

Angel Seafood Holdings Ltd



Results for the Quarter ending 30 June 2020

Q4 FY2020

Zac Halman, CEO

20 July 2020



Record sales achieved in unprecedented trading environment

Growth in retail channel offsetting the adverse impact of restaurant closures

- A record quarter of sales achieved despite key trading channels completely shutting down
 - 2.1 million oysters sold, up 5% on Q4 FY19
 - Highlights quality of Angel's oysters, agility of the business and strength of customer relationships
 - Strong growth achieved through retail channel
- A record full year sales of 6.6 million oysters, up 25% on FY19, reflecting underlying growth in the business
 - Water holdings of 36Ha# across Coffin Bay, Cowell, and Haslam
 - Strong stock profile
 - Growing consumer preference for healthier food
- Underlying prices for oysters remained steady over the quarter
- Positive cash flow achieved for the quarter and full year

KEY Q4 FY20 METRICS

2.1m

Oysters sold
5% increase

20m

Stock on hand

Biomass*

Up 34%

Revenue

Up 4%

Exports

recommended

Positive

**Full year
operating CF****

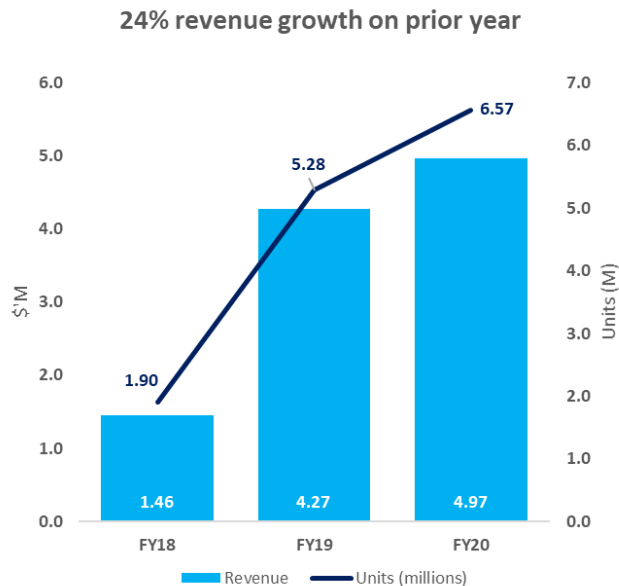
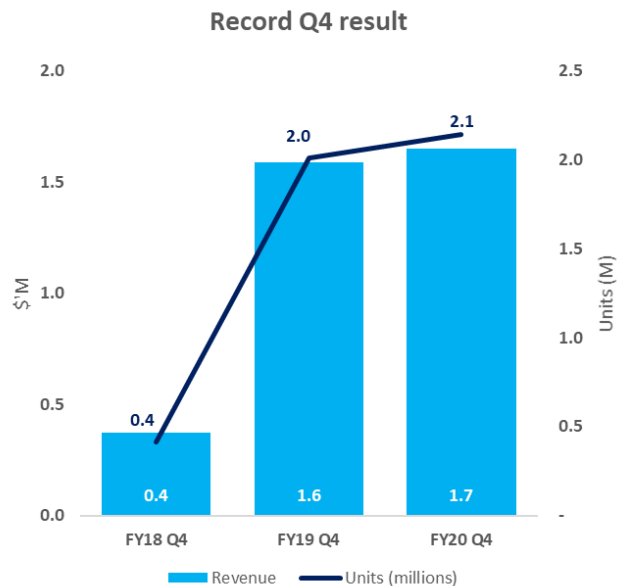
Does not include undeveloped water leases

* Biomass is the aggregate weight of all biological stock. It does not directly correlate to valuation and may vary due to seasonal factors

** Financial results presented are unaudited

Record sales across Q4 and FY20

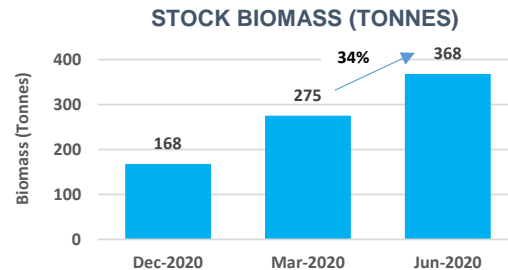
A record number of oysters sold over the quarter and for the full year



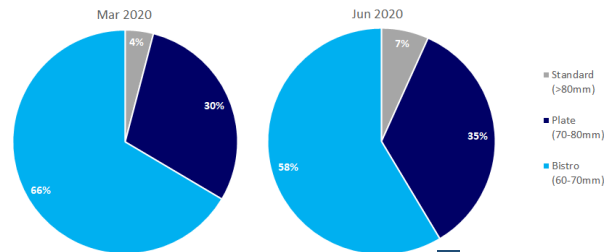
Further improvement in stock profile towards larger sizes

COVID-19 impact has allowed for improvement in stock profile

- Autumn growing conditions in Cowell and Coffin Bay resulted in further improvement in stock profile
- Biomass* increased 34% during the quarter, with 20m oysters on hand at 30 June
- Proportion of larger size oysters in mature stock on hand has increased significantly
 - Average price per oyster expected to improve as a result of improving sales mix
- Leases close to capacity; Haslam facility in use throughout Q4 to accommodate increased biomass
- Additional 2Ha developed in Haslam in Q4; total of 9Ha now in use
- Capacity to finish 10 million oysters for sale each year



BREAKDOWN STOCK CONDITIONING FOR SALE



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*Biomass is the aggregate weight of all biological stock. It does not directly correlate to valuation and may vary due to seasonal factors

COVID-19 driving strong sales growth in the retail market

Increasing exposure to large retailers a key part of Angel's long-term strategy

- **Slowdown in restaurant sales has fast-tracked Angel's strategy to build its retail sales program**
 - › Strong growth in sales to the retail channel in Q4
 - › Strengthening relationships with large retailers
 - › Growing recognition that Angel can guarantee continuous supply of good quality stock to retailers
- **Significant opportunity to further increase penetration within retailers**
 - › Currently less than 20% of major retail stores sell oysters
- **Mainly bistro size oysters sold through retailers**
 - › Complements restaurants' and export markets' preference for larger size oysters



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Decisive actions taken to offset impact of COVID-19

Focused on positioning Angel for the long-term

- **Restaurant closures resulted in channel mix weighing towards retail**
 - › Sales slowdown used as an opportunity to further improve stock profile
 - › Increased focus on domestic retail sales program
 - › Short-term strategy adapted to optimise business performance
- **Implemented decisive actions to offset the adverse impacts**
 - › Discretionary operating expenses stopped
 - › Planned expansionary capex deferred
 - › Actions taken to improve financial position and liquidity
 - › Access to Government support packages
- **Post balance date, Hank Lease for Coffin Bay water and option to purchase extended two years**
 - › Providing additional cash flow flexibility before contemplating the purchase
- **Uncertainty remains with regards to ongoing COVID-19 impacts; Company remains alert**



Outlook: Angel positioned strongly for demand recovery

Short term focus remains on retail channel

- Angel continues its domestic sales program into retail channels, including to large retailers
 - › Significant opportunity to expand this channel
- Progressive easing of COVID-19 restrictions in some States should result in increased demand from restaurant channel
 - › Significant uncertainty remains with potential for sustained or renewed restrictions
- Angel is well positioned for strong growth once consumer demand returns to normal levels with larger oyster sizes available
- Exports continue to represent a large long-term growth opportunity
- Further growth opportunities through consolidation, vertical integration, branding and retail innovation



For further information
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The logo for Angel Seafood, featuring the word "ANGEL" in a large, white, serif font with a horizontal bar over the "A", and the words "SEAFOOD" in a smaller, white, sans-serif font below it.

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