



9 NOVEMBER 2023

# Q3 2023 Presentation



CEO: FRODE ARNTSEN



CFO: ULRIK STEINVIK





# Agenda

Highlights Q3 2023

Operational Update

Financial Update

Strategic Update

Outlook



# Highlights Q3 2023

- Strong results driven by solid operational performance
  - Strong results from farming segments in Norway driven by increased volume and reduced cost level
  - Continued solid performance from Sales & Industry with operational set-up showcasing its strength
  - Initiated harvest in Iceland after stop in Q2 2023
  - Two semi-offshore projects in operation
- Strengthened financial position
  - Completed sale of Frøy
  - New financing agreement in place
  - 13.1 million treasury shares to be cancelled in Q4 23
- Hosted CMD in September 2023
- Guidance FY 23 kept unchanged in Norway including SalMar Aker Ocean, increased with 1,000 tonnes in Iceland and decreased with 2,000 tonnes in UK
- Expect significant volume growth in 2024

## Harvest volume (1,000 tons gw)

Group		Norway <sup>1</sup>	
<b>78.1</b>		<b>74.0</b>	
Δ QoQ	Δ YoY	Δ QoQ	Δ YoY
<b>+33.7</b>	<b>+24.5</b>	<b>+29.8</b>	<b>+24.3</b>

## Operational EBIT/kg (NOK)

Group		Norway <sup>1</sup>	
<b>29.5</b>		<b>30.7</b>	
Δ QoQ	Δ YoY	Δ QoQ	Δ YoY
<b>-9.9</b>	<b>+5.0</b>	<b>-9.7</b>	<b>+4.4</b>

## Operational EBIT (NOKm)

Group		Norway <sup>1</sup>	
<b>2,300</b>		<b>2,274</b>	
Δ QoQ	Δ YoY	Δ QoQ	Δ YoY
<b>+555</b>	<b>+987</b>	<b>+483</b>	<b>+965</b>

Δ QoQ = Q3 2023 vs. Q2 2023

Δ YoY = Q3 2023 vs. Q3 2022

1) Norway = Group results excluding Icelandic Salmon and SalMar Aker Ocean



Q3 2023

# Operational Update



# Farming Central Norway

- Record high harvest volume
- Solid operational performance with reduced cost QoQ
  - SalmoNor volume accounted for 37%
- Continued harvest of spring 2022 and started harvest of autumn 2022

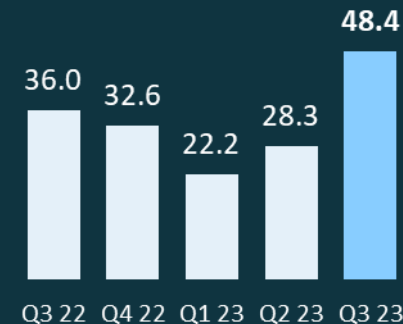
## Outlook

- Finish harvest of spring 2022 and continue with autumn 2022
- Good biological status
- Expect similar cost level in Q4 23
- Guidance FY 2023 reduced to 144,000 tonnes

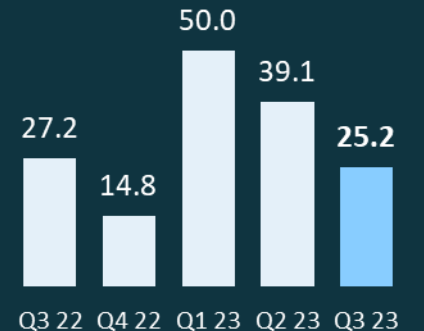
## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	3,817	2,540	8,996	6,574
Operational EBIT (NOKm)	1,218	978	3,434	3,115
Harvest volume (t <sub>gw</sub> )	48.4	36.0	98.9	81.5
EBIT/kg (NOK)	25.2	27.2	34.7	38.2

**Harvest volume**  
(1,000 tons gw)



**EBIT/kg**  
(NOK)



# Farming Northern Norway

- Continued strong operational performance
  - Slight increase in cost QoQ as expected
  - NRS volume accounted for 24%
- Finished harvest of autumn 2021 and continued harvest from spring 2022

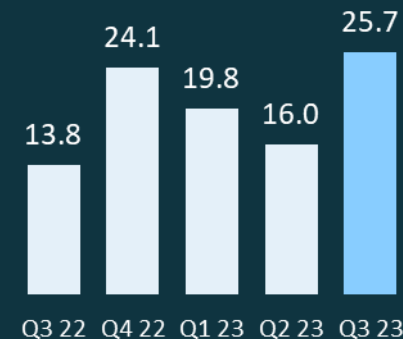
## Outlook

- Continue to harvest from spring 2022
- Good biological status
- Expect similar cost level in Q4 23
- Guidance FY 2023 kept unchanged at 95,000 tonnes despite transfer of Arctic Offshore Farming project to SalMar Aker Ocean (4,000 tonnes)

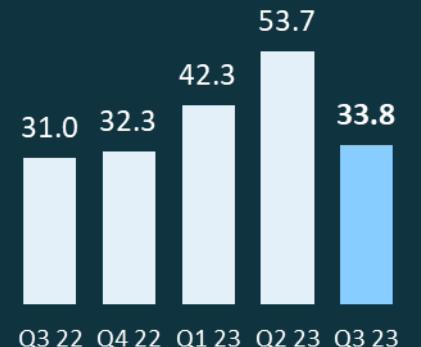
## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	2,033	946	5,458	3,126
Operational EBIT (NOKm)	868	428	2,562	1,749
Harvest volume (t <sub>gw</sub> )	25.7	13.8	61.4	39.3
EBIT/kg (NOK)	33.8	31.0	41.7	44.5

**Harvest volume**  
(1,000 tons gw)



**EBIT/kg**  
(NOK)



# Sales & Industry

- Continued solid operational performance
  - Operational set-up showcasing its strength
  - Strong capacity utilization of facilities in value chain
  - Continued good price achievement from spot sales

- Contracts<sup>1</sup> with positive contribution

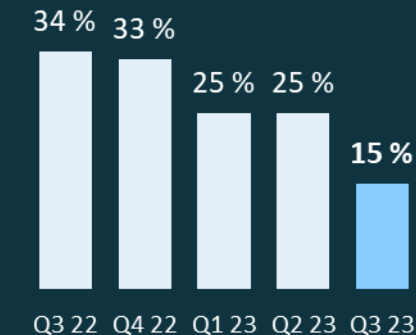
## Outlook

- Contract share currently around 15% for Q4 23

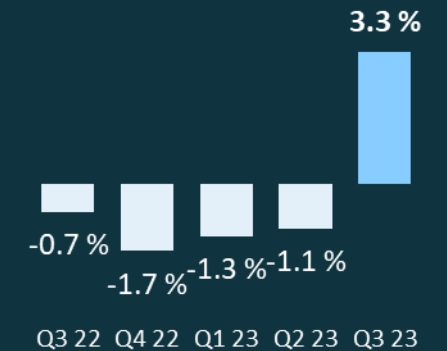
## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	7,236	4,734	19,477	13,126
Operational EBIT (NOKm)	236	-34	88	-1,186
Operational EBIT-margin (%)	3.3 %	-0.7 %	0.5 %	-9.0 %

**Contract share<sup>1</sup>**  
(%)



**EBIT-margin**  
(%)



1) Physical and financial fixed price contracts

# Icelandic Salmon

- Harvest started again in July after stop in Q2
  - Results affected by high cost level
- Hosted CMD and completed dual listing on First North stock exchange in Iceland at the end of September

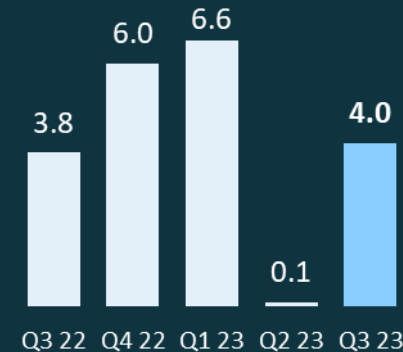
## Outlook

- Guidance FY 2023 increased to 17,000 tonnes
- Biological challenges in Q4 2023 affecting results in Q4 23 and volume growth for 2024
- EUR 100 million financing agreement in place
  - Gives financial flexibility for future growth ambitions

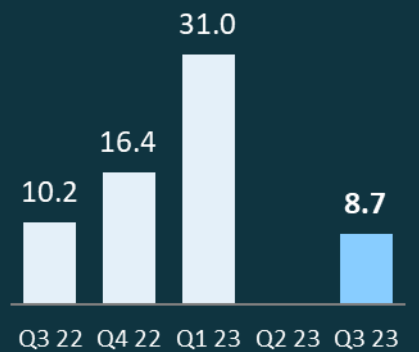
## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	476	340	1,267	1,056
Operational EBIT (NOKm)	35	39	204	268
Harvest volume (t <sub>gw</sub> )	4.0	3.8	10.7	10.1
EBIT/kg (NOK)	8.7	10.2	19.1	26.4

**Harvest volume**  
(1,000 tons gw)



**EBIT/kg**  
(NOK)





# SalMar Aker Ocean

- Two semi-offshore projects in operation
  - Arctic Offshore Farming a part of SalMar Aker Ocean
- Site approval for open ocean unit Smart Fish Farm

## *Outlook*

- Expect to harvest 4,000 tonnes in Q4 2023 from Arctic Offshore Farming project

## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	0	-	0	-
Operational EBIT (NOKm)	-8	-34	-63	-107
Harvest volume (t <sub>gw</sub> )	-	-	-	-
EBIT/kg (NOK)	-	-	-	-



*Ocean Farm 1 at its location Håbranden on Frohavet in Central Norway*

# Scottish Sea Farms<sup>1</sup>

- Seasonally low harvest volumes due to previously mentioned biological challenges
  - Biological challenges affecting average harvest size, cost and price achievement
  - Incident based mortality in the quarter of £13.1mill or £1.5/kg
- 49% of volume sold on contracts

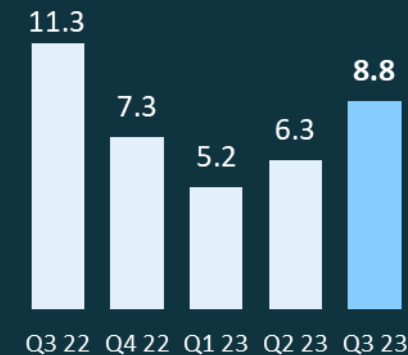
## Outlook

- Improved biological situation for generations to be harvested in 2024
- Guidance FY 2023 reduced to 25,000 tonnes

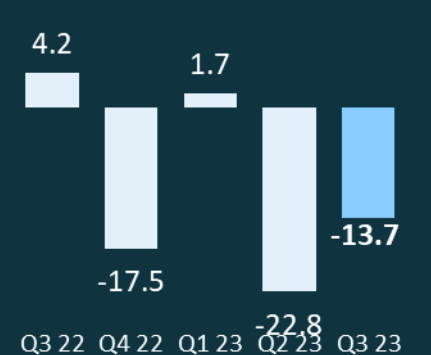
## Key Results

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income (NOKm)	867	972	2,065	2,495
Operational EBIT (NOKm)	-121	47	-257	342
Harvest volume (t <sub>gw</sub> )	8.8	11.3	20.3	28.6
EBIT/kg (NOK)	-13.7	4.2	-12.6	12.0
Fair value adjustments (NOKm)	27	-172	21	149
Profit after tax (NOKm)	-110	-110	-299	328
NIBD (NOKm)	2,700	1,871	2,700	1,871

**Harvest volume**  
(1,000 tons gw)



**EBIT/kg**  
(NOK)



Q2 2023

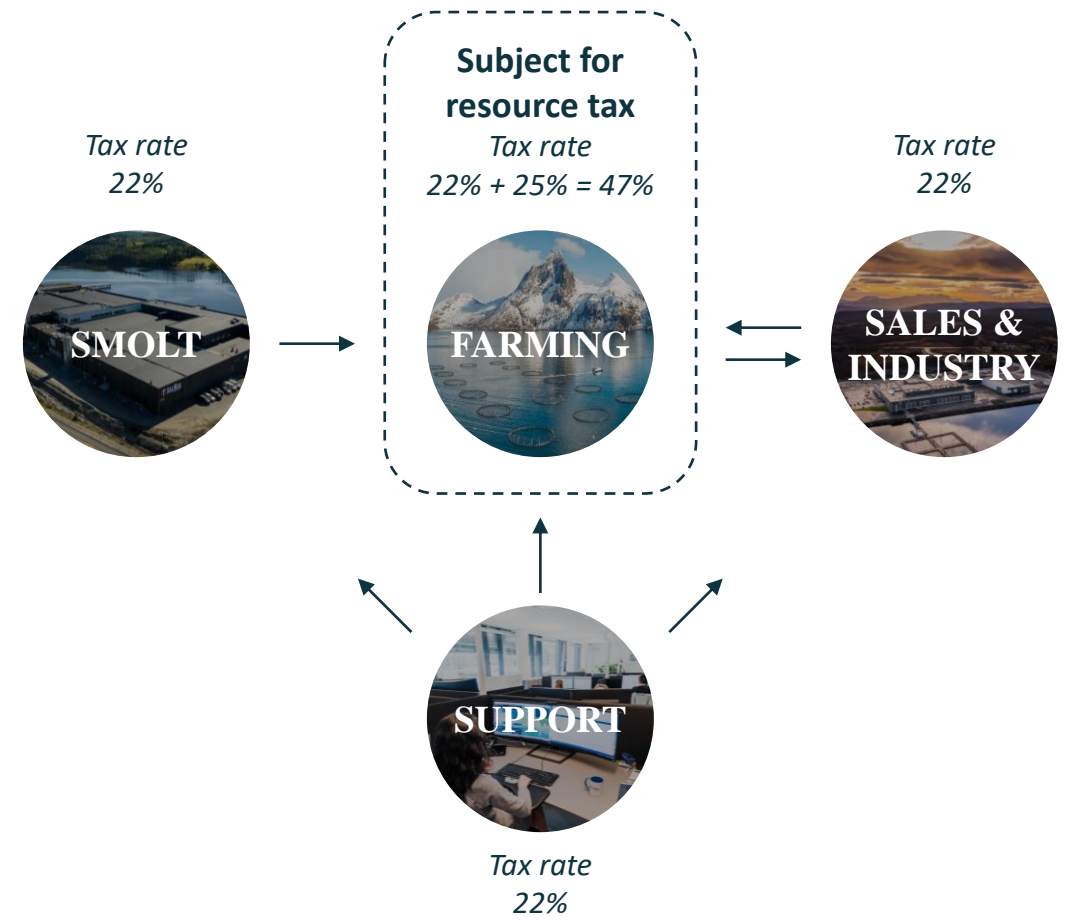
# Financial Update





# Resource rent tax in Norway

- Estimated tax for the first 9 months of 2023 included in the financial statement for Q3 2023
  - Only commercial licenses a part of the resource rent tax
  - Consideration paid in previous traffic light auctions deductible, NOK 245 million per year
- Resource rent tax for the first 9 months of 2023 consists of
  - Implementation effect, NOK 2.3 billion
  - Tax for the period including production tax, NOK 1.2 billion
  - Total NOK 3.5 billion
- Tax approved in May 2023 with a tax rate at 25%
  - SalMar strongly opposes both the proposed tax model and level
  - Will continue open and fact-based dialogue with authorities

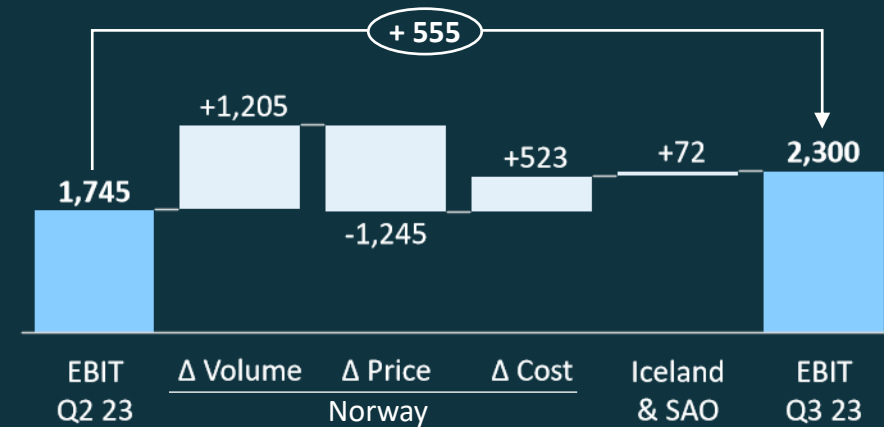


→ Internal products & services

# Group Profit & Loss

- Increase in operational EBIT QoQ driven by increased harvest volume and lower cost in value chain in Norway
  - Offsetting effects of lower salmon prices
- Fair value adjustments\* positive due to higher biomass in calculation
- Income from associates & JV affected by weak results from Scottish Sea Farms
- Estimated resource rent tax for the first 9 months of 2023 included
- Frøy sold in August 2023, gain recognized of NOK 363 million

## Group operational EBIT - QoQ



## Group P&L

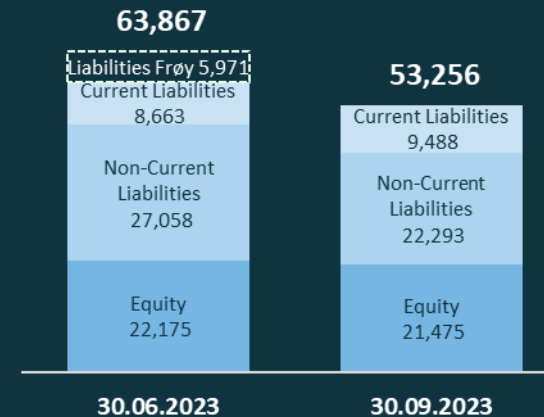
NOK million	Q3 2023	Q2 2023	Δ %	YTD 2023	YTD 2022	Δ %
Operating revenues	7,512	5,895	+27 %	20,199	13,753	+47 %
EBITDA	2,653	2,088	+27 %	6,969	4,153	+68 %
<b>Operational EBIT</b>	<b>2,300</b>	<b>1,745</b>	<b>+32 %</b>	<b>5,930</b>	<b>3,458</b>	<b>+71 %</b>
Production tax	-73	-25		-130	-58	
Fair value adjustments*	424	375		1,434	1,303	
Income from associates & JV	-18	-71		-62	168	
Net financial items	-329	-259		-867	-87	
<b>Profit before tax</b>	<b>2,304</b>	<b>1,766</b>		<b>6,305</b>	<b>4,784</b>	
Tax	1,623	2,705		4,819	999	
<b>Profit for the period from continuing operations</b>	<b>681</b>	<b>-939</b>		<b>1,486</b>	<b>3,785</b>	
Profit after tax for the period from discontinued operations	385	161		655		
<b>Profit for the period</b>	<b>1,066</b>	<b>-778</b>		<b>2,141</b>	<b>3,785</b>	
Earnings per share (NOK/share)	7.6	-6.4		14.3	29.5	
Harvest volume (tgv)	78.1	44.3	+76 %	171.0	131.0	+31 %
EBIT per kg (NOK/kg)	29.5	39.4	-25 %	34.7	26.4	+31 %

\*) Includes onerous contracts and fair value adjustments

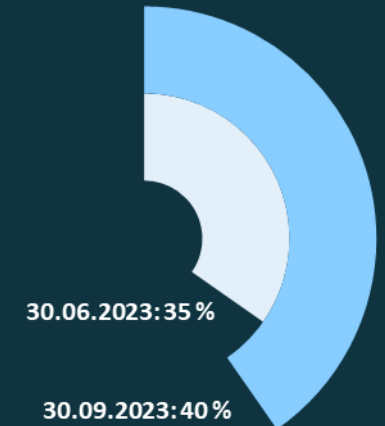
# Group Balance Sheet

- Sale of Frøy and new financing agreement strengthening financial position
- Ongoing investments in the value chain progressing according to plan
- Higher standing biomass QoQ and YoY
- Equity ratio increased to 40%
- Net interest-bearing debt (NIBD) including lease liabilities decreased with NOK 6.8 billion
  - NIBD incl. lease/EBITDA at 1.9
  - NIBD/EBITDA at 1.7
- Available liquidity, NOK 8 billion
- 13.1 million treasury shares to be cancelled in Q4 2023 after intra-group merger with NTS AS is completed

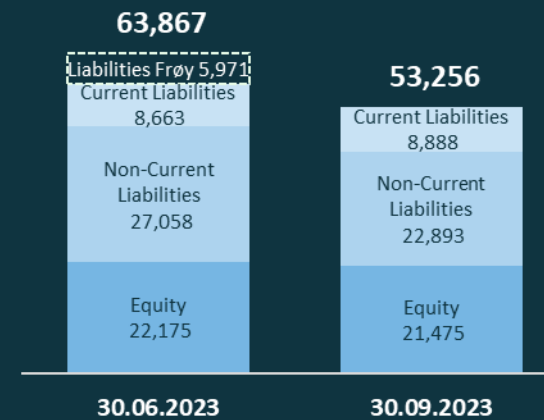
## Assets



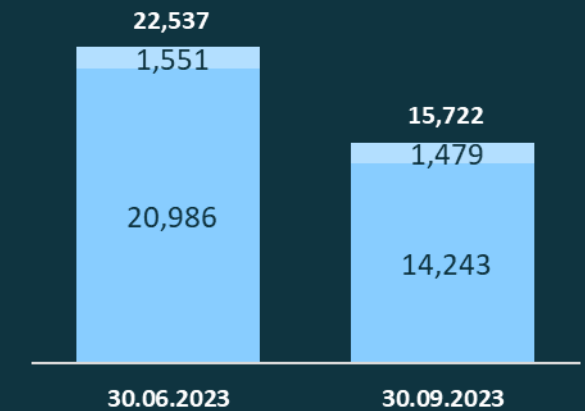
## Equity ratio



## Equity & liabilities



## NIBD incl. lease liabilities



■ NIBD ■ Lease Liabilities

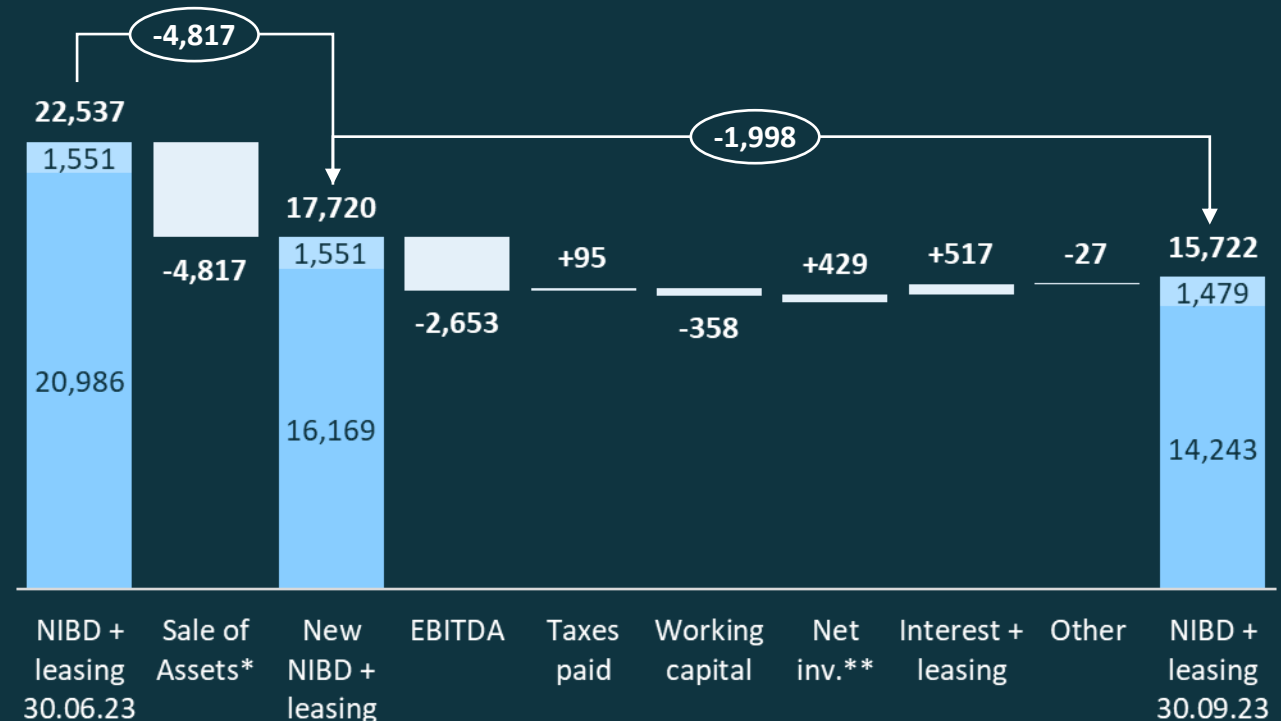
All figures in NOK million



# Net interest bearing debt

- Sale of assets reducing NIBD with NOK 4.8 billion
- Cash flow in the period reducing NIBD with NOK 2.0 billion
- Strong cash flow from operations
- Net investments at NOK 429 million
  - Farming NOK 225 million
  - Smolt NOK 61 million
  - Sales & Industry NOK 83 million
  - Icelandic Salmon NOK 39 million
  - SalMar Aker Ocean NOK 5 million

## Change in NIBD incl. leasing - QoQ



All figures in NOK million

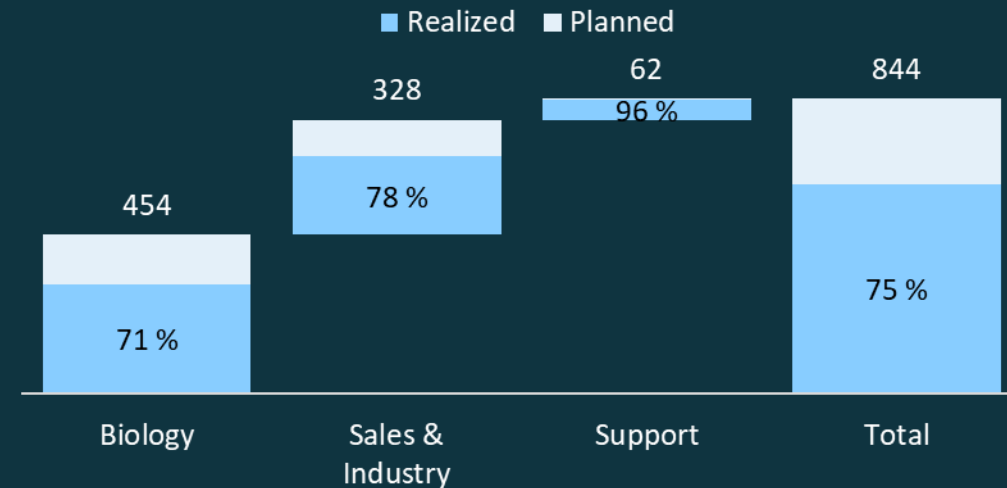
\* Cash-contribution from sale of assets

\*\* Net investments

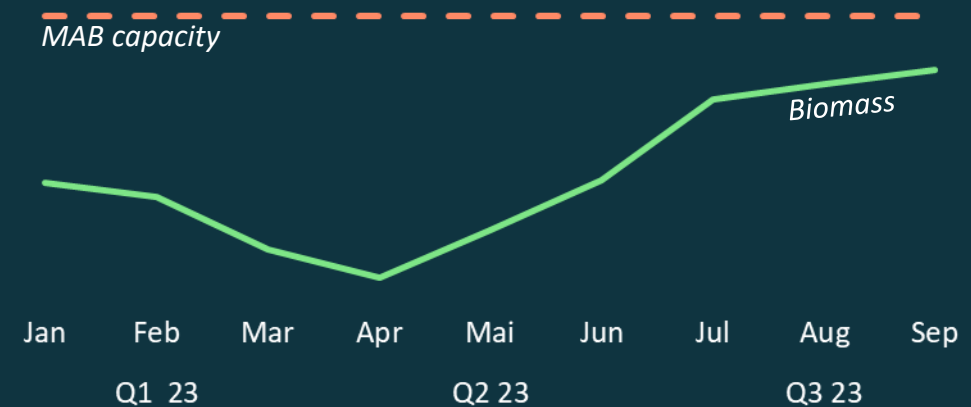
# Synergy realization progressing according to plan

- 75% of synergies with NTS, NRS and SalmoNor realized at the end of Q3 23
  - Realized 635 of 844 MNOK in yearly recurring cost savings
  - Estimated total restructuring cost NOK 103 million unchanged
- Yearly recurring cost savings achieved through:
  - Improved operational set-up
  - Increased efficiency
  - Scale advantages
- Strong utilization of increased license capacity
  - Materializing in increased harvest volume from 2024
- Optimizing value chain
  - SalmoNor Settefisk sold at the end of Q3 2023
  - Arctic Offshore Farming a part of SalMar Aker Ocean

## Synergy realization as of Q3 2023



## Development MAB utilization 2023



A group of people, likely workers or researchers, are seen from the side, looking down at a large, green, mesh-like structure that appears to be part of a salmon farming operation. They are wearing safety gear, including high-visibility jackets and helmets. The background shows a body of water and a cloudy sky. The overall scene is industrial and focused on aquaculture.

Q3 2023

# Strategic Update

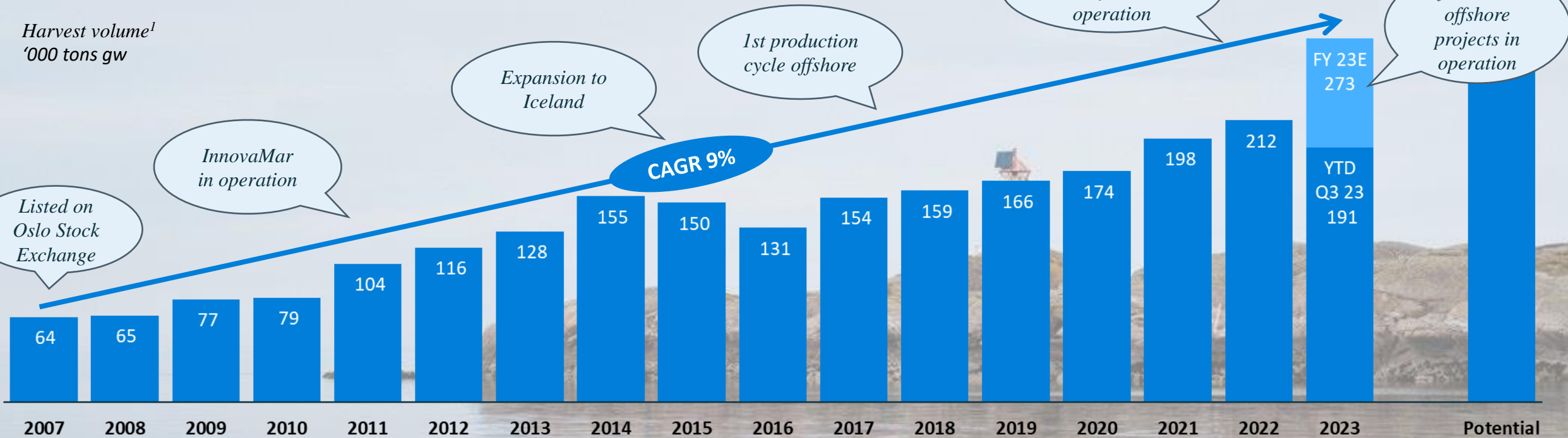


# Our story

## A history of growth

Reached new milestones in 2023 and has strong ambitions for further growth

Harvest volume<sup>1</sup>  
'000 tons gw



1) Total harvest volume including relative share, 50%, from JV Scottish Sea Farms

# Our story

## *Is built on a passion for salmon*

Fish welfare throughout the value chain crucial for production of healthy, nutritious and sustainable food

Our growth will always be on the terms of the salmon

Invested to be self sufficient with high quality smolt

Always producing the best fish through good fish welfare

Access to optimal locations giving untapped growth potential

Rigged with flexible harvesting and processing facilities

Strong access to customers worldwide

*Self-sufficiency smolt production:*

100%

*Survival Rate\*:*

2017  
93%



2022  
95%

\*According to GSI methodology

*Antibiotic use:*

0

# Significant volume growth in 2024 with further growth potential in all regions



NORWAY<sup>1</sup>

2024E: **257,000 tons**

Δ2023: +18,000 tons / +8 %

Unutilized potential starting to materialize



OFFSHORE<sup>2</sup>

2024E: **7,000 tons**

Δ2023: +3,000 tons / +75 %

Third harvest from Ocean Farm 1 and 2<sup>nd</sup> harvest from AOF



ICELAND<sup>3</sup>

2024E: **15,000 tons**

Δ2023: -2,000 tons / -12 %

Biological challenges affecting growth



UK<sup>4</sup>

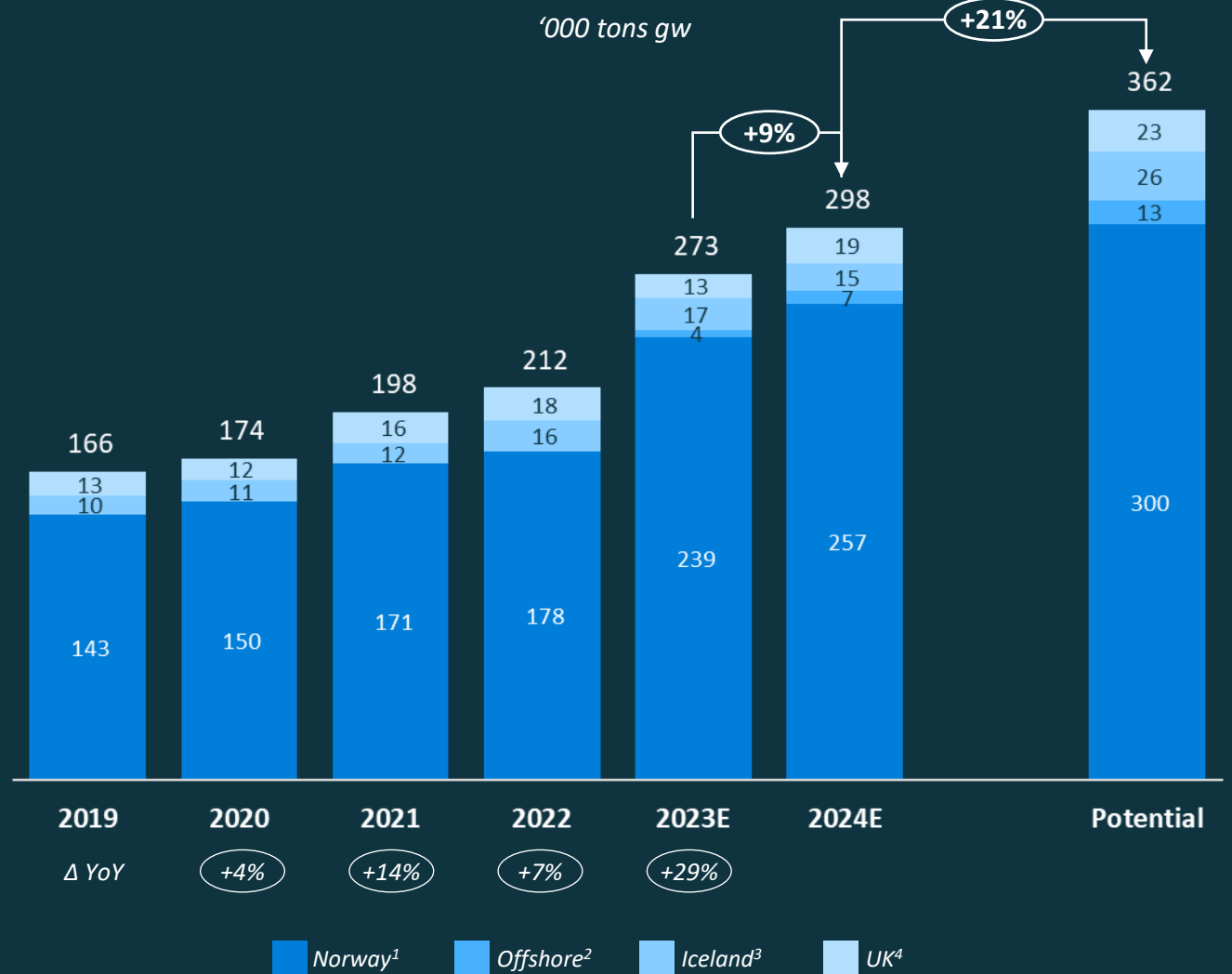
2024E: **37,000 tons**

Δ2023: +12,000 tons / +48 %

Considerable improvement following challenges in 2023

## Harvest volume

'000 tons gw



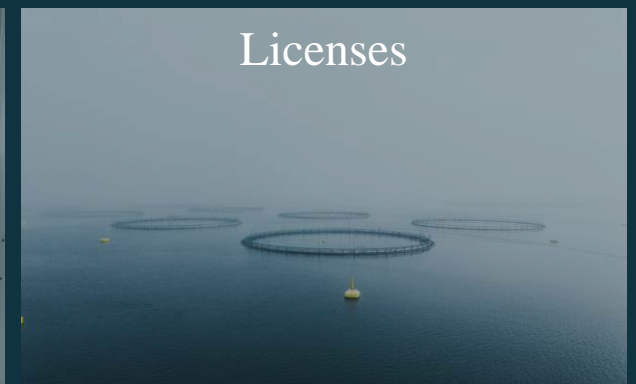
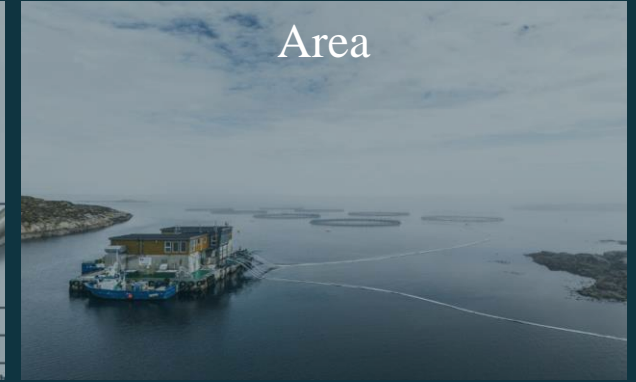
1) Norway, Farming Central Norway + Farming Northern Norway. Harvest volumes fully consolidated  
 2) SalMar Aker Ocean, ownership 85%. Harvest volumes fully consolidated  
 3) Icelandic Salmon, ownership 51%. Harvest volumes fully consolidated from 2019  
 4) Scottish Sea Farms, joint venture through Norskott Havbruk, ownership 50%. 39,000 tonnes depicts 100% share, harvest volume in graph depicts SalMar share.



# New offshore units in Norway currently on hold

- Focus on continued growth within semi-offshore and continue to utilize the potential in existing semi-offshore assets
- Will continue to explore opportunities abroad
- In SalMar we are always exploring ways for further sustainable growth
- Where, how soon and how much depends to a large degree on a sustainable and predictable regulatory framework

## *Key components in a sustainable regulatory framework*





Q3 2023

# Outlook



# Outlook

- No global supply growth in 2023
- Expect low global supply growth in 2024
  - Continued good demand for sustainable proteins
  - In this market SalMar will grow volume significantly
- SalMar well equipped for further sustainable growth
  - Strong growth potential in optimal locations
  - Robust value chain with unutilized potential
  - Dedicated employees and strong corporate culture

## Guiding

		Q4 2023		FY 2023	FY 2024
	Cost Level <sup>1</sup>	Harvest Volume <sup>1</sup>	Contract share <sup>2</sup>	Harvest Volume	Harvest Volume
<b>Norway</b>	<b>Same level</b>	<b>Same level</b>	<b>~15%</b>	<b>239,000</b>	<b>257,000</b>
Central Norway	Same level	Lower		144,000	
Northern Norway	Same level	Higher		95,000	
<b>SalMar Aker Ocean</b>		<b>Higher</b>		<b>4,000</b>	<b>7,000</b>
<b>Icelandic Salmon</b>		<b>Higher</b>		<b>17,000</b>	<b>15,000</b>
<b>Scottish Sea Farms<sup>3</sup></b>				<b>25,000</b>	<b>37,000</b>

1) Change from Q3 2023

2) Physical and financial fixed price contracts

3) Joint venture Scottish Sea Farms LTD through Norskott Havbruk, ownership 50%, figure depicts 100% share

4) Including relative share from Scottish Sea Farms



# Thank you for your attention

## *Passion for Salmon*

For more information, please visit [www.salmar.no](http://www.salmar.no)

### FINANCIAL CALENDAR:

Q4 2023 presentation – 15 February 2024 – *Oslo*

Annual Report 2023 – 19 April 2024

Q1 2024 presentation – 14 May 2024 – *Oslo*

Annual General Meeting – 6 June 2024

Q2 2024 presentation – 20 August 2024 – *Trondheim*

Q3 2024 presentation – 12 November 2024 – *Oslo*



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# Forward looking statements

*The statements contained in this presentation may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect current expectations and assumptions as to future events and circumstances that may not prove accurate. Although SalMar believes that the assumptions and expectations implied in any such forward-looking statements are reasonable, no assurance can be given that such assumptions or expectations will prove to be correct. A number of material factors could cause actual results, performance or developments to differ materially from those expressed or implied by these forward-looking statements. Factors that may cause such a difference include but are not limited to: biological situation in hatcheries and sea farms; fish escapes; fluctuations in salmon prices; foreign exchange, credit and interest rate fluctuations; changes in the competitive climate; changes in laws and regulations. SalMar assumes no obligation to update any forward-looking statement.*