

BROADENING OUR HORIZONS

REVIEWED FINANCIAL RESULTS

FOR THE YEAR ENDED
31 DECEMBER 2022

Sea Harvest

Today's presentation team



Felix Ratheb

Chief Executive Officer



Muhammad Brey

Chief Financial Officer

Presentation outline

- Group overview
- Group financial and operating performance
  1. Sea Harvest Group
  2. Cape Harvest Food Group
  3. Sea Harvest Aquaculture
  4. South African Fishing
  5. Sea Harvest International
- Outlook
- Questions





GROUP OVERVIEW

Group snapshot

SOUTH AFRICAN FISHING

Sea Harvest
Savour the sea

36 VESSELS

6 PROCESSING OPERATIONS

SPECIES

HAKE | HORSE MACKEREL
PRAWN | ANCHOVY | PILCHARD

EMPLOYEES

3 200

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

170

SEA HARVEST AQUACULTURE

Sea Harvest
AQUACULTURE

5 AQUACULTURE OPERATIONS

SPECIES

ABALONE | OYSTERS

EMPLOYEES

330

CAPE HARVEST FOOD GROUP

Cape Harvest
FOODS

5 PROCESSING OPERATIONS

12 FACTORY SHOPS

CATEGORIES

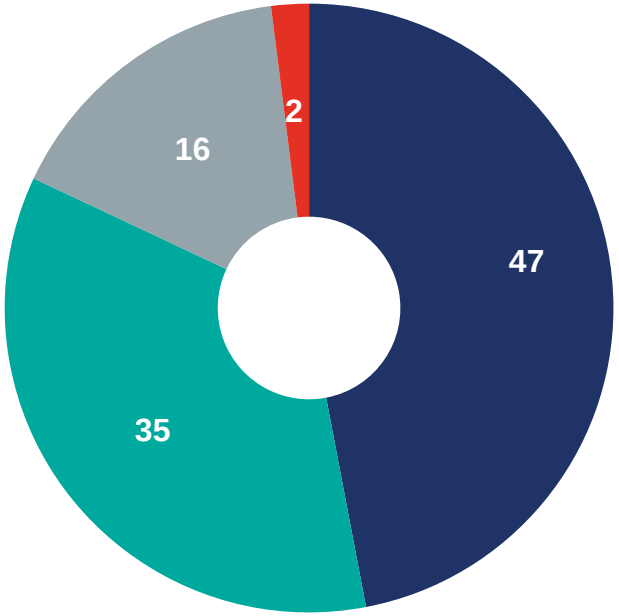
CHEESE
BUTTER | POWDERS
CONVENIENCE FOODS

EMPLOYEES

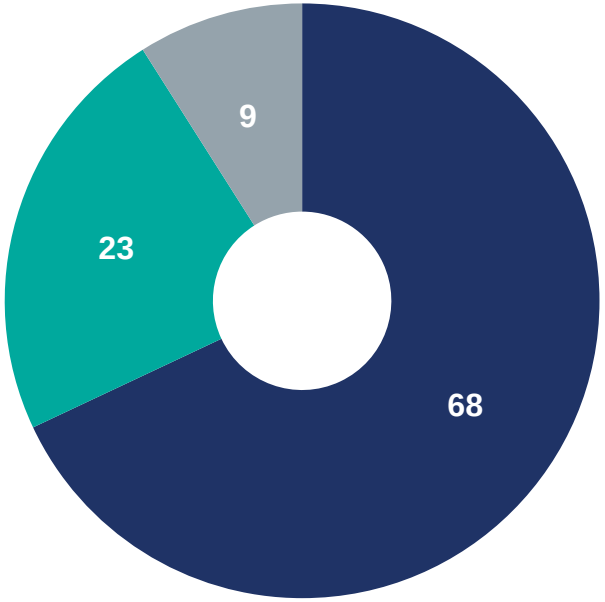
1 700

Group snapshot

Revenue (%)



Operating profit (%)*



Sea Harvest
Savour the sea

Cape Harvest FOODS

Sea Harvest AUSTRALIA

Sea Harvest AQUACULTURE

** Excluding Sea Harvest Aquaculture*

Key metrics

GROUP REVENUE

27%
TO R5.9 BILLION
(2021: R4.6 BILLION)

OPERATING PROFIT

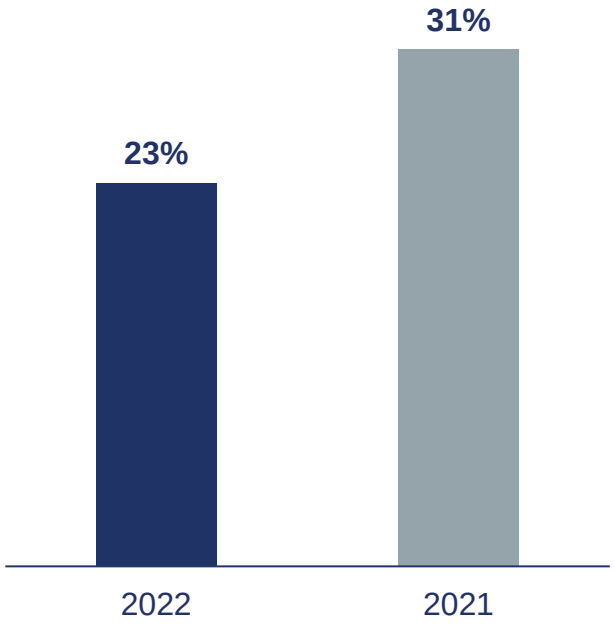
32%
TO R472 MILLION
(2021: R691 MILLION)

HEPS

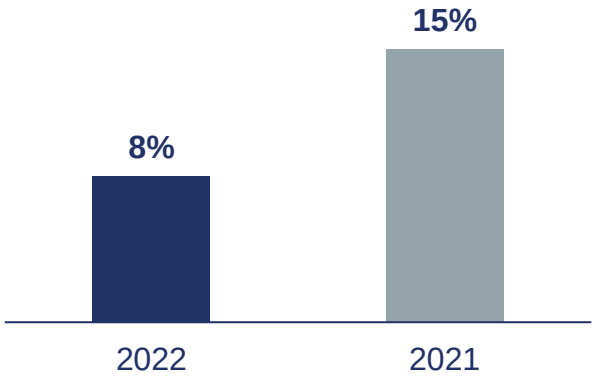
33%
TO 105 CENTS PER SHARE
(2021: 157 CENTS PER SHARE)

DIVIDEND PER SHARE

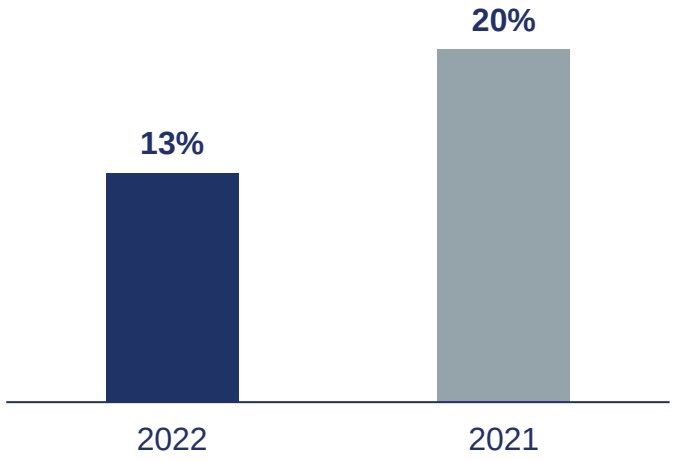
38
CENTS PER SHARE
(2021: 56 CENTS PER SHARE)



GROSS PROFIT MARGIN



OPERATING PROFIT MARGIN



EBITDA MARGIN

2022 Challenges

- Hake quota losses from the Fishing Rights Allocation Process (FRAP) and a further cut in the Total Allowable Catch (TAC) resulted in 10% lower available volumes
  - Had a material impact on the top line and fixed cost recovery
- Unprecedented input cost pressure, specifically:
  - Fuel price, which increased by 90%, at an additional cost of R257 million
  - International freight rates, which increased by more than 34%
  - Packaging and ingredients, which increased by more than 35%
- Impact of load shedding
- Higher interest rates
- MG Kailis acquisition-related costs

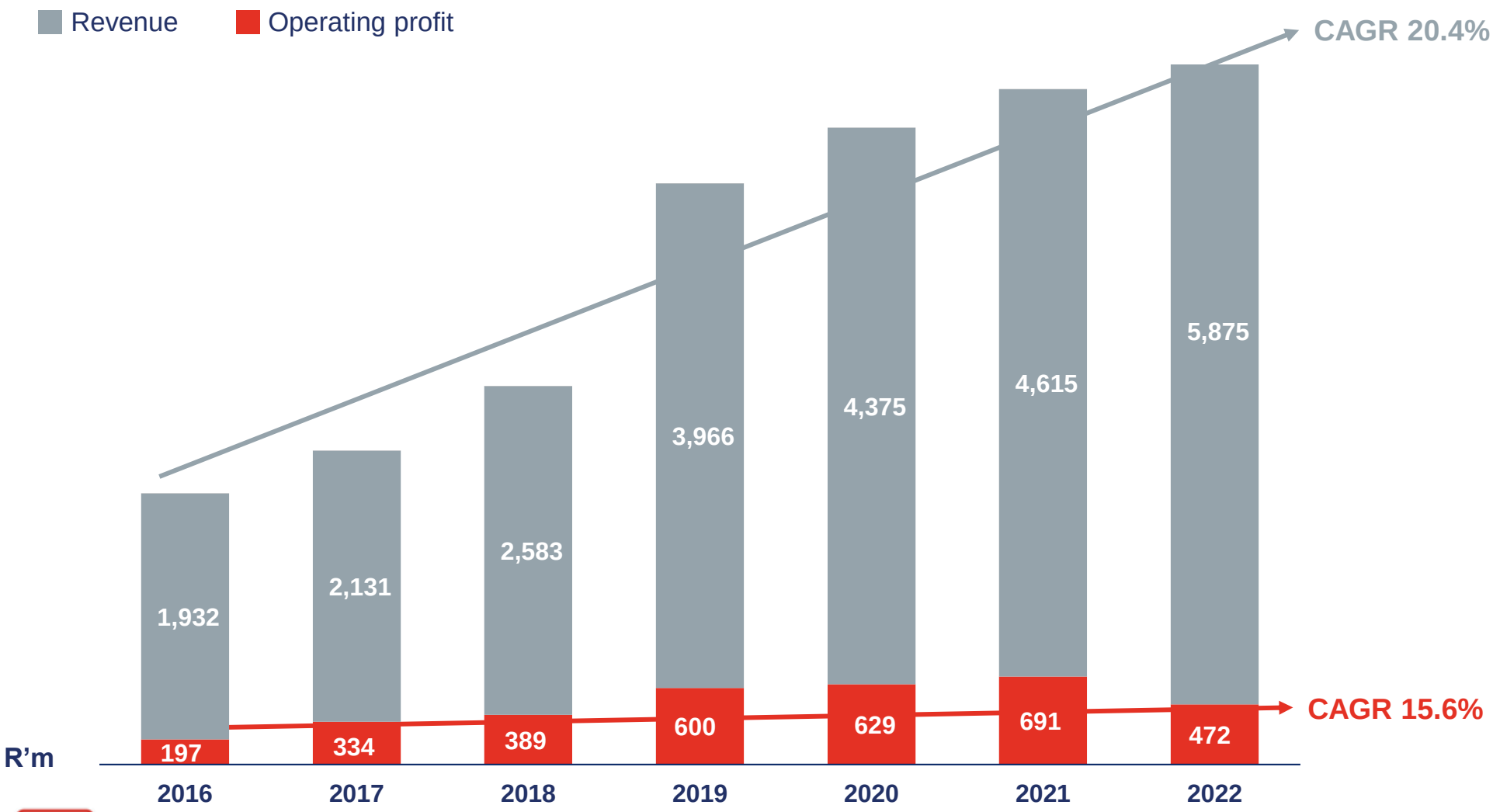


2022 Highlights

- Sea Harvest was one of the top performing companies in all sectors it applied for in FRAP
- Although a disappointing FRAP outcome – as Sea Harvest is one of the most transformed companies in the sector with 95% black ownership, a Level 1 B-BBEE contributor, and rurally based – the result lays a good foundation for certainty and stability for the next 15 years
- Demand remained strong in all markets and channels both locally and internationally, resulting in strong pricing and revenue growth in all businesses
- Completed the acquisition and integration of MG Kailis' Western Australia-based fishing assets
- Improved performance at Ladismith, as a result of sound investments in the new powder plant and new butter factory
- Abalone recovery has been sound, although Sea Harvest Aquaculture has not been able to take full advantage of this recovery due to its reliance on the live market, being a young farm



Revenue and operating profit





Revenue diversification: Geographic

DOMESTIC
29%
TO R3.44 BILLION
(2021: R2.66 BILLION)

INTERNATIONAL
24%
TO R2.44 BILLION
(2021: R1.96 BILLION)

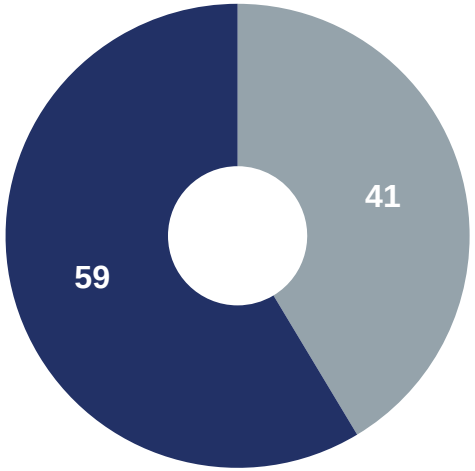
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EUROPE
7%
TO R1.22 BILLION
(2021: R1.14 BILLION)

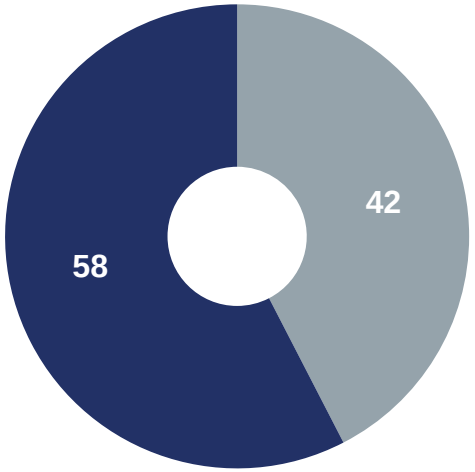
AUSTRALIA
60%
TO R869 MILLION
(2021: R544 MILLION)

OTHER MARKETS
27%
TO R343 MILLION
(2021: R270 MILLION)

2022 (%)

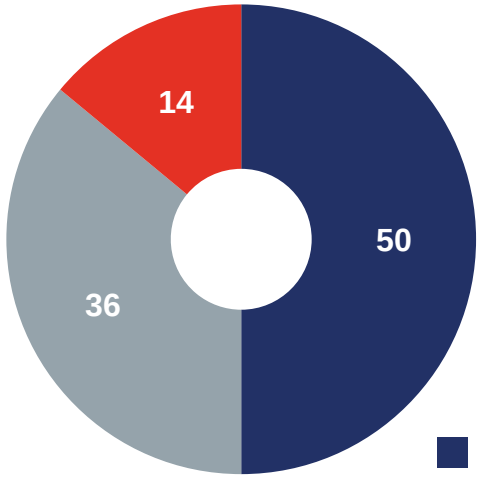


2021 (%)

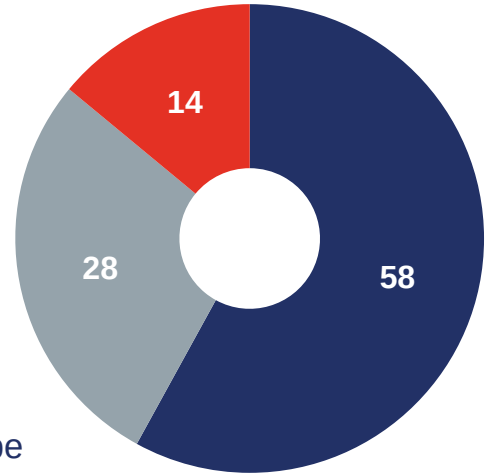


International
Domestic

2022 (%)

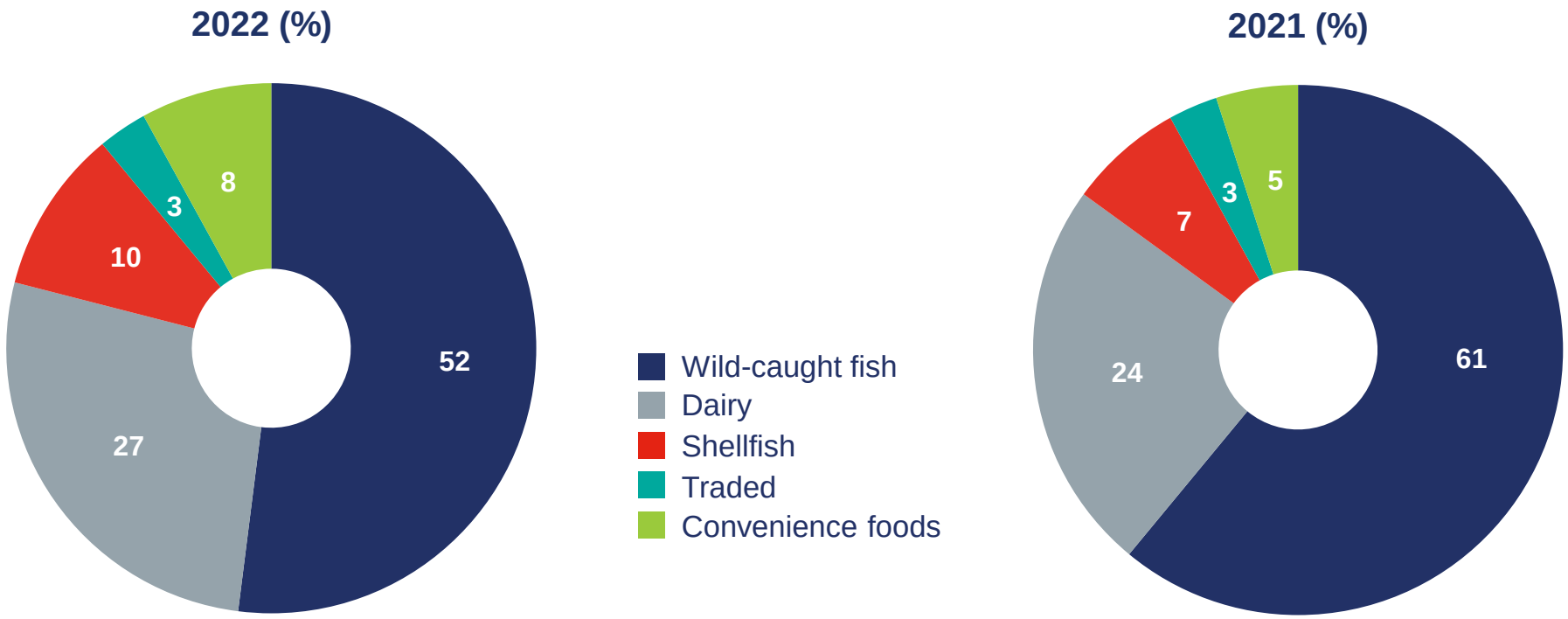


2021 (%)



Europe
Australia
Other markets

Revenue diversification: Product mix



Revenue diversification: Channel mix

RETAIL

15%
TO R2.57 BILLION
(2021: R2.24 BILLION)

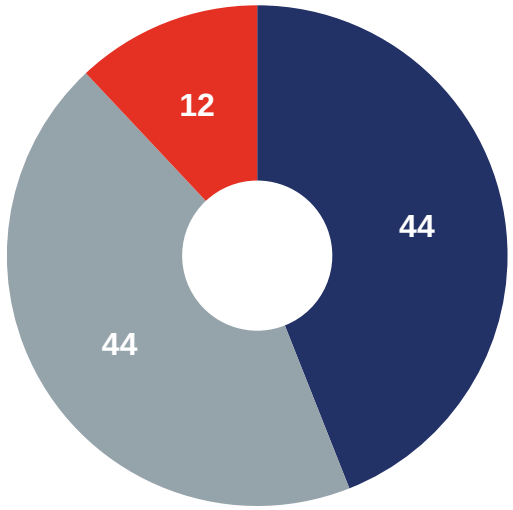
FOODSERVICE

39%
TO R2.57 BILLION
(2021: R1.85 BILLION)

WHOLESALE

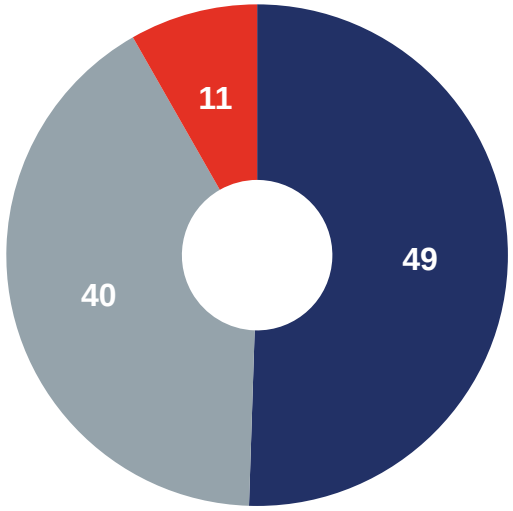
40%
TO R739 MILLION
(2021: R526 MILLION)

2022 (%)

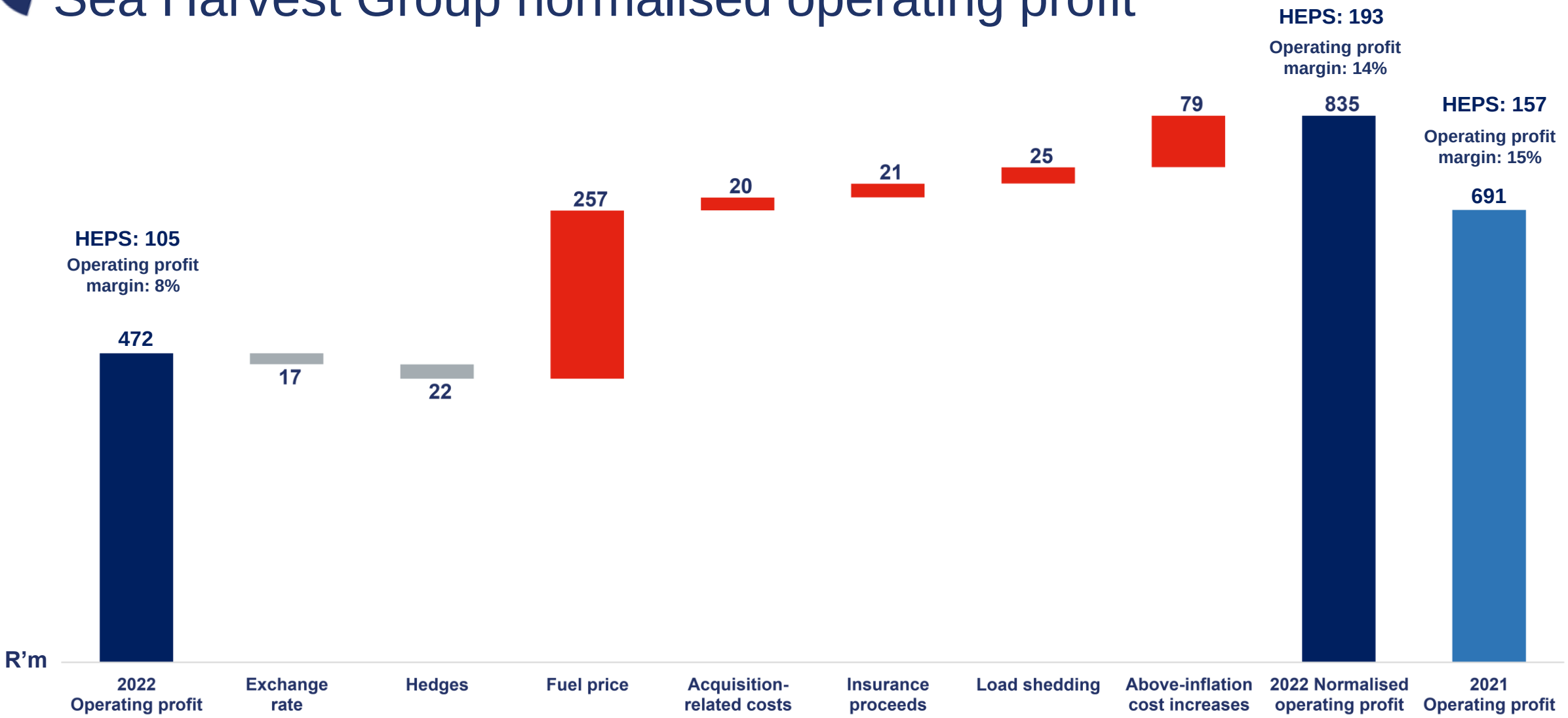


Retail
Foodservice
Wholesale

2021 (%)



Sea Harvest Group normalised operating profit





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GROUP FINANCIAL AND OPERATING PERFORMANCE



3

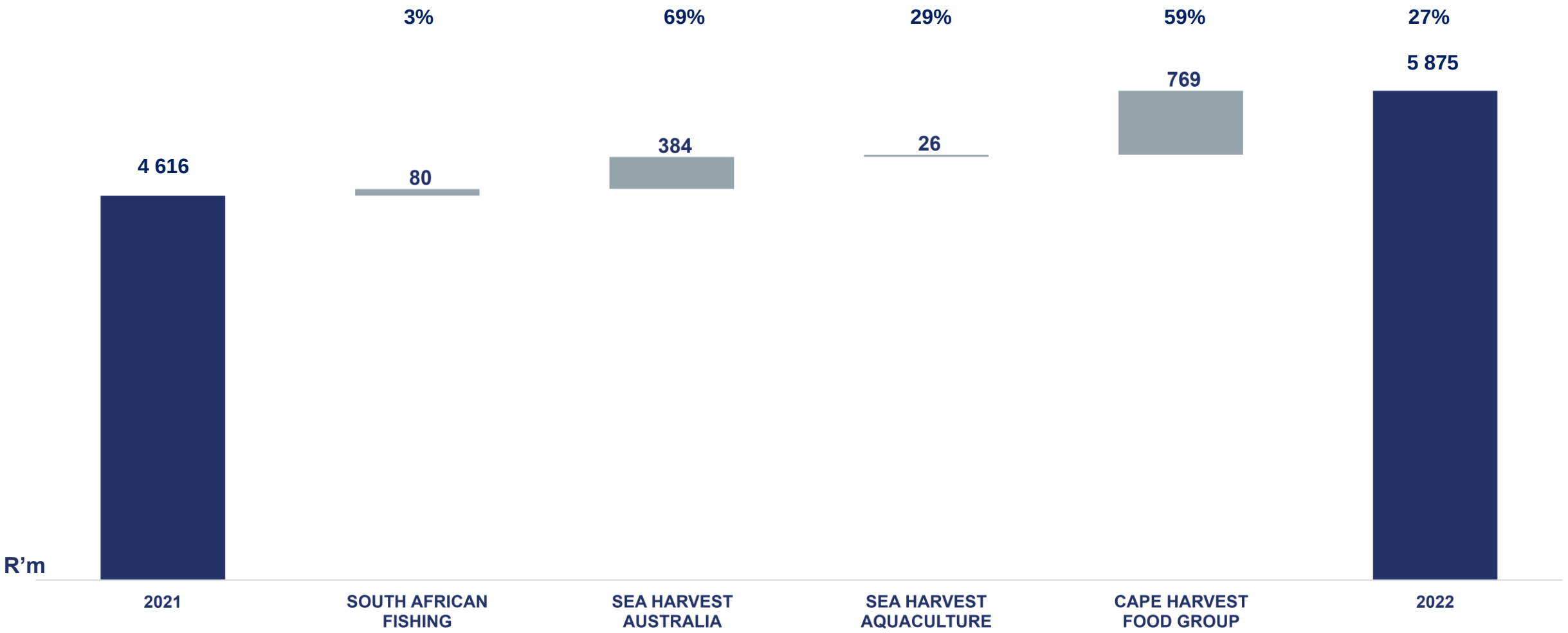
SEA HARVEST GROUP

Sea Harvest Group income statement

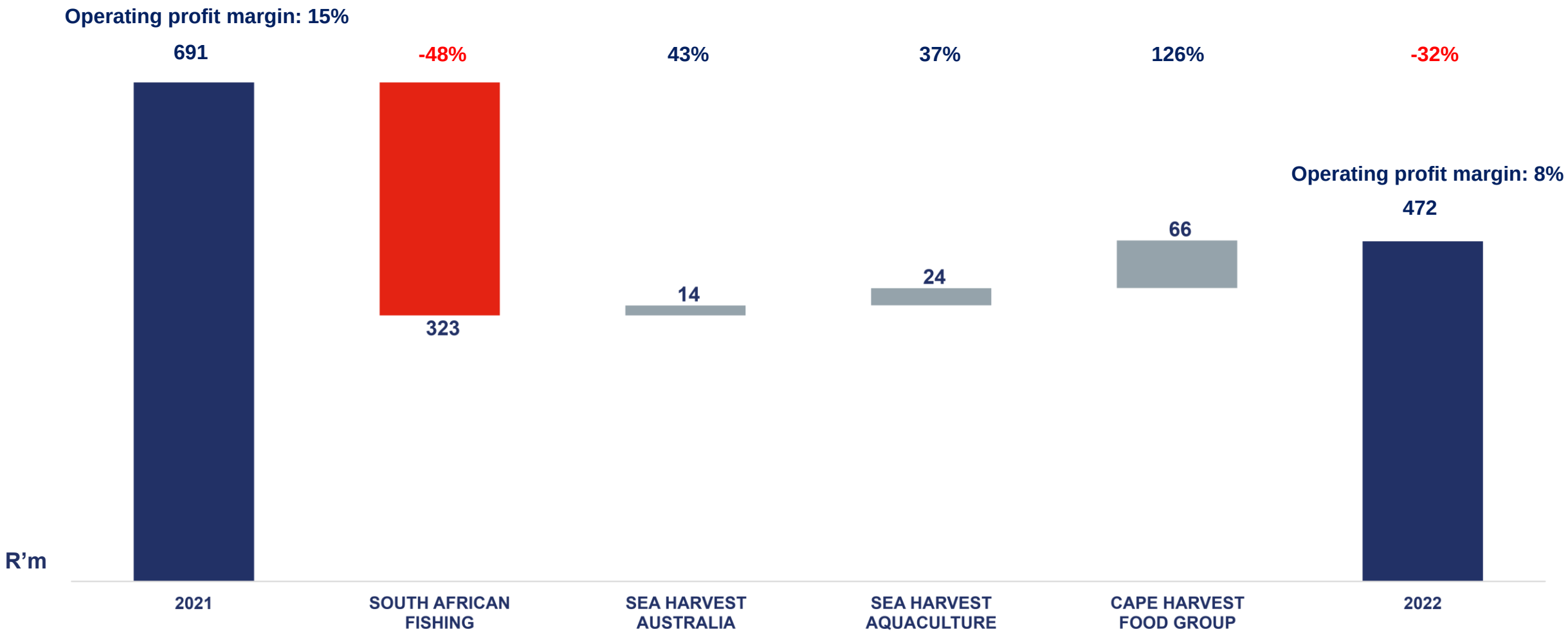
		2022 R'm	2021 R'm
Revenue	27%	5 875	4 616
Cost of sales	42%	4 537	3 192
Gross profit	**-6%**	**1 338**	**1 424**
Gross profit margin		*23%*	*31%*
Other operating income	4%	252	242
Net operating expenses	15%	(1 118)	(975)
Operating profit	**-32%**	**472**	**691**
Operating profit margin		*8%*	*15%*
Fair value, associates, impairments & bargain purchase		**28**	**(21)**
Profit before finance costs and tax (EBIT)	**-25%**	**500**	**670**
Net finance costs	117%	(124)	(57)
Taxation	-54%	(82)	(178)
Profit after tax	**-32%**	**294**	**434**
Non-controlling interest		(17)	(36)
Profit attributable to Sea Harvest shareholders	-34%	311	470
EBITDA	**-16%**	**769**	**916**
EBITDA margin		*13%*	*20%*



Sea Harvest Group revenue waterfall



Sea Harvest Group operating profit waterfall



Sea Harvest Group HEPS and DPS

Reconciliation of headline earnings		2022 R'm	2021 R'm
Profit for the period attributable to shareholders of the parent	-34%	311	470
Adjustment for capital items post-tax	-44%	(17)	(31)
Headline earnings	**-33%**	**293**	**439**
Weighted average number of outstanding shares (WANOS) ('m)	0%	279	280
HEPS (cents)	-33%	105	157
Dividends declared	-32%	114	167
Number of ordinary shares in issue ('m)	0%	299	299
Total dividend per share	-32%	**38**	**56**



Sea Harvest Group balance sheet

Assets	2022 R'm	2021 R'm
Property, plant and equipment	2 341	2 193
Right-of-use assets	194	114
Biological assets	87	68
Intangible assets	1 422	769
Goodwill	1 019	865
Other non-current assets	290	295
Current assets	2 286	2 534
	7 639	**6 838**

BAU Capex +R216m,
Expansion Capex +R43m,
MGK acquisition + R117m,
Depreciation -R234m

New 12-year sublease in
Australia (MGK),
South Arm 4 (V&A Harbour)

MGK acquisition +R637m,
Translation of Sea Harvest
Australia fishing licenses +R21m

MGK acquisition +R149m

Inventory +R111m
(MGK acquisition +R76m),
Receivables +R155m
(MGK acquisition +R56m),
Financial assets -R17m,
Cash -R496m

Sea Harvest Group balance sheet

Equity and liabilities	2022 R'm	2021 R'm
Stated capital	1 706	1 769
Reserves	1 479	1 342
Non-controlling interests	52	57
Non-current liabilities	3 235	2 591
Current liabilities	1 167	1 079
	7 639	**6 838**

Shares repurchased

Retained earnings +R141m (Profit +R311m less dividend -R170m), Foreign currency translation reserve +R15m, Hedge reserves -R15m

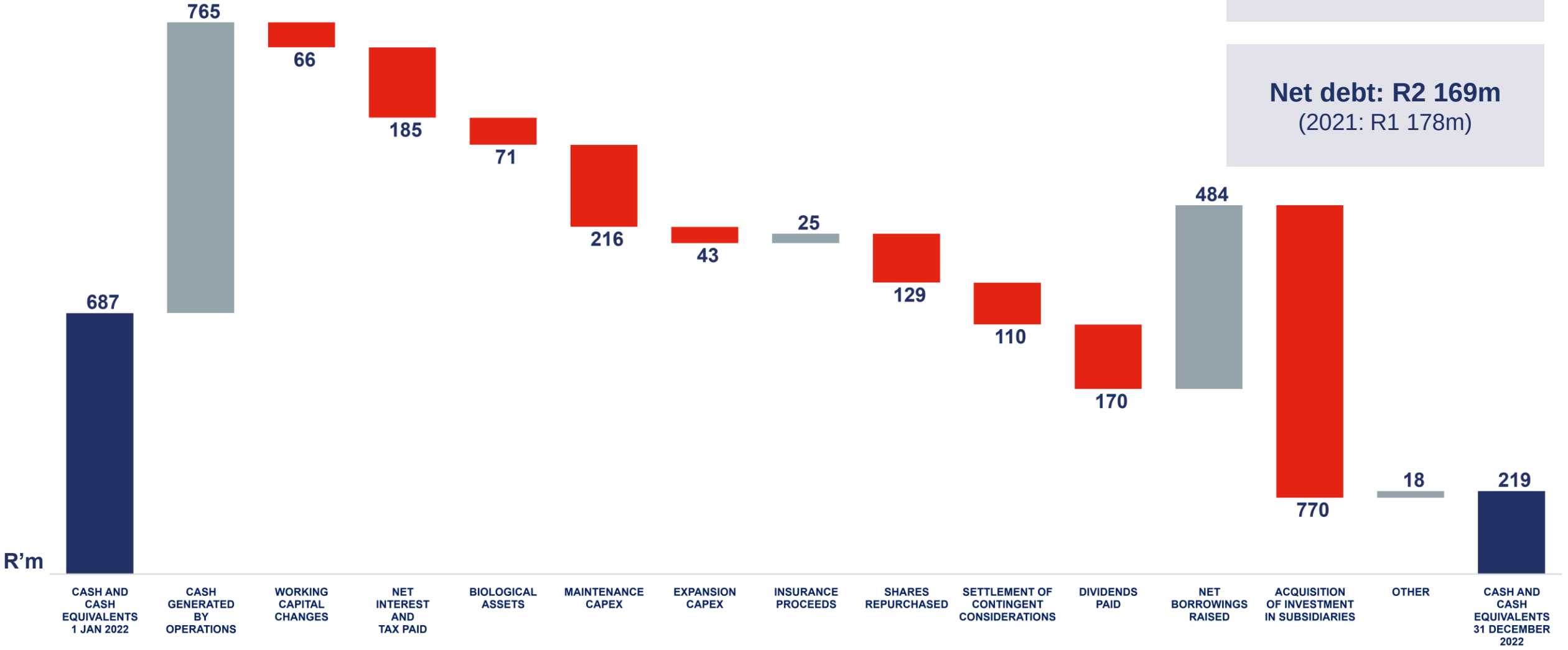
LT borrowings +R351m, Deferred tax +R217m (MGK acquisition +R187m), Contingent consideration -R10m, Lease liabilities +R75m

ST borrowings +R171m, Payables +R131m (MGK acquisition +R77m), Contingent consideration -R121m, Share-based payment liability -R36m

Sea Harvest Group cash flow waterfall

Debt: R2 387m
(2021: R1 865m)

Net debt: R2 169m
(2021: R1 178m)



Sea Harvest Group key financial ratios

		2022	2021
Net debt-to-EBITDA[1]	(x)	2.7	1.2
ROCE[1/3]	(%)	10	16
Net working capital as a % of revenue[1]	(%)	17	19
Cash flow conversion[2]	(%)	50	54



1. Ratios annualised for the full-year effect of MG Kailis in 2022; Mooivallei and BM Foods Group in 2021

2. (Operating cash flow +/- changes in NWC - BAU capex - tax paid)/EBITDA

3. Calculated using interest-bearing debt



4

CAPE HARVEST FOOD GROUP

Cape Harvest Food Group key metrics

REVENUE

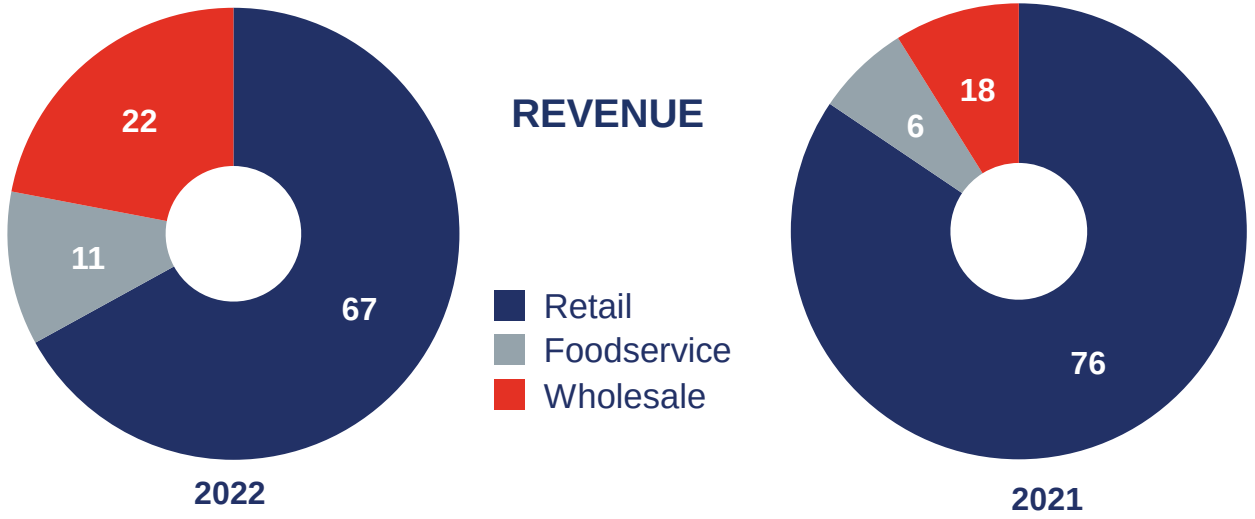
59%
TO R2.075 BILLION
(2021: R1.306 BILLION)

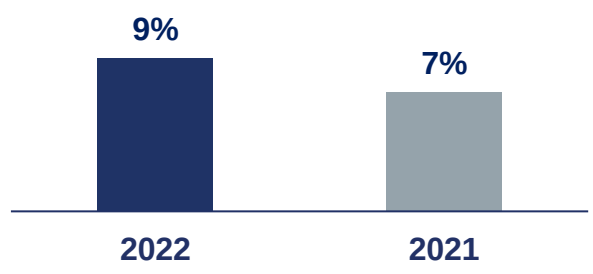
GROSS PROFIT

63%
TO R335 MILLION
(2021: R206 MILLION)

OPERATING PROFIT

126%
TO R118 MILLION
(2021: R52 MILLION)





Cape Harvest Food Group 2022 challenges and highlights

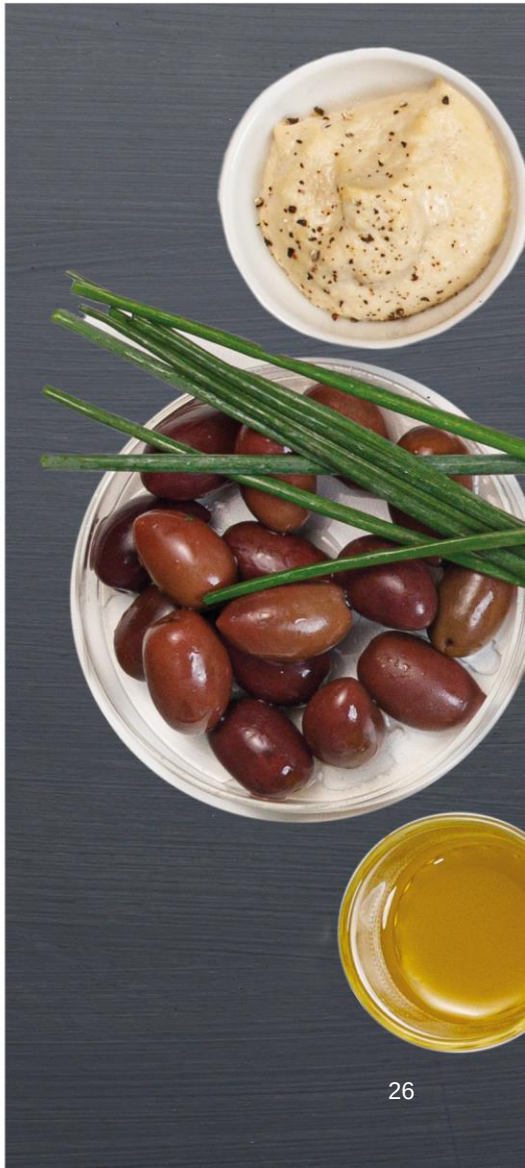
RETAIL	FOODSERVICE	WHOLESALE
39%	**177%**	**100%**
TO R1 380 MILLION	**TO R229 MILLION**	**TO R466 MILLION**
(2021: R989 MILLION)	(2021: R83 MILLION)	(2021: R233 MILLION)

Challenges

- Significant input cost pressures
- Impacted by load shedding

Highlights

- Ladismith delivered 28% top-line growth and benefited from a higher value product mix
- Positive margin impact from the new powder and butter factories
- Full-year effects of Mooivallei and BM Foods Group acquisitions
- BM Foods Group integrating well, with firm top-line growth across retail and foodservice





5

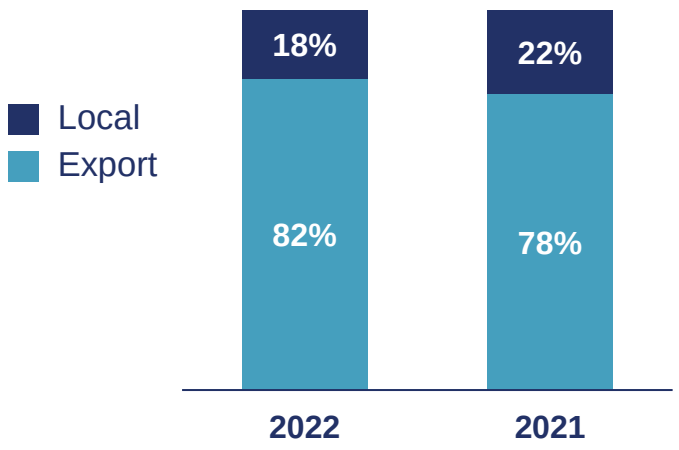
SEA HARVEST AQUACULTURE

Sea Harvest Aquaculture key metrics

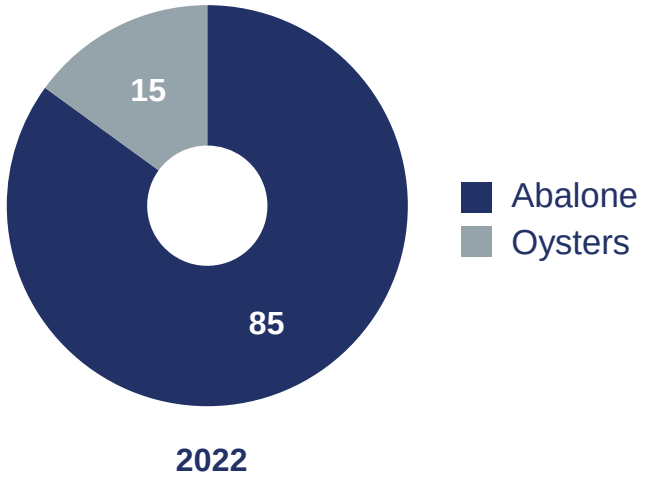
Sea Harvest AQUACULTURE

REVENUE	GROSS PROFIT	OPERATING LOSS	FAIR VALUE GAINS
29%	114%	37%	177%
TO R118 MILLION (2021: R92 MILLION)	TO R44 MILLION (2021: R20 MILLION)	TO -R40 MILLION (2021: -R64 MILLION)	TO R4.3 MILLION (2021: -R5.6 MILLION)

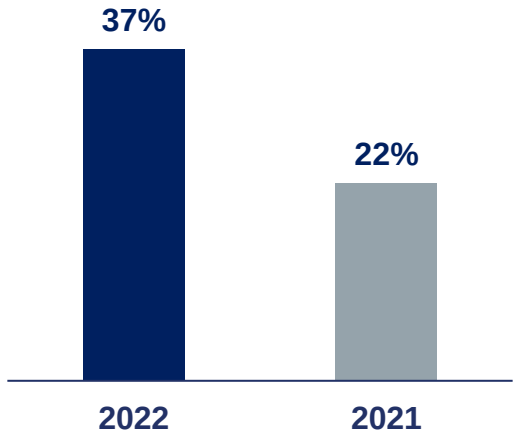
REVENUE



REVENUE BY CATEGORY (%)



GROSS PROFIT MARGIN



Revenue excludes intersegmental revenue of R1m (2021: R5.5m)

Sea Harvest Aquaculture 2022 challenges and highlights

AQUACULTURE

Challenges

- Sea Harvest Aquaculture farms are in their growth phase, resulting in smaller sizes
- The implication is mainly sales of smaller live abalone at lower prices and higher freight cost

Highlights

- Good volume and price growth in abalone and oysters
- Positive signs in markets for larger abalone sizes in the dried and live formats
- Zero-COVID policy and associated lockdowns lifted in December 2022
- Increased flight options from South Africa from H2 2023
- Operating loss reduced by 37%
- Farms are well stocked





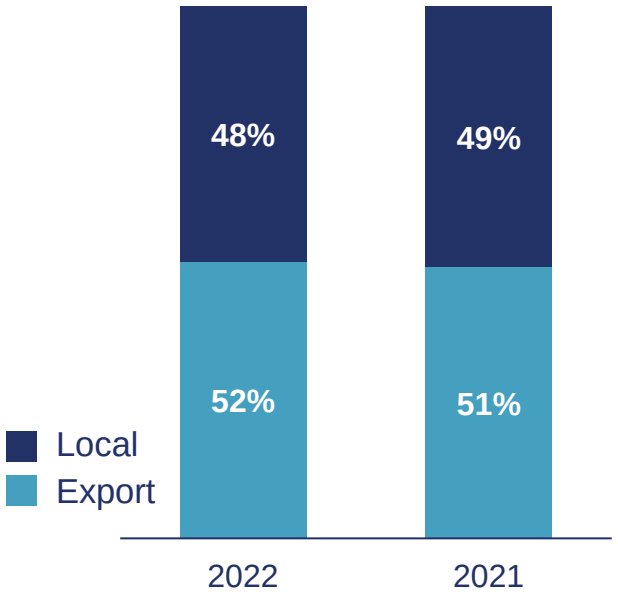
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SOUTH AFRICAN FISHING

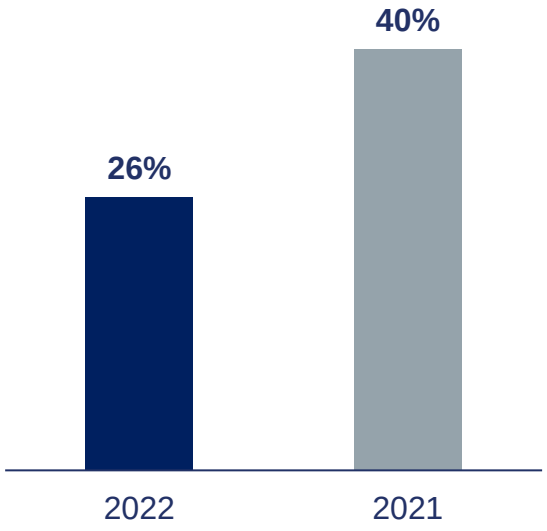
South African Fishing key metrics

Sea Harvest
Savour the sea

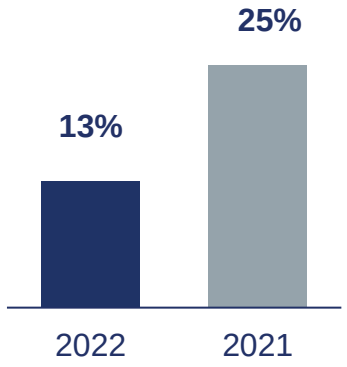
REVENUE	COST OF SALES	GROSS PROFIT	OPERATING PROFIT
3%	26%	32%	48%
TO R2.744 BILLION (2021: R2.664 BILLION)	TO R2.022 BILLION (2021: R1.605 BILLION)	TO R722 MILLION (2021: R1.059 BILLION)	TO R349 MILLION (2021: R672 MILLION)



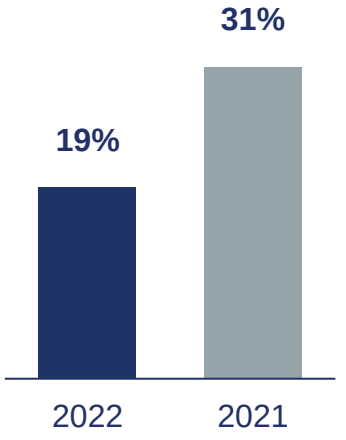
REVENUE MIX



GROSS PROFIT MARGIN



OPERATING PROFIT MARGIN



EBITDA MARGIN

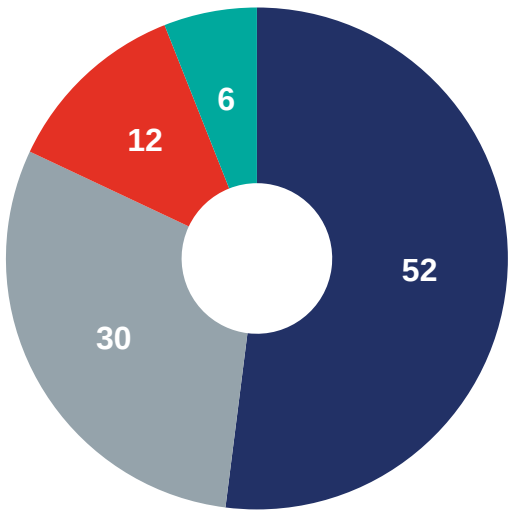
Revenue excludes intersegmental revenue of R227m (2021: R208m)

South African Fishing revenue growth and channel mix

Sea Harvest
Savour the sea

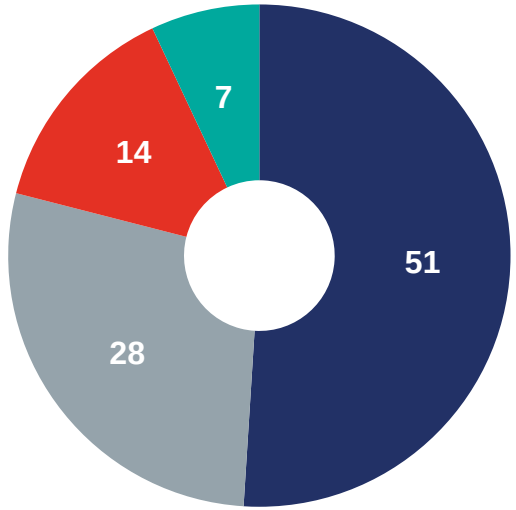
EXPORT	FOODSERVICE	DOMESTIC RETAIL	WHOLESALE
6%	8%	9%	7%
TO R1.55 BILLION (2021: R1.47 BILLION)	TO R880 MILLION (2021: R814 MILLION)	TO R353 MILLION (2021: R388 MILLION)	TO R190 MILLION (2021: R205 MILLION)

2022 (%)



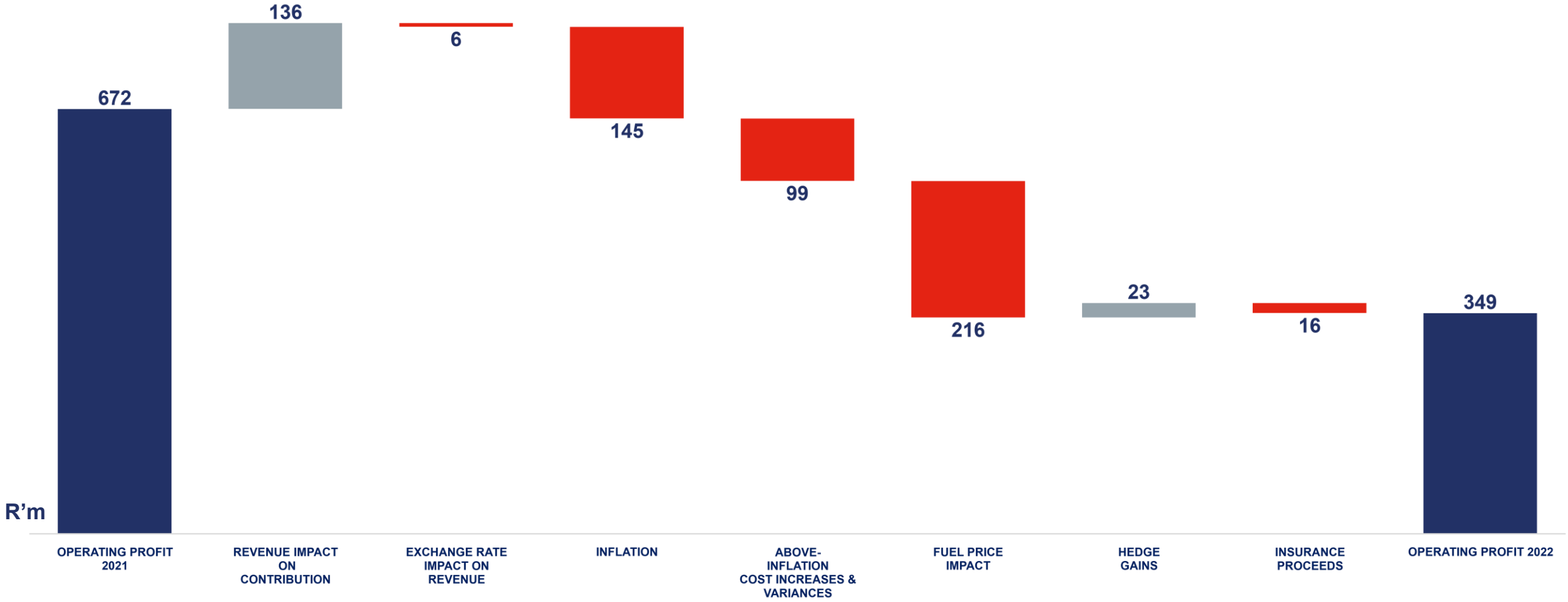


2021 (%)



Revenue includes intersegmental revenue of R227m (2021: R208m)

South African Fishing operating profit waterfall



South African Fishing 2022 challenges and highlights

Sea Harvest
Savour the sea

Challenges

The South African Fishing segment had a challenging year

- 10% volume reduction from FRAP and a cut in the Hake TAC impacted revenue and the recovery of fixed costs
- Catch rates were variable in the year, although the resource is well above MSY
- Unprecedented input cost inflation:
  - Fuel price was up 93%, costing the segment an additional R217 million
  - International freight rates increased by more than 34%
  - Ingredients and packaging increased by more than 35%

Highlights

- Despite the 10% lower available volumes, revenue was up 3%
- Global markets have been strong for wild-caught seafood from sustainable fisheries, resulting in firm price increases locally and internationally
- Strong focus on reducing fixed costs resulted in a 9% decrease
- Despite the most challenging year in recent times, the business posted a 19% EBITDA margin, indicating the resilience of the business





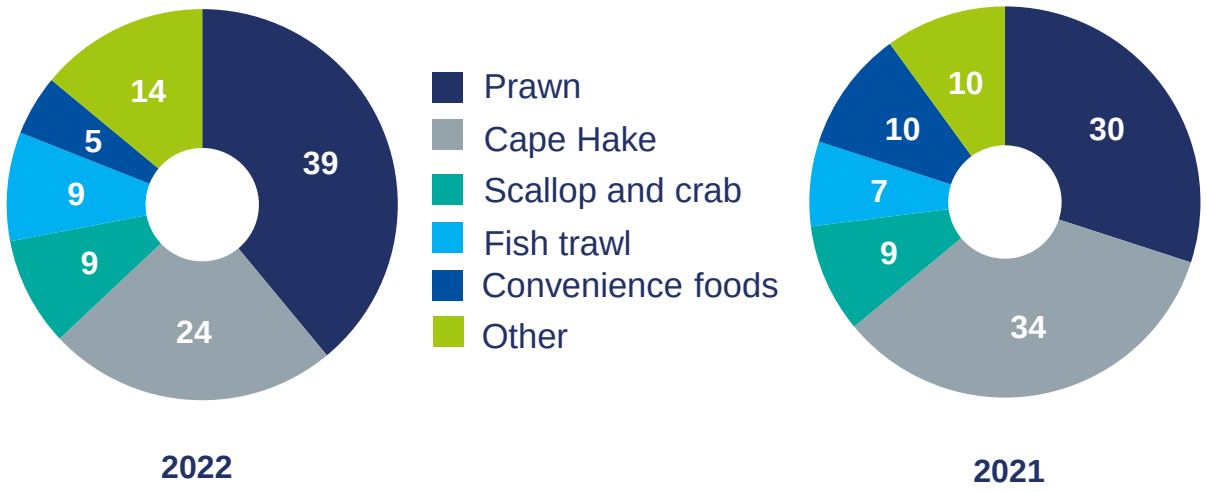
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SEA HARVEST INTERNATIONAL

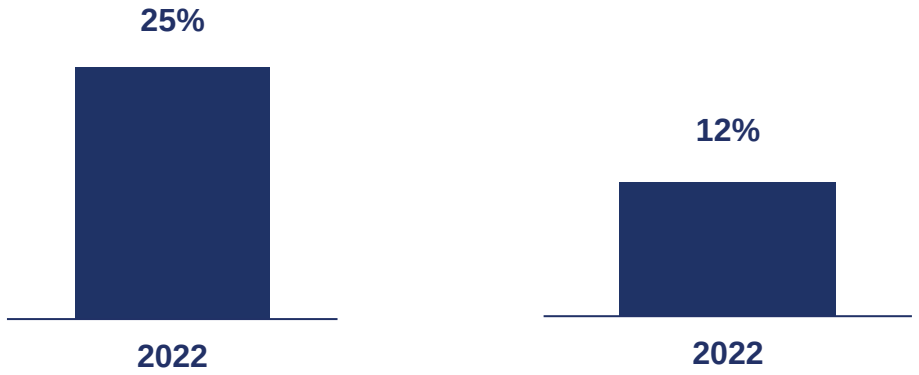
Sea Harvest International key metrics

REVENUE	GROSS PROFIT	EBITDA	*NORMALISED EBITDA
63%	**64%**	**36%**	**62%**
TO AUD82 MILLION (2021: AUD50 MILLION)	**TO AUD20.7 MILLION** (2021: AUD12.6 MILLION)	**TO AUD7.2 MILLION** (2021: AUD5.3 MILLION)	**TO AUD10.1 MILLION** (2021: AUD6.2 MILLION)

REVENUE SPLIT BY CATEGORY (%)



2022 2021



GROSS PROFIT MARGIN **NORMALISED EBITDA MARGIN**

** Normalised for acquisition-related costs of $2.8m (2021: $0.9m)*

Sea Harvest International channel mix

RETAIL

12%

TO AUD8.3 MILLION
(2021: AUD9.5 MILLION)

FOODSERVICE

80%

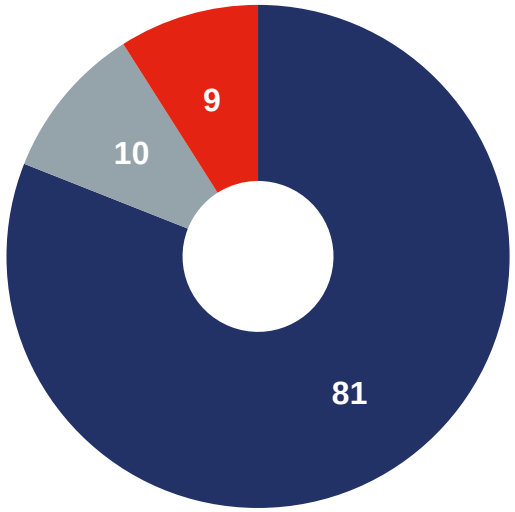
TO AUD66.1 MILLION
(2021: AUD36.7 MILLION)

EXPORT

112%

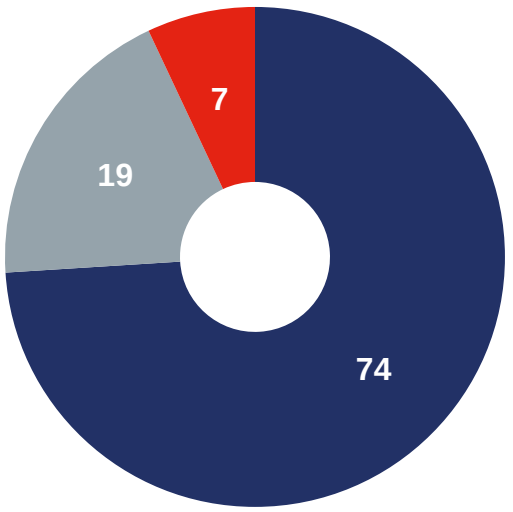
TO AUD7.6 MILLION
(2021: AUD3.5 MILLION)

2022



Foodservice
Retail
Export

2021



Sea Harvest International 2022 challenges and highlights

Challenges

- Prawn catch in Shark Bay was disappointing, but mitigated on the price side
- Affected by the 85% increase in fuel price
- Incurred AUD2.8 million in MG Kailis acquisition-related costs in 2022

Highlights

- Revenue from existing operations was up 8%, driven by firm demand, pricing, and growth in the trading division
- MG Kailis effective 23 May 2022, contributed AUD30 million to the top line
- Firm growth in Cape Hake sales, which grew in volume and value
- Firm prawn season in Exmouth and above expected catch in Pilbara fish trawl
- Consolidated engineering into Fremantle
  - Skills availability and cost savings
- Integration is going well with both teams working well together





8 OUTLOOK

Looking to 2023…

- Long-term fundamentals of all four segments remain attractive
- Firm demand for high-value proteins both locally and internationally
- Global markets remain firm for sustainable seafood
- 5% increase in the hake TAC in 2023 as a result of the healthy hake biomass
- Reduction in fishing effort in Shark Bay should aid catch rates
- Continue with the focus on fixed cost containment across the Group
- The impact of load shedding will continue
- Oil is expected to continue trading at elevated levels
- Catch rates and pricing are the biggest mitigations against significant input cost pressures
- Relaxation of the zero-COVID policy in the Far East in December 2022 and increased international flight options should aid price recovery in Aquaculture, but the segment is still affected by smaller sized animals



Looking to 2023…

- Ladismith will continue to leverage the additional capacity and the Mooivallei acquisition and pursue a higher value product mix, but could be impacted by milk price inflation
- Australia has a more diversified wild-caught and traded product mix and will benefit from the full-year effects and economies of scale from the MG Kailis acquisition
- While headwinds are still expected, a few variables could have a material positive impact on the business:
  - Oil price normalisation to long-term average levels
  - Improved catch rates
  - Normalisation of freight costs
  - Load shedding reduces significantly





QUESTIONS


THANK YOU

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9 APPENDIX

Sea Harvest Group segmental results summary

	REVENUE				OPERATING PROFIT				OPERATING PROFIT MARGIN	
	Contribution to revenue %	% change	2022 R'm	2021 R'm	Contribution to operating profit %	% change	2022 R'm	2021 R'm	2022 %	2021 %
South African Fishing	47	3	**2 744**	2 664	68	(48)	**349**	672	**13**	25
Sea Harvest Australia	16	69	**938**	554	9	43	**45**	31	**5**	6
Sea Harvest Aquaculture	2	29	**118**	92	n/a	37	**(40)**	(64)	**n/a**	n/a
Cape Harvest Food Group	35	59	**2 075**	1 306	23	126	**118**	52	**6**	4
Group	**100**	**27**	**5 875**	4 616	**100**	**(32)**	**472**	691	**8**	15

Revenue diversification: Currency

EURO

5%

TO R1.17 BILLION
(2021: R1.12 BILLION)

AUD

69%

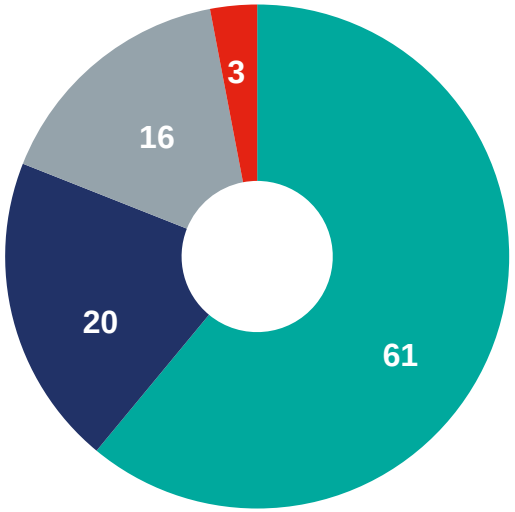
TO R935 MILLION
(2021: R554 MILLION)

ZAR

28%

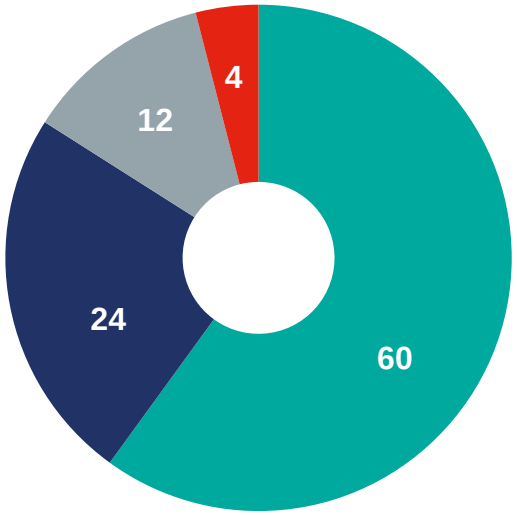
TO R3.56 BILLION
(2021: R2.77 BILLION)

2022 (%)



ZAR
Euro
AUD
Other

2021 (%)



MG Kailis acquisition

- Successfully acquired the Western Australia-based fishing and related businesses of MG Kailis effective 23 May 2022 for AUD69 million (R770 million)
- Includes vessels, licences (in perpetuity), and fishing rights for high-value prawns in the Exmouth region and high-value trawled fish in the Pilbara region of Western Australia
- Funded from available cash and facilities
  - AUD30 million in Australia
  - R450 million from South Africa
- Market-leading, vertically integrated seafood business with over 50 years' experience in the seafood industry in Australia
- Doubles the size of the Australian business and complements the Group's existing operations in Australia from a fishing, trading, engineering and sales perspective, providing further security of supply and diversification of product
- Provides management depth