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Income slides for Del Monte in 2020

Group sees lower year-on-year net sales as Covid-19 impact hits all segments



Fresh Del Monte has reported on its results for 2020, with the impact of Covid-19 clear as both net sales and net income dropped when compared with the previous year.

Net sales for the full year 2020 were US\$4.2bn, compared with US\$4.489bn in 2019. The group said that the decrease in net sales was the result of lower sales in all of its business segments.

The Covid-19 pandemic impacted net sales by an estimated US\$303.6m in Del Monte's fresh and value-added and banana business segments, compared with 2019.

Gross profit was down, affected by not only lower sales and prices across all segments but also inventory write-offs due to the volatile supply and demand conditions caused by Covid-19, as well as additional cleaning and social distancing protocols.

Inventory write-offs resulting from damages to Del Monte's operations in Guatemala due to hurricanes Eta and Iota also hit profitability.

Net income attributable to Fresh Del Monte Produce for 2020 was US\$49.2m, compared with a net income of \$66.5m in 2019.

"In 2020, we benefited from actions taken as part of our US\$100m asset sale optimisation programme, as well as making progress on our five-year strategic initiatives to become a value-added and more diversified company," said chairman and CEO Mohammad Abu-Ghazaleh.

"The emphasis on selling non-strategic, underutilised assets, and strengthening our core businesses led to improved cash flow and reduced debt," he continued. "These efforts along with our versatile, vertically-integrated platform helped us mitigate the effects of disruptions, including weather and the Covid-19 pandemic.

"We are optimistic that with an improved balance sheet, and our strategic focus on value-added products to respond to the shift in delivery channels driven by the trend towards a

'stay-at-home economy', we will continue to see gains in our performance during 2021. Our goal, as always, is to deliver shareholder value over the long-term." Abu-Ghazaleh added.

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