

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 13, 2021**

MISSION PRODUCE, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

001-39561

(Commission file number)

95-3847744

(IRS Employer Identification No.)

2710 Camino Del Sol, Oxnard, CA

(Address of Principal Executive Offices)

93030

(Zip code)

Registrant's telephone number, including area code: (805) 981-3650

(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, par value \$0.001 per share

Trading Symbol(s)

AVO

Name of each exchange on which registered

NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On September 13, 2021, Mission Produce, Inc. (the "Company") announced its financial results for the quarter ended July 31, 2021 (attached herewith as Exhibit 99.1).

Item 7.01 Regulation FD Disclosure

Also on September 13, 2021, the Company posted an updated investor presentation and supplemental earnings materials to its website, which can be accessed at www.missionproduce.com. Copies of these documents are attached as Exhibits 99.2 and 99.3, respectively, to this Current Report on Form 8-K.

The information contained in this Item 7.01, including the related information set forth in the presentation attached hereto as an Exhibit and incorporated by reference herein, is being "furnished" and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

No.	Exhibit	Description
	<u>99.1</u>	<u>Press release dated September 13, 2021</u>
	<u>99.2</u>	<u>Investor Presentation</u>
	<u>99.3</u>	<u>Fiscal Q3 2021 Highlights</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MISSION PRODUCE, INC.

/s/ Stephen J. Barnard

Stephen J. Barnard
Chief Executive Officer

Date: September 13, 2021



Mission Produce Announces Fiscal 2021 Third Quarter Financial Results

International Farming segment revenue increased 22% versus prior year

OXNARD, Calif. -- September 13, 2021 -- (GLOBE NEWSWIRE) Mission Produce, Inc. (Nasdaq: AVO) ("Mission" or the "Company"), the world leader in sourcing, producing, and distributing fresh avocados, today reported its financial results for the fiscal third quarter ended July 31, 2021.

Fiscal Third Quarter 2021 Highlights:

- Total revenue of \$246.8 million, a 4% increase compared to the same period last year
- Avocado volume sold increased 2%, average selling price increased 2% compared to the same period last year
- Gross profit was \$40.9 million, and gross profit percentage decreased 210 basis points, to 16.6% of revenue
- Net income of \$18.4 million, or \$0.26 per diluted share compared to \$23.4 million, or \$0.37 per diluted share, for the same period last year
- Adjusted net income of \$19.1 million, or \$0.27 per diluted share, compared to \$24.4 million, or \$0.39 per diluted share, for the same period last year
- Adjusted EBITDA of \$30.1 million, a decrease of 18% compared to \$36.6 million for the same period last year

CEO Message

Steve Barnard, Chief Executive Officer and Founder of Mission Produce, commented, "We were pleased with our fiscal third quarter performance amid heightened industry volatility that was brought about by Mexico's delayed transitional harvest timing. Our team did an excellent job navigating this complex period and produced per-unit margins within the range of our expectations, though toward the lower end as a result of pricing volatility. Mission's global sourcing and distribution network, along with owned production in Peru proved to be a significant advantage for us during the quarter, with nearly 45% of our third quarter U.S. distributed volume being sourced outside Mexico, which we believe is significantly greater than that of the industry. Our vertical integration was the key in our ability to significantly mitigate the influences of Mexico's unpredictability, while also positioning us to drive an 18% increase in our distributed volume to our export markets versus prior year. As we look to the future, the infrastructure investments that we have made in distribution and fruit supply leave us well positioned to capitalize on opportunities as market conditions improve."

Fiscal Third Quarter 2021 Consolidated Financial Review

Total revenue for the third quarter of fiscal 2021 was \$246.8 million compared to \$236.4 million for the same period last year, representing a 4% increase, primarily due to a 2% increase in avocado volume sold and 2% increase in average per-unit avocado sales prices. From a volume perspective, strength in industry supply out of Mexico was largely offset by a smaller California crop.

Gross profit decreased 7% compared to the same period last year to \$40.9 million, and gross profit percentage declined 210 basis points to 16.6% of revenue. The declines were due to tighter per-unit margins related to sourcing of Californian and Mexican fruit, which were exacerbated by smaller industry volumes within the California market as well as smaller fruit sizes within the Mexican market. Additionally, gross margin was pressured by incremental infrastructure costs related to our new Laredo facility within the Marketing & Distribution segment, which is still in the process of ramping up utilization. The impact was partially offset by higher volume of avocados sold from Company-owned farms within our International Farming segment compared to prior year, which had lower per-unit cost than fruit purchased from third-party growers.

Selling, general and administrative expense ("SG&A") for the third quarter increased \$3.7 million to \$17.2 million, due primarily to higher professional fees and higher liability insurance premiums associated with being a public company. Higher professional fees were primarily related to our anticipated change in SEC filer status from an emerging growth company to a large accelerated filer on October 31, 2021.

Net income for the third quarter of fiscal 2021 was \$18.4 million, or \$0.26 per diluted share. This compares with \$23.4 million, or \$0.37 per diluted share, for the same period last year.

Adjusted net income for the third quarter of fiscal 2021 was \$19.1 million, or \$0.27 per diluted share, compared to \$24.4 million, or \$0.39 per diluted share, for the same period last year.

Adjusted EBITDA was \$30.1 million for the third quarter of fiscal 2021, compared to \$36.6 million for the same period last year, driven primarily by the lower per-unit margins and higher SG&A costs within the Marketing & Distribution segment, as described above, compared to the prior year period.

Fiscal Third Quarter Business Segment Performance

Marketing & Distribution

Net sales in the Marketing & Distribution segment increased 4% to \$239.6 million for the quarter, due to the same drivers impacting consolidated revenue.

Segment adjusted EBITDA decreased 38% to \$13.1 million compared to the prior year period, due to a combination of lower per-unit contribution margins, higher infrastructure costs, and higher SG&A costs, as described above.

International Farming

Substantially all sales of fruit from the Company's International Farming segment are to the Marketing and Distribution segment, with the remainder of revenue largely derived from services provided to independent third parties. Affiliated sales are concentrated in the second half of the fiscal year in alignment with the Peruvian avocado harvest season, which typically runs from April through August of each year. As a result, adjusted EBITDA for International Farming is generally concentrated in the third and fourth quarters of the fiscal year in alignment with sales.

Total International Farming segment sales increased 22% to \$66.1 million in the three months ended July 31, 2021, due to higher fruit volumes resulting from improved harvest yields at the maturing orchards.

Segment adjusted EBITDA improved by \$1.4 million to \$17.0 million primarily due to the revenue drivers noted above, partially offset by higher costs associated with strategic initiatives in farming maintenance and operations that are intended to drive yield enhancements.

Balance Sheet and Cash Flow

Cash and cash equivalents were \$70.9 million as of July 31, 2021 compared to \$124.0 million as of October 31, 2020.

The Company's operating cash flows are seasonal in nature and can be temporarily influenced by working capital shifts resulting from varying payment terms to growers in different source regions. In addition, the Company is building its growing crops inventory in its International Farming segment during the first half of the year for ultimate harvest and sale that will occur during the second half of the fiscal year. While these increases in working capital can cause operating cash flows to be unfavorable in individual quarters, it is not indicative of operating cash performance that management expects to realize for the full year.

Net cash provided by operating activities was \$15.2 million for the nine months ended July 31, 2021, compared to \$32.9 million in the same period last year. The \$17.7 million change was primarily driven by unfavorable net change in working capital, and concentrated within inventory. Changes in inventory were driven by a combination of a build-up of growing crop inventory in Peru, as well as higher per-unit cost of Mexican fruit on-hand compared to prior year. The growing crop increases were due primarily to higher per-acre farming costs to drive higher production yields. Additionally, contributing to the build-up of crop inventory were timing differences, with a lower percentage of the estimated seasonal crop that was harvested and sold through fiscal third quarter relative to prior year.

Capital expenditures were \$61.3 million for the nine months ended July 31, 2021, compared to \$40.4 million for the same period last year. Current year expenditures were concentrated in land improvements and orchard development in Peru and Guatemala, as well as finishing construction related to our new distribution and ripening facility in Laredo, Texas, which opened in May 2021.

Outlook

The Company is updating its full fiscal year modeling assumptions for sales, volume and adjusted EBITDA as follows:

- Full year fiscal 2021 net sales are now expected in the range of \$890 million to \$910 million, which is a revision of \$10 million compared to prior guidance. This assumes total annual volume in the range of 655 million to 665 million pounds, which is lower than our prior guidance by approximately 15 million pounds, partially due to a smaller size curve on Mexican fruit.
- Expectations for avocado production from owned farms remains unchanged in the range of 95 million to 105 million pounds.
- Full year fiscal 2021 adjusted EBITDA is now expected in the range of \$88 million to \$94 million, but may be influenced by future pricing and margin dynamics. The reduction in adjusted EBITDA from prior guidance is due primarily to the shortfalls we experienced in fiscal third quarter, combined with continued pressure on per-unit gross margins that are extending into the early part of the fiscal fourth quarter, due to challenging supply conditions in Mexico.

Conference Call and Webcast

As previously announced, the Company will host a conference call to discuss its fiscal third quarter 2021 financial results today at 5:00 p.m. ET.

The conference call can be accessed live over the phone by dialing (877) 407-9039 or for international callers by dialing (201) 689-8470. A replay of the call will be available through September 27, 2021 by dialing (844) 512-2921 or for international callers by dialing (412) 317-6671; the passcode is 13722654.

The live audio webcast of the conference call will be accessible in the News & Events section on the Company's Investor Relations website at <https://investors.missionproduce.com>. An archived replay of the webcast will also be available shortly after the live event has concluded.

Non-GAAP Financial Measures

This press release contains the non-GAAP financial measures "adjusted net income" and "adjusted EBITDA." Management believes these measures provide useful information for analyzing the underlying business results. These measures are not in accordance with, nor are they a substitute for or superior to, the comparable financial measures by generally accepted accounting principles.

Adjusted net income refers to net income, before stock-based compensation expense, unrealized gain (loss) on derivative financial instruments, foreign currency gain (loss), further adjusted by any special, non-recurring, or one-time items that are distortive to results (discrete tax adjustment related to changes in Peruvian tax rates, impairment of equity method investment, legal settlement and asset impairment and disposals, net of insurance recoveries), and tax effects of these items, if any.

Adjusted EBITDA refers to net income (loss), before interest expense, income taxes, depreciation and amortization expense, stock-based compensation expense, other income (expense), and income (loss) from equity method investees, further adjusted by any special, non-recurring, or one-time items (asset impairment and disposals, net of insurance recoveries, impairment of equity method investment and legal settlement) that are distortive to results.

Reconciliations of these non-GAAP financial measures to the most comparable GAAP measure are provided in the table at the end of this press release.

About Mission Produce, Inc.

Mission Produce is the global leader in the worldwide avocado business. Since 1983, Mission Produce has been sourcing, producing and distributing fresh Hass avocados, and as of 2021, fresh mangos, to retail, wholesale and foodservice customers in over 25 countries. The vertically integrated Company owns and operates four state-of-the-art packing facilities in key growing locations globally including California, Mexico & Peru and has additional sourcing capabilities in Chile, Colombia, Dominican Republic, Guatemala, New Zealand, & South Africa, which allow the company to provide a year-round supply of premium fruit. Mission's global distribution network includes twelve forward distribution centers in North America, China & Europe that offer value-added services such as ripening, bagging, custom packing and logistical management. In addition, Mission owns over 11,000 acres globally, allowing for diversified sourcing and access to complementary growing seasons, while ensuring its customers receive the highest quality fruit possible. For more information, please visit www.missionproduce.com.

Forward-Looking Statements

Statements in this press release that are not historical in nature are forward-looking statements that, within the meaning of the federal securities laws, including the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, involve known and unknown risks and uncertainties. Words such as "may", "will", "expect", "intend", "plan", "believe", "seek", "could", "estimate", "judgment", "targeting", "should", "anticipate", "goal" and variations of these words and similar expressions, are also intended to identify forward-looking statements. The forward-looking statements in this press release address a variety of subjects, including statements about our short-term and long-term assumptions, goals and targets, including our outlook for our fiscal year 2021 operating results. Many of these assumptions relate to matters that are beyond our control and changing rapidly. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurances that our expectations will be attained. Readers are cautioned that actual results could differ materially from those implied by such forward-looking statements due to a variety of factors, including: limitations regarding the supply of avocados, either through purchasing or growing; the loss of one or more of our largest customers or a reduction in the level of purchases by customers; doing business internationally, including Mexican and Peruvian economic, political and/or societal conditions; fluctuations in market prices of avocados; increasing competition; inherent farming risks; variations in operating results due to the seasonality of the business; general economic conditions; the effects of the COVID-19 pandemic; increases in costs of commodities or other products used in our business; food safety events and recalls of our products; changes to USDA and FDA regulations, U.S. trade policy, and/or tariff and import/export regulations; restrictions due to health and safety laws; significant costs associated with compliance with environmental laws and regulations; acquisitions of other businesses; the ability of our infrastructure to handle our business needs; supply chain optimization failures or disruptions; disruption to the supply of reliable and cost-effective transportation; loss of key personnel and an adequate labor supply; information system security risks, data protection breaches and systems integration issues; changes in privacy and/or information security laws, policies and/or contractual arrangements; failure to maintain or protect our brand; changes in tax rates or international tax legislation; the viability of an active, liquid, and orderly market for our common stock; volatility in the trading price of our common stock; failure to meet continued Nasdaq listing requirements; concentration of control in our executive officers, directors and principal stockholders over matters submitted to stockholders for approval; limited sources of capital appreciation; the sale

into the market of restricted shares; reduced disclosure requirements due to our emerging growth company status; significant costs associated with being a public company and the allocation of significant management resources thereto; reliance on analyst reports; failure to maintain proper and effective internal control over financial reporting; restrictions on takeover attempts in our charter documents and under Delaware law; and the selection of Delaware as the exclusive forum for substantially all disputes between us and our stockholders; and other risks and factors discussed from time to time in our Annual and Quarterly Reports on Forms 10-K and 10-Q and in our other filings with the Securities and Exchange Commission.

You can obtain copies of our SEC filings on the SEC's website at www.sec.gov. The forward-looking statements contained in this press release are made as of the date hereof and the Corporation does not intend to, nor does it assume any obligation to, update or supplement any forward-looking statements after the date hereof to reflect actual results or future events or circumstances.

Contact

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Media

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MISSION PRODUCE, INC.

Condensed Consolidated Balance Sheets (Unaudited)

(In millions)	July 31, 2021	October 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 70.9	\$ 124.0
Restricted cash	4.2	1.4
Accounts receivable		
Trade, net of allowances	69.8	57.5
Grower and fruit advances	1.5	1.5
Miscellaneous receivables	15.5	13.4
Inventory	66.6	38.6
Prepaid expenses and other current assets	12.4	8.8
Loans to equity method investees	3.2	—
Income taxes receivable	5.9	2.9
Total current assets	250.0	248.1
Property, plant and equipment, net	418.6	379.1
Equity method investees	49.4	46.7
Loans to equity method investees	1.8	4.5
Deferred income taxes	7.1	4.4
Goodwill	76.4	76.4
Other assets	18.1	18.1
Total assets	\$ 821.4	\$ 777.3
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable	\$ 24.0	\$ 20.5
Accrued expenses	30.1	28.3
Income taxes payable	2.9	1.7
Grower payables	26.7	18.8
Long-term debt—current portion	8.8	7.4
Capital leases—current portion	1.2	1.2
Total current liabilities	93.7	77.9
Long-term debt, net of current portion	159.7	166.7
Capital leases, net of current portion	2.4	3.3
Income taxes payable	3.5	3.8
Deferred income taxes	35.3	27.8
Other long-term liabilities	23.1	24.3
Total liabilities	317.7	303.8
Shareholders' equity	503.7	473.5
Total liabilities and shareholders' equity	\$ 821.4	\$ 777.3

MISSION PRODUCE, INC.

Condensed Consolidated Statements of Income (Unaudited)

(In millions, except for share and per share amounts)	Three Months Ended July 31,		Nine Months Ended July 31,	
	2021	2020	2021	2020
Net sales	\$ 246.8	\$ 236.4	\$ 654.7	\$ 655.5
Cost of sales	205.9	192.2	564.0	570.4
Gross profit	40.9	44.2	90.7	85.1
Selling, general and administrative expenses	17.2	13.5	48.1	39.4
Operating income	23.7	30.7	42.6	45.7
Interest expense	(1.0)	(1.1)	(2.7)	(5.5)
Equity method income	2.1	1.2	4.2	1.6
Impairment on equity method investment	—	—	—	(21.2)
Other expense	(0.5)	(1.2)	(0.8)	(0.2)
Income before income taxes	24.3	29.6	43.3	20.4
Provision for income taxes	5.9	6.2	15.3	10.4
Net income	\$ 18.4	\$ 23.4	\$ 28.0	\$ 10.0
Net income per share:				
Basic	\$ 0.26	\$ 0.37	\$ 0.40	\$ 0.16
Diluted	\$ 0.26	\$ 0.37	\$ 0.39	\$ 0.16
Weighted average shares of common stock outstanding, used in computing basic earnings per share	70,607,000	63,097,901	70,572,874	63,252,020
Effect of dilutive stock options	630,036	21,862	444,564	22,674
Effect of dilutive RSUs	7,400	n/a	26,352	n/a
Weighted average shares of common stock outstanding, used in computing diluted earnings per share	71,244,436	63,119,763	71,043,790	63,274,694

MISSION PRODUCE, INC.

Condensed Consolidated Statements of Cash Flow (Unaudited)

(In millions)	Nine Months Ended July 31,	
	2021	2020
Operating Activities		
Net income	\$ 28.0	\$ 10.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	13.7	12.6
Amortization of debt issuance costs	0.2	0.2
Equity method income	(4.2)	(1.6)
Impairment on equity method investment	—	21.2
Stock-based compensation	2.0	1.1
Dividends received from equity method investees	1.7	1.7
Net gains and losses on asset impairment, disposals and sales, net of insurance recoveries	0.2	0.1
Deferred income taxes	4.8	(0.4)
Other	(0.2)	(2.6)
Unrealized (gains) losses on derivative financial instruments	(0.1)	3.3
Effect on cash of changes in operating assets and liabilities:		
Trade accounts receivable	(12.3)	(7.4)
Grower fruit advances	(0.1)	1.6
Miscellaneous receivables	(0.2)	(3.1)
Inventory	(29.1)	(5.0)
Prepaid expenses and other current assets	(0.5)	(1.4)
Income taxes receivable	(3.1)	(3.5)
Other assets	(4.9)	(2.4)
Accounts payable and accrued expenses	10.9	9.8
Income taxes payable	0.8	0.9
Grower payables	7.9	(1.1)
Other long-term liabilities	(0.3)	(1.1)
Net cash provided by operating activities	\$ 15.2	\$ 32.9
Investing Activities		
Purchases of property and equipment	(61.3)	(40.4)
Proceeds from sale of property, plant and equipment	2.3	0.1
Insurance proceeds for the replacement of property, plant and equipment	0.8	—
Investment in equity method investees	(0.2)	(2.9)
Loans to equity method investees	(2.0)	—
Loan repayments from equity method investees	1.5	—
Other	—	(0.2)
Net cash used in investing activities	\$ (58.9)	\$ (43.4)
Financing Activities		
Borrowings on revolving credit facility	—	14.0
Payments on revolving credit facility	—	(14.0)
Principal payments on long-term debt obligations	(5.7)	(4.7)
Principal payments on capital lease obligations	(0.9)	(0.7)
Payments for long-term supplier financing	—	(1.1)
Dividends paid	—	(7.5)
Repayment of stock option notes receivable	—	0.1
Debt issuance costs	—	(0.1)
Purchase and retirement of stock	—	(1.9)
Net cash used in financing activities	\$ (6.6)	\$ (15.9)
Effect of exchange rate changes on cash	—	0.2
Net decrease in cash, cash equivalents and restricted cash	(50.3)	(26.2)
Cash, cash equivalents and restricted cash, beginning of period	127.0	65.6
Cash, cash equivalents and restricted cash, end of period	\$ 76.7	\$ 39.4

MISSION PRODUCE, INC.

	Nine Months Ended July 31,			
(In millions)	2021		2020	
Summary of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:				
Cash and cash equivalents	\$	70.9	\$	36.5
Restricted cash		4.2		1.5
Restricted cash included in other assets		1.6		1.4
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows	\$	76.7	\$	39.4

Reconciliation of Non-GAAP Financial Measures to GAAP (Unaudited)

The following tables reconciles the non-GAAP measures “adjusted net income” and “adjusted EBITDA” to their comparable GAAP measures. Refer also to “Non-GAAP Financial Measures” earlier in this press release.

Adjusted net income

(In millions, except for per share amounts)	Three Months Ended July 31,		Nine Months Ended July 31,	
	2021	2020	2021	2020
Net income	\$ 18.4	\$ 23.4	\$ 28.0	\$ 10.0
Stock-based compensation	0.5	0.4	2.0	1.1
Unrealized (gains) losses on derivative financial instruments	(0.4)	(0.1)	(1.8)	3.3
Impairment on equity method investment ⁽³⁾	—	—	—	21.2
Legal settlement ⁽⁴⁾	—	—	0.8	—
Asset impairment and disposals, net of insurance recoveries	(0.2)	—	(0.2)	—
Foreign currency loss (gain)	1.0	1.1	2.8	(2.1)
Tax effects of adjustments to net income ⁽¹⁾	(0.2)	(0.4)	(1.0)	(0.4)
Discrete tax adjustment for change in Peruvian tax rates ⁽²⁾	—	—	5.1	—
Adjusted net income	\$ 19.1	\$ 24.4	\$ 35.7	\$ 33.1
Adjusted net income per diluted share	\$ 0.27	\$ 0.39	\$ 0.50	\$ 0.52

⁽¹⁾ Tax effects are calculated using applicable rates that each adjustment relates to.

⁽²⁾ On December 30, 2020, Peru enacted tax law repealing current tax law which provided benefits to agribusiness entities. The new law will subject us to higher Peruvian corporate income tax rates than our current rate of 15% as follows: 20% for calendar years 2023 to 2024, 25% for calendar years 2025 to 2027, and 29.5% thereafter. As a result of the new tax law, we recorded a \$5.1 million charge in the three months ended January 31, 2021 to the provision for income taxes.

⁽³⁾ In the second quarter of fiscal year 2020, we recognized a \$21.2 million, non-cash, pre-tax impairment charge on our equity method investee Moruga.

⁽⁴⁾ In the second quarter of fiscal year 2021, we recognized a loss contingency related to a preliminary settlement offering to plaintiffs in an employee lawsuit.

Adjusted EBITDA

(In millions)	Three Months Ended July 31,		Nine Months Ended July 31,	
	2021	2020	2021	2020
Marketing & Distribution adjusted EBITDA	\$ 13.1	\$ 21.0	\$ 43.0	\$ 48.8
International Farming adjusted EBITDA	17.0	15.6	15.9	10.6
Total reportable segment adjusted EBITDA	30.1	36.6	58.9	59.4
Net income	18.4	23.4	28.0	10.0
Interest expense	1.0	1.1	2.7	5.5
Provision for income taxes	5.9	6.2	15.3	10.4
Depreciation and amortization	6.1	5.5	13.7	12.6
Equity method income	(2.1)	(1.2)	(4.2)	(1.6)
Impairment on equity method investment	—	—	—	21.2
Legal settlement	—	—	0.8	—
Asset impairment and disposals, net of insurance recoveries	(0.2)	—	(0.2)	—
Other expense	0.5	1.2	0.8	0.2
Stock-based compensation	0.5	0.4	2.0	1.1
Total adjusted EBITDA	\$ 30.1	\$ 36.6	\$ 58.9	\$ 59.4

MISSION PRODUCE, INC.

Segment Sales (Unaudited)

	(In millions)	Marketing & Distribution	International Farming	Total	Marketing & Distribution	International Farming	
		Three Months Ended July 31,					
		2021			2020		
	Third party sales	\$ 239.6	\$ 7.2	\$ 246.8	\$ 230.9	\$ 5.5	\$
	Affiliated sales	—	58.9	58.9	—	48.9	
sales	Total segment	239.6	66.1	305.7	230.9	54.4	
eliminations	Intercompany	—	(58.9)	(58.9)	—	(48.9)	
	Total net sales	\$ 239.6	\$ 7.2	\$ 246.8	\$ 230.9	\$ 5.5	\$
		Nine Months Ended July 31,					
		2021			2020		
	Third party sales	\$ 641.6	\$ 13.1	\$ 654.7	\$ 644.9	\$ 10.6	\$
	Affiliated sales	—	61.1	61.1	—	49.2	
sales	Total segment	641.6	74.2	715.8	644.9	59.8	
eliminations	Intercompany	—	(61.1)	(61.1)	—	(49.2)	
	Total net sales	\$ 641.6	\$ 13.1	\$ 654.7	\$ 644.9	\$ 10.6	\$

Other Information (Unaudited)

	Three Months Ended July 31,				Nine Months Ended July 31,			
	2021		2020		2021		2020	
Pounds of avocados sold (millions)	167.2		164.2		493.1		450.3	
Average sales price per pound ⁽¹⁾	\$	1.43	\$	1.41	\$	1.30	\$	1.46
Gross profit per pound ⁽²⁾	\$	0.25	\$	0.27	\$	0.18	\$	0.19

⁽¹⁾ Calculated by dividing net avocado sales from our Marketing & Distribution segment by the total pounds of avocados sold in the stated period.

⁽²⁾ Calculated by dividing gross profit by the total avocado sales volume in the stated period.



Investor Presentation

September 13, 2021





Safe Harbor Statement

Notice to and Undertaking by Recipients

This presentation does not purport to be all-inclusive or to contain all of the information that the Recipient may require.

The Company expressly disclaims any and all liability relating to or resulting from the use of this presentation.

This presentation may not be reproduced, forwarded to any person or published, in whole or in part.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any security. The information contained herein is for informational purposes, and may not be relied upon in connection with the purchase or sale of any security.

Forward-Looking Statements

Statements in this presentation that are not historical in nature are forward-looking statements that, within the meaning of the federal securities laws, including the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, involve known and unknown risks and uncertainties. Words such as “may”, “will”, “expect”, “intend”, “plan”, “believe”, “seek”, “could”, “estimate”, “judgment”, “targeting”, “should”, “anticipate”, “goal” and variations of these words and similar expressions, are also intended to identify forward-looking statements. The forward-looking statements in this presentation address a variety of subjects, including statements about our short-term and long-term assumptions, goals and targets, including our outlook for our fiscal year 2021 operating results. Many of these assumptions relate to matters that are beyond our control and changing rapidly. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurances that our expectations will be attained. Readers are cautioned that actual results could differ materially from those implied by such forward-looking statements due to a variety of factors, including: limitations regarding the supply of avocados, either through purchasing or growing; the loss of one or more of our largest customers or a reduction in the level of purchases by customers; doing business internationally, including Mexican and Peruvian economic, political and/or societal conditions; fluctuations in market prices of avocados; increasing competition; inherent farming risks; variations in operating results due to the seasonality of the business; general economic conditions; the effects of the COVID-19 pandemic; increases in costs of commodities or other products used in our business; food safety events and recalls of our products; changes to USDA and FDA regulations, U.S. trade policy, and/or tariff and import/export regulations; restrictions due to health and safety laws; significant costs associated with compliance with environmental laws and regulations; acquisitions of other businesses; the ability of our infrastructure to handle our business needs; supply chain optimization failures or disruptions; disruption to the supply of reliable and cost-effective transportation; loss of key personnel and an adequate labor supply; information system security risks, data protection breaches and systems integration issues; changes in privacy and/or information security laws, policies and/or contractual arrangements; failure to maintain or protect our brand; changes in tax rates or international tax legislation; the viability of an active, liquid, and orderly market for our common stock; volatility in the trading price of our common stock; failure to meet continued Nasdaq listing requirements; concentration of control in our executive officers, directors and principal stockholders over matters submitted to stockholders for approval; limited sources of capital appreciation; the sale into the market of restricted shares; reduced disclosure requirements due to our EGC status; significant costs associated with being a public company and the allocation of significant management resources thereto; reliance on analyst reports; failure to maintain proper and effective internal control over financial reporting; restrictions on takeover attempts in our charter documents and under Delaware law; and the selection of Delaware as the exclusive forum for substantially all disputes between us and our stockholders; and other risks and factors discussed from time to time in our Annual and Quarterly Reports on Forms 10-K and 10-Q and in our other filings with the Securities and Exchange Commission.

You can obtain copies of our SEC filings on the SEC's website at www.sec.gov. The forward-looking statements contained in this presentation are made as of the date hereof and the Corporation does not intend to, nor does it assume any obligation to, update or supplement any forward-looking statements after the date hereof to reflect actual results or future events or circumstances.

Industry Information

Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

This presentation contains the non-GAAP financial measures “Adjusted EBITDA” and “Adjusted EBITDA Margin.” Management believes these measures provide useful information for analyzing the underlying business results. These measures are not in accordance with, nor are they a substitute for or superior to, the comparable financial measures by generally accepted accounting principles (“GAAP”). Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are included in the Appendix to this presentation where possible. The Company is unable to reconcile certain forecasted non-GAAP financial measures used herein, including adjusted EBITDA, without unreasonable efforts because a forecast of certain items, including taxes, interest, stock-based compensation, depreciation and amortization, income (loss) from equity method investees, other income, and other special, non-recurring or one-time items is not practical. Adjusted EBITDA refers to net income (loss), before interest expense, income taxes, depreciation and amortization expense, stock-based compensation expense, other income (expense), and income (loss) from equity method investees, further adjusted by any special, non-recurring or one-time items (asset impairment and disposals, net of insurance recoveries, impairment of equity method investment and legal settlement) that are distortive to results. Adjusted EBITDA Margin refers to income (loss) before taxes, before depreciation and amortization expense, stock-based compensation expense, further adjusted by any special, non-recurring or one-time items (asset impairment and disposals, net of insurance recoveries, impairment of equity method investment and legal settlement) that are distortive to results, as a percentage of net sales.



Mission Produce at a Glance



Scale

*Leading Avocado Distributor
by Volume*

\$862mm LTM Q3'21 Revenue
\$91mm LTM Q3'21 Adj. EBITDA ⁽¹⁾



Large Addressable Market

~\$14bn Global Avocado Market ⁽²⁾
~\$6bn U.S. Avocado Market ⁽²⁾

9% '10 – '20 Total U.S.
Avocado
Consumption CAGR



Growth

~10% '10 – '20 Avocado
Volume CAGR

~13% '10 – '20 Revenue
CAGR



The Global Industry Leader

- First to Use Avocado Ripening Centers
- First to Import Avocados from Mexico, Peru and Chile
- First to utilize state-of-the-art post-harvest techniques in hydro-cooling and shelf-life extension
- First to build a category management program generating intel and opportunities for category growth



Global Distribution Network

18 World Class
Facilities Across 8
Countries ⁽³⁾

Provides Year-Round Supply



Vertical Integration

~12% Avocados Sourced
from Owned
Production (2020)

*Low Double Digit
Adj. EBITDA ⁽¹⁾ Margin*

1

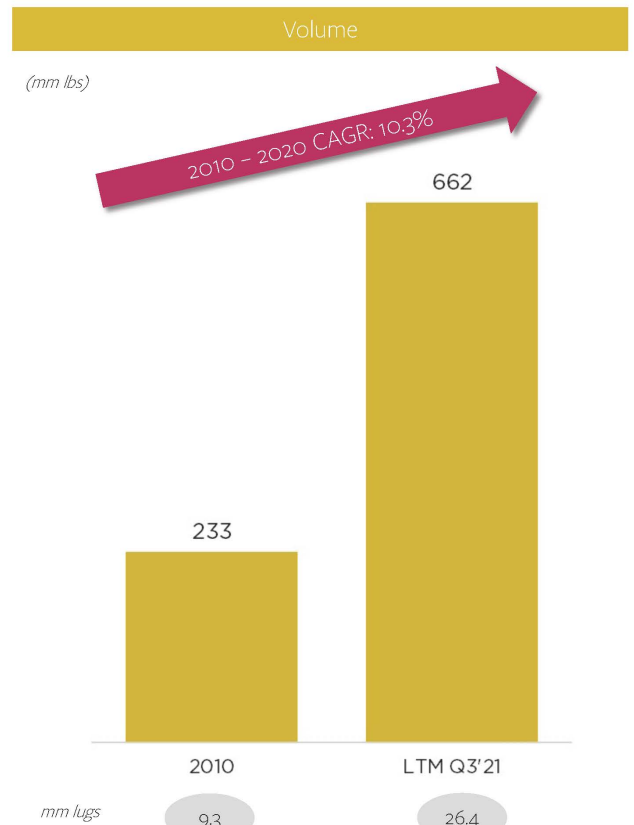
Source: Management and other publicly available information.

(1) LTM 3Q21; Adj. EBITDA reconciliation located in the appendix.

(2) As of 2018.

(3) Includes our 3 global sales offices.

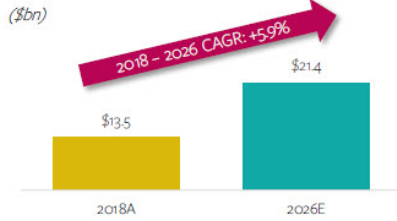
We Have a Long Track Record of Growth



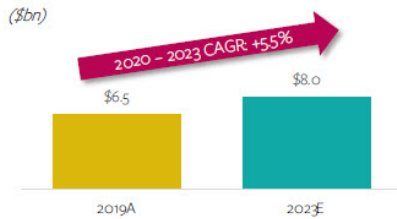
We Operate In a Large and Growing Market with Supportive Tailwinds and Significant Barriers to Entry



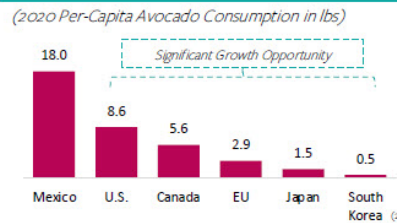
Global Avocado Market



U.S. Avocado Market⁽¹⁾



Per Capita Consumption



Supporting Tailwinds Driving Market Growth

- Health and Wellness**
 Growing interest in healthy eating and nutrient-rich foods
 Avocados are a superfood given superior nutritional quality and functional benefits
- Millennial Consumption**
 60% of millennial households purchase avocados vs. 51% non-millennial households in 2018
- Growing Hispanic Population**
 ~75% of Hispanic households purchase avocados with an average annual avocado spend per Hispanic household 45% higher than for non-Hispanic households

Significant Barriers to Entry



3 Source: U.S. Census Bureau, Hass Avocado Board, Accenture, Global Trade Magazine, Transparency Market Research, United States Department of Agriculture – Economic Research Service, California Avocado Commission, Global Wellness Institute, Korea Customs Service, The World Bank
 (1) Represents Hass avocados only.
 (2) Derived based on total imported volume over total population.



We Are the Only Global Pure-Play Provider of Avocados



Company	Primary Reach for Avocado Distribution	National (U.S.) Distribution Footprint	Ripening Capabilities	Other Value-Add Services	Vertical Integration	Year-Round Two Countries of Origin Supply
 world's finest avocados	Global	✓	✓	✓	✓	✓
	U.S.		✓	✓		
	U.S. / Europe				✓	
	Australia		✓		✓	
	U.S.	✓	✓	✓		
	Europe		✓	✓	✓	✓

Very few players can consistently supply avocados at scale to high volume customers

Global Distribution Network Delivering Avocados to Diverse and Long-Standing Customer Base



Serves retail, wholesale and foodservice customers in over 25 countries



High-quality, diverse and long-standing customer relationships



All of our top 10 customers have been customers for over 10 years



Only two customers represented over 10% of FY 2020 revenue



Top 10 customers represent ~64% of total revenue in FY 2020

Overview of Value Added Services

We provide customers with leading operations and industry insights that drive sales



Ripening to customer specifications



Merchandising and promotional support



Bagging and custom packaging



24/7 customer support availability



Logistical management (especially trucking)



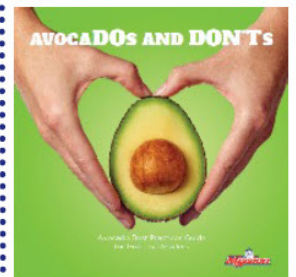
Insights on market trends



Hands-on training to facilitate proper handling of the fruit



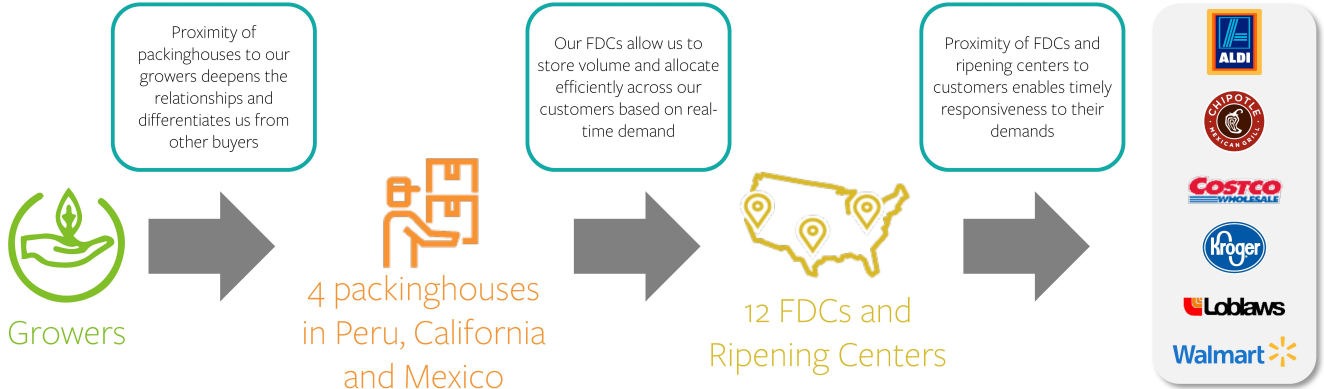
Research and Development



Extensive Infrastructure With State-of-the-Art Facilities



We are the only player of scale with the infrastructure to meet customer demands and to support growth



Packinghouse Detail

- High Definition Grading Cameras
- Industry-Leading Post-Harvest Practices
- State-of-the-Art Washing, Sorting, Packing and Bagging Line
- Plug-Ins for Ocean Containers



Forward Distribution and Ripening Center Detail

- Ability to Ripen to Customer Specification
- Proximity to Clients
- Ability to store and deliver volume opportunistically as customer demand evolves



International Farming and Vertical Integration



Experienced Values-Based Leaders Who Nurture a Culture of Innovation and Growth



Steve Barnard
*Founder,
President and
Chief Executive Officer*



Bryan Giles
Chief Financial Officer



Ross Wileman
*Senior Vice President of
Sales and Marketing*



Joanne Wu
General Counsel



Anita Lemos
*Vice President of
Human Resources*



Juan Wiesner
*Director of Latin
American Operations*



**Jesus Garcia,
Fernando Garcia**
*Directors of Mexican
Operations*



Seasoned industry
pioneers and veterans each
with 30+ years of industry
experience

On-the-ground support
and expertise in key
locations

Committed to corporate
responsibility
and sustainability

Fosters an entrepreneurial culture
that is focused on innovation and
growth

Company Values

Fun

Innovative

Reliable

Successful

Trustworthy



Inaugural Environmental, Social and Governance (ESG) report released April 2021

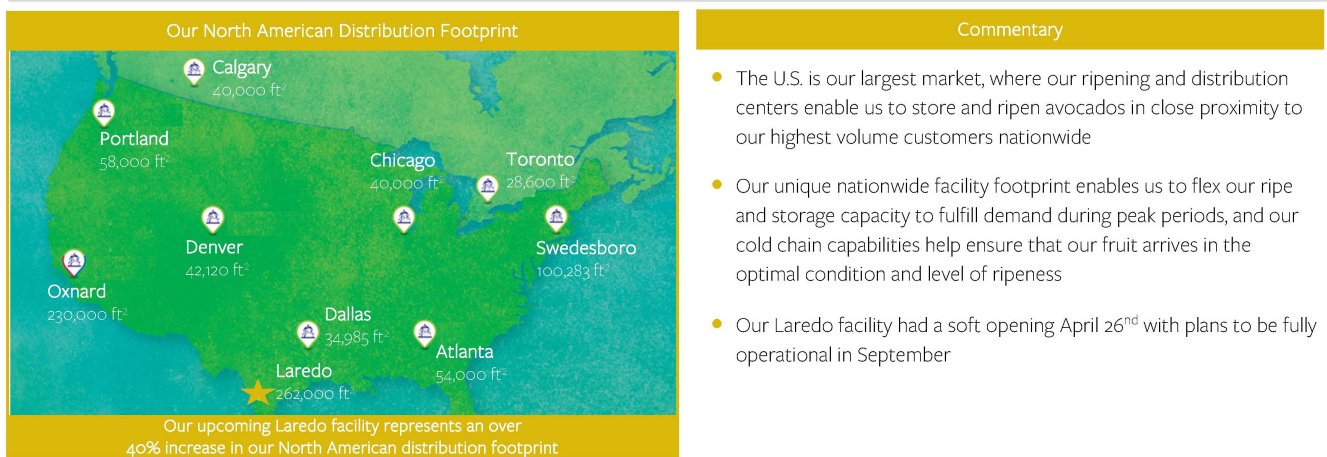
Highlights

- Decreased out total global scope 1 and 2 emissions by 15.8% and reduced our total waste by 16.2%
- Modified our pallet configuration and box design, resulting in the removal of 285 over-the-road trucks from our supply chain and 20 acres preserved from deforestation
- Precision and biodiverse farming methods use 40% less irrigation water per avocado compared to average in California and 40.5% less in Peru
- Solar panels at Oxnard facility power almost three-quarters of the facility during peak season
- Global work force comprises nearly 50% women, almost 20% of whom were promoted in 2020
- Sponsored the first ever DEI initiative in the produce industry

Aspiring Goals

- Reduce plastic in bags by 50% by 2025
- Apply shelf-life extension technology to 22.5 million pounds of avocados, combatting food waste and reducing shrink by the end of 2021
- Increase charitable giving by 50% by the end of 2022

Our Unique Nationwide Distribution Capabilities Enable Us to Grow Volumes With New and Existing Customers Across Channels



Our infrastructure and capabilities facilitate our ability to grow across channels

Retail	Foodservice	Wholesale, Exports and Other
<ul style="list-style-type: none"> Looking for ripe, ready-to-eat fruit that is aesthetically pleasing Value-added services including customized packaging and logistical management are key Fruit preservation via new technology and supply chain management is key to extending shelf-life of the fruit Year-round availability of fruit via diversified sourcing to satisfy growing customer demand 	<ul style="list-style-type: none"> Customers focused on specific grades of fruit with cost and margins in mind Fulfillment and year-round availability of fruit are key to customer retention Around-the-clock customer support needed to support global foodservice chains across geographies Foodservice volumes continue to rebound as the nation reopens and returns to normalcy 	<ul style="list-style-type: none"> Opportunistic approach to selling fruit at attractive pricing and/or bulk quantity for wholesale and export channels Extending shelf-life of the fruit through fruit preservation via new technology and supply chain management Avocado consumption continues to increase worldwide as consumers become more knowledgeable about the health benefits and versatility of the fruit

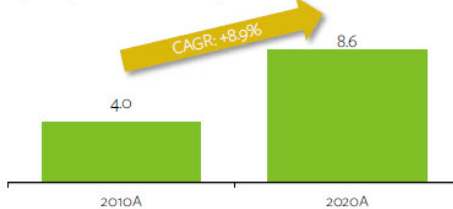
Key Channel Themes

Overview of International Growth Distribution Opportunities

International avocado consumption is poised to grow...

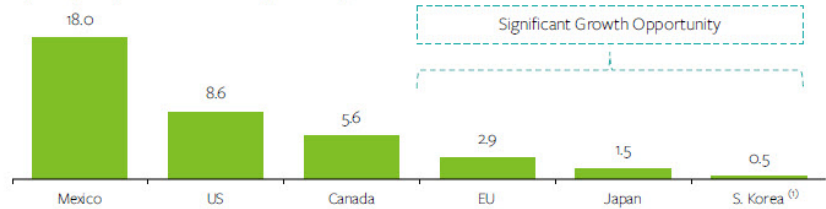
U.S. avocado per capita consumption has seen significant growth...

(Per-capita avocado consumption in lbs)



...and serves as an analogue to the potential rise of avocado demand internationally

(2020 per-capita avocado consumption in lbs)



...and we believe we are well-positioned to capitalize on international distribution opportunities

Europe

- ✓ Tremendous opportunity to capitalize on the growing demand for avocados throughout Europe
- ✓ Increase exports from Peru, Guatemala, Colombia and other regions to provide balance to our year-round supply
- ✓ Expansion of distribution capabilities throughout Europe to support new direct retail relationships
- ✓ Seasonal customer programs will help build existing relationships and attract new customers

Asia

- ✓ Longstanding presence in Asia, with over 35 years in Japan, and over 5 years in China and Korea
- ✓ Currently low levels of avocado consumption present an exciting opportunity for growth as local tastes are influenced by global food trends
- ✓ Existing Chinese distribution facilities will serve as a platform upon which we can continue to build out our avocado distribution network

Other Markets

- ✓ Continue to evaluate opportunities to capitalize on growing demand in other international markets
- ✓ Focus on expanding our operations in South America
- ✓ Proximity of South American production to Chile represents an attractive opportunity for growth, as Chile is one of the top avocado consuming countries in the world

Growth drivers

Opportunity to Diversify Sourcing and Year-Round Supply



We Take a Disciplined Approach Towards Our Long-Term Investments in Vertical Integration



Our disciplined approach to our long-term capital investments

Select thresholds for vertical integration capital planning

EBITDA Margin
Accretive
Once Fully-Operational

Complementary
Growing Seasons
To Existing Sourcing Geographies

Our vertically integrated investments are geared towards enabling us with long-term differentiated capabilities and unique competitive advantages



Higher Margins



Quality Control



Oversight Into Supply Chain



Better Customer Service



Unique Pricing Capabilities



Diversified Sourcing

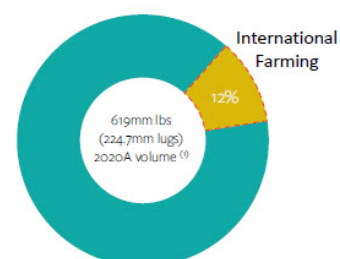
Commentary

- Vertical integration results in greater control over our supply chain and product quality
- Enables us to earn a higher gross margin relative to third-party avocados we sell
- Growing our own fruit has enabled us to offer seasonal customer programs and drive even higher customer satisfaction and retention

Overview of Our Peru Operations

- 100% ownership of Peruvian Operations
 - Over 14,600 owned or leased acres
 - Over 10,600 developed acres

Mission's Total Global Volume



We are focused on applying our successful Peru model elsewhere and have laid the groundwork in Guatemala and Colombia

Revenue	\$890-910M
Volume	Consolidated 655-665M pounds
Owned Volume	95-105M pounds
Adjusted EBITDA \$ ⁽¹⁾	\$88-94M

Appendix



Non-GAAP Reconciliations Adjusted EBITDA and Adjusted EBITDA Margin

(\$mm except for percentages)	YTD Q3		LTM Q3		Annual	
	2021	2020	2021	2020	2019	
Net income	\$ 28	\$ 10	\$ 47	\$ 29	\$ 72	
Interest expense	3	6	4	7	10	
Provision for income taxes	15	10	20	15	24	
Depreciation and amortization	14	13	19	18	16	
Equity method income	(4)	(2)	(7)	(4)	(3)	
Impairment on equity method investment	—	21	—	21	—	
Legal settlement	1	—	1	—	—	
Other expense, net	1	—	1	1	4	
Stock-based compensation	2	1	6	5	—	
Adjusted EBITDA	\$ 59	\$ 59	\$ 91	\$ 92	\$ 123	
Net sales	\$ 655	\$ 656	\$ 862	\$ 862	\$ 883	
Income before income taxes	\$ 43	\$ 20	\$ 67	\$ 44	\$ 96	
Operating margin	7 %	3 %	8 %	5 %	11 %	
Depreciation and amortization	2	2	2	2	2	
Stock based compensation	—	—	1	1	—	
Impairment on equity method investment	—	3	—	2	—	
Adjusted EBITDA margin ¹	9 %	9 %	11 %	11 %	14 %	

* Totals may not sum due to rounding

(1) Certain items deducted from operating margin to arrive at Adjusted EBITDA margin are not presented because they rounded to zero percentage points.



FISCAL Q3 2021 HIGHLIGHTS

Total Revenue

\$246.8M

↑ 4% YoY

Adjusted EBITDA

\$30.1M

↓ -18% YoY

Company Highlights



Vertical integration performance
YTD Q3 adjusted EBITDA for owned farms \$16M, up 50% YoY



Export market growth
18% YoY increase to our export markets primarily in Asia and Europe



"Summer Fridays" campaign
Launched marketing campaign in partnership with Avocaderia and influencers to increase summer consumption

Avocado Volume Sold

167M LBS.

↑ 2% YoY

Average Selling Price

\$1.43/LB.

↑ 2% YoY

AVOCADO SOURCING SEASONALITY



Sourcing Highlights

In fiscal Q3, volumes out of Peru and California filled in for Mexico's delayed timing on transitional harvest

- North America – Mexico was the primary source, but California and Peru delivered significant volumes. 45% of fruit sold in the US market was sourced outside of Mexico
- Export – Peru is the dominant source for export markets with fruit from our own farms
- Overall Mission's Peruvian farms sold 12% more fruit from its 3,700 hectares

Mission Produce: The Global Leader in Avocados

About Mission Produce, Inc.

Mission Produce is the global leader in the worldwide avocado business. Since 1983, Mission Produce has been sourcing, producing and distributing fresh Hass avocados, and as of 2021, fresh mangoes, to retail, wholesale and foodservice customers in over 25 countries. The vertically integrated Company owns and operates four state-of-the-art packing facilities in key growing locations globally including California, Mexico & Peru and has additional sourcing capabilities in Chile, Colombia, Dominican Republic, Guatemala, New Zealand, & South Africa, which allow the company to provide a year-round supply of premium fruit. Mission's global distribution network includes twelve forward distribution centers in North America, China & Europe that offer value-added services such as ripening, bagging, custom packing and logistical management. In addition, Mission owns over 11,000 acres globally, allowing for diversified sourcing and access to complementary growing seasons, while ensuring its customers receive the highest quality fruit possible. For more information, please visit www.missionproduce.com.

Non-GAAP Financial Measure

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You can obtain copies of our SEC filings on the SEC's website at www.secdatabase.com. The forward-looking statements contained in this document are made as of September 13, 2021 and the Corporation does not intend to, nor does it assume any obligations to, update or supplement any forward-looking statements after the date hereof to reflect actual results or future events or circumstances.

Adjusted EBITDA Reconciliation

(In millions)	Three Months Ended July 26,		Nine Months Ended July 26,	
	2021	2020	2021	2020
Net income (loss)	\$ 18.4	\$ 23.4	\$ 28.0	\$ 10.0
Interest expense	1.0	1.1	2.7	5.5
Provision for income taxes	5.9	6.2	15.3	10.4
Depreciation and amortization	6.1	5.5	13.7	12.6
Equity method loss (income)	(2.1)	(1.2)	(4.2)	(1.6)
Impairment on equity method investment	-	-	-	21.2
Legal settlement	-	-	0.8	-
Asset impairment and disposal, net of insurance recoveries	(0.2)	-	(0.2)	-
Other expense	0.5	1.2	0.8	(0.2)
Stock-based compensation	0.5	0.4	2.0	1.1
Total adjusted EBITDA	\$ 30.1	\$ 36.6	\$ 58.9	\$ 58.4