

Analyst Briefing Pack

Unaudited Interim Results

Six months to 30 June 2022

Agenda

- 1** Six month highlights
- 2** Balance sheet
- 3** Operating segments performance
- 4** Focus
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Six month highlights

Summary

- 1 Challenging six months for the Group with:**
Covid-19, labour shortages, inflationary pressure, adverse weather, shipping disruption, late machine commissioning, lower yields and quality
\$247.3m Revenue | \$49.4m EBITDA | \$30.1m NPBT | \$0.52 EPS
- 2 \$161.2m in interest bearing debt**
Five bank syndicate in place | Available debt lines \$211.0m
- 3 Total assets \$594.4m, net tangible asset backing per share \$6.07**
Continuing investment in core business, capacity and automation – KKP, Transcool, Oakside and NZ Fruits
- 4 New Zealand kiwifruit yields well down on pcp**
Hayward yields down 21.5% and SunGold 10.5%, Ōpōtiki storm a contributing factor.
- 5 No dividend payable at this time**
No dividend is payable at this time with the dividend to be reconsidered later in the year
- 6 Capacity planning being refreshed**
Existing program of capital sufficient for 2023
- 7 Sustainability report released**
2019/2020/2021 carbon footprint independently verified | Targets set for CO₂e reduction to zero

Group financial performance

Interim results – six months to June 2022, unaudited

\$247.3m revenue

Up 10% on pcp

\$49.4m EBITDA

Up 5% on pcp

\$30.1m Net profit before tax

Down 2% on pcp

\$21.5m Net profit after tax

Up 4% on pcp

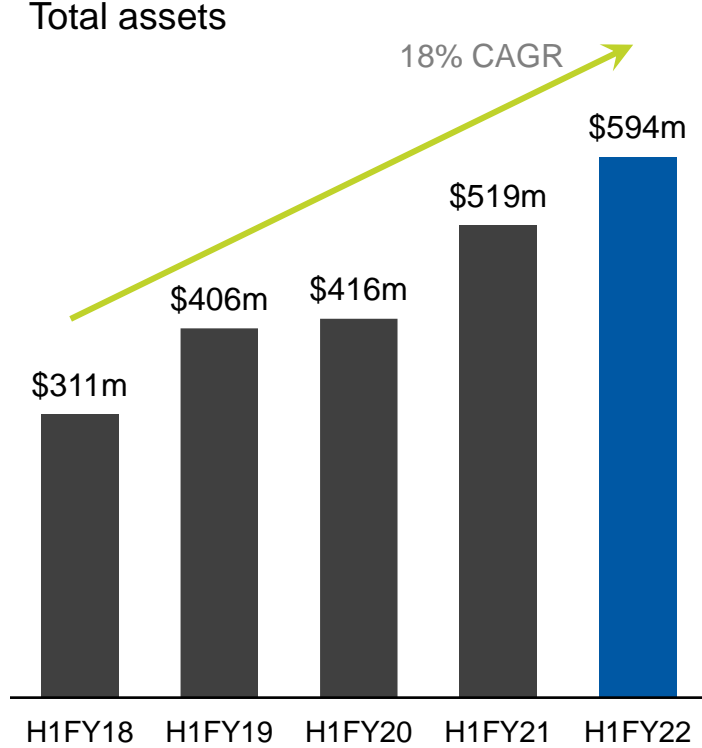
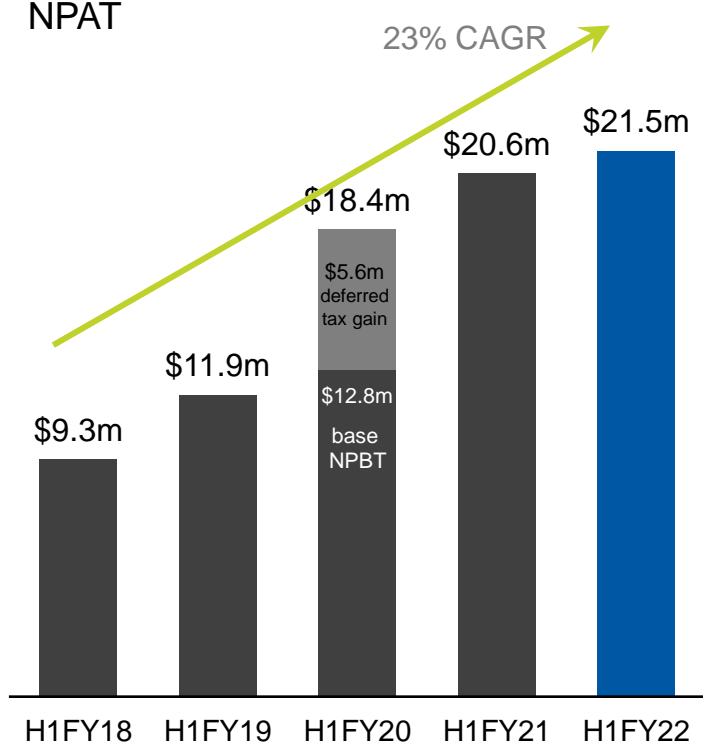
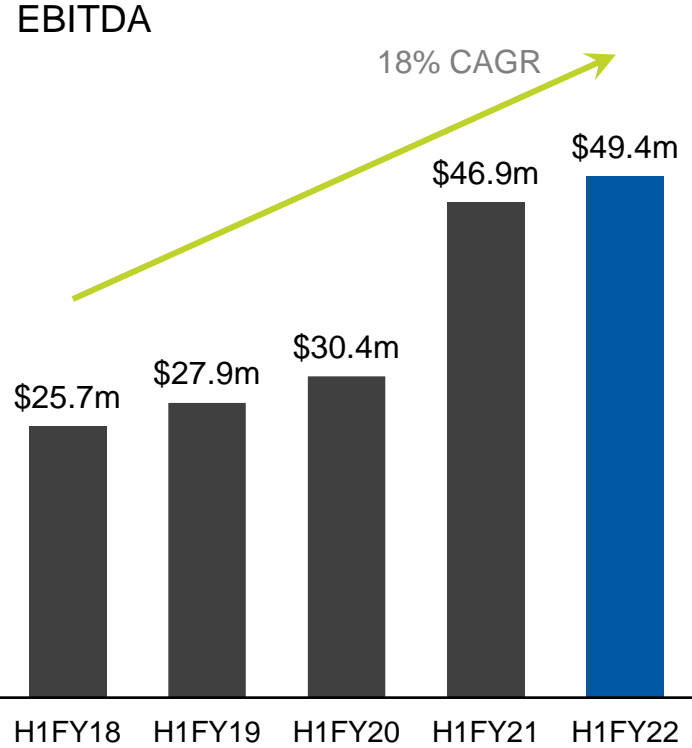
\$ millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Revenue	247.3	224.5	10%	309.6
Cost of sales	169.1	146.1	16%	236.3
Change in fair value of biological assets - crop	(16.2)	(18.2)		-
Gross profit	62.0	60.1	3%	73.2
EBITDA	49.4	46.9	5%	56.8
EBIT	35.4	34.7	2%	32.2
Net profit before tax	30.1	30.8	(2%)	23.5
Net profit after tax	21.5	20.6	4%	14.9

Seeka operates a seasonal business

– H1 is main operating period for core kiwifruit business

Trends in financial performance

EBITDA, NPAT and Total assets

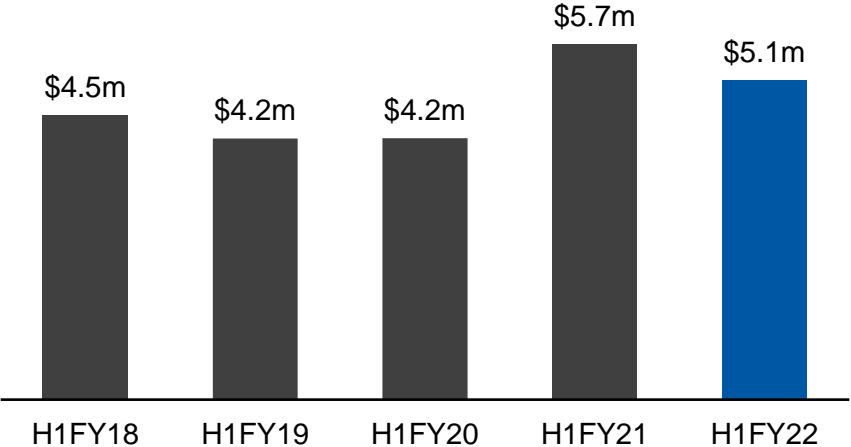


H1FY20 NPAT included a one-off \$5.6m tax benefit from a change in tax deductibility of depreciation on buildings. All results and comparatives consistent with NZ IFRS 16 Leases.

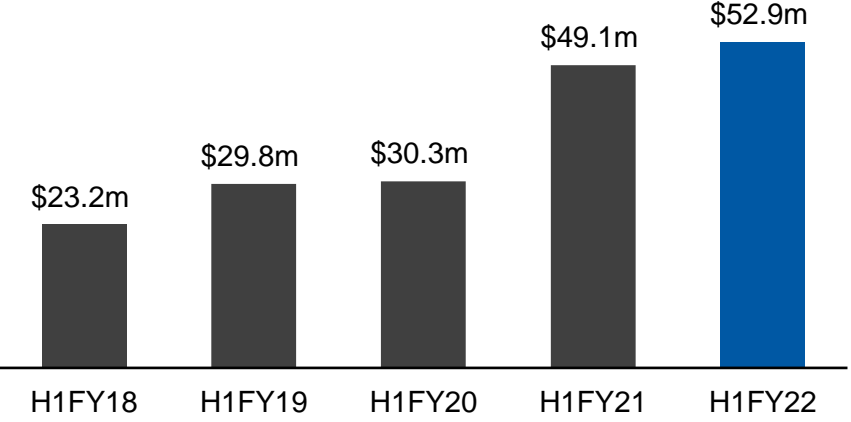
Trends in operating segment performance

EBITDA

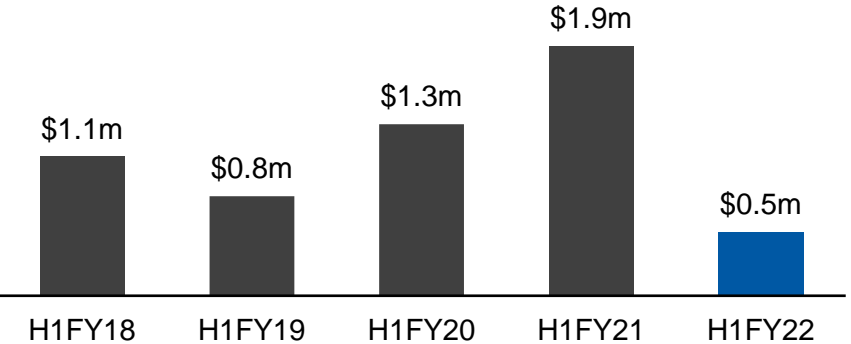
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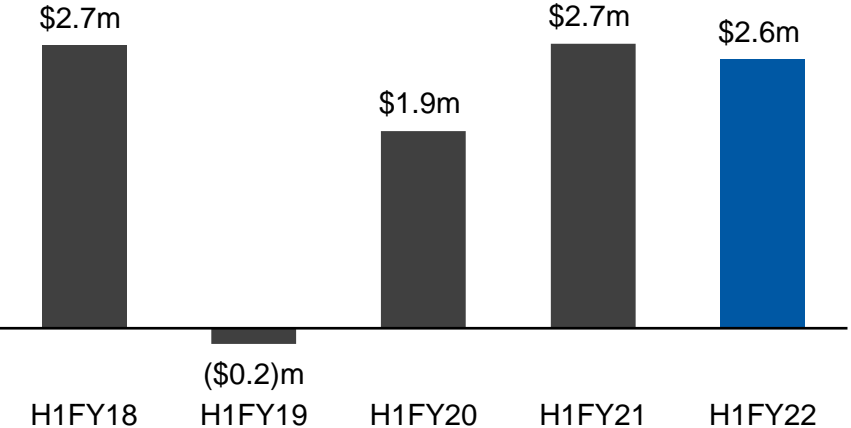
Post harvest



SeekaFresh retail services



Australia



Balance sheet



Balance sheet

Capital employed at 30 June

\$76.3m increase in capital employed on H1FY21

\$54.5m increase in PP&E

- Orangetree and NZ Fruits acquisitions
- Automation and capacity investments – KKP
- Coolstore innovation and capacity - Transcool

\$4.7m increase in investments

- Continuing long term lease orchard developments

\$ millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Current assets - excludes cash				
Trade and other receivables	106.8	101.1	6%	30.7
Biological assets - crop	2.2	1.7	32%	18.4
Assets held for sale	4.8	3.8	24%	1.9
Inventories and water rights	18.0	21.4	(16%)	7.3
	131.7	128.1	3%	58.3
Current liabilities - excludes debt				
Trade and other payables	(52.2)	(61.7)	(15%)	(33.0)
Tax	(8.2)	(5.6)	(46%)	(7.5)
	(60.4)	(67.3)	(10%)	(40.5)
Net working capital	71.3	60.7	17%	17.8
Non current assets				
Property, plant and equipment	358.6	304.2	18%	327.8
Lease assets	54.5	52.8	3%	49.9
Intangibles	31.0	28.0	11%	27.1
Investments and receivables	10.7	4.2	156%	6.8
	454.9	389.1	17%	411.6
Capital employed	526.2	449.9	17%	429.4

Values may not sum due to rounding.

Balance sheet

Net bank debt at 30 June

\$161.3m net bank debt at June 2022

- \$33.4m increase on June 2021
- \$16.5m of debt and cash for Orangewood and NZ Fruits investments
- \$20.0m upgrade at KKP and Transcool

Syndicated five-bank funding

- \$211m debt line

\$4.8m of orchard assets held for sale

\$ millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Non current liabilities - excludes debt				
Lease liabilities (current and non current)	(68.1)	(66.7)	2%	(63.4)
Deferred tax	(21.2)	(21.6)	(2%)	(18.4)
Derivatives	-	(0.4)		(0.5)
	(89.3)	(88.7)	1%	(82.3)
Cash	(7.8)	(1.7)		(12.4)
Borrowings	169.0	129.5	30%	113.0
Net bank debt	161.3	127.8	26%	100.6
Total equity	275.6	233.3	18%	246.5
Total borrowings	161.3	127.8	26%	100.6
Net bank debt excluding assets held for sale	156.5	124.0	26%	98.7
EBITDA multiple	3.17x	2.64x		1.74x
EBITDA multiple pre NZ IFRS 16 Leases	3.71x	3.03x		2.24x

Earnings per share and dividends

52 cents earnings per share ¹

No dividend is payable at this time

The Board has determined that no dividend is payable at this time with the dividend to be reconsidered later in the year.

\$6.07 net tangible assets per share – up 12%

	H1 FY22	H1 FY21		FY21
\$ millions	Unaudited	Unaudited	Growth	Audited
Net profit (\$m)	\$ 21.5 m	\$ 20.6 m	4%	\$ 14.9 m
Weighted shares on issue (m)	41.0 m	31.8 m		34.8 m
Earnings per share	\$ 0.52	\$ 0.65	(20%)	\$ 0.43
Net tangible assets	254.8 m	214.7 m	19%	229.3 m
Shares at period end	42.0 m	39.4 m		40.2 m
Net tangible assets per share	\$ 6.07	\$ 5.44	12%	\$ 5.71

1. As required by NZ IAS 33, 421,835 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 \$0.52 (FY21: \$0.42).

FY22 full year operational guidance

Seeka provide 2022 guidance

Forecasting full-year net profit before tax between \$9.0m and \$11.0m

No change to forecast

	FY22 Guidance Lower range	FY22 Guidance Upper range	FY21 Full year Actuals
\$ millions			
Net profit before tax	9.0m	11.0m	23.5m

Operating segment performance

Orchard operations

Growing kiwifruit, avocado and kiwiberry for New Zealand orchard owners

\$45.7m – down 15% on pcp

\$5.1m EBITDA – down 10% on pcp

Increase in crop volumes

- Reflect acquisition volumes from Orangewood and OPAC
- Yields down on PCP

- Excellent kiwiberry performance

- 142 hectares of orchards in development
 - 46 SunGold
 - 91 Hayward
 - 5 Red

\$ millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Revenue	45.7	53.7	(15%)	77.1
EBITDA	5.1	5.7	(10%)	5.2
EBIT	3.7	4.7	(20%)	3.0
Segment assets	98.1	92.8	6%	73.7
EBITDA pre NZ IFRS 16	3.8	4.5	(16%)	2.4
Crop grown - class 1 trays (millions)				
Total kiwifruit trays grown	17.1	14.4	18%	
SunGold class 1 trays (millions)	8.9	5.5	61%	
Hayward & other class 1 trays (millions)	8.2	8.9	(8%)	
Avocado grown (tonnes) ¹	1,610	1,394	15%	
Kiwiberry grown (tonnes)	116	140	(17%)	

1. Avocado volumes are for crop harvested in the 2021/22 season (pcp: 2020/21 season).

Post harvest operations

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

Record post harvest revenue of \$178.5m – up 23% on pcp

\$52.9m EBITDA – up 8% on pcp

Late Gisborne maturity, then rain

– Compressed capacity

Delay in KKP machine arrival and commissioning

- 6 April became 6 June

Inflationary pressure and extreme shortage of labour

- At one stage over 1,100 people short through Covid-19 and labour shortages

\$ millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Revenue	178.5	145.2	23%	195.9
EBITDA	52.9	49.1	8%	61.6
EBIT	43.7	40.8	7%	44.6
Segment assets	388.6	337.9	15%	316.1
EBITDA pre NZ IFRS 16	48.9	46.2	6%	55.3
Trays packed (millions)				
Total trays packed	43.3	40.7	6%	
SunGold (class 1)	26.3	19.4	35%	
Hayward (class 1)	14.3	18.8	(24%)	
Other fruit - includes class 2	2.8	2.5	10%	
Avocado (thousands of trays) ¹	267	262	2%	
Kiwiberry (thousands of trays)	78	88	(11%)	

1. Avocado volumes packed since 1 January from the 2021/22 season (pcp: 2020/21 season).

SeekaFresh retail services operations

Supply, export and sales of avocado, kiwiberry and class 2 kiwifruit, import fruit, and Kiwi Crush production

\$8.5m Revenue

- Soft 2021/22 avocado market and returns

\$0.5m EBITDA

Business continues to innovate

- New customers
- Increasing local market volumes
- Building strong customer relationships

	H1 FY22	H1 FY21		FY21
\$ millions	Unaudited	Unaudited	Growth	Audited
Revenue	8.5	11.5	(26%)	21.6
EBITDA	0.5	1.9	(74%)	2.3
EBIT	0.0	1.4	(99%)	1.4
Segment assets	23.6	19.2	23%	11.7

Australian operations

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

\$14.40m Revenue – up 4% on pcp

Ongoing labour and market disruption from Covid-19

\$2.58m EBITDA

Excellent result in difficult circumstances

\$1.17m EBIT after lease costs

NZD millions	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Revenue	14.40	13.86	4%	13.87
EBITDA	2.58	2.73	(6%)	1.64
EBIT	1.64	1.89	(13%)	(0.00)
EBIT after lease costs	1.17	1.39	16%	(1.06)
EBITDA pre NZ IFRS 16	1.53	1.73	-	(0.19)
Kiwifruit (tonnes)	1,765	2,115	(17%)	
Nashi (tonnes)	1,036	873	19%	
Pears (tonnes)	1,997	1,861	7%	
Other fruit (tonnes)	131	121	8%	
Total tonnes grown, packed and sold	4,929	4,970	(1%)	

Focus

Forward focus

The company has operated profitably through a challenging six months, and continued to deliver service

- Covid-19
- Weather
- Shipping
- Labour
- Harvest Dynamics
- Quality

Focussed on operations and setting for a better 2023

- Secured increase in RSEs
- Investing in RSE accommodation
- Revising the forward capacity plan
- 2023 capacity is balanced with existing configuration and capital projects

Contact

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

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The background of the slide is a low-angle, blue-tinted photograph of a highly detailed stone relief sculpture. The sculpture depicts a central figure, possibly a deity or a royal figure, with a large, ornate headdress and intricate carvings on the face and body. The figure is surrounded by other carved elements, including what appears to be a dragon or a mythical creature on the right side. The overall style is reminiscent of ancient Indian or Southeast Asian art.

Appendix

EBITDA

Reconciliation before and after applying NZ IFRS 16

NZD (\$000s)	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
EBITDA pre NZ IFRS 16	42,211	40,928	3%	44,087
Capitalised lease costs (cash cost)	7,149	5,966	20%	12,703
EBITDA after applying NZ IFRS 16	49,360	46,894	5%	56,790

EBITDA before revaluations and impairments is considered by Seeka's Board to be a key measure of performance

NZD (\$000s)	H1 FY22 Unaudited	H1 FY21 Unaudited	Growth	FY21 Audited
Net profit before tax	30,065	30,761	(2%)	23,488
Interest expense	3,124	1,664		4,082
Lease interest expense	2,207	2,275		4,610
EBIT	35,396	34,700	2%	32,180
<i>Impairments and revaluations</i>				
Impairment of PPE	111	1,136		1,188
Depreciation expense	8,794	7,056		15,185
Lease depreciation expense	4,824	3,911		7,943
Amortisation of intangible assets	235	91		294
EBITDA before impairments and revaluations	49,360	46,894	5%	56,790



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