

SANFORD ANNUAL GENERAL MEETING

**CHAIRMAN'S
ADDRESS
DECEMBER 2019**





- Sanford's 2019 integrated report is available at <https://www.sanford.co.nz/investors/reports-1/company-reports/>
- The report outlines Sanford's Business Excellence Framework – this enables each part of the business to map out its role in helping to deliver on our goals
- We strive to inform in a transparent and open manner and welcome feedback from our stakeholders throughout the year
- This presentation contains not only a review of operations, but also some forward looking statements about Sanford Limited and the environment in which the company operates. Because these statements are forward looking, Sanford Limited's actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the previous results announcement, are all available on the company's website and contain additional information about matters which could cause Sanford Limited's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Sanford Limited.

REVIEW OF THE 2019 FINANCIAL YEAR

CATCH/HARVEST VOLUME

113k GWT

↓ -4%

REVENUE (Like for like¹)

\$558_M

↑ +8%

ADJUSTED EBIT²

\$64.8_M

Flat

GROUP BORROWING

\$139_M

↓ FROM
\$155M IN
2018

ADJUSTED EBITDA²

\$85.7_M

↑ 2%

NPAT

\$41.7_M**

↓ -1%

EPS

45_C

Flat

ANNUAL DIVIDEND

23_{CPS}

Stable

¹Like for like views revenue (and gross profit) comparable to 2018 without implementing the new revenue accounting standard (NZ IFRS 15)

² See Appendix for adjusted EBIT and adjusted EBITDA reconciliation to GAAP Reported EBIT \$62.6m and NPAT \$41.7m

** Including gain on sale of the pelagic business of \$5.1m, prior year includes earthquake insurance settlement of \$6.8m

WILDCATCH, MUSSELS AND SALMON

- WILDCATCH BUSINESS PROFIT CONTRIBUTION DOWN 3% VERSUS PREVIOUS YEAR
- MUSSELS PROFIT CONTRIBUTION UP 69% VERSUS PREVIOUS YEAR
- SALMON PROFIT CONTRIBUTION UP 62% VERSUS PREVIOUS YEAR



DIVESTMENTS AND REVIEWS IN 2019

- Sale of 50% of Weihai Dong Won Food Company Ltd
- Sale of Tauranga based pelagic fleet in March 2019
- Review of Australian operations with commitment to enhance market presence

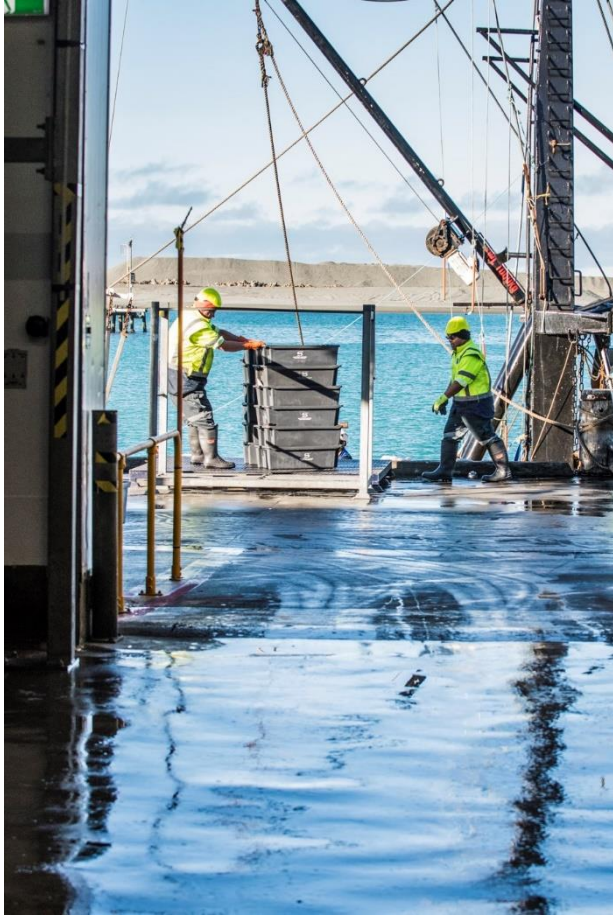


SANFORD MARINE EXTRACTS FACILITY PLANS



- **\$20m+ investment**
- **Planned opening in December 2020**

HEALTH, SAFETY AND WELLBEING



- We remember the sad loss of Steffan Stewart but are proud of how our people responded to this tragic incident
- Health, safety and wellbeing are the highest priority at Sanford
- Near miss reporting has increased by 37% in 2019

FIVE YEARS OF CHANGE - 2015



- **International Purse Seining operations closed**
- **Closure of Christchurch mussel facility**
- **New logo and vision: to be the best seafood company in the world**

FIVE YEARS OF CHANGE - 2016

- Fishing partners reflag their vessels
- The San Granit arrives
- Focus on Fresh commences
- SPATnz already showing impressive results in selective Greenshell mussel breeding



FIVE YEARS OF CHANGE - 2017



- **Big Glory Bay brand launched**
- **China market strong**
- **Acquisition of Enzaq**

FIVE YEARS OF CHANGE - 2018

- Climate change impacts felt
- Innovating beyond food with collagen from hoki skins and Sea to Me mussel powder
- Revamp of Auckland Fish Market commences
- Precision Seafood Harvesting improving fish quality



FIVE YEARS OF CHANGE - 2019



- **Sale of 50% Weihai stake**
- **Sale of pelagic division**
- **Refocussing of Australian business**
- **Marine extracts announcement**
- **SanCore work**

FIVE YEARS OF CHANGE – BROADER CHANGES

- Focus on health, safety and wellbeing
- Quality of our reporting
- Importance of sustainability



FIVE YEARS OF CHANGE – BROADER CHANGES



Vision: the best seafood company in the world

SANFORD HISTORY AND FUTURE



A great history, a potentially greater future

RECOGNITIONS AND AWARDS



IN CONCLUSION...



THANK YOU

