

21 August 2019



SELECT HARVESTS

SELECT HARVESTS LIMITED – 2019 CROP UPDATE

The Managing Director of Select Harvests, Mr Paul Thompson, announced today that the 2019 yields are above industry standard and exceed the previous forecast.

The continued improvement in Select Harvests' almond yields reflects the benefit of the ongoing focus on high-performance horticultural programs and a further investment in risk mitigating frost fans. The Carina West Processing Facility has processed the crop at higher rates of efficiency than last year. This is attributed to new sorting technology and an increased focus on processing line performance by staff. With 95% of the crop now processed we are forecasting a crop volume of 22,200 -22,500 MT. The remaining 5% represents the tail end of the crop which is generally of lower yield and poorer quality.

This year there has been strong demand from traditional export markets and domestic customers, while demand from China, a relatively new market for Australian almonds, has grown significantly.

Increased global demand for almonds, the weaker Australian dollar against the US dollar (AUD/USD) and the lower than expected Objective Estimate for the 2019 USA crop has seen the market price for almonds remain firm. We anticipate this to remain constant unless there is a significant change in the US supply outlook.

Following a recently completed marketing campaign in Asia, current contracted sales, actual sales and internal commitments equate to approximately 80% of the forecasted crop, at an estimated pool price of \$A8.60-\$A8.70/kg (we are fully hedged with an AUD/USD exchange rate below 0.71c).

The Food Division performance, whilst promising, remains challenging. Strong demand for Industrial product is driven by the export market, while the domestic market is being adversely impacted by the increased prices of all tree nuts in both the Consumer and Industrial segments. Select Harvests is committed to its strategy to grow its brands both internationally and domestically - the return on these investments will add significant additional value to the business in future years.

Select Harvests Managing Director Paul Thompson said "The performance of our orchards has exceeded our most recent forecast. This reflects the quality of the company's orchard portfolio, our orchard maturity profile, risk mitigation strategies and our continued investment in our horticultural program. Recent capital investments in our Carina West Processing Facility and in our orchards has resulted in improved productivity, yield, crack-out levels and reduced costs per kg. These factors, in addition to the strength in the global almond market, will lead to Select Harvests delivering a healthy FY2019 financial result".

Our orchards are currently in their bloom period and the bees are in place for the next few weeks.

Mr Thompson added "Looking forward to the 2020 crop, at this stage the trees are in good health and additional frost protection has been put in place. Water purchases remain a priority and we are encouraged by the recent improvement in the Victorian catchment. We continue to manage our water portfolio and are active participants in the investigation of the Murray Darling Basin and ACCC water market inquiry."

ENDS

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About Select Harvests:

Select Harvests Ltd (ASX:SHV) is an ASX-listed, fully integrated almond business consisting of orchards (company owned, leased, joint venture and managed), primary processing (hulling & shelling), secondary processing (blanching, roasting, slicing, dicing, meal), trading (industrial products) and Consumer products (Brands - Lucky, Sunsol, Soland, NuVitality, Renshaw & Allinga Farms, as well as providing Retailer brands). Select Harvests imports a full range of nuts (in addition to its almonds) and a wide range of other ingredients for inclusion in their Consumer Products range. Australia is a significant global almond producer and Select Harvests are one of Australia's largest almond companies, supplying almonds domestically and internationally, to supermarkets, health food stores, other food manufacturers, retailers and the almond trade.

The company is headquartered at Thomastown on the outskirts of Melbourne, Australia while its orchards are in North West Victoria, Southern New South Wales and South Australia. The primary Almond processing facility (Carina West) is located at Wemen in North West Victoria and the second processing, value-adding and packing facility is located at Thomastown.

For more information, visit www.selectharvests.com.au