Fresh Del Monte Produce Inc. (FDP)

Updated July 6th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$33	**5 Year CAGR Estimate:**	9.0%	**Market Cap:**	$1.59 B
Fair Value Price:	$39	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	08/15/25[1]
% Fair Value:	85%	**5 Year Valuation Multiple Estimate:**	3.4%	**Dividend Payment Date:**	09/05/25[2]
Dividend Yield:	3.6%	**5 Year Price Target**	$43	**Years Of Dividend Growth:**	6
Dividend Risk Score:	F	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Fresh Del Monte Produce Inc. (FDP) is the leading global producer, marketer, and distributor of fresh and fresh-cut fruit and vegetables. Its operations began way back in 1886. It provides fresh produce to a diversified customer base operating retail, wholesale, and food service outlets. With the competitive position acquired in the sector, backed by its vast supply chain and brand recognition, it has a considerable market share in the fresh produce industry. It offers bananas, pineapples, melons, and prepared foods. The company has geographic footprints in North America, Europe, Asia, and the Middle East.

On April 30th, 2025, the company announced Q1 2025 results, reporting GAAP EPS of $0.63, beating the markets' estimates by $0.02.

Fresh Del Monte Produce set an optimistic tone for 2025, reporting a solid 12% year-over-year jump in gross profit for the first quarter. The uptick, fueled by robust demand in the fresh and value-added products segment, pushed gross profit up to $92.2 million compared to $82.3 million a year ago. In tandem, gross margin climbed to 8.4% from 7.4% in the same period, demonstrating the company's focused execution on product mix optimization and operational efficiency. While overall net sales ticked slightly lower to $1.1 billion, the fresh and value-added segment continued to shine with higher per-unit selling prices that helped offset softer results in the banana business.

Looking ahead, the company remains firmly committed to fueling sustainable growth through innovation and efficiency gains. Chairman and CEO Mohammad Abu-Ghazaleh emphasized Fresh Del Monte's dedication to long-term value creation, leveraging its global reach and vertically integrated model. Despite challenges in the banana market and currency headwinds, the first quarter's results show the company's resilience and discipline. With a healthy balance sheet, an active share repurchase program, and an unwavering focus on sustainability, Fresh Del Monte appears well-positioned to keep delivering for shareholders and customers alike in the months ahead.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.17	$4.33	$2.39	-$0.45	$1.37	$1.03	$1.68	$2.06	-$0.24	$2.96	***$2.60***	***$2.87***
DPS	$0.50	$0.58	$0.60	$0.45	$0.24	$0.30	$0.50	$0.60	$0.75	$1.00	***$1.20***	***$1.76***
Shares[3]	53.2	52.0	50.6	48.6	48.4	47.7	47.7	47.9	48.0	48.0	***47.5***	***44.8***

Long-term trends in the fresh produce sector have pointed toward a stable growth in demand resulting from increased health awareness and rising preferences for fresh, natural foods. The average yearly growth rate in the past ten years was 3% to 4%. The growth is expected to even better in the years ahead, with a CAGR of around 4% to 5% from 2023 to 2030. In that regard, broad trends currently affecting the world are growing demands for plant-based diets, technological innovation in farming practices, and rising global populations. Fresh Del Monte Produce can hook into these positive trends by using an already established position in the international markets and continued innovation in

[1] Estimated ex-dividend date.
[2] Estimated payment date.
[3] Shares in millions.

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the fresh produce sector. However, we apply a conservative growth of 2% for the next five years, slower than the industry's average, and we have used the midpoint of analysts' EPS estimate at $2.60. Lastly, we have assumed an 8.0% dividend growth, slightly lower than the company's 10-year average of 8%, resulting in a dividend payment of $1.76 in 2030.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	33.3	12.1	21.7	-89.0	21.8	24.6	17.6	13.0	-112.1	9.2	***12.7***	***15.0***
Avg. Yld.	1.3%	1.1%	1.2%	1.1%	0.8%	1.2%	1.7%	2.2%	2.8%	3.7%	***3.6%***	***4.1%***

FDP currently trades at a forward P/E of 12.7, significantly below its long-term normalized average of 19.5. We believe the company deserves a higher P/E ratio at 15.0 once it returns to growth. Finally, we expect the company to be consistent with its historical dividend payout policy, resulting in a safe dividend yield of 4.1% by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

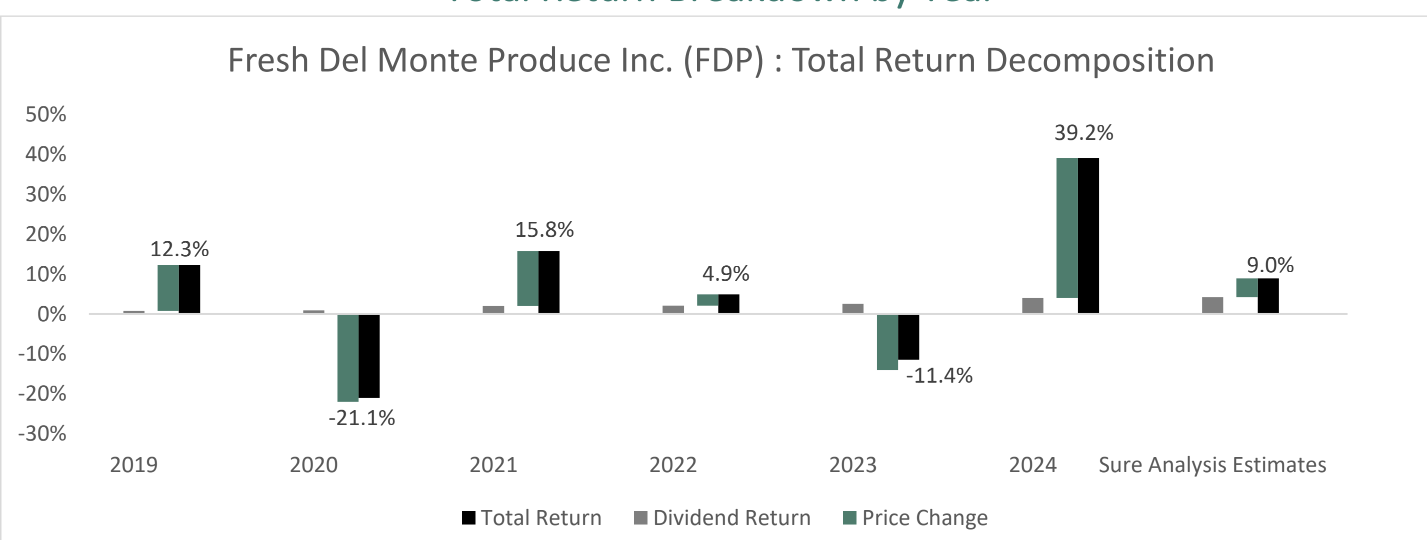
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	43%	13%	25%	-100%	18%	29%	30%	29%	-313%	34%	***46%***	***61%***

Among other things, Fresh Del Monte Produce Inc. has the following vital attributes that will support it in navigating through varying market conditions: diversified products. In times of recession, demand for essential goods remains resilient; this nature of demand will cushion FDP. It has maintained reasonable debt levels while targeting long-term sustainable growth, ensuring flexibility in its finances. During Q1, in line with its commitment to enhancing shareholder value, Fresh Del Monte repurchased $7.6 million worth of its own shares during the quarter, underscoring confidence in its long-term strategy.

Final Thoughts & Recommendation

Fresh Del Monte Produce demonstrates strong financial health with effective capital allocation and consistent debt reduction. The company's strategic initiatives, particularly in high-margin fresh and value-added segments, and its innovative product launches position it well for stable revenue streams. Our hold rating is premised upon the 9.0% annualized total return expectation derived from the forecasted earnings-per-share growth of 2.0%, the 3.6% dividend yield, and a valuation tailwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	4,057	4,012	4,086	4,494	4,489	4,202	4,252	4,442	4,321	4,280
Gross Profit	342	461	332	286	306	251	304	340	351	358
Gross Margin	8.4%	11.5%	8.1%	6.4%	6.8%	6.0%	7.1%	7.7%	8.1%	8.4%
SG&A Exp.	184	187	173	201	202	196	193	187	187	197
Operating Profit	158	274	158	85	105	55	111	153	164	161
Op. Margin	3.9%	6.8%	3.9%	1.9%	2.3%	1.3%	2.6%	3.5%	3.8%	3.8%
Net Profit	62	225	121	(22)	67	49	80	99	(11)	142
Net Margin	1.5%	5.6%	3.0%	-0.5%	1.5%	1.2%	1.9%	2.2%	-0.3%	3.3%
Free Cash Flow	106	198	56	96	47	31	30	14	120	131
Income Tax	14	12	25	16	21	5	2	20	18	29

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,596	2,653	2,767	3,255	3,350	3,263	3,398	3,459	3,184	3,096
Cash & Equivalents	25	20	25	21	33	17	16	17	34	33
Acc. Receivable	346	349	359	378	364	359	343	374	387	393
Inventories	482	493	542	565	552	508	603	669	600	595
Goodwill & Int.	311	308	309	590	582	574	567	558	435	430
Total Liabilities	845	837	976	1,486	1,551	1,463	1,525	1,484	1,271	1,089
Accounts Payable	174	163	183	331	285	267	320	296	243	228
Long-Term Debt	254	232	358	662	587	542	529	548	408	250
Total Equity	1,708	1,792	1,767	1,692	1,719	1,728	1,802	1,905	1,896	1,990
LTD/E Ratio	0.15	0.13	0.20	0.39	0.34	0.31	0.29	0.29	0.21	0.13

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.4%	8.6%	4.5%	-0.7%	2.0%	1.5%	2.4%	2.9%	-0.3%	4.5%
Return on Equity	3.5%	12.6%	6.7%	-1.2%	3.7%	2.7%	4.4%	5.1%	-0.6%	7.3%
ROIC	3.1%	11.1%	5.8%	-1.0%	2.8%	2.1%	3.4%	4.0%	-0.5%	6.2%
Shares Out.	53.2	52.0	50.6	48.6	48.4	47.7	47.7	47.9	48.0	48.0
Revenue/Share	76.25	77.20	80.77	92.42	92.76	88.17	89.14	92.66	90.05	89.10
FCF/Share	1.99	3.81	1.10	1.98	0.97	0.64	0.63	0.29	2.51	2.72

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.