

Lerøy Seafood Group ASA

Q3 2024

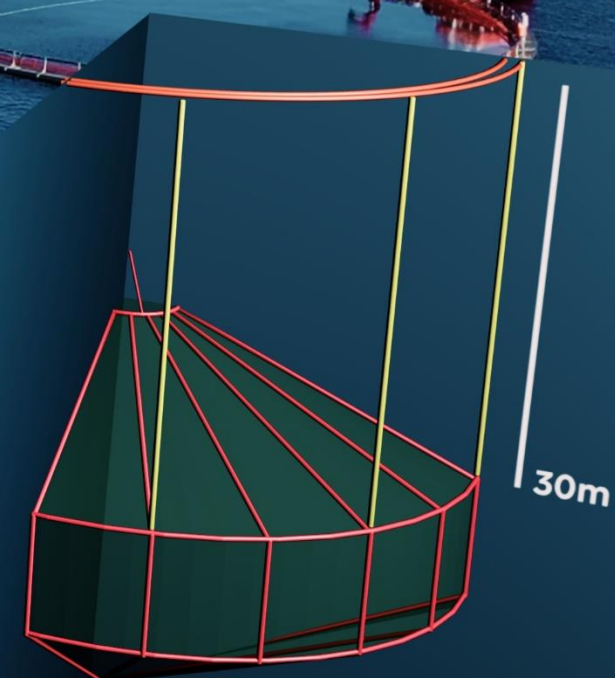
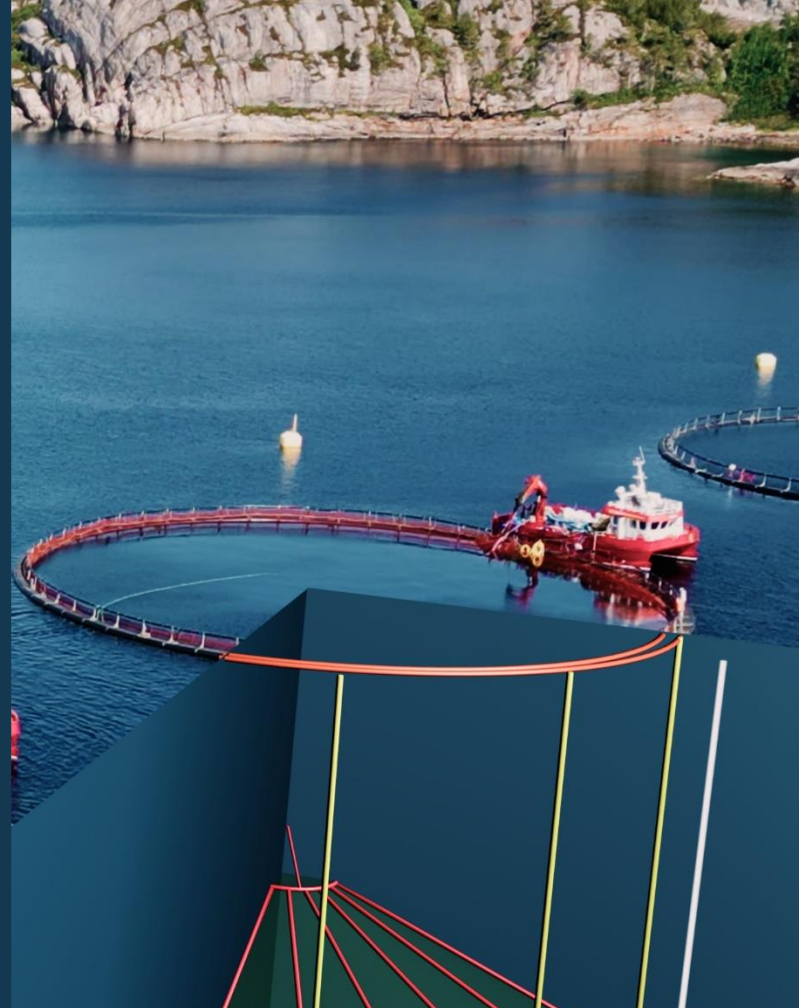
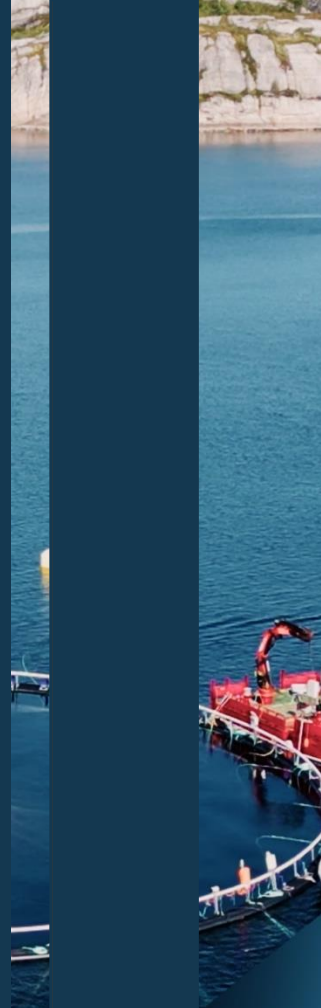
Henning Beltestad

CEO

Sjur Malm

CFO

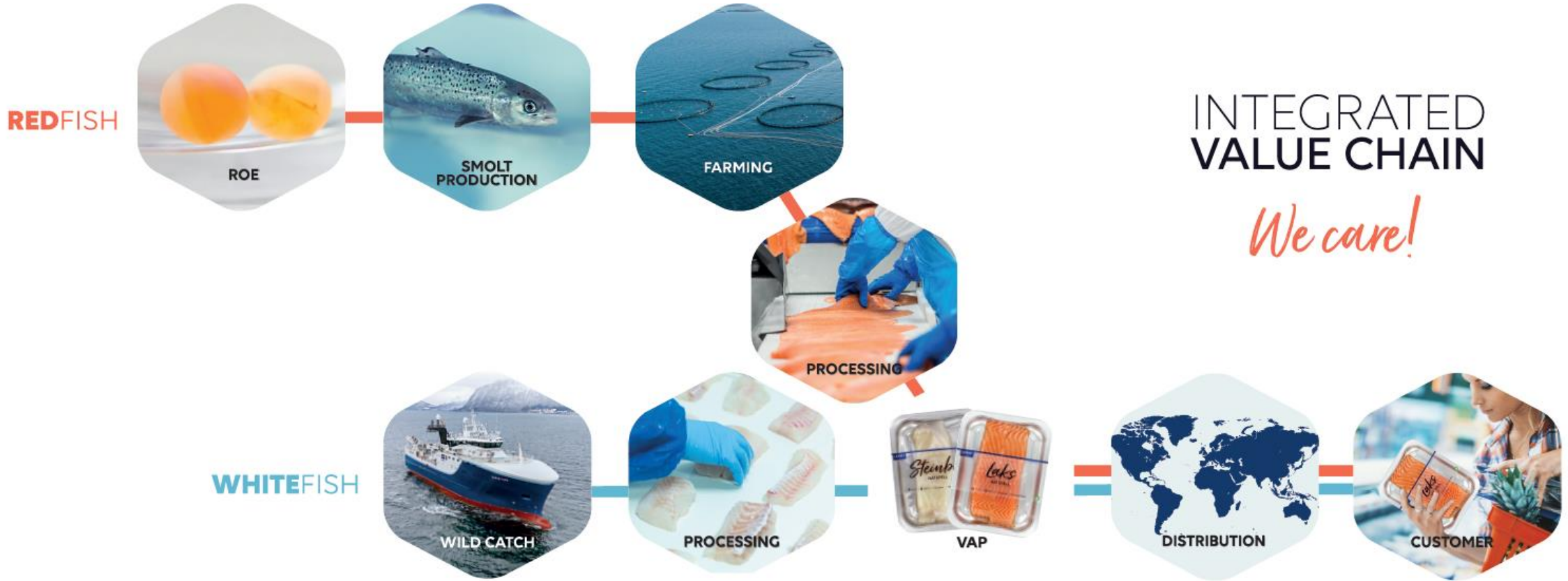
14 November 2024



Agenda

- 1. Highlights**
2. Key financial highlights
3. Outlook

Creating the world's most efficient and sustainable value chain for seafood





Our fully integrated value chain is our competitive advantage

Customers are seeking



Sustainability & health

Demand for healthy low-carbon protein alternatives attracts consumers



Quality & traceability

Zero-tolerance for variance in quality. Traceability and trust are key



Stability & availability

Retailers require product availability to meet consumer expectations



Convenience

Product innovation has shifted demand from fresh to processed (VAP)

Our value proposition



Speed & cost efficiency



Reliability & trust



Product & category innovation



Traceability & quality assurance



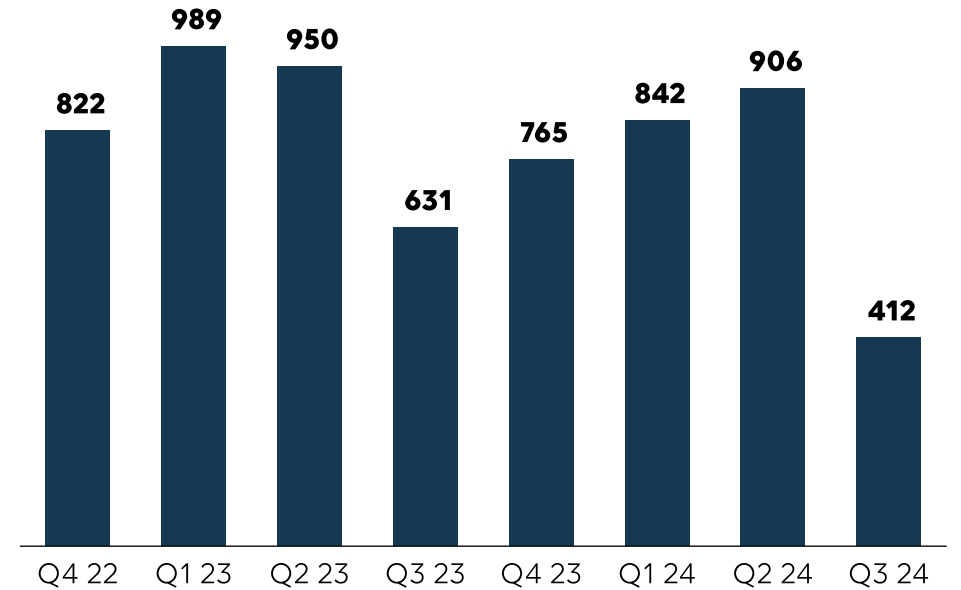
Clear ESG commitments



Highlights of the quarter

- Weak price development for salmon and trout
- More challenging biology in Q3, but back on track in Q4
- Strong improvement in biology and earnings at Scottish Sea Farms (SSF)
- Record earnings in the VAPS&D (12 months rolling basis)
- Wild Catch earnings significantly down y-o-y on lower quotas
- Harvest volume guidance for 2025 at 211,000 GWT (incl share of associate)

Operational EBIT (NOKm)



Segments

Farming



Wild catch



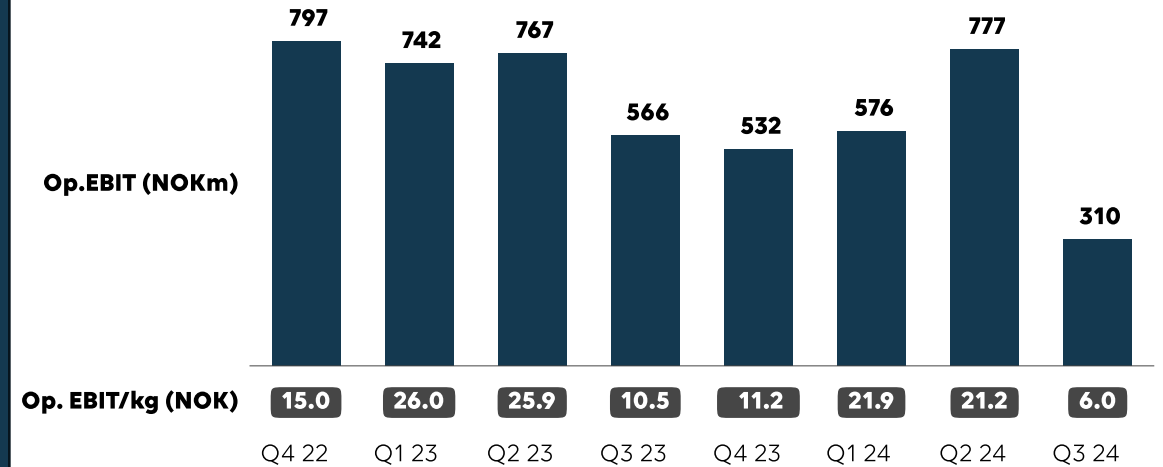
VAP, Sales & Distribution



Farming highlights this quarter

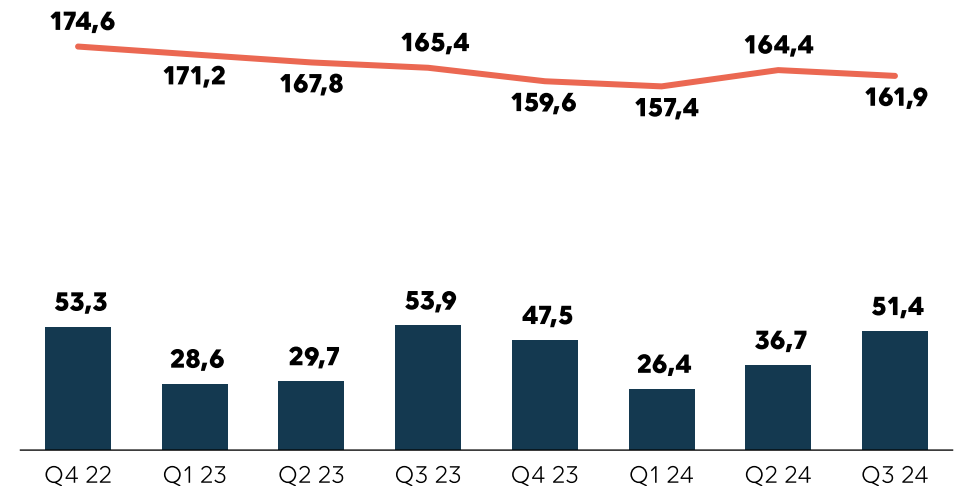
- Weak price development with trout prices well below salmon
- Improvement in biology. Low mortality, but a challenging quarter with high sea lice pressure
 - Increased harvest weights; 4,2 kg in Q3/24 vs 3,7 kg in Q3/23
 - Higher number of treatments have impact on costs
- Positive biological development QTD in Q4/24. Encouraging for 2025
- Shielding technology remain promising
- Cost increase y-o-y, driven by higher feed cost

Operational EBIT Farming



Harvest volume (1,000 GWT)

■ Harvest volume salmon&trout, quarterly — Harvest volume 12 months rolling

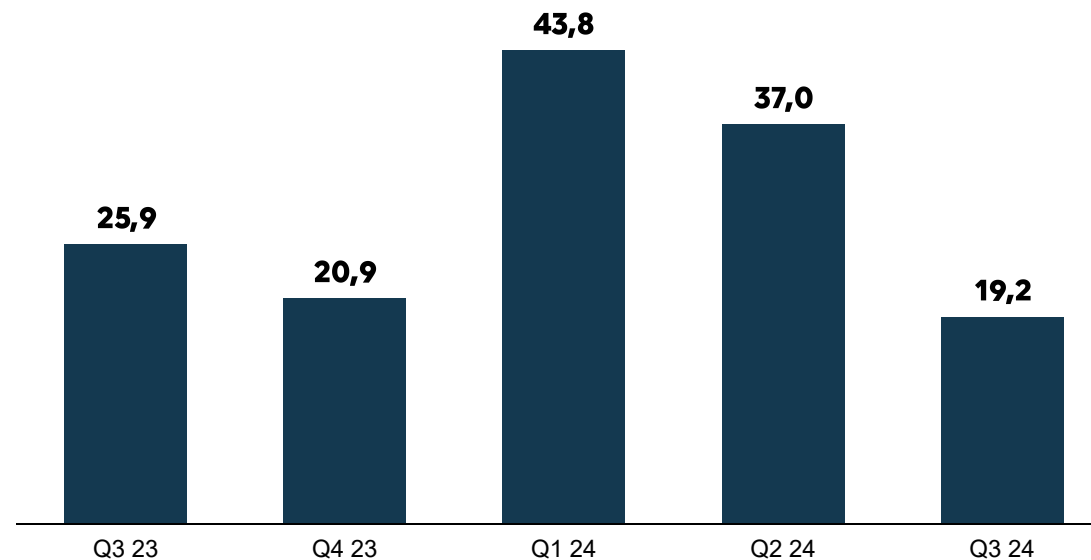


Lerøy Aurora

- Historic high seawater temperatures resulting in high sea lice pressure
- Underlying good biological development
- High survival rates
- Strong growth rates from late September
- Significant q-o-q fall in cost, with higher cost expected in Q4/24
- Estimated harvest volume:
 - 45,000 GWT in 2024 (down 2,000 GWT)
 - 50,000 GWT in 2025

Lerøy Aurora	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue (NOKm)	1 290	1 275	2 416	2 586
Operational EBIT (NOKm)	262	378	642	788
Harvested volume (GWT)	17 602	16 529	28 672	30 526
Harvest weight (avg. in kg)	4,8	4,1		

Operational EBIT/kg value chain (in NOK)



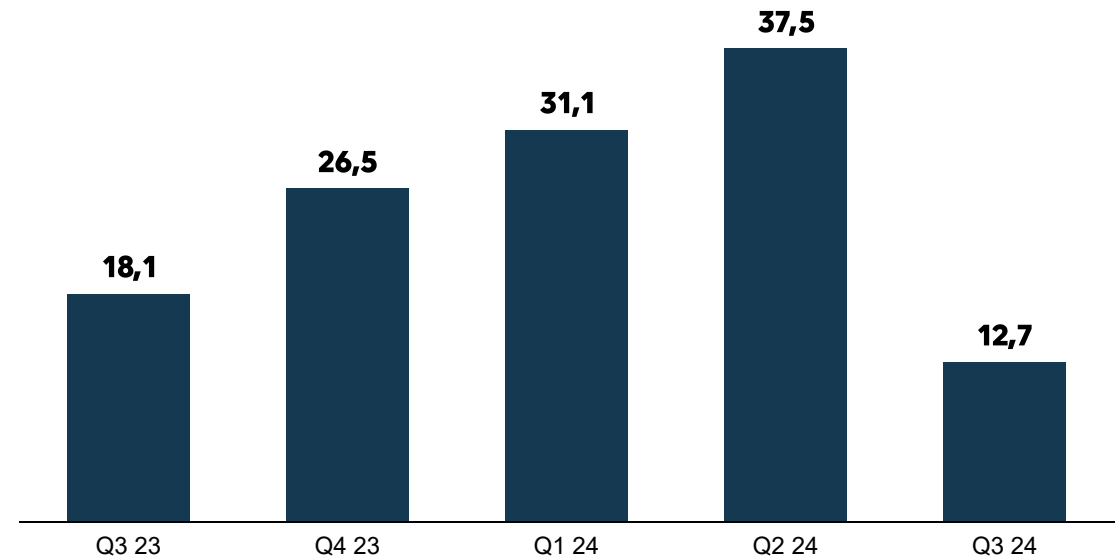
The value chain consists of farming and VAPS&D

Lerøy Midt

- Sea lice pressure giving more treatments and negative impact on growth
- Submerged technology put to the test. Clear evidence the technology reduces number of treatments
- High survival rates
- Q-o-q increase in costs, expect marginal further increase in Q4/24 on lower harvest volume
- Estimated harvest volume:
 - 67,000 GWT in 2024 (down 3,000 GWT)
 - 75,000 GWT in 2025

Lerøy Midt	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue (NOKm)	1 275	1 699	4 031	3 521
Operational EBIT (NOKm)	142	339	974	924
Harvested volume (GWT)	16 931	22 419	46 362	41 051
Harvest weight (avg. in kg)	4,0	3,7		

Operational EBIT/kg value chain (in NOK)



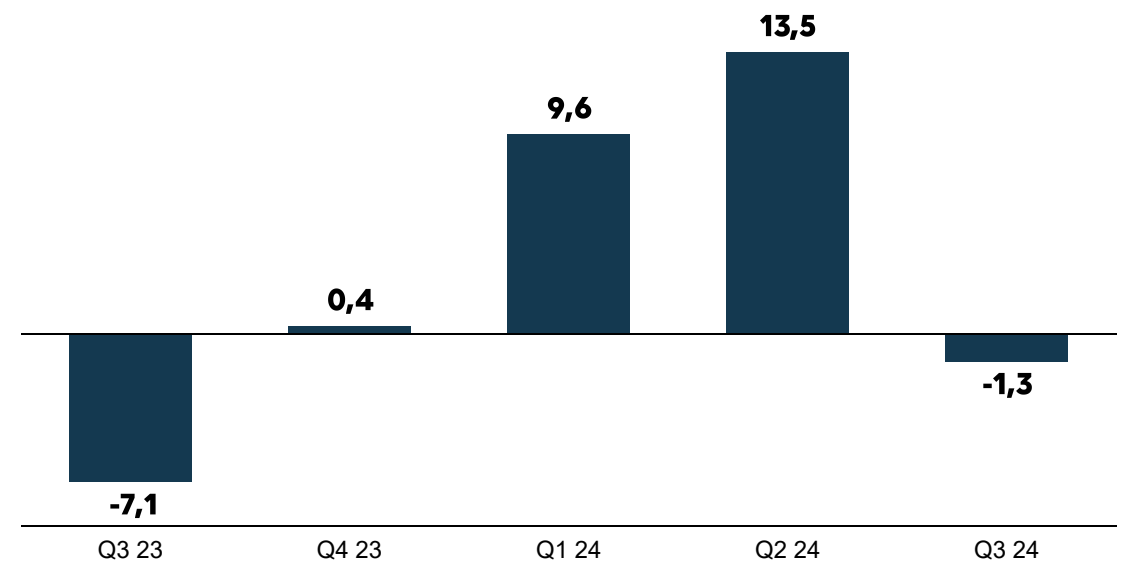
The value chain consists of farming and VAPS&D

Lerøy Sjøtroll

- Continued biological improvement
- 47% of harvested volume was trout impacting price realisation negatively
- Growth and survival rates significantly increased from 2023
- Costs flat q-o-q, expect slightly lower cost in Q4/24. Potential for significant cost reduction in 2025 if current biological development continues
- Estimated harvest volume:
 - 58,000 GWT in 2024
 - 70,000 GWT in 2025

Lerøy Sjøtroll	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue (NOKm)	1 126	1 093	3 101	3 429
Operational EBIT (NOKm)	-94	-151	47	363
Harvested volume (GWT)	16 834	14 928	39 418	40 559
Harvest weight (avg. in kg)	4,0	3,3		

Operational EBIT/kg value chain (in NOK)



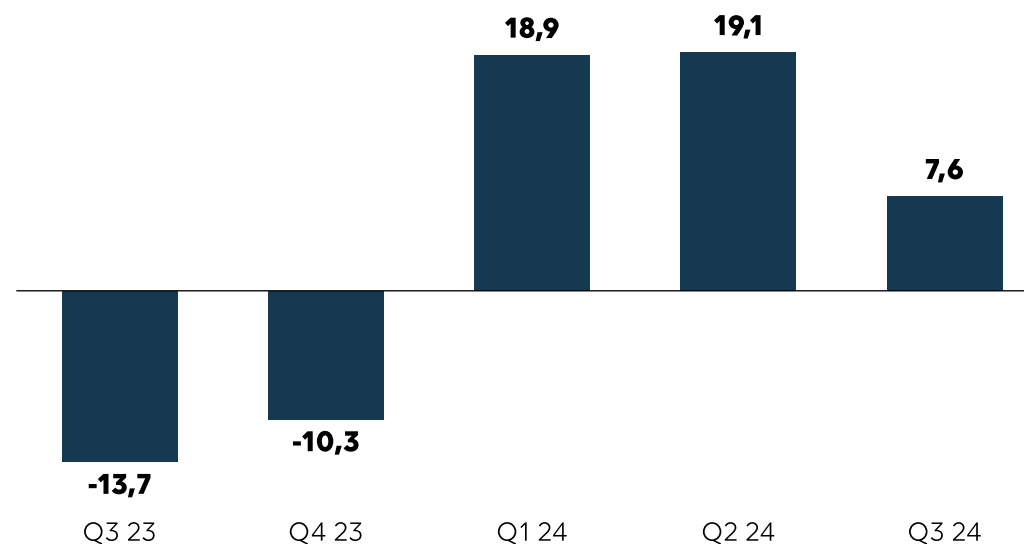
The value chain consists of farming and VAPS&D

Scottish Seafarms (50% owned)

- Significant increase in harvest volume with good harvest weights in the quarter
- Strong biologic development, with next generation of fish performing well in all regions
- Significant increase in profitability
- Volume in 2025 impacted by re-organising site structure. Long term potential significantly higher
- Estimated harvest volume:
 - 40,000 GWT in 2024 (up 3,000 GWT)
 - 32,000 GWT in 2025

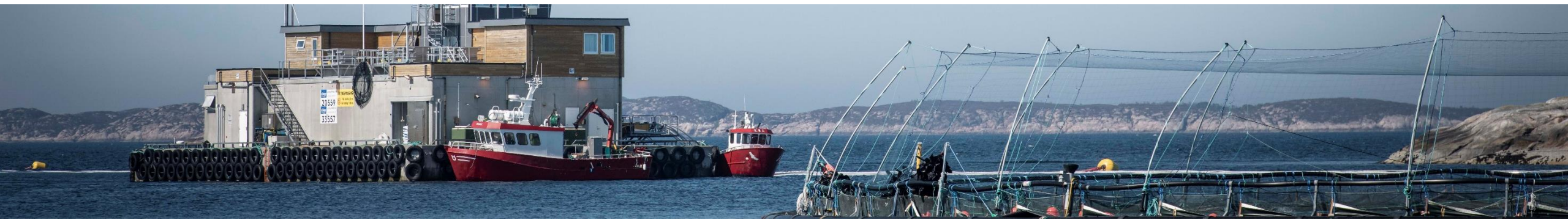
100% basis, in NOKm	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenues	1 176	867	3 438	2 065
Operational EBIT	90	-121	462	-257
Harvested volume (GWT)	11 881	8 818	31 413	20 313
Operational EBIT/kg	7,6	-13,7	14,7	-12,6
Harvest weight (avg. In kg)				
NIBD	2 665	2 700	2 665	2 700

Operational EBIT pr kg (in NOK)



Farming volumes (1000' GWT)

Farming volumes	2020	2021	2022	2023	2024E	2025E
Lerøy Aurora AS	35,0	44,0	40,1	43,1	45,0	50,0
Lerøy Midt AS	67,9	72,6	68,8	61,3	67,0	75,0
Lerøy Sjøtroll	68,0	70,0	65,7	55,2	58,0	70,0
Total Norway	170,9	186,6	174,6	159,6	170,0	195,0
Scottish Seafarms (Lerøy's 50% share)	12,0	16,2	18,0	12,4	20,0	16,0
Total	182,9	202,8	192,6	172,0	190,0	211,0

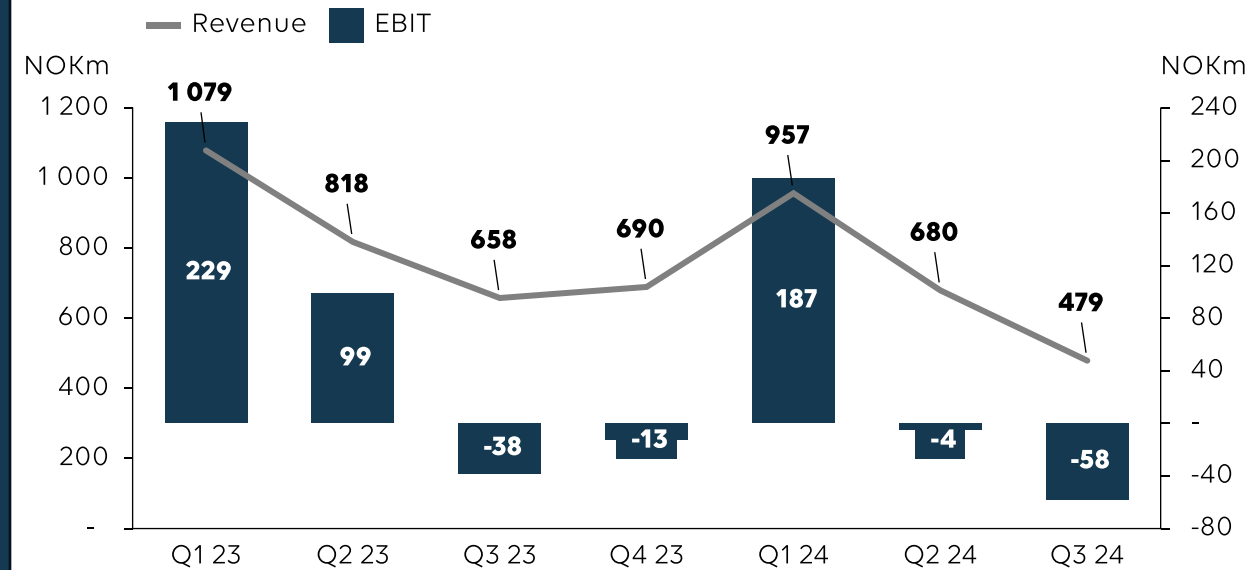


Wild catch highlights this quarter

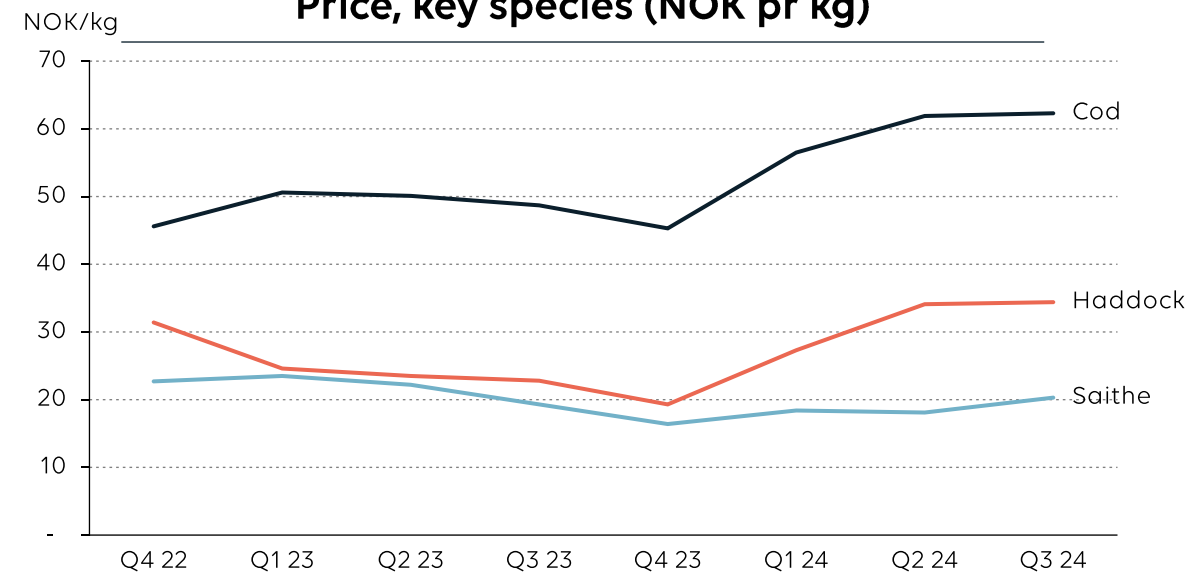
- Significant quota reduction impacts:
 - Catch volumes for the trawling fleet
 - Raw material price and volumes in the land industry
- Cod quota in 2025 is down 32% in 2025 y-o-y
 - 25% stems from overall industry quota reduction
 - 7% is due to re-allocation from the trawler fleet to the coastal fleet, under new regulation ("Kvotemelding")
 - Haddock quota is down 8% in 2025
- Challenging outlook for remainder of 2024 and 2025

* Equal to reported EBIT

Revenue and Operational EBIT* Wild catch



Price, key species (NOK pr kg)

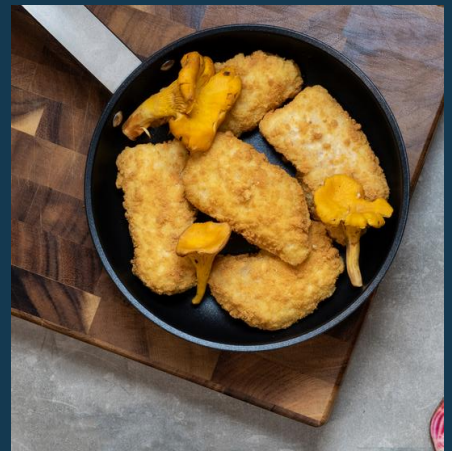


Wild catch quotas and catch volumes (GWT 1,000)

Catch volumes wild catch	Q3-24	Q3-23	Remaining quota 2024	Remaining quota 2023
Cod	1,5	3,5	3,3	5,2
Saithe	2,9	4,5	5,7	6,9
Haddock	0,1	0,2	0,5	3,0
Shrimps	5,1	4,4		
Other	3,6	1,9		
Total	13,3	14,4	9,6	15,1



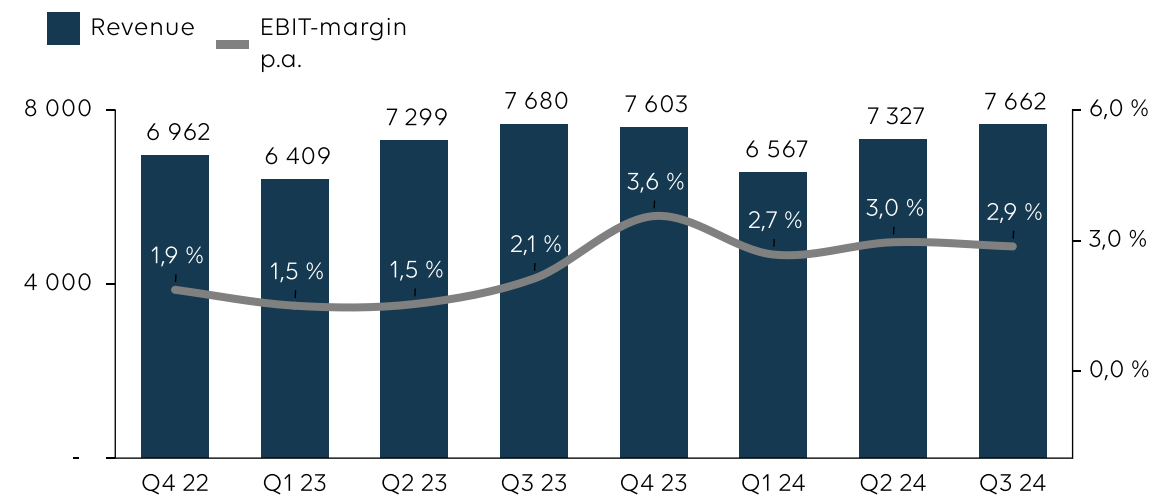
Sales and processing operations in 14 countries



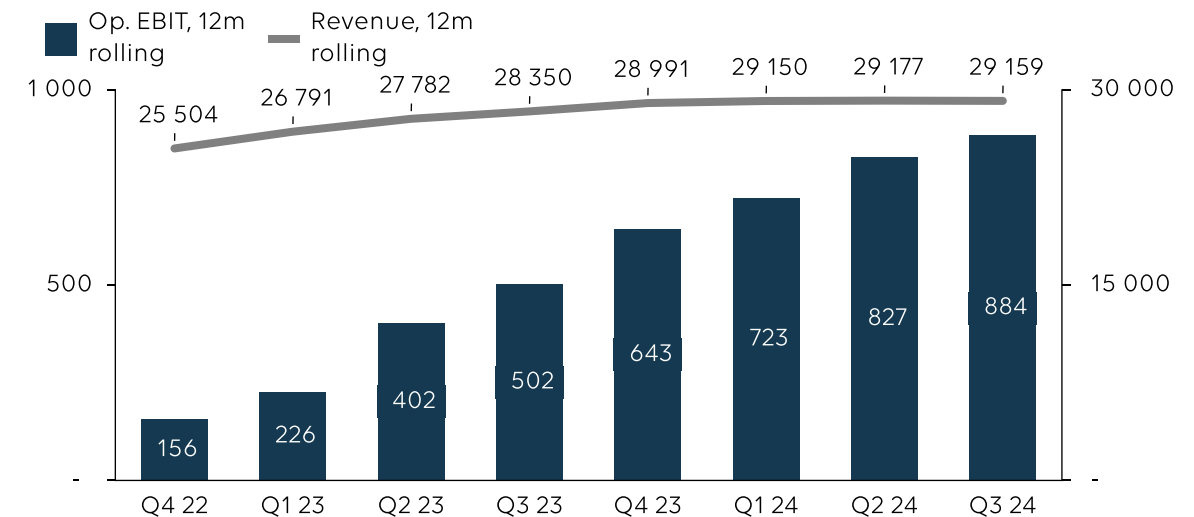
VAP, S&D highlights this quarter

- Continued positive development in VAP S&D segment
- Higher profitability compared to Q3 23 driven by:
 - Operational improvements
 - Improved capacity utilisation
- Expectations for continued positive profitability trend in fourth quarter and 2025

Revenue and Operational EBIT VAP, S&D (NOKm)



Revenue and Op. EBIT VAP, S&D (NOKm), 12m rolling



Agenda

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2. **Key financial highlights**
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Profit and Loss statement

(NOKm)	Q3 2024	Q3 2023	▲%
Revenue and other income	7 889	8 001	-1%
Operational EBITDA**	818	1 008	-19%
Depreciation, amortisation, impairments	405	377	
Operational EBIT**	412	631	-35%
EPS (NOK)*	0,62	0,17	
Salmon and trout harvest volume (GWT)	51 367	53 876	-5%
Operational EBIT** all incl. excl. Wildcatch/kg	9,2	12,4	
Whitefish catch volume (tonnes)	13 266	14 433	-8%
Operational EBIT/kg Wildcatch	-4,4	-2,6	
ROCE* (%)	6,4 %	8,7 %	

Highlights this quarter

- Significant impact on profitability from lower salmon and trout prices and lower quota
- Positive development in Scottish Sea Farms supports EPS

*Excluding: Fair value adjustments related to biological assets

**Operational EBIT: Excludes fair value adjustments related to biological assets and production fees (essentially a tax item), in line with market practice. Isolated events not expected to reoccur, such as restructuring costs and litigation costs are also excluded.

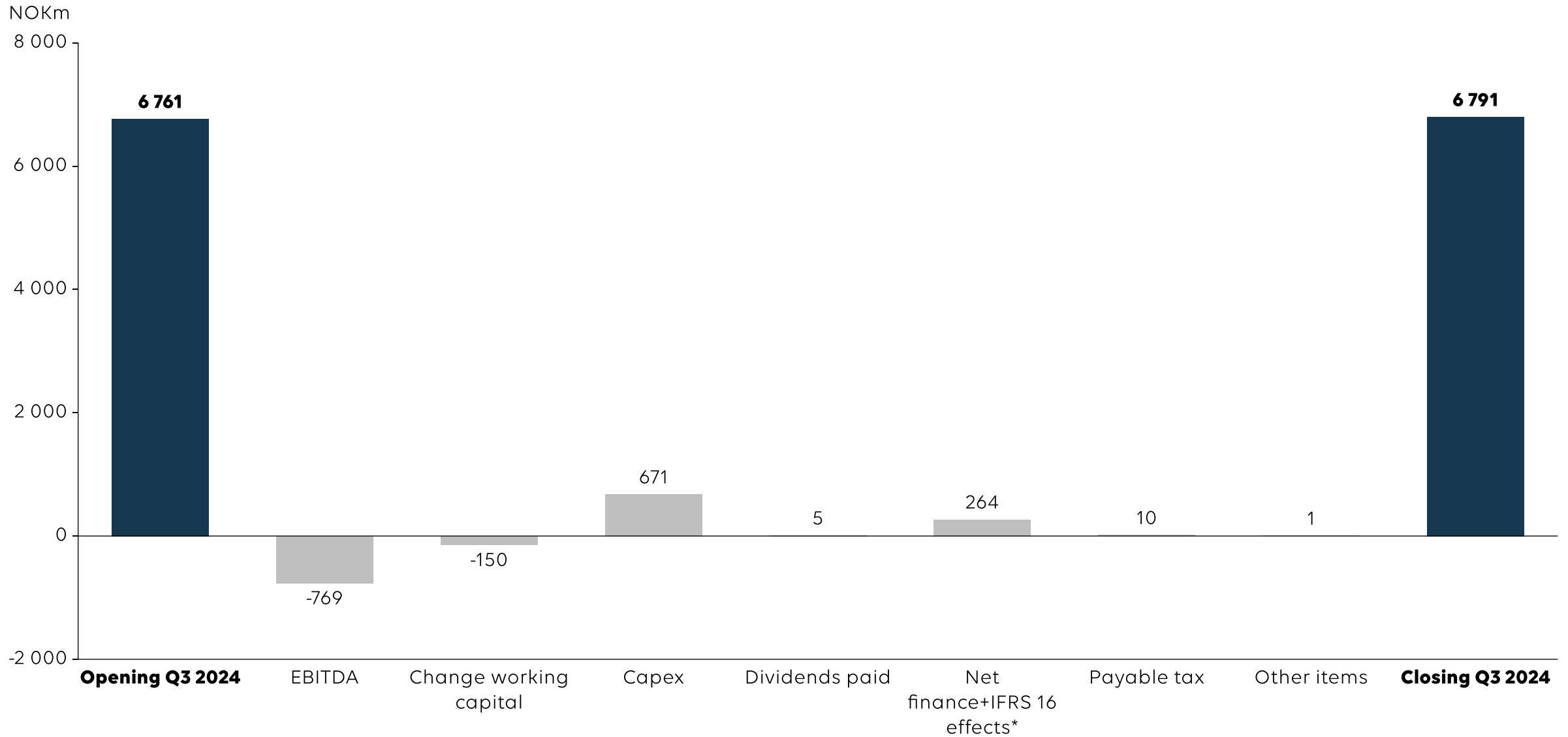
Balance sheet

(NOKm)	30.09.2024	30.09.2023	▲
Intangible assets	8 946	8 720	226
Right-of-use-assets	2 687	2 748	-60
Tangible fixed assets	8 709	8 048	661
Financial non-current assets	1 685	1 538	146
Total non-current assets	22 027	21 054	974
Biological assets at cost	6 770	5 842	928
Fair value adjustment of biomass	2 278	2 354	-76
Other inventory	2 298	2 488	-190
Account receivables	2 853	2 972	-119
Other receivables	890	957	-67
Cash and cash equivalents	3 035	5 170	-2 136
Total current assets	18 124	19 784	-1 660
Total assets	40 152	40 838	-686

Highlights this quarter

- Tangible fixed assets increased on investments in among others shielding technology in farming
- Recent year's working capital driven by among other inflation could be about to turn
- Strong balance sheet
- Issuer credit rating BBB+
- NIBD of NOK 6,761m
- Equity ratio of 49%

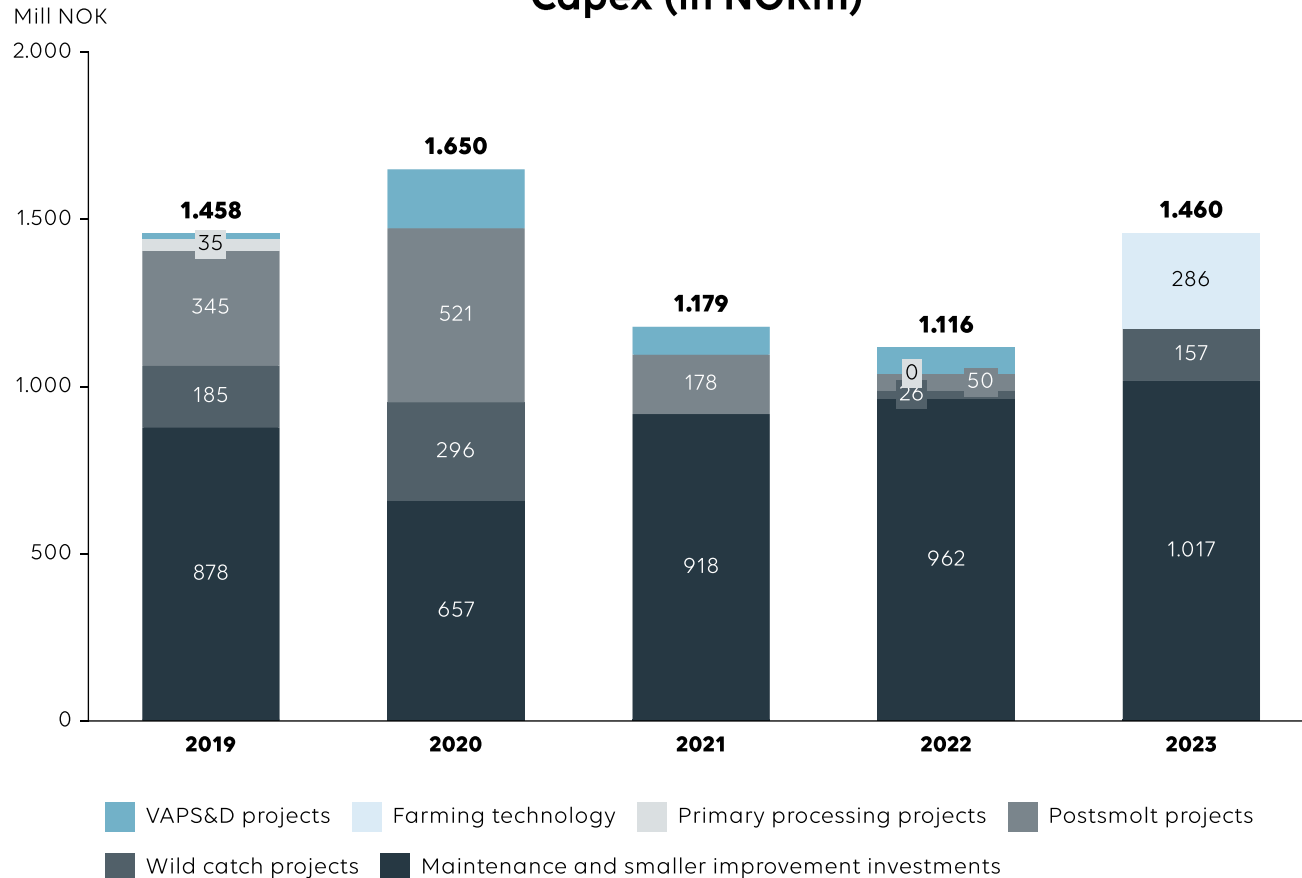
Change in net interest-bearing debt this quarter



*Includes instalments on lease liabilities to others than credit institutions (IFRS 16)

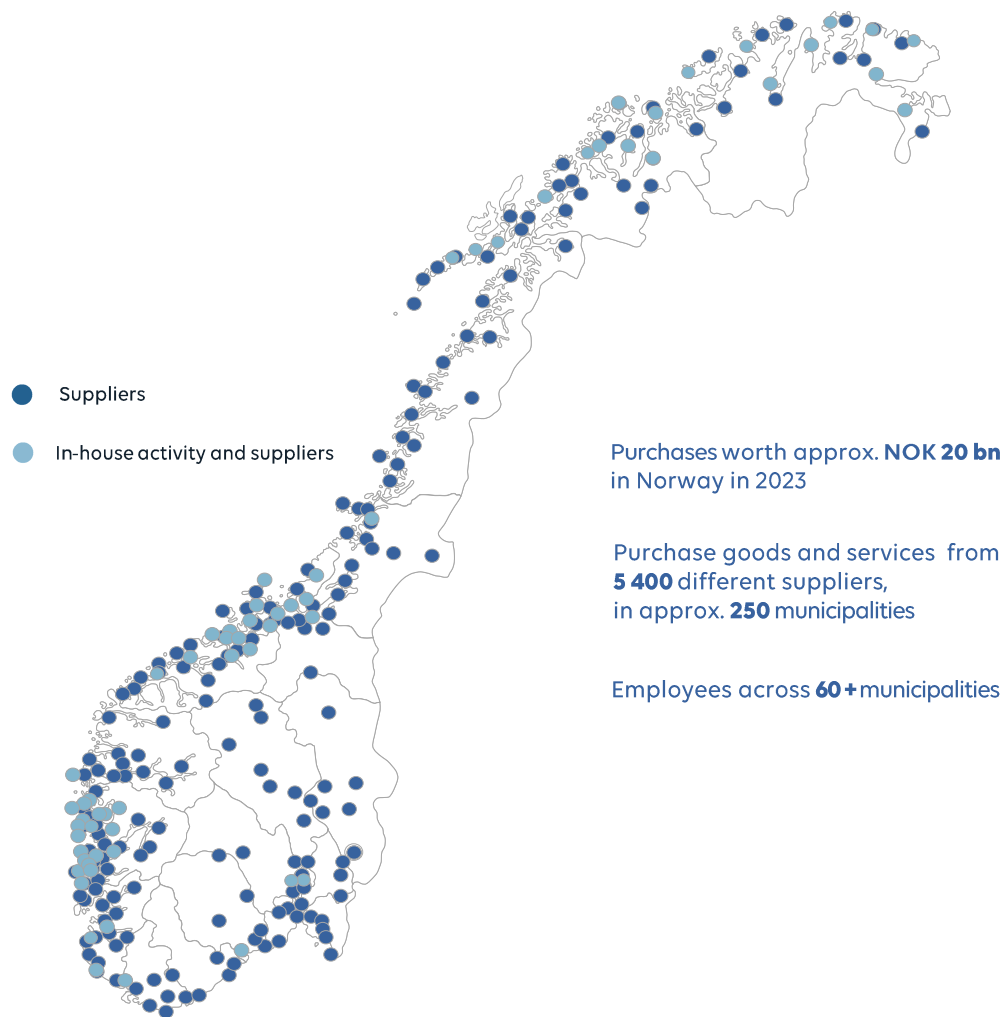
Prioritizing investments that will improve biology and fish welfare

Capex (in NOKm)



- Maintenance capex and smaller upgrades of around NOK 1bn annually in 2024 and 2025
- 2024 capex estimate around 1,8bn
 - NOK 400m in new shielding technology
 - NOK 200m in improving smolt quality
 - NOK 200m in land industry
- 2025 capex
 - NOK 350m in shielding technology for H1/25

Lerøy has extensive activities in Norway



with significant positive impact on society

Numbers for 2023

Employment

3 900

direct employees in Norway

6 200

indirectly related jobs

10 100

jobs in total,
(direct and indirect)

Value creation (NOK)

7.3

billion in direct
value creation

7.2

billion in indirect
value creation

14.5

billion in overall
value creation

Taxes (NOK)

2.1

billion

Lerøy paid 0.6 billion in direct taxes and 0.7 billion in indirect taxes, while employee income tax withholdings totalled 0.8 billion.

Agenda

1. Highlights
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BG

Making progress on strategic targets

>50 ●

bn NOK in revenue by 2030

~ 30 bn NOK in 2023

#1 ●

EBIT/kg for farming and
VAP S&D by 2025

1,25 ●

bn NOK in EBIT for
VAP S&D by 2025

884 MNOK (12m rolling)

46% ●

reduction in total GHG
emissions by 2030
(baseline 2019)

~ 15,5% reduction in 2023

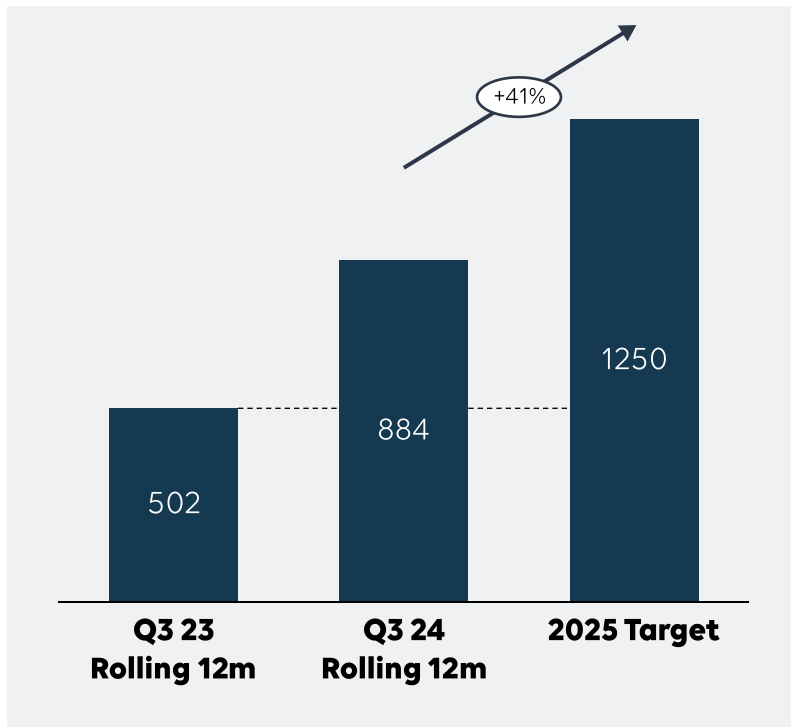
200.000 ●

tonnes harvested in 2025
(Salmon and trout in Norway)
Reduced 5,000GWT following traffic light

~ 160.000 in 2023

Continued strong progress and promising outlook

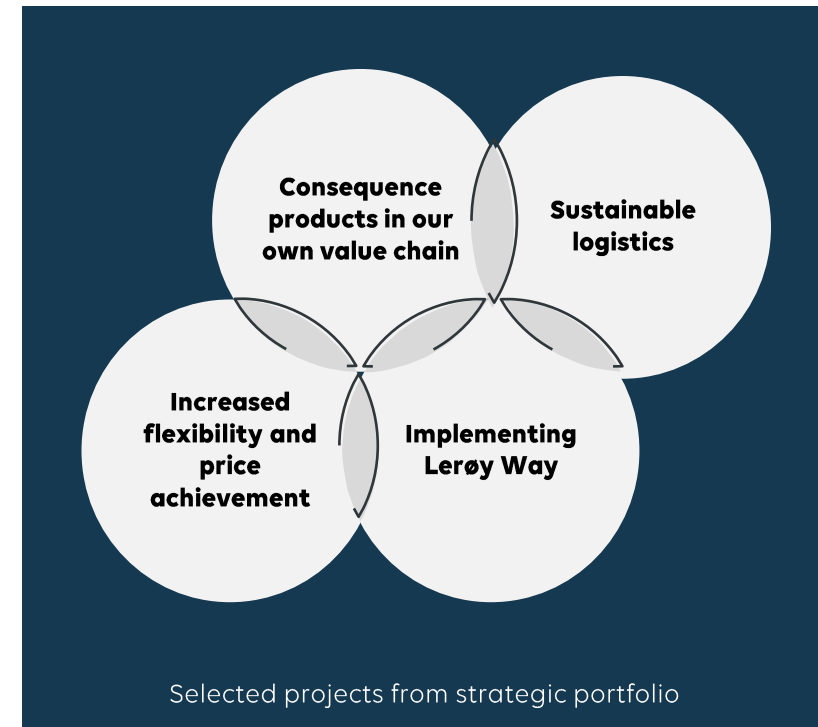
Operational EBIT target (NOKm)



Short-term actions

- Higher utilisation of our VAP factories through volume growth, achieving economies of scale
- Improvement of VAP factories in certain European markets with expected substantial uplift in 2024
 - Lerøy Way principles implemented with clear targets, roles and responsibilities, actions plans, market plans and a culture for continuous improvements

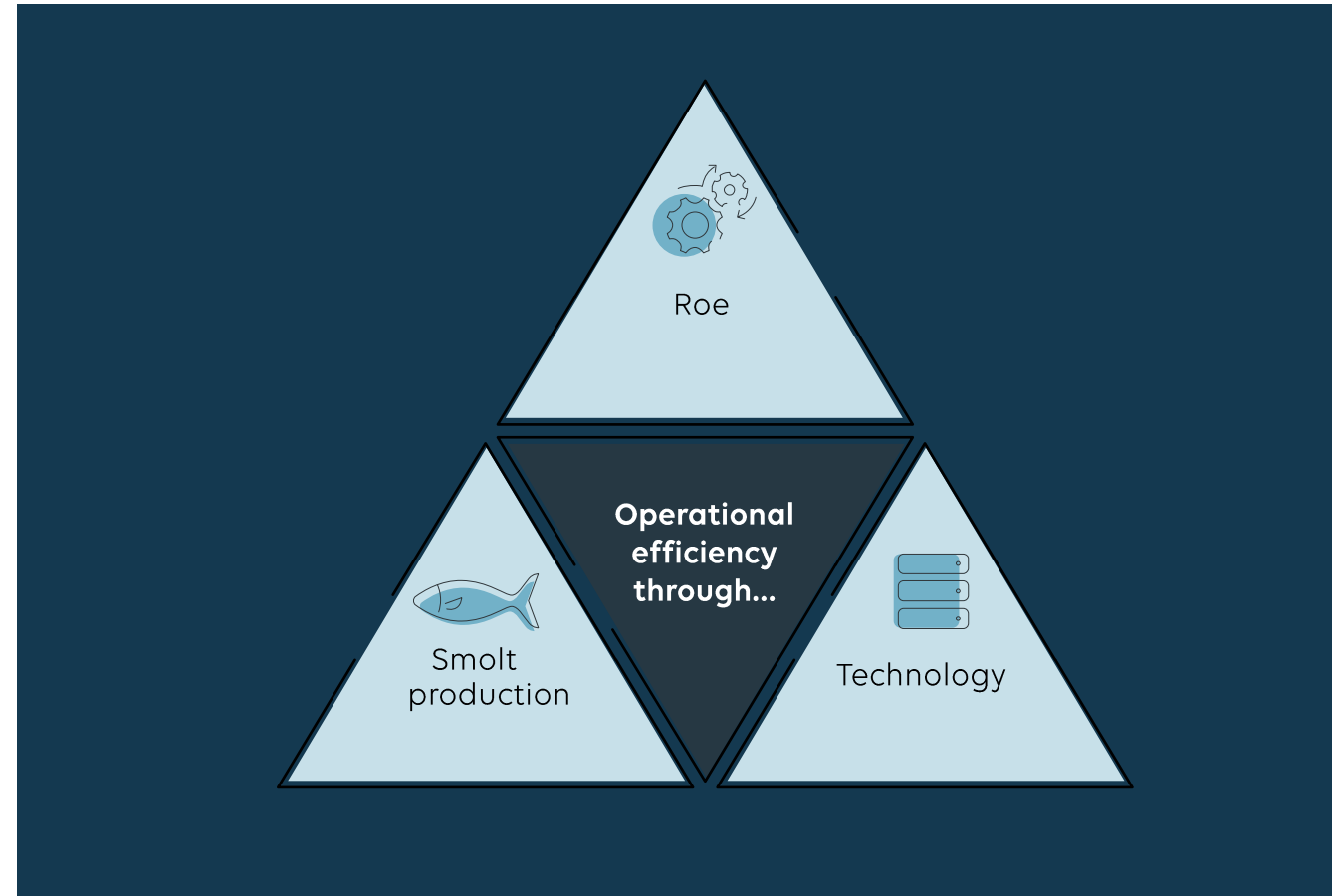
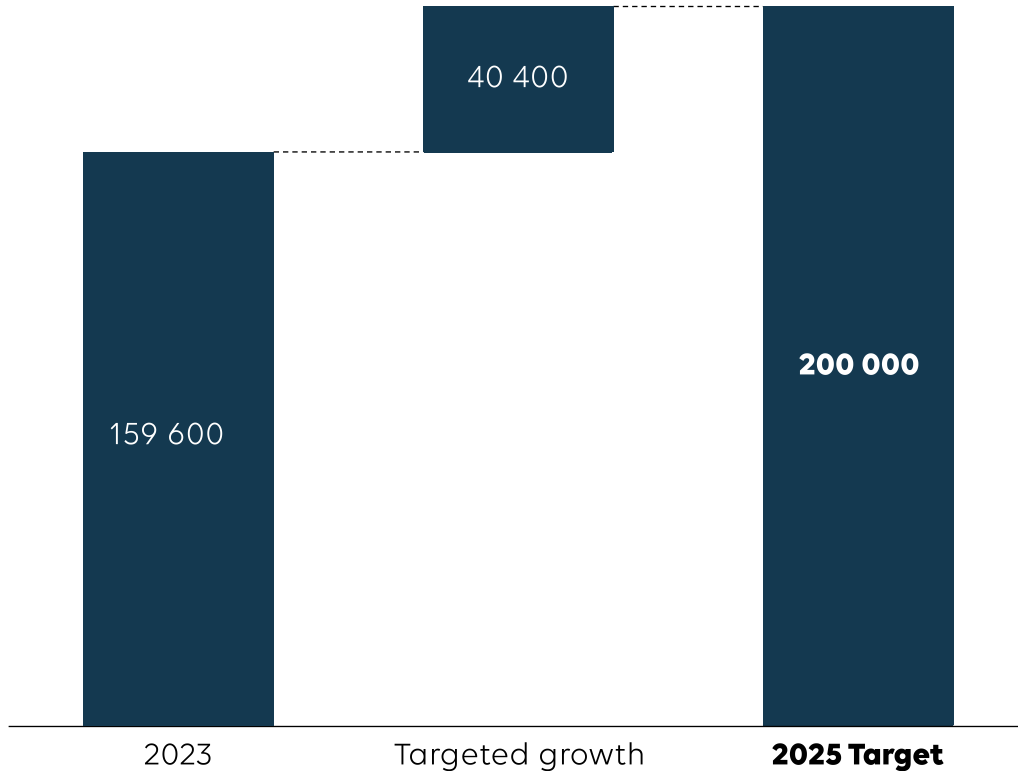
Long-term actions



Farming

Reaching 2025 harvest target through operational improvements

Tonnes harvested salmon and trout



Farming


Improvements in roe and smolt expected to yield results from harvest in 2025

Improvements in farming

- Improved genetics expected to contributing to higher growth rate in sea
- Phasing in new breeding generation
- Process improvements in roe and smolt production, e.g. new improved production protocols making the fish more robust
- Phasing in shielded technology
- Improvements starting to show in results

Resulting in better performance

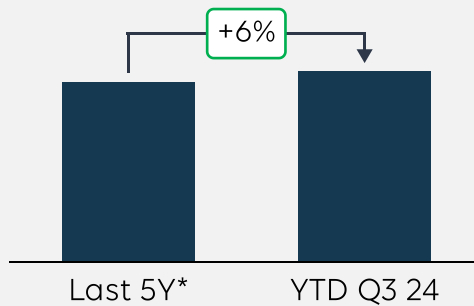
Illustration of when different measures will impact results/harvest

	H1 24	H2 24	H1 25	H2 25
 Genetics				
 Roe				
 Smolt				
 Shielding tech				
 Lerøy Way				

Farming

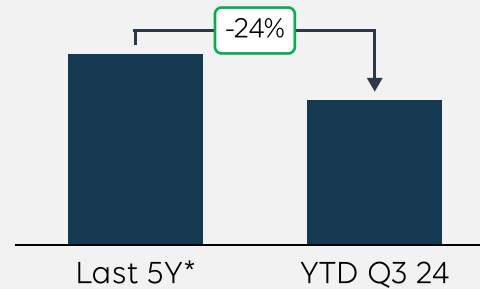
Strong biological performance in 2024

Net growth rate

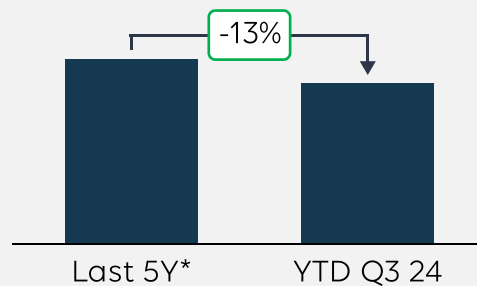


Mortality

Average daily percentage, number of fish



Lice treatments



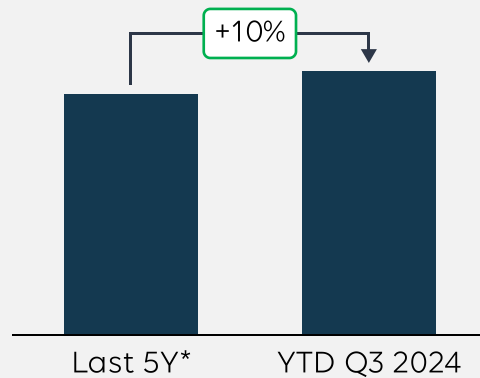
*Average YTD third quarter 2019-2023

- Development YTD is positive, with positive trends so far in Q4/24
- Less improvement in Q3/24 than H1/24, due to sea lice pressure and impact from genetics that are now being phased out
- Fewer winter wounds expected this winter with support of vaccination and shielding technology
- The presence of string jellyfish represent a risk

Farming

Significant improvements in Lerøy Sjøtroll

Net growth rate



*Average YTD Q3 2019-2023

Mortality

Average daily percentage, number of fish



*Average YTD Q3 2019-2023

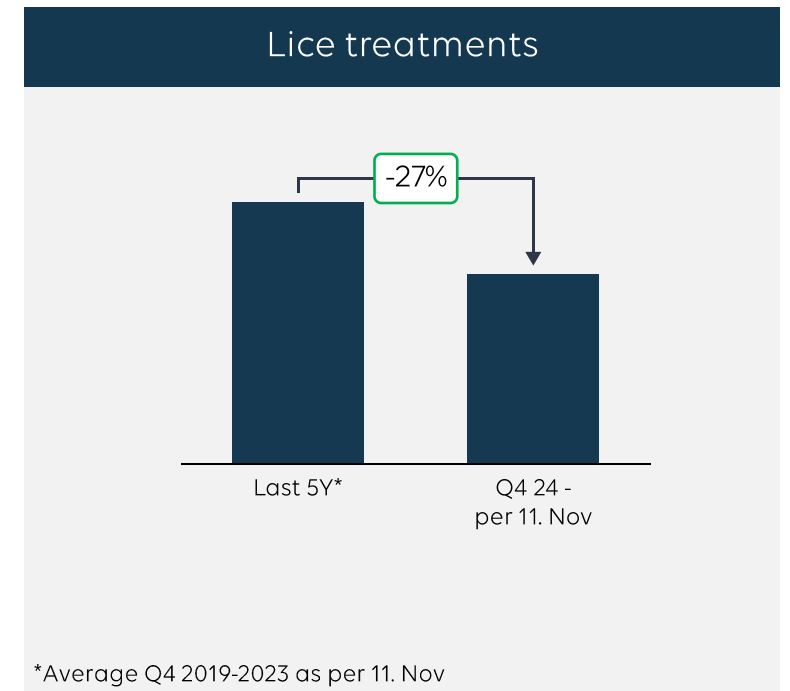
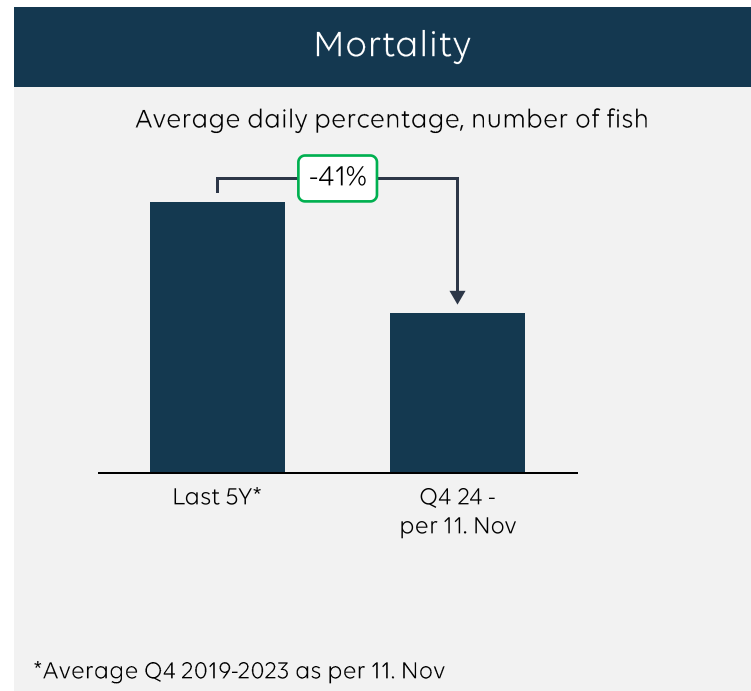
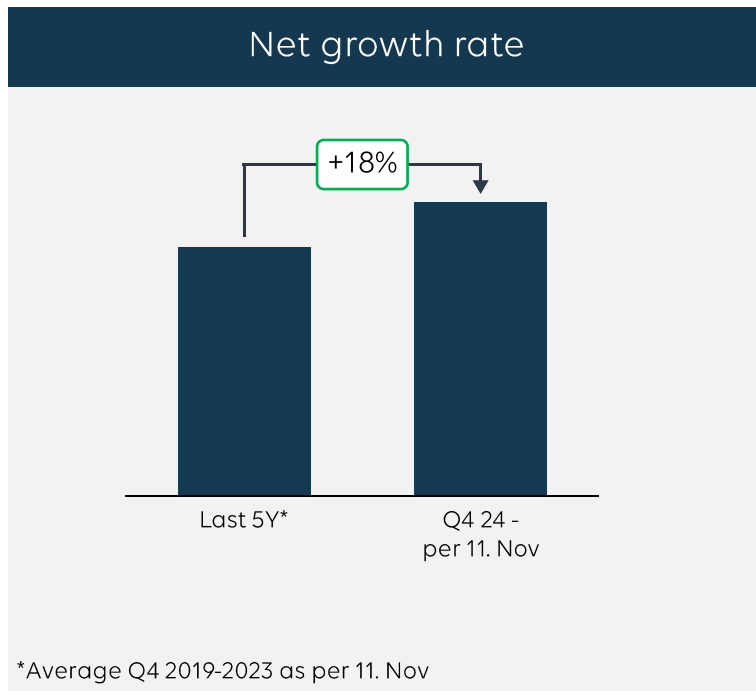
Lice treatments



*Average YTD Q3 2019-2023

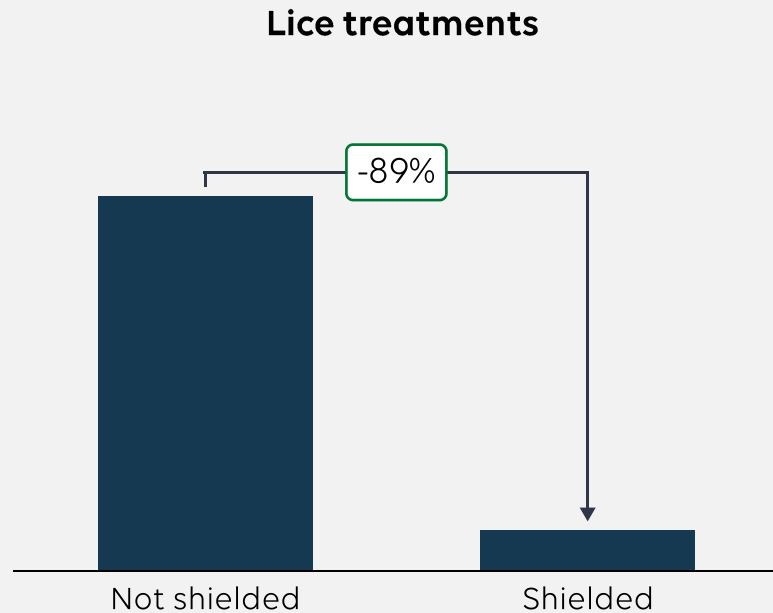
Farming

Biological performance on track so far in Q4, encouraging for 2025



Farming

Fish welfare improving as lice treatments are significantly reduced with shielding technology



Average performance of salmon generation fall 23, spring 24 and fall 24, Lerøy Sjøtroll and Lerøy Midt

- Shielding technology continue to deliver promising results
- Technology was put to test in third quarter, and the impact on reducing treatments is evident
- Lower number of treatments has positive effects on survival, superior share and general fish welfare

Farming — shielding technology

Pursuing further investments into shielding technology in 2025

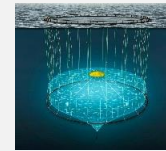
Results so far

- Shielding technology shows exceptional results so far
- Rapid learning curve
- Low level of lice treatments
- Improved fish-welfare, with higher survival rates

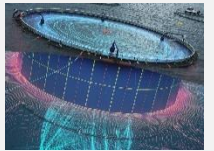
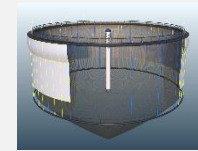
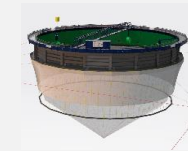
Degree of shielding

- **30%** of salmon (number of fish) shielded as of September 2024
- On track reaching **35%** by end of 2024

Submerged cages



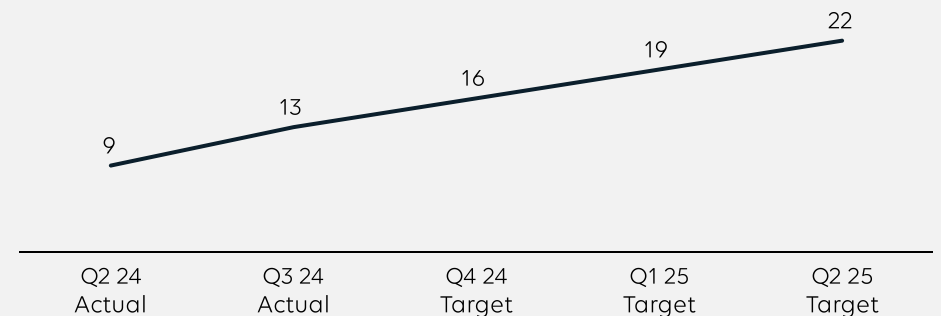
Semi-closed containments



- New investment of around MNOK 350 MNOK planned for H1 2025, supporting biological performance and fish welfare.
- Targeting **40% - 45%** of salmon (number of fish) shielded as of Q2 2025.
 - Equivalent to more than 50% of salmon shielded in Lerøy Midt and Lerøy Sjøtroll
- 6 new sites with shielding technology in Q1 and Q2 2025

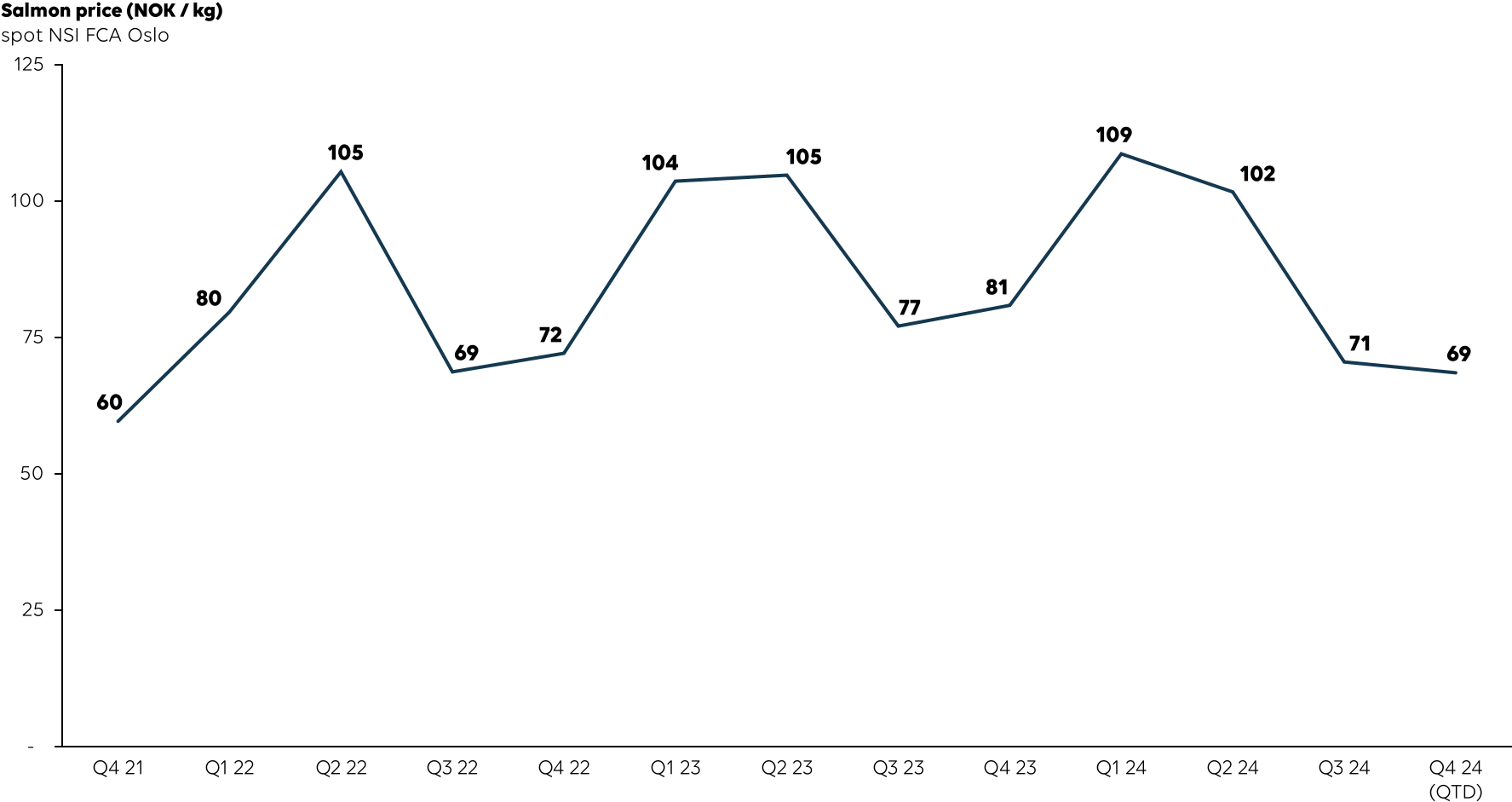
Number of sites with shielding technology

Total - active and not active



Salmon price (spot, NOK /kg, quarterly average)

Spot price, NSI FSA Oslo, Source: Kontali. Last NSI Update: 12 Nov 2024





Outlook

Farming

- Biological development in 2024 is promising for 2025
- Contracts share for salmon in 2024 currently around 30% (incl. downgrades)
- Lower average harvest weights Q4/24, keeping better performing sites and high survival rates
- Expect to see significant improvements from :
 - Roe, genetics and smolt quality
 - New farming technology
 - Process improvement/Implementing LerøyWay

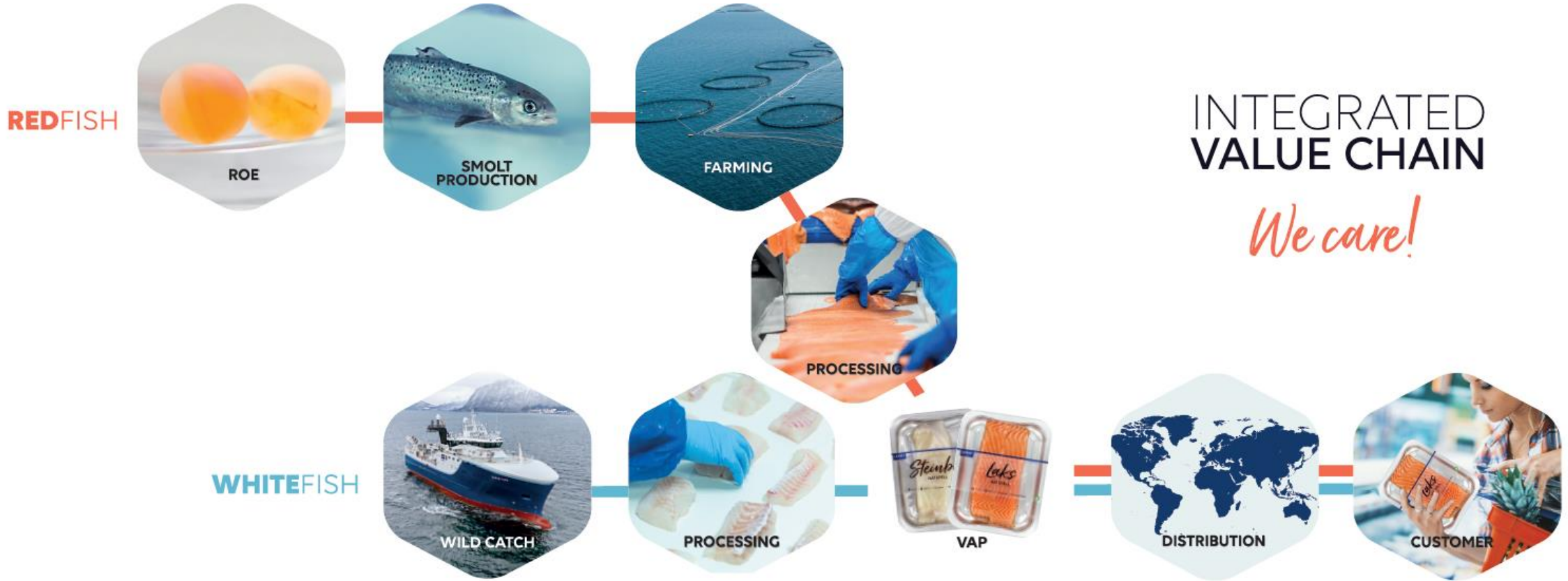
Wild Catch

- Challenging quota situation in 2024 and 2025
- Quotas for 2024
 - Cod down 34%
 - Haddock down 43%
- Quotas for 2025
 - Cod down 32%
 - Haddock 8%

VAP, S&D

- Expect improved profitability in 2025 compared to 2024
- Increased demand for integrated, sustainable, value chain
- Improved market share in some key markets, utilising the potential of our value chain

Creating the world's most efficient and sustainable value chain for seafood



Q & A

LERØY

The Norwegian
Seafood Pioneer