



MEDIA RELEASE
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T&G Global reports its 2021 Annual Results

At a glance:

- Revenue: \$1.37 billion, down from \$1.41 billion
- Operating profit: \$16.9 million, down from \$32.4 million
- Net profit before tax: \$9.8 million, down from \$22.0 million
- Net profit after tax: \$13.6 million, down from \$16.6 million
- Total equity: \$573.6 million, up from \$519.8 million

T&G Global today announced its financial results for the year ending 31 December 2021.

While strong progress has been made in delivering T&G's strategy, significant challenges throughout the year have impacted its financial results.

T&G Global Chief Executive Officer, Gareth Edgecombe, says the ongoing implications of COVID-19 have continued to challenge the company however through the hard work of its team, T&G is well progressed in building a sustainable foundation for growth.

"2021 brought about some real challenges that have had a detrimental effect on our bottom line. The impacts of hail on our Nelson-grown fruit and challenges with border closures and labour shortages due to COVID-19, reduced both the sizing and volumes of our apples. Further, global supply chain disruptions, including fewer ships visiting Aotearoa New Zealand and container shortages, affected our ability to import tropical produce into Aotearoa New Zealand and export apples to customers around the world," says Gareth.

"Our T&G whānau worked tirelessly to address these challenges, chartering ships and partnering with primary sector exporters to get our fresh produce to export markets. However, despite our best efforts, our market access was constrained, with some produce arriving late and therefore missing sales opportunities."

Operating profit decreased from \$32.4 million to \$16.9 million. This was largely due to the impact of the hail, labour shortages, increased shipping costs and shipping delays, as well as the influence COVID-19 had on market and customer access – both in Aotearoa New Zealand and around the world. This was offset to some extent by increased Envy™ licensing revenue.

Revenue remained largely constant, down from \$1.41 billion in 2020 to \$1.37 billion this year. Net profit before tax decreased from \$22.0 million to \$9.8 million in 2021, and profit after tax decreased by 18%, from \$16.6 million to \$13.6 million this year.

Total equity grew 10.4%, from \$519.8 million to \$573.6 million in 2021, enhanced by unlocking significant underlying value from the Company's strategic capital recycling programme.

Driven by its purpose to grow healthier futures, excellent progress is being made on T&G's strategy and ongoing transformation to become a customer-driven, high-performing, premium fresh produce business.

"With global consumer demand for our premium Envy™ apple brand projected to increase five-fold by 2030, we've continued to build the platform to support this growth. This has included strengthening our in-market capabilities in key global markets, planting more Envy™ on future-

proofed 2D structures and making significant investment in new automation technology such as new picking platforms. We've also started construction on a new \$100 million, leading-edge, automated packhouse in the Hawke's Bay, which will improve productivity and accommodate increasing volumes of Envy™ and other apple varieties," says Gareth.

"Furthermore, the launch of VentureFruit™, our global genetics and variety management business, was a real success and future plans will see us bring new and superior fruit to consumers, retailers and growers around the world.

"Looking at the year ahead, we'll continue to navigate and manage any challenges that come our way, including COVID-19, continuing supply chain constraints, rising costs in freight and utilities, and workforce shortages. At the same time, we'll be focused on creating increased value from our genetics and intellectual property, maximising the growth potential of our premium Envy™ and JAZZ™ brands, and implementing our new climate change strategy."

T&G Global Chair and BayWa Global Produce Chief Executive Officer, Benedikt Mangold, says although the financial results are behind expectations, the Company is managing well in a challenging environment and its underlying fundamentals are very strong.

"While 2021 has had its challenges, it's important we remain resilient in these volatile and uncertain times," says Benedikt.

"Consumers around the world are increasingly seeking out trusted, high quality, sustainably-produced fresh produce, and under Gareth's leadership, T&G has a clear and deliberate strategy to realise this future growth. This year, our team kept each other safe, kept fruit and vegetables flowing to customers and consumers, and remained absolutely focused on delivering on our strategy. With a talented, high-performing team, we look forward to a stronger and improved 2022," he said.

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About T&G Global

Our story began 124 years ago as Turners and Growers, and today T&G Global helps grow healthier futures for people around the world. Located in 13 countries, our team of 2,000 people both grow and partner with over 1,200 growers to market, sell and distribute nutritious fresh produce to customers and consumers in over 60 countries. As kaitiaki, we do this guided by kaitiakitanga. For us, this means we treat the land, people, produce, resources, and community with the greatest of respect and care, as guardians of their future. www.tandg.global