


# How do we expand the shellfish category

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# Lerøy Seafood Group

# Havfisk and Norway Seafoods

## Havfisk

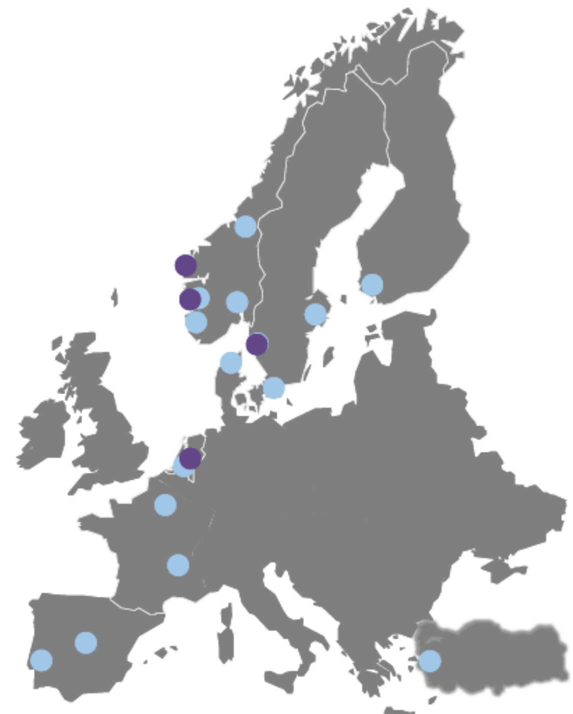
- Norway's largest trawler company
  - 11% of the Norwegian white fish quota
- Fleet of 9 active vessels (and 1 ordered for delivery in January 2018)
  - A highly modern fleet (considerable investments in recent years)
  - All fish are headed and gutted on board
- Total 2016 catch 63,764 MT head off gutted weight
  - 29,945 MT of cod, 11,508 MT of haddock and 9,409 MT of saithe
- Owns 5 processing plants linked to trawler licenses, operated by Norway Seafoods

## Lerøy Norway Seafoods

- Lerøy Norway Seafoods is one of Europe's leading companies for processing of wild caught whitefish
- Norway's largest sourcing network for whitefish
  - 10 own sourcing stations, 3 sourcing stations in partnership, co-operation with several additional sourcing stations
  - 8 primary processing facilities and 1 value added factory

# LSG Distribution Network

- Global reach and sales to more than 70 countries
- A significant industrial activity within trading, processing, sales and distribution of fish (including white species)
- Investments in "fish cuts" in end markets recent years
- Strong European distribution, the most important market for white fish
- Seeing high demand for white fish products throughout the network

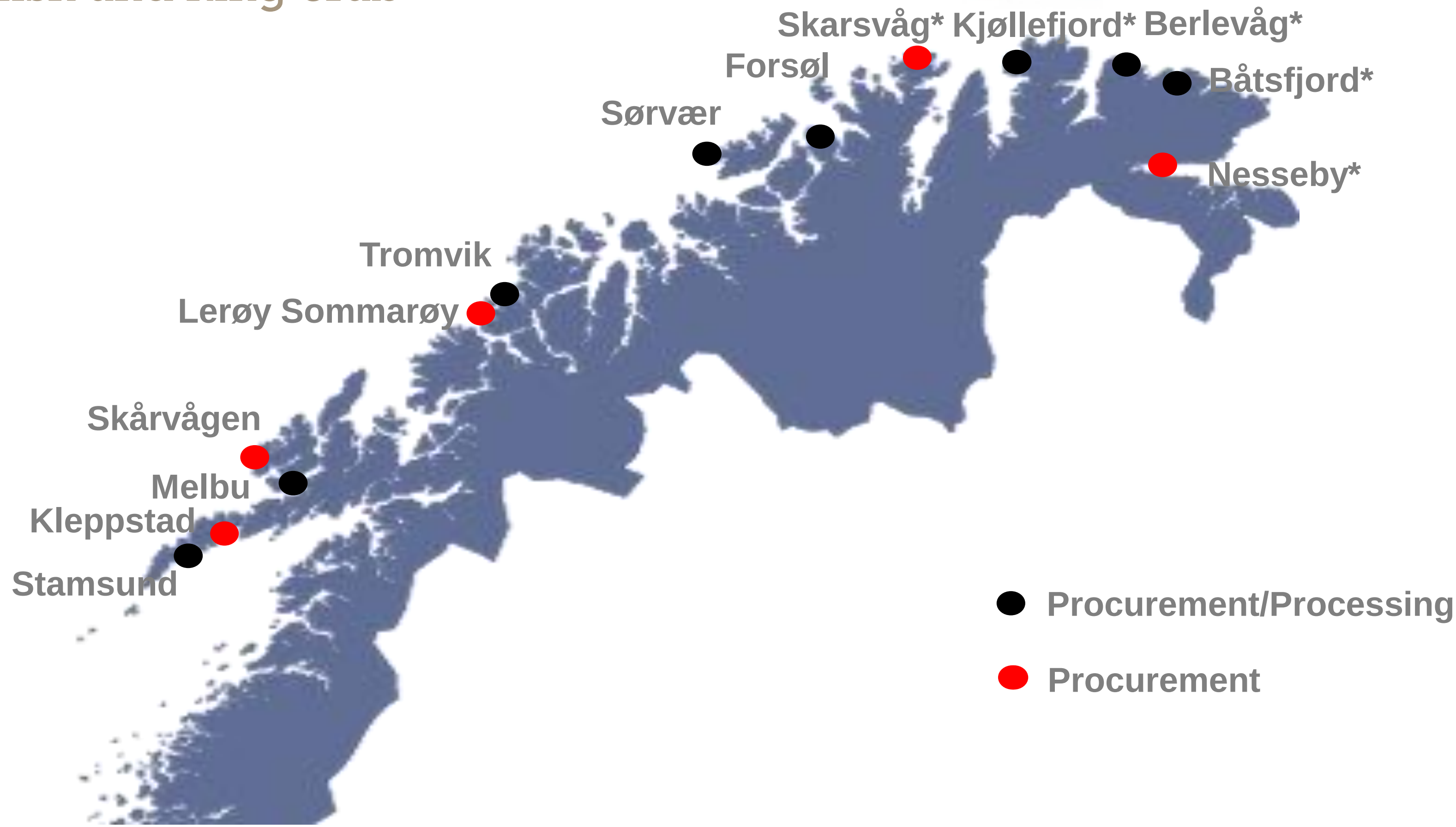


Processing facilities

Fish-cuts/fresh distribution facilities

# Procurement/Processing

## Whitefish and king crab*



# Total harvest for Havfisk Coldwater prawns

## 2015: 4.014 TONS

- Strong demand and prices
- Strong catch rates
- Good accessibility

## 2016: 1.433 TONS

- Weaker demand and prices compared to 2015
- Variable catch rates
- Lower accessibility
- Stronger focus on other species

## 2017: est. 1.400 TONS

- Low inventory levels of coldwater prawns
- Harvest dependent on prices and availability

- How to expand the shellfish category

# Secure sustainable growth through focus on top line

«Get more people to buy and consume more of our products with higher frequency and at a higher price»

# Norwegian shellfish
# - high expectations


# Hypotheses on how to develop the category

- H1: Product range
  - It is possible to improve value and volume through enlarged product range.

- H2: Visual and facing
  - We can increase the value and volume in retail by better product placement and branding.

- H3: Staff training
  - The sales of shellfish to new and existing consumers can be improved by product information and sales staff training.

- H4: Educating the consumers
  - Communication on health and how to prepare the products may stimulate the demand.

# Hypotheses on how to develop the category

- H5: Food concept - HORECA
  - It is possible to improve value and volume through enlarged product range.

- H6: Sales channels
  - Identify and utilize new sales channels (e-commerce, fish mongers, counters)

- H7: Distribution
  - Higher volume will lead to better distribution, higher order frequency and  fulfilment.

## H1 Product range

INNSIKT OPPSUMMERT

**DATA**
- Retail is larger than HORECA, however, HORECA is fastest growing segment.

**TRENDER**
- Discount has introduced fresh products.
- MAP products at Aldi and Lidl in Germany.
- Consumer focus on price, quality and shelf life.

**INTERVJUER**
- Quality, shelf life and availability
- Great potential through category development.
- Demand for new products.

## H2 Visual/Facing

INNSIKT OPPSUMMERT

**DATA**
- 80% point of sales decisions.
- Health, taste, and convenience important for consumers attention.
- Campaigns are important.

**TRENDER**
- Retail have focus on local food.
- Less consumer attention on brandings.
- Origin is becoming more important.
- Products placement is very important.

**INTERVJUER**
- Placement is related to demand and profitability. Communication and banding is stimulating demand.
- Shelf life and quality is essential for obtaining the best placement.

## H3, 4 Education/ Communication

INNSIKT OPPSUMMERT

**DATA**
- Staff training is stimulating demand.
- 40% of consumers confirm that product knowledge is of essence.

**TRENDER**
- Retailer are adjusting staff training to consumer trends.
- Food blogs and internet are becoming more important for consumer education, communication and marketing.

**INTERVJUER**
- Low products knowledge is an obstacle for further growth. Retail and consumers need to be better educated on seafood in general and shellfish in particular.
- Information in seasonality, recipes, etc.

## H5 New concepts - HORECA

INNSIKT OPPSUMMERT

**DATA**
- Majority of chefs find that shellfish is too unstable in supply, quality and price.
- Norwegian shellfish must be made available and visual to the HORECA segment. Marketing is needed.

**TRENDER**
- Food courts and local markets are growing and becoming trendy.
- More focus on Norwegian and Nordic products.

**INTERVJUER**
- Price, quality and local food are important for the menu composition.
- Guest focus on price and quality.
- Story telling is trendy.

## H6 New sales channels

INNSIKT OPPSUMMERT

**DATA**
- N/A

**TRENDER**
- Home delivery (in Norway) has increased from 3% to 12% within 2 years. It is especially popular among young families.
- The WEB food war is intensifying.

**INTERVJUER**
- N/A

## H7 Distribution

INNSIKT OPPSUMMERT

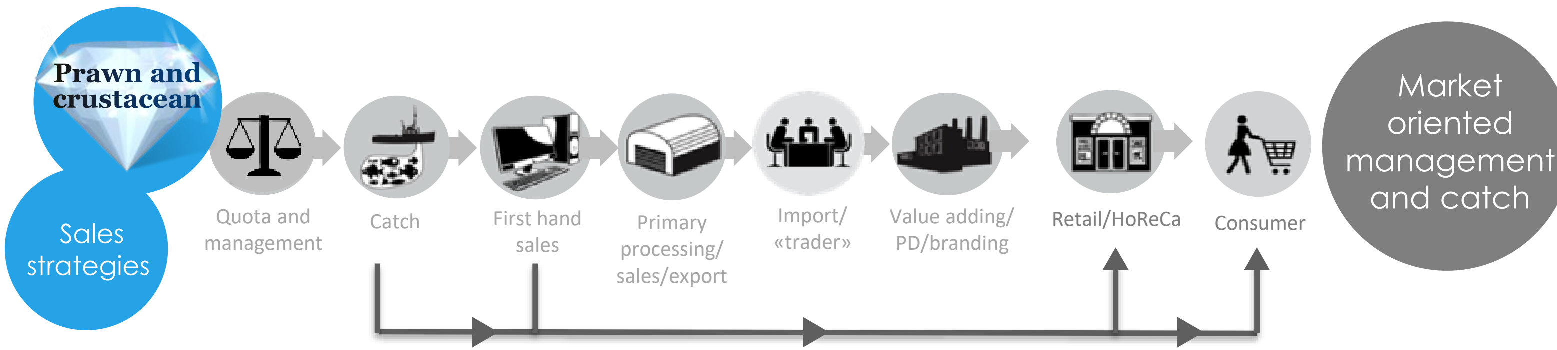
**DATA**
- N/A

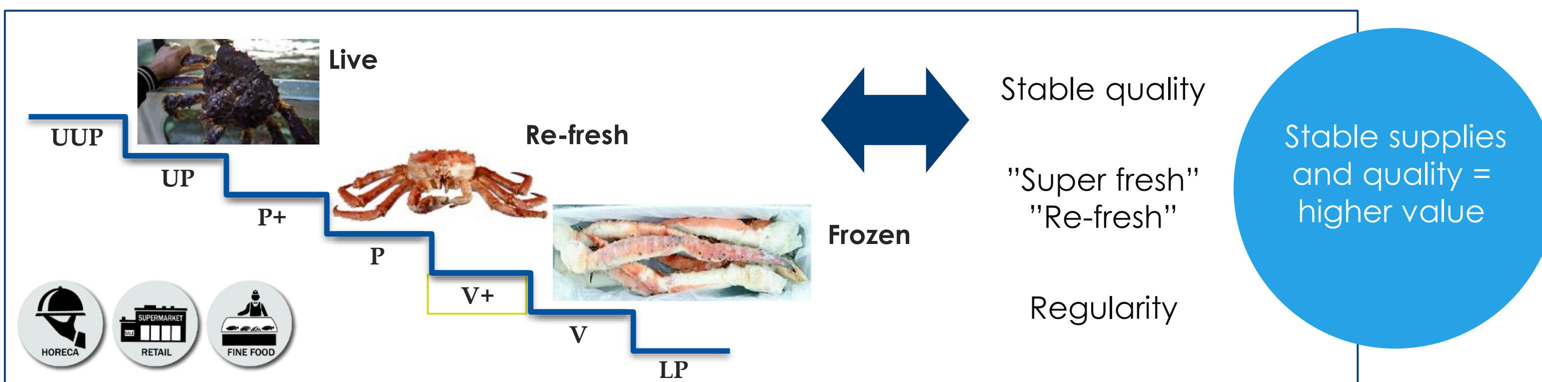
**TRENDER**
- N/A

**INTERVJUER**
- Some retailers indicate that combined distribution of fresh fish and shellfish is important for the category.
- Status is ok, however, there is always room for improvement..

LERØY

# Competitive advantages
## - shellfish from Norway



# NEW PRODUCT!

## - Lerøy is first with poke in Norway

Dagbladet Mat    Oppskrifter    Matnytt    Restauranter    Tester

Nye dagligvarer vinter 2017 ferdigmat:

# Den nye ferdigmaten: Dette skal du spise når du har dårlig tid

Sunnere, raskere - og med kjøtterstatning. Her er den nye ferdigmaten.

20. FEBRUAR 2017 KL. 20.04    DEL PÅ FACEBOOK


# Syv av ti av matnyhetene flopper

**Gatemat på Kiwi**

Årets mest spennende spiseklare nyhet fant vi hos Norgesgruppen, nemlig «Poke».

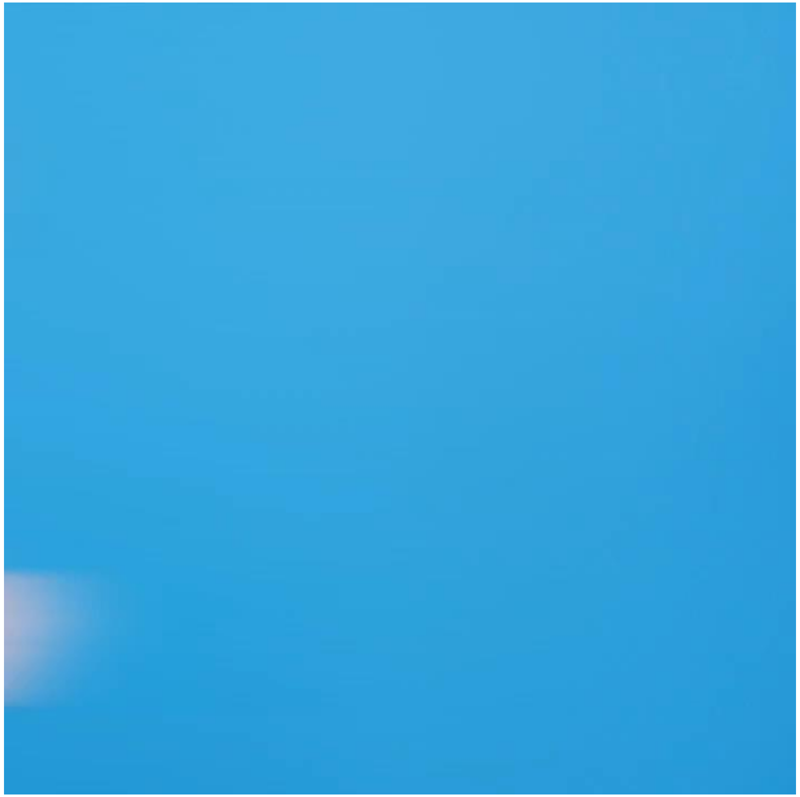
Poke er en rå fiskesalat med røtter fra Hawaii, og kalles gjerne surfe-sashimi. Den hawaiianske gatematen har vært populær i California en god stund, og fant veien til New York og London for et par år siden.

I fjor sommer åpnet en egen poke-foodtruck i Oslo, Pacific Poke, og i februar i år lanserte Lerøy to fornorskede versjoner av den rå fiskesalaten på Kiwi.

# Conclusion

- Focus on quality
- Make the products available and easy to find
- Innovation and shelf life
- Convenience, easy to prepare and consume
- Branding an communication:
  - Trust brands
  - Generic brands
  - PL
  - A-brands

Mega trends - ready to eat products: POKE by LERØY



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www.leroyseafood.com

*In 1899 a fisherman-farmer started selling live fish on the Bergen fish market. He towed the fish to the market in a wooden crate behind his rowing boat, a journey which could take between 6 and 12 hours, depending on the prevailing winds and currents.*

Thank You!