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Sanford delivers a record interim profit result

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Summary:

- Revenue of \$270.2m, down 5.5% on the prior comparative period (pcp)
- Record adjusted EBIT of \$65.0m, up 20.3% on pcp
- Record EBIT of \$64.0m, up 17.6% on pcp
- Record Net Profit after Tax (NPAT) of \$42.4m, up 24.6% on pcp
- Operating cashflow of \$13.7m, down 72.4% on pcp
- Net debt of \$102.1m, improvement of \$63.0m on pcp
- Interim dividend of 5.0 cents per share (cps) fully imputed

Sanford's Managing Director, David Mair, said "I am pleased to report to shareholders a record interim result for HY26. Revenue of \$270.2m was relatively flat, but earnings have improved with adjusted earnings before interest and tax (adjusted EBIT) a record \$65.0m, EBIT a record \$64.0m and net profit after tax a record \$42.4m."

Improved performances from salmon and wildcatch were partly offset by reduced profitability from our mussel business. There has been a continued reduction in overhead related costs; an ongoing focus for the business.

Business Performance

\$m	HY26 Revenue	HY26 Profit Contribution ¹	HY25 Revenue	HY25 Profit Contribution
Salmon	56.6	39.6	68.1	30.7
Mussels	49.5	7.7	67.9	18.1
Wildcatch	153.7	31.7	144.1	24.0

Salmon

While revenue was down 17%, contribution was up 29% on pcp. In HY25, we actively brought sales forward due to US tariff and climatic uncertainty, so sales volumes in HY26 are comparatively lower. Favourable product mix has helped improve returns. A significant increase in biomass has been driven by a reduction in processed volumes and accompanied with robust prices. The much-needed salmon workboat is nearing completion and delivery is expected in Q4 FY26.

Mussels

Our mussel business revenue was down 27% and contribution was down 57%. There have been demand and price challenges throughout H1 reflecting a softer market. We have been increasing inventory of frozen half shell mussels and a focus for H2 will be on sales and converting this excess inventory to operating cashflow.

Wildcatch

We had an improved performance from our wildcatch business, with both revenue and contribution up 7% and 32% respectively. Contribution was bolstered by a \$3.6m gain from the close out of fuel derivatives following a change in bank funding arrangements. The revenue improvement is driven from positive catch rates and increased sales of some species. In addition, there have been increased

¹ Profit contribution is Adjusted EBIT before head office overhead.

prices across many products that further contributed to the improvement in revenue and profits. There has been continued pressure on scampi pricing during the interim period and catch is down on expectations. We now have consistent year-on-year revenue and returns from our inshore business.

Capital Allocation

David said, "My intention is to position the company with a solid platform that will enable us to grow and take advantage of investment opportunities as and when they arise. We will use no-cost / low-cost opportunities first to grow quickly and safely."

The review of the mussel business highlighted several opportunities for no-cost, low-cost investment. There is significant Sanford water space that has infrastructure in place but is not being commercialised. Once that infrastructure is reviewed and made ready, it can be used for farming. We have started investment and expansion of new mussel farm infrastructure in the Western Firth (Coromandel) highlighting our commitment to the mussel business and the region. Phase 1 will be seeded in May / June 2026 and harvested in March / April 2027. This is a good example of low-cost capital investment to provide relatively quick return on that investment.

The review also showed that many of our vessel assets are not designed with current best practice in mind and operating optimally or effectively. Given the opportunity, we will rationalise some of those assets and replace with more suitable platforms. We have commissioned a new aluminium purpose-built 30-metre mussel vessel and building is underway with expected completion and commissioning prior to Christmas 2026.

Market Turbulence

There is considerable disruption in markets, and I want all staff to focus on what we can control and not be distracted from a focus on customers, employees and suppliers as we navigate interesting times.

Dividend

Operating cashflow was significantly down on the pcp, mainly due to an adverse working capital movement (some of which is timing related) and a large income tax payment reflecting the increased FY25 profits. Part of the improved profitability for the half-year was an increase in salmon biomass which is non-cash in nature and not translated into operating cashflow. We are taking a cautious approach to dividend payments, given the market uncertainty with the war in Iran and increased capital requirements for H2. Debt reduction continues to be a focus and priority for the management team and the board. Dividends are paid out of operating cashflow and not debt so an interim dividend of 5.0 cents per share (cps) was declared by the Board. The dividend will be paid on Thursday 28 May 2025 to shareholders of record on 21 May 2026.

Sanford's Chair Sir Rob Mcleod said "The Board remains focused on the primary objective of maximising total shareholder return via Sanford's share price and dividend performance over time. Sanford has the strongest ever half-year adjusted EBIT result of all time. I am delighted to see Sanford performing as we had all hoped."

As he approaches the 11-year mark as a director, Sir Rob has indicated his intention to retire from the Board at an appropriate time during calendar year 2026.

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