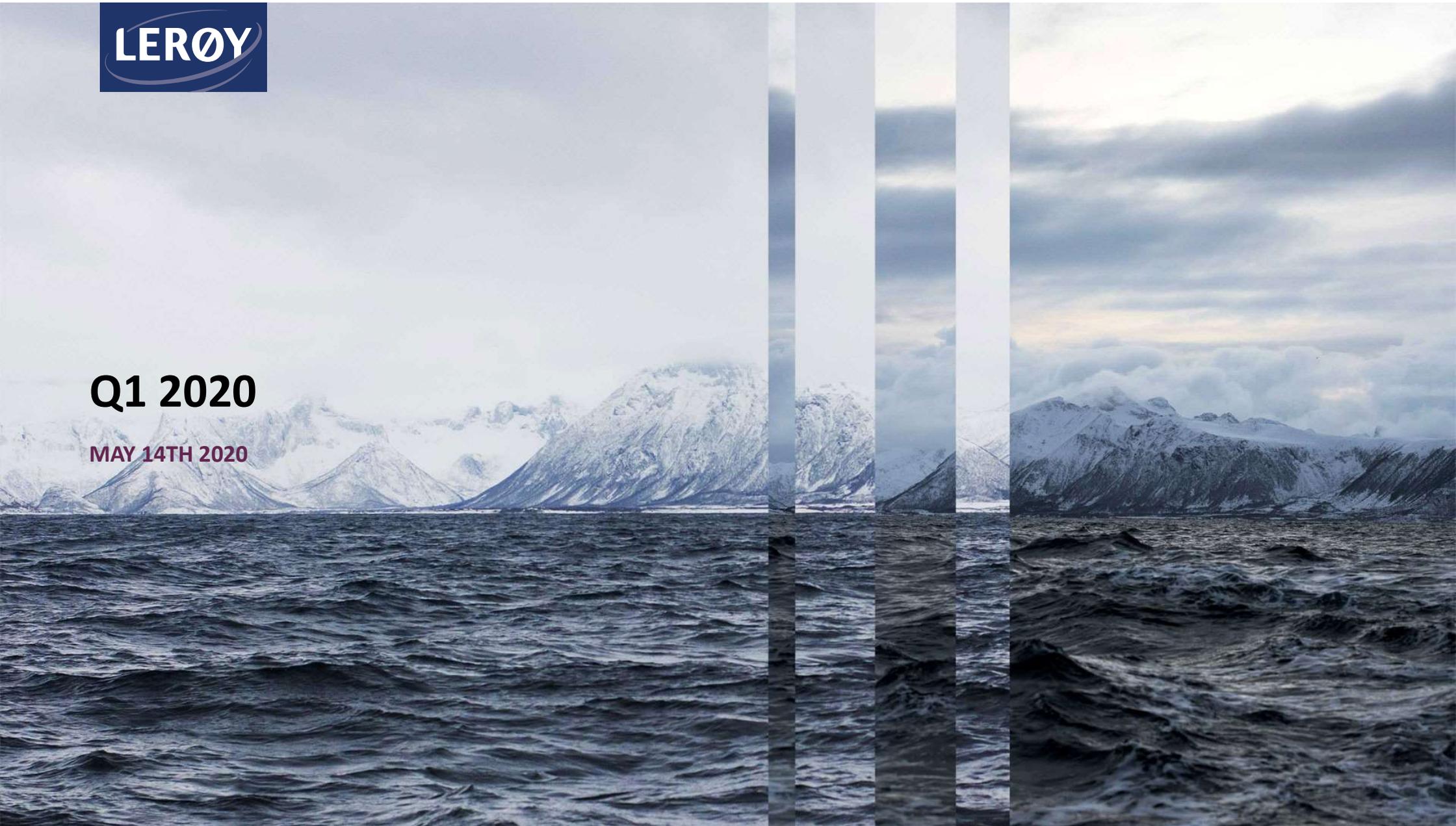




Q1 2020

MAY 14TH 2020

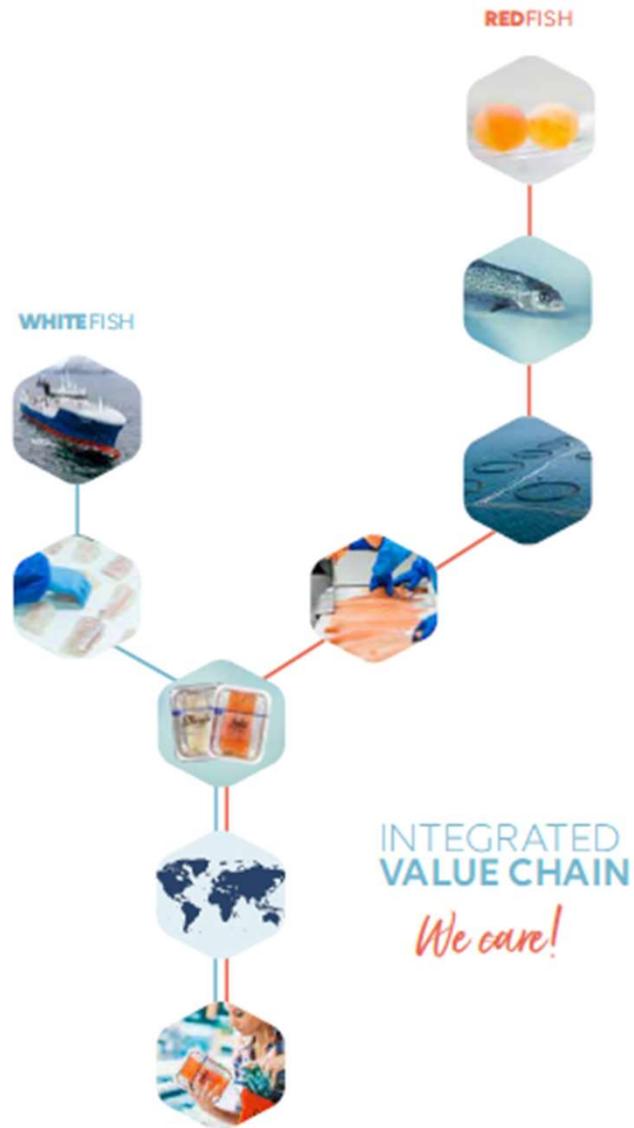


1. Highlights
2. Key Financial Figures
3. Outlook

Agenda



Highlights



“ Our goal is to create the world’s most efficient and sustainable value chain for seafood. The large, extensive investments we have made over a long period of time are now starting to yield results.



Lerøy Seafood Group ASA

Farming

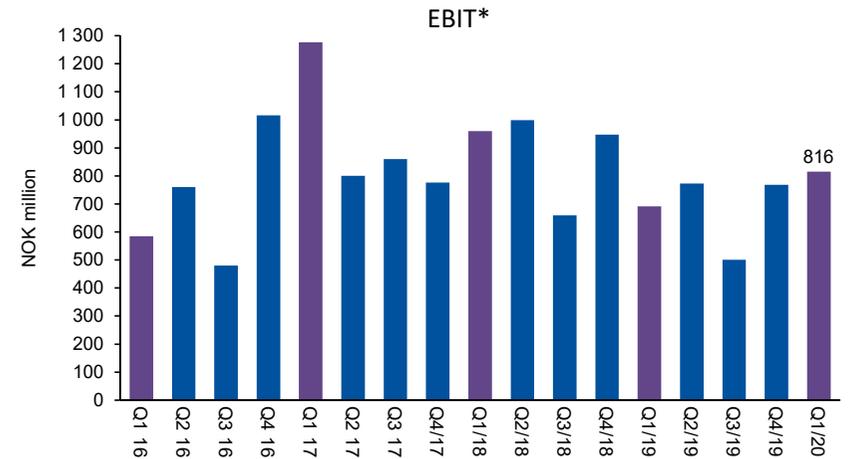
Wild catch

VAP, Sales and Distribution



Q1 2020 Highlights

- Strong start of year, with Covid-19 gradually having significant impact on operations
- EBIT pr. FV adj. NOK 816m. Reduced NOK 39m by intercompany elimination
- NIBD NOK 3 003m. The board proposed dividend per share NOK 1.5 for 2019, and request permission for additional up to NOK 0.8 per share by end year.
- Growth from post smolt investments on track. Expects harvest incl. associated 183-188'' GWT for 2020 and 200-210'' GWT salmon and trout for 2021
- Expect whitefish volume around 65 000 tonnes for 2020

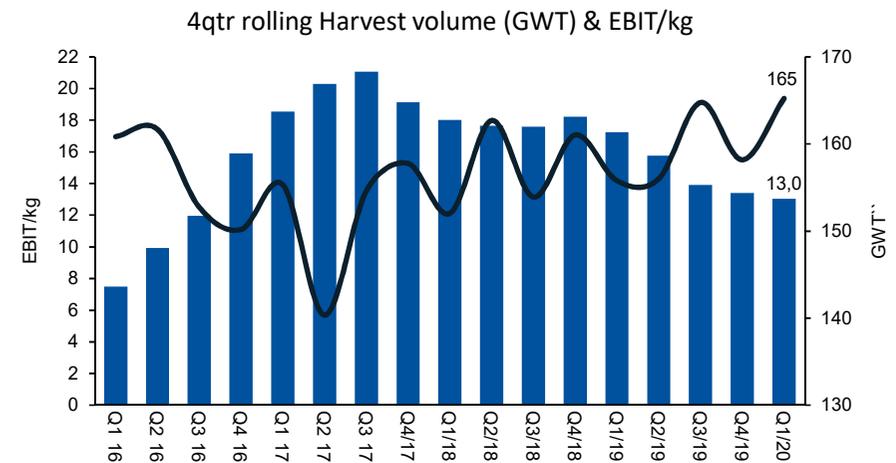
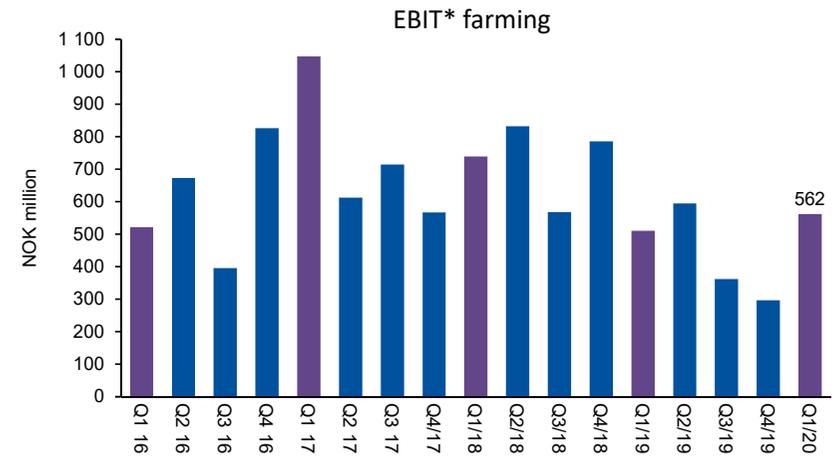


	Q1 2020	Q1 2019
Harvest volume salmon&trout (GWT)	39 377	32 317
Catch volume whitefish (tonnes)	25 009	20 536
Revenue (NOKm)	5 305	4 746
EBIT before FV adj. (NOKm)	816	692
ROCE before FV adj.	16,6%	16,0%



Q1 2020 Farming highlights

- Spot prices above last year
 - NSI Q1/20 NOK 68.5 vs NOK 61.3 in Q1/19 (+12%)
 - Up NOK 12/kg q-o-q, and up NOK 7/kg y-o-y
- Price realisation significantly impacted by downgrades as well as timing of sales. Trout price achievement below salmon
- Contract share 38%, price realisation on spot and contracts about the same level
- Cost (RFS) up from Q4/19
- EBIT/kg in farming in Q1/20 of NOK 14.3 compared to NOK 15.8 in Q1/19





Farming volumes

	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018 GWT	2019 GWT	2020E GWT
Lerøy Aurora AS*	26 800	29 200	30 000	39 200	36 800	32 800	~38 000
Lerøy Midt AS	68 300	71 400	52 200	64 500	66 500	64 800	~67 000
Lerøy Sjøtroll	63 200	57 100	68 000	54 000	58 800	60 600	~67 000
Total Norway	158 300	157 700	150 200	157 800	162 000	158 200	~172 000
Villa Organic AS**	6 000						
Norskott Havbruk (UK)***	13 800	13 500	14 000	15 500	13 700	12 900	~13 000
Total	178 100	171 200	164 200	173 300	175 800	171 100	~185 000

*) Included harvested volume from Villa Organic after split July 2014

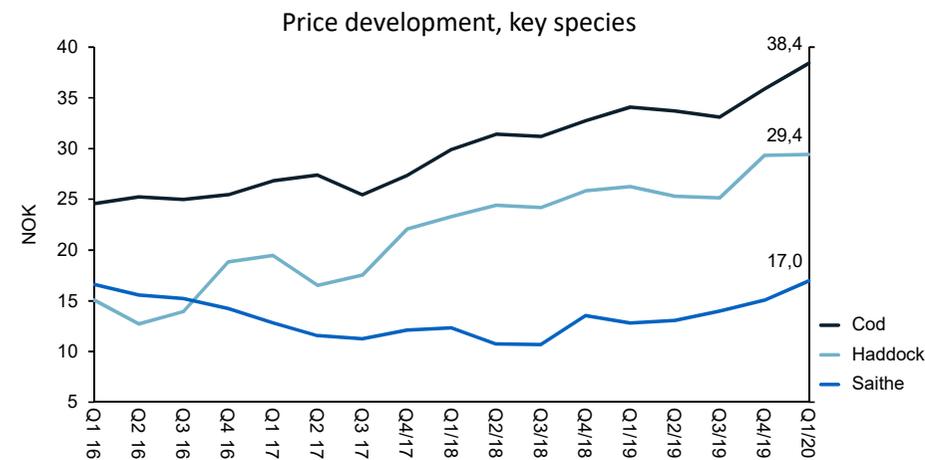
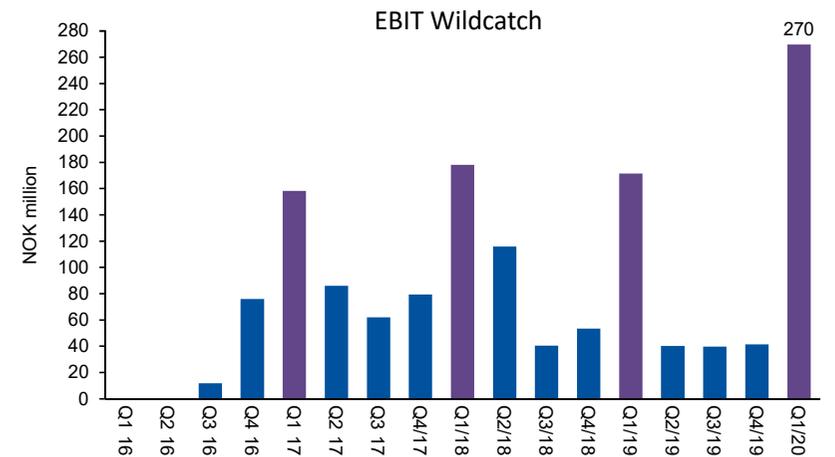
**) LSG's share of Villa Organic's volume in H1 2014, not consolidated

***) LSG's share, not consolidated



Q1 2020 Wildcatch

- New trawler “Kongsfjord” in operations. High catch efficiency and positive development in quality of catches
- Catch volume at 25 009 tonnes, up 22% y-o-y
- EBIT/kg Wildcatch NOK 10.8/kg
- Framework conditions continue to be challenging for the processing industry, with no signs of improvement





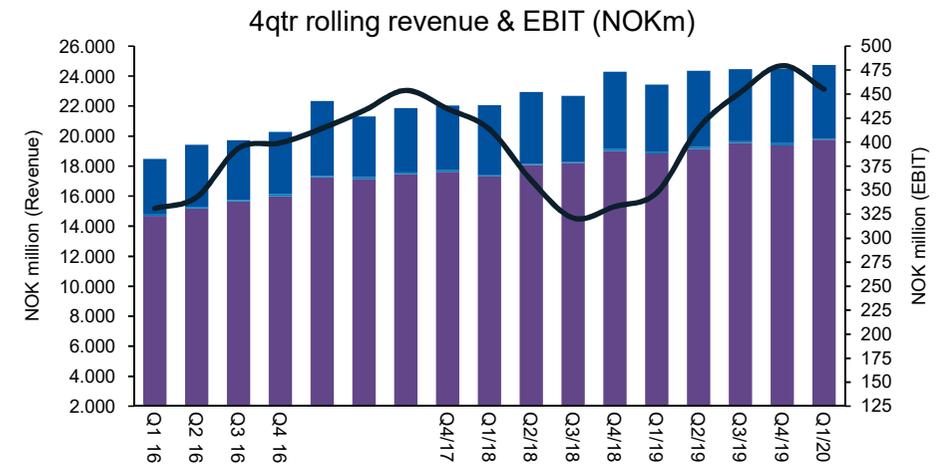
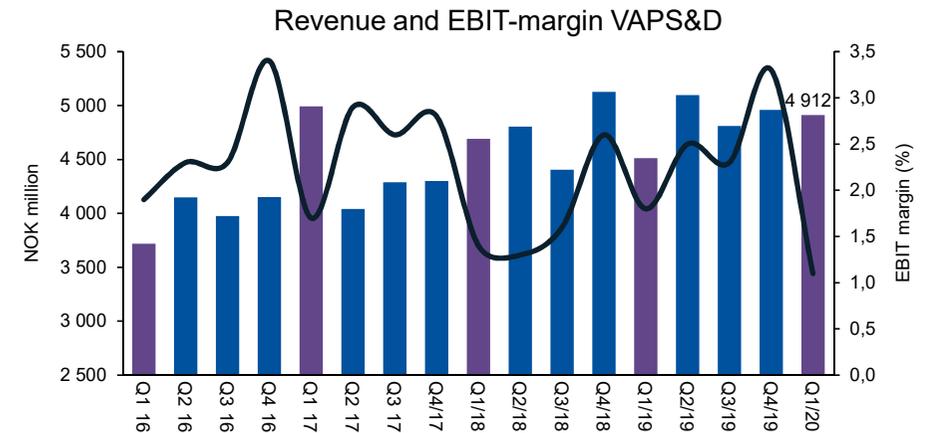
Catch volumes and quotas Havfisk/Wild Catch

	Catch volume Q1/20	Catch volume Q1/19	Remaining quota 2020	Remaining quota 2019
Cod	12 530	8 881	10 313	13 549
Haddock	5 198	5 246	4 549	3 850
Saithe	3 602	3 214	11 984	13 917
Shrimps	142	770		
Other	3 537	2 425		
Total	25 009	20 536	26 847	31 316



Q1 2020 VAPS&D

- Gradually significant impact of Covid-19 on operations during the quarter
- Significant increase in most aspects of risk, and a unprecedented impact on the HoReCa market.
- Core focus for Lerøy is to keep the value chain open. This has been successful, but not without additional costs
- EBIT in Q1/20 of NOK 54m compared to NOK 79m in Q1/19



Key financial figures



Key financial figures – Q1 2020

<i>(NOKm)</i>	Q1 2020	Q1 2019	▲%
Revenue	5 305	4 746	12 %
Other gains and losses	0	0	
EBITDA	1 097	934	17 %
Depreciation & amortisation	281	243	
EBIT*	816	691	18 %
Income from associates*	12	94	
Net finance	-94	-37	
Pre-tax profit*	734	748	-2 %
EPS (NOK)*	0,91	0,97	-6 %
<i>Salmon and trout harvest volume (GWT)</i>	39 377	32 317	22 %
<i>EBIT* all incl. excl. Wildcatch/kg</i>	14,8	17,7	-16 %
<i>Whitefish catch volume (tonnes)</i>	25 009	20 536	22%
<i>EBIT/kg Wildcatch</i>	10,8	8,3	30%
<i>ROCE* (%)</i>	16,6 %	16,0 %	4 %
* Before biomass adjustment			



Balance sheet

<i>(NOKm)</i>	31.03.2020	31.03.2019	▲%
Intangible assets	8 223	8 174	1 %
Right-of-use-assets	2 324	2 361	-2 %
Tangible fixed assets	6 697	5 869	14 %
Financial non-current assets	1 092	1 163	-6 %
<i>Total non-current assets</i>	18 336	17 567	4 %
Biological assets at cost	4 283	4 070	5 %
Fair value adjustment of biomass	617	1 356	
Other inventory	1342	1 331	1 %
Receivables	2 856	2 627	9 %
Cash and cash equivalents	2 891	2 949	-2 %
<i>Total current assets</i>	11 990	12 333	-3 %
Total assets	30 326	29 900	1 %
Equity	18 035	17 592	3 %
<i>Equity ratio</i>	<i>59,5 %</i>	<i>58,8 %</i>	
NIBD	3 003	2 889	4 %



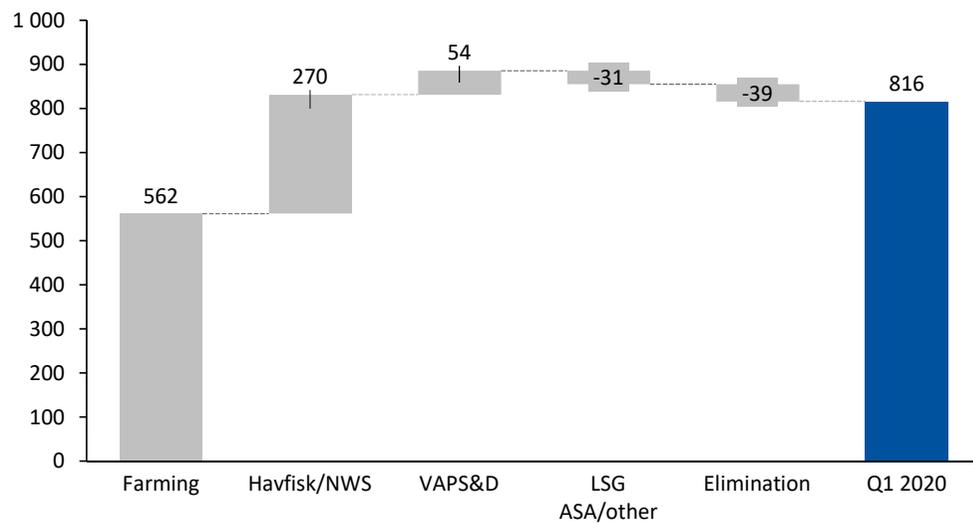
Change in NIBD

	Q1 2020	Q1 2019	FY 2019
EBITDA before fair value adjustment on biological assets	1 097	934	3 746
Paid tax	-216	-393	-691
Change in working capital	-439	-382	-169
Other	-1	-2	-27
NIBD impact from operating activities	441	156	2 859
New intangibles, fixed assets and right of use assets (from credit institutions), net a)	-623	-415	-1 460
Dividends and interests received	6	14	304
Business combinations, net change (-)	0	0	0
Other changes in non-current assets	0	-2	5
NIBD impact from investing activities b)	-617	-402	-1 150
Dividends distributed	-5	-8	-1 272
Installments paid on lease liabilities with other than credit institutions c)	-54	-50	-206
New equity	0	0	0
Interests and other financial expenses	-74	-51	-254
NIBD impact from financing activities	-132	-109	-1 732
Implementation effect from IFRS 16	0	0	-74
Other changes (currency conversion, unrealized agio etc)	-53	13	2
NIBD impact from other changes (incl.currency effects) d)	-53	13	-71
Total change in NIBD	-361	-342	-95
NIBD at beginning	2 641	2 546	2 546
Change in NIBD	361	342	95
NIBD at end e)	3 003	2 889	2 641

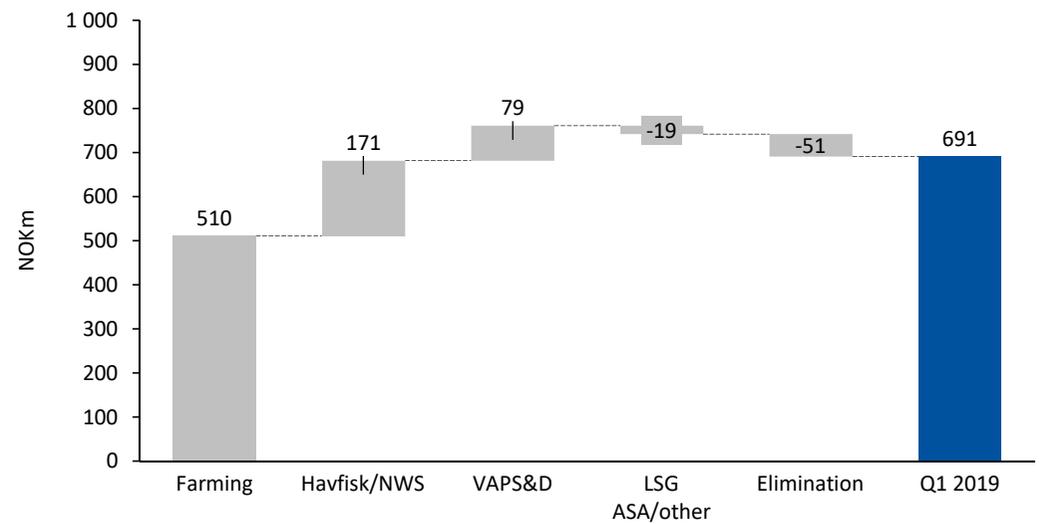


EBIT per segment

EBIT* Q1 2020



EBIT* Q1 2019

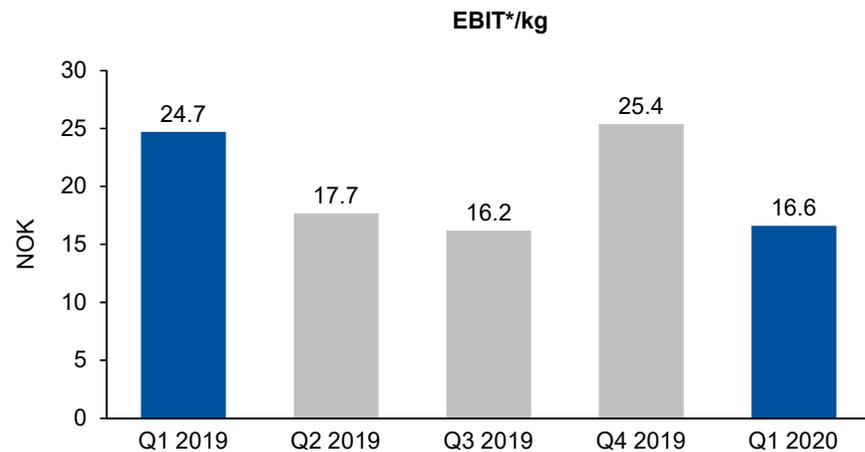


* Before biomass adjustment



Lerøy Aurora

	Q1 2020	Q1 2019
Revenue (NOKm)	526	368
EBIT* (NOKm)	142	122
Harvested volume (GWT)	8 534	4 941
EBIT/kg* (NOK)	16.6	24.7



* Before biomass adjustment

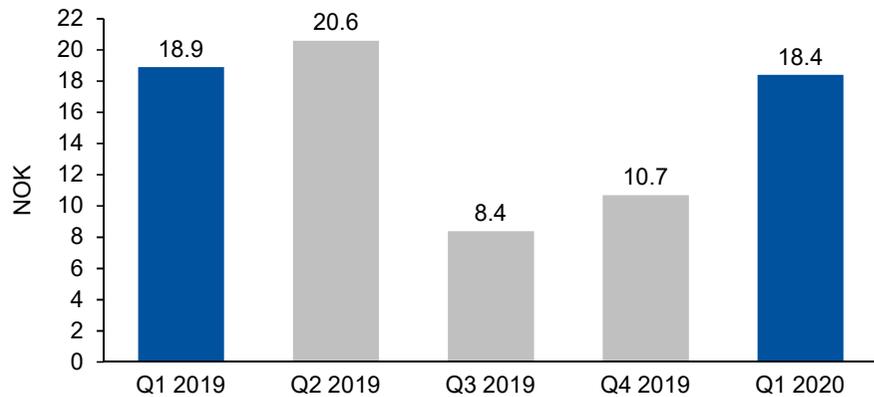
- Challenges with winter wounds significantly impacting both price realisation and cost in the quarter
- Price realisation down y-o-y. Cost realisation up q-o-q. Low harvest volume in Q2/20 will impact cost negatively
- Smolt development in Laksefjord according to plan, with final step of build-out to finalise in Q4/20.
- Average size of smolt released in 2020 to more than double compare to 2019 and reach about 300 grams, with further growth in average size into 2021. Significant potential for growth beyond 2020.



Lerøy Midt

	Q1 2020	Q1 2019
Revenue (NOKm)	927	770
EBIT* (NOKm)	266	233
Harvested volume (GWT)	14 501	12 299
EBIT/kg* (NOK)	18.4	18.9

EBIT*/kg



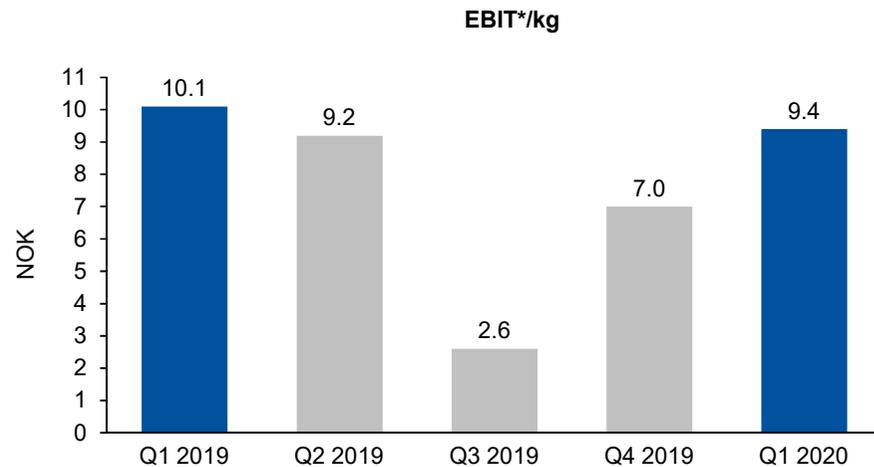
* Before biomass adjustment

- Positive development in growth in sea during the quarter
- RFS costs down q-o-q. Currently expectation for further cost reductions during 2020
- Finally started expansion of smolt facility at Belsvik. The facility will have a capacity of about 5000 tonnes annual biomass growth when finalised, giving potential for significant growth from 2022



Lerøy Sjøtroll

	Q1 2020	Q1 2019
Revenue (NOKm)	967	842
EBIT* (NOKm)	153	152
Harvested volume (GWT)	16 342	15 077
EBIT/kg* (NOK)	9.4	10.1



* Before biomass adjustment

- Positive underlying development in production
- 39% of quarterly harvest volume was trout. Cost and price realisation below salmon. EBIT/kg marginally below salmon in the quarter
- Smolt facility in Kjærelva finished
- First smolt from Kjærelva harvested in April 2020. 160 gram smolt, with 13 months in sea. Continue to believe this investment will drive growth in coming years



Wildcatch (Lerøy Havfisk/LNWS)

	Q1 2020	Q1 2019
Revenue (NOKm)	992	796
EBITDA (NOKm)	318	210
EBIT (NOKm)	270	171

Havfisk, catch volume	Q1 2020	Q1 2019
Cod	12 530	8 881
Haddock	5 198	5 246
Saithe	3 602	3 214
Shrimps	142	770
Other	3 537	2 425
Total	25 009	20 536

Havfisk, prices	Q1 2020	Q1 2019
Cod	38.4	34.1
Haddock	29.4	26.3
Saithe	17.0	12.8

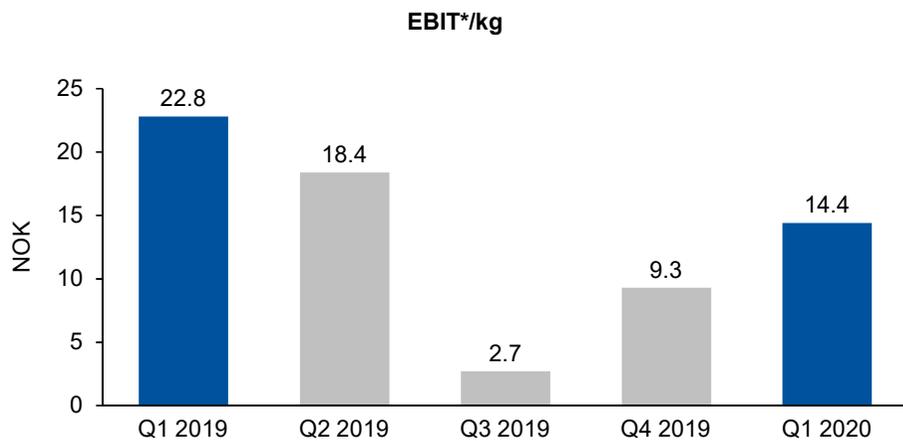
- Strong quarter driven by high catches and overall price increase of catches up 13%.
- New trawler “Kongsfjord” received. Performing in accordance with expectations
- High prices remains a challenge for the Norwegian whitefish processing industry, but small signs of improvement at start of 2020



Norskott Havbruk (associate, 50% owned by Lerøy Seafood Group)

	Q1 2020	Q1 2019
Revenue (NOKm)	264	405
EBIT* (NOKm)	42	109
Harvested volume (GWT)	2 917	4 802
EBIT/kg* (NOK)	14.4	22.8

- Good growth and biological performance in the quarter
- Harvest volume in the quarter impacted by biological challenges in H2 2019
- 3.8m smolts transferred to sea in Q1 with average weight of 156 gram (lager more robust smolts)
- Harvest guidance of 26,000 GWT in 2020 with growth potential into 2021



* Before biomass adjustment
 ** Figures based on 100% basis

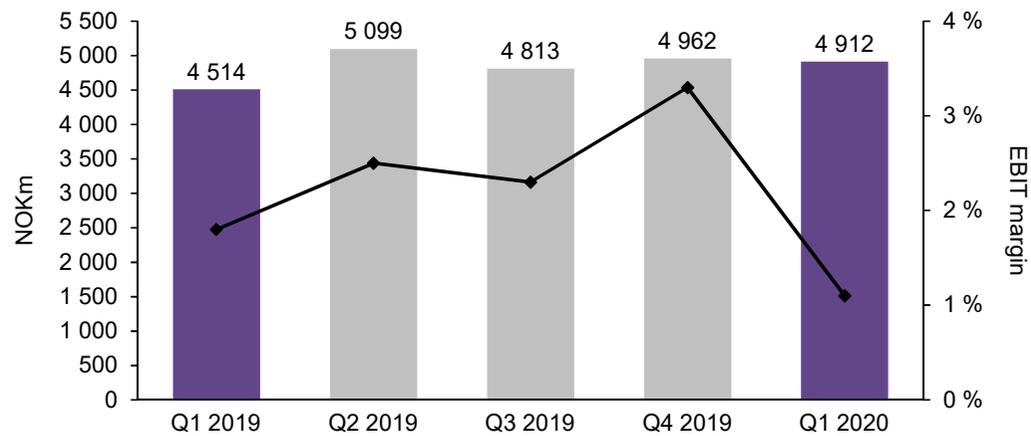


VAPS&D – VAP, Sales and Distribution

	Q1 2020	Q1 2019
Revenue (NOKm)	4 912	4 514
EBIT (NOKm)	54	79
EBIT margin	1.1%	1.8 %

- High activity level. Focus of keeping the value chain open
- Gradually impact from Covid-19 impacting during the quarter, with impact on cost level and thus financial performance
- Position as reliable partner/supplier further strengthened in the quarter

Revenue and EBIT margin (line graph)



Outlook



Atlantic Salmon - Supply

in tons WFE

Year	2014		2015		2016		2017		2018		2019		2020	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
Europe	1 468 900	5,8 %	1 495 400	1,8 %	1 429 700	-4,4 %	1 493 800	4,5 %	1 506 600	0,9 %	1 643 600	9,1 %	1 691 100	2,9 %
Norway	1 199 000	4,8 %	1 234 200	2,9 %	1 171 100	-5,1 %	1 207 800	3,1 %	1 253 400	3,8 %	1 333 400	6,4 %	1 377 200	3,3 %
United Kingdom	170 500	8,0 %	166 300	-2,5 %	157 400	-5,4 %	177 200	12,6 %	153 600	-13,3 %	183 600	19,5 %	182 200	-0,8 %
Faroe Islands	82 700	13,9 %	75 600	-8,6 %	77 300	2,2 %	80 300	3,9 %	71 700	-10,7 %	86 600	20,8 %	83 800	-3,2 %
Ireland	12 300	16,0 %	15 700	27,6 %	15 800	0,6 %	17 000	7,6 %	14 300	-15,9 %	15 500	8,4 %	14 500	-6,5 %
Iceland	4 400	31,3 %	3 600	-18,2 %	8 100	125,0 %	11 500	42,0 %	13 600	18,3 %	24 500	80,1 %	33 400	36,3 %
Americas	760 600	16,4 %	825 100	8,5 %	733 600	-11,1 %	797 200	8,7 %	899 700	12,9 %	932 600	3,7 %	980 080	5,1 %
Chile	582 900	24,5 %	598 200	2,6 %	504 400	-15,7 %	564 200	11,9 %	660 100	17,0 %	690 200	4,6 %	722 600	4,7 %
Canada	95 000	-17,5 %	135 200	42,3 %	146 000	8,0 %	137 000	-6,2 %	146 400	6,9 %	138 000	-5,7 %	138 100	0,1 %
Australia	42 000	7,7 %	54 400	29,5 %	50 900	-6,4 %	61 200	20,2 %	62 600	2,3 %	64 000	2,2 %	69 000	7,8 %
USA	24 000	18,2 %	20 200	-15,8 %	22 500	11,4 %	21 700	-3,6 %	19 000	-12,4 %	20 800	9,5 %	20 100	-3,4 %
Others	16 700	49,1 %	17 100	2,4 %	9 800	-42,7 %	13 100	33,7 %	11 600	-11,5 %	19 600	69,0 %	30 280	54,5 %
Total	2 229 500	9,2 %	2 320 500	4,1 %	2 163 300	-6,8 %	2 291 000	5,9 %	2 406 300	5,0 %	2 576 200	7,1 %	2 671 180	3,7 %

Figures as per:

05.05.2020

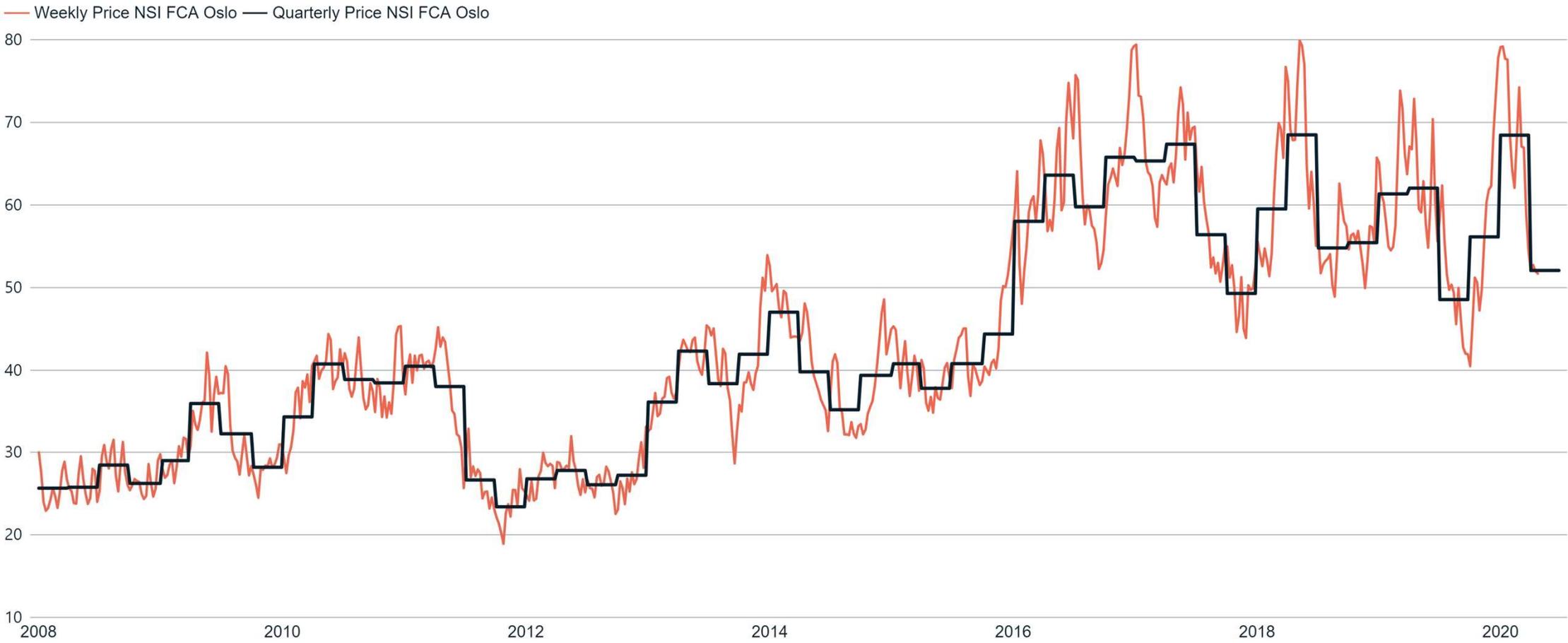
Source: Kontali



Spot Prices, Fresh Atlantic Salmon

- Cross Section, FCA Oslo, Superior Quality
as of week 17-2020

Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	26	29	34	40	27	36	47	41	58	65	60	61	68
Q2	26	36	41	38	28	42	40	38	64	67	68	62	52
Q3	28	32	39	27	26	38	35	41	60	56	55	49	
Q4	26	28	38	23	27	42	39	44	66	49	55	56	
Total	27	31	38	32	27	41	40	41	62	59	59	57	65

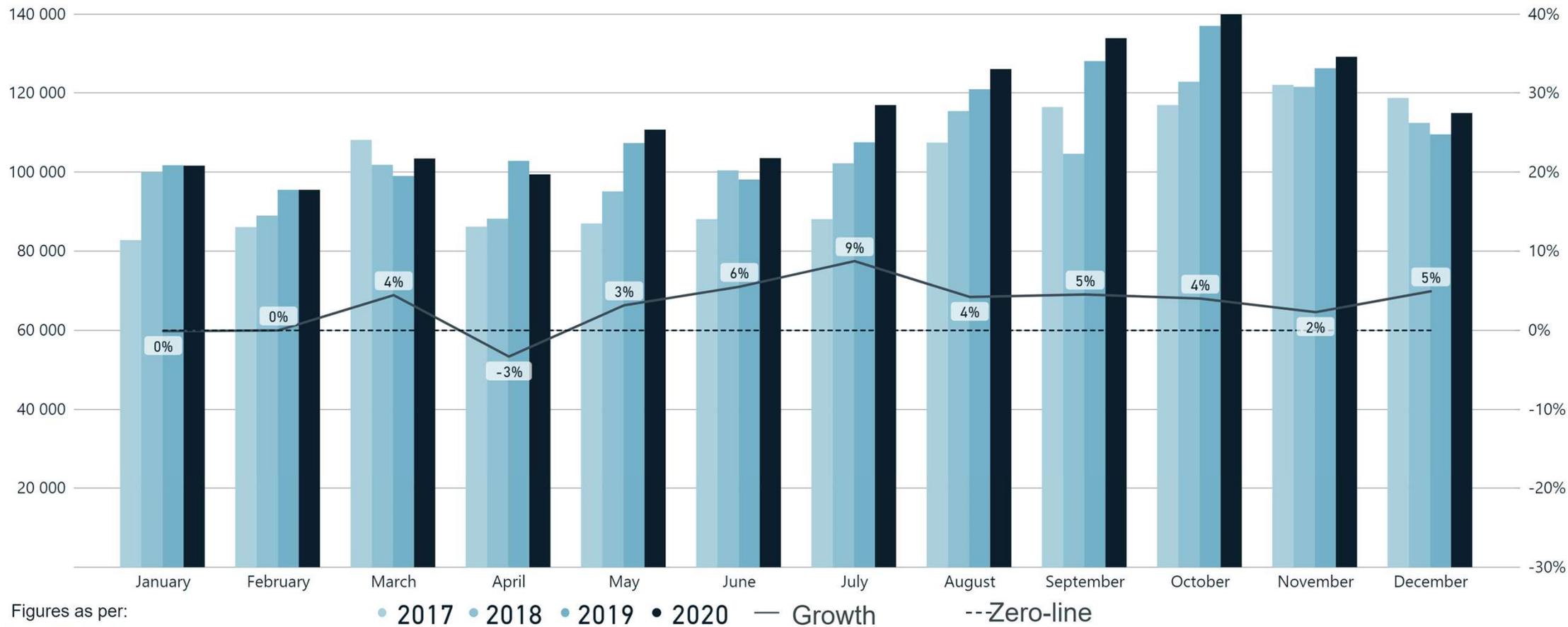




Tons YTD April:
399 900
Change from Last Year
0,2%

Atlantic Salmon - Harvest Volumes Norway

in tons WFE



Figures as per:
05.05.2020

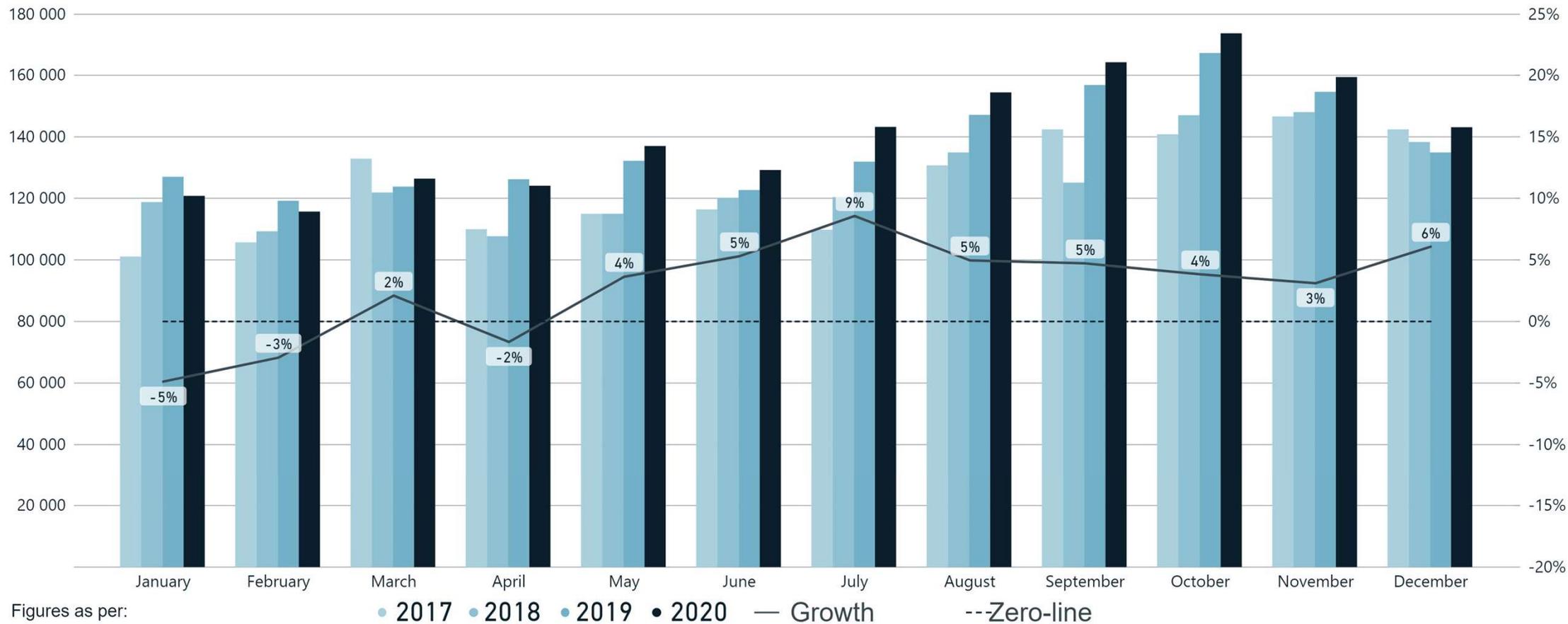
Source: Kontali



Tons YTD April:
487 000
Change from Last Year
-1,9%

Atlantic Salmon - Harvest Volumes Europe

in tons WFE



Figures as per:
05.05.2020

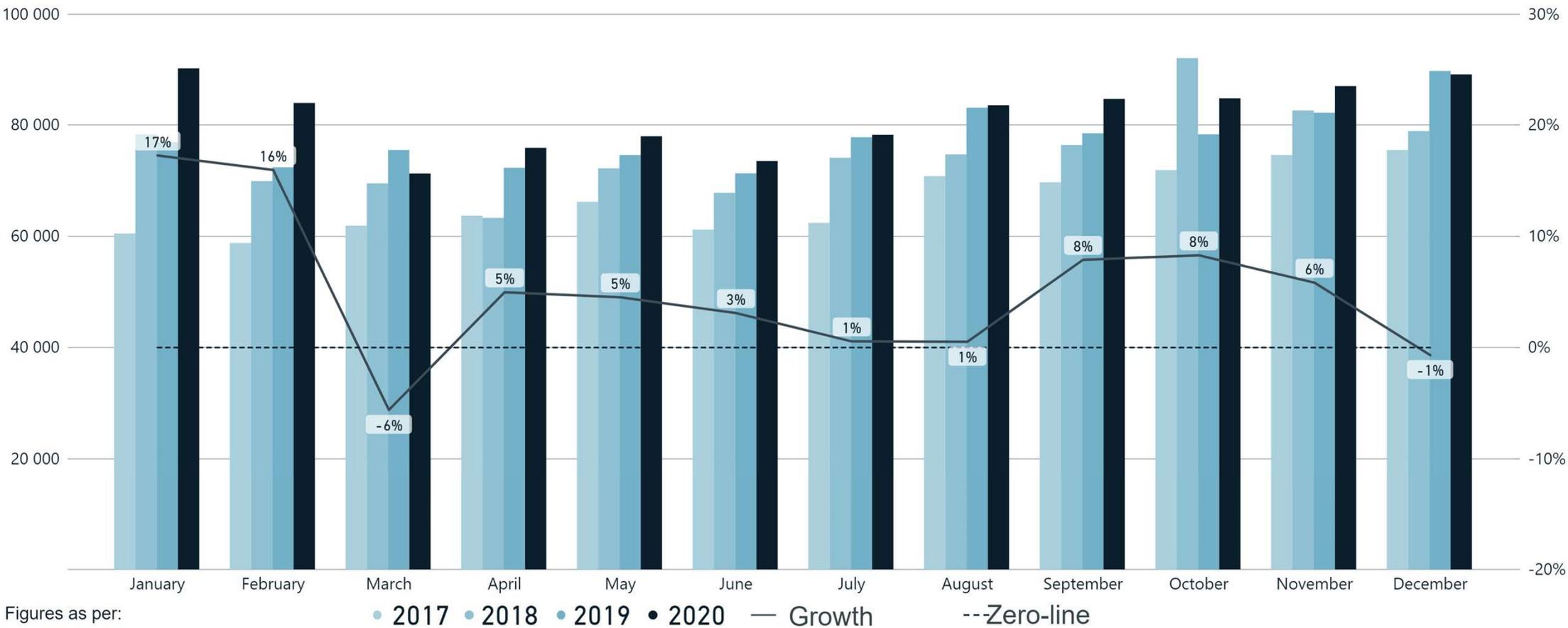
Source: Kontali



Tons YTD April:
321 280
Change from Last Year
8,1%

Atlantic Salmon - Harvest Volumes Americas

in tons WFE



Figures as per:
05.05.2020

Source: Kontali



Tons YTD April:

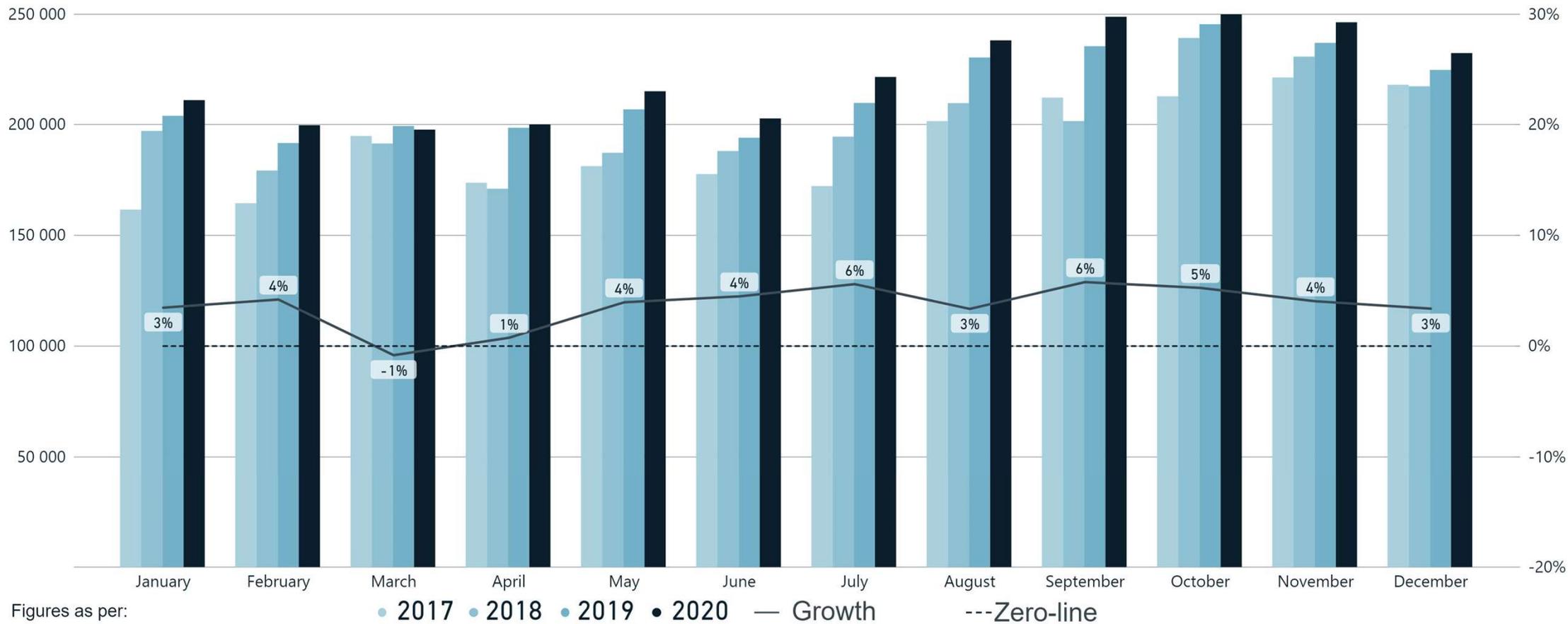
808 280

Change from Last Year

1,9%

Atlantic Salmon - Harvest Volumes WW

in tons WFE



Figures as per:

05.05.2020

Source: Kontali

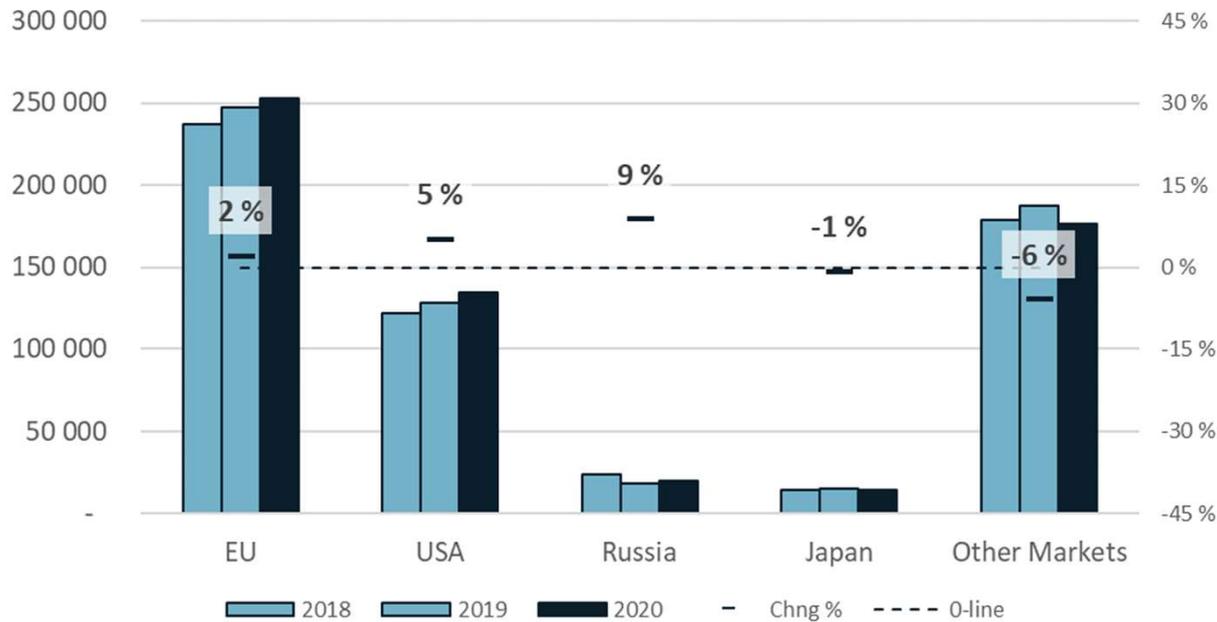


NOK/KG (NSI 3-6) Q1:
69.31 10.48% (62.73)

Atlantic Salmon Consumption

Q1

Market	2018	2019	2020	Chng	Chng %
EU	236 900	247 400	252 700	5 300	2 %
USA	121 900	128 200	134 900	6 700	5 %
Russia	24 200	18 100	19 700	1 600	9 %
Japan	14 200	14 900	14 800	-100	-1 %
Other Markets	178 700	187 400	176 500	-10 900	-6 %
Total	575 900	596 000	598 600	2 600	0 %



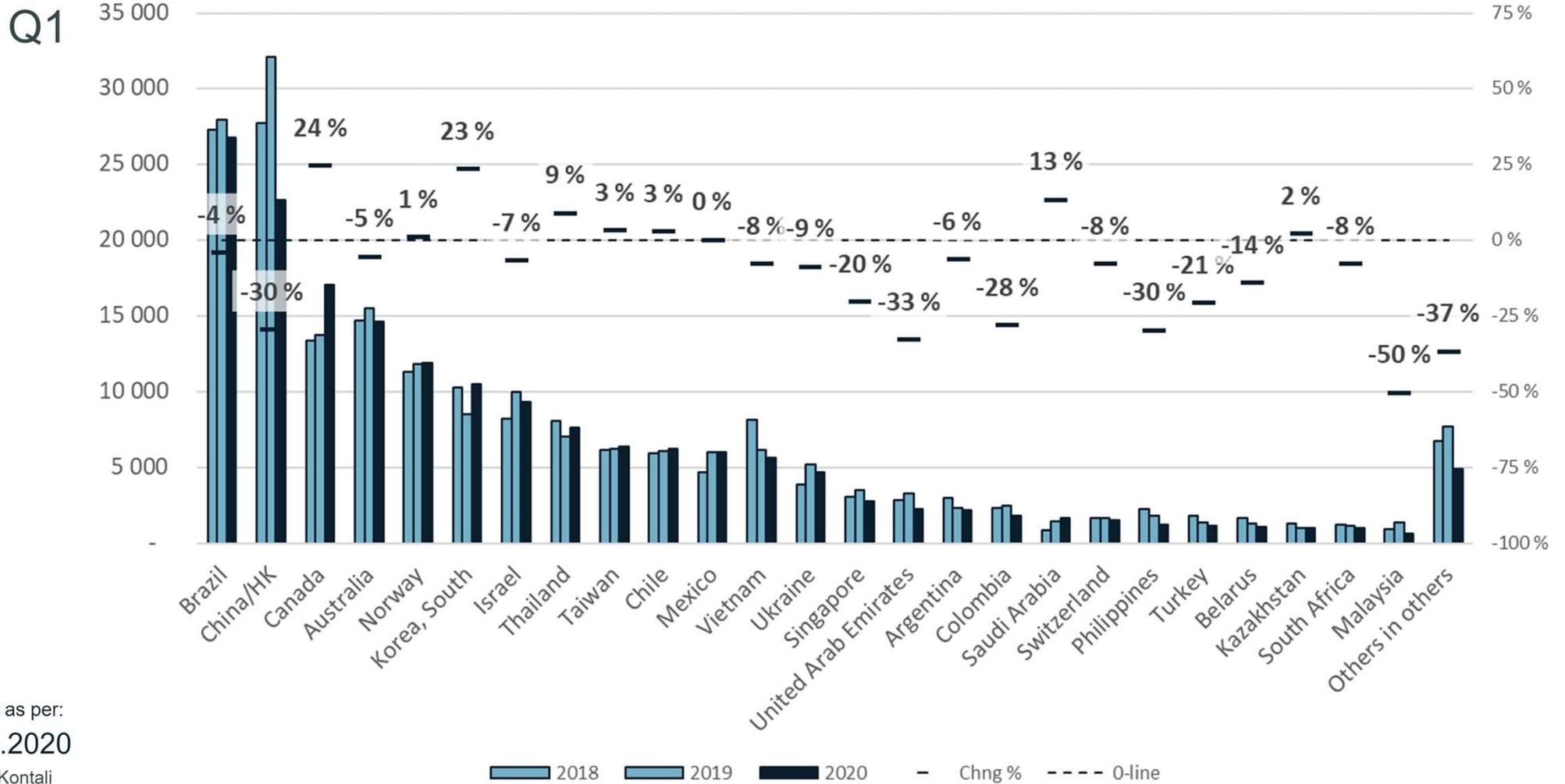
Figures as per:
05.05.2020

Source: Kontali



NOK/KG (NSI 3-6) Q1:
69.31 10.48% (62.73)

Atlantic Salmon Consumption (Other markets)



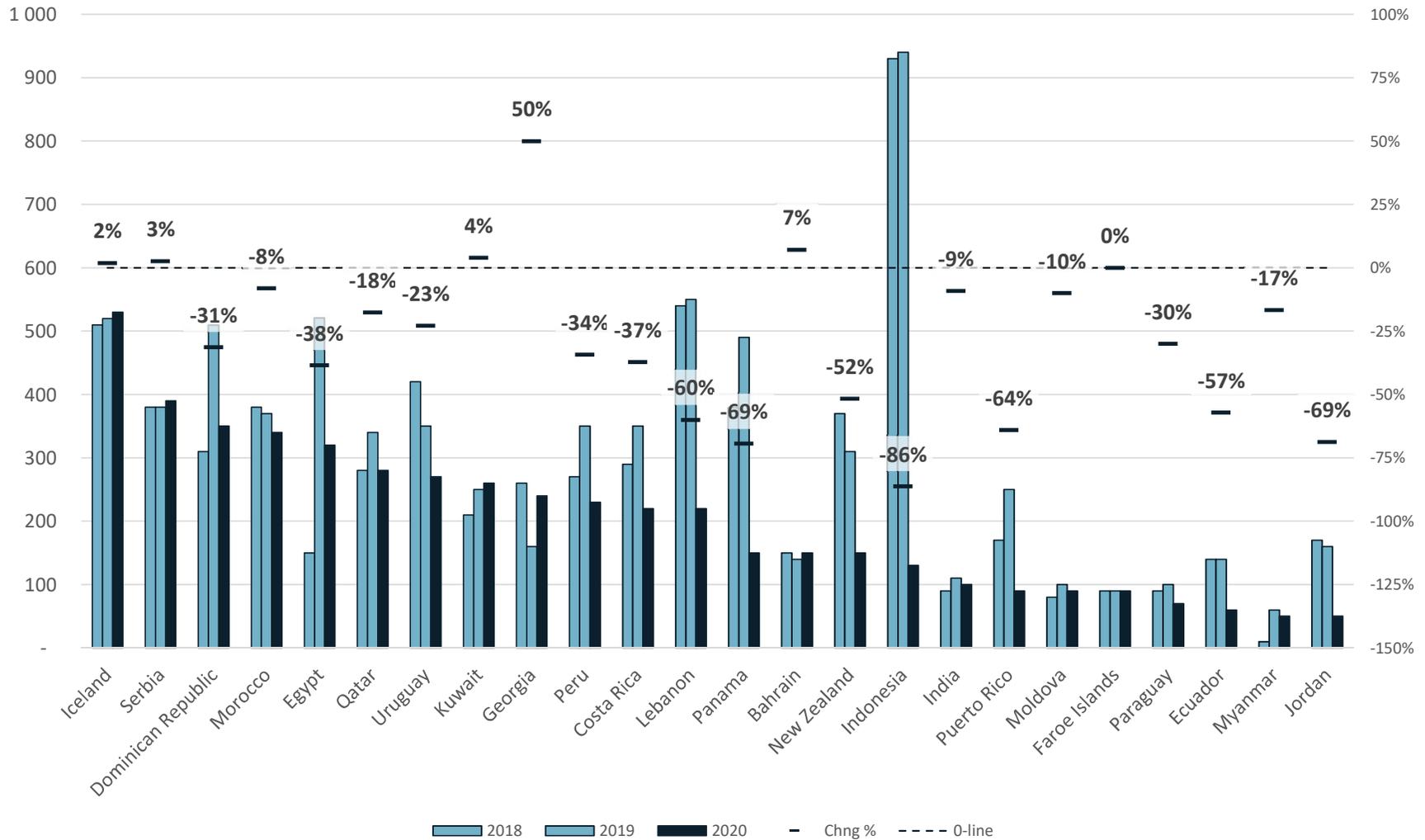
Figures as per:
05.05.2020
Source: Kontali



NOK/KG (NSI 3-6) Q1:
69.31 10.48% (62.73)

Atlantic Salmon Consumption (Others in others)

Q1



Figures as per:
05.05.2020
Source: Kontali



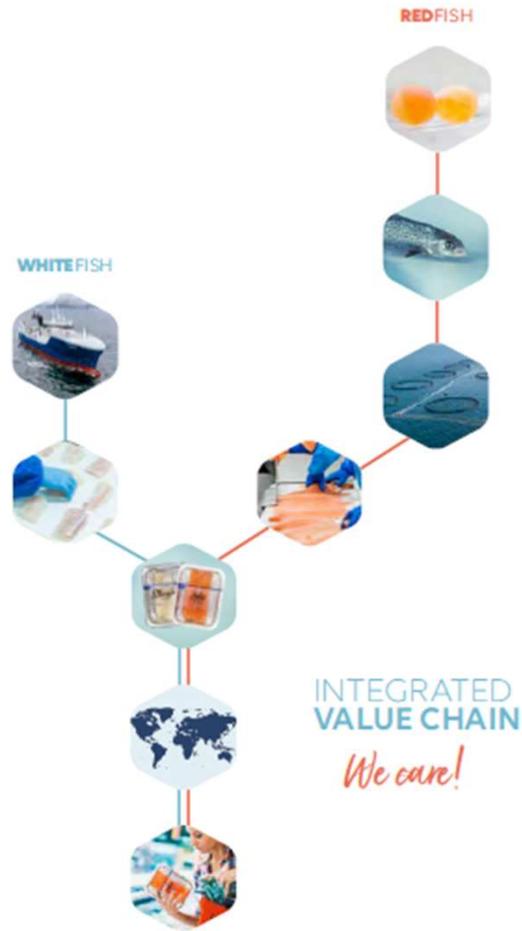
Outlook

- The end of Covid-19 is unpredictable, but has a significant impact on market development and thus earnings short term
- Long term the demand picture remains sound for seafood
- Expect significant growth in harvest volume and lower costs from the investments in smolt facilities
- Expected contract share for salmon and trout in Q2/19 ~35-40%
- Significant potential in whitefish





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





New trawler «Kongsfjord»

- Worlds first demersal trawler built with live fish tanks prior to sedation and slaughtering
 - Further improved quality
- Worlds first demersal trawler built with battery hybrid solution
- Triple trawl and high catch efficiency





New post smolt facility – Laksefjord

- Last phase of expansion to finalise in Q4 2020, lifting annual biomass production to around 4,500 tonnes
- Average smolt size in 2020 at around 300grams, with further increase into 2021
- Will increase harvest volume and lower costs for Lerøy Aurora





New smolt facility Vestlandet

- Smolt facility in Lerøy Sjøtroll finished, with biomass production above 4,000 tonnes
- First harvest of “small” smolt released early April 2019 in April 2020
- Will increase harvest volume and lower costs for Lerøy Sjøtroll





New post smolt facility - Belsvik 2

- Work at building site started for the expansion of current facility into one of the world's largest post smolt facilities
- Annual biomass production at around 5,000 tonnes
- Will increase harvest volume and lower costs for Lerøy Midt





New factory Lerøy Midt

- Highly automatized gutting and filleting factory
- Finished summer 2018
- 70 000 GWT tons yearly capacity per shift
- Focus on sustainability, quality and efficiency





Strong European distribution

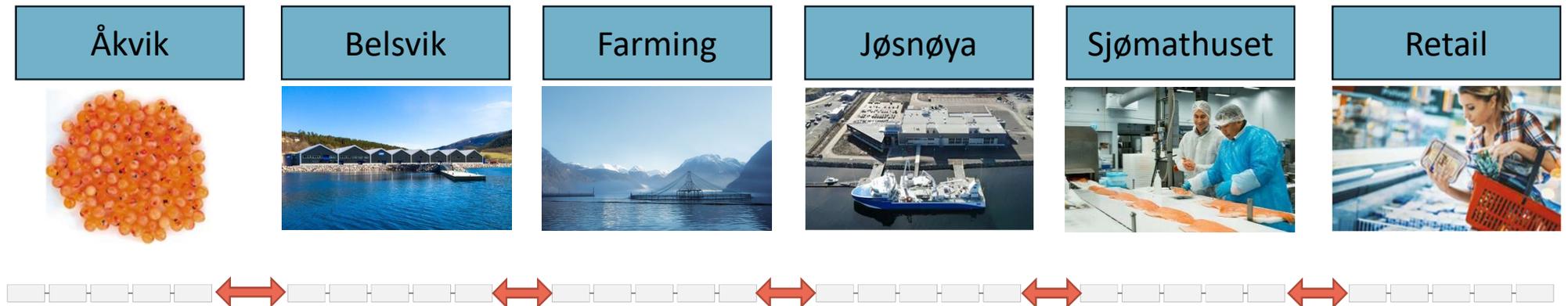
- Global reach and sales to more than 70 countries
- A significant industrial activity within trading, processing, sales and distribution of fish (including white species)
- Investments in “fish cuts” in end markets recent years
- Strong European distribution, the most important market for white fish
- Seeing high demand for white fish products throughout the network



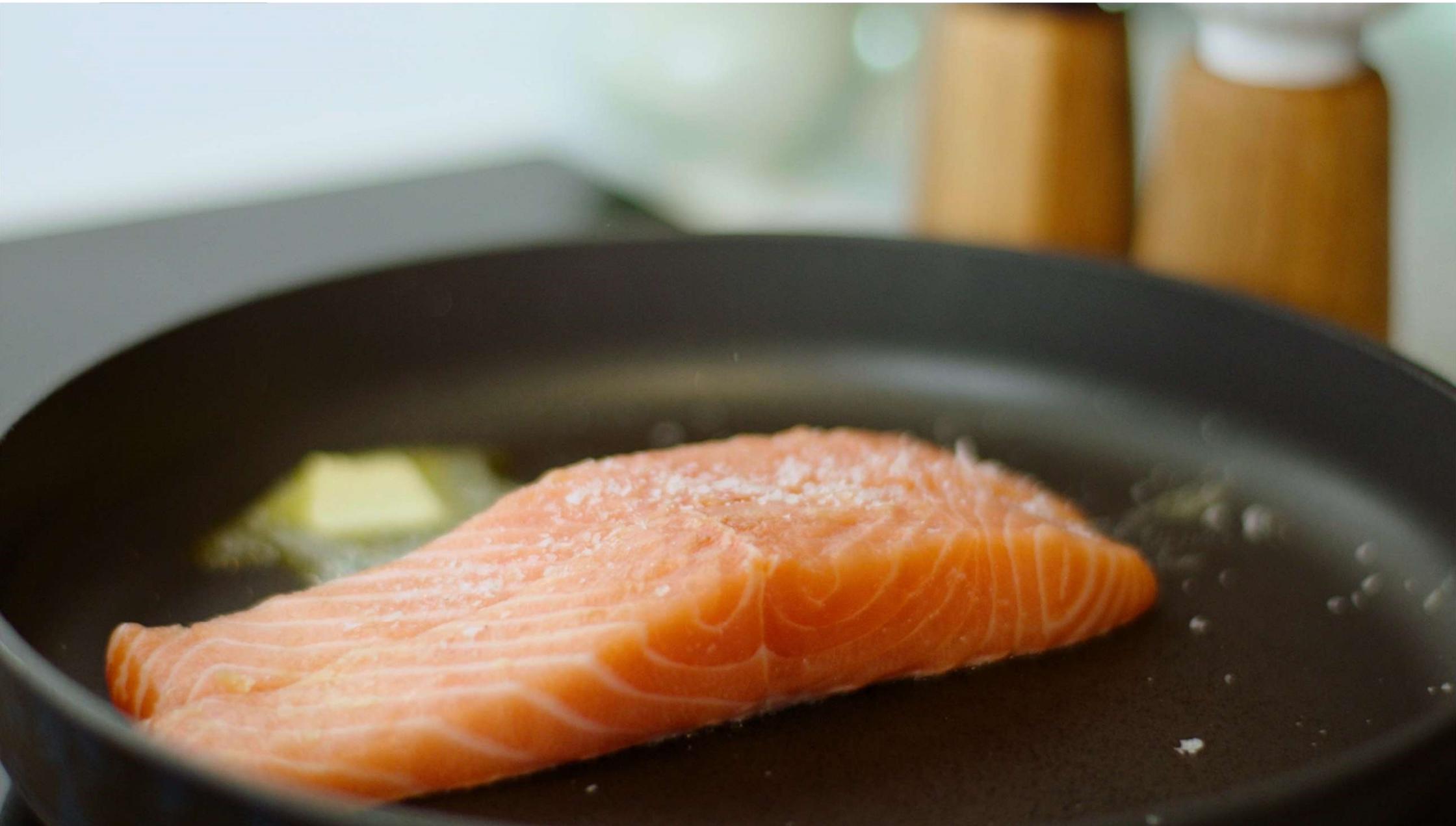
● Distribution facilities



Lerøy Midt - an efficient and sustainable value chain for salmon



Reduce variation, create predictability, establish standards and work with continuously improvement.
Our goal is to create value for our customers with innovation, perfect flow and control through the value chain





LERØY

The Norwegian Seafood Pioneer

SINCE 1899

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