

# Seeka

Investor Presentation - November 2018

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## Presenting today

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**Michael Franks C.A.**

CEO

Previous experience:

- Appointed Chief Executive Officer in 2006
- Started with Seeka in 2003 as Chief Financial Officer



**Stuart McKinstry C.A.**

CFO

Previous experience:

- Appointed Chief Financial Officer in 2006
- More than 25 years' accounting experience in both public practice and industry

# Seeka's key investment attributes and strategy for growth

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1

Seeka is a premium produce company with a strategy to become New Zealand's leading orchard to market business

2

Seeka provides an investment entry point to New Zealand kiwifruit and avocados and is poised for further growth

- Targeted varieties - kiwifruit, avocados, nashi, pears
- Geographically spread - including New Zealand; Bay of Plenty, Coromandel and Northland; and Australia
- Integrated services from orchard to customer

3

Capital invested to increase supply and processing capabilities

4

Reliable cash-flow, now gearing the company for further growth

# Orchard-to-Market Excellence

Seeka is an international fresh produce business



## In Australia:

- Grows, processes and markets
  - Kiwifruit
  - Nashi pears
  - European pears

Largest grower of  
kiwifruit in New Zealand  
and Australia

Australia's largest  
nashi grower

## In New Zealand:

- Grows, processes and markets<sup>1</sup>
  - Kiwifruit<sup>2</sup>
  - Avocado
  - Kiwiberry
  - Kiwifruit pollen
- Develops, leases and manages orchards
- Manufactures
  - Kiwi Crush, avocado oil
- Imports, ripens and supplies
  - Bananas, tropical fruit
- Wholesales
  - Seasonal produce



1. Seeka also processes citrus and berries  
2. NZ kiwifruit is predominantly marketed by Zespri

# Seeka Update

## Seeka provides an update on its Northland Orchard sales and reiterates its guidance for FY18

- Seeka has announced Northland horticultural land holding sales<sup>1</sup>. Settlement of these sales is not subject to Overseas Investment Office approval. Further sales are expected to take place in the next twelve months
  - Seeka expects to receive proceeds on the sale of three contracted orchards and complete the purchases of Kerifruit Farm, Whites, Nautilus and Hendl orchards prior to 31 December 2018 (net purchase cost of \$9.7m)
  - In FY19, Seeka expects to receive proceeds of two contracted orchards sales and to sell the Kerifruit Farm and Kapiro orchards (net proceeds of \$17.4m)
- Net proceeds from the Northland land sales will reduce Seeka's debt and aid the completion of its current capital expenditure programme
  - Through the land sales and other capital initiatives, Seeka intends to target net debt to normalised LTM<sup>2</sup> EBITDA of 1.5x – 2.5x, noting the requirement for flexibility from time to time given Seeka's seasonal investment cycle

## Earnings guidance for FY18 EBITDA of \$24.0m - \$25.0m

- Kiwifruit volumes guidance of 31.2m trays for FY18<sup>3</sup>, up from 25.6m trays in FY17, reflecting return to more normal growing conditions
  - EBITDA guidance of \$24.0m - \$25.0m, up between 4% - 8% on FY17 EBITDA of \$23.1m
  - NPAT guidance of \$6.5m - \$7.2m, up between 12% - 24% on FY17 NPAT of \$5.8m<sup>4,5</sup>

1. Seeka has now entered into sale agreements for \$15.9m of orchards, of which \$12.1m are orchards acquired from Turners & Growers Horticulture Ltd. Negotiations continue for the sale of the remaining orchards

2. LTM = last 12 months

3. Seeka management

4. NPAT is based on normal tax rates applying in New Zealand and Australia. The increase of 12% - 24% in NPAT against 2017 is due to a number of non-recurring negative adjustments that occurred in 2017. This included a \$2m impairment of goodwill and a \$1m deferred tax adjustment

5. Subject to any valuation or impairment adjustments and at notional NZ and Australia tax rates





# Company Overview





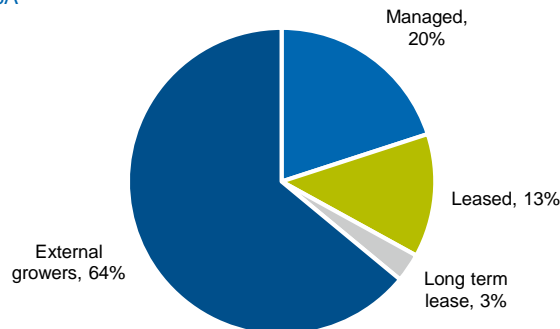
# Seeka's operating segments

## Orchard Division, New Zealand

Growing kiwifruit, avocado and kiwiberry from more than 220 orchards via managed, lease and long-term lease contracts with third party owners. Operations include:

- 1,019 hectares of kiwifruit, 89 hectares of avocado and 7 hectares of kiwiberry in FY18<sup>1</sup>
- 10.4m trays of class 1 kiwifruit in FY18<sup>2</sup>
- Operating a small number of directly or partly owned orchards
- New orchards in development on long-term-leased land
- Syndicating avocado orchards in Northland

Seeka's growing arrangements<sup>3</sup>  
FY18A



1. As kiwifruit is harvested between April and May, kiwifruit harvested in HY18 will represent total amount of kiwifruit harvested in FY18. Avocado hectares relate to producing hectares for the FY18/FY19 harvest  
2. Seeka Interim Report, June 2018, p6, Orchardling  
3. Seeka internal reporting, harvest 2018 producing hectares  
4. Seeka Annual Report, 2017, p74

## Post-harvest Division, New Zealand

Contract service to harvest, pack, coolstore and ship fruit from more than 700 orchards, including from Seeka's orchard division operations and independent growers (kiwifruit, avocados, kiwiberry, citrus and berries). Operations include:

- Seven pack house sites<sup>4</sup>
  - Northland (1)
  - Coromandel (1)
  - Bay of Plenty (5)
- Food processing site producing Kiwi Crush, avocado oil and kiwiberry
- Innovation excellence that delivers new engineering options
- The latest technology reducing manual handling costs
- Toll processing business model, increasing volumes results in increasing profits



# Seeka's operating segments (continued)

## Retail Services Division, New Zealand

Markets local and imported produce in New Zealand, exports to Australia and international markets, along with selling high value functional foods. Operations include:

- Marketing fruit that is not supplied to Zespri
- Importing fruit for the New Zealand market and providing retail services
- Marketing product from Seeka's Delicious Nutritious Food Company and manufacturing the premium functional food Kiwi Crush



1. At full allocation

2 Seeka internal reporting, FY18 represents actual hectares in production for the FY19 harvest

## Seeka Australia

Owns nine orchards, a block of land for future orchard development and two post-harvest facilities that supply the Australian and export markets. Operations include:

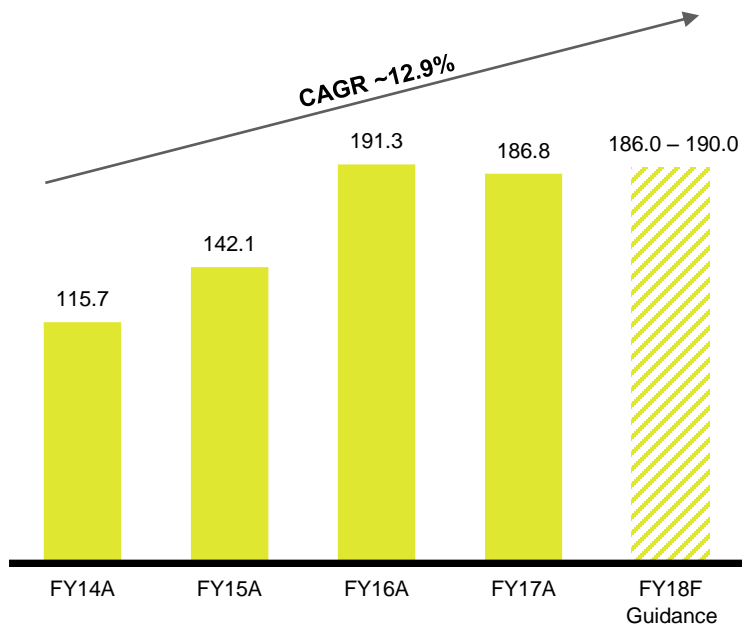
- Land, orchards and post-harvest facilities in Shepparton
  - 628 hectares of land of which:
    - 206 hectares in production
    - 80 hectares in development
    - 278 hectares with development potential
- Access to water: 2,655 mega litres of high priority and low priority water shares<sup>1</sup>
- Produce kiwifruit, nashi, pears, and stone fruit with new kiwifruit and pear developments

Projected producing hectares <sup>2</sup>	FY18A	FY23F
Kiwifruit	99	146
Nashi pears	63	72
European pears	35	47
Avocados	0	2

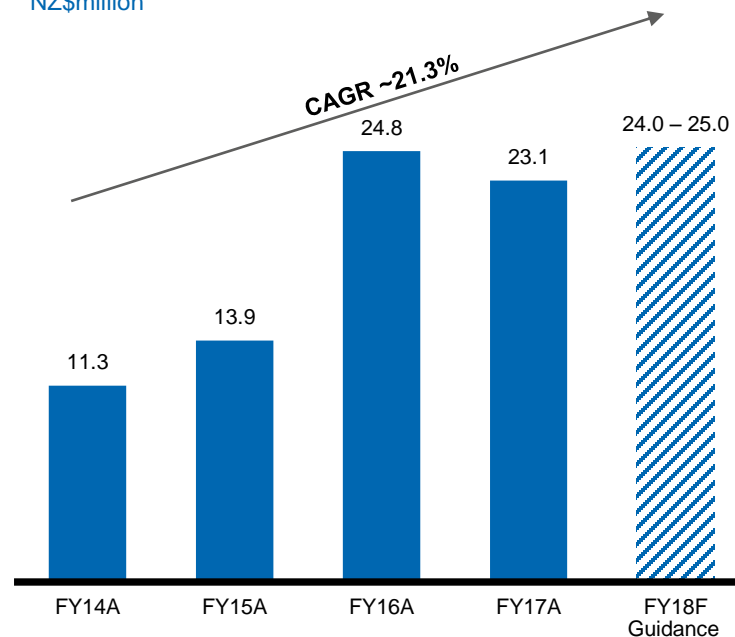
# Financial snapshot

Seeka has delivered consistent revenue growth over the past four years with the industry recovering from the kiwifruit disease Psa. FY18 revenue represents a recovery from a smaller green kiwifruit harvest in FY17<sup>1</sup>

**Total revenue**  
NZ\$million



**Total EBITDA**  
NZ\$million



1. FY18 revenue guidance is also down due to change in banana contract and reduced supply in the first six months  
2. Seeka FY17 Annual Report

# Key metrics of Seeka's operating segments

## New Zealand Orchard, New Zealand Post Harvest, New Zealand Retail Services and Seeka Australia

### Revenue by segment<sup>1</sup> NZ\$million

	FY15A	FY16A	FY17A	FY18F guidance
New Zealand Post Harvest	88.3	110.8	96.7	116.0 – 117.0
New Zealand Orchard	42.3	47.9	48.6	42.0 – 43.0
New Zealand Retail Services	9.6	16.8	24.3	13.0 – 14.0
Seeka Australia	1.2	15.2	16.5	15.0 – 16.0
Other	0.7	0.6	0.7	-
<b>Total</b>	<b>142.1</b>	<b>191.3</b>	<b>186.8</b>	<b>186.0 – 190.0</b>

### EBITDA by segment<sup>2</sup> NZ\$million

	FY15A	FY16A	FY17A	FY18F guidance
New Zealand Post Harvest	13.3	26.8	22.0	30.6 – 31.4
New Zealand Orchard	4.0	5.6	6.4	3.4 – 3.6
New Zealand Retail Services	1.7	1.9	2.9	1.5 – 1.6
Seeka Australia	(1.4)	1.0	2.3	0.1 – 0.2
Corporate	(3.7)	(10.6)	(10.4)	(11.6) – (11.8)
<b>Total</b>	<b>13.9</b>	<b>24.8</b>	<b>23.1</b>	<b>24.0 – 25.0</b>

### New Zealand orchard supply arrangements<sup>3</sup> Hectares, FY18A

	Kiwifruit	Avocado <sup>4</sup>	Kiwiberry	
Contract supply	1,691	332	7	2,030
Managed	573	56	3	632
Orchard lease	375	6	4	385
Long term lease	71	27	-	98
<b>Total</b>	<b>2,710</b>	<b>421</b>	<b>14</b>	<b>3,145</b>

### Seeka Australia owned orchards and land<sup>5</sup> Hectares, FY18A (all fruit)

	FY18
Production	206
Currently in development	80
Potential development land	278
Bare land	64
<b>Total</b>	<b>628</b>

1, 2. Seeka Annual Report 2017, p22. Seeka Annual Report 2016, p20

3. Seeka management. Orchard operations do not reflect recent sales of Northland orchards

4. Avocado FY18A number relate to producing hectares for the FY18/FY19 harvest. Source: Seeka management

5. Australia hectares reflect the current development plan and producing hectares for the FY19 harvest

# Seeka's Lease Arrangements

## Current “short term” orchard leases

2018F	Trays (000s)	OGR <sup>1</sup> / Tray	OGR / Hectare
Green HW	3,705	\$5.6	\$65,800
Green HW – Organic	121	\$7.9	\$71,600
Gold GA	727	\$10.3	\$133,900

## Seeka's “short term” orchard lease characteristics

- Seeka currently has 375 hectares of kiwifruit under orchard lease, 6 hectares of avocado and 4 hectares of kiwiberry (see page 11)
- Three year lease term, with approx. 1/3 renewing each year
- Seeka pays a base land rental and all operational costs, along with a profit share to the land owner
- Typical operating costs, growing, harvest & management<sup>2</sup>:
  - Green = \$32,800 per hectare per harvest year
  - Gold = \$44,100 per hectare per harvest year

## Kiwifruit trays produced under long term leases<sup>3</sup>

Kiwifruit trays produced (000s)	2018A	2019F	2020F	2021F	2022F	2023F	2024F
Trays produced under existing leases	600	600	600	451	451	359	359
Trays produced under new leases	-	-	5	50	248	398	606
<b>Total trays produced under long term leases</b>	<b>600</b>	<b>600</b>	<b>605</b>	<b>501</b>	<b>699</b>	<b>757</b>	<b>966</b>

The number of kiwifruit trays produced under long term lease are forecast to increase from now through to 2024F. This is driven by production under new long term leases

## Seeka's long term leases

- Leases are typically for 20 – 25 years
- Seeka develops the orchards, pays a base rent, receives all income and pays operating expenses
- Seeka currently has 98 hectares under long term lease in full operation (71 of kiwifruit and 27 of avocado) (see page 11)
- 18 hectares of existing long term leases are due to expire between 2020 – 2022. Another 25 hectares are due to expire in 2025

## Current orchards in development – long term leases Total hectares in production

	2020F	2021F	2022F	2023F	2024F
Gold GA (ha)	1.1	1.1	13.1	19.9	23.7
Green HW (ha)	-	7.0	20.7	25.7	25.7
Avocados (ha)	-	-	20.0	20.0	20.0
<b>Total</b>	<b>1.1</b>	<b>8.1</b>	<b>53.8</b>	<b>65.6</b>	<b>69.4</b>

- There are currently 69.4 hectares of kiwifruit and avocado in development with first crops expected from 2020 through to 2024

1. Orchard Gate Return – this is the orchard revenue after post harvest packing and cool store charges. This is the forecast OGR as at October 2018

2. This excludes the profit sharing arrangement and base rental

3. Excludes 24 hectares or leasehold orchards assigned to Seeka under the transaction with Turners & Growers Horticulture Limited





# Industry Outlook

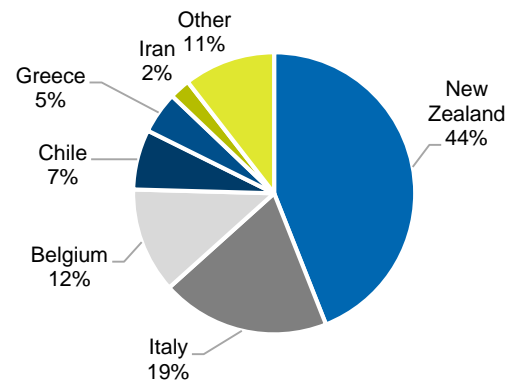


# New Zealand is the world's largest kiwifruit exporter and achieves premium pricing<sup>1</sup>

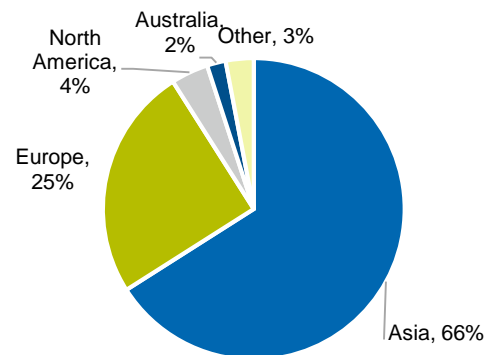
## Seeka is a key supplier to the global kiwifruit trade

- Through Zespri, New Zealand is the world's largest kiwifruit exporter capturing 44% of the market value in 2017<sup>2</sup>
- Seeka had a 21% market share of New Zealand kiwifruit production in 2017 (and more than 80% of Australia's production)<sup>3</sup>
- 15.3% CAGR in export value of New Zealand kiwifruit from 2013/14 to 2017/18<sup>4</sup>
- New Zealand is growing its global kiwifruit trade and is one of the fastest growing kiwifruit exporters, up 79.4% from 2013 to 2017<sup>5</sup>
  - Growth includes using plant variety right protected fruit such as SunGold (gold) which commands premium pricing and a better market mix over green kiwifruit
- Strong consumer demand for New Zealand kiwifruit in Asia
  - 214,540 tonnes exported in 2015, NZ's largest kiwifruit market<sup>6</sup>
  - Strong export value growth to China (18.3% CAGR) and Taiwan (9.4% CAGR) from 2009 to 2015<sup>7</sup>

New Zealand captured 44% of total kiwifruit export value in 2017<sup>8</sup>



Asia remains New Zealand's largest kiwifruit export location by value<sup>9</sup>



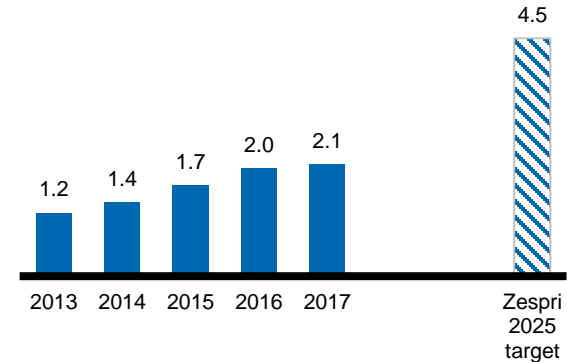
1. Zespri 5 year outlook, November 2017  
2, 5, 8. World Top Exports, July 2018  
3. Seeka management  
4. Zespri Annual Review 2017/18, p17  
6, 7. World kiwifruit review 2016, Belrose Report, p43  
9. FreshFacts – New Zealand Horticulture 2017 Report, p11

# The supply of New Zealand kiwifruit is growing

## Seeka benefits from higher kiwifruit volumes

- Kiwifruit volumes increasing with Zespri planning to sell 750 hectares of gold licences per year for the next four years<sup>1</sup>
  - New orchards are being developed, along with existing orchards being converted to gold
- Gold kiwifruit yields higher volumes than green kiwifruit
  - Higher orchard revenues
  - Higher post-harvest revenues
- Seeka has invested in pack lines and coolstores to handle more volume
  - \$34m invested in FY16<sup>2</sup> and \$15m invested in FY17<sup>3</sup>
  - Post-harvest profitability improves on economies of scale
- Zespri and the kiwifruit industry are looking at offshore infrastructure to manage volume growth<sup>4</sup>
  - Optimises onshore capital process infrastructure
- Using offshore infrastructure in peak periods will improve New Zealand asset utilisation and revenues
  - Seeka's New Zealand pack lines and coolstores will operate at capacity for longer periods
  - Packing and coolstorage are tolled revenue points

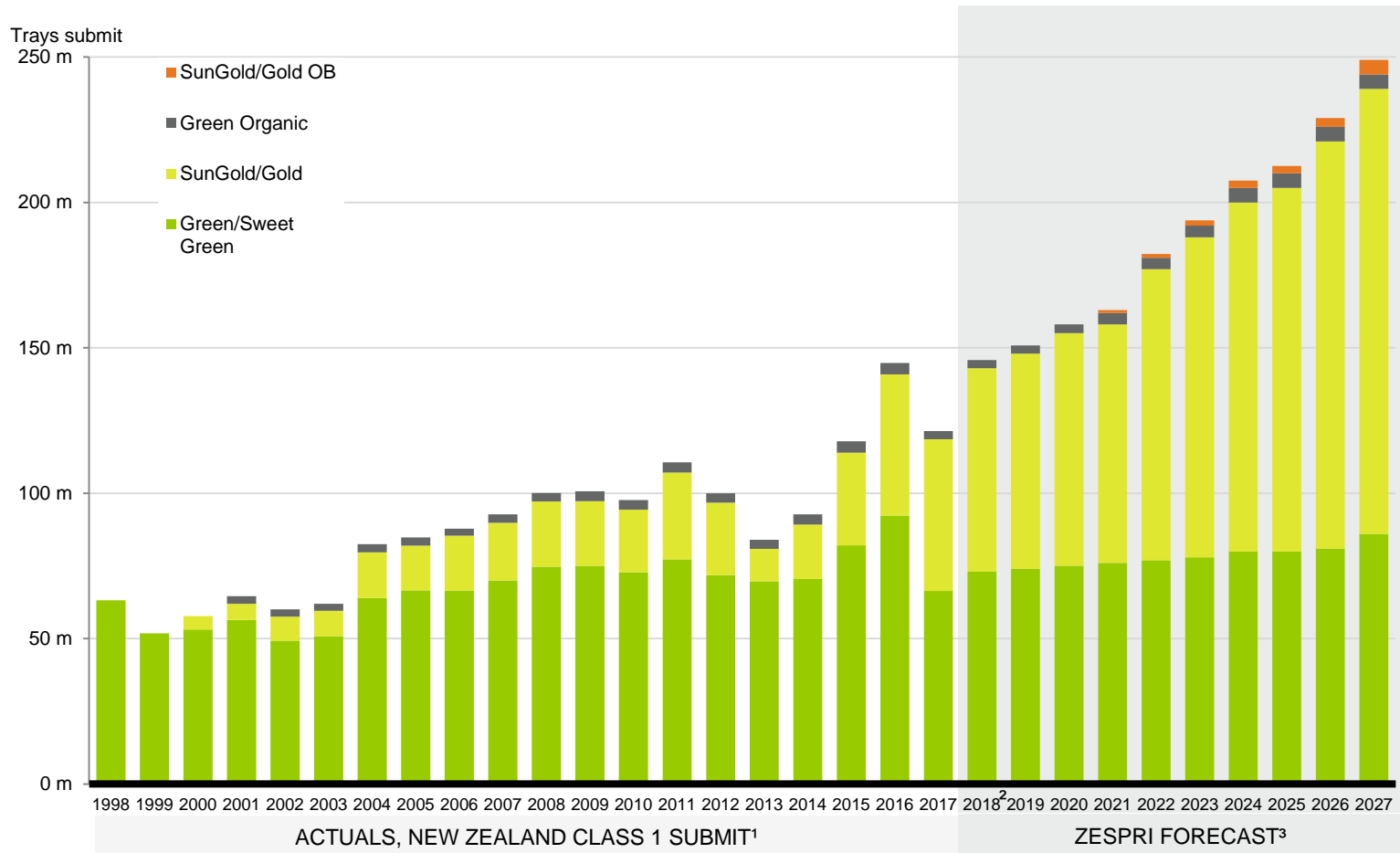
New Zealand kiwifruit export value<sup>5</sup>  
NZ\$billion



Seeka has invested in personnel, systems and capacity to handle more volume

1, 4. Zespri 5 Year Outlook, November 2017. Note in 2018, Zespri completed the first of the five years of licence sales  
2. Seeka Analyst briefing pack, FY16, p10  
3. Seeka Annual Report 2017, p2  
5. Zespri Annual Review 2017/18, 2013 - 2017 data, p17; 2025 target, p3

# New Zealand industry volumes growing with new gold variety



1. Class 1 submit is the industry-standard measure of kiwifruit volumes, being kiwifruit graded for export as the crop harvested is measured in trays (~3.5kg per tray) of kiwifruit

2. Since forecast, actual 2018 submit figures released of 157.6m trays

3. Zespri 5 Year Outlook, November 2017, p44

# Competitive landscape in New Zealand

Seeka's largest competitors are kiwifruit orchard management and post-harvest businesses

FY17 (calendarised to 31-Dec-17)	Total Revenue	Estimated kiwifruit export market share (by trays)	Trays	Other produce and services
Seeka	\$186.8m <sup>1</sup>	21%	25.6m <sup>1</sup>	<ul style="list-style-type: none"> <li>Avocados - Orchard management services, picking, packing and marketing, ~10% of NZ export market (210k export trays in 2017/18)</li> <li>Kiwiberry – Orchard management services, picking, packing and marketing</li> <li>Citrus – Packing</li> <li>Strawberries and blueberries – Packing<sup>2</sup></li> <li>Seasonal produce – Wholesale</li> <li>Tropical fruit – import, ripen and supply to retail</li> </ul>
EastPack	\$150.4m <sup>3</sup>	27%	33.4m <sup>4</sup>	<ul style="list-style-type: none"> <li>Avocados – Orchard management services, picking and packing</li> </ul>
Trevelyan's		10%	12.0m <sup>5</sup>	<ul style="list-style-type: none"> <li>Avocados – Orchard management services, picking and packing, 8% of NZ export market (170k export trays in 2017/18)<sup>6</sup></li> </ul>
Apata	\$53.6m <sup>7</sup>	9%	11.0m <sup>8</sup>	<ul style="list-style-type: none"> <li>Avocados – Orchard management services, picking and packing</li> </ul>
DMS	\$50.4m <sup>9</sup>	8%	9.4m <sup>10</sup>	<ul style="list-style-type: none"> <li>Includes Birchwood Packhouse Limited</li> <li>Avocados – Orchard management services, picking and packing</li> </ul>
The Jace Group		6%	7.2m <sup>11</sup>	<ul style="list-style-type: none"> <li>Includes Southern Orchards Limited, MPAC and APAC</li> <li>Avocados – Orchard management services</li> <li>Blueberries – Orchard management services</li> </ul>
OPAC	\$47.3m <sup>12</sup>	6%	7.0m <sup>13</sup>	
Aongatete		4%	est. 5.0m	
Other		11%	est. 13.9m	<ul style="list-style-type: none"> <li>Includes Orangewood Kiwifruit Post-harvest, Far North Packers, Hume Pack-N-Cool, Riverlock and KauriPak</li> </ul>
		100%	124.4m <sup>14</sup>	

1. Seeka FY17 Annual Report, p7, 14

2. Seeka will pack strawberries for the first time in the 2018/2019 season

3. 4. EastPack Annual Report 2017, p5. EastPack Annual Report 2017, p3

5. 6. Trevelyans Sustainability Report 2018, p5. Trevelyans Sustainability Report 2018, p8

7. 8. Apata Annual Report 2017, p3. Apata Annual Report 2017, p5

9. 10. DMS Pro growers Ltd Annual Report 2017, Financial Statements, p2. DMS Pro growers Ltd Annual Report, p3

11. Jace Group website

12. 13. OPAC Annual Report 2017, p2. OPAC Annual Report 2017, p1

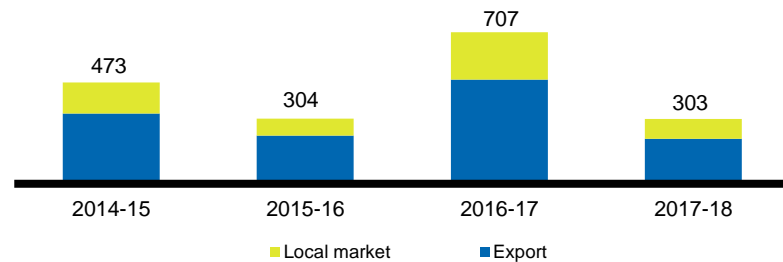
14. Zespri 2017 Annual Report, p6

# Avocados are an emerging fruit for Seeka

## Seeka is capturing value in new markets

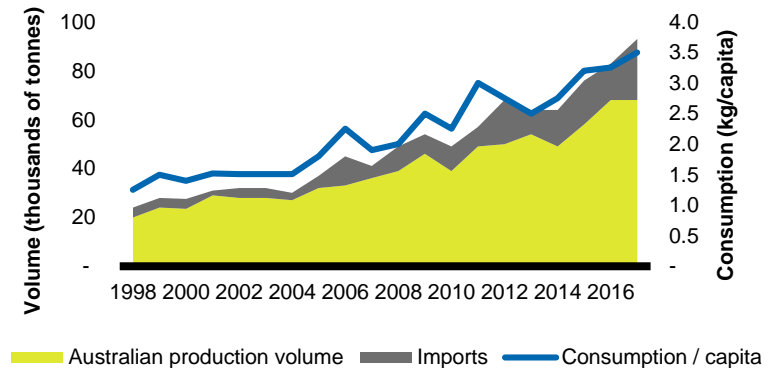
- Export value of New Zealand avocados in the last 5 years have nearly doubled over the previous 5 year period<sup>1</sup>
  - \$104.7m generated from New Zealand exports from 2017/18 season<sup>2</sup>
- In the 2017/18 season, Seeka handled approximately 10% of New Zealand's avocado crop<sup>3</sup>
  - Seeka's volume is growing through orchard syndication
- Seeka delivers a full orchard-to-market service
- Seeka exports mainly to the high-returning markets, including Australia, South Korea and China
- Seeka positioned to benefit from larger avocado volumes with three packhouses capable of handling avocados

**Seeka avocado volumes handled by season<sup>4</sup>**  
Thousands of avocado trays



Avocados are prone to biennial bearing producing larger crops on alternate years

**Australian avocado production, imports from New Zealand and consumption<sup>5</sup>**



1, 2. New Zealand Avocado Annual Report 2018, p22

3, 4. Seeka management – Seeka avocado volumes. Volumes handled refers to volumes packed and marketed by harvest season, which spans two financial years. Volumes are measured in industry standard trays (~5.5kg) of avocados

5. Talking Avocados, Spring 2017, Australian Avocados state of play: 2016/2017, p16

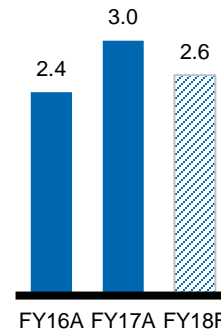


# Australian operations

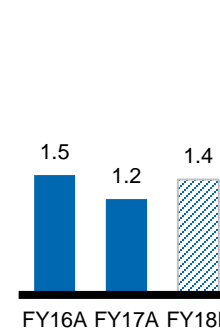
Seeka has a dominant market share in Australian kiwifruit and nashi, and is investing to grow volumes and margins

- Orchard investments will deliver growth over the next five years through increased production of more profitable crop type / varieties
  - Green kiwifruit and new gold variety in development
  - Planting new varieties of pears
- Seeka estimates it has over 80% market share of Australian kiwifruit, and 90% of Australian nashi
- Upgraded onsite packing and coolstore facilities to handle growth in 2017
- 2,655 mega litres of high reliability and low reliability water shares
- Psa occurrence
  - Psa like symptoms identified on new kiwifruit developments (14 hectares)
  - Additional 47 hectares in development not grafted
  - Seeka will continue with tolerant green variety on suitable root stock
  - 93 hectares of existing green production not affected
  - NZ's effective Psa management practices are being applied in Australia to minimise Psa effects

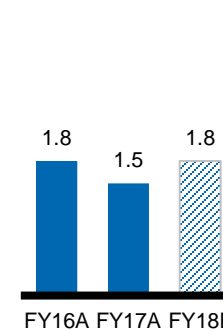
**Kiwifruit volumes**  
Millions of kg



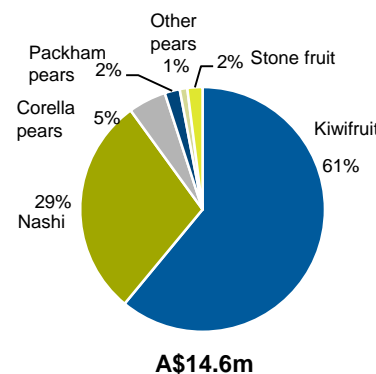
**Nashi volumes<sup>1</sup>**  
Millions of kg



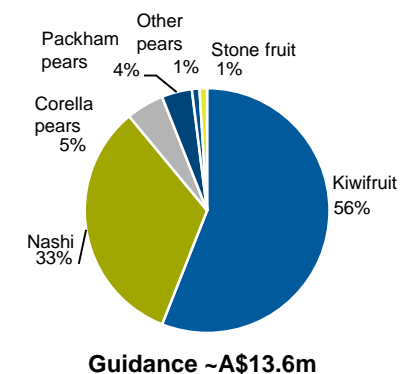
**Pear volumes**  
Millions of kg



**Sales by fruit**  
FY17A



**Sales by fruit**  
FY18F guidance



1. 2017 Nashi volumes were reduced due to a hail event and mites. Seeka has put measures in place to prevent further mite issues

# Seeka enjoys benefits of experience and scale

## Industry experience, knowledge and relationships

- Establishing a kiwifruit orchard requires specialist experience, expertise and partnerships
- Seeka has 37 years' experience as a key player in the kiwifruit industry and strong relationships with orchard owners and service providers

## Seasonal workforce

- Orchard, harvest and packing operations are labour intensive
- Seeka's annual payroll is ~1045 FTEs in New Zealand and Australia, employing more than 300 permanent staff and 3000 seasonal workers<sup>1</sup>
- Workers must be trained and managed according to strict employment, health and safety regulations
- Seeka has invested in workforce recruitment, training and management practices

## Capital

- Seeka has invested in increased processing capacity incorporating automated post harvest technology and advanced information systems
- The investments will enhance revenues and margins

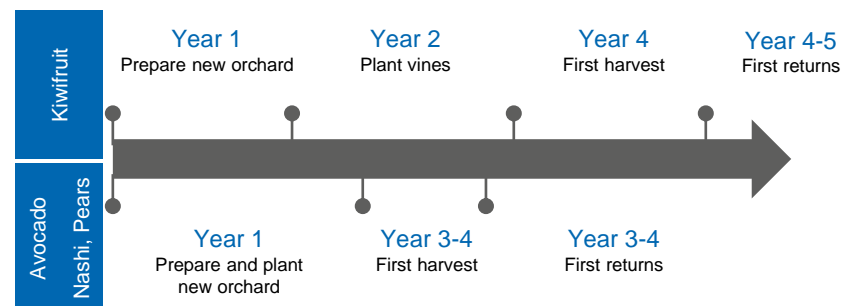
## Time

- Between 4-5 years before first returns from a new orchard. Seeka and its growers have already made time investment with 3,330 hectares actively producing for Seeka across New Zealand and Australia<sup>2,3</sup>

### Seeka capital investment for innovation and expansion<sup>4</sup>

NZ\$million	2016	2017	2018F
	\$34m	\$15m	\$22.9m

### Timeline to first returns for fruit



1. Seeka management

2. Orchard development timeline depends on the property

3. 3,330 hectares actively producing includes Seeka's contract growers

4. Seeka Annual Report 2016, p5, 2017 Seeka Annual Report, p2, projected 2018 includes start of 2019 projects



# FY18 Guidance

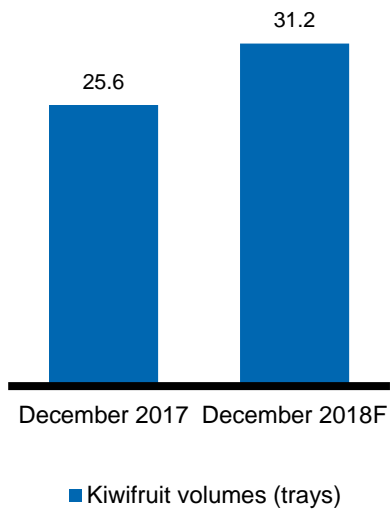




# New Zealand kiwifruit volumes rebound

- Seeka kiwifruit volumes to June 2018 increase by 21% on pcp<sup>1</sup>

**Kiwifruit volume loadout**  
Trays<sup>2</sup>



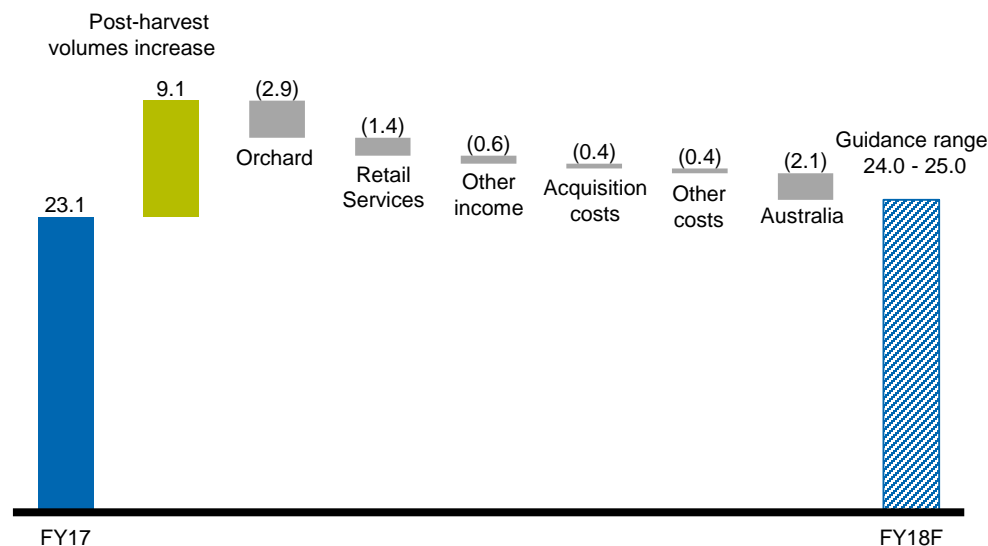
1. Prior corresponding period  
2. Seeka management



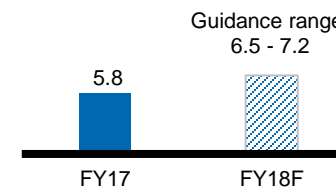
# Guidance for FY18 full year results

- Full year EBITDA guidance of \$24.0m - \$25.0m expected to be up by between 4% and 8% on pc of \$23.1m
- Full year NPAT guidance of \$6.5m - \$7.2m expected to be up by between 12% and 24% on pc of \$5.8m<sup>1,2</sup>

**FY17 – FY18F EBITDA bridge**  
NZ\$million



**NPAT**  
NZ\$million



1. NPAT is based on normal tax rates applying in New Zealand and Australia. The increase of 12% - 24% in NPAT against 2017 is due to a number of non-recurring negative adjustments that occurred in 2017. This included a \$2m impairment of goodwill and a \$1m deferred tax adjustment.  
 2. Subject to any valuation or impairment adjustments and at notional NZ and Australia tax rates



# Appendix



# Appendix: Risks and mitigants

As with every horticultural business, Seeka faces risks including: government policy, trade access, health and safety, natural disasters, pest and disease, and product contamination

Risks to production		
<b>Climate</b>	<ul style="list-style-type: none"> <li>• Every year, there is a risk of adverse weather events.</li> <li>• These could damage orchards (e.g. via flooding), damage crops (e.g. via hail) or affect crop yields.</li> </ul>	<p>Seeka actively seeks to mitigate climate risk by:</p> <ul style="list-style-type: none"> <li>• Holding water rights in Australia</li> <li>• Geographical dispersion of orchards</li> <li>• Crop protection measures (e.g. frost protection)</li> <li>• Access to weather and frost forecasting technology</li> <li>• Good communication with orchard managers</li> </ul>
<b>Disease and pests</b>	<ul style="list-style-type: none"> <li>• Plant stock and crops could be damaged or destroyed by disease or pests</li> <li>• Residue could be found on fruit post harvest</li> <li>• Disease / pests could lead to crops being unable to be sold, closure of overseas markets, loss of market share and revenue</li> <li>• A quarantine pest could be located in a fruit production or handling region in New Zealand</li> </ul>	<p>Seeka actively seeks to mitigate disease and pests risk by:</p> <ul style="list-style-type: none"> <li>• Geographic separation of orchard</li> <li>• Orchard hygiene program and spraying / pest control program</li> <li>• Bio-security controls to prevent introduction of disease</li> <li>• Documented response plan in event of pest outbreak and active use of pheromone pest traps</li> <li>• Active management of fruit drop on the ground which specifically works to minimise the risk of fruit fly</li> <li>• PSA risk reduced because Seeka has developed effective management actions to reduce its potential harm</li> </ul>
<b>Crop yields</b>	<ul style="list-style-type: none"> <li>• Yield variability needs to be managed to maximise profitability</li> <li>• Variability in yields can be due to excessive operating costs or poor management practises</li> <li>• Inter-orchard variability and inter-region variability</li> </ul>	<p>Seeka actively seeks to mitigate the variability of crop yields by:</p> <ul style="list-style-type: none"> <li>• Innovation in growing practises and production forecasting</li> <li>• Optimised orchard locations</li> <li>• Fertiliser application programs</li> </ul>
Risks to property		
<b>Fire</b>	<ul style="list-style-type: none"> <li>• Premises occupied or owned by Seeka could be burned down and the contents destroyed</li> </ul>	<p>To reduce the risk of fire Seeka has:</p> <ul style="list-style-type: none"> <li>• Approved protection equipment including smoke and fire detectors, alarms, sprinklers, fire hoses and extinguishers</li> <li>• Employed a third party company to regularly service and maintain fire detection equipment</li> </ul>
<b>Physical security</b>	<ul style="list-style-type: none"> <li>• Premises, property and assets are exposed to risk of unlawful entry, theft and criminal damage</li> <li>• In the event of the above there could be loss of critical equipment</li> </ul>	<p>To improve physical security Seeka has:</p> <ul style="list-style-type: none"> <li>• Installed monitored alarms in buildings and a program to increase security of fencing at sites</li> <li>• Restricted access to technology equipment and systems to authorised persons</li> </ul>

## Appendix: Risks and mitigants (continued)

As with every horticultural business, Seeka faces risks including: government policy, trade access, health and safety, natural disasters, pest and disease, and product contamination

Other risks		
<b>Government</b>	<ul style="list-style-type: none"> <li>Imposition of restrictive laws and regulation; punitive tax regimes; and inappropriate bylaws would negatively affect Seeka</li> </ul>	<p>Seeka actively seeks to have a positive influence on relevant policy and regulation through:</p> <ul style="list-style-type: none"> <li>Active involvement in industry associations;</li> <li>Regular submissions on relevant legislation; and</li> <li>Actively building relationships with regulators</li> </ul>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>Unsafe work practice and/or a major incident could negatively affect health and well-being of Seeka's people; decrease productivity; increase worker absenteeism; and have legal implications</li> </ul>	<p>Seeka has a proactive approach to health and safety which includes:</p> <ul style="list-style-type: none"> <li>Incorporating Seeka's Health and Safety policy and processes in day to day management throughout the business;</li> <li>Actively identifying, reporting, eliminating and minimising health and safety risks within the workplace;</li> <li>Comprehensive health and safety training; and</li> <li>Fostering a culture of speaking up about concerns and ongoing learning</li> </ul>
<b>Supplying contaminated produce</b>	<ul style="list-style-type: none"> <li>Produce contaminated and/or recall required could negatively impact Seeka's sales figures; contracts; reputation and have legal implications</li> </ul>	<p>Seeka actively mitigates the risk of supplying contaminated produce by:</p> <ul style="list-style-type: none"> <li>Adhering to global food safety regulations and food safety initiatives to enhance quality and safety in the production process;</li> <li>Adopting technology solutions such as a quality management system (QMS) to help prevent a contamination incident;</li> <li>Labelling and tracking produce so contamination can be traced to source and any impact be minimised; and</li> <li>Having a planned course of action in the case of an event.</li> </ul>

## Appendix: Board Members

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### **Fred Hutchings**

*Independent Chairman*  
Elected September 2012.  
Extensive commercial and business experience as a partner of PwC for 27 years. Previous chair of Tui Products and a director of Speirs Group and Speirs Food Limited.



### **Cecilia Tarrant**

*Independent Director*  
Elected April 2017.  
Professional company director; currently of Payments NZ and chair of Government Superannuation Fund.



### **Martyn Brick**

*Director*  
Elected April 2013.  
Extensive experience in agribusiness having worked in rural banking, finance and horticulture. Former director of Te Awanui Huka Pak.



### **John Burke**

*Director*  
Elected April 2012.  
Extensive agribusiness experience including in kiwifruit, having been the general manager of Kiwifruit Vine Health (KVH) and CEO of Te Awanui Huka Pak.



### **Ashley Waugh**

*Independent Director*  
Elected May 2014.  
Extensive experience in fresh foods industry, and was CEO of Australia's National Foods until its merger with Lion Nathan in 2009.



### **Amiel Diaz**

*Director*  
Elected August 2009.  
30 years' executive management experience in the fresh produce industries. Head of the Philippine subsidiaries of Farmin Corporation.



### **Peter Ratahi Cross**

*Director*  
Chair of several Trust Boards throughout the Eastern North Island. Chair of Te Awanui Huka Pak and Ngā Tūkairangi Trust, the largest Māori kiwifruit grower.



## Appendix: Senior Management team

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**Michael Franks**  
*CEO*

More than 20 years' commercial experience and has held numerous senior finance roles. Joined Seeka in 2003 as CFO. Appointed CEO in 2006.



**Stuart McKinstry**  
*CFO*

Chartered accountant, with more than 25 years' experience in accounting and 18 years experience in the kiwifruit industry. Appointed CFO in 2006.



**Rob Towgood**

*Commercial Manager*  
Works on the interface with the Seeka Australian operations; also responsible for planning and construction of new infrastructure in New Zealand.



**Jason Swain**  
*GM Information Services*  
19 years' experience in agribusiness, spent 10 years in Post-Harvest operations before moving into the Information Systems Division.



**Kate Bryant**  
*GM Supply*  
Joined Seeka in 2015, and has 19 years' experience in the kiwifruit industry, focussing on the kiwifruit supply chain.



**Kevin Halliday**  
*GM Post Harvest*  
Joined Seeka in 2003 through the acquisition of Eleos, Kevin has significant experience in kiwifruit supply chain management.



**Simon Wells**  
*GM Orchards*  
20 years' experience in management in kiwifruit industry; and has owned both a kiwiberry orchard and an avocado orchard. Joined Seeka in 2007.



**Ray Hook**  
*GM Retail Services*  
Joined Seeka in April 2014 following the completion of the Glassfields (NZ) acquisition. Extensive experience in senior management especially in agribusiness.



**Annmarie Lee**  
*GM Growers and Marketing*  
30 years' experience in the kiwifruit industry, with 25 years owning a kiwifruit orchard. Joined Seeka in 2005.





