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Sea Harvest delivers firm interim results with HEPS surging 91%

The Sea Harvest Group has reported a robust set of interim results for the six months ended 30 June 2025, with headline earnings per share (HEPS) increasing by 91% to 95 cents.

Source: capeargus.co.za

The Group's strong performance was underpinned by global seafood demand, improved catch rates, and efficiency gains across its South African Fishing operations.

Revenue climbed 34% year-on-year to R4.4bn (2024: R3.3bn), reflecting a blend of 13% organic growth from volume gains and firmer hake pricing, alongside 21% acquisitive growth following the inclusion of Sea Harvest Pelagic and Aqunion for a full six-month period.

Operating profit more than doubled to R633m (2024: R311m), lifting the margin to 14% from 9% in the prior year.

South African Fishing drives results

The South African Fishing business, Sea Harvest's largest segment, remained the key growth engine, contributing 64% of Group revenue and 90% of earnings before interest and tax (EBIT).

Segment revenue surged 42% to R2.8bn, while EBIT rose 74% to R568m, expanding the margin to 20%.

Hake operations: Benefiting from a 5% increase in the total allowable catch (TAC), higher catch volumes (+15%) and stronger global demand, revenue grew 19% to R2.bn EBIT nearly doubled to R429m, supported by 10% higher selling prices and improved vessel utilisation.

Pelagic operations: Sea Harvest Pelagic delivered revenue of R879m and EBIT of R144m (16% margin). Despite record low anchovy and pilchard TACs, strong red-eye catches and higher fish oil yields offset headwinds.

COO Konrad Geldenhuys noted: “We are pleased to have effectively leveraged the increase in hake quot and the strong global demand for sustainable seafood to drive another period of strong performance.”

Other divisions show mixed results

Aquaculture: Revenue increased 63% to R167m with the inclusion of Aqunion. However, weak demand ar lower selling prices in Asian markets weighed on performance, leading to an EBIT loss of R39m.

Cape Harvest Foods: Revenue grew 24% to R975m, supported by higher milk flows and efficiency gains. EBIT rose 73% to R61m, buoyed by new product lines and solar investments delivering cost savings.

Australia: Revenue increased 7% to R455m, driven by stronger pricing and a resilient engineering division EBITDA improved to R27m from R9m in 2024, though EBIT remained flat.

Strengthened Balance Sheet

Cash generation was another highlight, with operating cash flows rising to R678 million (2024: R268m). Ne cash from operating activities improved to R479m, while the Group’s net debt-to-EBITDA ratio eased to 2.1x from 2.5x at year-end 2024.

CEO Outlook

Reflecting on the results, CEO Felix Ratheb said, “The past three years were tough, with low catch rates a peak fuel prices. Through disciplined cost reduction and value maximisation, we ensured resilience. With improved catch rates and more stable fuel costs in 2025, our operations proved ‘fit’ for excellence, delivering significantly stronger results.”

Looking ahead, Ratheb added: “Our South African fishing business is well-positioned, underpinned by stable biomass, secure quotas, strong global demand and economies of scale. While aquaculture and Australian operations remain smaller, we are restructuring them for long-term recovery. Over the next three years, our focus remains on strengthening margins, reducing debt, and supporting higher dividends.”

Key Financial Highlights (to 30 June 2025)

- Revenue up 34% to R4.4bn
- Operating profit up 104% to R633m
- Operating margin improved to 14% (2024: 9%)
- HEPS up 91% to 95c
- Cash from operations up to R678m (2024: R268m)
- Net debt/EBITDA ratio improved to 2.1x (2024: 2.5x)