



## **FY19 a year of strong growth across all metrics**

*Scale benefits resulting in maiden profit*

30 August 2019 – Angel Seafood Holdings Ltd (ASX: AS1) (the “Company” or “Angel”) today announced its financial results for the 12 months ended 30 June 2019 (FY19).

### **Key highlights for FY19 & FY20 Outlook**

- Record revenue result of \$4.3 million, up 192%, driven by growth in oyster volumes
- Significant capital expenditure program created additional scale in the business and drove record oyster production of 5.3 million oysters
  - Additional 16.5Ha<sup>1</sup> acquired, increasing holding capacity to over 20 million oysters and finishing capacity to over 10 million oysters per annum
  - Commissioning of purpose-built export facility
  - Lease infrastructure investment to cater for increased production
- Generated a positive operating cash flow<sup>2</sup> for FY19 and a maiden net profit after tax of \$305k
- Export sales commenced in Q4
- Well positioned for continued growth across all metrics in FY20; forecasting sales of 8-10 million oysters in FY20

### **Growth strategy successfully executed; scale benefits yielding results**

Commenting on the full year result, Angel Seafood Chief Executive Officer Zac Halman, said:

*“The past 12 months has been a very successful period for Angel, with a significant capital expenditure program contributing to growth in capacity, operational efficiencies, and record revenue growth.*

*“We invested substantially into increasing water holdings as well as infrastructure so we can handle and process more oysters. We continue to operate in a very attractive market where demand for oysters outstrips supply, particularly for our clean, green, premium oysters. The investment program undertaken is positioning Angel to capitalise on this opportunity, as well as building the foundations for sustainable future growth.*

*“I am very thankful for the team’s efforts in delivering the successful outcomes of FY19. The team has executed our growth plan and we now enter FY20 with our expanded water leases and a substantially increased stock profile, providing us confidence for future growth”, said Mr Halman.*

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<sup>1</sup> Includes additional 1.5Ha purchased after balance date in Coffin Bay

<sup>2</sup> Adjusted operating cash flow is adjusted for the Hank acquisition (\$230k), net change in working capital balances (-\$120k), and spat purchases brought forward (\$236k)

### **Year of record results across all key metrics; generated positive operating cash flows<sup>2</sup>**

The Company recorded a revenue result of \$4.3 million in FY19, up 192% on prior year, driven by record oyster production of 5.3 million oysters. Scale benefits from the investment program, along with a positive fair value (SGARA) adjustment of \$1.9 million due to growth in Angel's oyster stock profile, led to a maiden net profit after tax of \$305k (compared to a loss of \$1.1 million last year).

Angel is also pleased to announce that it delivered a positive operating cash flow result, on an adjusted basis<sup>2</sup>, which was driven by growth in production and sales, with the fourth quarter of FY19 generating operating cash flows of \$369k.

The Company's balance sheet reflects the significant capital expenditure program over FY19. Angel has drawn down \$3.5 million of its \$4 million debt facilities and has a comfortable level of gearing given its operating cash flows.

### **Substantial growth in our footprint; export market entered in Q4**

A significant investment program was undertaken in FY19 that built scale in operations, increased efficiencies, and substantially increased Angel's stock profile. This included enhancements to the Coffin Bay processing facility, completion and commissioning of the Cowell processing facility, the purchase of a new big vessel, and a number of infrastructure refurbishments to leases.

Throughout FY19, Angel acquired additional high quality water in Coffin Bay and Cowell which increased holding capacity to 20 million oysters, with the ability to condition 10 million oysters per annum. Angel brought forward the purchase of spat to take advantage of good growing conditions, and is currently fully stocked with healthy oysters in the water.

A key milestone for Angel over FY19 was the entry into the Hong Kong export market in the fourth quarter. The export market is a key part of Angel's long term strategy as the Company continues to grow its production levels, and this channel also offers attractive timing given peak global demand coincides with peak conditions for Angel oysters.

Although the price achieved for the first exports to Hong Kong were not at a large premium to domestic sales, Angel is focused on building long term relationships with its customers so it can expand these markets and volumes. It is expected that over time the sustainable and organic certified status will deliver higher prices, particularly in the Asian market.

### **FY20 Outlook**

Commenting on the outlook for FY20, CEO Zac Halman, said, *"We are well positioned for further sustainable growth into FY20 and beyond."*

*"The investments we made over FY19 mean we are able to continue to grow our production, and utilise our broadened sales channels, to continue on our growth trajectory. Angel's current capacity and stock on hand now gives us the ability to produce up to 10 million market ready oysters in FY20. Whilst growing conditions have been slower than expected over Q1, we remain on track for strong growth in FY20 where we are forecasting 8-10 million oysters to be sold for the year."*

*"I look forward to sharing continued growth and success together with our team and shareholders",* concluded Mr Halman.

**Further Information**

Any questions or requests for further information should be directed via email to:

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**Forward Looking Statements**

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, variations in spat supply, production estimates and growth and mortality rates from those assumed, as well as the impact of governmental regulation.

The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law