

## SEEKA FY22 FULL YEAR RESULT

### Audited results for year ended 31 December 2022 (FY22)

Listed New Zealand produce handler Seeka Limited, with operations in New Zealand and Australia, has today reported its audited results for the year ended 31 December 2022.

**\$348 million Revenue — up 13% on FY21's \$310m**

**\$46.1 million EBITDA — down 19% on FY21's \$56.8m (which included \$7.6m Psa claim settlement)**

**\$6.5 million Net Profit After Tax — down 56% on FY21's \$14.9m**

"Seeka and its supplying growers experienced a very difficult year with Covid-19, extreme labour shortages, shipping disruptions, lower kiwifruit yields and poor fruit quality all impacting returns," says Seeka chief executive Michael Franks.

"Harvest 2022 kiwifruit yields were down across the industry, impacting revenues from Seeka's core post harvest business. Kiwifruit storage performance, both onshore and offshore, further impacted returns to Seeka's orchard operations.

"Despite the challenging season, Seeka achieved an increase in revenues to \$348 million as we attracted new growers to our business. Packing operations, however, peaked during the Omicron wave and the industry was severely short staffed. Higher labour costs and lower yields impacted margins and contributed to a drop in EBITDA to \$46 million and a net profit after tax of \$6.5 million.

"Since the harvest, Seeka has fully reviewed its supply chain operations from the orchard to loadout, and is focussed on achieving excellence in fruit handling in 2023. We are anticipating an improved labour supply with a large increase in RSE workers from the Pacific and Malaysia, and a normalisation of travel.

"The completion of a highly-automated packline in the Bay of Plenty, and automation projects at Gisborne and at our largest site near Te Puke will lift post harvest capacity, improve fruit handling and significantly reduce the demand for packhouse labour.

"Since Cyclone Gabrielle we have been inspecting our post harvest sites and supplying orchards to assess the potential impact on harvest 2023. While we did not see any significant damage to our post harvest facilities, we anticipate that the full impact on the crops will remain unknown until the fruit is harvested.

"Seeka's core Bay of Plenty kiwifruit growing region was spared the worst of the weather and was not materially impacted. The Hawke's Bay, Gisborne, Coromandel and Kerikeri regions had varying degrees of impact, with Hawke's Bay being worst hit. Approximately 5% of Seeka's kiwifruit supply is grown in the Hawke's Bay region. We will continue to assess the situation and will update the market if Seeka identifies a material loss.

"Harvest 2023 kiwifruit volumes are expected to be lower than 2022 due to an early season frost, variable bud break and the cyclone. Seeka's response includes a reduction to the 2023 capital expenditure programme and reducing costs in line with the lower crop expectation.

"As Seeka focuses on delivering an excellent service, we continue to implement a range of decarbonisation initiatives that support and health and wellbeing of our communities. Seeka has set a target to become net zero carbon by 2050, and we are installing solar panels on our post harvest facilities and rolling out regenerative horticulture practices. This includes operating our own commercial worm farm that recovers a nutrient-rich soil conditioner from organic packhouse waste."

### Dividend

"In this challenging environment the Board has determined that no dividend is payable as Seeka focuses on prudent financial ratios," says Franks.

## Operational performance

The following table outlines Seeka's performance FY22.

New Zealand dollars	FY22	FY21	Change
Total revenue (\$m)	\$ 348.4	\$ 309.6	13%
EBITDA before impairments and revaluations (\$m)	\$ 46.1	\$ 56.8	(19%)
EBIT (\$m)	\$ 19.1	\$ 32.2	(41%)
NPBT (\$m)	\$ 7.6	\$ 23.5	(68%)
NPAT (\$m)	\$ 6.5	\$ 14.9	(56%)
Net bank debt (\$m)	\$ 147.4	\$ 100.6	46%
Basic earnings per share	\$ 0.16	\$ 0.43	(63%)
Diluted earnings per share	\$ 0.16	\$ 0.42	(62%)
Net tangible assets per share	\$ 5.97	\$ 5.71	5%

This announcement should be read in conjunction with Seeka Limited's 2022 annual report (audited). A copy of the 2022 annual report can be found on Seeka's website [www.seeka.co.nz/reports](http://www.seeka.co.nz/reports).

## EBITDA

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

New Zealand dollars (\$000s)	FY22	FY21
<b>Net profit before tax</b>	<b>7,593</b>	<b>23,488</b>
Interest expense	7,204	4,082
Lease interest expense	4,289	4,610
<b>EBIT</b>	<b>19,086</b>	<b>32,180</b>
<i>Impairment charges and revaluations</i>		
Impairment of property, plant and equipment	144	1,188
Impairment of biological assets	191	-
Impairment of intangible assets	681	-
Depreciation expense	16,055	15,185
Lease depreciation expense	9,516	7,943
Amortisation of intangible assets	406	294
<b>EBITDA before impairments and revaluations</b>	<b>46,079</b>	<b>56,790</b>

## ENDS

For more information, visit [www.seeka.co.nz](http://www.seeka.co.nz) or please call:

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