



Financial year 2017 results

Reunion Island, March 29, 2018 – 18.00am (Central European Time)

- **Success of SAPMER's recovery plan launched in 2015 amidst a more favorable market environment**
- **Continued decrease in the net debt at twice the 2017 EBITDA**

“While SAPMER has just celebrated its 70th anniversary, year 2017 highlights the success of its recovery plan that was launched in 2015, at a time when the company was facing a low cycle on tuna fishing activities.

The 2017 results, driven by a particularly favourable year on tuna fishing activities, have allowed the absorption of losses incurred over the previous years and the company can look again at the future with confidence.

In 2017, thanks to the implementation of a fishing quota on yellowfin tuna in the Indian Ocean, the three fisheries of the group now benefit from a strict regulation that ensures a sustainable management of the resource.

The strict respect of marine environments and resources, along with the compliance with regulations, the support of scientific research and the recognition through such certifications as the MSC, illustrate SAPMER's commitment to sustainable management that characterise our spirit since the very beginning. It is a typical French know-how and trademark that have thus been set up over those seven decades and with several generations of seafarers.

The state of resources and their sustainability are crucial to the future and thus need to be carefully managed. The quota levels, determined yearly according to the state of resources, are critical and form the basis of our current activities and our future expansion, for which our upstream and downstream investments in the sector are scaled.

The 1,000 people that are part of the SAPMER team, who share on a daily basis their passion for the sea, continue to work towards the improvement and objectives of their respective activities, to ensure that they are sustainable through the cycles and risks inherent to the fishing industry,” stated Adrien de Chomereau, Managing Director.”



Financial year 2017 (1st January to 31st December)

The meeting of the Board of Directors of SAPMER held on 19th March 2018 has approved the accounts for fiscal year 2017. Audit procedures on consolidated accounts have been carried out. The certified report is being finalised.

In millions of Euros – IFRS	2017	2016
Turnover	172,9	129,5
EBITDA	38,5	30,0
Operating income	30,1	16,8
Financial income	(5,0)	(2,7)
Pre-tax income	25,1	14,1
Net income – Group share*	22,8	12,1

*The net income Group share for 2014 have been -11,9 M€ and -6,1 M€ for 2015

Turnover

The turnover for the period reaches 172.9 M€, a steep increase caused by the takeover of the four tuna seiners from 'Sapmer Investissement', its parent company in Reunion Island, bringing the tuna fleet of SAPMER SA to 9 vessels. In constant perimeter value, the turnover shows a 7% decrease (-8.8 M€).

The fisheries activity accounts for 89% of the turnover for the period under review:

- The lobster turnover, mainly achieved during the first half, shows a 12% increase compared to 2016 thanks to an increase in sales price combined with a favourable EUR/USD exchange rate at the beginning of the year.
- The decrease in the toothfish turnover is mainly the result of a decrease in volume caused by the delayed offloading of a longliner in 2018. Moreover, the evolution of the dollar exchange rate, which declined around the year end, has had a negative impact on the sales of toothfish denominated in euros, despite stable sales prices.
- The raw tuna turnover reached 85.3 M€ in 2017 and includes the takeover of the four tuna seiners. The implementation of fishing quotas on yellowfin tuna has caused a decline in volume during the second half that was mitigated by a price effect (same turnover for the two semesters).

The sales of processed tuna (loin, steak, etc.) have recorded a growth of 31% thanks to the emphasis laid by the Group on the quality of our 100% natural products made from a unique raw material (wild fish, frozen on board of our tuna seiners in dry holds at -40°C). The growth in our clients' acknowledgement of this quality and the entry on new niche markets translated into an increase in sales prices of +8.2% compared to 2016.

Operating margin

With a mostly fixed operating cost structure, the increase in the profitability of the lobster fishing activity is a direct consequence of the rise in its turnover. The tuna fishing activity has benefited from the implementation of fishing quotas at the end of May 2017 which has had



two positive effects on the second half of 2017: an increase in the price of raw tuna in the Indian Ocean and a decrease in logistics costs for export.

As for the operational margin of toothfish, besides a delay in offloading in 2018, it suffered from the increase in fisheries license fees, the decrease of the dollar around the year end and the implementation of a crew rotation put in place the end of 2016. Indeed, more than 20 additional sailors have joined our Southern fleet thanks to the implementation of this new organisation.

This has improved the working conditions of our crews, the quality of the processing of fish on board and allows us to explore new fishing zones in the Great South as per the pioneering spirit that characterises Sapmer since 1947.

The operational margin of the value-enhancing operation benefits from the reversal of a provision (with a net impact of +3.5 M€ on 2017 results) that was noticed following the restructuring of this activity at the end of 2016, which has also allowed a significant decrease of this operation's break even point in 2017.

The decrease of the financial result compared to 2016, which had enjoyed a favourable euro/dollar hedging, is mainly linked to losses in exchange rates following the rapid decline of the dollar.

Following the taxation on profits, the company shows a net profit of 22.8 M€.

Financial structure

The equities reach 72.0 M€ and the net financial debt decreases to 73.8 M€. The debt-to-equity ratio continues to improve at 1.0 compared to 1.6 in 2016.

Prospects

The consistent demand for wild 100% natural seafood, which benefits from a strict resource management and the quest for optimising operations, gives encouraging long-term prospects for SAPMER and its partners.

As for the beginning of the year 2018 we have been exposed to some less favourable indicators pointed out as:

- The prices of raw tuna recorded a significant decrease due to good fishing in the Indian Ocean as well as in other oceans.
- The decrease in the Euro/Dollar exchange rate (about of 15%), detrimental to our Southern sales, and already noticed during the fourth quarter of 2017, is extending to 2018 with little visibility for the coming months.
- The price of diesel is increasing.

SAPMER, which is committed to sustainable fishing since 1947 in the French Southern and Antarctic Lands (TAAF – Terres Australes et Antarctiques Françaises) and since, in the Indian Ocean, offers the most sought-after quality sea products while fully respecting the marine ecosystems.



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Contacts

SAPMER

Communication Desk – Phone: 0262 42 55 01 – communication@sapmer.com



About SAPMER – www.sapmer.com

SAPMER is the traditional operator of offshore fishing in the seas around the French Southern and Antarctic Lands (TAAF – Terres Australes et Antarctiques Françaises) from Reunion Island. Founded in 1947, SAPMER operates a wholly owned fleet of four deep-freeze longliners for toothfish fishing, a lobster deep-freezer trawler and nine deep-freezer tuna seiners (onboard freezing up to -40°C) for yellowfin and skipjack tuna fishing in the Indian Ocean.

Aligned on high value niche operations, SAPMER segment's its activities into two categories:

- A fishing activity that comprises the sales of toothfish and Southern lobster caught in the Southern Seas (economic zones of the French Southern and Antarctic Lands (TAAF – Terres Australes et Antarctiques Françaises), and the sales of raw tuna (yellowfin and skipjack) caught in the Indian Ocean.
- Processing and value added activity (sashimi loins, steaks...) of frozen fish produce.

SAPMER is listed on the Alternext Paris – Code ISIN FR0010776617 – ALMER