



## **Q2 2024 results**

**Ricardo García, Vice Chairman**  
**Manuel Arriagada, CEO**

13 August 2024 - Santiago, Chile

# Q2 2024 Highlights

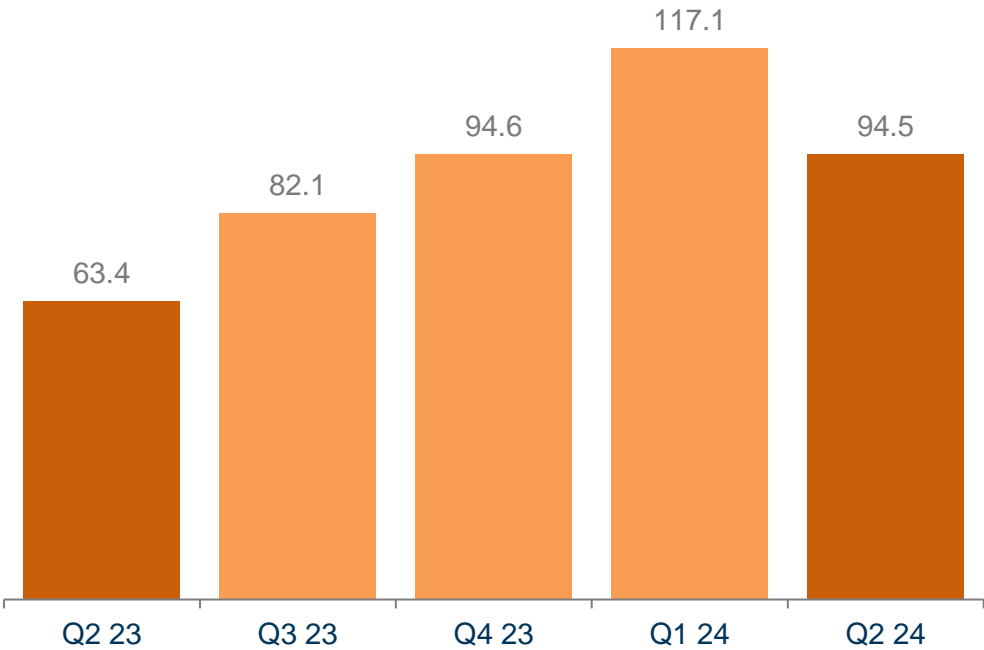


1. Operating Revenues at USD 94.5m, was up 49% explained by higher volumes sold (+61% Atlantic and +80% Coho), partially offset by lower prices in Atlantic -10% and Coho -25%.
2. Atlantic harvest was 81% higher at 11.6k MT WFE, as we recover some of the weight loss of the 1<sup>st</sup> quarter, as we somewhat postponed harvests to gain harvest weights in the following months.
3. EBITDA at USD 14.7m, up from USD 4.3m in Q2 23 (+USD 10.4m) explained by:
  - USD +5.4m: higher Atlantic volumes sold.
  - USD +6.4m: non-recurrent related to operational contracts with certain strategic counterparts.
  - USD +4.6m: lower Atlantic COGS.
  - USD +2.6m: full availability of Tomé plant in Q2 24.
  - USD +2.5m: reversal of inventory provisions.
  - USD -8.6m: lower Atlantic price.
  - USD -2.8m: lower Coho margins (lower prices).
4. Lower Atlantic LW ex-cage cost at USD 4.64/Kg, down 34 cents from Q2 23 as we harvest more volume with higher harvest weights; lower feed prices.
5. No extraordinary mortalities, while biological indicators improved compare with previous cycle, outperforming the industry's KPI.
6. 2024 harvest estimates (MT WFE): Atlantic 46k to 48k; and Coho 4k to 5k. Total close to 51k.

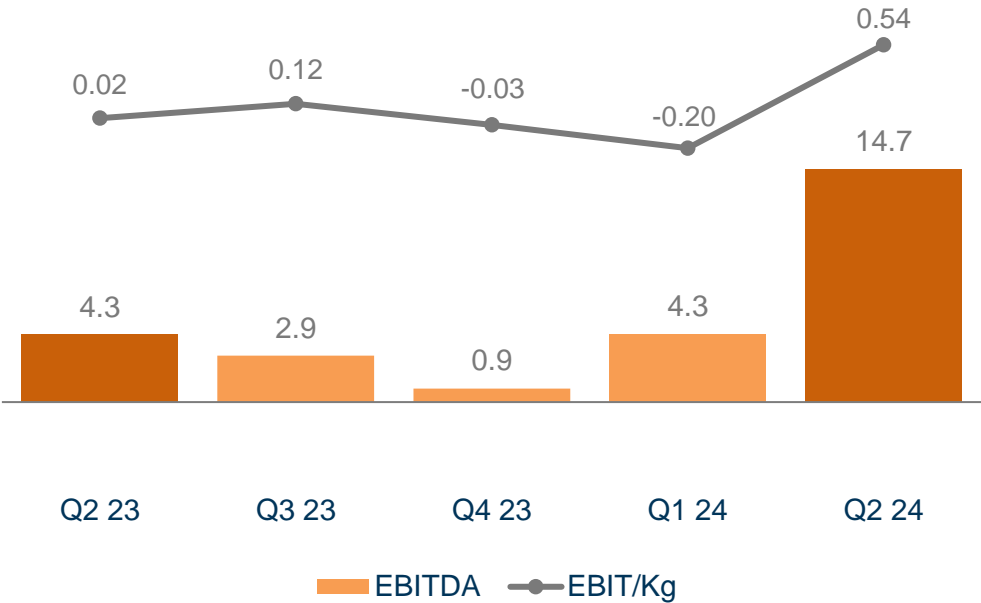
# Financial Highlights



Revenues  
Million USD



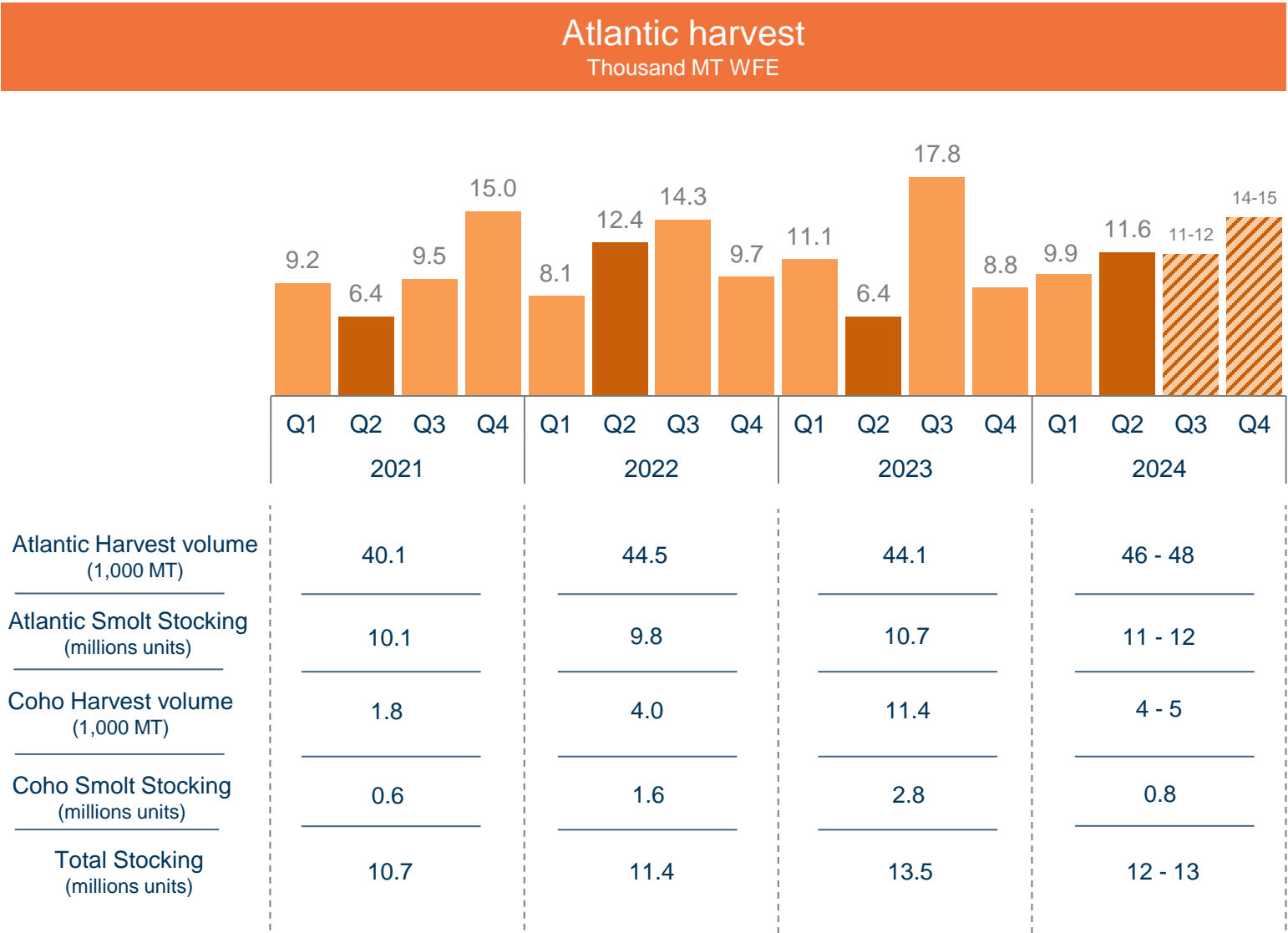
EBITDA and EBIT/kg WFE  
USD million and USD/kg WFE



# Harvest & Stockings Growth in 2024



- Higher Atlantic harvest volume in Q2 24 mainly by the postponed harvests from Q1 (+81% vs Q2 23).
- Total stocking for 2024e are in line with 2023, but with more Atl. and fewer Coho.
- Atlantic 2024 harvest plan at 46-48k & 4-5k for Coho (MT WFE).
- Chile Atlantic stocking in Q2 24 decreased 7%, and Coho 26% vs Q2 23 (\*).







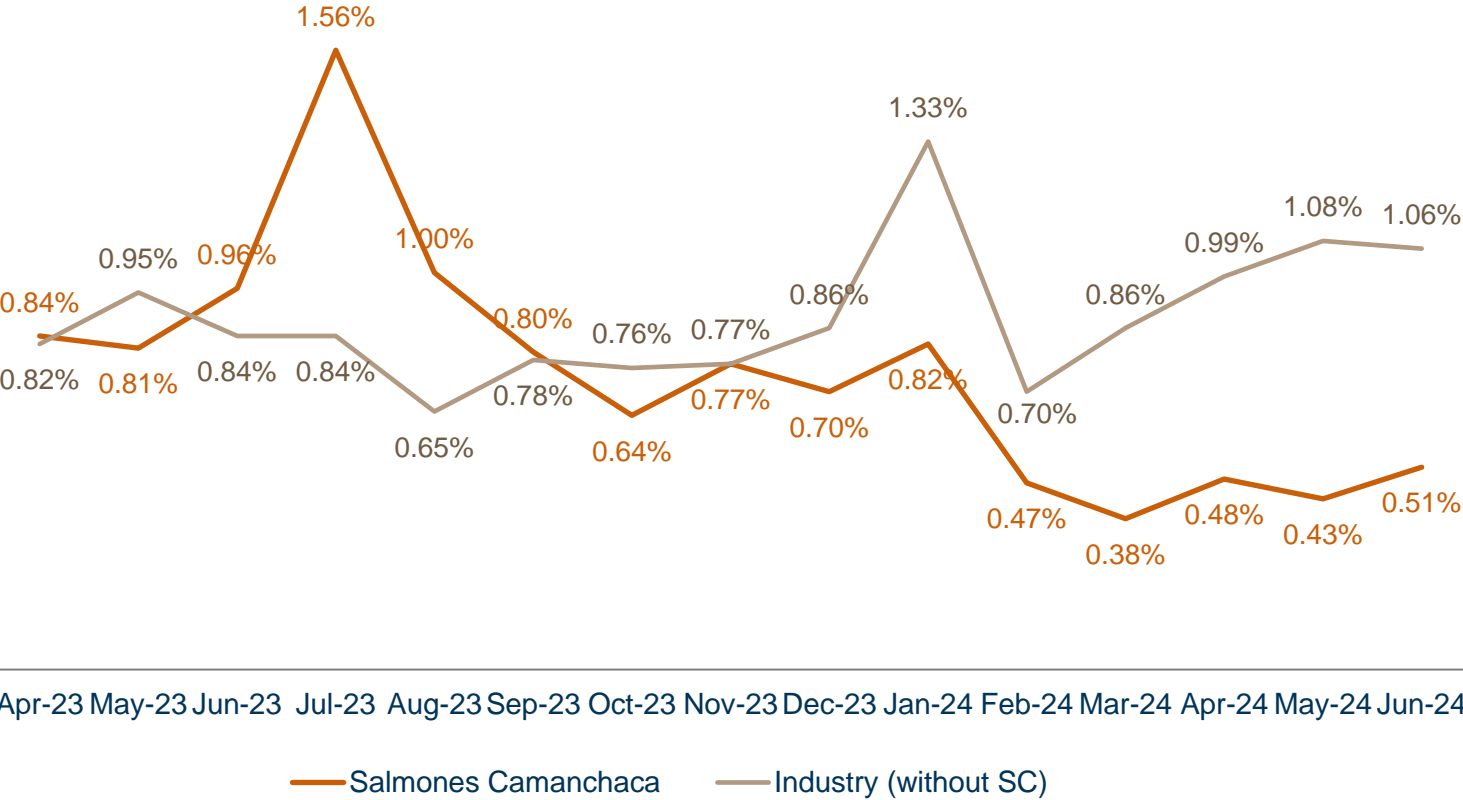
## Operational review

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# Atlantic biology: favorable relative performance



Mortality rate  
SC vs Industry (ex-SC)



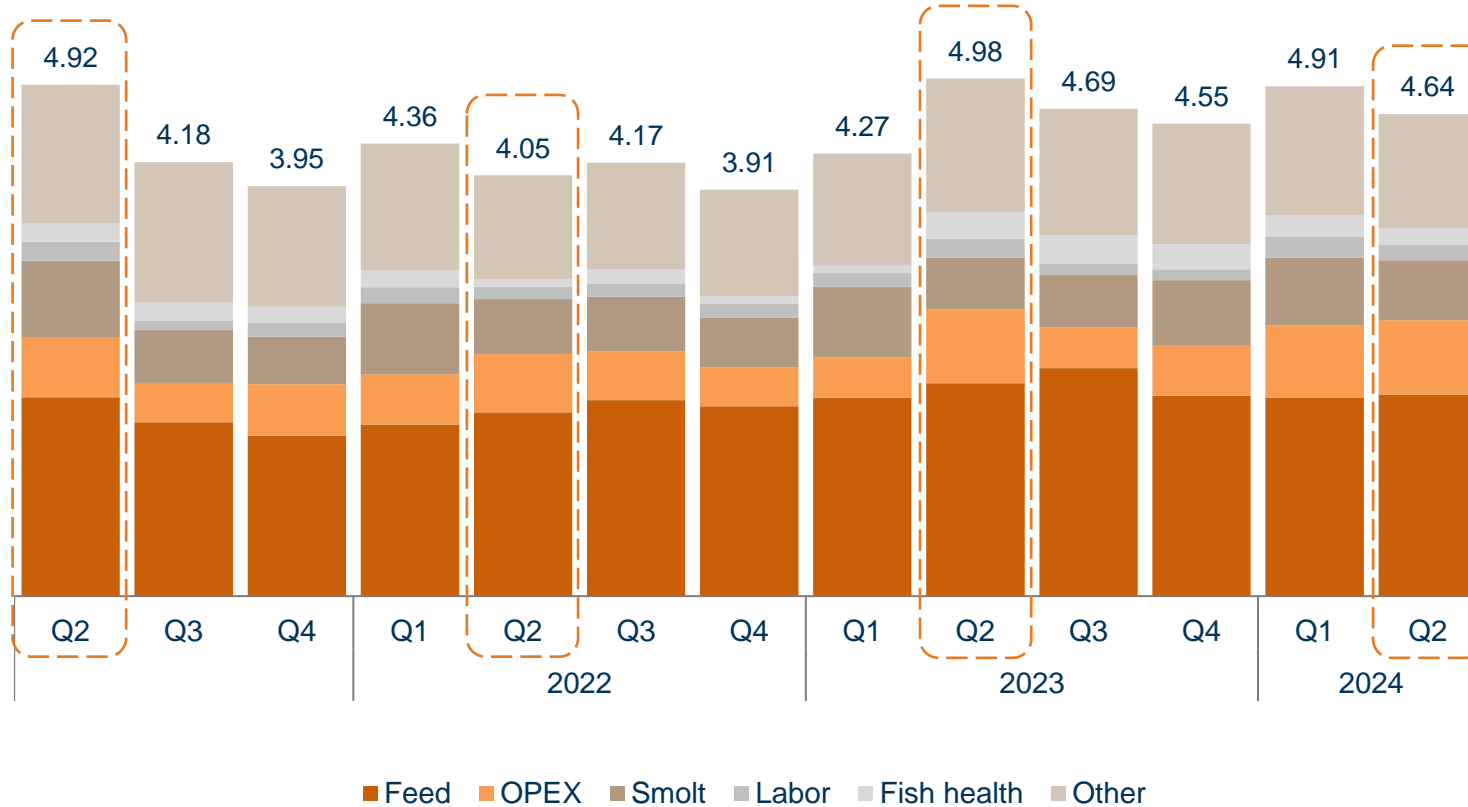
SC vs Industry indicators  
(closed groups as of June 2024)

Indicator	Industry average	SC
Mortality (%)	12.4%	6.2%
FCRe acum (WFE)	1.31	1.26
SGR (Specific Growth rate)	0.74	0.78
Length of cycle (months)	13.9	12.8
Grs antibiotic/MT produced	380	282
Average harvest weight (Kg)	5.0	4.7

# Atlantic farming cost



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

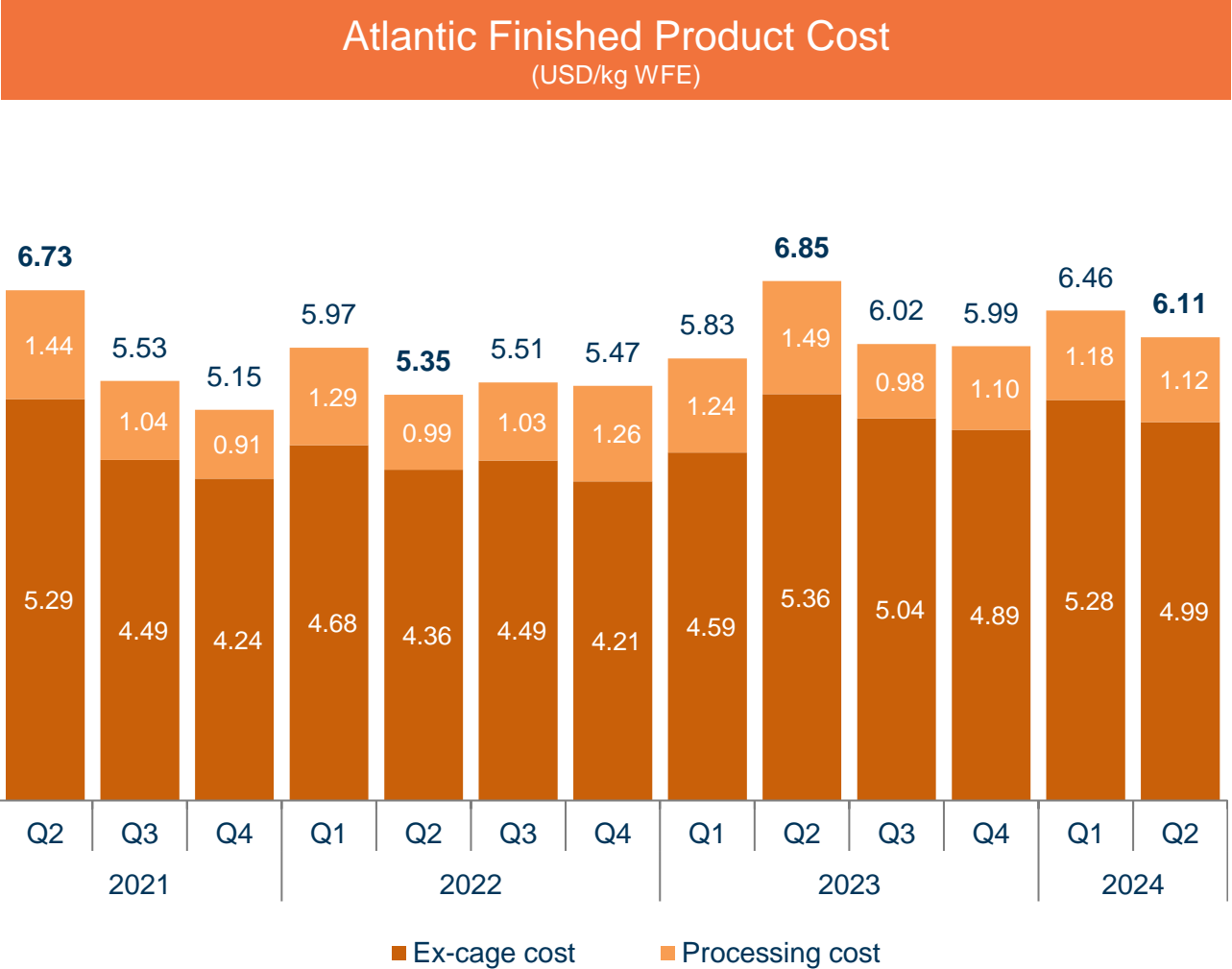


- Q2 24 LW cost at USD 4.64/kg, 34 cents lower vs Q2 23:
  - Higher harvest volumes
  - 10 c: Lower feed costs
  - 10 c: Lower treatments
  - 4 c: Lower mitigation cost
  - 10 c: Operational efficiency
- Q2 24 LW cost still higher than Q2 2022 (comparable biological year) mainly due to feed costs, treatments and mitigation measures.

# Atlantic finished product: all-in cost



- Total cost at USD 6.11/Kg WFE, down 11% vs Q2 23 (63 cents).
- Processing cost at USD 1.12/Kg WFE (-25% vs Q2 23), driven by higher volumes and processing efficiencies.





# Atlantic farming sustainability: favorable outcome in comparable sites



## Atlantic sustainability indicators (closed sites)

Indicator	Q2 2022	Q2 2023	Q2 2024
FIFO Ratio	0.45	0.62	<b>0.22</b>
Length of cycle/Fallow period (months)	16/8	14/10	<b>15/9</b>
Escapes (# of fish)	0	0	<b>0</b>
Average antibiotic treatments	3.0	0.6	<b>0.9</b>
Antibiotic usage (g/MT)	515	174	<b>291</b>
Antiparasitic usage (g/MT)	4.1	2.5	<b>6.1</b>

- Fish in Fish Out ratio at 0.22, well below SLL target.
- Farming's length of cycle in average level, lowering risks and extending fallow periods.
- ASC certified harvested biomass at 72% in Q2 2024.
- Important decrease of AB usage (g/MT) and AB treatments from Q2 22 (comparable sites) as total biomass exhibit favorable biological conditions.



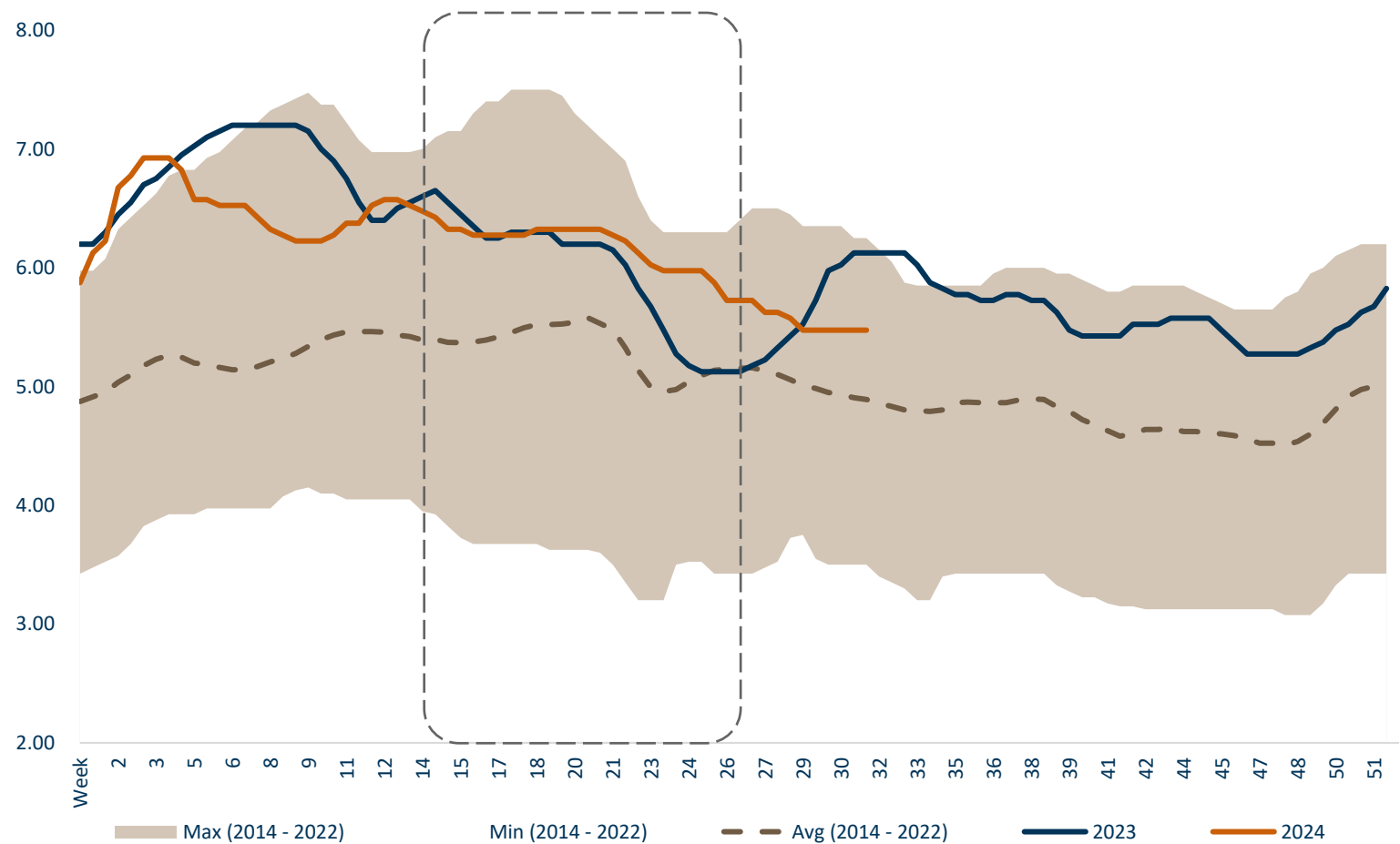
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## Markets

# Atlantic salmon price



UB Miami 3-4 Mid Trim D  
(USD per LB)

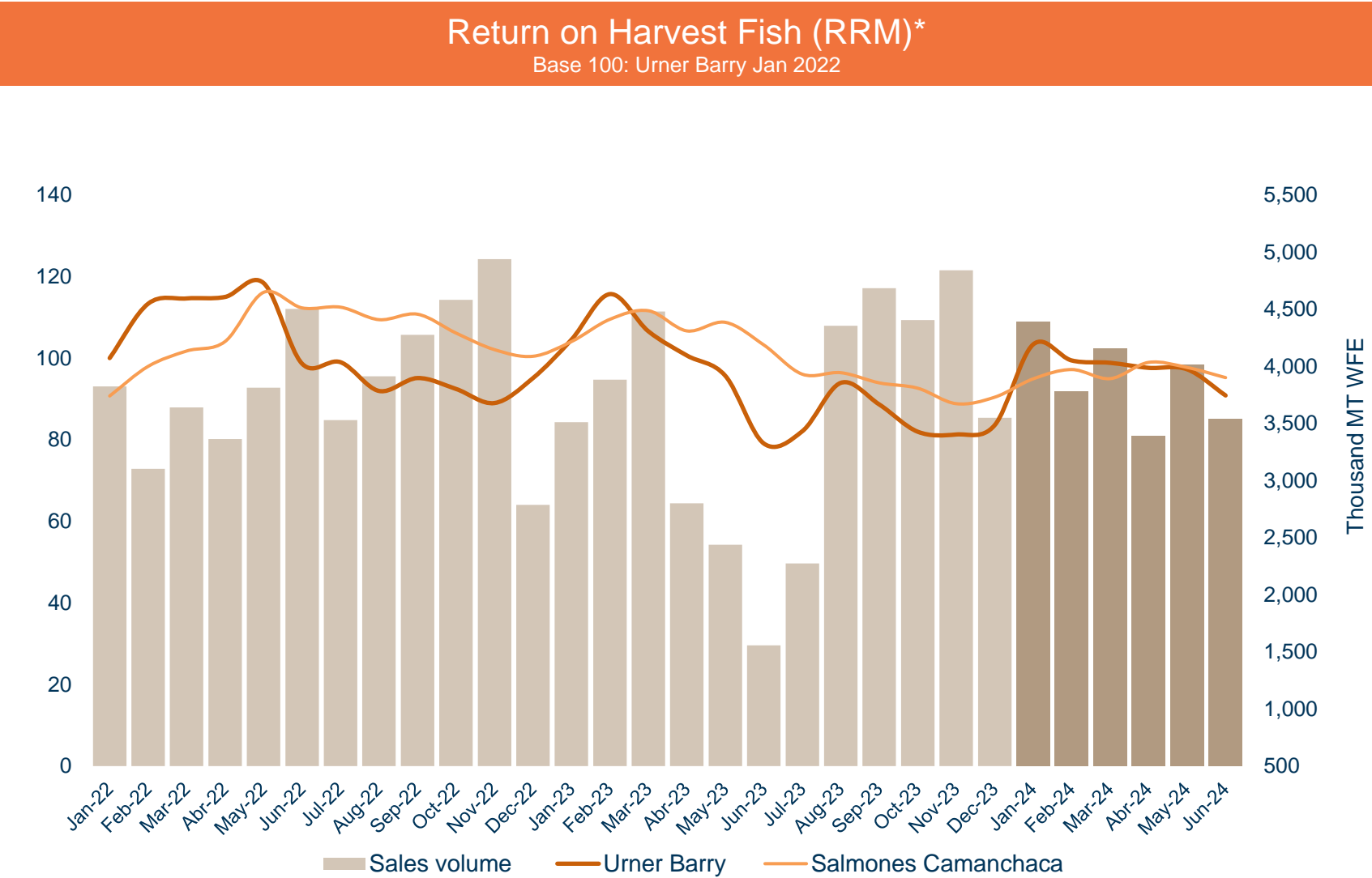


- Lower 2024 Chilean supply\*: -7%
  - Q1: -16%      Q2: -8%
  - Q3: -2%      Q4: -2%
- Downward trend in market prices during the quarter.

# Salmones Camanchaca Atlantic price achievement



- Downward trend in market prices during the quarter.
- Marketing strategy achieve prices above-benchmark and with more stability over the long term.
- SC's raw material return was 13 cents above Urner Barry in Q2 24, ending with a positive gap of 29 cents/kg in June 2024.
- SC's favors value-added strategy and stable contracts to its marketing position.



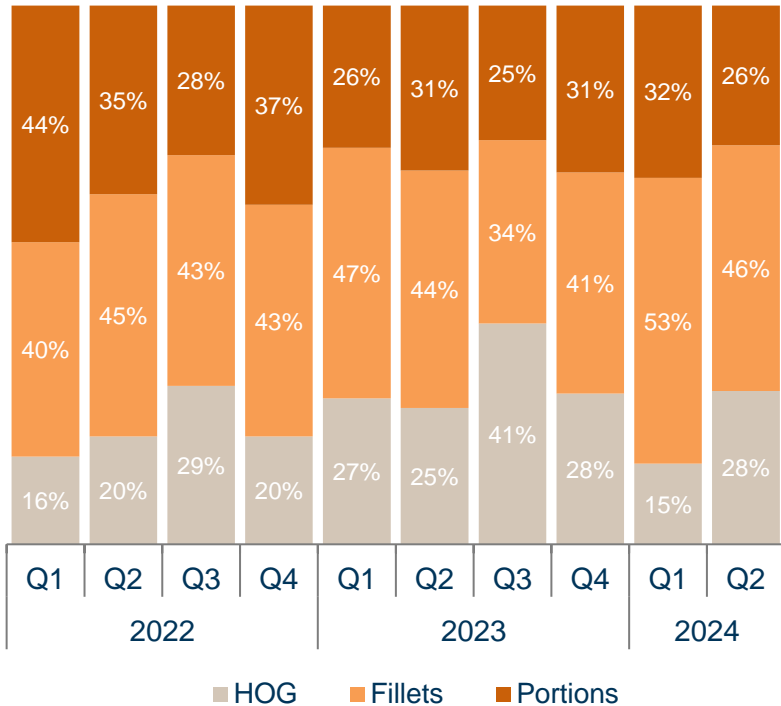
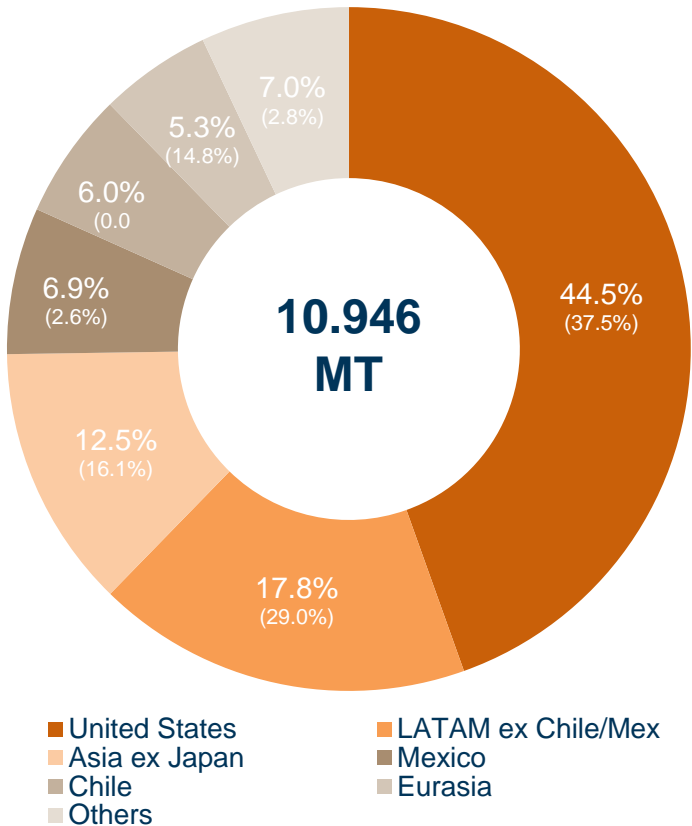
\* RRM = Return or Price obtained for WFE primary processed fish (Premium quality)

# Atlantic's sales & value-added strategy mix (% of sales volume WFE)



Q2 2024  
(Q2 2023)

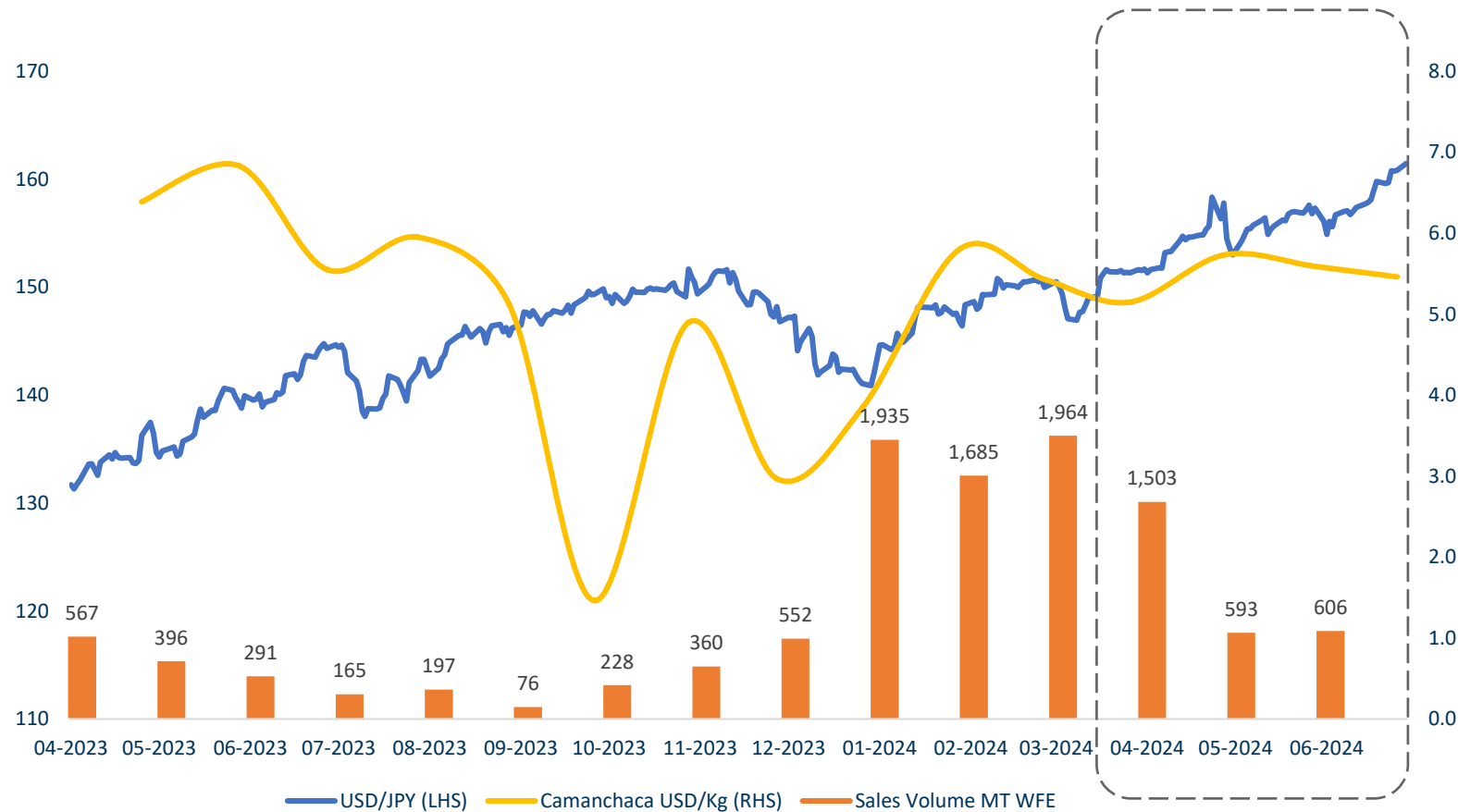
Distribution  
by product type



- USA continues to be the largest market with 45%, up from 37% in Q2 23.
- 2<sup>nd</sup> largest is LATAM, with 18%, but with a decline YoY from 29%.
- Value-added sales at 72%.
- Good market development through flexibility in production of different formats and destinations.



# Coho: price development

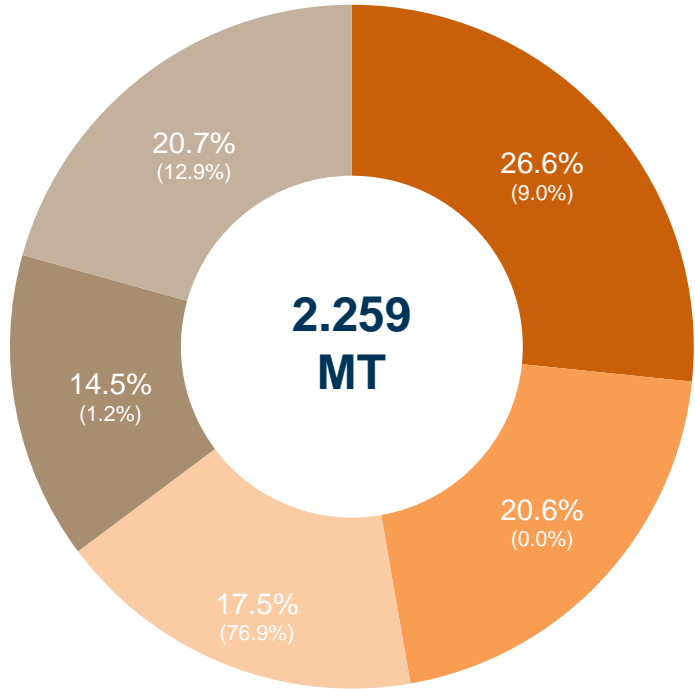


- Depreciation of 6% JPY vs USD during Q2 24 and 12% LTM, impacting all Coho markets.
- Chilean industry increasing production since 2020, +20% in 2023 vs 2022.
- Total stocking in 2024 reduction of 14% vs previous year.
- Japan market represents 2/3 of total sales for the Chilean industry.

# Coho's sales & value-added strategy mix (% of sales volume WFE)

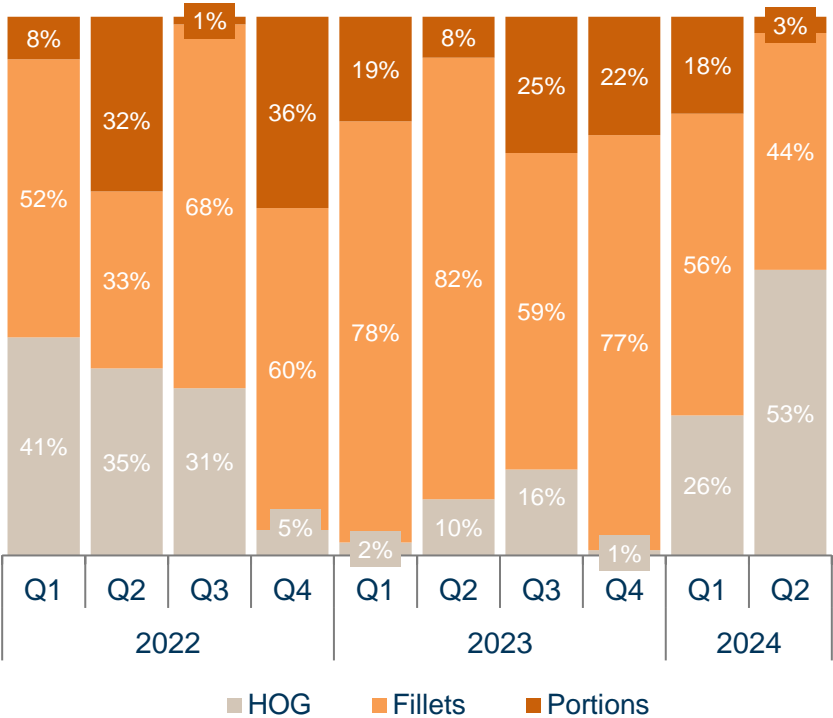


Q2 2024  
(Q2 2023)



■ Japan & Korea  
■ LATAM  
■ Others  
■ China & SEA  
■ USA & Canada

Distribution  
by product type



- Japan & Korea market reappears as the main market with 27% due to the higher production.
- Value added: decreased this quarter to 47% (90% in Q2 23 and 65% in Q2 22), a reduction explained by the higher volume in the last season.



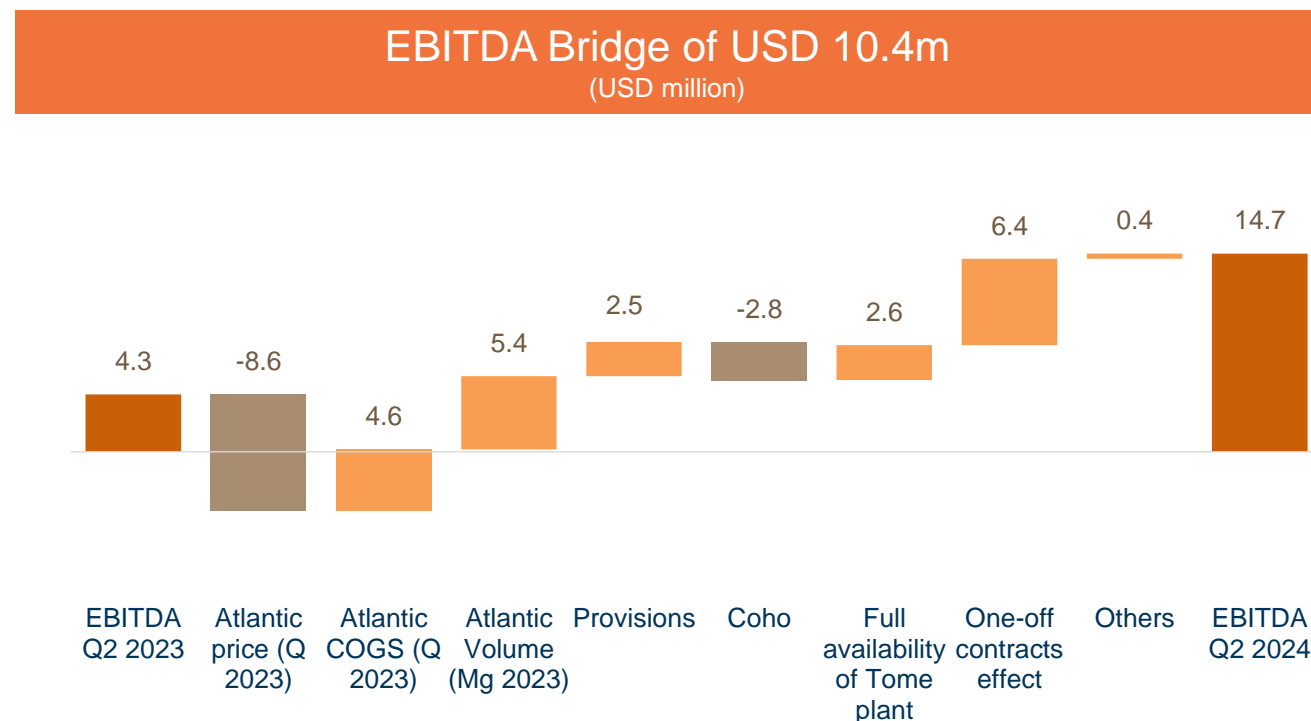
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## Financial review

# EBITDA Q2 24 vs Q2 23: waterfall



- EBITDA of USD 14.7m, increased USD 10.4m from Q2 23.
- Main positive drivers:
  - Higher Atlantic harvest and sold volumes (USD 5.4m);
  - Non-recurrent positive effect related to operational contracts with certain strategic counterparts (USD 6.4m)
  - Full availability of VA plant vs Q2 23
- Partially offset by lower Atlantic price (USD -8.6m) and Coho margins also affected by lower prices (USD -2.8m)



# Q2 Profit & Loss



- Total revenues increased 49% to USD 94.5m due to higher sales volumes in Atlantic (+61%) and Coho (+80%), partially offset by lower prices.
- Positive Fair Value adjustment of +USD 6.7m compared to +USD 1.3m in Q2 23, explained by higher expected harvest margins in the near future.
- Non-operational loss at USD 6.6m, explained due to:
  - Trout JV negative contribution of USD 2.5m, USD 1.5m higher loss than Q2 23.
  - Financial expenses reached USD 3.6m, an increase of USD 1.1m, due to higher debt level and higher interest rates.
- Trout JV financial impact will end during H1 25 or as all finished products in inventory are sold.

## Condensed profit and loss statement (Thousand USD)

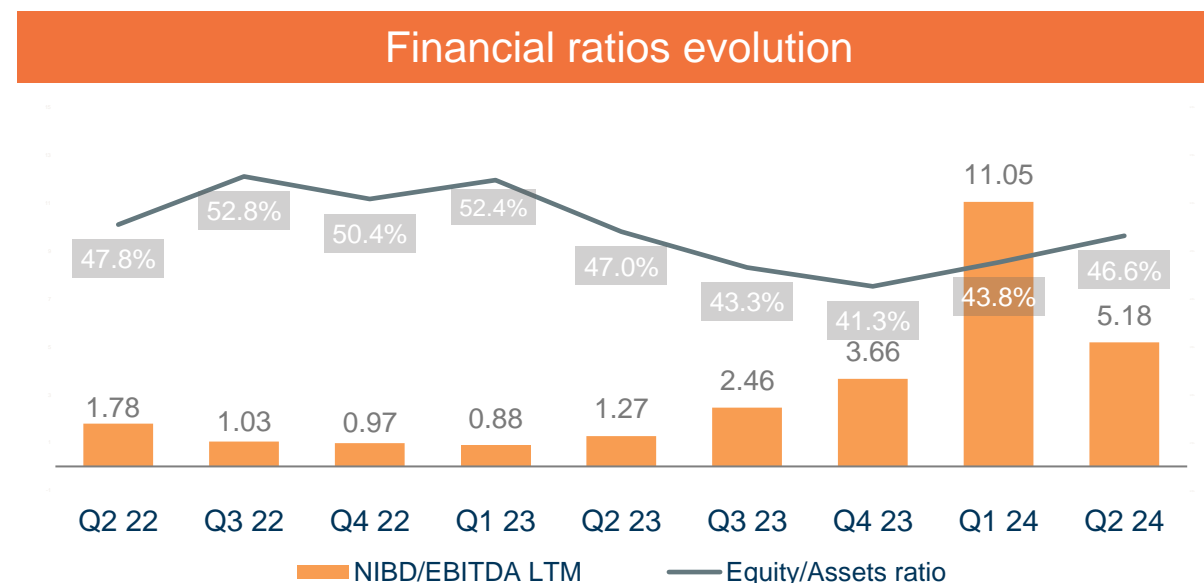
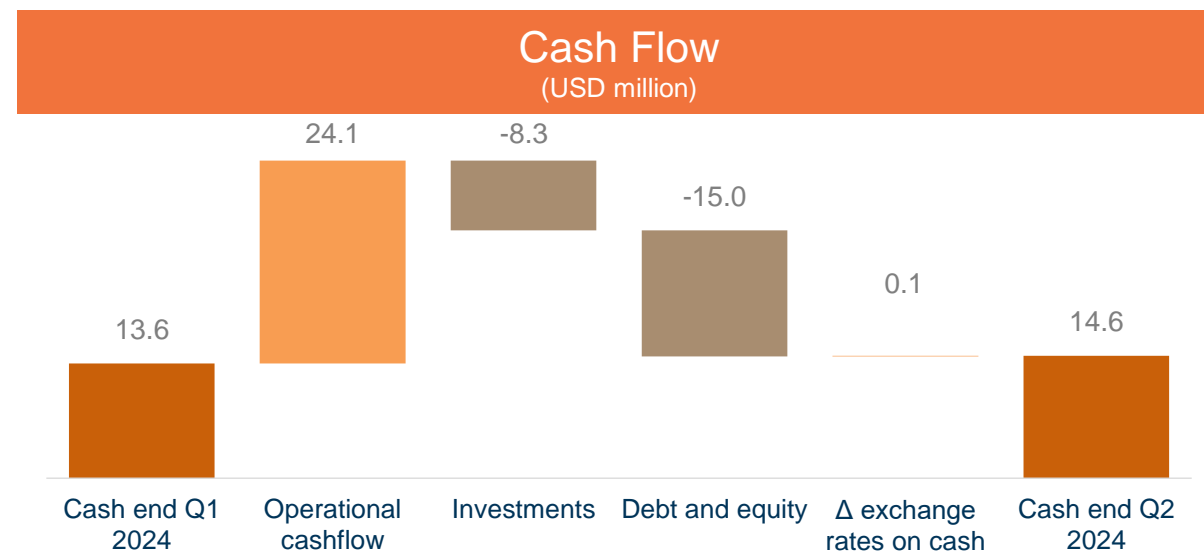
	Q2 2024	Q2 2023	Δ
Total Revenues	94.525	63.420	31.105
SG&A	-5.476	-5.270	-206
<b>EBITDA</b>	<b>14.697</b>	<b>4.263</b>	<b>10.434</b>
Depreciation and amortization	5.184	4.574	610
<b>EBIT</b>	<b>9.513</b>	<b>-311</b>	<b>9.824</b>
Fair value adjustments	6.707	1.279	5.428
EBIT after fair value	16.220	968	15.252
Non operational items	-6.622	-3.568	-3.054
<i>Financial costs</i>	-3.625	-2.488	-1.137
<i>Trout JV</i>	-2.469	-951	-1.518
<i>Other non operational items</i>	-528	-129	-399
<b>Profit before tax</b>	<b>9.598</b>	<b>-2.600</b>	<b>12.198</b>
Estimated taxation	-2.377	693	-3.070
<b>Net profit for the period</b>	<b>7.221</b>	<b>-1.907</b>	<b>9.128</b>



# Q2 Cash Flow



- USD 24.1m positive Operating Cash Flow in Q2 24, due to higher volumes sold.
- Use of cash for Investments reached USD 8.3m, focused on assets maintenance and executing Atlantic farming new sites in the XI region.
- Use of cash for Financing was USD 15.0m as debt was reduced while we sold inventories.
- Net Financial Debt was USD 118m, with a Net Financial Debt/ EBITDA LTM of 5.18.

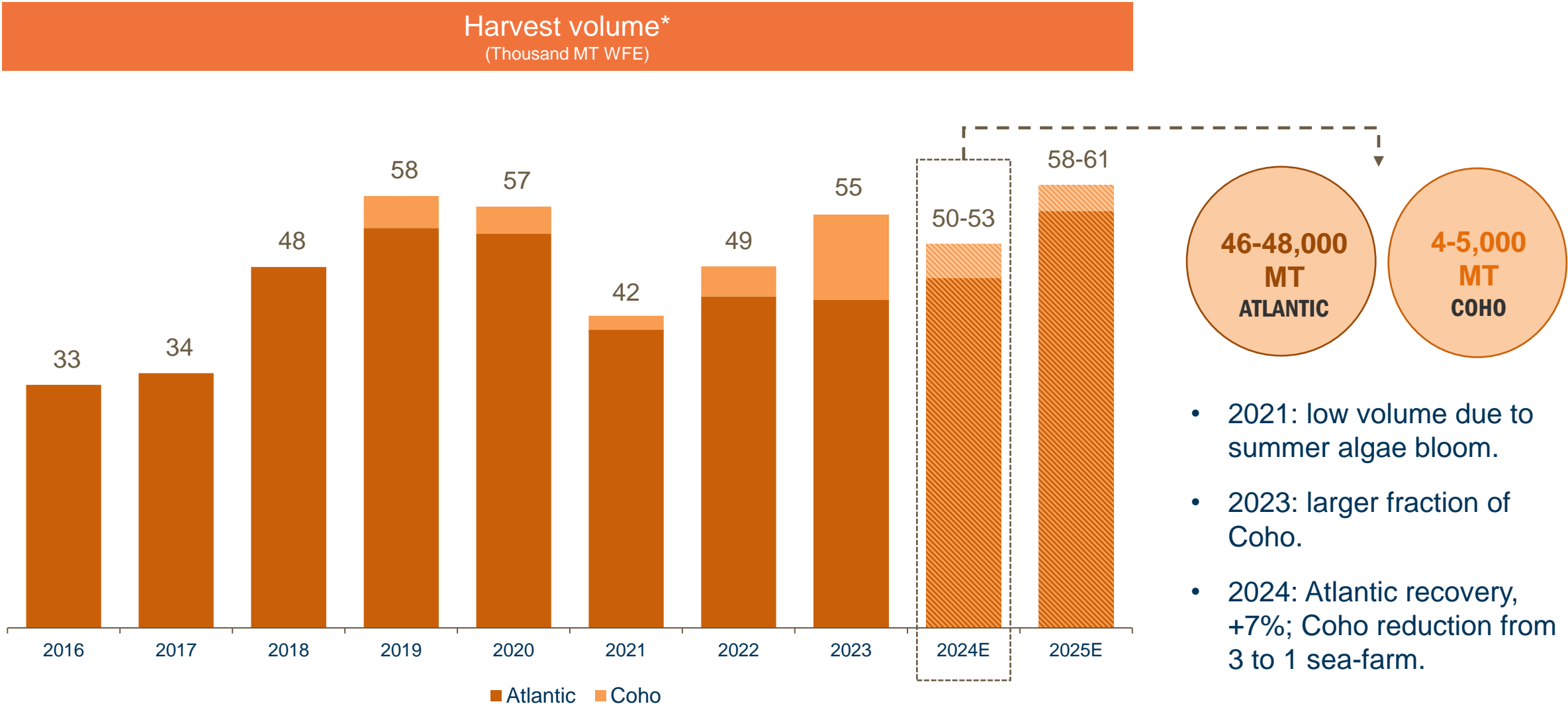




# Estimates

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# Salmones Camanchaca's growth plan



\* Figures do not include trout JV volumes. The Company achieved an early terminate agreement, and smolt stocking that involved the Company concluded in June 2023





## Summary

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1. Better operational results than Q1 24 and Q2 23: more revenues and sold volume: USD 10 million higher gross margin.
2. Lower margins than previous cycles as we confront a weaker market conditions and cost pressures: feed, services, more extensive risk mitigating technologies; struggling regulation
3. Atlantic ex-cage costs 7% lower than Q2 23, and processing costs at USD 1,12/Kg, 25% lower than Q2 23 yet above target of USD 1.
4. SalmoCam relative price achievement higher than benchmark, in a declining context.
5. Improvement in biological indicators compared to the end of Q2 22 (comparable sites), and better than most peers.
6. 2024 total harvest guidance at 50-53k MT.
7. Chilean supply in 2024 for Atlantic is declining: -12% in H1 and -2% in Q3 and Q4 is expected.
8. Company announced its delisting from Oslo Stock Exchange and formal request submitted early August, expected to be executed within 2024.



