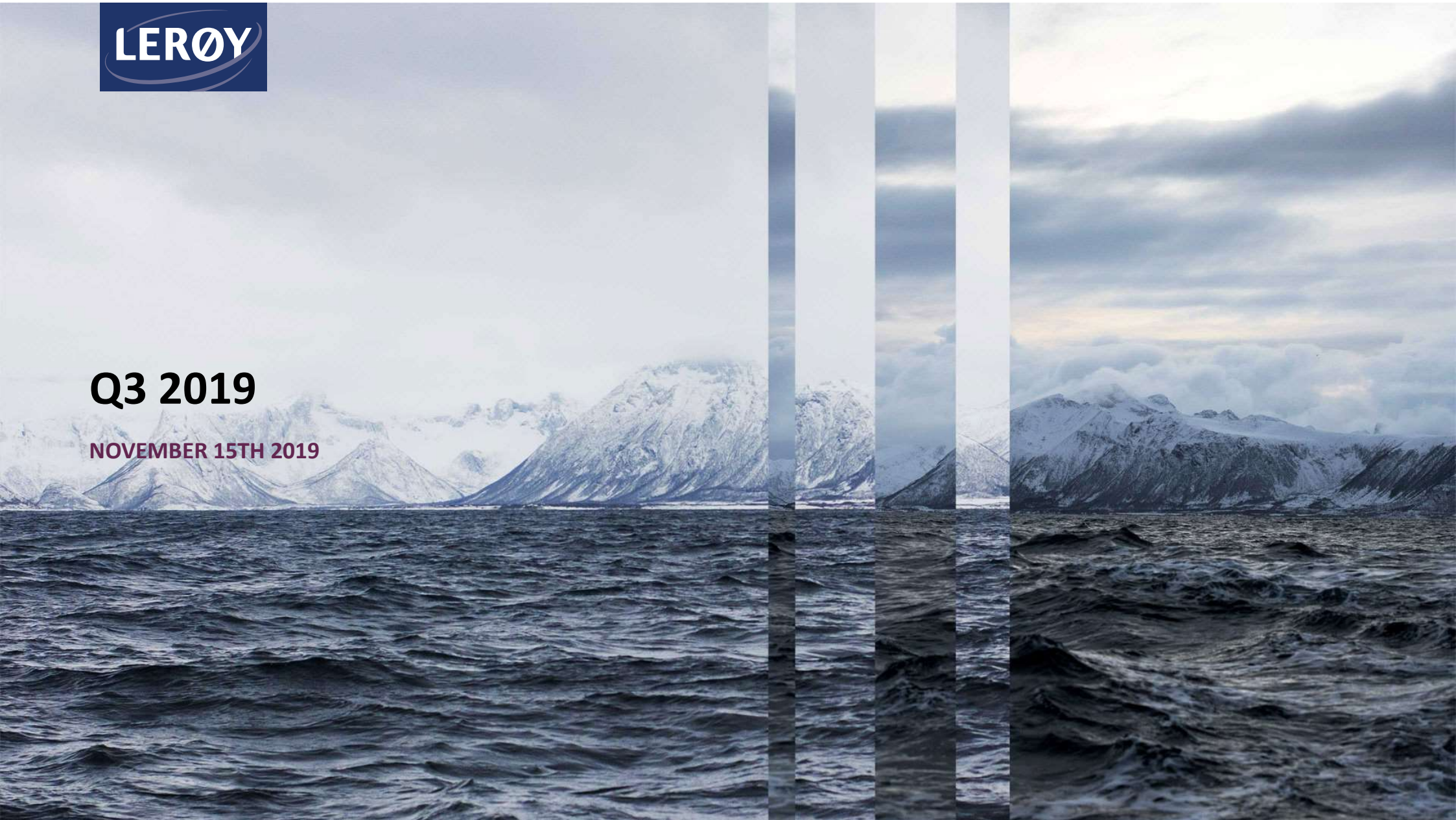




Q3 2019

NOVEMBER 15TH 2019



1. Highlights
2. Key Financial Figures
3. Outlook

Agenda

Highlights



Q3 2019

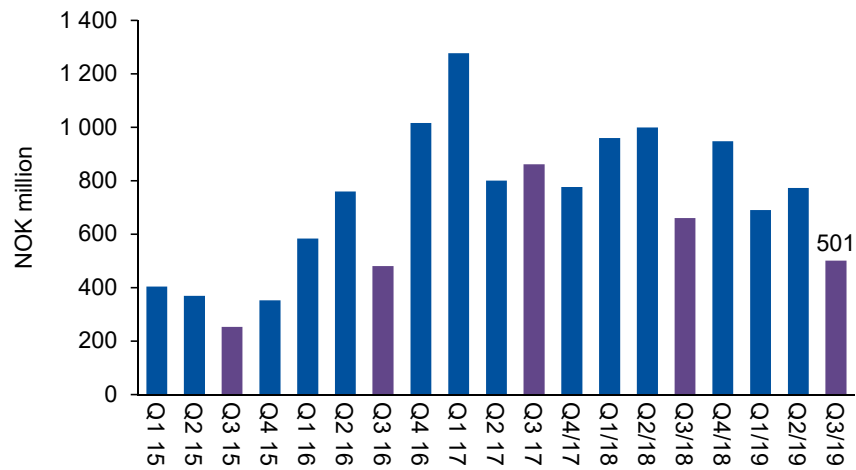
- EBIT before FV adj. NOK 501 million
- Harvest volume 45 983 GWT
- Catch volume 13 152 tons
- EBIT/kg all incl. (excl. Wildcatch) of NOK 9.8
- Contract share for salmon of 32%
- NIBD NOK 2 792 million
- Harvest guidance 2019 of 158-162.000 GWT, and 2020 of 170-175.000GWT
- Harvest guidance incl. associates 172-175.000 GWT in 2019 and 183-188.000 GWT for 2020



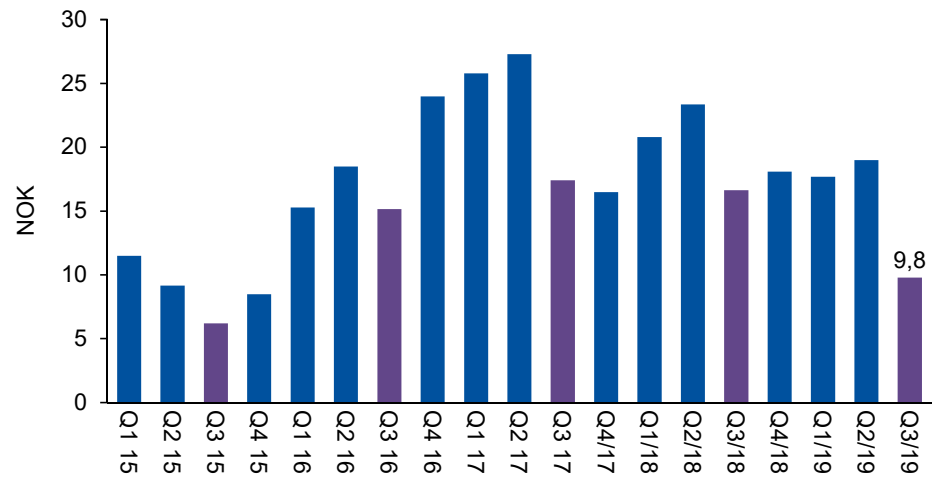


Quarterly historic figures

EBIT*



EBIT/kg**, all inclusive



*before biomass adjustment

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



Lerøy Seafood Group ASA

Farming

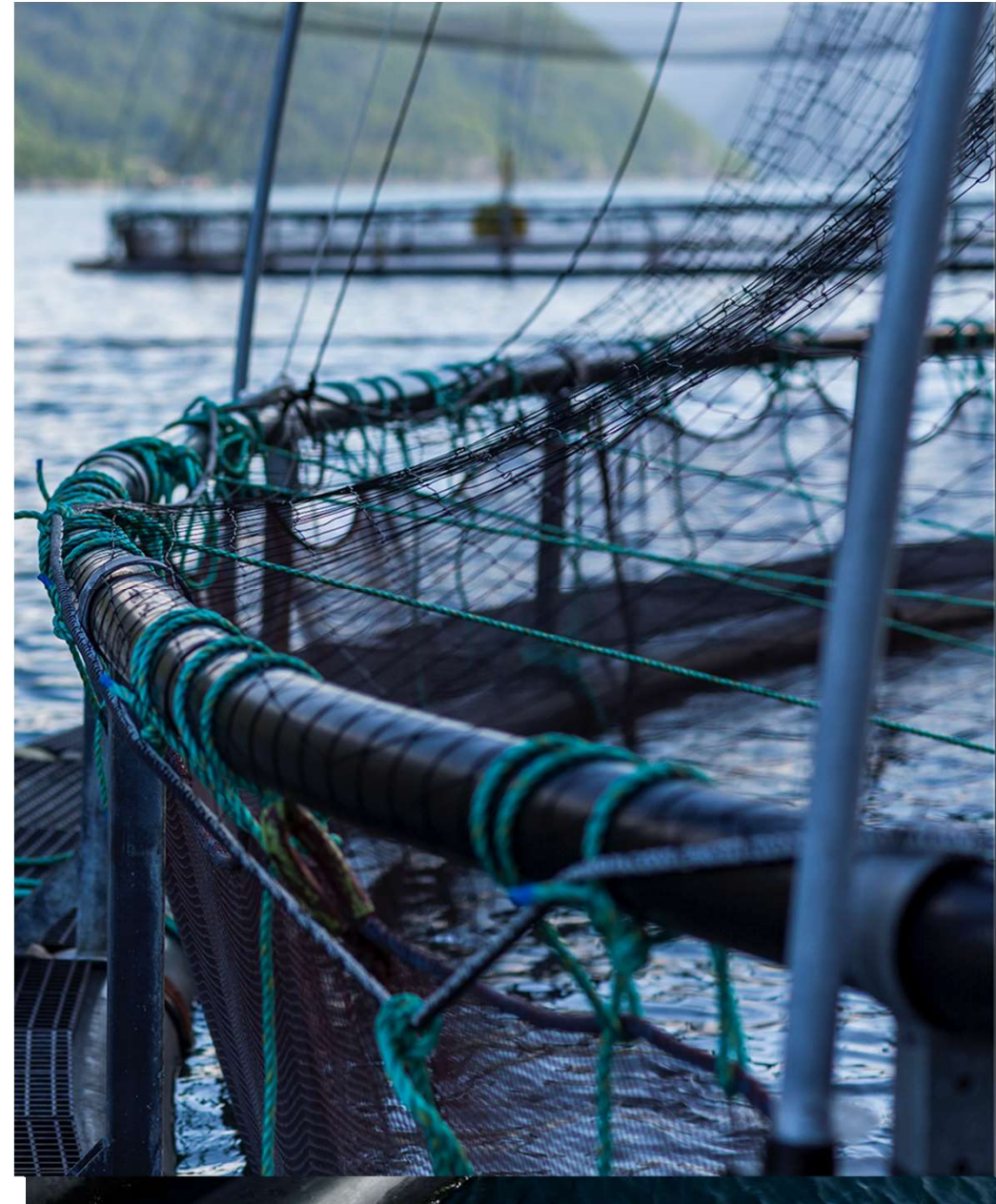
Wild catch

VAP, Sales and Distribution



Q3 2019: Farming Highlights

- Significant fall in spot prices
 - NSI Q3/19 NOK 48.6 vs NOK 54.8 in Q2/18 (-11%)
 - Down NOK 13.5/kg q-o-q, and down NOK 6.2/kg y-o-y
- Trout price achievement well below salmon. Strong market, 50% y-o-y export growth gave 11% y-o-y price reduction
- Contract prices higher than spot prices
- Cost (RFS) marginal down from Q2/19
- Biomass at sea
 - End Q3/19 at 110,213 LWT vs 112,624 LWT end Q3/18 (-2%)





Farming volumes

	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018 GWT	2019E GWT	2020E GWT
Lerøy Aurora AS*	26 800	29 200	30 000	39 200	36 800	~33 000	~40 000
Lerøy Midt AS	68 300	71 400	52 200	64 500	66 500	~66 000	~66 000
Lerøy Sjøtroll	63 200	57 100	68 000	54 000	58 800	~61 000	~66 000
Total Norway	158 300	157 700	150 200	157 800	162 000	~160 000	~172 000
Villa Organic AS**	6 000						
Norskott Havbruk (UK)***	13 800	13 500	14 000	15 500	13 700	~13 500	~13 000
Total	178 100	171 200	164 200	173 300	175 800	~173 500	~185 000

*) 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



Q3 2019: Wild Catch

- Q3/19 catch volume at 13,152 tons, down 8% y-o-y.
- Higher share of shrimps and saithe than corresponding quarter last year
- Average prices down 3% y-o-y due to composition of catch. Y-o-y prices for cod up 6%, haddock 4% and saithe up 33%.
- 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 Q3/19	Catch volume Q3/18	Catch volume YTD 2019	Catch volume YTD 2018	Remaining quota 2019	Remaining quota 2018
Cod	3 411	4 714	15 301	17 805	7 200	6 475
Haddock	615	1 008	6 789	7 995	2 307	2 136
Saithe	4 469	3 907	9 932	12 992	1 637	6 506*
Shrimps	2 814	2 703	9 917	7 307		
Other	1 843	1949	7 609	8 641		
Total	13 152	14 281	49 547	54 740	11 144	15 117

*) Of this quota in 2018 3 940 tons saithe was related to fisheries in the North Sea, and Havfisk did not fish for saithe in the North Sea in Q4/18



Q3 2019: VAP, Sales and Distribution

- Position as full fletched integrated seafood supplier has been enhanced significantly over the previous year
- Positive development with key strategic customers
- EBIT in Q3/19 of NOK 109m compared to NOK 72m in Q3/18



Key Financial figures



Key financial figures – Q3 2019

<i>(NOKm)**</i>	Q3 2019	Q3 2018	▲%
Revenue	5 102	4 456	14 %
Other gains and losses	0	0	
EBITDA	758	820	-7 %
Depreciation & amortisation	258	160	
EBIT*	501	660	-24 %
Income from associates*	14	74	
Net finance	-73	-44	
Pre-tax profit*	442	691	-36 %
EPS (NOK)*	0,57	0,90	-37 %
Harvested Volume (GWT)	45 983	37 227	24 %
EBIT* all incl. excl. Wildcatch	9,8	16,6	
ROCE* (%)	10,7 %	16,5 %	

* Before biomass adjustment

** IFRS 16 implemented, for detailed effects please see quarterly report



Key financial figures – YTD 2019

<i>(NOKm)**</i>	YTD 2019	YTD 2018	▲%
Revenue	15 188	14 498	5 %
Other gains and losses	10	35	
EBITDA	2 715	3 095	
Depreciation & amortisation	750	474	
EBIT*	1 965	2 620	- 25 %
Income from associates*	159	228	
Net finance	-158	-120	
Pre-tax profit*	1 966	2 729	- 28 %
EPS (NOK)*	2,54	3,49	- 27 %
Harvested Volume (GWT)	115 355	112 625	2 %
EBIT* all incl. excl. Wildcatch	15.0	20.3	
ROCE* (%)	15,2 %	22,2 %	

* Before biomass adjustment

** IFRS 16 implemented, for detailed effects please see quarterly report



Balance sheet

<i>(NOKm)*</i>	30.09.2019	30.09.2018	▲ %
Intangible assets	8 167	8 176	
Right-of-use-assets	2 377		
Tangible fixed assets	6 035	6 270	
Financial non-current assets	985	970	
<i>Total non-current assets</i>	17 563	15 416	14 %
Biological assets at cost	4 176	3 984	5 %
Fair value adjustment of biomass	951	2 288	
Other inventory	996	1 175	-15 %
Receivables	2 609	2 390	9 %
Cash and cash equivalents	3 255	2 515	29 %
<i>Total current assets</i>	11 988	12 352	-3 %
Total assets	29 551	27 768	6 %
Equity	16 973	16 742	5 %
Equity ratio	57,4 %	60,3 %	-3 %
NIBD	2 791 821	3 111 159	-7 %

* IFRS 16 implemented, for detailed effects please see quarterly report



Change in NIBD

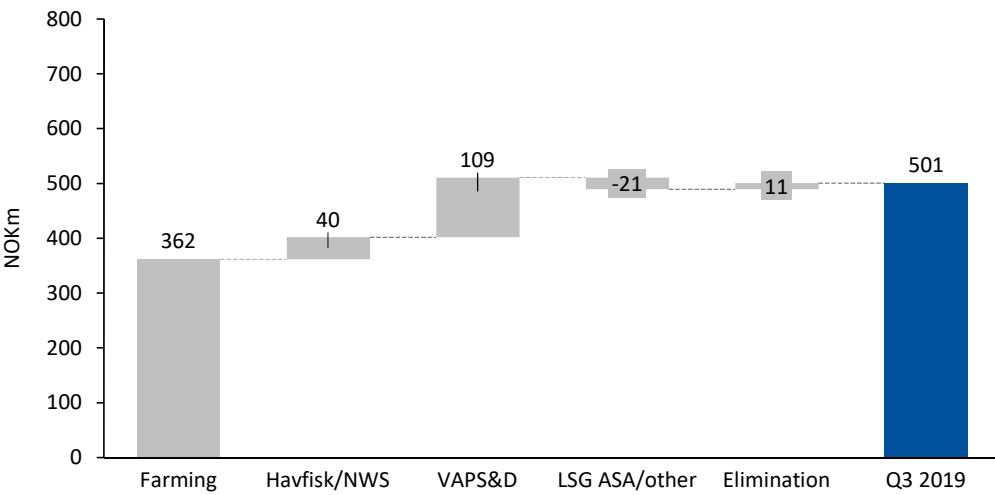
	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018
EBITDA before fair value adjustment on biological assets	758	820	2 715	3 095	4 228
Paid tax	-11	4	-682	-818	-851
Change in working capital	564	-518	209	-566	-535
Other	0	0	-12	-36	-59
NIBD impact from operating activities	1 312	306	2 231	1 675	2 783
New intangibles, fixed assets and right of use assets (from credit institutions), net *)	-282	-428	-1 034	-1 650	-2 066
Dividends and interests received	92	85	239	258	271
Business combinations, net change (-)	0	-1	0	-107	-116
Other changes in non-current assets	-2	-8	-1	48	-23
NIBD impact from investing activities *)	-191	-352	-796	-1 451	-1 933
Dividends distributed	0	-5	-1 272	-950	-950
Installments paid on lease liabilities with other than credit institutions *)	-102	0	-156	0	0
New equity	0	2	0	2	2
Interests and other financial expenses	-75	-49	-182	-146	-187
NIBD impact from financing activities	-177	-52	-1 611	-1 093	-1 134
Implementation effect from IFRS 16	19	0	-71	0	0
Other changes (currency conversion, unrealized agio etc)	-8	-1	2	21	0
NIBD impact from other changes (incl.currency effects) *)	11	-1	-69	21	0
Total change in NIBD	954	-98	-245	-849	-284
NIBD at beginning	3 745	3 013	2 546	2 262	2 262
Change in NIBD	-954	98	245	849	284
NIBD at end *)	2 791	3 111	2 792	3 111	2 546

*) See note 4 in the financial report for details.

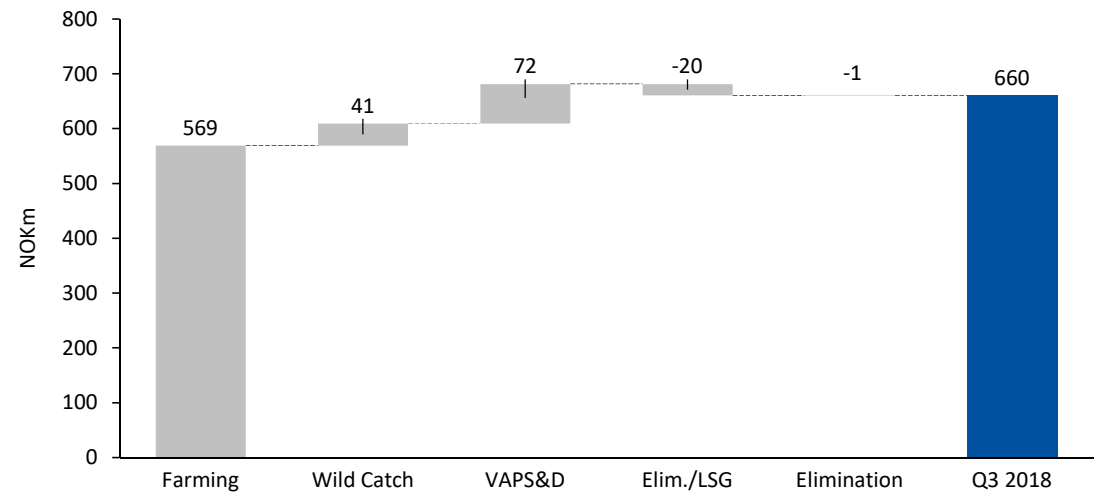


EBIT per segment

EBIT* Q3 2019



EBIT* Q3 2018

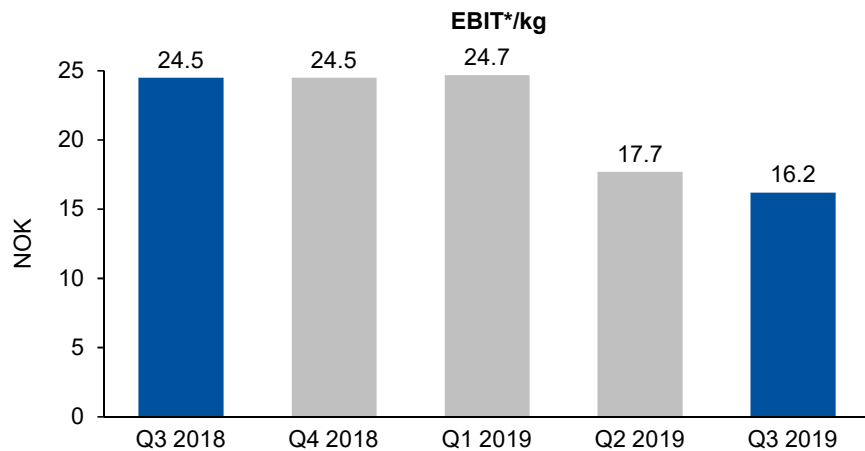


* Before biomass adjustment



Lerøy Aurora

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	532	415	1 271	1 504
EBIT* (NOKm)	153	161	363	635
Harvested volume (GWT)	9 455	6 577	19 367	22 363
EBIT/kg* (NOK)	16.2	24.5	18.7	28.4



* Before biomass adjustment

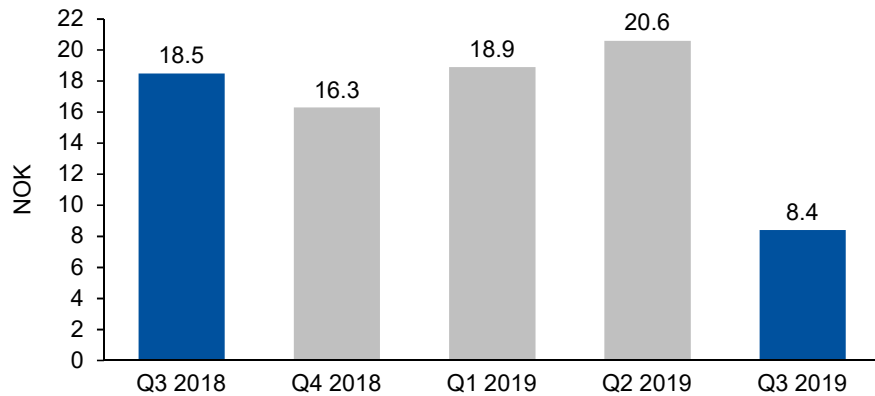
- Development in the quarter as expected and growth back to normal levels
- As expected RFS costs down q-o-q and expects further reductions to Q4/19
- Given flexibility and price development decided to reduce volumes in 2019 to increase volumes in 2020
- Final step of build-out of smolt facility has started and is expected to finalise in Q4/19. The facility will have capacity for about 4500 tonnes of annual biomass growth when finalised.
- Average size of smolt released in 2020 to double compare to 2019, with further growth into 2021, giving potential for growth beyond 2020.



Lerøy Midt

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	1 011	1 099	2 953	2 865
EBIT* (NOKm)	162	361	779	1 049
Harvested volume (GWT)	19 358	19 554	50 305	47 693
EBIT/kg* (NOK)	8,4	18.5	15.5	22.0

EBIT*/kg



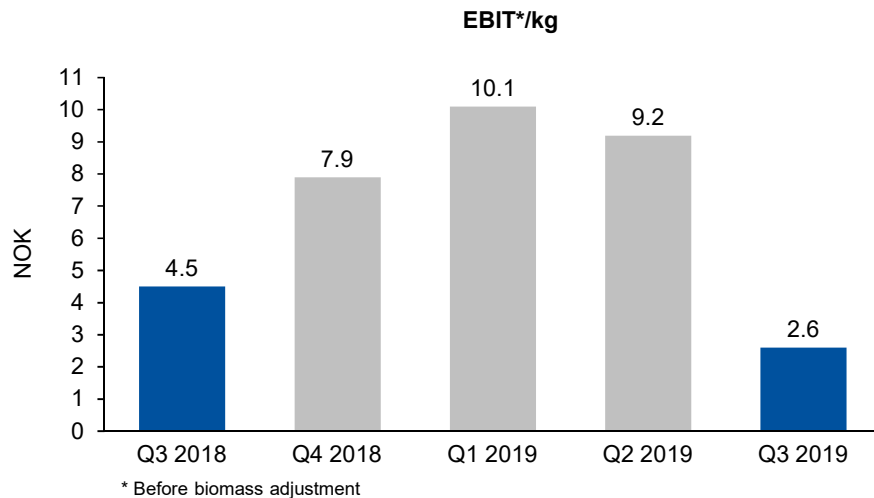
* Before biomass adjustment

- Very challenging development towards end of quarter with high sea lice pressure. Lerøy Midt has kept strategy of keeping sea lice levels at very low levels which has given a high number of treatments, loss of feeding days, and reduction of growth
- The situation is normalising, but the impact from Q3 and so far in Q4 is estimated to a loss of about 6-7000 GWT. Following both RFS cost and volume development has been worse than expected when entering quarter
- RFS cost up q-o-q, and expected at same level or slightly less in Q4
- Finally started expansion of NOK 600m smolt facility at Belsvik. The facility will have a capacity of about 5000 tonnes annual biomass growth when finalised, giving potential for significant growth from 2022



Lerøy Sjøtroll

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	801	571	2 414	2 405
EBIT* (NOKm)	45	50	320	458
Harvested volume (GWT)	17 170	11 096	45 683	42 569
EBIT/kg* (NOK)	2.6	4.5	7.0	10.8



- RFS cost reduction q-o-q but still at a high level. The challenge of reaching the same smolt yield as other regions remain
- Of harvest volume in the quarter 54% was trout and the Groups price realisation on trout was about NOK 6/kg lower than for salmon. However RFS cost on trout is also lower than for salmon
- First large smolt for new facility released, but finalisation of facility is delayed about six months. This does not impact number of smolt released, but impact average size of smolt released
- In 2020 a significant share of release smolt will be 500 grams. Expectation is that this will improve smolt yield, with positive impact on both volume and cost from particularly 2021



Wild Catch (Havfisk/LNWS)

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	566	462	2 030	2 082
EBITDA (NOKm)	83	74	372	432
EBIT (NOKm)	40	41	252	335

Havfisk, catch volume	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Cod	3 411	4 714	15 301	17 805
Haddock	615	1 008	6 789	7 995
Saithe	4 469	3 907	9 932	12 992
Shrimps	2 814	2 703	9 917	7 307
Other	1 843	1 949	7 609	8 641
Total	13 152	14 281	49 547	54 740

Havfisk, prices	Q3 2019	Q3 2018	YTD 2019	2018
Cod	33.1	31.2	33.8	31.2
Haddock	25.1	24.2	26.0	23.7
Saithe	14.3	10.7	13.5	11.5

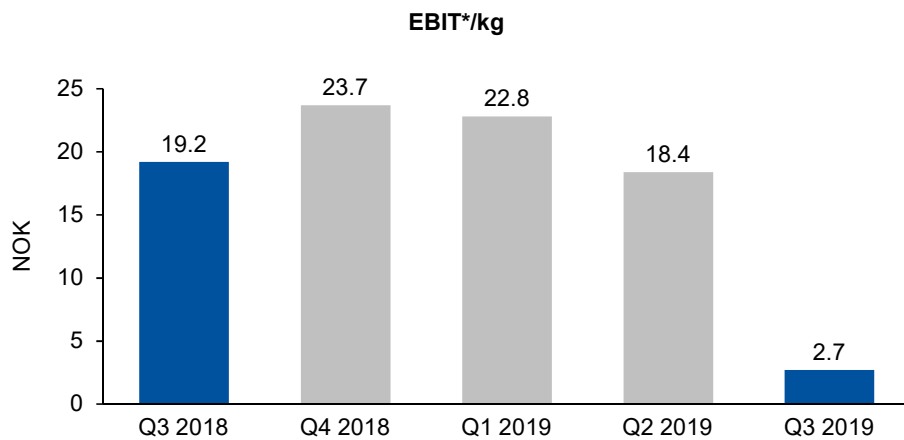
- Higher share of shrimp and saithe of total catches impact overall price realisation which is down 3% y-o-y, however positive price development on key species.
- High prices remains a challenge for the Norwegian whitefish processing industry, and thus development of this operations remains challenging. The solution is new products, higher efficiency in operations and broader product 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) **

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	630	547	1 442	1 545
EBIT* (NOKm)	27	156	243	503
Harvested volume (GWT)	9 951	8 088	20 549	20 813
EBIT/kg* (NOK)	2.7	19.2	11.8	24.2

- Challenges in both Shetland and Mainland regions negatively impacting both growth and financial results.
- Significant q-o-q increase in cost, but is expected to be reduced in coming quarter
- New RAS facility on track, fish moving through the site with first release of smolt in Autumn 2019



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

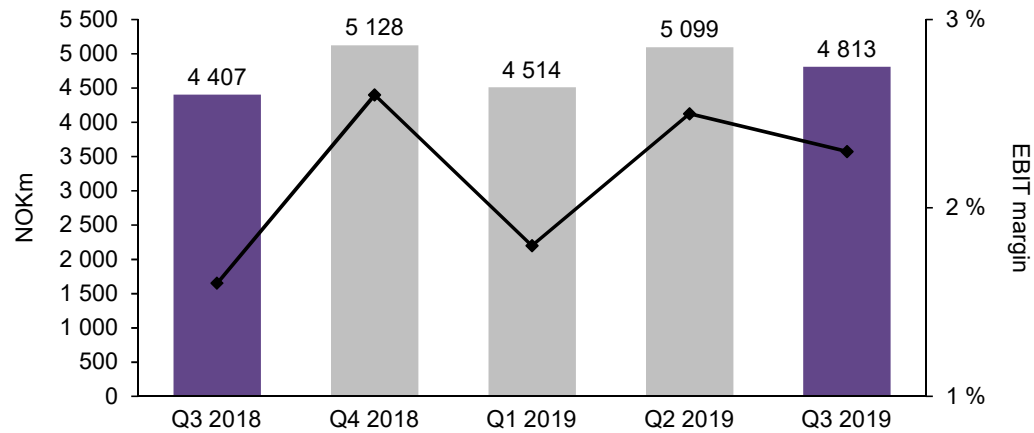


VAPS&D – VAP, Sales and Distribution

	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Revenue (NOKm)	4 813	4 407	14 426	13 905
EBIT (NOKm)	109	72	318	199
EBIT margin	2.3%	1.6 %	2.2 %	1.4 %

- Position as an integrated seafood supplier continues to strengthen
- Still challenges in some markets, but significant improvement from 2018.
- Positive development expected to continue

Revenue and EBIT margin (line graph)





Outlook



Atlantic Salmon - Supply

in tons WFE

Year	2014		2015		2016		2017		2018		2019		2020	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
Europe	1 468 900	5,8%	1 495 400	1,8%	1 429 700	-4,4%	1 493 800	4,5%	1 506 600	0,9%	1 641 000	8,9%	1 704 200	3,9%
Norway	1 199 000	4,8%	1 234 200	2,9%	1 171 100	-5,1%	1 207 800	3,1%	1 253 400	3,8%	1 329 900	6,1%	1 382 200	3,9%
United Kingdom	170 500	8,0%	166 300	-2,5%	157 400	-5,4%	177 200	12,6%	153 600	-13,3%	184 700	20,2%	187 300	1,4%
Faroe Islands	82 700	13,9%	75 600	-8,6%	77 300	2,2%	80 300	3,9%	71 700	-10,7%	87 300	21,8%	90 200	3,3%
Ireland	12 300	16,0%	15 700	27,6%	15 800	0,6%	17 000	7,6%	14 300	-15,9%	17 100	19,6%	17 000	-0,6%
Iceland	4 400	31,3%	3 600	-18,2%	8 100	125,0%	11 500	42,0%	13 600	18,3%	22 000	61,8%	27 500	25,0%
Americas	760 600	16,4%	823 800	8,3%	732 300	-11,1%	796 600	8,8%	898 700	12,8%	936 900	4,3%	973 800	3,9%
Chile	582 900	24,5%	598 200	2,6%	504 400	-15,7%	564 200	11,9%	660 100	17,0%	687 700	4,2%	709 300	3,1%
Canada	95 000	-17,5%	135 200	42,3%	146 000	8,0%	137 000	-6,2%	146 400	6,9%	143 700	-1,8%	146 000	1,6%
Australia	42 000	7,7%	54 400	29,5%	50 900	-6,4%	61 200	20,2%	62 600	2,3%	62 600	0,0%	68 000	8,6%
USA	24 000	18,2%	20 200	-15,8%	22 500	11,4%	21 700	-3,6%	19 000	-12,4%	20 500	7,9%	18 200	-11,2%
Others	16 700	49,1%	15 800	-5,4%	8 500	-46,2%	12 500	47,1%	10 600	-15,2%	22 400	111,3%	32 300	44,2%
Total	2 229 500	9,2%	2 319 200	4,0%	2 162 000	-6,8%	2 290 400	5,9%	2 405 300	5,0%	2 577 900	7,2%	2 678 000	3,9%

Figures as per:

07.11.2019

Source: Kontali

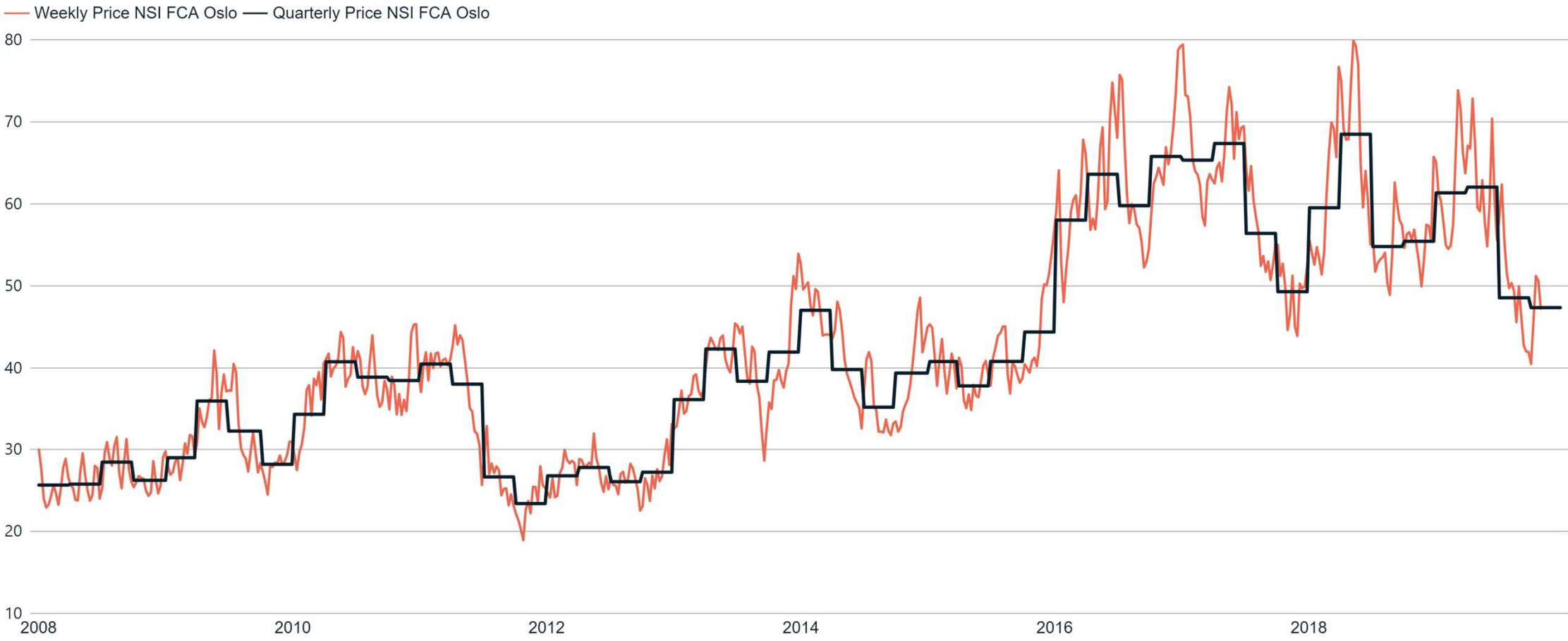


Spot Prices, Fresh Atlantic Salmon

- Cross Section, FCA Oslo, Superior Quality

as of week 44-2019

Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Q1	26	29	34	40	27	36	47	41	58	65	60	61
Q2	26	36	41	38	28	42	40	38	64	67	68	62
Q3	28	32	39	27	26	38	35	41	60	56	55	49
Q4	26	28	38	23	27	42	39	44	66	49	55	47
Total	27	31	38	32	27	41	40	41	62	59	59	55

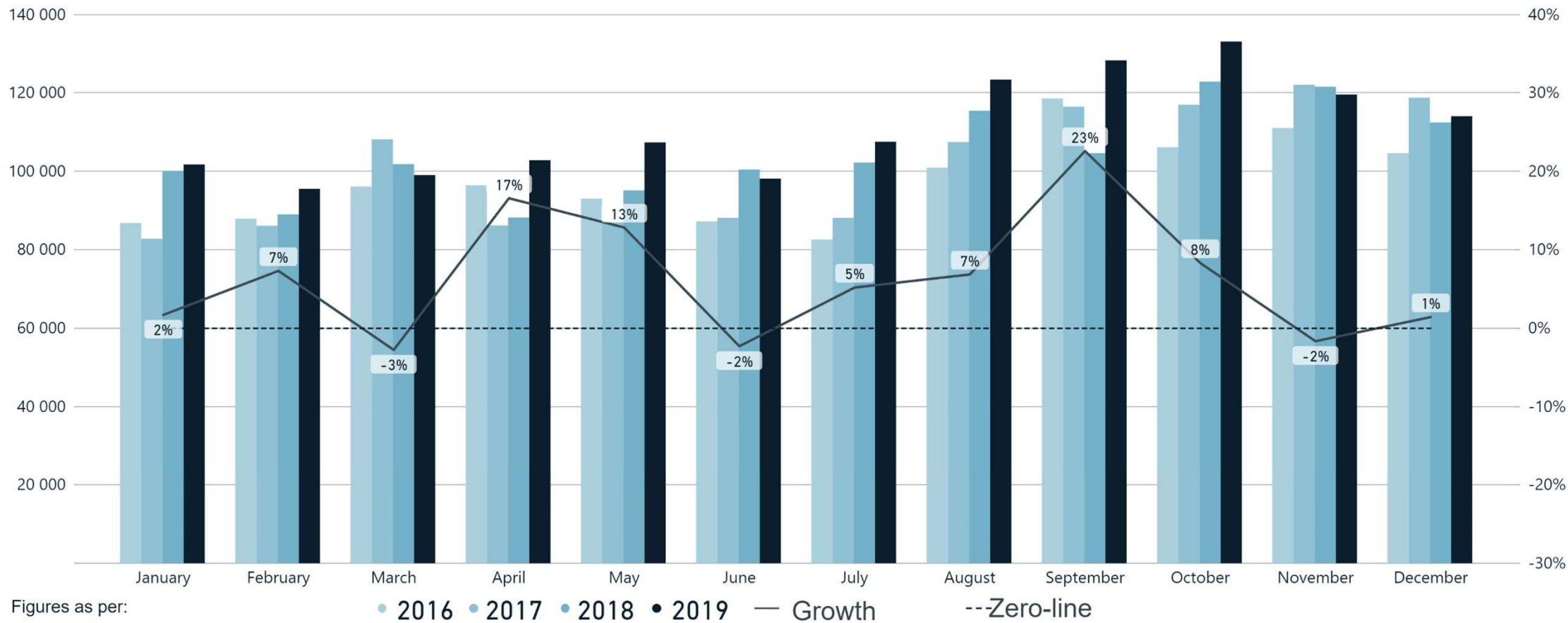




Tons YTD October:
1 096 400
Change from Last Year
7,5%

Atlantic Salmon - Harvest Volumes Norway

in tons WFE



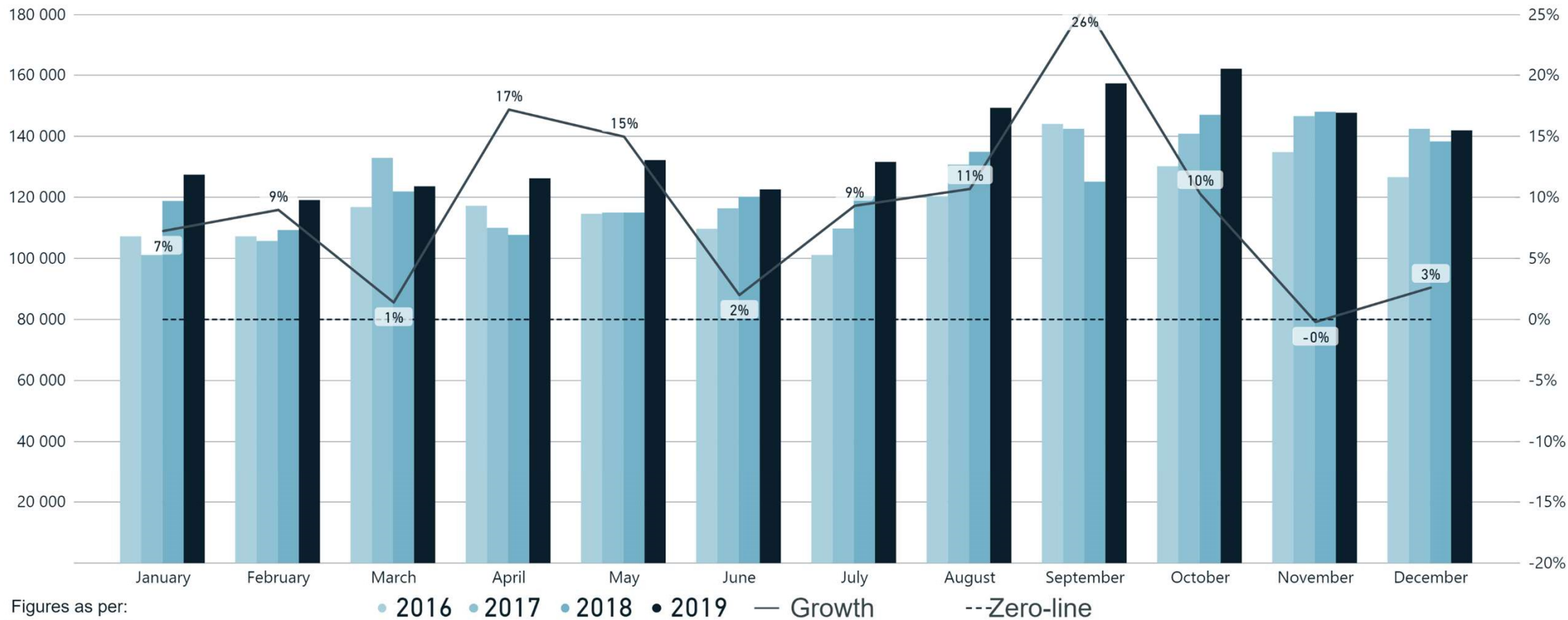
Figures as per:
07.11.2019

Source: Kontali



Tons YTD October:
1 351 400
Change from Last Year
10,7%

Atlantic Salmon - Harvest Volumes Europe in tons WFE



Figures as per:
07.11.2019

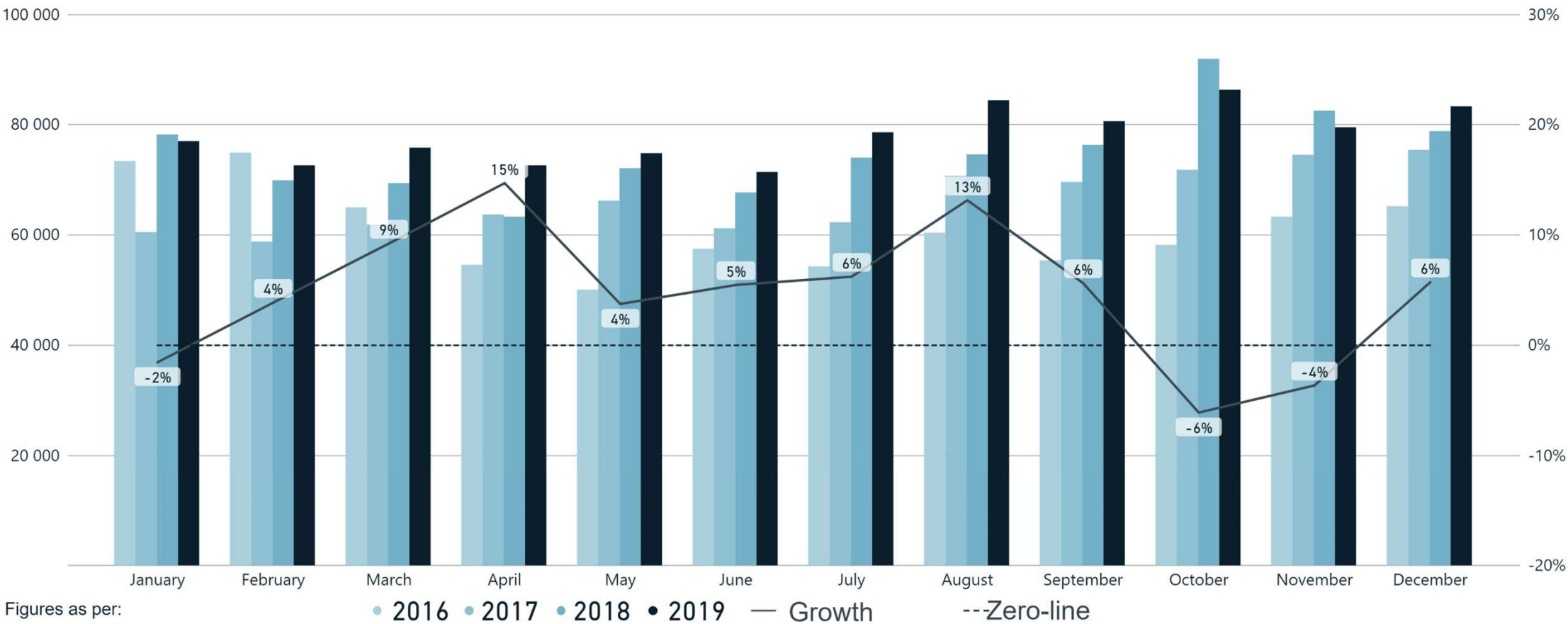
Source: Kontali



Tons YTD October:
774 100
Change from Last Year
5,0%

Atlantic Salmon - Harvest Volumes Americas

in tons WFE



Figures as per:
07.11.2019

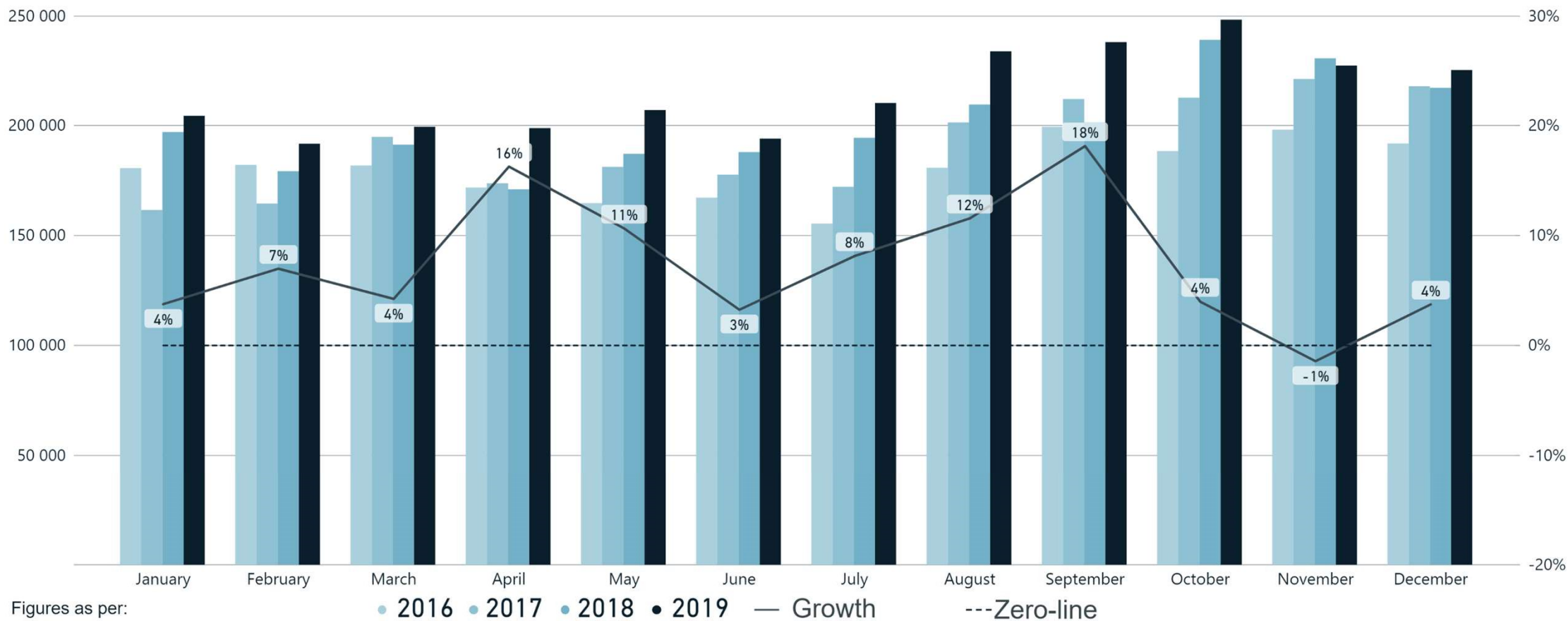
Source: Kontali



Tons YTD October:
2 125 500
Change from Last Year
8,6%

Atlantic Salmon - Harvest Volumes WW

in tons WFE



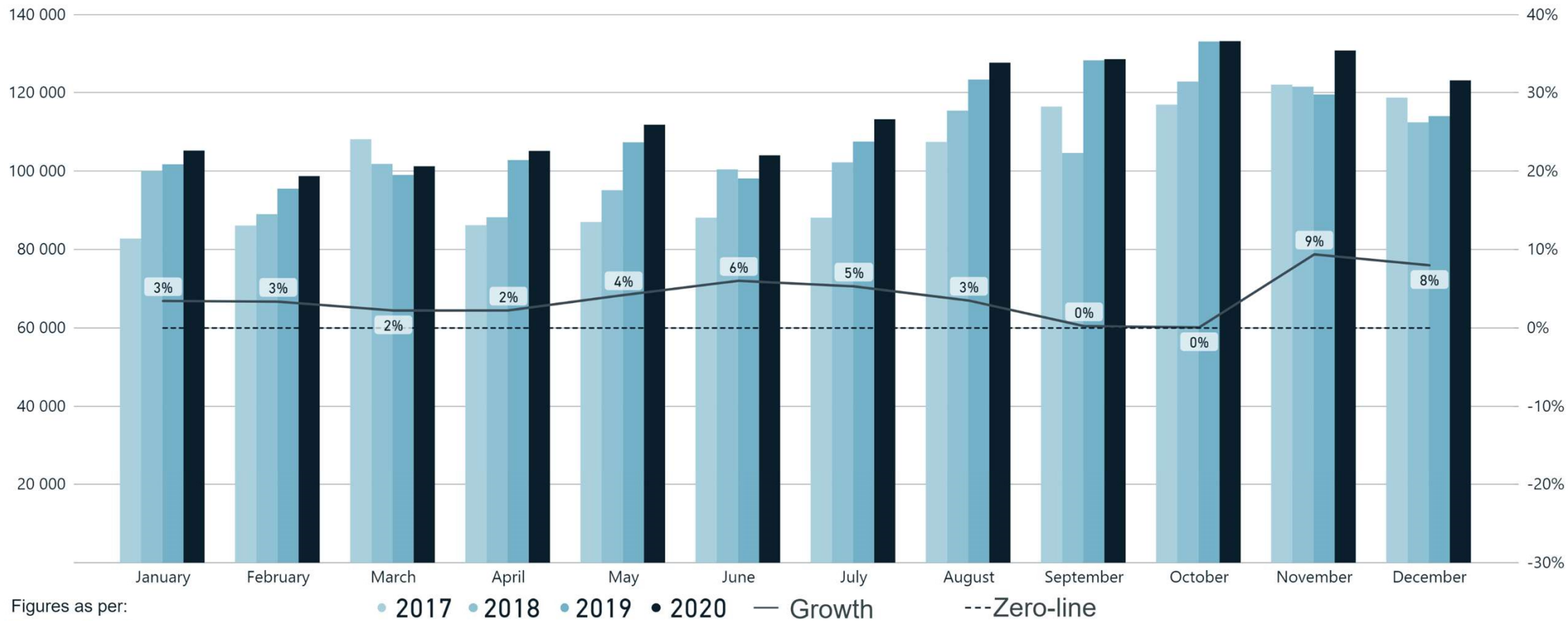
Figures as per:
07.11.2019

Source: Kontali



Atlantic Salmon - Harvest Volumes Norway

in tons WFE



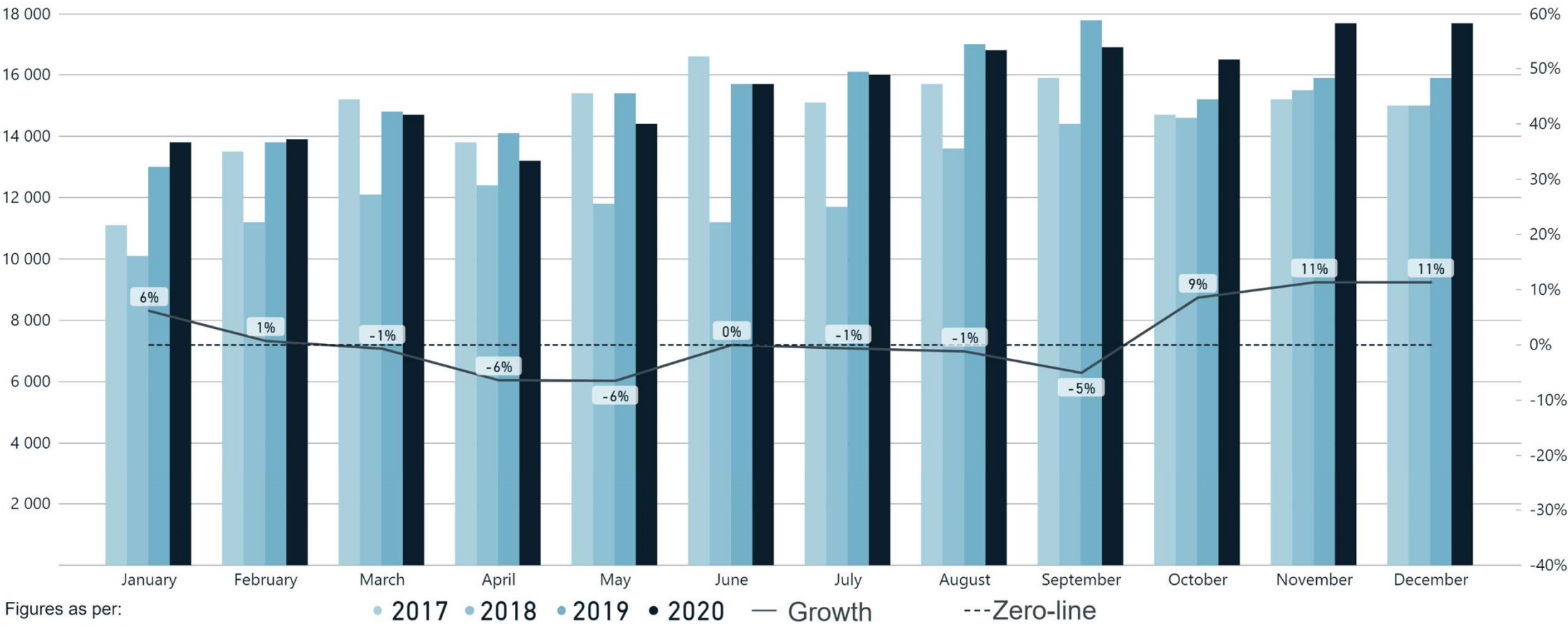
Figures as per:
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Source: Kontali



Atlantic Salmon - Harvest Volumes UK

in tons WFE



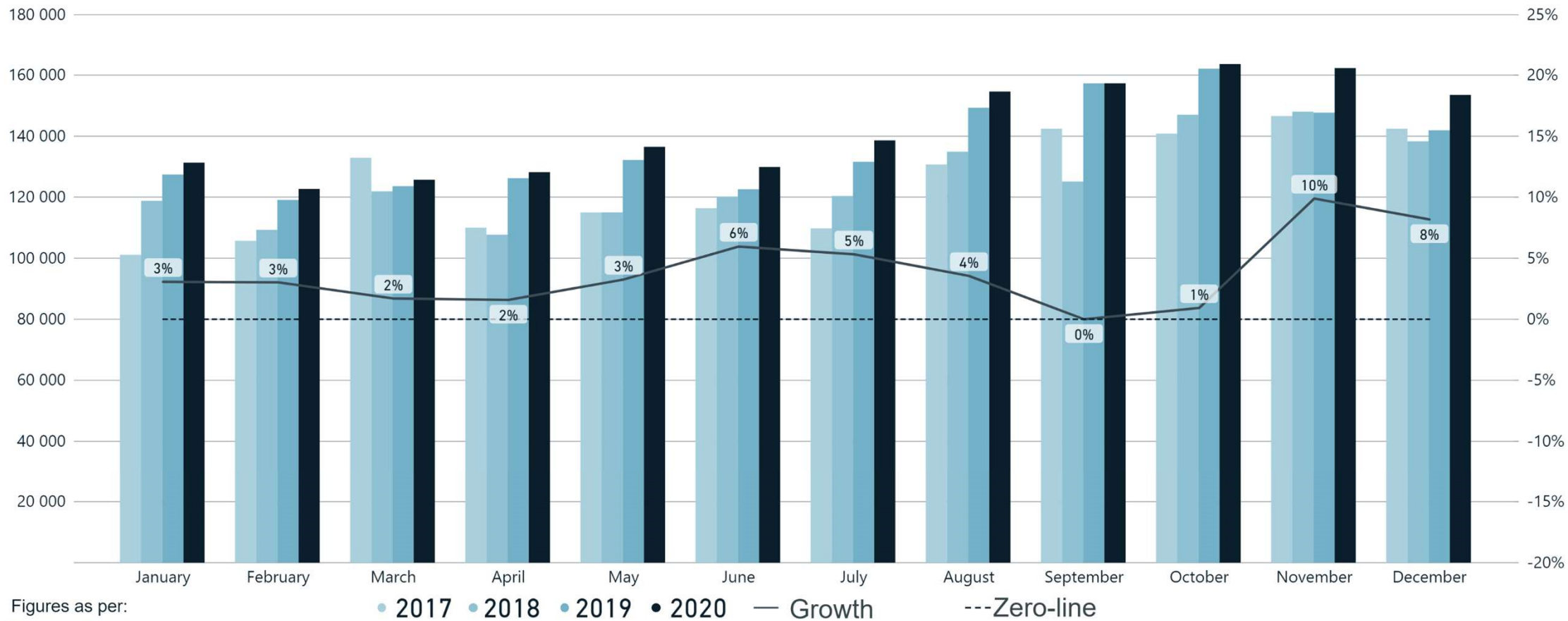
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Source: Kontali



Atlantic Salmon - Harvest Volumes Europe

in tons WFE



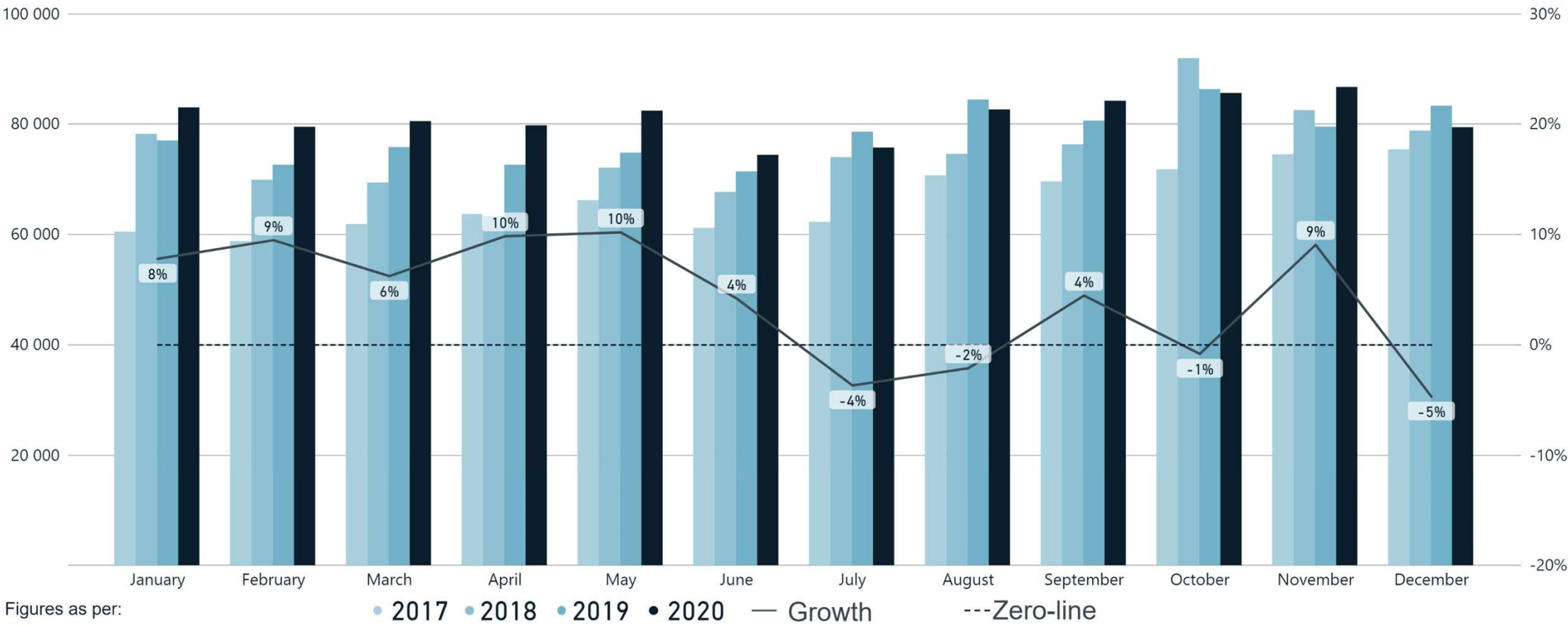
Figures as per:
07.11.2019

Source: Kontali



Atlantic Salmon - Harvest Volumes Americas

in tons WFE



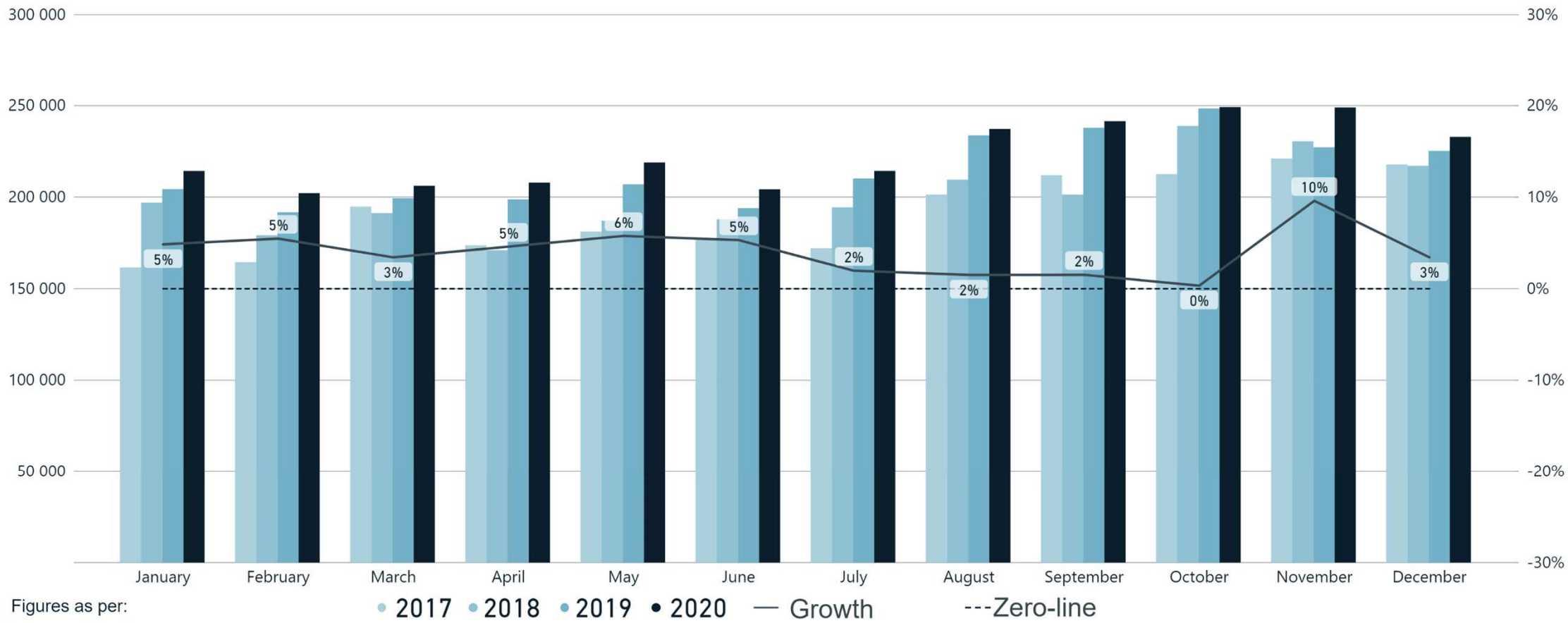
Figures as per:
07.11.2019

Source: Kontali



Atlantic Salmon - Harvest Volumes WW

in tons WFE



Figures as per:
07.11.2019

Source: Kontali

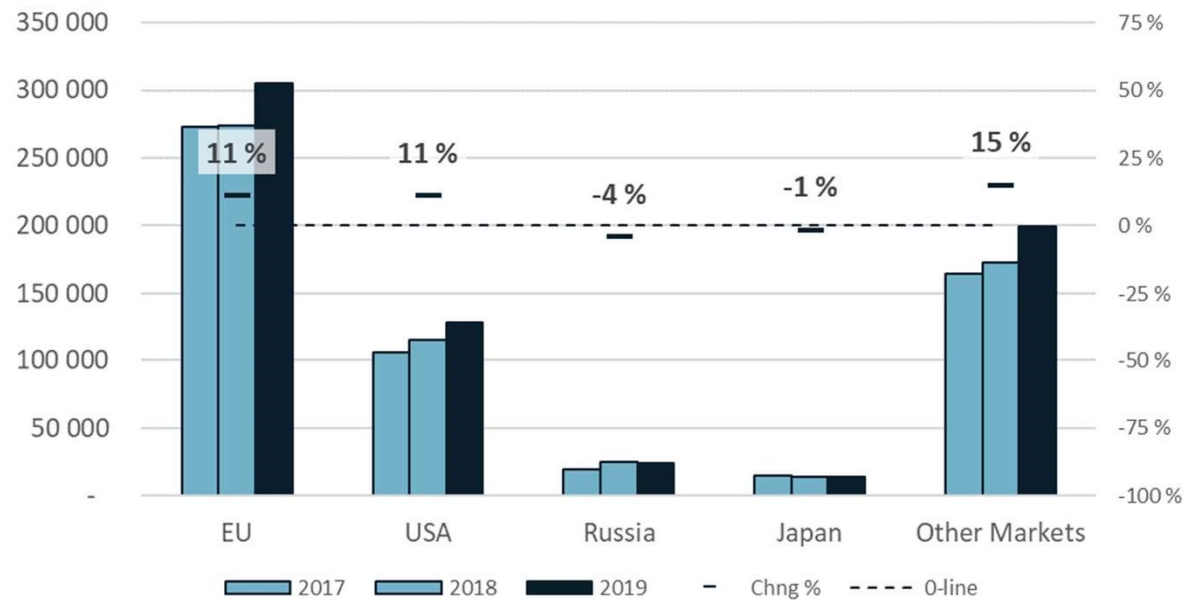


NOK/KG (NSI 3-6) Q3:
50.43 -8.91% (55.36)

Atlantic Salmon Consumption

Q3

Market	2017	2018	2019	Chng	Chng %
EU	272 700	274 000	304 800	30 800	11 %
USA	106 000	115 400	128 300	12 900	11 %
Russia	19 500	25 300	24 300	-1 000	-4 %
Japan	14 700	14 200	14 000	-200	-1 %
Other Markets	164 800	173 000	199 100	26 100	15 %
Total	577 700	601 900	670 500	68 600	11 %



Figures as per:
07.11.2019

Source: Kontali

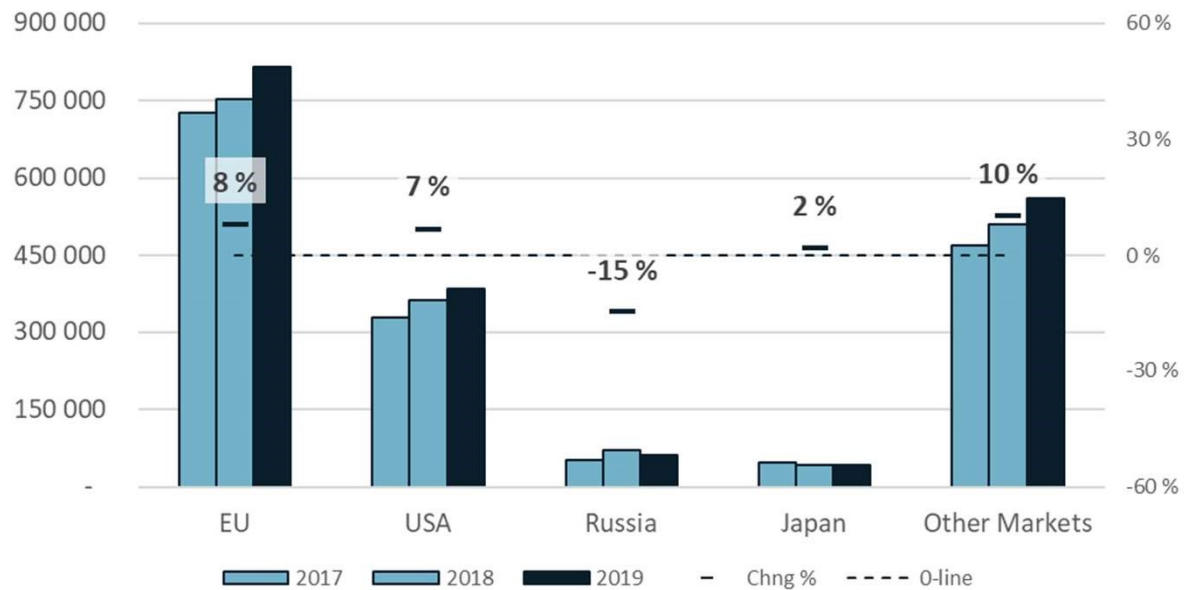


NOK/KG (NSI 3-6) YTD week 40:
58.94 -5.08% (62.10)

Atlantic Salmon Consumption

YTD - September

Market	2017	2018	2019	Chng	Chng %
EU	725 600	753 300	814 000	60 700	8 %
USA	327 500	360 100	384 600	24 500	7 %
Russia	51 700	71 700	61 100	-10 600	-15 %
Japan	46 300	41 800	42 600	800	2 %
Other Markets	470 100	509 500	561 100	51 600	10 %
Total	1 621 200	1 736 400	1 863 400	127 000	7 %



Figures as per:
07.11.2019

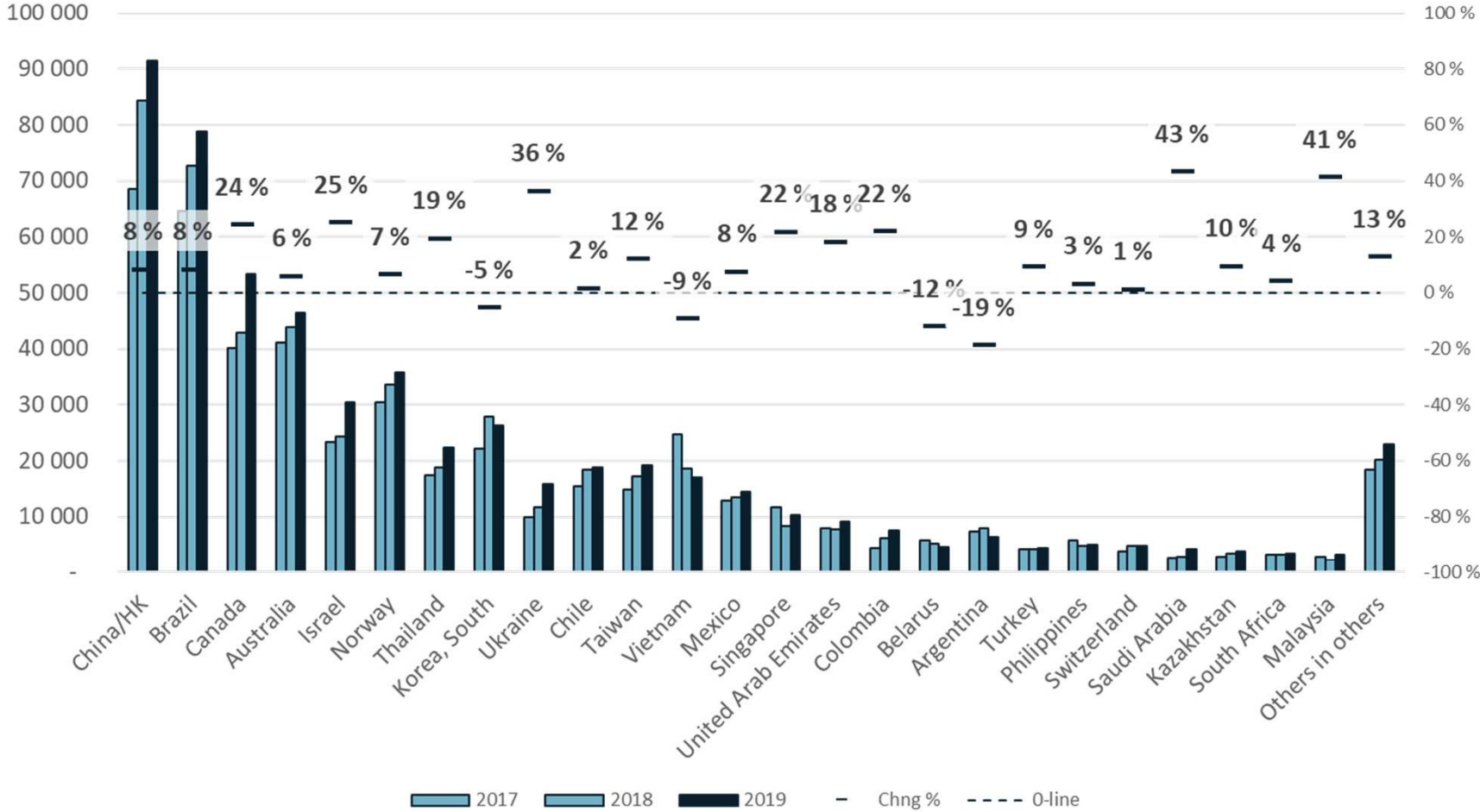
Source: Kontali



NOK/KG (NSI 3-6) YTD week 40:
58.94 -5.08% (62.10)

Atlantic Salmon Consumption - Other Markets

YTD - September



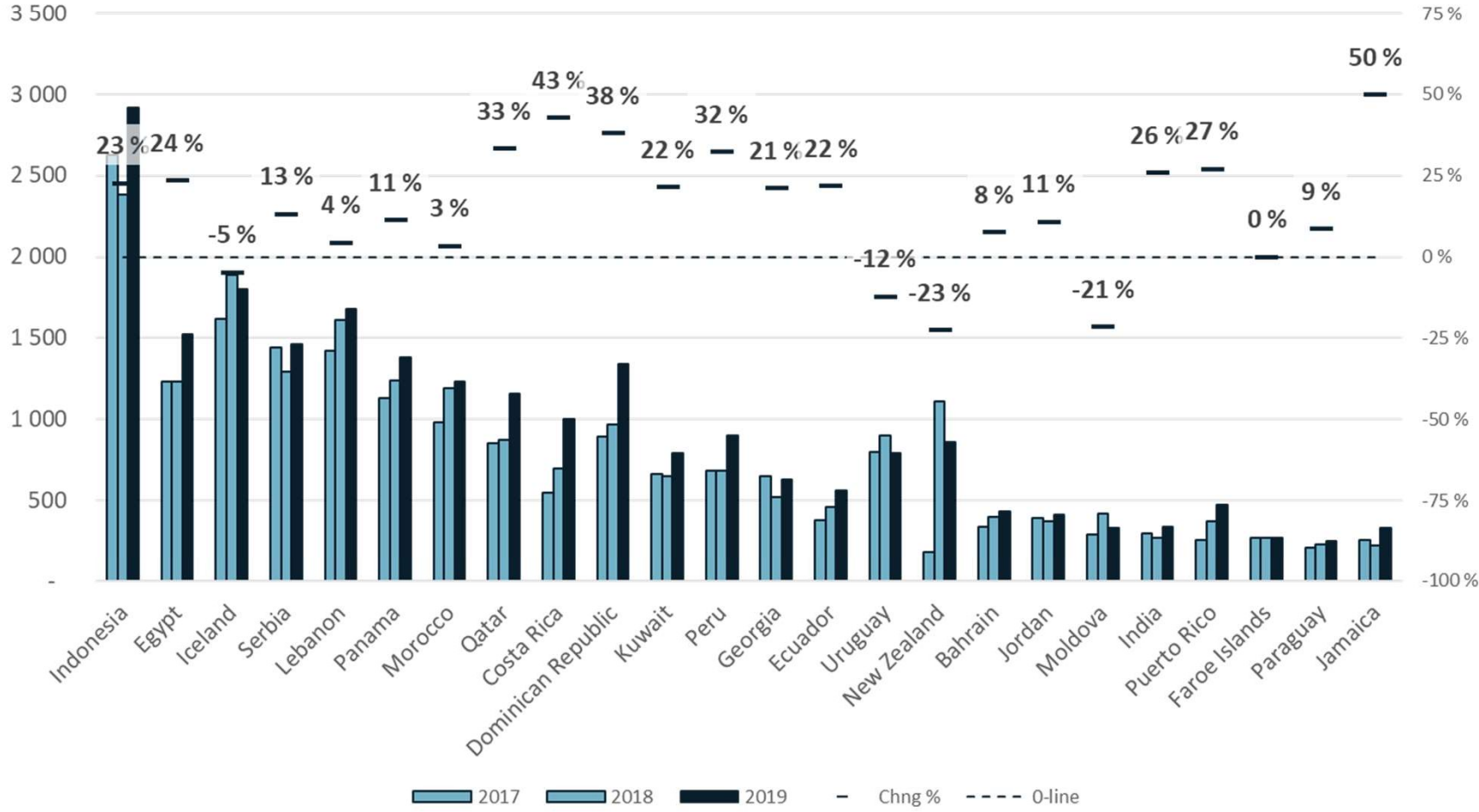
Figures as per:
07.11.2019
Source: Kontali



NOK/KG (NSI 3-6) YTD week 40:
58.94 -5.08% (62.10)

Atlantic Salmon Consumption - Others in other

YTD - September



Figures as per:
07.11.2019
Source: Kontali



Outlook

- Demand for seafood remains strong, outlook remains positive
- Harvest guidance for salmon and trout including associates
 - 172-175.000 GWT for 2019
 - 183-188.000 GWT for 2020
- Expected contract share for salmon in Q4/19 ~35%
- Significant potential in whitefish.
 - Quota set for 2020. Cod up 1.8% for cod, up 25% for haddock, up 15% for saithe North of 62 degrees and quota for saithe in North Sea not finalised (recommendation down 15%)





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CONTACT – Henning Beltestad, hb@leroy.no

CONTACT – Sjur Malm, sjur.malm@leroy.no