BOSTON CONSULTING GROUP

Salmon demand:
Continued growth in EU+US requires an industry rethink

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DNB EURONEXT

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Today’s hyperbole statement

The salmon industry’s current growth model doesn’t work anymore
The salmon industry needs new capabilities to continue growing

Boston Consulting Group (BCG) at a glance

Leading global impact advisor

- >13 $bn global revenue
- 100+ offices in 50 countries, all continents
- #1 position across Nordics
- Experts across topics incl: Technology & AI, Cost, Pricing, Operations, M&A and transactions, Strategy

#1 position in aquaculture globally

- Every step of the value chain (e.g. genetics, feed, farming and vessels)
- Across species (e.g. salmon, shrimp) and production technologies
- Working with farmers, suppliers and leading investors
- Work closely with the leading grocery retailers and wholesellers globally

What I want you to take away

1. The demand potential for salmon remains uniquely strong
2. The industry needs to move beyond the old “penetration oriented” growth playbook to one focused on frequency / take
3. Growing through frequency and take requires winning the “protein battle”, but salmon isn’t unique in retailers’ eyes
4. The answer is in enhanced downstream capabilities – and all players should care about it

Part 1

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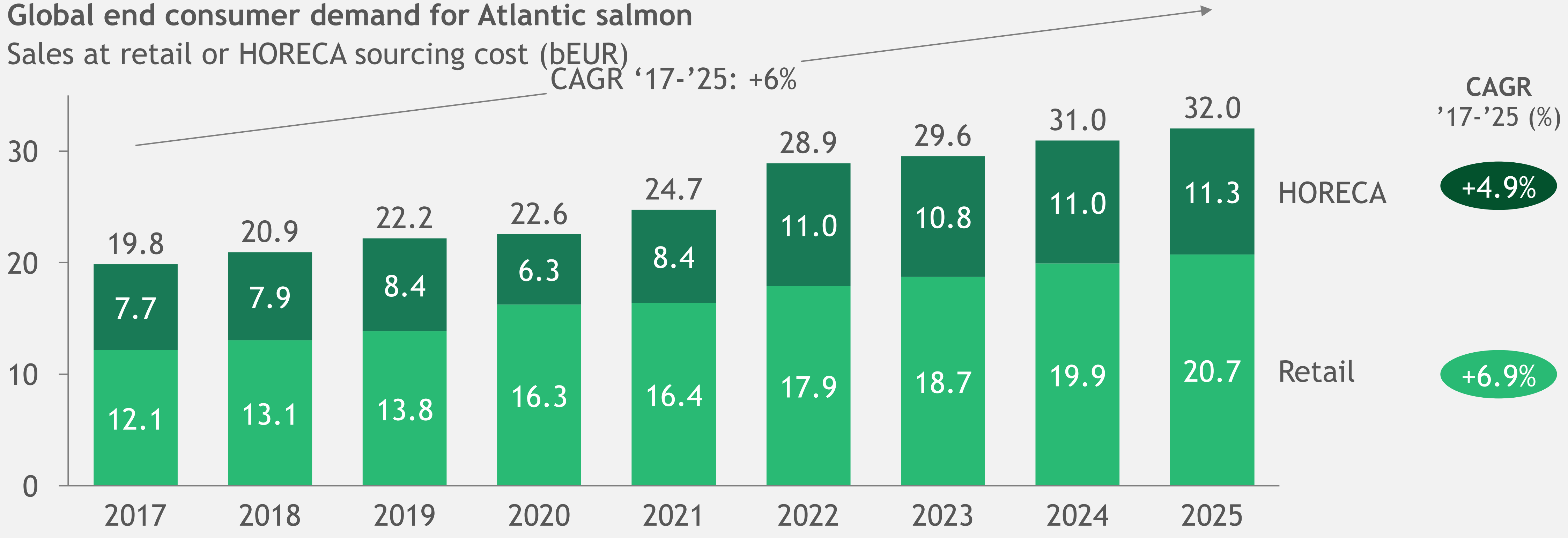
Global customer demand for salmon now exceeds >32 EURb – with retail as the growth engine

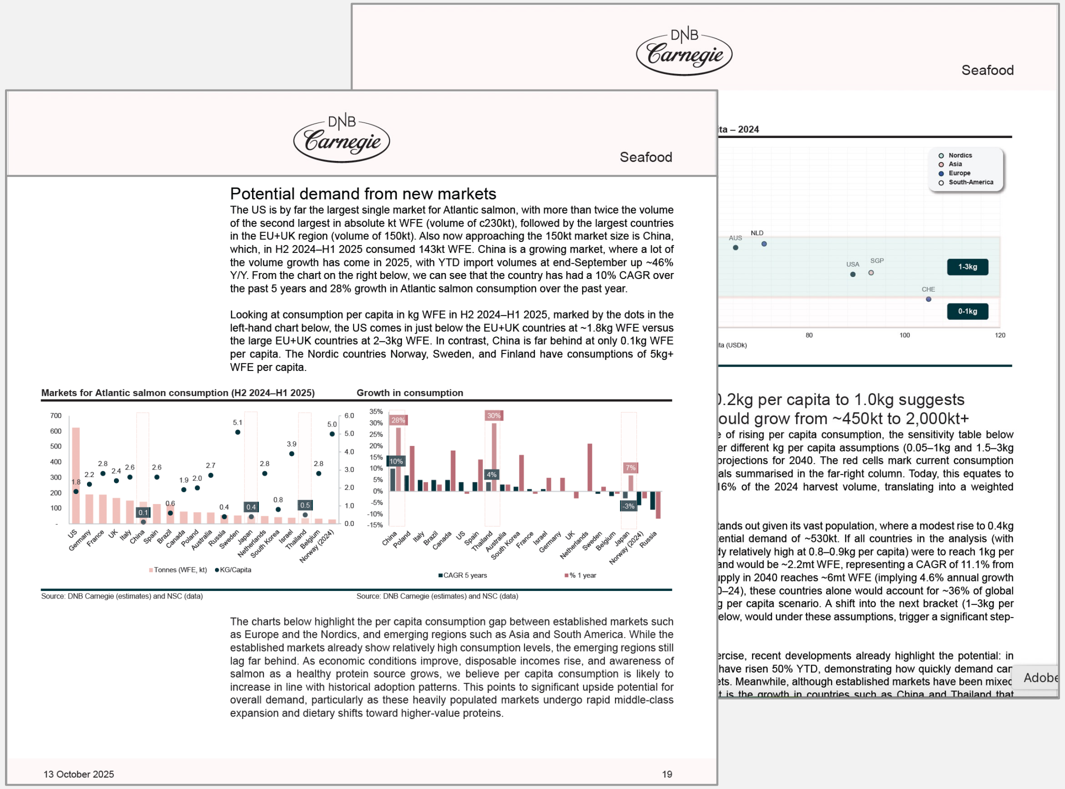
Global end consumer demand for Atlantic salmon
Sales at retail or HORECA sourcing cost (bEUR)



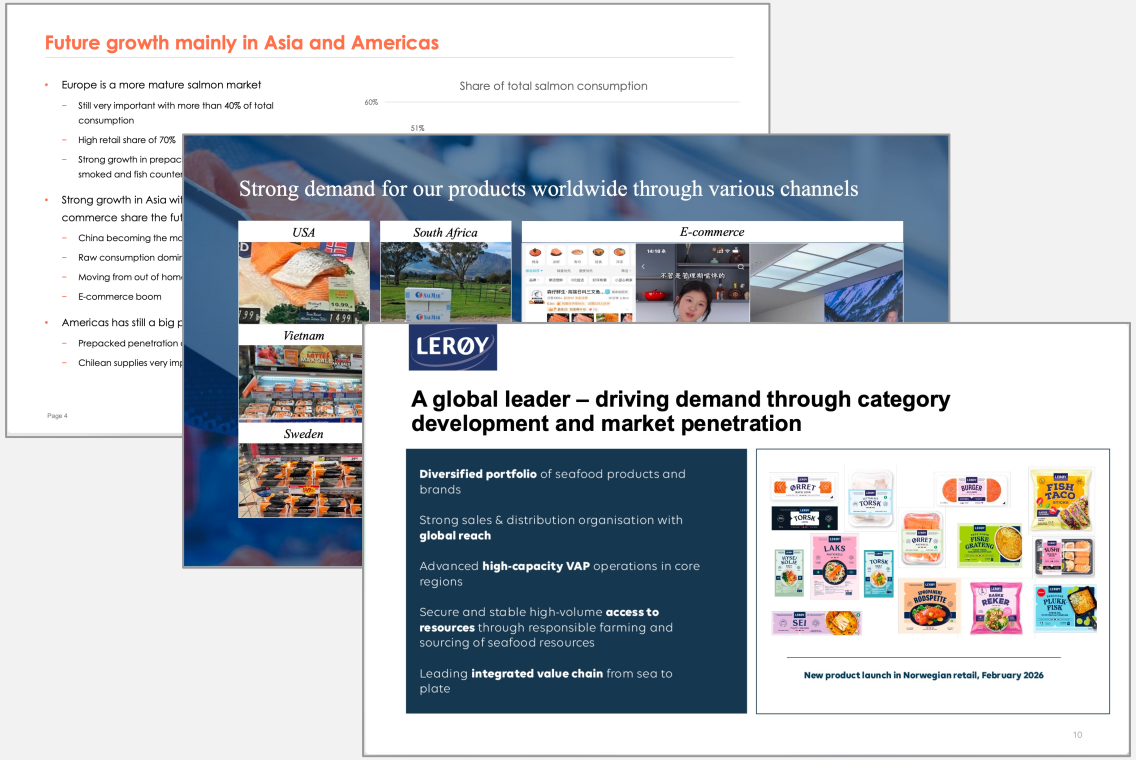
Source: BCG End Customer Salmon Demand model

The potential is massive
(You have seen this before)

Great DNB Carnegie report on theoretical potential from October 2025



Companies' favorite slides



Part 2

1 The demand potential for salmon remains uniquely strong

2 The industry needs to move beyond the old "penetration oriented" growth playbook to one focused on frequency / take

3 Growing through frequency and take requires winning the "protein battle", but salmon isn't unique in retailers' eyes

4 The answer is in enhanced downstream capabilities – and all players should care about it

Growth is a combination of three levers

1		2		3		
Penetration	×	**Frequency**	×	**Take / basket**	=	**Market Size**
Increase number of buyers		*Increase number of purchases per buyer*		*Increase spend per purchase*		*Market growth*

But which lever will vary by market

				ROW incl. "Other Europe"
Growth share '25-'30e (%)	~25%	~25%	~35%	~15%

How to grow?
(Without larger changes in salmon prices)

1 Penetration

2 Frequency

3 Take / basket

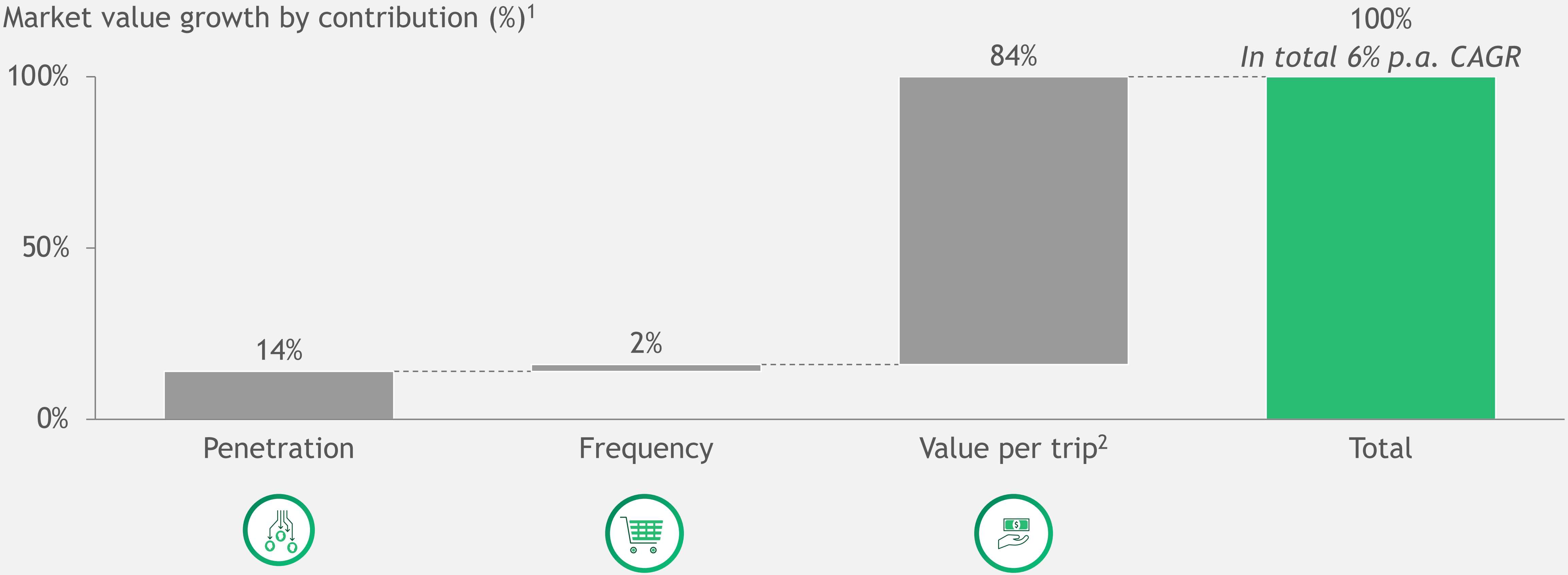
Asia and new markets will continue to be about penetration growth - something the industry knows well

But in EU and US - focus must be on frequency and take – that's not the industry's core competence

Source: BCG Salmon Demand Survey June '25 (n = 4'000 in FR, UK, US and CN), Expert interviews

This is already the reality – visible in last 5Y growth in EU

EU: Drivers of salmon market growth 2019-2024
Market value growth by contribution (%)[1]

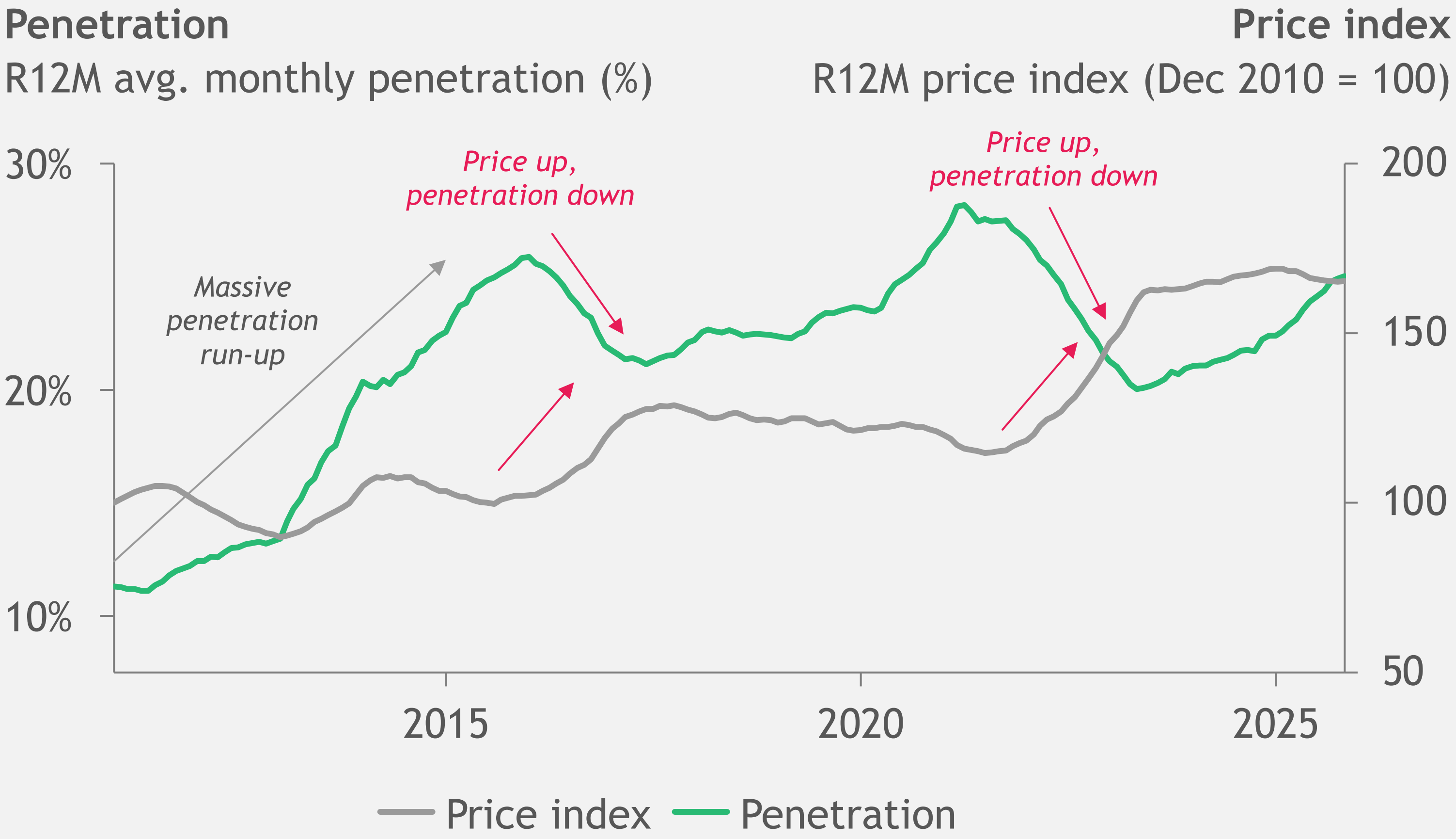


1. Years included vary slightly by market: Germany 2019-2024, France 2020-2024, UK 2018-2024, Spain 2013-2024, Italy 2019-2024, 2. Value per trip include both volume and price
Source: Seafish UK, Nielsen Panel Data, Kantar Worldpanel, Govenrment Sources, BCG End Customer Salmon Demand Model

Spain is a success story for growth

But also demonstrates challenges of driving sticky penetration growth over time

Salmon retail sales Spain



Note: Fresh salmon sales
Source: Spanish government data

Part 3

1 The demand potential for salmon remains uniquely strong

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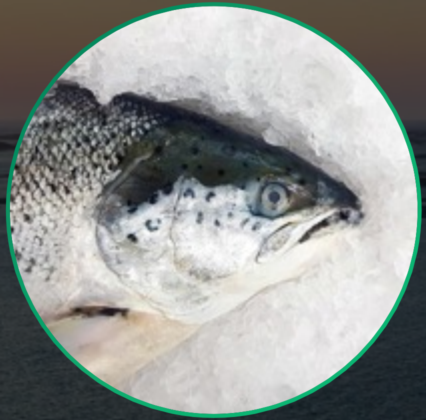
To accelerate growth in frequency / take vs. other proteins – the industry needs a demand muscle

Product innovation to drive sales

New occasions for salmon consumption and more convenient/entry level offerings. Get customers to trade-up to more valuable products

Top of mind and educational marketing

Storytelling and engagement of health benefits and inspiration how to cook



Extend shelf-life of salmon to reduce shrinkage

Help retailers and consumers reduce shrinkage through format and supply tweaks

Closer collaboration with retailers

Incentives to spend shelf-space and marketing on salmon vs. other proteins

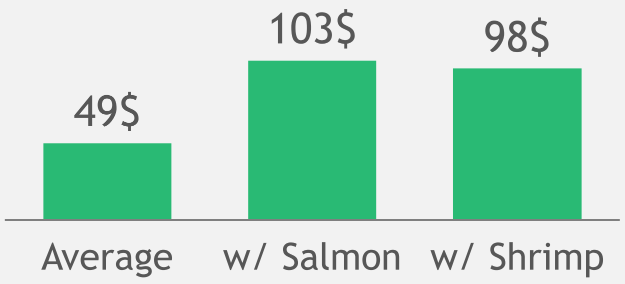
Retailers must stock salmon, but trade-off their range, stock and purchasing decisions vs. other proteins

Retailers need to stock salmon

Retailers like salmon – it drives basket

Salmon is needed for all retailers to have a relevant protein offering

US retail average basket size ($/trip)



> Salmon is "love-hate" – we need it, but it is immature vs. most other categories we sell
>
> **VP, Top 3 US grocery retailer**

Note: 2021 data for basket
Source: IRI via SupermarketNews; Expert interviews

But how much / how depends

Optimization questions for salmon category depend on its competitiveness vs. other categories across:

- Category velocity
- Price, GM, Shrinkage
- Allocated shelf space

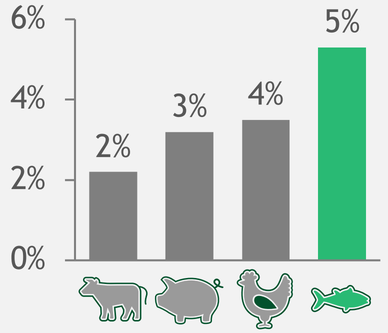
Driving frequency & take growth requires:

- New innovations
- Visible promotions
- More shelf space

But incentives to “double down” on salmon vs. other proteins aren’t differentiated vs. other proteins

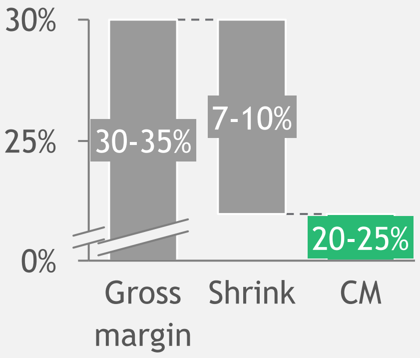
More volatile margins vs. other proteins

U.S. grocery GM by protein
St. dev, R12M GM ’10-’26 (%)



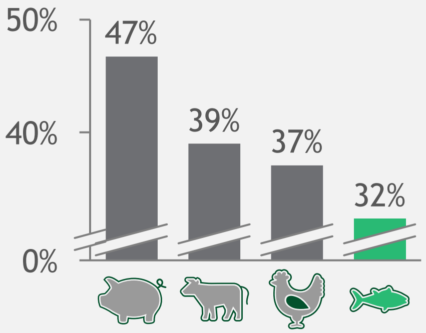
Significant shrink weighing on net margin

Salmon retail economics
CM for salmon (%)



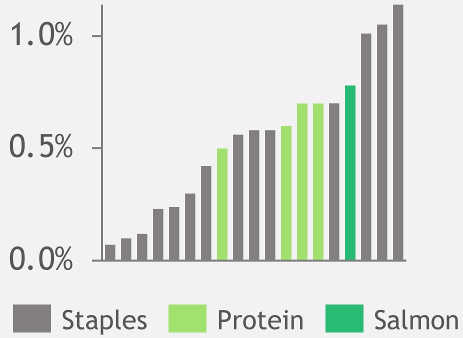
Less promotion support from suppliers

U.S. retail promo share
‘22-’25 weighted average (%)[2]



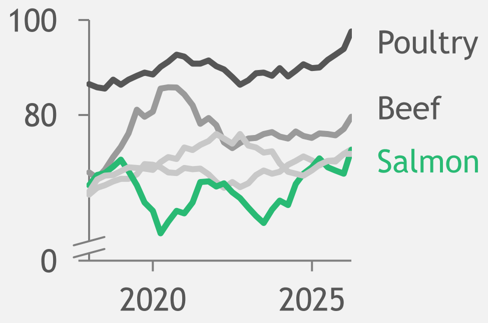
Higher price elasticity

US - Own-price elasticity
Abs vol. Δ of 1% price lift (%)



Lower category innovation

US: Protein innovation index
2016 – 2026



Source: Nielsen; USDA; Fishpool; NASDAQ / SISISALMON, St Louis Fred, Expert interviews, PCE BEA, Nielsen IQ POS, US Department of Agriculture ERS, Okrent et all (2012), Mintel

Part 4

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4 The answer is in enhanced downstream capabilities – and all players should care about it

The answer?
The industry needs to prioritize downstream demand more than before – FMCG companies should be the benchmark for how to operate

Invest in go-to-market including closer integration and collaboration with retailers, and find opportunities to differentiate

Strengthen customer- and category insights to identify differentiation opportunities, and actively work with retailers to realize

Invest in enhanced supply chain capabilities to help retailers (and end-customers) reduce shrinkage (e.g. more pre-packed, super-chilled)

Examples of what a best in class FMCG playbook look like

Not exhaustive

Invest in JM and promos

Deep customer knowledge

	Invest in JM and promos	Deep customer knowledge
What are the best in class doing?	Invest in joint marketing and larger promotions that drive price perception and visibility of category	Demand space / needs based customer insights steering innovations and category development. Co-location of analysts with grocers' teams
What does salmon buyers say?	" Salmon has the lowest inclusion in our newspaper / DM promotions of all protein category. — VP, Top 3 US grocery retailer	" Many Norwegian farmers are piggy-backing on Sjømatrådet's macro insights – that's not what we are after — Cat Exec, Top 5 US grocer
	" When all other suppliers fund activities – why should we give more shelf space to salmon? — Cat Exec, Leading US Club	" Rapidly capitalizing on HORECA trends and bringing them to grocery is super effective (in seafood tuna tartare as latest example) — VP, Top 3 US grocery retailer

Two FAQs that are typically asked

1

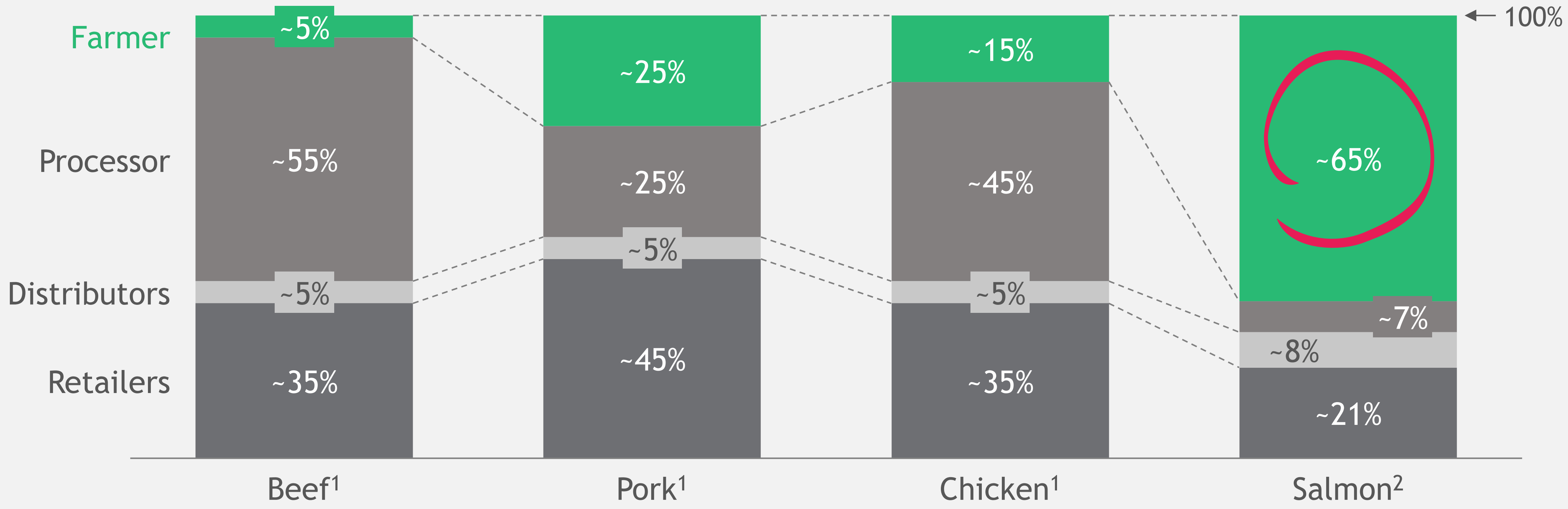
Salmon is in structural undersupply – why should we or my investors care about this?

2

Shouldn’t I just wait for someone else to lead the way and piggyback on their success?

#1: Competing effectively vs. other proteins requires full industry involvement due to unique profit pool dynamics

Retail EBIT profit pool per value chain segment
Share of M$ EBIT generation (%), 2020-2024 average



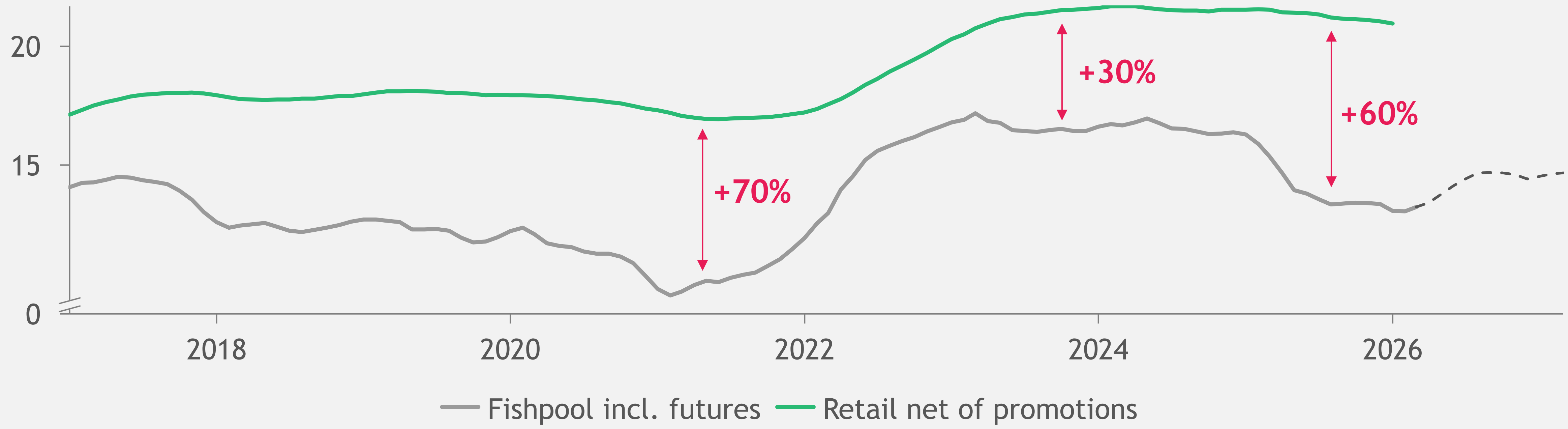
1. US numbers. EBIT profit pools estimated by sample of players, with USDA Retail-farm-wholesale spreads. 2. Global numbers. Leveraging BCG's estimated "end consumer demand" value for retail sales of Atlantic salmon. Retailer GM varying based on annual estimates - retailer OPEX incl. shrinkage assumed at 25%, wholeseller EBIT at 2%, and processor margin based on sample of 50+ processors in US and EU, Source: Kontali Analyse, USDA ERS, Company accounts, Nielsen, Arrowstream, Kantar Worldpanel, EUMOFA, FranceAgriMer, Lachs Direct, Europanel, Seafish, Statistics Japan, Statistics Canada, BMTI, News articles, Industry interviews, BCG analysis

#1: Retailers ultimately decide demand growth – but don’t always prioritize growth over margins

Price dynamics EU - R12M

Retail: Average EU retail price for salmon (EUR/kg excl. VAT)

Raw material: Fishpool index market fillet prices[1] (EUR/kg)



1. Reported salmon spot price in Norway converted with 50% processing yield, Note: Retail price average in EU includes United Kingdom, France, Germany, Italy, Spain, Netherlands, Denmark, Ireland

Source: Nielsen; Statistics Bureaus in relevant geographies; ONS; EUMOFA; Fishpool; NASDAQ / SISISALMON

Two FAQs that are typically asked

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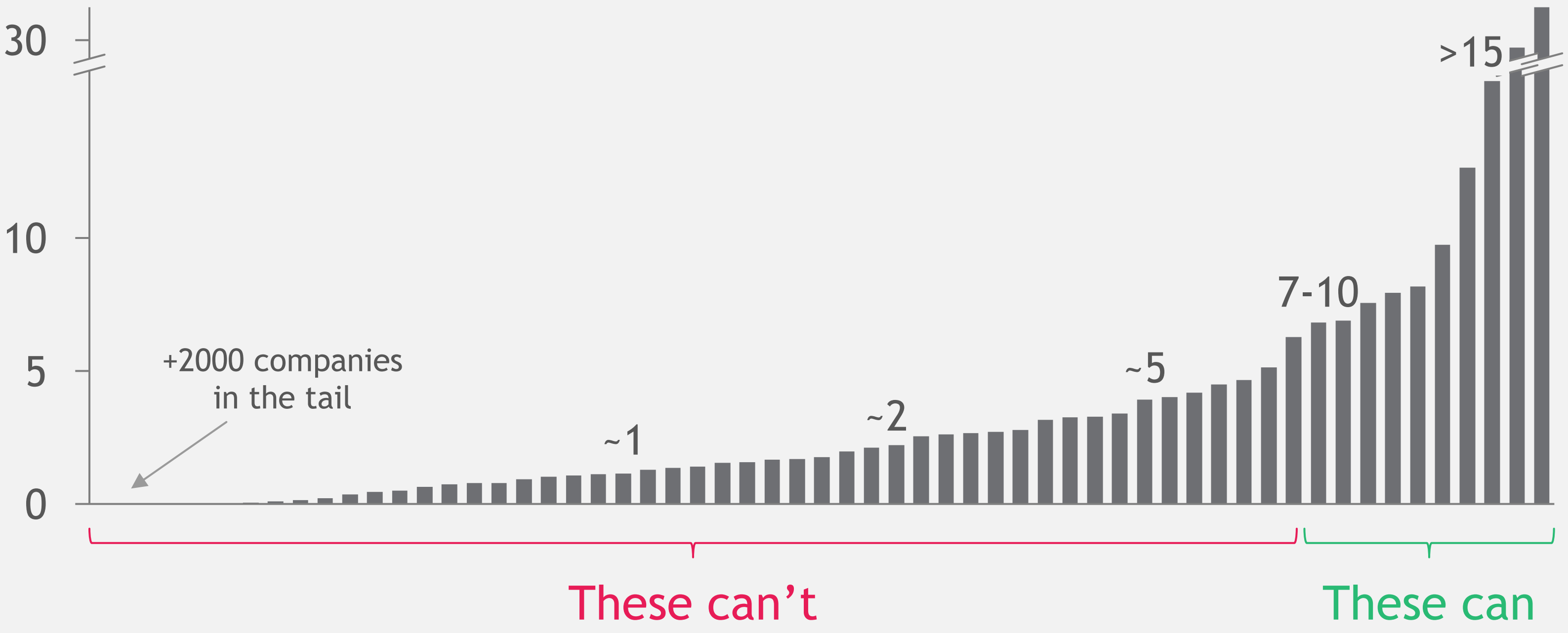
#2: The industry structure beyond farming is too fragmented to effectively finance needed capabilities

European salmon VAP processors

Revenue (NOKb) FY 2024 – BCG's database of 60+ VAP companies



You need:

- Category analysts
- Upskilled KAM personnel
- New innovation processes

When can you afford it at ~3-5% EBIT margin?

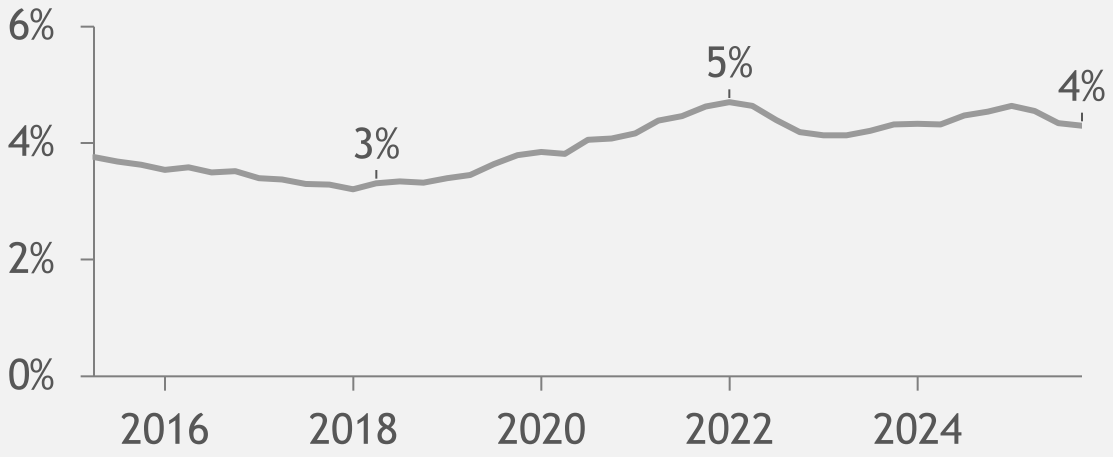
Source: Company accounts, BCG salmonids value chain database

#2: Retailers are loyal to growth - if you're the one delivering it, you keep a preferred position

Yes, retailers are fiercely commercial and willing to squeeze

Grocers are competitive businesses...

Global grocery retailers – EBIT margin median (R12M) %



But they are loyal to growth, and best-in-class suppliers can benefit

- Retailers constantly chase growth through differentiation
- As a supplier – being differentiated at innovation, analytics, collaboration and supply chain is rewarded
- Long list of successful and sticky both brand and PL relationships

Index includes: Tesco, Aeon, Albertsons, Ahold Delhaize, Metro, Carrefour, Casino, Guichard-Perrachon, Costco Wholesale, Dino Polska, Ingles Markets, Kesko, Kroger, Loblaw, Migros Ticaret A.S., J Sainsbury, Sprouts Farmers Market, Shoprite, Target, Walmart, Woolworths and Zabka
Source: S&P Capital IQ; BCG ValueScience® Center

The hyperbole we started with

The salmon industry's current growth model doesn't work anymore

The salmon industry needs new capabilities to continue growing

The nuanced take

Salmon is the protein of the future: Healthy, sustainable and delicious

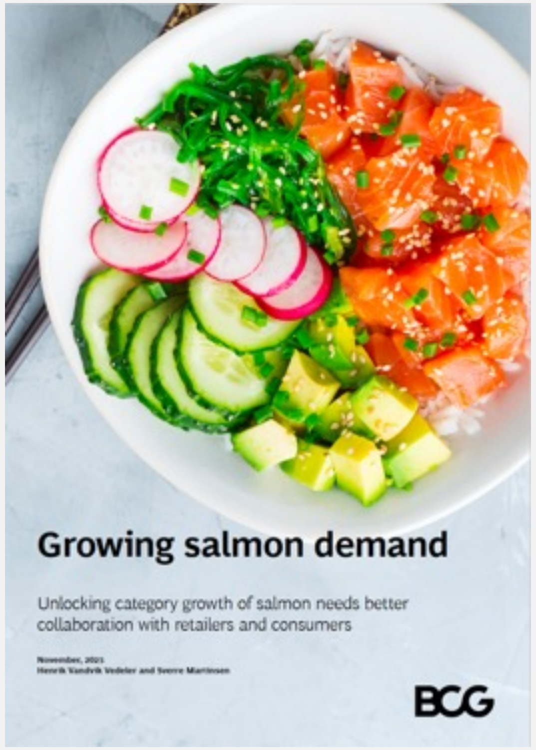
However, to drive high long-term growth in established markets – salmon increasingly need to win against other proteins

An improved set of capabilities and industry structures are needed to find and exploit pockets of growth

Photo credit: Cermaq

Want to learn more?

Read our publications



www.bcg.com/publications/2025/growing-salmon-demand-how-to-unlock-category-growth

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