

# Annual Shareholder Meeting

22 April 2022

# Agenda

## Welcome to Seeka's 2022 meeting

- 1** Welcome and introductions
- 2** Proxies and voting instructions
- 3** Chair's commentary and financial statements
- 4** Chief executive's report
- 5** Meeting resolutions
- 6** Retirements and general business



# Introducing Directors



**Marty Brick**



**Cecilia Tarrant**



**Ratahi Cross**



**Ashley Waugh**



**John Burke**  
Retiring today



**Amiel (Mel) Diaz**  
Retiring today



**Robert Farron**  
Chair audit and risk committee



**Fred Hutchings**  
Chair

# Proxies

Chair	8,994,388
Peter Ratahi Cross	1,714,410
New Zealand Shareholders' Association	1,020,105
Michael Franks	289,500
<b>Total</b>	<b>12,018,403</b>

# Meeting process

Online voting and asking questions

Virtual Meeting  
POWERED BY LINK MARKET SERVICES

HELP NUMBER  
0800 200 220

Ask a Question

Get a Voting Card

Seeka

Annual Shareholder Meeting  
22 April 2022

The voting box

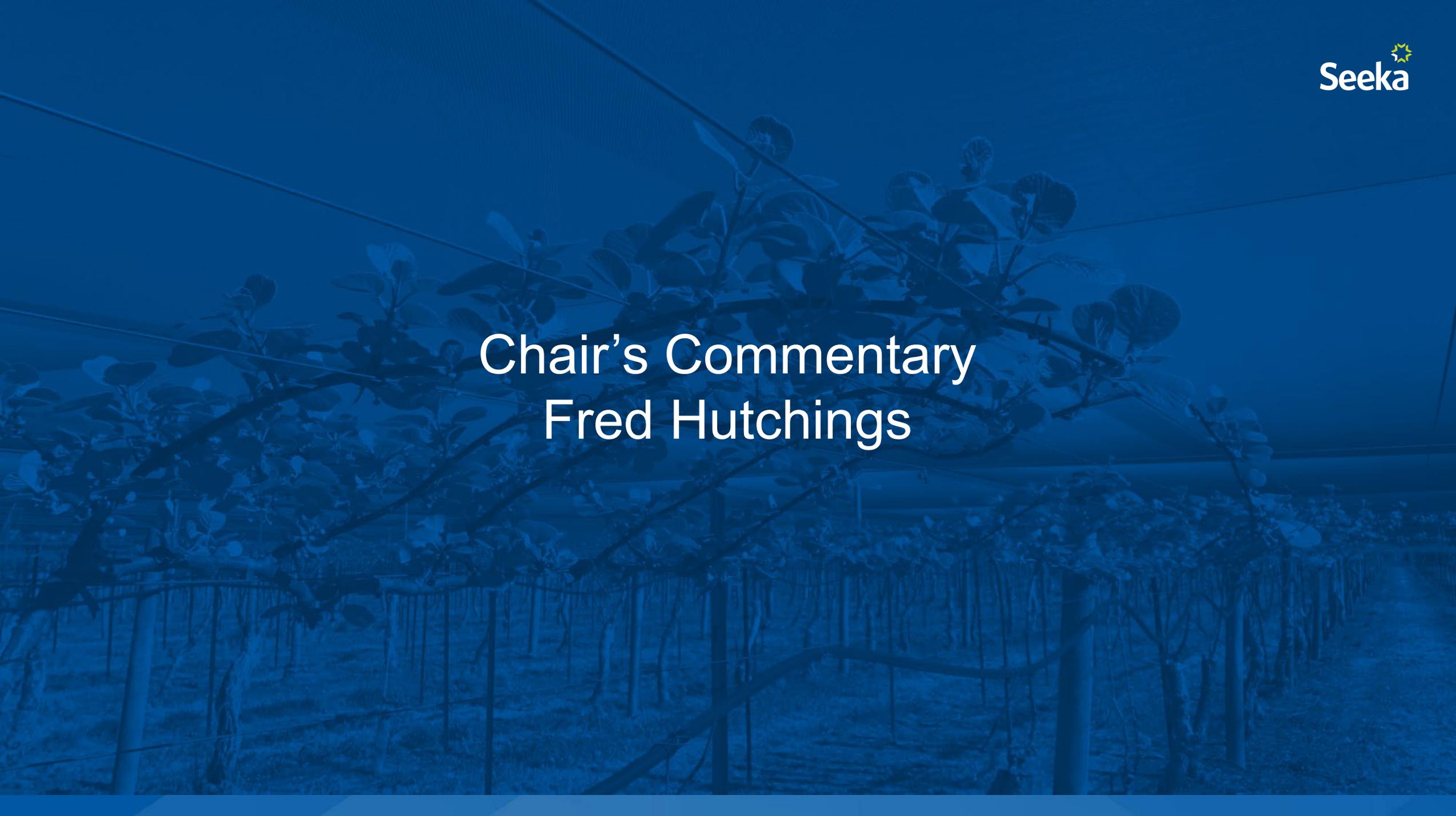
Question box

+  
Get a Voting Card

?  
Ask a Question

Downloads

- Notice of meeting
- Annual report
- Previous questions

The background of the slide is a blue-tinted photograph of a vineyard. Rows of grapevines are visible, supported by a trellis system of vertical posts and horizontal wires. The vines have large, dark leaves and some clusters of grapes are visible. The overall scene is captured from a low angle, looking down a row of vines.

# Chair's Commentary Fred Hutchings

# Delivered for our stakeholders

1

## **Excellent performance despite disrupted labour and freight**

Commitment and leadership got the job done | Orchards, Post harvest, Seeka Australia, SeekaFresh and VLS laboratory all performed ahead of expectation

2

## **Generated record profits and increased underlying operating earnings**

\$310m Revenue | \$56.8m EBITDA | \$23.5m NPBT | \$0.43 EPS | \$0.26 dividend per share | \$7.6m received from Psa kiwifruit class action

3

## **Strategic acquisitions strengthen Seeka's regional kiwifruit presence, increase geographical diversity and deliver economies of scale**

OPAC (Ōpōtiki) and Orangewood (Kerikeri) in 2021 | NZ Fruits (Gisborne, Feb 2022) | Businesses integrated | Accretive to shareholders

4

## **On-orchard investment in digital scanning technology**

26% shareholding in Fruitometry | Accurate crop data aids orchard management and supply chain planning | Platform for labour efficiency gains

5

## **New banking syndicate secures additional funding for capacity and Seeka's growth strategy**

Westpac NZ led syndicate with Westpac AUS, ASB, BNZ and Rabobank

6

## **Continuous investment in capacity | \$22m KKP and Transcool upgrades for 2022 | Pukenga deferred**

7

## **Progressing our strategy to be a more sustainable business, and to understand the potential impacts of climate change**

# Financial highlights

Year ended 31 December 2021 – audited

**\$309.6m Revenue – up 23%**

**\$56.8m EBITDA – up 32%**

– \$7.6m from Crown’s settlement of Kiwifruit Claim

**\$23.5m Net profit before tax – up 44%**

– Guidance range \$22m ~ \$24m, included Psa settlement

**\$14.9m Net profit after tax**

– Inline with FY20, which included \$5.6m deferred tax benefit

NZD millions	FY21	FY20	Growth
Revenue	309.6	251.5	23%
Cost of sales	236.3	198.8	19%
Gross profit	73.2	52.7	39%
EBITDA	56.8	42.9	32%
Net profit before tax	23.5	16.3	44%
Net profit after tax	14.9	15.2	( 2%)

# Trends in financial performance

EBITDA reflects cash generated

## \$33.7m increase in EBITDA over five years

- 19% cumulative annual growth rate since 2018
- Achieved despite one-off Covid costs

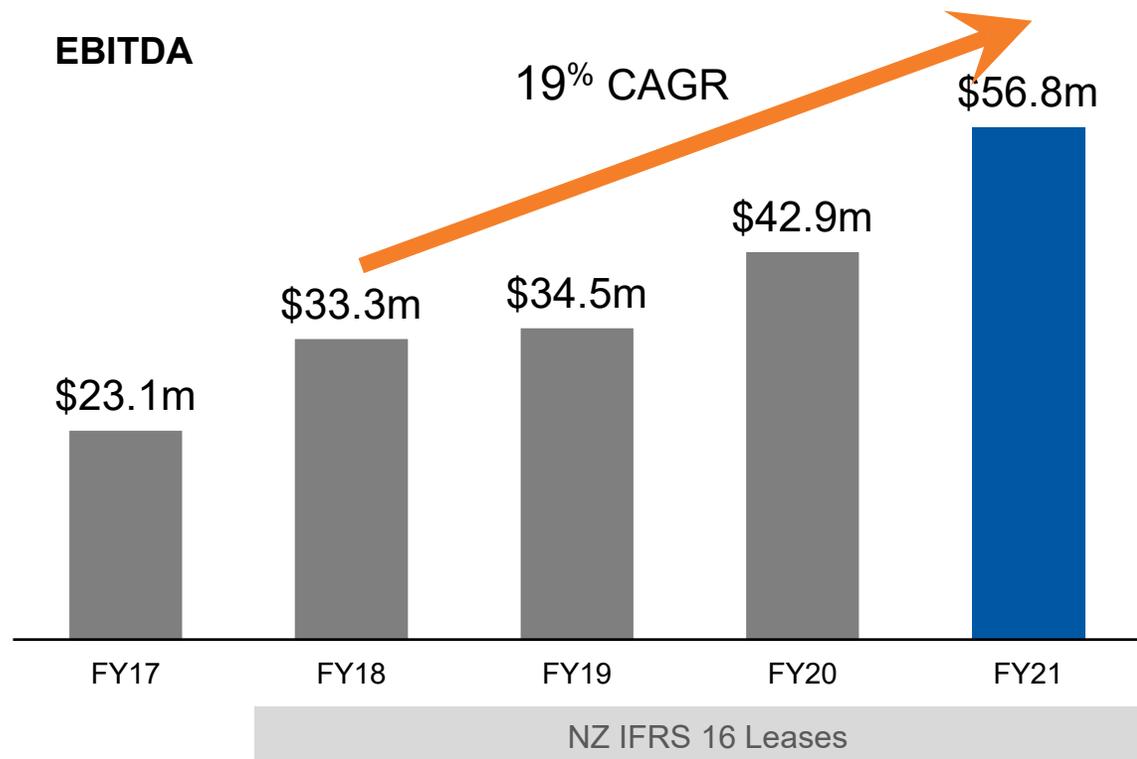
## Deliberate strategy to improve underlying operating earnings

## Business reset to operate in a Covid-19 world

- Managing severe labour shortages

## Investing in new technology

- Innovation and automation deliver efficiency gains
- Key to operating in a tight labour market



# Earnings per share and dividends

## 26 cents per share dividends from FY21

– 13 cents paid February 2022

## \$5.71 net tangible assets per share – up 10%

– \$229m of net tangible assets

NZD	FY21	FY20
Net profit (\$m)	\$ 14.9 m	\$ 15.2 m
Weighted shares on issue (m)	34.8 m	29.4 m
Earnings per share <sup>1</sup>	\$ 0.43	\$ 0.52
Dividends per share	\$ 0.26	\$ 0.24
Net tangible assets (\$m)	\$229 m	\$167 m
Shares at year end (m)	40.2 m	32.2 m
Net tangible assets per share (\$)	\$ 5.71	\$ 5.20

# Significantly progressed our growth strategy

Key investments to further lift shareholder returns

## Acquisitions are in our foundation kiwifruit business

- 33% growth in NZ kiwifruit market share

## Fully servicing all major North Island orcharding regions

## Experienced growers have joined our business

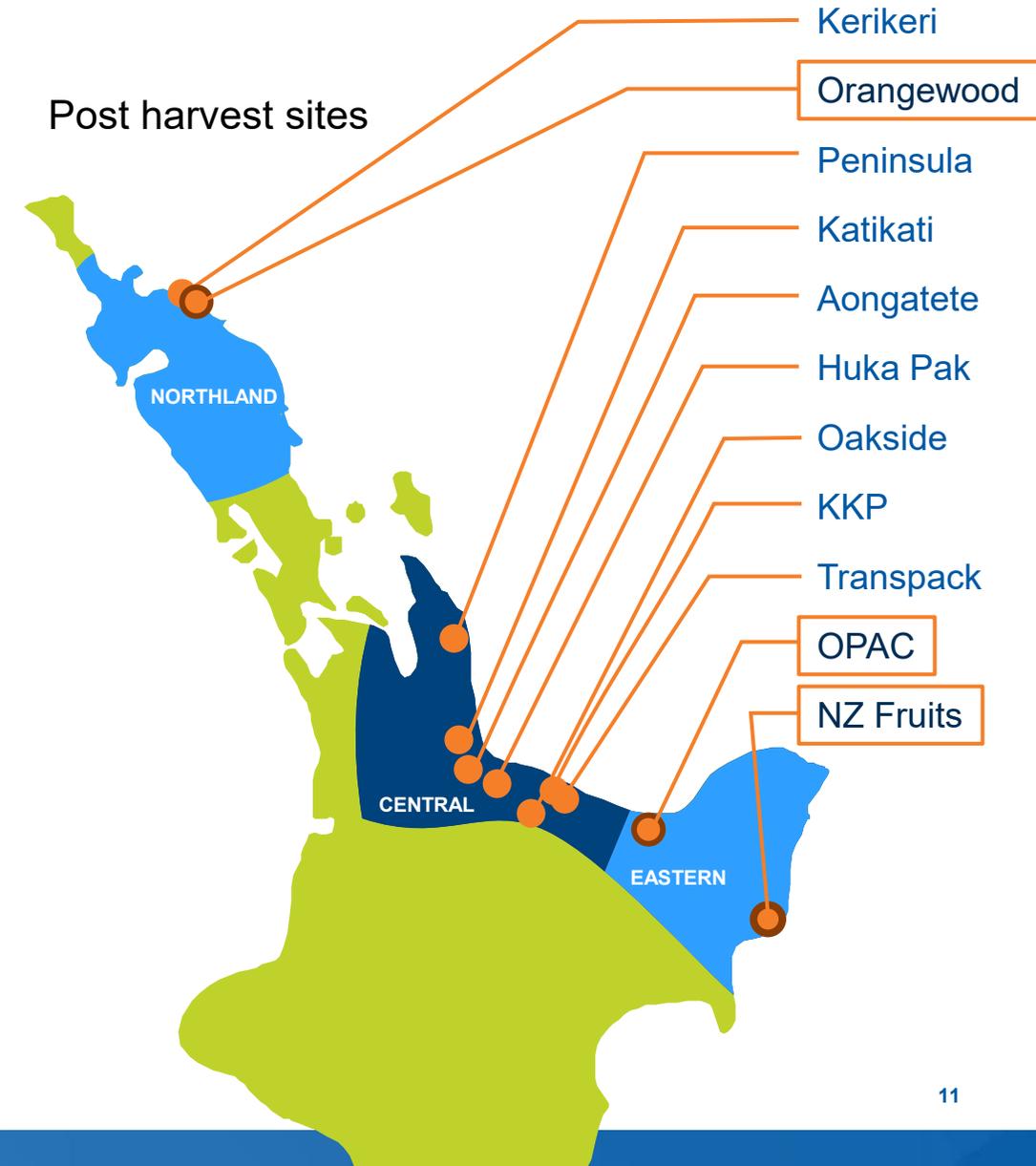
- As shareholders and supplying growers

## Delivering material efficiencies and synergies in FY22

- 11 post harvest facilities servicing New Zealand growers
- Delivering more capacity at peak periods
- Labour benefits from an early start and ongoing employment

## \$22m upgrade at KKP and Transcool for harvest 2022

- Deferred decision on Pukenga
- \$180m invested in post harvest capacity in the last 6 years



# Automation and technology

Implementing new technology across our value chain

## Testing and investing in automation

- Reliable technologies that generate a return on capital

## Smart orchard-scanning technology from Fruitometry

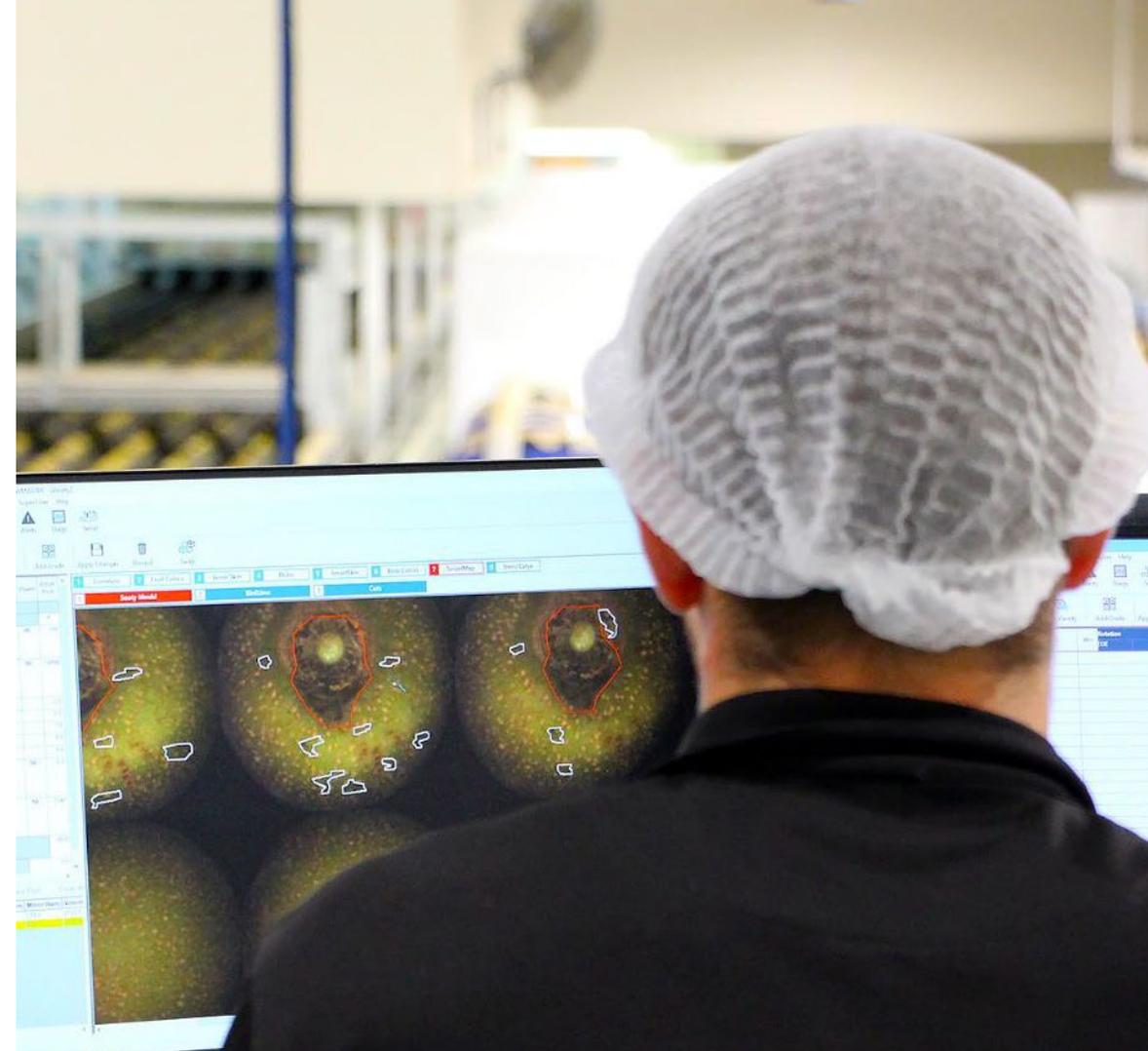
- Optimise on-orchard work and supply-chain operations

## Ongoing investment in post harvest automation

- Opportunities to redeploy labour

## New packing technology in Australia

- Delivered efficiency gains and improved fruit quality



**Technology is key to efficiently handling volume growth, and making the best use of the available labour**

# Seeka is a large rural employer

With a focus on employing local people

## Labour is an on-going challenge in NZ and Australia

- Impacting multiple industries
- Severe shortages in peak periods

## Seeka focuses on employing local people

- Collaborating with iwi and government agencies
- Competitive remuneration packages
- Cadet schemes and career pathways

## Access to new RSE workers in 2022

- 362 long-haul RSEs in NZ, to be repatriated July 2022
- New recruits from Tonga, Samoa and Vanuatu
- 850 total RSEs to date in 2022
- New accommodation to be addressed in 2022

**We provide fulltime and seasonal work in rural areas**



# Environmental impact

A fundamental component of our formal sustainability reporting framework

## Seeka's working to be an industry leader

- Transparently report our environmental impact
- Reporting on opportunities and risks in a changing climate

## Publishing our annual carbon footprint

- 2019 base year results calculated, verified and published
- 2020 and 2021 results calculated and now being verified
- Publishing June 2022

## Defined key performance indicators

- And we will set carbon-reduction targets



# Syndicated banking facility supports growth

Banking facility to invest in opportunities that drive shareholder returns

## \$190.4m facility led by Westpac NZ

- Supported by Westpac AU, ASB, BNZ and Rabobank

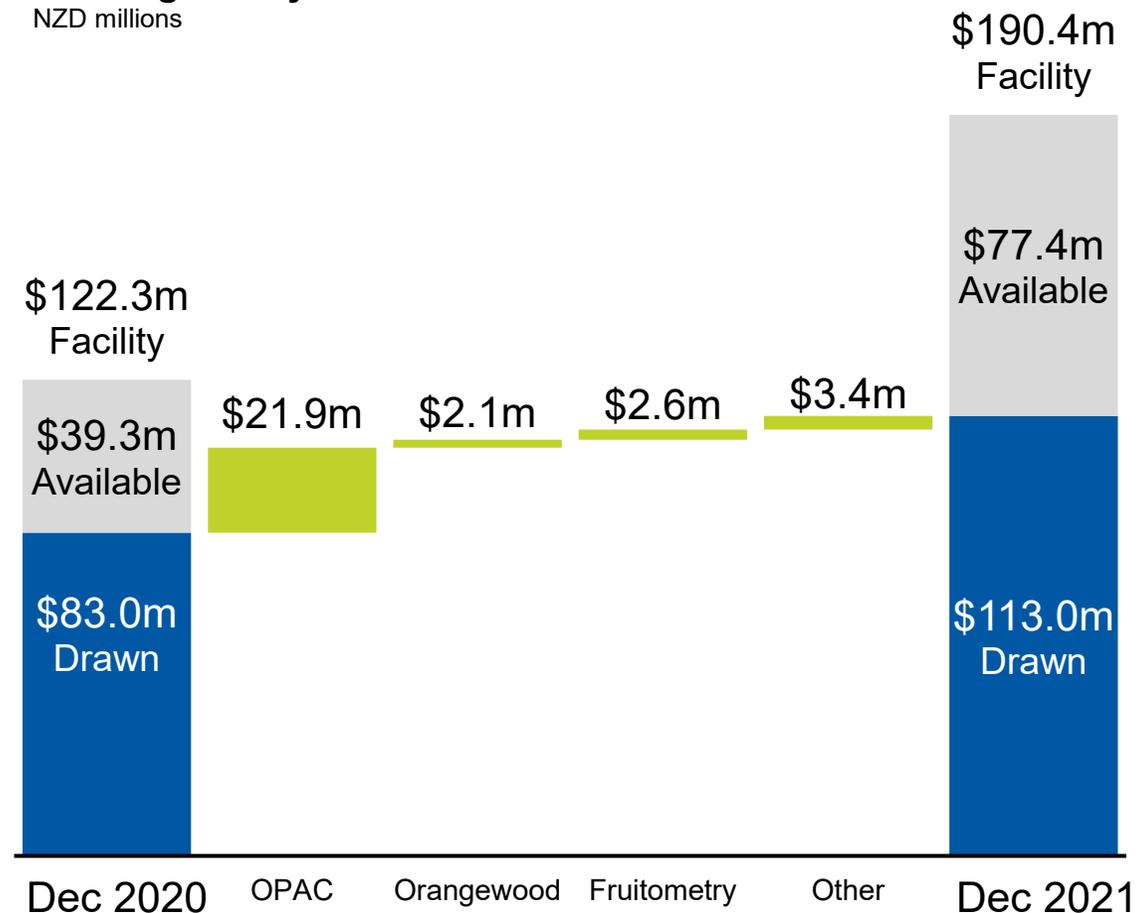
## Enlarged facility provides headroom

- \$68m increase in banking facilities
- \$26.6m of debt for the OPAC, Orangewood and Fruitometry investments

## \$77.4m available December 2021

- \$46.0m working capital
- \$31.4m available for Capex and growth

**Banking facility**  
NZD millions



# Key achievements

## Summary

### **Grown our foundation kiwifruit business by 33%**

- Now servicing all major North Island orcharding regions
- Ongoing investment in our central kiwifruit region
- Enlarged operations set to deliver material synergies

### **Strengthening our retail services business**

- Excellent performance in NZ despite lockdowns

### **Growing our Australian business**

- Expanding kiwifruit
- Growing and selling exciting new fruit varieties

### **Ongoing investment in agritech and automation**

- Improving supply-chain management
- Making better use of the available labour

### **The employer of choice**

- Dedicated team that delivers an excellent service
- Strong, company-wide safety culture
- Active programmes to recruit and retain seasonal labour

### **Enlarged funding from syndicated banking facility**

- Broad support from the banking community

### **Progressing Seeka's sustainability initiatives**

- Supporting our communities and caring for our environment
- Active plan to lower our carbon footprint

A blue-tinted photograph of an avocado harvest scene. In the foreground, a wooden crate is filled with ripe avocados. In the background, a person is visible on a ladder, harvesting avocados from a tree. The scene is set in a field with other trees and a fence.

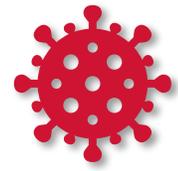
# Chief Executive's Report Michael Franks

# Safety

Continue to improve our safety performance – during harvest, and after harvest

## No serious harm incidents in 2021

2022 health and safety targets	Targets	2021
Total recordable injury frequency	Less than 4.5	3.3
<b>Serious Injuries</b> Permanently disabled or requiring immediate in-patient hospitalisation	0	0
<b>Inspirational People</b> Holding and recording a H&S meetings	90%	92%



### Covid-19 safety improvements

- RAT kits for surveillance testing
- ThermaCheck cameras & Facegraph temperature checkers
- Assessing risk by role
- Screens up



**75%** of injuries are wrist / hand / finger / arm

- Health Provider toolbox
- Exercises to prevent repetitive strain injuries

### New permit to work process

- Contractors more accountable

### New Safety Focus posters



### Updated traffic management protocols

- Includes Hit-Not technology

# The components of your business

A New Zealand company supplying the world with safe, healthy produce

### Orcharding, NZ

Growing kiwifruit, avocado and kiwiberry

- Lease and manage orchards
- Orchard development
- Largest kiwifruit grower

### Post harvest, NZ

Picking, packing, coolstoring and produce dispatch

- 11 facilities
- Investing in automation
- Delicious Nutritious Food Company
- Innovation and maintenance team

### Retail services, NZ

Marketing produce in NZ, Australia and Asia

- Adding value
- Fruit exporter and importer
- Wholesale business
- Integrated orchard-to-customer supply chain

### Seeka Australia

Own and lease orchards plus own post harvest facilities

- Kiwifruit, nashi, European pears, plums and dates
- Largest kiwifruit grower
- Integrated from orchard to market



**11%**  
APPROX of export kiwifruit are grown by Seeka



**26%**  
APPROX of export kiwifruit are packed by Seeka



**kiwi crush** Innovative services and products from our value chain



**Growing and retailing our Australian fruit direct to the markets**

# Orchard operations

Growing kiwifruit, avocado and kiwiberry – led by Barry Penellum



**\$77.1m Revenue – up 2%**

– Lift in kiwifruit volumes

**\$5.2m EBITDA**

**Eastern and Northland operations increase with OPAC and Orangewood acquisitions**

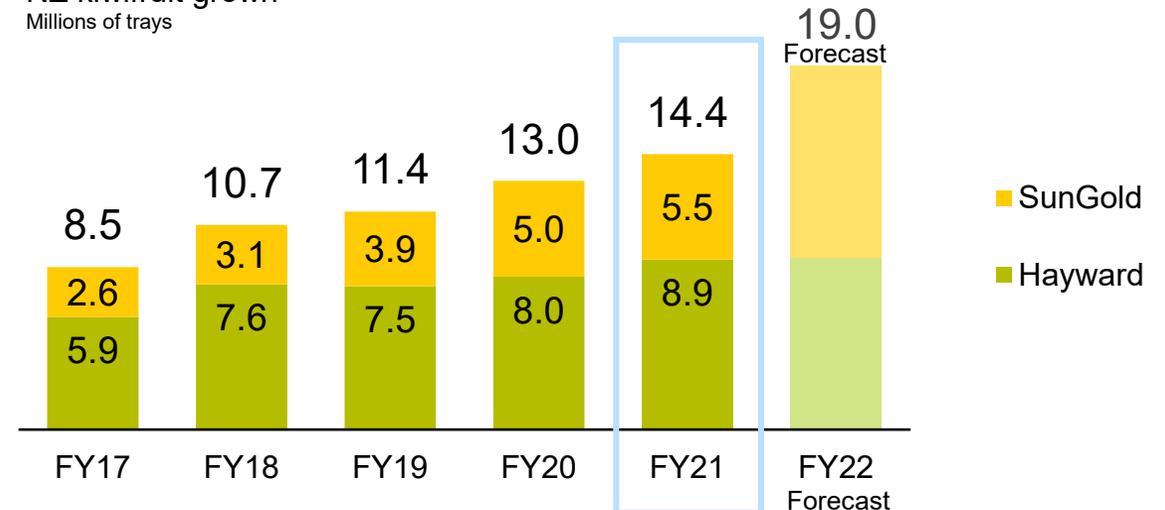
– Invested in growing 2022 crop

**Developing 156 hectares of kiwifruit in partnership with landowners, iwi and Kānoa (PGF)**

**\$18m invested in orchard developments**

NZD millions	FY21	FY20	Growth
Revenue	77.1	75.7	2%
EBITDA	5.2	5.4	(4%)
EBIT	3.0	3.5	(14%)
Segment assets	73.7	63.4	16%

NZ kiwifruit grown  
Millions of trays



# Post harvest operations

Harvesting, packing, cool storing, dispatching and processing – led by Paul Crone



**\$195.9m Revenue – up 40%**

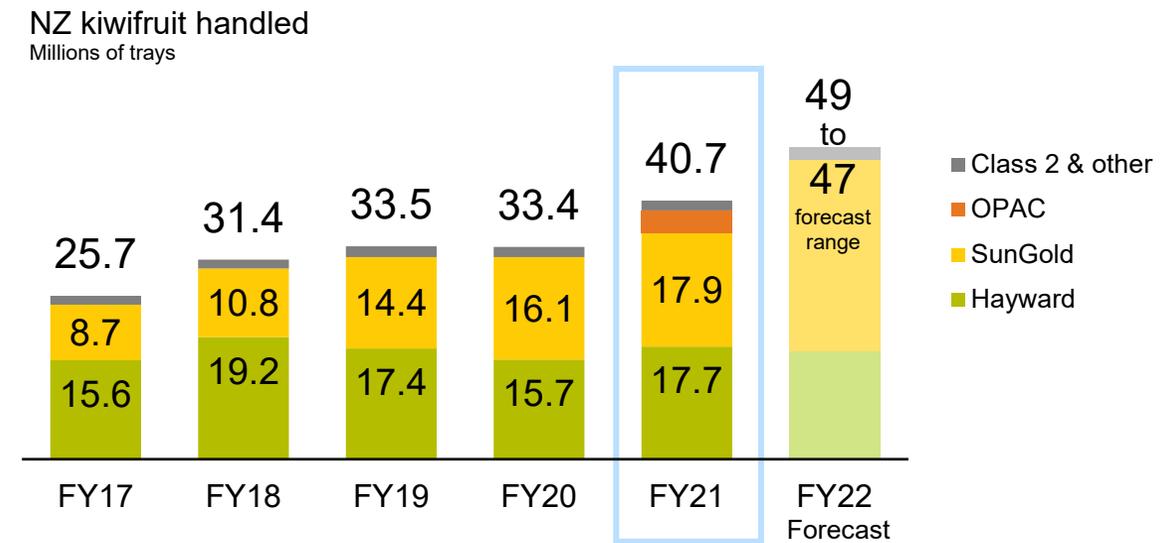
**\$61.6m EBITDA – up 47%**

- Volume growth
- Improved operating margin

NZD millions	FY21	FY20	Growth
Revenue	195.9	140.1	40%
EBITDA	61.6	41.9	47%
EBIT	44.6	29.8	50%
Segment assets	316.1	232.7	36%

**3.5m trays kiwifruit packed at OPAC post acquisition**

**OPAC, Orangewood and NZ Fruits will lift volumes**



# Retail services operations

Retail services and marketing, including Kiwi Crush – led by Verena Cunningham



**\$21.6m Revenue – level with FY20**

**\$2.3m EBITDA**

**Strong performance from NZ operations despite Covid restrictions**

- New Zealand wholesale and retail services
- Import and ripening of tropical fruits

**Avocado sales commissions impacted by weak Australian market for 2021/22 season**

- Focus on exporting more avocado to Asia

NZD millions	FY21	FY20	Growth
Revenue	21.6	21.8	(1%)
EBITDA	2.3	3.0	(23%)
EBIT	1.4	2.2	(36%)
Segment assets	11.7	12.4	(6%)



# Australian operations

Growing, packing and retailing kiwifruit, nashi and European pears – led by Jon van Popering



**\$13.9m Revenue – up 6%**

**\$1.6m EBITDA compared to \$7.4m in FY20**

- FY20 included \$6.2m gain from kiwifruit orchard sales

**Managed lockdowns and labour shortages**

**Developing new orchards**

- 63 hectares of kiwifruit
- New-variety pears, kiwifruit, nashi and jujube dates

NZD \$millions	FY21	FY20	Growth
Revenue	13.9	13.1	6%
EBITDA	1.6	7.4	
EBIT	(0.1)	6.3	
Segment assets	47.7	47.2	1%



Harvested first crop of Red Nashi

# New Zealand plant upgrades

Underway or ordered

## Transcool upgrade

- Additional 650k store plus pre-coolers
- 2,432 pallets
- Ammonia glycol refrigerant ( zero carbon footprint )
- Robotic placement of pallets
- \$12m project costs includes ground strengthening
- Excludes \$0.6m impairment to old store

## KKP MAF Roda 8-lane packline

- High-spec machine including robotic packing
- 6,500 to 8,000 trays packed per hour
- Automation reduces labour by 25%
- \$10m project cost ( \$8m machine plus \$2m building )
- Commissioning for Hayward main-pack 2022

## Oakside upgrade

- Line #3 pre-sizer and Compac Spectrim installation
- 22% labour reduction
- 10% increase in fruit throughput
- \$3.2m project cost
- Commissioning 2023

## NZ Fruits

- Compac robotic packing and stacking system
- 20 labour units saved
- \$4.2m project cost
- Commissioning 2023

# Acquired OPAC

Completed May 2021

## Ōpōtiki-based kiwifruit business

- 8m tray kiwifruit operation
- Post harvest and orcharding services
- Modern post harvest infrastructure

## Servicing Ōpōtiki, Te Kaha, East Coast & Gisborne

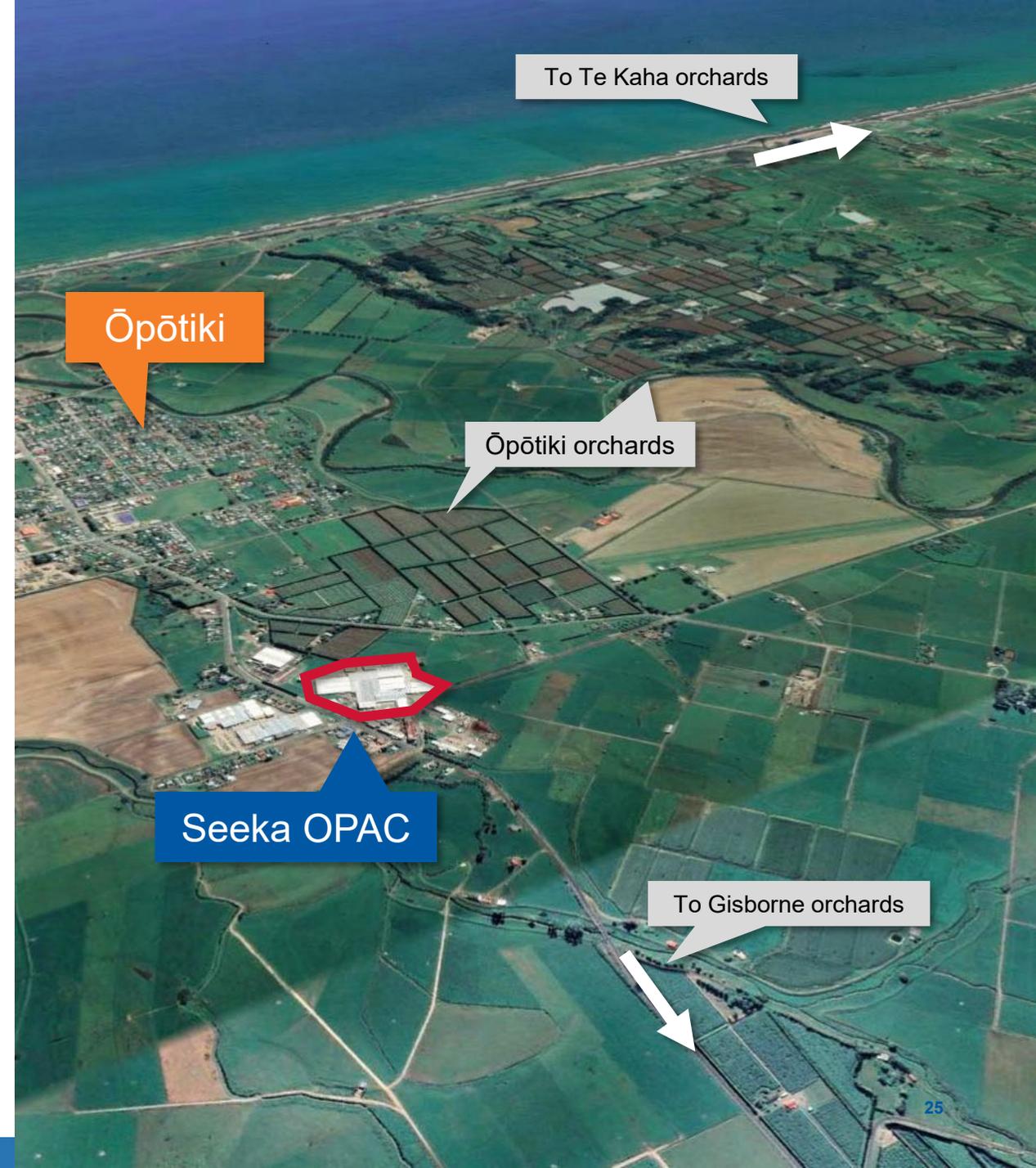
- Strong growth regions
- 70% SunGold

## \$61m investment

- \$39m equity
- \$22m existing debt
- Sustainable EBITDA \$6.5m plus synergies total of \$8.6m

## Business acquired mid season

- 3.5m trays packed post acquisition



# Acquired Orangewood

Completed November 2021

## Kerikeri-based kiwifruit and avocado business

- 2.3m tray kiwifruit operation
- Post harvest and orcharding services
- Avocado packing

## Servicing Northland

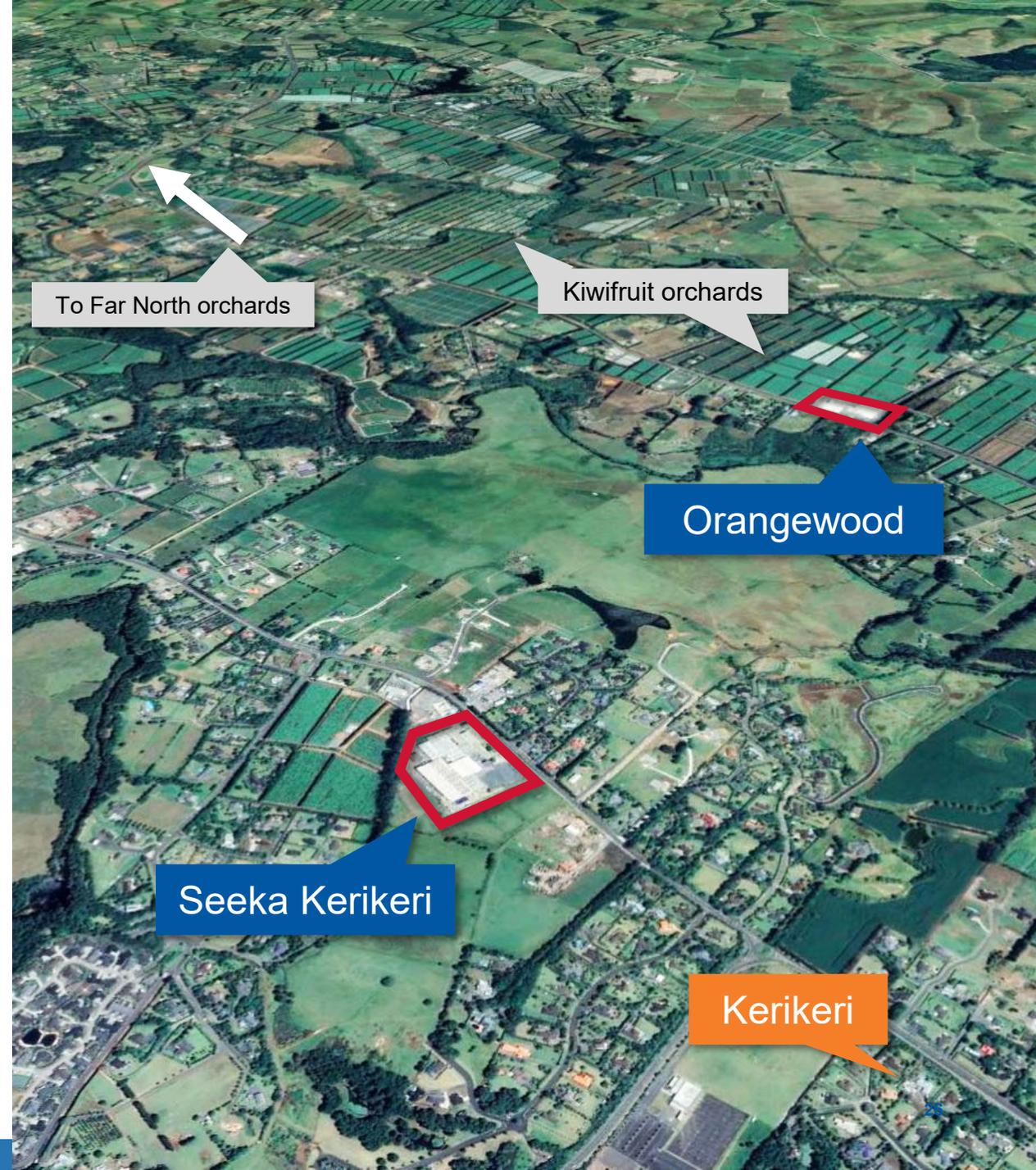
- Strong growth region for SunGold and avocado
- Adds capacity and volumes to Seeka's Kerikeri operation

## \$6.8m investment

- \$3.4m equity
- \$1.3m cash
- \$2.1m existing debt
- Sustainable EBITDA \$2.1m

## Business acquired at the end of the 2021 season

- Integrated and set for harvest 2022



# Acquired NZ Fruits

Completed February 2022

## Gisborne-based kiwifruit business

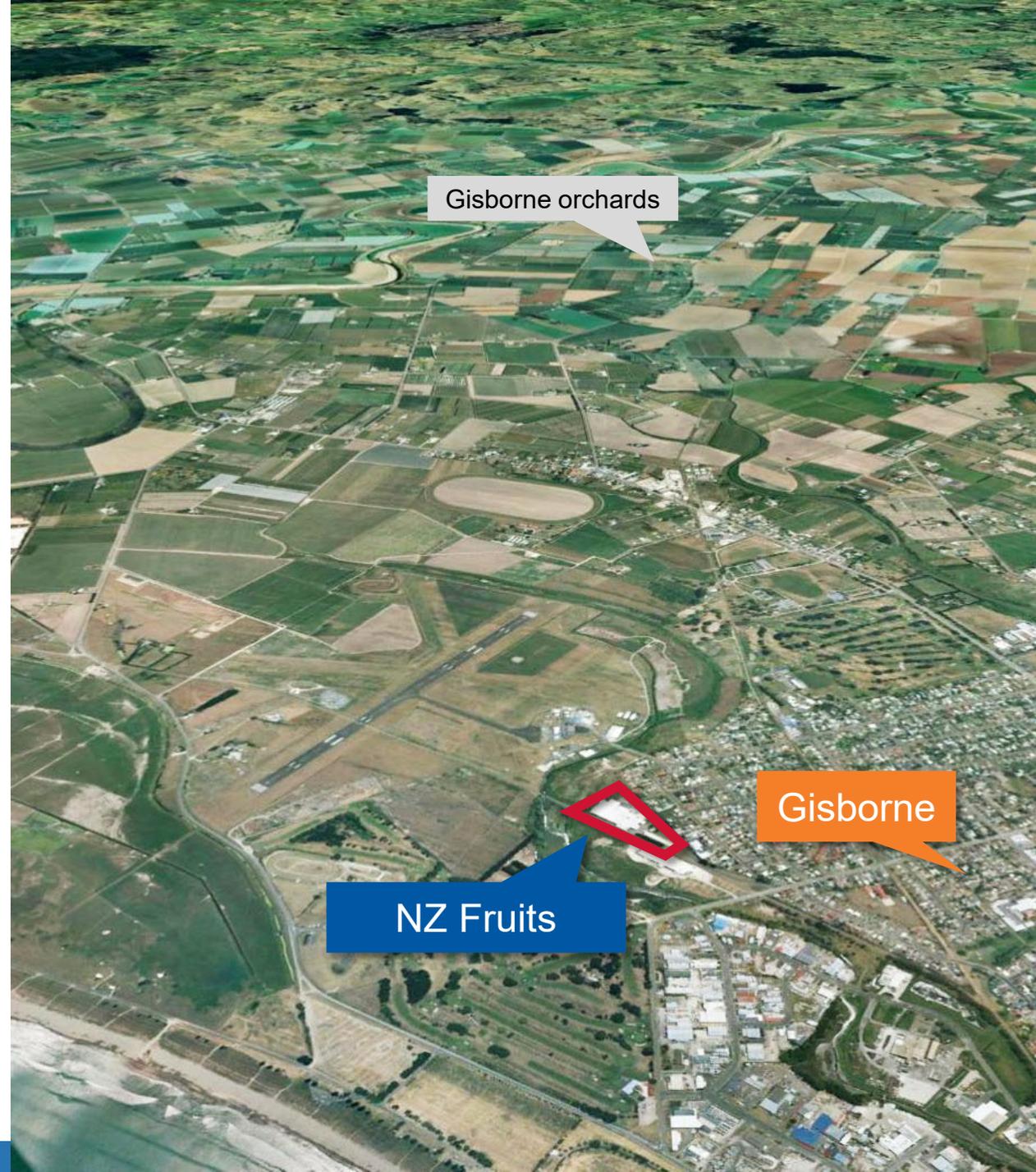
- 2.2m tray kiwifruit operation
- Post harvest service
- Packing citrus and persimmon

## Servicing Gisborne

- Strong growth region for SunGold

## \$22m investment

- \$9m equity
- \$9m cash
- \$4m existing debt
- Sustainable EBITDA \$2m before synergies, total EBITDA \$3.5m



# Harvest 2022 update

Challenging harvest across New Zealand and Australia

## Labour, weather and supply chain challenges

### Proactively managed the Covid situation

- Ensure safety while maintaining service
- Tight protocols and PPE
- Work from home and site restrictions

### Covid, at times, devastated parts of our business

- Key staff particularly hard hit
- Stayed operational through staff dedication and resilience

### Labour is challenging

- Recent RSE arrivals have eased a very tight situation

### New Zealand supply chain disruptions

### Smooth Australian harvest

## New Zealand kiwifruit harvest packed to date

	Seeka	Industry <sup>1</sup>	Percent of industry
SunGold	14.2 m	51.7 m	28%
Hayward	3.2 m	13.2 m	24%
SunGold Organic	166 k	1,484 k	11%
Hayward Organic	104 k	325 k	32%
Sweet Green	35 k	148 k	24%
Total	17.7 m	66.8 m	26%

1. Industry data supplied by Zespri

A blue-tinted photograph of a forklift carrying a tall stack of pallets. The forklift operator is visible in the cab. The license plate on the pallet reads "MOPL276".

# Meeting Resolutions Fred Hutchings

# Resolution 1. Director election – Fred Hutchings

To consider, and if thought fit, pass the following as an ordinary resolution:



***To re-elect Fred Hutchings as a Director.”***

- Fred Hutchings retires by rotation and is standing for re-election
- Board supports and recommends Fred Hutchings for re-election

***Fred Hutchings to address the meeting  
3 minutes to address the meeting***

## Resolution 2. Director election – Robert Farron

To consider, and if thought fit, pass the following as an ordinary resolution:



***“To elect Robert Farron as a Director.”***

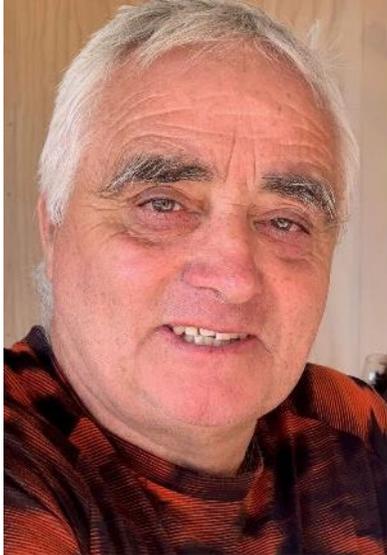
- Robert Farron was appointed by the Board September 2021 and is standing for election
- Board supports and recommends Robert Farron for election

***Robert Farron to address the meeting***

***3 minutes to address the meeting***

## Resolution 3. Director election – Stewart Moss

To consider, and if thought fit, pass the following as an ordinary resolution:



***“To elect Stewart Moss as a Director.”***

- Stewart Moss was nominated by a shareholder and is standing for election
- Board supports and recommends Stewart Moss for election

***Stewart Moss to address the meeting***

***3 minutes to address the meeting***

## Resolution 4. Directors' Remuneration

To consider, and if thought fit, pass the following as an ordinary resolution:

***“That the pool of funds available for the remuneration of Directors be increased by an amount of \$80,000 per annum, from a maximum of \$530,000 per annum to a maximum of \$610,000 in each financial year payable to all Directors taken together, effective 1 January 2022.”***

# Resolution 4

## Explanatory summary

### **Policy is to set an annual pool at the market mid range point**

- Reviewed every 2 years
- Seek professional advice

### **Last review undertaken January 2020 prior to Covid**

- 2020 review recommendation deferred due to uncertainties of Covid
- Resolution reinstated and approved by shareholders at 2021 ASM
- Fees set at \$530,000 per annum based on January 2020 review

### **Review undertaken January 2022**

- Returning director pool to the biennial review cycle
- Seeka has grown in all key metrics in the 2 years since the last review (FY19 to FY20)
- 43% increase in market capitalization
- 31% increase in revenue
- 31% increase in total assets

# Resolution 4

## Explanatory summary – Strategic Pay report and Board recommendation

### Consultants Strategic Pay reviewed Seeka director remuneration January 2022

- Benchmarked against their database of more than 200 NZ private sector businesses
- Key metrics of FY21 market capitalisation, revenue, assets and market sector

<b>Strategic Pay key metrics</b>	Seeka FY21	Survey range	Survey sample	Director fees	Chair fees
Market capitalisation	\$ 211m	\$ 150m - \$ 350m	19	\$60,000	\$120,000
Revenue	\$ 310m	\$ 200m - \$ 500m	20	\$75,000	\$146,570
Assets	\$ 482m	\$ 200m - \$ 500m	22	\$62,750	\$122,000
Industry	Agribusiness	N/A	8	\$53,000	\$92,500
Private sector companies		N/A	200	\$68,135	-
Seeka Board proposal April 2022				\$70,000	\$140,000

# Resolution 4

## Explanatory summary – Proposed pool allocation

### Propose a new fee structure

- Moves to recognise additional work involved as a sub committee member in line with the market trend
- Previously only Board chair and Audit and Risk Committee chair paid additional fees

Proposed pool allocation	Number	Director fee	Chair fee <sup>1</sup>	Pool
Board	7	\$70,000	\$140,000 <sup>2</sup>	\$560,000
Audit and Risk Committee, and Due Diligence Committee	3	\$7,500	\$15,000	\$30,000
Sustainability Committee	3	\$2,500	\$5,000	\$10,000
Remuneration Committee	3	\$2,500	\$5,000	\$10,000
Director pool				\$610,000

1. Consistent with Strategic Pay advice that Chair fees are typically twice the base director fee. 2. Board Chair fee will not exceed \$140,000

## Resolution 5. Appointment and Remuneration of Auditors

To consider, and if thought fit, pass the following as an ordinary resolution:

***"To record the re-appointment of PwC (PricewaterhouseCoopers) as auditor of the Company, and to authorise the Directors to fix the remuneration and expenses of the auditor for the coming year."***

- PwC automatically reappointed as auditors under the Companies Act 1993
- Resolution authorises the Board to fix PwC's fees and expenses for 2022

# Questions

## Online voting

- If you have not already done so,  
can shareholders now please cast your vote

# Retirements and General Business

# Retiring Directors



## **John Burke**

A former CEO of Te Awanui Huka Pak, John joined Seeka in 2012 when Huka Pak amalgamated with Seeka



## **Mel Diaz**

An executive of Asian-based Farmind, Mel joined Seeka in 2009 when Fresh MD Holdings took a cornerstone shareholding in Seeka

# Stuart McKinstry

Retiring Chief Financial Officer



## Started in October 2016

- 16 years

## Guided the company through

- The plan to reshape the company after Psa
- Purchase of Huka Pak
- Purchase of Glassfields
- Purchase of Bunbartha
- Purchase of T&G and subsequent orchard sales
- Purchase of Aongatete
- Purchase of Orangewood
- Purchase of OPAC
- Purchase of NZ Fruits
- Investment of + \$150m in core infrastructure for growers
- Implementation of a new banking syndicate (\$190m)
- Implementation of grower and employee share schemes
- Psa Claim Committee member

Key member of Seeka's Senior Management Team, and a grower, retires after an illustrious career at Seeka with the company having grown by more than \$300m

Thank you Stuart

# My thanks

## Directors

For diligent attention to the company

## Management and staff

For an excellent year in a most-testing situation

## Growers and contractors

For ongoing support

## Customers and consumers

For buying our produce

## Shareholders

For continuing interest in your company



Seeka in-market promotions

## **END OF MEETING**

Shareholders have 5 minutes left to  
cast your vote



[seeka.co.nz](https://seeka.co.nz)