

20 OCTOBER 2020

 PGG Wrightson

Guidance and Dividend Update

NZX Announcement

Operating EBITDA* forecast to be up 30% (on a NZ IFRS 16 exclusive basis)

PGG Wrightson Limited** (PGW) Chairman, Rodger Finlay, announced today ahead of the Annual Shareholders' Meeting in Blenheim that "Whilst it remains too soon to provide firm guidance about expectations for FY2021, particularly given the additional uncertainty posed by the COVID-19 pandemic on global markets, the Board considers that it is nevertheless desirable to provide guidance in relation to expectations."

"Based on our current assessment, the Board considers that PGW is well placed to deliver an Operating EBITDA result of around \$52 million (or around \$30 million excluding the impact of the new lease accounting standard). Achievement of a result at this level would represent a very healthy circa 15% improvement on the prior year on a NZ IFRS 16 inclusive basis (or a circa 30% improvement excluding NZ IFRS 16)."

"We have had a pleasing start over the first quarter of the financial year with the business trading well and in line with expectations. We are seeing good demand in our Rural Supplies and Fruited Supplies retail businesses over the early spring period. Livestock trading volumes have been sound with saleyard throughput bouncing back post the COVID-19 related closures and increased meat processing capacity. There has also been a recent uptick in the rural and lifestyle real estate sectors with increased buyer interest. Conversely, the Wool market remains challenging and it is still early in the trading year with several critical crop growing months ahead of us along with the peak livestock trading window in the second half."

"We will maintain a close watching brief on the impacts that the global pandemic continues to have on trade flows and demand for New Zealand primary exports and consequential implications for PGW. We anticipate being able to provide a further update on our outlook when announcing our half-year results in February 2021."

"In the meantime, I would also reiterate that it is the intention of the Board to resume the payment of regular dividends. Although a decision on the interim dividend will not be made until the release of PGW's half-year results in February, it is the expectation of the Board that an interim dividend of not less than 8 cents per share would be declared based on trading performance remaining within current guidance."

Ends

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**Operating EBITDA: Earnings before net interest and finance costs, income tax, depreciation, amortisation, the results from discontinued operations, fair value adjustments and non-operating items. PGW has used non-GAAP profit measures when discussing financial performance in this document. Please refer to our full accounts for details of how Operating EBITDA relates to GAAP. For a comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy "Non-GAAP Accounting Information" available on our website www.pggwrightson.co.nz*

***All references to PGG Wrightson Limited or the Group refer to the Company, its subsidiaries and interests in associates and jointly controlled entities.*