



# DNB

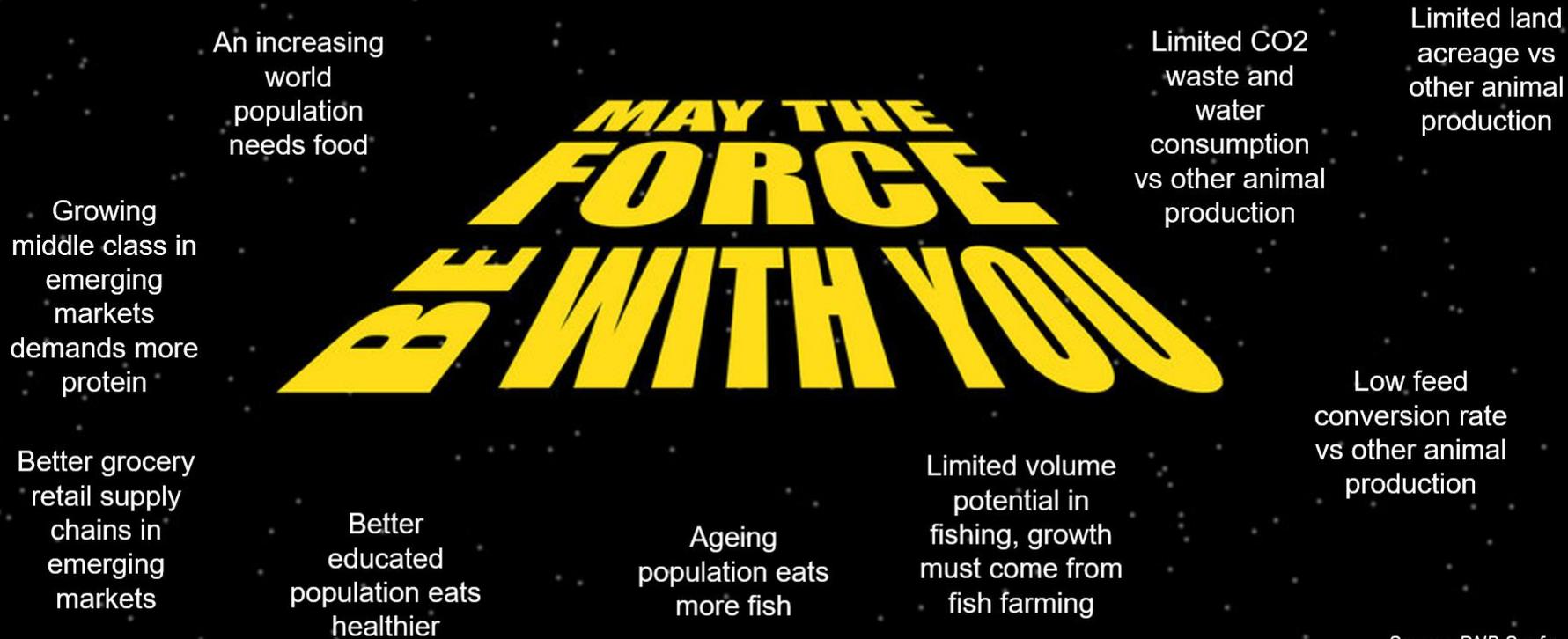
## Salmon market – long term drivers and outlook

Norwegian Seafood Council's  
annual Salmon Seminar in Milan, 18 June 2024

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# The force is with us!

*“All” the mega-trends in favor of the salmon farming industry*



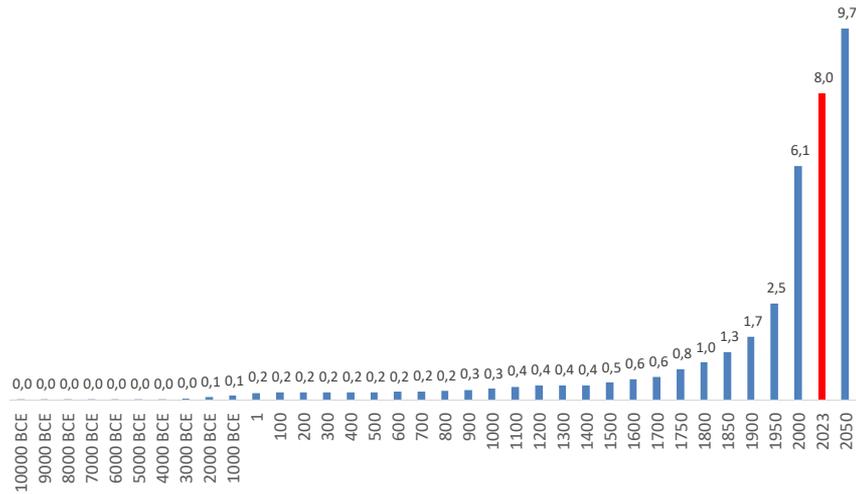
Source: DNB Seafood

***Salmon farming and aquaculture fit both key consumer trends and the need to produce more food on a planet which is already seriously challenged in terms of climate change and biodiversity loss***

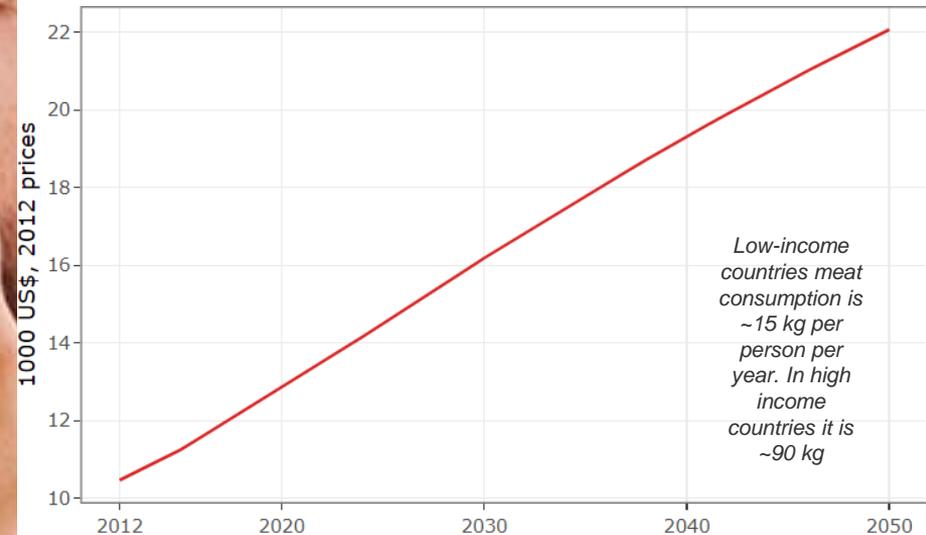
# 10 billion people!

We need to produce 56% more food in 2050 than today!

### A lot of people on earth! Billion

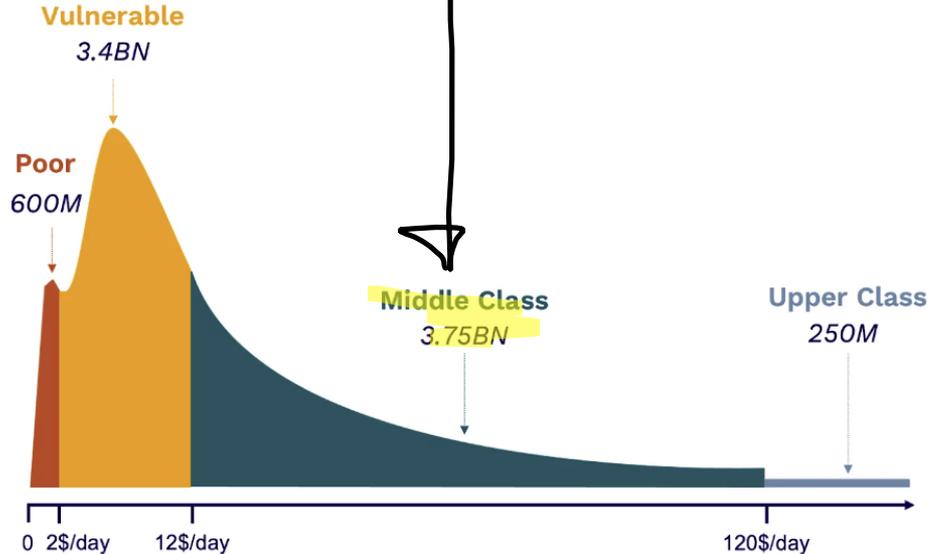


### GDP per capita



Humanity must now produce more food in the next four decades than we have in the last 8,000 years of agriculture combined. And we must do so sustainably.

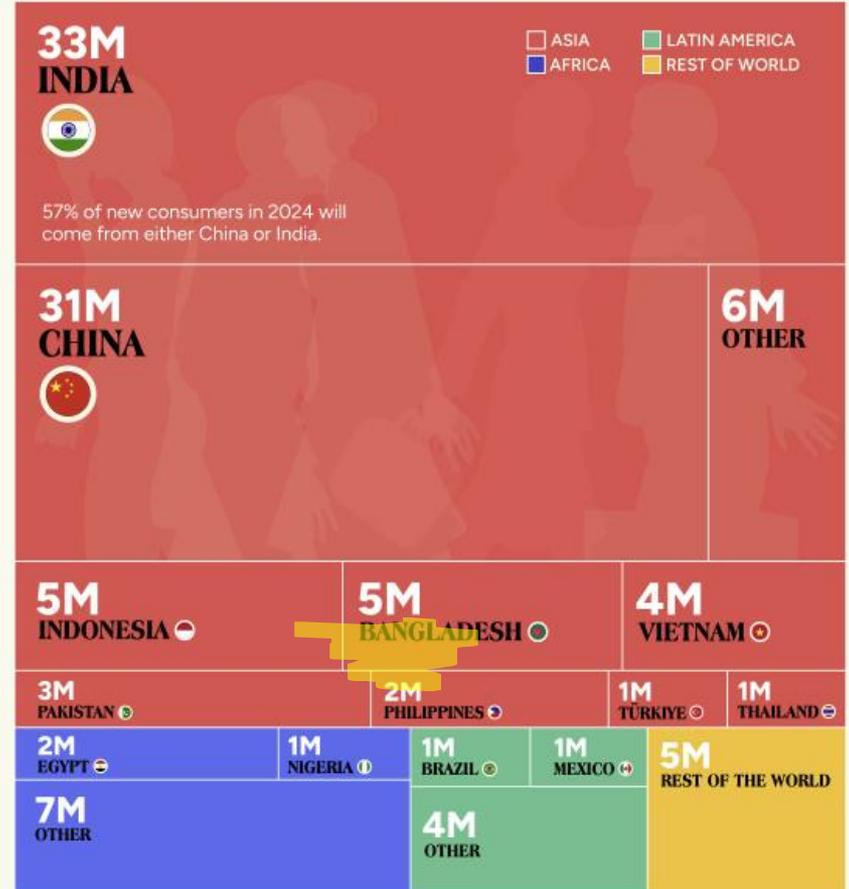
The global middle class grows faster than population overall. And they increase their fish & meat consumption, including salmon



Source: Visual Capitalist, World Data Lab

# 113M People Will Enter the Global Consumer Class in 2024

The global consumer class amounted to 4 billion people in June 2023, and is expected to reach 5 billion by 2031.



World Data Lab defines the consumer class as those spending at least \$12 per day (measured in 2017 purchasing power parity, or PPP prices). Source: World Data Lab, World Data Pro



*“No thanks. Do you know how much  
sugar is in those things?”*

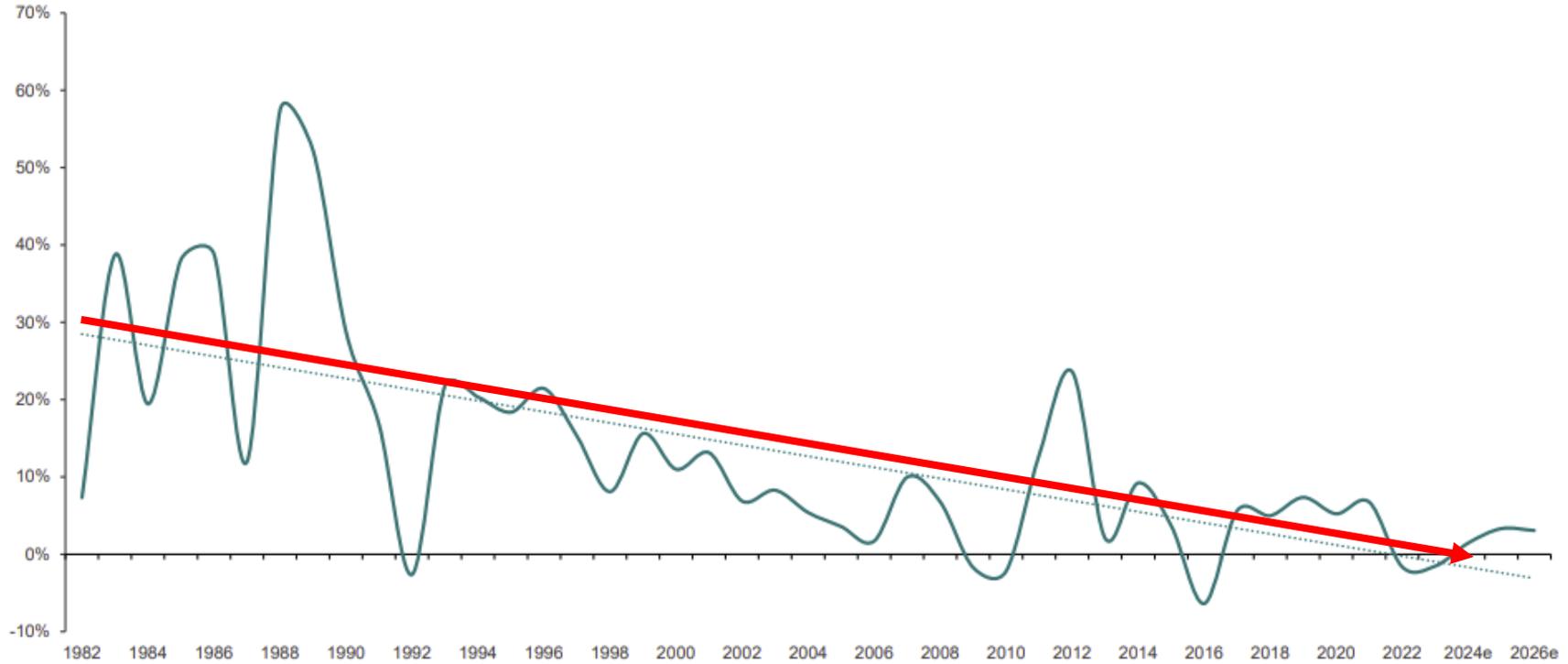
*Salmon and  
seafood is  
healthy!*

*Increasing focus  
on health  
is a positive  
megatrend for  
salmon demand.*

*But Norwegian  
kids still eat more  
sugar than fish..*

# Supply growth trending down

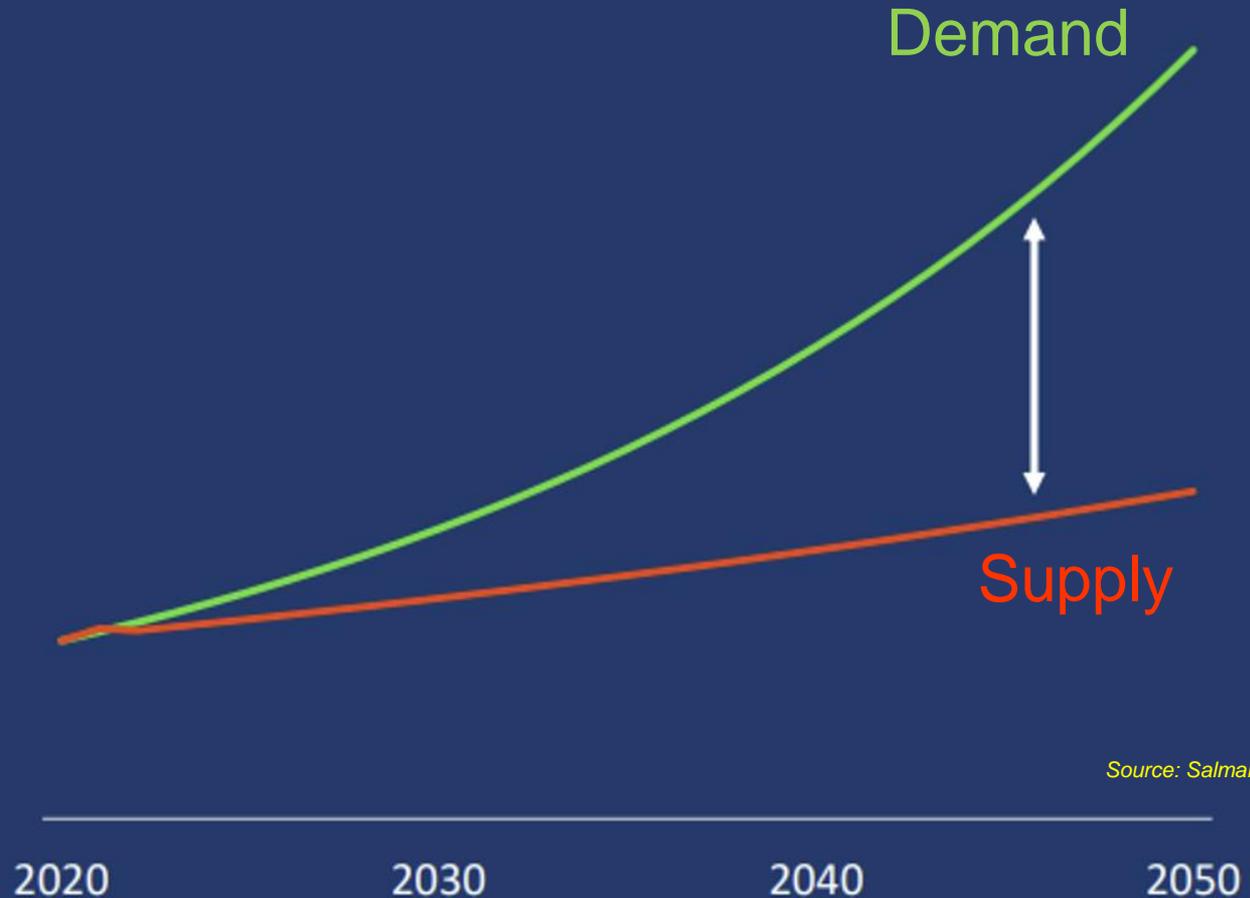
Growth yoy in farmed Atlantic salmon globally, percent



Source: DNB Markets

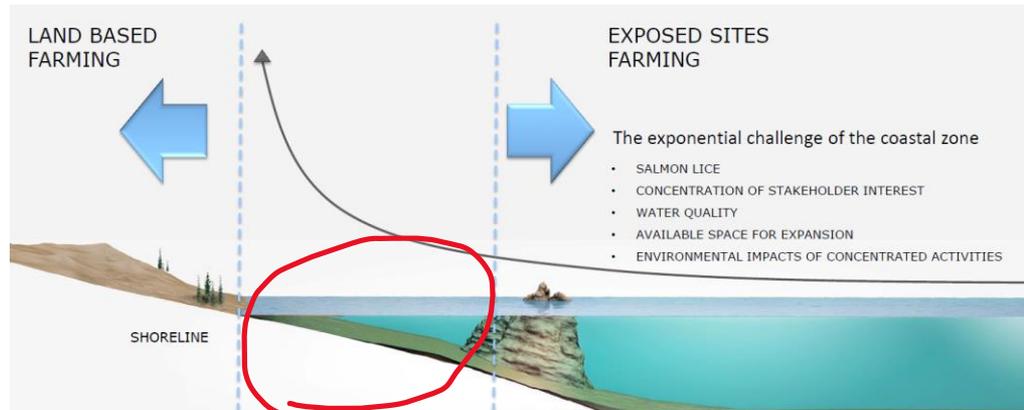
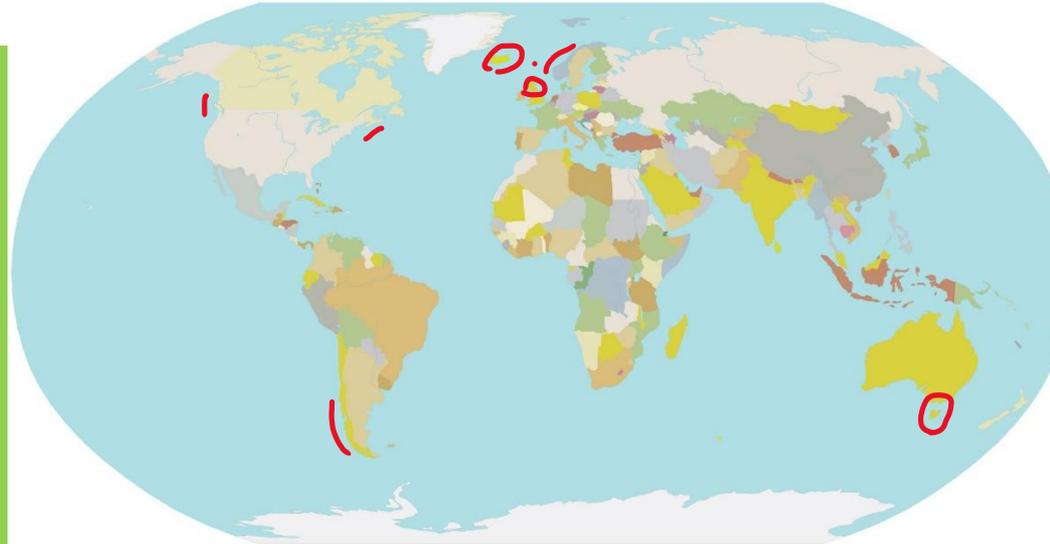
## *Demand vs. supply growth*

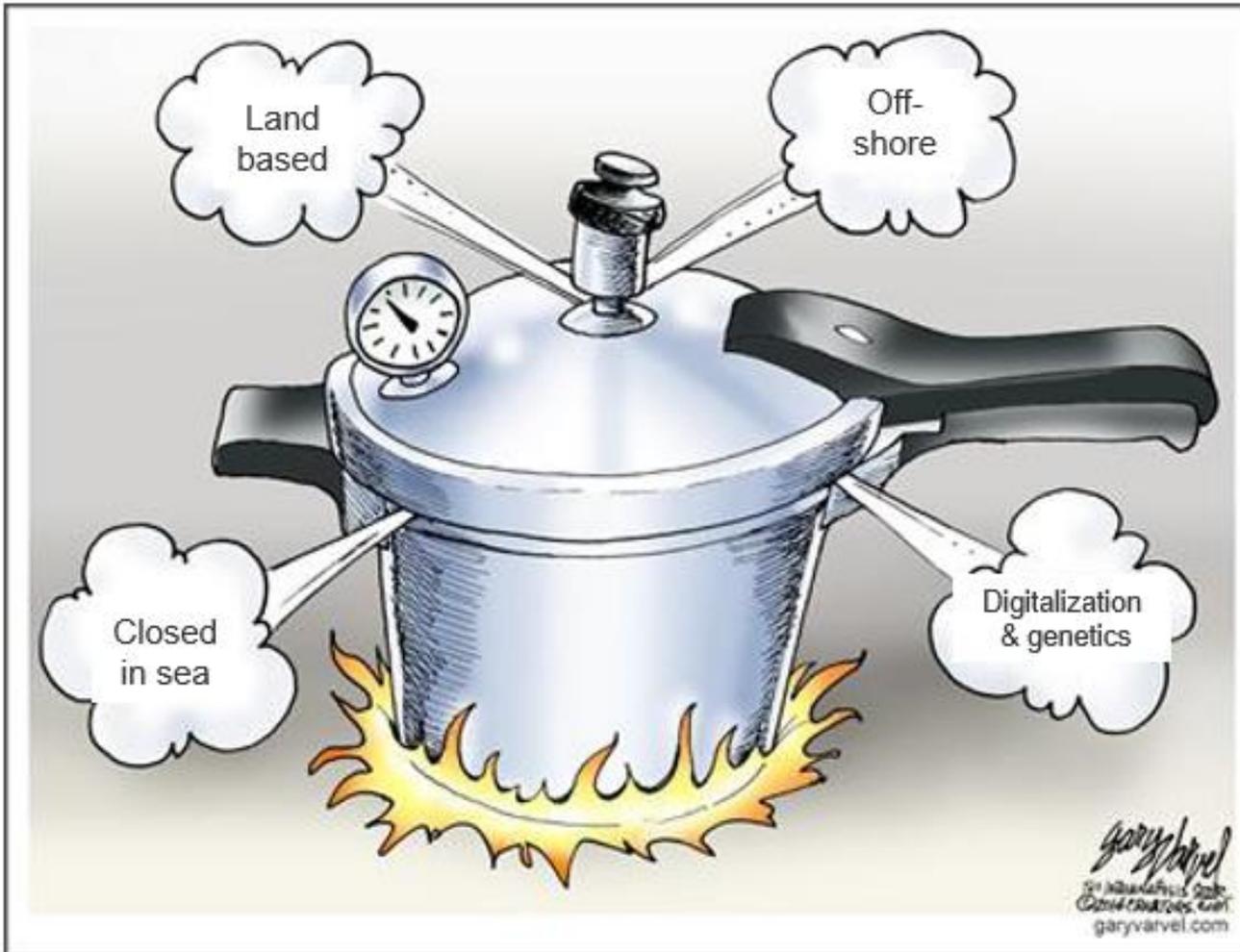
*Supply  
can't  
keep up  
with  
demand  
– prices  
will stay  
high*



# Why is supply not keeping up?

- You can farm salmon only a few places in the world
- Those areas are at full capacity utilization





*Limited supply growth has led to high salmon prices which has triggered a lot of innovation.*

*Production capacity is not a fixed number given to us by Mother Nature, but a function of technology and regulations*

Offshore



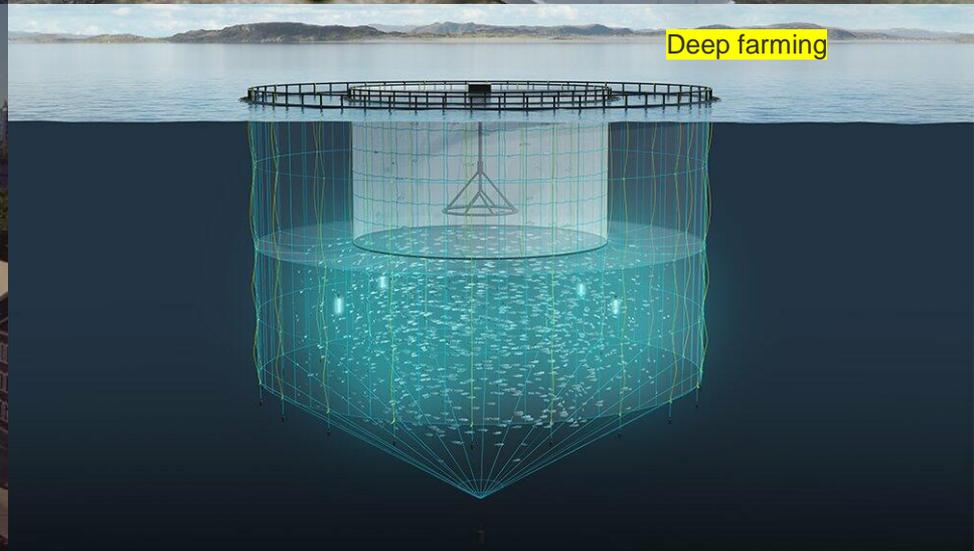
Land based

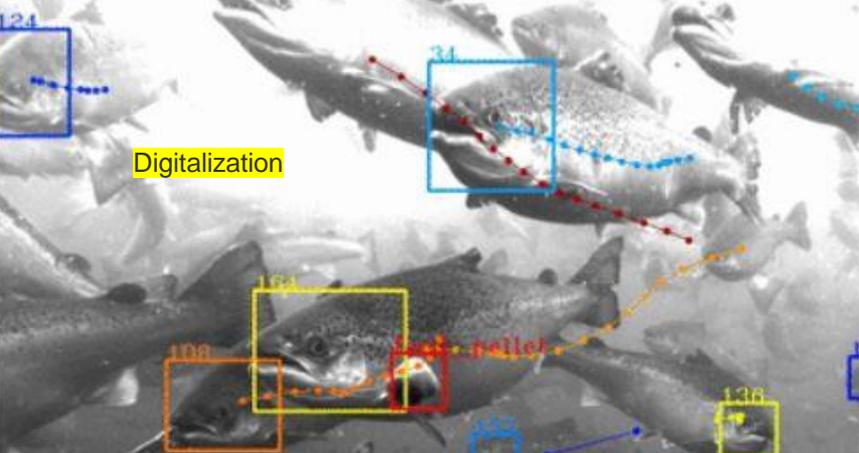


Closed in sea

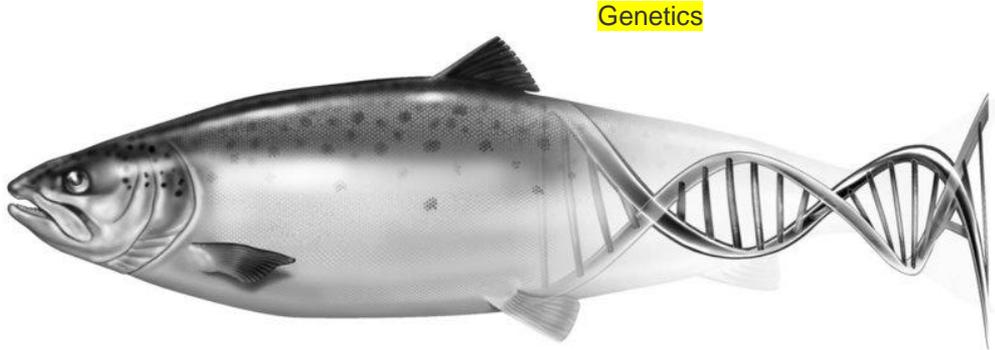


Deep farming





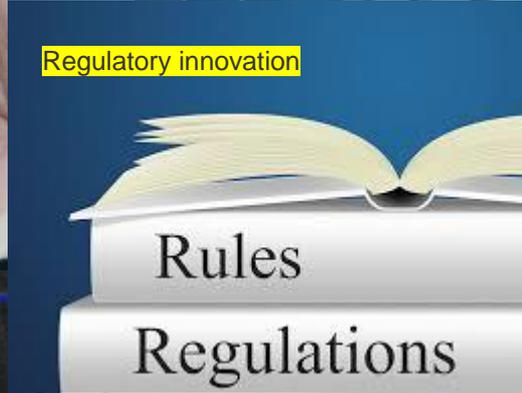
Digitalization



Genetics



Better feed



Regulatory innovation

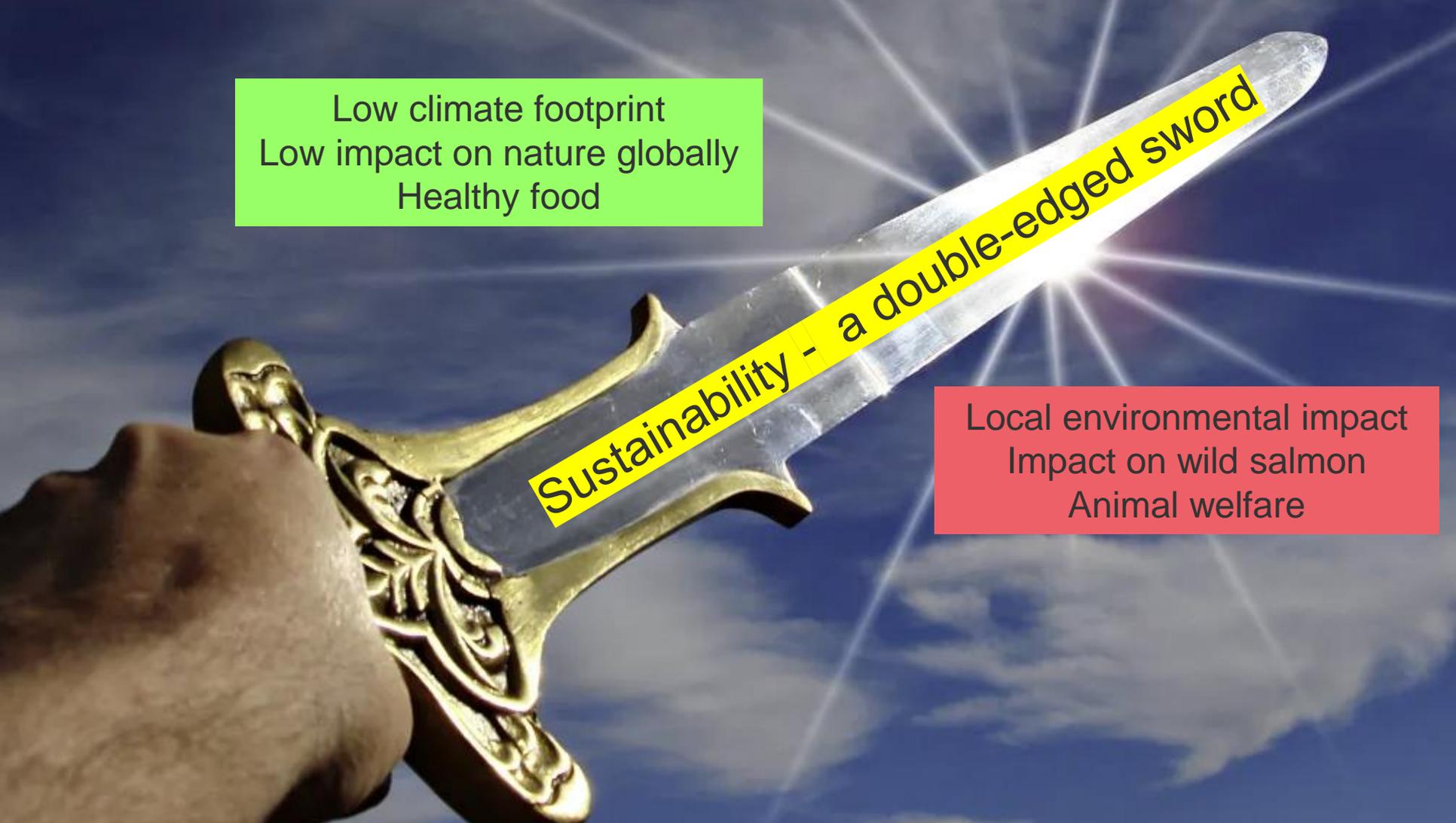
Rules  
Regulations



Cooling and freezing  
technology

# Salmon price longer term

- Strong as demand grows faster than supply
  - New technology is coming, but limited impact on the salmon price next decade
- Demand determines the price
  - Except random supply volatility, no systematic feedback loop from prices to production volume – farmers produce all they can anyway
  - Volatile weekly prices, less so on a yearly basis
  - Weak NOK positive for buyers, but mostly for sellers
    - Symmetric – a stronger NOK will be absorbed primarily by the sellers



Low climate footprint  
Low impact on nature globally  
Healthy food

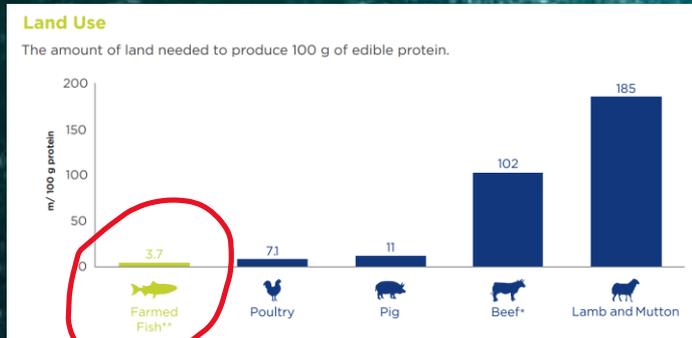
Sustainability - a double-edged sword

Local environmental impact  
Impact on wild salmon  
Animal welfare

# Climate change a positive tailwind for salmon and aquaculture

Farmed salmon is one of the most efficient and sustainable forms of protein

				
Feed Conversion Ratio <sup>1</sup>	1.2-1.5*	1.7-2	2.7-5	6-10
Water Consumption <sup>2</sup> <small>(liter / kg edible meat)</small>	2,000**	4,300	6,000	15,400
Carbon Footprint <sup>1</sup> <small>(grams CO<sub>2</sub> equivalent / typical serving of 40 g edible protein)</small>	0.6*	0.9	1.3	5.9



Aquaculture has a low CO<sub>2</sub>e footprint, low water consumption, and low land use.

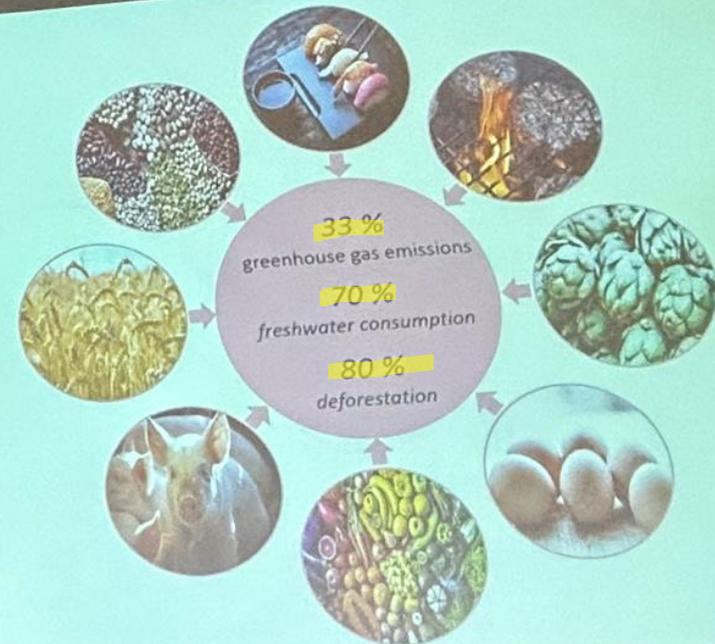
That is good for the climate and for biodiversity



Nofima

BELLONA

### Food system



Nofima



# FOOD SYSTEMS AND CLIMATE ACTION

PLENARY SESSION

We need at least 75%  
growth in sustainable  
aquaculture by 2040  
if we are to reach the  
1.5°C target



# Food System

# Food Transition

*Do No Significant Harm*

# DNB Bank is a global seafood player



- **Headquarters**
- **Geo & Regional Hubs**
- **Branches & Representative Offices**

- Banks with 17 of the top 20 salmon farmers globally
- Global leading seafood bank, presence in key markets, NOK 86bn of total exposure
- In-depth industry knowledge developed through close long-term relationships with key customers
- Dedicated seafood team with an international footprint and strong track record as a banking partner and advisor
- Leading arranger of debt in seafood sector, and a full range of Investment Banking services offered

DNB Markets is the clear #1 Investment Bank within the Seafood sector

DNB  
Markets

## Selection of recent transactions

ECM			M&A <sup>1</sup>			DCM		
2024 ATLANTIC SAPPHIRE Private Placement NOK 300m Joint D&Co	2023 ATLANTIC SAPPHIRE Private Placement NOK 700m Joint D&Co	2023 SALMON DOUBLOTT Private Placement NOK 520m Joint D&Co	2023 ACQUASHIP Business Purchase Majority stake acquired by AP Undisclosed Sole Financial Advisor	2023 FRBY Public takeover by Goldman Sachs AM NOK 13.0bn Sole Financial Advisor	2023 BEWJ Acquisition of 44.4% in Sjøbergfiske NOK 3.0bn Financial Advisor	2024 PELAGIA Senior Unsecured Bond Issue NOK 1.0bn Global Coordinator	2024 ACQUASHIP INTERSHIP Acquisition NOK 5.2bn Sole Coordinator	2023 Armafax Senior Subordinated Loan Facilities EUR 80m Sole Coordinator
2023 ICE FISH FARM Private Placement NOK 500m Sole D&Co	2023 ATLANTIC SAPPHIRE Private Placement NOK 600m Sole D&Co	2022 Benchmark Private Placement & IPO NOK 150m Joint D&Co	2022 NTS NTS ASA Sale of NTS to Salsmar NOK 270m Financial Advisor	2022 SALMAR Acquisition of Salsmar NOK 4.0bn Sole Financial Advisor	2022 ICE FISH FARM Merger with Laxar Fiskeid NOK 4.0bn Sole Financial Advisor	2023 SALMAR Senior Unsecured Loan Facilities EUR 150m Sole Coordinator	2023 ICE FISH FARM Senior Multicurrency Loan Facilities EUR 150m Sole Coordinator	2023 WINDREIF CapEx NOK 1.0bn Debt Advisory

## Market share: Deal value and number of transactions (2018 – 2024 YTD)<sup>2</sup>

ECM			M&A <sup>1</sup>			DCM <sup>3</sup>		
Market share by amount raised (NOKm)	# of deals		Market share by deal value (NOKm)	# of deals		Market share by amount raised (NOKm)	# of deals	
DNB Markets 57%	29		DNB Markets 71%	13		DNB Markets 90%	10	
#2 24%	10		#2 51%	7		#2 65%	6	
#3 13%	5		#3 40%	7		#3 51%	4	
#4 16%	13		#4 38%	4		#4 21%	5	
#5 14%	17		#5 12%	4		#5 2%	1	

<sup>1</sup> Based on actual enterprise value and estimated where not publicly available/announced. <sup>2</sup> All transactions with deal size >100 NOKm. Illustrating the market share of Norwegian banks with leading roles in the syndicate (if any). <sup>3</sup> Bond volume

# DNB Markets' salmon supply expectations

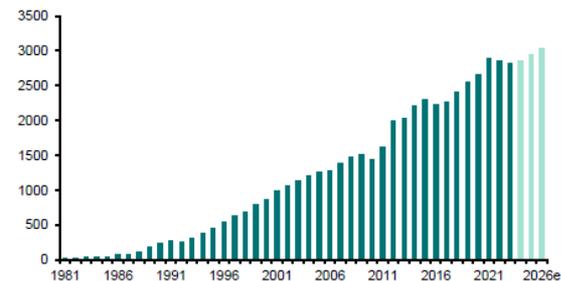
We expect global supply to increase by 0.9% in 2024, 3.3% in 2025, and 2.9% in 2026

## Atlantic salmon supply

Atlantic salmon supply (kt, wfe)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Norway	1,236	1,171	1,208	1,253	1,333	1,370	1,532	1,517	1,481	1,525	1,568	1,607
UK	166	157	174	150	191	178	200	160	160	167	176	183
Ireland	16	16	17	14	16	16	16	19	17	17	17	18
Faroes	77	76	80	72	87	81	106	100	89	101	111	111
Iceland	4	8	12	14	25	31	42	34	34	47	64	72
<b>Total Europe</b>	<b>1,499</b>	<b>1,429</b>	<b>1,492</b>	<b>1,503</b>	<b>1,650</b>	<b>1,675</b>	<b>1,895</b>	<b>1,829</b>	<b>1,781</b>	<b>1,856</b>	<b>1,936</b>	<b>1,990</b>
Chile	591	504	564	660	690	778	720	753	765	727	716	730
Canada	135	146	137	146	138	137	142	132	117	116	122	128
USA	20	23	22	19	21	20	19	20	19	19	20	20
<b>Total Americas</b>	<b>746</b>	<b>673</b>	<b>723</b>	<b>825</b>	<b>849</b>	<b>936</b>	<b>881</b>	<b>905</b>	<b>900</b>	<b>862</b>	<b>858</b>	<b>879</b>
Australia	54	51	61	63	61	83	88	89	90	91	93	95
Landbased							13	14	8	25	39	47
Other	14	13	12	12	18	20	20	21	20	20	21	21
<b>Total Atlantic (Harvest volumes)</b>	<b>2,312</b>	<b>2,165</b>	<b>2,288</b>	<b>2,402</b>	<b>2,578</b>	<b>2,714</b>	<b>2,897</b>	<b>2,858</b>	<b>2,799</b>	<b>2,855</b>	<b>2,948</b>	<b>3,032</b>
Change frozen salmon inventory	-9	57	-27	8	-23	-61	-10	-10	30	-	-	-
<b>Total supply Atlantic</b>	<b>2,303</b>	<b>2,222</b>	<b>2,261</b>	<b>2,410</b>	<b>2,556</b>	<b>2,652</b>	<b>2,887</b>	<b>2,848</b>	<b>2,829</b>	<b>2,855</b>	<b>2,948</b>	<b>3,032</b>

Atlantic salmon supply growth y/y	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Norway growth	3%	-5%	3%	4%	6%	3%	12%	-1%	-2%	3%	3%	2%
UK growth	-2%	-5%	11%	-14%	27%	-6%	12%	-20%	0%	5%	5%	4%
Ireland	28%	1%	9%	-19%	11%	2%	1%	18%	-12%	2%	2%	2%
Faroes growth	-7%	-1%	5%	-11%	21%	-7%	31%	-6%	-10%	13%	10%	0%
Iceland	-18%	125%	47%	18%	75%	27%	33%	-19%	1%	36%	38%	12%
<b>Total Europe</b>	<b>2%</b>	<b>-5%</b>	<b>4%</b>	<b>1%</b>	<b>10%</b>	<b>2%</b>	<b>13%</b>	<b>-3%</b>	<b>-3%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>
Chile growth	2%	-15%	12%	17%	5%	13%	-7%	5%	2%	-5%	-1%	2%
Canada growth	33%	8%	-6%	6%	-5%	-1%	3%	-7%	-11%	-1%	5%	5%
USA	-18%	11%	-4%	-12%	9%	-4%	-5%	5%	-8%	5%	2%	2%
<b>Total Americas</b>	<b>5%</b>	<b>-10%</b>	<b>7%</b>	<b>14%</b>	<b>3%</b>	<b>10%</b>	<b>-6%</b>	<b>3%</b>	<b>-1%</b>	<b>-4%</b>	<b>0%</b>	<b>2%</b>
Australia	30%	-6%	20%	3%	-3%	36%	6%	1%	1%	2%	2%	2%
Landbased								7%	-44%	212%	60%	18%
Other	-10%	-9%	-3%	-4%	56%	9%	1%	4%	-4%	2%	2%	2%
<b>Total Atlantic (Harvest volumes)</b>	<b>3.7%</b>	<b>-6.4%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>7.4%</b>	<b>5.2%</b>	<b>6.8%</b>	<b>-1.3%</b>	<b>-2.1%</b>	<b>2.0%</b>	<b>3.3%</b>	<b>2.9%</b>
Change frozen salmon inventory												
<b>Total supply Atlantic growth</b>	<b>4.4%</b>	<b>-3.5%</b>	<b>1.7%</b>	<b>6.6%</b>	<b>6.1%</b>	<b>3.8%</b>	<b>8.8%</b>	<b>-1.3%</b>	<b>-0.7%</b>	<b>0.9%</b>	<b>3.3%</b>	<b>2.9%</b>

## Atlantic salmon supply (kt WFE)



## Atlantic salmon supply – absolute growth YOY

