



ArborGen Holdings' Market Update

13 January 2021

To keep the market updated in the current environment, ArborGen Holdings announced today that confirmed sales orders in its largest market, the United States, currently represent around 92% of forecast US seedling revenues for the year. While it is still part way through the US lifting season where sales are typically finalised in February/March, progress on remaining sales orders is slower this year compared to prior years. This is largely related to Covid-19 affecting calendar year 2020 harvest levels, and also delayed site preparation and planting activities brought about by restrictions on migrant labour into the US from Central America. Added to this, a number of hurricanes during the period (particularly Hurricane Laura) affected site preparation progress in certain regions.

In our Interim Results release in November 2020, we stated that we expected “US-GAAP underlying earnings¹ [which is the equivalent of US-GAAP EBITDA adjusted for abnormal items, and before NZ public company costs] for fiscal year ending March 2021, to be higher than the \$9.3 million reported for the prior March 2020 fiscal year, subject to any uncontrollable factors including any impact from Covid-19.”

Updating the Company’s earnings guidance today, ArborGen’s Chairman, David Knott said “This has been a difficult year for the entire industry due to the disruptions caused by Covid-19, and it is clear that things are still evolving on a daily basis in the US, particularly in relation to industry access to migrant labour for planting activities. The Company is now expecting to achieve ~95% of the previously forecast US\$40 million sales revenue in the US. As a result, US GAAP EBITDA² (inclusive of Covid-19 related government grant income of US\$2.6 million) is currently forecast to be in the US\$10 million - \$11 million range for our fiscal year ending March 2021.”

1. US GAAP underlying earnings is a non-GAAP earnings measure which does not have a prescribed meaning by GAAP, and may not be comparable to similar financial information presented by other entities. Please refer to Note 30 of the 31 March 2020 Financial Statements.
2. US GAAP EBITDA excludes NZ public company costs of approximately US\$1 million.

ArborGen

ArborGen is the largest commercial global seedling supplier and a leading provider of advanced genetics, for the forest industry. Employing state-of-the-art technology, ArborGen is developing high-value products that significantly improve the productivity of a given acre of land by enabling our customers to grow trees that yield more wood per acre with greater consistency and quality in a shorter period of time. For more information, please visit ArborGen’s website at www.arborgen.com.

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