



SELECT HARVESTS

Select Harvests

PAC Partners Agribusiness & Food Conference

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Select Harvests Overview

- **Publicly listed on the Australian Stock Exchange**
 - Market Cap: A\$400m+
 - Over A\$280m annual sales
 - 300 employees
 - >17,000 acres of Almond orchards
 - 2 value-adding Manufacturing plants in Australia
- **Major supplier of better for you plant based foods**
 - Domestic & Asian Retailers
 - Domestic and International Rebaggers and food manufacturers
 - Traders of almonds
 - Largest integrated almond farm owner/grower/processor/marketer in Australasia
 - Trader, packing and marketing of other nuts, grains and natural whole & healthy foods
 - Ingredient supplier to local and international companies



Strategy Macro Themes



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1. There is an increasing in demand for plant based foods
2. Select Harvests is highly skilled at growing almonds and sourcing, processing & marketing plant based foods
3. The business needs to be globally competitive with the ability to compete in the Asian market
4. Brands (B2B & B2C) = increased profitability
5. Sustainability is a competitive advantage
6. Risk mitigation is important
7. People, culture & values create success

Food & Agribusinesses need to be structured to manage short term volatility



STRATEGY MAP TO 2025



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HORIZON 1 – PERFECT THE CURRENT MODEL

Optimise & grow almond agri assets

Improve supply chain efficiency

Maximize commodity value through innovation

Build our systems & grow our people

HORIZON 2 – TRANSITION INTO INTEGRATED MODEL

Grow the value of Brands

Grow in SHFP Asian market via partnerships

Pursue value accretive acquisitions in the agrifood sector

HORIZON 3 – EXPAND MODEL GLOBALLY

Explore opportunities in the global industry

VISION

SHV to be recognised as one of Australia's most respected agrifood businesses

MISSION

To deliver sustainable stakeholder returns by being a leader in the supply of better for you plant based foods

ASPIRATIONS

- ▲ Zero harm to people & environment
- ▲ EPS Growth minimum 5% CAGR
- ▲ Gender, age and ethnicity balance

ENABLERS

Employer of choice



Culture of innovation



Market aware

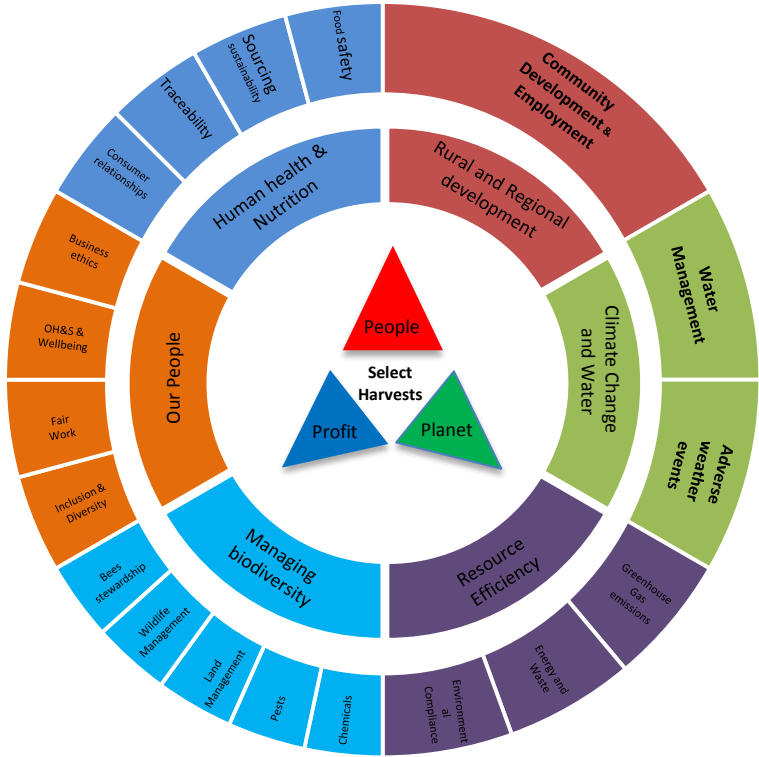


Proactive communicator

Sustainability Footprint



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We are actively managing our impact on the environment and community to ensure long term sustainability for all stakeholders





Perfecting the Current Model

Optimise & grow almond agri assets

Leverage the strong almond macros by achieving optimum volume and world class orchard productivity

1. Orchard expansion program
2. Improve harvest efficiency
3. Improve water, labour & energy efficiency

Improve supply chain efficiency

Best practise, low cost and optimum quality of pack out

1. Parboil value-add facility
2. Optimise pack out e.g. Inshell
3. Deliver low cost non almond supply chain

Maximize commodity value through innovation

Higher returns through adding value, new products and markets

1. Invest and support food science and R&D
2. Open new geographies
3. Partner with customers

Build our systems & grow our people

Attract, develop and retain talented and motivated people to become the 'best in class' team

1. Zero harm
2. Develop talent, skills & diversity
3. Engage with community & stakeholders





Transition to an integrated model

Grow the value of Brands

Pursue opportunities to profitably grow consumer brands

1. Resource to accelerate brand growth
2. Invest in consumer insights
3. New Product pipeline

Grow in SHFP Asian market via partnerships

Develop partnerships in Asia that provide channels to market and local knowledge

1. Appoint strong local distribution partners
2. Customize range
3. Establish marketing partnerships

Pursue value accretive acquisitions in the agrifood sector

To pursue strategic acquisition opportunities which fit our integrated agri-food supply chain model

1. Establish investment criteria
2. Develop target list
3. Open new geographies
4. Partner with customers

Explore opportunities in the global industry

To evolve into a global, integrated agrifood conglomerate through opportunistic M&A or strategic alliances

1. Watching brief on US almond industry & other tree nut crops



2017 Almond Update



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Almond Demand – Remains Strong

March	Positon Report			US Industry Shipments					
	Exports			US Domestic			Total		
	TY	LY		TY	LY		TY	LY	
March	121.99	119.38	2%	56.2	41.7	35%	178.19	161.08	11%
Last 3mth	330.96	307.57	8%	165.3	137.8	20%	496.26	445.37	11%
Last 6mth	748.71	603.97	24%	326.9	279.92	17%	1075.61	883.89	22%
Last 9mth	1090.82	839.19	30%	494.93	436.36	13%	1585.75	1275.55	24%
Last 12mt	1452.78	1115.29	30%	652.6	601.76	8%	1937.84	1716.05	13%
Season	1003.27	768.54	31%	443.9	384.5	15%	1447.17	1153.04	26%

- India & China consumption driving growth at reasonable prices
- Developing markets predicting strong growth for nuts
 - Mintel Research Retail Snacking Nuts & Seeds forecast to grow 10.7% CAGR in value terms between 2015 and 2020*

Almond Supply – Assured

- US drought is over. Water is assured in Aust & US for next couple of seasons
- New planting in US, Aust & Spain will result in 7-9% net growth per annum

Strong volume growth as pricing has returned to long average levels

www.asianfoodjournal.com2017/04/healthy-snacking-rise-china/





Select Harvests 2017 Crop Update

Harvest - 90%+ Complete

- Harvest commenced two weeks later.
- Harvest conditions favourable

Processing - 30%+ Complete

- Harvest quality excellent good colour and high inshell percentage
- Insect damage not significant
- Harvest yield very variable by orchard

2017 Crop Forecast - 5% to 10% below expectations

- Field weight very inconsistent by orchard: biggest impact high blank nut percentage hypothesis is this is the result of milder growing conditions in spring and early summer
- Processing and growing costs will be favourable, volume shortfall needs to be fully understood

2017 Price - A\$7.50 - A\$8.00/kg

- 65% of the crop has been committed in this range
- Price outlook stable

Need to process more crop to better understand the size & mix of the final crop





2017 Business Update

Packaged Consumer Business

- Additional Sunsol muesli distribution for two lines in Coles
- Lucky market share 39.8% MAT
- Sino Trans placing follow up order in April, showing strong commitment to brand

Industrial/Trading Business

- Strong volume uplift in last quarter
- Outlook positive with demand from both domestic & Asian customers

Projects

- Parboil commission commenced
- H2E on track for June commissioning
- Almond developments on track
- 1Select ERP commenced

People & Environment

- Lost Time Frequency Rate YOY 12 VS 26
- Zero environmental incidents

Continuing to develop strong, sustainable and growing business





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Appendix

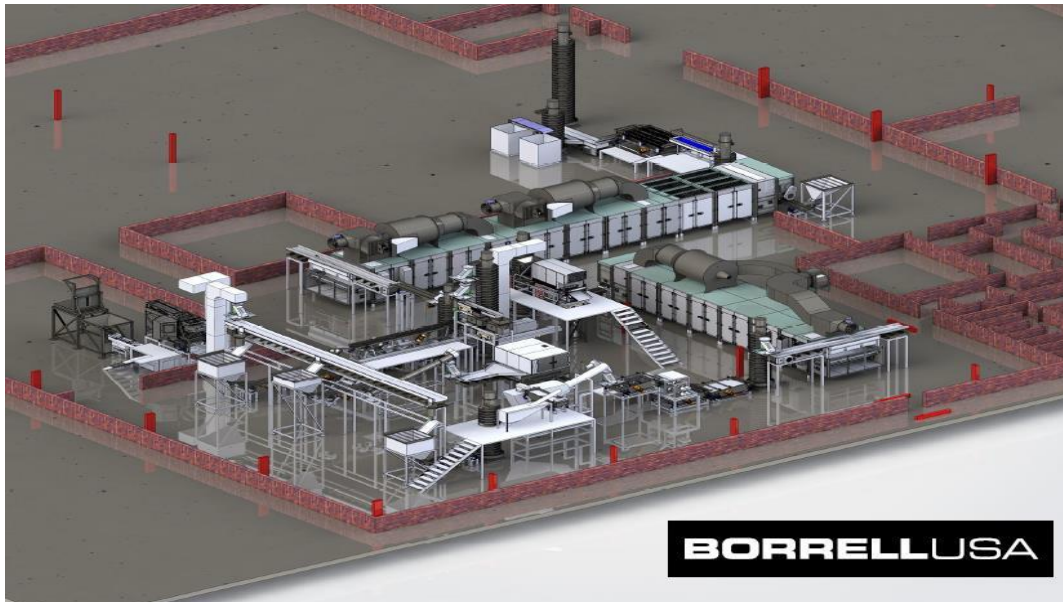


Project Parboil – Almond Value-Add



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Projective Objective: To install an Added Value Almond Processing & Packing Facility at Carina West



**Infrastructure designed
using and comply to:**

WQA Manufactured Food
Standard Version8

&

Coles Food Manufacturing
Supplier Requirements
(CFMSR) ver Feb 2014

Operational Highlights

- *Integrated Processing Equipment: Blanching, Slivering, Slicing, Dicing, Dry Roasting, Pasting, Grinding, Pasteurising, Electronic Sorting and Industrial & Retail Packing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Automated Industrial Packing Line with Gas Flushing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Operational Hours: 8hrs x 5 days x 48 weeks*
- *Operators Employed: 12*

Specifications

- *Building size: 50m x 84m*
- *1.2m concrete tilt slab perimeter internal/external*
- *Borrell Integrated Blanching & Roasting Line*
- *Nimbus Electronic Sorter with Biometric Signature Identification*
- *Propac Retail Baggers AV 2.2 with Dual Feed system*
- *Pattyn Fully Automated Industrial Packaging Line*
- *Ishida Multi-Head & Check Weighers*
- *Visy Automation Robotic Retail & Industrial Palletizing line*
- *2mt per hour thru-put*

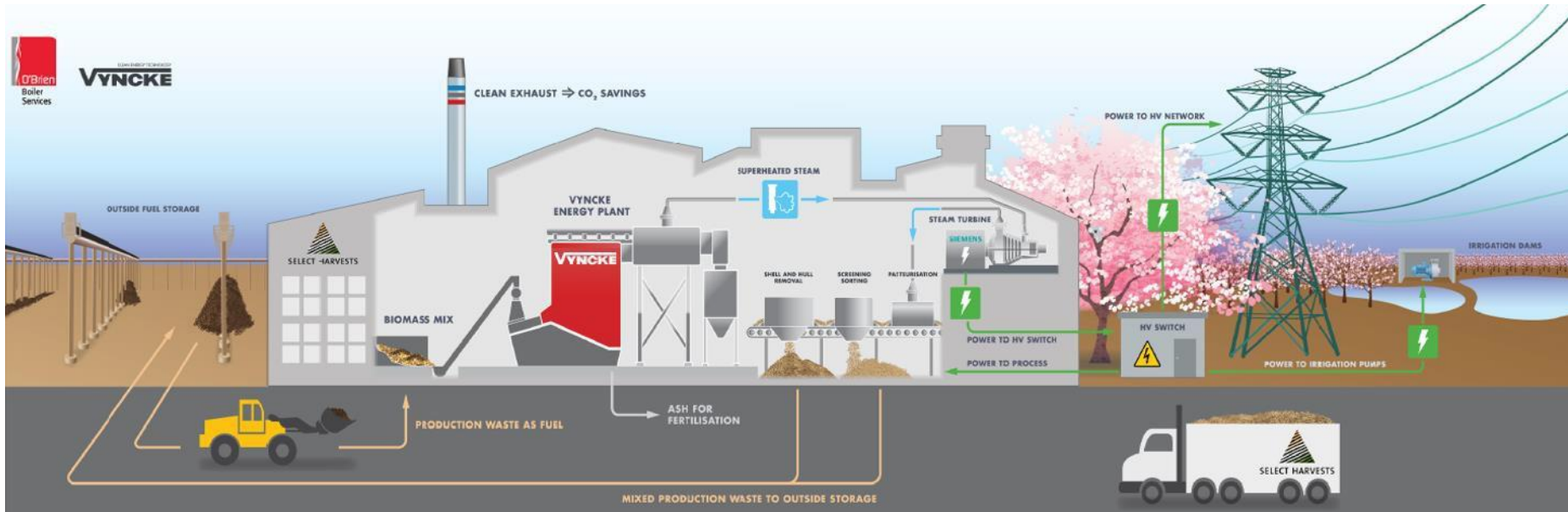


Project H₂E – Hull to Energy



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Projective Objective: Install a biomass boiler and steam turbine, fuelled by almond hull and shell and orchard waste and converting it to heat and power.



Operational Highlights

- Fuel source: almond hull & shell and field prunings
- Fuel consumed: 3.66T/hr - 30,000T/yr
- Power delivered direct to CW Processing Plant + Carina Dams
- Excess power delivered into local grid
- Operational Hours : 24hr x 7days x 48 weeks
- Operators Employed : 8

Specifications

- Vyncke 17MW thermal biomass boiler
- Siemens 3.1MWe SST-110 turbine
- Fuel feed system - moving floor type
- Emission control - multi cyclone
- Flue gas stack - 25m carbon steel



Bunargool Orchard



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Planted in July on time, on budget

