“NO FISHY BUSINESS”

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ANZAM CONFERENCE
AUCKLAND
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This presentation contains not only a review of operations, but also some forward looking statements about Sanford Limited and the environment in which the company operates. Because these statements are forward looking, Sanford Limited’s actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the previous results announcement, are all available on the company’s website and contain additional information about matters which could cause Sanford Limited’s performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Sanford Limited.
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

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
FISHING INDUSTRY – THE TRADITIONAL APPROACH

Factory Vessel in Alaska

Volume before Value

Drive for lowest cost

Pollock processing in Dutch Harbor
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.
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)
Diversified revenue, operations and customer base

Revenue by division (FY18):
- Wildcatch, 71%
- Mussels, 19%
- Salmon, 9%

Breakdown of Wildcatch Revenue (FY18):
- Hoki: 25.3%
- Squid: 15.8%
- Toothfish: 20.3%
- Orange Roughy: 3.3%
- Scampi: 5.4%
- Ling: 8.2%
- Snapper: 7.0%
- Mackerel: 6.3%
- Other: 8.3%

Revenue by Geography (FY18):
- New Zealand: 42.9%
- Europe: 11.1%
- China (incl HK): 11.0%
- Australia: 12.0%
- North America: 12.0%
- Japan: 3.4%
- South Asia: 2.8%
- South Korea: 2.2%
- Africa: 1.2%
Positive demand outlook

Global protein consumption growth outlook (2014 – 2020)

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 4th largest in the world)

No overlap with another country’s EEZ

130 commercially 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

97% of landed fish are from sustainable stock.
Source: Ministry of Primary Industries, 2016

1st 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 at al 2009 and Alder at al 2009

New Zealand’s Land Mass
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
FISHING IN NEW ZEALAND WATERS
FISHING DOWN SOUTH

- Image of *San Aspiring* taken by drone
PROCESSING SITES AROUND THE COUNTRY
FISH MARKETS

AUCKLAND FISH MARKET
EST 1925
BY SANFORD

AUCKLAND FISH MARKET
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

- Ensuring healthy oceans
- Leading the way to healthy foods
- Building a sustainable seafood business
- Protecting and enhancing environments
- Supporting enduring communities and partnerships
- Enabling zero harm and great prospects for our people
TURNING OUR FOCUS TO FOOD
Nurtured in glorious isolation
Maximising value of the whole fish

Petfood*
- Mussel Mince
- Fat Lined Block

Pet Treats*
- Hoki Skin
- Ling Skin
- Mussels
- Hoki Mince

Equine Products*
- Hoki Oil

Greenshell Mussel Powder ex Enzaq

* Not Sanford product. We are an ingredient supplier only
EXTENDING THE FOCUS BEYOND FOOD
COLLAGEN FROM HOKI SKINS
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
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
A CULTURE OF CARE
Changing culture and image – The Maui Dolphin Initiative

- 2nd 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
MARINE PLASTIC FOCUS AREAS

- 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

<table>
<thead>
<tr>
<th>CATCH/HARVEST VOLUME</th>
<th>REVENUE</th>
<th>ADJUSTED EBIT</th>
<th>EBIT GWT kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>118k GWT</td>
<td>$515M</td>
<td>$64.7M</td>
<td>54c*</td>
</tr>
<tr>
<td>5.6%</td>
<td>7.7%</td>
<td>1.5%</td>
<td>+0.02c/kg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RETURN ON AVERAGE TOTAL EQUITY</th>
<th>NPAT</th>
<th>EPS</th>
<th>ANNUAL DIVIDEND</th>
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</thead>
<tbody>
<tr>
<td>7.3%</td>
<td>$42.3M*</td>
<td>45c</td>
<td>23 CPS</td>
</tr>
<tr>
<td>Up from 6.6%</td>
<td></td>
<td></td>
<td>Stable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wild Catch GWT</th>
<th>Aquaculture GWT</th>
<th>Revenue per PW kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Deepwater</td>
<td>Salmon</td>
<td>9.2% fresh sales (from 8.3%)</td>
</tr>
<tr>
<td>2%</td>
<td>4%</td>
<td>Hoki product cascade</td>
</tr>
<tr>
<td>Inshore</td>
<td>Mussels</td>
<td>5%</td>
</tr>
<tr>
<td>9%</td>
<td>15%</td>
<td>Salmon price achievement</td>
</tr>
<tr>
<td>Fishing partners</td>
<td></td>
<td>Ling swim bladders</td>
</tr>
</tbody>
</table>

* Excluding third party partner catches, EBIT is $0.57/kg to $0.63/kg up 6 cents
** Including Havelock insurance settlement of $6.8m net of repair cost
- BEAUTIFUL NEW ZEALAND SEAFOOD -