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Managing Director's Address

I'm David Mair, Managing Director of Sanford, and I'm here to help you understand some of the changes that are happening within Sanford.

As you have heard, we had a great FY25 result. FY25 revenue of \$584.1m was up only 0.2% on the prior year, so flat. I'd like to provide more insight into the improvement in profitability by starting with a bridge between FY24 and FY25 at the adjusted EBIT level.

This slide shows record adjusted EBIT up \$31.0m or 41.8% on prior year.

We have increased profitability from both our Aquaculture businesses, salmon and mussels. Mussels had a very good result mainly from the very good condition of the mussels themselves. We continued to 'pull' salmon to create a connected, demand-driven business that is highlighting areas of opportunity to improve.

Wildcatch suffered from downward price pressure, and a lack of volume. We expect the new scampi boat to assist with volumes in the second half of FY26.

We have also significantly reduced overhead costs.

I have been focused on operational cashflows and that meant a review of overhead, particularly head office-related costs.

We had operating cashflow of \$135.3m, up 85.3% on prior year.

- Increased profitability from salmon and mussels helped
- We also sold through some aged inventory particularly orange roughy
- We reduced overhead spending on consultants and some people-related costs
- As debt was repaid, we had reduced interest costs

We maintained a disciplined approach to capex, yet we still maintained essential capital spend. Shareholder funds are very important to us. And to prove that:

Finance costs were reduced to \$12.1m, a drop of 28.4% on prior year. We reduced debt by \$92.1m leaving net debt of \$93.4m.

This is a summary of Aquaculture NZ Revenue (for salmon, mussels and oysters) available from the Aquaculture NZ website. Aquaculture is worth ~ \$760m of revenue to New Zealand.

As you can see, aquaculture is an important part of Sanford's future.

Salmon

- We had very solid pricing, better than we had expected all year.
- We have worked hard on FG rationalisation leading to better margins (more to do).
- We have created a pull system better matching customer demand.

Mussels

Although revenue was down slightly, we had a record EBIT result mainly due to great mussel condition

Wildcatch

Reduced pricing on scampi (and an inability to catch available quantities) has hurt our performance again. We have a better plan to improve catch quantities, and we look forward to the final commissioning of our new scampi boat.

Inshore has performed as expected.

Capital Allocation

There are five key points, and these are being driven into the business:

Capital allocation is about getting the right people first focused on the right projects, then investing \$\$\$\$ after proof of concept

Fund strategies not projects

Have zero tolerance for bad growth

Zero-based allocation annually

No capital rationing – two views

A diagram helping to explain the allocation of \$\$ in FY25 – we spent \$ on capex yet still achieved the debt reduction

We have benefitted from:

- Firm prices and positive demand for salmon and mussels
- Good mussel condition improved yields
- Ace trading business performed well
- Reduction in overhead costs
- Favourable exchange rates

Several of the key contributors to this year's result were factors outside Sanford's direct control

It should not be assumed that FY25's financial result will be repeated in FY26

David Mair
Managing Director