

# Zespri Annual 2019/20

## Key Performance Indicators



A Key Performance Indicator (KPI) is a type of performance measurement that evaluates the success of Zespri or of a particular activity in which Zespri engages.

Zespri's financial year runs from 1 April to 31 March.

The Annual KPIs reported in this document are for a 5 year period.

# KPI Commentary

## Onshore fruit loss

2019 showed similar levels of onshore fruit loss for Gold as 2018 and higher than the previous seasons, reflecting growing volumes and later shipping. Green onshore fruit loss was lower in 2019 reflecting the earlier shipping from lower overall volumes.

## Offshore fruit loss

Green offshore fruit loss was lower in 2019 compared to 2018, mainly driven by Europe which had a high level of fruit loss towards the end of 2018. Gold offshore fruit loss was higher than the past two seasons however this was primarily a result of later shipping with growing volumes.

## NZ Supply Overhead, Margin and Sales

NZ Supply Overheads sat at 6.30% of revenue in 2019, higher than 2018 but lower than the previous 3 seasons.

The Zespri margin also increased in line with the increase in revenue.

## Premium Pricing

Premium pricing of Zespri over other Green kiwifruit was higher in Japan, Korea and China but lower than 2018 in Europe and North America. Japan has been the most outstanding, reflecting the higher OGR from this market.

## R&D

R&D costs were up however as a percentage of Supply Margin reduced to 5.5%, from around 6% in previous seasons.

## Global Revenue

The Zespri revenue per full time equivalent employee was lower in 2019 compared with 2018 yet higher than the previous 3 years. The trays sold per employee has reduced over the past 5 years however the value of those trays has increased.



## Onshore Fruit Loss

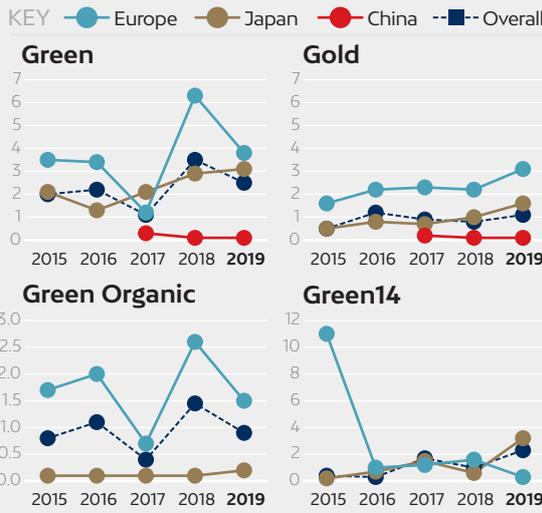
(% of gross submit)

The percentage of gross submit volume that is subsequently not shipped because of fruit loss.



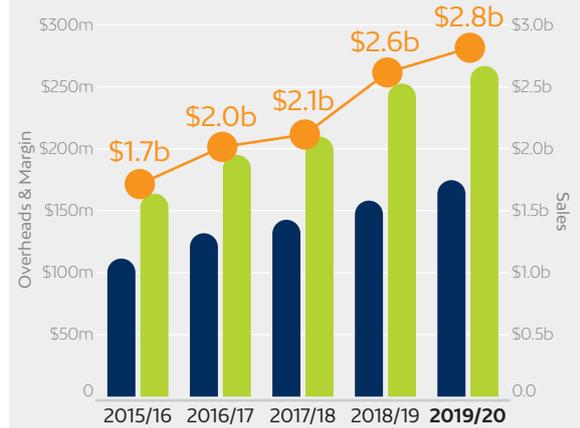
## Offshore Fruit Loss (%)

The percentage of fruit in the market (offshore) that is not sold due to quality reasons.



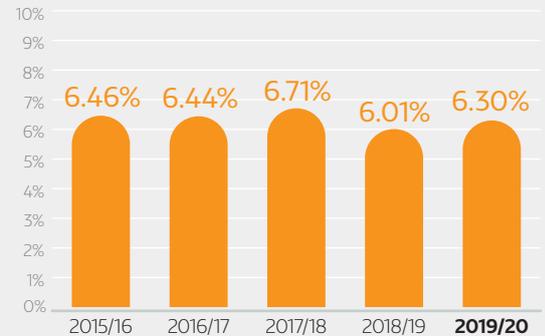
## NZ Supply Overheads, Margin and Sales

Those expenses associated with running the NZ Supply business (excluding innovation).



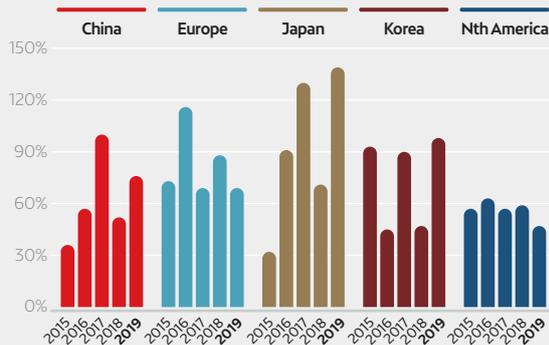
KEY: ■ Zespri NZ Supply Overheads ■ Zespri NZ Supply Margin ● Zespri NZ Supply Sales

## NZ Supply Overheads (excluding innovation) over NZ Supply Sales



## Average Premium Pricing – Green (% by market)

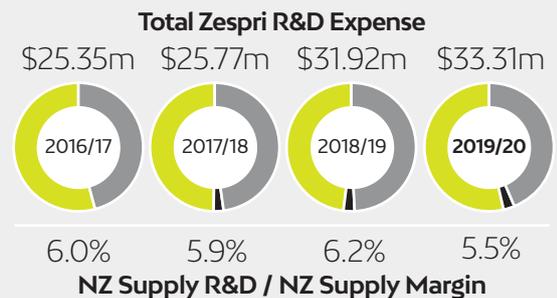
The price at which Green fruit is sold which is higher than that of competing brands.



## Research & Development (R&D)

The amount of NZ Supply Margin utilised for R&D expenditure.

KEY: ● New Cultivars ● NZ Supply ● Non NZ Supply



## Global Revenue per Employee

The productivity and effective use of Zespri's resources, including non-NZ supply trays.



# KPI Commentary

## Brand Power

Generally the Zespri brand became more well known in the key markets, either increasing in brand power rankings or staying the same. The exception being Italy which dropped from 9th to 10th.

With regards to household penetration, all European markets measured increased along with USA and Korea however Japan and Taiwan household consumption lowered but still remain at high levels.



## Brand Awareness – Top Markets in Brand Performance (%)

The engagement of consumers and their loyalty to the Zespri brand.

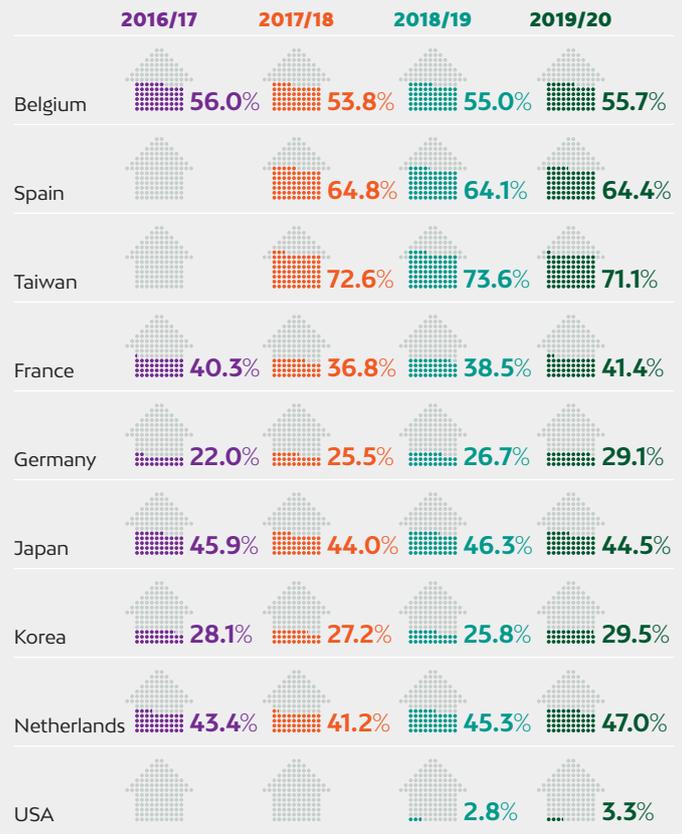
### Zespri Brand Power

Ranking of Zespri's brand power among fruitbrands.



### Zespri Penetration

Percentage of households that bought at least once Zespri kiwfruit in a year (based on shopper panels).



## ZGL Dividends

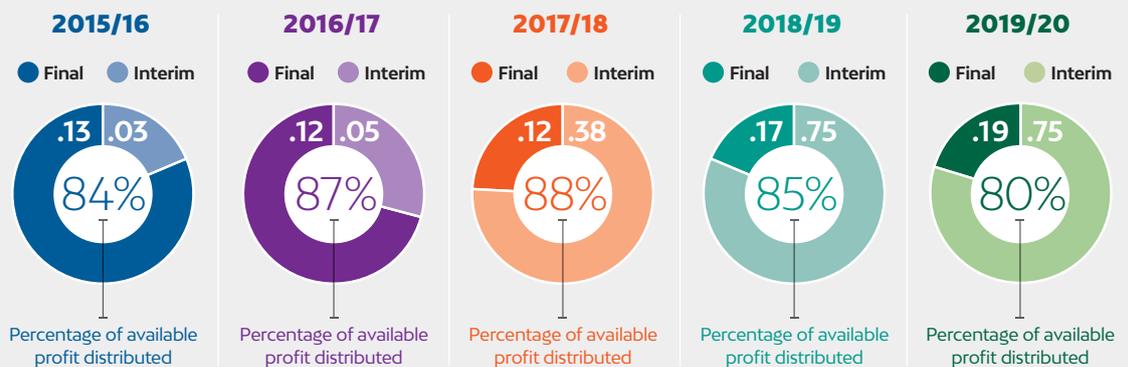
The Zespri dividends were similar to 2018/19 at 94c per share with a lower percentage of profit (80% vs previously mid 80s) distributed. Share prices also increased by 30% to \$7.80 per share in 2019/2020.



## Zespri Group Limited (ZGL) Dividend (NZ cents)

How the ZGL dividend return has changed in the last 5 years (restated for the 3 for 2 share split).

### Dividend per share (cents)



### Dividend return (cents)



### Share price (dollars)



### Equity (millions)



# KPI Commentary

## Collaborative Marketing

Collaborative Marketers performed slightly better from an OGR perspective than Zespri but the smaller margins indicate the strength of the Zespri brand.

There have been a smaller number of applications but those that have applied have been more successful.

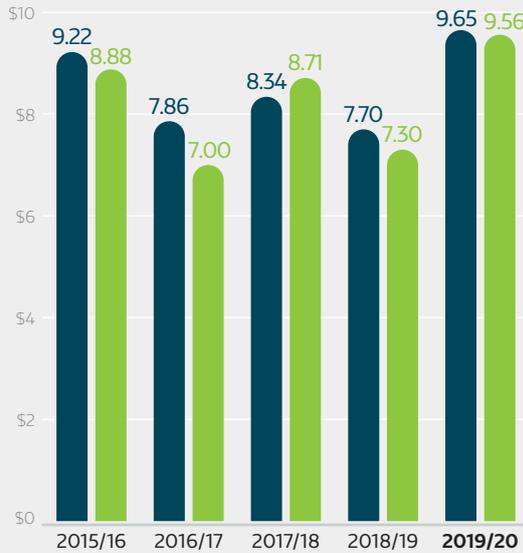


## Collaborative Marketing

The effectiveness of collaborative marketing benchmarked against the closest comparable market returns.

### Total Fruit and Service Payments per Tray Equivalent (TFSP/TE)

(weighted average TFSP/TE of the collaborative marketing program)



KEY Collaborative Marketing Zespri

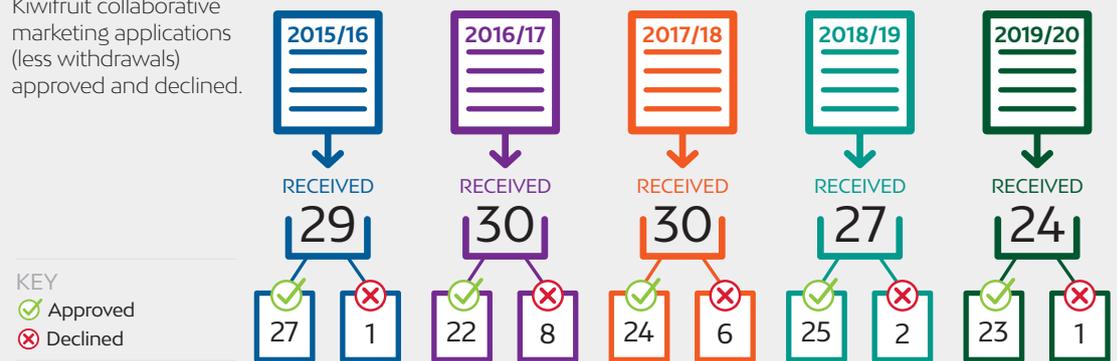
### Orchard Gate Return per Tray Equivalent (OGR/TE)

(weighted average OGR/TE of the collaborative marketing program)



### Approvals & Declines — Net Applications Received

Kiwifruit collaborative marketing applications (less withdrawals) approved and declined.



### Volumes & Returns

Kiwifruit collaborative marketing volumes and returns.



KEY Market Return (NZD m) TFSP (NZD m) Volume (TE m)