



Market Announcement

21 September 2023

NZK - NEW ZEALAND KING SALMON INVESTMENTS LIMITED ANNOUNCES 1HY24 RESULT

POSITIVE PROGRESS

New Zealand King Salmon Investments Ltd (NZX & ASX: NZK) reports its financial performance for the six-month period ended 31 July 2023 (1HY24). Key points include:

- 1HY24 net profit for the year of \$10.6 million, compared to a net loss of \$24.5 million in 1HY23.
- 1HY24 pro-forma EBITDA of \$10.7 million, compared to an EBITDA loss of \$12.7¹ million in 1HY23.
- Sales volumes increased from 2,885MT in 1HY23 to 3,024MT in 1HY24 (an increase of 5%).
- Revenues increased from \$80.0 million in 1HY23 to \$91.6 million in 1HY24 (an increase of 14%).
- The mortality cost decreased from \$22.3 million in 1HY23 to \$7.8m in 1HY24.
- Earnings guidance range of pro-forma EBITDA has been revised up to \$23.5m - \$27.5m (Original guidance range of \$21m - \$25m provided to market in March 2023).

¹ 1HY23 numbers restated as NZKS is no longer reversing the impacts of NZ IFRS 16 leases as previously communicated.

New Zealand King Salmon Chairman Mark Dewdney noted : “The first half result has seen a continuation of our turnaround which started in FY23. Our new farming strategies have resulted in reductions in mortality, with mortality reducing from \$22.3m to \$7.8m, when compared to the prior comparable period. This, combined with a focus on operational excellence across our processing and sales operations has resulted in a strong result for the first half of FY24.

I would like to recognise the leadership of Graeme Tregidga who as acting Chief Executive led the company extremely well through a challenging set of circumstances. The Board wanted to acknowledge the way Graeme navigated NZKS through a period of immense change and delivered a strong set of results. We are pleased to be retaining Graeme’s talents and corporate knowledge in the business as he returns to the GM of Sales role.

It is an exciting time for the company; with performance improving, the appointment of a new Chief Executive Officer, Carl Carrington, and the successful completion of the Blue Endeavour resource consent application mediation. Carl has joined at an exciting time and the Board is looking forward to working with Carl and the whole NZKS team to continue to strengthen the resilience of and optimise the existing business, while continuing to develop growth options as part of a strategic and operational reset”.

Carl said: “As a business real progress has been made in the past 12 months. We have a truly world-class product and there remains a lot of opportunity within both the existing business and future growth options. Reflecting on his first couple of months in the role Carl noted “I want to thank our many stakeholders who support what we do, it’s a pleasing set of results and we acknowledge we have more work to do”.

The Board is providing a revised pro-forma EBITDA guidance in a range of \$23.5m - \$27.5m from \$21m - \$25m for FY24.

Authorised by:

Board of Directors of New Zealand King Salmon Investments Limited

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About New Zealand King Salmon

New Zealand King Salmon is the world's largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, as well as our New Zealand King Salmon label. We have been growing and selling King salmon to consumers for more than 30 years.

More information can be found at www.kingsalmon.co.nz