

Analyst Briefing Pack

Unaudited Interim Results

Six months to 30 June 2021

Agenda

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- 3** **Balance sheet**
- 4** **Operating segments performance**
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Six month highlights

Focus on achieving excellence

- 1 Record six-month profit with significant improvement in underlying operating profit**
\$224m Revenue | \$47m EBITDA | \$30.8m NPBT | \$0.65 EPS
- 2 OPAC investment completed**
8m tray kiwifruit business | Orchard and post harvest operations | Expands service delivery to Ōpōtiki, East Cape and Gisborne
- 3 Fruitometry investment in agritech**
\$2.6m stake in digital start-up | On-orchard fruit scanning | Smart technology for orchard management and capacity planning
- 4 \$128m interest bearing debt, down \$1.5m on pcp after \$21.9m OPAC debt**
- 5 \$519m total assets, up 25% on pcp**
\$304m PPE, up 35% on pcp | \$53m lease assets, up 22% on pcp
- 6 Increase in half year dividend to \$0.13**
- 7 \$20m capacity build underway for harvests 2022 and 2023**
Automated packline for KKP and high-efficiency coolstores at Transcool | Balances capacity to 2024 | Pukenga build still under consideration
- 8 Sustainability programme sets carbon footprint baseline**
2019 carbon footprint independently verified | Defines performance baselines | Initiatives underway to reduce CO₂e2

Financials

Group financial performance

Interim results – six months to June 2021, unaudited

\$224.5m revenue

Up 26% on pcp

\$46.9m EBITDA

Up 54% on pcp

\$30.8m Net profit before tax

Up 77% on pcp

\$20.6m Net profit after tax

Up 12% on pcp (pcp included \$5.6m deferred tax credit)

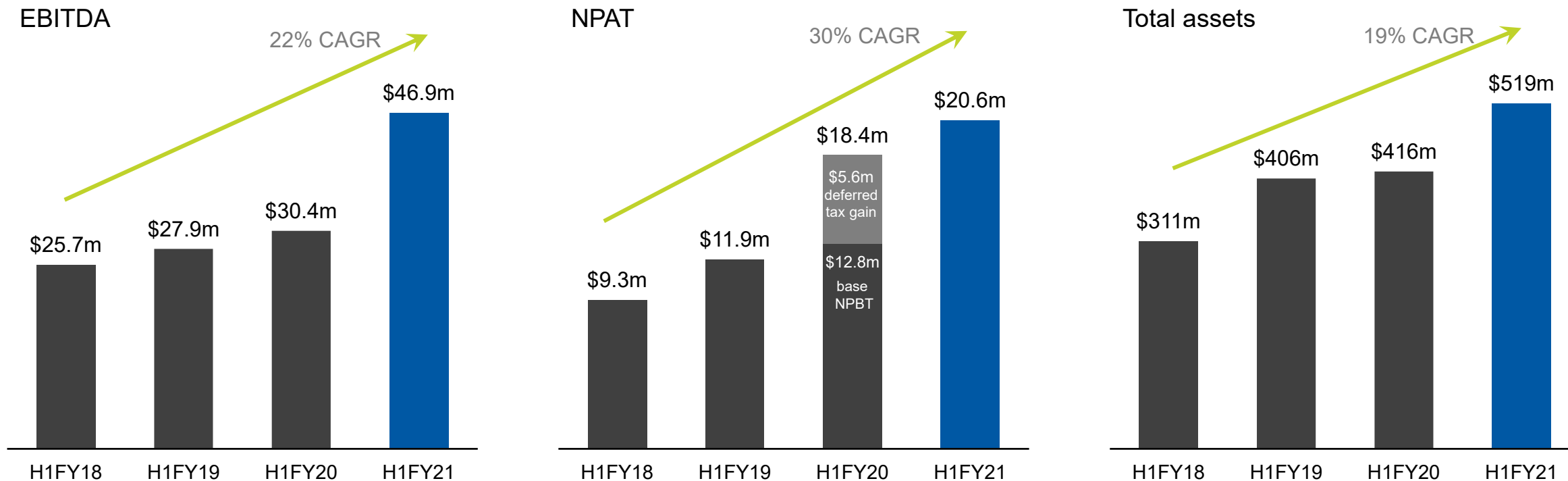
\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Revenue	224.5	178.7	26%	251.5
Cost of sales	146.1	124.5	17%	200.0
Increase / (reduction) in fair value of biological assets – crop	(18.2)	(16.4)		1.2
Gross profit	60.1	37.7	59%	52.7
EBITDA	46.9	30.4	54%	42.9
EBIT	34.7	21.4	62%	24.3
Net profit before tax	30.8	17.4	77%	16.3
Net profit after tax	20.6	18.4	12%	15.2

Seeka operates a seasonal business

– H1 is main operating period for core kiwifruit business

Trends in financial performance

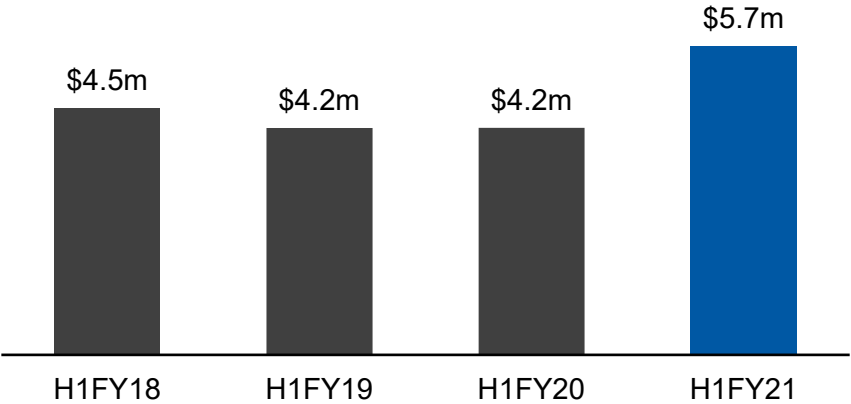
EBITDA, NPAT and Total assets



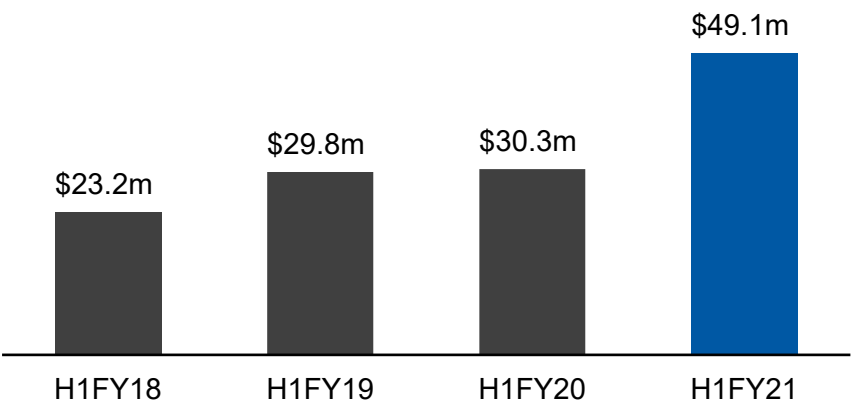
Trends in operating segment performance

EBITDA

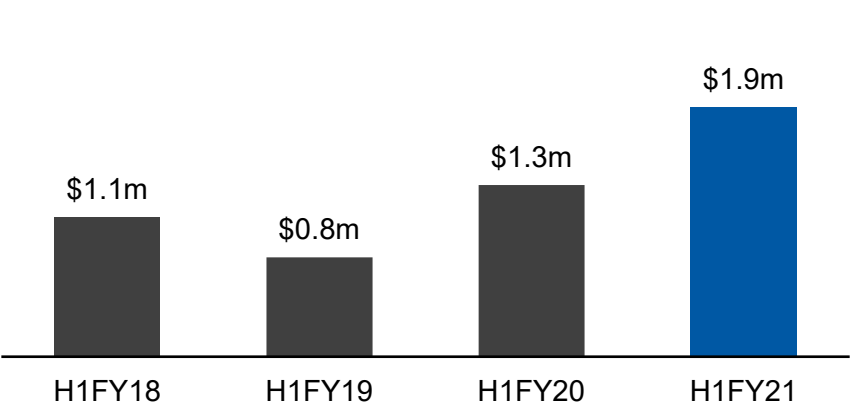
Orcharding



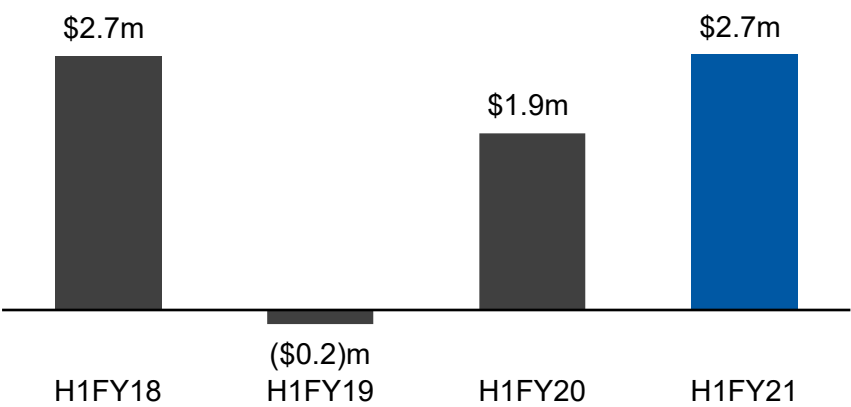
Post harvest



SeekaFresh retail services



Australia



Balance sheet



Balance sheet

Capital employed 30 June

\$127.8m net interest bearing debt – down \$1.5m on pcg

- Includes \$21.9m of OPAC debt taken on acquisition
- \$23.0m of advances to Seeka Growers; largely repaid in July

\$3.8m of Northland orchard assets held for sale

\$518.9m total assets – up 25% on pcg

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Cash and tax receivable	1.7	3.6		5.2
Trade, other receivables & inventory	122.5	101.6	21%	30.8
Biological assets - crop	1.7	2.2		19.9
Assets classified as held for sale	3.8	19.5	(80%)	3.8
Total current assets	129.8	126.9	2%	59.7
PP&E	304.2	226.1	35%	245.0
Intangibles	28.0	18.6	51%	17.6
Right-of-use lease assets	52.8	43.2	22%	50.8
Other	4.2	1.6		2.2
Total non-current assets	389.1	289.4	34%	315.7
Total assets	518.9	416.3	25%	375.4
Current tax liability	5.6	-		7.0
Trade and other payables	61.7	43.3	43%	31.0
Current lease liabilities	7.2	5.6	28%	6.3
Interest bearing liabilities	55.8	34.8	60%	9.2
Total current liabilities	130.3	83.7	56%	53.4
Interest bearing liabilities	73.7	96.4	(23%)	73.9
Right-of-use lease liabilities	59.5	43.7	36%	58.0
Derivative financial instruments	0.4	1.1		0.7
Deferred tax liabilities	21.6	17.8	21%	13.1
Total non-current liabilities	155.2	159.0	(2%)	145.7
Total liabilities	285.6	242.7	18%	199.1
Net assets	233.3	173.6	34%	176.3

Earnings per share and dividends

65 cents earnings per share ¹

- 57 cents in pcg – up 14%

\$5.92 net assets per share – up 9% on pcg

- \$5.44 net tangible assets per share – up 6%

13 cents per share dividend declared

- To be paid 13 October 2021
- Record date 20 September 2021
- Dividend reinvestment plan applies
- Fully imputed

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Net profit (\$m)	\$ 20.6 m	\$ 18.4 m	12%	\$ 15.2 m
Weighted shares on issue (m)	31.8 m	32.1 m		29.4 m
Earnings per share	\$ 0.65	\$ 0.57	14%	\$ 0.52
Shares at period end	39.4 m	32.1 m		32.2 m
Net tangible assets	\$ 214.7 m	\$ 164.7 m	30%	\$ 167.4 m
Net tangible assets per share	\$ 5.44	\$ 5.13	6%	\$ 5.20
Net assets per share	\$ 5.92	\$ 5.41	9%	\$ 5.47
Total assets per share	\$ 13.16	\$ 12.96	2%	\$ 11.66

FY21 full year operational guidance

Seeka provide 2021 guidance

Forecasting full-year net profit before tax between \$13.5m and \$16.0m

Includes

- \$1.4m of restructuring and acquisition costs

Excludes

- Any one-off gains or extraordinary items (should they settle in the year)
- OPAC profit to the purchase date totalling \$1.8m (NPBT)

Noting that

- \$9m of pcg NPBT was from gain on orchard asset sales

Substantial improvement in operational earnings

	FY21 Guidance Lower range	FY21 Guidance Upper range	FY20 Full year Actuals
\$ millions			
Net profit before tax	13.5	16.0	16.3
<i>Change on FY20</i>	(17%)	(2%)	

FY21 full year guidance

Seeka provides additional 2021 guidance

Seeka expects a one-off extraordinary gain from the successful settlement of the kiwifruit claim against the Crown.

The actual amount to be received by Seeka is unknown with the distribution subject to High Court approval, with the timing of payment expected to be received before the end of 2021.

Seeka is estimating that its share of the distribution could lift the net profit before tax for the 2021 year to between \$20.0m and \$22.0m

	FY21 Guidance Lower range	FY21 Guidance Upper range	FY20 Full year Actuals
\$ millions			
Net profit before tax	20.0	22.0	16.3
<i>Change on FY20</i>	23%	35%	

Operating segment performance

Orchard operations

Growing kiwifruit, avocado and kiwiberry for New Zealand orchard owners



Record orchard revenue of \$53.7m – up 13% on pcp

\$5.7m EBITDA – up 36% on pcp

Volume will increase in 2022 with OPAC investment

Volume including OPAC is 18.1m trays

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Revenue	53.7	47.4	13%	75.7
EBITDA	5.7	4.2	36%	5.4
EBIT	4.7	3.3	41%	3.5
Segment assets	92.8	78.9	18%	63.4
EBITDA pre NZ IFRS 16	4.5	3.1	45%	3.2
Crop grown				
Total kiwifruit trays grown - Seeka	14.4	13.0	11%	
SunGold class 1 trays (millions)	5.5	5.1	8%	
Hayward & other class 1 trays (millions)	8.9	7.9	13%	
Avocado grown (million kgs)¹	1.4	1.6	(14%)	
Kiwiberry grown (million kgs)	0.14	0.17	(19%)	

1. Avocado volumes are for crop harvested in the 2020/21 season (pcp: 2019/20 season).

Post harvest operations

Packing, coolstoring and shipping kiwifruit, avocado and kiwiberry for New Zealand orchard owners

Record post harvest revenue of \$145.2m – up 34% on pcp

\$49.1m EBITDA – up 62% on pcp

Volume will increase in 2022 with OPAC investment, new plantings and cutovers to SunGold

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Revenue	145.2	108.1	34%	140.1
EBITDA	49.1	30.3	62%	41.9
EBIT	40.8	24.2	69%	29.8
Segment assets	337.9	244.7	38%	232.7
EBITDA pre NZ IFRS 16	46.2	27.0	71%	35.9
Trays packed				
Total kiwifruit trays packed – Seeka ¹	36.8	33.4	10%	
SunGold (class 1)	17.9	16.1	11%	
Hayward (class 1)	17.2	15.7	10%	
Other fruit - includes class 2	1.7	1.6	2%	
Avocado packed (thousands of trays) ²	262	165	59%	
Kiwiberry packed (thousands of trays)	88	82	7%	

1. Excludes 8m class 1 trays packed by OPAC, of which 4m were packed prior to acquisition.

2. Avocado volumes packed since 1 January from the 2020/21 season (pcp: 2019/20 season).

SeekaFresh retail services operations

Supply, export and sales of avocado, kiwiberry and class 2 kiwifruit, import fruit, and Kiwi Crush production

\$11.5m Revenue – up 18% on pcp

- Strong close to 2020/21 avocado season

\$1.9m EBITDA – up 45% on pcp

Business continues to grow

- High-quality produce
- Increasing local market volumes
- Building strong customer relationships

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Revenue	11.5	9.7	18%	21.8
EBITDA	1.9	1.3	45%	3.0
EBIT	1.4	0.9	54%	2.2
Segment assets	19.2	18.2	5%	12.4

Australian operations

Growing, packing and retailing kiwifruit and other Australian produce on owned and leased orchards

\$13.86m Revenue – up 4% on pcp

Ongoing labour and market disruption from Covid-19

\$2.73m EBITDA – up 44% on pcp

– Excellent result in difficult circumstances

\$1.39m EBIT after lease costs – up 2% on pcp

\$ millions	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
Revenue	13.86	13.30	4%	13.07
EBITDA	2.73	1.89	44%	7.44
EBIT	1.89	1.37	38%	6.27
EBIT after lease costs	1.39	1.37	2%	6.19
Segment assets	50.0	55.5	(10%)	47.2
EBITDA pre NZ IFRS 16	1.7	1.9	(7%)	14.0
Kiwifruit (tonnes)	2,115	2,153	(2%)	
Nashi (tonnes)	873	791	10%	
Pears (tonnes)	1,861	1,340	39%	
Other fruit (tonnes)	121	96	26%	
Total tonnes grown, packed and sold	4,970	4,380	13%	

Investments

OPAC acquisition

8m tray kiwifruit business servicing Ōpōtiki, East Cape and Gisborne regions

Purchased 4 May

7.04m shares issued at \$5.50 market price

Assumed \$21.9m of OPAC debt

Business integrated, synergy savings on target

- \$1.4m acquisition and restructuring costs

\$2.9m NPBT in six-months results

- Plus \$1.8m pre-acquisition NPBT in opening balance sheet

Business set for full-year financial contribution in 2022



Fruitometry investment

July, after reporting period

Advancing into Agritech

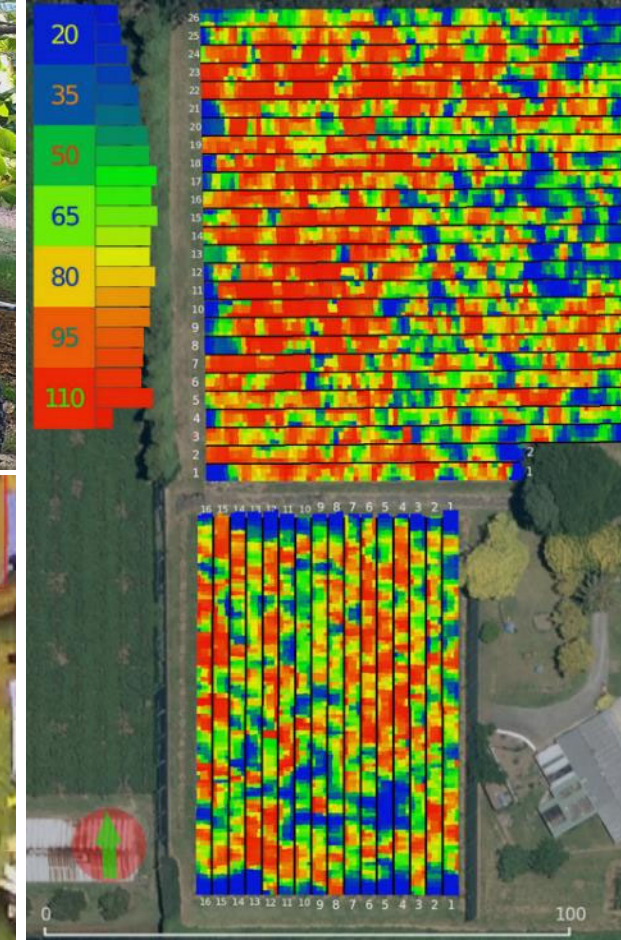
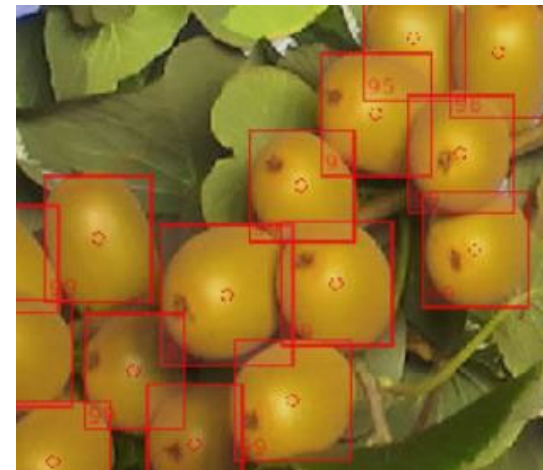
- Driver to improve orchard productivity and post harvest efficiency
- Input into technology development

Cornerstone shareholding in Fruitometry

- \$2.6m for 26%

On-orchard digital crop estimation service

FRUITOMETRY 



Contact

For more information see www.seeka.co.nz or please call

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Appendix

EBITDA

Reconciliation before and after applying NZ IFRS 16

NZD (\$000s)	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY20 Audited
EBITDA pre NZ IFRS 16	40,928	25,118	63%	39,538
Capitalised lease costs	5,966	5,317	12%	10,482
Gain on sale and leaseback	-	-		(7,074)
EBITDA after applying NZ IFRS 16	46,894	30,435	54%	42,946

EBITDA before revaluations and impairments is considered by Seeka's Board to be a key measure of performance and reflection of cash flow generation.

NZD (\$000s)	H1 FY21 Unaudited	H1 FY20 Unaudited	Growth	FY21 Audited
Net profit before tax	30,761	17,394	77%	16,278
Interest expense	1,664	2,106		4,163
Lease interest expense	2,275	1,919		3,877
EBIT	34,700	21,419	62%	24,318
<i>Impairments and revaluations</i>				
Loss on revaluation of land and buildings	-	-		(32)
Impairment of PPE	1,136	-		30
Impairment of intangible assets	-	-		102
Depreciation expense	7,056	5,773		11,653
Lease depreciation expense	3,911	3,125		6,671
Amortisation of intangible assets	91	118		204
EBITDA before impairments and revaluations	46,894	30,435	54%	42,946



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