

DISCLAIMER

This presentation contains not only a review of operations, but also some forward looking statements about Sanford Limited and the environment in which the company operates. Because these statements are forward looking, Sanford Limited's actual results could differ materially. Media releases, management commentary and analysts presentations, including those relating to the previous results announcement, are all available on the company's website and contain additional information about matters which could cause Sanford Limited's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Sanford Limited.

TODAY

SOCIAL LICENSE

- Welcome and introduction

Volker

The bigger picture

BRANDING

- Value growth through Sales and Marketing

Andre

INNOVATION

- Asset rejuvenation / operational alignment

Clement

OPERATIONAL
EXCELLENCE

- People and Culture

Karen

ORGANISATIONAL
CAPABILITY

- Our capital framework

Katherine

INVESTMENT

- Q&A

All



SALMON



MUSSELS



FRESH



FROZEN



INNOVATION



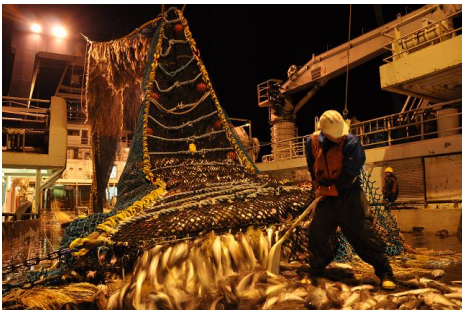
SANFORD



SANFORD
- BEAUTIFUL NEW ZEALAND SEAFOOD -



Pushing the value chain



2014



2019



EXTENDING THE FOCUS BEYOND FOOD



Facing interesting challenges and opportunities



Infrastructure



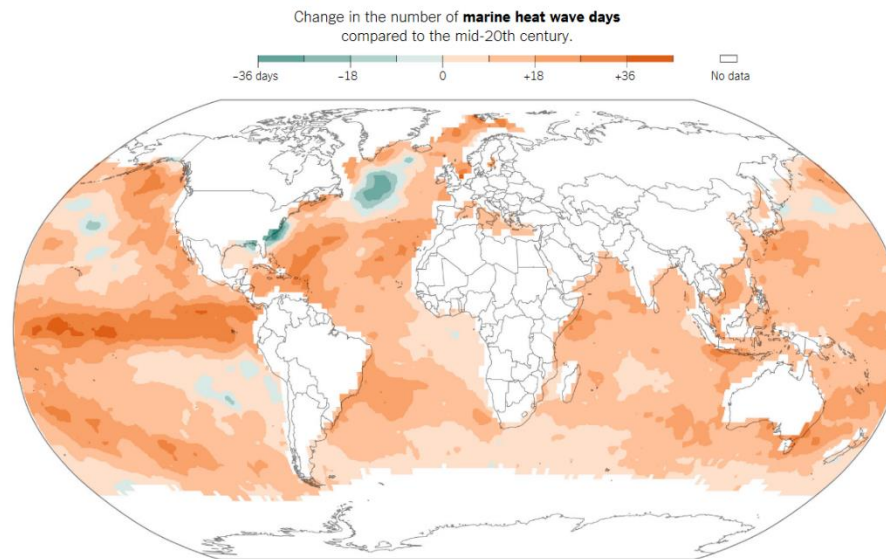
Culture



Consumer Preferences



Climate Change



The average number of marine heat wave days for the period 1987-2016, compared to the average for 1925-1954.
Source: Nature Climate Change | By The New York Times

New York Times, 4 March 2019



Our integrated approach

Business Excellence Framework



- Building a sustainable seafood business
- Supporting enduring communities and partnerships
- Creating a safe and high performing workplace culture
- Ensuring healthy oceans
- Leading the way to healthy food and marine extracts
- Protecting and enhancing the environment

SANFORD STRATEGY



Cross Functional Business Teams



Great outlook through excellent points of differentiation

New Zealand's Exclusive Economic Zone

- the 4th largest in the world
- no overlap with another country's EEZ



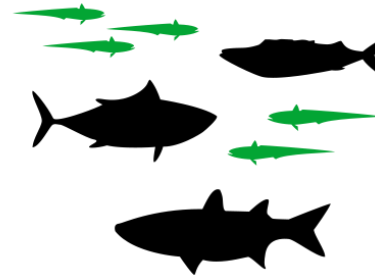
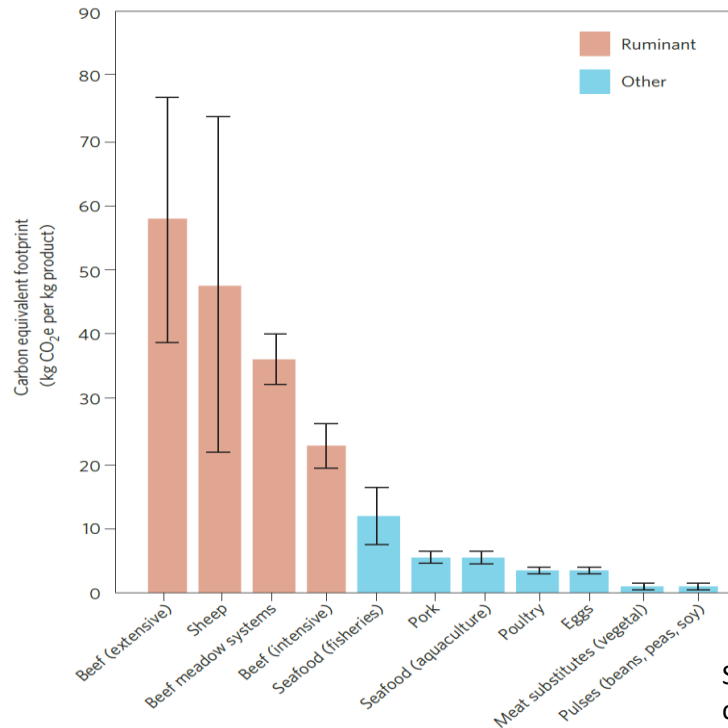
130 COMMERCIALY CAUGHT FISH SPECIES

Of the 130 species that are fished, 100 are in the Quota Management System (QMS).

Source: Ministry for Primary Industries, 2014
www.mpi.govt.nz

Carbon footprint
Seafood has less impact on the environment compared to traditional protein sources

Source: Ruminant, Climate change and climate policy, Ripple et al.2013,
www.nature.com/natureclimatechange

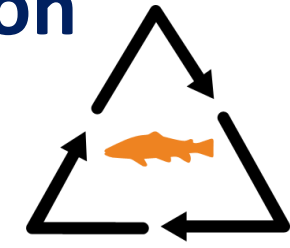


1ST

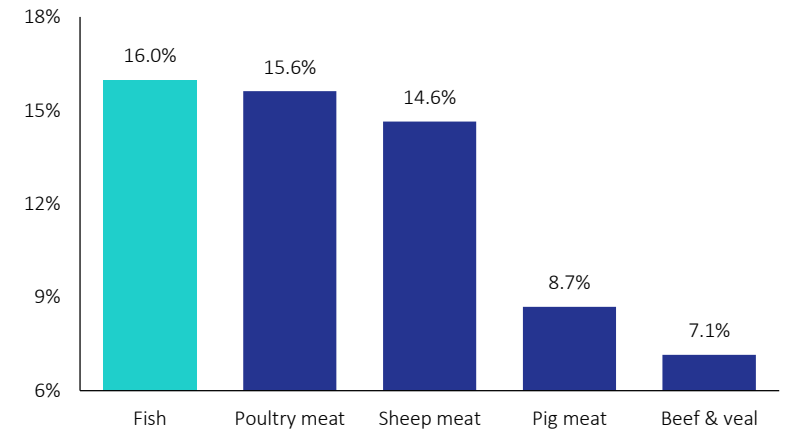
FOR THE MANAGEMENT OF SUSTAINABLE FISHERIES

New Zealand's seafood industry has been ranked the most sustainably managed fishery in the world, twice.

Source: Worm et al 2009 and Alder et al 2009



Global protein consumption growth outlook (2014 – 2020)



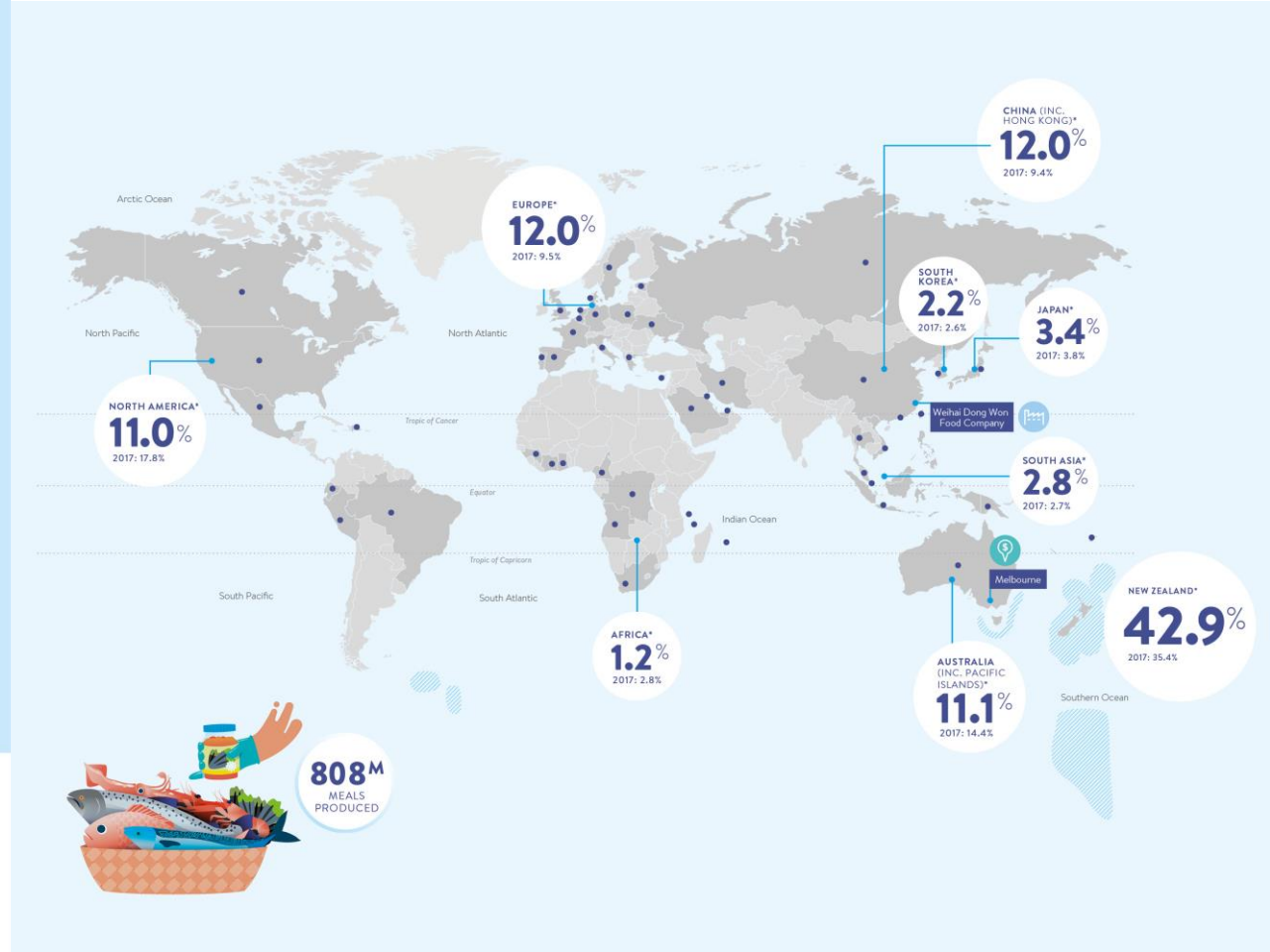
Source: OECD – FAO Agricultural Outlook



Mitigating risk through geographic spread, diversity and innovation



- KEY**
- Processing
 - Fishing
 - Processing Joint Arrangements
 - Head Office
 - Aquaculture
 - Fish Market
 - Aquaculture Joint Arrangements



— VALUE GROWTH THROUGH SALES, MARKETING AND INNOVATION



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INNOVATION



SANFORD

— CONSUMER CUSTOMER VALUE



Knowing and listening to the Consumer



Being Deliberate Being Focused Being Brave



The Importance of the Story



Auckland Fish Market





A fishing boat named "BLUFF" is shown from a rear-quarter perspective, moving across a body of water. The boat is white with a cabin and has several yellow and orange buoys hanging from its deck. The name "BLUFF" is printed on the side of the hull. The background features a dense, green forested hillside under a slightly overcast sky. The water is dark blue with white wake behind the boat.

FRESH FISH TO YOUR DOOR

[BUY FISH BOXES](#)

Deliberate Execution and Education






BIG GLORY BAY
 STEWART ISLAND | NEW ZEALAND
A taste of the Tennis

Big Glory Bay would be delighted to treat you to an on-court as well as we celebrate lunch and then the ASB Classic. It also joins us as we celebrate our second year of official sponsorship of the ASB Classic with a day filled with salmon, big hits, speedy serves and the best of men's or court action.

Monday 7th January 2019
10:30am
 The White Room, Swan Hotel
 2 Stanley Street, Parnell
 (Entry is on Parnell Rise)

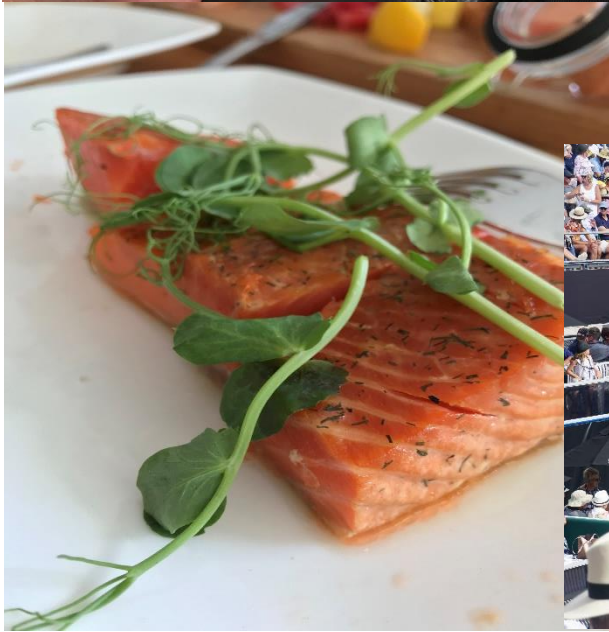
Following brunch we will walk the short distance to the Auckland Tennis Centre, also located on Stanley Street. You'll be free to enjoy the day session of Round One of the men's competitors as well as sampling some of the best hospitality at the event - the perfect way to segue into the new year.

Sincerely,
 The Big Glory Bay team



BIG GLORY BAY


ASB
CLASSIC





Branding and Product Mix

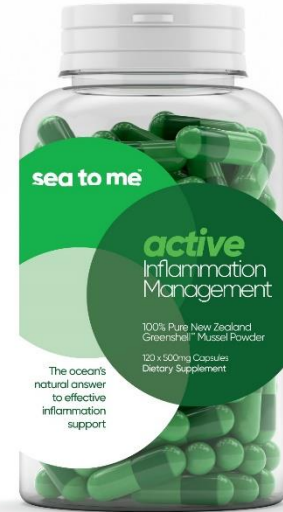
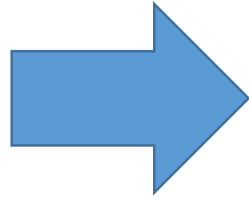
Standard Range
Summary



**BEAUTIFUL
- NEW ZEALAND -
SEAFOOD**

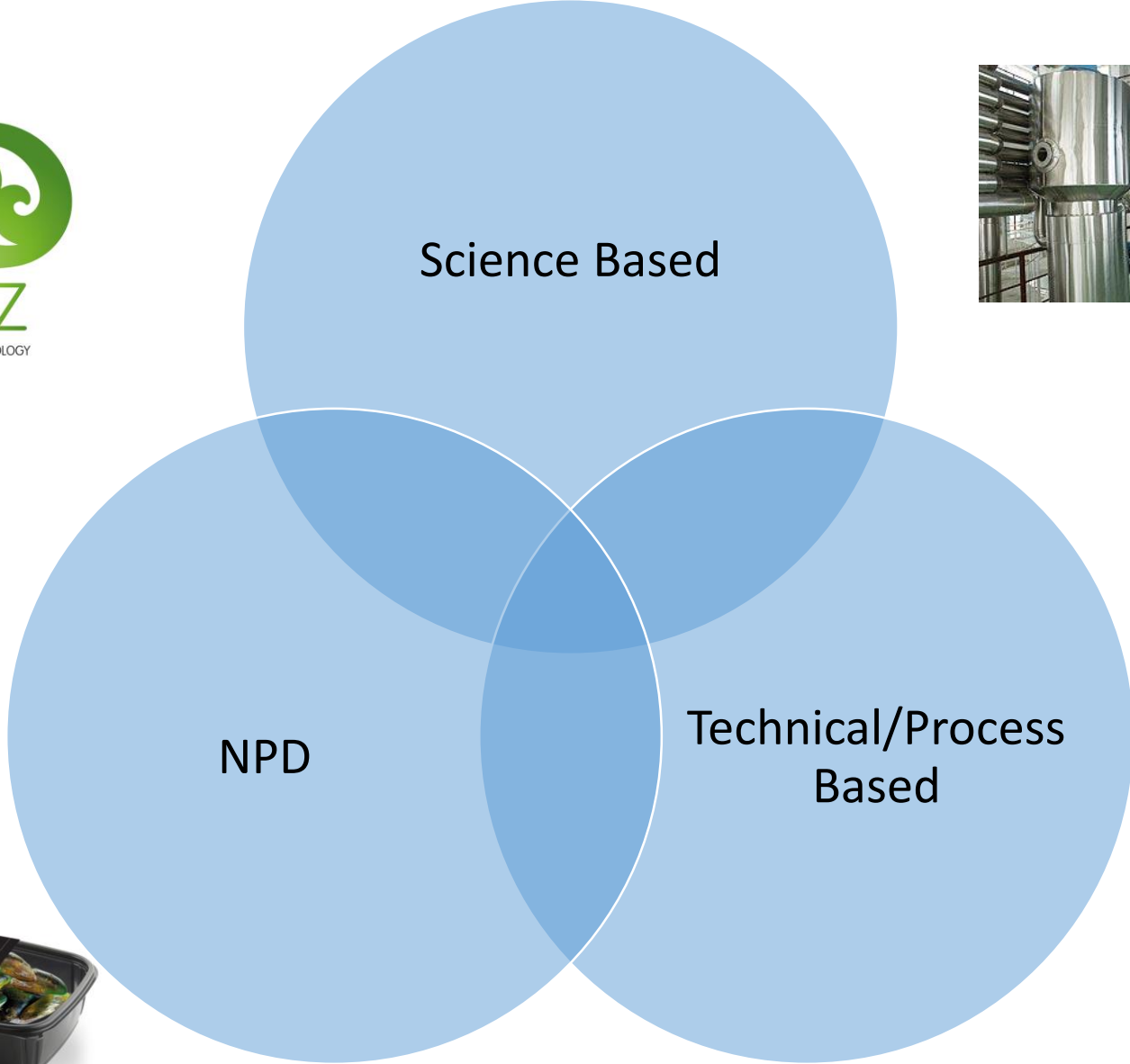


Mussels all about Diversification

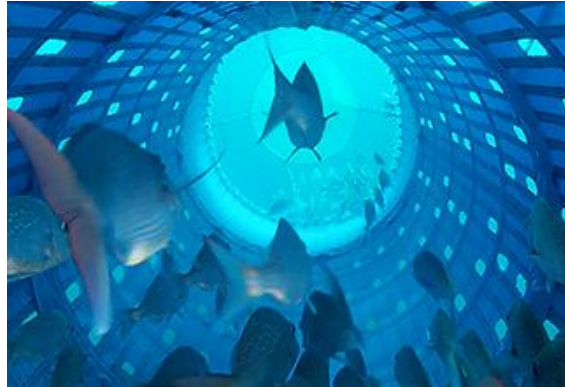




Innovation Takes Many Forms



**ENZAQ
MUSSEL**
LIFE FROM THE SEA



ASSET REJUVENATION / OPERATIONAL ALIGNMENT



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INNOVATION



SANFORD



Salmon Farming and Processing

Focus areas

- Volume growth and size consistency for USA market
- Social licence
- Bluff optimisation
- Smolt optimisation
- Dissolved oxygen management



Asset Rejuvenation

- Replacement accommodation and feed barge \$5m approved
- In progress– replacement transfer boat
- Salmon hatchery capability and capacity
- Processing capability/capacity (2020 -2022)



Mussel Farming and Processing

Focus areas

- Volume growth for diversification
- Algal bloom management
- Deployment of SPATnz spat



Asset Rejuvenation

- Farming assets optimisation – geographical diversification
- Farming vessel capacity
- Hatchery capacity and diversification



Wild catch - Inshore

Focus areas

- Efficiency and quality
- Supply chain effectiveness
- North Island processing optimisation
- South Island processing optimisation
- Pelagic sale to Pelco completion



Asset Rejuvenation

- San Waitaki rebuild \$0.8m winches approved
- Orange Roughy filleting automation \$0.6m approved
- In progress– inshore vessel renewal
- Climate control processing sites
- PSH technology





SAN GRANIT

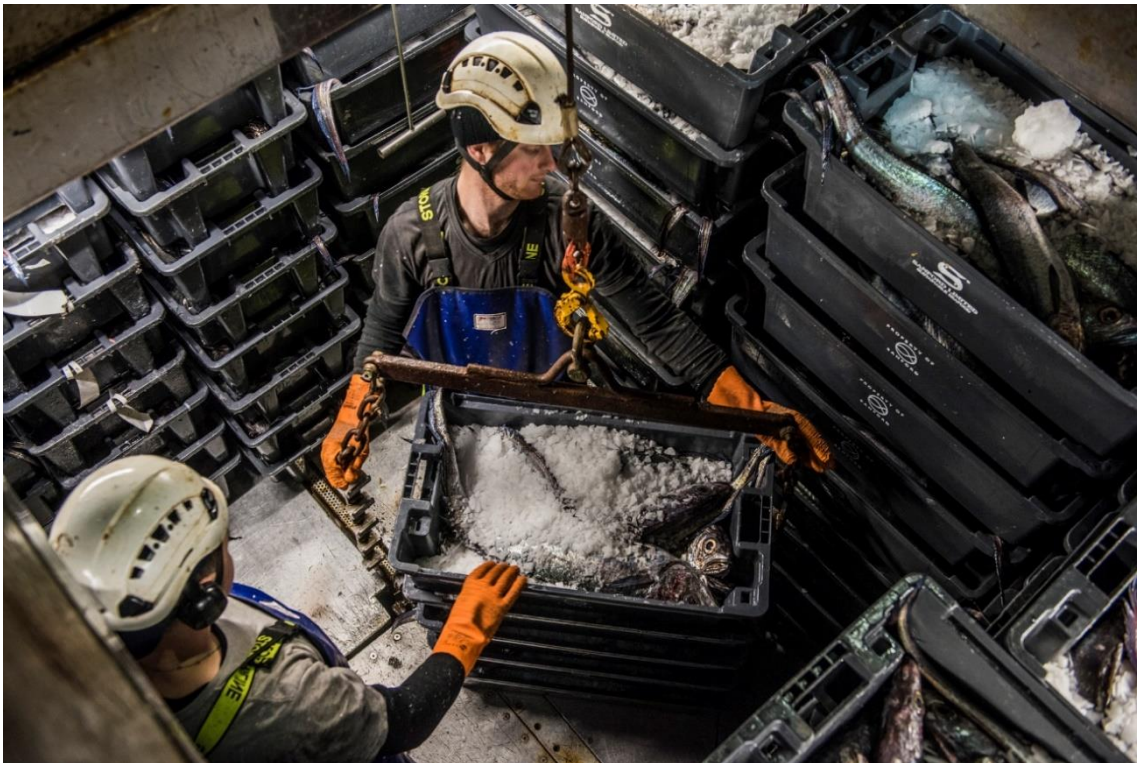
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SAN WAITAKI

Wild catch - Frozen

Focus areas

- Increase value cascade for Hoki
- Product quality
- Compliance framework
- Crew engagement
- Labour shortage and pay issue



Asset Rejuvenation

- Scampi vessel replacements 2020-2024
- Long liner replacement
- Factory trawlers upgrades to focus on efficiency and quality
 - New sonar equipment (3x \$0.6m)
 - RSW/flow ice for pounds
 - Climate control in factory
- PSH technology

— PEOPLE AND CULTURE



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INNOVATION



SANFORD

Creating a safe and high performing workplace culture

Focus on workplace culture and capability to deliver strategy



TOOLBOX TOOLKIT



MEET THE TEAMS



— OUR CAPITAL FRAMEWORK



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INNOVATION



SANFORD

\$120m investment over 2 years



FOUNDATIONAL

**Social License
Development**
\$4M

**Organisational
Capability**
\$4M

TRANSFORMATIONAL

**Product & Technology
Innovation**
\$10M

**Operational
Excellence**
\$55M

SanCore
\$15M

ASPIRATIONAL

**Channel
Development**
\$3M

**Brand
Development**
\$10M

Integrated Capital Management Plan

+ Source of Funds

\$120m capital programme funded by:-

- Net operating cash-flow
- Financing cash-flow
- Divestments

- Use of Funds

Capital Controls

1. Annual Capital Plan
2. Capital Committee governance process
3. Delegated authority
 - >\$1m requires Board approval
4. Business case hurdle rate: 10% ROC post tax

**Achievement
of Sanford's
strategic goals**

**Impact on
Sanford's
Balance Sheet**

1. **Strong Balance Sheet** [Gearing FY18 26.6%]
2. **Debt Headroom - \$80m NZD**
[\$152m Debt Sept FY18]
3. **Debt/EBITDA Target 1.75x**
Can flex to 2.0x for short periods [FY18 1.81x]
4. **Liquidity Risk Test:** must be >115%

1. Current stable dividend policy
23c per share [FY18 \$21.5m]
2. Share value appreciation

**Interests of
our
shareholders**



**Integrated Capital
Management Plan**

SanCore Investment

A change management programme and information technology platform that supports the strategy

People

Jump shift in engagement through capability maximisation

Processes

Simplify currently complex processes

Systems

Fit for purpose for the future state – agile, flexible & timely

Information

**Support decision making
Data captured once, securely, at source**

Commodity and Volume driven
Production centric
Lowest cost model
Minimum wage
Low people investment
Aging assets
Frozen/volume platforms
Aging workforce
Low return on capital
High inventory
High customer, product & market concentration
Compliance driven culture
Compliance driven H&S
Reputation deficient

Value driven
Consumer centric
Cost effective model
Competitive wage
Employer of choice
World class harvesting and processing
Branded portfolio
Engaged workforce
High return on capital
Low inventory
Customer, product and (niche) market diversification
Performance driven culture
Proactive safety risk management
High social licence to operate

FUTURE STATE

INTEGRATED BUSINESS THINKING & REPORTING: GROWING VALUE



Improving our disclosure - a journey of continuous improvement



EAT AT THE SOURCE

1904

AUCKLAND FISH MARKET

IN PARTNERSHIP WITH THE SEA

MANAGED BY



SANFORD LTD

WYNYARD QUARTER

NEW ZEALAND

SOUTH AMERICAN
MAR & TIERRA

JAPANESE
AZABU

COCKTAILS-BEER-
THE WRECK

ESPRESSO & GELA
GOOD KARMA

POKÉ
IKA BOWL