

SANFORD ANNUAL SHAREHOLDER MEETING 2022





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2022 ANNUAL SHAREHOLDER MEETING



SANFORD DIRECTORS



Sir Robert McLeod



Mark Cairns



Peter Cullinane



Craig Ellison



Abby Foote



Peter Kean



Fiona Mackenzie



David Mair



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2022 ANNUAL SHAREHOLDER MEETING

CHAIR PRESENTATION – SIR ROBERT McLEOD

SANFORD 2022

- A challenging year
- Focus on financial performance
- Covid impacts continued



PRIORITIES DELIVERED

- 2022 Priorities: rebuild mussel profitability, grow opportunities in wildcatch and retain salmon profitability
- Growth slowed by clogging of supply chains and labour constraints
- **Adjusted EBIT of \$40.2m** (up 72.5% versus FY21)
- Dividend payments have recommenced

FY22 REVENUES REFLECT IMPROVED DEMAND



Revenue

\$531.9_M

▲ +8.6%

Adjusted EBIT¹

\$40.2_M

▲ +72.5%

NPAT

\$55.8_M

▲ up 3.4 times

Final Dividend

10_{CPS}

▲ +10 cents

1. See Appendix of 2022 Annual Report for Adjusted EBIT and Adjusted EBITDA reconciliation to GAAP Reported NPAT of \$55.8m
Note: Comparative period above is FY21

IMPROVING PROFITABILITY

- Improved profitability the pathway to growing shareholder value
- Sanford a multi-product business
- Tailored business models required
- Continue to supplement commodity business with speciality products
- Diversity part of strategy



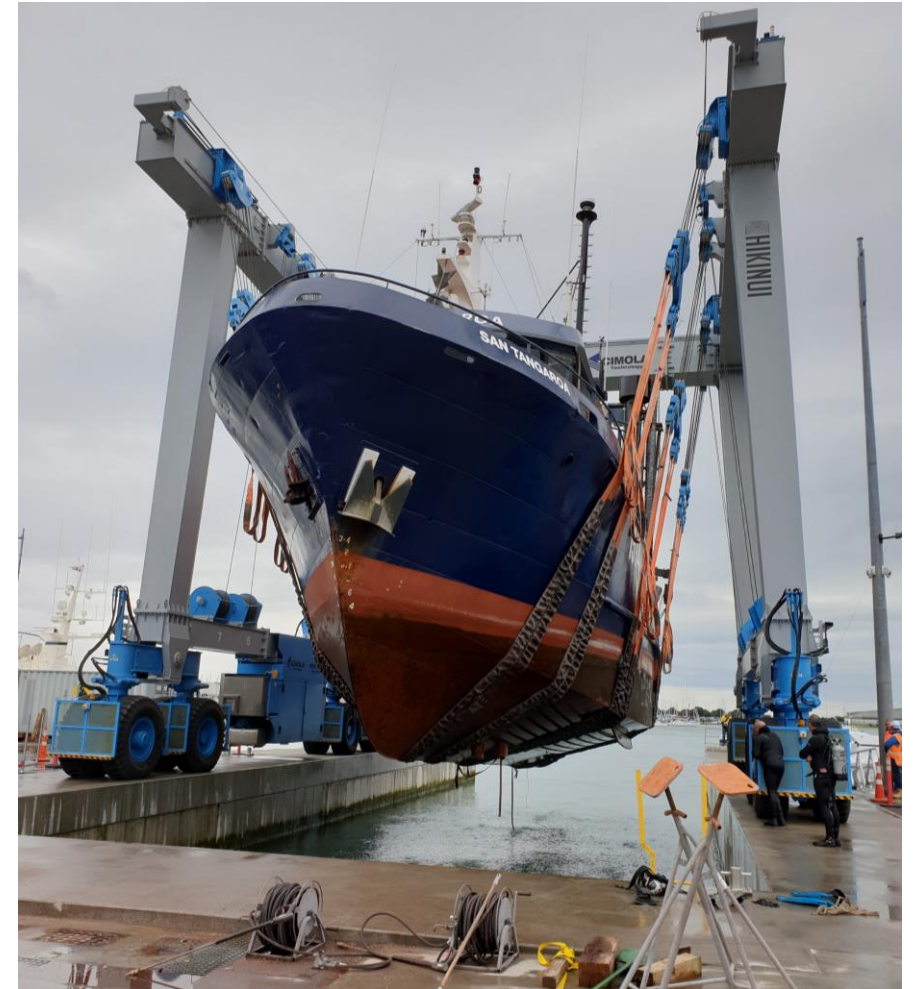
AQUACULTURE



- Growing size of salmon farm
- Working on development of RAS hatchery
- New farming technologies
- Building demand for BGB brand
- Mussel technology
- New Bioactives centre

INVESTING IN WILDCATCH

- Growth and profitability targeted through operational efficiencies
- Scampi investment, \$30 million in new vessel
- Upgrading and improving efficiency and environmental performance of fleet







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THANK YOU





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2022 ANNUAL SHAREHOLDER MEETING

CEO PRESENTATION – PETER REIDIE

SANFORD IN 2022

Covid-19 challenges continued

Return to growth

Good performance in volume and margin in all international markets

Resumption of dividend payment



FY22 RESULTS SNAPSHOT

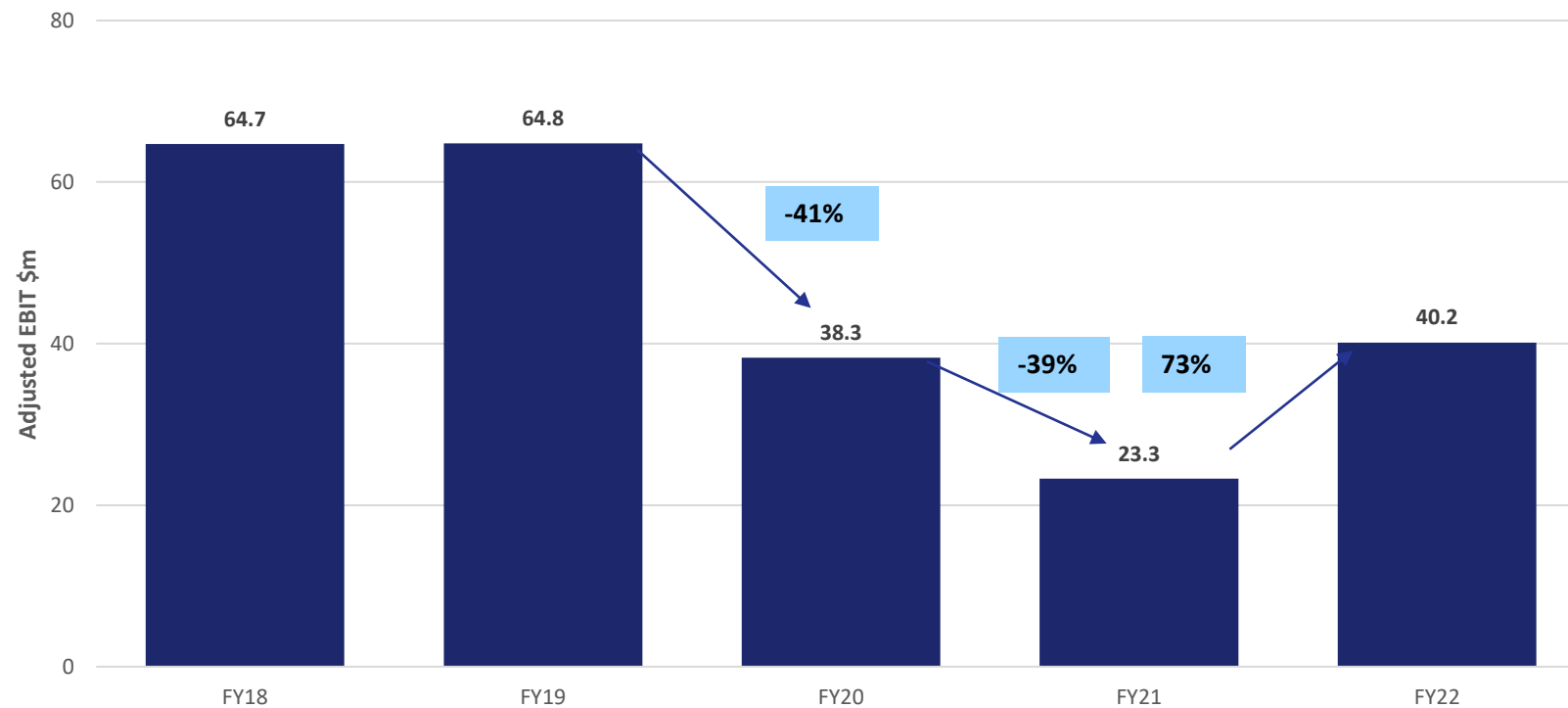
Positive gains on prior Covid-impacted period

Catch/Harvest Volume	Sales Volume	Revenue	Adjusted EBIT ¹	
109.4k GWT	104.7k GWT	\$531.9 _M	\$40.2 _M	
▼ -2.2%	▼ -7.7%	▲ +8.6%	▲ +72.5%	
EBIT GW kg	Adjusted EBITDA ¹	NPAT	EPS	Final Dividend
38 ¢	\$68.3 _M	\$55.8 _M	60 _{CPS}	10 _{CPS}
▲ +17¢/kg	▲ +29.8%	▲ up 3.4 times	▲ +43¢	▲ +10 cents

1. See Appendix for Adjusted EBIT and Adjusted EBITDA reconciliation to GAAP Reported NPAT of \$55.8m
Note: Comparative period above is FY21

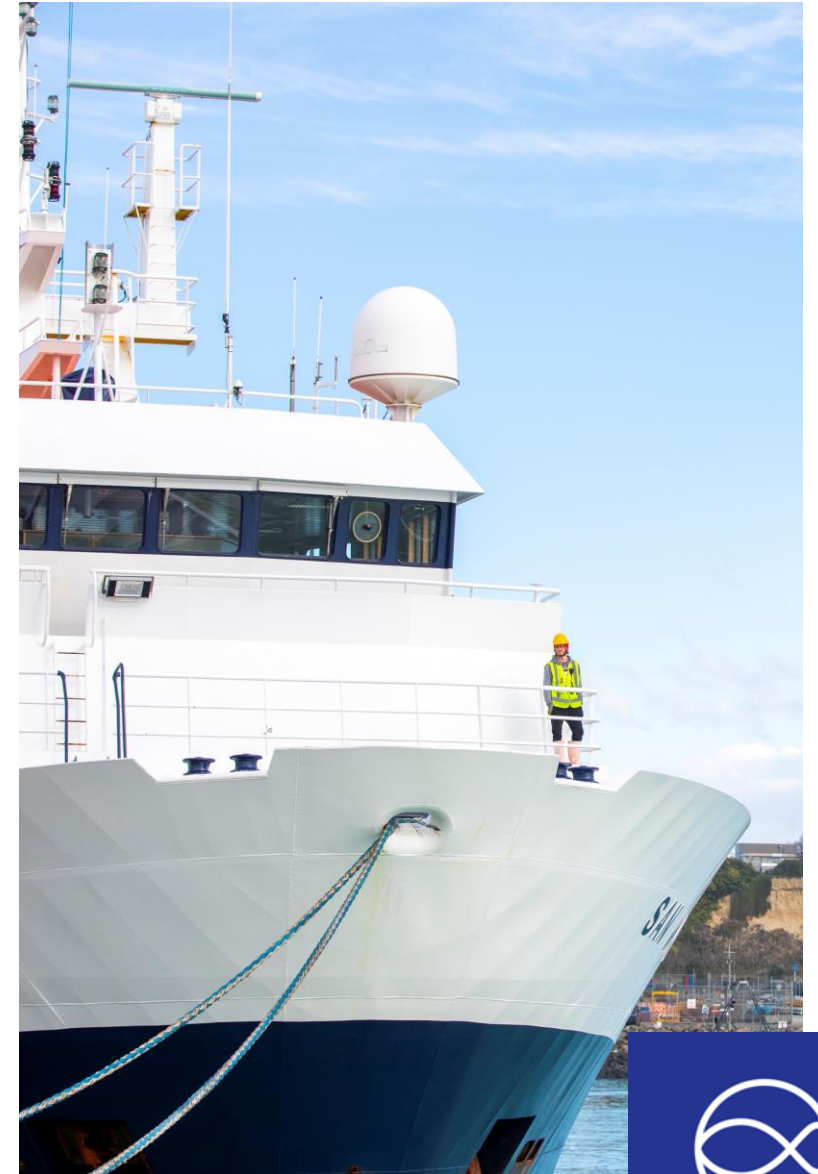
SIGNIFICANT EARNINGS IMPROVEMENT, ARRESTING COVID DECLINE

Adjusted EBIT by Financial Year



SANFORD FY22 CHALLENGES

- **Increased costs** across most of the business, including fuel, feed, freight, compliance costs and payroll
- **Covid impact** on our staff
- **Labour shortages continue** hindering production and thus growth
- **Loss of toothfish** with no access to the South Georgia fishery in 2022
- **More weather events** impacting harvesting of our Greenshell mussels
- **Salmon mortality** at 8.2%
- **Shipping delays** impacting delivery times and our ability to meet demand
- **Volatility in foreign exchange**
- **Increased interest rates**

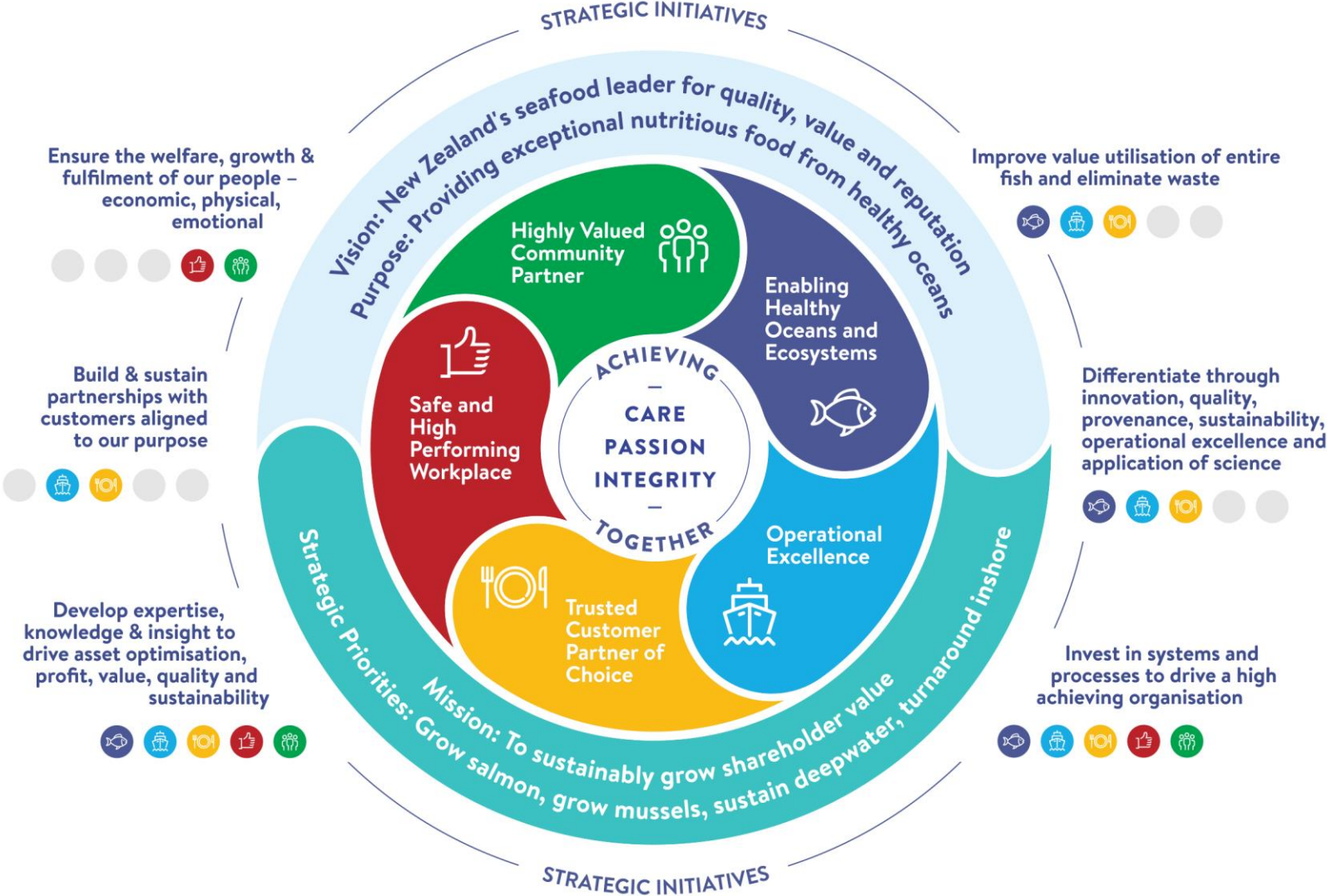


SANFORD FY22 ACHIEVEMENTS



- **Improved profit performance**
- **Price improvement** and increased margins
- **Reduced debt levels** and improved operating cashflows
- **Investment in growth initiatives** aligned to strategy
- **Growth of Big Glory Bay** branded product
- **Sanford Bioactives** centre build complete
- **Improved sustainability** and environmental metrics
- **Increased risk mitigation** in Big Glory Bay

FY22 BUSINESS PLANNING FRAMEWORK – STRATEGY ON A PAGE



ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) EMBEDDED IN STRATEGY

ESG Framework

- Our whole of business Sustainability approach has five pillars
- The five pillars represent
 - Healthy oceans and ecosystems
 - Achieving operational excellence
 - Customer relationships
 - Our people – their welfare and wellbeing
 - Our relationship with communities



ESG - FY22 HIGHLIGHTS¹

Climate

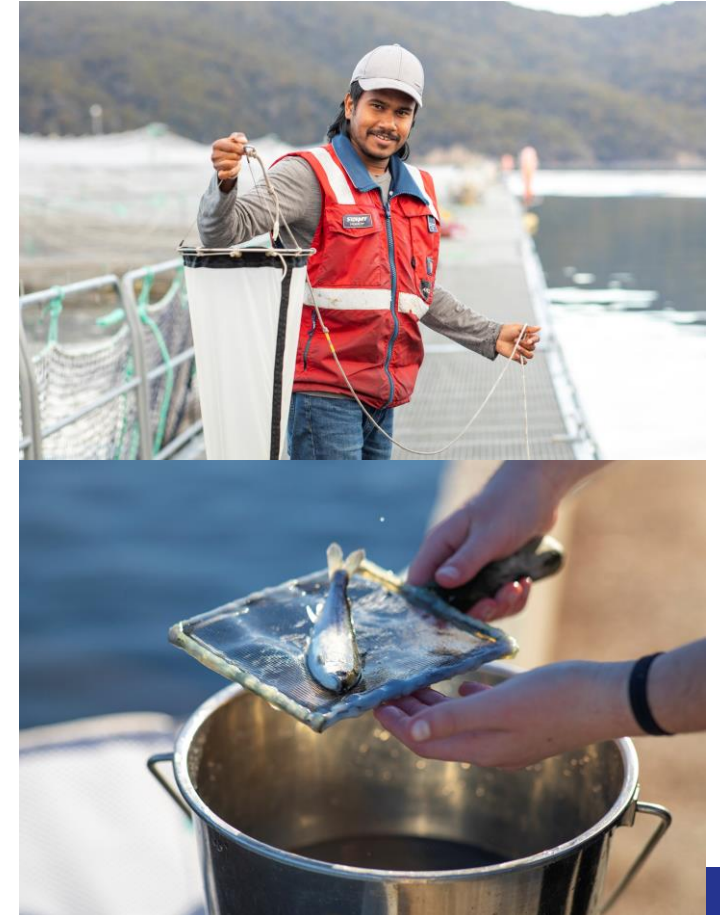
- Progress on efficiency projects for our emissions intensive assets e.g. propellor replacements, engine mode controls
- 7.6% reduction in scope 1 &2 carbon emissions²

Ocean and Environment

- Consistent and sustained reduction in fisheries interactions with seabirds and marine mammals since FY18 (seabirds down 45%, marine mammals down 65%)
- Regulatory approval obtained for use of PSH (Precision Seafood Harvesting) gear on North Island West Coast
- Waste diversion from landfill across all operations at 75%

People and Community

- Increased foodbank support during FY22, expanding in number and geography
- 294,576 meal equivalents donated to foodbanks across the country



1. Refer to Integrated Report for further details

2. Our Target: Absolute GHG reduction of 25% by 2030 from a 2020 base year. (Scope 1 & 2 emissions)



CARING FOR MARINE MAMMALS



- **Sanford has never harmed a Māui dolphin**
- **We work hard** to protect these and other marine mammals
- **We restrict our fishing** and follow the rules
- **We support MAUI63**, using an advanced drone and AI to map where Māui are

SANFORD IN 2023



FOUR STRATEGIC PRIORITIES

STRATEGIC PRIORITIES	
<u>1.</u> Grow Salmon	<u>2.</u> Grow Mussels
<u>3.</u> Sustain Deepwater (Wildcatch)	<u>4.</u> Turnaround Inshore (Wildcatch)

GROW SALMON

What are we doing in FY23:

- **Split main growing farm** in Big Glory Bay and introduce modern oxygenation equipment
- **Launch portion control pack** into Foodstuffs
- **Continue Big Glory Bay brand growth**
- **RAS Hatchery** consented and build started
- **Explore further utilisation** of salmon by-product through our new Bioactives plant in Blenheim
- **Investment in new vessels** and farm infrastructure to support growth aspirations





KEY

- Existing Site locations
- New Site locations
- Pens with oxygen support
- Feeding Barge

GROW MUSSELS

What are we doing in FY23:

- **Ramping up production** of mussel powders and oils at our Bioactives plant
- **Packaging automation** design and adoption
- **Expand SPATnz** mussel hatchery
- **Investment in on-water infrastructure**
- **Take advantage of higher prices** and increased mussel production
- **Trial a US retail format**
- **Increased focus on attracting staff**



SANFORD BIOACTIVES

- New marine extracts **Sanford Bioactives** innovation centre up and running
- **Build completed in September**, commissioning currently underway
- Site producing **marine collagen, mussel powder and oil**



SUSTAIN DEEPWATER (WILDCATCH)

What are we doing in FY23 :

- **Further major work** on four wildcatch vessels
- **Building of one new scampi vessel** contracted
- **Evolution of USA market model** with continuation of move to more direct customers versus wholesalers
- **Sanford Fishmongers brand** developed into retail formats in New Zealand, USA and Australia
- **Maintain higher pricing**



TURNAROUND INSHORE (WILDCATCH)

- **Underperforming business** that requires focus
- **Considering range of options** to return to profitability and long term sustainability



NEW DIVISIONAL STRUCTURE



- **A new business unit structure** to be introduced in FY23 to build greater efficiency, effectiveness and profitability
- **Aligns structure to strategic goals**
- **P&L accountability** and balance sheet ownership across the organisation
- **Creates greater visibility**
- **Increases responsiveness**
- **Creates more career mobility** and opportunities for our people

SANCORE UPDATE

- **SanCore is our systems change process**
- **\$30 million** total project spend to date
- Due for completion in **May 2023**
- **Complete replacement** of supply chain, finance, quota management, payroll and incident reporting systems



CONCLUSION

- 2022 a character building year
- Challenges will continue in 2023
- We have a pipeline of work that will improve our performance
- Strategy and structure will support delivery
- We thank our Board, our people and our investors







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THANK YOU



FY22 INTEGRATED REPORT



Sanford's 2022 integrated Annual Report is available in the investor section of Sanford's website

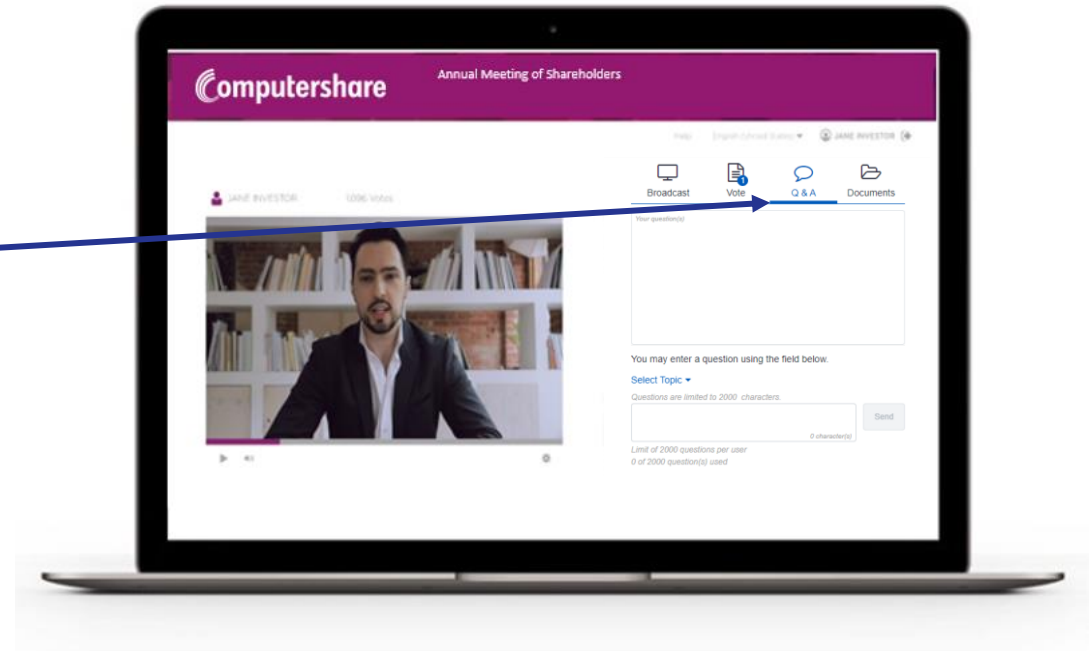


HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS (Q&A)

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



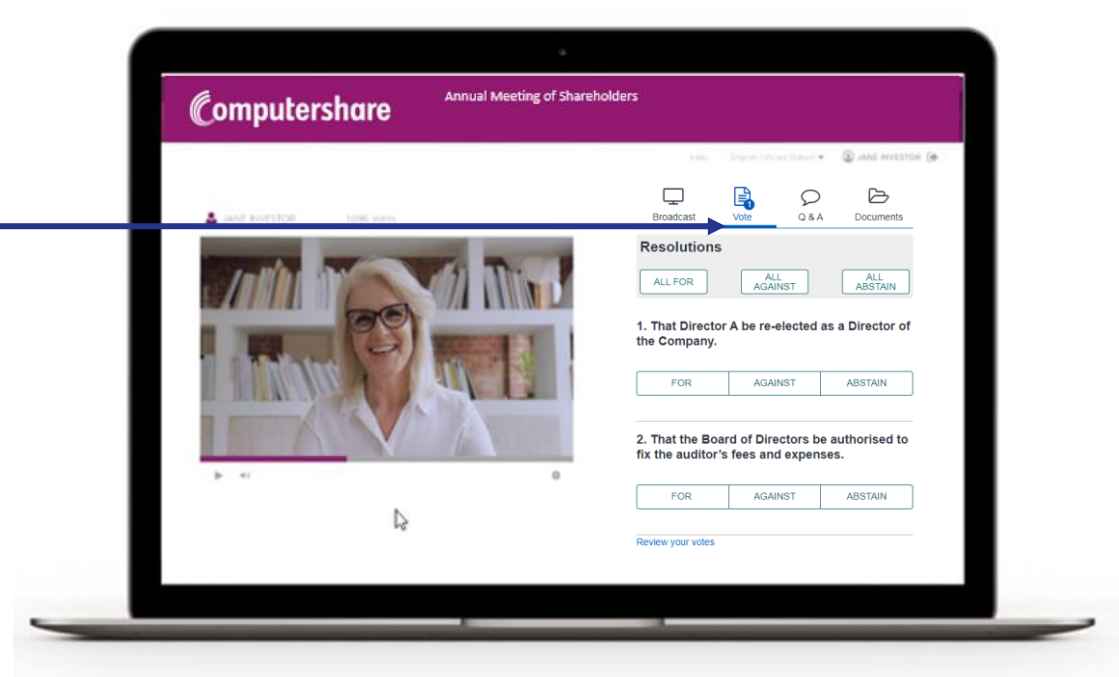
HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS (VOTING)

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



UNDIRECTED PROXIES

The Board holds undirected proxies:

- With respect to Resolution 2, election of Mr David Mair: 60,515 shares
- With respect to Resolution 3, fixing of auditor's fees and expenses: 60,515 shares

SANFORD DIRECTOR ELECTION

David Mair



SANFORD ANNUAL SHAREHOLDER MEETING 2022



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