

2024 Annual General Meeting

18 February 2025

SELECT HARVESTS



DISCLAIMER AND BASIS OF PREPARATION

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The Select Harvests Limited financial statements are prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. This includes application of AASB 141 Agriculture in accounting for the current year almond crop, which is classified as a biological asset. In applying this standard to determine the value of the current year crop, the Company makes various assumptions at the balance date as the selling price of the crop can only be estimated and the actual crop yield will not be known until it is completely processed and sold. The resulting accounting estimates will, by definition, seldom equal the related actual results, and have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



AGENDA

1. Chairman's Address
2. Managing Director's Address
 - 2024 Performance
 - Transformation Progress
 - Outlook
3. Business of the AGM



Chairman's Address

Travis Dillon - Chairman



Board of Directors



Travis Dillon
Chairman
Appointed May 2022



David Surveyor
Managing Director & CEO
Appointed February 2023



Guy Kingwill
Non-Executive Director
Appointed November 2019



Margaret Zabel
Non-Executive Director
Appointed October 2022



Michelle Somerville
Non-Executive Director
Appointed December 2022



Paul van Heerwaarden
Non-Executive Director
Appointed October 2023



Liam Nolan
CFO and Company Secretary
Appointed January 2025

A blue tractor is driving away from the camera down a dirt road. The road is flanked by rows of young trees on the left and a large, out-of-focus green tree on the right. The background is hazy, suggesting a misty or foggy day.

Chairman's Address

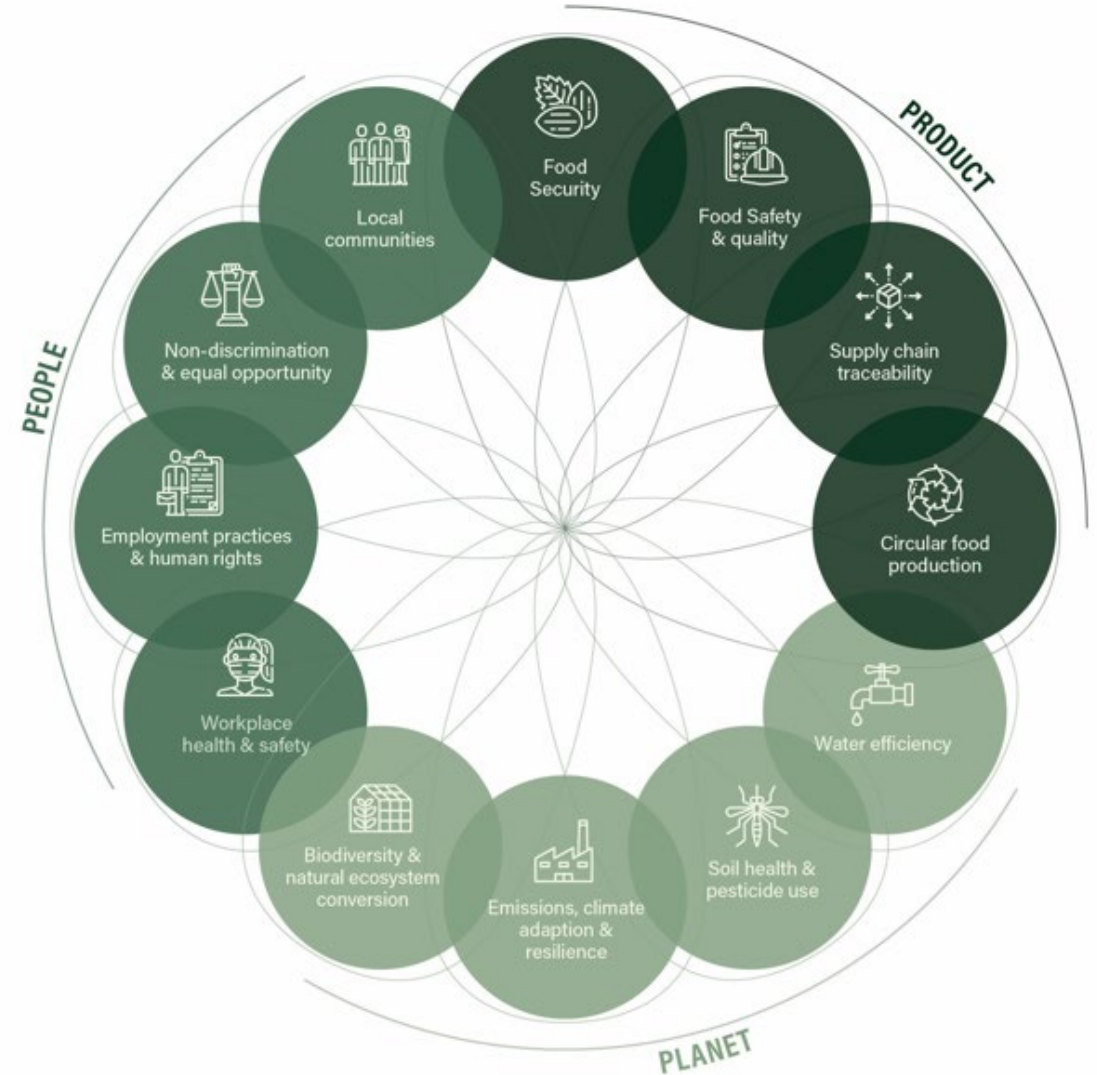
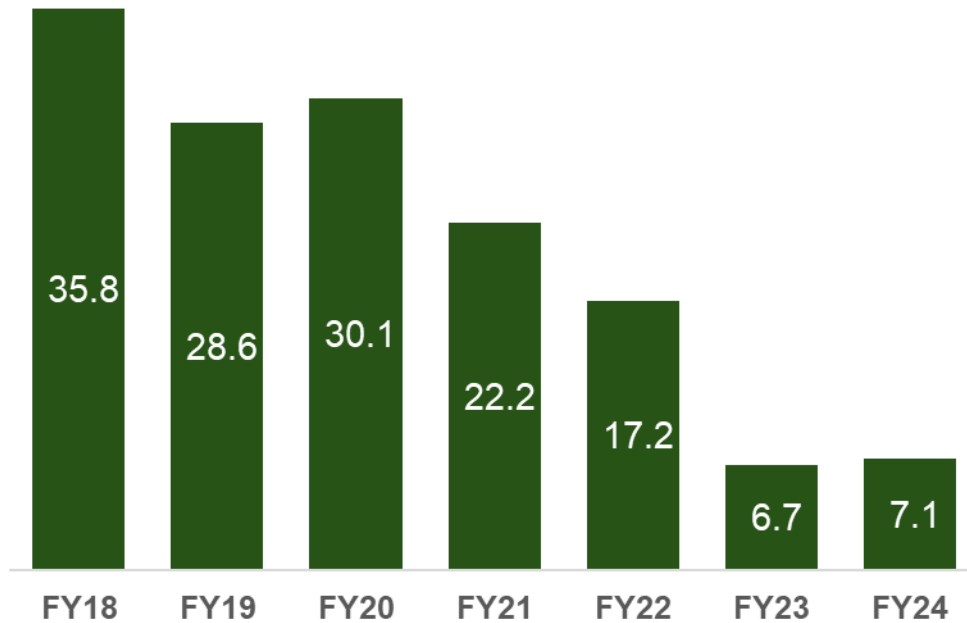
A close-up photograph of an almond tree branch. The branch is covered with green, serrated leaves and several light-colored, fuzzy almond fruits. A bright sun is shining through the leaves in the center-right, creating a strong lens flare and illuminating the scene. The background is a soft-focus view of more tree branches and leaves.

Managing Director's Address

Safety and Sustainability – Continued Focus

Total Recordable Injury Frequency Rate

Injuries per million hours worked



FY24 Financial Results

NPAT \$1.5m

- NPAT increases by \$116m from prior year
- 2024 crop - **29,527MT** is a record crop with higher pricing at **\$7.69/kg**
- Year-on-year reduction in total production costs – decrease of 3% based on 29,000MT crop volume
- Revenue \$337m

Equity raise

- Capital Raise of \$80m less transaction costs of \$3.7m
- 76.3m of funds - \$58.9m in September and \$17.4 in October
- \$71.3m of debt repayment, \$5m invested in increased CWPf processing capacity
- Net debt of \$162.3m with gearing¹ 33.8% (29% post the completion of the capital raise)

Operating Cashflow \$21.3m

- Operating cashflow FY24 \$21.3m up from FY23 \$3.3m driven by:
 - Increased sales velocity - 31% increase in sales volume year-on-year enabled by higher crop and external grower volumes
 - Reduced spend

Logistics Update

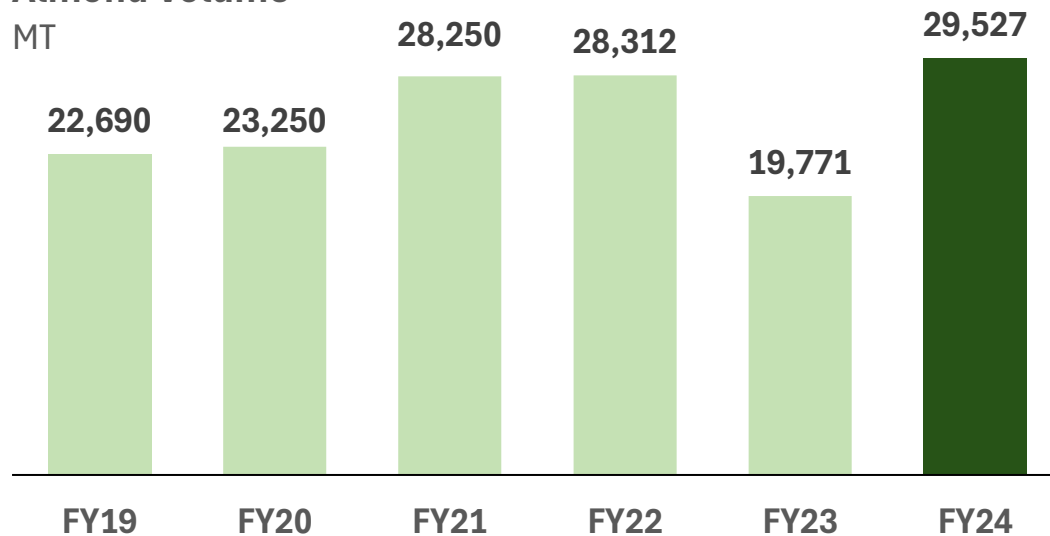
- 3 month \$56m delayed logistics receipts have been collected.
- The service provider contract terminated
- Redesign of processes and engaging external providers



(1) Gearing is Net Debt/Equity

Key Results Drivers – Volume

Almond Volume
MT

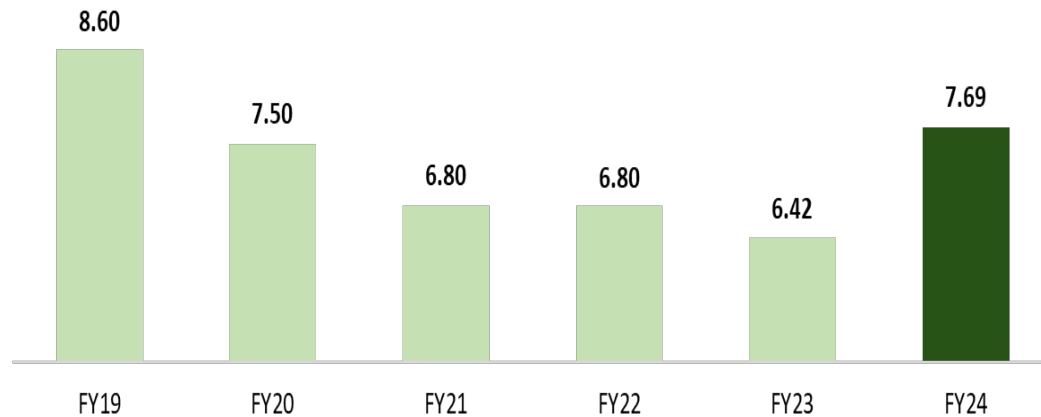


- The 2024 crop recovers – Excellent SA and Vic, NSW was disappointing
- NSW 4 wet seasons in a row with rain above 550mm (2x the average) and therefore continues to disappoint with low yield and trees struggling
- Innovation in shaking oscillation has improved almond collection and supported maximising harvest with fewer nuts left on trees.
- Invested in drainage at the Piangil farm
- Successfully replanted 69 Ha of end-of-life trees at Jubilee

Key Results Drivers – Price

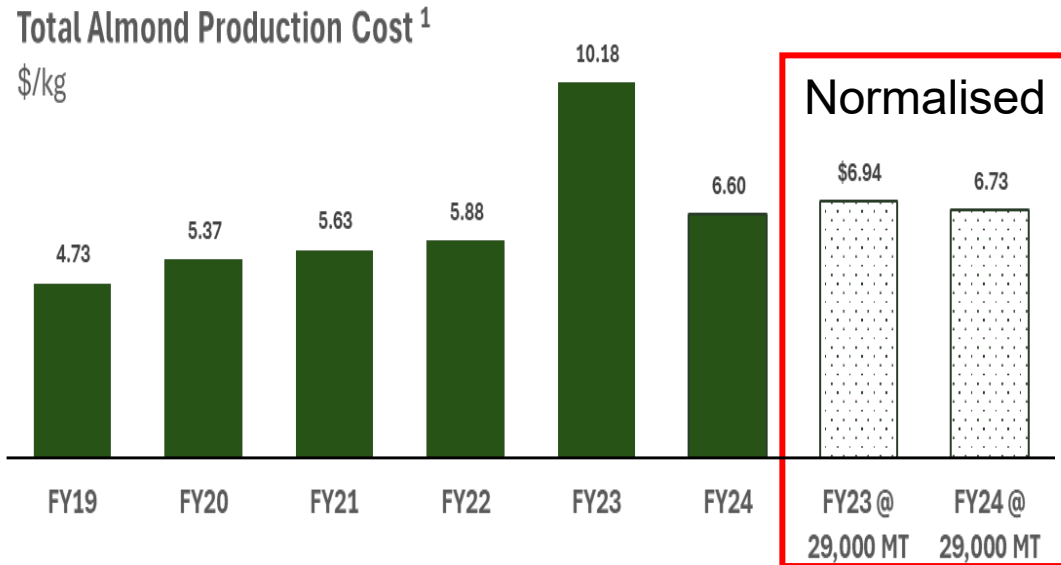
SHV Almond Price

A\$/kg



- Prices are back to where they were 4-5 years ago
- High SHV quality crop supports higher price mix
- Global demand is consuming available supply
 - US carry-in volumes low at 500m lbs on lower quality
 - 2024 crop forecast 2.6-2.7b lbs
 - US defects running at approx. 3% (normal is approx. 2%)
- Value maximised by increasing volumes sent to China
- Increased direct supply to China to more tightly match specific grades requirements to customers and optimise price

Key Drivers – Total Production Cost



- Total Cost of Production reducing as initiatives take effect
- SHV's inflationary costs are running at 3.4% per annum, reflecting the Australian economy
 - Reduced labour (\$3.2m) and fertiliser costs (\$5.7m)
 - Water costs decreased due to lower pricing (\$1.5m) but usage was higher
- Leased farms payments and amortisation of capitalised development costs, increased by \$4.6m and \$1.4m respectively but were absorbed by initiatives

(1) Production cost are growing, harvest, processing, lease and bearer plant depreciation costs

A red tractor is pulling two large dump trucks on a dirt road. The first truck is red and has the number 25 on its side, with a 'FLORY' logo. The second truck is white and has the number 27 on its side. They are driving on a dirt road with a large tree in the background.

STRATEGY & TRANSFORMATION

Strong progress in Sales, Processing and Horticulture.

Strategic Priorities

Enablers

Substantially greater almond volume

	F23	F24
Yield initiatives	●	●
Improve quality	●	●
Leverage scale	●	●
3 rd Party growers	○	●
Water	●	●

- Yield strategy program being executed (note NSW issue)
- Harvest earlier to improve crop quality
- Improved production cost outcomes through targeted actions: Labour, Freight, Procurement, Automation
- Water rebalancing progressing well

Leadership in processing scale and efficiency

	F23	F24
Capacity	●	●
Processing Yield (waste)	●	●
Labour	●	●
Indirect costs	●	●

- 10,000MT increase in operating capacity in FY24
- Contracted 3rd party processing volume for F24 and on track for F25
- Saved \$3.7M in processing cost in FY24
- CWPf capacity expansion approved – next 10,000t

Maximise returns from almond crops

	F23	F24
Cash velocity (Excluding logistics)	●	●
Pricing	●	●
Tariff utilisation	●	●
Value chain dev.	○	●
Value-add margin	●	●

- Accelerated sales velocity and increased the number of direct customers
- Pricing gains
- Improved margin - almost doubling product going to China

Innovate to drive step-out growth

	F23	F24
Compost	●	●
Innovation of biomass	○	●
Powders and oils	○	●

- Trial expansion of compost sales external to Select. FY25 add Trichoderma.
- Exploration of alternate fuel uses
- Research on powders and oils conducted
- No current M&A plans

Safety, efficient and scalable processes/ops

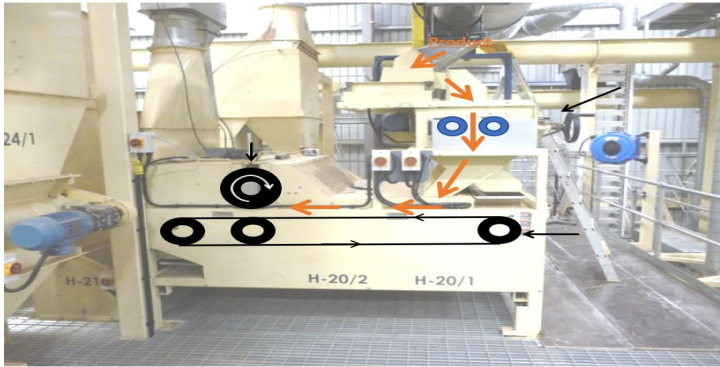
	F23	F24
Safety - TIFR	●	●
Logistics	●	●
Procurement	●	●
PMO	●	●
Data & analytics	●	●
Technology	●	●

- Focus on safety training and positive improvements in accuracy of reporting
- Issues with change in Logistics
- PMO delivering target results
- Need greater focus on our data quality and technology that supports business decisions

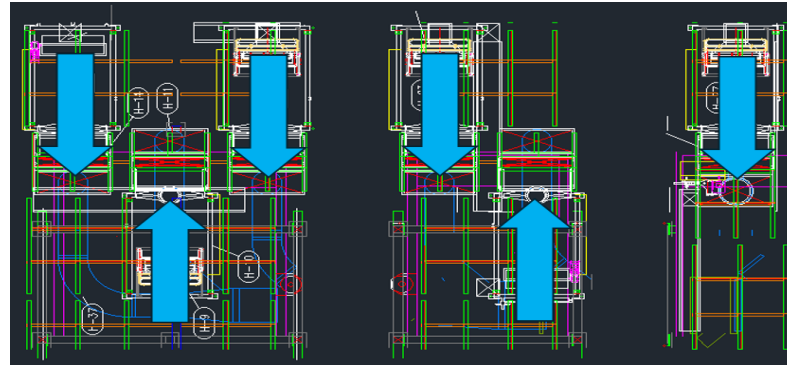
Processing Capacity Increase – Project Optimus 10,000MT

Phase 1: Operational in 2025

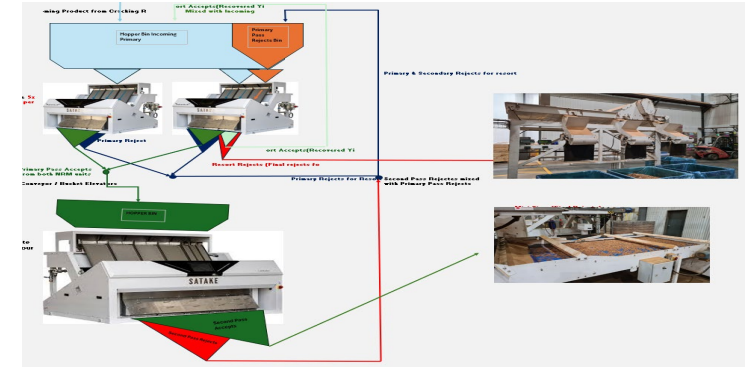
Shear Roller Speed Automation



Line Balancing Automation (Hulling)



Colour Sorter upgrade

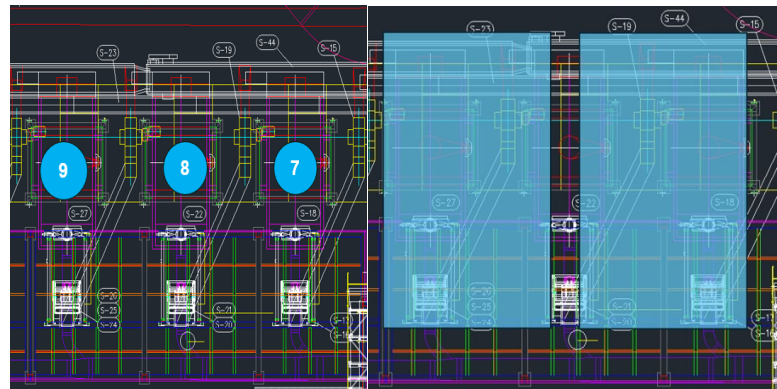


Phase 2: Operational 2026

Balance shell decks



Capacity upgrade decks 7-9



Kernel Conveyance capacity upgrade



PMO – Strategy Execution and Discipline

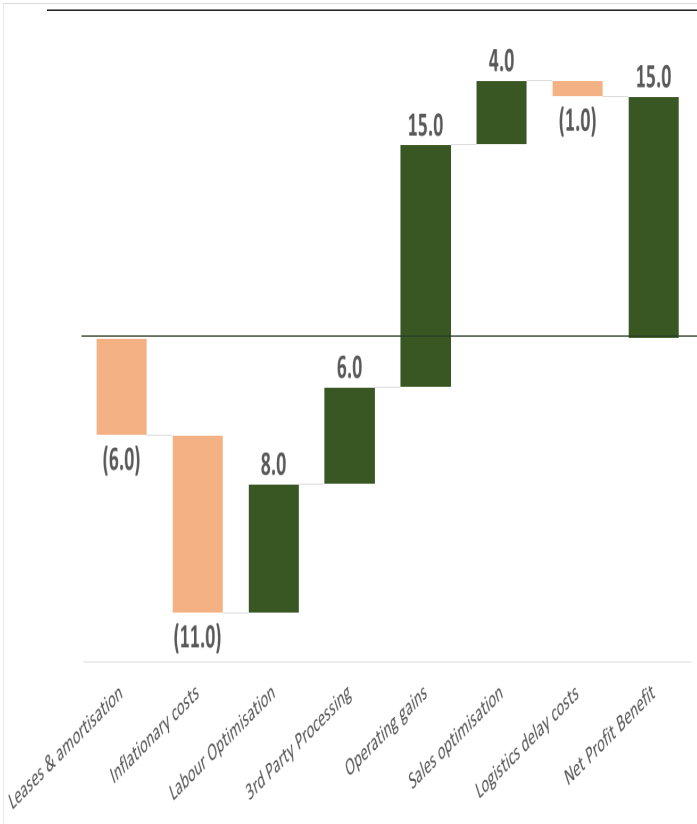
Execution momentum building with growing profit impact

Execution

Count of initiatives

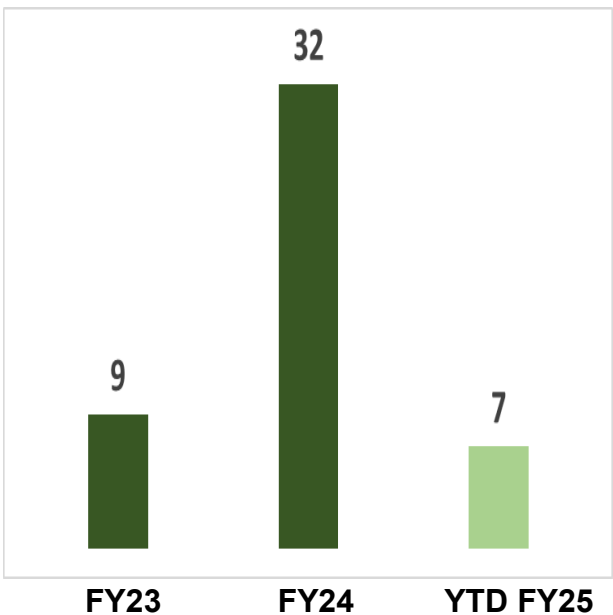


The 2024 P&L Impact



Profit Impact

Millions AUD





OUTLOOK

FY25 Outlook – Expecting positive year

SHV Crop

- We experienced normal but quick Bloom conditions
- Increased bee drops supported better pollination
- Frost event impact approx 500MT (SHV frost fans prevented substantial issue)
- We have seen some NSW storms in Dec, Jan , Feb
- Forecast crop size 27,500-29,000t

Californian Crop

- Peak volume seems to have passed as trees removed
- Weather at bloom does not appear ideal
- Yield likely 2.6-2.7b lbs and below the USDA objective estimate of 2.8b lbs
- Quality is below typical expectations due to high insect damage

Margin

- Strong global demand with prices increasing above 2024 and forecast at \$9.20/kg
- India demand levels remain strong
- China demand remains strong and adjusting to new price levels
- SHV focusing on costs – ostensibly flat

Key Messages

FY2024

- Positive shift in profit result
- Capital raise has re-strengthened the balance sheet
- Substantive progress on transformation initiatives
- PMO tracking well

SHV focused on Growing Organically

- Sales capturing price increases
- Maximising our yields and profitably add 3rd party supply
- Mid-stream capacity expansion (Project Optimus)
- Upside in the PMO initiatives
- Low on the cost curve and Back-office gains



THANK YOU

Please direct any queries to:

David Surveyor
Managing Director
+61 3 9474 3544

Liam Nolan
CFO and Company Secretary
+61 3 9474 3544

Andrew Angus
Investor Relations
+61 402 823 757

Please note that background material/data regarding the global almond industry can be found on the Select Harvests Limited website.

