Dole plc Fourth Quarter and Full Year 2021 Results

Tuesday, 15th March 2022

Introduction

James O'Regan

Head of IR, Dole plc

Welcome

Welcome, everybody, and thank you for joining our Fourth Quarter and Full Year 2021 conference call. Joining me on the call today are Rory Byrne, Chief Executive Officer; Johan Lindén, Chief Operating Officer; and Frank Davis, Chief Financial Officer. This conference call is being webcast live on our website and will be available for replay after this call.

Disclaimer

During this call, we will be referring to presentation slides and supplemental remarks, and these are available on the Investor Relations' section of the Dole plc website. Please note, our remarks today will include certain forward-looking statements within the provisions of the Federal Securities Safe Harbour law. These reflect circumstances at the time they are made, and the company expressly disclaims any obligation to update or revise any forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied due to a wide range of factors, including those set forth in our SEC filings and news releases.

Our earnings release, financial reports, and related materials for the fourth quarter and full year can be found on our website at doleplc.com/investors. Information regarding the use of non-GAAP financial measures may also be found in the Notes section of the release, which also includes a reconciliation to the most comparable GAAP measures of adjusted EBITDA, adjusted net income, net debt and adjusted earnings per share.

The details of our statutory forward-looking statements disclaimer can be found in our SEC filings on the presentation slides we will be discussing today.

With that, I am pleased to turn to today's call over to Rory.

FY 2021 Highlights

Rory Byrne

CEO, Dole plc

Agenda

Thank you, James, and thank you all for joining us today as we discuss our fourth quarter and full year 2021 results. During this call, I will give some colour on the performance of the business over the course of 2021 and our outlook for 2022. Johan will give an update on operation synergies and comment on some of the strategic initiatives being undertaken across the Group. And finally, Frank will take you through the financial review.

Our 20-F document, which will be filed with the SEC in due course, contains reported financials for Dole plc, including the first full quarter of consolidated financial information. We will also reference reported numbers today, but our earnings press release and our investor presentation additionally include pro forma financial information illustrating Dole plc's results as if the merger, IPO and refinancing had occurred on 1st January 2020. This is consistent

with the pro forma financial information presented in the Form F-1 filed with the SEC in connection with the IPO.

2021 – A Transformational Year

As discussed on our first earnings call in December 2021, 2021 was a transformational year for the Group. Slide six illustrates the impacts of the transition from Total Produce plc to Dole plc after the acquisition of the remaining 55% of Dole Food Company.

Revenue has more than doubled, increasing from $4.3 billion on a reported basis for 2020 to $9.3 billion on a pro forma basis for 2021. We are now the clear global leader of fresh produce at nearly two times larger in terms of revenue than the next largest company in this category. There has also been a significant increase in adjusted EBITDA from $251.5 million on a reported basis for 2020 to $393.6 million on a pro forma basis for 2021.

Finally, our overall scale and global footprint has significantly increased, with our total assets increasing 148% from $1.9 billion in 2020 to $4.7 billion in 2021. We now have a strategic asset base encompassing over 114,000 acres of owned land and other land holdings, over 160 distribution and manufacturing facilities, 75 packing houses, 12 cold storage facilities, five solid manufacturing plants and 13 vessels.

Back in July, we successfully completed the IPO of Dole plc and a refinancing and syndication of $1.44 billion of new credit facilities. The approximately $400 million of net proceeds raised from the IPO were all used to strengthen our balance sheet, and the refinancing has resulted in annual interest cost savings of over $40 million. With the net leverage ratio of 2.87 times just below our targeted level of 3, the Group is well-positioned to deliver long-term sustainable growth.

Our focus is on the generation of substantial free cash flow to fund the further development of the Group and to return value to our shareholders.

FY'21 Highlights

Turning to slide seven. On a pro forma basis, the Group delivered strong results for the full year with revenue growth of 3.5% and adjusted EBITDA growth of 5.9% in line with the guidance we outlined during our Q3 earnings call. The Group has also generated double-digit growth in adjusted EPS, with adjusted EPS growing 11.8% from $1.33 per share to $1.49 per share.

We are also pleased to announce today a dividend for the quarter of $0.08 per share. 2021 has been an exciting year for our Group with plenty of positives, but also a year of some complexity with the:

- Impact of Hurricanes Eta and Iota on Honduras and Guatemala;
- Supply chain pressure across the globe and the emergence of significant cost inflation; and
- Concluding with a product recall and temporary plant closures in our value-added salads business in December.

When set against this backdrop and the strong prior year, we are very pleased with how we have navigated these challenges and with the full year outcome.

The diversity of our product and service offerings, wide geographic footprint and a strategic asset base allows us to more than offset these challenges and deliver a strong full year performance and earnings growth.

We are also very fortunate to have a dedicated and resilient Group of people within our company, and I would like to thank them all for the significant contribution efforts, especially when faced with the unique circumstances brought about by the COVID-19 pandemic over the last couple of years.

Our team is very strong at responding to and overcoming challenges and this has definitely borne out by our 2021 results. Our industry has continued to grow, particularly within categories that Dole plc has an established leadership position such as bananas, pineapples, and value-added salads.

We continue to focus our efforts on expanding our presence in the faster-growing categories such as berries, avocados, exotics and organic produce. Each of these categories has expanded at a faster rate than the industry average over the last two years. This industry growth is driven by the mega trend of health and wellness, as well as the clear sustainability credentials provided by fresh produce.

Consumers are increasingly focused on their physical and mental wellbeing and they are shifting toward plant-based, vegetarian and vegan diets as a way to improve their health and reduce their own carbon footprint. We believe that these trends provide a solid foundation for our company to grow.

For the current financial year, our strategic priorities include:

- Managing pricing within a complex economic environment;
- Delivering on our integration and synergy goals;
- Actively seeking add value-enhancing M&A opportunities; and of course,
- Rebuilding profitability within the fresh vegetables segment.

I will provide further colour on these later in the presentation. But for now, I would like to pass you over to Johan to give the operational review.

Operational Review

Johan Lindén

COO, Dole plc

Strategic Highlights – FY'21

Thanks, Rory, and good morning, everyone.

Turning to slide nine. As discussed on our last call, engaging with our customers in 2021 to address rising inflation through negotiating price increases have been of critical strategic importance.

In fresh fruits, we implemented price increases in North America in November 2021, and in Europe, we have seen price adjustments since January. Why do we feel good about delivering strong results in fresh fruits in 2022? We are also closely monitoring the impacts of

the war in Ukraine on the industry. It remains too early to say what impact the war will have on our business, but we are closely monitoring the situation and are staying close to our suppliers and customers to navigate any issues that emerge. Our direct exposure is minimal, and we do not have any operations or facilities in Ukraine or Russia.

In fresh vegetables, after implementing a price increase in the summer, the value-added salads recall delayed our plan for a second price adjustment. But we are now actively negotiating and expect price increases to be phased in quickly. Our diversified business have more dynamic pricing because of the shorter season and constantly changing sourcing locations. Therefore, in 2021, while the operating environment was challenging, we were able to adapt to specific pressures that emerge and maintain our expected margins over the course of the year. We expect the diversified business to evolve in a similar way in 2022.

Moving to synergies. We continue to make good progress towards our short-term targets. We have seen some notable recent developments in the important berry and avocado categories, including an increase in collaboration between the businesses that previously operated independently and done some targeted investments that would support our growth plans.

In the banana category, we are continuing to see enhanced collaboration in Europe with successes in our divestment of the French market and growth in our plantain business. Across the company, we are enhancing our Group collaboration, and I am pleased that it is already providing benefits in what continues to be a complex global logistics market.

Turning to investment. 2021 was an important year for the Group, with several significant investments that we expect will underpin the business moving forward. As communicated in our last call, we took delivery last summer of two new vessels: Dole Aztec and Dole Maya, to service the US Gulf region, and they are performing very well.

Our entire vessel fleet continues to be of enormous strategic importance for the business, providing critical insulation from the worst of the global supply chain challenges to our ability to manage our own cost and timetables and also due to the growth in our commercial cargo business, especially when global shipping capacity is constrained.

Moving to production. I am very pleased to announce that the end of 2021 we had completed the replanting of 2,900 acres of bananas in Honduras that were destroyed by the hurricane in Q4 2020, leaving only approximately 200 acres to be replanted in 2022 to complete our recovery programme.

The decision to reinvest quickly was not only critical for a large employee base in Honduras, but it is now starting to show benefits with a good recovery in yield and cost efficiencies starting to come through in early 2022. This is an important development to mitigate some of the other cost increases we have seen from inflation.

Value-Added Salads: Product Recall & Temporary Closures

Turning to slide 10. I will now give some more colour on the value-added salad recall and plant suspensions. In December, we announced a voluntary recall for all packaged salads processed at our Bessemer City and Yuma salad processing facilities and suspended operations at both facilities due to possible health risks from Listeria.

As the investigation evolved, we established a source of contamination was likely from outside our processing plant and most likely from a single piece of harvest equipment that had become contaminated with Listeria from the natural environment. This resulted in the need to issue a second voluntary recall in January of salads containing products harvested with that equipment.

Genetic testing ultimately confirmed that the source was indeed the harvest equipment, but the time needed to complete that testing required us to implement the conservative return to operation plan that included test and hold procedures on finished products. This, in turn, resulted in operating at a lower capacity and significant disposals of finished goods into mid-February. We are now back to operating at full capacity and are pleased that the investigation validated the leading industry food safety practices within our plants.

We have taken additional steps in developing certain protocols for the sanitation of harvest equipment and are pleased to be leading the industry forward again in these efforts. We have also used the lessons learned from our investigations to refine and improve processes and protocols that will limit the future exposure of our plant to lengthy closures.

This additional investigation and remediation process resulted in additional costs that were not known in December. We expect exceptional one-time costs from the second phase to be approximately $15 million, reflecting the cost of disposal of affected inventory and packaging, reimbursement to customers, direct labour costs and additional cleaning and sanitation cost.

We also estimate the reduction in adjusted EBITDA in our full year 2022 numbers of approximately $25 million arising from the impact of temporary lost volumes, fixed cost absorption and delays in initiating price increases needed to combat inflation.

Looking ahead, we expect that the one-off costs and the impact on the adjusted EBITDA to be behind us from the beginning of Q2, and we expect the underlying business to recover well.

Finally, we have been working with customers in late February in initiating price increases. We believe that the tight industry capacity, strong category growth and no current signs of consumer behaviour being impacted by the recall event will allow us to recover the short-term volume loss from the recall.

With that, I will hand you over to Frank to give you the financial revenue.

Financial Review

Frank Davis

CFO, Dole plc

Welcome

Thank you, Johan. As Rory mentioned at the outset, the financial information we refer to today, and as outlined in our press release, includes results prepared on a pro forma basis, illustrating Dole plc's earnings as if the merger, IPO and refinancing had occurred on 1st January 2020. This methodology is consistent with the pro forma financial information presented in the Form F-1 filed with the SEC in connection with the IPO.

Financial Results

Turning to slide 12. I would first like to comment on the transformational impact on Total Produce plc of the merger with Dole Food Company and the creation of Dole plc. Because of the merger, Dole plc is significantly larger than legacy Total Produce in both scale and geographical footprint.

Reported revenue has increased 48.5% to $6.5 billion for the full year 2021, compared to 2020, and increased 113.7% when comparing pro forma revenue for the full year 2021 of $9.3 billion to reported revenue of $4.3 billion for 2020.

Reported adjusted EBITDA has increased 15.3% to $290.1 million for the full year 2021 compared to that reported for 2020, and up 56.5% when comparing pro forma adjusted EBITDA for the full year 2020 of $393.6 million to reported adjusted EBITDA for 2020 of $251.5 million. Total assets have materially increased by 147% to $4.7 billion following the merger.

Pro-Forma Financial Results

As Rory has mentioned, Dole plc delivered strong results for the full year 2021 with pro forma revenue up 3.5% to $9.3 billion when compared to pro forma revenue in 2020 with increases in all segments.

Pro forma adjusted EBITDA increased 5.9% for full year 2021 to $393.6 million. Diversified Fresh Produce - EMEA and Fresh Fruit was the primary drivers of growth. The full year 2021 pro forma revenue and adjusted EBITDA were in line with guidance provided during our Q3 earnings call.

Now turning briefly to slide 14. On a pro forma basis, adjusted net income was $141.2 million for full year 2021, which corresponds to a 11.8% increase compared to full year 2020. This was primarily driven by the increase in pro forma adjusted EBITDA and pro forma reduction in pro forma effective tax rates.

Because the results are prepared on a pro forma basis, this does not highlight the benefit of circa $40 million reduction in the annual interest expense achieved through the refinancing.

Fresh Fruit

Looking at each of the segments in more detail and starting with Fresh Fruit. Throughout the year we faced cost pressures from the supply chain impact caused by Hurricanes Eta and Iota in Honduras and Guatemala in November 2020 and from industry-wide inflationary pressures.

However, having regard to those challenges, the division delivered a strong performance for the year with growth in revenue and adjusted EBITDA. Fourth quarter pro forma revenue was up 6.9% versus the prior year, predominantly due to the higher banana prices in North America and continued growth in commercial cargo.

For the full year, pro forma revenue increased 2.9% due to higher banana pricing in North America and higher pineapple pricing in North America and in Europe and the strong commercial cargo performance.

Fourth quarter 2021 pro forma adjusted EBITDA was down 10.3% year-on-year, with a reduction mainly experienced in Europe due to inflationary pressures that were not offset until pricing was reflected in the new contracts in 2022.

In North America, the price increases referred to earlier by Johan helped to offset input cost pressure, as well as increases in transportation and handling costs. For the full year, pro forma adjusted EBITDA increased 21.6%, largely due to higher revenue as outlined above.

Diversified Fresh Produce EMEA

Moving to Diversified Fresh Produce EMEA. This segment had a strong performance in 2021. As called out on our Q3 earnings call:

- A reorganisation of our Dutch businesses;
- Recovery in foodservice channels; and
- Continued focus on superior service division for our customers contributed to the strong growth.

Pro forma revenue increased 4.3% in the fourth quarter of 2021 and increased 5.4% for the full year. Fourth quarter pro forma adjusted EBITDA increased 1.9%, and on a full-year basis increased 24%, driven by recovery in our Dutch businesses, overall strong trading across the segment and the continued recovery in foodservice channels as European governments relaxed COVID-19 measures.

We also benefited from positive foreign currency translation during the fiscal year. However, we are currently forecasting some foreign currency translation headwinds for the forthcoming financial year, probably a weakening of European currencies versus the US dollar.

Diversified Fresh Produce Americas & ROW

Looking next at Diversified Fresh Produce Americas and Rest of the World. Fourth quarter 2021 pro forma revenue was up 0.8% versus the prior year. Pro forma revenue for the full year was up 3.8%, primarily due to higher revenue from berries and more incrementally from growth in the South American export fruit business.

Pro forma adjusted EBITDA for the fourth quarter was up 42.6%, mainly due to a good start to the Peruvian grape and the Chilean cherry season. Adjusted EBITDA measured on the same basis for the year was down slightly by 1.4%, with the decrease largely due to the impact of adverse weather events on the Chilean grape season at the outset of the year, as well as inflation and logistics pressures faced by some of our North American businesses.

This was offset in part by good underlying development in the business with continued growth in the berry category, in the Chilean cherry business, in kiwi, together with our recovery in apples and pears after challenges in the prior year.

Fresh Vegetables

Finally, turning to Fresh Vegetables on slide 18. This division has had a challenging year in addition to the reasons outlined during our Q3 earnings call. This division was further impacted by a voluntary salad recall in December, as Johan has expanded upon. This was the primary driver behind pro forma revenue decrease of 8.5% in the fourth quarter of 2021.

For the full year, pro forma revenue increased 1% due to overall higher volumes and pricing in the value-added salad business, driven by strong market demand and a better mix of products sold. We incurred a loss in the fourth quarter due to the impact of the recall, and on a full year basis due to the impact of weak packaged vegetables markets, inflationary challenges and the December recall.

As confirmed earlier, we are now operating again at full capacity and have taken steps to increase pricing. So we look forward to an improved performance through 2022.

Capital Allocation and Leverage

Next, I will discuss our capital allocation and leverage. We successfully completed the refinancing and syndication of $1.44 billion of new credit facilities concurrent with our IPO in July of last year. This refinancing enabled us to materially lower our cost of capital and annual interest expense by repaying expensive debt within Dole Food Company.

Our annual interest expense saving and incremental free cash flow following this refinance is in the order of $40 million. Our capital expenditure strategy is focused on investing where we see the greatest opportunity for profitable growth to support our existing strong market positions in core products. Typically, we expect our capital expenditure to be in line with our annual depreciation expense of circa $120 million. This can vary depending on where we are in our reinvestment cycle and for certain larger capital assets such as vessels.

In 2021, we had capital expenditure of approximately $190 million as we made a number of strategic investments, including the final payments on delivery of two new vessels. In the fourth quarter, we continued our investments in Honduras as part of the rehabilitation programmes following Hurricanes Eta and Iota, and have now successfully replanted over 2,900 acres of banana farms.

We are pleased to announce today a cash dividend for the fourth quarter of 2021 of $0.08 per share, which we will pay on 12th April to shareholders of record on 29th March 2022.

Finally, we continue to focus on maintaining leverage within our target level of 3 times adjusted EBITDA. At the end of the fourth quarter, our net leverage ratio was 2.87 times.

Now I would like to hand you back to Rory, who will provide more details on our full year 2022 outlook.

FY 2022 Outlook

Frank Davis

CFO, Dole plc

FY'22 Outlook

Thank you, Frank. Well, looking out to the full year, we are targeting revenue in the range of $9.6 billion to $9.9 billion. And as Johan has already explained, the impact from the value-added salads product recall has been significant and we currently anticipate that this will have an approximately $25 million negative impact on our targeted adjusted EBITDA for 2022.

Additionally, currencies, as Frank has already outlined, may cause some reduction on translation of euro earnings to US dollars this year. With the exception of our value-added salad business, our underlying trading within all of our other businesses has been in line with our expectations for the start of this year.

Taking all of these factors into account, our full year guidance for adjusted EBITDA is in the range of $370 million to $380 million. In relation to the other financial metrics, we are targeting CapEx of approximately $125 million, which is in line with our annual depreciation

charge. Additionally, we expect an annual interest expense of approximately $45 million, reflecting the full year reduction in interest of over $40 million as a result of the refinancing and an effective tax rate in the range of 25% to 28%.

Looking at the macroeconomic environment, the current conflict in Ukraine and the resulting sanctions in Russia were very unexpected. It is very difficult to accurately predict today what impact this may have on global trade flows, cost inflation and foreign exchange rates, and to what extent this might impact our business. We are obviously very focused on all of these issues and we will take whatever actions necessary to minimise any potential impact.

FY'22 Strategic Priorities

Moving onto slide 22. I will finish by outlining our strategic priorities for 2022. Obviously, our key priority is clearly to rebuild profitability within the Fresh Vegetable segment, and, in particular, our value-added salads business. The sector continues to show strong demand and tight industry capacity, and this combined with the necessary price increases gives us confidence that profitability will be restored during 2022.

We continue to concentrate on the integration of our businesses. Our management teams and people are continuing the process of working ever more closely together following the creation of Dole plc. This integration and collaboration are of strategic importance, especially as we seek to deliver on the targeted synergies we set out at the time of the IPO.

Another pivotal element of our strategy is to focus on expanding our presence in faster-growing categories, such as berries, avocados and organic produce, as well as bringing the Dole brands to new customers, particularly to new markets across Europe. We also continue to actively seek out synergistic and value-enhancing M&A opportunities. The market is fragmented and growing and we believe we are well-positioned to capitalise on the opportunities that our industry may present.

We will also finalise a new combined set of sustainability goals, framework and materially assessment during 2022, as well as publishing IFRS Sustainability Report for Dole plc.

In closing, we are very pleased of what the company has achieved during 2021:

- The margin of Dole Food Company;
- The creation of Dole plc;
- The listing on the New York Stock Exchange; and
- The completion of a $1.44 billion refinancing.

The Group delivered strong financial results during 2021, and I would once again like to thank all our people for their significant contribution and dedication without which none of this would have been achieved.

Before we open the call to questions, I would just like to note that earlier today we announced an upcoming change in the management team here at Dole. Frank Davis has informed us that he has decided to retire and step down from his position on the Board and as CFO from 30th June of this year. Frank has been with the Group since 1983 and I have had the great pleasure of working very closely with him for many years. He has been a big part of our success and we will definitely miss him. He is more than earned the right to a happy, healthy and enjoy your retirement and we wish him the very best over the future.

Jacinta Devine, our Company Secretary and the Finance Director of our Ireland and UK businesses will take over as CFO and will join the Board when Frank retires. With her over 25 years of experience in the Group, I have every confidence that this will be a seamless transition.

With that in mind, I will hand you back to the operator and we can open the line for questions. Thank you.

Q&A

Adam Samuelson (Goldman Sachs): I guess my first question is just to make sure I understand how you are framing the 2022 outlook. It includes the $25 million headwind from the salads business. Well, what I was not clear on was how you are framing market uncertainties related to Russia-Ukraine. So maybe can you help us just frame the inflationary dynamics in terms of bunker fuel, in terms of fertiliser, logistics broadly that FX that are assumed in the EBITDA guidance and maybe just then think about the things you are most closely watching that could further impact your outlook as we understand how markets unfold?

Rory Byrne: Okay. I will take that, Adam. It is Rory here. Yeah, I mean, we have taken our expected outcome for 2022, with the $25 million known impact in the VA and pretty much the balance of it is down to the FX translation impact that Frank outlined with the strengthening of the dollar against the European currencies.

In relation to the other aspects in terms of inflation, as Johan outlined in his presentation, we have taken the necessary, primarily pricing actions across the Group to reflect that. There is a little bit further to come hopefully on the VA side with the delay in implementing some of the second price increases because of the serial recall.

With regard to the macro geopolitical situation, we have just highlighted that we are heading into uncharted territory here. It is very difficult to predict today what medium or long-term impact that situation can have on trade flows, can have on cost inflation. I would just say we are seeing volatility around fuel. We may see a softening of the freight market with excess capacity now available because of the lack of trade flows into Russia, in particular.

And then there is FX uncertainty in terms of particularly translation for the dollar might or might not go against the main European currencies. Our forecast is based on the known information we have got today and we have not built in any significant adjustment. We have highlighted that there is uncertainty around the macro geopolitical situation. So I do not know if that clarifies that, Adam, for you.

Adam Samuelson: It is helpful. And I understand there is an offsetting pricing impact that is both direct and indirect, but can you help us just frame as we watch the external environment, how you think about your cost sensitivity to changes in fuel, fertiliser, some of the key purchase raw materials that you actually have in your operations beyond just the produce that you buy from third parties?

Rory Byrne: Yeah. I mean, in our biggest markets where the biggest impact on fuel is in the North American market, and we have variable clauses built into our contractual arrangements for the North American market. European markets, we have less variability and we have

some hedging. And there is a variability around that. Fuel has gone up and down as you know over the last while.

We have built in normal levels of our known levels of inflation around input costs, around fertiliser when we were doing our pricing adjustments. So it is too early to call any other impact on our business arising from that geopolitical situation, Adam. We are hopeful that with different options open to us in terms of managing some of these variabilities, our guidances that is the number we have given with that overriding qualification that nobody knows how long this invasion is going to last. Nobody knows what the longer-term consequences of that and that is all we are flagging at the moment.

Christopher Barnes (Deutsche Bank): I guess, I just wanted to dig a little bit more into the revenue guidance. I mean, you are targeting mid-single-digit growth. But maybe could you just unpack that in terms of how much you are expecting from pricing versus volume? Like, do you expect volumes to grow in 2022, given the levels of pricing you have taken so far? And then just also like maybe if you could provide additional colour on what you are expecting by segment like fruit versus vegetable versus diversified?

Rory Byrne: Yeah. Christopher, thanks. We do not actually break out the guidance in much more detail. And obviously, we are more focused on profitability rather than the revenue guidance. I think there are some variability depending on production seasons and diversified. We have more volume unless price are vice-versa depending on the outcome of production cycles. So it is actually very difficult to project with any degree of sensible precision.

But our primary focus here is around our profitability, our profit number. And the revenue number is a sum of the parts guidance based on our historical assessment of overall based on the circumstances we know today, based on the price increases that we have already known or imported into our system and beyond that we do not get into a greater level of detail and splitting out by division price and volume. And obviously, our primary focus is on the EBITDA and then indeed on the earnings number.

Christopher Barnes: Okay. That is fair. I mean, are you able to provide any sense for where you see growth biasing by segment, just overall like not breaking out volume versus price?

Rory Byrne: Yeah. I mean, we do not again break it out by individual segments. And if you look at our history over the years, you can have a few ups and downs within the different segments and they tend to give us the right growth number at the end of it. There is some variability with supply-demand in different markets. Again, we do not think it is sensible to break that out on a subdivision basis. And that is the way we look at it. The sum of the parts has added up. We focus on each of our individual divisions. We got the growth that we think we can achieve in each of those divisions, and the guidance I think is pretty comprehensive that we have given across a range of financial metrics and we think that gives analysts and investors a good set of information to work on in terms of evaluating our stock.

Christopher Barnes: Okay. That is fair. And I guess just the last one from me is just on like incremental pricing from here. I think you mentioned there is something to come in Fresh Vegetables. But do you see just given that installation and a lot of areas has not really abated as much as we would have expected or hoped back in December? Back when you first layered in price in North America and you have reset the contract in Europe. But I mean, we

are hearing from other European peers, not in fresh produce specifically, but just in CPG broadly that the landscape is changing, just given the inflationary environment. There is opportunities for more than a single round of pricing. Are you seeing the same thing there? Or just any perspective?

Johan Lindén: Rory, if I might give it a shot there. I think if you look at Diversified, which is a little bit over half of our business, that one is dynamic pricing all season long. And you saw we did well during 2021 to adapt to increases in price in Diversified and we expect to do the same in 2022. There you have over half of the business.

Then you have the vegetable business, which is, in revenue terms, some additional, whatever 40%, 50% of what we do. We just going out with a price increase right now. In the Fresh Fruits, which is the last one-third, we also just implemented price increases that were implemented later this last quarter and beginning of this year. But what we also said in the script here in the beginning is that we see it as more strategic importance that we are willing to take price increases again if the environment would change. However, we are actually just fresh out of price increases right now. And so right now we feel comfortable.

Ben Bienvenu (Stephens): I wanted to ask with respect to the value-added salad recall, what do you typically see in the wake of events like this as it relates to demand destruction or customer loss? And what are the processes that you go through to re-establish the trough level with customers and with consumers as it relates to these products? I know they happen with some degree of frequency, but I would be curious to get your perspective on the after-effect.

Rory Byrne: Johan?

Johan Lindén: Yeah. When it comes to consumers, there has been no impact on the consumer behaviour from this recent recall. We have the monetary to shatter on the social media and all that and it is basically did nothing. So we do not feel that anything needs to be done when it comes to consumers. We see that behaviour when it comes to value added is the same now as it was in mid-year of last year.

When it comes to the retailers, we have not lost any of the big contracts that we have because of this. We have lost single SKUs and single divisions as they wait for us to get back up to normal operations. And we expect to get that volume back during the next couple of weeks, next couple of months. We have not had any major customer loss or customer retailer loss, but we have some SKUs that we needed to pull back and it is just about dialog with retailers showing that we back up and running and that we have the capacity. But we feel relatively optimistic going in here to Q2.

Ben Bienvenu: Okay, great. My second question is just related to M&A. You have gotten your leverage profile down below your targeted range. I know you have aspirations of incorporating M&A to your growth profile of the business. It is something you have done successfully for decades. When we think about the receptivity of the market to M&A in terms of potential targets being willing to sell and valuation being within the palatable range for you all, what does the market look like? And could you give us some sense as to how you think that is likely to unfold in light of geopolitical events underway?

Rory Byrne: Yeah. I think it is good question, Ben. I mean, we do think that there may potentially be some opportunities emerging from the current geopolitical scenario. We will keep our eyes on those very carefully. And certainly, companies that have a particular exposure to the Russian market in terms of sales, which as Johan said, we have got minimal exposure to it that may create some opportunity.

I guess the other interesting macro issue around it is that there is a bit of a disconnect between the public market valuations on the private markets. A lot of the companies in our sector are continuing to trade solidly over the last number of years and for other in similar segments like the Diversified inflation issues they are dealing with and they are getting the price increases. They are putting it through. So certainly, we are not seeing any lowering of valuation expectations of vendors of well-run, well-managed companies.

So that is a little bit of a challenge that the public market is a little bit disconnected from the private market. But with plenty of opportunities out there, we will be financially disciplined to get the right opportunities. It may be that some specific opportunities arise as a result of the current geopolitical scenario and we will monitor and see. And at the right time, we believe we are well-positioned to take advantage of those opportunities going forward.

Roland French (Davy): So maybe just starting with the salads business. The impact you have quantified it at EBITDA level, the $25 million through the P&L. Can you maybe provide some colour around the volumes lost or even the sales lost, just trying to work out how many weeks or months maybe that business has been, I guess, not out of the market but trying to rebuild volumes? Then maybe highlight to us what processes from here might change going forward on that, just in terms of that pre-emptive behaviour around future outbreaks potentially?

The second question is just around the fixed price contracts. I think from memory, Johan mentioned at the Q3 stage that those contracts were looking to include other costs into the matrices. So just wondering how those additional costs landed in some of the contracts and what they might entail?

Finally, just any colour or comment on the supply situation in the banana cash-free. I know last year there is a lot of volatility through 2021. So just wondering, has that normalised?

Rory Byrne: Do you expect us to remember all the questions?

Roland French: I can repeat them.

Rory Byrne: Let us just start with the value-added. And the timeline is, it was right before Christmas that we shut down the plant. And it is approximately one-third of the capacity that we then take down. And that lasted, if you take also all the start-up problems until approximately mid-February. So that is the timeframe where we had more or less one-third of our capacity out and now we are back to full capacity. We deliver all the retailers that we delivered before, but we are still in the process of just getting single SKUs back and single food dishes back. And we believe that to be behind us as we are facing into Q2. So that is when it comes to the volumes.

When it comes to fixed price contracts, yes, we have, but it is a very limited amount where we have been able to put indexes in that we did not have before. But please remember that already in the North American market for our tropical fruit, the bananas, we already have fuel

surcharges in place. So what we have been looking at is to get indexes in Europe and we do have them, but it is very limited and will not have an impact on our business as it is today.

I think that was the second question. And when it comes to the third question, supply situation. So the whole situation now with Russia is new from a supply perspective. They are a major buyer of several different fruits and vegetable categories, but of course, they are big.

Also we will be looking at bananas here. They were big in Ecuador, and it will have an impact on Ecuador and their ability to export that volume to Russia. As we see right now approximately two-thirds of that volume is still able to make it onto ships in one way or another quarter Russia, but one-third is left behind. So that is going to mean that there is going to be a supply-demand imbalance, but a lot of that fruit does not have the right certifications and it also does not have the shipping capacity to reach other destinations.

So at least what we see it now more an issue of some independent farmers than an impact on the market as it is right now. But of course, some of this volume will make it obviously into the market and we will then have an impact on the open fruit that we have, but we do not have that much of an open fruit. Remember, we have almost 80% of all the volumes going into Europe on fixed price contracts when it comes to bananas.

Roland French: That is good colour. Just going back maybe to my last question, in regards to salad, just in terms of processes and procedures that might be either enforced internally, I guess, post the Listeria outbreak and the product recalls, is there anything there to call out?

Rory Byrne: Yeah. I think, first of all, I would call out the good news and that is that when this happened, we got the advice that the authorities believed that we had an issue in our plants and we were very surprised with that, because we know we have industry-leading practices in our plant. And we did not have an issue with our plant.

Then it turned out that we did find an issue with a single piece of harvesting equipment and there are different now processes put in place when it comes to handling these capital equipment and that is going to lead to changes, not only for us but also for the industry. So we see a new cleaning processes to make or simplify it a little bit when it comes to the harvest equipment, that is an important place already and we have already invited actually the whole industry to learn from it. We have had Food Safety Summit. So that has been implemented across the industry.

And secondly, is that, when normally what we are going to do going forward is that, we are going to test if we had a hit when we see that we have the bacteria of some sorts, let us say, Listeria, we will now do more whole gene and sequencing of that bacteria to see if we can do use that big data and see if there can be any other correlation out there that maybe matches with some other supplier or other facilities.

We will use big data a little bit more to find correlations to quickly find if there is any systemic issues out there. But I also want to call out that the whole process and the collaboration with the authorities worked very well. I think our credibility with the FDA and CDC has increased because of this, because of our openness, our transparency, the way we cooperate it and the way we took this seriously and that we actually found the root cause.

So we believe that with this credibility and the learning it is less likely that we will have these lengthy closures going into the future. We believe, if anything similar happens again, we would only take it lined out and do the investigation and not the plant.

Ken Zaslow (Bank of Montreal): Couple of questions. First one is when I think about 2023, the $25 million, is that fully come back? Is there any reason that it would not come back? And do we just move on? Is it a completely a one-time item that just affects 2022 and then everything changes in 2023? That is my first.

Rory Byrne: That is what we are hoping for Ken. Yes. Absolutely.

Ken Zaslow: Great. Can you talk about if there is any price elasticity that you are seeing in any of your price increases?

Rory Byrne: So far, we have not seen any negative elasticity with regard to demand on the price increases. No.

Ken Zaslow: Great. And then my last question is, can you just take us a tour around the world on any major crop that are actually exceeding expectations or falling short of expectations?

Rory Byrne: I do not think we have got any standard call-outs on that Ken. Banana volume, as Johan said, is a little bit more stable without the impact of the 2020 hurricanes, banana, pineapples, obviously, the macro-political situation can create some imbalances in supply and demand, but there is no other major weather events today that are going to have any kind of a supply that are going to create any major supply chain availability or logistical differences that we are aware of today.

Ken Zaslow: Great. Let me just sneak in one more and this is probably a softball question. But why do you think there is a difference between public and private valuations? And I will leave it there.

Rory Byrne: It is a good question, Ken. And I wish I knew the answer to that. I mean I think in public markets perhaps take lately, maybe taking a shorter-term view of life and private markets, whether it is other buyers are private equity starting to do the opposite, and take a longer view that this is a great sector to be in. It is cheaply valued. It is consistent profitability. So I think that is why they are valued a little bit higher in the private markets. Yeah.

Thank you very much and thank you to everybody for participating today. Obviously, we are very pleased with the significant achievements over the course of 2021, getting the IPO away, getting the refinancing in place, starting the process of bringing the two companies together to create the world's leading fresh produce company.

Disappointed about the one-off incident in the value-added salad business, but we think abnd as Johan has outlined, we have taken a lot of action, lot of steps, and hopefully, we can get that behind us and move forward over 2022 and have another successful 2022. So thank you very much, everybody.

[END OF TRANSCRIPT]