



Austevoll Seafood ASA

## Q4 2018 Financial presentation

CEO - Arne Møgster

CFO - Britt Kathrine Drivenes

# Highlights

All figures in MNOK	Q4 2018	Q4 2017	2018	2017
Revenue	5 765	4 802	22 837	20 799
<b>EBITDA*</b>	<b>1 216</b>	<b>819</b>	<b>5 239</b>	<b>4 747</b>
EBIT*	955	584	4 279	3 827
Pre-tax profit**	968	651	4 397	4 029
EPS (NOK)*	2,49	1,62	9,79	8,62
<b>Total assets</b>			<b>37 955</b>	<b>35 309</b>
Net interesting bearing debt			3 983	4 138
Equity ratio			59%	54%
 <b>Group EBITDA incl. 50% of Pelagia</b>	 <b>1 322</b>	 <b>934</b>	 <b>5 561</b>	 <b>5 054</b>
<i>EBITDA Salmon/whitefish</i>	1 134	921	4 228	4 300
<i>EBITDA Pelagic incl. proportional Pelagia</i>	189	13	1 333	754

*The Board will recommend to the annual general meeting in 2019 a dividend of NOK 3.50 per share (NOK 2.80 per share in 2018)*

\* Before fair value adjustments related to biological assets

\*\* In pre-tax profit the effect from fair value adjustments related to biological assets is excluded. This effect is also excluded for biological assets in associated company.

# Operation overview

	PERU	CHILE	NORTH ATLANTIC	AUSTEVOLL SEAFOOD GROUP
PELAGIC FISHING	7% of anchovy quota centre-north 20 fishing vessels	8.4% of pelagic fishing quota 3 fishing vessels	3 fishing vessels	400,000 - 500,000 MT of pelagic fish caught annually (26 vessels)
PELAGIC PROCESSING	7 processing plants	4 processing plants	27 processing plants*	38 processing plants Intake of 1.6 – 2.0 mill MT of fish annually
WHITE FISH			11% whitefish quota (NO) <ul style="list-style-type: none"> <li>• 9 fishing vessels</li> <li>• 8 Processing plants</li> </ul>	100,000-120,000 MT of whitefish (9 vessels) 8 processing plants
SALMON			Norway: Salmon licenses <ul style="list-style-type: none"> <li>• incl. salmon operation UK*</li> </ul>	190,000 - 200,000 MT of salmon
SALES	Integrated sales organisation	Integrated sales organisation	Integrated sales organisation	Wholesale with global sales & distribution

\* Associated companies

# Pelagic

Austral Group S.A.A

Foodcorp Chile S.A

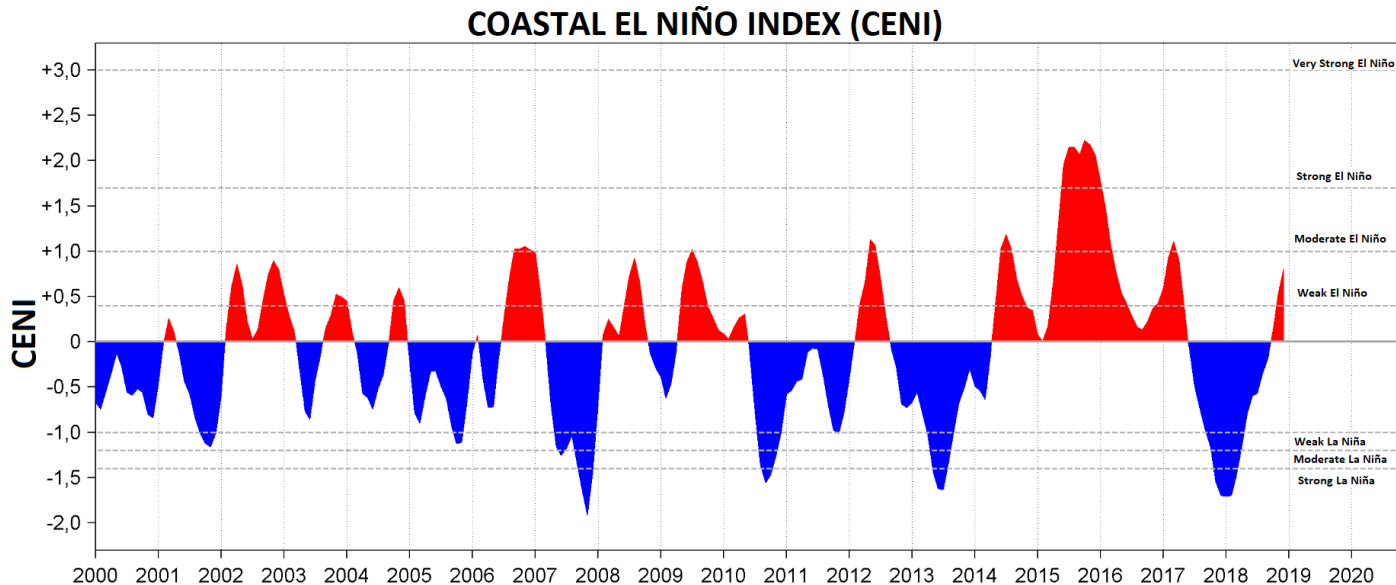
Br. Birkeland AS

Pelagia AS (associated)





# Coastal El Niño Index (CENI)



Condition	Category	$\Delta T^{\circ} \text{ Max}$	$\Delta T^{\circ} \text{ Min}$
La Niña	Strong		$<-1.4$
	Moderate	$\geq -1.4$	$<-1.2$
	Weak	$\geq -1.2$	$<-1.0$
Neutral		$\geq -1.0$	$\leq 0.4$
El Niño	Weak	$>0.4$	$\leq 1.0$
	Moderate	$>1.0$	$\leq 1.7$
	Strong	$>1.7$	$\leq 3.0$
	Very Strong	$>3.0$	

Source: Enfen

- Weak Coastal El Niño projected
- Imarpe cruise planned to finish by 28<sup>th</sup> March
- Earliest season start in April with final date subject to cruise findings
- Peruvian quota for 2019 is estimated between 4.5 - 5.0 million MT (subject to IMPARPE`s cruises)

# Operation in Peru

Austral Group S.A.A

## Fishmeal/fish oil

### Centre/North

- 2nd season quota 2.1m MT (2017 1.49m MT) 100% caught (46% 2017)
- Share of unload 8.8% vs. 8.0% 2<sup>nd</sup> season 2017 benefitting from distribution of biomass
- Fishmeal and Oil yields 23.4% & 4.1% (2017 22.8% and 3.9%)
- % Prime/Super Prime quality 84% (2017 62%)
- Highest catch and unload volume since 2011

## Direct Human Consumption

- Good start to DHC in Q1 2019 10,000 MT YTD, compared to zero catch at same date in 2018

Volume '000 MT	Q4 2018	Q4 2017	2018	2017	2019E
<b>Own catch</b>					
Anchoveta	127	0	403	209	359
Mackerel	4	0	11	8	15
<b>Purchase</b>					
Anchoveta	49	0	187	75	179
Mackerel	0	0	0	1	0
<b>Total ('000 MT)</b>	<b>181</b>	<b>1</b>	<b>602</b>	<b>293</b>	<b>553</b>



# Operation in Chile

## Foodcorp Chile S.A

### Own catches:

- Remaining volume of 5,000 MT caught in December
- Jack mackerel volume up 23% from 2017
  - Total catch of horse mackerel in 2018 of 53,000 MT vs. 2017 43,000 MT
  - Includes own quota and purchased from high seas SPRFMO quota holders

### Purchases:

- Giant squid: not available (off-season) during Q4

### Jack mackerel quota 2019

- 2.6% increase of TAC vs. 2018

### Purchase of an additional second-hand fishing vessel in Q4/18

- The new vessel is expected to start operating in Chile in Q2/19

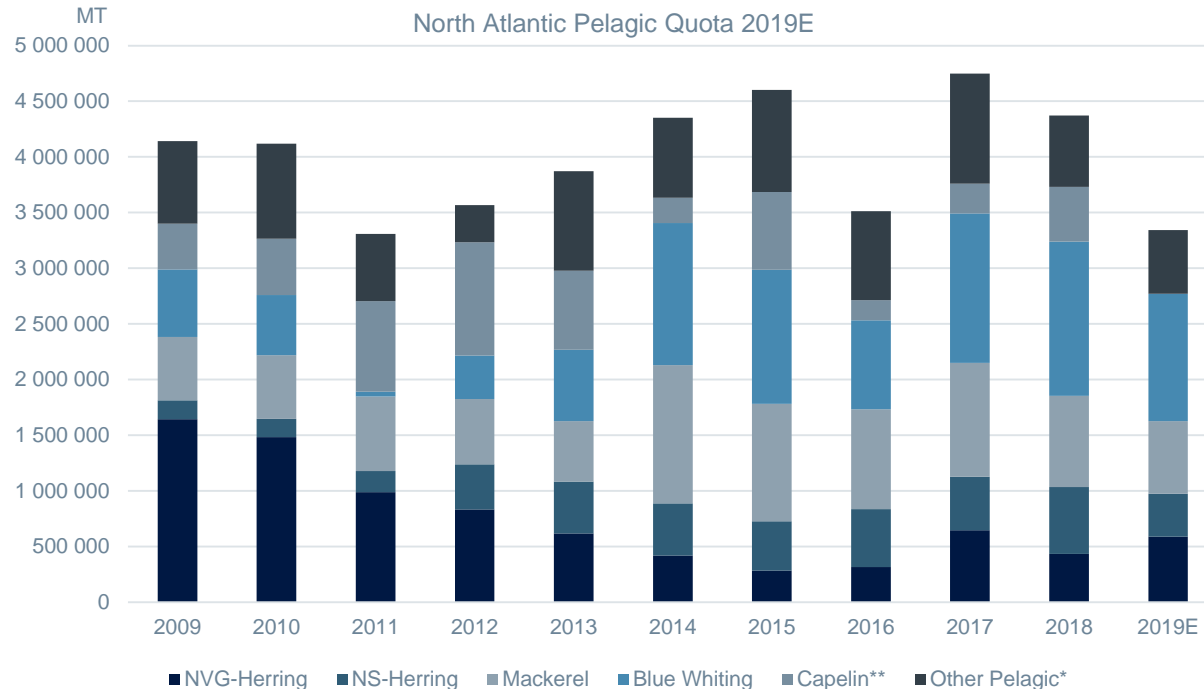
Volume '000 MT	Q4 2018	Q4 2017	2018	2017	2019E
<b>Own catch:</b>					
Mackerel and other species	5	3	57	44	55
<b>Purchase:</b>					
Sardine/anchovy	3	4	26	43	27
Giant squid/mackerel	0	1	12	15	11
Total ('000 MT)	8	8	95	102	93

**Focus remains in securing raw material from third parties**



# North Atlantic pelagic quotas

(2009-2019E)



\* Horse Mackerel, Sand Eel, Norway Pout, Boar \*\* Capelin from both the Barents Sea and Iceland

## Key drivers for 2019 E

- Increased quota for:
  - NVG herring
- Decrease in quota for
  - Capelin (Barents Sea = 0)
  - Mackerel
  - North Sea herring
  - Bluewhiting

Source:  
Norges Sildesalgslag, Havforskningsinstituttet.

Estimates is based on data from the above  
sources and ICES recommendation



# Pelagia AS

## Fishmeal and fish oil (FMO)

Norway, UK and Ireland ('000 MT)	Q4 2018	Q4 2017	2018	2017	2019E
<b>Raw Material:</b>					
Fishmeal and fish oil	107	115	674	675	545
Protein concentrate/oil	58	78	247	284	260
<b>Total ('000 MT)</b>	<b>165</b>	<b>193</b>	<b>921</b>	<b>959</b>	<b>805</b>

All volume based on 100%

- Lower raw material intake in Q4 2018 vs. Q4 2017
  - Q4 production mainly based on trimmings from herring and mackerel
- Volume of sales 25 % higher in Q4 2018, compared to Q4 2017
- Further recovery on prices seen in Q4 2018 for fishmeal
- ICES quota recommendations reduced in 2019 vs. 2018 quotas
  - Lower raw material volume expected in 2019



# Pelagia AS

## Direct Human Consumption

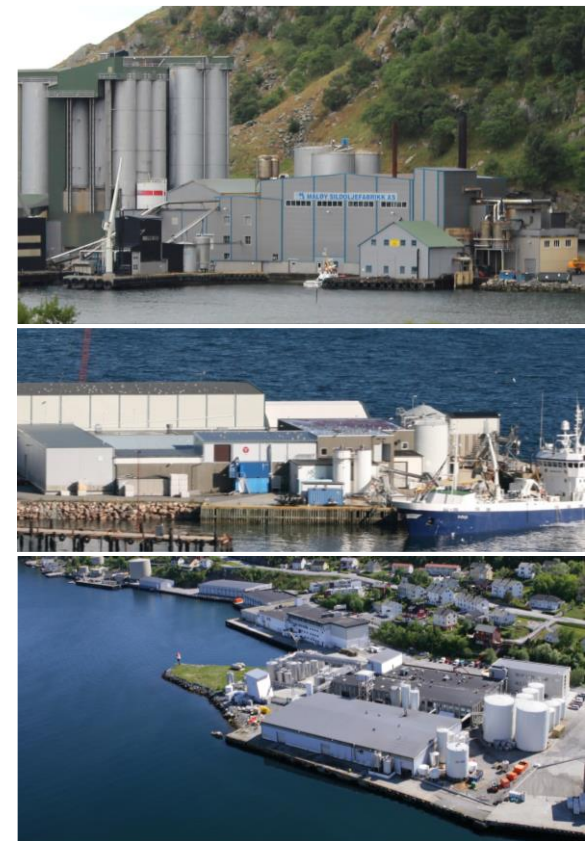
- Good raw material intake for the quarter
  - Slow start on mackerel catching, but better production in Q4 vs. expectation
- Strong sales for the quarter with 42% share of export from Norway
  - Good sales of mackerel even with all time high raw material cost
- Stock situation on the high side
- MSC suspension on Atlantic mackerel
- Good production so far in 2019

Volume ('000 MT)	Q4 2018	Q4 2017	2018	2017	2019E
Raw material intake	189	206	416	430	355



# Pelagia AS (100% figures)

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	2 386	2 207	6 369	6 122
EBITDA	214	231	645	614
EBIT ex. Impairment	157	183	436	436
EBIT	163	221	443	485
Sales volumes (tonnes):				
Frozen	110 300	167 900	284 700	321 100
FM/FPC/Oil	48 200	38 800	177 700	188 200



Associated company, AUSS share = 50%

# Br. Birkeland (Salmon/Fishing)

Salmon	Q4 2018	Q4 2017	2018	2017	2019E
Harvest volume (GWT)	1,644	1,198	5,727	6,543	8,000
EBIT (NOK/kg)	5.9	9.4	12.3	23.3	

## Salmon:

- Harvesting volumes up 37% in Q4 2018 vs. Q4 2017

## Fishing:

- Seasonal good activity for the pelagic vessels
- Total loss of the vessel “Northguider”
  - The crew safely rescued without any major injuries
- Snow crab fishery closed between June 15<sup>th</sup> – September 15<sup>th</sup> due to molting season
  - Slow start in Q4

7 salmon farming licenses



3 fishing vessels



# Salmon/White Fish

*Lerøy Seafood Group ASA*

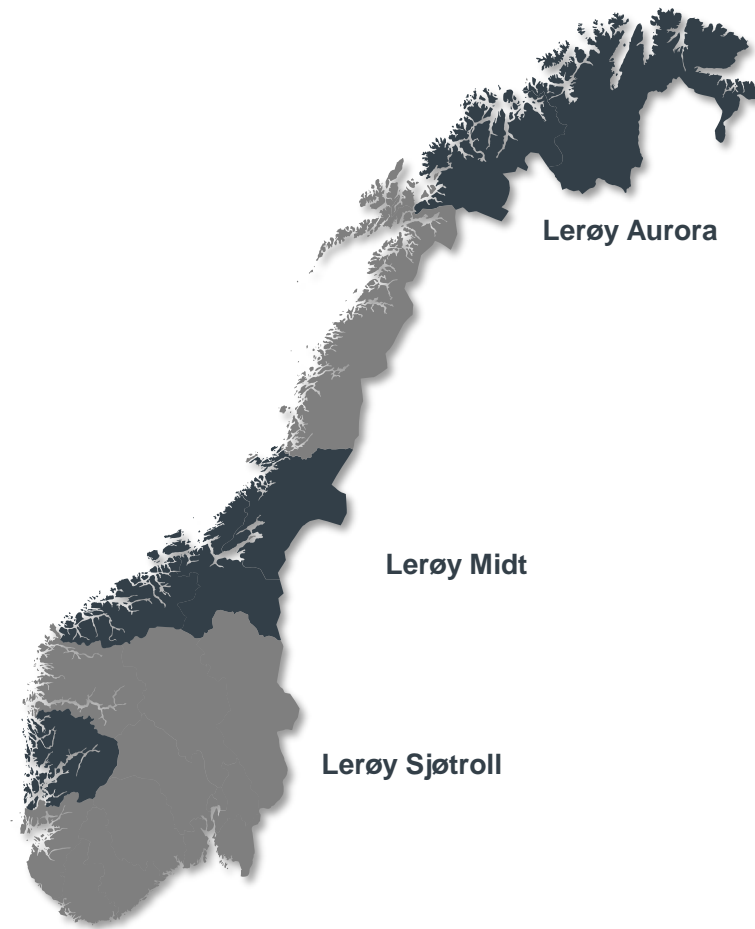




# Lerøy Seafood Group ASA

## Q4 2018

- EBIT before FV adj. NOK 948 million (Q4/17: NOK 777 million)
  - Havfisk & LNWS EBIT NOK 54 million (Q4/17: NOK 79 million)
- Harvest volume salmon and trout 49,414 GWT (Q4/17: 42,280 GWT)
- EBIT/kg all incl. (excl. EBIT Havfisk & LNWS) of NOK 18.1 (Q4/17: NOK 16.5)
- Contract share of 23% (Q4/17: 30%)
- NIBD NOK 2,546 million at end of Q4/18 (Q4/17: NOK 2,262)



# Lerøy Seafood Group ASA

## Salmon/Trout farming

	2013 GWT	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018E GWT	2019E GWT
Lerøy Aurora AS*	24 200	26 800	29 200	30 000	39 200	36 800	37 000
Lerøy Midt AS	58 900	68 300	71 400	52 200	64 500	66 500	71 000
Lerøy Sjøtroll	61 700	63 200	57 100	68 000	54 000	58 800	66 000
<b>Total Norway</b>	<b>144 800</b>	<b>158 300</b>	<b>157 700</b>	<b>150 200</b>	<b>157 800</b>	<b>162 000</b>	<b>174 000</b>
Villa Organic AS**		6 000					
Norskott Havbruk (UK)***	13 400	13 800	13 500	14 000	15 500	13 700	15 000
<b>Total</b>	<b>158 200</b>	<b>178 100</b>	<b>171 200</b>	<b>164 200</b>	<b>173 300</b>	<b>175 800</b>	<b>189 000</b>

\*) 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

# Lerøy Seafood Group ASA - Wild catch

Havfisk, catch volume	Q4 2018	Q4 2017	2018	2017
Cod	6 534	8 511	24 339	29 665
Haddock	961	1 264	8 956	13 158
Saithe	2 567	1 545	15 559	14 407
Shrimps	152		7 459	1 161
Other	1 301	1 024	9 943	8 337
Total	11 515	12 345	66 255	66 729

Havfisk, prices	Q4 2018	Q4 2017	2018	2017
Cod	32.7	27.3	31.2	26.7
Haddock	25.8	22.1	23.7	18.9
Saithe	13.5	12.3	11.5	11.6

## Q4 2018: Wild catch

- Lower quotas on cod and haddock, and positive development in demand gives lift in prices for cod and haddock
  - Average prices up 11% y-o-y. Y-o-y prices for cod up 20%, haddock 17%, and saithe 10%
  - Investment in fleet gives capacity for more shrimp catches
- Development of the white fish processing industry in Norway is challenging
  - Several initiatives are initiated. Higher efficiency in operations, and broader market reach are needed
- The Group is expecting stability in framework conditions to make necessary steps possible for a turn-around of the industry in Norway
- Expected catch volume around 65,000 MT in 2019

# Financials

*Q4 2018*



# Catch, purchase and farming (100% volumes)

Figures in 1,000 tonnes	Q4 2018	Q4 2017	2018	2017	2019 E
<b>Group companies:</b>					
Norway (whitefish)	12	12	66	67	65
Norway (pelagic)	8	12	41	40	30
Chile own catch	5	4	57	44	55
Chile purchase	3	6	38	58	38
Peru own catch	131	0	415	218	374
Peru purchase	49	0	188	75	179
<b>Total Group companies</b>	<b>208</b>	<b>35</b>	<b>805</b>	<b>502</b>	<b>741</b>
<b>Joint ventures:</b>					
Europe purchase (HC)	189	206	416	430	355
Europe purchase (FM/FPC/Oil)	165	194	921	960	805
<b>Total Joint venture:</b>	<b>354</b>	<b>400</b>	<b>1 337</b>	<b>1 390</b>	<b>1 160</b>
<b>TOTAL WILDCATCH</b>	<b>562</b>	<b>435</b>	<b>2 142</b>	<b>1 892</b>	<b>1 901</b>
<b>Salmon/Trout (GWT)*</b>	<b>54</b>	<b>47</b>	<b>182</b>	<b>180</b>	<b>197</b>
<b>TOTAL GROUP</b>	<b>616</b>	<b>482</b>	<b>2 323</b>	<b>2 072</b>	<b>2 098</b>

\* Incl. 50% of the Scottish Sea Farms volumes



# Key financial figures

(NOK 1,000)	Q4 2018	Q4 2017	Δ%
Revenue	5 765 343	4 802 013	20,1 %
<b>EBITDA*</b>	<b>1 215 632</b>	<b>818 675</b>	48,5 %
Depreciation/impairment	260 509	234 411	
<b>EBIT*</b>	<b>955 123</b>	<b>584 264</b>	63,5 %
Income from associates*	131 048	153 076	
Net finance	-118 244	-86 716	
<b>Pre-tax**</b>	<b>967 927</b>	<b>650 624</b>	48,8 %
Net profit	356 126	-181 072	
EPS (NOK)	1,06	-0,39	
EPS (NOK)*	2,49	1,62	

Q4 2018 a)	Q4 2017 a)	Δ%
6 958 390	5 905 672	17,8 %
<b>1 322 412</b>	<b>934 372</b>	41,5 %
285 656	239 652	
<b>1 036 756</b>	<b>694 720</b>	49,2 %

\* before fair value adjustments related to biological assets

\*\* In pre-tax profit is the effect from fair value adjustments related to biological assets excluded, also for biological assets in associated company.

a) AUSS incl. proportional 50% of Pelagia AS

	Q4 2018	Q4 2017
Biomass adj group company	-741 032	-1 001 927
Biomass adj group associated companies	20 090	-9 980

	Q4 2018	Q4 2017
Depreciation	266 020	231 220
Impairment	(5 511)	3 191
<b>Total</b>	<b>260 509</b>	<b>234 422</b>

# Key financial figures

(NOK 1,000)	2018	2017 (audited)	Δ%
Revenue	<b>22 837 084</b>	20 798 933	9,8 %
<b>EBITDA*</b>	<b>5 238 612</b>	<b>4 747 249</b>	10,4 %
Depreciation/impairment	960 074	920 094	
<b>EBIT*</b>	<b>4 278 538</b>	<b>3 827 155</b>	11,8 %
Income from associates*	474 978	495 374	
Net finance	-356 517	-293 431	
<b>Pre-tax**</b>	<b>4 396 999</b>	<b>4 029 098</b>	9,1 %
Net profit	<b>4 230 832</b>	<b>1 830 956</b>	
EPS (NOK)	11,39	5,00	
EPS (NOK)*	9,79	8,62	

	2018 a)	2017 (audited) a)	Δ%
	<b>26 021 565</b>	23 859 988	9,1 %
	<b>5 561 213</b>	<b>5 054 214</b>	10,0 %
	1 061 241	984 649	
	<b>4 499 972</b>	<b>4 069 565</b>	10,6 %

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a) AUSS incl. proportional 50% of Pelagia AS

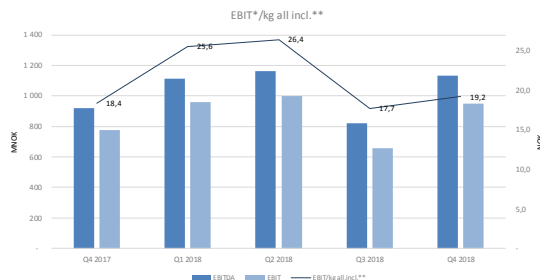
	2018	2017 (audited)
Biomass adj group company	798 388	-1 832 499
Biomass adj group associated companies	-2 959	3 415

	2018	2017
Depreciation	967 118	919 429
Impairment	(7 044)	665
<b>Total</b>	<b>960 074</b>	<b>920 094</b>

# Lerøy Seafood Group ASA

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	5 347	4 554	19 880	18 620
EBITDA*	1 134	921	4 228	4 300
EBIT*	948	777	3 569	3 717
Harvested volume (GWT)	<b>49 414</b>	<b>42 280</b>	<b>162 039</b>	<b>157 768</b>
EBIT/kg* ex. Havfisk (NOK)	18,1	16,5	19,6	21,1
Havfisk catch volume (MT)	<b>11 515</b>	<b>12 345</b>	<b>66 255</b>	<b>66 729</b>
EBIT Havfisk (MNOK)	54	79	388	386

\* before fair value adjustments related to biological assets



\*\* EBIT\* divided by harvest volume salmon and trout

## • Price achievement

- Spot prices above last year (+ 12%)
  - ✓ NSI Q4/18 NOK 55.4 vs. NOK 49.3 in Q4/17
  - ✓ Up NOK 1/kg q-o-q and up NOK 6/kg y-o-y
- Trout price achievement well below salmon prices
- Contract prices above spot prices
  - ✓ Contract share of 23%

## • Cost (RFS) down q-o-q and y-o-y

## • Biomass at sea

- End Q4/18 at 110,105 LWT vs. 112,489 LWT end Q4/17 (-2%)

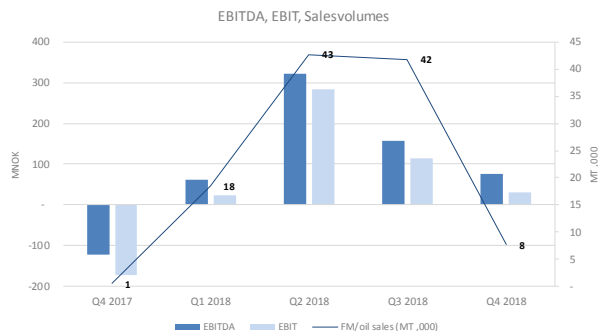
## • Wild catch

- Change in mix vs. Q4/17, less cod and haddock and more saithe and shrimps
- Increase in achieved prices for cod, haddock and saithe by 20%, 17% and 10% vs. Q4/17. Increase in saithe prices are related to sizes.

**NIBD Q4/18 MNOK 2,546 vs. Q4/17 MNOK 2,262**

# Austral Group S.A.A

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	164	16	1 640	1 250
EBITDA	77	-122	619	137
EBIT	32	-173	453	-51
<b>Rawmaterial (MT):</b>	<b>180 637</b>	<b>722</b>	<b>602 703</b>	<b>293 960</b>
<b>Sales volumes:</b>				
Fishmeal (MT)	6 602	92	93 636	83 507
Fish oil (MT)	1 113	421	16 933	11 431
Frozen/fresh (MT)	5 321	18	11 808	8 154



- Raw material intake

- 2<sup>nd</sup> season started November 15<sup>th</sup>
- Good activity in the quarter, and 87% of the quota for 2<sup>nd</sup> season caught by end December

- Sales

- Low sales volumes in the quarter
  - Low inventory volumes going to Q4
  - Low sales from the new production in Q4
- Higher prices vs. same quarter in 2017

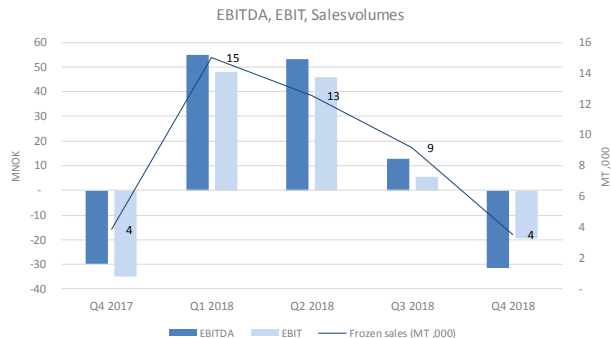
- Inventory by end December 2018

- Fishmeal 37,500 MT (Dec. 2017: 150 MT)
- Fish oil 5,300 MT (Dec. 2017: 10 MT)

**NIBD Q4/18 MNOK 727 vs. Q4/17 MNOK 805**

# Foodcorp Chile S.A

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	73	102	603	508
EBITDA	-31	-30	90	79
EBIT	-20	-35	80	46
<b>Rawmaterial intake:</b>	<b>8 250</b>	<b>10 632</b>	<b>94 971</b>	<b>102 441</b>
<b>Sales volumes:</b>				
Fishmeal (MT)	2 422	4 228	10 168	13 135
Fish oil (MT)	128	279	3 696	4 577
Frozen (MT)	3 541	3 840	40 277	27 661



- Raw material intake
  - Seasonal low activity
  - 90% of the horse mackerel quota is caught within end Q3
  - Remaining volume caught in December, total 5,000 MT
- Sales
  - Sales volume Q4/18 in line with Q4/17
  - Higher prices vs. same quarter in 2017
- Inventory by end December 2018
  - Frozen 4,600 MT (Dec. 2017: 6,300 MT)

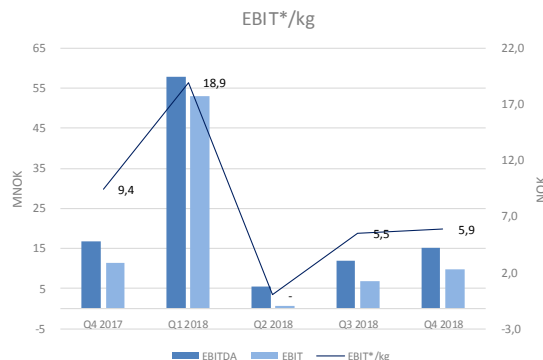
**NIBD Q4/18 MNOK 11 vs. Q4/17 MNOK 20**



# Br. Birkeland Farming AS (AUSS owns 55.2%)

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	87	61	320	408
EBITDA*	15	17	91	173
EBIT*	10	11	70	153
Harvested volume (GWT)	1 644	1 198	5 727	6 543
EBIT/kg* (NOK)	5,9	9,4	12,3	23,3

\* before fair value adjustments related to biological assets

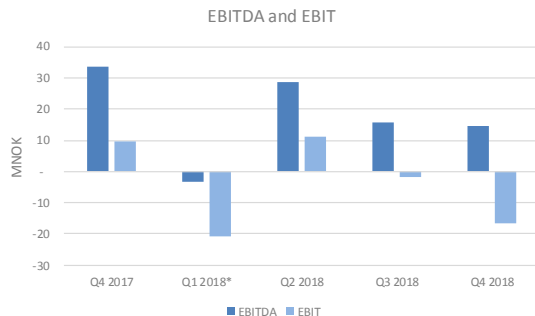


- Price achievement
  - Spot prices above last year (+ 12%)
- Cost (RFS)
  - Up y-o-y
  - Weak profitability on back- of final harvesting of the V17G, which was high cost
- Biomass at sea
  - End Q4/18 at 5,828 LWT vs. 5,070 LWT end Q4/17 (+15%)

**NIBD Q4/18 MNOK 82 vs. Q4/17 MNOK 31**

# Br. Birkeland (AUSS owns 42.9%)

(MNOK)	Q4 2018	Q4 2017	2018 *	2017
Revenue	73	85	407	248
EBITDA	15	34	213	46
EBIT	-17	10	129	-29
* Gain from sale of Maron AS			157	
Adjusted EBITDA			56	
Adjusted EBIT			-28	



\* Q1 2018 adjusted EBITDA and EBIT (ex. Gain from sale of Maron AS)

## Pelagic

- Seasonal high activity
  - Finalizing the mackerel and herring quotas
    - Higher prices for mackerel vs. 2017

## Snowcrab

- Total loss of the vessel "Northguider"
  - Net effect impairment/insurance in Q4/18  
MNOK -14.4
- Snow crab fishery closed between June 15<sup>th</sup> and September 15<sup>th</sup> due to molting season
- Fishing started up in Q4
  - Still challenging conditions for the snow crab vessel

**NIBD Q4/18 MNOK -89 (cash positive) vs. Q4/17 MNOK 294**

# Statement of financial position (Group)

(NOK 1,000)	31-Dec-18	31-Dec-17
Intangible assets	11 491 957	11 697 603
Tangible fixed assets	8 851 442	7 563 091
Financial non-current assets	2 392 894	2 305 574
<b>Total non-current assets</b>	<b>22 736 293</b>	<b>21 566 268</b>
Biological assets at cost	4 234 125	3 897 815
Fair value adjustment of biomass	1 634 911	791 478
Other inventory	1 896 897	1 188 479
Receivables	3 059 746	2 790 309
Cash and cash equivalents	4 392 863	5 074 875
<b>Total current assets</b>	<b>15 218 542</b>	<b>13 742 956</b>
<b>Total assets</b>	<b>37 954 835</b>	<b>35 309 224</b>
<b>NIBD</b>	<b>3 982 594</b>	<b>4 137 532</b>
<b>Equity</b>	<b>22 454 007</b>	<b>19 171 739</b>
<b>Equity ratio</b>	<b>59 %</b>	<b>54 %</b>

USD/NOK:

- 31.12.2018: 8.69
- 31.12.2017: 8.20

Strong financial position, equity ratio at 59%

Pelagia AS is an associated company which is included in the line *Financial non-current assets* of the Group balance sheet

- As such the Group balance sheet does not include proportional consolidation of Pelagia (50%)

# Cash flow

(NOK 1,000)	Q4 2018	Q4 2017	2018	2017 (audited)
Pre tax profit	246 984	-361 284	5 192 428	2 200 015
Biomass adjustment	741 032	1 001 927	-798 388	1 832 499
Paid tax	-43 010	-19 161	-948 184	-599 617
Depreciaton and impairments	260 509	234 411	960 074	920 094
Associated companies	-151 138	-143 095	-472 019	-498 790
Interest (net)	56 108	67 028	276 901	282 873
Working capital	19 177	193 682	-1 049 005	83 417
<b>Cash from operating activities</b>	<b>1 129 662</b>	<b>973 508</b>	<b>3 161 807</b>	<b>4 220 491</b>
Net investment in capex	-677 094	-649 869	-2 533 241	-1 840 471
Acquisitions and divestments	46 631	54 223	422 526	51 926
Dividend received	3 000	27 500	395 200	264 015
Others	19 400	-15 770	109 838	-31 527
<b>Cash from investing activities</b>	<b>-608 063</b>	<b>-583 916</b>	<b>-1 605 677</b>	<b>-1 556 057</b>
Change in long term loans	-468 242	-136 550	-888 472	338 884
Change in short term loans	-115 880	301 409	-5 374	-326 873
Dividends	-	-	-1 081 324	-950 584
Others	-21 880	-84 376	-277 678	-387 458
<b>Cash from financing activities</b>	<b>-606 002</b>	<b>80 483</b>	<b>-2 252 848</b>	<b>-1 326 031</b>
Cash at the beginning of the period	4 461 674	4 599 901	5 074 875	3 745 198
Net change in cash (incl.exchange gain/losses)	-68 811	474 974	-682 012	1 329 677
<b>Cash at the end of the period</b>	<b>4 392 863</b>	<b>5 074 875</b>	<b>4 392 863</b>	<b>5 074 875</b>

## 2018

Good cash performance, however;

- Substantially higher working capital end 2018 vs. 2017
- Investment program in core business
- Down payment of AUSS bond of MNOK 500 in October

*The Board will recommend to the annual general meeting in 2019 a dividend of NOK 3.50 per share (NOK 2.80 per share in 2018)*

# Outlook



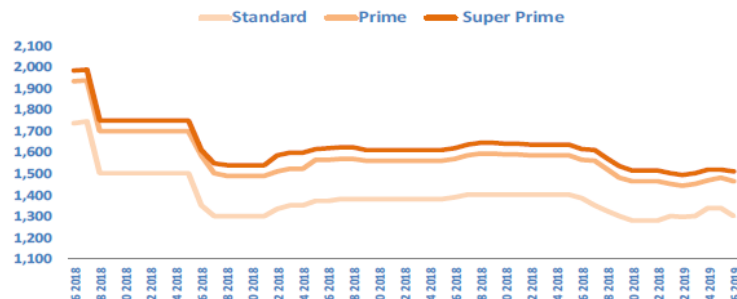


# Fishmeal

Fish meal production 2018 vs. 2017

Regions	2018	2017	Change %
Chile*	1 816 504	1 662 193	9,3 %
Peru	6 040 445	3 142 180	92,2 %
Danmark/Norway*	1 326 250	1 376 352	-3,6 %
Iceland/North Atlantic*	1 190 996	1 146 469	3,9 %
Total	10 374 195	7 327 194	41,6 %

source: IFFO All numbers are preliminary and subject to revision # Includes salmon-derived oil \*Includes U.K., Ireland and Faroe Islands



Source: IFFO

## Production

- IFFO Fishmeal production increased 41% YTD vs. 2017
- Peru landed over 70% of the quota Nov/Dec 2018 leaving a small portion of the quota which was reached during Jan 2019
- Production outlook for 2019 expected to be in line with 2018 level

## Prices (FOB Peru)

- USD 1,490/MT for Super Prime
- USD 1,290/MT for Standard 65/180

## Demand

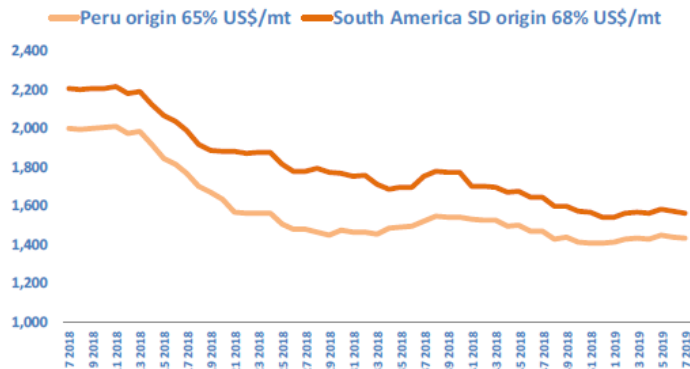
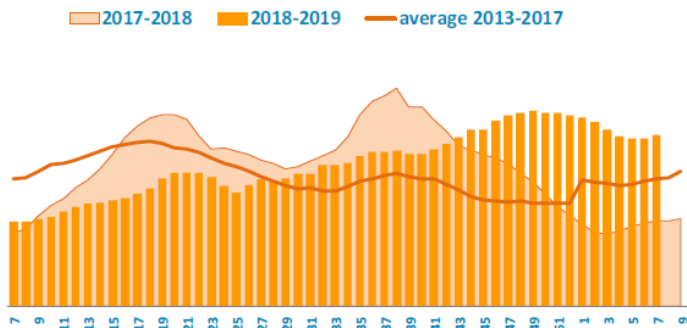
- Feed mills producers & end users building stocks in order to secure their consumption during the aqua peak season (Q2 - Q3, 2019)

## Supply

- Limited stock available from second season 2018 in Peru

# Fishmeal

Total weekly port stocks (mt)



Source: IFFO

## Main market – China

- Stock level: 169,010 MT as of Feb 18<sup>th</sup> vs. 83,000 MT same period 2018 (+104% vs. 2018)
  - Off takes Jan: 2,300 MT/day
  - Off takes Feb: 1,022 MT/day, low for the time being caused by the Chinese new year
- Chinese prices equal/slightly higher than in Peru (stock last fishing season 2018-2)
  - Quoted at RMB 10,600 -10,800/MT equivalent super prime 68% USD 1,510 - USD 1,540/MT FOB Peru
- Supply and demand is in balance, expecting further news about the next fishing season in Peru

# Fish oil

Fish oil production - 2018 vs. 2017

Regions	2018	2017	Change %
Chile*	131 678	116 215	13,3 %
Peru	226 441	102 091	121,8 %
Danmark/Norway*	75 538	63 935	18,1 %
Iceland/North Atlantic*	59 091	64 535	-8,4 %
Total	492 748	346 776	42,1 %

source: IFFO All numbers are preliminary and subject to revision # Includes salmon-derived oil \*Includes U.K., Ireland and Faroe Islands

## Production

- IFFO Fish oil production increased 42% YTD vs. same period 2017
- Peru is up 122% vs. 2017 due to recovery in production and good yields

## Prices

(FOB Peru)

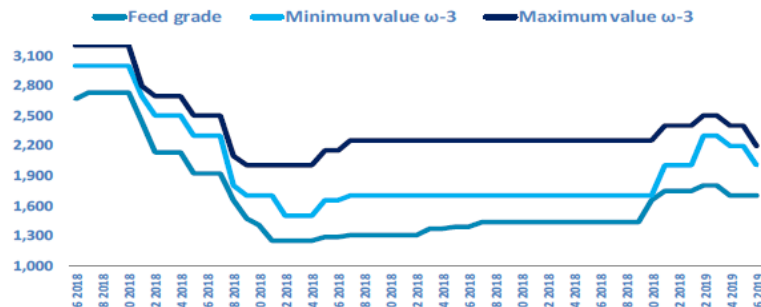
- Feed grade: USD 1,600 – 1,700/MT
- Omega-3 grade: USD 2,000 - 2,200/MT

## Demand

- Feed market – balanced market with buyers well covered up to May 2019
- Omega-3 market – balanced after restocking

## Supply

- Stocks available in Peru, mainly for feed grade



Source: IFFO

# Atlantic salmon supply

(in tonnes WFE )

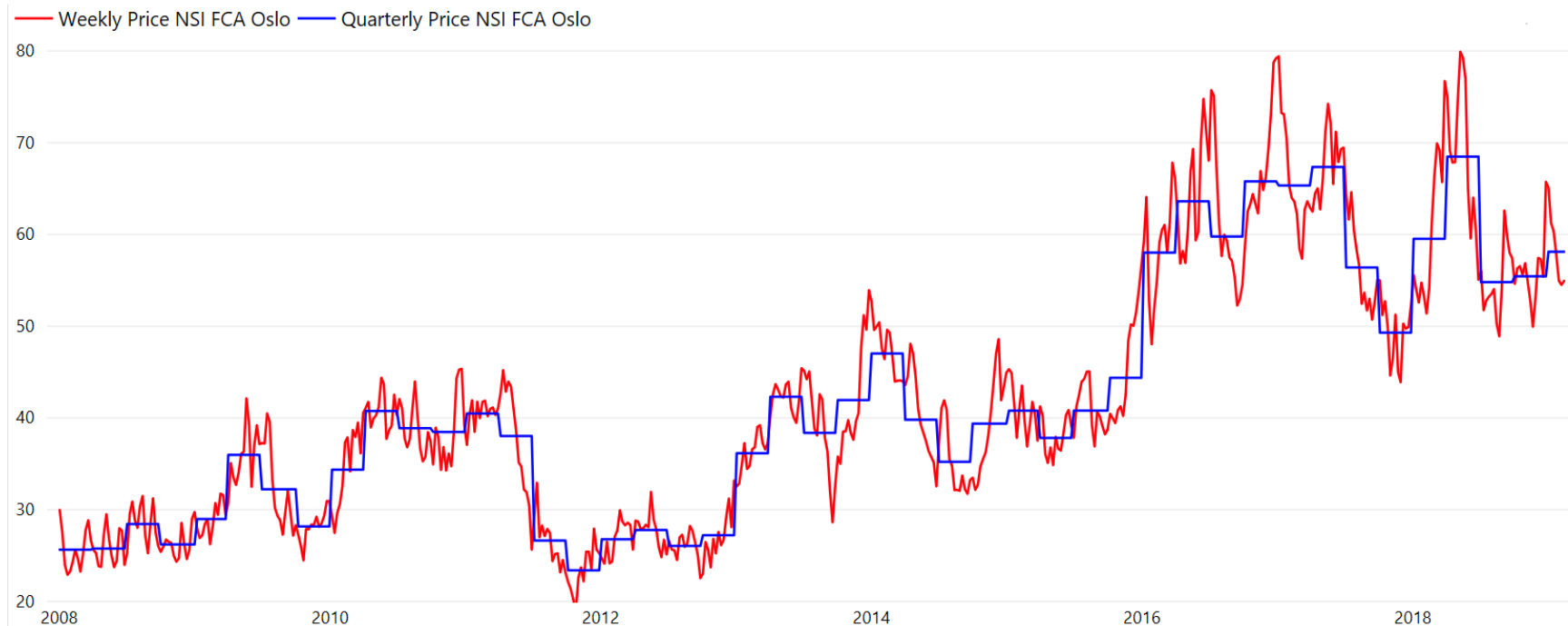
	2014	Change 13-14	2015	Change 14-15	2016	Change 15-16	2017	Change 16-17	2018	Change 17-18	2019	Change 18-19
Norway	1 199 000	4,8 %	1 234 200	2,9 %	1 171 100	-5,1 %	1 207 800	3,1 %	1 253 400	3,8 %	1 326 900	5,9 %
United Kingdom	170 500	8,0 %	166 300	-2,5 %	157 400	-5,4 %	177 200	12,6 %	153 600	-13,3 %	179 200	16,7 %
Faroe Islands	82 700	13,9 %	75 600	-8,6 %	77 300	2,2 %	80 300	3,9 %	71 700	-10,7 %	74 800	4,3 %
Ireland	12 300	16,0 %	15 700	27,6 %	15 800	0,6 %	17 000	7,6 %	14 300	-15,9 %	17 000	18,9 %
Iceland	4 400	31,3 %	3 600	-18,2 %	8 100	125,0 %	11 500	42,0 %	13 600	18,3 %	18 500	36,0 %
<b>Total Europe</b>	<b>1 468 900</b>	<b>5,8 %</b>	<b>1 495 400</b>	<b>1,8 %</b>	<b>1 429 700</b>	<b>-4,4 %</b>	<b>1 493 800</b>	<b>4,5 %</b>	<b>1 506 600</b>	<b>0,9 %</b>	<b>1 616 400</b>	<b>7,3 %</b>
Chile	582 900	24,5 %	598 200	2,6 %	504 400	-15,7 %	564 200	11,9 %	677 400	20,1 %	688 900	1,7 %
Canada	95 000	-17,5 %	135 200	42,3 %	146 000	8,0 %	139 000	-4,8 %	144 900	4,2 %	147 000	1,4 %
USA	24 000	18,2 %	20 200	-15,8 %	22 500	11,4 %	21 700	-3,6 %	19 000	-12,4 %	17 200	-9,5 %
Australia	42 000	7,7 %	54 400	29,5 %	50 900	-6,4 %	61 200	20,2 %	61 300	0,2 %	61 800	0,8 %
Others	16 700	49,1 %	15 800	-5,4 %	8 400	-46,8 %	14 200	69,0 %	9 200	-35,2 %	22 300	142,4 %
<b>Total Others</b>	<b>760 600</b>	<b>16,4 %</b>	<b>823 800</b>	<b>8,3 %</b>	<b>732 200</b>	<b>-11,1 %</b>	<b>800 300</b>	<b>9,3 %</b>	<b>911 800</b>	<b>13,9 %</b>	<b>937 200</b>	<b>2,8 %</b>
<b>Total World-wide</b>	<b>2 229 500</b>	<b>9,2 %</b>	<b>2 319 200</b>	<b>4,0 %</b>	<b>2 161 900</b>	<b>-6,8 %</b>	<b>2 294 100</b>	<b>6,1 %</b>	<b>2 418 400</b>	<b>5,4 %</b>	<b>2 553 600</b>	<b>5,6 %</b>

Figures as per 21.02.2019 - Source: Kontali

# SPOT prices

fresh Atlantic salmon, cross-section, FCA Oslo  
as of week 7-2019 (Superior quality)

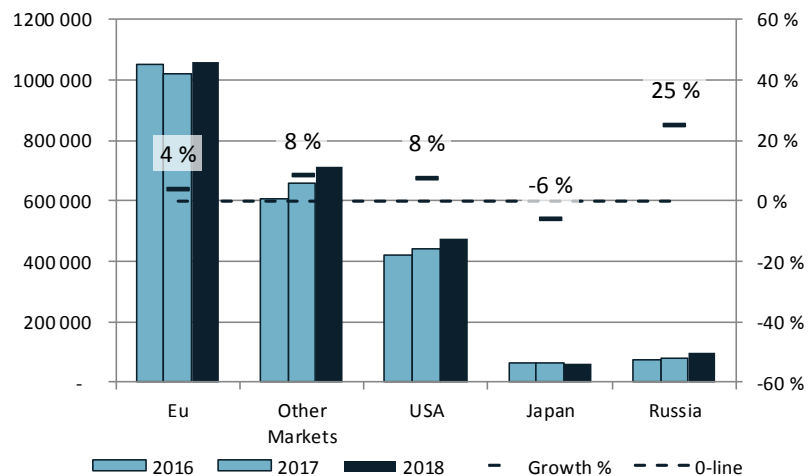
Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Q1	26	29	34	40	27	36	47	41	58	65	60	58
Q2	26	36	41	38	28	42	40	38	64	67	68	
Q3	28	32	39	27	26	38	35	41	60	56	55	
Q4	26	28	38	23	27	42	39	44	66	49	55	
<b>Totalt</b>	<b>27</b>	<b>31</b>	<b>38</b>	<b>32</b>	<b>27</b>	<b>41</b>	<b>40</b>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



# Atlantic salmon consumption

FY 2018

Market - Salmon	2016	2017	2018	Growth	Growth %
Eu	1 050 100	1 023 500	1 062 100	38 600	4 %
Other Markets	609 000	657 200	711 600	54 400	8 %
USA	419 600	441 900	475 300	33 400	8 %
Japan	65 000	64 100	60 100	-4 000	-6 %
Russia	74 700	77 600	96 900	19 300	25 %
<b>Total Consumption</b>	<b>2 218 400</b>	<b>2 264 300</b>	<b>2 406 000</b>	<b>141 700</b>	<b>6 %</b>



Figures as per 21.02.2019 Kontali

# Conclusion

## Salmon

- Strong salmon prices in Q4/18
- Cost (RFS) down from q-o-q and y-o-y
- Demand for seafood remains strong, outlook remains positive
- Volume guiding 2019 190,000 GWT vs. harvest of 182,000 GWT in 2018

## White fish

- Significant potential in whitefish,
- 2019 quota set for cod down 6.5% and haddock down 15% but robust quota situation for whitefish also in 2019
- Expect initiatives for improvement of the land industry gradually to show effects in 2019

(refer to Lerøy Seafood Group's management presentation [www.leroy.no](http://www.leroy.no))



# Conclusion

## Pelagic

### South America

- Seasonal high activity
- Recovery of the anchoveta biomass in Peru
- Recovery of the Jack mackerel biomass in Chile
  - Recommendation 3% increase in TAC for 2019

### North Atlantic (*Pelagia AS, an associated company*)

- Seasonal high activity
- Mackerel season started late September
- ICES quota recommendations reduced in 2019 vs. 2018 quotas



Austevoll Seafood ASA



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# Appendix



# Associated companies

Pelagia AS (100% figures)

AUSS' s share = 50%

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	2 386	2 207	6 369	6 122
EBITDA	214	231	645	614
EBIT ex. Impairment	157	183	436	436
EBIT	163	221	443	485
Net interest bearing debt			2 525	2 100

# Associated companies

Norskott Havbruk AS (100% figures)

LSG's share = 50%

(MNOK)	Q4 2018	Q4 2017	2018	2017
Revenue	512	485	2 057	2 088
EBITDA	177	136	730	752
EBIT*	158	115	661	669
Volumes (gwt)	6 651	7 212	27 464	30 996
EBIT/kg* (NOK)	23,7	16,0	24,1	21,6
Net interest bearing debt			508	181

\* Before biomass adj.