

29 NOVEMBER 2024

FY2024 FULL-YEAR RESULTS | 29,527 MT CROP, \$1.5 MILLION FY2024 NPAT

Overview of FY2024 full-year financial results

- **EBITDA¹ of \$46.0 million** (FY2023 EBITDA loss of \$117.1 million)
- **Reported NPAT of \$1.5 million** (FY2023 NPAT loss of \$114.7million)
- **2024 almond crop of 29,527 MT** (FY2023 reported 19,771 MT) – **up 49.3%**
- **External grower crop of 10,520 MT** (FY2023 3,414 MT) – **up 208.1%**
- **Almond price of A\$7.69/kg** (FY2023 A\$6.42/kg) – **up 19.6%**
- **Operating cashflow of \$21.3 million** (FY2023 \$3.3 million) – **up 545.5%**
- **Net debt of \$162.3 million** (FY2023 \$190.2 million)
- **Earnings per share of 1.24 cents per share** (FY2023 loss per share of 94.80 cents per share)
- **No final dividend declared for FY2024**

Select Harvests Limited ('Select Harvests' or 'the Company') reports a Net Profit After Tax (NPAT) of \$1.5 million for the financial year ended 30 September 2024 (FY2024).

Managing Director, David Surveyor, announces that "Select Harvests recorded Net Profit After Tax (NPAT) of \$1.5 million for FY2024. This profit is greater than a \$116 million turnaround from FY2023 and shows that the business is returning to normal operations.

The Company is now well positioned to go forward and the previously communicated delays in cash receipts of \$56 million caused by logistics issues are resolved. All outstanding FY2024 documentation has been delivered to customers, containers are shipped, with \$51 million of cash collected. The balance is on normal terms with customers and is expected to be receipted prior to 31 December 2024."

The water rebalancing program is being delivered on plan. A \$12.5 million gain was made on the sale of water in FY2024 of which \$6.7 million was recognised in FY2024. The remaining \$5.8 million did not meet the Company's revenue recognition policy in the period and will be recognised in FY2025. The Company is using the cash generated from these sales to acquire water more closely aligned with the location of its farming operations.

¹ EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation.

The supply and demand dynamics for the industry are returning to a more balanced position. The USDA objective forecast of 2.8b lbs, low carry-in of 500m lbs and declining bearing acres continue to improve supply side economics.

The 2024 Select Harvests reported crop volume is 29,527 MT and of high quality. The quality mix is favourable across both inshell and kernel products. The Company also substantially increased the volume of external grower supply to 10,520 MT.

Select Harvests has contracted a record volume of 32,334 MT, 91% of the SHV 2024 crop, with a structured program designed to drive accelerated sales, which was achieved despite logistical challenges.

The Company continues to see strong demand from China and India. With a improved supply and demand dynamic, prices have been increasing in recent months and these increases are continuing.

The Company has controlled operating costs and, despite increases in lease cost recognition and inflation, total production costs per kilogram are lower than last year. A \$6.6 million impairment has been recognised on Select Harvests' Yilgah (leased) orchard following four consecutive years of wet conditions and yield underperformance.

FY2024 EBITDA of \$46.0 million is a substantial improvement on the FY2023 EBITDA loss of \$117.1 million.

Pleasingly, operating cash flow improved to \$21.3 million from \$3.3 million in FY2023 and net debt improved to \$162.3 million.

During FY2024, the Company strategically increased the capacity of the Carina West Processing Facility (CWPF), from 30,000 to 40,000 MT. This has led to lower unit costs of production in FY2024 and a total of 40,047MT was processed during FY2024.

In addition, Select Harvests' Project Management Office (PMO) completed 27 projects with a profit of \$32.2 million, with this gain offset against a \$1 million provision for the logistics issue and the inflationary pressures felt by all Australian business. The net gain is \$15 million. Moving forward, the Company is implementing plans to mitigate risks in the logistics component of its operations by adding a new service provider and reducing dependence on external suppliers by increasing its internal logistics capability.

Capital raise

This financial year saw the Company undertake a fully underwritten \$80 million capital raise, comprising:

- a 1 for 9.2 pro rata accelerated non-renounceable entitlement offer to existing eligible shareholders of approximately \$50 million; and
- an institutional placement of approximately \$30 million.

The purpose of the capital raise was to reset the balance sheet by reducing debt and fund a further 10,000 MT expansion of the CWPF in line with our transformation strategy. This increased capacity will improve our midstream profitability and reduce the level of risk inherent in the Select Harvests business model.

The capital raise was successfully completed. The institutional offer raised \$58.9 million, net of costs and the retail offer raised \$17.4 million, net of costs.

Market outlook

The future of the macro environment for almonds looks bright. At the global level, the trend for consuming healthy foods continues.

In the US, bearing acres have peaked and we are witnessing a reduction in almond acres across California. The US Objective forecast is for 2.8 billion pounds, and the initial feedback suggests the actual crop is more likely to be smaller. Carry-forward inventories are also low, and history suggests that this is likely to remain the case for at least the next few years. These factors will help support prices in Australia.

Summary

David Surveyor concludes "FY2024 has shown a significant improvement over last year. The velocity of the sales program is the highest sales results in the Company's history. Our processing facility delivered increased the plant's capacity to 40,000 MT. As a result of the targeted initiatives delivered, we have successfully reduced the total cost of production for the FY2024 crop.

The 2025 crop growing program has commenced and the Company is executing a full horticultural plan. Water allocations remain favourable, dam storage levels are high and temporary market water pricing is expected to remain at below average levels.

The Company is seeking to maximise its earnings going forward with a program for crop yield improvement, more efficient cost profile, increased capacity to process third party product and improved sales and marketing capability.

Select Harvests is focusing on growing, processing and marketing as effectively as possible to ensure shareholder returns continue to improve.

Most importantly, we continue our journey towards world-class safety performance."

The Board has determined not to pay a final dividend.

This announcement has been approved by the Board of Directors of Select Harvests.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Select Harvests:

Select Harvests Ltd (ASX:SHV) is an ASX-listed, fully integrated almond business consisting of orchards (Company owned, leased, joint venture and managed), primary processing (hulling, shelling, sorting and packing) and

secondary value-added processing (blanching, roasting, slicing, dicing, meal and paste). Australia is a significant global almond producer and Select Harvests is one of Australia's largest almond companies, supplying almonds domestically and internationally to supermarkets, health food stores, other food manufacturers, retailers and the almond trade. The Company is headquartered in Melbourne, Australia, while its orchards are in north-west Victoria, southern New South Wales and South Australia. Its almond processing and value-adding facility (Carina West) is located at Wemen in north-west Victoria. For more information, visit www.selectharvests.com.au.

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