



2018 Annual Shareholders' Meeting

Annual Shareholders' Meeting – 2018

David Knott

Chairman

Annual Shareholders' Meeting – 2018

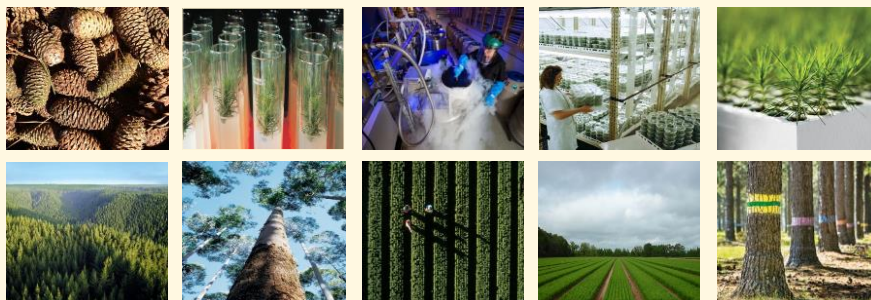
▪ Introduction of Board members

- Hugh Fletcher
- Paul Smart
- Luke Moriarty

- Ranjan Tandon
- Thomas Avery
- Ozey Horton

Agenda

- CEO's Review
- Chairman's Comments
- Shareholder Questions
- Resolutions
- Refreshments



Luke Moriarty – CEO

Rubicon – 12 Month Review

In 2018, we balanced -

- A huge transactional year with strong ArborGen performance
- Acquired ArborGen partners' interests to become 100%¹ owner
 - Resolved complex partner and funding issues to achieve this core objective
 - Support from controlling shareholders with new equity
 - US\$12.5 million of RBC equity issued
- Negotiated deferred payment ... to give us time to find the money needed
 - Persuaded ArborGen's three existing banks to continue debt facilities
 - Sold our remaining 45% interest in Tenon Clearwood Limited Partnership
 - 40% (of the 45%) went to Knott Partners and Libra

¹ Please refer footnote 1 to CEO ASM speech

Rubicon – Funding and Balance Sheet ¹

Rubicon Consolidated Group	US\$m
Net interest bearing debt at 30 September '17	-19
Cash receipt from Sale of TCLP	15
Dividend from TCLP	1
Operating Cashflow	3
Interest paid	-2
Investment in Term Assets	-3
ArborGen deferred-acquisition payment	-5
Net Cash inflow for the period	9
Net interest bearing debt at 31 March '18	-10
<i>adjusted for</i>	
Final ArborGen deferred acquisition payment	-10
Tenon liquidation receipt	2
Pro forma net interest bearing debt ¹ at 31 March '18	-18

- **Leverage ratio (pro forma, using market equity) ~ only 18%**

¹ Please refer footnotes 2 and 9 to CEO speech

12 Month Review – Funding Lines

- **Expanded and rolled ArborGen's US working capital facility**
 - Increased to US\$17 million
 - Now a 2-year term (not expiring until August 2020)
- **ArborGen's term loan facility does not expire for another 18 years**
- **Today –**
 - ArborGen has funding lines > US\$30 million
 - Only drawn to ~US\$18 million (net of cash)
- **⇒ in good funding shape**

Operating Review – ArborGen

- Performance targets set and met - despite tough hurricane season
 - Total sales of 347 million seedlings
 - 236 million were loblolly in the US
 - 73 million advanced genetics
 - MCP sales in that geography lifted 22% on the prior year
 - Advanced genetics as a % of the total loblolly sales in the US, increased from 25% to 31%
 - ... which in turn saw the US loblolly pine ASP lift 7% y-o-y
- ArborGen recorded (US-GAAP ¹)
 - EBITDA post-R&D of US\$4.3² million
 - More than 2x the previous year's result

¹ Please refer footnote 3 to CEO speech

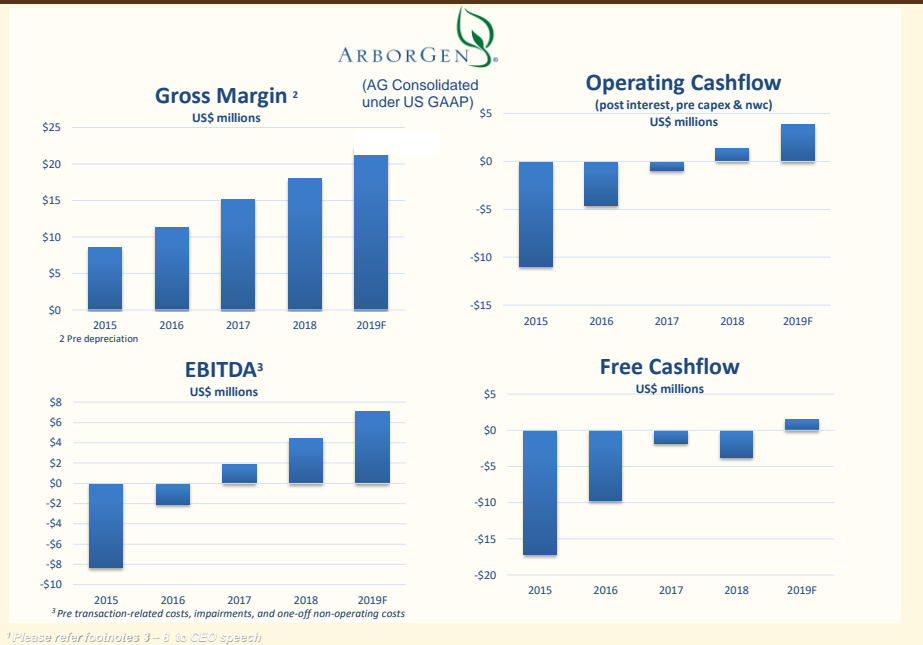
² Please refer footnote 6 to CEO speech

Operating Review – ArborGen ... continued

- Current year performance targets set –
 - EBITDA US\$7¹ million
 - Seedling units sales > 10%¹ higher y-o-y
 - Progress to date – in largest (US market) already ~ 85% sold-out
- Comprehensive 10-year Plan completed
 - Milestones set, and team will be measured against those
 - If this year's Plan is met, next year should see further lift in earnings again
- At close of current year we will announce targets for March '20
- Financial goals aided by 'one company' rationalisation program
 - Improve cash performance of the total Group by > US\$2m this year
 - ... and more in subsequent years
 - Program is not at the expense of growth or supply of critical resources
 - e.g. Taylor Nursery 10 year lease partnership and potential further announcement in Q3
 - ⇒ Will continue to invest in strong strategic growth initiatives

¹ Please refer footnotes 7 & 8 to CEO speech

Historical Financial Metrics – ArborGen ¹



Historical Financial Metrics – ArborGen ... continued

Those charts show

- The heavy development phase and related EBITDA losses are past us
- Unquestionably, some disappointments and hurdles along the way –
 - Those faced by all technology growth companies
 - Also, some sector-specific and ArborGen-specific factors
 - Global financial crisis
 - Extreme depths of the US housing recession
 - Changes in regulatory approval regimes
 - Employee litigation
 - Each of which slowed momentum at critical junctures
- But these are all behind us now

ArborGen – Looking Ahead

- The ‘tree machine’ platform has been built
 - ✓ Advanced genetics product portfolio is in place
 - ✓ Regulatory approval is not required
 - ✓ Pipeline of new products continued to be built ex annual R&D spend
 - ✓ Conversion to higher-value genetics in the US is now taking hold
 - ✓ US macro conditions are favourable
 - ✓ NZ government approach to planting is bearing fruit
 - ✓ ArborGen NZ has signed a 12 million seedling contract with Crown forestry
 - ✓ Established a foothold in Brazil – future growth engine
- The hard work has been done
- Now entering the ‘harvest phase’
- ⇒ It’s ours to lose!

Rubicon – Looking Ahead

- My final ASM as CEO
- Proud to have worked with many passionate and committed people
 - Rubicon
 - Tenon
 - ArborGen
- Leaving Rubicon in good health
- One remaining regret - RBC share price isn’t reflecting value potential
 - RBC price has ↑40% over the last 12 months
 - ... but still not where we would like to see it
- Believe RBC price will track-up further, as a result of -
 - ✓ The ‘One-Company’ improvement programme
 - ✓ Earnings result for current year
 - ✓ Guidance for next year
 - ✓ Impact of growth moves

Rubicon – Looking Ahead

- Edison Research -
 - Analyst report issued last week
 - Available on line for free
 - Initial (conservative) valuation of RBC is NZ 74¹ cents per share
 - 2.5x the current share price
 - Supportive of our carrying value of NZ 48² cents per share
 - Gives credence to the strong future value-upside inherent in the business



¹ Please refer footnote 10 to CEO speech
² As current FX rate

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David Knott
Chairman

Rubicon – Go-forward

- Rubicon is now the 100% owner of ArborGen
- Now to convert that position into demonstrable value for RBC
- Prime objective is to generate cash
- Streamline operations and reduce cost – ‘one company’ program
- Recruit directors for the Rubicon Board
 - US focus of operations
 - Part of remuneration is in shares
 - Aligns with equity incentives at ArborGen



Resolutions

Resolution 1

To re-elect David Knott as a Director

Resolution 2

To elect Thomas Avery as a Director

Resolution 3

To elect Ozey Horton as a Director

Resolution 4

To elect Paul Smart as a Director

Resolutions

Resolution 5

To authorise that:

the maximum aggregate remuneration able to be paid to the non-executive Directors of the Company in 2018 be increased by NZ\$25,000 from NZ\$800,000 to NZ\$825,000 with immediate effect; and

of the NZ\$825,000 maximum aggregate remuneration able to be paid in 2018, NZ\$450,000 shall be payable to Messrs Avery, Horton and Smart (i.e. NZ\$150,000 each) by way of an issue of shares in the Company (and not in cash) in compliance with listing rule 7.3.8 and on the terms set out in the Explanatory Notes in the Notice of Meeting.

Resolution 6

To authorise the Directors to fix Deloitte's fees and expenses as the Company's auditor for the year ended 31 March 2019