

# Multiexport Foods

Alimentando el futuro



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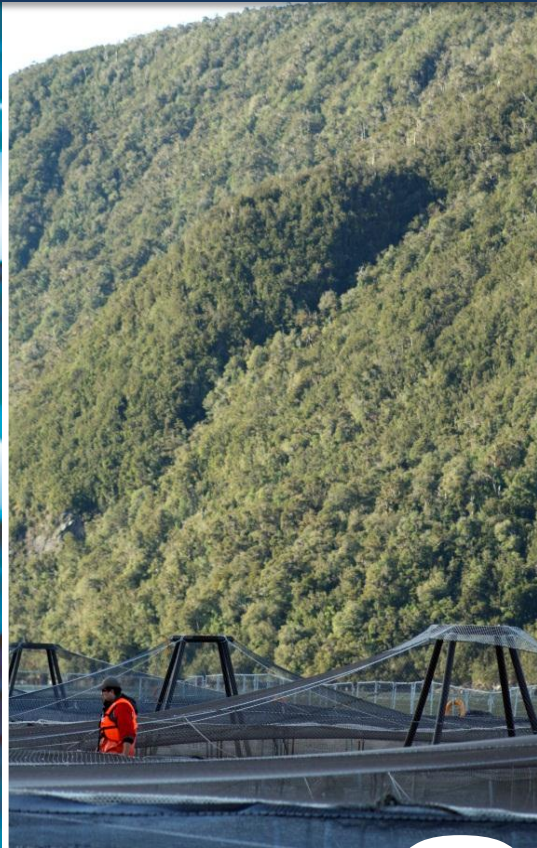


# Today's agenda



1

world salmon industry



2

chilean salmon industry



3

multiexport foods



4

investment considerations



# world salmon industry



1

world salmon industry



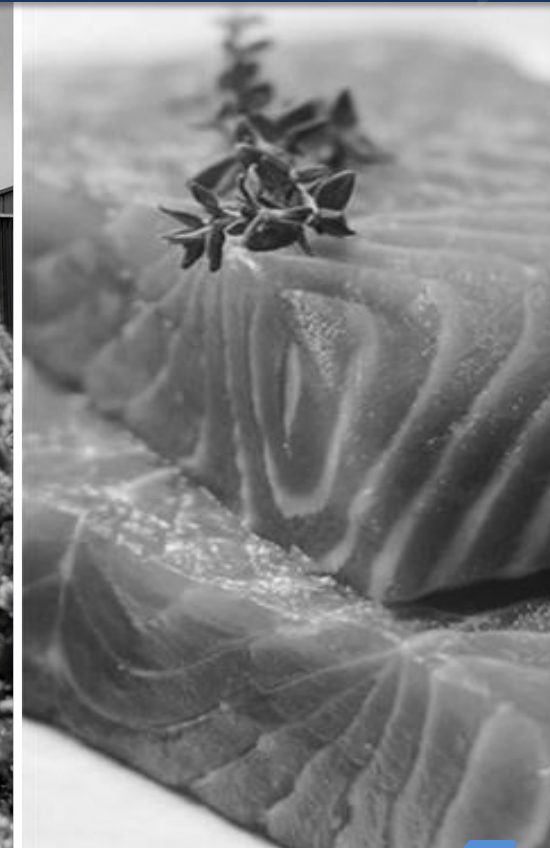
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chilean salmon industry



3

multiexport foods



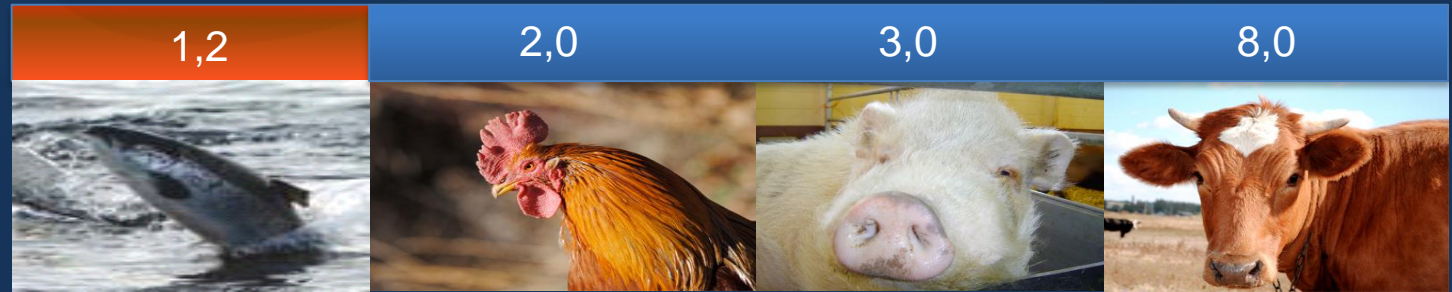
4

investment considerations

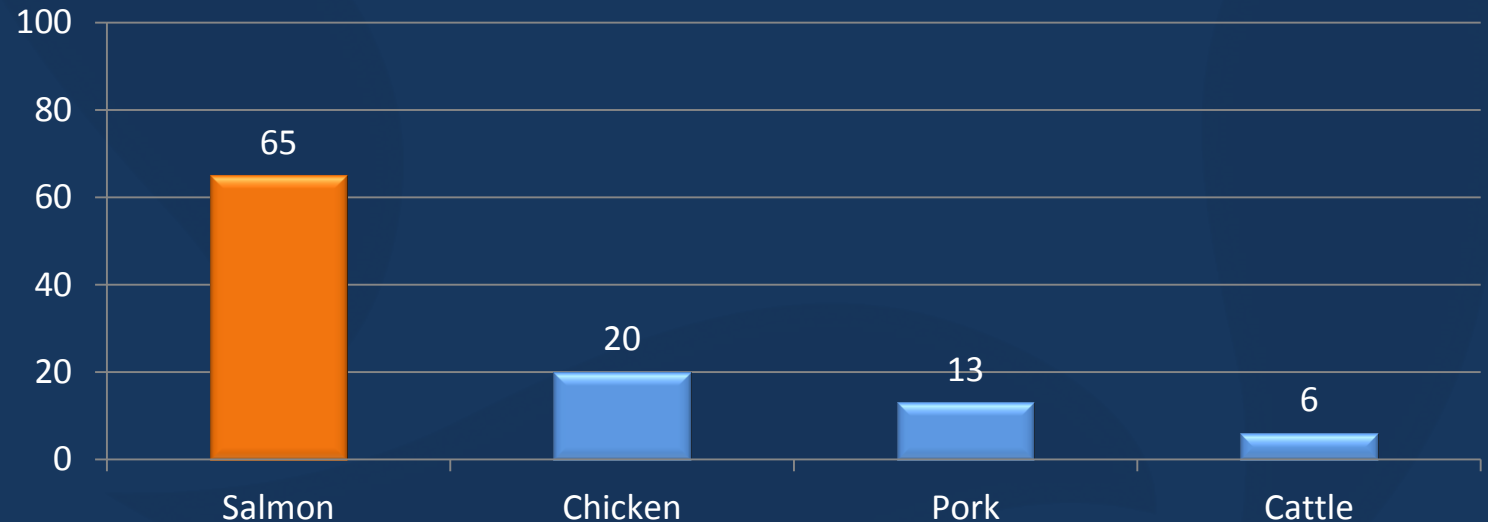
# SALMON'S ATTRIBUTES: HEALTHY & EFFICIENT PROTEIN

Salmon has a very low and efficient feed factor compared to other main proteins like chicken, pork and cattle.

- ▶ Kgs of feed needed to obtain 1Kg of weight



- ▶ 100 kg feed gives 65 kg edible salmon meat

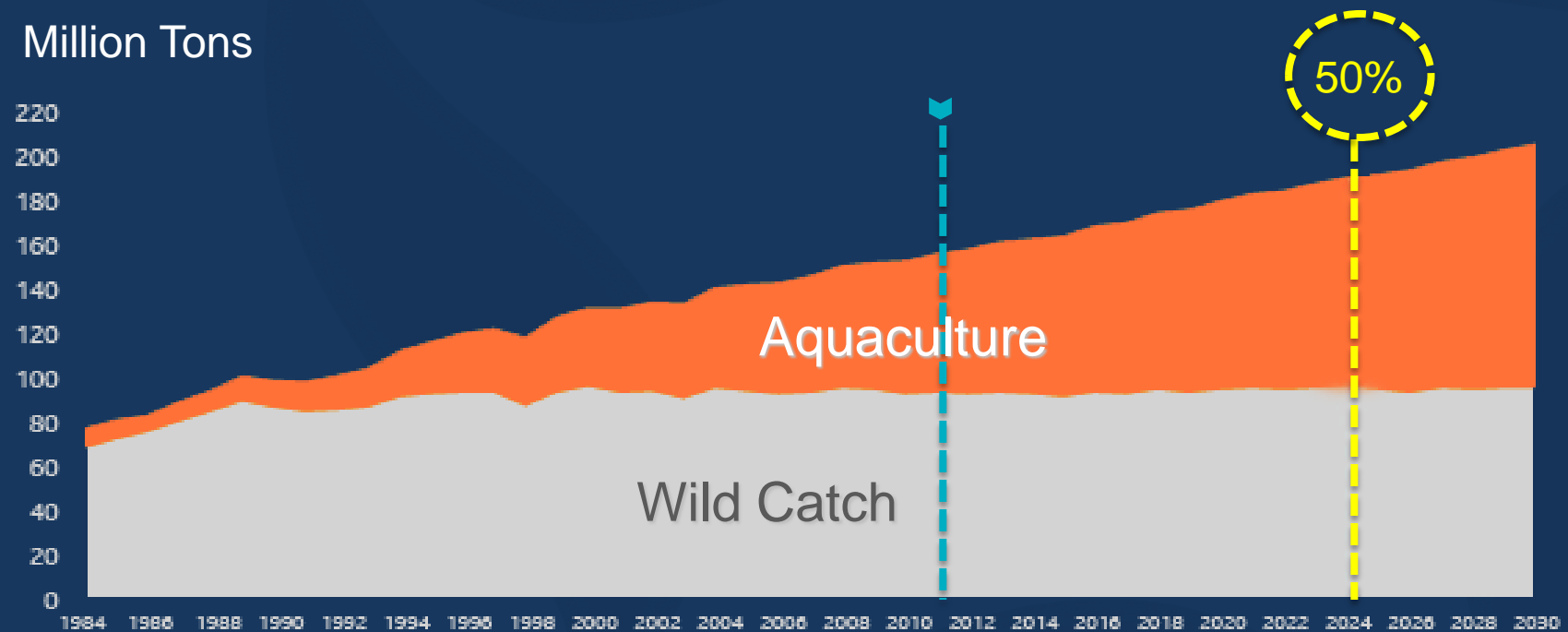


# SEAFOOD SUPPLY EVOLUTION

Aquaculture:

- ▶ Only option to continue supplying seafood proteins to future generations.

Million Tons

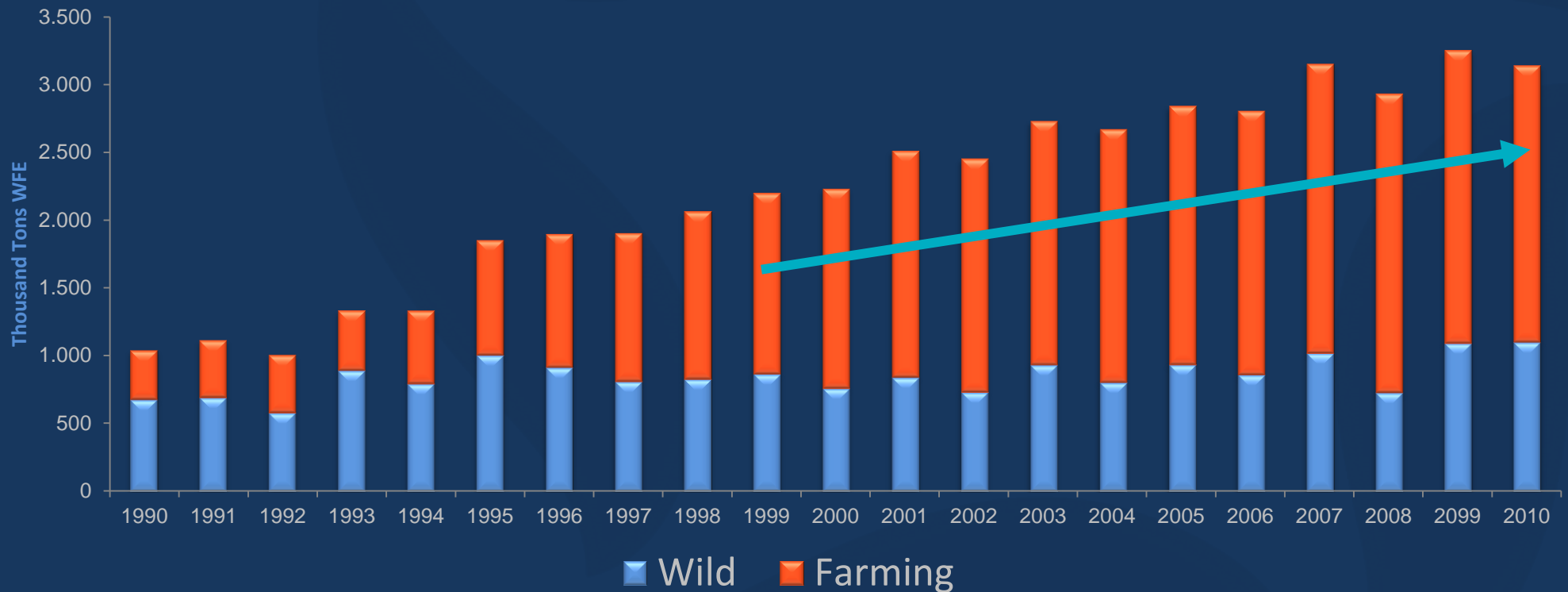


Source: Kontali / Multiexport Foods

# WILD AND FARMED SALMON HARVEST

- ▶ Global Demand for Salmon is growing at a CAGR around 7%

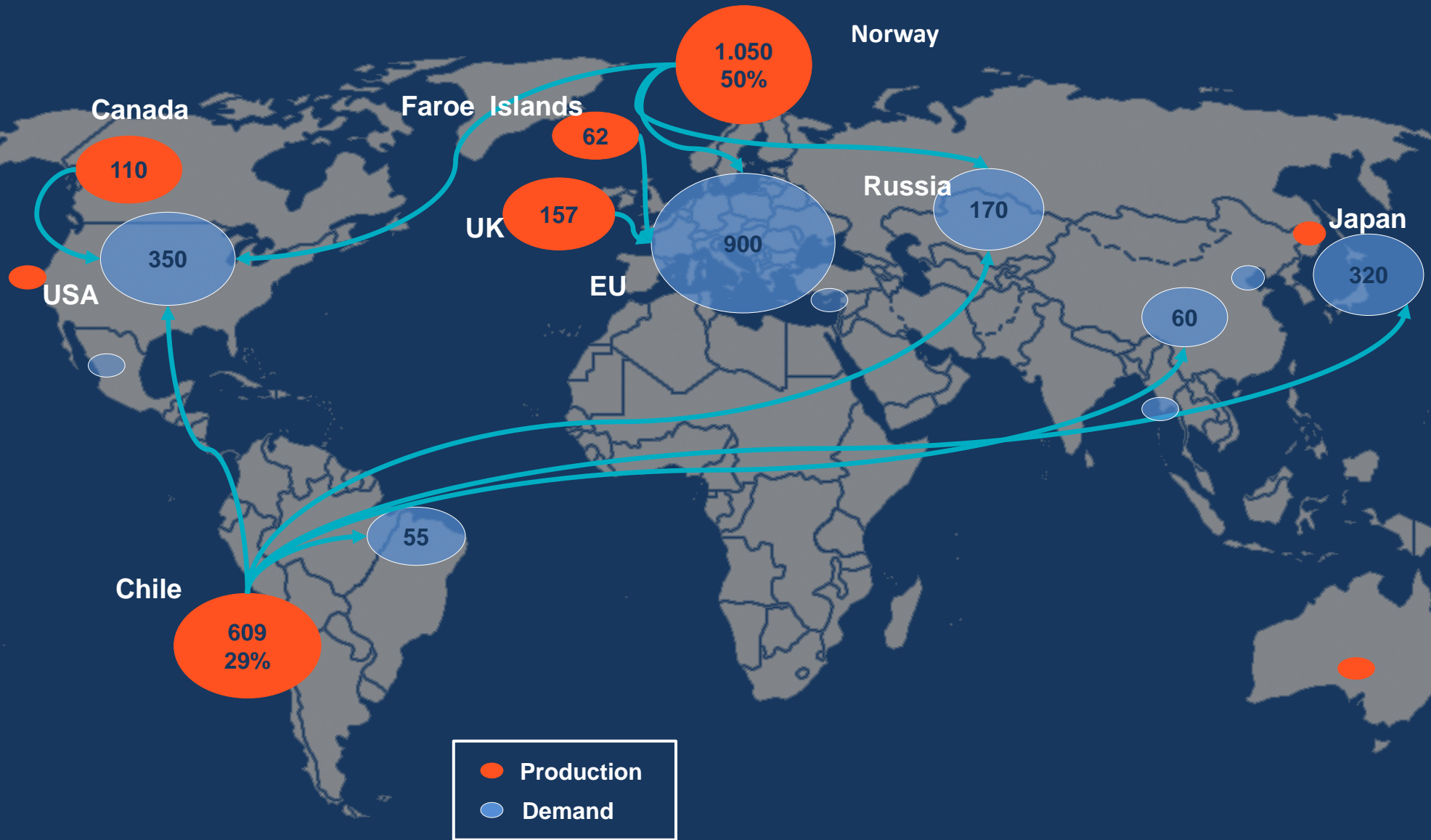
## WILD V/S FARMED SALMON



Source: Kontali / Salmonchile



# WORLD SALMON PRODUCTION AND DISTRIBUTION (2011)



Average annual growth during last 20 years around 7%

M Tons WFE	2007	2008	2009	2010	2011	2012	2013	2014
Norway	723	741	856	945	1.006	1.159	1.144	1.173
Chile	356	403	239	130	<b>221</b>	<b>379</b>	<b>439</b>	<b>456</b>
Others	318	348	373	373	393	407	399	412
<b>Total</b>	<b>1.397</b>	<b>1.492</b>	<b>1.468</b>	<b>1.448</b>	<b>1.620</b>	<b>1.945</b>	<b>1.982</b>	<b>2.041</b>

Growth	2007	2008	2009	2010	2011	2012	2013	2014
Norway	21%	2%	16%	10%	6%	15%	-1%	2%
Chile	-4%	13%	-41%	-46%	<b>71%</b>	<b>71%</b>	<b>16%</b>	<b>4%</b>
Others	5%	9%	7%	0%	5%	4%	-2%	3%
<b>Total</b>	<b>10%</b>	<b>7%</b>	<b>-2%</b>	<b>-1%</b>	<b>12%</b>	<b>20%</b>	<b>2%</b>	<b>3%</b>

Chile will represent **50%** of global growth in 2012 and **90%** in 2013

Atlantic Salmon Global Supply

**+20%** in 2012

**+ 2%** in 2013

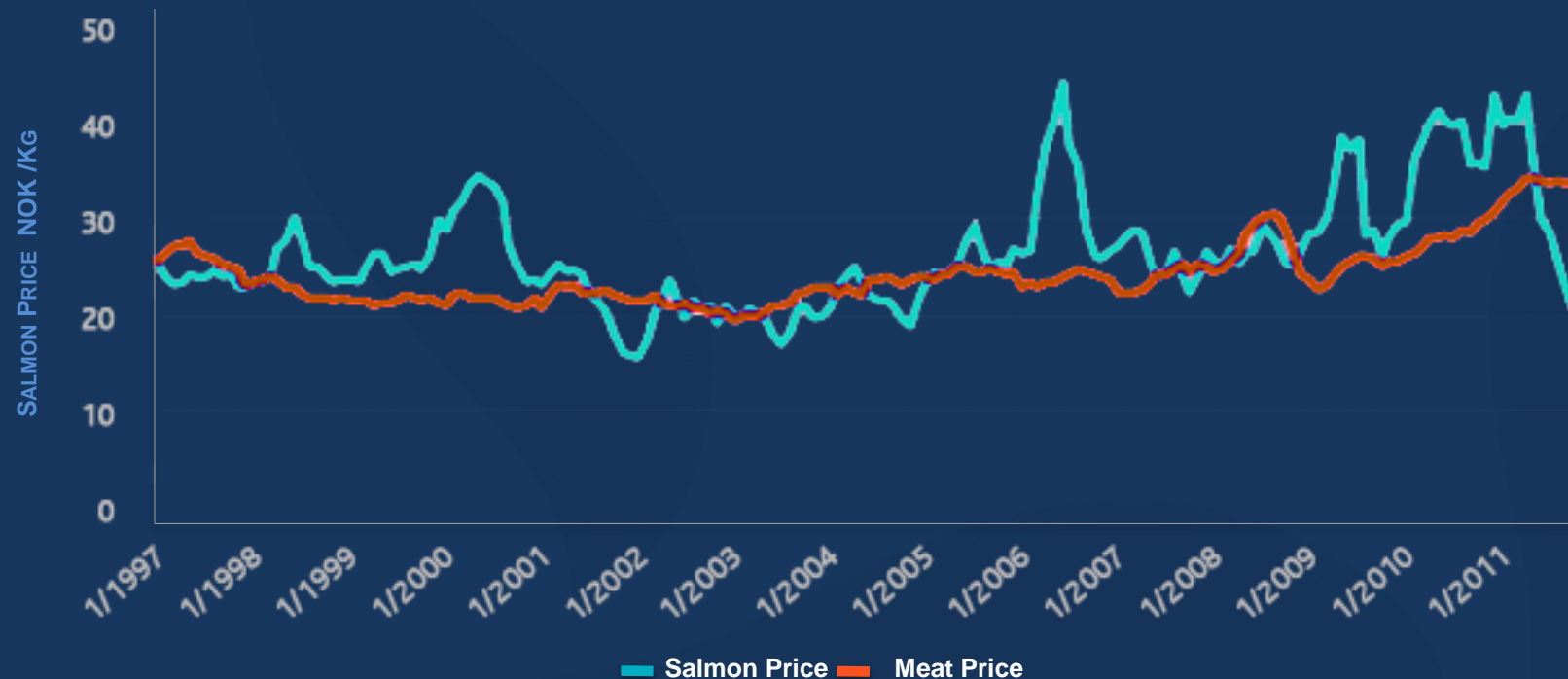
Source: ABG Sundal Collier



# SALMON PRICE V/S OTHER PROTEINS

- ▶ Currently, Salmon is relatively cheaper
- ▶ Demand should boost the in the short - middle term

## SALMON PRICE V/S MEAT PRICE INDEXED TO SALMON PRICE



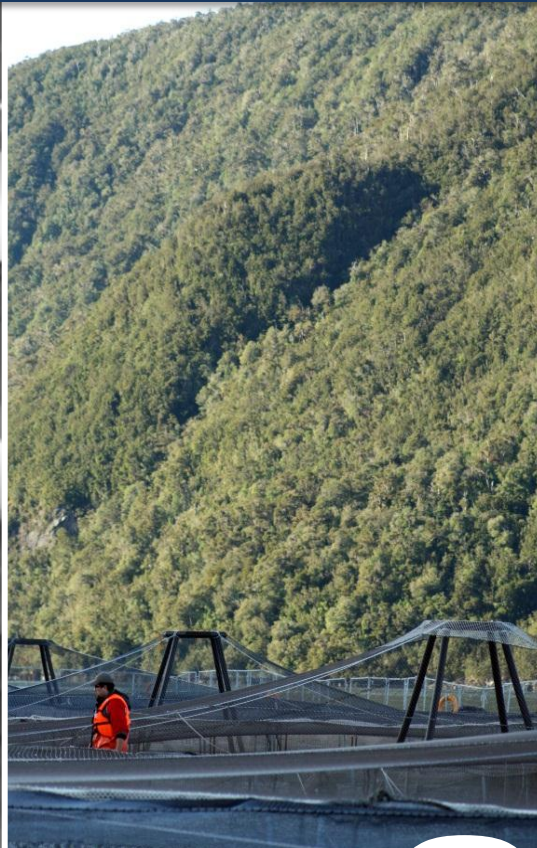
Source: FAO FHL, Platou

# chilean salmon industry



1

world salmon industry



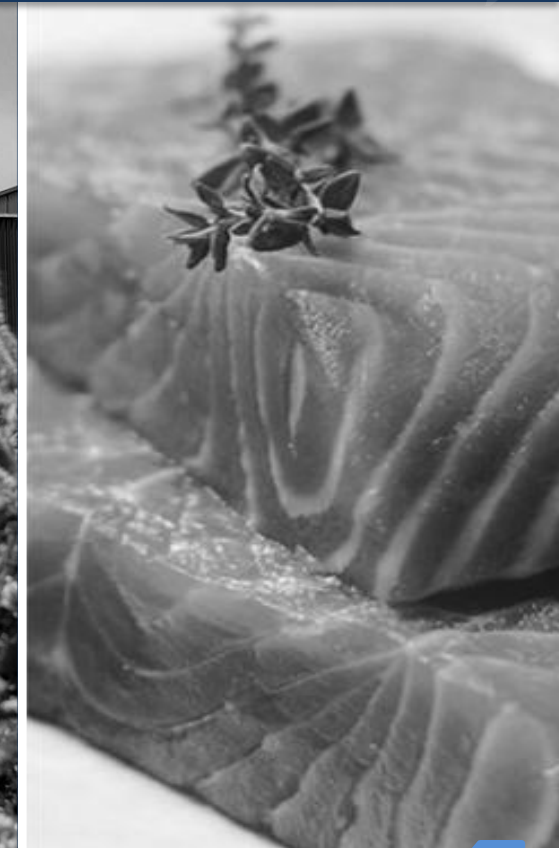
2

chilean salmon industry



3

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4

investment considerations



## GENERAL FACTS

- ▶ POPULATION: 17 MILL
- ▶ GDP: 257 B USD PPP
- ▶ GDP PER CAPITA: USD 15,064 (2010)
- ▶ EXPORTS: 80 B USD
  - 60% MINING
  - 33% INDUSTRIAL
  - 15% AGRI & FISHERIES PRODUCTS
- ▶ OECD MEMBER SINCE 2010

## MAIN EXPORT PRODUCTS:

1. COPPER: 50%
2. AGRI BUSINESS : 9%
- 3. SALMON: 4%**
4. WINE: 2%
5. OTHERS: 35%



# CHILEAN SALMON INDUSTRY AT A GLANCE



Country	Production 2011	Potential Capacity	Growth Potential (%)
Norway	1.050	1.150	10%
<b>Chile</b>	<b>600</b>	<b>&gt; 1000</b>	<b>&gt; 70%</b>
Canada – USA	145	160	10%
UK	145	160	10%
Others	155	165	6%
<b>Total</b>	<b>2.085</b>	<b>2.665</b>	<b>28%</b>

Source : Kontali, Salmonchile, Multiexport

# EXCEPTIONAL NATURAL CONDITIONS FOR AQUACULTURE



## NATURAL ADVANTAGE

### GEOGRAPHY

- ▶ 6.500 kms of coastline – huge sheltered portion
- ▶ Hundreds of islands and fjords

### LOCATION

- ▶ 45% of Fish Meal / Fish Oil produced in Peru & Chile
- ▶ Vegetable Raw material from Argentina & Brazil

### SEA WATER

- ▶ High yearly luminosity
- ▶ Optimal T° - Low sea water temperature variations
- ▶ Pristine waters

### LABOR

- ▶ Low labor cost
- ▶ Experienced human resources

# COASTLINE AND SEA WATER TEMPERATURE ADVANTAGES



4.250  
kms

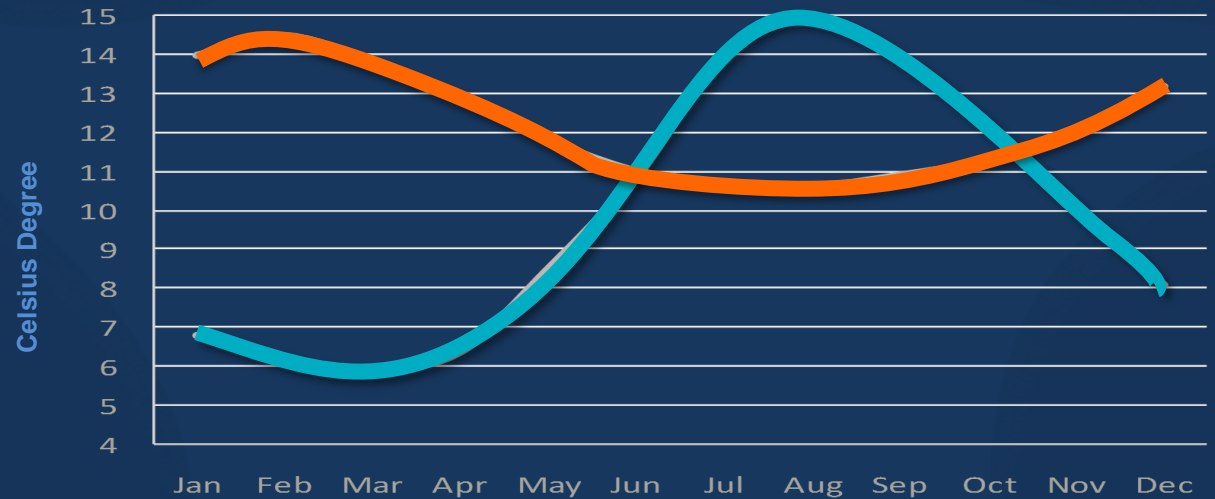


1.630k  
ms



1.780kms

- ▶ Stable water temperatures
- ▶ Ideal geography



— Norway — Chile





## REGULATORY FRAME WORK

### PRODUCTION AND HEALTH STRATEGY

- ▶ Restrictions on importation of eggs
- ▶ Land based broodstock and egg production
- ▶ Land based smolt production
- ▶ 100% smolt vaccination
- ▶ Organization of sites under "neighborhoods" & "All in - All out"
- ▶ Maximum allowed densities
- ▶ Mortality silage

### LICENSES

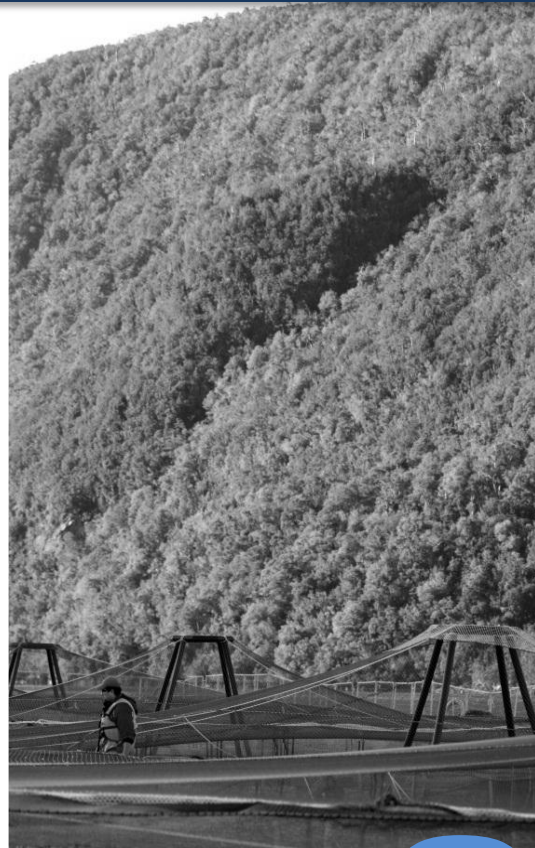
- ▶ Limited number in the 2 main regions (X, XI)
- ▶ Aprox. 1,150 licenses
- ▶ Equivalent to real estate ownership

# multiexport foods



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world salmon industry



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chilean salmon industry



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investment considerations

- ▶ Largest Atlantic Salmon Exporter in Chile in 2010 and 2011
- ▶ 35,3 Th tons WFE 2011 / 50,0 Th tons WFE 2012E
- ▶ Largest Chilean Smoked Salmon Producer
- ▶ Global reach, more than 25 countries served
- ▶ Established in 1987, Public since 2007
- ▶ Mkt Cap (\*) : MM USD 330
- ▶ Free float : 32%
- ▶ Sales 2011 : MM USD 280
- ▶ Recognized prestige
- ▶ 1,900 employees



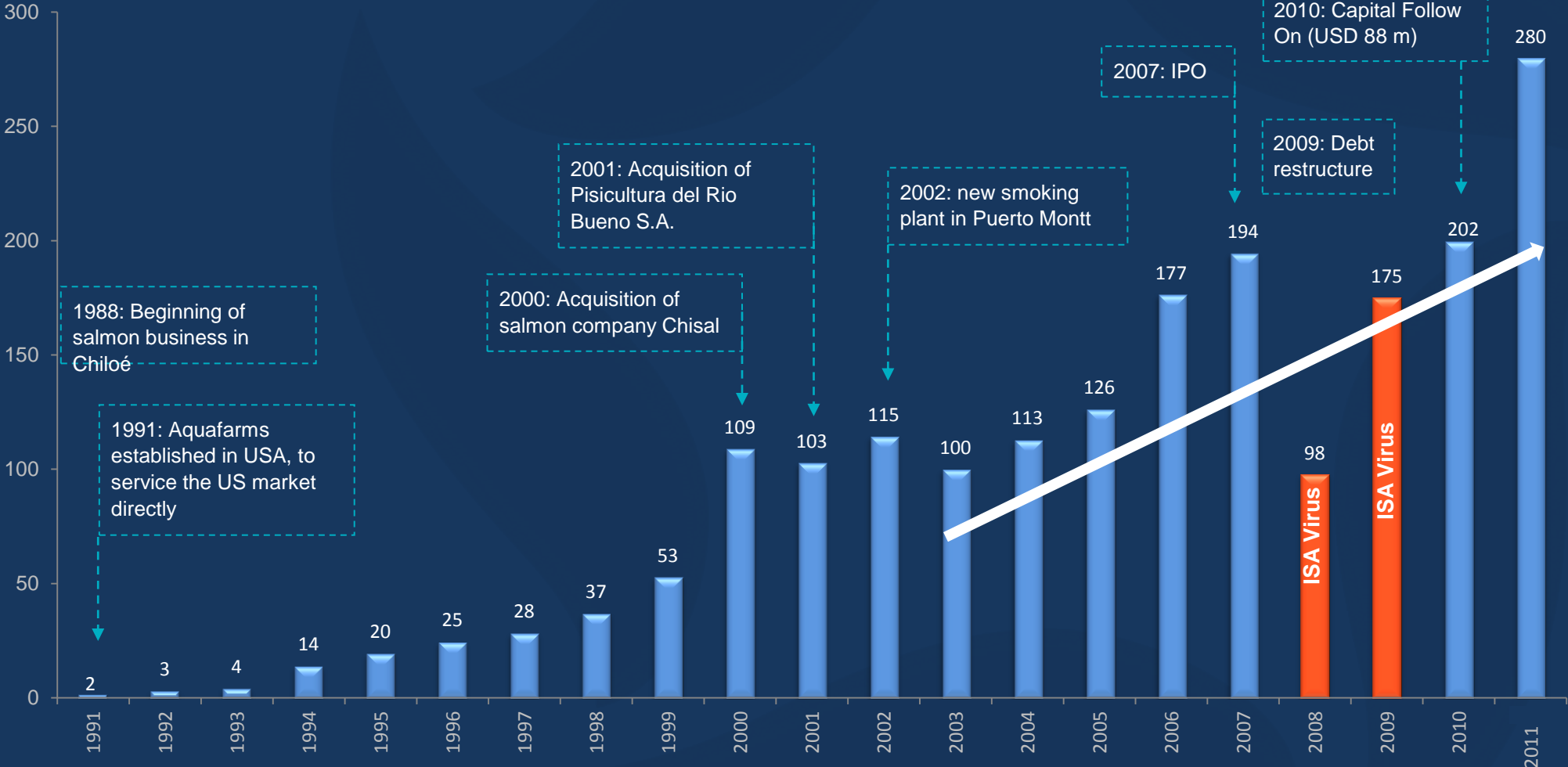
## Multiexport Foods

(\*) Nov , 2012



# MORE THAN 20 YEARS OF GROWTH

## ANNUAL SALES (MILLION USD)



Source: Multiexport

# VERTICALLY INTEGRATED ALONG THE VALUE CHAIN

## VALUE CHAIN

Multiexport Foods is vertically integrated, from reproduction to distribution to final customers, adding value in each stage of the value chain

Fresh Water Unit

Sea Farming Unit

Process Unit

Value Added Unit

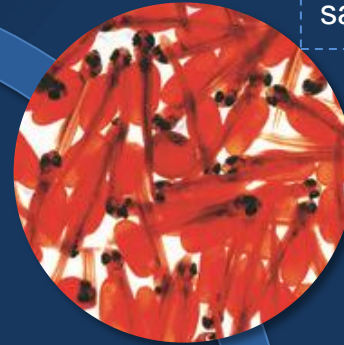


# SUPERIOR QUALITY BIOSECURITY AND EFFICIENCY IN EVERY STAGE

**2008:**  
Closed cycle broodstocks in  
land Sites



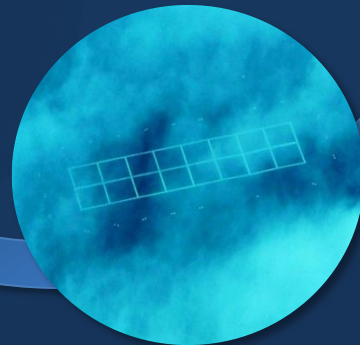
**2008:**  
100% production of Atlantic  
salmon smolts in hatcheries.



**2009:**  
Smolts Quality Program (Smolt Index)  
100% vaccinated smolts  
Biosecurity in all stages



**2009:**  
Coordinated production in neighborhoods  
Low density cultivation  
Minimal stress regime  
Control of health risks (e.g. silage)  
Permanent Health Surveillance





# FRESH WATER UNIT: ASSETS AND CAPACITY



## BREEDING

Hatchery with a production capacity of **30 million of Atlantic Salmon eye egg**. 4-5 generations in a closed system



## HATCHERIES

Capacity of **11.5 mill smolt + 21 million Atlantic salmon fry** in 4 own hatcheries + Projects and contracts with a capacity of **15 million** additional smolts



## LAKES / RIVERS

7 permits for **16 million Trout/Coho** smolts

# SEA FARMING UNIT: PRODUCTION POTENTIAL

- ▶ Competitive mix of neighborhoods and concessions
- ▶ Presence in 23 neighborhoods
- ▶ 90 granted concessions
- ▶ 9 pending concessions

**Total Potential Capacity 120,000 ton WFE**



Licenses Distribution

Region	Current	Pending	Total
X	23	0	23
XI	67	9	76
<b>Total</b>	<b>90</b>	<b>9</b>	<b>99</b>



# PROCESSING UNIT: FRESH & SMOKED PRODUCTS

- ▶ Modern processing plants
- ▶ Flexibility to quickly adapt to market requirements
- ▶ Expertise on Commodity and Value Added Products

## FRESH & FROZEN PLANT



- ▶ Capacity for 80,000 ton WFE
- ▶ Filleting and Portioning lines

## SMOKED PLANT



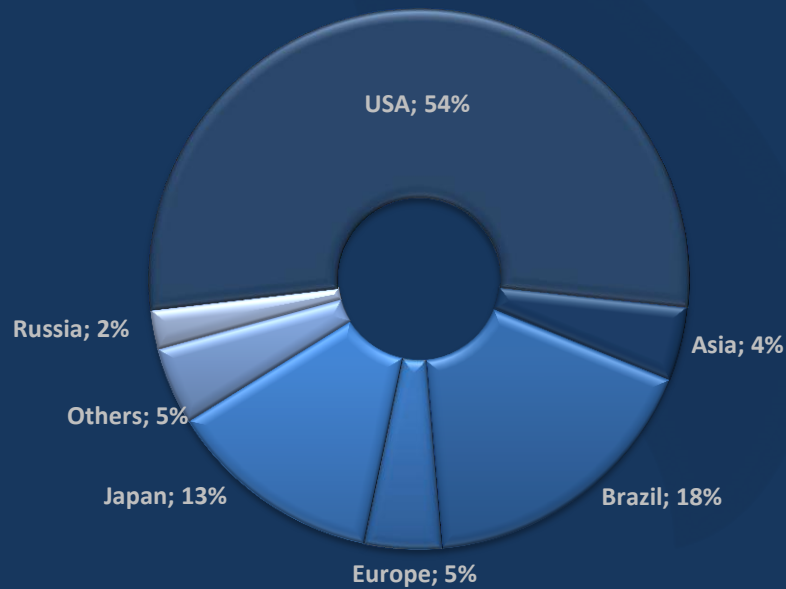
- ▶ Processing capacity for 8,000 ton WFE
- ▶ High sanitary standards
- ▶ Designed by top quality Japanese smoker (Oji Salmon)



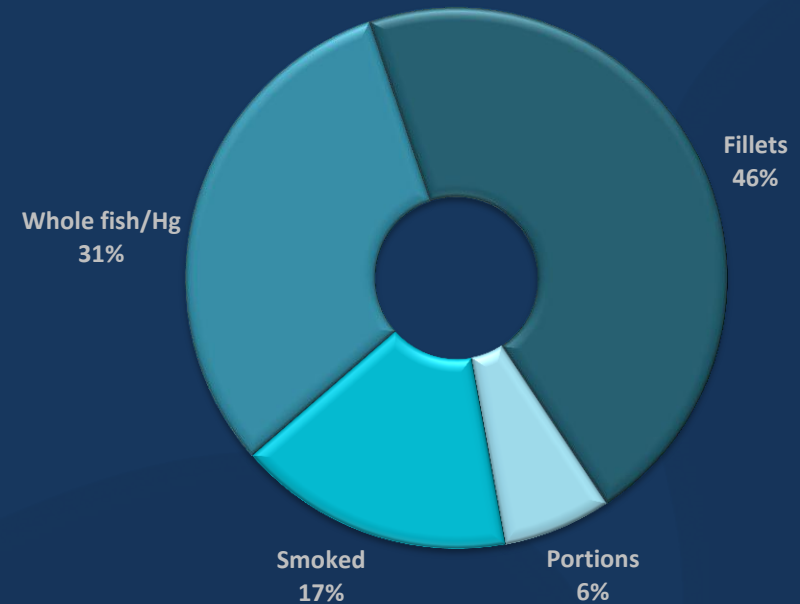
# STRONG CUSTOMER BASE AND PRODUCT MIX

- ▶ Major retailers and distributors around the world
- ▶ Product Mix: Minimum 80% of Atlantic Salmon (Worldwide consumption)
- ▶ Commodity and Value Added products

## SALES BY COUNTRY



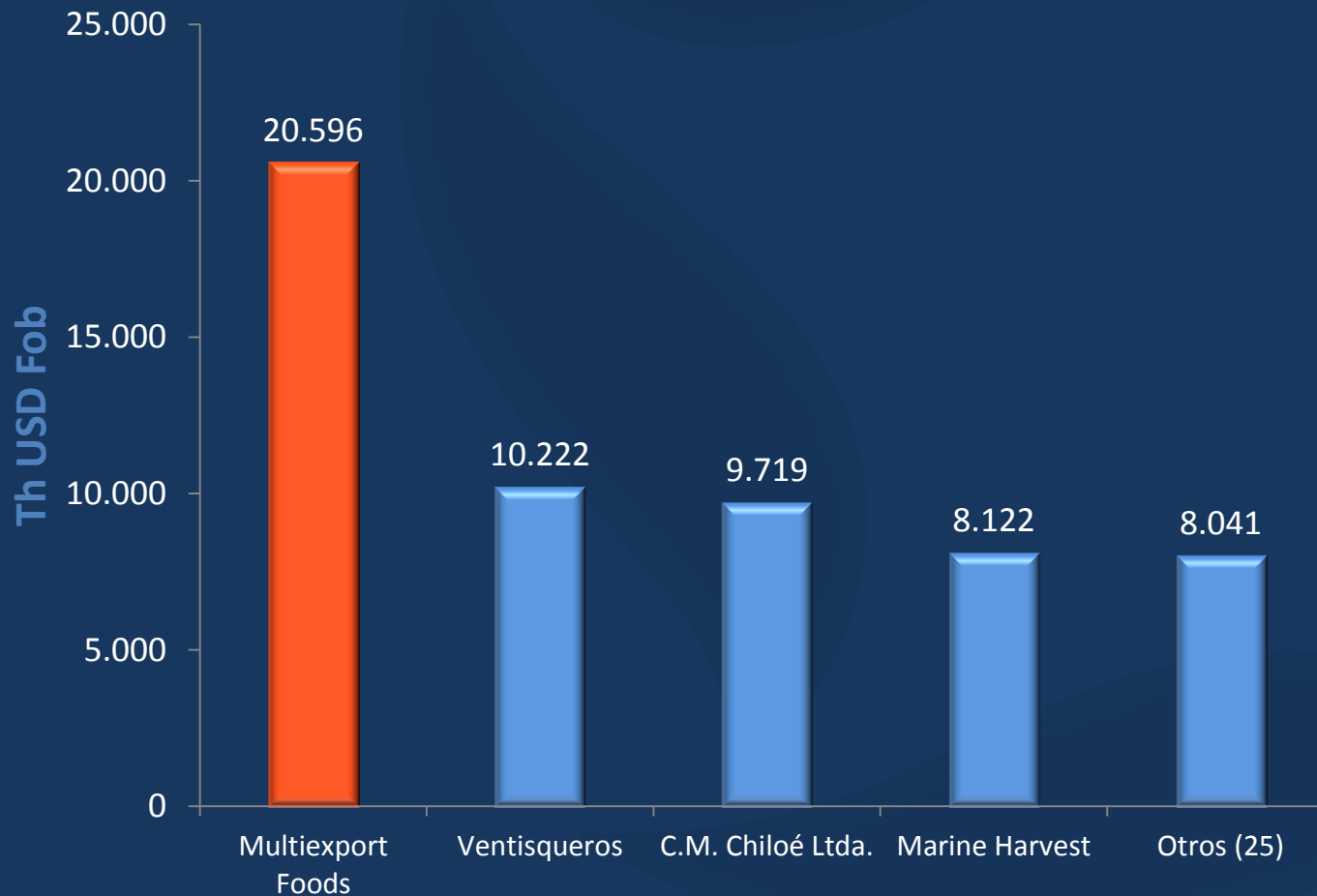
## PRODUCT MIX - 2011



# SMOKED SALMON EXPORTS

H1-2012 (Th USD FOB)

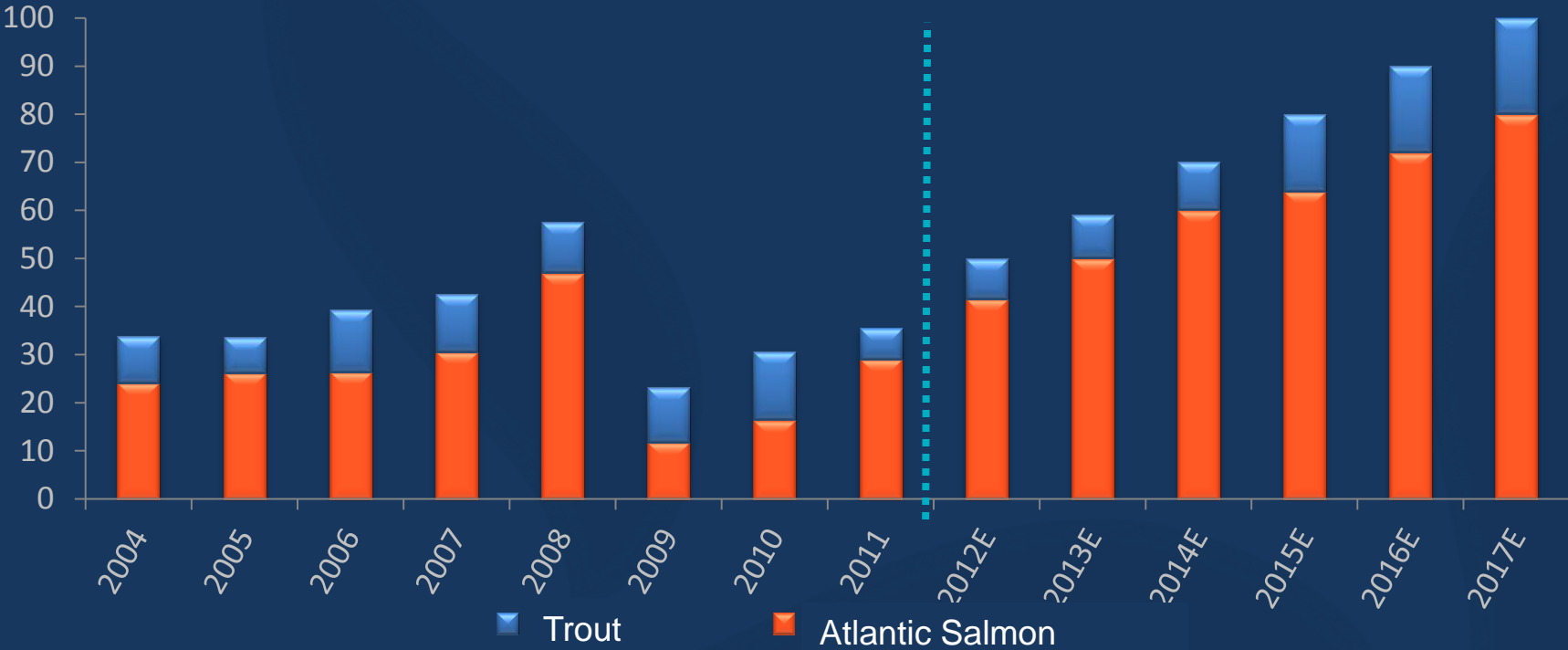
Multifoods **largest** Smoked  
Products Exporter (Atlantic Salmon & Trout)



**+41%** Revenues  
H1 2012 vs H1 2011

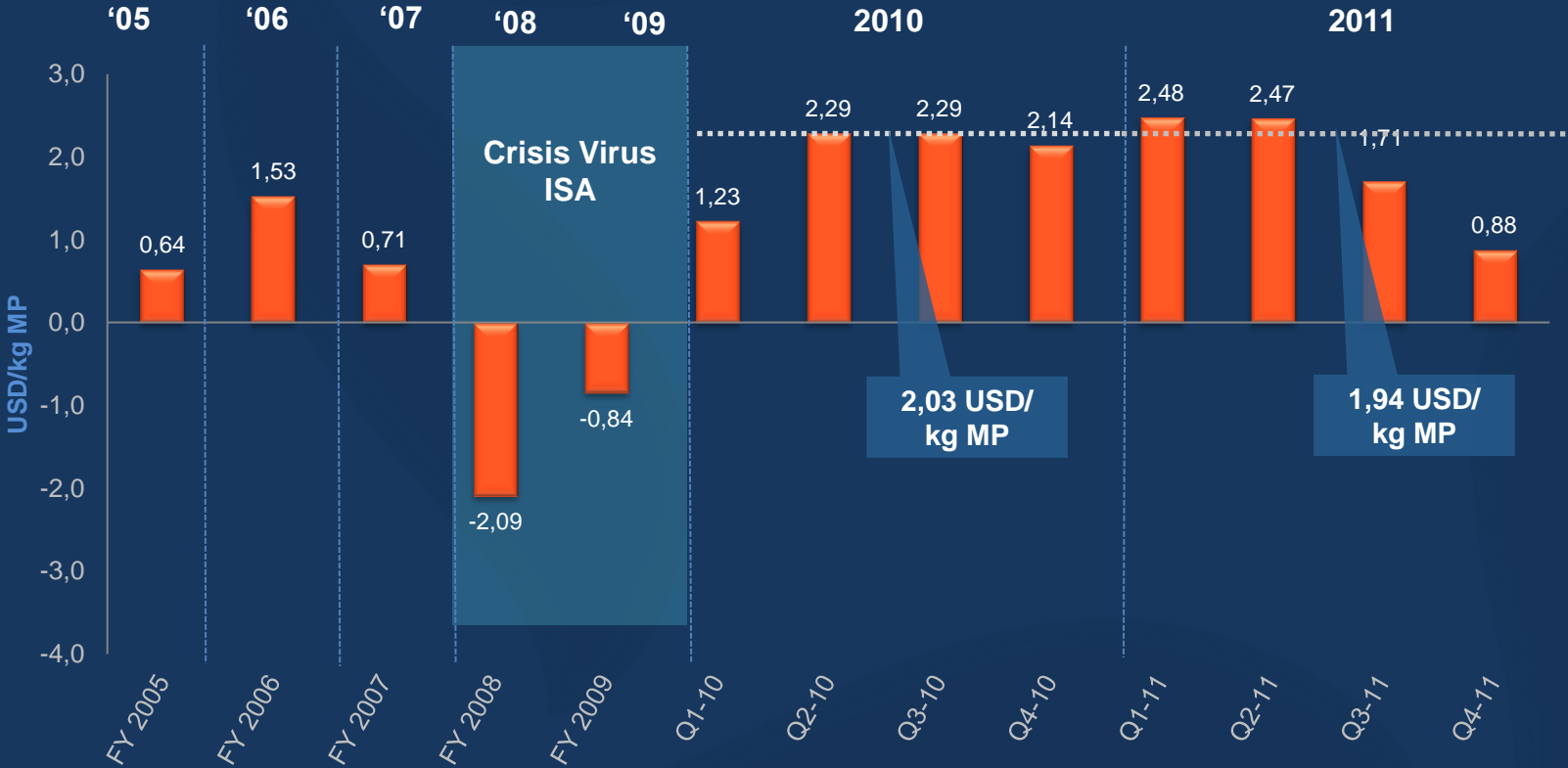
- ▶ Responsible growth to produce 100 thousand tons WFE by 2017, with a minimum of 80% Atlantic Salmon

### ANNUAL HARVEST – TH TON WFE

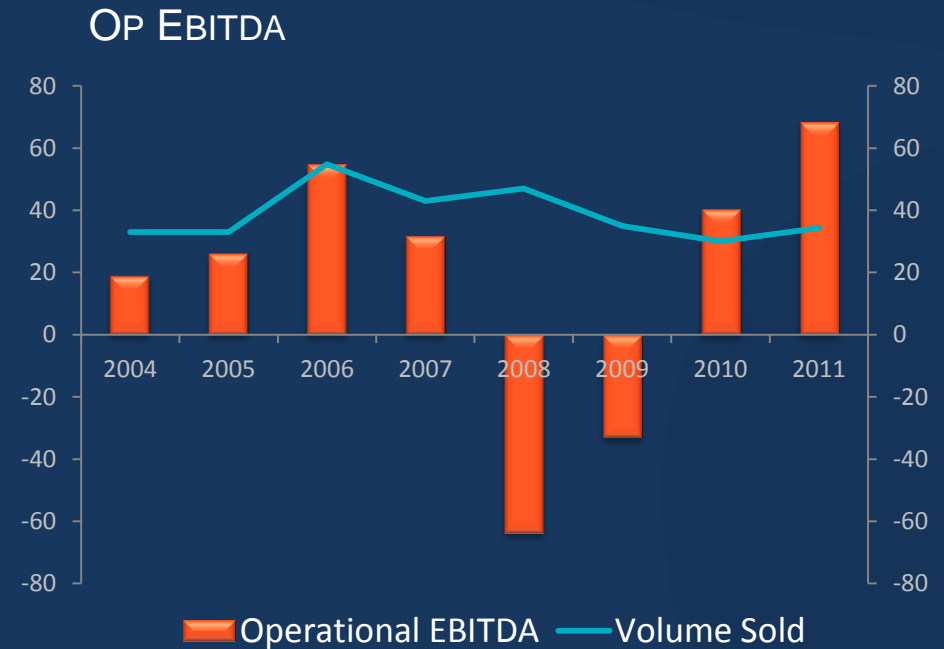




### EBIT pre-IFRS (USD/kg MP)



## REVENUES AND OPERATIONAL EBITDA (\*) EVOLUTION (USD MILL)



(\*) Operational EBITDA: EBITDA pre IFRS Fair Value adjustment

Cifras en (MUSD)	H1 - 2012	2011
Disponible	62.378	86.779
Inventarios + Activos Biológicos	189.585	168.441
Otros Activos Circulantes	38.308	34.449
Activos Fijos	109.695	107.125
Otros Activos	57.971	55.490
<b>Total Activos</b>	<b>457.937</b>	<b>452.285</b>
Deuda Financiera	185.407	186.220
Cuentas y Documentos por Pagar	73.795	40.263
Otros Pasivos	21.635	33.147
Total Patrimonio	177.100	192.655
<b>Total Pasivos y Patrimonio</b>	<b>457.937</b>	<b>452.285</b>

Principales Indicadores	H1 - 2012	2011
Deuda financiera neta (MMUSD)	123.029	99.440
Leverage (veces)	1,59	1,35
Leverage Neto (veces)	1,23	0,9
Índice de Liquidez (veces)	3,18	4,19

▶ Disponible en Caja Q2:

**USD 62,4 MM**

▶ Variación Disponible en S1:

**USD -24,4 MM**

▶ Aumento de Inventarios y Activos Biológicos:

**+ USD 21,1 MM**

▶ Aumento Cuentas por pagar:

**+ USD 33,5 MM**



# ESTADO DE FLUJOS CONSOLIDADO

Cifras en (MUSD)	H1-2012	H1-2011
Actividades de la Operación	3.442	15.576
Actividades de Inversión	-11.074	-7.741
Actividades de Financiamiento	-16.772	-6.931
<b>FLUJO NETO TOTAL DEL PERIODO</b>	<b>-24.404</b>	<b>1.174</b>
Variación en la tasa de cambio	3	83
<b>Variación neta del Efectivo y Equivalente</b>	<b>-24.401</b>	<b>1.257</b>
Saldo Inicial	86.779	110.442
<b>SALDO FINAL</b>	<b>62.378</b>	<b>111.699</b>

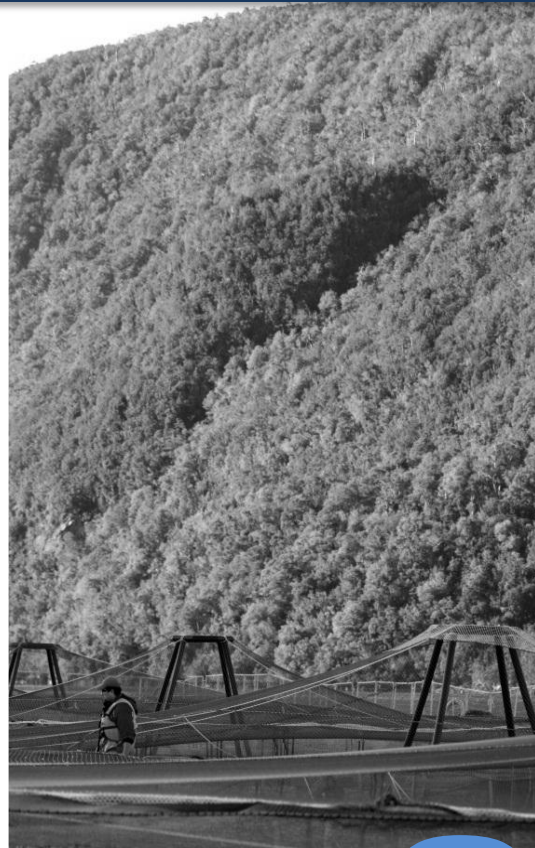
- ▶ Actividades de Inversiones: Apertura Centros de Agua de Mar y reposición
- ▶ Actividades de Financiamiento: Pago 1era cuota tramo A (1%) y distribución de dividendos en Abril 2012

# Investment opportunity & considerations



1

world salmon industry



2

chilean salmon industry



3

multiexport foods



4

investment considerations



## Chilean Salmon Industry

- ▶ New Production Model in place  
Chilean in the way back to be competitive and a leader player  
Improved Performance
- ▶ Pending Regulations  
Density Rule  
Procedure to grant new licenses (2015 =>)
- ▶ Chile confirmed as The Growth Potential Country in terms of global supply, despite new model restrictions
- ▶ The New Law for Chilean Salmon Industry, including regulations and productive model is among the most strict and complete. Its implementation will trigger an industry reorganization and consolidation.
- ▶ Easy access to Value added production



# Multiexport Foods

Alimentando el futuro

- ▶ Recognized Industry Leader
- ▶ Strong Growth Potential
- ▶ Focus on Atlantic Salmon
- ▶ Experienced Management
- ▶ Solid Commercial Base
- ▶ Healthy and Solid Financial Position
- ▶ Convenient Consolidation Vehicle





**THANK YOU!**

**Multiexport Foods**

Alimentando el futuro



# Control y eficiencia en el costo

En el costo de venta de los productos de salmón, un **70-80%** corresponde a costo de la biomasa.

- Cuáles son sus drivers?
- Cómo lo afectan y cómo se controlan?

## Composición típica del costo de biomasa:

Item de costo	%	Variables que afectan al Item
Smolt	13%	Costo de Smolt - Rendimiento
Alimento	57%	FCR y Precio Alimento
Operaciones Centros	14%	Crecimiento y Rendimiento
MOD	4%	Crecimiento y Rendimiento
Salud	4%	Calidad de smolt y condición de área
Depreciación	4%	Crecimiento y Rendimiento
Otros	3%	Crecimiento y Rendimiento
<b>Total</b>	<b>100%</b>	

## Cómo afectan individualmente las principales variables al costo:

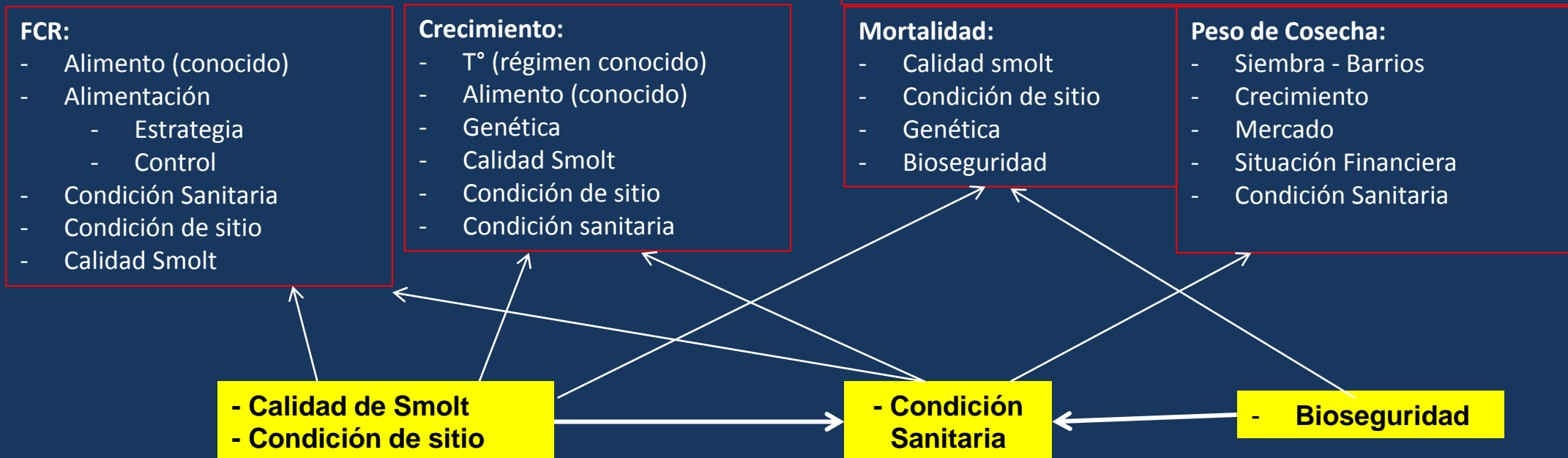
**FCR**, factor de conversión del alimento **57%**

Tasa de **crecimiento** de los peces **26%**

**Rendimiento**, en kg/smolt corresponde a la productividad del grupo de peces. **39%**

# Control y eficiencia en el costo

de qué dependen estas variables?



## Foco permanente en:

- **Bioseguridad**
- **Calidad de smolt:** sano, buena selección, vacunado, genética conocida.
- **Definición de sitios:** buena circulación, O<sub>2</sub>, antecedentes sanitarios, coordinación vecinos.
- **Control de Alimentación:** definición de estrategia y monitoreo permanente de consumo y respuesta

**Costo Competitivo**