



ArborGen
— HOLDINGS —

FY24 Results Presentation

For the 12 months ended 31 March 2024
All financials in USD unless otherwise stated

ARBORGEN IS A LEADING PROVIDER OF ADVANCED GENETICS FOR THE FORESTRY INDUSTRY

- Unparalleled product portfolios in each of our core markets
- Decades of investment in research and intellectual property that is now bearing fruit
- Service more than 2,000 customers each year
- Focused on continued growth in our target markets, being the US South and Brazil.
- Production capacity of 485+ million seedlings per annum

Strongly positioned for the future with a clear strategy, strong balance sheet and market leadership position

ADVANCED GENETICS SEEDLINGS DELIVER:

- **40%+ more revenue**
- **50%+ greater net present value**
- **60%+ more saw timber at final harvest**
- **Better log straightness and reduced forking**
- **More disease resistance**

Compared to Open Pollinated seed

DUAL PATHWAY STRATEGY

Driving growth and leveraging long term demand trends

GO TO MARKET

Grow demand and sales of higher value advanced genetics seedlings

- United States: Expand market and increase Mass Control Pollinated (MCP) adoption
- Brazil: Opportunistic and measured expansion
- Focus on market-driven genetics for the future

OPERATING STRENGTH

Enable a strong foundation for the future

- Strengthen the organisation and develop a performance culture
- Optimise total productivity

EXCELLENCE



PEOPLE



INTEGRITY



CUSTOMERS

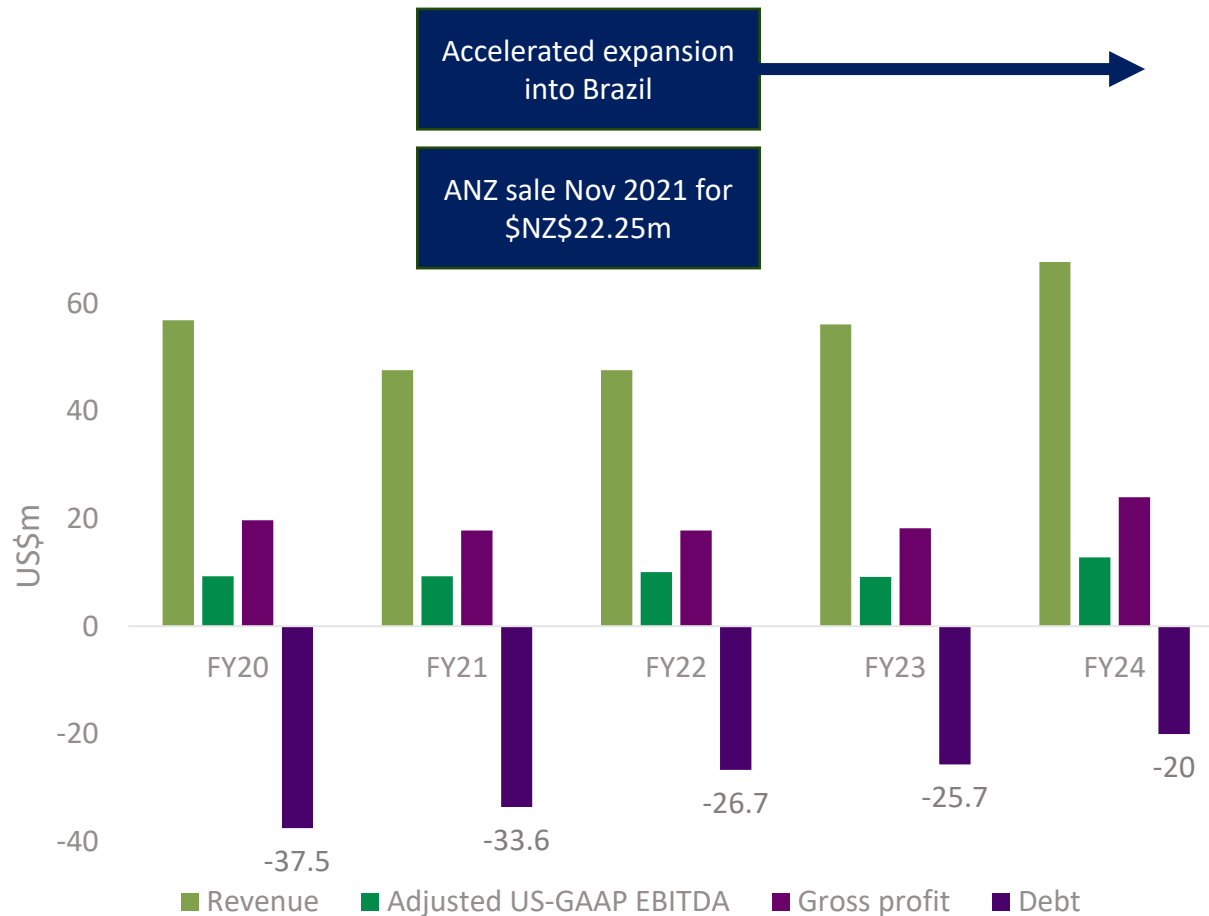


SUSTAINABILITY



GROWTH STRATEGY DELIVERING TANGIBLE RESULTS

FY24 surpassed pre-ANZ sale earnings; significantly reduced net debt



FY24 comparatives to FY20:

- Record revenue, up 19%
- Record Adjusted US GAAP EBITDA, up 38%
- Gross profit up 22%
- Debt reduced by 47%

- Sale of ANZ business in 2021 allowed for investment into ArborGen's emerging business in Brazil
- Continued growth momentum in Brazil driving a record result for the company
- Focus on advanced genetics continues to deliver superior prices and margins
- Positive long term macro trends in both US South and Brazil supporting ArborGen's go to market story

US SOUTH

Market Overview

- Economic and environmental conditions impacting the sector – closure of pulp mills due to historically low prices, subdued demand for saw timber, wet weather affecting customer preparation for planting
- Anticipate a return to more commercial production cycle for pulp although long term trend suggests continued decline in demand; recovery in saw timber projected by CY2025
- ArborGen’s advanced genetics seedlings offer customers the opportunity to achieve higher yields and returns from premium grade timber (ie saw timber), meeting the growing long-term demand
- Opportunities in sustainable forestry, with large scale afforestation and reforestation projects

OUR STRATEGY

- ArborGen is a key player, with one of the largest capacities for advanced genetics seedlings production – more than 350m+ pa
- Increased sales focus and effort - concentrating on higher value advanced genetics products
- Thoughtful growth – acquisition of nursery in Texas; expanding container offering
- Optimising our footprint - well situated in regions which offer high potential; closure of Taylor Nursery in FY24 and sale of in-vitro business post-period end

BRAZIL

Market Overview

- The world's largest producer and exporter of hardwood pulp
- Rapid expansion in production capacity in response to demand
- Decline in yields due to environmental and weather-related factors - the market is seeking new clones with higher yields that are also more resilient; this presents an opportune landscape for ArborGen
- Our superior trees offer higher yields and higher wood density than standard market clones, improved disease and insect resistance, and good drought tolerance

OUR STRATEGY

- Leveraging our strong position in the pine and eucalyptus seedling markets
- Replicating our US strategy to convert the market to products with superior genetics - we are now one of the largest commercial suppliers in the country
- Expanding production capacity – acquisition of additional nursery in 2023
- Innovation in eucalyptus and pine tree improvement – new R&D programme being established
- Production capacity at over 138m+ seedlings per year

FY24 STRATEGIC PROGRESS

Total Productivity and Operating Strength strategies delivering benefits

OPTIMISE TOTAL PRODUCTIVITY

- Formalised productivity strategies and procedures
- Customer collaboration to develop a model that better aligns risk ownership in the sales process
- Comprehensive cost-out programme delivering savings and operational efficiencies
- Actively exploring new technologies, tools and equipment to boost productivity
- Clean-up of seed inventory resulting in non-cash \$1.8m provision for older, lower quality seeds

PRODUCT DEVELOPMENT

- Introducing new selection techniques, testing and analysis
- More than 47,000 seedlings grown for R&D in FY24
- New orchard trials established for coastal advanced generation MCP trees
- Licensing and selling genetic products from other companies, further enriching our genetic portfolio in Brazil
- Reinforced the product development teams in US and Brazil with increased collaboration

STRENGTHEN THE ORGANISATION

- New and expanded leadership team; transition of some roles from NZ to US to align with operational base
- Refresh of mission, values and culture; improving employee engagement across the business
- Optimising our footprint and operations
- Introduction of new Customer Management software
- Repurchase of outstanding warrants for \$1.35m in May 2023

FY24 FINANCIAL RESULTS

FROM SEEDLINGS TO SUCCESS

Record Adjusted US GAAP EBITDA

Growth strategy delivering clear benefits and outcomes

Further year of improved financial and commercial performance

Clear pathway to future growth

FY24 FINANCIAL HIGHLIGHTS

Record adjusted earnings at top of guidance and strong revenue growth

USD \$m	FY24	FY23	% change
Revenue	67.7	56.1	21%
Gross Profit	24.0	18.2	32%
NPAT/NLAT	(0.2)	(2.5)	92%
Operating cashflow	11.7	6.5	80%
Net Debt ¹	14.4	13.0	11%
Adjusted US GAAP EBITDA ²	12.8	9.2	39%

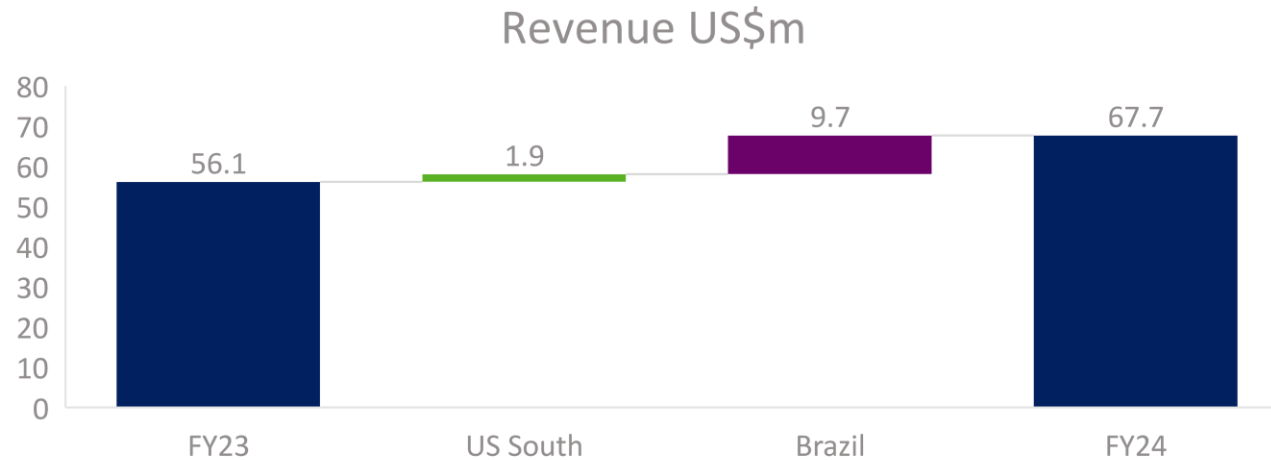
- Seedling unit sales of 373 million, consistent with prior year
- 21% increase in revenue to \$67.7m
- 32% increase in gross profit
- 92% improvement in NLAT from \$(2.5)m to \$(0.2)m
- Net debt (excluding capitalised leases) at \$14.4m as at 31 March 2024
- Record Adjusted US GAAP EBITDA result of \$12.8m, up 39% year-on-year and at upper end of guidance range

1. Net debt excludes capitalised leases

2. Adjusted US GAAP EBITDA is a non-GAAP financial measure and excludes one-off and unusual items which may include restructure costs, impairments and write downs on assets, acquisition/sale transaction costs and other one-off items. Additionally, management believes this measure provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purpose. Refer to slide 18 for a reconciliation of Adjusted US GAAP EBITDA.

FY24 REVENUE

Strong growth from Brazil with steady sales in US despite headwinds



- Record group sales revenue, up 21% yoy to \$67.7m
- Strong pricing and margins in both regions delivering yoy revenue increases
- Significant growth in Brazil
- Subdued volumes in US South due to economic and weather headwinds
- Advanced genetics make up 44% of total sales

Sales \$m



■ Brazil ■ US South

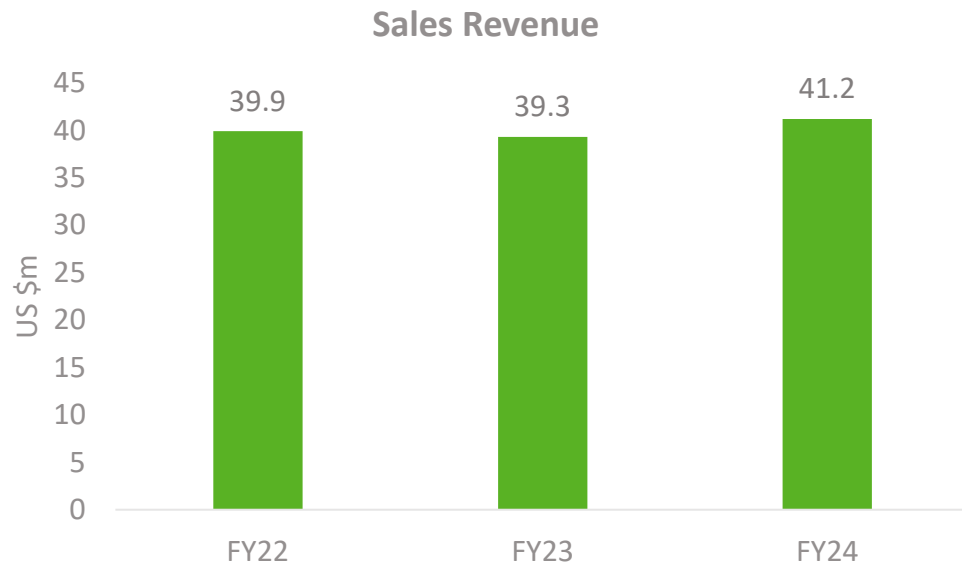
Sales units m



■ Brazil ■ US South

US SOUTH

Sales revenue remained strong despite the impact of macro conditions on sales volumes

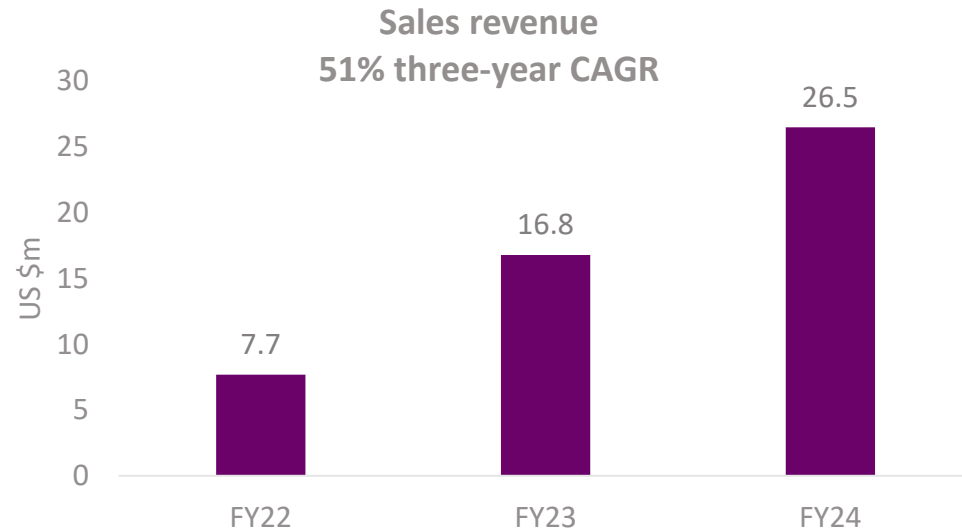


US South	FY24	FY23
Seedling sales (units m)	260	273
Sales revenue (\$m)	41.2	39.3
Advanced genetics as % of total sales volume	41%	37%
Seedling capacity (units)	350m	350m+

- Revenue of \$41.2m ahead of prior year despite subdued volumes due to economic conditions and weather events
- Sales focus on highest margin products is delivering stronger pricing and margins
- Acquisition of Jasper Nursery in Texas and further expansion of container capacity
- Established new orchard trials for coastal advanced generation MCP trees
- Exit from Taylor Nursery in Q4 FY24; post period end sale of in-vitro business

BRAZIL

Opportunistic and measured expansion delivering record results and strong momentum

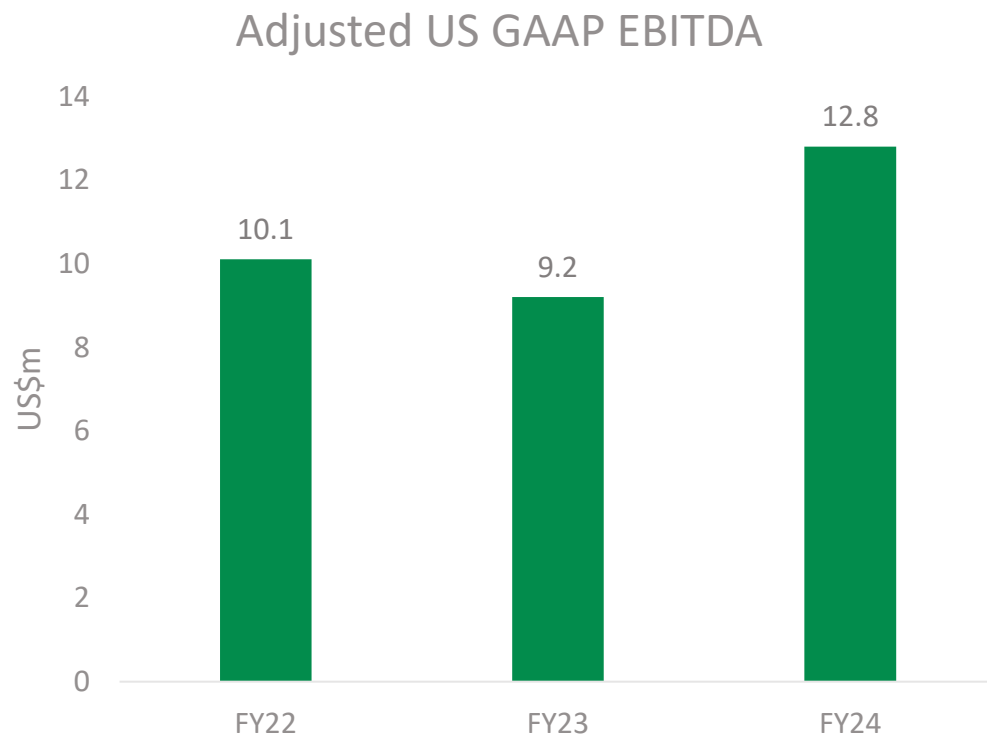


- Record revenue of \$26.5m, up 58% yoy
- Strong volume growth bolstered by strong pricing and margins
- Expanding production capacity – acquisition of additional nursery in August 2023
- 51% 3-year CAGR reflects the positive growth momentum in Brazil

Brazil	FY24	FY23
Seedling sales (units m)	113	102
Sales revenue (\$m)	26.5	16.8
Advanced genetics as % of total sales volume	50%	40%
Seedling capacity (units)	138m	120m+

US GAAP EBITDA

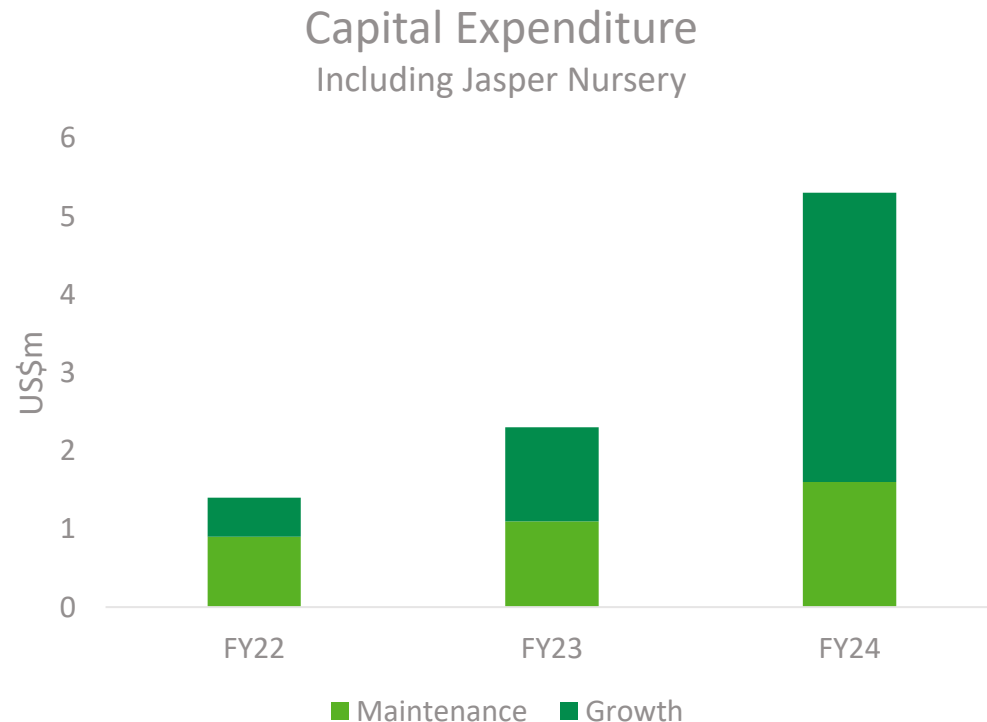
Record Adjusted US GAAP EBITDA result of \$12.8m, up 39% yoy



- Adjusted US GAAP EBITDA is a non-GAAP financial measure and excludes one-off and unusual items which may include restructure costs, impairments and write downs on assets, acquisition/sale transaction costs and other one-off items
- Management believes this measure provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purpose
- FY24 one-off, unusual and other costs of \$5.2m comprising:
 - \$1.9m CEO transition costs (the majority of which were non-cash equity grants)
 - Non-cash \$1.8m provision for obsolete seed inventory
 - Non-cash \$1.0m VAT valuation allowance
 - \$0.5m of other restructuring costs

CAPITAL EXPENDITURE

FY24 reflects investment into production expansion



FY24 capital expenditure of \$5.4m includes:

- Expansion of container capacity at two US nurseries
- Automation of inventory counts in US
- Purchase of \$2.5m Jasper Nursery in US (shown as a repayment of a lease liability under IFRS in the Financial Statements)

Planned capex projects for FY25 include continued orchard expansion and cooler expansion for hardwoods

BALANCE SHEET

In good shape to support growth

USD \$m	FY24	FY23
Debtors	12.6	14.0
Inventory	35.1	31.6
Creditors	(14.3)	(10.8)
Working Capital	33.4	34.8
Cash and cash equivalents	5.6	12.7
Total facility	37.0	35.7
Borrowings	(20.0)	(25.7)
Available/Undrawn	17.0	10.0
Net Debt	14.4	13.0
Net Tangible Assets (NTA)	59.8	56.4
NTA per share	12 cps	11 cps

- Disciplined management of working capital
- Increase in inventory as due to growth of business
- Cashflow positively impacted by timing of Employee Retention Credit (ERC) payment receipts in US and working capital movements
- Net debt reflects the warrant repurchase, capital expenditure, interest expense and taxes, along with favourable working capital movement from the higher collection of receivables in the US

Inventory comprises seed and seedlings, as well as preparation and harvesting costs

REGIONAL OUTLOOK

US SOUTH

- Current conditions expected to continue into FY25, long term macro trends support ArborGen's go-to-market story
- Sales effort is focused on highest value products
- Optimising our existing footprint, while investing for the future
- The 2023 cone harvest was lower than expected due to the freeze event in late 2022, during flowering, particularly in the Coastal region; this will impact on available seedlings to plant in FY25
- Sufficient inventory available to meet projected customer demand

BRAZIL

- Some moderation now being seen of high pricing seen in FY24
- Pricing and demand for protected clones remains high
- Investing to transform more product from market (unprotected) to protected clones
- Shifting sales from licensed products to proprietary ArborGen genetic seedlings which deliver superior prices and higher margins
- Continued opportunistic expansion, including assessing opportunities across broader South America region

GROUP OUTLOOK

Momentum is building and we are looking forward to another strong year in FY25

- Continuing growth momentum in Brazil
- Current conditions in US expected to result in flat year on year sales volumes
- Investment into the expansion of our team, nursery improvements and other strategic initiatives will be reflected in in the FY25 year
- Increased investment will be partially offset by savings from the cost reduction programme which will continue in FY25
- Cost savings of around \$1 million from the closure of the Taylor Nursery and sale of the in-vitro business will benefit in FY25

ADJUSTED US GAAP RECONCILIATION

Fiscal year ending March US\$m		Mar 2024	Mar 2023
US GAAP			
	Revenue	67.7	56.1
	Gross margin (excluding DDA)	25.4	19.6
Less	SG&A	(9.4)	(7.4)
Less	R&D	(3.7)	(3.4)
Plus	Other income (expense)	(4.7)	1.5
US GAAP EBITDA ^{(1) (2)}		7.6	10.3
Adjustments			
	Restructuring and transition costs ⁽³⁾	2.4	
	Seed provision	1.8	
	Value added taxation - valuation allowance	1.0	
	ERCs (net of costs)		(1.2)
	Other		0.1
Adjusted US GAAP EBITDA ⁽⁴⁾		12.8	9.2

1. Under US GAAP, from a statutory reporting perspective, the classification of the expense items, and other significant items in this table may differ from what is presented here.
2. US GAAP EBITDA excludes NZ public company costs.
3. Restructuring and transition costs includes; CEO transition costs of \$1.9 million and other restructuring costs of \$0.5 million.
4. Adjusted US GAAP EBITDA excludes NZ public company, CEO transition, Seed provision and Value added taxation valuation allowance.
5. The Company uses US GAAP EBITDA when discussing financial performance. This is a non-GAAP financial measure and is not recognised within IFRS. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with GAAP. Management believes that US GAAP EBITDA provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purposes, as the measure removes distortions caused by differences in asset age, depreciation policies and debt:equity structures.

DDA: Depreciation Depletions and Amortisation

ERCs: Employee Retention Credits

DISCLAIMER

This presentation has been prepared by ArborGen Holdings Limited (“ArborGen”), to provide an overview of the performance of ArborGen and its activities at the date of this presentation. It is not prepared for any other purpose and must not be provided to any person other than the intended recipient. This presentation should be read in conjunction with ArborGen’s interim and annual reports, market releases and other periodic and continuous disclosure announcements, which are available at www.nzx.com/companies/ARB and www.arborgeholdings.com.

The information in this presentation is of a general nature only. It is not a complete description of ArborGen.

This presentation is not a recommendation or offer of financial products for subscription, purchase or sale, or an invitation or solicitation for such offers.

This presentation is not intended as investment, financial or other advice and must not be relied on by any prospective investor. It does not take into account any particular prospective investor’s objectives, financial situation, circumstances or needs, and does not purport to contain all the information that a prospective investor may require. Any person who is considering an investment in ArborGen securities should obtain independent professional advice prior to making an investment decision, and should make any investment decision having regard to that person’s own objectives, financial situation, circumstances and needs.

Past performance information contained in this presentation is not an indication of future performance and should not be relied upon as such. This presentation may also contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy of ArborGen. Information about the future, by its nature, involves inherent risks and uncertainties. Accordingly, nothing in this presentation is a promise or representation as to the future or a promise or representation that a transaction or outcome referred to in this presentation will proceed or occur on the basis described in this presentation. Statements or assumptions in this presentation as to future matters may prove to be incorrect.

A number of financial measures are used in this presentation and should not be considered in isolation from, or as a substitute for, the information provided in ArborGen’s financial statements available at www.arborgeholdings.com. This presentation may include non-GAAP financial measures. This information has been included on the basis that ArborGen management and directors consider that this non-GAAP information assists readers to understand the key drivers of ArborGen’s performance which are not disclosed as GAAP measures in ArborGen’s financial statements.

ArborGen and its related companies and their respective directors, employees and representatives make no representation or warranty of any nature (including as to accuracy or completeness) in respect of this presentation and will have no liability (including for negligence) for any errors in or omissions from, or for any loss (whether foreseeable or not) arising in connection with the use of or reliance on, information in this presentation.

All references to currencies in this document are in US dollars (US\$) unless otherwise stated.