

SEA HARVEST GROUP FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2018



Savour the sea

“SOUTH AFRICA’S MOST EMPOWERED FISHING AND FOOD COMPANY LISTED ON THE JSE”*

*According to a special report on the most empowered companies on the JSE published in the Business Report by Independent Media, in partnership with Empowerdex and Intellidex.

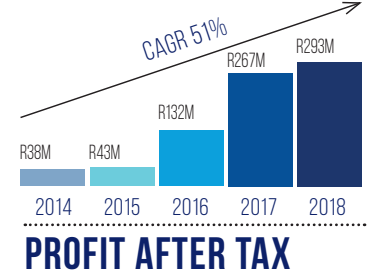
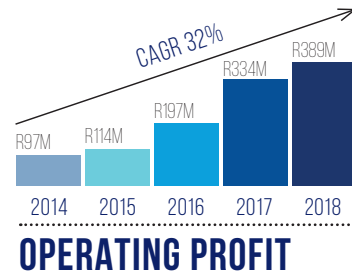
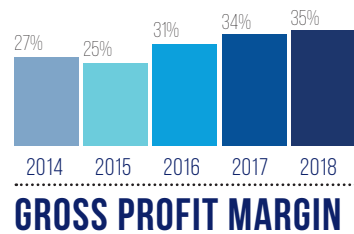
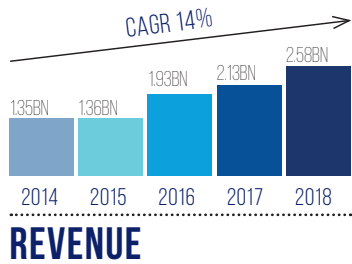
REVENUE ▲ **21%**
TO R2.6 BN (2017: R2.1BN)

GROSS PROFIT ▲ **27%**
TO R908M (2017: R717M)

GROSS PROFIT MARGIN ▲ **35.2%**
(2017: 33.6%)

PROFIT AFTER TAX ▲ **10%**
TO R293M (2017: R267M)

DIVIDEND PER SHARE ▲ **29%**
TO 40 CENTS PER SHARE (2017: 31 CENTS)



SEA HARVEST FISHING

SPECIES: HAKE; HORSE MACKEREL; PRAWN; ANCHOVY; PILCHARD; TUNA

35 VESSELS

6 PROCESSING OPERATIONS

3200 EMPLOYEES

2ND JULY 2018

ACQUIRED 100%

OF VIKING FISHING, ADDING STRONG EARNINGS WITH DIVERSIFIED SPECIES



Savour the sea

SEA HARVEST AQUACULTURE

SPECIES: ABALONE, OYSTERS, MUSSELS, TROUT

9 AQUACULTURE OPERATIONS

330 EMPLOYEES

2ND JULY 2018

ACQUIRED 51%

OF THE SHARES OF VIKING AQUACULTURE



Viking Aquaculture

CAPE HARVEST FOODS

10 FACTORY SHOPS

1 PROCESSING OPERATION

2 AGENCIES QUORN AND FINDUS

400 EMPLOYEES

2ND JANUARY 2019

ACQUIRED 100%

OF LADISMITH CHEESE



SEA HARVEST INTERNATIONAL

SPECIES: PRAWNS, SCALLOP, CRAB, SPANISH MACKEREL

12 VESSELS

10 SHARK BAY PRAWN FISHERY LICENSES

2 SPANISH MACKEREL LICENSES

110 EMPLOYEES

5TH FEBRUARY 2019 ANNOUNCED BID TO

ACQUIRE REMAINING 44%

OF SHARES NOT HELD BY SEA HARVEST



Mareterram

OUR INVESTMENT CASE

LEVEL 1 B-BBEE CONTRIBUTOR
80% BLACK OWNED

Rated as the most empowered company on JSE within Fishing and Food sectors*

STRONG TRACK RECORD OF FINANCIAL PERFORMANCE

with five-year Revenue CAGR of 14% and Profit After Tax CAGR of 51%

Geographically diverse customer base providing a

STRONG RAND HEDGE

with 58% of sales in hard currency, within developed markets.

ATTRACTIVE INDUSTRY DYNAMICS

with global demand for premium, wild-caught, MSC certified seafood supporting continued strong local and international pricing.

The Sea Harvest Group delivered **headline earnings** for the year ended 31 December 2018 of R278 million, an increase of 18% compared to the same period last year (2017: R235 million), after absorbing transaction costs relating to the Viking acquisition and once-off restructuring costs.

Group revenue for the year increased by 21% to R2.58 billion (2017: R2.13 billion), benefiting from the inclusion of Viking Fishing and Viking Aquaculture for the six months post acquisition, which offset the lower revenue from Mareterram due to significantly lower than historical average prawn catch volumes.

The Group delivered **gross profit** of R908 million (2017: R717 million) and **gross profit margin** expanded to 35.2% (2017: 33.6%), benefiting from the inclusion of Viking earnings and the introduction of a new freezer trawler, the Harvest Mzansi, to the fleet.

The Group generated R476 million (2017: R253 million) net cash from operations, utilised R501 million (2017: R369 million) in investing activities, and generated R423 million (2017: R344 million) from financing activities during the period, ending the period with R782 million of cash on hand.

Headline earnings per share (HEPS) increased 4% to 112 cents (2017: 108 cents) and **earnings per share (“EPS”)** decreased by 5% to 113 cents (2017: 119 cents). Both the HEPS and EPS growth was negatively impacted by the dilutive effect of the increase in the weighted average number of shares (WANOS) in issue, with the shares issued at listing on 23 March 2017 only being in issue for a portion of the year in 2017, compared to the full year in 2018.

The Group has declared a full and final cash **dividend** of 40 cents per ordinary share in respect of the year ended 31 December 2018, a 29% increase on the dividend of 31 cents per share for the year ended 31 December 2017.

The Group **strategy** is focused on driving earnings growth through investments within its existing operations, as well as through strategic acquisitions in both South Africa and Australia, whilst driving transformation within the fishing industry and positively impacting the communities it serves. Good progress has been made on all fronts.

- The acquisition and conversion of the Harvest Mzansi into a hake factory freezer trawler was completed in April 2018 and a new state-of-the-art, Icelandic designed, fresh fish processing facility was installed in Saldanha Bay in the third quarter of 2018.
- The acquisition of the operations of Viking Fishing and 51% of the shares of Viking Aquaculture became effective on 2 July 2018. This is a transformational transaction for the Group, delivering diversification into other wild caught species and high value aquaculture and has been earnings accretive from the outset.
- The acquisition of Ladismith Cheese Company Proprietary Limited became effective on 2 January 2019. Ladismith Cheese operates in a complementary sector of the South African food and agricultural industry which exhibits strong fundamentals, and where the Group is able to leverage its core competencies and strengths.
- Through the Viking Fishing acquisition, Sea Harvest has actively supported the creation of two new 100% black owned SMME entrants into the South African fishing sector.
- As part of the Viking acquisition the Viking Staff Trust paid out R120 million to 835 employee members and R38 million worth of Sea Harvest Group shares were allocated to the Viking Staff Trust for the benefit of its members.
- Sea Harvest is a co-founding member of the South African Fisheries Development Fund which has been established to support small SMME's in the small scale fishing sectors.

With c. 80% black ownership credentials, Sea Harvest has proudly achieved **Level 1 B-BBEE contributor** status with a score of 100.37, and has been rated as the most transformed company on the JSE within the Fishing and Food sectors.*

Executive directors: F Ratheb (Chief Executive Officer), JP de Freitas (Chief Financial Officer), Mo Brey (Chief Investment Officer)
Non-Executive Directors: FJ Robertson (Chairperson), BM Rapiya (Lead Independent Director), MI Khan, WA Hanekom, T Moodley, K Lagler, K Zama
Registered office: 1st Floor, Block C, Boulevard, Office Park, Searle Street, Woodstock, South Africa, 7925
Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, South Africa, 2196
Sponsor: The Standard Bank of South Africa Limited

Company secretary: Nana Aston
JSE share code: SHG
ISIN: ZAE000240198

Sea Harvest Group Limited
(Formerly Sea Harvest Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number: 2008/001066/06)
“Sea Harvest” or “the Company” or “the Group”

Sea Harvest Group Limited’s full announcement containing the final results for the year ended 31 December 2018 has been released on SENS and is available for viewing at www.seaharvest.co.za. The directors of the Company take full responsibility for the preparation of this announcement. This announcement has not been audited.

This announcement is a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on a consideration of the full announcement released on SENS or available at www.seaharvest.co.za. Copies of the full announcement may be requested by emailing nana@seaharvest.co.za or by phoning +27 21 468 7900. Copies of this announcement are also available for inspection at the Company’s registered office at no charge on weekdays from 9:00 to 16:00.