



# Måsøval AS

## Q3 2022 presentation

Oslo, November 15th, 2022

Asle Rønning, CEO | Gunnar Aftret, CFO

# Agenda

- 1 Highlights
- 2 Segment information
- 3 Group financials
- 4 Development projects
- 5 Outlook and Summary



# Highlights Q3 - 2022

## Financial

- Group turnover MNOK 378 (483)
- Total group operational EBIT MNOK 62 (121)

## Segment farming

- Harvested volumes 4 863 tonnes (7 265)
- Region Mid EBIT/Kg NOK 21,7
- Region West EBIT/Kg NOK 8,2

## Sales and processing

- Sales of MNOK 355 (173)
- Operational EBIT of 1,0%

## Proposed resource tax

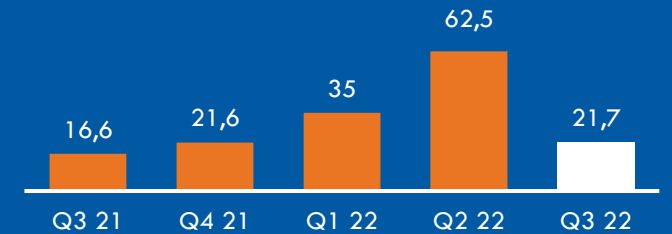
- 40 % resource tax proposed / total tax of 62%

## Helge Kvalvik new CEO

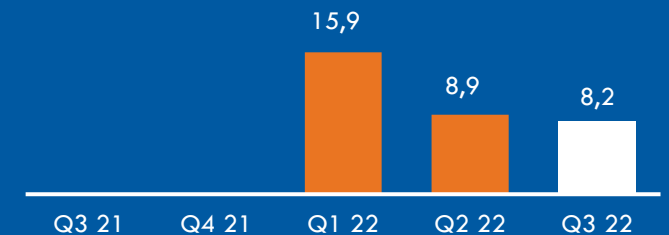
- Starts in January 2023



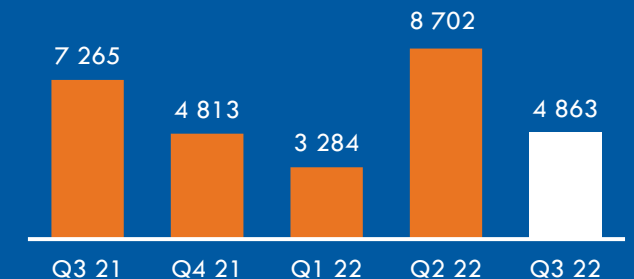
Operational EBIT pr kg (NOK)  
Farming Mid



Operational EBIT pr kg (NOK)  
Farming West



Harvested Volume (HOG)





## Segment information



# Farming Mid

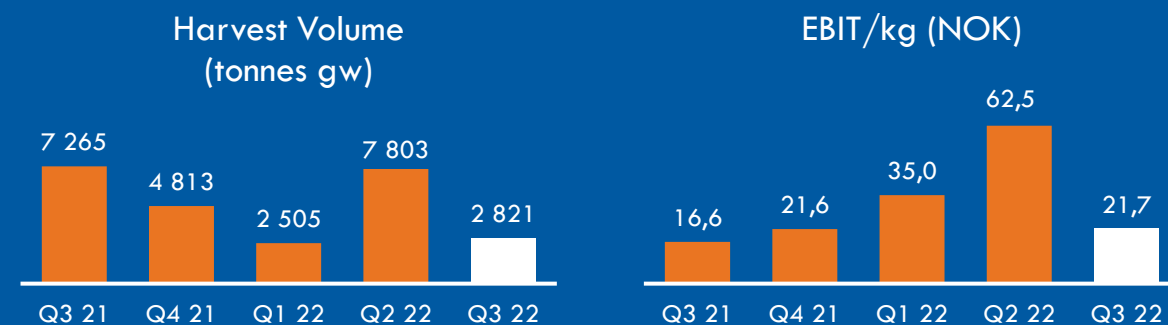
## Strong markets, challenging biological performance

- Harvested volume of 2 821 tonnes GW (7 265)
- Autumn 2021 gen accounted for 98% of harvest in Q3
- Operational EBIT NOK 21,7 pr kg (17,0)
  - Challenging biological situation on generation mainly related to sea lice
  - Sites under surveillance from previous ISA outbreaks at neighboring sites have higher harvesting costs

### Key figures Farming Mid

Consolidated numbers in 1 000 NOK

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total operating revenues	208 015	441 396	1 227 900	750 951
Operational EBIT	61 230	123 566	641 410	216 653
Operational EBIT - %	29,4 %	28,0 %	52,2 %	28,9 %
Harvested volume (tonnes HOG)	2 821	7 265	13 129	12 075
Operational EBIT per kg salmon	21,7	17,0	48,9	17,9



# Farming West

## Profitable quarter despite ISA, operational improvements

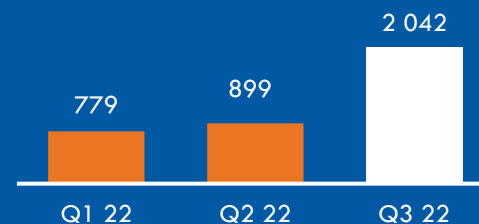
- Harvested volume of 2 042 tonnes GW
  - Slettvika site diagnosed with ISA. Fully harvested in quarter
- 2021 generation accounted for 88 % of harvest in Q3
- Operational EBIT NOK 8.2 pr kg
  - ISA and early harvest affected income and cost negatively in quarter.
- Vartdal integration proceeds as planned

## Key figures Farming West

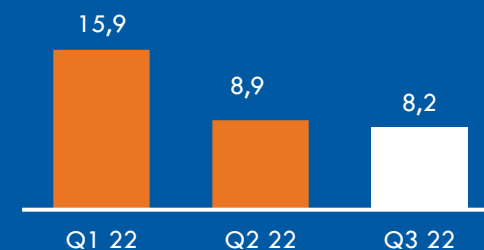
Consolidated numbers in 1 000 NOK

	Q3 2022	YTD 2022
Total operating revenues	121 006	226 893
Operational EBIT	16 697	42 367
Operational EBIT - %	13,8%	18,7 %
Harvested volume (tonnes HOG)	2 042	3 719
Operational EBIT per kg salmon	8,2	11,4

Harvest Volume (tonnes gw)



EBIT/kg (NOK)



\* Vartdal Group operations 2021 only included from 1.1,2022

# Sales & Processing

## Operational improvements, low harvesting volumes

- Volume 3 629
  - 100% of sales through Pure Norwegian Seafood AS
  - Over 90% of volume sold in spot market
  
- Operational EBIT MNOK 4 (1,0/kg)
  - Good profitability from sales operations
  - Low utilisation of harvesting facilities at Averøy and Vartdal
  - One-off loss of MNOK 1,4 from fraud
  
- Closed harvesting cage in operation Q3 – 22
  
- Harvesting in region West started
  - Harvesting agreement with Statt Torsk in operation

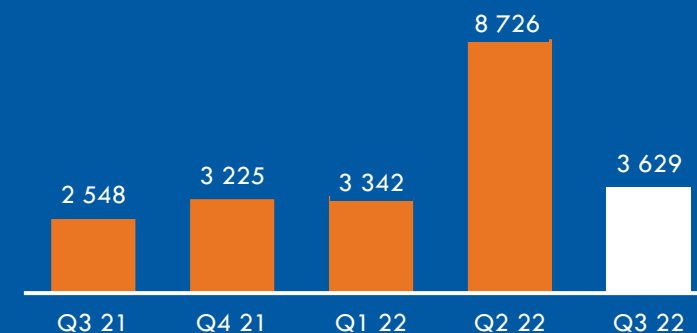


## Key figures Sales&Proc.

Consolidated numbers in 1 000 NOK

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Total operating revenues	354 768	172 896	1 546 363	207 414
Operational EBIT	3 629	6 645	19 251	9 628
Operational EBIT - %	1,0 %	3,8 %	1,2 %	4,6 %

Sales Volume (tonnes gw)



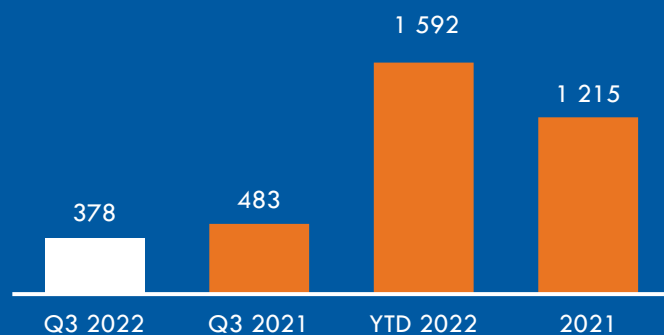
An aerial photograph of a large circular fish farm structure in the ocean. The structure consists of a central circular platform with several concentric rings of netting extending outwards. The water is dark and textured with small waves. A blue rectangular box is overlaid on the left side of the image, containing the text "Group financials".

# Group financials

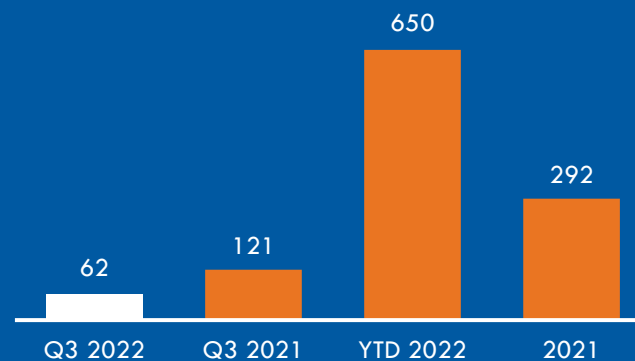


# Key income statement items

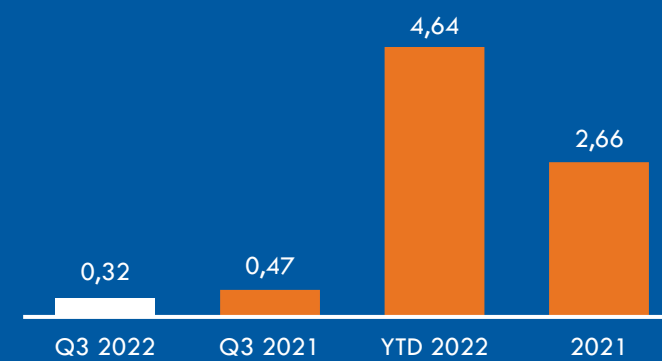
Group operational revenues



Group operational EBIT



EPS (earnings/share)



# Income statement

- Revenue decreased due to lower volumes after a strong 2<sup>nd</sup> quarter.
- Group operational EBIT declined from same period last year due to lower volumes and higher costs after biological challenges

Key figures Group	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Consolidated numbers in 1 000 NOK				
Sales revenue salmon	353 962	444 416	1 521 534	727 587
Other operating revenues	23 615	38 710	70 270	94385
<b>Sum operating revenues</b>	<b>377 576</b>	<b>483 126</b>	<b>1 591 805</b>	<b>821 972</b>
Harvested volume (tonnes GW)	4 863	7 265	16 848	12 075
<b>Operational EBIT</b>	<b>61 955</b>	<b>120 578</b>	<b>649 888</b>	<b>203 894</b>
<b>EBIT <sup>(1)</sup></b>	<b>80 422</b>	<b>78 333</b>	<b>800 159</b>	<b>344 236</b>
Profit before tax	52 006	65 750	739 848	315 930
Net profit or loss for the period	37 376	52 463	573 999	268 287
Group operational EBIT - %	16,4 %	25,0 %	38,6%	24,8 %
Group operational EBIT/kg	12,7	16,6	38,6	16,9
Earnings per share (NOK)	0,32	0,47	4,64	2,59

<sup>(1)</sup> Operational EBIT adjusted for production tax, profit sharing with co-location partners and fair value adjustment biomass

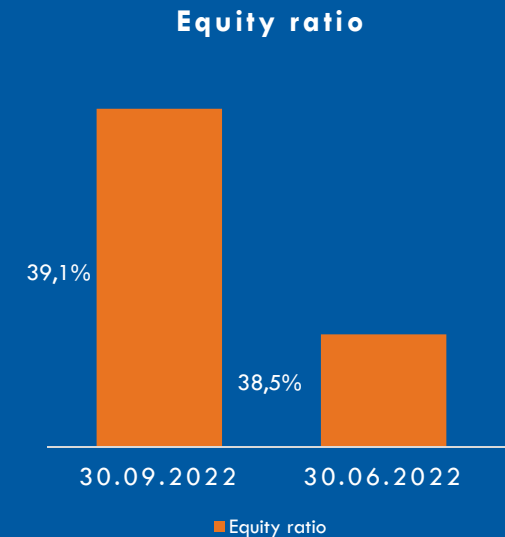
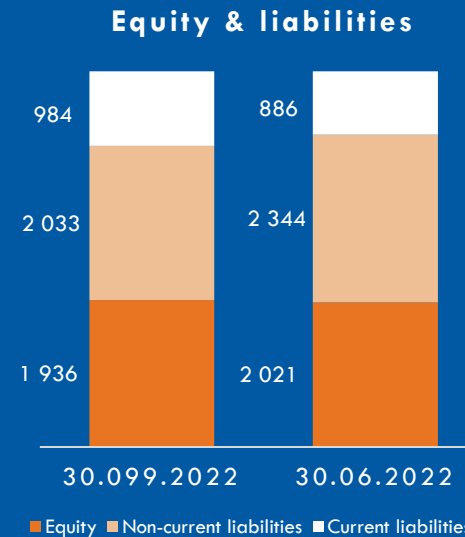
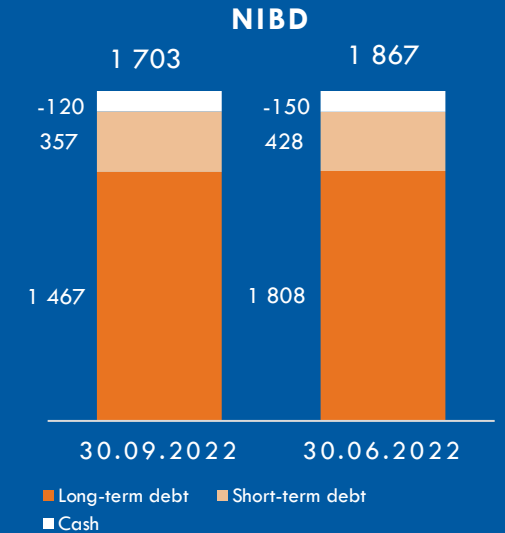
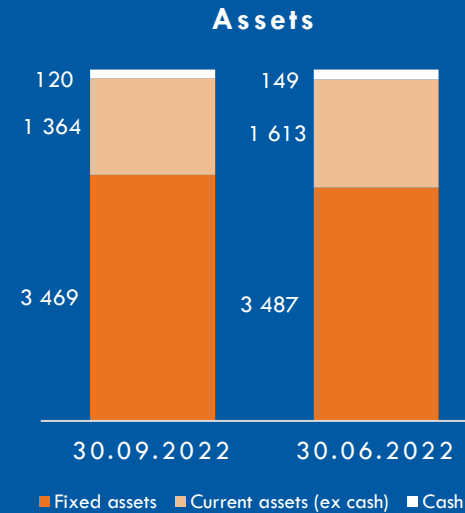
# Group balance sheet items

## Working capital increase in quarter

- Decrease in accounts receivable
- Increase in biomass

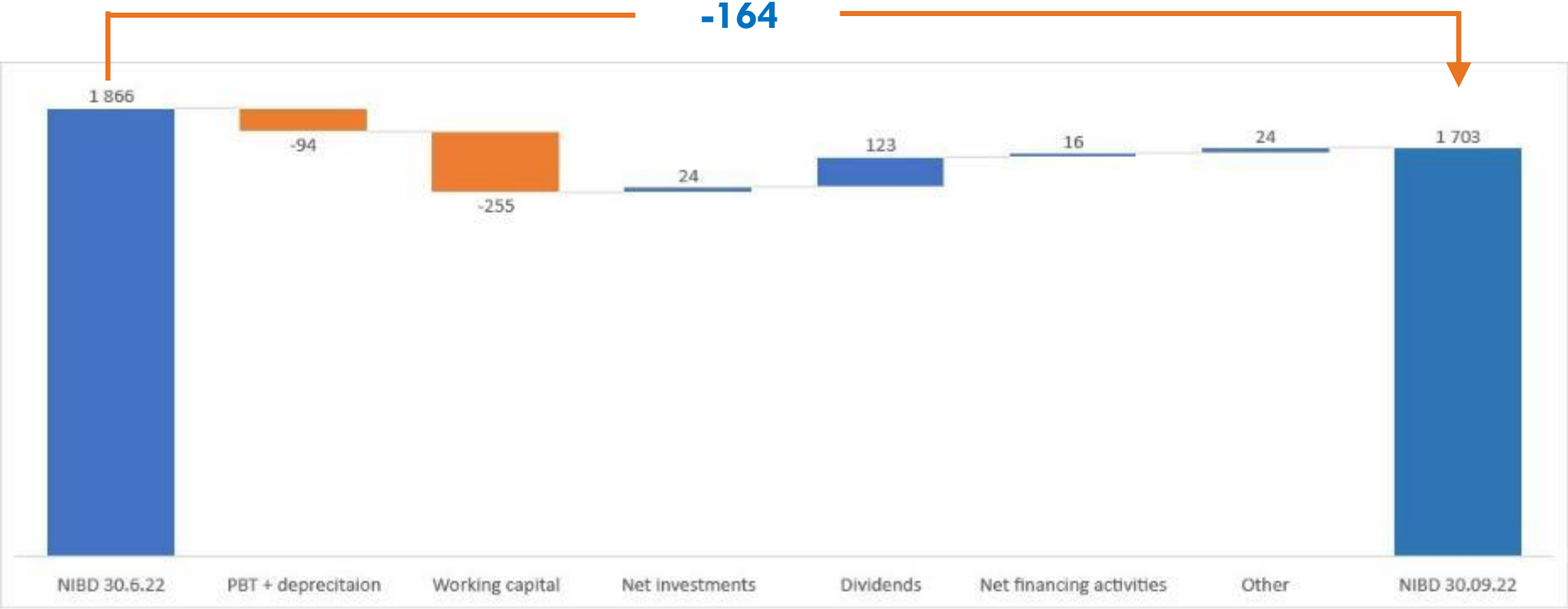
## Financial position

- NIBD decreased with MNOK 164
- Liquidity: MNOK 489
- Equity ratio increased to 39,1%
- Dividend of MNOK 122,5 paid



# Changes in NIBD

- Receivables reduced
- Biomass increase after high harvest in Q2
- High sales last month of quarter
- Net investments of MNOK 24



# Financial updates

## Potential uplisting

- Postponed due to uncertainties about tax regime

## MAB acquired Q2

- MAB of 84 tonnes / MNOK 16.8 returned to government







Development projects

# Aqua Semi update

## Engineering completed Q3 22

- MSA (Main Scantling approval) received

## Project status

- Project is stopped due to proposed tax regime
- Licenses still valid
- Project can be restarted until 2027

**Final decision on project to be concluded after tax regime clarified, and prices negotiated**







# Outlook and summary

# Proposed New Tax Salmon Farming in Norway

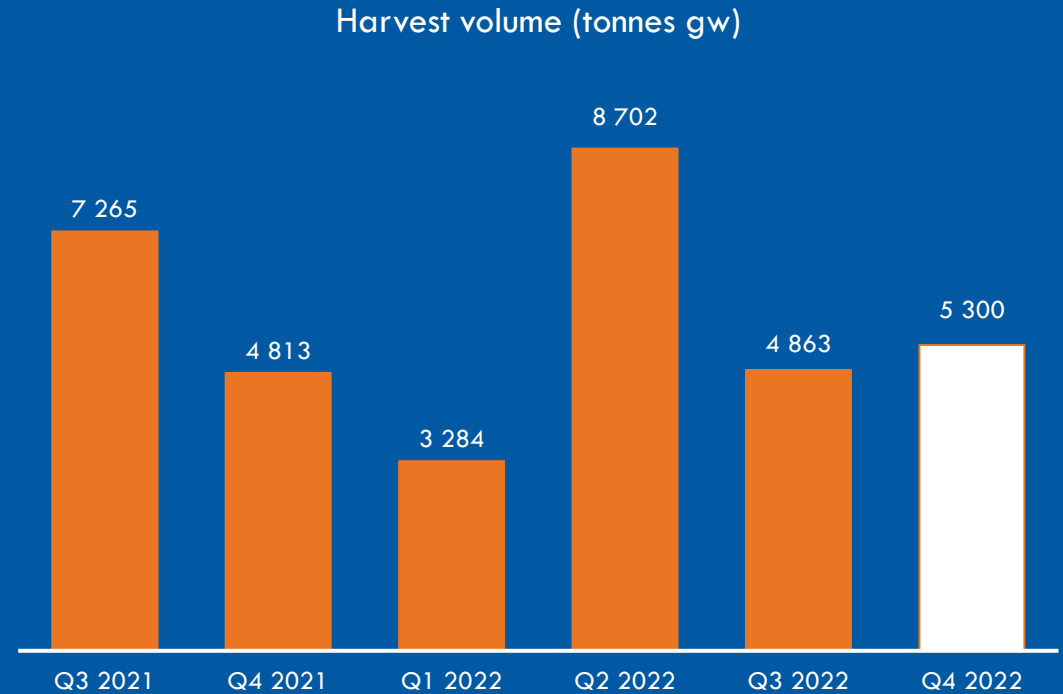
- Proposed resource tax on salmon farming
  - Extra resource tax 40%
  - Total tax rate of 62%
  - Exclusive for farming at sea
    - Does not include sales, processing and production at land
- Process and Implementation
  - New tax is proposed effective from Q1 2023
  - Public consultation process -> January 2023
  - Process in Norwegian Parliament
  - Final decision on tax to be announced Q2 2023



*Picture: Prime Minister and Secretary of Finance in Norway announcing New Tax for Salmon Farming .*

# Segment Farming – Outlook

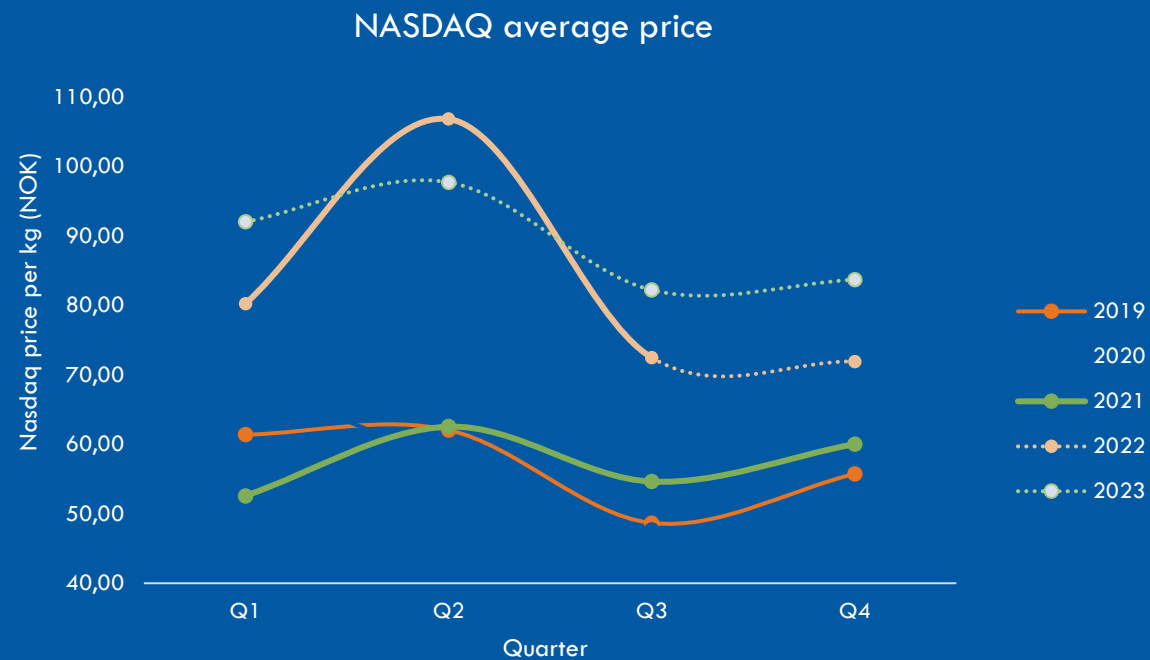
- Q4 2022 5 300 tonnes
- 2022 22 200 tonnes
- 2023 26 400 tonnes





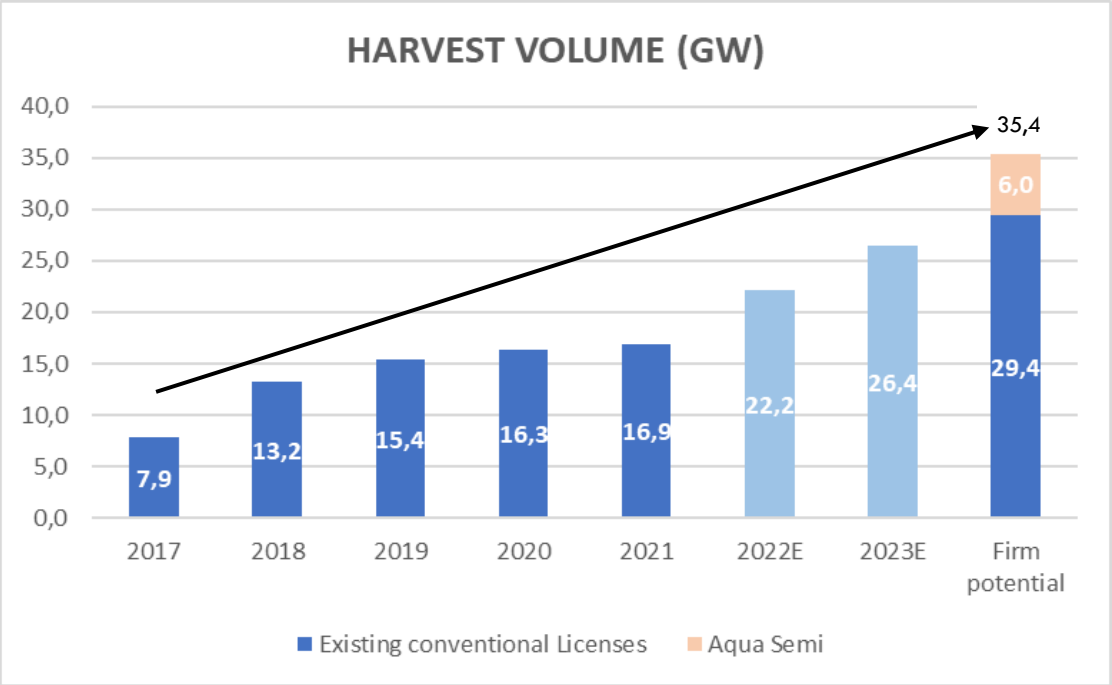
# Market outlook

- Analysts expect high prices
- Prices are expected to remain strong in 2022 and 2023
- Expected strong prices Q3 2022 compared to previous years' Q3



\* Fishpool Forward Price 10.11.2022

# Growth potential





# Summary


- **Resource Tax**
  - Proposed resource tax of 40%
  - Total tax rate of 62% for salmon farming
- **Operational EBIT MNOK 62**
  - Operational EBIT Group 12,7 per kg
- **Biological challenges both in region Mid and West**
  - Operational EBIT region Mid of 21,7 per kg
- **Sales and processing – Strong profitable Quarter**
  - Set for operational improvements at both facilities
- **Outlook**
  - Still strong market outlook
  - 2022            22 200 tonnes
  - 2023            26 400 tonnes
- **New CEO – Helge Kvalvik**
  - Starting January 2023







*Made by nature*

Pioneered by  Måsøval