



SANFORD

ANALYST RESULT BRIEFING FINANCIAL YEAR ENDING 30 SEPTEMBER 2015

19 NOVEMBER 2015



**BEAUTIFUL
- NEW ZEALAND -
SEAFOOD**

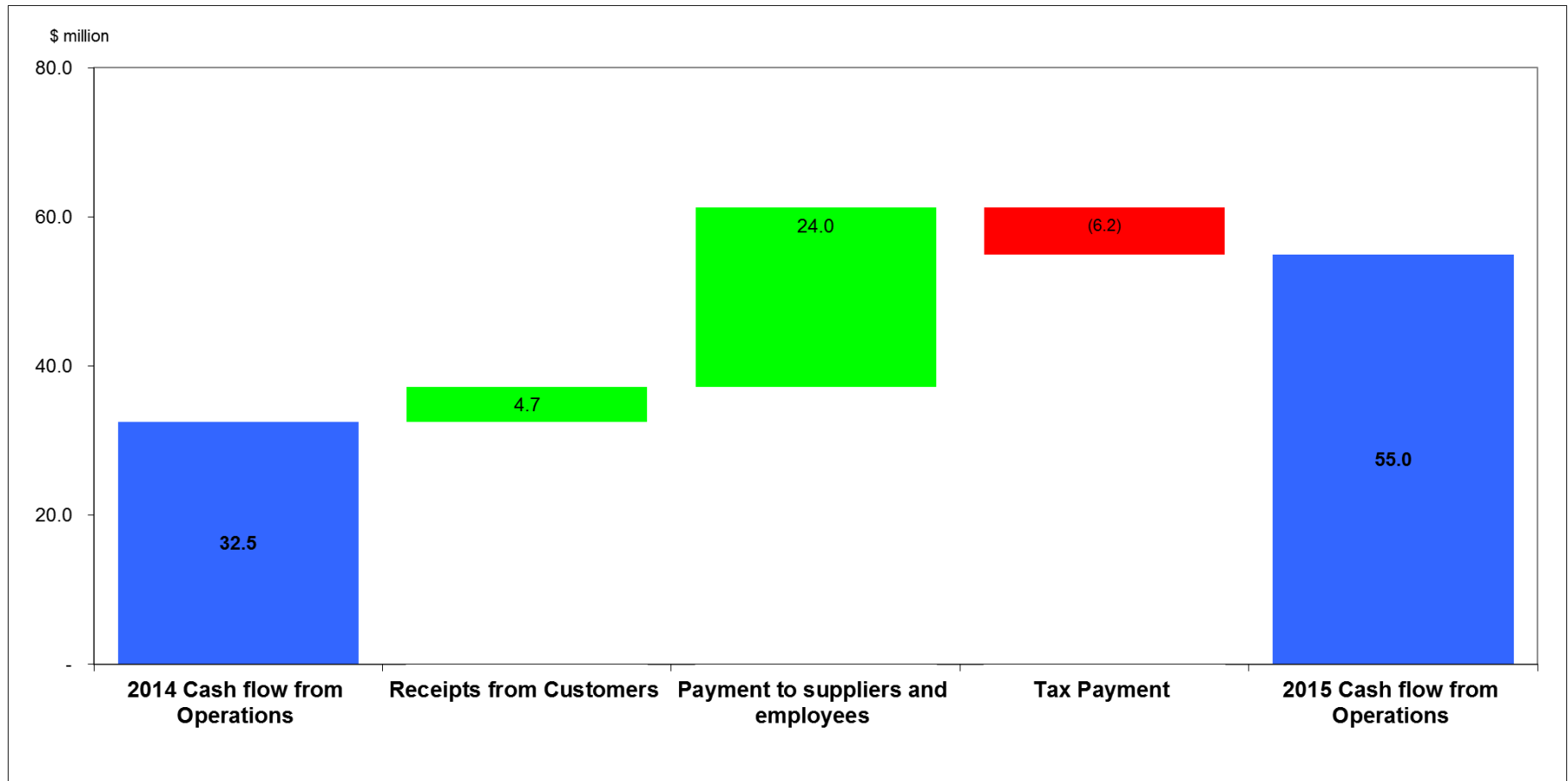
DISCLAIMER

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.

HIGHLIGHTS

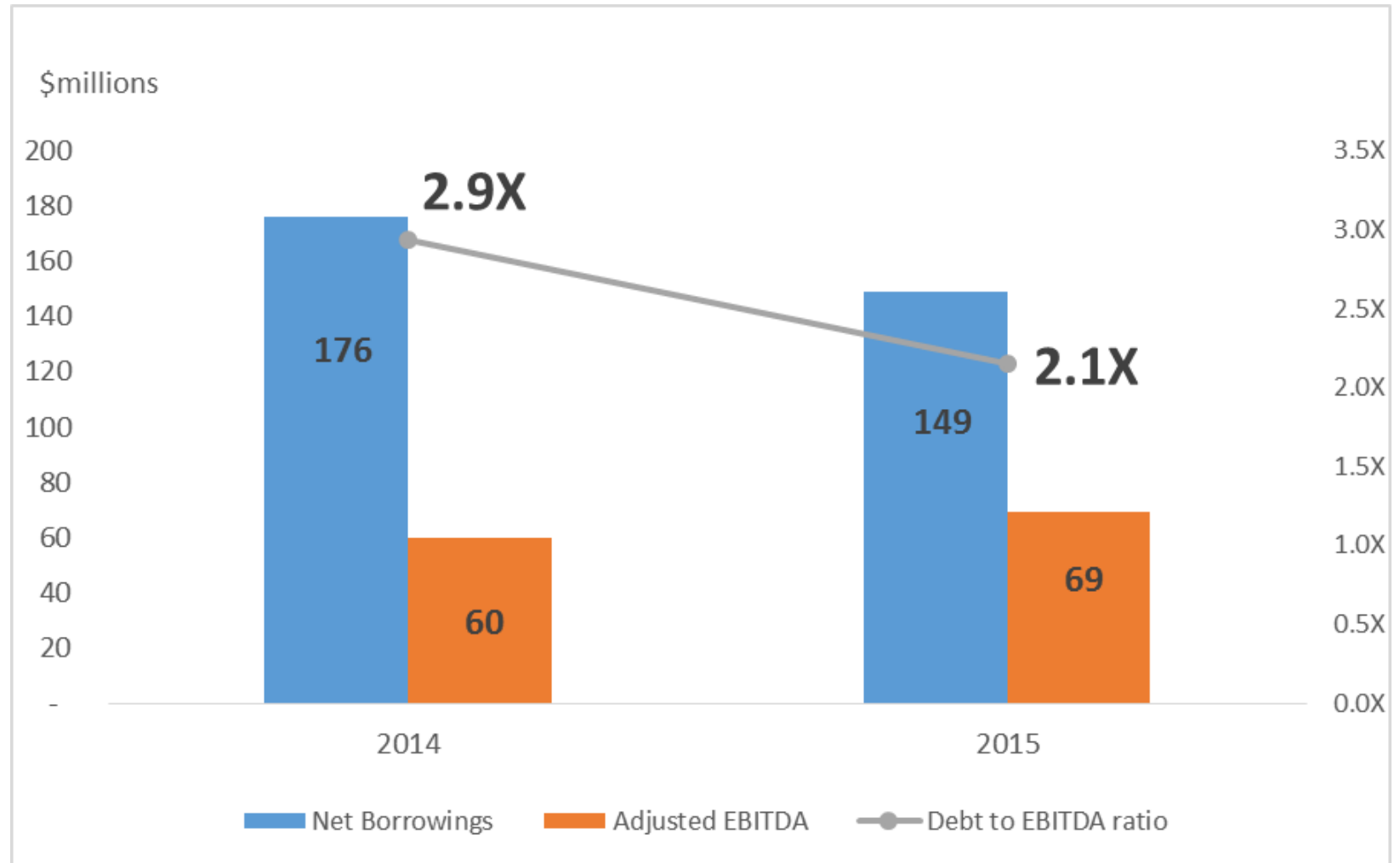
- > Strong cash flow from operations of \$55m, resulted in significant debt reduction of \$27m (15.3% of net debt).
- > Addressed non performing parts of the business
- > Adjusted EBIT improvement of 24.8% to \$52.4m
- > USD FX rates continued to move in our favour
- > Newly introduced Supply Chain and Procurement disciplines improved efficiency and reduced costs
- > New corporate identity established and bedding down

STRONG CASHFLOW FROM OPERATIONS



- Good sales converted into cash
- Lower expenses due to exit of International Purse Seining (IPS) (skipjack tuna), Christchurch site and lower overall spend.
- 2014 lower tax paid from overpayment in 2013

SIGNIFICANTLY REDUCED DEBT



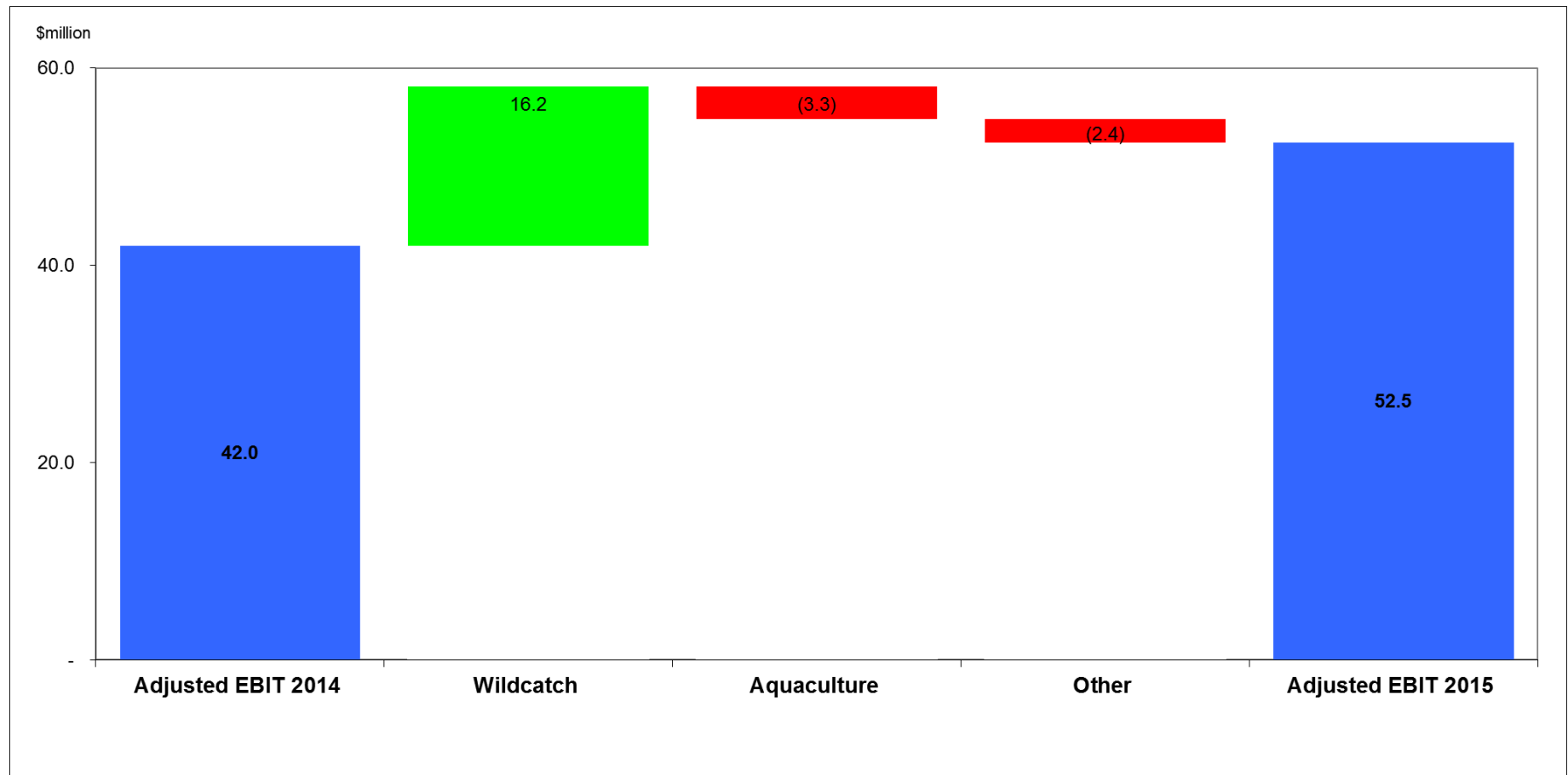
- 15.4% reduction in net debt
- 27.6% reduction in EBITDA Cover ratio

IMPROVED EBIT* BY \$10.4M (24.8%)

	2014	2015
	(\$m)	(\$m)
Reported EBIT	44.1	36.1
<u>Adjust for one off Items</u>		
Impairment of assets	2.3	13.3
Restructuring costs		3.0
Gain on business combinations	(2.2)	
Insurance receipt	(2.2)	
Total one off items	(2.1)	16.3
Adjusted EBIT	42.0	52.4
D&A	18.0	16.9
Adjusted EBITDA	60.0	69.3

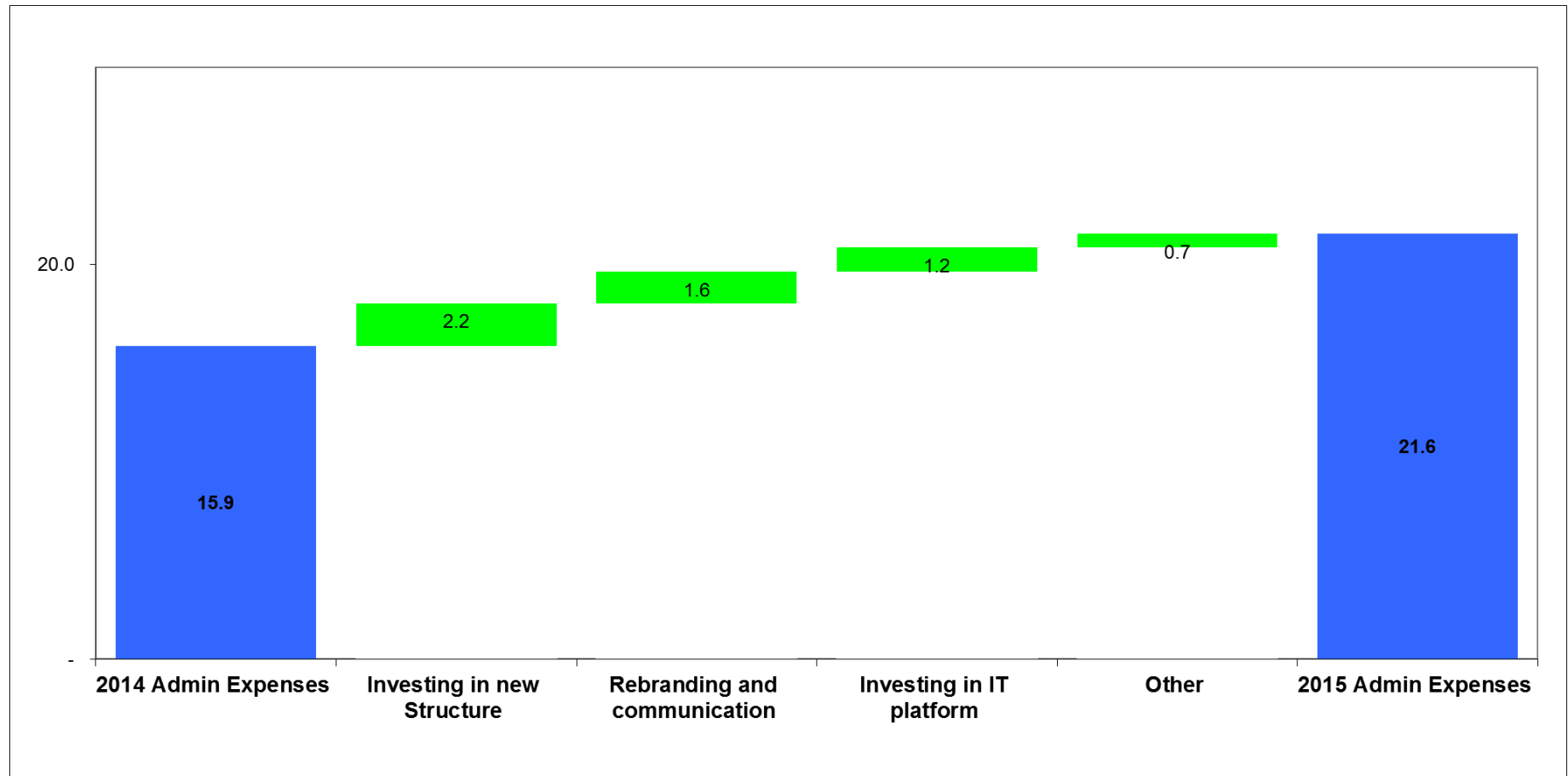
*Total business including discontinued operations

GOOD IMPROVEMENT IN FISHING



- Exited IPS business and reduced operating loss incurred by c.\$8m
- Aquaculture business impacted by slow mussel growth and barnacles in 2015
- Other impacted mainly by fishing loss in Australia and other costs not attributed

WE HAVE INVESTED FOR GROWTH...



- New and improved functions lay the foundation for future growth.

...AND ADDRESSED NON PERFORMING AREAS

IPS

- Halved the loss from the IPS business in 2015 **\$6.7m**
- Sold San Nanumea
- San Nikunau on the market

Australian Fishing

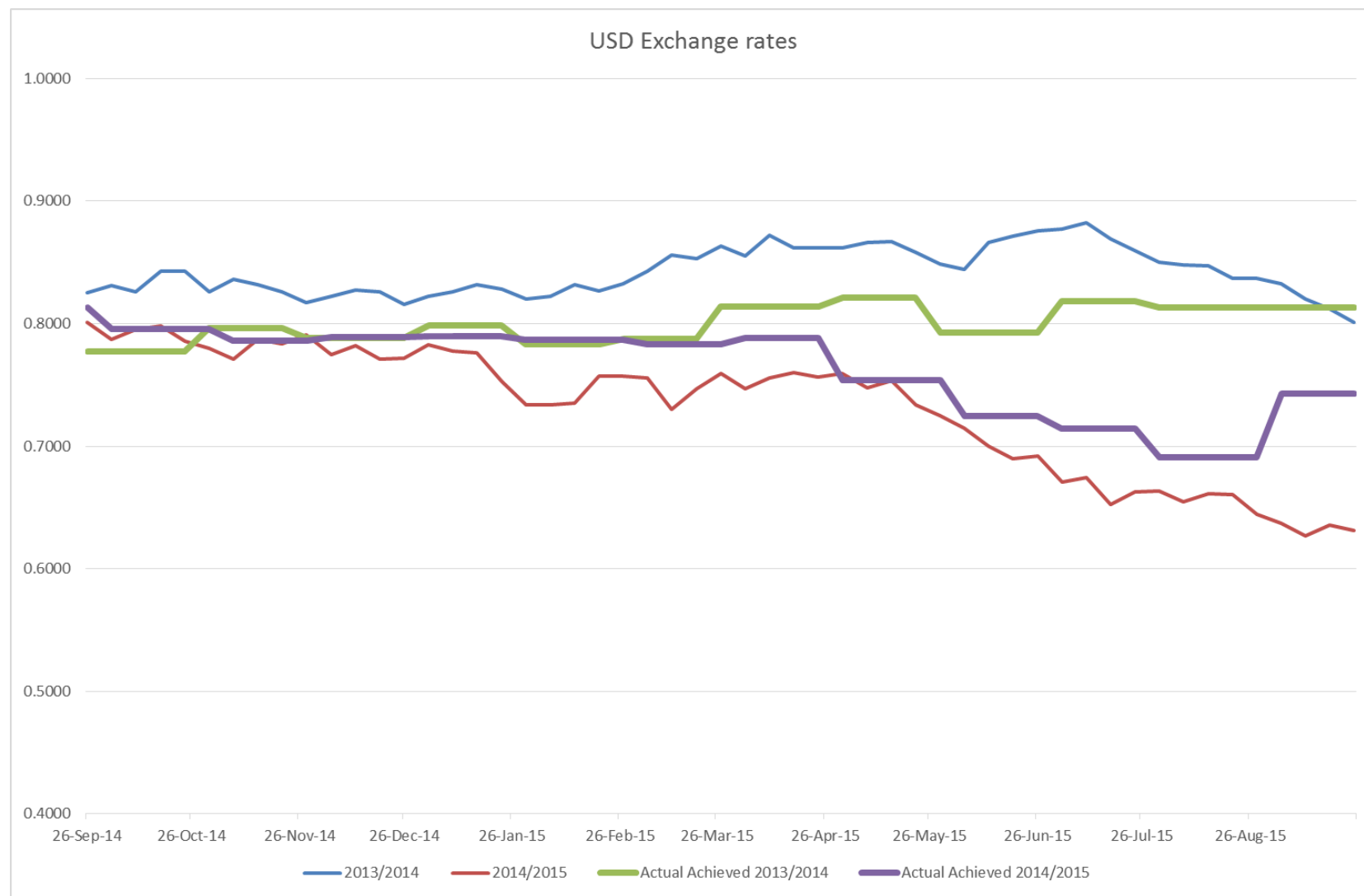
- Insufficient quota to be economic
- Focus on market penetration strategy **\$6.5m**
- Focus on Beautiful NZ Seafood

Christchurch Mussel Operation

- Impacted by mussel growth and supply
- Integrated into automated plant in Havelock **\$2.8m**
- Majority of employees placed

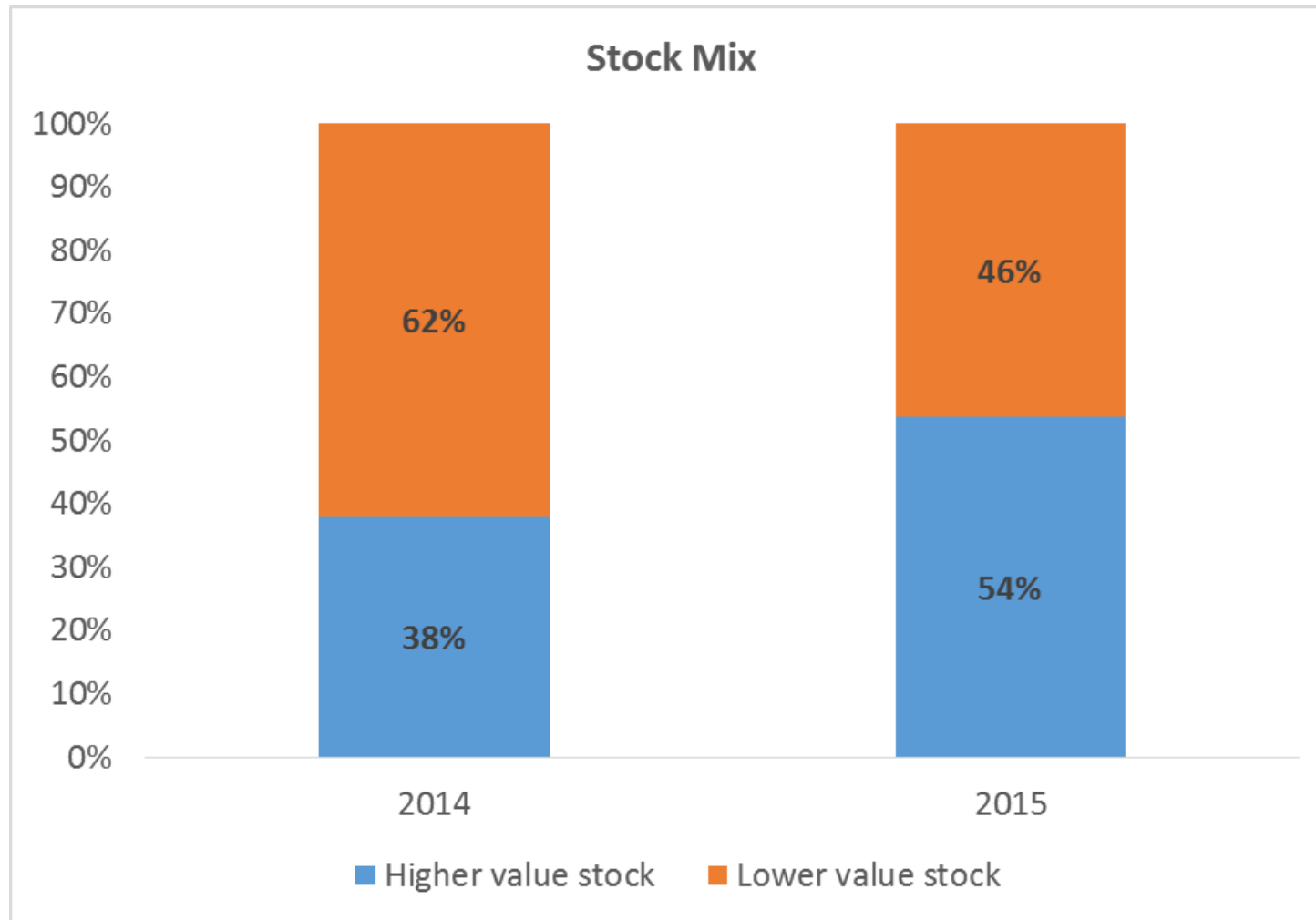
- **Non-recurring cost of \$16.0m in 2015 to address issues above**
- **\$13.3m non cash impairments**

FX CONTINUED TO MOVE IN OUR FAVOUR



- Note that NZD had strengthened against the AUD & JPY

REBALANCED OUR INVENTORY



- Sold down lower value stock such as mackerel 51% and fishmeal 51%
- Increased holding of some higher value stock such as orange roughy and scampi

NEW CORPORATE IDENTITY AND BRANDING

- > Customer Research
- > Identified our strengths and weaknesses
- > Determined the need of shifting the focus

Outcome:

- Strong emphasis on the customer
- Think and act as a food company
- Take advantage of our unique differences
 - The pristine image of New Zealand
 - The sustainability of our resources
 - The inherent quality of our resources

UNCOMPROMISING CARE CREATES THE SANFORD DIFFERENCE



**FINEST
SOURCE**



**UNCOMPROMISING
CARE**





**BEAUTIFUL
- NEW ZEALAND -
SEAFOOD**



SANFORD

**BEAUTIFUL
- NEW ZEALAND -
SEAFOOD**





— WHOLE —
**FRESH FROZEN
SNAPPER**
PAGRUS AURATUS

22.04 LB
NET WEIGHT WHEN PACKED
PRODUCT OF NEW ZEALAND



— NEW ZEALAND —
**GREENSHELL
MUSSELS**
ON THE HALF SHELL



90%
2.0 LB
NET WEIGHT WHEN PACKED



— FROZEN AT SEA —
SCAMPI
MEGALOPHAPS CHALLINORII
(DEEP SEA LUBSTERETTE)



2 KG / 4.4 LB
NET WEIGHT WHEN PACKED
PRODUCT OF NEW ZEALAND

HERE'S HOW IT ALL COMES TOGETHER:

OUR PROMISE TO CUSTOMERS

At Sanford we passionately care every step of the way, from sea to serving, about delivering beautiful New Zealand seafood.

OUR VISION

To be the best seafood company in the world

WHAT WE'LL DO

- Optimise value of raw materials
- Create a culture of innovation
- Consistently produce quality products
- Enhance our brand

HOW WE'LL DO IT

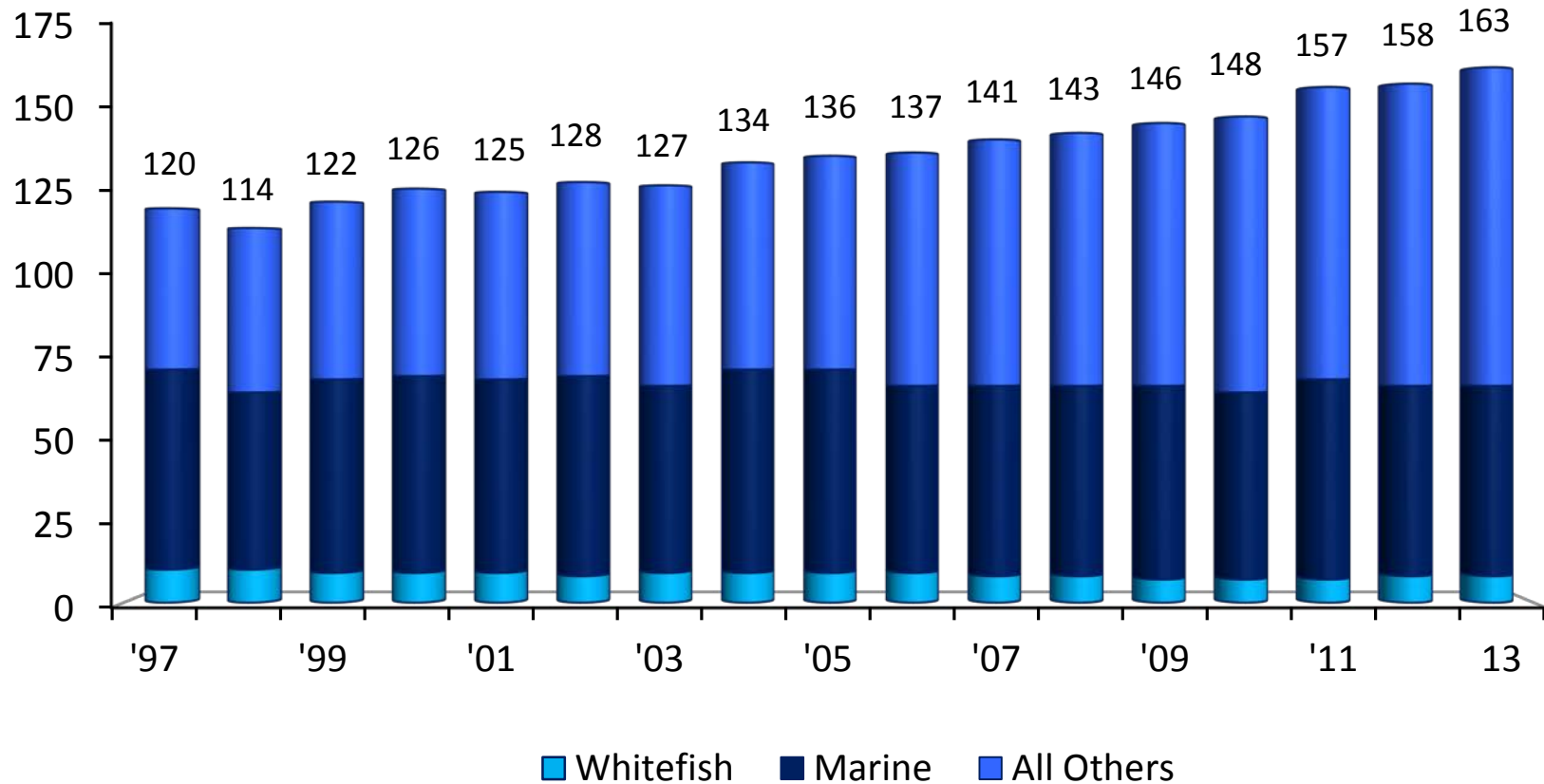
Uncompromising care – with extra servings of passion and integrity

NICHE AND VALUE VS. VOLUME



GLOBAL FISHERIES PRODUCTION PROPORTION OF WHITEFISH CATCHES

Million MT



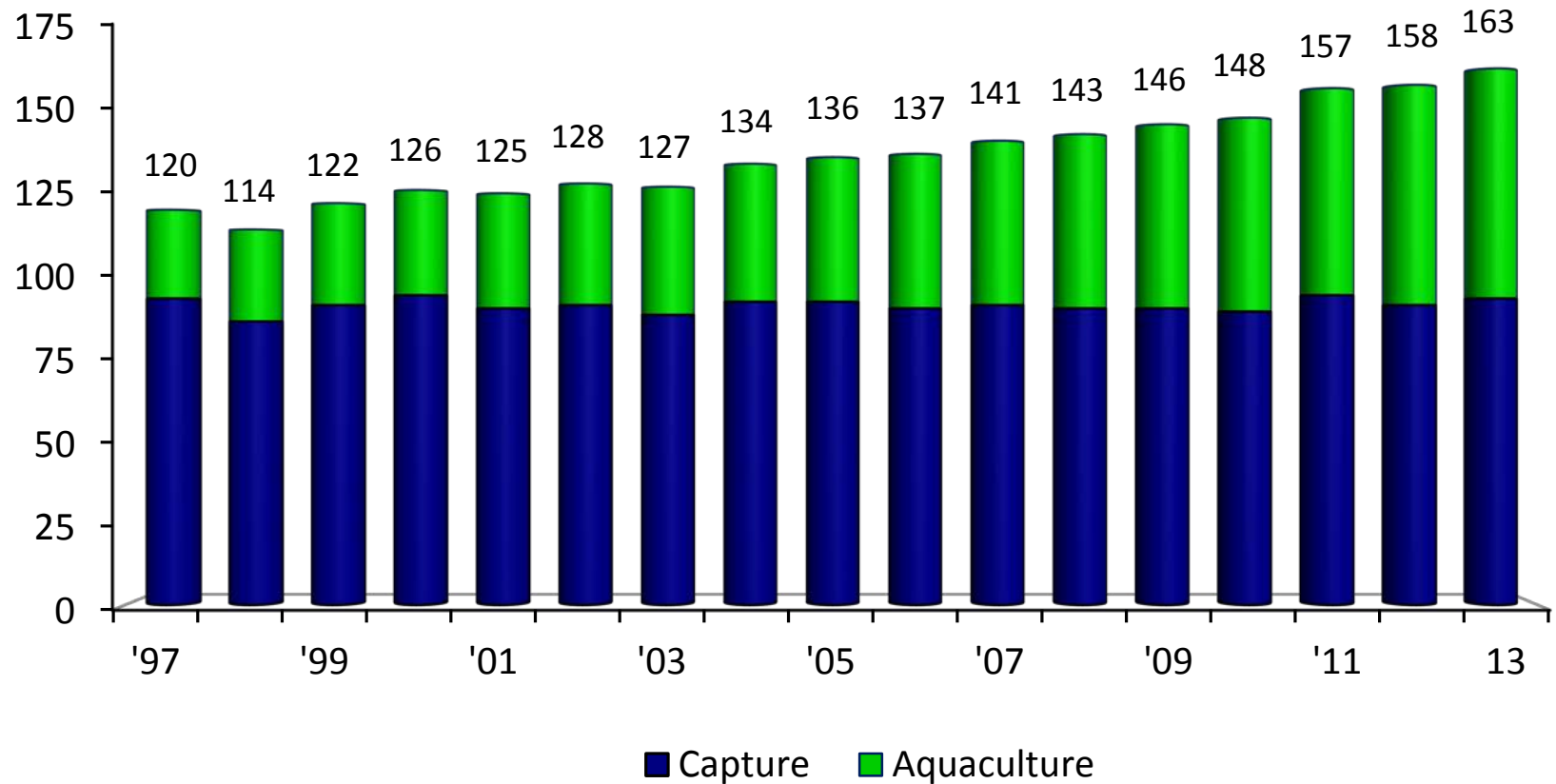
Source: FAO Fishery Statistics



GLOBAL FISHERIES PRODUCTION

SHARE OF CAPTURE AND AQUACULTURE

Million MT

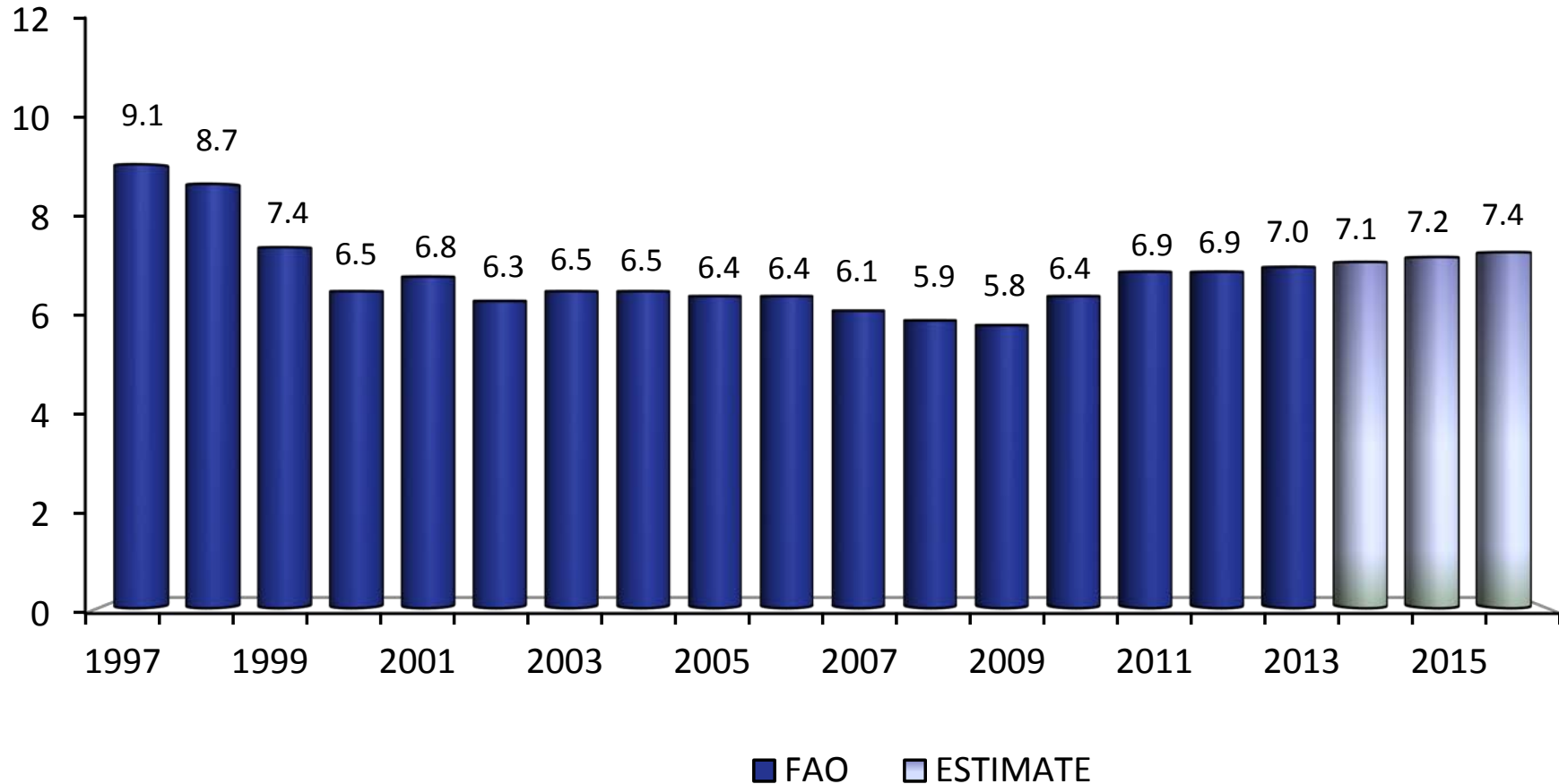


Source: FAO Fishery Statistics



POSITIVE GLOBAL WHITEFISH CATCH TRENDS FOR MAJOR SPECIES, WITH ALASKA POLLOCK CONTRIBUTING ≈ 50%

Million MT



Source: until 2013 = FAO; 14 - 16 = GROUND FISH FORUM PANELISTS / OWN ESTIMATES

FOCUS ON FRESH FISH FROM NEW ZEALAND

- > Increasing global demand
- > NZ offers great variety
- > Precision Seafood Harvesting as a game changer
- > Simplified processes, streamlined logistics
- > Establishing the link to consumers





SANFORD

THANK YOU

