

Grieg Seafood ASA

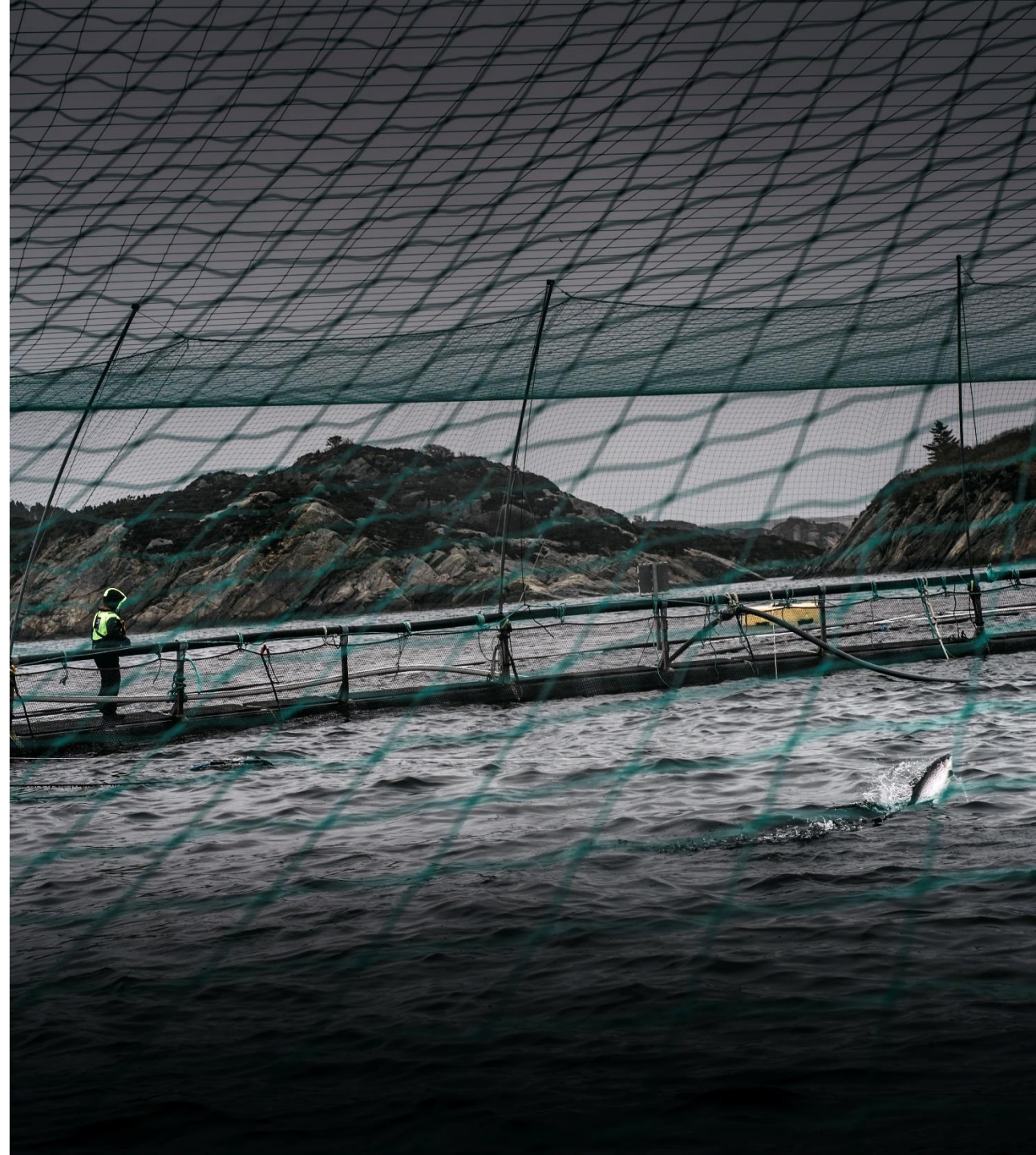
Q4 2018 results

13.02.2019



Agenda

- Highlights
- Operational review
- Segment review
- Financial review
- Outlook & Summary



Operational highlights fourth quarter

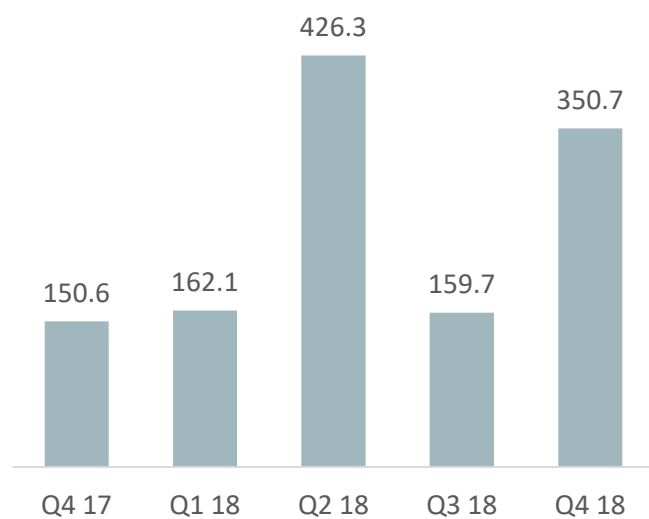


- Continued strong demand and high prices
- Record high harvest volume driven by strong biological performance in Finnmark and Rogaland
- Good production with high average harvest weight in BC
- Earnings driven by high prices and improved operational efficiency
- High cost in BC and Shetland due to continued biological challenges
- Awarded A- by the Carbon Disclosure Project on actions related to Climate Change
- Share savings program for the employees established in Q4
- Expected harvest volume of 82 000 tonnes in 2019

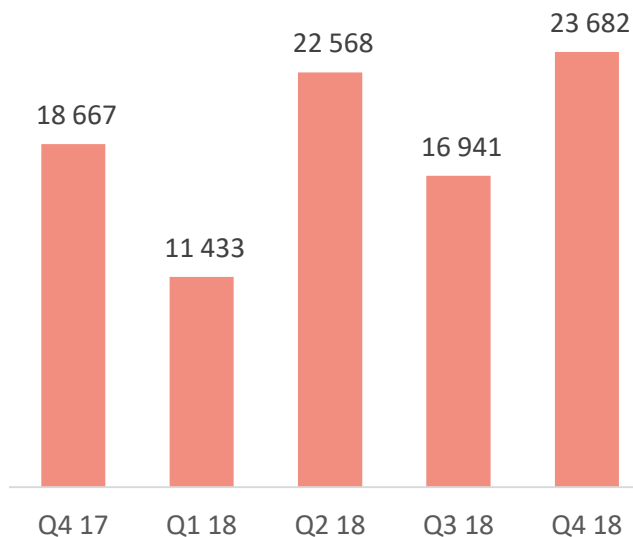
Financial highlights fourth quarter



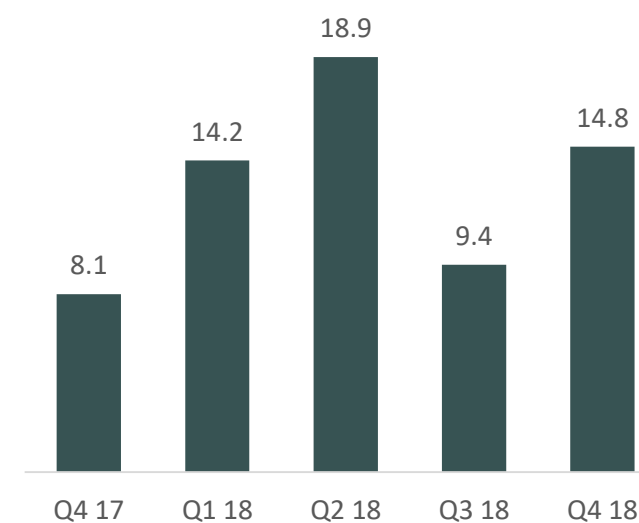
EBIT * (NOK million)



Harvest volume (tonnes GWT)



EBIT/kg * (NOK)



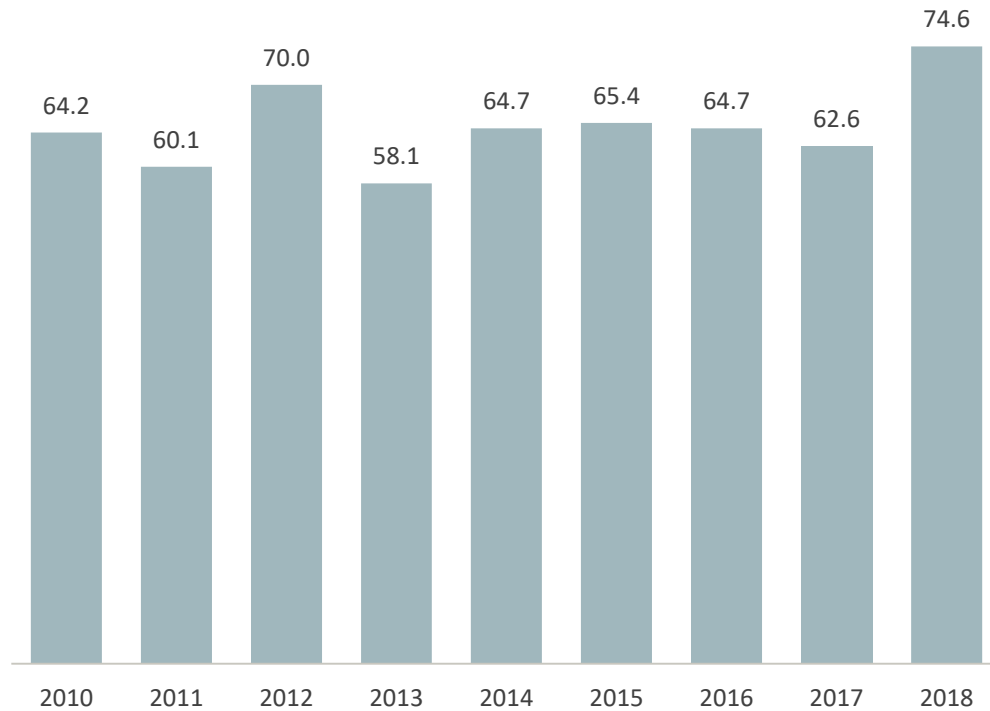
* EBIT before fair value adjustment of biological assets



Strong operational and financial development

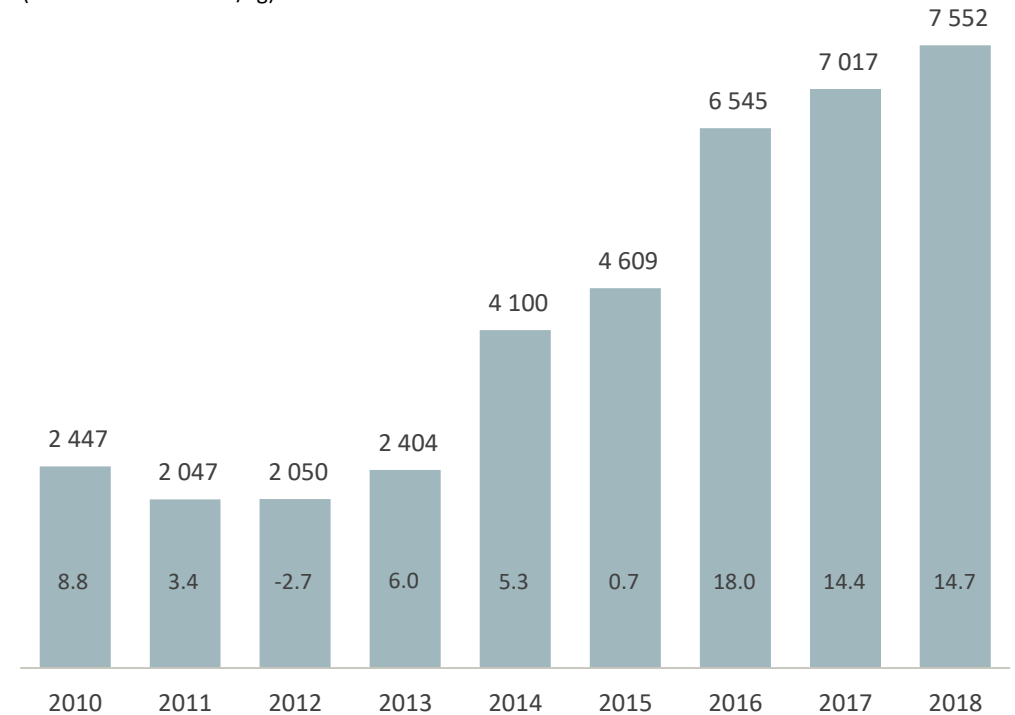
Harvest volume

(1 000 tonnes GWT)



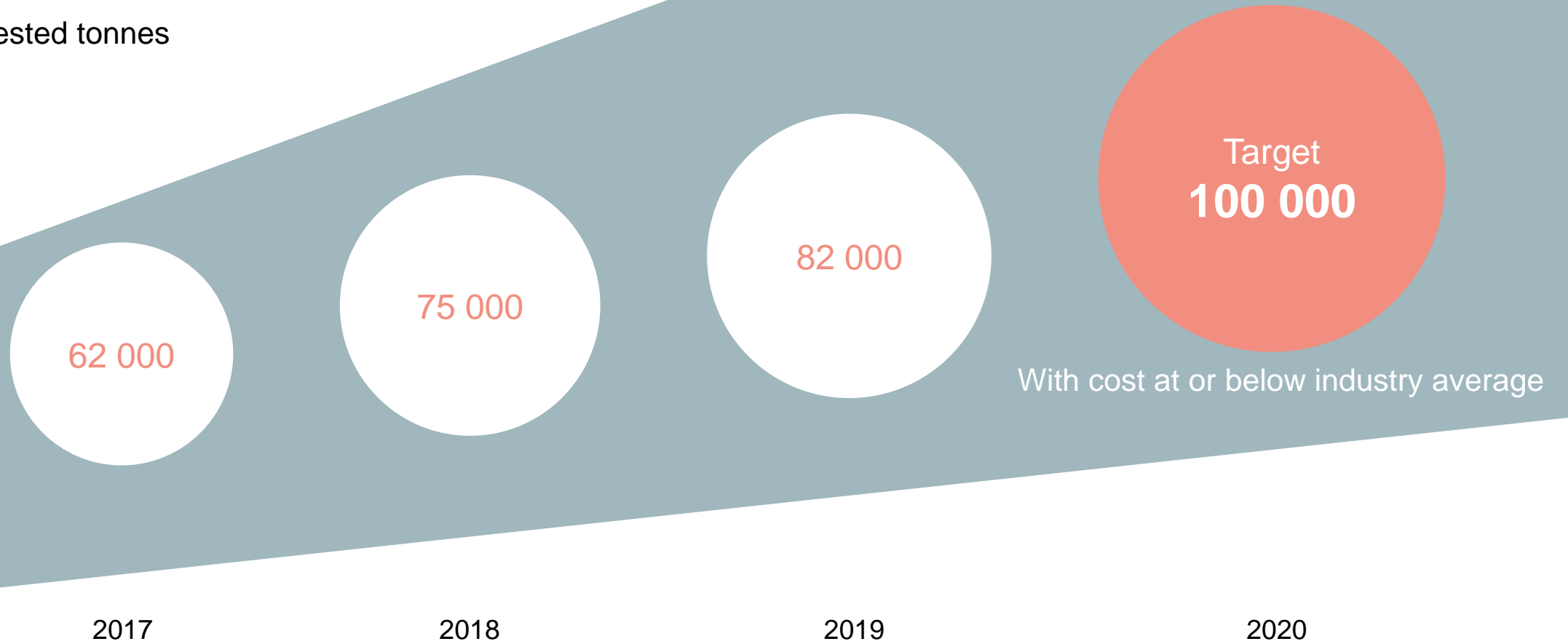
Revenues and EBIT/kg

(NOK million and NOK/kg)



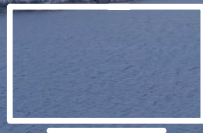
Our growth ambitions

Harvested tonnes



Our strategic focus areas

Sustainability



Post-smolt
strategy

Digitalization in
salmon farming

Biosecurity and
fish welfare

Expansion
opportunities

Operational review

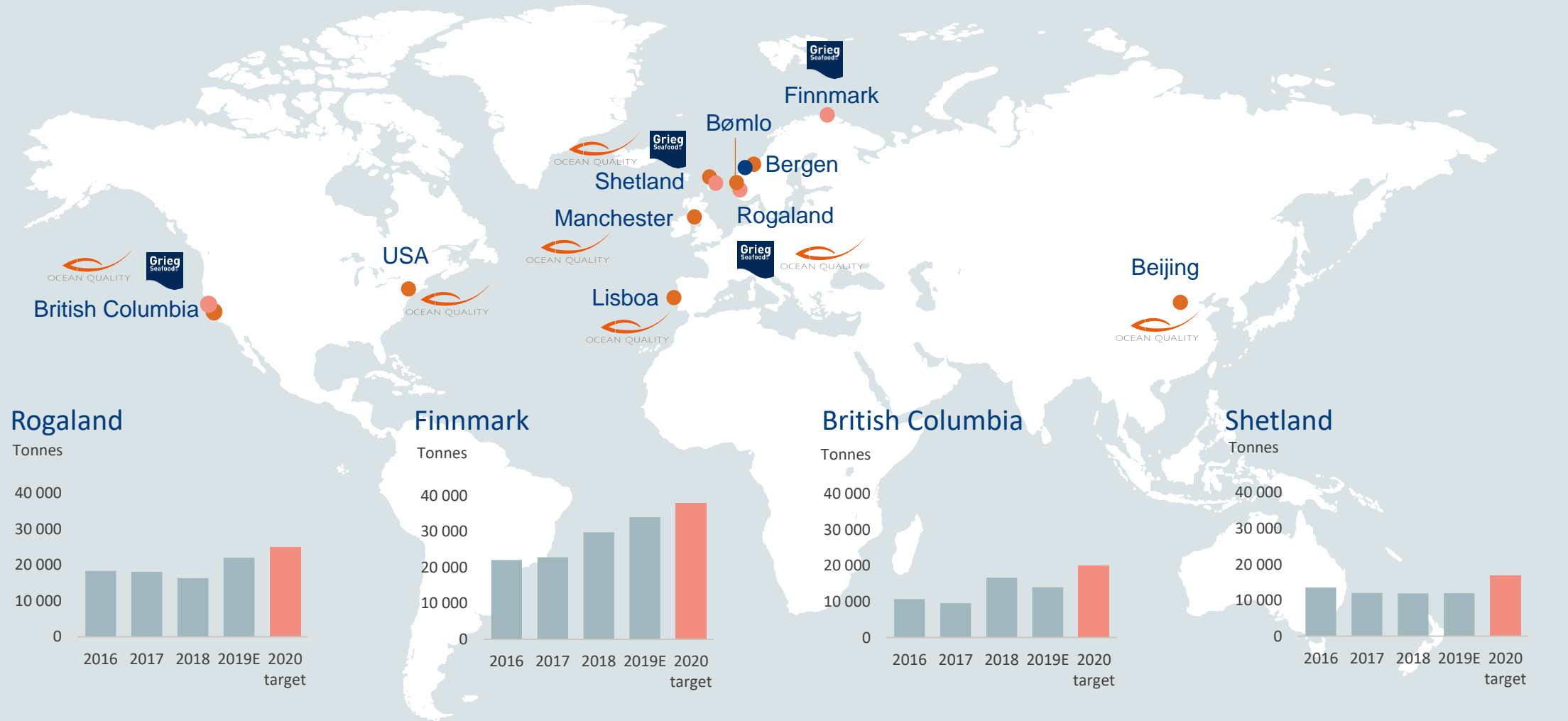


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Our operations

- Grieg Seafood regions
- Head quarter, Bergen
- Sales offices

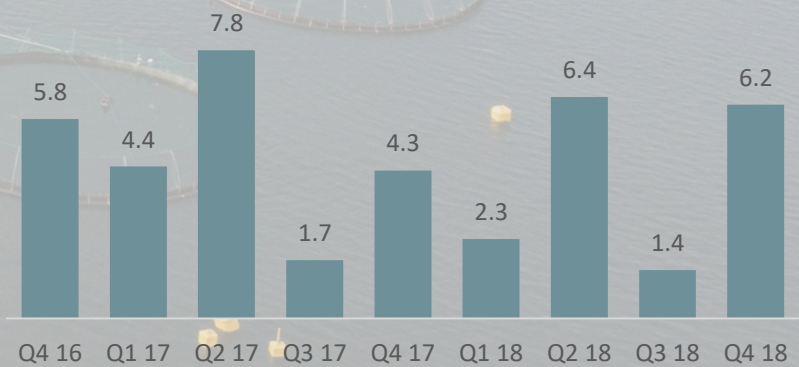


GSF Rogaland

EBIT/kg (NOK)



Harvest volume (1 000 tonnes GWT)



GSF Rogaland



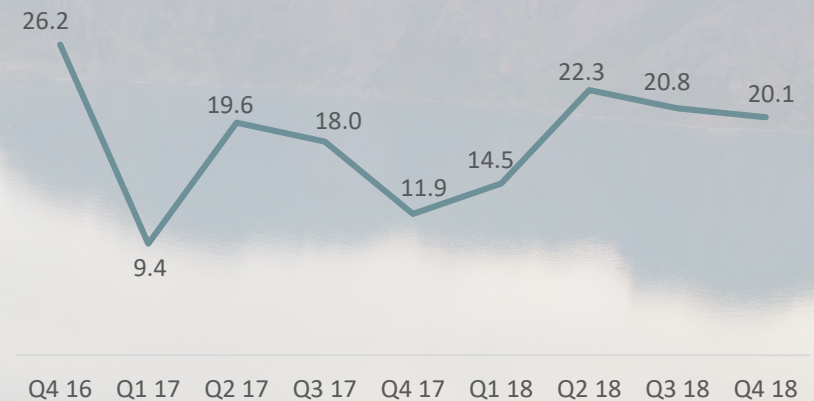
- Harvest volume was 6 185 tonnes GWT, an increase of 44% compared to Q4 2017
- Good biological performance with high MAB utilization
 - Cost continued to decline, due to increased harvest weight and improved fish health
 - 2 out of 13 sites affected by PD at year-end 2018, compared to 7 out of 12 sites at year-end 2017
- Increased cost expected in Q1 2019 due to lower harvest volume
- Large smolt strategy progressing as planned
 - Tytlandsvik Aqua according to plan. Production start early 2019. Expect to receive 1 000 tonnes of smolt during 2019

NOK million	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenues	355.7	219.9	959.6	1 150.2
EBITDA *	130.8	39.9	267.6	430.6
EBIT *	117.8	29.1	219.6	393.1
Harvest volume (tonnes GWT)	6 185	4 278	16 293	18 111
EBIT/ kg* (NOK)	19.04	6.80	13.48	21.70

* EBIT and EBITDA before fair value adjustment of biological assets

GSF Finnmark

EBIT/kg (NOK)



Harvest volume (1 000 tonnes GWT)



GSF Finnmark



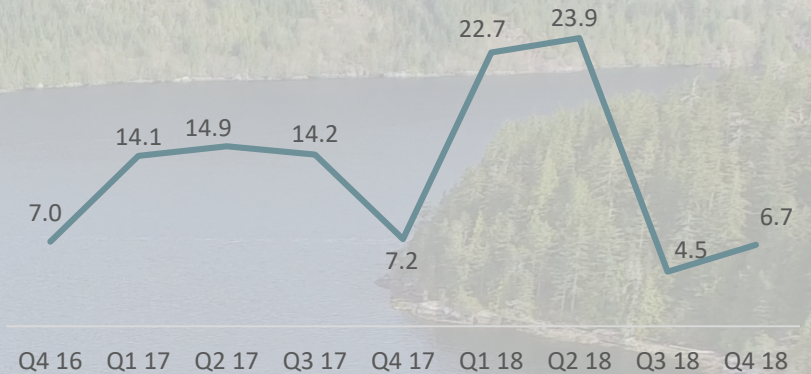
- Harvest volume was 10 824 tonnes GWT, an increase of 25% compared to Q4 2017
- Good price achievement, reflecting the high quality of fish harvested
- Steady, low cost per kg during the quarter
- Cost expected to increase somewhat in Q1 2019 due to lower harvest volume
- Growth strategy moving forward as planned
 - Construction work to increase smolt capacity at Adamselv from 800 to 1 600 tonnes completed

NOK million	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenues	594.4	422.3	1 671.3	1 265.2
EBITDA *	240.1	122.2	685.6	426.7
EBIT *	217.2	102.7	594.9	351.9
Harvest volume (tonnes GWT)	10 824	8 626	29 774	22 831
EBIT/ kg* (NOK)	20.07	11.90	19.98	15.42

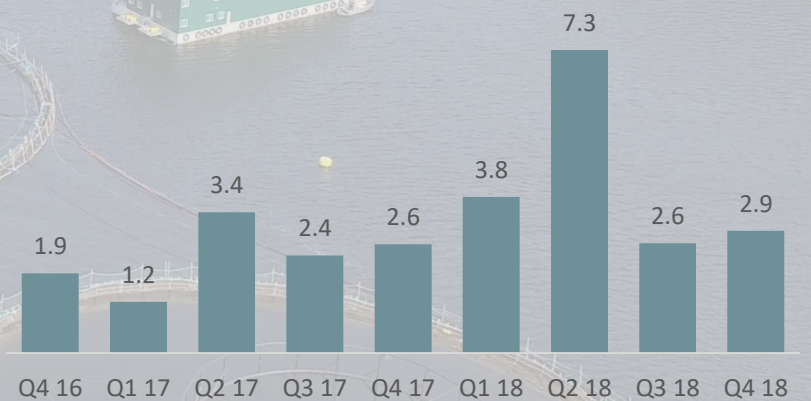
* EBIT and EBITDA before fair value adjustment of biological assets

GSF British Columbia

EBIT/kg (NOK)



Harvest volume (1 000 tonnes GWT)



GSF British Columbia (BC)

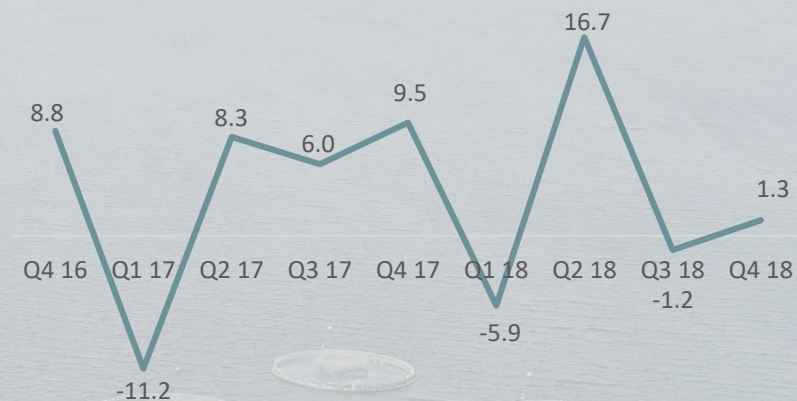


- Harvest volume was 2 941 tonnes GWT in Q4, up 12% compared to Q4 2017
- Volume growth, high spot prices and good average weight contributed to good price achievement
- Challenges related to harmful algal blooms (HAB) in previous quarters resulted in some quality downgrades
- Write-down of NOK 15 million taken to recognize extraordinary mortality as cost in Q4, in accordance with the accounting principles
- Fish affected by HAB were completely harvested by the end of the year
- Cost expected to decline during 2019, driven by biology and production improvements
- Decision made to expand smolt facility at Gold River, increasing capacity by 400 tonnes, and aiming to be self-sufficient by 2020

NOK million	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenues	187.3	155.3	1 075.3	580.3
EBITDA *	32.6	28.8	335.7	154.6
EBIT *	19.8	19.0	290.9	120.2
Harvest volume (tonnes GWT)	2 941	2 622	16 632	9 600
EBIT/ kg* (NOK)	6.74	7.24	17.49	12.52

GSF Shetland

EBIT/kg (NOK)



Harvest volume (1 000 tonnes GWT)



GSF Shetland



- Harvest volume in Q4 was 3 730 tonnes GWT, an increase of 19% compared to Q4 2017
- Reduced survival rate caused by gill-related diseases and winter ulcers
- Write-down of NOK 30 million taken to recognize extraordinary mortality as cost, in accordance with the accounting principles
- Despite biological issues, the quality of fish harvested has been high, contributing to a good price achievement
- Production cost is expected to remain high in Q1 2019
- Several measures implemented to drive production and biological improvements going forward:
 - Algae monitoring
 - Aeration systems
 - Fresh water treatments
 - Production limited to best performing sites

NOK million	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenues	245.2	185.7	799.9	745.9
EBITDA *	16.6	41.7	80.2	117.5
EBIT *	4.8	29.7	33.8	68.7
Harvest volume (tonnes GWT)	3 730	3 141	11 924	12 056
EBIT/ kg* (NOK)	1.29	9.46	2.83	5.69

Financial review

Grieg
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Profit & loss

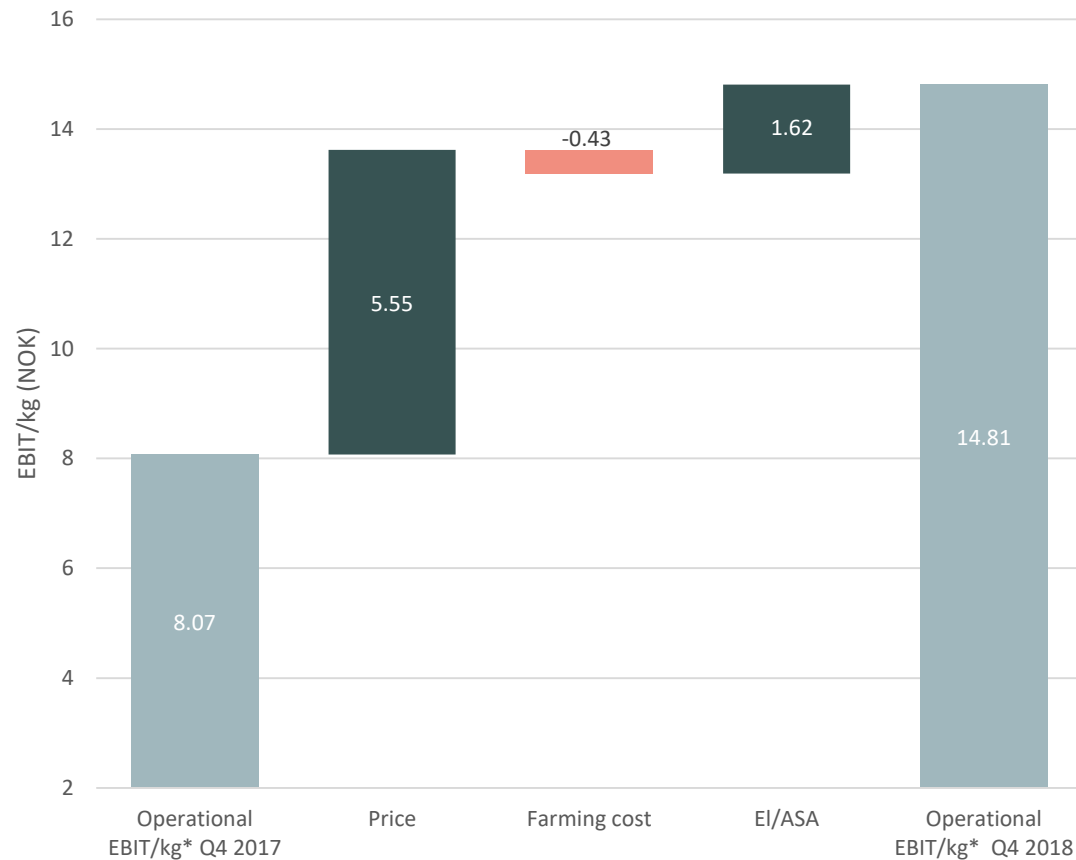


All figures in NOK 1 000	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Revenues	2 128 111	1 731 232	7 552 326	7 037 713
EBITDA *	412 612	204 280	1 334 473	1 105 533
Depreciations	-61 924	-53 649	-235 655	-201 132
EBIT *	350 688	150 631	1 098 818	904 400
Fair value adjustments	113 135	128 544	256 097	-91 463
EBIT after fair value	463 823	279 175	1 354 916	812 937
Net financial items	-24 542	13 408	-77 991	-14 457
Profit before tax	439 280	292 583	1 276 925	798 480
Estimated taxation	-85 075	-84 467	-304 720	-197 581
Net profit in the period	354 206	208 116	972 205	600 899

- Revenues in Q4 increased by 23% compared to Q4 last year due to better price achievement and higher volumes sold
- Volume sold up by 16% compared to Q4 2017
- Higher depreciation following growth investments
- Net financial items negatively affected by currency losses on loans and receivables
- Positive fair value adjustment due to increased volume of fish at sea and higher forward prices

*) EBITDA and EBIT before fair value adjustment of biological assets

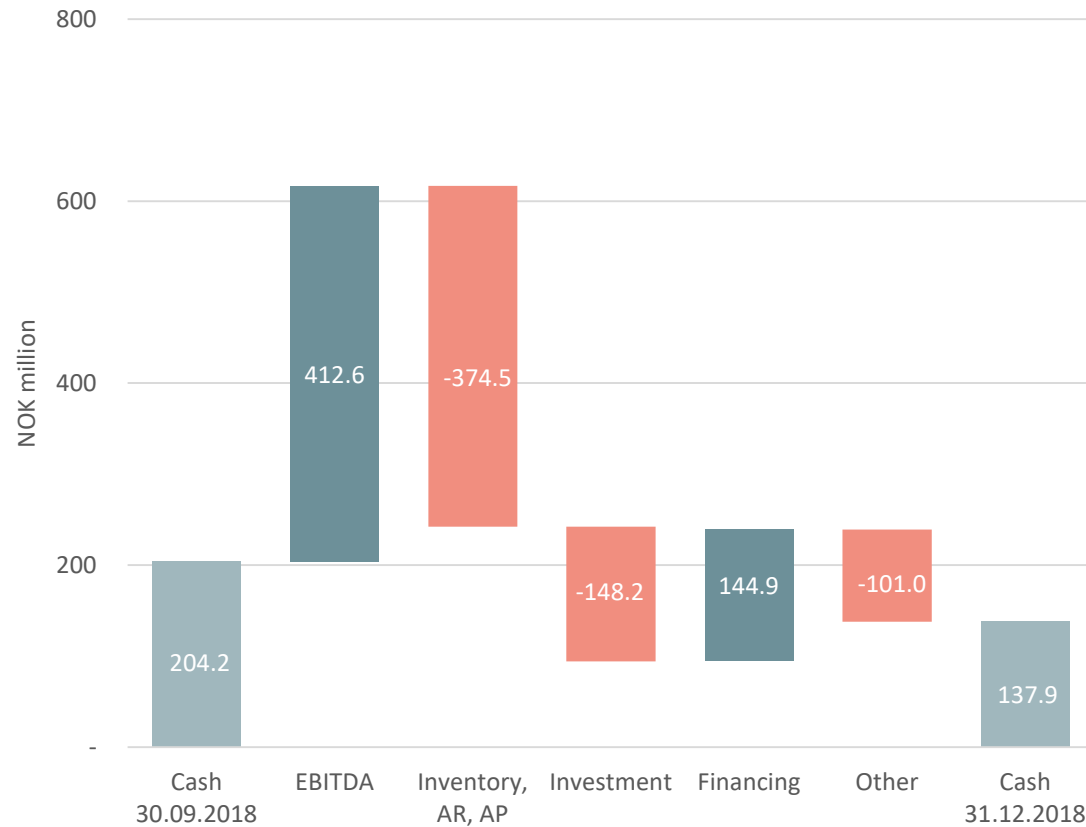
EBIT and cost development



EBIT is before fair value adjustment of biological assets

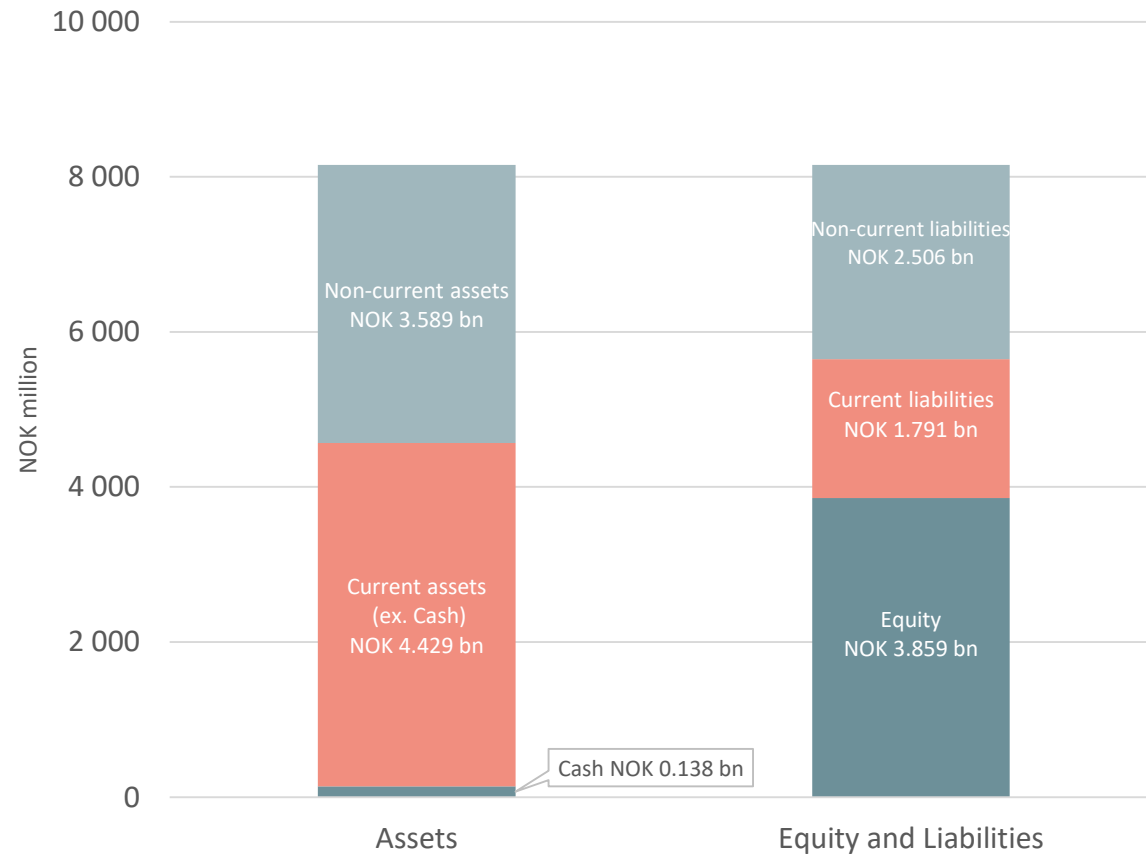
- Average realized prices up by NOK 5.55 per kg compared to Q4 2017
- Farming cost increased by NOK 0.43 per kg compared to Q4 2017
 - High cost related to harvested fish affected by algae incidents in BC and gill-related diseases on Shetland in previous quarters
- Cost expected to increase in Q1 2019 due to lower harvest volume

Cash flow



- NOK 138 million in capital expenditures on fixed assets
- Decline in working capital mainly due to increased biomass and accounts receivable
- Draw down of revolving credit facility totalling NOK 190 million during the quarter
- Paid dividend of NOK 221 million during the quarter

Financial position as at 31.12.2018

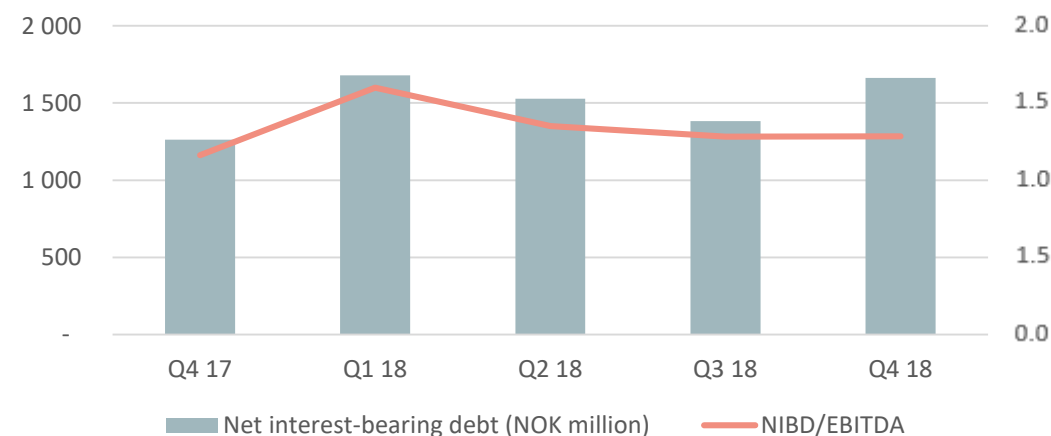


- Total balance of NOK 8 156 million as at 31 December 2018
- Equity was NOK 3 859 million, corresponding to an equity ratio of 47%

Funding

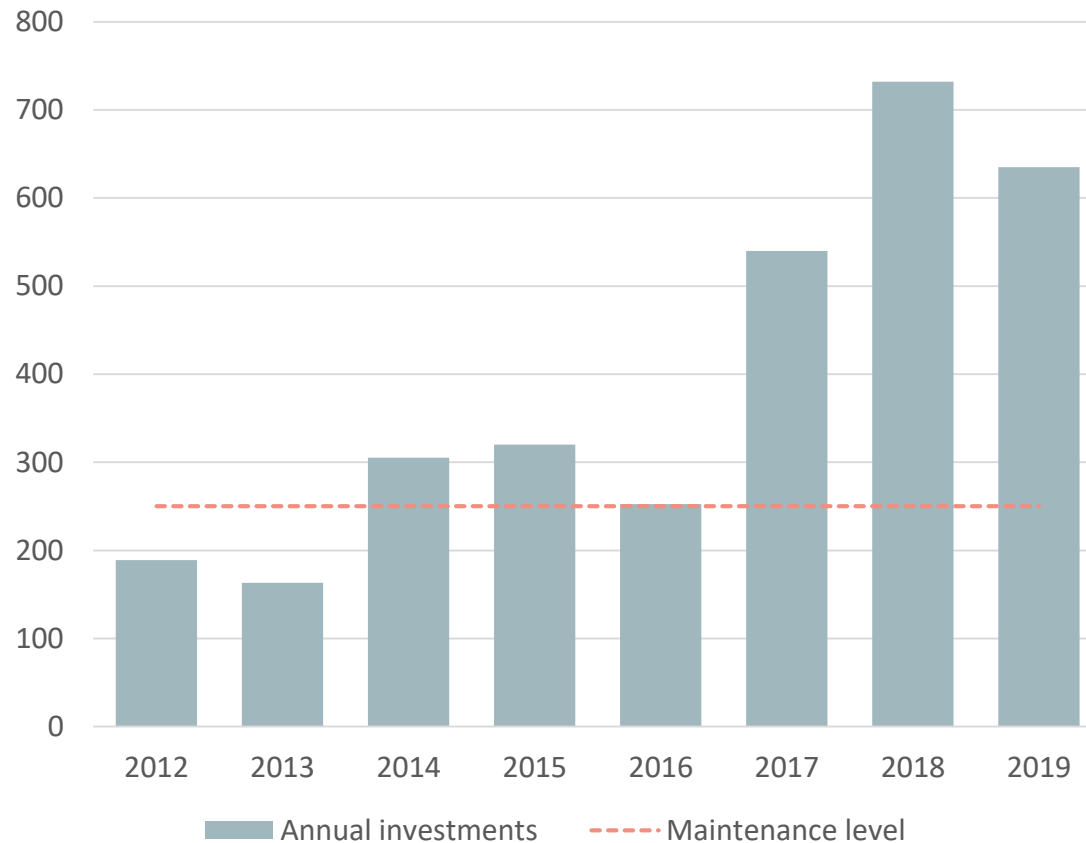


All figures in NOK 1 000	Q4 2018	Q4 2017
Term loan	1 147 027	985 000
Revolving credit	260 000	300 000
Leasing	360 442	260 251
Other interest-bearing debt	33 394	-10 727
Cash- closing balance	-137 920	-271 715
NIBD excl. factoring	1 662 943	1 262 810



- NIBD up NOK 279 million during the quarter
- Revolving credit and overdraft facility of NOK 1 100 million
 - NOK 793 million available credit at the end of Q4 2018
- Refinancing completed in Q1 2018, increasing long-term funding by NOK 500 million
 - Annual instalments of NOK 50 million and EUR 5 million for term loans of NOK 600 million and EUR 60 million, respectively, until 28 February 2023

Investments



2018 investments: NOK 733 million

- Post-smolt strategy: NOK 173 million
- Digitalization in salmon farming: NOK 20 million
- Biosecurity and fish welfare: NOK 40 million
- Expansion opportunities: NOK 250 million
- Maintenance: NOK 250 million

2019 investments: NOK 635 million

Investments cont.



Total investments of NOK 635 million in 2019



Post-smolt strategy

NOK 50 million

- Expansion of smolt plant in BC



Digitalization in salmon farming

NOK 65 million

- Central feeding operations
- Sensors and cameras
- Big data analytics
- IT infrastructure



Biosecurity, fish welfare and improvement

NOK 70 million

- Aeration systems
- Algal monitoring
- Lice skirts
- Improvement of harvest plant in Finnmark



Expansion opportunities

NOK 200 million

- New locations

Maintenance investments of NOK 250 million

Targets



Harvest volume	100 000 tonnes in 2020
Cost	At or below industry average NOK 37.9/kg in 2020
Financial	NIBD*) /EBITDA < 4.5 Equity ratio > 35%
Profitability	Return on Capital Employed of 12%
Capital structure	NIBD**) /harvest volume: NOK 20/kg
Dividend	25%-35% of the Group's net profit after tax adjusted for fair value appraisals

2017	2018
62 598 tonnes	74 623 tonnes
NOK 43.4/kg	NOK 43.1/kg
1.2 47%	1.3 47%
24%	22%
NOK 20.2/kg	NOK 22.3/kg
DPS NOK 4.00 Pay-out ratio***): 56%	DPS NOK 4.00 Pay-out ratio***): 65%

*) NIBD according to bank covenants

**) NIBD excluded factoring debt

***) Pay-out ratio calculated on previous year's accounts

Outlook & Summary



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Harvest estimates



Guiding 2019 (1 000 tonnes GWT)	Rogaland	Finnmark	BC	Shetland	GSF Group
Q1 2019	4.8	5.3	1.5	1.6	13.2
<i>Growth %</i>	109%	27%	-60%	33%	15%
Q2 - Q4 2019	17.2	28.7	12.5	10.4	68.8
Total	22.0	34.0	14.0	12.0	82.0
<i>Growth %</i>	35%	14%	-16%	1%	10%

- Expect to harvest approximately 13 200 tonnes in Q1 2019
- Harvest volume expected to increase 10% in 2019 to 82 000 tonnes

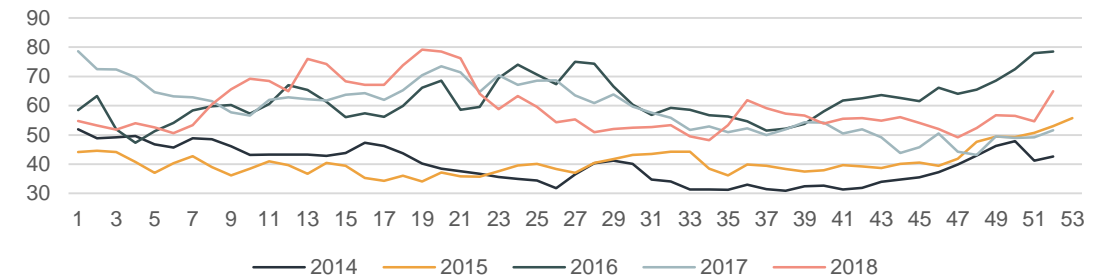
Supply outlook



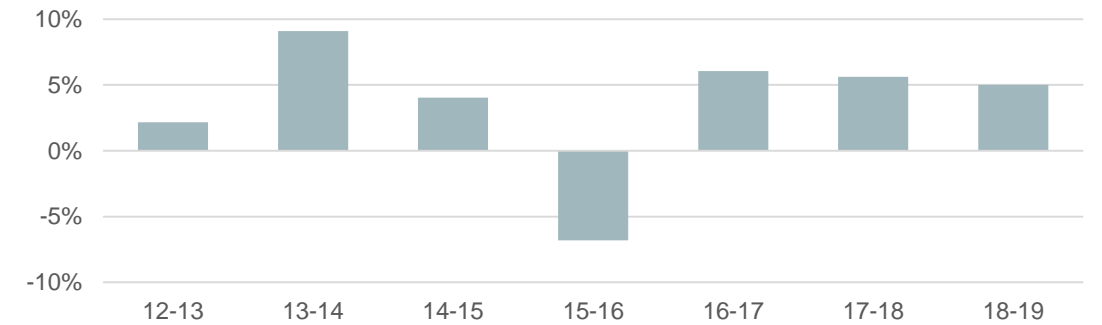
Expected global growth 2018: 6%, and 2019: 4-6%

- Norway
 - 2018: +4%
 - 2019: +6% (1 195 000 tonnes HOG)
- Chile
 - 2018: +20%
 - 2019: +2% (621 000 tonnes HOG)
- North America
 - 2018: +1%
 - 2019: 0% (148 000 tonnes HOG)
- UK
 - 2018: -12%
 - 2019: +16% (160 000 tonnes HOG)

Price development for fresh Norwegian Salmon
NASDAQ Salmon Index 2014 – 2018



Global supply growth farmed salmon (YoY)



Development Atlantic salmon consumption by market



Markets (Figures in tonnes HOG)	Q4 2018	Q4 2017	Volume	% change
EU	275 000	268 000	7 000	3%
USA	107 700	103 000	4 700	5%
Brazil	24 000	21 800	2 200	10%
Russia	24 300	23 300	1 000	4%
Japan	16 200	15 900	300	2%
China/ Hong Kong/ Vietnam	31 700	35 300	-3 600	-10%
Other Asia	49 500	44 600	4 900	11%
Other markets	80 700	66 700	14 000	21%
Total all markets	609 100	578 700	30 400	5%

Markets (Figures in tonnes HOG)	YTD 2018	YTD 2017	Volume	% change
EU	955 600	921 100	34 500	4%
USA	427 700	397 700	30 000	8%
Brazil	89 300	79 900	9 400	12%
Russia	87 100	69 800	17 300	25%
Japan	53 800	57 600	-3 800	-7%
China/ Hong Kong/ Vietnam	124 400	119 100	5 300	4%
Other Asia	166 500	158 300	8 200	5%
Other markets	264 400	234 200	30 200	13%
Total all markets	2 168 900	2 037 800	131 100	6%

Summary



- Continued focus on 2020 ambition of 100 000 tonnes harvest and cost at or below industry average
 - Smolt release in 2018 went according to plan (26 million transferred to sea)
 - Expect to transfer approximately 26 million smolt to sea in 2019
- Market prices likely to remain strong in 2019 due to limited supply growth and growing demand in established markets
- Expected contract share in Norway is 17% for 2019 (19% in Q1 2019)
- Expected contract share in UK is 23% in 2019 (33% in Q1 2019)
- Estimated harvest volume of 13 200 tonnes in Q1 2019, 82 000 tonnes for full year 2019

Thank you for your attention



Next financial results:
Annual report 2018 published, 12 April 2019
Q1 2019, 15 May 2019

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Appendix



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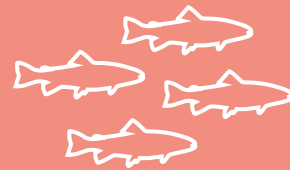


Strong focus on improved biological performance (1/2)



People and routines

- Strong competence
- Advanced training programs
- Strict routines and procedures
- Frequent evaluation and reporting



Post-smolt

- More robust when placed in sea, improving survival rates
- Shorter time in the sea reduces exposure to biological risks
- Increased smolt release flexibility
- Allows for longer fallow periods



GSF precision farming

- Operational and strategic decision support through integrated operations centers
- Improved feeding operations through IBM collaboration
- Aqua Cloud project for more efficient handling of sea lice

Strong focus on improved biological performance (2/2)



Sea lice treatments

- Preventive measures:
 - Sea lice skirts, where on-site conditions permit
 - Cleaner fish
- Aqua Could project for predicting sea lice levels
- Invested in additional non-medical treatment capacity



Algae prevention

- Aeration systems
 - Reduces risk of algal issues
 - Increases survival during harmful algae bloom (HAB) events
- Daily water samples analyzed using sensor technology and advanced image analysis
 - Early identification of species, prevalence and depth distribution of algae



Area management agreements

- Management Agreements are important to:
 - Collaborate with farmers with active sites in the same areas as GSF
 - Reduce risk of contamination due to interconnectivity in the respective areas

Share information



The 20 largest shareholders in Grieg Seafood ASA as at 31.12.2018	No. of shares	Shareholding
Grieg Aqua AS	56 018 799	50.17 %
OM Holding AS	6 039 379	5.41 %
Folketrygdfondet	3 760 350	3.37 %
Ystholmen Felles AS	2 928 197	2.62 %
State Street Bank and Trust Comp	2 055 051	1.84 %
Verdipapirfondet Pareto Investment	1 926 457	1.73 %
Verdipapirfondet Alfred Berg Gamba	1 700 796	1.52 %
Grieg Seafood ASA	1 228 424	1.10 %
Handelsbank Nordiska Sambolagsfond	1 057 190	0.95 %
Euroclear Bank S.A./N.V.	965 253	0.86 %
State Street Bank and Trust Comp	891 700	0.80 %
Clearstream Banking S.A.	866 255	0.78 %
JPMorgan Chase Bank, N.A., London	828 120	0.74 %
The Bank of New York Mellon SA/NV	766 040	0.69 %
The Northern Trust Comp, London Br	685 964	0.61 %
Pictet & Cie (Europe) S.A.	603 115	0.54 %
VPF Nordea Avkastning	602 577	0.54 %
VPF Nordea Kapital	574 943	0.51 %
UBS Switzerland AG	566 035	0.51 %
JPMorgan Chase Bank, N.A., London	552 773	0.50 %
Total 20 largest shareholders	84 617 418	75.78 %
Total others	27 044 582	24.22 %
Total number of shares	111 662 000	100.00 %

Number of shares

- 111.662 millions incl. treasury shares

Last issues

- Q2 2009, NOK million 139 new shares issued

Subordinated convertible bond issued in Q1 2009

- 100 million converted at NOK 4.00 per share within 31.12.2010
- 85% converted in Q2 2009, 15% in Q3 2009

Share savings program for the employees

- Transferred 21 576 treasury shares to employees in Q4
- To strengthen culture and encourage loyalty by offering employees to become shareholders in Grieg Seafood

EPS

- 3.09 NOK/share Q4 2018
- 1.80 NOK/share Q4 2017
- 5.17 NOK/ share FY 2017

Share price

- NOK 102.30 at 31.12.2018
- NOK 72.25 at 31.12.2017

Shareholder structure

- Largest 20 holds 75.78% of total number of shares

Profit & loss



All figures in NOK 1 000	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Sales revenues	2 130 958	1 720 364	7 500 316	7 017 456
Other operating income	-2 847	10 868	52 010	20 257
Operating income	2 128 111	1 731 232	7 552 326	7 037 713
Share of profit from ass. companies	-800	325	-2 328	-550
Change in inventories	94 813	278 161	240 717	350 442
Raw materials and consumables used	-1 232 898	-1 157 993	-4 093 572	-4 074 642
Salaries and personnel expenses	-150 548	-138 167	-541 047	-482 827
Other operating expenses	-426 066	-509 278	-1 821 623	-1 724 604
EBITDA before fair value adjustment of biological assets	412 612	204 280	1 334 473	1 105 533
Depreciation and amortisation of tangible assets	-60 555	-52 357	-230 262	-196 237
Amortisation of intangible assets	-1 369	-1 293	-5 393	-4 895
EBIT before fair value adjustment of biological assets	350 688	150 631	1 098 818	904 400
Fair value adjustment to biological assets	113 135	128 544	256 097	-91 463
EBIT after fair value adjustment of biological assets	463 823	279 175	1 354 916	812 937
Net financial items	-24 542	13 408	-77 991	-14 457
Profit before tax	439 280	292 583	1 276 925	798 480
Estimated taxation	-85 075	-84 467	-304 720	-197 581
Profit after tax	354 206	208 116	972 205	600 899
Attributable to:				
Profit attributable to non-controlling interest	12 735	9 843	24 615	30 362
Profit attributable to owners of Grieg Seafood ASA	341 471	198 274	947 590	570 537

Comprehensive income



All figures in NOK 1 000	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Profit for the period	354 206	208 116	972 205	600 899
Other comprehensive income:				
<i>Items to be reclassified to profit or loss in subsequent periods</i>				
Currency translation differences, subsidiaries	15 028	15 552	-5 889	16 729
Currency effect of net investments	19 847	19 887	-4 193	22 333
Tax effect of net investments	-4 607	-4 773	923	-5 360
Changes in fair value of cash flow hedges (currency contracts)	-5 270	-15 573	15 026	-24 821
Income tax effect fair value of cash flow hedges	1 174	3 550	-3 494	5 769
Adjustment financial assets	-17	-295	11	-295
<i>Items not to be reclassified to profit or loss in subsequent periods</i>				
Other gain or losses	0	0	0	0
Total recognized income for the period	26 155	18 348	2 383	14 355
Total comprehensive income for the period	380 361	226 464	974 588	615 254
<i>Attributable to:</i>				
Profit attributable to non-controlling interests	10 205	3 276	30 738	19 922
Profit attributable to owners of Grieg Seafood ASA	370 156	223 188	943 850	595 332

Financial position - assets



All figures in NOK 1 000	31.12.2018	31.12.2017
Goodwill	109 013	109 038
Licenses	1 121 662	1 068 552
Other intangible assets	27 379	18 384
Deferred taxes	1 718	3 574
Property, plant and equipment	2 290 708	1 871 804
Investments in associated companies	37 122	9 450
Other non- current receivables	1 327	1 317
Total non-current assets	3 588 929	3 082 121
Inventories	126 092	92 262
Biological assets	2 223 833	2 016 263
Fair value biological assets	971 309	682 089
Accounts receivable	925 232	761 407
Other current receivables	179 658	198 527
Derivatives and other financial instruments	2 743	48 232
Cash and cash equivalents	137 920	271 715
Total current assets	4 566 786	4 070 494
Total assets	8 155 716	7 152 615

Financial position - equity and liabilities



All figures in NOK 1 000	31.12.2018	31.12.2017
Share capital	446 648	446 648
Treasury Shares	-2 609	-5 000
Retained earnings and other equity	3 365 099	2 862 716
Total Shareholders of GSF	3 809 138	3 304 364
Non-controlling interests	49 458	43 541
Total equity	3 858 595	3 347 905
Deferred tax liabilities	891 370	721 689
Other obligations	9 691	8 848
Subordinated loans	14 047	15 353
Borrowings and leasing	1 591 072	1 393 587
Total non-current liabilities	2 506 180	2 139 476
Current portion of long-term borrowings and leasing	221 788	157 225
Factoring debt	573 377	500 976
Accounts payable	649 352	585 378
Tax payable	141 471	157 244
Derivatives and other financial instruments	5 905	28 462
Other current liabilities	199 048	235 949
Total current liabilities	1 790 941	1 665 233
Total liabilities	4 297 121	3 804 710
Total equity and liabilities	8 155 716	7 152 615

Cash flow



All figures in NOK 1 000	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Cash- opening balance	204 185	341 612	271 715	503 613
EBITDA	412 612	204 280	1 334 473	1 105 533
Inventory, trade payables and trade receivables	-374 484	-172 308	-321 699	-288 475
Other adjustments	-100 327	-71 007	-192 932	-108 180
Cash flow from operations	-62 199	-39 035	819 841	708 877
Capital expenditures on fixed assets	-138 254	-178 073	-731 739	-550 639
Investments in associated companies	-10 000	0	-30 000	0
Changes in non-current receivables	18	2 922	10	-5 705
Cash flow from investments	-148 236	-175 151	-761 729	-556 344
Changes in interest-bearing debt	377 676	266 794	339 656	152 456
Paid dividend	-220 867	-110 412	-441 691	-441 648
Paid dividend to non-controlling interests	0	0	-24 821	-32 651
Sale of treasury shares	2 615		2 615	
Net interest and financial items	-14 570	-12 017	-67 113	-61 944
Cash flow from financing	144 853	144 365	-191 354	-383 787
Currency effect on cash	-683	-77	-554	-645
Changes in cash	-66 265	-69 898	-133 795	-231 898
Cash- closing balance	137 920	271 715	137 920	271 715