

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): **June 16, 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, California**

(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
<b>Common Stock, par value \$0.001 per share</b>	<b>AVO</b>	<b>NASDAQ Global Select Market</b>

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   
Elected not to use extended transition period





## Investor Presentation

June 16, 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.

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## 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](http://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 expense, 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 (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 (impairment of equity method investment and legal settlement) that are distortive to results.



# Mission Produce at a Glance



Scale

*Leading Avocado Distributor  
by Volume*

**\$851mm** *LTM Q2'21 Revenue*

**\$98mm** *LTM Q2'21 Adj. EBITDA <sup>(1)</sup>*



Large Addressable Market

**~\$14bn** *Global Avocado Market <sup>(2)</sup>*

**~\$6bn** *U.S. Avocado Market <sup>(2)</sup>*

**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 <sup>(3)</sup>*

*Provides Year-Round Supply*



Vertical Integration

**~12%** *Avocados Sourced  
from Owned  
Production (2020)*

*Low Double Digit  
Adj. EBITDA <sup>(1)</sup> Margin*

<sup>1</sup> Source: Management and other publicly available information.

<sup>(1)</sup> LTM 2Q21; Adj. EBITDA and Adj. EBITDA Margin reconciliations located in the appendix

<sup>(2)</sup> As of 2018.

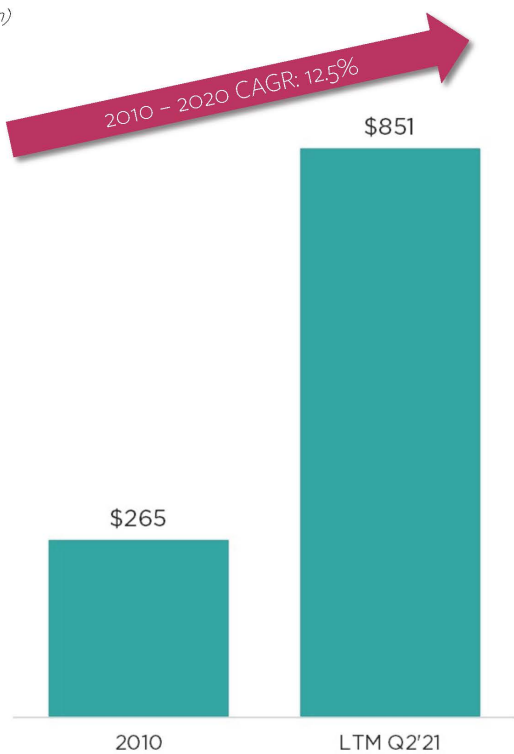
<sup>(3)</sup> Includes our 3 global sales offices.



## We Have a Long Track Record of Growth

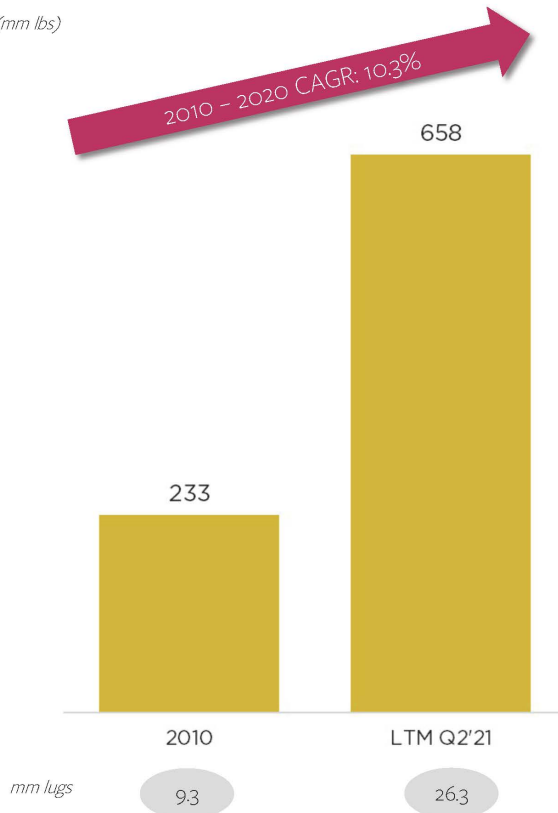
### Revenue

(\$mm)



### Volume

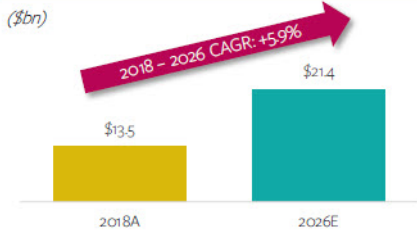
(mm lbs)



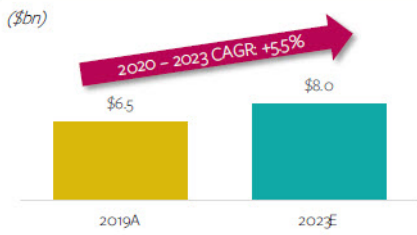
# We Operate In a Large and Growing Market with Supportive Tailwinds and Significant Barriers to Entry



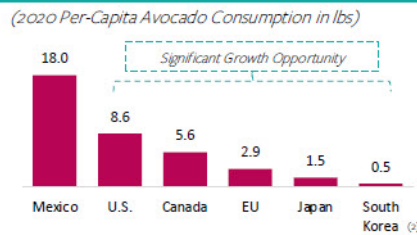
## Global Avocado Market



## U.S. Avocado Market (1)



## Per Capita Consumption



## Supporting Tailwinds Driving Market Growth

**1 Health and Wellness**

Growing interest in healthy eating and nutrient-rich foods

Avocados are a superfood given superior nutritional quality and functional benefits

**2 Millennial Consumption**

60% of millennial households purchase avocados vs. 51% non-millennial households in 2018

**3 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

*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



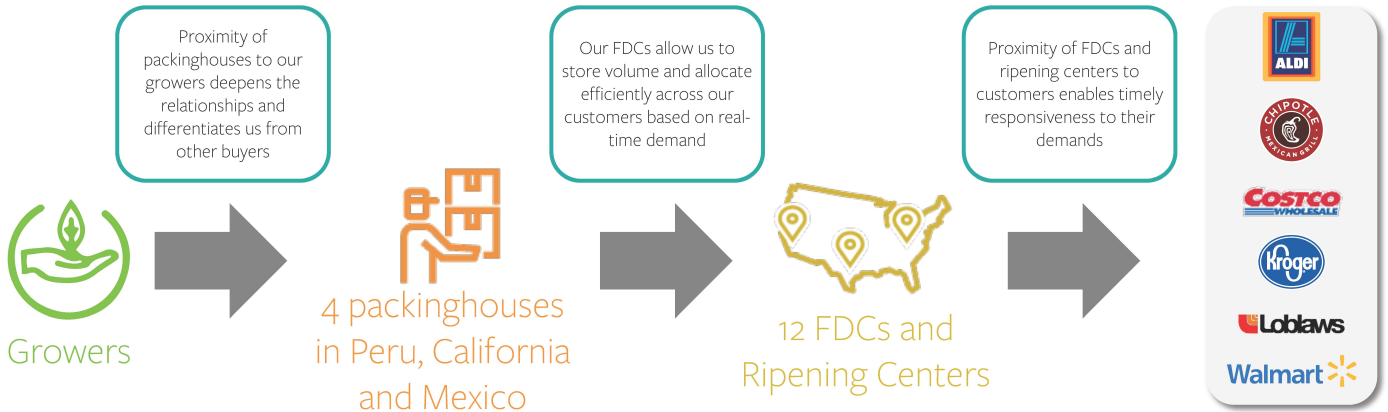
Research and Development



# 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
- Ability to store and deliver volume opportunistically as customer demand evolves
- Proximity to Clients







Better Control Over Supply



Enables Season-Long Pricing Programs for Customers



Better Control Over Farming Practices



Partnerships with Key Local Players in Each Country are Essential



Margin Enhancement

# 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*



**Mike Browne**  
*Chief Operating Officer*



**Juan Wiesner**  
*Director of Latin  
American Operations*



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



**Anita Lemos**  
*Vice President of  
Human Resources*



**Joanne Wu**  
*General Counsel*

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% y the end of 2022

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



### Commentary

- The U.S. is our largest market, where our ripening and distribution centers enable us to store and ripen avocados in close proximity to our highest volume customers nationwide
- Our unique nationwide facility footprint enables us to flex our ripe and storage capacity to fulfill demand during peak periods, and our cold chain capabilities help ensure that our fruit arrives in the optimal condition and level of ripeness
- Our Laredo facility had a soft opening April 26<sup>nd</sup> with plans to be fully operational in September

## Our infrastructure and capabilities facilitate our ability to grow across channels

### Retail



### Foodservice



### Wholesale, Exports and Other

Key Channel Themes

- ✓ 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

- ✓ 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

- ✓ 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

# Overview of International Growth Distribution Opportunities

International avocado consumption is poised to grow...

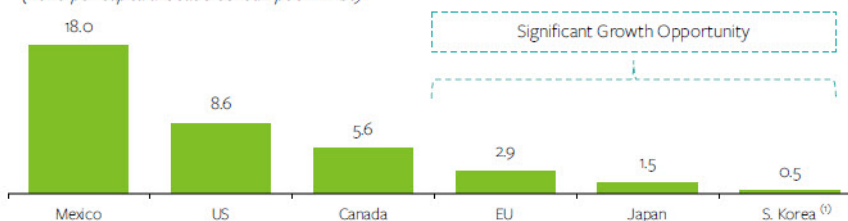
U.S. avocado per capita consumption has seen significant growth...

(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*

<b>Higher Margins</b>	<b>Quality Control</b>
<b>Oversight Into Supply Chain</b>	<b>Better Customer Service</b>
<b>Unique Pricing Capabilities</b>	<b>Diversified Sourcing</b>

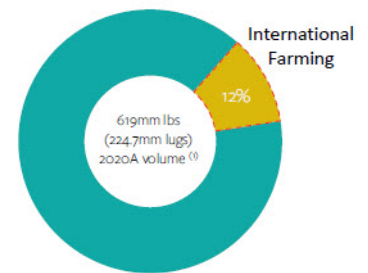
## Commentary

- 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 14,000 owned or leased acres
  - Over 9,061 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*

(i) Inclusive of the 74mm lbs (2.5mm lugs) of avocados supplied by the International Farming segment.





Revenue	\$900-920M
Volume	Consolidated 670-680M pounds
Owned Volume	95-105M pounds
Adjusted EBITDA \$ <sup>(1)</sup>	\$100-105M

Appendix



## Non-GAAP Reconciliations Adjusted EBITDA and Adjusted EBITDA Margin



(\$mm except for percentages)	YTD Q2		LTM Q2	Annual	
	2021	2020	2021	2020	2019
Net income (loss)	\$ 10	\$ (13)	\$ 52	\$ 29	\$ 72
Interest expense	2	4	4	7	10
Provision for income taxes	9	4	20	15	24
Depreciation and amortization	8	7	19	18	16
Equity method income	(2)	—	(6)	(4)	(3)
Impairment on equity method investment	—	21	—	21	—
Legal settlement	1	—	1	—	—
Other (income) expense, net	—	(1)	2	1	4
Stock-based compensation	2	1	6	5	—
<b>Adjusted EBITDA</b>	<b>\$ 29</b>	<b>\$ 23</b>	<b>\$ 98</b>	<b>\$ 92</b>	<b>\$ 123</b>
Net sales	\$ 408	\$ 419	\$ 851	\$ 862	\$ 883
Income (loss) before income taxes	\$ 19	\$ (9)	\$ 72	\$ 44	\$ 96
Operating margin	5 %	(2)%	8 %	5 %	11 %
Depreciation and amortization	2	2	2	2	2
Stock based compensation	—	—	1	1	—
Impairment on equity method investment	—	5	—	2	—
<b>Adjusted EBITDA margin</b>	<b>7 %</b>	<b>5 %</b>	<b>12 %</b>	<b>11 %</b>	<b>14 %</b>

\* Totals may not sum due to rounding