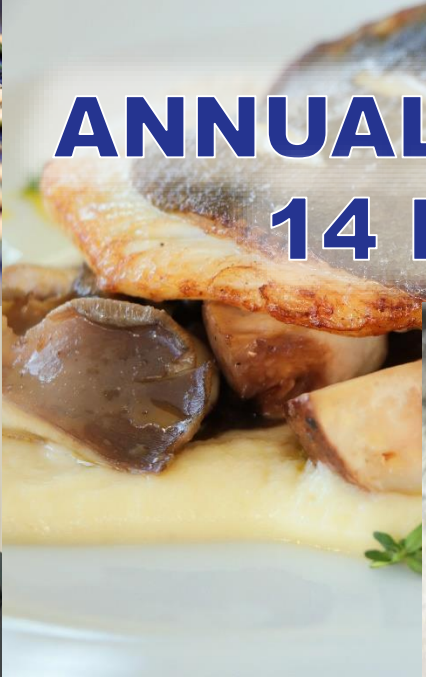




# ANNUAL GENERAL MEETING 14 DECEMBER 2018



BIG GLORY BAY  
OCEAN-FARMED  
KING  
SALMON  
STEWART ISLAND / NEW ZEALAND  
BIGGLORYBAY.CO.NZ



**Steffan Stewart**  
**1992-2018**



# Solid business performance despite adverse climatic conditions

CATCH/HARVEST VOLUME

**118k GWT**

↓ 5.6%

REVENUE

**\$515M**

↑ 7.7%

ADJUSTED EBIT

**\$64.7M**

↑ 1.5%

EBIT GWT kg

**54c\***

↑ +0.02c/kg

RETURN ON AVERAGE  
TOTAL EQUITY

**7.3 %**

↑ Up from 6.6%

NPAT

**\$42.3M\*\***

↑ 12.9%

EPS

**45c**

↑ +5c

ANNUAL DIVIDEND

**23CPS**

Stable

Wild Catch GWT	↓	2%
Deepwater	↓	2%
Inshore	↓	9%
Fishing partners	↑	5%

Aquaculture GWT	↓	14%
Salmon	↓	4%
Mussels	↓	15%

Revenue per PW kg	↑	8%
9.2% fresh sales (from 8.3%)		
Hoki product cascade		
Salmon price achievement		
Ling swim bladders		

\* Excluding third party partner catches, EBIT is \$.57/kg to \$.63/kg up 6 cents

\*\* Including Havelock insurance settlement of \$6.8m net of repair cost

# Strong cash flow and balance sheet

## GEARING

**26.6%**

↓ down from 32.3%

## NET DEBT

**\$152.4M**

↓ 16%

## EBITDA\*

**\$84.4M**

↑ 2%

## TOTAL EQUITY

**\$582M**

↑ 1%

## DEBT / EBITDA

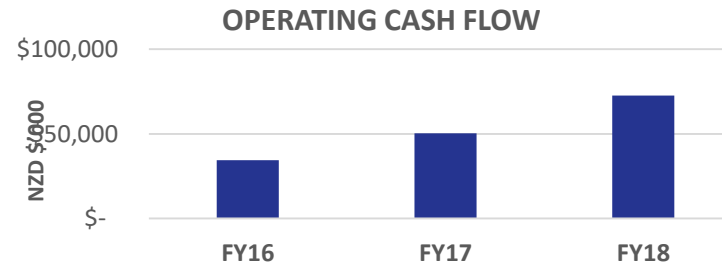
**1.81x**

↓ FY17 2.25x

## Operating Cash Flow

**\$72.6m**

↑ 44%

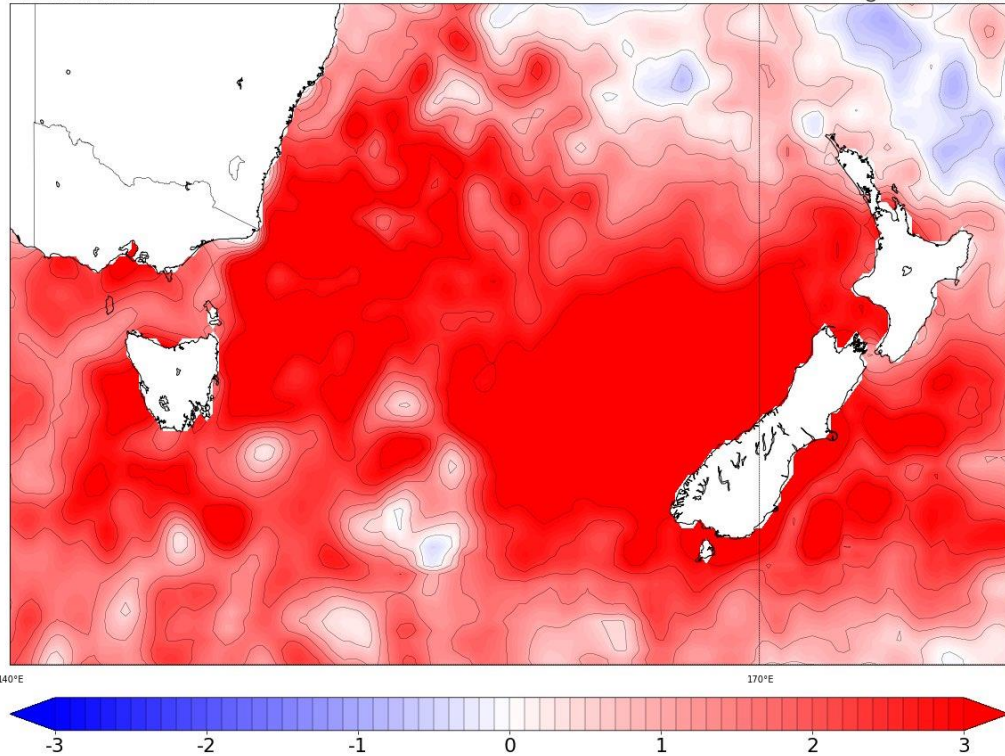


\*EBITDA: Earnings before interest, taxation, non trading currency exchange gain/(loss), depreciation, amortisation, restructuring, adjusting items, impairment and gain (loss) on sale of investments, intangible and long term assets

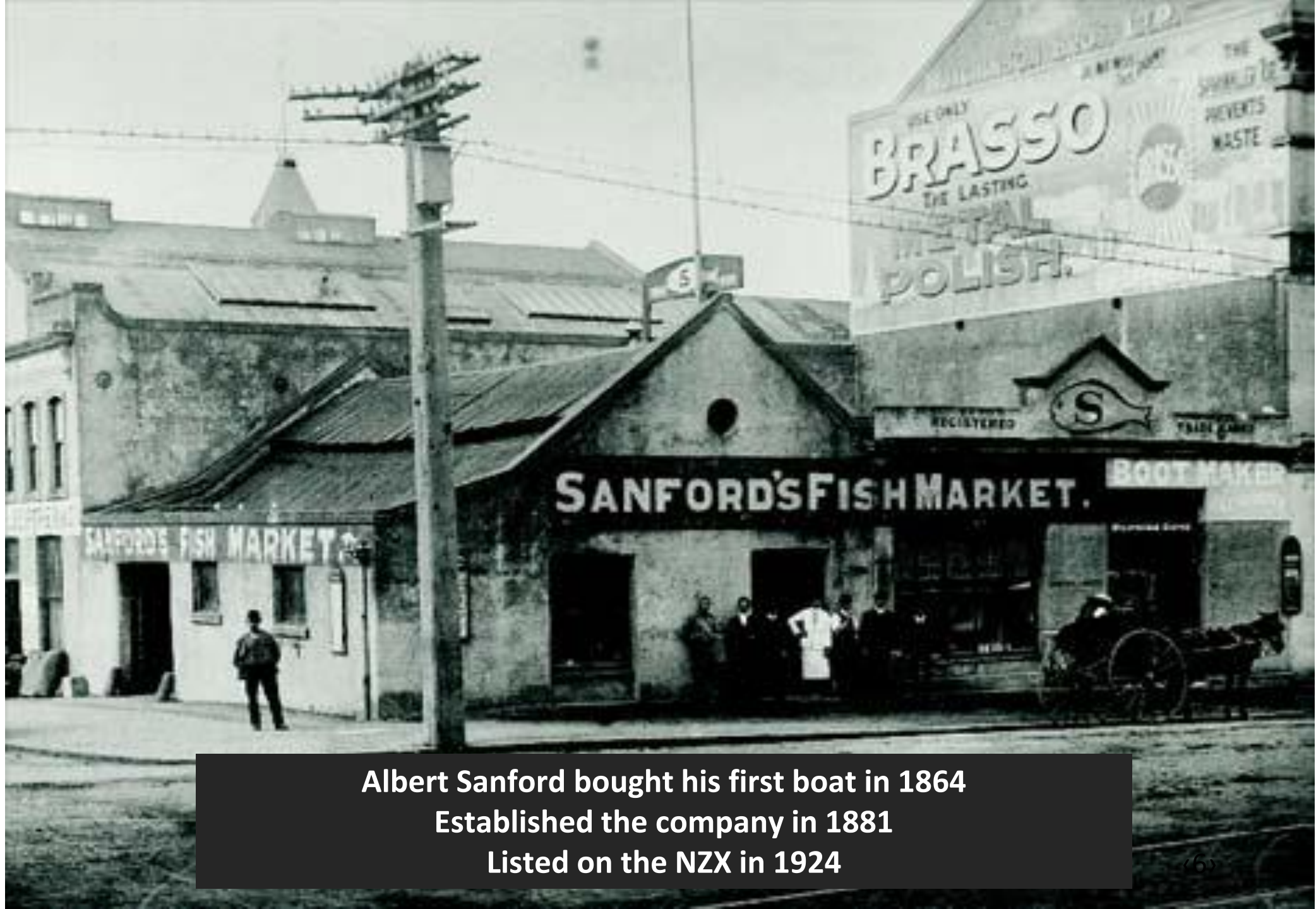
# FY18 Headwinds

Sea Surface Temperature Anomaly (°C)  
28 Nov 2017

Data: NOAA OISSTv2  
@BenNollWeather



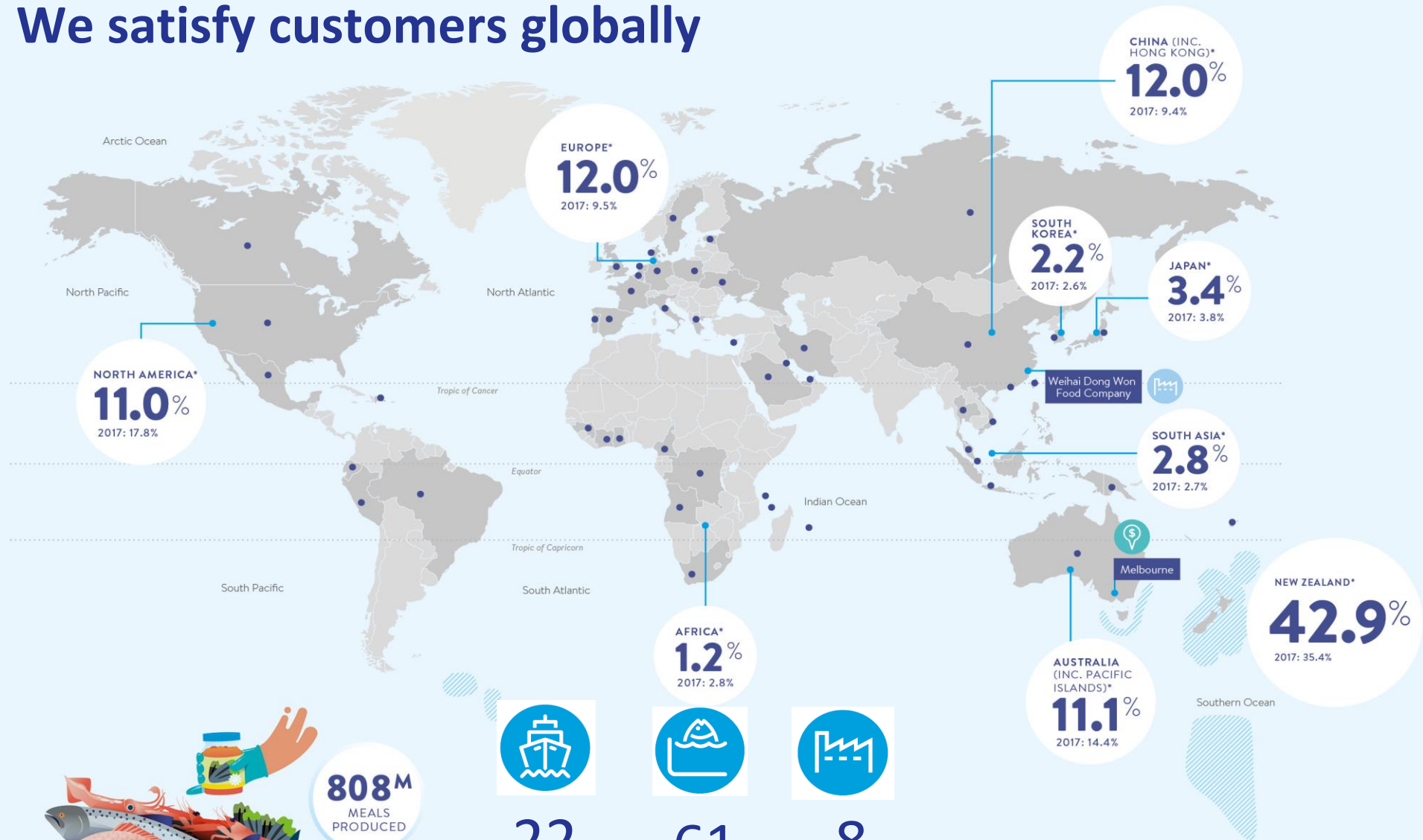
- Marine heatwave impacted salmon growth and mortality rates – led to suspended sales for 10 weeks
- Algal bloom impacted mussel harvests and yields in Marlborough
- Extended shutdown of Havelock plant for earthquake repairs
- Lower hoki catch volumes  
leading to voluntary shelving of West Coast hoki catch entitlement in 2018/19 season
- Inshore fleet impacted by poor weather conditions and reduced fleet size, mitigated by engaging private fishing partners



**Albert Sanford bought his first boat in 1864  
Established the company in 1881  
Listed on the NZX in 1924**



# We satisfy customers globally



**808M**  
MEALS  
PRODUCED



**22**

deep water  
& inshore  
vessels



**61**

independent  
sharefishers

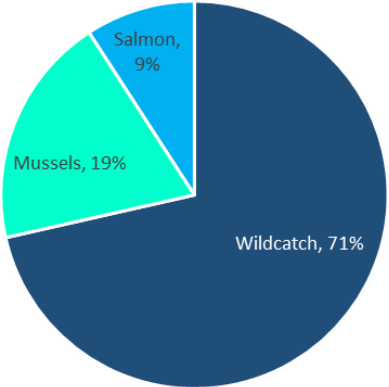


**8**

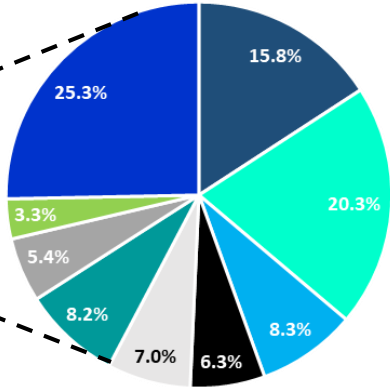
processing,  
incl. joint  
operations

# Diversified revenue, operations and customer base

Revenue by division (FY18)

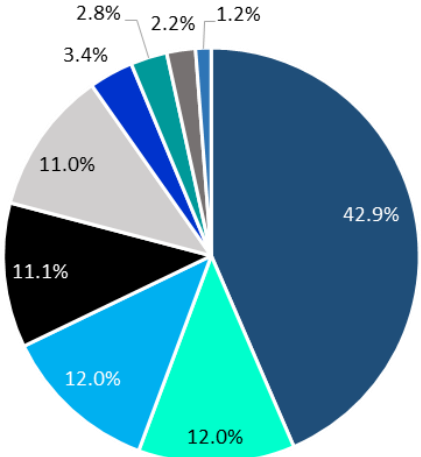


Breakdown of Wildcatch Revenue (FY18)



- Hoki
- Squid
- Toothfish
- Orange Roughy
- Scampi
- Ling
- Snapper
- Mackerel
- Other

Revenue by Geography (FY18)

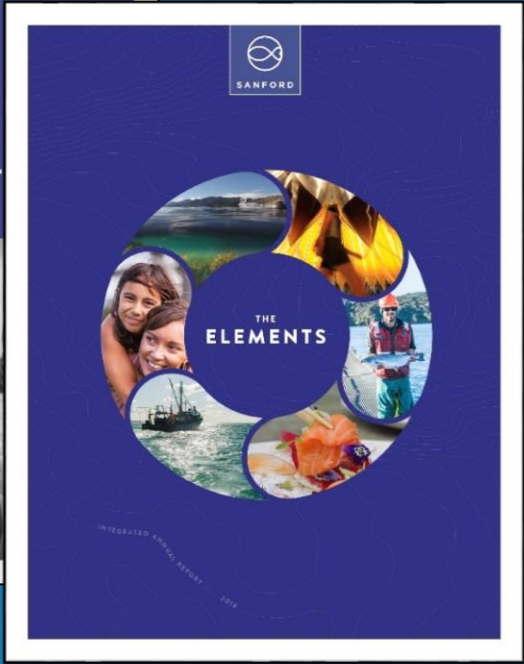
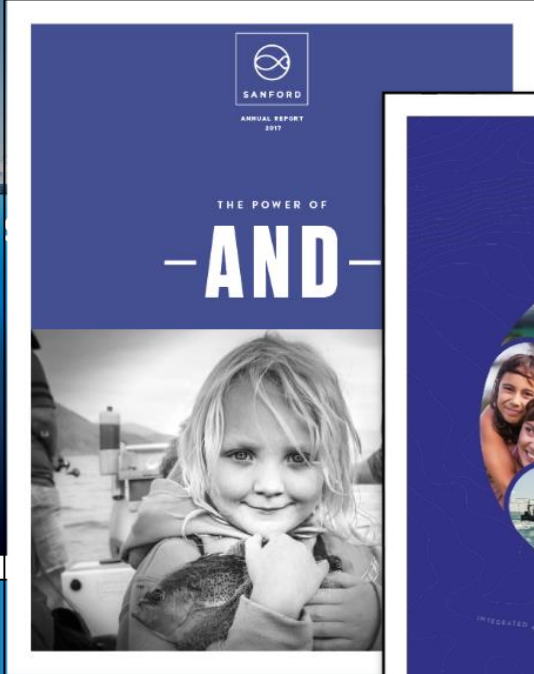
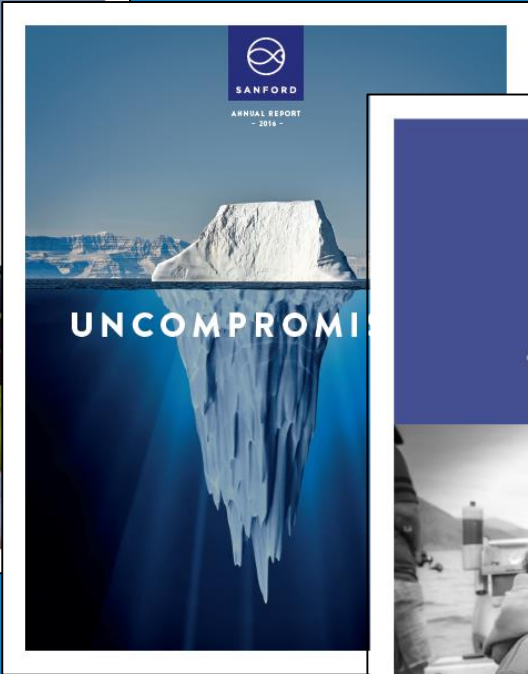
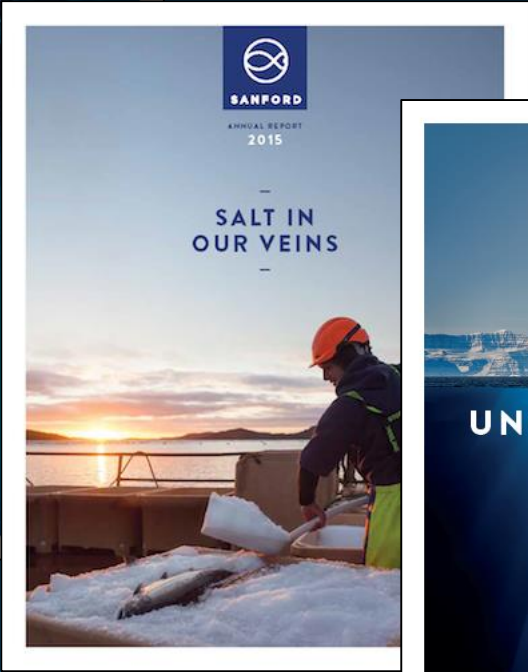


- New Zealand
- Europe
- China (incl HK)
- Australia
- North America
- Japan
- South Asia
- South Korea
- Africa





# SANFORD'S <IR> JOURNEY



Building Trust through Transparency



# 2018 STRATEGY IN ACTION – PROGRESS AND DELIVERY ON KEY FOCUS AREAS

## BRANDING

- Investment in brand development
  - *Big Glory Bay, Sanford Blue and Sanford Black*
- Focus on end customer, replacing third party distributors
- “Focus on Fresh” - 9.2% of Sales are now fresh, up from 8.3%
- Acquired Auckland based home-delivery E-platform *Fresh Catch*
- Auckland Fish Market Development in Wynyard Quarter





# BIG GLORY BAY

OCEAN-FARMED SEAFOOD

STEWART ISLAND | NEW ZEALAND

*Nurtured in glorious isolation*





SANFORD

PREMIUM  
GRADE

WILD CAUGHT

ORANGE  
ROUGHY

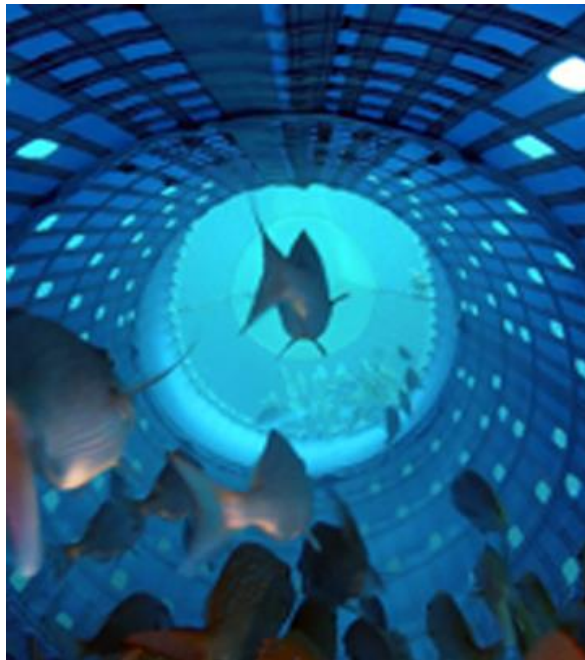
NET WT 1.5 LBS (680g)  
PREPARED BY SANFORD FISH CO.  
DISTRIBUTED BY SANFORD FISH CO.  
SANFORD FISH CO. 1000 W. 10TH AVE. SUITE 100  
DENVER, CO 80202  
TEL: 303.733.1234  
WWW.SANFORDFISHCO.COM  
BEST BEFORE DATE: 12/15/2023  
EXP. DATE: 12/15/2023  
COUNTRY OF ORIGIN: USA  
INGREDIENTS: ORANGE ROUGHY, WATER, SALT, PEPPER, LEMON JUICE, GARLIC, ONION, HERBS, CITRUS ZEST  
NUTRITION FACTS  
PER 100g  
CALORIES 100  
TOTAL FAT 2g  
TOTAL CARB 0g  
TOTAL PROTEIN 20g  
SODIUM 0.5g  
% DAILY VALUE\*  
\*PERCENT DAILY VALUES ARE BASED ON A DIET OF FISH AND SEAFOOD.



# 2018 STRATEGY IN ACTION – PROGRESS AND DELIVERY ON KEY FOCUS AREAS

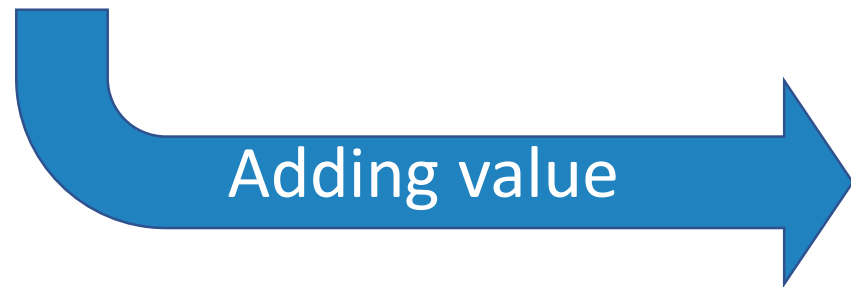
## INNOVATION

- Developed *Sea to Me* nutraceuticals range
- Marine collagen nano-fibre for skin care products
- Selective spat breeding at SPAT<sub>NZ</sub>
- Further rollout of PSH across our deep water fleet





**TURNING OUR  
FOCUS TO FOOD**



**REDUCING THE  
DEPENDENCE ON VOLUME**



**EXTENDING THE  
FOCUS BEYOND  
FOOD**





# 2018 STRATEGY IN ACTION – PROGRESS AND DELIVERY ON KEY FOCUS AREAS

## OPERATIONAL EXCELLENCE

- Salmon – infrastructure investment, volume growth
- Havelock facility upgraded for earthquake strengthening
- Hoki product cascade improvements moving from fillet frozen in blocks to individually frozen fillet
- San Granit reaching expected levels of operational capability
- Vessel improvement programme underway





# \$120m investment over 2 years



## FOUNDATIONAL

**Social License  
Development**  
\$4M

**Organisational  
Capability**  
\$4M

## TRANSFORMATIONAL

**Product & Technology  
Innovation**  
\$10M

**Operational  
Excellence**  
\$55M

**SanCore**  
\$15M

## ASPIRATIONAL

**Channel  
Development**  
\$3M

**Brand  
Development**  
\$10M

# 2018 STRATEGY IN ACTION – PROGRESS AND DELIVERY ON KEY FOCUS AREAS

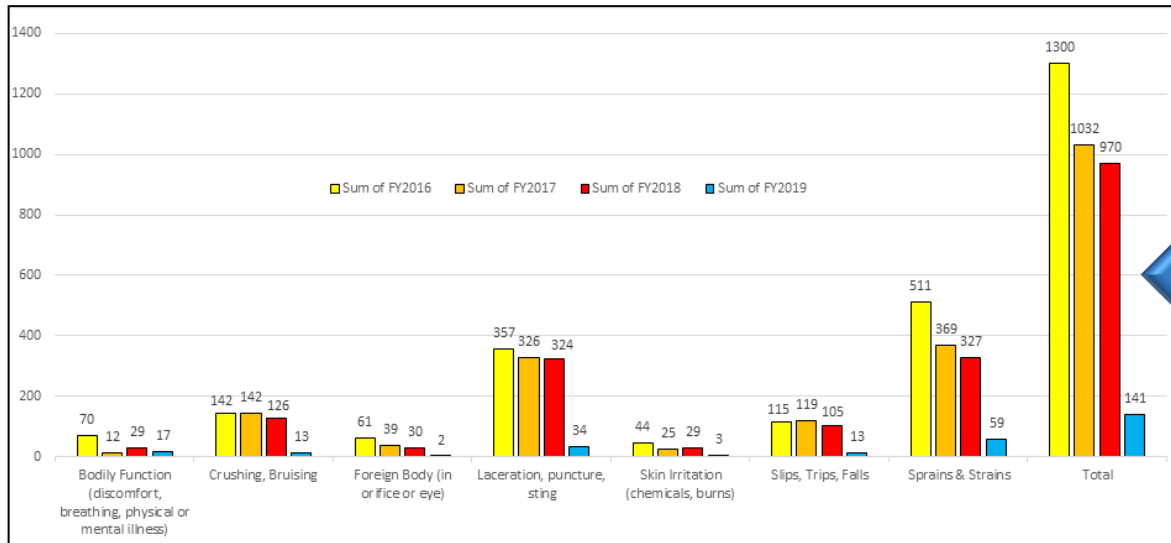
## ORGANISATION CAPABILITY

- Huge success with “Keeping it Fresh”, “San Ignite”, and “San Activate” development programmes. ‘Highly commended employer’ by Tertiary Education Commission Skills Highway for our “Keeping it Fresh” programme
- Structure supporting strategy – cross functional teams to drive strategy execution
- Engagement score static





# Health & Safety



Continuous reduction in injury numbers from 2016-2018



## Our 2019 safety strategy will

- ✓ Drive a formal safety management system
- ✓ Adopt a risk based approach
- ✓ Provide confidence, clarity and certainty to our people and stakeholders
- ✓ Deliver strategic initiatives to reduce the risk of harm

Our goal is to be the safest seafood company in the world



**THINK SAFE, BE SAFE, HOME SAFE**



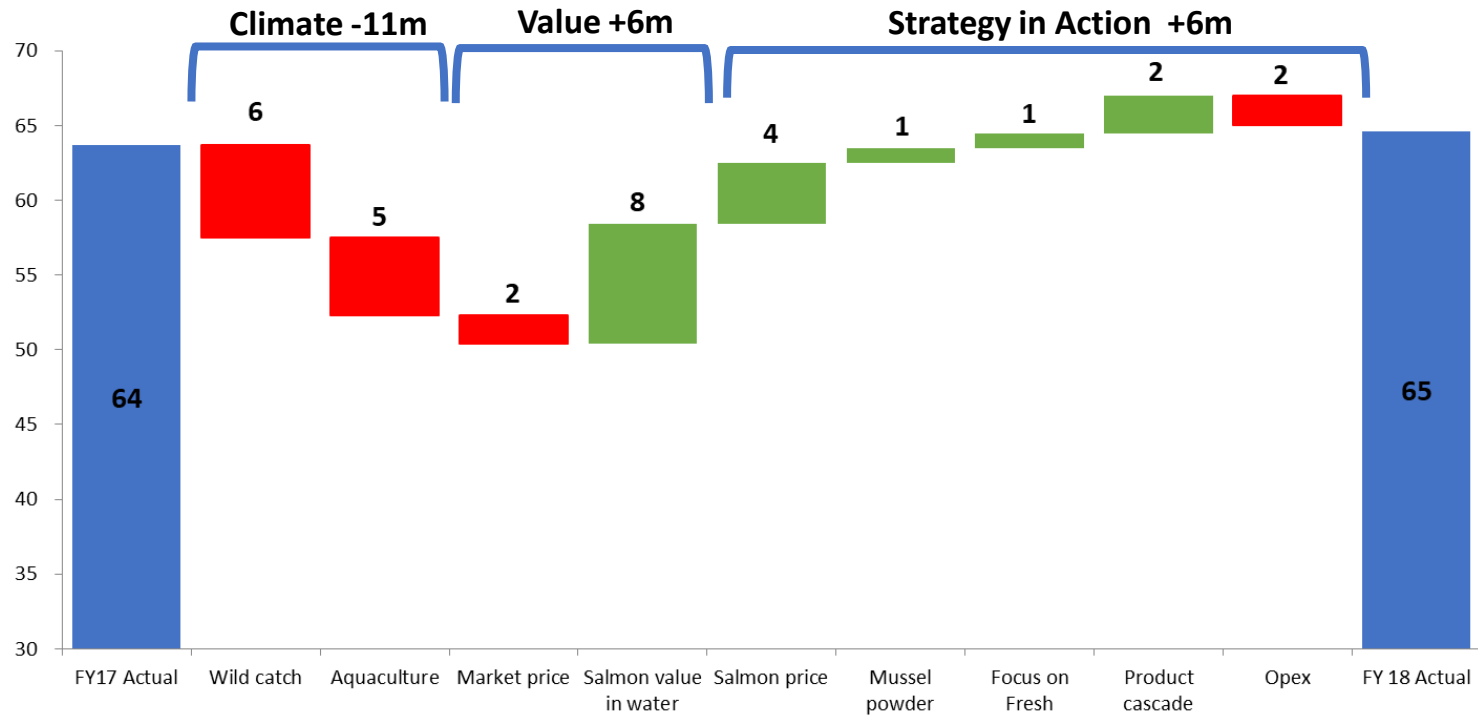
A polar bear is lying on a dark, jagged rock formation. The bear is looking towards the camera. The background shows more of the rocky terrain under a grey, overcast sky. The text 'CLIMATE CHANGE' is centered over the bear, with three dots below it.

# CLIMATE CHANGE

...

# Value strategy driving adjusted EBIT improvement

Key Drivers of YOY ADJUSTED EBIT change  
\$ m





# PLASTIC WASTE

- > Studies estimate that the world's oceans will contain more plastics than fish by 2050
- > Estimates are that at least 2/3 of the world's fish stocks suffer from plastic ingestion, and 90% of seabirds ingest plastic daily





# Sanford mobilising positive action

- Identify, quantify, set impact reduction targets
- Internal and external engagement - personal pledge
- Reducing plastic packaging
- Developing operational alternatives to plastic
- Engaging in strategic partnership





# WHAT'S COMING FOR SANFORD IN 2019



Subscribe, save and get a free 14-day trial

Subscribe to Sea to Me Active Information Management and we'll send you a fresh supply every 30 days.

You'll get a free 14-day trial pack, valid a discount on the retail price of each bottle.

Try nothing today. When you start \$27.95 every 30 days, including free delivery.

Subscribe for 1 person \$27.95 every 30 days	Subscribe for 2 people \$46.95 every 30 days
---	---

**It's risk free** - if you don't like the trial, simply cancel and pay nothing.

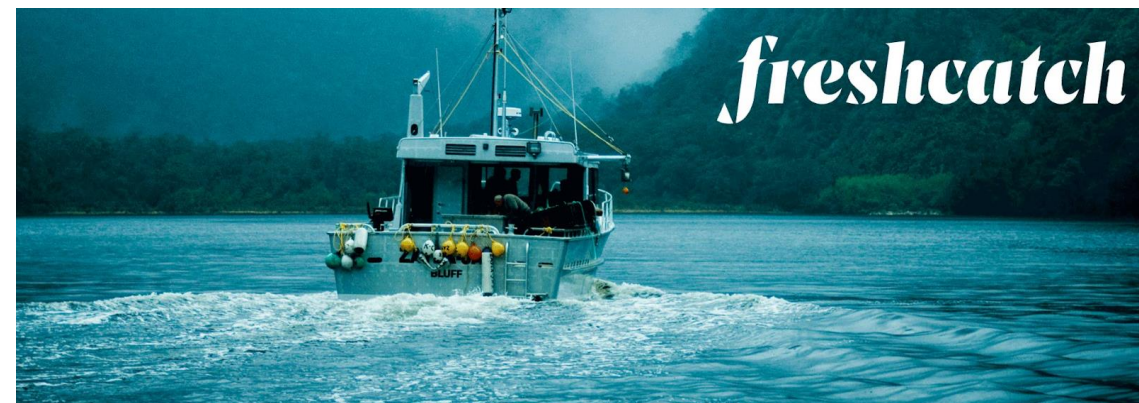
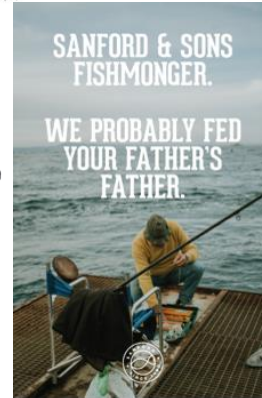
**Pay nothing today** - you won't be charged until you've used your first 30-day supply.

**No fixed term** - you can cancel at any time.

**Got a question** about subscribing? Contact us anytime on [help@seato.me](#)



WILD ABOUT WILD  
**AUCKLAND FISH MARKET**  
 IN PARTNERSHIP WITH THE SEA  
 MANAGED BY  SANFORD LTD  
 WYNARD QUARTER  
 NEW ZEALAND







SAN HAURAKI





**SANFORD**

**- BEAUTIFUL NEW ZEALAND SEAFOOD -**

