

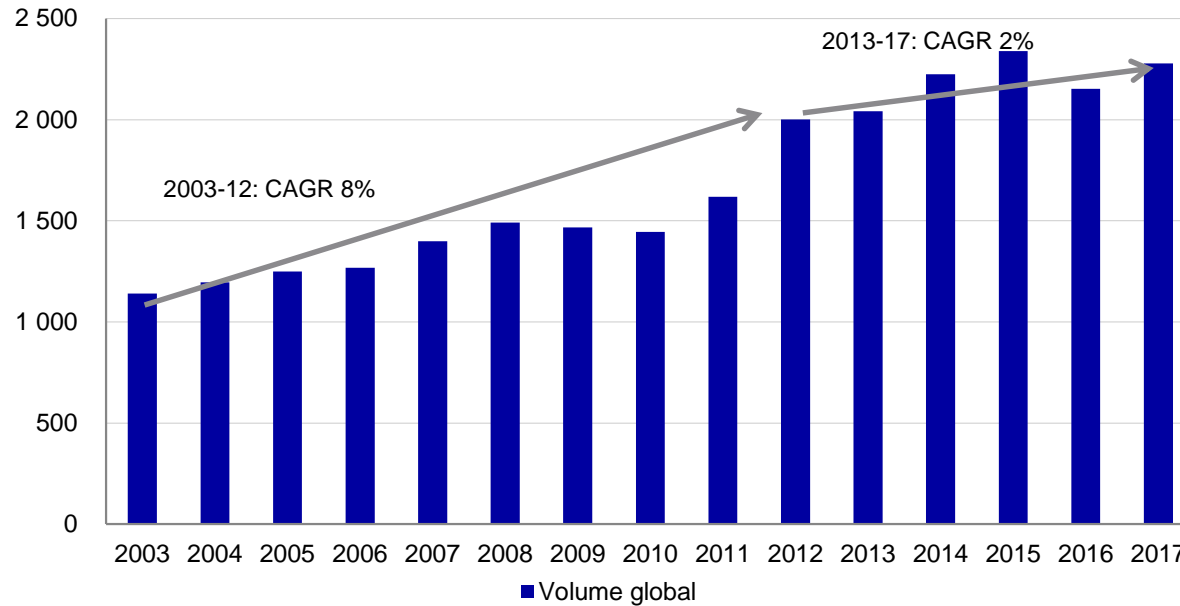
# Laks

Kolbjørn Giskeødegård

September 2018

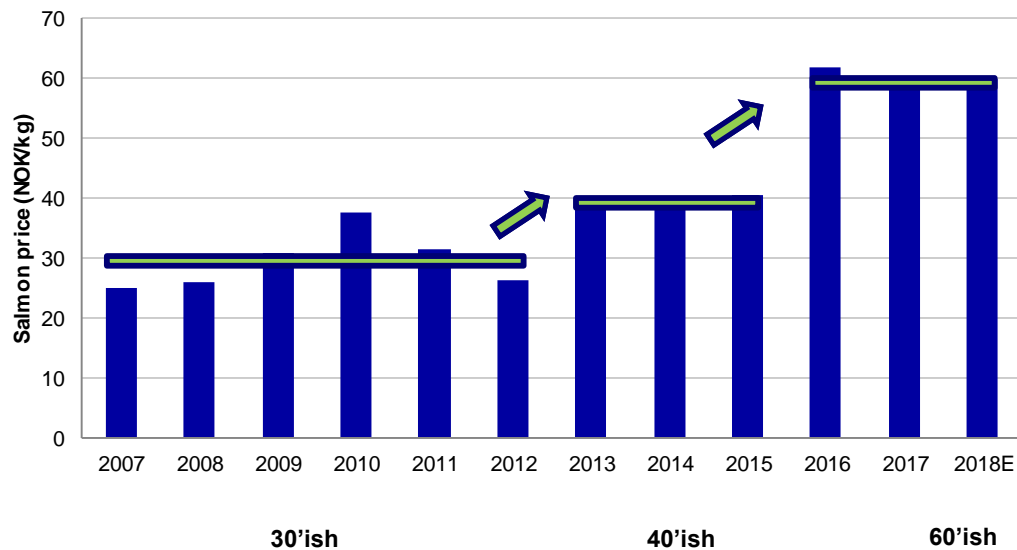


## Salmon supply – growth dramatically down after 2012



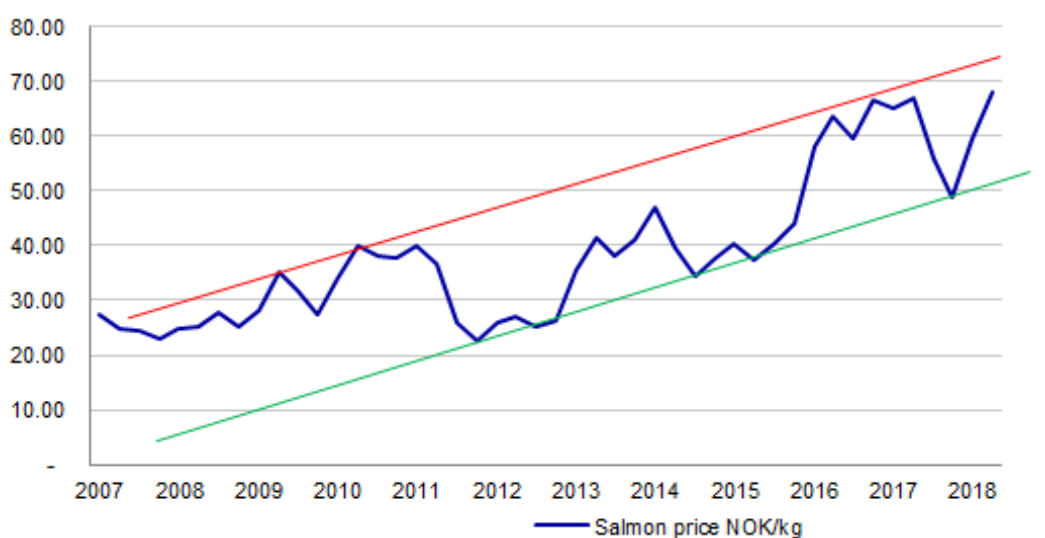
Kilde: Kontali og Nordea est

## Prices in NOK doubled in ten years



Kilde: FishPool og Nordea est

## When is salmon too expensive and when do low price trigger demand hike?



«RED» ZONE (risk for price drop):

2009: NOK 37

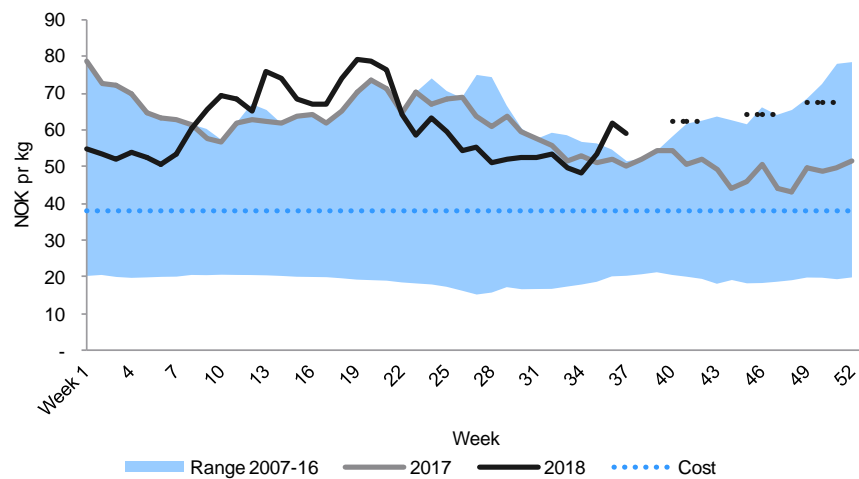
2010: NOK 40

2014: NOK 45

2016: NOK 62

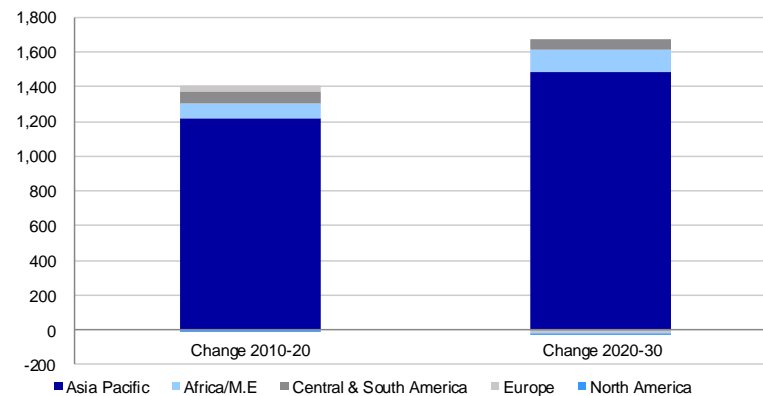
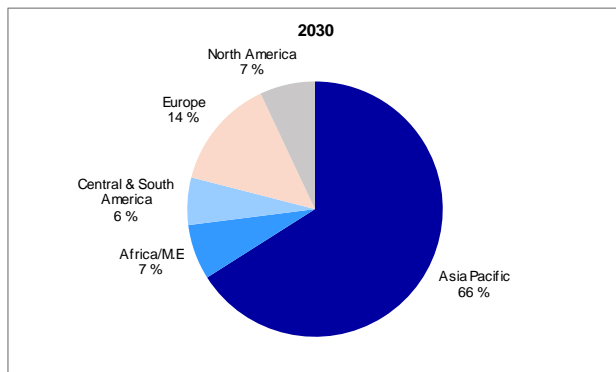
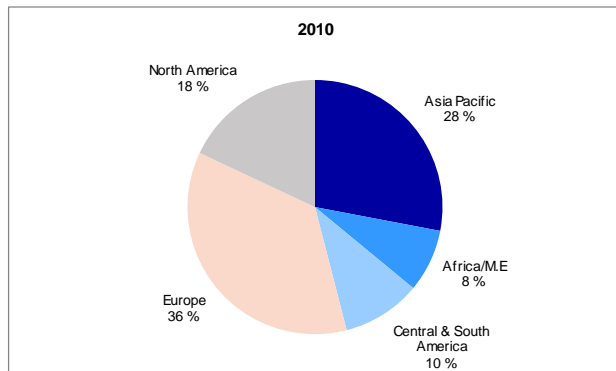
2018: NOK 70

## Europe – prices for Norwegian salmon



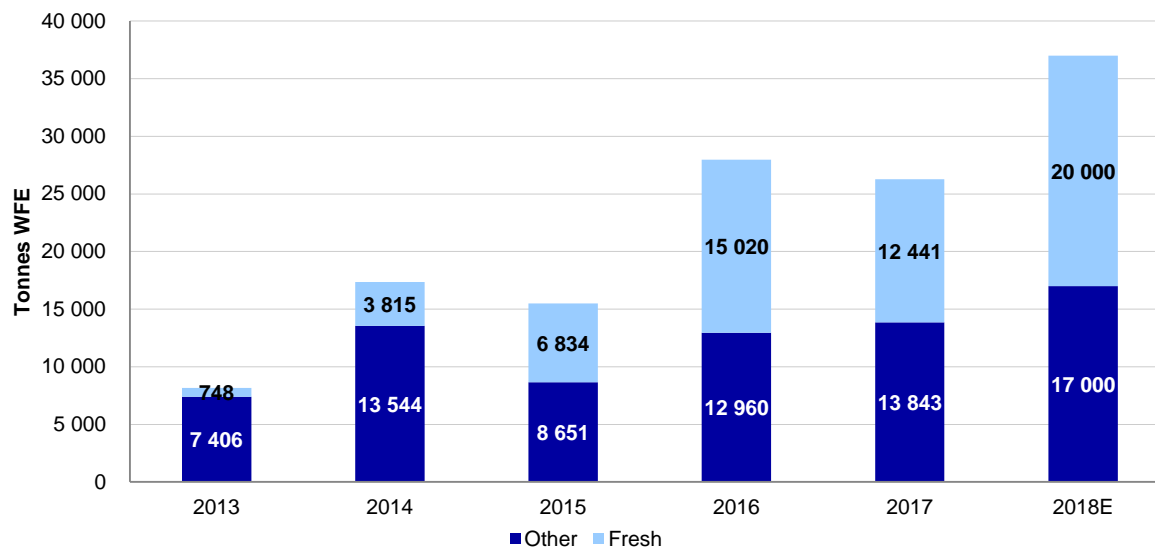
Source: Kontali

## The market, potential, however, is large enough....



Kilde: Verdensbanken

## Case: Chile – export to China past 5 years



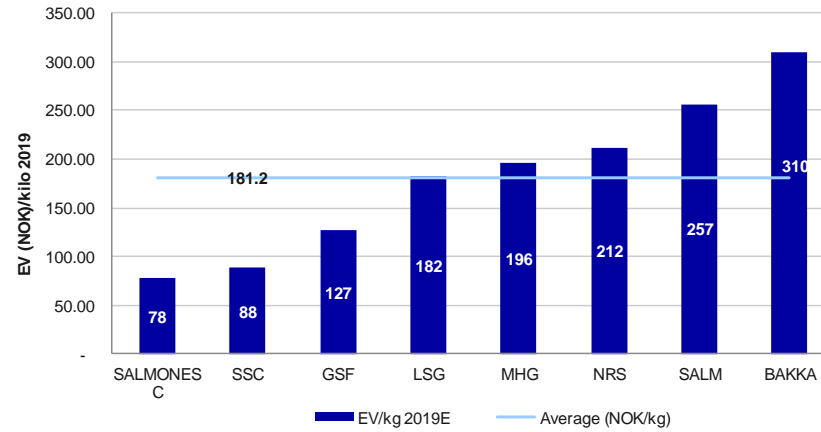
Kilde: Kontali og Nordea estimater

## Recommendations and pricing

Company	Rec.	TP	(Old TP)	Price	Upside %	Nordea P/E	Cons. P/E	Nordea EV/EBIT	Cons. EV/EBIT	Nordea yield
Austevoll Seafood ASA	Buy	130.0	112.0	115.8	12.3%	8.3 x	9.3 x	6.9 x	6.1 x	8.8%
Bakkafrost	Hold	n.a	500.0	505.0	n.a	11.1 x	15.1 x	8.6 x	11.5 x	6.7%
Grieg Seafood ASA	Buy	110.0	95.0	101.5	8.4%	7.2 x	8.5 x	5.7 x	6.7 x	7.6%
Leroy Seafood Group ASA	Buy	70.0	61.0	67.2	4.2%	9.1 x	10.9 x	7.2 x	8.2 x	8.3%
Marine Harvest ASA	Buy	195.0	185.0	184.0	6.0%	10.8 x	11.8 x	9.0 x	9.6 x	7.4%
Norway Royal Salmon ASA	Buy	225.0	215.0	200.5	12.2%	8.9 x	10.4 x	6.8 x	6.9 x	7.8%
SalMar ASA	Sell	380.0	n.a	412.0	-7.8%	13.1 x	15.7 x	10.2 x	12.5 x	8.3%
Salmones Camanchaca	Buy	80.0	70.0	69.0	15.9%	6.7 x	7.4 x	5.0 x	5.3 x	7.5%
<b>Average</b>					<b>7.3%</b>	<b>9.4 x</b>	<b>11.1 x</b>	<b>7.4 x</b>	<b>8.4 x</b>	<b>7.8%</b>

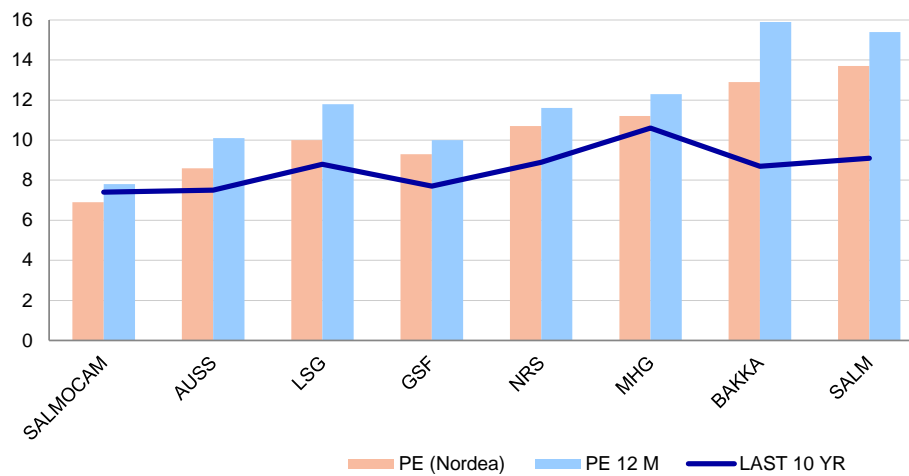


# EV/kilo



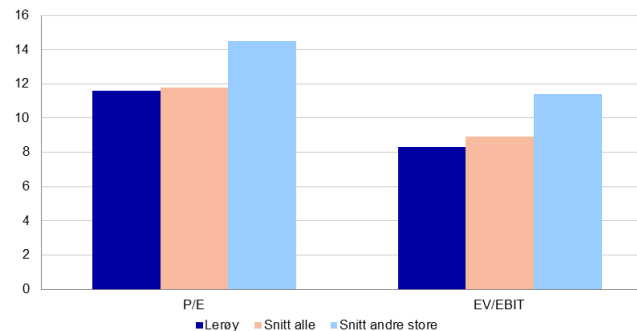
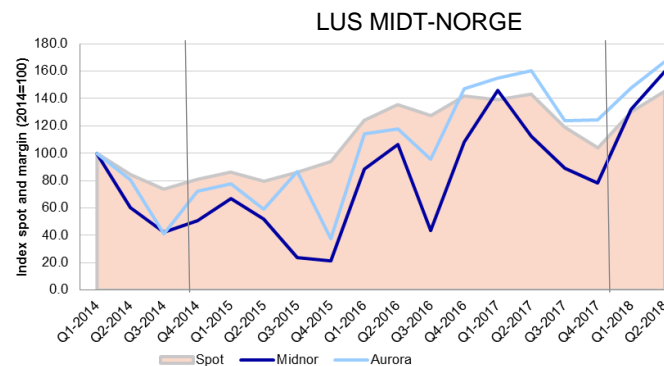
EV/EBIT target	6x	8x	10x	12x
EV/Kilo per 18/09/2018	181.2	181.2	181.2	181.2
Normal margin (NOK /kg)	30.2	22.6	18.1	15.1
Cost	37.0	37.0	37.0	37.0
Normal price (NOK/kg)	67.2	59.6	55.1	52.1

## Current pricing vs historical average

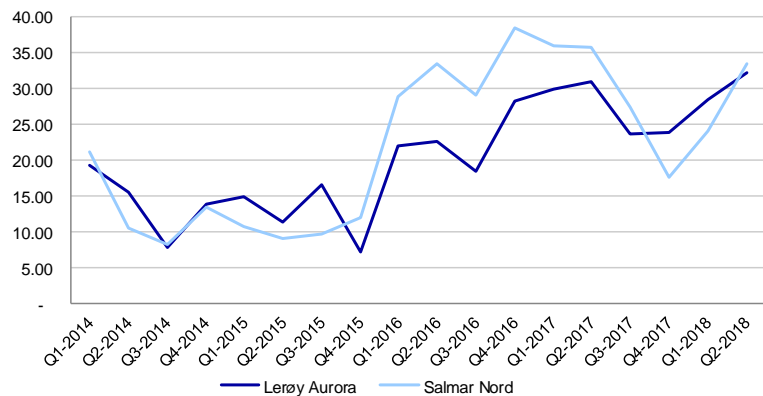


## Lerøy (Kjøp/target NOK 70)

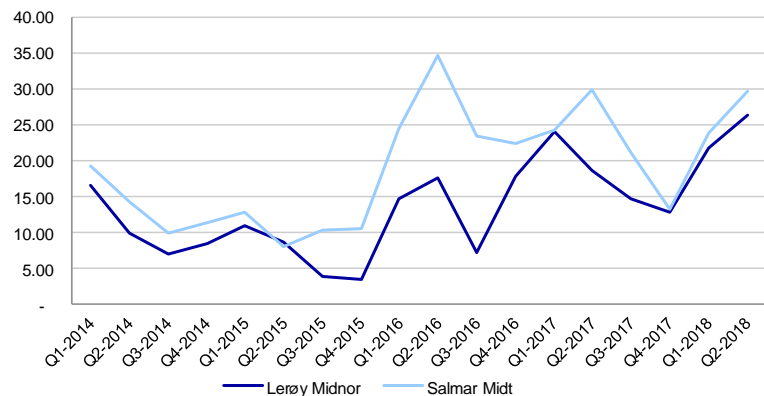
- Regioner
  - Lerøy Aurora
  - Lerøy Midnor
  - Lerøy Sjøtroll/Vest
- Midnor har gått fra «rød» til grønn
- Selskapet er fortsatt priset som om Midnor ikke var friskmeldt
- Priset lavere enn sammenlignbare selskaper
- Sjøtroll som fortsatt er en utfordrende region kan snus i løpet av 1-2 år



## Lerøy og Salmar EBIT per kilo – Lerøy tetter gapet



Salmar 43,000 tonn  
Lerøy: 36,000 tonn

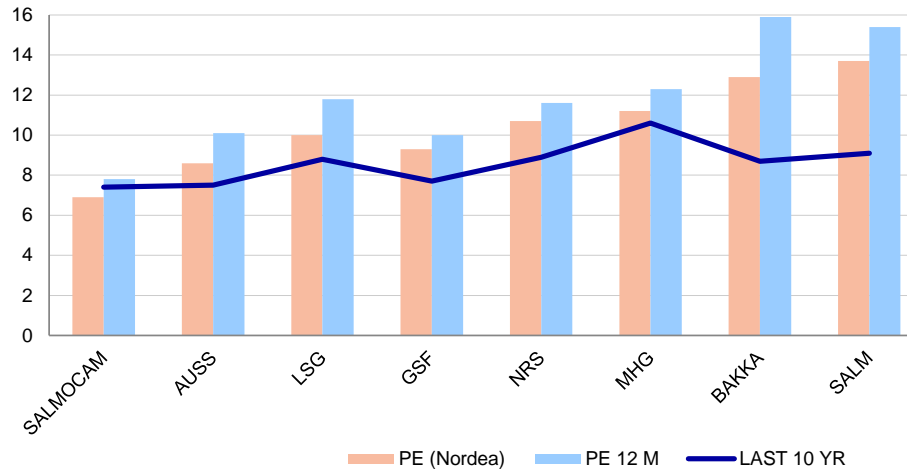


Salmar 100,000 tonn  
Lerøy: 72,000 tonn

## Grieg Seafood (kjøp/NOK 110) – Den grimme ælling

- Lavest priset i markedet
- Har «alltid» hatt minst en region med store utfordringer og derigjennom også bransjens høyeste kostnadsnivå
- Hvorfor skal man så eie Grieg?
  - De er billig, alltid et godt utgangspunkt!
  - De har sterk vekst
  - De bedrer driften i Canada, samt stabiliserer seg i Norge
  - De har oppside i UK

## Current pricing vs historical average



**Takk!**

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