

# Seeka Kiwifruit Industries

## Corporate Profile





# Introduction

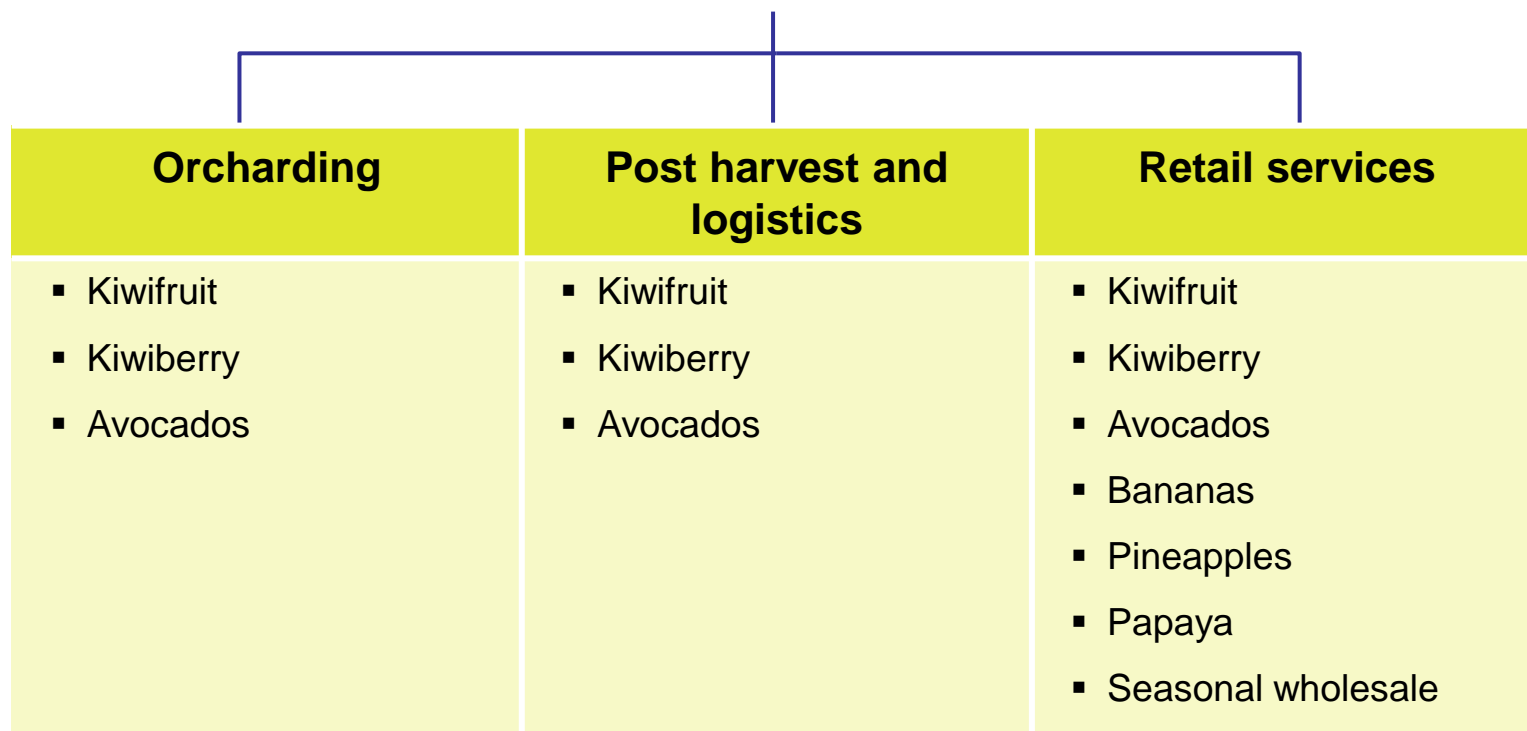
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**The purpose of this presentation is to provide a post-result update on:**

- **Seeka's business**
- **Industry conditions**
- **Financial and shareholder performance**
- **Business strategy**



# Fresh Produce Company





# Orcharding



Leased orchards

Managed orchards

Long-term-leased

Pollen manufacturing

Avocados

Kiwiberry

Kiwifruit

\$24m in Assets

|                                | 2012   | 2013   | 2014   |
|--------------------------------|--------|--------|--------|
| <b>EBITDA</b>                  | \$7.2m | \$2.8m | \$4.2m |
| <b>Kiwifruit trays class 1</b> | 7.4m   | 7.0m   | 7.2m   |
| <b>Avocado trays class 1</b>   | 21k    | 31k    | 44k    |
| <b>Kiwiberry trays</b>         | -      | -      | 8k     |





# Post harvest

8 packhouses

17 coolstores

2,000 supplying  
kiwifruit hectares

\$67m in assets

Avocados

Kiwiberry

Kiwifruit

|                                | 2012    | 2013    | 2014    |
|--------------------------------|---------|---------|---------|
| <b>EBITDA</b>                  | \$15.9m | \$12.6m | \$10.8m |
| <b>Kiwifruit trays class 1</b> | 21.8m   | 19.6m   | 21.3m   |
| <b>Avocado trays class 1</b>   | 253k    | 334k    | 496k    |
| <b>Kiwiberry trays</b>         | -       | -       | 18k     |





# Retail services

Delivery to market and customer

Imported bananas, pineapples, papaya

Seasonal produce

Kiwifruit, kiwiberry and avocado to Australia

Avocado & kiwiberry

Collaborative kiwifruit

\$10m in assets

## EBITDA

| 2012   | 2013   | 2014   |
|--------|--------|--------|
| \$0.8m | \$0.7m | \$1.8m |





# Grower incentive scheme

|  |   |
|--|---|
| <b>3-year supply commitment</b>                                    | <ul style="list-style-type: none"><li>▪ Spans period of low kiwifruit volumes</li></ul>   |
| <b>2014, 2015 and 2016 harvest seasons</b>                         | <ul style="list-style-type: none"><li>▪ And financial years</li></ul>   |
| <b>99% of growers joined the scheme (403 growers )</b>             | <ul style="list-style-type: none"><li>▪ 300+ new shareholders</li><li>▪ Secured crop during highly-competitive period</li></ul>   |
| <b>Non-cash cost to business</b>                                   | <ul style="list-style-type: none"><li>▪ Treated as a discount to post harvest revenue \$1.8m in 2014 and tax deductible</li></ul> |
| <b>\$0.10 per tray applied to issue new shares at market price</b> | <ul style="list-style-type: none"><li>▪ 605,152 shares issued October 2014 at \$3.05 per share</li></ul>                          |
| <b>Crop volumes recovering from 2014</b>                           |   |

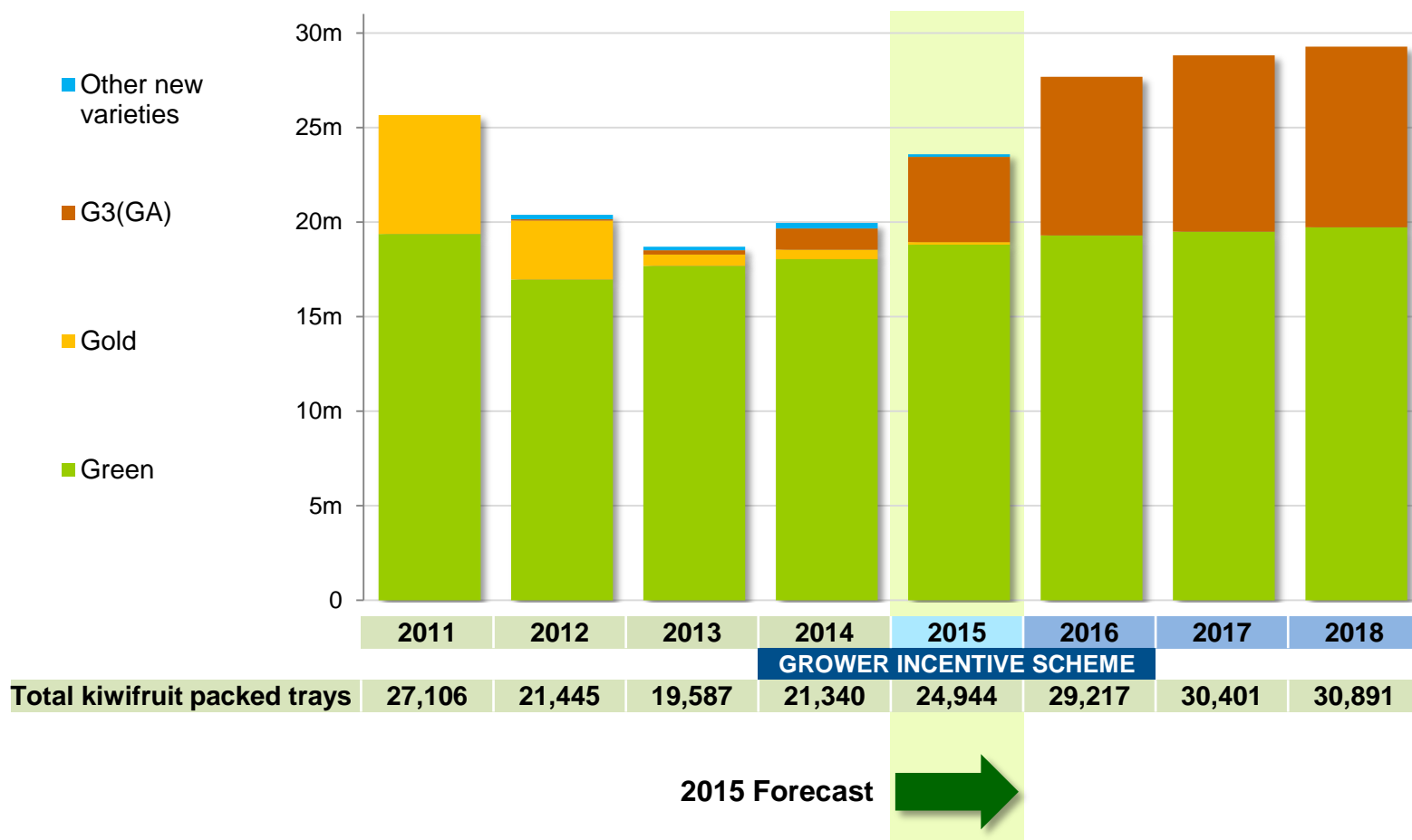
## Why have the scheme in place?

- Benefit of loyal supply in a competitive pricing environment
- Retention of crop
- Volume growth to justify capacity expansion

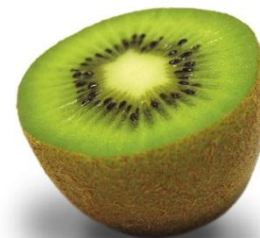


# Forecast volumes

Strong G3 growth forecast in 2015 & 2016





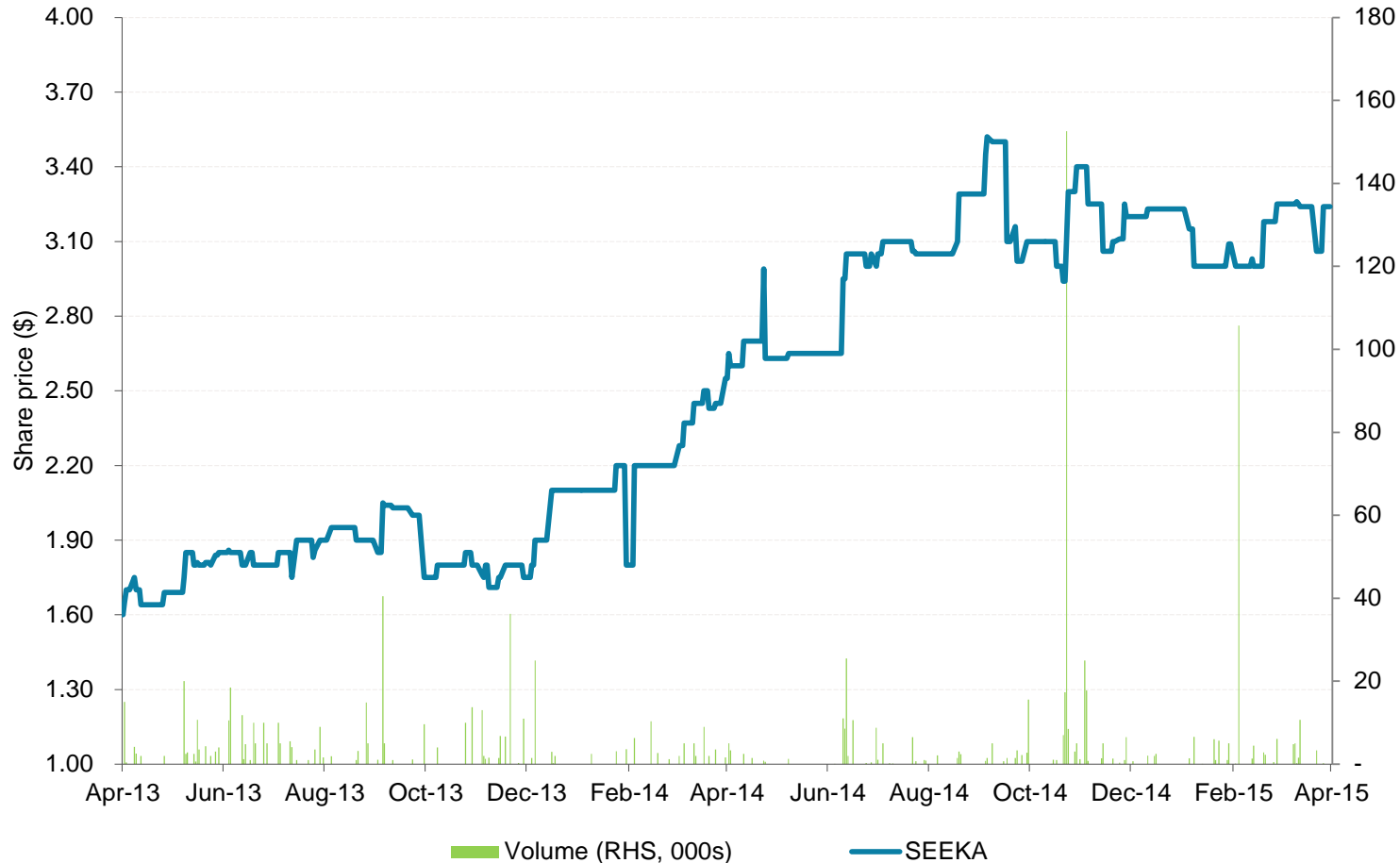
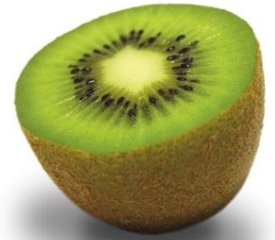


# Corporate financial snapshot

|   | 2012          | 2013          | 2014          |
|---|---------------|---------------|---------------|
| <b>Turnover</b>                                   |               | \$ 109.4 m    | \$ 148.6 m    |
| <b>Revenue</b>                                    | \$ 108.3 m    | \$ 97.4 m     | \$ 115.7 m    |
| <b>EBITDA</b>                                     | \$ 15.5 m     | \$ 9.5 m      | \$ 11.3 m     |
| <b>Net profit before tax</b>                      | \$ 7.4 m      | \$ 3.0 m      | \$ 4.3 m      |
| <b>Net profit after tax</b>                       | \$ 5.9 m      | \$ 2.3 m      | \$ 3.2 m      |
| <b>EPS</b>  | <b>\$0.41</b> | <b>\$0.16</b> | <b>\$0.22</b> |
| <b>Dividend per share</b>                         | -             | \$0.12        | \$0.15        |
| <b>Net asset backing per share</b>                | \$3.89        | \$4.05        | \$4.07        |
| <b>Bank debt to equity ratio</b>                  | 0.41          | 0.35          | 0.32          |
| <b>Gearing ( net debt / (net debt + equity) )</b> | 24%           | 20%           | 21%           |

# Share price

Strong share price performance: up 96% over the last 2 years





# Strategy

## Vision: New Zealand's Premier Produce Company

Sustainable, profitable growth

Grow at what we are good at

Value accretive to stakeholders

Vertical integration

Acquisition



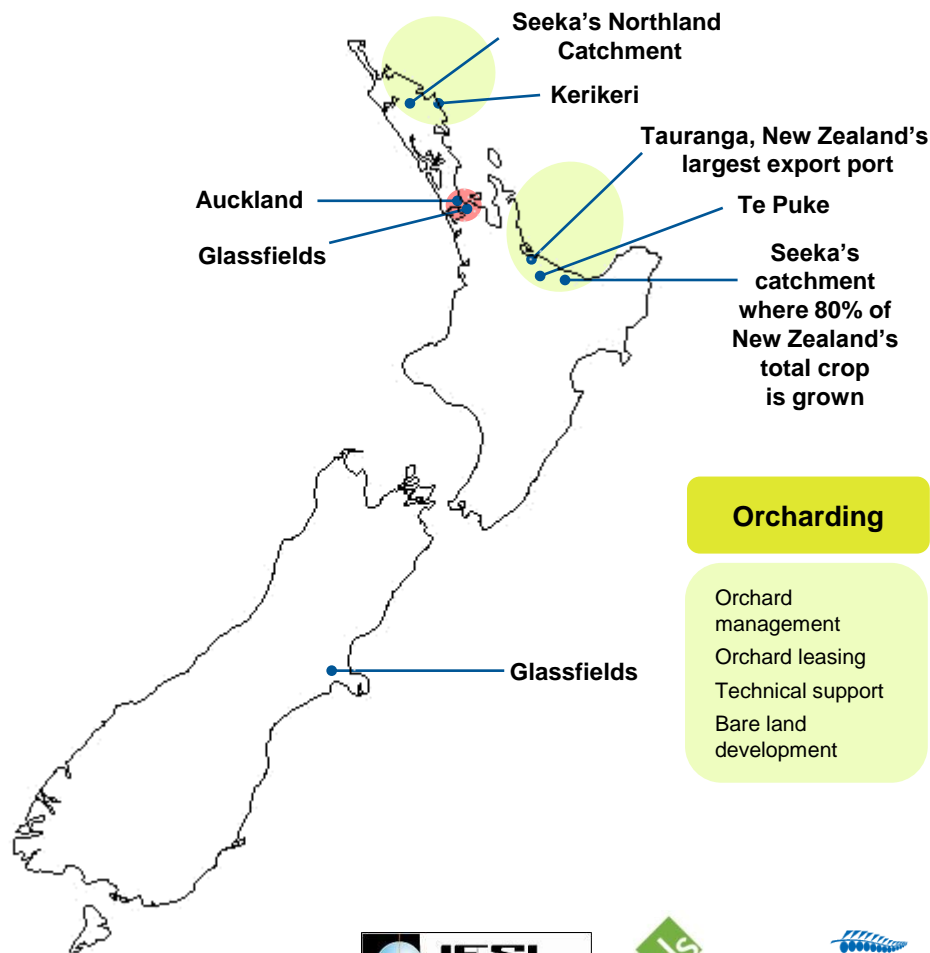
A woman wearing a red long-sleeved shirt, a black vest, a black cap with an orange brim, glasses, and blue gloves is harvesting green grapes from a vine. She is holding a bunch of grapes in her right hand and a small cluster in her left hand. In the foreground, there are several blue plastic crates filled with harvested green grapes. In the background, other people are visible working in the vineyard under bright sunlight.

Questions?





# Operational summary



## Products

### Kiwifruit

Green  
Hayward  
Sweet Green G14  
Nergi Kiwiberry  
Gold  
• H16A  
• Sungold GA/G3  
• Charm GL/G9

### Avocados

Hass  
Gem  
Avocado Oil

### Organic

Kiwifruit  
Avocados  
**Glassfields**  
*NZ Domestic Supply*  
Bananas  
Pineapples  
Papaya  
Kiwifruit  
Avocados  
Vegetables  
Seasonal produce

## Orcharding

Orchard management  
Orchard leasing  
Technical support  
Bare land development

## Post Harvest

Harvest management  
Controlled atmosphere storage  
Grading and packing services  
Coolstorage

## Retail Services

### SEEKAFRESH

Fresh produce marketing  
NZ Domestic retail services  
• Glassfields  
Banana ripening  
• Glassfields

## Logistics and Support

### IFSL

Supply logistics  
**VLS**  
Testing and research laboratory  
**SEEKAPROTEK**  
Engineered fruit handling







END

