

SCALES CORPORATION LIMITED

Bringing Nutrition to the World

Annual Results Presentation

For the Year Ended 31 December 2023

22 February 2024



Agenda

1. FY23 Results

- I. Summary
- II. Group Performance
- III. Divisional Performance
- IV. Capital Management
- V. Sustainability

2. FY24 Outlook

Appendices:

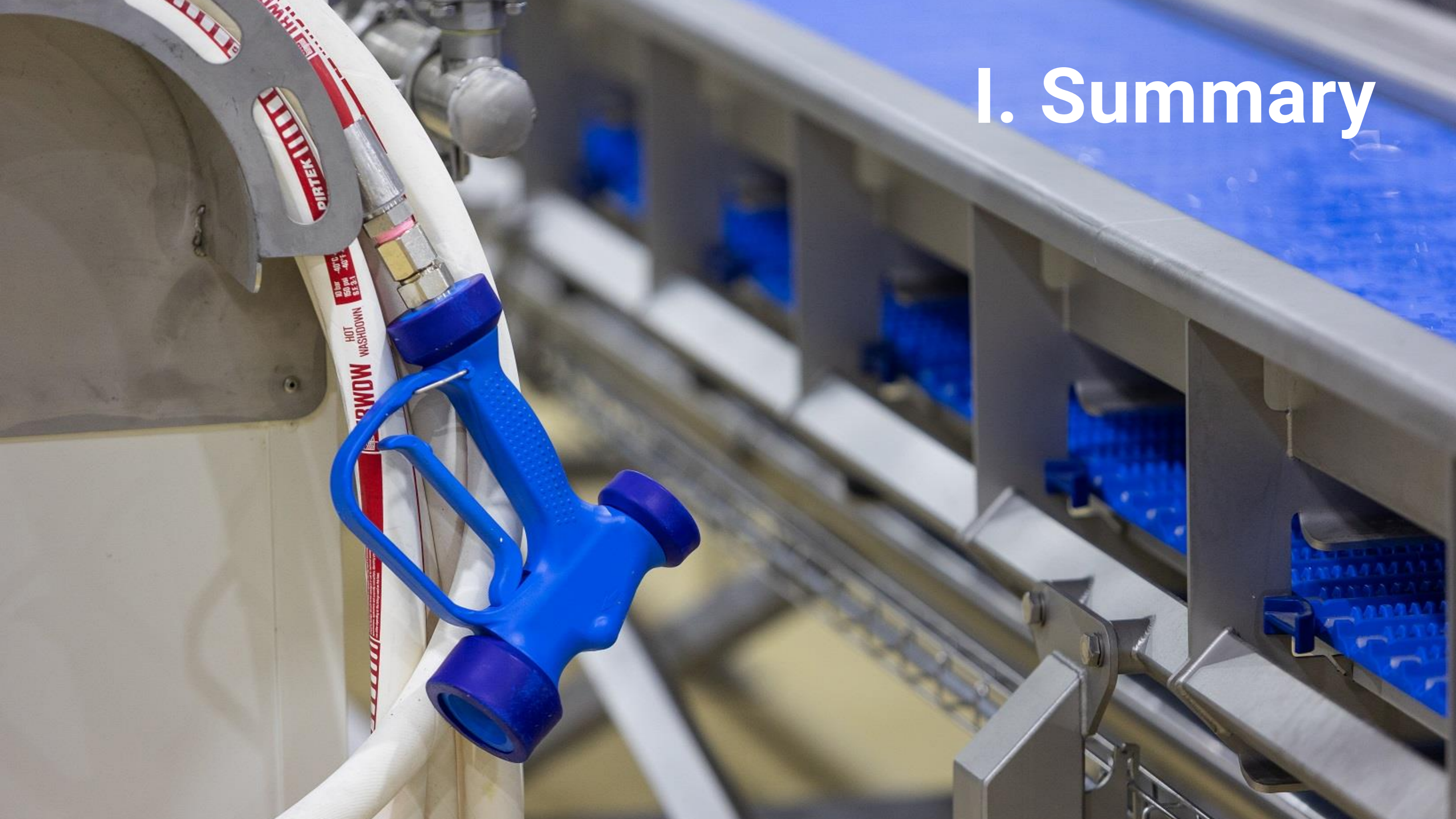
- A. NZ IFRS Reconciliation
- B. Disclaimer



1. FY23 Results



I. Summary



FY23 Summary

- ✓ **Commendable Group performance in a disrupted year, underpinned by strong Global Proteins earnings**

- ✓ **Performance benefited from diversified strategy**

- ✓ Underlying result at the top end of FY23 Guidance range:

- ✓ Underlying* NPAT Attributable to Shareholders of \$19.0m (2022: \$27.6m), down 31%

- ✓ Reported NPAT Attributable to Shareholders of \$5.2 m (2022: \$19.4m), down 73%

- ✓ Strong performance by Global Proteins, reflecting the ability of the division to execute its strategy and adjust to market conditions

- ✓ Admirable Horticulture result following the effects of Cyclone Gabrielle:

- ✓ Higher in-market prices helped to offset lower volumes

- ✓ Effects of Cyclone Gabrielle expected to be largely limited to the 2023 season

- ✓ Outstanding effort, skill and resilience from the Horticulture team to undertake the remediation work required

- ✓ Solid result from Logistics despite the impact of lower volumes and geopolitical tensions in key trade routes

* Underlying Results exclude some New Zealand International Financial Report Standards (NZ IFRS) non-cash and other adjustments. Management and the Board believe that Underlying Results more accurately demonstrate the operational performance of the Group. Underlying NPAT and Underlying EBITDA are shown before the deduction of share of Non-Controlling Interests. Note that our definition of "Underlying" includes the effects of NZ IFRS 16 Leases in line with current market practice. All Underlying result numbers, including comparatives, are inclusive of NZ IFRS 16 effects. A reconciliation of Underlying to Reported Measures is provided in Appendix A

By the Numbers

137,477 MT
Petfood ingredients
sold¹
(2022: 158,595)

\$565.4m
Revenue
(2022: \$619.2m)

26,010
TEU² equivalents
managed
(2022: 27,580)

10.8%
ROCE³
(2022: 13.5%)

19.0 cents
per share paid
(2022: 19.0 cps)

3,920,000
TCEs of apples
exported⁴
(2022: 4,580,000)

\$12.0m
Net cash
(2022: \$27.0m)

2,733,000
TCEs of own-grown
apples exported
(2022: 3,324,000)

1. Includes 100% of petfood ingredient volumes from relevant businesses; i.e. total petfood ingredient volumes controlled directly and indirectly by Global Proteins, but excludes volumes sold by Meateor Australia and Esro Petfood.

2. TEU is a Twenty-foot Equivalent Unit is a unit of cargo capacity to describe container volumes.

3. Return on Capital Employed, calculated as EBIT divided by Capital Employed, where Capital Employed is calculated as non-current assets plus working capital (excluding cash, overdrafts and borrowings, NZ IFRS 16 right-of-use asset and lease liability, dividends declared, derivative assets / liabilities and employee loans).

4. TCE is a Tray Carton Equivalent, a measure of apple and pear weight, defined as 18.6kg packed weight which equates to 18.0kg sale weight. Includes own grown and external grower volumes including those volumes exported by Fern Ridge Fresh.

dazzle

the new Zealand



II. Group Performance

Group Financial Performance

Positive results in a testing year

- Reported NPAT Attributable to Shareholders of \$5.2m, down 73% (2022: \$19.4m):
 - The impact of Cyclone Gabrielle and market conditions have resulted in NZ IFRS goodwill impairment and asset write-downs at Mr Apple (post-tax earnings impact of \$10.9m)
- Underlying NPAT Attributable to Shareholders of \$19.0m, down 31% (2022: \$27.6m)
- Underlying NPAT of \$38.4m, down 17% (2022: \$46.4m)
- Underlying EBITDA of \$67.5m, down 13% (2022: \$77.9m)
- Revenue of \$565.4m, down 9% (2022: \$619.2m)

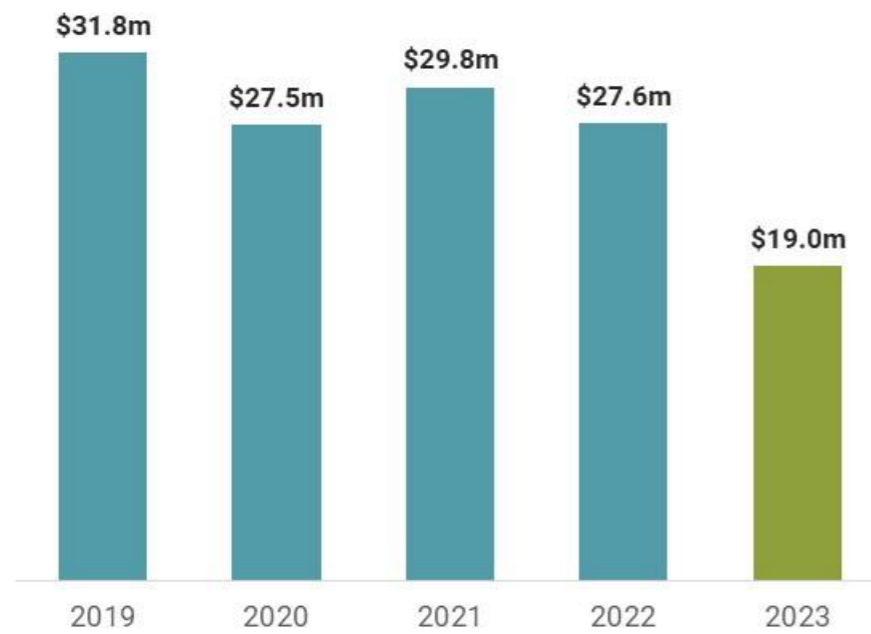
Income Statement												
\$m	NPAT Attributable to Shareholders			NPAT			EBITDA			Revenue		
	2023	2022	% chg. ¹	2023	2022	% chg. ¹	2023	2022	% chg. ¹	2023	2022	% chg. ¹
Underlying (excluding NZ IFRS 16)	19.2	28.1	-32%	38.6	46.9	-18%	55.9	66.6	-16%	565.4	619.2	-9%
NZ IFRS 16 Leases	(0.1)	(1.9)		(0.1)	(1.9)		11.7	9.4		-	-	
NZ IFRS 16 Leases - renewal reassessment ²	(0.1)	1.4		(0.1)	1.4		(0.2)	2.0		-	-	
Underlying (including NZ IFRS 16)	19.0	27.6	-31%	38.4	46.4	-17%	67.5	77.9	-13%	565.4	619.2	-9%
NZ IFRS & other adjustments:												
Impairment of non-current assets and goodwill	(10.9)	(2.7)		(10.9)	(2.7)		(11.9)	(3.7)		-	-	
Other NZ IFRS adjustments ³	(2.8)	(5.5)		(2.8)	(5.5)		(2.0)	(5.6)		-	-	
Reported⁴	5.2	19.4	-73%	24.7	38.2	-35%	53.7	68.5	-22%	565.4	619.2	-9%

Notes:

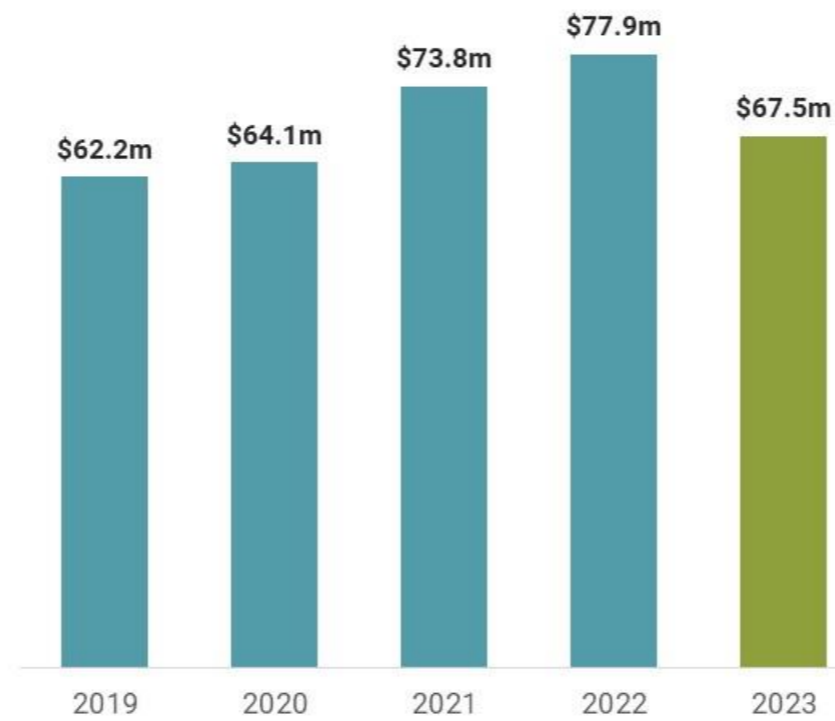
1. %'s are calculated based on non-rounded figures, figures may not sum due to rounding
2. Reflects a reset to the NZ IFRS 16 Leases calculation for Mr Apple
3. Includes a change in the gross liability on put options of \$4.1m in 2023 (2022: \$4.2m)
4. A full reconciliation between Underlying and Reported earnings is provided in Appendix A

Trends in Group Financial Performance

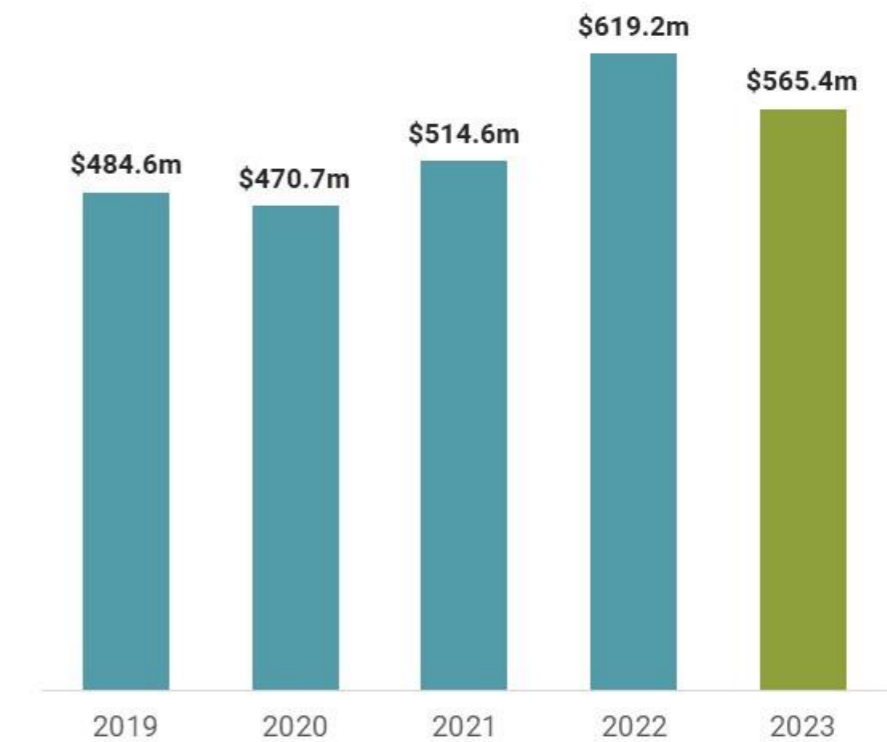
Underlying NPAT
Attributable to Shareholders



Underlying EBITDA



Revenue



Divisional Overview

Continuing to benefit from diversified strategy

- Expansion of Global Proteins division providing strong foundation for future growth:
 - Excellent progress made with Meateor Australia and Esro Petfood, with both businesses operational by 4Q23
- Resilient Horticulture result following adverse effects of Cyclone Gabrielle:
 - In part due to strong 2H23 sales and higher in-market prices, which helped offset lower volumes
 - Effects of Cyclone Gabrielle expected to be largely limited to the 2023 season
- Solid result from Logistics despite lower volumes and geopolitical tensions

Divisional Performance									
\$m	1H23	2H23	2023	Margin	1H22	2H22	2022	Margin	% chg. 2023 v 2022
Global Proteins	30.1	24.4	54.5	18.3%	29.9	30.3	60.2	18.8%	-9%
Horticulture	11.4	3.4	14.8	7.1%	24.5	(7.5)	17.0	7.4%	-13%
Logistics	2.7	1.6	4.3	4.6%	3.6	3.0	6.6	5.3%	-35%
Corporate	(2.7)	(3.4)	(6.1)	N/A	(2.7)	(3.1)	(5.8)	N/A	5%
Underlying EBITDA	41.5	26.1	67.5	11.9%	55.3	22.6	77.9	12.6%	-13%
Underlying NPAT	24.8	13.6	38.4	6.8%	34.7	11.7	46.4	7.5%	-17%
Underlying NPAT Attributable to Shareholders	14.5	4.5	19.0	3.4%	25.6	2.0	27.6	4.5%	-31%

Notes:

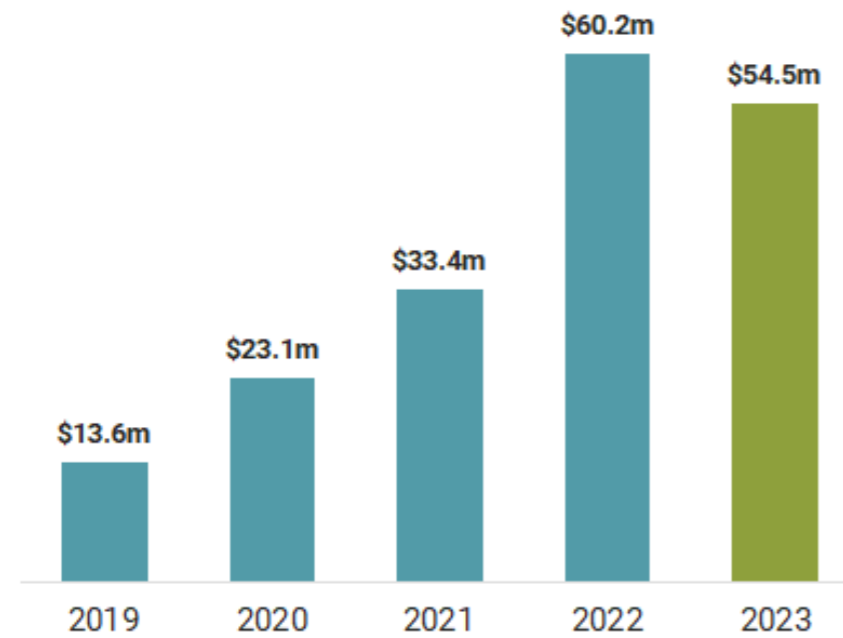
1. Prepared on an Underlying basis. A reconciliation to Reported earnings is provided in Appendix A.

2. %'s are calculated based on non-rounded figures, figures may not sum due to rounding.

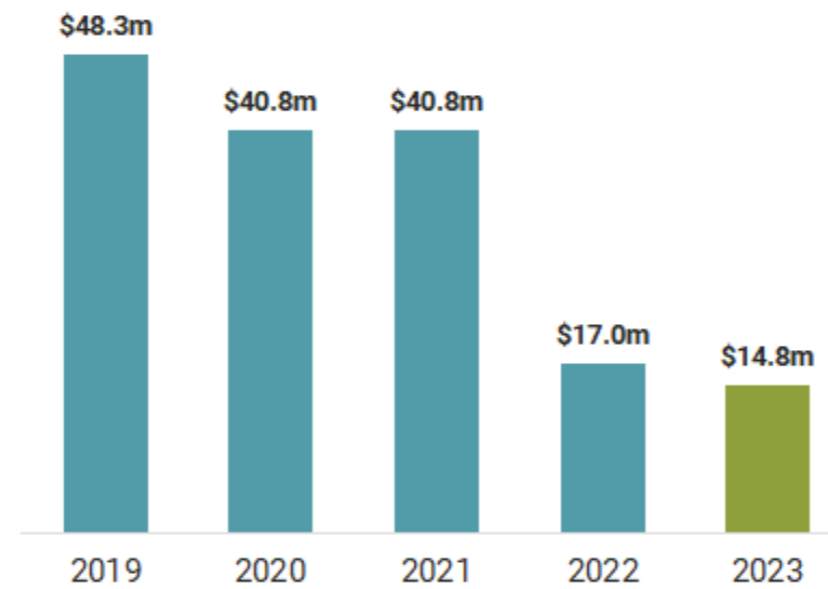
3. NZ IAS 41 Agriculture requires unsold agricultural produce to be measured at fair value less costs to sell meaning the expected profit on unsold fruit is recognised in the interim result, giving rise to seasonality in profitability as shown above.

Trends in Divisional Performance

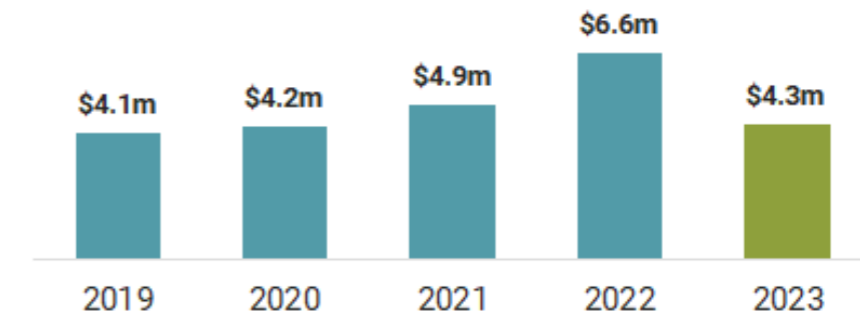
Global Proteins



Horticulture



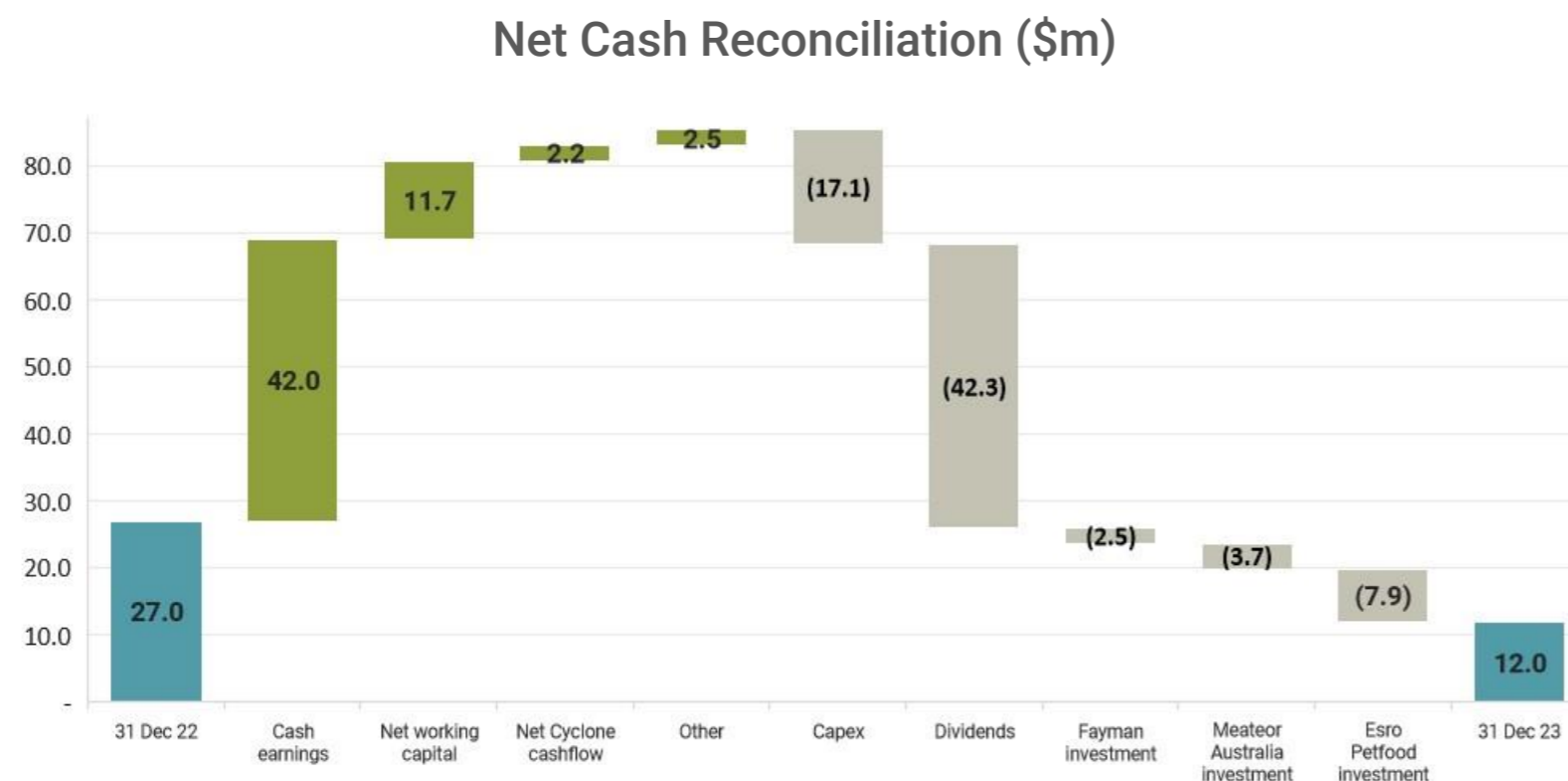
Logistics



Balance Sheet

Scales continues to operate with a strong financial position

- Movement in working capital primarily reflects realignment of trade and other receivables, trade and other payables and inventories in line with historical levels
- Movement in Net Cash primarily relates to:
 - Capital expenditure (including Cyclone-related capex)
 - Dividend payments (including payments to minority shareholders)
 - Investment in Fayman, Meateor Australia and Esro Petfood



Balance Sheet		
\$m	2023	2022
<i>Current assets excl cash</i>		
Trade and other receivables	34.0	42.1
Inventories	29.5	42.6
Unharvested agricultural produce	24.2	25.1
Other	14.3	15.1
Current assets	102.1	125.0
<i>Current liabilities excl overdraft, borrowings & dividends declared</i>		
Trade and other payables	(26.4)	(37.2)
Lease liability	(11.0)	(10.9)
Other	(19.1)	(15.4)
Current liabilities	(56.5)	(63.6)
Net Working Capital	45.5	61.4
<i>Non-current assets</i>		
Land and buildings at fair value	145.1	151.3
Apple trees at fair value	25.4	27.3
Other property, plant and equipment	50.7	42.6
Investments, intangibles and goodwill	102.0	101.6
Right-of-use asset	49.6	49.0
Other	29.1	15.5
Non-current assets	402.0	387.4
Capital employed	447.5	448.7
<i>Non-current & other liabilities</i>		
Deferred tax liabilities	(17.1)	(17.8)
Lease liability	(44.7)	(44.1)
Other financial liabilities	(6.7)	(13.6)
Dividends declared	(6.0)	(8.5)
Non-current & other liabilities	(74.5)	(83.9)
<i>Net Cash</i>		
Cash less overdraft	77.6	65.8
Borrowings	(65.6)	(38.7)
Net Cash	12.0	27.0
Total Equity	384.9	391.8



III. Divisional Performance

Global Proteins – Financial Result

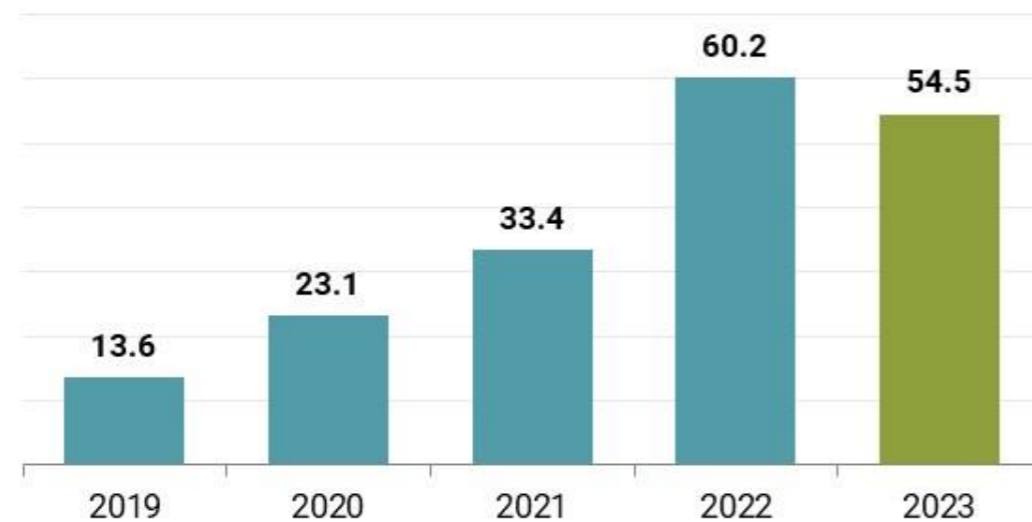
Solid results during post-COVID inventory rebalancing

- FY23 profit margins in line with FY22:
 - 2023 includes a full year of contribution from Fayman
- Movement in revenue, Underlying EBITDA and volumes reflects:
 - Petfood ingredient customers returning to lower, pre-COVID inventory levels, resulting in lower volumes sold
 - Transition of Australian business and start-up phase of Esro Petfood
 - Pleasing performance from Fayman, complementing our petfood ingredients operations

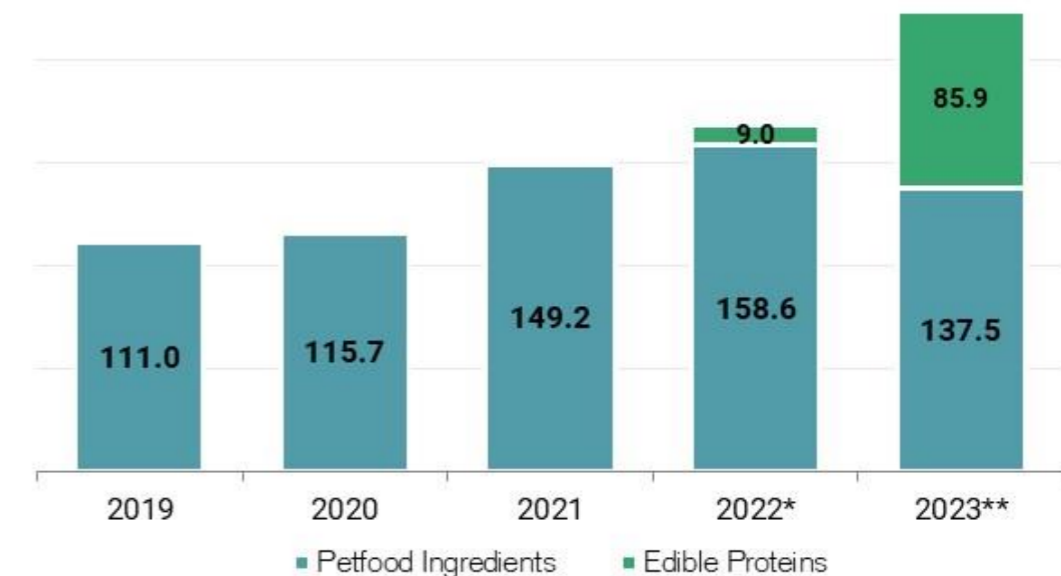
Financial Performance - Global Proteins			
\$m	2023	2022	% change
Revenue	298.5	319.9	-7%
Underlying EBITDA	54.5	60.2	-9%
Underlying EBIT	53.7	59.3	-10%

KPIs - Global Proteins			
	2023	2022	% change
Petfood Ingredients Volume Sold (MT)**	137,477	158,595	-13%
Edible Proteins Volume Sold (MT)*	85,900	9,047	N/A

Global Proteins - Underlying EBITDA (\$m)



Global Proteins - Volumes Sold (MT 000s)

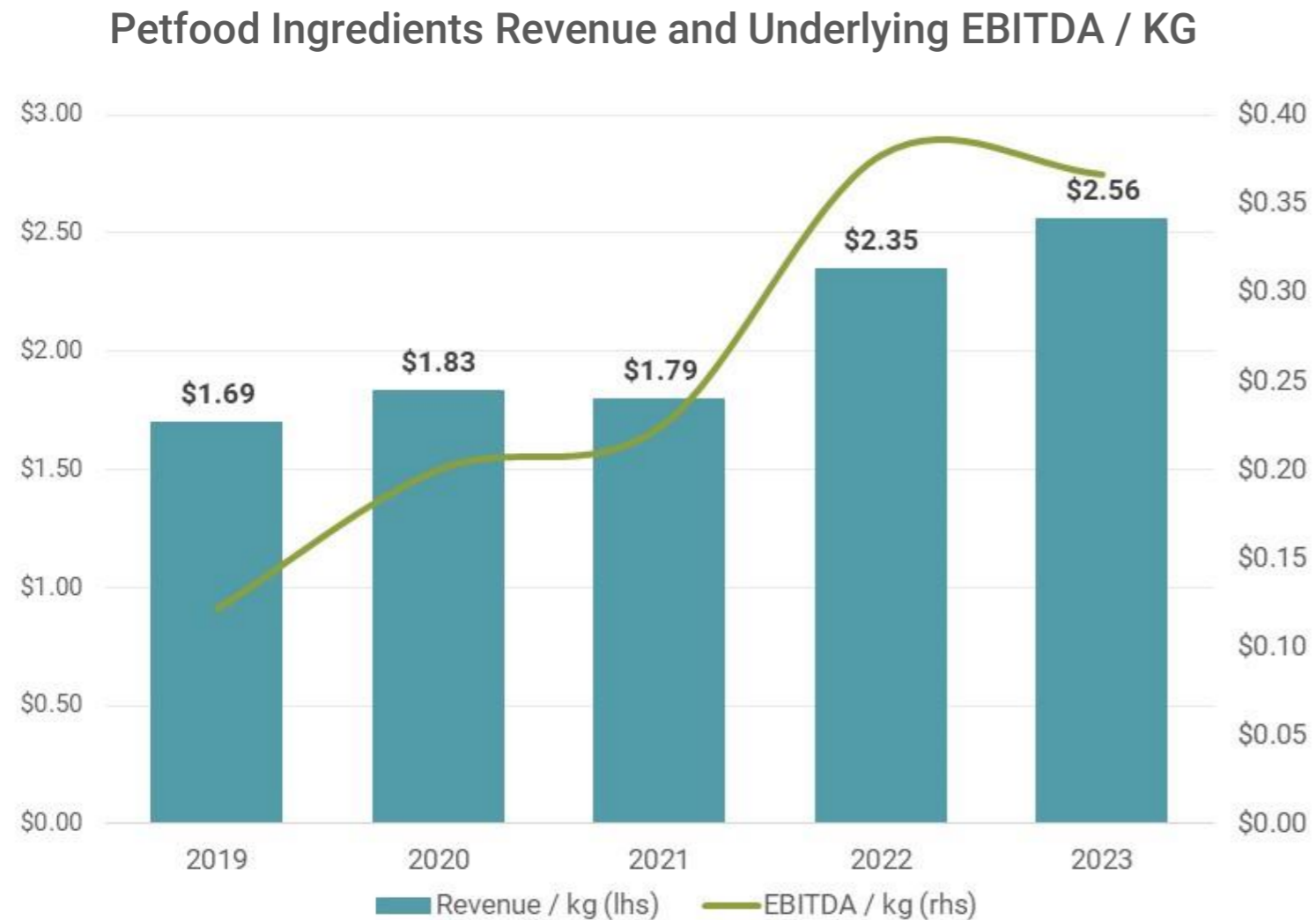


* 2022 edible protein volumes are for a 2 month period

** 2023 petfood ingredient volumes exclude those sold at Meateor Australia and Esro Petfood, both operational by 4Q23

Global Proteins – Margin Performance

Creating growth in unit revenue and EBITDA



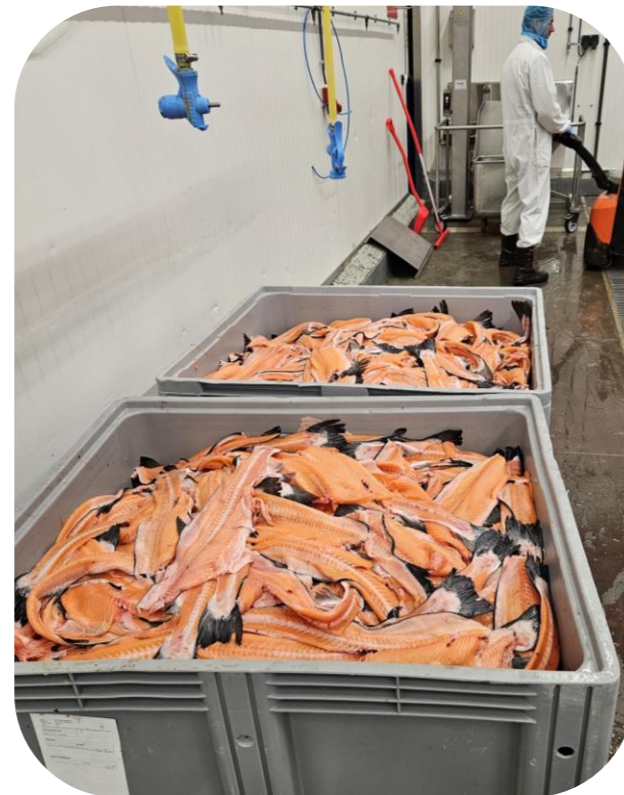
- Key performance drivers:
 - Increased % processed vs traded product, which drives greater margin
 - Change in species mix to higher margin products (e.g. beef)
 - Introduction of blending and new product development at key US facilities, leading to improved product mix, increased yields and higher margins
 - Leveraging our supply chain excellence and reliability during COVID to drive overall division performance
 - Ability to manage supply / demand dynamics maintaining margin despite lower volumes in 2023

Global Proteins – Significant Strategic Milestones Achieved During FY23

Delivering on our strategy



Meateor Australia



Salmon processing at Esro Petfood

- Commissioned the Meateor Australia plant, with first sales made in Q423
- Established Esro Petfood joint venture and commissioned the first processing line in Belgium in Q423:
 - The plant has already commenced salmon and beef processing, sourced from the Netherlands
 - Other locations and site optimisation will be investigated throughout FY24
- It is believed these investments will be extremely important strategic investments for the long-term
- Introduced new blending capability:
 - Blending project in Hastings completed
 - New blending line in the Dodge City toll processing plant commissioned



Esro Petfood

Horticulture – Financial Result and Volumes

Commendable results given significant physical, financial and volumetric impacts of Cyclone Gabrielle

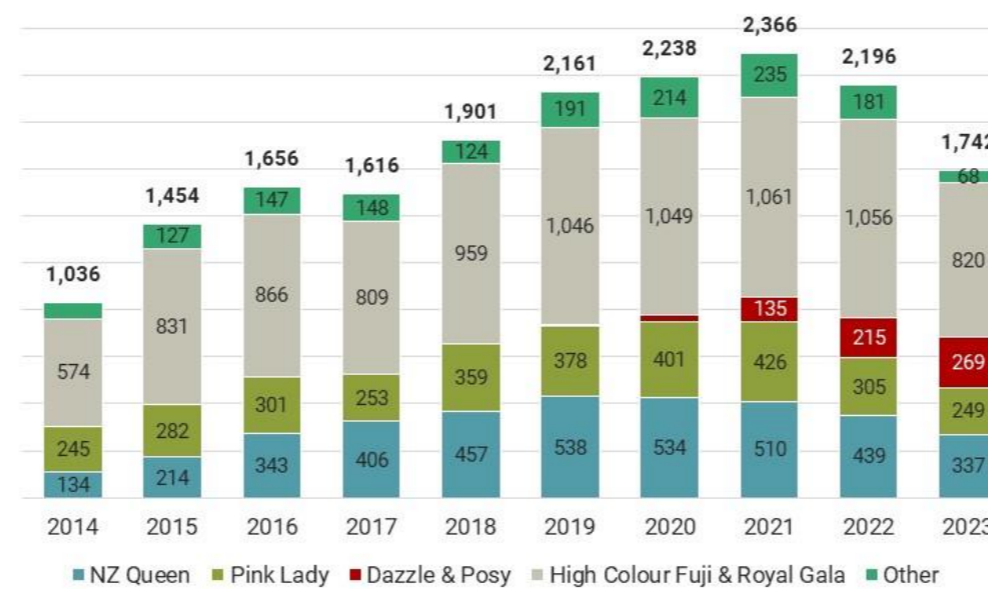
- Decline in revenue and Underlying EBITDA primarily due to lower volumes:
 - Margins remain in line with 2022
- 18% decrease in Mr Apple total own-grown export volumes:
 - Continued increased focus on Premium varieties
 - Strong performance from Dazzle™ and Posy™ within the Asia and Middle East markets

Financial Performance - Horticulture			
\$m	2023	2022	% change
Revenue	209.9	228.9	-8%
Underlying EBITDA	14.8	17.0	-13%
Underlying EBIT	(2.9)	(1.1)	-176%

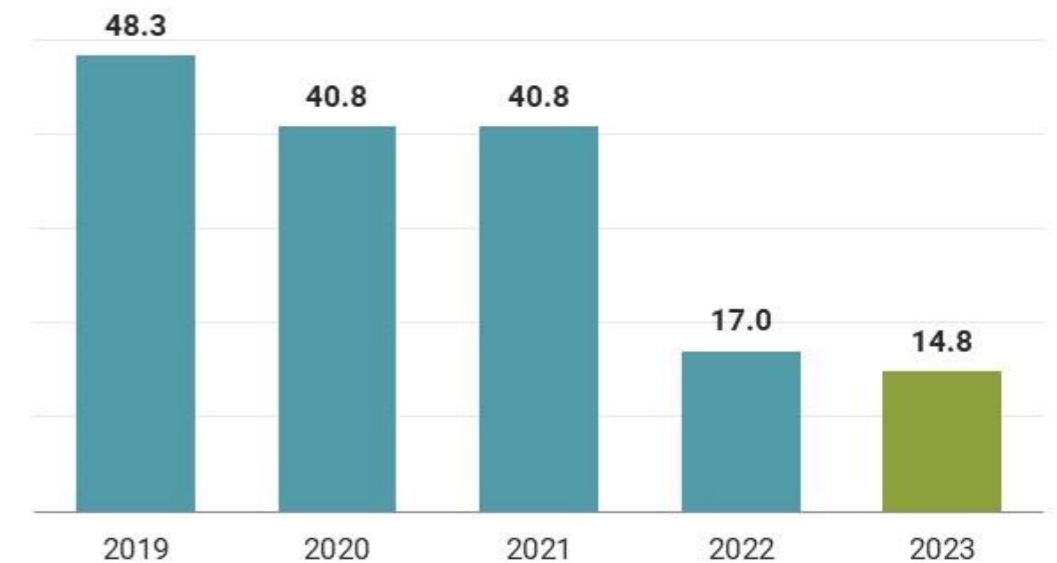
Mr Apple Own Export Volumes (TCE 000s)



Movement in Premium Volumes (TCE 000s)



Horticulture - Underlying EBITDA (\$m)



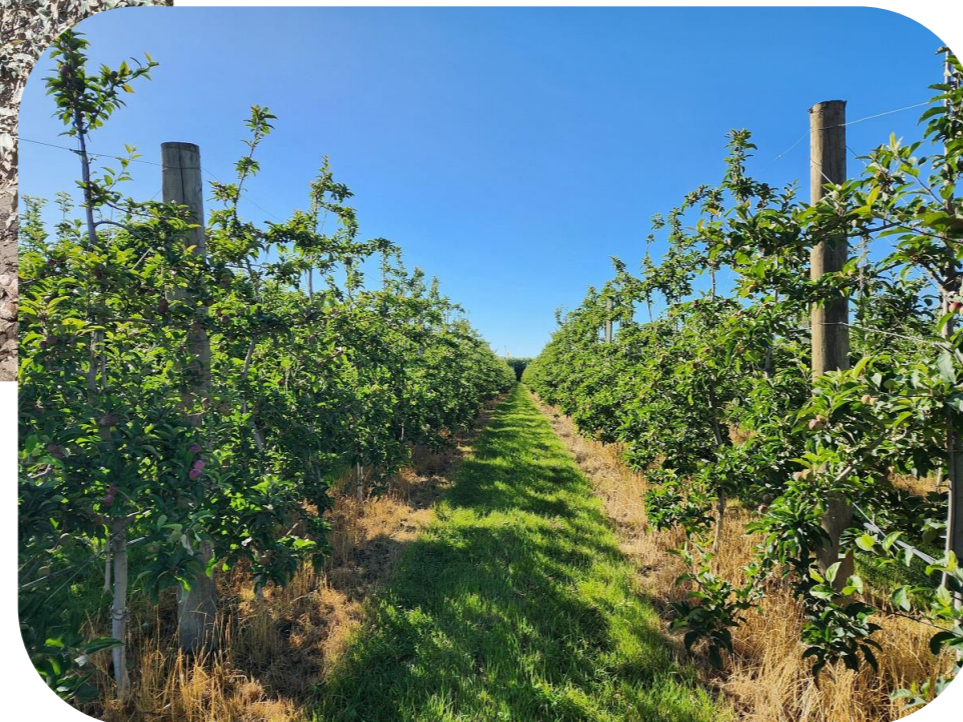
Horticulture – Remediation of Damaged Orchards

Evidence of the “fruits” of our team’s hard work

- Impact of damage from Cyclone Gabrielle expected to be largely limited to the 2023 season:
 - 2024 volumes and performance expected to revert to more normal levels, with volumes expected to increase to around 3.4 million TCEs
 - Total planted orchard area currently around 1,100 hectares, approximately only 5% below the total area at the same time last year.



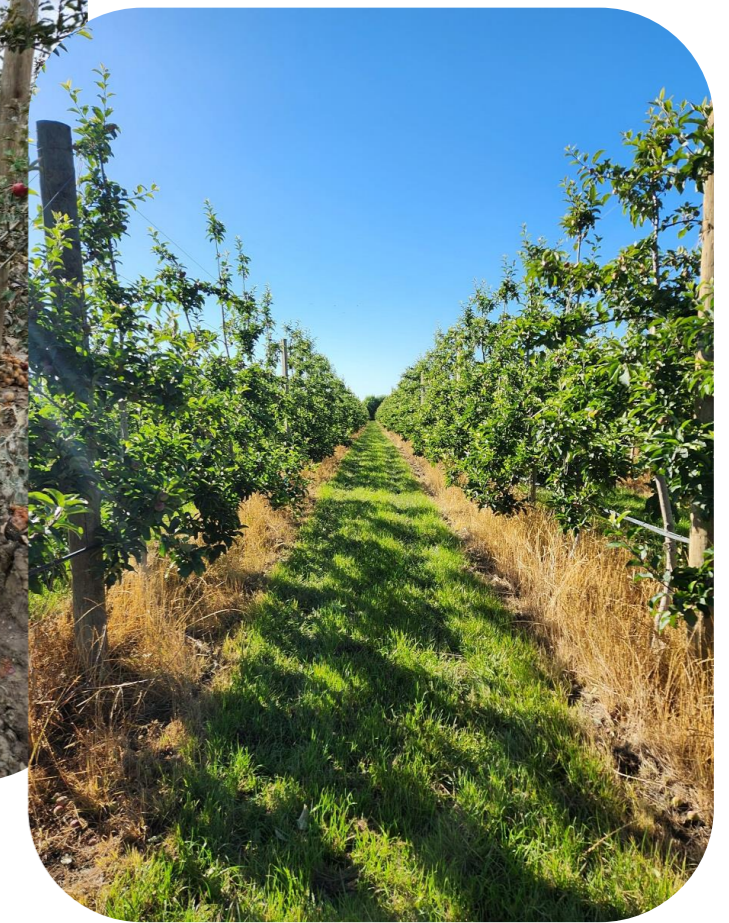
Before



After



Before



After

Horticulture – Pricing, Marketing and Other KPIs

Higher in-market apple prices helped compensate for lower volumes

- Strong finish to the season due, in part, to limited supply in key markets, which contributed to higher in-market pricing
- Supported by marketing activities undertaken across the Asia & Middle East region included:
 - Customers supported with instore sampling activity and branded displays
 - Growth of digital and social media presence in key markets, using data to drive efficiency
 - Season launch events undertaken to complement brand advertising
- Mr Apple continues to focus on supply of Premium varieties such as Dazzle™ and Posy™ to the Asia and Middle East markets, supported by increasing in-market prices:
 - Development of these varieties was accelerated during 2023 and we anticipate higher sales volumes as plantings mature
- Steady volume of juice concentrate sold at Profruit

Apple Prices by Variety (NZD / TCE, FOB)			
	2023	2022	% change
Premium Varieties	44.1	40.6	9%
Traditional Varieties	33.5	27.3	23%
Weighted Average all Apples	40.3	36.1	12%

FX Rates			
	2023	2022	% change
NZD:USD	0.65	0.66	-1%
NZD:EUR	0.55	0.56	-1%
NZD:GBP	0.49	0.50	-1%
NZD:CAD	0.84	0.86	-2%

Volumes (TCE 000s)			
	2023	2022	% change
Mr Apple own-grown volumes	2,733	3,324	-18%
External grower volumes*	1,187	1,256	-5%
Total volumes exported	3,920	4,580	-14%

Profruit Volume (000 L)			
	2023	2022	% change
Juice Concentrate Sold	5,783	5,748	1%

* External grower volumes comprise external grower volumes handled by Mr Apple and Fern Ridge Fresh

Logistics – Performance and Update

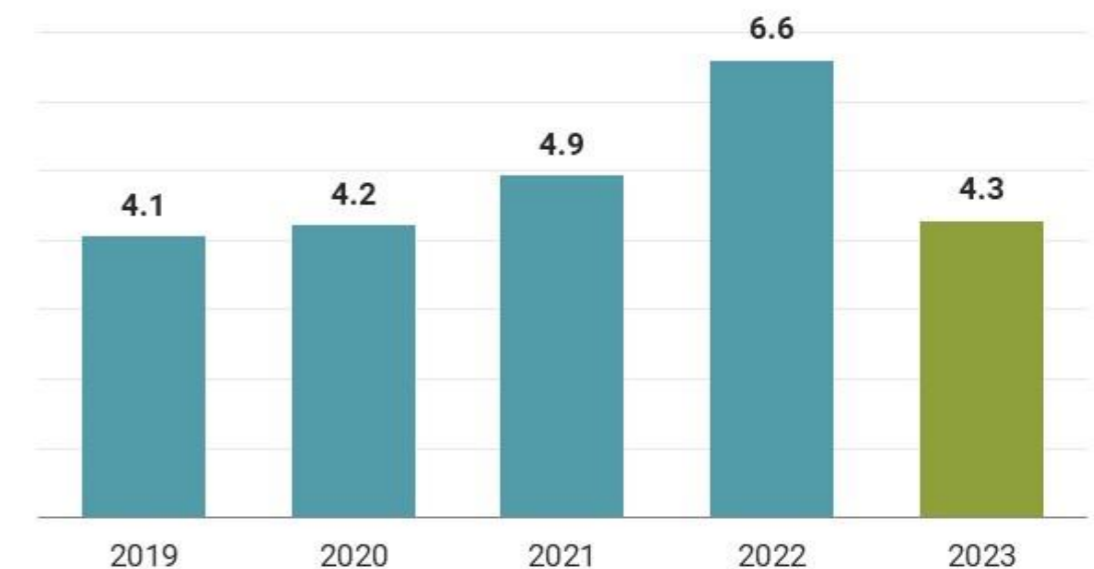
Steady results delivered by the Logistics division

- Decrease in revenue to \$92.6m (2022: \$123.3m)
- Decrease in Underlying EBITDA to \$4.3m (2022: \$6.6m)
- Ocean freight volumes impacted by Cyclone Gabrielle and geopolitical tensions in key trade routes
- Airfreight volumes in part affected by a slow start to the stone fruit season

Financial Performance - Logistics			
\$m	2023	2022	% change
Revenue	92.6	123.3	-25%
Underlying EBITDA	4.3	6.6	-35%
Underlying EBIT	3.6	5.8	-39%

KPIs - Logistics			
	2023	2022	% change
Ocean Freight Volume (TEUs)	26,010	27,580	-6%
Airfreight Volume (tonnes)	4,464	5,553	-20%

Logistics - Underlying EBITDA (\$m)





IV. Capital Management

ROCE and Capital Expenditure

Continuing to invest in line with divisional strategies

- ROCE affected by lower FY23 earnings
- A significant proportion of capital expenditure for FY23 was Cyclone-related, principally in respect of the re-planting and grafting of trees
- Other material capital expenditure related to capital work-in-progress at Shelby, more details of which will be provided once complete

Return on Capital Employed		
	2023	2022
Global Proteins	46.8%	67.4%
Horticulture	-1.0%	-0.4%
Logistics	39.4%	61.1%
Group	10.8%	13.5%
Target	12.5%	12.5%

Capital Expenditure		
Maintenance		
\$m	2023	2022
Global Proteins	2.6	1.6
Horticulture	2.3	2.6
Logistics	0.2	0.2
Other	0.1	0.0
	5.3	4.4

Margin Sustainability		
\$m	2023	2022
Horticulture	0.9	6.6
	0.9	6.6

Growth		
\$m	2023	2022
Global Proteins	3.5	1.9
Horticulture	0.2	2.7
	3.7	4.6

Cyclone		
\$m	2023	2022
Horticulture	7.2	-
	7.2	-
Total Capital Expenditure	17.1	15.6



V. Sustainability

Sustainability Update

Governance

- Prepared our Climate Related Disclosure report, which will be released in April 2024

People

- Positive progress at Mr Apple on its people strategy, including annual leadership programmes and new digital systems
- Cyclone recovery support included donations of \$250,000, tailored assistance to staff particularly affected and wellbeing workshops for all staff
- Mr Apple also supported RSE workers through counselling and replacing lost personal possessions, whilst partnering with the Hastings DHB to undertake medical health checks

Environment

- Progress on our water and decarbonisation initiatives, including:
 - Refrigeration upgrades at Meateor NZ
 - New electric forklifts, boiler heat exchanger and CO₂ refrigeration at Meateor Australia
- Other water efficiency initiatives included:
 - Upgrade of the plant boiler at Shelby's Amarillo plant
 - Installation of a water filtration / reticulation system at Mr Apple, which is reducing water usage at the Whakatu packhouse
- The regenerative farming trial at Kinross will recommence, following damage incurred by Cyclone Gabrielle

2. FY24 Outlook



FY24 Outlook

Group update

- Pleased to re-confirm Guidance as previously advised of Underlying Net Profit after Tax Attributable to Shareholders of between \$30.0 million to \$35.0 million, implying:
 - An Underlying Net Profit after Tax range of between \$47.0 million and \$55.0 million
 - An Underlying EBITDA range of between \$81.0 million and \$91.0 million
- This takes into account the following:
 - A continued strong performance by Global Proteins, despite post-COVID rebalancing of inventories amongst petfood manufacturers
 - The start-up nature of Meateor Australia and Esro Petfood. We are working with our partners to realise the exciting opportunities from our investments in these key markets
 - An anticipated return to more normal trading by Horticulture
- FY23 dividend payments likely to be made in 2 instalments:
 - The first instalment, of 4.25 cps, was paid on 18 January 2024
 - A second instalment will be reviewed and advised on in early May 2024
 - Total dividends expected to be between 50% and 75% of Underlying Net Profit After Tax Attributable to Shareholders



Appendices

Appendix A – NZ IFRS Reconciliation

Reconciliation of Divisional Underlying Profitability to Reported Profitability										
\$m	Group		Global Proteins		Horticulture		Logistics		Corporate and eliminations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Underlying / Reported Revenue	565.4	619.2	298.5	319.9	209.9	228.9	92.6	123.3	(35.7)	(52.9)
EBITDA Reconciliation										
Underlying EBITDA (excluding NZ IFRS 16)	55.9	66.6	54.4	60.1	4.2	6.5	3.6	5.8	(6.2)	(5.9)
NZ IFRS 16 Leases	11.7	9.4	0.1	0.1	10.8	8.5	0.7	0.8	0.1	0.1
NZ IFRS 16 Leases - renewal reassessment	(0.2)	2.0	-	-	(0.2)	2.0	-	-	-	-
Underlying EBITDA (including NZ IFRS 16)	67.5	77.9	54.5	60.2	14.8	17.0	4.3	6.6	(6.1)	(5.8)
Other adjustments:										
(Impairment)/reversal of impairment of non-current assets	(3.4)	(3.7)	-	-	(3.4)	(3.7)	-	-	-	-
Impairment of goodwill	(8.5)	-	-	-	(8.5)	-	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.9	-	-	-	0.9	-	-	-	-	-
Equity settled employee benefits	(0.5)	(0.6)	-	-	-	-	-	-	(0.5)	(0.6)
NZ IFRS 16 Leases - renewal reassessment	0.2	(2.0)	-	-	0.2	(2.0)	-	-	-	-
Fayman acquisition entries	1.2	1.6	1.2	1.6	-	-	-	-	-	-
Equity accounting losses not recognised	0.7	-	0.7	-	-	-	-	-	-	-
Intercompany FX	-	(0.6)	-	0.3	-	-	-	-	-	(0.8)
Change in fair value gain on apple inventory	0.5	0.1	-	-	0.5	0.1	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(4.1)	(4.2)	(4.1)	(4.2)	-	(0.0)	-	-	-	-
Profruit - segment transfer	-	-	-	1.1	-	(1.1)	-	-	-	-
Transaction costs	(0.8)	(0.0)	-	-	-	-	-	-	(0.8)	(0.0)
Reported EBITDA	53.7	68.5	52.2	58.9	4.5	10.3	4.3	6.6	(7.3)	(7.3)
EBIT Reconciliation										
Underlying EBIT (excluding NZ IFRS 16)	45.2	56.0	53.7	59.3	(5.5)	(3.1)	3.3	5.6	(6.3)	(5.9)
NZ IFRS 16 Leases	3.0	0.3	0.0	0.0	2.7	0.1	0.2	0.2	0.0	0.0
NZ IFRS 16 Leases - renewal reassessment	(0.2)	2.0	-	-	(0.2)	2.0	-	-	-	-
Underlying EBIT (including NZ IFRS 16)	48.1	58.2	53.7	59.3	(2.9)	(1.1)	3.6	5.8	(6.2)	(5.9)
Other adjustments:										
(Impairment)/reversal of impairment of non-current assets	(3.4)	(3.7)	-	-	(3.4)	(3.7)	-	-	-	-
Impairment of goodwill	(8.5)	-	-	-	(8.5)	-	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.9	-	-	-	0.9	-	-	-	-	-
Equity settled employee benefits	(0.5)	(0.6)	-	-	-	-	-	-	(0.5)	(0.6)
NZ IFRS 16 Leases - renewal reassessment	0.2	(2.0)	-	-	0.2	(2.0)	-	-	-	-
Fayman acquisition entries	1.2	1.6	1.2	1.6	-	-	-	-	-	-
Equity accounting losses not recognised	0.7	-	0.7	-	-	-	-	-	-	-
Intercompany FX	-	(0.6)	-	0.3	-	-	-	-	-	(0.8)
Change in fair value gain on apple inventory	0.5	0.1	-	-	0.5	0.1	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(4.1)	(4.2)	(4.1)	(4.2)	-	(0.0)	-	-	-	-
Profruit - segment transfer	-	-	-	1.1	-	(1.1)	-	-	-	-
Transaction costs	(0.8)	(0.0)	-	-	-	-	-	-	(0.8)	(0.0)
Reported EBIT	34.2	48.8	51.4	58.1	(13.3)	(7.7)	3.6	5.8	(7.5)	(7.4)

Appendix A – NZ IFRS Reconciliation (continued)

Reconciliation of Divisional Underlying Profitability to Reported Profitability										
\$m	Group		Global Proteins		Horticulture		Logistics		Corporate and eliminations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NPAT Reconciliation										
Underlying NPAT (excluding NZ IFRS 16)	38.6	46.9	45.4	48.9	(3.4)	(2.0)	2.4	4.0	(5.7)	(4.0)
NZ IFRS 16 Leases, net of tax	(0.1)	(1.9)	(0.0)	(0.0)	(0.0)	(1.8)	(0.1)	(0.1)	(0.0)	(0.0)
NZ IFRS 16 Leases - renewal reassessment, net of tax	(0.1)	1.4	-	-	(0.1)	1.4	-	-	-	-
Underlying NPAT (including NZ IFRS 16)	38.4	46.4	45.4	48.9	(3.5)	(2.4)	2.3	4.0	(5.7)	(4.0)
Other adjustments:										
(Impairment)/reversal of impairment of non-current assets	(3.4)	(3.7)	-	-	(3.4)	(3.7)	-	-	-	-
Impairment of goodwill	(8.5)	-	-	-	(8.5)	-	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.9	-	-	-	0.9	-	-	-	-	-
Equity settled employee benefits	(0.5)	(0.6)	-	-	-	-	-	-	(0.5)	(0.6)
NZ IFRS 16 Leases - renewal reassessment	0.2	(2.0)	-	-	0.2	(2.0)	-	-	-	-
Fayman acquisition entries	1.3	1.6	1.3	1.6	-	-	-	-	-	-
Equity accounting losses not recognised	0.7	-	0.7	-	-	-	-	-	-	-
Intercompany FX	-	(0.6)	-	0.3	-	-	-	-	-	(0.8)
Change in fair value gain on apple inventory	0.5	0.1	-	-	0.5	0.1	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(4.1)	(4.2)	(4.1)	(4.2)	-	(0.0)	-	-	-	-
Profruit - segment transfer	-	-	-	1.1	-	(1.1)	-	-	-	-
Transaction costs	(0.8)	(0.0)	-	-	-	-	-	-	(0.8)	(0.0)
Tax effect of other NZ IFRS adjustments	(0.0)	1.2	(0.5)	(0.6)	0.5	1.6	-	-	-	0.2
Reported NPAT	24.7	38.2	42.7	47.1	(13.4)	(7.5)	2.3	4.0	(6.9)	(5.3)
NPAT Attributable to Shareholders Reconciliation										
Underlying NPATAS (excluding NZ IFRS 16)	19.2	28.1	25.9	30.1	(3.4)	(2.0)	2.4	4.0	(5.7)	(4.0)
NZ IFRS 16 Leases, net of tax	(0.1)	(1.9)	(0.0)	(0.0)	(0.0)	(1.8)	(0.1)	(0.1)	(0.0)	(0.0)
NZ IFRS 16 Leases - renewal reassessment, net of tax	(0.1)	1.4	-	-	(0.1)	1.4	-	-	-	-
Underlying NPATAS (including NZ IFRS 16)	19.0	27.6	25.9	30.1	(3.5)	(2.4)	2.3	4.0	(5.7)	(4.0)
Other adjustments:										
(Impairment)/reversal of impairment of non-current assets	(3.4)	(3.7)	-	-	(3.4)	(3.7)	-	-	-	-
Impairment of goodwill	(8.5)	-	-	-	(8.5)	-	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.9	-	-	-	0.9	-	-	-	-	-
Equity settled employee benefits	(0.5)	(0.6)	-	-	-	-	-	-	(0.5)	(0.6)
NZ IFRS 16 Leases - renewal reassessment	0.2	(2.0)	-	-	0.2	(2.0)	-	-	-	-
Fayman acquisition entries	1.3	1.6	1.3	1.6	-	-	-	-	-	-
Equity accounting losses not recognised	0.7	-	0.7	-	-	-	-	-	-	-
Intercompany FX	-	(0.6)	-	0.3	-	-	-	-	-	(0.8)
Change in fair value gain on apple inventory	0.5	0.1	-	-	0.5	0.1	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(4.1)	(4.2)	(4.1)	(4.2)	-	(0.0)	-	-	-	-
Profruit - segment transfer	-	-	-	1.1	-	(1.1)	-	-	-	-
Transaction costs	(0.8)	(0.0)	-	-	-	-	-	-	(0.8)	(0.0)
Tax effect of other NZ IFRS adjustments	(0.0)	1.2	(0.5)	(0.6)	0.5	1.6	-	-	-	0.2
Reported NPAT Attributable to Shareholders	5.2	19.4	23.2	28.3	(13.4)	(7.5)	2.3	4.0	(6.9)	(5.3)

Appendix B – Disclaimer

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- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- EBIT. We calculate EBIT by adding back (or deducting) finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- Underlying EBITDA and EBIT are calculated by adding back (or deducting) certain non cash NZ IFRS and other adjustments
- Underlying Net Profit is calculated by adding back or (or deducting) the after-tax effect of certain non cash NZ IFRS and other adjustments

A full reconciliation of Underlying to reported measures is provided in our Annual Report.

We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position or returns, but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

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