

Grieg Seafood ASA

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8 November 2017



Agenda

- Highlights
- This is Grieg Seafood
- Business Units (Regions)
- Financials
- Outlook



Highlights Q3 2017



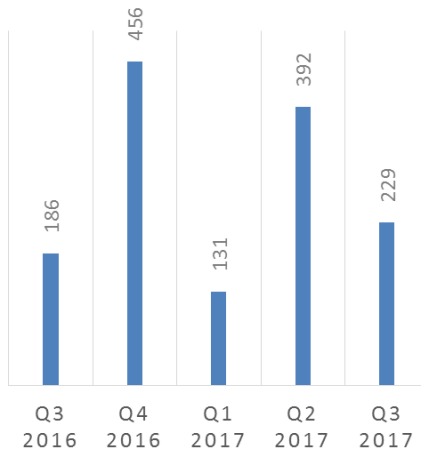
- Improved results driven by higher volume (EBIT NOK 229m)
- Earnings maintained by good prices, positive result from contracts
- EBIT margin negatively affected by planned harvest-stop in Rogaland
- Stable production in Norway and BC
- New location in Finnmark
- Dividend of NOK 1
- Volume increase of 17 % to 77 000 tons in 2018



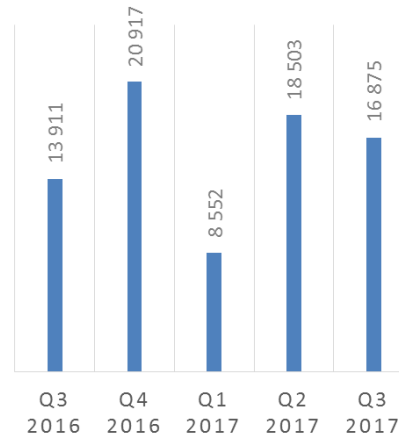
Financial highlights Q3 2017



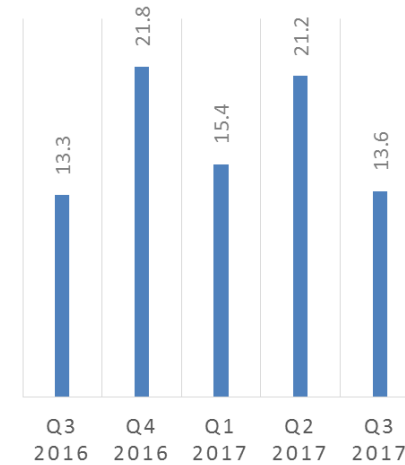
EBIT (NOKM)



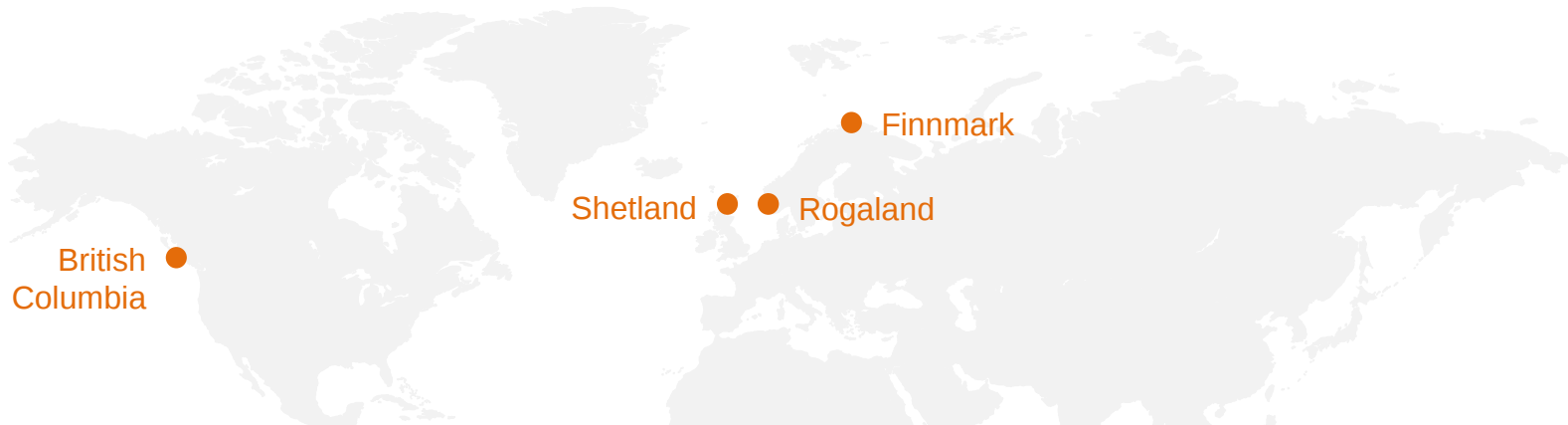
HARVEST (TONS GWE)



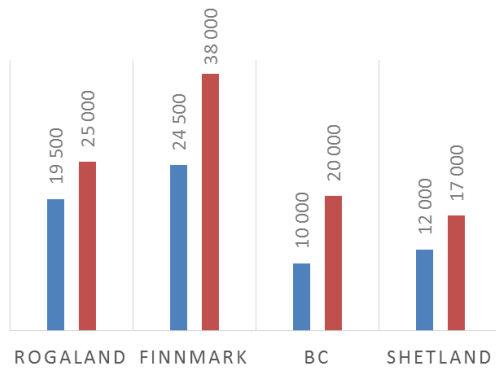
EBIT/KG (NOK)



This is Grieg Seafood

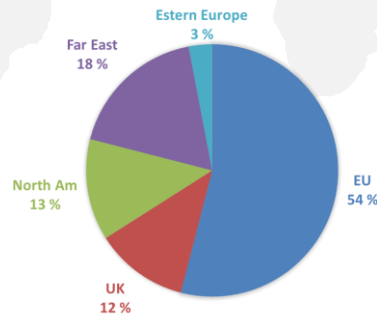


Harvest volume & capacity

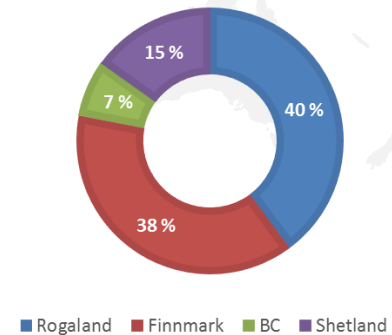


■ Guiding 2017 ■ Total capacity

2016 Revenue by market



2016 EBIT by farming region



Long-term targets and near-term priorities



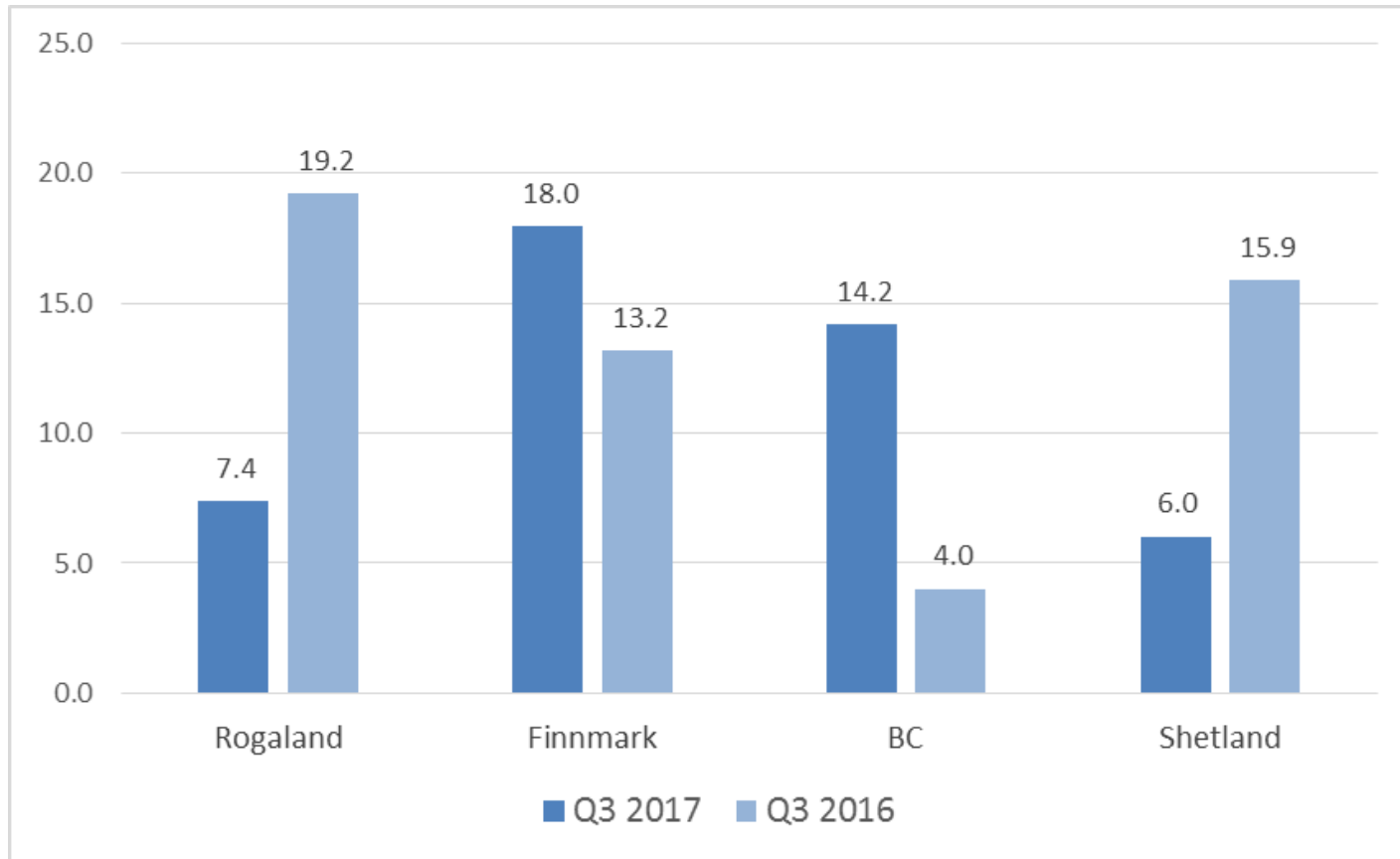
BUSINESS UNITS (REGIONS)



Business units performance – Q3 2017

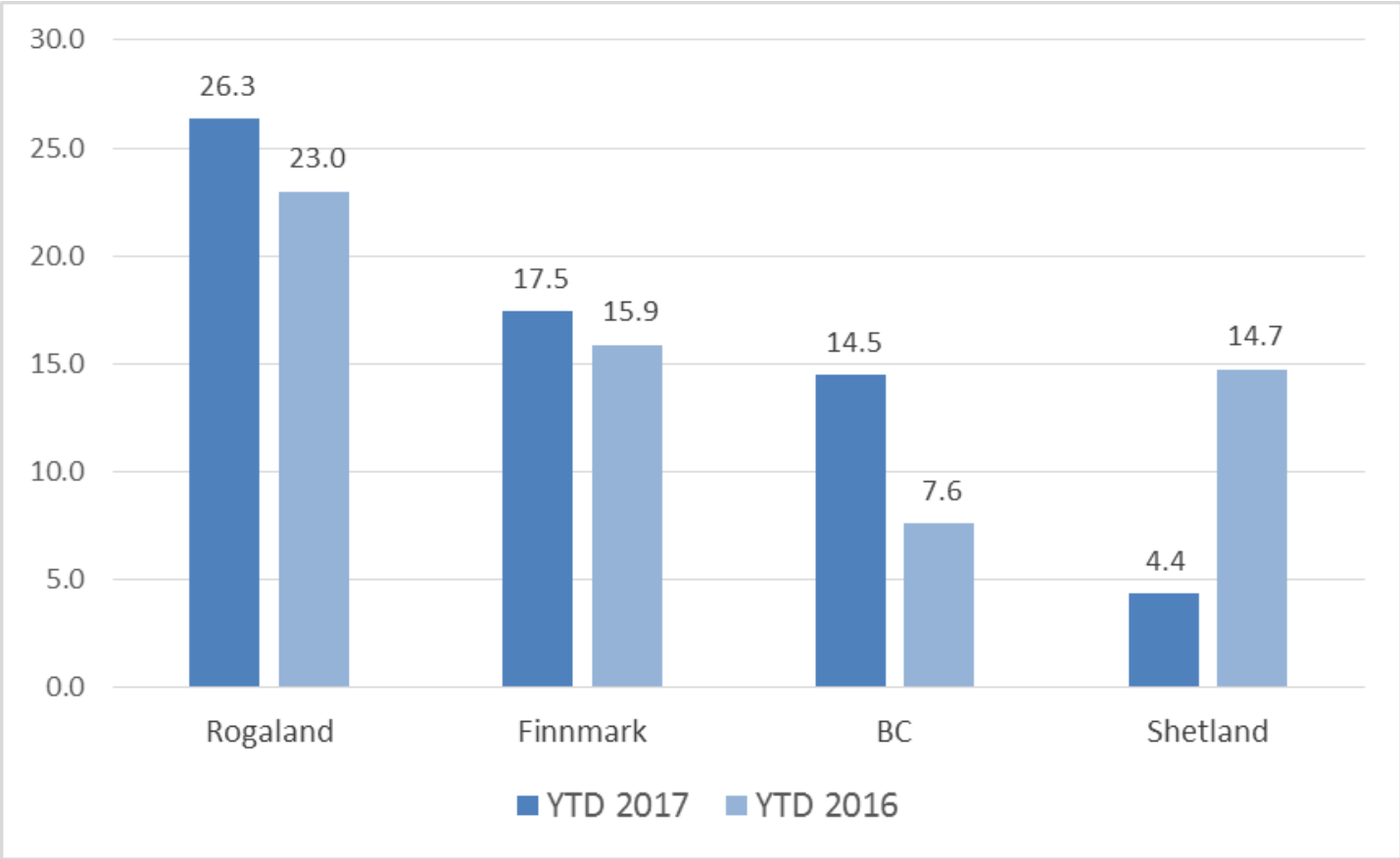


EBIT before FV adjustment/KG gwt (NOK)



Business units performance – YTD 2017

EBIT before FV adjustment/KG gwt (NOK)

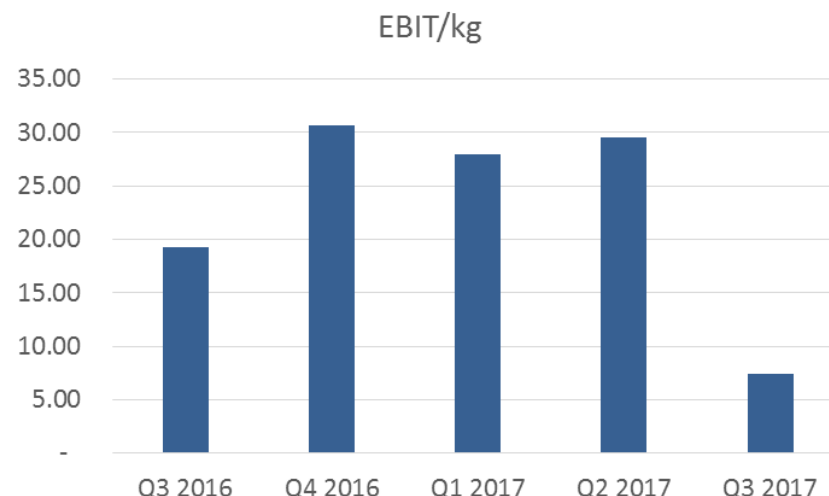


GSF Rogaland



- Cost/kg up from previous quarter due to low harvest volume
- Accelerated harvesting due to implementing common zone structure – increasing cost/kg and lowering price
- Stable sea production in Q3
- Biological situation sound, with good control of the lice situation
 - PD at one site, reducing harvest guiding 2017 by 500 tons
- Smolt capacity extended from 500 to 1 300 tons, will be operative from Q4 2017
- Increased harvest volume will reduce cost per kg in Q4

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Harvest (gwt)	1 687	2 332	13 834	12 600
Sales revenues	101 002	133 346	931 055	769 285
EBIT	12 434	44 886	364 509	289 702
EBIT/kg	7.4	19.2	26.3	23.0

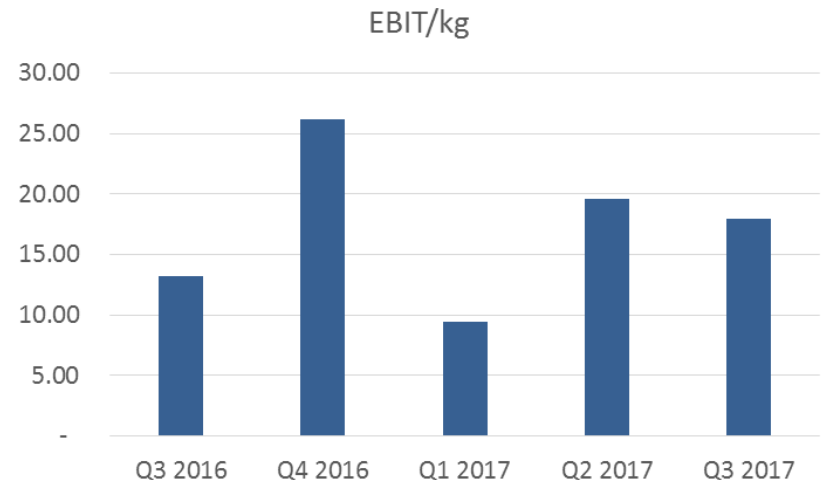


GSF Finnmark



- Cost/kg down from previous quarter due to higher harvest volumes
- Stable sea production in Q3
 - Sea temperature below normal reducing 2017 harvest guiding by 500 tons
- Good control of the lice situation
- Another location awarded in Q3, two new locations YTD
- Extending smolt plant capacity from 800 to 1 600 tons moving forward as planned
- Positive cost development expected to continue in Q4

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Harvest (gwt)	8 448	4 504	14 205	12 767
Sales revenues	486 253	230 767	846 152	663 313
EBIT	151 929	59 348	247 968	202 814
EBIT/kg	18.0	13.2	17.5	15.9

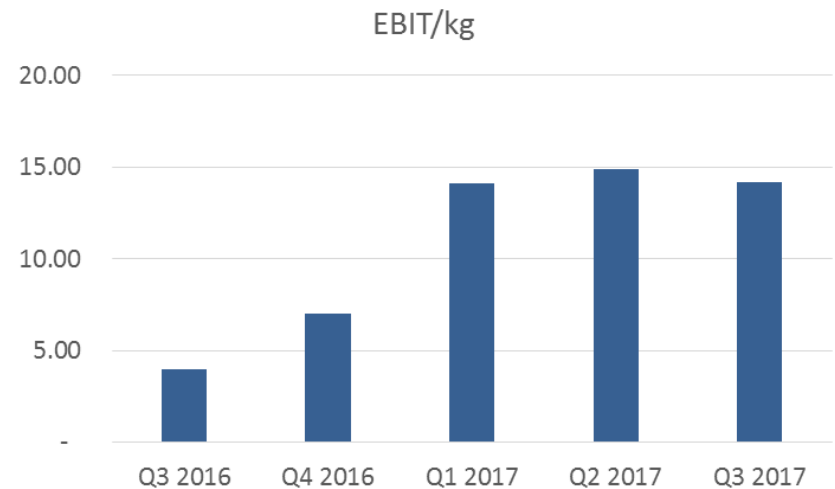


GSF BC (Canada)



- Cost/kg stable from previous quarter
- Focus on feed efficiency resulting in good sea production in Q3
 - Harvest guiding 2017 increased by 1 000 tons
- Smolt production stable in Q3
- The first location with rings, replacing steel plant, operative in Q3
- Cost expected to remain stable moving into Q4

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Harvest (gwt)	2 350	2 536	6 978	8 797
Sales revenues	137 480	147 569	425 009	496 425
EBIT	33 313	10 175	101 186	67 159
EBIT/kg	14.2	4.0	14.5	7.6

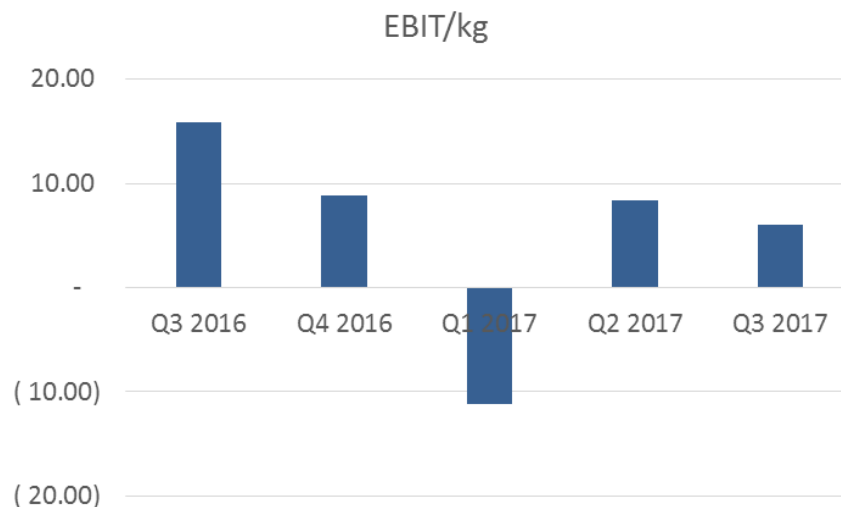


GSF Shetland



- Cost remain high, mainly due to lice and algae challenges
 - However, the cost level in Q3 showed a slight improvement on the previous quarter
- Biological challenges reduces average weight
 - Affect prices achieved
 - Expected harvest volume for 2017 reduced by 1 000 tons
- Initiative to reduce sea lice level prioritized going forward, including lengthening fallow periods
- Biological situation stabilized by the end of Q3, raising expectations of continued cost reductions in Q4

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Harvest (gwt)	4 391	4 539	8 915	9 644
Sales revenues	265 900	283 188	560 278	619 775
EBIT	26 495	72 219	38 951	142 222
EBIT/kg	6.0	15.9	4.4	14.7



Financials



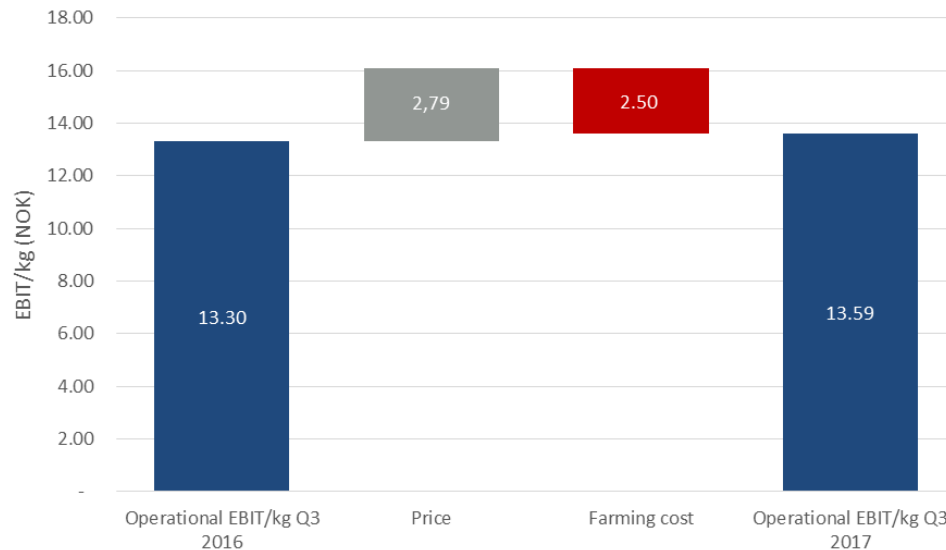
Profit and Loss



All figures in NOKm	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Total operating income	1 855	1 553	5 306	4 534
EBITDA	280	231	900	840
Depreciation and amortisation	-51	-45	-147	-128
EBIT before biomass adj	229	186	753	712
Fair value adj biological assets	53	93	-220	289
EBIT after biomass adj.	282	279	533	1 000
Share of profit ass. companies	-	-	-	12
Net financial	-24	-43	-28	-135
Profit before tax	258	236	505	877
Estimated taxation	-68	-55	-128	-207
Net profit in the period	190	181	377	670

- Revenues and earnings driven by higher harvest volumes
- Higher depreciations following growth investments
- Net financials down NOK 19 million
 - Low NIBD/EBITDA-ratio reducing financial cost
 - Changes in currency

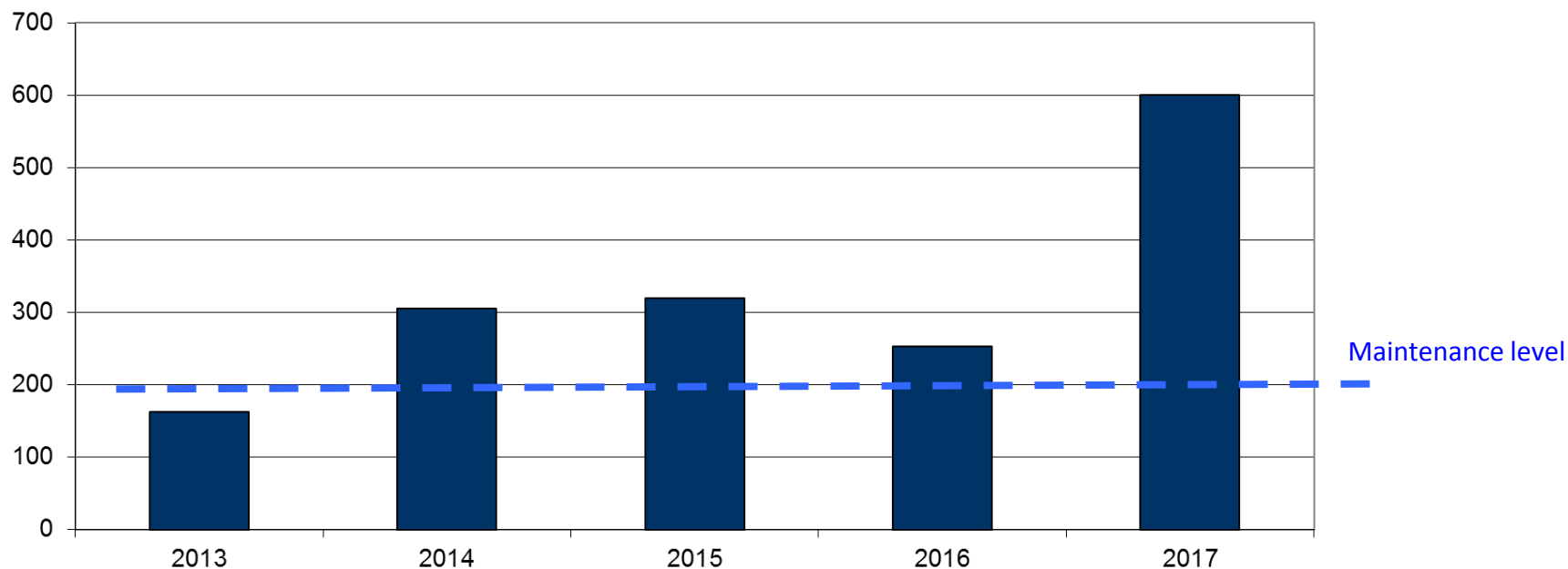
EBIT and cost development



- Lower spot-prices offset by higher contract prices
- Cost/kg impacted by weak biological performance in Shetland and lower harvest volume in Rogaland
- Cost/kg GSF Q4 expected to move down from Q3 due to higher harvest volume and better biology

Investments

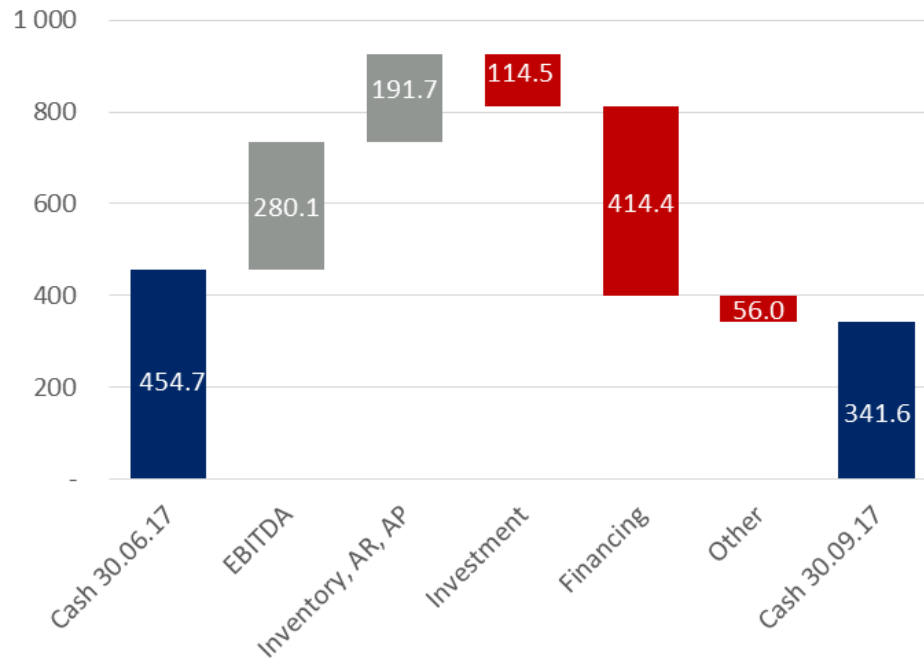
(NOKm)



- Maintenance NOK 200 million
- Expansion of smolt plant Rogaland NOK 100 million
- Expansion of smolt plant Finnmark NOK 100 million
- New sites NOK 200 million following growth strategy

Cash Flow

(NOKm)



- Solid contribution from strong earnings
- Working capital release, mainly due to reduced accounts receivables
- NOK 300 million repayment on revolving credit facility
- 2018 growth ambitions expected to increase working capital by some NOK 200 million next year

NIBD



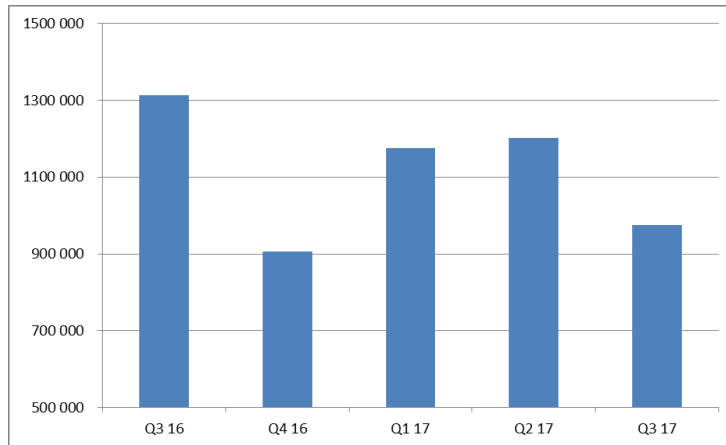
NOKm	Q3 2017	Q3 2016
Term Loan	1 008	1 098
Revolving Credit	0	100
Leasing	266	312
Other interest bearing debt	43	4
Cash - closing balance	-342	-199
NIBD excl. factoring	975	1 314

- Rev cred frame of NOK 700 million available

Net Interest Bearing Debt/EBITDA

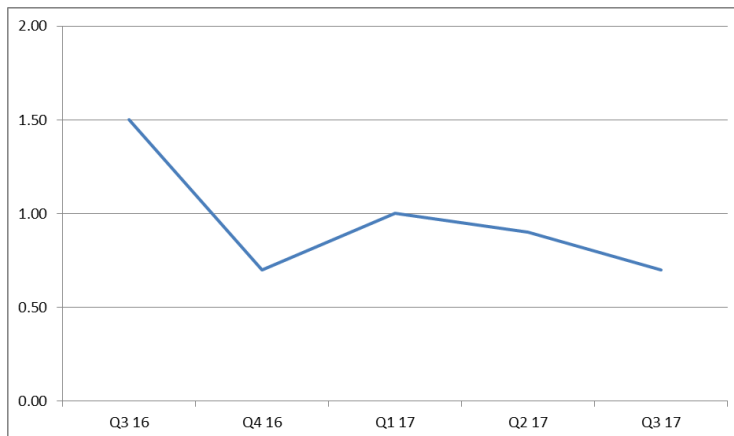


NIBD (NOK 1,000)
(excl. factoring)



- Next dividend assessment after Q4 2017
- NIBD/EBITDA moving down to 0.7
- Important to have a solid financial situation when growing

NIBD/EBITDA
(according to covenants)



Balance sheet - Assets

(NOK 1,000)



ASSETS	30.09.17	30.09.16
Goodwill	108 647	108 360
Licenses	1 060 557	1 050 646
Other intangible assets	17 518	17 241
Property, plant and equipment	1 722 233	1 452 645
Investments in associated and joint venture companies	9 675	14 603
Other non-current assets	15 797	5 193
Total non-current assets	2 934 427	2 648 689
Inventories	78 528	86 028
Biological assets	1 897 291	1 726 890
Fair value biological assets	604 704	662 162
Accounts receivable	740 020	675 365
Other current receivables	213 118	136 756
Derivates and other financial instruments	0	10 726
Cash and cash equivalents	341 612	199 468
Total current assets	3 875 273	3 497 396
Total assets	6 809 699	6 146 085

Balance sheet – Equity and liabilities

(NOK 1,000)



EQUITY AND LIABILITIES	30.09.17	30.09.16
Share capital	446 647	446 648
Treasury Shares	-5 000	-5 000
Retained earnings and other equity	2 774 464	2 300 621
Total equity	3 216 111	2 742 269
Deferred tax liabilities	802 150	706 845
Pension- and other obligations	15 378	10 932
Subordinated loans	15 100	16 050
Borrowings and leasing	1 120 182	1 351 418
Total non-current liabilities	1 952 810	2 085 245
Short-term loan facilities	158 333	160 666
Factoring	500 714	382 263
Accounts payable	615 852	547 924
Tax payable	151 832	18 054
Derivates and other financial instruments	19 326	0
Other current liabilities	194 720	209 664
Total current liabilities	1 640 778	1 318 571
Total liabilities	3 593 588	3 403 816
Total equity and liabilities	6 809 699	6 146 085

Key financial indicators



	Q3 2017	Q3 2016	YTD 2017	YTD 2016
EBITDA-margin before adj FV	15 %	15 %	17 %	19 %
EBIT-margin before adj FV	12 %	12 %	14 %	16 %
NIBD/EBITDA before adj FV	0.7	1.5	0.7	1.5
ROCE before adj FV	24 %	21 %	27 %	26 %
Equity ratio	47 %	45 %	47 %	45 %

OUTLOOK



Harvest estimate



Guiding 2017 (1,000 tons gw e)	Rogaland	Finnmark	BC	Shetland	GSF Group
Q1	4.4	1.6	1.2	1.3	8.6
Growth %	16 %	-74 %	-7 %	-42 %	-37 %
Q2	7.8	4.1	3.4	3.2	18.5
Growth %	19 %	110 %	-31 %	13 %	14 %
Q3	1.7	8.4	2.3	4.4	16.9
Growth %	-28 %	88 %	-7 %	-3 %	21 %
Q4	5.7	10.3	3.0	3.1	22.1
Growth %	-2 %	10 %	58 %	-21 %	6 %
Total	19.5	24.5	10.0	12.0	66.0
Growth %	6 %	11 %	-7 %	-11 %	2 %
2018	20.0	28.0	17.0	12.0	77.0
Growth %	3 %	14 %	70 %	0 %	17 %

- Harvest guiding 2017 down from 67 000 to 66 000 tons mainly due to biological challenges in Shetland
- 2017 smolt-input of 26 million (28% growth from 2016) moving expected harvest volume 2018 up by 17 % to 77.000 tons

Supply outlook

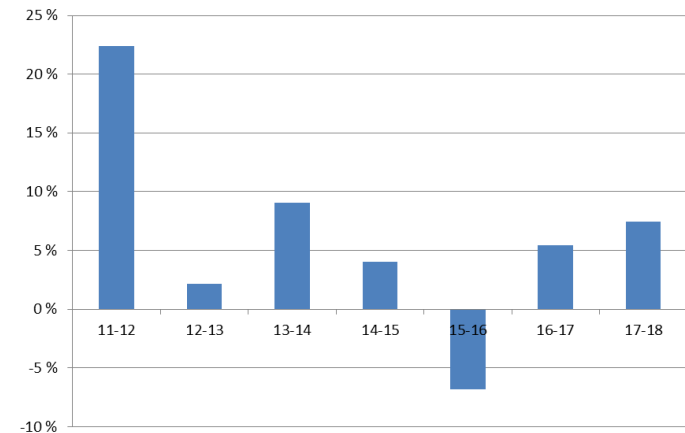


Expected global harvest quantity growth 2018: 7%

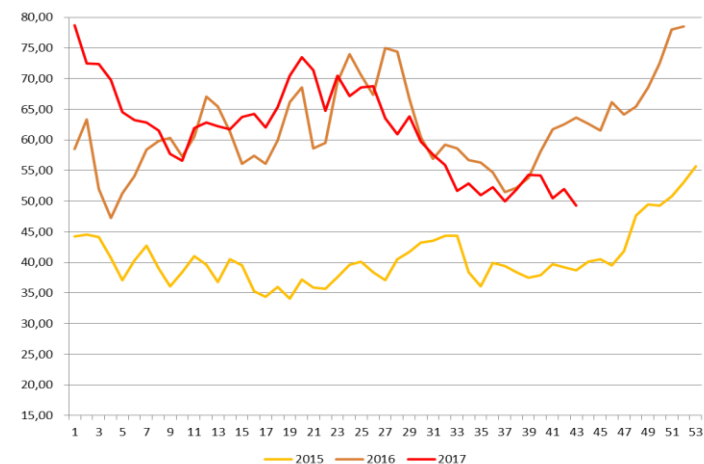
- Norway
 - 2017: +3%
 - 2018: +9% (1,180' MT)
- Chile
 - 2017: +9%
 - 2018: +9% (538' MT)
- North America
 - 2017: -3%
 - 2018: +4% (150' MT)
- UK
 - 2017: +11%
 - 2018: +1% (158' MT)

Source: Kontali Analyse AS

Global supply growth farmed salmon (YoY):



NASDAQ (Norway) price development :



Outlook/summary



- Growth strategy moving forward as planned
 - Increased smolt capacity, both internal and external
 - Smolt input increasing by 28% in 2017
 - One new site approved in Finnmark in Q3 (summing up to two new sites for this region in 2017)
- Strong market outlook long term
 - Supply growth guidance of 7 % in 2018
 - Supply growth guidance of 3 % in 2019
- Expected contract share Norway of 18 % in Q4 (26 % for 2017)
 - 22% so far in 2018
- The harvest volume for Q4 2017 is expected to be 22 100 tons (66 000 tons for 2017)
- Harvest volume for 2018 is expected to be 77 000 tons (up 17 %)
- Next dividend assessment after Q4 2017

Thank you !



APPENDIX



Share information



- Number of shares
 - 111.7 million (after full conversion of bonds in August 2009)
- Last issues: Q2 2009
 - MNOK 139 new share issue
- Subordinated convertible bond issue: Q1 2009
 - 100 mill. convertible at NOK 4.00 per share within 31.12.2010
 - 85% converted in Q2 2009
 - 15% converted in Q3 2009
- EPS
 - 1.65 NOK/share Q3 2017
 - 1.55 NOK/share Q3 2016
- Shareholder structure
 - Largest 20 hold 75.68% of total no. of shares

Shareholders

	No. shares	%
GRIEG HOLDINGS AS	55 801 409	49.97 %
OM HOLDING AS	4 884 017	4.37 %
FOLKETRYGDFONDET	3 000 636	2.69 %
YSTHOLMEN AS	2 928 197	2.62 %
STATE STREET BANK AND TRUST COMP	2 143 460	1.92 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 960 952	1.76 %
JPMORGAN CHASE BANK, N.A., LONDON	1 694 822	1.52 %
VERDIPAPIRFONDET ALFRED BERG GAMMA	1 673 796	1.50 %
GRIEG SEAFOOD ASA	1 250 000	1.12 %
ARTIC FUNDS PLC	1 197 000	1.07 %
THE BANK OF NEW YORK MELLON SA/NV	980 948	0.88 %
VERDIPAPIRFONDET PARETO NORDIC	976 000	0.87 %
EUROCLEAR BANK S.A./N.V.	974 497	0.87 %
CLEARSTREAM BANKING S.A.	956 537	0.86 %
THE NORTHERN TRUST COMP, LONDON BR	842 568	0.75 %
VPF NORDEA KAPITAL	700 006	0.63 %
JPMORGAN CHASE BANK, N.A., LONDON	694 388	0.62 %
VPF NORDEA AVKASTNING	631 523	0.57 %
THE BANK OF NEW YORK MELLON SA/NV	612 105	0.55 %
THE BANK OF NEW YORK MELLON SA/NV	604 816	0.54 %
Total 20 largest shareholders	84 507 677	75.68 %
Total other	27 154 323	24.32 %
Total numbers of shares	111 662 000	100.00 %

Cash Flow

(NOK 1,000)

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Cash - opening balance	454 705	370 726	503 613	392 020
EBITDA	280 131	230 894	899 959	839 622
Inventory, trade payables and trade receivables	191 711	-28 491	-118 498	-295 026
Other adjustments	-54 415	-73 866	-33 793	-103 683
Cash flow from operations	417 427	128 537	747 668	440 913
Capital expenditure (fixed assets)	-118 348	-78 076	-356 500	-149 102
Investments in associated companies/shares	0	0	-10 000	24 000
Change in other non-current receivables	3 882	0	-8 627	0
Cash flow from investments	-114 466	-78 076	-375 127	-125 102
Changes in interest-bearing debt	-392 630	-199 293	-122 250	-375 048
Paid dividends	0	0	-331 236	-55 206
Paid dividends to non-controlling interests	0	0	-32 561	-12 929
Net interest and financial items	-21 818	-21 111	-48 711	-73 454
Cash flow from financing	-414 448	-220 404	-534 758	-516 637
Currency effect on cash - opening balance	-1 606	-1 315	216	8 274
Changes in cash (incl. currency effect on cash)	-113 093	-171 258	-162 001	-192 552
Cash - closing balance	341 612	199 468	341 612	199 468

Profit and Loss



All figures in NOK 1,000	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Total operating income	1 854 905	1 552 764	5 306 480	4 534 413
Share of profit from joint venture	-325	0	-325	-420
Change in inventories	106 856	272 080	183 426	336 928
Raw materials and consumables used	-1 084 166	-1 075 644	-3 025 857	-2 612 068
Salaries and personnel expenses	-121 371	-125 889	-344 660	-350 493
Other operating expenses	-475 768	-392 416	-1 219 104	-1 068 739
EBITDA	280 131	230 894	899 959	839 622
Depreciation and amortisation	-49 597	-44 129	-143 388	-130 571
Depreciation and amortisation of licenses	-1 207	-1 211	-3 499	-3 644
Impairment adjustments on assets	0	0	0	6 223
EBIT before biomass adj	229 327	185 554	753 072	711 630
Fair value adj biological assets	53 132	93 437	-220 008	288 705
EBIT after biomass adj.	282 459	278 991	533 065	1 000 335
Share of profit ass. companies	0	0	0	12 083
Net financial	-24 285	-42 554	-27 866	-135 206
Profit before tax	258 174	236 438	505 199	877 212
Estimated taxation	-67 690	-55 118	-128 167	-207 336
Net profit in the period	190 483	181 320	377 031	669 877