

**Dole plc**

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Leah Jordan: Good afternoon. I'm Leah Jordan, the packaged food and food retail analyst at Goldman. It is my pleasure to introduce the management team of Dole. We have Rory Byrne, Chief Executive Officer, and Jacinta Devine, Chief Financial Officer. Thank you for both joining us today.

Rory Byrne: Thank you, Leah, for having us here.

Leah Jordan: Yes, absolutely. So as quick refresher, Dole is the leading global producer and distributor of fresh produce, operating in 30 countries with over 250 facilities and 300 lines of fresh produce that range from conventional to exotic. So now let's get into our chat.

So, this is a consumer conference. I just want to start off on the demand side, given we're in a dynamic macro backdrop. What demand trends are you seeing across your portfolio? Any notable shifts across products or by region? And then how are you thinking about long-term tailwinds or even headwinds across overall demand for produce as a category?

Rory Byrne: Yes. Well, I think we're very happy to work in the fresh produce industry. Our demand has been very consistent over a long period of time, and that continues to be the case. We've got noticeable shifts, I suppose in some markets, a little bit in the U.S., but probably more pronounced in Europe towards organics, for example, across all the categories, in the U.S. and in Europe, even smaller categories like plantains, exotics have gotten- have gotten a wider demand, mangos, papayas, products like that, that become more popular.

We're also seeing, in particular, some new varieties in the berry space coming on stream, particularly blueberries that can now be grown in a wider geographical area and they're available in greater volumes and much better- much more attractive varieties from a consumer experience point of view. And then I suppose Kiwi is the other product. We have a big partner in New Zealand and even, say, last year in Spain, we've sold over \$100 million worth of New Zealand Kiwi that's - it's interesting. But I think demand has been very, very consistent. And I think when we look out at the long-term, you look at, I think, the younger generation, and I don't know where we all sit in younger or older generation, but certainly in Europe, you look at the investment by the EU and by governments in Fruit For School programs, 5 a day consumption programs. I think they're starting to yield a benefit and the younger people- the younger people, younger generations are taking- focusing more on healthier eating.

We have some anecdotal evidence, some recent reports around people who are starting to use the GLP-1 drugs that you mentioned, that post the usage of those drugs, they tend to focus on healthier diets and we are expecting that that will provide a positive tailwind for us as an industry as well. So overall, the demand -- underlying demand consistent, strong, the structural tailwinds, we think, are positive for our industry.

Leah Jordan: I think that's great and good to hear. And I think building on that, maybe you could just provide more detail on how you think about price versus volume for your business as a top line driver going forward? I think if we see continued inflationary cost pressure, how do you think about your ability to take pricing in this environment?

Rory Byrne: Yes. It's interesting. We would like to see steady growth and volume, taking advantage of those tailwinds. In the short term, certainly, there are some unusual inflationary pressures. We went through the pandemic period and the post-pandemic inflationary period. It didn't have a material adverse effect on volume or consumption in that period. We have found -- you look at -- I think we've got products and fruit that is positioned at all price points in the marketplace. So we look at Bananas, which is 40% of our sales, still very important in both the United States and in Europe, it's still a relatively cheap product, relative to other food products or relative to other convenience products. It's certainly much healthier, so much easier to use. And we think that consumers- even small increases in price and that has had no impact whatsoever on consumption.

So we- the current inflation pressure, particularly fuel, fertilizers, urea inputs like that, we are seeing a sudden surge in those costs as a result of the current Middle East scenario. And we do believe in our two diversified divisions that our dynamic pricing model will give us the flexibility without much impact on consumption going forward.

Leah Jordan: That's great color. Thank you for that. And I know we're going to dig more into all of your different segments here shortly. But maybe overall, as you've been able to see pretty resilient demand in times where you even put through a little bit of pricing. But maybe just about the competitive landscape across your different regions and in categories and anything you're seeing there?

Rory Byrne: Yes. I think you've got to differentiate between the Banana and Pineapple business and the rest of the fruit sector. So in the Banana and Pineapple sector, it is more consolidated, and there are more, I suppose, recognized names as competitors. So you've got people like Chiquita and Del Monte in the North American markets. So Chiquita, ourselves, and Del Monte would have maybe 70% market share in the North American banana market, for example, probably a similar share in the pineapple business. And Europe in the banana business, the same three players participate in a significant way in the European market, but a less significant market penetration. There are a lot of local players. There is a big French company, a big Italian company Orsero, Compagnie Fruitiere, lots of local players that only operate in individual geographies. So it's quite, quite different.

And then in the general fruit category covering berries, apples, pears, grapes, the full range, it is still quite fragmented. There is some consolidation in the berry category, and there has been, and we've seen recently some further consolidation in the avocado space, there's been a few deals, Mission-Calavo underway at the moment. There are a few other Westfalia, with some private equity interest, has been solid, but still quite, quite fragmented. So when we look at competitors, yes, in bananas and pineapples, Chiquita and Del Monte would be significant competitors. But in all of the other categories, we look at our competitor dynamic in a quite localized way. Quite different.

Leah Jordan: That's very helpful to get a lay of the land there. And maybe we'll just dig in a little bit closer on each of your segments and starting with Fresh Fruit and continued strong top line growth, as we've talked about so far. But that even before the inflationary pressure here recently, there's been some sourcing cost pressure as well. And so maybe you can talk about what you're seeing there? And then how do you think about the path of improving profitability there?

Rory Byrne: Yes, we've had some unusual dynamics in the banana business over the last 18 months, two years. So we ourselves back at the back end of '24 were hit by Tropical Storm Sara that pretty much wiped out our own production in Honduras. Chiquita had an issue in Panama where, a little bit political, a little bit of labor and some other issues, that they decided to temporarily pull out of Panama. So even just a combination of those two seeking spot fruit in Ecuador. Ecuador is the

single biggest export country in the banana business, tends to be the safety valve when there are shortages of fruit and people go there and it drove up significantly the spot price and disrupted our logistics, which are designed around the different sources.

So -- some weather issues in Central America, in Costa Rica and Guatemala, probably some lower yields exacerbated that to some extent. So that's starting to unwind. We've rehabilitated all of our own farms in Honduras. We're seeing the production coming on stream. We expect that to continue to grow further over the course of the year. Chiquita has made some new arrangements with the Panamanian Government. They've gone back into Panama as well, so that relieves some of the pressure in Ecuador. And of course, we're seeing some pressures out of the Middle East, where there's some logistical disruptions and some lower demand from that market short term, that has brought the supply-demand equation back into balance. So we're hopeful that will be helpful as we go into the back half of the year, particularly our own production coming back on stream in Honduras and not having to source temporarily from -- on the spot market.

Leah Jordan: Okay. That's very helpful. And then maybe just more color on that -- on the Fresh Fruit supply side, just maybe more detail on trends, maybe any more color on the time line, specifically what you're doing in Honduras and in Colombia and in some of those dynamics. And I think-

Rory Byrne: Yes. Colombia was affected a little bit by weather, but that affected quality more than volume. So certainly with quality requirements from most of our major U.S. retailers. So some of the fruit went to Europe instead of the U.S. and that's temporary and has fixed itself. Honduras, we expect to be fully up and running by the end of this year, and we already are partially up and running, so it's not a long regrowing cycle. We've probably expanded our acreage a little bit in Honduras. We've also invested a little bit differently. We took -- one of our joint production joint ventures in Guatemala. We've bought a new farm in Guatemala to give ourselves a little bit of a better strategic position and a source that's closer to the West Coast from the Pacific side of Guatemala going into the West Coast of the U.S. So, yes, I think with all of those, we expect our Honduran production to be fully up and running over the course of this year. Chiquita I think will be back in Panama, Ecuador will have less pressure. So the fruit sourcing cost should get more into balance as the year passes. And that was pretty much in line with what we had anticipated to the market with our Q4 results last year, where we anticipate that the phasing of profitability would be a little bit different to the historical trend with a higher weighting towards the back half of the year.

Leah Jordan: Yeah, no, and I think that's been consistent with your messaging. Absolutely. Yes. Okay. And then maybe switching over to Diversified Fresh Produce and will be in the EMEA region. There though, profitability has held up well as demand has as well. So maybe just key drivers that you're seeing in that business? And then how you think about trends going forward to the back half?

Rory Byrne: Yes. I think our EMEA business in Europe, particularly, is probably one of the most unrecognized pieces of our business. And it probably goes as close to my own heart because it was part of the old Total Produce business that was the acquirer of Dole. But we've- if you go back over a long, long period of time, that's been a very steady, solid business consistently growing, not by quantum leap percentages, but by steady percentages year in, year out. We've got the #1 market position in a range of markets across Europe, where we've got the full range of services, the full product range, the full spectrum of customers from wholesale to food service to retail in each of the markets, #1 market position in Ireland and the U.K., in Sweden and Denmark, Czech Republic, Spain, Holland, significant presence in Germany and Italy, Portugal.

So we've got a really fantastic upstream market capability for importing handling, distributing, servicing our customers with ripening facilities, cold storage facilities, handling facilities, pre-packing facilities in all of those markets and very strong A-List customer base across all of those markets. And it's the sum of all those factors that have provided that business. There's always going to be a few ups and downs, and we've had a few ups and downs in the U.K., for example, in this quarter has been a little bit more challenging in the U.K. as we know, economically is suffering a little bit for a range of reasons and probably impacted in the wholesale sector by

weather issues in Southern Europe that caused shortage of supply into the wholesale segment. But overall, normal ups and downs, but I think we're strategically very well-positioned there. There are further opportunities for growth, in those markets and -- but really pretty satisfied with the whole EMEA Diversified division.

Leah Jordan: That's great to hear. And then maybe just switching over for Americas and Rest of World on Diversified Fresh Produce. Can you walk through the key trends you're seeing there, and how do you think about expectations for the balance of the year?

Rory Byrne: Yes. I think the Americas Rest of the World is probably the best example; we are five years quoted now in July of '26 -- we became listed on the New York Stock Exchange, in July of '21. Time goes by. But I think the Americas and Rest of the World is the area that we have achieved the most in terms of bringing together the legacy Dole Food Company and the Legacy Total Produce company, and the management teams are now fully integrated. The last piece of the jigsaw was late last year, integrating the marketing arm of the Dole Diversified division, Dole Direct North America into our Oppy business here in North America to take out cost to make it more efficient in terms of our offering to our key customers, and that's worked very well within the marketplace.

Our Chilean business has performed very well, particularly our Cherry business. We're probably the leading player in the Cherry segment. We've got strong- the cherry business, really the cherry on the cake, for wont of a bad pun, is getting your product into the Chinese market before the Chinese New Year. So we've got our production well-organized, well-planned. We've got high-quality big berries, good color get them into the market before the Chinese New Year, and we've been achieving good pricing and good profitability on that segment.

Q1 is probably a little bit flattered because it overlaps Q1 and Q2 and just the way the season fell this year was a little bit more going into Q1. So the numbers look particularly good in Q1. But I think other aspects of grape business, the Kiwi business, the Apple business have all been going very well, some further opportunities for expansion in Peru that we're looking at. But all in all, we're pretty very strong management team within that division and the business is running well.

Leah Jordan: That's great to hear and thank you for that. update. And you kind of talked about Cherry and that came through on the last call how strong growth there. I think on the last couple of calls, you've talked about even a new pineapple line that you have, and that seems to be doing really well. We never think about innovation in produce always. But you guys continue to push the bounds; you have your core kind of pineapple and Banana's business and then have ranged into exotics. So maybe just if you could talk about how you think about innovation and longer-term opportunities within your portfolio, how do you think about kind of the R&D time line, anything there and how those products are resonating?

Rory Byrne: Want to say something on that Jacinta?

Jacinta Devine: The Colada-royale has been a great success. A wonderful product really well received in the marketplace. It's the product of 15 years of R&D. It's a non-GMO product, which I think is important and non-GMO takes time. There's no doubt about it. It's very well received where it certainly creates a bit of momentum in the category, which is really nice to see. And the retailers, our customer base, really appreciate that. So the volumes are still small, but we hope to continue to scale that.

Other than that, other important area of focus for Dole is in the banana space, disease-resistant varieties. There are some challenges in tropical race four and also in things like Black Sigatoka. So we're focused on developing varieties there that are disease-resistant; it's an ongoing process. Again, it will take some time, but we see some opportunities there. And I suppose in the wider innovation arena we are very focused on efficiency in our facilities, where we're packing and preparing for our customers. And Rory talked a little bit about this on the earnings call. We have a strategic opportunity to invest in one of our Scandinavian facilities, and we're going to be taking-

we've already quite sophisticated packing robot technology. We're taking it to the next level, and we see wonderful opportunities there. We're going to invest around \$100 million all in, so it's a great opportunity, and we believe we get the appropriate returns for the investment. So exciting for that opportunity as well.

Leah Jordan: Yes, that's great to hear. And you have a global operation. So always a lot of opportunities to drive efficiencies. Absolutely. And then maybe on the branding side as well, I feel like this is a trend we're seeing across the Fresh category, here in the U.S. Everyone knows that the Dole pineapples and bananas, but how do you think about opportunity to leverage your brand across different regions, across different products? What do you see there?

Jacinta Devine: Yes. So you're right, Dole is the #1 Fresh Produce recognized brand in the U.S. And it has a very strong recognition in certain European markets - Germany, Scandinavia and Italy. And so we see opportunities in the other markets. Mostly, I suppose, from a B2B point of view that to- Dole is very recognized for our consistency of supply and quality in the markets where it's well-known, and we're seeking to develop and evolve that. So we see lots of opportunity in that regard as well.

Leah Jordan: That's very helpful. And then maybe just switching gears, Rory, you kind of mentioned at the top of some of the higher cost pressures, right, around fuel and the like. And you guys move product around the globe. You have 13 of your own vessels. So maybe just what impact you're seeing in your business with the recent rise in fuel costs? And then how do you think about mitigation tools that you have in the-

Rory Byrne: Yes. I think that's probably the most dramatic impact that we've seen, is the fuel. The fuel it's not like you have stocks of fuel that you can- when you're running ships, you fill them as part of the route. So it's instantaneous and it always seems to be the case, so when the price goes up at the whole deal level, it goes up with the usage level very quickly. It doesn't always come down as quickly when it reduces. But -- so it's a direct and immediate impact on us.

I think there's two aspects to - one, most of our U.S. Banana and pineapple business, which is what we primarily use our own ships for, is on fixed-price annual contracts with our retail customers with one exception, and that is a bunker fuel charge adjustment. So it comes a quarter in arrears, so trimester in arrears. So we believe it's a mathematical equation. It's been up and down. So we believe that we've got a fairly high degree of protection of that coming through, and it's the most significant cost impact that we'll have as a result of the Middle Eastern scenario.

And then in other divisions, it is an ongoing dynamic pricing model and all of the factors such as supply/demand production trends, production yields, quality, freight, discharge competing seasons all into the mix and the price is constantly changing. So it is much easier to put those kinds of changes through; customers are used to it, consumers are used to it, the prices do change quite considerably over periods of time. So we expect them, and we've seen it. We look at the pandemic shortages, logistics disruptions. We had similar circumstances, even tariffs. We had similar scenarios and we were able to adapt to those circumstances, and we believe we'd be able to adapt appropriately as well. Prefer if it wasn't the case, but it is and we will be able to deal with it.

Leah Jordan: Yes. That's great to hear, and so I think kind of building on that, that's an incremental headwind that maybe you weren't expecting at the start of the year. When you look at top line momentum, some of the profitability accelerating in the back half on what you already saw it. So maybe as we bring it all together, you know, high-level puts and takes as you think about your FY '26 guidance? What are the big swing factors you're watching to kind of hitting that \$400 million EBITDA number?

Jacinta Devine: Yes, it's certainly complex. And it has -- you're right, it's more complex than we would anticipate when we first set our targets when we're announcing our Q4 number. I suppose, Rory has just explained the fuel piece of it and how we can expect to get that back as the year progresses. Otherwise, demand, as we've talked about, has been good. price, we've been able to increase price,

and that has been positive. So overall, we think up from the banana side, banana and pineapple side, you know, that will flow through well in the year. And then our Diversified businesses have performed very consistently and we can put price- prices through. So overall, we feel reasonably good, but it's complex. There's no doubt about it. There's a lot of moving parts, and we certainly wouldn't have anticipated some of the cost pressures that we're now seeing. The demand is good, and that's a key message.

Leah Jordan: Yes, absolutely. It's tough for everybody, and you guys seem to be managing just well, that's great to hear. I think one of the other things I wanted to talk about is just you kind of touched on this earlier, there's been a lot of change in your business over the last few years. And part of that has also moves around just optimizing your asset base, and I know they're still- selling a port and just opportunities to drive efficiency around your whole network. So maybe you could just talk about some of the strategic rationale of moves that you've made over the last couple of years, how much more opportunity do you see to optimize your assets going forward?

Rory Byrne: Yes. I think it's been a constant process. I mean, post the bringing together of Total Produce and Dole, we took a good- a good hard look at the portfolio. I think one of the problem aspects of the business was the value-added salad businesses. So we really wanted to find. I think the pandemic really highlighted some underlying weakness in that business that was very hard to fix, and it struggled, post pandemic, with some excess capacity in that sector. So that was a bit of a drag on the business for a few years. I think it's probably even maybe the most significant drag in our stock price over that period of time.

So around the middle of last year, we were very happy to do a deal to exit that particular business. We also sold another business that we're very happy with, the Progressive Produce business out in California, but we got such an attractive price in terms of our leverage, we decided and then we got like a double-digit EBITDA multiple on an average of a number of years of EBITDA, which is maybe double the rate in the market was given to us, given our debt profile at the time we decided just it was the right deal rather than a strategic move, and we took it. And then we've been looking at any excess assets that we've got around the group. We sold some Hawaii land in the past within the Dole Food Company; used to be an important producing source, but it becomes less important. And we had reasonable land bank in Hawaii that's not producing the EBITDA. So we've been gradually selling down some assets there.

And then as you say, the port in Ecuador, we own a significant position in the port in Guayaquil in Ecuador, when originally that was built, it became as essential to make our exports of bananas out of Ecuador more efficiently and get our own ships in and out of the port. The whole port world has moved on. It needs significant new investment. There are some big port operators out there -- in the world now. And we had quite a competitive bidding process, TIL a subsidiary of MSC and came out on top of they've got something like 39 ports worldwide. They're going to make a significant investment in expanding it. We then- operating the same commercial terms that we do today, and we'll crystallize \$75 million that really was generating quite low returns for us. So it's just good asset optimization, from our perspective.

Leah Jordan: Yes. That makes a lot of sense. And I guess on the back of this, right, there's multiple things you went through to the asset base where it is today. And so as you kind of sit with more of a clearer path forward maybe to round out the conversation, if you could just spend some time talking about your overall capital allocation strategy at this point?

Rory Byrne: Yes, its a- the capital allocation strategy is a very dynamic subject. And it's one particularly that may be different perspective from U.S. investors and European investors and emphasis on different aspects of capital allocation. So it's something that we consistently look at, all aspects of capital allocation. We've got routine CapEx. We like to keep- we have a chunky asset base. We'd like to keep it well-maintained. We keep our farms up to date. We keep our facilities up to date. So we do that as a matter of course. We've held our dividend at a consistent level. There's a chunk of our investor base very happy to have a dividend and a steady, consistent dividend.

And then, you know, we've got the- some interesting development opportunities and particularly the Scandinavian opportunity to modernize and be at the leading edge of technology in terms of robots, in terms of AI, in terms of technology, in terms of we think that that's a very good strategic opportunity, it's chunky investment in our terms, \$100 million. We have a good track record in Scandinavia. But even if we can get that to work very efficiently, it will be a step change within our industry and it may be a blueprint for further expansionary opportunities. You know, we do look at- we have a buyback program approved -- we have said to the market that we will use it opportunistically rather than programs. There's been a lot of volatility in the market. So we do use that now almost as the benchmark to judge investments like Scandinavian investment to make sure that the returns from an investor perspective are at least equal to the returns that we would get from a buyback. And if we can beat the buyback return, we think it's a better investment for the long-term growth of the business. So, I mean all aspects of capital allocation constantly under review, dynamic process and you know, I think having the buyback program in place if there was a sudden correction in the market, it may be an opportunity to do a little bit more in buyback or things like that. So we've got the flexibility, and we've got the tools in the kit to do it now.

Leah Jordan: That's great. That was very -- very helpful color. And maybe one topic I didn't hear about, but I'll just follow up on the M&A side. You know, just how do you see opportunities today, appetite across products or regions? What characteristics do you typically look for?

Rory Byrne: Yes. It is geography. I think our short-term focus is more on bolt-on or tuck-in acquisitions, as they're sometimes called on this side of the pond, but where we can link it into an existing geography with a number of smaller opportunities available in markets like Spain, Italy, Ireland, and we're working on a few of those as the year progresses, we'll give further updates. And they tend to be the best one for us to just- you know, it's easier to manage them, it's easier to integrate them, it's easier to get a little bit of synergies, not huge in the overall scale of things, but they do add to the pie and give us a little bit of incremental growth, and there are prices that are sensible.

You know, we're seeing in, say, berry space, we would probably- we're growing step-by-step internally our berry business. If we wanted to make a quantum leap step in the berry business, we would have to acquire something. At the moment, the berry companies that we're looking at have a significant premium over our rating, so this makes it a little bit challenging for us, but it's a sector we keep our eyes on. We've seen in the avocado space, some further consolidation, Mission acquiring Calavo. We looked at the financial dynamics around that and certainly Mission appear to have an opportunity to get a significant synergy benefit that we would not have been able to achieve, but probably justifies them paying a very significant price for that business that, again, without the synergy, that we would not have made.

So, we do have our own internal corporate finance department, keeps a close eye what's happening in the world right around the world, Asia, Australia, Europe and America core markets. So we know who is doing what, generally speaking. But we been we're going to be cautious. We're not going to overpay for businesses. We have a long track record of buying things, if we need to be patient for a period of time. We've also had a lot of competition from private equity over the last number of years, and we're seeing some of those come to maturity. We'll see where they go. We're just going to- we're only going to do deals that we genuinely believe can add to our shareholder value.

Leah Jordan: Okay. That's very helpful. I think I have time to sneak one more in, and maybe just switching gears a little bit, but you recently transitioned to being a domestic filer here in the U.S., obviously, several years ago, being listed. Maybe just talk about the rationale behind the recent move? And just maybe next milestones and how you think about the path going forward, and what it opens up?

Jacinta Devine: Yes. I think it was a natural next step for us. We had already been providing all our information in domestic issuer format, and I thought we were ready to file as a domestic issuer. So we filed our annual report this year for the first time on domestic issuer forms and then for Q1. We think it's

important to get access to some of the indices here. We're already in the Russell Index. We achieved that a little while ago, and we're seeking access to S&P, MSCI. It's not straightforward. As you may know, it's- we believe we now have all the attributes to allow us to be included. And we're knocking on the door and hope we will- particularly, we're focused on the S&P initially, and we think we can get there. But exactly when, it's difficult to predict. But yes, we're delighted to have that opportunity.

Leah Jordan: Understood. That makes a lot of sense. Well, thank you so much both for all the detail today. This has been a great chat.

Rory Byrne: Thank you very much.

Jacinta Devine: Thank you very much.