

Business Review continued

Stolt Sea Farm



Performance

(US \$ million)	2024	2023	2022
Operating revenue	127	111	103
Operating profit	29	24	20

Percentage of group total



1. Excluding Stolt-Nielsen Gas, and Corporate and Other loss of \$50.1 million.

Who we are

Stolt Sea Farm (SSF) is one of the world's most advanced land-based aquaculture companies, and the premier provider of high-quality turbot and sole in an environmentally sound manner.

Our seafood products are available in more than 30 countries and our annual production capacity totals 7,200 tonnes of turbot and 1,800 tonnes of sole.

Strategy

Our purpose is to ensure future generations continue to enjoy wonderful seafood. To help us fulfil this promise, we have developed our strategy to evolve into a global seafood enterprise. For more than 50 years, we have honed our expertise and invested in research and development, innovative practices and pioneering technologies across our 14 farms and two hatcheries. This has helped establish SSF as the leading land-based aquaculture company consistently producing top-quality turbot and sole in commercial volumes.

2024 in review

2024 was a year of excellent production, steady demand and strong pricing, all of which contributed to a strong performance overall.

This is only possible thanks to our people, who are dedicated to delivering the quality, care and innovation behind our award-winning seafood, and I would like to thank them for their efforts.

This year, sales of both species reached a record high: 6,861 tonnes of turbot, a 0.7% increase; and 1,806 tonnes of sole, a 4.5% increase. This, together with growing consumer demand for high-value species, allowed us to continue expanding our market reach. Sales of our fresh range of value-added products (VAP) also grew 30% year on year, reflecting growth in consumer demand for convenience, versatility and consistent supply.

Production of both species reached a new record high, which helped contain production costs for turbot and decrease sole costs. Sale prices for both turbot and sole also improved by 14.3% and 8.8% respectively, compared to 2023.

As a result, operating profit increased by 19.8% to \$29.2 million (2023: \$24.3 million). Excluding fair value adjustments in both years, the increase was \$9.4 million or 46.2%.

Creating shareholder value

We continued to invest in our business, completing an upgrade on our sole broodstock facility in Merexo, Spain and extending our sole hatchery in Cervo, Spain – the world's largest flatfish hatchery. We also began construction of a new recirculating aquaculture system (RAS) facility for sole production at our farm in Tocha, Portugal.

These upgrades support our plans to double sole production capacity in the next three years, and reach our overall annual production target of 23,000 tonnes of turbot and sole by 2035.

Customers

Our customers are integral to our success, and we are committed to fostering strong, lasting relationships with them. I am pleased that in 2024, we achieved a net promoter score of 46.

Our ongoing commercial marketing programme continued to improve sales, with turbot revenues increasing by 14.8% and sole revenues by 13.8%.

SSF's reputation for high-quality products was further enhanced by our Prodemar™ fresh sole and Prodemar™ fresh turbot and premium frozen turbot receiving Superior Taste Awards from The International Taste Institute.

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Digitalisation

We continued to focus on adapting and evolving our processes and services to deliver the best possible customer experience.

Our digital forecasting project was a finalist in the enerTIC Awards, which recognise programmes that successfully incorporate sustainability, technology and innovation. The project includes the development of new digital tools and automation to enhance our operations and services for customers.

People

The expertise and dedication of our people drives our success. We are committed to providing a safe environment for all employees, which includes ongoing training and skills development, and channels through which people can raise concerns and provide feedback.

Safety performance improved during the year. Our Lost Time Injury Frequency (LTIF) was 3.93, well below the industry benchmark rate of 5.90. The severity of accidents also reduced, with a 41% fall in the overall number of medical leave days compared to 2023. Read more on pages 38 and 43.

Sustainability

SSF is a pioneer when it comes to sustainability, developing increasingly sustainable production methods that adhere to animal welfare and environmental protection standards.

In 2024, we opened an innovation unit in Lira, Spain, to explore ways to reduce waste during fish processing and optimise the use of by-products and co-products from aquaculture activity. And our turbot facility in Øye, Norway received a globally recognised sustainability certification from the Aquaculture Stewardship Council.

We support the communities in which we operate, which are home to most of our employees, by sponsoring and attending events to support the local fishing industry and raise environmental and aquaculture awareness. For example, for the sixth year in a row, SSF sponsored a Galician education programme enabling 330 local school students to learn about sustainable aquaculture and fishing, and how to value and care for our oceans.

Read more on our sustainability activities on pages 44 and 51-52.

Outlook

The Christmas season is crucial for SSF and 2024 did not disappoint, with record revenues achieved for both turbot and sole. As a result, we entered 2025 in a strong position.

We will continue to progress our growth and expansion plans to increase production capacity and meet increasing demand for high-quality, responsibly produced seafood.

We will also remain focused on developing our pioneering farming techniques, adopting innovative technologies and engaging in research and development projects and partnerships.

In 2025, we will diversify our product offering further and strengthen our consumer brand to ensure we continue to meet customer needs and retain our market-leading position.

In everything we do, we will remain focused on fish welfare and sustainability, ensuring that future generations continue to enjoy wonderful seafood.

Jordi Trias

President
Stolt Sea Farm