

Sea Harvest Group Limited
 Incorporated in the Republic of South Africa
 Reg no: 2008/001066/06
 JSE share codes "SHG" ISIN: ZAE000240198
 "Sea Harvest" or "the Company" or "the Group"

SEA HARVEST UNAUDITED INTERIM RESULTS
 for the six months ended 30 June 2020

1. Key performance indicators
 KEY PERFORMANCE INDICATORS

	CHANGE	PERIOD ENDED	
		30 JUNE 2020	30 JUNE 2019
Revenue (R'000)	7%	1 999 648	1 870 122
International revenue mix (%)		46	45
Gross profit (R'000)	9%	665 636	611 487
Gross profit margin (%)		33	33
EBIT (R'000)	5%	266 499	280 744
EBIT margin (%)		13	15
Profit for the period (R'000)	4%	154 778	160 664
Weighted average number of shares ('000)		278 604	277 023
Headline earnings (R'000)	0%	169 964	169 356
Basic headline earnings per share (cents)	0%	61.0	61.1
Net asset value per share (cents)	9%	849.3	776.4
ZAR: Euro average exchange rate ¹		18.41	15.91
ZAR: AUD average exchange rate ¹		11.12	9.99
Closing share price (cents)		1 414	1 420

1 Average spot exchange rate at which sales were recorded.

2. Short-form announcement

During one of the largest pandemics facing the world in recent times, resulting in significant disruptions to markets and supply chains, the Sea Harvest Group has delivered a credible set of results with headline earnings for the period ended 30 June 2020 of R170 million, in line with the prior year (2019: R169 million). Earnings per share and headline earnings per share also remained constant at 61.0 cents per share (2019: 61.1 cents per share).

Group revenue for the period increased 7% to R2.0 billion (2019: R1.87 billion), benefiting from good performances from the South African Fishing segment, the Cape Harvest Foods segment (which includes Ladismith Cheese) and the Australian operations, offset by continued challenges in the Aquaculture segment which was severely impacted by the effects of COVID-19.

While local and international retail markets have benefited as a result of an increase in in-home consumption, foodservice markets locally and internationally have seen a slowdown as a result of various lockdown levels being implemented worldwide. This required a change in product mix, including diverting more product to retail markets, which impacted margins negatively.

With cost of sales increasing 6% on the back of good cost containment and lower fuel prices, gross profit for the period increased 9% to R666 million (2019: R611 million), with the gross profit margin remaining constant at 33% (2019: 33%). The gross profit margin of the South African Fishing segment expanded two percentage points to 38%.

Other operating (loss)/income, which includes foreign exchange hedge (losses)/gains, resulted in a loss of R22 million for the period (2019: R37 million gain), mainly due to the Group's export and fuel hedges being out of the money. Operating expenses for the period increased 5% to R387 million (2019: R367 million), benefiting from good cost containment across the Group.

As a result of supply chain disruptions, including lower throughput and lower levels of productivity, and after absorbing R11.2 million of net direct COVID-19 related costs, the Group delivered operating profit before net finance costs and taxation of R267 million for the period, 5% lower than the prior period (2019: R281 million), with the operating profit margin contracting to 13% (2019: 15%). The contraction in margin reflects the impact of COVID-19 on the Group's supply chain as well as the markets in which the Group operates.

Profit after tax for the period decreased 4% to R155 million (2019: R161 million), while headline earnings remained constant at R170 million (2019: R169 million). The Group generated cash from operations of R347 million (2019: R385 million) during the period after investing R74 million (2019: R38 million) in working capital, utilised R189 million (2019: R693 million) in investing activities and R183 million in financing activities, ending the period with R114 million of cash on hand.

In accordance with the Group's dividend policy, no interim dividend is declared or proposed for the six months ended 30 June 2020.

Driving transformation within Sea Harvest and the fishing industry more broadly is central to Sea Harvest's existence and strategy. The Group is proud to have retained its Level 1 B-BBEE contributor status. The Group invests significant resources in skills development, employment equity, supplier and enterprise development initiatives, as well as projects focused on job creation, the youth and rural development. The Group spent in excess of R3.2 million during the period on community-based projects, including COVID-19 relief.

Sea Harvest is fully committed to the preventative measures that were implemented by various governments in the countries in which the Group operates to contain the spread of COVID-19. The Group's primary priorities are the health and safety of its employees, to ensure food security through the continuity of production, preserving jobs and hence livelihoods, and to ensure the Group's ability to continue meeting stakeholders' expectations in terms of product demand. Management will be focusing on improving the performance of operations in the second half of the year in order to re-establish efficiency ratios, which have been impacted by the effects of COVID-19.

The Board would like to thank management and employees for their loyalty, dedication, care and professionalism in contributing to the success of the Group in these most trying of times.

The interim results have not been reviewed or reported on by the Group's external auditors.

This short-form announcement is the responsibility of the directors of the Group. It contains only a summary of the information in the full announcement and does not contain full or complete details. The Full Announcement can be found at: <https://senspdf.jse.co.za/documents/2020/jse/isse/shge/SHGHY2020.pdf>

Copies of the Full Announcement are also available for viewing on the Group's website at: www.seaharvestgroup.co.za or may be requested in person, at the Group's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

3. Cash dividend declaration

In accordance with the Group's dividend policy, no interim dividend is declared or proposed for the six months ended 30 June 2020.

Date: 31 August 2020

Sponsor: Standard Bank