

ANALYST BRIEFING PACK

SIX MONTHS TO 30 JUNE 2019

FINANCIAL SUMMARY

JUNE 2019 INTERIM REPORT



Financials 2019 vs 2018

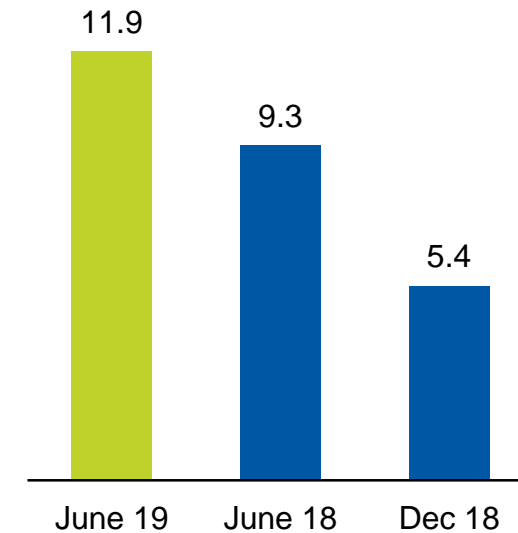
in NZ\$ millions

NZDm	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Revenue	169.9	145.4	203.7
EBITDA	27.9	25.7	31.0
NPBT	16.5	14.1	8.7
NPAT	11.9	9.3	5.4

- Seeka operates a seasonal business, meaning the results for the first six months may not reflect second six months.
- New NZ IFRS16 Leases accounting standard implemented.
- Comparatives restated to reflect NZ IFRS16.

Net profit after tax

in NZ\$ millions



FOCUS ON EXCELLENCE



1

Progressed growth strategy

Acquired a new integrated kiwifruit business, developed orchards in Australia and New Zealand and completed capital restructure.

2

Invested in New Zealand post harvest capacity

New Kerikeri packhouse and packing machine, machine refurbishment and coolstores at Oakside, Bay of Plenty. After stage 2 at Kerikeri, capacity is in place for the next two seasons.

3

\$14m Aongatete integrated kiwifruit business acquisition

Excellent location and infrastructure, innovative technology, experienced staff, loyal growers.

4

Northland orchard sale progress

\$5.4m completed in six months releasing \$1.2m gain. A further \$18.7m of conditional sales will deliver a \$3.1m gain.

5

Focus on consolidating the business

Management structure reset, Northland orchard sales process reducing debt. Australian orchard sale strategy enacted.

6

Select Excellence

Focus on quality, delivering a safe and excellent service to our growers and great-quality produce to our marketers, primarily Zespri.

EARNINGS, DEBT, AND DIVIDEND

JUNE 2019 INTERIM REPORT



Financials 2019 vs 2018

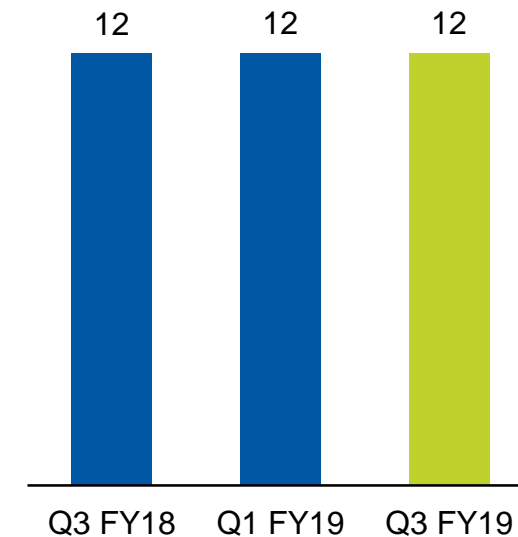
in NZ\$

NZD	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Basic earnings per share (\$)	\$ 0.35	\$ 0.52	\$ 0.34
Net debt (\$m)	148.1	116.0	79.1
Net tangible assets per share (\$)	\$ 4.23	\$ 4.82	\$ 4.56

- Capital restructure completed with grower share scheme and employee share scheme. 91% of supplying growers are shareholders.
- Asset backing per share reflects share issue and IFRS 16
- Dividend announced, \$0.12 per share to be paid on 9 October to all shareholders on the register at 5pm 13 September. Dividend reinvestment plan with 2% discount to strike price will apply.

Dividends

in cents NZ





FULL YEAR GUIDANCE MAINTAINED

DECEMBER 2019 OUTLOOK

Financials 2019 vs 2018

in NZ\$ millions

	FY18 Full year actuals	FY19 Guidance Lower range	FY19 Guidance Upper range
EBITDA	31.0	32.5	33.5
<i>Increase over FY18</i>		+ 5%	+ 8%

Forecasting full year EBITDA between \$32.5m and \$33.5m

- Guidance maintained despite lower Hayward kiwifruit volumes in New Zealand and low volumes in Australia
- Gains from asset sales, tight cost management



AONGATETE ACQUISITION

2019 ACQUISITION OF AONGATETE'S ORCHARDS AND POST HARVEST BUSINESS

\$14m paid for the shares in Aongatete Coolstores Ltd

- Acquisition completed in March 2019
- Integrated kiwifruit business located in our central Bay of Plenty catchment
- Innovative company with excellent people and loyal growers
- Up to \$11m debt included as part of the purchase

Increased kiwifruit handled harvest 2019

- 3.9m trays packed
- Adds volumes and capacity to kiwifruit business in core location

Partial synergies realised in 2019

- Efficiencies from Seeka's supply chain
- Synergies secured for 2020

AUSTRALIAN KIWIFRUIT ORCHARD SALES WITH SECURE SUPPLY



CAN VALUE BE REALISED FROM SEEKA'S AUSTRALIAN ORCHARD PORTFOLIO?

Testing the market to accelerate growth and repay debt

- Second six month initiative
- Orchards now being marketed for sale with secure supply back to Seeka
- 199 hectares of land including 105 hectares of mature and developing kiwifruit
- Testing the market for capital appreciation

Secure supply agreement

- Orchards to be leased back to Seeka

Realise value and reduce debt

- Funds used to repay debt and accelerate development
- Further developments underway on new orchards

New varieties under evaluation

- 14 hectares of new Rico pear in development
- 4 hectares of new Lanya pear in development
- Other varieties under trial



ORCHARDING, NEW ZEALAND

GROWING KIWIFRUIT, AVOCADO AND KIWIBERRY

Production (millions of trays)	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Hayward	7.1	7.3	7.6
Zespri SunGold	3.9	3.1	3.1
Other	0.4 ¹	-	-
Total trays	11.4	10.4	10.7
Financials (\$m)			
Revenue	48.3	39.0	52.8
EBITDA	4.2	4.5	3.9

\$4.2m EBITDA

- 6.7% down on the prior period
- Impact of dry summer on Hayward yields, fruit quality and Kiwiberry
- Earnings profile changes with lower long term lease contribution
- New volumes from Northland and Aongatete acquisitions

Investing in long term lease arrangements

- To deliver progressive volume increase from 2020

1. First season of Seeka grown ENZA Red and ENZA Gold



POST HARVEST, NEW ZEALAND

PICKING, PACKING AND COOLSTORING FRUIT

Production (millions of trays)	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Hayward	17.4	20.1	19.2
Zespri SunGold	14.6	11.0	10.8
Class 2 and other	1.5	-	1.4
Total trays	33.5	31.1	31.4
Financials (\$m)			
Revenue	105.3	88.6	123.8
EBITDA	29.8	23.2	35.9

\$29.8m EBITDA

- Hayward volume well down on expectation
 - Industry-wide lower yields
- EBITDA 28% up on the prior period

Invested in capacity

- Refurbished Oakside 2 machine, and building new pre-coolers and coolstores
- Kerikeri packhouse and machine

Post harvest capacity balanced with production for the next 2 years



RETAIL SERVICES, NEW ZEALAND

MARKETING LOCAL AND IMPORTED PRODUCE

Financials (\$m)	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Turnover	15.7	15.8	39.9
Revenue	4.8	6.4	11.5
EBITDA	0.8	1.1	2.0

\$0.8m EBITDA

- 29% down on the prior period
- Reduced kiwiberry volumes
 - Hail and dry summer
- Retail services business has stabilised
 - Revamp of this business showing improved results

SEEKA AUSTRALIA

OWNS AUSTRALIAN ORCHARDS AND POST HARVEST FACILITIES



Financials (\$m)	June 2019 Unaudited	June 2018 Unaudited Restated	Dec 2018 Audited Restated
Revenue	11.4	11.8	14.9
EBITDA	(0.2)	2.7	(0.1)

(\$0.2m) EBITDA

- Reduced volumes from a hot, dry summer
- Underperforming green nashi programme
 - Crops being reset to match market demand

Invested in growth

- Orchards in development
- Testing new varieties
- Investing in water

CONTACT



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