

# LIMONEIRA

SINCE 1893

## A Company in Transition

January 2023



# Disclosure.

## Forward-Looking Statements

This presentation contains forward-looking statements, including guidance for fiscal years 2023 and beyond, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Limoneira's current expectations about future events and can be identified by terms such as "expect," "may," "anticipate," "intend," "should be," "will be," "is likely to," "strive to," and similar expressions referring to future periods.

Limoneira believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Limoneira cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: additional impacts from the current COVID-19 pandemic, changes in laws, regulations, rules, quotas, tariffs and import laws; weather conditions that affect production, transportation, storage, import and export of fresh product; increased pressure from crop disease, insects and other pests; disruption of water supplies or changes in water allocations; disruption in the global supply chain; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest and currency exchange rates; availability of financing for land development activities; political changes and economic crises; international conflict; acts of terrorism; labor disruptions, strikes or work stoppages; loss of important intellectual property rights; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; and market and pricing risks due to concentrated ownership of stock. Other risks and uncertainties include those that are described in Limoneira's SEC filings which are available on the SEC's website at <http://www.sec.gov>. Limoneira undertakes no obligation to subsequently update or revise the forward-looking statements made in this presentation, except as required by law.

## Non-GAAP Financial Measures

Due to significant depreciable assets associated with the nature of the Company's operations and interest costs associated with its capital structure, management believes that earnings before interest, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which excludes stock-based compensation, named executive officer cash severance, pension settlement cost and (gain) loss on disposal of assets, is an important measure to evaluate the Company's results of operations between periods on a more comparable basis. Such measurements are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be construed as an alternative to reported results determined in accordance with GAAP. The non-GAAP information provided is unique to the Company and may not be consistent with methodologies used by other companies. EBITDA and adjusted EBITDA are summarized and reconciled to net (loss) income attributable to Limoneira Company, which management considers to be the most directly comparable financial measure calculated and presented in accordance with GAAP.

A close-up photograph of a lemon tree branch. Several bright yellow lemons are visible, some in sharp focus and others blurred in the background. The green leaves are vibrant and detailed. The overall scene is bright and natural, suggesting a healthy agricultural environment.

# LIMONEIRA®

Limoneira is an agricultural and development company that seeks to not only maximize value for its customers and shareholders, but to enhance its legacy as a steward of both its natural and human resources. To that effect, Limoneira employs sustainable practices in all aspects of operations.

# Founded in 1893, Limoneira is Well-Positioned for Continued Global Expansion and Move to an Asset Light Business Model.

## Agricultural Land and Water Assets

**15,400**

ACRES

of rich agricultural lands and water assets in California, Arizona, Chile and Argentina

**8,500**

U.S. FRUIT-BEARING ACRES<sup>1</sup>

with an additional 1,000 acres throughout California and Arizona estimated to become fruit-bearing over the next four to five years

**600**

ACRES

of non-agricultural real estate assets either currently being developed or available for future monetization

**28,000+**

ACRE FEET

of land assets with owned water rights, usage rights, and pumping rights

## Business Venture

One World of Citrus™

**365 / 24 / 7**

Year-round global supplier of citrus that eliminates seasonality for customers

## Real Estate Development Project



**HARVEST**

— AT LIMONEIRA —

**\$115M**

expected revenue spread out over seven fiscal years, with first proceeds received in fiscal year 2022

# Experienced Senior Management Team.



## Harold Edwards

President / CEO

33 years industry experience

Joined Limoneira in 2003

Member of one of the farming families associated with the Company over its long history

**Sunkist**

**Cargill**

**Mission**

**Calavo**

**PURINA**



## Mark Palamountain

Chief Financial Officer

25 years finance experience

Joined Limoneira in 2012

Promoted to CFO in January 2018

**Thomas Weisel Partners**

**Broadpoint.Capital**

**JPMorganChase**



## John Carter

Vice President of Sales

18 years sales experience

Joined Limoneira in 2010

Promoted to Vice President of Sales in December 2018

**Chiquita**

**Sunopta**  
Fueling the Future of Food

# Updated Strategic Objectives and Priorities.



**Expanding  
One World of Citrus™  
Asset Light Business  
Model**



**Unlocking Market  
Value of Non-  
Strategic Assets**



**Real Estate  
Developments**



**Improving ESG  
Efforts**

# Expected Outcomes of Updated Strategic Objectives and Priorities.

1 Transition One World of Citrus™ to an “asset light” model

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2 Streamline operations and sell non-strategic assets

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3 Improve consistency of earnings

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4 Increase EBITDA and Dividend Per Share

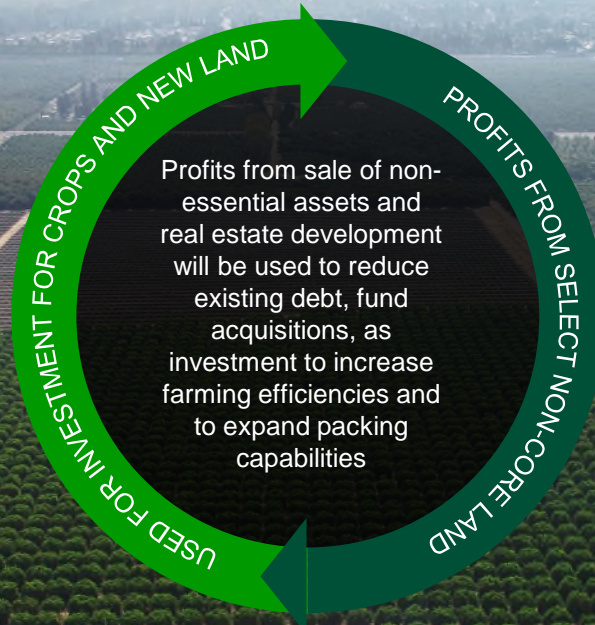
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5 Reduce debt and right-size the balance sheet

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6 Improve Return on Invested Capital (ROIC)

# Future Conversion of Select Non-Core Land.





## Future Asset Monetization.

### \$150 Million of Near-Term Asset Sales Have Been Identified:

Commercial Property in Harvest at Limoneira

**Closed October 26, 2022**

Oxnard Lemon Property

**Closed October 31, 2022**

Santa Maria Property

**Closed November 30, 2022**

Northern Agricultural Properties

**Close TBD**

Windfall Farms

**Close TBD**

Southern Hemisphere Agricultural Assets

**Close TBD**

# Three Primary Drivers Fueling Long-Term Growth.

## Non-Core Revenue Stream

Real Estate



Identified \$150M of near-term assets for sale  
Expect \$115M from Harvest at Limoneira

## Core Operating Business Revenue Streams

Citrus



Avocados



Growing | Packing | Marketing / Distribution



5 Year Plan:  
25% Full Integration, 55% Grower Partner  
and 20% Agency / Brokerage

Packaging Line Efficiencies, Productivity, and International Investment To Drive Stable Earnings Growth and Provide Operational Leverage

LIMONEIRA®

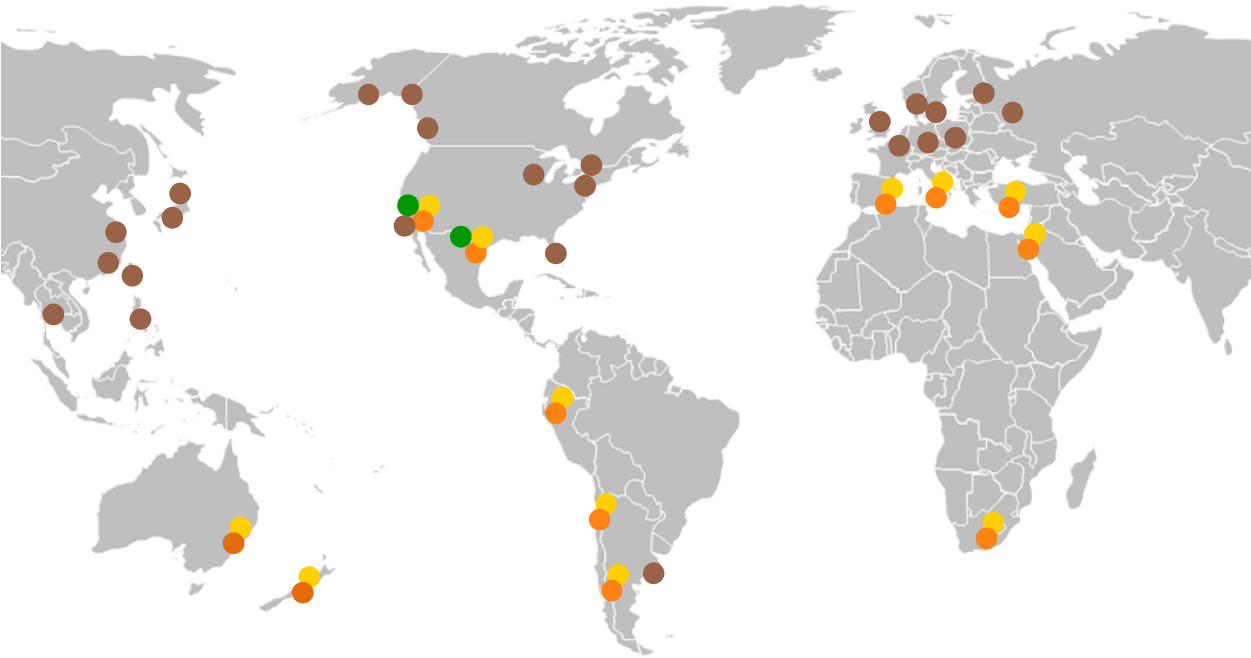
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# Expanding One World of Citrus



# One World of Citrus™

Year-round global supplier of citrus that eliminates seasonality for customers.



● Lemons    ● Oranges    ● Avocados    ● Global End Markets

**365** / **24** / **7**  
DAYS PER YEAR    HOURS PER DAY    DAYS PER WEEK



**300k**

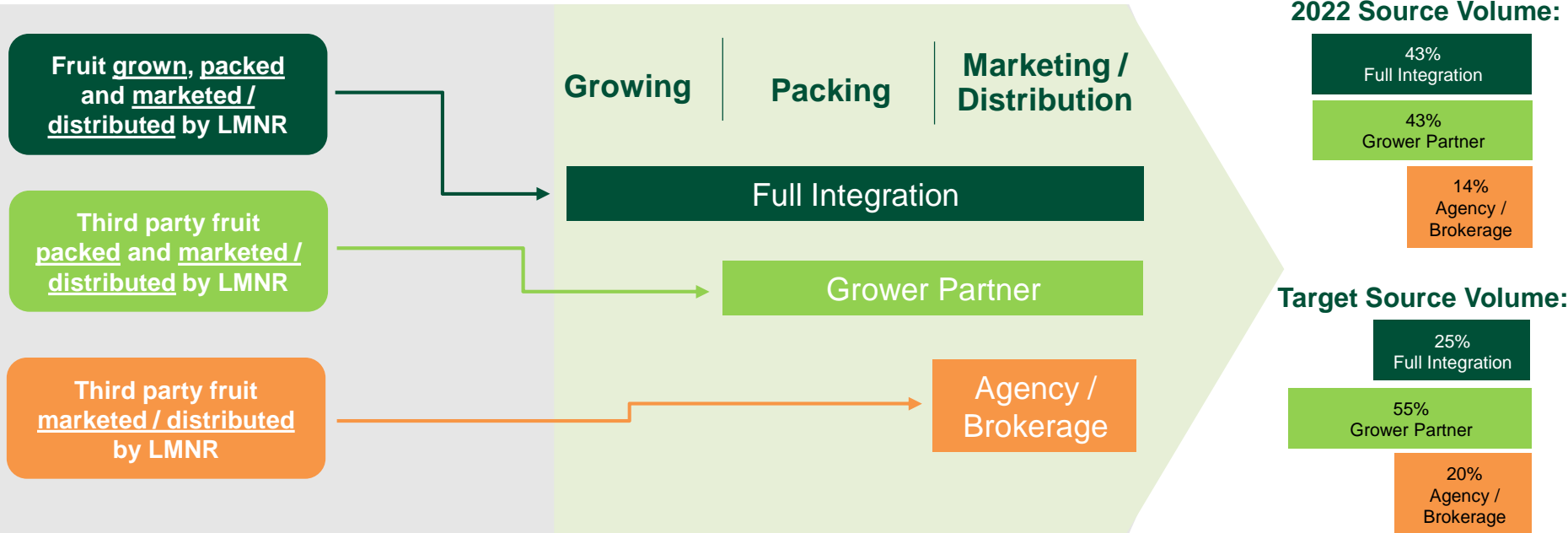
MEXICAN & SOUTH AFRICAN  
SOURCED GROWERS

**6.5M**

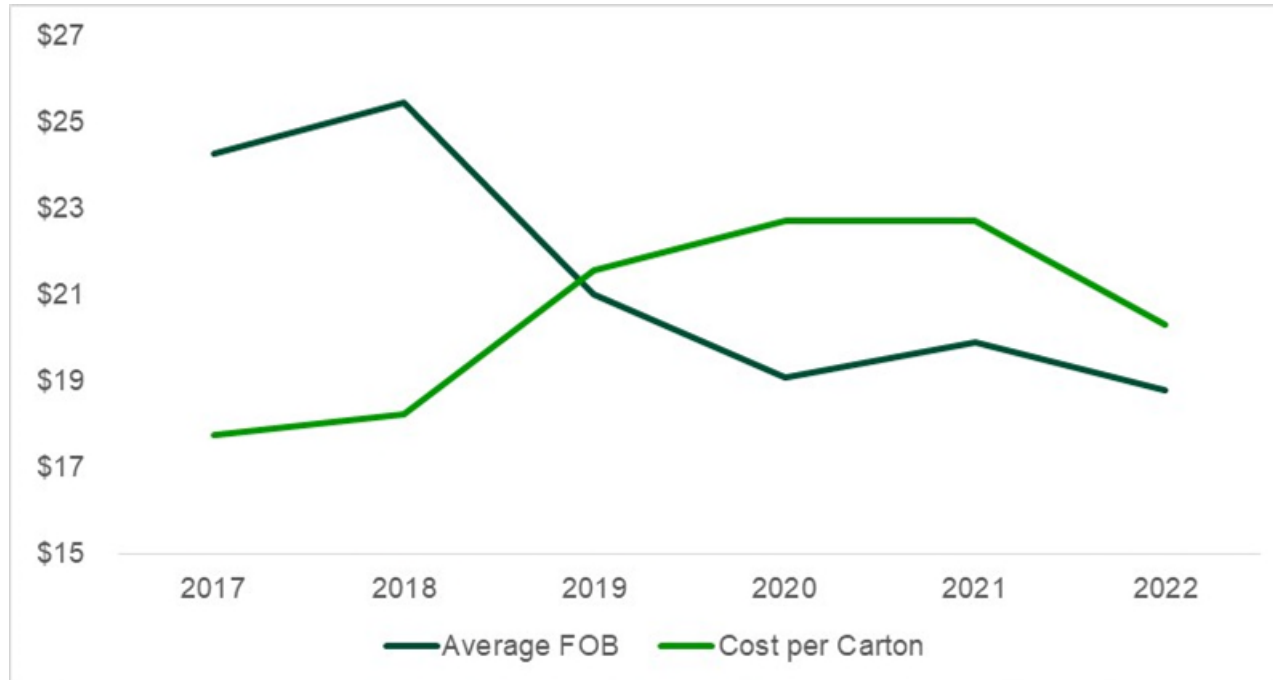
CARTONS OF FRESH LEMONS  
SOLD IN 2022  
**1 Billion Lemons**

# Providing a Critical Link Between Highly Fragmented Citrus & Avocado Growers and Diverse End Markets.

Our three pronged operating model helps fulfill end customer's fruit needs



# Move to Increase Asset Light Volume Expected to Lead to Margin Expansion.



# Move to Increase Asset Light Volume Expected to Lead to Margin Expansion.

Grower Partner packing and marketing / distribution margin is \$2.00 per carton

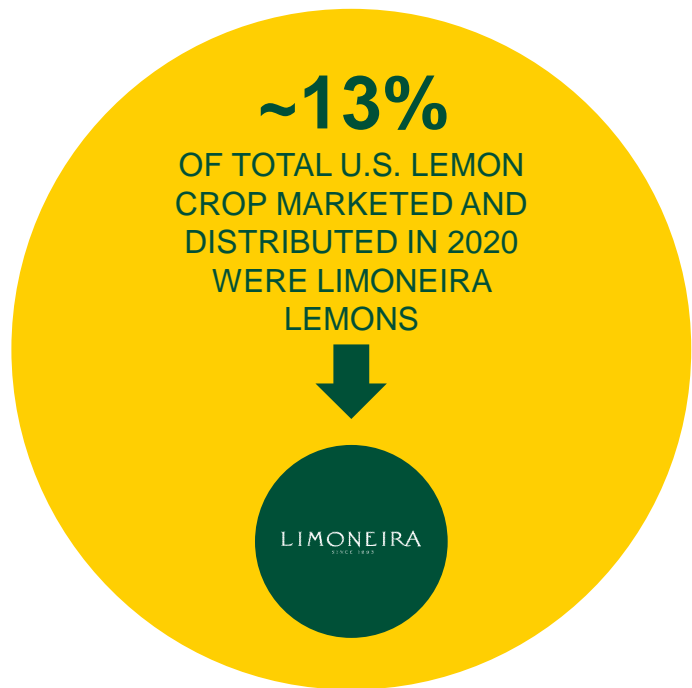
Agency / Brokerage marketing / distribution margin is 8% of sale price, with target of \$1.50 to \$2.50 per carton margin

Grower Partner and Agency / Brokerage fruit eliminates volatility and tie to commodity pricing

No cost to expand Grower Partner and Agency / Brokerage



# A Vertically Integrated Player Within a Highly Fragmented Space.



COMPARED TO ~4% IN 2011  
UP 228%

Limoneira Delivers	Limoneira's Vertical Integration & Scale Enable
High-quality products	Increased operating leverage and flexibility
Integrated farm-to-customer supply chain	
Low-cost production	Enhanced customer service and satisfaction
Diverse global sourcing and distribution network	
Superior product mix	Higher growth and margins
Global scale and customer base	



# A Hub of Key Services to a Growing Portion of the Global Lemon Industry.

Limoneira processes, packages, ships, markets and distributes lemons from its farms and other growers.

## LEMON CARTON ACTUALS FY22



● Limoneira grown lemons

● Grower partners using Limoneira hub services

\*International includes Chile, Argentina, Mexico and South Africa

# Transformed Our Packing Facility Into a Highly Automated Packing Platform.



Current Packing Facility

**\$29M**

was spent modernizing and streamlining facilities to be state-of-the-art (in 2016)

**3X**

amount of fruit processed in same amount of time

**70%**

of pre-existing labor needed in current packinghouse

**14%**

more lemons packed

**25%**

increase in third-party packings

**TODAY**

**TARGETED GROWTH AREAS  
IN AUTOMATED PACKING**



Facilities are currently operating at  
**~70% capacity**

Now able to grow through  
additional packing of third-party  
fruit or Limoneira citrus.

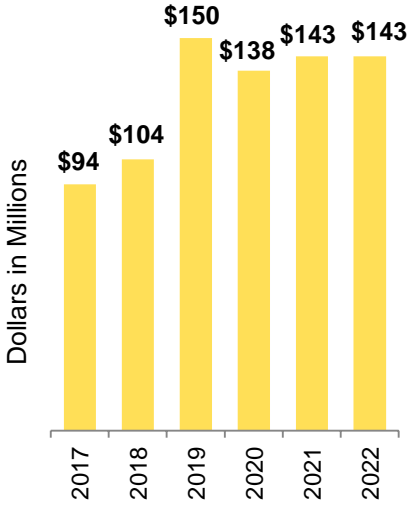


**All Limoneira avocados, oranges  
and specialty crop are sold to  
packinghouses and processors  
in the U.S.**

# Expect Long-Term Increase in Global Demand for Fresh Citrus.



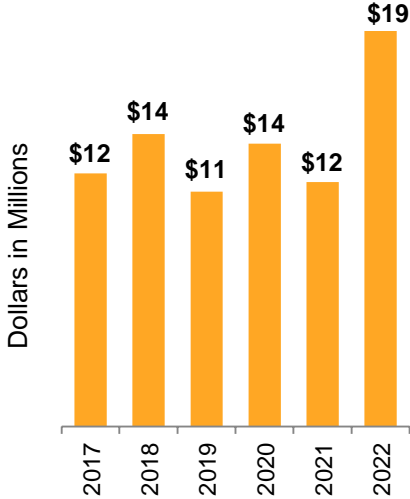
**LEMON REVENUE**



80% of 2022 agricultural revenue

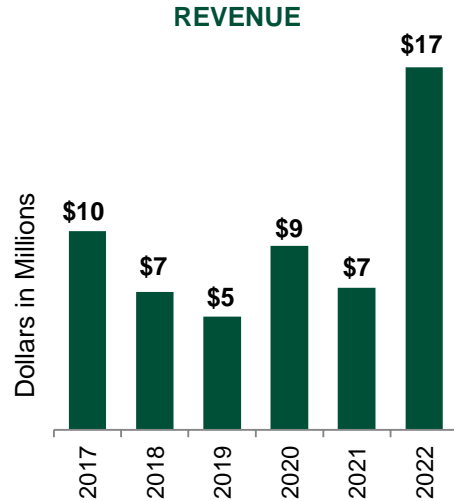
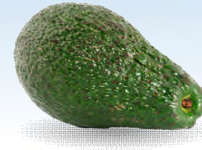


**ORANGE & SPECIALTY CITRUS REVENUE**



11% of 2022 agricultural revenue

# Expect Long-Term Growth in Avocados.



The California avocado crop typically experiences alternating years of high and low production due to plant physiology.

The California avocado crop experienced extreme heat in FY18, which caused minimal contribution in FY19, but normal production capacity resumed in FY20. The California avocado crop experienced a lack of rainfall in FY21, which reduced the overall size of the actual avocado fruit pieces.

Sources: US Department of Agriculture; Economic Research Service; 2019 per capita availability: fresh fruit, [ers.usda.gov](https://ers.usda.gov), October 2020

## Avocado Highlights

10% of 2021 agricultural revenue

2.2% U.S. Market Share  
one of the largest growers

800 planted acres

800 current producing acres

98% Hass avocados

Exploring packing and marketing /  
distribution



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# Unlocking Market Value of Balance Sheet Assets



# \$150 Million of Near-Term Asset Sales Have Been Identified.

AS OF AUGUST 31, 2021	ACRES	FMV <sup>1</sup>	NET BOOK VALUE
Real estate development assets	600	\$100M–\$150M	\$87M
Agricultural assets (land, buildings, orchards, water)	15,400	\$475M–\$600M	\$245M
Other assets		\$25M–\$30M	\$19M
Less estimated current debt		(\$130M)	(\$130M)
<b>NET ASSET VALUE</b> *Pre-Tax		<b>\$470M–\$650M</b>	<b>\$221M</b>
<b>NET ASSET VALUE PER SHARE</b> *Based on 18,393,192 Shares Outstanding		<b>\$25.50–\$36.25</b>	<b>\$12.00</b>

(1): Fair Market Value (“FMV”) of Real Estate Assets is not a GAAP financial measure and should not be considered as an alternative to net book value of real estate assets, the most directly comparable financial measure calculated and presented in accordance with GAAP. FMV is estimated as a set of value ranges from recent comparable sales in each region the company owns real estate assets.

# Holding Significant Valuation in Ownership Over Water Rights.

## Water Assets

**~28,000+**

ACRE FEET OF OWNED  
WATER RIGHTS

Water rights, usage rights, and water  
pumping rights associated with  
Limoneira land

**\$10k–\$40k**

PER ACRE FOOT

Range of recent water  
rights sales in CA/AZ

**5.9%**

SOUTHERN CALIFORNIA  
WATER PRICE ESCALATION

Compounded annually  
since 1974

Substantial investments made in water  
companies to support and exceed  
farming needs

Colorado River Class 3 Water Rights (12k acre feet)  
Santa Paula Basin – Adjudicated Pumping Rights (10k+ acre feet)  
Fillmore Basin – Unadjudicated Pumping Rights  
San Joaquin Valley Water Rights  
Cadiz Water Rights

# Premium Land Owned in Central/Southern California, Arizona, Chile, Argentina, and a Variety of Commercial Properties.

District I, II & III



Packinghouses



Land in Chile & Argentina



Office Buildings





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# Real Estate Developments



# Diversified Revenue Stream Includes Monetizing Non-Core Agribusiness Land.

Limoneira entered a partnership with the Lewis Group of Companies to develop “Harvest at Limoneira”—a residential and commercial real estate project.

## Fiscal Year Residential Closings

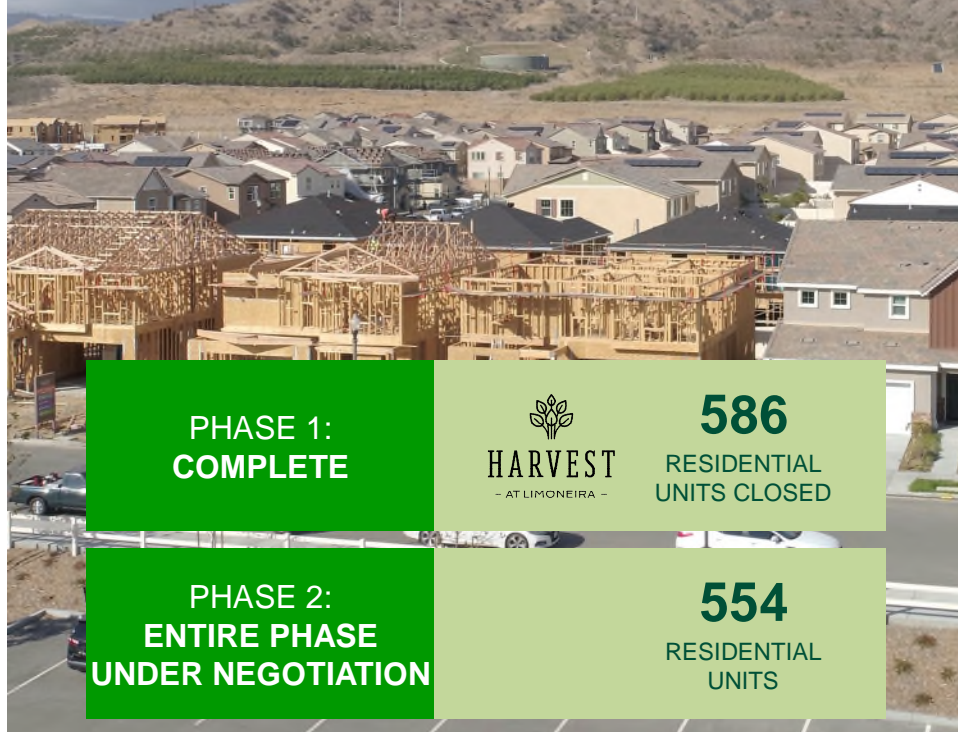
2019	2020	2021
<b>210</b>	<b>144</b>	<b>232</b>

Nationally Recognized Homebuilder Partners



Total cash distributions expected to be \$115M spread out over seven fiscal years from 1,500+ residential lots

First partnership cash distribution received in FY22



# Harvest Medical Pavilion.

Phase 1

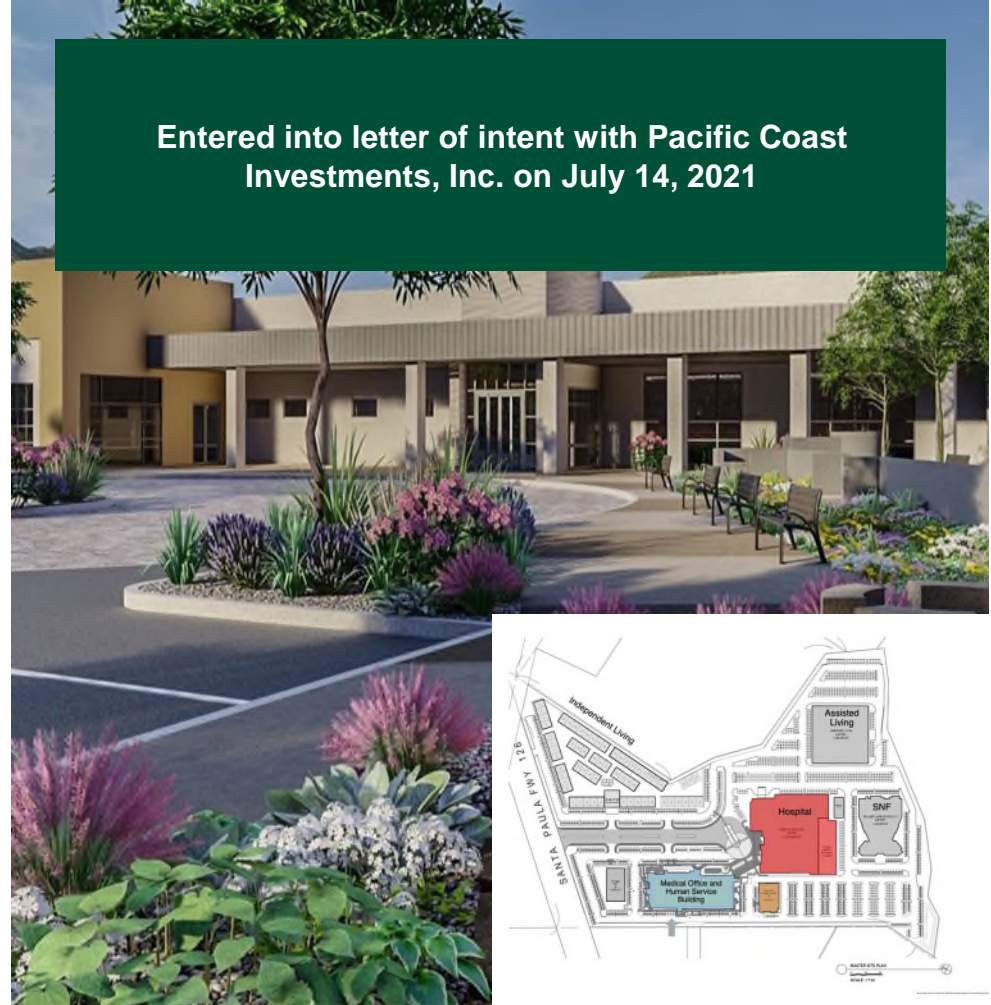
**32.5**  
ACRES

OF EAST AREA 2 INTENDED FOR MEDICAL CAMPUS

LOT 1 TO BE DEDICATED MEDICAL OFFICE BUILDINGS

LOT 2 TO AN ACUTE CARE HOSPITAL

EAST AREA 2 STRATEGICALLY LOCATED CLOSE TO  
HARVEST AT LIMONEIRA DEVELOPMENT PROJECT



# Harvest at Limoneira.

## PROJECT STATUS

<b>Cash Flow Potential</b>	Approximately \$135M over the life of the project (of which \$28M has already been received)
<b>Lot Sales</b>	586 lot closings and GAAP Earnings to date
<b>Acres</b>	550
<b>Total Expected Units</b>	1,500 units (potential for increased units)

## CURRENT HARVEST AT LIMONEIRA CASH FLOW PROJECTIONS

<b>Fiscal Years</b>	2022	2023E	2024E	2025E	2026E	2027E	2028E
<b>Total Annual Projected Distribution</b>	\$8M	\$5M	\$8M	\$17M	\$25M	\$30M	\$22M

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**ESG Efforts**



# Continued Commitment to Improve ESG Scores.

Limoneira remains committed to enhancing and improving ESG scores

Limoneira's ESG score improved by 40% year-over-year from an average of 7.6 to 4.6 as of December 2022

## Expand

Expand relationship with Agromin

## Invest

Invest in regenerative agricultural practices

## Evolve

Evolve governance structure

## Focus

Focus on sustainability



# Evolution of Board Structure and Composition to Enhance Effectiveness.

## Evolving Governance Structure

- 1 New committee leadership to affect positive change
- 2 Establishing best governance practices
- 3 Focusing on inclusivity
- 4 Seeking to maintain core competencies consistent with strategic direction

## Key Milestones

- 1 Unanimous board approval of strategic plan and ESG initiatives
- 2 360 annual board assessment underway
- 3 **Elizabeth Mora** appointed to oversee Nominating & Corporate Governance Committee; more than 10 years of public company experience
- 4 **Edgar Terry** appointed to lead Risk Management Committee; focused on ESG, Cyber and aligning risks commensurate with new road map strategy
- 5 **Scott Slater** appointed Chairperson of the Board; experienced public company CEO with keen understanding of aligning pay and performance

# Innovating New Methods of Protecting Water.

Limoneira addresses water scarcity and potential negative impacts on community water resources by maintaining a careful balance between water demand and supply—and by driving efficiencies in water use.

## INNOVATIVE MANAGEMENT PRACTICES & TECHNOLOGIES

### Use of Water Probes

Moisture sensors **determine when trees need water and how much** (i.e., when they reach full holding capacity), thus reducing run off and wasted water.

**Limoneira irrigates when trees need the water versus when water is provided by the irrigation company**

### Introduction of a Natural Wastewater System

**A series of gravity fed ponds that circulate and clean 30M gallons of water annually** with natural vegetation, local plants and fine gravels.



# Commitment to ESG is Deeply Embedded in Culture.

Limoneira has been treading lightly on the land since its founding 130 years ago—long before sustainability entered the modern lexicon.

## Pioneering Water Techniques

Investment in cutting-edge water management technology reduces water consumption in drought-prone environments

## Minimizing Pesticides

Working with Associates Insectary since 1917 to minimize use of pesticides by releasing beneficial insects into orchards

## GLOBAL GAP Certified

One of a few citrus fruit growers in the United States to be GLOBAL GAP certified from tree to truck.

## Diversifying Beyond Solar

Partnering with Agromin to repurpose Ventura County's green waste to 100% power operations with clean and renewable energy by 2030

## Organic Green Waste

20-acre facility receives 200+ tons per day of organic green waste that would otherwise be transported to landfills

## Solar Energy Production

7 solar installations across operations producing 7M KW annually, enabling Limoneira to reduce 86,830 tons of CO2 over a 25 year period



# Investing in the Power of People.

## Rental Properties



### Stable Tenant Base

Majority of tenants are Company employees

### Attrition Mitigation

Rental operations play important role in keeping a reliable workforce

### Steady Cash Flow

Income from properties support expansion in citrus division

**257 FARM WORKER  
HOUSING UNITS**

**3% OF 2022  
REVENUE**

## Workforce Housing

One of the first agricultural employers to offer on-campus housing to their workers

## Community Support

Donated over \$2.5 million to support schools, community and industry organizations in Ventura, Santa Barbara, San Luis Obispo, and Tulare counties, and Yuma, Arizona



Feeding Farmers Program  
run by Limoneira

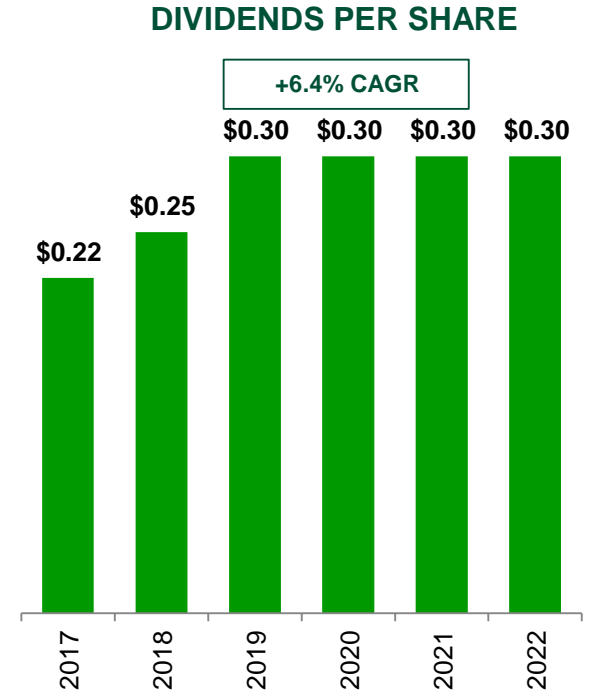
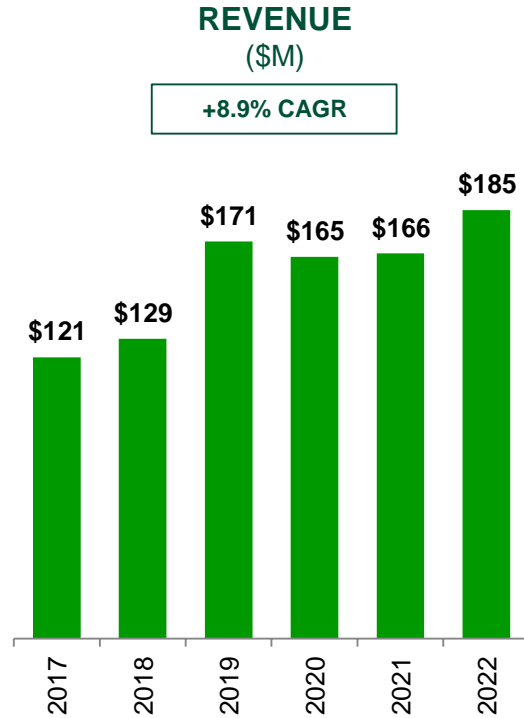
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**Financial  
Performance &  
Outlook**

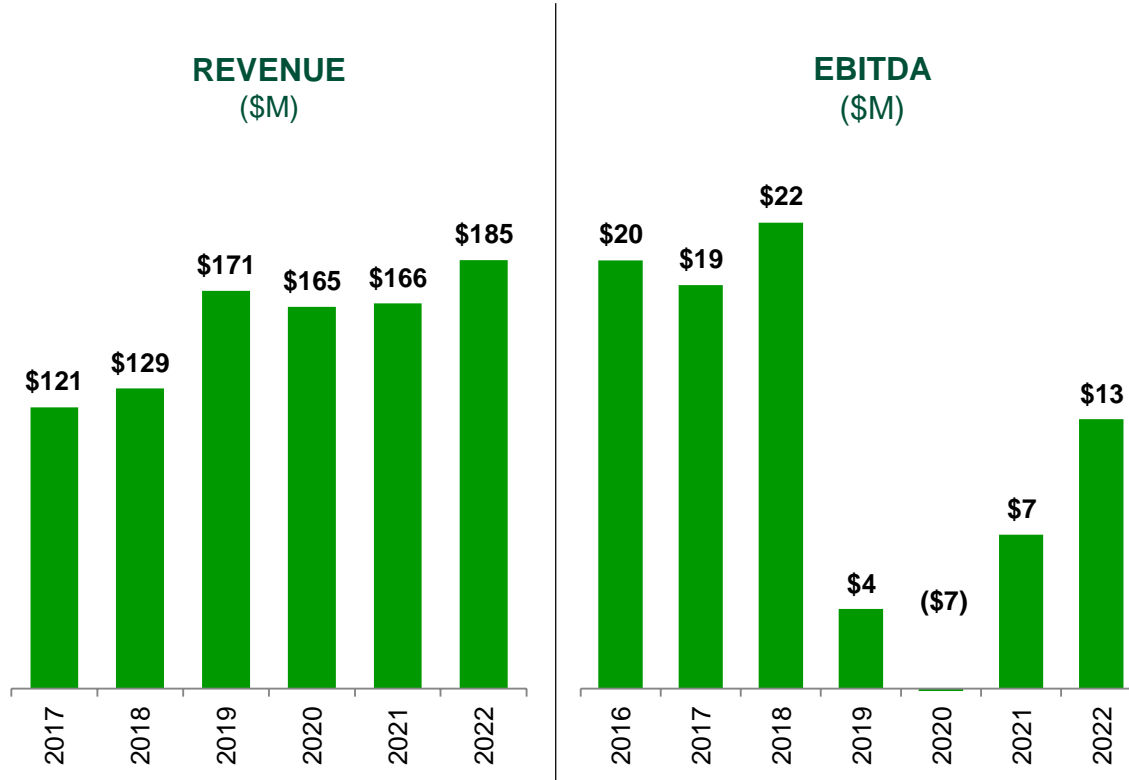


# Driving DPS Growth Through Increased Revenue and Operational Efficiencies.

Annual dividend has increased by  
**36%**  
over the past 5 years



# Positioned to Realize Financial Growth in FY 2023.



The Company expects

**5.0-5.4M**

cartons of fresh lemons

AND

**4.0-5.0M**

pounds of avocados  
in FY23

# Positioned for Long Term Profitable Growth.

## Projections

THE COMPANY EXPECTS  
TO RECEIVE

**\$115M**

from Harvest at Limoneira spread  
out over seven fiscal years,  
with first proceeds received  
in FY22.

THE COMPANY HAS  
IDENTIFIED

**\$150M**

of non-core assets for future sale.

**1,000**

Additional acres of non-bearing  
lemons estimated to become full  
bearing over the **next four to five**  
years

**200**

acres expected to become full  
bearing in **FY23**.

Anticipate additional acreage will increase  
domestic supply of Limoneira-owned  
lemons from 2022 level by ~50%

**~700,000 to 1.1M**

Additional fresh cartons

A vertical photograph of a lemon tree branch with several bright yellow lemons and green leaves. The image is set against a background of a solid green gradient on the left and a light green gradient on the right.

LIMONEIRA®

Q&A