



Q1 2020 results

Santiago, Chile | 30 April 2020

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Agenda

- Highlights
- Covid-19 Update
- Operational review
- Markets
- Sustainability
- Financial review
- Outlook and summary



Q1 2020 Highlights

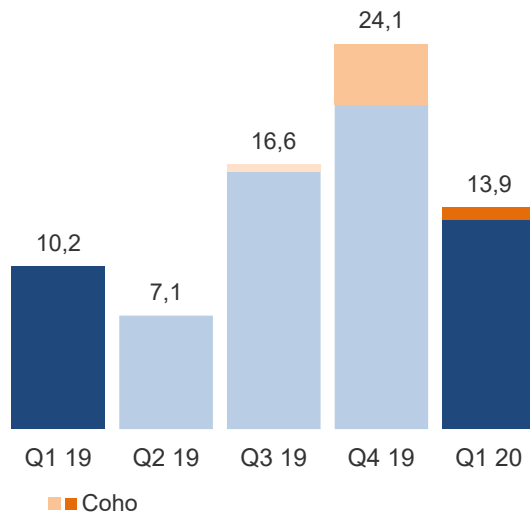
- Harvest volumes up 36% from Q1 2019
- Revenues up 12.5%, reflecting higher volumes but offset by lower prices
- First Coho cycle completed, totaling 5,062 tons WFE of which 760 tons in Q1 2020
- Trout JV turnaround in Q1 2020
- Good farming conditions for the quarter
- Atlantic finished product cost in line with long-term target
- EBIT down 24.2% due to lower market prices and negative Coho contribution



Financial highlights

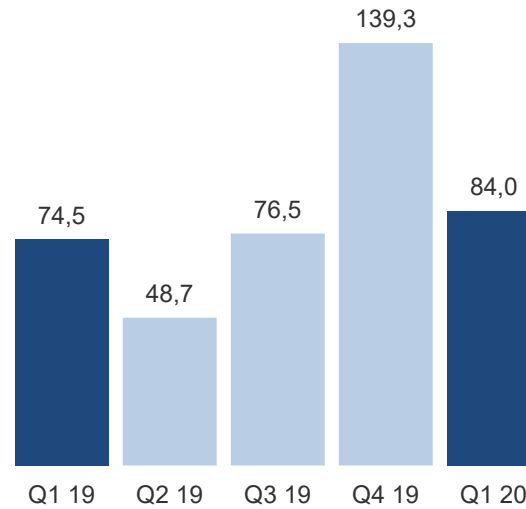
Harvest volume

Thousands tons WFE



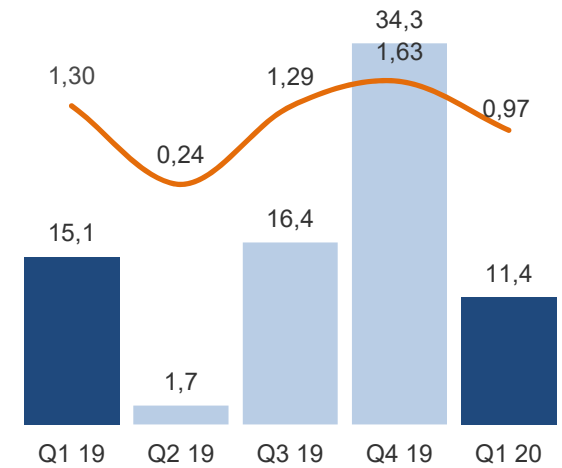
Revenues

Million USD



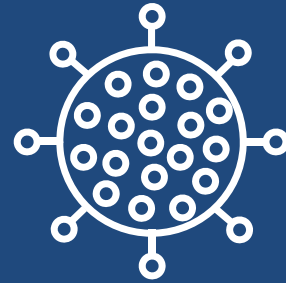
EBIT and Atlantic EBIT/kg WFE*

Million USD and USD/kg WFE



* Total EBIT/kg WFE of Q1 2020 was USD \$ 0.78/kg wfe due to negative impact of Coho





Covid-19 Update

COVID-19 Impact

- **People**

- Safety of our people is #1 priority
- Timely introducing sanitary and protection measures across the organisation
- 2 cases of Covid-19 registered as of April 20th, but no contagion within company premises

- **Farming**

- Some harvest delays due to processing restrictions, FY harvest plan declined by 2-3k MT, pushed to Q1 2021
- Moving from 60% to 80% of original harvest plan in May
- Coho 2020 harvest plan cut to 3.2k MT from 5.0k MT.

- **Processing**

- Lower density shifts reduced processing capacity to ~60% in April, 80% in May
- Focusing on value added products

- **Logistics**

- Limited impact from Chiloé disruptions
- Fewer commercial flights compensated with increase in cargo flights. Increase freight cost by 15-30%
- Maritime running normal

- **Markets & demand**

- Switch from Food Service to Retail in main markets
- HON markets (Brazil, China) at lowest prices
- Russia banned
- Uncertainty on when and how demand will recover (V, U or W shape impact?)

- **Financial Position**

- Investment plan April-Dec 20 reduced by 50%, totaling USD 21m for FY
- Cash + available credit lines: ~ USD 50 m at April 30th.

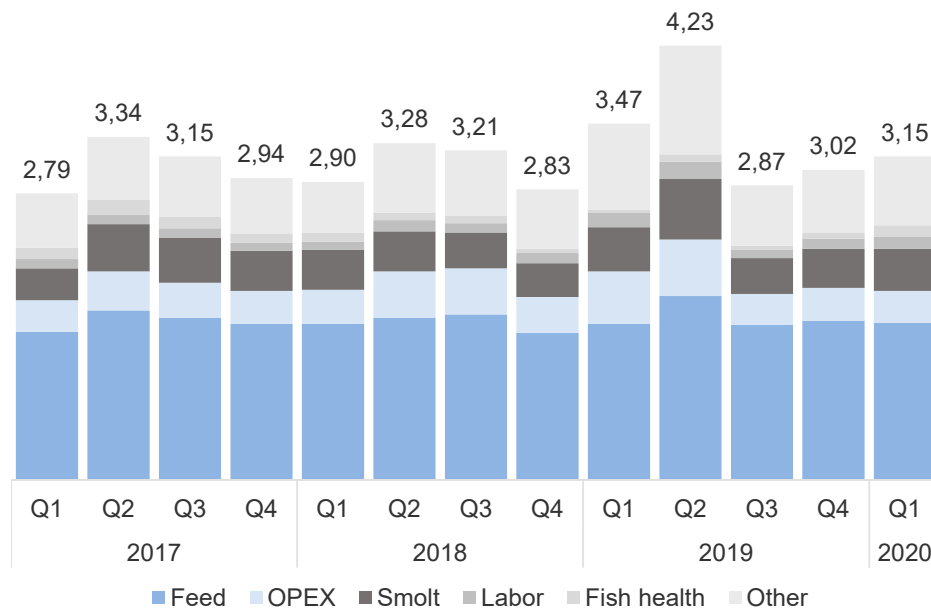




Operational review

Live weight cost: 5% above long-term USD 3/kg target

Atlantic salmon LW ex-cage cost
(USD/kg)



- Q1 2020 live weight cost at USD 3.15/kg
- Down 9% from Q1 2019 due to lower OPEX related to oxygen consumption, net cleaning & maintenance.
- 5% above target due to lower average harvest weight in region XI
- Above 1Q17 and 1Q18 as new tools were implemented to prevent blooms, O2, sealice and SRS problems
- Sea lice situation under control with increased treatment frequency and new tools.
- Treatment cost increased 6 cents per Kg



Processing cost: 9% below long-term USD 1/kg target

Atlantic salmon processing cost
(USD/kg WFE)

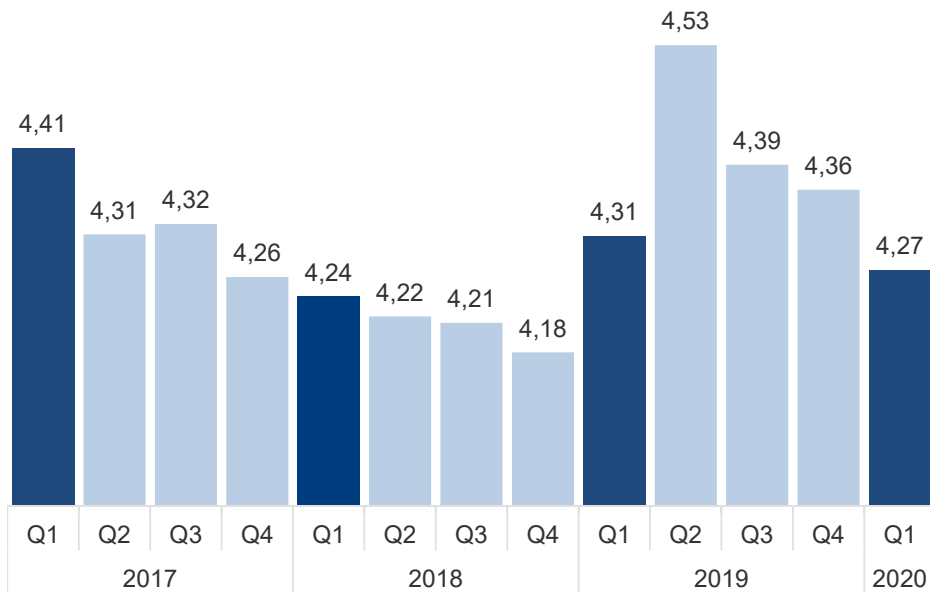


- Fillets & portions are 79% of total volume processed, but 36% larger volume
- Q1 2020 total processing cost at 91 US cents
 - Down 15 US cents from Q1 2019 due to larger scale and plant efficiencies
- Value added processing cost at US 57 cents, 24% below last 3 years avg. Q1's cost



Finished product cost: at long-term target of ~ US\$ 4.33/Kg

Atlantic Finished Product Cost LTM
(USD/kg WFE)



- 3rd consecutive quarter with decline
- Marginal change from comparable farms (Q1 2018) despite:
 - Additional vaccines for SRS and sea lice included in smolt-cost
 - New devices to prevent oxygen shortage and algae blooms at ocean farms

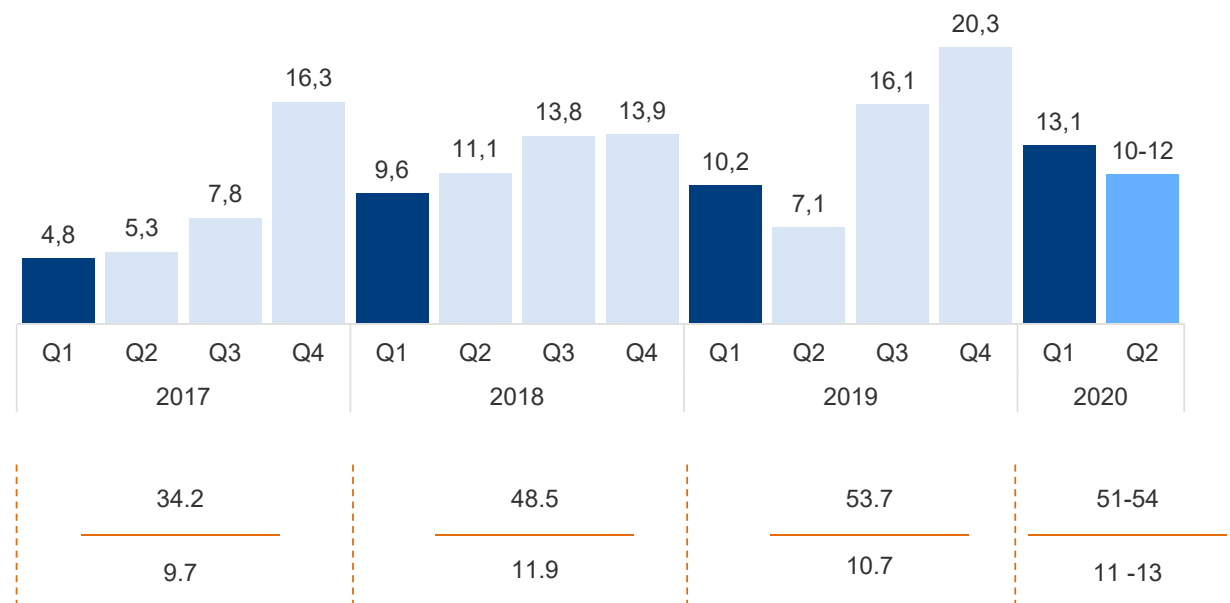


Atlantic salmon: 37% volume growth cycle-on-cycle

- Q1 2020 harvest up 37% from Q1 2018 (comparable sea sites harvested), in line with growth plan
- Q2 2020 harvest plan cut by 25% impacted by COVID-19

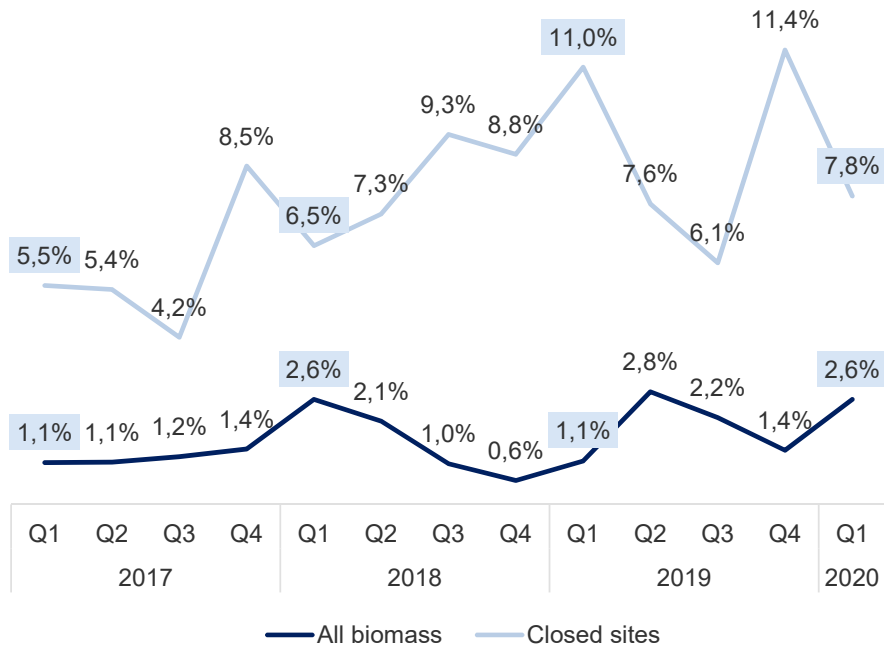
Atlantic harvest and smolt stocking

Thousand tons WFE and million units



Atlantic salmon biology

Mortality rate (% of volume harvested)



Biology indicators

	Q1 2017	Q1 2018	Q1 2019	Q1 2020
FCRb* (live weight)	1.23	1.19	1.16	1.19
Yield (kg WFE/smolt)	5.4	4.9	4.5	4.9
Average harvest weight (kg WFE)	5.7	5.3	4.9	5.2

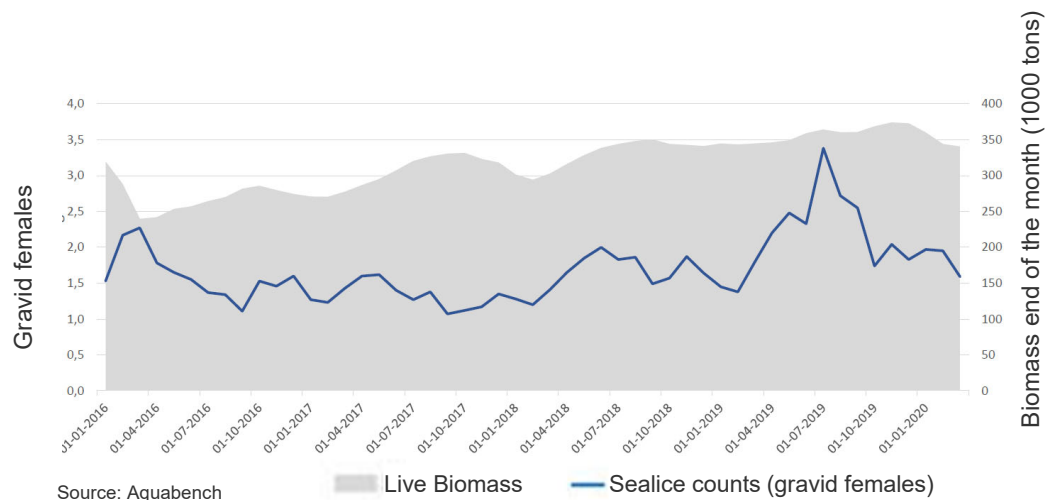
* FCRb = Biological Feed conversion ratio

- Q1 2020 biomass's performance unchanged cycle-on-cycle



Sea lice situation

of sea lice & industry biomass (Atlantic and Trout)



Recent development

- Stable biomass
- Sea lice increased in 2019 due to lower efficacy of AZM, but no biological worsening in Q1 2020
- Positive results of non-medical tool tested in Q1 2020
- As of April: 3 sites in a CAD situation, 23% of total biomass

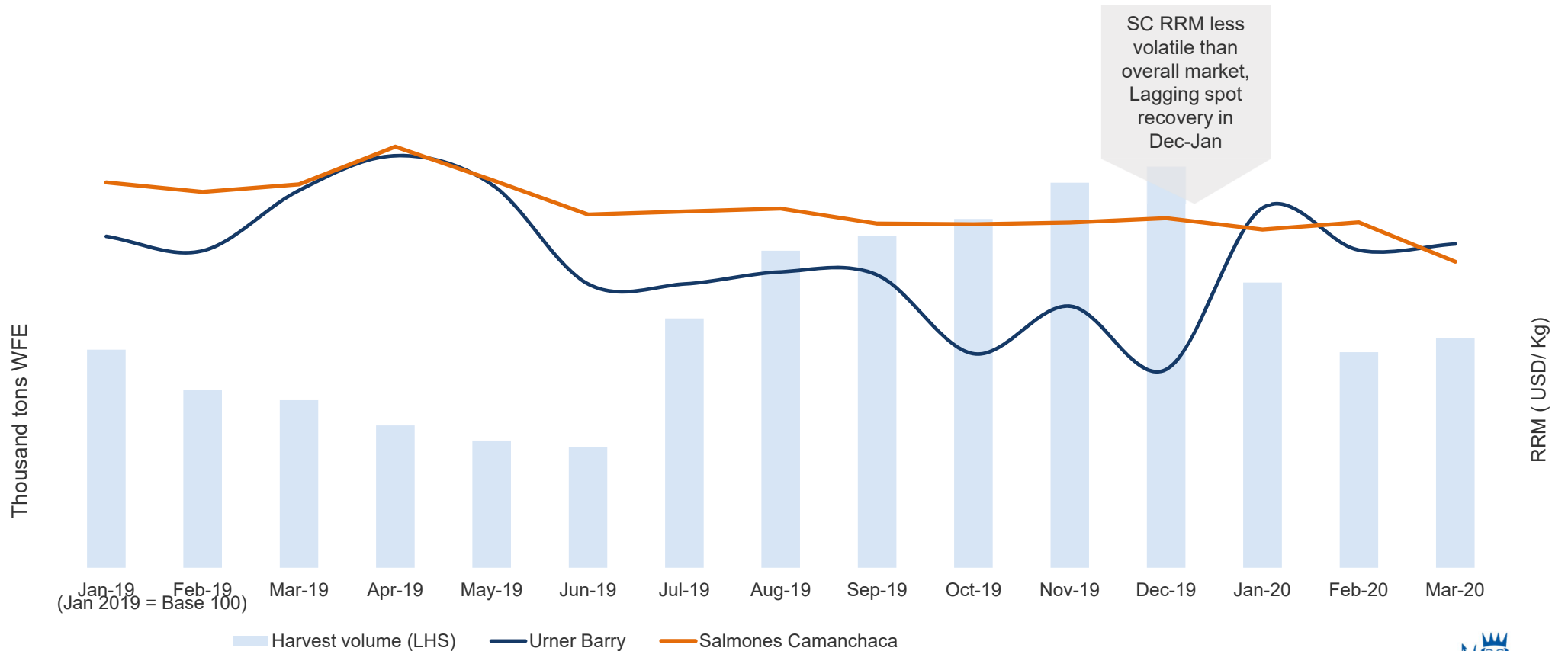




Markets

Salmones Camanchaca price achievement

Return on Raw Material (RRM)*



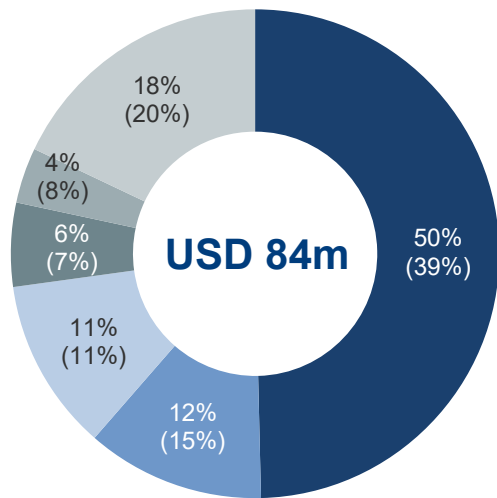
*RRM = Return or Price obtained for WFE primary processed fish



Sales Mix

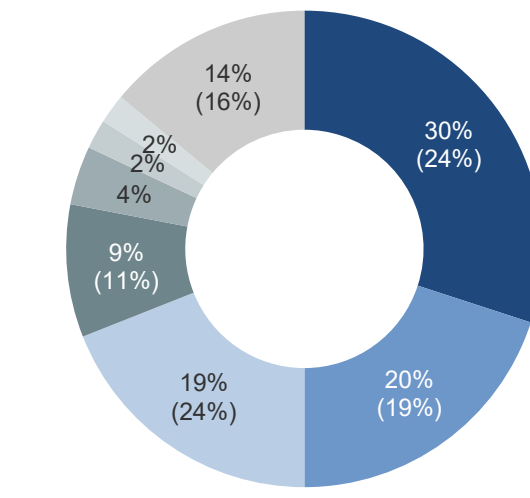
(% based on Q1 2020 revenues of Atlantic)

Total



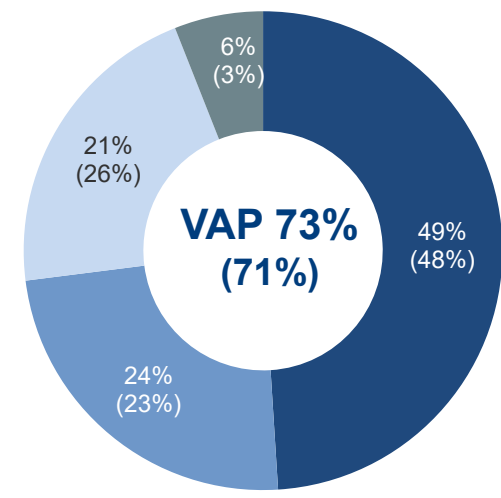
■ USA
■ Mexico
■ Russia
■ Japan
■ Brazil
■ Others

Frozen 58% (60%)



■ USA
■ Russia
■ Mexico
■ Japan
■ Germany
■ Chile
■ China
■ Others

By product type



■ Fillets
■ Portions
■ HOG
■ Others





Sustainability

An advocator for sustainable salmon farming

Sustainability indicators

(closed sites)

	Q1 2017	Q1 2018	Q1 2019	Q1 2020
FIFO Ratio	0.76	0.65	0.60	0.61
Length of cycle/Fallow period [months]	17/7	16/8	16/8	17/7
# Escape incidents	0	0	0	0
# of antibiotic treatments	2.1	1.6	0.8	1.6
Antibiotic usage (g/ton)	359.6	370.6	117.4	397.9
Antiparasitic usage (g/ton)	0.14	8.63	9.81	15.34

- 6% reduction of FIFO ratio cycle-on-cycle
- Increased use of anti-parasite pharma solutions to keep sea lice under control
- Increased use antibiotic versus Q1 2019 explained by more SRS cases, but moderate cycle-on-cycle





Financial review

Profit & Loss

- EBIT down 24.2% to USD 11.4m
 - Lower Atlantic salmon price: - 27 cents
 - Coho's negative USD - 1.5m contribution
 - Mitigated by scale, lower cost and SG&A expenses
- FV negative USD 6.1 million due to lower market prices, compares to positive USD 4.6 million in Q1 2019
- Other income: +US\$ 0.4m in Trout JV, a turnaround
- Net profit of USD 1.8m, down 86.5%, primarily due to FV adjustments

Condensed profit and loss statement

(Thousand USD)

Profit & Loss (USD 1 000)	Q1 2 020	Q1 2 019	Δ 20 vs 19
Total Revenues	83,988	74,666	9,322
SG&A	-5,240	-4,539	-701
EBITDA	15,117	17,940	-2,823
Depreciation and amortization	3,686	2,857	829
EBIT	11,431	15,083	-3,652
Fair value adjustments	-6,090	4,597	-10,687
EBIT after fair value	5,341	19,680	-14,339
Net financial items	-2,986	-282	-2,704
Other income (losses)	-38	-1,005	967
Profit before tax	2,317	18,393	-16,076
Estimated taxation	-494	-4,863	4,369
Net profit for the period	1,823	13,530	-11,707

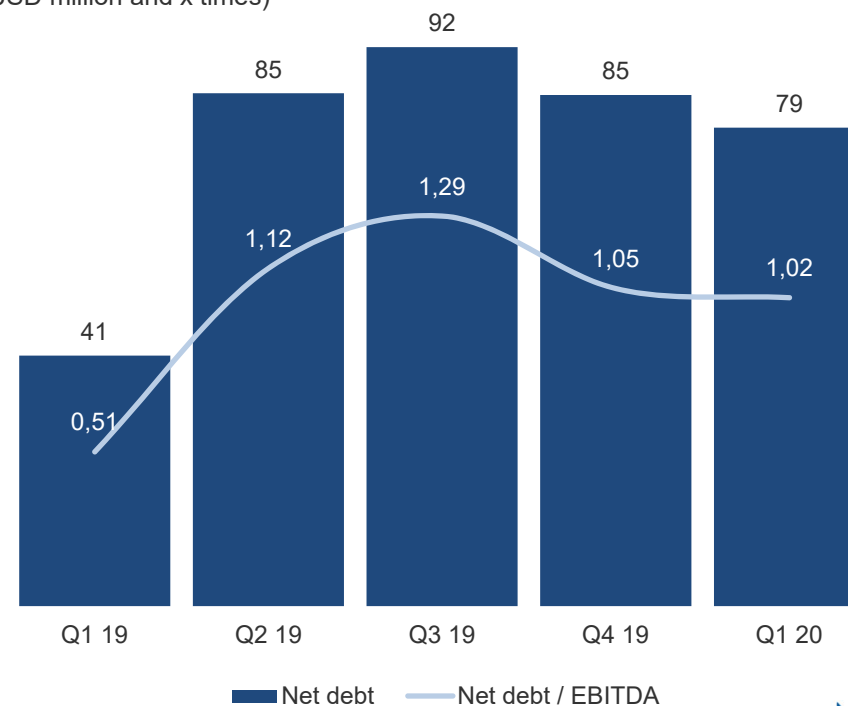


Solid Financial Position

- Net debt decreased in Q1 driven by receivables and lower inventories
- Total cash of USD 24.3m at 31 March 2020
- Committed credit line of USD 100m, 94% utilization
- Short-term credit lines totalling USD 33m, 24 utilization
- NIBD/EBITDA ratio well below covenant of 4.0x
- Equity ratio at 49.6% well above target of >40%

NIBD and NIBD/EBITDA ratio

(USD million and x times)



- _____
- _____
- _____
- _____

Summary and outlook

Summary

- Total harvest volume of 13,900 tons in Q1 2020, 36% more than Q1 2019
- Good financial position to navigate through COVID-19
- More value added products and market reallocations to optimize returns in light of Food Service decline
- Atlantic salmon harvest estimates at 51-53,000 tons in 2020, ~ 5% lower
- Coho estimate harvest cut by a third, as smolt stocking is cut by half in 2020
- No contagious levels within Camanchaca's facilities and people gaining confidence in Company's measures





Q&A