

A background image of a sunset over a body of water. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. A pier or bridge structure is visible in the distance on the left side of the frame.

Tassal Group Limited

FY2018 Results

Responsible & sustainable growth

Mark Ryan
CEO & Managing Director

Andrew Creswell
Chief Financial Officer

24 August 2018

Delivering on our potential

- **Strong salmon position** across all growth metrics
 - Strong FY18 – average harvest size up 15.4% underpinned 21.4% growth in harvest tonnage
 - Well positioned for FY19 and beyond – live fish size at 30 June 2018 up 5.3% resulting in 5.5% increase in live biomass for harvest tonnage for FY19
- **Fish size initiatives** enable delivery to Asian export markets at optimal price points, while supporting domestic retail and wholesale markets
- **Favourable salmon market dynamics:** Strong consumer demand, particularly in wholesale market, offsetting cost pressures. This demand has resulted in an optimisation of sales (including sales mix), which together with an improving salmon base selling price - in both wholesale and retail markets – has allowed Tassal to optimise and grow margins. Domestically and globally, salmon demand is outpacing supply
- **Seafood and salmon growth strategy is the right strategy** – De Costi Seafoods continues to drive salmon and seafood growth, with strategic opportunities – like the acquisition of the Fortune Group's prawn farms - to deliver further seafood supply chain efficiencies
- **Strong results for FY18 with an Operational NPAT of \$50.3 million** and a solid platform to drive **continued growth for FY19 and onwards** – for our customers and shareholders



Our people

No job is so important that it cannot be done safely

- Safety commitment is consistent with maximising shareholder value
- FY18 safety performance improved from FY17
- Our focus and relentless pursuit is to achieve the core value of “Zero Harm”

KPIs	FY18	FY17
LTIFR	0.4	0.5
MTIFR	11.8	13.1
TRIFR	12.2	13.6
Scorecard	97.0	96.7
Driving the Safety culture scorecard	94.1	93.0

Definitions:

LTIFR – Lost Time Injury Frequency Rate: (Number of Lost Time Injuries/Total Number of Hours Worked) X 1,000,000 hours

MTIFR – Medical Treated Injury Frequency Rate: (Number of Medically Treated Injuries/Total Number of Hours Worked) X 1,000,000 hours

TRIFR – Total Injury Frequency Rate: LTIFR + MTIFR



Key strategic update for FY18

Organic Growth

- Expanded operationally to maintain our leading position in the market and to capitalise on the significant demand growth (domestic & global)
- Balanced growth between operational improvements and access to new sites
- Recognised the increase in the level of activism with the strategy implemented to manage this proactively

Cost Optimisation

- Cost Optimisation must be balanced with Revenue Optimisation
- With the negative cost of growing impact from summer water temperatures in 2017/18, together with the reduction in biomass in Macquarie Harbour (most cost effective lease) and start up costs of Okehampton and Port Arthur, we were unable to achieve cost of growing reductions in FY18
- Focus is to deliver cost reductions by focussing on:
 - Optimising lease areas
 - Increasing fish size
 - Improving feed conversion
 - Increasing the survival rate


Revenue Optimisation

- Maintained the retail mix of business, for stability of earnings and to drive domestic demand growth through growing domestic per capita consumption
- For salmon, price increases achieved during late FY18 for FY19 and onwards. Retail contracts put in place for circa 3 years (i.e. FY19 to FY21) for both Deli and fresh packaged fish supply with increased pricing
- Progressed seafood supply chain rationalisation to drive higher seafood margins
- Continued with Asian growth strategy for export as the key outlet for excess volume

Supply Chain Optimisation

- Invested in value adding products to drive domestic per capita consumption growth in the short and medium term, whilst there is capacity to do so
- Maintained reform to improve traceability and freshness. In many cases, this will also lead to lower cost
- Enhanced society value within Tasmania



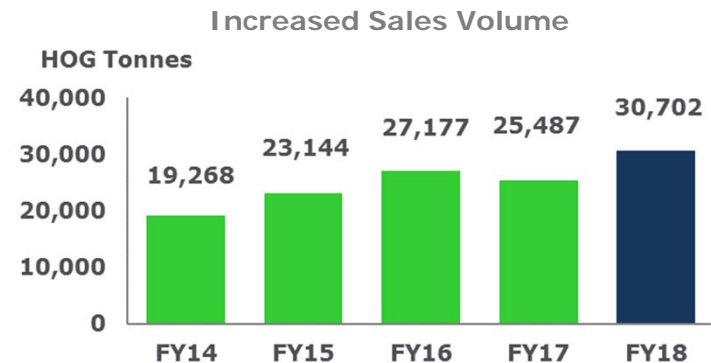
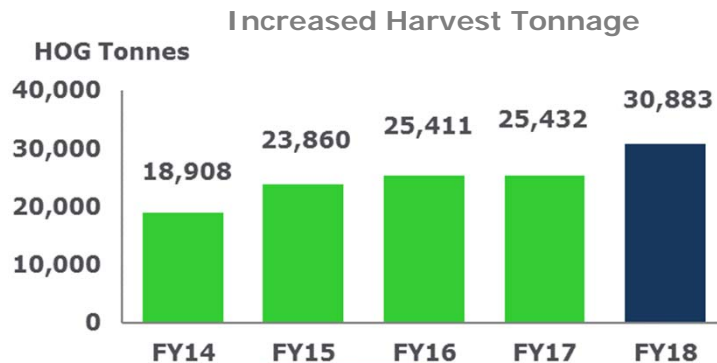
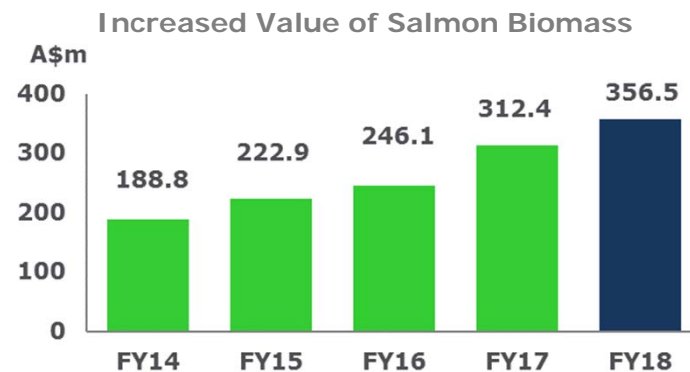
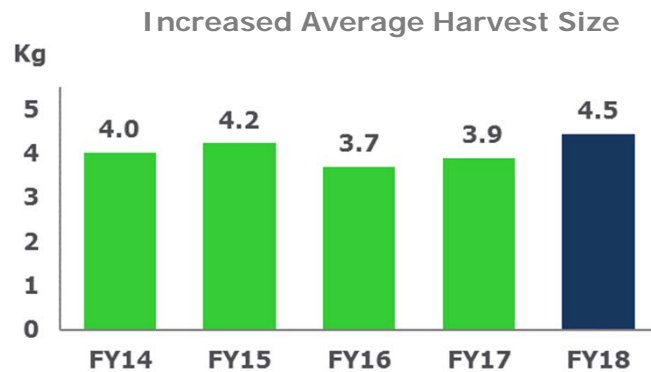


"Across all growth metrics – fish size and overall biomass leading to an increase in harvest tonnage – we have outperformed, and our **strong salmon position** underpins Tassal's future growth."



Strong salmon position

Through our continued focus on fish health, risk mitigation, research & development and selective breeding - we finished the year in a strong salmon supply position





"Tassal's **fish size initiatives** have delivered larger fish that have enabled delivery to Asian export markets at optimal price points, while supporting domestic retail and wholesale sales."

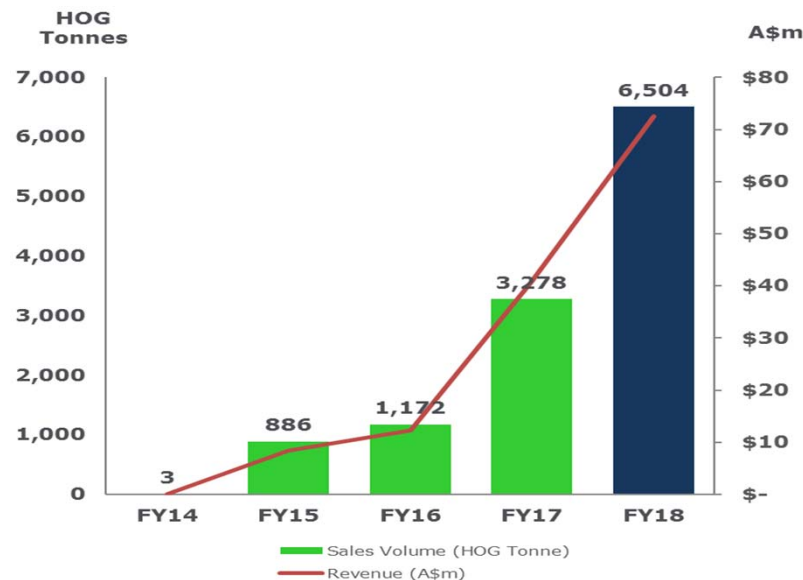


Export market strategically targeted

Export salmon market strategically targeted - flexed to optimise salmon returns across markets


- Export pricing softened in 1H18, but recovered strongly in 2H18. Most sales in 1H18
- Exports allow cash generation and optimised returns to be generated across the business
- Export sales volume up 98.4% - sales revenue up 77.3%

Tassal Export Salmon



Fish Pool Index – Global Pricing



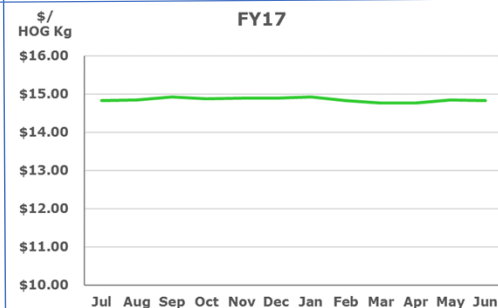
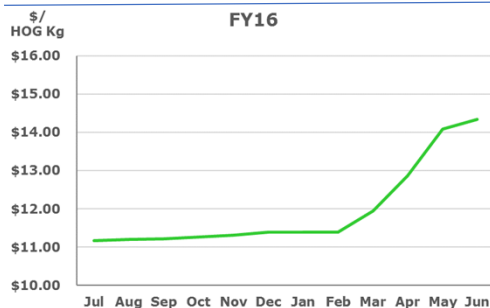
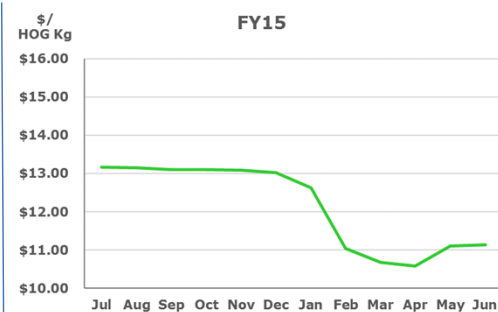
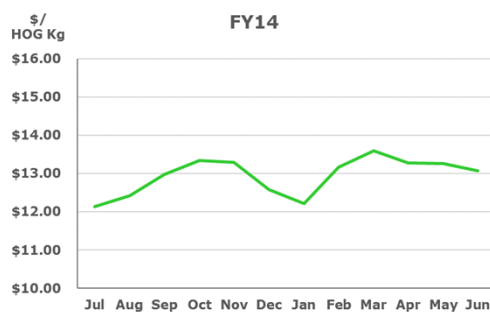


"Over the past 12 months we have seen **favourable salmon market dynamics**. Tassal, like the industry both domestically and globally, has seen cost pressures. However, this has been offset by strong consumer demand for Tassal's salmon (particularly in the wholesale market) which has improved pricing conditions – in both wholesale and retail markets - and allowed for further optimisation of our sales mix to maximise margins. There are supply pressures in both domestic and global markets, however, pleasingly, Tassal has been able to increase its supply position."

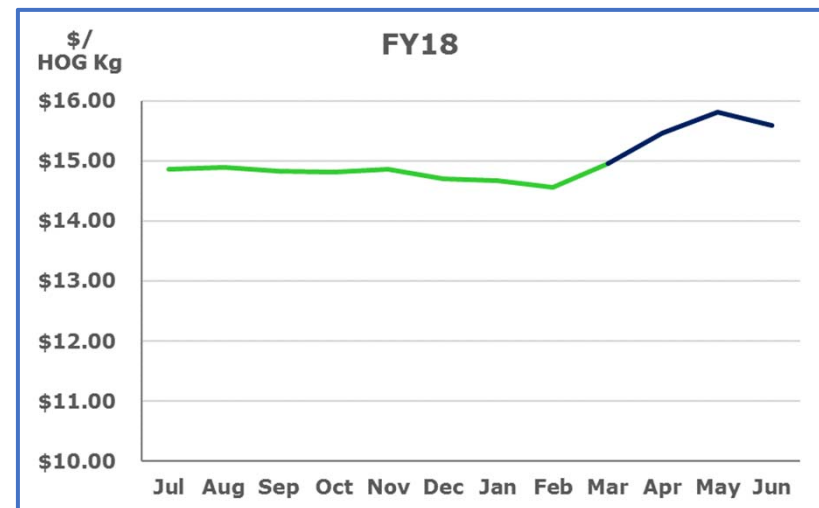


Strong pricing in the domestic salmon market

- Tassal has been able to increase its supply position ... despite a challenging warm summer 2017/18 for the Tasmanian salmon industry. Domestically, demand > supply
- Strong pricing. Average wholesale fresh hog pricing holding for most of FY18 ... and then increasing in Q4, with pricing for the month of June 2018 circa 5.2% above June 2017



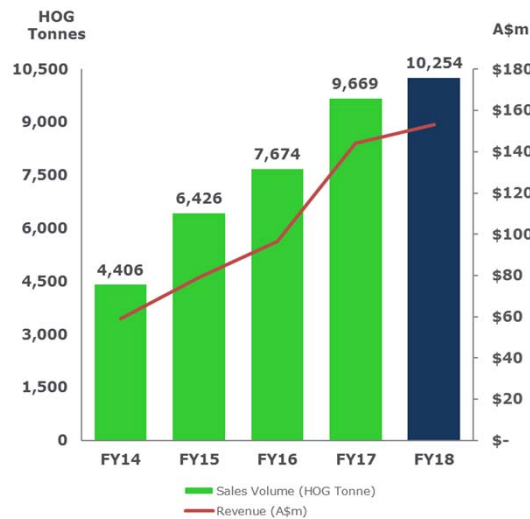
Domestic Average Wholesale Fresh HOG Price



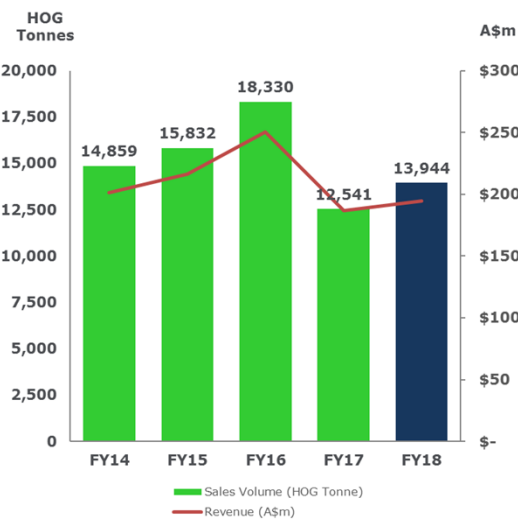
Optimising the domestic salmon mix

- Wholesale volume at 42.4% vs. retail volume at 57.6% (FY17: 43.5% vs. 56.5%)
- Wholesale sales volume was up 6.1% - sales revenue was up 6.2%
- Retail sales volume was up 11.2% - sales revenue was up 4.5%
- Significant growth in retail fresh packaged products at 11.4% over FY17

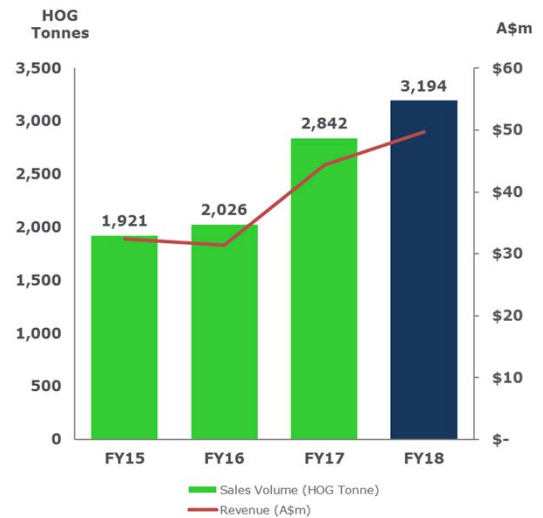
Domestic Wholesale Salmon



Domestic Retail Salmon



Retail Fresh Packaged Products





"Tassal's seafood and salmon growth strategy is the right strategy. De Costi Seafoods has been a very successful strategic acquisition, that continues to drive salmon and seafood growth. We see further potential strategic opportunities to deliver additional seafood supply chain efficiencies."



Salmon Growth - Right to grow

Responsibly balancing our people, planet, product and performance

Aquaculture Stewardship Council (ASC) certification maintained across all Tassal's operations for harvest fish



- Tassal was the first salmon producer globally to achieve ASC across its entire business
- Our commitment remains to pursue ASC standards across our harvest sites

Joint Venture with Petuna established for Macquarie Harbour (MH) ... supporting a sustainable future for MH

- The management model under the Joint Venture is expected to deliver significantly improved fish welfare, biosecurity and environmental outcomes in the long term, thus supporting a sustainable future for salmon farming in MH
- Tassal and Petuna have jointly developed a stocking plan that staggers the placement of salmon across lease areas in MH, allowing separation between big and small fish and for longer fallowing periods between production cycles

Franklin lease approved for restocking by the Environmental Protection Authority ... however, the challenges in Macquarie Harbour remain complex

Total spend on R&D activities over 5 years is \$125.8m. R&D over the past 5 years focused on mitigating climate change, supporting responsible growth of our salmon biomass on existing leases and facilitating growth further Offshore

Existing Tassal leases continue to be environmentally sustainable and enjoy excellent environmental compliance... Tassal continues with innovative ways to optimise these leases

- Focus to ensure existing leases demonstrate a balanced environmental, commercial and socially accepted position
- Through our continued focus on fish health and welfare, selective breeding and remote feeding, we continue to optimise these leases



De Costi Seafoods continues to drive seafood and salmon growth

- Operational EBITDA from De Costi Seafoods (including salmon) \$13.9m (FY17: \$12.7m)
- Earnout for FY18 was 1.85m shares. Overall earnout for the 3 years was 5.95m shares

- Initially, De Costi Seafoods focus was to provide a hub for both Salmon and Seafood products for Eastern Seaboard distribution and for Woolworths supply into Queensland & New South Wales
- Over the past 3 years, our focus was to grow the salmon retail fresh packaged fish business and rationalise the seafood range to focus on retail packaged fish and higher margin innovative retail seafood products (rather than bulk commodity seafood supply)
- From an EBITDA of \$10m on Acquisition 3 years ago, we have grown this business 39% to \$13.9m
- De Costi Seafoods is a strategic asset that is well positioned to support Tassal as opportunities present in the seafood value chain and to further grow salmon and seafood, highly innovative retail fresh packaged products



Seafood Growth - Strategic opportunities

- Tassal continues to investigate strategic growth opportunities that support a sustainable seafood business and strong returns to shareholders
- Acquisition of De Costi Seafoods is a prime example of Tassal unlocking large synergies in the seafood supply market to support increased consumption per capita of salmon and seafood and grow shareholder value
- Opportunities in the seafood value chain need to diversify earnings and mitigate risk – they must present strong efficiencies, be acquired at an appropriate value and be earnings per share accretive to be pursued
- Aligned with this strategy, Tassal has agreed to acquire the land, assets and inventory of the Fortune Group, a long-term supplier of prawns to De Costi Seafoods
- Fortune Group owns prawn farms at Yamba (NSW), Proserpine and Mission Beach (Qld)
- Salmon and prawns comprise 70% of retail seafood sales in Australia – no material growth in Australian grown prawn supply for over 10 years, but high consumer demand and pricing
- We are also evaluating regions for possible expansion of salmon farming operations (e.g. further Offshore and Larger Smolt facilities)
- Combined with farmed prawns, Tassal will continue to drive seafood growth and consumption in Australia



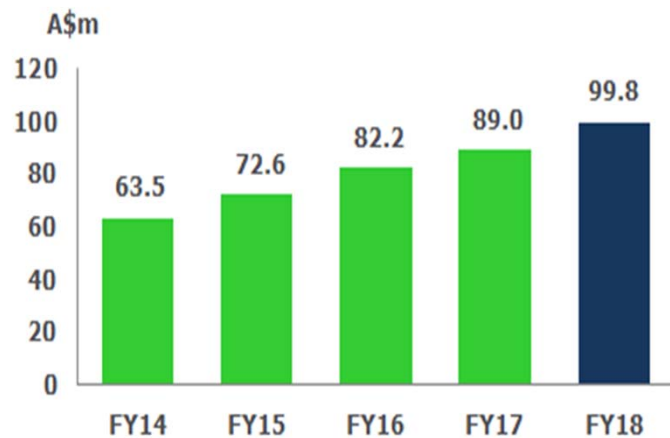


"The operational initiatives we have successfully executed on have **underpinned strong underlying financial results for FY18 with an Operational NPAT of \$50.3m (increase of 19.2%)**. They have also provided solid platform to drive **continued growth for FY19** and onwards – for our customers and shareholders."

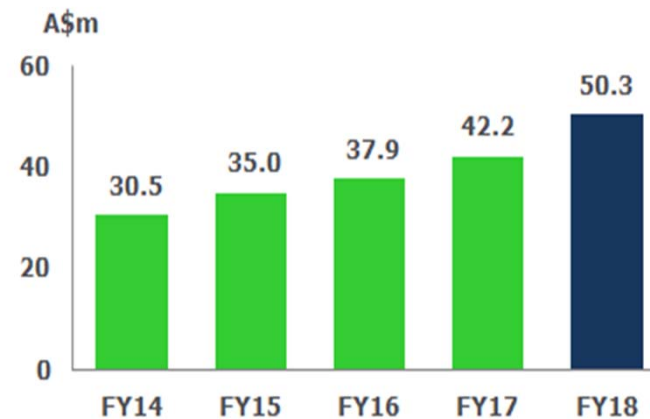


Solid results across all key metrics

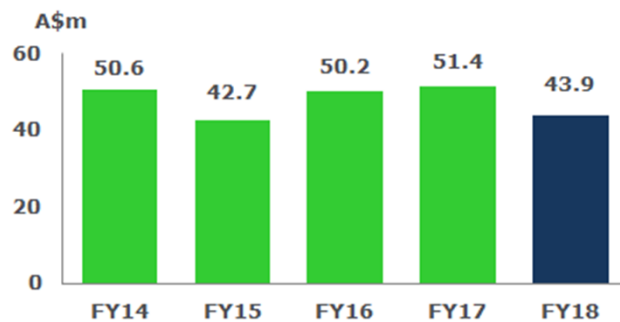
Operating EBITDA: **\$99.8m**



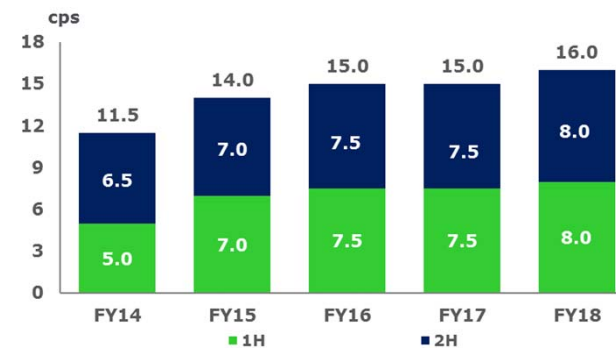
Operating NPAT: **\$50.3m**



Operating Cashflow: **\$43.9m**



Final Dividend: **16.0 cps, fully franked**



Record operational earnings and profits

Strong operational growth

Financial Performance (A\$m)	FY18	FY17	Change
Revenue	509.50	450.45	13.1% ▲
Operating results			
Operating EBITDA	99.78	88.97	12.2% ▲
Operating NPAT	50.31	42.19	19.2% ▲
Statutory results			
Statutory EBITDA ¹	110.00	114.55	(4.0%) ▼
Statutory NPAT ¹	57.29	58.08	(1.4%) ▼
Operating cashflow	43.88	51.36	(14.6%) ▼
Final dividend - cps ²	8.00	7.50	6.7% ▲
Total dividend - cps ²	16.00	15.00	6.7% ▲
Gearing Ratio ³	18.7%	12.4%	
Funding Ratio ⁴	28.5%	24.3%	

Note

1. FY18 EBITDA included \$10.8 million SGARA uplift, compared to \$32.3 million in FY17. Likewise, FY18 NPAT included \$7.6 million SGARA adjustment compared to \$22.6 million in FY17
2. Both final and total dividend for FY18 are fully franked
3. Gearing ratio as represented by net debt / equity
4. Funding ratio as represented by net debt + receivables purchase facility / equity

Strong growth in revenue

- Operational strategy of growing larger salmon – additional harvest biomass and size
- Strong growth in salmon domestic market per capita consumption
- Export market strategically targeted with bigger salmon

Operating earnings growing in line with revenue

- Favourable domestic salmon market sales mix and pricing
- Efficiency benefits flowing from more optimal salmon harvest biomass and size

Solid operating cashflow

- Cash receipts from revenue growth allowed appropriate cash spend in salmon biomass and capital infrastructure

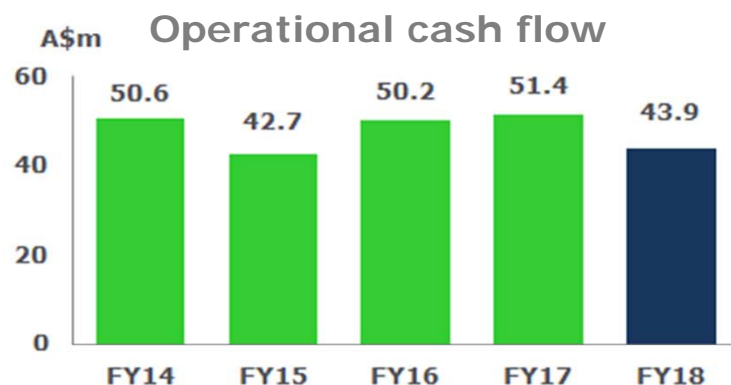
Increase in fully franked dividend



Strong operating cashflow

Supporting salmon biomass generation and long term reinvestment

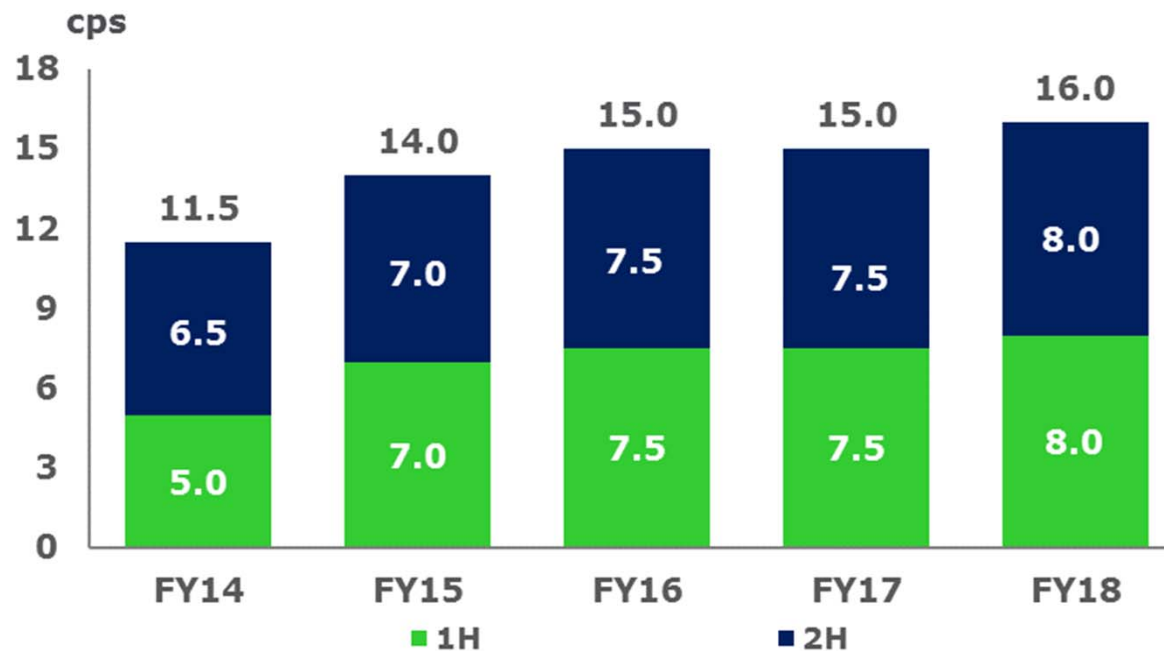
Operating Cashflow (A\$m)	FY18	FY17
Operating cashflow	43.88	51.36
Investing cashflow	(69.14)	(49.02)
Financing cashflow	18.53	15.70
Net increase/(decrease) in cash held	(6.74)	18.04



- Operating cashflow at \$43.9m (FY17: \$51.4m)
 - Reflects the strength of Tassal's underlying business and operational strategy
 - Cash receipts from revenue growth allowed appropriate cash spend in salmon biomass and capital infrastructure
- Solid cash generation from operations enabling investment in salmon growth and harvest biomass. The standing biomass (i.e. live biomass) at 30 June 2018 was 22,978 (30 June 2017: 21,778 tonnes) – growth of 1,200 tonnes
- Continued focus on responsible capital spend at \$69.1m to underpin sustainable growth in long-term returns
 - Earnings maintenance assets – spend circa 40%
 - Earnings growth assets – spend circa 60%



Increased fully franked dividend

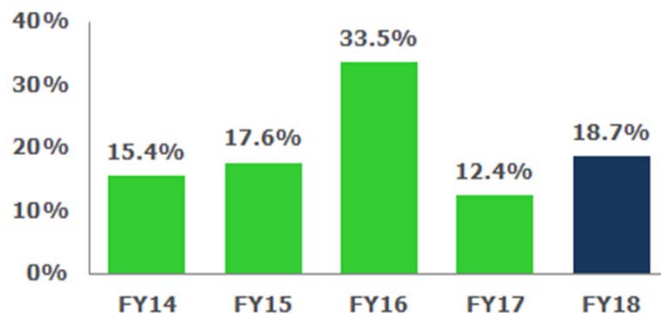


- Final fully franked dividend declared up 6.7% to 8.0 cps (FY17: 7.5 cps)
- Total fully franked dividend up 6.7% to 16.0 cps (FY17: 15.0 cps)
- Dividend Reinvestment Plan (non-underwritten) in place – 2% discount rate



Strong balance sheet – significantly de-risked

- Capital raising (share placement and share purchase plan) from 2H17 raised net proceeds of \$82.5m
- Capital raising, together with solid operating cashflow and responsible biomass growth and capital spend has gearing at 18.7% (FY17: 12.4%)

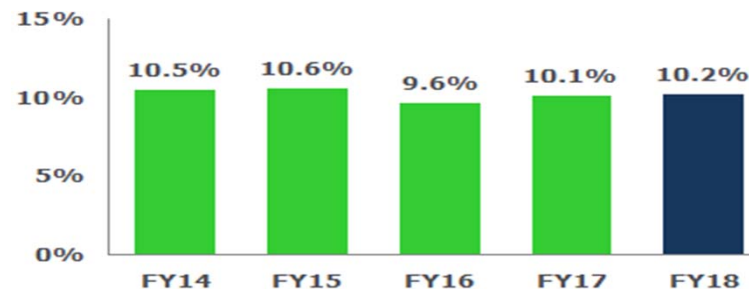


Conservative Gearing and Funding ratios – supported by capital raising, solid operating cashflow and responsible biomass generation and capital spend

- Gearing only 18.7% (FY17: 12.4%), providing flexibility to invest strategically for growth
- Appropriate bank funding arrangements in place – structure, headroom and tenor
- Funding ratio, i.e. including RPF (net debt + RPF / equity) at 28.5% (FY17: 24.3%)

Operational Return on Assets

- SGARA impact removed from calculation
- Operational Return on Assets sustainable moving forward
- Continuing to generate acceptable returns



Well Boat

- To ensure our fish remain healthy and active, Tassal bathes its fish in fresh water. This bathing process cleans amoeba from the gills of the fish and allows the fish to intake oxygen and release carbon dioxide more efficiently and effectively. To bathe the fish, fish are transferred from salt water to fresh water
- Tassal will be taking possession of a Well Boat under a 10 year lease (with Tassal holding a 5 year option) for delivery between September and December 2019 (FY20). The Well Boat will have a 3,500m³ water capacity – enough to completely bathe one of Tassal's largest pens circa 3X quicker than current methods
- The Well Boat business case was run on solely a reduction in labour and overhead costs, which offset and provided a net annual savings vs lease costs
- The Well Boat will also provide additional biomass benefits through improvements in survival, enabling further Offshore / higher energy farming and facilitating further lease optimisation from existing leases:
 - Reduced mortality arising from improved bathing techniques and frequency
 - Enabling bathing in higher energy / rougher sites
 - Increased lease optimisation through allowing quicker and more efficient bathing process
 - Increased lease optimisation through allowing transport of larger smolt to grow-out sites
- The following operational improvements should also result:
 - A material improvement in the safety risk of fish bathing on farms by a reduction in high risk tasks, manual handling, diving and towing
 - More efficient use of human resource allocation and overheads to operate farms
 - Improved biosecurity and fish health and welfare
 - Enabling grading fish during a bath, to better manage growth and sales optimisation



Well Boat

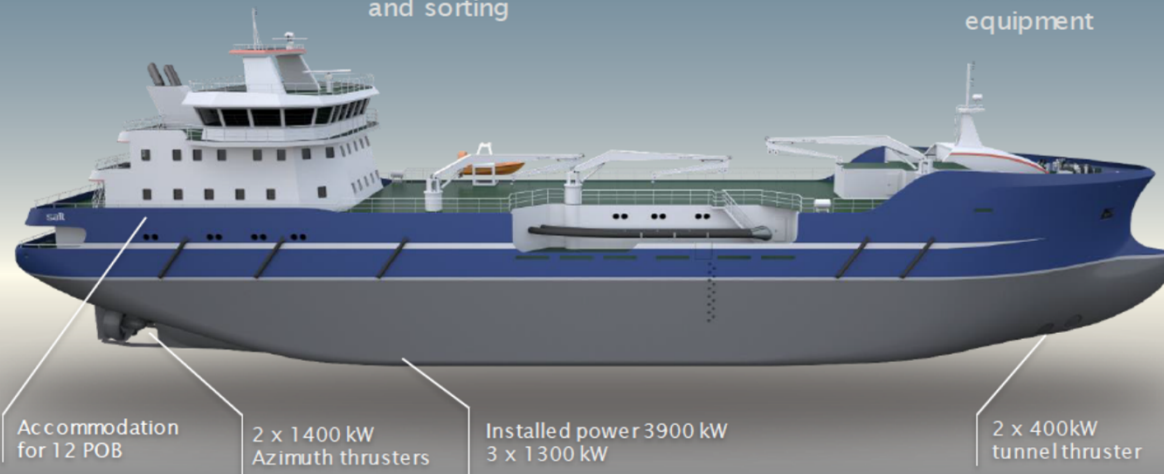
DESIGN HIGHLIGHTS

Routing of pipes given first priority, reducing number of bends and 3-way valves

Unique vacuum loading and sorting

Large sheltered deck, i.e. equipment sheltered from sea and waves

Flexibility for future equipment



10 June, 2018

salt
SHIP DESIGN

Main Particulars

Length overall	84.40 m
Length btw PP	75.70 m
Breadth moulded	16.00 m
Depth moulded	8.30 m
Service speed	11.0 kn

Capacities

Net well volume	3500 m ³
FW buffer	770 m ³
Fuel Oil	300 m ³

Class

BV + I AUT-UMS

3



Remote feed centre

- Tassal has implemented a remote feeding strategy which has commenced with a roll-out program that will see all pens remotely fed by 31 December 2018
- The implementation commenced at the end of February 2018 and initial analysis is showing both improved growth against previous feeding program (10%+) and pleasingly at a reduced feed conversion ratio (11%+)
- Remote feeding will play a pivotal role for Tassal with it contributing to:
 - Lower fish growing costs as feed conversion ratio will improve ... and we will feed fish with more efficient use of human resource allocation and overheads
 - Improving environmental outcomes as we will be able to more closely monitor fish feeding to ensure an optimal feeding performance from the fish ... and in turn, less feed wasted and therefore, improving seabed conditions
 - Improving people safety outcomes as feeding fish is a 365 day a year activity – in all weather conditions – with some weather conditions less than ideal for people being at sea to feed
 - Improving fish health and welfare as we are able to visually see the fish from many angles ... even in poor light conditions ... and monitor algae, jellyfish and other environmental conditions 'real time' and 'up close'



Climate change

- Climate plays an important role in Tassal's operations – particularly summer. Summer 2017/2018 was particularly challenging for the Tasmanian salmon Industry due to warm water conditions and its impact on biomass growth
- Tassal recognises climate change is likely to present a range of challenges to the aquaculture industry. Without proactive adaptation, salmon farming may become more vulnerable to disease and/or changes in environmental conditions
- Tassal has developed considerable options for adaptation including selective breeding, modification of farming technologies and practices, and geographic diversification of its marine farm portfolio
- Tassal has also engaged scientists to identify emerging climate trends and system responses, and to undertake comprehensive broad scale environmental monitoring
- A comprehensive risk management system is used to manage the long-term risks, issues and opportunities presented by climate change and respond accordingly
- Ultimately, if farmed salmon is managed effectively for the impacts of climate change, a positive financial benefit may be realised from the increased demand of farmed fish to the reduced availability of global wild stocks as a result of climate change impacts and over-fishing for wild stocks



Outlook for FY19 and onwards

Opportunities for FY19 that will add to the strategic horizon:

- Tassal forecasts an **increase in harvest production and sales in FY19**. From our analysis, there appears to be a supply shortage for domestic market fulfilment, and this should lead to strong pricing returns and an improved domestic pricing outlook – which should allow margin returns to increase in the short to medium term (despite a cost of fish growing increase)
- **Domestic and international demand continues to grow**. Demand for seafood in Australia is forecast to outstrip seafood and aquaculture growth, and analysts are signalling strong demand growth from China and North and South America. Analysts forecast 6-10% world growth in supply would be required to maintain price parity, and with supply likely to be less than this we are positioned for higher international pricing outlooks (global pricing estimated to be 20%+ above 2017 calendar year)
- We have **delivered fish size growth upwards of 3-5 years ahead of plan**, which supports both improved domestic yields and pricing, but also underpins an Asian export program, requiring very large fish (at a price premium)
- We are **actively investigating strategic growth opportunities that unlock large synergies in the seafood supply market**. Opportunities continue to be presented and assessed – like prawn farms - in the seafood value chain to diversify earnings and as a risk mitigation strategy. Opportunities must present strong competitive advantages similar to salmon in order to be pursued
- **Well Boat will see us bathing fish cheaper** than we currently do from a labour and overhead perspective ... plus the Well Boat **allows further biomass facilitation** when we implement farming further Offshore and when considering the use of larger Smolt in our salmon production



Outlook for FY19 and onwards

Overall, demand > supply, with outcomes pricing outpacing costs

- In the short to medium term, salmon pricing returns should at least cover increased farming costs. We believe that there should be more gradual growth curve for salmon biogain from Tasmanian salmon growers. We are well positioned in the short to medium term for responsibly increasing earnings from salmon production ... *selling more salmon biomass for more*
- We believe a continued focus on other seafood species (e.g. prawn farms) and geographic diversification (salmon and other seafood) remains right thing to do to ensure increasing shareholder returns ... particularly given the strong balance sheet position and to leverage / optimise the supply chain infrastructure that Tassal has in place
- Overall, with the movements in the strategic environment, we remain well placed to achieve our fundamental return targets, with the Well Boat and Feed Centre likely to drive both cost and operational efficiencies in the medium term. We are currently seeing a high demand/low supply thematic across both salmon and other seafood, combined with an improving pricing return environment
- Whether ultimately we achieve the fundamental targets through pricing, improvements and adaption of new technology or species diversification, management believes there is a well-balanced program in place to continue growth of shareholder returns
- Importantly, we are well positioned from balance sheet perspective to manage this next wave of growth



Any questions?



Appendices



Optimising sales mix

Increased wholesale hog pricing – smoked salmon volume and sales mix [highest priced product] negatively influenced domestic market pricing

Domestic revenue up 5.7%

Domestic Market	FY18	FY17	Change
Salmon Volume (Hog equiv tonnes)	24,198	22,209	9.0% ▲
Salmon Average Price (\$/Hog kg equivalent)	14.38	14.90	(3.5%) ▼
Salmon Revenue (\$m)	347.88	330.94	5.1% ▲
Seafood Revenue (\$m)	75.51	69.64	8.4% ▲
Total Revenue (\$m)	423.39	400.58	5.7% ▲

Export revenue up 71.1%

Export Market	FY18	FY17	Change
Salmon Volume (Hog equiv tonnes)	6,504	3,278	98.4% ▲
Salmon Average Price (\$/Hog kg equivalent)	11.16	12.48	(10.6%) ▼
Salmon Revenue (\$m)	72.56	40.92	77.3% ▲
Seafood Revenue (\$m)	2.96	3.22	(8.0%) ▼
Total Revenue (\$m)	75.52	44.14	71.1% ▲

Wholesale revenue up 6.0%

Domestic Wholesale Market	FY18	FY17	Change
Salmon Volume (Hog equiv tonnes)	10,254	9,669	6.1% ▲
Salmon Average Price (\$/Hog kg equivalent)	14.92	14.90	0.1% ▲
Salmon Revenue (\$m)	153.01	144.07	6.2% ▲
Seafood Revenue (\$m)	26.98	25.80	4.6% ▲
Total Revenue (\$m)	179.98	169.87	6.0% ▲

Retail revenue up 5.5%

Domestic Retail Market	FY18	FY17	Change
Salmon Volume (Hog equiv tonnes)	13,944	12,541	11.2% ▲
Salmon Average Price (\$/Hog kg equivalent)	13.98	14.90	(6.2%) ▼
Salmon Revenue (\$m)	194.87	186.87	4.3% ▲
Seafood Revenue (\$m)	48.53	43.85	10.7% ▲
Total Revenue (\$m)	243.40	230.71	5.5% ▲



Optimising sales mix

Salmon + Seafood

Operating Revenue (A\$m)	FY18	FY17	Change
Salmon	420.43	371.86	13.1% ▲
Seafood	78.47	72.86	7.7% ▲
Total Revenue	498.90	444.72	12.2% ▲

Domestic + Export

Operating Revenue (A\$m)	FY18	FY17	Change
Domestic	423.39	400.58	5.7% ▲
Export	75.52	44.14	71.1% ▲
Total Revenue	498.90	444.72	12.2% ▲

Strong growth in Salmon

- Larger harvest biomass and size – strategic focus to drive efficiency benefits

Continued growth in Seafood (De Costi)

- Focus on highly innovative product and packaging formats
- Higher margin products

Continued growth in domestic market

- Strong domestic per capita consumption growth
- Favourable domestic market sales mix

Export market strategically targeted – larger fish focus



SGARA Impact

Future value of salmon biomass at sea is still increasing

Profit Reconciliation	FY18	FY17	Change
Operating NPAT	50.31	42.19	19.2% ▲
Add AASB 141 SGARA Increment / (Decrement)	7.57	22.62	(66.5%) ▼
Less Contingent Consideration Adjustment	0.59	6.73	91.3% ▲
Statutory NPAT	57.29	58.08	(1.4%) ▼

The fair value adjustment of the salmon at sea (being fair value less estimated point of sale costs) is affected by changes in the following key inputs:

- future harvest quantity
- future net market value to be received
- costs to grow the salmon to a harvestable size
- freight costs to market
- appropriately discounting cash flows from future sales of the salmon at sea

SGARA adjustment still increasing

- Biological assets (being salmon at sea) are accounted for in accordance with AASB 141 Agriculture (SGARA) which accounts for the fair value of the salmon at an estimated harvest tonnage and at an estimated future net market value
- Reported value of the salmon at sea at FY18 is compared to FY17 – any difference in value is then applied in the income statement as an increment (SGARA uplift) or decrement (SGARA reduction)

Significant uplift in SGARA in FY17

- FY17 saw a significant step change in both the estimated harvest tonnage expected to come from the salmon at sea together with the pricing and consequent net market value from the salmon vs. estimated outcome at FY16

Uplift in SGARA in FY18

- Expected fair value from biological assets increasing by \$10.8m (pre tax) in FY18 vs. FY17, reflecting continued growth in live biomass and net market value



Statutory, underlying & operating results

FY18 vs FY17

	Statutory Profit \$'000	Contingent Consideration Adjustment \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Result \$'000
Full Year ended 30 June 2018					
Revenue (from all sources)	\$ 509,504	\$ -	\$ 509,504	\$ -	\$ 509,504
EBITDA	\$ 110,003	\$ 588	\$ 110,590	\$ (10,809)	\$ 99,781
EBIT	\$ 86,978	\$ 588	\$ 87,565	\$ (10,809)	\$ 76,756
Profit before income tax expense	\$ 79,316	\$ 588	\$ 79,903	\$ (10,809)	\$ 69,094
Income tax expense	\$ (22,023)	\$ -	\$ (22,023)	\$ 3,243	\$ (18,780)
Net profit after income tax expense	\$ 57,293	\$ 588	\$ 57,880	\$ (7,567)	\$ 50,313

	Statutory Profit \$'000	Contingent Consideration Adjustment \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Result \$'000
Full Year ended 30 June 2017					
Revenue (from all sources)	\$ 450,453	\$ -	\$ 450,453	\$ -	\$ 450,453
EBITDA	\$ 114,553	\$ 6,727	\$ 121,280	\$ (32,312)	\$ 88,968
EBIT	\$ 93,618	\$ 6,727	\$ 100,345	\$ (32,312)	\$ 68,033
Profit before income tax expense	\$ 85,556	\$ 6,727	\$ 92,283	\$ (32,312)	\$ 59,971
Income tax expense	\$ (27,473)	\$ -	\$ (27,473)	\$ 9,694	\$ (17,779)
Net profit after income tax expense	\$ 58,083	\$ 6,727	\$ 64,810	\$ (22,618)	\$ 42,192



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A background image of a sunset over a body of water. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. A pier or bridge structure is visible on the left side of the water.

Tassal Group Limited

FY2018 Results

Responsible & sustainable growth

Mark Ryan
CEO & Managing Director

Andrew Creswell
Chief Financial Officer

24 August 2018