

2019 INVESTOR PRESENTATION

YEAR ENDED 30 SEPTEMBER 2019

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GROUP OVERVIEW



5

Fishing geographies 46

Customer geographies 276 000

Tons of product sold 54

Vessels

Species

2 species

MSC certified



20 VESSELS



6 PRODUCTION FACILITIES



2 623 EMPLOYEES





11 VESSELS & PLANES



1 PRODUCTION FACILITY



377 EMPLOYEES





23 VESSELS



6 PRODUCTION FACILITIES



1 230 EMPLOYEES







124k PALLETS PER WEEK



492 EMPLOYEES

GROUP OVERVIEW

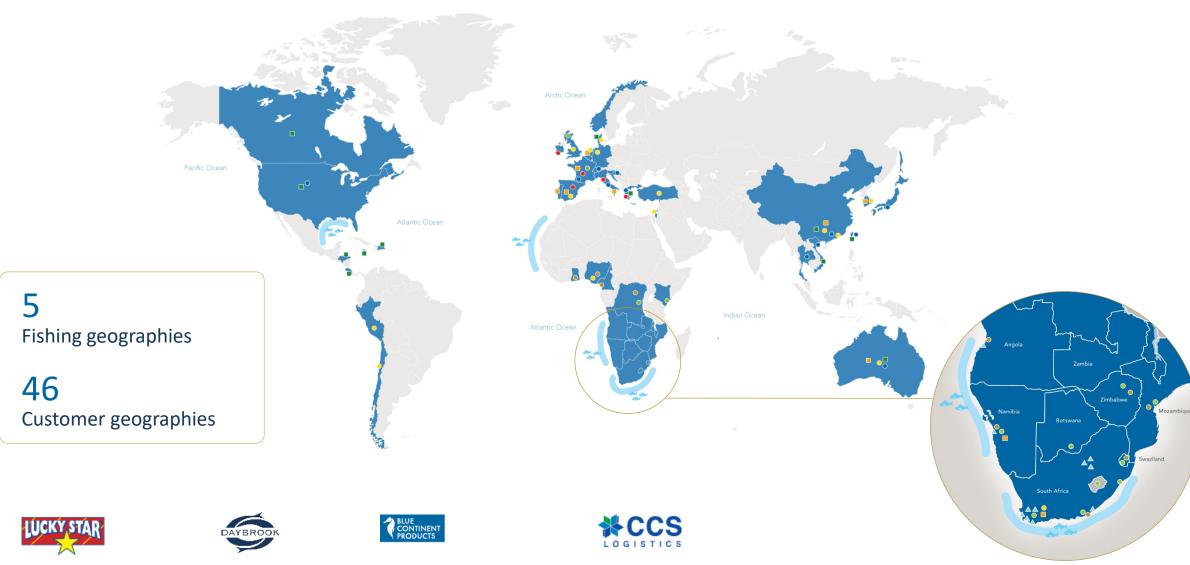
CANNED FISH

FISHMEAL (AFRICA)

■ FISHMEAL (US)

■ FISH OIL (US)





△ COLD STORAGE &

LOGISTICS

HORSE MACKEREL, HAKE

■ LOBSTER & SQUID

EMPOWERMENT





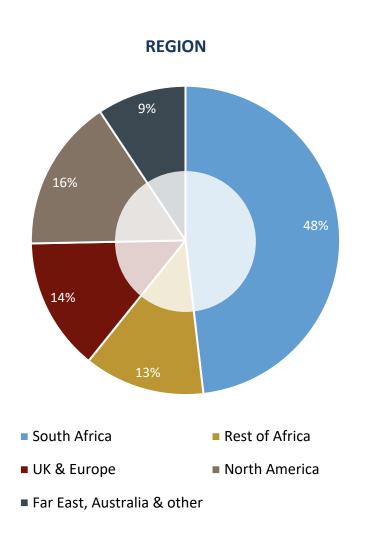
Most empowered food producer

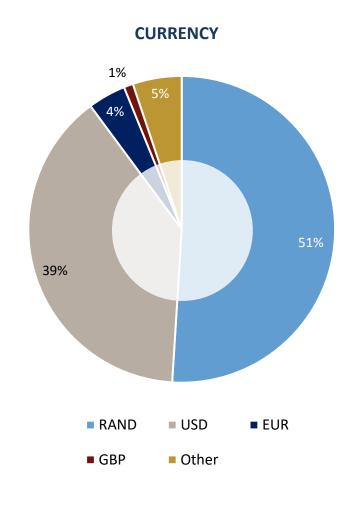
JSE'S most empowered company: All codes

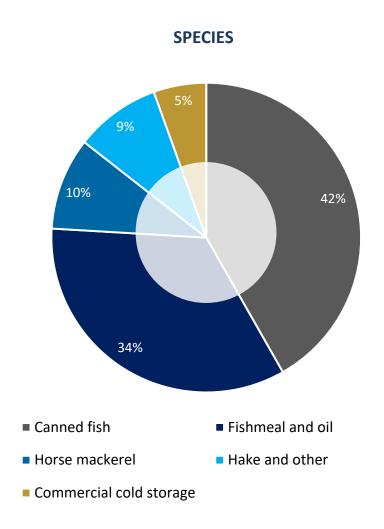
DIVERSIFICATION



4 YEAR AVERAGE REVENUE

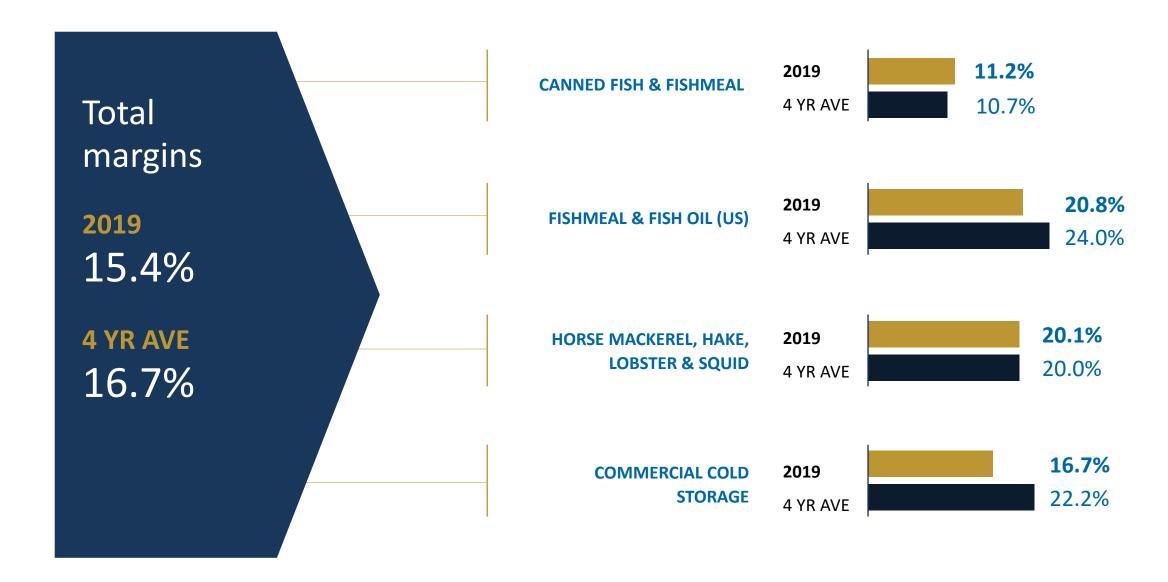






STRONG MARGINS





REVIEW OF **PERFORMANCE**





- Canned fish volume
- Consistent supply of frozen fish
- Drive affordability and versatility
- Working capital



- Hake catch rates and utilisation
- Strong demand all species
- Namibian quota costs
- **Lobster landings**
- SA horse mackerel catch rates in H2
- Squid landings



- Improved cannery efficiencies and throughput
- Improved FMO pricing
- Exit underperforming businesses
- Pilchard TAC ×
- SA Weather conditions impacting **FMO landings**
- Angola exit impairment



- Coastal performance
- Exit underperforming stores
- Namibian lease
- Namibia occupancies
- Prior year once-offs
- Angola exit impairment



- Healthy biomass, MSC certification
- Increased plant capacity
- Pet food strategy
- Weather conditions impacted early season landings & oil yield
- ASF impacting global FMO pricing
- Season end slower than expected



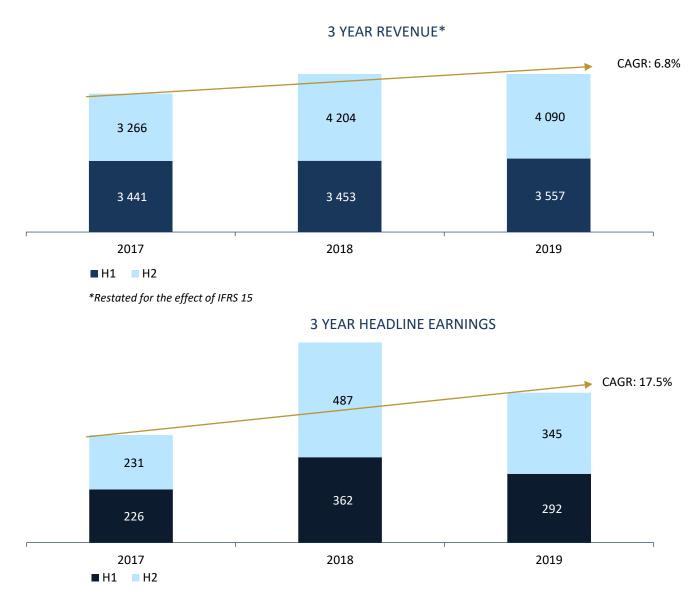
- B-BBEE level 1 and EE appointments
- SA regulator engagement



3 YEAR REVIEW OF **PERFORMANCE**







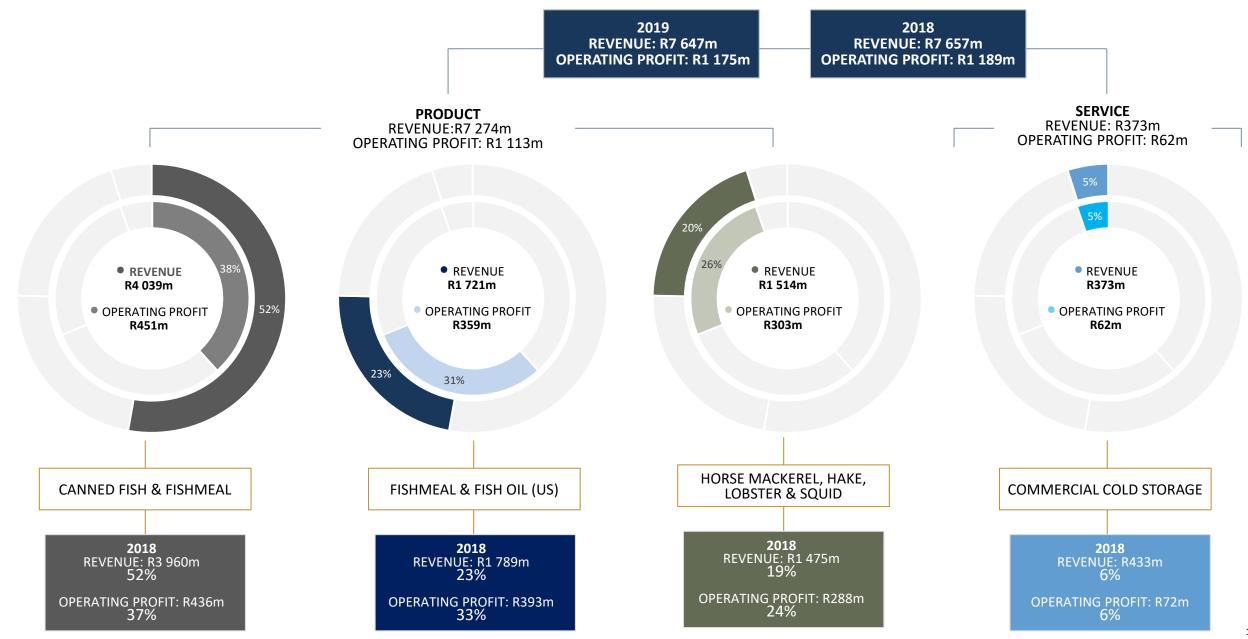
INCOME STATEMENT



R'000	2019 SEPTEMBER	Var	2018 SEPTEMBER
Revenue	7 647 415	0%	7 657 311
Gross profit	2 620 636	-8%	2 833 495
GP margin	34%	-3%	37%
Operating expenditure	(1 469 552)	-11%	(1 658 389)
Foreign exchange gains	30 093	56%	19 248
Associate and JV loss	(5 852)	-7%	(5 447)
Operating profit before other operating items	1 175 325	-1%	1 188 907
Other operating items	(17 447)	-24%	(14 091)
Operating profit	1 157 878	-1%	1 174 816
Operating profit margin	15%		15%
Net interest	(260 866)	11%	(291 765)
Profit before taxation	897 012	2%	883 051
Taxation	(248 645)		(810)
Profit after taxation	648 367	-27%	882 241
Headline earnings	636 366	-25%	849 058
HEPS (cents)	544.3	-25%	727.1
Headline earning (excluding once-off deferred tax adjustment)	636 366	4%	611 058

REVENUE & OPERATING PROFIT CONTRIBUTION

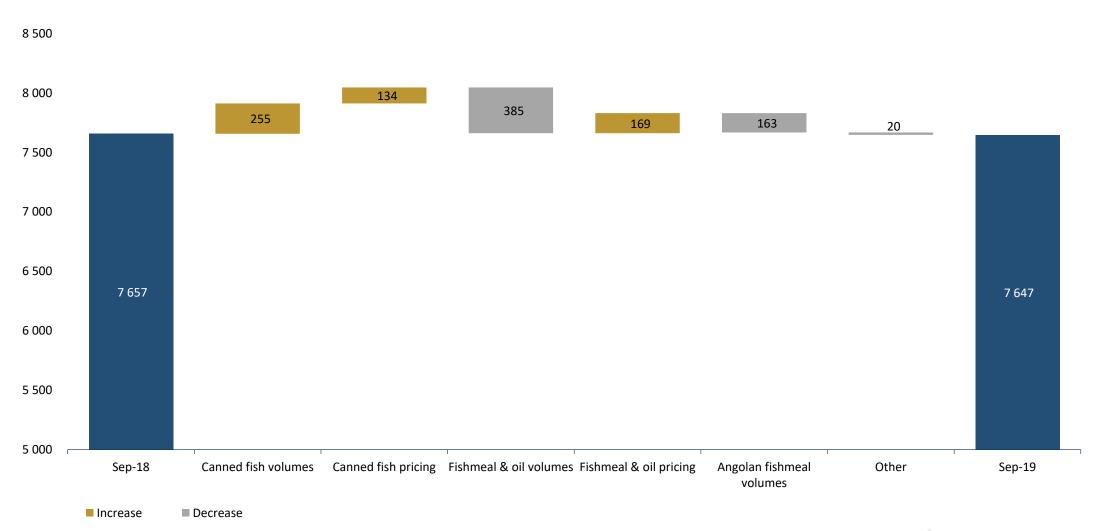








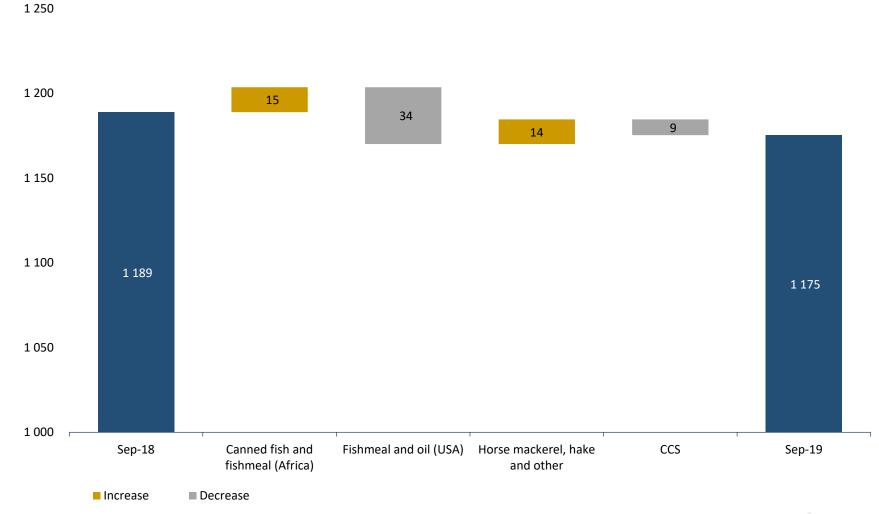
REVENUE MOVEMENT (R'M)



OPERATING PROFIT



OPERATING PROFIT MOVEMENT (R'M)



FOREIGN EXCHANGE





FINANCIAL POSITION KEY ITEMS



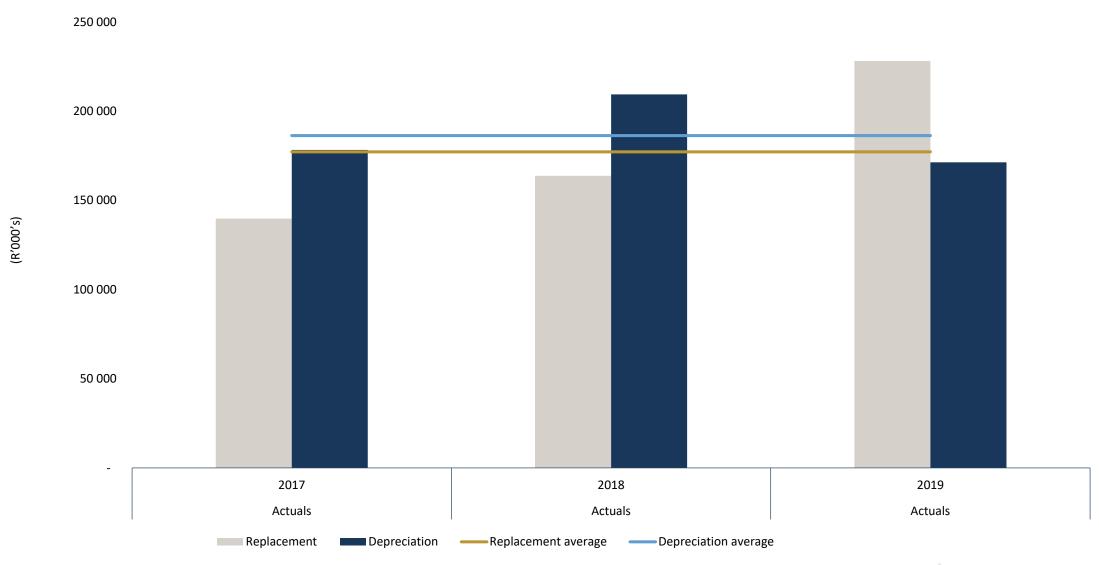
'000	2019 SEPTEMBER	2018 SEPTEMBER
Property, plant and equipment	1 697 221	1 586 626
Intangible assets	4 886 609	4 617 279
Other assets	458 481	481 221
Current assets	3 169 851	2 999 296
Net cash	588 036	1 015 060
Total assets	10 800 198	10 699 482
Shareholders interest	5 011 292	4 625 348
Non-controlling interest	110 435	96 621
Long term loan	3 650 162	3 767 101
Other liabilities	2 028 309	2 210 412
Total equity and liabilities	10 800 198	10 699 482

Includes R246 million restricted cash held in relation to the BP oil spill settlement

Note: Closing exchange rate USD/ZAR 15.22 (2018: 14.26)

CAPEX - REPLACEMENT





CAPEX PROJECTS

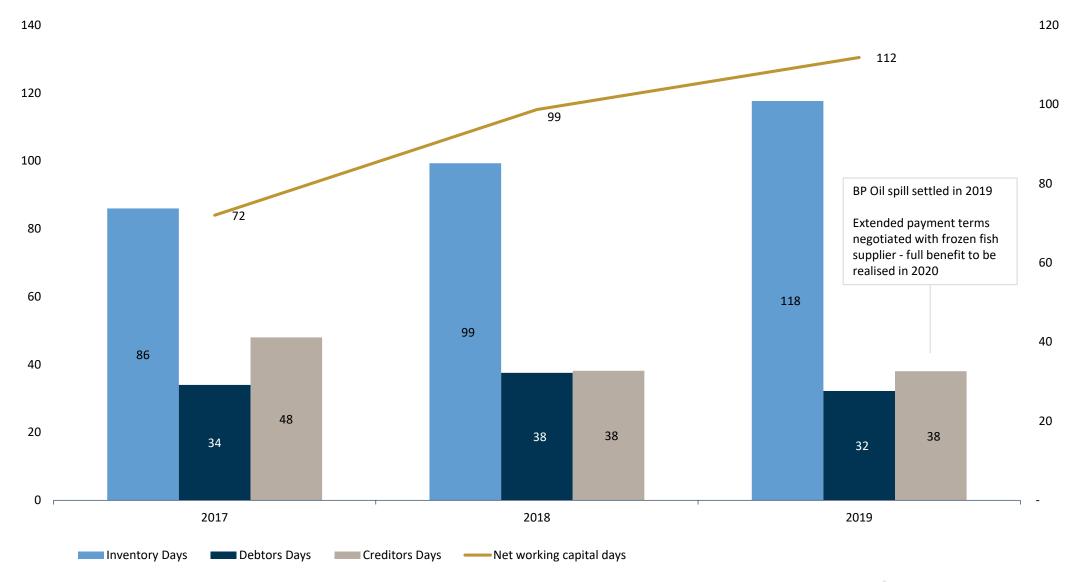


Major Capex Projects

2	
Horse mackerel and hake vessels	R 56m
Daybrook production facility	US\$ 6m
Daybrook production facility	اااه ډدن
Cannery capex	R 20m
St Helena Bay cold store	R 13m
Fishmeal plant replacement capex	R 11m

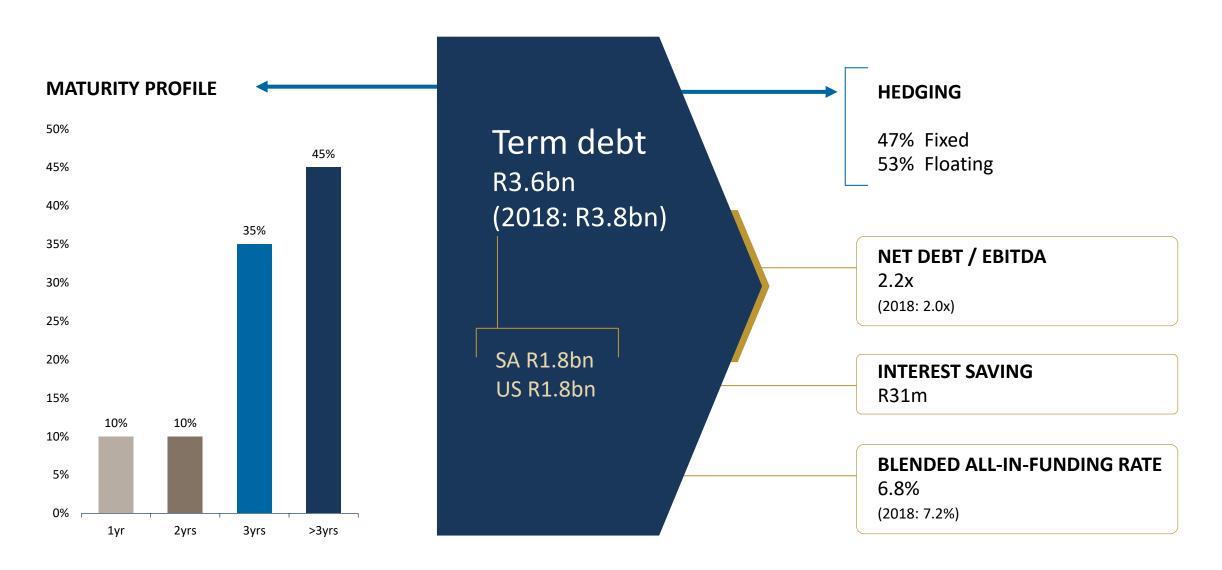
WORKING CAPITAL





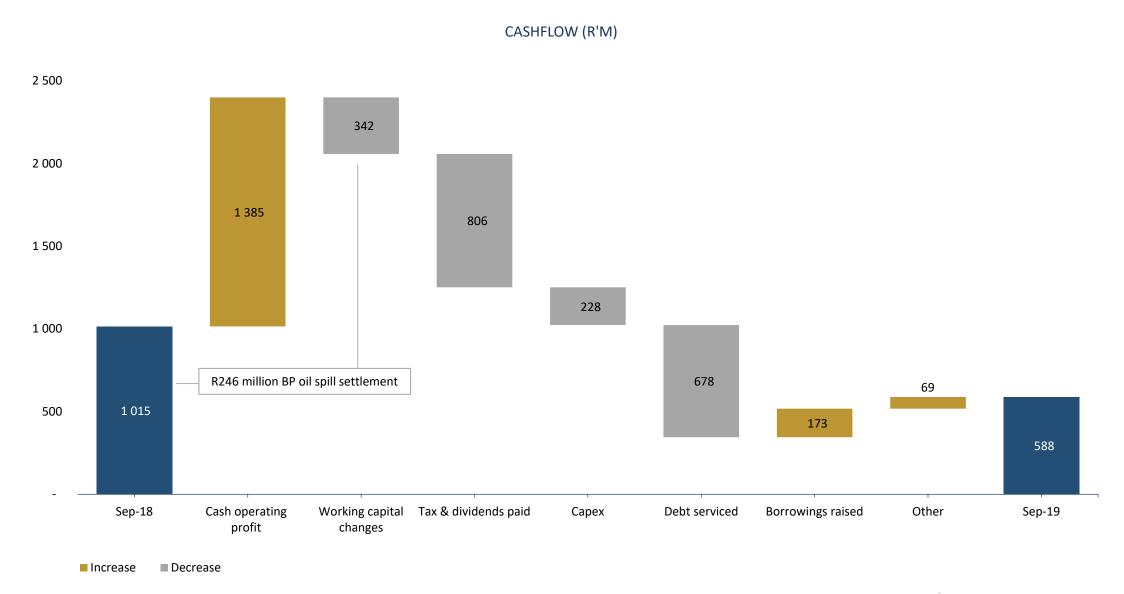
LONG TERM **DEBT**





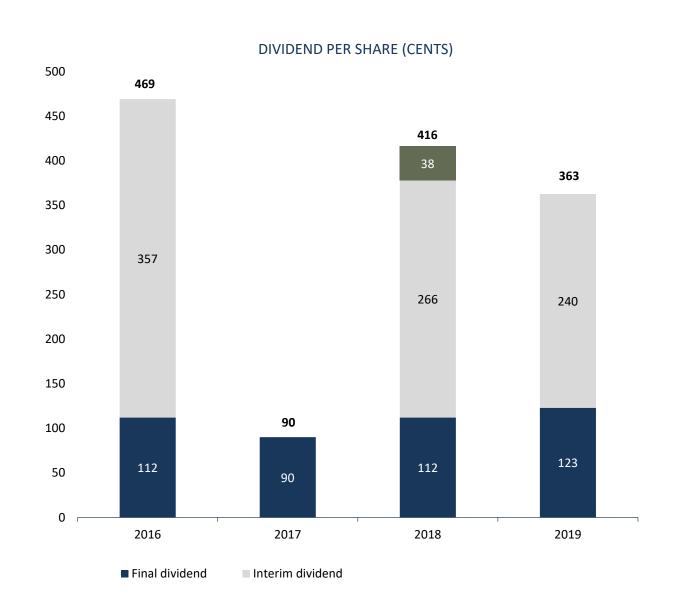
CASH FLOW





DIVIDEND





MAINTAINING DIVIDEND COVER

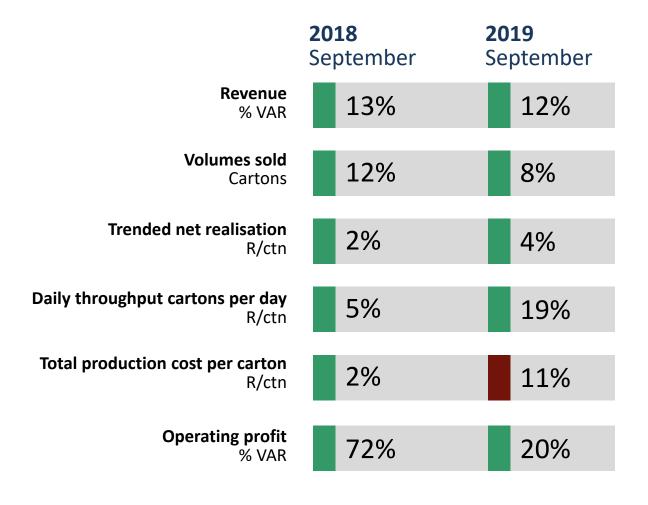
Dividend cover	1.5x	4.35x	1.5x	1.5x
Total	820	457	662	636
Pre-acquisition deferred tax			(187)	
Headline earnings	820	457	849	636
R'M	2016	2017	2018	2019





CANNED FISH - 2019 KEY PERFORMANCE INDICATORS

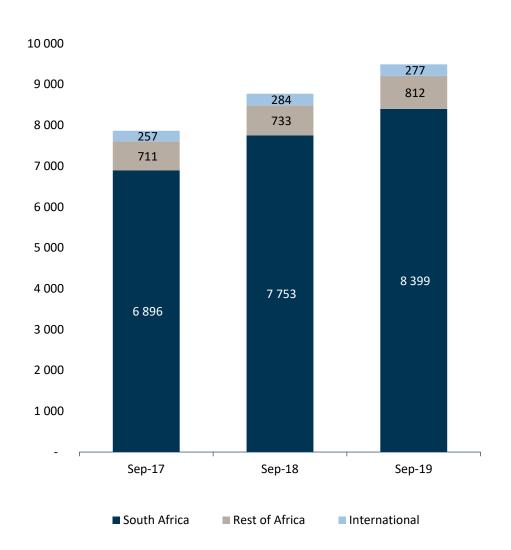




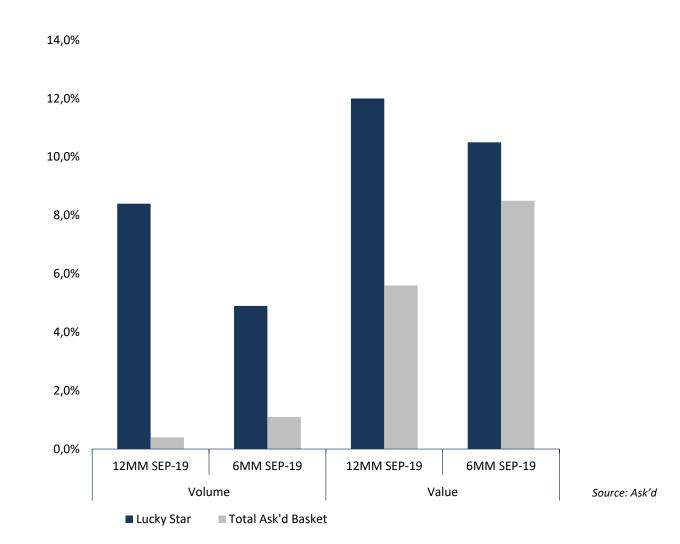
TOTAL FOOD **OVERVIEW**







LUCKY STAR GROWTH VS TOTAL FOOD



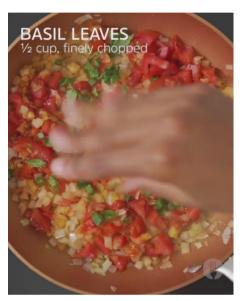
CANNED FISH **DEMAND DRIVERS**



- Ease and affordability
 - Relative affordability to other proteins, net PI of 4%
 - Fully cooked and flavoured product allows for ease of converting into meal











CANNED FISH DEMAND



Versatility

- Social and traditional media campaigns showcasing versatility of product
- Partnering with influencers and focused marketing appealing to the Afrilenial market
- Stretching the brand into new territory















CANNED FISH DEMAND



- Consistent supply
 - Ability to provide consistent supply to customer base
 - Greater in-store exposure







CANNED FISH



Soweto Kota festival





Lucky Star Cup









Blisters for Bread





CANNED FISH SUPPLY

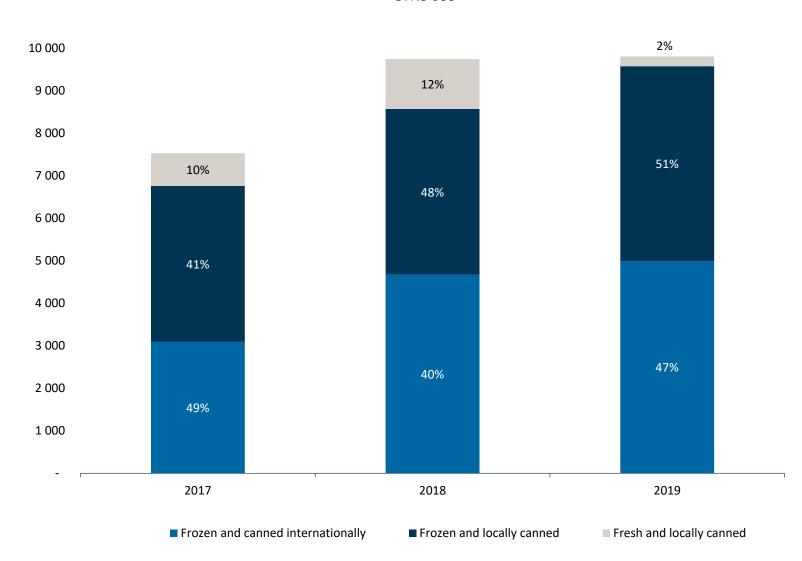


- Pilchard procurement mainly from North West Africa healthy biomass
- Strength of balance sheet provides ability to procure larger quantities
- Frozen fish strategy has enabled production efficiencies due to constant supply
 - Improved production planning
 - Yield and throughput increases
 - Man-hours and overheads/ctn reduced
 - Approximate savings of R45m in 2019
- Cold storage capacity key enabler

CANNED FISH SUPPLY







CANNED FISH - OUTLOOK



Supply

- Focus on efficiencies to further increase throughput and improve production costs
- Look to reduce cost of procurement through leveraging strong balance sheet
- Expect to produce similar levels in 2019/2020

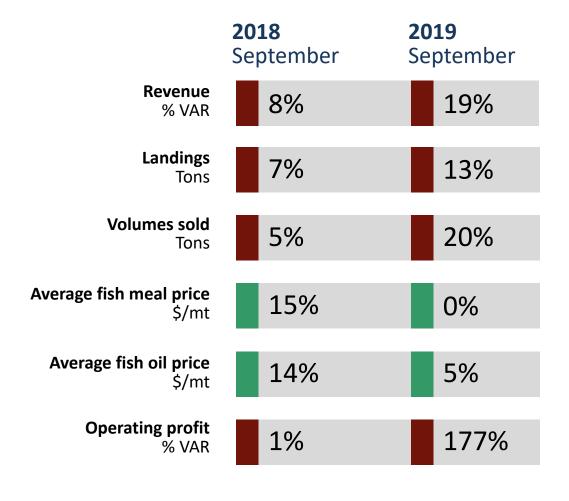
Demand

- Early Q1 indicators showing volume growth on prior year in SA
- Modest PI in January 2020
- Strong focus on customer management
- Looking to grow other canned fish categories and entrench corned meat market share
- Expansion into other geographies being explored



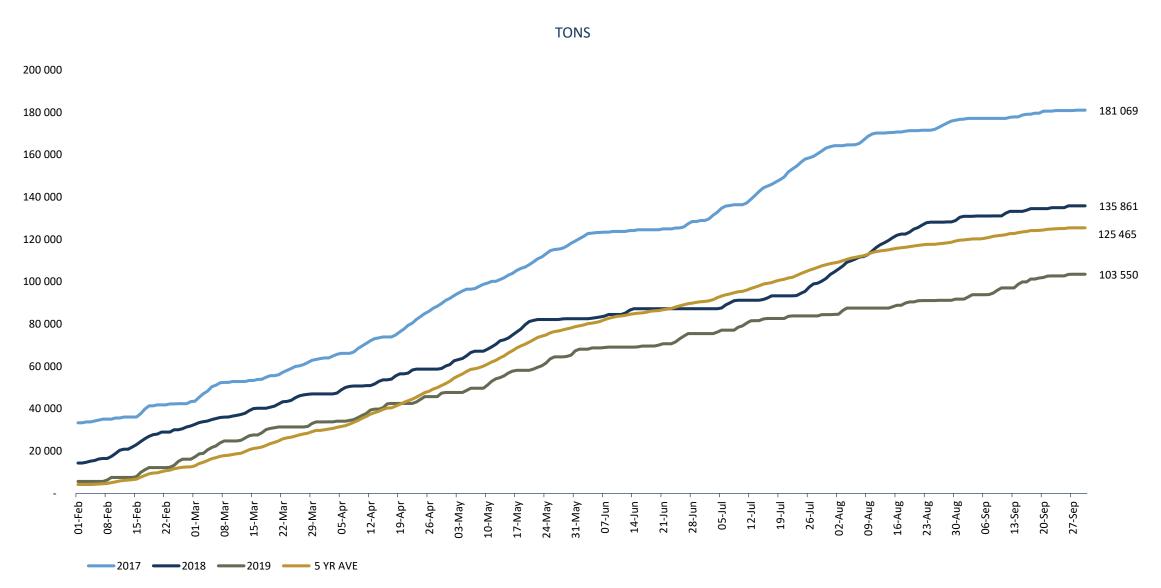
FMO (AFRICA) – **2019 KEY PERFORMANCE INDICATORS**





FISHMEAL AND FISH OIL (AFRICA) - LANDINGS







FISHMEAL AND FISH OIL (AFRICA)



Performance

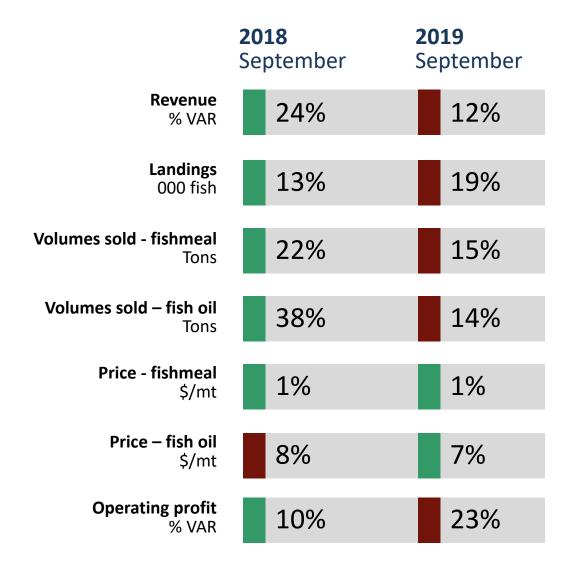
- Adverse weather conditions impacted vessel deployment
- Fishmeal price flat and 5% increase in oil price
- Angola exit

Outlook

- Anchovy biomass healthy
- Higher closing stock levels
- African Swine Fever effect
- Fleet reviews underway drive cost efficiencies

FMO (US) - 2019 KEY PERFORMANCE INDICATORS



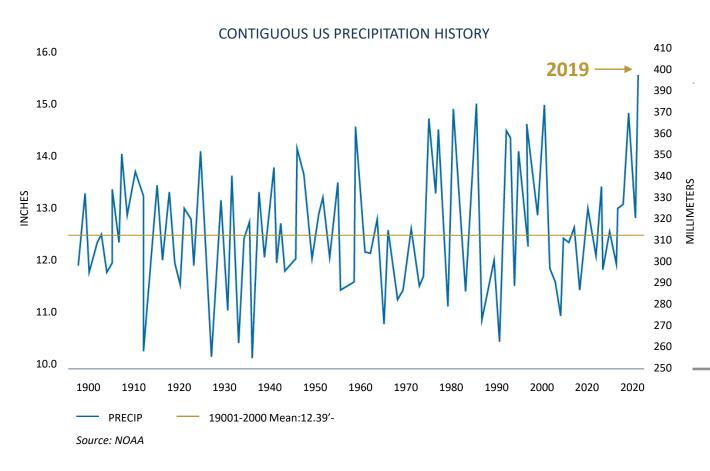


FISHMEAL AND FISH OIL (US)

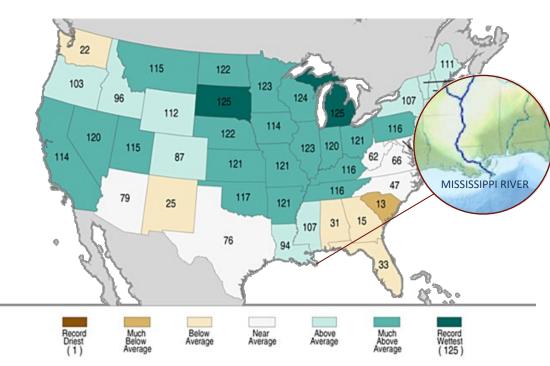


Supply

- Rainiest season in 120 years of record keeping
- Resultant impact on fishing



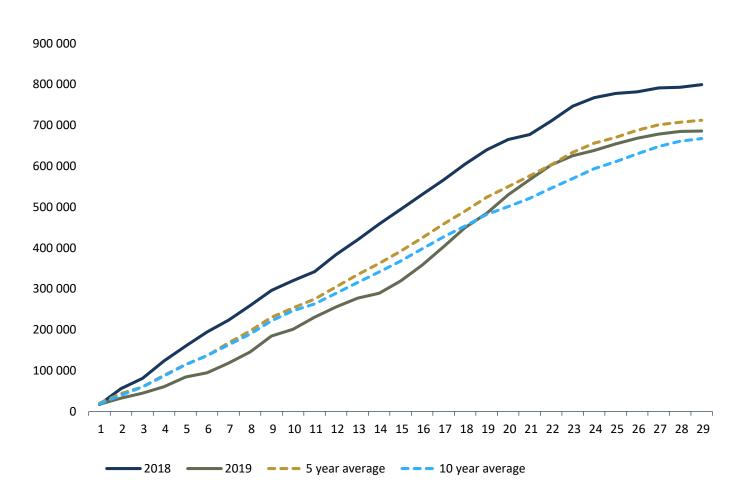
STATEWIDE PRECIPITATION RANKS (JAN-SEP 2019) PERIOD 1895-2019



FMO (US) - LANDINGS







TOP 10 WEEKS	САТСН	
2019	46,683	
2019	45,216	
2018	43,494	
2018	42,038	
2017	41,403	
2011	40,745	
2011	40,179	
2017	39,318	
2019	39,125	
2012	39,080	

^{* 7} BEST WEEKS OF FISHING IN COMPANY HISTORY HAVE OCCURRED IN LAST 3 YEARS

FISHMEAL AND FISH OIL (US)



Production

- Off-season investment in plant \$6m
- Output at peak improved by 20%
- Capacity to support 950m fish
- 2019 52% utilisation vs 2018 67%

FISHMEAL AND FISH OIL (US)

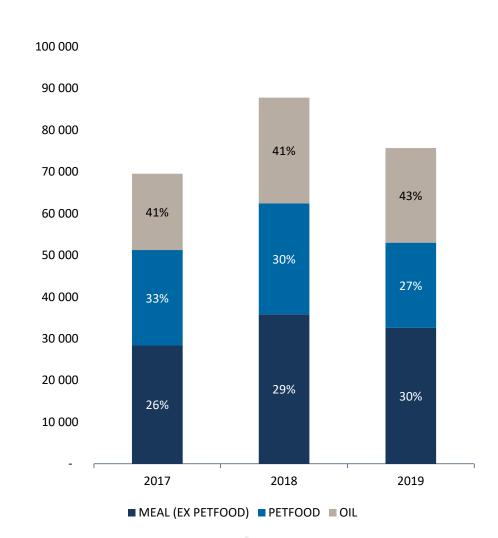


Customer overview

- Fishmeal customers
 - 74% domestic and 26% international
- Fish oil customers
 - 25% domestic and 75% international

Pet food strategy

- Further expansion into US pet food sector
 - Sector increasing 3% to 5% annually (CAGR)
 - National Research Council (NRC) requirement for nursing dogs and puppies to safeguard fishmeal inclusion in formulations
 - Growing premiumisation
 - Increased demand for meat based pet food
 - Sustainable ingredient sourcing
- Pet food market share 36%



SALES MIX



FMO GLOBAL OUTLOOK - SUPPLY 2020



Fishmeal

Peru 2019/20

- 2019 second season quota of 2.78 million MT projected
- 60% (300 000MT) of new crop sold forward

EU

Fishmeal production expected slightly lower in 2020 on TAC uncertainties

China

- IFFO forecasts decrease in local supply for 2019 to 450 000 MT
- 2020 outlook expected the same as 2019; Chinese plants upgraded, back on line, fewer plants, new investments need return

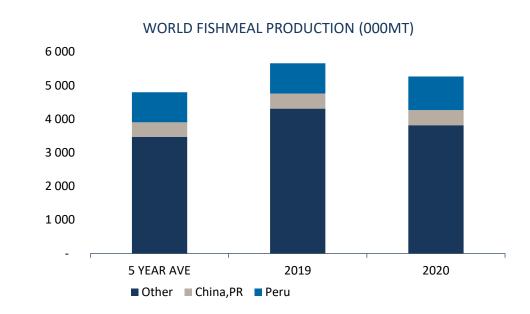
Fish oil

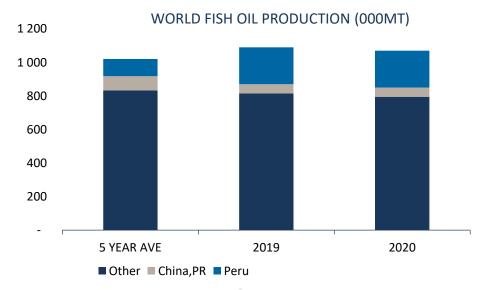
Peru

Stable output projected for 2020

US

 Yield expectations recovery to 10.00% for 2020, up from 8.13% for 2019 (2016:13.2%; 2017:7.95%; 2018:9.4%)







FMO GLOBAL OUTLOOK – DEMAND 2020



Fishmeal

China

- 2 Million tons of fishmeal projected for consumption 2019, focus on recovery for 2020
- 2019 Port stocks reached record high of 300 000MT in late September 2019
- African Swine Fever impact on pig feed consumption in H1 has declined 14% year on year
 - Piglet herd reduced by 37% and sow herd down 38%
 - Despite continued pork price growth, most hog farms have suffered losses and faced pressure of insufficient funds
 - This situation has curbed feed producers purchase of raw materials, including fishmeal, hence triggering stockpiling fishmeal stocks at ports
- Continued demand expected for deep sea aquaculture

Asia

Aquaculture growth, especially shrimp (high inclusion fishmeal) affected by severe typhoons, expected recovery in 2020

EU

- Salmon industry feed output expected to increase, fishmeal inclusion rates consistent
- Aquaculture in Southern Europe strong, underpinned by sea bream (carnivorous) farming

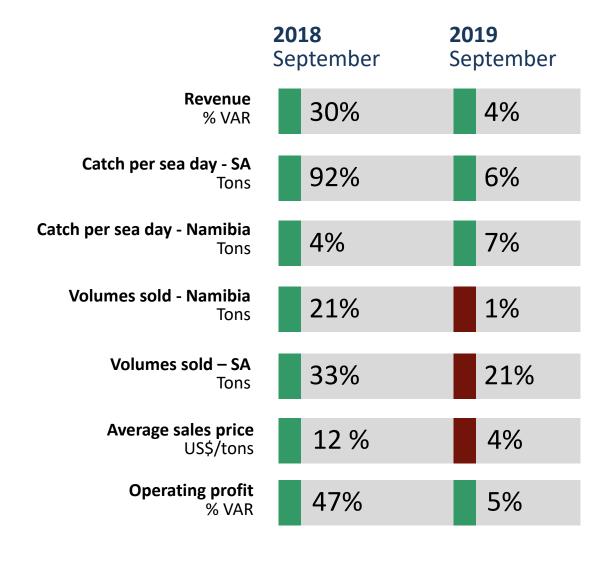
Fish oil

Increase in demand will create more opportunities in 2020



HORSE MACKEREL - 2019 KEY PERFORMANCE INDICATORS

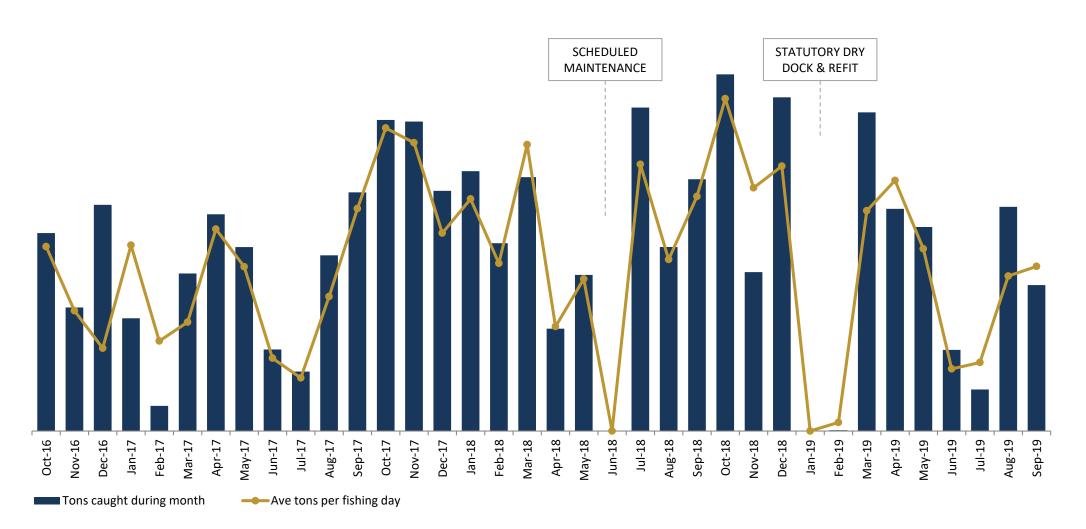




HORSE MACKEREL - SOUTH AFRICA



DESERT DIAMOND LANDINGS



HORSE MACKEREL – **SOUTH AFRICA**



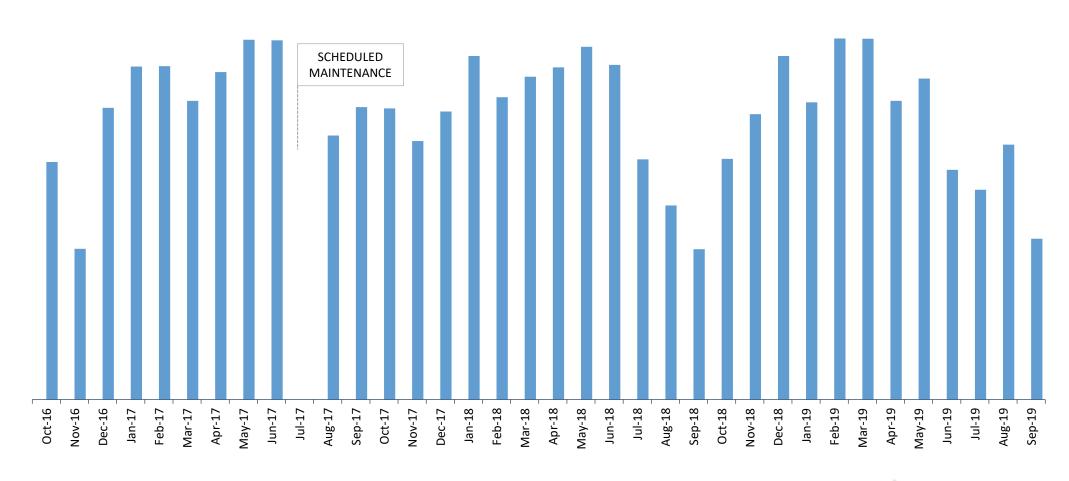
Outlook

- Catch rates have been low over winter period, improved during September and October
- New area review approved by scientists, expect DEFF approval shortly
- Subsequent to 2016 horse mackerel appeal decision being published, key industry players challenging allocation methodology
- Short term pricing under pressure from good catches in Morocco and Mauritania

HORSE MACKEREL - NAMIBIA



AVERAGE CATCH RATE (TONS)



HORSE MACKEREL - NAMIBIA

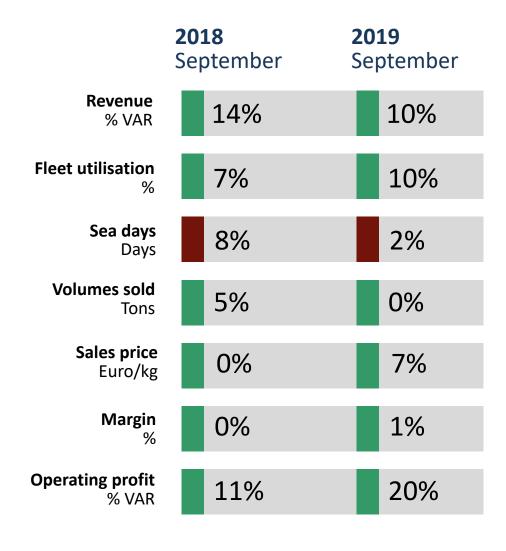


Outlook

- 2019 new rights announcement still pending
- Namibian national elections 27 November 2019, cabinet to sit in March 2020
- Season catch rates and size mix have been challenging industry wide
- Biomass remains healthy

HAKE - 2019 KEY PERFORMANCE INDICATORS







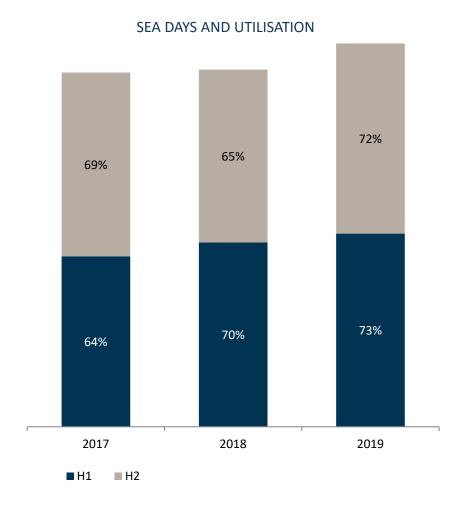


Supply

- Biomass healthy and TAC increased
- Vessel utilisation improved and healthy landings

Demand

- Continued demand from European markets
- 7% Euro price increase achieved



HAKE - OUTLOOK



Supply

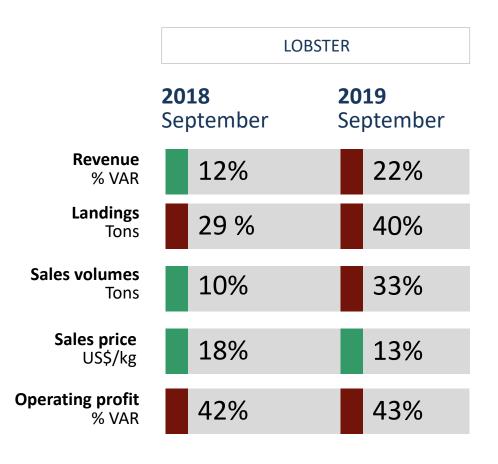
- TAC expected to be same as 2019 season
- FRAP 2020 delayed for Hake Deep Sea Trawl
- Global white fish supply outlook stable

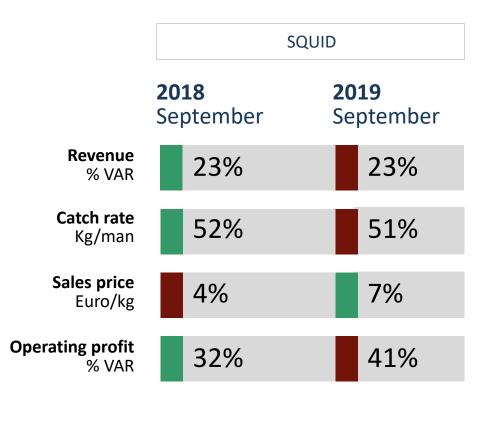
Demand

- Strong demand for H&G product in local market and Western Europe
- Shortage of fish protein in China expected to positively impact global demand

LOBSTER & SQUID - 2019 KEY PERFORMANCE INDICATORS







LOBSTER & SQUID



Lobster

- TAC announced for WCRL as per 2019 season i.e. 1 035MT
 - Announcement supported by WWF
 - Four vessels and one factory operational
- Lobster season opens on 15 November
- Hong Kong unrest a concern
- FRAP 2020 delayed for SCRL

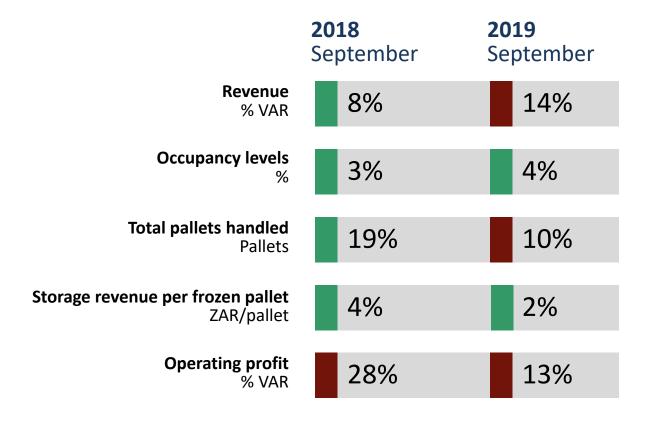
Squid

- Very poor industry squid season to date
- Squid season opens on 23 November
- Investment to be made in double anchor system on one vessel
- FRAP 2020 delayed for squid



CCS - 2019 KEY PERFORMANCE INDICATORS









Performance

South Africa:

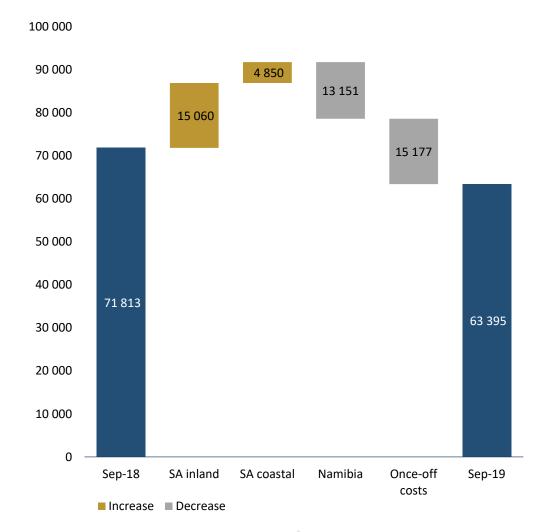
- Gauteng increased occupancies, exit Midrand 1, overall profitability improved, rates still challenging
- Coastal increased occupancies, canned fish enabler

Namibia:

Lower horse mackerel catch rates

Once-off costs:

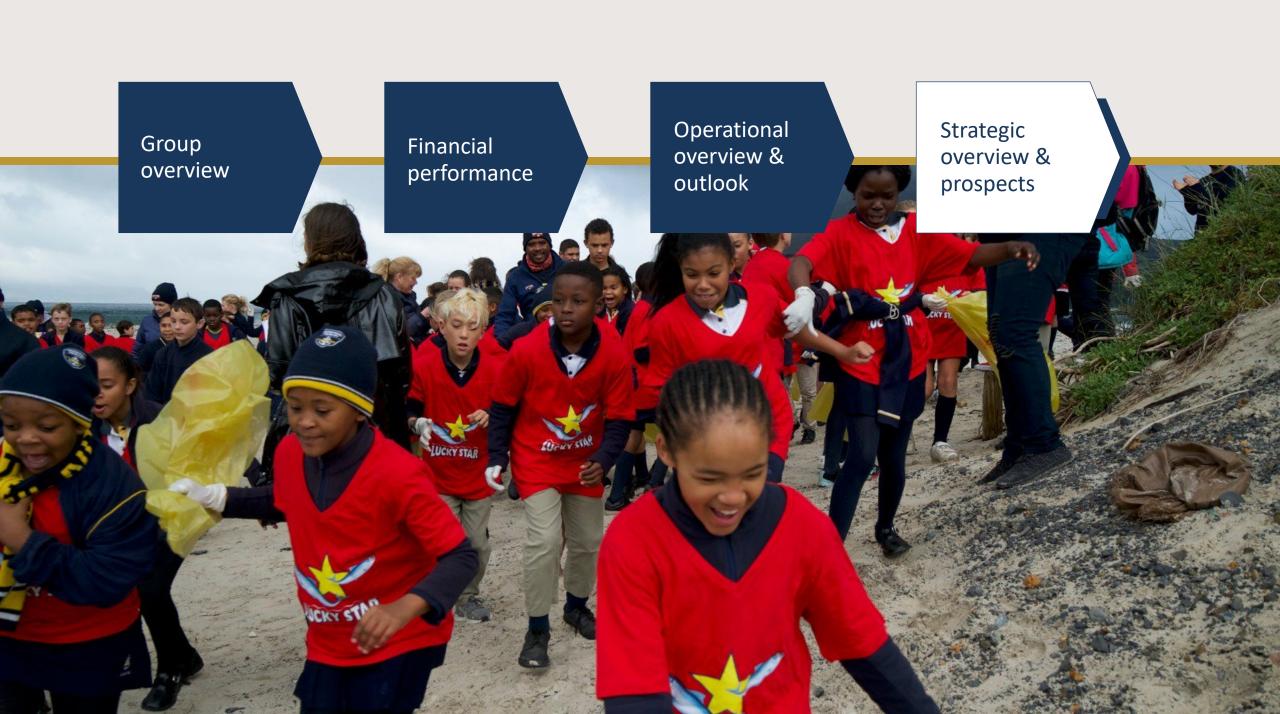
Angola R10m and billing items R5m





Outlook

- Coastal demand strong, frozen fish key customer
- Western Cape expansion on the cards
 - St Helena Bay dedicated pelagic facility
 - Reinvest cash from asset sales
- Inland rates remain challenging
- Prior period once off risks mitigated



STRATEGIC OVERVIEW & PROSPECTS



FRAP update

- FRAP 2020 delayed announced on 2 August 2019
- Timeline for FRAP 2021 still unknown, unlikely to be announced this year
- Key next steps policy engagement and appointment of minister's advisory team
- Oceana initiatives to support our right to renew quota
 - B-BBEE credentials
 - Seeking to improve black shareholding new staff trust and SMME joint ventures
 - Oceana Maritime Academy launch Feb 2020

South Africa and Namibia

Continued engagement with regulators to ensure ongoing transformation activities sufficiently aligned with government expectations

STRATEGIC OVERVIEW & PROSPECTS



Core businesses

- Canned fish
 - Drive volume growth in canned fish segment by maintaining supply and affordability
- Fishmeal and oil (SA)
 - Improve utilisation of fleet and land-based facilities to improve landings
- Fishmeal and oil (US)
 - Increase sales realisation through a global sales and distribution strategy
 - Additional vessel, ETA mid 2020 season
- Horse mackerel and hake
 - Strong demand expected to continue
- CCS
 - Improve profitability

STRATEGIC OVERVIEW & PROSPECTS



New business

Continue to explore aquaculture opportunities

Financial performance

Management confident in its strategy to deliver growth in the next financial year





INCOME STATEMENT - AFRICA



R'000	2019 SEPTEMBER	Var	2018 SEPTEMBER
Revenue	5 926 371	1%	5 868 193
Gross profit	2 045 489	-6%	2 181 475
GP margin	35%	-2%	37%
Operating costs	(1 231 588)	10%	(1 368 291)
Foreign exchange (gains)/losses	30 093	56%	19 249
Associate and JV loss	(27 770)	23%	(36 164)
Operating profit before other operating items	816 224	3%	796 269
Other operating items	(17 447)	-252%	11 497
Operating profit	798 777	-1%	807 765
Operating profit margin	13%	-1%	14%
Net interest	(193 793)	0%	(193 495)
Profit before taxation	604 984	-2%	614 270
Taxation	(192 494)	1%	(194 822)
Profit after taxation	412 490	-2%	419 448

INCOME STATEMENT - US



\$'000	2019 SEPTEMBER	Var	2018 SEPTEMBER
·			
Revenue	117 918	-12%	133 339
Gross profit	39 469	-19%	48 820
GP margin	33%	4%	37%
Operating profit before assoc/JV income	23 117	-14%	26 859
Associate and JV income	1 449	-33%	2 177
Operating profit before IFRS costs fair value adjustments	24 566	-15%	29 036
Other operating items			(1 954)
Operating profit	24 566	-9%	27 082
Operating profit margin	21%	1%	20%
Net interest	(4 660)	38%	(7 460)
Profit before taxation	19 906	1%	19 622
Taxation	(3 845)	-126%	14 592
Profit after taxation	16 061	-53%	34 214

