



# Premier Fishing & Brands Limited

The First Choice

OUR LATEST ACQUISITION



## UNAUDITED INTERIM RESULTS

for the six months period ended 28 February 2018

### OPERATING PROFIT

↑ 14%  
R20m  
(2017: R18m)

### PROFIT AFTER TAX

↑ 59%  
R29m  
(2017: R18m)

### HEPS

11c ↓ 15%  
(2017: 13c)

### EPS

11c ↓ 15%  
(2017: 13c)

### NAV

↑ 196%  
293c per share  
(2017: 149c)

### A PORTFOLIO OF PRODUCTS AND BRANDS THAT TRANSLATE TO A DIVERSIFIED REVENUE STREAM

#### Fishing operations

SEA DIAMOND



- Live and frozen lobster
- Frozen squid
- Frozen hake
- Raw small pelagics



#### Aquaculture operations



- Farmed and wild
- Canned
- Live
- Dried
- Frozen



#### Fertiliser operations



- Seagro fertiliser



### GROUP PERFORMANCE

Premier Fishing & Brands Limited ("Premier") listed on the main board of the Johannesburg Stock Exchange ("JSE") on 2 March 2017, raising capital of R526 million through the issue of 117 million new shares. The capital raised is being utilised for the expansion of the Group's abalone farm as well as for funding acquisitions of other fishing companies.

The Group delivered an operating profit of R20 million for the six months ended 28 February 2018, an increase of 14% compared to the prior period operating profit of R18 million. The increase in operating profit is attributable to the strong performance of our squid and lobster divisions.

The Group's profit after tax increased by 59% to R29 million from R18 million in the prior period mainly as a result of the strong operating performance of the squid and lobster divisions as well as the interest income generated from the cash raised on listing. Group headline earnings increased by 59% to R29 million from R18 million. Headline earnings per share decreased to 11.10 cents per share from 12.70 cents per share and earnings per share decreased to 11.10 cents per share from 12.68 cents per share due to the increase in the number of issued shares.

The stronger Rand had an impact on revenue, however this was offset by increased sales volumes in the squid and lobster divisions as well as increased market prices for all our divisions.

### ABALONE FARM EXPANSION

The Group commenced with the construction for the expansion of the Abalone farm. Thirty tons of additional animal rearing capacity has been added to date and construction is anticipated to be completed by the end of Quarter 1 in 2019 with production capacity increasing to 320 tons of cultivated abalone upon completion.

### ACQUISITION OF TALHADO

On 30 November 2017, the Group announced the acquisition of a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd ("Talhado") for a consideration of R85 million, subject to conditions precedent. The Group acquired Talhado for its squid fishing rights, brand and processing facilities. This will enhance the Group's footprint in the squid sector. Talhado is the largest squid company in South Africa.

The conditions precedent which consisted, mainly of the approval by the Competition Authorities in terms of the

Competition Act No, 89 of 1998 and approval by the Ministry of Agriculture, Forestry and Fisheries or his delegated authority in terms of section 21 of the Marine Living Resources Act No, 18 of 1998 were obtained on 9 and 11 May 2018, respectively. As the conditions precedent were met after the interim period, the results of Talhado were not consolidated into Premier.

If the financial results of Talhado for the first three-months from 1 December 2017 to 28 February 2018 were included in the consolidated results of Premier, the impact on revenue, operating profit, profit before tax and profit after tax will be as follows:

	Premier Unaudited for the six months ended 28 February 2018	Talhado Unaudited for the three months ended 28 February 2018	Premier <i>pro forma</i> after the inclusion of Talhado for the six months ended 28 February 2018
Revenue	184 580	50 069	234 649
Operating profit	20 269	39 861	60 130
Profit before tax	41 251	39 483	80 734
Profit after tax	28 850	29 237	58 087

The squid industry experienced exceptional catch rates in the current period. The landed volumes and sales volumes for squid was more than double than that of the prior period. The exceptional catch rates and increased sales volumes resulted in an exceptional operating performance for Talhado.

### SUSTAINABLE CATCH PLAN

The Group is committed to sustainable fishing practices and is a member of various fishing associations. We comply with all the laws and regulations in South Africa. The Group's fishing methods and standards are in line with good fishing practices and Premier is very mindful about sustainable fishing. Premier also belongs to various sustainable fishing associations such as SAFE and MSC.

### COMMITMENTS TO TRANSFORMATION

The Group is committed to the principles of transformation and Broad-Based Black Economic Empowerment and continues to place this high on the agenda in order to stay at the forefront of transformation and promote nation building in South Africa.

### FUTURE PROSPECTS

The Group is in a strong financial position which enables it to aggressively pursue acquisitions as well as to further its organic growth strategies. The Group expects to benefit from synergies with Talhado in the near future.

This short-form announcement is the responsibility of the directors, and is a summary of the information in the full announcement published on SENS and on the Premier website. Investment decisions should be based on a review of the full SENS announcement. The full announcement is also available for inspection at the company's registered office during normal business hours at no charge. Copies of the full announcement may be requested from the company by emailing nobulungisa@aeei.co.za

### APPRECIATION

We wish to thank all employees, Group executives, management, our Board of directors, as well as our strategic partners, stakeholders and business partners for their loyalty and dedication in contributing to the success of the Group.

By order of the Board

**Reverend Dr Vukile Charles Mehana**  
Independent non-executive chairman

**Mr Mogamat Samier Saban**  
Chief executive officer

Cape Town  
17 May 2018

Segmental Performance	Segment Revenue		Segment Profit before tax	
	Unaudited 28 February 2018	Unaudited 28 February 2017	Unaudited 28 February 2018	Unaudited 28 February 2017
	R'000	R'000	R'000	R'000
Lobster	89 170	85 997	18 173	17 891
Pelagics	20 101	27 808	4 212	6 012
Hake	15 644	15 143	5 046	5 036
Squid	30 627	18 048	8 338	4 602
Abalone	15 337	18 765	4 615	6 136
Horse mackerel	569	-	569	-
Seagro	2 885	1 667	712	397
Processing and marketing	6 963	12 778	1 045	2 215
Cold storage	3 284	2 461	387	371
<b>Total</b>	<b>184 580</b>	<b>182 667</b>	<b>43 097</b>	<b>42 660</b>