



OCEANA/GROUP

— POSITIVELY IMPACTING LIVES —

# INVESTOR PRESENTATION

For the year ended 30 September 2023





# AGENDA



CEO Overview



Group Financial Results



Operational Performance



Outlook & Strategy



Questions



# CEO OVERVIEW

Neville Brink

01



# OCEANA PILLARS

**LUCKY STAR**

## LUCKY STAR BRAND

Affordable branded protein for human consumption

**MARKETING**  
(Canned fish & foods)

**PRODUCTION**  
(Canneries)





**LUCKY STAR**

**DAYBROOK**

## FISHMEAL AND OIL (FMO)

Fish protein for animal / aquaculture consumption



**ERONGO MARINE ENTERPRISES**

**BLUE CONTINENT PRODUCTS**

**CALAMARI FISHING**

**OCEANA LOBSTER**


## WILD CAUGHT SEAFOOD

Fish protein for human consumption

**HORSE MACKEREL HAKE**      **SQUID LOBSTER**



**ENABLERS : PEOPLE, TRANSFORMATION, STAKEHOLDERS, ESG, FINANCIAL RESOURCES**

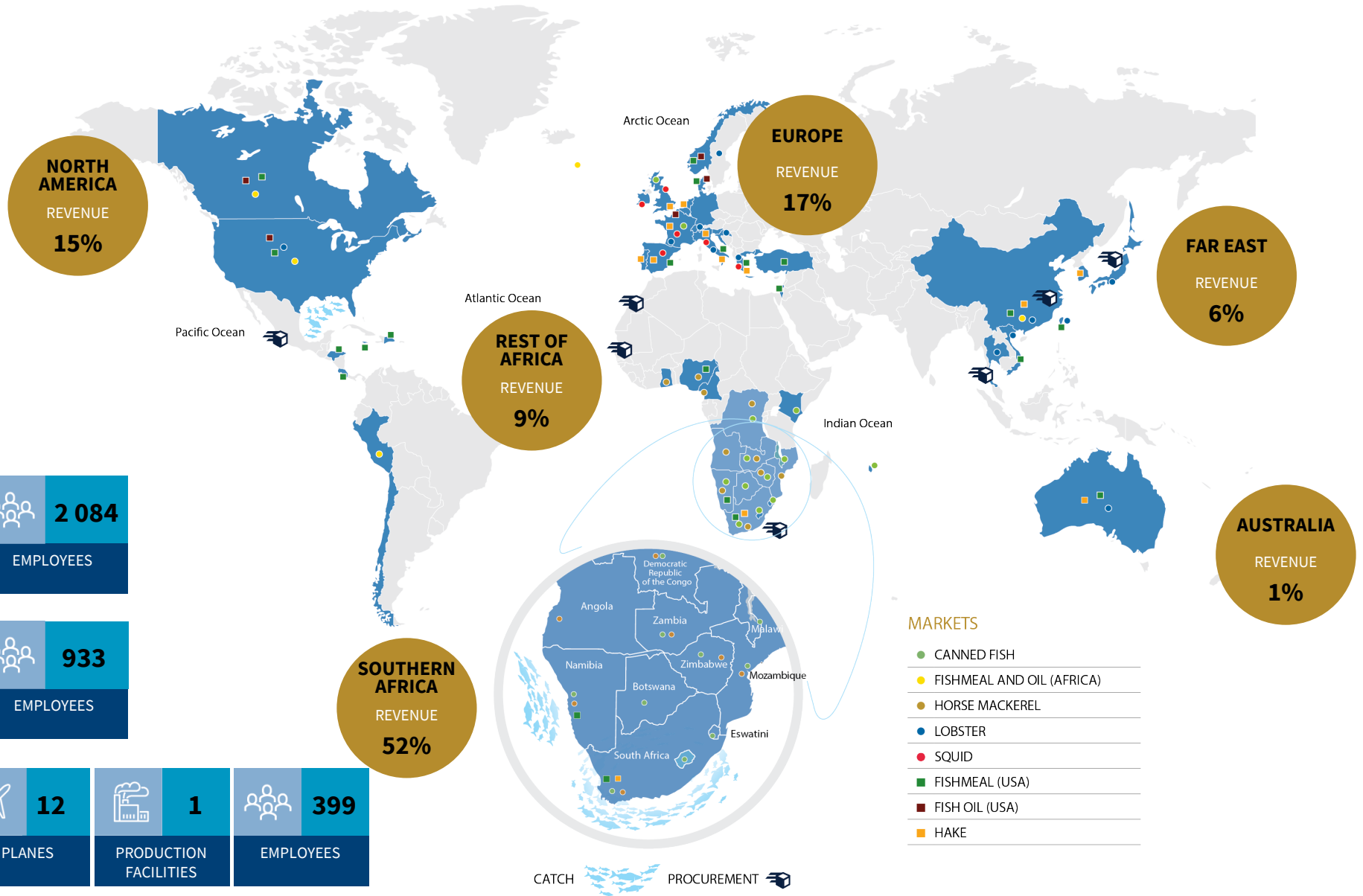
 = shared resources, assets & management and reported as a segment in the annual financial statements



# DIVERSIFIED GLOBAL BUSINESS

**5**  
FISHING  
GEOGRAPHIES

**36**  
CUSTOMER  
GEOGRAPHIES



	<b>11</b>		<b>5</b>		<b>2 084</b>
VESSELS		PRODUCTION FACILITIES		EMPLOYEES	

	<b>13</b>		<b>2</b>		<b>933</b>
VESSELS		PRODUCTION FACILITIES		EMPLOYEES	

	<b>12</b>		<b>12</b>		<b>12</b>		<b>1</b>		<b>399</b>
CARRIER VESSELS		PURSE BOATS		PLANES		PRODUCTION FACILITIES		EMPLOYEES	

\* Employees includes head office staff





# CEO OVERVIEW

## KEY PERFORMANCE HIGHLIGHTS



**Delivered on volume strategy with 9.6 million Lucky Star cartons sold (+9% volume growth)**



**Daybrook operating profit up 30% in USD terms, aided by record USD fish oil prices**



**Strong demand and pricing across wild caught seafood product range**



**Focused inventory management of canned fish and fishmeal and oil**



**Repaid R767 million term debt in line with debt reduction plan to create balance sheet capacity for growth**







# GROUP FINANCIAL RESULTS

Zaf Mahomed

02



# 2023 PERFORMANCE HIGHLIGHTS

## REVENUE \*

▲ **22.6%**

2023: R10.0bn  
(2022: R8.1bn)

## OPERATING PROFIT \*

▲ **19.8%**

2023: R1.5bn  
(2022: R1.2bn)

## HEPS \*

▲ **29.2%**

2023: 808.8c  
(2022: 626.0c)

## DIVIDENDS

▲ **25.7%**

2023: 435 cps  
(2022: 346 cps)

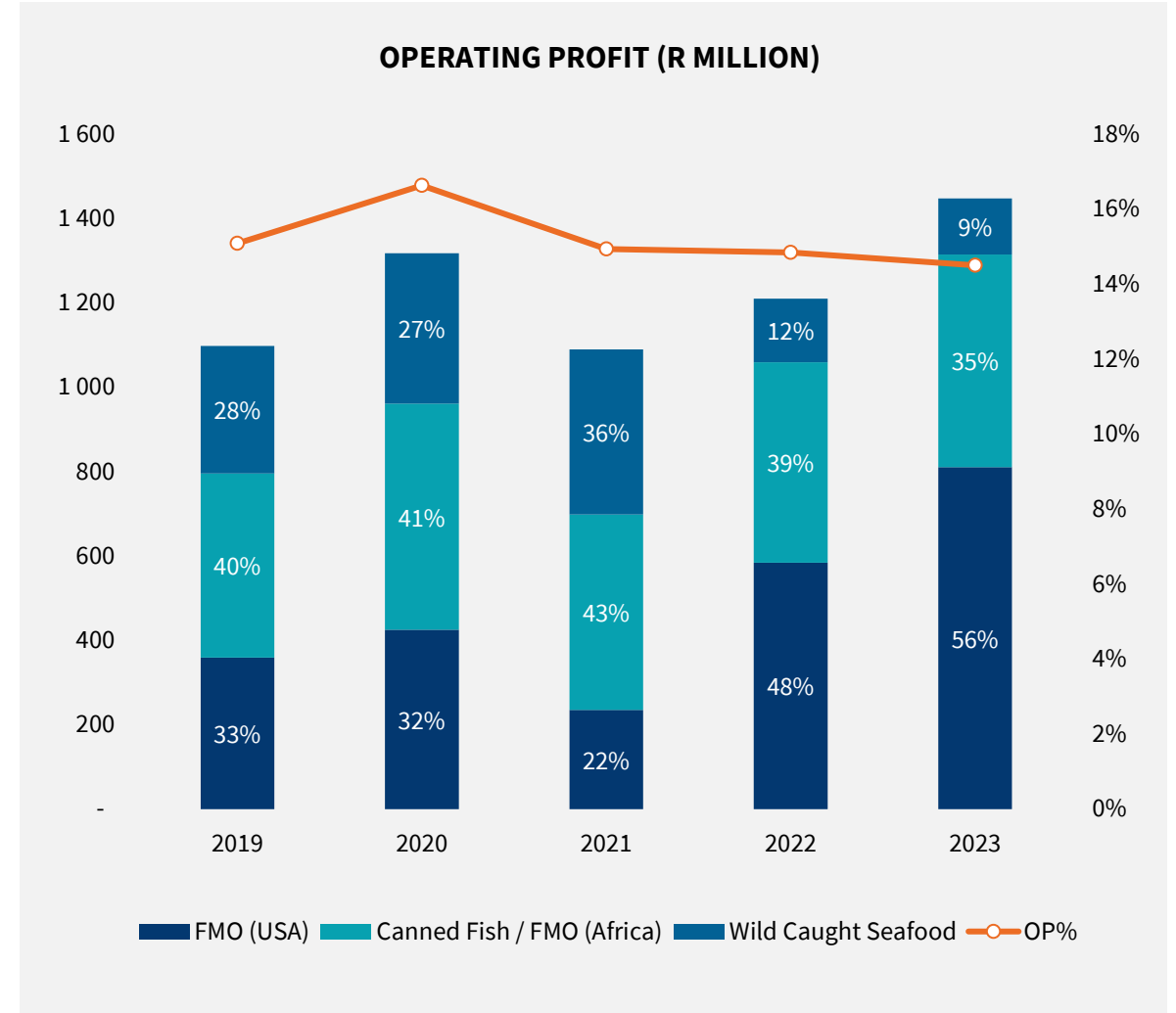
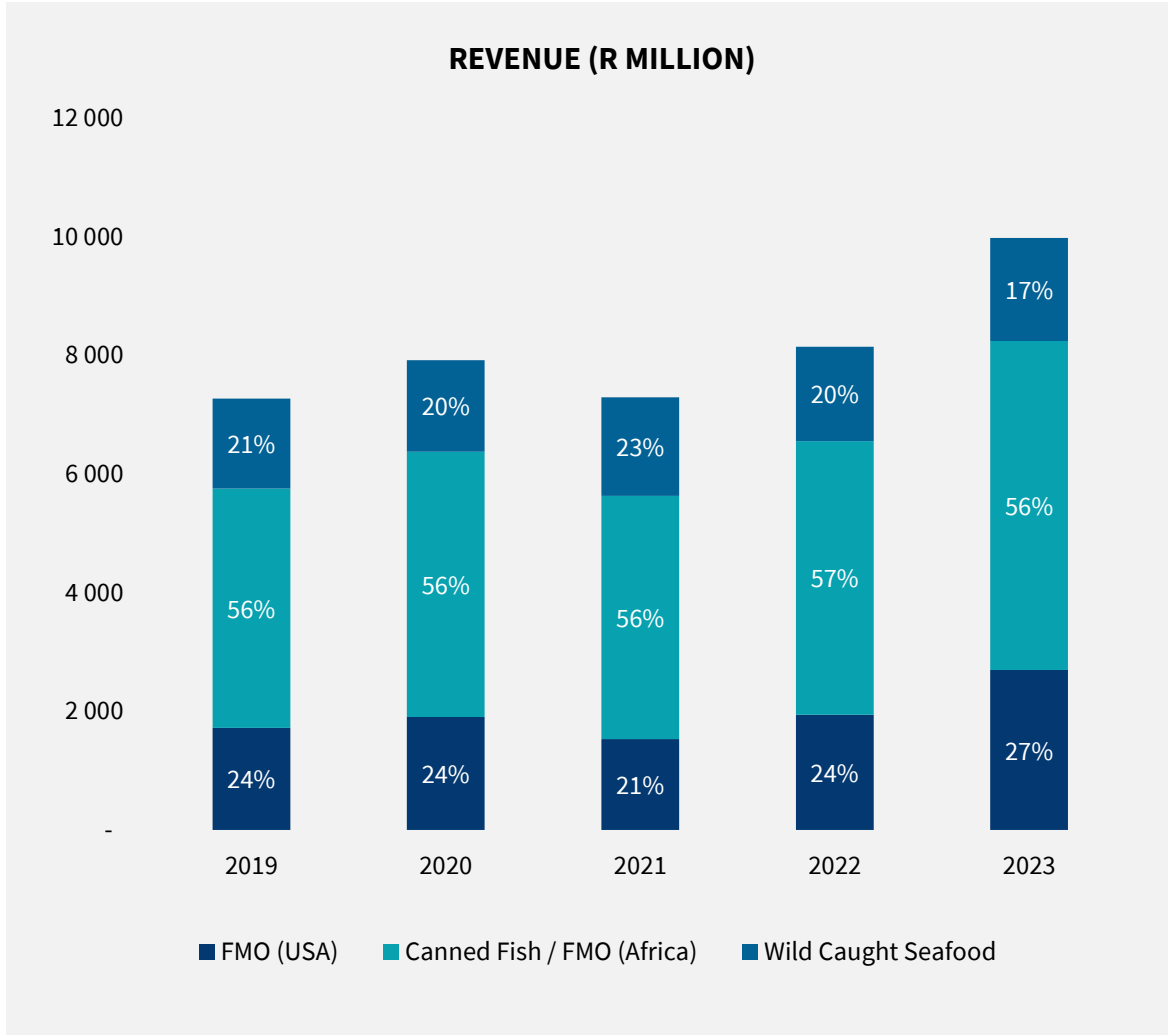
## NET DEBT TO EBITDA

**1.2x**

2022: 1.7x



# 5 YEAR SEGMENTAL ANALYSIS \*



\* From continuing operations. CCS Logistics was derecognised on 4 April 2023.

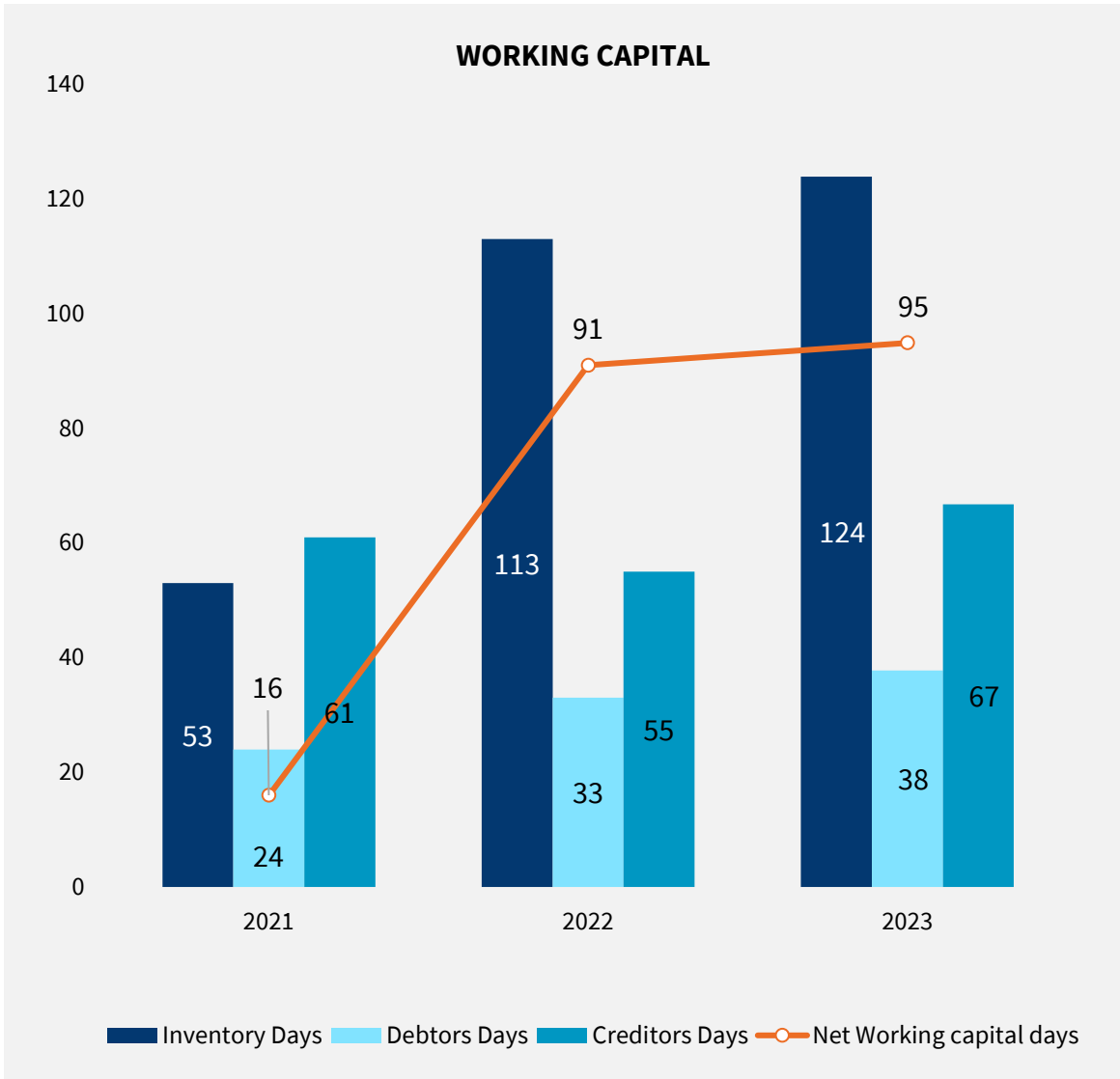
# STATEMENT OF COMPREHENSIVE INCOME OVERVIEW

R' million	2023	2022	VAR
<b>Revenue</b>	<b>9 987</b>	<b>8 148</b>	<b>22.6%</b>
<b>Gross profit</b>	<b>2 853</b>	<b>2 507</b>	<b>13.8%</b>
<b>Operating profit</b>	<b>1 490</b>	<b>1 244</b>	<b>19.8%</b>
Net interest	(192)	(180)	6.7%
<b>Profit before tax</b>	<b>1 298</b>	<b>1 064</b>	<b>22.0%</b>
Tax	(308)	(273)	12.8%
<b>Profit after tax *</b>	<b>990</b>	<b>791</b>	<b>25.2%</b>
Profit (loss) – discontinued ops	353	(22)	
<b>Profit for the year</b>	<b>1 343</b>	<b>769</b>	<b>74.6%</b>
<b>Headline earnings *</b>	<b>980</b>	<b>760</b>	<b>28.9%</b>
<b>HEPS *</b>	<b>808.8</b>	<b>626.0</b>	<b>29.2%</b>
GP Margin	28.6%	30.8%	(2.2%)
OP Margin	14.9%	15.3%	(0.4%)
Effective tax rate	23.7%	25.7%	(2.0%)

- **Revenue Growth (+22.6%)** : Driven by strong demand for affordable protein increased consumption and sales volumes. Revenue also benefitted from improved pricing across all products, particularly for fish oil, and the effect of the weaker exchange rate on export revenue
- **Operating Profit Improved (+19.8%)** : Driven by record Daybrook earnings (+39%), a resilient contribution from Lucky Star (+4%) under tough market conditions and mitigated by a decline in wild caught seafood earnings (-15%).
- **Interest Expense** : Includes R38 million (2022: R12 million) related to lease liabilities. Net interest reduced by 8.3% to R154 million due to term debt repayments offset by interest rate increases, weaker exchange rate effect on US dollar interest and higher short-term borrowings
- **Discontinued operations** : Includes profit on sale of CCS Logistics and the result of its operations which is accounted for as a discontinued operation up until the date of sale on 4 April 2023
- **Lower tax rate** : Higher US earnings at lower tax rate, decrease in SA corporate income tax rate

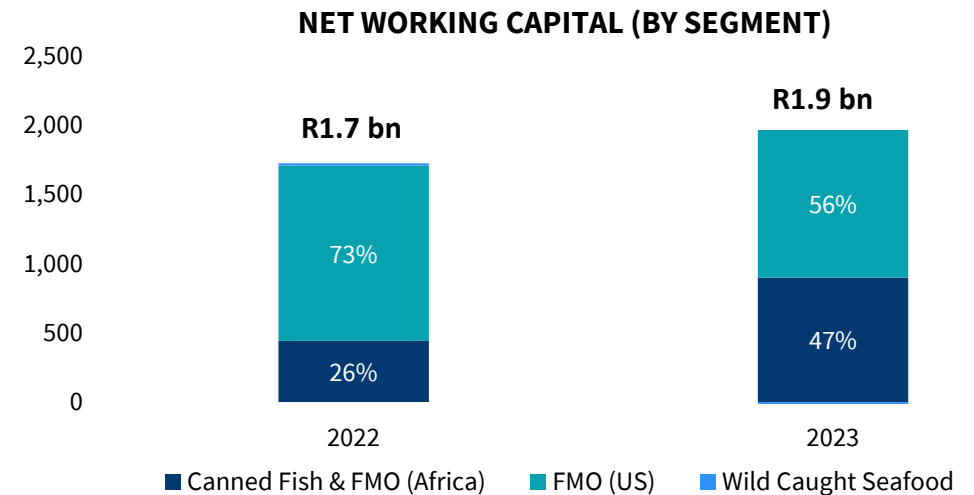


# 2023 WORKING CAPITAL \*



## INVESTMENT IN INVENTORY

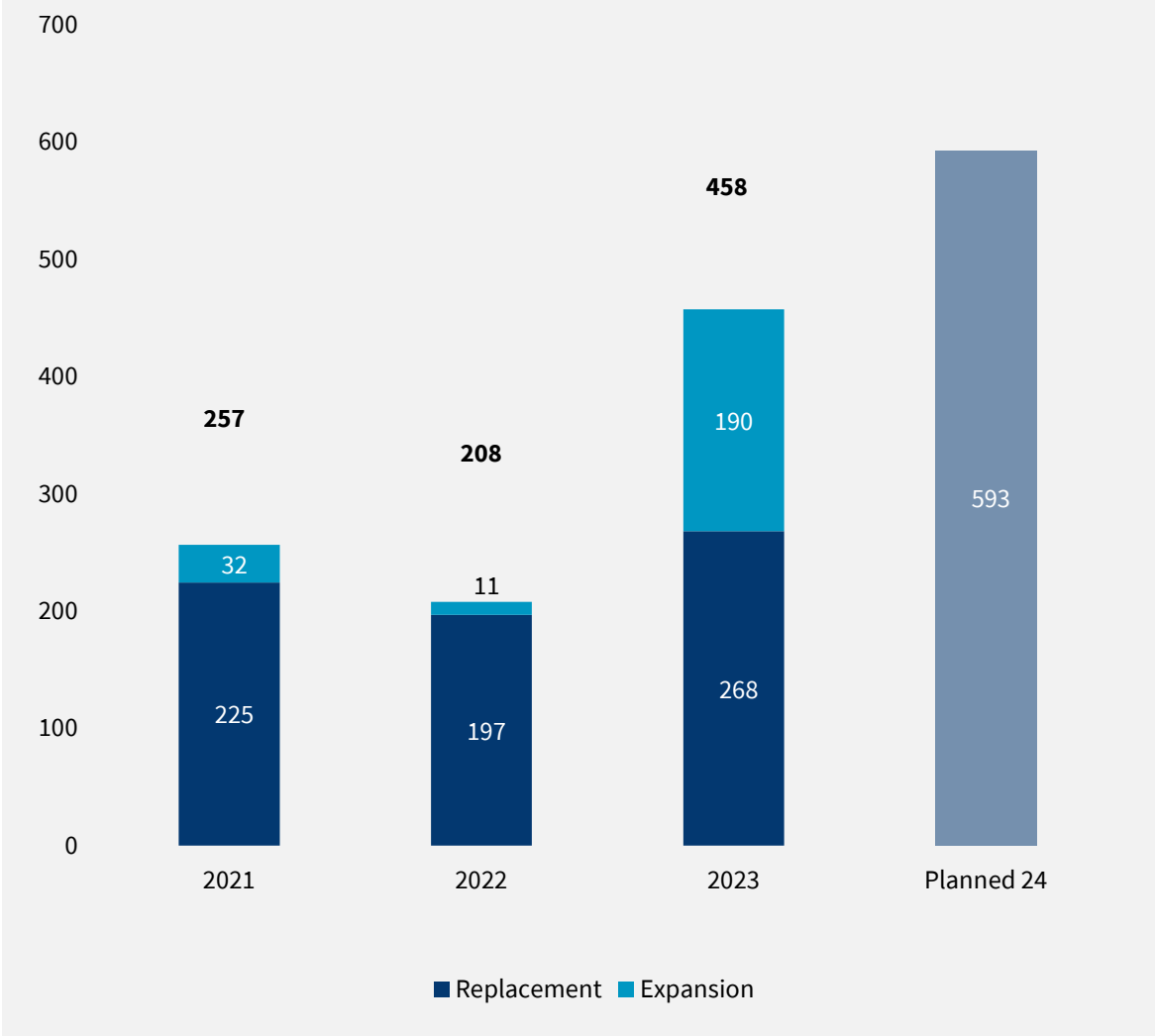
- Increase in **net working capital** days driven by planned investment in inventory to ensure availability to meet continued market demand
- Lucky Star's **inventory** closed at R1.6 billion (2022: R 1.3 billion) and Daybrook's inventory closed at R967 million (2022: R771 million)
- **Creditors** days increased mainly due to improved terms negotiated with Lucky Star frozen fish suppliers
- **Debtors** days increase mainly due to higher sales in the last quarter compared to previous year



\* From continuing operations. CCS Logistics was derecognised on 4 April 2023.

# 2023 CAPEX \*

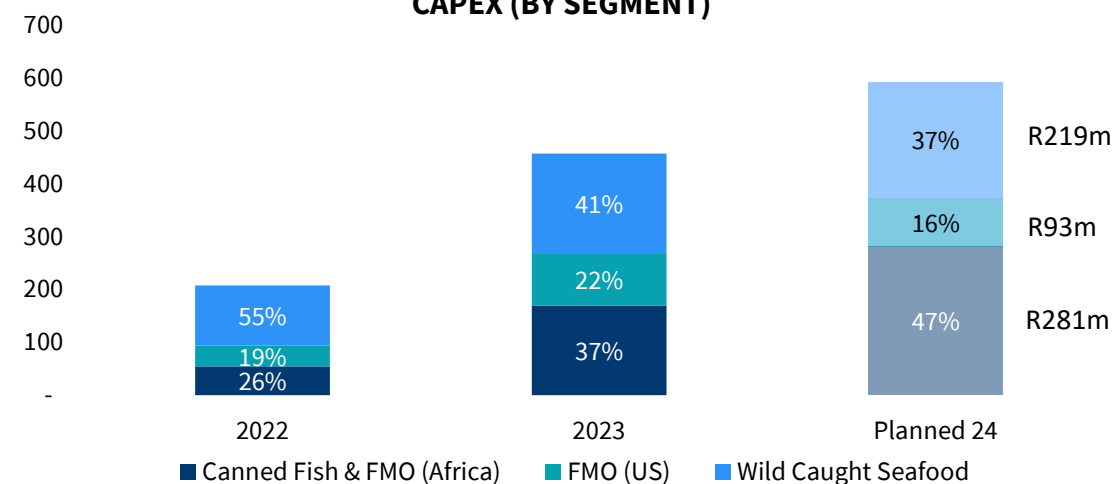
CAPITAL EXPENDITURE (R MILLION) \*



## INVESTMENT IN SA OPERATIONS

- **Major projects** in the year included :
  - R54 million on initial phase of fishmeal & oil facility upgrades
  - R61 million on construction of canned meat facility and
  - R106 million on upgrade to flagship hake trawler
- Increase in capex **planned for 2024** is attributable to investments to upgrade the SA fishmeal facilities and wild caught seafood fleet, including fleet refrigeration conversion to environmentally friendly gas
- **Incremental capex of c. R600 million** phased over three years 2024 to 2026 i.e. in addition to normal replacement capex

CAPEX (BY SEGMENT)



\* From continuing operations. CCS Logistics was derecognised on 4 April 2023.

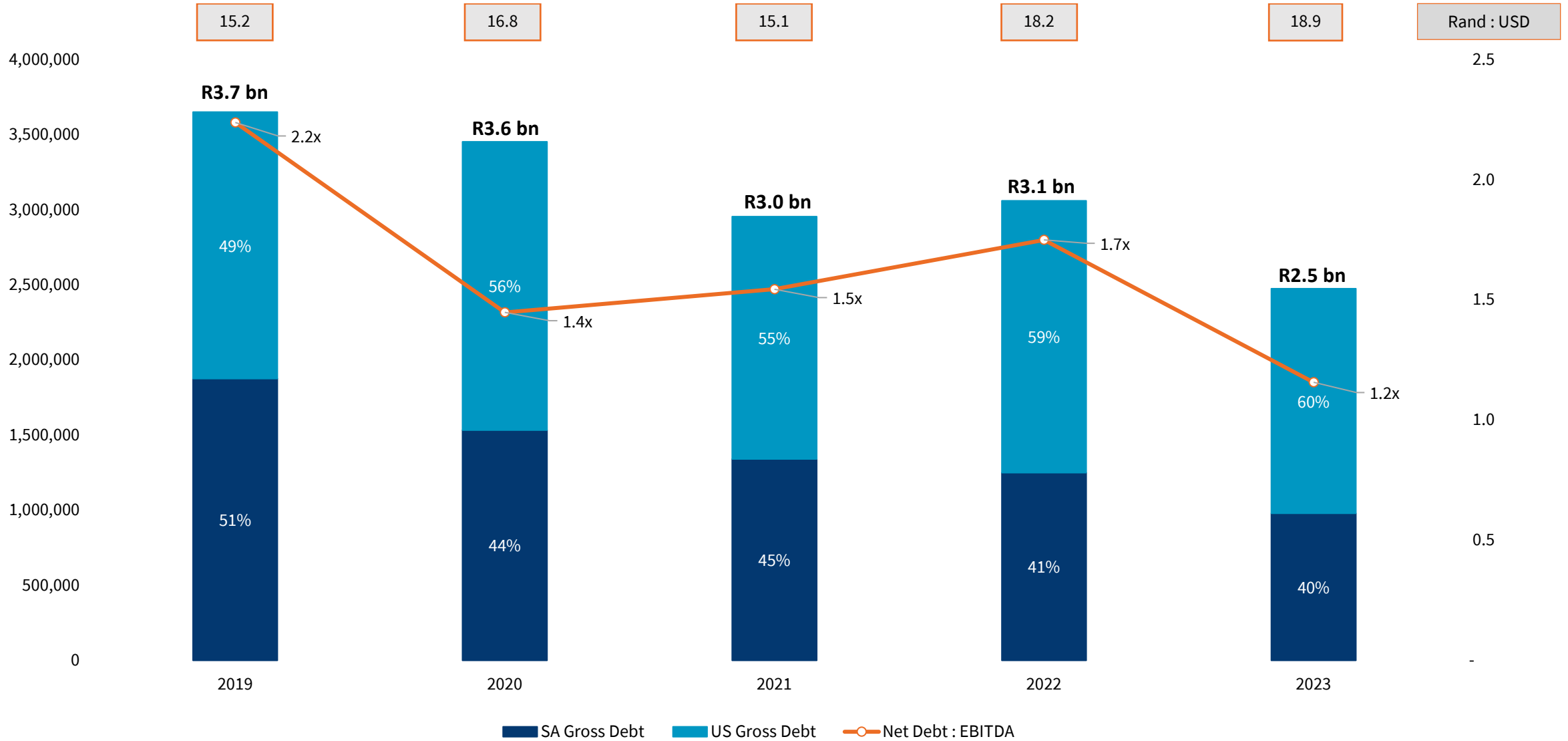


# 2023 DEBT ANALYSIS

R' million		2023		2022	VAR
<b>Africa (R million)</b>					
Gross debt		979		1 249	(22%)
Net debt	1	884		1 017	(13%)
<b>Net debt / EBITDA</b>		<b>1.0 X</b>		<b>1.3 X</b>	<b>(18%)</b>
Gross debt / EBITDA		0.9 x		1.5 x	(39%)
Unutilised facilities	1	897		1 024	(12%)
<b>USA (\$ million)</b>					
Gross debt		79		100	(21%)
Net debt		61		86	(29%)
<b>Net debt / EBITDA</b>	2	<b>1.3 X</b>		<b>2.3 X</b>	<b>(45%)</b>
Unutilised facilities		25		25	-
% of total debt hedged	4	100%		100%	-
<b>Consolidated</b>					
<b>Net debt / EBITDA</b>	3	<b>1.2 X</b>		<b>1.7 X</b>	<b>(34%)</b>
% of total debt hedged	4	66%		61%	5%

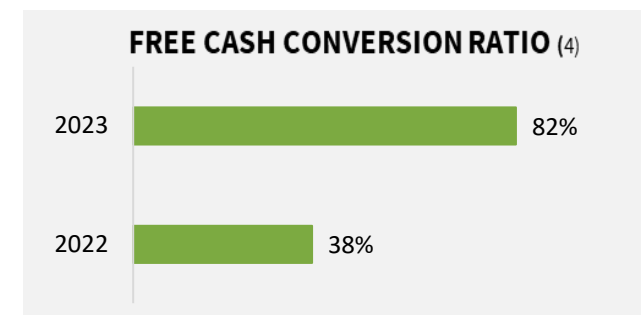
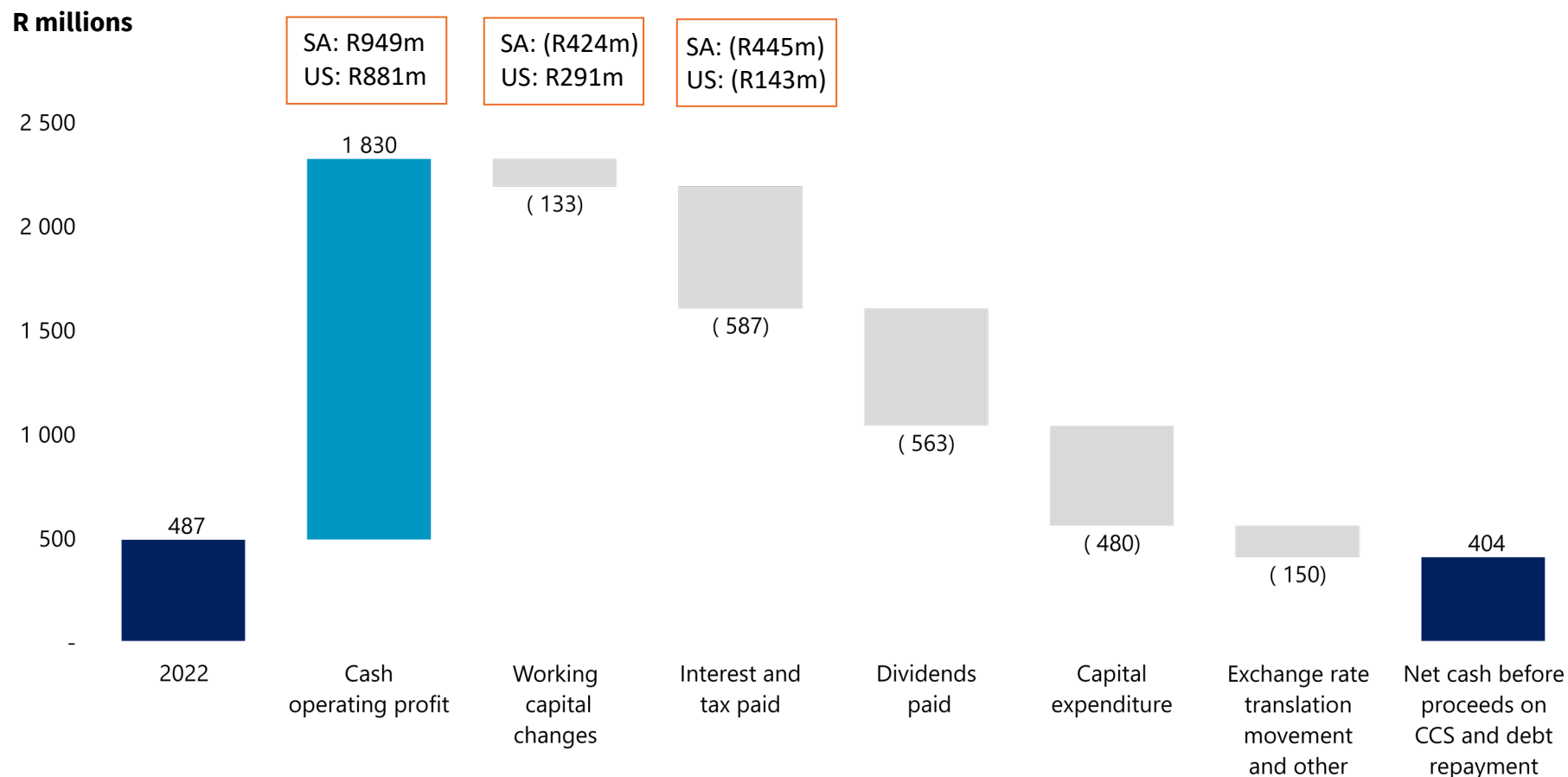
1. Settlement of SA term debt together with improved EBITDA levels resulted in net debt : EBITDA ratio reducing to 1.0 times
2. US net debt : EBITDA ratio improved to 1.3 times due primarily to settlement of term debt and improved 12 month rolling EBITDA levels. US debt is ring-fenced to US assets
3. Group net debt : EBITDA ratio decreased to 1.2 times due to improved net debt levels and improved EBITDA levels (EBITDA – 2023: R1.8 billion; 2022 : R1.5 billion)
4. 100% of US interest rate exposure hedged until September 2024
5. The Group complied with all lender covenant requirements relating to both its SA and US debt
6. SA rand-denominated debt bears interest at a rate = JIBAR plus average margin of 1.60% (Sept 22: 1.69%) and US dollar-denominated debt is hedged at fixed rates of between 0.246% and 1.335%

# 5 YEAR DEBT ANALYSIS





# NET CASH AND CASH EQUIVALENTS\*



SA: (R310m)  
US: (R368m)

**Notes:**

- 1) Capital expenditure is net of proceeds on disposal of assets of R10m
- 2) Net debt repaid includes R38m lease liability repayment and is the sum of debt paid (R 1.08 billion) and debt raised of R427 million
- 3) Other includes R97 million cash outflow for the purchase of treasury shares to settle long term incentives
- 4) Cashflow from operating activities (before dividends after replacement capex) / headline earnings

\* From total operations

■ Increase ■ Decrease ■ Total

# CAPITAL ALLOCATION PRIORITIES

## WORKING CAPITAL

Sustain at current levels, subject to seasonal cyclicality

## RE-INVEST

Incremental capital expenditure phased over next 3 years of R 600 million to invest in SA (West Coast) facilities and wild caught fleet

## DIVIDENDS

Relative to earnings, capital expenditure requirements and debt levels

## DEBT

Continue to manage debt prudently, taking into consideration SA and US interest rate / FX differentials

## GROWTH

Create balance sheet capacity for organic and acquisitive growth





# OPERATIONAL PERFORMANCE

03

Neville Brink





# WILD CAUGHT SEAFOOD

Horse Mackerel  
Hake  
Lobster & Squid



ERONGO MARINE  
ENTERPRISES



# WILD CAUGHT SEAFOOD PERFORMANCE

R' million	2023	2022	VAR
<b>Revenue</b>	<b>1 737</b>	<b>1 592</b>	<b>9.1%</b>
<b>Operating profit</b>	<b>127</b>	<b>150</b>	<b>(15.3%)</b>
<i>OP margin</i>	7.3%	9.4%	(2.1%)

## HAKE – DEEP SEA & INSHORE



## HORSE MACKEREL – SA & NAMIBIA

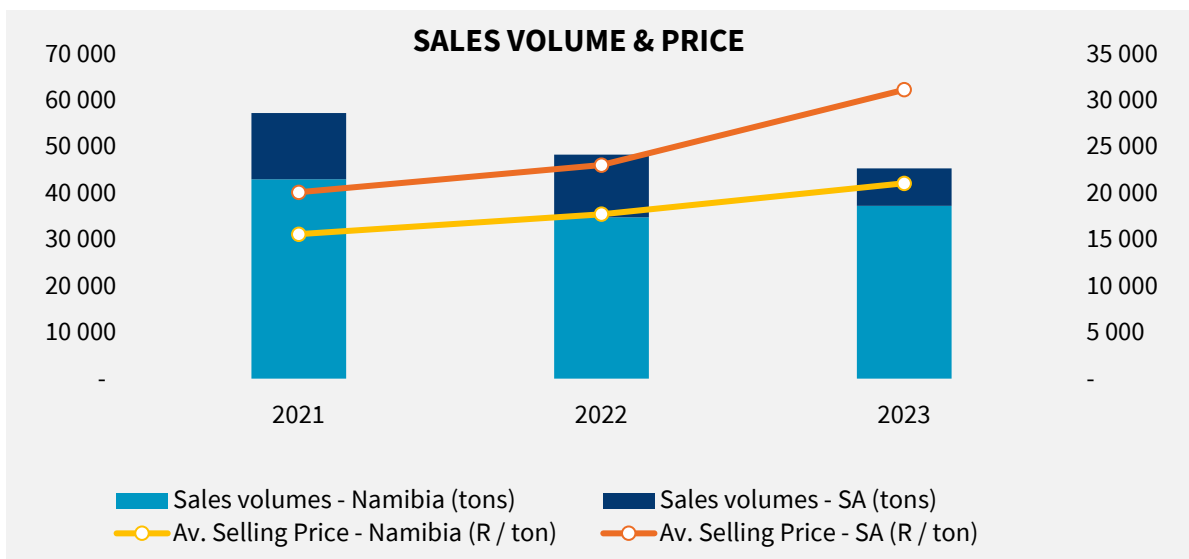
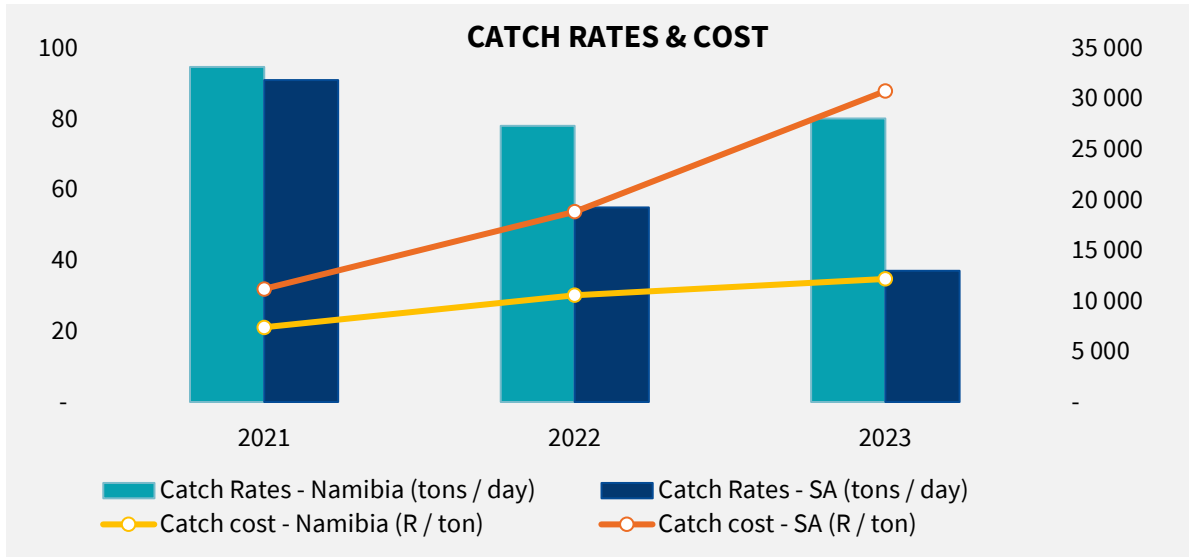


## SQUID & LOBSTER (WCRL & SCRL)





# HORSE MACKEREL PERFORMANCE

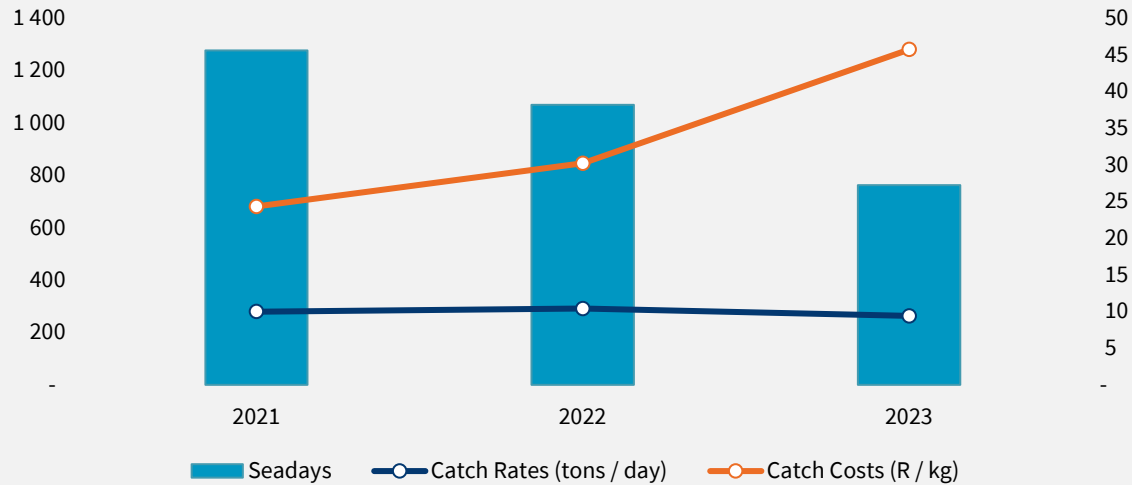


## HORSE MACKEREL - PERFORMANCE DRIVERS

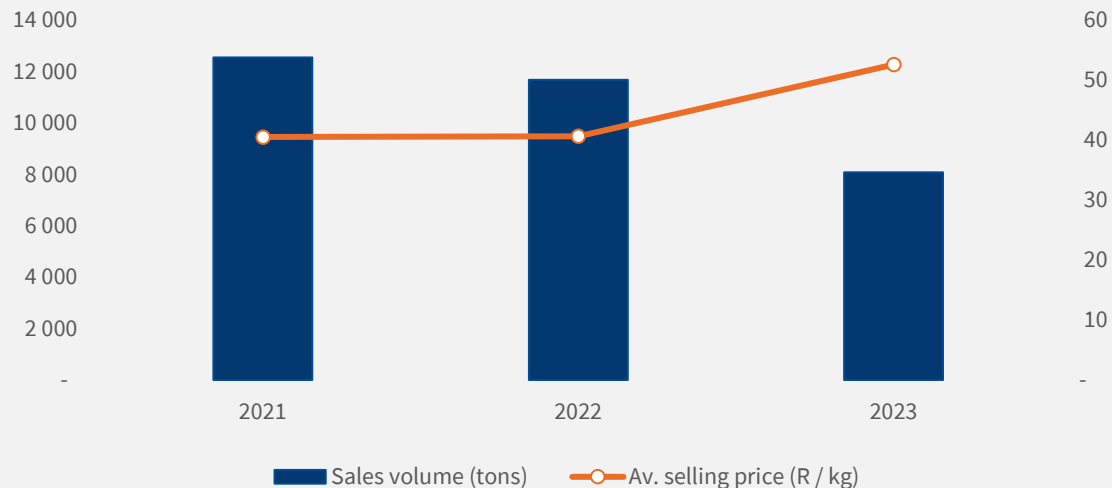
- **SA catch volumes 40% lower** due to poor catch rates and Desert Diamond planned main engine overhaul in H1
- **Namibian catch volumes increased by 8%** due to increase in both seadays and catch rates
- **High fuel costs** continued to adversely impact operating costs. No operational impact from load shedding.
- **Higher US dollar prices** together with the **weaker rand** further benefitted export revenue, resulting in :
  - **35% increase** in the average rand prices for larger sized **SA** horse mackerel and
  - **19% increase** in the average rand prices for smaller sized **Namibian** horse mackerel and

# HAKE PERFORMANCE

### FLEET PERFORMANCE & COST



### SALES VOLUME & PRICE



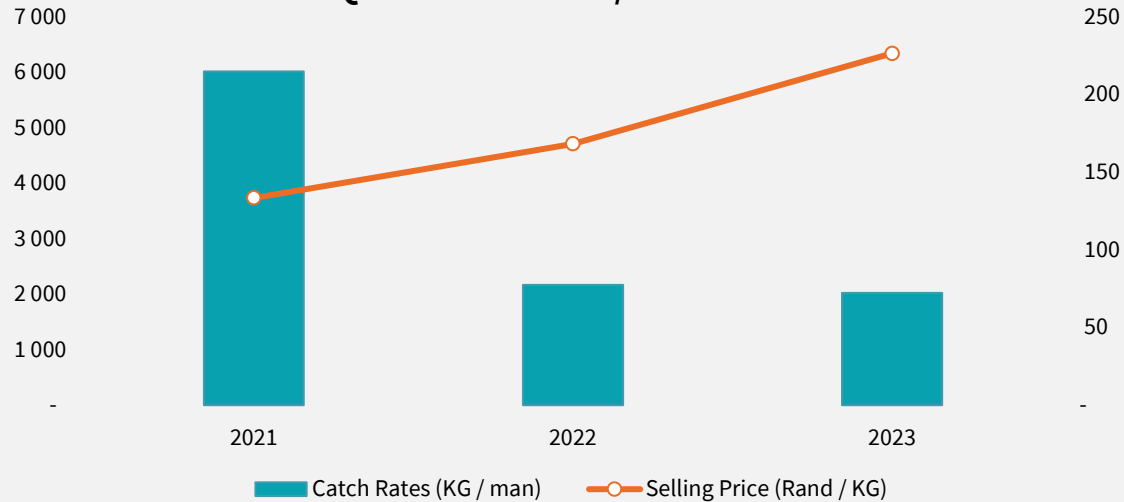
## HAKE - PERFORMANCE DRIVERS

- Hake **catch volumes 35% lower** due to fewer seadays (both planned and unplanned maintenance) and lower catch rates
- **Beatrice Marine** upgrade and freon conversion successfully completed at cost of R106 million
- **High fuel costs** continued to adversely impact operating costs. No operational impact from loadshedding
- **Firm European demand** and increased prices for hake in both local and export markets
- The **weaker rand** further benefitted export revenue, resulting in **29% increase in average rand prices**
- Disappointing performance - with 15-year fishing rights secured, focus on **reinvestment to upgrade and enhance** vessel capacity and performance

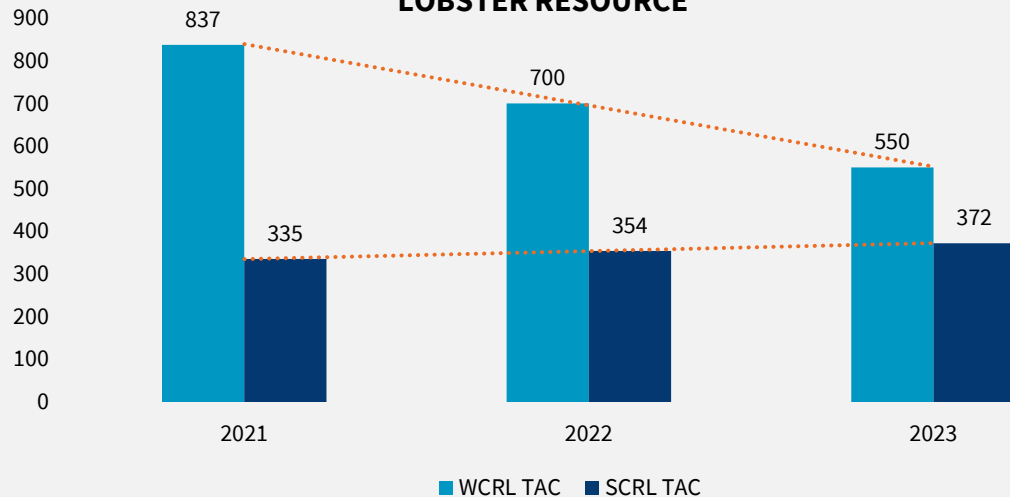
# SQUID & LOBSTER PERFORMANCE



SQUID CATCH RATES / SALES PRICES



LOBSTER RESOURCE



## LOBSTER & SQUID - PERFORMANCE DRIVERS

### SQUID

- **Squid catch rates 2% lower** than prior year and well below cyclical highs
- Squid demand remains strong with **record euro price levels** supported by a favourable exchange rate
- Continue to explore **joint venture partnerships** to grow the business

### LOBSTER

- **West Coast Rock Lobster business** has been **restructured** with a SME partner to reduce fixed costs
- **Good catch rates and sales prices** achieved for **South Coast Rock Lobster**



# FISHING RIGHTS APPLICATION PROCESS (FRAP) - APPEALS

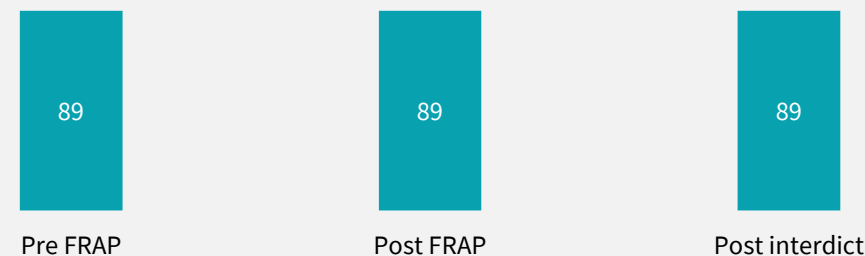
## FRAP

- All FRAP sector appeals finalised with exception of small pelagic sector (pilchards, anchovy)
  - Squid appeals** decision announced in June 2023. Oceana's licenses reduced from 89 to 81 licenses. Following a successful interdict by several right holders, entitled to catch on pre-FRAP licenses until April 24
  - Hake deep sea trawl appeals** decision announced in October 2023. Oceana's combined own and contracted quota pre-FRAP allocation largely unchanged
  - Small pelagic appeals** decision still expected in 2023

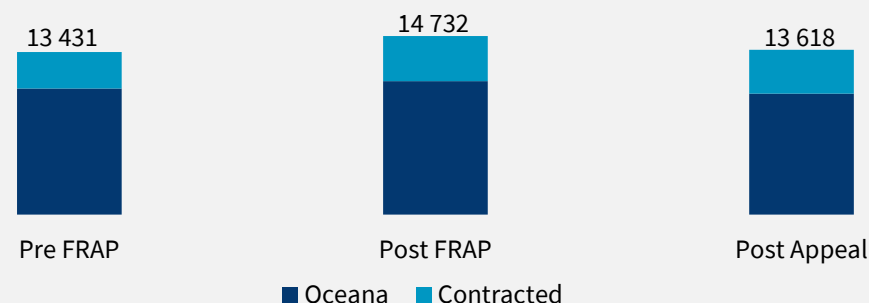
SECTOR	RIGHTS DURATION	RIGHTS PERIOD
Horse mackerel	15 years	01 Jan 17 to 31 Dec 31
Hake Trawl (Inshore)	15 years	01 Jan 17 to 31 Dec 31
West Coast Rock Lobster	15 years	15 Nov 17 to 31 July 32
Hake Trawl (Deep-Sea)	15 years	01 Mar 22 to 31 Dec 37
<b>Small Pelagics</b>	<b>15 years</b>	<b>01 Mar 22 to 31 Dec 37</b>
Squid	15 years	01 May 22 to 30 Apr 37
South Coast Rock Lobster	15 years	1 Oct 22 to 30 Sept 37

\* Based on 2023 TAC excluding short term contracts

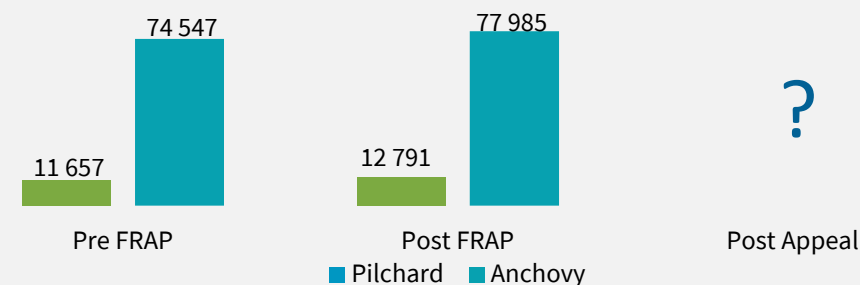
## OCEANA SQUID LICENSES



## OCEANA HAKE QUOTA (TONS)



## SMALL PELAGIC QUOTA - OWN & CONTRACTED \* (TONS)





100%

*Mzansi-licious*

CANNED FISH & FISHMEAL  
(AFRICA)

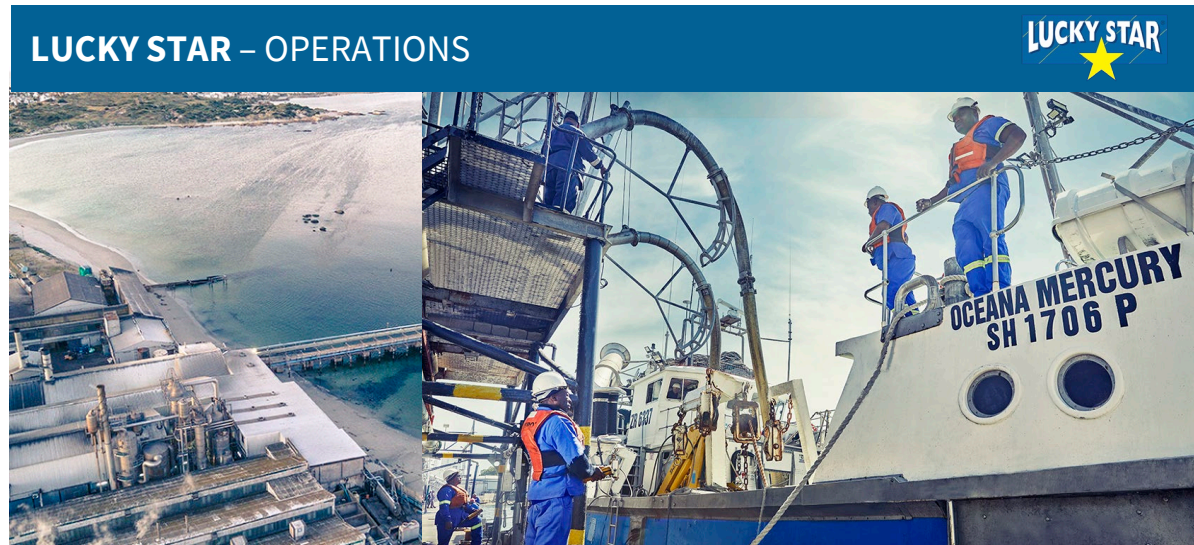




# CANNED FISH AND FISHMEAL (AFRICA) PERFORMANCE

R' million	2023	2022	VAR
<b>Revenue</b>	<b>5 553</b>	<b>4 610</b>	<b>20.5%</b>
<b>Operating Profit</b>	<b>496</b>	<b>476</b>	<b>4.2%</b>
<i>OP margin</i>	8.9%	10.3%	(1.4%)

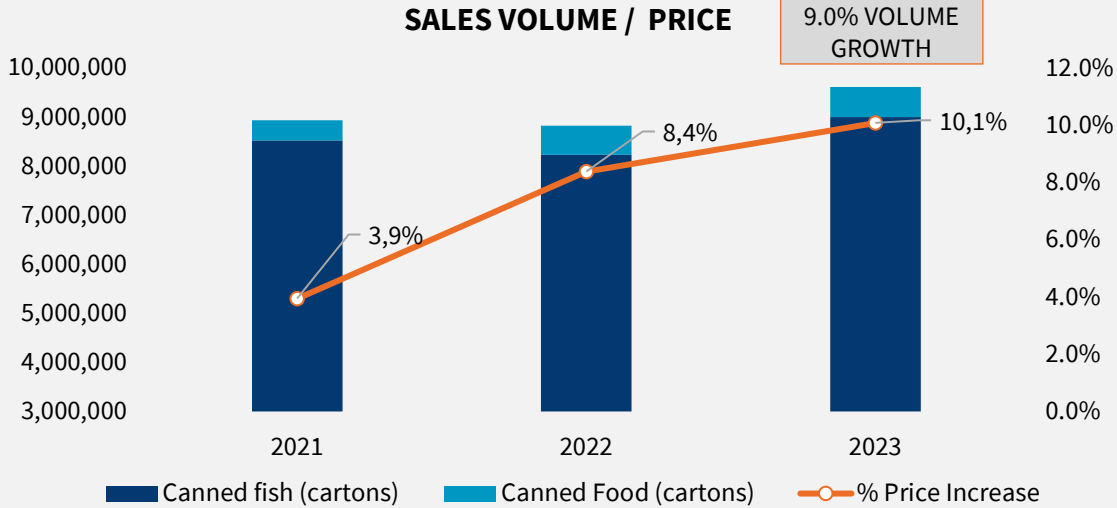
Loadshedding increased the reliance on generators at both the canned fish and fishmeal operations, resulting in incremental energy costs of R28 million for the year



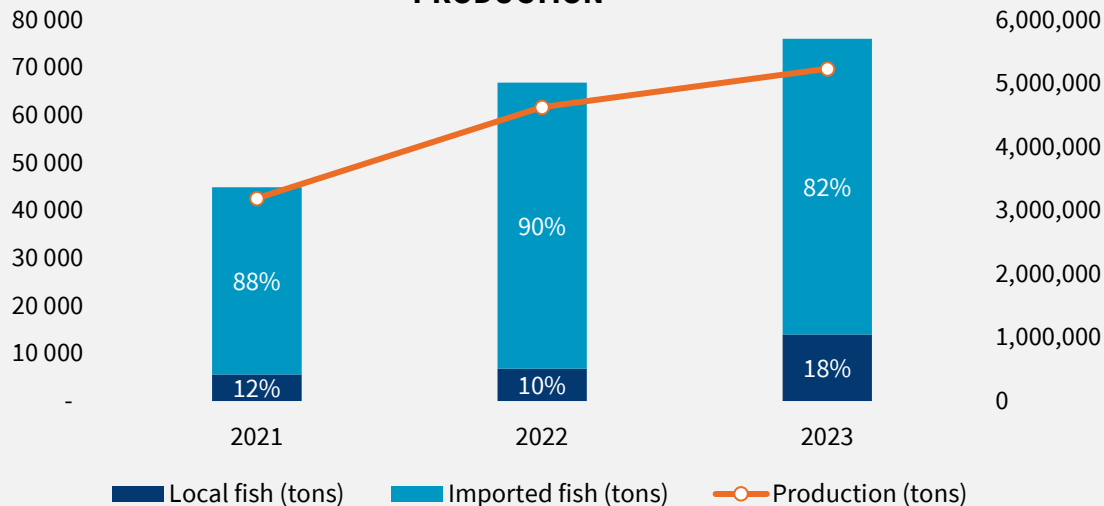


# CANNED FISH PERFORMANCE

## SALES VOLUME / PRICE



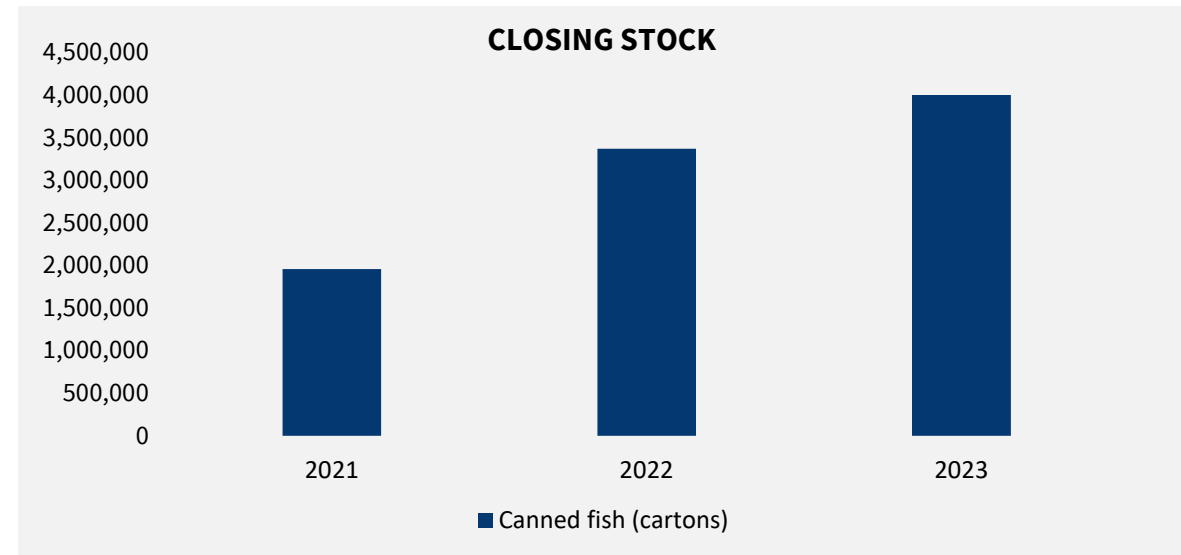
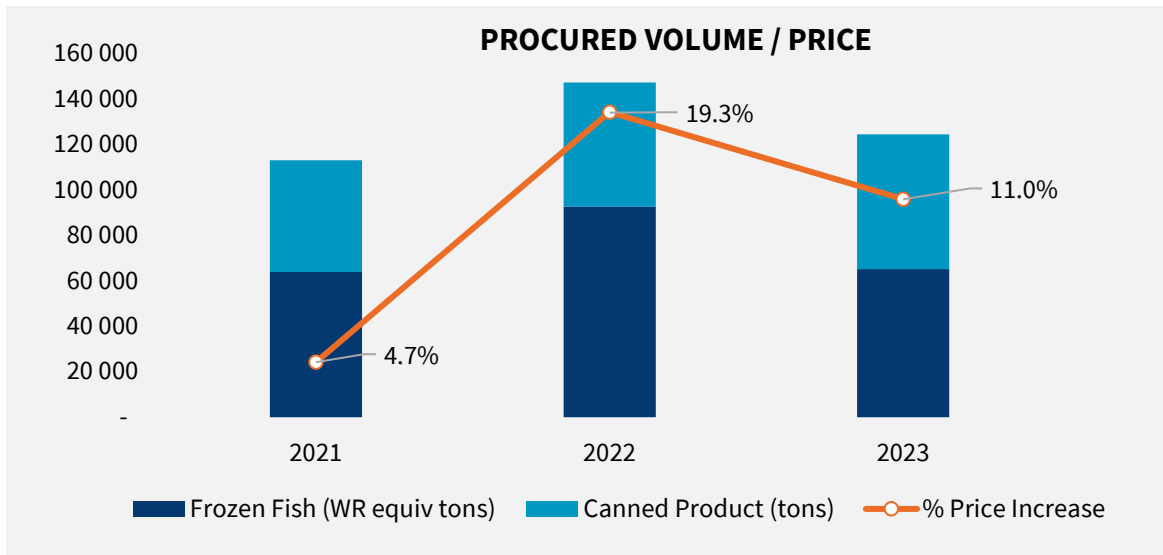
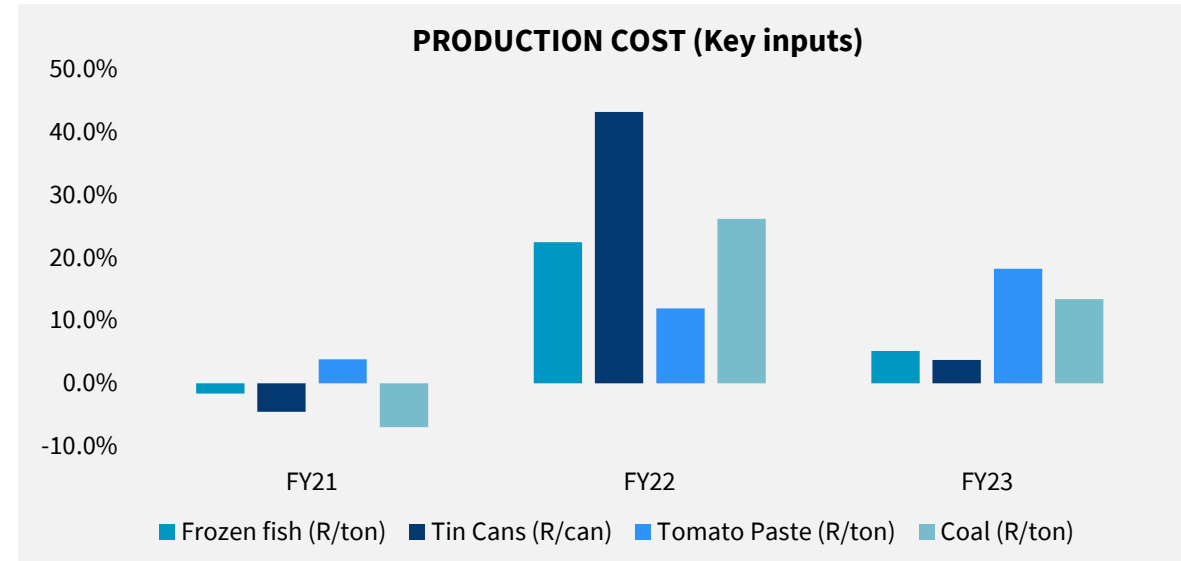
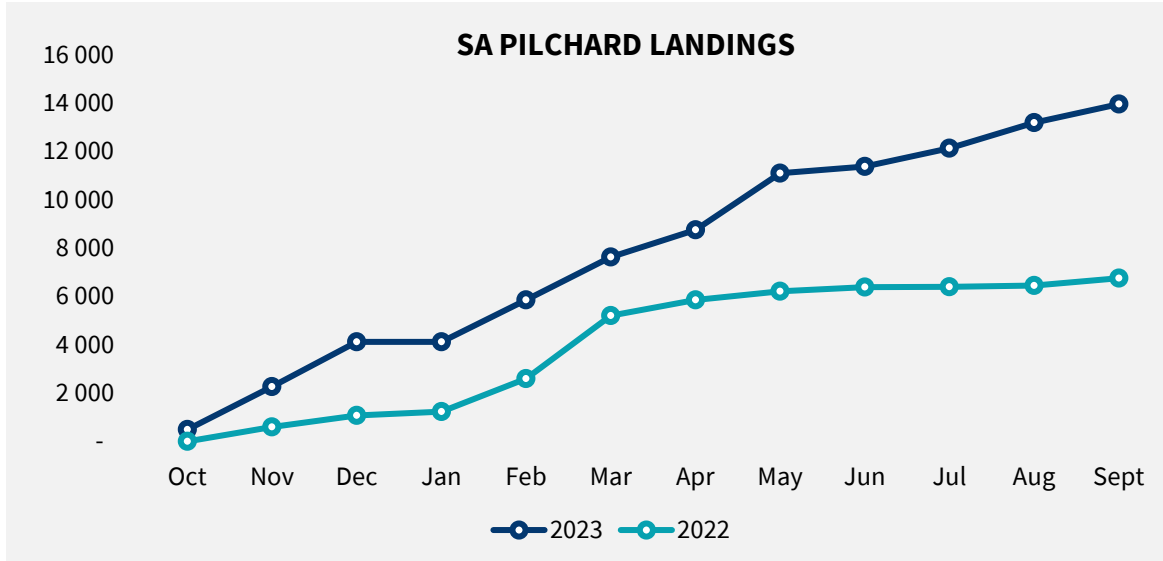
## PRODUCTION



## CANNED FISH - PERFORMANCE DRIVERS

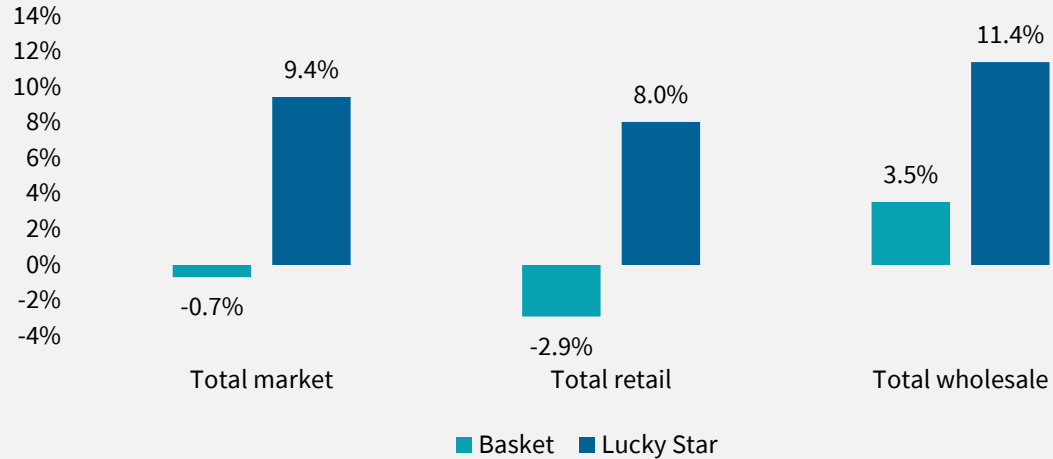
- **9% sales volume growth** to 9.6 million cartons in a constrained consumer environment
- Strategy to **grow consumption**:
  - maintain relative affordability in protein
  - resilient supply chain to meet growing demand
  - innovative marketing and brand investment (iconic brand, shelf stable product)
- **Margins reduced** with price increases insufficient to offset the full cost push from imported fish, tin cans, tomato paste and energy
- **Locally produced volumes increased 13%** to 5.2 million cartons with 18% of volumes processed being caught locally
- **Closing inventory levels were 19% higher** in line with the strategy of meeting growing demand in full

# CANNED FISH : 3 YEAR KPIS



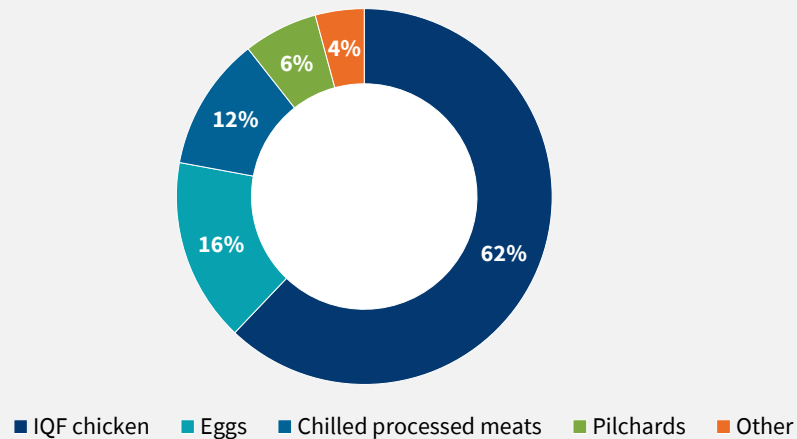
# CANNED FISH MARKET CONDITIONS

## 12 MM VOLUME GROWTH (Food excl staples)



\* Source: Ask'd

## DEFINED PROTEIN MARKET SHARE



\* Source: Nielsen

## CONSUMERS – INCREASING PRICE SENSITIVITY

### Consumer Trends

- Over 70% of purchases on promotion across most food items
- Just over 50% buy essential items only
- Decreasing brand loyalty, with growing number of store brands in their basket
- Shopping widely for best price, increased store repertoire
- Growth in demand for low cost staples e.g. bakery, milling, rice
- Reducing demand for most proteins, pilchards aside
- Lucky Star canned pilchards now present in 93% of SA households (up from 87%)

### Customer Trends

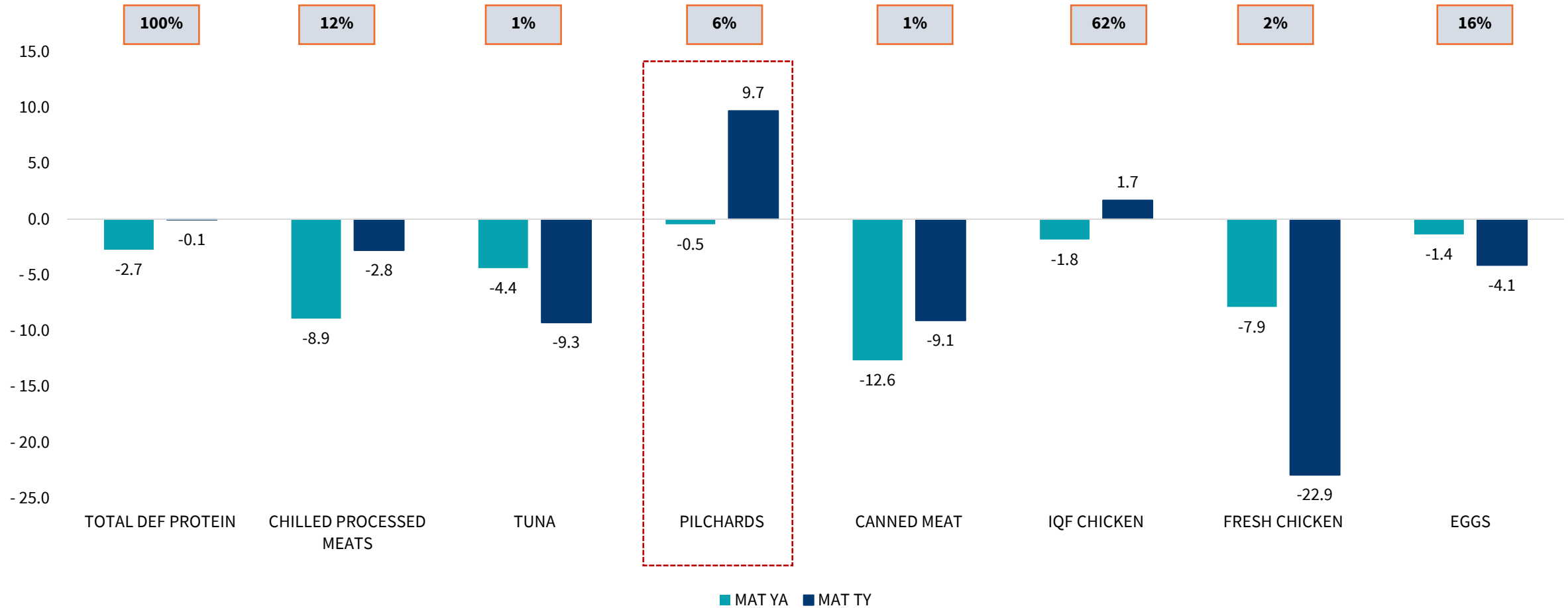
- Informal & independent trade outlets offering refrigerated protein options are decreasing (due to energy risk & cost)
- Retailers needing to extract more margin from commodities as demand for high margin luxury products decreases
- Focus on in-store & brand range simplification
- Lucky Star pilchards increasingly used as shopper draw card



# OVERVIEW OF COMPETING PROTEINS



TRADE DESK – DEFINED PROTEIN – VOLUME GROWTH – MOVING ANNUAL TOTAL (MAT)  
YEAR AGO (YA) vs THIS YEAR (TY)

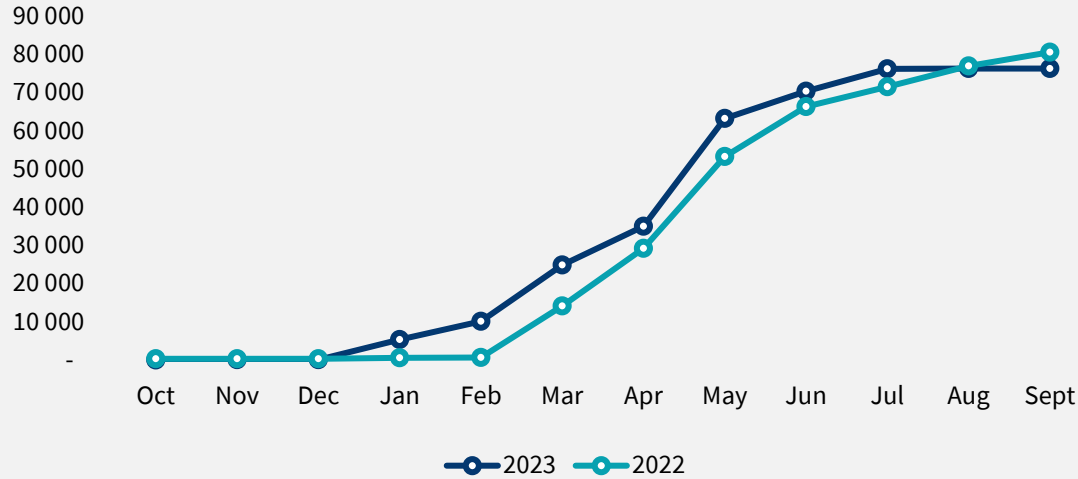


\* Source : Nielsen

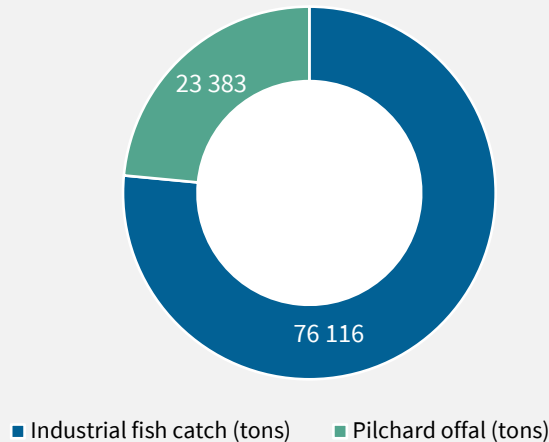
# FISHMEAL & OIL (AFRICA) PERFORMANCE



ANCHOVY / RED EYE LANDINGS (TONS)



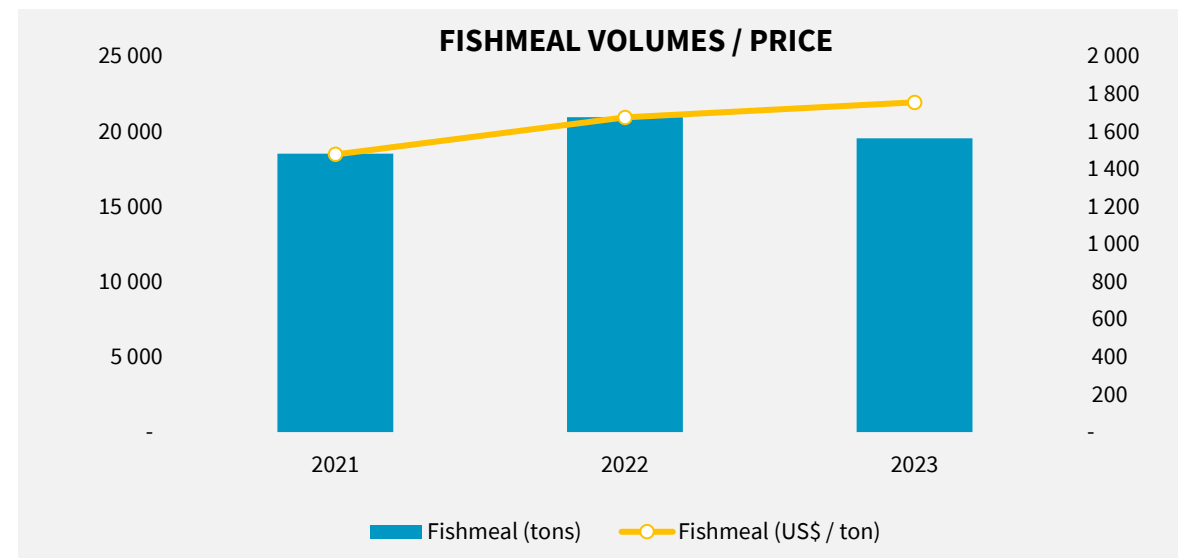
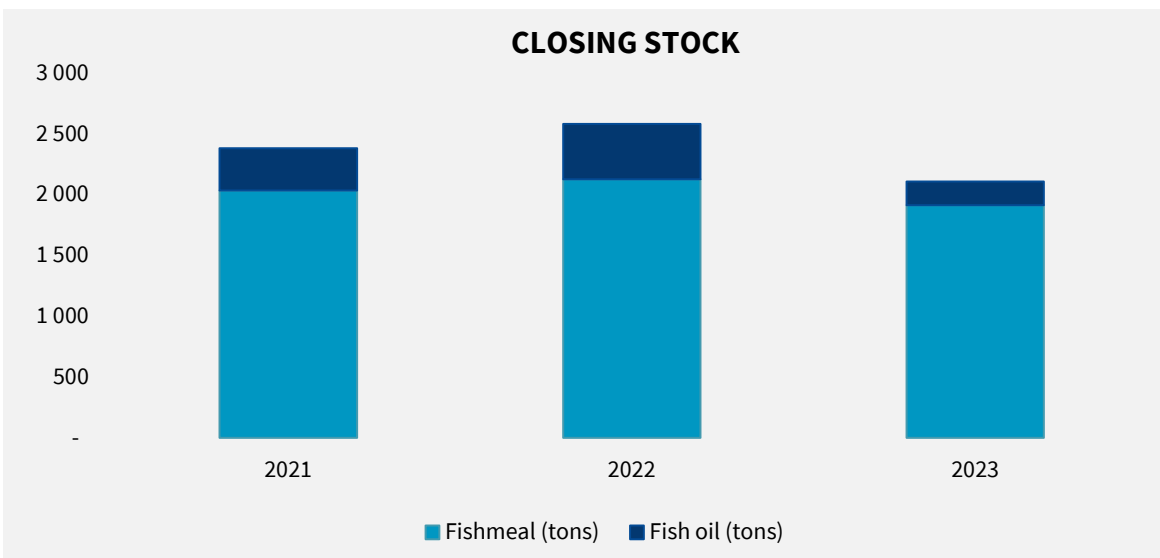
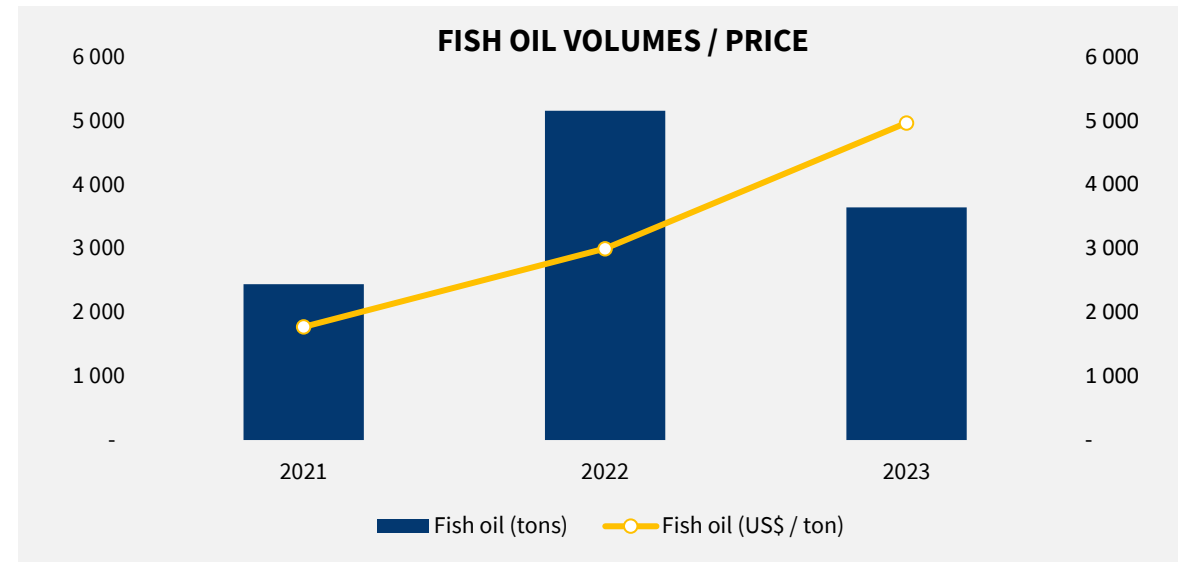
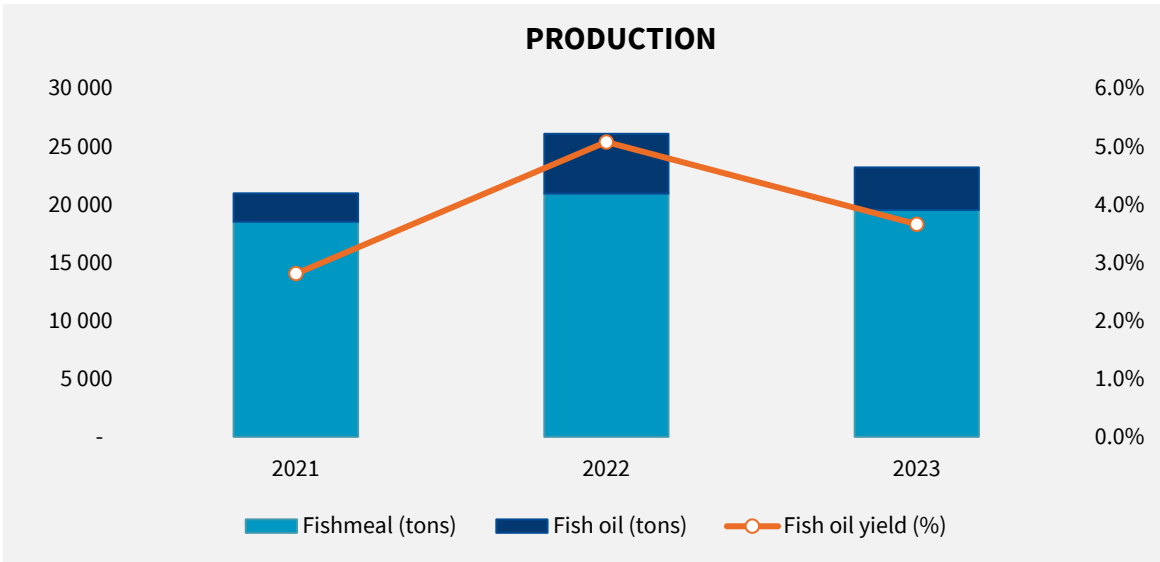
PRODUCTION INPUT (TONS)



## FMO (AFRICA) - PERFORMANCE DRIVERS

- **6% reduction in red eye and anchovy landings** partially mitigated by increase in pilchard offcut volumes
- **Production yields reduced to 23.3%** (2022: 25.7%) due mainly to lower fish oil yields
- **Sales volumes reduced 10%** with anchovy landings impacted by both harsh winter weather conditions and plant reliability
- Strong fish oil pricing and the weaker rand against the US-dollar resulted in a **36% increase in average rand selling prices**
- **Inventory levels closed lower** with a lower mix of fish oil inventory.

# FISHMEAL & OIL (AFRICA) : 3 YEAR KPIS







# FISHMEAL & FISH OIL (US)





# FISHMEAL & FISH OIL (USA) PERFORMANCE

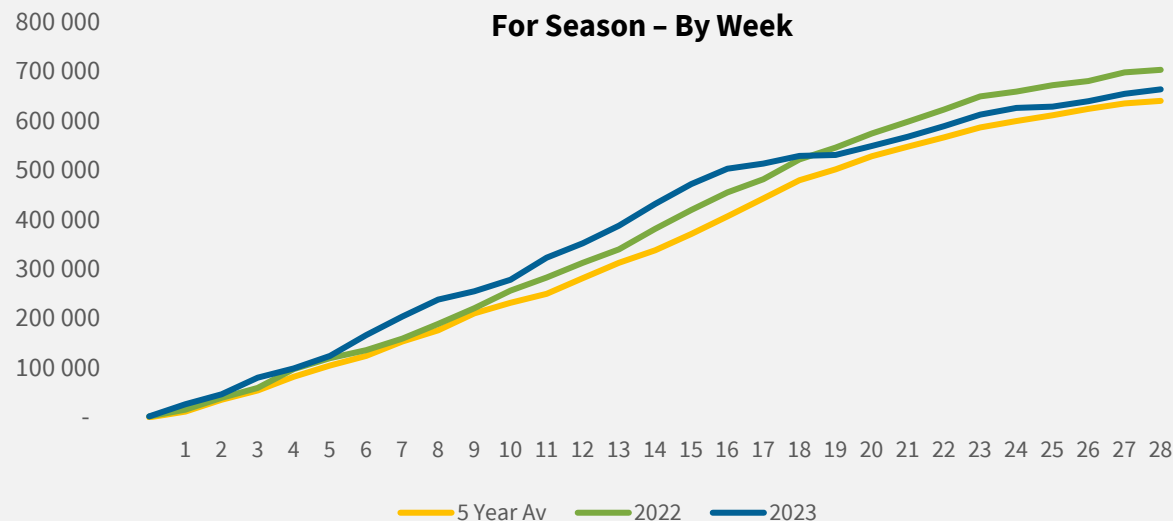


R' million	2023	2022	VAR
<b>Revenue</b>	<b>2 697</b>	<b>1 946</b>	<b>38.6%</b>
<b>Operating Profit</b>	<b>810</b>	<b>584</b>	<b>38.7%</b>
<i>OP margin</i>	30.0%	30.0%	0.0%
USD'million			
<b>Revenue</b>	<b>146.5</b>	<b>116.9</b>	<b>25.3%</b>
<b>Operating Profit</b>	<b>44.4</b>	<b>34.1</b>	<b>30.2%</b>
Av USD: Rand	18.4	16.7	10.2%

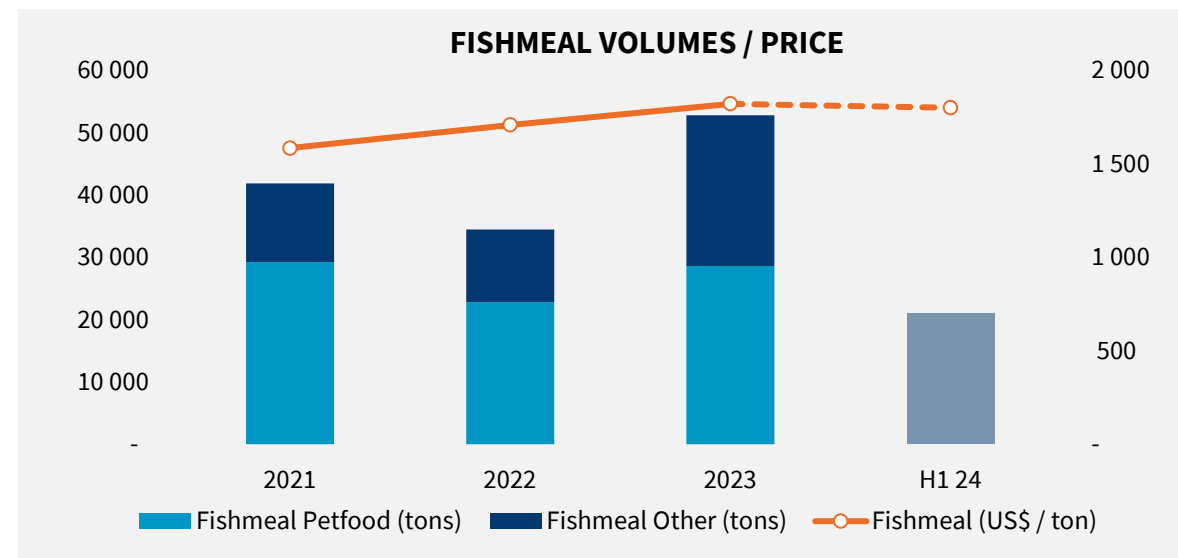
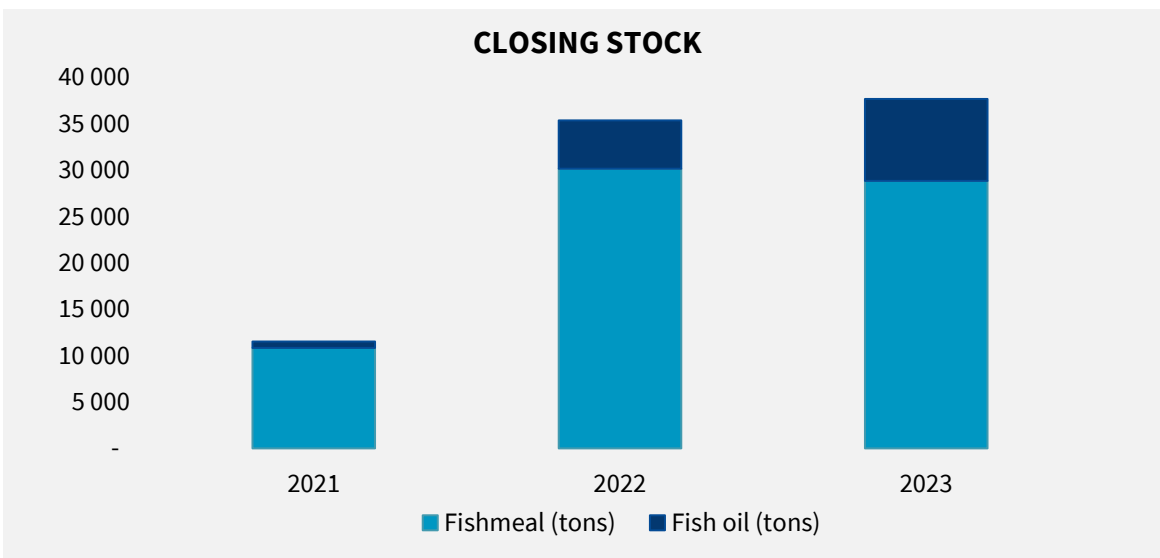
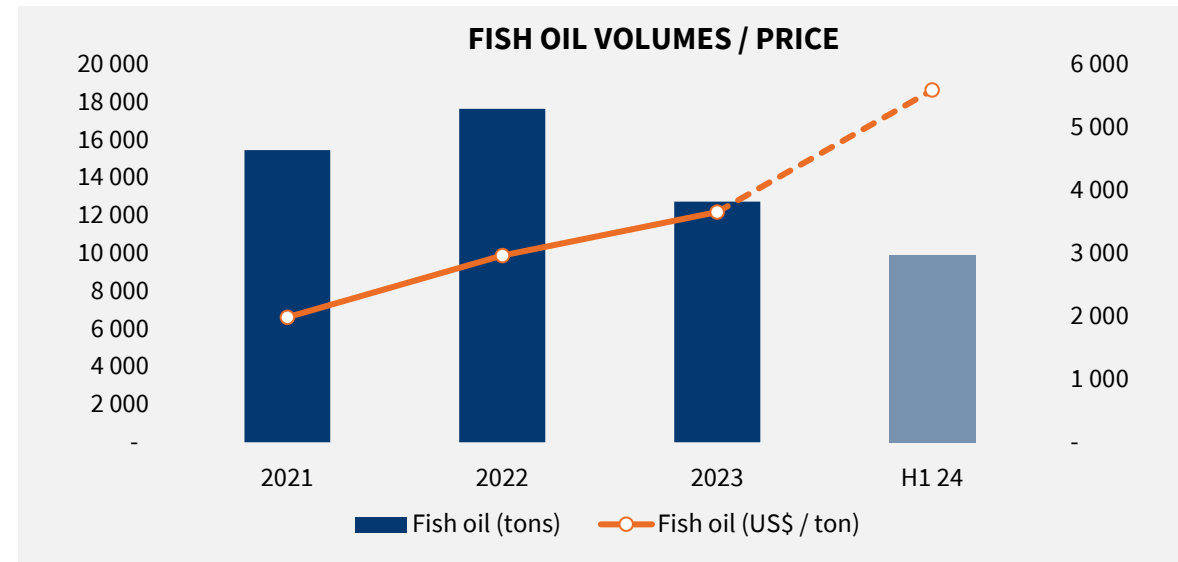
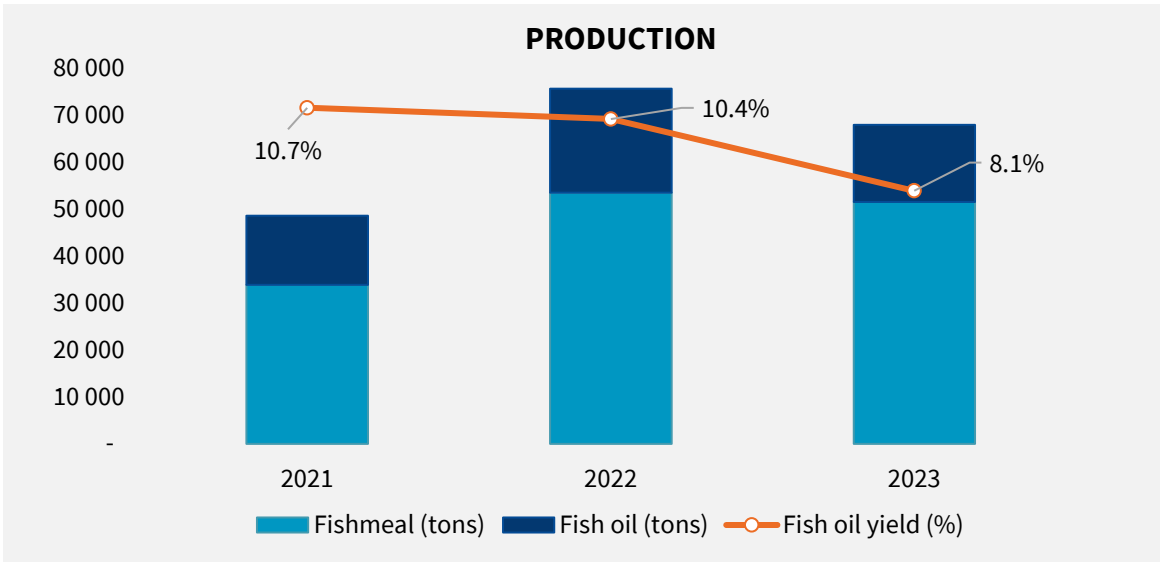
## FMO (USA) - PERFORMANCE DRIVERS

- **Operating profit improved by 30% in USD terms**
- Gulf Menhaden **landings 5% lower** to 671 million fish. Below average second half to the season after strong start
- **Fish oil yields lower at 8.1%** due to lower fat content
- Higher opening inventory contributed to **sales volumes increasing 21%** (fishmeal up 45%, fish oil down 28%)
- Cancellation of Peru's first anchovy season and resultant global product shortage, contributed to USD **fishmeal prices increasing by 7%** and **fish oil prices increasing by 23%**
- **Good closing inventory** levels carried into 2024, fish oil closing inventory levels 70% higher than prior year

**GULF MENHADEN LANDINGS**  
For Season - By Week



# FISHMEAL & FISH OIL (USA) : 3 YEAR KPIS

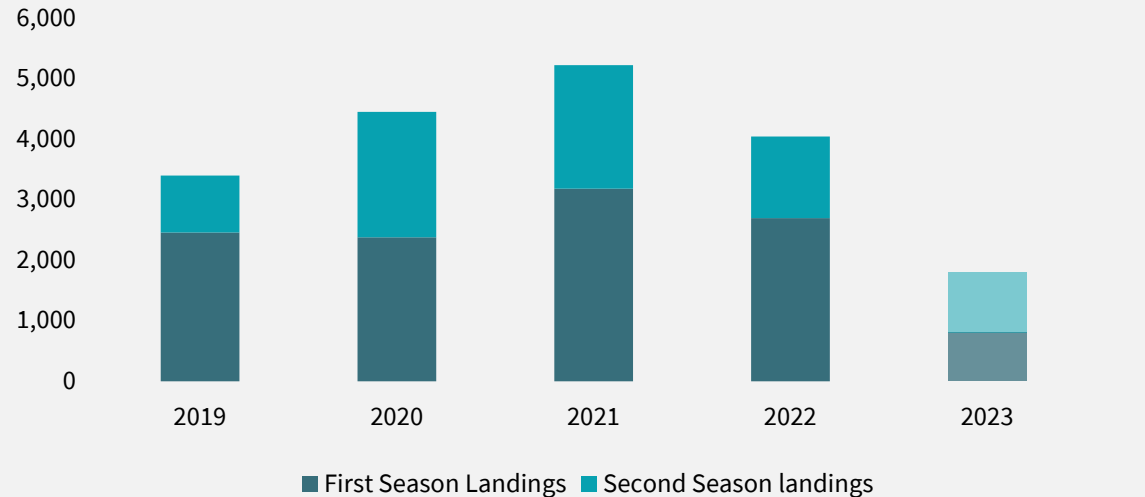




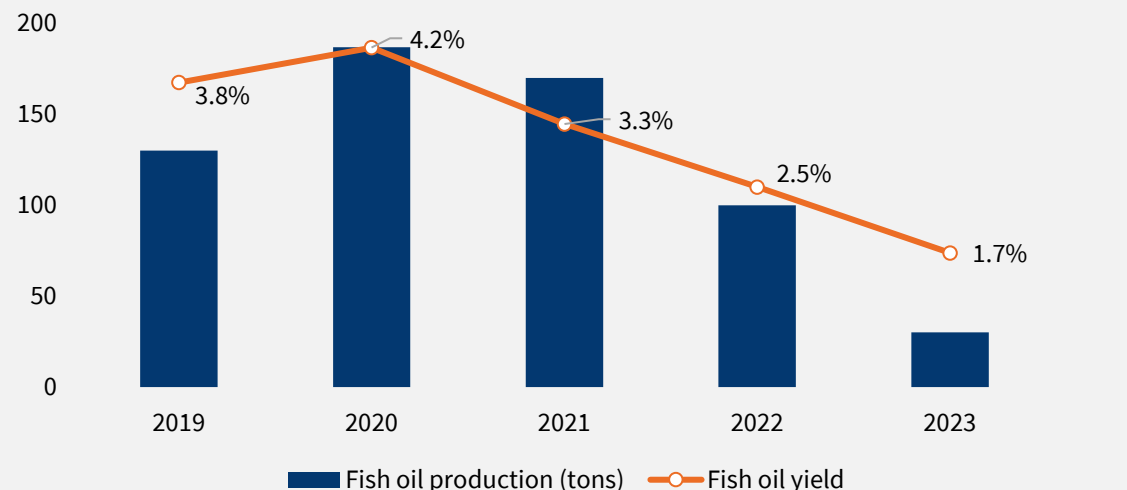
# PERU – 2023 SUPPLY SHORTAGE



PERU ANCHOVY LANDINGS \*



PERU FISH OIL PRODUCTION \*

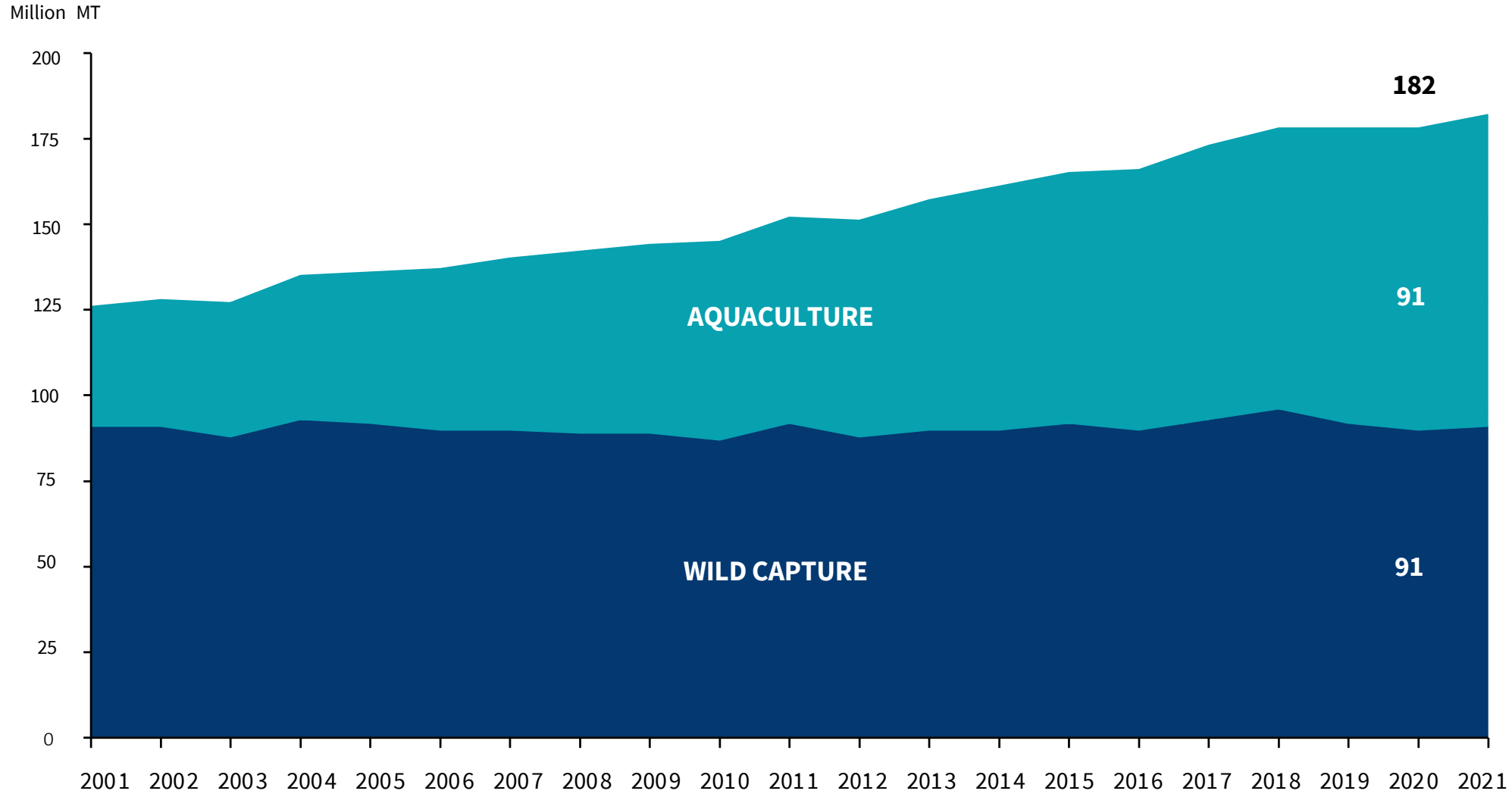


## PERU OVERVIEW

- Historically has provided c. **20% of global annual supply** of fishmeal & fish oil – its prices have therefore become the **reference price** for marine ingredients global industry
- Healthy anchovy biomass** of c 7.2 million tons. North-Centre fishing seasons occur between April & July (first season) and November & January (second season) each year with quotas fixed by government
- In 2023 because of lower catches and oil yields, Peru has produced **c 500 000 tons less fishmeal** and **80 000 tons less fish oil** compared to first 9 months of 2022
- 2023 second season quota of 1.7 million tons has been approved, **26% lower than 2022**. Irrespective of the catch against this quota, Peru’s annual fishmeal and fish oil production will remain well **below historical levels**

\* Source : IFFO

# GLOBAL FISHERIES PRODUCTION

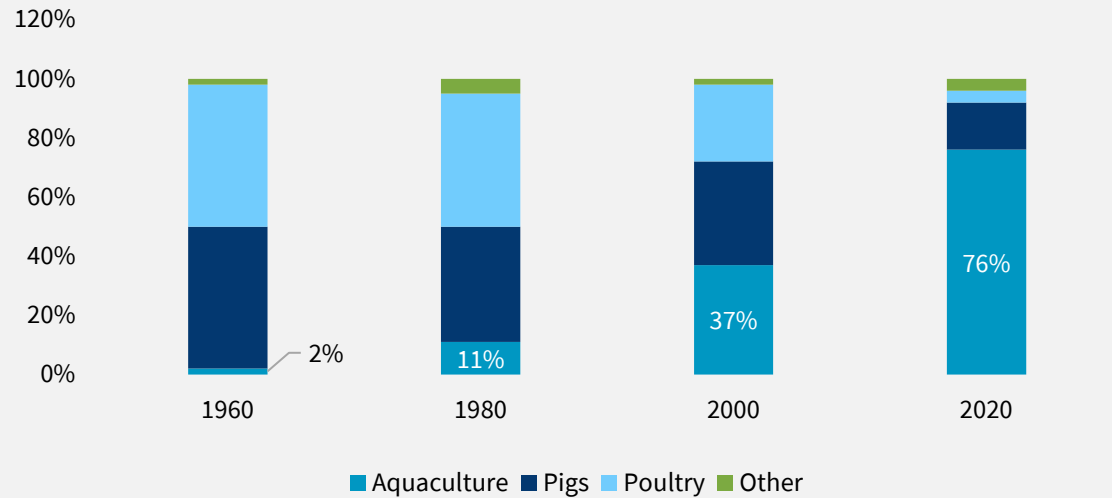


Share	Vs 5-year avg	
50%	+2	▲
50%	-2	▼

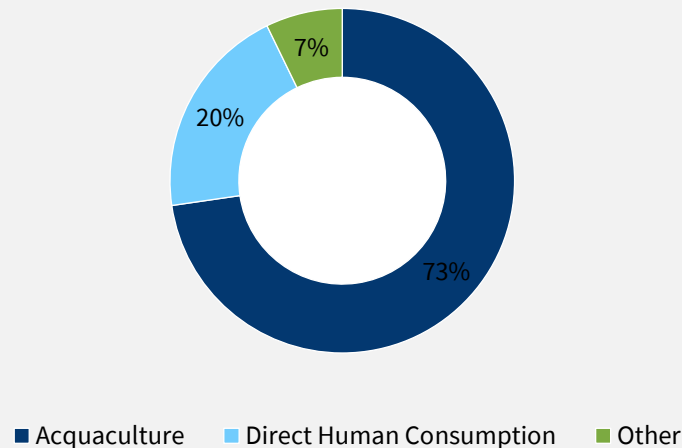
# GLOBAL MARKET OUTLOOK – DEMAND



CHANGES IN FISHMEAL USE



FISH OIL USE



## GLOBAL DEMAND TRENDS

### Fishmeal

- India, Vietnam and Peru are the **biggest exporters** of fishmeal
- China is the **biggest importer** of fishmeal
- **Aquaculture** is fastest growing sector in terms of consumption

### Fish oil

- Peru is the **leader** in fish oil **exports**
- Norway is the **biggest importer** of fish oil
- **Aquaculture** uses the most fish oil, followed by nutraceuticals and pet food

### Chinese demand

- Consumption lower in both aqua & pig sectors, reflection of faltering economy & slow recovery of domestic consumption

### Fish oil market

- **Omega-3 grade stock levels remain tight**, feed grade oil sufficient
- **Support for elevated pricing** to continue in the short to medium term



# FOCUS ON SUSTAINABILITY



**LEVEL 1**  
BBB-EE  
for five years in a row



**30.5 mil**  
INVESTED  
in skills development



**+5 mil**  
SPENT ON  
CSI & community training programmes



**AA**  
LEADERSHIP  
MSCI ESG disclosure rating



**81%** of targeted  
FISHING RIGHTS  
are on the South African Sustainable  
Seafood Initiative (SASSI) green list



**4%** year-on-year  
REDUCTION  
of absolute GHG



**5%**  
ENERGY CONSUMPTION  
REDUCTION



**25%**  
REDUCTION  
in waste to landfill







# OUTLOOK & STRATEGY

Neville Brink

04



# OUTLOOK FOR 2024

## CANNED FISH / FMO (AFRICA)

GROW CONSUMPTION / EXPAND THE BRAND

- Cautious of pressure on **SA consumer**
- **Grow consumption** through availability and relative affordability
- Monitor **rand weakness**
- Commission **canned meat facility**
- **Leverage** brand strength & depth of distribution
- **Invest** in modernisation & reliability of **West Coast facilities**



## FISHMEAL AND OIL (US)

OPTIMISE CAPACITY & EFFICIENCY

- **Season landings** down 5.5% but above 5-year average
- Higher closing inventory levels and strong pricing, expect **strong H1 24 performance**
- **Peru** announced 1.7 million ton anchovy quota – 26% below prior year 2<sup>nd</sup> season
- Global **fish oil supply shortage** expected to support elevated fish oil pricing



## WILD CAUGHT

FLEET INVESTMENT

- Improved East Coast **catch rates** with easing La Niña effect
- **Fleet investment** to continue
- **Quota** (own & contracted) **largely unchanged** post appeal
- Continued **firm demand and pricing**
- New long-term **partnerships**





# CANNED MEAT FACTORY





# WEST COAST FISHMEAL PLANT & CANNERY UPGRADE

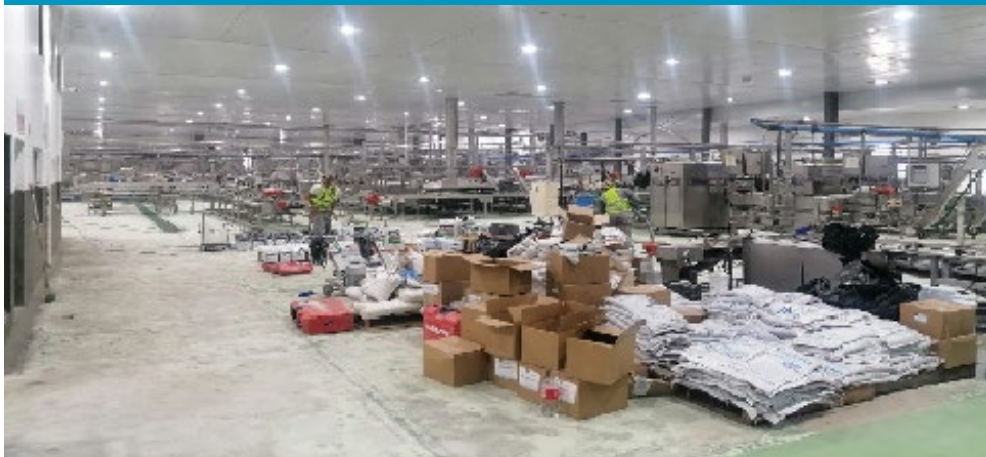
## DEMOLISHING THE CURRENT FISHMEAL PLANT



## FISHMEAL PLANT UPGRADE



## CANNERY UPGRADE



## NEW BOILER



# OCEANA PILLARS - STRATEGY

<h2>LUCKY STAR BRAND</h2> <p>Affordable branded protein for human consumption</p>		<h2>FISHMEAL AND OIL (FMO)</h2> <p>Fish protein for animal / aquaculture consumption</p>		<h2>WILD CAUGHT SEAFOOD</h2> <p>Fish protein for human consumption</p>	
<h3>MARKETING</h3> <p>(Canned fish &amp; foods)</p>	<h3>PRODUCTION</h3> <p>(Canneries)</p>			<h3>HORSE MACKEREL HAKE</h3>	<h3>SQUID LOBSTER</h3>
<p>Grow canned fish consumption - “unlimited” availability, relative affordability &amp; showcasing versatility</p> <p>Leverage Lucky Star brand and route to market to grow share of canned foods</p>	<p>Efficiently produce affordable and high-quality product to ensure product remains globally competitive</p> <p><i>= shared resources, assets &amp; management and reported as a segment in the annual financial statements</i></p>	<p>Upgrade production facilities to maximise catch &amp; <u>FMO</u> output and enhance quality to supply growing aquaculture market</p>	<p>Optimise catch &amp; production of <u>FMO</u> to supply growing aquaculture &amp; petfood market</p> <p>Continuous technology improvements to Westbank vessels and fishing gear</p>	<p><b>Hake:</b> Fleet investment to ensure reliable and efficient catch effort</p> <p><b>Horse mackerel:</b> Maximise catch effort to supply growing demand</p>	<p><b>Squid:</b> Invest in effective vessels and industry consolidation</p> <p><b>SCRL:</b> Invest in upgraded vessel</p> <p><b>WCRL:</b> Maintain variability</p>

ENABLERS : PEOPLE, TRANSFORMATION, STAKEHOLDERS, ESG, FINANCIAL RESOURCES

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# QUESTIONS

Neville Brink & Zaf Mahomed

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# APPENDICES



# STATEMENT OF COMPREHENSIVE INCOME OVERVIEW \*

R' million		2023	2022	VAR
<b>Revenue</b>	1	<b>9 987</b>	<b>8 148</b>	<b>22.6%</b>
<b>Gross profit</b>	2	<b>2 853</b>	<b>2 507</b>	<b>13.8%</b>
Sales & distribution expenditure		(526)	(479)	9.9%
Operating expenditure	3	(1 016)	(868)	17.2%
Other income	4	99	89	11.2%
Forex gain (loss)		46	(23)	
JV's and associate profit		34	18	88.9%
<b>Operating profit</b>		<b>1 490</b>	<b>1 244</b>	<b>19.8%</b>
Net interest	5	(192)	(180)	6.7%
<b>Profit before tax</b>		<b>1 298</b>	<b>1 064</b>	<b>22.0%</b>
Tax	6	(308)	(273)	12.8%
<b>Profit after tax</b>		<b>990</b>	<b>791</b>	<b>25.2%</b>
<b>Headline earnings</b>		<b>980</b>	<b>760</b>	<b>28.9%</b>
<b>HEPS</b>		<b>808.8</b>	<b>626.0</b>	<b>29.2%</b>
GP Margin	2	28.6%	30.8%	(2.2%)
OP Margin		14.9%	15.3%	(0.4%)
Effective tax rate	6	23.7%	25.7%	(2.0%)

1. Strong demand for affordable protein increased consumption and sales volumes. Revenue also benefitted from improved pricing across all products, particularly for fish oil, and the effect of the weaker exchange rate on export revenue
2. Full impact of rising costs in the canned fish business not passed onto consumers given Lucky Star's volume strategy. Lower catch volumes and fish oil yields in both the SA & US fishmeal businesses together with lower seadays and catch rates in the SA wild caught seafood business also negatively impacted margin
3. Mainly increased employment costs including provision for performance-based incentives, costs related to fulfilment of prior year vacant positions offset by non-recurring legal and audit fees incurred in the prior year (R50 million)
4. Insurance proceeds includes additional R72 million received on finalisation of 2021 Hurricane Ida claim and R24 million partial settlement of Covid business interruption claim.
5. Includes R38 million (2022: R12 million) related to lease liabilities. Net interest reduced by 8.3% to R154 million due to term debt repayments offset by interest rate increases, weaker exchange rate effect on US dollar interest and higher short-term borrowings.
6. Higher US earnings at lower tax rate, decrease in SA corporate income tax rate

\* From continuing operations. CCS Logistics was derecognised on 4 April 2023.

# DISCONTINUED OPERATIONS OVERVIEW

- The Group entered into an agreement to dispose of its cold storage business, Commercial Cold Storage Group Limited (“CCS Logistics”) in the September 2022 financial statements, and consequently disclosed CCS Logistics as a discontinued operation. All conditions precedent to the disposal were concluded and CCS Logistics was derecognised on 4 April 2023.
- The effects of disclosing CCS as a discontinued operation on the **statement of comprehensive** income are summarised below:

R' million	2023	2022	VAR
<b>Profit after tax - continuing operations</b>	<b>990</b>	<b>791</b>	<b>25.2%</b>
Loss from discontinued operations	(28)	(22)	
Profit on sale of CCS Logistics	381	0	
<b>Profit for the year</b>	<b>1 343</b>	<b>769</b>	<b>74.6%</b>
<b>Headline earnings - continuing operations</b>	<b>980</b>	<b>760</b>	<b>28.9%</b>
Loss from discontinued operations	(29)	(24)	
<b>Headline earnings</b>	<b>951</b>	<b>736</b>	<b>29.2%</b>
<b>HEPS - continuing operations</b>	<b>808.8</b>	<b>626.0</b>	<b>29.2%</b>
HEPS - discontinued operations	(24.4)	(19.8)	
<b>HEPS</b>	<b>784.4</b>	<b>606.2</b>	<b>29.4%</b>

- Operating profit for segmental disclosure differs to that for discontinued operation disclosure due to intercompany eliminations for revenue and support services expenses
- Oceana and its subsidiaries have historically conducted business with CCS on an arms length and market related basis
- The table below reconciles operating profit for CCS between **segmental disclosure** and discontinued operations disclosure:

R' million	2023	2022	VAR
<b>Operating profit per segmental results</b>	<b>49</b>	<b>40</b>	<b>22.5%</b>
Inter-segmental revenue	(52)	(78)	
Inter-segmental operating costs	17	43	
<b>Operating profit per discontinued operations</b>	<b>14</b>	<b>5</b>	
Net interest expense	(9)	(11)	
Taxation expense	(33)	(16)	
<b>Loss from discontinued operations</b>	<b>(28)</b>	<b>(22)</b>	<b>27.3%</b>



# STATEMENT OF FINANCIAL POSITION OVERVIEW

R' million		2023	2022	VAR
Property, plant & equipment		2 241	1 949	15.0%
Intangible assets	1	6 077	5 846	4.0%
Other assets		522	602	(13.1%)
Current assets		4 181	3 934	6.3%
<i>Inventory</i>	2	2 792	2 271	23.0%
Net cash and cash equivalents	3	453	486	(6.9%)
Assets held for sale		9	379	
<b>Total assets</b>		<b>13 483</b>	<b>13 196</b>	<b>2.2%</b>
Capital and reserves		7 969	7 033	13.3%
FCTR	4	2 001	1 740	15.0%
Long term loans	5	1 895	2 686	(29.4%)
Other long-term liabilities		193	134	44.0%
Deferred taxation		645	642	0.4%
Current portion of long-term loans	5	376	298	26.0%
Short term banking facilities	3	203	76	167.1%
Current liabilities		2 202	2 145	2.7%
Liabilities held for sale		-	182	
<b>Total reserves &amp; liabilities</b>		<b>13 483</b>	<b>13 196</b>	<b>2.2%</b>
<b>Closing exchange rate - USD/ZAR</b>	6	<b>18.9</b>	<b>18.2</b>	<b>3.8%</b>

1. Mainly goodwill, intellectual property and trademarks arising from the Daybrook acquisition. Increase relates to higher exchange rate translation
2. Strategy of holding higher inventory levels to enable ongoing demand for canned fish, fishmeal and fish oil to be serviced
3. Increased short-term borrowing to fund capital expenditure and working capital levels
4. Translation of Daybrook balance sheet at higher closing exchange rate
5. Total SA borrowings decreased by 33.9% or R397 million and total US debt (on a US dollar-basis) decreased by 20.8% or USD 21 million
6. The closing USD/ZAR exchange rate was 3.8% weaker than the prior year

# 2023 KEY PERFORMANCE INDICATORS

Segment	KPI	Unit	2023		2022	VAR	
<b>CANNED FISH</b> (Lucky Star)	Revenue	R million	<b>4 558</b>		3 804	19.8%	
	Sales volumes	000 cartons	<b>9 612</b>		8 818	9.0%	
	Pilchard quota (own & contracted)	tons	<b>14 670</b>		9 810	50.0%	
	Pilchard landings	tons	<b>14 005</b>		6 759	107.2%	
	Own cartons produced	000 cartons	<b>5 232</b>		4 627	13.1%	
	Av. Price movement	R/carton	<b>10%</b>	●	8%	●	
	Local volumes sold	cartons	<b>9%</b>	●	(2%)	●	
	Neighbouring country volumes sold	cartons	<b>7%</b>	●	1%	●	
	Frozen fish procurement	tons (wr)	<b>(30%)</b>	●	45%	●	
	Overall production cost	R/carton	<b>3%</b>	●	(5%)	●	
	Closing stock	cartons	<b>19%</b>	●	72%	●	
	<b>FMO (AFRICA)</b>	Revenue	R million	<b>977</b>		795	22.9%
		Sales volumes	tons	<b>24 088</b>		26 691	(9.8%)
Anchovy quota (own & contracted)		tons	<b>82 112</b>		106 352	(22.8%)	
Anchovy landings		tons	<b>76 116</b>		80 515	(5.5%)	
Pilchard offal		tons	<b>23 383</b>		21 093	10.9%	
Av. Price movement		USD/ton	<b>19%</b>	●	30%	●	
Fish oil yield ( <u>nominal</u> )		%	<b>(1.4%)</b>	●	2.3%	●	
Closing stock		tons	<b>(18%)</b>	●	8%	●	



# 2023 KEY PERFORMANCE INDICATORS

Segment	KPI	Unit	2023		2022	VAR
<b>FMO (US)</b> (Daybrook)	Revenue	USD million	<b>146.5</b>		116.9	25.3%
	Menhaden landings (fiscal year)	000 fish	<b>670 674</b>		704 289	(4.8%)
	Fishmeal sales volumes	tons	<b>52 804</b>		36 479	44.8%
	Fish oil sales volumes	tons	<b>12 729</b>		17 638	(27.8%)
	Operating profit	%	<b>30.0%</b>		30.0%	
	Av. Fishmeal price movement	USD/ton	<b>7%</b>	●	8%	●
	Av. Fish oil price movement	USD/ton	<b>23%</b>	●	49%	●
	Fish oil yield ( <u>nominal</u> )	%	<b>(2.3%)</b>	●	(0.4%)	●
	Closing stock	tons	<b>7%</b>	●	207%	●
	<b>HORSE MACKEREL</b>	Revenue	R million	<b>1 043</b>		934
Sales volumes		tons	<b>45 327</b>		48 245	(6.0%)
Namibia quota (own & contracted)		tons	<b>33 111</b>		31 575	4.9%
South Africa quota (own & contracted)		tons	<b>18 761</b>		17 330	8.3%
Av. Price movement		USD/ton	<b>4%</b>	●	6%	●
Seadays - Namibia		Days	<b>5%</b>	●	(5%)	●
Seadays - South Africa		Days	<b>(12%)</b>	●	63%	●
Catch rates - Namibia		tons/day	<b>3%</b>	●	(14%)	●
Catch rates - South Africa		tons/day	<b>(32%)</b>	●	(42%)	●
Vessel costs - Namibia		R/ton	<b>(15%)</b>	●	(43%)	●
Vessel costs - South Africa	R/ton	<b>(63%)</b>	●	(68%)	●	
Quota costs - Namibia	R/ton	<b>3%</b>	●	(60%)	●	

# 2023 KEY PERFORMANCE INDICATORS

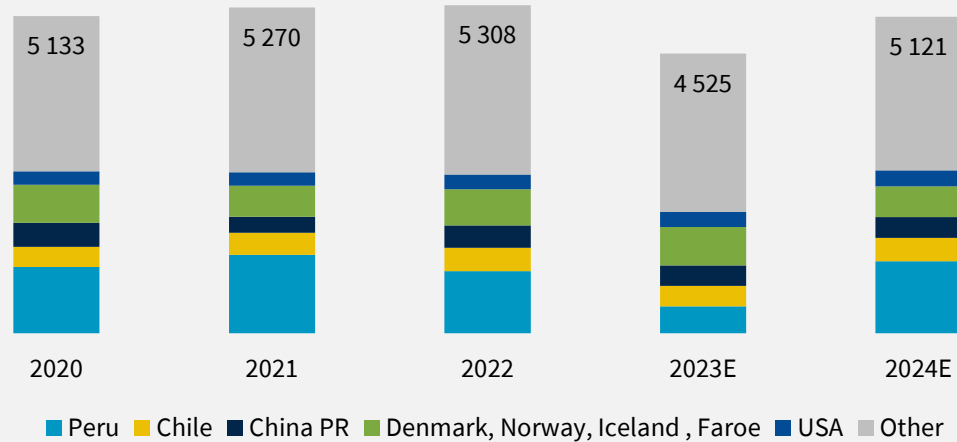
Segment	KPI	Unit	2023		2022	VAR
<b>HAKE</b> (Daybrook)	Revenue	R million	<b>541</b>		515	5.0%
	Sales volumes	tons	<b>8 086</b>		11 687	(30.8%)
	Quota (own & contracted)	tons	<b>14 732</b>		14 497	1.6%
	Av. Price movement	Euro/ton	<b>13%</b>	●	4%	●
	Fleet utilisation	%	<b>1%</b>	●	(4%)	●
	Catch rates	tons/day	<b>(10%)</b>	●	4%	●
	Vessel costs	R/ton	<b>(51%)</b>	●	(24%)	●
	Av exchange rate	R:Euro	<b>14%</b>	●	(3%)	●
<b>LOBSTER &amp; SQUID</b>	Revenue	R million	<b>153</b>		143	7.0%
	Sales volumes	tons	<b>575</b>		544	5.7%
	SCRL quota (own & contracted)	tons	<b>20</b>		15	33.0%
	WCRL quota (own & contracted)	tons	<b>41</b>		87	(52.9%)
	Av. Lobster price movement	USD/ton	<b>n/a</b>		(5%)	●
	Lobster landings	tons	<b>n/a</b>		(42%)	●
	Av. Squid price movement	Euro/ton	<b>23%</b>	●	30%	●
	Squid catch rates	kgs/man	<b>(2%)</b>	●	(64%)	●



# GLOBAL MARKET OUTLOOK – SUPPLY



GLOBAL FISHMEAL OUTPUT \*



## GLOBAL SUPPLY OUTLOOK

- Peru anchovy biomass healthy but ocean conditions may continue to be affected by El Niño, at least Q1 of 2024. Improved catches & production levels anticipated
- Improved production in Chile & USA offset by lower quotas in Northern Europe
- Stable outlook for Asia, except India where increased production anticipates

## FISHMEAL OUTPUT

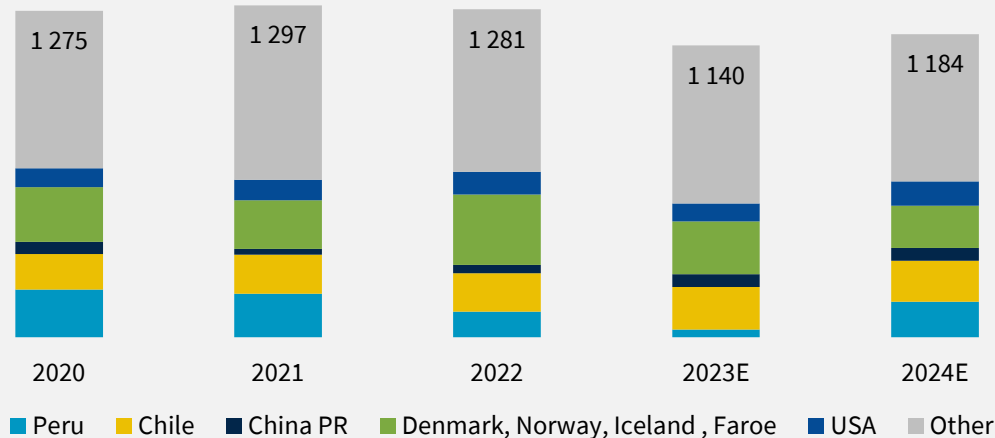
- FY24 global output expected to **increase by 13%** mainly attributable to Peruvian recovery

## FISH OIL OUTPUT

- FY24 global output expected to **increase by 4%** with improved landings in Peru but oil yields remaining below historical averages
- Lower catches of the Omega-3 rich Peruvian anchovy will further exacerbate the **global omega shortage**

\* Source : IFFO

GLOBAL FISH OIL OUTPUT \*





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— POSITIVELY IMPACTING LIVES —

THANK YOU

