

Annual Shareholder Meeting

17 April 2020

Agenda

Welcome to Seeka's online meeting

- 1** Directors
- 2** Proxies and voting instructions
- 3** Chairman's introduction
- 4** Chief executive's report
- 5** Resolutions
- 6** General business

Directors



Marty Brick



John Burke



Cecilia Tarrant



Ratahi Cross



Amiel (Mel) Diaz



Ashley Waugh

Chair audit and risk committee



Fred Hutchings

Chairman

Chair	6,527,708
Te Horipo Karaitiana	1,714,410
New Zealand Shareholders' Association	993,107
Marty Brick	83,000
Total	9,318,225

Voting and asking questions

Virtual Meeting
POWERED BY LINK MARKET SERVICES

HELP NUMBER
0800 200 220

Ask a Question

Get a Voting Card

Seeka

Annual Shareholder Meeting
17 April 2020

The voting box

Question box

+
Get a Voting Card

?
Ask a Question

Downloads

- Notice of meeting
- Annual report
- Previous questions

Chairman's Introduction Fred Hutchings

Protecting our stakeholders in 2020

2019 Review

- Progressing our strategy
- Focus on achieving excellence
- Strategic growth through capacity builds
- Implementation of NZ IFRS 16 Leases
- Financial highlights
- Balance sheet strength
- Dividend and directors' fees

Protecting our stakeholders in 2020

Day 23 of Government lockdown



Seeka is a registered essential business

We continue to pick, pack and ship this season's crop

We are keeping our people safe

COVID-19 will impact 2020 earnings

- Too early to quantify
- Examining all expenditure
- Impact may be offset to some extent by ongoing orchard sales programme

50% of SunGold and 25% of Hayward kiwifruit harvest completed

- Scheduled to finish early June
- Update shareholders once harvest complete

Confidence in Seeka's leadership team to achieve the best outcomes for all stakeholders

- Industry leaders

2019 Review

Progressed Seeka's growth strategy

Disciplined investment and divestment strategy being enacted

1

Continuing investment in New Zealand post harvest capacity

- \$15.9m Kerikeri new packhouse and grader – with new coolstores in 2020
- \$21.4m Oakside grader upgrade and coolstore expansion

2

Aongatete acquisition

- \$24.5m acquisition including \$10.5m assumed debt
- Accretive acquisition performing ahead of expectations

3

Orchard sales reducing debt as planned, restoring balance sheet strength

- \$34.6m Northland orchards sold and settled with term supply to Seeka
- \$27.1m held for sale at year end
- \$10.1m subsequently settled in 2020

Focused on achieving excellence

Positioning a resilient business for growth

- 1 Australian sale and lease back project**
 - Project remains in progress – held up due to COVID-19
 - Likely requires Australian Foreign Investment Review Board approval – can take 6 months
- 2 Consolidated our business to capture improvements**
 - Company structure reset, senior management structure reset
 - Aongatete team integrated into Seeka
 - More synergies in 2020
- 3 Debt well positioned**
 - Continues to reduce
 - Sales programme on track – but taking longer
 - Disciplined process around investments

Strategic growth through capacity builds

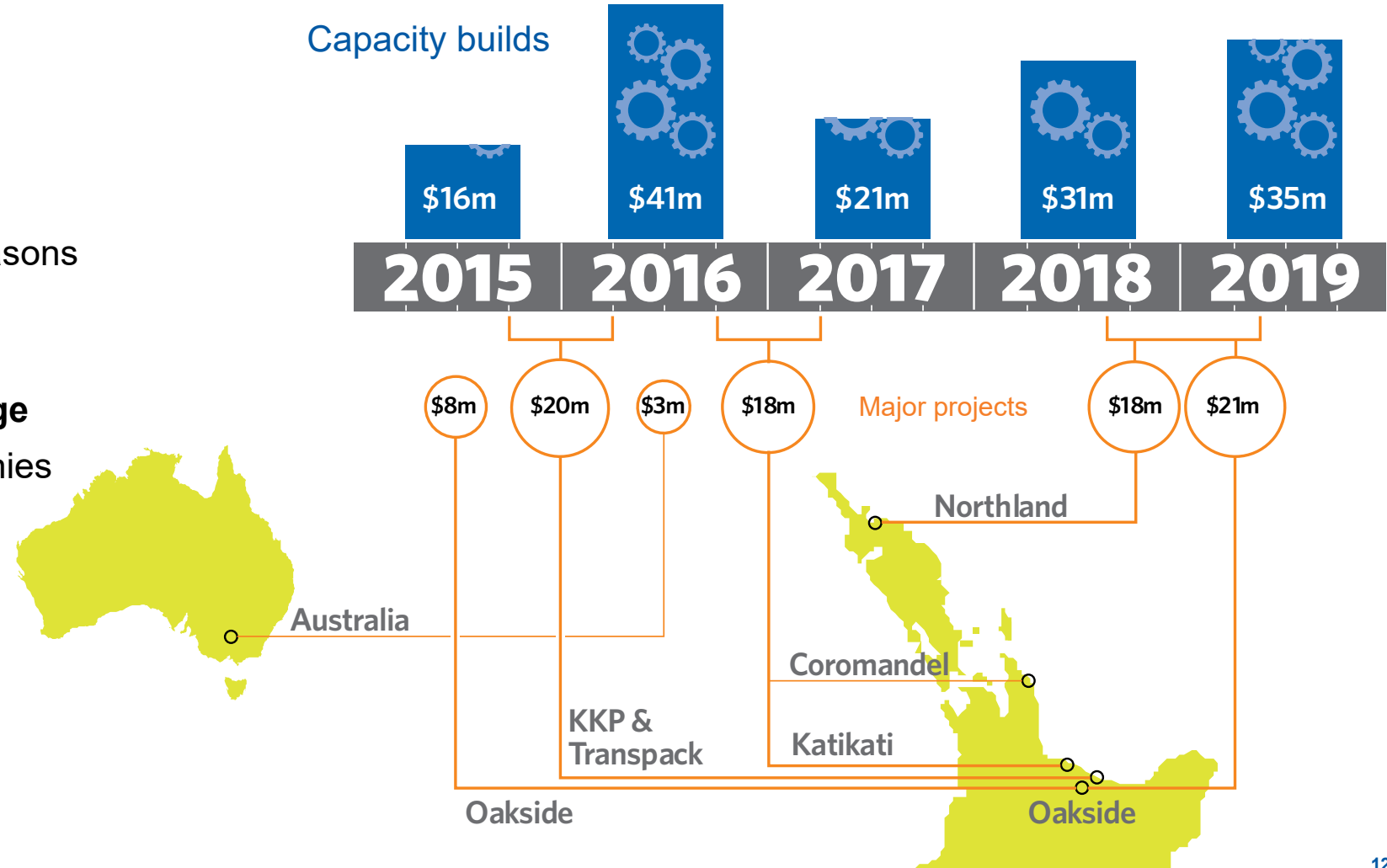
Building capacity to handle increasing produce volumes

\$144m invested in post harvest over 5 years

- Built to handle forecast volumes
- Supply and demand driven
- Capacity in place for next two seasons once Kerikeri completed

Next innovation is offshore storage

- Managed by post harvest companies
- Industry innovation



Implemented international accounting standard for leases

NZ IFRS 16 Leases

All reported results comply with NZ IFRS 16 Leases

- Including 2018 comparatives

Seeka's reported financial results change

At the start of a lease

- Lease interest costs and lease depreciation are higher than actual lease costs
- But lower later in the lease period

When Seeka sells then leases back an orchard

- The full gain on sale is not recognised in the statement of financial performance
- But Seeka still pays tax on the full gain

\$1.2m impact on net profit after tax

- Net effect of changes to lease depreciation, lease interest and the recognition of income and tax on orchard sales

Significant effort by Seeka's accounting team

NZD millions	2019 Pre IFRS 16	IFRS 16 adjustment	2019 Reported
Revenue	238.2	(1.3)	236.9
Gross profit	40.6	6.9	47.5
EBITDA	27.6	6.9	34.5
Net profit after tax	8.1	(1.2)	6.9

Financial highlights

Year ended 31 December 2019 – audited

\$237m record revenue – up 16%

- Revenue growth in orcharding and post harvest

\$34.5m EBITDA – up 4%

- EBITDA exceeds October guidance (\$32.5m ~ \$33.5m)

\$6.9m Net profit after tax – up 3%

\$368m of assets – up \$67m – 22% increase

- Includes \$45m of right-of-use lease assets

NZD millions	2019	2018 Restated	Growth
Revenue	236.9	203.7	16%
Cost of sales	189.4	158.0	20%
Gross profit	47.5	45.8	4%
EBITDA	34.5	33.3	4%
Net profit after tax	6.9	6.7	3%
Total assets	368.2	300.9	22%
Right-of-use lease assets	44.7	32.7	37%

Disciplined focus on bank debt

\$116.8m net bank debt at 31 December 2019

- \$31.3m repaid since 30 June 2019

\$34.6m of asset sales in 2019

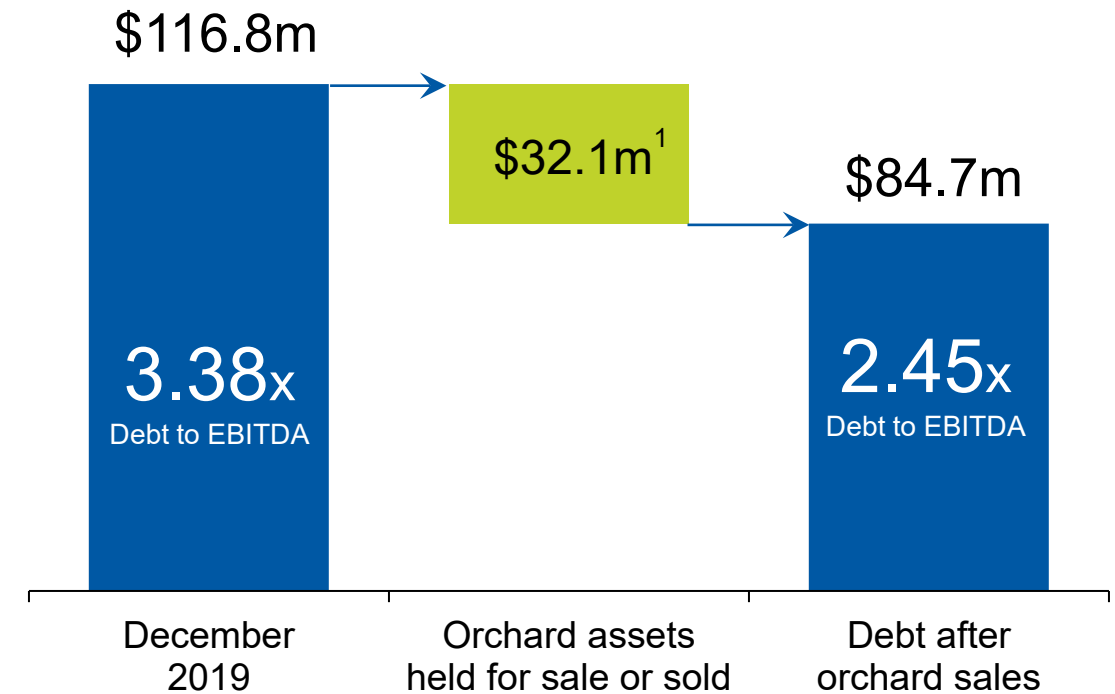
\$32.1m of assets for sale or sold at year end

- Acquired as part of strategic entry into new regions
- Orchards refurbished for on sale

\$10.1m sold at year end and settled February 2020

- \$22.0m being marketed and expected to settle in 2020

Net bank debt



1. \$27.1m of assets held for sale plus \$5.0m of related debtors

Dividend and directors' fees

Cancellation of the dividend prudent in current business environment

\$0.12 per share dividend was declared

- \$0.08 from normal operating earnings
- \$0.04 from asset sale settled in February

Payment scheduled for 17 April cancelled

- Prudent to cancel due to COVID-19 and associated uncertainty
- To be reconsidered at June Board meeting

Director fees reviewed

- Proposed \$80k increase to \$530k per annum
- Fee increase was withdrawn



Chief executive's report Michael Franks

Safety

2019 results

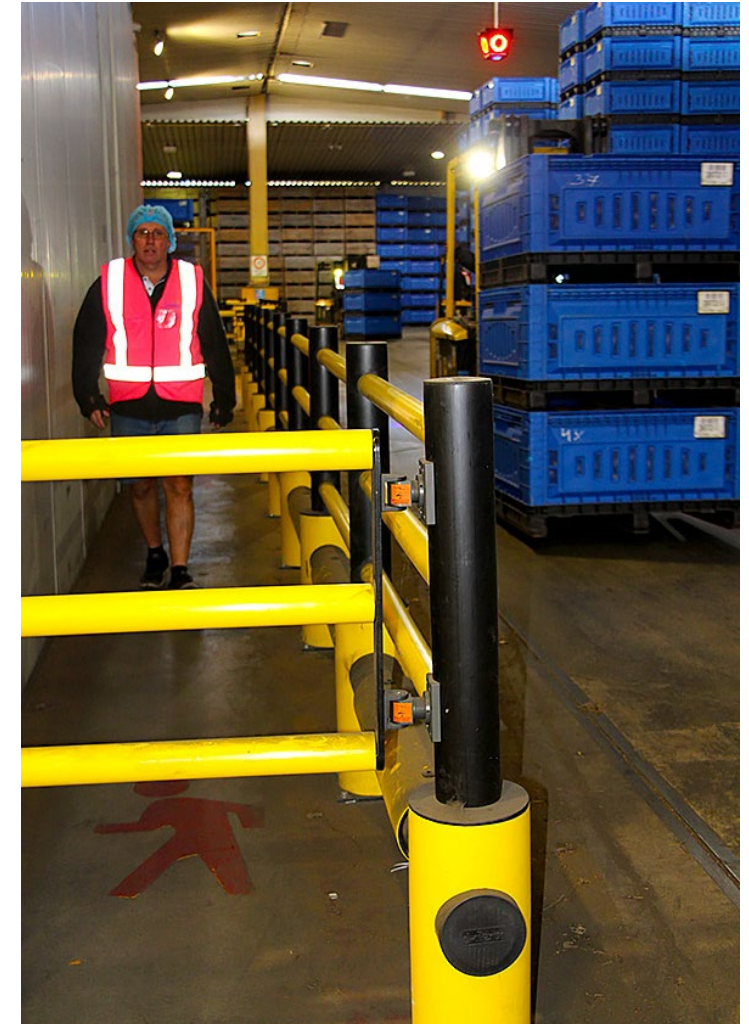
3 serious harm injuries in 2019

- Aongatete, Oakside, Bunbartha

2020 H&S targets	2019 Actuals	2020 Targets
Total recordable injury frequency	5.0	Less than 4.5
Notifiable injuries	3	0
Notifiable injuries including incidents	3	1
Severity rate	10.5	Less than 4.5

Focus areas

- Traffic management
- Moving plant
- Machine guarding
- Fatigue



Seeka's value chain

A New Zealand company feeding the world

Orcharding, NZ

Growing kiwifruit, avocado and kiwiberry

- Owned, leased, managed and long term leased orchards
- Orchard development
- Largest kiwifruit grower

Post harvest, NZ

Picking, packing, coolstoring and dispatch of produce

- 8 modern facilities
- Delicious Nutritious Food Company
- Innovation and maintenance team

Retail services, NZ

Marketing produce in NZ and Australia

- Adding value
- Marketing and distribution of produce
- Growing wholesale business in Auckland and Christchurch

Seeka Australia

Own orchards plus post harvest facilities

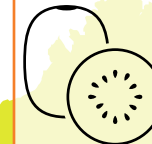
- Adding value
- Kiwifruit, nashi, European pears
- Largest kiwifruit grower
- Fully integrated business

8%
APPROX of export kiwifruit
are grown by Seeka

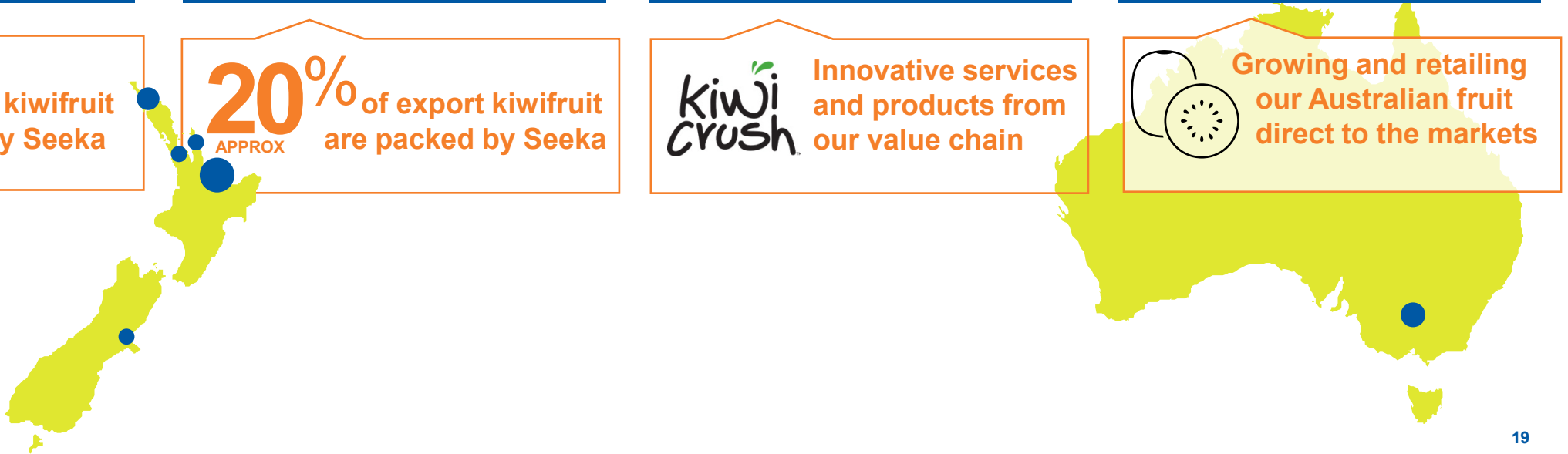
20%
APPROX of export kiwifruit
are packed by Seeka



**Innovative services
and products from
our value chain**



**Growing and retailing
our Australian fruit
direct to the markets**



Orchard operations – New Zealand

Growing kiwifruit, avocado and kiwiberry – led by Kevin Halliday and Simon Wells

\$72.4m revenue – up 37% on 2018

- Lift in kiwifruit returns
- Long term leased orchards reaching full production
- Increased demand for management services
- Includes Aongatete
- But Hayward yields 17% down from dry summer

\$5.0m EBITDA – up 19%

- Benefited from IFRS 16 Leases standard

New long term leases in development

56 hectares of kiwifruit and avocados

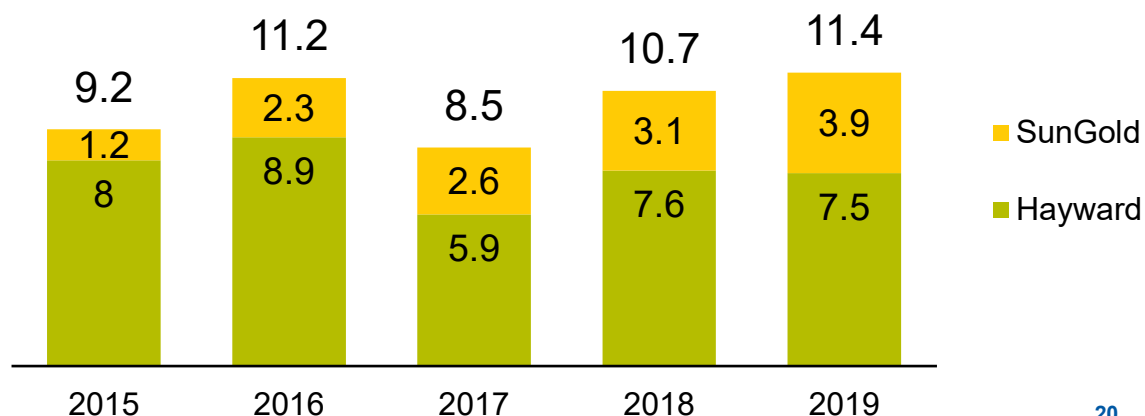
- Term commercial arrangements with land owners
- New income streams from 2020

Financial performance - Orchard operations

NZD millions	2019	2018 Restated	Growth
Revenue	72.4	52.8	37%
EBITDA - as reported	5.0	4.2	19%
EBITDA - pre NZ IFRS16 Leases	3.6	3.4	6%
Total assets	54.2	39.0	39%
Right-of-use lease assets	13.0	3.5	

Operational performance

NZ kiwifruit grown
Millions of trays



Post harvest operations – New Zealand

Harvesting, packing, coolstoring, dispatching and processing produce – led by Kevin Halliday and Lance Tasker

\$140.1m revenue – up 13%

- Includes Aongatete
- Increase in overall trays
- Per tray margins and efficiencies achieved
- But Hayward volumes down on expectation
- DNFC earnings affected by lower kiwiberry volumes

\$41.0m EBITDA – up 10%

Capacity in place for next two years

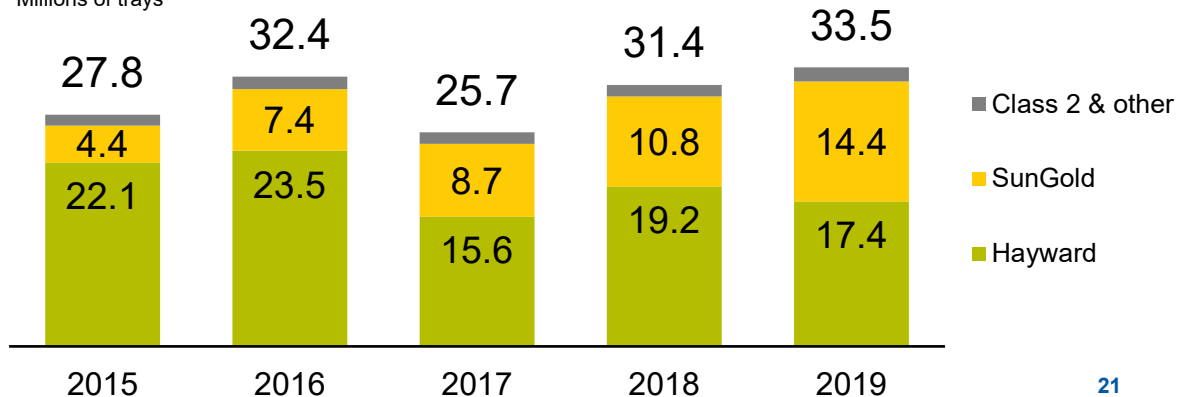
- Once Kerikeri completed

Financial performance – Post harvest operations

NZD millions	2019	2018 Restated	Growth
Revenue	140.1	123.8	13%
EBITDA - as reported	41.0	37.2	10%
EBITDA - pre NZ IFRS16 Leases	35.1	32.1	9%
Total assets	222.9	165.4	35%
Right-of-use lease assets	23.8	22.5	

Operational performance

NZ kiwifruit handled
Millions of trays



Retail services operations – New Zealand

Marketing produce, retail services and Kiwi Crush marketing – led by Verena Cunningham

\$8.6m revenue – down 25%

- Lower kiwiberry volumes from dry summer
- Lower avocado volumes

\$1.7m EBITDA – down 26%

Business revitalised in 2019

Significant improvement late 2019

- Trading turnaround Q4

Growth in retail services set to continue

Financial performance – Retail services operations

NZD millions	2019	2018 Restated	
Revenue	8.6	11.5	(25%)
EBITDA - as reported	1.7	2.3	(26%)
EBITDA - pre NZ IFRS16 Leases	1.3	1.6	
Total assets	11.2	13.3	(16%)
Right-of-use lease assets	3.8	4.2	

Australian operations

Growing, packing and retailing kiwifruit, nashi and European pears – led by Rob Towgood

\$11.6m revenue – down 22%

- Kiwifruit yields down 27% following hot summer
- Green nashi unprofitable – have removed some plantings

Kiwifruit orchards marketed for sale and leaseback

- Includes long-term supply commitment

2020 growing conditions are better

- Removed some unprofitable green nashi
- Improved growing techniques

Planted areas being reset to match market opportunities

96 hectares in development

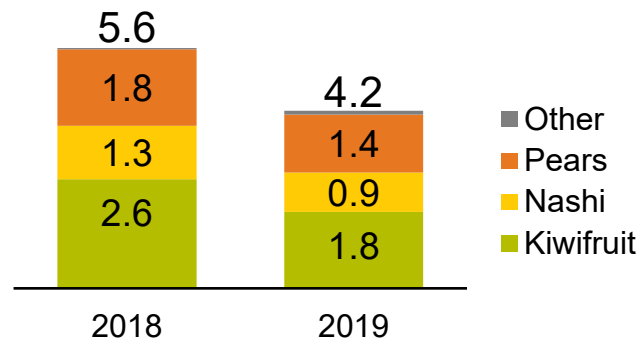
- Investing in new Club pear varieties – Ricó and Lanya
- Establishing Gold / Red kiwifruit variety
- Renewing varieties

Financial performance – Retail services operations

NZD millions	2019	2018 Restated	
Revenue	11.6	14.9	(22%)
EBITDA - as reported	(0.6)	(0.1)	
EBITDA - pre NZ IFRS16 Leases	(0.7)	(0.1)	
Total assets	52.2	49.2	6%
Right-of-use lease assets	0.1	0.1	

Operational performance

Fruit handled
Thousands of tonnes



Trends in financial performance

EBITDA reflects the cash generated by the business

Improvement in EBITDA from \$13.9m to \$34.5m since 2015

2019 result downsides

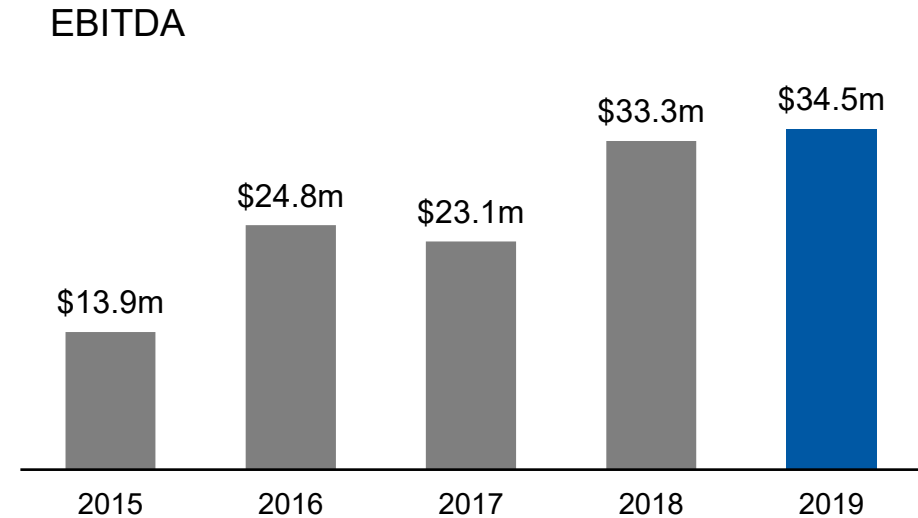
- Lower Hayward yields and volumes
- Lower Kiwiberry volumes
- Lower volumes in Australia
- Lower earnings in SeekaFresh

2019 result upsides

- Gains on sales of assets
- Increased volumes arising from Aongatete
- Synergies in the Aongatete purchase

Overall EBITDA is behind expected earnings levels

- Seeka focused on operational improvements



Operating in growth industries

Feeding the world with nutritious produce

Kiwifruit industry targeting \$4.5b global revenue by 2025

- New Zealand industry volume to increase by 25%

Major investments in SunGold production

- 750 hectares of licence released each year through to 2022

Avocado industry targeting 10,000 hectares by 2046

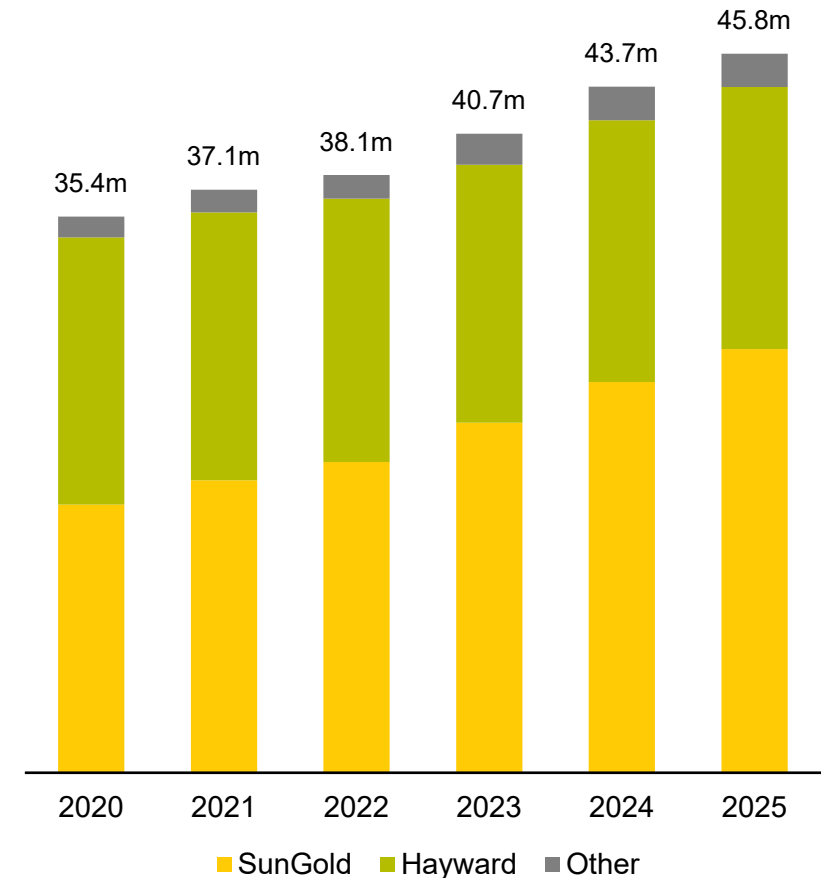
- Large commercial developments with a focus on Northland

Seeka's goal is to efficiently handle the increased volumes

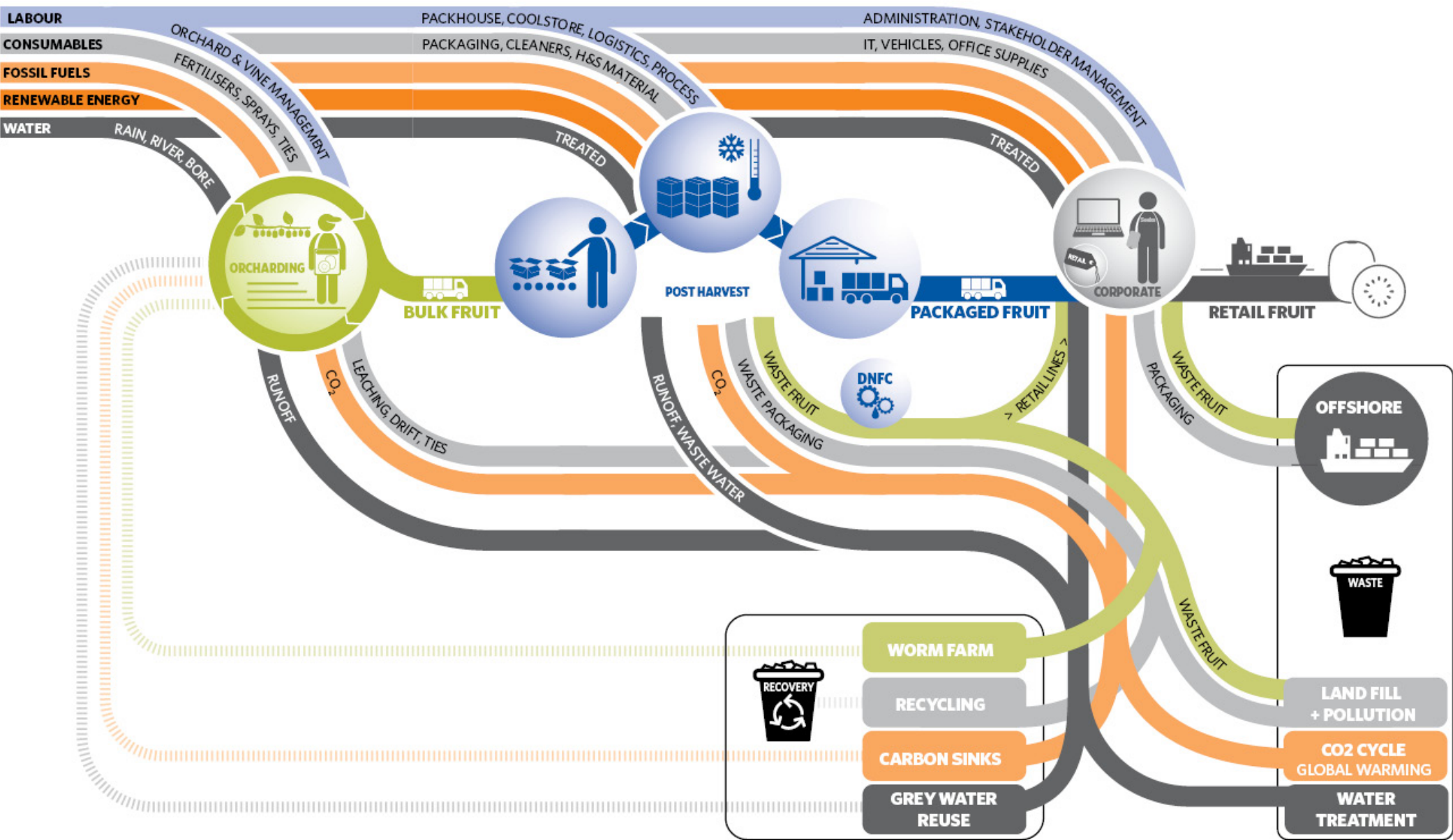
- Avoid inefficient investment in New Zealand
- Evaluate offshore coolstorage

Seeka's kiwifruit outlook

SunGold and Hayward trays to post harvest



Seeka is increasingly focused on sustainability



COVID-19 Coronavirus pandemic and 2020 commentary

COVID-19 impacting 2020 operations and earnings

Seeka is an essential service

- Staff and stakeholder safety is not negotiable
- 2m distancing initially cut production by 50%
- Innovation lifted production to 85%
- Costs are higher per unit handled

Labour very short

370 experienced Seeka RSE workers not in the country

- Reliable labour an issue with constant staff turnover
- 100 to 150 people short a day
- Improved incentives for key staff

Industry challenges

- Industry maturity testing added new complexity
- Seeka's lab VLS delivering valuable testing service

SunGold crop harvesting to expectations

Hayward yields currently below forecast



Seeka has the capacity, protocols and staff to safely harvest, pack and ship the 2020 kiwifruit crop



Resolutions Fred Hutchings

Resolution 1

Ordinary resolution

"To receive, consider and adopt the Annual Report of Seeka and the Financial Statements for the year ended 31 December 2019 together with the Auditor's Report thereon."

Resolution 2

Ordinary resolution

Director elections

3 directors standing for re-election

Board supports the candidates for re-election



Marty Brick



John Burke



Cecilia Tarrant

Resolution 2a



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

Marty Brick to address the meeting

3 minutes to address the meeting

Resolution 2b



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

John Burke to address the meeting

3 minutes to address the meeting

Resolution 2c



2c. “To re-elect Cecilia Tarrant as a Director.”

Cecilia Tarrant to address the meeting
3 minutes to address the meeting

Resolution 3

Ordinary resolution

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

**If you have not already done so,
can shareholders now please cast your vote**

General business

My thanks

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

You have 5 minutes left to cast your vote





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