

A black and white photograph of a hand holding a large salmon over a body of water. The salmon is held horizontally, with its head pointing towards the bottom right. The hand is visible on the left side, gripping the fish. The background shows the surface of the water with some ripples and reflections.

Aqua Nor 2021

The state of the industry – where and why are we seeing growth going forward?

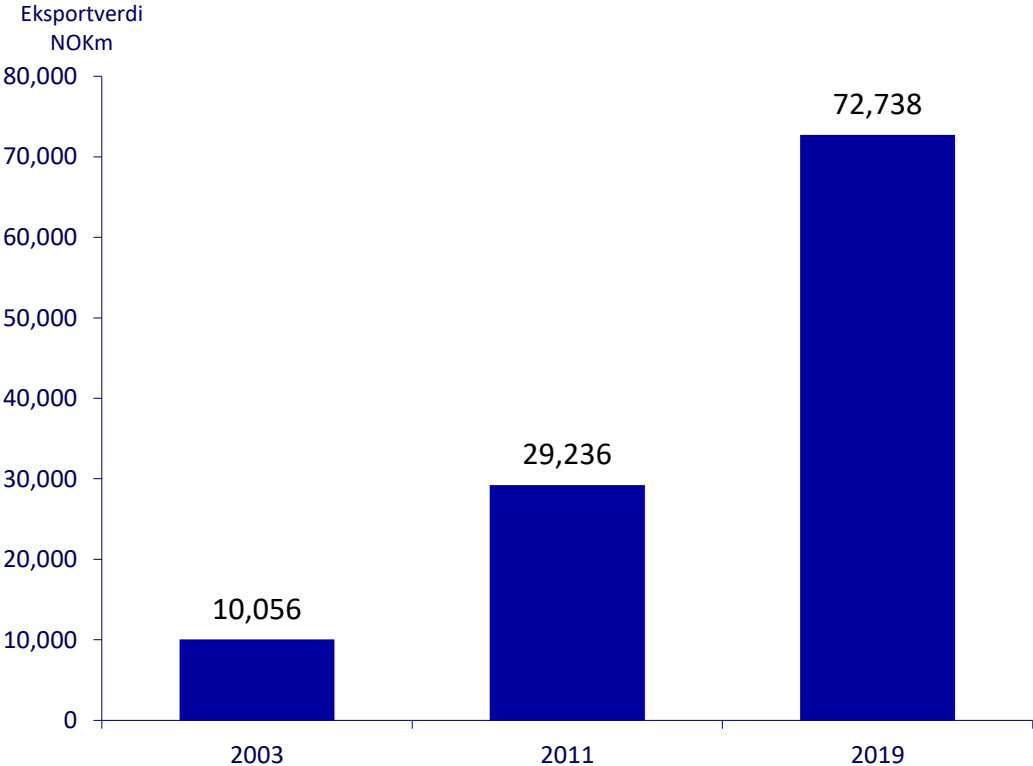
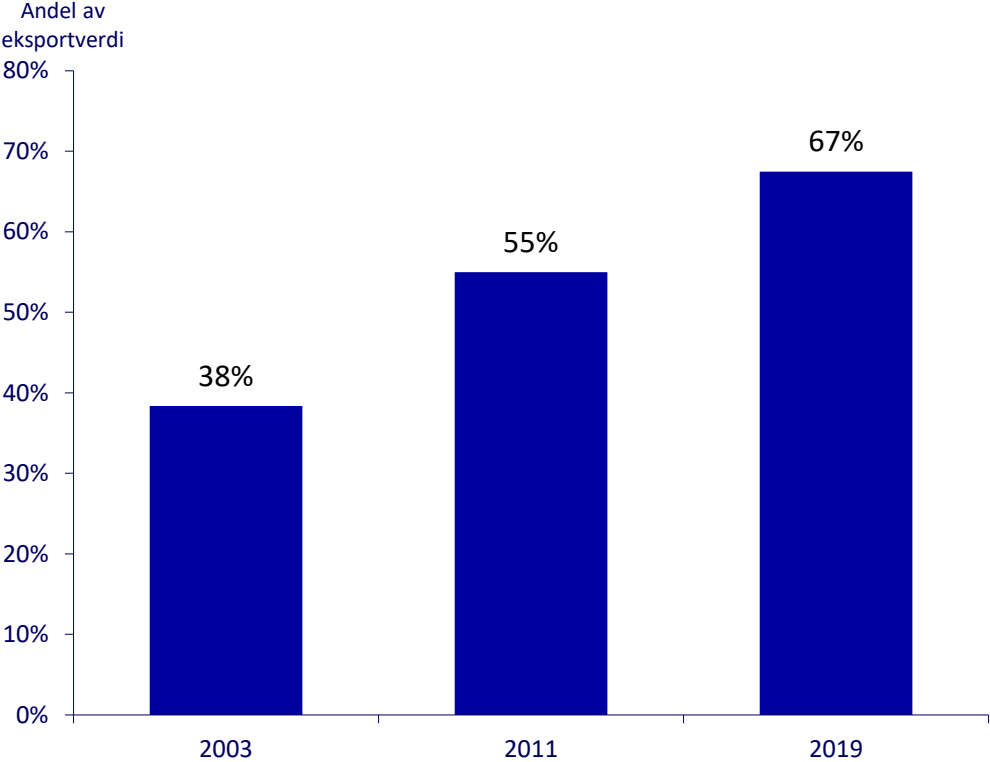
Finn-Arne Egeness, Seafood Analyst, Nordea

Herman Aleksander Dahl, Seafood Analyst, Nordea Equities

25.8.2021

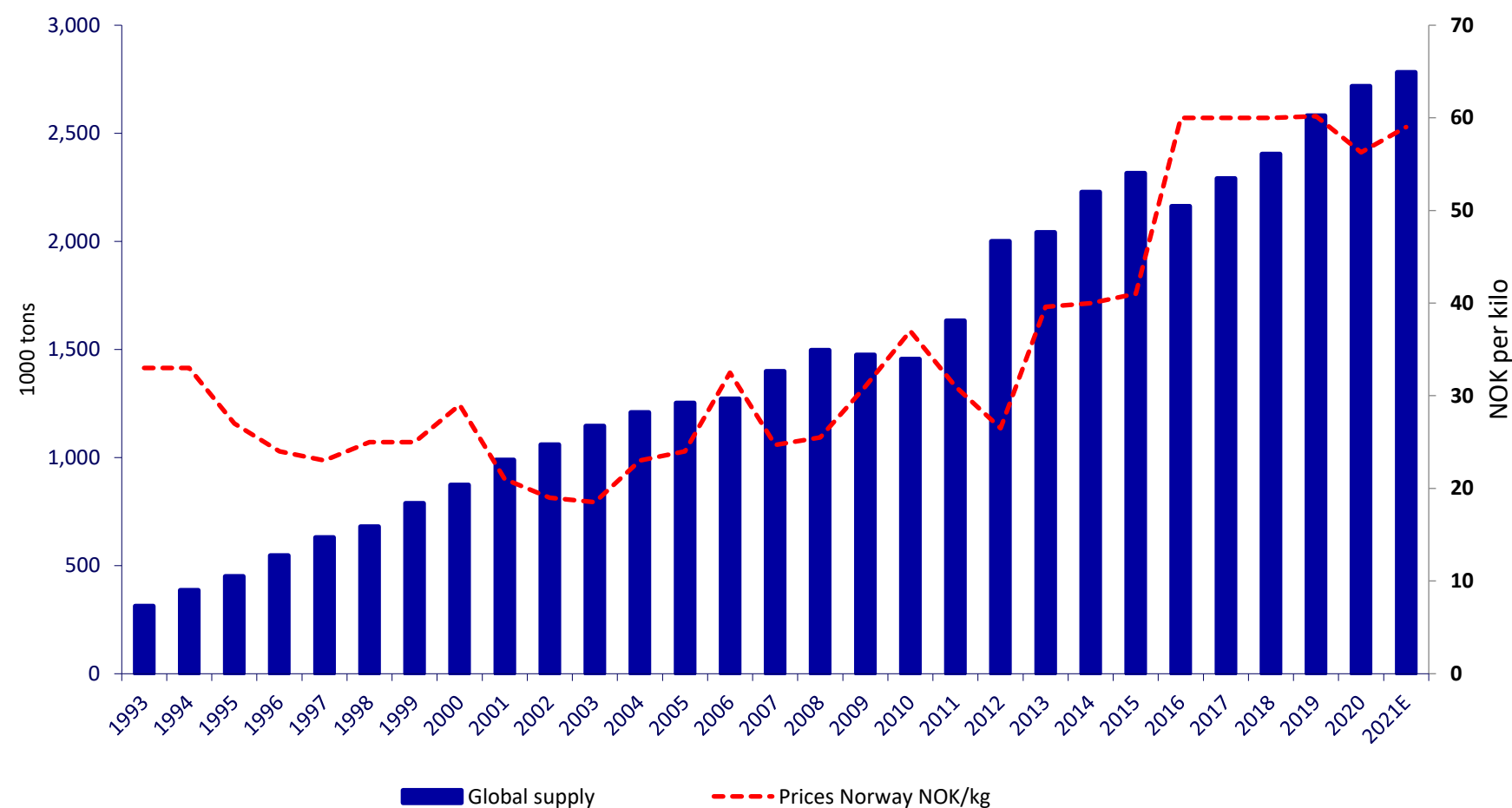
Nordea

Atlantisk oppdrettslaks er vår viktigste art målt i eksportverdi



Kilde: Norges Sjømatråd

Prisvekst til tross for global tilbudsvekst



Kilde: Norges Sjømatråd, Kontali

Bakgrunn for etterspørselsvekst

Makro

- Befolkningsvekst
- Økonomisk vekst
- Økt asiatisk middelklasse

Megatrender

- Helse og sunnhet
- Redusert konsum av rødt kjøtt

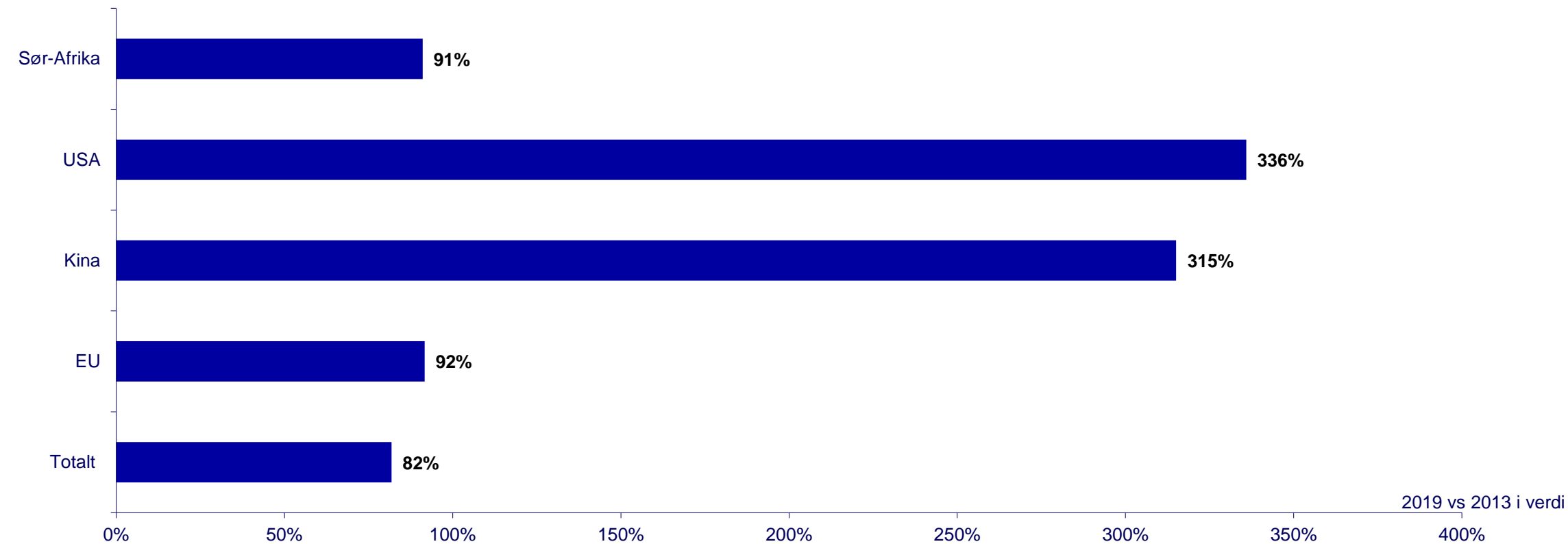
Produktutvikling

- Rått konsum
- Brett pakket filet i dagligvarehandelen
- High end produkter

Markedsutvikling


- Oversjøiske markeder
- Erstattet Russland etter importforbudet i august 2014


EU er vårt viktigste marked, men oversjøiske markeder vokser mer





Seafood: Growth “show stoppers” – new technology is the key growth alley

Supply growth has been highly limited over the last years by government regulations in place to protect the wellbeing of the fish, decrease pollution to the seabed and to protect biological diversity. We see this trend continuing.

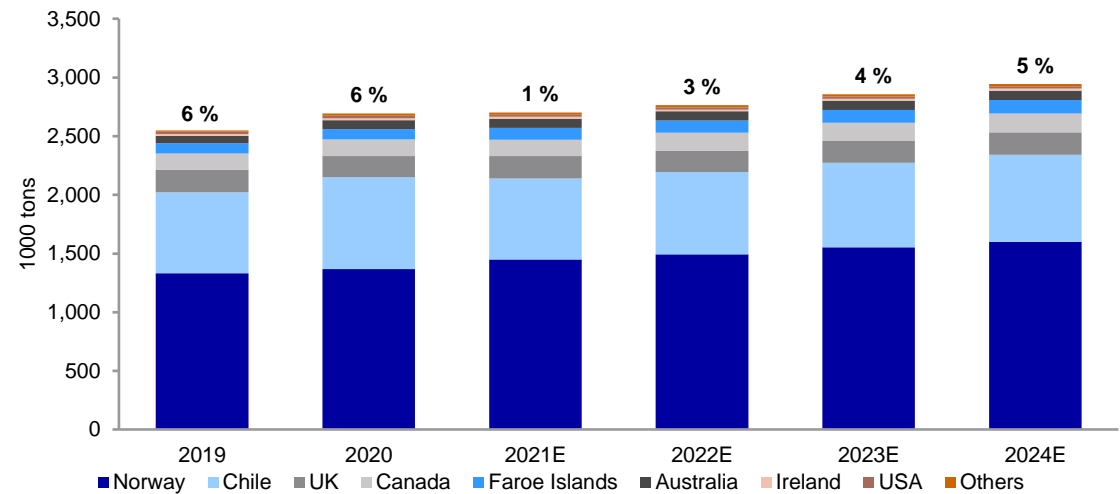
 **Norway (52%):** Traffic light system caps growth in licensed capacity at 6% bi-annually, leaving **maximum growth in licensed capacity (MAB) at 3% annually**. Also, we expect limits regarding sea-lice, mortality etc. is set to tighten going forward, potentially driving cost development.

 **Chile (25%):** Experts on politics and salmon farming in Chile believe that a new constitution could limit the industry expansion. The outcome is still ambiguous, but we especially see limitations in the southern part of Chile (Patagonia in particular). Also, the recent algae bloom puts pressure on fish health issues.

 **UK (7%):** We see little immediate risk on the political environment, and positive tones as biological regulations was eased during Covid-19 to give farmers increased flexibility. However, a potential cooperation between SNP and the Scottish Greens could make the political environment more challenging.

 **Canada (5%):** Justin Trudeau and the Liberals pledged to remove all salmon farming in British Columbia within five years during the 2019 election. This plan was effective from 2020, implying a potential total phasing out of ~50% of all Canadian salmon farming operations equal to 2.5% of global supply.

Global supply (tonnes) and annual growth (%)

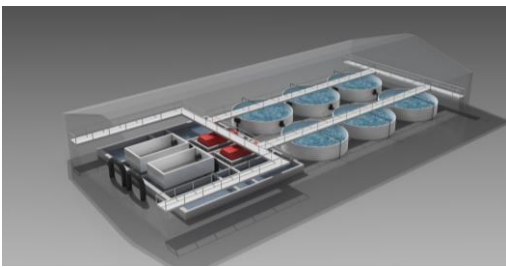


Limited growth in conventional salmon farming set the stage for new technology

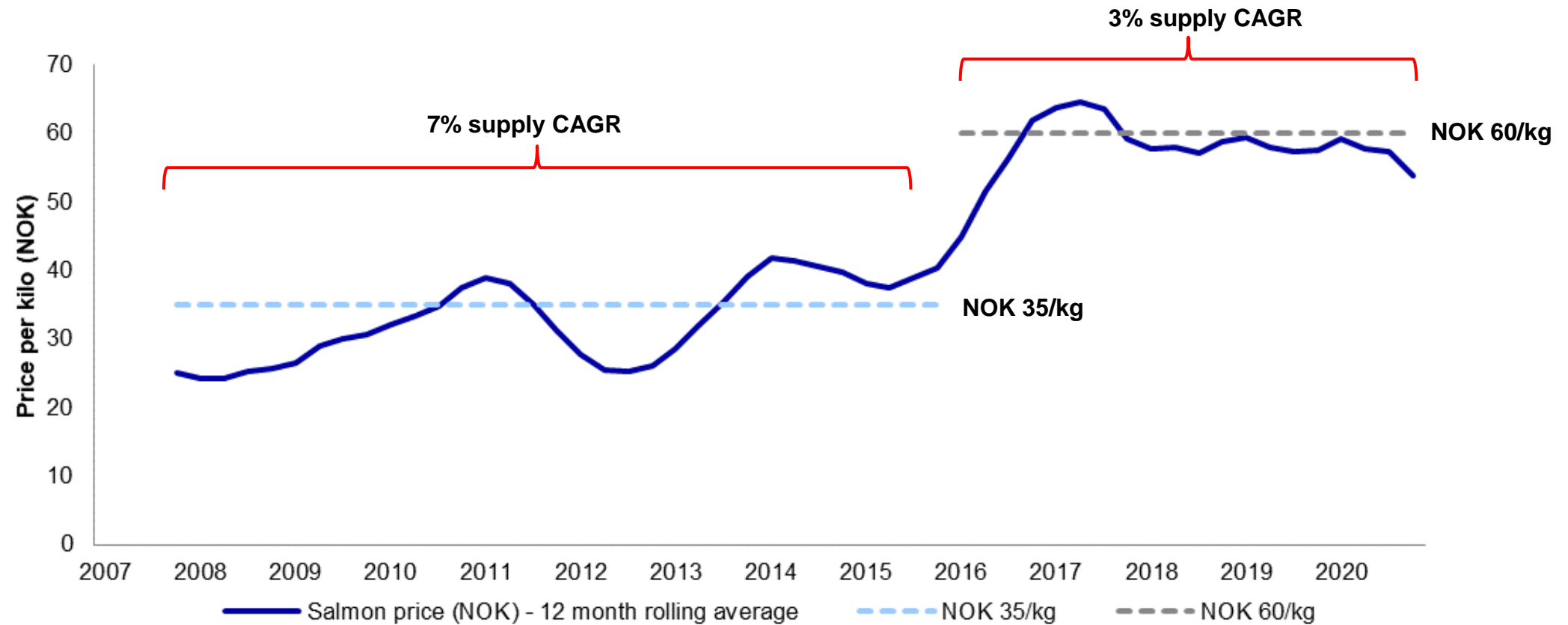
Offshore farming



Land-based farming



Prices has mainly been driven by limited supply from 2016 to Q1 2020



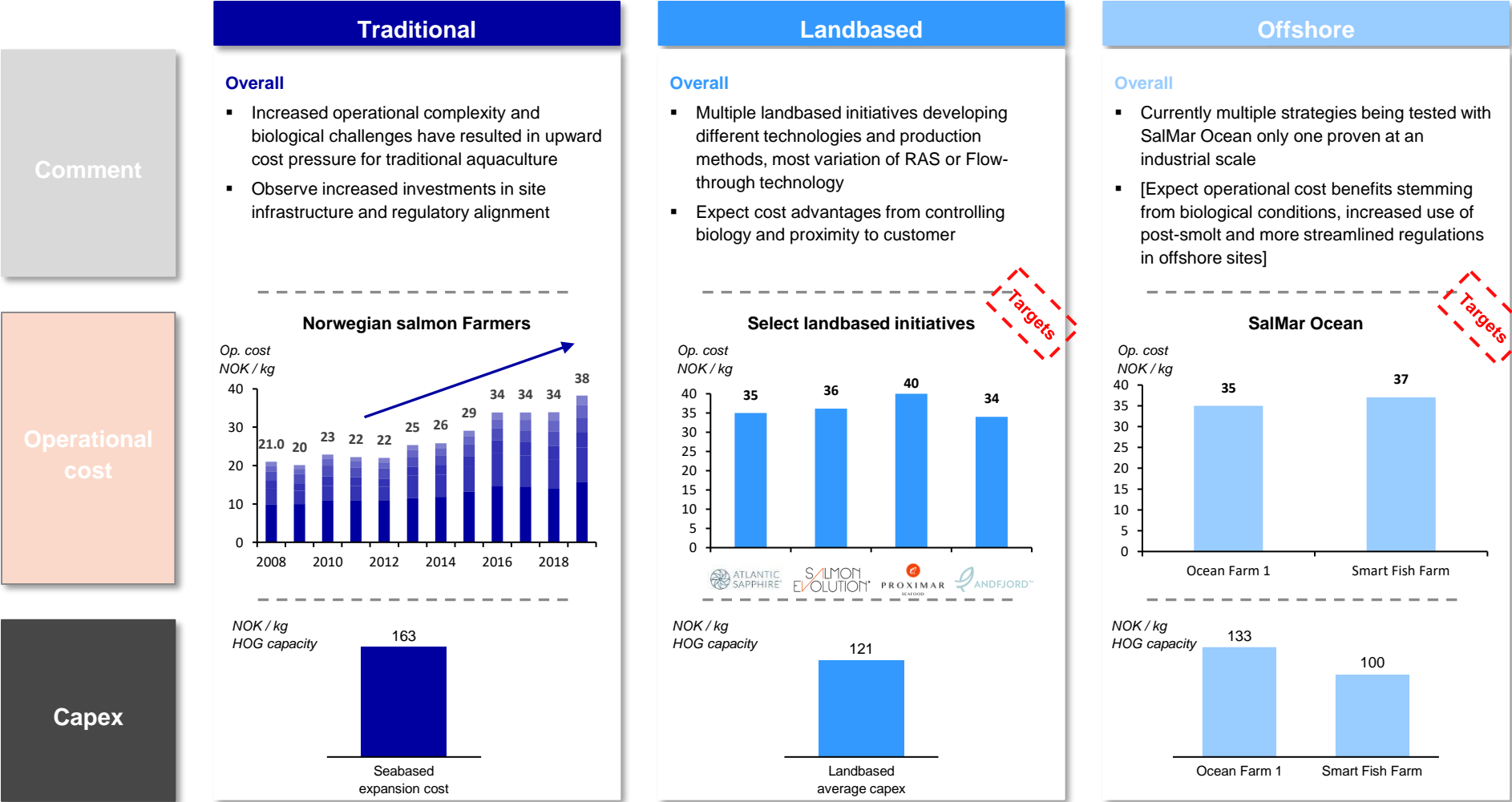
Hva skjer når begrenset tilbudsvekst øker lakseprisen?

Høyere
børsverdi

Høyere
priser på
konsesjoner

Økt interesse
for alternativ
produksjon

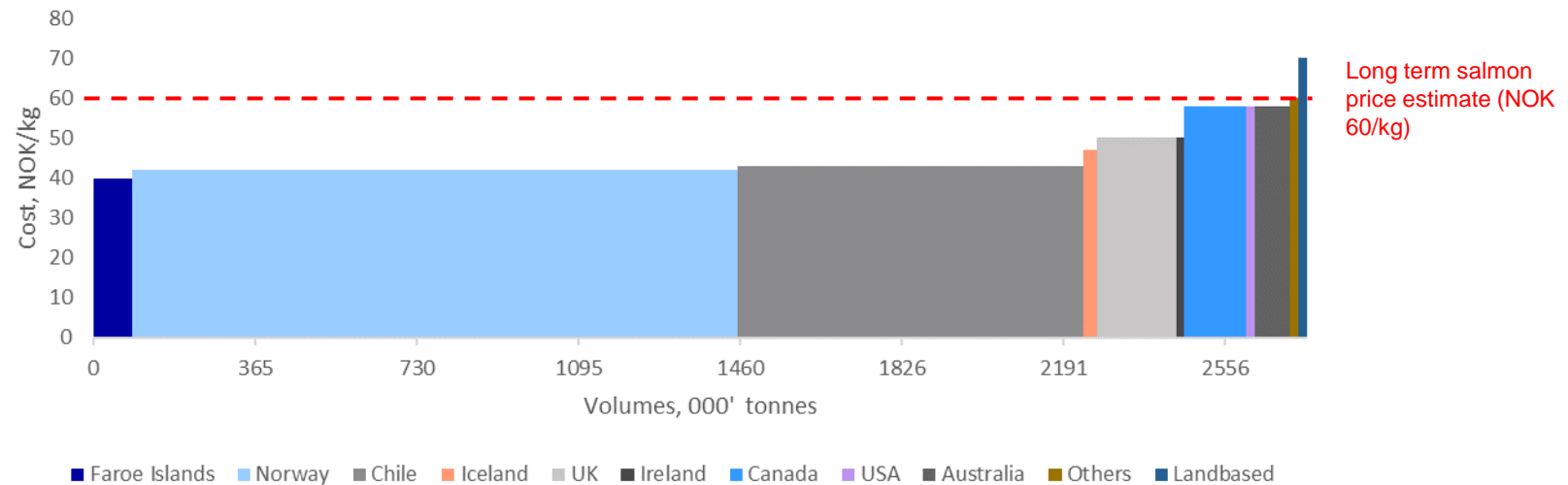
Volume growth by traditional methods is slowing down, paving the way for offshore and landbased production initiatives



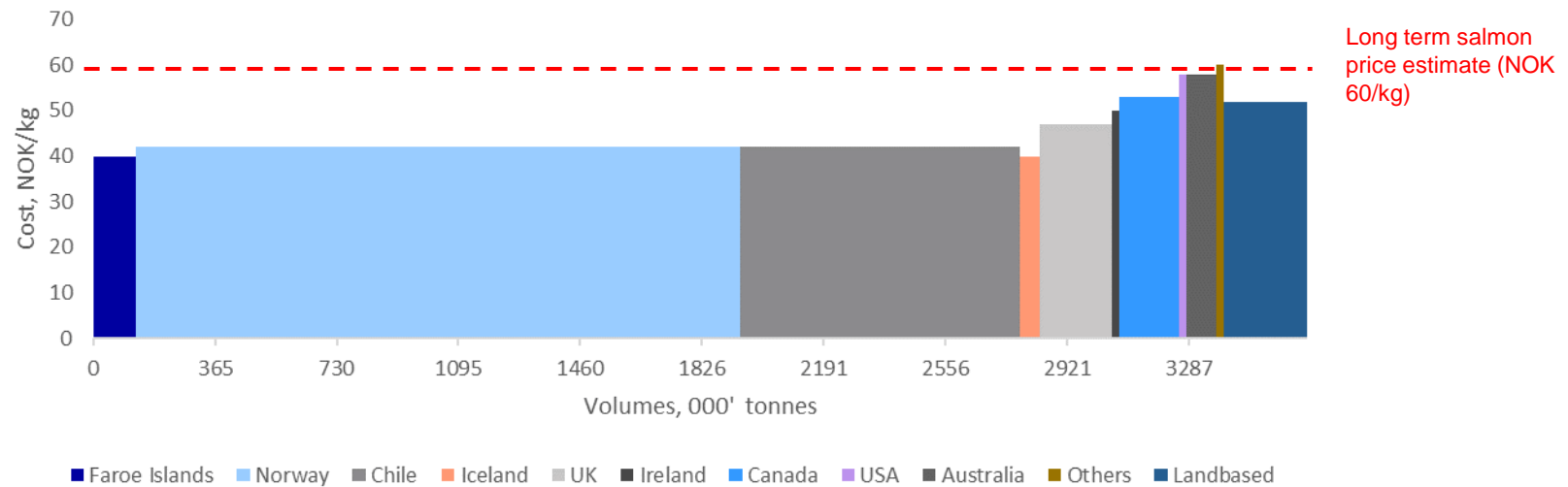
New volume growth avenues as traditional volume stagnates – both environmental regulatory framework and licence capacity constrains favouring new technologies

Salmon farming - Industry cost curve 2020 & 2030

2020



2030



Nordea

Takk for oppmerksomheten!

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