NEW PROSPECT BRIEFING: NORAQUA

Noraqua is a leading multinational, with operations in fishing, aquaculture and food retail. The company also has interests in restaurants and clothing. Aquaculture is one of the world's fastest growing sectors, part of a Blue Economy that includes ocean mining, wind and tidal energy and geoengineering.

Headquartered in London, the company has a global presence, operating in 15 countries. It runs the largest salmon farm in Europe and has its own franchised fishing fleet. Its success has been built on a reputation for high-quality products, which is enhanced by the success of its upmarket chain of fish and seafood restaurants, Blue Oyster.

Across the group the company has 5,000 skilled employees in 30 countries, including 2,600 employees in the UK. Many more are employed indirectly by the company's global network of suppliers.

SUSTAINABLE BUSINESS

With its new Board Mandate – A New Direction for Noraqua - the agri-food multinational is seeking to move towards a more regenerative, eco-effective business model.

The company has a fast-approaching deadline to create and present a new Sustainable Business strategy to its board. The strategy must fulfil the new mandate and build the confidence and trust of stakeholders – customers, suppliers, investors and employees.

A strategy not just for ESG compliance (eco-efficiency) but for proactive good corporate practice within a regenerative business model (eco-effective).

The strategy's effectiveness will be judged against competitors and industry economics, not only ESG compliance. Noraqua must also secure competitive advantage in the Blue Economy while meeting its governance obligations

Noraqua is seeking a consultancy that specialises in this area to develop the strategy, and this briefing is going out to interested parties this week.

SECTORS, PRODUCTS AND SERVICES

Noraqua is a significant player in the Blue Economy sector, with a strong presence in the Fisheries and Aquaculture sector (providing 72% of operating revenue).

Recent Noraqua acquisitions include the frozen food retailer Frozen North, which Noraqua had been supplying from its own fish farms and suppliers for several years. The company is looking to increase its retail presence with plans in development to open new high tech Frozen North stores.

Its Ocean Rain recycled waterproof clothing range won online clothing retailer of the year in Europe due in part to its 'leave no trace' approach to sustainability. Currently only sells via their own shops but expansion via third party retailers is under consideration. It is also expanding its aquatic plants division and its new edible seaweed farm in Indonesia is the largest of its kind.

The company is known for its commitment to innovation. For example, Kelplast, developed in a joint venture with US and UK universities, is compostable bioplastic made from seaweed that can replace single-use, fossil fuel plastics.

COMPETITION

With most of its activity in Fisheries & Aquaculture, the focus of Noraqua's competitive strategy and the threat of rivals is in this area. Three of main competitors are Umios, Mowi and Leroy. (See the Blue Economy case studies.)

Although the Sustainable Business strategy is focussed on F&A, the change of business model and culture applies to its other areas of interest: food retail, clothing and restaurants.

Noraqua varied operations and interests, and diversity in its value chain, gives the company a potential competitive advantage. Its subsidiary Frozen North provides a food retail presence, and the restaurant chain Blue Oyster offers a commercial outlet and a showcase for promoting its products.

YEAR IN REVIEW: ESG CHALLENGES

In its latest annual report (for the 2024-25 year), the new CEO described the year as 'generally satisfactory' and told shareholders that 'at every stage in the value chain we are working towards delivering high-quality products and customer service'.

The report emphasises innovation as the key to that growth. The company's pioneering Aquatic Innovation Centre aims to develop and bring to market new ground-breaking products such as Kelplast.

Noraqua's reputation took a knock after some of its various health-conscious campaigns were criticised by industry commentators. Oil spills in the Bering Strait threatened to devastate its Alaskan aquaculture interests, though the impact now looks to have been overstated.

Noraqua has recently been developing healthier product ranges. The company is about to launch a global marketing campaign under the 'from catch to kitchen' slogan. This aligns with their ambition to develop a vertically integrated supply structure, which aims to guarantee supply chain reliability and the quality of its produce.

The CEO recognised recently that the company not been as proactively innovative or as strategically smart as it could be in the ESG area. Like all agri-food multinationals, the company aims to reduce – and to be seen to be reducing – its global carbon footprint, with a particular focus on suppliers' Scope 3 greenhouse gas emissions.

KEY FINANCIAL DATA (2024-25)

Operating revenue:	£1.4bn
Cost of materials:	£800m
Operating expenses & salaries:	£250m
Operating profit (EBIT):	£350m
Total assets:	£2.1bn
Total equity:	£1.4bn
Total liabilities:	£700m

OPERATING REVENUE CONTRIBUTIONS

Wild catch: 35%
Farming: 28%
Value added processing: 9%
Food retail (Frozen North): 12%
Restaurants (Blue Oyster): 8%
Clothing (Ocean Rain): 8%