

20 June 2019

NZ King Salmon provides guidance for FY20 financial year

The Board of New Zealand King Salmon Investments Limited (NZX and ASX: NZK) provides guidance for the 2020 financial year, with a forecast for operating EBITDA¹ of between \$25.0m and \$28.5m. This guidance is based on the following assumptions:

- Harvest volumes very slightly above 2019 year at around 8,000 mt
- Due to limited fish availability, sales will be slightly weighted to the second six month period
- Mortality rates are forecast at higher than historic average rates, with average summer seasonal temperatures assumed
- Capital expenditure for 2019 will be approximately \$17m, and for 2020 is forecast at \$20m as the Company continues to put in place the infrastructure to facilitate future growth and to improve fish survival and performance. Investment includes additional pens and barge to utilise the increased feed limits available on Waitata and Ngamahau sites, as well for implementation of single year class
- Moving to site single year class of fish across all farms as soon as possible, with fallowing between year classes. We previously advised this move in our post summer update in May 2019, noting it would reduce forecast harvest volumes in the next few years and increase the capital expenditure requirements. Further details will be provided as part of our year end results announcement in late August

ENDS

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About NZKS:

New Zealand King Salmon is the world's largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, as well as the New Zealand King Salmon label. We have been growing and selling salmon to consumers for more than 30 years. Today we employ around 500 people. New Zealand investors make up a significant percentage of the ownership of NZ King Salmon and the communities of Marlborough, Nelson Bays and Tasman are well represented with nearly 400 of the 2,800 shareholders from top of the South. More information can be found at www.kingsalmon.co.nz

¹ Operating EBITDA is a non-GAAP profit measure used by NZ King Salmon. Operating EBITDA reverses out fair value gains associated with the revaluation of livestock pursuant to NZ IAS 41–*Agriculture* and NZ IAS 2–*Inventory*. The application of NZ IAS 41–*Agriculture*, and NZ IAS 2–*Inventory* effectively results in the NZ King Salmon Group recognising expected profits from the sale of livestock prior to sale. Other international listed salmon companies will typically present 'Operating' results which remove the impact of these gains or losses. NZ King Salmon therefore believes that Operating results enable a better comparison of financial performance between its peers and between periods.