

SEEKA 2023 FULL YEAR RESULT

Audited results for year ended 31 December 2023 (FY23)

Listed New Zealand produce handler Seeka Limited, with operations in New Zealand and Australia, has today reported its audited results for the year ended 31 December 2023. Loss before tax of \$21.0 million is in line with the previously announced guidance of \$20 million to \$25 million loss before tax.

\$48.7 million gross profit — down 29% on FY22's \$68.3m

\$26.0 million EBITDA — down 44% on FY22's \$46.1m

(\$14.5) million net loss after tax — down from \$6.5m net profit FY22

"The 2023 harvest was difficult right across the horticultural sector, as a warm wet winter, cyclones and hail significantly impacted orchards in New Zealand and Australia", says Seeka chief executive Michael Franks.

"Yields were down across the industry, with Seeka only handling 30 million trays of class 1 New Zealand kiwifruit in 2023, compared with 42 million in 2022.

"While 2023 volumes were materially down, Seeka's operational performance between the orchard and point of sale was excellent. More than 99% of the kiwifruit we packed for our growers was delivered on time and in spec to the marketer Zespri, and the quality of our fruit supplied to the international consumer was the best in the industry.

"The large drop in kiwifruit volumes, however, reduced Seeka's revenue for the year to \$301 million, down from \$348 million in 2022. This contributed to a full year loss of \$14.5 million after tax in 2023, compared to a \$6.5 million net profit in 2022.

"Seeka responded to the seasonal downturn by suspending dividends and reducing overheads. This included establishing a captive insurance structure to slow the impact of rising insurance costs. Having completed a number of post-harvest automation projects, Seeka also reduced its capital expenditure.

"In June our bankers provided a new \$201 million Sustainability-linked Loan facility that included covenant waivers that allow Seeka to focus on restoring profitability.

"Total assets remained stable at \$549 million, with \$388 million invested in property, plant and equipment. Following a sustained period of investments, Seeka has a post-harvest infrastructure capable of handling more than 50 million trays of kiwifruit, which is forecast to efficiently handle short-term growth from our supplying growers.

"Seeka is focused on restoring profitability in 2024 and reducing debt, while maintaining the excellent operational performance achieved in 2023 for its growers and customers. Having invested in capacity and automation, Seeka is containing capital spend to maintenance, risk reduction, and automation.

"The La Niña weather system which impacted the last two seasons has now ended, and orchards are benefiting from far better growing conditions. Kiwifruit vines are holding high levels of fruit, and the industry's forecast of record volumes will allow Seeka to realise the full efficiencies of our highly-automated post-harvest facilities.

"The 2024 Kiwiberry harvest and sales programme is nearing completion and the first RubyRed kiwifruit crops are being packed. We have the capacity, systems and personnel to handle much higher volumes, and are looking forward to delivering an excellent and profitable service to our growers and the markets", says Franks.

Financial performance

The following table outlines Seeka's performance FY23.

New Zealand dollars	FY23	FY22	Change
Total revenue (\$m)	\$ 300.9	\$ 348.4	(14%)
EBITDA before impairments and revaluations (\$m)	\$ 26.0	\$ 46.1	(44%)
EBIT (\$m)	(\$ 4.1)	\$ 19.1	(122%)
NPBT (\$m)	(\$ 21.0)	\$ 7.6	(376%)
NPAT (\$m)	(\$ 14.5)	\$ 6.5	(322%)
Net bank debt (\$m)	\$ 172.4	\$ 147.4	17%
Basic earnings per share	(\$0.34)	\$ 0.16	(319%)
Diluted earnings per share	(\$0.34)	\$ 0.16	(319%)
Net tangible assets per share	\$ 5.71	\$ 5.97	(4%)

This announcement should be read in conjunction with Seeka Limited's 2023 annual report (audited). A copy of the 2023 annual report can be found on Seeka's website www.seeka.co.nz/reports.

EBITDA

EBITDA before revaluations and impairments is considered by Seeka's Board to be a key measure of performance.

New Zealand dollars (\$000s)	FY23	FY22
Net profit before tax	(20,988)	7,593
Interest expense	12,028	7,204
Lease interest expense	4,842	4,289
EBIT	(4,118)	19,086
<i>Impairment charges and revaluations</i>		
Impairments	3,465	1,016
Loss on revaluation of property, plant and equipment	294	-
Depreciation expense	15,520	16,055
Lease depreciation expense	10,462	9,516
Amortisation of intangible assets	365	406
EBITDA before impairments and revaluations	25,988	46,079

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For more information, visit www.seeka.co.nz or please call:

Michael Franks
Chief executive
+ 64 21 356 516

Nicola Neilson
Chief financial officer
+ 64 21 841 606