

Turnover for the first half of 2019

Reunion Island, Le Port, 11 October 2019 – 8:30 am (Paris Time)

Stable financial performances

- Revenues of €87.5 million, down 3%.
- Stable operating income (excluding the impact of IFRS 16)
- Net income slightly down by €-170k (excluding the impact of IFRS 16)

In spite of unfavourable market conditions (result of historic price decreases in tuna and patagonian toothfish fisheries, but stable in the rock lobster fishery), SAPMER is maintaining its levels of income, activity and investment during this first half of 2019,. *“We are moving forward, and progressing every day, step by step, towards the integrated model we are implementing. Our teams are committed to provide a unique offer – from fisherman to consumer – to our customers,”* explains Adrien de Chomereau, CEO of SAPMER.

Consolidated turnover (1st of January – 30th of June)

The half-yearly financial statements are not subject to audit procedures.

In million euros – IFRS	H1 2019 published*	H1 2019 excluding IFRS 16 impact)	H1 2018
Turnover	87.5	87.5	90.2
Gross operating surplus	16.3	12.0	11.0
Operating income	9.3	6.6	6.7
Financial income	(3.1)	(0.8)	(0.8)
Income before tax	6.2	5.8	5.9
Tax	(1.1)	(1.1)	(0.9)
Share in the net income of associates	(0.0)	(0.0)	(0.1)
Net income – Group share	5.0	4.7	4.9
Investment expenditure	6.8	6.8	6.5

*1st application of IFRS 16 as from 1 January 2019, which requires the recognition in the balance sheet of leases that previously appeared as off-balance sheet commitments:

- Sapmer employs the simplified retrospective approach: comparative figures for 2018 have not been restated.
- New assets and liabilities are recognised in the balance sheet: the lessee recognises a right-of-use asset based on its right to use the asset and lease liabilities based on the obligation to make lease payments.
- In the income statement, rents are replaced by a depreciation of the “right of use” over the term of the contract and by interests expenses incurred from lease liabilities in the financial result.

Turnover

The fishing activity, including the sales of fish and rock lobsters from our southern fisheries and the sales of raw tuna, represents 89% of the total turnover and is down by -4%.

Patagonian toothfish and rock lobster volumes are lower than in H1 2018. Patagonian toothfish and Skipjack tuna prices are down significantly despite the strength of the dollar against the euro. Rock lobster prices are stable.

The turnover from the value-added activity, at €9.6 million, recorded a 4% increase as a result of the significant increase in the average sales price of the processed tuna. The turnover benefits in particular from the quality of raw tuna from our tuna seiners capable of dry freezing to -40 °C, and from an improvement in production yields in our value-added unit, the result of improvements launched a few months ago.

Operating margin

Excluding the impact of IFRS 16, the increase in EBITDA is mainly due to inventory changes, which offset the slight decrease in turnover of 3% and the slight increase in operating costs, which remain under control and as budgeted (+1.5%).

The operating income for the first half of the year amounted to €6.6m, stable compared to the previous year, excluding the impact of IFRS 16.

The financial income, excluding the impact of IFRS 16, remains stable due to slight foreign exchange losses in H1. The cost of financial debt is lower than in H1 2018 due to the decrease in financial debt.

After taking into account income taxes, the company generates a net income of €4.7 million excluding IFRS 16, and €5.0 million after taking into account its application.

Financial structure

Equity amount to €87.2 million excluding the impact of IFRS 16 and €104.1 million, taking into account the application of IFRS 16. Net financial debt totals €60.2 million excluding the impact of IFRS 16 and €128.5 million, taking into account the application of IFRS 16.

Outlooks

Raw tuna prices and toothfish prices had not reached such low level since the 2nd quarter of 2015. SAPMER continues to improve the efficiency of its business activities and is closely monitoring the evolution of these two market indicators.

About SAPMER – www.sapmer.fr

SAPMER is the pioneering offshore fishing operator in the French Southern and Antarctic Lands (TAAF) 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 dry freezing 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 Processing & Value-Added activity (sashimi loins, steaks, cubes, rillettes...) of fishery products.

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

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