

# Annual Shareholder Meeting

27 April 2017



# Agenda

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- 1. Directors and proxies
- 2. Chairman's introduction
- 3. Chief executive's report
- 4. Resolutions
- 5. General business

# Directors

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- Malcolm Cartwright  
*Deputy Chairman*
- Mel Diaz
- Ratahi Cross
- Marty Brick
- John Burke
- Fred Hutchings  
*Chairman*
- Ashley Waugh
  - *Apology*

# Proxies

Proxies received by the company are as follows

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Chair	3,019,371
Ratahi Cross	1,267,410
Marty Brick	10,000
Malcolm Cartwright	2,000
Michael Franks	11,509
Ian Greaves	21,000
Guy Pearless	33,810
Jan Jacob Van Eden	13,736
NZ Shareholders Association	19,338
<b>Total</b>	<b>4,398,174</b>

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## Chairman's Introduction



## Year in review

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➤ Revenue	\$ 191m	up 35%
➤ EBITDA	\$ 25m	up 78%
➤ Record profit	\$ 10.4m	up 143% on previous year
➤ Insurance settlement	\$ 3.6m	concludes Oakside
➤ Earnings per share	\$ 0.65	up 124% [ \$0.18 insurance ]
➤ Dividend	\$ 0.20	up 5%

## Year in review

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- \$197m total assets
- Investing in growth
  - \$34m infrastructure
  - \$8m orchards and strategic properties
- \$73m net debt
  - Up \$20m on previous year
- New Seeka 360 office and complex
- First year of Australian operations
- Rebrand to Seeka

## Year in review

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### ➤ Record New Zealand kiwifruit volumes

- 32m trays
- Excellent fruit loss results  
0.35% SunGold, 2.68% Hayward

### ➤ Excellent avocado returns to growers

- \$26.40 average tray returns 2016/17
- 3<sup>rd</sup> year as number one

### ➤ New coolstores

- Planned, built and fully utilised for the season



# Consistent delivery of strategy

## New Zealand's "Premier Produce Business"

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- Sustainable and profitable growth
- Focus on core strengths
  - Kiwifruit is our foundation
- Integrated from orchard to market
  - A produce company
- Value accretive acquisitions
  - Build on core competencies - what we are good at
  - Vertically integrated
  - Extend geographical and produce spread
- Grow size and profitability

# Key steps

## Focusing on brand attributes, people and customers

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### Select Excellence

Our key brand attribute

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#### ➤ Safety always

Core focus in a dynamic, moving environment

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#### ➤ Founded on relationships

Without our growers we have no business  
As we grow, we remain grounded on core business

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#### ➤ Inspirational people

Our most important asset

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#### ➤ Growing futures

Sustainability with an environmental focus

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#### ➤ Independently ingenious

Delivering solutions, services and outcomes beyond the norm

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#### ➤ Quality obsession

Seeka mark of quality

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# Seeka people

## Major employer in our community

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- Seeka – the employer of choice
- 283 salaried staff
- 3500 seasonal staff
- 465 RSE workers in 2016
- \$47m spent on salaries and wages
- \$100k sponsoring community activities

# Seeka customers

## Key relationships for sustainable growth

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### ➤ Growers

- All varieties of kiwifruit, avocados and kiwiberry

### ➤ Contractors

### ➤ Zespri

- New Zealand kiwifruit

### ➤ Market participants and retailers for non-Zespri fruit

- Including Australia

Australians are buying Seeka produce every day of the year



# Chief executive's report

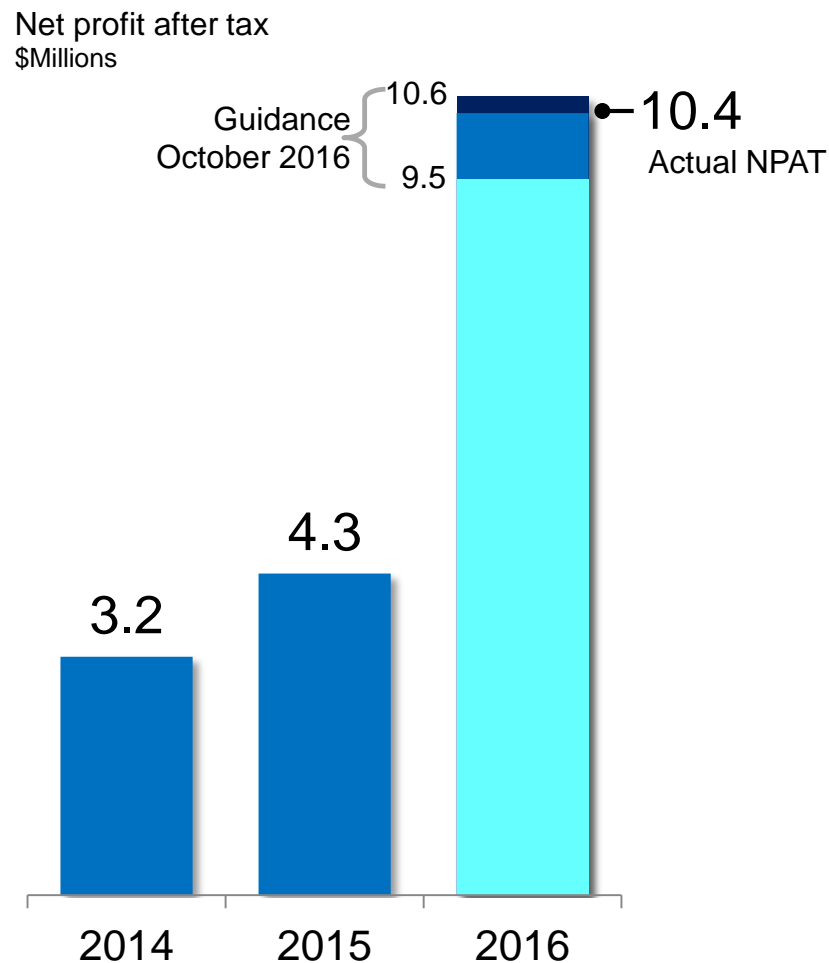
Michael Franks



# Financial highlights

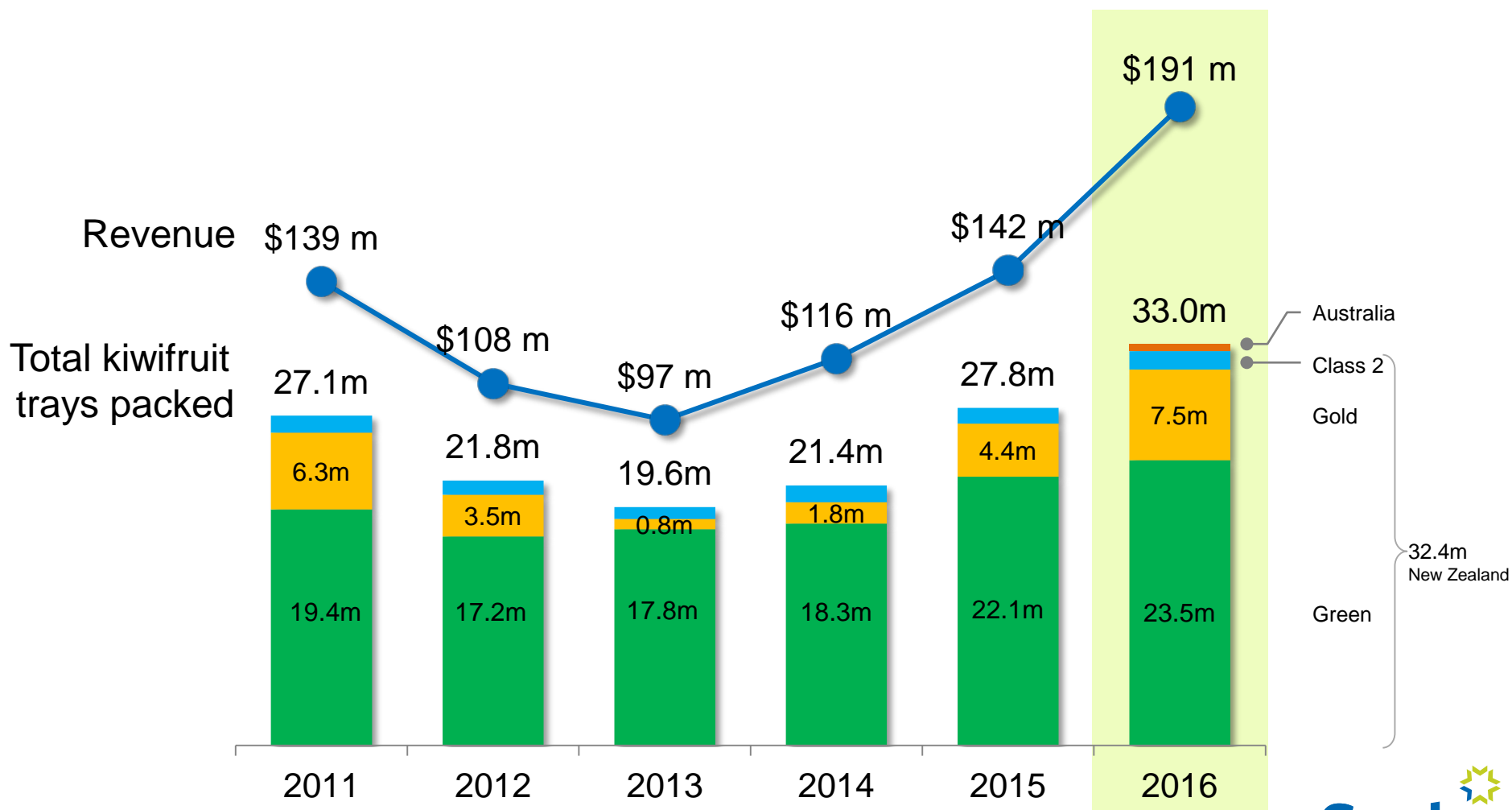
135% lift in net profit after tax

- \$10.4m net profit after tax
  - Up \$6.1m on 2015
- Upper end of guidance
  - \$9.5m ~ \$10.6m



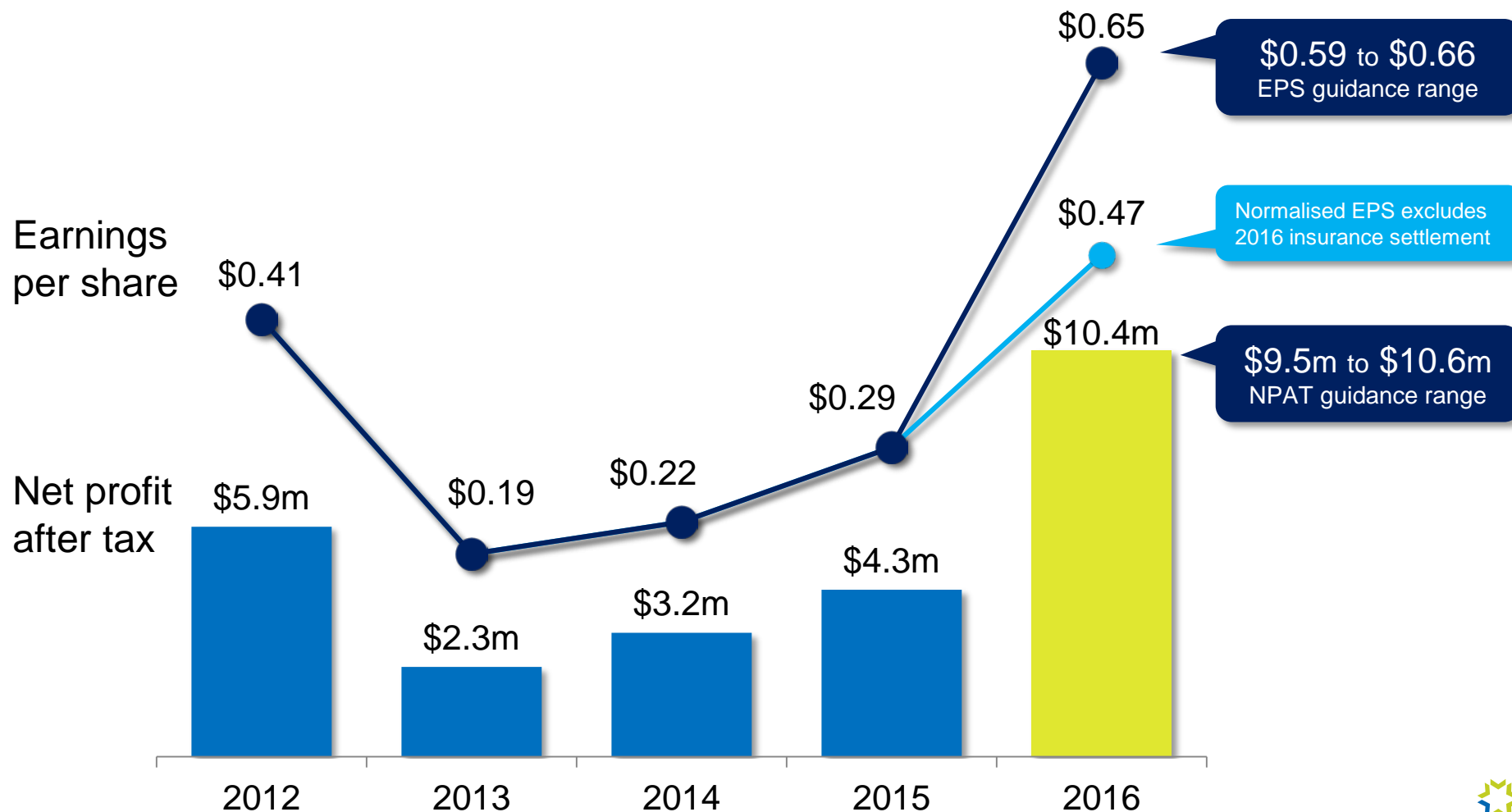
# Revenue growth comes on volume growth

## Revenue and packed kiwifruit volumes



# Earnings up on volume growth

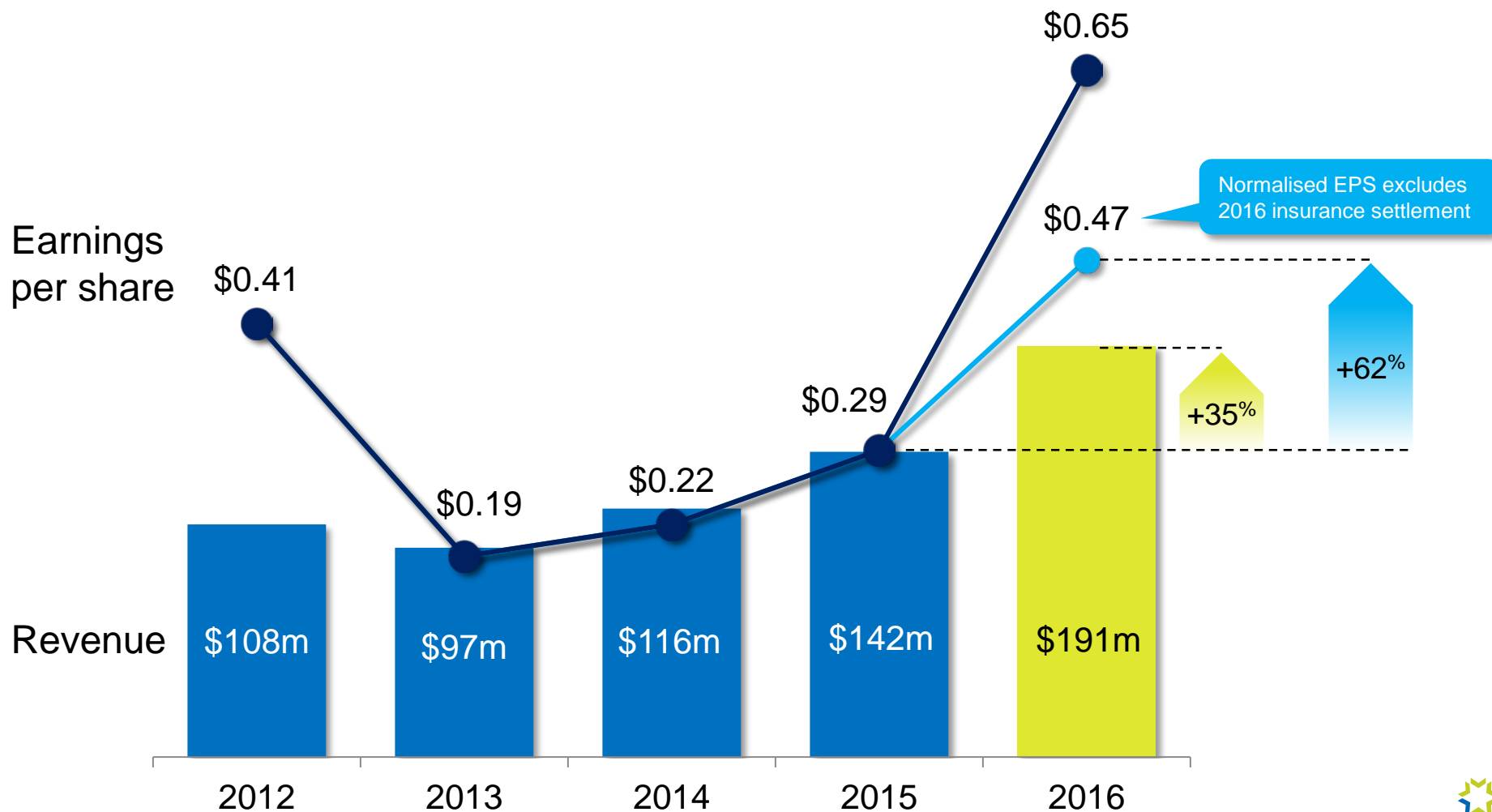
Lift in net profit after tax and earnings per share





# Earnings accelerating on revenues

Earnings increasing faster than revenue growth







## Key operating segments

Orcharding



Post Harvest



Retail Services



Seeka Australia





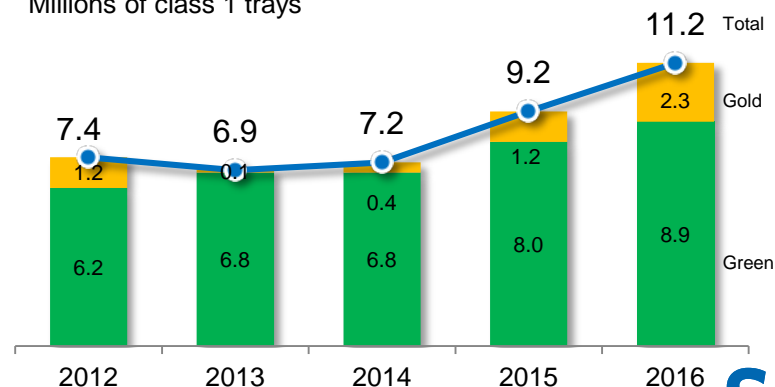
# New Zealand orcharding

## Volume and market returns

- Exceptional Green yields
  - Impacted Green tray returns
- Continued growth in Gold
  - SunGold volumes recovering from Psa
- \$5.6m EBITDA
  - Up 42%

	2016	2015
Millions of trays		
Green cultivars (Hayward)	8.9	8.0
Gold cultivars	2.3	1.2
Total	11.2	9.2
Turnover / Revenue ( \$m )	47.9	42.3
EBITDA ( \$m )	5.6	4.0

New Zealand kiwifruit grown  
Millions of class 1 trays

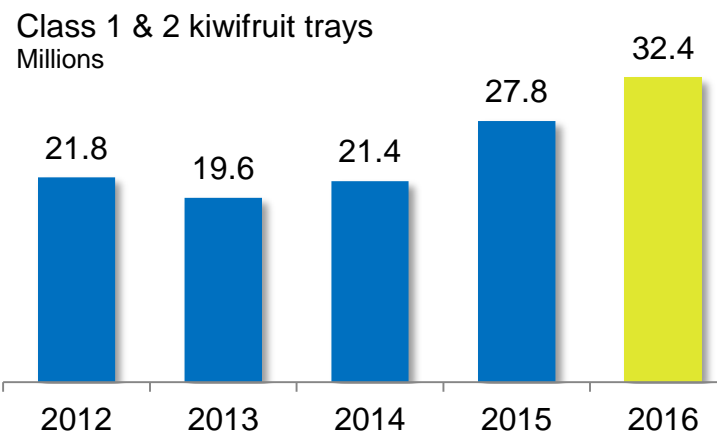


# New Zealand post harvest

## Volume and profit increases

- 32.4m trays handled
  - Up 17%
- \$26.8m EBITDA
- Includes \$2.9m cost of grower share scheme (2015: \$2.5m)
  - Last year of scheme
- Includes \$3.6m insurance proceeds

	2016	2015
Millions of trays		
Green cultivars packed	25.0	23.4
Gold cultivars packed	7.4	4.4
Total trays	32.4	27.8
Turnover / Revenue ( \$m )	110.8	88.3
EBITDA ( \$m )	26.8	13.3



# New Zealand retail services

## Flat earnings

- \$1.9m EBITDA
- Avocado export revenue up on volumes and market returns
- Kiwifruit export revenue down on market returns

\$ millions	2016	2015
Turnover	53.7	52.2
Revenue	16.8	9.6
EBITDA	1.9	1.7

Seeka markets produce from Group operations plus imports and handles tropical fruits

- > Sell all our avocados under our Seeka brand
- > Market kiwifruit in Australasia and work in collaboration with Zespri to market kiwifruit in Asia
- > Import and ripen bananas and other tropical fruits
- > Operate a wholesale fruit and vegetable market

# Seeka Australia

## Integrated orchard to market

- First year of full operations
- \$1.0m EBITDA
- \$3.3m invested in growth
  - New packhouse and coolstore
  - Upgrading orchards
- Business integrated into Seeka systems
- Fully funded by bank debt

Tonnes	2016	2015
Kiwifruit (tonnes)	1,915	-
Nash pears (tonnes)	1,432	-
Revenue ( \$m )	15.2	1.2
EBITDA ( \$m )	1.0	( 1.4 )

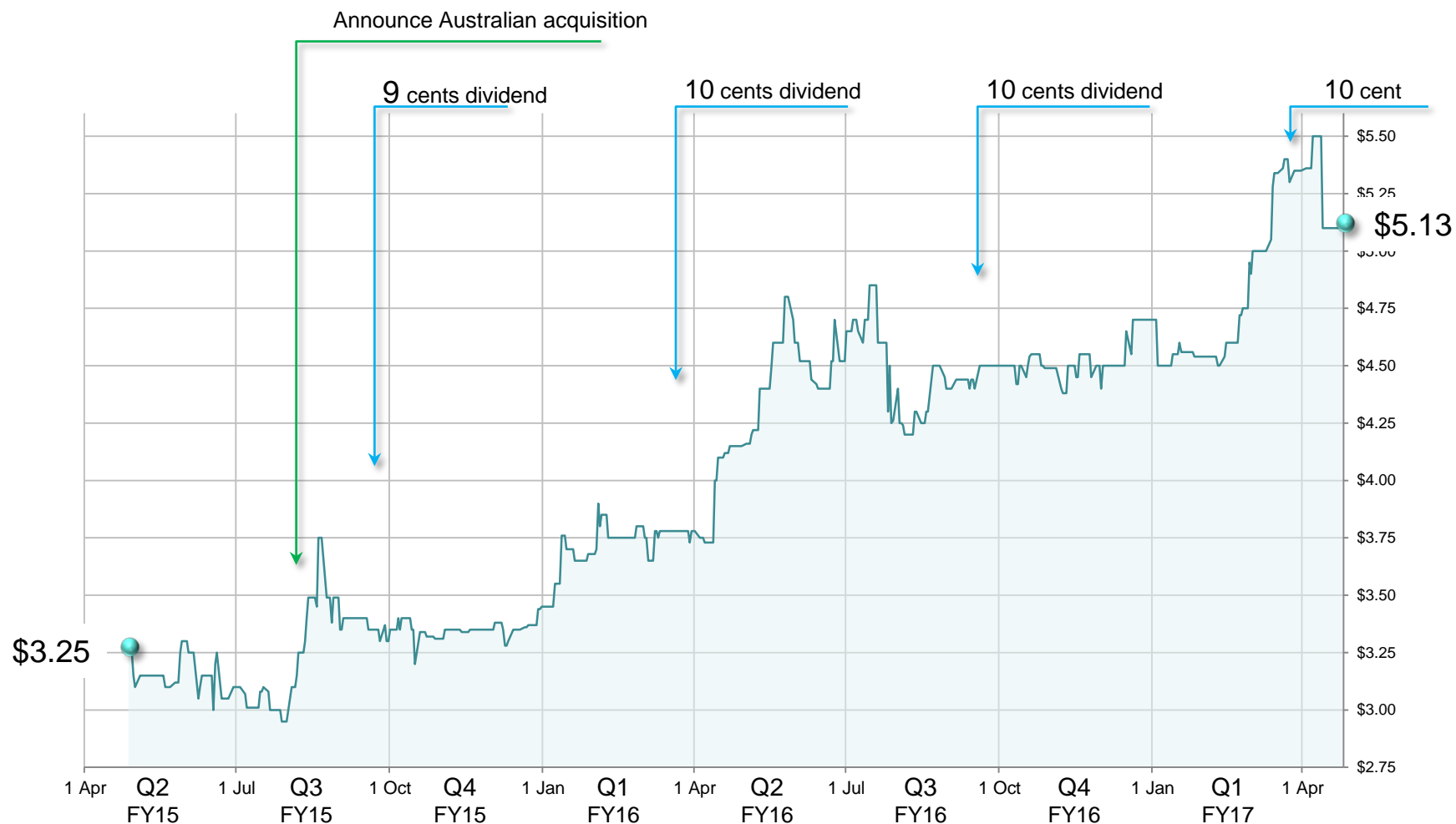
Seeka is largest grower and supplier of Australian kiwifruit and nashi pears

- > Own the orchards, pack, market and distribute all the produce throughout Australia
- > Also grow European pears, apricots, plums & cherries

# Share price

70% total shareholder return over 2-year period

\$1.88 lift in price + 39 cents paid in dividends



## 2017 Outlook

- Forecasting lower New Zealand kiwifruit volumes
- 2016 included one-off Oakside insurance settlement

	2016
Net profit after tax ( NPAT )	\$ 10.4 m
Less insurance settlement for grower fruit loss payment	\$ 2.6 m
NPAT from operational earnings	\$ 7.8 m

Forecasting up to 15% decrease in NPAT from operational earnings



# Questions

Fred Hutchings



# Resolutions

Fred Hutchings

ALL VOTES TO BE BY POLL



## Resolution 1

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- To adopt the Annual Report of the Company and the Financial Statements for the year ended 31 December 2016 together with the Auditor's Report thereon.

## Resolution 2

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### ➤ Director elections

- 3 directors standing for election
- Board supports the candidates for election

## Resolution 2a

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2a. To re-elect Martyn Brick as a Director.

*Martyn Brick to address the meeting*

*3 minutes to address the meeting*

## Resolution 2b

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2b. To re-elect John Burke as a Director.

*John Burke to address the meeting*

*3 minutes to address the meeting*

## Resolution 2c

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2c. To elect Cecilia Tarrant as a Director.

*Cecilia Tarrant to address the meeting*

*3 minutes to address the meeting*

## Resolution 3

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To record the re-appointment of PwC (PricewaterhouseCoopers) as auditor of the Company and to authorise the Directors to fix the remuneration of the auditor for the coming year.



# My thanks

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- Directors
  - For diligent attention to the company
- Management and staff
  - For an excellent year
- Growers and contractors
  - For ongoing support
- Customers and consumers
  - For buying our produce
- Shareholders
  - For continuing interest in the company

# General business

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# General Business

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## ➤ Malcolm Cartwright



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**Thank you to our  
shareholders, growers and staff**

END

