

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















- **1**. There is an increasing in demand for plant based foods
- 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





Sustainability Footprint





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	 Orchard expansion program Improve harvest efficiency Improve water, labour & energy efficiency
Improve supply chain efficiency	Best practise, low cost and optimum quality of pack out	 Parboil value-add facility Optimise pack out e.g. Inshell Deliver low cost non almond supply chain
Maximize commodity value through innovation	Higher returns through adding value, new products and markets	 Invest and support food science and R&D Open new geographies Partner with customers
Build our systems & grow our people	Attract, develop and retain talented and motivated people to become the 'best in class' team	 Zero harm Develop talent, skills & diversity Engage with community & stakeholders





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Transition to an integrated model

Grow the value of Brands	Pursue opportunities to profitably grow consumer brands	 Resource to accelerate brand growth Invest in consumer insights New Product pipeline 		
Grow in SHFP Asian market via partnerships	Develop partnerships in Asia that provide channels to market and local knowledge	 Appoint strong local distribution partners Customize range 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	 Establish investment criteria Develop target list Open new geographies 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		





Sunsol









2017 Almond Update

Almond Demand – Remains Strong

March	Positon Re	port	US Industr	y Shipmen	ts				
		Exports	US Domestic		Total				
	ΤY	LY		ΤY	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 12mtl	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















Appendix













Project Parboil – Almond Value-Add



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

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







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Bunargool Orchard





Planted in July on time, on budget











