



## OCEANA LANDS ANOTHER SOLID SET OF RESULTS

### Highlights:

- Operating profit up by 9.5%
- HEPS up by 13.5%
- Dividend up by 13.8%

Oceana Group has once again demonstrated the strength of its diversified operations, delivering solid results for the year ended 30 September with operating profit increasing by 9.5% to R1 632 million.

The board declared a full year dividend of 495 cents, reflecting the resilience and strategic focus that have become hallmarks of the Group's performance.

Group CEO, Neville Brink, said while fishing is unpredictable the Group focuses on controlling what can be managed and preparing for the unexpected.

“We have invested in our production facilities and vessels to improve reliability and efficiencies and maximise opportunity. The strength of the Lucky Star brand enables us to expand our canned food offerings and explore adjacent food categories while maintaining affordability and quality which are the core priorities for consumers.”

**Lucky Star foods** continued to shine despite a strained consumer environment, with strong demand driving annual sales volumes to 9.3 million cartons, just below the 2023 record of 9.6 million cartons. Upgrades to the canneries delivered cost savings and efficiency gains. These helped offset the effects of reduced throughput because of the extended shutdown for refurbishments.

**Daybrook**, Oceana's fishmeal and fish oil operation in the United States, delivered its best-ever operating performance. Improved fish oil yields and a 49% increase in US dollar fish oil prices contributed to Daybrook's impressive performance. This result was delivered despite a 21% decline in Gulf Menhaden landings due to weather disruptions which resulted in fishmeal sales volumes declining for the year. Inventory levels closed higher than the previous year with more fish oil in the mix.

**The African fishmeal and fish oil** segment faced some challenges. The cannery shutdown resulted in fewer pilchard trimmings and harsh winter weather conditions affected anchovy landings, impacting production volumes. The primary focus for this year was modernising the two South African facilities which will drive future throughput, efficiency gains and product-quality enhancements. Average US Dollar selling prices increased for fish oil but declined for fishmeal, resulting in a marginal net overall increase. The decline in sales volumes was the main contributor to the decreased performance.



**The Wild caught seafood** division saw increased sea days and improved catch rates resulting in improved hake catch volumes. Sales rose on the back of increased volume and firm European demand, although average rand prices declined because of variation in product mix.

A major mechanical breakdown on the *Desert Diamond*, Oceana's flagship vessel, significantly reduced seadays and impacted horse mackerel operations. In Namibia, rising costs and lower catch rates put further pressure on the horse mackerel performance.

The successful integration of the recently acquired squid business promises a strong start to the upcoming fishing season.

Capital expenditure increased to R645million, including R215 million to modernise canneries, fishmeal and fish oil plants and boiler infrastructure and to commission a new canned meat facility. A further R77 million was spent repairing and upgrading the Group's flagship vessel, *Desert Diamond* and the squid fleet was expanded with five additional vessels bought for R27 million. The remainder of the capital expenditure was to maintain existing infrastructure.

Oceana CFO, Zaf Mahomed, says: "Oceana's investments reflect its commitment to long-term growth and sustainability. After two years of strategic capital expenditure the Group is prioritising growth opportunities while remaining committed to sustainable shareholder returns and prudent debt management."

Looking ahead, Oceana's leadership is confident that the Group's investments and operational expertise will allow it to navigate challenges and capitalise on opportunities.

Investment and operational expertise at Daybrook will ensure it continues to perform even as fishmeal and fish oil prices normalise due to increased global supply. Expected improvements in landings from a healthy Gulf Menhaden biomass is anticipated to mitigate price pressures.

"Lucky Star foods will continue to drive canned fish volume growth through affordability and availability and capitalise on the brand's iconic status to diversify into complementary canned food and adjacent FMCG categories.

"Our investments in factories and vessels make us more efficient, able to improve margins and deliver to our full potential in segments with underutilised capacity while turning around those segments that haven't performed this year," says Brink

**Read the full SENS announcement here: <https://www.oceana.co.za/investors-information-sens-announcements>**

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