

Financial year 2018 results

Reunion Island, April 5, 2019 – 08.00 am (Central European Time) –

- **In a context of less favorable prices than 2017, the 2018 financial year demonstrates the strength of the SAPMER Group's model.**
- **A clear improvement during the second half of 2018**
- **A debt in continuous decline**

“2018 showed both Sapmer’s resilience in times of less favorable prices but also the first steps of the evolving business model that SAPMER is building. Whilst combining performance and sustainability, this integrated business model continuously pursues the search for progress in every link of the value chain, from the fisherman to the consumer.

Since the creation of SAPMER more than 70 years ago, and at every stage of its development, each one of our collaborators on land as well as at sea have been working in seek of a balanced performance between sustainability of the resource, economic sustainability and a sustainable contribution to the territories where we are located. This equation is the heart of the 1,000 employees daily work, but is also the pillar of the SAPMER’s group project that we are crafting for the coming years.

For this to happen, the quota levels are decisive and constitute the essential base for all our current activities but also our future developments for which all our upstream and downstream investments are dimensioned.

The renewal of the MSC Sustainable Fishery certification for our Patagonian Toothfish, the development of the tuna fishery regulations in favor of a sustainable exploitation of the resource, the opening of a second SAPMER direct to consumer store in France, or the development of new products under the brand “Les Comptoirs Sapmer”, are all illustrations of the evolution that SAPMER intends to pursue and promote in future years.” commented Adrien de Chomereau, CEO of SAPMER.

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

The board of Directors held on the 4th April, 2019 approved the accounts for fiscal year 2018. Audit procedures on consolidated accounts have been carried out. The certified report is being finalised.

En millions d'euros – IFRS	S1 2018	S2 2018	2018	2017
Turnover	90,2	90,7	180,9	172,9
EBITDA	11,0	15,5	26,5	38,5
Operating income	6,7	9,3	16,0	30,1
Financial income	(0,8)	(0,9)	(1,7)	(5,0)
Pre-tax income	5,9	8,3	14,2	25,1
Net income Group share	4,9	7,3	12,2	22,8

Turnover

In 2018, SAPMER recorded a turnover growth of 4.6% at € 180.9m.

While the selling prices of two of the species caught (Patagonian Toothfish and Skipjack Tuna) were downward in 2018, fishing for all allocated quotas, as well as the pursuit of quality efforts and improved conditions operating income, allowed the level of activity to increase slightly.

The SAPMER Group, the leading French fishing company, generates 47% of its revenue in Asia, 27% in the Indian Ocean and 19% in Europe.

Operating margin

The fishing business recorded a lower operating margin than in 2017. The 3 fisheries are down. In addition to the negative inventory changes, the main cause of this decline is the contraction in selling prices per kilogram of Patagonian Toothfish and raw tuna, which was not fully offset by the significant decrease in the fishing cost per kilogram.

The operating margin of the valorization activities increase. This strong improvement comes from the lower cost of the raw material, as a result of the drop in the fishing cost per kilogram and the improvement of the quality which allows a rise in the average selling price for the fourth consecutive year. It should be noted that the valorization activity includes for the first year sales of finished products other than valued tuna. These sales are entirely made in the Group's "Les Comptoirs Sapmer" (SAPMER direct to consumer store). SAPMER continues to promote its indian ocean and wild fish and shellfish fisheries, through a range of 100% natural finished products from its 3 fisheries.

The financial result is in very strong improvement, due to the deleveraging of the company and the foreign exchange losses that were recorded during the first half of 2017

After taking into account income taxes, the company generates a net profit of € 12.2 million.

Financial structure

The equities reach 82.5 M€ and net financial debt decreases to 61.5 M€. The debt-to-equity ratio continues to improve at 0.75 compared to 1.0 in 2017 and 1.6 in 2016.

Prospects

The quota for Patagonian Toothfish for the 2018/19 campaign is once again slightly lower, that of Rock Lobster slightly higher and those of tuna stable for 2019.

The prices of the three fisheries are at the beginning of the year below those recorded in 2018, but the euro/dollar exchange rate, and gasoil price are more favorable. Operational excellence in the conduct of fishing and the valorization of its products remain the core of the Group's strategy.

SAPMER continues to strive to constantly improve its model at every link in the value chain, from the fisherman to the consumer. This translates into a search for exemplary management of the resource, the environment and compliance with all the rules. Access to the resource and its good management are indeed the fundamentals of fisheries sustainability and those of SAPMER.

SAPMER, committed since 1947 to sustainable fishing in the French Southern and Antarctic Territories (TAAF), then in the Indian Ocean, offers among the most noble species, natural products of the highest quality in the greatest respect of marine environments.

About SAPMER – www.sapmer.fr

SAPMER is the pioneering offshore fishing operator in the French Southern and Antarctic Lands (TAAF) seas based in Reunion Island. Founded in 1947, SAPMER operates a fleet of four deep-freeze longliners for Patagonian Toothfish fishing, a lobster trawler and nine deep-freeze tuna seiners (on board freezing up to -40 °C) for tropical tuna (Yellowfin and Skipjack) fishing in the Indian Ocean.

SAPMER is fully committed to a responsible and sustainable fishing approach and complies with the Dolphin Safe, Sustainable Indian Ocean Tuna Initiative (FIP SIOTI), ISSF Proactive Vessel Register (PVR) and the Friends of the Sea FAD Free certification, for its tuna activities. It also holds an MSC certification for its Patagonian Toothfish fisheries in Kerguelen and Crozet (SARPC).

Operating in a high value niche market, SAPMER segments its activities into two categories:

- A fishing activity that comprises the sales of Patagonian Toothfish and Rock lobster caught in the Southern Seas (economic zones of the French Southern and Antarctic Lands) and the sales of raw tuna (Yellowfin and Skipjack) caught in the Indian Ocean.
- A value-added activity for our Premium fishery products: sashimi loins, steaks, cubes, rillettes, smoked fish.

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

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