

Lerøy Seafood Group ASA

Q2 2024

Henning Beltestad

CEO

21 August 2024

Sjur Malm

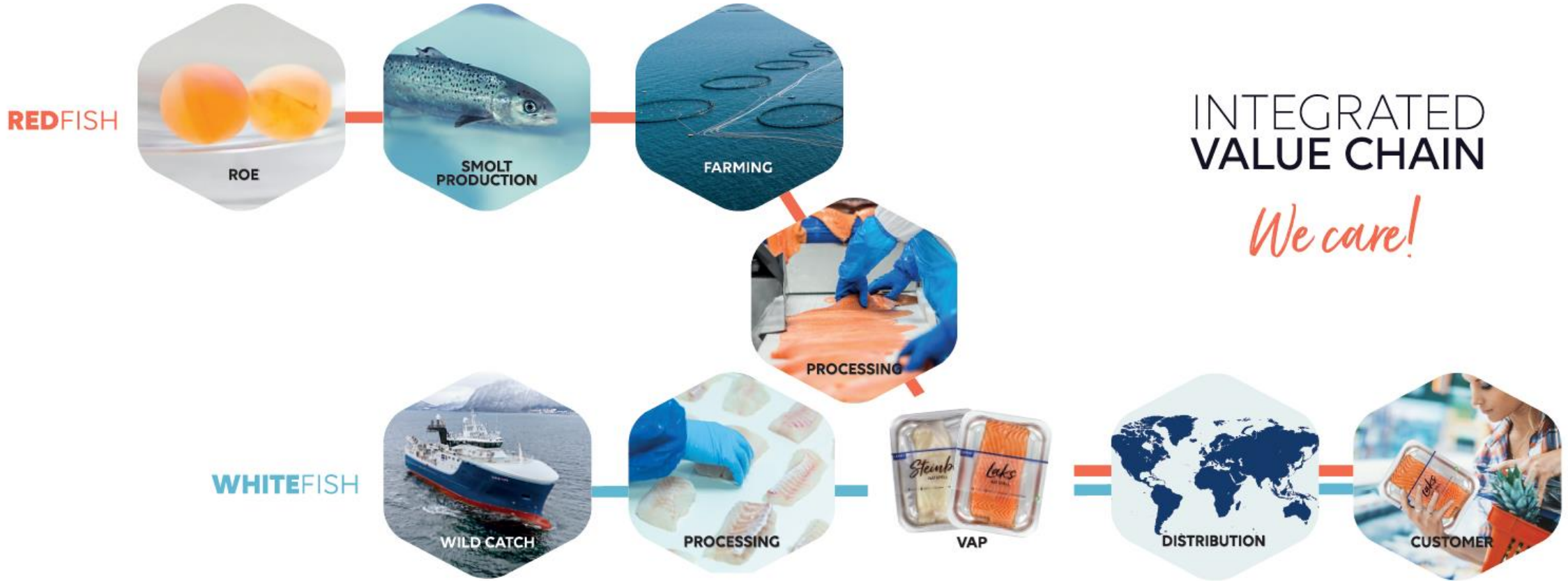
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Agenda

- 1. Highlights**
2. Key financial highlights
3. Outlook

Creating the world's most efficient and sustainable value chain for seafood

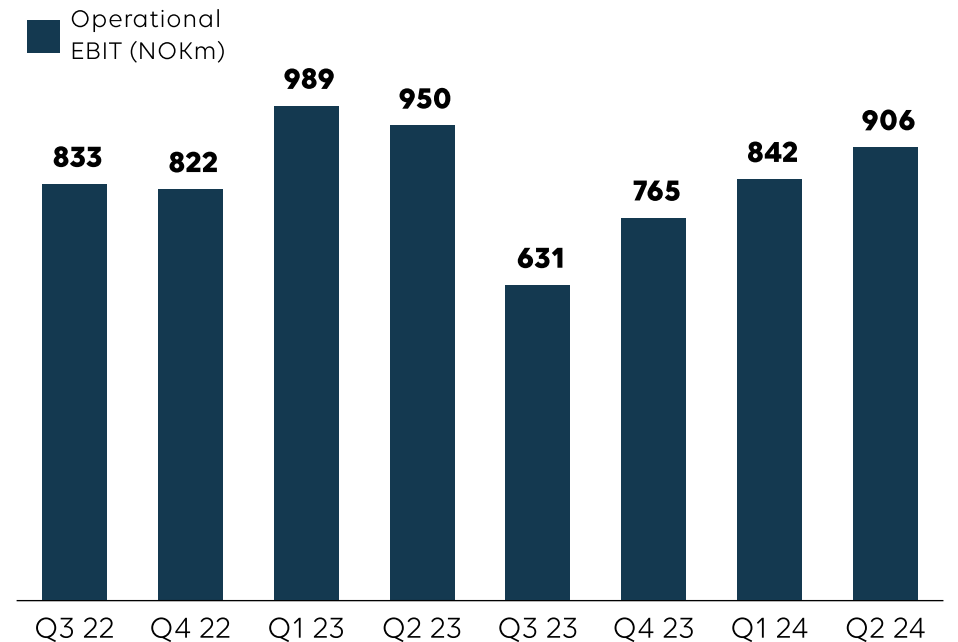




Highlights of the quarter

- Operational EBIT of MNOK 906 (vs MNOK 950 Q2 23)
- Strong biological development for Faming in Norway
- Strong improvement in biology and earnings at Scottish Sea Farms
- Continued positive development for the VAPS&D segment
- Significant y-o-y reduction in Wild Catch earnings due to lower quotas
- Guidance and targets maintained
- Paid a dividend of NOK 2,5 per share in Q2

Operational EBIT (NOKm)



Segments

Farming



Wild catch



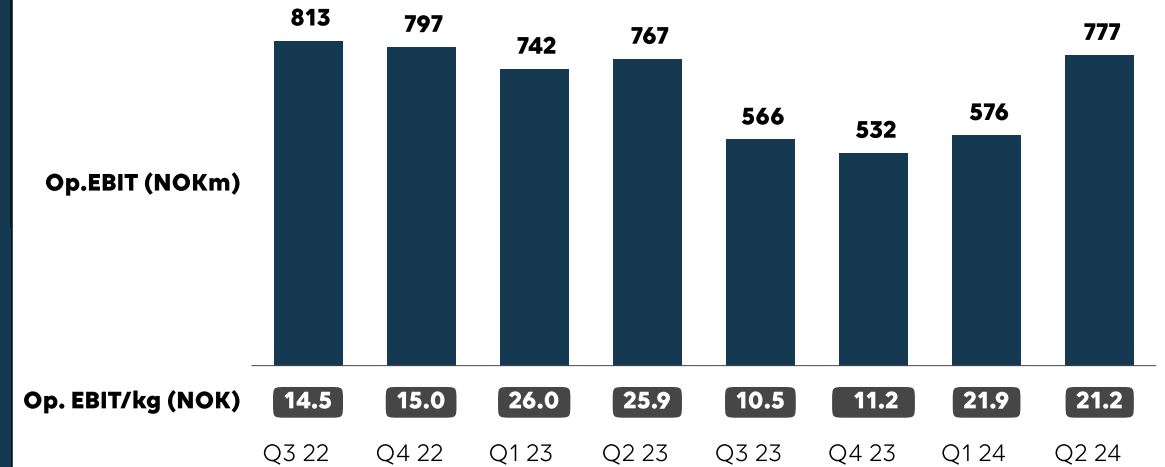
VAP, Sales & Distribution



Farming highlights this quarter

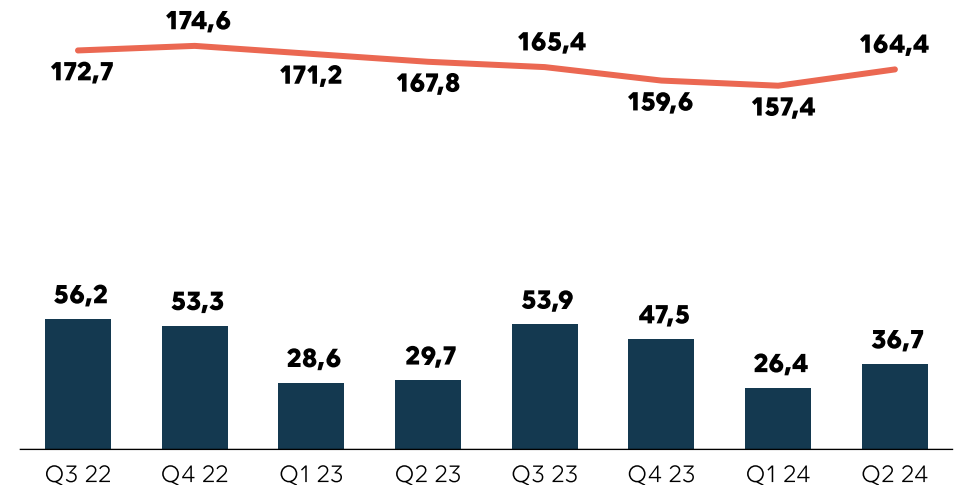
- Strong biological development H1 2024
 - Increased harvest weights; 4,7/kg in Q2/24 vs 3,9kg in Q2/23
- Shielding technology remain promising
- Quarterly harvest volume increased 24% y-o-y
- Substantial spot price decline second half of quarter
- Cost increase y-o-y, but adjusted for inflation, costs are down

Operational EBIT Farming



Harvest volume (1,000 GWT)

■ Harvest volume salmon&trout, quarterly — Harvest volume 12 months rolling

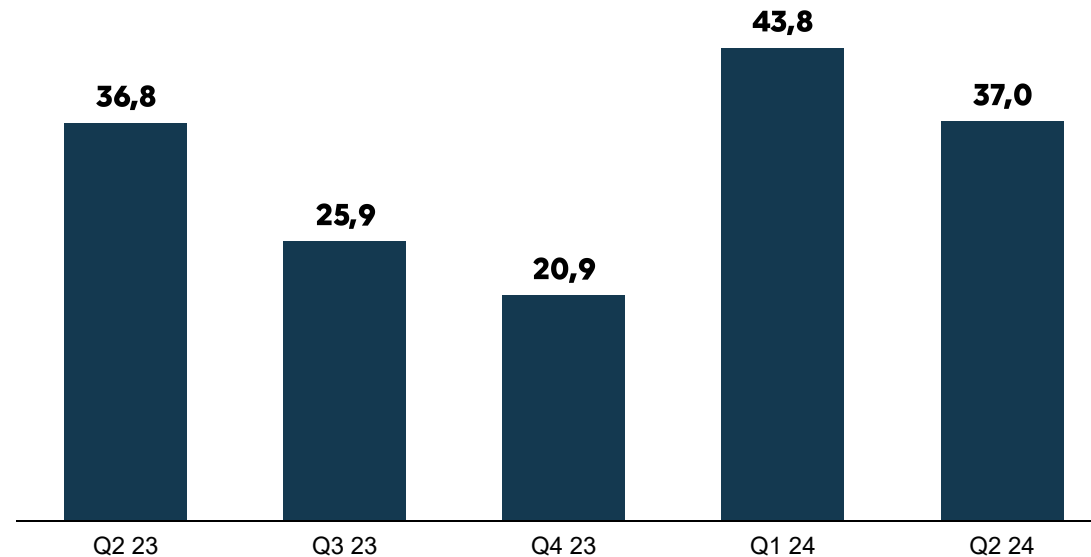


Lerøy Aurora

- Strong biological performance with high survival rate
- Price achievement positively impacted by high share of harvest early in the quarter
- Low harvest volume, driving as expected q-o-q increase in cost
- Large increase in harvest volume in Q3/24 at significantly lower cost
- Estimated harvest volume of 47,000 GWT in 2024

Lerøy Aurora	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue (NOKm)	523	795	1 125	1 311
Operational EBIT (NOKm)	158	274	380	410
Harvested volume (GWT)	5 088	8 299	11 070	13 997
Harvest weight (avg. in kg)	5,0	3,9		

Operational EBIT/kg value chain (in NOK)



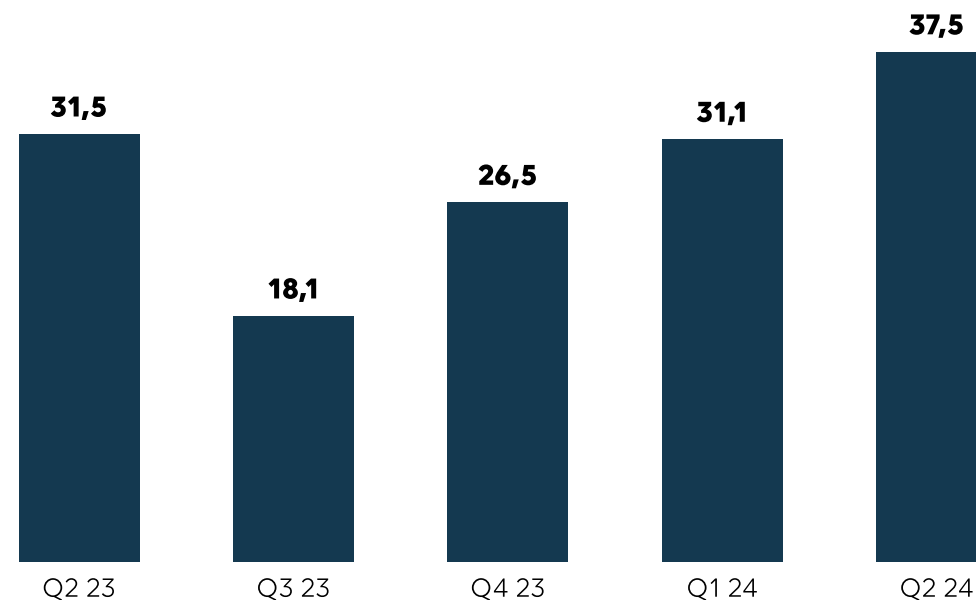
The value chain consists of farming and VAPS&D

Lerøy Midt

- Continued strong biological development
 - Increased harvest volume
 - Increased harvested weights
 - Reduced costs
- Harvest guidance for 2024 unchanged at 70,000 GWT
- For Q3 expectations of somewhat higher harvest level at about same cost level
- Successful first harvest of submerged salmon at Fugløya in August 2024

Lerøy Midt	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue (NOKm)	1 528	960	2 756	1 821
Operational EBIT (NOKm)	498	276	832	585
Harvested volume (GWT)	15 739	9 965	29 431	18 632
Harvest weight (avg. in kg)	4,6	3,9		

Operational EBIT/kg value chain (in NOK)



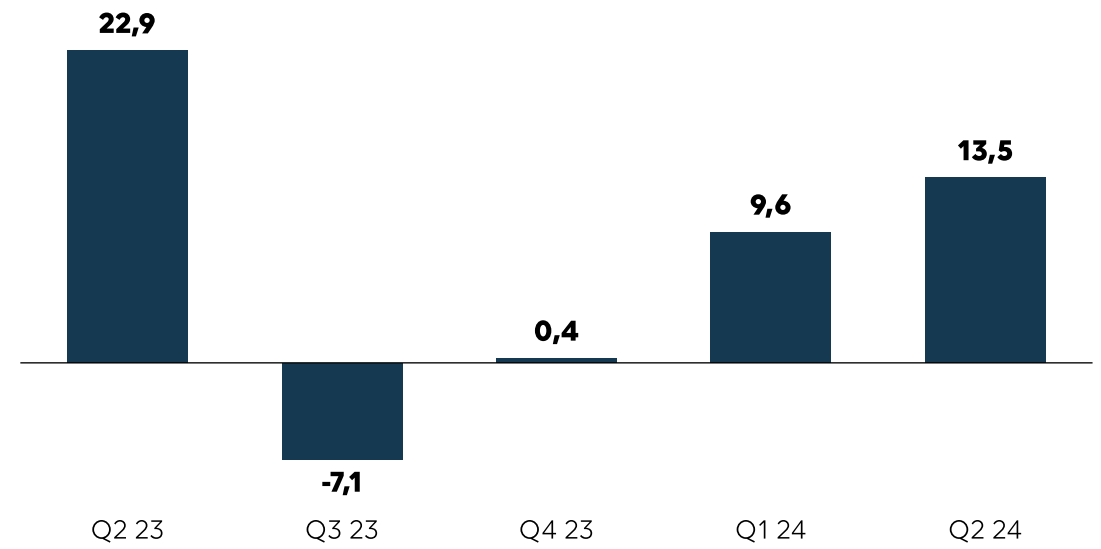
The value chain consists of farming and VAPS&D

Lerøy Sjøtroll

- Continued improvement in key biological KPI's,
 - Increased harvest volume
 - Increased harvest weights
 - Significant increase in survival rate
- Two ISA outbreaks brings accelerated harvest, and a high harvest volume in June at low prices
- Will start first harvest of submerged and shielded production in Q3/24
- Harvest guidance unchanged at 58,000 GWT

Lerøy Sjøtroll	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue (NOKm)	1 308	1 083	1 975	2 336
Operational EBIT (NOKm)	121	217	141	515
Harvested volume (GWT)	15 882	11 395	22 584	25 632
Harvest weight (avg. in kg)	4,5	4,0		

Operational EBIT/kg value chain (in NOK)



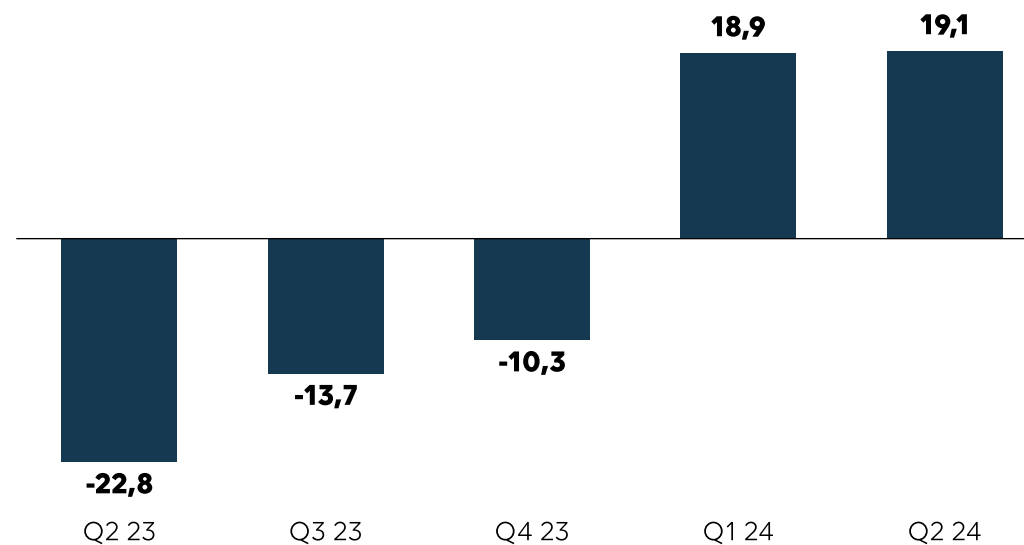
The value chain consists of farming and VAPS&D

Norskott Havbruk (50% owned)

- Strong biological development in the quarter and next generations of fish performing well.
- Significant y-o-y increase in harvest volume, harvest weights and growth while reducing mortality
- Harvest guidance for 2024 remains at 37,000 GWT
- Significant potential for growth beyond 2024

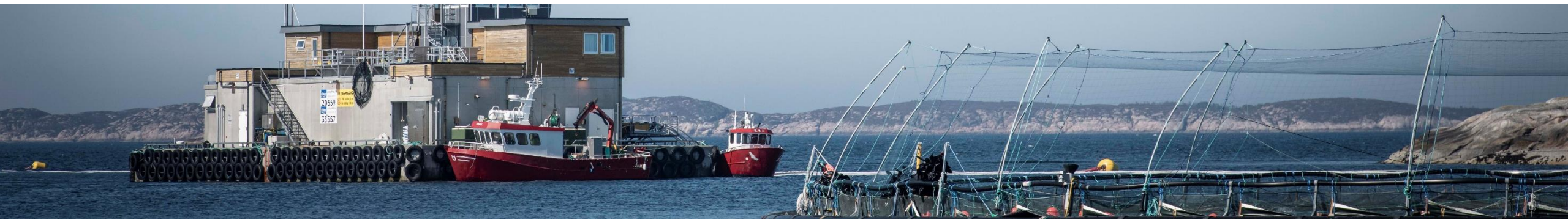
100% basis, in NOKm	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenues	1 414	692	2 262	1 197
Operational EBIT	234	-144	372	-135
Harvested volume (GWT)	12 235	6 325	19 532	20 313
Operational EBIT/kg	19,1	-22,8	19,0	-6,7
Harvest weight (avg. In kg)	5,3	3,5		
NIBD	2 614	2 647	2 614	2 647

Operational EBIT pr kg (in NOK)



Farming volumes (1000' GWT)

Farming volumes	2019	2020	2021	2022	2023	2024E	2025 Target
Lerøy Aurora AS	32,8	35,0	44,0	40,1	43,1	47,0	50,0
Lerøy Midt AS	64,8	67,9	72,6	68,8	61,3	70,0	80,0
Lerøy Sjøtroll	60,6	68,0	70,0	65,7	55,2	58,0	70,0
Total Norway	158,2	170,9	186,6	174,6	159,6	175,0	200,0
Scottish Seafarms (Lerøy's 50% share)	12,9	12,0	16,2	18,0	12,4	18,5	
Total	171,1	182,9	202,8	192,6	172,0	193,5	

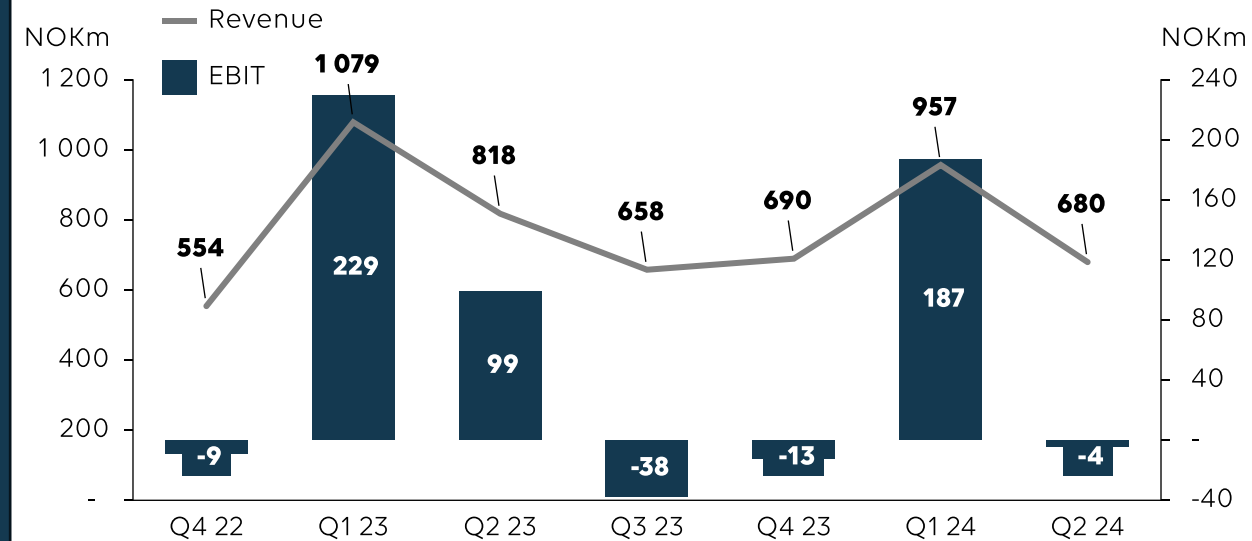


Wild catch highlights this quarter

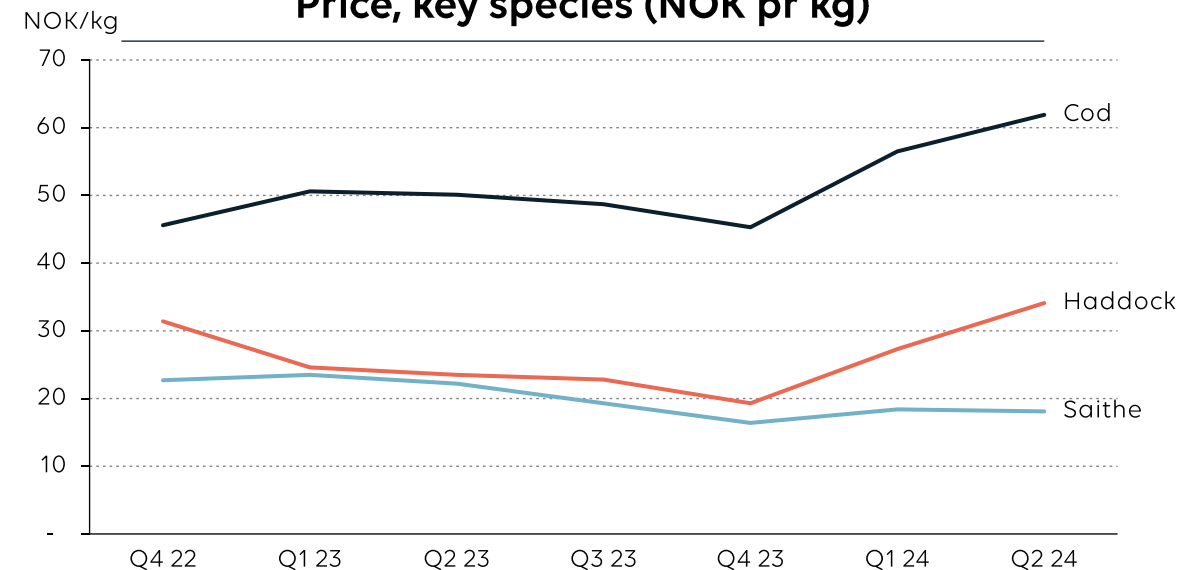
- Significant quota reduction, catch volumes down 25% y-o-y, and reduced profitability
 - Positive price development
 - Reduced costs
 - Significant decline in catch value
- Challenging outlook for remainder of 2024 and 2025
 - Quota advice for 2025 indicates lower quotas
 - New regulations/("Kvotemelding") will allocate quota from the trawling fleet to the coastal fleet

* Equal to reported EBIT

Revenue and Operational EBIT* Wild catch

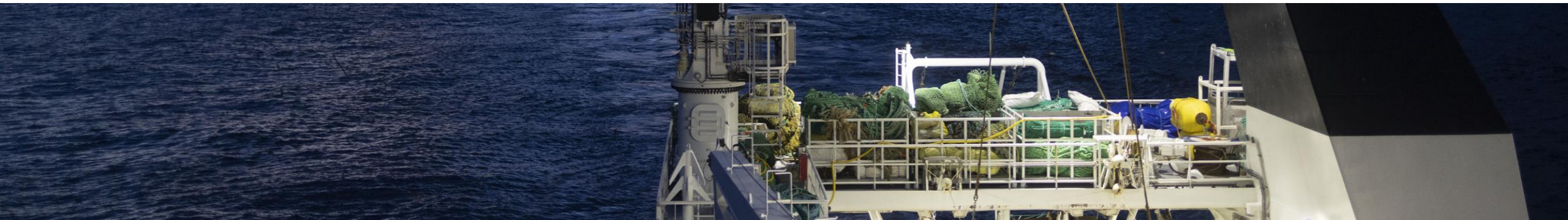


Price, key species (NOK pr kg)

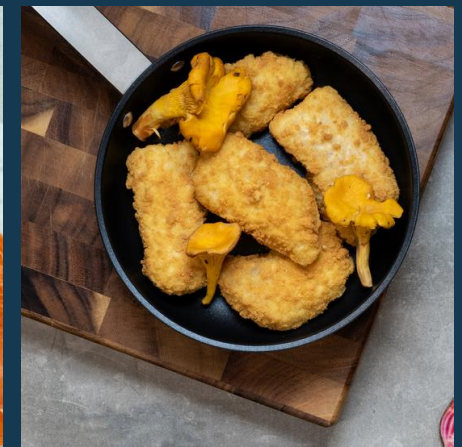
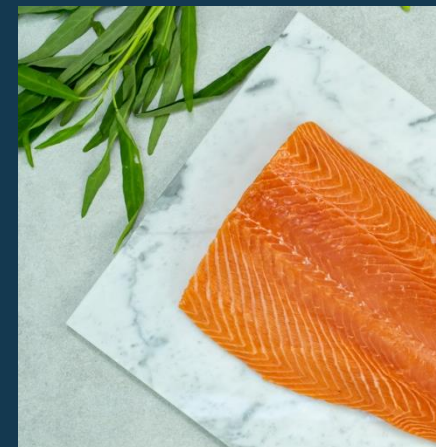


Wild catch quotas and catch volumes (GWT 1,000)

Catch volumes wild catch	Q2-24	Q2-23	Remaining quota 2024	Remaining quota 2023
Cod	1,5	3,1	4,8	8,7
Saithe	2,6	2,1	7,2	11,4
Haddock	0,5	2,3	0,6	1,1
Shrimps	4,7	4,6		
Other	8,6	11,6		
Total	17,8	23,7	12,6	21,1



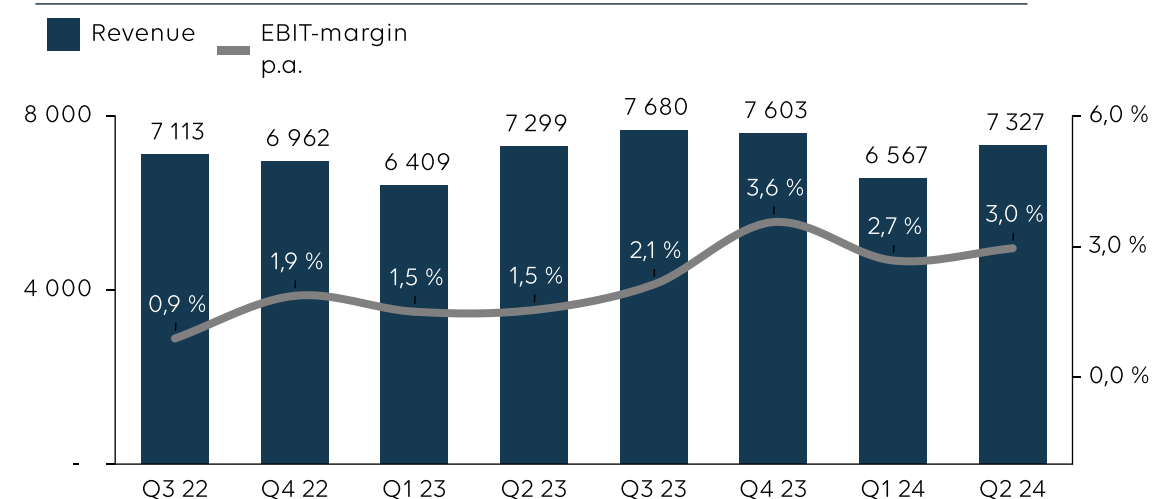
Sales and processing operations in 14 countries



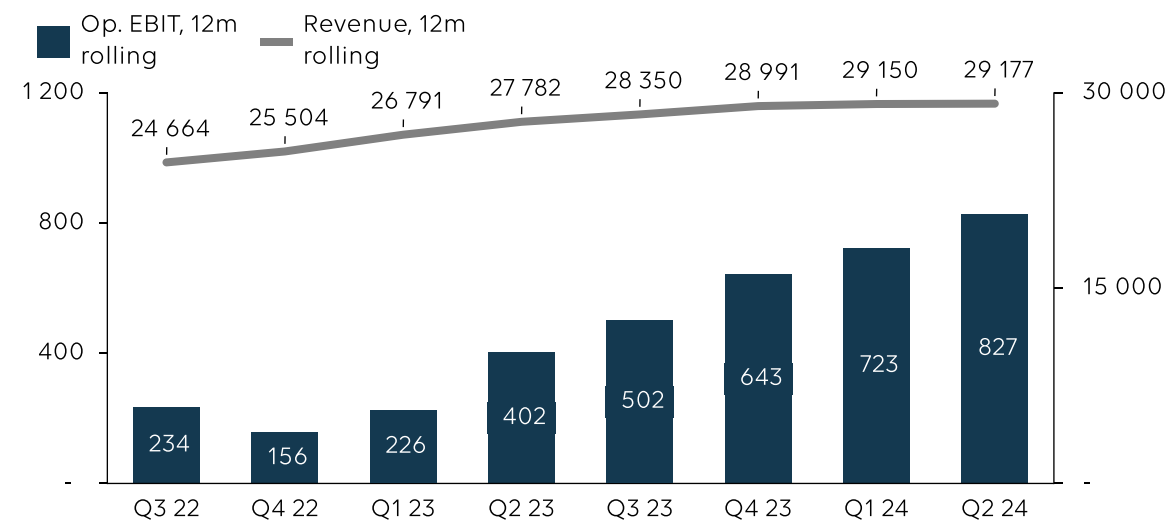
VAP, S&D highlights this quarter

- Continued positive development in VAP S&D segment
- Higher profitability compared to Q2 23 driven by:
 - Operational improvements
 - High utilisation in processing capacity in Norway
 - Product prices better reflecting raw material cost
- Expectations for continued positive profitability trend in second half, based on belief on high volume development in key markets

Revenue and Operational EBIT VAP, S&D (NOKm)



Revenue and Op. EBIT VAP, S&D (NOKm), 12m rolling



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Profit and Loss statement

(NOKm)	Q2 2024	Q2 2023	▲%
Revenue and other income	7 649	7 668	-0%
Operational EBITDA**	1 300	1 307	-1%
Depreciation, amortisation, impairments	394	358	
Operational EBIT**	906	950	-5%
EPS (NOK)*	0,77	-2,11	
Salmon and trout harvest volume (GWT)	36 709	29 659	24%
Operational EBIT** all incl. excl. Wildcatch/kg	24,8	28,7	
Whitefish catch volume (tonnes)	17 829	23 709	-25%
Operational EBIT/kg Wildcatch	-0,2	4,2	
ROCE* (%)	15,7%	13,7%	

Highlights this quarter

- Healthy development in Farming and VAPS&D/downstream, with operational EBIT down on lower quota in WildCatch
- Positive development in Scottish Sea Farms a positive driver on EPS and ROCE

*Excluding: Fair value adjustments related to biological assets

**Operational EBIT: Excludes fair value adjustments related to biological assets and production fees (essentially a tax item), in line with market practice. Isolated events not expected to reoccur, such as restructuring costs and litigation costs are also excluded.

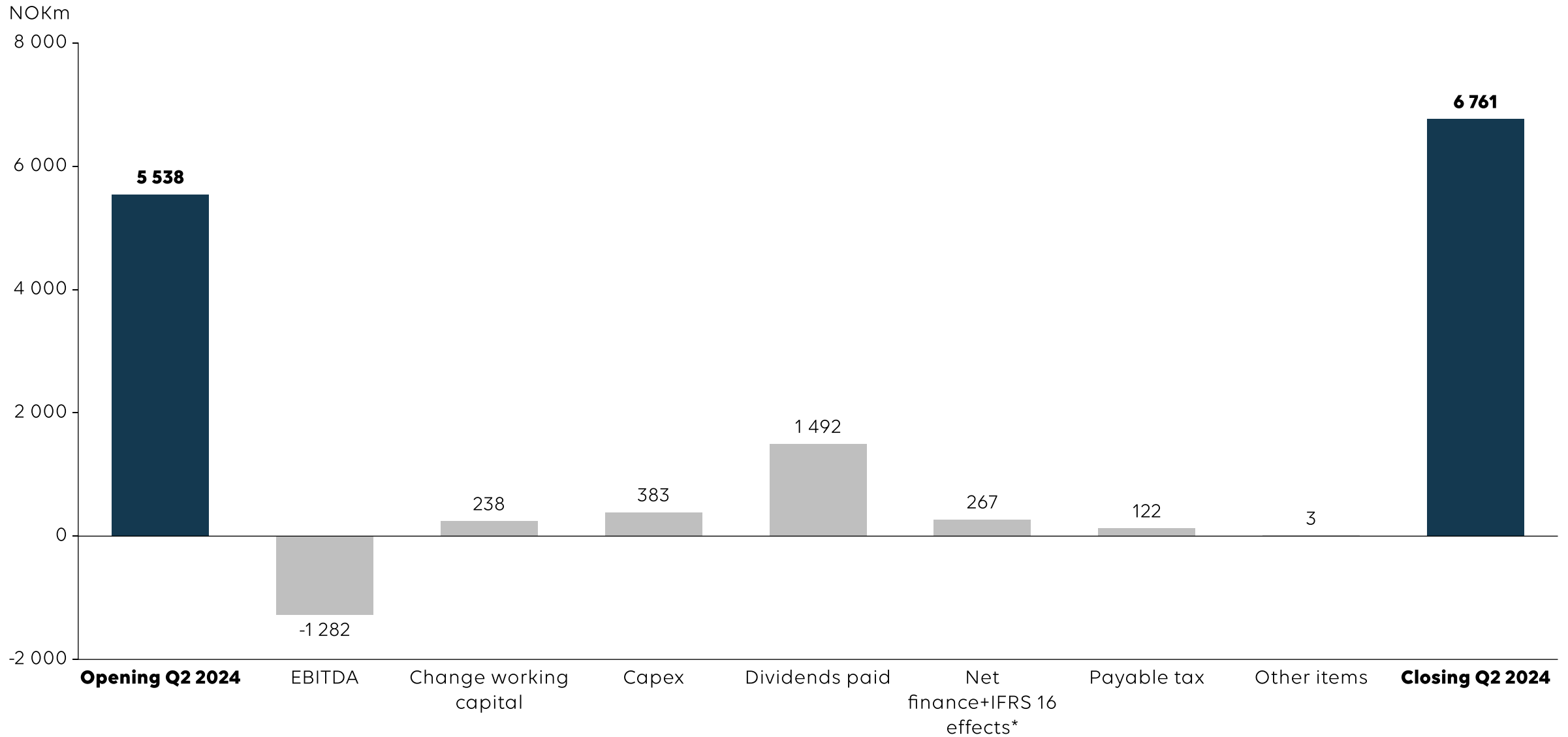
Balance sheet

(NOKm)	30.06.2024	30.06.2023	▲
Intangible assets	8 818	8 762	56
Right-of-use-assets	2 650	2 874	-224
Tangible fixed assets	8 437	7 980	457
Financial non-current assets	1 731	1 635	95
Total non-current assets	21 636	21 250	385
Biological assets at cost	6 353	5 734	619
Fair value adjustment of biomass	2 869	3 052	-183
Other inventory	2 115	2 287	-172
Account receivables	2 801	2 987	-186
Other receivables	917	988	-71
Cash and cash equivalents	3 220	3 826	-606
Total current assets	18 274	18 874	-600
Total assets	39 910	40 124	-214

Highlights this quarter

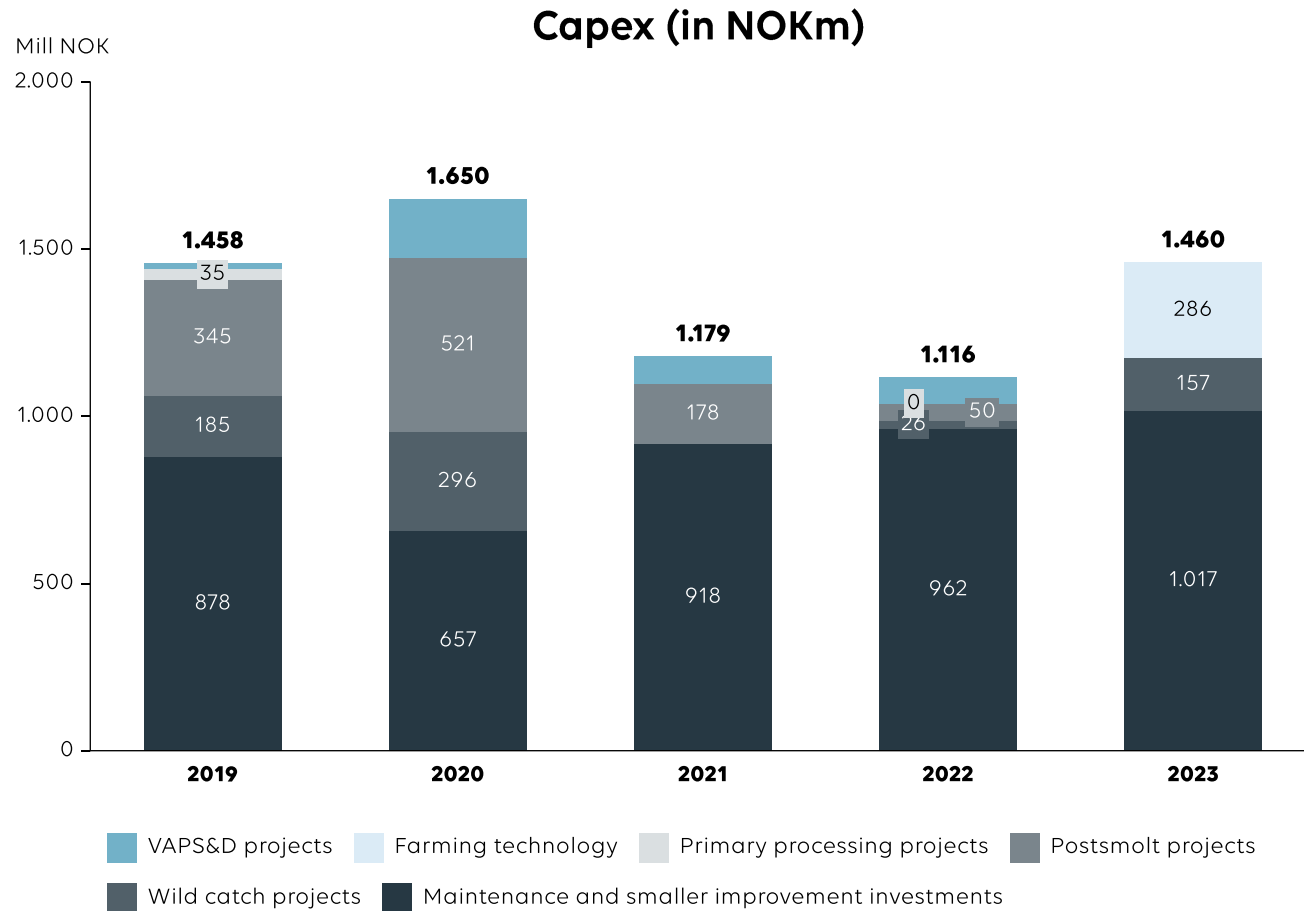
- Tangible fixed assets increased on investments in among others shielding technology in farming
- Working capital increased with biomass as key driver
- Strong balance sheet
- Issuer credit rating BBB+
- NIBD of NOK 6,761m
- Equity ratio of 49%

Change in net interest-bearing debt this quarter



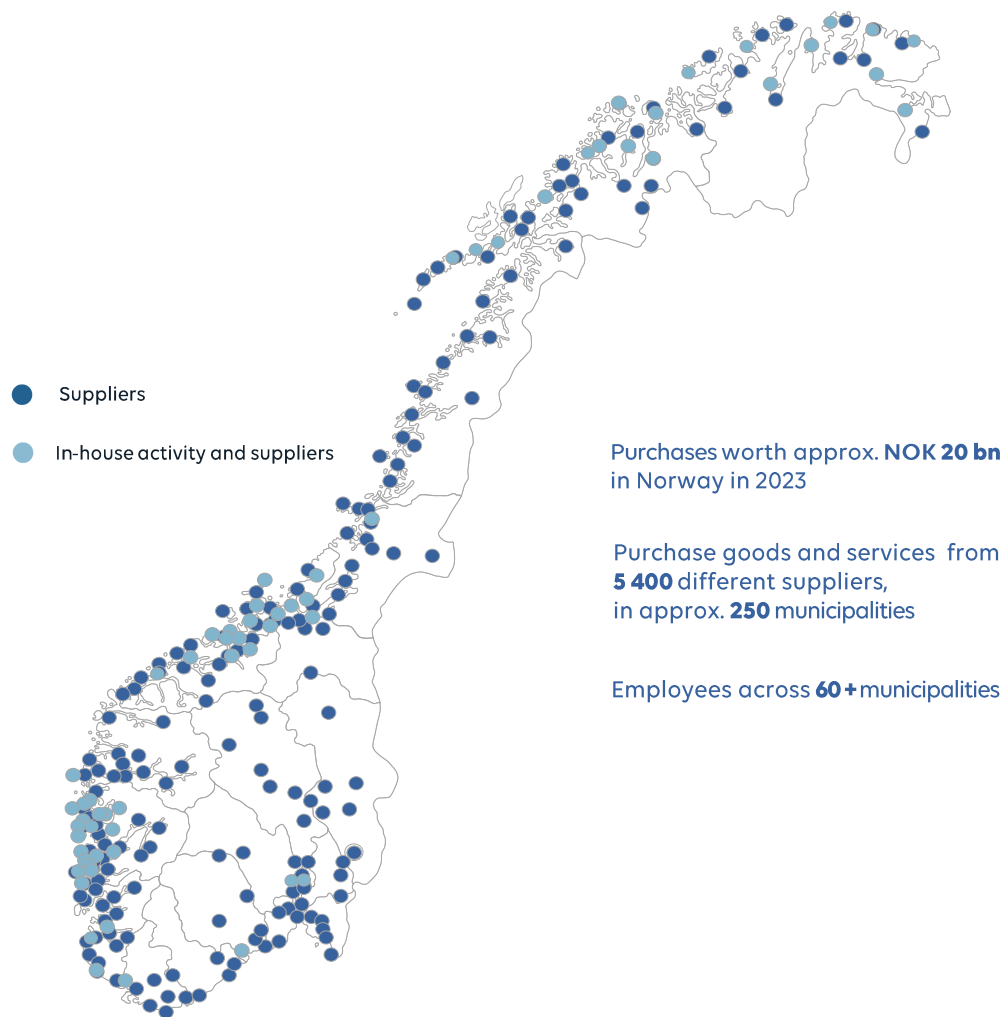
*Includes instalments on lease liabilities to others than credit institutions (IFRS 16)

Prioritizing investments that will improve biology and fish welfare



- Maintenance capex and smaller upgrades of around NOK 1bn
- Investing significantly in new technology and strategic projects in farming:
 - NOK 350m in new shielding technology
 - NOK 200m in improving smolt quality
- Estimated capex 2024 around NOK 1.6bn

Lerøy has extensive activities in Norway...



...with significant positive impact on society

Employment

3 900

direct employees in Norway

6 200

indirectly related jobs

10 100

jobs in total,
(direct and indirect)

Value creation (NOK)

7.3

billion in direct
value creation

7.2

billion in indirect
value creation

14.5

billion in overall
value creation

Taxes (NOK)

2.1

billion

Lerøy paid 0.6 billion in direct taxes and 0.7 billion in indirect taxes, while employee income tax withholdings totalled 0.8 billion.

Agenda

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BG

Making progress on strategic targets

>50 ●

bn NOK in revenue by 2030

~ 30 bn NOK in 2023

#1 ●

EBIT/kg for farming and
VAP S&D by 2025

1,25 ●

bn NOK in EBIT for
VAP S&D by 2025

643 MNOK in 2023

46% ●

reduction in total GHG
emissions by 2030
(baseline 2019)

~ 15,5% reduction in 2023

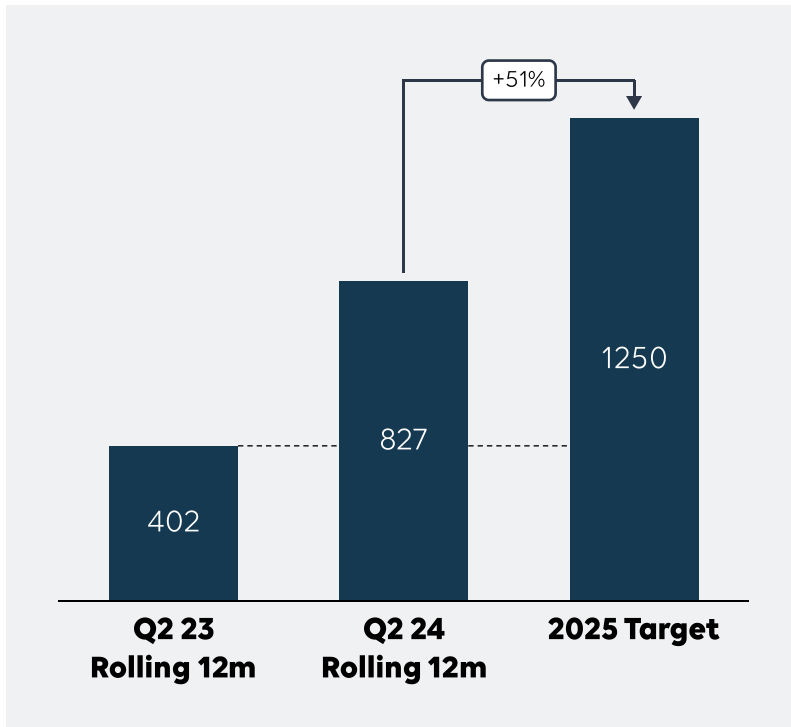
200.000 ●

tonnes harvested in 2025
(Salmon and trout in Norway)
Reduced 5,000GWT following traffic light

~ 160.000 in 2023

Continued strong progress and promising outlook

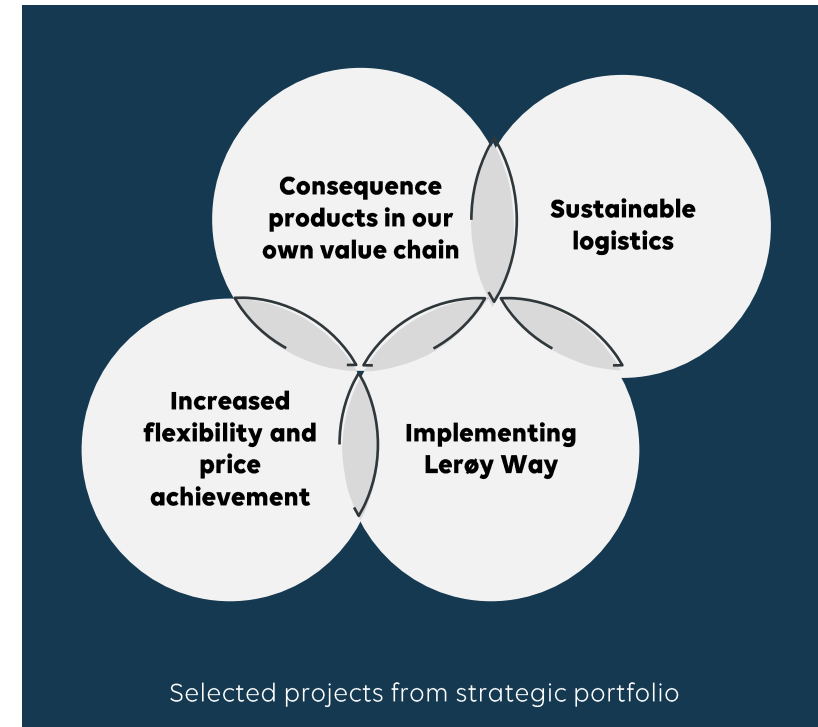
Operational EBIT target (NOKm)



Short-term actions

- Higher utilisation of our VAP factories through volume growth, achieving economies of scale
- Improvement of VAP factories in certain European markets with expected substantial uplift in 2024
 - Lerøy Way principles implemented with clear targets, roles and responsibilities, actions plans, market plans and a culture for continuous improvements

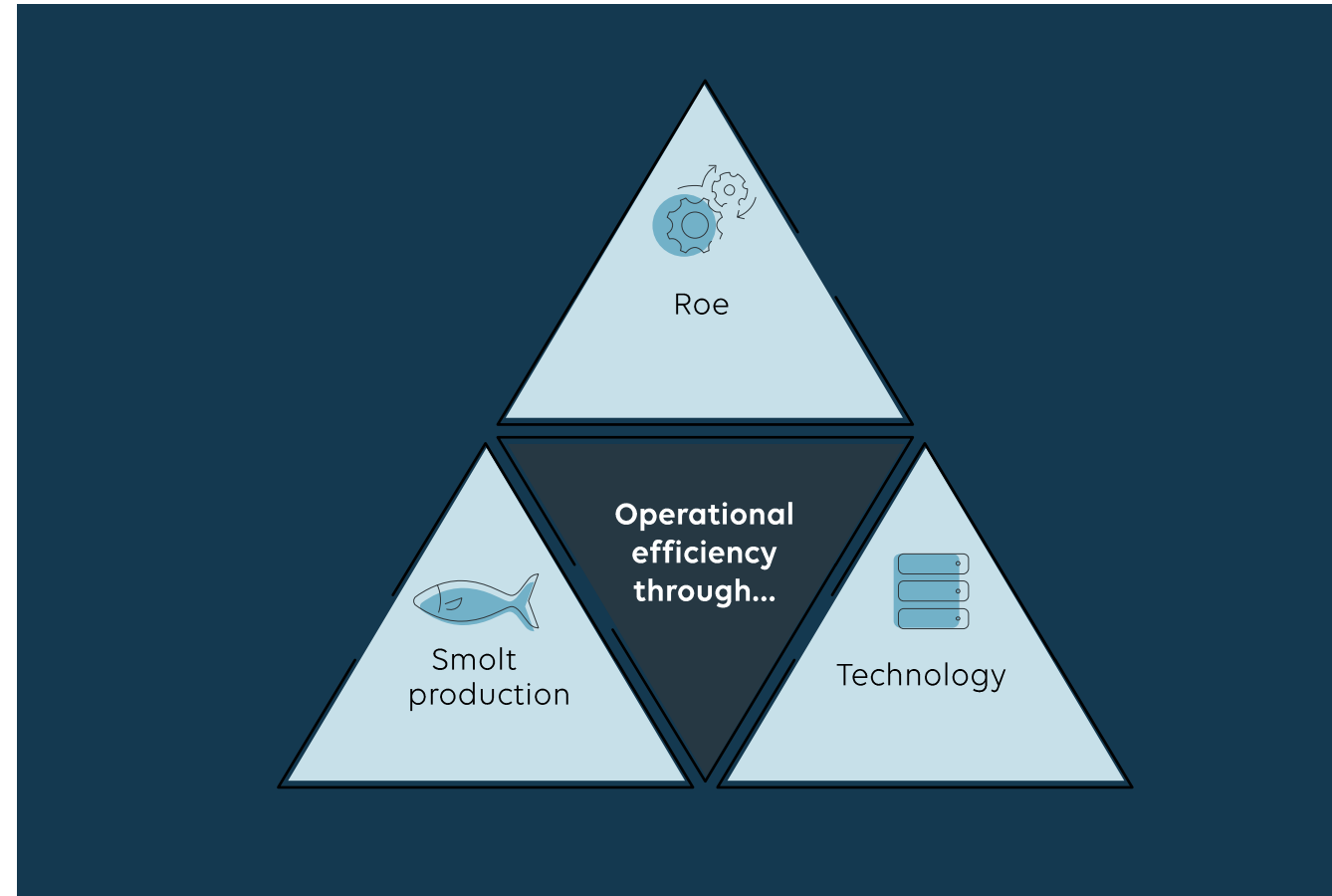
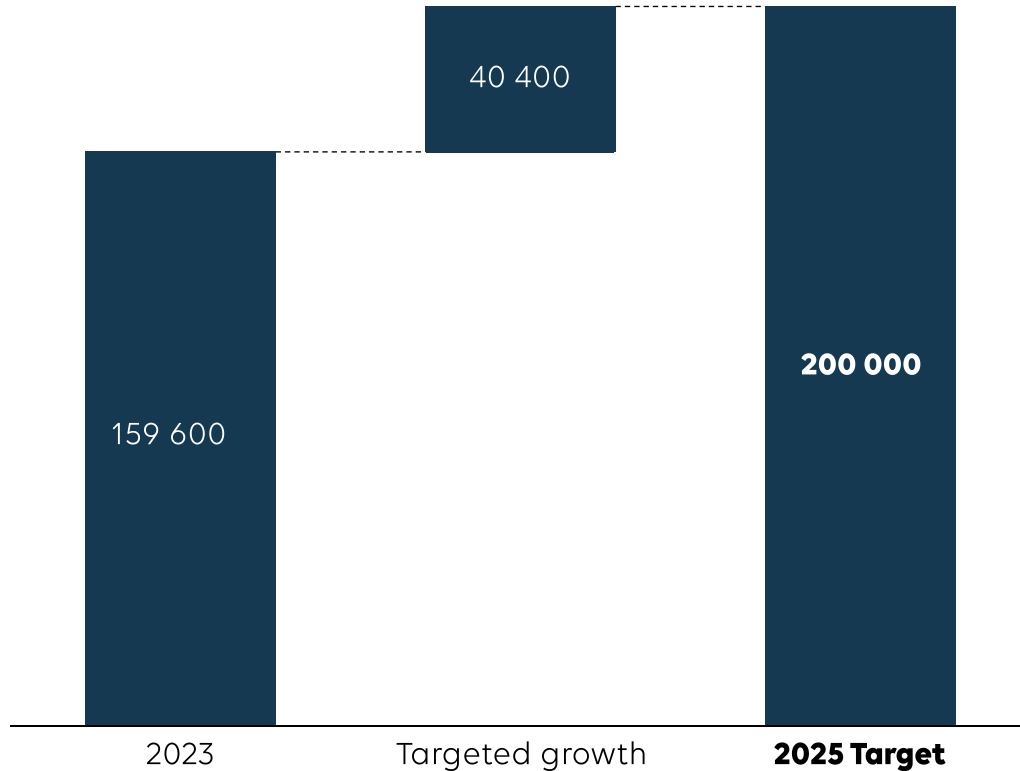
Long-term actions



Farming

Reaching 2025 harvest target through operational improvements

Tonnes harvested salmon and trout



Farming

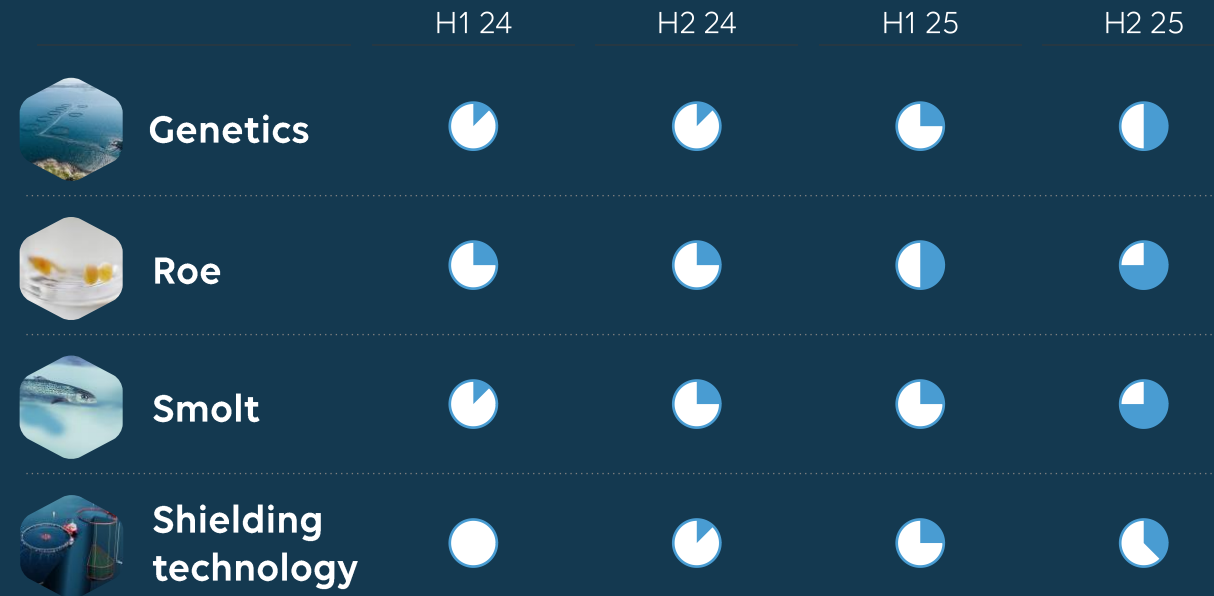
Improvements in roe and smolt expected to yield results from harvest in 2025

Improvements in farming

- Improved genetics expected to contributing to higher growth rate in sea
- Process improvements in roe and smolt production, e.g. new improved production protocols making the fish more robust
- Phasing in new breeding generation
- Phasing in shielded technology

Resulting in better performance

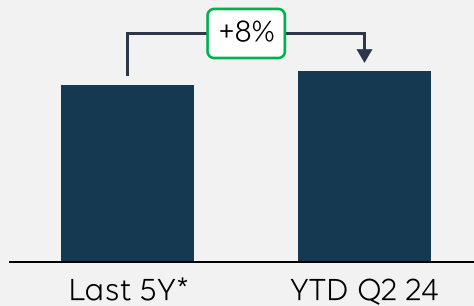
Illustration of when different measures will impact results/harvest



Farming

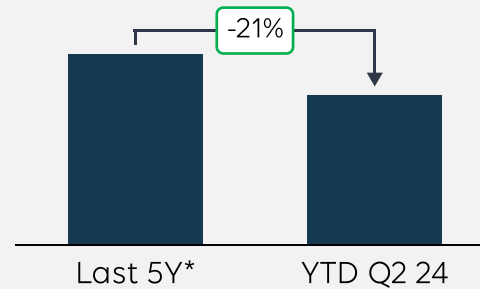
Strong biological performance – 5 year low treatment frequency

Net growth rate

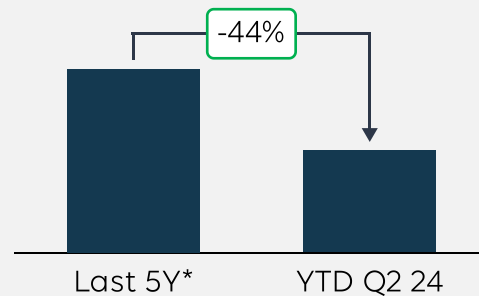


Mortality

Average daily percentage, number of fish



Lice treatments

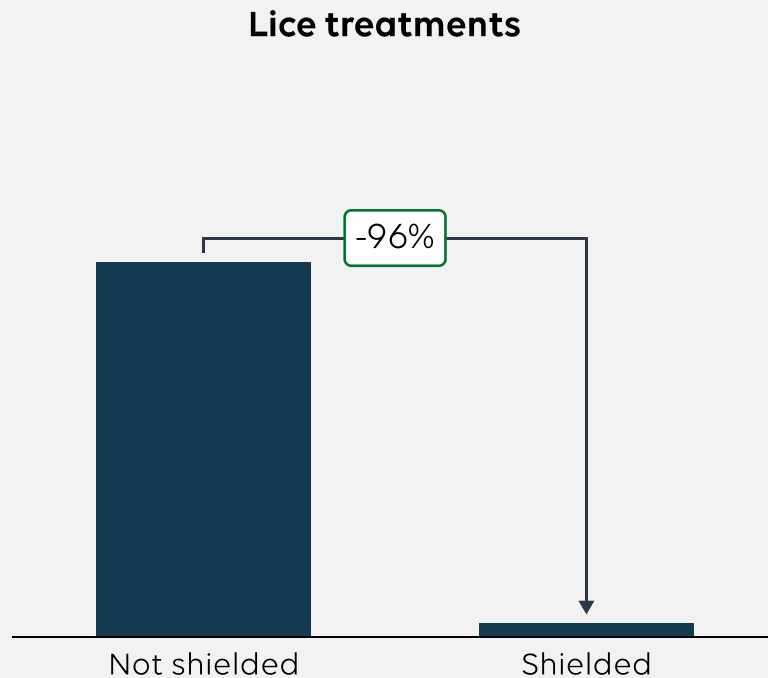


*Average YTD second quarter 2019-2023

- Continued positive development in key biological drivers
 - Explained by improved roe, smolt, genetics and new technology
- Quality downgrades gradually less of an issue during H1 24 due to winter wounds and string jelly fish
- Less winter wounds (Moritella) expected next winter
 - Shielding technology, and less treatments
 - Vaccination against Moritella in process
- 5-year low for lice treatments YTD Q2

Farming — shielding technology

Fish welfare improving as lice treatments are significantly reduced



Average performance of salmon generation fall 23 and spring 24, Lerøy Sjøtroll and Lerøy Midt

- Very low treatment frequency
- Increasing benefits as we entered the “high-season” for sea lice
- Sea temperature in submerged cages (deep water) lower than for traditional technology during summer and autumn
- Positive effects on survival rates, superior share and overall fish welfare

Farming — shielding technology

Strong performance in shielding technology – first harvest in Q3/24

Results so far

- Shielding technology shows exceptional results so far
- Rapid learning curve
- Low level of lice treatments
- Improved fish-welfare, with higher survival rates

Investment

- Almost five years of research and development
- Additional capex in 2024 of ~350 MNOK to reach target

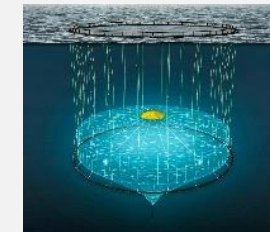
Current situation and target

- **Close to 30%** of salmon (number of fish) shielded as of start of August 2024
- Shielding technology on 7 sites in Lerøy Midt and 5 sites in Lerøy Sjøtroll
- Targeting **35%** by end of 2024

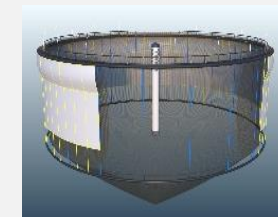
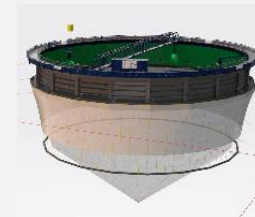
First harvest

- First harvest of shielded salmon in Q3 24

Submerged cages



Semi-closed containments



Outlook

Farming

- Strong biological development H1 2024
- Contracts share 2024 currently around 30%
- Expect to see significant improvements from :
 - Roe and Smolt quality
 - New farming technology
 - Process improvement/Implementing LerøyWay

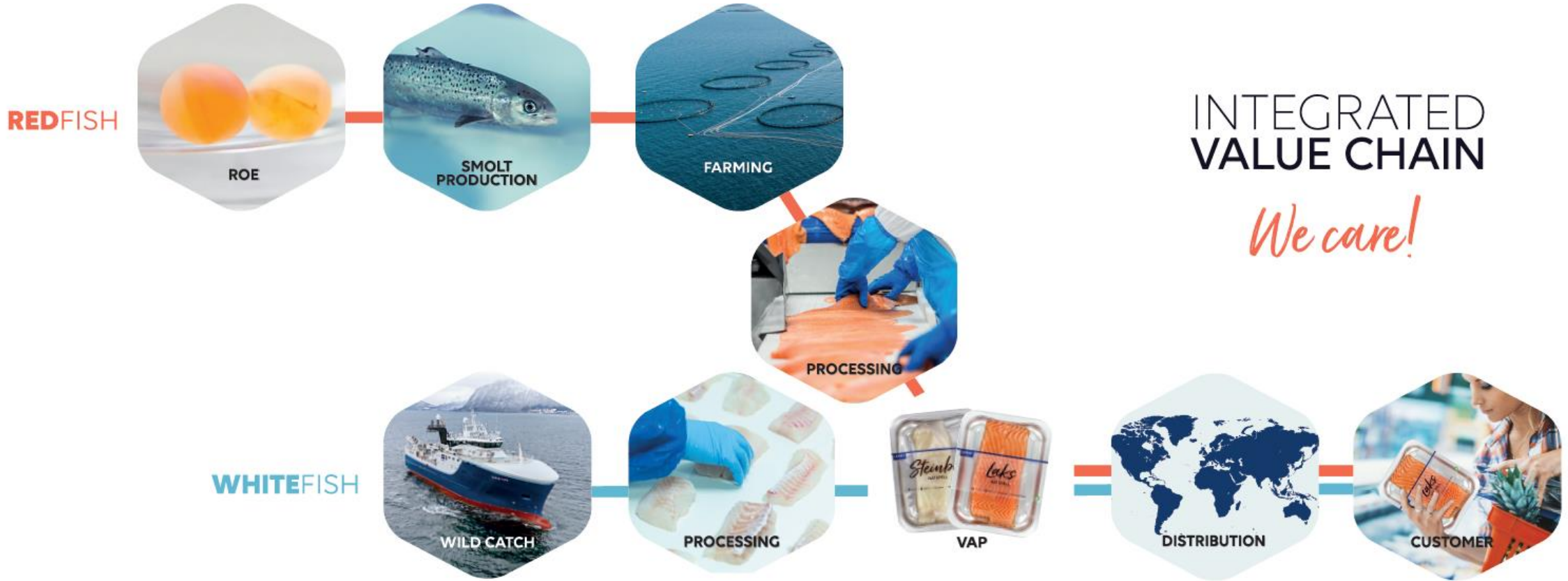
Wild Catch

- Challenging quota situation in 2024 and 2025
- Quotas for 2024
 - Cod down 34%
 - Haddock down 43%
- Quota advice for 2025 indicates substantially further reduction for 2025

VAP, S&D

- Increased demand for integrated, sustainable, value chain
- Improved market share in some key markets, utilising the potential of our value chain
- Large variation in profitability in different units, and clear potential for continued growth in profitability in 2024

Creating the world's most efficient and sustainable value chain for seafood



Q & A

LERØY

The Norwegian
Seafood Pioneer