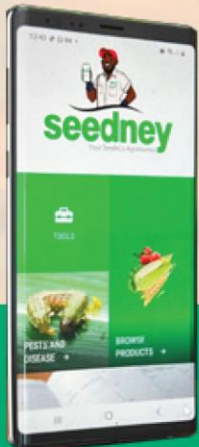


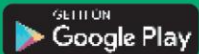


# Seed Co International

**UNAUDITED HALF-YEAR RESULTS  
PRESENTATION  
Half-Year Ended 30 Sept 2024**



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# Seed Co Group Operations Review

By  
Morgan  
Nzwere  
GCEO

**SEED CO**

## SC400 Series

- Wide adaptation
- Drought Tolerant
- Closed tip



# GENERAL ENVIRONMENT

## Region

- US elections impact on weaker economies
- Inflationary pressures
- Local currency devaluations
- Rising finance costs
- Mozambique disputed elections
- Southern Africa last season drought adverse effects
- East Africa relative stability save for Ethiopia



# RESEARCH AND DEVELOPMENT

Strong pipeline of new products in the face of climate change



## New varietal releases:

### Maize: SC673

- medium maturing hybrid variety
- Cobrot & drought tolerance
- high yield of up to 15MT/ha

### Soybean: SC SZ08

- medium maturity
- Short rain & hot regions
- Drought tolerance
- High yield of up to 4.9MT/ha

### Wheat: SC W9104 white flour colour

- High yield of up to 10MT/ha

### SC Shungu

- Widely adapted & drought tolerance
- High yield of up to 12MT/ha

**Sunflower:**  
LG50745  
hybrid

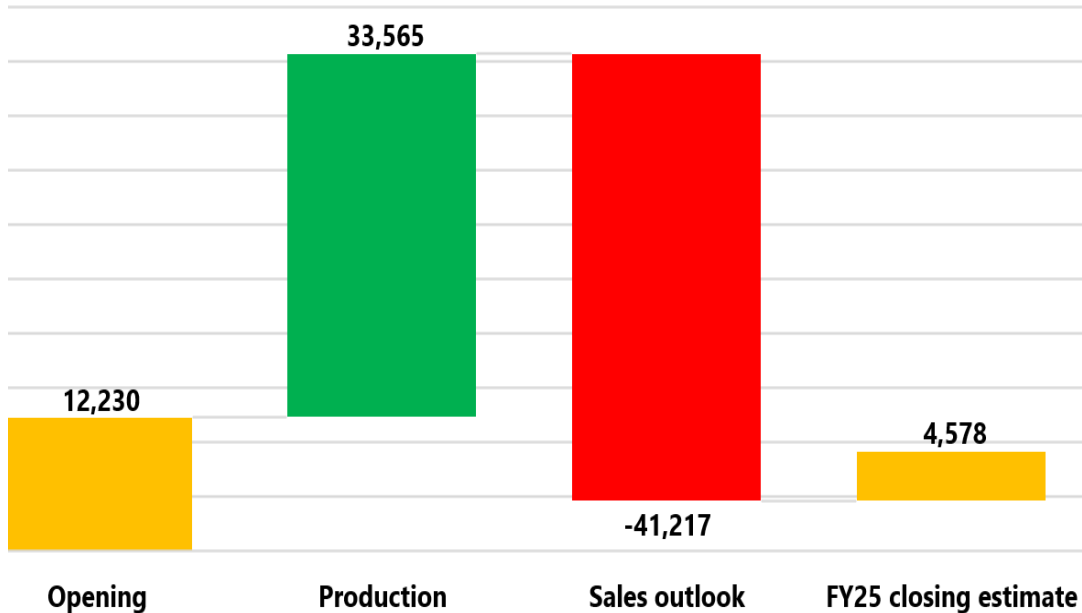


Cob rot and fall armyworm tolerant maize hybrid development work bearing fruit



# PRODUCTION

Regional maize stocks (metric tons)



- ❖ Drought reduced regional production by about **40%**
- ❖ Zimbabwe helping to mitigate regional supply-demand deficit
- ❖ PYr the region sold **42,300MT** for the full year and marginal reduction this year due to shortages
- ❖ Processing capacity being scaled up in Tanzania
- ❖ Completed warehouse expansion in Zambia



# Sales & Marketing

## ❖ Regional sales: -

- ✓ **27%** volume growth from **13,867MT** to **17,642MT**
  - **80%** of the volume traded is maize seed (**13,900MT**)
- ✓ A good start in Zambia, Tanzania, Malawi, Ethiopia and Nigeria dominated by maize with volume increase
  - Ethiopia first commercial sales this year
- ✓ Slow start in Mozambique because of election uncertainty
- ✓ Botswana traditionally no activity in the first half



# Seed Co International Half-Year Financial Review

By  
**Tineyi Chatiza**  
Group CFO



## THE ROBUST 6 SERIES



- Medium Maturing Maize Hybrids
- Yielding up to 15MT per hectare
- Reaches Physiological maturity in 139 - 149 days
- Wide Regional Adaptation
- Good Standing Ability



# Seed Co International Limited

## ABRIDGED GROUP INCOME STATEMENT

	Unaudited period ended	
	Sept 2024	Sept 2023
	US\$'M	US\$'M
<b>Revenue</b>	<b>40.0</b>	<b>31.3</b>
Cost of sales	(19.9)	(16.1)
<b>Gross profit</b>	<b>20.1</b>	<b>15.2</b>
Other income	0.1	1.4
Operating expenses	(19.2)	(15.3)
<b>Operating profit</b>	<b>1.0</b>	<b>1.3</b>
Net finance cost	(2.4)	(3.4)
Share of loss from associate & JVs	(1.0)	(1.4)
<b>Loss before tax</b>	<b>(2.4)</b>	<b>(3.5)</b>
Income tax expense	(0.4)	(0.4)
<b>Loss after tax</b>	<b>(2.8)</b>	<b>(3.9)</b>
Basic earnings per share - cents	(0.71)	(1.00)
Diluted earnings per share - cents	(0.71)	(1.00)

- ❖ **Revenue increased by 28% to US\$40M** driven by **27%** volume growth to **17,642MT** as the season started early
  - ✓ **Maize - 80% volume and 93% revenue**
  - ✓ **Wheat - 7% volume and 5% revenue**
- ❖ **50% gross margin** slightly improved from 49%
- ❖ **US\$19.2M Opex** increased by 25% in line with business growth
- ❖ **US\$1M operating profit** declined 23% by mainly because of the drop in other income on lower commodity sales
- ❖ **US\$2.4M net finance costs**, a saving of **US\$1M** because of lower and localized loans
- ❖ **US\$2.8M net loss** is a **28%** loss reduction mainly helped by revenue growth, reduced finance costs and lower JV losses (RSA and Vegetable).





# Seed Co International Limited

## ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Unaudited period ended	
	Sept 2024	Sept 2023
	US\$'M	US\$'M
<b>Operating activities</b>		
Operating (loss)/profit	1.0	1.3
Non-cash adjustments	1.5	1.5
Working capital changes	(11.1)	(14.4)
Tax paid	(1.3)	(0.8)
<b>Operating cash flows</b>	<b>(9.9)</b>	<b>(12.4)</b>
<b>Investing activities</b>		
Purchase of PPE	(3.7)	(0.8)
Interest received	0.1	0.1
<b>Investing cash flows</b>	<b>(3.6)</b>	<b>(0.7)</b>
<b>Financing activities</b>		
Proceeds from borrowings	25.0	16.4
Repayments of borrowings	(16.6)	(4.0)
Repayment of lease liabilities	(0.2)	(0.4)
Dividend paid	(1.2)	(1.0)
Interest paid	(2.5)	(3.5)
<b>Financing cash flows</b>	<b>4.5</b>	<b>7.5</b>
Net cash flows during the year	(8.9)	(5.6)
Exchange rate changes effects	(1.2)	4.4
Opening cash and cash equivalents (1 April)	22.8	19.2
<b>Closing cash &amp; cash equivalents</b>	<b>12.6</b>	<b>18.0</b>

❖ First half **operating cash outflows (negative cash generation)** improved from **US\$12.4M** from **US\$9.9M** same period PYr driven mainly by favourable working capital changes (lower inventory and receivables).

❖ However, paid more **tax** because of last year's profitability.

❖ More **Capex** than same period mainly **Zambia** warehouse expansion and **Tanzania** construction activities

❖ **Reduced finance costs** of **US\$2.5M** compared to **\$3.5M** prior period.

❖ **US\$4M** reduction in **net borrowings** from **US\$12.4M** same period PYr to **US\$8.4M**



# Seed Co International Limited

## ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited Sept 2024 US\$'M	Audited Mar 2024 US\$'M
<b>Assets</b>	<b>143.7</b>	<b>143.1</b>
Property, plant & equipment (PPE)	43.8	40.5
Intangible assets	4.1	4.3
Right-of-use assets	0.6	0.7
Investments in associate & JVs	1.5	2.2
Deferred tax asset	1.0	1.1
Inventories & biological assets	33.4	26.1
Receivables	46.7	45.4
Cash & cash equivalents	12.6	22.8
<b>Equity and liabilities</b>	<b>143.7</b>	<b>143.1</b>
Shareholders' equity	75.1	80.1
Loans & borrowings	44.0	36.5
Lease liabilities	0.6	0.7
Deferred tax liability	2.8	2.6
Payables & provisions	21.2	23.2

### Significant movements:

- ❖ **PPE:** Increased by **US\$3.3M** because of **\$3.7M** capital projects in Zambia and Tanzania, **US\$2M** revaluations and offset by **US\$1.2M** depreciation and **US\$1.2M** translation losses.
- ❖ **Associate & JV:** Carrying value declined from **US\$2.2M** to **US\$1.5M** due to losses (RSA & Vegetables).
- ❖ **Inventories:** Increased from seasonal intake and processing value addition
- Receivables:** Increased to **US\$47M** from **US\$45M** last year-end because of 1<sup>st</sup> half sales and advances to growers of **US\$6.3M**
  - ✓ **US\$3.5M** Gvt debt includes **US\$2.4M** Mozambique, **US\$0.7M** Botswana and **US\$0.3M** Zambia
- ❖ **Equity:** Decreased by **US\$5M** because of 1<sup>st</sup> half **US\$2.8M** loss, **US\$1.2M** dividend payout and net translation losses
- ❖ **Borrowings + leases:** decreased by **US\$10.8M** to **US\$44.6M** from **US\$55.4M** same period PYr because of better cash generation.



# OUTLOOK

by

**Morgan Nzwere**  
**Group CEO**



# Regional Outlook



## Market conditions:

Growing economies battling inflation and currency devaluations

Relatively good rainfall prospects in East Africa

Uncertain La Nina impact in Southern Africa



## Strategic position

Proprietary seed technology adapting to varied climatic conditions

Strong regional presence

Good brand equity



## Growth drivers

Focus on food security following El Niño drought in Southern Africa last year

Huge demand for seed this year

Banking on Zimbabwe to satisfy regional demand – stocked out in the region

Prioritising cash sales on the open market given the shortages





**If you ate today,  
thank a Farmer**



**Questions & Answers**

**THE END**