



10 February 2022

NZX Continuous Disclosure

Sanford Sees Start of Post-Pandemic Recovery, but Omicron Impacts Ahead

New Zealand seafood company Sanford Limited (NZX:SAN) has released a first quarter update for 2022, showing improvements in sales volumes and prices for the period, consistent with the company's expectations.

Sales volumes are up 11% versus Q1 2021. Other notable results include:

- Pricing improvements in the wildcatch division (see graphs below for divisional details), but lower sales volumes on the prior comparable period (pcp), down 12%. Volume impact in wildcatch offset by favourable pricing, up 24%.
- Strong customer demand for Greenshell mussels saw pricing in this division up 12% versus pcp and sales volumes up 30%.
- Strong demand in key markets sees salmon sales volumes up 47% versus pcp. Have also cleared remaining frozen stock in this period.

CEO Peter Reidie says "this is a good result, which shows that things are improving in a way that is meeting our expectations. We continue to face supply-side challenges around access to labour and freight costs. Looking ahead, there are additional challenges posed by Omicron.

"These challenges will likely be operational, where the last two years have been defined by suppressed demand. Now demand is recovering in many of our markets, but we are preparing for further disruption in local supply chains and for labour issues in a tight labour market."

Mr Reidie says Sanford is focusing on the challenges the company can control, which includes having a fully vaccinated workforce, operating teams in bubbles wherever practicable and having plans in place to manage the absence of key individuals.

Sanford is also acknowledging challenges outside of the pandemic, such as rising ocean temperatures, which can impact aquaculture operations.

Mr Reidie says "we have seen warmer-than-usual waters in our Big Glory Bay salmon farm for January. This has had some impact on salmon mortalities, although these were not outside the previous three year's average for this month. We are managing this carefully with lower stocking densities and additional aeration in all our salmon pens. However, the period ahead from March to May is traditionally a critical one for oxygen levels and algae, so we will continue to monitor and manage carefully."

Sanford is exploring options for its crayfish quota, which it fishes and manages through third parties, which may result in its sale. It intends to reach a decision before the April start of the quota year for that species.

Sanford also confirms it is on track to communicate the results of its strategy refresh by June, as previously announced.

Please find fresh imagery from Sanford, free for media use [in Dropbox here](#)

For further information, please contact:

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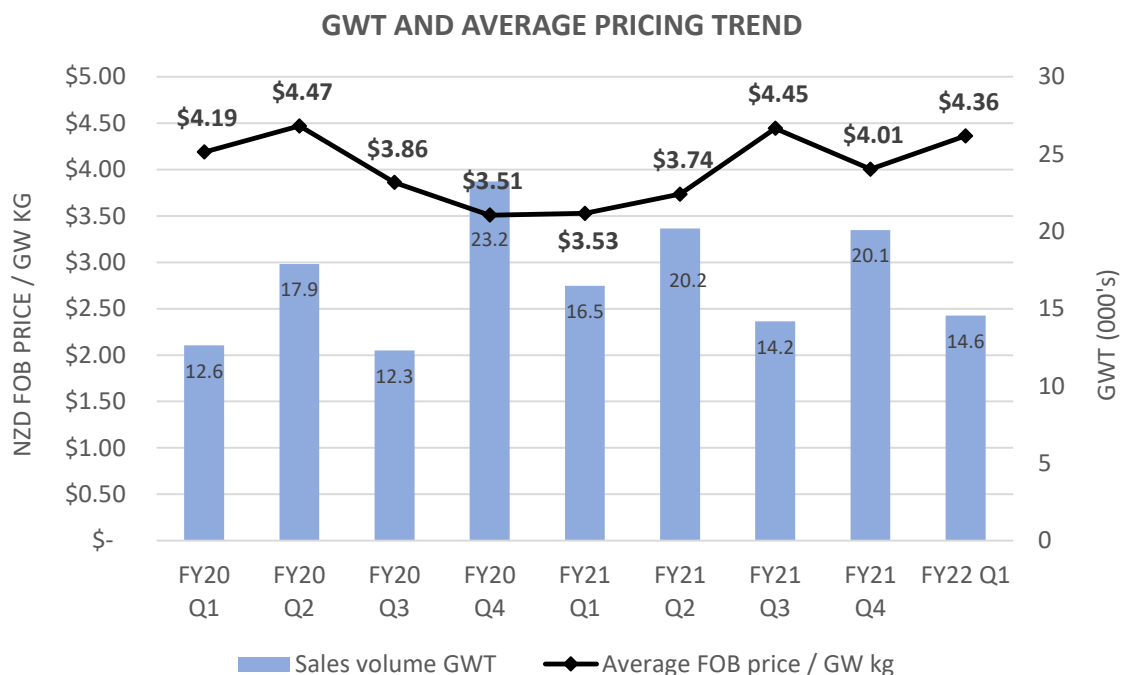
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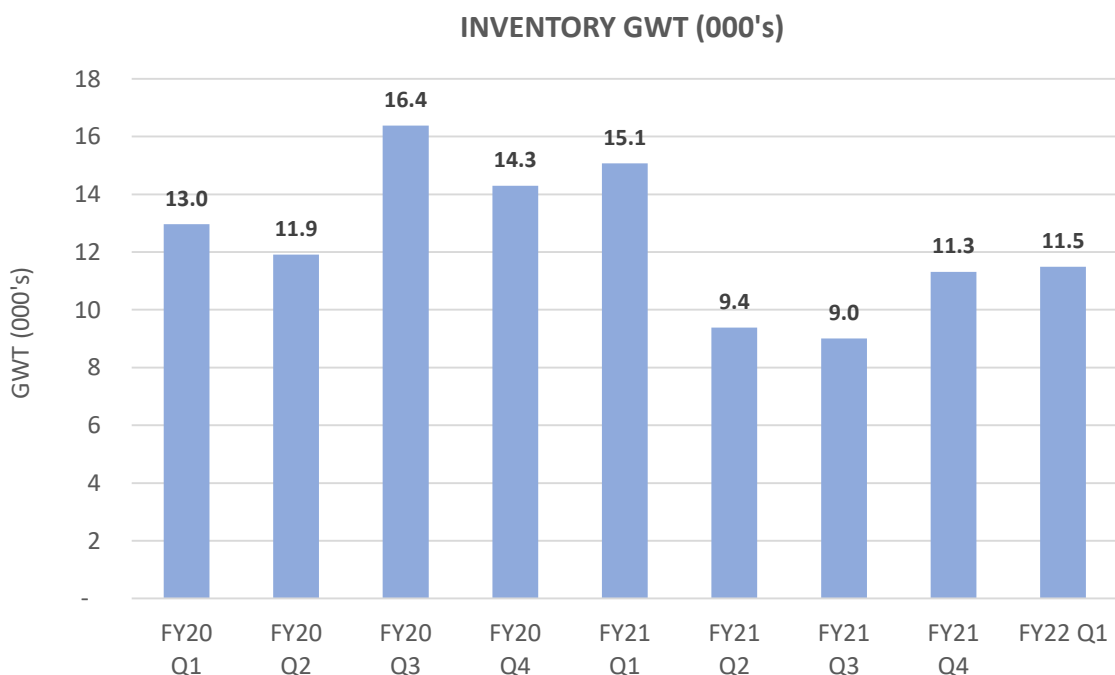
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See following pages for graphs containing divisional data

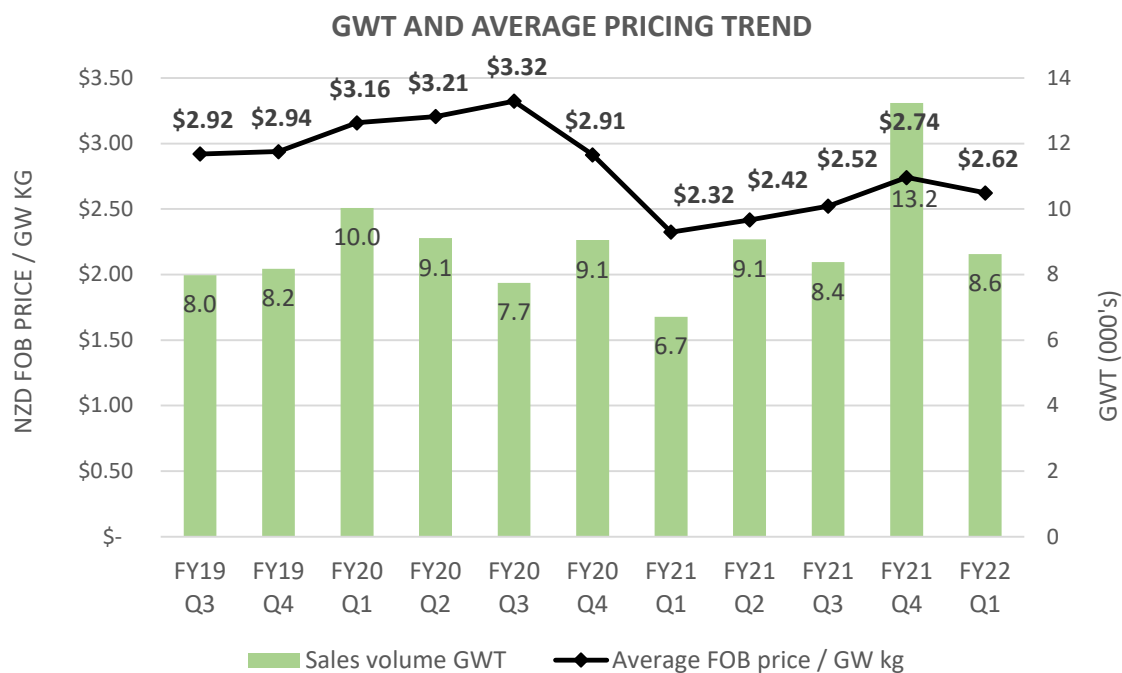
Wildcatch division: quarterly data – sales volume and pricing



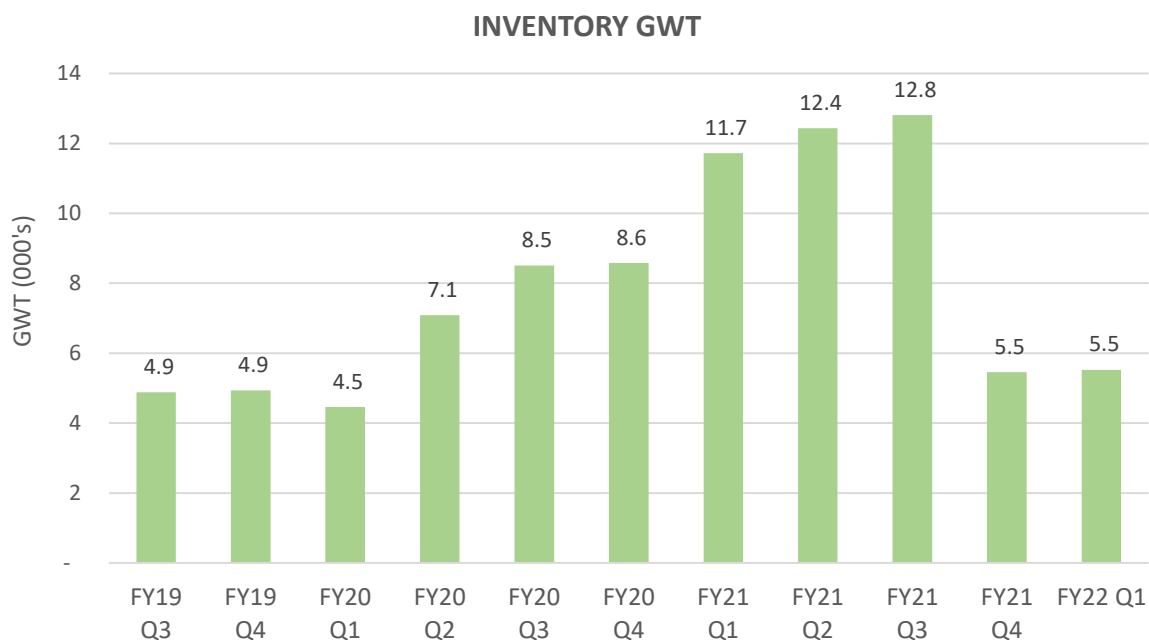
Wildcatch division: quarterly data - inventory



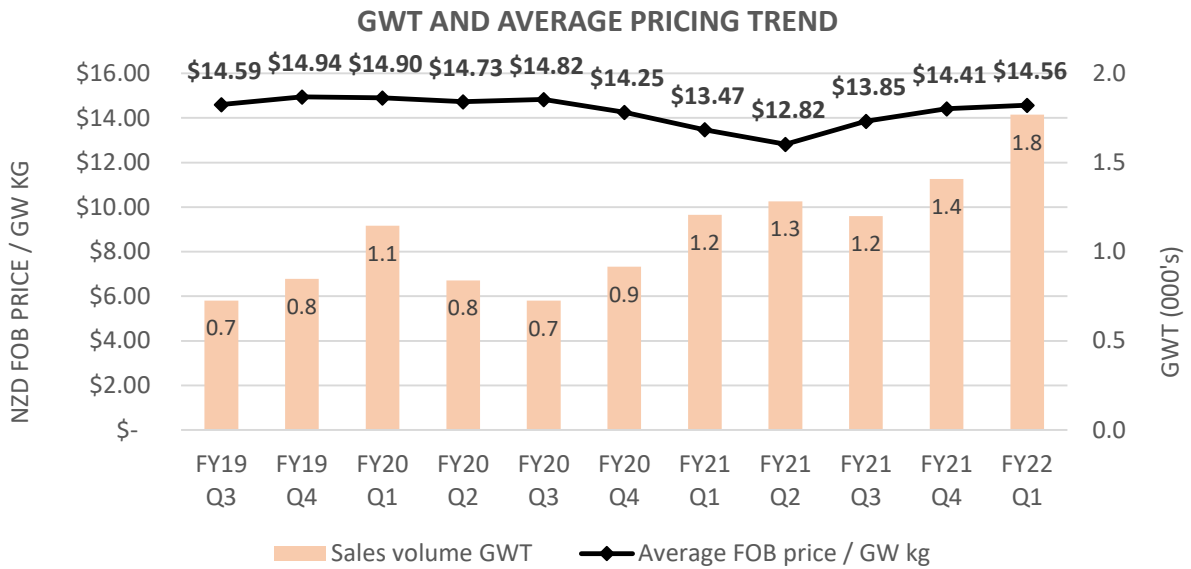
Mussels division: quarterly data – sales volume and pricing



Mussels division: quarterly data - inventory



Salmon division: quarterly data – sales volume and pricing



Salmon division: quarterly data - inventory

