



ANNUAL RESULTS FY18

01

HIGHLIGHTS



FINANCIAL HIGHLIGHTS

Strong financial performance with key PFI metrics exceeded:

- Revenue of \$160.3m, up 18% on FY17 and 12% on PFI.
- Pro Forma Operating EBITDA of \$26.2m*, up 21% on FY17 and 17% on PFI.
- GAAP NPAT of \$16.1m, up 14% on PFI.

Fully imputed final dividend of 3.0 cents per share declared. To be paid 21 September 2018.

FY19 guidance for Operating EBITDA of \$25.0m to \$28.5m reaffirmed.

* A full reconciliation between GAAP and Pro Forma results is shown on page 27 of this presentation.

OPERATING HIGHLIGHTS

Great result against PFI and FY17 despite challenging water temperatures, demonstrating our resilience and range of contingency strategies.

Sales volume of 7,779 MT up 7.7% on FY17 and 4.0% on PFI:

- Strong growth in sales to Asia (923 MT, up 38% on FY17 and 8% on PFI) and North America (2,175 MT, up 27% on FY17 and 20% on PFI).
- Asia (ex Japan) up due to strong demand from China and Korea.

Ōra King TYEE launched.

- Our long-standing breeding programme can now deliver unique King salmon, weighing in at upwards of 13kg each.
- Ultra-premium Tyee fish are currently limited to a mere ~10 fish / month.

Strong increase in sales prices, up in all significant markets and ahead of PFI:

- Particularly positive average price increases from domestic and Australian sales.

Water temperatures rose earlier and remained high for longer which contributed to a significant increase in mortality (20% vs 8% in FY17), which is also above PFI forecast of 11%:

- The team continues to focus on operational improvements to lower mortality.
- This will include the use of specialised diets to help improve fish health and mortality rates.

During the FY18 year we were awarded our 4th star in the 'Best Aquaculture Practice' certification by BAP:

- Hatcheries, seawater farms, processing facilities and feed.

* A glossary of terms is included on page 28 of this presentation.



SUSTAINABILITY

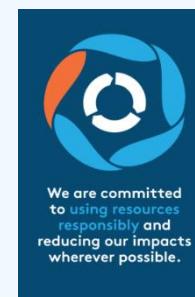
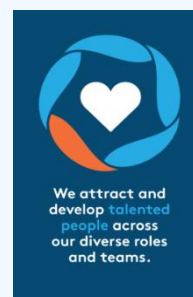
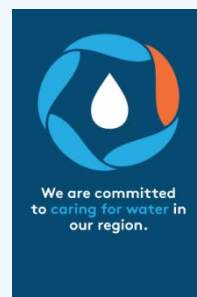
OPERATING SUSTAINABLY

We aim to pass on our land and water environments to the next generation and beyond in the same or better condition than we inherited them.

We achieved another milestone with the Global Aquaculture Alliance's (GAA) Best Aquaculture Practices certification programme. In April 2018, our largest feed supplier achieved BAP certification, enabling NZKS to gain a fourth star, the highest designation in the program and a first for Australasia. Four stars indicates that a product originates from a BAP-certified processing plant, farm, hatchery and feed mill.

As part of the long-term vision of the Global Salmon Initiative, NZKS has signed up to implement the Aquaculture Stewardship Council accreditation by 2020. We are currently engaging with auditing bodies to conduct a pilot evaluation at one of our farm sites.

Our Commitment to Sustainability



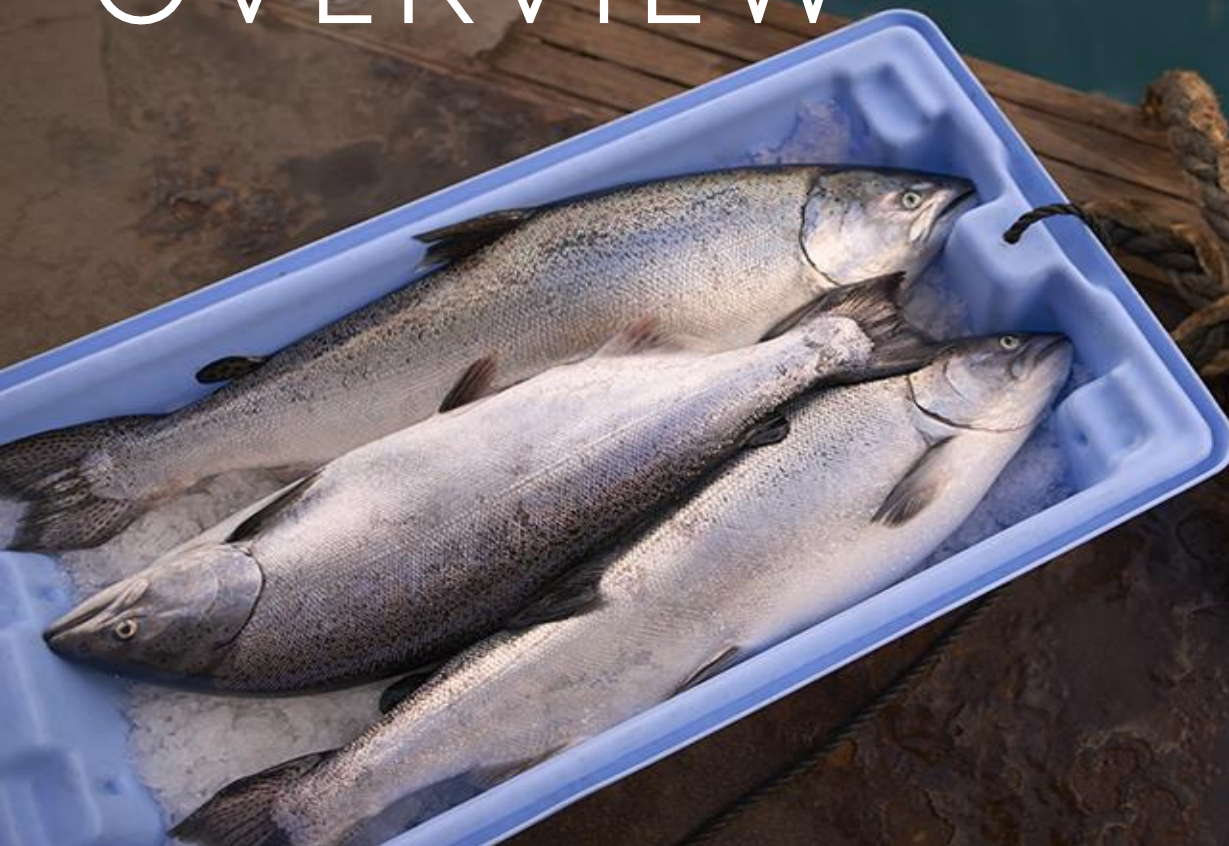
HEALTH, SAFETY AND WELLNESS

We are uncompromising in our commitment to Health, Safety and Wellness

- Improvement in key Health, Safety and Wellness metrics including LTIFR, ACC claims, absenteeism, and near-miss reporting:
 - ▶ LTIFR* down to 18.1 at June 2018 (from 18.5 at June 2017).
 - ▶ Absenteeism down to 2.8% from 3.2%
 - ▶ In FY18, ACC moved away from its traditional audit to a performance based system. This showed a clearer reflection of both NZKS's outperformance against its peers and the overall industry's outperformance against other comparable industries. This led to a 20% discount on our ACC levies.

*LTIFR is the Lost Time Injury Frequency Rate and refers to the number of lost time injuries occurring in a workplace per 1 million hours worked.

FINANCIAL OVERVIEW



SUMMARY FINANCIAL INFORMATION

Key financial metrics ahead of FY17 and PFI

- New Zealand King Salmon exceeded its PFI Sales volume, Revenue, Gross Margin, EBITDA, and Profit.
- GAAP results are impacted by fair value gains. Fair value gains recorded in FY18 were lower than those recorded during FY17 principally due to increased mortality.

Group Financial Performance								
NZ\$000s	Pro Forma*					GAAP		
	FY18	FY17	% chg.	PFI	% var.	FY18	FY17	% chg.
Volume Sold (MT)	7,779	7,223	8%	7,480	4%	7,779	7,223	8%
Revenue	160,271	136,351	18%	143,610	12%	160,271	136,351	18%
Gross Margin	47,499	39,995	19%	41,076	16%	50,048	57,957	-14%
Gross Margin %	30%	29%		29%		31%	43%	
EBITDA	26,165	21,603	21%	22,354	17%	28,482	38,533	-26%
EBITDA %	16%	16%		16%		18%	28%	
EBIT	21,060	17,237	22%	16,426	28%	23,377	34,167	-32%
NPAT	14,457	11,792	23%	11,455	26%	16,125	22,764	-29%

GAAP NPAT (\$16,125k) includes Fair Value gains on increases in biomass at sea as outlined in our Product Disclosure Statement dated 23 September 2016, and costs incurred in relation to the Ministry for Primary Industry's proposed salmon farm relocation process.

* A full reconciliation between GAAP and Pro Forma results is shown on page 27 of this presentation.

UNDERSTANDING OUR GAAP RESULTS

Fair Value gains and losses arising from IAS-41 *Agriculture* and IAS-2 *Inventory*

Our GAAP results are significantly impacted by Fair Value gains arising from the application of NZ IAS 41-*Agriculture* and NZ IAS 2-*Inventory*. In future periods we may realise fair value losses or gains.

When we record a change in biomass at sea, or where the expected future profit we realise on fish that we sell changes, these standards require us to quantify and recognise the gain in the current period. This applies to both biomass at sea and inventories of finished products.








Fair value gains or losses will be shown in our Statement of Comprehensive Income. Our Statement of Financial Position shows biological assets at their fair value.

Pro Forma Group Financial Performance removes gains/losses associated with the application of these standards. The company will present Pro Forma results for future reporting periods on this basis.

During FY18, an increase in the margin per kg (and therefore future profits), was partially offset by the impact of summer mortality which saw a reduction in biomass. This resulted in a net fair value gain, albeit significantly lower than the gain recorded during FY17.

HARVEST BY FARM

Year to year timing variances and harvest management programmes give rise to individual farm production variances.

Farm	Indicative Size*	Water Conditions	Other factors	Volume Harvested	
				FY18	FY17
Ruakaka		Low flow	Low automation, less efficient	1140 MT	660 MT
Otanerau		Low flow	Low automation, less efficient	890 MT	650 MT
Clay Point		High flow	Good automation	1,250 MT	1,910 MT
Te Pangu		High flow	Good automation	1,930 MT	2,200 MT
Waitata		High flow	High automation, new equipment	1,935 MT	1,290 MT
Ngamahau		High flow	Good automation	760 MT	490 MT
Kōpaua		High flow	High automation, new equipment	110 MT	-
				8,015 MT	7,200 MT

Key:  FY18 harvested volume (~900 MT G&G)  Eventual production from new farms (~900 MT G&G)

* Based on FY18 harvest volumes, note that a further 3 MT was harvested from our hatcheries (32 MT for FY17).

BALANCE SHEET

New Zealand King Salmon maintains its strong financial position.

Our balance sheet is strong with capacity to finance further growth:

- Net cash of \$4.0m:
- PP&E increased by \$8.0m, including:
 - ▶ Expansion of the Waitata, Ngamahau and Waihinau sites.
 - ▶ A new 240 MT feed barge.
 - ▶ Net cleaning capacity and vessels.
 - ▶ Investment in our IT systems.
- 'Other' non-current assets of \$48.3m largely includes goodwill of \$39.3m.
- 'Other' non-current liabilities of \$15.8m largely reflects deferred tax on fair value gains.

Group Financial Position		
NZ\$000s	Jun-18 Audited	Jun-17 Audited
ASSETS		
Current Assets		
Cash and equivalents	14,428	10,647
Receivables	12,426	11,687
Inventories	16,582	16,674
Biological assets	71,566	68,556
Other	1,057	2,486
	116,059	110,051
Non-current assets		
Property, plant & equipment	43,722	35,726
Biological assets	7,888	10,960
Other	48,305	47,775
	99,915	94,461
TOTAL ASSETS	215,974	204,512
LIABILITIES		
Current liabilities		
Loans (external)	(461)	(414)
Payables	(13,924)	(13,282)
Other	(9,521)	(6,608)
	(23,906)	(20,304)
Non-current liabilities		
Loans (external)	(10,000)	(10,124)
Other	(15,767)	(15,409)
	(25,767)	(25,533)
TOTAL LIABILITIES	(49,673)	(45,837)
NET ASSETS	166,301	158,675
Net Cash / (Debt)	3,967	110

04

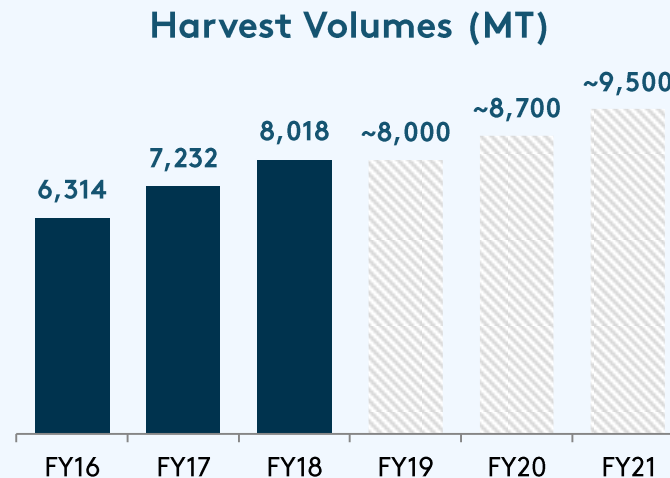
BUSINESS UPDATE



NEAR-TERM FORECAST VOLUMES – FY19-FY21

New Zealand King Salmon re-affirm previous forecast harvest volumes through to FY21.

- FY19 harvest volumes in line with 2018 year at ~8,000 MT, gradually increasing to ~9,500 MT as outlined in our PDS.
- Near-term volume increases will come from:
 - ▶ A reduction in mortality rates (mortality rates are expected to reduce below FY18 levels, but an increase over PDS assumptions has been allowed for).
 - ▶ Increased production from new farms, especially the most recently established Kōpaua farm.



FUTURE FARMING & HARVEST VOLUMES

This slide provides an update on future farming volumes based on subsequent developments:

Farms obtained via EPA process (Waitata, Ngamahau, and Kōpaua):

- The consents for our three new farms provide for gradual increases in production in 3 yearly intervals.
- These farms are anticipated to reach full production in 2033. At full production, the expected increase on current production is ~4,000 MT.

Farm relocation (MPI Consultation Process – see next slide):

- If adopted in its current form, the current Panel recommendation would be unlikely to have any material impact on production volumes.
- We are working to address issues raised for the mid-Waitata site in the Panel report, including landscape, navigation and cultural values. We see this site as an important stepping stone to eventual ocean farming.
- In the event the mid-Waitata site were approved the net impact on production volumes would be positive, with additional production likely to be realised in FY21 / FY22.

Ocean Farming. NZKS is applying for initial consents for a trial farm in the open ocean, near Marlborough:

- Currently evaluating technology that will be required.
- Trials expected to begin FY21 / FY22, with commercial volumes not before FY28.

Continuing to explore waterspace options in other regions of New Zealand.

MPI CONSULTATION PROCESS

In February, the Minister of Fisheries publically released the report and recommendations from the Marlborough Sounds Salmon Farm Relocation Advisory Panel (Panel) for the relocation of up to six of our salmon farms from their historic (nearly 30 years old) locations.

The Panel recommended that three farms be relocated:

- Otanerau Bay in Queen Charlotte Sound to Tio Point in Tory Channel.
- Waihinau Bay to Richmond Bay South, both in Pelorus Sound.
- Ruakaka Bay to Horseshoe Bay in Pelorus Sound.

The decision now rests with the Minister of Fisheries, who is not bound by the Panel recommendation. A decision is awaited.

If the Minister approves the relocation of some of our farms:

- There would be an incremental capital expenditure requirement for new pens and barges suitable for high flow sites.

If the Minister does not approve the relocation of any farms:

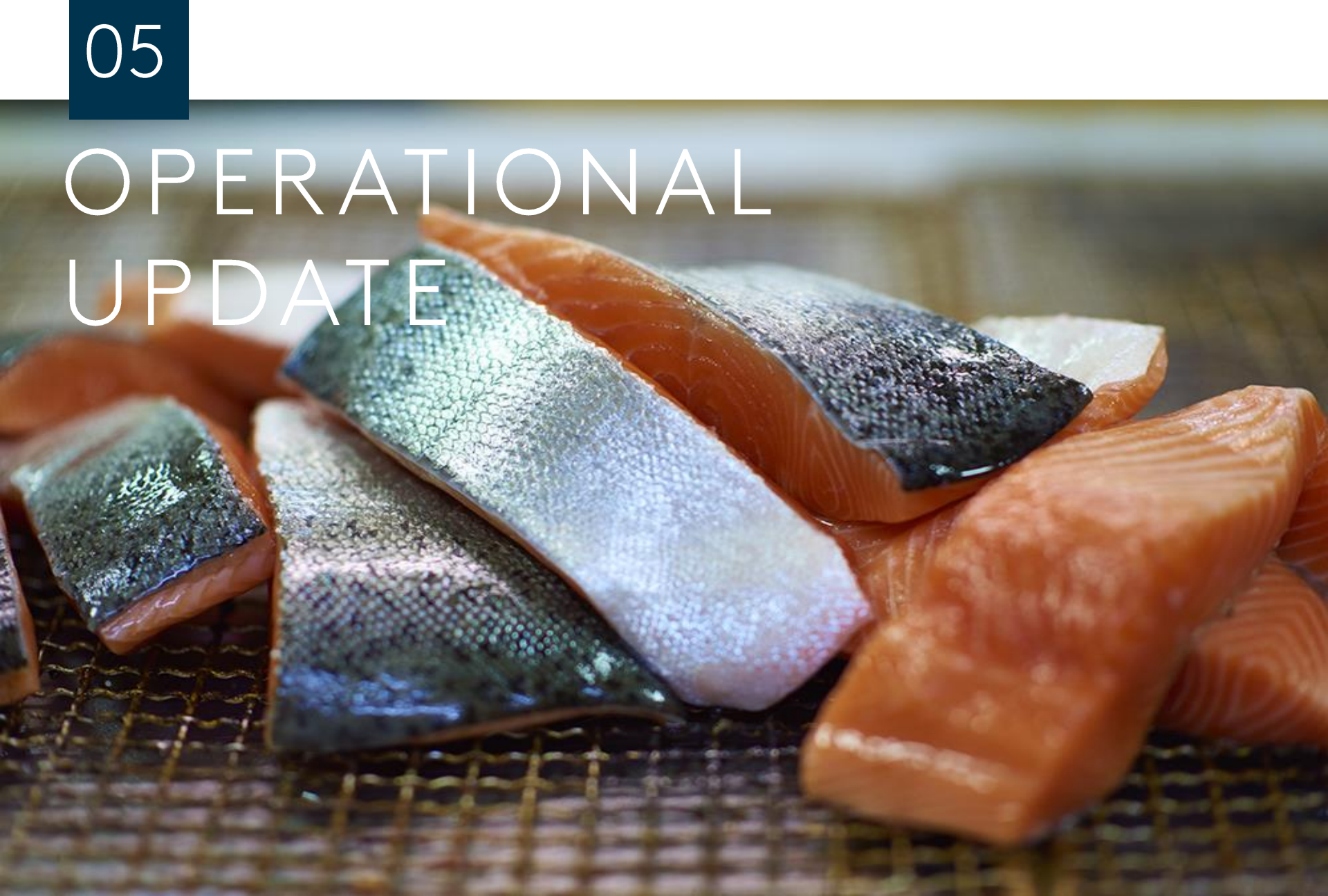
- Our assessment of a worst case scenario is that our harvest volumes might be reduced by ~700-750 MT p.a.
- This is based on an inability to renew one of our seawater consents. However historically we have successfully renewed all consents at their expiry.

New Zealand King Salmon's costs to complete the relocation process through to a Ministerial decision are unknown but are not expected to be material.

Further details on the MPI process can be found at
<http://www.mpi.govt.nz/news-and-resources/consultations/marlborough-salmon-relocation/>

05

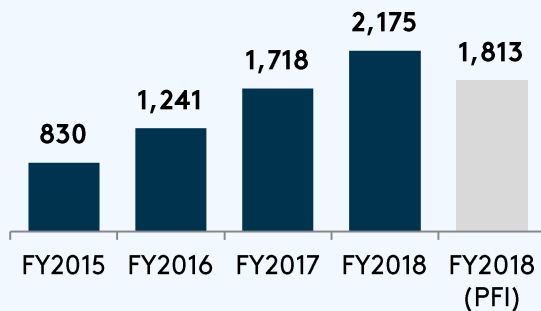
OPERATIONAL UPDATE



SALES BY MARKET - EXPORT

Continued strength in North America

North America (MT)



Sales to North America continued their strong upward trajectory increasing by 27% on FY17, and 20% ahead of our PFI projections.

- We continue to deliberately target the North American market and are pleased to maintain strong sales momentum.
- Ōra King is now used by at least 1,200 restaurants worldwide with a high proportion branded on the menu. The North American market accounts for 65% of all Ōra King sales (FY17 63%).
- FY18 also saw:
 - ▶ The successful launch of Regal smoked salmon in to the North American retail market.
 - ▶ Establishment of a North American subsidiary company to manage timely distribution of retail stock.

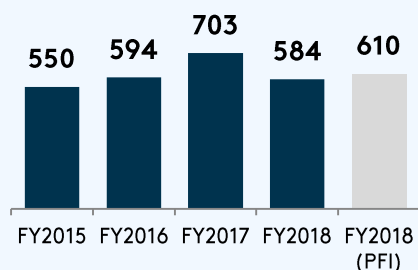
SALES BY MARKET - EXPORT

Strong performance from the majority of other export markets

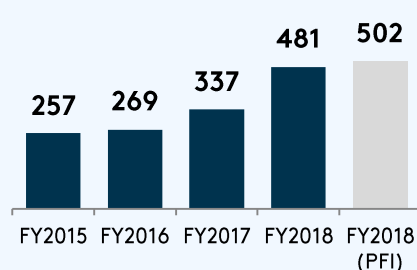
Solid growth was achieved in most other export markets.

- Asia (ex Japan) – this market is growing in significance for New Zealand King Salmon. Sales continued recent momentum with volumes up 43% on FY17, especially pleasing given increases in the weighted average sales price to this market. Consistent growth in China (where we are supported by our shareholder China Resources Ng Fung Limited) was a key driver of this increase.
- Japan – Higher volumes reflected increased sales to this market during 1H FY18 due to increased fish availability.
- Europe – modest growth in sales constrained by lack of supply.
- Australia – volumes returning to FY15/FY16 levels following significant price rebalancing and restricted availability in this market.

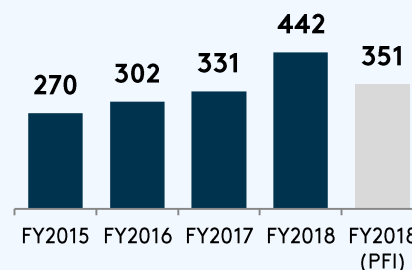
Australia (MT)



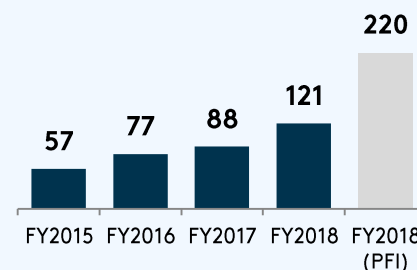
Asia (ex Japan, MT)



Japan (MT)



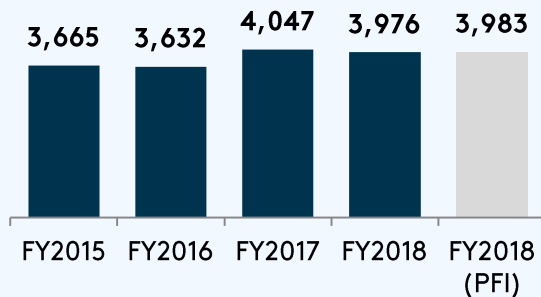
Europe (MT)



SALES BY MARKET - DOMESTIC

Domestic sales steady while balancing supply and demand

Domestic market (MT)



A combination of warmer than usual growing conditions and higher customer demand meant orders surpassed our ability to supply.

With strong growth in North American and export sale volumes, volume available for domestic growth was constrained.

Due to warmer weather patterns in the summer months, retail and food services exhibited strong seasonal demand.

Domestic volumes held at recent levels and accompanied by strong value appreciation.

AVERAGE SALE PRICES

Strong branding delivers improved value to our business

Key markets saw price increases over FY17 and ahead of PFI, a function of intentional value adjustments against a backdrop of demand exceeding supply.

Average Sales price per kg		FY2015	FY2016	FY2017	FY2018	FY2018 (PFI)
Domestic Sales						
New Zealand	NZD	17.50	17.97	18.77	20.22	18.16
Export Sales						
All Markets (Average)*	NZD	18.32	20.12	20.46	21.70	21.00

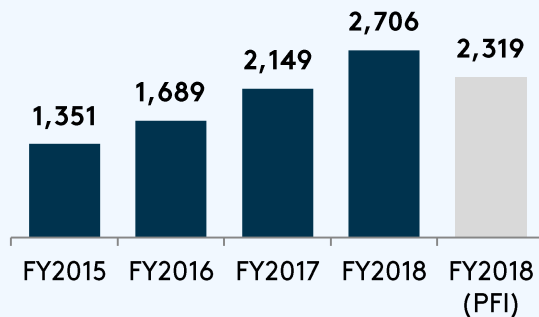
Foreign Exchange Rates Achieved		FY2015	FY2016	FY2017	FY2018	FY2018 (PFI)
NZD:AUD		0.89	0.91	0.93	0.93	0.91
NZD:USD		0.79	0.68	0.69	0.69	0.69
NZD:JPY		77.96	77.52	77.05	75.60	73.92

* Volume weighted average sales price for all exported salmon based on foreign exchange rates achieved as outlined on the table above.

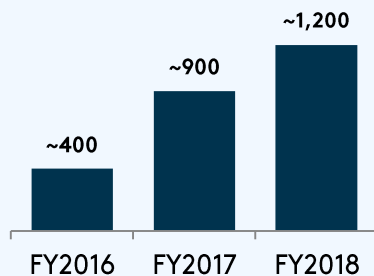
ŌRA KING BRANDED SALES

Continued strength in Ōra King branded sales

Ōra King Sales (MT)



Ōra King - Number of Restaurants



Ōra King branded sales up 26% on FY17, and 17% ahead of PFI.

We are very pleased to deliver another year of strong growth in sales of Ōra King. This growth reflects:

- Ongoing focus on best-practice aquaculture methods to ensure the maximum number of fish meet the strict Ōra King grade.
- Ongoing success in reaching the menus of more restaurants, via a combination of branding campaigns in key markets and focused and better resourced sales activity.
- Increases in the average fish size (4.4 kg) drove increased availability of Ōra King.
- Demand growth continues to exceed available supply.

FISH PERFORMANCE

Harvest volume up 11% on FY17

Harvest volume of 8,018MT, 7% ahead of PFI.

This result was assisted by:

- Improvements in our Feed Conversion Ratio, which lowered from 1.84 to 1.81 (a lower Feed Conversion Ratio is better). This was assisted by our ongoing work on optimal diet for King Salmon.

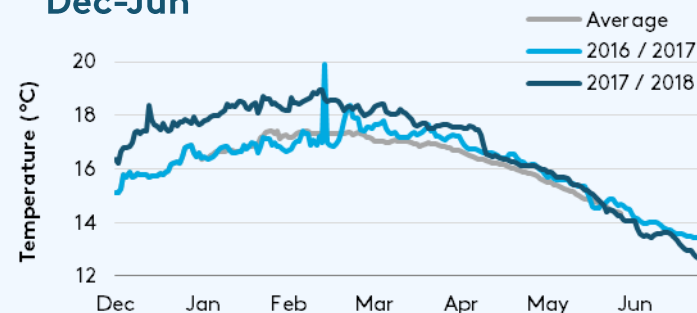
Key challenges:

- Mortality increased from 8.5% to 20.4% (vs. PFI of 11%). This increase was principally driven by a longer period of high water temperatures during the FY18 summer period.
- Higher mortality has resulted in a reduction in our closing biomass (down 13% from FY17), which will limit volume growth in FY19.

Biological Performance

NZ\$000s	FY18	FY17	% chg.	PFI	% var.
Harvest Volume (MT)	8,018	7,232	11%	7,518	7%
Feed Conversion Ratio (FCR)	1.81	1.84	-2%	1.76	3%
Mortality as a % of Biomass	20.4%	8.5%		11.0%	
Closing Livestock Biomass (MT)	5,391	6,227	-13%	6,889	-22%
Feed Cost (\$ / kg)	2.22	2.31	-4%	2.65	-16%

Pelorus Sound - Water Temperatures Dec-Jun



OUTLOOK



OUTLOOK

What we know about FY19

- Due to reduced biomass at sea, harvest volumes are likely to be in line with FY18 at around 8,000 MT.
- Demand remains supportive. The full year impact of price increases is anticipated to drive revenue growth on a consistent volume basis.
- Improved fish survival expected, assuming sea temperatures return to more normal levels in summer FY19.
- Impact of recent softening in NZD limited by historical purchases of FX contracts.
- Feed cost forecast to increase as NZKS continue to increase use of specialist diets to improve fish health and improve mortality rates.
- Capital expenditure for 2019 is expected to be >\$13.0m vs. depreciation of \$7.2m.
- Based on factors known to us at the time of writing, the Directors re-affirm previous guidance for FY19 Operating EBITDA of between \$25.0m and \$28.5m.

APPENDICES



APPENDIX – RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

FY18 NZD 000s	Non-recurring		Pro Forma Historical Information	Fair Value Adjustments	Pro Forma Operating Financial Information
	Statutory Financial Statements	Marlborough salmon relocation costs			
Revenue	160,271		160,271		160,271
Cost of goods sold	(145,320)		(145,320)	47,760	(97,560)
Fair value gain / (loss) on biological transformation	50,309		50,309	(50,309)	-
Freight costs to market	(15,212)		(15,212)		(15,212)
Gross Profit	50,048	-	50,048	(2,549)	47,499
Other operating income	1,822		1,822		1,822
Overheads					
Sales, marketing and advertising	(10,026)		(10,026)		(10,026)
Distribution overheads	(3,703)		(3,703)		(3,703)
Corporate expenses	(6,728)		(6,728)		(6,728)
Other expenses	(2,931)	232	(2,699)		(2,699)
EBITDA	28,482	232	28,714	(2,549)	26,165
Depreciation and amortisation	(5,105)		(5,105)		(5,105)
EBIT	23,377	232	23,609	(2,549)	21,060
Finance income	198		198		198
Finance costs	(888)		(888)		(888)
Net finance costs	(690)	-	(690)	-	(690)
Profit / (loss) before Tax	22,687	232	22,919	(2,549)	20,370
Income tax (expense) / credit	(6,562)	(65)	(6,627)	714	(5,913)
Net Profit / (loss) for the Year	16,125	167	16,292	(1,835)	14,457

APPENDIX – GLOSSARY OF TERMS

FY18	Financial results for the 2018 financial year covering the period 1 July 2017 to 30 June 2018
CAGR	Compounding annual growth rate
EBITDA	Earnings before interest, tax, depreciation and amortisation
FCR	Feed Conversion Ratio – the amount of feed (in kilograms) required to raise fish weight by 1 kilogram
G&G	Gilled and gutted. Note that all volumetric information presented is on a gilled and gutted basis unless otherwise stated
GAAP	Generally Accepted Accounting Practice
Mortality / Mortality Rate	The percentage mortality of salmon in seawater, calculated as the biomass of salmon mortalities in kg divided by the growth of salmon in kg
MT	Metric tonnes
NPAT	Net profit after tax, also reported as net profit for the period in our published financial results
PDS	New Zealand King Salmon's Product Disclosure Statement dated 23 September 2016
NZKS	New Zealand King Salmon
PFI	New Zealand King Salmon's prospective financial information published at the time of our IPO in September 2016
Pro Forma Operating EBITDA	Pro Forma Operating EBITDA refers to earnings before interest, tax, depreciation, amortisation after allowing for pro forma adjustments as described in the Appendix to this document. Pro Forma Operating EBITDA is a non-GAAP profit measure

DISCLAIMER

The information in this presentation has been prepared by New Zealand King Salmon Investments Limited with due care and attention. However, neither New Zealand King Salmon Investments Limited nor any of its directors, employees, shareholders nor any other person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions. There is no assurance that results contemplated in any projections and forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about New Zealand King Salmon Investments Limited.

Our results are reported under NZ IFRS. This presentation includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in this presentation include:

- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance expense / (income), and taxation expense to net earnings / (loss) from continuing operations.
- EBIT. We calculate EBIT by adding back (or deducting) finance expense / (income), and taxation expense to net earnings / (loss) from continuing operations.
- Pro Forma Operating EBITDA refers to earnings before interest, tax, depreciation and amortisation after allowing for pro forma adjustments as described in the Appendix to this document.

We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position or returns, but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

Forward-looking statements are subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.



New Zealand King Salmon

ANNUAL RESULTS FY18