



# LIMONEIRA

SINCE 1893

September 2021

# Cautionary Statement

## Forward-Looking Statements

This presentation contains forward-looking statements, including guidance for fiscal year 2021 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; 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 impairments on real estate development assets when applicable, 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 is 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.

# Experienced Senior Management Team

## Limoneira's Senior Management Team has an Average of 29 Years of Industry Expertise



**Harold Edwards**  
President / CEO

- 31 years industry experience
- Joined Limoneira in 2003
- Edwards is a member of one of the farming families associated with the Company over its long history
- *Previous experience includes:*



**Mark Palamountain**  
Chief Financial Officer

- 23 years finance experience
- Joined Limoneira in 2012
- Promoted to CFO in January 2018
- *Previous experience includes:*



**Alex Teague**  
Senior Vice President / COO

- 34 years industry experience
- Joined Limoneira in 2004
- Great-grandson of C.C. Teague, Limoneira's first General Manager
- *Previous experience includes:*



# Key Multiple Drivers of Growth



- Expand domestic and international production and marketing of Lemons, Avocados, Oranges, Specialty crops and other products
- Acquire additional agriculture properties
- Increase volume and efficiencies of lemon packing operations
- Increase control of supply chain and distribution
- Driving efficiencies
- 15,400 Acres



- Selectively and responsibly develop and realize long term value of real estate assets
- 1,500 single and multi-family homes at “*Harvest At Limoneira*” with potential of increased densities
- 256 Rental Units
- Additional non-Agriculture real estate assets available for future monetization
- Potential New Medical Campus on East Area 2(1)



- Opportunity to monetize excess water resources without selling assets
- ~28,000 acre feet of owned water rights, usage rights, and pumping rights
- Recent water rights sales have priced at \$28,680 per acre foot(2)

(1): July 14, 2021 Limoneira Press Release.

(2): City of Ventura Ordinance.

# Portfolio of Real Estate & Other Assets

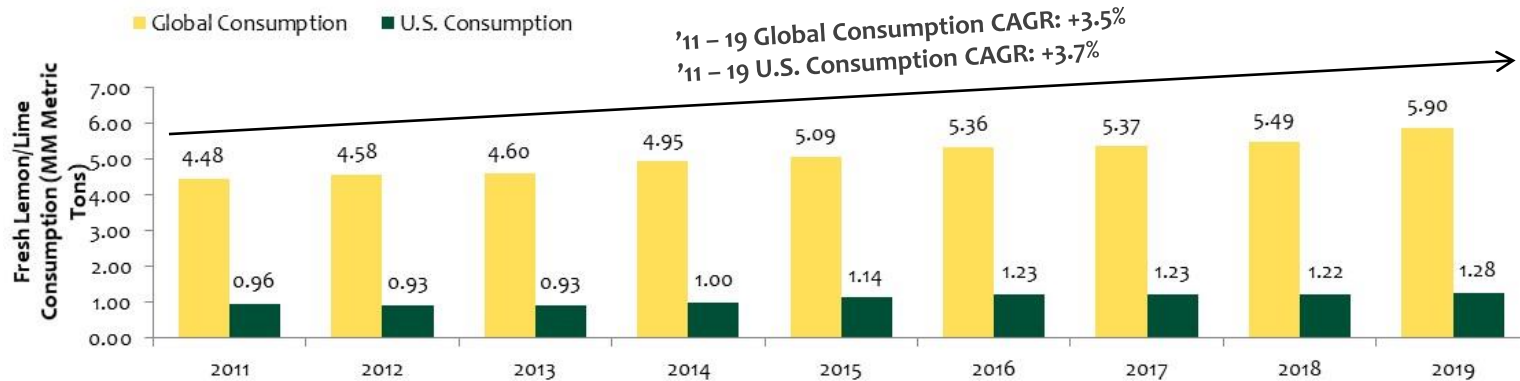
As of October 31, 2020	FMV	Net Book Value
Real estate assets	\$XXXM	\$78.8M
Agricultural assets (land, buildings, orchards)	\$XXXM	\$242.6M
Rental assets	\$XXXM	\$16.3M
Water investments	\$XXXM	\$9.2M
Less associated debt	(\$XXX.M)	(\$126.0M)
<u>Net Asset Value</u>	<u>\$XXXM</u>	<u>\$220.9M</u>

# Global Demand for Fresh Citrus Continues to Grow



## Attractive & Growing Global Market for Fresh Citrus

### Fresh Lemon/Lime Consumption on the Rise



### Growing Demand Supports Higher Prices



### Drivers of Increased Consumption

- Increased consumer focus on health and wellness
- Changing consumer preferences for whole fresh food
- Increasing disposable income globally
- Food away from home – 70% of lemon consumption is generated through the foodservice industry



Health



Beauty



Lifestyles



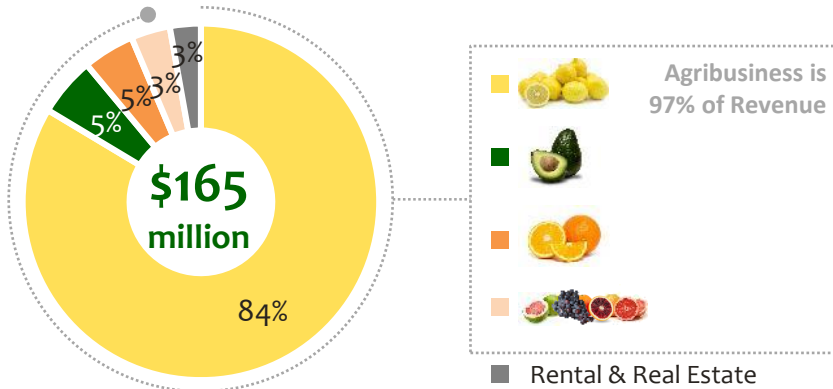
Cleaning



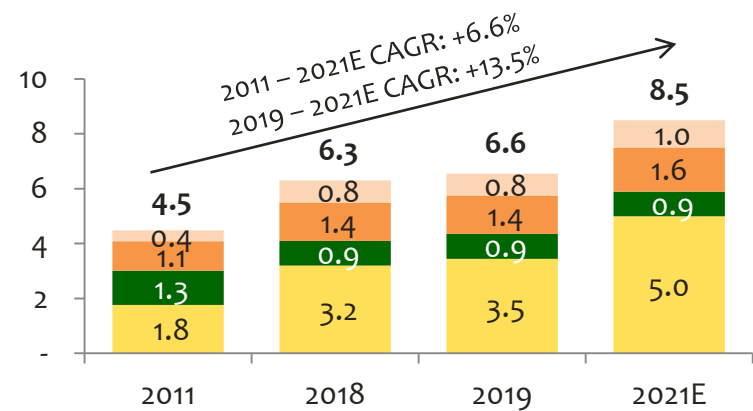
Recipes

## From Our Groves to Your Home bringing you the best since 1893

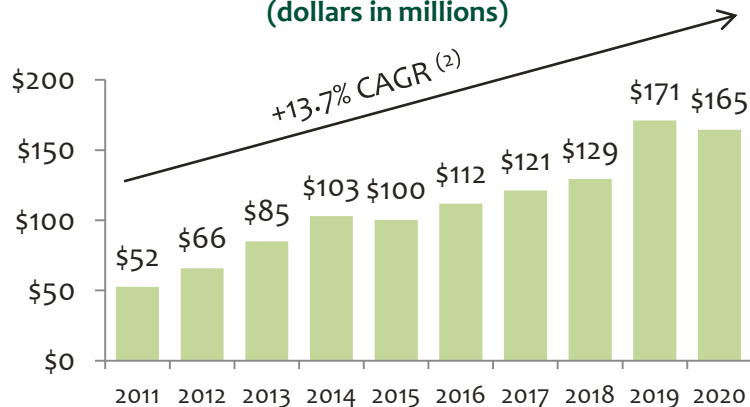
### Diverse and On-Trend Citrus (revenue by product)



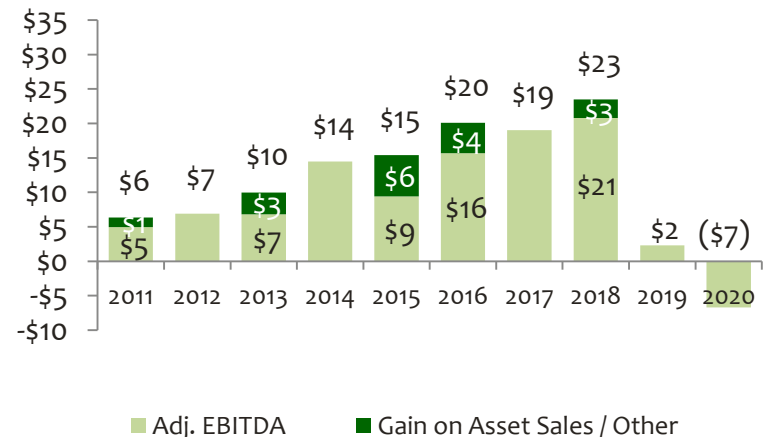
### U.S. Fruit Bearing Acres <sup>(1)</sup> (in thousands)



### Revenue (dollars in millions)



### EBITDA (dollars in millions)



(1): 2021E figures include agricultural acres currently planted and expected to bear fruit

(2): Compound annual growth rate from FY2011 to FY2020

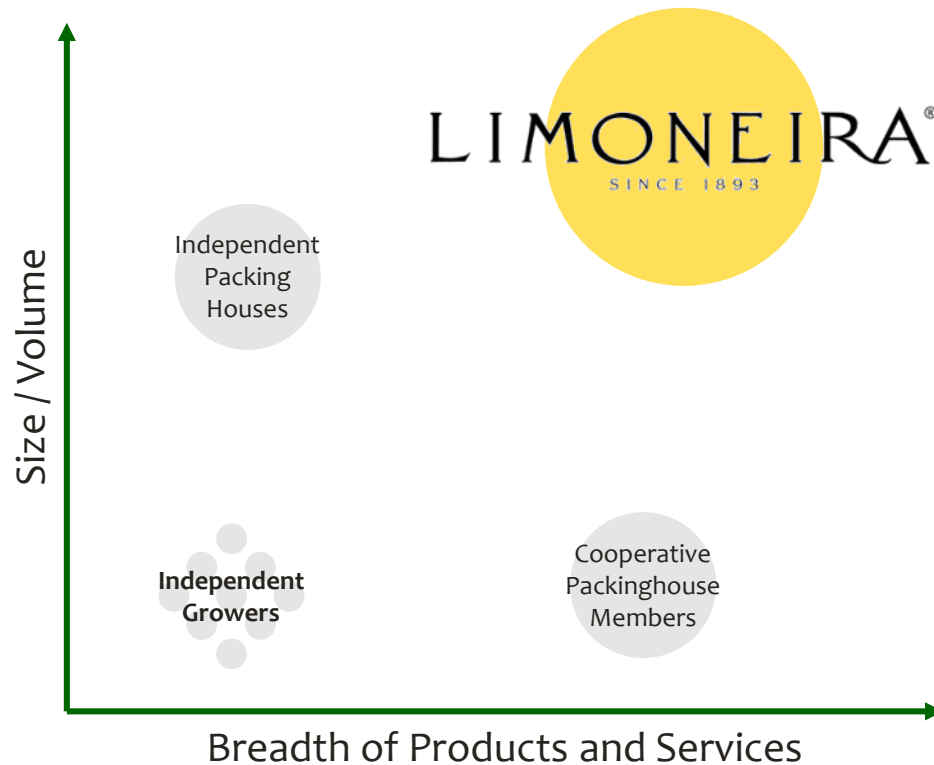
# Vertically Integrated Player Within a Highly Fragmented Space

## Integrated. Scaled. Global.

sitting between highly fragmented growers and diverse end markets



■ LMNR Operations



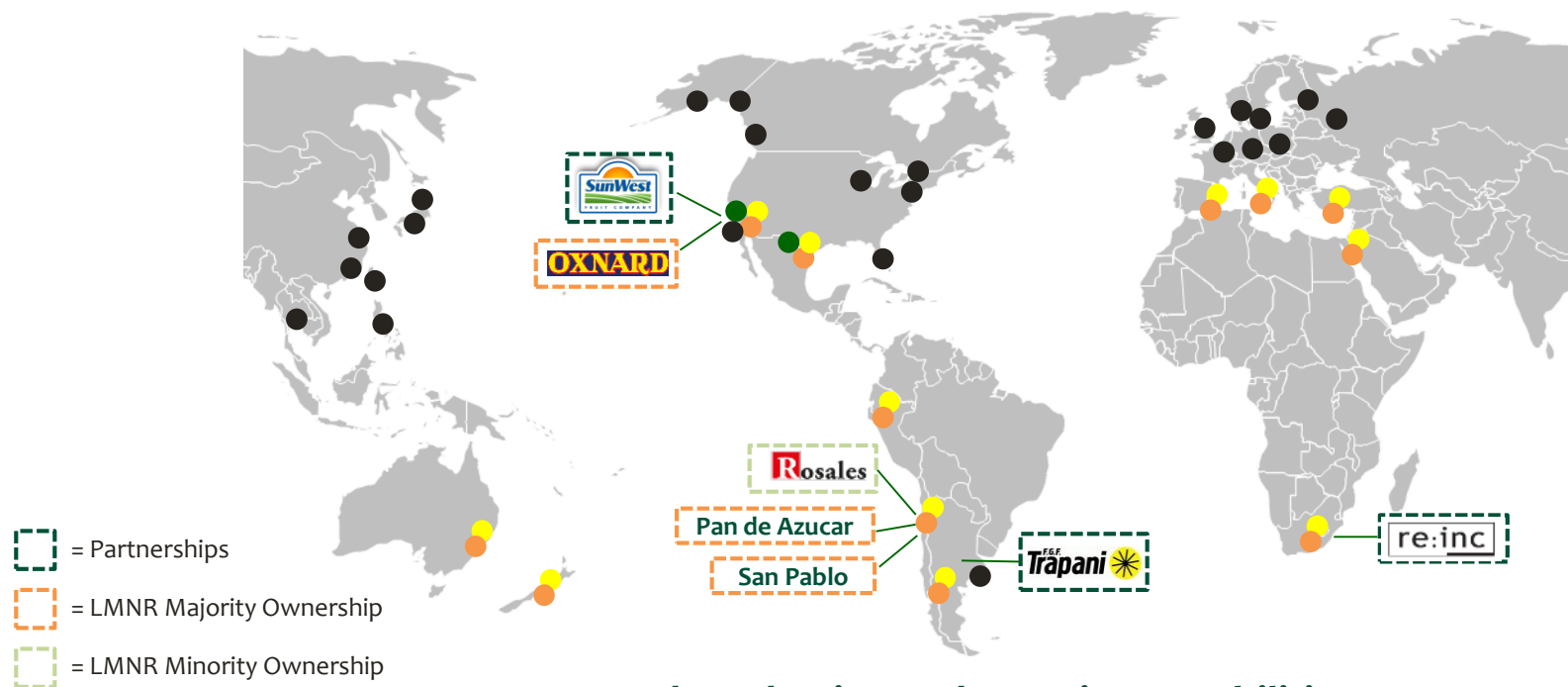
- Limoneira delivers:
  - High-quality products
  - Integrated farm-to-customer supply chain
  - Low cost production
  - Diverse global sourcing and distribution network
  - Superior product mix
  - Global scale and customer base
- Limoneira's vertical integration and scale enable:
  - Increased operating leverage and flexibility
  - Enhanced customer service and satisfaction
  - Higher growth and margins

# One World of Citrus™ – Global Reach With Year Round Supply

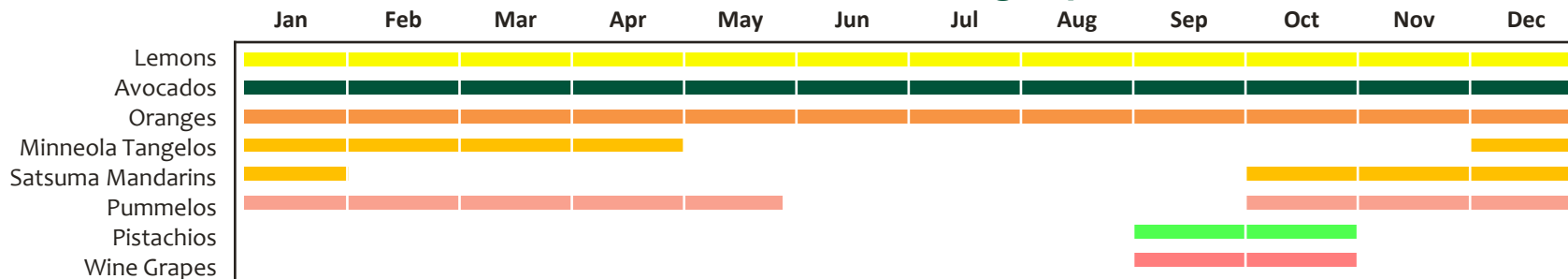
## Limoneira's U.S. Lemon Supply:

71% Domestic Sales / 26% Domestic Exporter Sales / 3% Direct International Sales

● Lemons ● Avocados ● Oranges ● Global End Markets



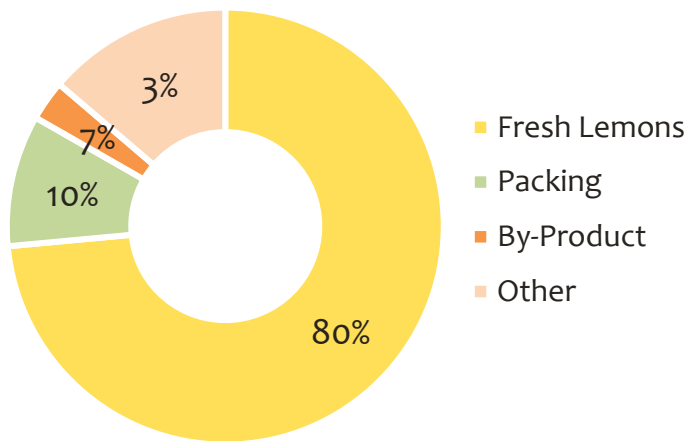
## Year Round Production and Sourcing Capabilities





## Locations Across Key Growing Regions provides low cost access to grower base and key customers

2020 LMNR Lemon Revenue by Product



- The fresh market is significantly more profitable than the by-product

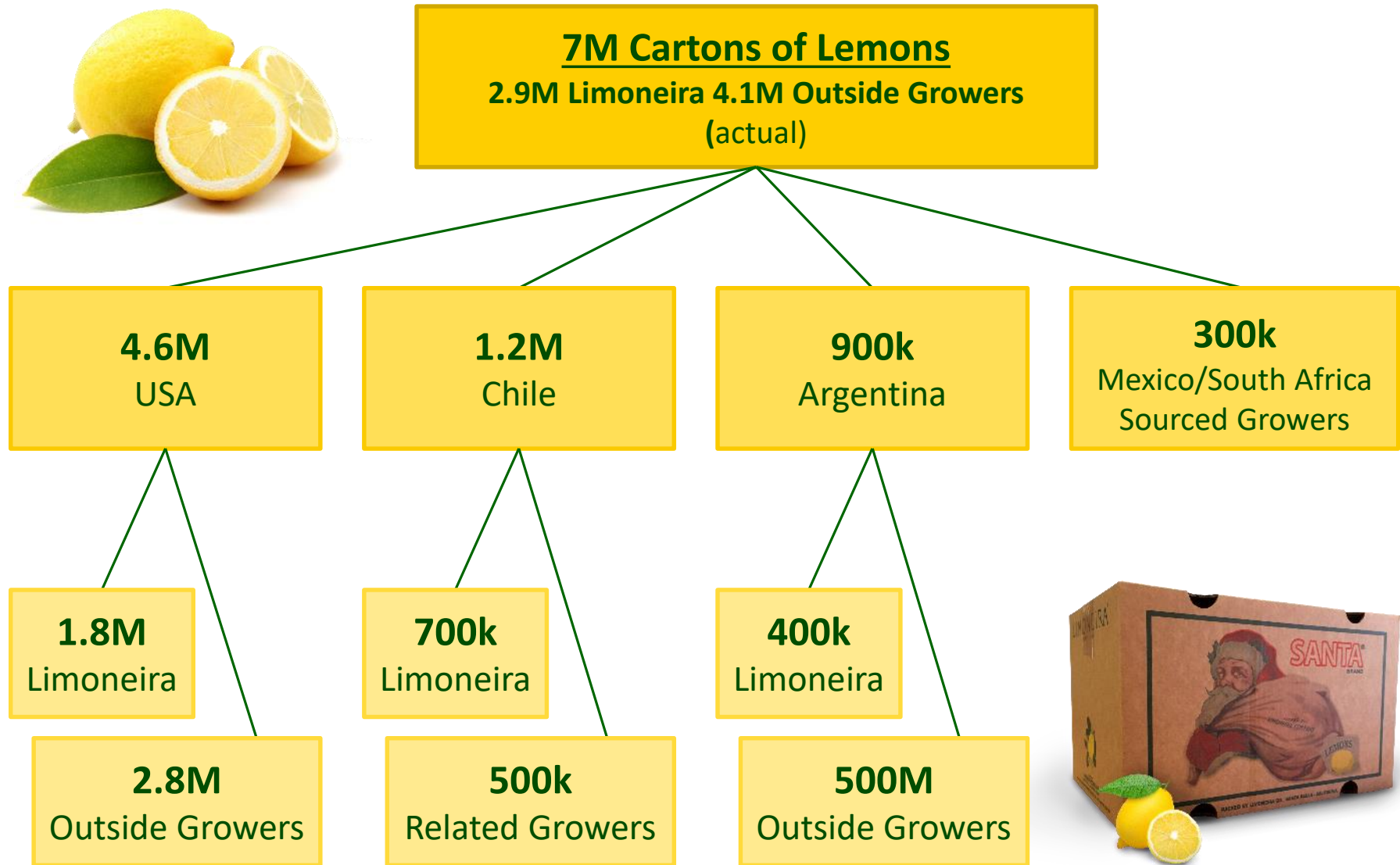
LMNR Growing Regions



## Increasing Opportunity to Consolidate a Fragmented Space

- Limoneira has successfully completed and integrated 9 acquisitions over the past 6 years
  - Meaningful acquisitions of San Pablo and Oxnard Lemon in 2018
  - Strategic joint venture and land acquisition in Argentina with FGF Trapani in 2019
- Over 25+ qualified targets in the pipeline representing over \$250 million of enterprise value
- The goal is to continue to increase the Company's global lemon market share
- Limoneira anticipates continued sector consolidation in the next 3-5 years and beyond
  - 87% of U.S. farms are owned by families with fewer members of subsequent generations choosing to be farmers
  - 65% of all U.S. farmers are over age 54
  - With a public currency and strong balance sheet, we expect to actively participate

M&A Partnership Considerations		2018 Acquisitions		2019 Acquisition
		San Pablo	Oxnard Lemon	FGF Trapani
Asset Types	• Production Acreage	✓		✓
	• Packing Facilities		✓	
	• Distribution Networks	✓	✓	✓
	• Third-Party Grower Networks		✓	✓
Asset Quality	• Producing Acreage	✓		✓
	• Adequate Water Source	✓		✓
	• Warm Micro-Climate	✓		✓
	• Well-Draining Soils	✓		✓
Geographies	• California		✓	
	• Arizona			
	• Chile	✓		
	• Argentina			✓
	• South Africa			
	• Mexico			
	• Spain			
Fruit Types	• Focus on lemon producing properties	✓		✓
	• Land not suitable for lemons is typically planted with oranges, avocados and other citrus	✓		
	• Wine grapes			



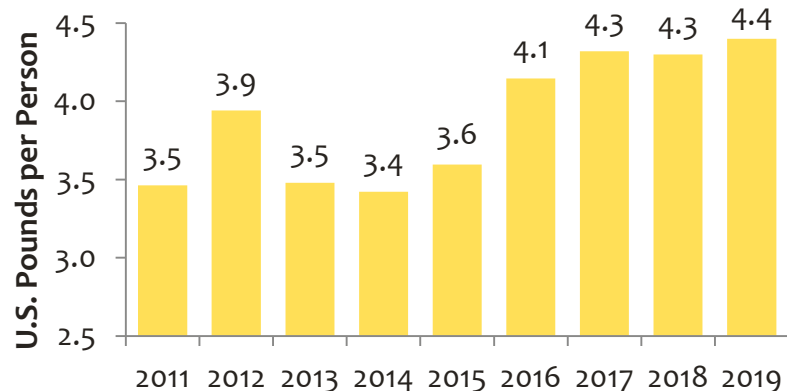
## Limoneira Overview

# Continued Growth in Core Segments: Lemons



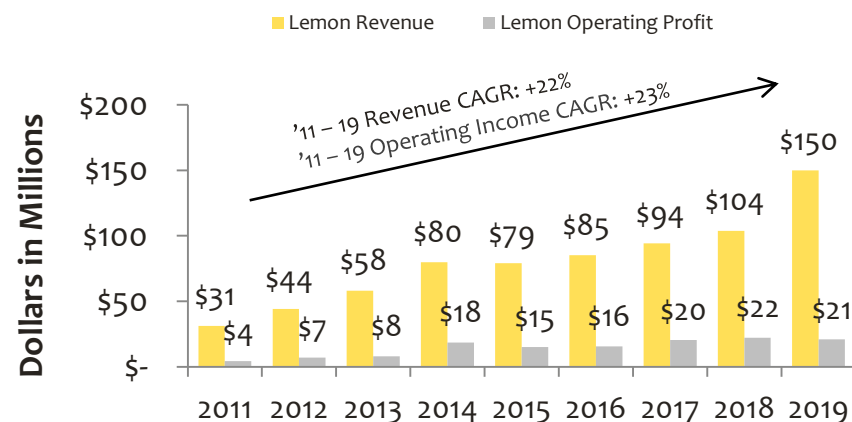
## One of the Largest Growers, Packers, Marketers & Distributors of lemons in the U.S.

### Fresh Lemon Consumption



### Consistent Revenue Growth

#### Limoneira Global Lemon Sales and Operating Profit



### Lemon Segment Highlights

% of 2020 Agri. Revenue	86%
Fresh Market Size	36 million cartons
% U.S. Market Share	12.8%
Current Planted Acres	6,200
Current Producing Acres	5,000
Additional Producing Acres by 2024	<ul style="list-style-type: none"> <li>~1,200 - estimated to produce 900k~1.2 million additional cartons annually (+&gt;30%)</li> </ul>
Varieties	<ul style="list-style-type: none"> <li>Eureka, Lisbon, Seedless, Pink, Meyer</li> </ul>
Customers	<ul style="list-style-type: none"> <li>&gt;200 U.S. and international foodservice, wholesale and retail customers</li> <li>No customer represents more than 5% of our lemon revenue</li> </ul>
U.S. Lemon Sales	<ul style="list-style-type: none"> <li>71% domestic</li> <li>26% domestic exporters</li> <li>3% direct international</li> </ul>
Grower Relationships	<ul style="list-style-type: none"> <li>150+ third-party grower relationships</li> <li>No third-party grower represents more than 10% of our sourced lemon volume</li> </ul>

# A Leader in the Highly Fragmented Lemon Industry



**History. Tradition. Trust.**  
delivering the finest citrus for over a century

## Growing Market Share

■ LMNR Distribution    ■ Other U.S. Distribution



- In 2020, LMNR marketed & distributed 12.8% of the U.S. lemon crop, compared to 3.9% in 2011 – up 228% (or 12.6% CAGR)
- Limoneira provides a critical link between highly fragmented lemon growers and diverse end markets
  - Individual citrus growers do not have leverage over any end market
- Focus on quality and operational excellence results in increased customer satisfaction and loyalty

## Proprietary Brands



# State of the Art Packing Facility – Investing for the Future



## Highly Automated Packing Platform is a Source of Continued Growth \$29 million lemon packing facility enhancement in 2016

### Previous Packing Facility



### Current Packing Facility



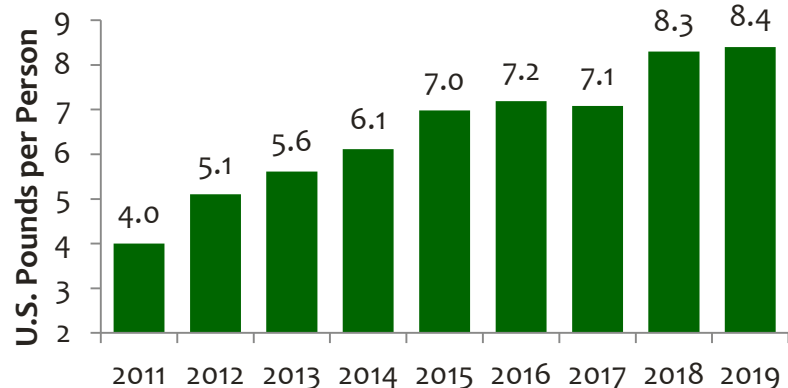
- Current packinghouse processes 3 times the amount of fruit in the same amount of time with 70% of the pre-existing labor
  - The previous facility processed 720 cartons/hour
  - The new facility processes 2,300 cartons/hour
- 14% more lemons packed
- 25% increase in 3<sup>rd</sup> Party packings
  - Oxnard Lemon acquisition added 2.0 million incremental cartons in 2019
  - 3<sup>rd</sup> Party packing projected to grow by an additional 1,000,000 cartons by 2023
- Currently operating at ~65% capacity
  - Available growth for additional packing of 3<sup>rd</sup> Party fruit or additional Limoneira citrus

# Continued Growth in Core Segments: Avocados

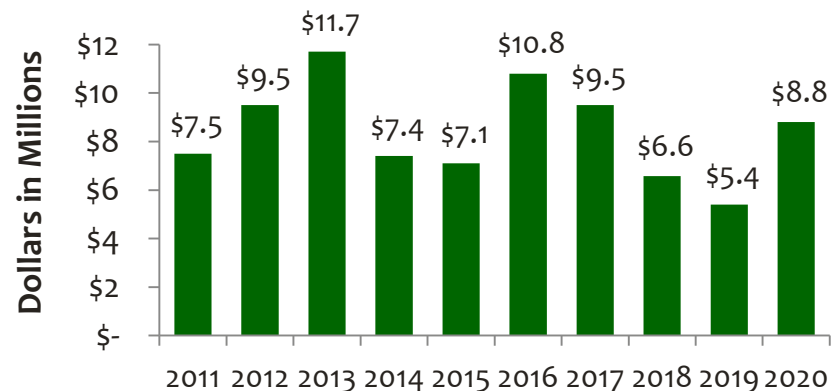


## 103% Consumption Growth in Avocados in the past 10 years

### Avocado Consumption



### Revenue



### Avocado Highlights

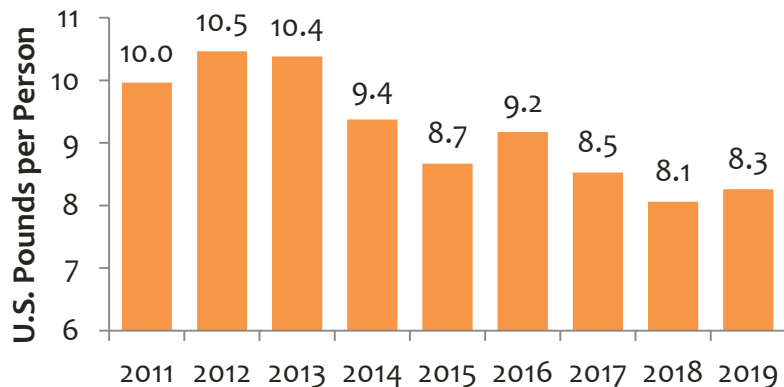
% of 2020 Agri. Revenue	6%
% U.S. Market Share	2.2%, one of the largest growers
Planted Acres	900
Current Producing Acres	900
Varieties	98% Hass
Packinghouse/Customer(s)	Calavo Growers (100%)
Other	<ul style="list-style-type: none"> <li>The California avocado crop typically experiences alternating years of high and low production due to plant physiology</li> <li>The California avocado crop experienced extreme heat in FY 2018, which caused minimal contribution in FY2019, but normal production capacity resumed in FY 2020</li> </ul>

# Continued Growth in Core Segments: Oranges

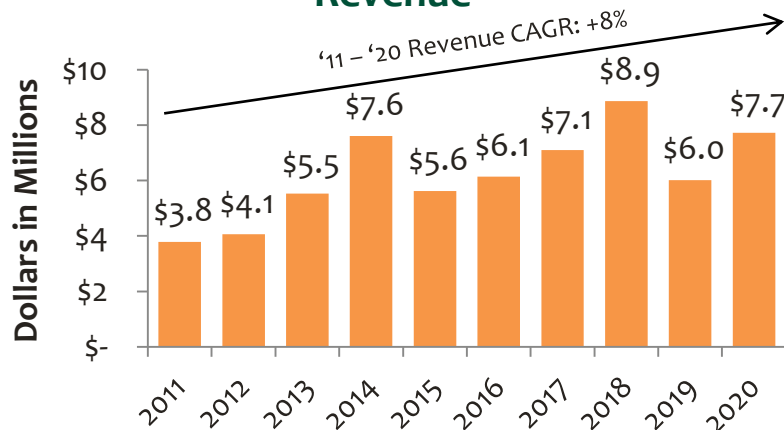


## Oranges Provide Crop Diversity and Represent a Key Aspect of Limoneira's One World of Citrus Program

### Orange Consumption



### Revenue



### Orange Highlights

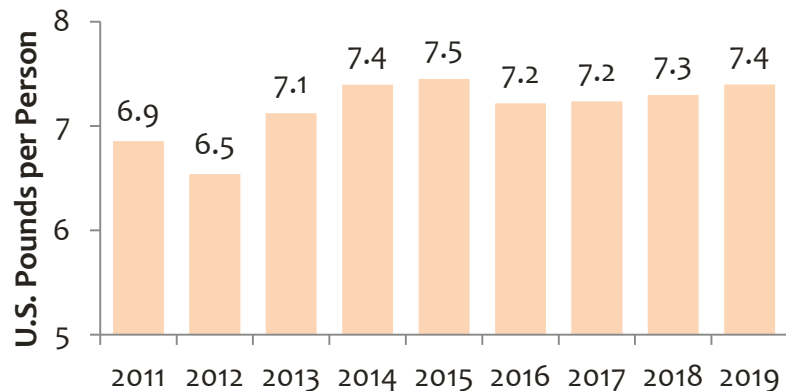
% of 2020 Agri. Revenue	5%
% U.S. Market Share	1.0%
Planted Acres	1,000
Current Producing Acres	1000
Varieties	Valencia, Navel
Packinghouse/Customer(s)	SunWest and Others
Other	<ul style="list-style-type: none"> <li>California produces approximately 40% of U.S. oranges, with over 83% going to the more-profitable fresh market</li> <li>95+% of Florida oranges go to juice and other less profitable by-product markets</li> <li>Orange revenues increased primarily due to higher prices, partially offset by lower volumes</li> <li>The unfavorable domestic conditions for oranges resulted in significantly lower than expected pricing in the orange market for FY 2019</li> </ul>

# Continued Growth in Core Segments: Specialty Citrus

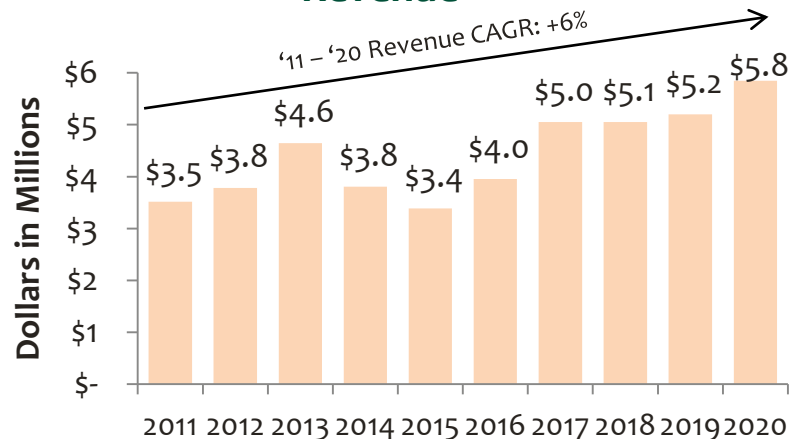


## Global Consumers Expect Variety and New Flavors

### Specialty Citrus Consumption



### Revenue<sup>(1)</sup>



### Specialty Citrus & Other Crops Highlights

% of 2020 Agri. Revenue	4%
% U.S. Market Share	NA
Planted Acres	1,000
Current Producing Acres	900
Crops / Varieties	Grapefruit, Pummelo, Wine Grapes, Blood Oranges, Tangelos, Pistachios
Packinghouse/Customer(s)	Suntreat, CA wine producers
Other	<ul style="list-style-type: none"> <li>In FY 2019, we sold ~1,300 tons of wine grapes for \$1.3 million, up from ~600 tons for \$0.9 million in FY 2018</li> </ul>

Source: USDA.

(1) See crops / varieties in table on the right for items that are included in specialty citrus.

## “Farm to Table via Tablet” Initiative

- A real time information system that ties together the entire distribution chain from tree to customer
- Monitors daily tree health and fruit growth
- Raises yield and quality while increasing efficiencies of farming, harvest, packing and sales
- Utilizes the many sensors located in every block of Limoneira’s ranches to gather consistent data on factors such as moisture levels in the soil and trees, as well as temperature and wind
- Data gathered combines with the constant measurement of fruit size creating models to predict the right time to harvest
- Data centralized to create more predictive algorithms that enables the sales team to improve fresh utilization by matching harvests, fruit grades and sizes with global clients demands
- Improves efficiencies within harvest and packing teams by ensuring efficient hiring of labor and distribution needs throughout the year
- Enables Limoneira to be more efficient with valuable water assets



# Non-Core Accelerators Will Unlock Value

Further growth in the citrus division can be funded with incremental cash flows from these and other ongoing development projects

## HARVEST at LIMONEIRA

- Limoneira entered a partnership with the Lewis Group of Companies to develop “Harvest at Limoneira”, a residential and commercial real estate project to monetize non-core agribusiness land
- In October 2018, Limoneira announced a partnership with Lennar and KB Home to be primary builders for first 180 homes in the initial 586 residential units
  - Closed on lot sales with nationally recognized homebuilders for 210 residential units in fiscal year 2019; 144 additional residential units in fiscal year 2020; and 202 additional residential units to date in fiscal year 2021
  - First partnership cash distributions expected in FY22

Project Status	
Cash Flow Potential	• Approximately \$100 million over the life of the project (of which \$20 million has already been received)
Lot Sales	• 556 lot closings and GAAP Earnings to date
Acres	• 550
Total Expected Units	• 1,500 units (potential for increased densities)

### Current Harvest at Limoneira Cash Flow Projections

Fiscal Years	2021E	2022E	2023E	2024E	2025E	2026E
Total Annual Projected Distribution	Neutral	\$ 3 Million	\$15 Million	\$27 Million	\$25 Million	\$10 Million

## Additional Ancillary Cash Flows

### Rental Operations

- Rental properties provide steady cash flow and support expansion in the citrus division
- 245 farm worker housing units
- Stable tenant base – majority of tenants are Company employees
- Rental operations are an important mitigant to workforce attrition
- ~3% of 2020 revenue



### Water Rights

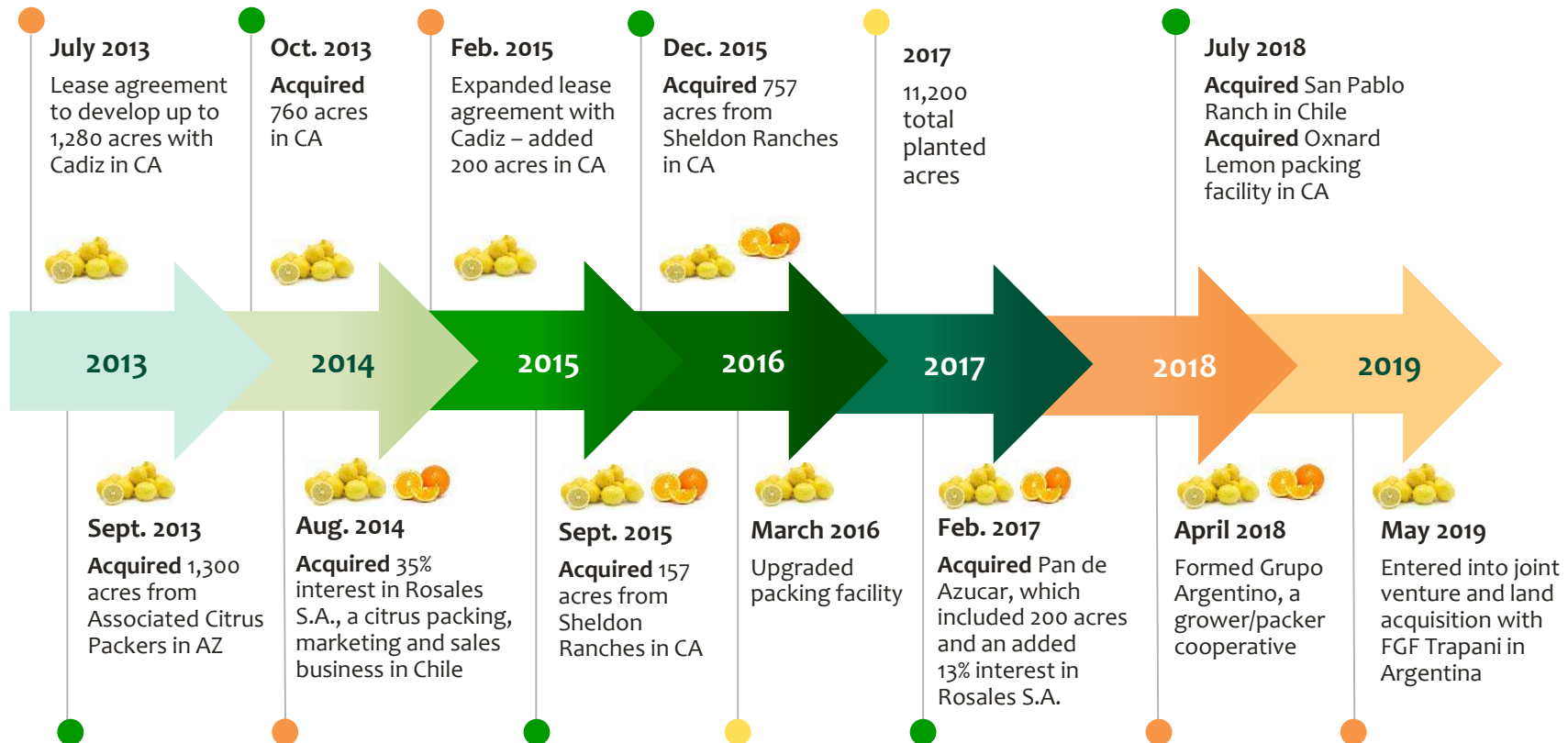
- ~28,000 acre feet of owned water rights, usage rights, and pumping rights to the water associated with Limoneira land
  - Recent water rights sales have priced at \$28,680 per acre foot<sup>(1)</sup>
- Substantial investments made in water companies to support and exceed farming needs
- Established partnership for potential monetization of Colorado River water rights
- Southern California water price escalation of 5.9% compounded annually since 1974



(1): City of Ventura Ordinance.

# Significant Investment to Grow Our Platform

**Limoneira has made significant investments to ensure that customers receive a consistent supply of high quality citrus year-round, which many of our competitors are unable to supply**



● M&A    ● Organic Growth (Plantings & Packing)    ● Partnerships

## Avenues of Continued Growth and Margin Expansion

1

Expand U.S. and international platform for production, packing, marketing and distribution of lemons

2

Acquire and invest in citrus producing properties

3

Increase owned and third-party lemon volumes packed at our new highly-efficient facility

4

Apply success in lemons to other specialty citrus varieties

5

Expand and diversify global plantings and production capabilities

6

Maintain and grow global partnerships, as well as our global customer base

7

Realize value of Non-Core accelerators

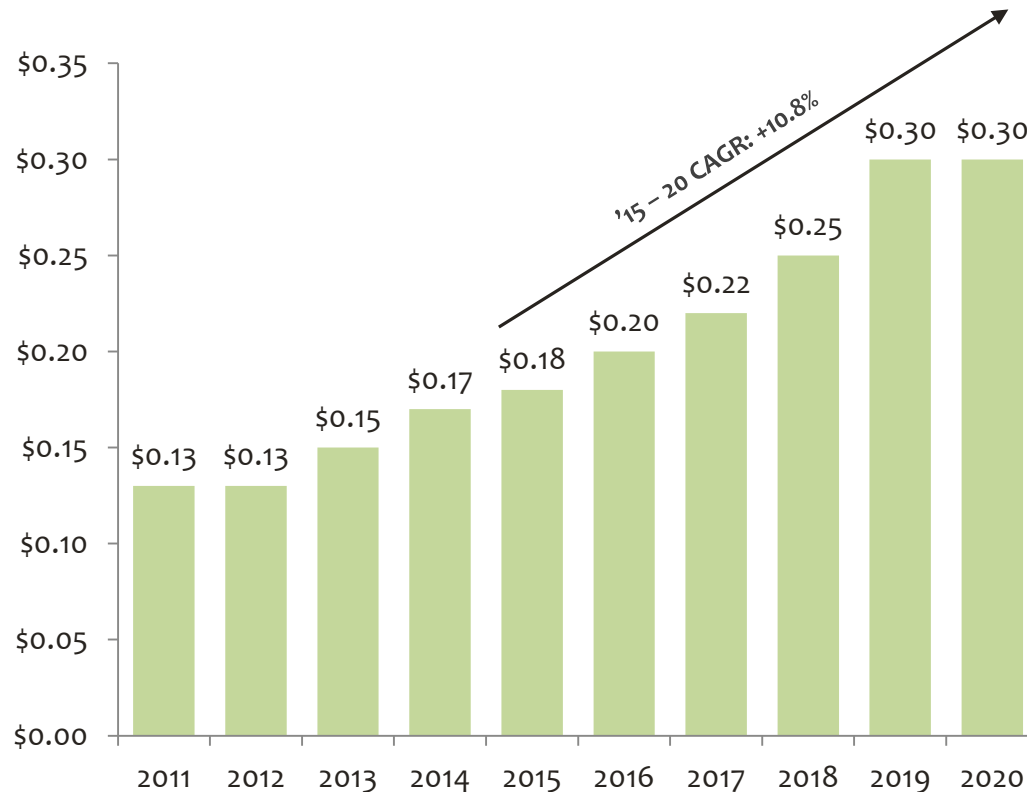
## Financial Performance & Outlook

## Recent Business Highlights

- The Company achieved the following results for the third quarter of fiscal year 2021:
  - Strong lemon pricing and fresh utilization; well positioned for solid lemon growth in fiscal year 2022
  - Fresh utilization primarily drove an 86% increase in operating income, even with the widely publicized global logistical delays that are affecting the entire agriculture industry and reduced imports to Asia due to COVID-19
  - Closed sales of additional 92 *Harvest at Limoneira* lots in the third quarter; 556 lots closed since inception
  - Recently implemented a digital information system called the “Farm to Table via Tablet” initiative. This innovative program will monitor daily tree health and fruit growth along with tying together the entire distribution chain from tree to customer. This real time information system will combine the entire One World of Fresh Citrus™ worldwide team together on one accessible platform to raise yields and quality while increasing the efficiencies of farming, harvest, packing and sales.
- In December 2020, the Company received \$5.0 million of federal income tax refunds related to the Coronavirus Aid, Relief, and Economic Security Act and received an additional \$0.9 million of California state refunds in the third quarter of fiscal year 2021.
- The Company believes due to reduced projected imports from Mexico and Spain in fiscal year 2022, improved industry wide supply chain improvements and continued increased fresh utilization, it will achieve an increase in price per cartons in fiscal year 2022.
- The Company expects to receive \$80 million from *Harvest at Limoneira* during next 6 fiscal years, beginning in fiscal year 2022.

Annual dividend has increased by 67% over the past 5 years

## Dividends Per Share



## Appendix

# Adjusted EBITDA Reconciliation

(Dollars in Thousands)

	Fiscal Year Ended October 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Income (Loss)	\$ 1,598	\$ 3,150	\$ 4,906	\$ 6,991	\$ 7,082	\$ 8,058	\$ 6,595	\$ 20,188	\$ (5,943)	\$ (16,435)
Interest Expense	619	(335)	(672)	(60)	148	1,409	1,778	1,122	2,134	1,686
Income Taxes	707	1,978	3,235	3,573	3,974	5,267	4,077	(6,729)	(1,097)	(8,494)
Depreciation & Amortization	2,207	2,131	2,403	3,516	4,184	5,339	6,467	7,275	8,633	10,097
EBITDA	\$ 5,131	\$ 6,924	\$ 9,872	\$ 14,020	\$ 15,388	\$ 20,073	\$ 18,917	\$ 21,856	3,727	(13,146)
Loss on stock in Calavo Growers, Inc.	-	-	-	-	-	-	-	-	2,054	6,299
LLC earnings in equity investments	-	-	-	-	-	-	-	-	-	-
Gain on sale of property assets	-	-	-	-	-	-	-	-	(991)	502
Impairment of Real Estate Assets	1,196	-	95	435	-	-	120	1,558	-	-
<b>Adjusted EBITDA</b>	<b>\$ 6,327</b>	<b>\$ 6,924</b>	<b>\$ 9,967</b>	<b>\$ 14,455</b>	<b>\$ 15,388</b>	<b>\$ 20,073</b>	<b>\$ 19,037</b>	<b>\$ 23,414</b>	<b>\$ 4,790</b>	<b>\$ (6,345)</b>

Non-GAAP Financial Measures: Due to significant depreciable assets associated with the nature of our operations and interest costs associated with our capital structure, management believes that earnings before interest, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which excludes impairments on real estate development assets when applicable, is an important measure to evaluate our Company's results of operations between periods on a more comparable basis. Such measures are widely used by analysts, investors and lenders as well as by management in assessing our Company's financial performance and business trends relating to our results of operations and financial condition. These 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 our Company and may not be consistent with methodologies used by other companies.