



By Matthew Jones

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T&G pleased with H1 performance

Revenue and operating profit improve over first half of 2020, although challenges loom for apple trade in Asia



T&G Global chief executive Gareth Edgecombe

An ongoing “transformation” is driving an improvement in T&G Global’s financial performance, according to chief executive Gareth Edgecombe.

The New Zealand-headquartered company announced its unaudited financial results for the six months to 30 June 2020 (H1 2020) this morning (6 August).

The group posted an operating profit of NZ\$19.5m for H1 2020, up from NZ\$6.2m in 2019. Revenue lifted 20 per cent to NZ\$671.3m, while net profit (before tax) climbed from NZ\$3m last year to NZ\$13.7m.

“Two years ago, we began our transformation from a commodity exporter to a customer-led premium fresh produce business. It’s pleasing to see the results of this hard work - and our strong focus on cost reduction - lift our financial performance and improve the fundamentals of the business,” Edgecombe said.

where sales continue to be impacted by the full or partial closure of wholesale markets,

Edgecombe underlined the strong performance of the group’s apple division over H1 2020, which increased its revenue to NZ\$440.5m, up from NZ\$315.4m in 2019.

Additionally, its New Zealand domestic business, T&G Fresh, increased its revenue to NZ\$153.8m, up from \$135.4m in 2019, assisted by [the acquisition of Freshmax New Zealand](#) in late April.

Rising to the challenge

While conceding it had been a “very challenging” start to the year, Edgecombe said T&G Global’s vertically integrated supply chain, combined with the expertise of its staff and in-market presence, positioned the group well to respond quickly to Covid-19 and maintain its focus on delivering its financial targets.

“It was a privilege to operate as an essential service during New Zealand’s lockdown, and across all of our global markets we’ve maintained continuous

“While it’s too early to see the full effects of Covid-19 on our business, including the

operations. While this resulted in increased costs and some productivity losses, our top priority has been the safety of our people and our communities,” Edgecombe explained.

“Our decision to charter a ship early in the season, to move apples to Europe and the United Kingdom, meant we got ahead of any potential logistical challenges and could support our customers in maximising retail sales. We were able to get fruit to our markets early, and this was a key factor behind our significant uplift in apple sales for the period.”

Obstacles ahead

Looking to the second half of 2020, Edgecombe said T&G Global is by no means out of the woods. He pointed specifically to mounting pressure on the apple market in Asia.

“Across all markets, we’re witnessing incredible volatility and uncertainty,” he said. “This is particularly the case in Asia,

in the second half of the year, I’m very positive about the long-term future of

and large quantities of commodity apples
remain unsold.

impact it has on the sale of apples

T&G.”

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

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