



21 November 2023

Hi everyone,

I'm pleased to update you on a number of key discussions from today's meeting of the Zespri Board of Directors, and other updates.

- November 2023/24 Forecast
- Corporate Profit and Dividend Range
- Launch Zespri's new Innovation Fund
- Upcoming Grower Roadshows
- Chairman's Comment – Bruce Cameron

November 2023/24 Forecast

The Board has approved the November forecast for the 2023/24 season. This is the second full forecast we've published this year. Details of the latest forecast per tray and per hectare returns for all categories are outlined in the table below.

Pools (Fruit Categories)	2023/24 November Forecast Per Tray	2023/24 August Forecast Per Tray	2023/24 November Forecast Indicative Range Per Tray	2023/24 August Forecast Indicative Range Per Tray	2023/24 November Forecast Per Hectare	2023/24 August Forecast Per Hectare	2023/24 November Forecast Indicative Range Per Hectare	2023/24 August Indicative Range Forecast Per Hectare
Zespri Green	\$9.00	\$8.10	\$8.75-\$9.25	\$7.80 - \$8.60	\$61,916	\$55,683	\$60,000 - \$64,000	\$54,000 - \$60,000
Zespri Organic Green	\$12.00	\$11.20	\$11.75-\$12.25	\$10.70 - \$11.70	\$53,708	\$49,956	\$53,000 - \$55,000	\$48,000 - \$52,000
Zespri SunGold Kiwifruit	\$12.35	\$11.50	\$12.10-\$12.60	\$11.00 - \$12.00	\$140,451	\$130,908	\$138,000 - \$143,000	\$125,000 - \$137,000
Zespri Organic SunGold Kiwifruit	\$14.15	\$13.10	\$13.90-\$14.40	\$12.60 - \$13.60	\$109,154	\$101,076	\$107,000 - \$111,000	\$97,000 - \$105,000
Zespri Green14	\$10.25	\$9.80	\$10.00-\$10.50	\$9.30 - \$10.30	\$48,057	\$45,947	\$47,000 - \$49,000	\$44,000 - \$48,000
Zespri RubyRed Kiwifruit*	\$26.10	\$23.30	\$25.60-\$26.60	\$22.80 - \$24.80	\$40,371	\$36,044	\$40,000 - \$41,000	\$35,000 - \$38,000

* NB: Zespri RubyRed Kiwifruit is in its second year as a commercial pool. Forecast per hectare returns have been influenced by a high proportion of productive hectares returning low yields impacted by vine age. 149 hectares producing for 2 years or less have returned an average yield of 1,385 trays per hectare and a forecast per hectare return of \$36,140 per hectare. 4 hectares producing for greater than 2 years have returned an average yield of 5,263 trays per hectare and a forecast per hectare return of \$137,348 per hectare. 6 hectares with mixed aged vines (with vine age of both 2 years or less and more than 2 years) have returned an average yield of 3,155 trays per hectare and a forecast per hectare return of \$82,321 per hectare.

On the back of the industry's focus on improving fruit quality and our Zespri teams working across the supply chain with our key customers in market, all categories other than Sweet Green are above

the August 2023 per tray range guidance, with Green, Organic Green and RubyRed per tray returns forecast at record levels. Forecast SunGold Kiwifruit returns have also increased to well above last season's final OGR.

These forecast returns per tray reflect improved fruit quality and strong demand despite challenging market conditions. Quality costs have improved across all key markets and are now in line or below 2021 levels, supported by a focus on strong sales rates throughout the year that helped avoid late season fruit quality costs. This was also enabled by the smaller crop. As an industry continuing to improve quality must remain our focus next season and in the years ahead when we're expecting yields to improve and total crop volumes to increase.

Forecast per-hectare returns are also up across all categories from the August forecast, with SunGold, Green and Green14 returns now above final 2022 season returns. While our organic categories have seen a significant increase in per tray returns, organic per hectare returns remain below last season's returns. The per hectare forecast is affected by this season's reduced yields.

Total fruit and service payment, across all pools and excluding the loyalty premium, is forecast between \$2,160 million and \$2,210 million.

Forecast corporate profit and dividend range

Zespri's corporate net profit after tax for the financial year ending March 2024 is expected to be between \$165m and \$175m, including licence release income. We continue to maintain a strong focus on identifying savings opportunities across Zespri's corporate overheads to support profitability in a challenging season while making sure we have the resources in place to manage the expected lift in volumes next season.

The forecast dividend range for the financial year ending March 2024 is expected to be between \$0.81 and \$0.86 cents per share (and/or a Gross dividend per share range including imputation credits of \$1.03 to \$1.09). This range is inclusive of the \$0.66 cents per share interim dividend (and/or a Gross interim dividend of \$0.84 cents per share) paid in August 2023, which included the \$0.10 cent dividend payment that was brought forward from December 2023 to August 2023 to assist with grower cashflow. Given that payment was brought forward that means there will be no dividend paid in December 2023.

Launch of Zespri Innovation Fund – ZAG

I am very pleased to announce that today we have launched our new Zespri Innovation Fund, ZAG.

This fund is designed to attract innovative problem solvers to partner with us to meet the growing demand for Zespri Kiwifruit, to help create new value streams for growers and to address some of the challenges we face as an industry.

ZAG will bring existing innovation resources including the allocated funding from across our business together into a US\$2 million contestable annual fund. It is designed to allow us to broaden our efforts by collaborating with global innovators so that we can innovate faster.

ZAG will support projects in four core areas:

- **Good for Fruit:** to drive superior quality kiwifruit and on orchard productivity
- **Good for People:** to promote better human wellbeing through kiwifruit

- **Good for Communities:** to enhance the lives of kiwifruit workers and growers
- **Good for the Environment:** to protect and restore nature

An Innovation Steering Committee chaired by our Chief Marketing, Innovation and Sustainability Officer Jiunn Shih will oversee the Fund and evaluate ideas submitted by prospective solution providers. A particular focus is how we can partner with agri and food-tech innovators to create sustainable long-term value for growers and build a successful industry for tomorrow.

We'll provide more details at our next round of Grower Roadshows and in the upcoming Kiwiflier, and you can also expect regular updates including on selected projects once we get underway.

November Grower Roadshows

We're looking forward to seeing growers at our upcoming Grower Roadshows starting tomorrow. A full list of all meetings is available on Canopy [here](#).

We'll have Directors and senior members of our team on site to answer questions from growers and provide updates on our 2023 season market performance and latest financial forecast, 2024 season planning, Green strategy, the market outlook and trends, and the new Canopy which is scheduled for early December.

We'll also have updates from NZKGI and KVH leadership.

Dan Mathieson
Chief Executive Officer

Chairman's Comment

On behalf of the Board I want to thank growers and our post-harvest partners for the focus that's been put on lifting fruit quality this season right across the supply chain.

While there's more work to be done, particularly with more fruit expected next season, the effort that's gone in across the industry has been central to the improved returns we've confirmed in the latest forecast.

It has been a particularly challenging couple of seasons for the industry but ending this year with more positive news should give us confidence about the opportunities we have when we get consistently good quality fruit to the market.

The Board will provide a further update next month, including on the 2024 licence release programme.

Bruce Cameron
Chairman