

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): March 9, 2023

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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	AVO	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).

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.

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 March 9, 2023, Mission Produce, Inc. (the "Company") announced its financial results for the quarter ended January 31, 2023. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02, including the related information set forth in the press release attached hereto as Exhibit 99.1 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 2.02 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 7.01 Regulation FD Disclosure

Also on March 9, 2023, the Company posted supplemental earnings materials to its website, which can be accessed at www.missionproduce.com. The supplemental earnings materials are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

The information contained in this Item 7.01, including the related information set forth in the supplemental earnings materials attached hereto as Exhibit 99.2 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

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated March 9, 2023
99.2	Fiscal Q1 2023 Earnings Snapshot

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: March 9, 2023



Mission Produce™ Announces Fiscal 2023 First Quarter Financial Results

OXNARD, Calif. -- March 9, 2023 -- (GLOBE NEWSWIRE) Mission Produce, Inc. (Nasdaq: AVO) ("Mission" or the "Company"), a world leader in sourcing, producing, and distributing fresh Hass avocados with additional offerings in mangos and blueberries, today reported its financial results for the fiscal first quarter ended January 31, 2023.

Fiscal First Quarter 2023 Highlights:

- Avocado volume sold increased 14% to 152.3 million pounds compared to the same period last year
- Total revenue of \$213.5 million, a 1% decrease compared to the same period last year
- Net loss of \$(8.8) million, or \$(0.12) per diluted share, compared to \$(13.4) million, or \$(0.19) per diluted share, for the same period last year
- Adjusted net loss of \$(5.0) million, or \$(0.07) per diluted share, compared to \$(12.2) million, or \$(0.17) per diluted share, for the same period last year
- Adjusted EBITDA of \$2.3 million compared to \$(10.4) million for the same period last year

CEO Message

"Our unmatched global network of distribution, ripening, and other value-added assets put us in position to achieve volume growth of 14% during the first quarter compared to the same period last year, which outpaced that of the industry as a whole, and we are ready to manage the increase in volumes that we anticipate this year," commented Steve Barnard, Founder and CEO of Mission Produce. "While the market is still adjusting to the lower pricing environment and an uncertain macroeconomic backdrop, we are optimistic that lower fruit pricing will ultimately drive greater consumption in the coming year compared to the depressed consumption rates we saw last year. Furthermore, this shift to a more rational pricing environment facilitates our ability to penetrate new growth markets such as Europe and Asia and drive per capita consumption in these emerging markets with improved access to year-round, high-quality fruit that we are uniquely able to deliver via our owned- and third-party sourcing capabilities and global footprint. With respect to our blueberries business, although performance this quarter was impacted by an unfavorable pricing environment, we continue to be optimistic about the long-term performance of this segment given our access to new premium varieties which are expected to sell at a premium and provide an opportunity to extend the marketing window."

Mr. Barnard added, "Looking ahead, our focus remains on the advancement of our global position through investment in new global facilities, and diversification of our business by leveraging our core competencies in new and creative ways. We expect that the improved stability in the avocado marketplace, coupled with easing cost inflation, will also allow us to generate sequential improvements in our per-unit margins, albeit below what has been our historical targeted range. With this backdrop, we expect to deliver a better year of operating performance in fiscal 2023."

Fiscal First Quarter 2023 Consolidated Financial Review

Total revenue for the first quarter of fiscal 2023 decreased \$3.1 million or 1% compared to the same period last year. Lower sales in the Marketing and Distribution segment were largely offset by the consolidation of revenue from the Blueberries segment. In Marketing and Distribution, a 27% decrease in average per-unit avocado sales prices was partially offset by an increase in avocado volume sold of 14%, both of which were driven by higher industry supply out of Mexico during the quarter.

Gross profit increased \$8.5 million in the first quarter of fiscal 2023 compared to the same period last year, to \$9.0 million, and gross profit percentage increased 400 basis points, to 4.2% of revenue. Prior period gross profit and gross profit percentage

were significantly affected by challenges with the implementation of the new ERP system in the Marketing and Distribution segment. In the current year period, higher volumes had a favorable impact on fixed cost absorption while the lower pricing environment limited the ability to generate per-box margins on the buy-sell of avocados. In addition, the Blueberries segment experienced negative gross margin during the first quarter as a result of weak sales prices within the European and US markets driven by strong industry supply, as well as the amortization of purchase accounting adjustments associated with the business combination of Moruga during fiscal 2022.

Selling, general and administrative expense ("SG&A") for the first quarter increased \$0.4 million or 2% compared to the same period last year. The current period included the consolidation of \$1.6 million in expenses from the Blueberries segment, a large portion of which was attributed to amortization of an intangible asset recognized in the Moruga business combination. This impact was partially offset by non-recurring ERP process reengineering costs incurred in the previous period.

Net loss for the first quarter of fiscal 2023 was \$(8.8) million, or \$(0.12) per diluted share, compared to \$(13.4) million, or \$(0.19) per diluted share, for the same period last year.

Adjusted net loss for the first quarter of fiscal 2023 was \$(5.0) million, or \$(0.07) per diluted share, compared to \$(12.2) million, or \$(0.17) per diluted share, for the same period last year.

Adjusted EBITDA was \$2.3 million for the first quarter of fiscal 2023, compared to \$(10.4) million for the same period last year, driven by the year over year improvement in gross margin.

Fiscal First Quarter Business Segment Performance

Marketing & Distribution

Net sales in the Marketing & Distribution segment decreased 14% to \$181.8 million for the quarter, due to the avocado pricing and volume dynamics described above.

Segment adjusted EBITDA increased \$12.3 million or 160% to \$4.6 million, primarily due to the same factors impacting segment gross profit as described above.

International Farming

Substantially all sales of fruit from the International Farming segment are to the Marketing and Distribution segment, with the remainder of revenue largely derived from services provided to third parties and the Blueberries segment. 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 the International Farming segment is generally concentrated in the third and fourth quarters of the fiscal year in alignment with the timing of sales. The Company operates approximately 700 acres of mangos in Peru that are largely in an early stage of production. The timing of the mango harvest is concentrated in the fiscal second quarter and, as a result, mangos have a more pronounced impact on segment financial performance during this timeframe.

Total segment sales in the International Farming segment increased by \$2.4 million, or 73% to \$5.7 million in the first quarter of fiscal 2023 compared to the same period last year due primarily to higher packing and cooling service revenue for the blueberries operation. Net sales decreased due to the consolidation of the Blueberries segment in the current period, thus eliminating sales generated from Moruga.

Segment adjusted EBITDA improved \$0.9 million or 33% to \$(1.8) million, driven by margin generated by higher segment sales combined with lower SG&A expense.

Blueberries

Net sales in the Blueberries segment in the first quarter of fiscal 2023 were \$29.8 million and segment adjusted EBITDA was \$(0.5) million. Negative segment adjusted EBITDA was a result of weak blueberry sales prices within the European and U.S. markets driven by strong industry supply.

Balance Sheet and Cash Flow

Cash and cash equivalents were \$39.2 million as of January 31, 2023 compared to \$52.8 million as of October 31, 2022.

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 used in operating activities was \$1.3 million for the three months ended January 31, 2023 compared to \$41.4 million for the same period last year. The change was driven by a reduction in net loss despite higher depreciation and amortization expense and favorable net changes in working capital. The increase in depreciation and amortization was largely attributed to the consolidation of the Blueberries segment in the current period, inclusive of the impact of the amortization of purchase accounting adjustments. Within working capital, favorable changes in accounts receivable and inventory were partially offset by unfavorable changes in accounts payable, accrued expenses and grower payables. Changes in inventory and grower payables were driven by lower per-unit cost of Mexican sourced fruit on-hand in comparison to prior year. Favorable changes in accounts receivable were attributed to lower per-unit sales prices, which correlate to the costing factors noted above.

Capital expenditures were \$17.6 million for the three months ended January 31, 2023, compared to \$20.9 million in the same period last year. Expenditures in both years were comprised of avocado orchard development, pre-production orchard maintenance and land improvements in Peru and Guatemala. In the first quarter of 2023, capital expenditures also included construction costs on a new UK distribution facility that is scheduled to open in spring 2023 and \$4.4 million of spend related to irrigation installation and early-stage plant cultivation in the Moruga blueberry operation.

Outlook

For the second quarter of fiscal year 2023, the Company is providing the following industry outlook that will drive performance:

- The industry is expecting volumes to be higher in the fiscal 2023 second quarter versus the prior year period, primarily due to continued expectations for a larger Mexican harvest. The overall Mexican crop is expected to be approximately 20% higher compared to the prior harvest season, with year-over-year volume increases from Mexico ticking up during the quarter. The quarterly uptick is expected to be partially offset by lower California volumes due to a later start to the harvest season.
- Pricing is expected to be higher on a sequential basis, but lower on a year-over-year basis by 30-35% compared to the \$2.04 per pound average experienced in second quarter of fiscal 2022.

Conference Call and Webcast

As previously announced, the Company will host a conference call to discuss its first quarter of fiscal 2023 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 March 23, 2023 by dialing (844) 512-2921 or for international callers by dialing (412) 317-6671; the passcode is 13736187.

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.

Mission Produce adjusted net income (loss) refers to net income (loss) attributable to Mission Produce, before stock-based compensation expense, unrealized gain (loss) on derivative financial instruments, foreign currency gain (loss), farming costs for nonproductive orchards (which represents land lease costs), certain noncash and nonrecurring ERP costs, transaction costs, amortization of inventory adjustments and intangible asset recognized from business combinations, further adjusted by any special, non-recurring, or one-time items such as remeasurement, impairment or discrete tax charges that are distortive to results, and tax effects of these items, if any, and the tax-effected impact of these non-GAAP adjustments attributable to noncontrolling interest, allocable to the noncontrolling owners based on their percentage of ownership interest.

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 asset impairment and disposals, net of insurance recoveries, farming costs for nonproductive orchards (which represents land lease costs), certain noncash and nonrecurring ERP costs, transaction costs, amortization of inventory adjustments recognized from business combinations, and any special, non-recurring, or one-time items such as remeasurements or impairments, and any portion of these items attributable to the noncontrolling interest, all of which are excluded from the results the CEO reviews uses to assess segment performance and 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 a 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 and Peru and has additional sourcing capabilities in Chile, Colombia, the Dominican Republic, Guatemala, Brazil, Ecuador, South Africa and more, which allow the company to provide a year-round supply of premium fruit. Mission's global distribution network includes 12 forward distribution centers that are strategically positioned in key markets throughout North America, China and Europe, offering value-added services such as ripening, bagging, custom packing and logistical management. 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. 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; fluctuations in the market price of avocados; increasing competition; risks associated with doing business internationally, including Mexican and Peruvian economic, political and/or societal conditions; inflationary pressures; loss of one or more of our largest customers; general economic conditions or downturns; supply chain failures or disruptions; disruption to the supply of reliable and cost-effective transportation; failure to recruit or retain employees, poor employee relations, and/or ineffective organizational structure; inherent farming risks; seasonality in operating results; failures associated with information technology infrastructure, system security and cyber risks; new and changing privacy laws and our compliance with such laws; food safety events and recalls; failure to comply with laws and regulations, including those promulgated by the USDA and FDA, health and safety laws, environmental laws, and other laws and regulations; changes to trade policy and/or export/import laws and regulations; risks from business acquisitions, if any; lack of or failure of infrastructure; material litigation or governmental inquiries/actions; failure to maintain or protect our brand; changes in tax rates or international tax legislation; risks associated with the ongoing conflict in Russia and Ukraine; the viability of an active, liquid, and orderly market for our common stock; volatility in the trading price of our common stock; concentration of control in our executive officers, directors and principal stockholders over matters submitted to stockholders for approval; limited sources of capital appreciation;

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; the selection of Delaware as the exclusive forum for substantially all disputes between us and our stockholders; risks related to restrictive covenants under our credit facility, which could affect our flexibility to fund ongoing operations, uses of capital and strategic initiatives, and, if we are unable to maintain compliance with such covenants, lead to significant challenges in meeting our liquidity requirements and acceleration of our debt; 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.

Contacts:**Investor Relations**

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MISSION PRODUCE, INC.

Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except for shares)	January 31, 2023		October 31, 2022	
Assets				
Current Assets:				
Cash and cash equivalents	\$	39.2	\$	52.8
Restricted cash		1.0		1.1
Accounts receivable				
Trade, net of allowances		64.3		62.9
Grower and fruit advances		1.8		1.8
Other		11.2		17.3
Inventory		76.8		73.1
Prepaid expenses and other current assets		10.1		11.1
Loans to equity method investees		—		—
Income taxes receivable		11.2		8.0
Total current assets		215.6		228.1
Property, plant and equipment, net		511.6		489.7
Operating lease right-of-use assets		74.2		65.4
Equity method investees		25.5		27.1
Loans to equity method investees		—		—
Deferred income tax assets, net		8.3		8.1
Goodwill		39.4		39.4
Intangible asset, net		0.8		2.0
Other assets		21.6		19.7
Total assets	\$	897.0	\$	879.5
Liabilities and Equity				
Liabilities				
Accounts payable	\$	30.5	\$	34.4
Accrued expenses		29.4		30.1
Income taxes payable		0.5		1.0
Grower payables		25.4		24.3
Short-term borrowings		—		2.5
Long-term debt—current portion		3.6		3.5
Operating leases—current portion		4.9		4.7
Finance leases—current portion		1.2		1.2
Total current liabilities		95.5		101.7
Long-term debt, net of current portion		146.0		136.9
Operating leases, net of current portion		72.6		63.9
Finance leases, net of current portion		15.3		1.4
Income taxes payable		3.1		3.1
Deferred income tax liabilities, net		29.0		29.4
Other long-term liabilities		21.4		20.2
Total liabilities		382.9		356.6
Equity				
Mission Produce shareholders' equity		494.1		502.1
Noncontrolling interest		20.0		20.8
Total equity		514.1		522.9
Total liabilities and equity	\$	897.0	\$	879.5

MISSION PRODUCE, INC.

Condensed Consolidated Statements of Loss (Unaudited)

(In millions, except for share and per share amounts)	Three Months Ended			
	January 31,			
	2023		2022	
Net sales	\$	213.5	\$	216.6
Cost of sales		204.5		216.1
Gross profit		9.0		0.5
Selling, general and administrative expenses		19.1		18.7
Operating loss		(10.1)		(18.2)
Interest expense		(2.4)		(0.9)
Equity method income		1.0		1.6
Other (expense) income, net		(0.8)		1.6
Loss before income taxes		(12.3)		(15.9)
Income tax benefit		(1.7)		(2.5)
Net loss	\$	(10.6)	\$	(13.4)
Net loss attributable to noncontrolling interest		(1.8)		—
Net loss attributable to Mission Produce	\$	(8.8)	\$	(13.4)
Net loss per share attributable to Mission Produce:				
Basic	\$	(0.12)	\$	(0.19)
Diluted	\$	(0.12)	\$	(0.19)
Weighted average shares of common stock outstanding, used in computing diluted earnings per share	\$	70,688,785	\$	70,631,525

Condensed Consolidated Statements of Cash Flow (Unaudited)

(In millions)	Three Months Ended January 31,	
	2023	2022
Operating Activities		
Net loss	\$ (10.6)	\$ (13.4)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	9.3	4.5
Amortization of debt issuance costs	0.1	0.1
Equity method income	(1.0)	(1.6)
Noncash lease expense	1.4	1.2
Stock-based compensation	0.7	0.8
Dividends received from equity method investees	2.7	2.2
Losses on asset impairment, disposals and sales, net of insurance recoveries	0.3	0.1
Deferred income taxes	(0.5)	—
Unrealized losses (gains) on derivative financial instruments	0.1	(0.8)
Effect on cash of changes in operating assets and liabilities:		
Trade accounts receivable	(1.2)	(27.6)
Grower fruit advances	—	(2.9)
Other receivables	6.1	3.1
Inventory	(3.8)	(29.8)
Prepaid expenses and other current assets	0.8	0.1
Income taxes receivable	(3.2)	(4.2)
Other assets	(1.2)	0.6
Accounts payable and accrued expenses	(1.7)	13.3
Income taxes payable	(0.5)	(0.1)
Grower payables	1.1	15.1
Operating lease liabilities	(1.4)	(0.7)
Other long-term liabilities	1.2	(1.4)
Net cash used in operating activities	\$ (1.3)	\$ (41.4)
Investing Activities		
Purchases of property, plant and equipment	(17.6)	(20.9)
Investment in equity method investees	(0.3)	—
Loan repayments from equity method investees	—	1.0
Other	—	(0.2)
Net cash used in investing activities	\$ (17.9)	\$ (20.1)
Financing Activities		
Borrowings on revolving credit facility	10.0	—
Repayment of short-term borrowings	(2.5)	—
Principal payments on long-term debt obligations	(0.9)	(2.2)
Principal payments on finance lease obligations	(1.7)	(0.3)
Taxes paid related to shares withheld from the settlement of equity awards	(0.4)	—
Contributions from noncontrolling interest holders	1.0	—
Net cash provided by (used in) financing activities	\$ 5.5	\$ (2.5)
Net decrease in cash, cash equivalents and restricted cash	(13.7)	(64.0)
Cash, cash equivalents and restricted cash, beginning of period	53.9	92.2
Cash, cash equivalents and restricted cash, end of period	\$ 40.2	\$ 28.2
Summary of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:		
Cash and cash equivalents	\$ 39.2	\$ 25.3

MISSION PRODUCE, INC.

(In millions)	Three Months Ended January 31,	
	2023	2022
Restricted cash	1.0	2.9
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows	\$ 40.2	\$ 28.2

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

The following tables reconcile 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 January 31,	
	2023	2022
Net loss attributable to Mission Produce	\$ (8.8)	\$ (13.4)
Stock-based compensation	0.7	0.8
Unrealized loss (gain) on derivative financial instruments	0.6	(1.4)
Foreign currency transaction loss (gain)	0.9	(0.5)
Asset impairment and disposals, net of insurance recoveries	0.3	0.1
Farming costs for nonproductive orchards ⁽¹⁾	0.9	0.5
ERP costs ⁽²⁾	0.6	1.5
Transaction costs	0.1	0.4
Amortization of inventory adjustment recognized from business combination	0.7	—
Amortization of intangible asset recognized from business combination	1.2	—
Tax effects of adjustments to net loss attributable to Mission Produce ⁽³⁾	(1.3)	(0.2)
Noncontrolling interest ⁽⁴⁾	(0.9)	—
Mission Produce adjusted net loss	\$ (5.0)	\$ (12.2)
Mission Produce adjusted net income per diluted share	\$ (0.07)	\$ (0.17)

⁽¹⁾ During the three months ended January 31, 2023, \$0.5 million related to the development of blueberry orchards and \$0.4 million related to avocado orchards. All costs for the three months ended January 31, 2022 were related to avocado orchards.

⁽²⁾ Includes recognition of deferred implementation costs for both periods. Amounts for the three months ended January 31, 2022 also include non-recurring post-implementation process reengineering costs.

⁽³⁾ Tax effects are calculated using applicable rates that each adjustment relates to.

⁽⁴⁾ Represents net loss attributable to noncontrolling interest plus the impact of tax-effected non-GAAP adjustments, allocable to the noncontrolling owner based on their percentage of ownership interest.

MISSION PRODUCE, INC.

Adjusted EBITDA

(In millions)	Three Months Ended January 31,			
	2023		2022	
Marketing and Distribution adjusted EBITDA	\$	4.6	\$	(7.7)
International Farming adjusted EBITDA		(1.8)		(2.7)
Blueberries adjusted EBITDA		(0.5)		—
Total reportable segment adjusted EBITDA	\$	2.3	\$	(10.4)
Net loss		(10.6)		(13.4)
Interest expense		2.4		0.9
Income tax benefit		(1.7)		(2.5)
Depreciation and amortization ⁽¹⁾		9.3		4.5
Equity method income		(1.0)		(1.6)
Stock-based compensation		0.7		0.8
Asset impairment and disposals, net of insurance recoveries		0.3		0.1
Farming costs for nonproductive orchards		0.4		0.5
ERP costs ⁽²⁾		0.6		1.5
Transaction costs		0.1		0.4
Amortization of inventory adjustment recognized from business combination		0.7		—
Other expense (income)		0.8		(1.6)
Noncontrolling interest ⁽³⁾		0.3		—
Total adjusted EBITDA	\$	2.3	\$	(10.4)

⁽¹⁾ Includes depreciation and amortization of purchase accounting assets of \$1.6 million and \$0.1 million for the three months ended January 31, 2023 and 2022, respectively.

⁽²⁾ Includes recognition of deferred implementation costs for both periods. Amounts for the three months ended January 31, 2022 also include non-recurring post-implementation process reengineering costs.

⁽³⁾ Represents net loss attributable to noncontrolling interest plus the impact of non-GAAP adjustments, allocable to the noncontrolling owner based on their percentage of ownership interest.

Other Information (Unaudited)

Segment Sales

(In millions)	Marketing and Distribution				International Farming				Blueberries ⁽¹⁾				Total					
	Marketing and Distribution		International Farming		Marketing and Distribution		International Farming		Marketing and Distribution		International Farming		Marketing and Distribution		International Farming		Total	
	Three Months Ended January 31,																	
	2023								2022									
Third party sales	\$	181.8	\$	1.9	\$	29.8	\$	213.5	\$	212.3	\$	4.3	\$	216.6				
Affiliated sales		—		3.8		—		3.8		—		(1.0)		(1.0)				
Total segment sales		181.8		5.7		29.8		217.3		212.3		3.3		215.6				
Intercompany eliminations		—		(3.8)		—		(3.8)		—		1.0		1.0				
Total net sales	\$	181.8	\$	1.9	\$	29.8	\$	213.5	\$	212.3	\$	4.3	\$	216.6				

⁽¹⁾ Moruga was consolidated with the Company prospectively from May 1, 2022.

MISSION PRODUCE, INC.

Other Information

	Three Months Ended January 31,	
	2023	2022
Pounds of avocados sold (<i>millions</i>)	152.3	134.0
Average sales price per pound ⁽¹⁾	\$ 1.14	\$ 1.56

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

Sales by type

(In millions)	Three Months Ended January 31,	
	2023	2022
Avocado	\$ 174.0	\$ 209.1
Other	39.5	7.5
Total net sales	\$ 213.5	\$ 216.6



FISCAL Q1 2023 SNAPSHOT

Total Revenue	Adjusted EBITDA	Avocado Volume Sold	Average Selling Price
\$214M	\$2.3M	152M LBS	\$1.14/LB
↓ -1% YoY	↑ +122% YoY	↑ +14% YoY	↓ -27% YoY

Company & Sourcing Highlights

- Launched year-long "Here for Good" campaign to spread a positive impact across Mission's growing global footprint in celebration of the Company's upcoming 40th anniversary
- Increased volume 14% year-over-year; Capitalized on more stable field pricing and stronger supply dynamics
- Continued ripe mango program expansion; Secured new promotional programs throughout the holiday season, despite inflationary pressures
- Announced the testing results of "Mission Control" exclusive ripening room technology, revealing its ability to accelerate fruit ripening and improve product uniformity; Innovation expected to support expansion in the UK market

MISSION PRODUCE • GLOBAL AVOCADO SEASONALITY



Mission Produce: A Global Leader in Avocados

About Mission Produce, Inc.

Mission Produce is a 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 and Peru and has additional sourcing capabilities in Chile, Colombia, the Dominican Republic, Guatemala, Brazil, Ecuador, South Africa and more, which allow the company to provide a year-round supply of premium fruit. Mission's global distribution network includes 12 forward distribution centers that are strategically positioned in key markets throughout North America, China and Europe, offering value-added services such as ripening, bagging, custom packing and logistical management. For more information, please visit www.missionproduce.com.

Non-GAAP Financial Measure

This document contains the non-GAAP financial measure "Adjusted EBITDA." Management believes this measure provides useful information for analyzing the underlying business results. This measure is not in accordance with, nor is it a substitute for or superior to, the comparable financial measure by generally accepted accounting principles ("GAAP"). A reconciliation to the comparable non-GAAP financial measure is included in this document. 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 asset impairment and disposals, net of insurance recoveries, farming costs for nonproductive orchards (which represents land lease costs), certain noncash and nonrecurring ERP costs, transaction costs, amortization of inventory adjustments recognized from business combinations, and any special, non-recurring, or one-time items such as remeasurements or impairments, and any portion of these items attributable to the noncontrolling interest, all of which are excluded from the results the CEO reviews uses to assess segment performance and results.

Forward-Looking Statements (as of 12.13.22)

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. 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; fluctuations in the market price of avocados; increasing competition; risks associated with doing business internationally, including Mexican and Peruvian economic, political and/or societal conditions; inflationary pressures; loss of one or more of our largest customers; general economic conditions or downturns; supply chain failures or disruptions; disruption to the supply of reliable and cost-effective transportation; failure to recruit or retain employees, poor employee relations, and/or ineffective organizational structure; inherent farming risks; seasonality in operating results; failures associated with information technology infrastructure, system security and cyber risks; new and changing privacy laws and our compliance with such laws; food safety events and recalls; failure to comply with laws and regulations, including those promulgated by the USDA and FDA, health and safety laws, environmental laws, and other laws and regulations; changes to trade policy and/or export/import laws and regulations; risks from business acquisitions, if any; lack of or failure of infrastructure; material litigation or governmental inquiries/actions; failure to maintain or protect our brand; changes in tax rates or international tax legislation; risks associated with the ongoing conflict in Russia and Ukraine; the viability of an active, liquid, and orderly market for our common stock; volatility in the trading price of our common stock; concentration of control in our executive officers, directors and principal stockholders over matters submitted to stockholders for approval; limited sources of capital appreciation; 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; the selection of Delaware as the exclusive forum for substantially all disputes between us and our stockholders; risks related to restrictive covenants under our credit facility, which could affect our flexibility to fund ongoing operations, uses of capital and strategic initiatives, and, if we are unable to maintain compliance with such covenants, lead to significant challenges in meeting our liquidity requirements and acceleration of our debt; 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.

(in millions)	Adjusted EBITDA Reconciliation	
	Three Months Ended January 31,	
	2023	2022
Net loss	\$ (10.6)	\$ (13.4)
Interest expense	2.4	0.9
Income tax benefit	(1.7)	(2.5)
Depreciation and amortization ⁽¹⁾	9.3	4.5
Equity method income	(1.0)	(1.6)
Stock-based compensation	0.7	0.8
Asset impairment and disposals, net of insurance recoveries	0.3	0.1
Farming costs for nonproductive orchards	0.4	0.5
ERP costs ⁽²⁾	0.6	1.5
Transaction costs	0.1	0.4
Amortization of inventory adjustment recognized from business combination	0.7	—
Other expense (income)	0.8	(1.6)
Noncontrolling interest ⁽³⁾	0.3	—
Total adjusted EBITDA	\$ 2.3	\$ (10.4)

⁽¹⁾ Includes depreciation and amortization of purchase accounting assets of \$1.6 million and \$0.1 million for the three months ended January 31, 2023 and 2022, respectively.

⁽²⁾ Includes recognition of deferred implementation costs for both periods. Amounts for the three months ended January 31, 2022 also include non-recurring post-implementation process reengineering costs.

⁽³⁾ Represents net loss attributable to noncontrolling interest plus the impact of non-GAAP adjustments, allocable to the noncontrolling owner based on their percentage of ownership interest.

