

## SEEKA SIX MONTHS UNAUDITED INTERIM RESULTS

30 June 2021

Listed New Zealand produce company Seeka Limited, with operations in New Zealand and Australia, is pleased to report its unaudited interim results for the six months ended 30 June 2021.

**\$30.8m net profit before tax - up 77% on six months to 30 June 2020 (previous corresponding period (pcp))**

**\$0.13 per share dividend payable 13 October 2021**

"Seeka delivered outstanding customer service and excellent financial results to shareholders in the first six months of 2021," says Seeka chief executive Michael Franks.

"Strong demand for our services contributed to record Group revenues of \$224m in the six-month period ; up 26% on June 2020. Importantly, we've delivered on our strategy to improve earnings, posting \$30.8m net profit before tax for the period, up 77% on the pcp.

"Seeka continues to invest in our kiwifruit business, acquiring Ōpōtiki Packing and Cool Storage Limited (OPAC) in May. OPAC is an eight-million-tray kiwifruit operation that expands our service delivery to the Ōpōtiki, East Cape and Gisborne regions. OPAC is now integrated, synergy savings on target, and the business is set to make a full-year financial contribution in 2022.

"We have also made a significant investment into agritech, taking a cornerstone stake in the digital startup Fruitometry. Seeka's investment will accelerate the development of smart orchard scanning technology that will help lift orchard production and realise supply chain efficiencies.

"Our New Zealand kiwifruit business is in a strong growth phase, and Seeka is investing \$20m in capacity builds for harvest 2022, including a new automated packline and high-efficiency coolstores near Te Puke. These new facilities will improve labour use while providing us with post harvest capacity through to 2024.

"Sustainability is a major focus and we are implementing strategies to minimise our environmental footprint. Our 2019 carbon footprint has been independently verified, and we're defining performance baselines so we can set reduction targets and measure efficiency gains. Seeka is working to be an industry leader on reporting the impact of climate change and we are making real progress to reduce our emissions," says Franks.

### Dividend announcement

A dividend of \$0.13 per share has been declared. The dividend is fully imputed and will be paid 13 October 2021 to all shareholders on the register at 5pm on 20 September 2021. The dividend reinvestment plan will apply.

### Full year operational guidance

Seeka has substantially improved operational earnings in the period. Full-year net profit before tax (NPBT) is forecast to be between \$13.5m and \$16.0m. This includes \$1.4m of restructuring and acquisition costs, and excludes any one-off gains or extraordinary items (should they settle in the year) and \$1.8m of OPAC profit to the acquisition date (NPBT). Note that \$9m of pcp NPBT was from a gain on orchard sales.

New Zealand dollars (\$ millions)	FY21 Guidance Lower range	FY21 Guidance Upper range	FY20 Audited
<b>Net profit before tax</b>	<b>13.5</b>	<b>16.0</b>	<b>16.3</b>
Change on FY20	( 17%)	( 2%)	

### Full year guidance

Further to the full year operational guidance of net profit before tax, Seeka expects a one-off extraordinary gain from the successful settlement of the kiwifruit claim against the Crown. The actual amount to be received by Seeka is unknown with the distribution subject to High Court approval, with the timing of payment expected to be received before the end of 2021. Seeka is estimating that its share of the distribution could lift the net profit before tax for the 2021 year to between \$20.0m and \$22.0m.

New Zealand dollars (\$ millions)	FY21 Guidance Lower range	FY21 Guidance Upper range	FY20 Audited
<b>Net profit before tax</b>	<b>20.0</b>	<b>22.0</b>	<b>16.3</b>
Change on FY20	23%	35%	

Seeka reminds stakeholders that it operates in a seasonal industry with substantial earnings occurring in the first six months as fruit is harvested in New Zealand and Australia.

## Operational performance

The following table outlines Seeka's performance H1 FY21.

New Zealand dollars	H1 FY21 Unaudited	H1 FY20 Unaudited	Change	FY20 Audited
Total revenue (\$m)	\$224.5m	\$178.7m	26%	\$251.5m
EBITDA before impairments and revaluations (\$m)	\$46.9m	\$30.4m	54%	\$42.9m
EBIT (\$m)	\$34.7m	\$21.4m	62%	\$24.3m
NPBT (\$m)	\$30.8m	\$17.4m	77%	\$16.3m
NPAT (\$m)	\$20.6m	\$18.4m	12%	\$15.2m
Net bank debt (\$m)	\$127.8m	\$129.3m	(1%)	\$77.9m
Basic earnings per share <sup>1</sup>	\$0.65	\$0.57	14%	\$0.52
Diluted earnings per share <sup>1</sup>	\$0.65	\$0.57	14%	\$0.52
Total assets (\$m)	\$518.9m	\$416.3m	25%	\$375.4m
Net tangible assets per share	\$5.44	\$5.13	6%	\$5.20

1. Basic and diluted earnings per share are based on the weighted average number of shares issued, after removing shares held in treasury stock.

This announcement should be read in conjunction with Seeka Limited's June 2021 interim report (unaudited), and December 2020 annual report (audited). Seeka reports can be found on Seeka's website [www.seeka.co.nz/reports](http://www.seeka.co.nz/reports).

## EBITDA

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

New Zealand dollars (\$000s)	H1 FY21 Unaudited	H1 FY20 Unaudited	Change	FY20 Audited
<b>Net profit before tax</b>	<b>30,761</b>	<b>17,394</b>	<b>77%</b>	<b>16,278</b>
Interest expense	1,664	2,106		4,163
Lease interest expense	2,275	1,919		3,877
<b>EBIT</b>	<b>34,700</b>	<b>21,419</b>	<b>62%</b>	<b>24,318</b>
<i>Impairments and revaluations</i>				
(Gain) on revaluation of land and buildings	-	-		(32)
Impairment of PPE	1,136	-		30
Impairment of intangible assets	-	-		102
Depreciation expense	7,056	5,773		11,653
Lease depreciation expense	3,911	3,125		6,671
Amortisation of intangible assets	91	118		204
<b>EBITDA before impairments and revaluations</b>	<b>46,894</b>	<b>30,435</b>	<b>54%</b>	<b>42,946</b>

Reconciliation before and after applying NZ IFRS 16 Leases.

New Zealand dollars (\$000s)	H1 FY21 Unaudited	H1 FY20 Unaudited	Change	FY20 Audited
<b>EBITDA pre NZ IFRS 16</b>	<b>40,928</b>	<b>25,118</b>	<b>63%</b>	<b>39,538</b>
Capitalised lease costs	5,966	5,317	12%	10,482
Gain on sale and leaseback	-	-		(7,074)
<b>EBITDA after applying NZ IFRS 16</b>	<b>46,894</b>	<b>30,435</b>	<b>54%</b>	<b>42,946</b>

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For more information, visit [www.seeka.co.nz](http://www.seeka.co.nz) or please call:

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