18 OCTOBER 2022

PGG Wrightson

NZX Announcement

Early PGW Trading Guidance

Operating EBITDA forecast for year to 30 June 2023 to be around $62 million

PGG Wrightson Limited* (PGW) Chairman, Joo Hai Lee, announced today that “The positive run for most New Zealand agri-sectors looks likely to continue through the remainder of 2022 and into the coming year. However, inflationary pressures on input costs will impact on-farm profits, and exporters will still need to navigate elevated shipping costs and challenging logistics.”

“While input prices are increasing, rising food prices are expected to be beneficial overall for the New Zealand’s agricultural sector in our export receipts. At the same time this presents difficulties for New Zealand communities faced with rising domestic food prices. Most agricultural industries are facing similar pressures to other businesses, including a tight labour market and disruption to production from ongoing challenges presented by the pandemic. Labour shortages are constraining production, including limiting fruit harvesting and leading to delays in meat processing.”

“On balance, while we remain cautiously optimistic about the financial year ahead there are mixed signals in the macroeconomic environment.”

“Consumers in export countries want high-quality and safe food that our farmer and grower clients produce. Both beef and spring lamb schedules are forecast to remain positive and dairy commodity pricing strong.”

“However, we have seen a cool and wet start to spring and, in some areas, late season frosts, which have resulted in a delay in early demand for inputs. Farmer concerns regarding the proposed agricultural emissions scheme and other regulation are also negatively impacting on-farm sentiment.”

“All these factors are contributing to increased levels of uncertainty. Overall, though, we consider that the macroeconomic indicators for the New Zealand agricultural sector remain positive.”

“Trading for the first quarter has been broadly in line with expectations including a subdued real estate market. While it remains early in the financial year, we are forecasting an Operating EBITDA** result for the financial year to 30 June 2023 of around $62 million. While this is back from last year’s very strong Operating EBITDA result of $67.2 million, it is based upon our current assessment of a less certain operating environment. It is very early in the year however and we will be in a better position to assess after the busy spring trading period.”

Ends

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

***Operating EBITDA: Earnings before net interest and finance costs, income tax, depreciation, amortisation, the results from discontinued operations, impairment and 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).*