

Analyst

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Authorisation

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Select Harvests Ltd (SHV)

Starting on the road back

Recommendation

Buy (unchanged)

Price

\$4.74

Target (12 months)

\$5.50 (unchanged)

GICS Sector

Food Beverage and Tobacco

Expected Return

Capital growth	16.0%
Dividend yield	0.0%
Total expected return	16.0%

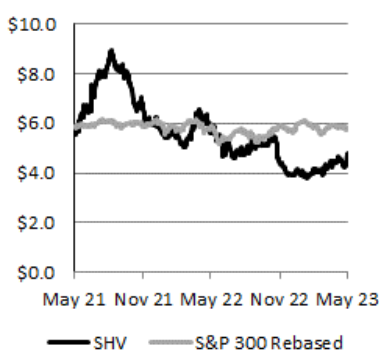
Company Data & Ratios

Enterprise value	\$763.7m
Market cap	\$573.8m
Issued capital	121.1m
Free float	100%
Avg. daily val. (52wk)	\$1.7m
12 month price range	\$3.60-6.17

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	4.49	3.96	6.01
Absolute (%)	6.46	20.71	-20.47
Rel market (%)	7.79	22.34	-21.30

Absolute Price



SOURCE: IRESS

BELL POTTER SECURITIES LIMITED
 ABN 25 006 390 772
 AFSL 243480

Results at a glance

SHV reported an underlying 1H23 EBITDA loss of -\$55.6m. Key points below.

Operating results: Revenue of \$60.9m was down -11% YOY (vs. BPe \$85.3m). Operating EBITDA loss of -\$55.6m compares to an EBITDA gain of \$17.7m in 1H22 and our forecast loss of -\$17.9m, with higher costs the main driver of the shortfall. 1H23 underlying EBITDA has been adjusted to reflect a component of crop losses for the typical half year recognition pattern.

Crop assumptions: 1H23 results are predicated on a crop of 17,500t (vs. BPe of 17,500t and guidance of ~17,500t) and an almond price assumption of A\$7.45/Kg (vs. BPe at A\$7.40/Kg and guidance at A\$7.40-7.80/Kg which is unchanged).

Cashflow and balance sheet: Post lease operating cash outflow of \$37.4m compares to an inflow of \$4.2m in 1H22. Reported net debt of \$189.9m compares to net debt of \$134.5m at FY22 (and \$125.8m at 1H22). SHV anticipates being operating cashflow positive in 2H23e.

Outlook: Key outlook comments include: (1) 2H23e Reported PBT is anticipated to be a smaller loss with crop adjustments reflected in 1H23; (2) the FY24 crop is expected to rebound with the benefit of lower fertiliser costs; and (3) SHV has initiated a number of projects with a target of a \$20m+ uplift in profitability and a ~\$30m cash benefit. To date SHV has generated an annualised run-rate of \$4m and \$8m, respectively.

We have increased our forecast EBITDA loss in FY23e, while also reducing EBITDA by -17% in FY24e and -10% in FY25e. Our \$5.50ps target price is unchanged after incorporating the benefits of the Horizon program in outward years.

Investment view: Buy rating unchanged

Our Buy rating remains unchanged. FY23e looks a write-off, however, cost pressures (i.e. fertiliser and ag-chem) have already demonstrated signs of peaking and Californian acreage signals imply a slowing in global supply growth in outward years that traditionally leads a firming almond price. SHV is also trading well below its market NAV (~\$6.00ps).

Earnings Forecast

Year end September	2022	2023e	2024e	2025e
Sales (\$m)	199.7	140.1	178.4	176.1
EBITDA (\$m)	40.4	(83.2)	60.3	79.7
NPAT (reported) (\$m)	4.8	(106.6)	12.3	26.4
NPAT (adjusted) (\$m)	6.2	(87.4)	12.3	26.4
EPS (adjusted) (cps)	5.1	(72.3)	10.1	21.8
EPS growth (%)	(76.1)	n.a.	n.a.	115.5
PER (x)	92.9	n.a.	46.8	21.7
FCF Yield (%)	0.9	(3.3)	3.4	8.4
EV/EBITDA (x)	18.9	(9.2)	12.7	9.6
Dividend (€ps)	2.0	-	2.0	4.0
Franking (%)	100.0	-	100.0	100.0
Yield (%)	0.4	-	0.4	0.8
ROE (%)	1.2	(22.3)	3.1	6.2

SOURCE: BELL POTTER SECURITIES ESTIMATES

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1H23 Results at a glance

Result: SHV reported a headline EBITDA loss of \$117.7m, reflecting the full recognition of FY23e crop losses at the half year (\$69.5m at the EBIT level). Underlying EBIT of \$55.6m reflects reported EBITDA adjusted for goodwill impairments (\$26m) and half the crop losses. With the crop price and tonnage broadly in line with expectations the main drivers of the shortfall relative to our 1H23 forecast (which reflects the more traditional accounting treatment of crop value). 1H23 results are predicated on a crop of 17,500t (vs. BPe of 17,500t and guidance of ~17,500t) and an almond price assumption of A\$7.45/Kg (vs. BPe and guidance at A\$7.40-7.80/Kg which is unchanged).

Figure 1 – 1H23 Result overview (A\$m unless stated otherwise)

Profit & Loss	2015	2016	2017	2018	1H19	2H19	2019	1H20	2H20	2020	1H21	2H21	2021	1H22	2H22	2022	1H23	1H23e
Almond division	115.2	161.0	118.5	115.2	49.5	156.4	205.9	54.0	122.1	176.1								
Food division	138.8	161.8	146.9	128.1	70.8	77.3	148.1	72.0	76.3	148.4								
Other (corporate)	(30.6)	(36.9)	(25.4)	(36.7)	(20.4)	(35.2)	(55.5)	(32.7)	(43.8)	(76.6)								
Total Revenue	223.4	285.9	240.0	206.5	100.0	198.5	298.5	93.3	154.5	247.9	84.6	133.3	218.1	68.7	130.9	199.7	60.9	85.3
...Growth (%)	18.7%	28.0%	-16.1%	-13.9%	6.8%	98.6%	44.5%	-53.0%	65.6%	-17.0%	-45.1%	57.2%	-12.0%	-18.7%	-1.8%	-8.4%	-72.1%	-60.9%
Almond division	97.5	48.2	28.0	51.6	38.5	57.7	96.2	36.1	22.5	58.6								
Food division	7.3	10.8	8.2	5.4	2.5	2.9	5.3	2.3	2.4	4.7								
Other (corporate)	(4.6)	(5.1)	(2.8)	(5.3)	(2.5)	(3.8)	(6.3)	(3.9)	(1.6)	(5.5)								
EBITDA	100.2	53.9	33.4	51.7	38.5	56.7	95.2	34.5	23.3	57.8	14.8	44.8	59.6	17.7	22.7	40.4	(55.6)	(17.9)
...EBITDA Margin (%)	44.8%	18.9%	13.9%	25.0%	38.5%	28.6%	31.9%	37.0%	15.1%	23.3%	17.5%	33.6%	27.3%	25.8%	17.3%	20.2%	-91.4%	-21.0%
EBIT	89.6	41.3	17.0	34.9	31.0	49.1	80.1	25.4	13.3	38.7	5.6	27.1	32.6	7.1	4.9	12.0	(71.4)	(32.8)
...EBIT Margin (%)	40.1%	14.4%	7.1%	16.9%	31.0%	24.7%	26.8%	27.2%	8.6%	15.6%	6.6%	20.3%	15.0%	10.3%	3.8%	6.0%	-117.3%	-38.5%
Net Interest Income	(5.3)	(5.5)	(5.0)	(5.4)	(2.1)	(1.9)	(4.0)	(0.7)	(1.3)	(2.1)	(1.2)	(1.1)	(2.3)	(1.7)	(2.5)	(4.2)	(4.0)	(4.3)
Pre-tax profit	84.3	35.8	12.0	29.5	28.9	47.1	76.1	24.7	12.0	36.7	4.4	25.9	30.3	5.4	2.5	7.9	(75.4)	(37.2)
Tax	(24.9)	(7.9)	(2.7)	(9.1)	(8.9)	(14.2)	(23.1)	(7.3)	(4.4)	(11.7)	(1.3)	(3.9)	(5.2)	(1.6)	(0.1)	(1.7)	22.6	11.2
Effective Tax Rate(%)	29.5%	22.1%	22.8%	30.9%	30.7%	30.1%	30.4%	29.6%	36.6%	31.9%	29.5%	14.9%	17.1%	29.6%	4.9%	21.9%	29.9%	30.0%
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPAT	59.4	27.9	9.2	20.4	20.0	32.9	53.0	17.4	7.6	25.0	3.1	22.1	25.2	3.8	2.4	6.2	(52.8)	(26.0)
Abnormals post tax	(2.7)	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.8)	(8.2)	(10.0)	(1.8)	0.4	(1.4)	(43.5)	(33.6)	
NPAT post abnormals	56.7	33.8	9.2	20.4	20.0	32.9	53.0	17.4	7.6	25.0	1.3	13.8	15.1	2.0	2.8	4.8	(96.3)	(59.6)
Crop estimate (t)	14,500	14,200	14,100	15,700	20,750	22,690	22,690	22,600	23,250	23,250	28,250	28,250	28,250	29,630	29,000	29,000	17,500	17,500
Price estimate (A\$/kg)	12.20	7.63	7.20	8.05	8.50	8.60	8.60	8.25	7.50	7.50	6.00	6.80	6.80	6.84	6.80	6.80	7.45	7.40
Balance sheet and cashflow																		
Working Capital (\$m)	171.2	129.6	120.0	137.7	160.3	129.7	129.7	183.9	169.6	169.6	176.2	185.5	185.5	195.0	201.1	201.1	145.3	
Working capital / Sales (%)	77%	45%	50%	67%	83%	43%	43%	63%	68%	68%	74%	85%	85%	97%	101%	101%	76%	
Operating cashflow	30.4	92.9	4.7	18.3	(14.4)	94.8	80.3	(33.9)	25.2	(8.7)	(4.7)	21.3	16.6	4.2	0.7	4.9	(37.4)	
Free cashflow	(16.3)	23.8	(51.5)	(15.5)	(37.7)	29.1	29.1	(77.3)	10.8	(66.5)	(28.5)	8.9	(19.6)	(25.7)	(11.3)	(37.0)	(53.9)	
Core net debt (cash) (\$m)	109.7	29.2	109.3	34.3	93.4	(7.9)	(7.9)	69.1	57.5	57.5	112.6	98.1	98.1	125.8	134.5	134.5	189.9	
Total group indebtedness (inc.leases) (\$m)	110.0	67.4	146.0	72.5	55.4	28.4	28.4	347.4	324.3	324.3	369.5	351.2	351.2	368.7	376.6	376.6	416.5	
Core Net Debt/EBITDA (x)	1.10	0.54	3.27	0.66	1.21	-0.08	-0.08	0.76	1.00	1.00	2.95	1.65	1.65	1.69	3.33	3.33	2.31	
Core Net Debt/Equity (%)	38%	23%	53%	19%	24%	7%	7%	89%	80%	80%	71%	67%	67%	69%	72%	72%	97%	
Core Net Debt / WKC (x)	0.64	0.23	0.91	0.25	0.58	-0.06	-0.06	0.38	0.34	0.34	0.64	0.53	0.53	0.65	0.67	0.67	1.31	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

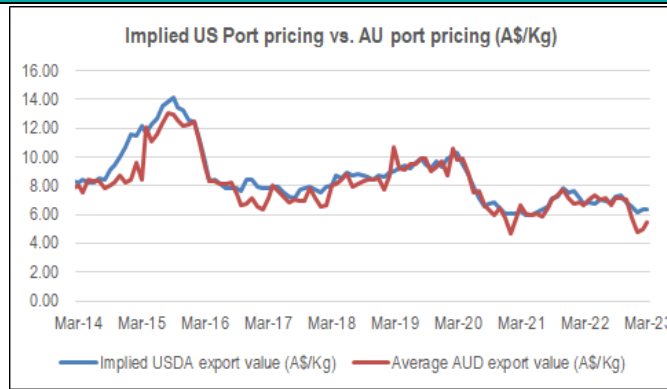
Outlook: Key outlook comments include: (1) 2H23e PBT is anticipated to be a modest loss; (2) the FY24 crop is expected to rebound with the benefit of lower fertiliser costs (recovery of ~50% of the \$12m uplift in FY23), lower flood costs (\$3-4m in FY23e) offset in part by higher lease costs and general inflation; and (3) SHV has initiated a number of projects with a target of \$20m+ uplift in profitability and a ~\$30m cash benefit. To date SHV has generated an annualised run rate of \$4m and \$8m, respectively in 1H23.

Covenants: Post balance date SHV has secured an additional \$20m seasonal finance facility as well as a reduction in the fixed charge cover covenant at Mar'24 from 3.0x to 2.0x. Based on our revised forecasts, we would see SHV operating within the fixed charge lease covenants by FY24e.

Seasonal drivers

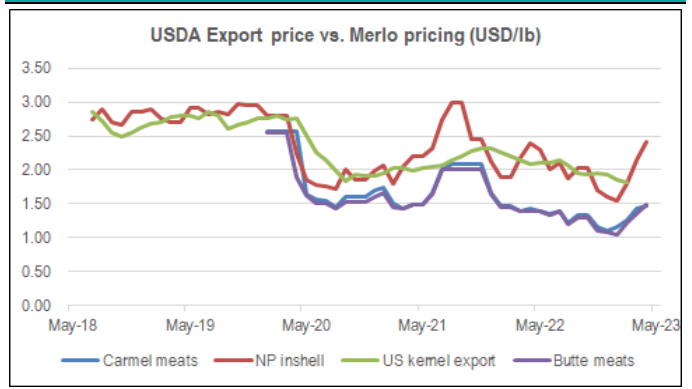
Export pricing indicators: California spot pricing has been firming in recent months, well ahead of YTD export values (from the US and Australia).

Figure 2 – Australian vs. US FOB values (A\$/KG)



SOURCE: BASED ON ABS DATA

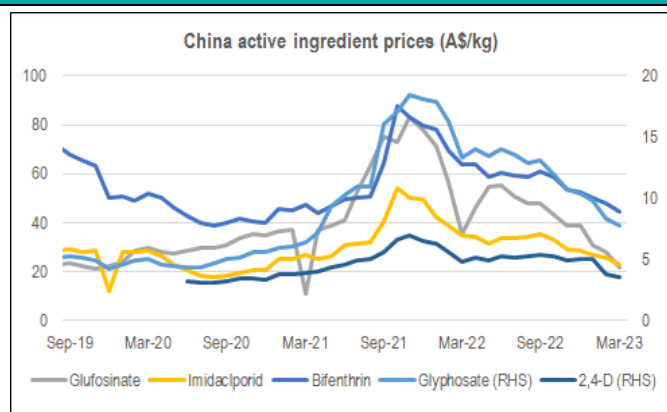
Figure 3 – US export pricing vs. market reported spot pricing



SOURCE: DERCO FOODS

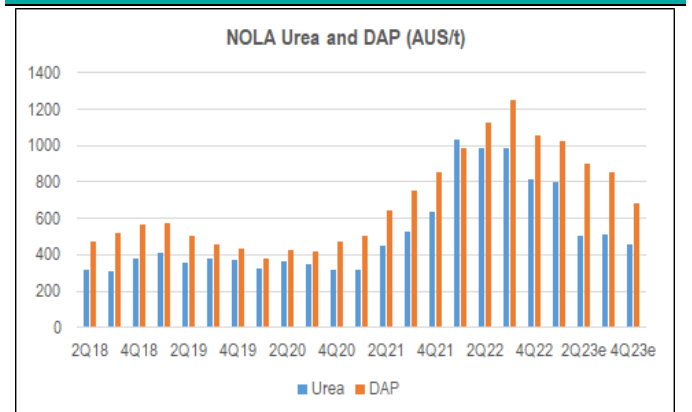
Ag-chem and fertiliser input costs: Active ingredient ag-chem and fertiliser prices are demonstrating material YOY declines. Peak input cost inflation has likely passed in FY23e.

Figure 4 - China Ag-chem active ingredient prices (USD/Kg)



SOURCE: XXX

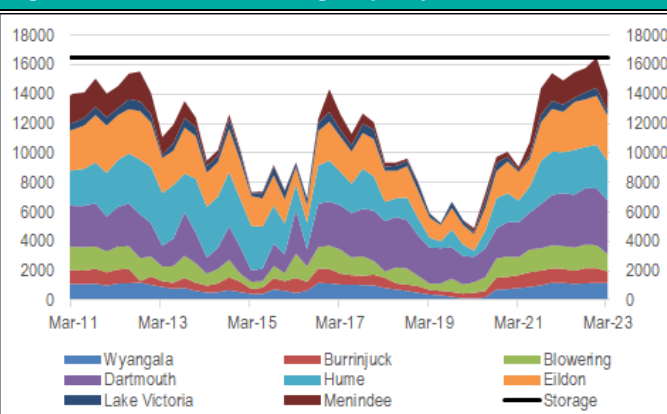
Figure 5 - Fertiliser pricing (AUD/t)



SOURCE: BLOOMBERG AND CME FUTURES PRICES

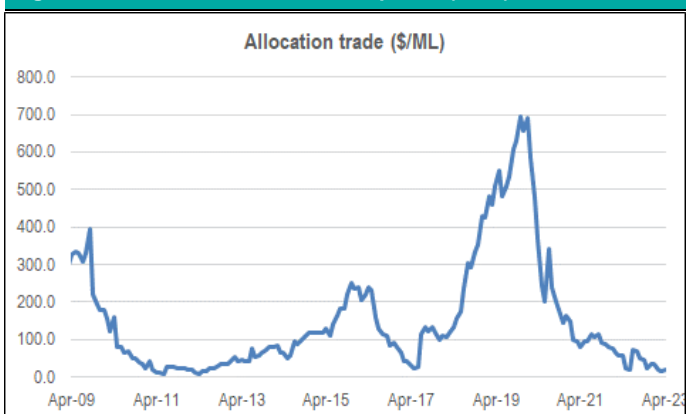
Water markets: Storage levels remain elevated on the southern connected system, with allocation prices down materially. Forward rates for the 2023-24 year are generally >\$130/ML for almond intensive systems.

Figure 6 - Southern MDB storage capacity utilisation



SOURCE: BOM

Figure 7 – Southern MDB allocation prices (\$/ML)



SOURCE: BOM

Company overview

Company description

Select Harvests (SHV) is an integrated grower, processor and marketer of almonds owning and operating farming and processing assets in Australia. SHV offers a vertically integrated model with core capabilities in farming, processing and marketing. SHV operates a diversified portfolio of almond orchards as well as state of the art processing facility in Carina VIC (with capacity to process 30,000t of almonds).

Valuation

We have derived a target price of \$5.50ps. In deriving our target price we have utilised a sum of the parts methodology, which utilises an NPV for the orchard asset base, market value for water assets and a relative multiple approach for the residual food processing assets. Our NPV utilises a pre-tax WACC of 8.8%.

Risks

Risks facing SHV include but are not limited to:

COVID-19: The substantial impact of COVID-19 on the global and domestic economies is creating enormous volatility and uncertainty in global share markets. The forecasts in the report may be subjected to significant changes if this situation continues for an extended period of time.

Crop risk: Bees require warm, sunny and calm conditions for ideal pollination. The onset of adverse weather conditions (wet or windy between July-September) can impact pollination and nut set. In addition rainfall in harvest can affect quality and yield thereby impacting both volumes and prices achieved for the almond crop. In addition to weather in key windows, insect damage and disease have the ability to impact crop quality and yields.

Input cost risk: Fertiliser and chemical costs represent 20-25% of an orchards cash costs a material uplift in fertiliser prices can have a meaningful impact on costs. Water costs reflect ~10% of an orchards cash costs and any material change in water prices (based on availability) can impact the profitability of an almond orchard.

Pricing risk: With the Californian acreage setting the price any material uplift or deterioration in yields can have a meaningful impact on USD selling prices. In addition as a USD commodity any movement up or down in the AUDUSD can have a meaningful impact on average selling price received.

Brand risk: In common with many other food companies, there is a risk that raw materials may deteriorate or that products may become contaminated, tampered with, adulterated or otherwise unsafe or unfit for sale due to various factors, including human error and equipment failure. Potential adverse consequences for SHV include termination of distribution arrangements, liability associated with adverse health effects on consumers, product recall and disposal costs, loss of stock, delay in supply and financial costs.

Key personnel risk: SHV's performance is dependent on the ability of its senior executives and key personnel to manage and grow its business. Continuity and retention of senior executives and key personnel are important for the ongoing implementation of SHV's strategy.

Table 1 - Financial summary

Sep Year end	Jun YE			Sep YE				
	2018	2019	2020	2021	2022	2023e	2024e	2025e
Profit & Loss (A\$m)								
Sales revenue	206.5	298.5	247.9	218.1	199.7	140.1	178.4	176.1
... Change	-13.9%	44.5%	-17.0%	-12.0%	-8.4%	-29.8%	27.3%	-1.3%
EBITDA	51.7	95.2	57.8	59.6	40.4	(83.2)	60.3	79.7
Deprec. & amort.	(16.8)	(15.1)	(19.1)	(27.0)	(28.3)	(31.8)	(31.6)	(31.4)
EBIT	34.9	80.1	38.7	32.6	12.0	(115.0)	28.7	48.3
Interest expense	(5.4)	(4.0)	(2.1)	(2.3)	(4.2)	(9.9)	(11.2)	(10.6)
Pre-tax profit	29.5	76.1	36.7	30.3	7.9	(124.9)	17.5	37.8
Tax expense	(9.1)	(23.1)	(11.7)	(5.2)	(1.7)	37.5	(5.3)	(11.3)
... tax rate	31%	30%	32%	17%	22%	30%	30%	30%
Minorities	-	-	-	-	-	-	-	-
NPAT	20.4	53.0	25.0	25.2	6.2	(87.4)	12.3	26.4
Abs. & extras	-	-	-	(10.0)	(1.4)	(19.1)	-	-
Reported Profit	20.4	53.0	25.0	15.1	4.8	(106.6)	12.3	26.4
Cashflow (A\$m)								
EBITDA	51.7	95.2	57.8	59.6	40.4	(83.2)	60.3	79.7
Change in Wkg Capital	(17.7)	8.0	(39.9)	(15.9)	(15.6)	68.4	(33.4)	(0.8)
Net Interest Expense	(5.1)	(3.9)	(15.4)	(15.1)	(16.3)	(22.0)	(23.3)	(22.7)
Tax Paid	(8.5)	3.1	(18.3)	(7.2)	4.0	17.9	16.1	(8.3)
Other	(2.1)	(22.1)	7.1	(4.7)	(7.6)	-	-	-
Operating Cash Flow	18.3	80.3	(8.7)	16.6	4.9	(19.0)	19.7	47.9
Capex	(30.0)	(36.3)	(36.3)	(33.4)	(36.1)	(23.8)	(21.3)	(21.2)
Div Paid	(3.8)	(14.9)	(21.5)	(2.8)	(5.8)	(1.9)	-	(2.4)
Free Cash Flow	(15.5)	29.1	(66.5)	(19.6)	(37.0)	(44.7)	(1.6)	24.4
Acquisitions	-	(1.2)	-	(144.1)	(4.0)	-	-	-
Disposals	4.1	3.6	1.1	7.7	4.4	-	-	-
Share Issues	86.5	-	-	115.4	-	-	-	-
Other	(0.0)	10.7	-	0.1	0.1	-	-	-
(Inc.)/Dec. in net debt	75.1	42.2	(65.5)	(40.5)	(36.5)	(44.7)	(1.6)	24.4
Balance Sheet (A\$m)								
Cash & near cash	0.4	11.6	1.5	2.0	1.1	1.1	1.1	1.1
Receivables	51.4	50.2	69.2	84.8	57.1	61.2	63.8	77.7
Inventories & WIP	109.3	111.8	143.0	165.6	189.7	120.5	153.4	151.5
Other current assets	1.0	0.0	3.8	5.4	1.5	1.5	1.5	1.5
Current assets	162.1	173.7	217.4	257.8	249.3	184.3	219.8	231.8
Fixed assets	176.3	186.6	194.6	241.7	261.9	258.4	257.1	254.9
Right of use asset	-	-	236.4	222.6	208.2	208.2	208.2	208.2
Biological assets	117.5	121.3	104.1	195.9	193.4	191.9	189.0	185.4
Intangibles	60.6	71.3	70.4	84.0	87.0	61.0	61.0	61.0
Other non current assets	-	-	1.9	1.8	1.8	10.0	10.0	10.0
Non current assets	354.4	379.2	607.5	746.0	752.3	730.5	725.3	719.5
Total assets	516.6	552.9	824.9	1,003.8	1,001.7	914.8	945.0	951.3
Creditors	23.0	32.3	42.5	65.0	45.7	48.9	51.0	62.2
Current borrowings	3.2	3.6	6.2	5.1	2.7	25.0	25.0	25.0
Lease liabilities	5.0	4.5	31.3	31.7	30.5	30.5	30.5	30.5
Other current liabilities	5.0	23.0	11.0	14.4	18.9	12.7	29.4	27.3
Current liabilities	36.1	63.5	91.1	116.1	97.8	117.1	135.9	144.9
Non current borrowings	31.5	-	52.8	95.0	133.0	155.3	156.9	132.5
Lease liabilities	31.5	30.9	235.5	221.5	211.7	211.7	211.7	211.7
Other liabilities	38.8	42.5	40.6	44.3	39.0	39.0	39.0	39.0
Non-current liabilities	70.3	42.5	93.3	139.3	172.0	194.3	195.9	171.5
Total liabilities	106.4	106.0	184.4	255.4	269.8	311.4	331.8	316.5
Net assets	410.1	446.9	640.5	748.5	731.9	603.3	613.2	634.8
Share capital	268.6	271.8	279.1	397.3	401.2	401.2	401.2	401.2
Reserves	9.6	10.4	14.3	7.7	2.0	(20.0)	(20.0)	(20.0)
Retained earnings	100.5	133.8	111.6	122.0	117.1	10.5	20.4	42.0
Outside equity interests	-	-	-	-	-	-	-	-
S/holders' funds	378.6	416.0	405.0	527.0	520.3	391.7	401.5	423.1
Net Debt (Cash)	34.3	(7.9)	57.5	98.1	134.5	179.2	180.8	156.4
Total group indebtedness	72.5	28.4	324.3	351.2	376.6	421.3	422.9	398.5

Share Price (A\$m)	\$4.74
Recommendation	Buy
Target Price (A\$m)	\$5.50
Diluted issued capital (m)	121.1
Market cap (\$m)	573.8
Enterprise value (\$m)	763.7

EV excludes lease liabilities, which are capitalised to COGS.

Sep Year end	Jun YE			Sep YE				
	2018	2019	2020	2021	2022	2023e	2024e	2025e
Valuation Ratios								
Core EPS (¢ps)	23.1	55.2	25.8	21.3	5.1	(72.3)	10.1	21.8
Change (%)	85.8%	139.5%	-53.2%	-17.5%	-76.1%	n.a.	n.a.	115.5%
PE (x)	20.6	8.6	18.3	22.2	92.9	n.a.	46.8	21.7
EV/EBITDA (x)	14.8	8.0	13.2	12.8	18.9	(9.2)	12.7	9.6
NTA (\$ps)	3.34	3.57	3.46	3.68	3.58	2.73	2.81	2.99
PNTA (x)	1.42	1.33	1.37	1.29	1.32	1.74	1.69	1.58
Book value (\$ps)	3.98	4.31	4.19	4.38	4.30	3.24	3.32	3.50
Price/Book (x)	1.19	1.10	1.13	1.08	1.10	1.46	1.43	1.36
DPS (¢ps)	12.0	32.0	13.0	8.0	2.0	-	2.0	4.0
Payout (%)	52%	58%	50%	38%	39%	0%	20%	18%
Yield (%)	2.5%	6.8%	2.7%	1.7%	0.4%	0.0%	0.4%	0.8%
Franking (%)	100%	100%	100%	100%	100%	0%	100%	100%

Performance Ratios								
EBITDA/sales (%)	25.0%	31.9%	23.3%	27.3%	20.2%	-59.4%	33.8%	45.3%
EBITA/sales (%)	16.9%	26.8%	15.6%	15.0%	6.0%	-82.1%	16.1%	27.4%
OCF Realisation (%)	49.2%	118.0%	-19.8%	31.9%	14.2%	34.1%	44.9%	82.9%
FCF Realisation (%)	-57.6%	83.1%	-180.3%	n.a.	n.a.	48.9%	-12.9%	101.3%
ROE (%)	5.4%	12.7%	6.2%	4.8%	1.2%	-22.3%	3.1%	6.2%
ROIC (%)	8.7%	19.5%	8.9%	6.0%	1.9%	-18.8%	5.0%	8.3%
Asset Turn (years)	3.08	6.29	3.03	2.21	1.42	(2.62)	1.91	2.54
Capex/Depn (x)	1.79	2.40	1.91	1.24	1.27	0.75	0.67	0.67
Interest cover (x)	6.45	19.99	18.76	14.34	2.89	(11.61)	2.57	4.58
Net Debt/EBITDA	0.66	(0.08)	1.00	1.65	3.33	(2.15)	3.00	1.96
Net debt/equity (%)	9.1%	-1.9%	14.2%	18.6%	25.9%	45.7%	45.0%	37.0%

Segmental Information								
Production forecast (t)	15,700	22,690	23,250	28,250	29,000	17,500	30,000	31,000
US export benchmark (USD/ll)	2.59	2.63	2.59	2.01	2.10	2.20	2.30	2.43
AUDUSD	0.76	0.71	0.68	0.73	0.72	0.68	0.69	0.70
Almond price (A\$/kg)	8.05	8.60	7.50	6.80	6.80	7.45	7.80	7.99
Cash costs per Kg (A\$/Kg)	-	-	-	4.68	4.91	10.89	5.34	4.97
Farm EBITDA per Kg (A\$/Kg)	-	-	-	2.12	1.89	(3.44)	2.46	3.02

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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