FY2017 Results Presentation

August 2017

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Non-IFRS measures: Throughout this presentation, Costa has included reference to certain non-IFRS measures. Non-IFRS measures have not been subject to audit. A further explanation of these measures is provided in the Appendix.

Contents

Blackberries, Costa Tasmania

Highlights

Highlights

Headlines

- Strong FY17 full year trading outcome, with all produce units exceeding target
- Domestic and international berry growth, excellent citrus performance and tomato market recovery were key contributors to year on year earnings growth
- Cash flow generation, balance sheet position and growth capacity remains strong. Debt facilities refinanced with increase in facilities to $350m to service growth
- China operations achieved a modest profit, ahead of expectations
- Wind down of Polar Fresh operations commenced, to be completed 1H FY18
- Continuing strong focus on our people capability, performance and succession

Growth Program

Growth program initiatives continue with momentum into FY18:

- Further development of avocado ‘fifth pillar’, with Lankester farm acquisition in Far North Queensland
- Monarto mushroom farm expansion progressing to plan
- On-going execution of the domestic berry growth program
- Internationally, China and Morocco expansions progressing as planned

Highlights

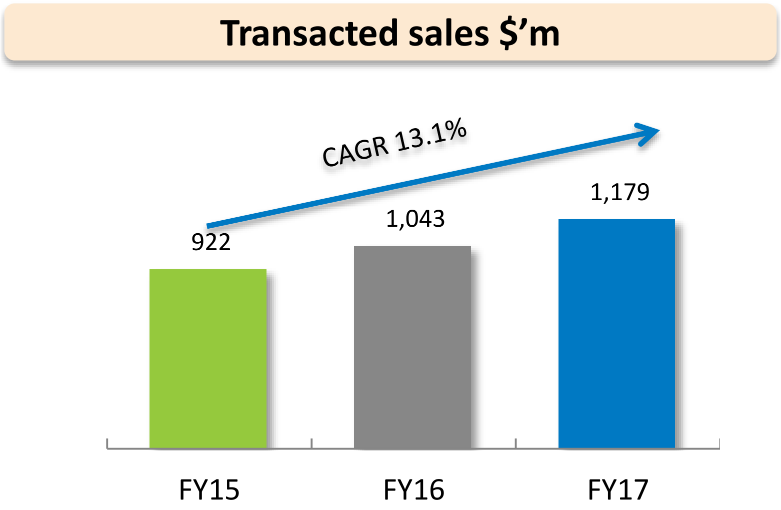
Revenue	EBITDA-S*	NPAT-S*	Leverage	Total FY17 Dividend
↑ 10.7%	↑ 29.4%	↑ 37.3%	0.7x	11.0 cps

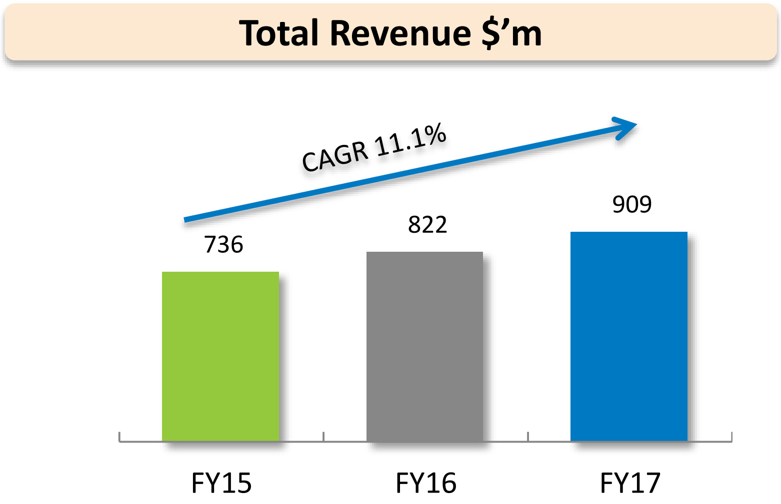
Financial Performance *

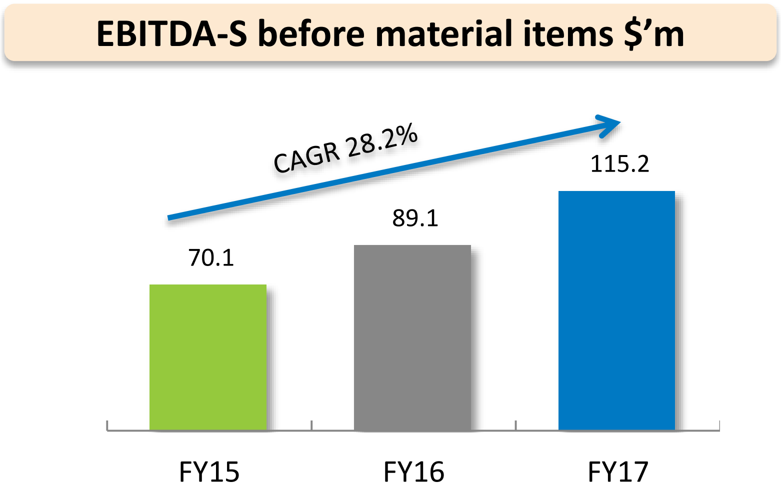
- Revenue growth of 10.7% on FY16
- EBITDA before SGARA and material items (EBITDA-S) growth of 29.4% to $115.2m
- NPAT before SGARA and material items (NPAT-S) of $60.7m, or 37.3% growth
- Statutory NPAT of $57.7m, compared to $25.3m in FY16
- Leverage further reduced to 0.7x EBITDA-S at June 2017
- Final dividend of 7.0 cents per share, fully franked (full year 11.0 cps), up 22%
- $8.4m non-recurring expenses relating to the wind-down of the Polar Fresh joint venture

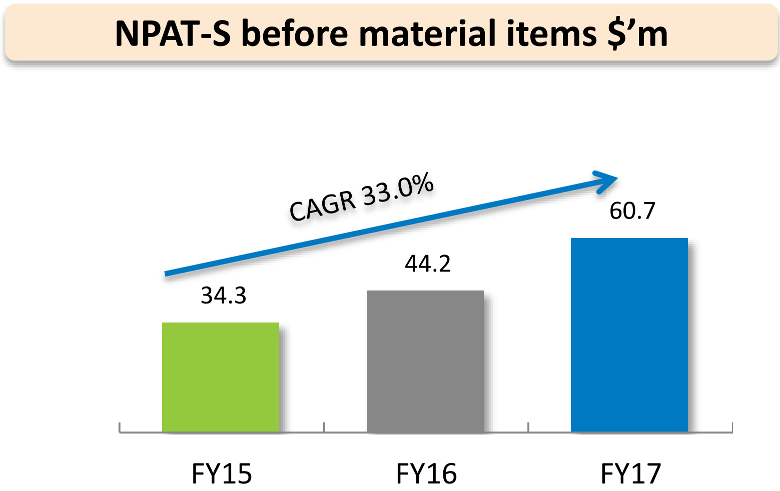
* *Before SGARA and material items – impairment of Polar Fresh investment, IPO related pro forma costs and site closure costs. Refer to the Appendix for a reconciliation of statutory NPAT to the non-IFRS measures disclosed and details of material items.*

Performance since IPO









* *Note: FY15 and FY16 results are pro forma. Refer to the Appendix for the definition of non-IFRS items, and a reconciliation of statutory NPAT to the non-IFRS measures disclosed and details of material and pro forma items.*

Segment Performance - Produce

Mushroom

- Solid year outcome, with sales constrained by production operating at full current capacity
- Sales mix has continued to shift to the retail segment, both pre-packs and loose, with available volumes being diverted from wholesale towards these sales channels
- Industry demand remains positive with LTM value growth of 4.1%*
- The Monarto farm expansion is critical in providing new capacity to service this demand and on target for Dec 18 commissioning

Berry

- Blueberry contribution has been outstanding, with a 55% increase in production vs FY16:
  - The Corindi farm accounted for a significant portion of the increase, reflecting recovery from prior year hail events and a long growing season due to favourable weather conditions
  - New volume from expansion into WA and FNQ. Contribution also from the Lebrina (Tas) farm acquired in August 2016
  - FNQ volumes were below expectation due to crop timing and some pest pressure
- Raspberry contribution was negatively impacted by cooler weather which delayed the crop and reduced overall yield and quality
- Industry demand growth remains high – blueberry +28%, raspberry +17%*

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** Nielsen Homescan, MAT 17 June 2017, by Value*

Segment Performance - Produce

Citrus

- Strong performance for the year with a positive combination of yield, price and quality
- The 2016 season crop was light but the navel orange sizing was at optimal count size, and mandarin values were strong. The 2017 calendar season crop is expected to be a record 100,000+ tonnes
- Continued enhancement of Costa's market leading positions in Japan, USA and NZ. Costa share of Aust. navel exports now approx 47% into Japan and 40% into the USA
- $3.3m upgrade to the Murtho (navel orange) packhouse completed in June 17, with expected labour and productivity savings over the coming season

Tomato

- Truss pricing over Q4 was high, due to shortage of field tomatoes following Cyclone Debbie
- Costa's exposure to truss tomatoes has reduced to ~30% of production, in line with increased snacking and cocktail demand
- Reconfiguration of the glasshouses to 6x5ha modules and expansion of nursery capability was completed, enabling improved crop timing, flexibility and full internal supply of nursery needs
- Average market pricing up 21%: truss + 27.3%, snacking +5.1%, field +29.0%*

** Nielsen Homescan, MAT 17 June 2017*

Segment Performance - Produce

Avocado

- New category includes avocado farming (Childers farm), and some activities historically reported under the CF&L segment - avocado trading, banana farming (2 farms), and banana trading activities.
- Childers farm acquisition was completed on 4 January 2017
- Childers harvest period is from May-Sep. Season 2017 yields have been below expectation regionally – approx 40%. Avocado trees are biennial bearing with alternate heavy/light crop years so season 2018 is expected to be a heavier crop.
- Growth in avocado marketing volumes of ~36% have further enhanced Costa’s category offering
- Lankester transaction completed 26 July 2017 with integration activities currently underway

Segment Performance

Costa Farms & Logistics

- This segment now comprises of the wholesale market and logistics operations
- Coles Jandakot (WA) DC contract renewed through to September 2023
- Polar Fresh wind down in progress with final Laverton DC to complete in Q2 FY18
- Segment being repositioned to capture further non-retail produce sales channels

International

- China
  - Joint venture formalised in H1 FY17
  - First full year of farming operations has been positive, with achievement of a modest profit
  - Enhanced yield combined with a positive market reception to the first blueberry crop has been very favourable with strong demand for high quality larger sized fruit
  - Third raspberry harvest completed, in line with expectations
- African Blue had another productive year. Although the season started later than in FY16, strong yield performance and market reception delivered another robust result
- Royalty income growth trajectory maintained with African Blue and Driscoll's USA

Investing in productivity….

Vision system upgrades in Citrus and Berries

New vision sorting system, Renmark SA

- Costa has upgraded our citrus and berry packing facilities with the adoption of the latest vision grading technology
- The upgraded citrus packing lines at the two Renmark facilities incorporate the Spectrim vision system which views 240 images of each piece of fruit at high speed, eliminating the need for manual sortation, narrowing down quality specifications, and improving packing throughput and efficiency by approximately 50%
- The navel orange packing line is coupled with near infrared technology which detects the brix (sweetness) of fruit for targeting of selected premium markets
- Upgrades to berry facilities at Corindi and FNQ allow for full 360 degree surface inspection, capable of identifying defects down to 0.2mm to ensure maximum sorting for quality. These machines can accurately sort at speeds of up to 2,000 kg per hour and eliminate manual sortation.
- Capex invested on this technology since FY16 of $7.1m, with savings in productivity enabling a ROI of approximately 2 years.

Berry packing line, FNQ

Financial Results

Note: FY16 segment results have been restated for:

- *the transfer of avocado (and banana) categories from the Costa Farms and Logistics segment to Produce*
- *allocation of costs from the Produce segment to International to better reflect costs associated with the segment*

FY2017 vs FY2016 Results

A$m	FY2016	FY2017	Variance
Revenue	821.7	909.1	87.3
Share of assoc. and joint ventures	14.4	16.2	1.8
Operating expenses	(747.0)	(810.1)	(62.9)
EBITDA before SGARA	**89.1**	**115.2**	**26.1**
Fair value mvmt in bio. assets	4.3	5.9	1.5
EBITDA	**93.4**	**121.1**	**27.7**
Depreciation & amortisation	(22.5)	(27.8)	(5.3)
Profit/(loss) on sale of assets	(1.0)	0.3	1.3
EBIT	**69.9**	**93.6**	**23.7**
NPAT (before material items)	**47.3**	**64.8**	**17.5**
Material/pro forma items, post tax	(22.0)	(7.1)	14.9
Non-controlling interest	-	0.1	0.1
NPAT attributable to shareholders	**25.3**	**57.7**	**32.4**

NPAT-S (before material items)	44.2	60.7	16.5
Transacted Sales	1,042.5	1,179.2	133.6

Key Highlights

Revenue +10.7%:

- Revenue growth achieved across all reportable segments
- Berry and avocado (farming and marketing) were the largest contributors revenue growth

EBITDA before SGARA +29.3%:

- EBITDA-S margin improvement from 10.8% to 12.7%
- Strong performance from Produce and International segments
- $5m onerous lease provision for the CF&L Eastern Creek DC

NPAT-S +37.3%:

- Depreciation expense increase of $5.3m driven by new capex and additional plantings
- SGARA movement predominantly relates to the large 2017 season citrus crop, offset by amortisation of the Childers avocado crop acquired.

Material items:

- FY17: impairment of Polar Fresh investment and provision for windup costs and finalisation of prior year site closure provisions
- FY16: IPO related expenses and site closure

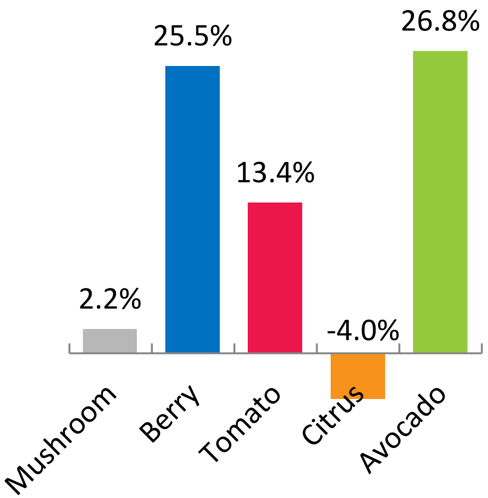
Note: Refer to the Appendix for a reconciliation of statutory NPAT to the non-IFRS measures disclosed, details of material items

Produce

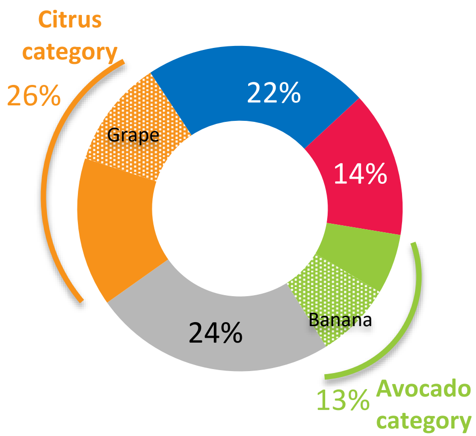
Segment financial and operating metrics

A$m	FY2016	FY2017	Var
Revenue	718.9	786.2	67.3
EBITDA before SGARA	69.8	96.7	26.9
EBITDA-S margin	9.7%	12.3%	2.6%
Transacted sales	913.6	1,028.5	115.0

Revenue growth: + 9.4%



FY17 share of revenue



Category highlights:

- **Mushroom:** category performance was constrained by current production capacity.
- **Berry:** Overall strong category performance led by expanded planted area and blueberry performance partially offset by a disappointing raspberry season.
  - Average blueberry pricing was marginally lower than prior year, a pleasing outcome given significant additional +55% volume, and reflective of shoulder season contribution
  - FNQ performance was below expectation due to delayed timing and some pest pressure
- **Tomato:** revenue growth and profitability improvement with market recovery from the poor 2016 summer season and greater emphasis on snacking segment
- **Citrus:**
  - Citrus export sales $70m, up +8.1% on FY17. Average FX rates JPY 78 and USD 0.75
  - Revenue down 4% due to calendar 2016 'off year' lower yield cycle (cartons packed: -18%) offset by stronger pricing
  - Sale of River Rain services to RuralCo completed in H2 FY17
- **Avocado:**
  - Sales revenue growth from new Childers farm and increased marketing activities
  - Childers farm contribution benefitted from immediate harvest post acquisition, but was negatively impacted by lower yields regionally

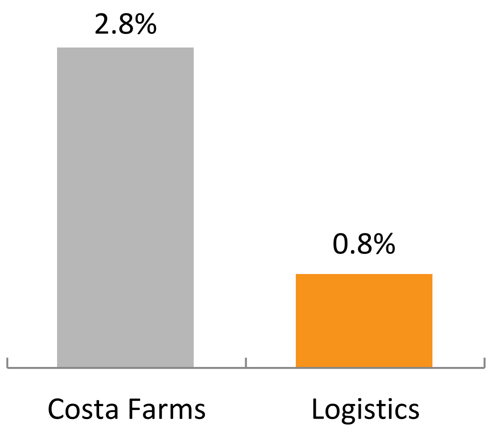
Costa Farms & Logistics

Segment financial and operating metrics

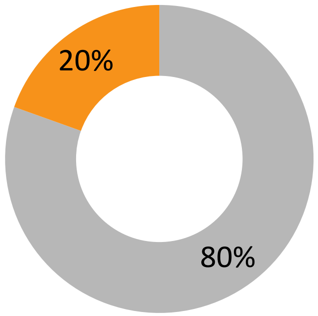
A$m	FY2016	FY2017	Var
Revenue	148.0	151.6	3.6
EBITDA before SGARA	11.0	4.3	(6.7)
EBITDA-S margin	7.4%	2.9%	-4.6%

Transacted sales	150.9	151.0	0.1

Revenue growth: +2.4%



FY17 share of revenue



- **Revenue** up $3.6m or 2.4% against FY16:
  - Costa Farms revenue growth of 2.8%, with higher volume of bananas and avocados traded, offset by lower mushroom volumes due to diversion to retail.
- **EBITDA before SGARA** reduction of $6.7m against FY16:
  - $5m onerous lease provision for Eastern Creek DC
  - Polar Fresh contribution reduced with QLD and NSW sites exited during H2 FY17
- Polar Fresh impairment and closure provisions $8.9m ($8.4m post tax) reported as a material item. The remaining site in Victoria will be exited in H1 FY18.

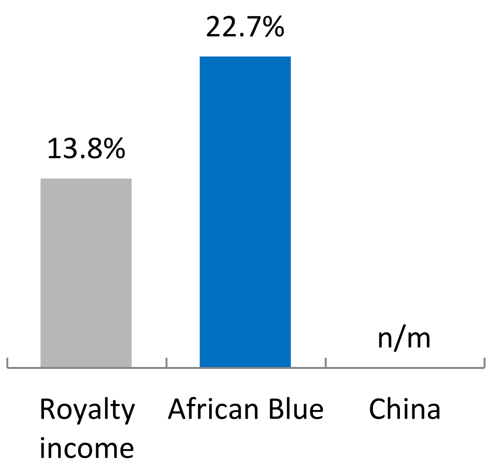
International

Segment financial and operating metrics

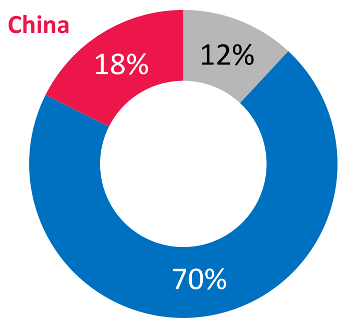
A$m	FY2016	FY2017	Var
Revenue	4.2	11.9	7.7
EBITDA before SGARA	8.3	14.2	5.9

Transacted sales	27.4	40.4	13.0
EBITDA-S / Trans. sales	30.3%	35.1%	4.8%

Transacted sales : +47.2%



FY17 share of T/sales



- **China**
  - China results have been consolidated from November 2016
  - Accounting adjustment for the transfer of opex/capex from Driscoll's – net +$0.3m EBITDA, +$1.1m NPAT post OEI
  - Raspberry and blueberry harvests were completed in June at the Bailang (Shiping) farm. Strong yield performance, blueberry pricing and cost control delivered a modest profit outcome ahead of expectations
- **Royalty income**
  - Royalty income growth achieved from both African Blue and Driscoll's USA.
- **African Blue**
  - A good season tempered by hot weather at the end of the harvest
  - Sales volumes increased by ~50%, but average pricing was impacted by a later start than prior year, and lower quality towards the end of the season due to the heat

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Cash flow

A$m	2016	2017	Var
EBITDA-S	**89.1**	**115.2**	**26.1**
Less: share of JVs profit	(14.4)	(16.2)	(1.8)
Dividends from JVs	8.1	9.2	1.0
Movement in working capital / non-cash items	(2.6)	0.6	3.3
Operating capex	(12.1)	(18.0)	(5.9)
Free cash flow	**68.0**	**90.8**	**22.8**
Productivity & growth capex	(36.6)	(39.2)	(2.5)
Payments for business acquisitions	(5.3)	(3.8)	1.5
Loan repayments from investments	1.9	-	(1.9)
Disposal of investments/PPE	0.3	3.7	3.3
Net cash flow before financing, tax, dividends & material items	**28.3**	**51.5**	**23.2**
Cash conversion ratio (1)	**76%**	**79%**	

Note:
(1) Cash conversion ratio is Free Cash Flow / EBITDA-S

Key Highlights

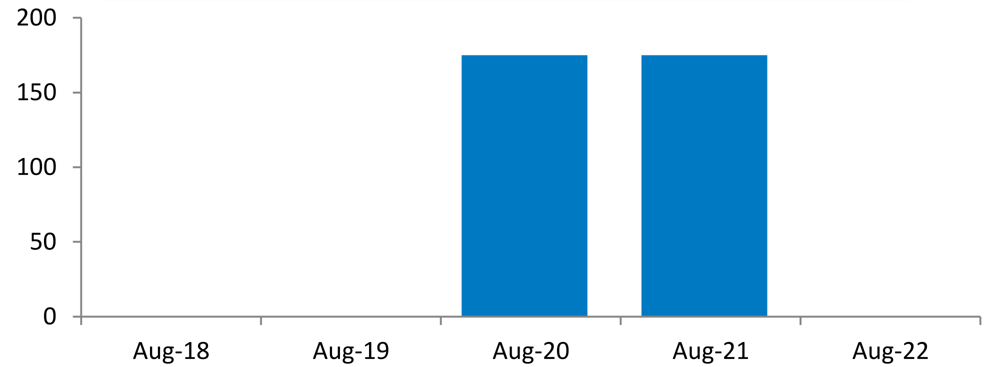
- Strong free cash flow conversion at 79%
- Working capital benefit due to timing of calendar month end vendor payments, inclusion of EC lease provision, and offset by deposits paid for the Monarto farm expansion.
- Operating capex increase includes investment in backup generators ($2.5m) and part payment for the Murtho citrus packhouse upgrade ($2.6m)
- Increase in JV distributions due to increased Driscoll's JV and African Blue dividends, offset by a reduction from Polar Fresh
- Productivity and growth capex:
  - Includes $3.0m PPE for Childers avocado farm
  - China capex $8.7m, inclusive of $3.5m reimbursement to Driscoll's for capex accrued prior to JV formalisation
  - Balance relates to domestic berry expansion projects
- Acquisition payment relates to the purchase of a small blueberry farm in Tasmania
- Disposal relates to the sale of River Rain irrigation services

Balance sheet & net debt

A$m	Jun-16	Jun-17	Var
Cash & cash equivalents	4.0	22.6	18.6
Receivables	72.8	87.4	14.6
Inventories	17.9	18.1	0.2
Biological assets	37.4	46.0	8.6
Equity accounted investments	33.7	32.4	(1.3)
Intangibles	142.8	143.1	0.3
Property, plant & equipment	249.3	282.0	32.7
Other assets	10.6	16.6	6.0
Total Assets	**568.5**	**648.2**	**79.7**
Payables	81.6	102.7	21.1
Borrowings	103.8	106.8	3.0
Provisions	17.4	25.0	7.6
Other liabilities	6.1	17.6	11.5
Total Liabilities	**208.9**	**252.1**	**43.2**
Net Assets	**359.6**	**396.2**	**36.6**

	Jun-16	Jun-17	Var
Net debt	**99.8**	**84.2**	**(15.6)**
Net debt / LTM EBITDA-S	**1.1x**	**0.7x**	**(0.4)x**

Debt facility maturity profile



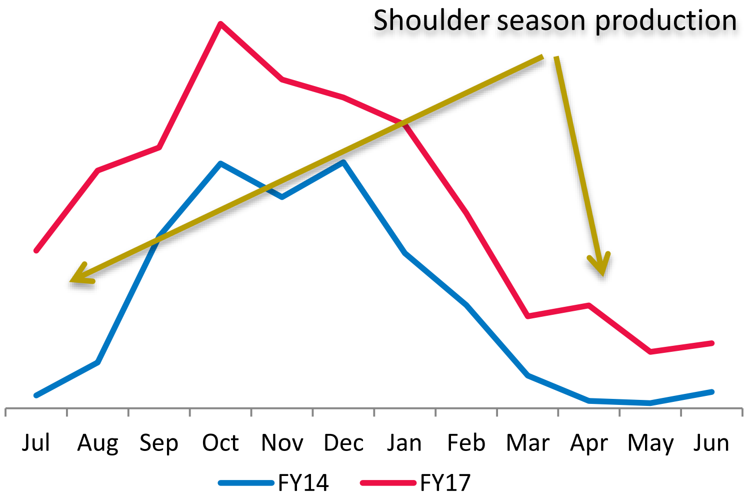
- Net leverage decreased to 0.7x EBITDA-S at Jun-17
- Debt refinance completed with step up to $350m facilities:
  - 3 & 4 year terms of $175m each
  - Syndicate expanded to 5 banks
- Receivables & payables increase due to avocado farming & marketing expansion, and citrus and berry seasonal harvests
- Biological assets – addition of avocado and citrus seasonal crop
- Other liabilities – tax payable

Growth Plan Update

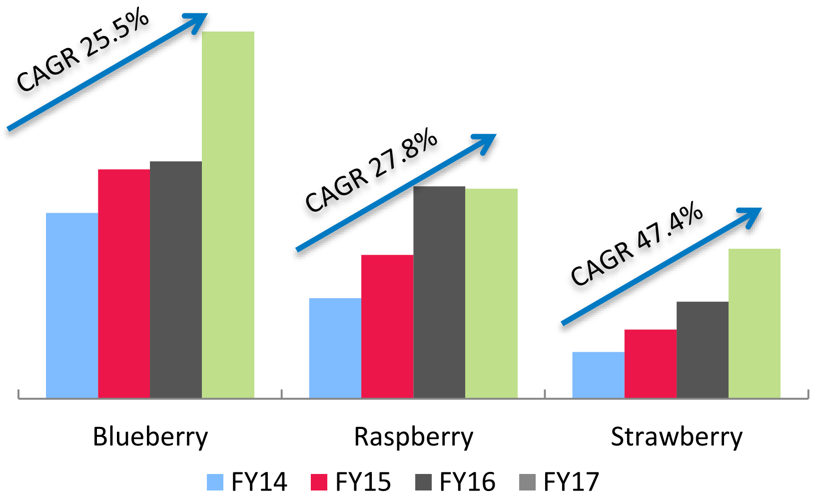
#1 Australian Berry expansion

- FY17 roll-out has proceeded to plan.
- First new plantings of new blackberry varieties initiated – 5.0ha FY17, 10.7ha in FY18
- Corindi dam capacity increase to 1165ML (47% increase) will be operational from Sept, with future planned progressive expansion for a further 450ML, to future proof the site for water requirements
- FY18 blueberry volume at Corindi will be impacted by area loss for the dam, 31ha of substrate conversion of late season variety with first harvest in FY19, and reverting to a 'normal season' – approx. 12% of total FY17 Costa Australian blueberry production
- FY18 expansion includes: 31ha new blueberry plantings, 31ha blueberry substrate conversion, 18ha raspberry
- Tasmania DC upgrade well progressed, and will be completed for the summer season

Blueberry volume



Volume growth



#2 Avocado vertical integration

- Acquisition of Lankester orchards in Far North Queensland completed on 26th July:
  - 130ha planted across three farms, with further 60ha to be planted on a new greenfield site
  - Approx 50% of plantings are less than 5 years old
  - Production ~200k trays today increasing to ~400k trays over 5 years
  - Acquisition completed in conjunction with Macquarie Agricultural Funds Management Ltd under which Costa will operate the farm under a 20 year lease
  - Acquisition is accretive to FY18 earnings
- Costa's total avocado footprint now totals ~500ha, with a supply season spanning Feb to August.
- Costa market share (marketing) now estimated at ~20%, with 30% of this supplied from own farm/packing operations.

Aerial overview, one of the Childers Farms, Central QLD

One of three Lankester Farms, FNQ

#3 Mushroom expansion – Monarto SA

- Project announced in February 2017, with intention of doubling current capacity of 120T to 240T per week, at an estimated cost of $65m
- Additional production capacity is expected to commence from December 2018, reaching full incremental 120T from July 2019
- To date, the following works have been completed:
  - Site and geotechnical surveys
  - Council development application submitted
  - Local South Aust. engineering firm appointed for engineering and project & building assessments/review
  - Stage 2 and 3 compost facility and growing room contract awarded to Christiaens (Netherlands), provider of the existing facility
- Earthworks expected to commence early October 2017
- Cashflow - $3m capex spent in FY17, estimated $42m in FY18 and the balance in FY19

A growing room at the Monarto mushroom farm

International growth projects

#4

China

- 50ha planted at June-17 between 2 farms: 37ha blueberry, 10.5ha raspberry, 2.5ha blackberry
- Further 58ha to be planted in FY18, capex cost A$20m (100%)
- FY17 trading outcome exceeded expectations with blueberry yield and pricing, albeit on small volumes
- Local organisational capability continues to be bolstered with addition of technical, farm management, safety and project management roles
- Office in Jinghong, Yunnan established

Blueberries & raspberry packs at Bailang Farm, China

Morocco

- 253ha now planted at the end of FY17 across 5 farms. A further 63ha expansion is currently planned for FY18
- The new packing shed will be completed in time for the 2018 season, to support new production from the northern farms
- Yield outcomes from African Blue continues to be best practice
- 29ha of substrate have been planted at existing farms to utilise areas that were previously poor performing or unsuitable for the soil production
- Market reception remains positive, with a premium pricing achieved for African Blue product. New Costa varieties are also being tested at African Blue Farms for future commercialisation

New plantings underway, Morocco

Outlook

Outlook

- The company is building a long term sustainable growth program across both its domestic and international platforms, including expanding the avocado category into a significant business
- Taking into account the FY17 results which exceeded expectations, the company currently expects to generate around a 10% NPAT pre SGARA and material items growth in FY18
- The company aims to drive future performance focused on generating long term superior shareholder returns through targeting early double digit annual earnings growth across a 3 to 5 year horizon
- FY18 will see a number of categories consolidating their positions and establishing a longer term growth platform ahead of further growth – blueberries (Corindi substrate conversion), and the mushroom category expansion
- With the addition of two avocado farms, and further expansion in China and Morocco, earnings will further weight towards the second half due to the seasonality of those operations
- The balance sheet is robust and capable of supporting organic growth and a disciplined M&A program. Further growth can also be funded through Costa's relationship with Macquarie.
- Future dividends will continue to be balanced against the company's need to fund growth opportunities.

Appendix - Pro forma and Material items

A$m		FY2016	FY2017
IPO transaction costs	1	21.8	
Site closure	2	(2.4)	(0.8)
Interest expense adjustment	3	9.6	
Polar Fresh impairment	4		8.9
Total material items (before tax)		**29.0**	**8.1**
Tax effect on material items		(7.0)	(0.9)
Total material items (after tax)		**22.0**	**7.1**

1. **IPO transaction costs**: costs associated with the IPO.
2. **Site Closures:** profit from sale of grape and mushroom farms impaired in FY2015. These sites were reported as a pro forma adjustment in the prospectus.
3. **Interest expense adjustment**: The new IPO banking facilities were effective from 29 July 2015. Amount includes write-off of capitalised borrowing costs relating to the pre-IPO facilities, and adjustment to reflect the terms of the new Banking Facilities as if they were in place for the full financial year.
4. **Polar Fresh impairment:** write-down against the carrying value of the investment and provision for closure costs due to the decision to exit this business

Appendix - Explanation of certain non-IFRS operating measures

Term	Definition
Transacted Sales	Transacted Sales is used by management as a key measure to assess Costa's sales and marketing performance and market share. Transacted Sales represent the aggregate volume of sales in which Costa is involved in various capacities (including sales of third party-grown produce marketed by Costa under agency arrangements), as well as royalty income. Transacted Sales are not considered by Costa to be a revenue measure. There are material differences between the calculation of Transacted Sales and the way in which revenue is determined under AAS. Transacted Sales comprise: • statutory revenue; • gross invoiced value of agency sales of third party produce; • Costa's proportionate share of joint venture sales relating to the African Blue and Polar Fresh joint ventures; • 100% of Driscoll's Australia Partnership sales after eliminating Costa produce sales to the Driscoll's Australia Partnership. Prior to the formation of Driscoll's Australia in 2010, all of Costa's domestic sales and marketing activities for the berry category were managed by Costa.
EBITDA-S	Earnings before interest, tax, depreciation, material items and fair value movements in biological assets (SGARA)
NPAT-S	Net profit after tax, but excluding material items and SGARA