



Q4 2017

FEBRUARY 27TH 2018



- 1. Highlights**
- 2. Key Financial Figures**
- 3. Outlook**

Agenda

The logo for Lerøy, featuring the word "LERØY" in white, bold, sans-serif capital letters. The letters are contained within a dark blue rectangular box with rounded corners. A thin, white, curved line arches over the text, resembling a stylized wave or a swoosh.

LERØY

#1

Highlights

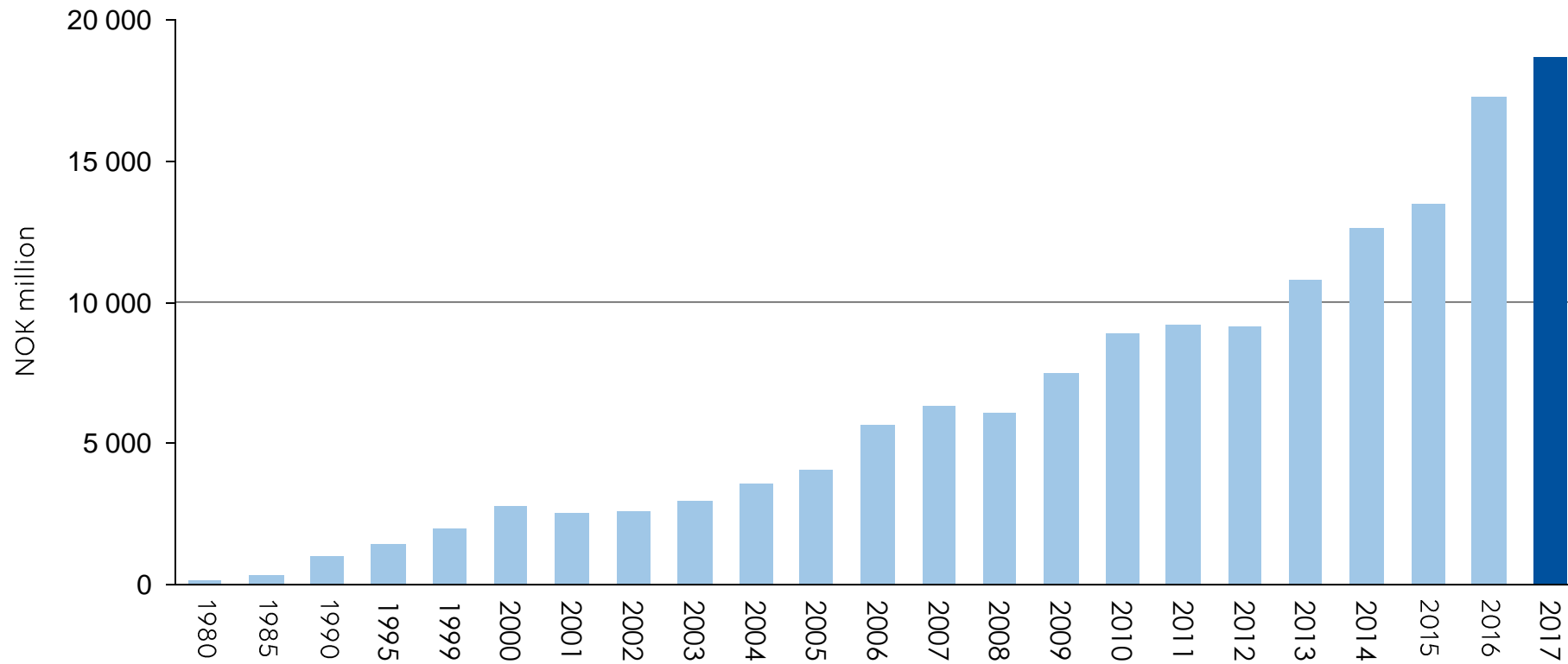
Q4 2017

- EBIT before FV adj. NOK 777 million
- Harvest volume 42 280 GWT
- EBIT/kg all incl. (excl. EBIT Havfisk & LNWS) of NOK 16.5
- Contract share of 30%
- NIBD NOK 2 262 million
- Harvest guidance 169 000 GWT for 2018
- Proposed dividend of NOK 1.5 per share





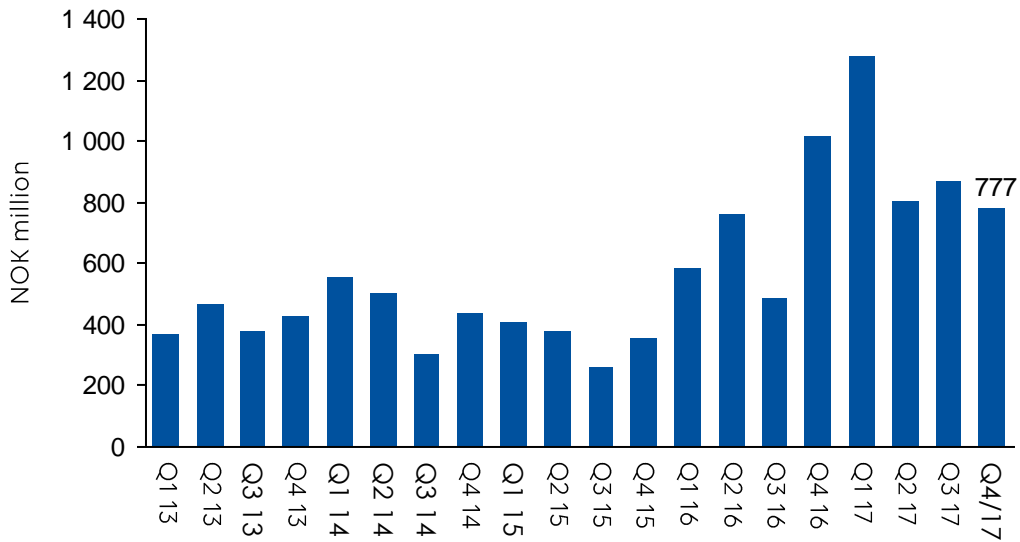
Turnover Lerøy Seafood Group



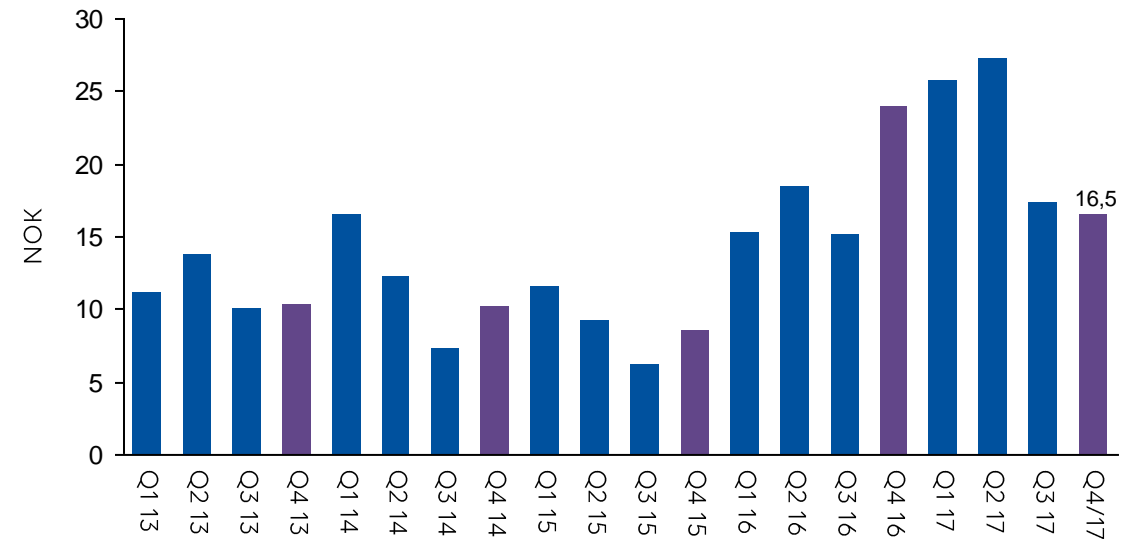


Quarterly historic figures

EBIT*



EBIT/kg**, all inclusive



*before biomass adjustment

**before biomass adjustment excl. EBIT contribution from Wild Catch

Lerøy Seafood Group ASA

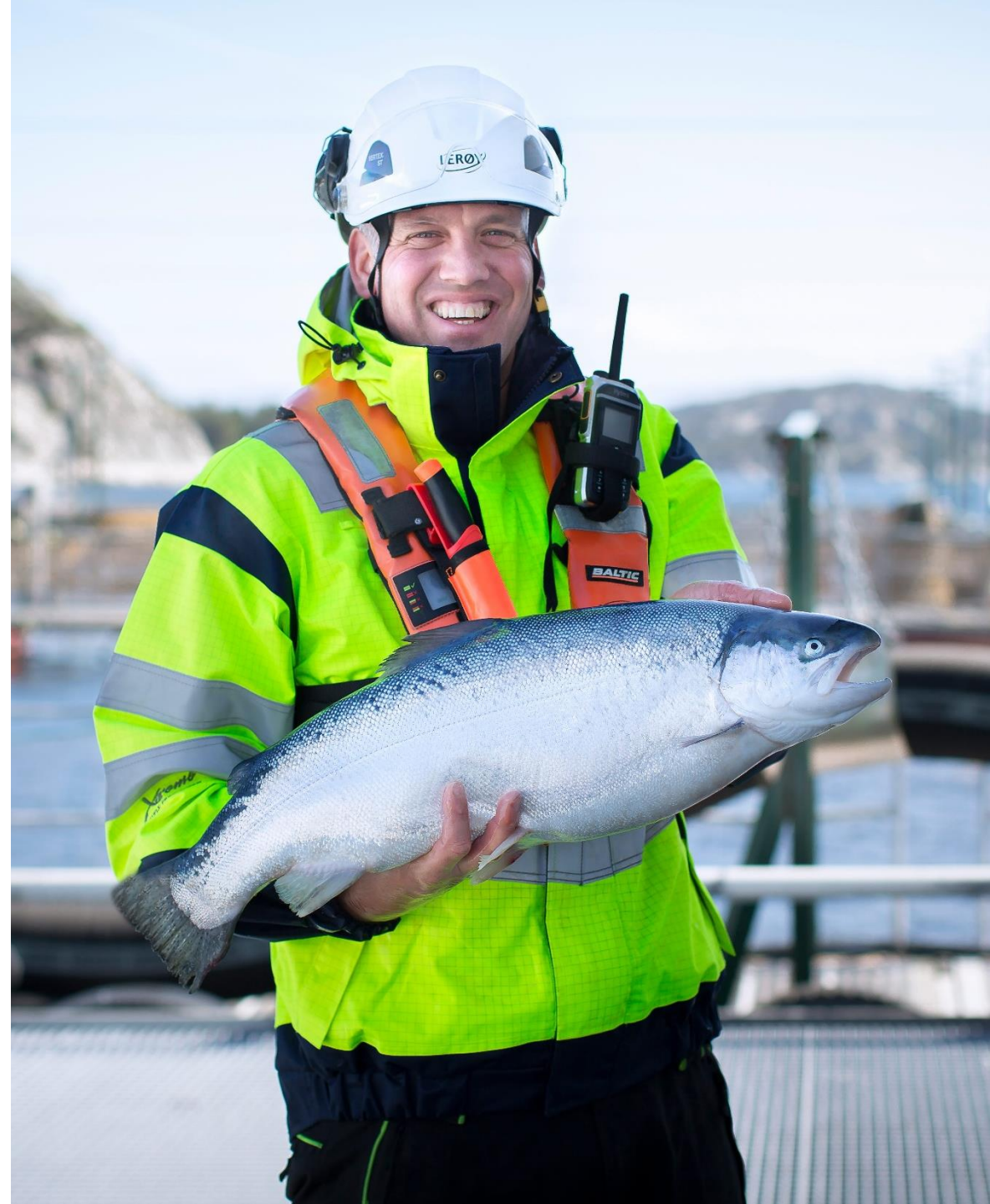
Farming

Wild catch

VAP, Sales and Distribution

Q4 2017: Farming highlights

- Spot prices below last year
 - NSI Q4/17 NOK 49.3 vs NOK 65.8 in Q4/16 (-25%)
 - Down NOK 7/kg q-o-q, and down NOK 16/kg y-o-y
- Trout price achievement below salmon
- Contract prices above spot
- Cost (RFS) down from Q3/17
- Biomass at sea
 - End Q4/17 at 112,489 LWT vs 108,413 LWT end Q4/16 (+4%)



Farming volumes

	2012 GWT	2013 GWT	2014 GWT	2015 GWT	2016 GWT	2017 GWT	2018E GWT
Lerøy Aurora AS*	20 000	24 200	26 800	29 200	30 000	39 200	38 000
Lerøy Midt AS	61 900	58 900	68 300	71 400	52 200	64 500	68 000
Lerøy Sjøtroll	71 600	61 700	63 200	57 100	68 000	54 000	63 000
Total Norway	153 400	144 800	158 300	157 700	150 200	157 800	169 000
Villa Organic AS**			6 000				
Norskott Havbruk (UK)***	13 600	13 400	13 800	13 500	14 000	15 500	13 000
Total	167 100	158 200	178 100	171 200	164 200	173 300	182 000

*) 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

Q4 2017: Wild Catch

- Q4/17 harvest volum at 12,345 (H/G) down 8% y-o-y, but annual harvest volume at 66,729 (H/G) up 5% y-o-y
- Compared with prices in Q4/16, prices in Q4/17 are up 7% for cod, up 17% for haddock and down 14% for saithe
- Improvement in LNWS compared to Q3/17, but profitability remains at unsatisfactory level



Q4 2017- VAP, Sales and Distribution

- Position as full fletched integrated seafood supplier has been enhanced significantly over the previous year
- Positive development with key strategic customers during 2018
- EBIT in Q4/17 of NOK 122m compared to NOK 141m in Q4/16, but including NOK 9m in "one-off" costs



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Key financial
figures

Key financial figures, Q4 2017

<i>(NOKm)</i>	Q4 2017	Q4 2016	▲%
Revenue	4 567	4 924	-7 %
Other gains and losses	-12	0	
EBITDA	921	1 170	-21 %
Depreciation & amortisation	144	153	
EBIT*	777	1 017	-24 %
Income from associates*	56	56	
Net finance	-61	-49	
Pre-tax profit*	772	1 025	-25 %
EPS (NOK)*	1,12	1,43	-22 %
Harvested Volume (GWT)	42 280	39 143	8 %
EBIT* all incl. excl. Wildcatch	16,5	24,0	
ROCE* (%)	20,9 %	29,2%	

* Before biomass adjustment

Key financial figures, 2017

(NOKm)	2017	2016	▲%
Revenue	18 624	17 269	8 %
Other gains and losses	-4	0	
EBITDA	4 300	3 355	28 %
Depreciation & amortisation	583	512	
EBIT*	3 717	2 843	31 %
Income from associates*	298	214	
Net finance	-210	-131	
Pre-tax profit*	3 805	2 926	30 %
EPS (NOK)*	4,90	3,84	28 %
Harvested Volume (GWT)	157 768	150 182	5 %
EBIT* all incl. excl. Wildcatch	21,1	18,3	
ROCE* (%)	25,8 %	23,9 %	

* Before biomass adjustment

Balance sheet

(NOKm)	31.12.2017	31.12.2016	▲%
Intangible assets	8 048	8 050	0 %
Tangible fixed assets	5 148	4 209	18 %
Financial non-current assets	1 089	816	25 %
<i>Total non-current assets</i>	14 286	13 074	8 %
Biological assets at cost	3 710	3 717	0 %
Fair value adjustment of biomass	748	2 701	-261 %
Other inventory	991	722	27 %
Receivables	2 409	2 631	-9 %
Cash and cash equivalents	3 514	2 234	36 %
<i>Total current assets</i>	11 372	12 004	-6 %
Total assets	25 658	25 079	2 %
Equity	14 482	13 475	7 %
Equity ratio	56,4 %	53,7 %	5 %
NIBD	2 262	3 433	-52 %

* Before biomass adjustment



Funding

NOK million	2018	2019	2020	2021	2022	Later	Total
To be paid	627	765	620	1 501	717	1 344	5 574

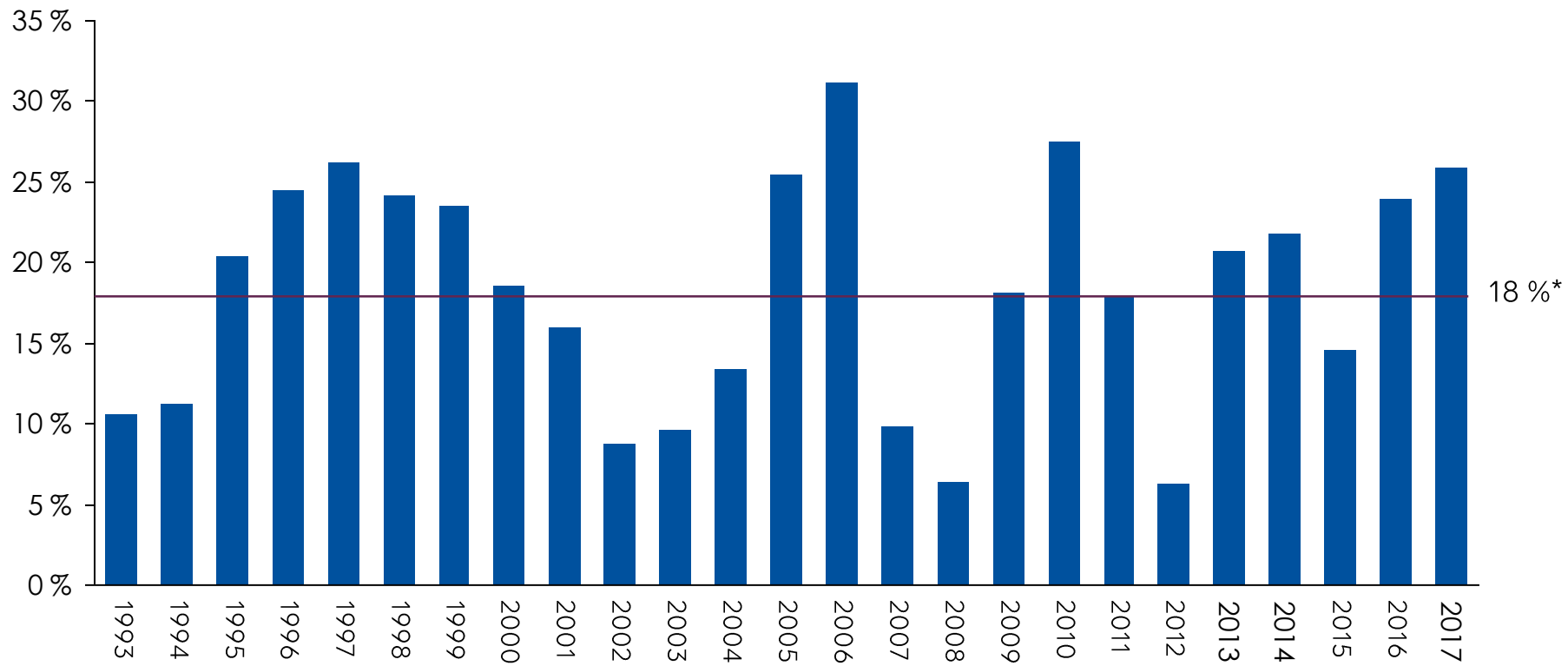
	Covenants	Q4 2017
NIBD/EBITDA	<5	0.53
Adj. Equity ratio	>30 %	66.8 %

Cash flow

	Q4 2017	Q4 2016	FY 2017	FY 2016
EBITDA before fair value adjustment on biological assets	921	1 170	4 300	3 355
Paid tax	-12	-23	-494	-225
Change in working capital	155	-467	-97	-330
Other	-13	-47	-21	-34
Cash from operating activities	1 051	632	3 688	2 767
Business combinations and redemption of non-controlling interests	-5	-1 009	-6	-3 376
Net investments in capex and intangibles	-535	-251	-1 484	-743
Dividends received	28	27	164	104
Other changes in non-current assets	-2	-34	-104	-2
Cash from investing activities *	-515	-1 268	-1 430	-4 017
Net financial cost	-48	-48	-188	-141
New equity	0	0	0	2 174
Dividends distributed	0	0	-834	-665
Cash from financing activities	-48	-48	-1 023	1 368
Change in NIBD from business combinations	0	0	0	-985
Other changes (incl.currency effects)	-18	2	-64	28
Net cash flow / change in NIBD	471	-681	1 171	-839
NIBD at beginning	2 733	2 752	3 433	2 595
Change in NIBD	-471	681	-1 171	839
NIBD at end	2 262	3 433	2 262	3 433

* The amount may differ from the corresponding amount in the cash flow statement in the quarterly report, as cash acquired through business combination is not included.

Return on capital employed

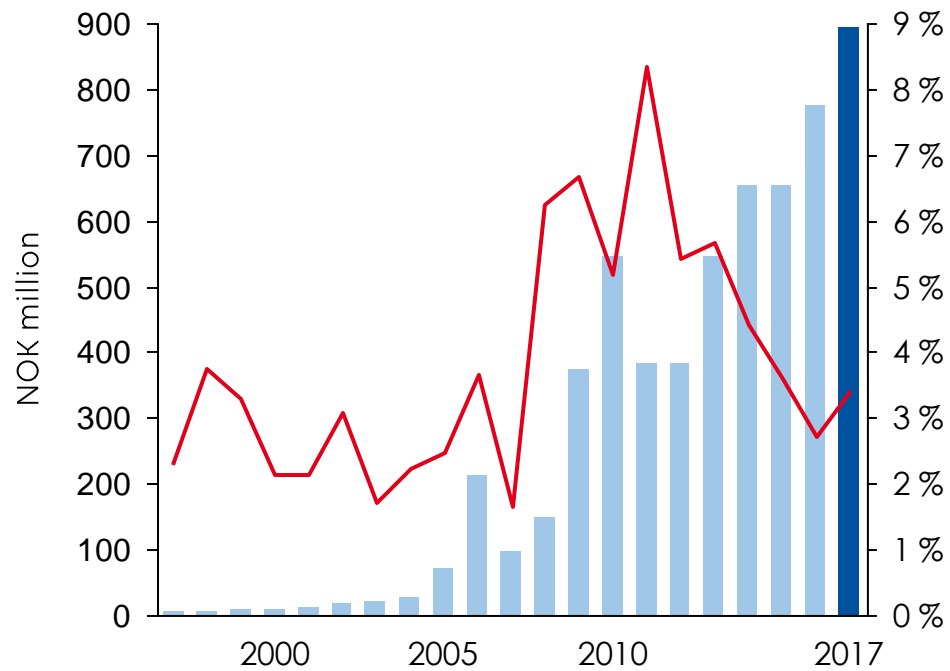


* Target communicated at the listing on Oslo Stock Exchange 03.06.2002

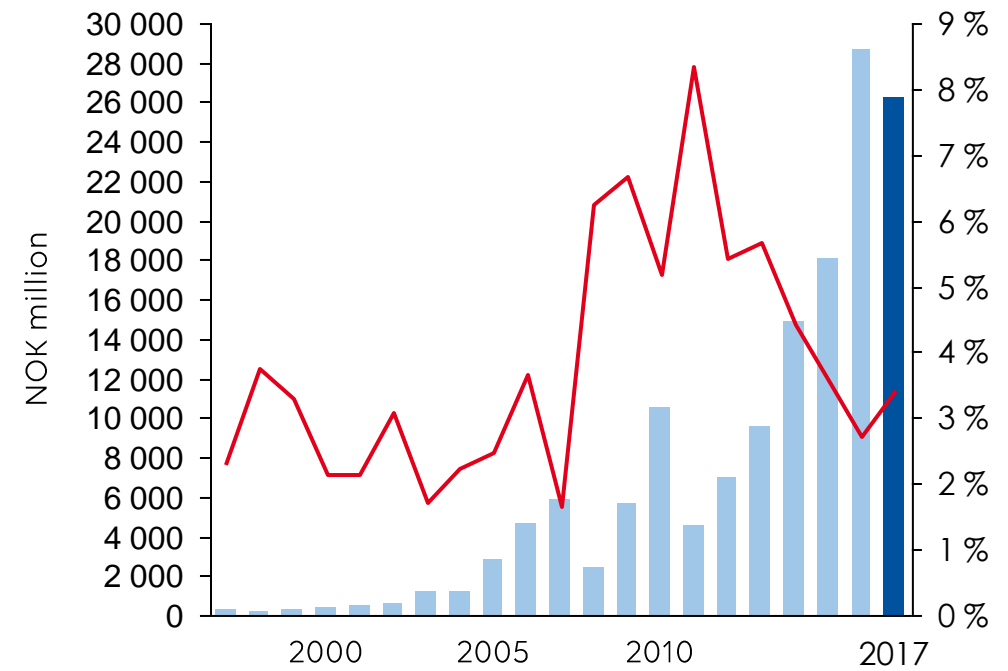


Annual dividend since 1995

Dividend & Dividend yield



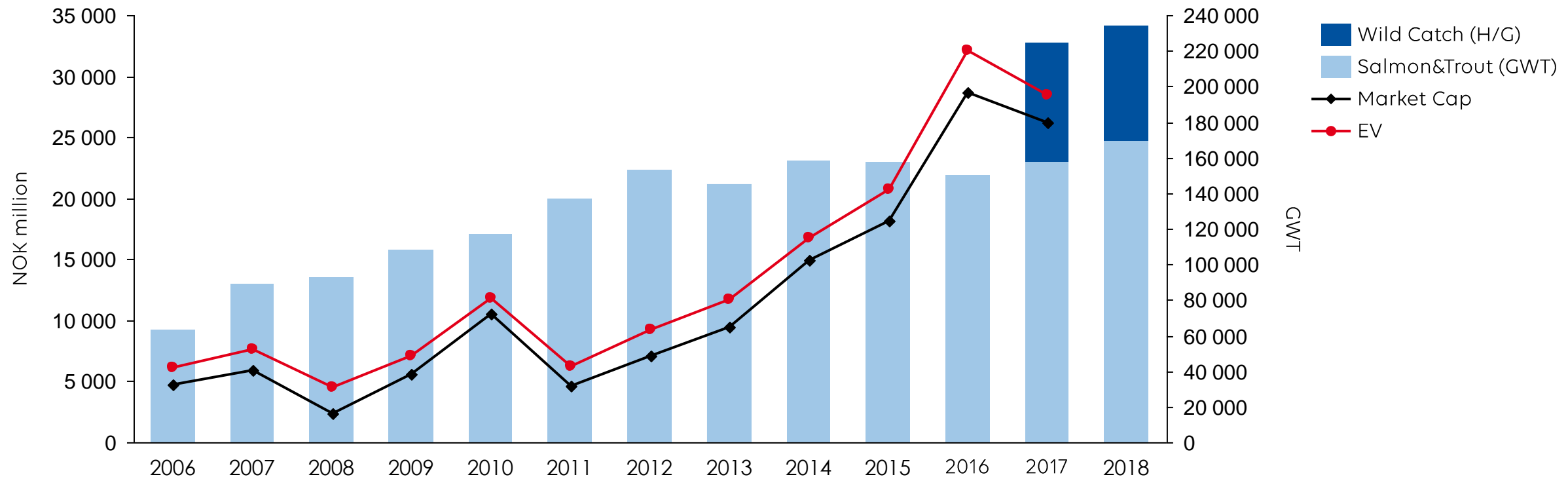
Market Cap & Dividend yield



The dividend in the table above is the proposed dividend based on present year's profit, for distribution in the following year.

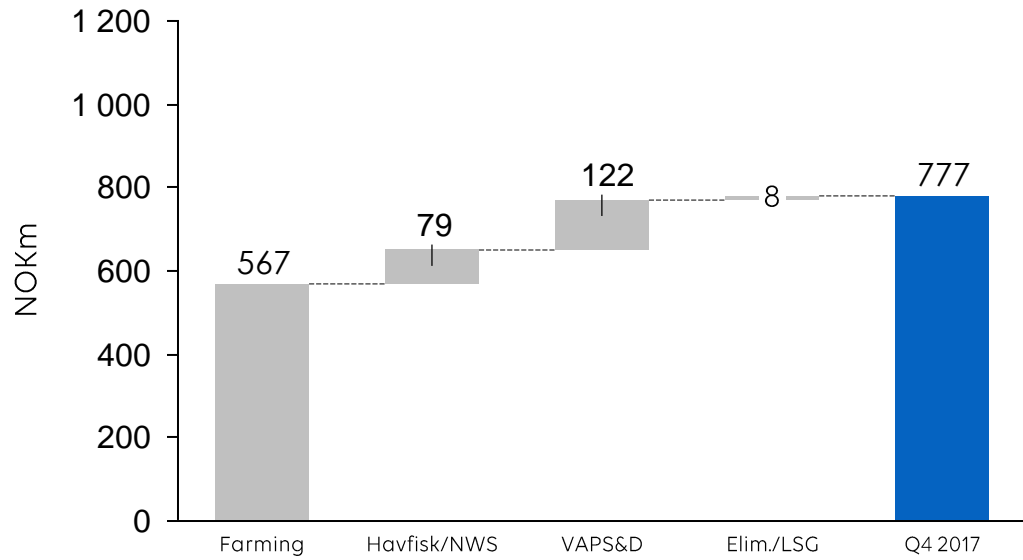


Sustainable growth

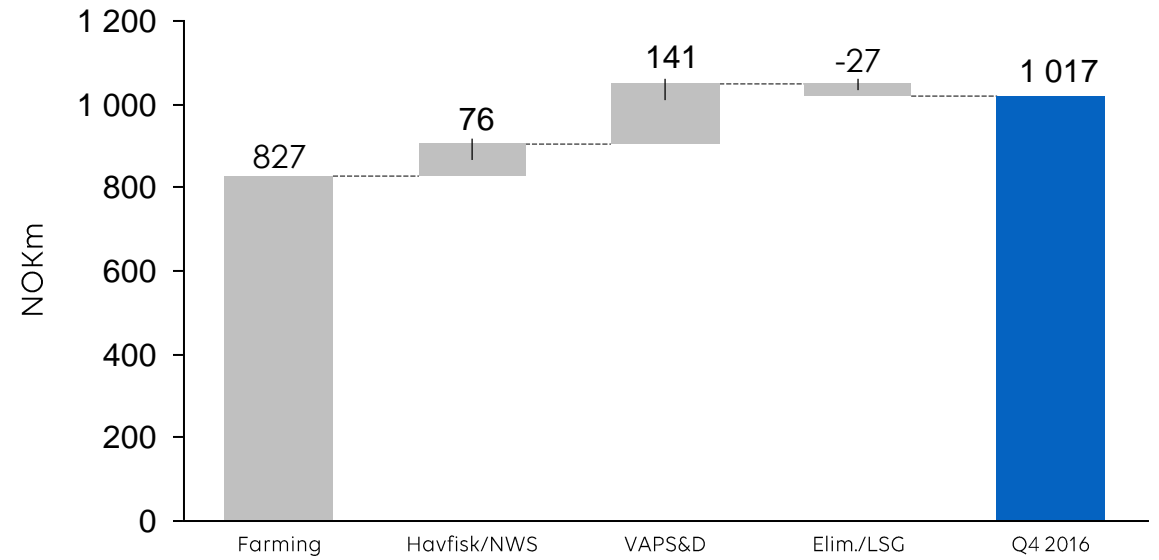


EBIT per segment

EBIT* Q4 2017



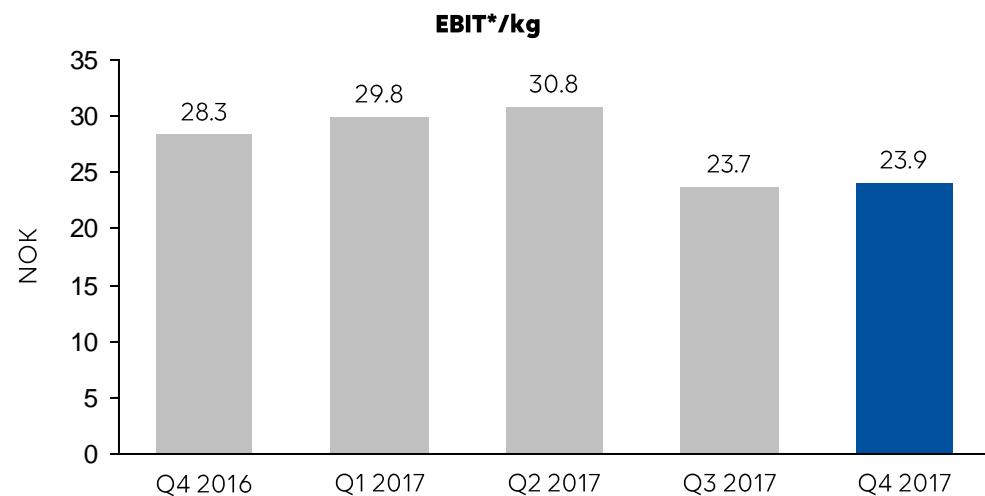
EBIT* Q4 2016



* Before biomass adjustment

Lerøy Aurora

	Q4 2017	Q4 2016	2017	2016
Revenue (NOKm)	678	776	2 468	1 821
EBIT* (NOKm)	273	355	1 025	726
Harvested volume (GWT)	11 410	12 545	39 209	30 010
EBIT/kg* (NOK)	23.9	28.3	26.1	24.2

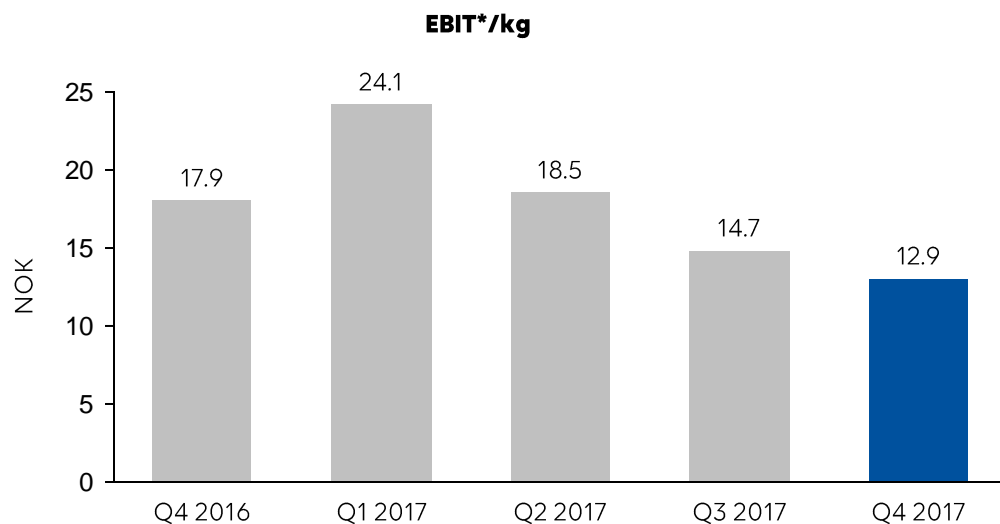


* Before biomass adjustment

- Growth of almost 10,000GWT since 2016, at low cost
- Lower RFS (release-from-stock) cost q-o-q
- Seeing positive impact from larger post-smolt, and decision made to further invest in post-smolt capacity
- As of today, expectations are continued low costs in 2018

Lerøy Midt

	Q4 2017	Q4 2016	2017	2016
Revenue (NOKm)	1 009	685	3 790	2 955
EBIT* (NOKm)	242	185	1 143	744
Harvested volume (GWT)	18 757	10 307	64 515	52 208
EBIT/kg* (NOK)	12.9	17.9	17.7	14.3

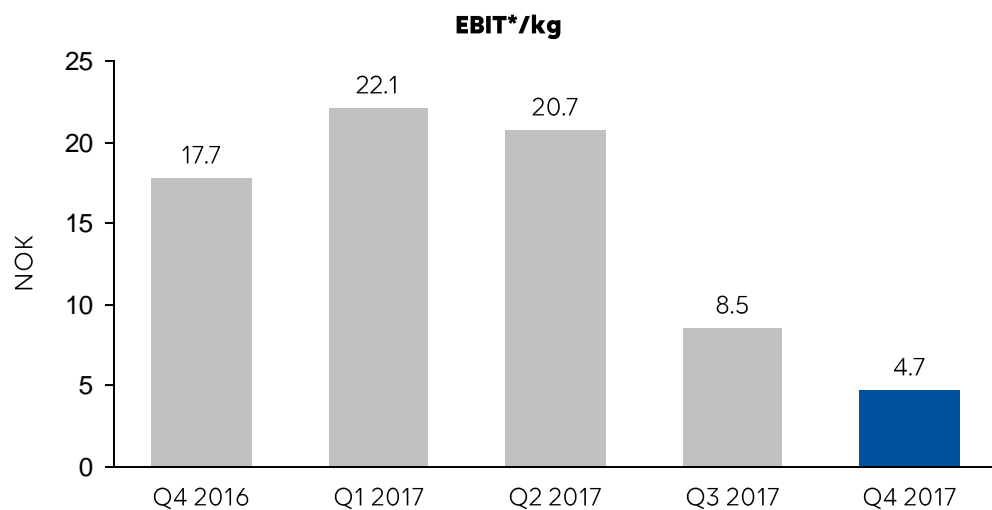


* Before biomass adjustment

- Very positive development through 2017
- Growth of more than 12,000GWT in 2017, and potential for further growth into 2018 and beyond
- Lower RFS (release-from-stock) cost q-o-q
- As of today, expectations are for further cost reductions in 2018

Lerøy Sjøtroll

	Q4 2017	Q4 2016	2017	2016
Revenue (NOKm)	611	934	3 189	3 626
EBIT* (NOKm)	57	289	779	950
Harvested volume (GWT)	12 113	16 291	54 043	67 964
EBIT/kg* (NOK)	4.7	17.7	14.4	14.0



* Before biomass adjustment

- Both volume and RFS cost in Q4 2017 and 2017 significantly impacted by challenging situation in Q3 2017
- RFS cost down q-o-q, but significant potential for reductions into 2018 and beyond.
- Price achievement for the Group NOK 5/kg lower for trout than for salmon in the quarter, due to downgrades. Trout was 63% of quarterly harvest volume
- New RAS smolt facility being built, with first eggs in Q2 2018, and first release of smolt in 2019.
- Significant potential in both volume and costs, but for 2018 expectations are that cost will remain higher than for Lerøy Midt and Lerøy Aurora

Wild Catch (Havfisk/LNWS)

	Q4 2017	Q4 2016	2017	2016
EBITDA (NOKm)	109	106	501	131
EBIT (NOKm)	79	76	386	89

Havfisk, catch volume	Q4 2017	Q4 2016	2017	2016
Cod	8 511	7 896	29 665	29 945
Haddock	1 264	1 377	13 158	11 508
Saithe	1 545	2 853	14 407	11 626
Shrimps	0	0	1 161	1 432
Other	1 024	1 261	8 337	9 253
Total	12 345	13 387	66 729	63 764

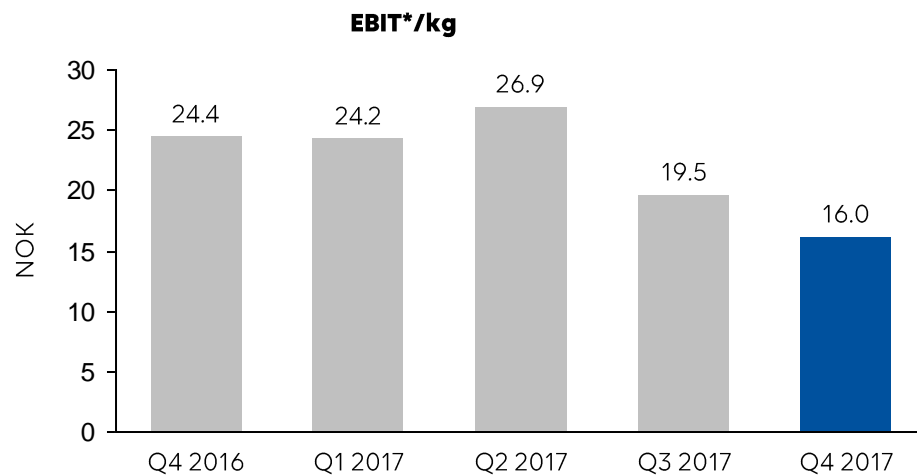
Havfisk, prices	Q3 2017	Q3 2016	2017	2016
Cod	27.3	25.5	26.7	25.1
Haddock	22.1	18.8	18.9	14.6
Saithe	12.3	14.2	11.6	15.5

- Consolidated from 1. September 2016
- Lower catch volumes in Q4 2017 compared to Q4 2016, but higher catch efficiency and prices.
- New trawler, Nordfind delivered on time January 2018
- Development of the white fish processing industry in Norway is challenging. The solution is higher efficiency in operations, and broader market reach
- The solution will require time, and investments. Lerøy is expecting stability in framework conditions to make necessary steps possible for a turn-around of this industry in Norway.

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

	Q4 2017	Q4 2016	2017	2016
Revenue (NOKm)	485	355	2 088	1 721
EBIT* (NOKm)	115	140	669	474
Harvested volume (GWT)	7 212	5 759	30 996	28 043
EBIT/kg* (NOK)	16.0	24.4	21.6	16,9

- Satisfactory result in the quarter, with good biological performance on the majority of sites harvested in the quarter
- Contract share of 44%
- Results negatively impacted by biological challenge with Gill health at a small number of sited in Shetland and Scotland region, with accelerated harvest
- NIBD end 2017 at NOK 181m



* Before biomass adjustment

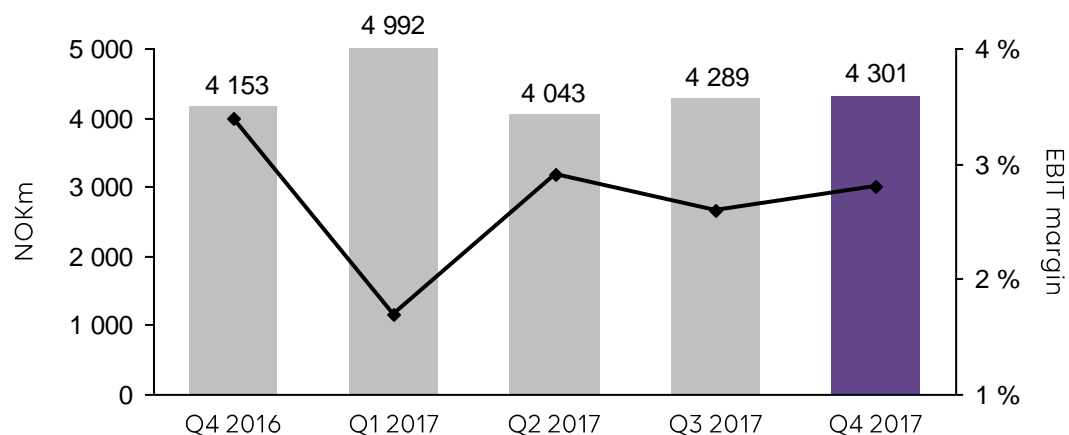
** Figures based on 100% basis

VAPS&D – VAP, Sales and Distribution

	Q4 2017	Q4 2016	2017	2016
Revenue (NOKm)	4 301	4 153	17 626	16 002
EBIT (NOKm)	122	141	435	399
EBIT margin	2.8 %	3.4 %	2.5 %	2.5 %

- Position as an integrated seafood supplier significantly strengthened during 2017.
- Positive impact of more whitefish, and significant potential in further development of the whitefish segment as well as “fish cuts”
- Quarterly profit negatively impacted by “one-off” of NOK 9m
- High focus on product development, seeing positive development in key markets

Revenue and EBIT margin (line graph)



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Outlook

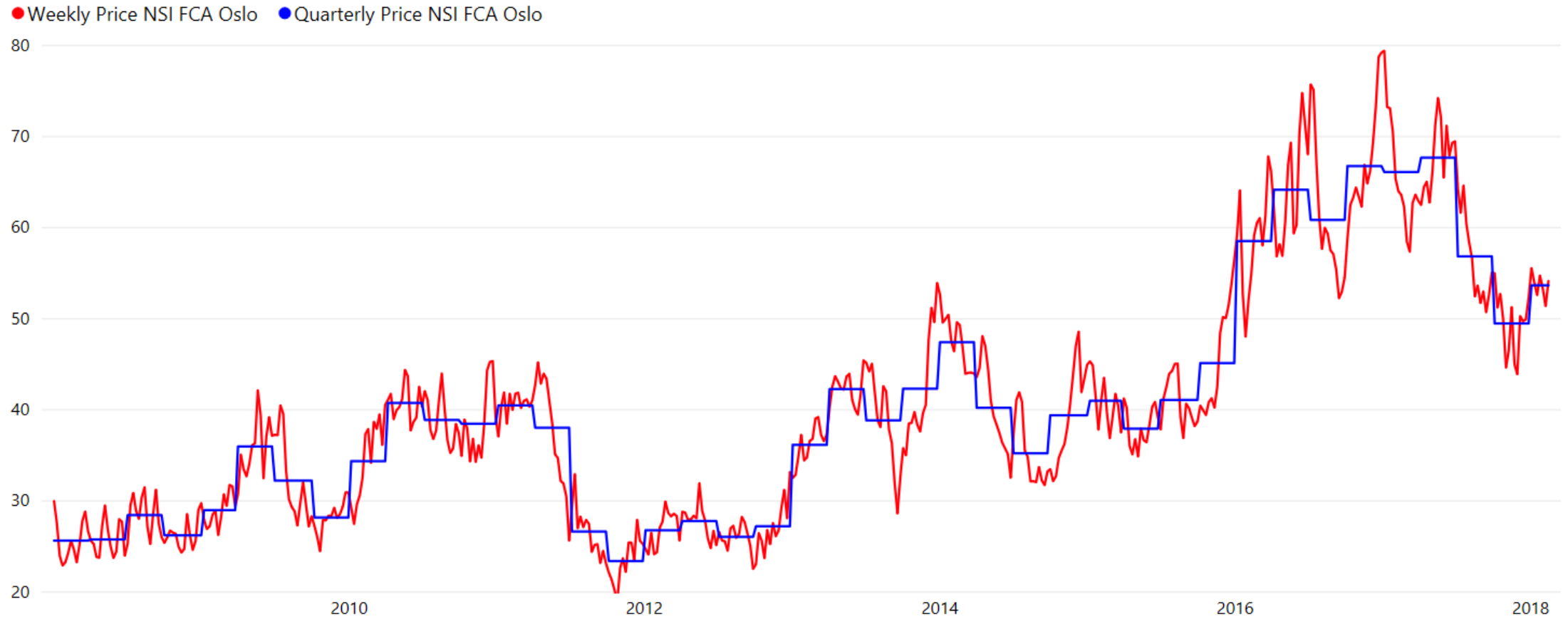
Atlantic salmon – Supply in tons WFE



	2012	Change 11-12	2013	Change 12-13	2014	Change 13-14	2015	Change 14-15	2016	Change 15-16	2017	Change 16-17	2018	Change 17-18
Norway	1,183,100	17.7 %	1,143,600	-3.3 %	1,199,000	4.8 %	1,234,200	2.9 %	1,171,100	-5.1 %	1,207,800	3.1 %	1,298,200	7.5 %
United Kingdom	159,400	3.0 %	157,800	-1.0 %	170,500	8.0 %	166,300	-2.5 %	157,400	-5.4 %	174,300	10.7 %	159,100	-8.7 %
Faroe Islands	70,300	24.9 %	72,600	3.3 %	82,700	13.9 %	75,600	-8.6 %	77,300	2.2 %	80,500	4.1 %	77,700	-3.5 %
Ireland	15,600	-2.5 %	10,600	-32.1 %	12,300	16.0 %	15,700	27.6 %	15,800	0.6 %	17,200	8.9 %	18,000	4.7 %
Iceland	3,250	170.8 %	3,350	3.1 %	4,400	31.3 %	3,600	-18.2 %	8,100	125.0 %	11,900	46.9 %	18,000	51.3 %
Total Europe	1,431,650	16.0 %	1,387,950	-3.1 %	1,468,900	5.8 %	1,495,400	1.8 %	1,429,700	-4.4 %	1,491,700	4.3 %	1,571,000	5.3 %
Chile	364,000	64.7 %	468,100	28.6 %	582,900	24.5 %	598,200	2.6 %	504,400	-15.7 %	579,100	14.8 %	607,300	4.9 %
Canada	136,500	14.2 %	115,100	-15.7 %	95,000	-17.5 %	135,200	42.3 %	146,000	8.0 %	140,000	-4.1 %	150,500	7.5 %
USA	19,600	7.1 %	20,300	3.6 %	24,000	18.2 %	20,200	-15.8 %	22,500	11.4 %	21,700	-3.6 %	18,000	-17.1 %
Australia	40,000	11.1 %	39,000	-2.5 %	42,000	7.7 %	54,400	29.5 %	50,900	-6.4 %	61,000	19.8 %	59,500	-2.5 %
Others	8,100	62.0 %	11,200	38.3 %	15,200	35.7 %	13,700	-9.9 %	12,500	-8.8 %	12,100	-3.2 %	13,600	12.4 %
Total Others	568,200	42.1 %	653,700	15.0 %	759,100	16.1 %	821,700	8.2 %	736,300	-10.4 %	813,900	10.5 %	848,900	4.3 %
Total World-wide	1,999,850	22.4 %	2,041,650	2.1 %	2,228,000	9.1 %	2,317,100	4.0 %	2,166,000	-6.5 %	2,305,600	6.4 %	2,419,900	5.0 %

**SPOT prices, fresh Atlantic salmon
cross-section, FCA Oslo
as of week -2018 (Superior quality).**

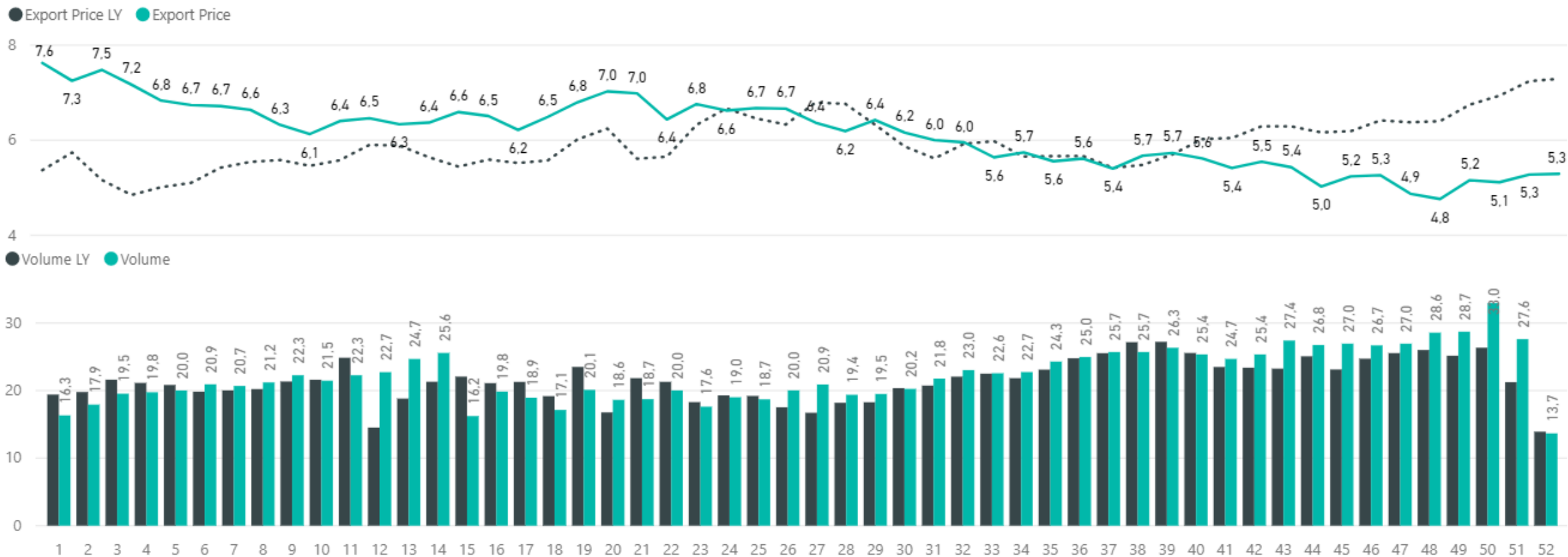
Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Q1	26	29	34	40	27	36	47	41	59	66	54
Q2	26	36	41	38	28	42	40	38	64	68	
Q3	28	32	39	27	26	39	35	41	61	57	
Q4	26	28	38	23	27	42	39	45	67	49	
Total	27	31	38	32	27	40	41	41	63	60	54



Weekly export volume from Norway, 2017

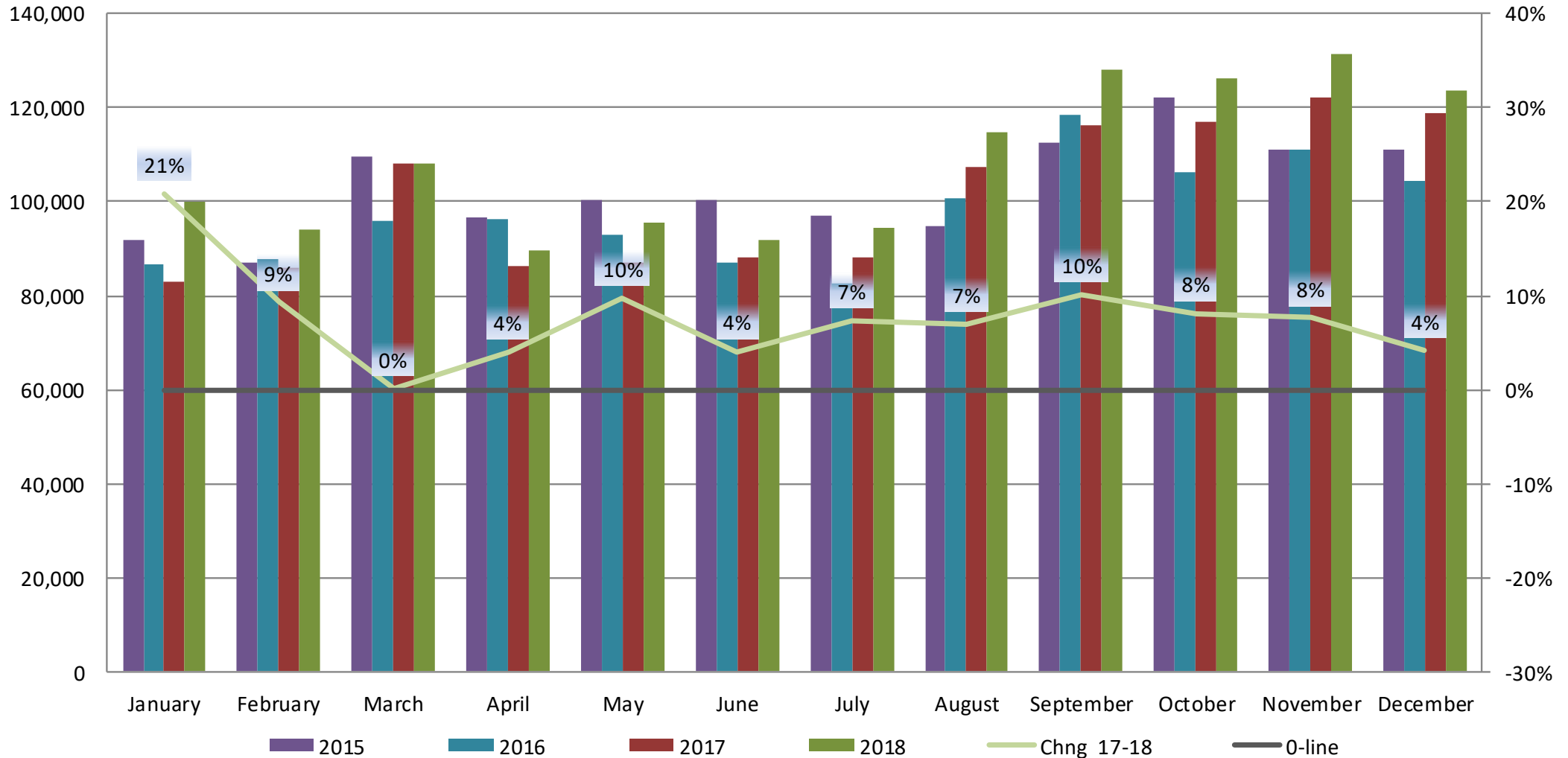
- Atlantic Salmon

Export Price (WFE) and Export Volume (WFE) pr week



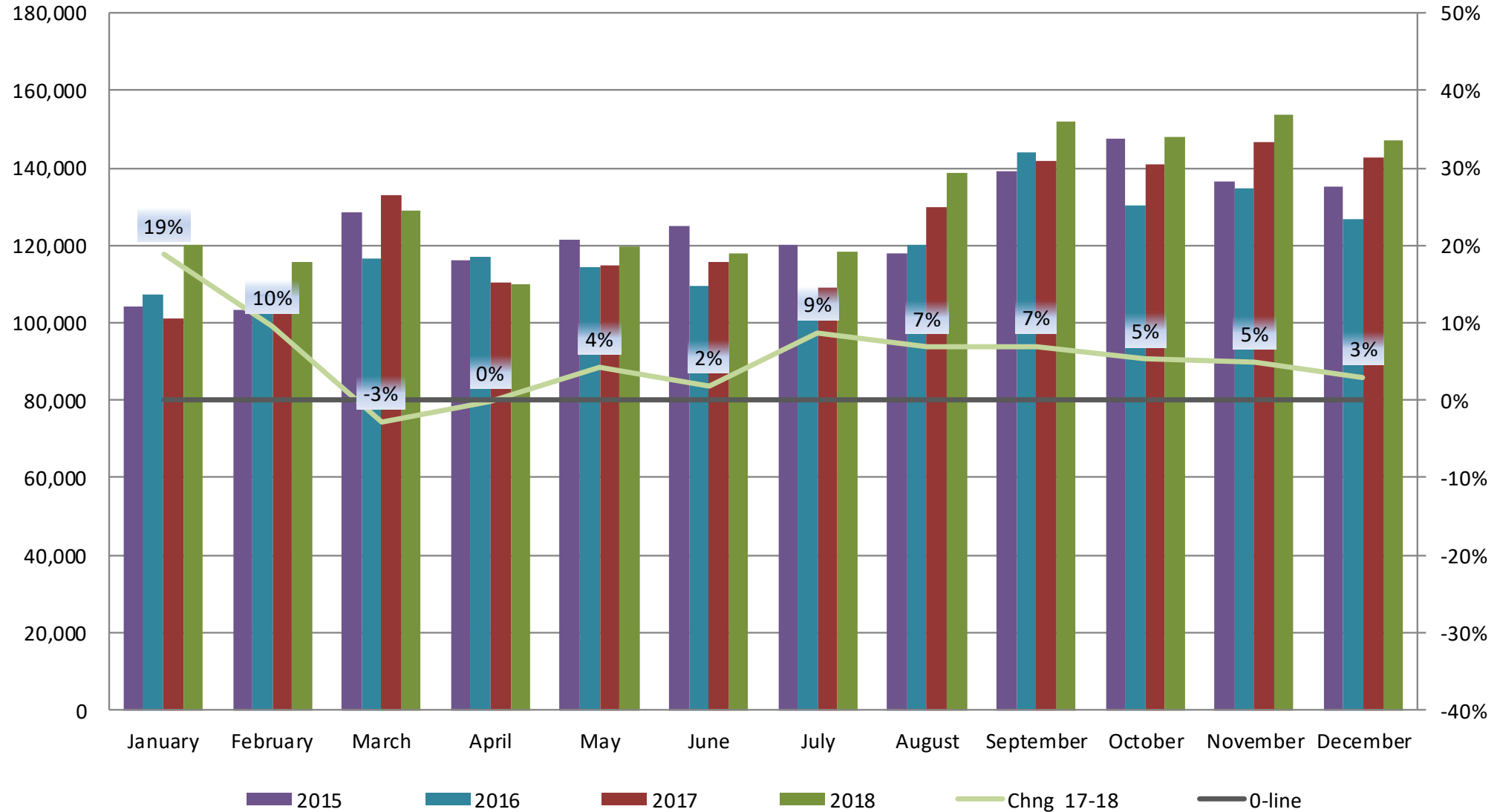
Atlantic salmon - Harvest Quantities Norway in tons WFE

Harvest qty, YTD Jan:
98 000 +20,8% (82 800)



Atlantic salmon - Harvest Quantities Europe in tons WFE

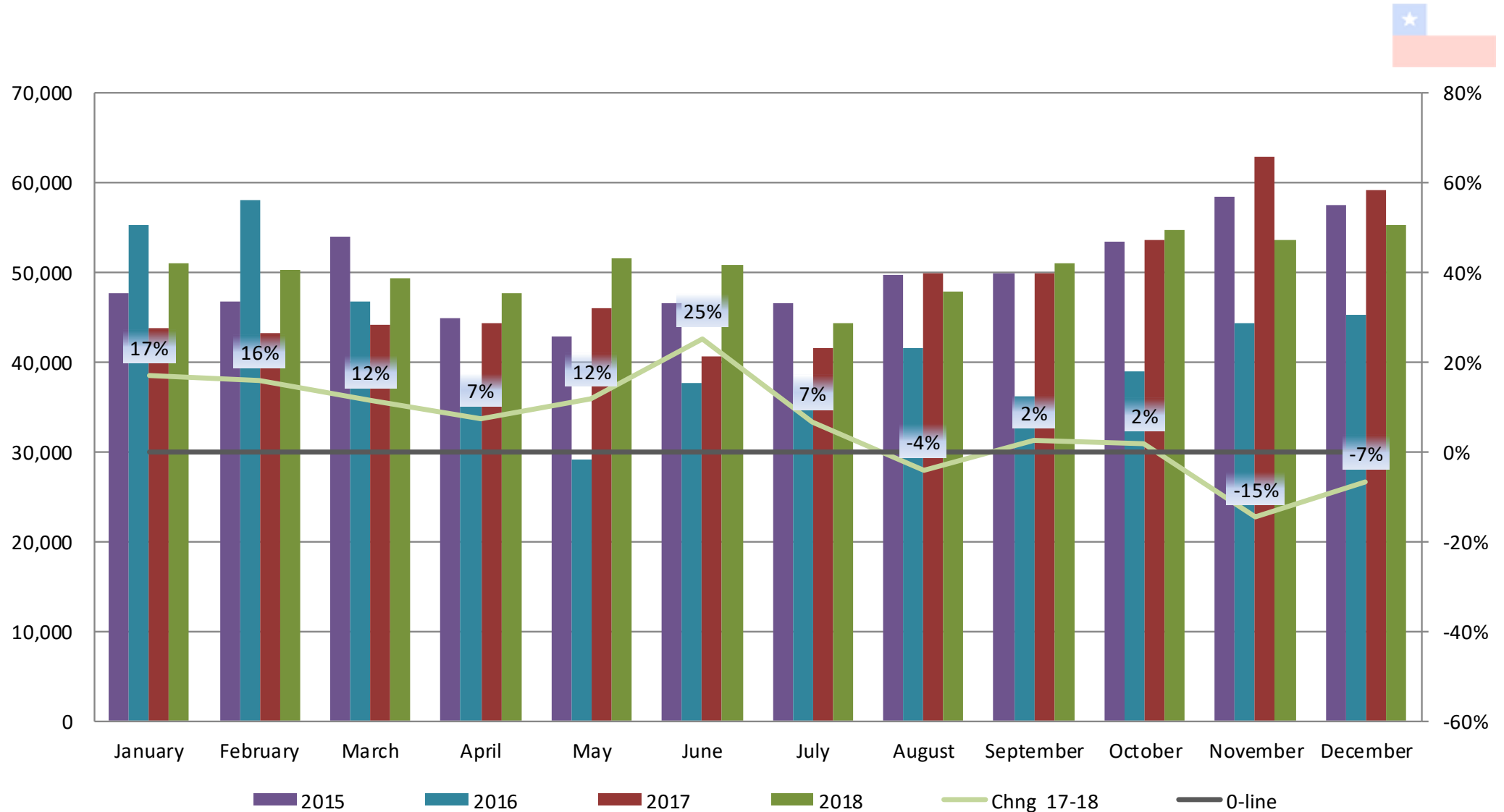
Harvest qty, YTD Jan:
120 100 +18,8% (101 100)



Atlantic salmon - Harvest Quantities Chile

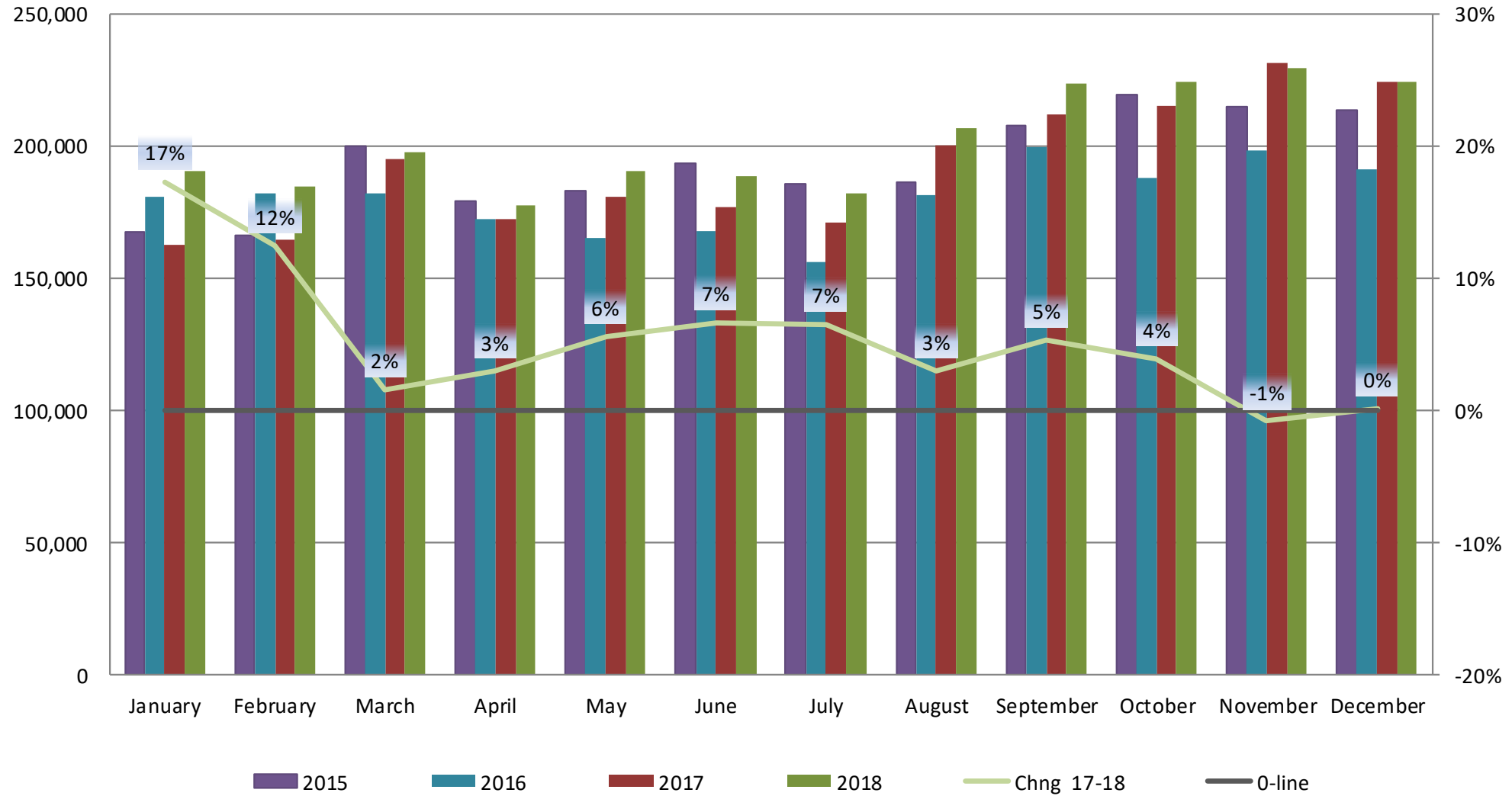
in tons WFE

Harvest qty, YTD Jan:
51 100 +16,9% (43 700)



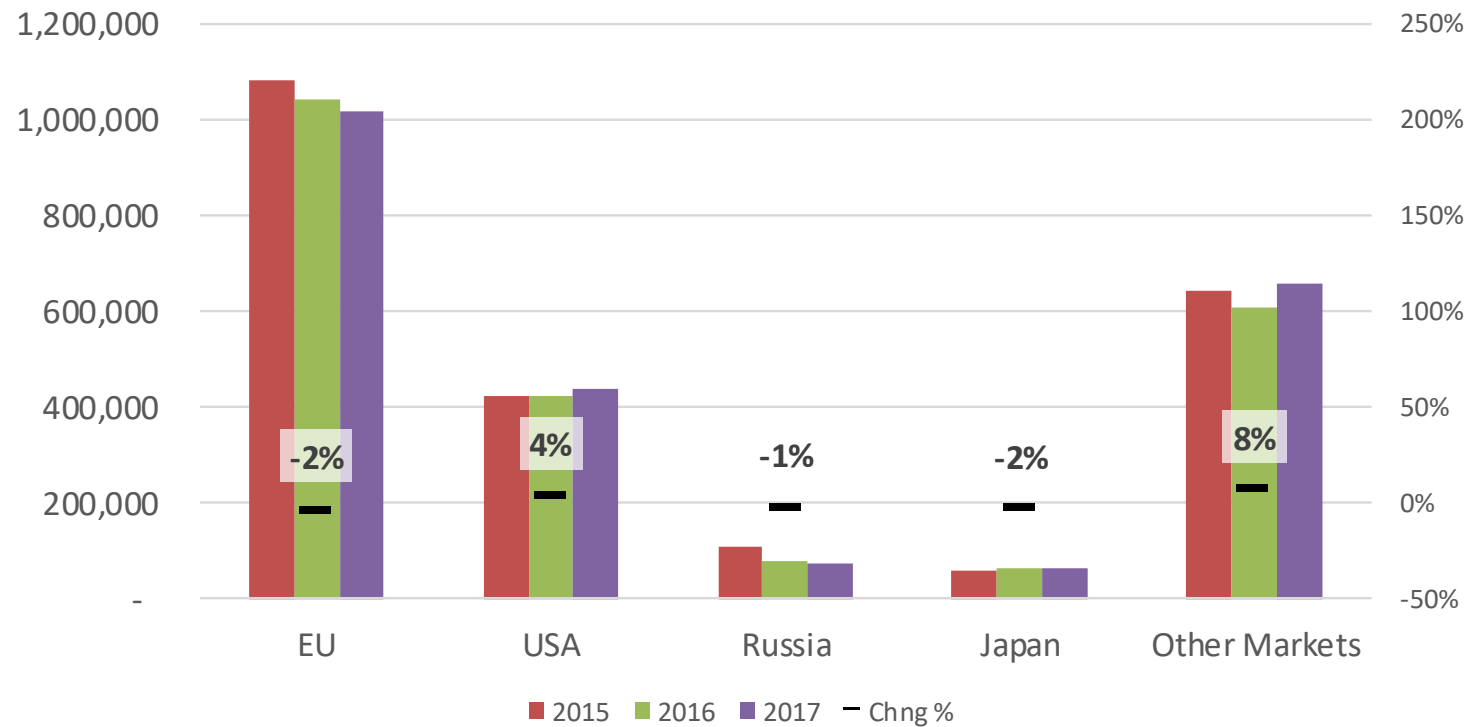
Atlantic salmon - Harvest Quantities WW in tons WFE

Harvest qty, YTD Jan:
190 500 +17,3% (162 400)



Atlantic Salmon Consumption 2017

Market	2015	2016	2017	Chng	Chng %
EU	1,080,600	1,045,000	1,019,300	-25,700	-2%
USA	422,300	422,100	440,000	17,900	4%
Russia	106,300	76,500	75,500	-1,000	-1%
Japan	60,500	65,200	63,800	-1,400	-2%
Other Markets	641,100	609,200	656,600	47,400	8%
Total	2,311,130	2,221,680	2,252,719	37,200	1%



Figures as per 21.02.2018

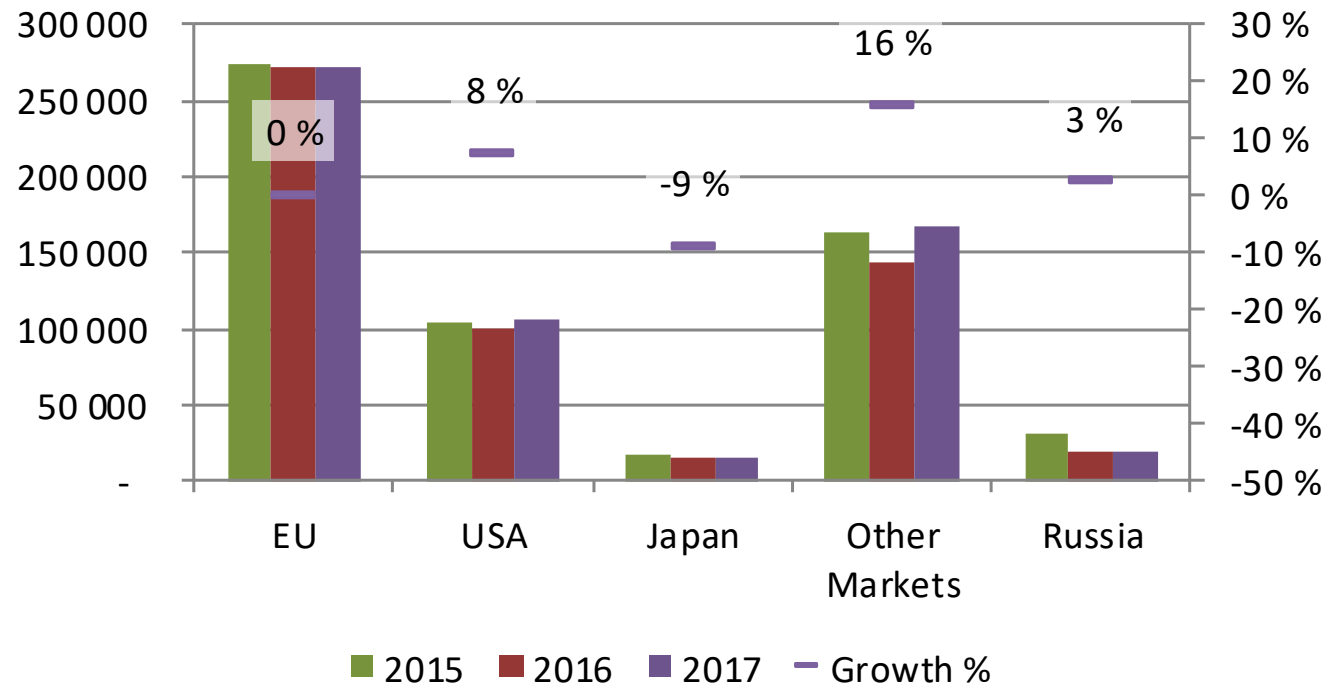
Source: Kontali / Nasdaq

Atlantic Salmon Consumption

Q3

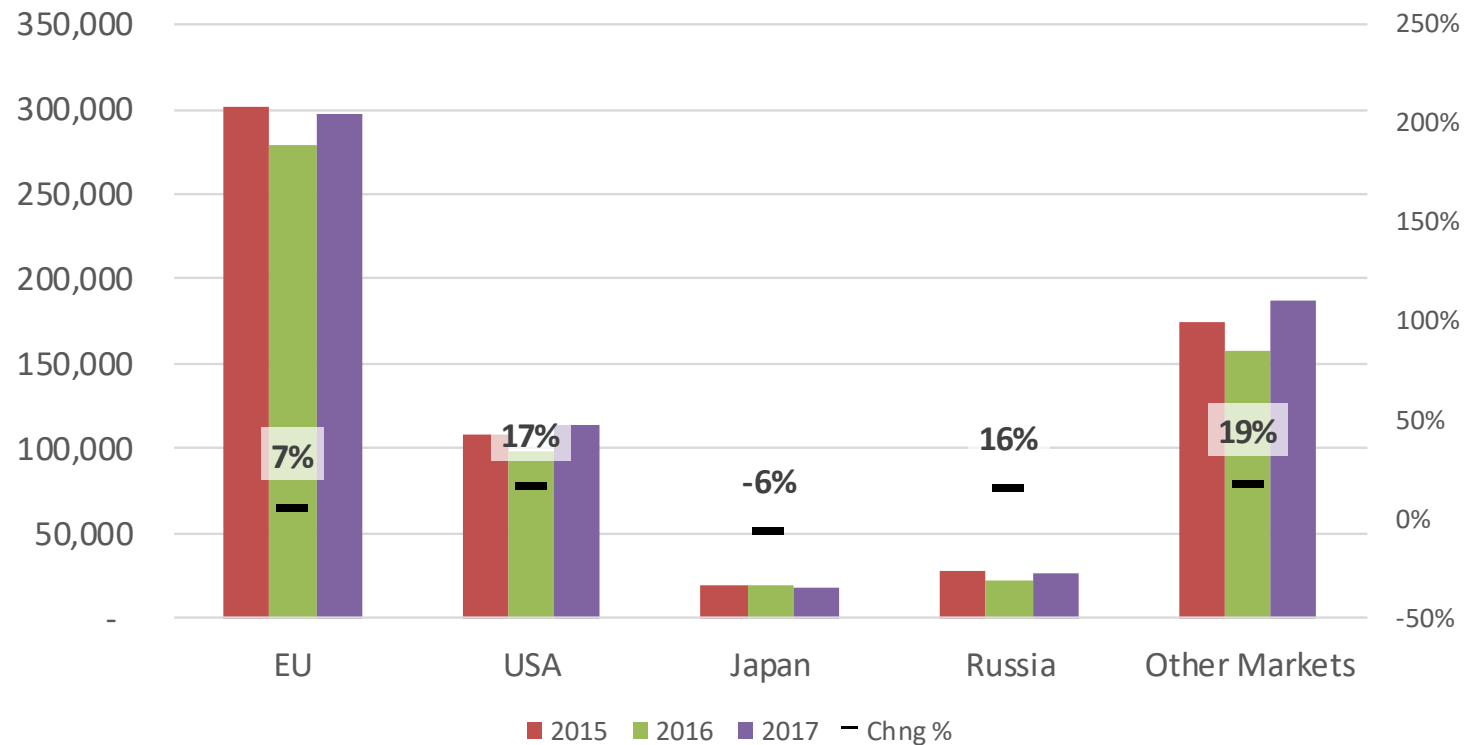
Salmon

Market	2015	2016	2017	Growth	Growth %
EU	274 800	271 700	272 300	600	0 %
USA	103 400	99 400	106 900	7 500	8 %
Japan	16 300	16 200	14 800	-1 400	-9 %
Other Markets	163 500	143 400	166 400	23 000	16 %
Russia	31 900	19 300	19 800	500	3 %
Total Consumption	589 900	550 000	580 200	30 200	5 %



Atlantic Salmon Consumption 2017 Q4

Market	2015	2016	2017	Chng	Chng %
EU	301,900	278,700	297,000	18,300	7%
USA	108,800	97,700	114,200	16,500	17%
Japan	19,800	18,700	17,600	-1,100	-6%
Russia	27,200	22,300	25,800	3,500	16%
Other Markets	174,900	157,300	186,900	29,600	19%
Total	632,680	575,540	640,170	66,800	11%

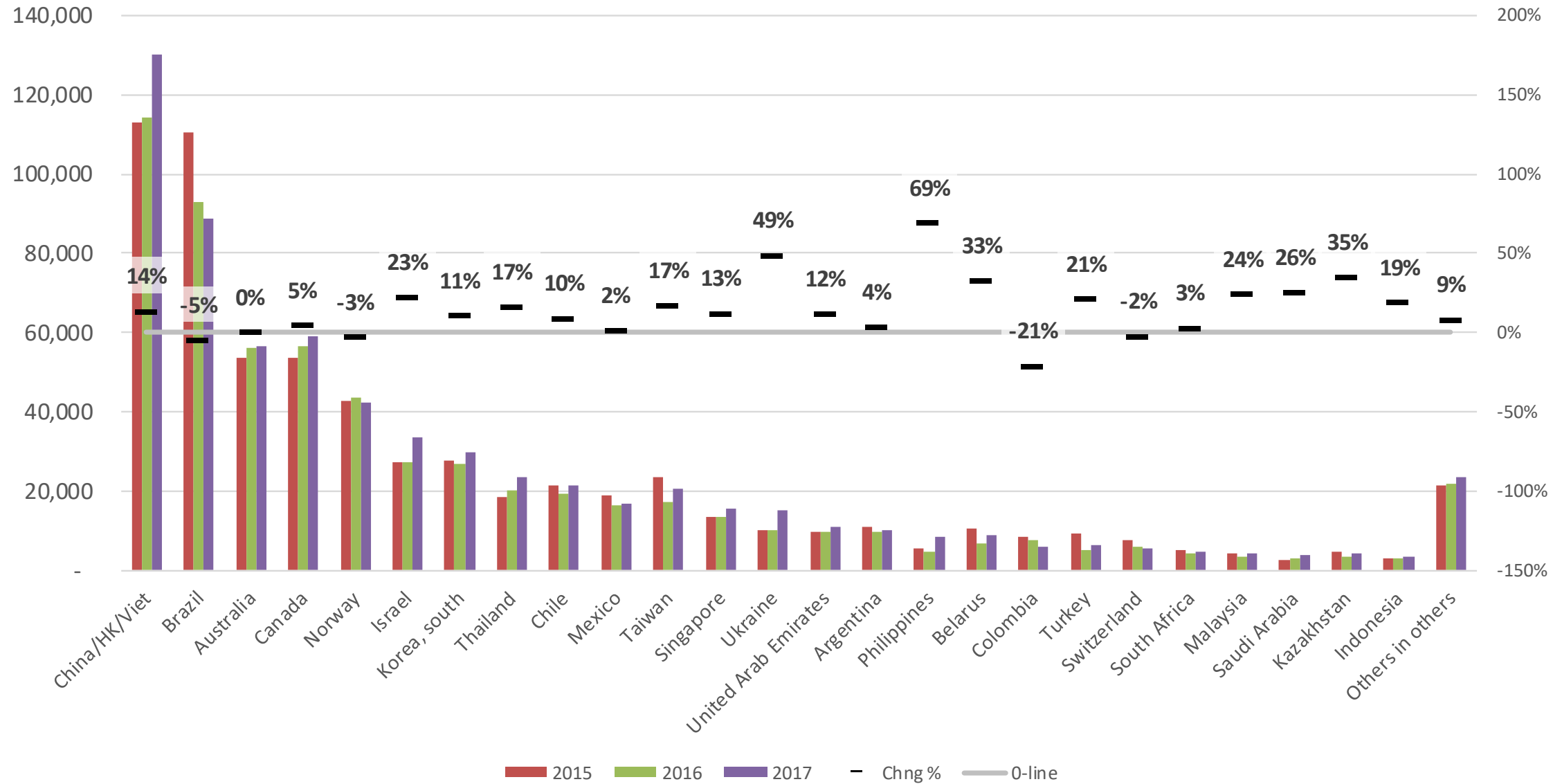


Figures as per 21.02.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Other markets)

2017

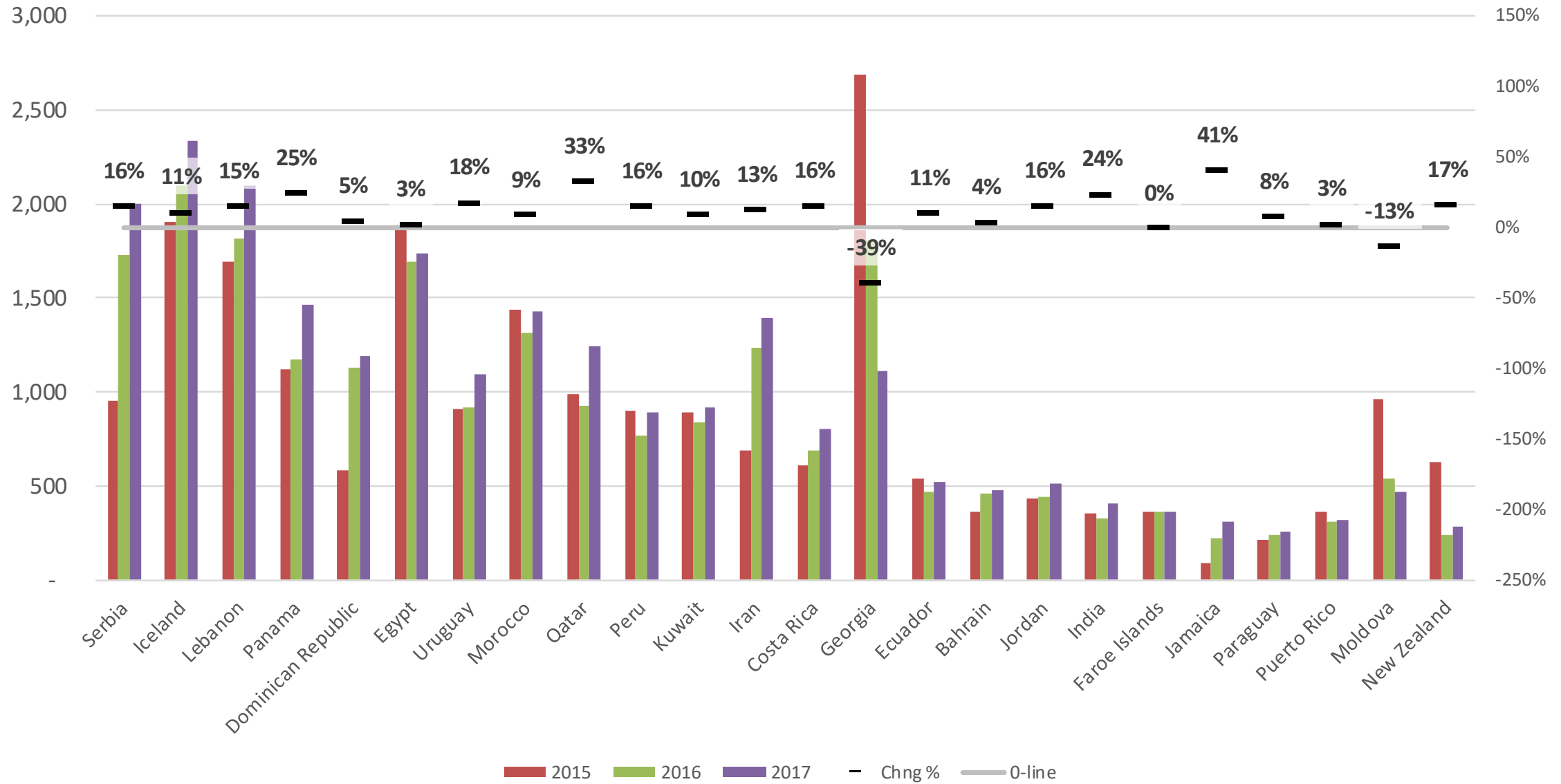


Figures as per 21.02.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Others in other markets)

2017

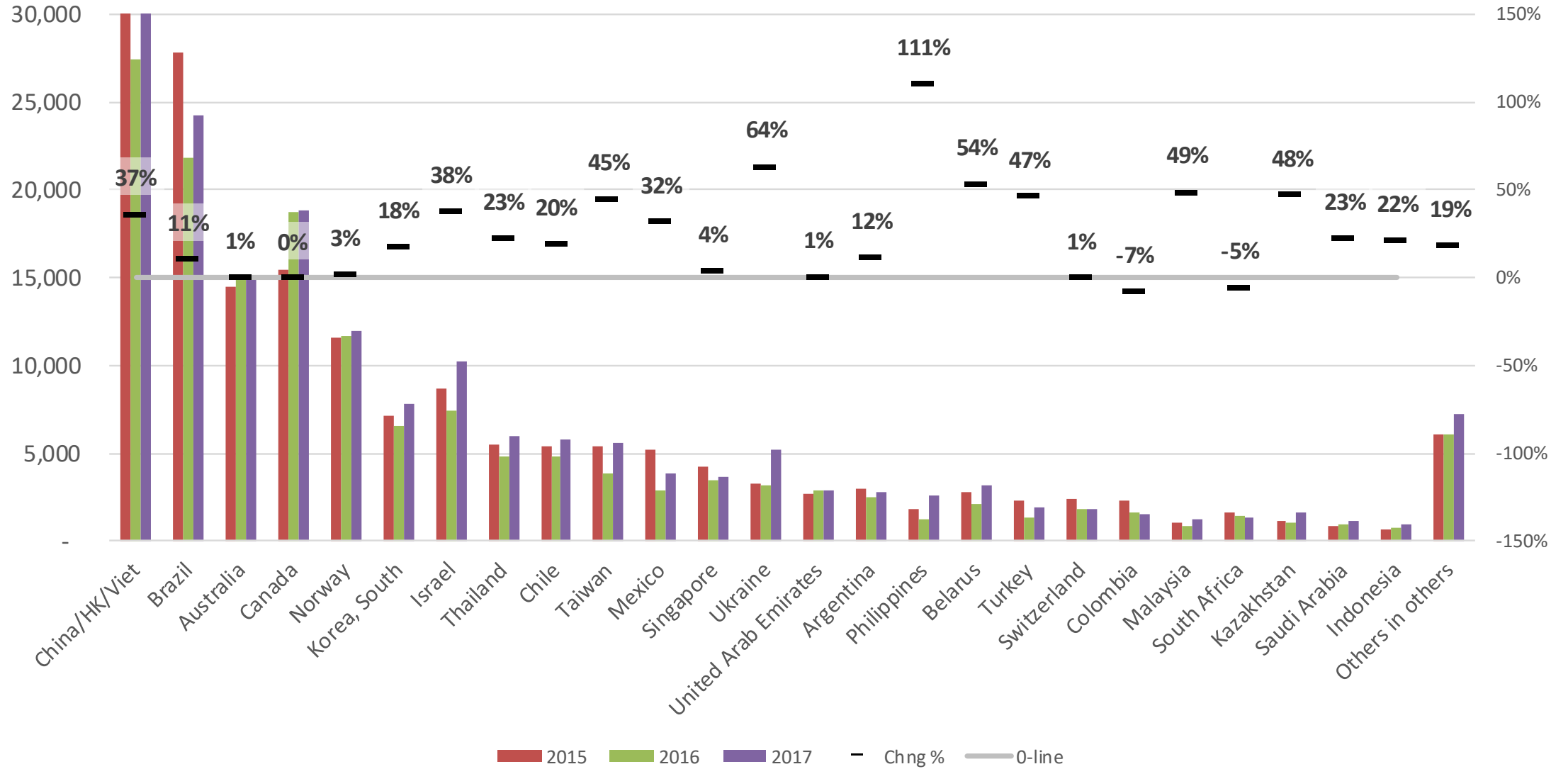


Figures as per 21.02.2018

Source: Kontali / Nasdaq

Atlantic Salmon Consumption (Other markets)

2017 Q4



Figures as per 21.02.2018

Source: Kontali / Nasdaq

Outlook

- Continued positive outlook
- Harvest guidance for salmon and trout including associates 182.000 GWT for 2018
- Expected contract share for salmon and trout in Q1 ~25%
- Significant potential in whitefish:
 - Expected catch volume up towards 65,000 tonnes in 2018
 - 2018 Quota set for cod down 12%, haddock down 13%
- Will report quarterly harvest and catch volumes for Q1/18 13th of April 2018





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*The Norwegian
Seafood Pioneer*

SINCE 1899

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