



**Select Harvests Limited – Bell Potter Home
Grown Agriculture Conference**

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Disclaimer and Basis of Preparation

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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.

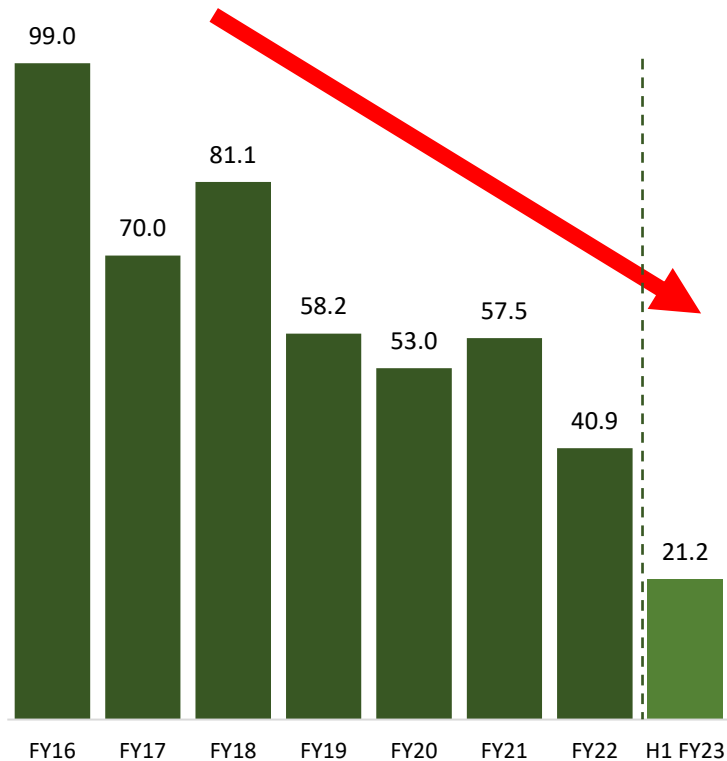
1H FY2023 Financial Results

NPAT Loss	(\$96.2M)
Debt to Equity %	44%
Operating Cashflow	(\$26.7M)
NAV / Share (Market Value)	\$6.00

- Performance materially impacted by three events:
 - 2022 crop inventory quality (\$24.2M)
 - Lower 2023 crop volume (\$69.5M)
 - Goodwill written off non-cash (\$26M)
 - Recognition of the full loss of the 2023 crop in the 1H FY2023 result
- Market value of assets is above share price

Safety – People are Critical

Recordable Injury Frequency Rate



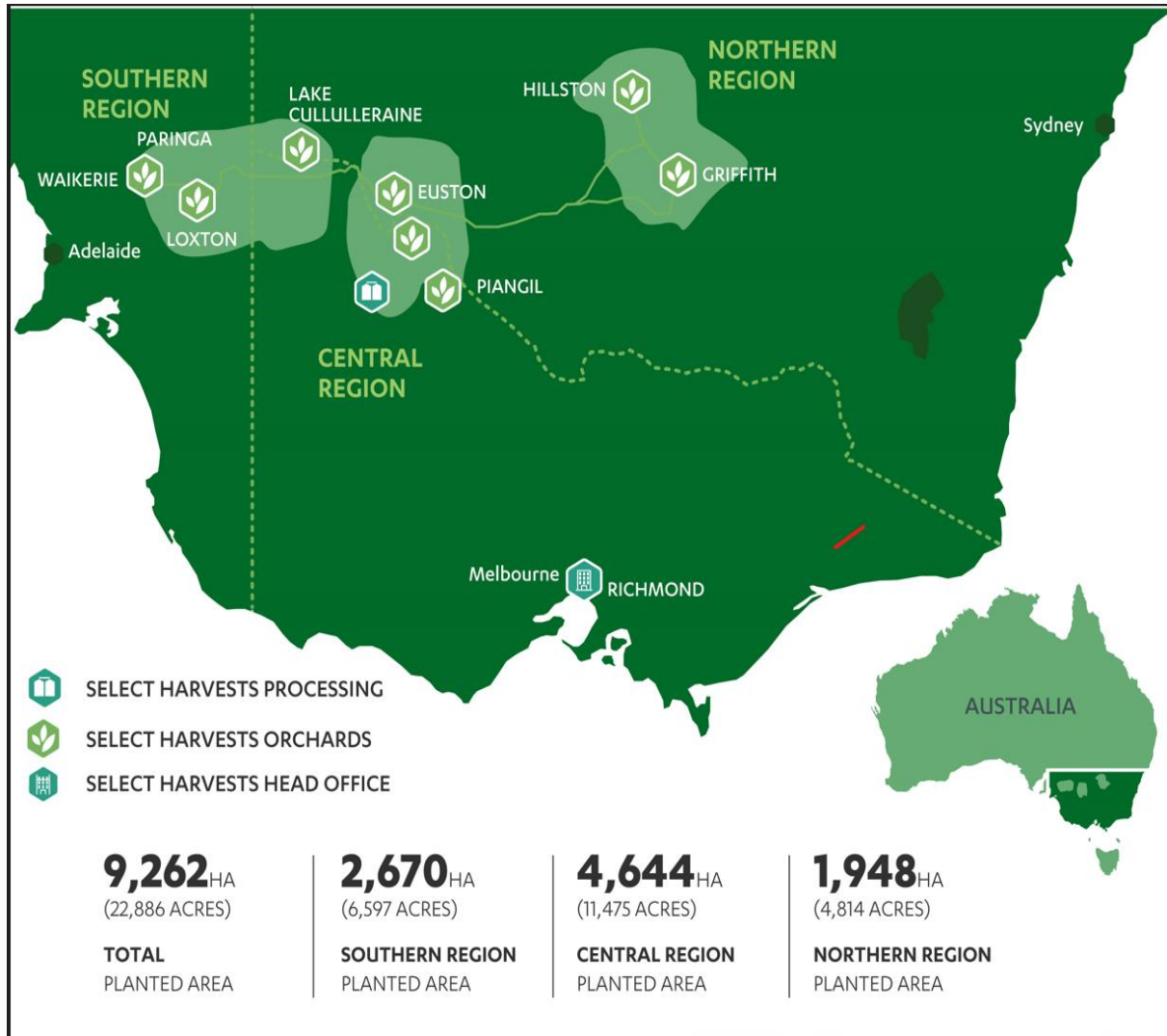
Note: FY23 RIFR = MTIFR + LTIFR

Key Areas of focus:

- “Felt Leadership” & increased Safety visibility
- Building Safety Processes
 - Hazard identification & action before incidents occur
 - Introduction of Incident Cause Analysis Method for major events
- Performance Measurement & Standards
- Well being
 - Stop for well being
 - Community service days
 - Employee Assistance Program (psychological, financial, health)
- Lost time injury severity rate 6.4 a decrease of 35% from the prior year

Select Harvests – Investment Case

Select Harvests Orchard Map



Why Select Harvests?

- One of the world's largest almond companies - geographic diversity and scale
- Positive long term growth – industry CAGR 5%-8%
- Unique vertically integrated portfolio of quality assets
 - Farms \$365.4M*
 - Plant (CWPF) \$93M (replacement value \$250M)
 - Water \$128.2m*
- Developing initiatives to increase profit from operations
- Strong cashflows during normal operating conditions
- Emerging path to growth (it's not **only buying** farms) with substantive upside
- Great people that care about the business
- Almonds positioned to leverage global food mega trends

* Market Value

Strategic Imperatives

1. Safety first
2. Turnaround financial performance and discipline
3. Maximise yield
4. Focus on higher returning “profit pools” in value chain
5. Optimise processing capacity
6. Capture optimal value from our farms
7. Integrate teams through Sales & Operations Planning (S&OP)
8. Refocus sales approach for value creation
9. Innovate to grow value added capability and reduce cost
10. Leverage superior ESG credentials
11. Ensure security of operational water needs
12. Build high performance teams



Imperatives will be addressed in the forward plan.

Select Harvests Strategy - Evolution Underway

Strategic Path

- **Financially disciplined**
 - Faster to Cash
 - Further lower the Cost Curve
 - Tightly managed working capital and analytical approach to investing

- **Grow almond volumes and lower our agri risk**
 - Improve yield
 - Increased external supply and lower capital intensity - we will acquire assets if returns warrant investment

- **Scale up processing capacity**

- **Grow organisational capability**
 - Build out supply chain
 - Manufacturing Excellence
 - Leadership capacity and Strategy

- **Balance our portfolio with value added processing and market investments.** Further areas to explore:
 - Value creation opportunity from full organic production (Hull Fertiliser, Energy Generation)
 - Provide Farming services to other landowners
 - Carbon value creation – Tree and soil sequestration, creation of ACUUs, decarbonisation, full land use
 - Market Growth – increase value added products & invest in NPD & food innovation, new channels to market
 - Diversification into close to home adjacencies (other nuts or geographies) – where it brings substantial synergy gains & diversifies risk.

Select Harvests – Strategic Plan

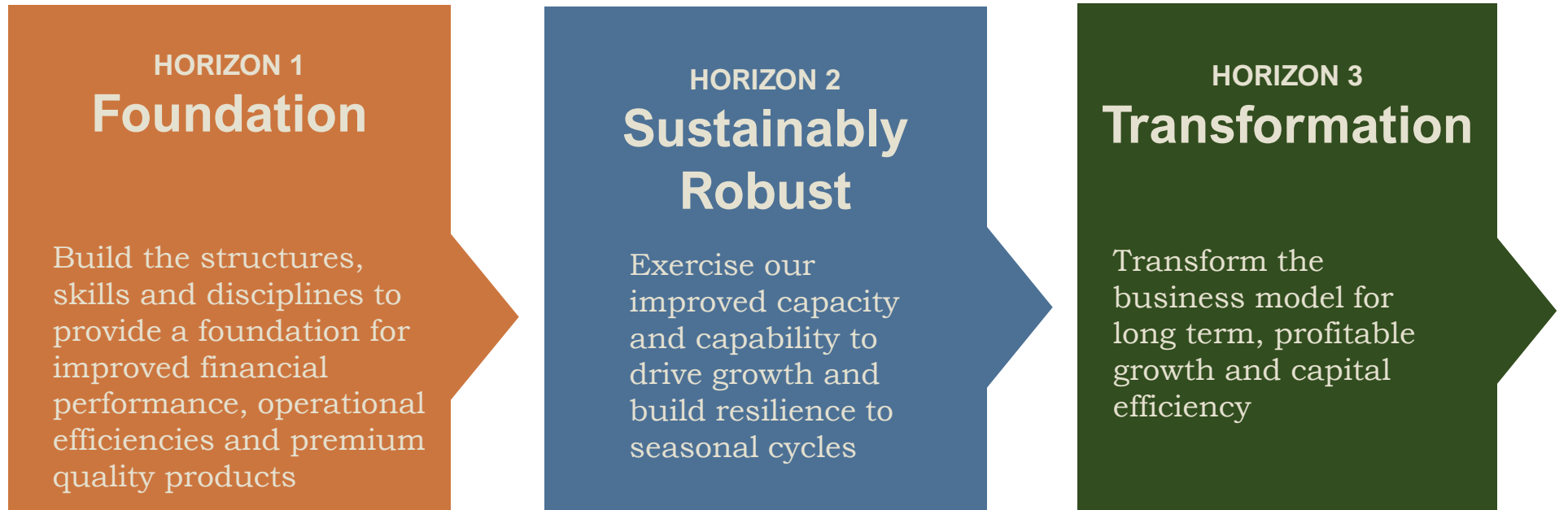
VISION

To be a leader in the supply of ‘better for you and better for the planet’, plant-based foods

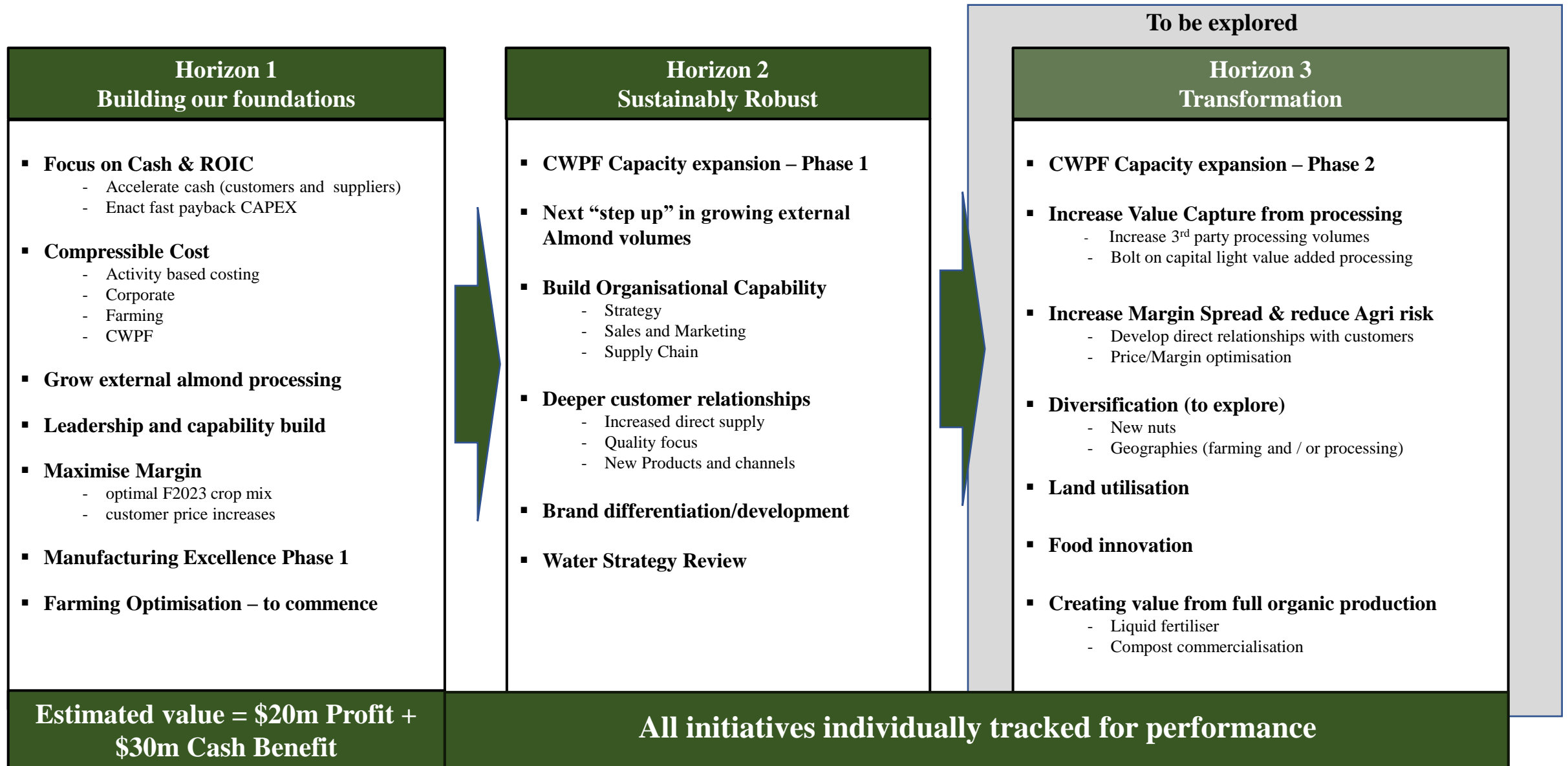
MISSION

Our mission is to deliver sustainable returns to our shareholders and premium almond products to the world

THREE HORIZONS



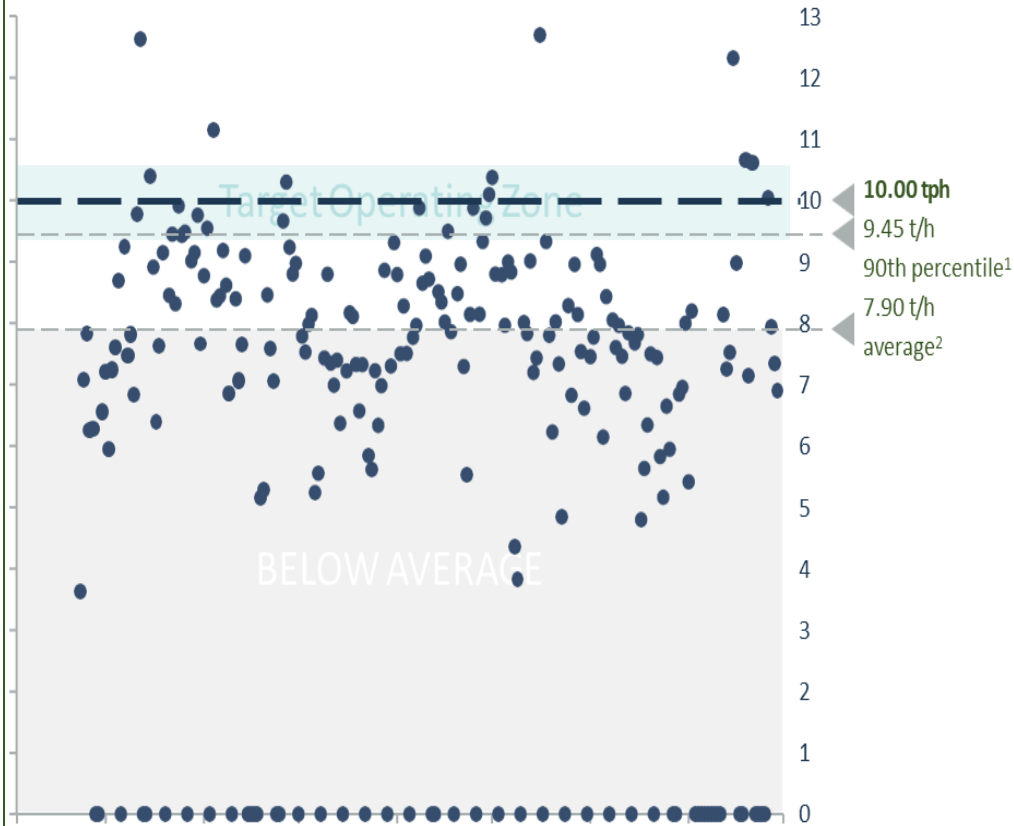
Higher ROIC - Project Management office created and 18 Initiatives under way...



Increase Plant Production rate

Hulling and Shelling - proven it can deliver well above 10 Mtph in 2022

Daily Average throughput
2022 full season (partially wet)



Situation and opportunity

- The hulling and shelling process currently operates at 7.9tph
- The process is constrained by a QA bottleneck, WIP warehouse throughput, and building finished products to order.
- Alleviating constraints could increase throughput of the processes to 10tph

Solution

- The QA bottleneck can be alleviated by increasing the number of people
- The WIP warehouse can be unconstrained through a combination of :
 - Increasing warehouse space
 - Improving the warehouse management system / strategy to increase warehouse efficiency. This would reduce the number of 'bin movements' required to pick product batches
 - Reduce the lab waiting time (e.g. analyse locally rather than in Melbourne)
 - Minimise storing "resorting products" in the WIP warehouse
 - Revise batching for bins returned to the warehouse to prevent build up
- Building finished stock based on "make to forecast" sales can alleviate packing process

Benefits

- Increased throughput.
 - Increase volumes processed; or
 - Reduced operating windows to lower labour cost; or
 - A combination of both elements
- Potential to reduce reliance on external warehousing

Risks

- Make to forecast does not align with actual sales leading to rework
- Wet crop inhibits realisation of 10tph without additional drying capacity

Next Steps

- Draft implementation plan to alleviate process constraints
- Confirm optimum combination of opex and capex

Forward Outlook

- **Customers and markets**
 - Almond prices likely firming (it may not be a straight line)
 - China and India demand levels increasing
 - Global inventory levels reducing and US crop challenged
 - Food mega trends supports almonds

- **2023 Crop**
 - Harvest is complete
 - Quality is better than 2022 crop and not seeing some of the moisture problems
 - Approximately 65% sold

- **2024 crop**
 - Crop set to rebound – tree health positive
 - Forecast shift to El Nino weather pattern is positive for almond growth
 - Farming inputs
 - Water availability favourable
 - Fertiliser prices reducing
 - Increased bee movement and increased cost

Key Messages

- Safety performance continuing to lift
- Long term direction sees growth in almond volumes
 - 30-32,000t own supply (before further investment)
 - External supply growth - adding first incremental volumes (moving sensibly to match with internal capability)
- Farming outlook positive with market demand and pricing moving to more attractive levels over time
- Cash
 - Focus on accelerating the cash to cash cycle
 - A good 2024 crop will quickly generate cash
- Select Harvests has a program for Growth and Success
 - Cadence and discipline of the business is lifting
 - Plan and pipeline of projects to deliver \$20m profit and \$30m cash improvement underway and delivering profit and cash
 - Potential for further upside with exploration of step out opportunities to be pursued

Thank you