

Dole plc

4Q upside tempered by “flat” outlook; Maintain Underperform

Reiterate Rating: UNDERPERFORM | PO: 10.00 USD | Price: 11.69 USD

4Q23 adj. EBITDA of \$76.9mm beat BofAe & Consensus

Yesterday, DOLE reported 4Q23 adj. EBITDA of \$76.9mm which was ahead of our estimate of \$59.7mm and Visible Alpha Consensus of \$66.5mm. Upside versus our financial model was driven by better-than-expected sales and gross margins. DOLE generated \$385.1mm worth of adj. EBITDA in FY23 ahead of its target “of at least \$365.0mm.” The company hopes to build further momentum in FY24, however challenges persist: 1) weather will most likely keep industry volumes for bananas low in 2024, 2) navigating El Nino and Red Sea shipping crisis which makes shipping more difficult and 3) Fresh Vegetable division sale remains under review. In our view, a long review period suggests that the deal might get blocked or altered. As a result, we maintain our Underperform rating and \$10 PO which is now based on 4.5x (previously 4.9x) our CY25 EV/EBITDAe. We are slightly raising our FY24/FY25/FY26 adj. EBITDAe to \$385.5mm/\$396.3mm/\$407.3mm from \$378.1mm/\$388.7mm/\$399.5mm, respectively.

DOLE announces sale of Progressive Produce

In a separate release on Tuesday February 27th DOLE announced that it reached an agreement to sell its 65% equity stake in Progressive Produce LLC to Arable Capital for gross cash proceeds of \$120.25mm. Progressive Produce is a grower, packer and distributor of conventional and organic produce to the retail, wholesale and foodservice sectors in the U.S. and Canada. FY23 sales were in excess of \$400mm and its financial results are captured under the “Diversified Fresh Produce – Amercas and Rest of World” segment.

FY24 adj. EBITDA flat versus FY23

DOLE expects FY24 adj. EBITDA to be in line with FY23 level of \$385.1mm. This guidance does not contemplate the financial impact from DOLE selling its stake in Progressive Produce. DOLE plans on updating its outlook once the deal closes which is expected to do in March.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	0.98	1.24	1.16	1.42	1.49
GAAP EPS	0.93	1.30	1.16	1.42	1.49
EPS Change (YoY)	-35.1%	26.5%	-6.5%	22.4%	4.9%
Consensus EPS (Bloomberg)			1.22	1.43	1.53
DPS	0.32	0.32	0.32	0.32	0.32
Valuation (Dec)					
P/E	11.9x	9.4x	10.1x	8.2x	7.8x
GAAP P/E	12.6x	9.0x	10.1x	8.2x	7.8x
Dividend Yield	2.7%	2.7%	2.7%	2.7%	2.7%
EV / EBITDA*	6.1x	5.2x	5.2x	5.1x	4.9x
Free Cash Flow Yield*	12.7%	19.8%	8.8%	13.1%	13.7%

* For full definitions of *IQmethod*SM measures, see page 7.

01 March 2024

Equity

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Stock Data

Price	11.69 USD
Price Objective	10.00 USD
Date Established	18-Aug-2023
Investment Opinion	B-3-7
52-Week Range	10.55 USD - 14.01 USD
Mrkt Val (mn) / Shares Out (mn)	1,112 USD / 95.1
Free Float	73.6%
Average Daily Value (mn)	5.12 USD
BofA Ticker / Exchange	DOLE / NYS
Bloomberg / Reuters	DOLE US / DOLE.N
ROE (2024E)	6.6%
Net Dbt to Eqty (Dec-2023A)	43.9%
ESGMeter™	NLA

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to [“BofA ESGMeter Methodology”](#).

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Timestamp: 01 March 2024 12:41PM EST

iQprofileSM Dole plc

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	4.6%	6.0%	5.8%	5.9%	5.9%
Return on Equity	5.6%	7.2%	6.6%	7.7%	7.6%
Operating Margin	1.9%	2.9%	2.9%	3.0%	3.0%
Free Cash Flow	141	221	98	145	152

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	2.6x	2.5x	2.1x	1.9x	1.8x
Asset Replacement Ratio	0.7x	0.7x	1.2x	1.0x	1.0x
Tax Rate	15.0%	21.8%	28.0%	28.0%	28.0%
Net Debt-to-Equity Ratio	59.5%	43.9%	39.4%	32.5%	25.9%
Interest Cover	2.9x	2.9x	2.9x	4.2x	4.4x

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	9,230	8,245	8,371	8,501	8,633
% Change	-0.6%	-10.7%	1.5%	1.6%	1.6%
Gross Profit	656	695	722	738	755
% Change	-9.4%	6.0%	3.9%	2.3%	2.3%
EBITDA	327	385	386	396	407
% Change	-16.9%	17.8%	0.1%	2.8%	2.8%
Net Interest & Other Income	(43)	(61)	(65)	(40)	(40)
Net Income (Adjusted)	93	118	110	135	142
% Change	-34.7%	26.4%	-6.5%	22.3%	5.1%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	122	153	146	170	177
Depreciation & Amortization	131	104	105	107	108
Change in Working Capital	(22)	65	(8)	(8)	(8)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	8	(26)	(16)	(16)	(16)
Capital Expenditure	(98)	(76)	(129)	(108)	(109)
Free Cash Flow	141	221	98	145	152
% Change	NM	56.5%	-55.4%	48.0%	4.7%
Share / Issue Repurchase	0	0	0	0	0
Cost of Dividends Paid	(30)	(30)	(30)	(30)	(30)
Change in Debt	(118)	(168)	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	229	276	326	424	528
Trade Receivables	NA	NA	NA	NA	NA
Other Current Assets	1,377	1,645	1,661	1,679	1,698
Property, Plant & Equipment	1,343	1,102	1,112	1,099	1,085
Other Non-Current Assets	1,643	1,538	1,545	1,553	1,561
Total Assets	4,592	4,561	4,644	4,754	4,871
Short-Term Debt	179	223	223	223	223
Other Current Liabilities	1,281	1,494	1,502	1,512	1,523
Long-Term Debt	1,127	845	845	845	845
Other Non-Current Liabilities	193	193	193	193	193
Total Liabilities	2,781	2,755	2,763	2,773	2,784
Total Equity	1,811	1,807	1,882	1,981	2,088
Total Equity & Liabilities	4,592	4,561	4,644	4,754	4,871

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Food Producers

Company Description

Dole plc was created by Total Produce (a publicly traded company in Ireland) acquiring its remaining 55% stake in Dole Holdings (a privately held company). The company produces and distributes fresh fruits and vegetables globally to retail, foodservice and wholesale customers. Dole plc generated \$8.97bn in net sales and \$371m in adj. EBITDA on a pro forma basis in 2020.

Investment Rationale

Our Underperform rating is based on Dole plc's limited historical financial disclosure, inherent business volatility and low margin profile amidst an inflationary environment. We think these factors will likely outweigh scale and synergy opportunities in the near to medium term.

Stock Data

Average Daily Volume 438,262

Quarterly Earnings Estimates

	2023	2024
Q1	0.34A	0.32E
Q2	0.51A	0.48E
Q3	0.24A	0.23E
Q4	0.16A	0.13E

Variance

Exhibit 1: DOLE 4Q23 Variance

4Q23 adj. EBITDA of \$76.9mm beat our estimate of \$59.7mm

Variance	4Q23 Actual	4Q23E	A vs. E	Per Share	4Q22	% Chg
Revenue	\$2,072.3	\$1,967.0	\$105.2	\$0.80	\$2,042.6	1.5%
Cost of sales	1,918.1	1,827.0	91.2	\$0.69	1,890.8	1.4%
Adjusted gross profit	\$154.1	\$140.1	\$14.1	\$0.11	\$151.8	1.5%
Gross margin	7.4%	7.1%	32bps		7.4%	
Selling, marketing and general and administrative expenses	117.6	114.0	3.6	\$0.03	109.1	7.7%
Adjusted operating income	\$36.5	\$26.1	\$10.4	\$0.08	\$42.7	-14.4%
Operating margin	1.8%	1.3%	44bps		2.1%	
Other income (expense), net	2.5	3.0	(0.5)	\$0.00	(0.8)	-418.8%
Interest income	2.8	2.0	0.8	\$0.01	2.0	42.1%
Interest expense	18.8	27.6	(8.8)	-\$0.07	18.2	2.8%
Income from continuing operations before income taxes and equity earnings	\$23.1	\$3.5	\$19.6	\$0.15	\$25.6	-10.1%
Income tax expense (benefit)	4.6	1.0	3.6	\$0.04	4.7	-1.6%
Tax rate	19.9%	28.0%	-806bps		18.2%	
Earnings from equity method investments	4.2	3.9	0.3	\$0.00	3.8	10.1%
Income from continuing operations, net of income taxes	\$22.6	\$6.4	\$16.3	\$0.12	\$24.8	-8.6%
(Loss) from discontinued operations, net of income taxes	-	-	-	\$0.00	-	#DIV/0!
Adjusted net income	\$22.6	\$6.4	\$16.3	\$0.12	\$24.8	-8.6%
Less: Net income attributable to non-controlling interests	7.8	7.4	0.4	\$0.00	7.5	4.1%
Adjusted net income attributable to Dole plc	\$14.8	-\$1.0	\$15.9	\$0.12	\$17.3	-14.1%
Reconciliation (adjustments to GAAP)	7.51	-	7.51	\$0.06	(10.48)	-171.6%
Reported net income attributable to Dole plc	\$22.3	-\$1.0	\$23.4	\$0.18	\$6.8	229.4%
Weighted average shares outstanding - diluted	95.2	95.1	0.0		94.9	
Adjusted EPS	\$0.16	-\$0.01	\$0.17		\$0.18	
Segments	4Q23 Actual	4Q23E	A vs. E	Per Share	4Q22	% Chg
Sales:						
Fresh Fruit	748.7	681.0	67.7		749.8	-0.1%
Fresh Vegetables	-	-	-		-	
Diversified Fresh Produce - EMEA	862.9	781.4	81.5		791.2	9.1%
Diversified Fresh Produce - Americas and ROW	489.8	534.6	(44.9)		463.7	5.6%
Intersegmental	(29.1)	(30.0)	0.9		(34.4)	-15.5%
Total Revenue (Post Synergies & Inorganic Growth)	\$2,072.3	\$1,967.0	\$105.2		\$2,050.9	1.0%
EBITDA:						
Fresh Fruit	28.8	28.6	0.2		60.4	-52.3%
Fresh Vegetables	-	-	-		-	
Diversified Fresh Produce - EMEA	32.6	19.4	13.3		19.3	69.3%
Diversified Fresh Produce - Americas and ROW	15.4	11.8	3.7		12.2	26.4%
Pro Forma Adjusted EBITDA	\$76.9	\$59.7	\$17.1		\$111.8	-31.3%
EBITDA margins:						
Fresh Fruit	3.8%	4.2%	-35bps		8.1%	
Fresh Vegetables	0.0%	0.0%	0bps		-4.6%	
Diversified Fresh Produce - EMEA	3.8%	2.5%	130bps		2.4%	
Diversified Fresh Produce - Americas and ROW	3.1%	2.2%	95bps		2.6%	
Pro Forma Adjusted EBITDA	3.7%	3.0%	67bps		3.5%	

Source: BofA Global Research

BofA GLOBAL RESEARCH



Income statement

Exhibit 2: DOLE Income Statement

BofA forecasting FY24 adj. EBITDA of \$385.5mm

Income Statement	FY20	FY21	FY22	FY23	1Q24E	2Q24E	3Q24E	4Q24E	FY24E	FY25E	FY26E
Revenue	\$ 8,969	\$ 9,286	\$ 9,230	\$ 8,245	\$ 2,020	\$ 2,172	\$ 2,077	\$ 2,103	\$ 8,371	\$ 8,501	\$ 8,633
Cost of sales	8,251	8,562	8,575	7,551	1,834	1,968	1,904	1,942	7,649	7,762	7,878
Adjusted gross profit	\$ 718	\$ 724	\$ 656	\$ 695	\$ 185	\$ 204	\$ 172	\$ 161	\$ 722	\$ 738	\$ 755
Selling, marketing and general and administrative expenses	499	486	480	459	118	117	121	122	479	486	494
Adjusted operating income	\$ 219	\$ 238	\$ 175	\$ 236	\$ 67	\$ 87	\$ 52	\$ 38	\$ 243	\$ 252	\$ 261
Other income (expense), net	6	9	12	10	3	3	3	3	12	12	12
Interest income	6	5	7	10	2	2	2	2	8	8	8
Interest expense	52	46	61	81.1	21	21	21	21	85	60	60
Income from continuing operations before income taxes and equity earnings	\$ 179	\$ 207	\$ 132	\$ 174	\$ 50	\$ 71	\$ 36	\$ 22	\$ 178	\$ 212	\$ 221
Income tax expense (benefit)	49	55	20	38	14	20	10	6	50	59	62
Tax rate	27.5%	26.3%	15.0%	21.8%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Earnings from equity method investments	17	19	9	17	1.5	5.3	5.9	4.3	17	17	18
Income from continuing operations, net of income taxes	147	172	122	153	38	56	32	20	146	170	177
(Loss) from discontinued operations, net of income taxes	0	0	0	0	0	0	0	0	0	0	0
Adjusted net income	\$ 147	\$ 172	\$ 122	\$ 153	\$ 38	\$ 56	\$ 32	\$ 20	\$ 146	\$ 170	\$ 177
Less: Net income attributable to non-controlling interests	24	29	28	35	7	11	9	8	35	35	35
Adjusted net income attributable to Dole plc	\$ 123	\$ 143	\$ 93	\$ 118	\$ 31	\$ 45	\$ 22	\$ 12	\$ 110	\$ 135	\$ 142
Reconciliation (adjustments to GAAP)	\$(44)	\$ 10	\$(5)	\$ 6					\$ 0	\$ 0	\$ 0
Reported net income attributable to Dole plc	\$ 79	\$ 153	\$ 88	\$ 124	\$ 31	\$ 45	\$ 22	\$ 12	\$ 110	\$ 135	\$ 142
Adjusted EPS	\$1.29	\$1.51	\$0.98	\$1.24	\$ 0.32	\$ 0.48	\$ 0.23	\$ 0.13	\$1.16	\$1.42	\$1.49
Reported EPS	\$0.83	\$1.61	\$0.93	\$1.30	\$0.32	\$0.48	\$0.23	\$0.13	\$1.16	\$1.42	\$1.49
Weighted average shares outstanding - diluted	95	95	95	95	95	95	95	95	95	95	95
Share of EBITDA											
Adj. EBITDA	100%	100%	100%	100%	26%	32%	23%	19%	100%	100%	103%
Y-y growth											
Revenues		3.5%	-0.6%	-10.7%	1.5%	1.4%	1.7%	1.5%	1.5%	1.6%	1.6%
Gross Profit		0.8%	-9.4%	6.0%	3.8%	3.7%	4.2%	4.2%	3.9%	2.3%	2.3%
SM&A		-2.7%	-1.1%	-4.4%	4.2%	4.4%	4.4%	4.2%	4.3%	1.6%	1.6%
Operating income		8.7%	-26.3%	34.3%	3.1%	2.7%	3.7%	4.3%	3.3%	3.6%	3.6%
Pre-tax income		16%	-36%	32%	2.3%	1.5%	9.3%	-5.3%	2%	19%	4%
Earnings from equity method investments		11%	-51%	77%	2.0%	2.0%	2.0%	2.0%	2%	2%	2%
Adj. EBITDA		6%	-16.9%	6.9%	-2.0%	1.4%	4.3%	-3.9%	0.1%	2.8%	2.8%
Net Income attributable to Dole plc		16%	-35%	26%	-5.3%	-6.1%	-1.7%	-17.9%	-6%	22%	5%
Margin analysis											
COGS as % of sales	92.0%	92.2%	92.9%	91.6%	90.8%	90.6%	91.7%	92.4%	91.4%	91.3%	91.3%
y-y bps chg		21	69	-132	-20	-20	-20	-20	-20	-6	-6
Gross margin	8.0%	7.8%	7.1%	8.4%	9.2%	9.4%	8.3%	7.6%	8.6%	8.7%	8.7%
y-y bps chg		-21	-69	132	20	20	20	20	20	6	6
SM&A as % of sales	5.6%	5.2%	5.2%	5.6%	5.9%	5.4%	5.8%	5.8%	5.7%	5.7%	5.7%
y-y bps chg		-33	-3	37	15	15	15	15	15	0	0
Operating margin	2.4%	2.6%	1.9%	2.9%	3.3%	4.0%	2.5%	1.8%	2.9%	3.0%	3.0%
y-y bps chg		12	-66	96	5	5	5	5	5	6	6
adj. EBITDA margin	4.1%	4.2%	3.5%	4.7%	4.9%	5.7%	4.3%	3.5%	4.6%	4.7%	4.7%
y-y bps chg		9	-70	113	-18	0	11	-20	-7	6	6
Reconciliation to adj. EBITDA											
EBIT before discontinued operations	\$233	\$272	\$203	\$272	\$73	\$97	\$63	\$47	\$280	\$290	\$299
Depreciation and amortization	122	125	131	104	25	27	26	26	105	107	108
Total adjustments	16	0									
Pro Forma Adjusted EBITDA	\$371.8	\$393.6	\$326.9	\$385.1	\$98.4	\$124.4	\$88.9	\$73.9	\$385.5	\$396.3	\$407.3

Source: BofA Global Research

BofA GLOBAL RESEARCH



Price objective basis & risk

Dole plc (DOLE)

Our \$10 PO is based on 4.5x EV/EBITDA our CY25 estimate, which represents a discount to its closest produce company peers as well as a discount to the broader food peer group. We believe a discount is warranted given industry volatility.

Upside risks to our PO are incremental adj. EBITDA synergies from the combination of the two businesses and accretive M&A as Total Produce has a strong history of market consolidation.

Downside risks to our PO are weather impacts to crops and consumer demand notably a heat wave across the US and floods in Europe as well as increased inflation in transportation costs.

Analyst Certification

I, Bryan D. Spillane, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	BellRing Brands Inc	BRBR	BRBR US	Bryan D. Spillane
	Coca-Cola Europacific Partners plc	CCEP	CCEP US	Bryan D. Spillane
	Colgate-Palmolive Company	CL	CL US	Bryan D. Spillane
	Constellation Brands	STZ	STZ US	Bryan D. Spillane
	Coty Inc.	COTY	COTY US	Anna Lizzul
	e.l.f. Beauty	ELF	ELF US	Anna Lizzul
	Freshpet, Inc.	FRPT	FRPT US	Bryan D. Spillane
	Kenvue Inc.	KVUE	KVUE US	Anna Lizzul
	Keurig Dr Pepper	KDP	KDP US	Bryan D. Spillane
	Kraft Heinz Company	KHC	KHC US	Bryan D. Spillane
	Lamb Weston Holdings Inc	LW	LW US	Peter T. Galbo, CFA
	McCormick & Co.	MKC	MKC US	Peter T. Galbo, CFA
	Mondelez International	MDLZ	MDLZ US	Bryan D. Spillane
	Monster Beverage Corporation	MNST	MNST US	Peter T. Galbo, CFA
	PepsiCo	PEP	PEP US	Bryan D. Spillane
	Philip Morris International	PM	PM US	Lisa K. Lewandowski
	Pilgrim's Pride Corp.	PPC	PPC US	Peter T. Galbo, CFA
	The Coca Cola Company	KO	KO US	Bryan D. Spillane
	The Procter & Gamble Company	PG	PG US	Bryan D. Spillane
NEUTRAL				
	Altria Group	MO	MO US	Lisa K. Lewandowski
	Celsius Holdings Inc	CELH	CELH US	Jonathan Keypour
	Church & Dwight	CHD	CHD US	Anna Lizzul
	Clorox	CLX	CLX US	Anna Lizzul
	Conagra Brands, Inc.	CAG	CAG US	Peter T. Galbo, CFA
	Estee Lauder Companies Inc.	EL	EL US	Bryan D. Spillane
	General Mills	GIS	GIS US	Bryan D. Spillane
	JM Smucker Company	SJM	SJM US	Peter T. Galbo, CFA
	Kellanova	K	K US	Peter T. Galbo, CFA
	Molson Coors Beverage Company	TAP	TAP US	Bryan D. Spillane
	The Hershey Company	HSY	HSY US	Bryan D. Spillane
	The Vita Coco Company, Inc.	COCO	COCO US	Bryan D. Spillane
	Tyson Foods, Inc.	TSN	TSN US	Peter T. Galbo, CFA
	Utz Brands	UTZ	UTZ US	Peter T. Galbo, CFA
	WK Kellogg Co	KLK	KLK US	Peter T. Galbo, CFA

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
UNDERPERFORM				
	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane
	Campbell Soup Company	CPB	CPB US	Peter T. Galbo, CFA
	Canopy Growth	YWEED	WEED CN	Lisa K. Lewandowski
	Canopy Growth	CGC	CGC US	Lisa K. Lewandowski
	Cronos Group	YCRON	CRON CN	Lisa K. Lewandowski
	Cronos Group	CRON	CRON US	Lisa K. Lewandowski
	Dole plc	DOLE	DOLE US	Bryan D. Spillane
	Herbalife Ltd	HLF	HLF US	Anna Lizzul
	Hormel Foods Corp.	HRL	HRL US	Peter T. Galbo, CFA
	Kimberly-Clark	KMB	KMB US	Anna Lizzul
	The Duckhorn Portfolio, Inc.	NAPA	NAPA US	Peter T. Galbo, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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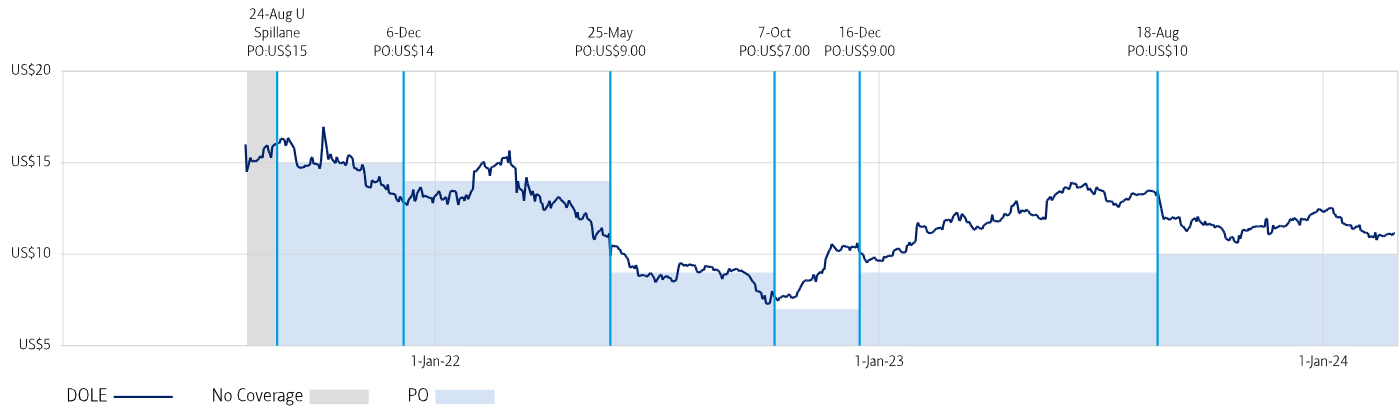
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DOLE (DOLE) Price Chart



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Equity Investment Rating Distribution: Food Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	33	49.25%	Buy	16	48.48%
Hold	17	25.37%	Hold	10	58.82%
Sell	17	25.37%	Sell	8	47.06%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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