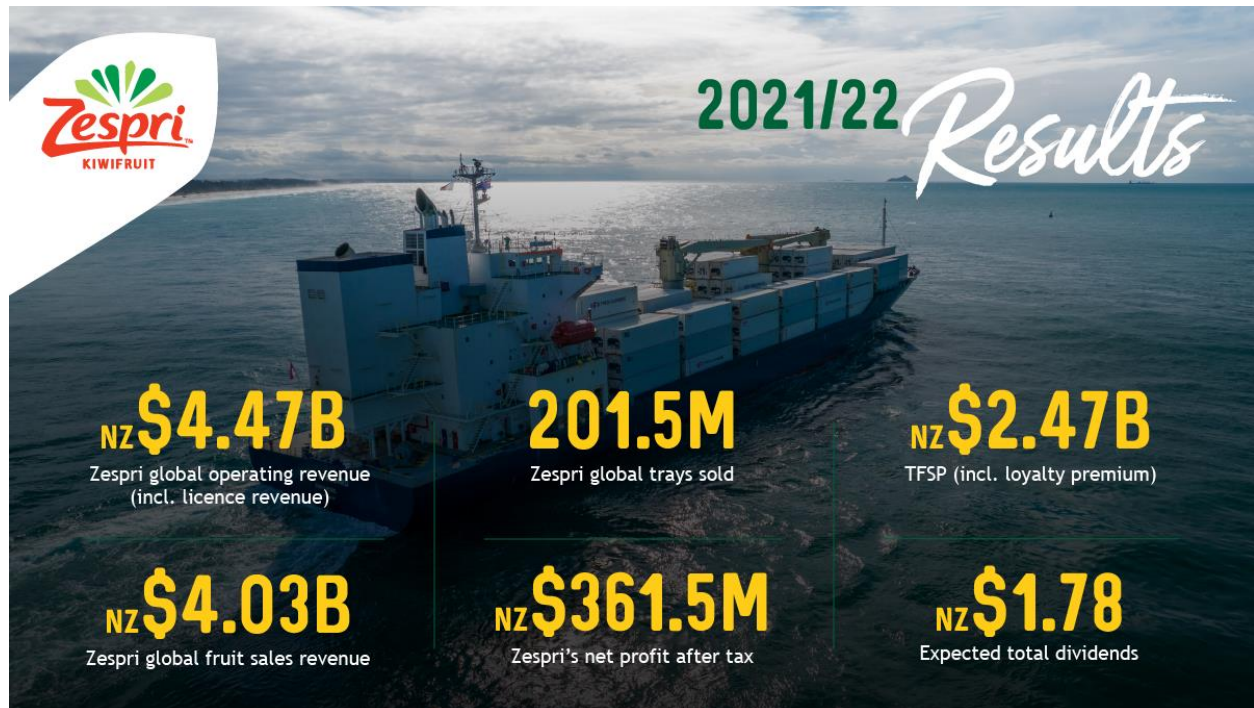




Media Statement

Wednesday 25 May 2022



Zespri global revenue exceeds NZ\$4 billion for first time, despite challenging 2021/22 season

2021/22 Financial results summary:

- Zespri global operating revenue: NZ\$4.47 billion (includes licence revenue)
- Zespri global fruit sales revenue: NZ\$4.03 billion
- Total New Zealand-grown fruit and service payments including loyalty premium: NZ\$2.47 billion
- Zespri global trays sold: 201.5 million trays
- Zespri's net profit after tax: NZ\$361.5 million
- Expected Total Dividends: NZ\$1.78

A record crop, ongoing investment in brand-led demand creation, and the industry's ability to respond and leverage its scale and structure have helped Zespri deliver a record result for the 2021/22 season, with total global fruit sales revenue exceeding NZ\$4 billion for the first time.

In spite of the immense challenges faced by the industry this season, Zespri's 2021/22 Financial Results show total global revenue generated by fruit sales reached NZ\$4.03 billion, up 12 percent on the previous year, with total global operating revenue up by 15 percent to NZ\$4.47 billion. Global sales volumes also increased 11 percent on the previous year to 201.5 million trays.

The results saw direct returns to the New Zealand industry increase to a record \$2.47 billion including loyalty payments, despite the considerable uncertainty generated by the COVID-19 pandemic and cost increases across the supply chain. Earnings were again spread through regional communities including within the Bay of Plenty, Northland, Nelson, Gisborne, and the Waikato.

Grower returns remained strong in a challenging season, with per hectare returns representing our second best on record across all varieties:

- The average return for Zespri Green per tray was \$6.35, with the average return per hectare reaching \$75,494.
- Zespri Organic Green reached an average return per tray of \$9.74, with the average per hectare return increasing to \$67,752.
- The average return for Zespri SunGold Kiwifruit was \$11.51 per tray, and the average return per hectare was \$176,026.
- Zespri Organic SunGold Kiwifruit saw a per tray return of \$12.61, with the average per hectare return \$143,772.
- Zespri Sweet Green achieved an average return per tray of \$7.82 and an average return per hectare of \$54,609.

Zespri's Non-New Zealand Supply sales increased to \$536.9 million while Zespri's net profit after tax is \$361.5 million, a record result and up from the 2020/21 restated profit of \$277.1 million, led by an overall strong performance and by the continued demand for Zespri SunGold licence.

Zespri Chairman Bruce Cameron says the results reflect an incredible effort across the industry to continue to operate safely throughout the challenges presented by the pandemic.

"This was an extraordinary season where the industry faced some considerable headwinds in market, throughout the supply chain and on orchard, yet collectively we found a way to tackle the challenges and to continue to succeed.

"Most pleasingly, not only have we delivered strong returns for growers including our second-highest per hectare returns, we've strengthened our partnerships across our global supply chain, continued to make positive contributions to our communities and made decisions as an industry to set ourselves up for sustained success," Mr Cameron says.

Zespri Chief Executive Officer Dan Mathieson says the results reflect the ongoing focus on investment in the Zespri brand, an ability to build demand ahead of supply to create value and the long-term relationships which have helped the industry overcome challenges and continue to move forward.

"This is a really pleasing result given how significant the challenges we faced in the 2021/22 season were.

"These included the pandemic and ongoing supply chain disruption, shifting weather patterns, tightening regulations, changes to fruit flows, increasing competition in the market, labour shortages, late season fruit quality issues, significant cost increases and international trade challenges.

"Exporters right around the world have been tested, and our industry again rose to the challenge to deliver strong results in the toughest of circumstances.

“We were able to succeed because of the hard work growers, suppliers, our partners and the whole Zespri team put in to ensure that we could adapt and deliver a quality product that more and more consumers want.

“Our investment in building our brand has been supported by our long-term partnerships throughout the supply chain, and by utilising our scale, we’ve avoided the worst of the global shipping crisis through greater use of charter shipping to ensure our fruit can get to market to meet the growing demand. Our teams in market also allowed us to stay closely connected to the challenges and changing market conditions, and be agile in response.”

Mr Mathieson says importantly this growth wasn’t just in New Zealand, with Zespri’s offshore growing operations continuing to perform strongly.

“We saw ZGS financial performance reaching new levels, despite some weather-related challenges in Europe, with volumes of around 26.5 million trays and a contribution to fruit and services payment of around \$410 million.

“The growth of our offshore production remains critically important, boosting our efforts to serve our consumers year round, helping to hold our shelf space, make our marketing investment more efficient and to maintain commercial partnerships to allow us to launch our New Zealand sales season.

“As a result, we are able to maximise the benefit from the increased international demand we’re creating, delivering stronger returns to growers in New Zealand and around the world.”

A more sustainable future

Zespri has also continued to embrace more sustainable practices, making solid progress towards our long-term sustainability goals.

“We’ve outlined a range of long-term targets which reflect our commitment to address areas that our consumers and customers have indicated should be a priority for a business like ours.

“Our climate change strategy, for example, sets out how we will work with the industry to help lead the transition to a low-carbon, climate-resilient future. We’re also continuing to move towards our goal of having 100 percent reusable, recyclable or compostable packaging by 2035 and to strengthen our efforts to create an industry where our people are well supported.”

Mr Mathieson said Zespri had maintained its focus on investing heavily in its communities throughout 2021/22 to ensure the benefits of the industry’s growth are shared.

“Whether it’s creating healthy communities or supporting those in need, our focus on being led by our values continues to allow us to create value for growers and our communities and we will maintain our commitment to this moving forward.”

2022/23 Season Outlook

The industry is continuing to work hard to ensure it can deliver the remainder of the 2022/23 season’s crop which has lower volumes than initially forecast. This year’s SunGold Kiwifruit and Zespri RubyRed Kiwifruit harvest are now complete and Green packing is in full swing.

Mr Mathieson says that challenges remain in the current season, with the pandemic continuing to impact the global supply chain, particularly shipping networks.

“We know the current season is a tougher scenario but the industry continues to adapt and work together to make sure we’re meeting the growing demand for our fruit, managing the uncertainty and challenges and working towards another strong result.

“The future of our industry is incredibly bright, with strong growth opportunities ahead of us and we’re committed to meeting those,” Mr Mathieson says.

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About Zespri

Zespri is 100 percent owned by current and former kiwifruit growers and has a global team of 850 based in Mount Maunganui and throughout Asia, Europe and the Americas. Our purpose is to help people, communities and the environment thrive through the goodness of kiwifruit, and we work with 2,800 growers in New Zealand and 1,500 growers offshore to provide consumers with fresh, healthy and great-tasting Zespri Green, RubyRed™ and SunGold Kiwifruit. In 2021/22, we supplied over 200 million trays of kiwifruit to consumers in more than 50 markets, and recorded global operating revenue of NZ\$4.47 billion. Zespri is committed to sustainability, with areas of improvement identified right through the supply chain including our pledge that by 2025 we will use 100 percent reusable, recyclable or compostable packaging, do more to help the environment, and to become carbon positive by 2035.

Imagery

Please find a Dropbox link [here](#).

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