

Tassal Group Limited

“Fresh ideas for improving Return
on Investment”

12th PAC Partners Agribusiness
Conference



Mark Ryan, Managing Director & CEO

28 April 2015

“Tassal’s domestic market strategy maximising per capita consumption growth, with the majority of sales in retail, continues to deliver sustainable growing returns.”



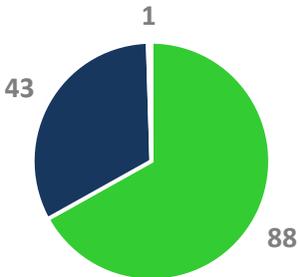
Tassal's domestic market focus



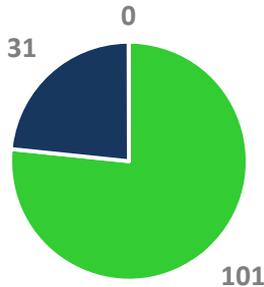
Growing retail sales...

- Retail
- Export
- Wholesale

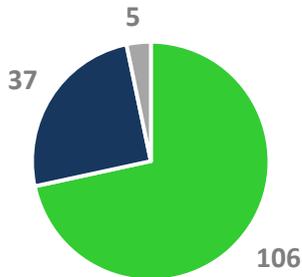
Revenue (\$m) 1H13



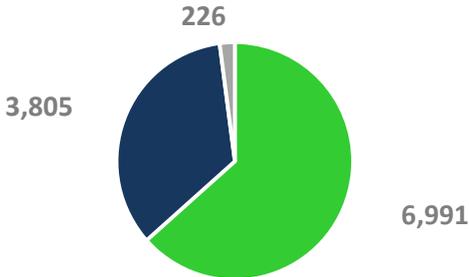
Revenue (\$m) 1H14



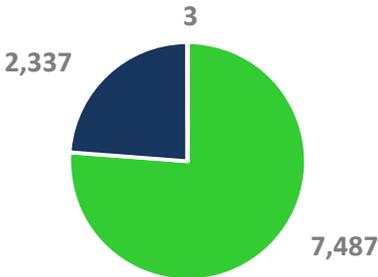
Revenue (\$m) 1H15



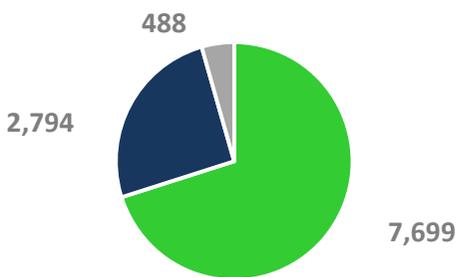
Volume (hog tonnes) 1H13



Volume (hog tonnes) 1H14



Volume (hog tonnes) 1H15



... enhancing an increasingly sustainable business model

Benefits of retail segment sales

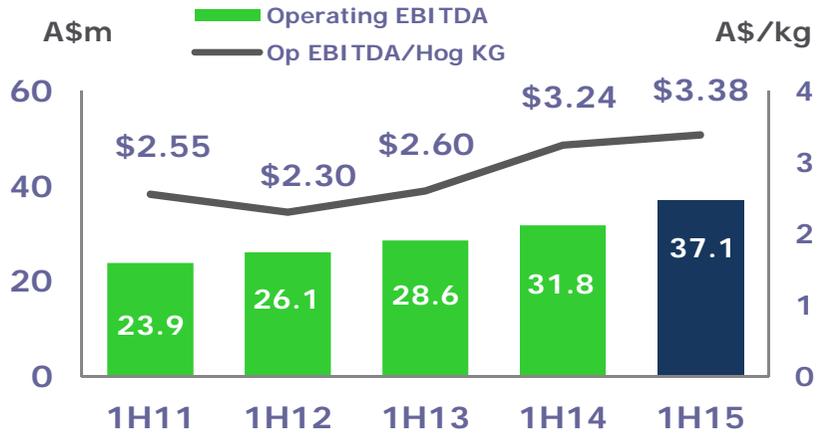


- Use data and category management capability
- Ability to build brand
- New product development and differentiated products
- 1-3 year supply contracts
- Better understand supply volumes
- Known pricing
- Implement promotional strategies
- Underpins sustainable growing earnings

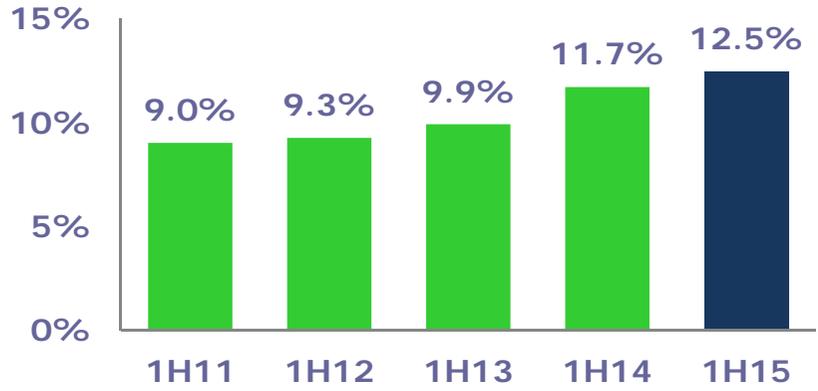
Sustainable growing earnings



Consistent growth in Operating EBITDA



Growing Return on Assets



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Q3 FY15 trading update



1H15 earnings growth trend continued in Q3

- Excellent fish growth
- Originally expected to be stronger than 1H15, performance dampened by soft Easter trading and continued prevalence of imported Norwegian products affecting pricing
- Retail continuing to underpin growth
 - pricing stable and volumes up
- Wholesale hog pricing down circa \$2/kg and volumes up
 - announced \$1/kg wholesale price increase from 1 May
- Export pricing down, margins low and minimal volume
- Strong operating cashflow

“Tassal’s base infrastructure is in place, and the company is recognised as a global leader in sustainable aquaculture.”



Expansionary phase now underway



Underpins further growth in earnings and returns

- Major capex spend finished in FY14
 - \$185m invested since FY09 to build world class infrastructure
- Next phase of expansionary investment set to drive further growth in returns generated
 - able to balance bottom line growth with expansionary capex spend to ensure growing returns
- Investment allowing supply growth to be balanced with increasing domestic per capita consumer demand
- Capex primarily focused on hatcheries, lease expansion and optimisation
- Strong balance sheet – with low debt – supports expansionary phase growth capex

Global leader in sustainable aquaculture



Sustainability is at the core of everything we do

- Tassal has achieved multiple firsts reflecting our global leadership in sustainable salmon farming, a key differentiator from other companies operating in the industry:
 - first Australian aquaculture company to produce a sustainability report
 - rated the world's leading salmon farmer by Seafood Intelligence (2014) for Corporate, Social & Environmental Reporting
 - first Salmon grower in the world to certify all of its marine farming operations to Aquaculture Stewardship Council Salmon Standard
 - only Australian salmon or aquaculture company to have a partnership with WWF Australia
- Tassal welcomes the Federal Senate inquiry which will allow Tassal to present its environmental and social credentials

“Growth strategy will deliver further earnings impetus.”



Growth strategy



Move to "Salmon & Seafood" will provide further earnings impetus

- Growth strategy will see Tassal move from "Salmon only" to "Salmon & Seafood"
- Seafood market in Australia is a \$4.3bn market... that provides enormous opportunity
- Salmon market competition is growing
- Expanding from "Salmon only" to "Salmon & Seafood" provides:
 - another income stream
 - a wider range of sustainable products
 - synergies across sales offerings (including new product development and innovation), category management, and distribution/supply chain

Investment proposition



World class vertically integrated salmon company, moving to "Salmon & Seafood" growth strategy

- Domestic market strategy
 - majority of sales into retail
- Benefits of scale and vertical integration increasing margins
- Major \$185m capex spend (over 5 years) finished in FY14
 - expansionary capex programme now progressing
- Global leadership in sustainable salmon farming
- Growth strategy to move into "Salmon & Seafood" will see exceptional increase in Total Addressable Market to \$4.3bn
- Strong balance sheet
- Growing earnings
- Growing dividend

Thank you, and questions



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It's easy to get hooked on Tassal salmon.



In a pasta today.

On a barbie tonight.



Salmon Kebabs



For breakfast tomorrow.

Salmon Bagel with Scrambled Eggs



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