

# Seeka Limited

Retail Investors – March 2019

# Orchard-to-market excellence

Seeka is an international fresh produce business



## In Australia

### ➤ Grow, process and market

- Kiwifruit
- Nashi pears
- European pears
- Stone fruit
- Kiwifruit pollen

Largest grower of  
kiwifruit in New Zealand  
and Australia

Australia's largest  
nashi grower

## In New Zealand

### ➤ Grow, process and market<sup>1</sup>

- Kiwifruit <sup>2</sup>
- Avocado
- Kiwiberry
- Kiwifruit pollen

### ➤ Develop, lease and manage orchards

### ➤ Manufacture

- Kiwi Crush, avocado oil

### ➤ Import, ripen and supply

- Bananas, tropical fruit

### ➤ Wholesale

- Seasonal produce



1. Also process citrus and berries

2. New Zealand kiwifruit mainly marked by Zespri

# Seeka's key investment attributes and strategy for growth

- 1 A premium produce company with the strategy to become New Zealand's leading orchard-to market-business
- 2 An investment entry point to New Zealand kiwifruit and avocados, and poised for further growth
  - Targeted varieties - kiwifruit, avocados, nashi, pears
  - Geographical reach
  - Integrated service from orchard to retail
- 3 Capital already invested to increase supply and fruit handling capacity
- 4 Reliable cash-flow, now positioned for further growth

# 2018 Highlights

Financial year ending 31 December - audited

## Financial

- \$203.7m total revenue – up 9% on \$186.2m in pcp<sup>1</sup>
- \$7.4m profit after tax – up 27% on \$5.8m in pcp
- \$0.37 earnings per share – up 16% on \$0.32 in pcp
- \$26.2m EBITDA – up 13% on \$23.1m in pcp

## Performing for our growers

- 31.4m trays of New Zealand kiwifruit harvested and packed – up 23% on pcp

## Growth

- Acquired T&G Horticulture's post harvest business and kiwifruit orchards for \$42.1m<sup>2</sup>
- Developing Australian orchards
- Investing in New Zealand post-harvest infrastructure

## Recapitalised

- Fully-subscribed rights issue raised \$47.9m

1. Pcp is previous corresponding period to 31 December 2017

2. Yet to settle \$9.8m of the purchase

3. Kiwifruit and pears

# Four operating segments capture the value chain

## ■ Orchard operations, New Zealand

Growing export crops of kiwifruit, avocado and kiwiberry from more than 220 orchards via management, lease and long-term lease contracts

## ■ Post harvest operations, New Zealand

Contract processing service to harvest, pack, coolstore and supply kiwifruit, avocado and kiwiberry from more than 700 orchards, including all produce from our orchard operations and for independent growers

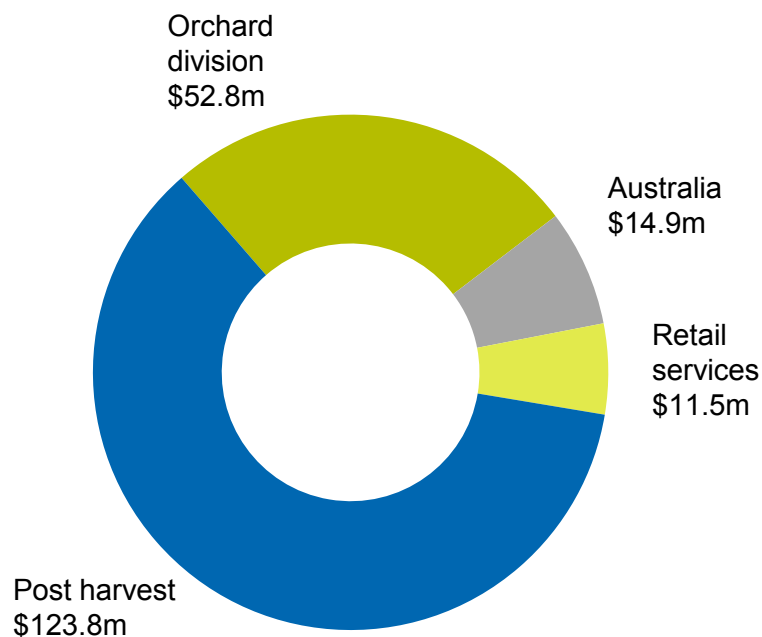
## ■ Retail services, New Zealand

Markets local and imported produce in New Zealand, exports to Australia and niche international markets, plus manufacturers and sells high value functional foods Kiwi Crush and avocado oil

## ■ Seeka Australia

Owns nine large orchards plus post harvest facilities that supply Australian retailers with a large proportion of Australia's locally grown kiwifruit, nashi and pears

Revenue by operating segment FY2018<sup>1</sup>



1. 31 December balance date



# Performance by operating segment

# Orchard operations NZ

Growing 36% of kiwifruit supplied to post-harvest

## ➤ \$3.4m EBITDA

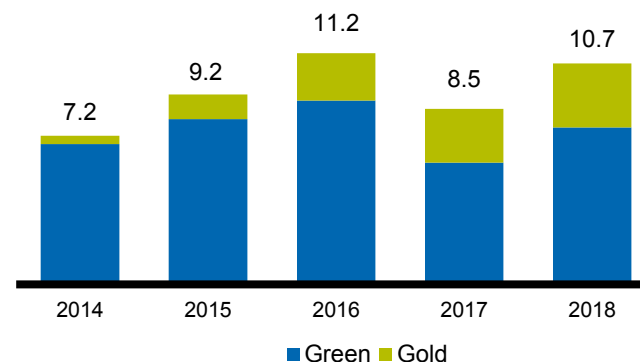
- Down 46% on pcp
- End of long term orchard leases reduced EBITDA
- SunGold progressing to full production

## ➤ Grew 10.7m trays kiwifruit (37.9m kilograms)<sup>1</sup>

## ➤ Grew 0.039m trays avocado (0.21m kilograms)

NZDm 31 Dec	2017	2018
Turnover / revenue	\$ 48.6	\$ 52.8
EBITDA	\$ 6.4	\$ 3.4
Millions of trays <sup>1</sup>		
Hayward (green)	5.9	7.6
SunGold	2.6	3.1
Total	8.5	10.7

**NZ kiwifruit grown<sup>1</sup>**  
Millions of class 1 trays



1. Kiwifruit volumes exclude crop from T&G acquisition orchards, acquired crop off.

# Post-harvest operations NZ

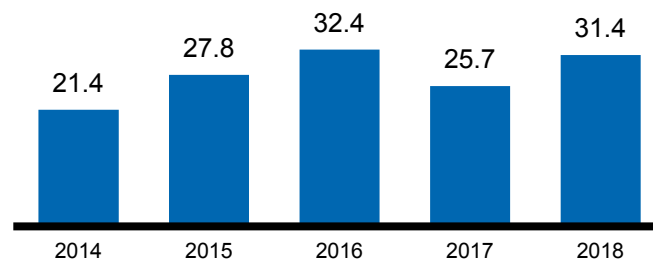
Generating 61% of Group revenue

- \$32.1m EBITDA
  - Up 46% on FY17
- 31.4m kiwifruit trays processed
  - Up 23%
- T&G Kerikeri post harvest facility acquired and integrated April 2018

NZDm 31 Dec	2017	2018
Turnover / revenue	\$ 96.7	\$ 123.8
EBITDA	\$ 22.0	\$ 32.1
Millions of trays		
Hayward (green) class1	15.6	19.2
SunGold class 1	8.7	10.8
Class 2 and other	1.4	1.4
Total	25.7	31.4

## NZ kiwifruit processed

Millions of class 1 and 2 trays



## Post-harvest operations in action



# Retail services NZ

## New revenue streams from fruit processing and fruit retailing

### ➤ \$1.6m EBITDA

- Down 44% on FY17

### ➤ Delicious Nutritious Food

Company increased earnings to \$0.46m

- Up 58%

NZDm 31 Dec	2017	2018
Turnover	\$ 54.2	\$ 39.9
Revenue	\$ 24.3	\$ 11.5
EBITDA	\$ 2.9	\$ 1.6



# Seeka Australia

Integrated orchard-to-market with major investments in new orchards

## ➤ \$(0.1)m EBITDA

- Down 103% on FY17
- Challenging growing season and Australian management restructured

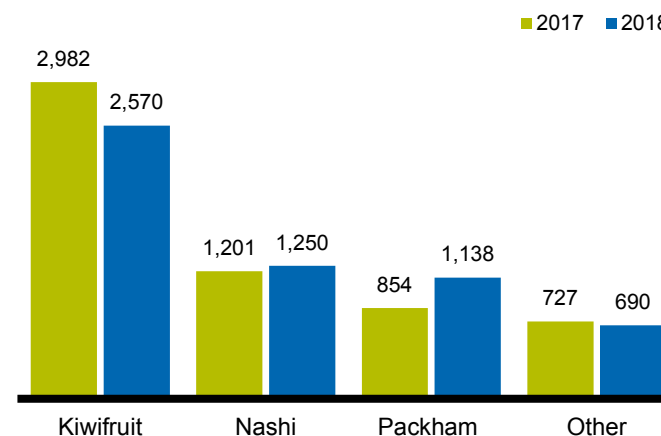
## ➤ 83 hectares of new Seeka orchards in development

- Kiwifruit and new pear varieties

NZDm 31 Dec	2017	2018
Turnover / revenue	\$ 16.5	\$ 14.9
EBITDA	\$ 2.3	\$(0.1)

### Australian-grown fruit

Tonnes



# Seeka is operating in growth industries

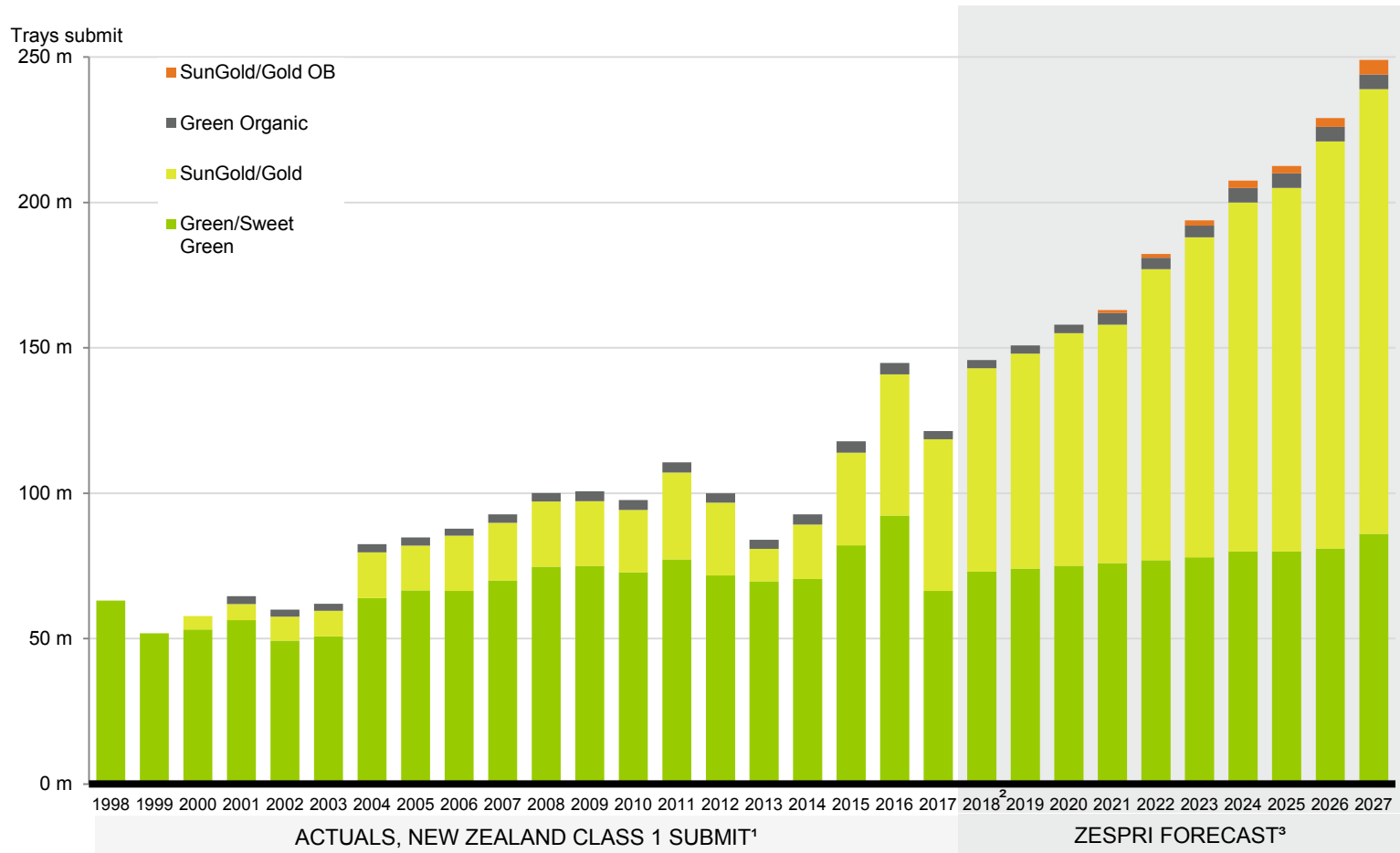
- New Zealand is one of the fastest growing kiwifruit exporters
  - Exports up 79.4% from 2013 to 2017<sup>1</sup>
  - Seeka had 21% market share of production in 2017
- New Zealand kiwifruit volumes are increasing
  - Zespri planning to sell 750 hectares of gold licences per year for the next four years<sup>2</sup>
  - Strong global consumer demand for gold variety
  - Seeka benefits from higher kiwifruit volumes
- Export value of New Zealand avocados growing strongly
  - Nearly doubled in the last 5 years over the pcp<sup>3</sup>
  - Seeka had 10% market share of avocado handling and marketing in 2017/18

1. World Top Exports, July 2018

3. Zespri 5 Year Outlook, November 2017. Note in 2018, Zespri completed the first of the five years of licence sales

3. New Zealand Avocado Annual Report 2018, p22

# New Zealand industry volumes growing with new gold variety



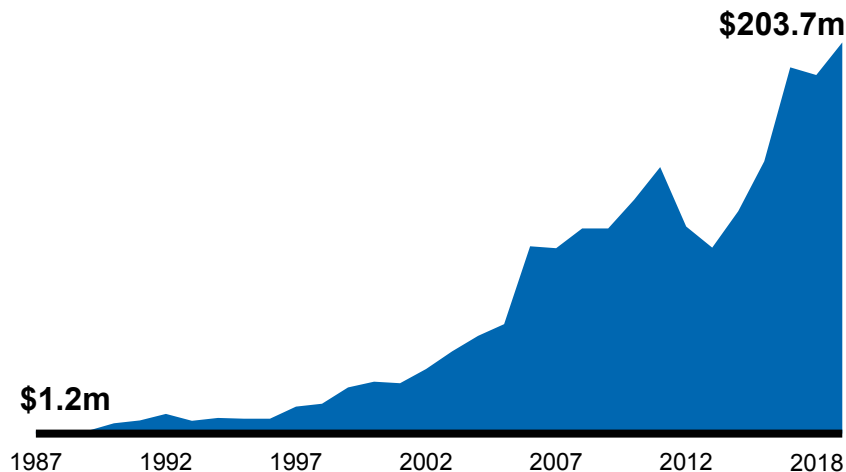
1. Class 1 submit is the industry-standard measure of kiwifruit volumes, being kiwifruit graded for export as the crop harvested is measured in trays (~3.5kg per tray) of kiwifruit
2. Since forecast, actual 2018 submit figures released of 157.6m trays
3. Zespri 5 Year Outlook, November 2017, p44

# Seeka is a growth company

## Increasing revenue

Expansion through product portfolio,  
geographical reach and value chain

### Revenue

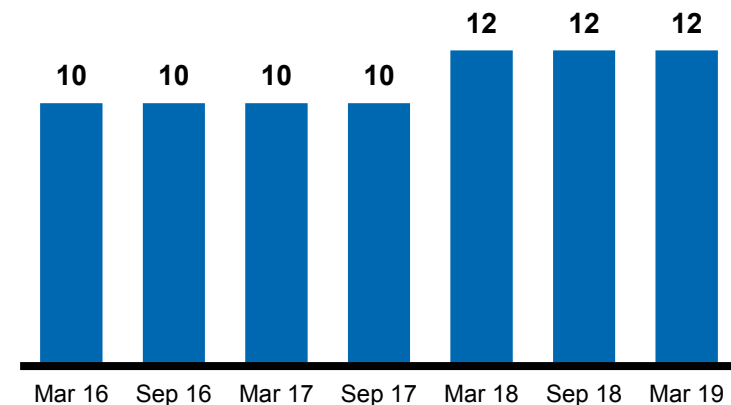


## Delivering value to shareholders

24 cents in the last 12 months

### Cash dividend

Cents per share<sup>1</sup>



1. Fully imputed

Seeka's Analyst Briefing Pack is available at [seeka.co.nz](http://seeka.co.nz)  
for further information

