



6 August 2020

T&G reports its 2020 Interim Results

At a glance

- Revenue: \$671.3 million, up from \$560.8 million
- Operating profit: \$19.5 million, up from \$6.2 million
- Net profit before tax: \$13.7 million, up from \$3.0 million
- Net profit after tax: \$9.5 million, up from \$4.0 million
- Net assets: \$479.8 million, up from \$414.9 million

T&G Global today announced its unaudited financial results for the six months to 30 June 2020, which show the Group's performance has improved, compared to the same period last year, with increased revenue and operating profit.

T&G Global Chief Executive Gareth Edgecombe says despite unprecedented COVID-19 challenges, the Group's results demonstrate that its ongoing transformation is shifting the business forward.

"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," says Gareth.

"Without a doubt, it's a tough environment and it's been a very challenging start to the year. However, our vertically integrated supply chain, combined with our people's expertise, determination and in-market presence, positioned us well to not only respond quickly to COVID-19, but maintain our focus on delivering our financial targets."

In the first half of 2020, T&G increased its revenue by 20% to \$671.3 million, and its operating profit lifted to \$19.5 million, from \$6.2 million in 2019. Its net profit before tax was up \$10.7 million on last year, to \$13.7 million.

A key driver of these results has been the performance of the Group's Apples division which increased its revenue to \$440.5 million, from \$315.4 million in 2019. Additionally, its New Zealand domestic business, T&G Fresh, increased its revenue to \$153.8 million, from \$135.4 million in 2019, assisted by the 30 April acquisition of Freshmax New Zealand.

"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 operations. While this resulted in increased costs and some productivity losses, our top priority has been the safety of our people and our communities," says Gareth.

"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.

“Here in New Zealand, we worked incredibly hard to keep fresh produce flowing to Kiwis. While some of our customers were impacted by not being able to physically open during lockdown, increased sales through retail channels helped lift revenue for T&G Fresh.

“We strengthened our position as the backbone of the country’s fresh produce sector, with the acquisition of Freshmax New Zealand, which was merged with our local business to create T&G Fresh. We are already realising synergies from this transaction and expect significant benefits over the coming years as we work through the integration of these two businesses.”

In talking about the second half of 2020, Mr Edgecombe says T&G is by no means out of the woods.

“Across all markets, we’re witnessing incredible volatility and uncertainty. This is particularly the case in Asia, where sales continue to be impacted by the full or partial closure of wholesale markets, and large quantities of commodity apples remain unsold. This situation continues to unfold globally and we’re managing our costs tightly as we navigate through it.

“While it’s too early to see the full effects of COVID-19 on our business, including the impact it has on the sale of apples in the second half of the year, I’m very positive about the long-term future of T&G.

“More so than ever, consumers are seeking out safe, trusted, healthy food, and this puts T&G and New Zealand in a very unique position. With an increasingly strong financial position, T&G is positioned well to maximise this opportunity and deliver increased value to our shareholders.”

For further information, please contact:

Adrienne Sharp
Head of Corporate Affairs
Ph +64 (0)27 801 5534
adrienne.sharp@tandg.global