

Analyst Briefing Pack

Year ended 31 December 2023

Agenda

- 1** **Strategy and values**
- 2** **Overview of 2023**
- 3** **Financials**
- 4** **Capital management**
- 5** **Operating segments performance**
- 6** **Climate change disclosures**
- 7** **Outlook**

Overview

- 1 Deliver operational and financial excellence to our growers and shareholders**
Excellent planning, disciplined execution and quality fruit to the market
- 2 Lift financial performance**
Low cost structure, targeted capital expenditure, lower debt, and achieve adequate returns on capital
- 3 Optimise post harvest capacity**
Automation where it delivers efficiency and returns value
- 4 Build revenue streams**
Lifting returns and adding complementary services and products
- 5 Select Excellence**
Our aspiration to deliver excellent service, produce and value to our stakeholders

Our values



Safety always

We care for the health and long-term welfare of our people, land and communities.

Founded on relationships

Connecting sustainable fruit production with world markets.

Inspirational people

Passionate about the produce we handle and the service we deliver.



Independently ingenious

Delivering innovative solutions that return real value.

Quality obsession

Our uncompromising pride in our efforts to deliver the very best.

Growing sustainable futures

Connecting growers to the world with our sustainable and profitable service.

1

2023 harvest difficult across the horticulture sector

29.8m class 1 kiwifruit trays packed | Impacted by multiple severe weather events | New Zealand and Australia affected

2

Seeka's response to the \$14m net loss after tax

Suspended dividends | Restructured to lower costs | Established captive insurer | Reduced capex | Secured banking support

3

Excellent operational performance

Low onshore fruit loss | Best offshore performance | Highest OGRs

4

Automation

Automated packing machine at KKP | Automation upgrades at Oakside and Seeka Gisborne | Balance of manual and automated packing

5

Forward focus

Profitability | Reduce debt | Maintain excellent operational performance | Risk adjusted return on capital employed

6

Kiwifruit harvest 2024

Hayward volumes high | SunGold volumes back to a normal average | Infrastructure, systems and personnel ready

Financials

Group financial performance

\$300.9m revenue

Down from \$348.4m FY22

\$26.0m EBITDA

Down from \$46.1m FY22

(\$21.0m) Net loss before tax

Down from \$7.6m profit before tax FY22

– Guidance range (\$20m) ~ (\$25m) loss

(\$14.5m) Net loss after tax

Down from \$6.5m profit after tax FY22

NZD \$millions	FY23	FY22	Change
Revenue	300.9	348.4	(14%)
Cost of sales	252.2	280.1	(10%)
Gross profit	48.7	68.3	(29%)
EBITDA	26.0	46.1	(44%)
EBIT	(4.1)	19.1	(122%)
Net (loss) / profit before tax	(21.0)	7.6	(376%)
Net (loss) / profit	(14.5)	6.5	(322%)
Return on capital employed	(2.0%)	4.1%	(149%)
Net tangible asset backing per share	\$ 5.71	\$ 5.97	(4%)

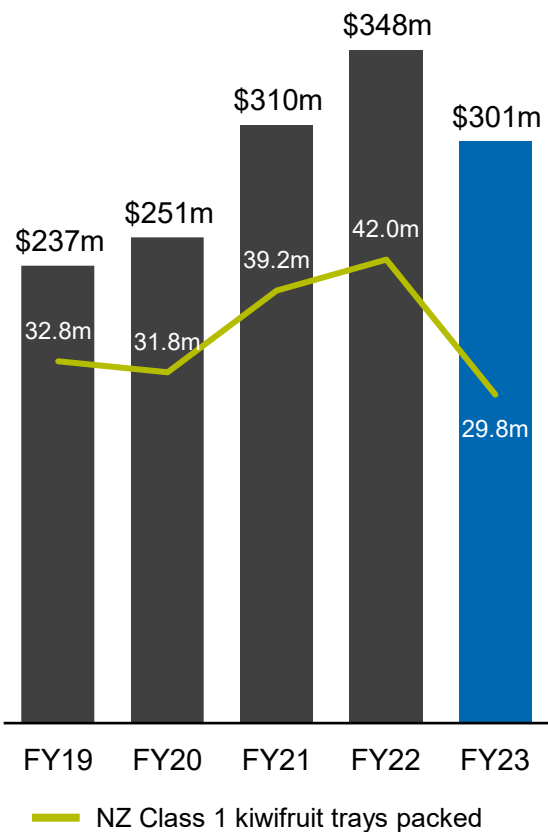
All results and comparatives consistent with NZ IFRS 16 Leases

1. ROCE excludes \$3.2m of other income (FY22 \$0.8m). See appendix for ROCE calculation.

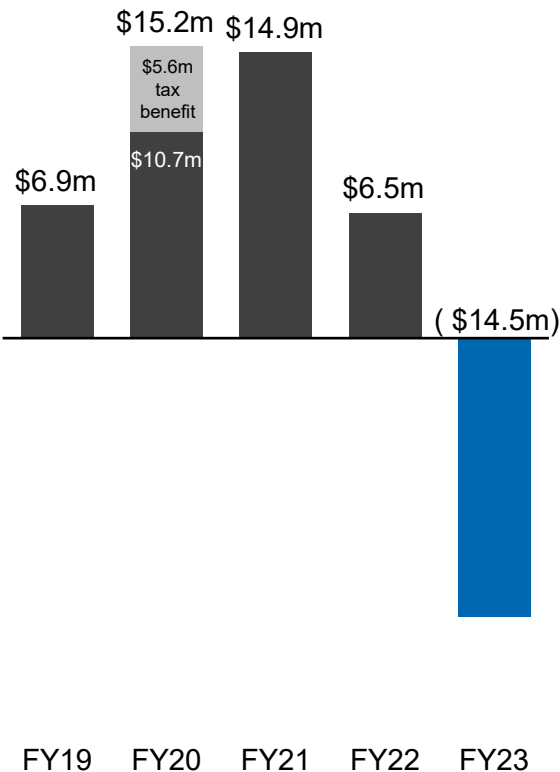
These financials should be read in conjunction with Seeka's Annual Report 2023 and the attached appendix.

Trends in financial performance

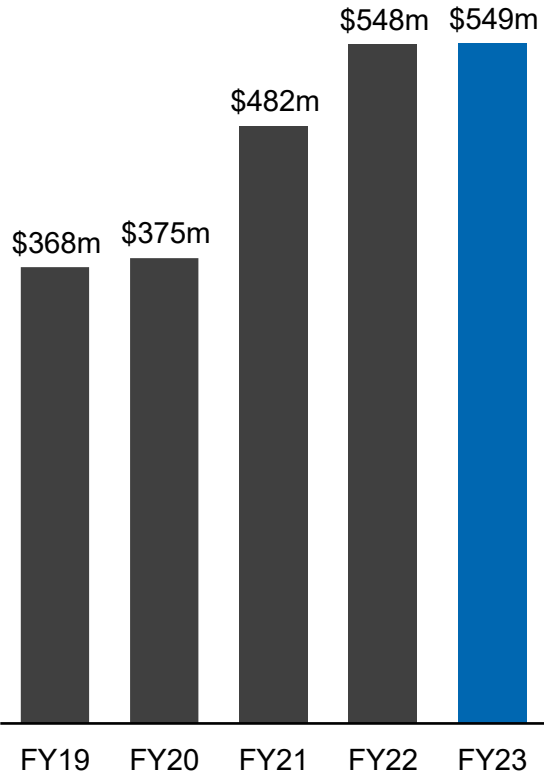
Revenue



NPAT



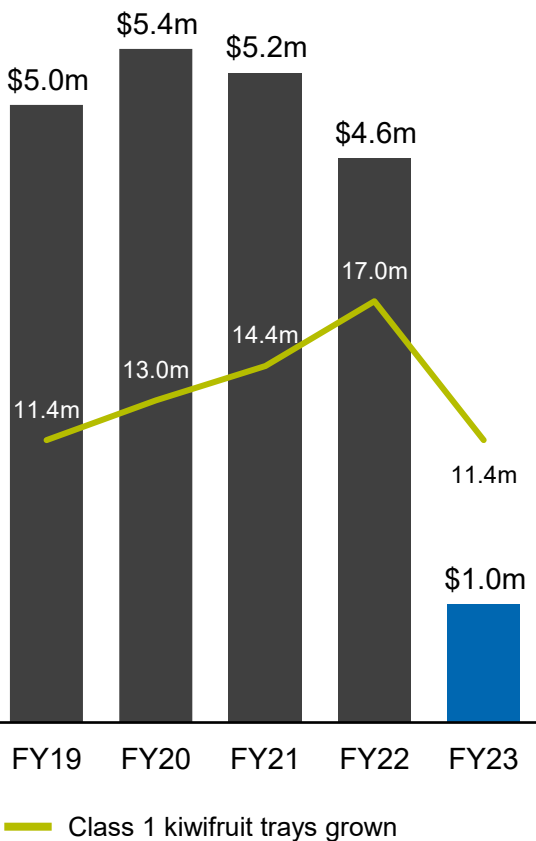
Total assets



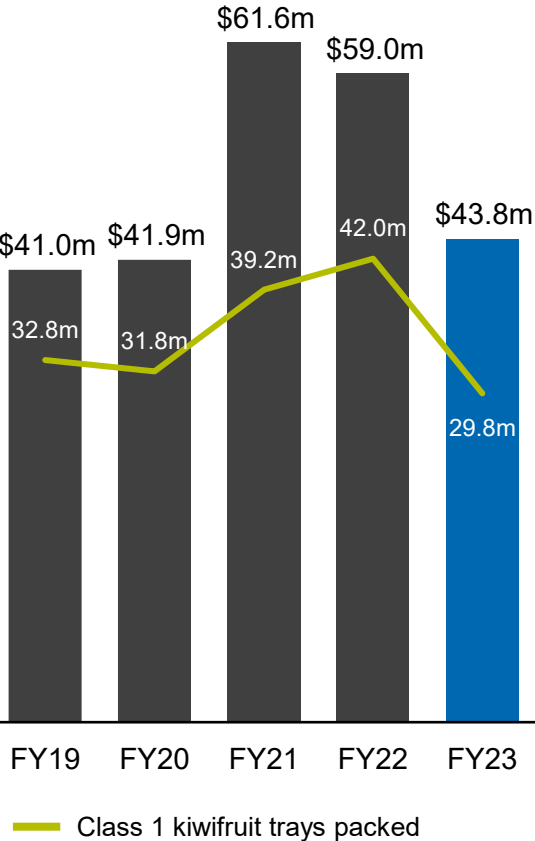
FY21 EBITDA included a one-off \$7.6m benefit from the Crown's settlement of a Kiwifruit Claim.
FY20 NPAT included a one-off \$5.6m tax benefit from a change in tax deductibility of depreciation on buildings.
All results and comparatives consistent with NZ IFRS 16 Leases.

Trends in operating segment performance

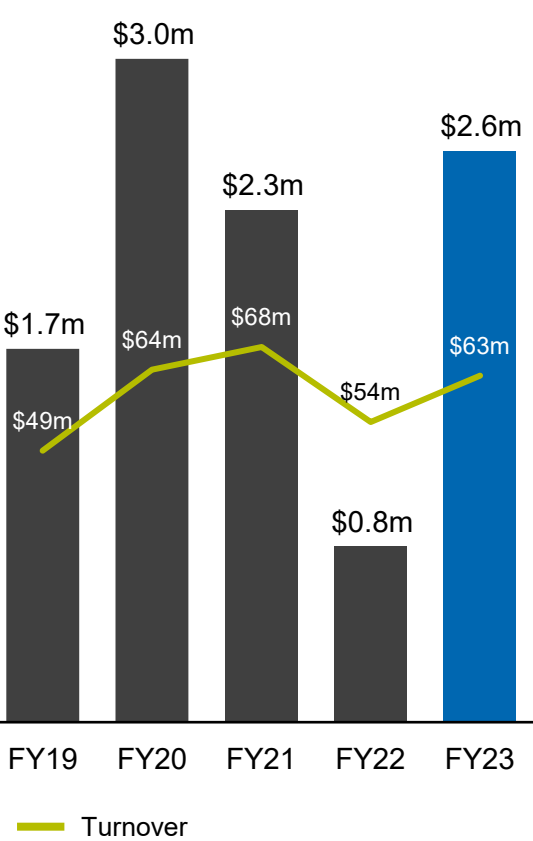
Orcharding EBITDA



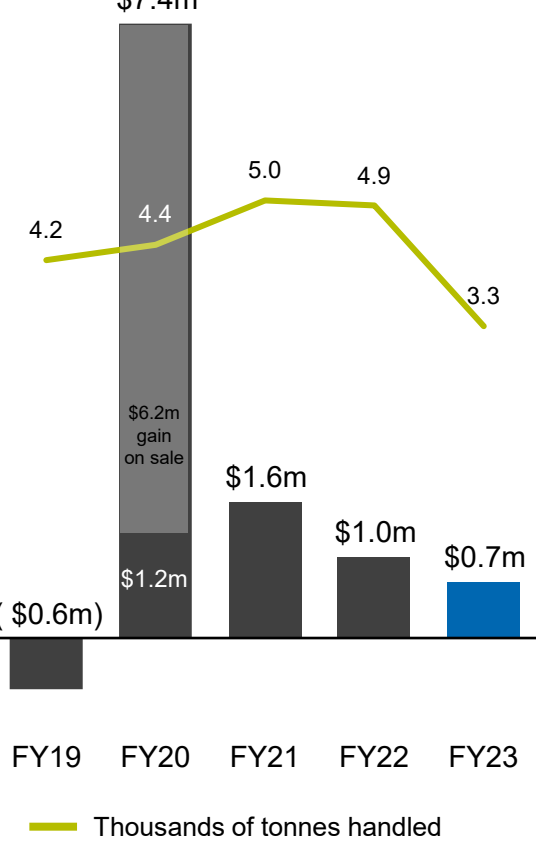
Post-harvest EBITDA



SeekaFresh EBITDA



Seeka Australia EBITDA



Capital management

Balance sheet

Capital employed 31 December

\$7.1m increase in capital employed in FY23

\$3.4m increase in biological assets

- Crop to be harvested in 2024

\$11.9m increase in PP&E

(\$1.1m) decrease in inventories and water rights

- NZD\$3.3m sale of excess Australian water shares
- Australian water shares recorded at historical cost

NZD \$millions	FY23	FY22	Change
<i>Current assets</i>			
<i>Excludes cash & tax assets</i>			
Trade and other receivables	32.6	33.1	(2%)
Biological assets - crop	21.8	18.4	18%
Assets held for sale	3.2	6.3	(49%)
Inventories and water rights	10.9	12.0	(10%)
	68.4	69.9	(2%)
<i>Current liabilities - excludes short term debt</i>			
Trade and other payables	(25.3)	(32.8)	(23%)
Tax asset / (liability)	0.4	(0.3)	(209%)
Net working capital	43.5	36.8	18%
<i>Non current assets</i>			
Property, plant and equipment	387.7	375.8	3%
Lease assets	50.5	55.8	(9%)
Investments in associates and JAs	4.6	6.0	(22%)
Derivatives	1.2	3.4	(64%)
Financial assets	1.3	1.4	(11%)
Deferred tax assets	1.8	-	
Intangibles and other	27.6	32.0	(14%)
	474.8	474.4	0%
Capital employed	518.3	511.2	1%

Balance sheet

Net bank debt 31 December

\$172.4m net bank debt at December 2023

- \$25.0m increase on December 2022 (17% increase)

Syndicated five-bank funding

- Lead by Westpac NZ, alongside Westpac Corporation, ASB, BNZ and Rabobank

Sustainability-linked Loan entered in June 2023

- \$200.8m debt line
- Included covenant relief through to December 2024
- Additional \$20m credit line secured to July 2024

\$3.2m of assets held for sale

NZD \$millions	FY23	FY22	Change
<i>Non current liabilities - excludes long term debt</i>			
Lease liabilities (current and non current)	(64.8)	(70.1)	(8%)
Deferred tax liability	(21.2)	(22.8)	
	(86.0)	(92.9)	(7%)
Cash	(5.2)	(3.6)	
Borrowings	177.6	150.9	18%
Net bank debt	172.4	147.4	17%
Total equity	259.9	270.9	(4%)
Total borrowings	172.4	147.4	
Net bank debt	169.2	141.1	
Excluding assets held for sale			
EBITDA multiple	6.51x	3.06x	
EBITDA multiple pre NZ IFRS 16 Leases	16.37x	4.47x	

Earnings per share and dividends

(34) cents EPS ¹

No dividends paid from FY23 or FY22 ²

– Prudently paused to focus on debt reduction

13 cents per share dividend paid from FY21 ²

– \$0.13 final Feb 2022

\$5.71 net tangible assets per share

	FY23	FY22	
Net (loss) / profit (\$m)	(\$14.5)	\$ 6.5 m	(322%)
Weighted shares on issue (m)	42.0 m	41.3 m	2%
Earnings per share ¹ (\$)	(\$0.34)	\$ 0.16	(319%)
Dividends ² (\$)	-	\$ 0.13	(100%)
Net tangible assets (\$m)	\$240 m	\$251 m	(4%)
Shares at year end (m)	42.0 m	42.0 m	-
Net tangible assets per share (\$)	\$ 5.71	\$ 5.97	(4%)

1. As required by NZ IAS 33, 42,000 shares held by Seeka Trustee Limited for the Grower Loyalty and Employee Share Schemes are excluded from EPS calculations. If included, the weighted average EPS would be (\$0.34) (FY22: \$0.16).

2. FY22 payment of \$0.13 is FY21 final dividend.

Operating segment performance

Orchard operations

Growing kiwifruit, avocado and kiwiberry in New Zealand

\$86.5m Revenue – up 7% on FY22

Revenue growth from kiwifruit tray returns

\$1.0m EBITDA – down from \$4.6m in FY22

– Very low kiwifruit yields, low avocado yields and returns

\$16m invested in orchard developments yet to produce¹

- 68 hectares on long term leased land
- 97 hectares with long-term supply agreements
 - Co-investor with landowners and funders

Orchards holding good crop volumes for harvest 2024

- Crop estimate indicates volume recovery in 2024

NZD \$millions	FY23	FY22	Change
Revenue	86.5	80.5	7%
EBITDA	1.0	4.6	(79%)
EBIT	(1.6)	2.2	(172%)
Segment assets	84.8	84.9	-
EBITDA pre NZ IFRS 16	(1.4)	1.4	(199%)
Crop grown - class 1 trays (millions)			
Total kiwifruit trays grown - all varieties	11.4	17.0	(33%)
SunGold trays (millions)	6.3	8.8	(28%)
SunGold yields - average per hectare	9,295	12,000	(23%)
Hayward and other trays (millions)	5.1	8.2	(38%)
Hayward yields - average per hectare	6,730	9,650	(30%)

1. \$1.9m spent in 2023

Post harvest operations

Packing, coolstoring and shipping kiwifruit and avocado for New Zealand orchard owners

\$182.4m Revenue – down 22%

- Hayward volumes down 36%
- SunGold volumes down 25%

\$43.8m EBITDA – down 26%

- Lower volumes across all fruit categories

Capacity set for 2024

- New KKP packline and automation projects at Seeka Gisborne and Oakside
- Network to handle volumes with less labour

NZD \$millions	FY23	FY22	Change
Revenue	182.4	233.8	(22%)
EBITDA	43.8	59.0	(26%)
EBIT	25.1	41.2	(39%)
Segment assets	360.2	360.4	
EBITDA pre NZ IFRS 16	35.3	52.8	(33%)
Kiwifruit packed - class 1 trays (millions)			
SunGold	19.8	26.4	(25%)
Hayward (and other varieties)	10.0	15.6	(36%)
Total packed	29.8	42.0	(29%)

SeekaFresh retail services operations



Marketing Class 2 kiwifruit and avocado, packing Kiwiberry, selling imported fruit, and Kiwi Crush production

\$20.7m Revenue – up 9% on FY22

- Higher returns from imported produce and wholesale market operations

\$2.6m EBITDA – up 226%

Growth in tropical fruits import and ripening service, Kiwiberry, wholesale market and Kiwi Crush

Working with industry partners to rationalise the avocado supply and marketing system

NZD \$millions	FY23	FY22	Change
Revenue	20.7	19.1	9%
EBITDA	2.6	0.8	226%
EBIT	1.5	(0.8)	281%
Segment assets	13.2	11.5	15%
EBITDA pre NZ IFRS 16	1.6	(0.1)	3163%

Australian operations

Growing, packing and retailing kiwifruit and other Australian produce on owned and leased orchards

\$10.4m Revenue – down 26% on FY22

\$0.7m EBITDA compared to \$1.0m FY22

Good pricing and demand for Australian-grown fruit

\$13m invested in orchard developments yet to produce¹

- 63 hectares of kiwifruit
- New variety pears and nashi
- Expansion of jujube

Positive 2024 outlook

NZD \$millions	FY23	FY22	Change
Revenue	10.4	14.0	(26%)
EBITDA	0.7	1.0	(32%)
EBIT	(3.1)	(1.1)	(179%)
Segment assets	51.5	54.5	(6%)
EBITDA pre NZ IFRS 16	(1.4)	(1.1)	(33%)
Kiwifruit (tonnes)	859	1,766	(51%)
Nashi (tonnes)	979	1,004	(2%)
Pears (tonnes)	1,403	1,987	(29%)
Other fruit (tonnes)	69	131	(47%)
Total tonnes grown, packed and sold	3,309	4,888	(32%)

1. \$4.2m spent in 2023

Climate change disclosures

Seeka's first year reporting under NZ CS 1-3

Sub Committee of the Board, Sustainability Committee

- Oversees climate change strategy and reporting

Seeka considers the impact of three warming scenarios

- On growing conditions, vine health, and communities

Building mitigation strategies to address climate change

- Irrigation, shelter protection, hail netting, and Research and Development

21% reduction in Seeka's carbon footprint in 2023

- 17,987 tonnes Co2e

Carbon reduction strategies

- Include solar installation, refrigerant retro fits and waste reduction

Third Sustainability Report to be released June 2024

The 2024 kiwifruit crop looks better, industry forecast at 193m Class 1 trays FOB

- Hayward volumes high
- SunGold back to a normal average

Australian crop looks excellent

- Access to new spray programme
- Wet summer, no drought, crop estimate up

Operationally ready

- Labour supply improved
- Infrastructure set for 50m+ kiwifruit trays
- Health and safety focus

Contact

For more information see www.seeka.co.nz or please call

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Appendix

EBITDA

EBITDA before revaluations and impairments is considered by Seeka's Board to be a key measure of performance and reflection of cash flow generation.

NZD \$millions	FY23	FY22
Net (loss) / profit before tax	(20,988)	7,593
Interest expense	12,028	7,204
Lease interest expense	4,842	4,289
EBIT	(4,118)	19,086
<i>Impairment charges and revaluations</i>		
Loss on revaluation of land and buildings	294	-
Impairments	3,465	1,016
Depreciation expense	15,520	16,055
Lease depreciation expense	10,462	9,516
Amortisation of intangible assets	365	406
EBITDA before impairments and revaluations	25,988	46,079

ROCE calculation

Return on capital employed is calculated as below

NZD \$millions	Notes ²	FY23	FY22	FY21
EBIT		(4,118)	19,086	32,180
<i>Adjust for non-recurring items</i>				
Other income	3	(3,240)	(755)	(8,446)
Lease interest expense		(4,842)	(4,289)	(4,610)
Acquisition and restructuring costs	4	534	419	1,784
Impairments		3,465	1,016	1,188
EBIT - operating activities		(8,201)	15,477	22,096
Capital employed				
Shareholder funds		259,949	270,943	246,491
NZ IFRS16 adjustment ¹	13	14,255	14,260	13,482
Interest-bearing bank debt	17	177,583	150,942	113,003
Cash		(5,207)	(3,554)	(12,361)
Assets under construction	10	(8,690)	(20,916)	(10,142)
Assets classified as held for sale	9	(3,205)	(6,293)	(1,898)
Total capital employed		434,685	405,382	348,575
Average capital employed		420,034	376,979	304,392
Return on capital employed		(2.0%)	4.1%	7.3%

1. Lease liability less the right-of-use lease asset. 2. Notes to Seeka's 2023 financial statements.



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