



# Preliminary Results 2019

5 March 2020

# Disclaimer



Any forward-looking statements made in this presentation have been made in good faith based on the information available as of the date of this presentation 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.

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# Key Highlights of 2019 Performance



- Strong performance in 2019 – good geographical and product diversification
- Adjusted fully diluted EPS (*pre-leasing*) up 41% to 14.86 cent per share
  - 9% EPS CAGR over 2015-2019
- First year reflecting 12 month Dole contribution
- Dole Adjusted EBITDA increased to \$245m in 2019 from \$193m in 2018 (+27%)
- Structural trends towards health, wellness and plant based foods
  - Produce associated with highest nutritional value and lowest environmental impact
- Continued strategic focus on sustainability

Alternative Performance Measures are defined in Appendix 4



# Strategic Highlights

- Key focus on Dole
- Development of Group Management
- Completion of state-of-the art fresh salad facility in Sweden
- Sale of Dole Scandinavian salad business in 2019
- Investment of c. €10m in bolt-ons in Europe
- Synergy process ongoing



# Financial Highlights

Results for 2019 reflect full year of Dole; comparatives for 2018 reflect 5 months



## Total Revenue

**€6.2bn**

+22%

## Adjusted EBITDA

**€202.8m**

+52%

## Adjusted EBITA

**€150.1m**

+53%

## Adjusted PBT

**€98.3m**

+28%

## Adjusted EPS (pre-leasing)

**14.86c**

+41%

+10%<sup>1</sup>

## Adjusted EPS (post-leasing)

**14.12c**

+34%

## Shareholders' funds

**€451.1m**

+4%

## Final Dividend

**2.577c**

+2.5%

<sup>1</sup> Increase versus 2018 Adjusted EPS (excluding Dole and the related share placing)

Alternative Performance Measures are defined in Appendix 4





# Segmental Analysis



	2019		2018	
	Revenue €'m	EBITA €'m	Revenue €'m	EBITA €'m
Europe – Non-Eurozone	1,503	40.6	1,512	41.6
Europe – Eurozone	1,638	21.8	1,717	27.2
International	1,272	22.3	1,175	18.9
Dole (Group's 45% share)	1,821	65.4	692	10.3
- Inter-segment revenue	(61)	-	(53)	-
<b>Total Group</b>	<b>6,173</b>	<b>150.1</b>	<b>5,043</b>	<b>98.0</b>

## Commentary

- Strong performance in 2019 for the Group
- Non-Eurozone remains strong and performed in line with 2018
- Eurozone EBITA reduced by €5.4m
  - Competitive vegetable / salad markets in Holland
  - Southern Europe performed well against a strong comparative period
- Continued growth in International division
- Proportionate share of Dole EBITA increased by €55.1m
  - Incremental 12 months vs 5 months for 2018
  - Increase in Fresh Vegetables

Alternative Performance Measures are defined in Appendix 4

# Total Produce Group Overview

## Leading Worldwide Fresh Produce Company

### Company Overview

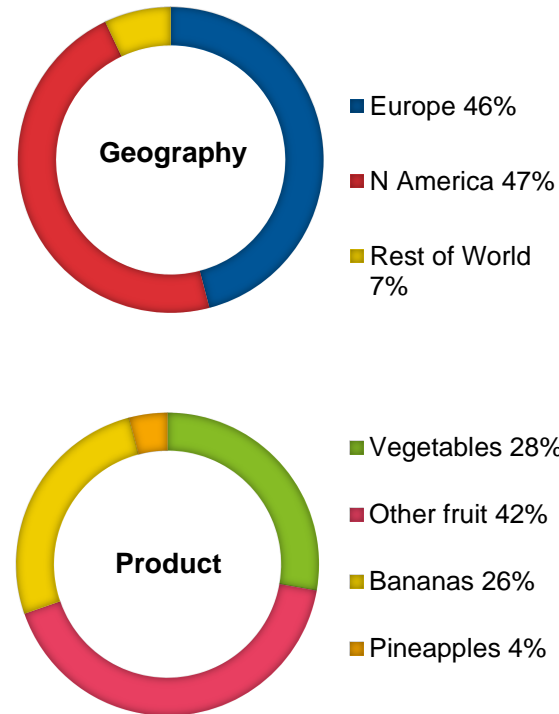
Total Produce is one of the world's leading fresh produce providers

- Grows, sources, imports, packages, distributes and markets fresh produce
- Strong track record over the past ten years growing both organically and by acquisition
- Transformational deal to acquire an initial 45% of Dole Food Company completed on 31 July 2018

<u>Total Revenue<sup>1</sup></u>	<u>Adjusted EBITDA<sup>1</sup></u>
<b>c.€6.2bn</b>	<b>c.€200m</b>

<sup>1</sup> Includes Group's 45% share of Dole  
<sup>2</sup> Assuming 100% consolidation of Dole

### 2019 Revenue Breakdown<sup>2</sup>



### Geographical Presence

Number of facilities

**36**

**North America**

**93**

**Central & South America**

**112**

**Europe**

**9**

**Rest of World**

Operating Facilities

**250**

Countries

**30+**



# Financials



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# Financial Highlights

Results for 2019 reflect full year of Dole; comparatives for 2018 reflect 5 months



	2019	2018	% change
Total Revenue	€6,173m	€5,043m	+22%
Adjusted EBITDA	€202.8m	€133.3m	+52%
Adjusted EBITA	€150.1m	€98.0m	+53%
Adjusted profit before tax	€98.3m	€76.9m	+28%
Adjusted fully diluted EPS <sup>1</sup> (pre-IFRS 16 Leases)	14.86 cent	10.51 cent	+41%
Final dividend per share	2.5770 cent	2.5140 cent	+2.5%

<sup>1</sup> IFRS 16 Leases: resulted in a 0.74 cent impact on adjusted fully diluted earnings per share in 2019. See Appendix 1 for further details

Alternative Performance Measures are defined in Appendix 4



# Financials

## Cash Flow Statement



	2019 €'m	2018 €'m
<b>Net debt at the beginning of the year</b>	<b>(219.7)</b>	<b>(113.1)</b>
Operating cash flow	52.8	68.1
Working capital movements	6.5	(15.2)
<b>Operating cash flows after working capital movements</b>	<b>59.3</b>	<b>52.9</b>
Routine capital expenditure (net)	(19.0)	(22.1)
Dividends from joint ventures and associates	10.7	10.9
Dividends to non-controlling interests	(16.0)	(10.5)
<b>Total free cash flow</b>	<b>35.0</b>	<b>31.2</b>
Acquisition expenditure (includes contingent consideration)	(24.4)	(262.8)
Non-routine capital expenditure	(4.5)	(7.4)
Dividends to equity shareholders	(13.3)	(13.1)
Proceeds from issue of new shares	-	141.4
Other, including translation movements	4.1	4.1
Finance leases reclassified from net debt to lease liability	1.6	-
<b>Movement in the period</b>	<b>(1.5)</b>	<b>(106.6)</b>
<b>Net debt at the end of the year</b>	<b>(221.2)</b>	<b>(219.7)</b>

Alternative Performance Measures are defined in Appendix 4

# Financials

## Balance Sheet



	2019 €'m	2018 €'m
Tangible assets and right of use assets	300.4	183.2
Intangible assets and goodwill	268.5	267.0
Dole joint venture	264.9	245.9
Other joint ventures, associates and investments	109.1	115.2
Working capital	7.6	5.2
Non-current receivables and payables (net)	21.3	21.3
Contingent consideration and provisions	(16.8)	(27.4)
Put option liability	(26.6)	(35.0)
Post-employment benefit schemes <i>(net of deferred tax)</i>	(14.9)	(14.1)
Corporation and deferred tax <i>(ex. DT on pension)</i>	(22.3)	(26.0)
Lease liability <i>(IFRS 16)</i>	(120.1)	-
Net debt	(221.2)	(219.7)
<b>Net Assets</b>	<b>549.9</b>	<b>515.6</b>
Shareholders' equity	451.1	433.1
Non-controlling interests	98.8	82.5
<b>Shareholders' Equity &amp; Non-Controlling Interests</b>	<b>549.9</b>	<b>515.6</b>



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# Dole Financials

# Financials - Dole

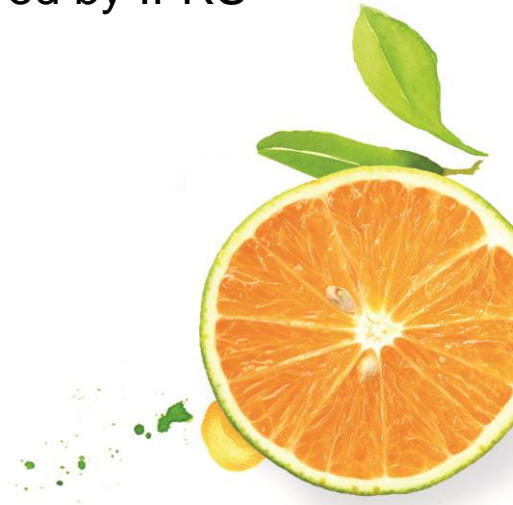
## Summary KPI's



	IFRS FY 2019 US\$m	US GAAP <sup>1</sup> FY 2018 US\$m	IFRS 5 months to Dec 2018 US\$m
<b>Total Revenue</b>	<b>4,566</b>	<b>4,423</b>	1,766
<b>Adjusted EBITDA</b>	<b>245.0</b>	<b>192.5</b>	59.4

<sup>1</sup>The 2018 FY numbers are presented in accordance with US GAAP which differs from IFRS and Total Produce accounting policies

- Strong performance in 2019. First year reflecting 12 month contribution
- Group accounts for its 45% share of the results of Dole using the equity method as required by IFRS
- Fresh Fruit division strong and performed in line with 2018
- Increase in adjusted EBITDA and adjusted EBITA led by increase in Vegetable Division
- Net debt reduced to US\$1,287m (2018: US\$1,350m)





# Financials - Dole

## Balance Sheet (IFRS)

	2019 IFRS US\$'m	2018 IFRS US\$'m
Property, plant and equipment & Right-of-use assets	1,348	1,046
Intangible assets (mainly brands)	286	286
Goodwill	220	220
Assets held for sale / Actively marketed property	65	103
Other non-current assets	107	114
Net current assets	245	270
Post-employment benefit schemes	(175)	(186)
Lease liability (IFRS 16)	(294)	-
Other non-current liabilities	(239)	(262)
Net debt	(1,287)	(1,350)
<b>Net Assets</b>	<b>276</b>	<b>241</b>
Shareholders' equity	267	232
Non-controlling interests	9	9
<b>Shareholders' Equity &amp; Non-Controlling Interests</b>	<b>276</b>	<b>241</b>

### Valuable Asset Base



Source: Internal data





# Sustainability Initiatives

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# Sustainability Initiatives



- Fresh produce is highly nutritious, providing many health benefits and recognised for having the lowest environmental impact of all the primary foodstuffs
- ESG issues are core to how our business operates
- 2019 developments
  - ✓ Developing the Group sustainability reporting framework and materiality matrix
  - ✓ Measurement of carbon footprint for 2018<sup>1</sup> and first submission to Carbon Disclosure Project
  - ✓ Adoption of renewable energy in Total Produce Ireland and UK
  - ✓ Development of initiatives in single use plastic reduction – “*Remove, Reduce, Replace & Reuse*”
- 2020 targets
  - Re-measure and reduce carbon footprint
  - Measure water footprint
  - Extending the adoption of renewable energy

<sup>1</sup> Excluding Dole







## Promoting Healthy Diet.

Annual Sales -

# One Hundred Billion portions\*

**3** GOOD HEALTH AND WELL-BEING



**Carbon Footprint**

**13** CLIMATE ACTION



**Water Footprint**

**14** LIFE BELOW WATER



**Ecological Footprint**

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**FRUIT**

gCO<sub>2</sub> Per - Eq KG  
**490**

RANK  
**#1**  
The Lowest

Litres Per KG  
**970**

RANK  
**#3**  
3<sup>rd</sup> Lowest

M2 Global Per KG  
**4**

RANK  
**#2**  
2<sup>nd</sup> Lowest



**VEGETABLES**

gCO<sub>2</sub> Per - Eq KG  
**775**

RANK  
**#2**  
2<sup>nd</sup> Lowest

Litres Per KG  
**325**

RANK  
**#1**  
The Lowest

M2 Global Per KG  
**3**

RANK  
**#1**  
The Lowest

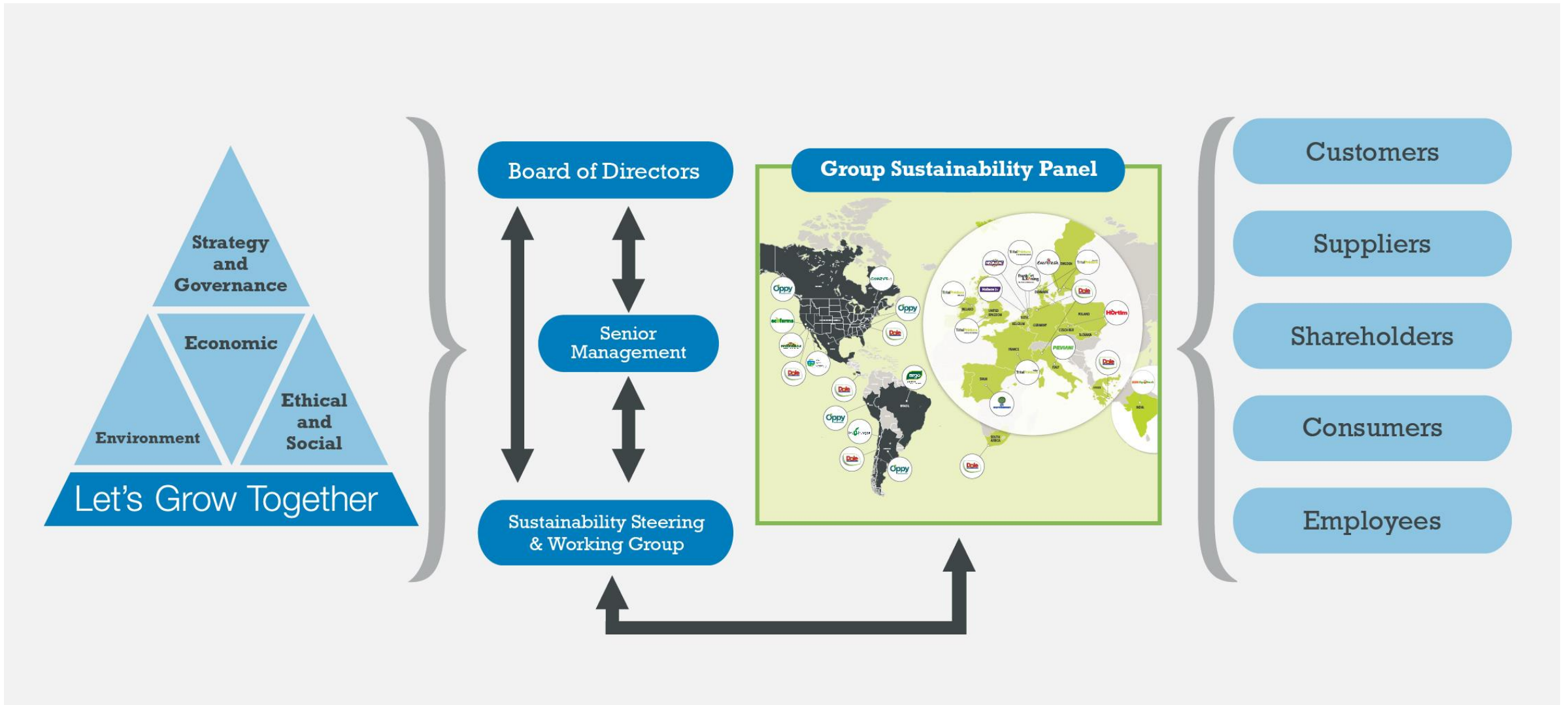
# Sustainability - Framework & Structure

## Solid Foundations; Measuring, Managing & Evolving



# Sustainability Framework

ESG: Strategy  $\longleftrightarrow$  Stakeholder





# Sustainability in Practice

Responsible production, efficient operations, contributing to the communities in which we trade

## Environmental

## Ethical & Social

## Economic

### Carbon Footprint



### Plastic Packaging



### Prioritising People



### Responsible Reporting



- ✓ **Vision 20/20;** Carbon Measurement & Management.
- ✓ **Carbon Disclosure Project Submission;** Rating January 2020.
- ✓ **Renewable Energy- Ireland;** 40%\* reduction targeted.
- ✓ **2020 Group-wide target;** 20%\* reduction in carbon consumption.

- ✓ **Operations Review;** Remove, Reduce, Replace & Reuse.
- ✓ **Eircycle Initiative;** Delivering the Circular Plastics Economy via Recycling.
- ✓ **Compostable Range;** Development & launch of a range of compostable fruit packs.
- ✓ **Recyclable Packaging;** Development & launch of a range of wholly recyclable packaging alternatives.

- ✓ **At Source;** Supporting workers.  
- Argofruta Foundation.  
- Dale Foundation.
- ✓ **In The Marketplace;** Promoting healthy eating:  
*Eat Them To Defeat Them campaign (UK)*
- ✓ **In-House;** Developing employees: Key Talent Programme, Grow Facility, Helsingborg.

- ✓ **Best Practice;** Adoption of the Quoted Companies Alliance Corporate Governance Code.
- ✓ **Infrastructure;** Internal audit and risk management structures in place to advise, support and update the Board of Directors.

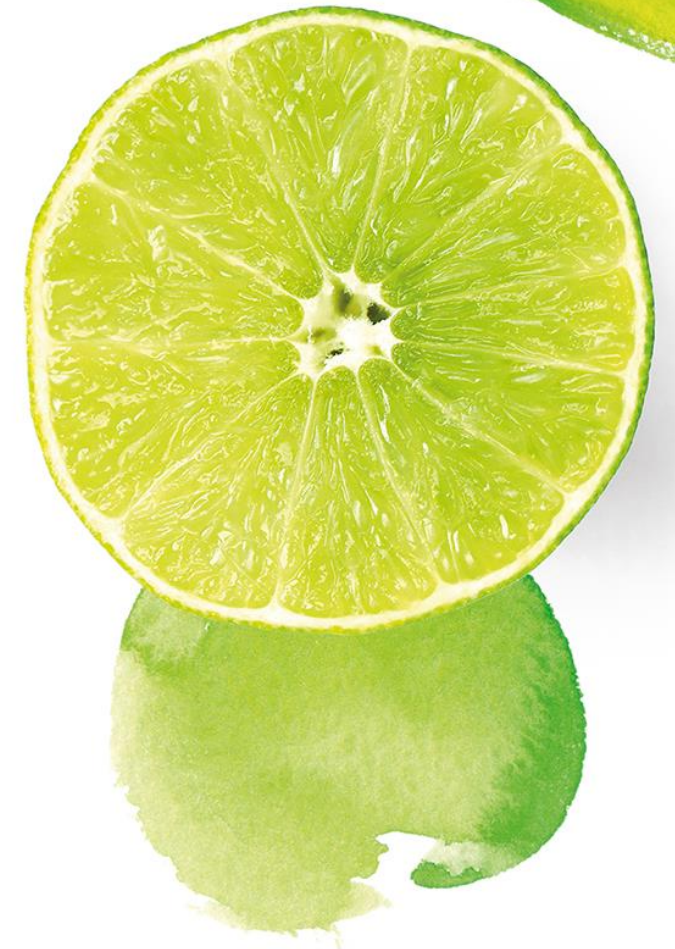
\*based on a like for like comparison by y/e 2020





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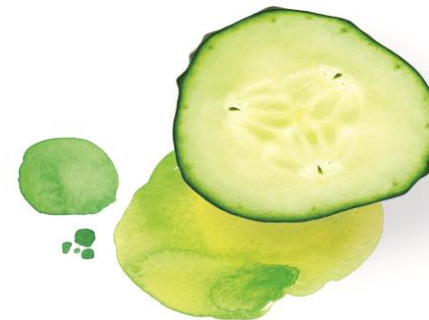
# Group Summary & Outlook



# Group Summary & Outlook



- Strong performance in 2019
- Adjusted fully diluted EPS (*pre-leasing*) up 41%; (*post-leasing*) up 34%
- Dole Adjusted EBITDA up 27%
- Strategic focus on sustainability
- The Group is monitoring COVID-19. While it is too early to form a definitive view, with a broad spread of sources and operations, the Group does not expect any disruption to be material
- Trading in early 2020 has been satisfactory and the Group is targeting continued growth







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# Appendix 1

Additional 2019 Group Financial Information

# Financials

## Statutory Income Statement



	2019 €'m	2018 €'m
<b>Total Revenue</b>	<b>6,173</b>	5,043
<b>Adjusted EBITA</b>	<b>150.1</b>	98.0
<i>Intangible asset amortisation (including share of JV &amp; Associates)</i>	<i>(13.0)</i>	<i>(13.0)</i>
<i>Share of JV &amp; Associates tax and interest charges</i>	<i>(54.9)</i>	<i>(16.9)</i>
<i>Acquisition costs &amp; FV movements on contingent consideration</i>	<i>-</i>	<i>4.0</i>
<b>Operating profit before exceptional items</b>	<b>82.3</b>	72.1
Exceptional items	5.2	5.1
<b>Operating profit after exceptional items</b>	<b>87.5</b>	77.2
Net financial expense	(11.0)	(7.4)
<b>Profit before tax</b>	<b>76.5</b>	69.8

Alternative Performance Measures are defined in Appendix 4



# Financials

## Exceptional Items



	2019 €'m	2018 €'m
(Loss)/gain on disposal of investment	(0.7)	14.7
Restructuring costs and costs associated with termination of business	(1.1)	(4.9)
Share of exceptional items within Dole (net of tax)	7.0	(3.7)
Foreign currency gains from intercompany loans arising from share placing proceeds	-	12.5
Impairment of goodwill	-	(9.0)
Costs associated with Dole transaction, net	-	(3.2)
Employee defined benefit pension obligations charge	-	(1.3)
<b>Total exceptional items</b>	<b>5.2</b>	<b>5.1</b>
Net tax charge on exceptional items	-	(1.4)
<b>Total exceptional items, net of tax</b>	<b>5.2</b>	<b>3.7</b>





# Financials

## IFRS 16 Leases

- The Group has adopted IFRS 16 Leases with effect from 1 January 2019
- IFRS 16 introduces a single lessee accounting model with the majority of all lease agreements resulting in the recognition of a right-of-use-asset and a lease liability on the balance sheet
- The prior period information is not restated and the effect of applying the standard to leases that were previously classified as operating leases is set out in tables attached



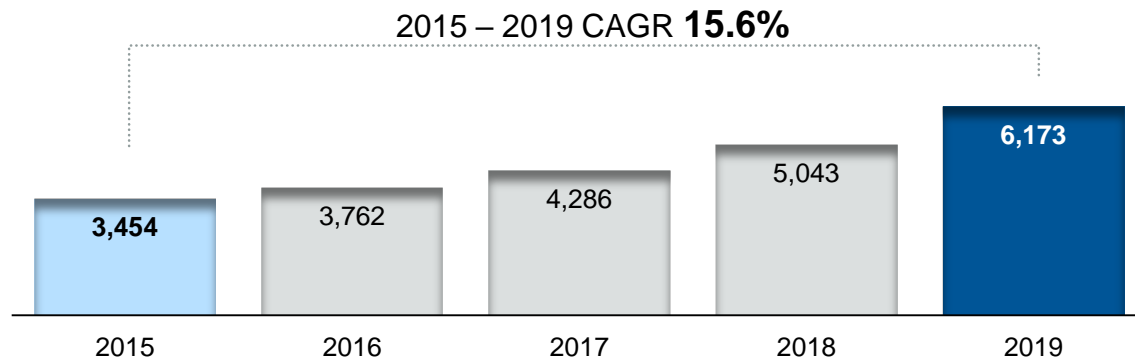
<b>Impact on Balance Sheet</b>	<b>ROU asset</b>	<b>Lease Liability</b>
1 January 2019, on transition	€115.3m	(€121.1m)
31 December 2019	€113.0m	(€120.1m)

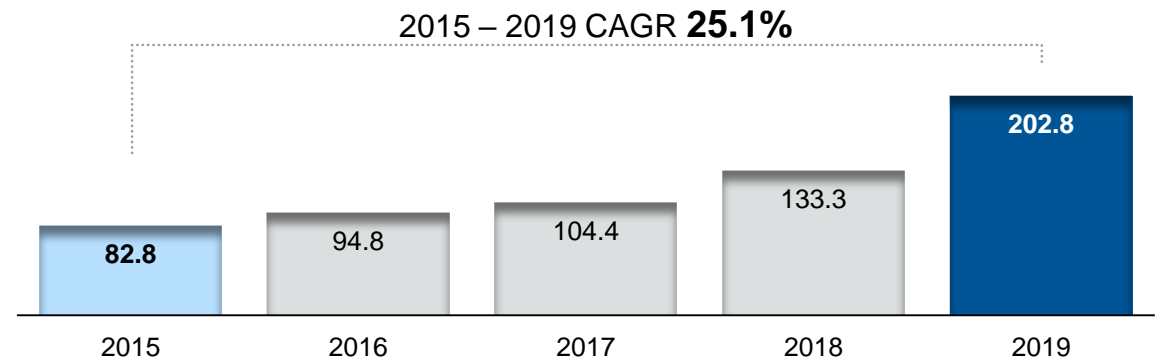
<b>Impact on Income Statement for period ended 31 December 2019</b>	<b>Subsidiaries</b>	<b>Share of JVs &amp; Associates</b>	<b>Total</b>
Adjusted EBITA (operating lease charge less ROU asset depreciation)	+€1.2m	+€5.6m	<b>+€6.8m</b>
Interest charge on lease liability	(€3.0m)	(€7.8m)	<b>(€10.8m)</b>
Impact on profit before tax	<b>(€1.8m)</b>	<b>(€2.2m)</b>	<b>(€4.0m)</b>
Impact on fully diluted adjusted earnings per share in the period			<b>(€0.74 cent)</b>

# 5 Year Summary (2015 – 2019)

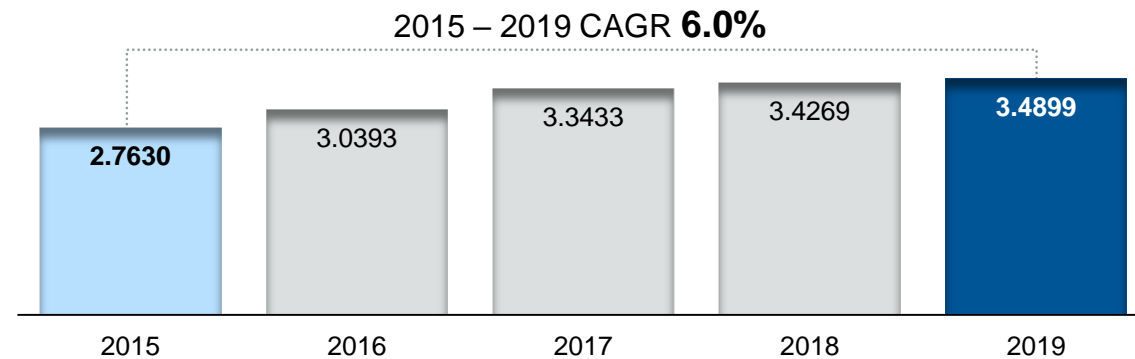
## Revenue (€'m)



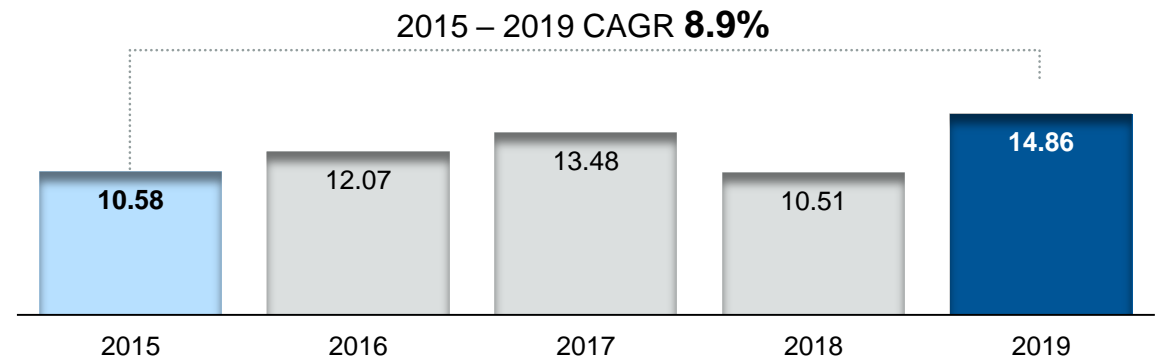
## Adjusted EBITDA (€'m)



## Dividend (€'cent)



## Adjusted EPS (pre-leasing) (€'cent)



Alternative Performance Measures are defined in Appendix 4



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# Appendix 2

Additional 2019 Dole Financial Information

# Financials - Dole

Summary Income Statement (IFRS) for year ended December 2019 (5 months to December 2018)



All figures prepared in accordance with IFRS	Full Year to 28 Dec 2019 US\$'m	5 months to 30 Dec 2018 US\$'m
<b>Operating profit</b>	<b>173.8</b>	27.3
Net financial expense <i>(2019 includes IFRS 16 lease interest expense of \$19.3m)</i>	<b>(97.7)</b>	(32.4)
Exceptional items	<b>13.9</b>	(11.7)
<b>Profit/(loss) before tax</b>	<b>90.0</b>	(16.8)
Income tax	<b>(21.7)</b>	1.6
Non-controlling interests	<b>(2.2)</b>	(1.0)
<b>Profit/(loss) attributable to equity shareholders</b>	<b>66.1</b>	(16.2)
<b>Calculation of adjusted earnings attributable to Total Produce</b>		
Profit/(loss) attributable to equity shareholders	66.1	(16.2)
Add back exceptional items (net of tax)	(17.6)	9.3
Adjusted profit/(loss) attributable to equity shareholders	48.5	(6.9)
<b>TP 45% share of adjusted earnings attributable to equity shareholders</b>	<b>21.8</b>	(3.1)

Alternative Performance Measures are defined in Appendix 4



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# Appendix 3

## Additional Dole Transaction Details





# Diversified Revenue Base

Bananas and Pineapples Experiencing Solid Growth

## Bananas

<b>Revenue</b>	<b>Boxes sold annually</b>
<b>44%</b>	<b>140+m</b> 28% volume growth since 2012
<b>Production acres</b>	<b>#1 Market share</b>
<b>55,700</b>	North America for both conventional and organic bananas
<b>Diverse sourcing platform</b>	
<b>7 countries</b>	
<b>Total retail volume sold under contract</b>	
<b>90%</b> North America	<b>69%</b> Europe

## Pineapples

<b>Revenue</b>	<b>Boxes sold annually</b>
<b>7%</b>	<b>30+m</b> 41% volume growth since 2012
<b>Production acres</b>	<b>#2 #3 Market share</b>
<b>31,600</b>	#2 North America for conventional pineapples and #3 in Europe
<b>Diverse sourcing platform</b>	
<b>3 countries</b>	
<b>Total retail volume sold under contract</b>	
<b>50%</b> North America	

## Fresh Vegetables

<b>Value Added: Revenue</b>	<b>New value-added branded products launched in North America in 2018</b>
<b>18%</b>	<b>22</b>
<b>#2 #3 Market share</b>	
#3 Market share in North America value-added vegetables & #1 in the chopped salad kit	
<b>Fresh Packed: Revenue</b>	<b>Number of different conventional &amp; organic fresh vegetables items in the portfolio</b>
<b>6%</b>	<b>20+</b>

## Diversified Fruit

<b>Revenue</b>	<b>Boxes sold annually</b>
<b>19%</b>	<b>c.40m</b>
Includes all non-tropical fruit with operations in Chile, South Africa, Argentina and Peru	
<b>#1 Market share</b>	
#1 worldwide exporter of table grapes	
<b>One of the leading marketers of apples in the Southern Hemisphere</b>	

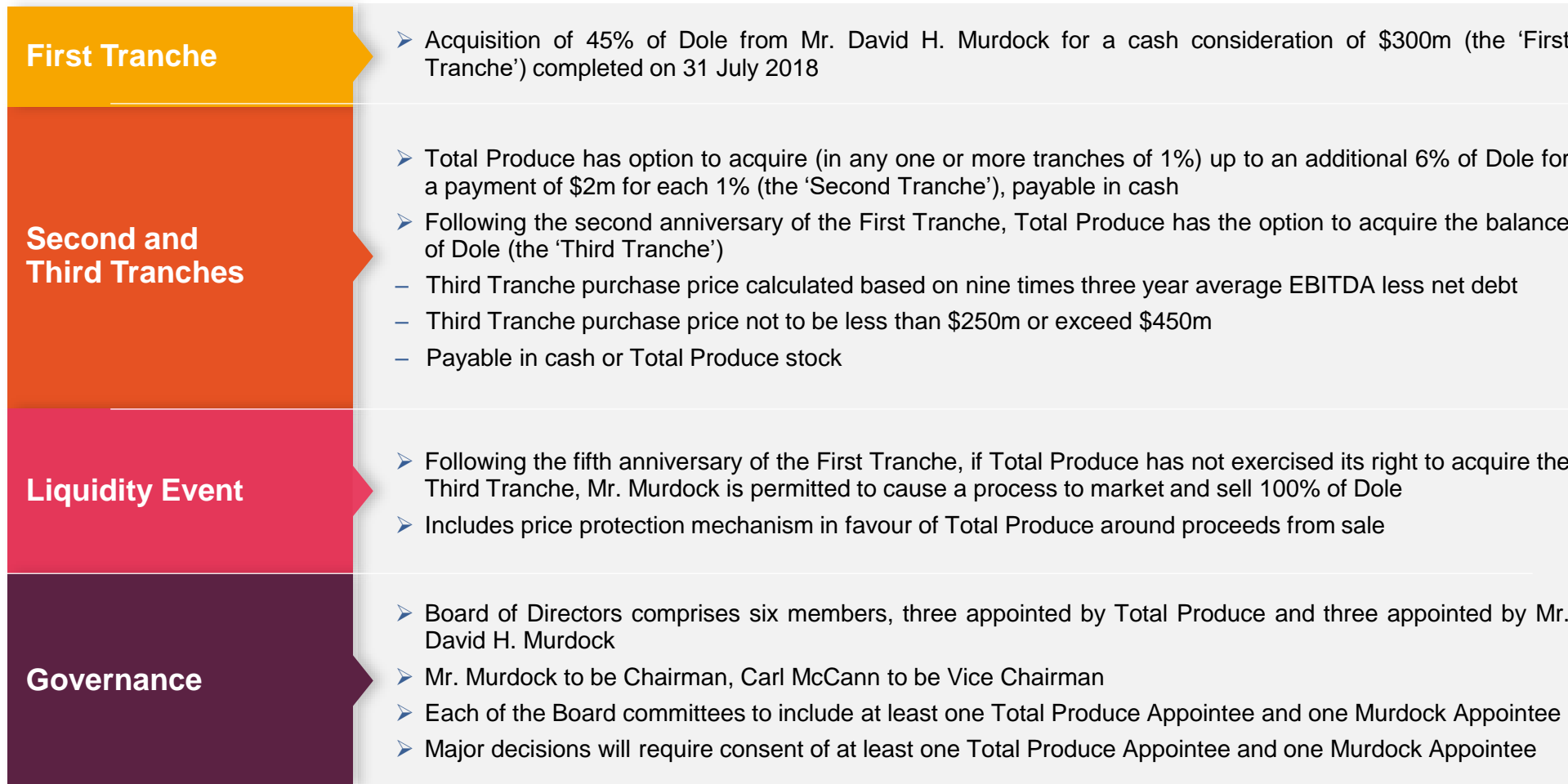
Source: Internal data

Note: % of revenue figures exclude revenues from Swedish fresh fruit procurement and distribution operation and are based on 2018 financial information





# Transaction Structure Provides Significant Governance and Flexibility



Note: Statements with respect to the transaction are forward-looking statements. See disclaimer regarding forward-looking statements on slide 2

<sup>1</sup> Shares acquired in DFC Holdings LLC, of which Dole is a wholly owned subsidiary



# Appendix 4

APM's (Alternative Performance Measures)



## Alternative Performance Measures

The Group uses a number of Alternative Performance Measures (APMs), which are non-IFRS measures to monitor financial performance. These are the measures which are regularly reviewed by Group management to monitor performance of its operations.

The principal APMs used by the Group are defined as follows:

- **Total revenue** includes the Group's share of the revenue of its joint ventures and associates.
- **Adjusted EBITDA** is 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.
- **Adjusted EBITDA (after add back of right-of-use asset depreciation)** is 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.
- **Adjusted EBITA** is 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.
- **Adjusted profit before tax** 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.
- **Adjusted fully diluted earnings per share** 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.
- **Adjusted fully diluted earnings per share (pre-IFRS 16 Leases)**. 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, to ensure comparability, the Group presents the calculation of adjusted fully diluted earnings per share, as if IFRS 16 had not been applied for the current year.
- **Net debt** represents the net total of current and non-current borrowings and cash and cash equivalents as presented in the Consolidated Group Balance Sheet. It excludes lease liabilities.



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