

Half Year Report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

NET PROFIT
AFTER TAX

\$12.8m

▲ **\$12.5m**

INTERIM DIVIDEND
9¢/share

OPERATING
EBITDA

\$34.5m

STRONG IMPROVEMENT
OVER THE COMPARATIVE
YEAR'S PERIOD.

IMPRESSIVE GROWTH
WITH THE MILESTONE
OF 1 MILLION LAMBS
PURCHASED UNDER
THE **GO-LAMB**
PROGRAMME
SURPASSED.



1 0 0 0 0 0 0

agritrade®

▲ **9.2%**

CONTINUED
REVENUE
GROWTH

bidr®

BUY & SELL



6 ACCREDITED
AGENCIES

LOST TIME
INJURY (LTI)
FREQUENCY
RATE



▼ **13.5%**

CONTINUED
DEDICATION TO
TRIALLING OF NEW
PRODUCTS FOR
NZ CONDITIONS.



Fruitfed Supplies

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT



Stephen Guerin
CHIEF EXECUTIVE OFFICER

Rodger Finlay
CHAIRMAN

PGG Wrightson Limited ("PGW") delivered operating earnings before interest, tax, depreciation and amortisation (Operating EBITDA) of \$34.5 million for the first six months ending 31 December 2019, showing strong improvement over the comparative year's period. This includes the impact of the new accounting lease standard which has led to an increase in Operating EBITDA of \$10.9 million.

PGW delivered a net profit after tax (NPAT) of \$12.8 million from continuing operations.

These results have been driven by strong performances in our Fruitfed Supplies and Livestock businesses, as well as a continued focus on reducing costs with the benefits of the restructure starting to materialise and flow through into our reporting. We have resized our overhead structures to fit the business and we will continue to look for efficiencies in our operations on an ongoing basis. As part of this ongoing commitment to recalibrate our cost base, the Board has resolved to capture savings through trimming the Board to five members and cutting some director fees. The combined effect of these changes will result in directors fee levels reducing by approximately 18% when calculated on an annualised basis.

Agency

Trading in the first six months of the financial year was strong by comparison to the previous year. This was assisted by generally conducive farming conditions across large parts of the country and a mild spring that saw good feed in most regions. Commodity pricing for lamb and beef held and remained high compared to historical levels. This has been welcomed by sheep and beef farmers as commodity pricing has been driven by strong demand from China.

Confidence in the dairy sector remains subdued with access to bank funding having become more constrained together with increased environmental and regulatory pressures creating a degree of uncertainty for dairy farmers. Whilst these dynamics are not expected to change in the short term there has been a welcome lift in dairy commodity pricing seen in the Global Dairy Trade auction which has resulted in Fonterra upgrading its farm-gate milk price forecast for the 2019/2020 season to \$7.00–\$7.60 per kg of milk solids.

There has been impressive growth in PGW Livestock's innovative Go livestock programmes. The Go programmes were only launched as a pilot in 2015 and in December 2019 the millionth lamb was purchased. There has also been equally notable growth in our Go-Beef counterpart. The investment in the Go range at 31 December 2019 was \$38.6 million, compared to \$31.0 million last year. Go is an excellent example of how PGW can innovate and develop products that meet the needs of our customers.

Our Wool business traded solidly for the period with Operating EBITDA (excluding NZ IFRS 16) up 21% compared to the same period last year. Grower bales sold are on par to last year while export volumes are up 16% and there has been a continuing focus on reducing our costs. The Real Estate business is experiencing reduced activity within the rural segment but has maintained its market position and share.



SAVINGS THROUGH RESIZED BOARD AND OVERHEAD STRUCTURE

WE WILL CONTINUE TO
LOOK FOR EFFICIENCIES IN
OUR OPERATIONS.



OUR WOOL BUSINESS TRADED SOLIDLY FOR THE PERIOD WITH OPERATING EBITDA

▲ **21%**

EXCLUDING NZ IFRS 16.



Fruited Supplies Technical Horticultural Representative Nick Kininmonth inspects strawberries with Clayton Morgan of Hedgerows Hydroponic Strawberries in Blenheim, Marlborough, in October 2019.

FRUITFED SUPPLIES IS WELL PLACED TO BENEFIT FROM THE CONTINUED GROWTH IN HORTICULTURAL PRODUCTION AS IT BUILDS ON ITS REPUTATION AS THE MARKET LEADER IN DELIVERING TECHNICAL EXPERTISE, PRODUCTS AND SERVICE TO THE SECTOR.



Retail & Water

Revenue for the Retail & Water group was up \$5.0 million on the same period last year. Conditions in the horticultural sector have remained positive and our market leading Fruitfed Supplies business has performed well in servicing the sector and continued growth. The buoyant conditions in horticulture have been underpinned by solid export returns. This has in turn stimulated further investment and development with larger enterprises diversifying their portfolios into the sector. Fruitfed Supplies remains well placed to benefit from this growth as it builds on its reputation as the market leader in delivering technical expertise, products and service. In addition to our nationwide Retail store network and on-farm servicing we also have a network dedicated to the trialling of new products under New Zealand conditions prior to commercial release. This pipeline ensures that our customers continue to have access to international leading innovation and brands to optimise outcomes for their businesses.

Our Agritrade wholesale business has continued to demonstrate growth year on year with revenue up on the same period last year by \$3.4 million (9.2%). This was achieved through growth in our existing range in addition to product acquisition. We continue to source opportunities to provide distribution services for international brand owners contracting with Agritrade to bring their products to market locally.

The implementation of the renewal programme for our network of Retail premises across the country has continued with improvements and upgrades implemented at a number of rural towns as well as the relocation of our head office to premises on the Christchurch International Airport campus.

It has been especially pleasing to see that the distribution arrangements between PGW Rural Supplies and PGG Wrightson Seeds have continued to operate seamlessly since the divestment of the Seed and Grain business in May last year. The seeds offering is an important part of our business and we have been heartened by the way in which our respective teams have continued to work together to deliver seeds and related inputs to our customers as we have always done.

Trading conditions have remained challenging in some pockets of the business with *Mycoplasma bovis* having an impact on dairy and beef customers. Policy changes to the application of the Overseas Investment Act and other environmental regulation has also had an impact on land values and investment decisions, and capital investment into dairy operations in particular. Access to debt is constrained and this has had the most significant impact on dairy related spend. On the positive side of the ledger, at a macro level farming returns remain strong and the outlook is generally positive for horticulture, red meat and dairy.

The PGW Water business continues to face challenges given the lack of on-farm development. Changes to government policy and the discontinuation of development of irrigation schemes together with increasing environmental regulations have resulted in sluggish demand. Accordingly, revenue for the Water business was back \$7.1 million or 34%.

Other

In August 2019 PGW made a capital return to shareholders of \$234.0 million and declared a dividend of 7.5 cents per share (approximately \$5.7 million). Following these payments PGW's net interest-bearing debt was \$59.3 million as at 31 December 2019. A substantial portion of this debt (\$38.6 million) relates to PGW's investment in our Go livestock products.

Capital expenditure for the six months to 31 December 2019 was \$4.6 million (\$2.9 million less than the comparative period for the prior year). This spend has seen continued investment in information technology including the bidr® online trading platform and in Retail technology.

The financial statements have been impacted by the introduction of the new lease accounting standard (NZ IFRS 16). The impact of this change has reduced NPAT by \$0.9 million. It is important to note that this change has no net cash impact and is for financial reporting purposes only and is also excluded from our bank covenant ratios and dividend calculations.



Hereford bulls from Nick and Penny
France's Okawa Poll Hereford Stud in
Mt Somers, Canterbury.



**THERE HAS BEEN
IMPRESSIVE GROWTH
IN PGW LIVESTOCK'S
INNOVATIVE GO LIVESTOCK
PROGRAMMES.**

**GO IS AN EXCELLENT
EXAMPLE OF HOW PGW CAN
INNOVATE AND DEVELOP
PRODUCTS THAT MEET THE
NEEDS OF OUR CUSTOMERS.**

RELOCATION OF OUR HEAD OFFICE



TO PREMISES ON
THE CHRISTCHURCH
INTERNATIONAL AIRPORT
CAMPUS

Dividend

Taking into account the positive performance of the business the Board has resolved to pay a fully imputed 2020 interim dividend of 9 cents per share (a 20% increase from the interim dividend payment in 2019 on a post share consolidation basis) on 3 April 2020 to shareholders on PGW's share register as at 5pm on 6 March 2020.

Health, Safety, & Well-Being

We are continuing to invest in the development of our health and safety culture by implementing improvement initiatives and safer practices across our business. The Zero Incident Process (or ZIP) programme across the business has assisted in delivering results. Our lost time injury frequency rate, which dropped by 35 percent last financial year, has decreased a further 13.5 percent in the last six months indicating a positive reduction in the impacts of injuries. Our total recordable injury frequency rate has decreased by 2.4 percent for the same period. Our reporting of uncontrolled hazards as a proportion of all safety reports has doubled compared with the same period in last year which is also a positive sign.

A current example is the investment made to put our drivers through a behavioural vehicle training programme to reinforce safer driving habits. We are also developing our new Well-being Strategy, which will explore opportunities for our people to improve their mental and physical well-being, and their fitness for the work that they do. These are significant commitments and illustrates the proactive approach we want to take in looking after our people.

Outlook

The Directors are pleased with the progress achieved in the first half and the financial results.

At this early stage, Directors currently expect Operating EBITDA from continuing businesses for the full year to be around \$30 million excluding changes due to the lease accounting standard. The Directors note there are still many months of trading to complete and there could be some volatility to earnings due to the impacts of COVID-19 on agricultural trade flows.

Governance

The PGW Board had one change in membership due to retirement. Seah Lim Siang (Ronald) retired effective 31 August 2019. The Board expresses its sincere thanks for Ronald's service to the company.

Following this retirement the Board determined, as part of its governance resizing, not to replace this role reducing the number of directors to five.

Acknowledgements

Across the company's business units our people have worked with passion and commitment to deliver high levels of service and quality of products that our valued customers have come to expect.

On behalf of the Board and the management team, we extend our thanks to the PGW staff, our customers and our suppliers for their continued support and effort in contributing to our success.

A stylized signature of Rodger Finlay.

Rodger Finlay
Chairman

A stylized signature of Stephen Guerin.

Stephen Guerin
Chief Executive Officer

KEY FINANCIAL DISCLOSURES



FOR THE SIX MONTHS ENDED
31 DECEMBER 2019

THE FINANCIAL STATEMENTS
CONTAINED ON PAGES 9–25
HAVE BEEN APPROVED BY THE
BOARD OF DIRECTORS ON
25 FEBRUARY 2020.

Rodger Finlay
Chairman

David Cushing
Director and Audit
Committee Chair

NOTES REGARDING COMPARATIVE PERIODS

Our financial reporting changed as a result of the sale of the Seed & Grain business to DLF Seeds A/S on 1 May 2019. Note the following for the comparative periods:

- For the statement of profit or loss for the comparative periods ended 31 December 2018 and 30 June 2019, we removed the impact of Seed & Grain from the respective profit or loss lines and disclosed Seed & Grain's result in a separate discontinued operations line.
- For the statement of financial position as at 31 December 2018, we reclassified Seed & Grain's assets and liabilities to separate assets and liabilities held for sale lines.

The statement of cash flows for the comparative periods include the Seed & Grain business up until the date of sale.

INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2019

	NOTE	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Continuing operations				
Operating revenue		474,079	809,255	473,765
Cost of sales		(353,486)	(589,714)	(355,226)
Gross profit		120,593	219,541	118,539
Other income		117	241	(8)
Employee expenses		(61,438)	(123,311)	(63,812)
Other operating expenses		(24,745)	(72,006)	(36,880)
Equity accounted earnings/(losses) of investees		(5)	(40)	–
Operating EBITDA		34,522	24,425	17,839
Non-operating items		(275)	(4,482)	(1,005)
Holidays Act 2003 remediation costs		(5)	2,303	2,478
Impairments and fair value adjustments		(133)	(3,187)	22
Depreciation and amortisation expense		(14,478)	(9,362)	(4,205)
EBIT		19,631	9,697	15,129
Net interest and finance income/(expense)	2	(1,921)	(6,067)	(3,186)
Profit/loss from continuing operations before income tax		17,710	3,630	11,943
Income tax benefit/(expense)		(4,949)	370	(2,920)
Profit from continuing operations, net of income tax		12,761	4,000	9,023
Discontinued operations				
Results from discontinued operations, net of income tax		(5)	(6,475)	(8,703)
Gain on sale of discontinued operations, net of income tax		–	134,281	–
Profit/(loss) from discontinued operations, net of income tax		(5)	127,806	(8,703)
Net profit after tax		12,756	131,806	320
Profit attributable to:				
Shareholders of the Company		12,756	131,123	140
Non-controlling interest		–	683	180
Net profit after tax		12,756	131,806	320
Basic earnings per share (EPS)				
Basic EPS (New Zealand Dollars) on issued ordinary shares at the end of period	3	0.169	0.174	0.000
Basic EPS (New Zealand Dollars) on issued ordinary shares at the end of period – continuing operations	3	0.169	0.005	0.012
Basic EPS (New Zealand Dollars) on a weighted average basis	3	0.053	0.174	0.000
Basic EPS (New Zealand Dollars) on a weighted average basis – continuing operations	3	0.053	0.005	0.012

* The Group adopted NZ IFRS 16 Leases from 1 July 2019 using the modified retrospective approach. The December 2019 reporting period includes NZ IFRS 16 adjustments however the comparative periods exclude such adjustments. Excluding NZ IFRS 16, the Operating EBITDA and NPAT for the December 2019 period were \$23.66 million and \$13.69 million, respectively. Refer page 11 for the impact of the standard on the December 2019 profit or loss.

The accompanying notes form an integral part of these financial statements.

INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2019

	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Net profit after tax	12,756	131,806	320
Other comprehensive income/(loss):			
Continuing operations			
Items that will never be reclassified to Profit or Loss			
Changes in fair value of equity instruments	–	21	–
Remeasurements of defined benefit liability	2,985	(6,101)	(3,399)
Deferred tax on remeasurements of defined benefit liability	(836)	703	803
	2,149	(5,377)	(2,596)
Items that are or may be reclassified to Profit or Loss			
Foreign currency translation differences for foreign operations	–	(884)	(1,290)
	–	(884)	(1,290)
Other comprehensive income/(loss) for continuing operations	2,149	(6,261)	(3,886)
Discontinued operations			
Changes in asset revaluation reserve	–	403	–
Other comprehensive income/(loss) for discontinued operations	–	403	–
Total comprehensive income/(loss) for the period	14,905	125,948	(3,566)
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company	14,905	125,282	(3,875)
Non-controlling interest	–	666	309
Total comprehensive income/(loss) for the period	14,905	125,948	(3,566)

The accompanying notes form an integral part of these financial statements.

IMPACT OF ADOPTION OF NZ IFRS 16 LEASES

For the six months ended 31 December 2019

The Group adopted NZ IFRS 16 *Leases* from 1 July 2019 using the modified retrospective approach. Under the method adopted, comparative information is not restated and continues to be reported under NZ IAS 17. Refer Note 1 for the change in accounting policy in respect of leases.

The impact of NZ IFRS 16 on the financial statements for the 31 December 2019 period is significant. The following tables show the adjustments to the interim statement of profit and loss, statement of financial position and statement of cash flows as a result of the adoption of NZ IFRS 16 *Leases*.

(a) Adjustments in statement of profit and loss

	UNAUDITED DEC 2019 INCLUDING NZ IFRS 16 \$000	NZ IFRS 16 ADJUSTMENTS \$000	UNAUDITED DEC 2019 EXCLUDING NZ IFRS 16 \$000	UNAUDITED DEC 2018 \$000
Continuing operations				
Operating revenue	474,079	–	474,079	473,765
Cost of sales	(353,486)	–	(353,486)	(355,226)
Gross profit	120,593	–	120,593	118,539
Other income	117	–	117	(8)
Employee expenses	(61,438)	–	(61,438)	(63,812)
Other operating expenses	(24,745)	(10,863)	(35,608)	(36,880)
Equity accounted earnings/(losses) of investees	(5)	–	(5)	–
Operating EBITDA	34,522	(10,863)	23,659	17,839
Non-operating items	(275)	–	(275)	(1,005)
Holidays Act 2003 remediation costs	(5)	–	(5)	2,478
Impairments and fair value adjustments	(133)	–	(133)	22
Depreciation and amortisation expense	(14,478)	10,057	(4,421)	(4,205)
EBIT	19,631	(806)	18,825	15,129
Net interest and finance income/(expense)	(1,921)	2,106	185	(3,186)
Profit from continuing operations before income tax	17,710	1,300	19,010	11,943
Income tax benefit/(expense)	(4,949)	(364)	(5,313)	(2,920)
Profit from continuing operations, net of income tax	12,761	936	13,697	9,023
Profit/(loss) from discontinued operations, net of income tax	(5)	–	(5)	(8,703)
Net profit after tax	12,756	936	13,692	320

IMPACT OF ADOPTION OF NZ IFRS 16 LEASES CONTINUED

For the six months ended 31 December 2019

(b) Adjustments in statement of financial position

	UNAUDITED DEC 2019 INCLUDING NZ IFRS 16 \$000	NZ IFRS 16 ADJUSTMENTS \$000	UNAUDITED DEC 2019 EXCLUDING NZ IFRS 16 \$000	UNAUDITED DEC 2018 \$000
Total current assets	392,996	–	392,996	860,316
Total non-current assets	179,450	(111,160)	68,290	70,715
Total assets	572,446	(111,160)	461,286	931,031
Total current liabilities	278,117	(15,681)	262,436	515,027
Total non-current liabilities	120,873	(96,415)	24,458	142,258
Total liabilities	398,990	(112,096)	286,894	657,285
Total equity	173,456	936	174,392	273,746

(c) Adjustments in statement of cash flows

	UNAUDITED DEC 2019 INCLUDING NZ IFRS 16 \$000	NZ IFRS 16 ADJUSTMENTS \$000	UNAUDITED DEC 2019 EXCLUDING NZ IFRS 16 \$000	UNAUDITED DEC 2018 \$000
Net cash inflow/(outflow) from operating activities	(14,871)	(8,757)	(23,628)	(58,601)
Net cash inflow/(outflow) from investing activities	(3,789)	–	(3,789)	(5,275)
Net cash inflow/(outflow) from financing activities	(191,149)	8,757	(182,392)	74,031
Total cash inflow/(outflow)	(209,809)	–	(209,809)	10,155

SEGMENT REPORT

For the six months ended / as at 31 December 2019

(a) Operating Segments

The Group has two primary operating segments, Agency and Retail & Water, which are the Group's strategic divisions. These operating segments operate within New Zealand.

The two operating segments offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Chief Executive Officer or Chairman of the Board reviews internal management reports on each strategic business unit on at least a monthly basis.

The Group's segments are described below:

- **Agency:** Includes rural Livestock trading activities, Wool, Insurance, Real Estate and Finance Commission.
- **Retail & Water:** Includes Rural Supplies and Fruitfed retail operations, PGG Wrightson Water, PGW Consulting, Agritrade and ancillary sales support and supply chain functions.
- **Other:** Relates to certain Group Corporate activities such as Governance, Finance, Treasury, HR, IT, Marketing and other support services (including corporate property services) and includes consolidation/elimination adjustments.
- **Discontinued operations:** Pertains to PGG Wrightson Seeds Holdings Limited together with its subsidiaries and investments in jointly controlled entities (formerly the Seed and Grain segment), and PGW Rural Capital Limited (PGWRC). PGWRC was established in 2012 to hold and recover certain excluded loans related to the sale of the Group's finance subsidiary PGG Wrightson Finance Limited.

Assets and liabilities allocated to each business unit combine to form total assets and liabilities for the Agency and Retail & Water business segments. Certain other assets and liabilities are held at a Corporate level including those for the Corporate functions noted above.

The profit/(loss) for each business unit combines to form total profit/(loss) of the Agency and Retail & Water segments. Certain other revenues and expenses are held at the Corporate level for the Corporate functions noted above.

Other cost allocation

The Group applies an allocation methodology which allocates certain corporate costs to an operating segment where they can be directly attributed to that segment or attributed based on the use of the following methods:

- IT hardware, support, licence and other costs are attributed on a per user basis.
- Property costs which are not directly attributable are allocated on a property space utilisation basis.
- Business operations costs (Accounts Payable, Accounts Receivable, Call Centre) are allocated based on FTE usage by each operating segment or transactional volumes. Credit Services costs are allocated based on the operating segment to which overdue accounts relate.

Other costs including non-operating items, impairment and fair value adjustments, net interest and finance costs, income tax expense and the results of discontinued operations are not fully allocated by the Group across the operating segments. The Group Finance, Risk and Assurance, Treasury, HR, Credit and the Executive Team functions continue to be reported outside of the operating segments.

(b) Geographical Segment

The Group operates within New Zealand only and its revenue is derived primarily from New Zealand.

INTERIM SEGMENT REPORT CONTINUED

For the six months ended / as at 31 December 2019

(c) Operating Segment Information

	AGENCY			RETAIL & WATER			OTHER			DISCONTINUED OPERATIONS			TOTAL		
	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019** \$000	UNAUDITED DEC 2018** \$000	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019** \$000	UNAUDITED DEC 2018** \$000	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019** \$000	UNAUDITED DEC 2018** \$000	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019** \$000	UNAUDITED DEC 2018** \$000	UNAUDITED DEC 2019* \$000	AUDITED JUN 2019** \$000	UNAUDITED DEC 2018** \$000
Total external operating revenues	84,797	193,843	85,767	384,165	602,917	379,208	5,117	12,495	8,790	–	–	–	474,079	809,255	473,765
Operating EBITDA	6,383	15,394	1,614	31,120	19,296	22,759	(2,981)	(10,265)	(6,534)	–	–	–	34,522	24,425	17,839
Non-operating items	6	(665)	(10)	251	(406)	151	(532)	(3,411)	(1,146)	–	–	–	(275)	(4,482)	(1,005)
Holidays Act 2003 remediation costs	–	752	752	–	1,724	1,724	(5)	(173)	2	–	–	–	(5)	2,303	2,478
Impairment and fair value adjustments	(133)	(2,286)	22	–	–	–	–	(901)	–	–	–	–	(133)	(3,187)	22
Depreciation and amortisation expense	(4,371)	(1,712)	(706)	(8,000)	(4,922)	(1,767)	(2,107)	(2,728)	(1,732)	–	–	–	(14,478)	(9,362)	(4,205)
EBIT	1,885	11,483	1,672	23,371	15,692	22,867	(5,625)	(17,478)	(9,410)	–	–	–	19,631	9,697	15,129
Net interest and finance income/(expense)	(606)	1,460	1,145	(1,571)	(357)	(321)	256	(7,170)	(4,010)	–	–	–	(1,921)	(6,067)	(3,186)
Profit/(loss) from continuing operations before income tax	1,279	12,943	2,817	21,800	15,335	22,546	(5,369)	(24,648)	(13,420)	–	–	–	17,710	3,630	11,943
Income tax benefit/(expense)	(362)	(3,323)	(578)	(5,963)	(3,860)	(5,951)	1,376	7,553	3,609	–	–	–	(4,949)	370	(2,920)
Profit/(loss) from continuing operations, net of income tax	917	9,620	2,239	15,837	11,475	16,595	(3,993)	(17,095)	(9,811)	–	–	–	12,761	4,000	9,023
Discontinued operations	–	–	–	–	–	–	–	–	–	(5)	127,806	(8,703)	(5)	127,806	(8,703)
Net profit/(loss) after tax	917	9,620	2,239	15,837	11,475	16,595	(3,993)	(17,095)	(9,811)	(5)	127,806	(8,703)	12,756	131,806	320
Segment assets	178,352	168,907	144,528	373,837	154,298	312,393	18,011	238,821	23,942	2	1,202	1,209	570,202	563,228	482,072
Assets held for sale	23	–	–	218	218	218	2,003	2,108	2,290	–	–	446,451	2,244	2,326	448,959
Total segment assets	178,375	168,907	144,528	374,055	154,516	312,611	20,014	240,929	26,232	2	1,202	447,660	572,446	565,554	931,031
Segment liabilities	(68,867)	(81,923)	(49,248)	(255,068)	(66,373)	(186,164)	(75,055)	(18,994)	(232,311)	–	–	–	(398,990)	(167,290)	(467,723)
Liabilities held for sale	–	–	–	–	–	–	–	–	–	–	–	(189,562)	–	–	(189,562)
Total segment liabilities	(68,867)	(81,923)	(49,248)	(255,068)	(66,373)	(186,164)	(75,055)	(18,994)	(232,311)	–	–	(189,562)	(398,990)	(167,290)	(657,285)

(d) Impact of adoption of NZ IFRS 16

Net profit/(loss) after tax post NZ IFRS 16	917	15,837	(3,993)	(5)	12,756
<i>Less NZ IFRS 16 adjustments:</i>					
Other operating expenses	3,630	6,317	916	-	10,863
Depreciation and amortisation expense	(3,460)	(5,747)	(850)	-	(10,057)
Net interest and finance income/(expense)	(506)	(1,433)	(167)	-	(2,106)
Income tax benefit/(expense)	96	240	28	-	364
Net profit/(loss) after tax pre NZ IFRS 16	1,157	16,460	(3,920)	(5)	13,692
NZ IFRS 16 adjustments in the statement of financial position					
Right-of-use assets	26,194	74,230	10,372	-	110,796
Deferred tax asset	96	240	28	-	364
Lease liabilities	(25,923)	(73,246)	(10,367)	-	(109,536)
Other long-term liabilities	(613)	(1,840)	(107)	-	(2,560)

* The Group adopted NZ IFRS 16 Leases from 1 July 2019 using the modified retrospective approach. The December 2019 reporting period includes NZ IFRS 16 adjustments, however the approach adopted has no impact on the comparative periods which exclude such adjustments.

** The June 2019 and December 2018 comparatives have been restated to reflect the transfer of Marketing, IT and HR functions, which were previously included within Agency and Retail & Water segments, to Group Corporate during the period.

The accompanying notes form an integral part of these financial statements.

INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2019

	NOTE	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		387,793	1,226,807	644,442
Dividends received		2	2	2
Interest received		3,436	6,399	2,525
		391,231	1,233,208	646,969
Cash was applied to:				
Payments to suppliers and employees		(400,090)	(1,248,659)	(686,660)
Contributions to defined benefit plans (ESCT inclusive)		–	(10,274)	(1,481)
Interest paid		(387)	(8,322)	(4,894)
Interest paid on leases		(2,106)	–	–
Income tax paid		(3,519)	(14,954)	(12,535)
		(406,102)	(1,282,209)	(705,570)
Net cash inflow/(outflow) from operating activities		(14,871)	(49,001)	(58,601)
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment and assets held for sale		760	624	612
Cash acquired on purchase of investment		–	1,523	1,523
Proceeds from sale of investments		–	425,851	–
		760	427,998	2,135
Cash was applied to:				
Purchase of property, plant and equipment		(2,293)	(11,571)	(5,446)
Purchase of intangibles		(2,256)	(4,934)	(1,964)
Investment sale costs		–	(6,799)	–
Cash disposed on sale of investment		–	(25,414)	–
		(4,549)	(48,718)	(7,410)
Net cash inflow/(outflow) from investing activities		(3,789)	379,280	(5,275)
Cash flows from financing activities				
Cash was provided from:				
Increase in external borrowings and bank overdraft		57,320	–	83,857
		57,320	–	83,857
Cash was applied to:				
Share repurchase and cancellation		(234,000)	(6)	–
Dividends paid to shareholders		(5,713)	(15,267)	(9,688)
Dividends paid to minority interests		–	(1,189)	(138)
Repayment of external borrowings and bank overdraft		–	(114,252)	–
Repayment of principal portion of lease liabilities		(8,757)	–	–
		(248,470)	(130,714)	(9,826)
Net cash inflow/(outflow) from financing activities		(191,150)	(130,714)	74,031
Net increase/(decrease) in cash held		(209,809)	199,565	10,155
Opening cash		210,491	10,926	10,926
Cash and cash equivalents	4	682	210,491	21,081
Cash and cash equivalents attributable to continuing operations		682	210,491	3,884
Cash and cash equivalents attributable to assets held for sale		–	–	17,197
		682	210,491	21,081

The accompanying notes form an integral part of these financial statements.

RECONCILIATION OF PROFIT AFTER TAX WITH NET CASH FLOW FROM OPERATING ACTIVITIES

For the six months ended 31 December 2019

	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Profit after taxation	12,756	131,806	320
Add/(deduct) non-cash/non-operating items:			
Depreciation and amortisation	14,478	13,891	7,786
Impairment and fair value adjustments	133	4,079	2,028
Net (profit)/loss on sale of assets/investments	(92)	(134,218)	(282)
Loss/(earnings) of equity accounted investees	5	6,412	6,243
Bad debts written off (net)	75	2,519	925
Effect of foreign exchange movements	(72)	(5,879)	(2,389)
Change in deferred taxation	1,338	2,111	(5,714)
Defined benefit expense	(3)	(817)	–
Pension contributions (operating cash) not expensed through profit and loss	–	(10,274)	(1,481)
Other non-cash/non-operating items	(1,301)	(2,357)	(2,002)
	27,317	7,273	5,434
Add/(deduct) movement in working capital items:			
Change in working capital due to sale/purchase of businesses	–	(199,376)	5,741
Change in working capital due to balance sheet reclassification	(15,681)	(24,957)	–
Change in inventories and biological assets	(21,758)	176,575	(25,998)
Change in accounts receivable and prepayments	(86,611)	110,893	(116,337)
Change in trade creditors, provisions and accruals	81,391	(112,759)	86,293
Change in income tax payable/receivable	(271)	(4,997)	(10,939)
Change in other current assets/liabilities	742	(1,653)	(2,795)
	(42,188)	(56,274)	(64,035)
Net cash inflow/(outflow) from operating activities	(14,871)	(49,001)	(58,601)

The accompanying notes form an integral part of these financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	NOTE	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018* \$000
ASSETS				
Current				
Cash and cash equivalents	4	682	210,491	3,884
Short-term derivative assets		1,089	614	464
Trade and other receivables		241,598	145,881	255,668
Go livestock receivables	4	38,584	47,754	30,958
Income tax receivable		–	–	4,139
Assets classified as held for sale		2,244	2,326	448,959
Biological assets		12	35	264
Inventories		107,750	85,969	114,313
Other investments		–	–	30
Short-term intangible assets		1,037	2,222	1,637
Total current assets		392,996	495,292	860,316
Non-current				
Long-term derivative assets		454	387	400
Biological assets		12	12	31
Deferred tax asset		7,802	9,976	11,692
Investments in equity accounted investees		66	71	59
Other investments		471	470	465
Long-term intangible assets		16,081	14,644	12,545
Right-of-use assets	1	110,796	–	–
Property, plant and equipment	5	43,768	44,702	45,523
Total non-current assets		179,450	70,262	70,715
Total assets		572,446	565,554	931,031
LIABILITIES				
Current				
Debt due within one year	4	40,000	2,680	79,635
Short-term derivative liabilities		365	280	476
Accounts payable and accruals		221,050	155,903	244,385
Income tax payable		1,021	851	–
Short-term lease liabilities	1	15,681	–	–
Liabilities classified as held for sale		–	–	189,562
Defined benefit liability		–	–	969
Total current liabilities		278,117	159,714	515,027
Non-current				
Long-term debt	4	20,000	–	130,000
Long-term derivative liabilities		56	62	492
Long-term lease liabilities	1	93,855	–	–
Other long-term liabilities		4,067	1,631	200
Defined benefit liability		2,895	5,883	11,566
Total non-current liabilities		120,873	7,576	142,258
Total liabilities		398,990	167,290	657,285
EQUITY				
Share capital		372,318	606,318	606,324
Reserves		12,573	10,424	5,162
Retained earnings		(211,435)	(218,478)	(340,389)
Total equity attributable to shareholders of the Company		173,456	398,264	271,097
Non-controlling interest		–	–	2,649
Total equity		173,456	398,264	273,746
Total liabilities and equity		572,446	565,554	931,031

* The comparatives have been restated for NZ IFRS 9.

The accompanying notes form an integral part of these financial statements.



PGG Wrightson Technical Field
Representative Dayne Paton inspects
a kale crop at Bunnings Farm in
Fernside, Canterbury, in May 2019.

PGG Wrightson

ADDITIONAL FINANCIAL DISCLOSURES



INCLUDING NOTES TO THE
FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED
31 DECEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2019

1 LEASES

The Group leases many assets, including:

- leases of land and buildings from which it conducts operations. These leases range in length from one to fifteen years with various rights of renewal. Where surplus properties are unable to be exited, the Group subleases these properties where possible and derives sublease revenue on a short-term temporary basis.
- leases of vehicles for use by employees, agents and representatives. These leases range for a period of between three and six years.
- leases of office and IT equipment. These leases are typically for a period of four years.

Transition to NZ IFRS 16

The Group adopted NZ IFRS 16 *Leases* from 1 July 2019 using the modified retrospective approach. In accordance with the new standard, the Group recognised right-of-use assets of \$109.17 million and lease liabilities of \$106.63 million at the initial adoption date of 1 July 2019. The Group also recognised a provision for make good costs of \$2.54 million as at 1 July 2019.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019. The incremental borrowing rates applied to the lease liabilities on 1 July 2019 were 4.0% for properties and 3.5% for vehicles. The right-of-use assets were recognised at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

On transition, the Group applied the following practical expedients:

- The Group grandfathered the assessment of which transactions constitute leases and applied NZ IFRS 16 only to contracts that were previously identified as leases under NZ IAS 17. Contracts that were not identified as leases under NZ IAS 17 were not reassessed for whether there is a lease. The definition of a lease under NZ IFRS 16 was only applied to contracts entered into or changed on or after 1 July 2019.
- The Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group elected not to recognise a right-of-use asset and a lease liability for certain leases for which the lease term ends within 12 months of the initial adoption date.
- The Group used hindsight in determining the lease term.

In the process of adopting the new standard, a number of judgements and estimates have been made. These include:

- incremental borrowing rate at the time of adoption
- lease terms, including any rights of renewal expected to be exercised

The Group elected not to recognise right-of-use assets and lease liabilities for short-term or low-value leases, such as leases of office and IT equipment. The Group continues to expense lease payments associated with these leases on a straight-line basis.

			UNAUDITED DEC 2019 \$000
Amounts in statement of profit or loss			
Depreciation on right-of-use assets			(10,057)
Interest on lease liabilities			(2,106)
Short-term or low-value lease expenses			(97)
Variable lease payments not included in the measurement of lease liabilities			(85)
Income from sub-leasing right-of-use assets			616
Amounts in statement of cash flows			
Cash outflow for interest on lease liabilities (operating activities)			(2,106)
Cash outflow for principal portion of lease liabilities (financing activities)			(8,757)
Total cash outflow for leases			(10,863)
Amounts in statement of financial position			
	PROPERTY \$000	VEHICLES \$000	TOTAL \$000
Right-of-use assets			
Balance at 1 July 2019	97,084	12,082	109,166
Net additions, terminations and reassessments	9,221	2,466	11,687
Depreciation charge for the period	(6,798)	(3,259)	(10,057)
Balance at 31 December 2019	99,507	11,289	110,796

1 LEASES (CONTINUED)

UNAUDITED
DEC 2019
\$000

Amounts in statement of financial position (continued)

Lease liabilities

Current lease liabilities	15,681
Non-current lease liabilities	93,855
Total lease liabilities recognised in the statement of financial position	109,536

Maturity analysis - contractual undiscounted cash flows

Less than one year	19,576
One to five years	57,635
More than five years	51,807
Total undiscounted lease liabilities at 31 December 2019	129,018

Reconciliation of recognised lease liabilities to operating lease commitments

Operating lease commitments at 30 June 2019 as disclosed in the Group's financial statements	84,403
Operating lease commitments at 30 June 2019 discounted at the incremental borrowing rate at 1 July 2019	74,905
Value of operating leases not commenced as at 1 July 2019	(9,560)
Recognition exemption for short-term leases	(402)
Value of additional leases and future lease renewal options reasonably certain to be exercised	41,683
Lease liabilities recognised on initial adoption date of 1 July 2019	106,626

Lease Accounting Policies

Right-of-use assets

Under NZ IFRS 16, right-of-use assets are initially measured at cost, which comprises the initial amount of lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and any estimated restoration costs, and less any lease incentives received. These assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the asset's useful life. Right-of-use assets are adjusted for certain remeasurements of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under a residual value guarantee, and any exercise price the Group is reasonably certain to exercise. The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the fund necessary to obtain an asset of similar value in a similar environment under similar terms and conditions.

After the commencement date, lease liabilities are increased to reflect interest on the lease liabilities and reduced to reflect the lease payments made. Interest on lease liabilities is charged to the profit and loss and is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liabilities.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of any amount payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2019

2 NET INTEREST AND FINANCE COSTS

	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Interest income	529	771	42
Interest funding expense			
Bank interest on loans and overdraft	(381)	(4,928)	(2,827)
Other interest expense	(7)	(312)	(61)
Bank facility fees	(305)	(1,885)	(975)
	(693)	(7,125)	(3,863)
Net interest on interest rate derivatives	–	(761)	(182)
Fair value change on interest rate derivatives	–	535	59
Effective interest on expected defined benefit pension payments	–	(299)	(166)
Net Interest	(164)	(6,879)	(4,110)
Interest on lease liabilities	(2,106)	–	–
Foreign exchange income/(expense)			
Net gain/(loss) on foreign denominated items	(113)	(423)	(23)
Fair value change on foreign exchange derivatives	462	1,235	947
	349	812	924
Net interest and finance income/(expense)	(1,921)	(6,067)	(3,186)

3 EARNINGS PER SHARE (EPS) AND NET TANGIBLE ASSETS (NTA)

	UNAUDITED DEC 2019 000	AUDITED JUN 2019 000	UNAUDITED DEC 2018 000
Issued ordinary shares at the end of reporting period	75,484	754,839	754,849
Weighted average number of ordinary shares			
Issued ordinary shares at the beginning of reporting period	754,839	754,849	754,849
Effect of ordinary shares issued due to 2:1 share split	573,348	–	–
Effect of ordinary shares repurchased and cancelled	(573,348)	(5)	–
Effect of ordinary shares reduced due to 1:10 share consolidation	(516,013)	–	–
Weighted average number of ordinary shares outstanding during the reporting period	238,826	754,844	754,849
	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Profit net of tax attributable to Shareholders of the Company	12,756	131,123	140
Profit from continuing operations (net of tax) attributable to Shareholders of the Company	12,761	4,000	9,023
Net tangible assets			
Total assets	572,446	565,554	931,031
Total liabilities	(398,990)	(167,290)	(657,285)
less intangible assets	(17,118)	(16,866)	(27,886)
less deferred tax	(7,802)	(9,976)	(22,901)
Net tangible assets	148,536	371,422	222,959

3 EARNINGS PER SHARE (EPS) AND NET TANGIBLE ASSETS (NTA (CONTINUED))

	UNAUDITED DEC 2019 \$	AUDITED JUN 2019 \$	UNAUDITED DEC 2018 \$
Basic EPS on issued ordinary shares at the end of period	0.169	0.174	0.000
Basic EPS on issued ordinary shares at the end of period - continuing operations	0.169	0.005	0.012
Basic EPS on a weighted average basis	0.053	0.174	0.000
Basic EPS on a weighted average basis - continuing operations	0.053	0.005	0.012
NTA per issued ordinary shares at the end of period	1.968	0.492	0.295

4 CASH AND FINANCING FACILITIES

	UNAUDITED DEC 2019 \$000	AUDITED JUN 2019 \$000	UNAUDITED DEC 2018 \$000
Cash and cash equivalents	682	210,491	3,884
Current financing facilities	(40,000)	(2,680)	(79,635)
Term financing facilities	(20,000)	–	(130,000)
Net interest-bearing (debt)/cash and cash equivalents	(59,318)	207,811	(205,751)
Go livestock receivables	38,584	47,754	30,958
(Net interest-bearing debt less Go livestock receivables) / Cash and cash equivalents plus Go livestock receivables	(20,734)	255,565	(174,793)

Financing facilities

On 2 July 2019, the Company entered into a new syndicated bank facility which provides the following:

- Term debt facility of \$50.00 million maturing on 1 August 2021
- Working capital facilities of up to \$70.00 million maturing on 1 August 2021

The syndicated facilities fund the general corporate activities of the Group, the seasonal fluctuations in working capital, and the Go livestock receivables.

The Company has granted a general security deed and mortgage over all its wholly-owned New Zealand assets to a security trust. Bank of New Zealand acts as facility agent and security trustee for the banking syndicate, which comprises Bank of New Zealand, Cooperatieve Rabobank U.A. (New Zealand branch) and Westpac New Zealand Limited.

The agreement contains various financial covenants and restrictions that are standard for facilities of this nature, including maximum permissible ratios for debt leverage and operating leverage, together with limits for Go receivables and capital expenditure.

The syndicated facility agreement allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company's syndicated facility. The additional facilities are guaranteed by the security trust. These facilities amounted to \$9.08 million as at 31 December 2019.

- Overdraft facilities of \$3.00 million
- Guarantee and trade finance facilities of \$6.08 million

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2019

5 PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the period to 31 December 2019, the Group acquired assets with a cost of \$2.29 million (30 June 2019: \$5.72 million, 31 December 2018: \$7.25 million).

Disposals

Assets with a net book value of \$0.52 million were disposed during the period to 31 December 2019 (30 June 2019: \$0.42 million, 31 December 2018: \$0.19 million), resulting in a gain on disposal of \$0.08 million (30 June 2019 Loss: \$0.03 million, 31 December 2018 Gain: \$0.27 million).

6 SEASONALITY OF OPERATIONS

The Group is subject to significant seasonal fluctuations. The Retail businesses' earnings are weighted towards the first half of the financial year as demand for New Zealand farming inputs are generally weighted towards the spring season. New Zealand generally has spring calving and lambing, so Livestock trading is weighted towards the second half of the financial year in order for farmers to maximise their incomes. Other business units have similar but less material cycles. The Group recognises that this seasonality is the nature of the industry and plans and manages its business accordingly.

7 EVENTS SUBSEQUENT TO END OF INTERIM PERIOD

Dividend

On 25 February 2020, the Directors of PGG Wrightson Limited resolved to pay an interim dividend of 9.0 cents per share on 3 April 2020 to the shareholders on the Company's share register as at 5.00pm on 6 March 2020. This dividend will be fully imputed.

8 REPORTING ENTITY

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an FMC Entity in terms of the Financial Markets Conduct Act 2013.

The interim financial statements of PGG Wrightson Limited for the six months ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The interim financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The Group is primarily involved in the provision of goods and services within the agricultural sector.

9 BASIS OF PREPARATION

Statement of Compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as applicable for profit-oriented entities, and in particular NZ IAS 34 *Interim Financial Reporting*. They also comply with the International Financial Reporting Standards issued by the International Accounting Standards Board, as applicable for profit-oriented entities.

The interim financial statements do not include all of the information required for full annual financial statements. Unless otherwise specified, the same accounting policies and methods of computation are followed in the interim financial statements as applied in the Group's latest annual audited financial statements. Certain comparative amounts have been reclassified to conform with the current period's presentation.

These interim financial statements were approved by the Board of Directors on 25 February 2020.

Standards and Interpretations That Have Been Issued or Amended But Are Not Yet Effective

A number of new standards and interpretations are not yet effective for the period ended 31 December 2019 and have not been applied in preparing these interim financial statements. These include:

- A variety of minor improvements to standards have been made to clarify various treatments of specific transactions. These are not expected to have an impact on the Group's financial results.

PGG WRIGHTSON LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2019

	SHARE CAPITAL \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	REALISED CAPITAL AND REVALUATION RESERVE \$000	DEFINED BENEFIT PLAN RESERVE \$000	FAIR VALUE RESERVE \$000	RETAINED EARNINGS \$000	NON- CONTROLLING INTEREST \$000	TOTAL EQUITY \$000
Balance at 1 July 2018	606,324	(3,723)	23,999	(9,042)	(2,587)	(329,987)	2,478	287,462
Adjustment on adoption of NZ IFRS 9, net of tax	–	–	–	–	–	(324)	–	(324)
Adjusted balance at 1 July 2018	606,324	(3,723)	23,999	(9,042)	(2,587)	(330,311)	2,478	287,138
Total comprehensive income for the period								
Profit or loss	–	–	–	–	–	140	180	320
Other comprehensive income:								
Foreign currency translation differences	–	(1,419)	–	–	–	–	129	(1,290)
Defined benefit plan actuarial gain/(loss), net of tax	–	–	–	(2,596)	–	–	–	(2,596)
Total other comprehensive income	–	(1,419)	–	(2,596)	–	–	129	(3,886)
Total comprehensive income for the period	–	(1,419)	–	(2,596)	–	140	309	(3,566)
Transactions with shareholders recorded directly in equity								
Contributions by and distributions to shareholders								
Dividends to shareholders	–	–	–	–	–	(9,688)	(138)	(9,826)
Total contributions by and distributions to shareholders	–	–	–	–	–	(9,688)	(138)	(9,826)
Transfer to retained earnings	–	–	–	530	–	(530)	–	–
Balance at 31 December 2018	606,324	(5,142)	23,999	(11,108)	(2,587)	(340,389)	2,649	273,746
Balance at 1 January 2019	606,324	(5,142)	23,999	(11,108)	(2,587)	(340,389)	2,649	273,746
Total comprehensive income for the period								
Profit or loss	–	–	–	–	–	130,983	503	131,486
Other comprehensive income:								
Foreign currency translation differences	–	552	–	–	–	–	(146)	406
Changes in asset revaluation reserve	–	–	403	–	–	–	–	403
Changes in fair value of equity instrument, net of tax	–	–	–	–	21	–	–	21
Defined benefit plan actuarial gain/(loss), net of tax	–	–	–	(2,802)	–	–	–	(2,802)
Total other comprehensive income	–	552	403	(2,802)	21	–	(146)	(1,972)
Total comprehensive income for the period	–	552	403	(2,802)	21	130,983	357	129,514
Transactions with shareholders recorded directly in equity								
Contributions by and distributions to shareholders								
Share repurchase and cancellation	(6)	–	–	–	–	–	–	(6)
Dividends to shareholders	–	–	–	–	–	(5,579)	(1,051)	(6,630)
Total contributions by and distributions to shareholders	(6)	–	–	–	–	(5,579)	(1,051)	(6,636)
Sale of PGG Wrightson Seed Holdings Limited								
Reclassification of reserves to Profit & Loss	–	3,741	–	–	–	–	(2,101)	1,640
Reclassification of reserves to Retained Earnings	–	849	260	–	–	(1,255)	146	–
Total reclassification to Profit & Loss	–	4,590	260	–	–	(1,255)	(1,955)	1,640
Transfer to retained earnings	–	–	–	2,238	–	(2,238)	–	–
Balance at 30 June 2019	606,318	–	24,662	(11,672)	(2,566)	(218,478)	–	398,264



PGG WRIGHTSON LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 December 2019

	SHARE CAPITAL \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	REALISED CAPITAL AND REVALUATION RESERVE \$000	DEFINED BENEFIT PLAN RESERVE \$000	FAIR VALUE RESERVE \$000	RETAINED EARNINGS \$000	NON- CONTROLLING INTEREST \$000	TOTAL EQUITY \$000
Balance at 1 July 2019	606,318	–	24,662	(11,672)	(2,566)	(218,478)	–	398,264
Total comprehensive income for the period								
Profit or loss	–	–	–	–	–	12,756	–	12,756
Other comprehensive income:								
Defined benefit plan actuarial gain/(loss), net of tax	–	–	–	2,149	–	–	–	2,149
Total other comprehensive income	–	–	–	2,149	–	–	–	2,149
Total comprehensive income for the period	–	–	–	2,149	–	12,756	–	14,905
Transactions with shareholders recorded directly in equity								
Contributions by and distributions to shareholders								
Share repurchase and cancellation	(234,000)	–	–	–	–	–	–	(234,000)
Dividends to shareholders	–	–	–	–	–	(5,713)	–	(5,713)
Total contributions by and distributions to shareholders	(234,000)	–	–	–	–	(5,713)	–	(239,713)
Balance at 31 December 2019	372,318	–	24,662	(9,523)	(2,566)	(211,435)	–	173,456

CORPORATE DIRECTORY

Board of Directors for the six months ended 31 December 2019

Rodger Finlay
Chairman

Joo Hai Lee
Deputy Chairman

David Cushing

Sarah Brown

U Kean Seng

Seah Lim Siang (Ronald)
(retired 31 August 2019)

Executive Team for the six months ended 31 December 2019

Stephen Guerin
Chief Executive Officer

Julian Daly
*General Manager Corporate Affairs/
Company Secretary*

Grant Edwards
General Manager Wool

Peter Moore
General Manager Livestock

Peter Newbold
General Manager Real Estate

Peter Scott
Chief Financial Officer

Natalie Thain (Acting)
General Manager Human Resources

Nick Berry
General Manager Retail & Water

Registered Office

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+64 3 372 0800 (International)
Email: enquiries@pggwrightson.co.nz

Auditors

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Level 5
79 Cashel Street
PO Box 1739
Christchurch 8140
Telephone +64 3 363 5600

Company number 142962
NZBN 9429040323497

Managing your shareholding online:

To change your address, update your payment instructions and to view your investment portfolio, including transactions, please visit:

www.investorcentre.com/nz

General enquiries can be directed to:
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

✉ enquiry@computershare.co.nz

✉ Private Bag 92119, Auckland 1142,
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➡ Please assist our registrar by quoting your CSN
or shareholder number.



Fruitfed Supplies Technical Horticultural
Representative Rob Wards with Nick and
Carey White of Mill Orchard in Loburn,
Canterbury, in October 2019.



