

ersonal use only

# 2024 Annual General Meeting

18 February 2025

SELECT HARVESTS



# DISCLAIMER AND BASIS OF PREPARATION

---

This presentation is provided for information purposes only and has been prepared using information sourced by the company. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider their own individual investment and financial circumstances in relation to any investment decision.

Certain statements contained in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to risks and uncertainties. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation.

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

ersonal use only



# Chairman's Address

# Travis Dillon - Chairman

---



ersonal use only

# 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



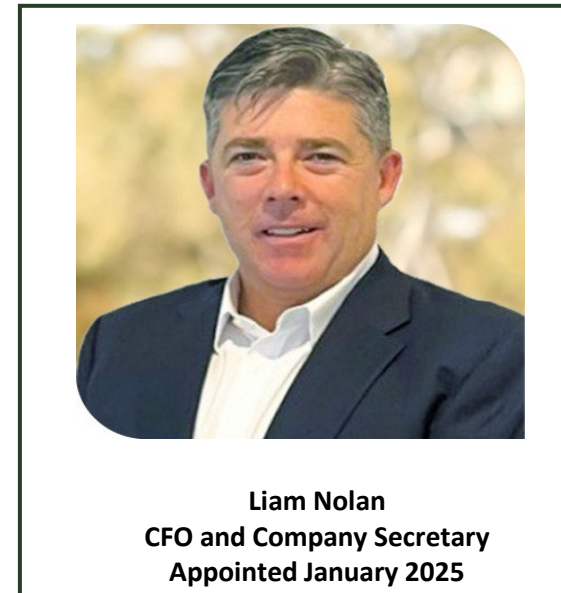
**Margaret Zabel**  
Non-Executive Director  
Appointed October 2022



**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

ersonal use only

ersonal use only



# Chairman's Address



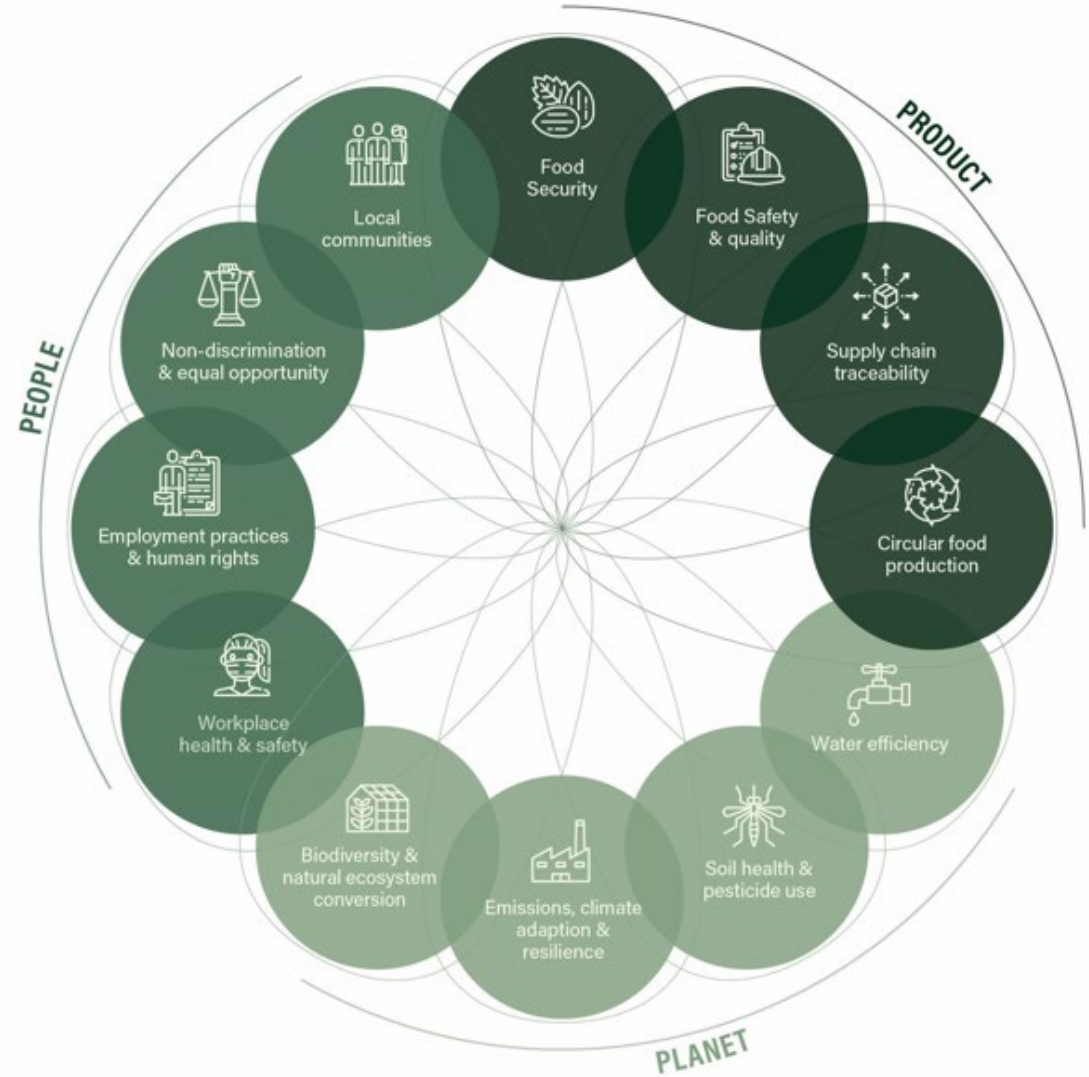
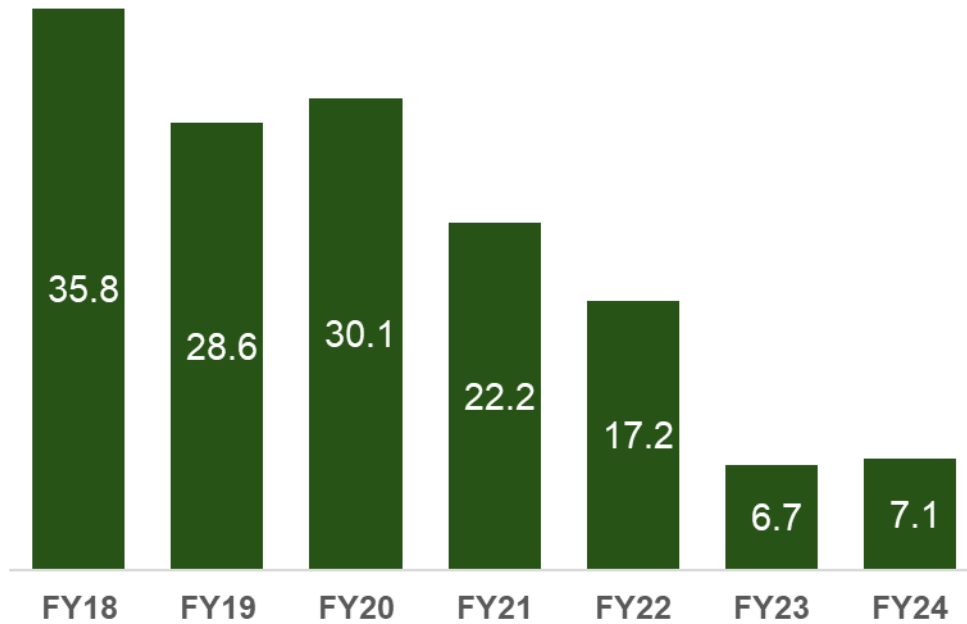
Personal use only  
espresso  
reunited

# Managing Director's Address

# Safety and Sustainability – Continued Focus

## Total Recordable Injury Frequency Rate

Injuries per million hours worked



ersonal use only

# 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 gearing<sup>1</sup> 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

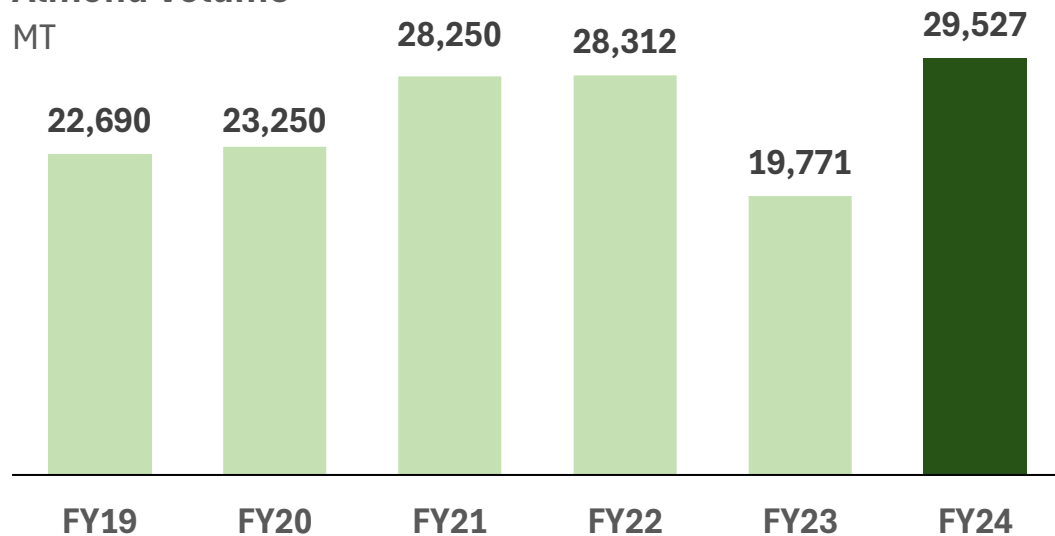


(1) Gearing is Net Debt/Equity

ersonal use only

# Key Results Drivers – Volume

Almond Volume  
MT

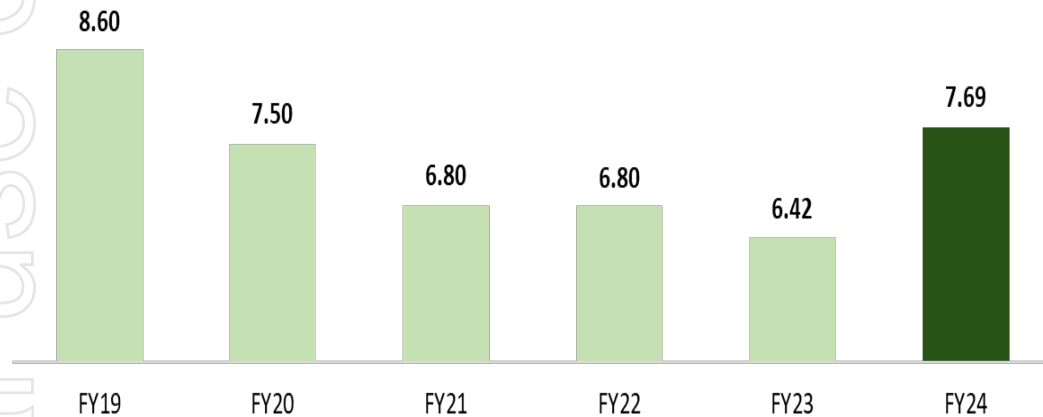


- The 2024 crop recovers – Excellent SA and Vic, NSW was disappointing
- NSW 4 wet seasons in a row with rain above 550mm (2x the average) and therefore continues to disappoint with low yield and trees struggling
- Innovation in shaking oscillation has improved almond collection and supported maximising 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

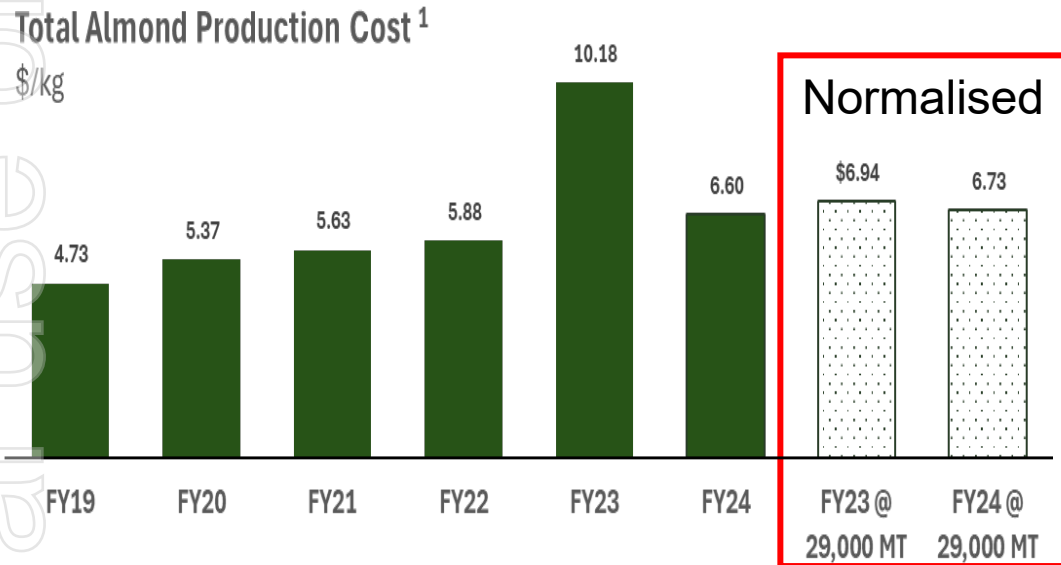
SHV Almond Price

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

© 2024 JACOBS GROUP INC. All rights reserved. For internal use only.

# STRATEGY & TRANSFORMATION



# Strong progress in Sales, Processing and Horticulture.

## Strategic Priorities

## Enablers

### Substantially greater almond volume

	F23	F24
Yield initiatives	Yellow	Green
Improve quality	Red	Green
Leverage scale	Yellow	Green
3 <sup>rd</sup> Party growers	White	Green
Water	Green	Green

### Leadership in processing scale and efficiency

	F23	F24
Capacity	Red	Green
Processing Yield (waste)	Yellow	Green
Labour	Yellow	Green
Indirect costs	Green	Green

### Maximise returns from almond crops

	F23	F24
Cash velocity (Excluding logistics)	Green	Green
Pricing	Yellow	Green
Tariff utilisation	Red	Green
Value chain dev.	White	Green
Value-add margin	Yellow	Yellow

### Innovate to drive step-out growth

	F23	F24
Compost	Green	Green
Innovation of biomass	White	Yellow
Powders and oils	White	Yellow

### Safety, efficient and scalable processes/ops

	F23	F24
Safety - TIFR	Green	Green
Logistics	Red	Red
Procurement	Yellow	Yellow
PMO	Green	Green
Data & analytics	Red	Red
Technology	Red	Red

- 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

- 10,000MT increase in operating capacity in FY24
- Contracted 3<sup>rd</sup> 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

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

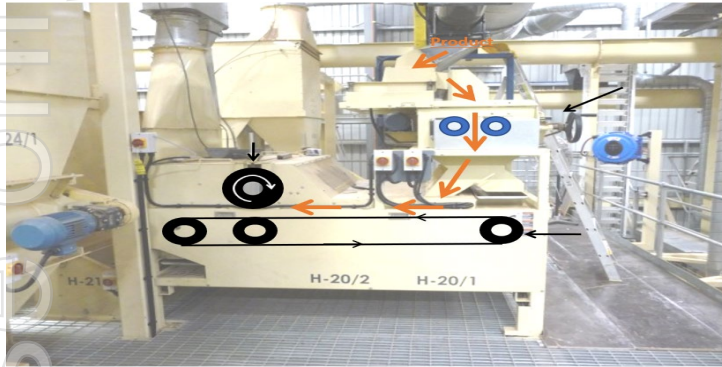
- Trial expansion of compost sales external to Select. FY25 add Trichoderma.
- Exploration of alternate fuel uses
- Research on powders and oils conducted
- No current M&A plans

- 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

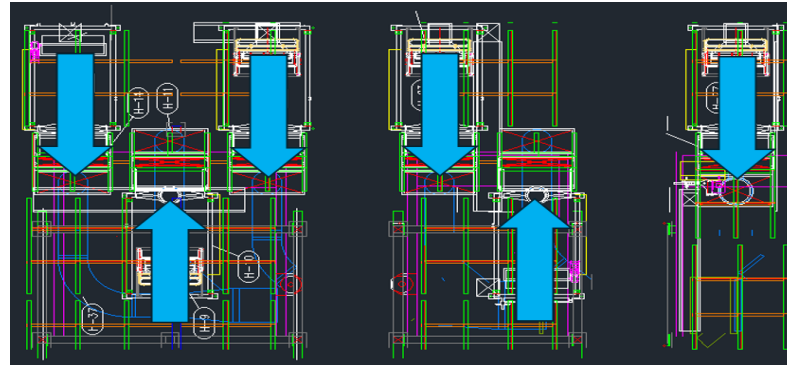
# Processing Capacity Increase – Project Optimus 10,000MT

## Phase 1: Operational in 2025

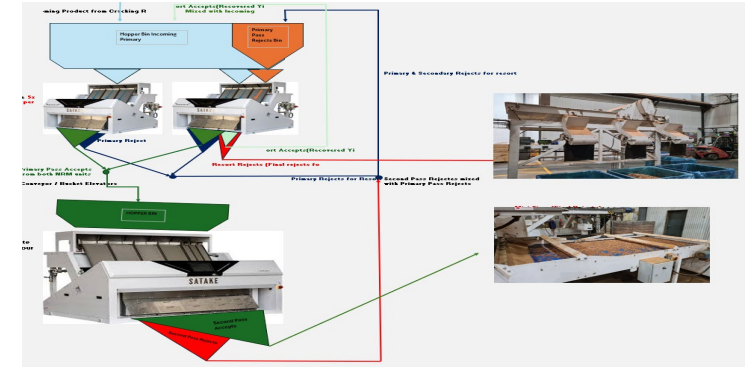
### Shear Roller Speed Automation



### Line Balancing Automation (Hulling)



### Colour Sorter upgrade

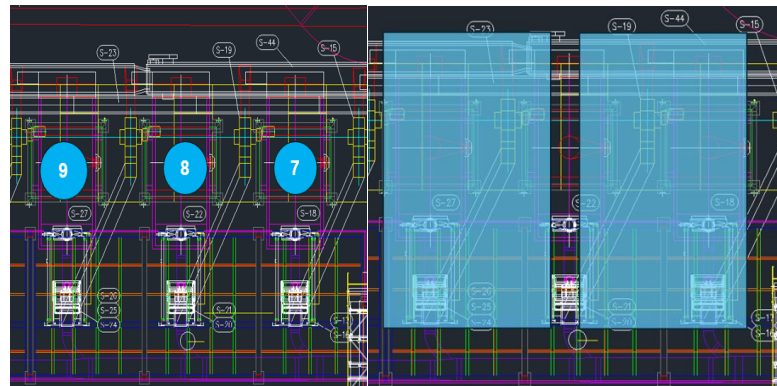


## Phase 2: Operational 2026

### Balance shell decks



### Capacity upgrade decks 7-9



### Kernel Conveyance capacity upgrade



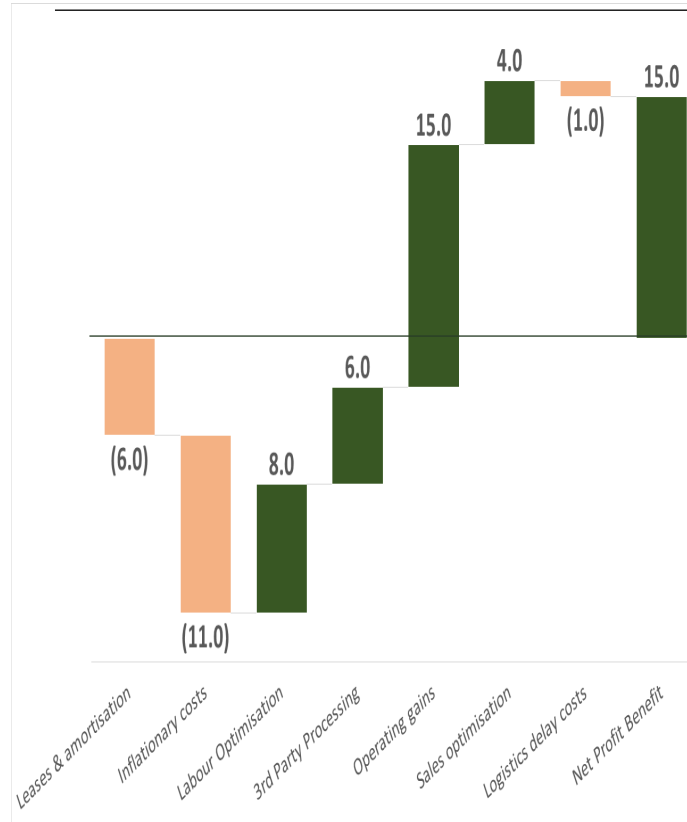
# PMO – Strategy Execution and Discipline

Execution momentum building with growing profit impact

## Execution

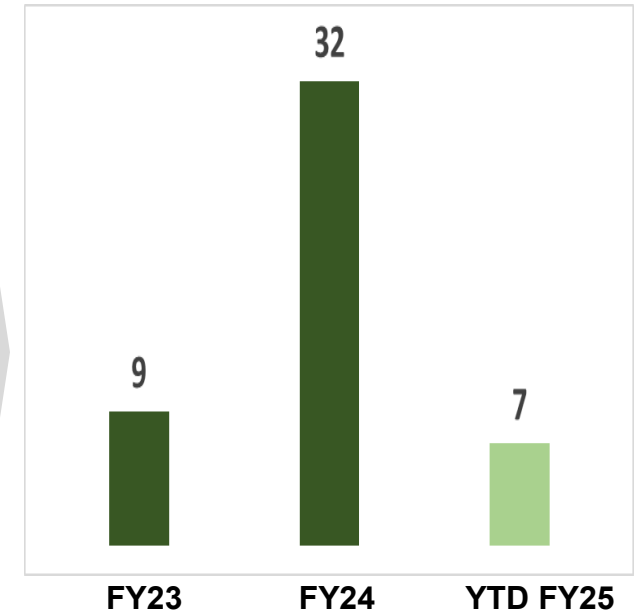


## The 2024 P&L Impact



## Profit Impact

Millions AUD



Personal use only

**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.

