



SalMar ASA

Presentation Q2 2015

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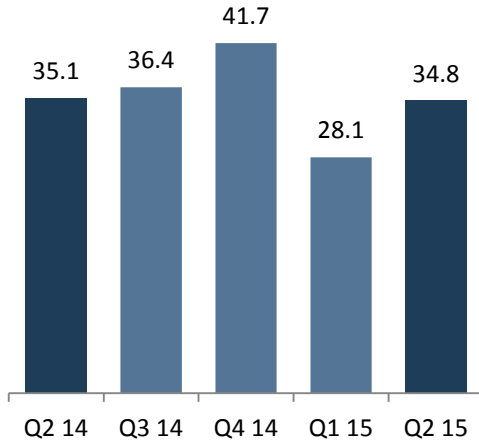
Agenda

- Highlights
- Financial update
- Operational update
- Outlook

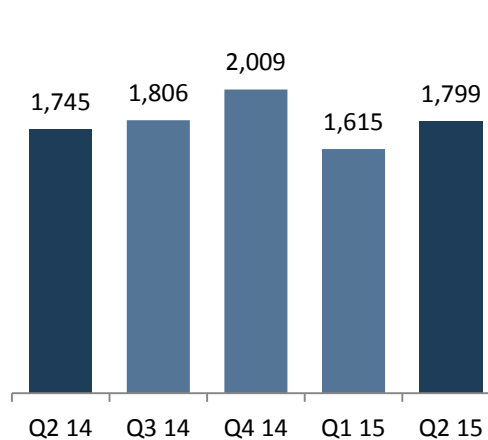
Second quarter 2015 highlights

- Operational EBIT of NOK 335m
- The sanitary situation still driving costs, particularly in segment Rauma and segment Central-Norway
- Satisfactory results within Sales & Processing
- Guiding on 139 000 tons harvested in 2015 maintained

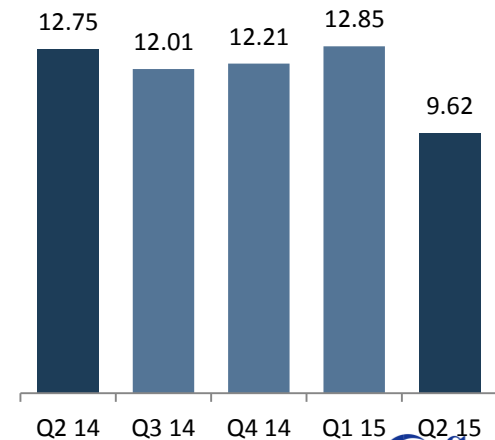
Harvest volume (1,000 tons)



Operating income (NOKm)



EBIT/kg (NOK)



Financial update



Group profit and loss

NOK Million	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operating income	1,799.3	1,744.8	3,414.3	3,371.1	7,185.9
Cost of goods sold	890.9	750.3	1,614.0	1,405.7	3,175.3
Payroll expenses	190.2	189.9	367.8	358.8	710.4
Other operating expenses	305.9	292.2	585.8	539.3	1,143.0
EBITDA	412.3	512.5	846.8	1,067.3	2,157.2
Depreciations	77.2	65.1	151.0	134.6	278.2
Operational EBIT	335.1	447.4	695.9	932.7	1,879.0
Fair value adjustment	-60.2	-127.8	-119.7	-312.1	-232.3
Operational profit	274.9	319.6	576.2	620.6	1,646.7
Income from investments in associates	5.8	18.2	22.0	54.6	96.1
Other financial items	-23.6	-24.6	-45.7	-52.1	-114.0
Profit before tax	257.2	313.2	552.4	623.1	1,628.8
Tax	69.6	78.8	146.7	151.8	413.4
Net profit for the period	187.6	234.4	405.8	471.3	1,215.5

- Revenues upheld by higher volumes QoQ
- Average salmon price (NASDAQ)
NOK 38.00/ kg (NOK 40.29/kg)
- Contract share of 40% with positive price effect
- Productions costs affected by sanitary conditions
- EBIT/kg NOK 9.62 vs NOK 12.75 in Q2 14

Group balance sheet

NOK Million	30/06/2015	31/03/2015	31/12/2014	30/06/2014
ASSETS				
Intangible fixed assets	2,921.6	2,905.8	2,898.6	2,906.3
Tangible fixed assets	2,144.1	2,046.2	2,017.6	2,039.4
Financial fixed assets	595.4	569.3	539.2	462.5
Total fixed assets	5,661.1	5,521.3	5,455.4	5,408.2
Inventory	3,031.9	3,143.4	3,321.1	2,912.3
Accounts receivables	841.8	780.3	888.2	532.6
Other short-term receivables	219.6	147.4	292.6	230.3
Cash and cash equivalents	109.0	86.1	167.0	368.2
Total current assets	4,202.3	4,157.2	4,669.0	4,043.3
TOTAL ASSETS	9,863.5	9,678.5	10,124.4	9,451.6
EQUITY AND LIABILITIES				
Paid-in equity	476.6	476.6	476.6	476.6
Reserves	3,923.7	4,839.6	4,600.1	3,826.2
Minority interests	68.5	60.3	60.6	355.6
Total equity	4,468.7	5,376.4	5,137.3	4,658.3
Provisions for liabilities	1,201.5	1,215.3	1,262.6	1,342.1
Int. bearing long-term liabilities	2,516.1	1,528.4	2,191.6	2,310.0
Total long-term liabilities	3,717.6	2,743.6	3,454.2	3,652.1
Int. bearing short-term liabilities	325.0	315.2	276.7	355.8
Other short-term liabilities	1,352.1	1,243.2	1,256.3	785.3
Total short-term liabilities	1,677.1	1,558.5	1,533.0	1,141.2
TOTAL EQUITY AND LIABILITIES	9,863.5	9,678.5	10,124.4	9,451.6
Net interest bearing debt	2,732.2	1,757.5	2,301.3	2,297.6
Equity share	45.3 %	55.6 %	50.7 %	49.3 %

- Investments in line with ongoing investment program
- Slight increase in current assets
 - Reduced biological assets and value adjustment
 - Short term receivables increased by NOK 134m
- NIBD increased by NOK 975 million following dividend pay out
- Strong financial position

Group cash flow

NOK Million	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Profit before tax	257.2	313.2	552.4	623.1	1,628.8
Tax paid in period	-1.1	-0.6	-5.2	-2.0	-25.8
Depreciation	77.2	65.1	151.0	134.6	278.2
Share of profit/loss from associates	-5.8	-18.2	-22.0	-54.6	-96.1
Realized and unrealized gains on financial assets	-	-	-	-	-
Non-recurring gains on acquisitions	-	-	-	-	-
Change in fair value adjustments	60.2	127.8	119.7	312.1	232.3
Change in working capital	-49.8	210.2	210.1	101.5	-512.4
Other changes	21.0	25.7	28.8	55.4	142.1
Net cash flow from operating activities	358.8	723.1	1,034.8	1,170.0	1,647.0
Net cash flow from investing activities	-190.9	-588.0	-300.5	-724.1	-1,031.9
Change in interest-bearing debt	997.6	72.2	372.9	-189.4	-357.4
Dividend paid out	-1,120.0	-896.0	-1,120.0	-896.0	-898.2
Buy-out of non-controlling interest	-	-	-	-	-140.9
Interest paid	-22.0	-24.0	-45.4	-52.0	-115.1
Other changes	0.2	-6.5	0.2	-11.3	-10.9
Net cash flow from financing activities	-144.2	-854.3	-792.3	-1,148.7	-1,522.5
Net change in cash for the period	23.7	-719.2	-58.0	-702.8	-907.4
Foreign exchange effects	-0.8	0.7	-	-0.0	3.3
Cash in the beginning of the period	86.1	1,086.7	167.0	1,071.0	1,071.0
Cash and cash equivalents end of period	109.0	368.2	109.0	368.2	167.0

- Cash flow from operations of NOK 359 million
 - Increased working capital of NOK 50 million
- Investment mainly related to ongoing investment program
 - Farming segments
 - Smolt capacity
- NIBD increased do to dividend payout.

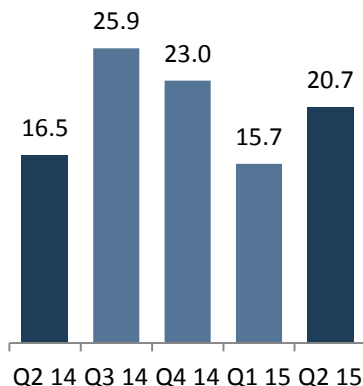


Operational update

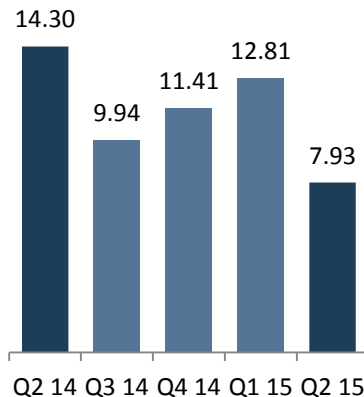
Farming Central Norway

	Q2 2015	Q2 2014	FY 2014
Operating income (NOKm)	747	664	2 864
Operational EBIT (NOKm)	164	235	946
Operational EBIT %	22%	35%	33%
Harvested volume (1000 tgw)	20,7	16,5	75,2
EBIT/kg	7,93	14,30	12,58

Harvest volume (1,000 tons)



EBIT/kg (NOK)

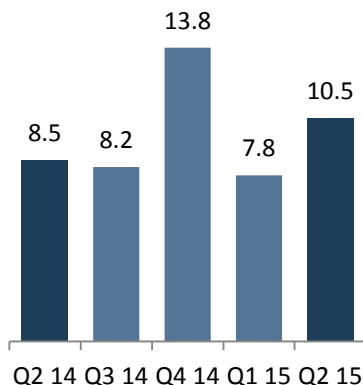


- Price realisation negatively affected by harvesting profile
- Some accelerated harvesting in the quarter
 - Lower average weight
 - Lower price achieved
 - Higher cost per kilo
- Expect stable cost situation into Q3, but sanitary situation still challenging

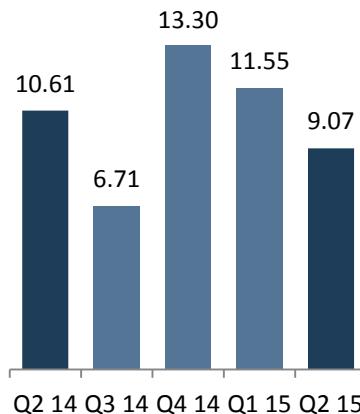
Farming Northern Norway

	Q2 2015	Q2 2014	FY 2014
Operating income (NOKm)	387	315	1 443
Operational EBIT (NOKm)	95	90	477
Operational EBIT %	25%	29%	33%
Harvested volume (1000 tgw)	10,5	8,5	37,5
EBIT/kg	9,07	10,61	12,72

Harvest volume (1,000 tons)



EBIT/kg (NOK)



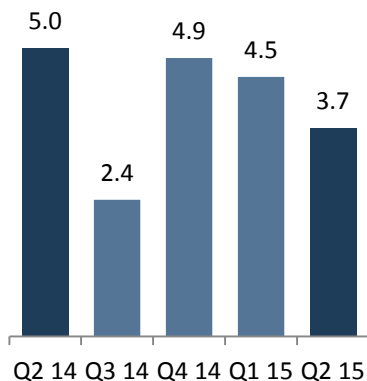
- Steady performance with satisfactory results
- Cost reduction QoQ
- Regulatory challenges regarding new sites/expand sites
- Biological situation remains sound, expects stable cost situation going forward

Farming Rauma

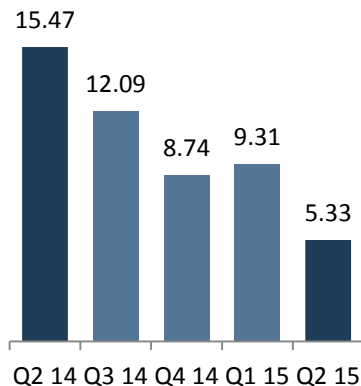
	Q2 2015	Q2 2014	FY 2014
Operating income (NOKm)	155	239	782
Operational EBIT (NOKm)	20	78	215
Operational EBIT %	13%	33%	27%
Harvested volume (1000 tgw)	3,7	5,0	16,5
EBIT/kg	5,33	15,47	13,04

- Organic salmon represent 57% of total volumes
- Q2 results charged with NOK 3m from smolt destruction
- Biological situation very challenging, and cost expected to increase in Q3

Harvest volume (1,000 tons)



EBIT/kg (NOK)

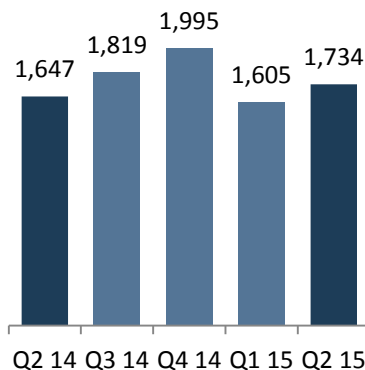


Sales & Processing

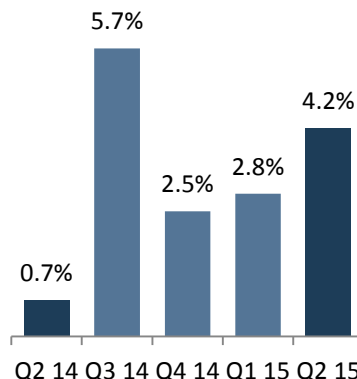
	Q2 2015	Q2 2014	FY 2014
Operating income (NOKm)	1 734	1 647	6 848
Operational EBIT (NOKm)	72	12	138
Operational EBIT %	4%	1%	2%

- Continued margin improvement
- 40% of volumes on contracts
- High capacity utilisation and stable operations within processing
 - Harvest volume 31,800 tons including external volume of 10,200 tons
- Good operational performance within VAP
 - Handled relatively high volumes

Operating income (NOKm)



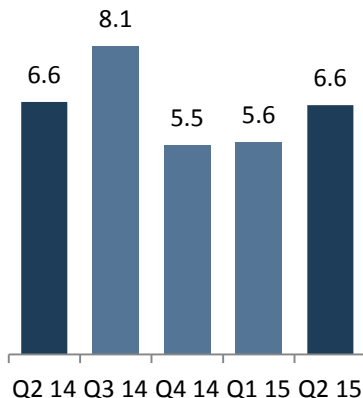
EBIT-margin (%)



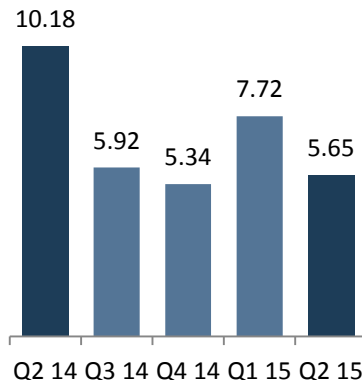
Norskott Havbruk

	Q2 2015	Q2 2014	FY 2014
Operating income (NOKm)	344	332	1,385
Operational EBIT (NOKm)	37	68	232
Operational EBIT %	11%	20%	17%
Value adjustments biomass	-21	-21	8
Profit before tax	15	44	239
SalMar share after tax	6	18	96
Harvested volume (1000 tgw)	6,6	6,6	27,5
EBIT/kg	5,65	10,18	8,44

Harvest volume (1,000 tons)



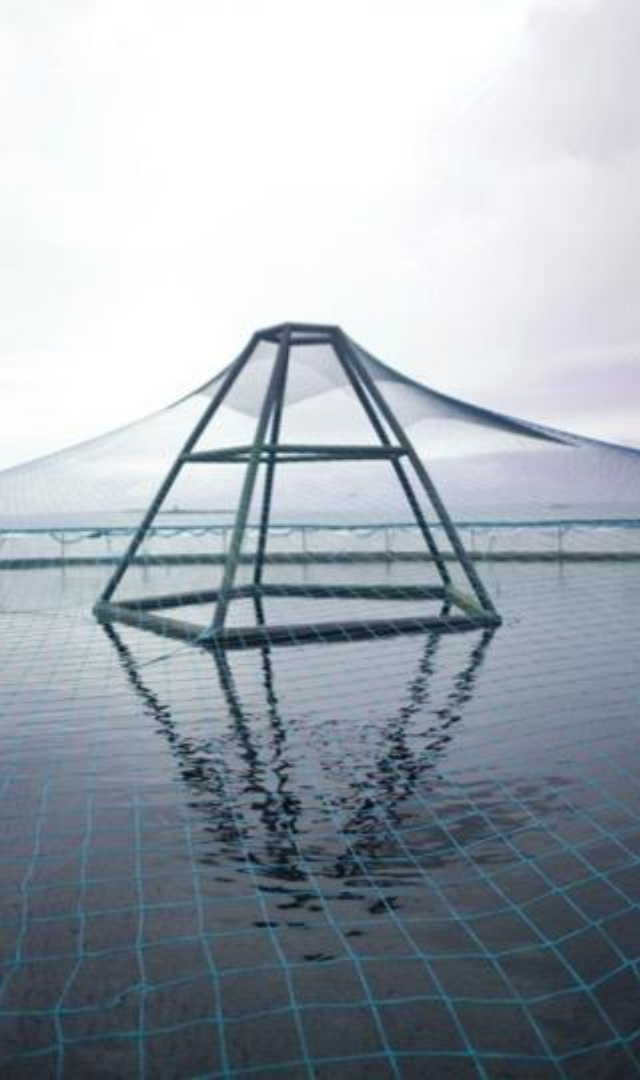
EBIT/kg (NOK)



- Harvest volumes and revenues in line with Q2 2014
- Lower profitability
 - Lower price realization
 - Higher costs
- Contract share of some 58% during the quarter
- Expect harvest volumes of 31,000 tons in 2015

Outlook





Outlook

- Biological situation remain challenging, but costs stabilizing in selected regions
- 139,000 tons guiding maintained
- Current contract share for Q3 2015 app. 50%.
- Norwegian supply of Atlantic Salmon estimated to increase 5% to 1.26 million tons in 2015
- Price on feed ingredients trending down from 2H 2015

Ocean Farming



- Offshore fish farming project ongoing
- New design that combines the best of existing technology and solutions from the Norwegian fish farming industry and the offshore oil and gas sector.
- SalMar ready to “push the button”
- Awaiting situation regarding licenses
 - Pricing important for total investment
- If the project goes according to schedule: Salmon ready for harvest 2018

Thank you for your attention!

www.salmar.no

