

Analyst Briefing Pack

Unaudited Interim Results

Six months to 30 June 2024

Agenda

- 1** Six month highlights
- 2** Balance sheet
- 3** Operating segment performance
- 4** Focus
- 5** Contact

Six month highlights

Summary – Financial performance rebounds with volumes

- 1 Rebound in kiwifruit volumes in New Zealand and Australia from improved growing conditions**
17m kiwifruit trays grown by Seeka in NZ – up 53% | 43m Class 1 kiwifruit trays packed in NZ – up 44% | Australia kiwifruit volumes – up 164%
- 2 Financial performance lifts with volumes**
\$284.2m Revenue | \$68.4 EBITDA | \$45.0m NPBT | \$0.41 EPS (\$0.74 EPS prior to the impact of deferred tax adjustment to buildings)
- 3 Delivered excellent operational performance**
Excellent quality from growers | Full labour availability | Efficiency gains from new automation | Low fruit loss | Quality produce to markets
- 4 \$625.6m total assets, \$5.92 net tangible asset backing per share**
Investment in core business, capacity and automation
- 5 \$170.9m net bank debt**
Focus on bank debt reduction | \$53.0m received in July 2024
- 6 Cost management and focused capital expenditure**
Innovative captive insurance company structure delivers cost savings | Capacity and systems in place to manage forecast volumes
- 7 Outlook continues to improve**
Favourable weather pattern | Positive winter chill | Continued quality focus | Success in retail services | Developments in Australia

Group financial performance

Interim results – six months to June 2024, unaudited

\$284.2m Revenue

Up 34% on pcp

\$79.0m Gross profit

Up 63% on pcp

\$68.4m EBITDA

Up 88% on pcp

\$45.0m Net profit before tax

Up 230% on pcp

\$17.1m Net profit after tax

After a one-off, non-cash impact from change in tax legislation of \$13.9m

Seeka operates a seasonal business

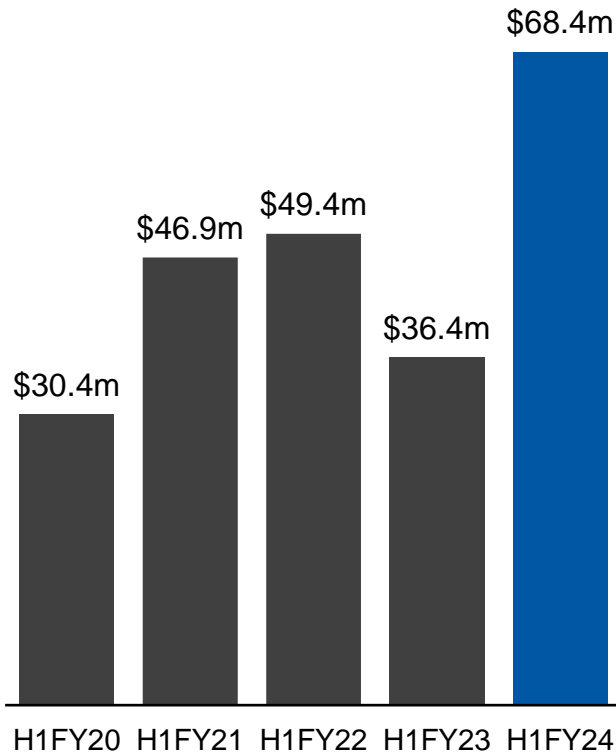
– H1 is main operating period for core kiwifruit business

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Revenue	284.2	212.7	34%	300.9
Cost of sales	186.5	147.9	26%	252.2
Change in fair value of biological assets - crop	(18.7)	(16.3)		-
Gross profit	79.0	48.4	63%	48.7
EBITDA	68.4	36.4	88%	26.0
EBIT	54.5	21.8	150%	(4.1)
Net profit before tax	45.0	13.6	230%	(21.0)
Net profit after tax	17.1	10.5	63%	(14.5)

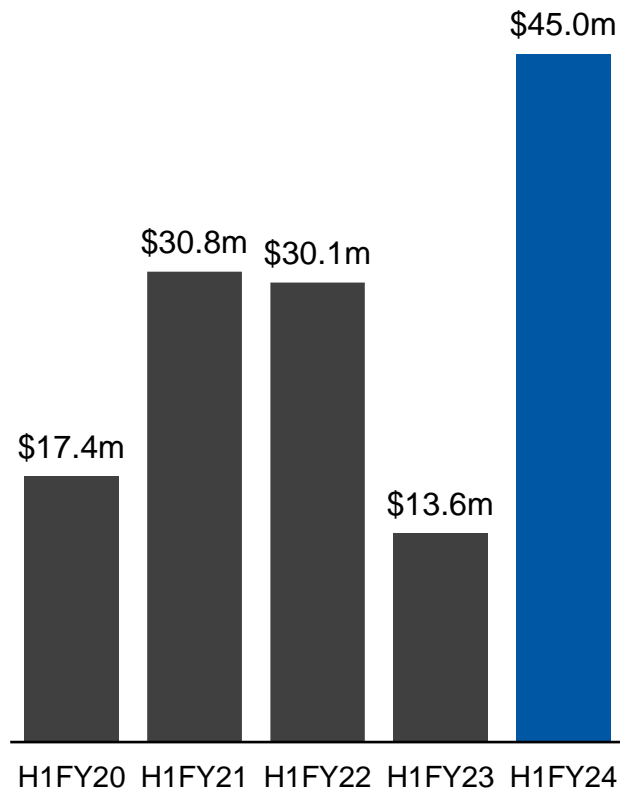
Trends in financial performance

EBITDA, NPBT and Total Assets

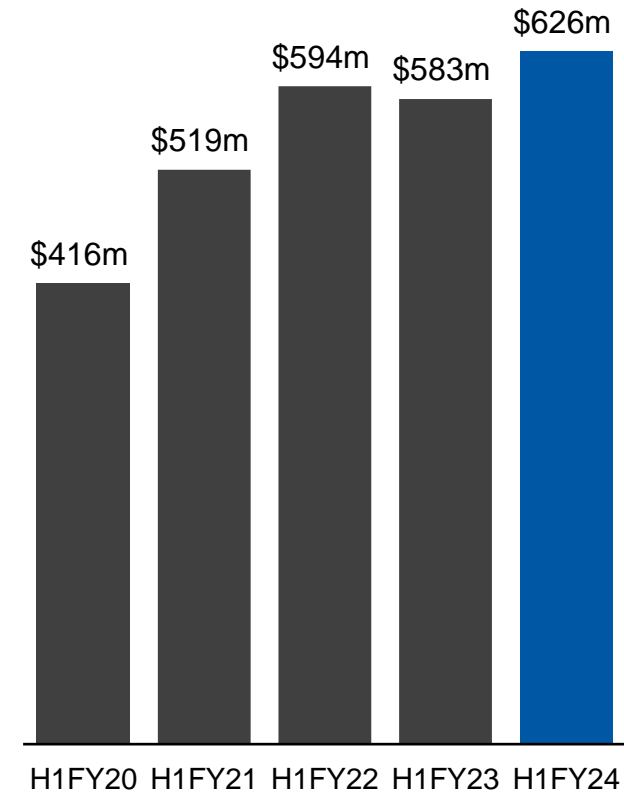
EBITDA



NPBT



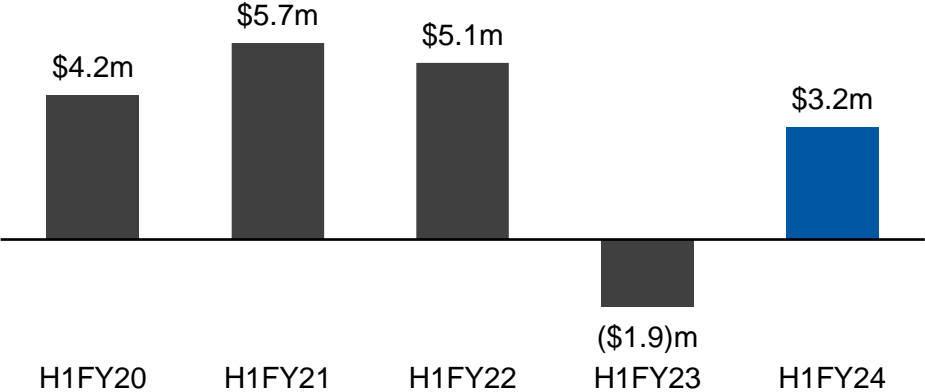
Total assets



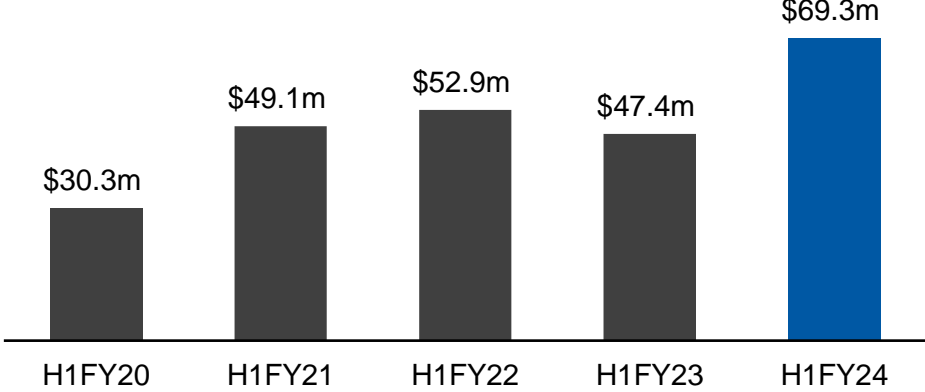
Trends in operating segment performance

EBITDA

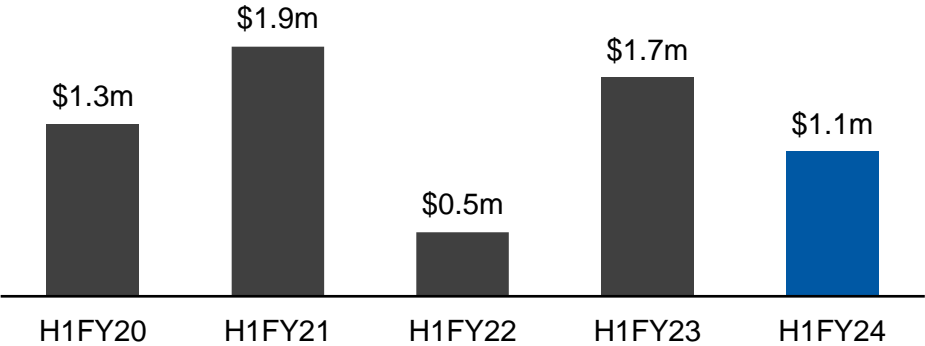
Orcharding



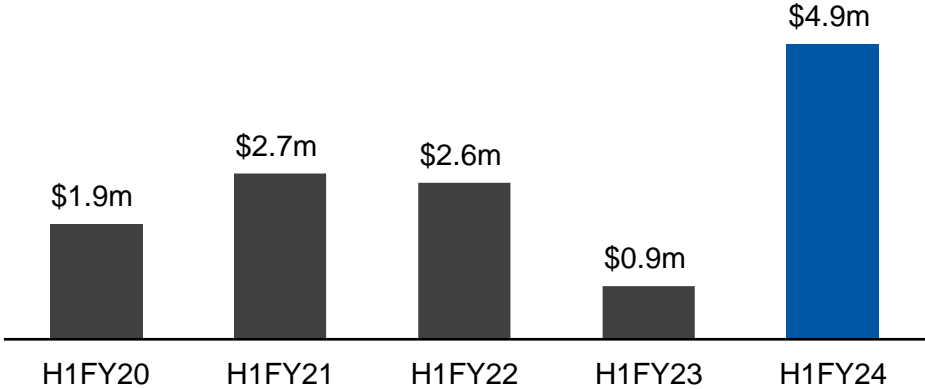
Post harvest



SeekaFresh retail services



Australia



Balance sheet

Balance sheet

Capital employed at 30 June

\$18.5m increase in capital employed on H1 FY23

\$18.6m increase in PP&E since H1 FY23

- End of year revaluations of land and buildings
- Automation and capacity investments
- Investment in switchboards and plant rooms
- Orchard developments capitalised into producing orchards

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Current assets - excludes cash				
Trade and other receivables	111.1	94.3	18%	32.6
Biological assets - crop	3.1	2.1	48%	21.8
Assets held for sale	8.9	3.1	187%	3.2
Inventories and water rights	21.0	14.7	43%	10.9
	144.1	114.2	26%	68.4
Current liabilities - excludes debt				
Trade and other payables	(57.2)	(35.2)	62%	(25.3)
Tax liability / benefit	(5.3)	(1.9)	183%	0.4
	(62.5)	(37.1)	68%	(24.9)
Net working capital	81.6	77.1	6%	43.5
Non current assets				
Property, plant and equipment	383.2	364.6	5%	387.7
Lease assets	49.0	55.0	(11%)	50.5
Intangibles	24.2	26.8	(10%)	24.2
Investments, receivables & deferred tax	21.0	17.0	24%	12.3
	477.4	463.4	3%	474.8
Capital employed	559.0	540.5	3%	518.3

Balance sheet

Net bank debt at 30 June

\$170.9m net bank debt at June 2024

- \$6.1m decrease on June 2023
- Automation and capacity investments
- \$53.0m received in July 2024

\$201m facility from banking syndicate

- Full support of banking syndicate
- \$20m additional credit facility from 5 February to 16 July 2024 ¹

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Non current liabilities - excludes debt				
Lease liabilities (current and non current)	(63.0)	(69.2)	(9%)	(64.8)
Deferred tax	(47.5)	(21.6)		(21.2)
	(110.5)	(90.8)	22%	(86.0)
Cash	(4.1)	(5.2)		(5.2)
Borrowings	175.0	182.2	(4%)	177.6
Net bank debt	170.9	177.0	(3%)	172.4
Total equity	277.6	272.6	2%	259.9
Net bank debt	170.9	177.0	(3%)	172.4
Net bank debt less assets held for sale	162.0	173.9	(7%)	169.2
EBITDA multiple	2.37x	4.77x		6.51x
EBITDA multiple pre NZ IFRS 16 Leases	2.69x	6.14x		16.37x

1. Total banking facility during this period is \$221m.

Earnings per share and dividends

\$0.41 earnings per share ¹

- Up from \$0.25 pcp
- \$0.35 cost per share after one-off, non-cash impact from change in tax legislation

\$5.92 net tangible assets per share – down 2%

The Board has determined it is not appropriate to pay a dividend at this time. The Board will consider dividends later in the year on confirmation of full year guidance.

	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
\$ millions				
Net profit	\$ 17.1 m	\$ 10.5 m	63%	(\$ 14.5m)
Weighted shares on issue	41.6 m	41.6 m		41.6 m ²
Earnings per share	\$ 0.41	\$ 0.25	64%	(\$ 0.35) ²
Net tangible assets	257.4 m	252.4 m		239.8 m
Shares at period end	43.5 m	42.0 m		42.0 m
Net tangible assets per share	\$ 5.92	\$ 6.01	(2%)	\$ 5.71
Net assets per share	\$ 6.38	\$ 6.49	(2%)	\$ 6.19
Total assets per share	\$ 14.38	\$ 13.88	4%	\$13.07

1. As required by NZ IAS 1,892,994 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 \$0.40 (FY23: (\$0.34)).
 2. Recalculated from the 2023 Annual Report to reflect weighted average ordinary shares on issue excluding treasury stock

FY24 full year operational guidance

Seeka updates 2024 guidance



Forecasting full-year net profit before tax between \$17m and \$21m

	FY24 Guidance Lower range	FY24 Guidance Upper range	FY23 Full year Actuals
Net profit / (loss) before tax	\$17.0m	\$21.0m	(\$21.0m)

Operating segment performance

Orchard operations

Growing kiwifruit, avocado and Kiwiberry for New Zealand orchard owners

\$56.9m Revenue – up 42% on pcp

\$3.2m EBITDA – up from (\$1.9m) loss in pcp

Yields rebound on better growing conditions

- SunGold up 44%
- Hayward up 66%

Top-20 SunGold exceeded 21,500 trays per hectare

Top-20 Hayward exceeded 14,200 trays per hectare

\$19.3m invested in developing orchards for future growth

Continued partnerships with iwi and regional investments

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Revenue	56.9	39.9	42%	86.5
EBITDA	3.2	(1.9)	266%	1.0
EBIT	1.8	(3.1)	157%	(1.6)
Segment assets	101.0	75.9	33%	84.8
EBITDA pre NZ IFRS 16	1.9	(3.3)	157%	(1.4)
Crop grown - class 1 trays (millions)				
Total kiwifruit trays grown	17.1	11.2	53%	
SunGold trays (millions)	8.5	6.2	37%	
SunGold yields - average per hectare	13,473	9,333	44%	
Hayward trays (millions)	8.5	5.0	66%	
Hayward yields - average per hectare	11,224	6,750	66%	
Organic and RubyRed	0.3	0.2	50%	

Post harvest operations

Packing, coolstoring and shipping fruit for New Zealand orchard owners

\$193.9m Revenue – up 28% on pcp

\$69.3m EBITDA – up 46% on pcp

Kiwifruit volumes rebound

- SunGold up 36%
- Hayward up 60%

Oakside and Transpack automation upgrades completed

Timely service delivered to growers

Operating margins achieved

Continued focus on quality

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Revenue	193.9	151.1	28%	182.4
EBITDA	69.3	47.4	46%	43.8
EBIT	60.0	37.0	62%	25.1
Segment assets	397.6	397.8	(0%)	360.2
EBITDA pre NZ IFRS 16	65.5	42.9	53%	35.3
Trays packed (millions)				
SunGold	27.2	19.9	36%	
Hayward and other varieties	15.8	9.9	60%	
Total class 1	43.0	29.8	44%	
Class 2	1.9	1.9		
Total packed	44.9	31.7	41%	

SeekaFresh retail services operations

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

\$13.4m Revenue – up 36% on pcp

\$1.1m EBITDA – down 34% on pcp

Reflective of domestic market

Continued success expected

\$ millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Revenue	13.4	9.8	36%	20.7
EBITDA	1.1	1.7	(34%)	2.6
EBIT	0.6	1.2	(47%)	1.5
Segment assets	13.6	15.2	(10%)	13.2
EBITDA pre NZ IFRS 16	0.6	1.3	(50%)	1.6

Australian operations

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

\$19.5m Revenue – up 67% on pcp

\$4.9m EBITDA – up 455%

Australia benefitting from rebound in yields and crop from new orchard developments

Kiwifruit volumes up 164% to 2.3m kgs

Continued developments in Jujube variety

A total of \$16.4m invested in developing orchards for future growth

– Kiwifruit, Nashi pears, Jujube

NZD millions	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Revenue	19.5	11.6	67%	10.4
EBITDA	4.9	0.9	455%	0.7
EBIT	3.9	(0.5)		(3.1)
Segment assets	63.7	54.1	18%	51.5
EBITDA pre NZ IFRS 16	3.8	(0.2)	2201%	(1.4)

Focus

Forward focus

Deliver operational excellence and financial results

Active cost management and innovation

- Continual cost focus
- New HRIS being implemented

Capacity targeted

- Projects initiated ahead of next year's harvest
- Capacity in place for 50m trays
- Focus on switchboard and plant rooms
- Further consideration of automation opportunities

Purpose-built RSE accommodation remains for sale

Winter conditions support good kiwifruit yields 2025

- Good winter chill aids spring budbreak

Sustainability and ethical ethos

- Carbon footprint reduction plan
- Coolstore refrigeration retrofitting
- Further solar installation planned for Kerikeri

Contact

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

Michael Franks

Chief executive

+64 21 356 516

Nicola Neilson

Chief financial officer

+64 21 841 606

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 (\$000s)	H1 FY24 Unaudited	H1 FY23 Unaudited	Change	FY23 Audited
Net profit / (loss) before tax	45,006	13,635	<i>230%</i>	(20,988)
Interest expense	7,103	5,751		12,028
Lease interest expense	2,435	2,408		4,842
EBIT	54,544	21,794	<i>150%</i>	(4,118)
<i>Impairments and revaluations</i>				
Impairments	-	547		3,465
Loss on revaluation of PPE	-	959		294
Depreciation expense	8,183	7,695		15,520
Lease depreciation expense	5,514	5,250		10,462
Amortisation of intangible assets	143	180		365
EBITDA before impairments and revaluations	68,384	36,425	<i>88%</i>	25,988



seeka.co.nz