SEA HARVEST AUDITED GROUP FINANCIAL RESULTS



FOR THE YEAR ENDED 31 DECEMBER 2017

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Today’s presentation team



FELIX RATHEB

Chief Executive Officer



JOHN PAUL DE FREITAS

Chief Financial Officer



MUHAMMAD BREY

Chief Investment Officer

Presentation outline

- Group overview
- Group financial and operating performance
  - › Sea Harvest Group
  - › SA operations
  - › International operations: Mareterram
- Strategy
- Outlook
- Questions







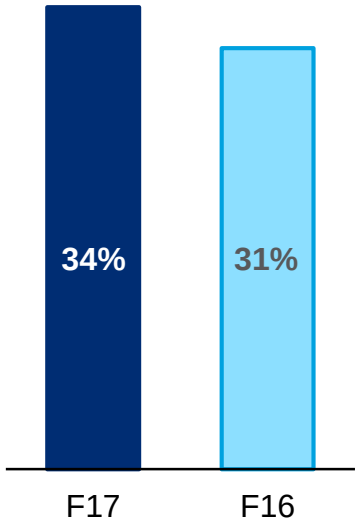


Group overview

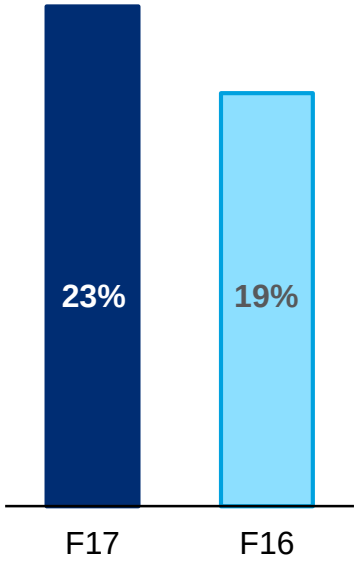
Key financial metrics

REVENUE	EBIT
↑ 10%	↑ 53%
to R2,131bn 2016: R1,931bn	to R383m 2016: R250m
PROFIT AFTER TAX	**HEPS**
↑ 103%	↑ 91%
to R267m 2016: R132m	to 108.0c per share 2016: 56.4c per share

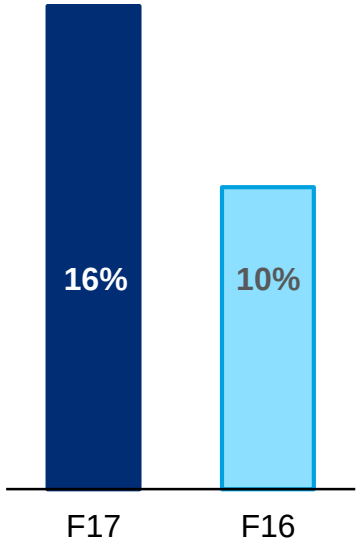
GROSS PROFIT MARGIN



EBITDA MARGIN

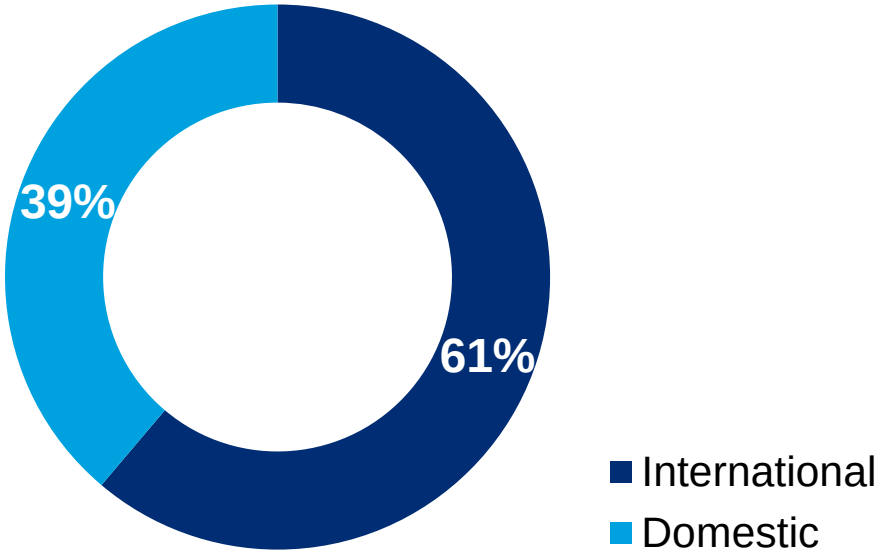


OPERATING PROFIT MARGIN

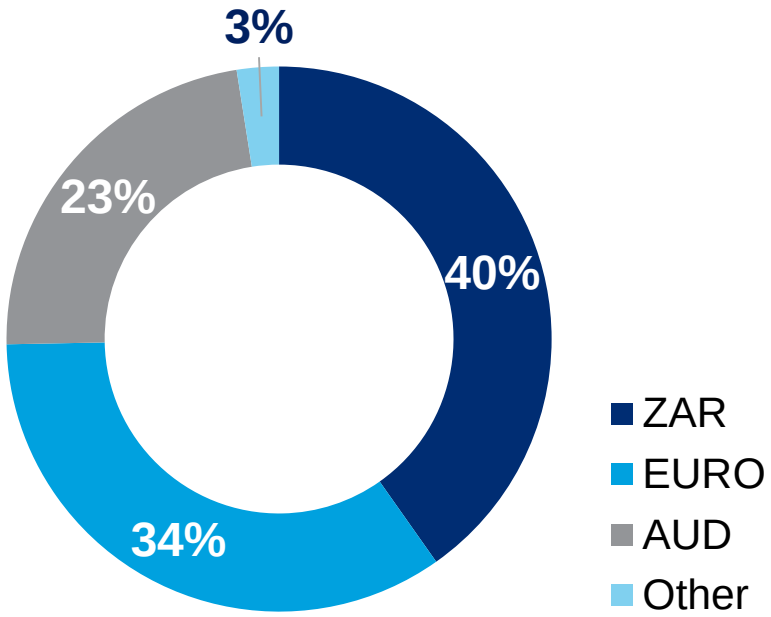


Revenue and currency diversification

REVENUE

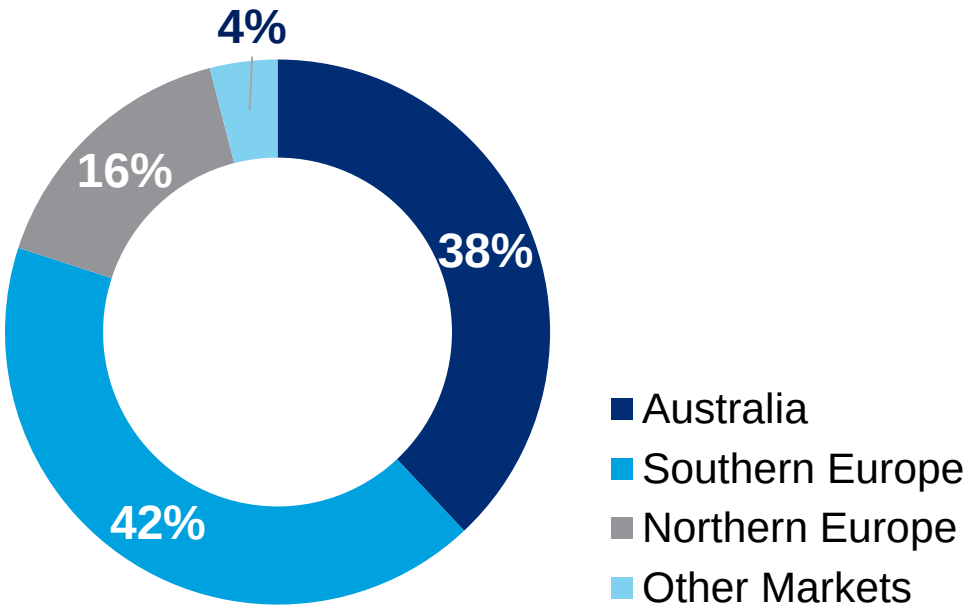


CURRENCY MIX

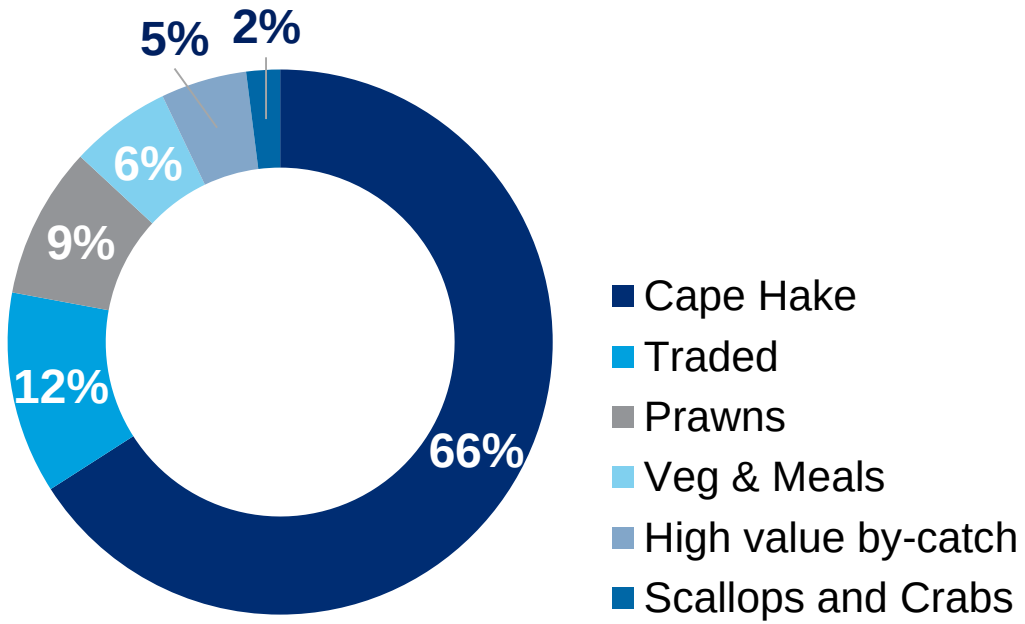


Market and product diversification

INTERNATIONAL REVENUE MIX



PRODUCT REVENUE MIX



2017 highlights

- Listed successfully on the JSE on 23 Mar 2017, raising R1,329m
- Paid out R36m to participants of Employee Share Trust
- Black ownership post listing at c.80%
- Achieved level 2 on BBBEE DTI scorecard with score of 98.9
- Firm demand globally and more diversified customer base
- Positive forex hedges offsetting stronger ZAR
- Exceptional performance of Saldanha Bay factory operations following investment
- Biomass at maximum sustainable yield (MSY)
- Acquisition of the fillet factory freezer trawler, Harvest Mzansi
- Advanced negotiations for acquisition of Viking Fishing and 51% of Viking Aquaculture

2017 challenges

- Cape Hake TAC reduced by 5%
- Cape Hake size mix small
- Significant strengthening of the Rand
- Tough domestic trading environment
- Challenging Fishing rights allocation process



Financial and Operating Performance



Sea Harvest Group

Sea Harvest Group – income statement

Year-to-date (R'000)	FY17 vs. FY16	FY17	FY16
Revenue	10%	2 131 054	1 931 979
Gross profit	**18%**	**716 790**	**605 458**
Gross profit margin		*34%*	*31%*
Net Operating expenses	-6%	(382 977)	(408 279)
Operating profit	**69%**	**333 813**	**197 179**
Operating profit margin		*16%*	*10%*
Profit before finance costs and tax	53%	382 793	250 188
Net finance costs	-71%	(21 642)	(75 817)
Taxation	120%	(94 206)	(42 857)
Profit after tax	**103%**	**266 945**	**131 514**
Non-controlling interest		7 601	9 638
Profit attributable to Sea Harvest shareholders		259 345	121 876
EBITDA		**485 856**	**368 901**
EBITDA margin		*23%*	*19%*
Normalised Opex Margin		20%	20%
EPS *(cents)*		*119.0*	*86.40*
HEPS (cents)		*108.0*	*56.40*
WAN shares in issue ('000)		*217 860*	*141 540*

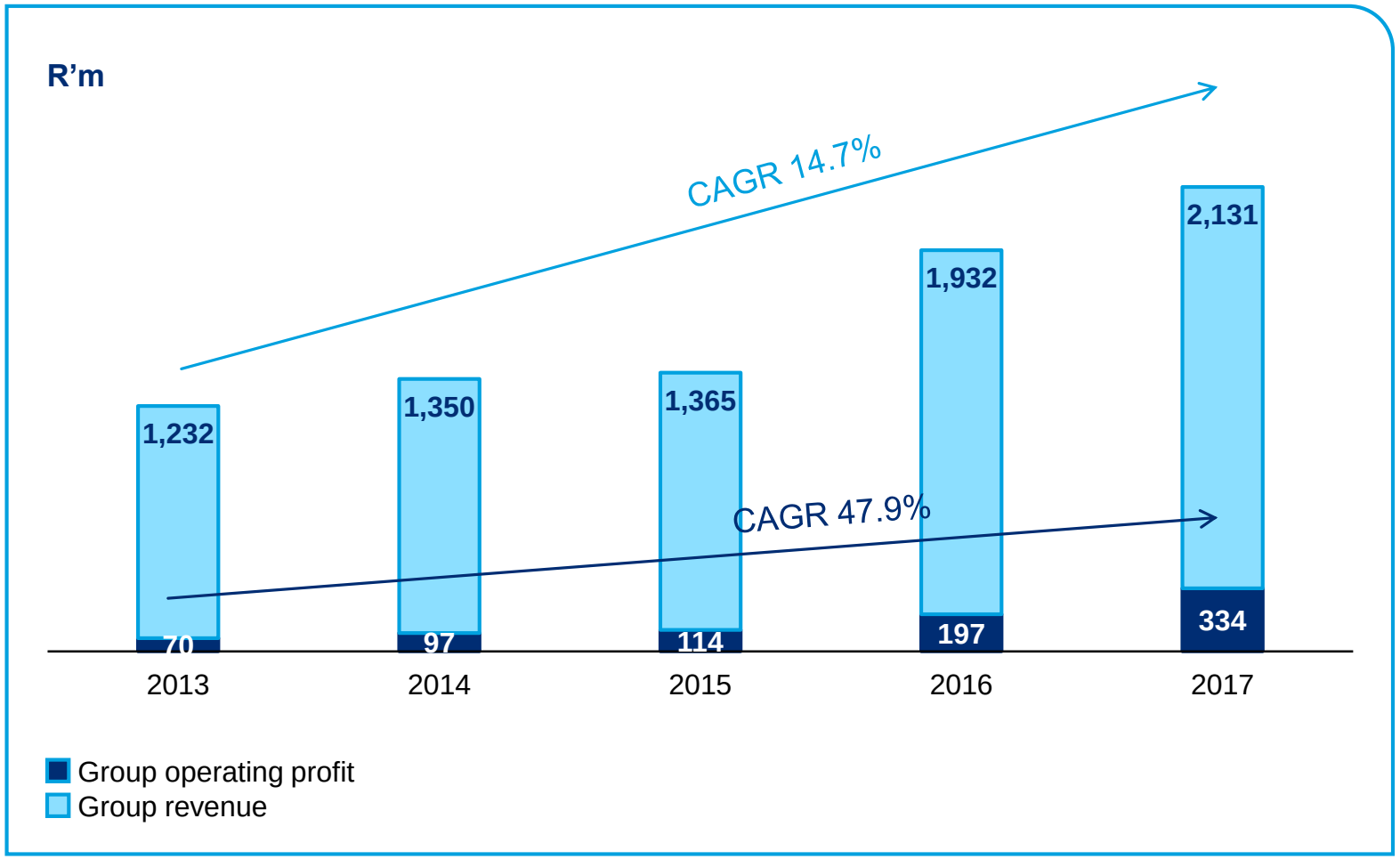






Net Operating Expenses includes other operating income, selling and distribution , marketing and other operating expenses.

Group revenue and operating profit

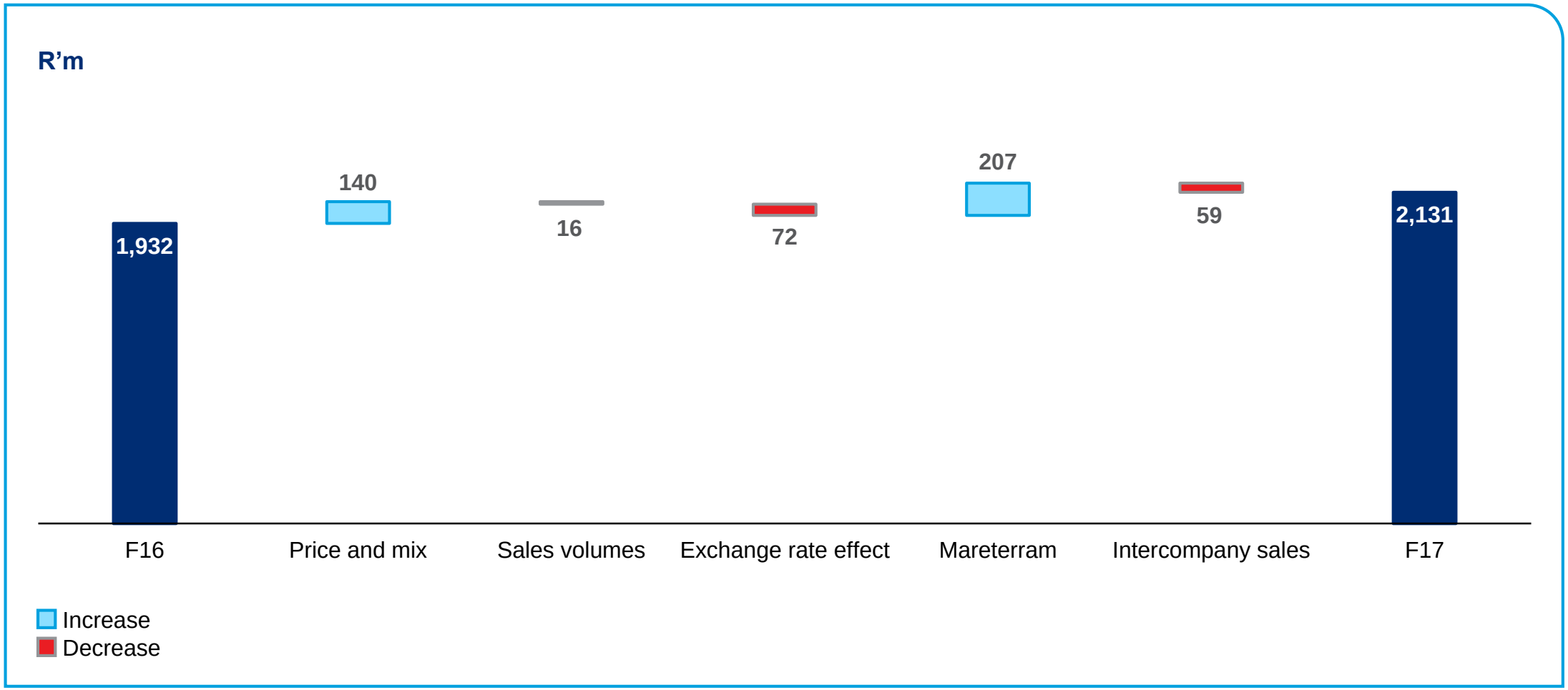




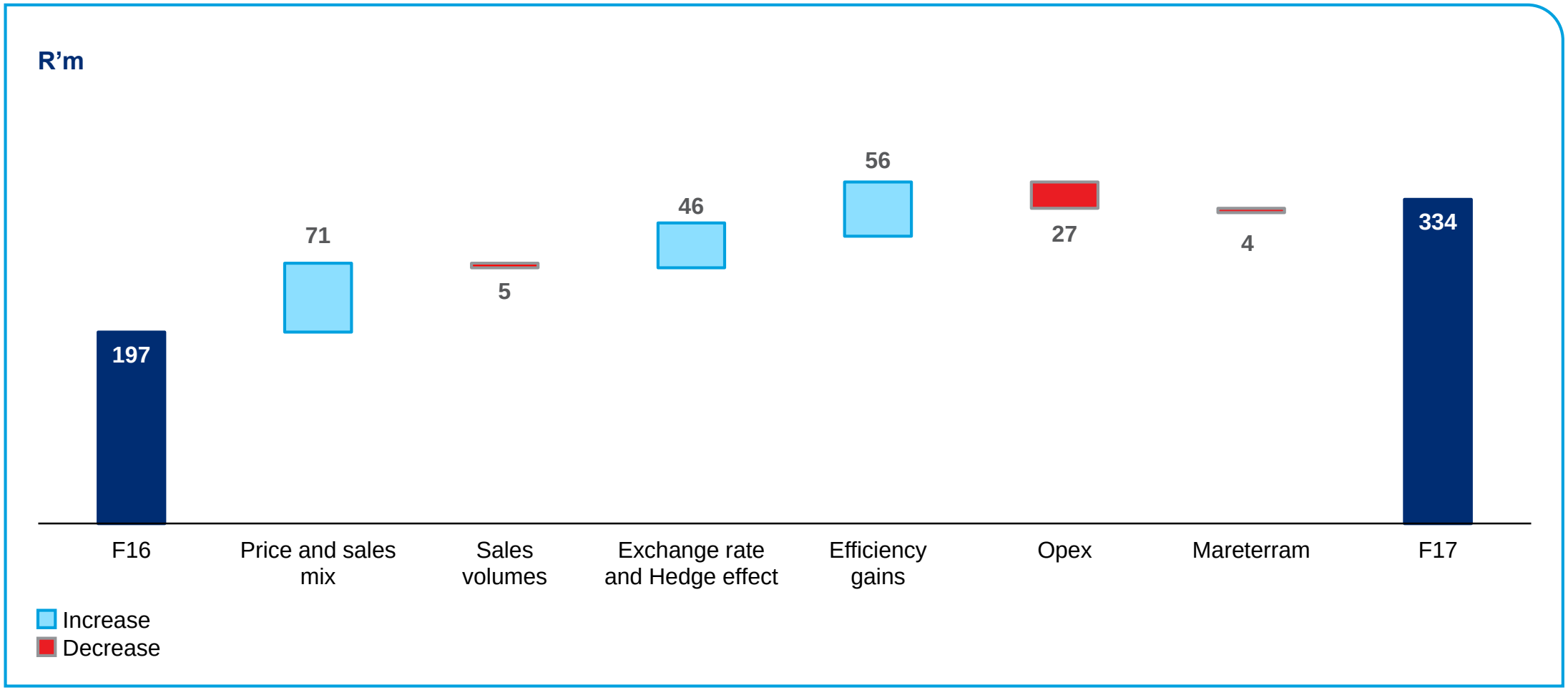




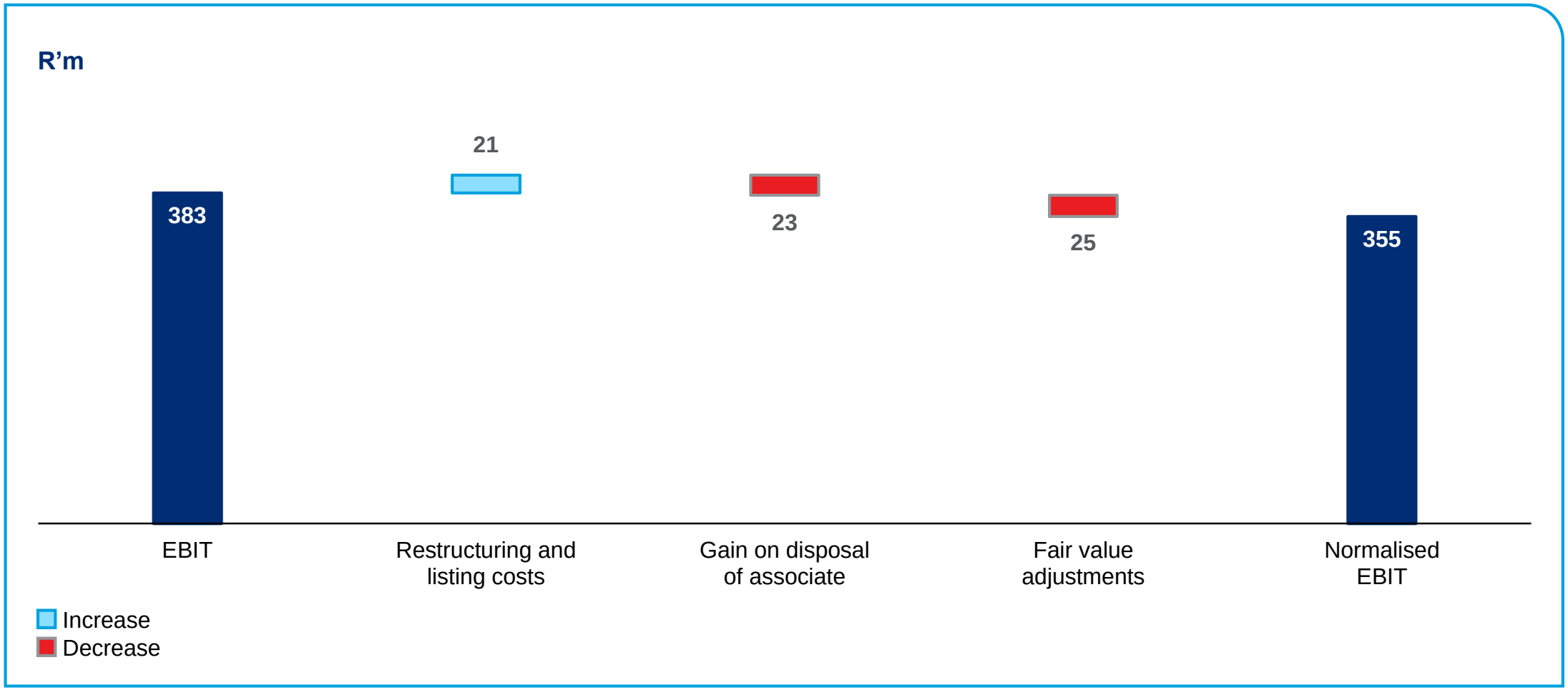
Sea Harvest Group revenue waterfall



Sea Harvest Group operating profit waterfall



Sea Harvest Group normalised EBIT



Sea Harvest Group - EPS, HEPS, DPS

Reconciliation of Headline earnings R'm		2017	2016
Profit for the period attributable to shareholders of the parent		259 344	121 876
Adjustment for capital items post tax		(24 027)	(2 094)
Gain on remeasurement of previously held subsidiary		-	(39 640)
Headline earnings		**235 317**	**80 142**
WANOs ('000)		217 860	141 540
EPS (cents)	**38%**	119	86
HEPS (cents)	**91%**	108	56
Dividends declared		78 214	-
Number of ordinary shares in issue ('000)		251 363	141 540
Dividends per share (cents)		**31**	**0**







Sea Harvest Group - Balance sheet

Assets (R'000)	2017	2016
Property, plant and equipment	808 192	541 513
Intangible assets and goodwill	574 025	587 367
Investments	25 264	47 109
Other non-current assets	99 516	39 167
Current assets	1 061 522	781 911
	2 568 519	**1 997 067**

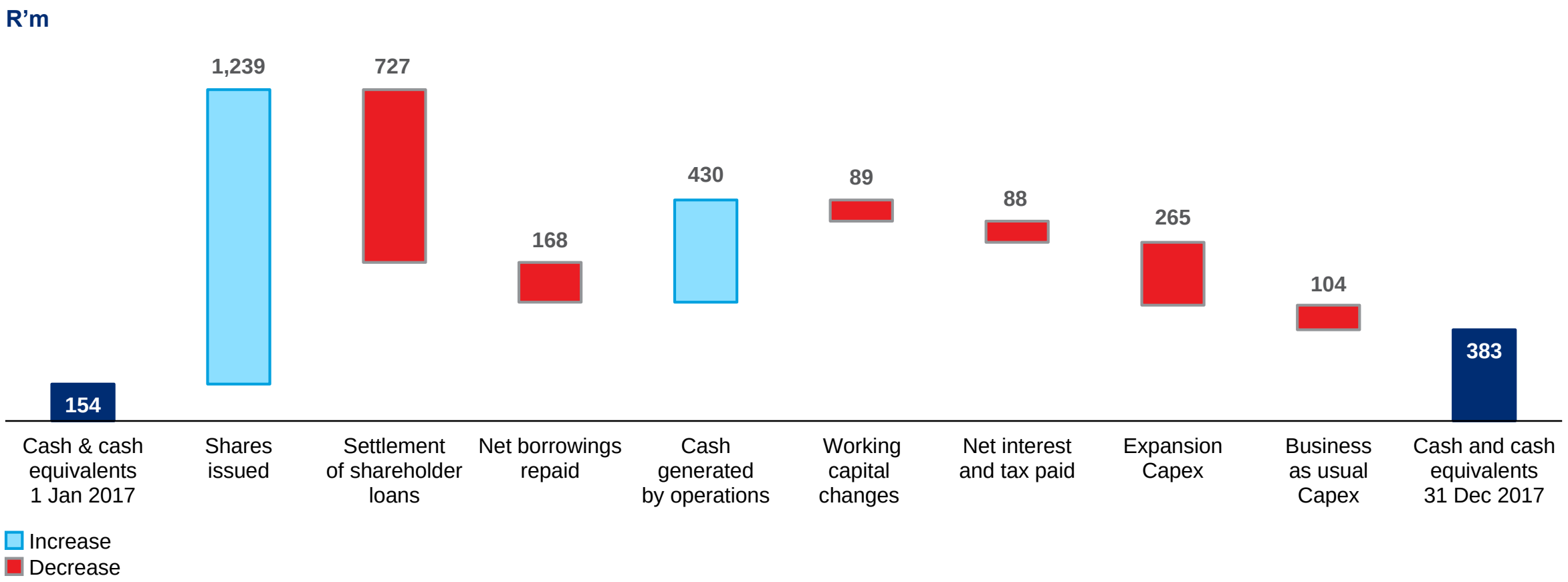
- Harvest Mzansi +R214m
- Sale of investment in Vuna
- Financial assets +R24m, loans extended +R68m, deferred tax asset -R33m
- Cash +R229m; Debtors +R50m

Sea Harvest Group - Balance sheet

Equity and liabilities (R'000)	2017	2016
Stated capital	1 294 875	849
Reserves	102 791	148 146
Preference share capital	-	368 409
NCI (incl treasury shares)	168 313	152 043
Non-current liabilities	637 691	932 228
Current liabilities	364 849	395 392
	2 568 519	**1 997 067**

- Raised R1.3bn at listing
- Redemption of all preference shares at listing
- 44% minority shareholding in Mareterram
- Settlement of all shareholder loans and accrued dividends at listing

Sea Harvest Group cash flow waterfall



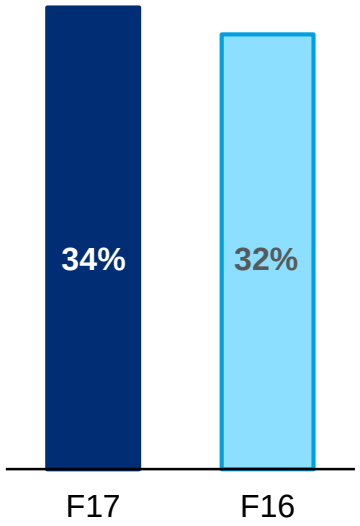


South African operations

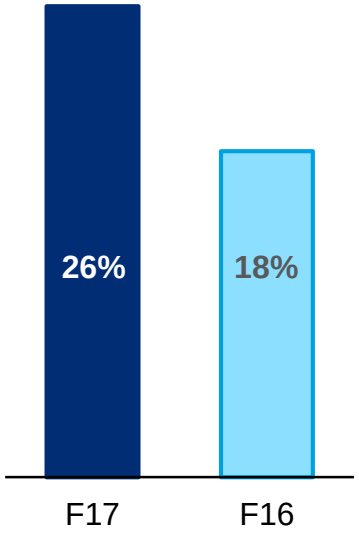
Key features – SA Operations

REVENUE	GROSS PROFIT
↑ 3%	↑ 9%
to R1,745bn 2016: R1,694bn	to R592m 2016: R544m
OPERATING PROFIT GROWTH	**PROFIT AFTER TAX**
↑ 71%	↑ 261%
to R314m 2016: R184m	to R253m 2016: R70m

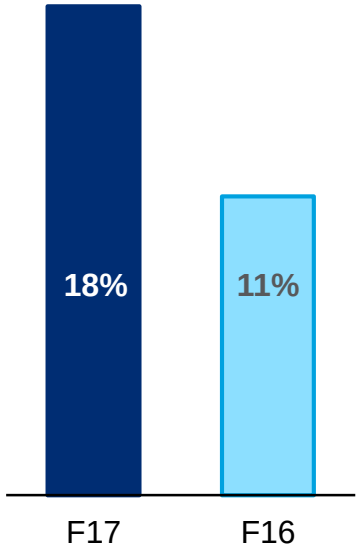
GROSS PROFIT MARGIN



EBITDA MARGIN

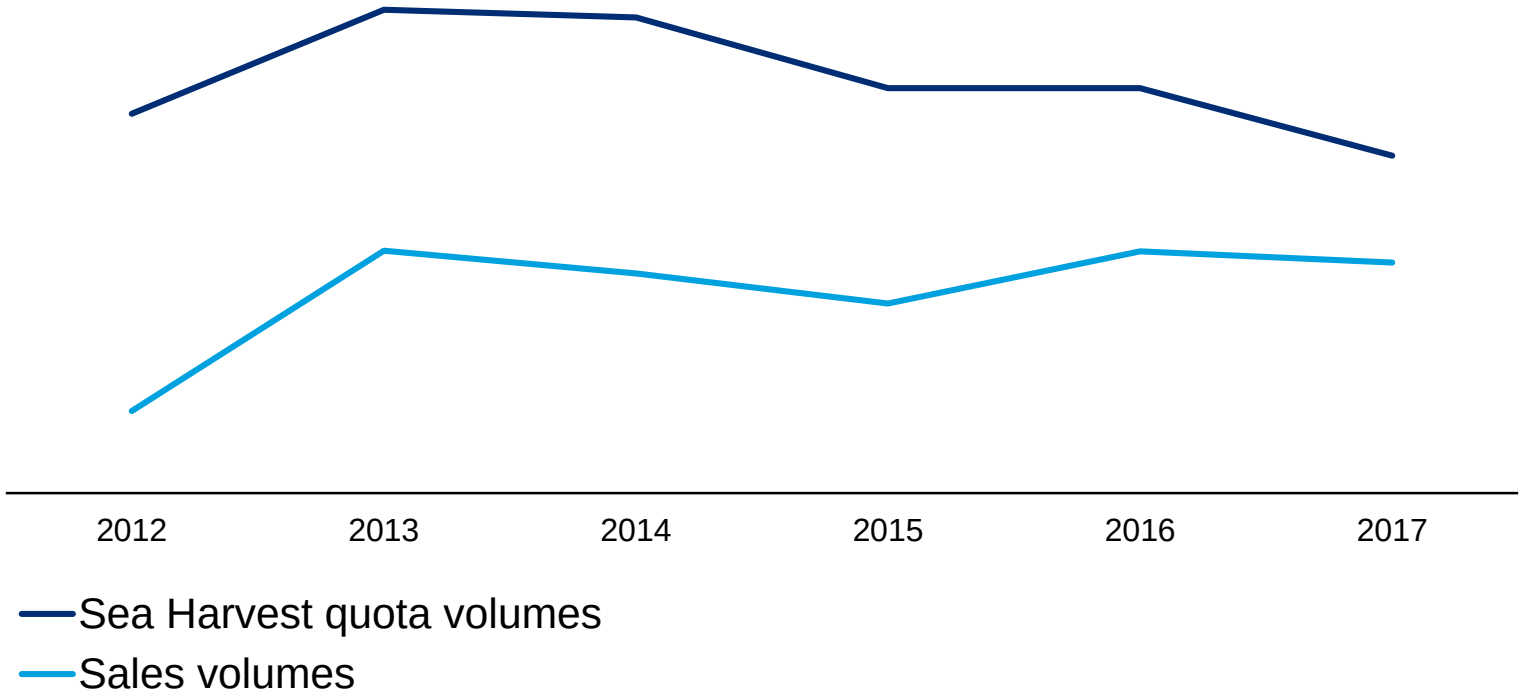


OPERATING PROFIT MARGIN

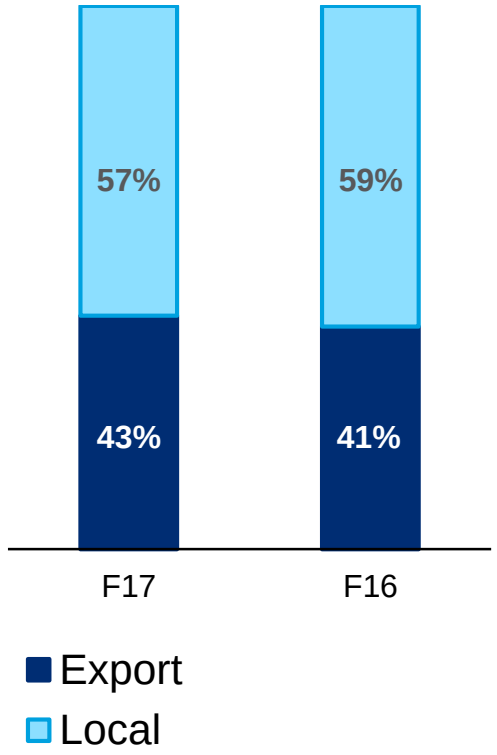


Sea Harvest volumes mix

IMPACT OF GLOBAL SOURCING



SALES VOLUME



Notes: 1. 2017 volumes YTD annualised

Pricing mix

Channel	%
Export market	
Volume growth	+4%
Average selling prices	-2%
FX effect	-8%
Constant currency selling price	+6%
Revenue growth	+2%
Local market	
Volume growth	-4%
Average selling prices	+9%
Revenue growth	+5%
Market Share (12mm)	41%



Note: Percentages rounded up to nearest 100 basis points
Source: Company information

1. Frozen fish volume share 12 month MM including Woolworths (Nielsen)

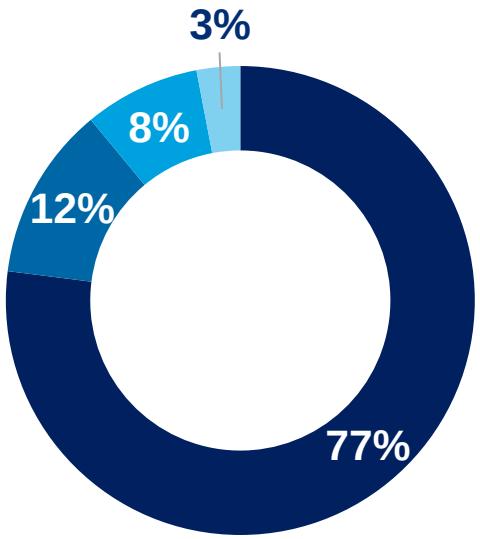


International operations: Mareterram

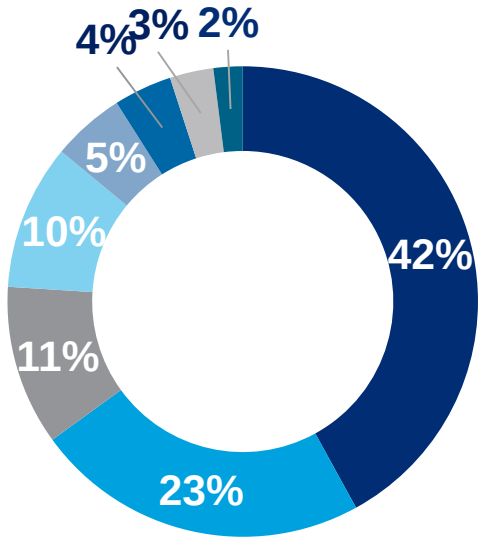
Key metrics

REVENUE	GROSS PROFIT
↑ 13%	↑ 13%
to AUD 47.8m 2016: AUD 42.4m	to AUD 10.0m 2016: AUD 8.9m
EBIT	**PROFIT AFTER TAX**
↑ to AUD 2.2m	↑ to AUD 1.5m
2016: AUD 1.3m	2016: AUD 250k

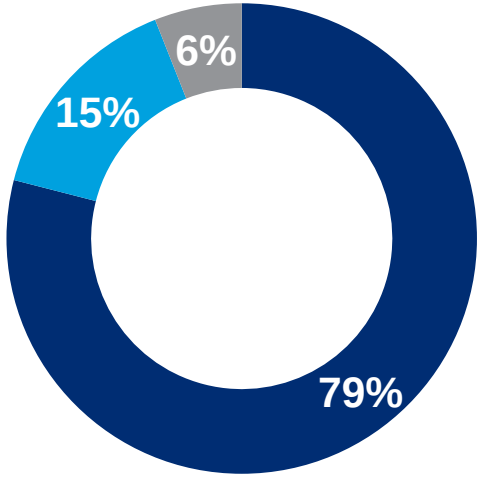
CATCH VOLUMES BY PRODUCT



REVENUE BY CATEGORY



CHANNEL MIX



Key highlights

- Performance on an upward trajectory
- Succession plan implemented
- Prawn catches up 11%
- Improved vessel efficiency and reliability
- Diversification into Spanish Mackerel fishery
- Increased cash generation from working capital improvement
- Presented with the industry's highest award for safety by WA Seafood Industry Awards

Strategy



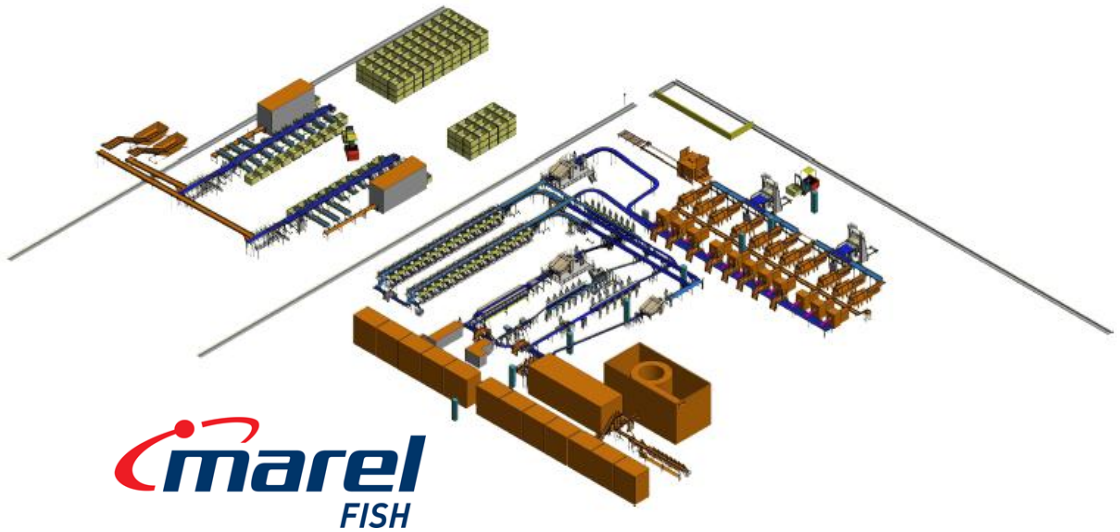
Sea Harvest Group strategy

ORGANIC GROWTH

Acquisition of MV Mzansi factory freezer trawler (R250m)

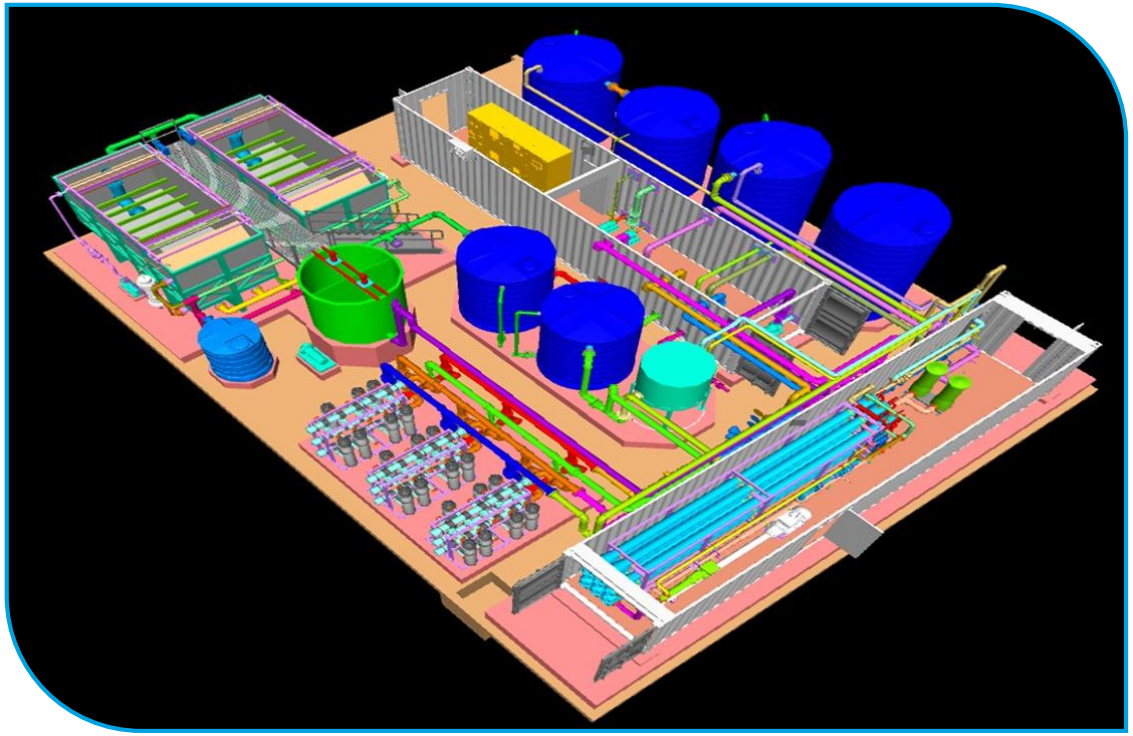
Investment in Marel Factory Re-engineering (R100m)





Drought – Desalination plant

- Reduced average water consumption from 1.5m litres/day in 2016 to 1m litres in 2017
- Cost R16m
- Full production on16 March 2018
- Plant capacity 1m litres/day



Sea Harvest Group strategy

ACQUISITIVE GROWTH

In advanced negotiations to acquire 51% of the shares of Viking Aquaculture and, as part of a BBBEE consortium, 100% of the assets of Viking Fishing





Viking Fishing Group

TUNA MARINE

Diamond Coast AQUACULTURE

Lüderitz MARICULTURE

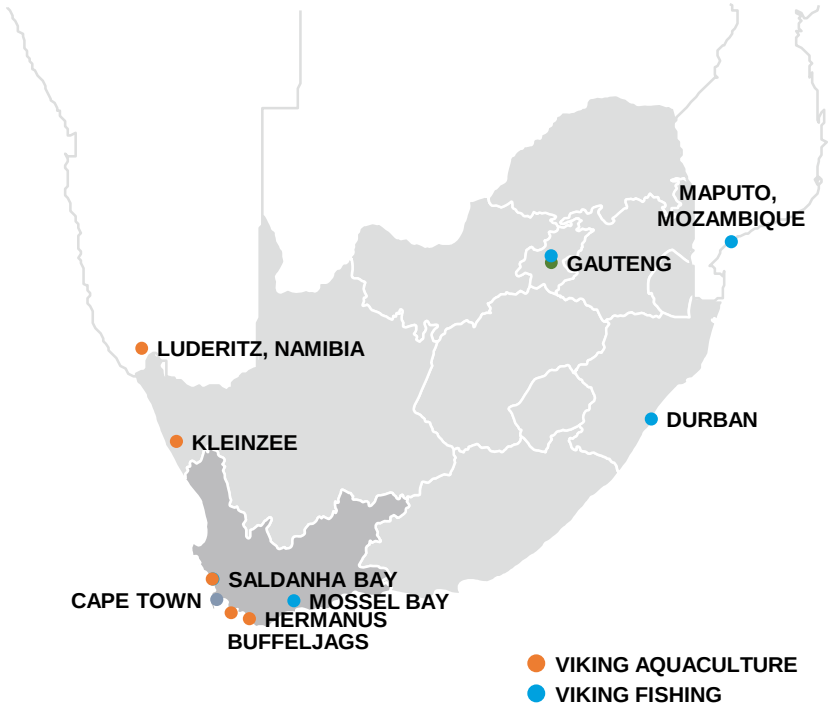
BUFFELJAGS ABALONE FARM

MOLAPONG aquaculture

Viking Fishing Group overview

Key indicators	
Established	1980
Industry	Fishing and Aquaculture
Quota species	Hake, Horse Mackerel, Pilchards, Tuna pole, commercial lobster, prawns
Aquaculture species	Abalone, Oysters, Mussels, Sea Trout
No. of people employed	c.1700
No. of fishing vessels	30
Fishing processing operations	6
Aquaculture operations	5
Wholesale outlets	4
Channels	Export, foodservice, wholesale
Markets	EU, China, Hong Kong, Australia

SOUTHERN AFRICA





Outlook

Headwinds

- Persistent Rand strength impact on revenue
- Fuel price trending upward
- Further 5% reduction in TAC
- Sluggish South African economy
- Change management challenges with factory re-engineering

Tailwinds

- Consistent market demand
- Benefits from investments in new freezer factory vessel and Marel implementation
- Delayed start to Shark Bay prawn fishing season
- Mareterram restructuring completed to take costs out of the business
- Favourable hedges on currency and fuel
- TAC reduction leading to healthier biomass
- Commitment to policy certainty
- Healthy pipeline of acquisitions




Thank You
Sea Harvest



Questions