



Benchmark®

---

# Driving Sustainability in Aquaculture

---

**Q3 FY24 Presentation**

**Trond Williksen, CEO**

**Septima Maguire, CFO**

**22 August 2024**

*This document and any information contained within it is the property of Benchmark Holdings Plc and its Affiliates*

**GENETICS**

**ADVANCED NUTRITION**

**HEALTH**



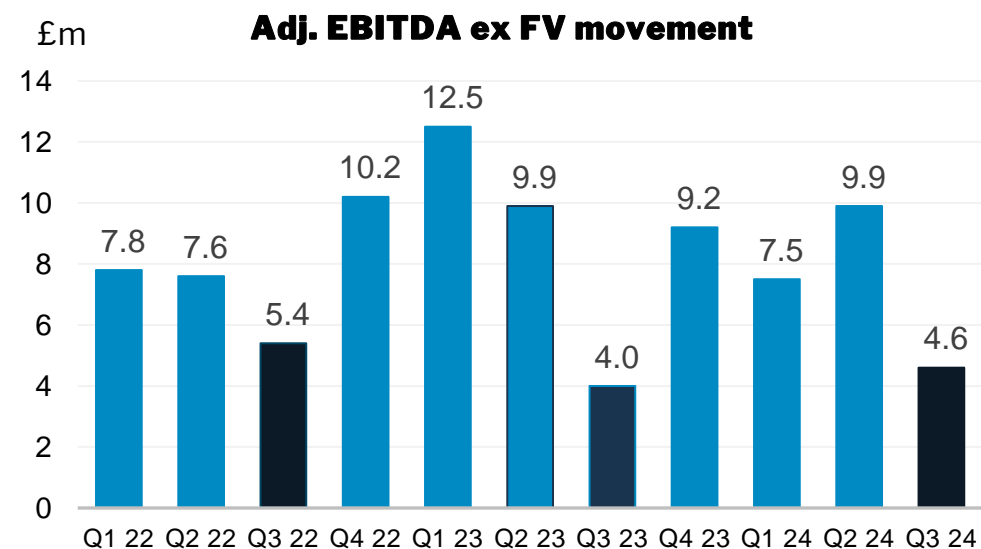
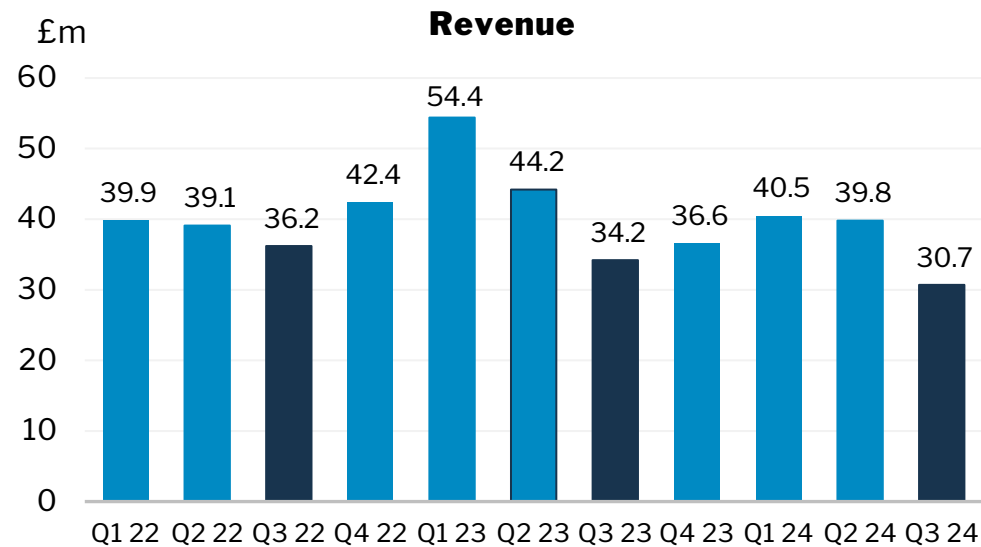
# Agenda

1. Highlights
2. Operational Update
3. Financials
4. Outlook
5. Q&A

# Q3 Highlights

## Solid performance in Adv. Nutrition and Genetics Streamlining of Health towards Ectosan® Vet transition

- Group revenues of £30.7m (-7% CER<sup>(2)</sup>)
  - Advanced Nutrition:** good trading +11% CER
  - Genetics:** solid trading albeit -17% CER reflecting timing of harvest income and shift in egg sales to Norway JV
  - Health** -41% CER; two CleanTreat® vessels decommissioned with cost base significantly reduced
- Adj. EBITDA<sup>(1)</sup> ex. FV movement in biological assets +15% CER
  - Progress in all Genetics growth vectors
  - Higher contribution from the Company's JV
  - Positive impact from streamlining in Health
- Adj. EBITDA margin ex FV movement in biological assets of 15% (Q3 2023: 12%)
  - YTD margin 20% (Q3 YTD FY23: 20%)
- Adj. Operating loss ex FV movement £0.3m (Q3 FY23: £1.2m loss)
- Strong balance sheet and liquidity





# Operational Update



# Genetics

## Solid trading and progress in all growth vectors

### Q3 FY24

- Revenues 18% below last year driven by timing of harvest income and shift from direct sales to indirect sales of eggs through Salmar Genetics, the Company's JV in Norway
  - Total volume of egg sales (direct and indirect): 69m (Q3 FY23: 70m)
- Progress across all growth vectors
  - Chile: egg volume +50%
  - +100% increase in genetic services revenues including genotyping
- 46% increase in Adj. EBITDA ex FV movement in biological assets driven by:
  - Chile – Adj. EBITDA ex FV movement of £0.5m (Q3 FY23: £1.0m loss)
  - Shrimp – Adj. EBITDA loss reduced from £0.8m to £0.5m driven by lower costs
  - Higher contribution from the JV in Norway
- Q3 Adjusted EBITDA margin ex FV movement 28% (Q3 FY23: 16%)

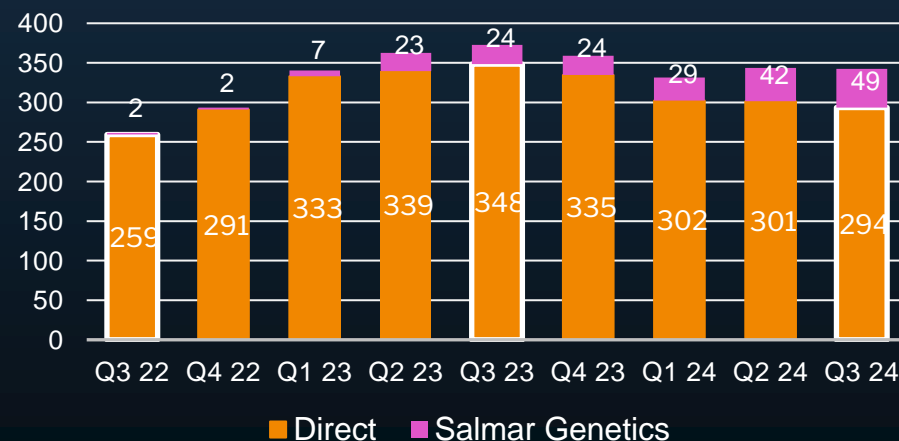
### YTD FY24

- YTD total volume of egg sales (direct and indirect): 258m (YTD Q3 FY23: 275m) with prior year benefitting from supply constraints in the market
- Adj. EBITDA ex FV movement +13%; Adj. EBITDA margin 24% (YTD Q3 FY23: 18%)



(£m)	Q3 24	Q3 23	CER %	YTD 24	YTD 23
Revenue	11.8	14.4	-17%	40.2	48.7
Gross Margin ex FV mov	53%	40%		47%	40%
Adj. EBITDA <sup>1</sup>	3.2	3.7	-13%	9.1	10.3
Adj. EBITDA <sup>1</sup> ex FV mov	3.3	2.3	+45%	9.7	8.6
Adj. EBITDA <sup>1</sup> ex FV margin	28%	16%		24%	18%

### LTM Salmon eggs sold (m)



(1) Adj. EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure (2) Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates

# Genetics



## Innovation in core genetics salmon business

### YTD progress and milestones

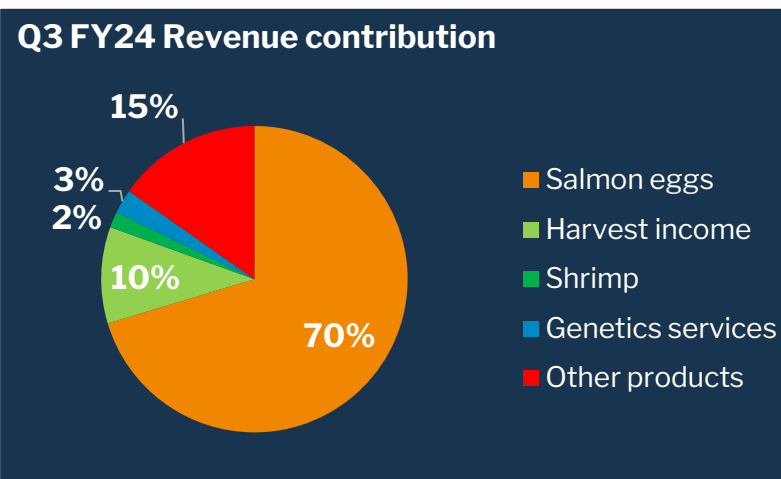
- **Product differentiation through development of new traits and use of new technologies**
  - New salmon lines launched in FY24
  - Significant advancement in gill health disease programme addressing a key challenge; launch expected in FY25
- **Progress on systematic effort to layer transformative genetic technologies onto our genetics products**
  - Diploid sterility
  - Gene editing targets
  - Scalable methods for application of gene editing to our breeding programmes
- **Publication of findings to understand genetic resistance to sea lice in Coho**
  - Aim to use gene editing to transfer resistance into Atlantic salmon
  - Output from collaborative Crispresist project involving leading institutions and selected industry players
  - <https://bmcbiol.biomedcentral.com/articles/10.1186/s12915-024-01952-8>



# Progress in growth vectors driving profitability

- **Chile:** excellent performance with customer wins building foundation for future growth
- **Shrimp:** good progress in development of new local breeding lines; commercial traction leveraging Advanced Nutrition position
- **Genetic Services:** investment in resources to strengthen our offering including genotyping

(£m)	Core salmon inc. harvest income		Chile		Shrimp		Genetics Services		Total	
	Q3 FY24	Q3 FY23	Q3 FY24	Q3 FY23	Q3 FY24	Q3 FY23	Q3 FY24	Q3 FY23	Q3 FY24	Q3 FY23
Revenue	10.8	13.5	0.3	0.3	0.2	0.3	0.4	0.2	11.8	14.4
Gross profit ex FV	5.4	6.8	0.8	(0.7)	(0.4)	(0.5)	0.4	0.2	6.2	5.8
Adj. EBITDA ex FV	3.0	3.8	0.5	(1.0)	(0.5)	(0.8)	0.2	0.2	3.3	2.3
Adj. EBITDA ex FV %	28%	28%	154%	n.m.	n.m.	n.m.	55%	87%	28%	16%
Adj. EBITDA	3.0	5.3	0.5	(1.0)	(0.5)	(0.8)	0.2	0.2	3.2	3.7
Adj. EBITDA %	28%	39%	154%	n.m.	n.m.	n.m.	55%	87%	27%	26%
Adj Op. Profit ex FV	1.9	3.0	0.4	(1.1)	(0.8)	(1.0)	0.2	0.2	1.7	1.1



# Advanced Nutrition

## Solid Q3 performance against continued soft markets

### Q3 FY24

- Revenues +11% CER with good trading partially offset by forex (yoy +4% AER)
- Adjusted EBITDA of £1.8m (Q3 FY23: £3.4m) reflects:
  - Lower margins due to product mix in Artemia portfolio driven by Artemia grades in prior season. FY24 season high in quantity and quality
  - Higher costs due to temporary disruption in trading routes to avoid Suez Canal

### YTD FY24

- Revenue 1% CER above prior year; 7% below yoy reflecting forex impact
- Adjusted EBITDA<sup>(1)</sup> margin was 20%; YTDQ3 FY23: 24%

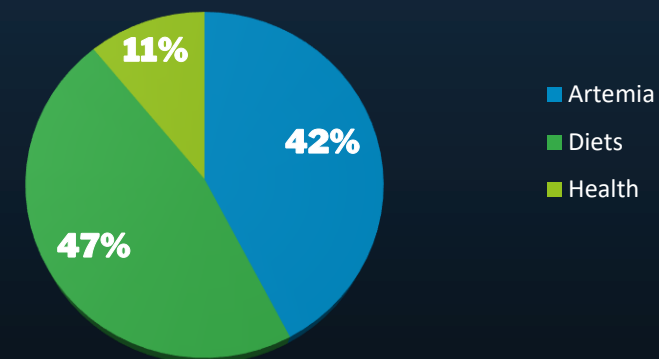
### Market conditions

- Markets remain soft; some green shoots of recovery not yet translating into recovery
- We maintain commercial focus and continue actions to optimise performance
  - Expansion of product portfolio; strengthened presence in key markets
- Steps by regulators and players in key markets support fundamentals
  - India - reduction of import duty on aquaculture supplies
  - Ecuador – value added shrimp products to stimulate exports



(£m)	Q3 24	Q3 23	CER%	YTD 24	YTD 23
Revenue	16.8	16.1	11%	57.2	61.4
Gross Margin	48%	59%		52%	55%
Adj. EBITDA <sup>1</sup>	1.8	3.4	-43%	11.7	14.9
Adj. EBITDA margin	11%	21%		20%	24%
Adj. Operating Profit <sup>(2)</sup>	1.1	2.8	-55%	9.7	13.1

### Q3 FY24 Revenue contribution



(1) Adj. EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure (2) Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates



# Health

## Streamlined infrastructure and organisation as part of transition to new business model for Ectosan® Vet and CleanTreat®

### Q3 FY24

- Second CleanTreat® unit decommissioned and significant streamlining of organisation resulting in immediate cost savings
- Business rightsized to deliver Salmosan® Vet solution
- Capability to deploy Ectosan® Vet and CleanTreat® onto customer infrastructure maintained subject to customer investment in infrastructure – barge or wellboat
- Revenue -43% as we transition towards a new business model for Ectosan® Vet and CleanTreat®; Salmosan® Vet revenues +17%
- Adjusted EBITDA<sup>(1)</sup>: nil (Q3 FY23: £1.0m loss)

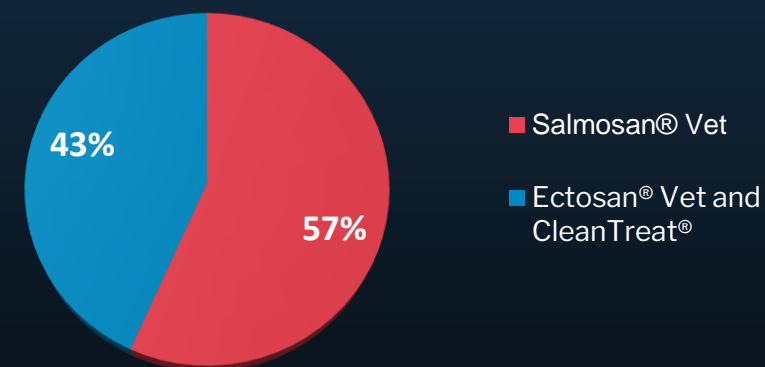
### YTD Q3 FY24

- YTD results reflect planned transition; benefit of streamlining coming through Q3 onwards
  - Revenue 40% below prior year
  - Adjusted EBITDA<sup>(1)</sup>: £2.3m (YTD23: £5.6m)



(£m)	Q3 24	Q3 23	CER %	YTD 24	YTD 23
Revenue	2.2	3.8	-41%	13.6	22.9
Gross Margin	66%	21%		52%	51%
Adj. EBITDA <sup>1</sup>	0.0	-1.0	+104%	2.3	5.6
Adj. EBITDA margin	2%	-27%		17%	25%
Adj. Operating Profit <sup>2</sup> /(loss)	(2.6)	(4.5)	+41%	(7.2)	(4.3)

### Q3 FY24 Revenue contribution



1) Adj. EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure (2)  
Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates



# Financial Update

# Income statement highlights

£m	Q3 24	Q3 23	% AER	% CER	YTD Q3 24	YTD Q3 23	% AER	% CER
Revenue	30.7	34.2	-10%	-7%	110.9	132.9	-17%	-11%
Gross profit	15.6	17.5	-11%	-8%	54.9	66.8	-18%	-13%
R&D	(1.4)	(1.5)	6%	4%	(4.5)	(4.5)	0%	-3%
Other operating costs	(9.9)	(10.5)	6%	4%	(30.2)	(34.3)	12%	9%
Adjusted EBITDA <sup>1</sup>	4.5	5.4	-17%	-14%	21.3	28.1	-24%	-17%
Adj. EBITDA ex FV movement	4.6	4.0	15%	19%	21.9	26.4	-17%	-10%
Adj. EBITDA margin ex FV mov.	15%	12%			20%	20%		
Adjusted Operating Profit/(loss) <sup>2</sup>	(0.4)	0.2	-278%	-216%	5.7	12.6	-55%	-43%
Adj. Operating Profit <sup>2</sup> ex FV mov.	(0.3)	(1.2)	76%	84%	6.3	10.9	-43%	-28%
Exceptional costs	(2.6)	(0.5)	-389%	-387%	(5.1)	(3.2)	-57%	-61%
Net finance costs	(2.9)	(0.2)	-1194%		(7.1)	(2.4)	+192%	
Loss before tax	(9.4)	(4.3)	-121%	-118%	(17.3)	(5.4)	-217%	-191%
Loss for the period	(9.9)	(4.2)	-138%	-135%	(18.7)	(6.9)	-173%	-156%

(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure

(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs

## Q3 FY24

- Revenue 10% below (-7% CER)
- Adj. EBITDA excluding FV movement in biological assets +15% (+19% CER)
- Adj. EBITDA margin excluding FV movement in biological assets of 15% (Q3 FY23: 12%)
- 6% reduction in operating costs (4% CER)

## YTD Q3 FY24

- Revenue below YTD Q3 FY23 resulting from lower Genetics revenues against a strong FY23, lower Advanced Nutrition revenues due to soft shrimp market conditions and a reduction in Health through decommissioning of CleanTreat® units
- Adj. EBITDA margin excluding FV movement was 20% which was in line with FY23
- Increase in exceptional costs of £1.9m, primarily relating to the formal review of the Company's strategic options and other restructuring actions taken
- Net finance costs up £4.7m as a result of non-repetition of prior year income from ineffectiveness of hedge accounting coupled with increased interest costs due to higher borrowings



# Cashflow, net debt and liquidity (Q3 FY24)

£m	
<b>Net debt<sup>1</sup> at 31 March 2024</b>	<b>(72.7)</b>
Cash generated from operations	1.2
Capital expenditure	(0.8)
Foreign exchange on cash and debt	(1.2)
Interest and tax (inc. lease interest)	(4.5)
Lease additions and modifications	2.9
Share issue	0.1
Other	(0.1)
<b>Net debt<sup>1</sup> at 30 June 2024</b>	<b>(75.1)</b>

- Net cash inflow from operating activities of £1.2m (Q3 FY23: £3.9m)
  - Higher investment into working capital from £1.1m outflow in Q3 FY23 to an outflow of £1.3m in Q3 FY24
- Net cash used in investing activities £0.6m (Q3 FY23: £0.2m inflow) of which capex was £0.8m (Q3 FY23: £1.1m) offset by proceeds from sale of fixed assets
- Interest and tax:
  - net interest paid of £2.4m
  - tax paid of £2.1m
- £2.1m used in financing activities (Q3 FY23: £6.8m)
- Ample liquidity and headroom
  - Cash of £17m and liquidity of £34.2m (cash and available liquidity) as of 30 June 2024

# Cashflow, net debt and liquidity (YTD)

£m	
<b>Net debt<sup>1</sup> at 1 October 2023</b>	<b>(65.5)</b>
Cash generated from operations	3.0
Capital expenditure	(2.7)
Foreign exchange on cash and debt	1.7
Interest and tax (inc. lease interest)	(12.4)
Lease additions and modifications	1.1
Share issue	0.1
Other	(0.4)
<b>Net debt<sup>1</sup> at 30 June 2024</b>	<b>(75.1)</b>

- Net cash inflow from operating activities of £3.0m (YTD Q3 FY23: £17.6m inflow) due to increased working capital and greater loss for the period
  - Working capital outflow of £14.1m (Q3 YTD FY23: £5.3m) with impacts from the timing of sales and supplier payments as well as inventories remaining steady in current year
- Net cash used in investing activities £2.1m (Q3 YTD FY23: £3.3m) of which capex was £2.7m (Q3 YTD FY23: £4.7m)
- Interest and tax:
  - net interest paid of £6.6m
  - tax paid of £5.8m
- Cash outflow from financing activities of £13.5m. Q3 YTD FY23: £7.9m, including £10.9m net proceeds from equity raise and £3.3m net income from borrowings offset by the acquisition of minority interest in Iceland of £8.0m
- Cash of £17.0m and liquidity of £34.2m (cash and available facility) as at 30 June 2024
- Cash of £22.8m and liquidity of £37.1m (cash and available facility) as at 20 August 2024

The background of the slide is a photograph of a sunset or sunrise over a body of water. The sky is a mix of soft pinks, oranges, and blues. The water is dark and has gentle ripples. In the middle ground, a person is swimming, with only their head and shoulders visible above the water. The word "Outlook" is written in a large, white, sans-serif font on the left side of the image, framed by two horizontal white lines.

# Outlook



# Outlook FY24

Trading well against backdrop of soft market conditions in Adv. Nutrition and reorganisation of Health  
Despite short term impact each business area positioned to deliver shareholder value in mid and long term



## Genetics

- Good visibility of salmon egg deliveries against comparatively strong FY23
- Progress in growth vectors – Chile, shrimp and genetic services



## Advanced Nutrition

- Continuing robust performance
- Soft markets prevail
- Well positioned for market recovery



## Health

- Salmosan® Vet expected to continue to perform well
- Profitable and cash generative post restructuring

The background of the slide is a photograph of a sunset or sunrise over a body of water. The sky is a mix of soft pinks, oranges, and blues. The water is dark with gentle ripples. In the middle ground, a person is swimming, with only their head and shoulders visible above the water.

---

# Thank you Q&A

---

# Disclaimer

## IMPORTANT NOTICE

This presentation has been prepared by Benchmark Holdings plc (the "**Company**") in connection with the Q3 FY24 results on 24 August 2023.

This presentation does not constitute a prospectus or an admission document relating to the Company, nor does it constitute or form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Company nor shall this presentation or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract for the same.

Information in this presentation relating to the price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to the future performance of such investments.

The presentation may contain forward-looking statements. These statements relate to the future prospects, developments and business strategies of the Company. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "potential", "intend", "may", "plan", "will" or variations or similar expressions, or the negative thereof. Any forward-looking statements contained in the presentation are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Any forward-looking statements speak only as at the date of the presentation. Except to the extent required by applicable law or regulation, including the rules made by the AIM Rules of the London Stock Exchange, the Company undertakes no obligation to publicly release any update or revisions to any forward-looking statements contained in the presentation to reflect any change in events, conditions or circumstances on which any such statements are based after the time they are made.

This presentation contains non-GAAP/non-IFRS financial information which the Company's management believes is valuable in understanding the performance of the Company. However, such non-GAAP/non-IFRS information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Company's industry. Although these measures are important in the assessment and management of the Company's business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP/IFRS measures.

No reliance may be placed, for any purposes whatsoever, on the information contained in this presentation or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company, or any of its respective directors, partners, officers, employees, advisers or any other persons as to the accuracy, fairness or sufficiency of the information or opinions contained in this presentation and none of the information contained in this presentation has been independently verified by any person. Save in the case of fraud, no liability is accepted for any errors, omissions or inaccuracies in such information or opinions.

Neither this presentation nor any copy of it may be (i) taken or transmitted into the United States of America, (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended), (iii) taken or transmitted into or distributed in Canada, Australia, the Republic of Ireland or the Republic of South Africa or to any resident thereof, or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.