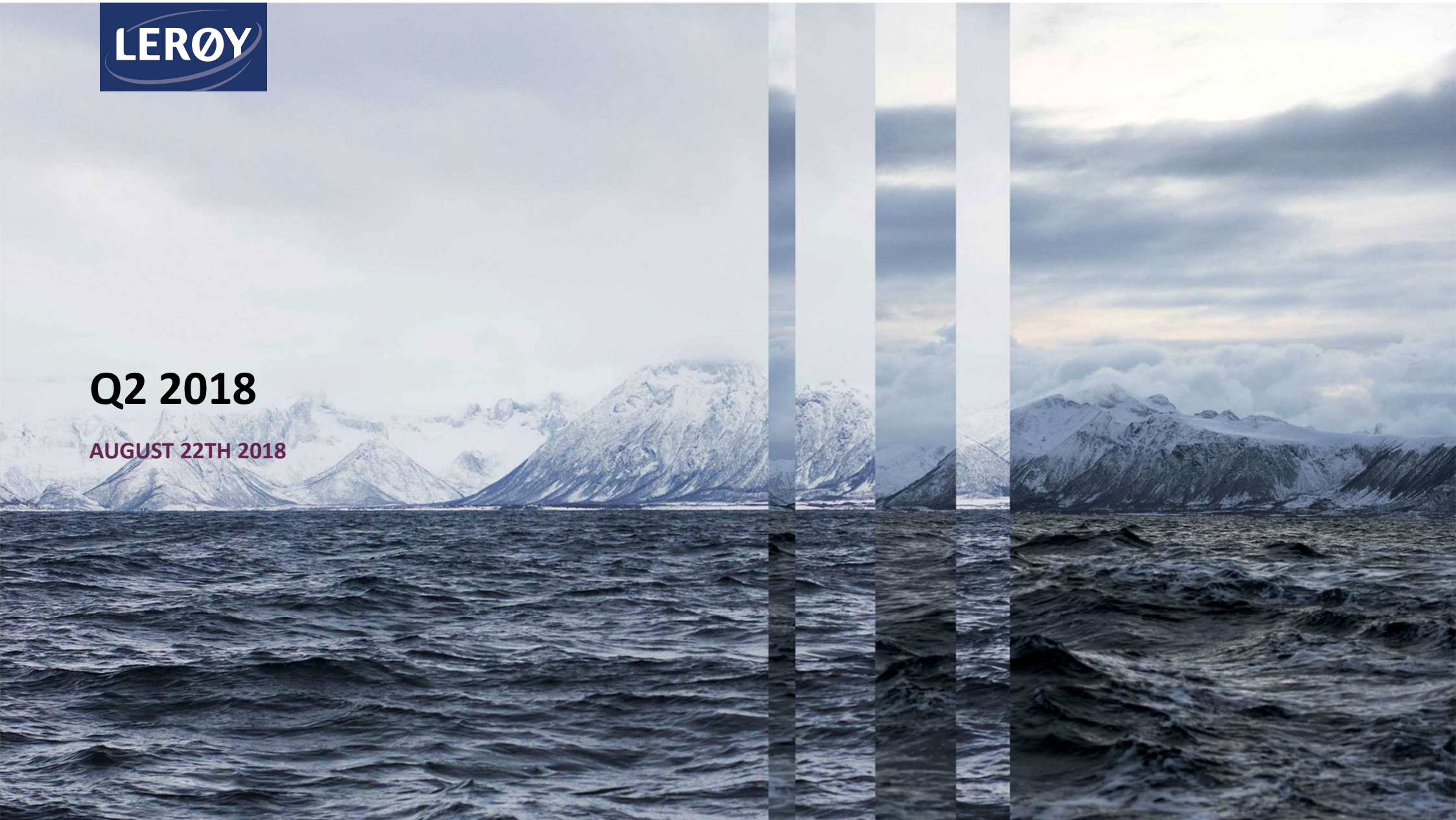




Q2 2018

AUGUST 22TH 2018





1. Highlights
2. Key Financial Figures
3. Outlook

Agenda



Highlights



Q2 2018

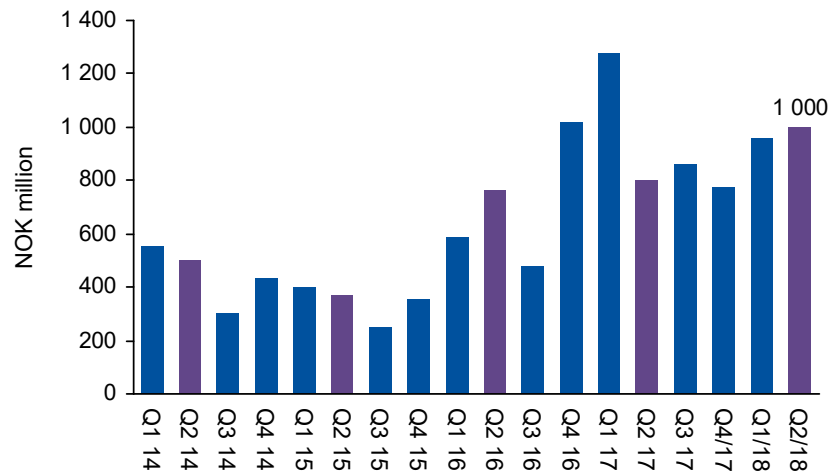
- EBIT before FV adj. NOK 1,000 million
- Harvest volume 37 822 GWT
- EBIT/kg all incl. (excl. EBIT Havfisk & LNWS) of NOK 23.4
- Contract share of 23%
- NIBD NOK 3 013 million
- Harvest guidance 166 000 GWT for 2018
- Expected catch volume around 65,000 tons for 2018



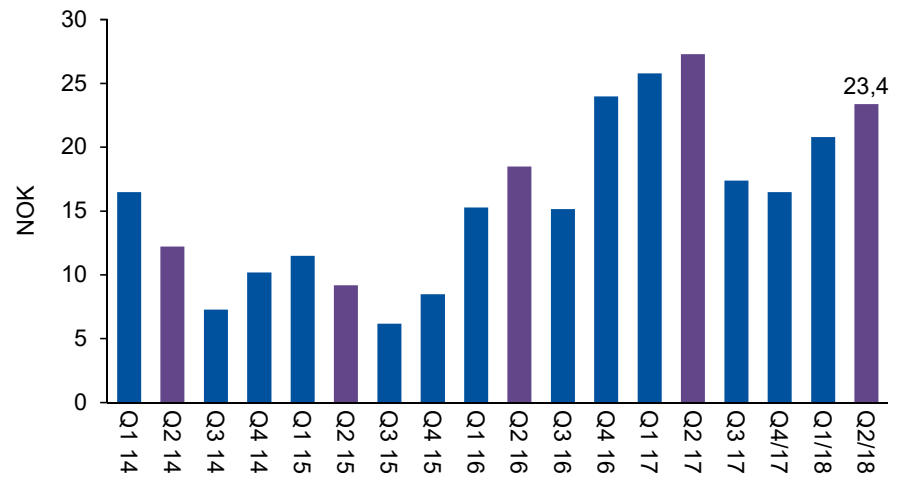


Quarterly historic figures

EBIT*



EBIT/kg**, all inclusive



*before biomass adjustment

**before biomass adjustment excl. EBIT contribution from Wild Catch



Lerøy Seafood Group ASA

Farming

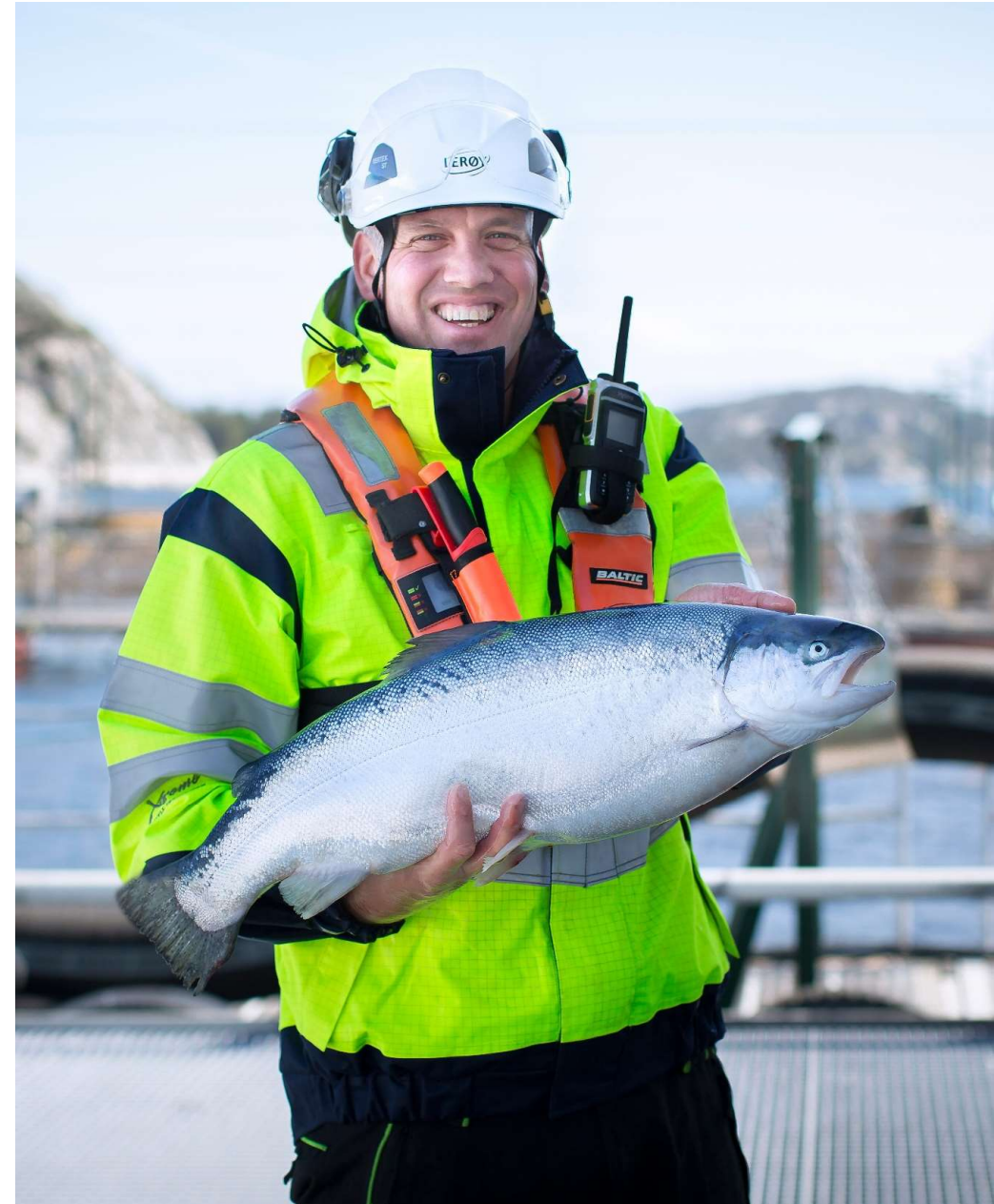
Wild catch

VAP, Sales and Distribution



Q2 2018: Farming Highlights

- Spot prices above last year
 - NSI Q2/18 NOK 68.5 vs NOK 67.4 in Q2/17 (+2%)
 - Up NOK 9/kg q-o-q, and down NOK 1/kg y-o-y
- Trout price achievement well below salmon
- Contract prices well below spot prices
- Cost (RFS) increase from Q1/18, driven by Lerøy Sjøtroll
- Biomass at sea
 - End Q2/18 at 90,697 LWT vs 96,258 LWT end Q2/17 (-6%)





Farming volumes

	2012 GWT	2013 GWT	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018E GWT
Lerøy Aurora AS*	20 000	24 200	26 800	29 200	30 000	39 200	36 000
Lerøy Midt AS	61 900	58 900	68 300	71 400	52 200	64 500	72 000
Lerøy Sjøtroll	71 600	61 700	63 200	57 100	68 000	54 000	58 000
Total Norway	153 400	144 800	158 300	157 700	150 200	157 800	166 000
Villa Organic AS**			6 000				
Norskott Havbruk (UK)***	13 600	13 400	13 800	13 500	14 000	15 500	13 000
Total	167 100	158 200	178 100	171 200	164 200	173 300	179 000

*) 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



Q2 2018: Wild Catch

- Q2/18 harvest volume at 18,190 tons, with significant increase y-o-y in particularly shrimp catches
- Average prices up 8% y-o-y. Y-o-y prices for cod up 15%, haddock 48% while saithe down 6%.
- Entered agreement for delivery of a new combination trawler based on the Nordtind design. Scheduled delivery Q1 2020
- As it takes time to adjust prices to end-market, increase in raw material prices is a challenge within processing





Remaining quotas Havfisk/Wild Catch

	Catch volume Q2/18	Catch volume Q2/17		Catch volume YTD 2018	Catch volume YTD 2017		Remaining quota 2018	Remaining quota 2017
Cod	3 817	4 067		13 091	13 492		11 189	16 149
Haddock*	441	2 050		6 987	9 430		1 939	2 497
Saithe	5 401	6 585		9 084	9 426		10 414	6 413
Shrimps	3 279	996		4 604	996			
Other	5 252	3 070		6 692	4 010			
Total	18 190	16 769		40 458	37 355		23 541	25 059

*) Quota for Haddock was increased during 2017 (redistributed). This number shows status as of Q2/2017



Q2 2018: VAP, Sales and Distribution

- Extremely volatile prices in first half and Q2/18 has been a challenge, with negative impact on profitability
- Start up of new facilities also impact profit, but improvements are expected particularly from Q4/18
- EBIT in Q2/18 of NOK 62m compared to NOK 115m in Q2/17



Key Financial figures



Key financial figures – Q2 2018

<i>(NOKm)</i>	Q2 2018	Q2 2017	▲ %
Revenue	5 042	4 224	19 %
Other gains and losses	35	8	
EBITDA	1 161	948	22 %
Depreciation & amortisation	161	147	
EBIT*	1 000	801	25 %
Income from associates*	70	100	
Net finance	-50	-61	
Pre-tax profit*	1 021	840	22 %
EPS (NOK)*	1,28	1,05	21 %
Harvested Volume (GWT)	37 822	26 156	45 %
EBIT* all incl. excl. Wildcatch	23,4	27,3	-14 %
ROCE* (%)	24,9 %	23,6 %	5 %

* Before biomass adjustment



Key financial figures – YTD 2018

<i>(NOKm)</i>	YTD 2018	YTD 2017	▲ %
Revenue	10 042	9 684	4 %
Other gains and losses	35	8	
EBITDA	2 275	2 371	-4 %
Depreciation & amortisation	315	293	
EBIT*	1 960	2 078	-6 %
Income from associates*	154	163	
Net finance	-76	-107	
Pre-tax profit*	2 038	2 134	-4 %
EPS (NOK)*	2,59	2,64	-2 %
Harvested Volume (GWT)	75 398	69 463	9 %
EBIT* all incl. excl. Wildcatch	22,1	26,4	-16 %
ROCE* (%)	25,2 %	29,3 %	-14 %

* Before biomass adjustment



Balance sheet

<i>(NOKm)</i>	30.06.2018	30.06.2017	▲%
Intangible assets	8 192	8 059	2 %
Tangible fixed assets	5 996	4 504	33 %
Financial non-current assets	1 001	1 030	-3 %
<i>Total non-current assets</i>	15 189	13 592	12 %
Biological assets at cost	3 397	3 527	-4 %
Fair value adjustment of biomass	2 211	2 265	-2 %
Other inventory	1 115	873	28 %
Receivables	2 479	2 382	4 %
Cash and cash equivalents	3 010	2 492	21 %
<i>Total current assets</i>	12 212	11 539	6 %
Total assets	27 401	25 131	9 %
Equity	16 188	14 213	14 %
Equity ratio	59,1 %	56,6 %	4 %
NIBD	3 013	3 190	-6 %

* Before biomass adjustment



Funding

NOK million	2018	2019	2020	2021	2022	Later	Total
To be paid	337	812	636	1 740	470	1 889	5 884
Total	704	812	636	1 740	470	1 889	6 250

	Covenants	Q2 2018
NIBD/EBITDA	<5	0.72
Adj. Equity ratio	>30 %	67.7 %



Cash flow

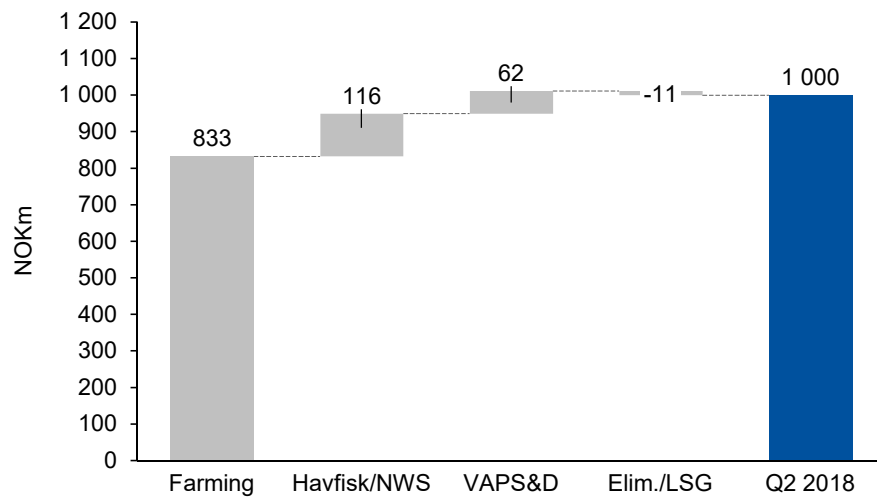
	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
EBITDA before fair value adjustment on biological assets	1 161	948	2 275	2 371	4 300
Paid tax	-588	-281	-822	-478	-494
Change in working capital	-50	-286	-49	-124	-97
Other	-23	-22	-35	-8	-21
Cash from operating activities	499	359	1 369	1 761	3 688
Business combinations and redemption of non-controlling interests *	0	-1	-127	-1	-6
Net investments in capex and intangibles	-391	-366	-1 222	-562	-1 484
Dividends received	162	110	162	110	164
Other changes in non-current assets	0	-66	56	-83	-104
Cash from investing activities *	-229	-322	-1 131	-536	-1 430
Net financial cost	-53	-50	-86	-93	-188
New equity	0	0	0	0	0
Dividends distributed	-945	-832	-945	-834	-834
Cash from financing activities	-997	-882	-1 030	-927	-1 023
Other changes (incl.currency effects)	7	-17	21	-54	-64
Net cash flow / change in NIBD	-720	-863	-751	244	1 171
NIBD at beginning	2 293	2 327	2 262	3 433	3 433
Change in NIBD	720	863	751	-244	-1 171
NIBD at end	3 013	3 190	3 013	3 190	2 262

* The amount may differ from the corresponding amount in the cash flow statement in the quarterly report, as cash acquired through business combination is not included.

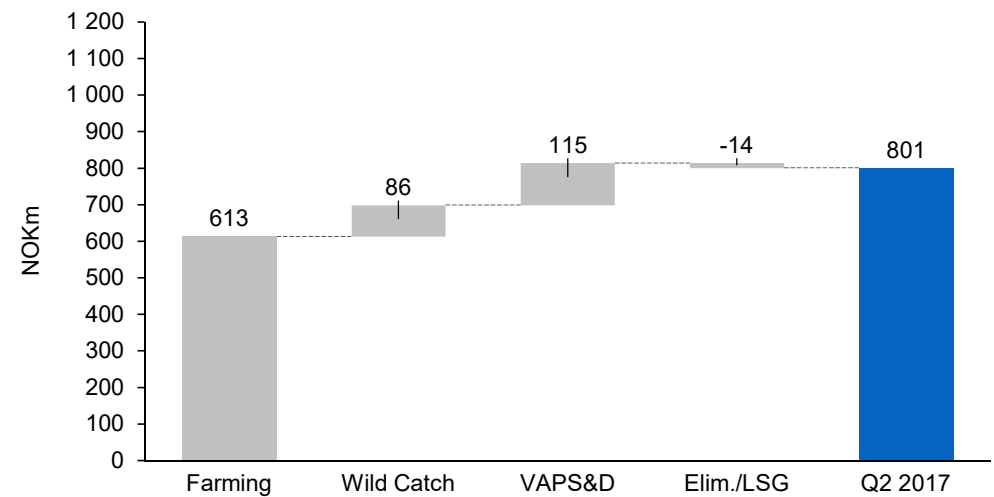


EBIT per segment

EBIT* Q2 2018



EBIT* Q2 2017

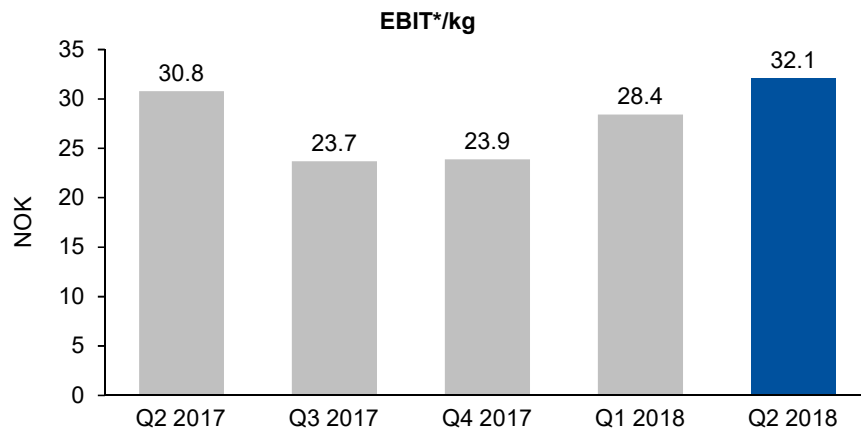


* Before biomass adjustment



Lerøy Aurora

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenue (NOKm)	501	561	1 089	977
EBIT* (NOKm)	218	247	474	426
Harvested volume (GWT)	6 807	8 017	15 786	14 031
EBIT/kg* (NOK)	32.1	30.8	30.0	30.4



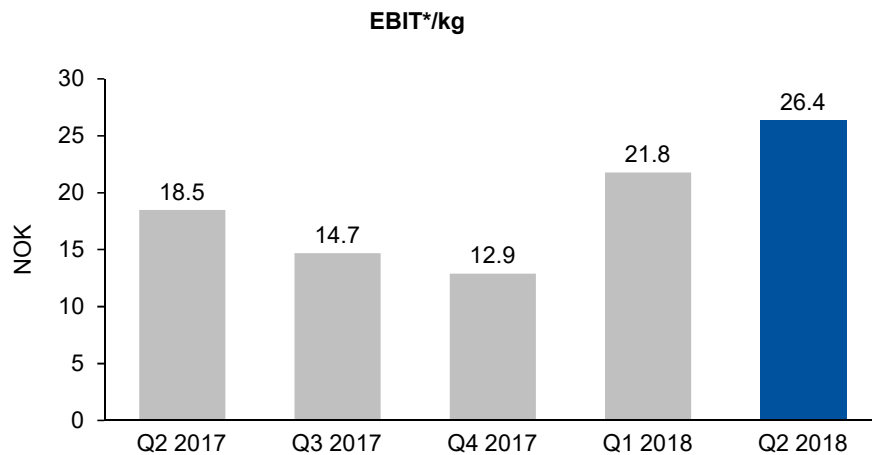
* Before biomass adjustment

- Strong profitability in quarter
- RFS (Release-from-stock) cost remains at low level
- Some negative impact on growth from low temperatures in the quarter
- As of today, expectations are continued low costs in 2018



Lerøy Midt

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenue (NOKm)	1 031	353	1 767	1 744
EBIT* (NOKm)	424	99	687	628
Harvested volume (GWT)	16 047	5 341	28 139	27 273
EBIT/kg* (NOK)	26.4	18.5	24.4	23.0



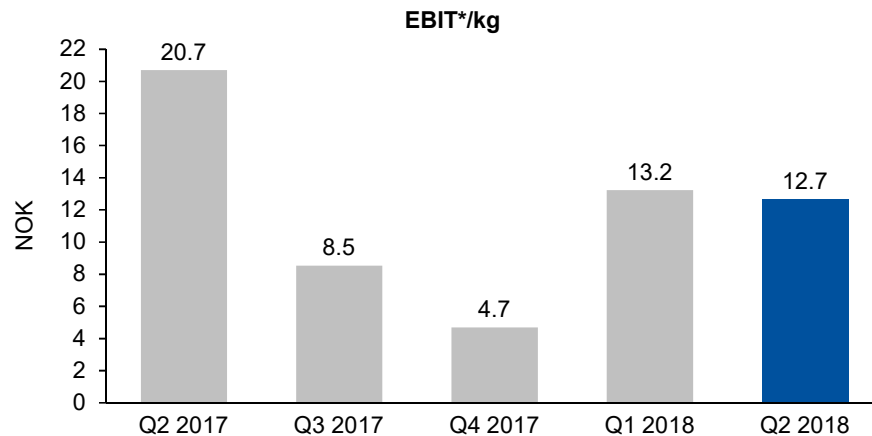
* Before biomass adjustment

- Positive development continues
- New industry facility in start-up in Q2
- Price realisation impacted ~50% of quarterly volume harvested in June
- Forth quarter in a row with decline in RFS (release from stock) costs
- As of today, expectations are for further cost reductions q-o-q through 2018



Lerøy Sjøtroll

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenue (NOKm)	908	832	1 834	1 799
EBIT* (NOKm)	190	265	408	604
Harvested volume (GWT)	14 968	12 798	31 473	28 159
EBIT/kg* (NOK)	12.7	20.7	13.0	21.5



* Before biomass adjustment

- Another challenging quarter
- ~40% of quarterly harvest volume trout. Price achievement for the Group NOK 5/kg lower for trout than for salmon
- Price realisation for salmon impacted negatively of size and downgrades, with price realisation for salmon well below NSI price.
- Cost increase q-o-q, as of today expectations for lower RFS cost in H2
- New smolt facility progressing according to plan. First release of smolt from new facility in 2019. Significant potential in both volume and costs.



Wild Catch (Havfisk/LNWS)

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
EBITDA (NOKm)	149	115	358	301
EBIT (NOKm)	116	86	294	244

Havfisk, catch volume	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Cod	3 817	4 067	13 091	13 492
Haddock	441	2 050	6 987	9 430
Saithe	5 401	6 585	9 084	9 426
Shrimps	3 279	996	4 604	996
Other	5 252	3 070	6 692	4 010
Total	18 190	16 769	40 458	37 355

Havfisk, prices	Q2 2018	Q2 2017	YTD 2018	2017
Cod	31.4	27.4	30.4	26.7
Haddock	24.4	16.5	23.4	18.9
Saithe	10.5	11.2	11.4	11.6

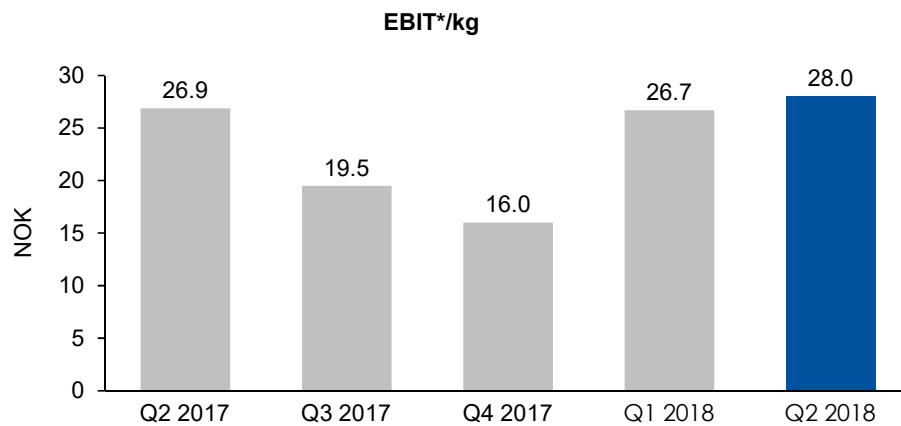
- Lower quotas on cod and haddock, and positive development in demand, gives lift in prices for cod and haddock
- Investments in fleet gives capacity for more shrimp catches
- Trawler Kongsfjord sold in Q2/18 with positive impact on profitability of NOK 35m
- Development of the white fish processing industry in Norway is challenging. The solution is higher efficiency in operations, and broader market reach
- The solution will require time, and investments. Lerøy is expecting stability in framework conditions to make necessary steps possible for a turn-around of this industry in Norway



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

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenue (NOKm)	479	599	998	971
EBIT* (NOKm)	174	227	348	370
Harvested volume (GWT)	6 225	8 437	12 725	14 355
EBIT/kg* (NOK)	28.0	26.9	27.3	25.8

- Satisfactory result, with good biological performance in all regions
- However, harvested volume in 2018 is impacted by accelerated harvest at some sites in 2017
- Contract share in the quarter of 45%
- New RAS facility being built with first eggs in Q4 2018 and first release of smolt in 2019
- Potential for sustainable, organic growth in coming years

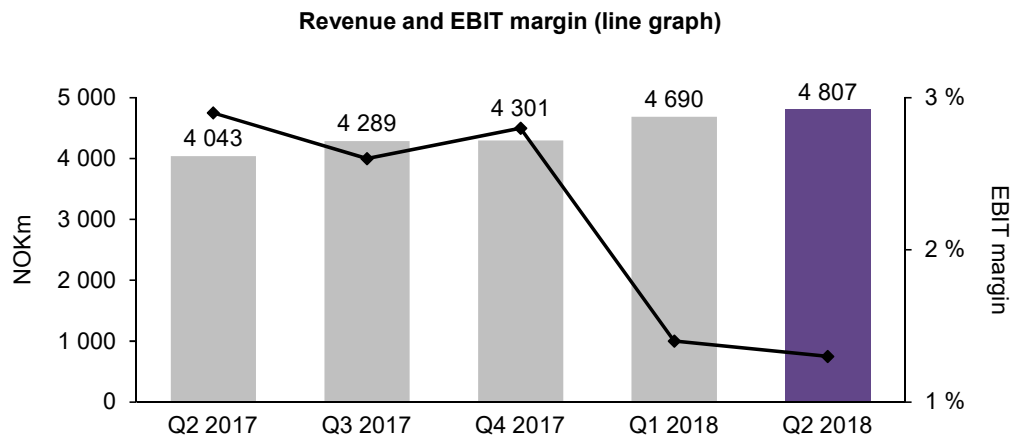


* Before biomass adjustment
 ** Figures based on 100% basis



VAP&D – VAP, Sales and Distribution

	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenue (NOKm)	4 807	4 043	9 497	9 035
EBIT (NOKm)	62	115	127	201
EBIT margin	1.3 %	2.9 %	1.3 %	2.2 %



- Extremely volatile prices in the quarter, and so far in 2018, creates a challenging operational environment with negative impact on profitability
- New facilities in start up in both Netherlands and Spain impact profitability level
- Improvements expected from Q4/18



Outlook

Atlantic salmon – Supply in tons WFE

	2013	Change 12-13	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	1 143 600	-3,3 %	1 199 000	4,8 %	1 234 200	2,9 %	1 171 100	-5,1 %	1 207 800	3,1 %	1 297 900	7,5 %	1 354 900	4,4 %
United Kingdom	157 800	-1,0 %	170 500	8,0 %	166 300	-2,5 %	157 400	-5,4 %	174 300	10,7 %	157 000	-9,9 %	176 600	12,5 %
Faroe Islands	72 600	3,3 %	82 700	13,9 %	75 600	-8,6 %	77 300	2,2 %	80 300	3,9 %	68 800	-14,3 %	78 700	14,4 %
Ireland	10 600	-32,1 %	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	3 350	3,1 %	4 400	31,3 %	3 600	-18,2 %	8 100	125,0 %	11 500	42,0 %	14 000	21,7 %	19 000	35,7 %
Total Europe	1 387 950	-3,1 %	1 468 900	5,8 %	1 495 400	1,8 %	1 429 700	-4,4 %	1 490 900	4,3 %	1 552 000	4,1 %	1 646 200	6,1 %
Chile	468 100	28,6 %	582 900	24,5 %	598 200	2,6 %	504 400	-15,7 %	564 200	11,9 %	632 900	12,2 %	645 700	2,0 %
Canada	115 100	-15,7 %	95 000	-17,5 %	135 200	42,3 %	146 000	8,0 %	140 000	-4,1 %	148 400	6,0 %	152 000	2,4 %
USA	20 300	3,6 %	24 000	18,2 %	20 200	-15,8 %	22 500	11,4 %	21 700	-3,6 %	18 000	-17,1 %	17 500	-2,8 %
Australia	39 000	-2,5 %	42 000	7,7 %	54 400	29,5 %	50 900	-6,4 %	61 800	21,4 %	60 700	-1,8 %	61 800	1,8 %
Others	11 200	38,3 %	15 200	35,7 %	13 700	-9,9 %	12 500	-8,8 %	12 100	-3,2 %	13 600	12,4 %	16 000	17,6 %
Total Others	653 700	15,0 %	759 100	16,1 %	821 700	8,2 %	736 300	-10,4 %	799 800	8,6 %	873 600	9,2 %	893 000	2,2 %
Total World-wide	2 041 650	2,1 %	2 228 000	9,1 %	2 317 100	4,0 %	2 166 000	-6,5 %	2 290 700	5,8 %	2 425 600	5,9 %	2 539 200	4,7 %

Figures as per 16.08.2018

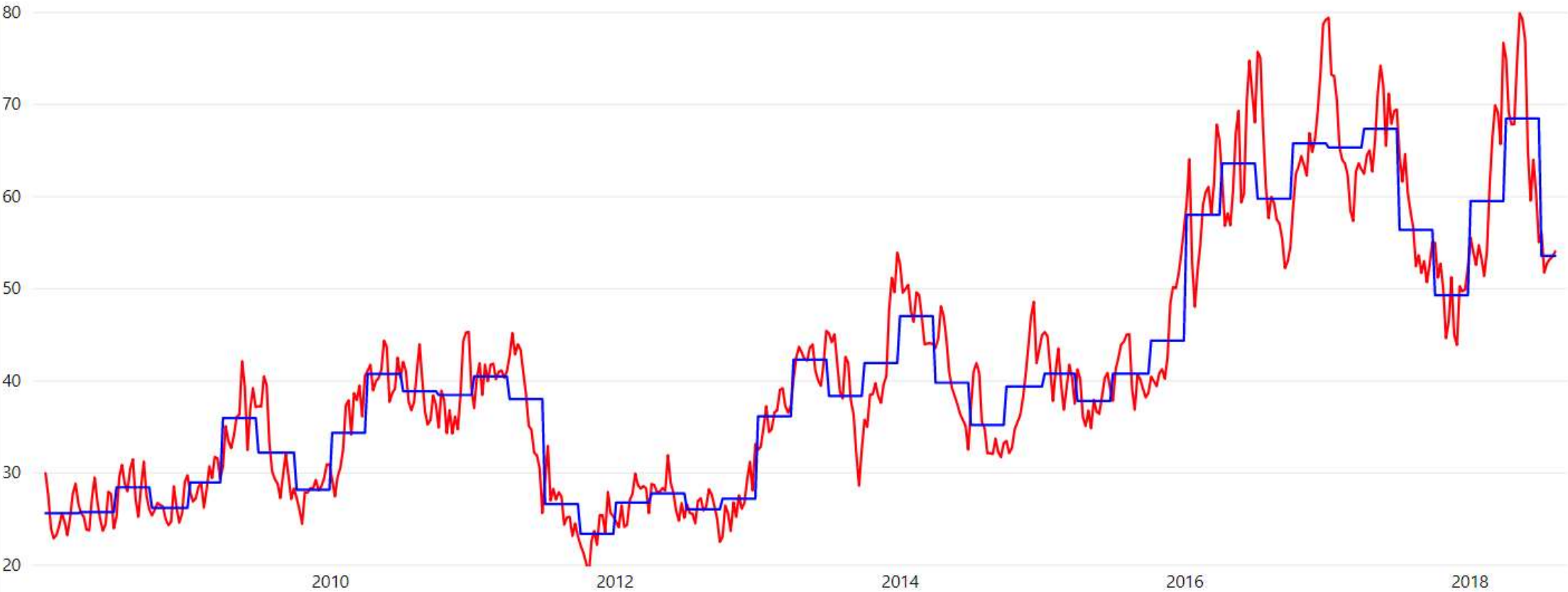
Source: Kontali

SPOT prices, fresh Atlantic salmon
cross-section, FCA Oslo
as of week 32-2018 (Superior quality).

Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Q1	26	29	34	40	27	36	47	41	58	65	60
Q2	26	36	41	38	28	42	40	38	64	67	68
Q3	28	32	39	27	26	38	35	41	60	56	54
Q4	26	28	38	23	27	42	39	44	66	49	
Totalt	27	31	38	32	27	41	40	41	62	59	62

Snittpriser alle størrelser_NOS_uke-kvartal

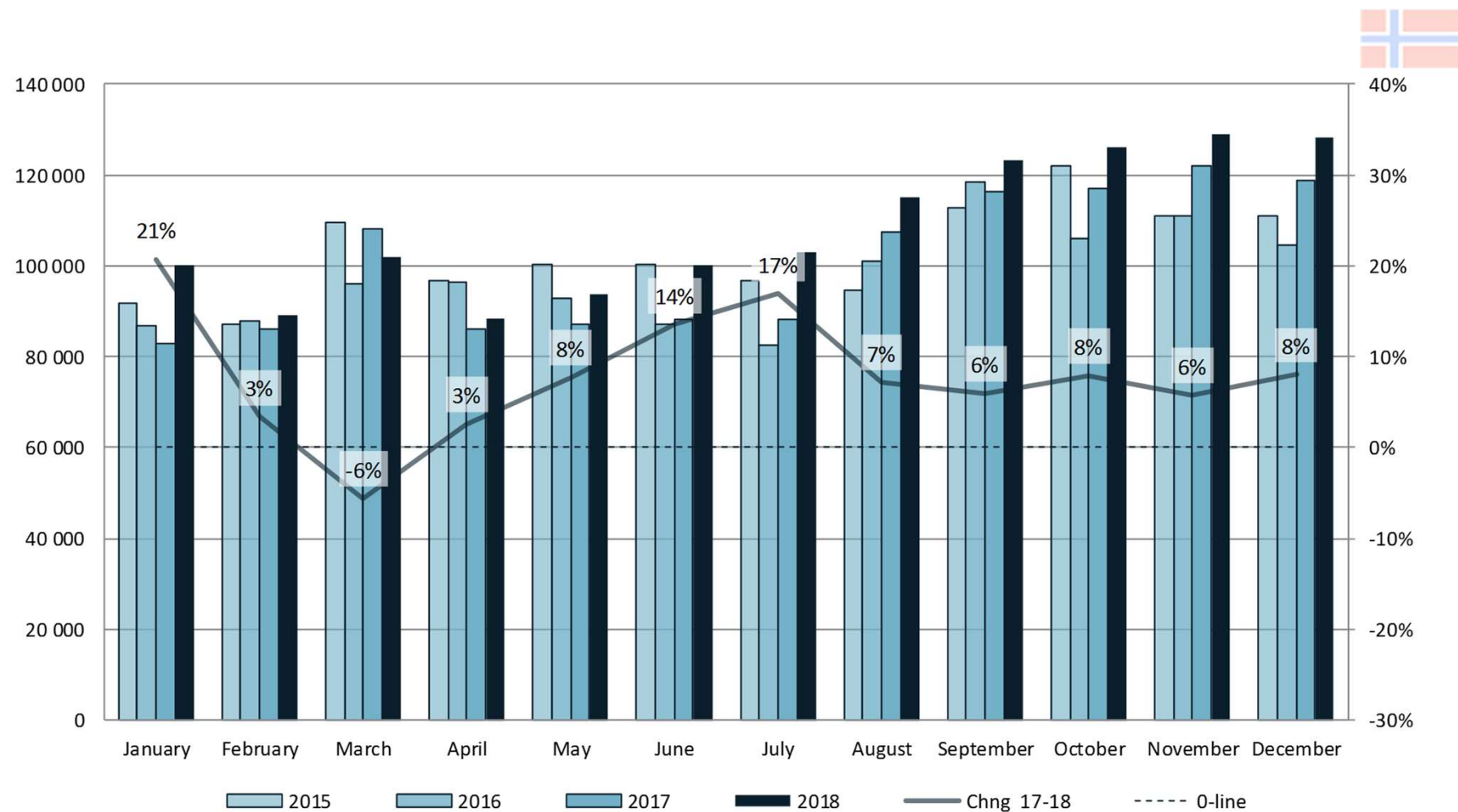
● Weekly Price NSI FCA Oslo ● Quarterly Price NSI FCA Oslo



Atlantic salmon - Harvest Quantities Norway in tons WFE

Harvest qty, YTD July:
676 100 +7,9% (626 400)

2018

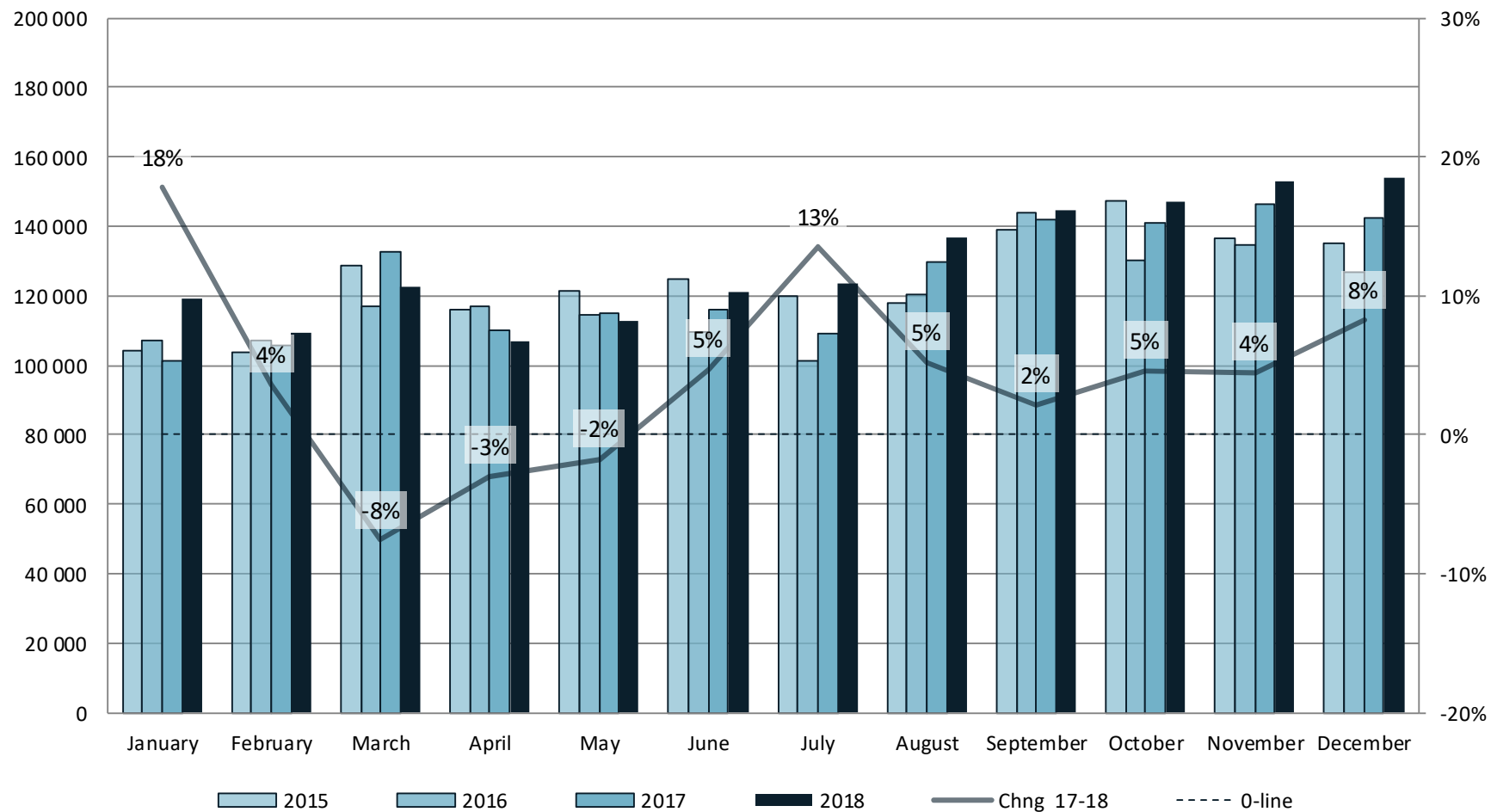


Figures as per 16.08.2018
Source: Kontali

Atlantic salmon - Harvest Quantities Europe in tons WFE

Harvest qty, YTD July:
816 100 +3,4% (789 500)

2018

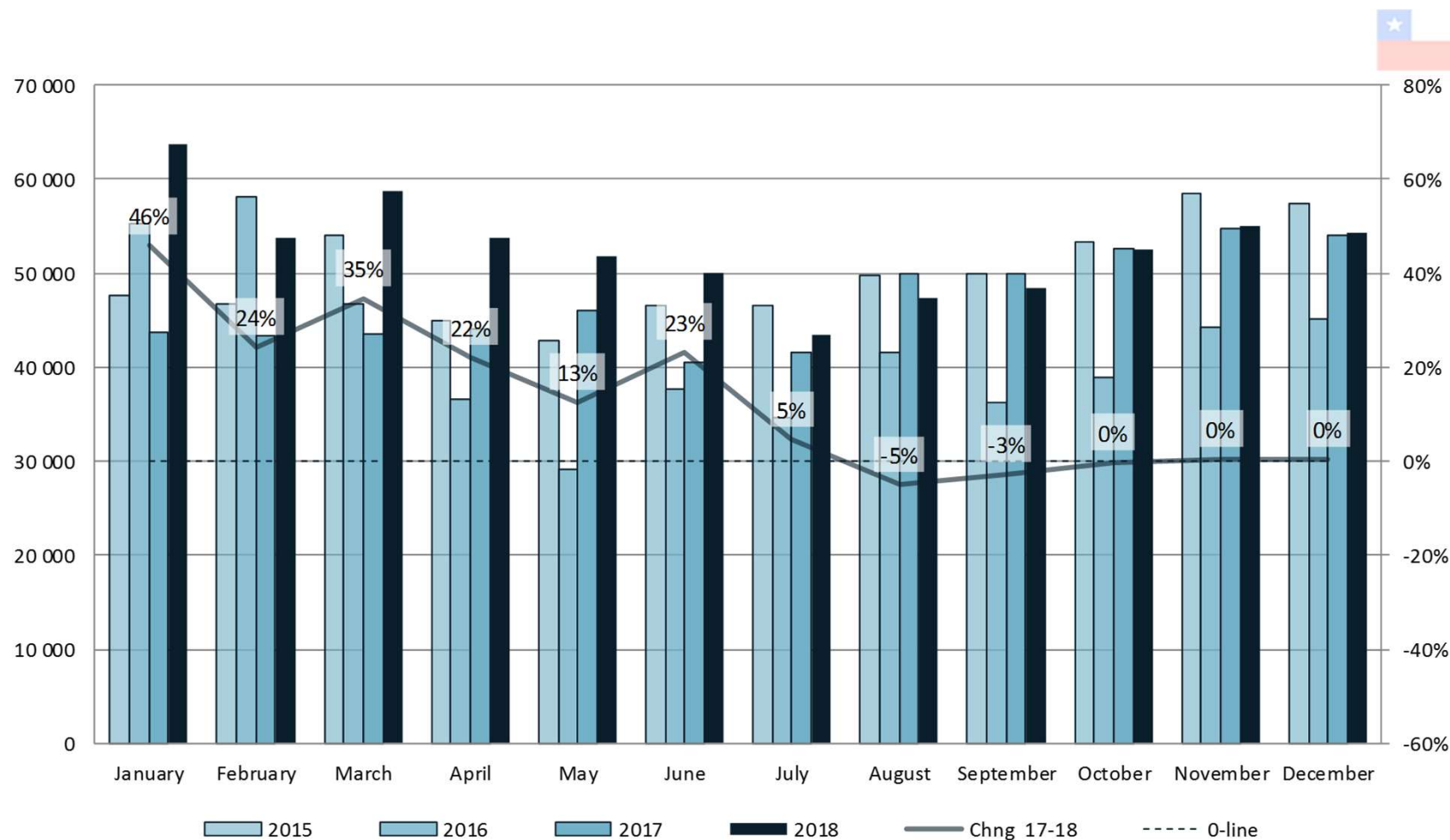


Figures as per 16.08.2018

Source: Kontali

Atlantic salmon - Harvest Quantities Chile in tons WFE

Harvest qty, YTD July: 2018
375 200 +23,9% (302 800)

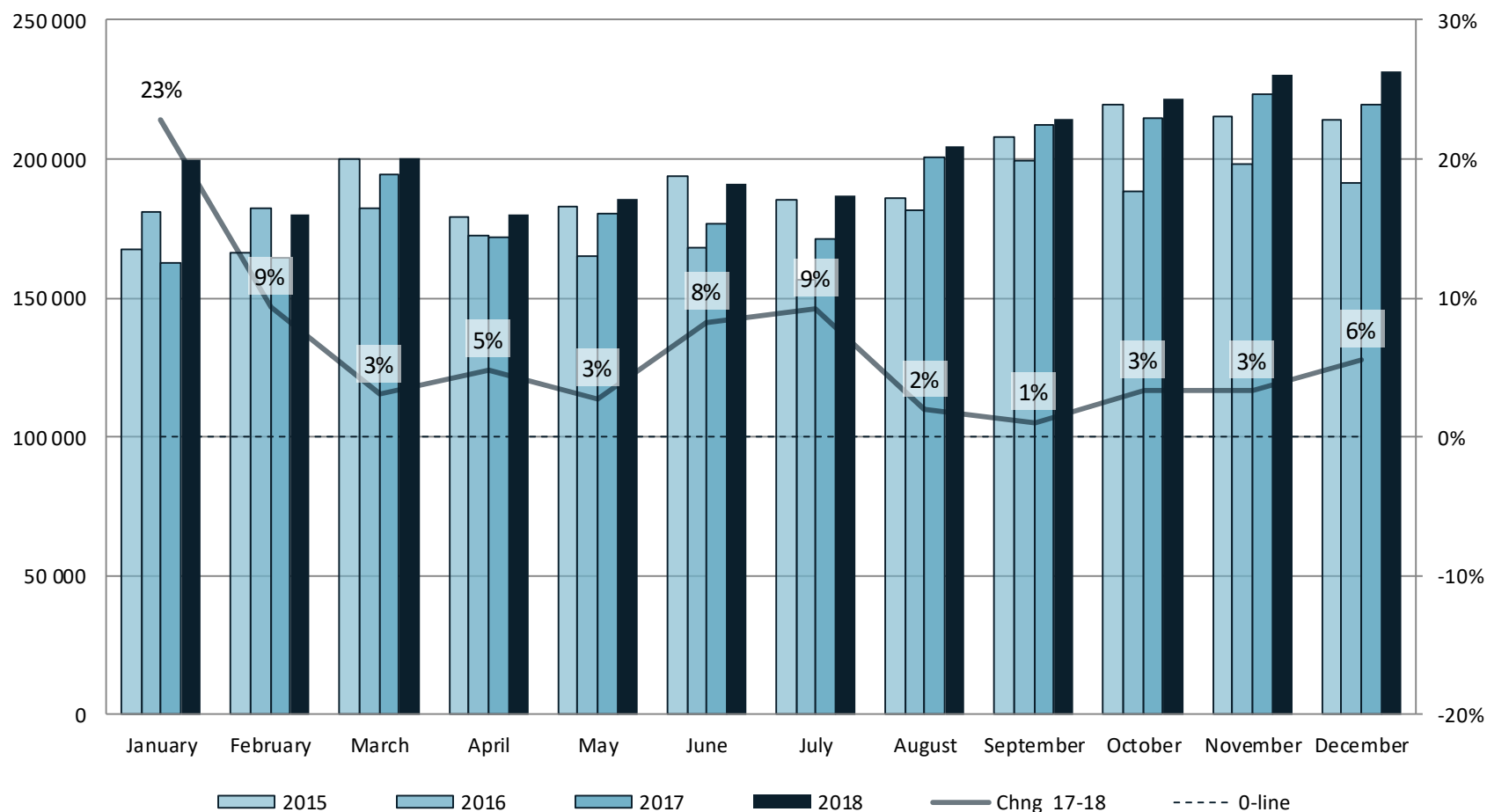


Figures as per 16.08.2018
Source: Kontali

Atlantic salmon - Harvest Quantities WW in tons WFE

Harvest qty, YTD July:
1 323 400 +8,4% (1 221 300)

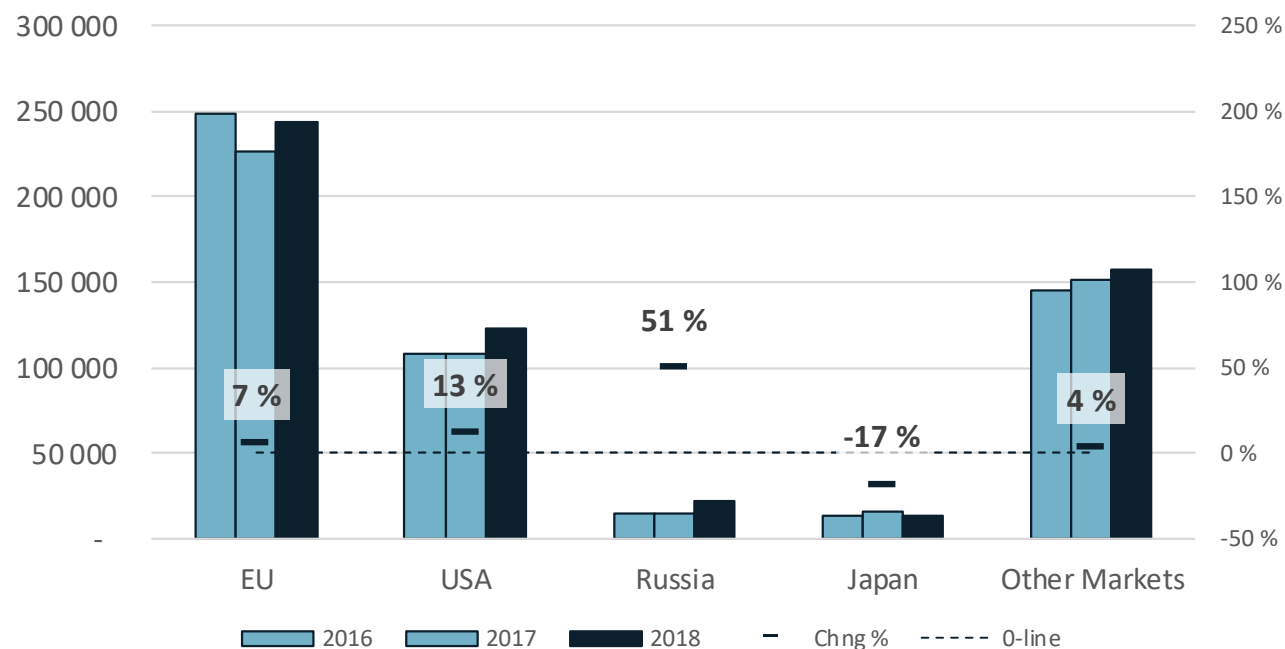
2018



Figures as per 16.08.2018
Source: Kontali

Atlantic Salmon Consumption 2018 Q2

Market	2016	2017	2018	Chng	Chng %
EU	248 500	226 900	243 000	16 100	7 %
USA	108 500	108 600	123 000	14 400	13 %
Russia	14 300	14 900	22 500	7 600	51 %
Japan	13 800	16 200	13 500	-2 700	-17 %
Other Markets	145 800	150 900	157 500	6 600	4 %
Total	530 900	517 500	559 500	42 000	8 %

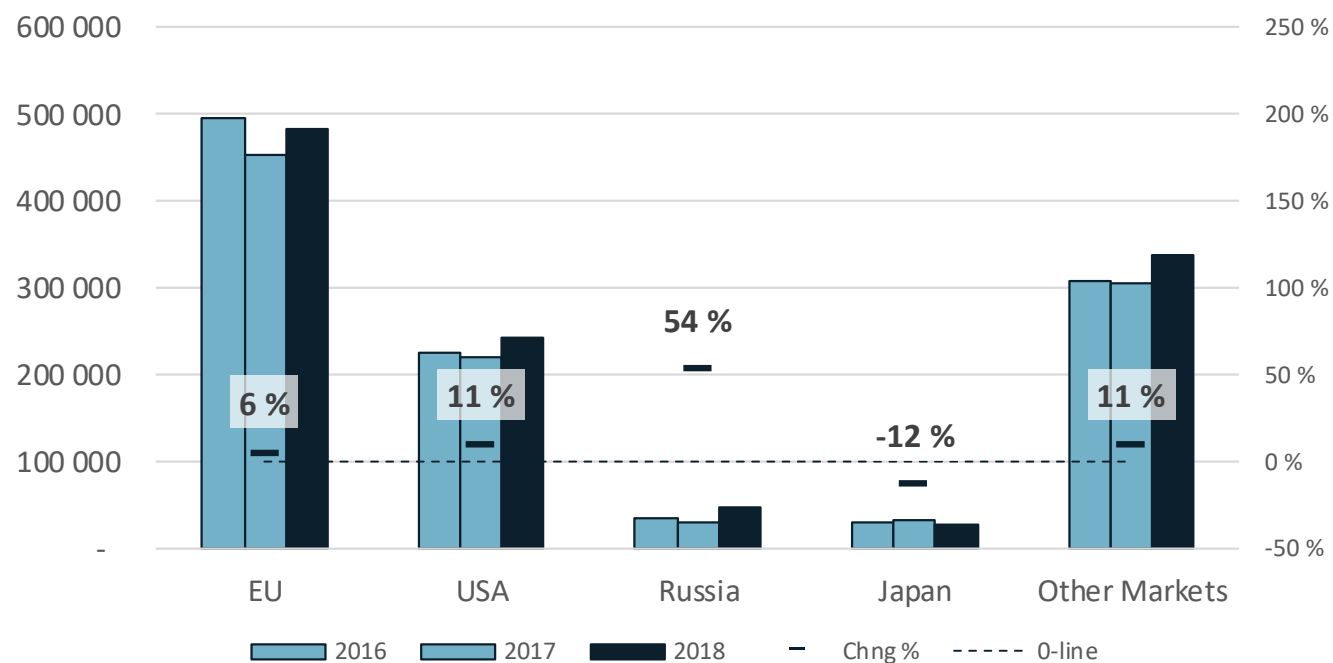


Figures as per 17.08.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption 2018 YTD Q2

Market	2016	2017	2018	Chng	%
EU	495 600	453 800	481 800	28 000	6 %
USA	225 100	219 900	243 700	23 800	11 %
Russia	35 400	30 600	47 100	16 500	54 %
Japan	30 300	31 600	27 700	-3 900	-12 %
Other Markets	306 700	305 500	338 000	32 500	11 %
Total	1 093 100	1 041 400	1 138 300	96 900	9 %

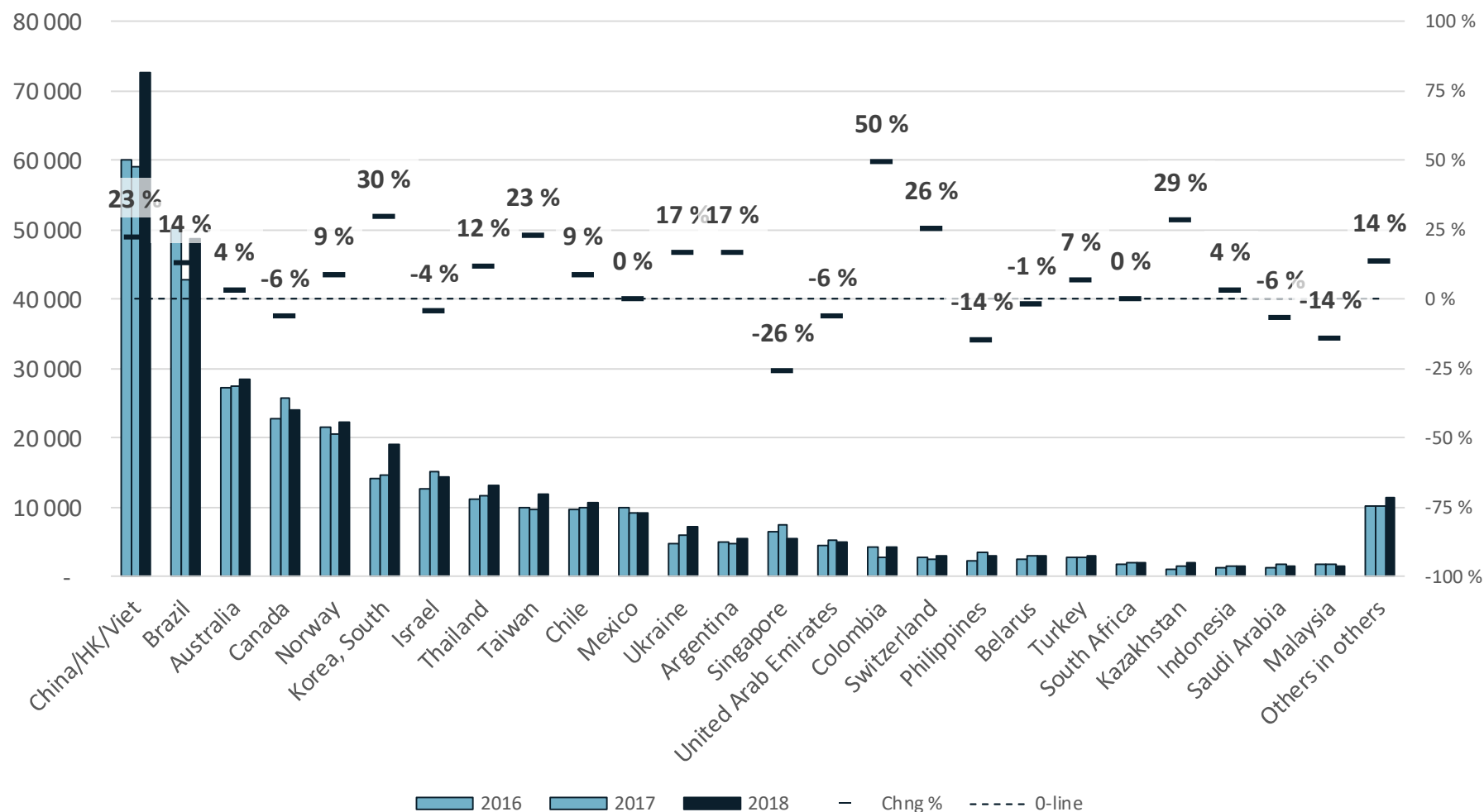


Figures as per 17.08.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Other markets) 2018 YTD Q2

NOK/KG (NSI 3-6) YTD Q2:
65,52 -3,6 % (67,98)



Figures as per 17.08.2018

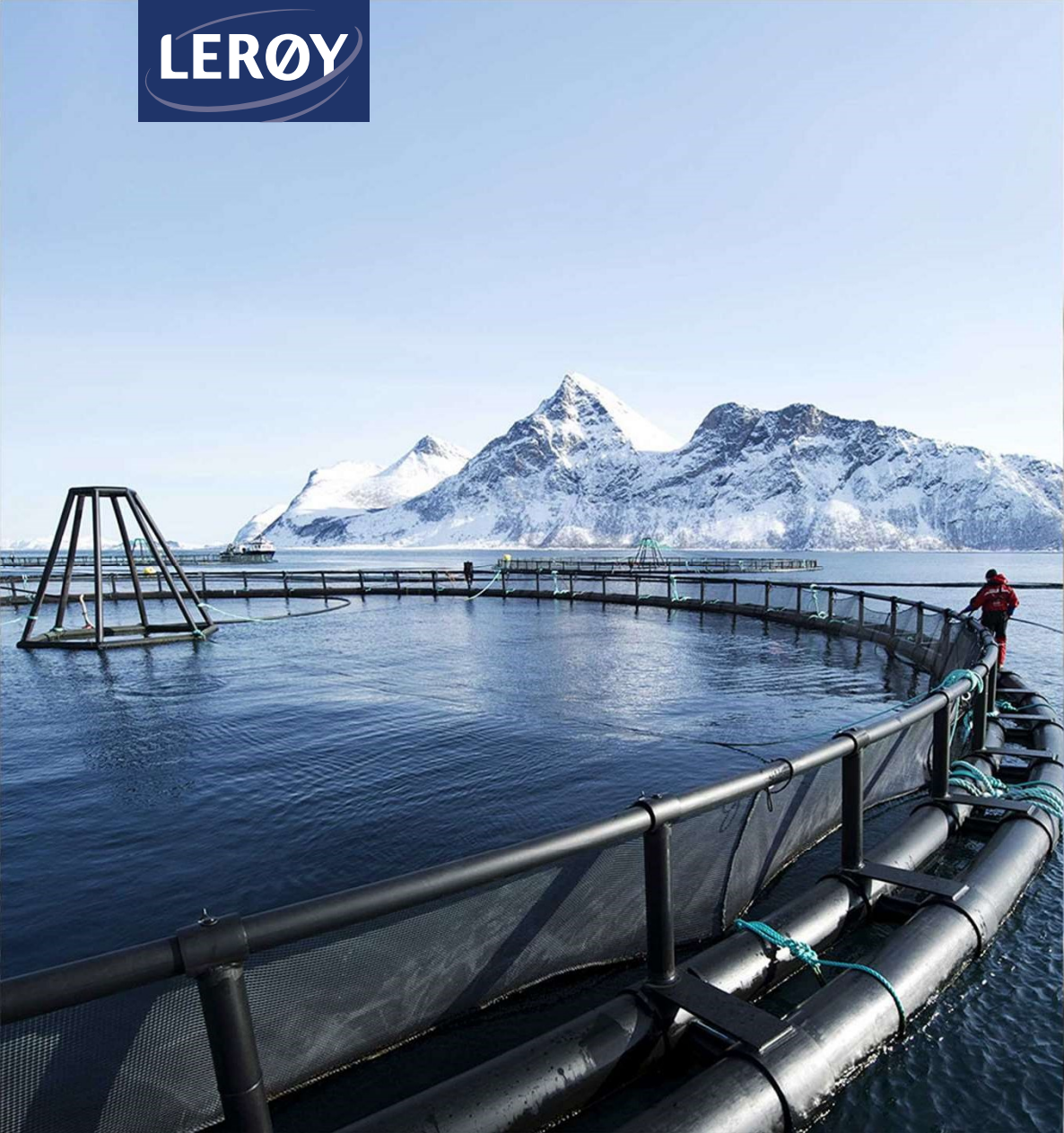
Source: Kontali / Nasdaq



Outlook

- Demand for seafood remains strong, outlook remains positive
- Harvest guidance for salmon and trout including associates 179.000 GWT for 2018, with lower release from stock cost in H2/18
- Expected contract share for salmon and trout in Q3/18 ~25%
- Significant potential in whitefish. Expected catch volume around 65,000 tonnes in 2018, with a y-o-y increase in catch volume of shrimps





LERØY

The Norwegian Seafood Pioneer

SINCE 1899

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