporation tax	**58**	(92)
Trade and other payables	**(10,921)**	(11,007)
Deferred tax asset	**74**	55
Deferred tax liability	**(398)**	(130)
Fair value of net identifiable assets and liabilities acquired	**5,650**	6,947
Non-controlling interests arising on acquisition		
Non-controlling interests measured at fair value	–	157
Non-controlling interests measured at share of net assets	**959**	2,157
Total value of non-controlling interests arising on acquisition	**959**	2,314
Goodwill calculation		
Fair value of consideration	**8,258**	3,622
Fair value of pre-existing interest in acquiree	–	2,760
Fair value of net identifiable assets and liabilities acquired	**(5,650)**	(6,947)
Non-controlling interest arising on acquisition	**959**	2,314
Goodwill arising	**3,567**	1,749

Cash flows relating to acquisition of subsidiaries

	2019 €'000	2018 €'000
Cash consideration for acquisition of subsidiary undertakings	**(6,683)**	(2,496)
Cash, cash equivalents and bank overdrafts acquired	**2,308**	3,833
Cash (outflow)/inflow per statement of cash flows	**(4,375)**	1,337

The Group incurred acquisition related costs of €177,000 on legal and professional fees and due diligence in respect of completed acquisitions. These costs have been included within operating expenses in the year.

Payment of contingent and deferred consideration
In 2019, the Group paid €11.1m contingent consideration relating to prior period acquisitions.

Investments in joint ventures and associates
In 2019, the Group invested €1.7m in existing joint ventures and associates.

11. Cash generated from operations

	2019	2018
	€'000	€'000
Operating activities		
Profit for the year	**66,204**	53,804
Non-cash adjustments to reconcile profit to net cash flows:		
Income tax expense	**10,329**	16,014
Income tax paid	**(15,154)**	(13,349)
Depreciation of property, plant and equipment	**17,773**	17,194
Depreciation of right of use assets	**19,253**	–
Exceptional items	**1,816**	(9,450)
Exceptional cash flow	**(3,489)**	(2,884)
Fair value movements on contingent consideration	**(204)**	(4,043)
Amortisation of intangible assets - acquisition related	**10,301**	10,281
Amortisation of intangible assets - development costs capitalised	**238**	267
Amortisation of intangible assets - computer software	**2,046**	1,397
Amortisation of government grants	**(63)**	(75)
Defined benefit pension scheme expense - normal	**1,677**	2,035
Contributions to defined benefit pension schemes - normal	**(4,866)**	(2,693)
Other post-employment benefit scheme expense	**451**	442
Contributions - other employee benefit schemes	**(249)**	(168)
Share-based payment expense	**109**	557
Net gain on disposal of property, plant and equipment	**(313)**	(492)
Currency recycled to income statement on joint venture becoming subsidiary	–	90
Movement in provisions	**(489)**	–
Fair value gain on investments	**(854)**	–
Financial income	**(2,754)**	(3,704)
Financial expense	**13,721**	11,736
Financial income received excluding exceptional items	**2,005**	2,245
Financial expense paid excluding exceptional items	**(13,149)**	(9,418)
Gain on non-hedging derivative financial instruments	**(115)**	(59)
Loss on termination of IFRS 16 leased assets	**146**	–
Gain on disposal of joint venture	**(88)**	–
Fair value movements on biological assets	**666**	(6)
Share of profit of joint ventures	**(37,033)**	(2,330)
Share of profit of associates	**(666)**	(2,183)
Net cash flows from operating activities before working capital movements	**67,249**	65,208
Movements in working capital:		
Movements in inventories	**(6,091)**	1,179
Movements in biological assets	**530**	(851)
Movements in trade and other receivables	**27,342**	(23,571)
Movements in trade and other payables	**(15,254)**	2,978
Total movements in working capital	**6,527**	(20,265)
Net cash flows from operating activities	**73,776**	44,943

12. Analysis of Net Debt and Cash and Cash Equivalents

Net debt is a non-IFRS measure which comprises cash and cash equivalents and current and non-current interest-bearing loans and borrowings. For 2019 it excludes leases liabilities. For 2018 it includes finance lease liabilities. The calculation of net debt at 31 December 2019 and 31 December 2018 is as follows:

	2019	2018
	€'000	€'000
Current assets		
Cash and cash equivalents	**99,445**	91,099
Call deposits (demand balances)	**16,084**	11,200
Current liabilities		
Bank overdrafts	**(9,502)**	(9,560)
Current bank borrowings	**(76,648)**	(48,658)
Current finance leases	–	(468)
Non-current liabilities		
Non-current bank borrowing	**(250,572)**	(262,188)
Non-current finance leases	–	(1,168)
Net debt at end of year	**(221,193)**	(219,743)

Average net debt
Average net debt for 2019 was €284,019,000 (2018: €217,114,000).

Trade receivables financing
The Group has a number of sales of receivables arrangements. Under the terms of these agreements, the Group has transferred substantially all of the credit risk of these trade receivables which are subject to these agreements. Accordingly €46,409,000 (2018: €29,967,000) has been derecognised at 31 December 2019.

Reconciliation of cash and cash equivalents per balance sheet to cash flow statement

	2019	2018
	€'000	€'000
Cash and cash equivalents per balance sheet	**115,529**	102,299
Bank overdrafts	**(9,502)**	(9,560)
Cash, cash equivalents and bank overdrafts per cash flow statement	**106,027**	92,739

13. Post balance sheet events

There have been no other material events subsequent to 31 December 2019 which would require disclosure or adjustment in the financial statements.

14. Related party transactions

There have been no related party transactions or changes to related party transactions other than those described in the 2018 Annual Report that materially affect the financial position or the performance of the Group for the year ended 31 December 2019.

15. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 4 March 2020.

The Group uses a number of alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. These measures are referred to throughout the discussion of our reported operating performance and financial position and are measures which are regularly reviewed by Group management. The Group believes that the presentation of these APM's provide useful supplementary information which, when viewed with the IFRS financial information provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group.

These APM's may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. These APM's should not be viewed in isolation or as an alternative to the equivalent GAAP measures.

The principal APM's used by the Groups together with the reconciliation where the non-GAAP measures are not readily identifiable from the financial statements are as follows;

Total revenue
Definition
Total revenue includes the Group's share of the revenue of its joint ventures and associates. The calculation is presented in Note 3 of the accompanying financial information.

Adjusted EBITDA
Definition
Earnings before interest, tax, depreciation on property, plant and equipment, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table below.

Adjusted EBITDA (after add back of right of use asset depreciation)
Definition
Earnings before interest, tax, depreciation on property, plant and equipment, depreciation on right of use assets, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table below.

Adjusted EBITA
Definition
Earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table below.

Adjusted profit before tax
Definition
Excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table below.

Calculation	**Reference in Preliminary FS**	**2019 €'000**	2018 €'000
Profit before tax per income statement	Income Statement	**76,533**	69,818
Adjustments			
Exceptional items	Note 5	**(5,232)**	(5,125)
Fair value movements on contingent consideration	Note 4	**(204)**	(4,043)
Share of joint ventures and associates' tax (before tax on exceptional items)	Note 4	**14,059**	3,153
Acquisition related intangible asset amortisation within subsidiaries	Note 4	**10,301**	10,281
Share of joint ventures and associates acquisition related intangible asset amortisation	Note 4	**2,696**	2,684
Acquisition related costs within subsidiaries	Income Statement	**177**	105
Adjusted profit before tax		**98,330**	76,873
Exclude			
Net financial expense – subsidiaries before exceptional items	Income Statement	**10,967**	7,365
Net financial expense – share of joint ventures and associates	Note 4	**40,817**	13,784
Adjusted EBITA		**150,114**	98,022
Exclude			
Amortisation of software costs		**2,046**	1,397
Depreciation of property, plant and equipment – subsidiaries		**17,773**	17,194
Depreciation of property, plant and equipment – share of joint ventures and associates		**32,870**	16,679
Adjusted EBITDA		**202,803**	133,292
Exclude			
Depreciation of right of use assets – subsidiaries		**19,253**	–
Depreciation of right of use assets – share of joint ventures and associates		**29,115**	–
Adjusted EBITDA (before depreciation on right of use assets)		**251,171**	133,292

Adjusted fully diluted earnings per share

Definition

Excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings, exceptional items and related tax on such items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is outlined in Note 6.

Adjusted fully diluted earnings per share (pre-IFRS 16 *Leases*)
Definition
As noted in changes in accounting policies on pages 16 to 18, the Group adopted IFRS 16 *Leases* with effect from 1 January 2019.

The Group has applied IFRS 16 using the modified retrospective approach on transition, under which the cumulative effect of initial application is recognised in equity as an adjustment to the opening balance of retained earnings, non-controlling interest and currency translation reserve at 1 January 2019. The comparative information for prior periods has not been re-stated. It is presented as previously reported under IAS 17 and related interpretations. Therefore, for ensure comparability, the Group presents below the calculation of adjusted fully diluted earnings per share, as if IFRS 16 had not been applied for the current year.

Calculation	**Reference in Preliminary FS**	**2019**	2018
		€'000	€'000
Adjusted profit attributable to equity holders of the parent	Note 6	**54,984**	40,286
Effect of IFRS 16 *Leases* on adjusted profits on equity holders of the parent	Note (a)	**2,882**	–
Adjusted profit attributable to equity holders of the parent (pre-IFRS 16 *Leases*)		**57,866**	40,286
Weighted average number of shares (diluted)	Note 6	**389,295**	383,147
Adjusted profit attributable to equity holders of the parent (pre-IFRS 16 *Leases*)		**14.86**	10.51

(a) See change in accounting policies on pages 16 and 18 for quantification of impact of application of IFRS 16 on the reported results in 2019.

Effective tax rate calculation
Definition
The Group's effective tax rate expresses the Group's income tax expense (including the share of joint ventures and associates) before tax impact of exceptional items and goodwill and intangible asset amortisation as a percentage of the Group's adjusted profit before tax.

Calculation	**Reference in Preliminary FS**	**2019**	2018
		€'000	€'000
Income tax expense	Income Statement	**10,329**	16,014
Group share of tax charge of joint ventures and associates		**12,534**	2,231
Total tax charge		**22,863**	18,245
Adjustments			
Deferred tax credit on amortisation of intangible assets – subsidiaries		**2,623**	(1,190)
Deferred tax credit on amortisation of intangible assets – share of joint ventures and associates		**565**	460
Deferred tax charge on fair value movements on contingent consideration		–	1,535
Tax charge on exceptional items in subsidiaries	Note 5	**(47)**	(1,395)
Group share of tax charge on exceptional items within joint ventures and associates	Note 5	**1,525**	922
Tax charge on underlying activities		**27,529**	18,577
Adjusted profit before tax	See above	**98,330**	76,873
Effective tax on underlying activities		**28.0%**	24.2%

Net debt
Definition
Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current borrowings. For 2019 it excludes lease liabilities. For 2018 it also includes finance leases liabilities. The calculation is outlined in Note 12.

Routine capital expenditure and non-routine capital expenditure

Definition

Routine capital expenditure is cash spend on property, plant, and equipment and software (which under IFRS is classified within intangible assets) less proceeds on disposal of property, plant and equipment and any expenditure classified as non-routine or development capital expenditure

Calculation	**Reference in Preliminary FS**	**2019** **€'000**	2018 €'000
Acquisition of property, plant and equipment	Cashflow statement	**19,518**	25,942
Acquisition of intangible assets – computer software	Cashflow statement	**4,621**	4,352
Proceeds on disposal of property, plant and equipment – routine	Cashflow statement	**(678)**	(797)
Non-routine (development capital expenditure)	Note (a)	**(4,470)**	(7,376)
Routine capital expenditure		**18,991**	22,121

(a) Non-routine capital expenditure is expenditure on projects to grow the business and generally relate to fit out of new facilities or extending the capacity of existing facilities.

Adjusted operating cashflow

Definition

Adjusted operating cashflow is the operating cashflow generated from operations as reported in the Group Cashflow Statement before cash outflows associated with exceptional items less lease liability payments and development loans provided to joint ventures and associates.

Calculation	**Reference in Preliminary FS**	**2019** **€'000**	2018 €'000
Net cashflow from operating activities per cashflow statement	Cashflow Statement	**73,776**	44,943
Cash impact of exceptional items in operating cashflows	Note 11	**3,489**	2,884
Loans to joint ventures and associates	Note (a)	–	5,111
Less lease liability payments	Cashflow Statement	**(17,902)**	–
Adjusted operating cashflow		**59,363**	52,938

Note (a) – in 2018, the Group provided a loan of €5,111,000 to a joint venture of the Group to fund a development project. In the statutory cashflow statement this was recorded as a trade and other receivables outflow.

Free Cash Flow

Definition

Free Cash flow is defined by the Group as the funds available after outflows relating to routine capital expenditure, dividends paid to non-controlling interests but before acquisition related expenditure (including loans advanced to joint ventures an associates), development capital expenditure and the payment of dividends to equity shareholders.

Calculation	**Reference in Preliminary FS**	**2019** **€'000**	2018 €'000
Net cashflow from operating activities per cashflow statement	Cashflow Statement	**73,776**	44,943
Cash impact of exceptional items in operating cashflows	Note 11	**3,489**	2,884
Loans to joint ventures and associates	See previous note	**–**	5,111
Less lease liability payments	Cashflow Statement	**(17,902)**	–
Dividends received from joint ventures and associates	Cashflow Statement	**10,652**	10,908
Dividends paid to non-controlling interests	Cashflow Statement	**(16,055)**	(10,535)
Routine capital expenditure	Cashflow Statement	**(18,991)**	(22,121)
Free Cashflow		**34,969**	31,190

Acquisition related expenditure, net
Definition
Acquisition related expenditure is cash outflows in respect of acquisition and investment in subsidiaries, joint ventures and associates, non-controlling interests and is net of contributions from non-controlling interests and proceeds on disposal of shares to non-controlling interests.

Calculation	**Reference in Preliminary FS**	**2019** €'000	2018 €'000
Cash outflow relating to investment in joint ventures and associates	Cashflow Statement	**7,145**	251,949
Investment in subsidiaries	Note 10	**6,683**	2,496
Proceeds from disposal of joint venture	Cashflow Statement	**(48)**	–
Loans to joint ventures and associates	Note (a)	–	5,111
Disposal of investment in subsidiary to non-controlling interest	Cashflow Statement	–	(286)
Acquisition of non-controlling interests	Cashflow Statement	**1,656**	490
Capital contribution by non-controlling interests	Cashflow Statement	–	(130)
Proceeds on disposal of equity investments	Cashflow Statement	**(1,043)**	–
Acquisition of equity investments	Cashflow Statement	**150**	–
Acquisition related expenditure		**14,543**	259,630

Note (a) – in 2018, the Group provided a loan of €5,111,000 to a joint venture of the Group to fund a development project. In the statutory cashflow statement this was recorded as a trade and other receivables outflow.