Sea Harvest

2024

BUOYED
BY WHAT WE DO BEST.

ANCHORED
BY OUR PURPOSE
AND VALUES.



UNAUDITED INTERIM RESULTS

for the six months ended 30 June 2024

TODAY'S PRESENTATION TEAM



Felix Ratheb

Chief Executive Officer



Muhammad Brey

Chief Financial Officer

PRESENTATION OUTLINE

- Group overview 1
- Corporate activity 2
- Group financial and operating performance 3
  - Sea Harvest Group 4
  - Cape Harvest Food Group 5
  - Sea Harvest Aquaculture 6
  - South African Fishing Group 7
  - Sea Harvest International 8
- Outlook 9
- Appendix 10





01 GROUP OVERVIEW

GROUP SNAPSHOT

SOUTH AFRICAN FISHING GROUP

Sea Harvest
Savour the sea

39 VESSELS

8 PROCESSING OPERATIONS

SPECIES

HAKE | HORSE MACKEREL
ANCHOVY | PILCHARD

EMPLOYEES

4 000

SEA HARVEST INTERNATIONAL

Sea Harvest AUSTRALIA

21 VESSELS

25 PRAWN LICENCES

20 SPANISH MACKEREL LICENCES

5 FISH TRAWL LICENCES

SPECIES

PRAWN | SCALLOP | CRAB
SPANISH MACKEREL
FISH TRAWL

EMPLOYEES

160

SEA HARVEST AQUACULTURE

Sea Harvest AQUACULTURE

8 AQUACULTURE OPERATIONS

SPECIES

ABALONE

EMPLOYEES

800

CAPE HARVEST FOOD GROUP

Cape Harvest FOODS

2 PROCESSING OPERATIONS

9 FACTORY SHOPS

CATEGORIES

CHEESE
BUTTER | POWDERS
CONVENIENCE FOODS

EMPLOYEES

1 270

KEY METRICS

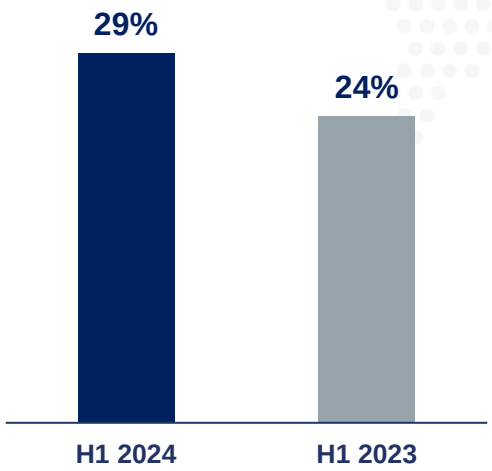
GROUP REVENUE
3%
TO R3.3 BILLION
(2023: R3.2 BILLION)

GROSS PROFIT
22%
TO R944 MILLION
(2023: R777 MILLION)

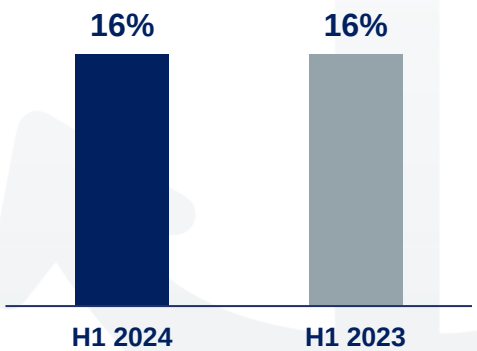
OPERATING PROFIT
23%
TO R311 MILLION
(2023: R252 MILLION)

HEPS
50
CENTS PER SHARE
(2023: 77 CENTS PER SHARE)

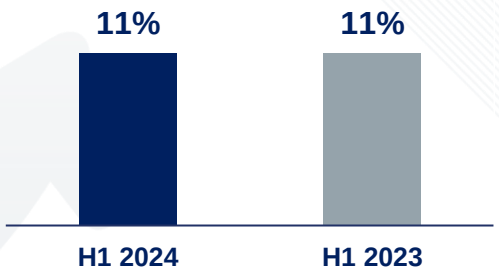
GROSS PROFIT MARGIN



EBITDA MARGIN

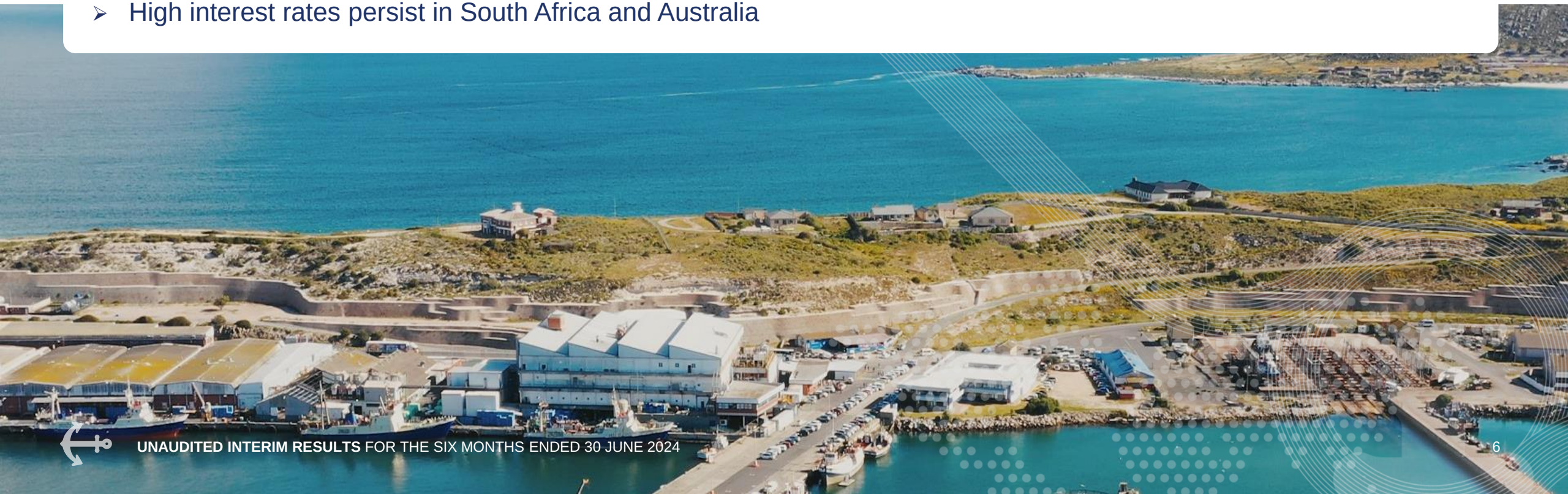


EBIT MARGIN



H1 2024 CHALLENGES

- Tragic loss of 11 crew with the sinking of the MFV Lepanto
- Continued lower hake catch rates resulted in lower sales volumes
- Reduced demand and increased competition in key abalone markets impacted selling prices
- Tough local consumer environment
- High interest rates persist in South Africa and Australia



H1 2024 HIGHLIGHTS

- Completed the acquisition of Aqunion and Saldanha/Westpoint Fishing (Sea Harvest Pelagic)
- Strong demand for wild-caught fish in all markets and channels, both locally and internationally, resulting in significantly improved pricing
- Viking Aquaculture and Aqunion integration commenced
- Increased milk flow at Ladismith
- Lower levels of load shedding
- Retained Level 1 B-BBEE contributor status with c.95% black ownership



REVENUE DIVERSIFICATION*: GEOGRAPHIC

DOMESTIC
4%
TO R1.56 BILLION
(2023: R1. 50 BILLION)

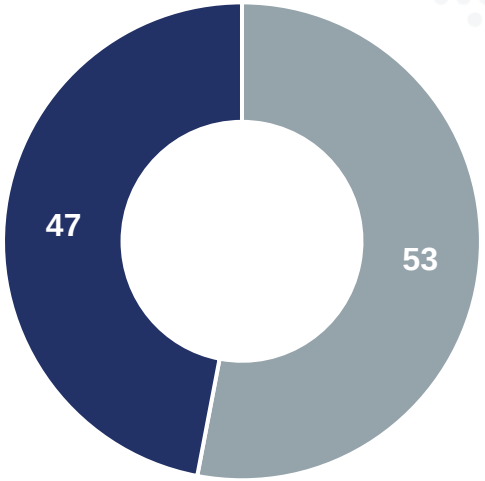
INTERNATIONAL
20%
TO R1.74 BILLION
(2023: R1.46 BILLION)

EUROPE
47%
TO R1.06 BILLION
(2023: R719 MILLION)

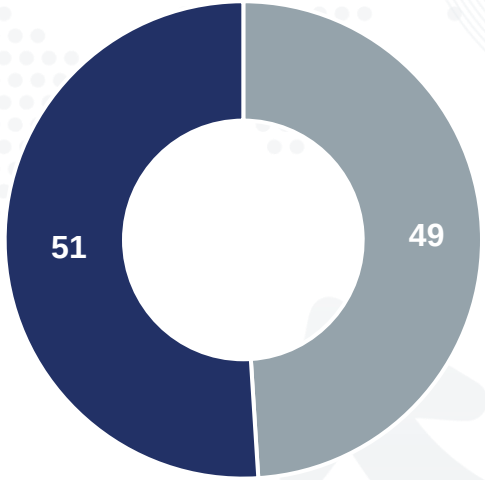
AUSTRALIA
18%
TO R424 MILLION
(2023: R516 MILLION)

ASIA
54%
TO R109 MILLION
(2023: R71 MILLION)

H1 2024 (%)

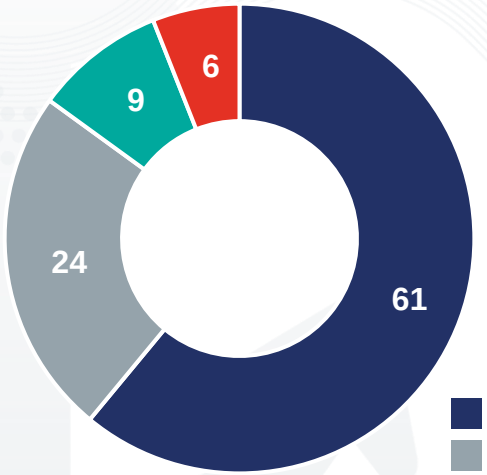


H1 2023 (%)

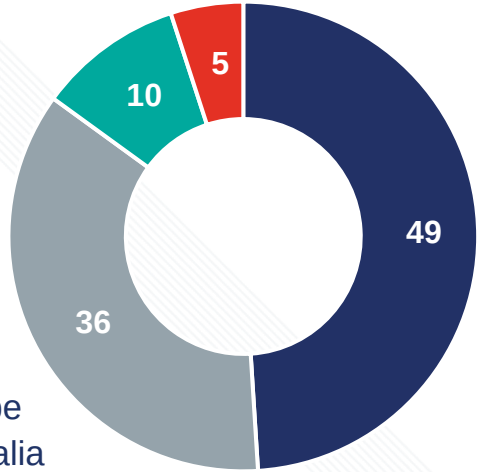


International
Domestic

H1 2024 (%)



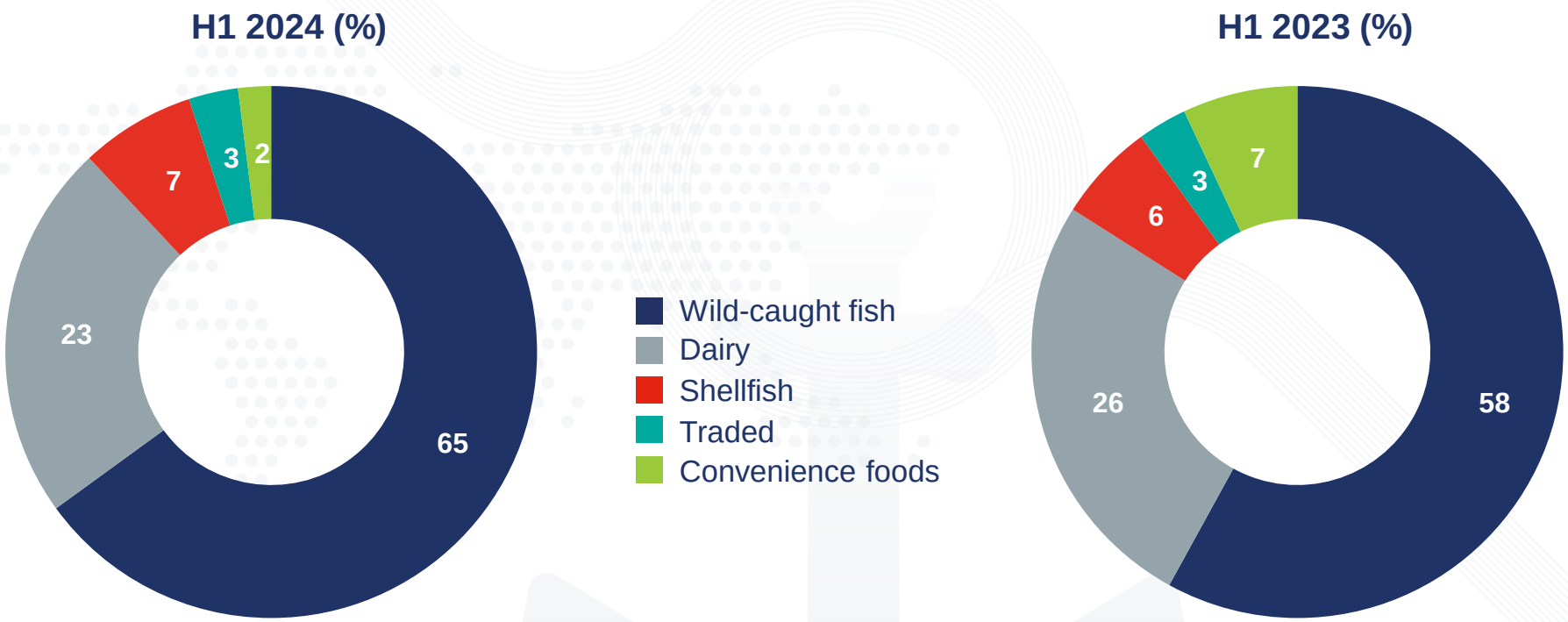
H1 2023 (%)



Europe
Australia
Other markets
Asia

** On a like-for-like basis, excluding BMFM in H1 2023*

REVENUE DIVERSIFICATION*: PRODUCT MIX



** On a like-for-like basis, excluding BMFM in H1 2023*

REVENUE DIVERSIFICATION*: CHANNEL MIX

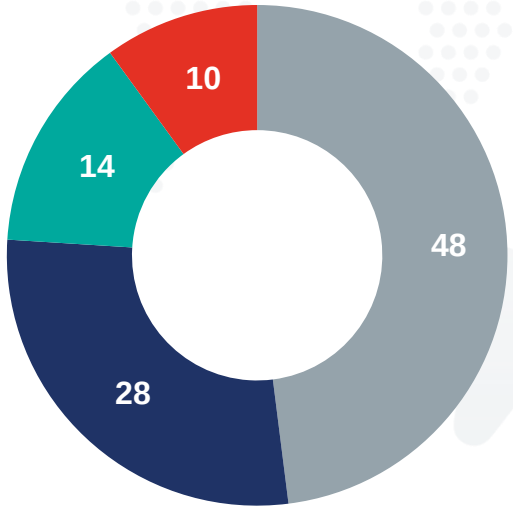
RETAIL
13%
TO R931 MILLION
(2023: R824 MILLION)

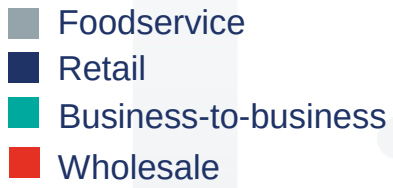
FOODSERVICE
1%
TO R1.58 BILLION
(2023: R1.61 BILLION)

BUSINESS-TO-BUSINESS
62%
TO R449 MILLION
(2023: R277 MILLION)

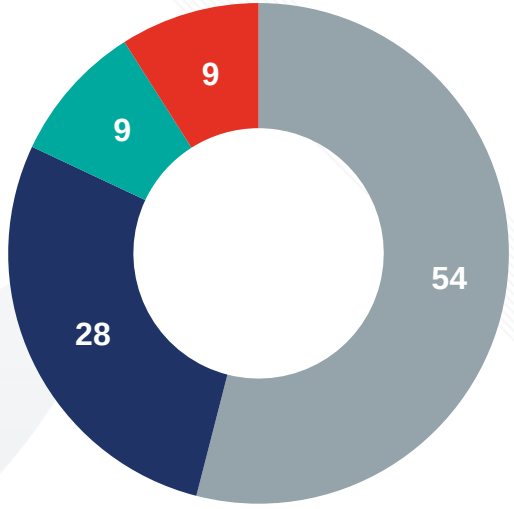
WHOLESALE
34%
TO R337 MILLION
(2023: R252 MILLION)

H1 2024 (%)





H1 2023 (%)



** On a like-for-like basis, excluding BMFM in H1 2023*



02 CORPORATE ACTIVITY

PURCHASE OF SALDANHA AND AQUNION

100% of Saldanha/West Point

- Vertically integrated pelagic fishing business, with its own quota, vessels, factory and brand
  - Fish oil and fish meal (exported to a diverse customer base)
  - Canned fish largely to the SA market (through retail, wholesale, and feeding scheme channels)





63.07% of Aqunion

- Vertically integrated abalone operation, with:
  - Farm capacity of 560 tonnes
  - Own feed supply through 51% stake in Marifeed
  - Processing facility in Hermanus producing canned, dried and live abalone
  - A strong own brand and exclusive supplier to “Diamond Brand”, the leading SA canned abalone brand in Hong Kong







GROUP FINANCIAL AND OPERATING PERFORMANCE



SEA HARVEST GROUP

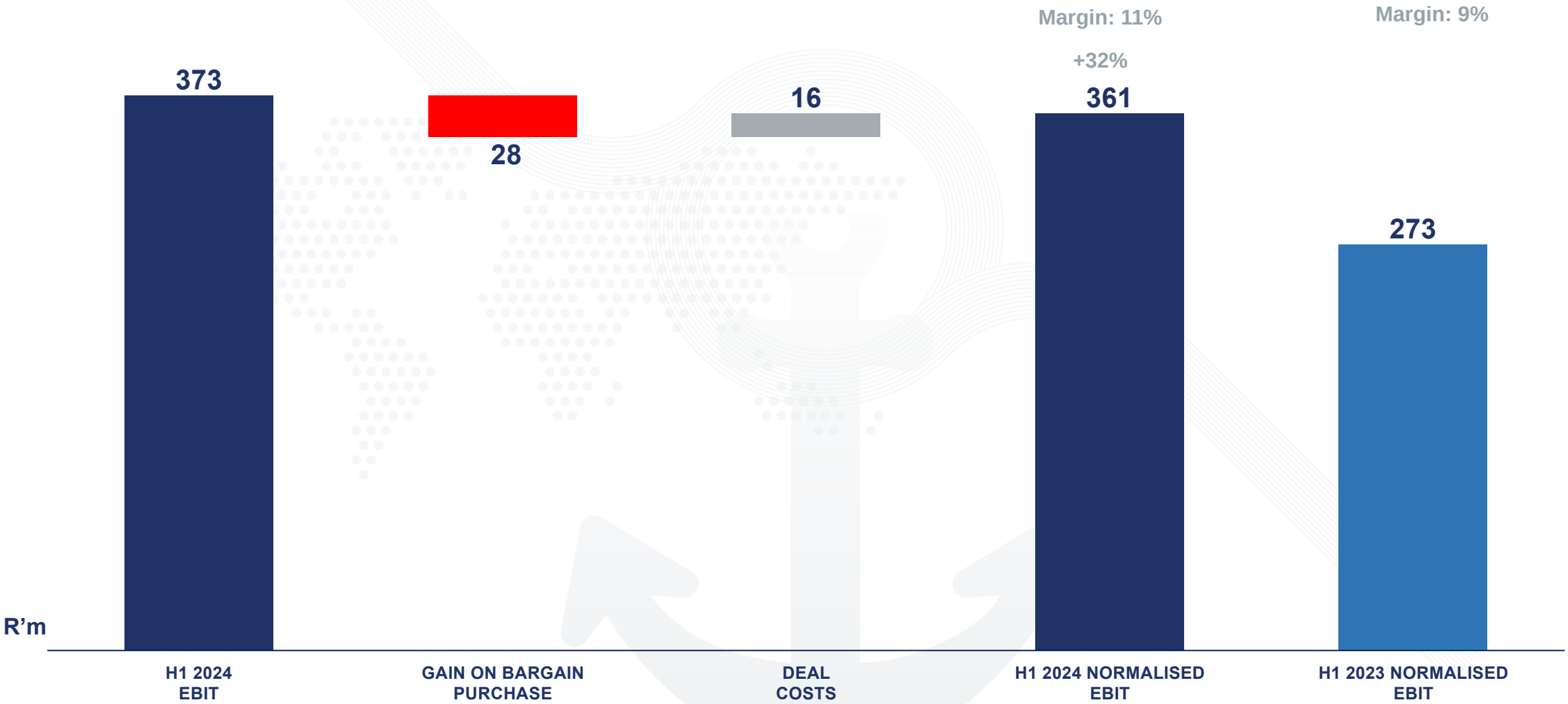
SEA HARVEST GROUP INCOME STATEMENT

		H1 2024 R'm	H1 2023 R'm
Revenue*	3%	3 303	3 203
Cost of sales	-3%	(2 359)	(2 426)
Gross profit	**22%**	**944**	**777**
Gross profit margin		*29%*	*24%*
Other operating income	-46%	34	62
Net operating expenses	14%	(667)	(587)
Operating profit	**23%**	**311**	**252**
Operating profit margin		*9%*	*8%*
Fair value gains, associates, gain on purchased loans and gain on bargain purchase	-38%	62	100
Profit before finance costs and tax (EBIT)	**6%**	**373**	**352**
EBIT margin		*11%*	*11%*
Net finance costs	23%	(128)	(104)
Taxation	25%	(61)	(48)
Profit after tax	**-7%**	**185**	**200**
Non-controlling interest		8	(13)
Profit attributable to Sea Harvest shareholders	-17%	176	213
EBITDA	5%	526	500
EBITDA margin		*16%*	*16%*



** On a like-for-like basis, excluding BMFM in H1 2023, revenue increased 12%*

SEA HARVEST GROUP NORMALISED EBIT



SEA HARVEST GROUP HEPS

Reconciliation of headline earnings		H1 2024 R'm	H1 2023 R'm
Profit for the period attributable to Sea Harvest shareholders	-17%	176	213
Adjustment for capital items post-tax		(32)	(0)
Headline earnings	**-32%**	**144**	**213**
Weighted average number of outstanding shares (WANOS) ('m)	5%	291	276
HEPS (cents)	**-36%**	**50**	**77**
Adjustments:			
Deal costs		16	–
Deconsolidation of BMFM		–	5
Gain on purchased loans		–	(93)
Normalised headline earnings	**29%**	**160**	**125**
Normalised HEPS	**22%**	**55**	**45**



SEA HARVEST GROUP BALANCE SHEET*

Assets	H1 2024 R'm	H2 2023 R'm
Property, plant and equipment	2 898	2 447
Right-of-use assets	195	196
Biological assets	168	71
Investment properties	79	79
Intangible assets	1 638	1 480
Goodwill	1 113	1 037
Investment in associates	33	37
Other non-current assets	349	313
Current assets	3 429	2 365
	9 902	**8 025**

Acquisitions +R398m, BAU capex +R161m, Expansion capex +R59m, Depreciation -R133m

Acquisition of Aqunion +R83m, Translation -R7m

LT and ST Biological assets increases to R479m in total Acquisitions R260m

Inventory +R430m (Acquisitions R399m), Receivables +R415m (Acquisitions R197m), Financial assets +R31m

Acquisitions +R197m (fishing licences, brands), Translation -R35m

** Purchase price allocation provisional at 30 June 2024*

SEA HARVEST GROUP BALANCE SHEET*

Equity and liabilities	H1 2024 R'm	H2 2023 R'm
Stated capital	**2 158**	1 689
Reserves	**1 781**	1 666
Non-controlling interests	**(1)**	23
Non-current liabilities	**4 314**	3 394
Current liabilities	**1 650**	1 253
	9 902	**8 025**

60m acquisition share issue +R467m

Retained earnings +R55m, FCTR -R31m, Hedge reserves +R94m

LT borrowings +R691m, (Acquisition debt R381m, Minority shareholders +R230m) Deferred tax +R234m (Acquisitions R164m)

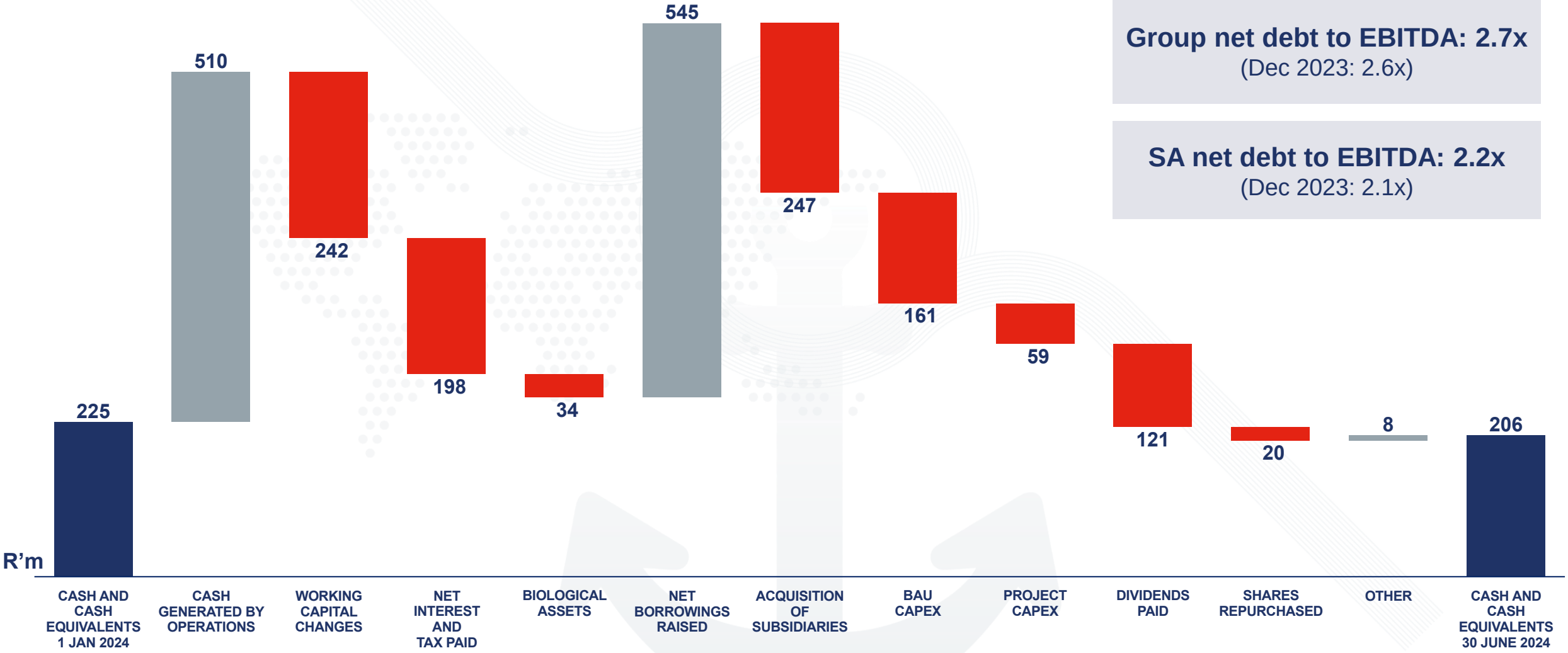
ST borrowings +R122m, Payables +R155m (Acquisitions R206m), Contingent consideration +R140m

** Purchase price allocation provisional at 30 June 2024*

SEA HARVEST GROUP CASH FLOW WATERFALL

Group net debt to EBITDA: 2.7x
(Dec 2023: 2.6x)

SA net debt to EBITDA: 2.2x
(Dec 2023: 2.1x)





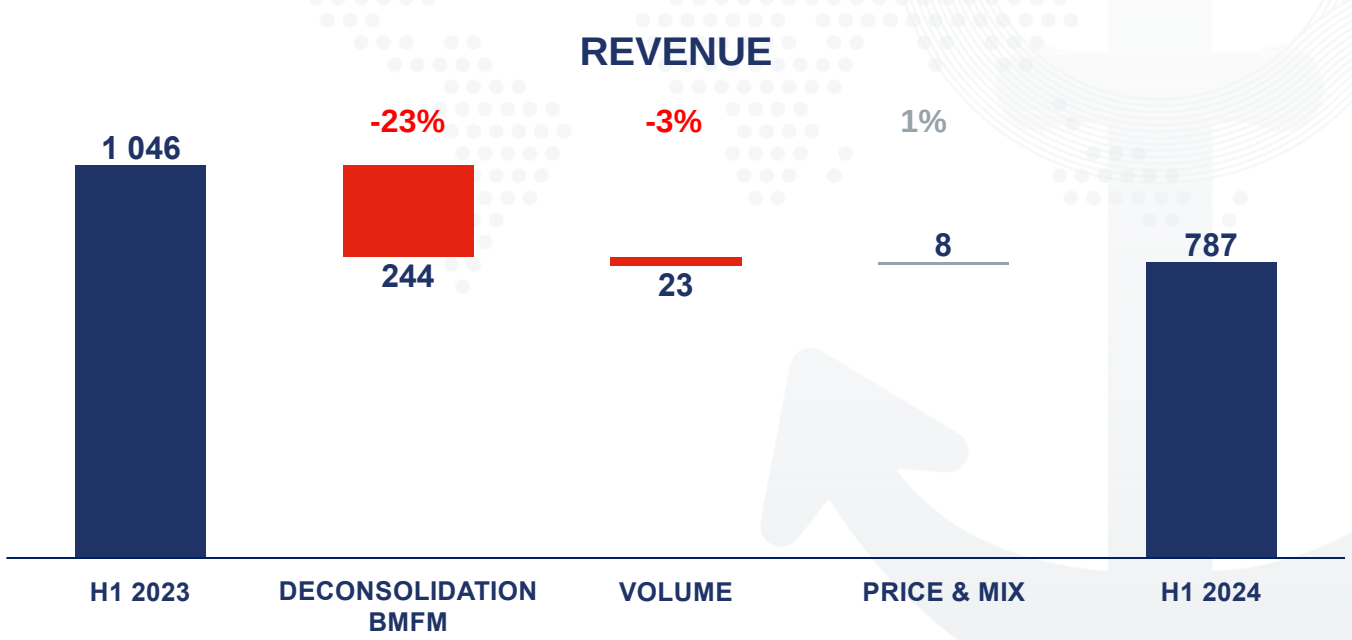
CAPE HARVEST FOOD GROUP

CAPE HARVEST FOOD GROUP KEY METRICS

REVENUE*
25%
TO R787 MILLION
(2023: R1.05 BILLION)

GROSS PROFIT
12%
TO R110 MILLION
(2023: R125 MILLION)

OPERATING PROFIT
39%
TO R40 MILLION
(2023: R29 MILLION)





** On a like-for-like basis excluding BMFM in H1 2023, revenue decreased by 2%*

CAPE HARVEST FOOD GROUP REVENUE ANALYSIS*

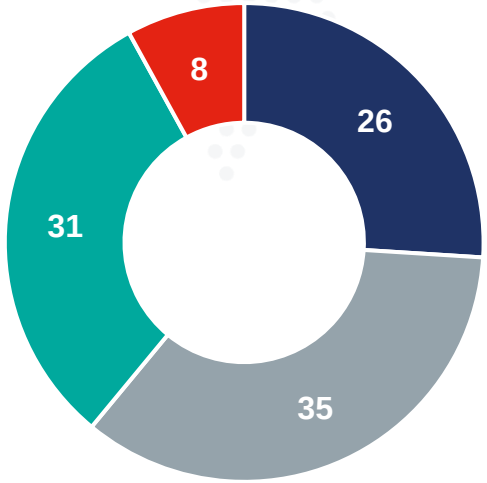
RETAIL
9%
TO R202 MILLION
(2023: R222 MILLION)

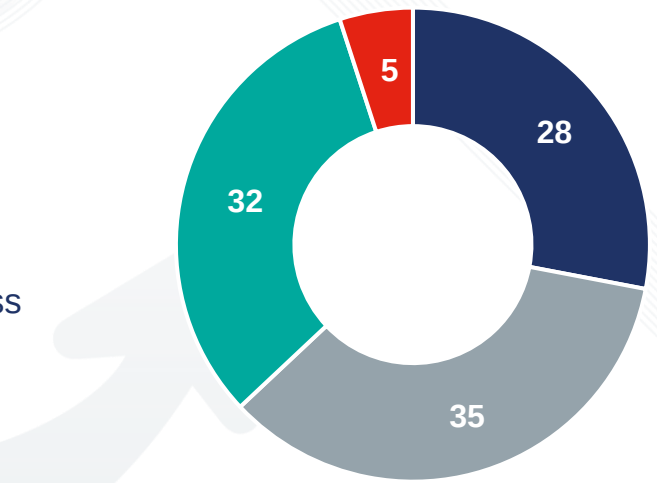
FOODSERVICE
2%
TO R279 MILLION
(2023: R286 MILLION)

BUSINESS-TO-BUSINESS
5%
TO R242 MILLION
(2023: R256 MILLION)

WHOLESALE
67%
TO R64 MILLION
(2023: R38 MILLION)

H1 2024 (%)





H1 2023 (%)

** On a like-for-like basis, excluding BMFM from H1 2023*

CAPE HARVEST FOOD GROUP
H1 2024 CHALLENGES AND HIGHLIGHTS

Cape Harvest FOODS

Challenges

- Tough consumer environment
- Soft international powder prices
- Outbreak of Foot-and-Mouth Disease in the Eastern Cape

Highlights

- Increased milk flow
- Lower milk price inflation
- Volume efficiencies and good cost control
- Resilient performance in tough environment





SEA HARVEST AQUACULTURE

SEA HARVEST AQUACULTURE KEY METRICS

REVENUE

TO R102 MILLION

(2023: R62 MILLION)

GROSS PROFIT

TO R47 MILLION

(2023: R22 MILLION)

FAIR VALUE GAINS

TO R41 MILLION

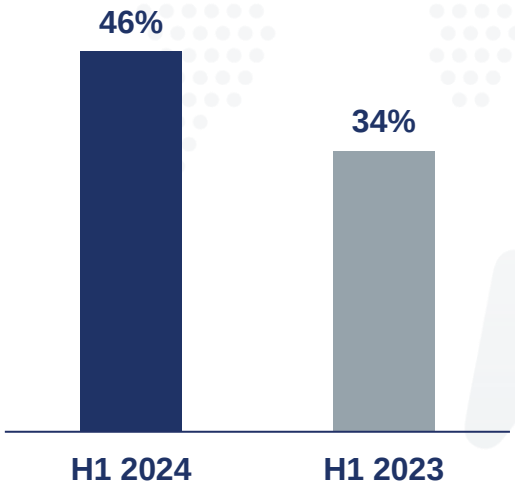
(2023: R5 MILLION)

NORMALISED EBIT

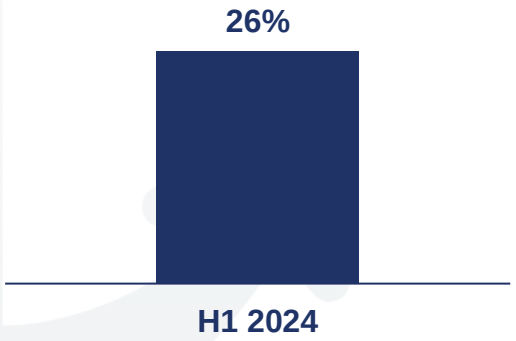
TO R27 MILLION

(2023: -R10 MILLION)*

GROSS PROFIT MARGIN



EBIT MARGIN



Revenue excludes intersegmental revenue of Rnil (2023: R0.4 million)

** Normalised for R93 million gain on purchased loans and impairment of the oyster business in 2023*

SEA HARVEST AQUACULTURE
H1 2024 CHALLENGES AND HIGHLIGHTS

Challenges

- Deteriorating market conditions in key abalone markets
- Reduced demand and increased competition
  - Impacted selling prices

Highlights

- Acquired vertically integrated Aqunion
  - 51% interest in Marifeed secures Aqunion's feed supply
- Integration commenced
- Good growth on farms in period
- Total volume of 1 150 tonnes across the segment
- Biological asset value of abalone has increased to R479 million





SOUTH AFRICAN FISHING GROUP

SOUTH AFRICAN FISHING GROUP KEY METRICS

Sea Harvest
Savour the sea

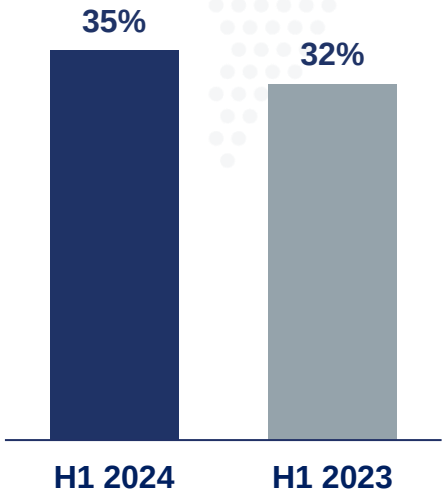
REVENUE
27%
TO R1.99 BILLION
(2023: R1.57 BILLION)

COST OF SALES
22%
TO R1.29 BILLION
(2023: R1.06 BILLION)

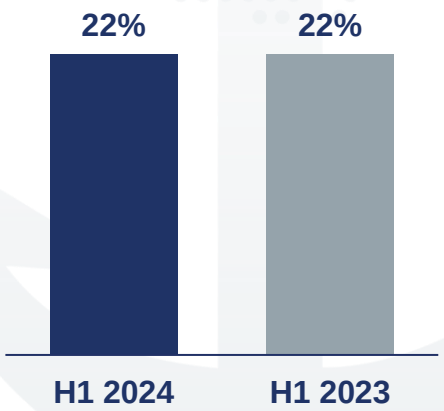
GROSS PROFIT
37%
TO R697 MILLION
(2023: R508 MILLION)

OPERATING PROFIT
26%
TO R299 MILLION
(2023: R238 MILLION)

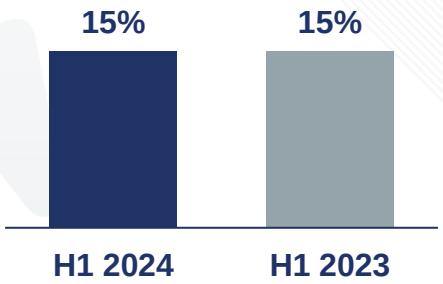
GROSS PROFIT MARGIN



EBITDA MARGIN



OPERATING PROFIT MARGIN



Revenue excludes intersegmental revenue of R131.9m (2023: R80.7m)

SOUTH AFRICAN FISHING GROUP REVENUE GROWTH AND CHANNEL MIX

Sea Harvest
Savour the sea

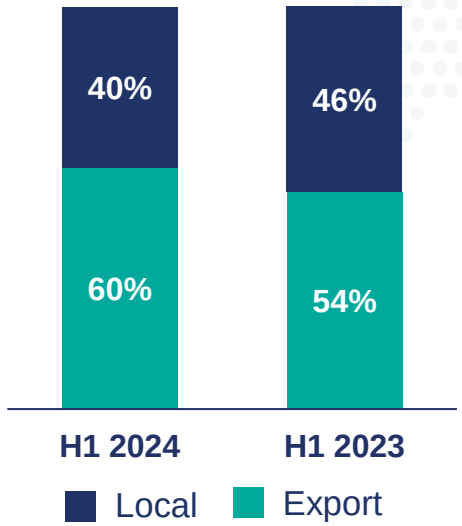
EXPORT
41%
TO R1.262 BILLION
(2023: R897 MILLION)

FOODSERVICE
15%
TO R453 MILLION
(2023: R394 MILLION)

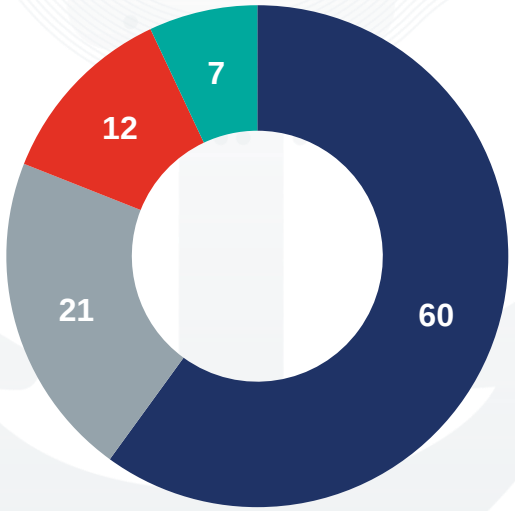
DOMESTIC RETAIL
21%
TO R255 MILLION
(2023: R211 MILLION)

WHOLESALE
1%
TO R151 MILLION
(2023: R149 MILLION)

REVENUE MIX

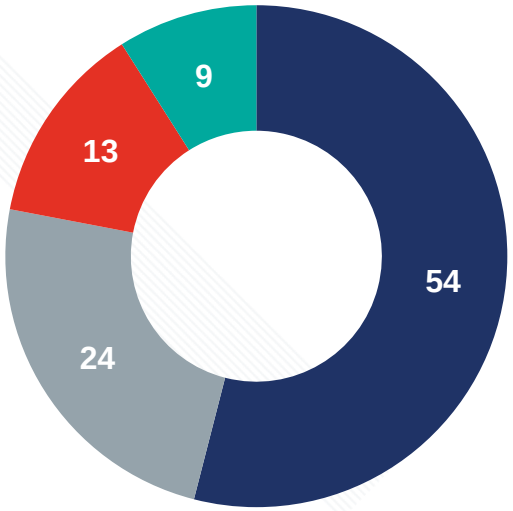


H1 2024 (%)



Export
Foodservice
Retail
Wholesale

H1 2023 (%)



Revenue includes intersegmental revenue of R131.9m (2023: R80.7m)

SOUTH AFRICAN FISHING GROUP REVENUE DIVERSIFICATION: GEOGRAPHIC

Sea Harvest
Savour the sea

DOMESTIC
14%
TO R859 MILLION
(2023: R754 MILLION)

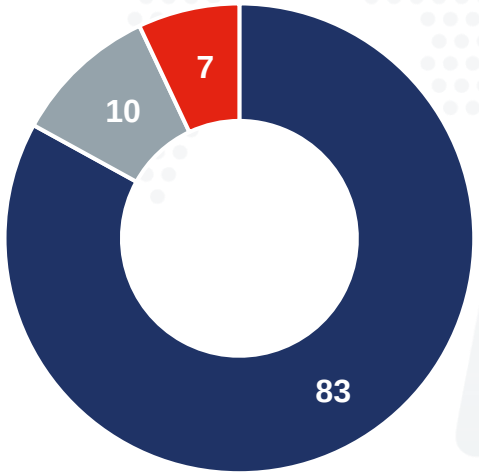
INTERNATIONAL
41%
TO R1.262 BILLION
(2023: R859 MILLION)

EUROPE
48%
TO R1.05 BILLION
(2023: R709 MILLION)

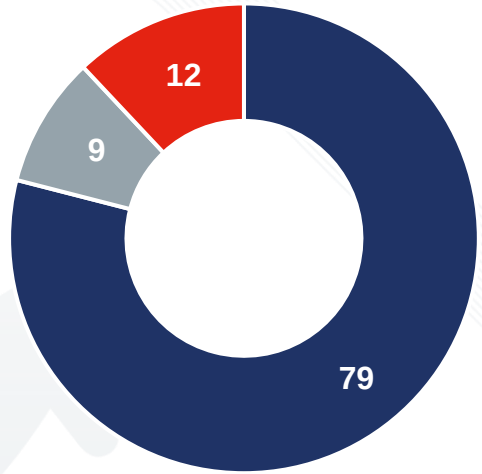
AUSTRALIA
63%
TO R128 MILLION
(2023: R79 MILLION)

OTHER MARKETS
24%
TO R84 MILLION
(2023: R110 MILLION)

H1 2024 (%)



H1 2023 (%)



Europe
Australia
Other markets

Revenue includes intersegmental revenue of R131.9 million (2023: R80.7 million)

SOUTH AFRICAN FISHING GROUP
H1 2024 CHALLENGES AND HIGHLIGHTS

Sea Harvest
Savour the sea

Challenges

- 5% lower catch volumes in the hake fishery resulted in 11% lower sales volumes
- Lower utilisation due to timing of refits in H1

Highlights

- Acquired vertically integrated Saldanha/West Point (Sea Harvest Pelagic)
- 5% increase in the hake TAC
- Strong demand in all markets and channels, locally and internationally
- Significantly improved pricing (+12%)





SEA HARVEST INTERNATIONAL

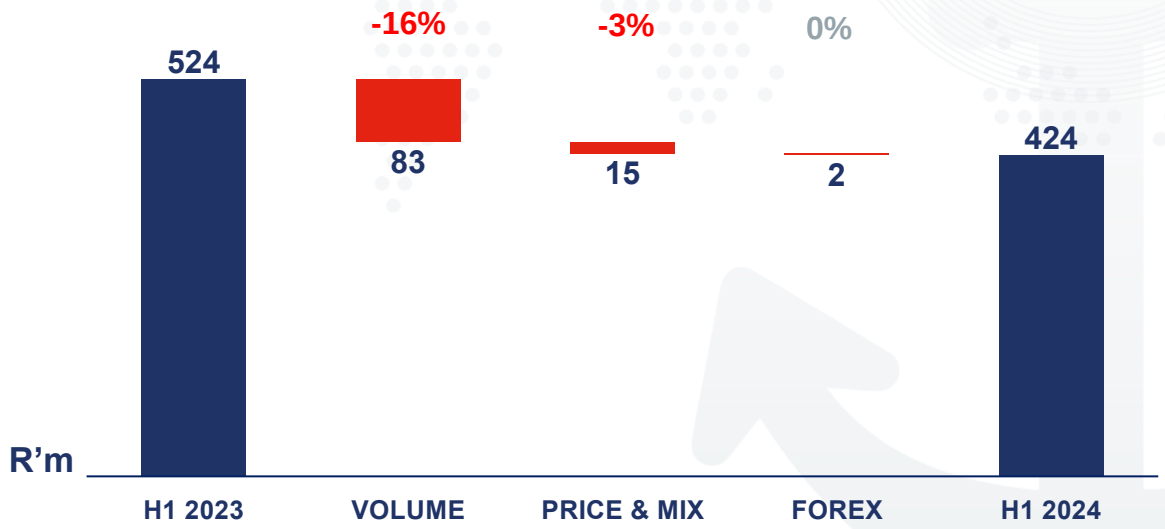
SEA HARVEST INTERNATIONAL KEY METRICS

REVENUE
19%
TO R424 MILLION
(2023: R524 MILLION)

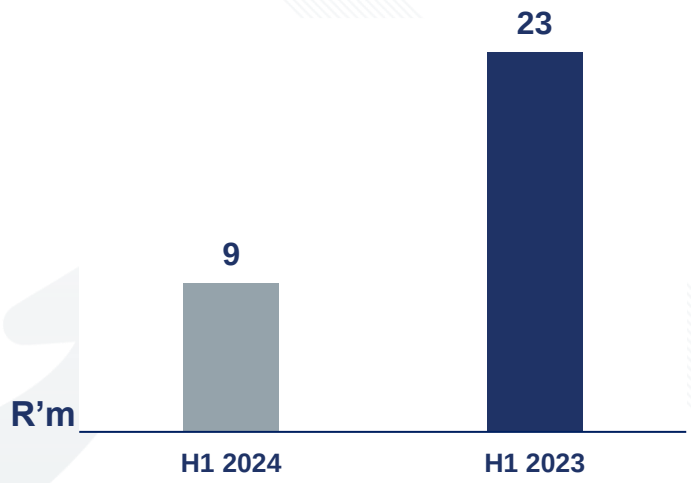
GROSS PROFIT
27%
TO R90 MILLION
(2023: R122 MILLION)

EBITDA
62%
TO R9 MILLION
(2023: R23 MILLION)

REVENUE WATERFALL



EBITDA



SEA HARVEST INTERNATIONAL CHANNEL MIX

RETAIL

TO AUD2.1 MILLION
(2023: AUD0.9 MILLION)

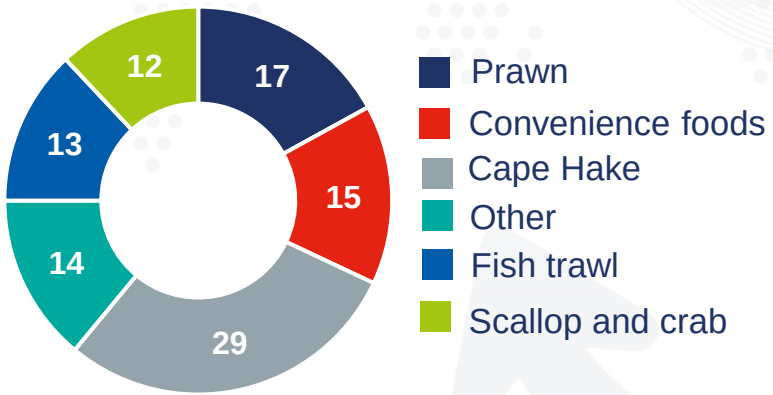
FOODSERVICE

TO AUD30.8 MILLION
(2022: AUD39.3 MILLION)

EXPORT

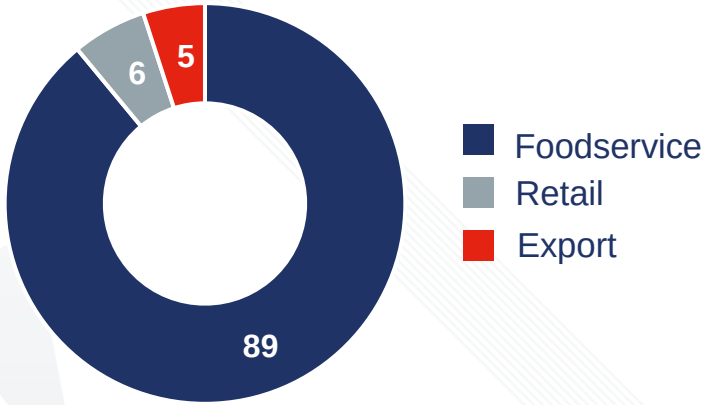
TO AUD1.6 MILLION
(2022: AUD2.1 MILLION)

REVENUE SPLIT BY CATEGORY (%)



H1 2024

REVENUE CHANNEL (%)



H1 2024

SEA HARVEST INTERNATIONAL
H1 2024 CHALLENGES AND HIGHLIGHTS

Challenges

- Later start to prawn fishing seasons in Shark Bay and Exmouth
- Resulted in product largely available for sale in H2 2024
- Softer prawn pricing persisted in H1

Highlights

- Firm start to prawn fishing seasons
- Increased crab and scallop quota
- Good catches in Spanish Mackerel and Pilbara Fish Trawl
- Good cost control





OUTLOOK

H2 2024 OUTLOOK

- Hake deep-sea trawl and Horse Mackerel catches are weighted more to H2
- Local and international hake markets remain firm
- Sea Harvest Pelagic performing well
- Slowing Chinese and Hong Kong economies and intense competition expected to continue in abalone
- Abalone integration key to extracting value
- Potential negative impact of Foot-and-Mouth Disease
- Solar PV plant and roller dryer plant to be commissioned at Ladismith in H2 2024
- Good catch mix in Australian operations tempered by soft global pricing
- Interest rates forecast to ease





QUESTIONS

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024


THANK YOU

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APPENDIX

SEA HARVEST GROUP SEGMENTAL RESULTS SUMMARY

	REVENUE				EBIT				EBIT MARGIN	
	Contribution to revenue %	% change	H1 2024 R'm	H1 2023 R'm	Contribution to EBIT%	% change	H1 2024 R'm	H1 2023 R'm	2024 %	2023 %
South African Fishing Group	60%	**27%**	**1 989**	1 571	87%	**36%**	**326**	240	**16**	15
Sea Harvest Australia	13%	**-19%**	**424**	524	-4%	**-839%**	**(15)**	2	**n/a**	0
Sea Harvest Aquaculture	3%	**64%**	**102**	62	7%	**-66%**	**27**	79	**26**	127
Cape Harvest Food Group	24%	**-25%**	**787**	1 046	9%	**13%**	**35**	31	**4**	3
Group		**3%**	**3 303**	3 203		**6%**	**373**	352	**11**	11

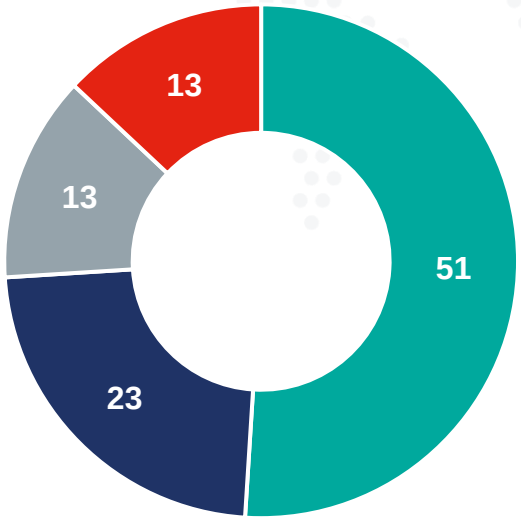
REVENUE DIVERSIFICATION*: CURRENCY

ZAR
5%
TO R1.70 BILLION
(2023: R1.62 BILLION)

EURO
7%
TO R759 MILLION
(2023: R706 MILLION)

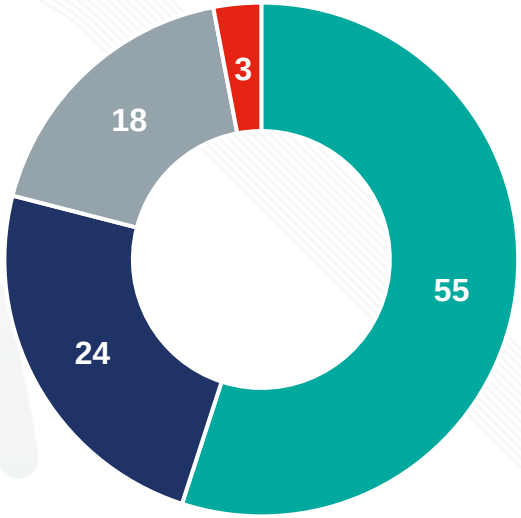
AUD
18%
TO R425 MILLION
(2023: R522 MILLION)

H1 2024



ZAR
EURO
AUD
OTHER

H1 2023



** On a like-for-like basis, excluding BMFM in H1 2023*