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High quality natural products

# Select Harvests Limited (“SHV”)

## 2017 Annual General Meeting

### Positioned for Growth

24 November 2017



# Disclaimer & Basis of Preparation

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*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.*



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# Michael Iwaniw

## Chairman



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# Agenda

- Chairman's Address
- Managing Director's Address
- AGM Resolutions



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## Select Harvests Board

- Michael Iwaniw, Chairman, Appointed Chairman November 2011
- Michael Carroll, Non-Executive Director, Appointed March 2009
- Fred Grimwade, Non-Executive Director, Appointed July 2010
- Paul Riordan, Non-Executive Director, Appointed October 2012, standing for re-election
- Nicki Anderson, Non-Executive Director, Appointed January 2016
- Fiona Bennett, Non-Executive Director, Appointed July 2017, standing for election
- Paul Thompson, Managing Director, Appointed July 2012
- Ross Herron, (Appointed January 2005 - November 2017) - Vale



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# Vale Ross Herron



Significant contribution to the company across his 12+ years of service  
Our thoughts are with his family



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# 2017 Business Performance

- **FY2017 Reported Net Profit after Tax (“NPAT”) of A\$9.2m** compares to the
  - FY2016 Reported NPAT of A\$33.8m
  - FY2016 Underlying NPAT<sup>1</sup> of A\$27.9m
- **FY2017 Earnings Before Interest and Tax (EBIT) is A\$17.0m** compared to
  - FY2016 Reported EBIT of A\$49.8m
  - FY2016 Underlying EBIT<sup>1</sup> of A\$41.3m
- **Reported Earnings per Share (EPS) of 12.6 cents per share (cps)**
  - FY2016 46.7cps; Underlying EPS of 38.5cps
- **FY17 Dividend – Interim dividend 10 cps fully franked, paid 5 April 2017**
  - No final dividend
- **Operating cash flow of A\$4.7m (FY2016 A\$92.9m)**
  - Note: this is after paying \$29.0m in tax in FY2017, relating to FY2016 year

<sup>1</sup> – There are no non-recurring adjustments to the FY2017 Results. FY2016 Results include an A\$8.5m pre-tax gain from an asset sale. Refer Definitions and Explanations Slide (Slide 45) for definitions of Underlying NPAT, Underlying EBIT and Underlying EPS.



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# Capital Raising

## Purpose:

- Pay for Jubilee almond orchards and 1,335 ML of high security water
- Restore Balance Sheet strength

## Funds Raised:

- Institutional Placement \$45m
- Share Purchase Plan \$45m

## Outcome:

- 21.4m shares @ \$4.20 (a 7% premium to 5-day VWAP prior to trading halt)
- Gearing (Net Debt/Equity) 30 June 2017
  - pre-capital raising - 53%
  - post-capital raising - 15%

**Balance Sheet replenished. Gearing low**





# Strategy & Priorities



## HORIZON 1 - PERFECT THE CURRENT MODEL



## HORIZON 2 - TRANSITION INTO INTEGRATED MODEL



## HORIZON 3 - EXPAND MODEL GLOBALLY



### VISION

Select Harvests 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



# Paul Thompson

## Managing Director



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# FY2017 Business Performance

## ■ Almond Division

- EBIT A\$17.0m (FY2016 Underlying EBIT A\$41.3m)
- Almond crop volume of 14,100 MT (FY2016 14,200 MT)
- Average almond price of A\$7.43/kg (FY2016 A\$8.08/kg)

## ■ Acquired Jubilee Orchards near Waikerie, South Australia for A\$26.4m

- 465 planted ha (320 ha bearing and 145 ha non-bearing) (1,147 planted acres: 792 acres bearing, 355 acres non-bearing)
- 1,335 ML of high security water entitlements

## ■ Greenfield development

- Planted 844 ha (2,084 acres) of new almond orchards, funded via lease agreement with First State Super (FSS)

## ■ Significant Project delays

- Parboil
- H2E

## ■ Food Division

- EBIT A\$8.0m (FY2016 A\$10.3m)
- Almond price having adverse impact on result

## ■ Safety, Sustainability & Governance

- Zero environmental incidents
- All safety measures improved
- Inaugural Sustainability Report

# Food Division Products



Sunsol Muesli Large Packsize  
launching in Asia December 2017



Sunsol 10+ Granola  
launching in Asia December 2017



Lucky Entertainers  
Asia-specific variety  
launching December 2017

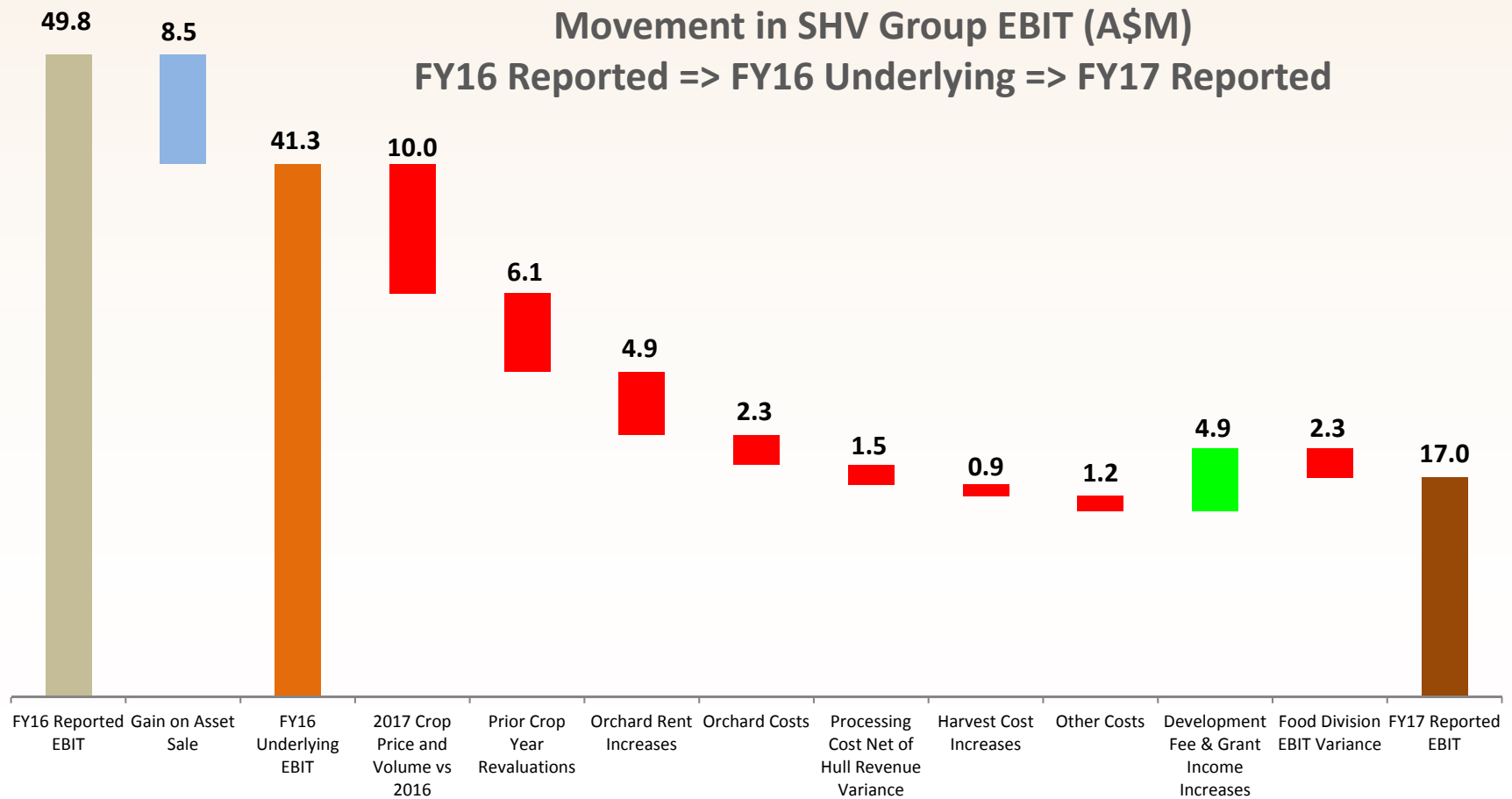
## Asia-targeted product launches



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# Movement in SHV Group EBIT (A\$M)



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# Major Projects

## Project H2E (Biomass electricity cogeneration facility)

- No further delays – commissioning target end Q3 FY2018
- Partly mitigates increasing energy cost pressure in the business
- Will improve long-term economic value of kernel by-product
- Cold commissioning of support motors commenced this month
- Project NPV remains positive

## Project Parboil (Almond value-adding facility)

- In production ramp-up phase
- Provides allergen-free almond products & additional blanching & pasting capacity
- Global state of the art manufacturing facility
- Project NPV remains positive

## Greenfield Orchard Plantings

- 844 ha (2,084 acres) planted under lease agreement with FSS
- Greenfield plantings displaying excellent tree health



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# Bunargool Orchard



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# Global Market Update

## Demand

- Global demand remains strong. Rebasing of pricing has stimulated demand.
- US 2016 crop was a record - 2.10 billion pounds (up 12% on prior year)
- US shipments last year were up 16%
- Current US YTD shipments and commitments are 49% of the total supply
  - maintaining a similar pace to last year
- Robust activity for new products and new use of almonds across all product categories
- Current stable almond price levels will continue to fuel increasing almond consumption

## Supply

- US 2017 crop is projected to be another record – 2.25 billion pounds (up 5% on 2016 crop)
- Uncommitted inventory is 17% lower than last year
- Crop quality concerns due to insects in 2017 US crop
- Uncertainty on size of Spanish crop due to frost and drought
- 2018 Australian crop anticipated to be at or below 2017 crop
- Australian and US new planting momentum are reducing

Source: Company Data, Almond Board of California



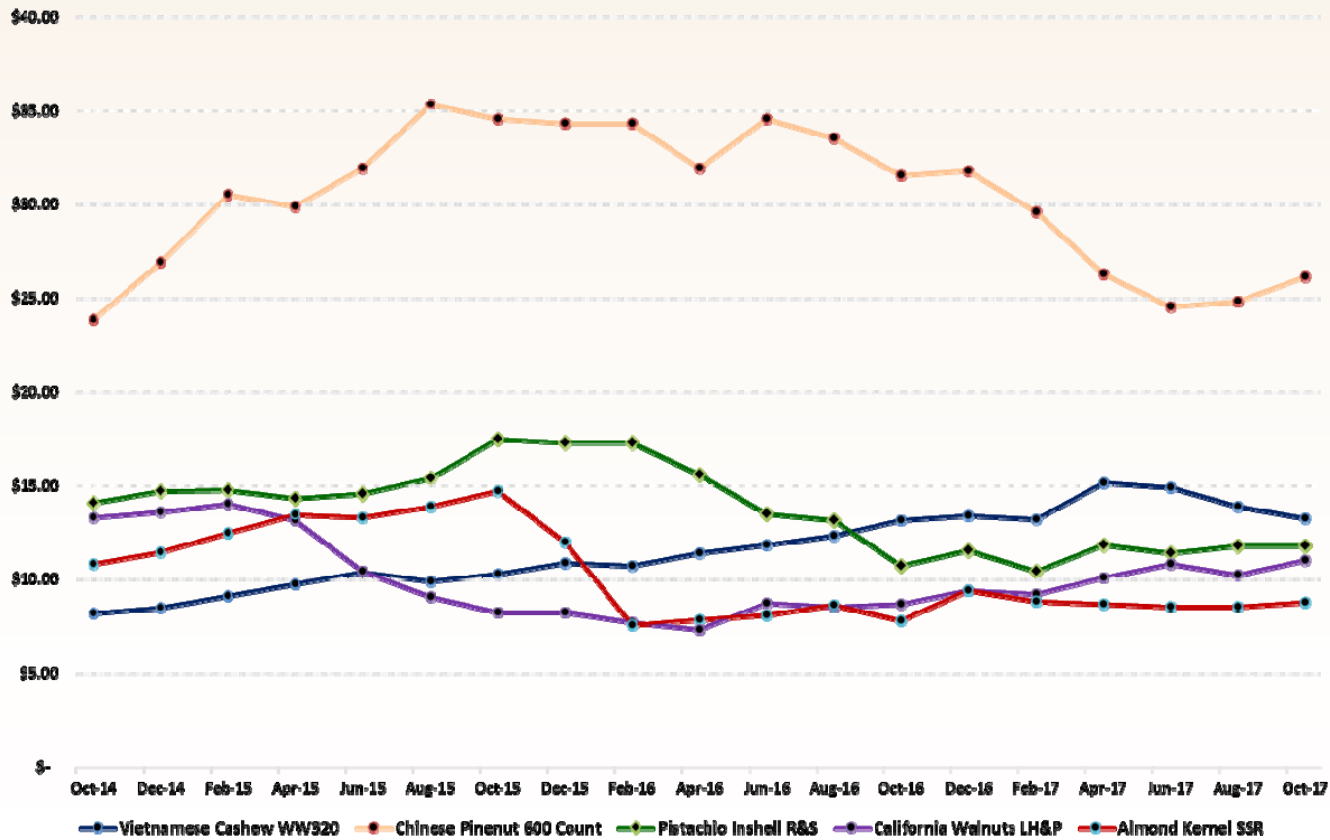
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# Global Market Update - Tree Nut Pricing

Comodity Price Trend 2014 - 2017 - AUD\$/KG CFR



Almonds are currently the best value in the basket - driving consumption



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# 2018 SHV Crop Update

## Crop

- Sufficient chill hours between seasons
- Good but disrupted bloom
- Frost events in Northern and Central regions
- Weather outlook positive
  - 2018 water secured (average price A\$170/ML inclusive of Government charges and levies)
- SHV 2018 Theoretical Crop (based on our orchard age profile and industry average yields) is 15,816 MT
  - Due to the random nature of frost impact, a reliable estimate cannot be made at this stage

## Market

- Current market pricing A\$7.50-8.00/kg
- 10% of 2018 Theoretical Crop has been presold within this range
- 2017 crop fully committed or sold

EBIT Sensitivity	Impact on EBIT (\$m)
Volume +/-200 tonnes	+/- A\$1.5M
Almond Price (A\$/kg) +/- A\$0.10/kg	+/- A\$1.4M
Exchange Rate +/- 1 cent movement in AUD/USD cross rate	+/- A\$1.4M

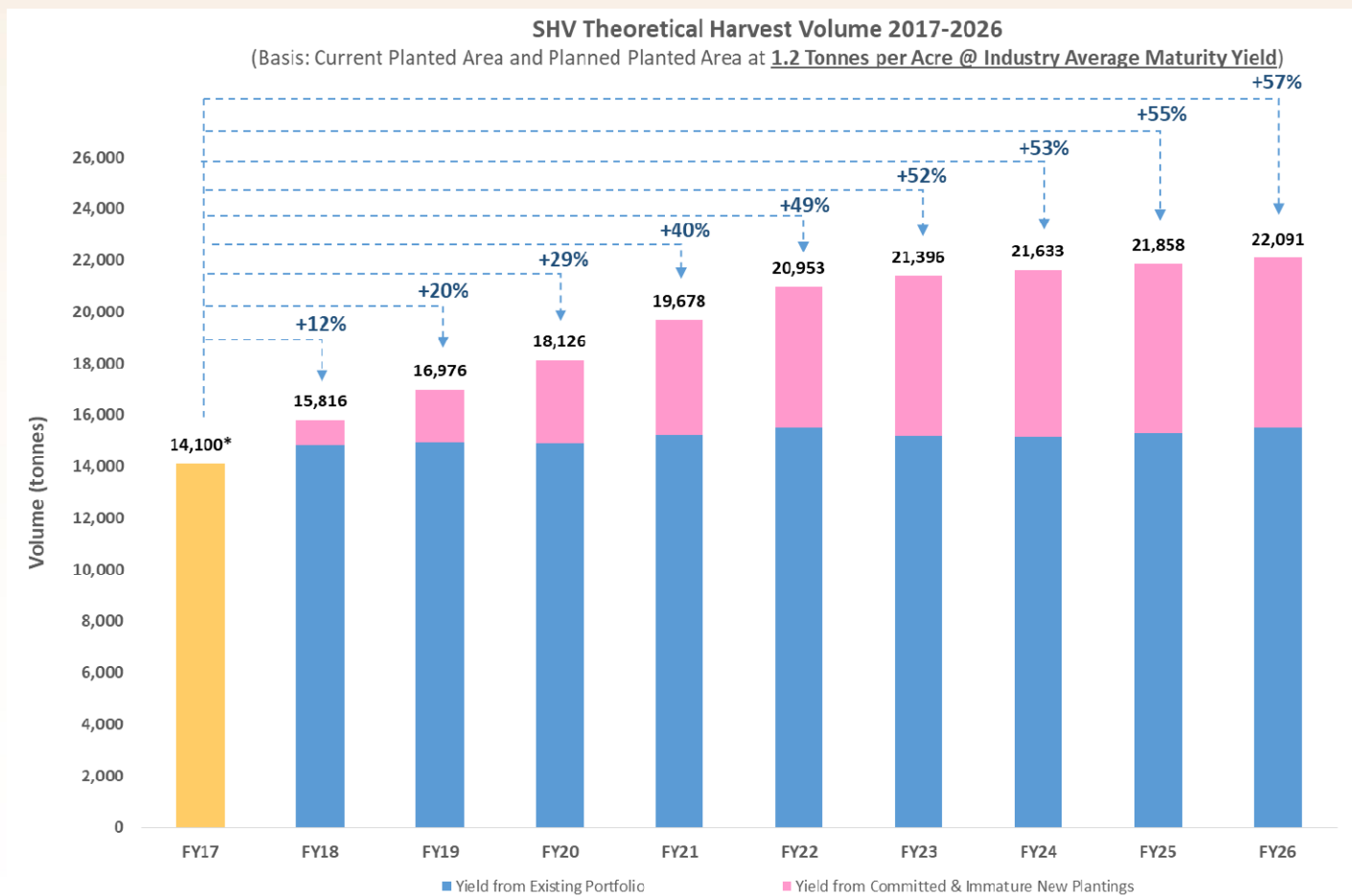
**Geographic diversification and risk mitigation strategies have protected the business base**



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# Volume Growth



\*Yields by tree age - refer slide 42

**Investment in almond orchards & processing assets largely complete = increase future earnings**



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# Management Team

## Finance

- Paul Chambers (CFO & Company Secretary) resigned - effective 8 November 2017
- Vanessa Huxley appointed General Manager Finance & Company Secretary
- Brad Crump appointed CFO - commenced 20 November 2017

## Operations

- Bruce van Twest (GM Operations) has resigned and has left the business – July 2017
- Peter Ross appointed GM Almond Operations (previously GM Horticulture & prior to that GM Operations)
- Ben Brown appointed Acting GM Horticulture (previously Horticulture Manager)
- Mark Eva appointed GM Consumer (Previously GM Sales & Marketing – Consumer)



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# Key Take Outs

- **Fundamentals of the business & industry remain strong**
  - Global consumption of plant protein & almonds continues to grow at 6-8% per annum
- **Almond strategy is in place**
  - 18,000 MT in 2020 building to 21,000MT in 2022 & 22,000MT in 2026
- **Orchard health**
  - NSW orchards and some orchards in other regions have been affected by frost
- **Cost competitive position is dependent on execution rather than investment**
  - Focus is on reducing operating expenditure, working capital & minimising capex
  - Targeting 10% operating expenditure reduction in FY18
- **Export growth is a focus**
  - Consumer business growth means investing in new product development and brands
  - Industrial business will grow utilizing the capacity and quality of the Parboil value-add facility
- **Almond Pricing**
  - Outlook stable A\$7.50 - A\$8.00/KG
- **Zero Harm**
  - Number One Priority

**SHV is well placed to take advantage of global demand, positioning shareholders to benefit from improved returns**



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# Thank you

**Please direct any queries to:**

Paul Thompson  
Managing Director  
+61 3 9474 3544

Brad Crump  
Chief Financial Officer  
+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 website.

[www.selectharvests.com.au](http://www.selectharvests.com.au)



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# Annual General Meeting

## 24 November 2017

Consideration of The Financial Statements & Reports



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# Resolution #1: Remuneration Report



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# Resolution #1: Remuneration Report

<b>For:</b>	31,176,547
Against:	1,625,444
Open-Usable:	890,271



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# Resolution #2(a): Election of Paul Riordan



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## Resolution #2(a): Election of Paul Riordan

<b>For:</b>	30,478,743
Against:	1,758,663
Open-Usable:	1,094,203



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# Resolution #2(b): Election of Fiona Bennett



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## Resolution #2(b): Election of Fiona Bennett

<b>For:</b>	30,499,322
Against:	1,782,725
Open-Usable:	1,088,041



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# Discussion



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# Thank you

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Paul Thompson  
Managing Director  
+61 3 9474 3544

Brad Crump  
Chief Financial Officer  
+61 3 9474 3544

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# Select Harvests - Financial History



SHV Historical Summary	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015	2016	2017
Total Sales	(A\$M)	217.9	229.5	224.7	248.6	238.4	248.3	251.3	191.1	188.1	223.5	285.9	<b>239.0</b>
EBIT	(A\$M)	38.4	40.5	27.1	26.8	26.0	15.4	19.6	37.7	31.3	89.6	41.3	<b>17.0</b>
EBIT Margin (EBIT/Sales - %)	(%)	17.6%	17.6%	12.1%	10.8%	10.9%	6.2%	7.8%	19.7%	16.6%	40.1%	14.4%	<b>7.1%</b>
PBT	(A\$M)	37.9	40.0	25.4	23.0	23.6	12.0	13.4	32.7	26.8	84.3	35.8	<b>12.0</b>
NPAT	(A\$M)	26.5	28.1	18.1	16.7	17.3	8.9	9.5	22.9	21.6	59.4	27.9	<b>9.2</b>
Issued Shares	No. of Shares	39.7	38.7	39.0	39.5	39.8	56.2	56.8	57.5	58.0	71.4	72.9	<b>73.6</b>
Earnings Per Share	AUD Cents per Share	67.1	71.0	46.7	42.6	43.3	17.0	16.8	40.1	37.5	86.8	38.5	<b>12.6</b>
Dividend per Share	AUD Cents per Share	53.0	57.0	45.0	12.0	21.0	13.0	8.0	12.0	20.0	50.0	46.0	<b>10.0</b>
Payout Ratio	(%)	80.0%	80.0%	96.7%	28.2%	48.5%	76.5%	47.6%	29.9%	53.3%	57.6%	119.5%	<b>79.4%</b>
Net Tangible Assets per Share	(A\$/Share)	1.83	1.57	1.41	1.56	1.87	2.17	2.19	2.14	2.38	3.35	3.22	<b>2.95</b>
Net Interest Cover	(times)	82.3	75.8	15.6	7.1	10.7	4.5	3.2	7.5	7.0	16.9	7.5	<b>3.4</b>
Net Debt	(A\$M)	1.3	1.6	46.8	52.4	45.0	73.1	66.8	79.3	94.8	115.6	67.3	<b>145.8</b>
Shareholder Equity	(A\$M)	101.5	95.5	94.1	100.9	113.6	168.8	160.3	159.5	175.4	287.4	290.9	<b>277.6</b>
Net Debt to Equity Ratio	(%)	1.3%	1.7%	49.7%	51.9%	39.6%	43.3%	41.7%	49.7%	54.1%	40.2%	23.1%	<b>52.5%</b>
Share Price	(A\$/Share)	13.02	11.60	6.00	2.16	3.46	1.84	2.40	3.90	5.14	11.00	6.74	<b>\$4.29</b>
Market Capitalisation	(A\$M)	517.0	449.4	234.1	85.4	137.6	103.5	120.0	224.3	298.1	785.4	491.5	<b>315.8</b>
P/E Ratio		19.5	16.0	12.9	5.1	8.0	11.6	12.6	9.8	13.8	13.2	17.6	<b>34.3</b>

\* 2014 figures have been rebased according to early adoption of Accounting Standards, AASB 116, Property, Plant and Equipment, and AASB 141, Agriculture, impacting "bearer plants".  
2011-2017 figures represent underlying earnings .

Source: Company Data



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# FY2017 Income Statement

Financial Result	FY16 (A\$m)	FY17 (A\$m)
<b>Reported Result</b>		
EBIT - Reported	49.8	17.0
Interest	(5.5)	(5.0)
NPBT	44.3	12.0
Tax Expense	(10.5)	(2.8)
<b>NPAT - Reported</b>	<b>33.8</b>	<b>9.2</b>
<b>Underlying Result</b>		
EBIT – Underlying	41.3	17.0
Interest	(5.5)	(5.0)
NPBT	35.8	12.0
Tax Expense	(7.9)	(2.8)
<b>NPAT - Underlying</b>	<b>27.9</b>	<b>9.2</b>

## ■ FY17 Underlying EBIT<sup>1</sup> A\$17.0m (FY16 A\$41.3m)

### ■ Almond Division Underlying EBIT<sup>1</sup> A\$13.7m (FY16 A\$36.1m)

- Volume flat (14,100MT vs 14,200MT) (A\$0.8m)
- Price down (A\$7.43/kg vs A\$8.08/kg) (A\$9.2m)
- Crop Revaluation (A\$6.1m)
- Other Income/Costs (A\$5.9m)

### ■ Food Division EBIT A\$8.0m (FY16 A\$10.3m)

- Commodity pricing & currency (A\$2.0m)
- Volumes (A\$0.3m)

### ■ Underlying NPAT<sup>1</sup> down 67% to A\$9.2m (FY16 A\$27.9m)

<sup>1</sup> – There are no non-recurring adjustments to the FY2017 Results. FY2016 Results include an A\$8.5m pre-tax gain from an asset sale. Refer Definitions and Explanations Slide (Slide 45) for definitions of Underlying EBIT & Underlying NPAT

**FY17 income has been negatively impacted by multiple challenges – both currency and cost**



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# FY2017 Balance Sheet

Year Ending Balance Sheet	Jun-16 (A\$m)	Jun-17 (A\$m)
Current Assets excl. Cash	154.1	139.1
Cash	1.4	1.1
Non-Current Assets	294.3	343.1
<b>Total Assets</b>	<b>449.8</b>	<b>483.2</b>
Current Liabilities (excl. Borrowings)	51.2	23.4
Borrowings	68.7	146.9
Non-Current Liabilities (excl. Borrowings)	39.0	35.3
<b>Total Liabilities</b>	<b>158.9</b>	<b>205.6</b>
<b>Total Equity</b>	<b>290.9</b>	<b>277.6</b>
Net Debt	67.3	145.8
<i>Net Debt/Equity</i>	<i>23.1%</i>	<i>52.5%</i>

- Debt at top end of targeted range
- Net debt of A\$104.4m (FY2016 A\$25.5m)
  - Gearing (net debt/equity) is 37.6% (FY2016 8.8%)
- Net debt including finance leases A\$145.8 m (FY2016 A\$67.3m)
  - Gearing (net debt/equity) is 52.5% (FY2016 23.1%)
- Post balance date capital raising - Placement & SPP - \$90M
  - 21.4m shares @ \$4.20 (a 7% premium to 5-day VWAP prior to trading halt)
  - Gearing (Net Debt/Equity) 30 June 2017
    - pre-capital raising - 53%
    - post-capital raising - 15%



# FY2017 Cash Flow

Cash Flow	FY16 (A\$m)	FY17 (A\$m)
EBITDA	62.4	31.8
Change in Working Capital	36.3	6.9
Tax Paid	(0.9)	(29.0)
Net Interest	(4.9)	(5.0)
<b>Cash flow from operating activities</b>	<b>92.9</b>	<b>4.7</b>
Investing cash flows	(47.8)	(56.8)
Proceeds from asset sales	73.2	-
Increase/(decrease) in Debt	(84.8)	76.6
Dividends Paid	(31.9)	(23.0)
<b>Net (Decrease)/Increase in Cash/Cash Equivalents</b>	<b>1.6</b>	<b>1.5</b>

- 2016 crop realised in FY2017 at significantly lower values than the 2015 crop (realised in FY2016)
- Decreased working capital due to lower 2017 crop price
- Significant tax paid during the year on the realised 2015 and 2016 crops
- FY17 Investing cash flows driven by:
  - Orchard acquisition (excluding water) A\$21.8m
  - Projects A\$17.0m
  - Equipment & Maintenance A\$6.0m
  - Tree Development A\$9.6m
  - Water A\$4.5m

**Underlying cash generation positive**  
**Higher value crop replaced by lower value crop and funding strategic investments**



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# EBIT Sensitivity

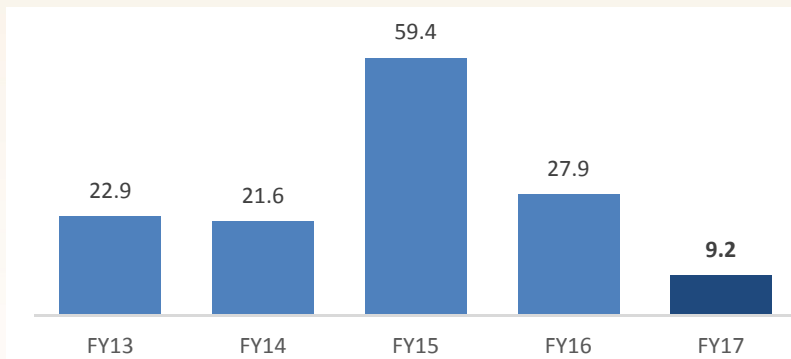
Assuming 2017 crop variables of:

- Volume: 14,100 tonnes
- Almond Price: A\$7.43/kg
- Exchange Rate (AUD/USD): 0.75

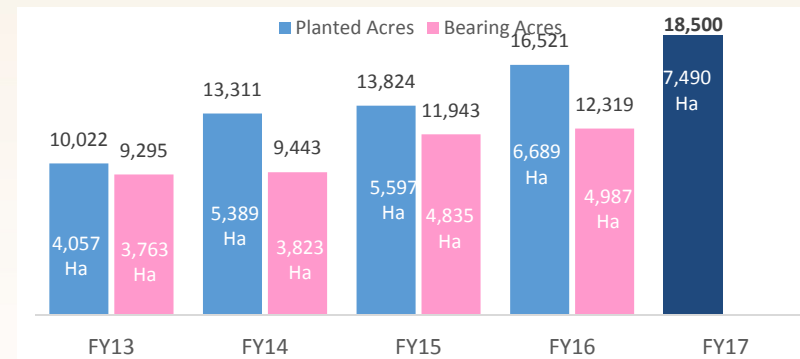
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Volume +/-200 tonnes	+/- A\$1.5M
Almond Price (A\$/kg) +/- A\$0.10/kg	+/- A\$1.4M
Exchange Rate -/+ 1 cent movement in AUD/USD cross rate	+/- A\$1.4M

# 5 Year Business Performance

Underlying NPAT (A\$ million)

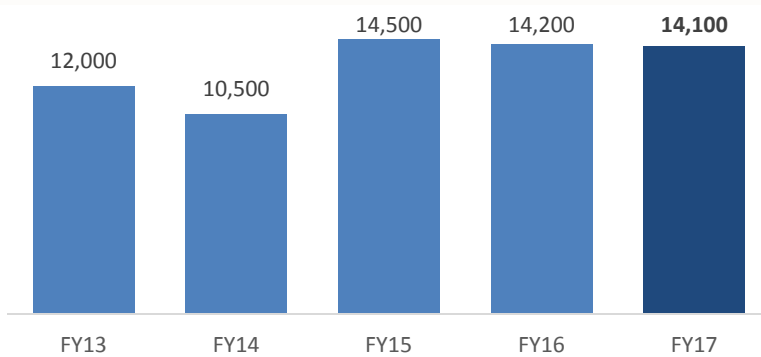


Planted/Bearing Almond Orchards (acres)\*

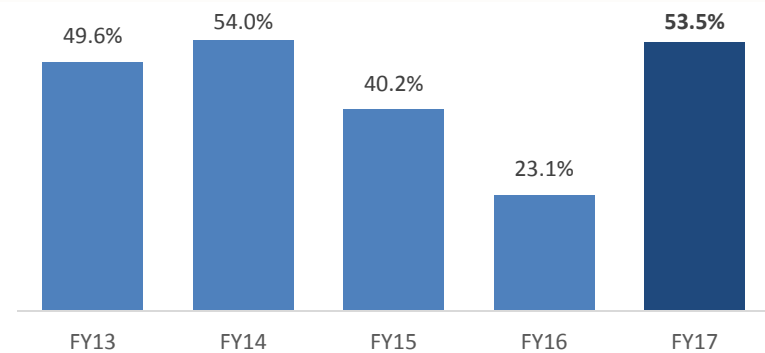


\*Planted acres as of August End

Harvest Volume (MT)



Gearing - % (Net Debt/Equity)



Future growth from Almond and Food Divisions. Replenished, strong balance sheet.



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# Safety, Sustainability & Diversity



## Safety

- Agriculture is one of Australia’s most dangerous industries
- Select Harvests Zero Harm Safety and Wellbeing Strategy focus is to:
  - Prevent injury before it occurs
  - Improve our safety performance & individual wellbeing

**Our foremost objective is the safety of our people**

## Sustainability

- Zero environmental breaches
- Commissioned first off the grid solar power farm hub
- Project H2E is our largest energy saving initiative
- Inaugural Sustainability Report in FY2017

## Inclusion and Diversity

- 6% increase in female representation at Board & Senior Executive level
- 42% of our people are from a culturally diverse background
- 2<sup>nd</sup> female with ethnic diversity appointed to the Executive Team
- 2<sup>nd</sup> female Director - Fiona Bennett

SAFETY	FY2016	FY2017	FY17 Outcome
LTIFR (“Lost Time Injury Frequency Rate”)	18.4	15.1	-18%
MTIFR (“Medically Treated Injury Frequency Rate”)	40.0	19.0	-53%
LTISR (“Lost Time Injury Severity Rate”)	16.0	13.0	-19%
TRIFR (“Total Recordable Incidents Frequency Rate”)	99.0	70.0	-29%

**SHV is making tangible progress towards achieving its safety, sustainability & diversity goals**



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# Almond Orchards – Our productive foundation

## Geographic diversity limits exposure to:

- Weather
- Disease spread
- Insect infestation

## Enables sequential progression of harvest period across regions:

- Better farm equipment utilisation
- Better processing utilisation
- Better labour utilisation



## Secure access to diverse water sources:

- River Water
- Aquifers

Positions the company to maximise harvest volume & reduce variance.

Building world class properties and a globally competitive low cost business.

**Australia's 2nd largest & most geographically diverse almond producer – 18,500 planted acres**



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## Select Harvests – Orchard Profile

Select Harvests Almond orchard portfolio	Planted* (as at 30 June 2017)		Under Development (as at 30 June 2017)		Total Planted & Under Development (as at 30 June 2017)	
	Acres	Hectares	Acres	Hectares	Acres	Hectares
<b>Central region</b>						
Company Owned	4,151	1,680			4,151	1,680
Leased	2,909	1,177	500	202	3,409	1,380
<b>Total</b>	<b>7,060</b>	<b>2,857</b>	<b>500</b>	<b>202</b>	<b>7,560</b>	<b>3,059</b>
<b>Northern Region</b>						
Company Owned	1,797	727			1,797	727
Leased	3,017	1,221			3,017	1,221
<b>Total</b>	<b>4,814</b>	<b>1,948</b>			<b>4,814</b>	<b>1,948</b>
<b>Southern Region</b>						
Company Owned	2,722	1,102			2,722	1,102
Leased	3,034	1,228	870	352	3,904	1,580
<b>Total</b>	<b>5,756</b>	<b>2,329</b>	<b>870</b>	<b>352</b>	<b>6,626</b>	<b>2,681</b>
<b>Total</b>						
Company Owned	8,670	3,509			8,670	3,509
Leased	8,960	3,626	1,370	554	10,330	4,180
<b>Total</b>	<b>17,630</b>	<b>7,135</b>	<b>1,370</b>	<b>554</b>	<b>19,000</b>	<b>7,689</b>

\*Includes Jubilee Acquisition

**870 acres were planted in July 2017 – 500 acres will be planted July 2018**



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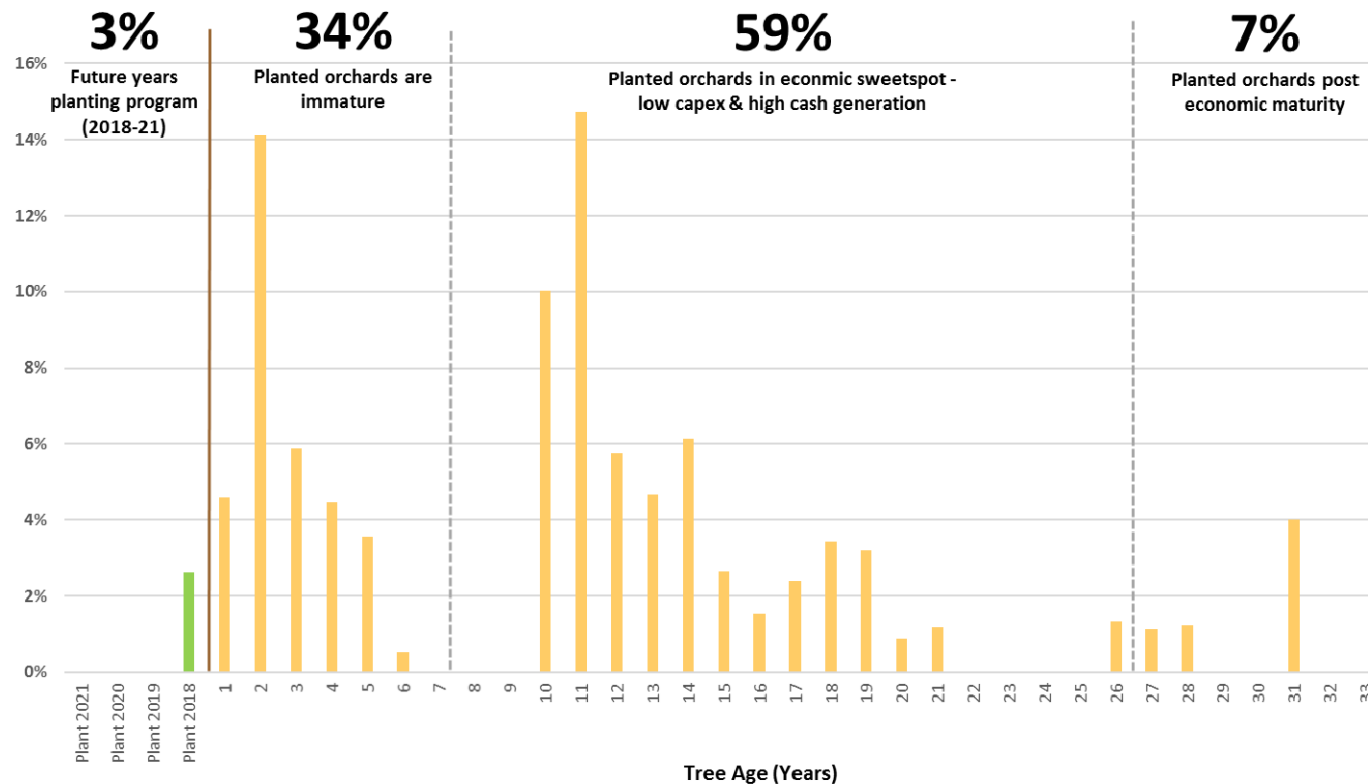




# Select Harvests - Orchard Age Profile

## Age Profile of SHV Almond Orchard Portfolio

75% of current planted acres are cash generative



Significant growth & improvement occurred in SHV orchard portfolio in recent years - acquisition, replants, greenfields



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# Targeting an Above Average Yield Per Acre @ Maturity

Year	Harvest Volume (tonnes) per acre based in 1.2 Tonnes per Acre @ Maturity	Harvest Volume (tonnes) per acre based on 1.3 Tonnes per Acre @ Maturity
1	0.0	0.0
2	0.0	0.0
3	0.3	0.3
4	0.5	0.5
5	0.8	0.8
6	1.0	1.0
7+	1.2	1.3

**Note:**

**Biennial Nature of Crop**

- The almond crop is biannual in nature with +/- 10% per annum variation in tonnage possible

**Variation between Regions and Farms**

- Yields are not uniform and vary across both farms and growing regions

**Post Economic Maturity Yield**

- The yield for post economic maturity farms deteriorates as tree age increases

**Significant tonnage upside available with a higher yield per acre at maturity**

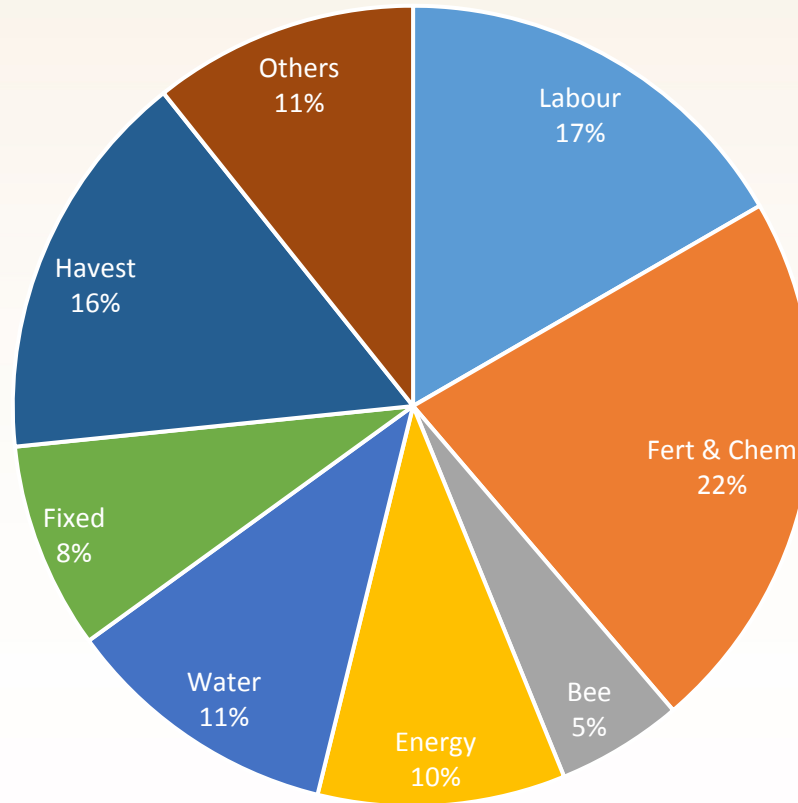


SELECT HARVESTS



# Select Harvests – Growing Costs

## SHV FY2017 Orchard Costs by Percentage



■ Labour ■ Fert & Chem ■ Bee ■ Energy ■ Water ■ Fixed ■ Havest ■ Others

Note: exclude orchard rental or lease costs



SELECT HARVESTS



# Useful Almond Industry websites

## Industry Associations

- Californian Almond Board [www.almondboard.com](http://www.almondboard.com)

## Industry Reports

- US Crop Forecasts (Subjective, Objective) <http://www.almonds.com/growers/resources/crop-forecasts>
- Monthly Almond Position Reports <http://www.almonds.com/newsletters/position-reports?from-section=2881>
- Almond Almanac [http://www.almonds.com/sites/default/files/content/attachments/2015\\_almanac.pdf](http://www.almonds.com/sites/default/files/content/attachments/2015_almanac.pdf)
- UC Davis Almond Development Costings <http://coststudies.ucdavis.edu/en/current/>

## Almond Companies

- Blue Diamond Growers [www.bluediamond.com](http://www.bluediamond.com)
- Blue Diamond Ingredients [www.bdingredients.com/category/almond-market-analysis](http://www.bdingredients.com/category/almond-market-analysis)
- Almond Insights [www.almondinsights.com](http://www.almondinsights.com)
- Derco Foods [www.dercofoods.com/en/reports](http://www.dercofoods.com/en/reports)
- RPAC Almonds [www.rpacalmonds.com/marketnews](http://www.rpacalmonds.com/marketnews)
- Paramount Farms [www.paramountfarms.com](http://www.paramountfarms.com)
- Hilltop Ranch [www.hilltopranch.com](http://www.hilltopranch.com)
- Merlo Farming [www.merlofarminggroup.com](http://www.merlofarminggroup.com)



SELECT HARVESTS



# Definitions & Explanations



- **Underlying Earnings Before Interest and Tax (“EBIT”)** is a non-International Financial Reporting Standards (“IFRS”) measure calculated by adding back interest expense and any non-recurring adjustments to Profit Before Income Tax.
- **Underlying Net Profit After Tax (“NPAT”)** is a non-IFRS measure calculated by adding back any non-recurring adjustments to Profit Attributable to Members of Select Harvests Ltd.
- **Underlying Earnings Per Share (“EPS”)** is a non-IFRS measure calculated by adjusting EPS for any non-recurring items
- Non-IFRS measures used by the company are relevant because they are consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.



# Thank you

**Please direct any queries to:**

Paul Thompson  
Managing Director  
+61 3 9474 3544

Brad Crump  
Chief Financial Officer  
+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 website.

[www.selectharvests.com.au](http://www.selectharvests.com.au)



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