



**Mareterram**

# **Investor Presentation**

## **November 2018**

# Important Information and Disclaimer

This Presentation is not a prospectus nor an offer for securities in any jurisdiction nor a securities recommendation. The information in this Presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination of the assets and consult their own legal, business and/or financial advisers.

The information contained in this Presentation has been prepared in good faith by Mareterram Limited (**MTM** or the **Company**), however no representation or warranty expressed or implied is made as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in the Presentation. To the maximum extent permitted by law, the Company, its Directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use or reliance on anything contained in or omitted in this presentation.

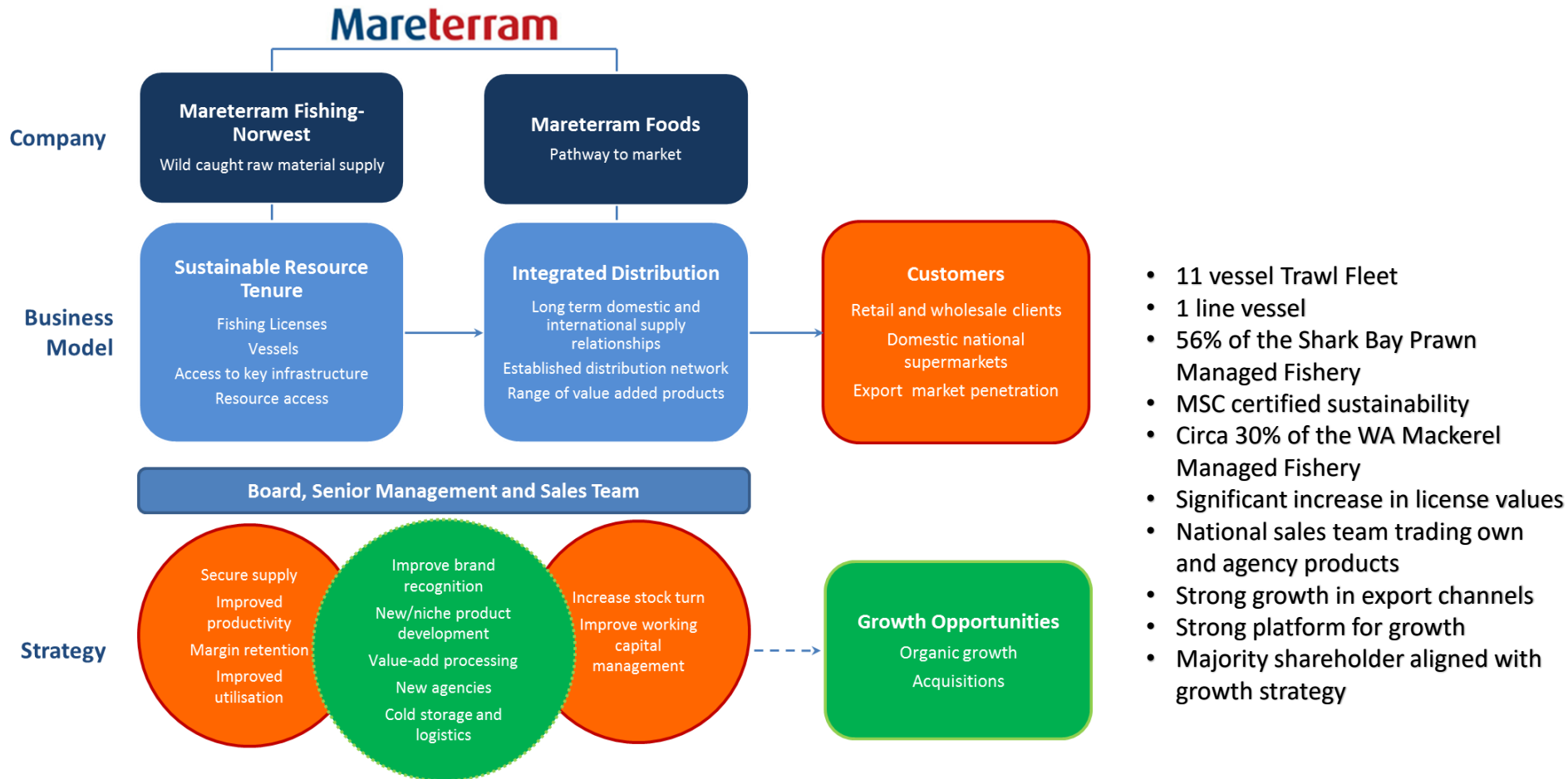
This Presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates, any applicable legal requirements, as well as matters such as general economic conditions.

While the Company believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither the Company nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.



Mareterram

# Mareterram Overview

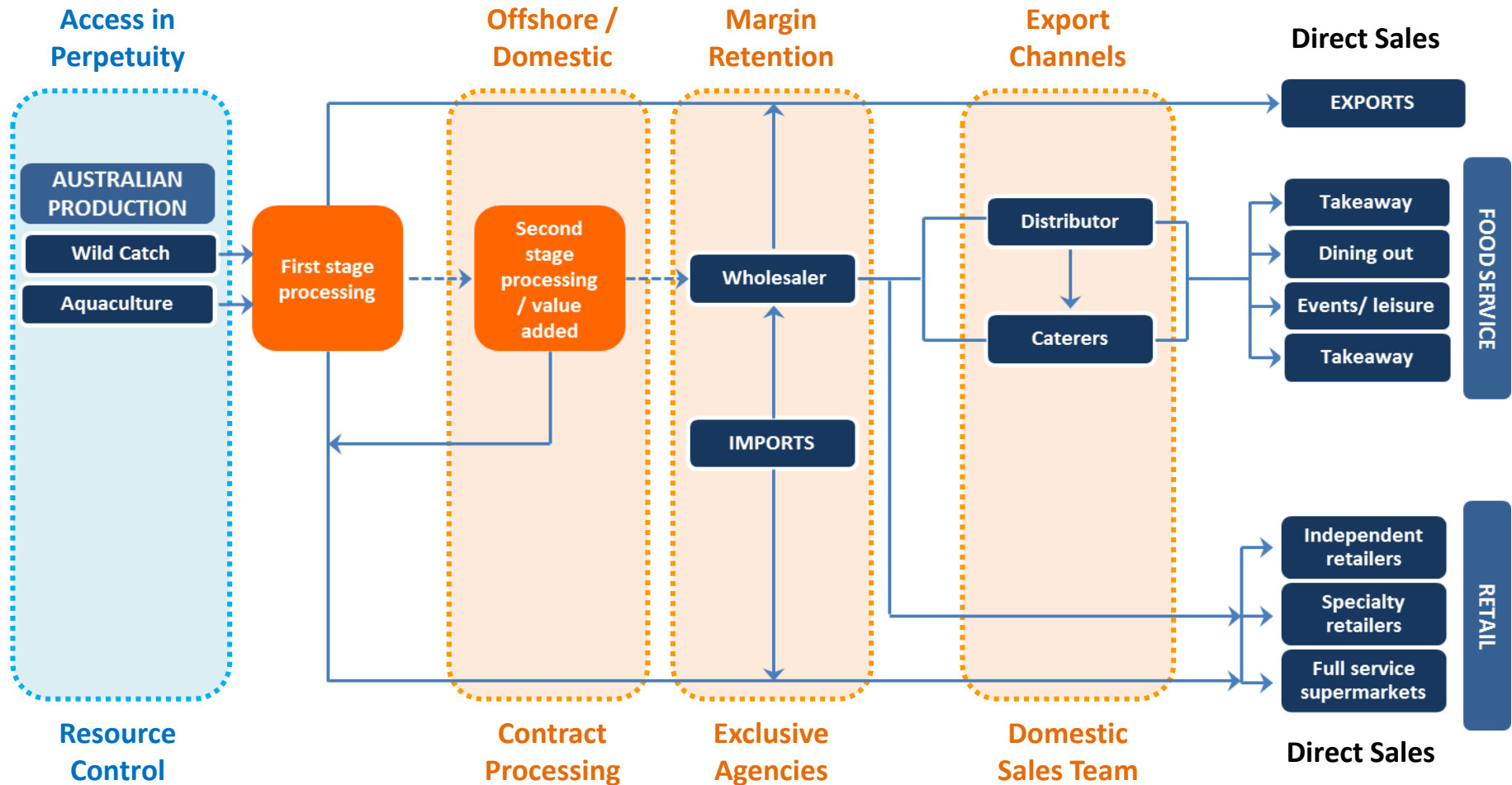






Mareterram

# Mareterram - Supply Chain Control

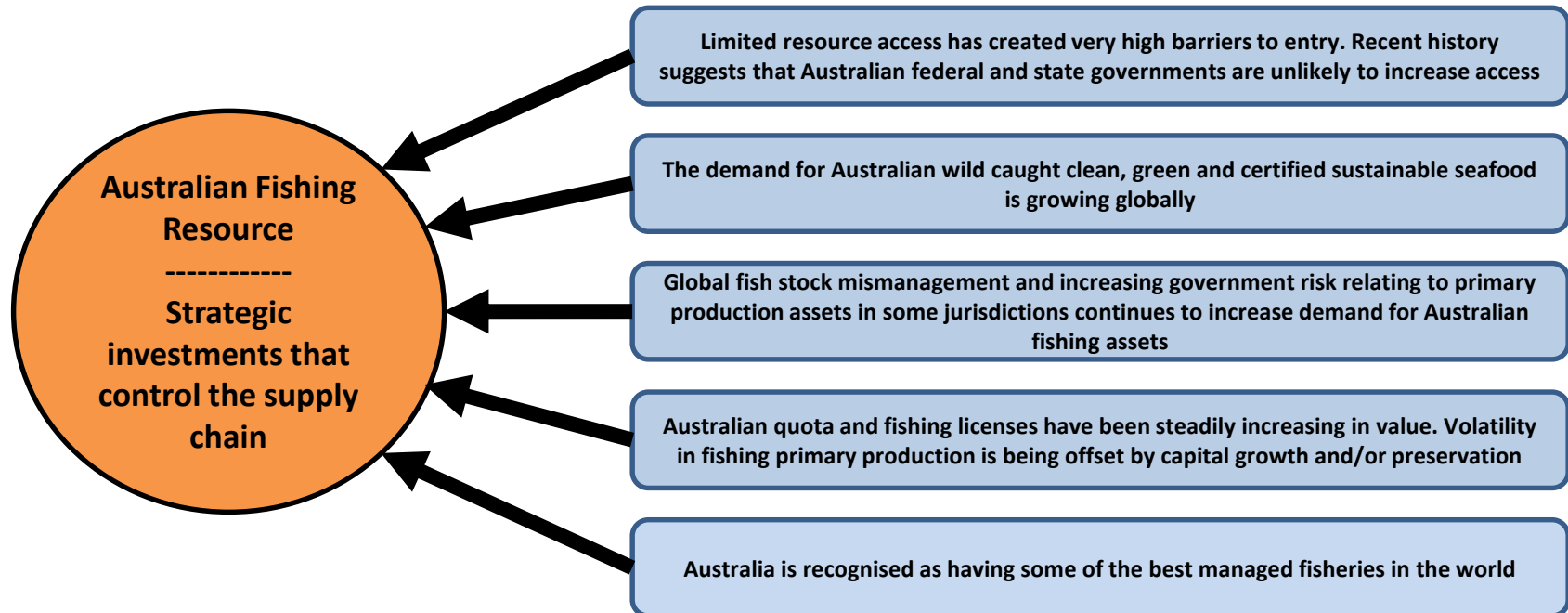


\* Outsource logistics and storage due to capital intensity and low ROI



Mareterram

# Key is Control of the Resource



- Core strategy to acquire limited access fishing resources that the company can own and operate in perpetuity
- Leverage established export and domestic distribution platform with an increase in supply from company owned resources
- Preference is to make earnings accretive acquisitions, however acquisitions with strategic value in fishery access must also be considered
- The company aims to provide shareholders with a TSR driven by a combination of earnings and continued growth in asset values

# Shark Bay Operational Update

- Prawn catch volume for the 2018 fishing season will finish at circa 540mt, down from 830mt achieved in the 2017 fishing season
- Average prawn size (grade) is higher across the total catch volume for 2018
- The higher average realised prawn price is not expected to produce an increase in revenue large enough to offset the fall in catch volume.
- Scallop catch volume for the 2018 fishing season to date is circa 35mt, down from 39mt achieved in the 2017 fishing season.
- By-catch volume for the 2018 fishing season is expected to finish in line with by-catch volumes achieved in the 2017 fishing season.
- All harvest expenses in the 2018 fishing season will be broadly in line with the 2017 fishing season other than crew share costs which will be significantly lower than the 2017 season due to the decrease in catch.
- 2018 group operational overheads are on track to be significantly lower than 2017.
- Increase in earnings on a comparable basis for the 6 months ending 31 December 2018, but a decrease in earnings on a comparable basis for the 12 months ending 31 December 2018.



# Shark Bay Catch History

YEAR	KING		TIGER		ENDEAVOUR CATCH (t)	TOTAL PRAWN (t)
	CATCH	CATCH	CATCH	CATCH		
	(t)	(kg/hr)	(t)	(kg/hr)		
1990	730	16.5	270	6.1	2	1 002
1991	1155	25.9	406	9.1	< 2	1 561
1992	904	23.1	302	8.7	< 1	1 326
1993	790	15.5	365	7.2	< 1	1 155
1994	1059	18.2	548	9.4	4	1 611
1995	1110	19.1	784	13.5	3	1 897
1996	1136	19.2	731	12.3	13	1 880
1997	1433	24.5	626	10.7	4	2 063
1998	1614	28.7	538	9.6	32	2 185
1999	1656	30.4	579	10.6	25	2 261
2000	1555	29.9	689	13.2	6	2 250
2001	1323	26.2	371	7.4	3	1697
2002	1554	31.4	510	10.3	11	2075
2003	1145	25.7	485	10.9	3	1632
2004	1164	25.8	576	12.8	8	1748
2005	1049	25.1	579	13.9	<1	1628
2006	1091	27.4	467	11.7	<1	1559
2007	772	21.9	480	13.6	<1	1252
2008	848	26.0	384	11.8	<1	1232
2009	927	23.6	300	7.6	<1	1228
2010	1122	27.5	423	10.4	<1	1545
2011	1310	36.3	689	19.1	15	2014
2012	1075	32.4	494	14.9	23	1592
2013	1139	31.7	661	18.4	15	1815
2014	1282	30.9	625	15.1	17	1924
2015	1633	40.7	434	10.8	22	2089
2016	1010	26.5	514	13.5	4	1529
2017	1184	29.2	422	10.4	2	1608

- 2018 total Shark Bay Prawn fishery catch expected to be circa 1,100mt
- Shark Bay Prawn fishery has a long history of catch volume cycles
- As highlighted, past poor seasons have shown the ability to rebound strongly the following year
- Some of the reasons for low seasons may include low recruitment, environmental change, fishing pressure, predation
- Industry and government are working to ensure catch volume recovery in coming years

# Consolidated Balance Sheet

Summary Balance Sheet	\$m Jun-18	\$m Dec-17	\$m Jun-17
Net working capital	14.0	12.1	16.4
Deposit funds in escrow*	-	5.0	-
Property, plant and equipment	13.1	12.3	10.3
Intangibles - fishing licences	29.1	25.2	25.2
Intangibles - other	2.7	2.7	2.7
<b>Total Assets</b>	<b>58.9</b>	<b>57.3</b>	<b>54.6</b>
Loans and borrowings	21.5	17.2	19.0
Fishing licences (VFAS)	6.2	8.3	8.2
Net deferred tax liabilities	2.9	3.1	2.9
<b>Total Liabilities</b>	<b>30.6</b>	<b>28.6</b>	<b>30.1</b>
<b>Net Assets/Equity</b>	<b>28.3</b>	<b>28.7</b>	<b>24.5</b>

\*Funds relating to Mackerel acquisition. Approximately \$1m relating to PP&E and \$4m relating to intangibles - fishing licence



# Consolidated Profit & Loss

Earnings Summary	\$m 6M to Jun-18	\$m 6M to Dec-17	\$m CY2017
Sales revenue	18.4	25.4	47.8
Gross profit	3.3	5.3	10.0
EBITDA	0.5	1.4	3.1
Net (loss)/profit after tax	(0.5)	0.3	1.5

- On track for an increase in earnings on comparable basis for the 6 months ending 31 December 2018
- On track for a decrease in earnings on a comparable basis for the 12 months ending 31 December 2018
- Based on net assets as at 30 June 2018, the book value is 18.5c per share. Net assets as at 31 Dec 2018 are expected to be broadly in line with the corresponding period
- The implied current market price of licences are above book value

# Capital, Board and Management

## CAPITAL STRUCTURE

Share price at 16 November 2018 (ASX:MTM) (A\$)	0.20
Shares on issue (m)	154.54
Market capitalisation (A\$m) (undiluted)	30.90
Incentive options (m)	10.00

## BOARD AND KEY MANAGEMENT

David Lock	Chairman
James Clement	Managing Director and CEO
Felix Ratheb	Non-Executive Director
Mark Pitts	Non-Executive Director
Fred Robertson	Non-Executive Director
Muhammad Brey	Non-Executive Director
Richard Duncan	CFO and Company Secretary

# Shareholders





Mareterra

# Initial Growth Strategy - Revisited

Building a diversified agribusiness

## Four pillars growth strategy

**Maximise catch volume and value**

Fish every night

Vessel reliability

R&D

Crew

Maximise economic yield

**Maximised utilization of assets**

Additional quota

Land based infrastructure

**Grow our Foods Business**

Maximise value

Build brand

Grow Export

Working Capital

**Build value, scale and diversity through strategic acquisitions**

Small bolt-ons

Larger to diversify species and/or geography

EPS positive

# Next Steps

- Work closely with industry and government to ensure effective management policy is implemented to position the fishery for a rebound in prawn abundance for the 2019 season
- Continue to drive operational excellence in vessel engineering and catch efficiency
- Deliver industry best practice OH&S management
- Develop markets globally and establish new brand 'Running Wild Fish Co.' to deliver a differentiated seafood product
- Maintain improved working capital disciplines
- Maintain focus on lean operating structures
- Scope strategic acquisitions with a focus on species and geographical diversification





**Mareterram**

## **CONTACT DETAILS**

**Mareterram Limited**

**ABN 87 009 248 720**

**Unit 5, 2 Capo D'Orlando Drive**

**South Fremantle WA 6162**

**Tel: +61 8 9435 6501**

**[www.mareterram.com.au](http://www.mareterram.com.au)**