



Q1 2018

MAY 8TH 2018



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Agenda

Highlights



Q1 2018

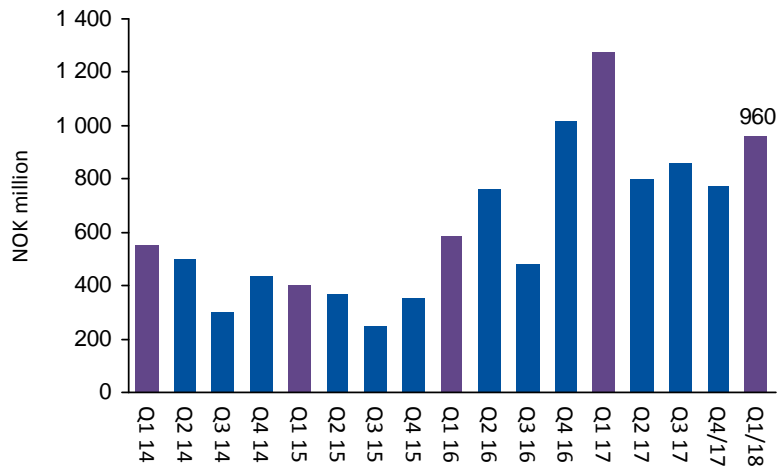
- EBIT before FV adj. NOK 960 million
- Harvest volume 37 576 GWT
- EBIT/kg all incl. (excl. EBIT Havfisk & LNWS) of NOK 20.8
- Contract share of 22%
- NIBD NOK 2 293 million
- Harvest guidance 166 000 GWT for 2018



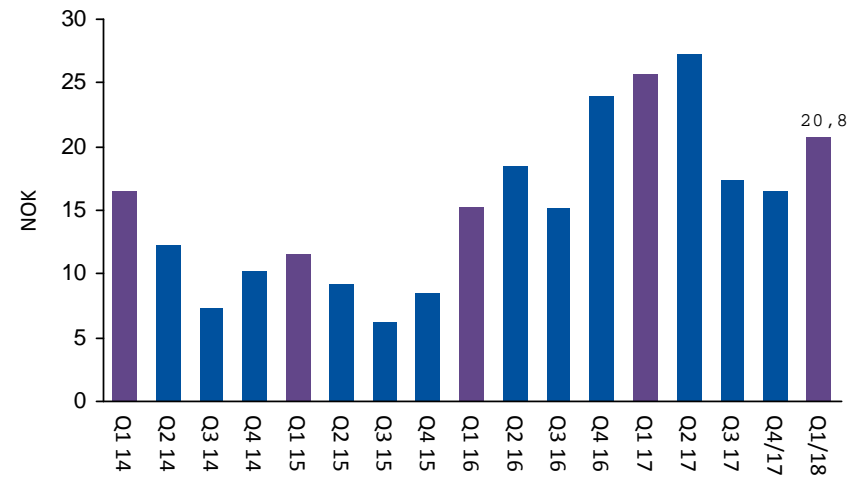


Quarterly historic figures

EBIT*



EBIT/kg**, all inclusive



*before biomass adjustment

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



Lerøy Seafood Group ASA

Farming

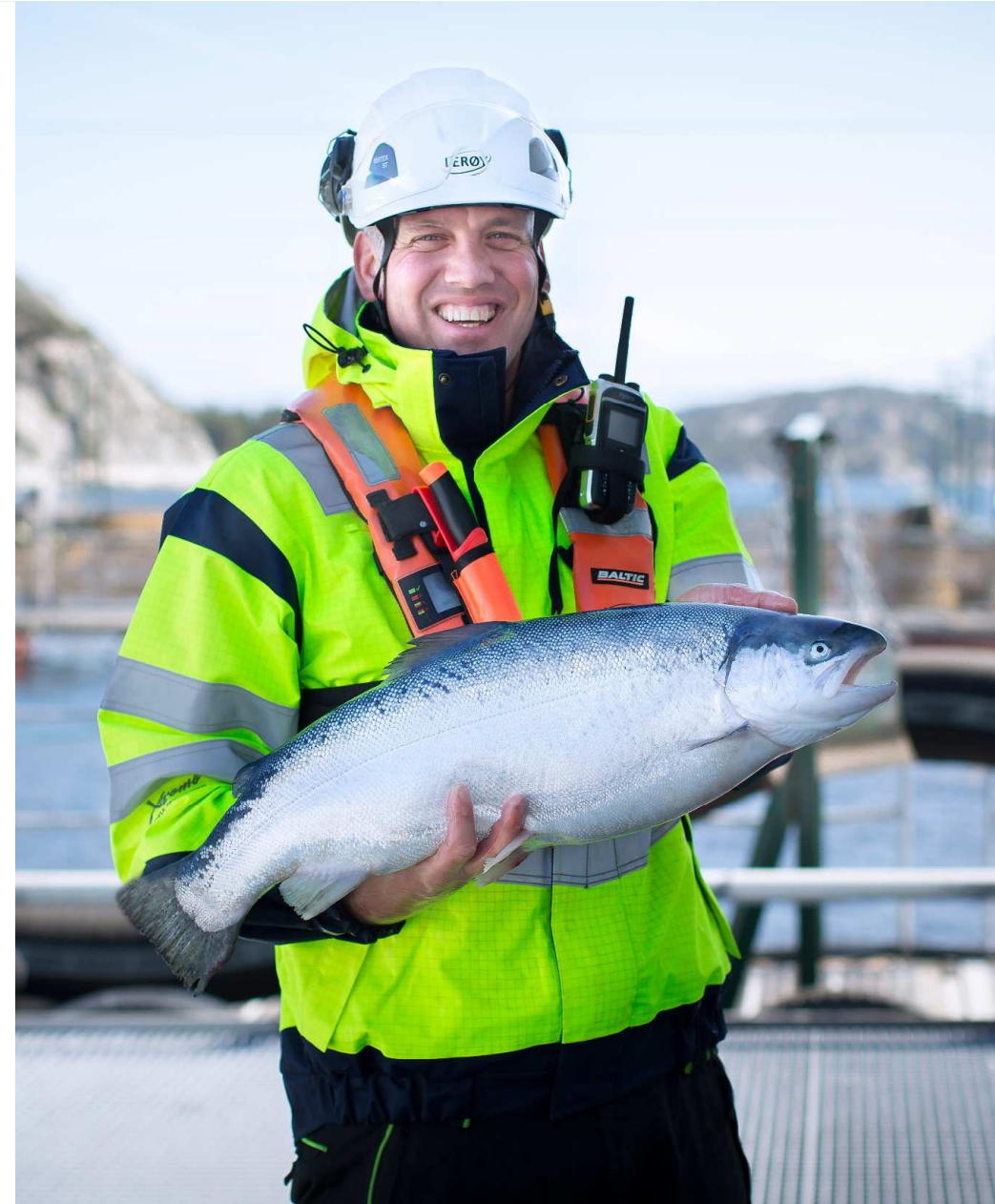
Wild catch

VAP, Sales and Distribution



Q1 2018: Farming Highlights

- Spot prices below last year
 - NSI Q1/18 NOK 59.5 vs NOK 65.3 in Q1/17 (-9%)
 - Up NOK 10/kg q-o-q, and down NOK 6/kg y-o-y
- Trout price achievement well below salmon
- Contract prices marginally above spot
- Cost (RFS) down from Q4/17
- Biomass at sea
 - End Q1/18 at 99,028 LWT vs 89,181 LWT end Q1/17 (+11%)





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 | 37 000 |
| Lerøy Midt AS | 61 900 | 58 900 | 68 300 | 71 400 | 52 200 | 64 500 | 69 000 |
| Lerøy Sjøtroll | 71 600 | 61 700 | 63 200 | 57 100 | 68 000 | 54 000 | 60 000 |
| 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



Q1 2018: Wild Catch

- Q1/18 harvest volume at 22,268 tons, up 8% y-o-y, and the highest catch volume in any quarter in history
- Average prices up 11% y-o-y. Y-o-y prices for cod up 12%, haddock 20% while saithe down 1%.
- 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 Q1/18 | Catch volume Q1/17 | Catch volume YTD 2018 | Catch volume YTD 2017 | Remaining quota 2018 | Remaining quota 2017 |
|--------------|--------------------|--------------------|-----------------------|-----------------------|----------------------|----------------------|
| Cod | 9 275 | 9 425 | | | 15 005 | 20 216 |
| Haddock | 6 545 | 7 380 | | | 2 380 | 4 547* |
| Saithe | 3 683 | 2 841 | | | 14 333 | 12 331 |
| Shrimps | 1 325 | 0 | | | | |
| Other | 1 440 | 940 | | | | |
| Total | 22 268 | 20 586 | | | 31 718 | 37 094 |

*) Quota for Haddock was increased during 2017 (redistributed). This number shows status as of Q1/2017



Q1 2018: VAP, Sales and Distribution

- Position as full fledged integrated seafood supplier has been enhanced significantly over the previous year
- Positive development with key strategic customers, but volatile and increasing prices in Q1 2018 has negative impact on profitability
- EBIT in Q1/18 of NOK 65m compared to NOK 86m in Q1/17



Key Financial figures



Key financial figures – Q1 2018

| <i>(NOKm)</i> | Q1 2018 | Q1 2017 | ▲% |
|---------------------------------|--------------|--------------|--------------|
| Revenue | 5 000 | 5 459 | -8 % |
| Other gains and losses | 0 | 0 | |
| EBITDA | 1 114 | 1 423 | -22 % |
| Depreciation & amortisation | 154 | 146 | |
| EBIT* | 960 | 1 277 | -25 % |
| Income from associates* | 84 | 63 | |
| Net finance | -26 | -46 | |
| Pre-tax profit* | 1 018 | 1 294 | -21 % |
| EPS (NOK)* | 1,31 | 1,59 | -17 % |
| Harvested Volume (GWT) | 37 576 | 43 307 | -13 % |
| EBIT* all incl. excl. Wildcatch | 20,8 | 25,8 | -19 % |
| ROCE* (%) | 25,3 % | 35,9 % | -30 % |

* Before biomass adjustment



Balance sheet

| <i>(NOKm)</i> | 31.03.2018 | 31.03.2017 | ▲% |
|----------------------------------|---------------|---------------|-------------|
| Intangible assets | 8 184 | 8 056 | 2 % |
| Tangible fixed assets | 5 751 | 4 256 | 35 % |
| Financial non-current assets | 1 107 | 934 | 18 % |
| <i>Total non-current assets</i> | 15 042 | 13 246 | 14 % |
| Biological assets at cost | 3 497 | 3 281 | 7 % |
| Fair value adjustment of biomass | 1 722 | 1 568 | 10 % |
| Other inventory | 1 153 | 993 | 16 % |
| Receivables | 2 537 | 2 584 | -2 % |
| Cash and cash equivalents | 3 871 | 3 332 | 16 % |
| <i>Total current assets</i> | 12 780 | 11 757 | 9 % |
| Total assets | 27 821 | 25 003 | 11 % |
| Equity | 16 008 | 13 784 | 16 % |
| Equity ratio | 57,5 % | 55,1 % | 4 % |
| NIBD | 2 293 | 2 327 | -1 % |

* Before biomass adjustment



Funding

| NOK million | 2018 | 2019 | 2020 | 2021 | 2022 | Later | Total |
|-------------|------|------|------|-------|------|-------|-------|
| To be paid | 518 | 796 | 619 | 1 771 | 453 | 1 786 | 5 944 |
| Total | 650 | 796 | 619 | 1 771 | 453 | 1 786 | 6 075 |

| | Covenants | Q1 2018 |
|-------------------|-----------|---------|
| NIBD/EBITDA | <5 | 0.57 |
| Adj. Equity ratio | >30 % | 68.2 % |



Cash flow

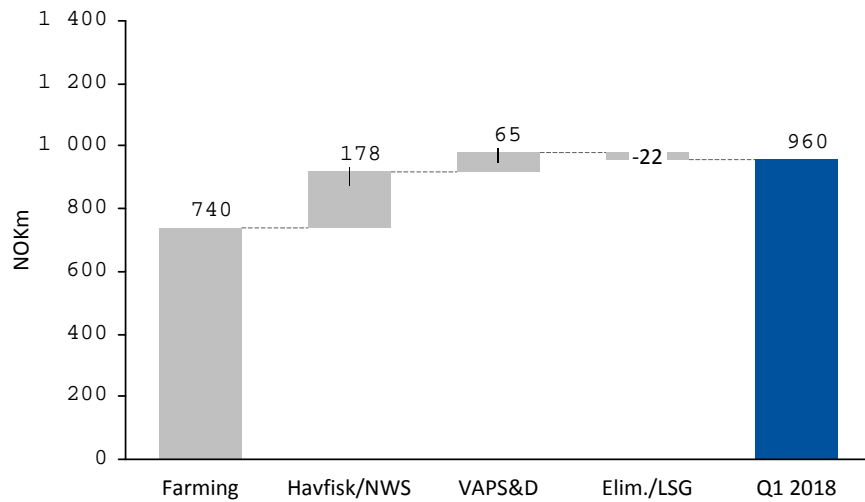
| | Q1 2018 | Q1 2017 | FY 2017 |
|---|--------------|--------------|---------------|
| EBITDA before fair value adjustment on biological assets | 1 114 | 1 423 | 4 300 |
| Paid tax | -234 | -197 | -494 |
| Change in working capital | 1 | 163 | -97 |
| Other | -12 | 14 | -21 |
| Cash from operating activities | 869 | 1 402 | 3 688 |
| Business combinations and redemption of non-controlling interests * | -127 | 0 | -6 |
| Net investments in capex and intangibles | -831 | -196 | -1 484 |
| Dividends received | 0 | 0 | 164 |
| Other changes in non-current assets | 56 | -17 | -104 |
| Cash from investing activities * | -902 | -213 | -1 430 |
| Net financial cost | -33 | -43 | -188 |
| New equity | 0 | 0 | 0 |
| Dividends distributed | 0 | -2 | -834 |
| Cash from financing activities | -33 | -45 | -1 023 |
| Change in NIBD from business combinations | 21 | 0 | 0 |
| Change in NIBD from other interest bearing receivables | 0 | -34 | -34 |
| Change in NIBD from currency conversion differences on LT debt in | 8 | -1 | -9 |
| Change in NIBD from agio on FX loans | 7 | -2 | -21 |
| Other changes (incl.currency effects) | 14 | 2 | -64 |
| Net cash flow / change in NIBD | -31 | 1 146 | 1 171 |
| NIBD at beginning | 2 262 | 3 433 | 3 433 |
| Change in NIBD | 31 | -1 107 | -1 171 |
| NIBD at end | 2 293 | 2 327 | 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.

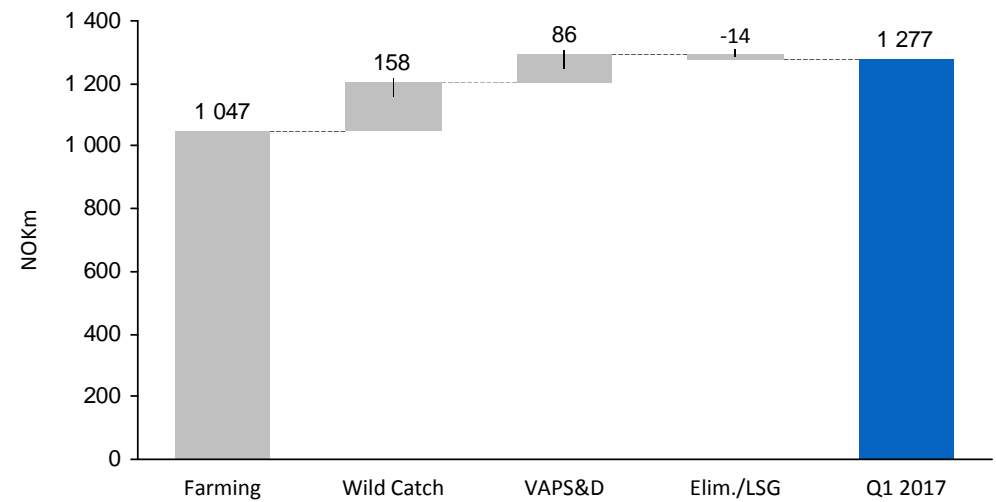


EBIT per segment

EBIT* Q1 2018



EBIT* Q1 2017

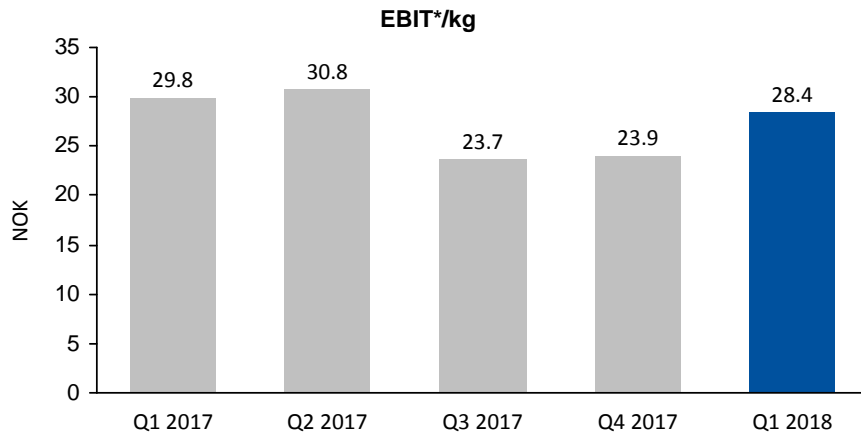


* Before biomass adjustment



Lerøy Aurora

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------|---------|---------|--------|--------|
| Revenue (NOKm) | 588 | 416 | 2 468 | 1 821 |
| EBIT* (NOKm) | 255 | 179 | 1 025 | 726 |
| Harvested volume (GWT) | 8 979 | 6 014 | 39 209 | 30 010 |
| EBIT/kg* (NOK) | 28.4 | 29.8 | 26.1 | 24.2 |



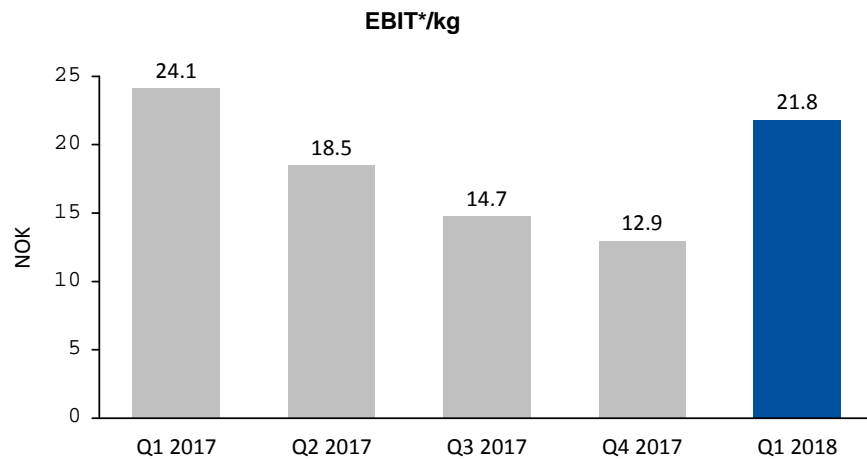
* Before biomass adjustment

- Growth of almost 10,000GWT since 2016, at low cost
- Marginal increase in RFS (release-from-stock) cost q-o-q, but still at low level
- Seeing positive impact from larger post-smolt, and decision made to further invest in post-smolt capacity
- As of today, expectations are continued low costs in 2018



Lerøy Midt

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------|---------|---------|--------|--------|
| Revenue (NOKm) | 736 | 1 392 | 3 790 | 2 955 |
| EBIT* (NOKm) | 263 | 529 | 1 143 | 744 |
| Harvested volume (GWT) | 12 092 | 21 932 | 64 515 | 52 208 |
| EBIT/kg* (NOK) | 21.8 | 24.1 | 17.7 | 14.3 |



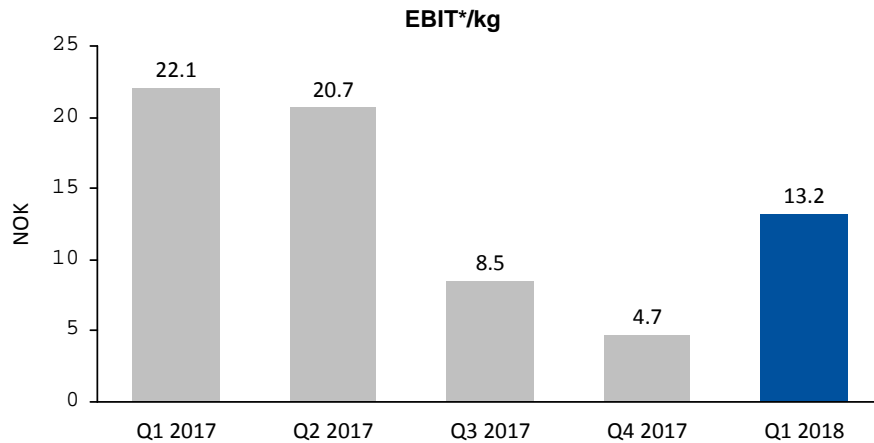
* Before biomass adjustment

- Positive development continues
- Growth of more than 12,000GWT in 2017, and potential for further growth in 2018 and beyond
- Lower RFS (release-from-stock) cost q-o-q
- As of today, expectations are for further cost reductions q-o-q through 2018



Lerøy Sjøtroll

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------|---------|---------|--------|--------|
| Revenue (NOKm) | 926 | 966 | 3 189 | 3 626 |
| EBIT* (NOKm) | 218 | 339 | 779 | 950 |
| Harvested volume (GWT) | 16 505 | 15 361 | 54 043 | 67 964 |
| EBIT/kg* (NOK) | 13.2 | 22.1 | 14.4 | 14.0 |



* Before biomass adjustment

- RFS cost significantly down q-o-q, but significant potential for reductions into 2018 and beyond.
- Price achievement for the Group NOK 6/kg lower for trout than for salmon in the quarter. Trout was 30% of quarterly harvest volume
- New RAS smolt facility being built, with first eggs in Q2 2018, and first release of smolt in 2019.
- Significant potential in both volume and costs, but for 2018 expectations are that cost will remain higher than for Lerøy Midt and Lerøy Aurora



Wild Catch (Havfisk/LNWS)

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|---------------|---------|---------|------|------|
| EBITDA (NOKm) | 209 | 187 | 501 | 131 |
| EBIT (NOKm) | 178 | 158 | 386 | 89 |

| Havfisk, catch volume | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------------|---------------|---------------|---------------|---------------|
| Cod | 9 275 | 9 425 | 29 665 | 29 945 |
| Haddock | 6 545 | 7 380 | 13 158 | 11 508 |
| Saithe | 3 683 | 2 841 | 14 407 | 11 626 |
| Shrimps | 1 325 | 0 | 1 161 | 1 432 |
| Other | 1 440 | 940 | 8 337 | 9 253 |
| Total | 22 268 | 20 586 | 66 729 | 63 764 |

| Havfisk, prices | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------|---------|---------|------|------|
| Cod | 29.9 | 26.8 | 26.7 | 25.1 |
| Haddock | 23.3 | 19.5 | 18.9 | 14.6 |
| Saithe | 12.6 | 12.8 | 11.6 | 15.5 |

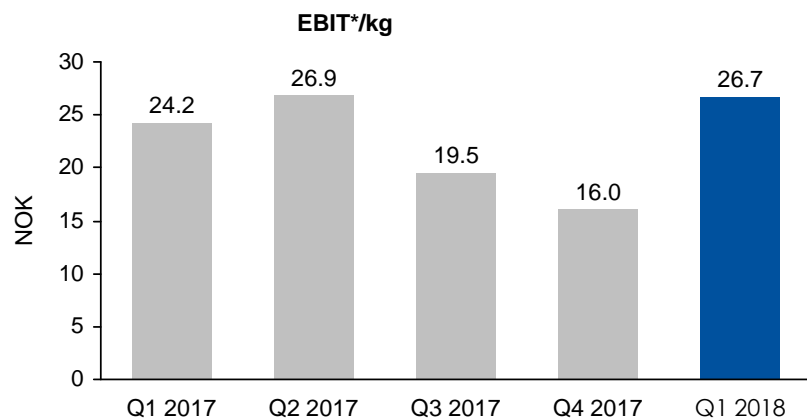
- High catch volume, with high catch efficiency and improving prices gives higher profitability y-o-y. Positive development in shrimp fishery
- New trawler, Nordtind delivered in Q1/18, with satisfactory performance in operation
- Development of the white fish processing industry in Norway is challenging. 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)

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|------------------------|---------|---------|--------|--------|
| Revenue (NOKm) | 519 | 372 | 2 088 | 1 721 |
| EBIT* (NOKm) | 173 | 143 | 669 | 474 |
| Harvested volume (GWT) | 6 500 | 5 918 | 30 996 | 28 043 |
| EBIT/kg* (NOK) | 26.7 | 24.2 | 21.6 | 16,9 |

- 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 32%

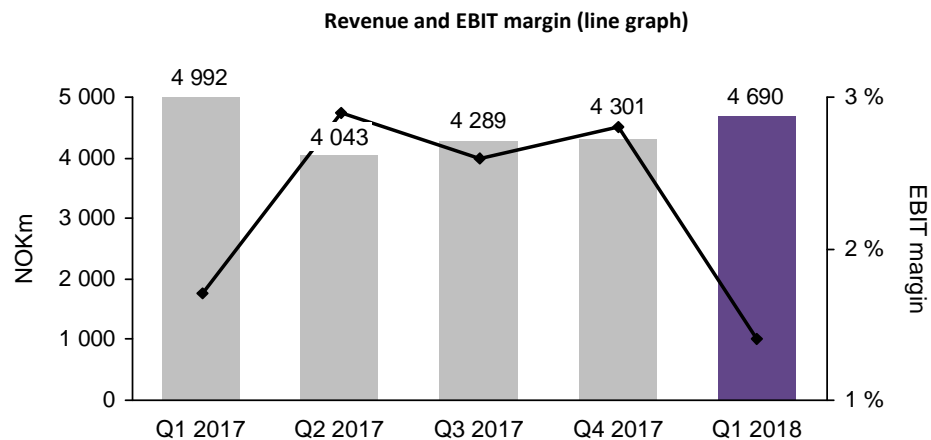


* Before biomass adjustment
 ** Figures based on 100% basis



VAP&D – VAP, Sales and Distribution

| | Q1 2018 | Q1 2017 | 2017 | 2016 |
|----------------|---------|---------|--------|--------|
| Revenue (NOKm) | 4 690 | 4 991 | 17 626 | 16 002 |
| EBIT (NOKm) | 65 | 86 | 435 | 399 |
| EBIT margin | 1.4 % | 1.7 % | 2.5 % | 2.5 % |



- Position as an integrated seafood supplier continues to strengthen
- Positive underlying development in most operations, but volatile price development in Q1/18 a challenge for downstream operations
- High focus on product development, seeing positive development in key markets

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 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 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 % | 1 279 300 | 5,9 % |
| United Kingdom | 157 800 | -1,0 % | 170 500 | 8,0 % | 166 300 | -2,5 % | 157 400 | -5,4 % | 174 300 | 10,7 % | 155 500 | -10,8 % |
| Faroe Islands | 72 600 | 3,3 % | 82 700 | 13,9 % | 75 600 | -8,6 % | 77 300 | 2,2 % | 80 300 | 3,9 % | 72 900 | -9,2 % |
| Ireland | 10 600 | -32,1 % | 12 300 | 16,0 % | 15 700 | 27,6 % | 15 800 | 0,6 % | 17 000 | 7,6 % | 18 000 | 5,9 % |
| Iceland | 3 350 | 3,1 % | 4 400 | 31,3 % | 3 600 | -18,2 % | 8 100 | 125,0 % | 11 500 | 42,0 % | 16 700 | 45,2 % |
| 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 % | 1 542 400 | 3,5 % |
| Chile | 468 100 | 28,6 % | 582 900 | 24,5 % | 598 200 | 2,6 % | 504 400 | -15,7 % | 579 100 | 14,8 % | 606 700 | 4,8 % |
| Canada | 115 100 | -15,7 % | 95 000 | -17,5 % | 135 200 | 42,3 % | 146 000 | 8,0 % | 140 000 | -4,1 % | 148 800 | 6,3 % |
| 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 % |
| Australia | 39 000 | -2,5 % | 42 000 | 7,7 % | 54 400 | 29,5 % | 50 900 | -6,4 % | 61 000 | 19,8 % | 59 500 | -2,5 % |
| 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 % |
| Total Others | 653 700 | 15,0 % | 759 100 | 16,1 % | 821 700 | 8,2 % | 736 300 | -10,4 % | 813 900 | 10,5 % | 846 600 | 4,0 % |
| Total World-wide | 2 041 650 | 2,1 % | 2 228 000 | 9,1 % | 2 317 100 | 4,0 % | 2 166 000 | -6,5 % | 2 304 800 | 6,4 % | 2 389 000 | 3,7 % |

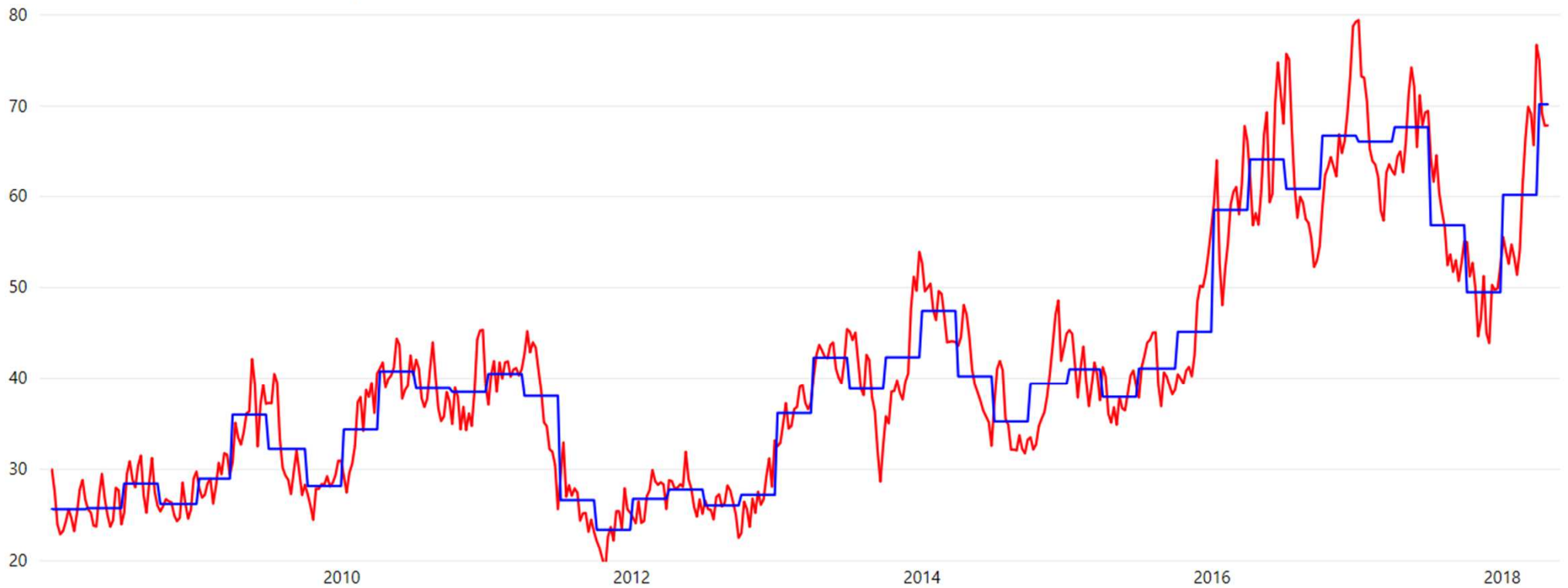
Figures as per 03.05.2018

Source: Kontali

SPOT prices, fresh Atlantic salmon
cross-section, FCA Oslo
as of week 17-2018 (Superior quality).

| Quarter | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Q1 | 26 | 29 | 34 | 40 | 27 | 36 | 47 | 41 | 59 | 66 | 60 |
| Q2 | 26 | 36 | 41 | 38 | 28 | 42 | 40 | 38 | 64 | 68 | 70 |
| Q3 | 28 | 32 | 39 | 27 | 26 | 39 | 35 | 41 | 61 | 57 | |
| Q4 | 26 | 28 | 38 | 23 | 27 | 42 | 39 | 45 | 67 | 49 | |
| Total | 27 | 31 | 38 | 32 | 27 | 40 | 41 | 41 | 63 | 60 | 63 |

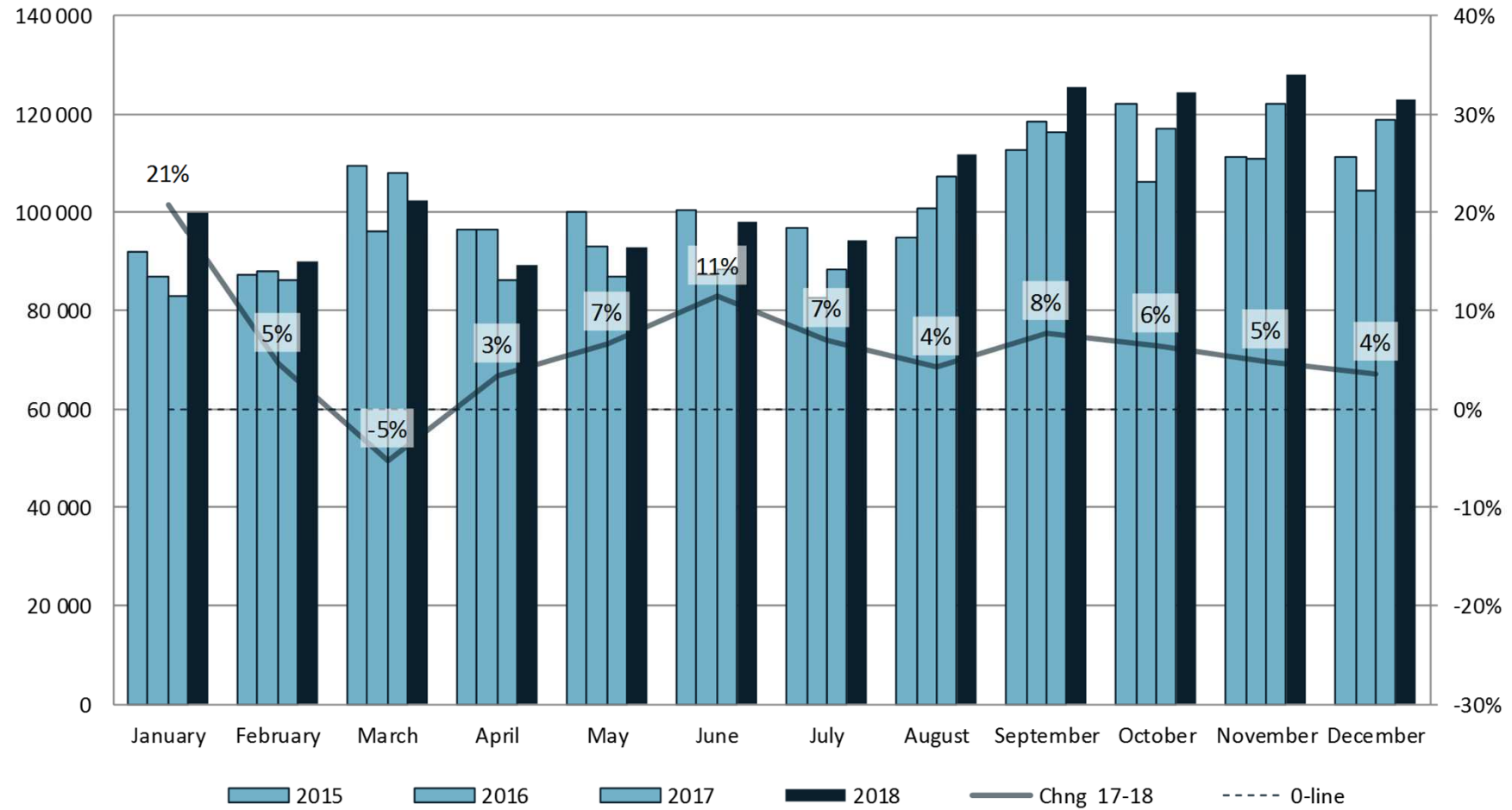
● Weekly Price NSI FCA Oslo ● Quarterly Price NSI FCA Oslo



Atlantic salmon - Harvest Quantities Norway in tons WFE

Harvest qty, YTD Apr:
381 600 +5,1% (363 200)

2018

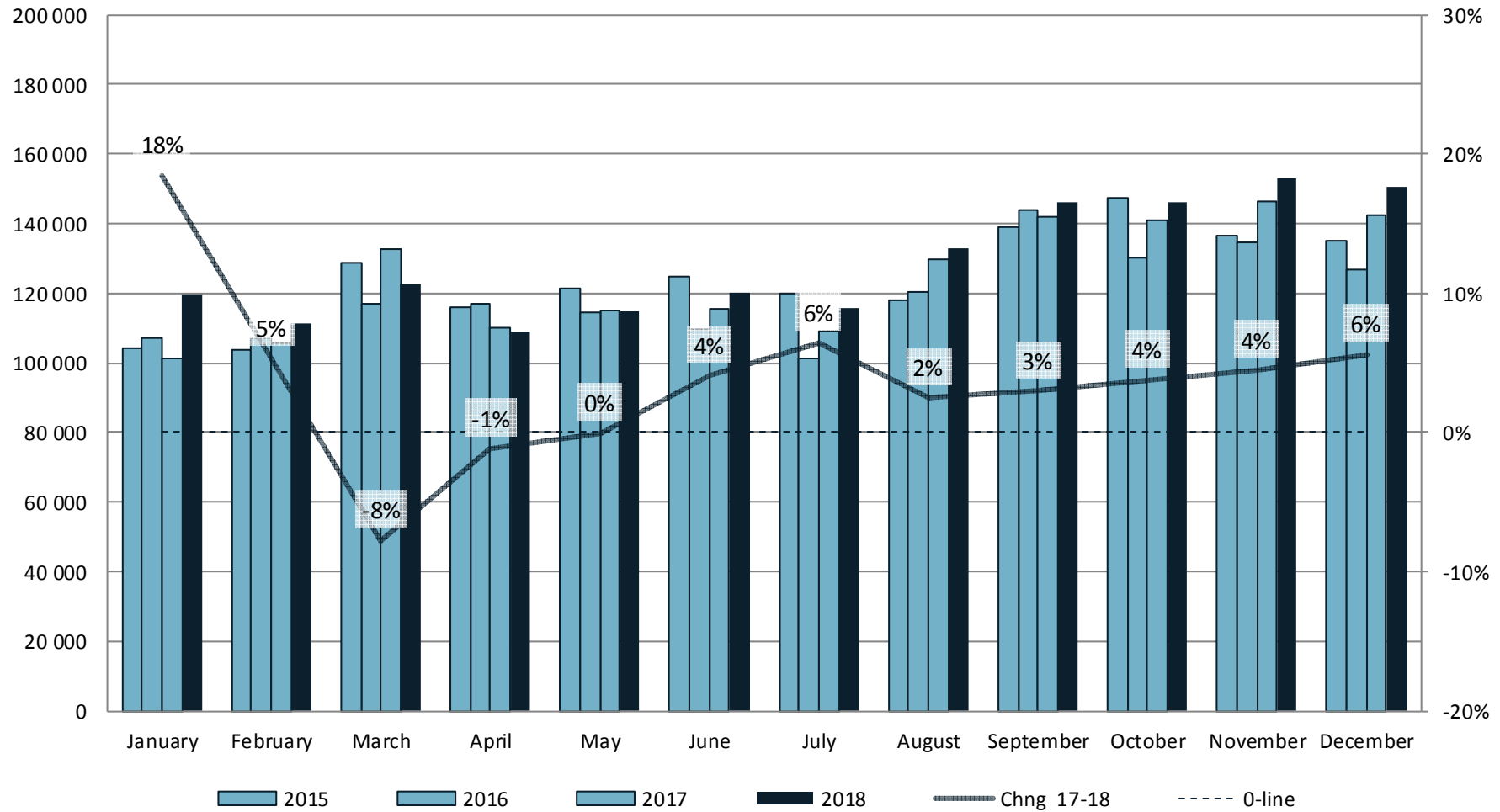


Figures as per 03.05.2018
Source: Kontali

Atlantic salmon - Harvest Quantities Europe in tons WFE

Harvest qty, YTD Apr:
462 600 +2,8% (449 900)

2018

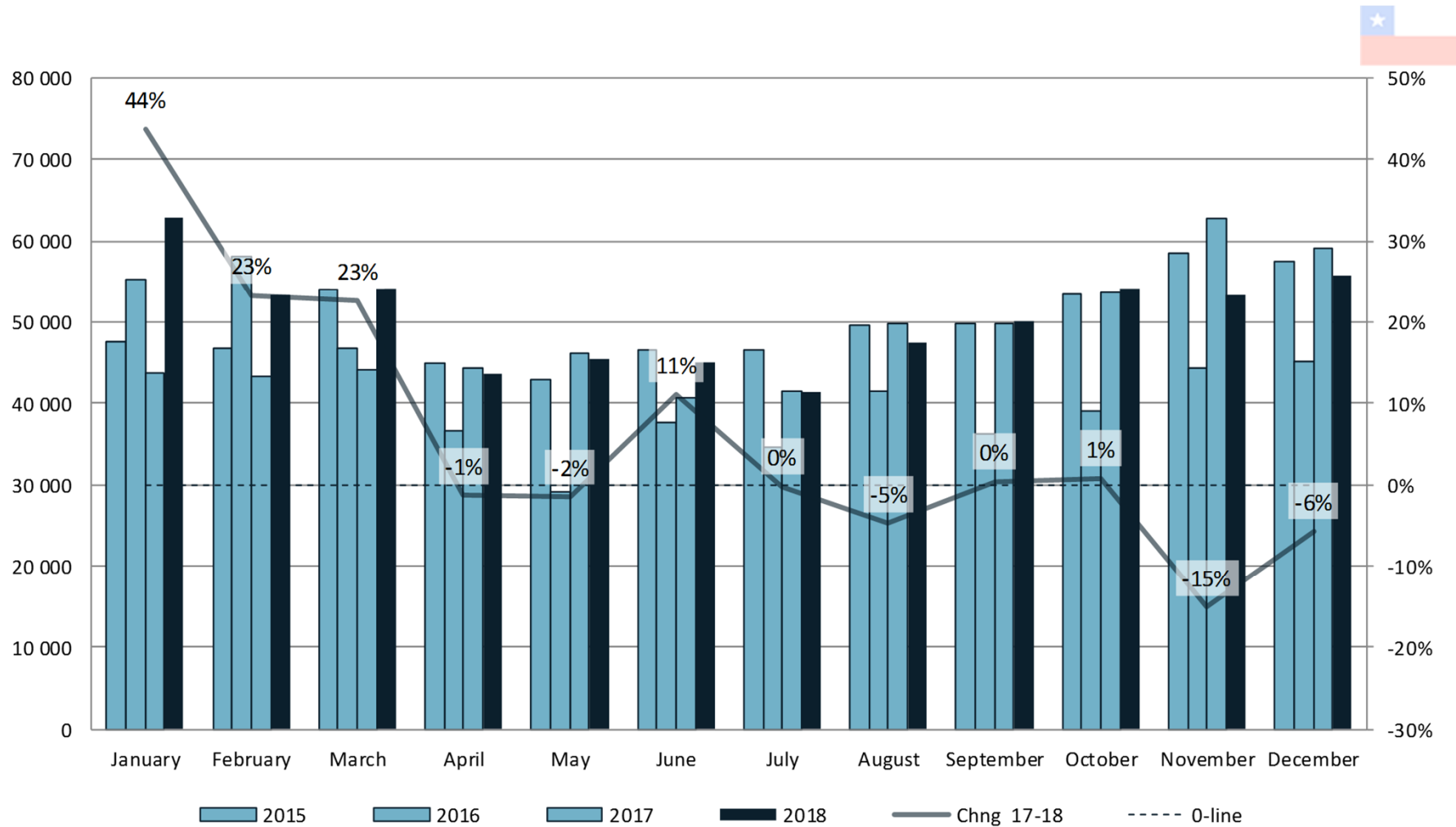


Figures as per 03.05.2018
Source: Kontali

Atlantic salmon - Harvest Quantities Chile in tons WFE

Harvest qty, YTD Apr:
214 100 +22,0% (175 500)

2018

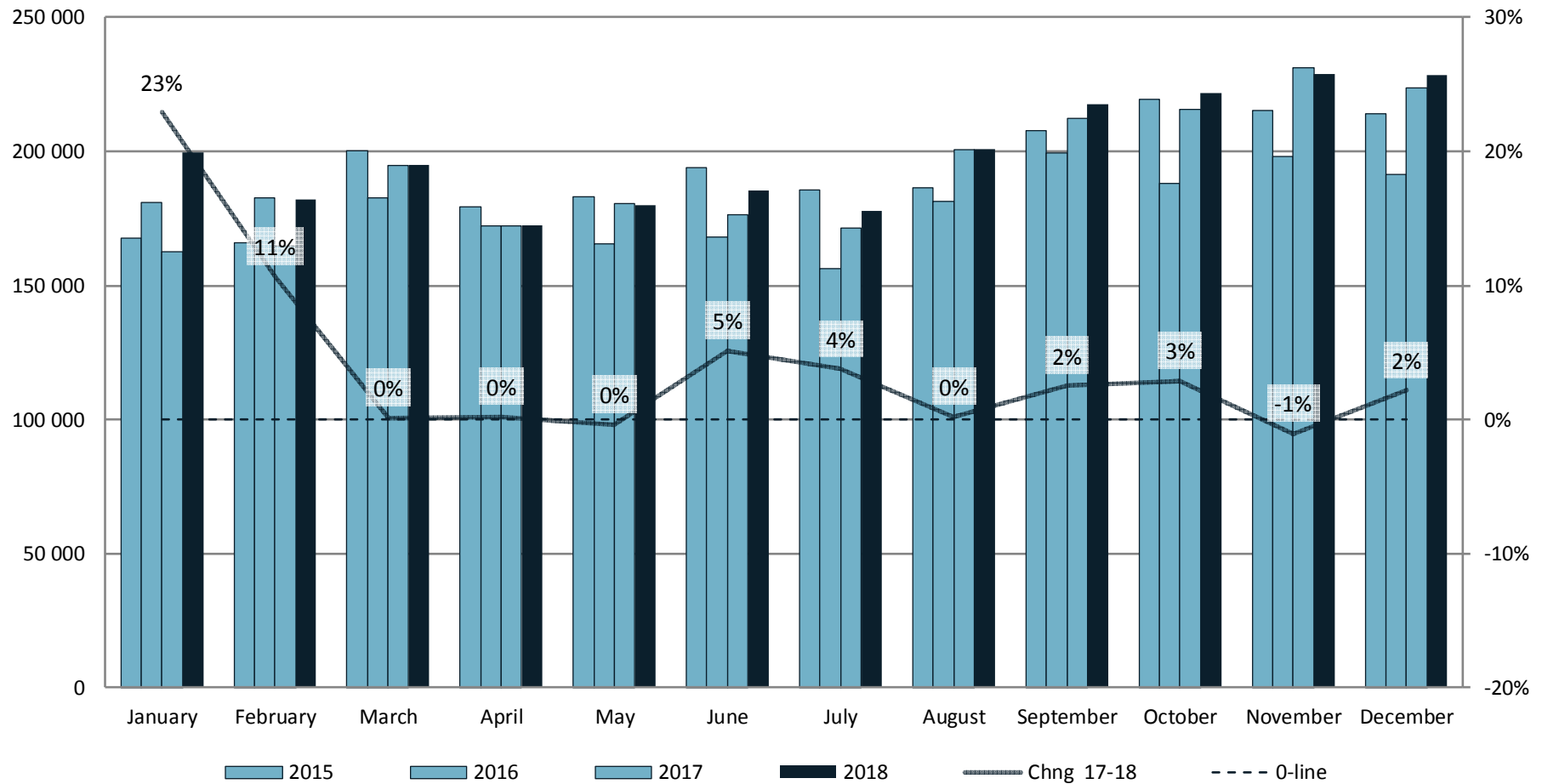


Figures as per 03.05.2018
Source: Kontali

Atlantic salmon - Harvest Quantities WW in tons WFE

Harvest qty, YTD Apr:
749 000 +8,0% (693 800)

2018

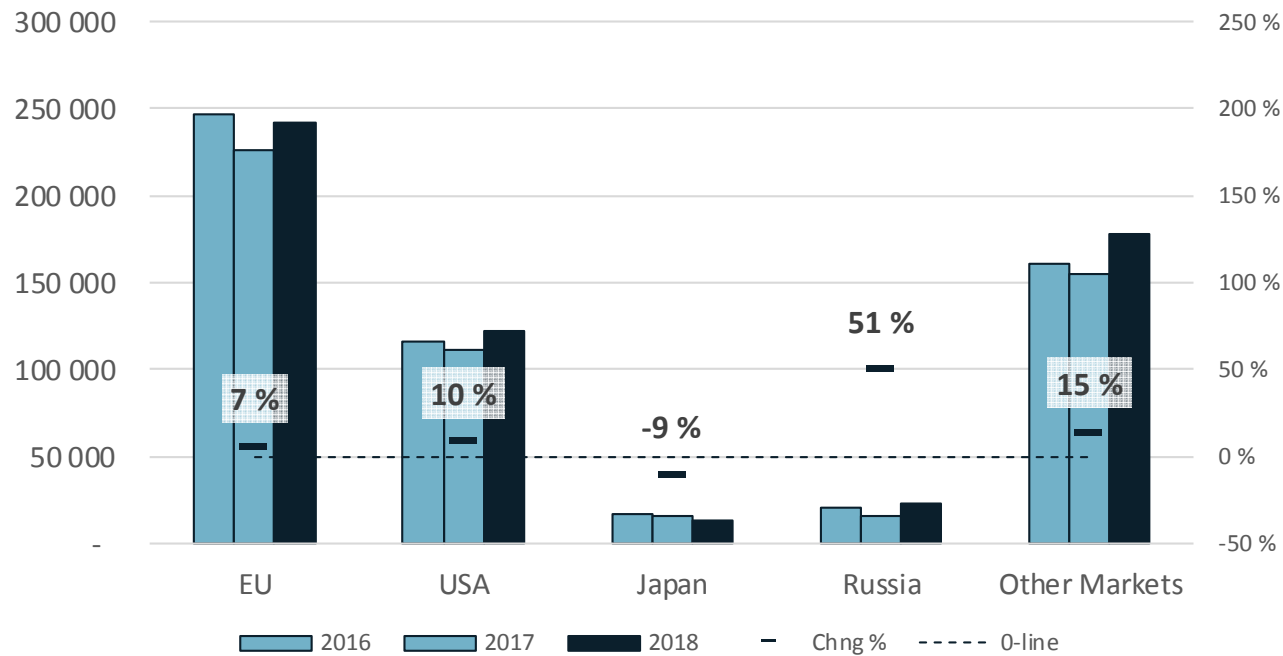


Figures as per 03.05.2018
Source: Kontali

Atlantic Salmon Consumption 2018 Q1

NOK/KG (NSI 3-6) Q1:
60,82 -9,3 % (67,04)

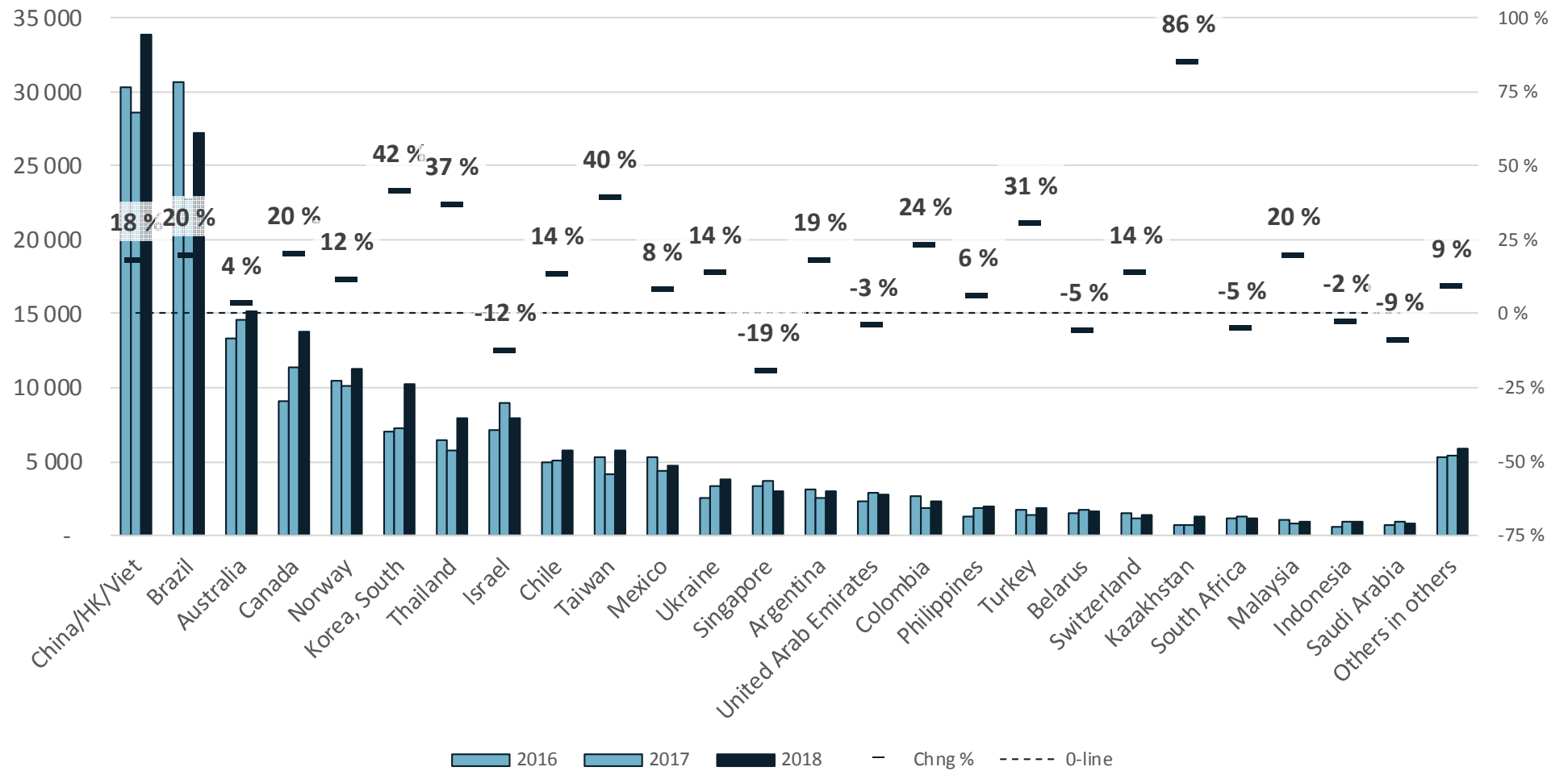
| Market | 2016 | 2017 | 2018 | Chng | Chng % |
|---------------|----------------|----------------|----------------|---------------|-------------|
| EU | 247 100 | 226 900 | 241 800 | 14 900 | 7 % |
| USA | 116 600 | 111 300 | 122 100 | 10 800 | 10 % |
| Japan | 16 500 | 15 400 | 14 000 | -1 400 | -9 % |
| Russia | 21 100 | 15 700 | 23 700 | 8 000 | 51 % |
| Other Markets | 160 900 | 154 600 | 178 300 | 23 700 | 15 % |
| Total | 562 200 | 523 900 | 579 900 | 56 000 | 11 % |



Figures as per 03.05.2018
Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Other markets)

2018 Q1

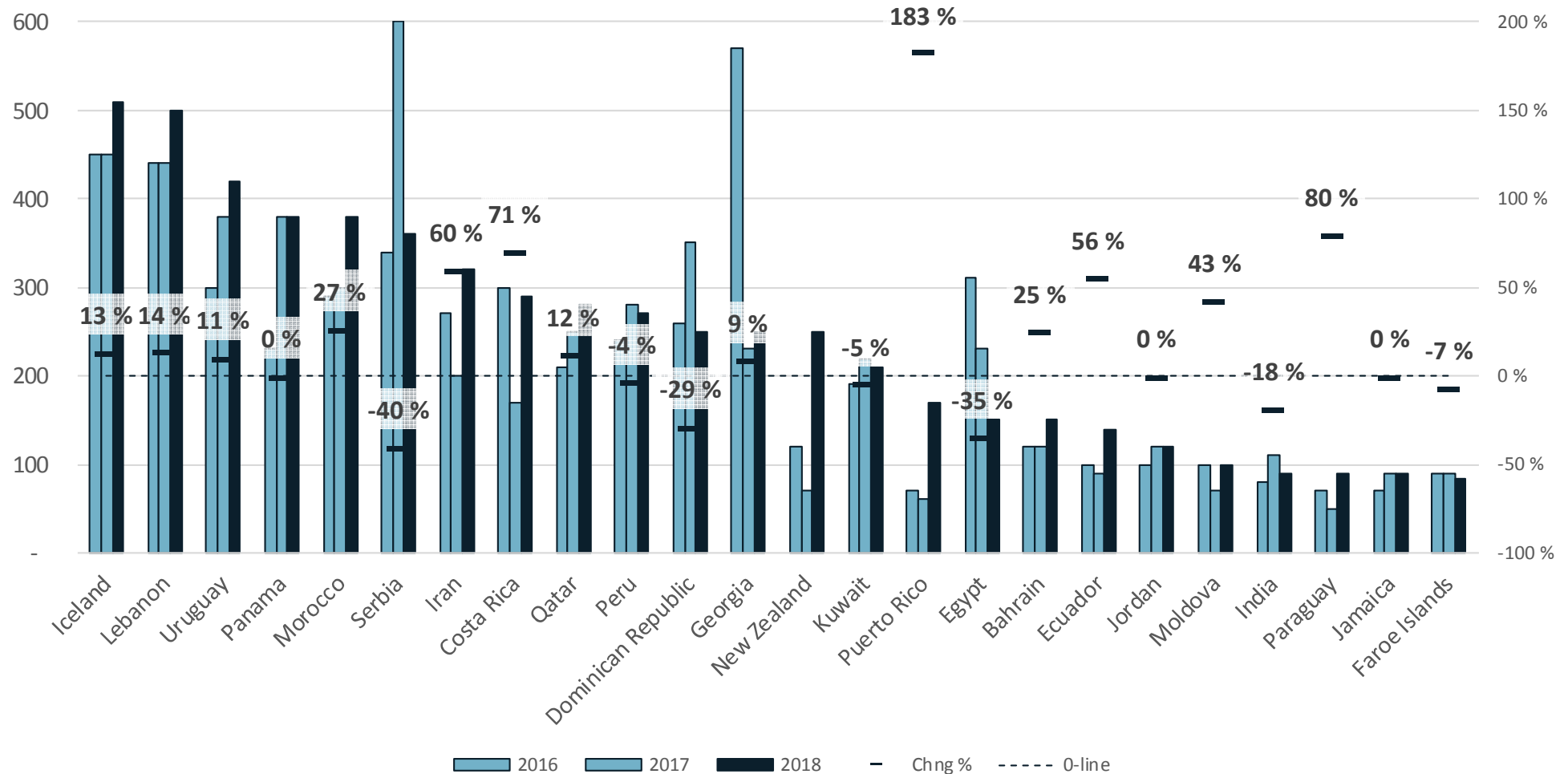


Figures as per 03.05.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Others in other markets)

2018 Q1



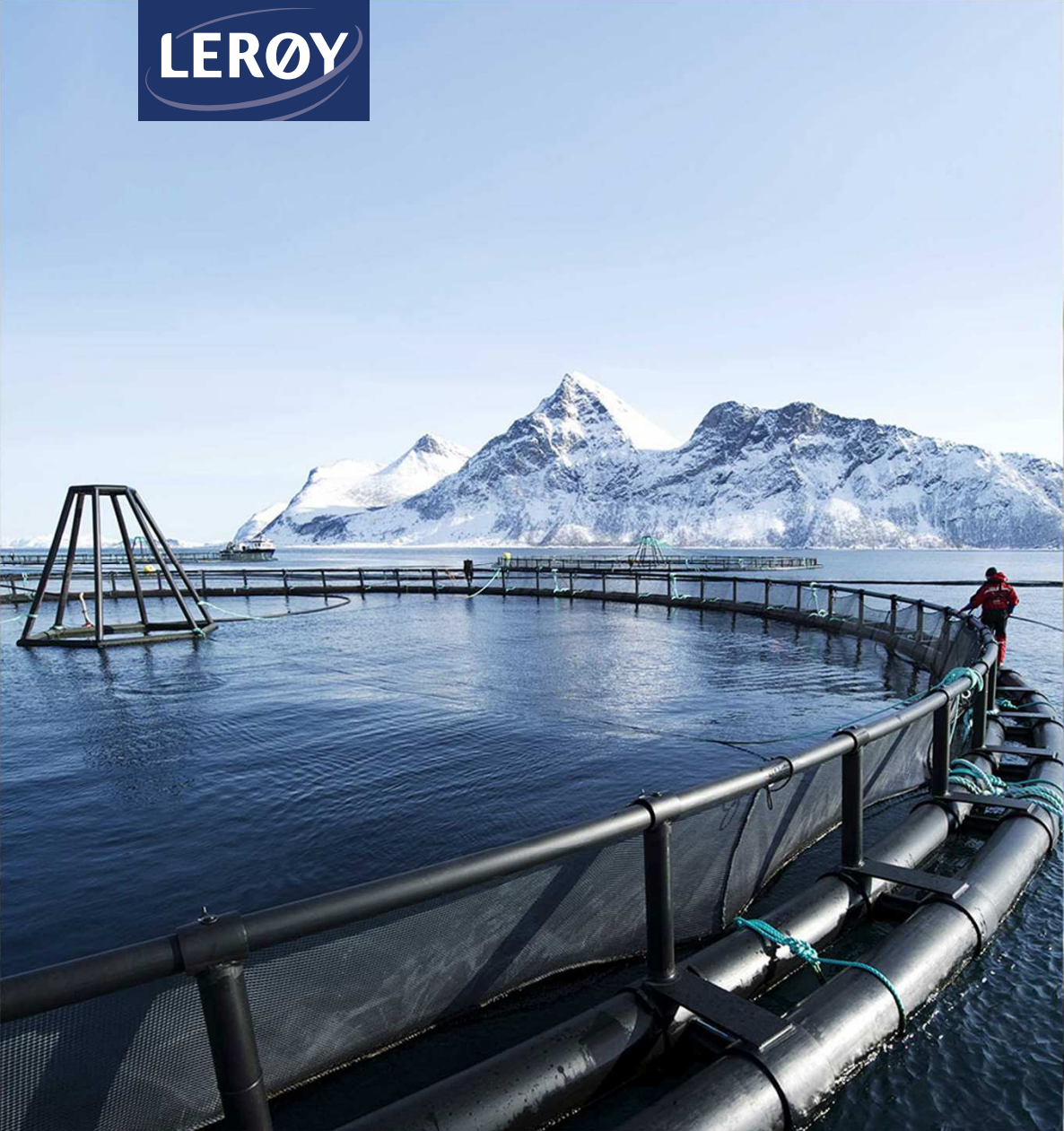
Figures as per 03.05.2018
 Source: Kontali / Nasdaq



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 Q2/18 ~25%
- Significant potential in whitefish. Expected catch volume up towards 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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