



Lerøy Seafood Group ASA



Q1 2016

May 12th

Oslo

CEO | Henning Belttestad

CFO | Sjur S. Malm



Agenda

- 1 Highlights
- 2 Key financial figures
- 3 Outlook



Q1 2016

- EBIT before FV adj. NOK 584.5 million
- EBIT/kg all inclusive NOK 15.3
- Harvest volume 38 163 GWT
- Contract share of 32%
- NIBD NOK 2,092 million at end Q1 2016
- Harvest guidance 170 000 GWT for 2016

Q1: Farming highlights

- Spot prices above last year
 - NOS Q1/16 NOK 58.1 vs NOK 40.4 in Q1/15 (+44%)
 - Up NOK 13.1/kg q-o-q, and up NOK 17.7/kg y-o-y
 - Trout prices well below salmon prices
- Contract prices well below spot prices
- Cost in increase from Q4/15
 - Salmon: Cost unchanged q-o-q
 - Trout: Cost increase q-o-q
- Trout operations less profitable than salmon
 - EBIT/kg all incl. Q1/16:
 - Salmon: NOK 18.1/kg
 - Trout: NOK 5.3/kg
- Biomass at sea
 - End Q1/16 at 96,097 tons vs 99,535 tons end Q1/15 (-3%)



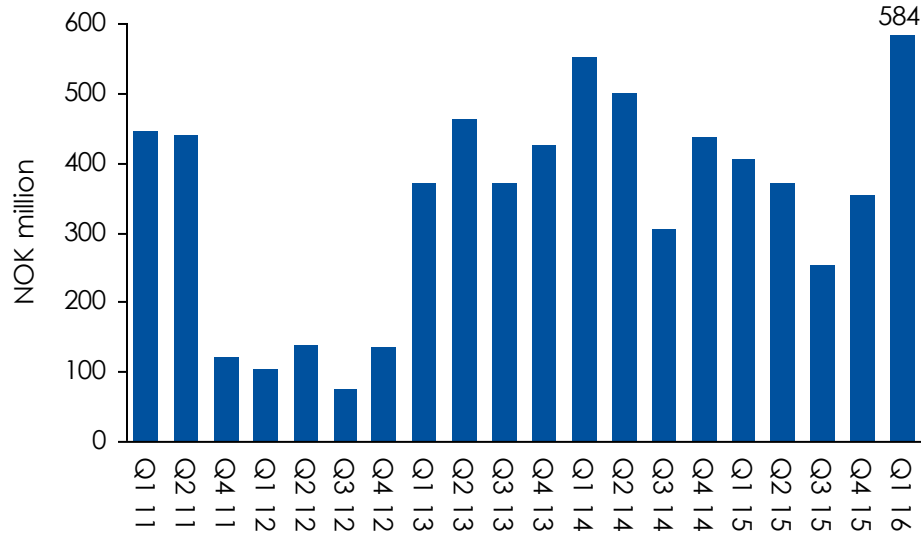
Q1: VAP and S&D highlights

- Value added processing (VAP)
 - Revenue NOK 498m, up 17% y-o-y
 - Challenging quarter with significant increase in raw material prices
 - EBIT NOK 13m (2.7%) in Q1/16 vs. NOK 18m (4.3%) in Q1/15

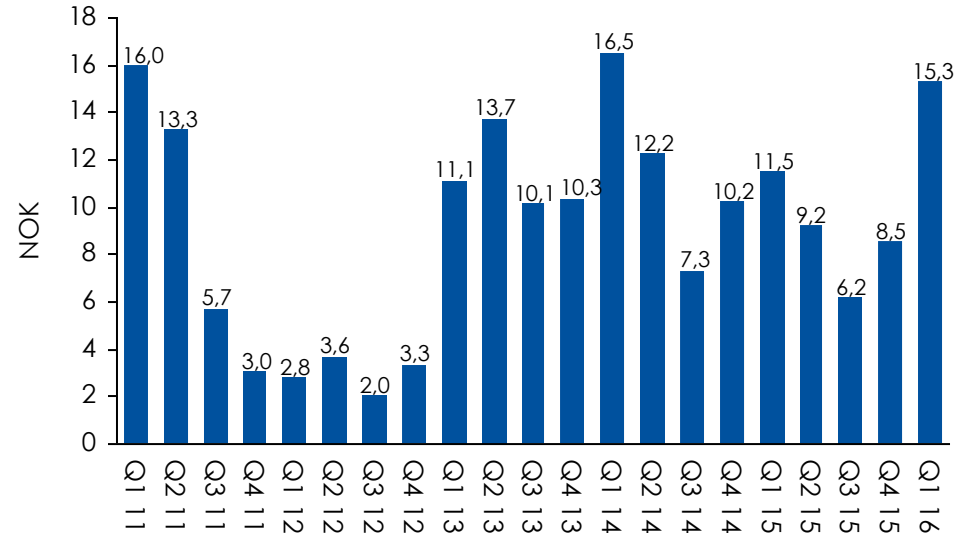
- Sales & Distribution
 - Revenue NOK 3 815m, up 18%
 - High raw material price a challenge for parts of the operation
 - EBIT NOK 57m (1.6%) in Q1/16 vs. NOK 63m (2.0%) in Q1/15

Quarterly historic figures

EBIT*



EBIT/kg*, all inclusive



*before biomass adjustment

Lerøy Seafood Group ASA

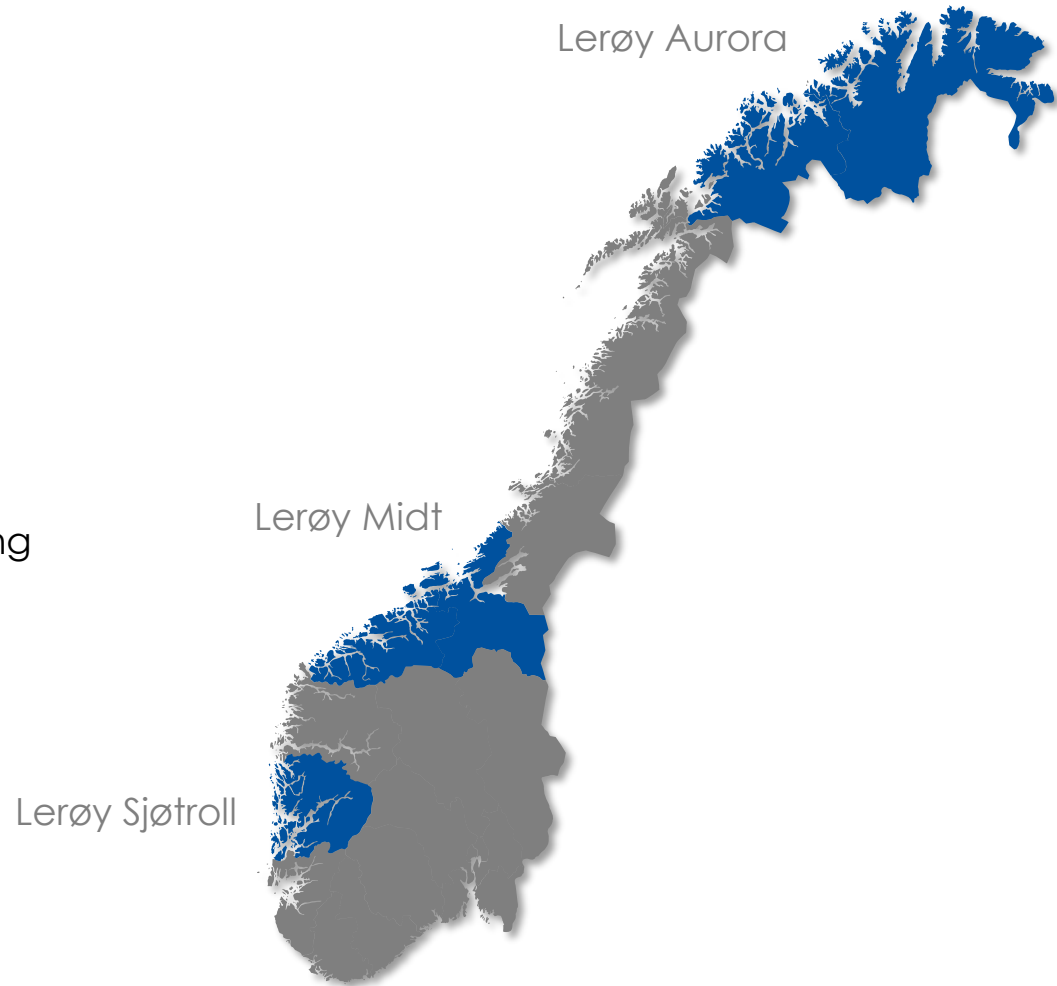
Farming

VAP

Sales &
Distribution

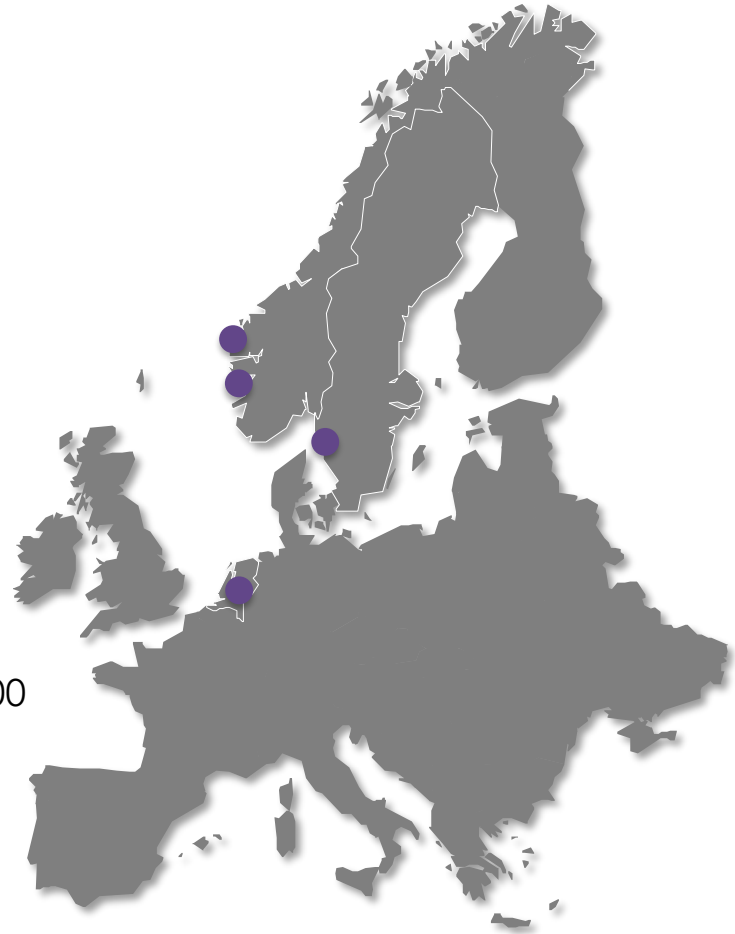
Farming

- Lerøy Aurora (salmon)
- Lerøy Midt (salmon)
- Lerøy Sjøtroll (salmon and trout)
- Geographic diversification along Norway's long coastline.



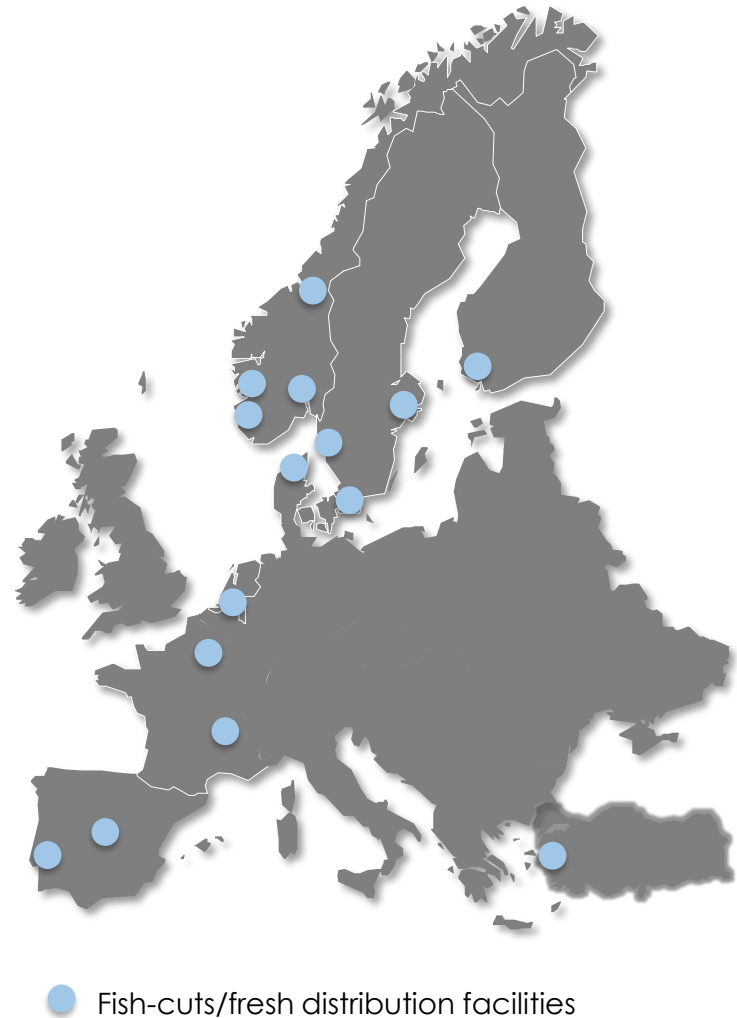
VAP

- Rode Beheer BV Group
 - Capacity of about 16-20,000 tons raw material
- Lerøy Smøgen Seafood AB
 - Capacity of about 12,000 tons raw material
- Lerøy Fossen AS
 - Capacity of about 12-15,000 tons raw material
- Bulandet Fiskeindustri AS(white fish)
- Total VAP capacity in these factories 40-50,000 tons raw material

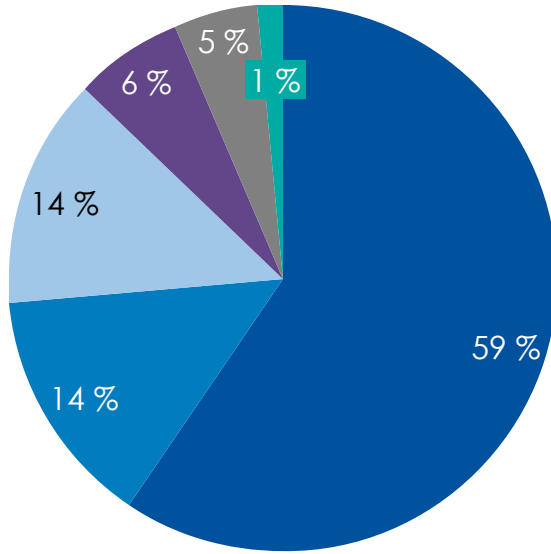


Sales & Distribution

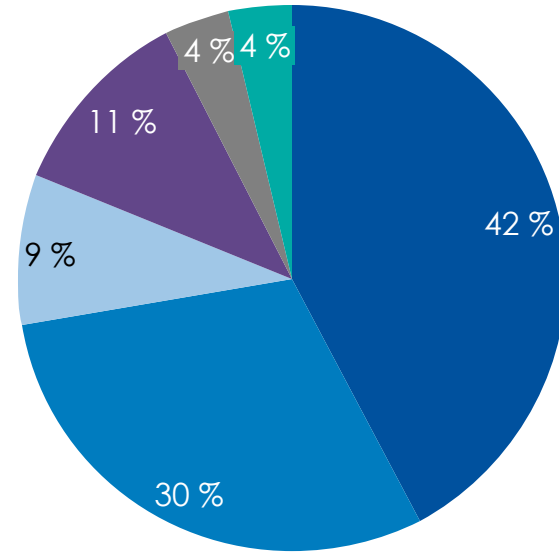
- Global reach and sales to more than 70 countries.
- A significant industrial activity within trading, processing, sales and distribution of fish.
- Investments in fish cuts in end markets recent years
- Processing and fresh distribution facilities:
 - Norway
 - Sweden
 - Finland
 - France
 - Spain
 - Portugal
 - Turkey
 - Netherlands (reported in VAP)
 - Denmark (reported as associate)



Sales per market and product Q1 2016



- EU
- Norway
- Asia Pacific
- USA & Canada
- Rest of Europe
- Others



- Whole salmon
- Processed salmon
- Whitefish
- Salmontrout
- Shellfish
- Others

Farming: Guiding

	Licences	Smolt cap.	2011 GWT	2012 GWT	2013 GWT	2014 GWT	2015 GWT	2016E GWT
Lerøy Aurora AS*	26	11,5	18 100	20 000	24 200	26 800	29 200	34 000
Lerøy Midt AS	57	22,0	62 300	61 900	58 900	68 300	71 400	65 000
Lerøy Sjøtroll	63	22,6	56 200	71 600	61 700	63 200	57 100	71 000
Total Norway	146	56,1	136 600	153 400	144 800	158 300	157 700	170 000
<i>Share of annual volume YTD/per Q1</i>			20%	24%	23%	21%	22%	22%
Villa Organic AS**						6 000		
Norskott Havbruk (UK)***			10 900	13 600	13 400	13 800	13 500	13 000
Total			147 500	167 100	158 200	178 100	171 200	183 000

*) 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



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Key financial figures

(NOKm)	Q1 2016	Q1 2015	▲%
Revenue	3 815	3 268	17 %
Other gains and losses	0	10	
EBITDA	697	501	39 %
Depreciation & amortisation	113	97	
EBIT*	584	404	45 %
Income from associates*	41	21	
Net finance	-34	-35	
Pre-tax*	592	390	52 %
EPS (NOK)*	7,89	5,19	52 %
Harvested Volume (GWT)	38 163	35 023	9 %
EBIT*/kg all inclusive (NOK)	15,3	11,5	-17 %
ROCE* (%)	23,7 %	17,9 %	33 %

* Before biomass adjustment

Balance sheet

(NOKm)	31.03.2016	31.12.2015	▲%
Intangible assets	4 388	4 391	0 %
Tangible fixed assets	2 900	2 900	0 %
Financial non-current assets	713	695	2 %
Total non-current assets	8 001	7 987	0 %
Biological assets at cost	3 222	3 350	-4 %
Fair value adjustment	1 145	971	18 %
Other inventory	516	552	-7 %
Receivables	1 901	1 877	1 %
Cash and cash equivalents	1 470	1 248	18 %
Total current assets	8 254	7 997	3 %
Total assets	16 255	15 984	2 %
Equity	9 292	8 764	6 %
Equity ratio	57,2 %	54,8 %	4 %
NIBD	2 092	2 595	-19 %

Funding

NOK million	2016	2017	2018	2019	2020	Later	Total
To be paid	639	346	329	458	309	1 080	3 162
Total	704	346	329	458	309	1 080	3 226

	Covenants	Q1 2016
NIBD/EBITDA	<5	1.04
Adj. Equity ratio	>30%	64.9%

Cash flow

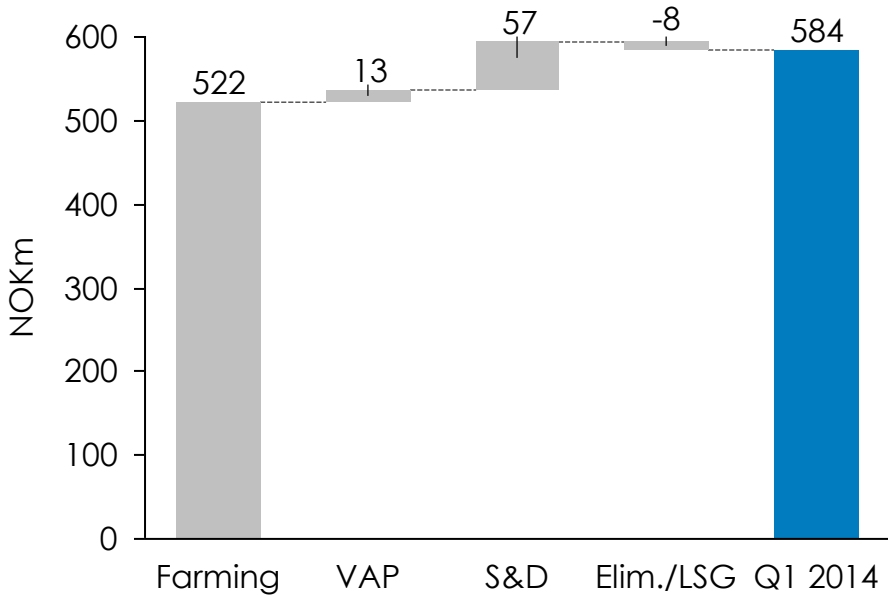
<i>Amounts in NOK millions</i>	Q1 2016	Q1 2015	% change
EBITDA	697	501	39 %
Paid tax	-175	-138	
Working capital *	137	-76	
Other **	-8	-17	
Cash from operating activities	652	270	141 %
Net investments in capex and licences	-121	-130	
Acquisitions, divestments and other	0	-123	
Cash from investing activities	-120	-253	-52 %
Net financial cost	-33	-32	
Dividends	0	0	
Cash from financing activities *	-33	-32	3 %
Other changes (incl.currency effects)	4	-1	
Net cash flow / change in NIBD	502	-16	
NIBD at beginning	2 595	1 876	
Change in NIBD	-502	16	
NIBD at end	2 092	1 892	11 %

*Before change in interest- bearing debt

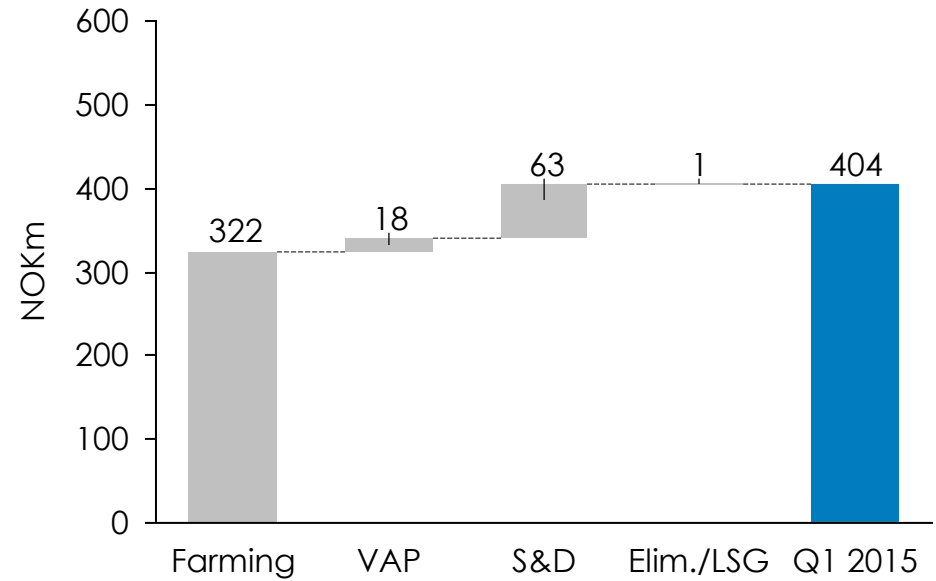
** Items included in EBITDA with no cash effect and items included in cashflow from financing activities

EBIT per segment

EBIT* Q1 2016



EBIT* Q1 2015

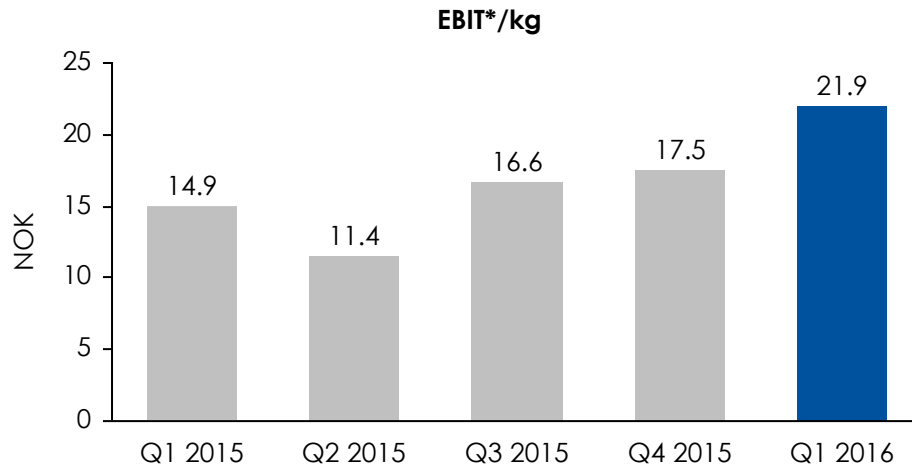


* Before biomass adjustment

Lerøy Aurora

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	433	323	1 409	1 190
EBIT* (NOKm)	169	110	450	370
Harvested volume (GWT)	7 723	7 359	29 204	26 770
EBIT/kg* (NOK)	21.9	14.9	15.4	13.8

- Increased contract share
- As previously communicated RFS (release-from-stock) cost increased q-o-q, and will continue to increase in coming quarters due to higher feed cost
- Further volume growth expected into 2017

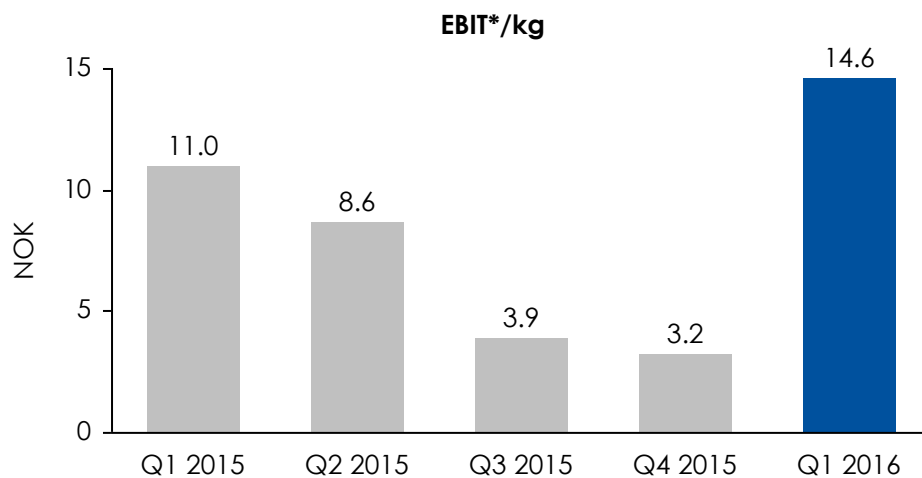


*before biomass adj.

Lerøy Midt

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	707	652	2 863	2 682
EBIT* (NOKm)	198	170	466	666
Harvested volume (GWT)	13 535	15 454	71 442	68 284
EBIT/kg* (NOK)	14.6	11.0	6.5	9.8

- Challenges in H2 2015 has significantly impacted the cost level of the autumn 2014 generation which is still being harvested.
- Despite higher feed cost, RFS cost is expected to fall with the harvest of the 2015 generations

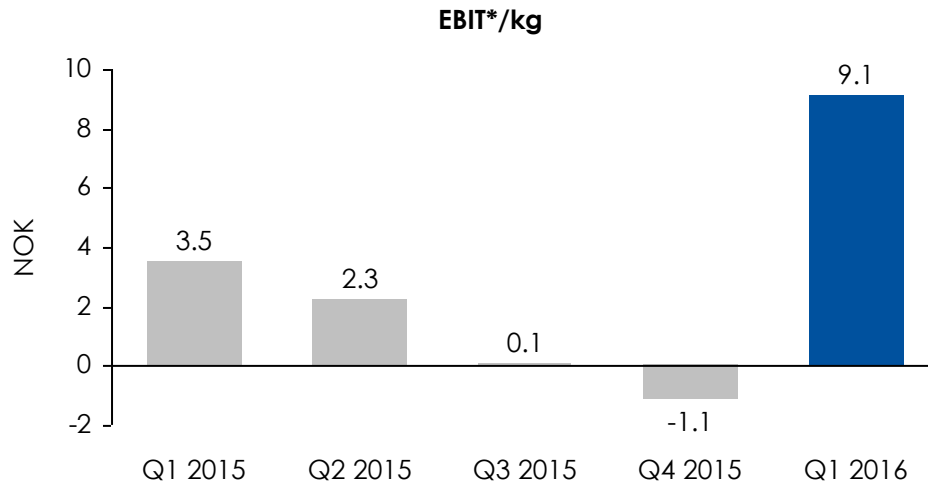


*before biomass adj.

* Before biomass adjustment

Lerøy Sjøtroll

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	976	580	2 587	2 718
EBIT* (NOKm)	154	42	71	343
Harvested volume (GWT)	16 905	12 210	57 051	63 204
EBIT/kg* (NOK)	9.1	3.5	1,2	5,4

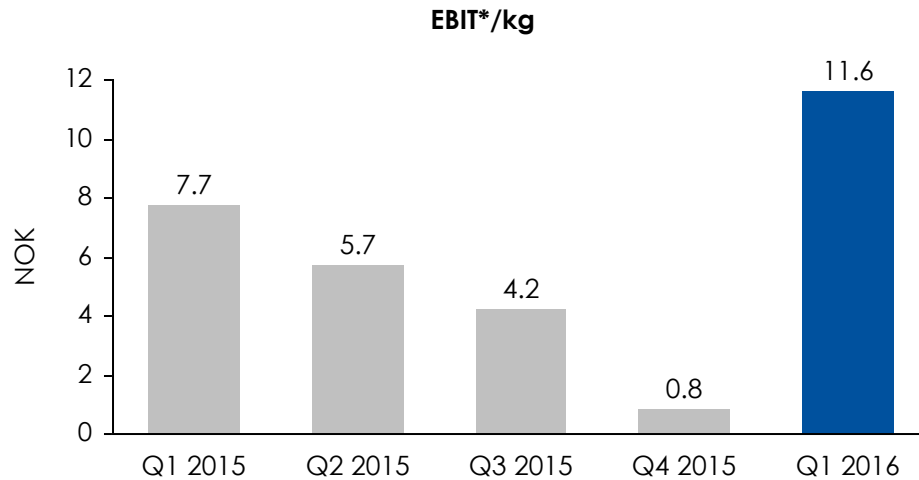


- 49% of quarterly harvest volume was trout, which continue to be priced at a significant discount to salmon
- Positive development in production. RFS cost decline q-o-q
- Development over the summer will be decisive, but significant cost reductions are expected going into H2 2016

Norskott Havbruk (associate)

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	422	325	1 498	1 385
EBIT* (NOKm)	81	43	122	232
Harvested volume (GWT)	6 981	5 589	27 032	27 508
EBIT/kg* (NOK)	11.6	7.7	4.5	8.4

- Contract share in quarter of 51%, with negative impact on price realisation
- Cost decrease y-o-y
- Volume guidance for 2016 at 26,000 GWT

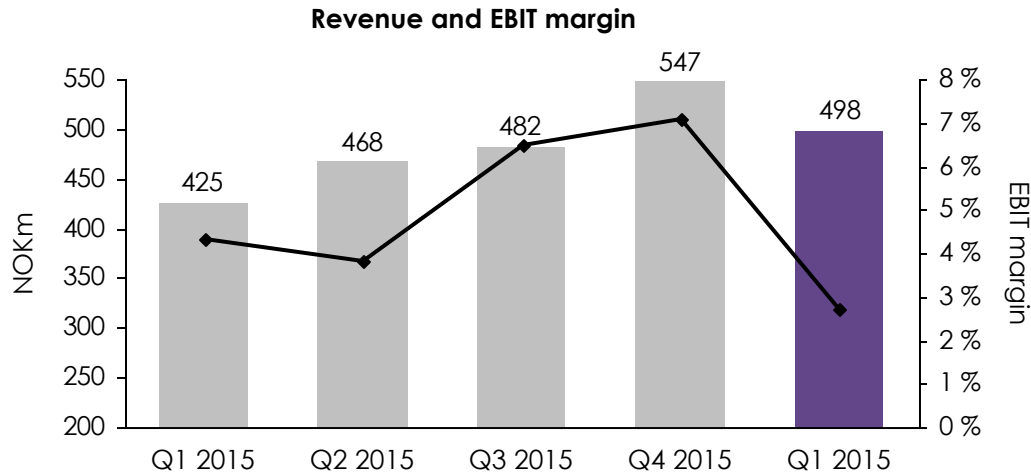


* Before biomass adjustment

VAP – Value Added Processing

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	498	425	1 921	1 610
EBIT (NOKm)	13	18	106	95
EBIT margin	2.7 %	4.3 %	5.5 %	5.9 %

- High focus on adjusting sales prices to reflect raw material prices, which appear to be high for foreseeable future
- High raw material prices have negative impact on profitability this quarter

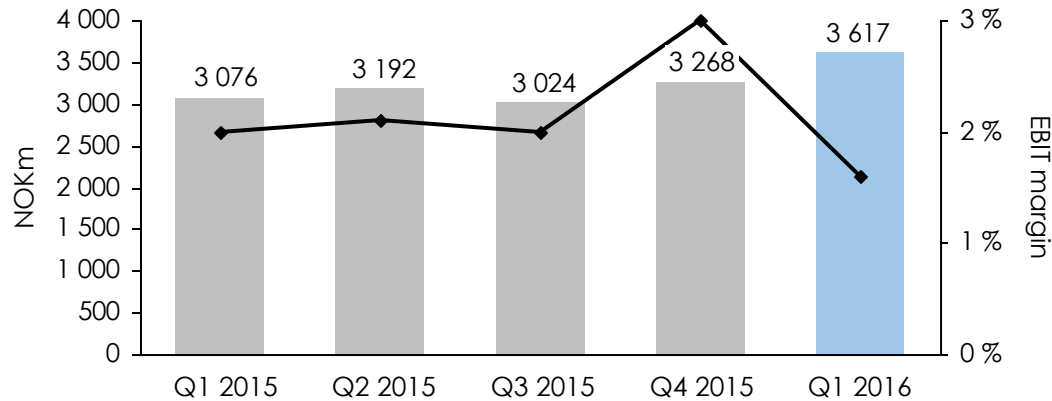


Sales & Distribution

	Q1 2016	Q1 2015	2015	2014
Revenue (NOKm)	3 617	3 076	12 559	11 964
EBIT (NOKm)	57	63	287	241
EBIT margin	1.6 %	2.0 %	2.3 %	2.0 %

- Underlying positive development in many operations, but it takes time to adjust product prices to reflect raw material price

Revenue and EBIT margin





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Atlantic salmon – Supply

in tons WFE

	2011	Change 10-11	2012	Change 11-12	2013	Change 12-13	2014	Change 13-14	2015	Change 14-15	2016	Change 15-16	2017	Change 16-17
Norway	1 005 600	6,5 %	1 183 100	17,7 %	1 143 600	-3,3 %	1 199 000	4,8 %	1 234 200	2,9 %	1 197 700	-3,0 %	1 251 300	4,5 %
United Kingdom	154 700	8,3 %	159 400	3,0 %	157 800	-1,0 %	170 500	8,0 %	166 300	-2,5 %	170 600	2,6 %	174 000	2,0 %
Faroe Islands	56 300	34,7 %	70 300	24,9 %	72 600	3,3 %	82 700	13,9 %	76 900	-7,0 %	80 700	4,9 %	89 900	11,4 %
Ireland	16 000	-10,1 %	15 600	-2,5 %	10 600	-32,1 %	12 300	16,0 %	15 700	27,6 %	16 500	5,1 %	17 000	3,0 %
Iceland	1 000	0,0 %	2 900	190,0 %	3 100	6,9 %	4 000	29,0 %	5 200	30,0 %	6 500	25,0 %	10 500	61,5 %
Total Europe	1 233 600	7,4 %	1 431 300	16,0 %	1 387 700	-3,0 %	1 468 500	5,8 %	1 498 300	2,0 %	1 472 000	-1,8 %	1 542 700	4,8 %
Chile	221 000	70,5 %	364 000	64,7 %	468 100	28,6 %	582 900	24,5 %	590 900	1,4 %	466 500	-21,1 %	432 000	-7,4 %
Canada	119 500	-2,0 %	136 500	14,2 %	115 100	-15,7 %	95 000	-17,5 %	135 200	42,3 %	137 200	1,5 %	141 000	2,8 %
USA	18 300	1,7 %	19 600	7,1 %	20 300	3,6 %	24 000	18,2 %	20 200	-15,8 %	20 300	0,5 %	22 000	8,4 %
Australia	36 000	9,1 %	40 000	11,1 %	39 000	-2,5 %	39 000	0,0 %	45 500	16,7 %	46 000	1,1 %	47 000	2,2 %
Others	5 000	11,1 %	8 100	62,0 %	11 200	38,3 %	15 200	35,7 %	14 900	-2,0 %	12 900	-13,4 %	15 500	20,2 %
Total Others	399 800	30,2 %	568 200	42,1 %	653 700	15,0 %	756 100	15,7 %	806 700	6,7 %	682 900	-15,3 %	657 500	-3,7 %
Total World-wide	1 633 400	12,2 %	1 999 500	22,4 %	2 041 400	2,1 %	2 224 600	9,0 %	2 305 000	3,6 %	2 154 900	-6,5 %	2 200 200	2,1 %

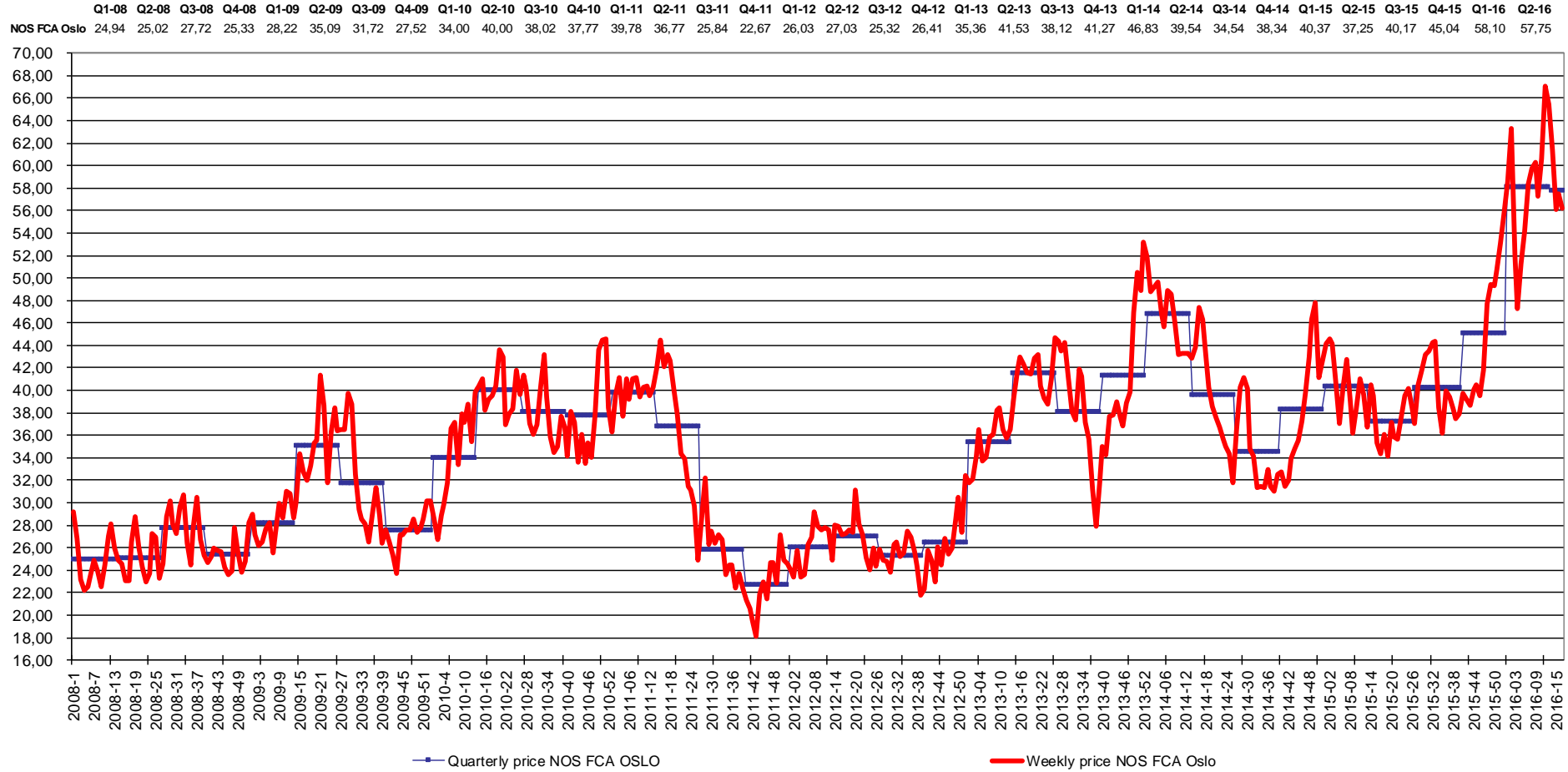
Figures as per 09.05.2016

Source: Kontali



Q1 16 NOK 58,10 vs Q1 15 NOK 40,37 (+43,9 %)
 FY 2015 NOK 40,7 vs FY 2014 NOK 39,81 (+ 2,2 %)

SPOT prices, fresh Atlantic salmon cross-section, FCA Oslo as of week 17-2016 (Superior quality).

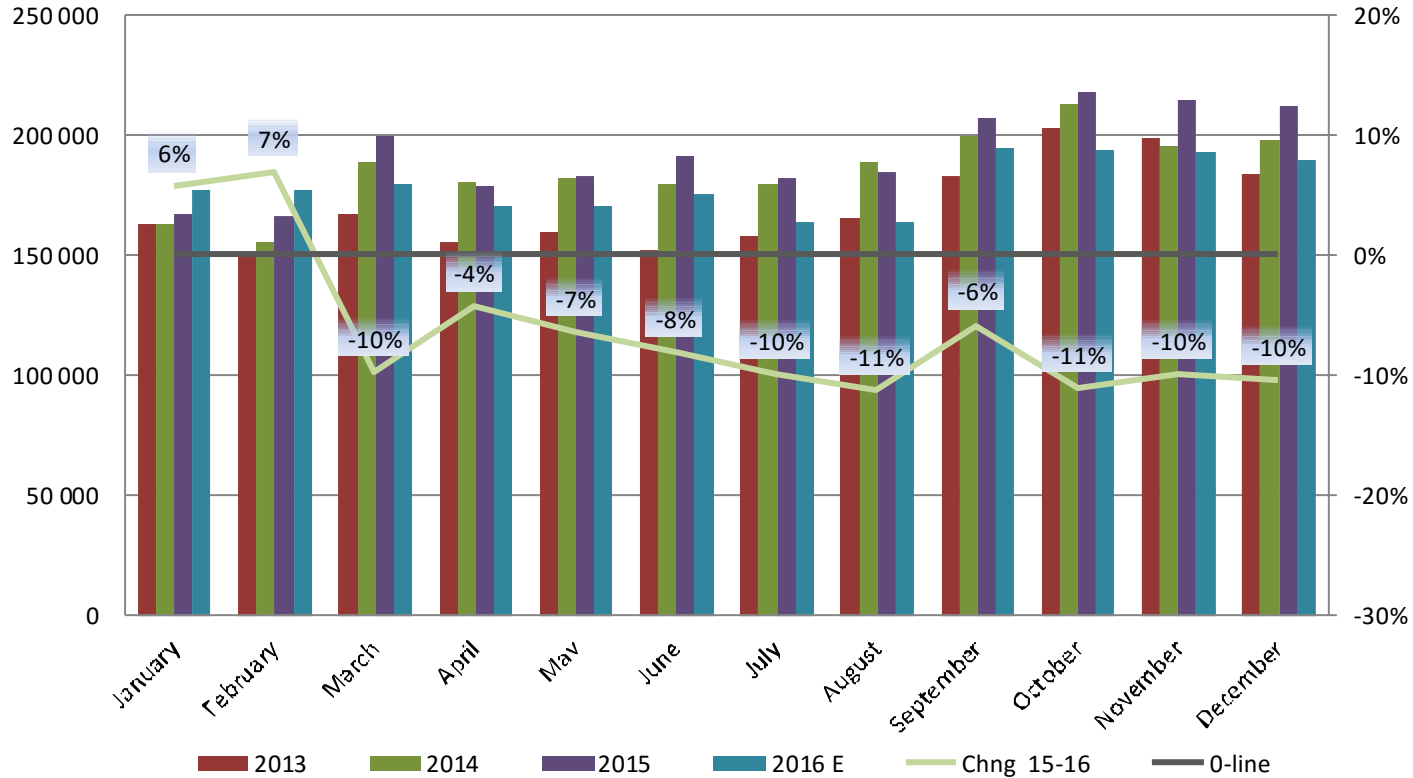


Figures as per 03.05.2016

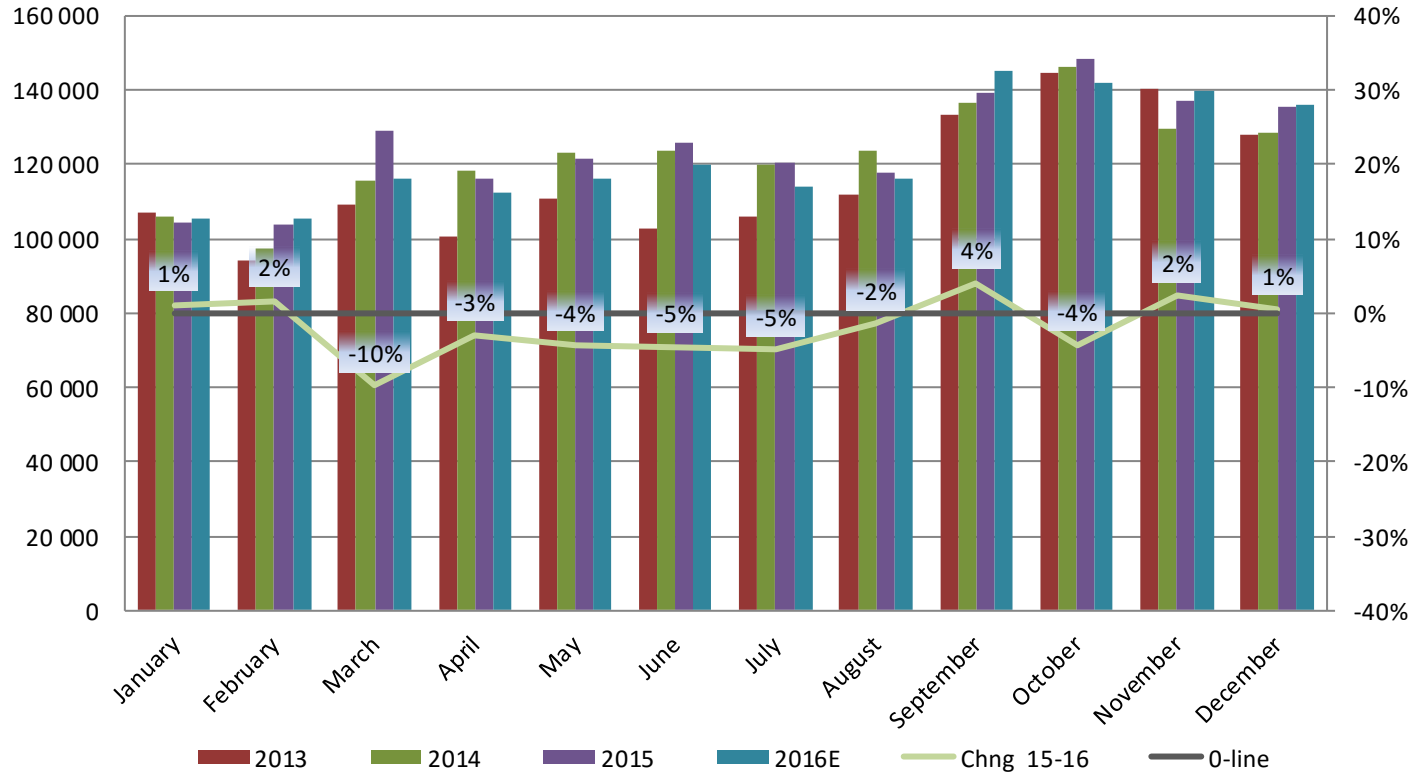
Source: Lerøy/Nasdaq

Atlantic salmon - Harvest Quantities WW

in tons WFE



Atlantic salmon - Harvest Quantities Europe in tons WFE

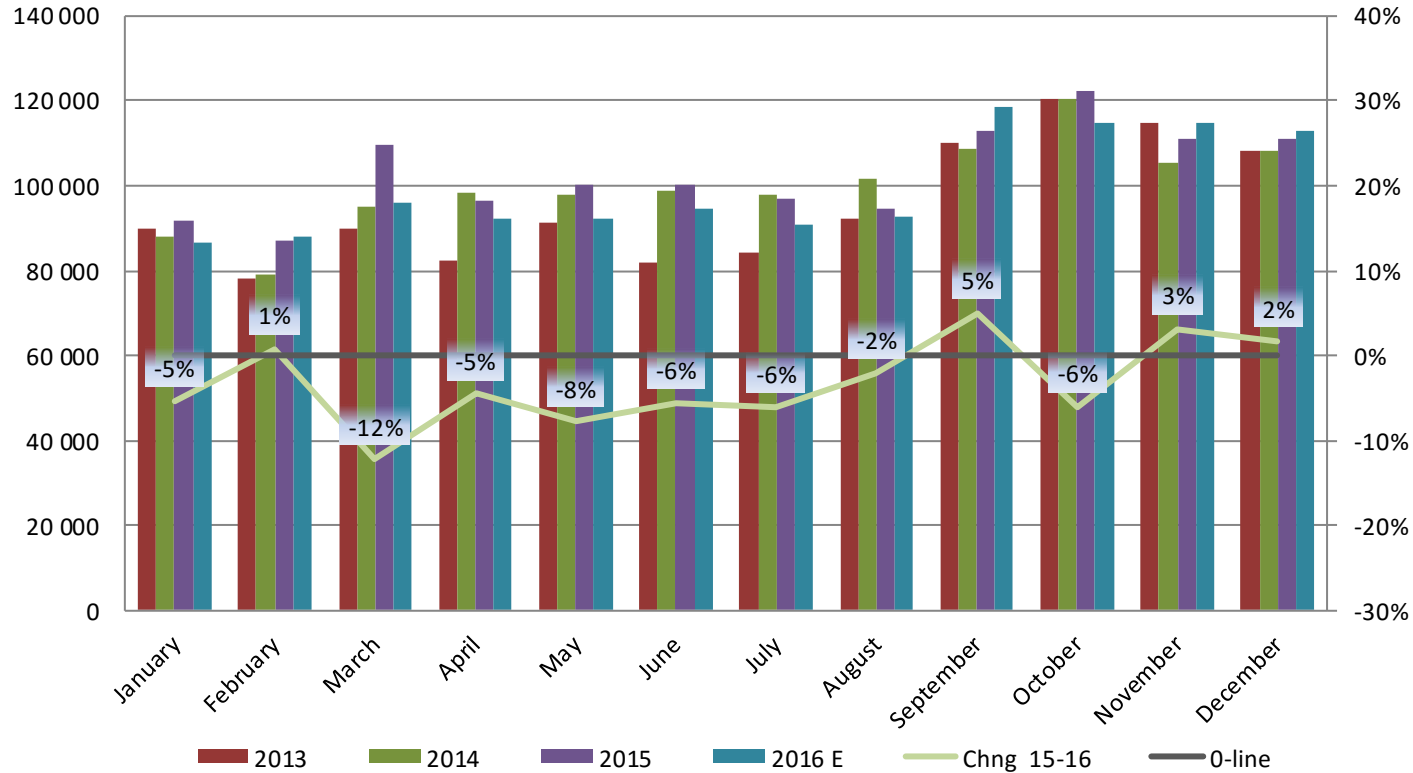


Figures as per 03.05.2016

Source: Kontali

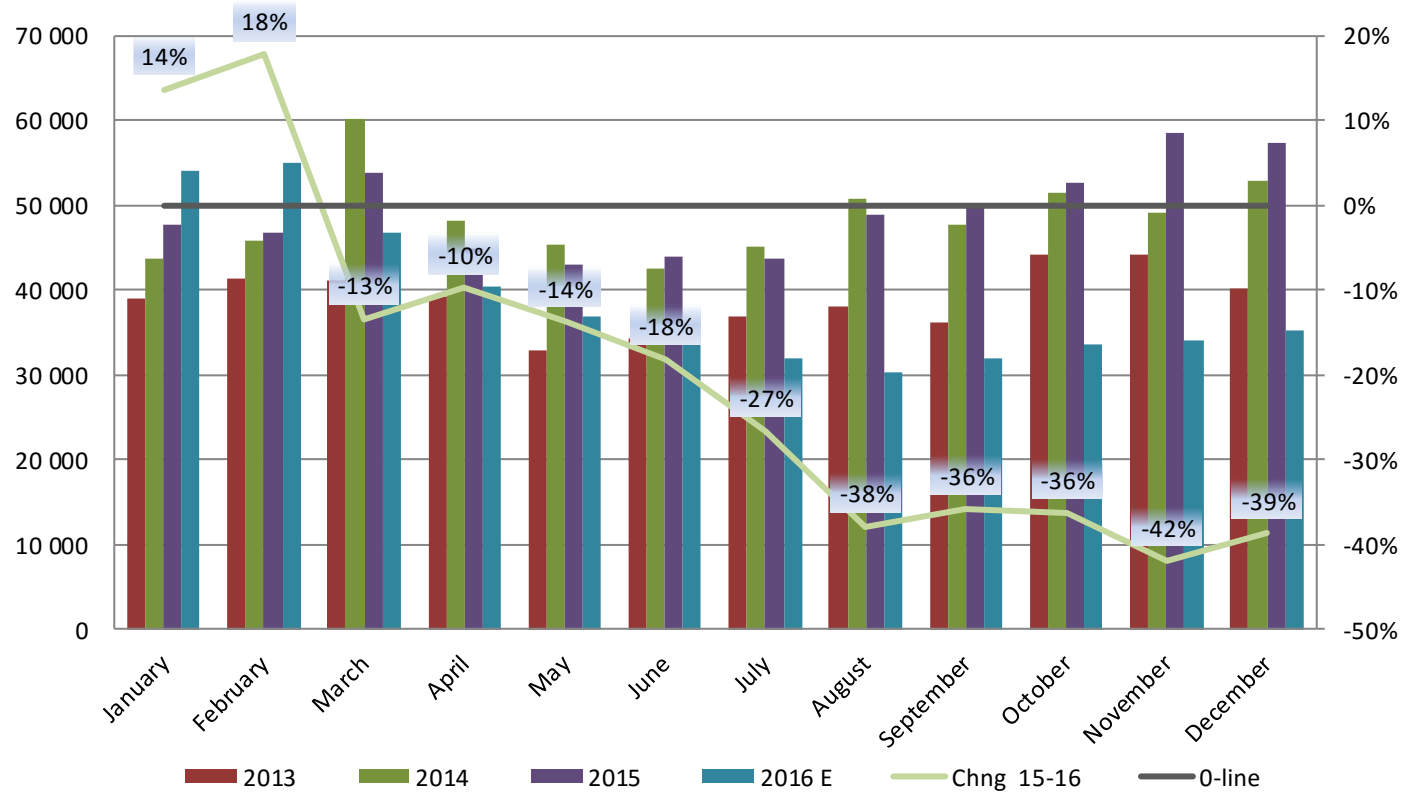
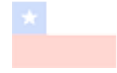


Atlantic salmon - Harvest Quantities Norway in tons WFE



Atlantic salmon - Harvest Quantities Chile

in tons WFE



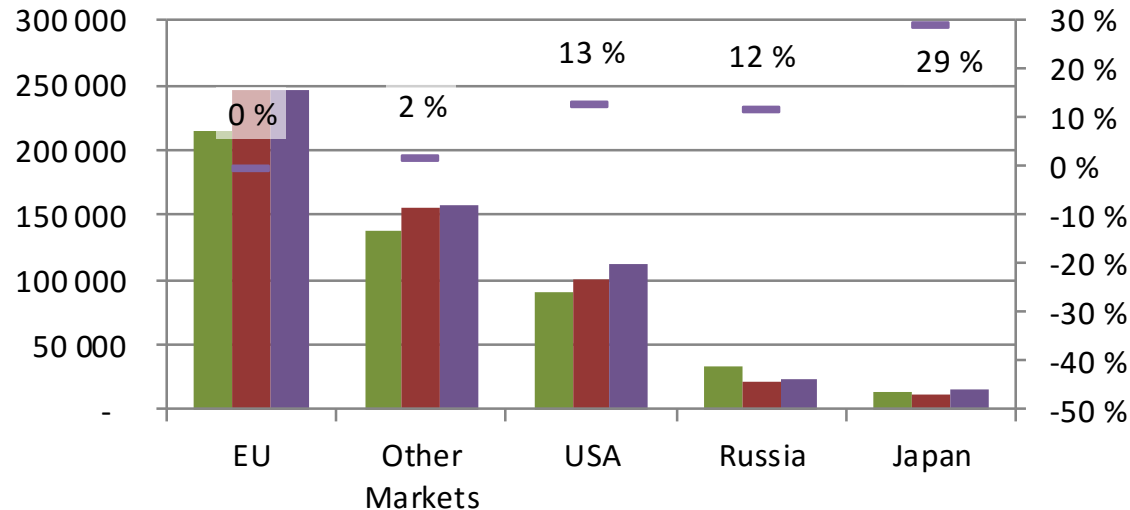
Atlantic Salmon Consumption

Q1 2016



Salmon

Market	2014	2015	2016	Growth	Growth %
EU	215 400	246 300	245 900	-400	0 %
Other Markets	137 700	156 000	158 500	2 500	2 %
USA	89 700	99 900	112 500	12 600	13 %
Russia	32 300	20 400	22 800	2 400	12 %
Japan	13 700	12 400	16 000	3 600	29 %
Total Consumption	488 800	535 000	555 700	20 700	4 %



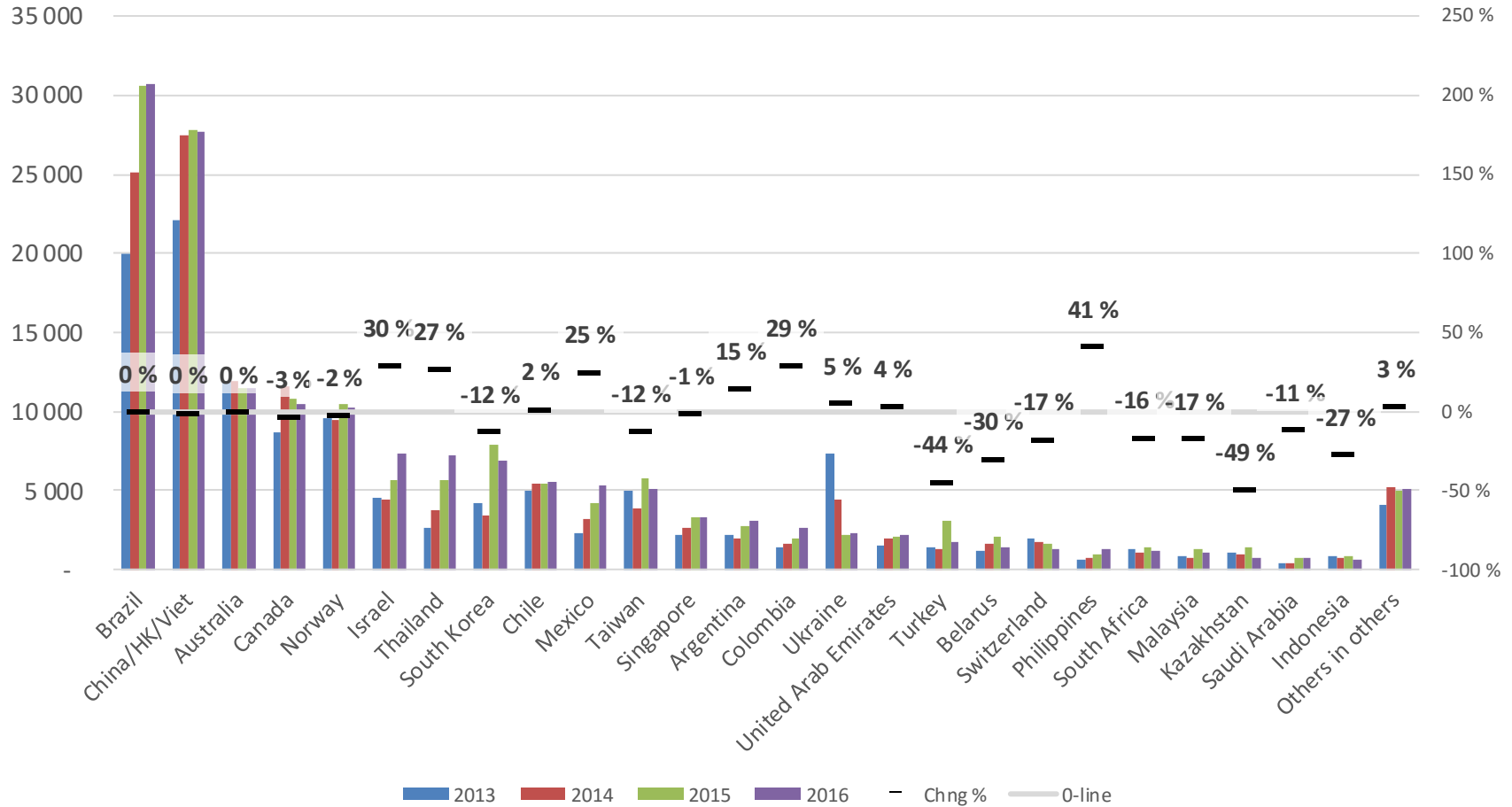
Figures as per 09.05.2016

Source: Kontali/Nasdaq

■ 2014 ■ 2015 ■ 2016 — Growth %

Atlantic Salmon Consumption (Other markets)

2016 Q1



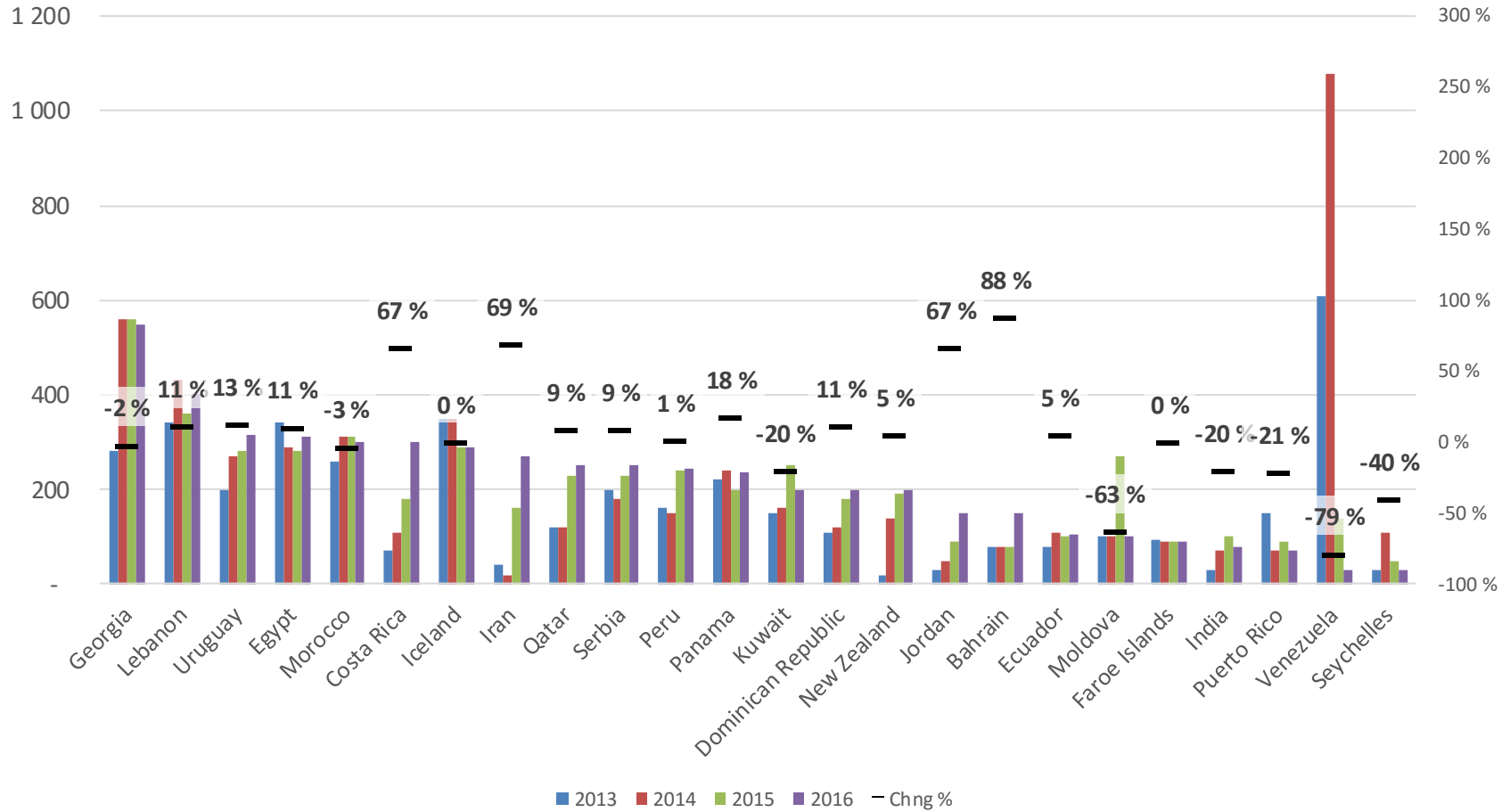
Figures as per 04.05.2016

Source: Kontali

Atlantic Salmon Consumption (Others in other markets)



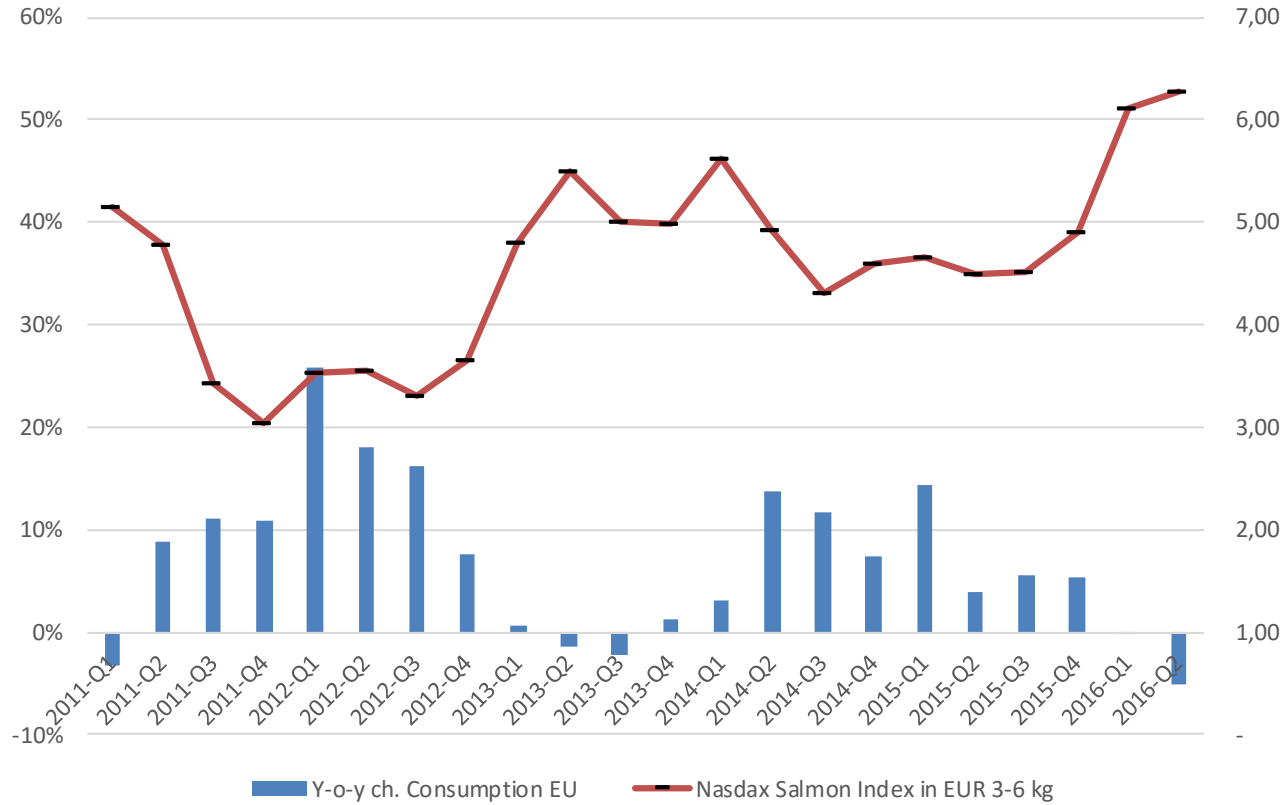
2016 Q1



Figures as per 04.05.2016

Source: Kontali

EU consumption growth and price at boarder Norway



Outlook

- Market outlook supports strong prices
 - Global supply decline of ~6.5% in 2016

- Harvest guidance 170.000 GWT for 2016

- Development over summer will be decisive, but scope for significant cost reductions in H2 2016

- Expected contract share Q2 ~30-35%



In 1899 a fisherman-farmer started selling live fish on the Bergen fish market. He towed the fish to the market in a wooden crate behind his rowing boat, a journey which could take between 6 and 12 hours, depending on the prevailing winds and currents.



Thank
You!

Historical figures



	2016	2015					2014					2013	2012
	Q1	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	FY	FY
Revenue													
Farming	1 957,6	1 482,2	1 596,8	1 655,8	1 759,4	6 494,3	1 420,4	1 660,2	1 508,8	1 653,3	6 242,7	5 376,3	4 376,5
VAP	497,7	425,0	467,9	481,6	547,0	1 921,5	367,1	395,1	410,2	437,2	1 609,6	1 236,3	1 027,0
S&D	3 616,6	3 075,9	3 191,6	3 023,7	3 267,6	12 558,7	3 066,7	2 998,8	2 820,3	3 078,3	11 964,2	10 257,0	9 098,2
LSG/Elim	-2 256,6	-1 714,9	-1 932,7	-1 866,6	-2 009,7	-7 523,8	-1 674,5	-1 877,4	-1 777,5	-1 907,5	-7 236,9	-6 105,0	-5 398,8
Operating revenue	3 815,3	3 268,3	3 323,5	3 294,6	3 564,3	13 450,7	3 179,7	3 176,6	2 961,8	3 261,4	12 579,5	10 764,7	9 102,9
EBIT													
Lerøy Aurora	169,4	109,9	68,2	91,1	180,9	450,1	98,3	77,4	48,5	146,3	370,5	359,0	83,1
Lerøy Midt	198,2	169,8	163,5	85,5	47,8	466,5	228,3	184,1	101,0	152,9	666,3	507,7	147,3
Lerøy Sjøtroll	154,0	42,2	34,7	1,5	-7,3	71,1	179,1	159,2	4,8	-0,2	342,9	460,3	7,7
Farming	521,6	321,8	266,3	178,1	221,4	987,7	505,7	420,7	154,3	299,0	1379,7	1327,0	238,1
VAP	13,4	18,2	18,0	31,1	39,1	106,3	15,1	21,1	27,8	31,3	95,3	71,6	49,7
S&D	57,3	63,0	67,2	60,3	96,7	287,1	38,7	64,1	56,0	82,2	241,1	204,1	192,5
LSG/Elim	-7,9	1,0	18,5	-16,3	-4,4	-1,2	-9,2	-5,6	64,7	22,7	72,6	23,0	-30,2
EBIT before biomass adj.	584,5	403,9	370,1	253,2	352,8	1380,0	550,4	500,3	302,8	435,2	1788,7	1625,8	450,1
Volume													
Lerøy Aurora	7 723	7 359	5 977	5 497	10 371	29 204	5 109	5 006	6 131	10 524	26 770	24 188	19 954
Lerøy Midt	13 535	15 454	18 916	21 922	15 150	71 442	13 837	18 606	17 684	18 157	68 284	58 894	61 811
Lerøy Sjøtroll	16 905	12 210	15 402	13 263	16 176	57 051	14 390	17 332	17 684	13 798	63 204	61 702	71 637
Total	38 163	35 023	40 295	40 682	41 697	157 697	33 336	40 944	41 499	42 479	158 258	144 784	153 403
EBIT/kg													
Lerøy Aurora	21,9	14,9	11,4	16,6	17,4	15,4	19,2	15,5	7,9	13,9	13,8	14,8	4,2
Lerøy Midt	14,6	11,0	8,6	3,9	3,2	6,5	16,5	9,9	5,7	8,4	9,8	8,6	2,4
Lerøy Sjøtroll	9,1	3,5	2,3	0,1	-0,5	1,2	12,4	9,2	0,3	0,0	5,4	7,5	0,1
Farming	13,7	9,2	6,6	4,4	5,3	6,3	15,2	10,3	3,7	7,0	8,7	9,2	1,6
VAP	0,4	0,5	0,4	0,8	0,9	0,7	0,5	0,5	0,7	0,7	0,6	0,5	0,3
S&D	1,5	1,8	1,7	1,5	2,3	1,8	1,2	1,6	1,3	1,9	1,5	1,4	1,3
LSG/Elim	-0,2	0,0	0,5	-0,4	-0,1	0,0	-0,3	-0,1	1,6	0,5	0,5	0,2	-0,2
Total	15,3	11,5	9,2	6,2	8,5	8,8	16,5	12,2	7,3	10,2	11,3	11,2	2,9