



SalMar ASA

Presentation Q1 2015

CEO Leif Inge Nordhammer
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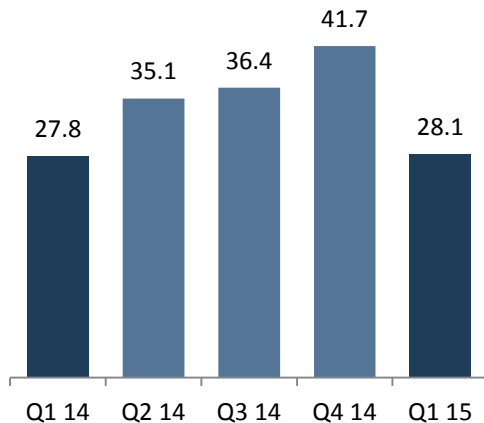
Agenda

- Highlights
- Financial update
- Operational update
- Outlook

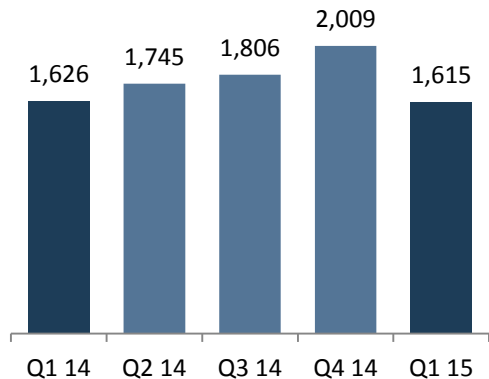
First quarter 2015 highlights

- Improved operations
- Challenging biological situation drive costs
- Improved Sales & Processing profitability

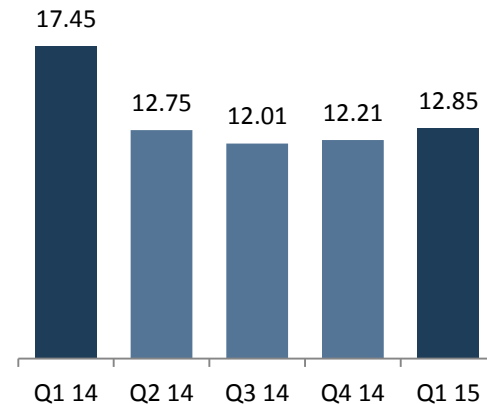
Harvest volume (1,000 tons)



Operating income (NOKm)



EBIT/kg (NOK)



Financial update



Group profit and loss

NOK Million	Q1 2015	Q1 2014	FY 2014
Operating income	1,615.0	1,626.2	7,185.9
Cost of goods sold	723.1	655.4	3,175.3
Payroll expenses	177.6	168.9	710.4
Other operating expenses	279.8	247.2	1,143.0
EBITDA	434.5	554.8	2,157.2
Depreciations	73.7	69.5	278.2
Operational EBIT	360.8	485.2	1,879.0
Fair value adjustment	-59.5	-184.3	-232.3
Particular biological events	-	-	-
Non-recurring gains on aquisition	-	-	-
Operational profit	301.3	301.0	1,646.7
Income from investments in associates	16.1	36.4	96.1
Other financial items	-22.1	-27.5	-114.0
Profit before tax	295.3	309.9	1,628.8
Tax	77.1	73.0	413.4
Net profit for the period	218.2	236.9	1,215.5

- Revenues affected by lower prices
- Average salmon price (NASDAQ)
NOK 41.12/ kg (NOK 47.58/kg)
- Contract share of 55% with marginal price effect
- EBIT/kg NOK 12.85 vs NOK 17.45 in Q1 14

Group balance sheet


NOK Million	31/03/2015	31/03/2014	31/12/2014
ASSETS			
Intangible fixed assets	2,905.8	2,467.7	2,898.6
Tangible fixed assets	2,046.2	1,933.7	2,017.6
Financial fixed assets	569.3	443.3	539.2
Total fixed assets	5,521.3	4,844.7	5,455.4
Inventory	3,143.4	3,034.1	3,321.1
Accounts receivables	780.3	649.0	888.2
Other short-term receivables	147.4	198.1	292.6
Cash and cash equivalents	86.1	1,086.7	167.0
Total current assets	4,157.2	4,968.0	4,669.0
TOTAL ASSETS	9,678.5	9,812.7	10,124.4
EQUITY AND LIABILITIES			
Paid-in equity	476.6	476.6	476.6
Reserves	4,839.6	4,465.9	4,600.1
Minority interests	60.3	352.5	60.6
Total equity	5,376.4	5,294.9	5,137.3
Provisions for liabilities	1,215.3	1,271.7	1,262.6
Int. bearing long-term liabilities	1,528.4	2,349.8	2,191.6
Total long-term liabilities	2,743.6	3,621.5	3,454.2
Int. bearing short-term liabilities	315.2	243.7	276.7
Other short-term liabilities	1,243.2	652.6	1,256.3
Total short-term liabilities	1,558.5	896.3	1,533.0
TOTAL EQUITY AND LIABILITIES	9,678.5	9,812.7	10,124.4
Net interest bearing debt	1,757.5	1,506.8	2,301.3
Equity share	55.6 %	54.0 %	50.7 %

- Investments in line with ongoing investment program
- Seasonal fluctuation in current assets
 - Reduced current biomass and value adjustment
 - Reduced short term receivables
- Strong financial position
 - Equity buildup
 - Reduced NIBD
 - Proposed dividend of NOK 1,120 million

Group cash flow

NOK Million	Q1 2015	Q1 2014	FY 2014
Profit before tax	295.3	309.9	1,628.8
Tax paid in period	-4.1	-1.4	-25.8
Depreciation	73.7	69.5	278.2
Share of profit/loss from associates	-16.1	-36.4	-96.1
Realized and unrealized gains on financial assets	-	-	-
Non-recurring gains on acquisitions	-	-	-
Change in fair value adjustments	59.5	184.3	232.3
Change in working capital	259.9	-108.7	-512.4
Other changes	7.8	29.8	142.1
Net cash flow from operating activities	676.0	446.9	1,647.0
Net cash flow from investing activities	-109.6	-136.1	-1,031.9
Change in interest-bearing debt	-624.6	-261.6	-357.4
Dividend paid out	-	-	-898.2
Buy-out of non-controlling interest	-	-	-140.9
Interest paid	-23.4	-28.0	-115.1
Other changes	-0.1	-4.9	-10.9
Net cash flow from financing activities	-648.1	-294.4	-1,522.5
Net change in cash for the period	-81.7	16.5	-907.4
Foreign exchange effects	0.8	-0.7	3.3
Cash in the beginning of the period	167.0	1,071.0	1,071.0
Cash and cash equivalents end of period	86.1	1,086.7	167.0

- High cash flow from operations
 - Working capital reduction
- Investment in farming equipment and smolt capacity
- Strong liquidity
 - Unused drawing facilities of NOK 3,500 million

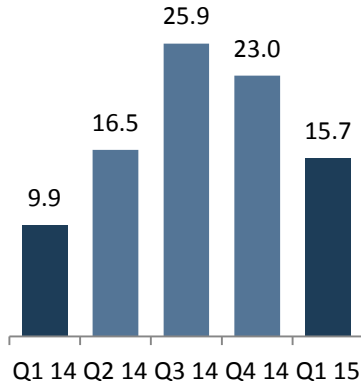


Operational update

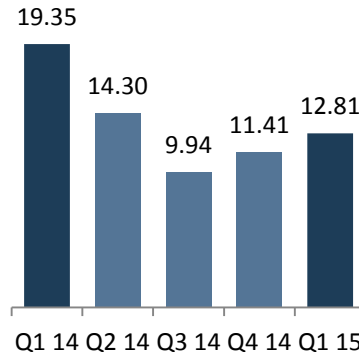
Farming Central Norway

	Q1 2015	Q1 2014	FY 2014
Operating income (NOKm)	615.6	448.1	2,863.5
Operational EBIT (NOKm)	201.6	190.9	946.2
Operational EBIT %	33%	43%	33%
EBIT/kg	12.81	19.35	12.58
Harvested volume (tgv)	15,700	9,900	75,200

Harvest volume (1,000 tons)



EBIT/kg (NOK)



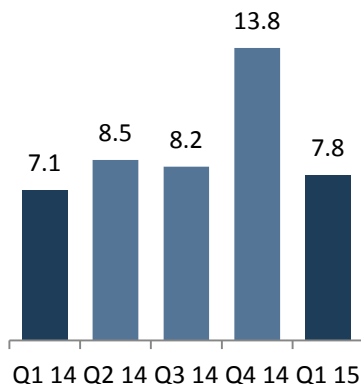
- Unfavourable harvesting profile
- Cost driving elements
 - Extra wellboat costs
 - PD regulation costs
 - Increased FCR on harvested fish
 - Harvest from smaller sites
 - Sea-lice
- Expect harvest volumes of 79,000 tons in 2015

Farming Northern Norway

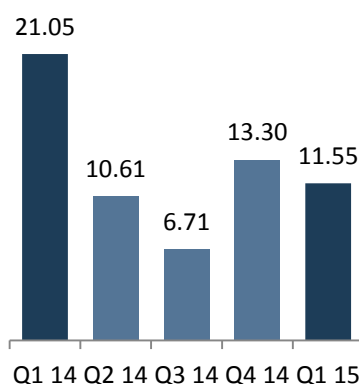
	Q1 2015	Q1 2014	FY 2014
Operating income (NOKm)	306.2	331.8	1,443.1
Operational EBIT (NOKm)	90.0	149.3	477.2
Operational EBIT %	29%	45.0%	33%
EBIT/kg	11.55	21.05	12.72
Harvested volume (tgv)	7,800	7,100	37,500

- Reduced harvest weight due to site-MAB
- 50 % of harvest volume from sites in Finnmark – good performance
- 9 % of volume from jointly operated facilities
- Expect harvest volume of 42,000 tons in 2015

Harvest volume (1,000 tons)



EBIT/kg (NOK)

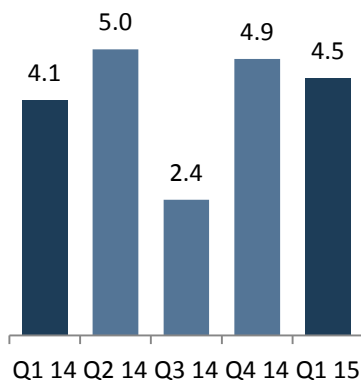


Farming Rauma

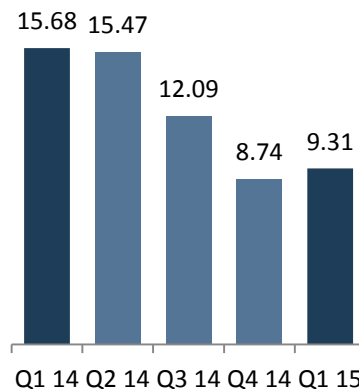
	Q1 2015	Q1 2014	FY 2014
Operating income (NOKm)	205.6	206.0	782.0
Operational EBIT (NOKm)	42.3	65.0	214.7
Operational EBIT %	21%	31.6%	27%
EBIT/kg	9.31	15.68	13.04
Harvested volume (tgv)	4,500	4,100	16,500

- Cost driving elements
 - Sea lice
 - High mortality
 - Combination organic and conventional farming

Harvest volume (1,000 tons)



EBIT/kg (NOK)

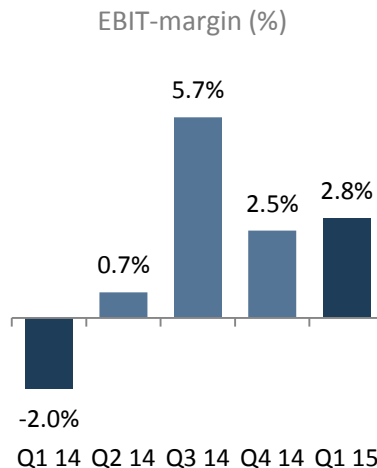
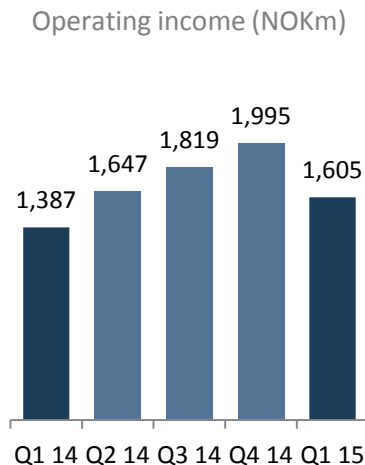


- 32 % of volumes organic salmon
- Expect harvest volume of 18,000 tons in 2015

Sales & Processing

	Q1 2015	Q1 2014	FY 2014
Operating income (NOKm)	1,605	1,387	6,848
Operational EBIT (NOKm)	46	-28	138
Operational EBIT %	2.8%	-2.0%	2.0%

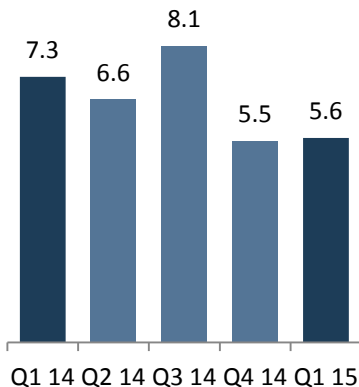
- Margin improvement from overall good operational performance
- 55 % of volumes on contracts
- Strong operations within processing
 - Harvest volume 28,800 tons including external volume of 11,900 tons
- VAP activities handled relatively high volumes
 - Good operational performance in the quarter



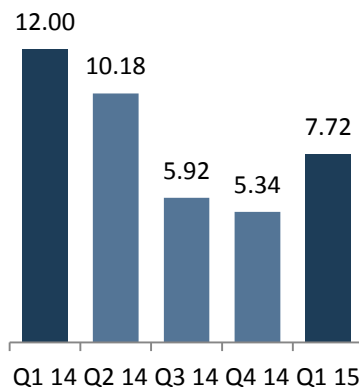
Norskott Havbruk

	Q1 2015	Q1 2014	FY 2014
Operating income (NOKm)	324.6	391.0	1,384.6
Operational EBIT (NOKm)	43.1	87.2	232.1
Operational EBIT %	13.3%	22.3%	16.8%
Value adjustments biomass	0.6	1.1	8.3
Profit before tax	42.2	90.5	239.4
SalMar share after tax	16.1	36.4	95.5
EBIT/kg	7.72	12.00	8.44
Harvested volume (tgw)	5,600	7,300	27,500

Harvest volume (1,000 tons)



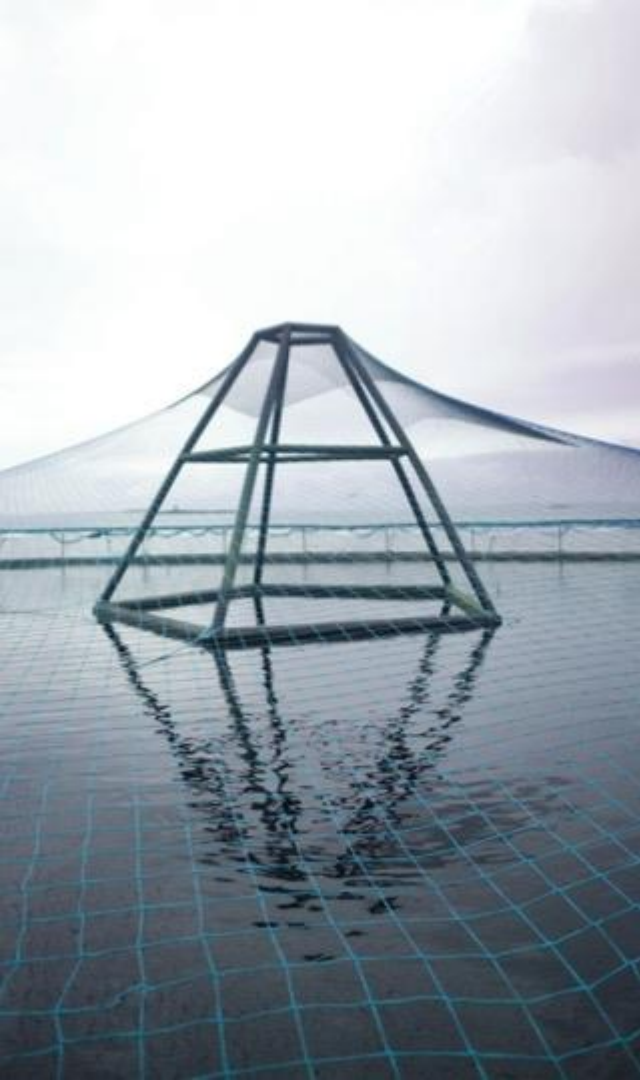
EBIT/kg (NOK)



- Relatively low harvest volumes
 - Overall higher cost
 - Relatively low harvest weight
- Contract share of 60,0 %
- Expect harvest volumes of 31,000 tons in 2015

Outlook





Outlook

- Still challenging biological situation going forward
- Expect to harvest approx. 40 % of the total volume of 139,000 tons in 1H 2015
- Current contract share for Q2 2015 app. 50%.
- Norwegian supply estimated to increase 5 % in 2015
- Price on feed ingredients trending down from 2H 2015
- AGM to be held 2 June 2015 on Frøya.
 - BoD will propose a DPS of NOK 10.0.

Thank you for your attention!

www.salmar.no

