

# Zespri Annual 2020/21

## Key Performance Indicators



## Onshore fruit loss

Despite the challenge of COVID, 2020 showed the lowest onshore fruit loss of any year for all fruit groups due to good harvest conditions and strong market demand, allowing for early shipping and inventory optimisation.

## Offshore fruit loss

Both Green and Green Organic offshore fruit loss was similar to the low levels of 2017. Gold offshore fruit loss was similar to previous seasons for China and Japan, however significantly lower for Europe.

## R&D

R&D costs were lower than the previous two season and the lowest of the past five seasons as a percentage of margin. The reduction is partly due to changes to accounting for stage three pre-commercial trials as well as COVID delaying some trials.

This trend needs to be focussed on in coming seasons as innovation is essential to remain competitive.

## NZ Supply Overhead, Margin and Sales

NZ Supply Overheads increased from 2019 however sat at 5.8 percent of net revenue in 2020, lower than any of the previous four seasons.

The Zespri margin also increased in line with the increase in revenue despite the lowering portion of the net profit.

## Global Revenue

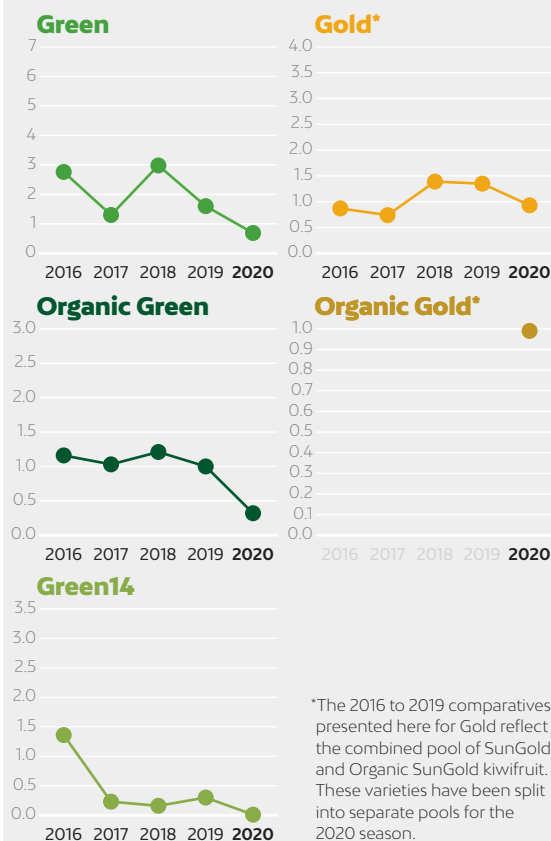
The revenue per full time equivalent employee was lower in 2020 compared with 2018 and 2019 yet higher than the previous two years. The trays sold per employee has reduced over the past five years, however the value of those trays has increased.

These measurements would be expected to reduce due to efficiencies of scale as volumes increase and the Horizon Programme upgrade of systems is implemented.



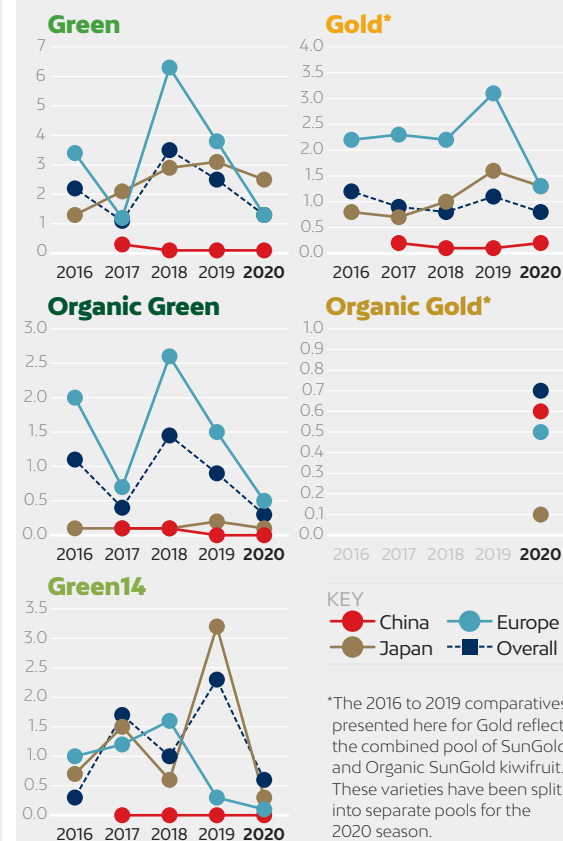
## Onshore Fruit Loss (% of submit)

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



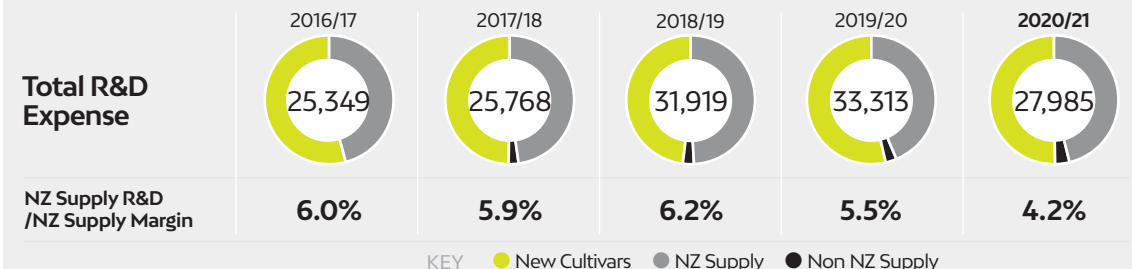
## Offshore Fruit Loss (%)

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



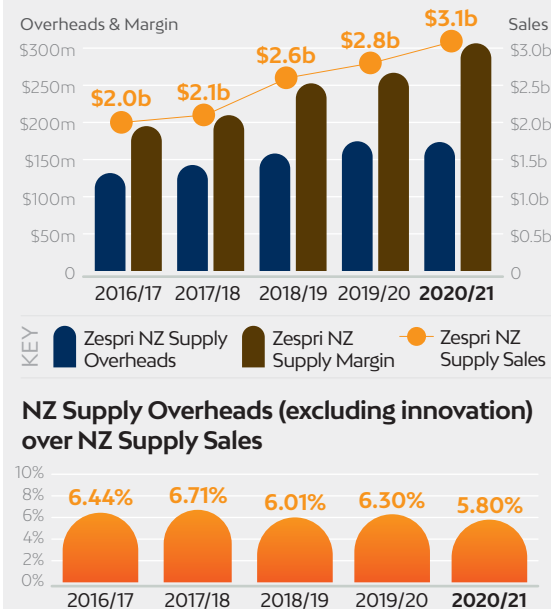
## Percentage of Revenue Allocated to R&D (by sales and by margin)

The amount of NZ Supply Margin utilised for R&D expenditure (stated in \$1,000).



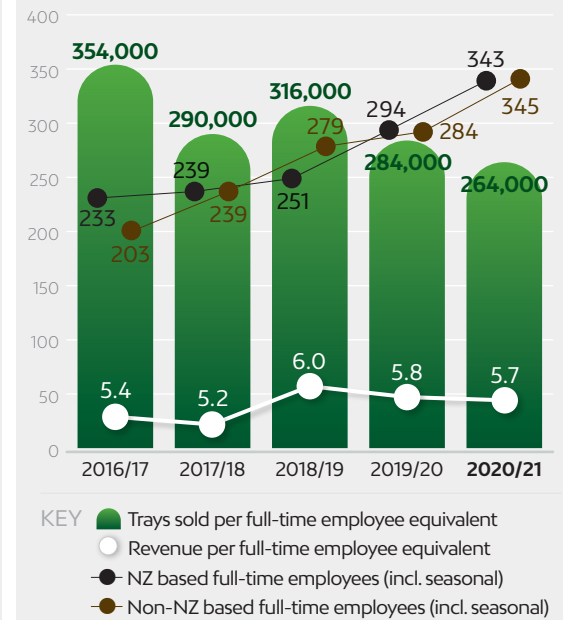
## NZ Supply Overheads, Margin and Sales

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



## Global Revenue per Employee

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



## Premium Pricing

Premium pricing of Zespri over other Green kiwifruit was lower than previous seasons in all markets other than China which achieved over 120 percent premium. The lower results were due to supply shortages, competitor pricing and logistical challenges. China saw a higher premium due to a shortage of supply and higher premium over local kiwifruit.

## Brand Power

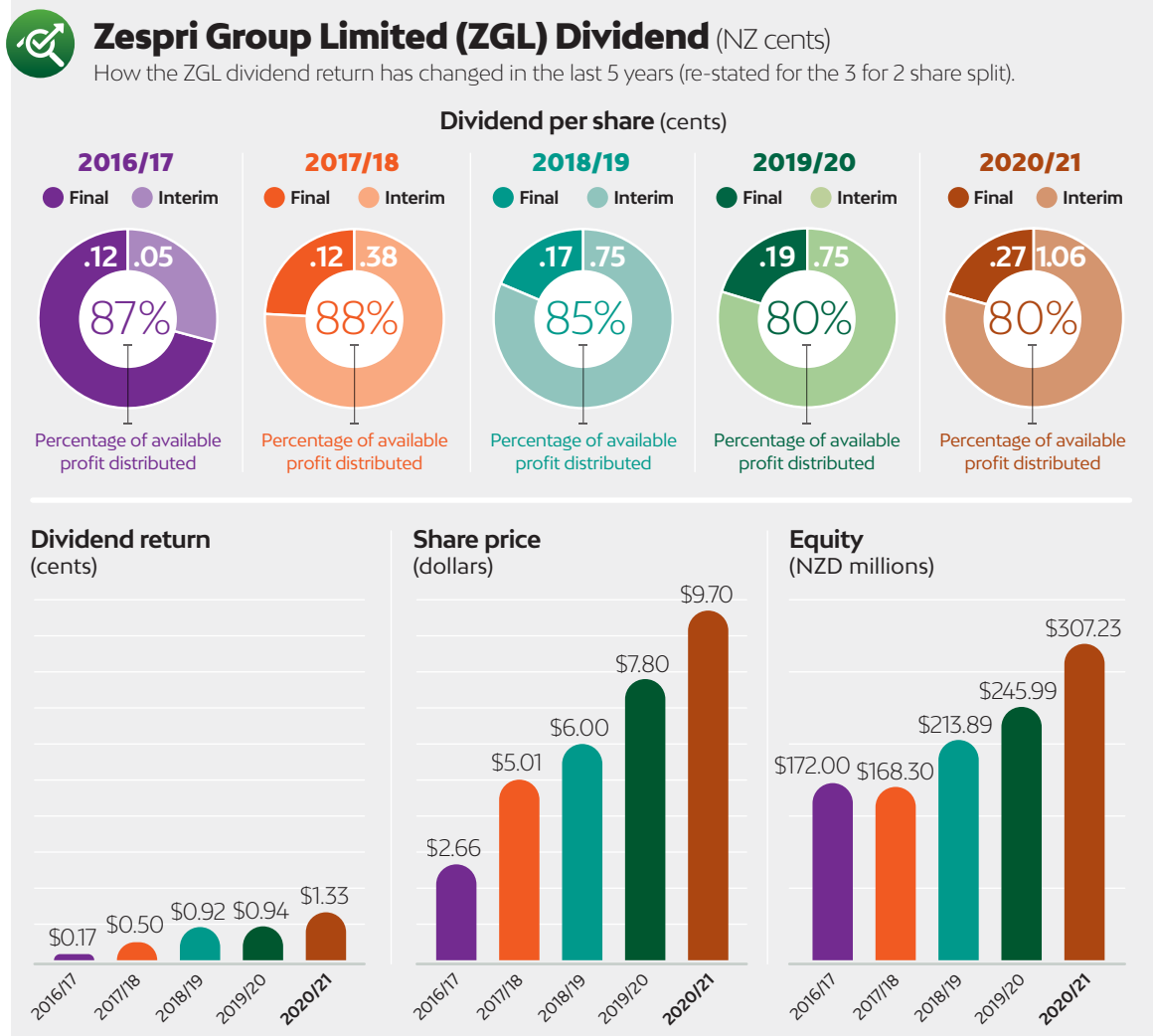
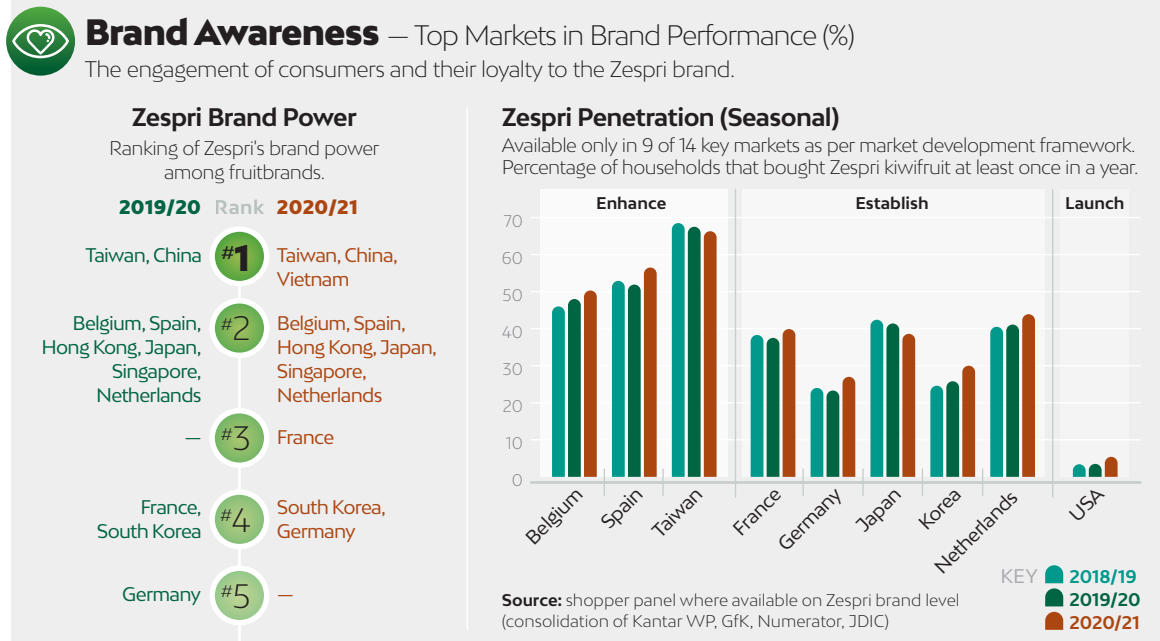
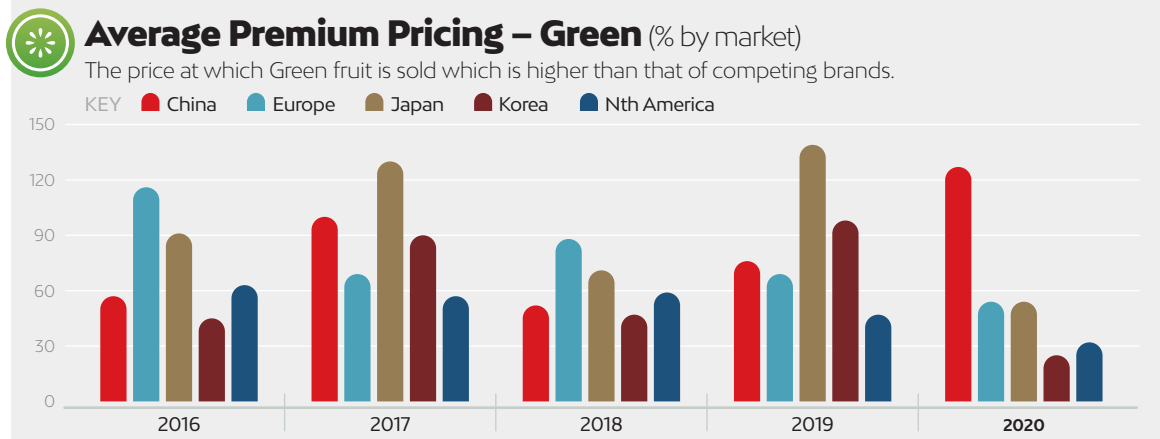
Generally the Zespri brand became more well known in the key markets, either increasing in brand power rankings or staying the same. France and Germany increased brand power and Vietnam was measured for the first time as an emerging market.

The household penetration data provided in previous reports was full season. To be more relevant to the New Zealand supply season, the data has been provided for the past three selling seasons from May to October. Most markets have increased over the past three seasons in this metric except Japan and Taiwan which have reduced.

## Dividend

The Zespri dividends have increased in 2020/21 to \$1.33 per share with a lower percentage of profit (80 percent) distributed in line with 2019/20, but lower than the previous three seasons.

Share prices also increased by 24 percent to \$9.20 per share in 2020/2021. A large portion of the dividends is due to the increased licence revenue.



### Collaborative Marketing

Collaborative Marketers performed slightly higher from an OGR perspective (\$0.09 per tray equivalent) than Zespri, but the smaller margins and increasing return indicate the strength of the Zespri brand.

There was an additional application to the 2019 season in 2020 and the majority of applications except one was successful.

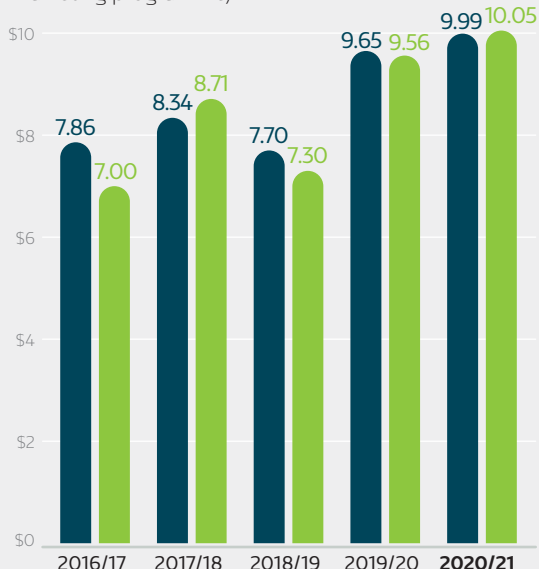


### Collaborative Marketing

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

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

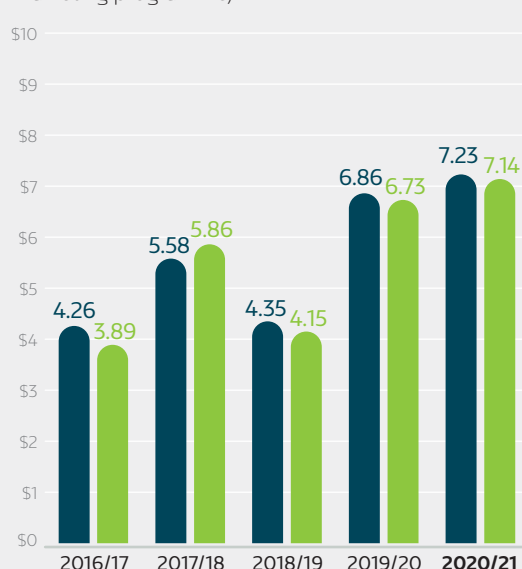
(weighted average TFSP/TE of the collaborative marketing programme)



KEY Collaborative Marketing Zespri

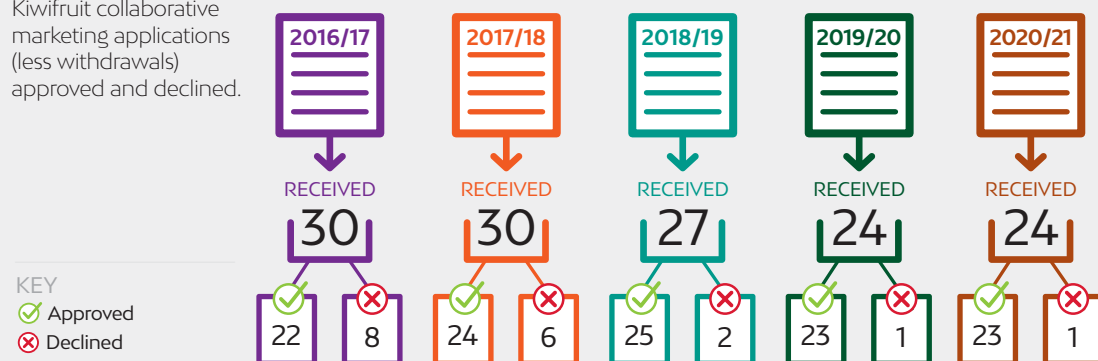
#### Orchard Gate Return per Tray Equivalent (OGR/TE)

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



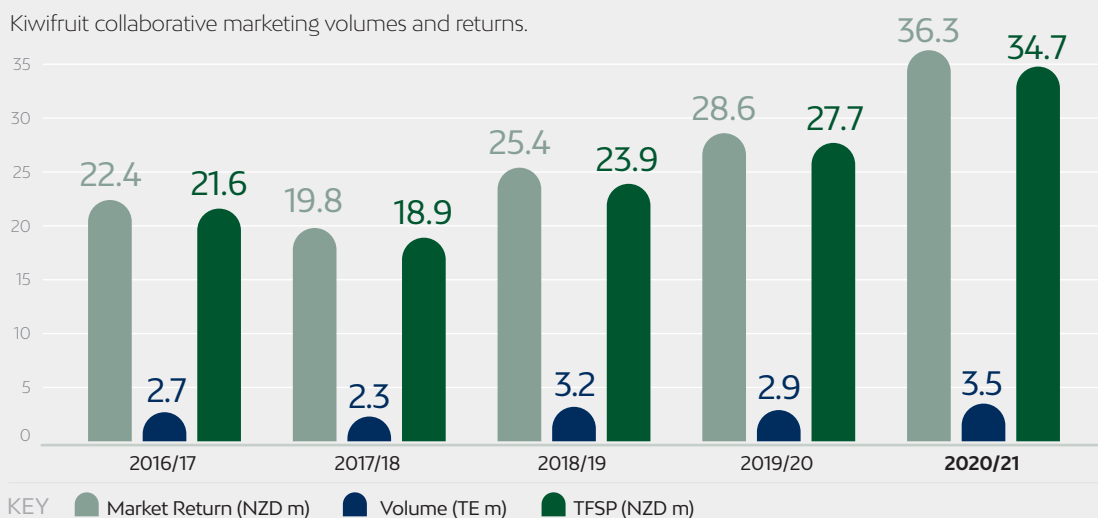
#### Approvals & Declines — Net Applications Received

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



#### Volumes & Returns

Kiwifruit collaborative marketing volumes and returns.



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