



**Multiexport Foods**

Nourishing the future



## Multiexport Foods and the Chilean Salmon Industry

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CFO

Multiexport Foods

**9<sup>th</sup> ANNUAL**  
ANDEAN CONFERENCE 2015

LarrainVial 

# Multiexport Foods S.A. at a glance

One of the Leading Companies in the Chilean Salmon Industry



**MM USD 400**  
Turnover (2014E)



**MULTIFOO:CL**  
Listed since 2007  
Santiago Stock Exchange  
Float 35%  
Mkt Cap USD 320 million



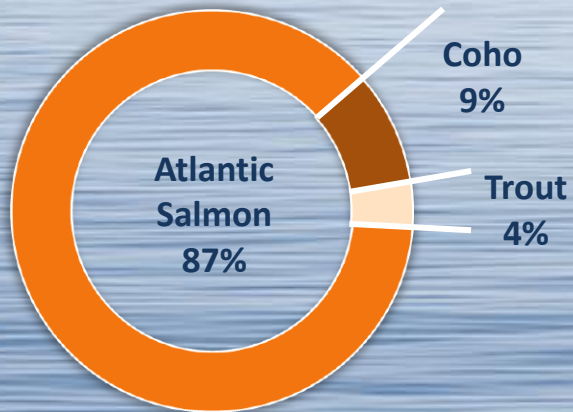
**70 th ton**  
2014 (WFE)



**2,100**  
Employees

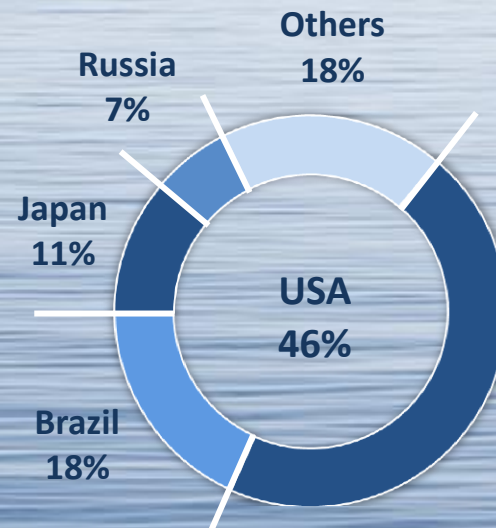
## Harvest Mix 2014

(% Tons WFE)



## Sales By Country 2014

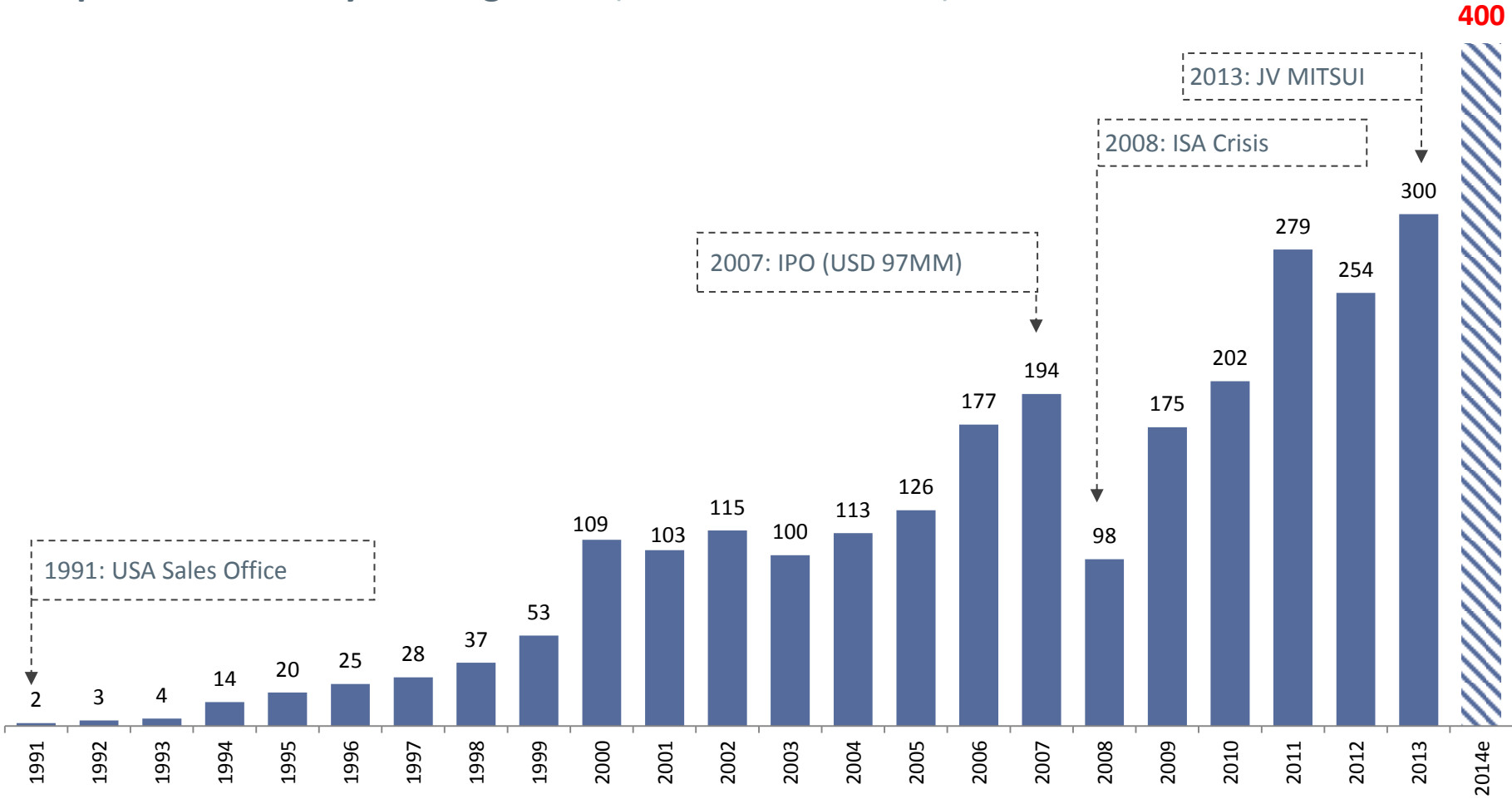
(% Tons WFE)



# Multiexport Foods S.A. at a glance

One of the Leading Companies in the Chilean Salmon Industry

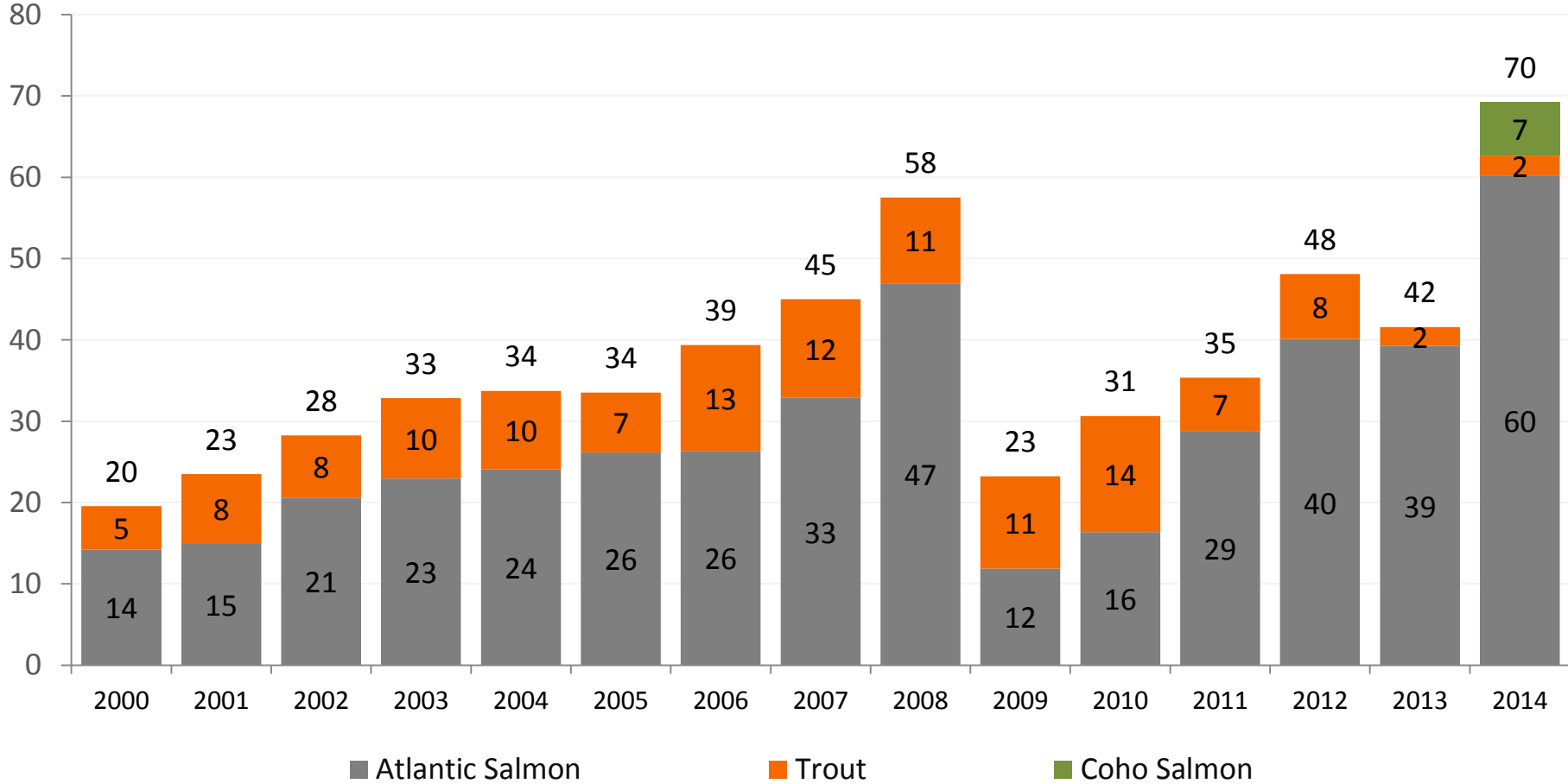
Multiexport Foods: +25 years of growth (Sales in USD million)



Source: Multiexport Foods

# Multiexport Foods historical production

**Harvest**  
(Th Tons WFE)





## Multiexport Foods Value Chain and Assets

# Present throughout the value chain

- From the genetics to the market...

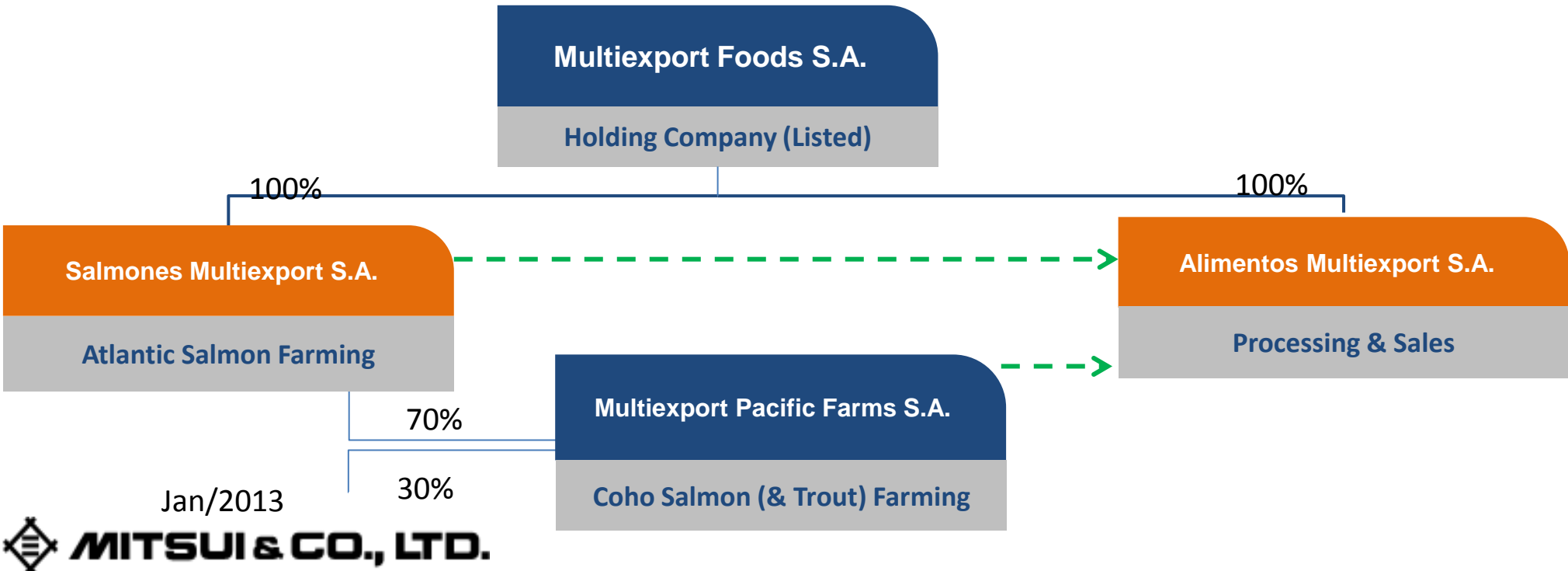
Minimum Cost

Maximum Value Added

Value Chain



# Multiexport Foods - Organization Chart



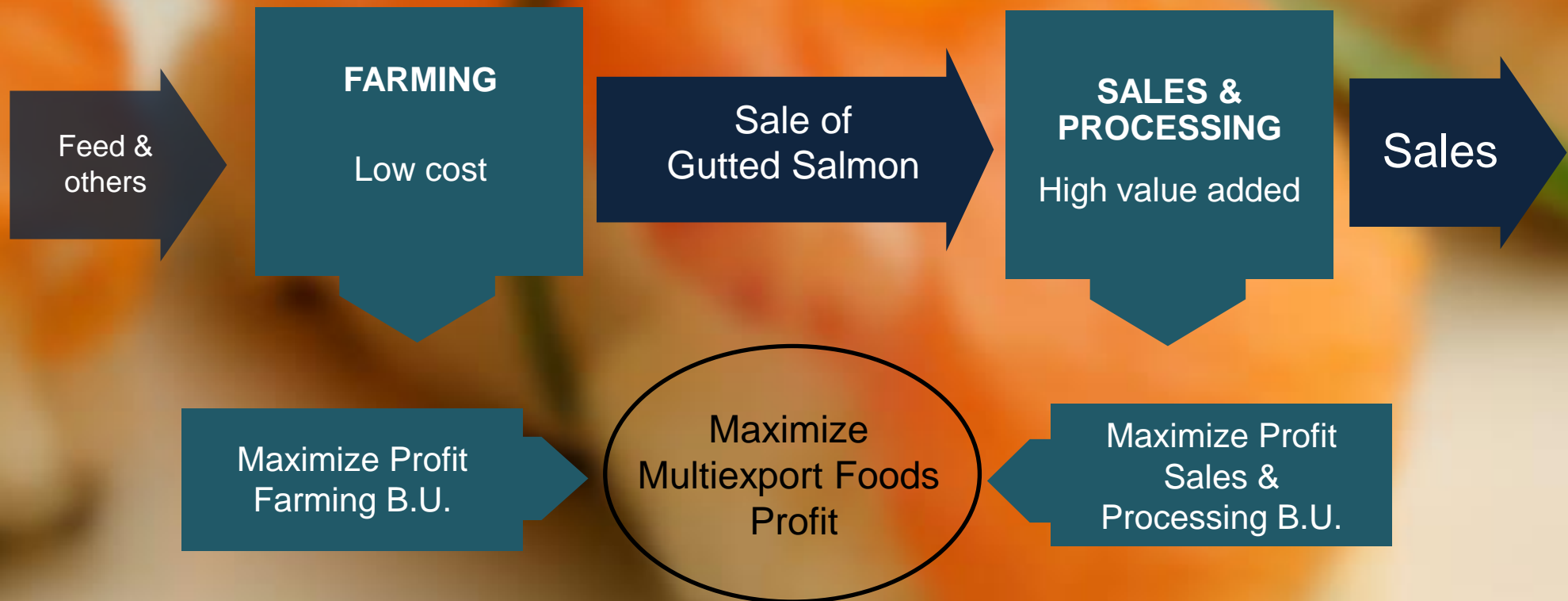
# Multiexport Foods Business model

## Corporate Support Units

Human  
Resources

IT

Corporate  
Finance





# Fresh and Sea Water Units



## Fresh Water Units

- HATCHERIES: 5 Units
- FW Concessions: 7
- Capacity:
  - 30 million eyed eggs
  - 20 million smolts



## Sea Farming Units

TON

Total Potential Capacity: 120 th ton WFE

- Competitive mix of neighborhoods and concessions
- Presence in 25 neighborhoods
- 108 granted concessions

SW CONCESSIONS :	X Region :	23
	XI Region :	76
	XII Region :	9
	Total :	108





Multiexport Foods is well recognized  
by its high quality assets



# Multiexport Foods Concessions

Competitive advantages for Salmon production

## MULTIEXPORT FOODS CONCESSIONS:

X Region : 23

XI Region : 76

XII Region : 9

**Total : 108**

## # NEIGHBORHOODS:

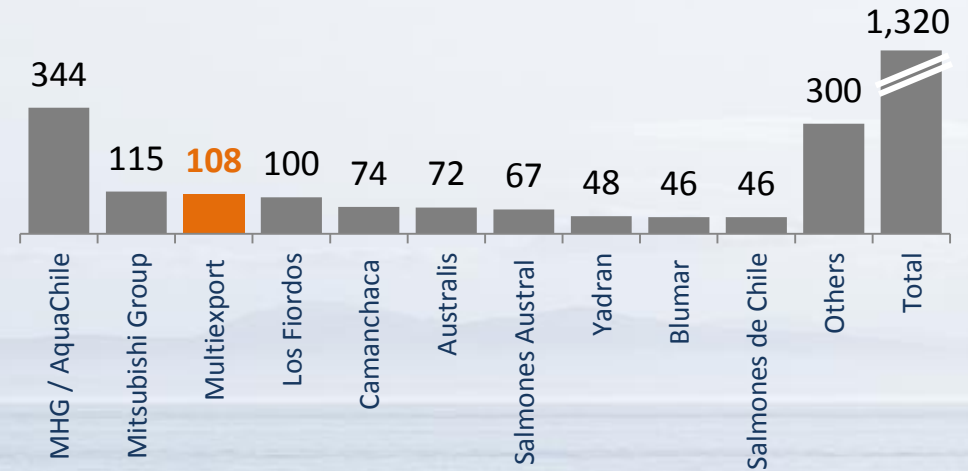
25

Estimated maximum production capacity:

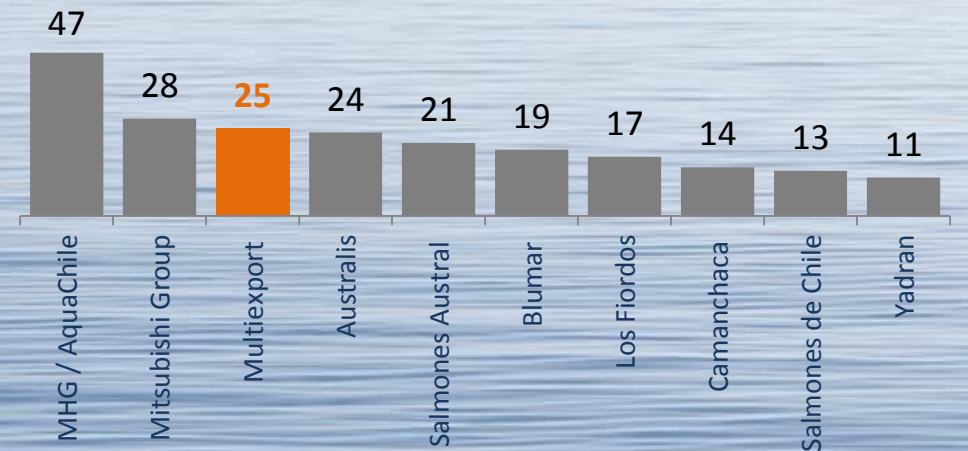
**+120** th ton WFE



## Concessions



## Neighborhoods





Our company is recognized worldwide for the quality of its processing plants



# Processing Units

Modern processing plant.  
Designed under concept of continuous flow lines.



TON

80,000 Tons WFE

- Flexibility to quickly adapt to market requirements
- Expertise on Commodity and Value Added Products
- 5 filleting/trimming lines
- 2 portioning machines (600 net tons/month)

Largest Smoking Plant in Chile.  
Designed by top quality Japanese smoker (Oji Salmon)

TON

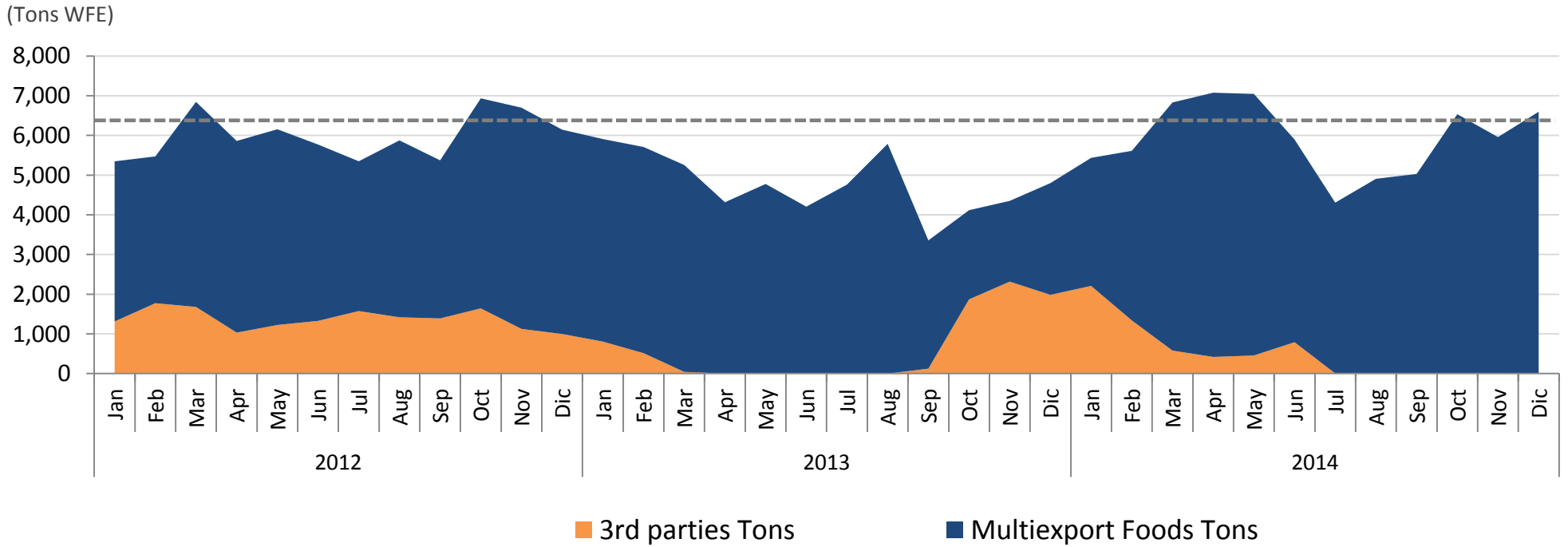
7,500 tons WFE

- Four independent areas:
  - Raw Material Reception
  - Curing – Smoking
  - Slicing
  - Packing
- High sanitary standards



# Fresh & Frozen Process Plant

- Efficient utilization of processing capacity



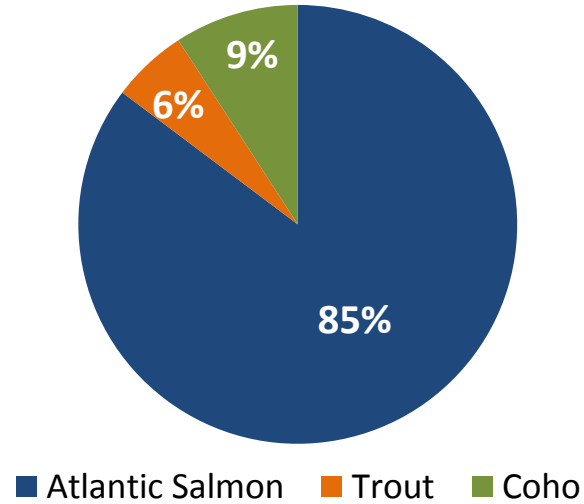
# Sales & Marketing Team

Multiexport Foods sales reached USD 400 million in 2014 distributed in more than 30 countries around the world

Sales & Marketing Team with proven expertise maximizes value per fish



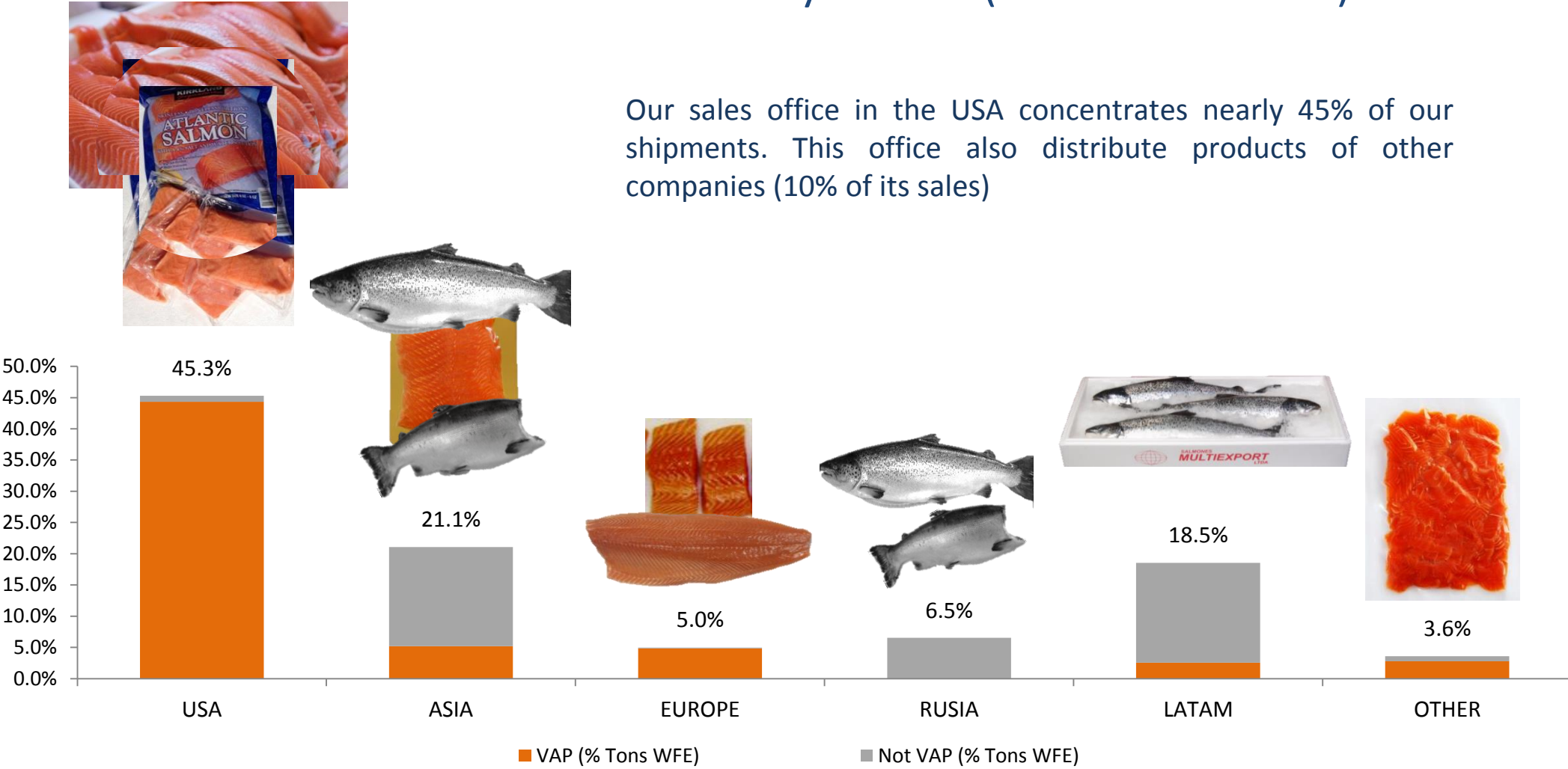
Sales Mix 2014 (% WFE Tons)



# Sales by Markets

## Sales by Market (% WFE Tons 2014)

Our sales office in the USA concentrates nearly 45% of our shipments. This office also distribute products of other companies (10% of its sales)



Source: Multiexport Foods



# Smoked Business Leader

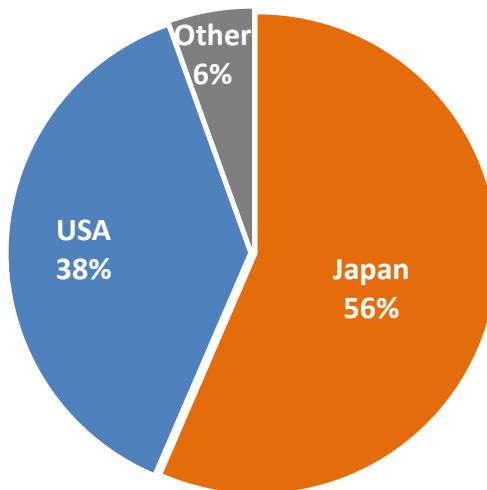
## Stable prices // high returns

Multiexport Foods smoked sales represents 7% of its total WFE tons exports.

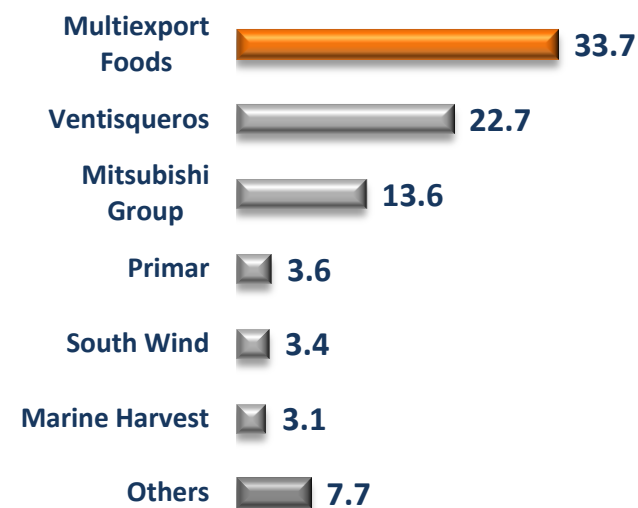
Smoked margin GAP v/s Fresh & Frozen => +1.0 USD/kg WFE



### Multiexport Markets (%Tons WFE)



### Chilean exports: 2014 (million USD FOB)



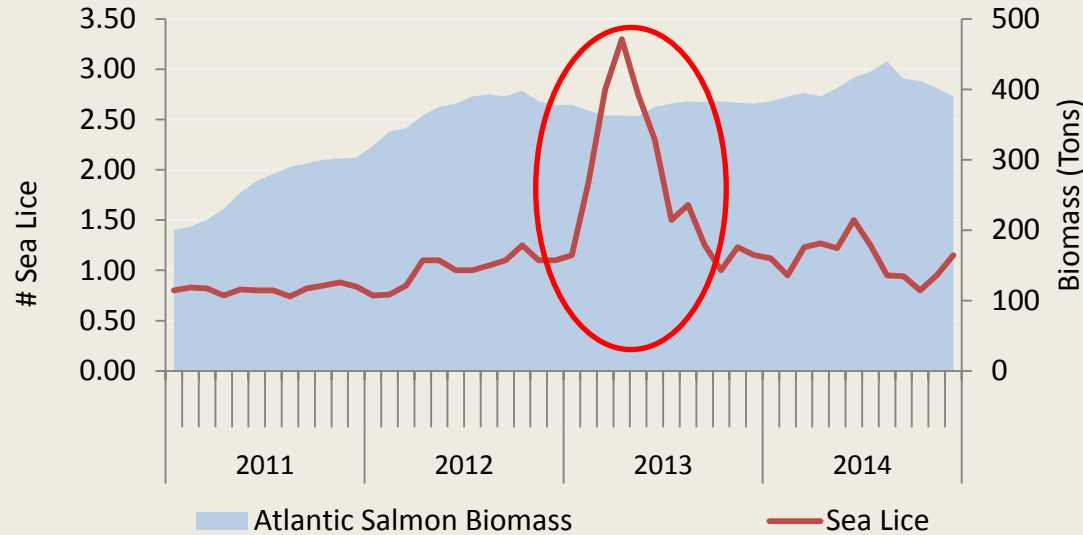


## Multiexport Foods Operational Performance

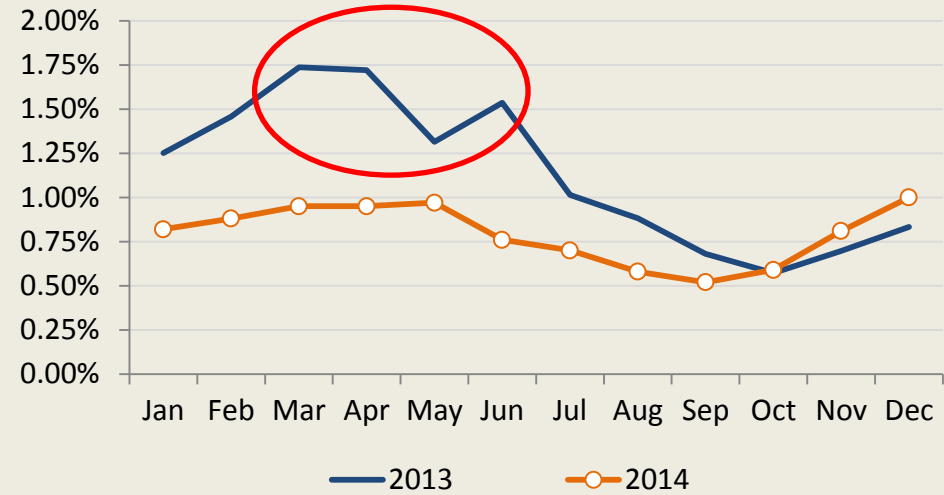
# Industry productive performance

## 2013 Crisis effects in Multiexport production

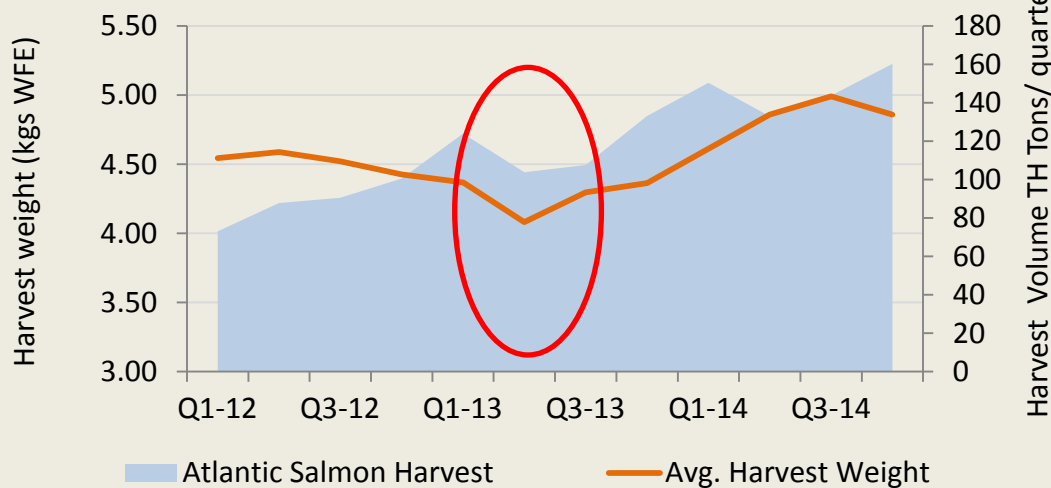
### Atlantic Salmon Biomass / Sea Lice



### Atlantic Salmon Monthly Mortality Rates

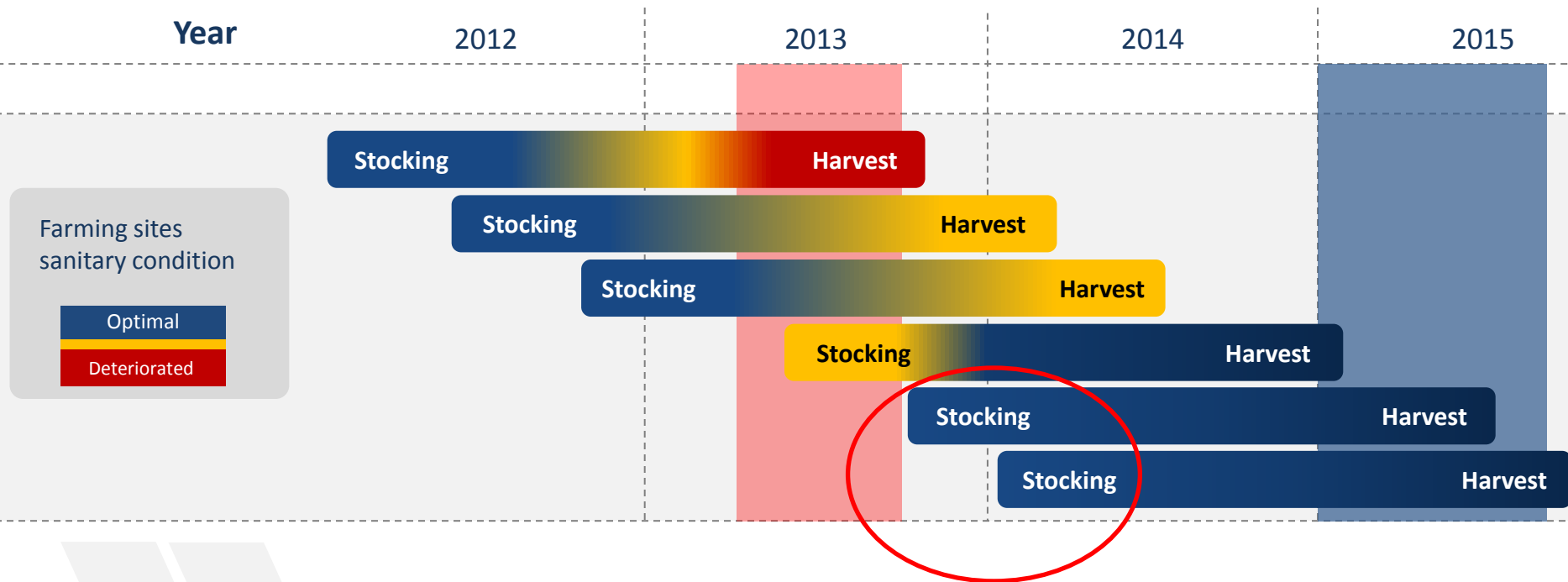


### Atlantic Salmon Harvest Weight (2012-2014)



# Multiexport productive performance

## 2013 Crisis effects in production



2013 Multiexport production highly concentrated in region XI (>90%)  
 Effect on harvest/cost:

- Q2/Q3 2013 - High
- Q4/2013 - Medium => harvest postponement to Q1/2014
- S1/2014 - Medium/Low
- ✓ S2/2014 onwards – No effect

# What have we done since then?

## Lesson learned – New Model in Place since S2 2013

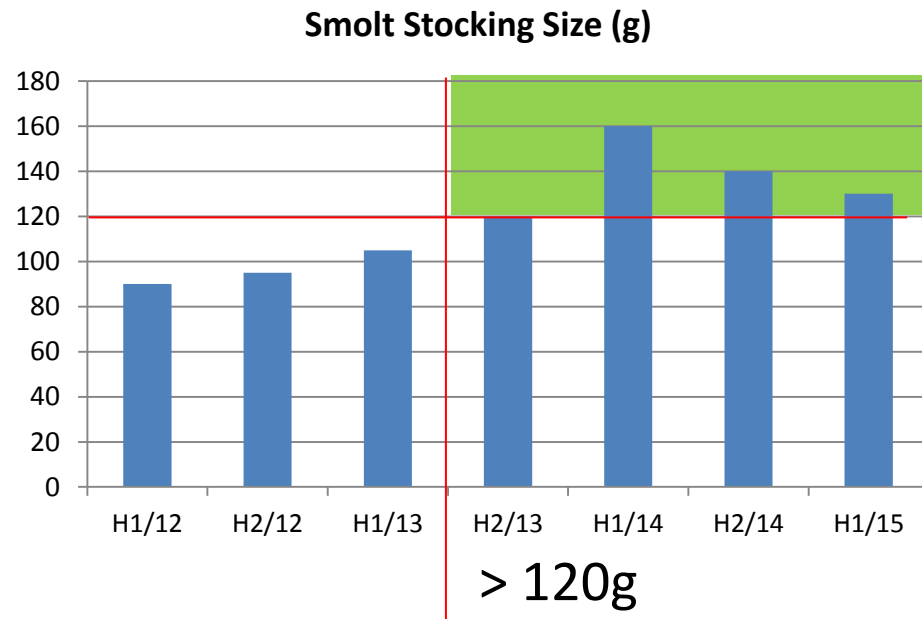
- **Analytic and informed smolt stocking decision and planning**  
**Advantage of broad neighborhood position**  
**(23 in Region X & XI + 2 in Region XII)**



# What have we done since then?

## Lesson learned – New Model in Place since S2 2013

- **Coordinated Planning and Management in each neighborhood**
  - ✓ Stocking
  - ✓ Treatments
  - ✓ Performance and sanitary Information sharing
- **Deeper control over feeding strategy**
- **Smolt Selection: Higher quality and size: >120 g (85g previously)**



# What have we done since then?

## Lesson learned – New Model in Place since S2 2013

- **Working hard to recover productive performance**
  - ✓ No Growth
- **Back to Basics:**
  - ✓ Full concentration in farming operations (focus)
  - ✓ Implementation of a new organizational and management model inside the Company

=>Recovery started

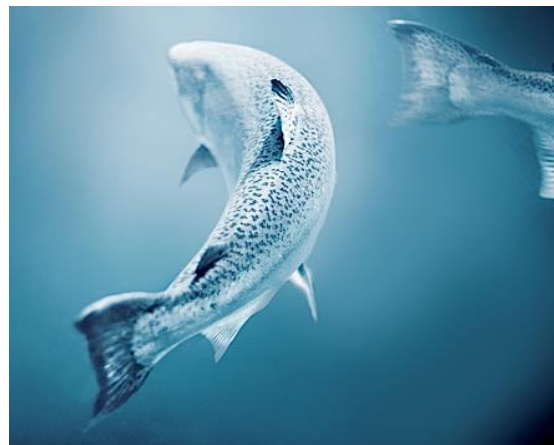
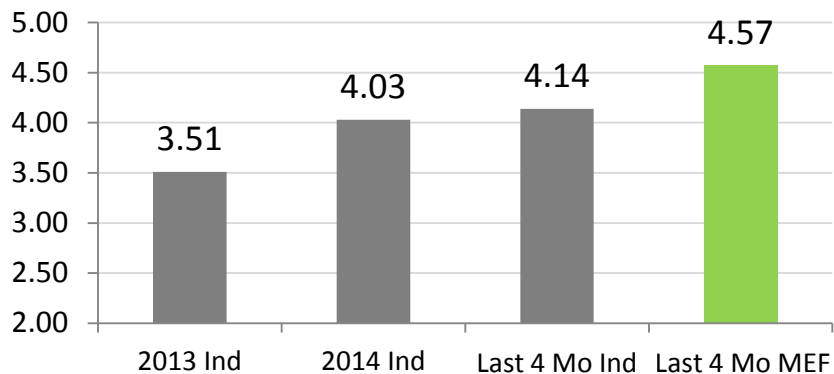


# Results achieved so far...

## Atlantic Salmon Performance

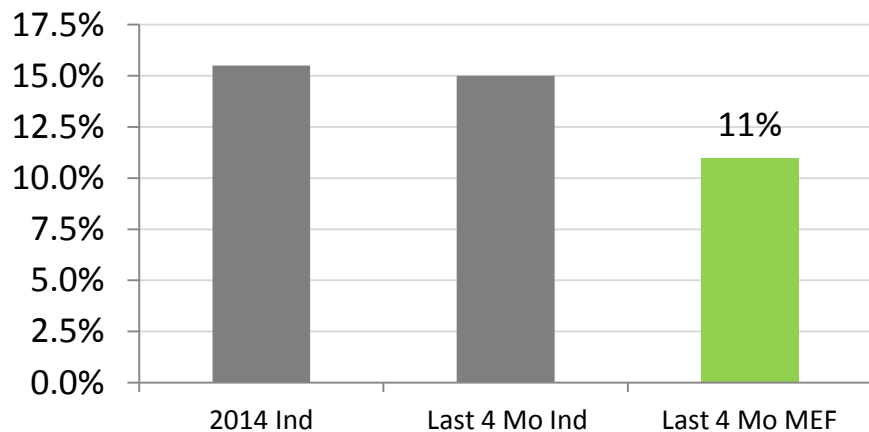
### Atlantic Salmon Yield (kg wfe / smolt)

Multiexport vs. Chilean Industry



### Atlantic Salmon Accum Mortality (%)

Multiexport vs. Chilean Industry





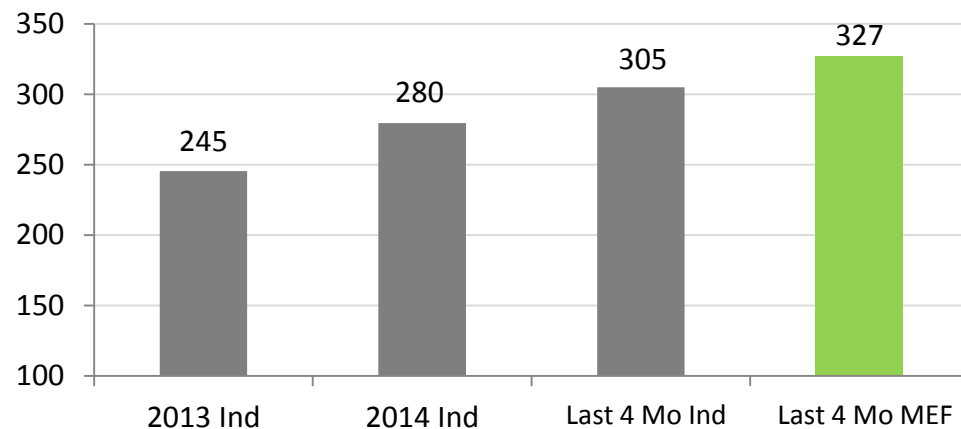
# Results achieved so far...

## Atlantic Salmon Performance

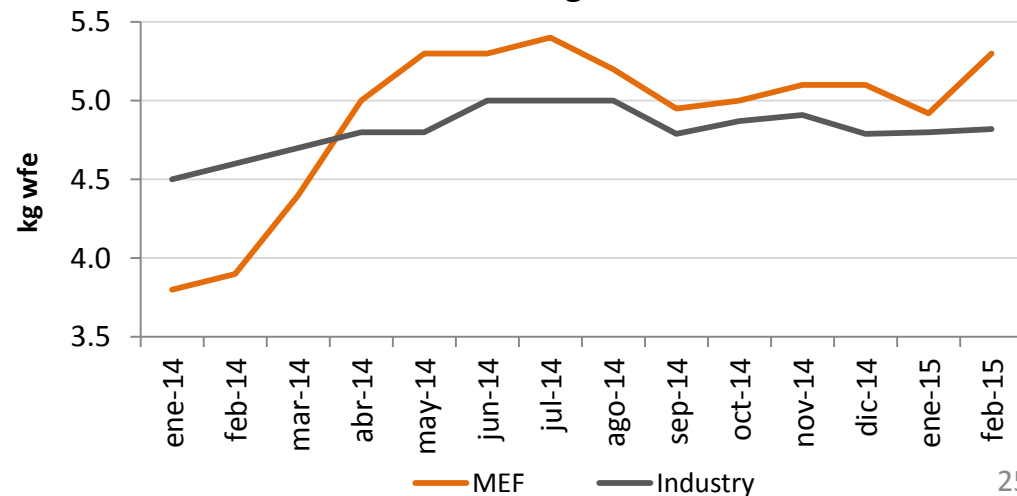


Source: Aquabench / Multiexport Foods

### Atlantic Salmon Growth (g wfe / month – harvested fish) Multiexport vs. Chilean Industry



### Harvest Weight wfe

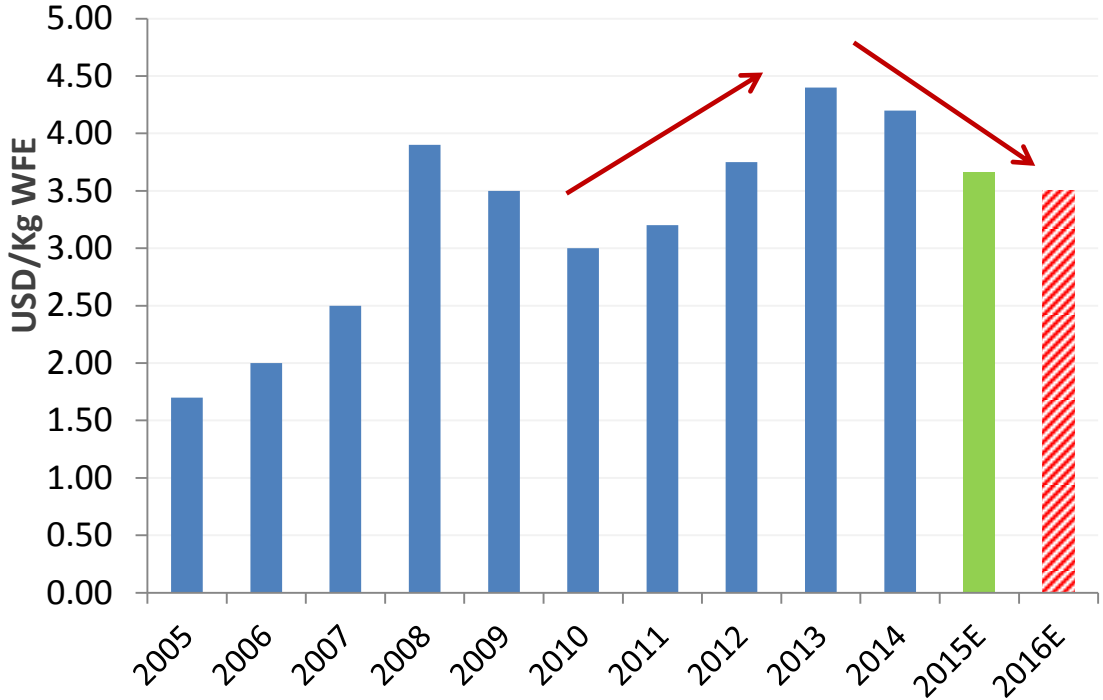


# Results achieved so far...

## Atlantic Salmon Cost

Important reduction so far, but still room for improvement...

Ex-Cage Cost USD/kg wfe  
(Atlantic Salmon)



Source: Multiexport Foods



# Results achieved so far...

## Coho: Season 2014 - Outstanding results

- Multiexport Foods production:
  - 6.5 th tons WFE, 4.5% of Chilean Production
- 100% Harvested by Nov/2014 (Ind <50%)
- 95% of total harvest sold during 2014
  
- Very Positive Ebit/kg WFE

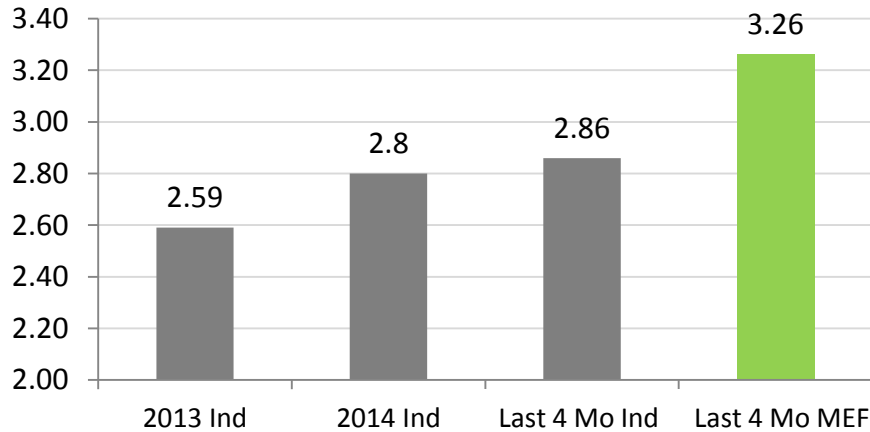
Productive Summary		
Harvested Biomass	WFE ton	<b>6,500</b>
Harvest average weight	WFE kg	<b>3.46</b>
Mortality (fish number)	%	<b>5.9%</b>
Cycle length	month	<b>9</b>
Yield	Kgs/smolt	<b>3.26</b>



# Results achieved so far... Coho Salmon Performance

### Coho Salmon Yield (kg wfe / smolt)

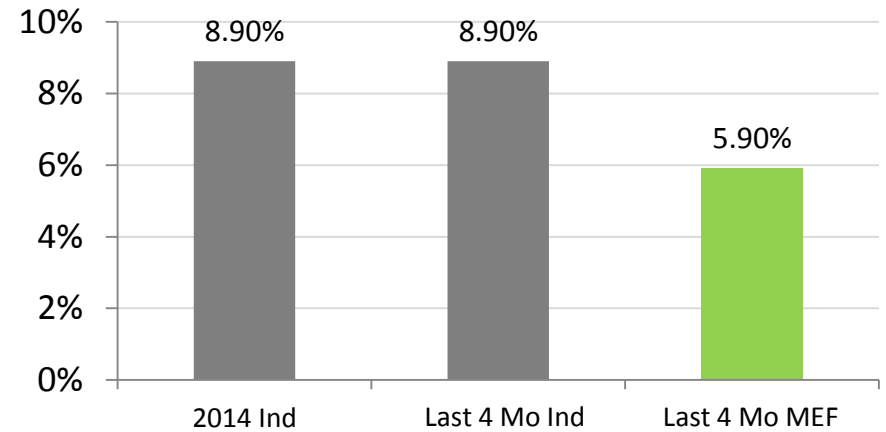
Multiexport vs. Chilean Industry



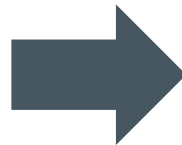
Source: Aquabench / Multiexport Foods

### Coho Salmon Accum Mortality (%)

Multiexport vs. Chilean Industry



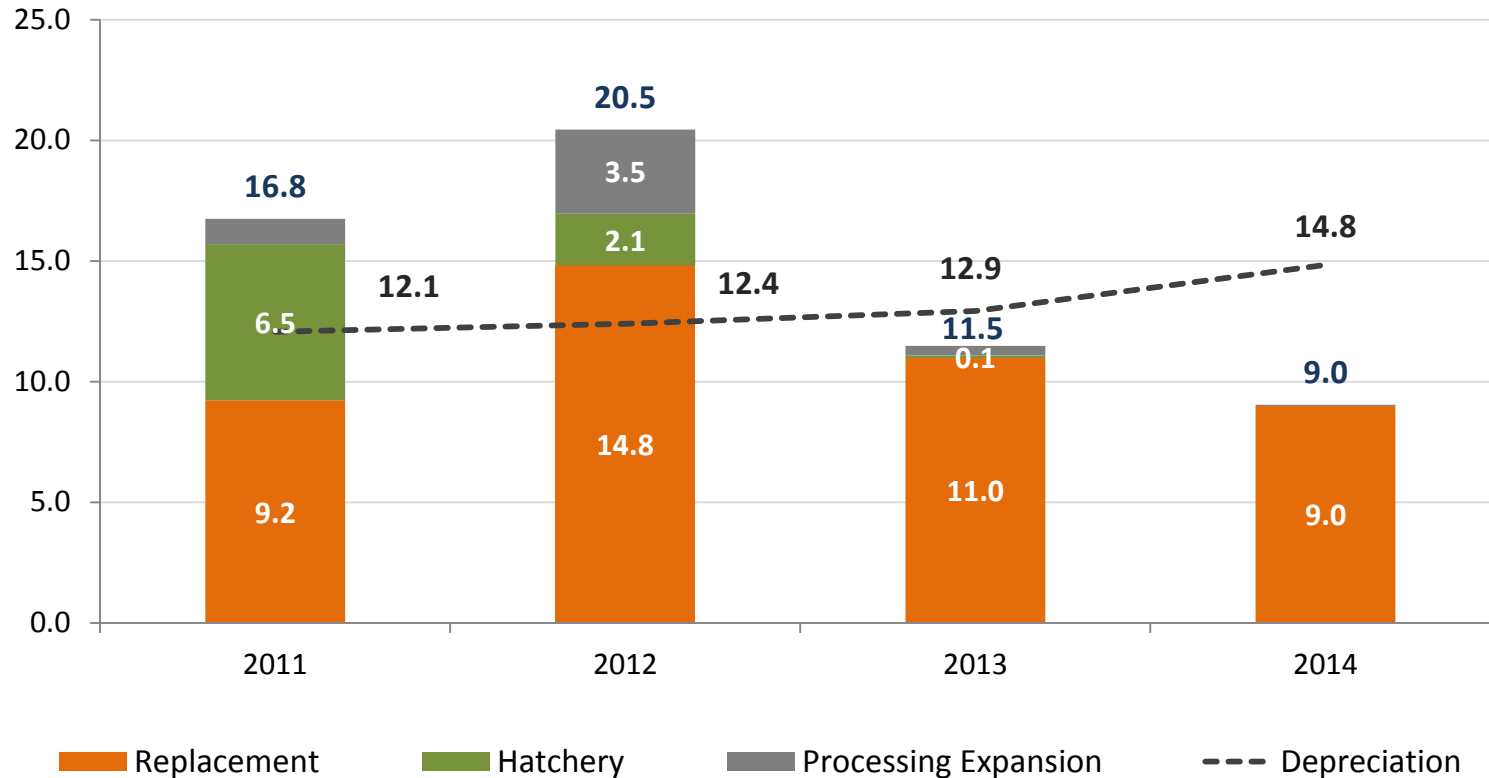
Fantastic specie: **15 months** from eyed egg to harvest





## Financials

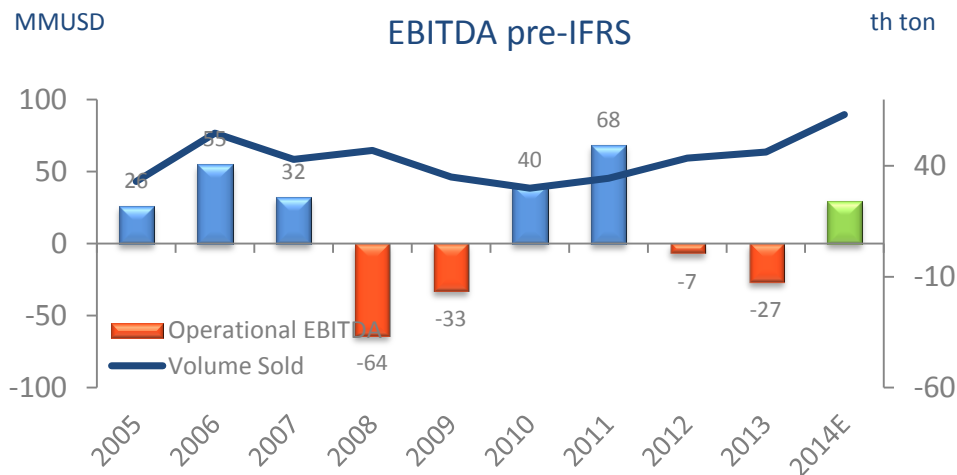
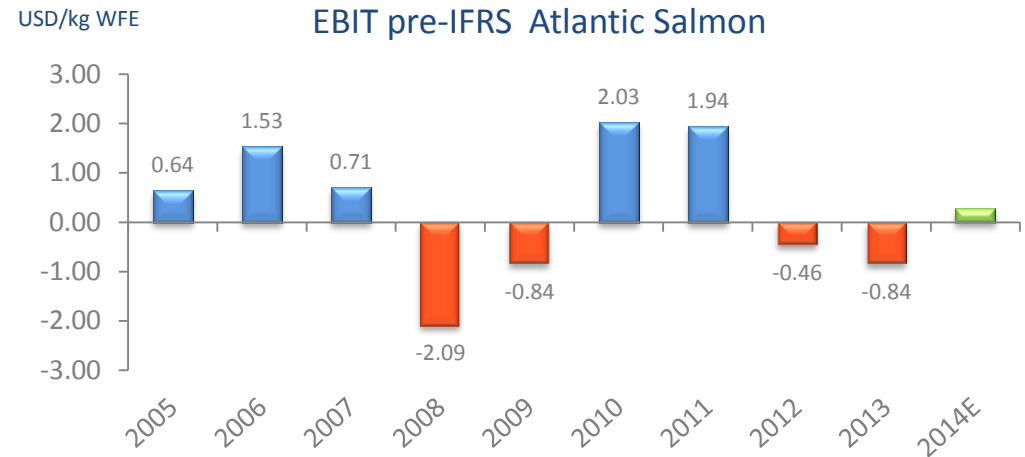
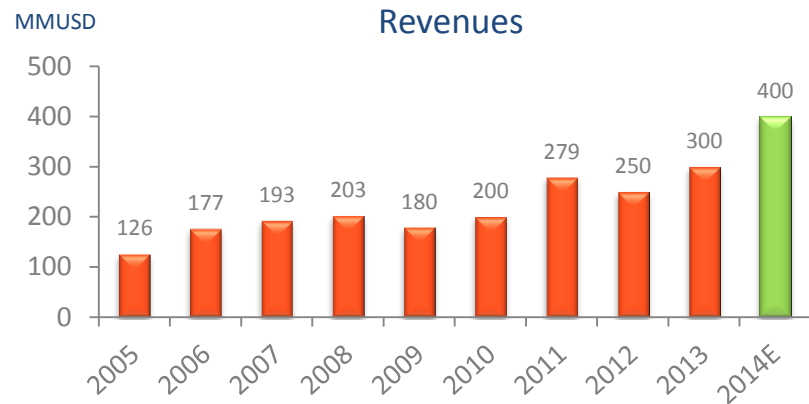
## Capex and Depreciation (Usd Millions)



### Cash Protection – Minimum Investment

- 1 hatchery to upgrade and balance smolt production capacity (2011)
- 1 additional full filleting line (2012)
- Replacement/Maintenance – 85% Depreciation

# Financials



Balance Sheet (mUSD)	2010	2011	2012	2013	2014E
<b>Total Assets</b>	<b>450</b>	<b>452</b>	<b>453</b>	<b>445</b>	<b>487</b>
Current Assets	240	241	234	228	307
Long-term Assets	210	212	219	217	180
<b>Total Liabilities and Equity</b>	<b>450</b>	<b>452</b>	<b>453</b>	<b>445</b>	<b>487</b>
Financial Debt	189	186	185	175	188
Other liabilities	78	73	115	116	127
Total Equity	183	193	153	154	172
<b>Leverage</b>	<b>1.45</b>	<b>1.35</b>	<b>1.96</b>	<b>1.88</b>	<b>1.83</b>
<b>Equity Ratio</b>	<b>41%</b>	<b>43%</b>	<b>34%</b>	<b>35%</b>	<b>35%</b>



## Outlook



# Farming Performance Outlook - Challenges

## 1) Sanitary

### Sealice (Caligus) Control

- ✓ Continue working hard towards Non pharmaceutical solutions
- ✓ Maintain counts controlled at a desirable level (focus on adult females)
- ✓ No increase (decrease) in number of treatments

### SRS

- ✓ Periodic control (signs and opportune treatment)
- ✓ Promote an effective vaccine development

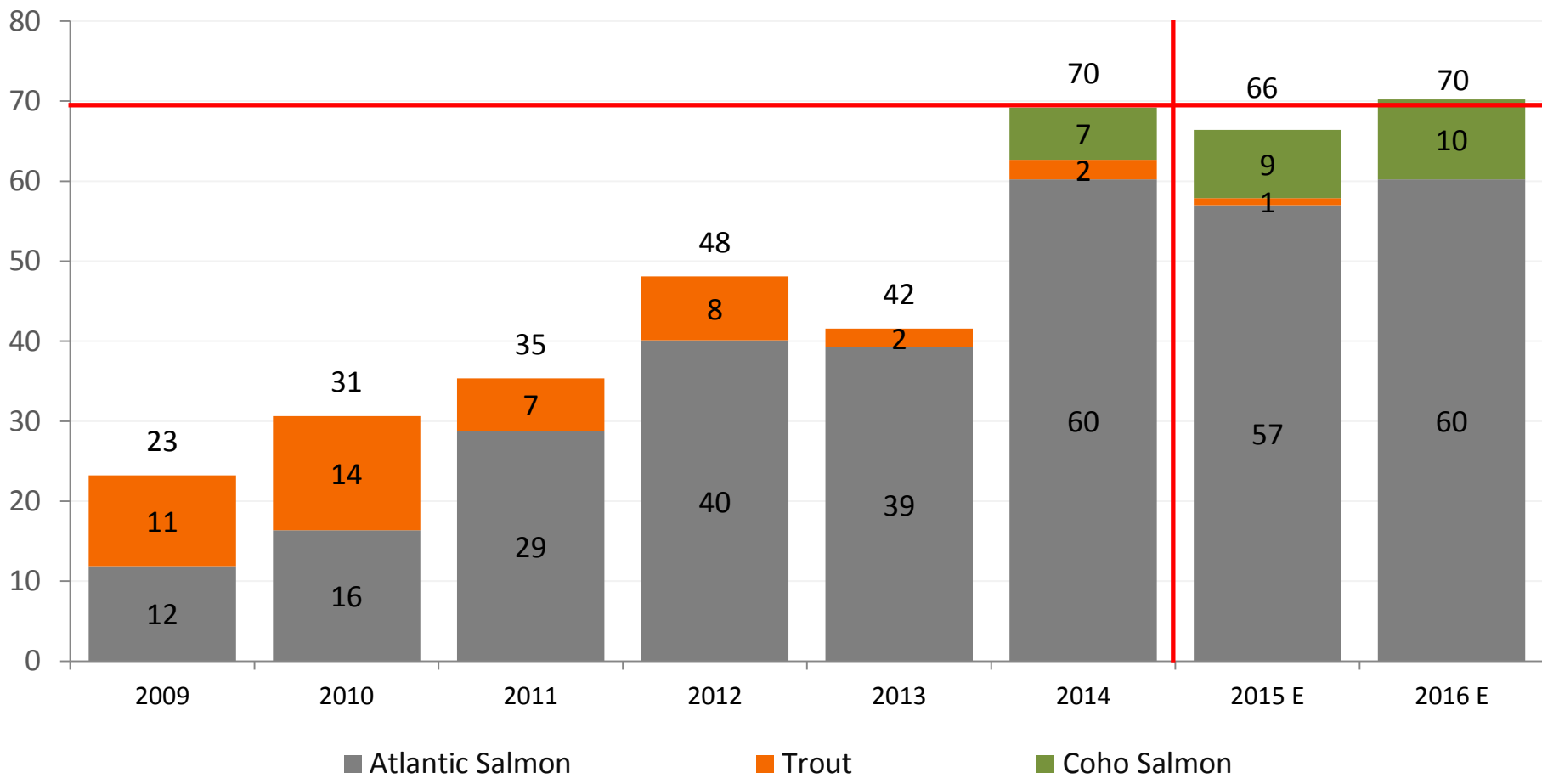
## 2) Cost Improvements Ahead

- FCR
- Smolt Cost
- Site Size (increase # of smolts)
- Operational expenses



# Multiexport Foods – Production Outlook

## Harvest Volume (th ton WFE)



Source: Multiexport Foods

## Main topics within Multiexport Foods current agenda

- 1) Continue recovery of competitiveness and leadership
- 2) Experienced management team
- 3) Responsible Growth Plan
- 4) Sustainable Operations
- 5) EBIT and Financial Position Improvement
- 6) New Markets development
- 7) Further development of smoked products and VAP





**Multiexport Foods**

Thank You