

FY2025 Half Year Results Presentation

29 May 2025
Select Harvests Limited

David Surveyor – Managing Director and CEO

Liam Nolan – Chief Financial Officer



SELECT HARVESTS



WEBCAST

This presentation deck accompanies a live webcast at 10.30am AEST on Thursday 29th May 2025.

You can participate in the webcast by using the following link.

https://us02web.zoom.us/webinar/register/WN_7Bra_LGETq6LMEQuHbSiWg

You are advised to log on at least 15 minutes before 10.30am.

If you are unable to participate in the live presentation, an archived version will be available to download from the investor section of the Select Harvests website shortly after the briefing.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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DISCLAIMER AND BASIS OF PREPARATION

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The Select Harvests Limited (“SHV”) 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.

All information is presented in Australian dollars unless specified otherwise.



AGENDA

1. Business Update
2. Financial Results
3. Strategy & Transformation
4. Outlook & Key Messages
5. Questions



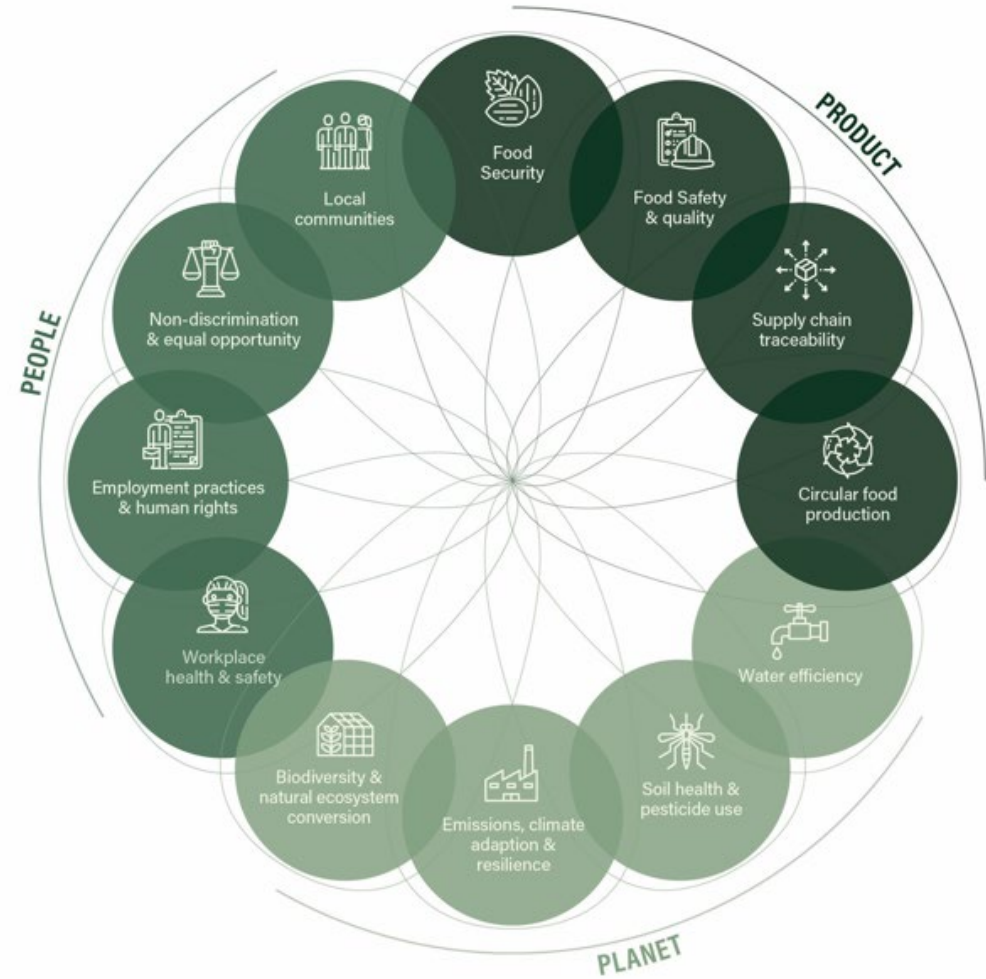
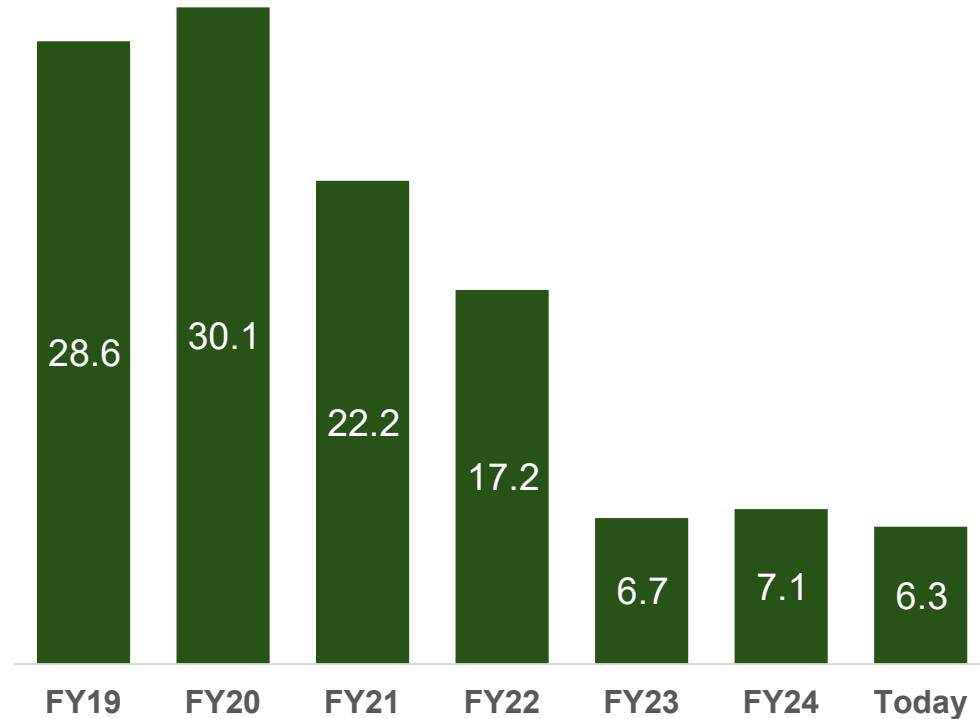
BUSINESS UPDATE

David Surveyor – Managing Director and CEO

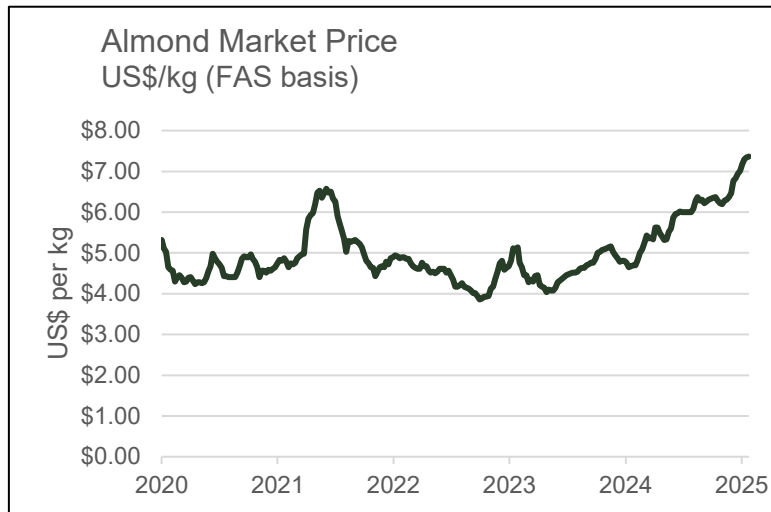
Operating Leverage - Safety and Sustainability

Total Recordable Injury Frequency Rate

Injuries per million hours worked



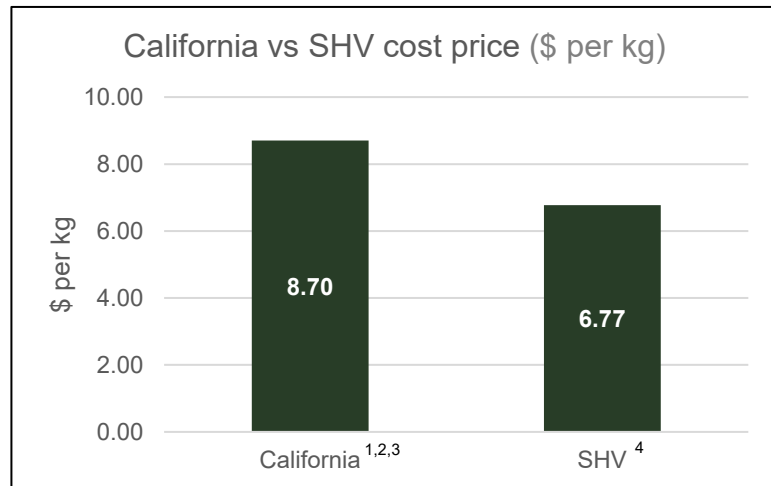
Strong Almond Macro Economics



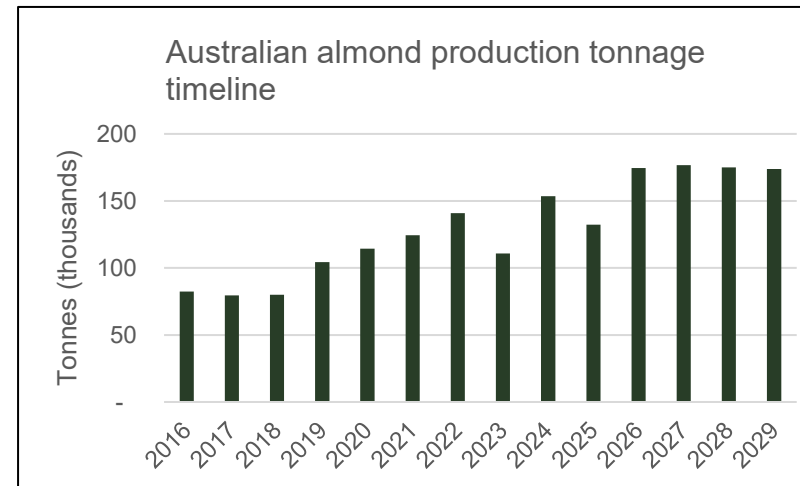
Source: Stratamarkets.



Source: USDA National Agricultural Statistics Service, and Almonds.com.



Note: 1 – UC Davis Cost & Returns study is based on Sacramento Valley, which align with the average yield per acre for California.
 2 – Adjusted for non-operational costs to allow like for like comparison with an assumed processing cost included.
 3 – \$0.69 AUD/USD FX rate used at 10 year historical average.
 4 – Normalised for 29,000MT per “Key Drivers – Total Production Cost” slide.



Source: Almond Board of Australia.

Global almond demand CAGR of 5-7%.

- Food mega trends favour healthy foods and convenience foods, both of which are almond positive.
- Global supply chains unlikely to be overstocked.

Relative Cost Advantage

- Australia has a relative cost advantage to US.

Supply cannot quickly respond

- California Almond acres appear to have peaked.
- Australia forecast volumes are also reasonably flat.
- New trees 6-7 years to maturity.

Conclusion

- Select Harvests is well placed to benefit.
- Strong medium to long term pricing.

1H FY2025 Financial Results

NPAT
\$28.7m

- NPAT improvement of \$31.1m YOY.
- Crop 25,250 MT @ 75% of fair value recognised in 1H FY2025.
- Total production costs remain tightly managed.
- One-off water right sale profit of \$5.8m recognised.
- Superannuation Guarantee historic underpayment results in prior years restatement \$3.5m (not material to any given year).
- No interim dividend declared – full year dividend to be determined.

Almond Price

- Price rises across all almond grades in 1H FY2025 – forecast @ \$10.35/kg.
- 86% of 2025 crop hedged at AUD/USD 64.8 cents.
- USDA 2025 Subjective Estimate 2.8B lbs + lower carry-over stock levels driving prices upward.

**Operating
Cashflow**
\$7.5m

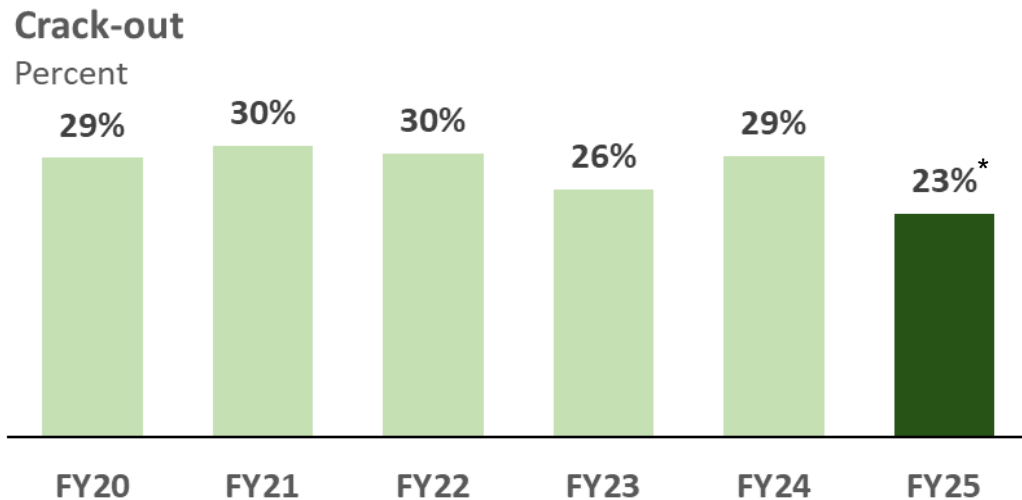
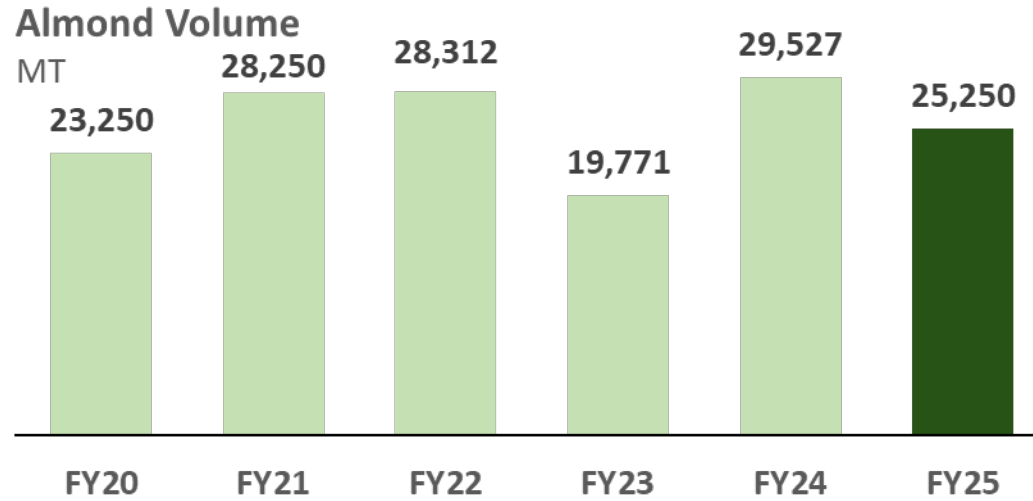
- Operating cash flow has improved by \$30.7m year-on-year due to:
 - Higher sales impacting 1H FY2025
 - FY24 collections delayed in 2H FY2024 due to logistics issue received in 1H FY2025 offset by related 3rd party grower payments.
- Investing cashflows higher by \$3.8m due to increased capex.

**Net Debt / Equity
Ratio**
32.7%

- 1H FY2025 Net Debt \$168.2m.
- 2025 crop sales optimised to maximise rising prices. Velocity will improve 2H FY2025 and Net Debt will reduce. No logistics concerns experienced to date.
- Bank Refinance \$240m facility – \$150m 3 year term and \$90m 5 year term.



Key Results Drivers – Volume



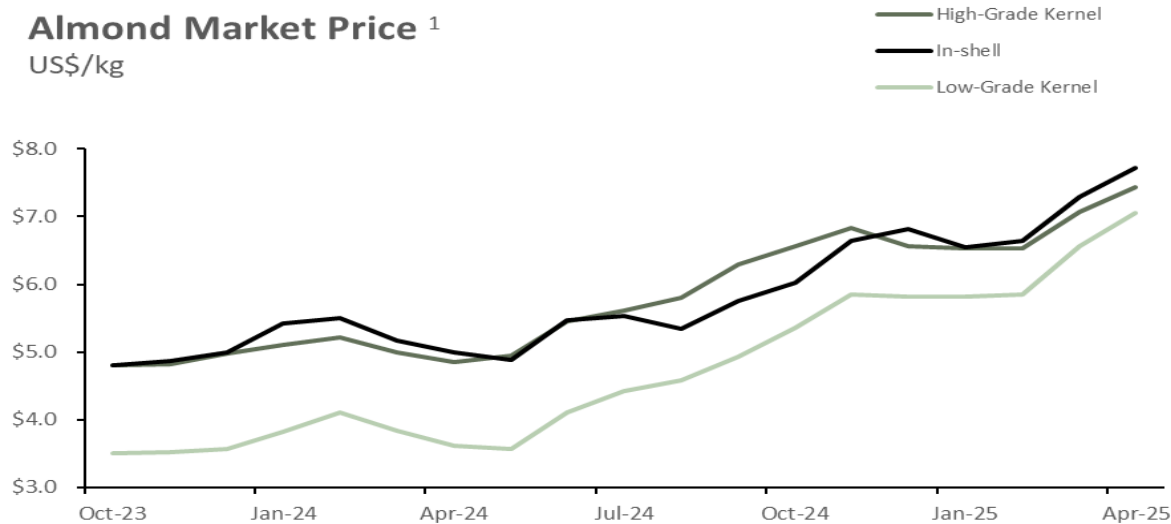
* Nonpareil data to date only

2025 Crop

- Reduced 2025 crop due to:
 - Nonpareil producing larger hull sizes relative to kernel size therefore lower crack-out percentage
 - 2025 crop bloom below the strength of the previous bloom
 - Approximately 500MT losses due to frost events
 - Pollinator processing has commenced.
- 2025 crop consistent with lower volumes from external growers and Almond Board of Australia announcement ¹.
- Crop quality metrics are positive.
- Drainage improvements
 - Piangil commenced in 2025
 - Mountview approved.

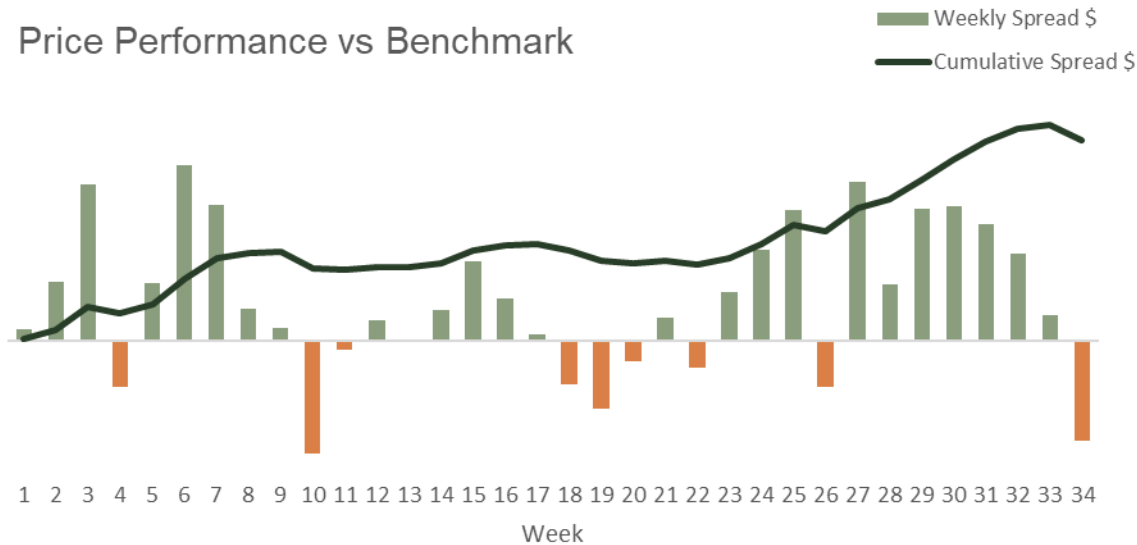
Key Results Drivers – Almond Price

Almond Market Price ¹
US\$/kg



(1) Source: Stratamarkets

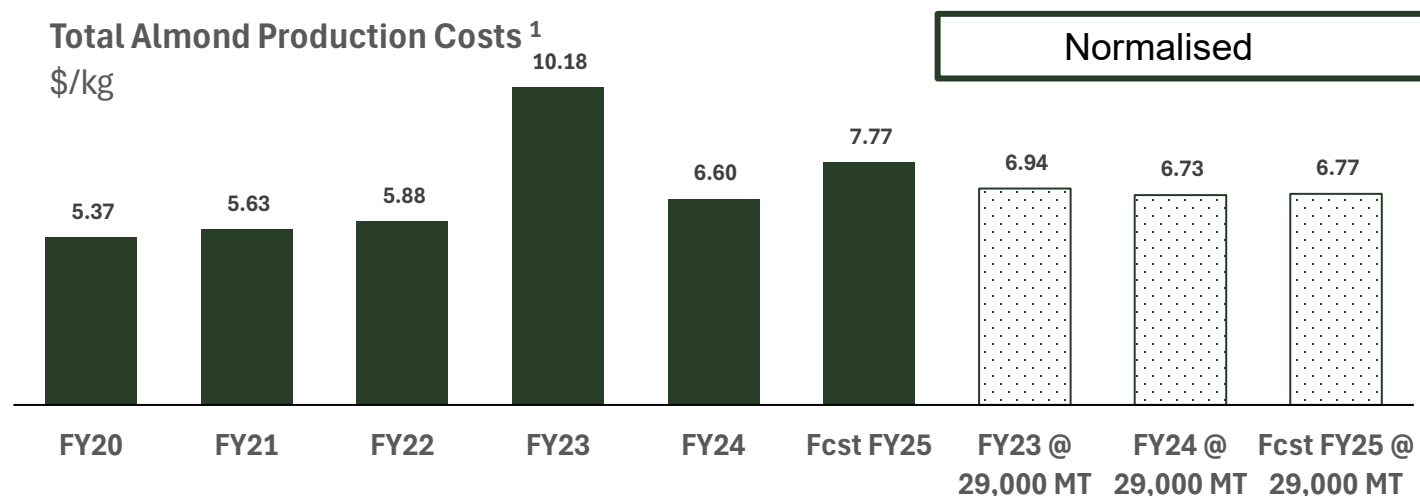
Price Performance vs Benchmark



Prices have increased in 1H FY2025 across all grades

- Low US inventory and USDA 2025 Subjective Forecast of 2.8B lbs supports pricing.
- Indian demand remains strong, with tight US supply making Australian almonds essential for meeting peak Diwali demand.
- Customer preference for Australian supply (Non-US) and tariffs, boosting Select Harvests sales.
- Prices for low-grade almonds (STD-5) at 5-year highs due to limited buyer positions and strong EU demand.
- SHV pricing is outperforming the Stratamarkets benchmark.
- With tightening global supply and rising demand in China, India, and SEA, pricing is expected to remain firm.

Key Drivers – Total Production Costs



Note 1 - Production costs are growing, harvest, processing, lease and bearer plant depreciation costs

Production Costs

- Discipline cost control with cost of production held over the last 3 years on a normalised 29,000MT basis.
- Improvements delivered across
 - Horticulture labour efficiency
 - Processing labour reduction
 - Processing cost savings incl utilities, fuel, etc
 - Harvest R&M expenditure
 - Spray efficiency.



FINANCIAL RESULTS

Liam Nolan – Chief Financial Officer

Income Statement

Higher profitability in 1H FY2025 driven by strong demand and a 37.6% increase in almond price

\$ millions (except where indicated)	1H FY2025	1H FY2024	Variance	% Change
Almond volume (Mt)	25,250	29,000	(3,750)	(12.9%)
Almond price (\$/kg)	10.35	7.52	2.83	37.6%
Revenue	104.5	67.8	36.7	54.1%
EBITDA	60.7	18.6	42.1	226.3%
Depreciation and amortisation	(15.3)	(14.8)	(0.5)	3.4%
EBIT	45.4	3.8	41.6	1094.7%
Interest expense	(5.3)	(7.1)	1.8	(25.4%)
Tax benefit / (expense)	(11.5)	0.9	(12.4)	(1377.8%)
Reported Net profit after tax	28.7	(2.4)	31.1	(1295.8%)
Earnings per share (cents)	20.2	2.0	18.2	910.0%

Factors driving 1H FY2025 earnings

- FY2025 almond price forecast \$10.35/kg (1H FY2024 \$7.52/kg).
- 2024 crop sales profit recognition \$3.9m.
- Profit on sale of water rights of \$5.8m.
- Production cost per kg in line with 2024 (based on normalised crop size of 29,000 MT).
- Lower finance costs following 2024 capital raise.

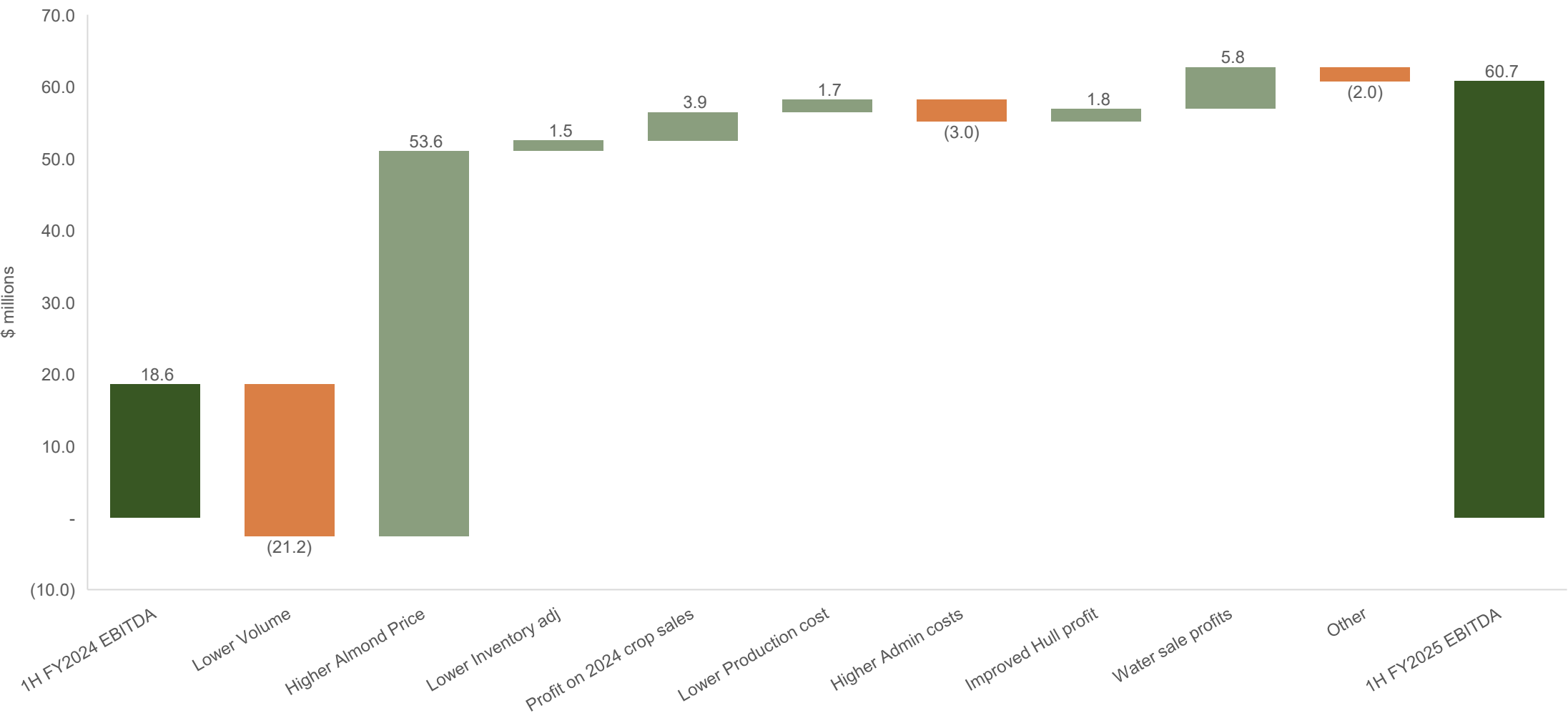
Offset by

- \$3.0m higher administrative costs which largely includes one-off consulting relating to improvement in order to cash process, reporting and legal costs.

1H FY2024 contains \$0.3m restatement in relation to superannuation underpayment (\$3.5m provision in total with the balance booked against retained earnings).

Group EBITDA: Sources of Change

Higher almond prices and the recognition of 2024 crop sales and water rights sale profits were the main contributors to an improved 1H FY2025 result.



Balance Sheet

SHV Balance Sheet well placed following 2024 capital raise.

\$ millions (except where indicated)	1H FY2025	1H FY2024
Current assets ex. cash	335.7	308.7
Cash	3.8	0.3
Right of use assets	176.6	199.2
Non-current assets (ex. ROU assets)	505.7	513.9
Total assets	1,021.8	1,022.1
Current liabilities (ex. Borrowings & Lease liabilities)	105.5	134.2
Borrowings	172.0	238.2
Lease liabilities	224.1	238.9
Non-current liabilities (ex. Borrowings & Lease Liabilities)	5.7	2.9
Total liabilities	507.3	614.2
Total equity	514.5	407.9
Net debt/equity (%)	32.7%	58.3%
Return on capital employed (%)	6.1%	0.5%
Liquidity ratio (>1.2x) ³	2.78	2.99

Note 1 - Independent valuations September 2022, 2023 & 2024

2 - Market value assessment March 2025

3 - Liquidity Ratio: Current assets plus unused funding / current liabilities

Key Features of the Balance Sheet

- Inventory balance higher than 1H FY2024, due to higher 2025 crop price (37.6% increase in SHV crop price) resulting in a higher fair value profit recognised within inventory.
- Receivables higher due to increased almond prices achieved in selling the 2024 crop in 1H FY2025.
- SHV owned orchards, Carina West Processing Facility and permanent water rights on Balance Sheet at cost
 - Market value of land assets is \$345.9m¹ (book value \$226.0m)
 - Market value of Processing facility \$98.8m (book value \$85.9m)
 - Portfolio of permanent water rights is \$107.2m² (book value \$66.2m).
- Capital raise proceeds applied to lower debt, offset by higher first half working capital due to seasonal nature of crop growing.
- Net Debt of \$168.2m forecast to reduce inline with seasonal working capital cycle through 2H FY2025.
- Debt covenants met at 31 March 2025 and forecast to be met for the next 12 months.
- Gearing of 32.7% lower due to capital raise proceeds applied against debt.

Cash Flows

Higher 2024 crop sales and pricing and the collection of FY2024 delayed logistics receipts impacting 1H FY2025 cash flows positively.

\$ millions (except where indicated)	1H FY2025	1H FY2024
Customer receipts	173.4	87.0
Supplier & employee payments	(161.0)	(103.1)
Tax refund/ (paid)	-	-
Net interest	(5.0)	(7.1)
Cash flow from operations	7.5	(23.2)
Net property, plant and equipment	(12.9)	(9.1)
Net water rights	(0.2)	-
Tree developments costs	(1.1)	(1.2)
Bearer plants and plantation land	-	-
Other items	-	-
Investing cash flows	(14.2)	(10.4)
Issue of shares	17.4	-
Increase in debt	6.8	51.5
Lease payments	(16.6)	(14.2)
Dividends paid	-	-
Financing cash flows	7.6	37.3
Net increase / (decrease) in cash	0.9	3.7
Cash at beginning of the half year	2.9	(5.2)
Cash at the end of the half year	3.8	(1.4)

Main Cash Movements

- Positive operating cash flows for the half year driven by:
 - Higher 2024 crop sales volumes and prices
 - Collection of the FY2024 delayed receipts (due to logistics issue) offset by increased external grower payments due to higher 2024 crop and price vs 1H FY2024
 - Decreased borrowing costs due to lower debt levels following the completion of the capital raise
 - Capital raise receipts from the retail offer completed in October 2024.
- Increased investment during the half year in:
 - New harvest shakers
 - Horticultural equipment refurbishment
 - Improved drainage at various farms.
- Operating cashflow forecast to remain positive in 2H FY2025 driven by:
 - Majority of 2025 crop being contracted, shipped and paid
 - Favourable almond pricing being achieved due to improved supply and demand fundamentals within the macro-economic environment
 - Cash received from third party processing and hull sales.

Financial Items – Debt Re-Finance

Select Harvests has completed binding agreements with lenders regarding the renegotiation and extension of its facilities to durations of 3 and 5 years¹.

Subsequent Event

The Company has successfully refinanced its existing debt facilities, obtaining a total of **\$240m** in new funding across two tranches.

The refinancing structure comprises:

- **Tranche A:** \$150m with a **3-year term**, set to mature in **May 2028**.
- **Tranche B:** \$90m with a **5-year term**, maturing in **May 2030**.

Notable aspects of the new facilities include:

- Competitive margins that reflect the Company's enhanced credit profile following the capital raising in 2024.
- Replacement of current facilities with more favourable covenant terms and extended maturities.
- The addition of a third banking partner to assist with the company's strategic objectives.

Note - 1 Contingent upon the confirmation of certain conditions precedent that are expected to secure financial closure in the upcoming days.

Financial Matters – Issues from Previous Periods

Superannuation underpayment

In an internal payroll review, SHV discovered an error in Superannuation Guarantee ('SG') payments to employees that dates back to 2020.

SHV recognised a provision of \$3.5m relating to the SG underpayment in the FY2024 accounts. \$2.9m is recognised in opening retained earnings with the remaining \$0.6m recognised in the income statement.

SHV takes its responsibilities to appropriately remunerate its employees seriously and is taking steps to rectify the errors as quickly as practical, which includes a review by an independent 3rd party.

SHV has proactively disclosed this matter to the Australian Taxation Office.

Error in the 2024 Audited Financial Statements

While preparing the half-year accounts for 2025, management identified an error that led to an overstatement of both revenue and cost of goods sold (COGS) by the same offsetting amount of \$43m.

This discrepancy does not impact EBITDA, EBIT, or NPAT.

Further internal controls have been put in place to identify and reduce the likelihood of this type of error from happening again.

\$'000 For the financial year ended 30 September 2024 (Statement of Comprehensive Income extract)	30 September 2024	(Decrease) / Increase	30 September 2024 (restated)
Total Revenue	337,285	(43,038)	294,247
Cost of Sales	(331,024)	43,038	(287,986)
Profit / (Loss) Attributable to Members of Select Harvests Limited	1,500	-	1,500



**STRATEGY &
TRANSFORMATION**

Strong Strategy Execution

Key

- On track
- At risk
- Behind schedule
- Not previously considered

Strategic Pillars

Safety & Enablers

Substantially greater almond volume

	F24	F25
Crop Size	●	●
Hort practices	●	●
Hygiene & Quality	●	●
Leverage Scale	●	●
3 rd Party growers	●	●
Water Mgmt	●	●

- Disappointing 2025 crop
- Improved discipline on horticulture practices
- Early harvest to improve quality
- Scale opportunity through targeted actions: Labour, Freight, Procurement, Automation
- Tight cost management
- Water rebalancing complete.

Leadership in processing scale and efficiency

	F24	F25
Capacity	●	●
Processing Yield (waste)	●	●
Cust Complaints	●	●
Indirect costs	●	●

- 40,000MT capacity in place and next stage Optimus 10,000t in progress and on track.
- Contracted 3rd Party processing volume impacted by 2025 crop but expect rebound in 2026
- Operating metrics are positive
- Customer complains continue to reduce.

Maximise returns from almond crops

	F24	F25
Sales velocity (consciously slow)	●	●
Pricing	●	●
Logistics	●	●
Value chain dev.	○	●
Value-add margin	●	●

- Consciously slowed sales to maximise price
- Pricing gains against benchmarks
- Logistics operating well
- Direct sales growing
- Value added margin held back by fixed price contracts.

Innovate to drive step-out growth

	F24	F25
Compost	●	●
Innovation of biomass	○	●
Powders and oils	○	●

- Added Trichoderma to our own compost
- Biomass innovation on hold
- Powders and oils on hold.

Safety, efficient and scalable processes/ops

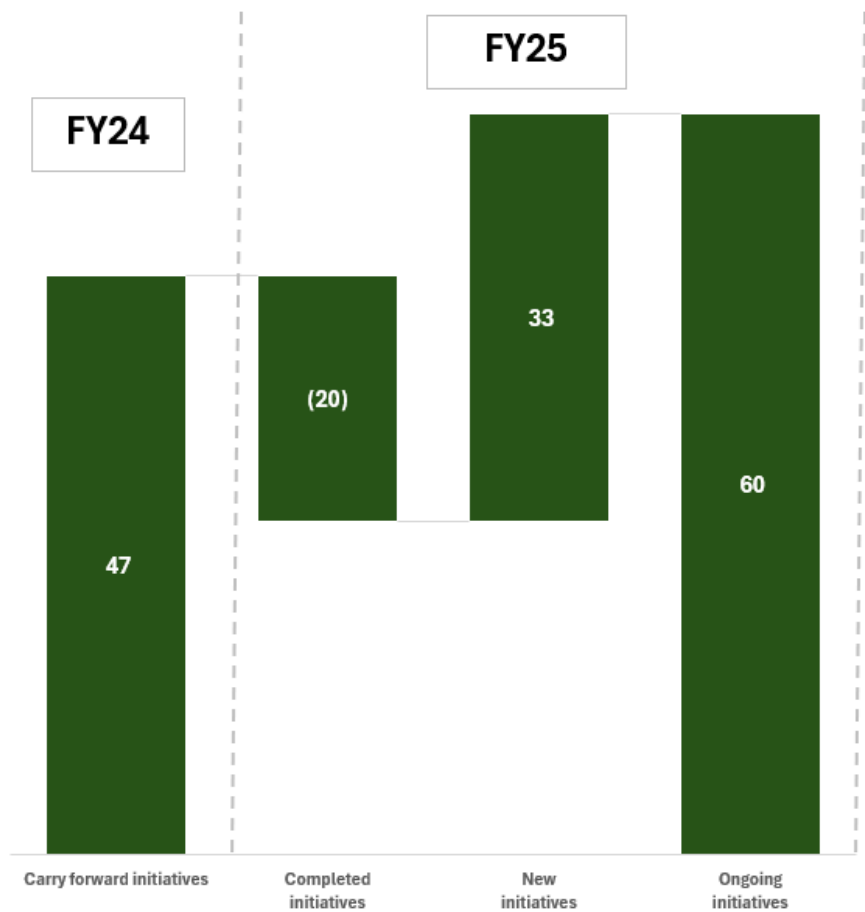
	F24	F25
Safety - TRIFR	●	●
Logistics	●	●
Procurement	●	●
PMO	●	●
Data & analytics	●	●
Technology	●	●

- Focus on safety training and accuracy of reporting
- Process automation for export documents
- Progressing automation of operational data to integrate into Power BI
- Procurement disciplined approach to sourcing that lowers position on the cost curve
- PMO delivering target results.

PMO – Strategy Execution and Discipline

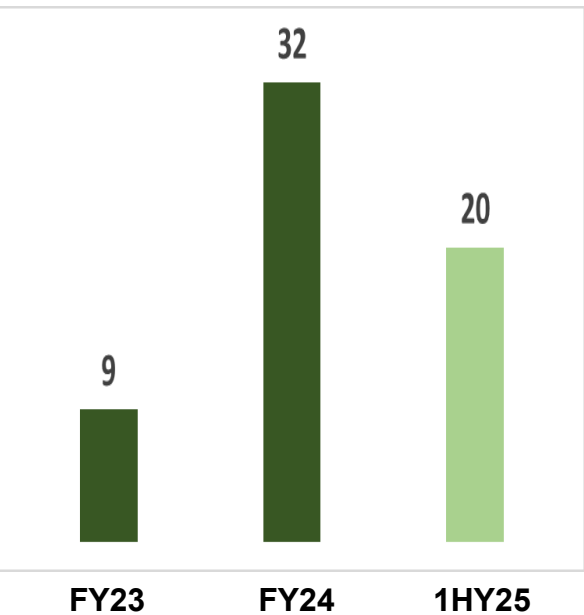
Execution

Count of initiatives



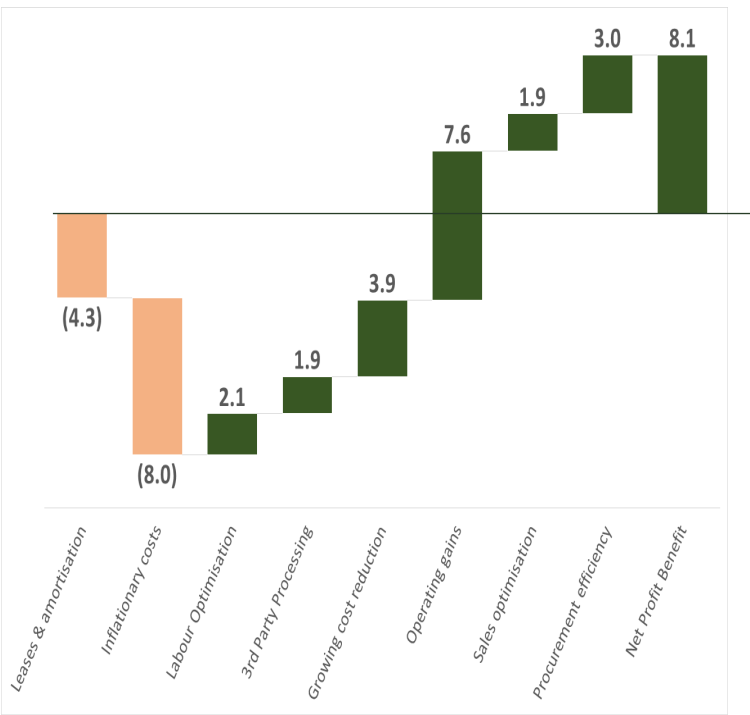
Profit Impact

Millions AUD



1H 2025 P&L Impact

Millions AUD





OUTLOOK & KEY MESSAGES

FY2025 Outlook

SHV Crop

- 2025 Crop forecast 24,000MT – 26,500MT:
 - Nonpareil larger hull sizes relative to kernel size reduces crack-out
 - 2025 crop bloom below the strength of the previous bloom
 - Approximately 500MT losses due to frost events
 - Pollinator crack-out commenced.
- 2025 crop volumes consistent with external growers and Australian Almond Board announcements.

Californian Crop

- Peak volume seems to have passed.
- Positive macro-economic conditions
 - Lower Californian carry-over.
 - Subjective Estimate of 2.8B pounds.

Margin

- Strong global demand with forecast price \$10.35/kg – prices increasing.
- Cost focus remains.
- China and India demand are strong.
- Continued customer diversification supports sales profile.
- PMO delivering and tracking results.



Key Messages – Select Harvests

Growing, Processing & Selling as efficiently as we can.....

- **Profitability increasing.**
- **Substantive progress on transformation initiatives.**
- **Strong balance sheet to be maintained.**
- **Continuing strong macro-economic environment.**





QUESTIONS