



THE FAMILY OF *fresh*

# CALAVO GROWERS, INC. Investor Presentation

NASDAQ GS: CVGW / SEPTEMBER 2023

# Safe Harbor Statement

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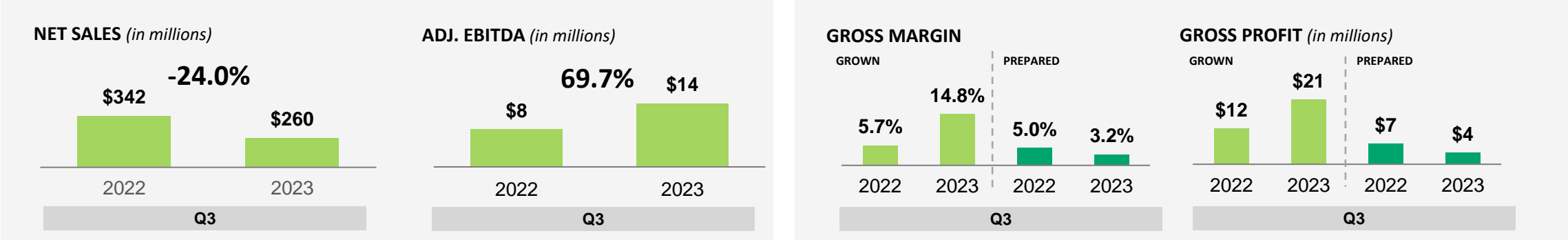
This presentation contains statements relating to future events and results of Calavo (including certain projections and business trends) that are “forward-looking statements,” as defined in the Private Securities Litigation and Reform Act of 1995, that involve risks, uncertainties and assumptions. These statements are based on our current expectations and are not promises or guarantees. If any of the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of Calavo may differ materially from those expressed or implied by such forward-looking statements and assumptions. The use of words such as “anticipates,” “estimates,” “expects,” “projects,” “intends,” “plans” and “believes,” among others, generally identify forward-looking statements.

Risks and uncertainties that may cause our actual results to be materially different from any future results expressed or implied by the forward-looking statements include, but are not limited to, the following: the ability of our new management team to work together successfully; the impact of operational and restructuring initiatives on our business, results of operations, and financial condition, including uncertainty as to whether the desired effects will be achieved and potential long-term adverse effects from reducing capital expenditures; the impact of weather on market prices and operational costs; seasonality of our business; sensitivity of our business to changes in market prices of avocados and other agricultural products and other raw materials including fuel, packaging and paper; potential disruptions to our supply chain; risks associated with potential future acquisitions, including integration; potential exposure to data breaches and other cyber-attacks on our systems or those of our suppliers or customers; dependence on large customers; dependence on key personnel and access to labor necessary for us to render services; susceptibility to wage inflation; potential for labor disputes; reliance on co-packers for a portion of our production needs; competitive pressures, including from foreign growers; risks of recalls and food-related injuries to our customers; changing consumer preferences; the impact of environmental regulations, including those related to climate change; risks associated with the environment and climate change, especially as they may affect our sources of supply; our ability to develop and transition new products and services and enhance existing products and services to meet customer needs; risks associated with doing business internationally (including possible restrictive U.S. and foreign governmental actions, such as restrictions on transfers of funds and restrictions as a result of COVID-19 and trade protection measures such as import/export/customs duties, tariffs and/or quotas and currency fluctuations); risks associated with receivables from, loans to and/or equity investments in unconsolidated entities; volatility in the value of our common stock; the impact of macroeconomic trends and events; and the resolution of pending investigations, legal claims and tax disputes, including an assessment imposed by the Mexican Tax Administrative Service (the “SAT”) and our defenses against collection activities commenced by the SAT.

For a further discussion of these risks and uncertainties and other risks and uncertainties that we face, please see the risk factors described in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequent updates that may be contained in our Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Forward-looking statements contained in this presentation are made only as of the date of this presentation, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

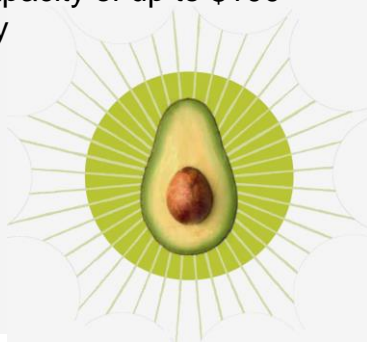
# Key Takeaways

## Q3 FY 2023 PERFORMANCE

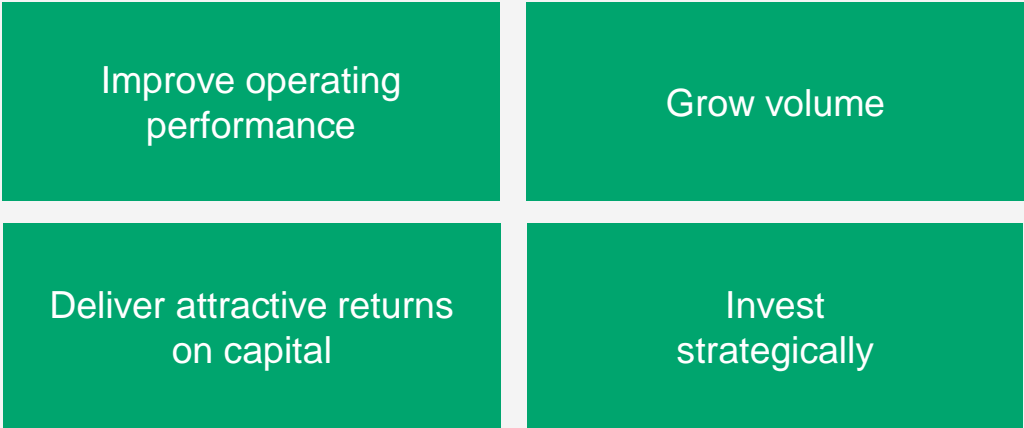


## Q3 HIGHLIGHTS

- Avocado margins meaningfully improved sequentially and versus the prior year quarter
- Established new credit facility with borrowing capacity of up to \$100 million to improve liquidity and financial flexibility
- Onboarded new customer volume in Prepared with approximately \$0.7 million of start-up costs in the quarter; expect sequential improvement in Prepared in fourth quarter

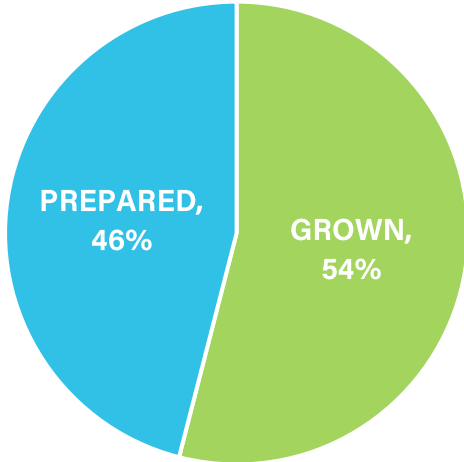


## FY 2023 PRIORITIES



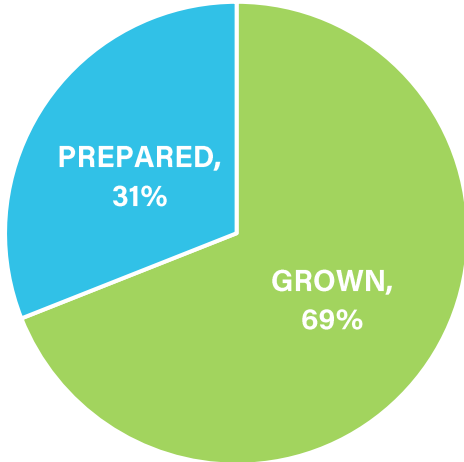
# Global Leader in Avocados and Fresh Prepared Foods

## NET SALES MIX



LTM Net Sales of \$1.0B through Q3 2023

## GROSS PROFIT MIX



LTM Gross Profit of \$74.9M through Q3 2023

Avocados



### GROWN SEGMENT

- Procure, sort, pack, ripen, distribute avocados, tomatoes, and papayas
- Avocados sourced primarily from Mexico, California, Peru, and Colombia

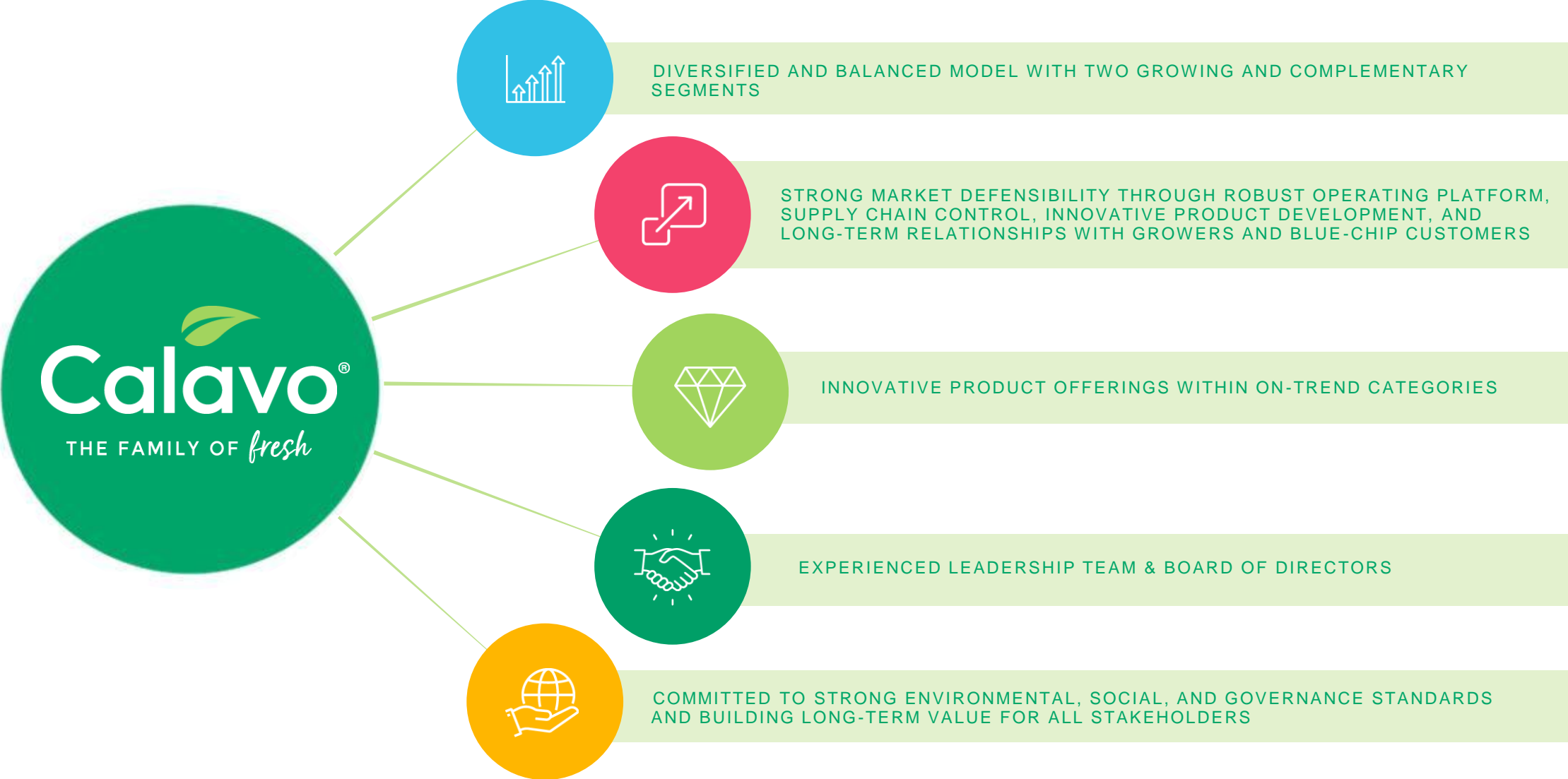
Fresh Prepared Foods



### PREPARED SEGMENT

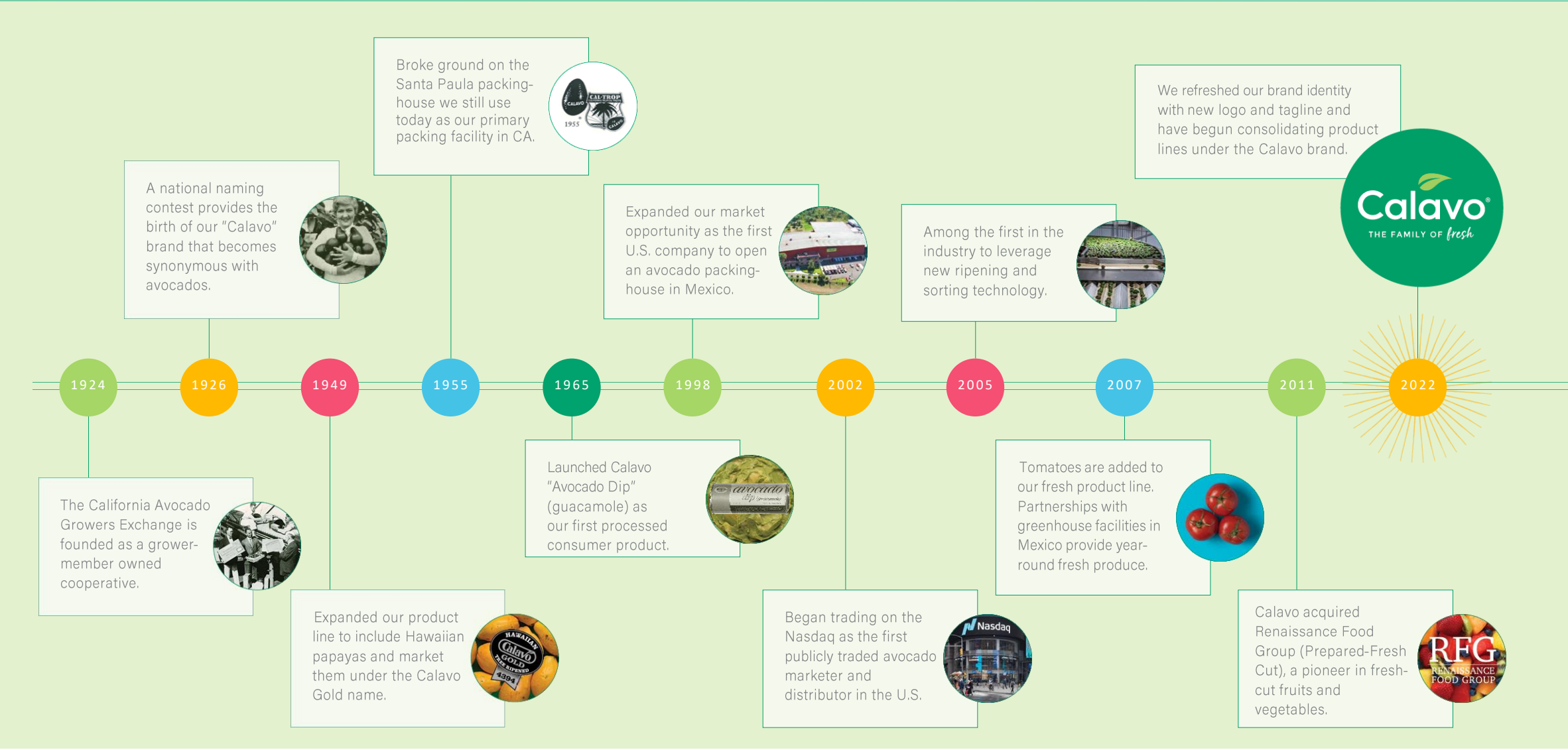
- Create, process, package innovative fresh cut fruit and vegetables, fresh prepared foods and meals
- Manufacture and distribute guacamole, avocado pulp, and salsas

# Core Strengths





# Nearly 100 Years of Milestones



# Long-standing Relationships with Blue-chip Customers Across Channels

## GROCERY RETAILERS



## MASS / CLUB STORES



## E-COMMERCE / ONLINE



## FOODSERVICE / RESTAURANT



# Scale and National Footprint Enhance Customer Service



**Four (4) Avocado packinghouses (two U.S., two Mexico)**

**Four (4) Value-added distribution centers**

**Six (6) Prepared-Fresh Cut processing facilities**

**Guacamole production facility (Mexico)**



# On Trend, Healthy, Convenient Product Offerings

GROWN



Avocados



Tomatoes



Hawaiian Papayas

PREPARED



Fresh Cut Fruits



Fresh Cut Veggies



Prepared Foods



Party Favorites



Guacamole & Salsa



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*Grown Segment*



# Grown Segment Value Proposition

CALAVO SERVES THE ENTIRE VALUE CHAIN BETWEEN GROWERS AND RETAILERS –  
PREMIER CAPABILITIES AND LONG-STANDING RELATIONSHIPS ENSURE CONSISTENT SUPPLY AND DEMAND



AVOCADO GROWERS



CALAVO



RETAILERS, CLUBS & FOODSERVICE

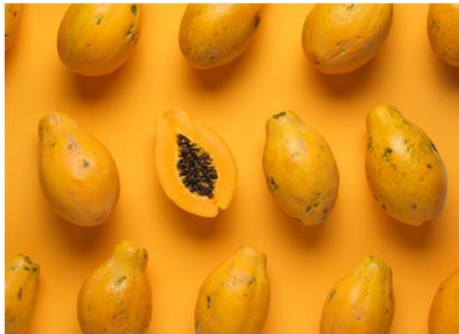


# Grown Highlights

- Robust packing/value-added network in U.S. and Mexico (4 packing houses and 4 value-added distribution centers) provide year-round supply
- Long-term relationships with avocado growers worldwide
- Established customer base of blue-chip grocery retailers, club-stores, foodservice operators, food distributors and wholesalers
- Strong supply chain and inventory control enhance customer service while mitigating inventory exposure
- Well-positioned to scale business domestically and abroad

## Q3 FY23 Highlights

- Grown gross profit improved \$9.6 million from the prior year quarter to \$21.4 million driven by strong avocado margins. Margins expanded with enhanced focus on operational execution and customer service.
- Avocado volumes increased 5% versus the prior year quarter.



# Key Trends Supporting Avocado Growth

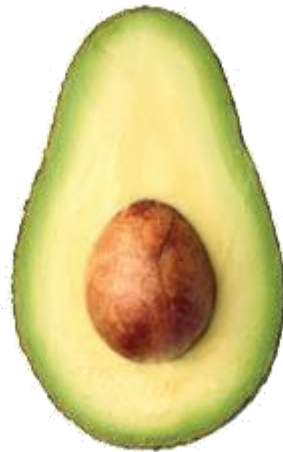
## TASTY “SUPER FOOD”

Avocados have the highest relative nutritional value per serving compared to other fruits<sup>(1)</sup>

More consumers are becoming aware of avocado’s nutritional value, especially in emerging markets

### HEALTH BENEFITS OF AVOCADOS

- Heart health
- Digestive health
- Weight loss
- Diabetes
- Pre-natal health



## VERSATILE CONSUMPTION METHODS

Versatility of avocado consumption is evolving and growing, with expansion into broader food categories beyond guacamole and salads



## SUSTAINABLE FRUIT

No other food offers the same nutritional value per-liter of water used in growth and harvest<sup>(2)</sup>

Mexico, the biggest producer of avocados by volume, relies mostly on natural precipitation for avocado groves; second largest producer Peru is irrigated through Andes run-off



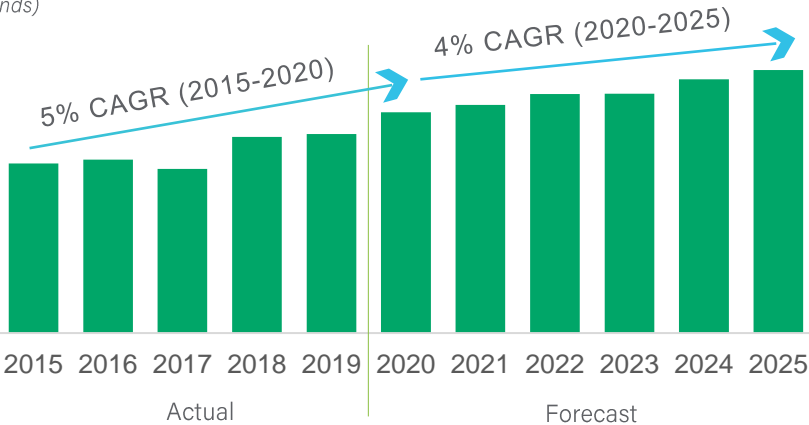


# Avocado Consumption Expected to Continue Growing

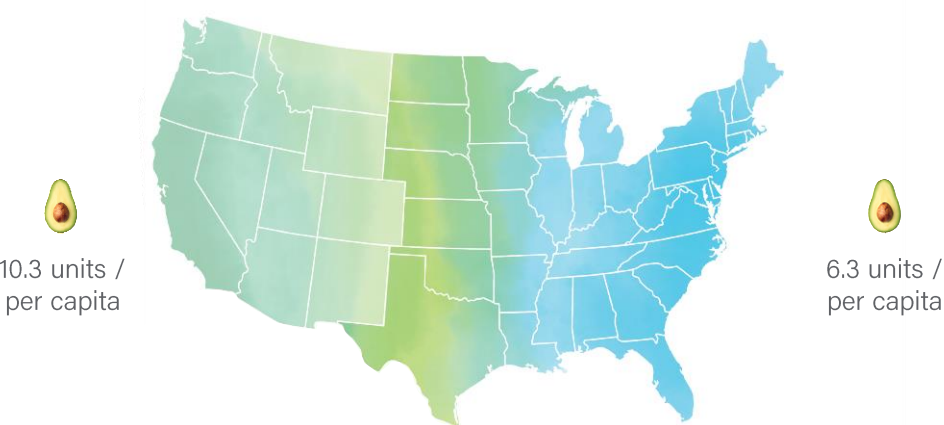
CALAVO IS WELL-POSITIONED TO MEET THE GROWING DEMAND FOR AVOCADOS DOMESTICALLY AND ABROAD

## U.S. AVOCADO CONSUMPTION <sup>(1)</sup>

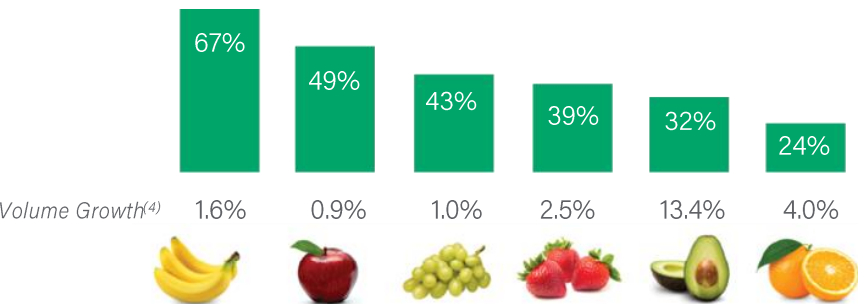
(Billion Pounds)



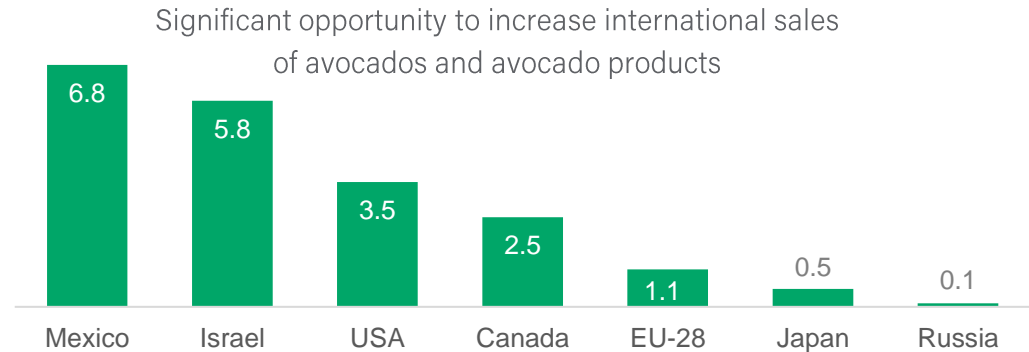
## GEOGRAPHIC PENETRATION WITHIN U.S. <sup>(2)</sup>



## U.S. HOUSEHOLD PENETRATION <sup>(3)</sup>



## CONSUMPTION PER CAPITA IN SELECTED REGIONS <sup>(5)</sup>



1) Hass Avocado Board  
2) Hass Avocado Board, IRI/Fresh Look unit sales volume for West/California Regions YTD period ending 3/25/18.  
3) United Fresh FreshFacts: average quarterly household penetration for (calendar year) Q2 2019 through Q1 2021.  
4) Million units sold CAGR for 2017 to 2020; United Fresh FreshFacts for Q4s 2018 - 2020.  
5) Hass Avocado Board 2018 World Market Review










Prepared Segment





# Prepared Segment Focus on Fresh, Convenient Foods

TRUSTED PARTNER FOR QUALITY, INNOVATIVE FRESH AND PREPARED FOODS AMONG  
RETAILERS, FOODSERVICE AND CONVENIENCE OPERATORS

<b>PRODUCT ASSORTMENT</b>	Focused on fresh and prepared foods	
<b>MANUFACTURING EFFICIENCY</b>	Standardization and automation drive production efficiencies	 
<b>FOOD SAFETY</b>	Comprehensive quality management systems ensuring only the safest, freshest, highest-quality products	 
<b>FLEXIBILITY</b>	Just-in-time, daily deliveries across the U.S.	 

# Prepared Highlights

- Solid top-line growth (5% CAGR FY2015-FY2022)
- Fresh and prepared grab-n-go products supported by national just-in-time distribution network
- Develop innovative meal and packaging solutions for consumers with a focus on fresh and convenience
- Focus on growing volume including within deli category

## Q3 FY23 Highlights

- Prepared segment gross profit declined \$3.1 million from the prior year quarter given softer volume in the Fresh Cut division offset by lower fruit input costs in the Guacamole division.
- New customer volumes and continued focus on manufacturing efficiency are expected to drive sequential improvement.



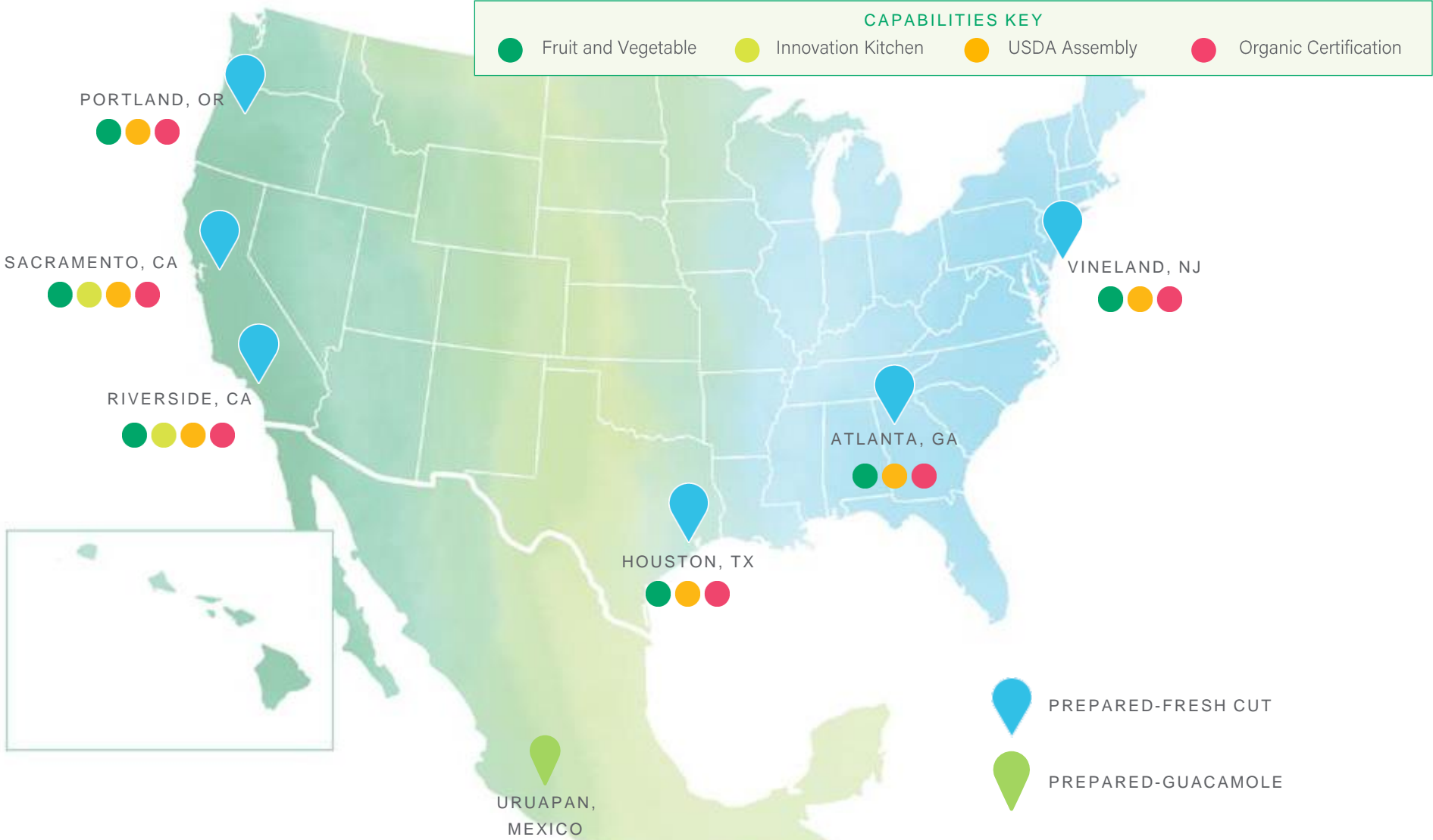
### ORGANIC GROWTH OPPORTUNITIES

→ Increase the utilization  
and efficiency of company-  
operated facilities

→ Partner with grocery retailers  
to expand portfolio of fresh and  
prepared food offerings

→ Expand market reach in  
convenience with new product  
formats and offerings

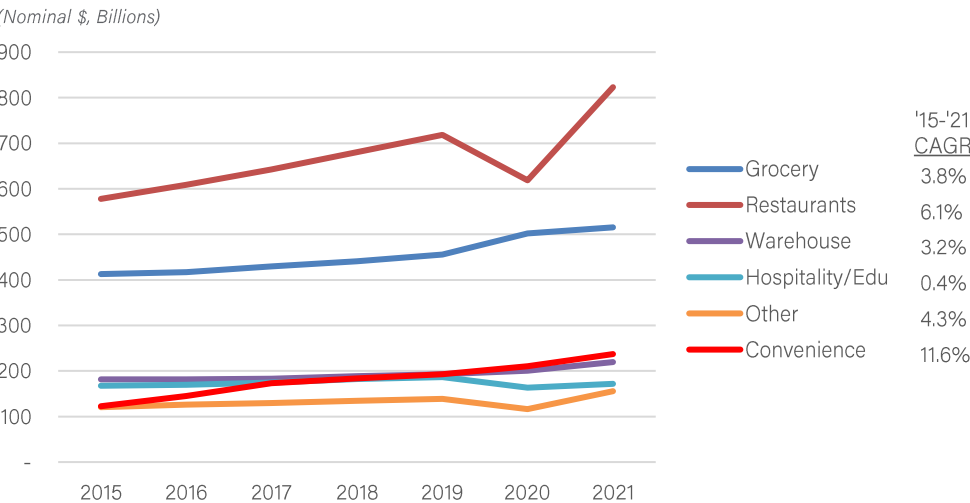
# Robust Infrastructure for Scaled Distribution





# Strong Underlying Demand for Fresh Food

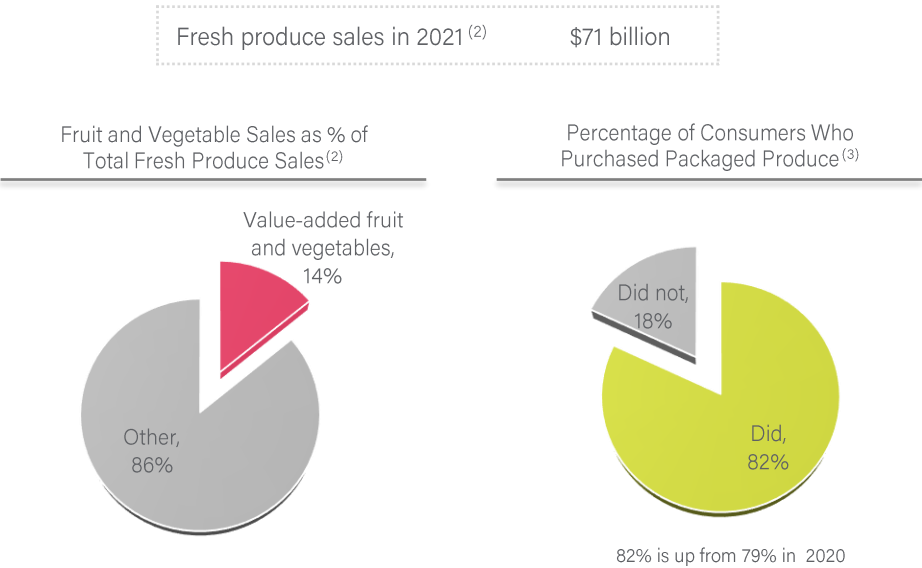
## TOTAL FOOD EXPENDITURE IN THE U.S. <sup>(1)</sup>



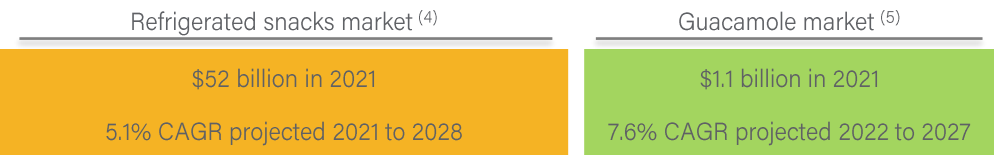
Total Food Expenditure in the U.S.								'15-'21
(Billion \$)	2015	2016	2017	2018	2019	2020	2021	CAGR
Nominal \$	1,583	1,648	1,733	1,810	1,885	1,810	2,123	5.0%
Constant \$ (indexed to 1988)	757	782	813	835	852	796	893	2.8%
% Change of Constant \$		3.3%	3.9%	2.8%	2.0%	-6.6%	12.2%	

Home delivery nominal sales CAGR (2015 to 2021)	18%
Retail / vending nominal sales CAGR (2015 to 2021)	10%

## FRESH PRODUCE IN 2021: U.S. CONSUMER PURCHASES



## GLOBAL DEMAND FOR REFRIGERATED DIPS





Calavo<sup>®</sup>

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*Leadership & Governance*

# Executive Leadership Team



**LEE COLE**, President & Chief Executive Officer

- Rejoined Calavo as President and Chief Executive Officer in March of 2023
- Previously served as Calavo's President & CEO from 1999 to 2020, as a Director of Calavo for 39 years, and as Chairman of the Board for 28 years.
- He was responsible for bringing Calavo into the publicly traded market and making it one of the largest avocado companies in the world, as well as being instrumental in the acquisition of Renaissance Food Group, which is now known as Calavo's Prepared business.



**GRACIELA MONTGOMERY**, Chief Human Resources Officer

- Formerly led a consultancy specializing in the areas of leadership, organizational design, cultural transformation and change management.
- Previously held senior human resources positions with National Public Radio, Deckers Brands, AECOM, Nortel Networks and Citibank



**SHAWN MUNSELL**, Chief Financial Officer

- Formerly SVP, Finance & Accounting, Chicken Segment, Tyson Foods
- Previously served as Treasurer, Tyson Foods
- VP Financial Evaluations and Treasurer, CF Industries
- Corporate Treasurer & Assistant Secretary, CF Industries
- Director, Raw Materials Procurement, CF Industries



**DIONISIO ORTIZ**, VP Calavo de Mexico

- Formerly Calavo de Mexico Managing Director
- Previous roles in accounting for Agrobiologic Sciencies EPCA and sales for Purepecha PH Uruapan
- Former Secretary and current delegate representing Calavo in APEAM (Association of Producers and Packers of Avocados from Mexico) and UDECAM (Union of Packers and marketers of Avocados de Michoacan)



**MIKE BROWNE**, EVP Sales & Operations

- Over 40 years experience in worldwide procurement and distribution of fresh avocados and other fresh produce items, including his tenure as Vice President, Fresh Operations for Calavo from 2005-2019.
- Experience includes extensive operations, logistics, marketing and sales management in the U.S., Americas, Asia and European markets.



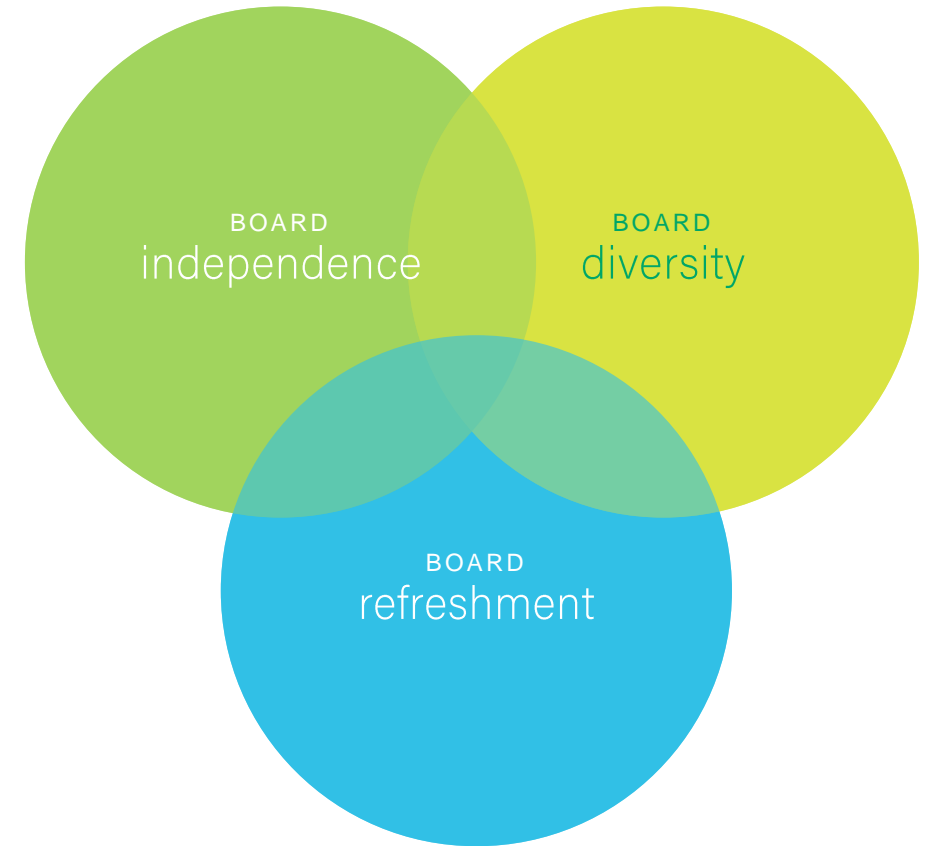
**RON ARAIZA**, EVP Prepared / Guacamole

- Formerly SVP overseeing Calavo's Foods division
- Previously VP of Business Development Del Rey Avocado and VP of Sales at Mission Produce
- Past Alternate Board Member of California Avocado Commission

## CALAVO'S BOARD IS COMMITTED TO BOARD INDEPENDENCE AND DIVERSITY

### HIGHLIGHTS

- Calavo's Board is composed of 8 members<sup>(1)</sup>  
*Independent* representation: 7 members  
*Women and/or minority* representation: 4 members



<sup>1)</sup> Calavo's Board of Directors are elected annually.



A top-down view of a white bowl filled with a hearty lentil soup. The soup is a rich, brownish-orange color. It is topped with a generous amount of fresh ingredients: bright green avocado cubes, diced red and yellow tomatoes, and finely chopped green cilantro leaves. There are also some purple onion pieces and green beans visible. The bowl is set against a solid orange background.

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*Financial Performance*

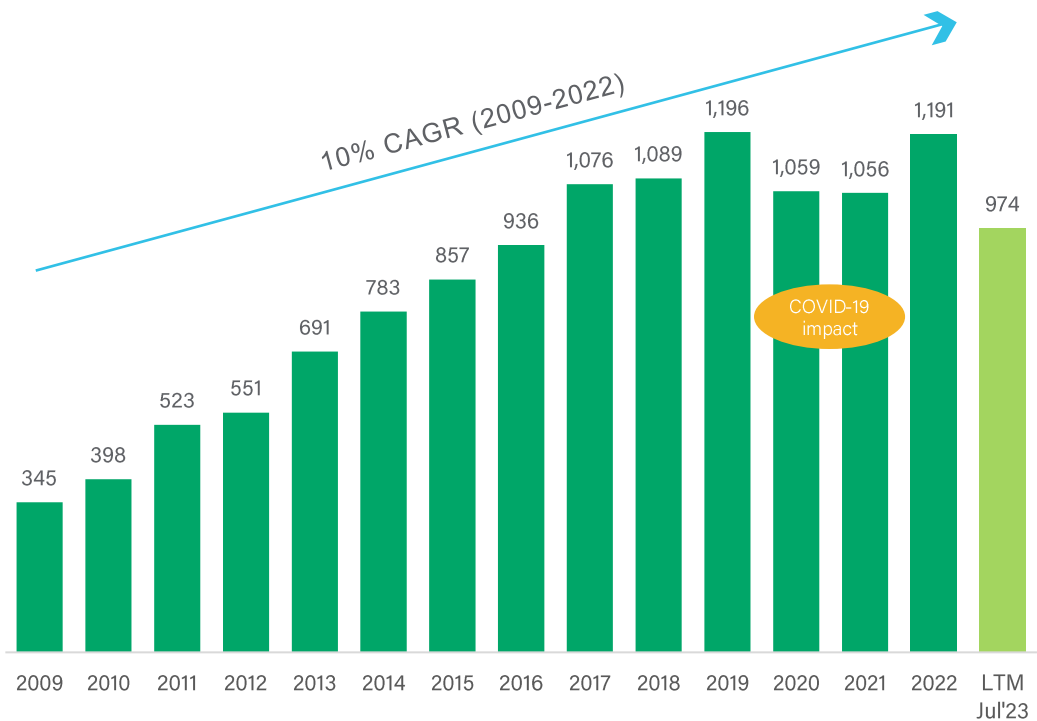


# Track Record of Sustainable Growth

PERFORMANCE IMPROVEMENTS ARE FOUNDATIONAL FOR GROWTH

## NET SALES

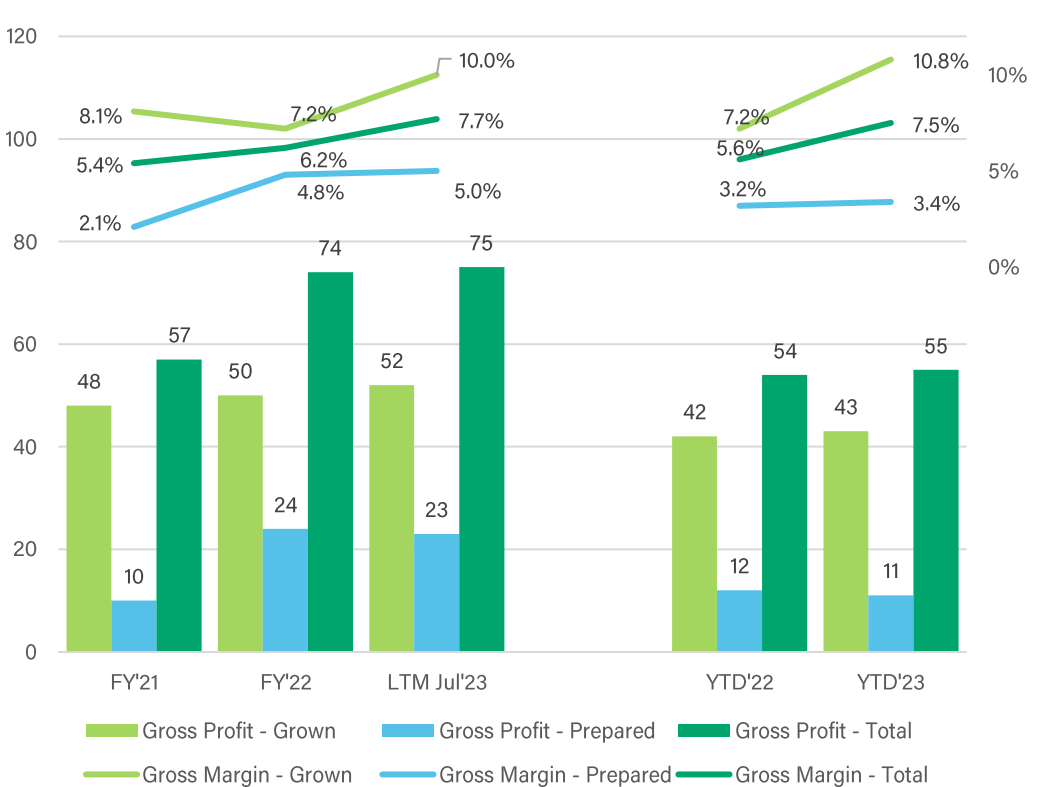
\$ in millions



## GROSS MARGIN

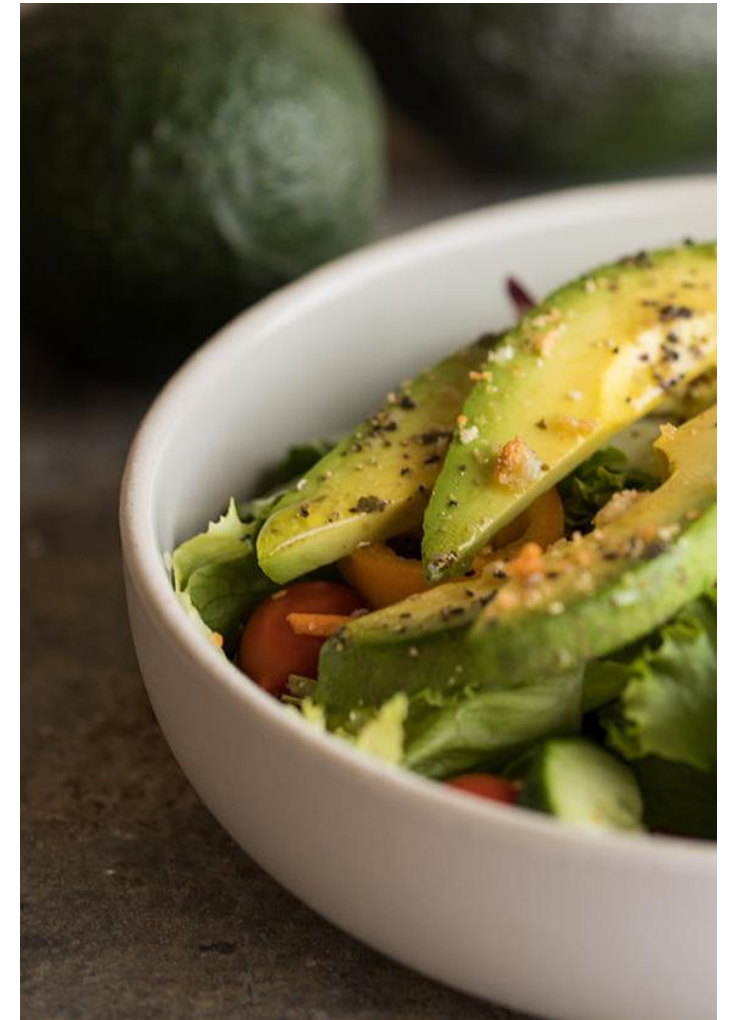
\$ in millions

% of Net Sales



## Q3 FY23 Financial Highlights

- Total net sales of \$259.9 million, a 24% decline from the prior year's quarter
  - Grown segment net sales decreased 30% year-over-year to \$144.5 million
  - Prepared segment net sales decreased 14% year-over-year to \$115.8 million
- Gross profit of \$25.0 million compared to \$18.5 million for the year-ago quarter
  - Grown gross profit increased \$9.6 million from the year-ago quarter to \$21.4 million
  - Prepared gross profit decreased \$3.1 million from the year-ago quarter to \$3.7 million
- Net income of \$6.6 million, or \$0.37 per diluted share, compared to \$1.3 million, or \$0.07 per diluted share, for the same period last year
- Adjusted net income of \$7.2 million, or \$0.41 per diluted share, compared to adjusted net income of \$2.9 million, or \$0.16 per diluted share for the year-ago quarter
- Adjusted EBITDA of \$13.8 million compared to \$8.1 million for the same period last year
- Established new credit facility with borrowing capacity of up to \$100.0 million





# Calavo

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*Commitment to ESG*

## Calavo core values

### **DRIVE**

*The desire to be better today*

We know remarkable things are achieved when we dedicate ourselves to simply being a little better today than we were yesterday.

### **RESPECT**

*A place for everyone*

Our trust comes from accepting that the fastest way to individual success is through collective achievement, and to reach that we must value, understand, and learn from each other. Calavo is a better place for everyone when each of us does better.

### **INNOVATION**

*The lasting power of our creativity*

For nearly a century we've adapted to change with creativity and new ideas that produce value for people. When we invest in the resilience of people, it makes change our opportunity to create the future.

### **STEWARDSHIP**

*Equitable and sustainable fresh forever*

We cherish our legacy and responsibility as a force for good that protects nature, provides equal opportunity and growth for our people, and strives to give every family, no matter their circumstance, access to fresh, quality, healthy food for life.

### **QUALITY**

*The standard every family deserves*

We believe it is a basic right for every family to have access to fresh quality food that builds a healthier life. This is our standard, upheld every day through consistency, urgency, and care. For us, quality is personal.

# Our Approach to Sustainability

WE BELIEVE SUSTAINABLE PRACTICES SUPPORT LONG-TERM VALUE CREATION FOR ALL STAKEHOLDERS. CALAVO STRIVES TO BE GOOD CORPORATE CITIZENS PURSUING ENVIRONMENTAL RESPONSIBILITY, SOCIAL EQUITY, AND SOUND GOVERNANCE THROUGHOUT OUR BUSINESS AND SUPPLY CHAIN.





# ESG Highlights & Accomplishments

## ENVIRONMENTAL



- Engaged SustainaBase to complete inaugural carbon footprint study to develop data for analysis and goal-setting
- 10x20x30 Project: Calavo joined a group of the world's largest food retailers and providers to eliminate food waste from the supply chain. As part of our involvement, Calavo has committed to a 50 percent reduction target within our own operations
- Joined Sustainable Packaging Coalition to take advantage of packaging stakeholder knowledge and stay up-to-date on packaging innovation
- Committed to 50% reduction of Scope 1, 2 and 3 emissions by 2030
- Joined Hass Avocado Task Force on Sustainability to contribute to the industry's sustainability commitment
- LED Lighting Fixtures: Replaced installation of LED lighting upgrades at all of our value added distributor (VAD) facilities
- Replaced 46 of our propane forklift fleet with electric models, with an expected savings of more than \$70,000 annually in fuel costs
- Committed to 100% reduction of Scope 1 and Scope 2 Emissions by 2027

## SOCIAL



- Fair Trade Program: Provided \$276,000 in healthcare services, school supplies and food packages to workers, small growers, and their families
- Supplied food donations to local food banks in communities around all our Prepared-Fresh Cut facilities
- Provided assistance to production facility employees when natural disasters occurred
- Committed to identify opportunities for community partnerships at all Calavo locations by 2024
- Worked with USEM Ciudad de Mexico to assess quality of life of our Mexican workers and their families against UN Sustainable Development Goals. This resulted in Calavo's first financial and personnel support for infrastructure and sanitation improvements in the communities where our workers live.
- Committed to invest in multi-year partnerships with community organizations nearby Calavo locations for an aggregate amount of \$1.5 million by 2025

## GOVERNANCE



- Nominating, Corporate Governance, and ESG Committee of the Board of Directors has oversight of the relevant sustainability and corporate social responsibility policies, strategies and programs
- Sustainability Council brings together key Calavo leaders to drive sustainability and corporate responsibility initiatives
- Food safety auditing and certification: FDA, USDA, OSHA, GFSI (including BRC and SQF)
- Enhanced diversity on the Board of Directors with Farha Aslam and Adriana Mendizabal joining in 2021.
- Strong corporate governance supports commitment to conducting business honestly and ethically around the world
- Plan to integrate ESG into Calavo's enterprise risk management systems by 2025



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