



DNB

Current market conditions and what to expect

Webinar on how to financially prepare your startup for a new normal
2 September 2020
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The force is with us!

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

An increasing world population needs food

Limited CO2 waste and water consumption vs other animal production

Growing middle class in emerging markets demands more protein

MAY THE FORCE BE WITH YOU

Low feed conversion rate vs other animal production

Better grocery retail supply chains in emerging markets

Limited volume potential in fishing, growth has to come from fish farming

Higher educated population eats healthier

Ageing population eats more fish

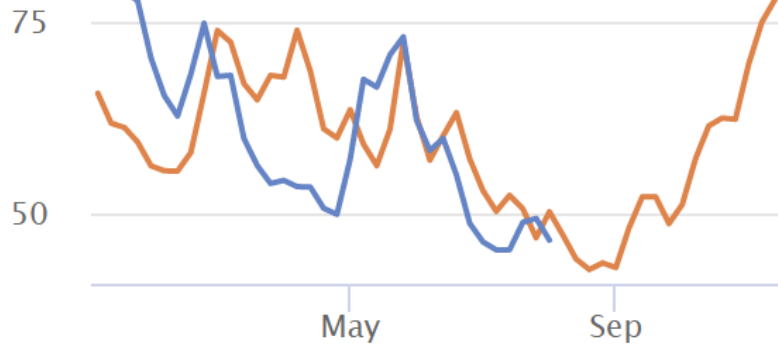
Fits both consumer trends and the need for more food on a climate and nature diversity challenged planet



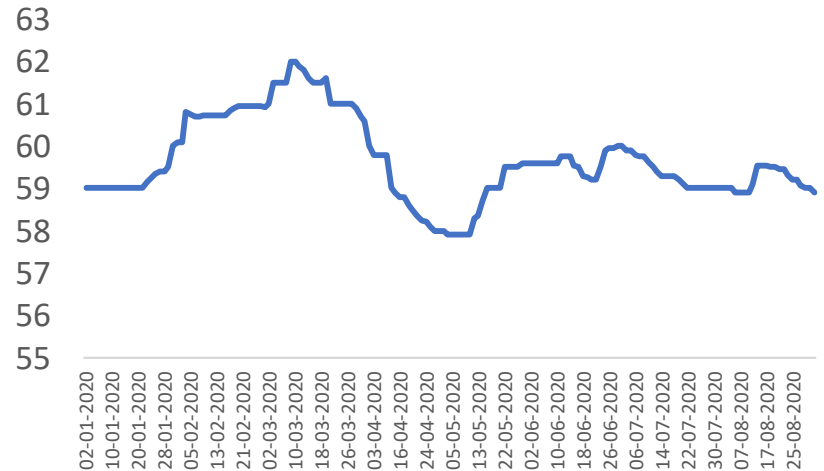
Prices hit short term, less so longer term

Salmon spot price NOK/kg

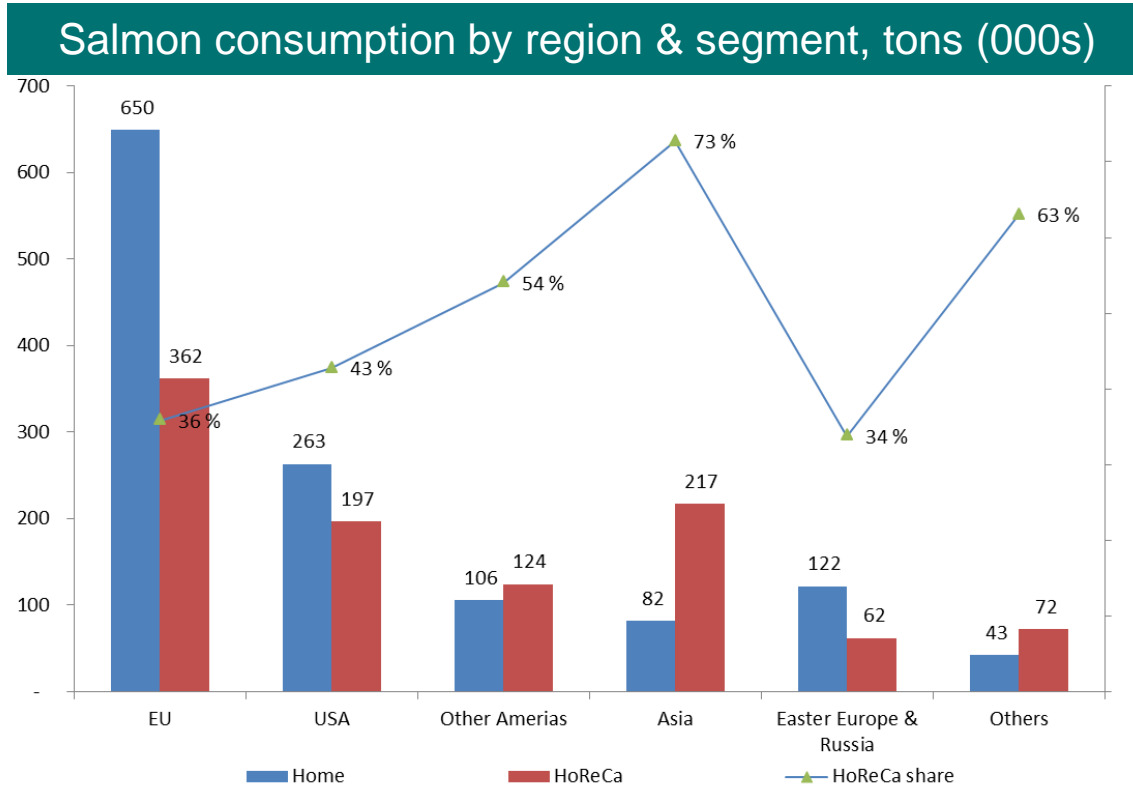
— 2020 FPI — 2019 FPI



Salmon forward price 2021 NOK/kg



Massive need to move volumes from food service to retail



Source: DNB Seafood, Kontali, HoReCa = Hotel, Restaurant, Catering

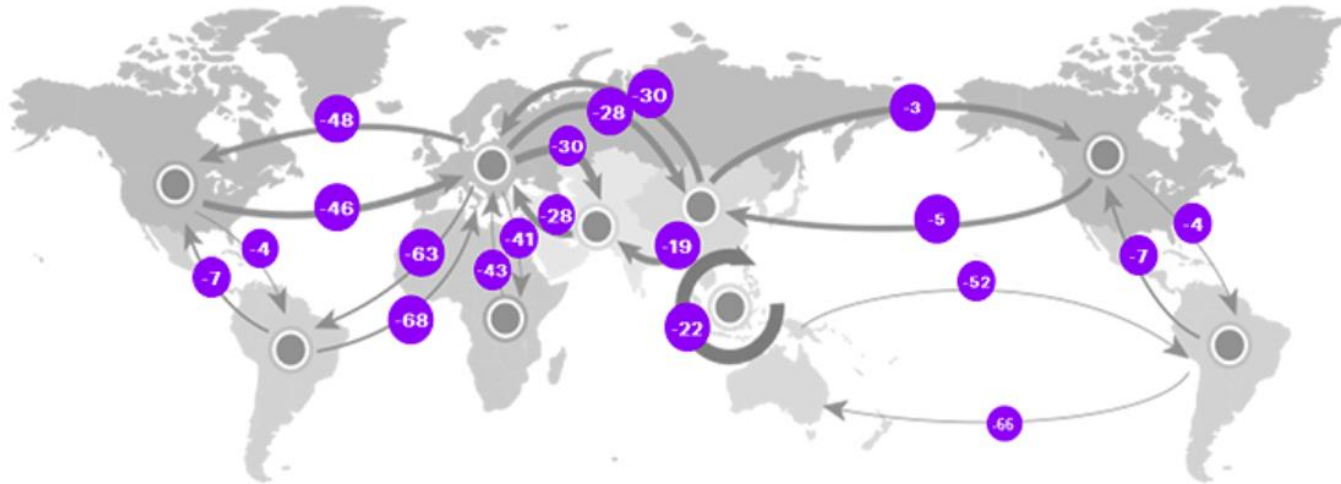


5 exporting countries, 150 buying countries

And largely fresh products, logistics is critical

Total air cargo capacity growth¹, 01 – 15 Aug 2020 vs. same week last year²

YoY growth, %



Global capacity decline: -25%

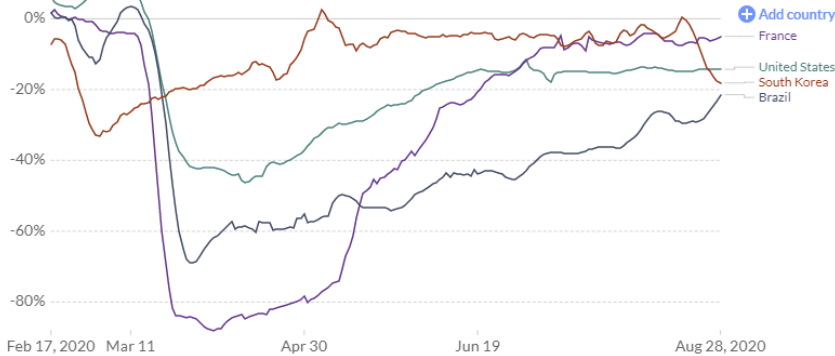
Economic activity is improving – but also set backs

Retail & recreation traffic

Retail and recreation: How did the number of visitors change since the beginning of the pandemic?

Change in visitor numbers is measured relative to a baseline day; a baseline day is the median value from the 5-week period between Jan 3rd and Feb 6th 2020. This index is smoothed to the rolling 7-day average.

Our World in Data



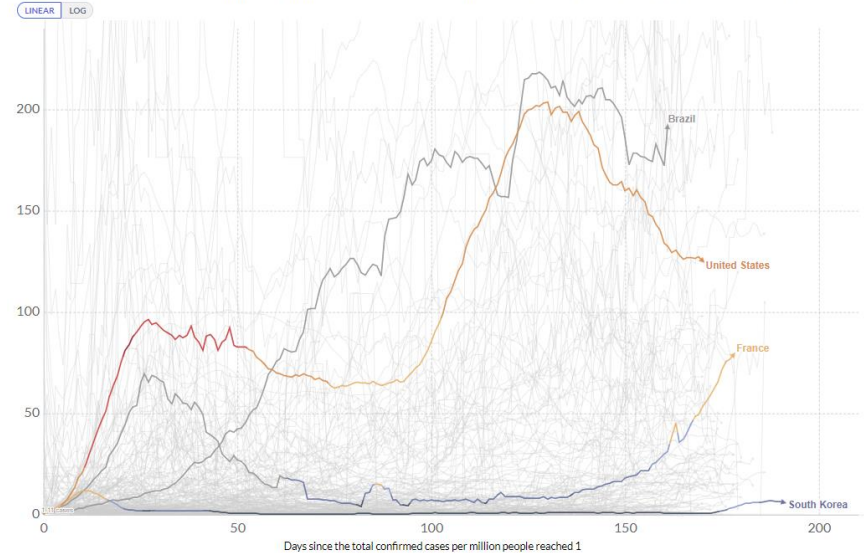
Source: Google COVID-19 Community Mobility Trends – Last updated 31 August, 22:01 (London time)
Note: This includes places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. It's not recommended to compare levels across countries; local differences in categories could be misleading.

CC BY

New COVID cases

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

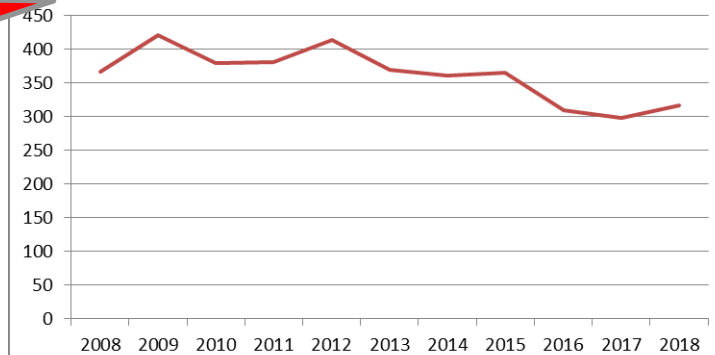


Source: European CDC – Situation Update Worldwide – Last updated 1 September, 10:04 (London time), Official data collated by Our World in Data

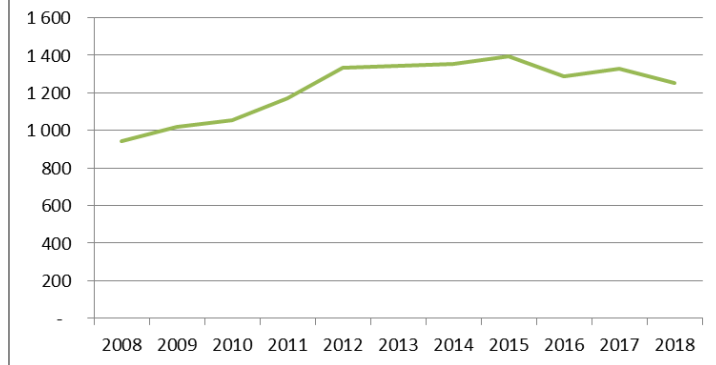
Productivity growth drives value creation today, innovation drives value creation tomorrow

Declining salmon farming productivity for licenses, employees, capital..

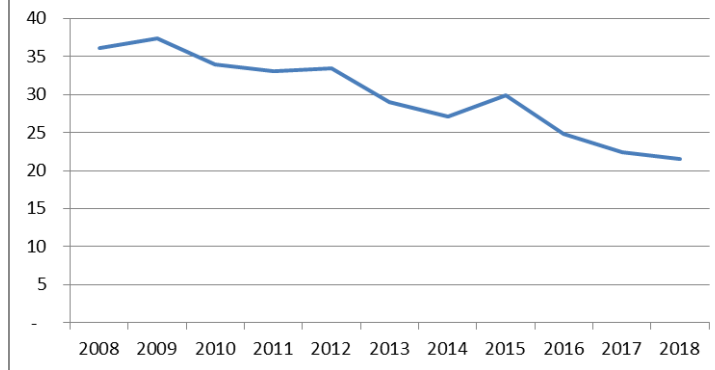
Tons harvest / employee (per year)



Tons harvest / license (per year)



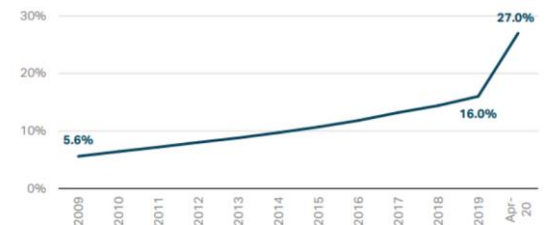
Gram harvest / NOK invested* (per year)



Longer term impact of COVID 19

- New markets are being built now (new retail consumers)
- Accelerated penetration of new distribution channels – e-commerce, foodservice home delivery
- Accelerated adoption of new freezing technology
 - More transport on land and sea, less air?
- Accelerated digitalization
 - Current operations, e-commerce, transformative
- Increased penetration for advanced freezing technology
- Focus on shorter and more diversified supply chains & vertical integration
 - More focus on downstream assets, geographical diversification, more locally sources feed
- Accelerated focus on sustainability for food in general

US, e-commerce penetration (% of retail sales)



SOURCE: Bank of America, US Department of Commerce, ShawSpring Research

DNB Bank is a global seafood player

