

Grieg Seafood ASA

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24 August 2017



Agenda

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



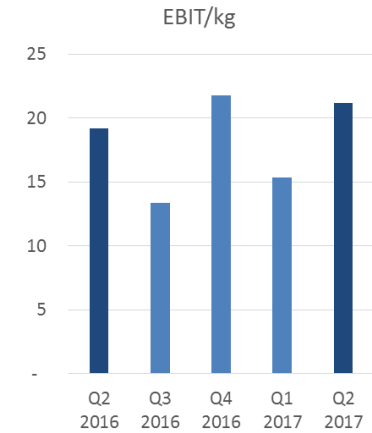
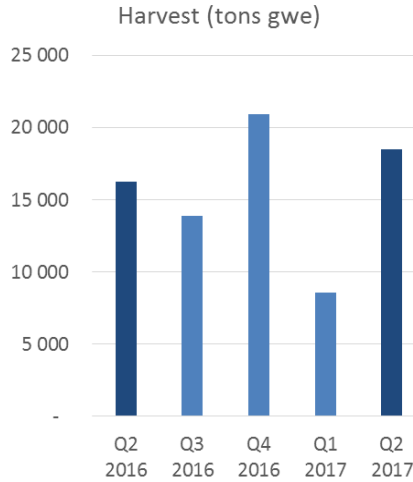
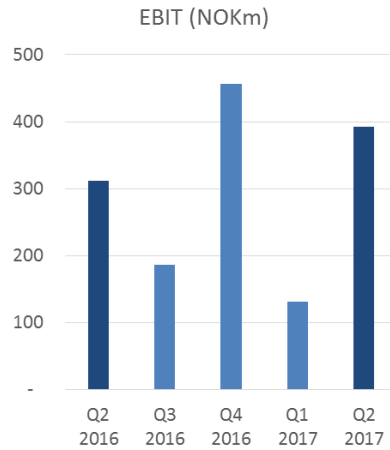
Highlights Q2 2017



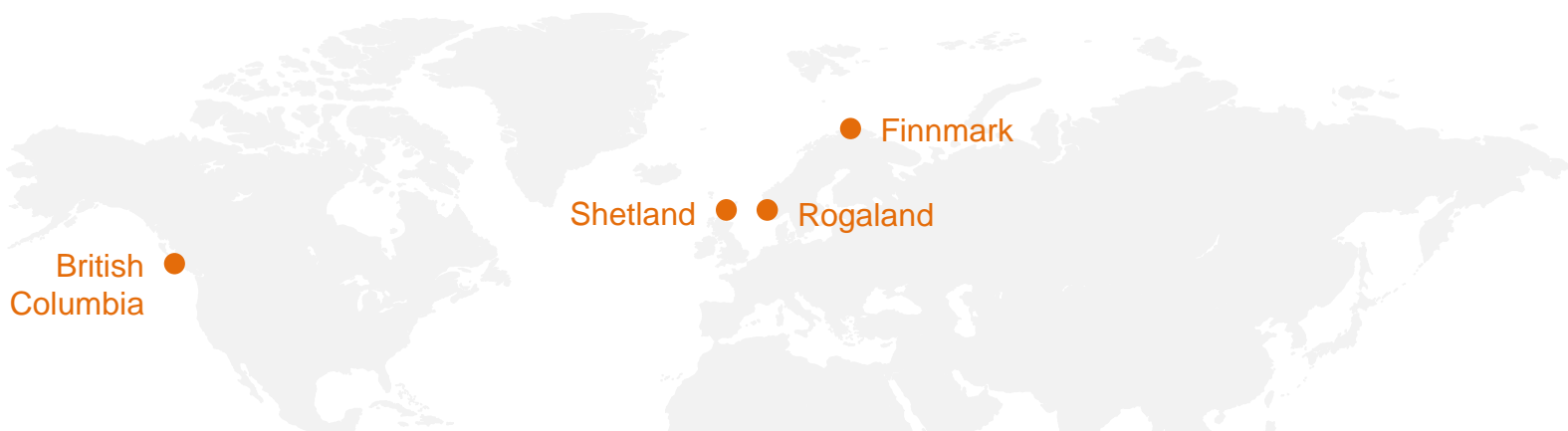
- Profit growth driven by high prices
- Solid financial position
- Stable production in Norway and BC
- Biological challenges in Shetland
- New location allocated in Finnmark
- Two sites ASC approved
- Investing in large-size smolt capacity in Finnmark and Rogaland



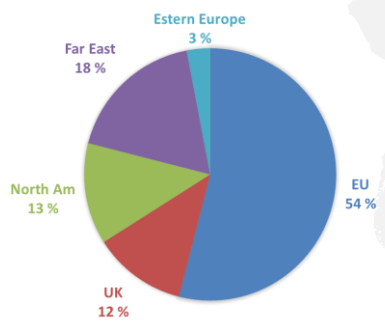
Financial highlights Q2 2017



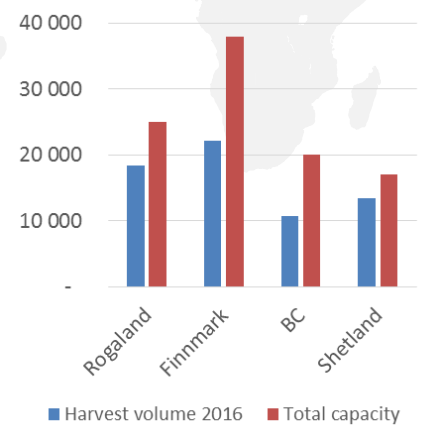
This is Grieg Seafood



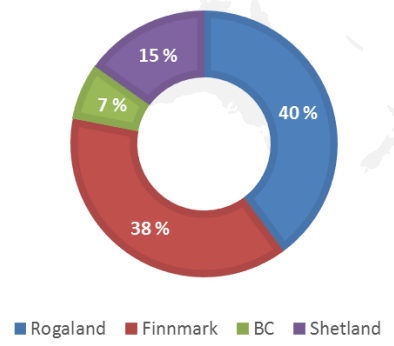
2016 Revenue by market



Harvest volume & capacity



2016 EBIT by farming region



Long-term targets and near-term priorities



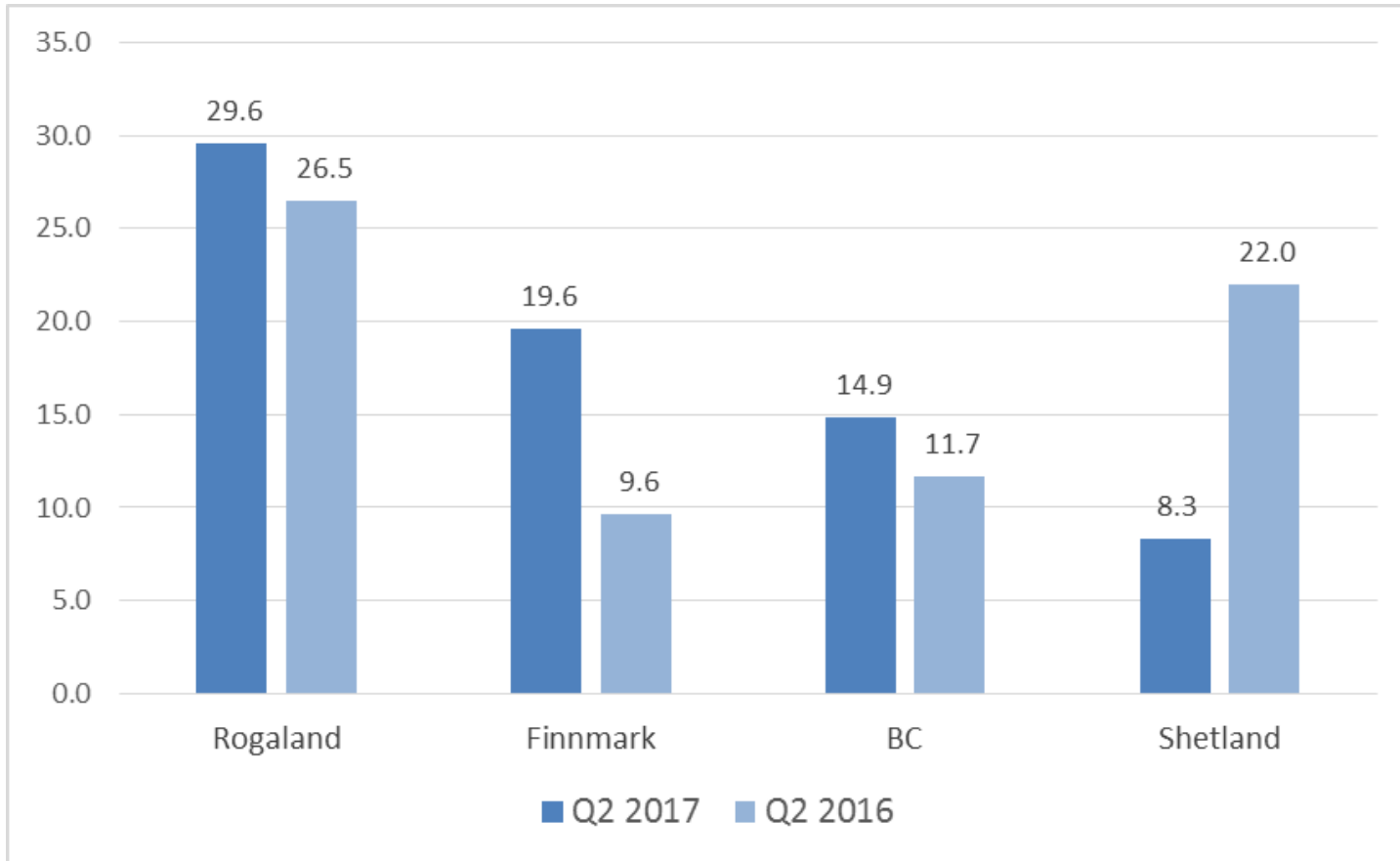
BUSINESS UNITS (REGIONS)



Business units performance – Q2 2017

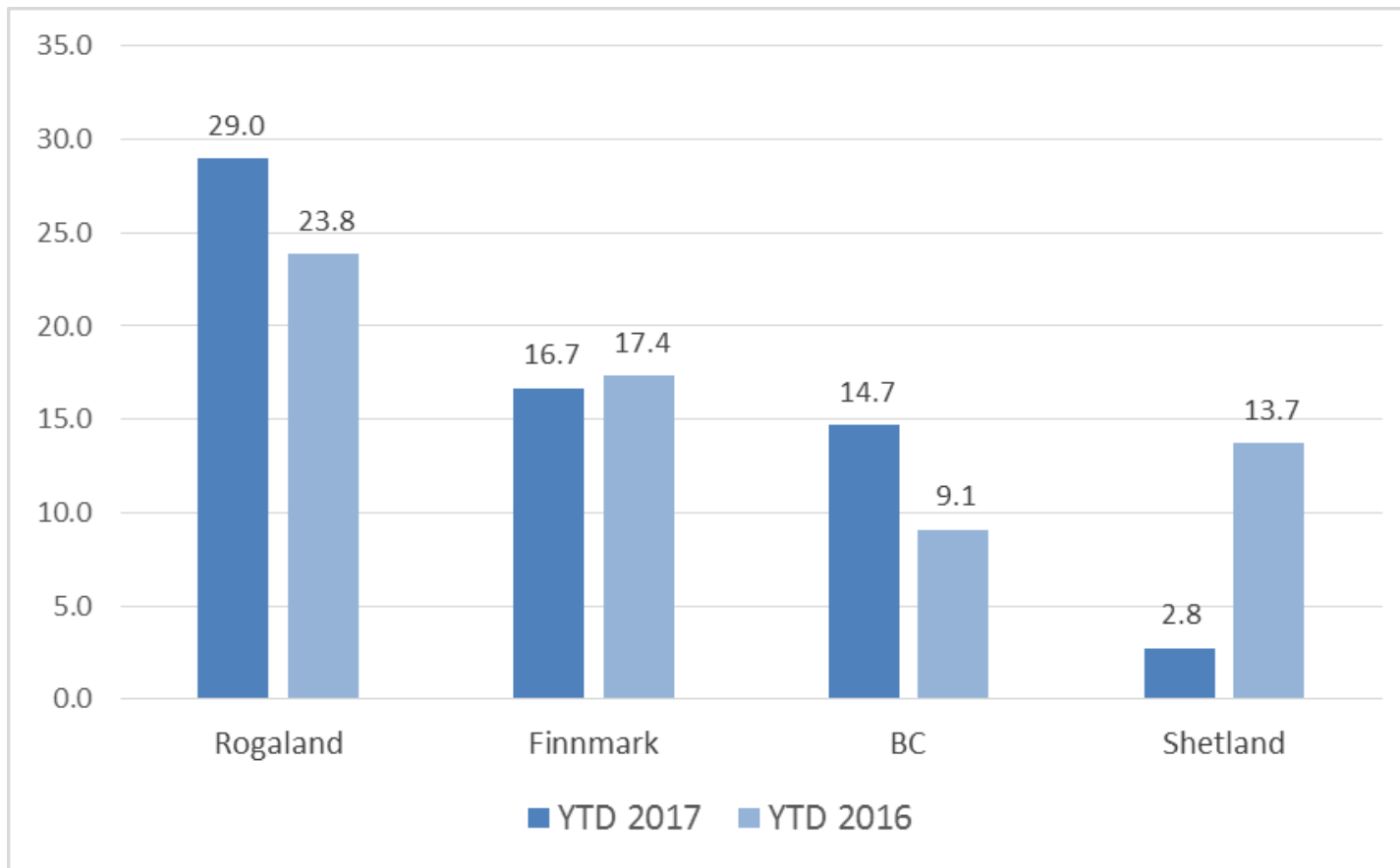


EBIT before FV adjustment/KG gwt (NOK)



Business units performance – YTD 2017

EBIT before FV adjustment/KG gwt (NOK)

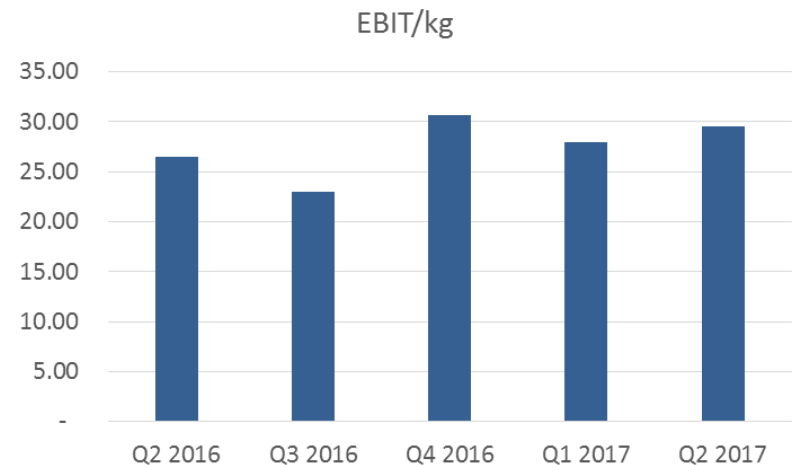


GSF Rogaland



- Harvesting from sites with higher cost compared with previous quarter
- Good sea production in Q2
- Extending smolt plant capacity from 500 to 1 300 tons moving forward as planned
- Large-size smolt collaboration with Bremnes Seashore in Tytlandsvik
 - Possible to reduce the production time in sea to 12 months
- Expected higher cost in Q3 due to lower volume

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Harvest (gwt)	7 754	6 493	12 147	10 268
Sales revenues	538 151	409 894	830 054	635 939
EBIT	229 189	171 884	352 075	244 816
EBIT/kg	29,6	26,5	29,0	23,8

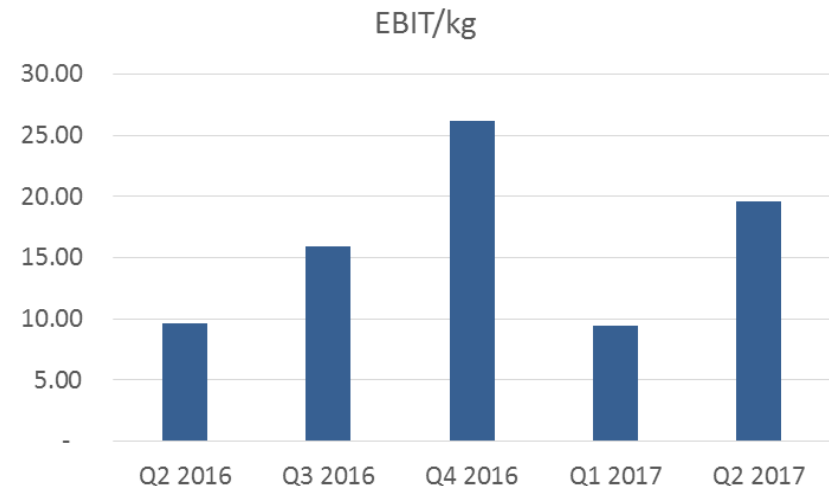


GSF Finnmark



- Cost/kg down from previous quarter due to higher harvest volumes
- ISA outbreak
 - Fish more than 4 kg, harvesting and income as normal
- Awarded a new location
- ASC approved at two sites
- Extending smolt plant capacity from 800 to 1 600 tons moving forward as planned
- Large-size smolt collaboration with NRS
- Positive development in cost is expected to continue in Q3

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Harvest (gwt)	4 125	1 967	5 757	8 263
Sales revenues	262 299	100 937	359 899	432 546
EBIT	80 752	18 900	96 039	143 466
EBIT/kg	19,6	9,6	16,7	17,4

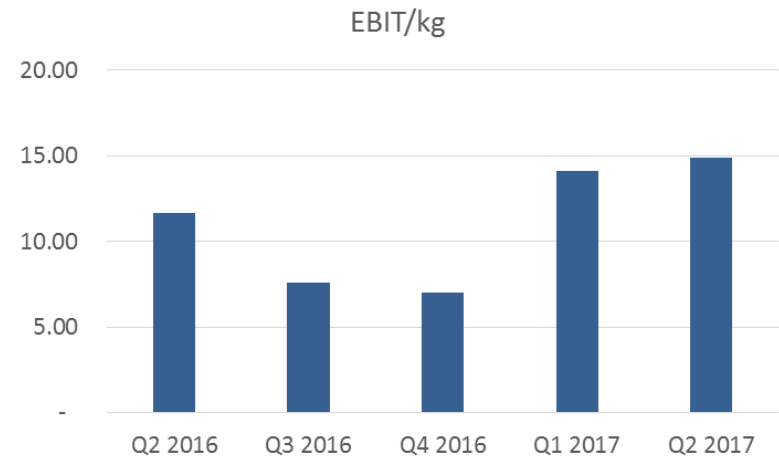


GSF BC (Canada)



- Cost/kg slightly down from previous quarter
- Good sea production in Q2
- Smolt production stable in Q2
- Focus on feed efficiency
 - Monitoring algae
 - Implementing oxygen system
- Positive development in cost is expected to continue in Q3

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Harvest (gwt)	3 393	4 938	4 628	6 262
Sales revenues	208 984	281 212	287 529	348 856
EBIT	50 455	57 726	67 873	56 983
EBIT/kg	14,9	11,7	14,7	9,1

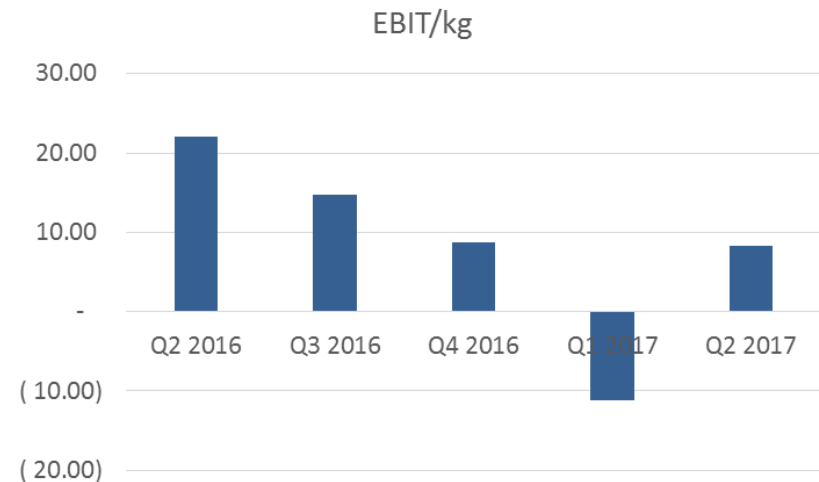


GSF Shetland



- Harvesting fish from 18 month plan improving EBIT, but cost still too high
- Close collaboration with other farmers in the region in order to improve biology
- Harvest volume 2017 expected to be 3 000 tons less than previously guided
- Lice and algae challenges expected to cause high cost in Q3

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Harvest (gwt)	3 231	2 865	4 523	5 105
Sales revenues	212 277	205 254	294 378	336 588
EBIT	26 876	63 071	12 456	70 002
EBIT/kg	8,3	22,0	2,8	13,7



Financials



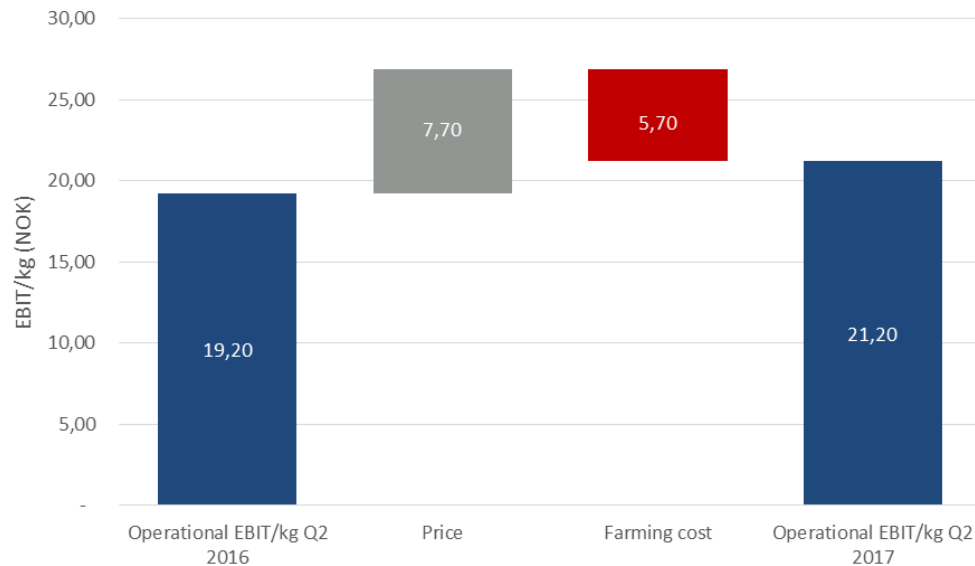
Profit and Loss



All figures in NOKm	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Total operating income	2 031	1 682	3 452	2 982
EBITDA	441	356	620	609
Depreciation and amortisation	-49	-45	-96	-83
EBIT before biomass adj	392	312	524	526
Fair value adj biological assets	-77	116	-273	195
EBIT after biomass adj.	315	427	251	721
Share of profit ass. companies	-	-	-	12
Net financial	1	-39	-4	-93
Profit before tax	316	389	247	641
Estimated taxation	-70	-91	-60	-152
Net profit in the period	247	298	187	489

- Income and earning driven by increased prices and higher harvest volumes
- Depreciations increased following growth investments
- Negative fair value adj. due to lower input prices in the model
- Low NIBD/EBITDA causing reduction in financial cost

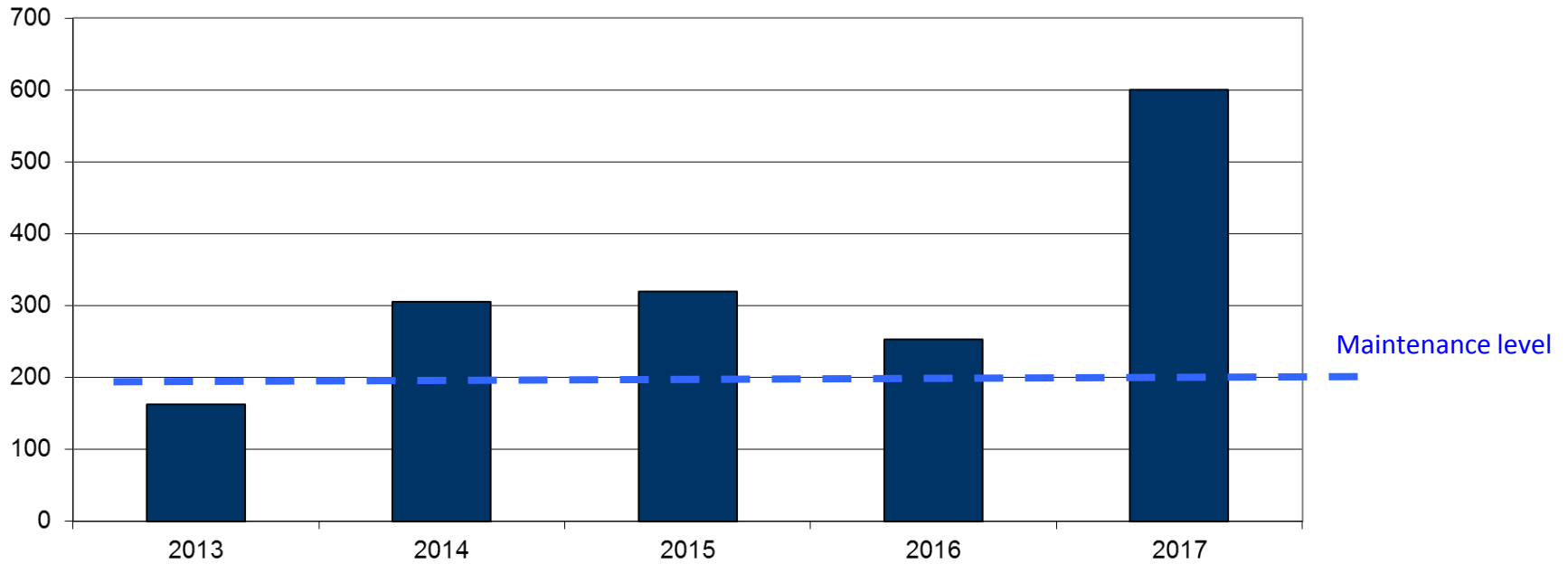
EBIT and cost development



- Both spot- and contract prices up compared to Q2 2016
- Cost/kg impacted by weak biological performance in Shetland
- In sum this is improving EBIT/kg by NOK 2
- Cost/kg GSF Q3 expected to move up from Q2 due to low harvest volume Rogaland and biological challenges Shetland
- Q4 volume coming up, moving cost down

Investments

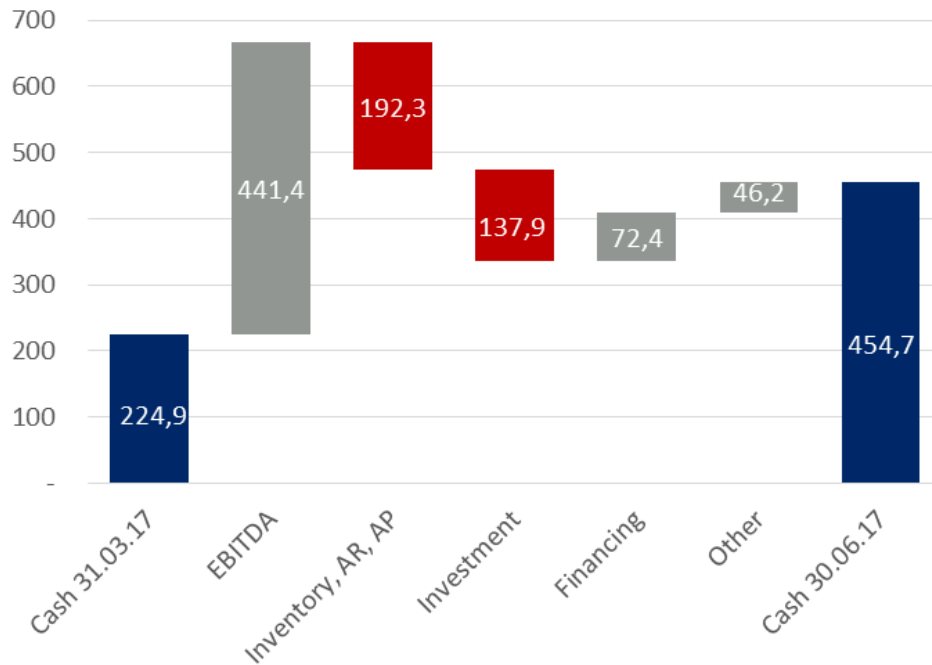
(NOKm)



- 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 increased due to higher accounts receivables
- Financing including both NOK 331 million dividend paid and NOK 300 million use of rev cred

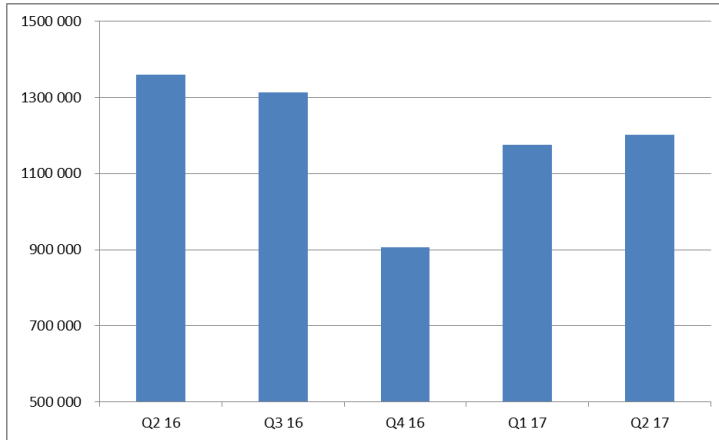
NOKm	Q2 2017	Q2 2016
Term Loan	1 030	1 120
Revolving Credit	300	300
Leasing	283	298
Other interest bearing debt	44	13
Cash - closing balance	-455	-371
NIBD excl. factoring	1 203	1 360

- Cash end Q2 moving up due to increased harvesting and higher prices
- Dividend financed by increasing use of rev cred by NOK 300 million

Net Interest Bearing Debt/EBITDA

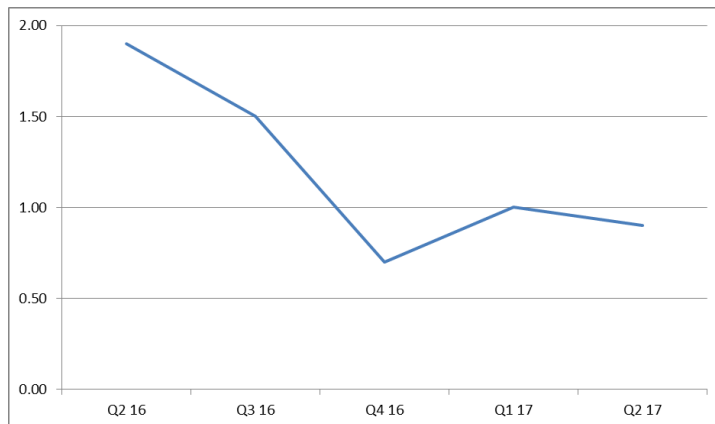


NIBD (NOK 1,000)
(excl. factoring)



- Dividend of MNOK 331 paid in Q2 resulting increased NIBD
- NIBD/EBITDA moving down to 0.9

NIBD/EBITDA
(according to covenants)



Balance sheet - Assets

(NOK 1,000)



ASSETS	30.06.17	30.06.16
Goodwill	108 844	109 153
Licenses	1 065 066	1 068 767
Other intangible assets	16 998	17 852
Property, plant and equipment	1 662 937	1 455 381
Investments in associated and joint venture companies	10 000	14 603
Other non-current assets	19 679	5 193
Total non-current assets	2 883 524	2 670 948
Inventories	63 612	76 082
Biological assets	1 791 032	1 563 250
Fair value biological assets	554 845	497 573
Accounts receivable	1 004 707	678 977
Other current receivables	160 037	226 655
Derivates and other financial instruments	0	11 107
Cash and cash equivalents	454 705	370 726
Total current assets	4 028 938	3 424 368
Total assets	6 912 462	6 095 316

Balance sheet – Equity and liabilities

(NOK 1,000)



EQUITY AND LIABILITIES	30.06.17	30.06.16
Share capital	446 648	446 648
Treasury Shares	-5 000	-5 000
Retained earnings and other equity	2 584 949	2 160 842
Total equity	3 026 597	2 602 490
Deferred tax liabilities	733 971	662 598
Pension- and other obligations	11 193	14 365
Subordinated loans	15 730	17 690
Borrowings and leasing	1 458 603	1 564 784
Total non-current liabilities	2 219 496	2 259 437
Short-term loan facilities	158 868	156 165
Factoring	556 252	380 204
Accounts payable	514 572	496 337
Tax payable	159 549	14 435
Derivates and other financial instruments	33 134	22 920
Other current liabilities	243 993	163 329
Total current liabilities	1 666 367	1 233 389
Total liabilities	3 885 864	3 492 826
Total equity and liabilities	6 912 462	6 095 316

Key financial indicators



	Q2 2017	Q2 2016	YTD 2017	YTD 2016
EBITDA-margin before adj FV	22 %	21 %	18 %	20 %
EBIT-margin before adj FV	19 %	19 %	15 %	18 %
NIBD/EBITDA before adj FV	0.9	1.9	0.9	1.9
ROCE before adj FV	41 %	35 %	28 %	29 %
Equity ratio	44 %	43 %	44 %	43 %

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	7,6	2,5	4,8	16,5
Growth %	-27 %	68 %	-1 %	5 %	19 %
Q4	6,2	11,7	1,8	3,7	23,4
Growth %	7 %	25 %	-4 %	-5 %	12 %
Total	20,0	25,0	9,0	13,0	67,0
Growth %	9 %	13 %	-16 %	-4 %	4 %

- Harvest guiding down from 70 000 to 67 000 tons due to biological challenges in Shetland.
- 11% growth in Norway
 - 9 % growth in Rogaland.
 - 13% growth in Finnmark.
- 2017 smolt-input of 26 million (28% growth from 2016)

Supply outlook



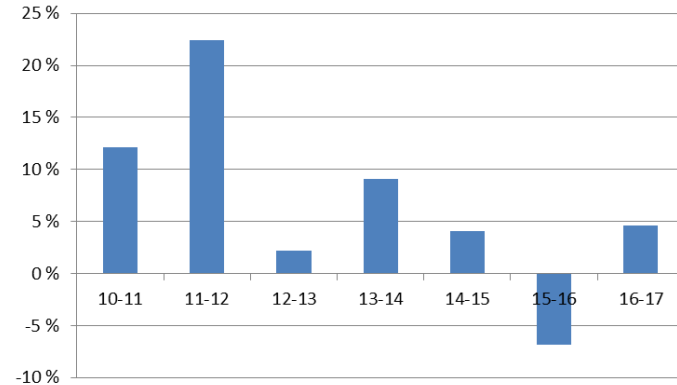
Expected global harvest quantity growth 2017: 5%

(supply development 2016-17 adj. for frozen inventory 2%)

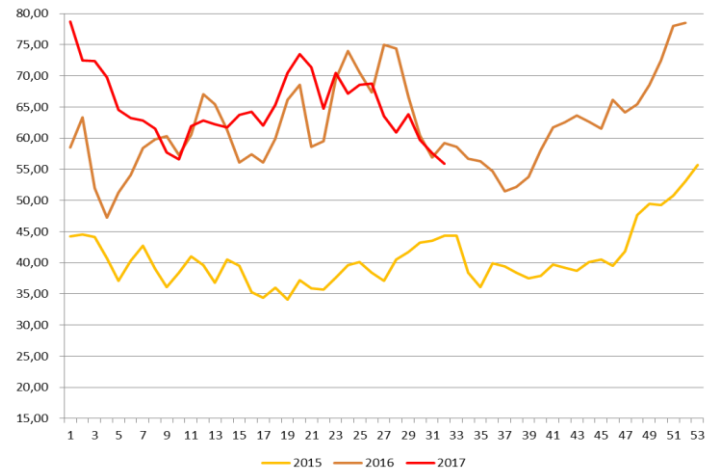
- Norway
 - 2016: -5%
 - 2017: 3% (1,081' MT)
- Chile
 - 2016: -16%
 - 2017: +8% (492' MT)
- North America
 - 2016: +6%
 - 2017: -3% (143' MT)
- UK
 - 2016: -5%
 - 2017: +10% (157' MT)

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
- Strong market
- Expected contract share of 25 % in 2017
 - 32% in Q3
- The harvest volume for Q3 2017 is expected to be 16 500 tons
- Harvest volume for 2017 is expected to be 67 000 tons

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
 - 2.19 NOK/share Q2 2017
 - 2.63 NOK/share Q2 2016
- Shareholder structure
 - Largest 20 hold 73.88% of total no. of shares

Shareholders

	No. shares	%
GRIEG HOLDINGS AS	55 801 409	49.97 %
OM HOLDING AS	4 662 285	4.18 %
FOLKETRYGDFONDET	3 135 000	2.81 %
YSTHOLMEN AS	2 928 197	2.62 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 960 952	1.76 %
JPMORGAN CHASE BANK, N.A., LONDON	1 512 442	1.35 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 393 102	1.25 %
GRIEG SEAFOOD ASA	1 250 000	1.12 %
ARTIC FUNDS PLC	1 197 000	1.07 %
STATE STREET BANK AND TRUST COMP	1 101 641	0.99 %
VERDIPAPIRFONDET PARETO NORDIC	976 000	0.87 %
STATE STREET BANK AND TRUST COMP	939 172	0.84 %
EUROCLEAR BANK S.A./N.V.	924 041	0.83 %
CLEARSTREAM BANKING S.A.	837 720	0.75 %
THE NORTHERN TRUST COMP, LONDON BR	746 535	0.67 %
JPMORGAN CHASE BANK, N.A., LONDON	694 062	0.62 %
VPF NORDEA KAPITAL	660 006	0.59 %
VPF NORDEA AVKASTNING	596 523	0.53 %
UBS SWITZERLAND AG	595 071	0.53 %
JPMORGAN CHASE BANK, N.A., LONDON	581 201	0.52 %
Total 20 largest shareholders	82 492 359	73.88 %
Total other	29 169 641	26.12 %
Total numbers of shares	111 662 000	100.00 %

Cash Flow

(NOK 1,000)



	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Cash - opening balance	224 936	368 906	503 613	392 020
EBITDA	441 429	356 383	619 828	608 728
Inventory, trade payables and trade receivables	-192 306	-113 861	-310 210	-266 536
Other adjustments	45 007	-29 739	22 304	-22 745
Cash flow from operations	294 130	212 783	331 922	319 446
Capital expenditure (fixed assets)	-118 745	-49 286	-237 007	-71 304
Investments in associated companies/shares	-10 000	0	-10 000	24 000
Change in other non-current receiveables	-9 197	0	-12 510	0
Cash flow from investments	-137 942	-49 286	-259 517	-47 304
Changes in interest-bearing debt	452 899	-69 987	270 435	-176 116
Paid dividends	-331 236	-55 206	-331 236	-55 206
Paid dividends to non-controlling interests	-32 561	-12 929	-32 561	-12 929
Net interest and financial items	-16 650	-25 153	-27 800	-52 341
Cash flow from financing	72 452	-163 275	-121 162	-296 592
Currency effect on cash - opening balance	1 129	1 598	-151	3 156
Changes in cash (incl. currency effect on cash)	229 769	1 820	-48 908	-21 294
Cash - closing balance	454 705	370 726	454 705	370 726

Profit and Loss



All figures in NOK 1,000	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Total operating income	2 030 504	1 682 253	3 451 575	2 981 650
Share of profit from joint venture	0	-145	0	-420
Change in inventories	-116 707	36 270	76 570	64 849
Raw materials and consumables used	-954 994	-792 634	-1 941 691	-1 536 424
Salaries and personnel expenses	-104 759	-101 580	-223 289	-224 604
Other operating expenses	-412 615	-467 781	-743 336	-676 323
EBITDA	441 429	356 383	619 828	608 728
Depreciation and amortisation	-48 013	-43 474	-93 791	-86 442
Depreciation and amortisation of licenses	-1 163	-1 215	-2 292	-2 433
Impairment adjustments on assets	0	0	0	6 223
EBIT before biomass adj	392 253	311 694	523 745	526 076
Fair value adj biological assets	-76 930	115 771	-273 140	195 268
EBIT after biomass adj.	315 323	427 465	250 606	721 344
Share of profit ass. companies	0	0	0	12 083
Net financial	958	-38 891	-3 580	-92 652
Profit before tax	316 280	388 574	247 025	640 774
Estimated taxation	-69 636	-90 916	-60 477	-152 217
Net profit in the period	246 645	297 657	186 549	488 557