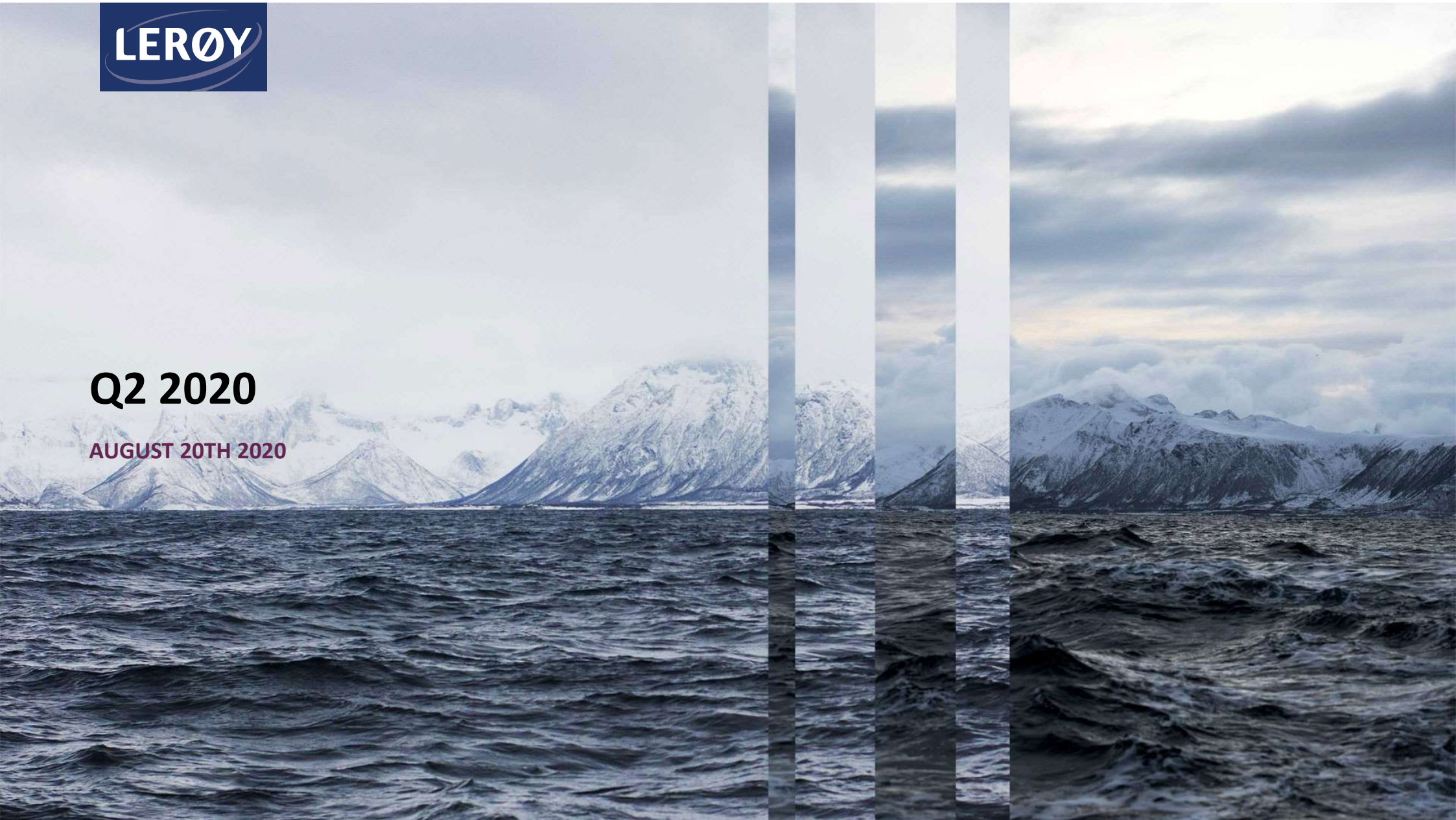




Q2 2020

AUGUST 20TH 2020

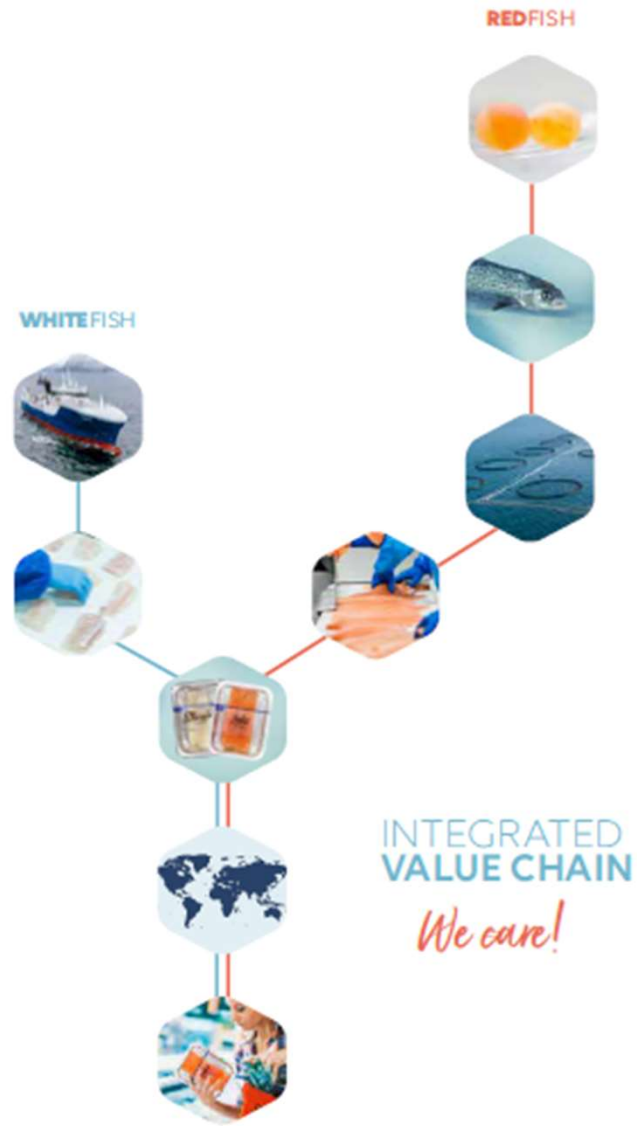


1. Highlights
2. Key Financial Figures
3. Outlook

Agenda



Highlights



“ Our goal is to create the world’s most efficient and sustainable value chain for seafood. The large, extensive investments we have made over a long period of time are now starting to yield results.



Lerøy Seafood Group ASA

Farming

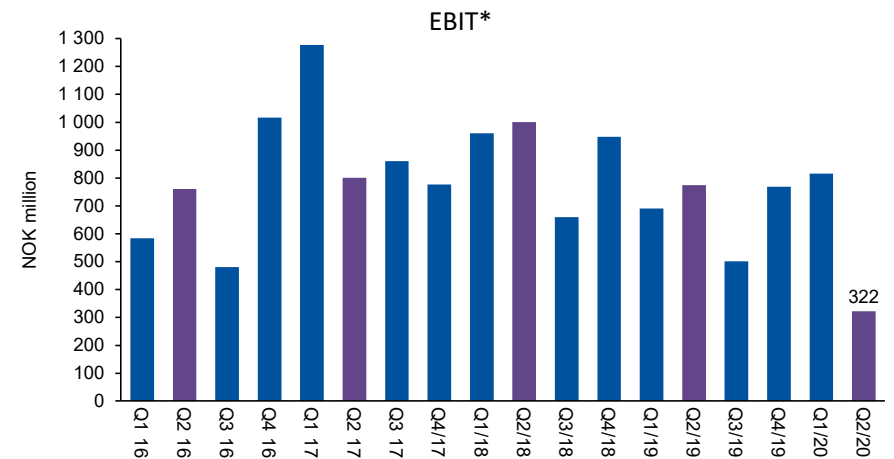
Wild catch

VAP, Sales and Distribution



Q2 2020 Highlights

- Significant impact of Covid-19, gradually with less impact from second half of the quarter
- EBIT pre FV adj. NOK 322m. Lower price realisation for salmon and trout the most important driver for y-o-y fall in profitability
- Strong quarterly operational cashflow. Dividend of NOK 1.5 per share for 2019 paid out in quarter. The board has additional authorisation to pay out NOK 0.8 per share before the end of 2020. NIBD at end of quarter at NOK 3 517 million, at level with last year
- Growth from post smolt investments on track. Expects harvest incl. associated 183-188'' GWT for 2020 and 200-210'' GWT salmon and trout for 2021
- Expect whitefish volume around 65 000 tonnes for 2020

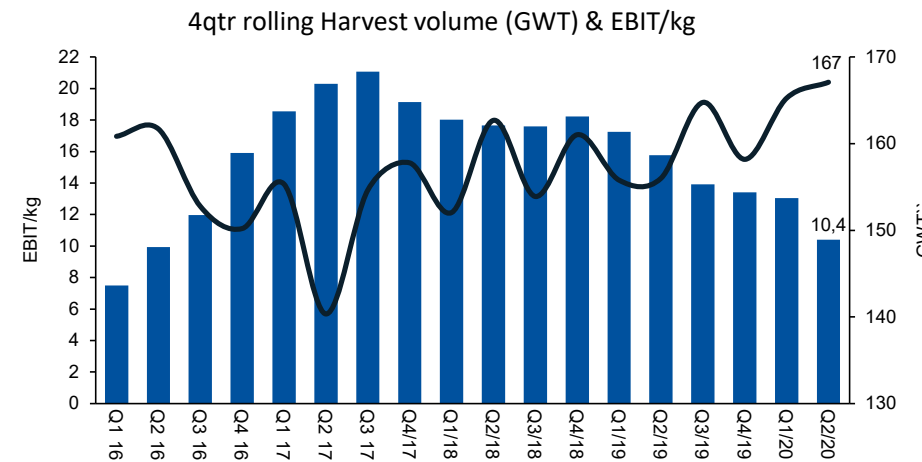
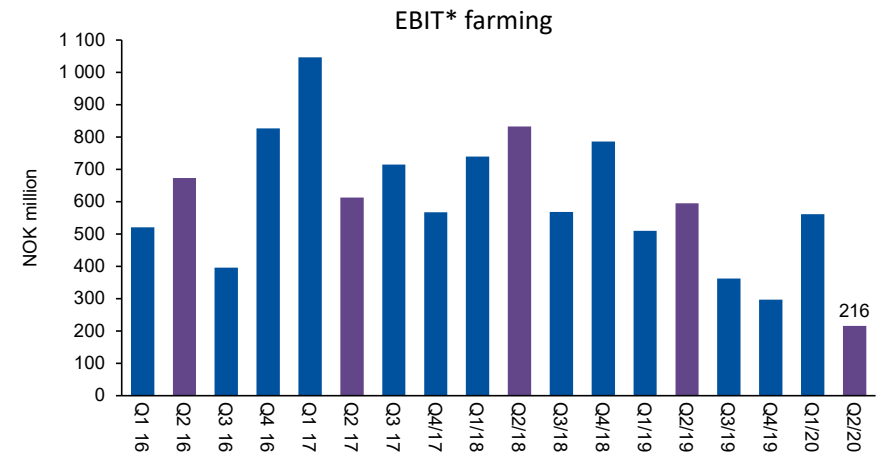


	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Harvest volume salmon&trout (GWT)	38 896	37 055	78 273	69 372
Catch volume whitefish (tonnes)	19 708	15 860	44 717	36 395
Revenue (NOKm)	4 712	5 340	10 017	10 086
EBIT before FV adj. (NOKm)	322	774	1 138	1 465
ROCE before FV adj.	7,2%	17,1%	12,0%	17,0%



Q2 2020 Farming highlights

- Spot prices below last year
 - NSI Q2/20 NOK 57.9 vs NOK 62.1 in Q2/19 (-7%)
 - Down NOK 11/kg q-o-q, and down NOK 4/kg y-o-y
- Demand, and consequently price realisation, significantly impacted by restrictions related to Covid – 19, with improvements in second half of quarter.
- Higher price impact on trout, due to high export volumes
- Contract share 30%, price realisation on contracts higher than spot
- Cost (RFS) up from Q1/20
- EBIT/kg in farming in Q2/20 of NOK 5.5 compared to NOK 16.1 in Q2/19





Farming volumes

	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018 GWT	2019 GWT	2020E GWT
Lerøy Aurora AS*	26 800	29 200	30 000	39 200	36 800	32 800	~37 000
Lerøy Midt AS	68 300	71 400	52 200	64 500	66 500	64 800	~68 000
Lerøy Sjøtroll	63 200	57 100	68 000	54 000	58 800	60 600	~67 000
Total Norway	158 300	157 700	150 200	157 800	162 000	158 200	~172 000
Villa Organic AS**	6 000						
Norskott Havbruk (UK)***	13 800	13 500	14 000	15 500	13 700	12 900	~13 000
Total	178 100	171 200	164 200	173 300	175 800	171 100	~185 000

*) Included harvested volume from Villa Organic after split July 2014

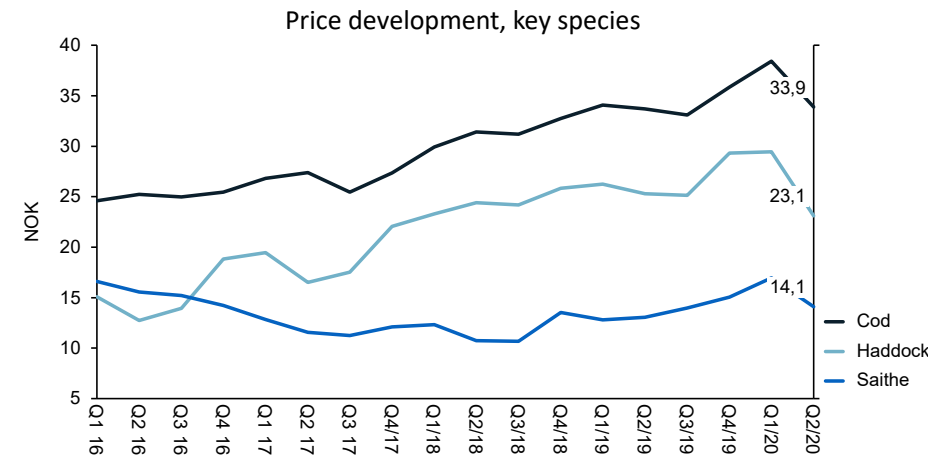
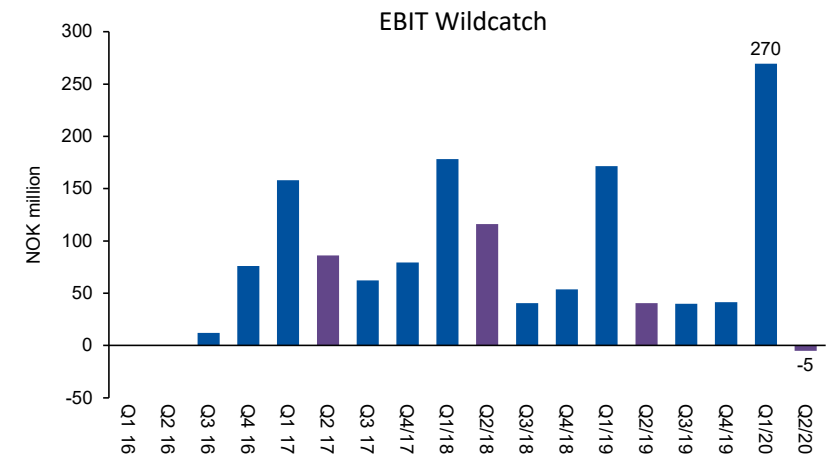
**) LSG's share of Villa Organic's volume in H1 2014, not consolidated

***) LSG's share, not consolidated



Q2 2020 Wildcatch highlights

- Challenging market situation in following restrictions from Covid-19. Q-o-Q decline in prices for key species. However, improving late in quarter
- Changing catch strategy towards lower value species, which has a negative impact on profitability in the quarter. Average price realisation across species significantly reduced compared to same quarter last year
- Catch volume at 19 708 tonnes, up 24% y-o-y
- Framework conditions continue to be challenging for the processing industry, with no signs of improvement





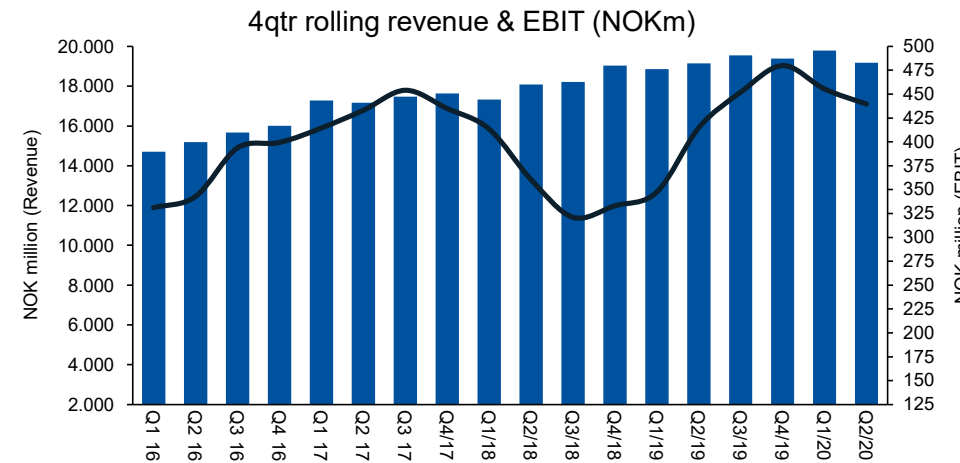
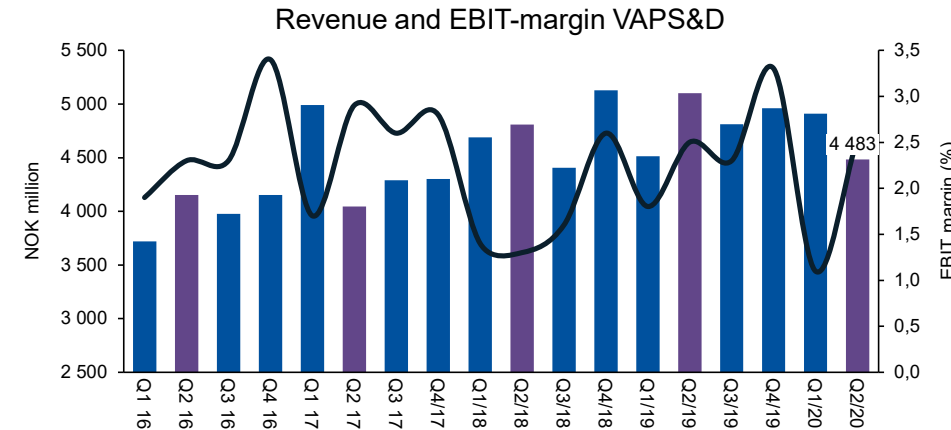
Catch volumes and quotas Havfisk/Wild Catch

	Catch volume Q2/20	Catch volume Q2/19	YTD 20	YTD 19	Remaining quota 2020	Remaining quota 2019
Cod	2 299	3 009	14 829	11 889	8 861	10 540
Saithe	6 218	2 250	9 820	5 464	5 767	11 667
Haddock	1 046	928	6 244	6 174	3780	2 922
Shrimps	1 972	6 332	2 115	7 103		
Other	8 173	3 340	11 709	5 766		
Total	19 708	15 860	44 717	36 395		



Q2 2020 VAPS&D highlights

- Significant increase in most aspects of risk due to Covid-19, and an unprecedented impact on the HoReCa market. While clear improvements from second half of the quarter, the demand for seafood has not fully recovered
- Core focus for Lerøy is to keep the value chain open. This has been successful, but not without additional costs
- EBIT margin of 2.5% at same level as the same quarter last year. EBIT in Q2/20 of NOK 114m compared to NOK 130m in Q2/19.



Key financial figures



Key financial figures – Q2 2020

<i>(NOKm)</i>	Q2 2020	Q2 2019	▲%
Revenue	4 712	5 340	-12 %
Other gains and losses	1	10	
EBITDA	606	1 023	-41 %
Depreciation & amortisation	284	250	
EBIT*	322	774	-58 %
Income from associates*	44	56	
Net finance	-63	-48	
Pre-tax profit*	303	776	-61 %
EPS (NOK)*	0,42	1,00	-58 %
<i>Salmon and trout harvest volume (GWT)</i>	38 896	37 055	5 %
<i>EBIT* all incl. excl. Wildcatch/kg</i>	7,8	19,0	
<i>Whitefish catch volume (tonnes)</i>	19 708	15 860	24%
<i>EBIT/kg Wildcatch segment</i>	-0,3	2,5	
ROCE* (%)	7,2 %	17,1 %	
* Before biomass adjustment			



Key financial figures – YTD 2020

<i>(NOKm)</i>	YTD 2020	YTD 2019	▲%
Revenue	10 017	10 086	-1 %
Other gains and losses	1	10	
EBITDA	1 703	1 957	-13 %
Depreciation & amortisation	565	492	
EBIT*	1 138	1 465	-22 %
Income from associates*	56	145	
Net finance	-157	-85	
Pre-tax profit*	1037	1 524	-32 %
EPS (NOK)*	1,33	1,97	-32 %
<i>Salmon and trout harvest volume (GWT)</i>	<i>78 273</i>	<i>69 372</i>	<i>13 %</i>
<i>EBIT* all incl. excl. Wildcatch/kg</i>	<i>11,3</i>	<i>18,4</i>	
<i>Whitefish catch volume (tonnes)</i>	<i>44 717</i>	<i>36 395</i>	<i>23%</i>
<i>EBIT/kg Wildcatch segment</i>	<i>5,9</i>	<i>5,8</i>	
<i>ROCE* (%)</i>	<i>12,0 %</i>	<i>17,0 %</i>	

* Before biomass adjustment



Balance sheet

<i>(NOKm)</i>	30.06.2020	30.06.2019	▲%
Intangible assets	8 224	8 167	
Right-of-use-assets	2 326	2 407	
Tangible fixed assets	6 707	5 981	
Financial non-current assets	1 050	1 079	
<i>Total non-current assets</i>	<i>18 306</i>	<i>17 635</i>	<i>4 %</i>
Biological assets at cost	4 107	4 028	
Fair value adjustment of biomass	909	1 495	
Other inventory	1 294	1 113	
Receivables	2 445	2 877	
Cash and cash equivalents	3 073	1 896	
<i>Total current assets</i>	<i>11 828</i>	<i>11 410</i>	<i>4%</i>
Total assets	30 134	29 045	4 %
Equity	17 459	17 047	2 %
<i>Equity ratio</i>	<i>57,9 %</i>	<i>58,7 %</i>	
NIBD	3 517	3 745	-6 %



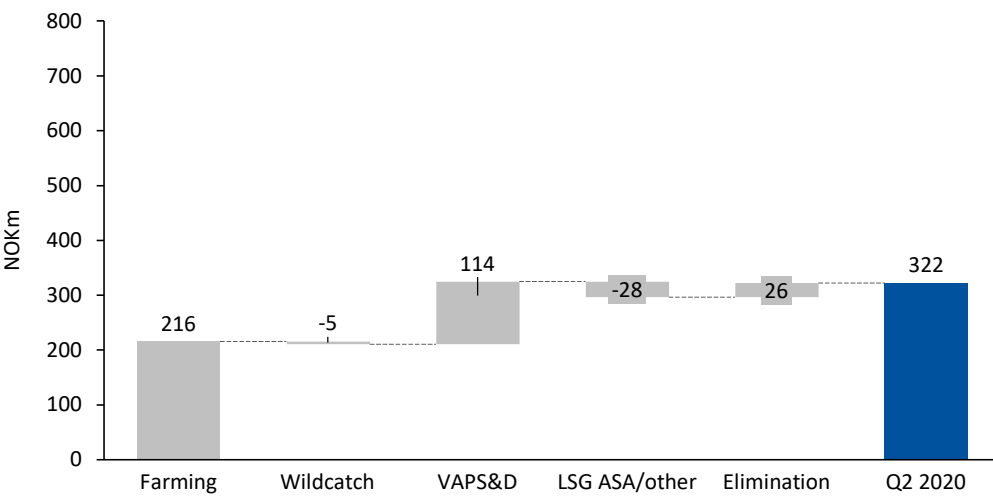
Change in NIBD

Change in NIBD	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
EBITDA before fair value adjustment on biological assets	606	1 023	1 703	1 957	3 746
Paid tax	-45	-278	-261	-671	-690
Change in working capital	276	27	-163	-355	-169
Other	0	-10	-1	-12	-27
NIBD impact from operating activities	837	763	1 278	919	2 859
New intangibles, fixed assets and right of use assets (from credit institutions), net a)	-326	-338	-951	-752	-1 460
Dividends and interests received	27	133	33	147	304
Other changes in non-current assets	-15	2	-11	0	3
NIBD impact from investing activities b)	-315	-202	-930	-605	-1 153
Dividends distributed	-920	-1 265	-924	-1 272	-1 272
Installments paid on lease liabilities with other than credit institutions c)	-52	-4	-106	-54	-206
Interests and other financial expenses	-80	-56	-154	-107	-254
NIBD impact from financing activities	-1 052	-1 325	-1 184	-1 434	-1 732
Implementation effect from IFRS 16	0	-53	0	-53	-74
Other changes (currency conversion, unrealized agio etc)	16	-39	-40	-26	5
NIBD impact from other changes (incl.currency effects) d)	16	-93	-40	-80	-69
Total change in NIBD	-514	-856	-875	-1 198	-95
NIBD at beginning	3 003	2 889	2 641	2 546	2 546
Change in NIBD	514	856	875	1 198	95
NIBD at end e)	3 517	3 745	3 517	3 745	2 641

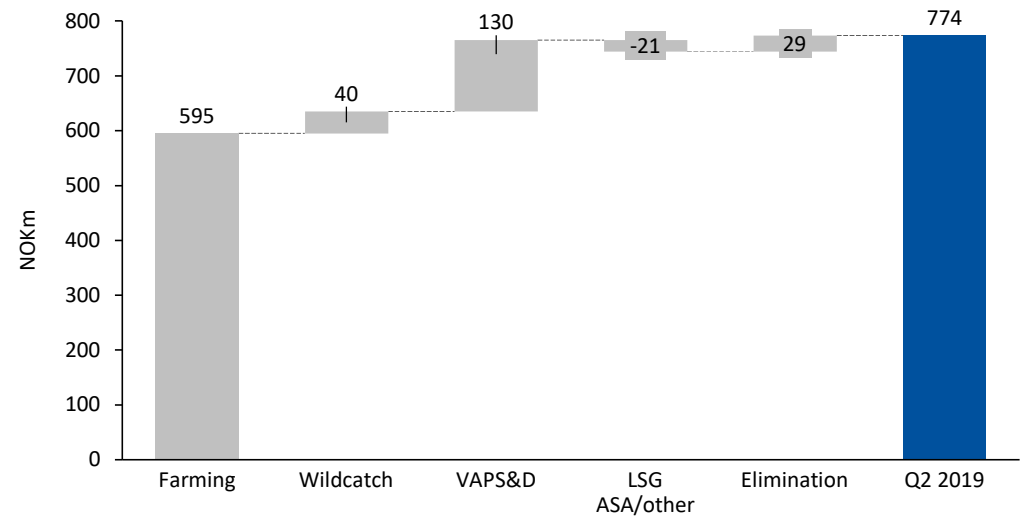


EBIT per segment

EBIT* Q2 2020



EBIT* Q2 2019

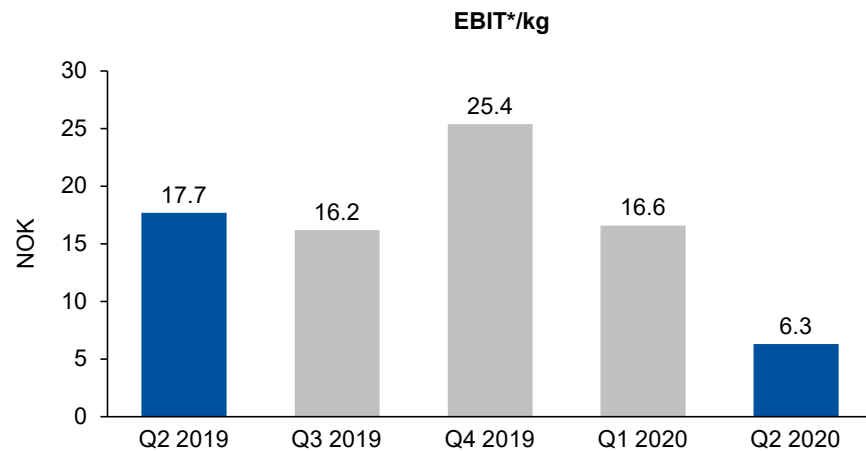


* Before biomass adjustment



Lerøy Aurora

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	250	372	776	739
EBIT* (NOKm)	23	88	165	210
Harvested volume (GWT)	3 735	4 971	12 269	9 912
EBIT/kg* (NOK)	6.3	17.7	13.5	21.2



* Before biomass adjustment

- Low volumes, and challenges with winter wounds on H18 generation significantly impacting both price realisation and cost in the quarter
- Production in sea developing according to plan, expect significant improvements in cost from V19 generation in H2/20 and beyond.
- Smolt development in Laksefjord according to plan, with final step of build-out to finalise in Q4/20
- Average size of smolt released in 2020 to more than double compare to 2019 and reach about 300 grams, with further growth in average size into 2021. Significant potential for growth beyond 2020

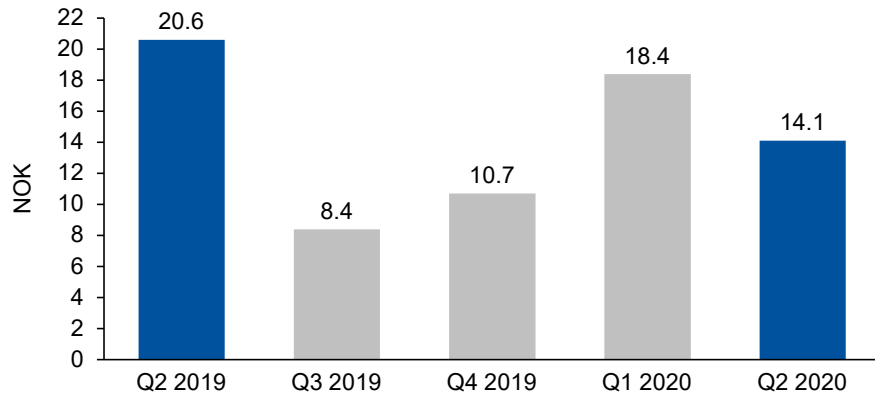


Lerøy Midt

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	915	1172	1 843	1 942
EBIT* (NOKm)	222	384	489	617
Harvested volume (GWT)	15 791	18 648	30 292	30 947
EBIT/kg* (NOK)	14.1	20.6	16.1	19.9

- Good growth in quarter
- RFS costs down q-o-q. Currently expectation for further cost reductions during 2020
- Finally started expansion of 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

EBIT*/kg

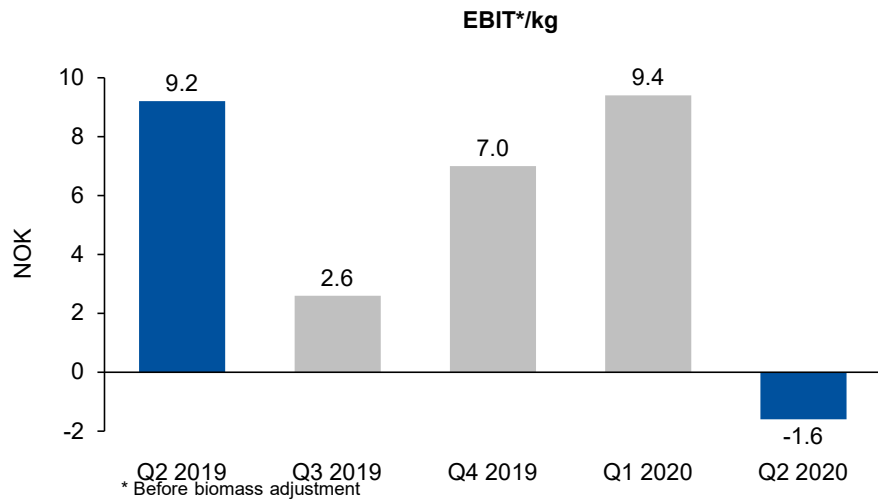


* Before biomass adjustment



Lerøy Sjøtroll

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	948	770	1 916	1 612
EBIT* (NOKm)	-31	124	123	275
Harvested volume (GWT)	19 370	13 436	35 712	28 513
EBIT/kg* (NOK)	-1.6	9.2	3.4	9.7



- Overall good growth in the quarter, but weak performance on V19 generation of salmon with high cost
- Better performance on H19 generation on salmon and expect gradually lower cost on salmon late Q3 and beyond
- High export volumes gives significant lower price realisation on trout than on salmon. 35% of quarterly harvest volume was trout. Cost and price realisation below salmon
- Gradually more smolt release of higher quality and with larger sizes from Kjærelva expected to improve both production volume and cost into 2021



Wildcatch (Lerøy Havfisk/LNWS)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	609	668	1 601	1 464
EBITDA (NOKm)	42	79	360	289
EBIT (NOKm)	-5	40	264	212

Havfisk, catch volume	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Cod	2 299	3 009	14 829	11 889
Saithe	6 218	2 250	9 820	5 464
Haddock	1 046	928	6 244	6 174
Shrimps	1 972	6 332	2 115	7 103
Other	8 173	3 340	11 709	5 766
Total	19 708	15 860	44 717	36 395

Havfisk, prices	Q2 2020	Q2 2019	YTD 2020	2019
Cod	33.9	33.7	37.3	34.5
Haddock	23.1	25.3	25.7	26.7
Saithe	14.1	13.1	14.7	13.7

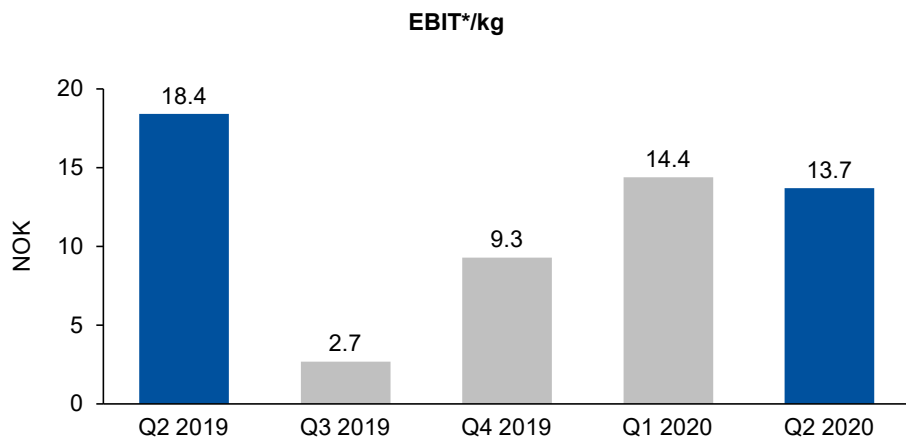
- Demand impacted by Covid-19. Changing catch strategy to lower value species like saithe and redfish, giving a significant decrease in average price realisation per ton of catch in the quarter
- Covid-19 also with negative impact for the landbased processing industry, which was until Covid-19 imposed restrictions, showing improvements



Norskott Havbruk (associate, 50% owned by Lerøy Seafood Group)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	465	407	729	813
EBIT* (NOKm)	89	106	131	216
Harvested volume (GWT)	6 529	5 796	9 446	10 598
EBIT/kg* (NOK)	13.7	18.4	13.9	20.4

- Covid-19 with negative demand and price implications also for UK based salmon
- Good growth and biological performance with low mortality rates in the quarter. Q-o-q reduction in cost
- 1.3m smolts transferred in the quarter with average weight of 168 gram (larger more robust smolts)
- Harvest volumes up 13% y-o-y in the quarter
- Harvest guidance of 26,000 GWT in 2020 with growth potential into 2021



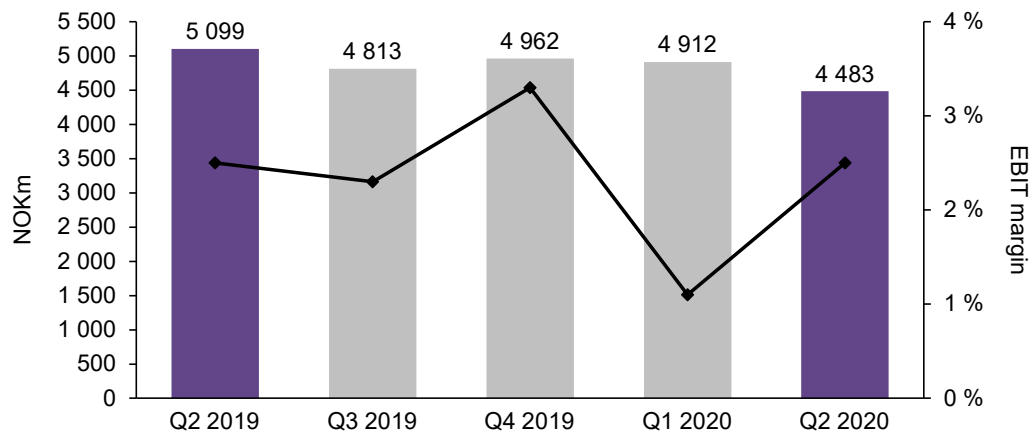
* Before biomass adjustment
 ** Figures based on 100% basis



VAPS&D – VAP, Sales and Distribution

	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue (NOKm)	4 483	5 099	9 395	9 612
EBIT (NOKm)	114	130	169	223
EBIT margin	2.5%	2.5 %	1.8%	2.2%

Revenue and EBIT margin (line graph)



- Covid 19 restriction impacting demand negatively particularly in the first half of second quarter.
- From second half of the quarter, lift in restrictions in key markets which has gradually improved demand with also part of HoReCa markets opening up. Still the market is not back to “normal”
- Believes long term trends for the seafood industry remains very positive, and with several new factories started in recent years significant potential in this segment in years to come



Outlook



Atlantic Salmon - Supply

in tons WFE

Year	2015		2016		2017		2018		2019		2020		2021	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
Europe	1 495 400	1,8 %	1 429 700	-4,4 %	1 493 900	4,5 %	1 506 600	0,9 %	1 643 600	9,1 %	1 684 000	2,5 %	1 748 600	3,8 %
Norway	1 234 200	2,9 %	1 171 100	-5,1 %	1 207 800	3,1 %	1 253 400	3,8 %	1 333 400	6,4 %	1 366 200	2,5 %	1 412 500	3,4 %
United Kingdom	166 300	-2,5 %	157 400	-5,4 %	177 200	12,6 %	153 600	-13,3 %	183 600	19,5 %	184 100	0,3 %	188 000	2,1 %
Faroe Islands	75 600	-8,6 %	77 300	2,2 %	80 300	3,9 %	71 700	-10,7 %	86 600	20,8 %	86 000	-0,7 %	94 100	9,4 %
Iceland	3 600	-18,2 %	8 100	125,0 %	11 600	43,2 %	13 600	17,2 %	24 500	80,1 %	32 500	32,7 %	37 000	13,8 %
Ireland	15 700	27,6 %	15 800	0,6 %	17 000	7,6 %	14 300	-15,9 %	15 500	8,4 %	15 200	-1,9 %	17 000	11,8 %
Americas	825 100	8,5 %	733 600	-11,1 %	797 200	8,7 %	899 700	12,9 %	932 700	3,7 %	985 080	5,6 %	944 800	-4,1 %
Chile	598 200	2,6 %	504 400	-15,7 %	564 200	11,9 %	660 100	17,0 %	690 300	4,6 %	724 600	5,0 %	665 500	-8,2 %
Canada	135 200	42,3 %	146 000	8,0 %	137 000	-6,2 %	146 400	6,9 %	138 000	-5,7 %	139 100	0,8 %	147 000	5,7 %
Australia	54 400	29,5 %	50 900	-6,4 %	61 200	20,2 %	62 600	2,3 %	64 000	2,2 %	71 000	10,9 %	72 000	1,4 %
Others	17 100	2,4 %	9 800	-42,7 %	13 100	33,7 %	11 600	-11,5 %	19 600	69,0 %	30 280	54,5 %	42 300	39,7 %
USA	20 200	-15,8 %	22 500	11,4 %	21 700	-3,6 %	19 000	-12,4 %	20 800	9,5 %	20 100	-3,4 %	18 000	-10,4 %
Total	2 320 500	4,1 %	2 163 300	-6,8 %	2 291 100	5,9 %	2 406 300	5,0 %	2 576 300	7,1 %	2 669 080	3,6 %	2 693 400	0,9 %

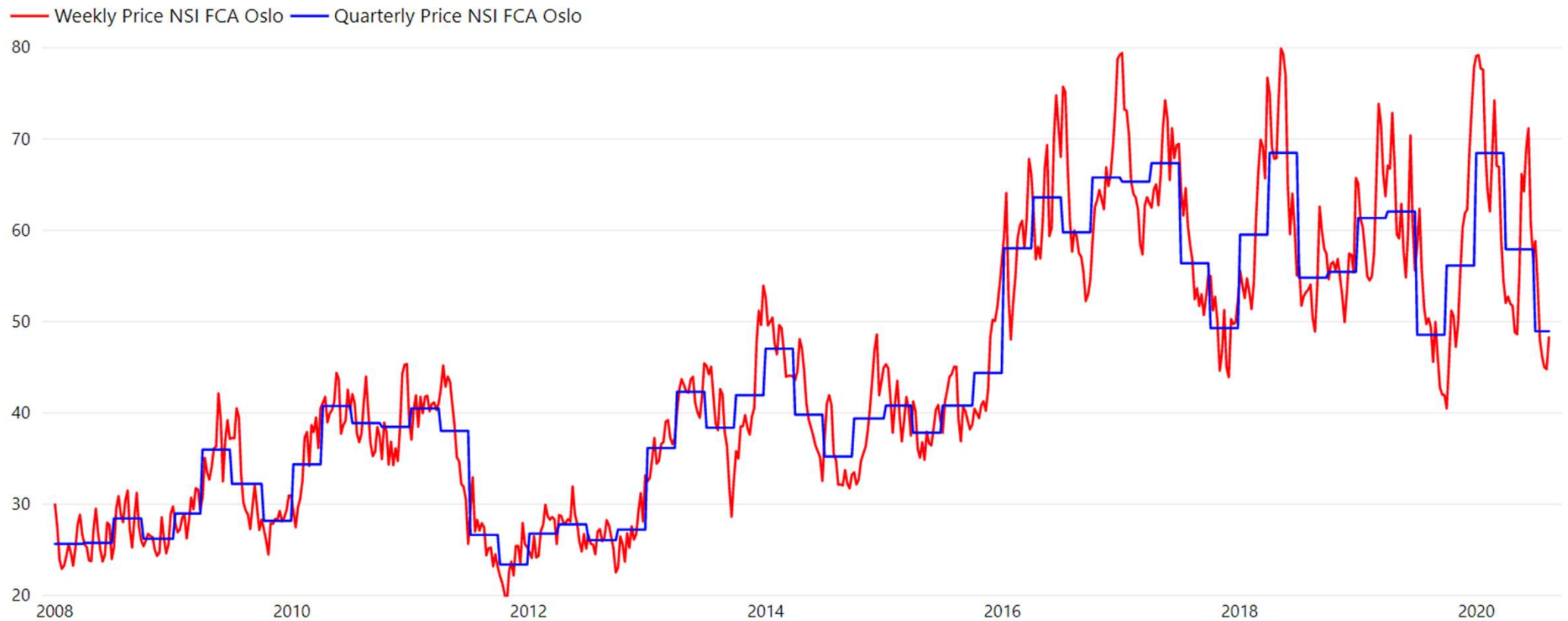
Figures as per:
17.08.2020

Source: Kontali

Spot prices – Fresh Atlantic salmon

Cross section as of week 33, FCA Oslo, Superior quality

Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	26	29	34	40	27	36	47	41	58	65	60	61	68
Q2	26	36	41	38	28	42	40	38	64	67	68	62	58
Q3	28	32	39	27	26	38	35	41	60	56	55	49	49
Q4	26	28	38	23	27	42	39	44	66	49	55	56	
Totalt	27	31	38	32	27	41	40	41	62	59	59	57	60

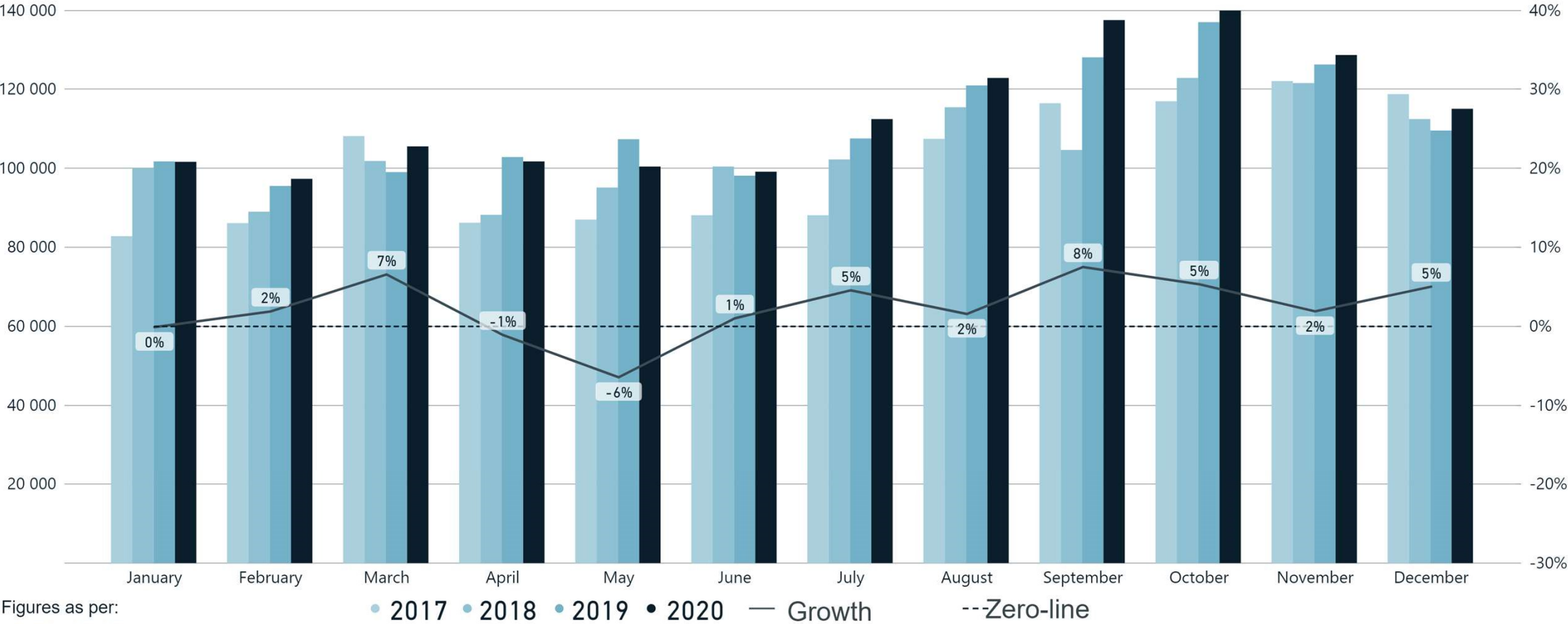




Tons YTD July:
718 000
Change from Last Year
0,9%

Atlantic Salmon - Harvest Volumes Norway

in tons WFE



Figures as per:
17.08.2020

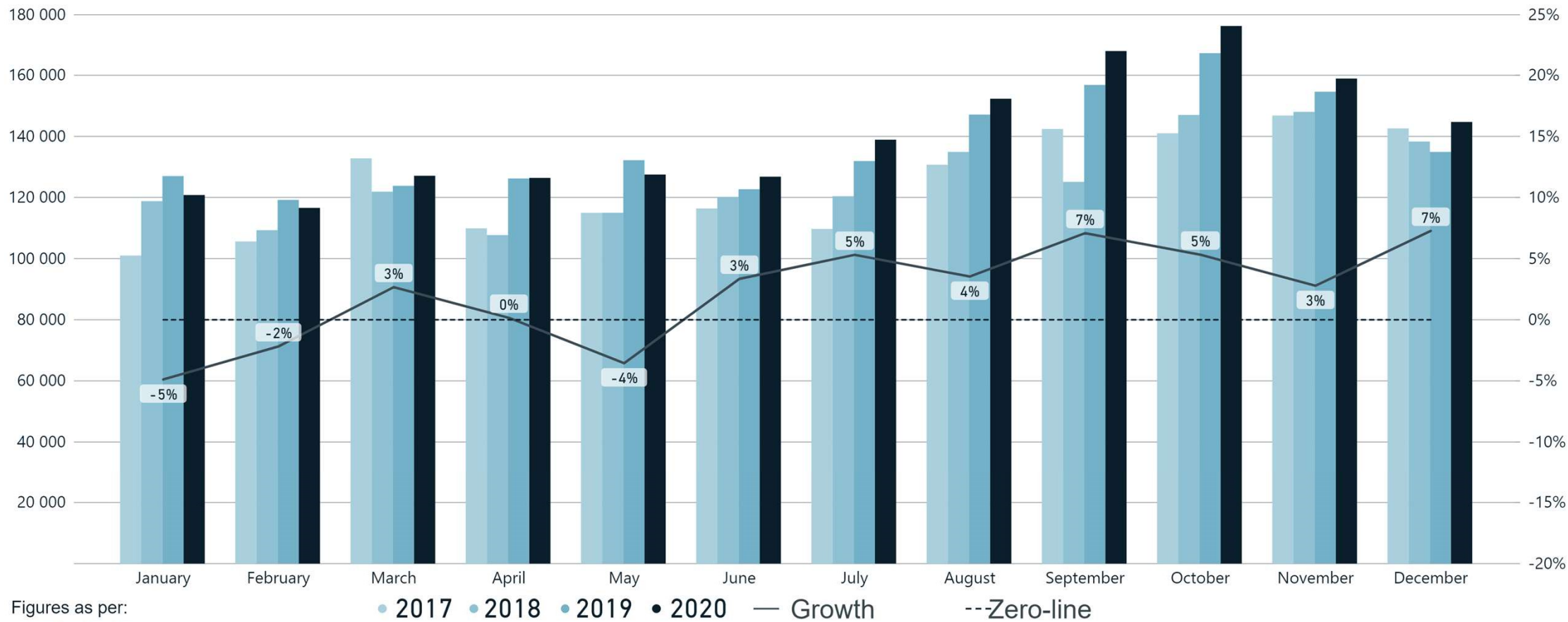
Source: Kontali



Tons YTD July:
884 100
Change from Last Year
0,1%

Atlantic Salmon - Harvest Volumes Europe

in tons WFE



Figures as per:
17.08.2020

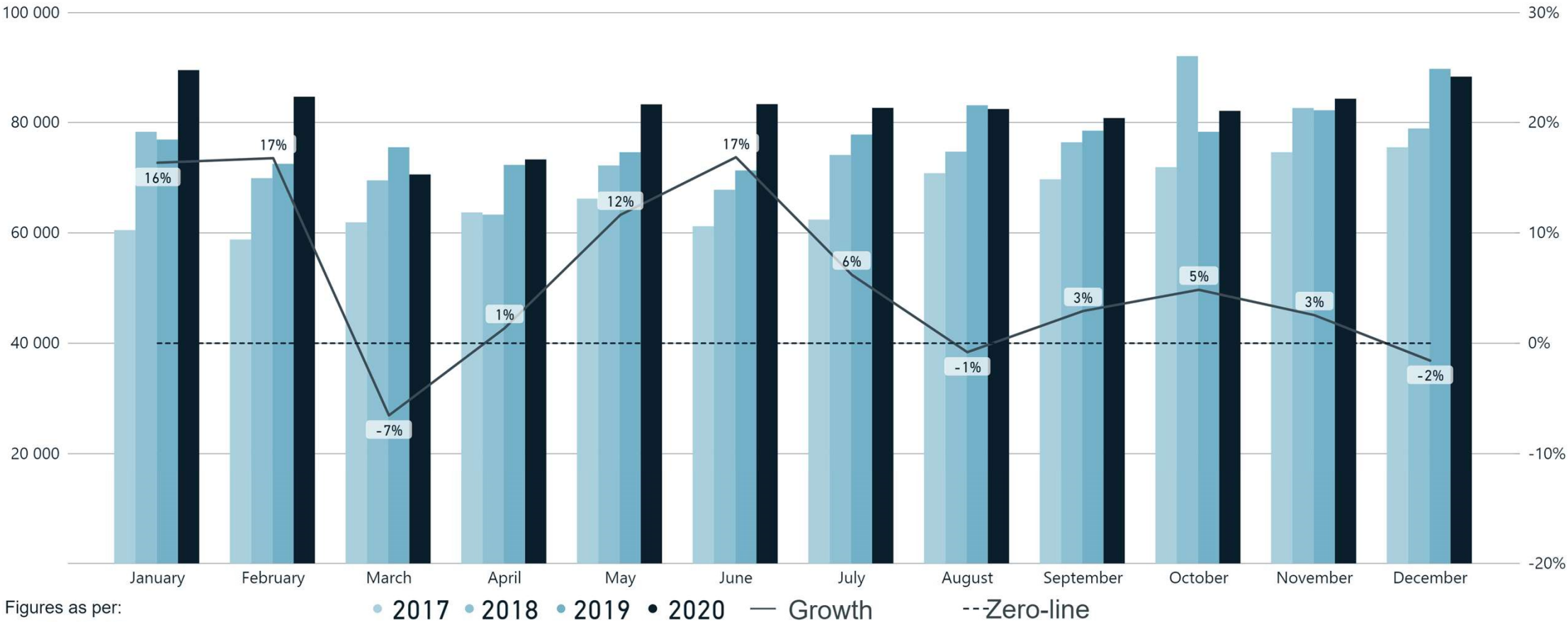
Source: Kontali



Tons YTD July:
567 190
Change from Last Year
8,9%

Atlantic Salmon - Harvest Volumes Americas

in tons WFE



Figures as per:
17.08.2020

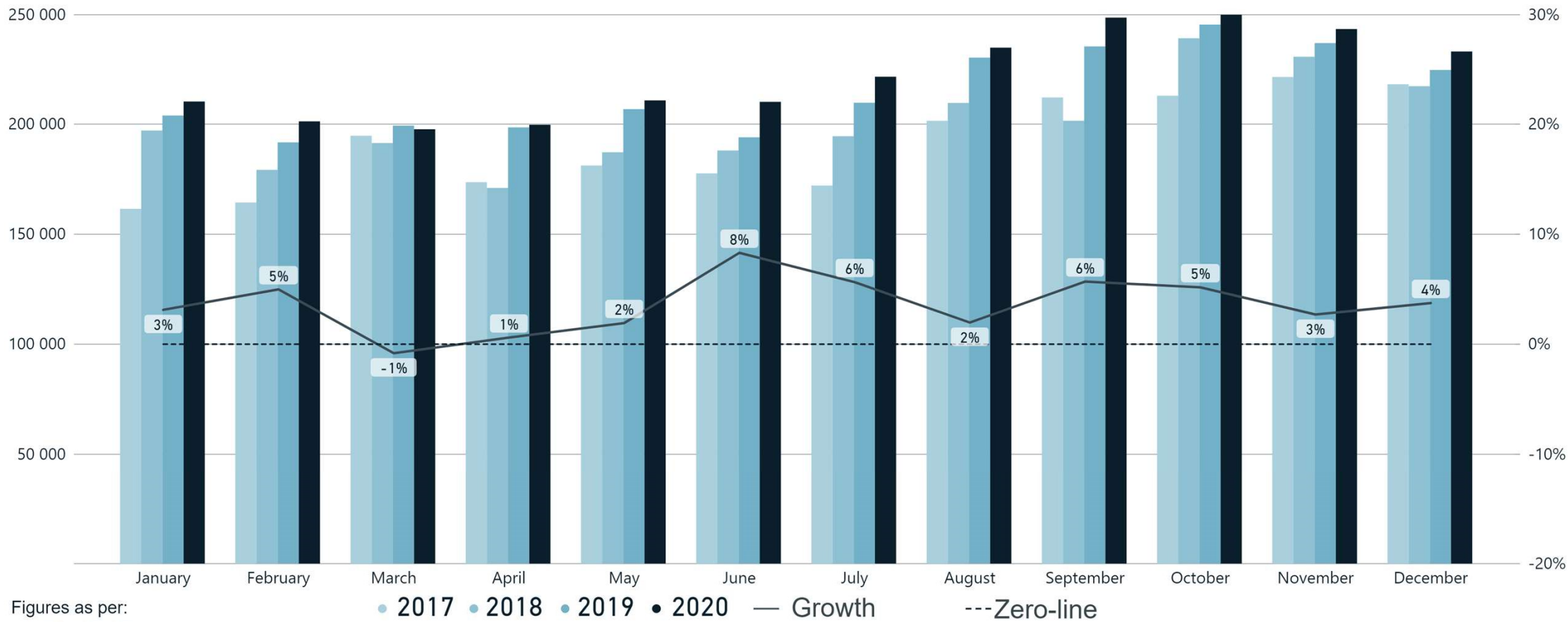
Source: Kontali



Tons YTD July:
1 451 290
Change from Last Year
3,4%

Atlantic Salmon - Harvest Volumes WW

in tons WFE



Figures as per:
17.08.2020

Source: Kontali

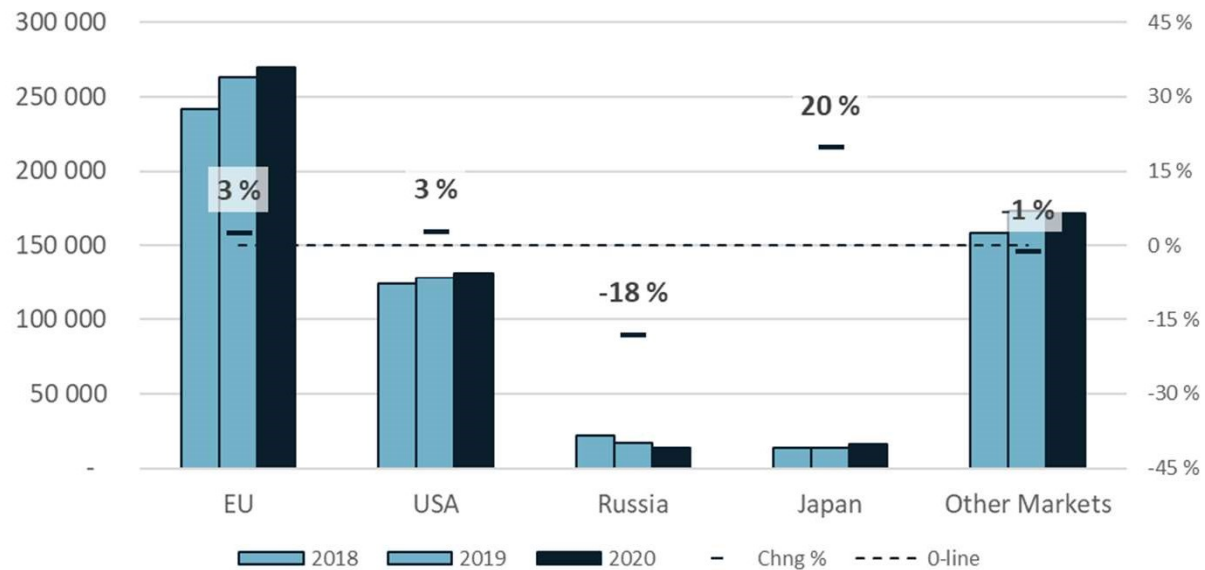


NOK/KG (NSI 3-6) Q2:
59.25 -7.12% (63.79)

Atlantic Salmon Consumption

Q2

Market	2018	2019	2020	Chng	Chng %
EU	241 500	262 600	269 500	6 900	3 %
USA	123 700	128 000	131 700	3 700	3 %
Russia	22 200	17 100	14 000	-3 100	-18 %
Japan	13 400	13 700	16 400	2 700	20 %
Other Markets	158 200	173 600	171 400	-2 200	-1 %
Total	559 000	595 000	603 000	8 000	1 %



Figures as per:
17.08.2020

Source: Kontali



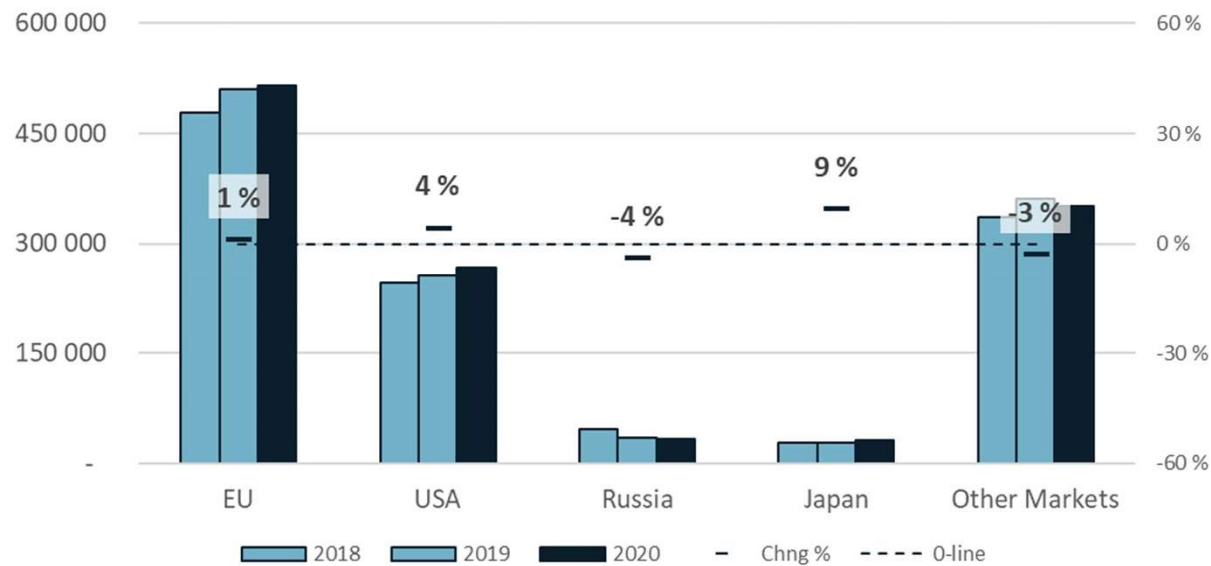
NOK/KG (NSI 3-6) YTD June:

64.28 1.60% (63.26)

Atlantic Salmon Consumption

YTD June

Market	2018	2019	2020	Chng	Chng %
EU	478 400	510 000	515 900	5 900	1 %
USA	245 600	256 200	267 200	11 000	4 %
Russia	46 400	35 200	33 800	-1 400	-4 %
Japan	27 600	28 600	31 300	2 700	9 %
Other Markets	336 900	361 000	350 900	-10 100	-3 %
Total	1 134 900	1 191 000	1 199 100	8 100	1 %



Figures as per:
17.08.2020

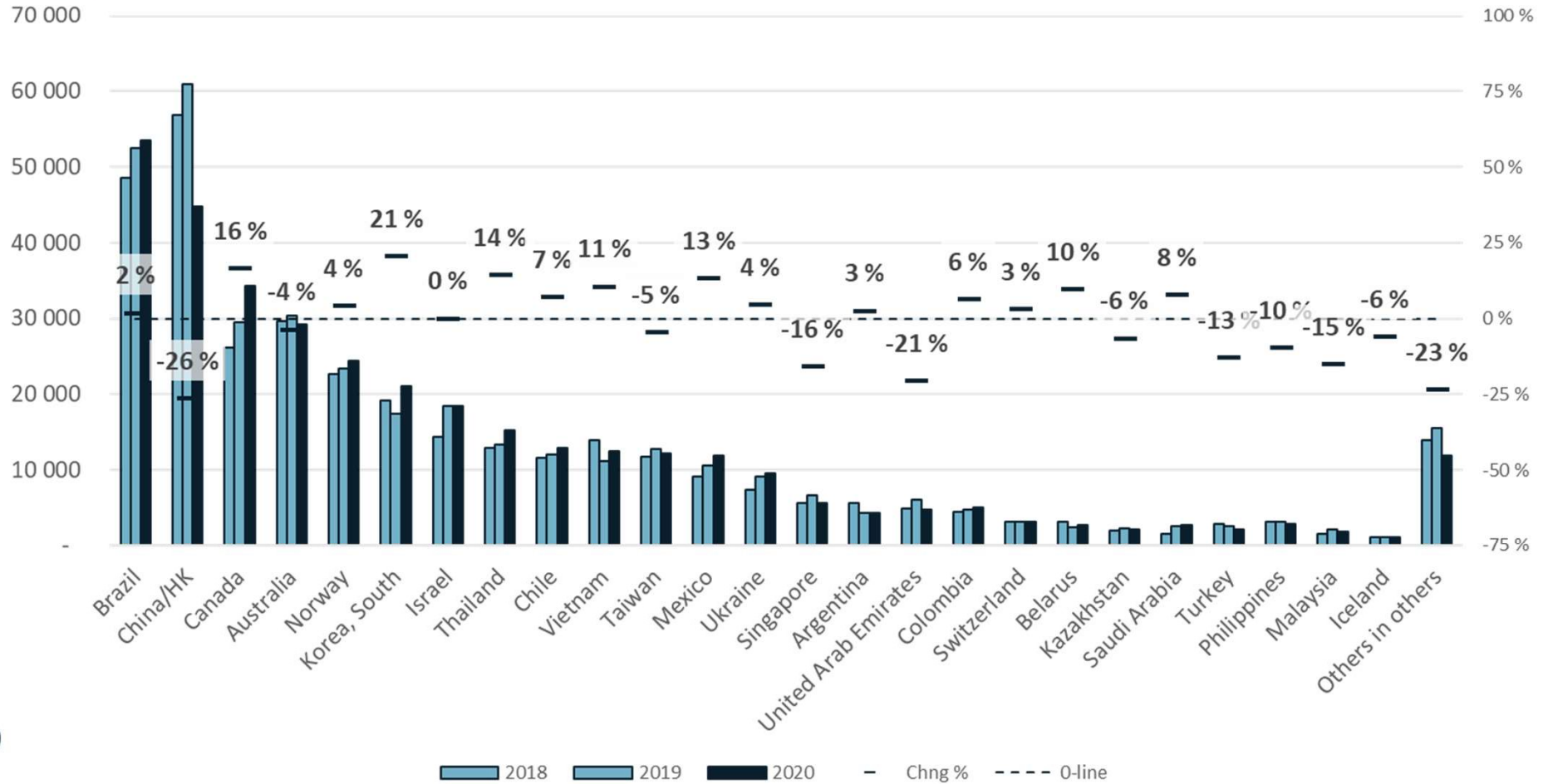
Source: Kontali



NOK/KG (NSI 3-6) YTD June:
63.26 -3.44% (65.52)

Atlantic Salmon Consumption (Other markets)

YTD June



Figures as per:
17.08.2020
Source: Kontali



Trout - Supply

in tons WFE

Year	2015		2016		2017		2018		2019		2020		2021	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
Americas	164 200	-11,6 %	145 300	-11,5 %	152 700	5,1 %	146 100	-4,3 %	159 100	8,9 %	162 000	1,8 %	157 900	-2,5 %
Chile	100 400	-23,8 %	74 200	-26,1 %	75 200	1,3 %	73 900	-1,7 %	83 900	13,5 %	82 400	-1,8 %	77 200	-6,3 %
Others	57 800	18,7 %	64 600	11,8 %	71 000	9,9 %	66 200	-6,8 %	68 800	3,9 %	73 500	6,8 %	73 600	0,1 %
Australia	3 500	9,4 %	4 000	14,3 %	4 000	0,0 %	4 400	10,0 %	4 800	9,1 %	4 400	-8,3 %	4 100	-6,8 %
Canada	2 500	13,6 %	2 500	0,0 %	2 500	0,0 %	1 600	-36,0 %	1 600	0,0 %	1 700	6,3 %	3 000	76,5 %
Europe	120 200	0,1 %	135 640	12,8 %	116 000	-14,5 %	122 500	5,6 %	138 700	13,2 %	146 300	5,5 %	143 900	-1,6 %
Norway	71 500	-3,1 %	84 500	18,2 %	60 000	-29,0 %	64 000	6,7 %	78 200	22,2 %	85 800	9,7 %	81 000	-5,6 %
Russia	15 000	7,1 %	16 540	10,3 %	18 000	8,8 %	20 000	11,1 %	22 000	10,0 %	22 000	0,0 %	24 000	9,1 %
Finland	13 000	4,8 %	14 500	11,5 %	14 500	0,0 %	14 500	0,0 %	14 500	0,0 %	14 500	0,0 %	13 900	-4,1 %
Denmark	10 900	3,8 %	10 500	-3,7 %	13 000	23,8 %	13 500	3,8 %	13 500	0,0 %	13 500	0,0 %	13 800	2,2 %
Sweden	9 800	4,3 %	9 600	-2,0 %	10 500	9,4 %	10 500	0,0 %	10 500	0,0 %	10 500	0,0 %	11 200	6,7 %
Totalt	284 400	-7,0 %	280 940	-1,2 %	268 700	-4,4 %	268 600	-0,0 %	297 800	10,9 %	308 300	3,5 %	301 800	-2,1 %

Figures as per:

17.08.2020

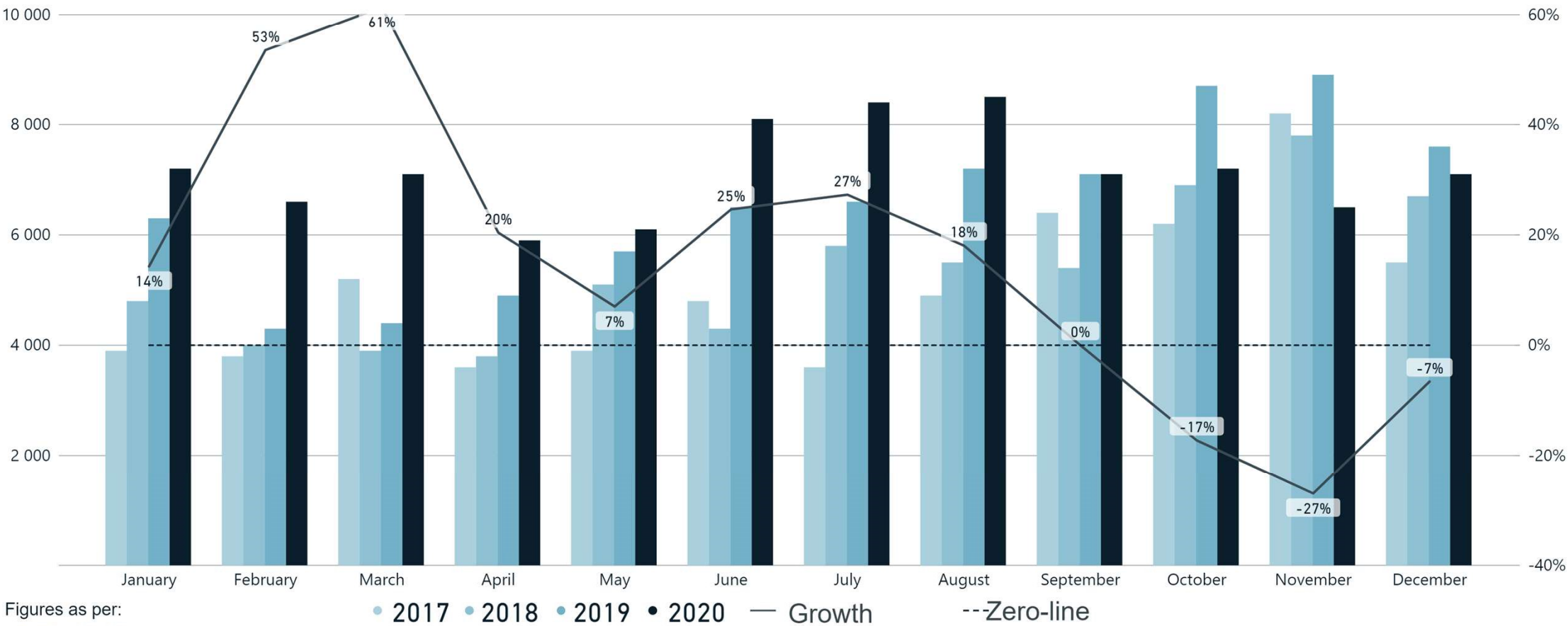
Source: Kontali



Tons YTD July:
49 400
Change from Last Year
27,6%

Trout - Harvest Volumes Norway

in tons WFE



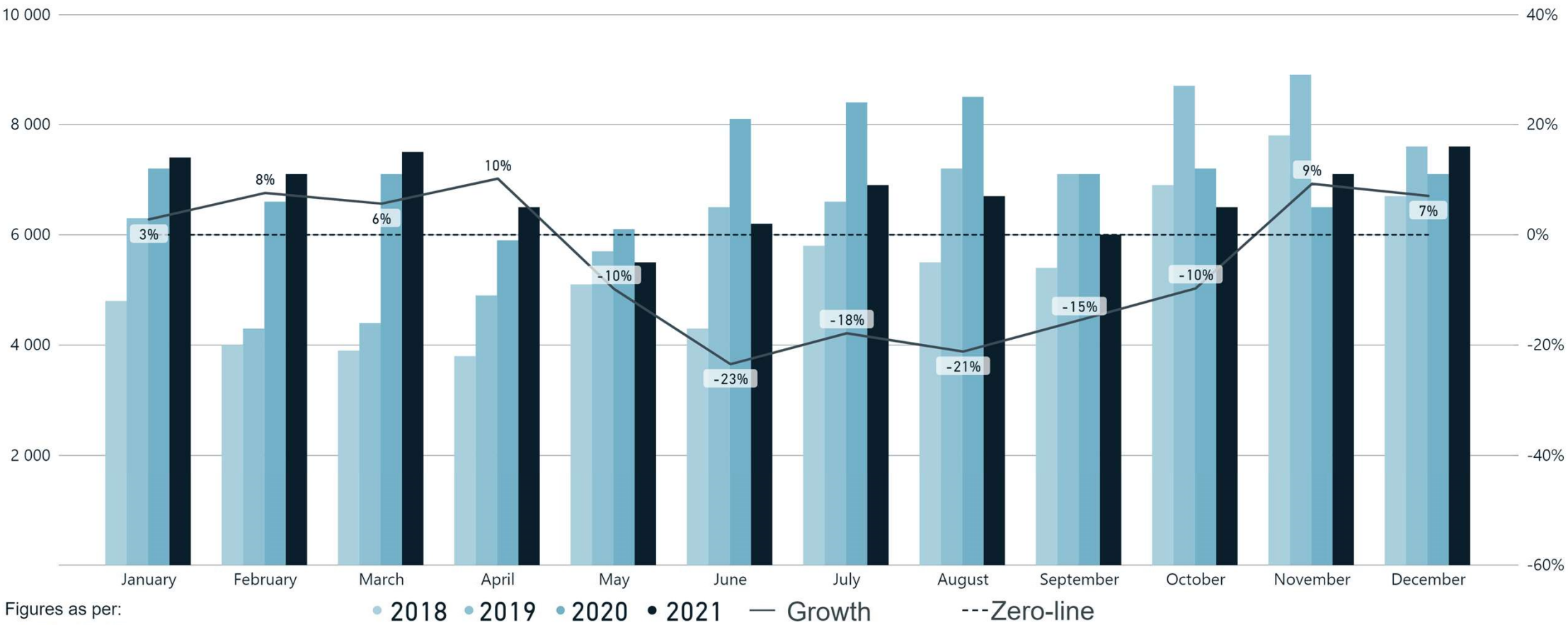
Figures as per:
17.08.2020

Source: Kontali



Trout - Harvest Volumes Norway

in tons WFE



Figures as per:
17.08.2020

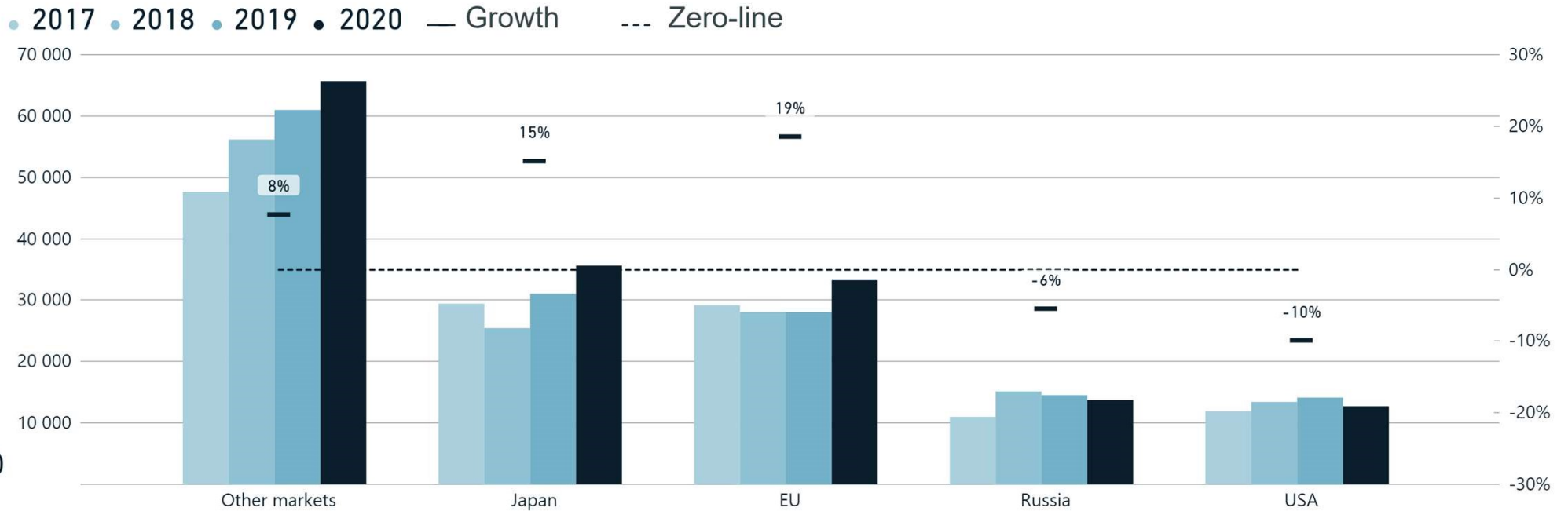
Source: Kontali



Trout Consumption

YTD - June

Market	2017	2018	2019	2020	Growth	Growth %
Other markets	47 718	56 200	61 000	65 700	4 700	7,7 %
Japan	29 387	25 400	31 000	35 700	4 700	15,2 %
EU	29 128	28 000	28 000	33 200	5 200	18,6 %
Russia	10 967	15 100	14 500	13 700	-800	-5,5 %
USA	11 896	13 400	14 100	12 700	-1 400	-9,9 %
Totalt	129 096	138 100	148 600	161 000	12 400	8,3 %



Figures as per:
17.08.2020

Source: Kontali



Outlook

- The end of Covid-19 is unpredictable. Situation has improved during Q2, but has a significant impact on market development and thus earnings short term
- Long term the demand pictures for seafood remains sound
- Expect significant growth in harvest volume and lower costs from the investments in smolt facilities
- Expected contract share for salmon in Q3/20 ~25-30%
- Significant potential in whitefish
 - Quota advice for ICES for 2020 is up 20% for cod, up 8% for haddock, up 15 % for saithe North of 62 degrees and down 15% in the North Sea



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