

Salmon farming in Chile has become a good business, and the world knows it.....

Equity Research



Salmon farming, Chile

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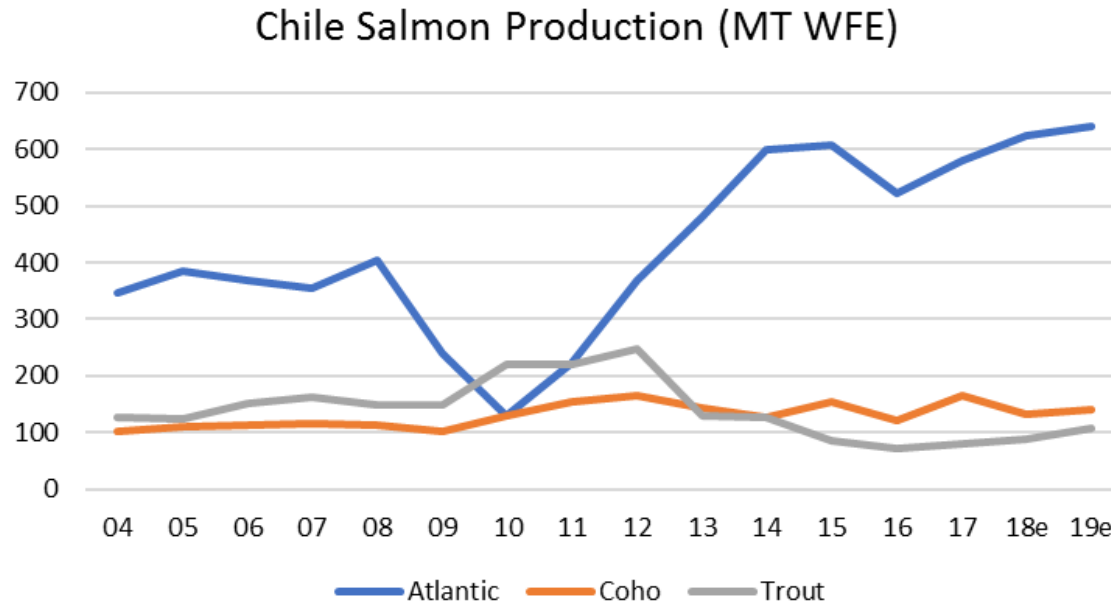
September 2018

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ABG
SUNDAL COLLIER

We all know what has happened in the past years....



Part of it is good.....

- Salmon is Chile's the second largest single product exported (USD 4.16 Bn)
- The true engine behind economical and social development in Chilean Patagonia

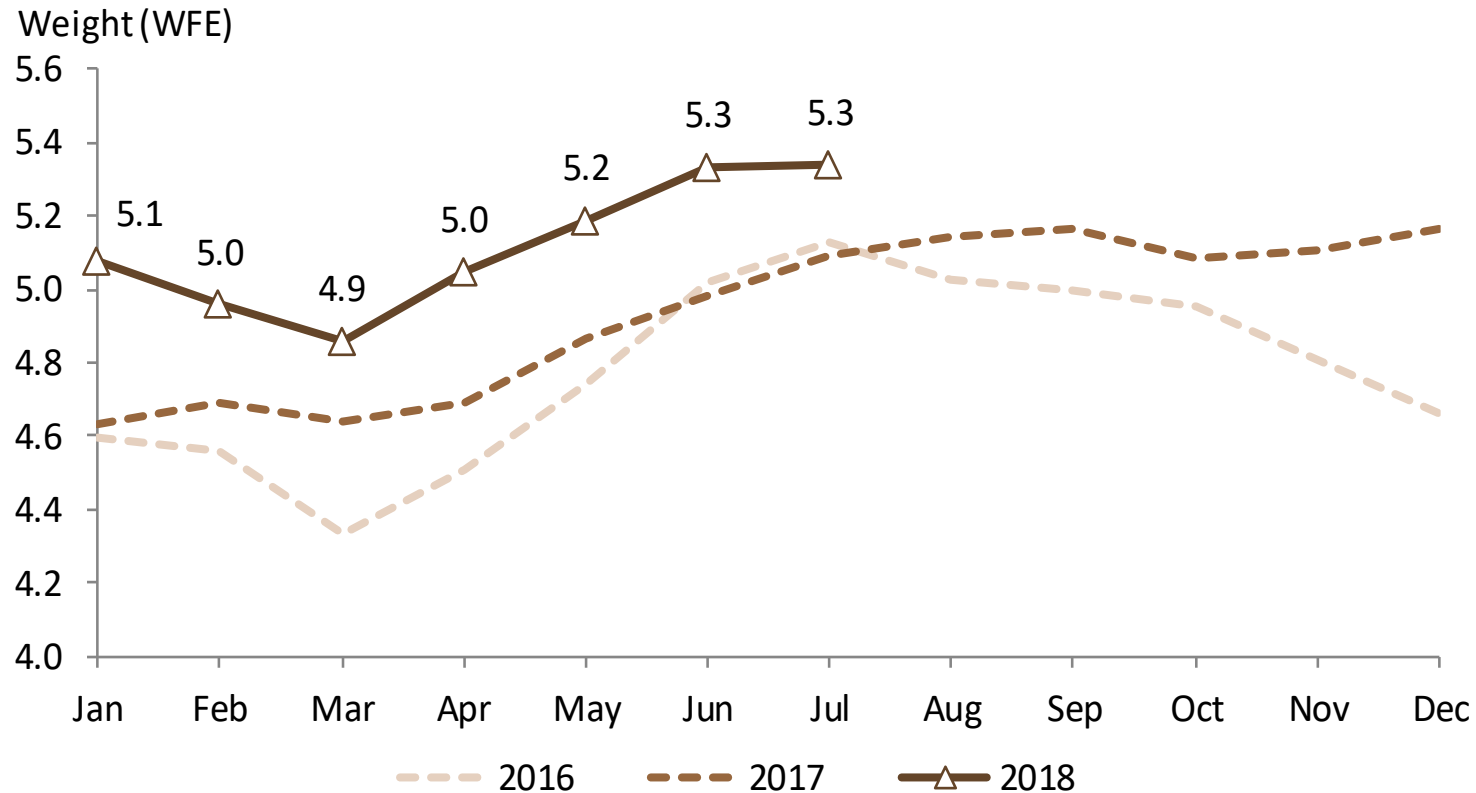
And part is bad.....

- Sanitary and enviromental crisis have shaped the industry along the years.
- Poor marketing initiatives
- Reactive rather than proactive
- Absence of a true story

But something is changing and facts have started to show
this might be more than just a “good season”

Harvest weight is increasing.....

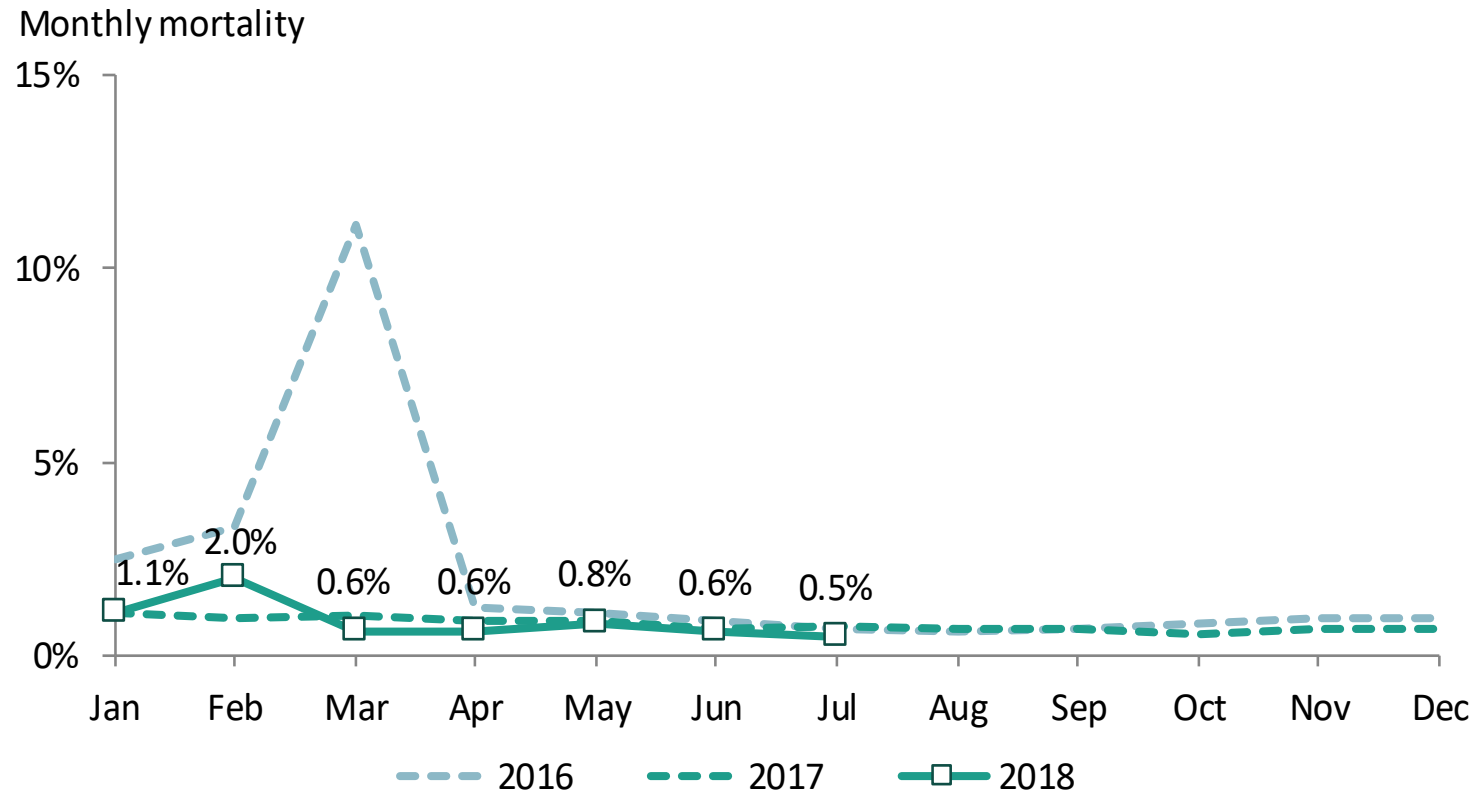
CHILE: Atlantic Salmon Harvest Average Weight (kg. WFE)



Fuente: AquaBench

Environmental causes are the main factors for unexpected mortality

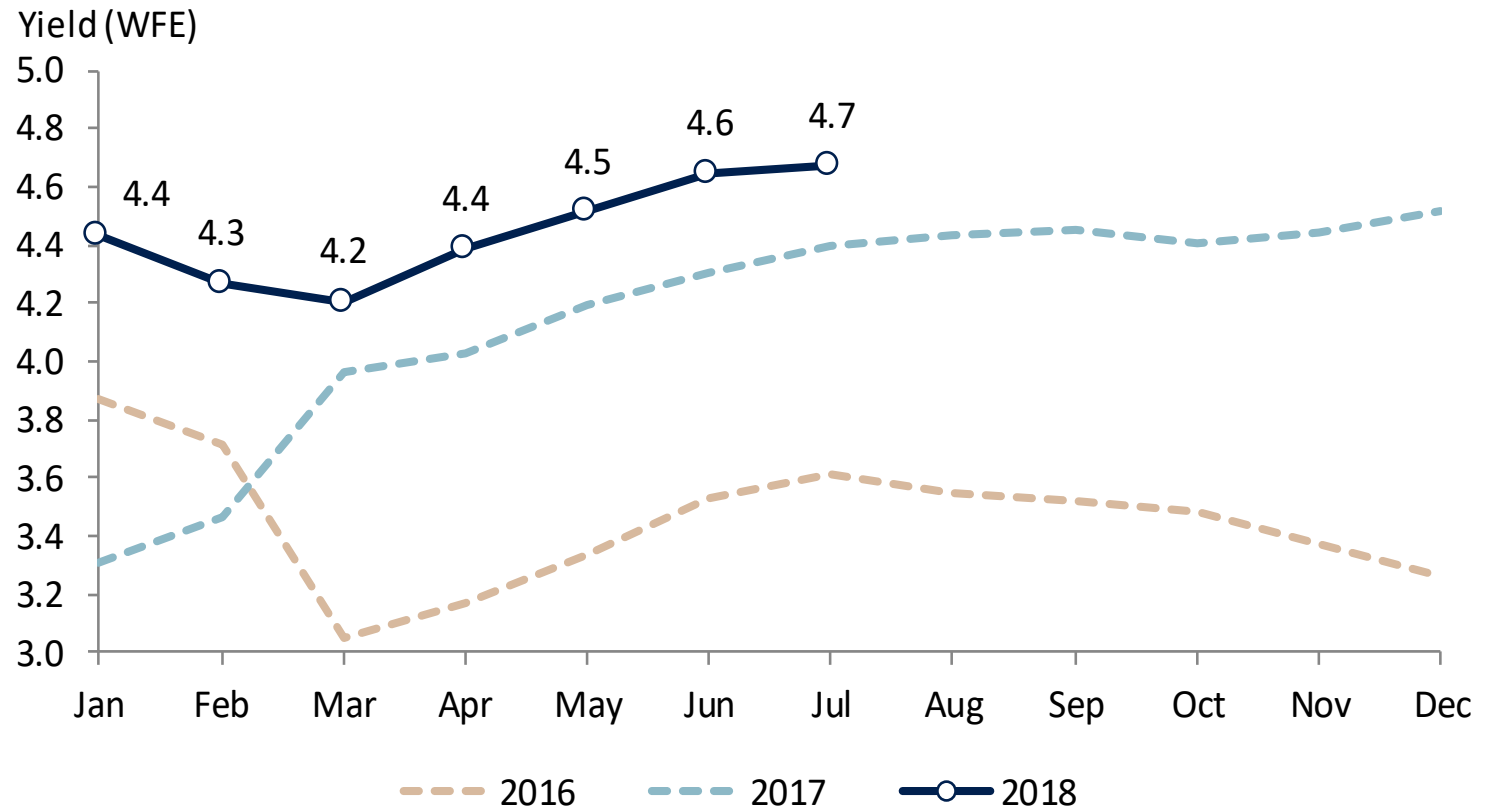
CHILE: Atlantic Salmon monthly mortality



Fuente: AquaBench

The main indicators are showing solid numbers

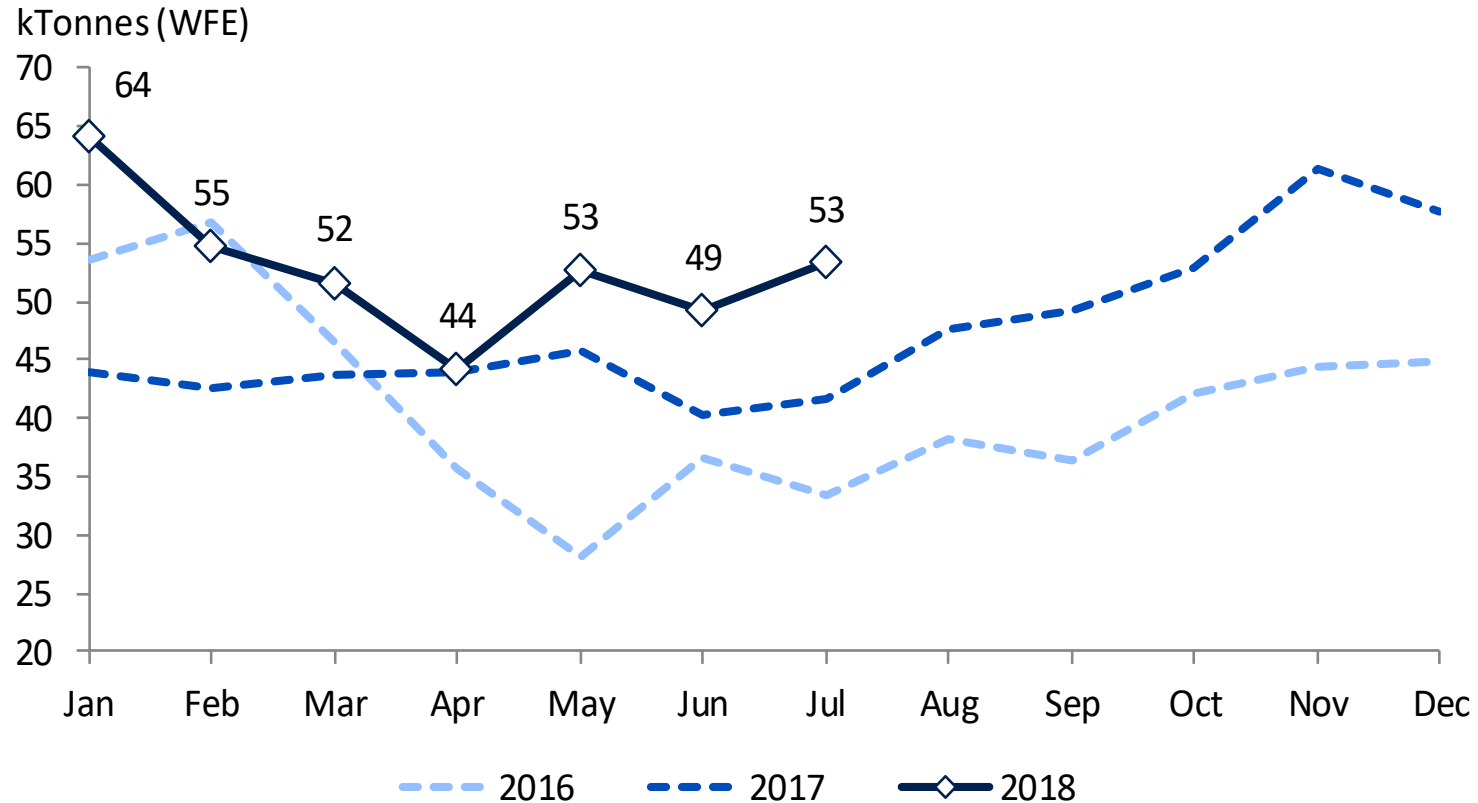
CHILE: Atlantic Salmon Smolt Yield



Fuente: ABG Sundal Collier

Leading the Industry towards sustainable growth

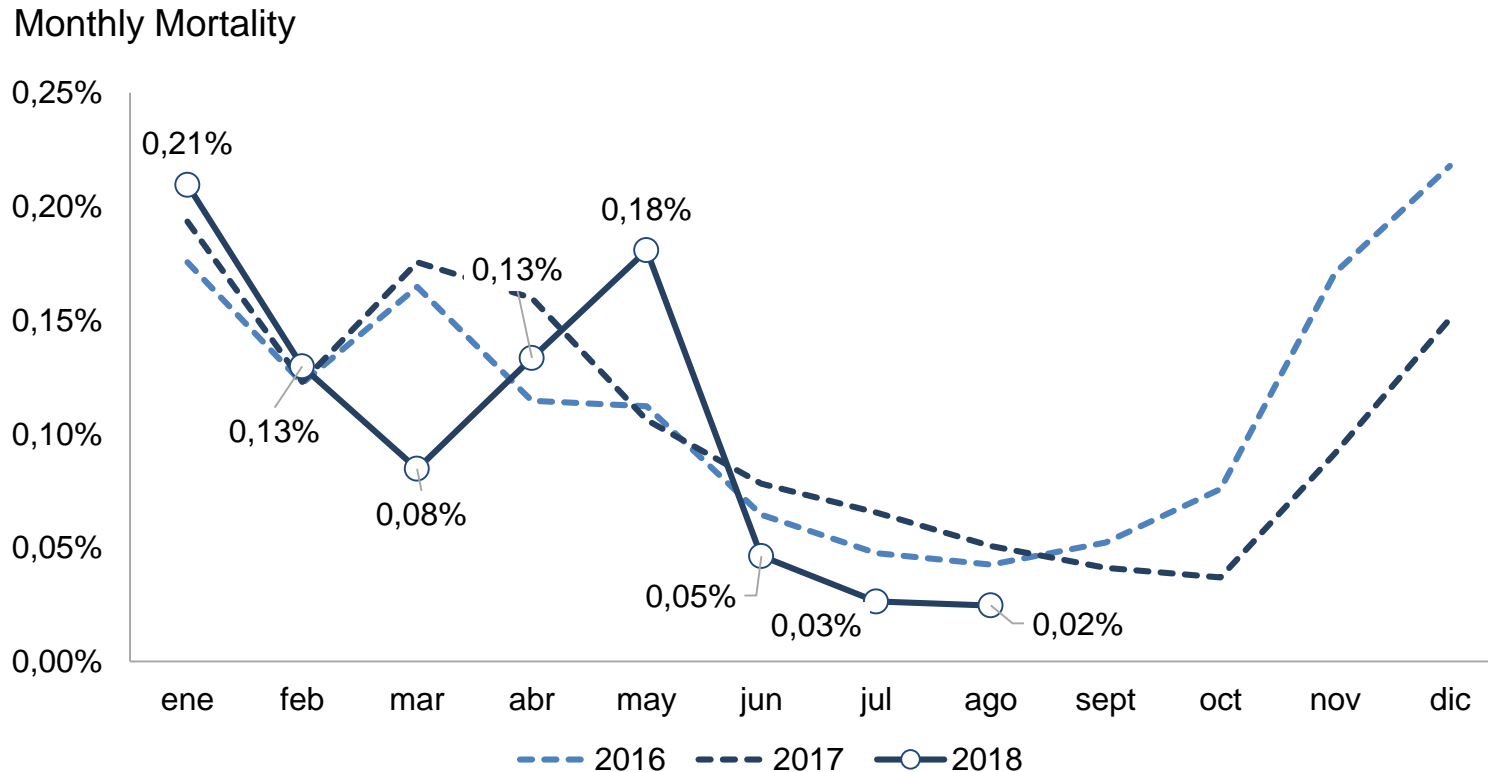
CHILE: Atlantic Salmon Monthly Harvest



Fuente: ABG Sundal Collier

Even the most complex indicators are showing improvement....

CHILE:Atlantic Salmon monthly SRS mortality



Fuente: AquaBench

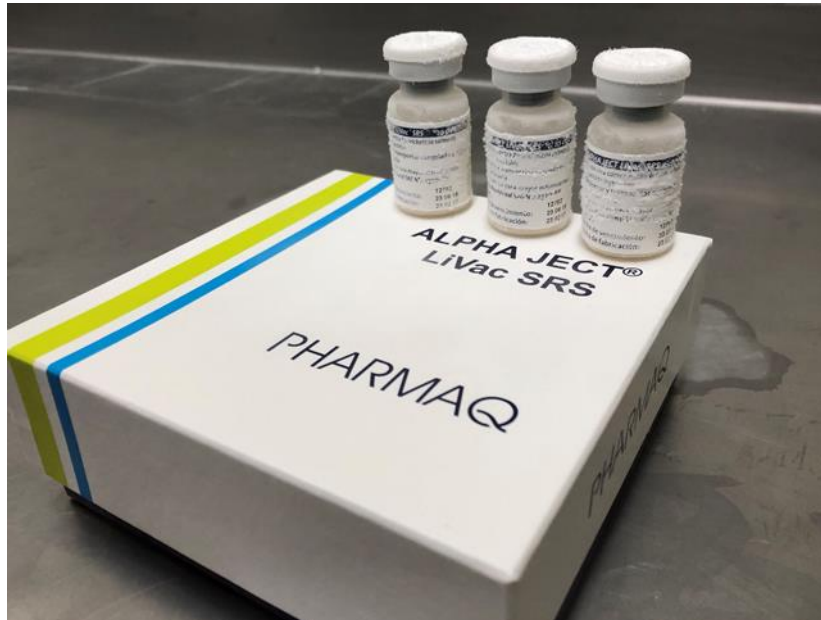
This is **NOT** magic,
nor luck

It is the result of

**High Quality Smolts
Sanitary surveillance
Controlled growth
Improved genetics
Functional Diets
Feeding strategies
New vaccines
Better infrastructure
More technology
and more.....**

Among those we have Alpha Ject LiVac SRS

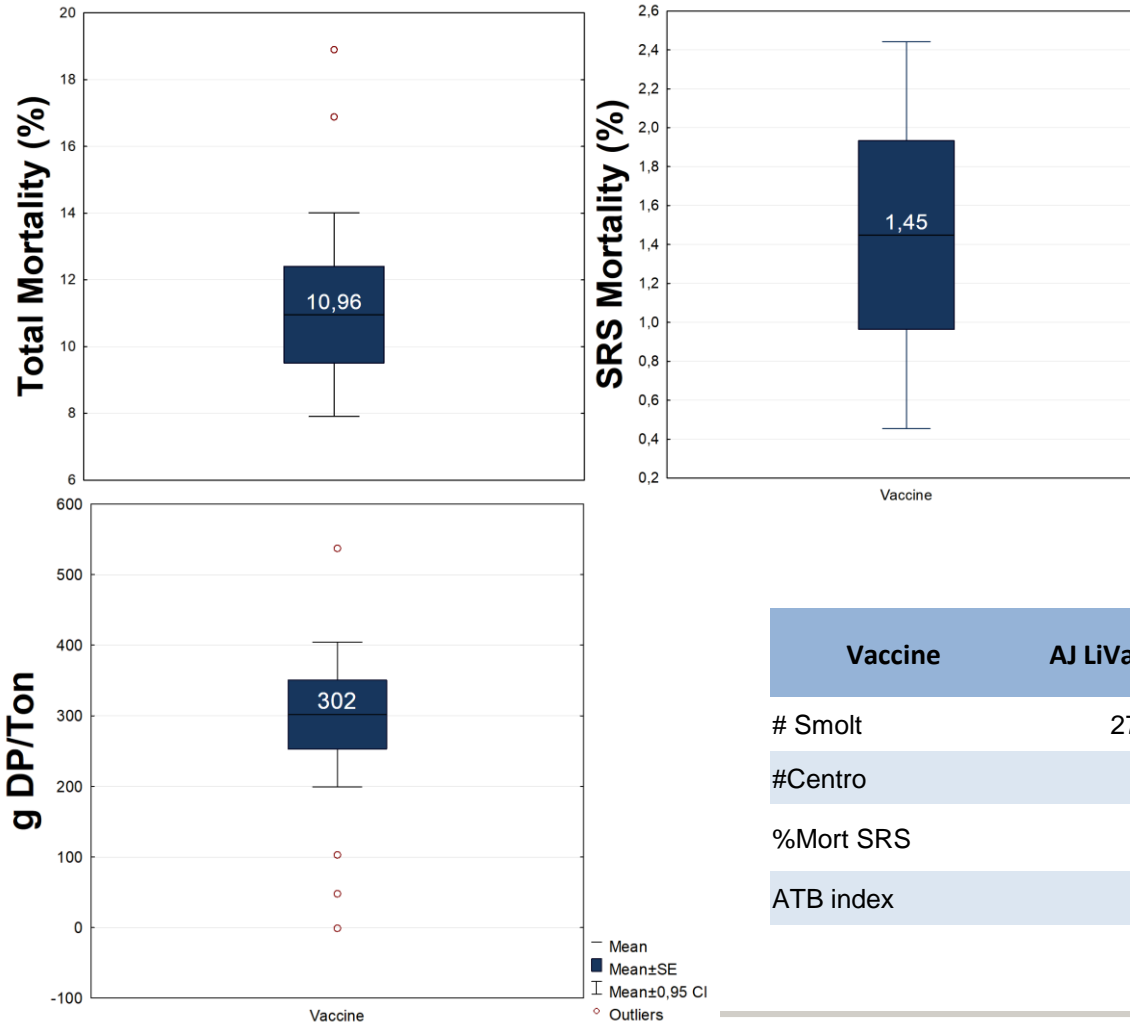
The first Specific Live Vaccine ever used in Aquaculture



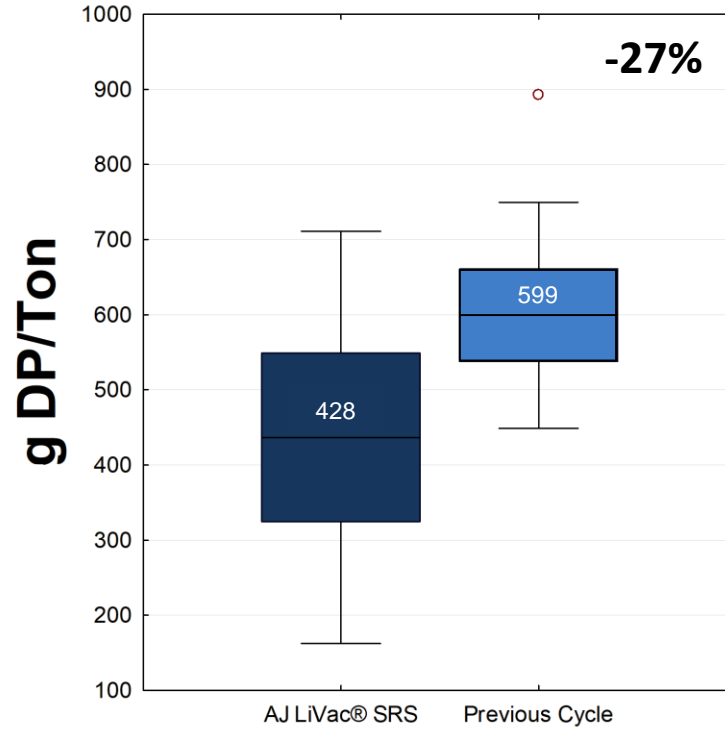
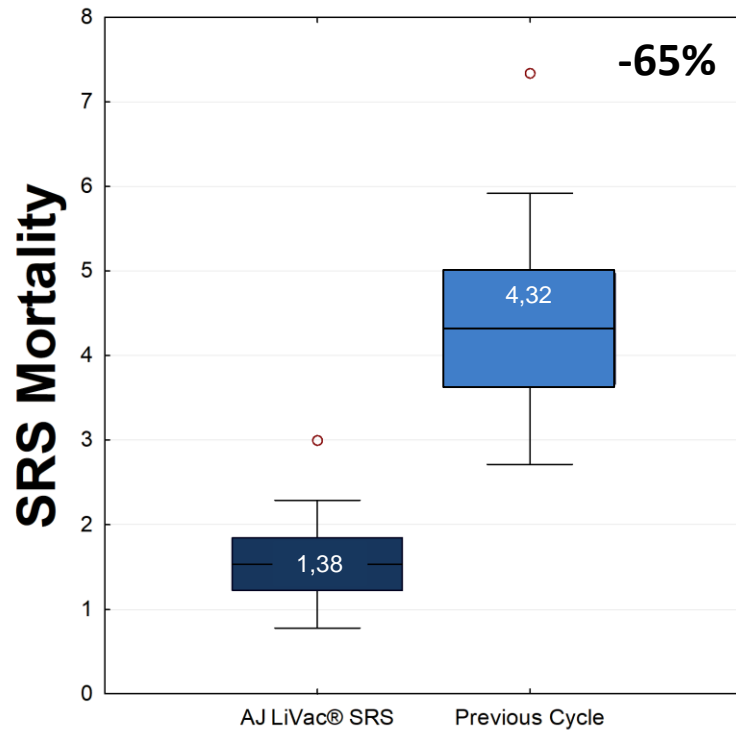
- 4 years in R&D
- It contains attenuated *Piscirickettsia Salmonis* bacteria.
- The bacteria is non virulent
- It works on the Cellular Immune System (Macrophages, Lymphocytes)
- Phagocytes the cell infected with *P. Salmonis* (intracellular bacteria)
- RPS > 95%
- Frozen -135°C (liquid nitrogen)
- It must be reconstituted in physiological serum before being applied

Source: Pharmaq

27 closed sites. Almost 30 million fish



With strong results....



Vacuna	AJ LiVac® SRS	Ciclo previo
# Smolt	8.418.510	
# Centros	8	
%Mort SRS	1,38	4,32
ATB index	428	599

What we see for the future

A stronger industry

More consolidation

Sustainable growth

Animal Health focused in prevention

Better control of production

Joint Efforts / Task Teams

Specialized diets

Controlled environmental impact

More access to improved genetics

and

many happy consumers

With the support of partners as PHARMAQ part of ZOETIS

25

MANUFACTURING
SITES

8

CORE
ANIMAL
SPECIES



5.3

BILLION
ANNUAL REVENUE

APPROXIMATE R&D
COLLEAGUES

1,000

300

APPROXIMATE
NUMBER OF
PRODUCT LINES

5

MAJOR PRODUCT
CATEGORIES

WE PROVIDE
MEDICINES
VACCINES
DIAGNOSTICS
GENETIC TESTS
BIODEVICES
SERVICES

60+

YEARS
OF
EXPERIENCE

MARKET PRESENCE IN

100+
COUNTRIES

APPROXIMATE COLLEAGUES
WORLDWIDE

9,000

OUR FOCUS

42%¹
COMPANION
ANIMAL HEALTH

57%¹
LIVESTOCK
HEALTH

2,900

APPROXIMATE
FIELD FORCE MEMBERS

Note: Facts and figures shown are as of Dec. 31, 2017 | ¹Excludes revenue associated with Client Supply Services, which represented 1% of total 2017 revenue.

PHARMAQ
we make aquaculture progress

zoetis

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