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NZK - NEW ZEALAND KING SALMON INVESTMENTS LIMITED ANNOUNCES 1HY25 RESULT

New Zealand King Salmon Investments Ltd (NZX & ASX: NZK) reports its financial performance for the six-month period ended 31 July 2024 (1HY25). Key points include:

- 1HY25 net profit for the year of \$6.0 million, compared to a net profit of \$10.6 million in 1HY24.
- 1HY25 pro-forma EBITDA of \$13.5 million, compared to an EBITDA of \$10.7 million in 1HY24.
- Sales volumes increased from 3,023MT in 1HY24 to 3,178 MT in 1HY25 (an increase of 5%).
- Revenues increased from \$91.6 million in 1HY24 to \$101.7 million in 1HY25 (an increase of 11%).
- The mortality cost increased from \$7.8 million in 1HY24 to \$8.5 in 1HY25.
- Earnings guidance range of pro-forma EBITDA has been revised to \$26 million - \$30 million (original guidance range of \$26 million - \$32 million provided to market in March 2024).

New Zealand King Salmon Chair, Mark Dewdney, said: "The half year result for the period ended July 2024 is underpinned by the continued steady performance of our new fish farming approach. This gives us further confidence that we will be able to deliver strong aquaculture outcomes again this summer. Sales have held up well across all markets and channels, despite global cost-of-living pressures. We are happy with our solid first half result."

New Zealand King Salmon Chief Executive Officer, Carl Carrington, said: "Looking forward, we are revising our full year harvest downwards to 6,800MT due to elevated levels of early runting (fish failing to adapt to seawater). Our aquaculture team is working closely with experts to address this challenge. Initial trials of mitigants are looking promising, and we are assessing options for pilot trials of freshwater Recirculated Aquaculture Systems (RAS) which we believe may also improve fish outcomes when adapting to seawater."

Regarding sales, Carrington noted: "We are making steady progress in developing our presence in China. We are focused on establishing a premium position for our Regal brand in this market through partnering with premium customers across multi-channels. Market support is positive, and King salmon is recognised by customers for its premium taste, texture and presentation. Quality distribution is growing on a trajectory consistent with building the value proposition ahead of volume. Patience and consistency are required to lay the right foundations for the longer term."

Planning for the pilot trial of Blue Endeavour is well underway, with the ordering of two pens and associated mooring infrastructure which will grow up to 500MT at the Blue Endeavour site. The first fish for this pilot farm are currently growing at our Tentburn facility. We anticipate they will be relocated to our nursery farm in Pelorus Sounds around April 2025, and then to Blue Endeavour around October 2025. "This is a milestone achievement for New Zealand King Salmon and New Zealand more generally, and we are cautiously optimistic the site will prove up a transformational growth pathway," says Carrington.

“I express gratitude for the efforts of all our team members who are committed to help our company create a healthier world. I thank our customers and distribution partners for their continued support – together we create memorable culinary experiences for consumers the world over,” says Carrington.

The Board is providing a revised pro-forma EBITDA guidance in a range of \$26 million - \$30 million.

Authorised by:

Board of Directors of New Zealand King Salmon Investments Limited

For investor or analyst queries, please contact:

Carl Carrington, CEO, New Zealand King Salmon Investments Ltd,

carl.carrington@kingsalmon.co.nz

Ben Rodgers, CFO and Company Secretary, New Zealand King Salmon Investments Ltd,

ben.rodgers@kingsalmon.co.nz

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 35 years.

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