

Angel Seafood Holdings Ltd

FY2019 results presentation

30 August 2019



FY19 was a year of significant progress

5.3m

Oysters sold
179% increase

50%

reduction in
mortality

2.5x

stock on hand

**First
export
sales**

Positive

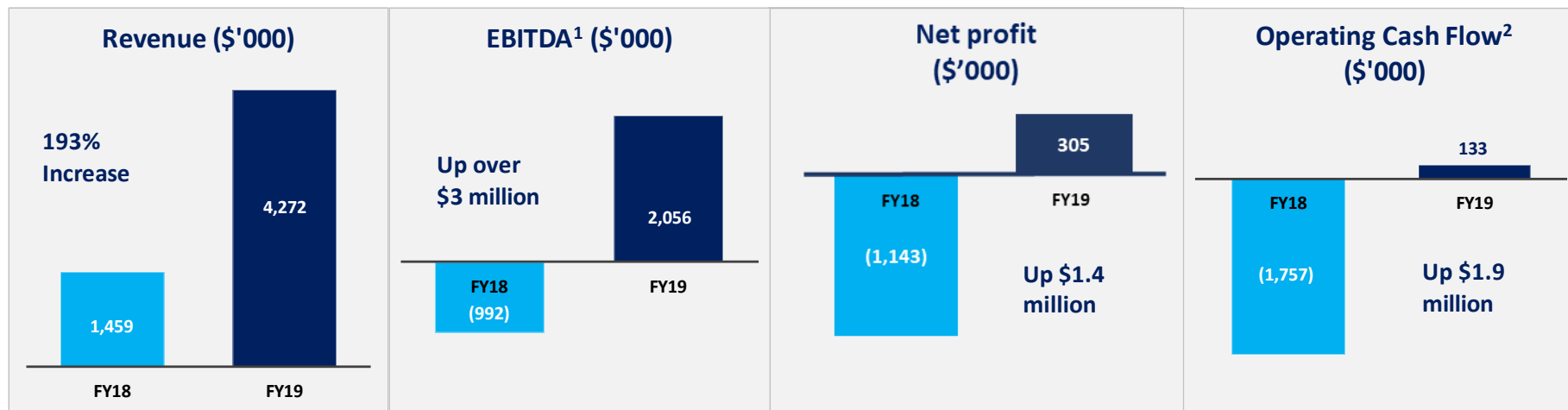
operating
cash flow¹

**Maiden
profit**

1. Adjusted operating cash flows (reconciliation on slide 9)

FY19 Financial Highlights

Substantial growth achieved across all metrics

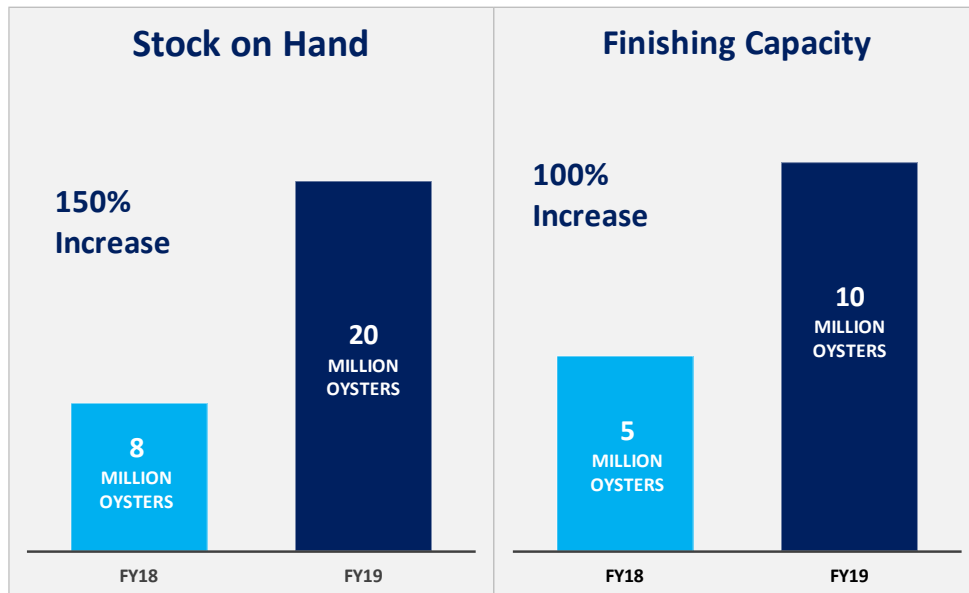


1. Underlying post-SGARA EBITDA
2. Adjusted operating cash flows (reconciliation on slide 9)

FY19 Operational Highlights

Building economies of scale

- **Significant capital expenditure program executed**
 - › Purpose-built export facility commissioned
 - › Additional 16.5Ha¹ acquired
 - › Investment in supporting infrastructure
- **Finishing capacity and stock on hand has grown significantly**
 - › Spat purchases brought forward to take advantage of good growing conditions
- **Export sales to Hong Kong commenced in Q4**
- **Strengthened management team**

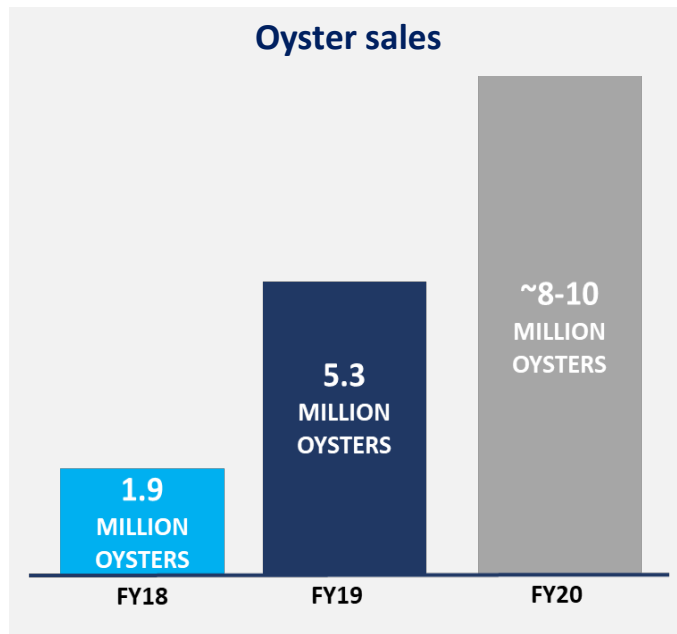


1. Includes additional 1.5Ha purchased after balance date in Coffin Bay

Outlook for FY20

Continued growth across all metrics

- **Increase oyster production and sales**
 - › Slower growing conditions experienced over Q1
 - › Guidance of 8-10 million oysters sold for FY20
 - › Improved stock profile (volume and quality)
- **Growing export channels**
- **Pursue opportunities for further growth**



Review of FY19 Financials

Profit & Loss

Revenue growing strongly; scale benefits resulting in maiden profit

- Record revenue results
 - › Growth in volumes following capital expenditure program
- Fair value (SGARA) adjustment of \$1.9m reflects growth in oyster holdings over FY19
- R&D tax incentive of \$476k
- Underlying pre-SGARA EBITDA of \$0.2m, up from prior year loss of \$1.8m
 - › Scale benefits beginning to contribute to growth in earnings
- Increased depreciation & amortisation as a result significant capex program
- NPAT result of \$0.3m

	FY19 (\$'000)	FY18 (\$'000)	Growth
Revenue	4,272	1,459	192.8%
<i>Other income</i>	483	52	>>
Total income	4,755	1,511	214.8%
Underlying pre-SGARA EBITDA	188	(1,844)	>>
<i>Share based payments</i>	(881)	(287)	
<i>Related party loan forgiven</i>	-	780	
<i>IPO expenses</i>	-	(392)	
Pre-SGARA EBITDA	(693)	(1,742)	>>
<i>Fair value adjustment (SGARA)</i>	1,868	852	119.3%
Underlying post-SGARA EBITDA	2,056	(992)	>>
Post-SGARA EBITDA	1,175	(890)	>>
<i>Depreciation & Amortisation</i>	(689)	(361)	90.9%
EBIT	487	(1,251)	>>
<i>Interest expenses</i>	(181)	(53)	242.4%
Profit Before Tax	305	(1,304)	>>
<i>Income Tax</i>	-	161	<<
Profit / (Loss) for the year	305	(1,143)	-126.7%
Reported EPS (cents)	0.24	(1.18)	-120.3%

Balance sheet

Reflects significant investment for future growth

- **Balance sheet reflects significant capex program over FY19**
 - › Cash balance of \$0.5m, down from \$4.0m
 - › Investment in lease infrastructure and water holdings has increased capacity substantially
 - › Biological assets increase reflects growth in oyster stock
- **Debt facilities increased over FY19 to \$4.0m**
 - › Debt to capital ratio of 34%
 - › Operating cash flow positive
- **Post balance date Smoky Bay assets disposed for \$450k**

	FY19 (\$'000)	FY18 (\$'000)
Cash	530	3,957
Receivables	526	250
Biological Assets	3,237	1,361
Total current assets	4,322	6,004
Biological Assets	920	102
PP&E	7,039	3,411
Intangible assets	6,580	2,749
Total non-current assets	14,564	6,271
TOTAL ASSETS	18,885	12,274
Trade & other payables	569	169
Borrowings	2,580	724
Total current liabilities	3,331	961
Borrowings	3,218	177
Total non-current liabilities	3,249	194
TOTAL LIABILITES	6,580	1,156
NET ASSETS	12,305	11,119

* Note that balance sheet table only shows material accounts

Cash Flow

Operating cash flow positive for FY19

- **FY19 operating cash flow positive with \$0.1m achieved on an adjusted basis**
 - › Driven by growth in production and sales
 - › Statutory operating cash flows pre-adjustment of \$(0.2)m
- **Investing cash outflows of \$5.8m reflects major investment program in water leases, infrastructure, equipment and export facility**
- **Financing cash flows of \$1.1m largely reflects additional borrowings**

	FY19 (\$'000)	FY18 (\$'000)	Change (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	4,117	1,500	2,617
Payments to suppliers and employees	(4,402)	(3,505)	(897)
Other	73	(43)	116
Net operating cash flow	(212)	(2,048)	1,836
Movement in receivables/payables	(120)	291	(411)
Hank acquisition	230	0	230
Spat purchases brought forward	236	0	236
Adjusted cash flow from operations	133	(1,757)	1,890
CASH FLOWS FROM INVESTING ACTIVITIES	(5,765)	(2,557)	(3,208)
CASH FLOWS FROM FINANCING ACTIVITIES	1,082	7,207	(6,125)
Net (decrease)/increase in cash	(4,895)	2,602	
Cash at beginning of period	3,957	1,356	2,602
Cash at end of period	(938)	3,957	(4,895)

Summary

Harvesting the benefits of growth program, positioned for continued growth

- **FY19 was a significant year of progress**
- **Substantial improvement across all key metrics**
- **Maiden profit**
- **Operating cash flow positive**
- **Positioned for continued growth**
 - › Continuing growth to maximise benefits of scale
 - › Growing export channels
 - › Pursue other growth opportunities

For further information
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