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# **“NO FISHY BUSINESS”**

**VOLKER KUNTZSCH  
ANZAM CONFERENCE  
AUCKLAND  
DECEMBER 2018**



**SANFORD**

# DISCLAIMER

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## POOR REPUTATION



Slavery on **NZ** seas: rape, bonded labour and abuse widespread on ...

[Stuff.co.nz](#) - 25/05/2015

Indonesian **fishermen** working on boats in **New Zealand** waters face ... Ministry for Primary **Industries** and Maritime **NZ** working to different briefs ...



Commercial fisherman prosecuted over 38 albatross deaths on West ...

[Stuff.co.nz](#) - 14/07/2016

A Buller's albatross: Forest & Bird says the long line **fishing industry** ... **New Zealand** has a significant role to play in safeguarding the many ...

Skipper faces \$100k fine for deaths of 38 albatrosses

[Radio New Zealand](#) - 14/07/2016

[View all](#)



**Recreational fishing** facing further restrictions as **fish** stocks diminish

[Stuff.co.nz](#) - 13/09/2016

**Recreational fishermen** face reduced daily bag limits, increased size ... The report by think tank The **New Zealand** Initiative said **New Zealand** has some of the most relaxed **recreational fishing** rights in ... and compensate **commercial fishermen** for the loss of their catch in those areas. ... Next **Industries** story:.

**Recreational** fishers part of the problem - report

[Radio New Zealand](#) - 14/09/2016

[View all](#)



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## **FISHING INDUSTRY – THE TRADITIONAL APPROACH**

Factory Vessel in Alaska



**Volume before Value**

**Drive for lowest cost**

Pollock processing in Dutch Harbor



# PLASTIC WASTE

- > Studies estimate that the world's oceans will contain more plastics than fish by 2050
- > Estimates are that at least 2/3 of the world's fish stocks suffer from plastic ingestion, and 90% of seabirds ingest plastic daily





A polar bear is lying on its side on a dark, jagged rock formation. The bear's head is propped up, and it is looking directly at the camera. The background shows more of the rocky terrain under a pale, overcast sky. The overall mood is somber and stark.

# CLIMATE CHANGE

...





**Albert Sanford bought his first boat in 1864**  
**Established the company in 1881**  
**Listed on the NZX in 1924**

## Sanford today – established scale

Sanford is New Zealand's largest quota holder



22

deep water &  
inshore vessels



61

independent  
sharefishers



8

processing sites  
including joint  
operations



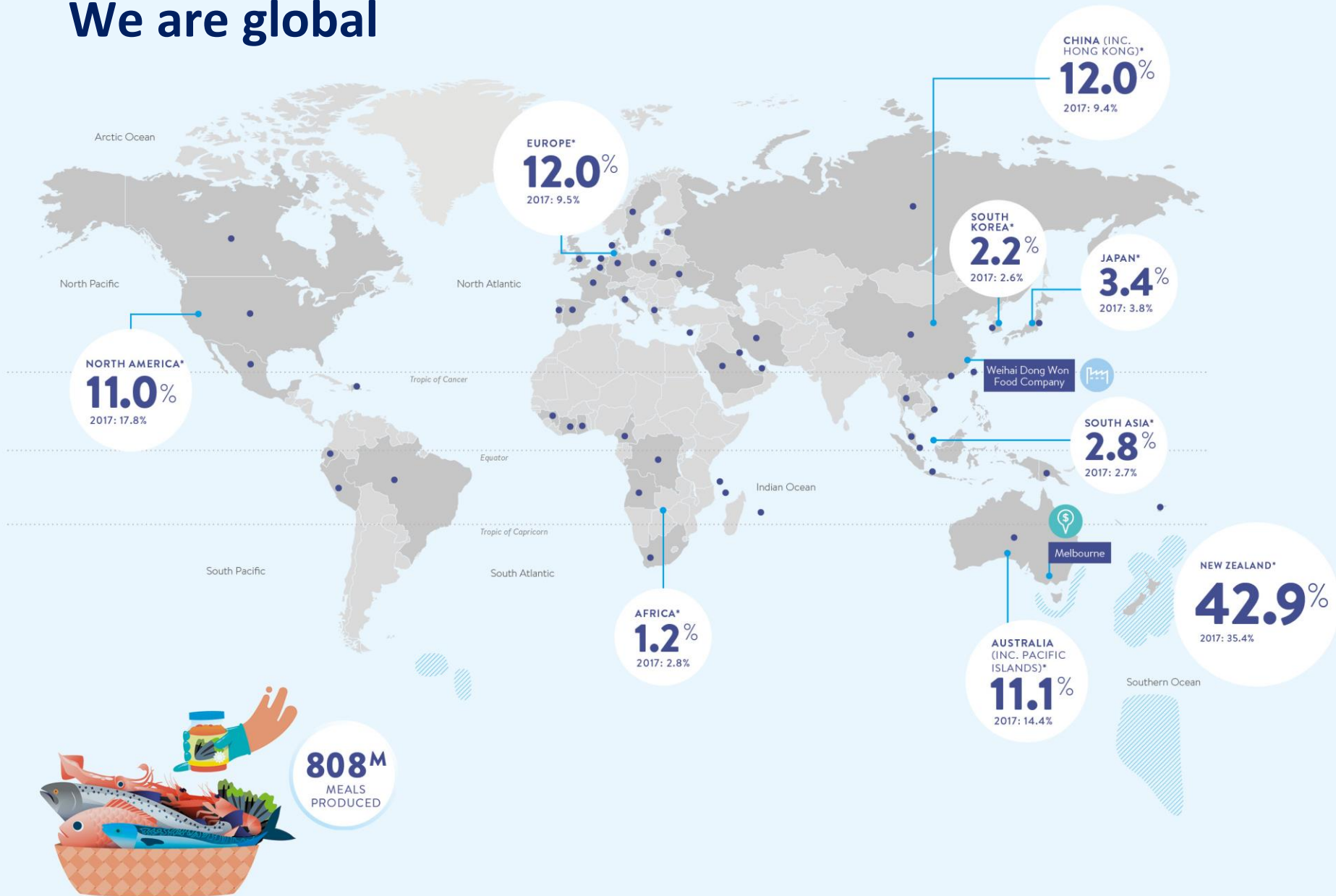
92,612t wildcatch (live weight)



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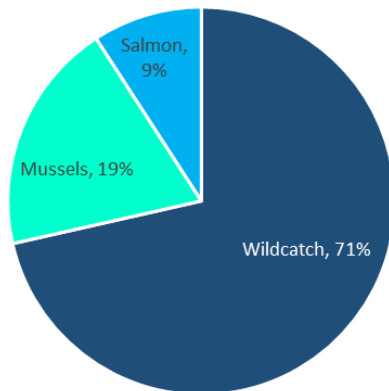


# We are global

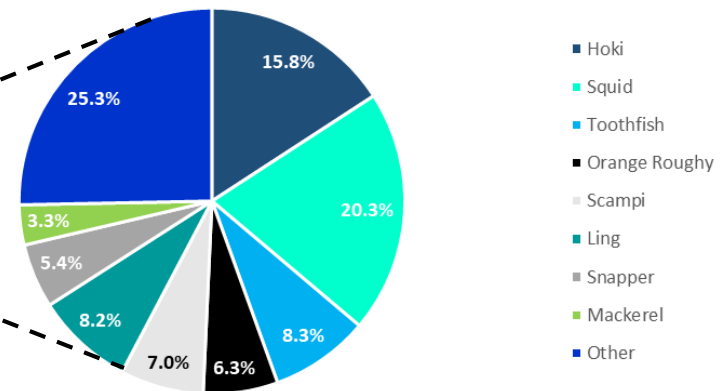


# Diversified revenue, operations and customer base

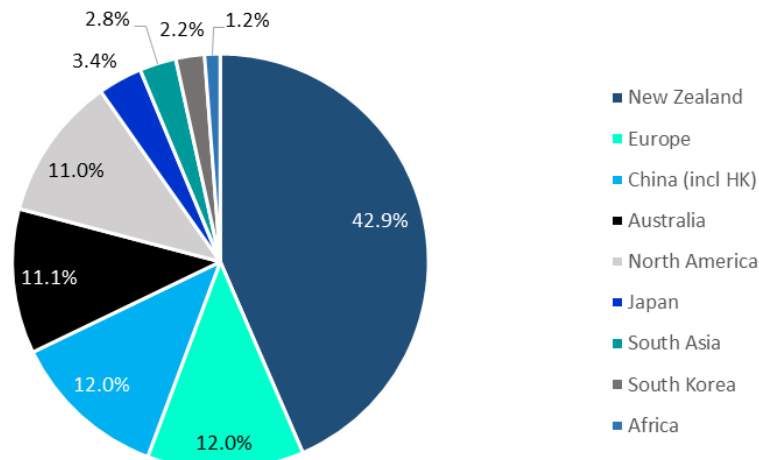
Revenue by division (FY18)



Breakdown of Wildcatch Revenue (FY18)



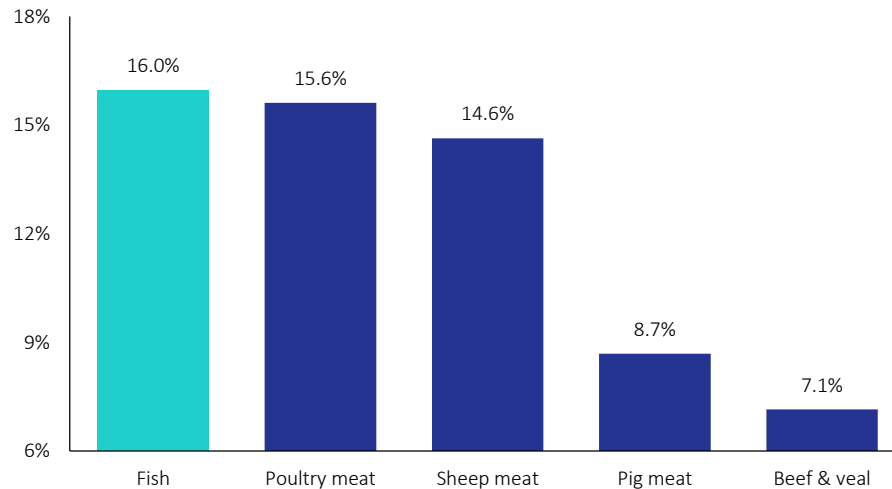
Revenue by Geography (FY18)





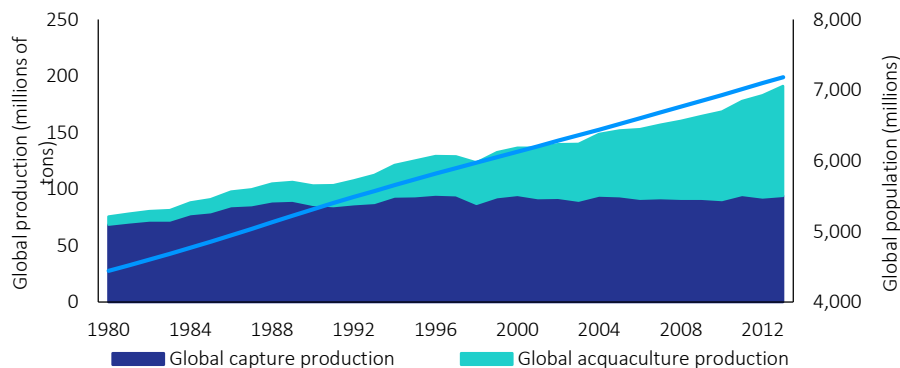
# Positive demand outlook

## Global protein consumption growth outlook (2014 – 2020)



Source: OECD – FAO Agricultural Outlook

## Global seafood production vs. population growth



Source: FAO, United Nations

**Very strong growth** projection in demand driven by:

- Growing population
- Growing affluence
- Growing awareness of the health benefits of seafood
- Growing demand for **provenance** and accountability for **sustainability**

The UN Food and Agriculture Organisation (FAO) forecasted that there will be a **seafood shortage of 50 to 80 million tonnes by 2030.**

# New Zealand (seafood) has some amazing points of differentiation

New Zealand's Exclusive Economic Zone  
(the 4<sup>th</sup> largest in the world)

No overlap with another country's EEZ

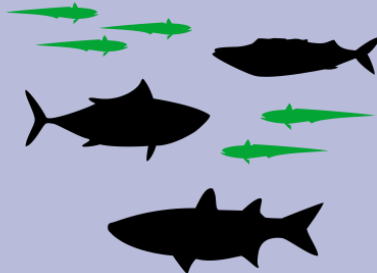


130

COMMERCIALY CAUGHT  
**FISH SPECIES**

Of the 130 species that are fished,  
100 are in the Quota Management  
System (QMS).

Source: Ministry for Primary Industries, 2014  
[www.mpi.govt.nz](http://www.mpi.govt.nz)

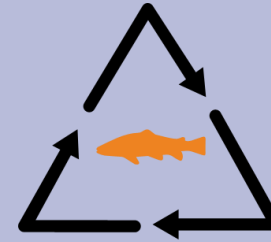


1<sup>ST</sup>

FOR THE MANAGEMENT OF  
**SUSTAINABLE FISHERIES**

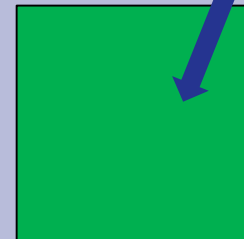
New Zealand's seafood industry has  
been ranked the most sustainably  
managed fishery in the world, twice.

Source: Worm et al 2009 and Alder et al 2009



97% of landed fish  
are from **sustainable  
stock.**

Source: Ministry of Primary Industries, 2016



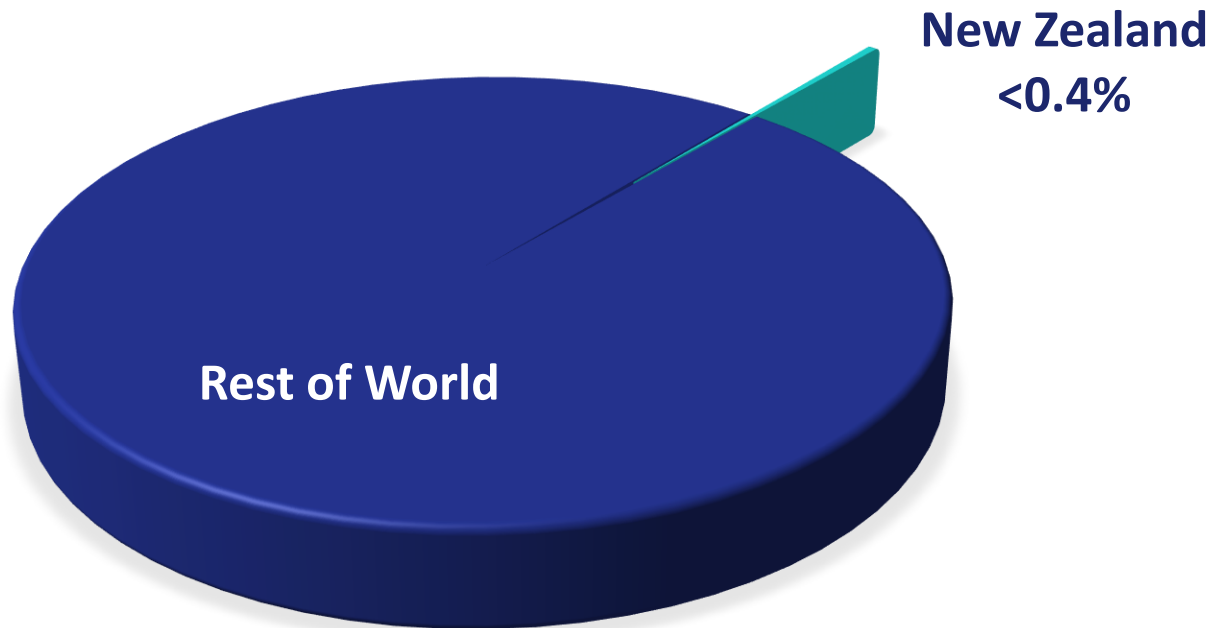
New Zealand's  
Land Mass



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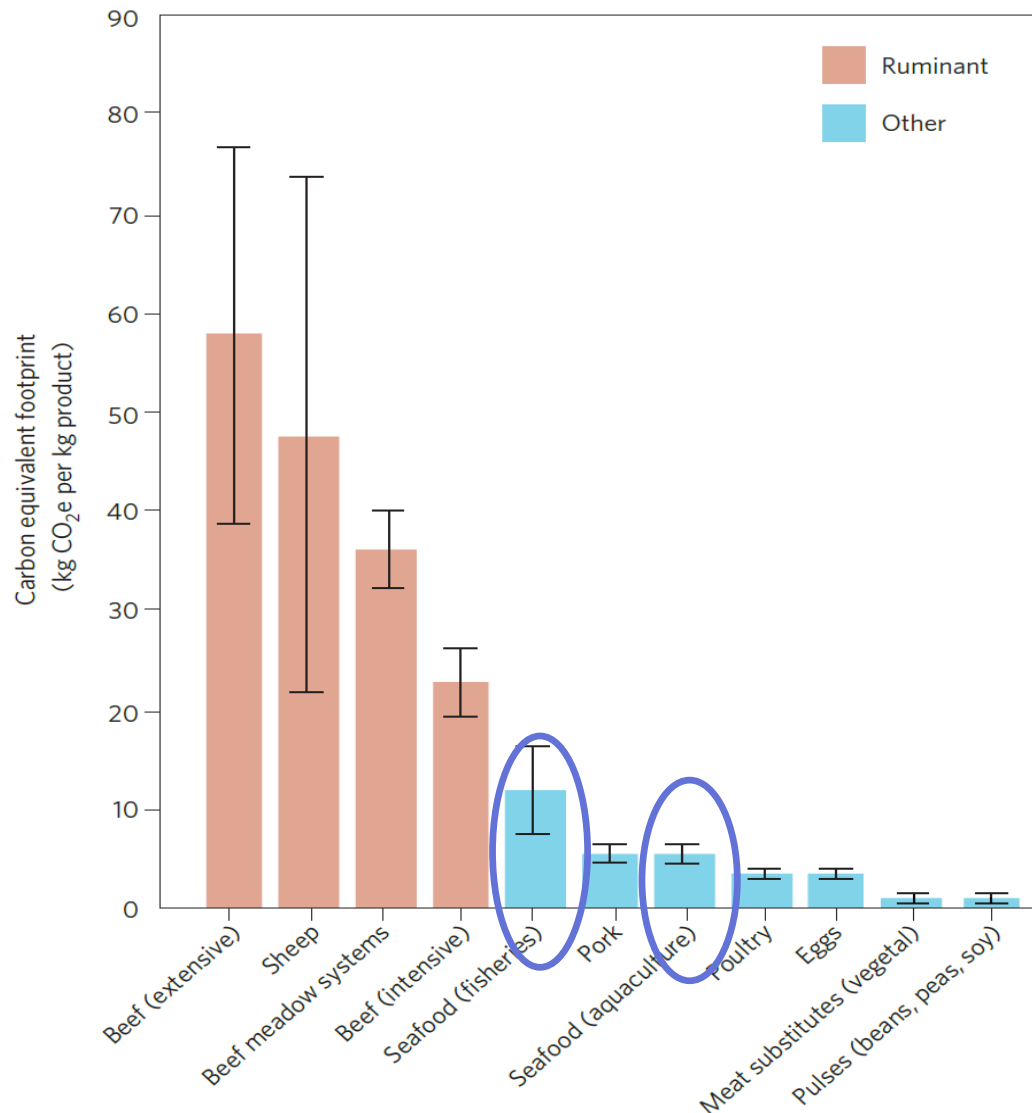


## New Zealand's seafood industry is tiny from a global perspective



Source: FAO 2018

## Lower carbon footprint



**Less impact on the environment compared to traditional protein sources**

Source: Ruminant, Climate change and climate policy, Ripple et al.2013,[www.nature.com/natureclimatechange](http://www.nature.com/natureclimatechange)

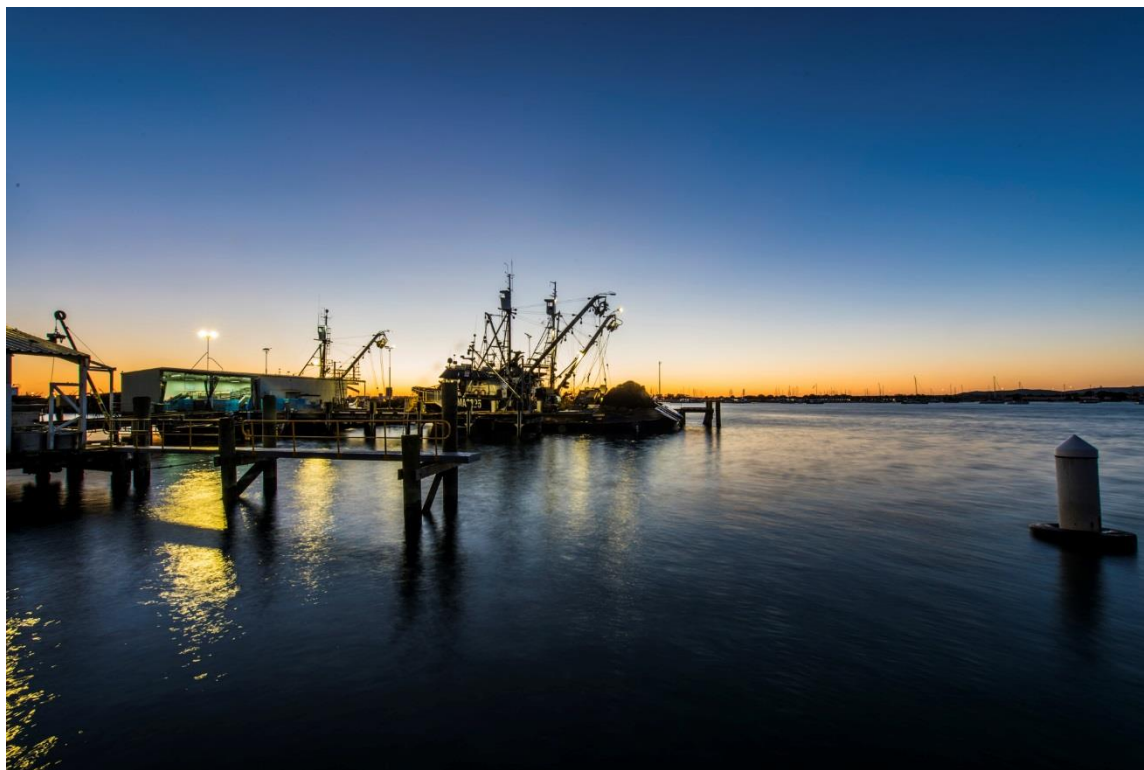


# SALMON FARMING IN STEWART ISLAND





# FISHING IN NEW ZEALAND WATERS



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## FISHING DOWN SOUTH

- Image of *San Aspiring* taken by drone





# PROCESSING SITES AROUND THE COUNTRY





# FISH MARKETS



# THE VISION: THE BEST SEAFOOD COMPANY IN THE WORLD



VALUE DRIVEN &  
CUSTOMER FOCUSED WITH  
STRONG BRANDS



EMPLOYER OF CHOICE



WORLD CLASS HARVESTING  
AND PROCESSING



GOOD REPUTATION



INNOVATION



# SUSTAINABILITY AS THE BASIS OF OUR BUSINESS EXCELLENCE MODEL

## 6 Performance Outcomes





**TURNING OUR  
FOCUS TO FOOD**





# BIG GLORY BAY

OCEAN-FARMED SEAFOOD

STEWART ISLAND | NEW ZEALAND

*Nurtured in glorious isolation*





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PREMIUM  
GRADE

WILD CAUGHT  
ORANGE  
ROUGHY

12 FROZEN FILLETS



# Maximising value of the whole fish



Petfood\*  
Mussel Mince  
Fat Lined Block



Equine Products\*  
Hoki Oil



&



Pet Treats\*

- Hoki Skin
- Ling Skin
- Mussels
- Hoki Mince



Greenshell Mussel Powder  
ex Enzaq



Pet Supplement  
Hoki Oil

\* Not Sanford product. We are an ingredient supplier only





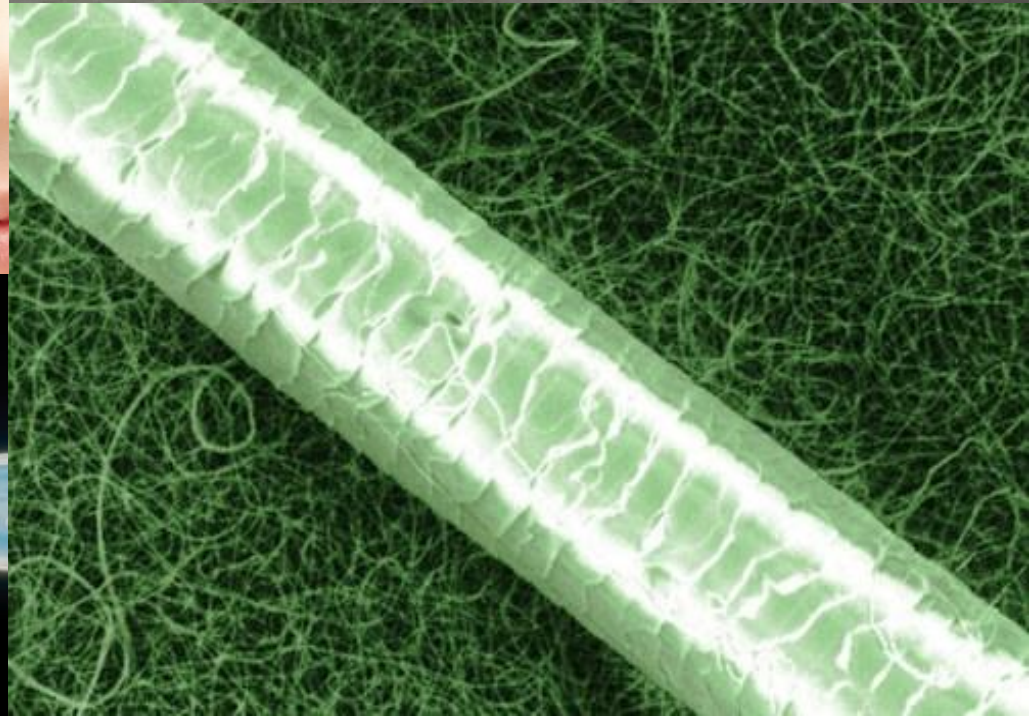
## EXTENDING THE FOCUS BEYOND FOOD








**COLLAGEN FROM HOKI SKINS**









**Subscribe, save and get a free 14-day trial**

Subscribe to Sea To Me Active Inflammation Management and we'll send you a fresh supply every 30 days.

You'll get a free 14-day trial pack, send a discount on the retail price of each bottle.

Any rolling order after just \$27.95 every 30 days, including free delivery.

**Subscribe for 1 person**  
\$27.95 every 30 days

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**It's risk free** - If you don't like the trial, simply cancel and pay nothing.

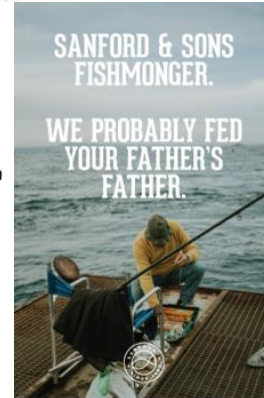
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**No hard terms** - you can cancel at any time.

**Got a question** about subscribing? Contact us anytime on [hello@seato.me](mailto:hello@seato.me)



WILD ABOUT WILD  
**AUCKLAND FISH MARKET**  
 IN PARTNERSHIP WITH THE SEA  
 MANAGED BY  SANFORD LTD  
 WYNYARD QUARTER  
 NEW ZEALAND





**sea to me**

**active inflammation management**

The ocean's natural answer to effective inflammation support

Sign up today for a free trial of Sea To Me Active Inflammation Management GreenShell™ Mussel Powder and begin managing your inflammation, actively.

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[Inflammation](#) [GreenShell™ Mussel](#) [Sustainability](#) [FAQ](#) [SHOP](#)

**OSTRO**  
 Menu by Josh Emmett

**MAINS**

**AGRIA POTATO GNOCCHI**  
 Spring greens, buffalo ricotta, burnt butter, confit lemon, toasted almonds — 32

**CRISPY SKIN BIG GLORY BAY SALMON**  
 Asparagus, salmon caviar, miso blanc, lobster oil — 36



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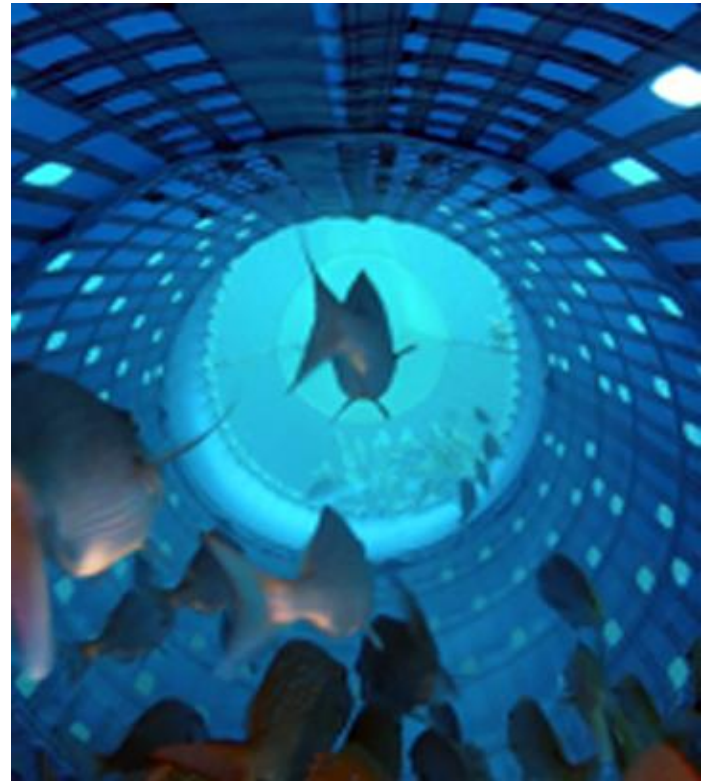
# Precision Seafood Harvesting

Changing the way the world fishes

PGP between 3 fishing companies  
and Plant & Food Research

Ongoing trials within the inshore  
and offshore sectors

Encouraging results indicating  
significant flesh quality and  
environmental benefits



<https://www.youtube.com/watch?v=oeSFjLxyUi0>



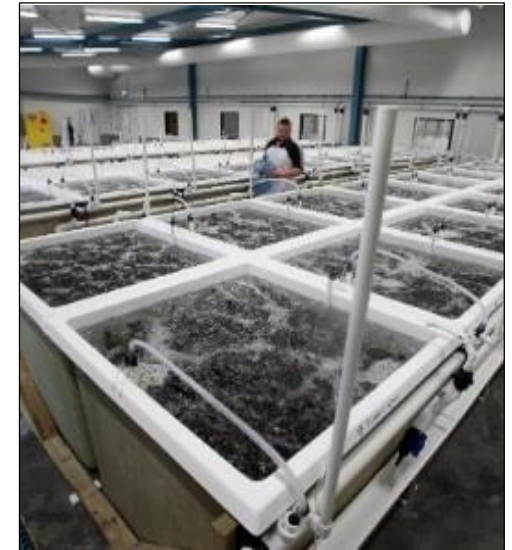
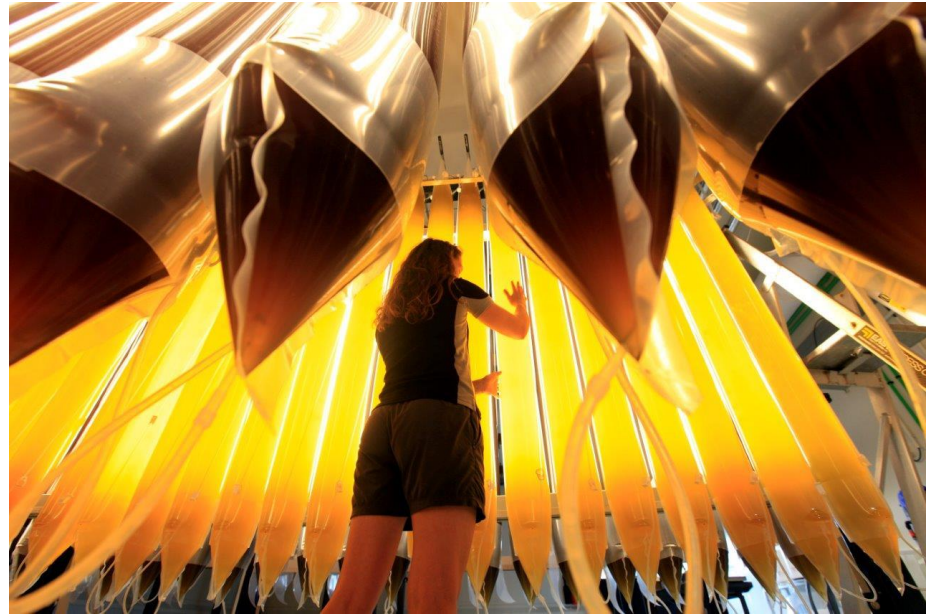
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The first hatchery for  
Greenshell mussels opened in  
Nelson in April 2015

Harvested the first  
batch of seeded  
mussels in May 2017

Enables selective  
breeding and  
predictive supply of  
spat

<http://www.spatnz.co.nz>



NEW ZEALAND  
**INNOVATION**  
AWARDS® 2017

**WINNER**  
INNOVATION IN AGRIBUSINESS  
& ENVIRONMENT





# A CULTURE OF CARE



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# Changing culture and image – The Maui Dolphin Initiative



- > 2<sup>nd</sup> rarest dolphin in the world
- > Only found on the west coast North Island
- > Sanford-Moana Protection Plan
- > Ban on coastal set netting in area
- > Research into “Dolphin safe” trawling







BEAUTIFUL  
- NEW ZEALAND -  
SEAFOOD

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## MARINE PLASTIC FOCUS AREAS

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...

- Identify, quantify, set impact reduction targets
- Internal and external engagement - personal pledge
- Reducing plastic packaging
- Developing operational alternatives to plastic
- Engaging in strategic partnership

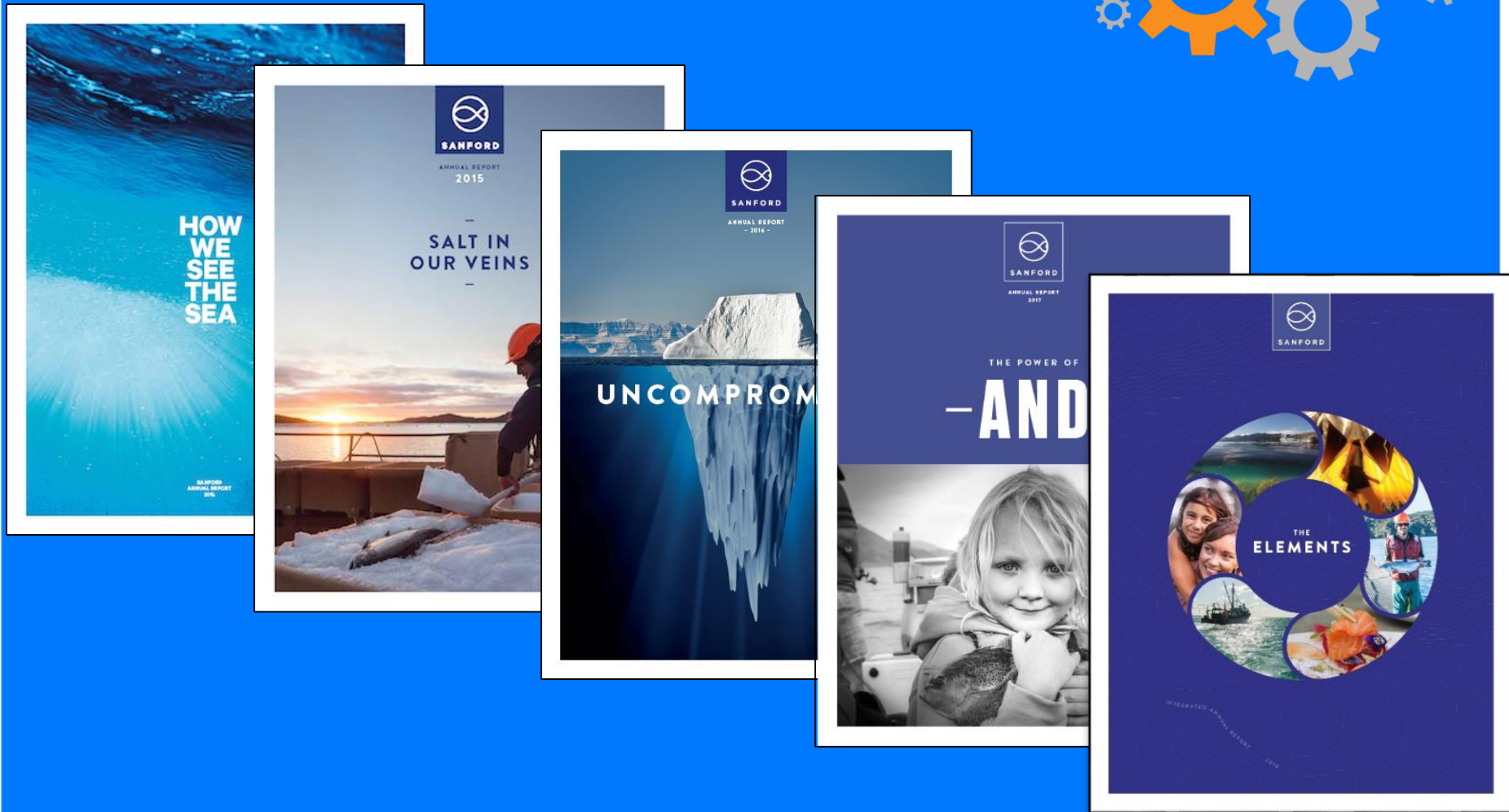


# Mobilising positive action





# SANFORD'S <IR> JOURNEY



Building Trust through Transparency



# Leading the change to create sustained value



## Challenges

- Reputation
- Climate
- Commodity
- Sustainability of resources

## Actions

- Transparency
- Value focus
- Understanding customer and consumer expectations
- Developing organisational capability (skills, agility)

## Outcomes

- Integrated reporting
- Culture change
- Branding
- Innovation
- Story telling
- Consumer proximity

## Principles



Leadership, doing the right thing, no 'Plan B'



# Solid business performance despite adverse climatic conditions

CATCH/HARVEST VOLUME

**118k GWT**

↓ 5.6%

REVENUE

**\$515M**

↑ 7.7%

ADJUSTED EBIT

**\$64.7M**

↑ 1.5%

EBIT GWT kg

**54c\***

↑ +0.02c/kg

RETURN ON AVERAGE  
TOTAL EQUITY

**7.3 %**

↑ Up from 6.6%

NPAT

**\$42.3M\***

\*  
↑ 12.9%

EPS

**45c**

↑ +5c

ANNUAL DIVIDEND

**23CPS**

Stable

Wild Catch GWT

↓ 2%

Deepwater

↓ 2%

Inshore

↓ 9%

Fishing partners

↑ 5%

Aquaculture GWT

↓ 14%

Salmon

↓ 4%

Mussels

↓ 15%

Revenue per PW kg

↑ 8%

9.2% fresh sales (from 8.3%)

Hoki product cascade

Salmon price achievement

Ling swim bladders

\* Excluding third party partner catches, EBIT is \$.57/kg to \$0.63/kg up 6 cents

\*\* Including Havelock insurance settlement of \$6.8m net of repair cost



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**- BEAUTIFUL NEW ZEALAND SEAFOOD -**