

# Q4 2015 Presentation





## | Agenda

### I. Highlights

II. Financial Statements

III. Supply, Demand and Prices

IV. Farming Operation

V. Current Situation & Perspectives



- Multiexport harvests reached 63,720 WFE tons in 2015 (-7.9% vs. 2014)
  - Atlantic Salmon mortality rate 2015: **7.4%**
  - Average harvest weight 2015: **5.20 kg WFE** (Q4-15: 4.90 vs. Industry 4.67)
- Atlantic Salmon operational EBIT/kg WFE 2015: **-0.44** vs. **0.22** USD/kg in 2014
  - Ex Cage Cost decreased **9.1%** vs. 2014
  - UB TD 3-4 High Atlantic Salmon Price decreased **20.3%** vs. 2014
- Price Situation in main Chilean Salmon Markets
  - Russian import ban on Norwegian Salmon
  - Canadian supply increase during 2015 and its impact in the US market
  - World currencies depreciation against US Dollar
- USD 100,7 million capital increase of Salmenes Multiexport S.A successfully completed



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# Consolidated Income Statement

Main Indicators	Q4-15	Q4-14	Var.	2015	2014	Var.
<b>Harvests (WFE Tons)</b>	<b>19,093</b>	<b>21,446</b>	-11%	<b>63,720</b>	<b>69,203</b>	-8%
Atlantic Salmon	14,008	15,764	-11%	56,681	60,234	-6%
Trout	-	26	-100%	997	2,450	-59%
Coho	5,085	5,656	-10%	6,042	6,519	-7%
<b>Sales (WFE Tons)</b>	<b>18,472</b>	<b>20,392</b>	-9%	<b>64,951</b>	<b>63,102</b>	3%
Atlantic Salmon	13,629	13,971	-2%	58,006	54,805	6%
Trout	96	490	-80%	1,686	2,306	-27%
Coho	4,747	5,931	-20%	5,260	5,991	-12%
<b>EBIT (USD/WFE Kg)</b>	<b>-0.74</b>	<b>0.48</b>	-254%	<b>-0.52</b>	<b>0.23</b>	-330%
Atlantic Salmon	-0.72	0.42	-272%	-0.44	0.22	-304%
Trout	n/a	-1.42	n/a	-2.75	-1.01	171%
Coho	-0.67	0.77	-187%	-0.63	0.78	-180%
<b>Income Statement (Th. USD)</b>	<b>Q4-15</b>	<b>Q4-14</b>	<b>Var</b>	<b>2015</b>	<b>2014</b>	<b>Var</b>
Operating revenues	85,827	111,838	-23%	346,268	400,076	-13%
Cost of Sales	-96,339	-96,668	0%	-365,671	-368,701	-1%
<b>Operating EBIT *</b>	<b>-14,074</b>	<b>9,919</b>	<b>-242%</b>	<b>-35,269</b>	<b>15,190</b>	<b>-332%</b>
Fair Value adjustment of biological assets	1,869	-3,336	-156%	-11,031	6,778	-263%
Net Income	-7,452	4,442	-268%	-32,906	14,449	-328%
<b>Operating EBITDA*</b>	<b>-10,200</b>	<b>14,129</b>	<b>-172%</b>	<b>-20,630</b>	<b>30,037</b>	<b>-169%</b>

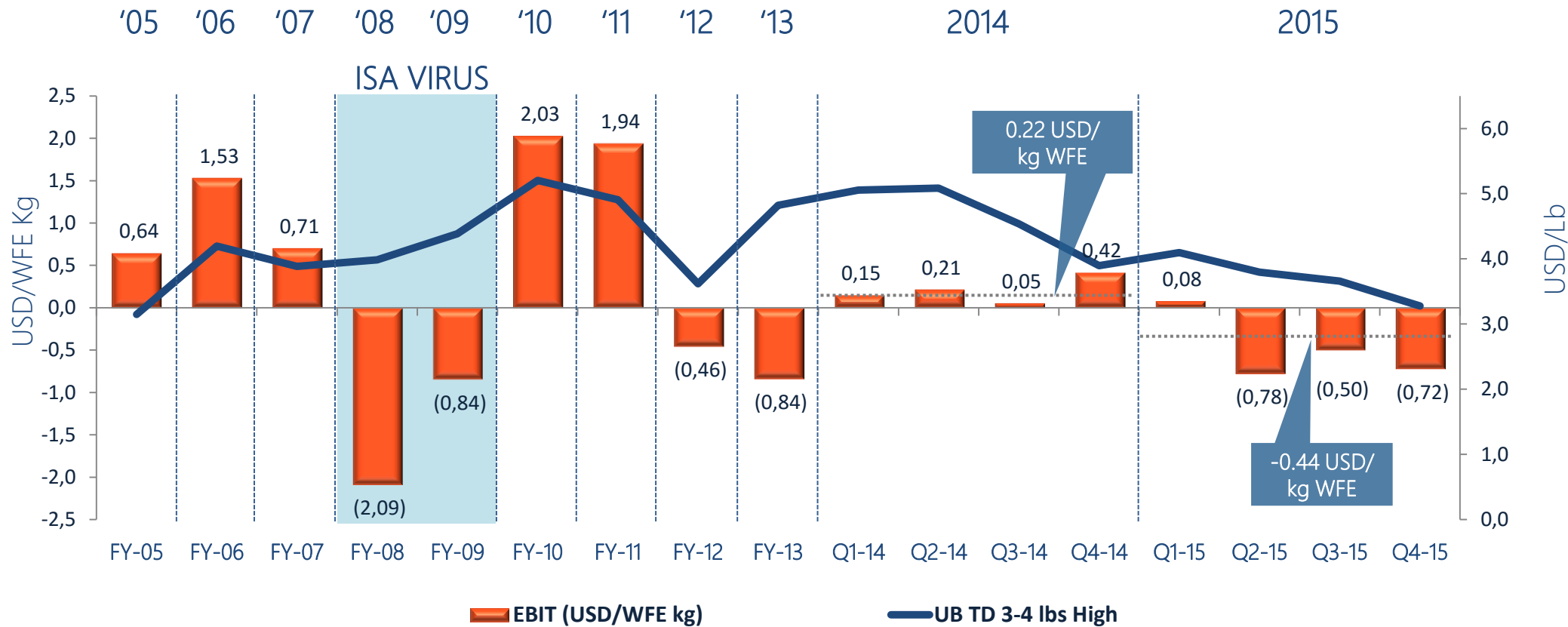
\* Pre Fair Value adjustment



# Efficiency and Profitability

## Atlantic Salmon

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



# Consolidated Balance Sheet

Balance Sheet (Th. USD)	2015	2014
Cash and cash equivalents	71,630	25,458
Inventories and biological assets	201,132	234,921
Other current assets	36,436	45,657
Property, Plant and Equipment	109,767	105,536
Other assets	88,155	77,054
<b>Total Assets</b>	<b>507,120</b>	<b>488,626</b>
Financial Debt	174,007	188,209
Accounts and notes payable	85,923	96,166
Other liabilities	30,694	33,273
Total Equity	216,496	170,978
<b>Total Liabilities and Equity</b>	<b>507,120</b>	<b>488,626</b>

► **Cash: +USD 46.2 MM**

- Capital Increase (Mitsui): USD 80 MM
- Debt amortization: USD 14.1 MM
- Fixed Assets Investment: USD 17.2 MM

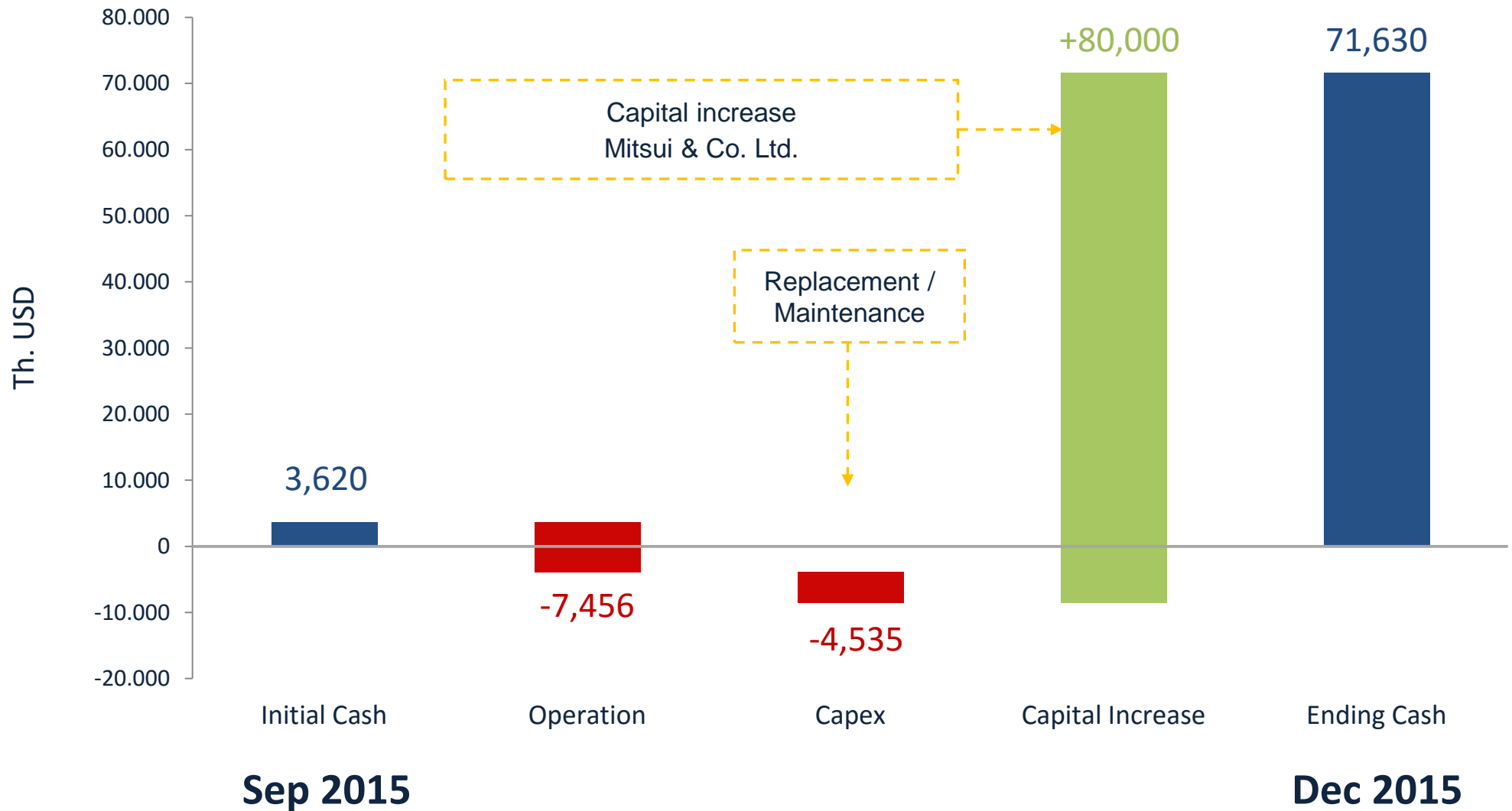
► **Inv. + Biological assets: -USD 33.8 MM**

► **Financial Obligations: -USD 14.2 MM**

- Long Term Debt Amortization: USD 14.1 MM (Syndicated loan)

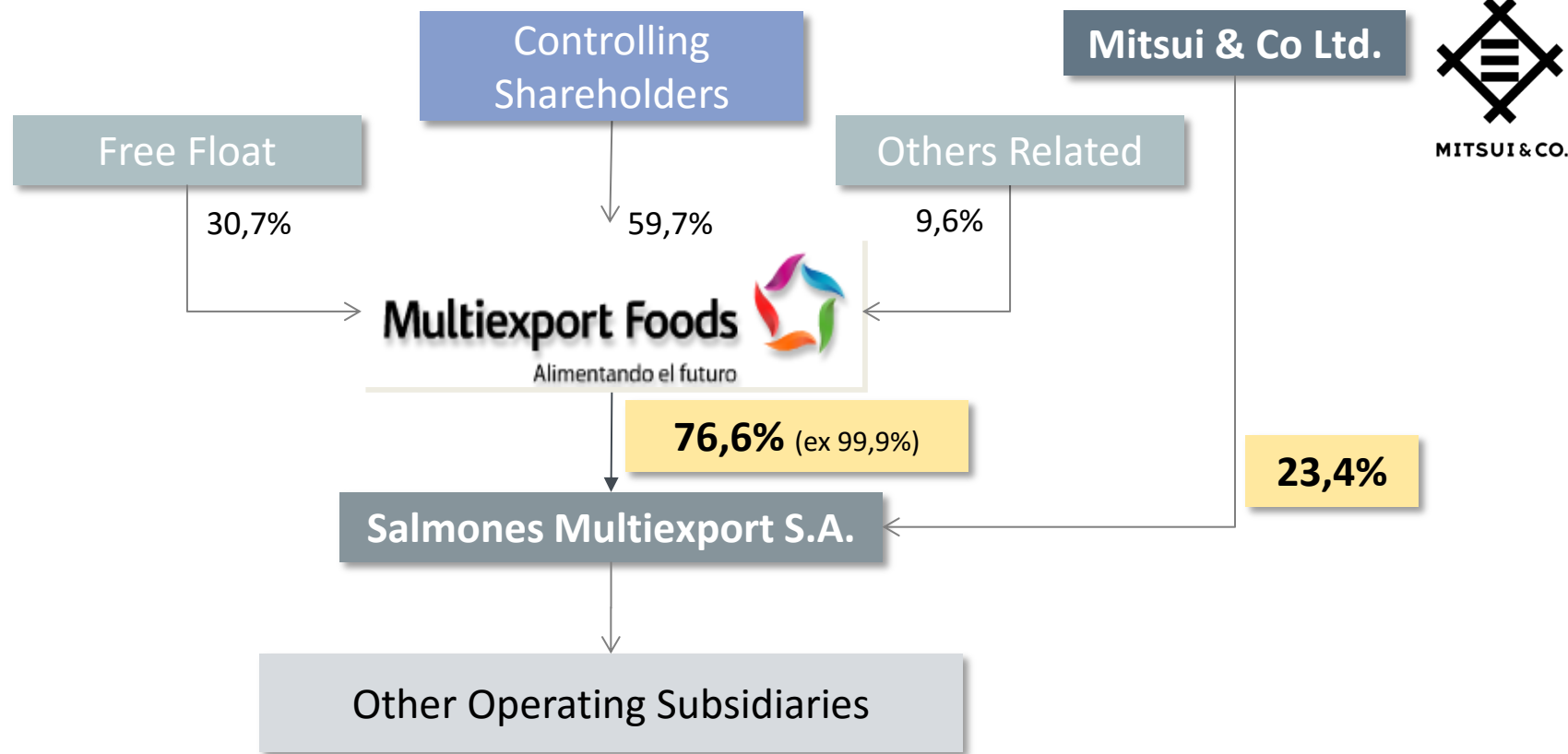
Financial Ratios	2015	2014
Net Financial Debt (Th. USD)	102,377	162,751
Total Net Liabilities/Equity (x)	1.01	1.71
Current ratio (x)	2.34	2.07

# Q4-2015 Consolidated Cash Flow (Th. USD)





# Multiexport Foods – Ownership Structure (dec. 2015)



## Capital Increase (USD Millions)

	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Cash as of 15.12.2015	80.0	80.0
30% MPF Shares	20.7	20.7
Earn-Out (Cash) as of 31.12.2018	-	24.4
<b>Total</b>	<b>101</b>	<b>125</b>



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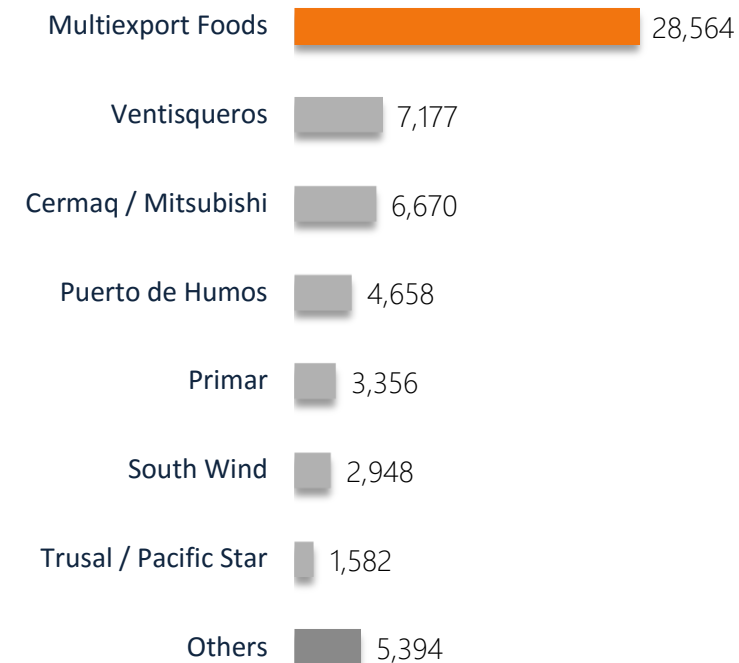
V. Current Situation & Perspectives

# Chilean Supply 2015

Th. USD FOB

Exporter	Atlantic	Trout	Coho	Total	% Exp.
Aquachile	272,356	83,164	74,446	429,966	12%
Cermaq / Mitsubishi	229,738	23,425	145,531	398,695	11%
<b>Multiexport Foods</b>	<b>279,162</b>	<b>14,486</b>	<b>25,190</b>	<b>318,838</b>	<b>9%</b>
Marine Harvest	306,797	8,055	-	314,852	9%
Camanchaca	194,916	9,265	-	204,181	6%
Trusal / Pacific Star	75,023	39,370	66,053	180,446	5%
Los Fiordos	140,767	3,252	35,357	179,377	5%
Australis	122,685	10,137	23,957	156,780	4%
Marine Farm	79,069	20	66,399	145,489	4%
Blumar	132,863	4,492	-	137,354	4%
Others	679,145	245,051	136,035	1,060,231	30%
<b>Total</b>	<b>2,512,522</b>	<b>440,718</b>	<b>572,969</b>	<b>3,526,208</b>	<b>100%</b>

## Smoked Salmon Exports



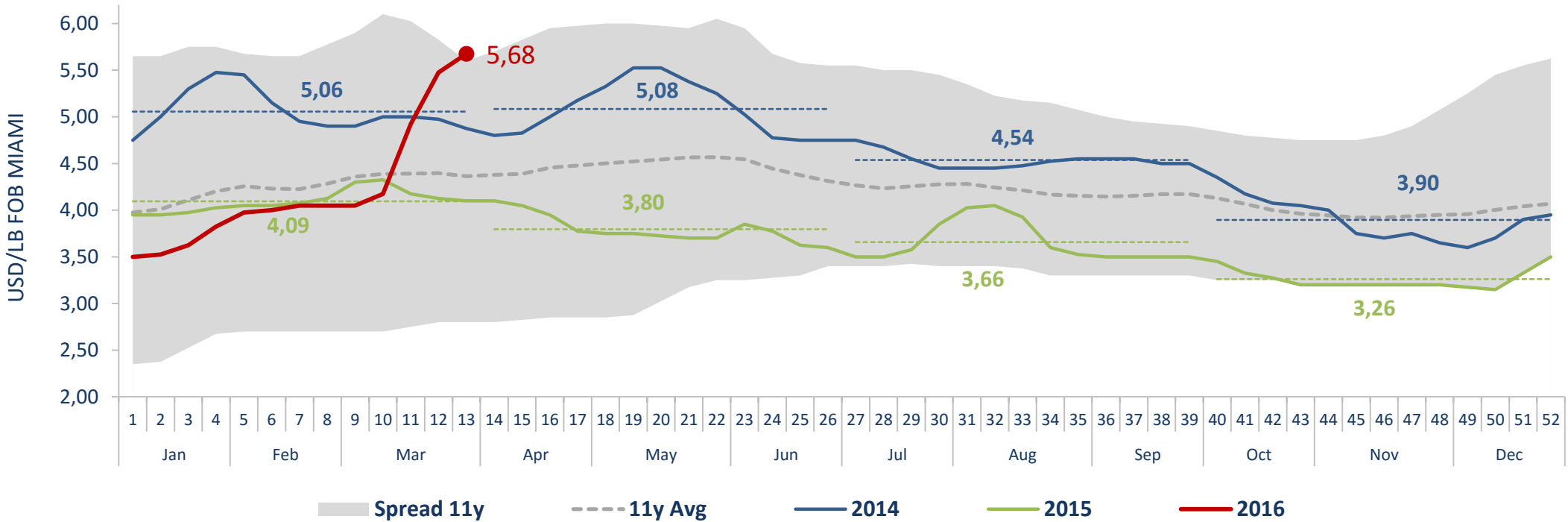
**47%** share of total Chilean smoked exports

# Atlantic Salmon Prices

## USA Market



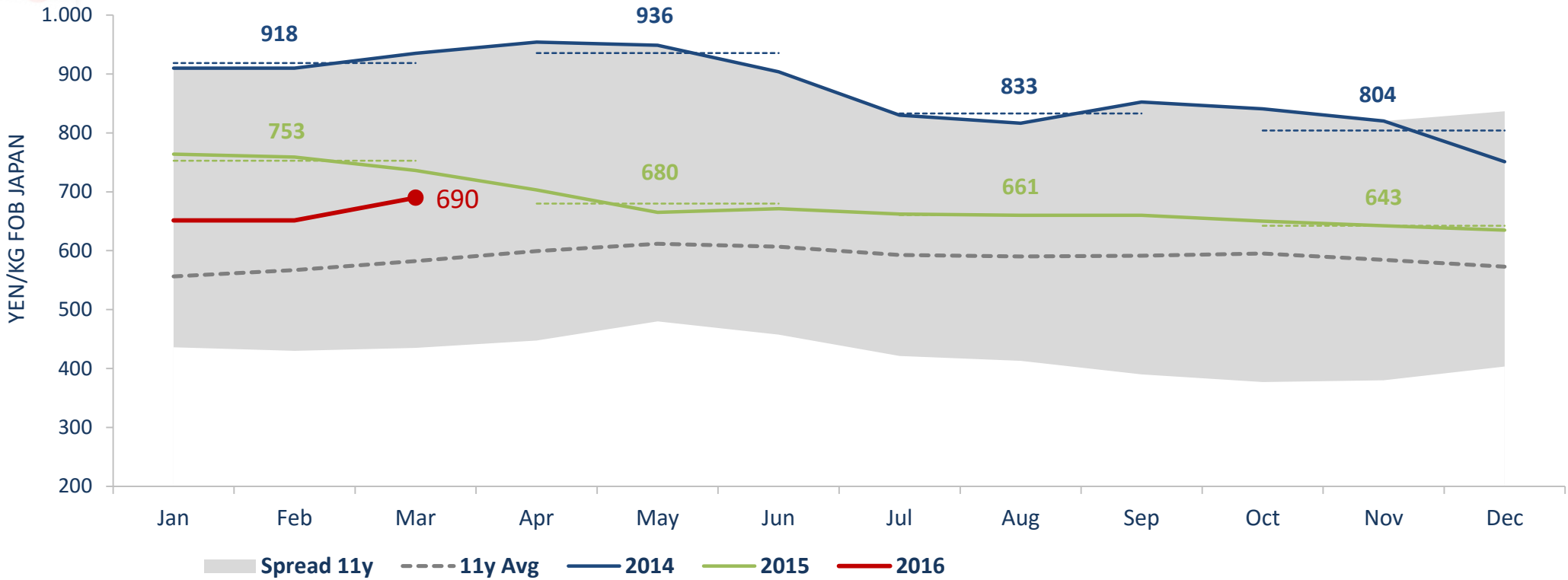
### ATLANTIC SALMON PRICE: UB TRIM D 3-4 POUNDS HIGH



- ▶ Q4 2015: **3.26 USD/lb** (Q4 2014: **3.90 USD/lb**) -16.3%
- ▶ Current price (week 13, 2016); **5.68 USD/lb**



### TROUT PRICES: PREMIUM FROZEN HG 4-6 POUNDS



▶ Q4 2015: 643 JPY/kg (Q4 2014: 804) -20.1%

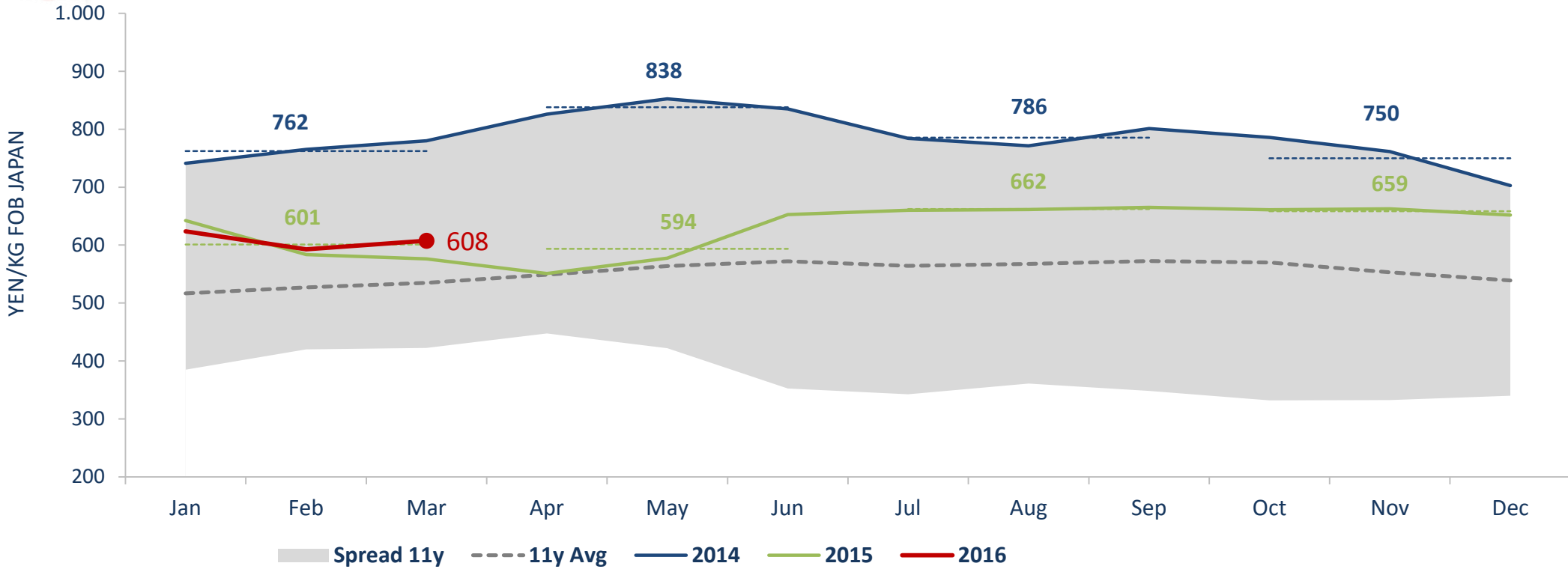
▶ Current Price (week 13, 2016); 725 JPY/kg

# Coho (Pacific Salmon) Prices

## Japanese Market



### COHO PRICES: PREMIUM FROZEN HG 4-6 POUNDS



▶ Q4 2015: 659 JPY/kg (Q4 2014: 750) -12.2%

▶ Current Price (week 13, 2016); 625 JPY/kg





## | Agenda

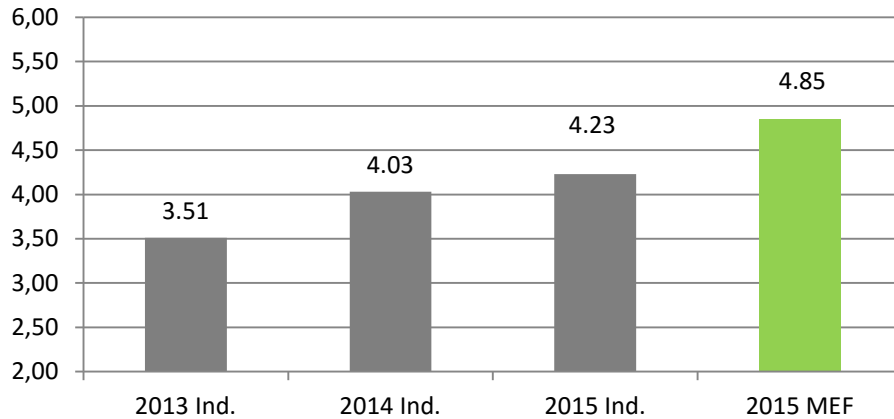
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# Results achieved so far..

## Atlantic Salmon Performance

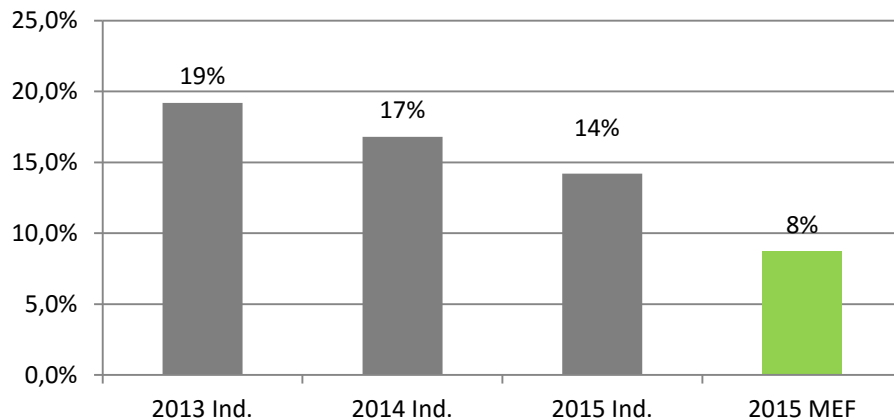
### Atlantic Salmon Yield (kg WFE / smolt)

Multiexport vs. Chilean Industry



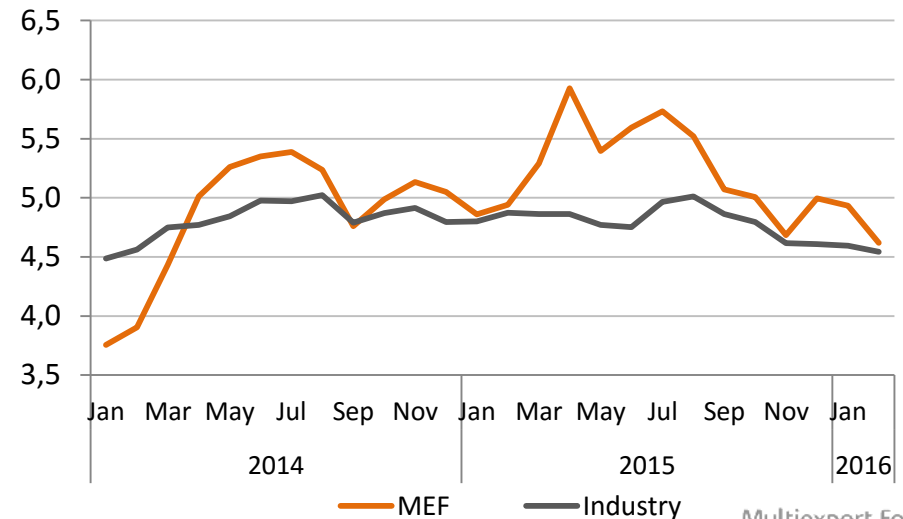
### Atlantic Salmon Accum. Mortality (%)

Multiexport vs. Chilean Industry



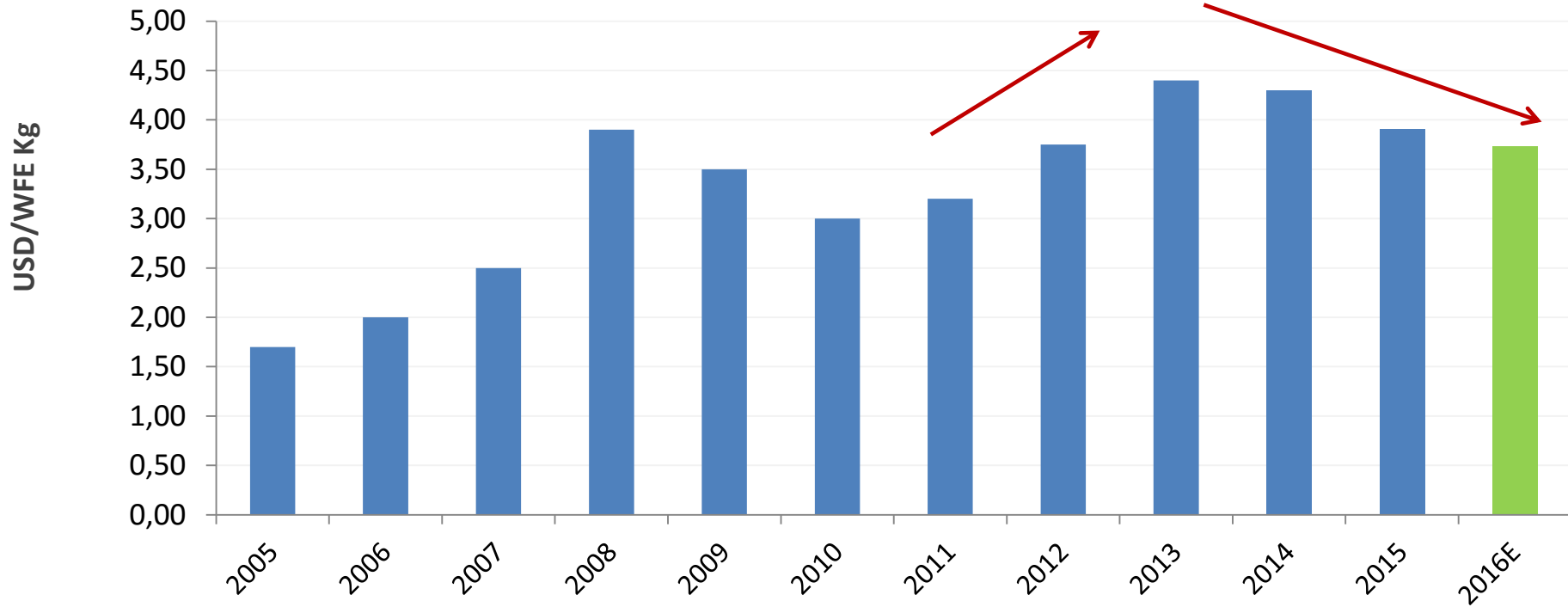
### Harvest Weight (kg WFE)

Multiexport vs. Chilean Industry



### Continuous reduction

Ex-Cage Cost USD/WFE kg

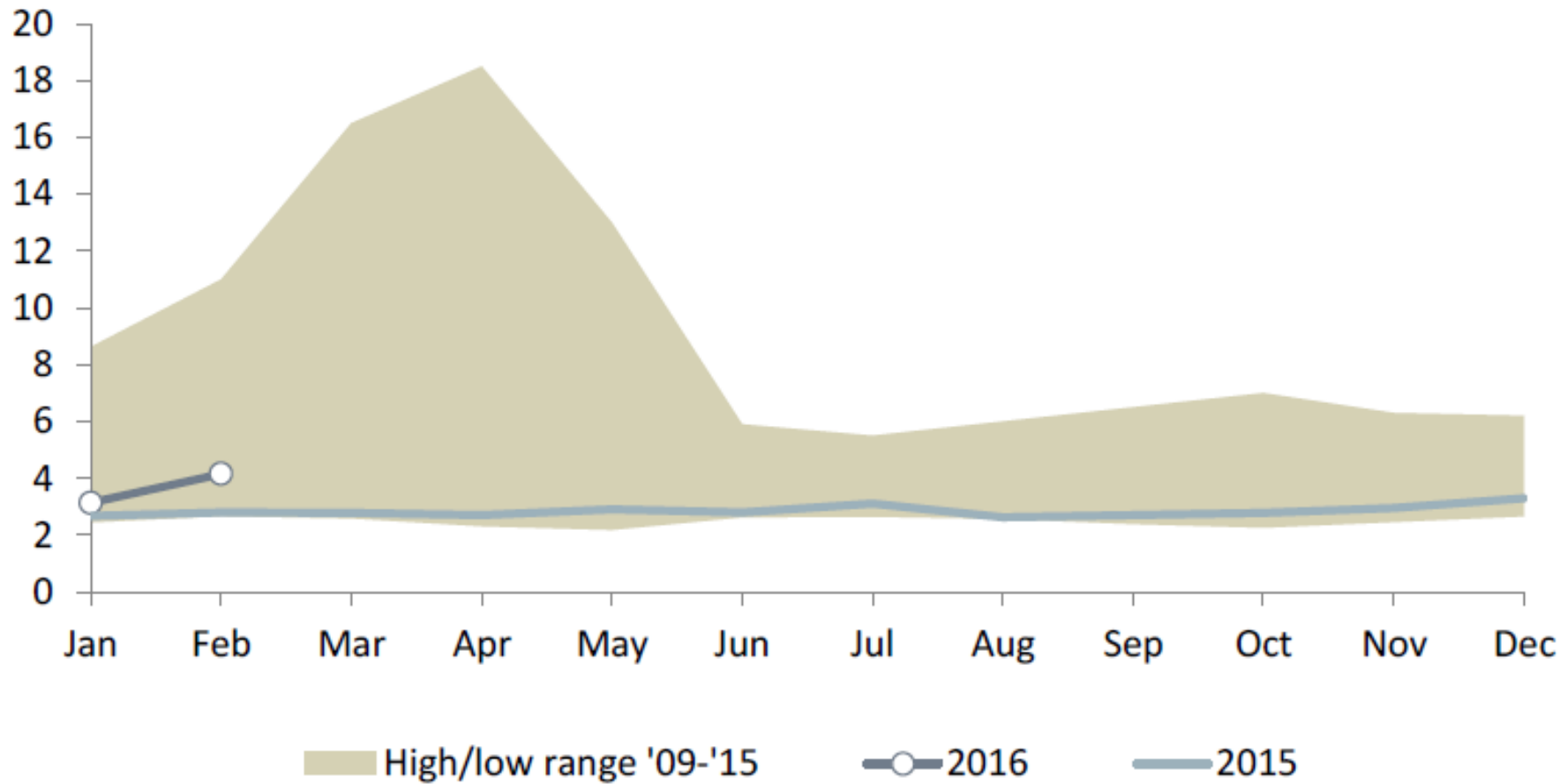


Source: Multiexport Foods

# Industry Sanitary Condition

## Sea Lice

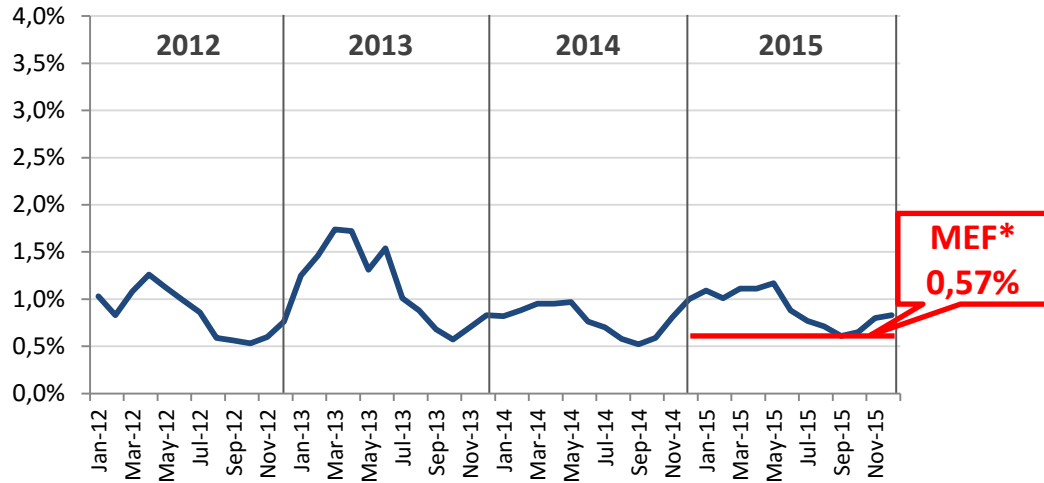
Adult caligus (avg.#)



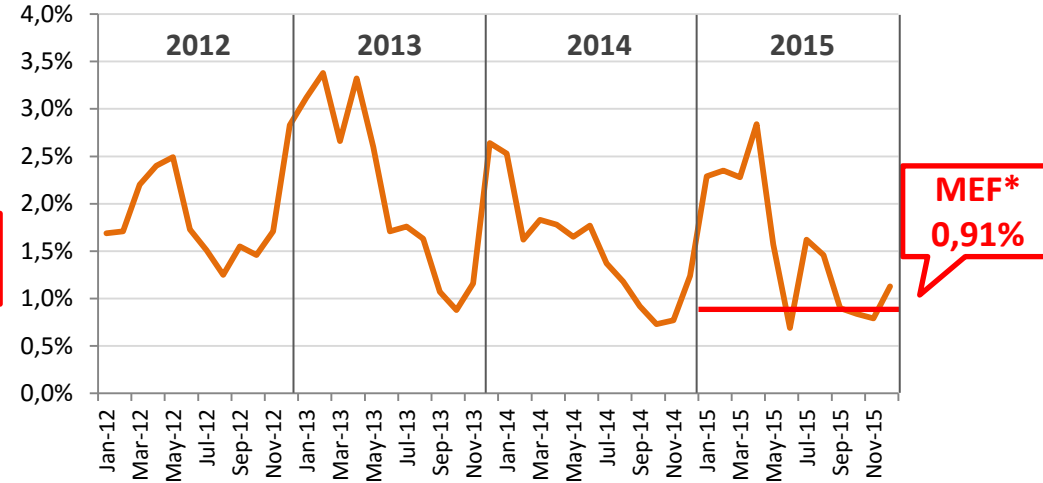
# Monthly mortality rates (%)

By specie

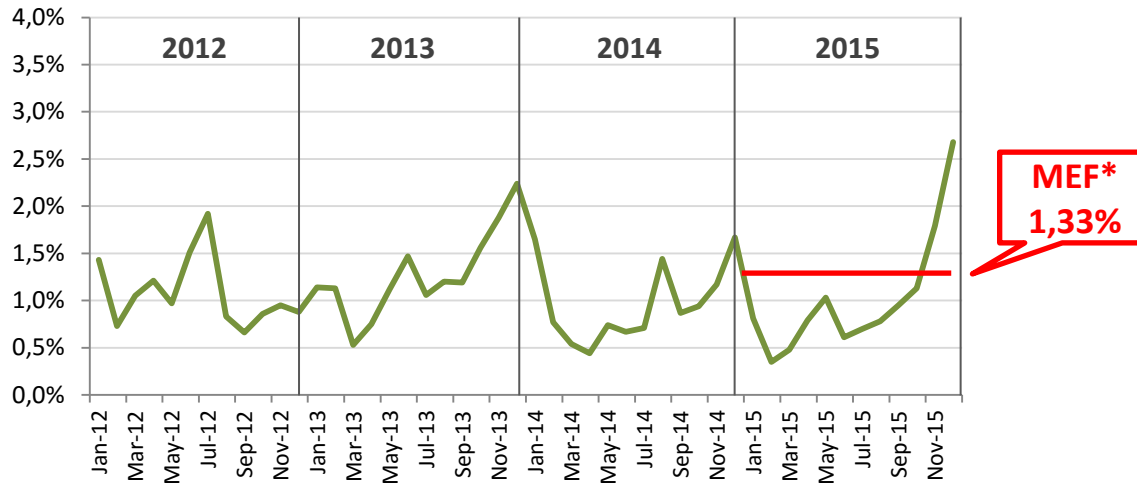
### Atlantic Salmon (%)



### Trout (%)



### Coho (%)



MEF\*: Monthly mortality rate 2015

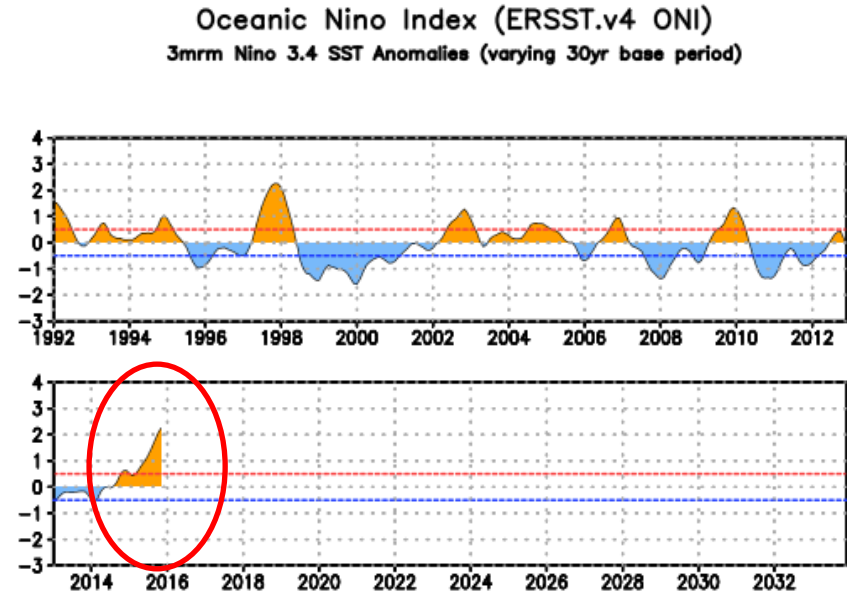
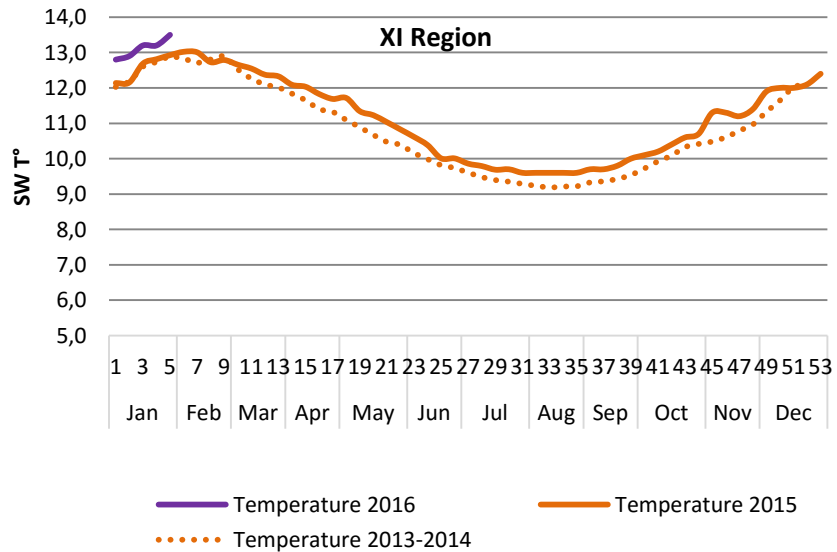
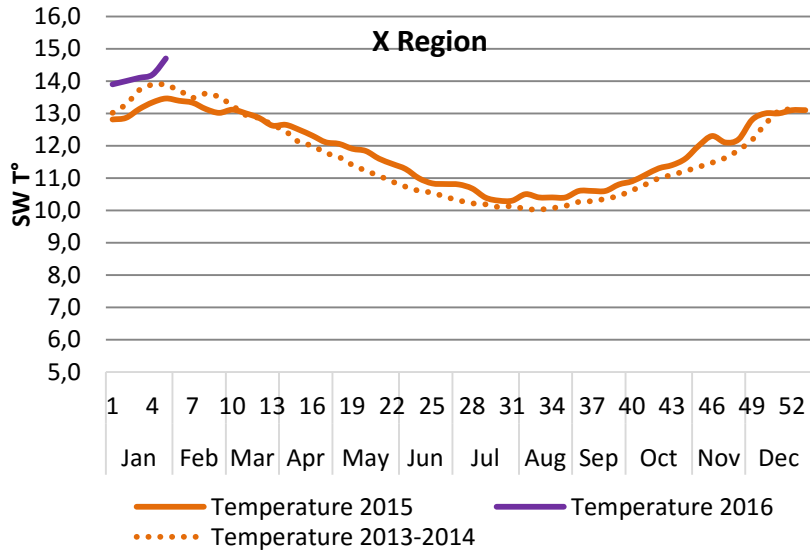



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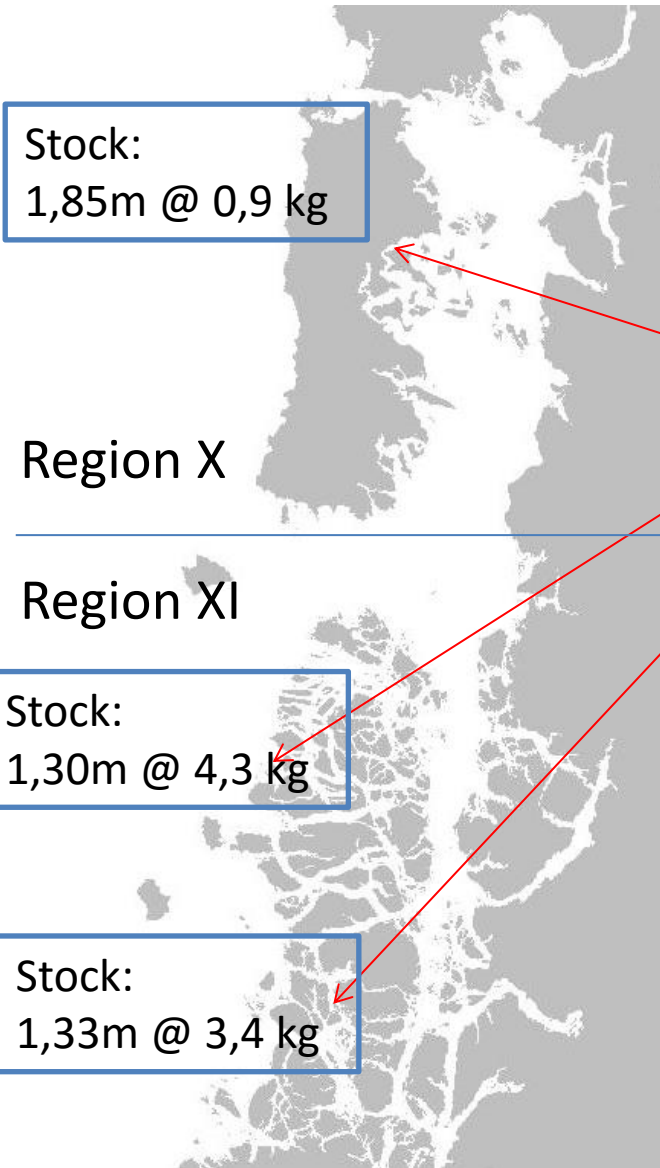


# Algae Bloom

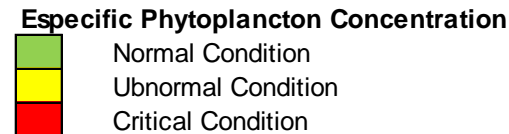
YTD Pluviometry in Regions X and XI, is **75%** less than average (normal year)

# Algae Bloom – Multifoods



## Algae Bloom at Multiexport Sites, Jan 2016

NH	Region	Site	January									February												
			20-ene	21-ene	22-ene	23-ene	24-ene	25-ene	26-ene	27-ene	28-ene	29-ene	30-ene	31-ene	01-feb	02-feb	03-feb	04-feb	05-feb	06-feb	07-feb			
9A	X	Huyar Llingua	Green	Yellow	Red	Red	Red	Red	Red	Red	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
19A	XI	Broken	Green	Green	Green	Green	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green
22A	XI	Italiano / Victoria	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green



### Estimated Losses:

5,2 th ton of fish (0,9 - 4,3 kg)

Net losses: **USD 9,0 million** (Insurance Deductible)

Gross Losses: USD 26,6 mill

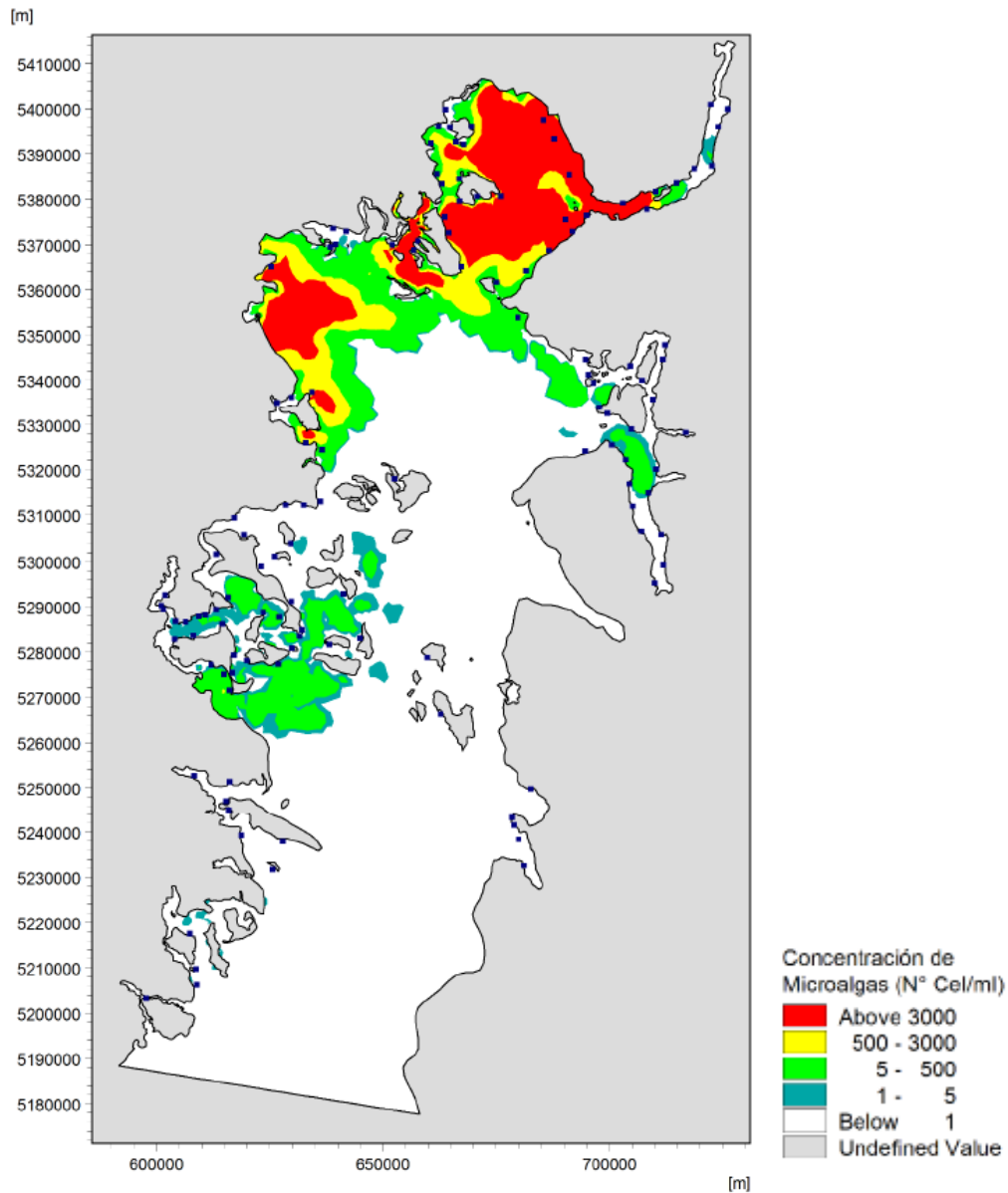
### Impact on Harvest Volumes after Plan Adjustment:

2016 Plan: **6%** reduction in total estimated production

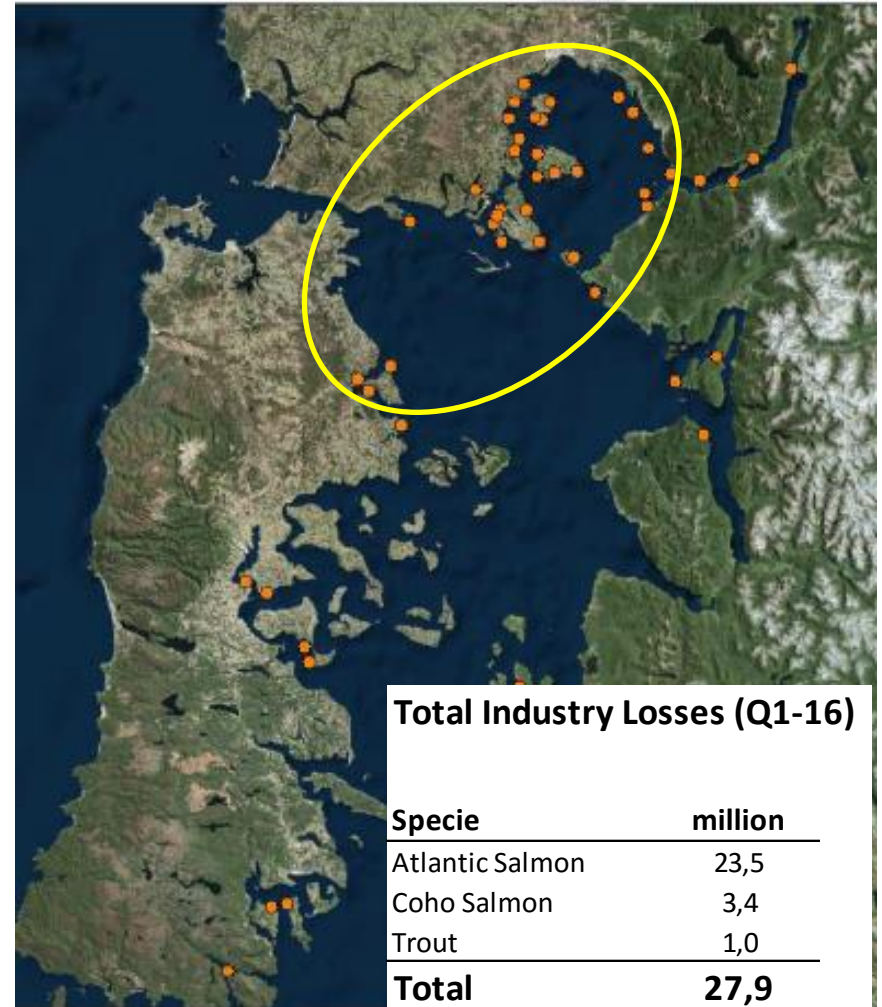
2017 Plan: No effect

# Algae Bloom – Industry

Chattonella Bloom in X region (end of February)



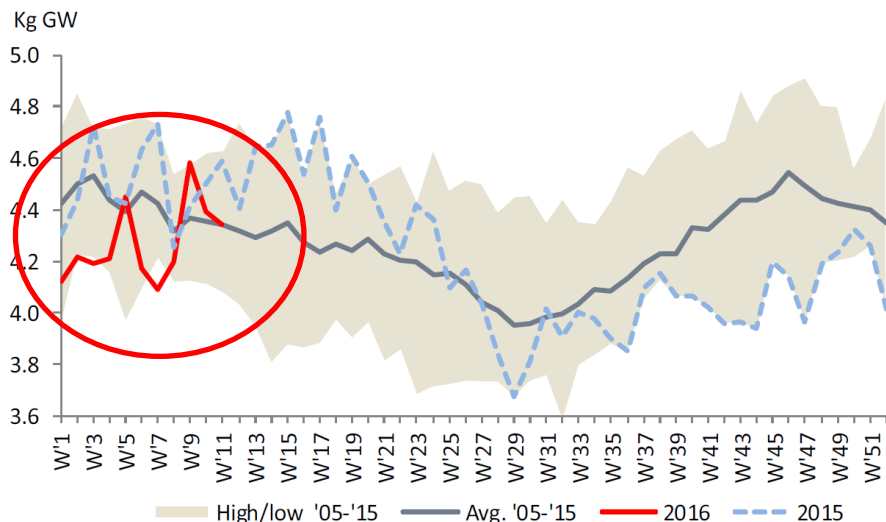
Affected Neighborhoods: 1 / 2 / 3<sup>a</sup> / 6 / 7



# Medium Term Outlook

## Norway

### Norway: Harvest weights (salmon)



Source: NASDAQ, Sjømat Norge, ABG Sundal Collier

### Salmon biomass details, Norway

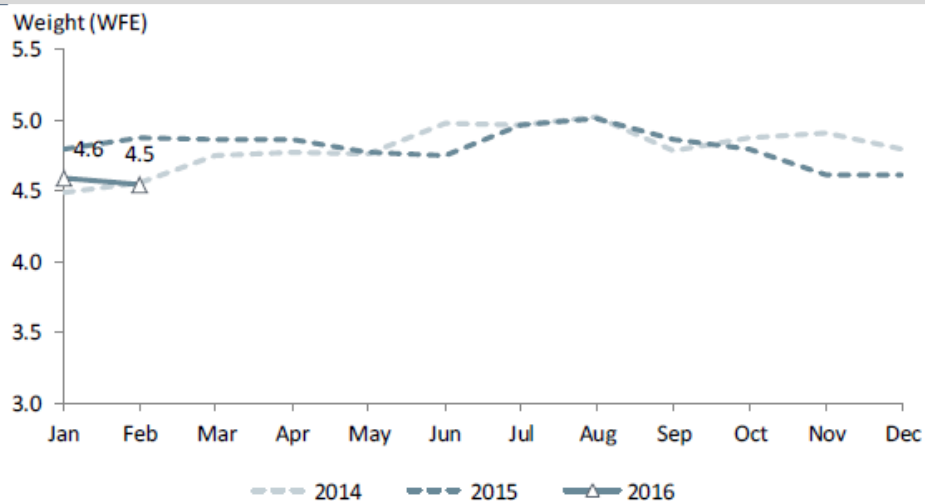
Salmon Biomass in Norway					31-Jan-16
Generation	S1/S0	Fish (k)	Kg	Vol. (WFE)	Share
14 G	S1	10,400	5.0	51,700	7%
	S0	69,100	4.0	277,100	40%
15 G	S1	137,300	2.0	278,100	40%
	S0	146,200	0.6	89,600	13%
<b>Total</b>		<b>363,000</b>	<b>1.9</b>	<b>696,500</b>	<b>100%</b>

Change y/y	S1/S0	Fish (k)	Kg	Vol. (WFE)	Share
14 G	S1	41%	-1%	39%	7%
	S0	-14%	-3%	-16%	40%
15 G	S1	-4%	8%	4%	40%
	S0	7%	4%	11%	13%
<b>Total</b>		<b>-0.9%</b>	<b>-2.0%</b>	<b>-2.9%</b>	<b>100%</b>

Source: Kontali

### Chile: Harvest weights



### Salmon biomass details, Chile

	2015	2016	Var.
Live Fish (million units)	182.0	167.7 <b>142.7*</b>	-7.9% <b>-21.6%*</b>
Biomass (Th tons)	348	344 <b>300*</b>	-1.1% <b>-13.8%*</b>

\*After Algae Bloom

# Chilean Farmed Atlantic Salmon Forecast 2016

## Post Algae Bloom

New production forecast for 2016 assumes that Chilean companies will adjust their original harvest plans:

- Anticipating harvest from 2017
- Planning new stocking to maintain production in 2017

Th. Tons WFE	Q1	Q2	Q3	Q4	Q1 17	Year
2015 Real	146	134	144	167		591
2016 Pre Bloom	159	142	140	138	138	580
Bloom impact*	0	25	30	65	15	120
2016 Post Bloom	159	117	110	74	123	460
2016 After harvest plan adj.	159	111	110	100	115	480
<b>Variation 2016</b>						
vs. previous Q		-30%	-1%	-9%	15%	
vs. 2015	9%	-17%	-24%	-40%	-28%	

*\*It considers less harvest due to direct losses and lower performance*

# Medium Term Outlook

## Chile

### Smolt Stocking

All Species - Chile

Year (million smolts)	Coho		Atlantic Salmon		Trout		Total	
	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*
2013	50.1		134.3		62.9		247.4	
2014	53.9	7.4%	143.7	7.0%	50.2	-20.1%	247.8	0.2%
2015	46.9	-13.0%	133.1	-7.4%	35.2	-30.0%	215.1	-13.2%
YTD Feb '16	21.8		13.5		3.0		38.3	

### Smolt Stocking

All Species - Chile

Period (million smolts)	Coho		Atlantic Salmon		Trout		Total	
	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*	N° Smolts	Var. [%]*
Sep 14 – Feb 15	28.4	-22%	76.4	-17%	24.6	-41%	129.4	-22%
Sep 15 – Feb 16	22.2		63.7		14.5		100.4	

\*Variation versus same period of previous year



# Harvest Projection

## Atlantic Salmon

Th. WFE Tons	2012	2013	2014	2015	2016E	2017E
Norway	1,183	1,144	1,199	1,230	1,188	1,250
Chile	364	468	604	612	480	510
Others	453	429	426	490	505	521
<b>Total</b>	<b>2,000</b>	<b>2,041</b>	<b>2,229</b>	<b>2,332</b>	<b>2,173</b>	<b>2,281</b>

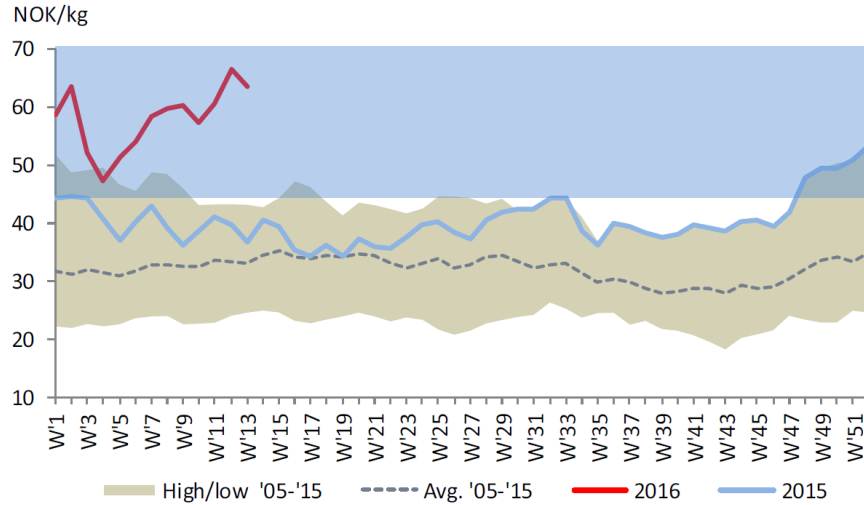
  

Growth	2012	2013	2014	2015	2016E	2017E
Norway	18%	-3%	5%	3%	-3%	5%
Chile	65%	29%	28%	1%	-22%	6%
Others	12%	-5%	0%	15%	3%	3%
<b>Total</b>	<b>22%</b>	<b>2%</b>	<b>9%</b>	<b>5%</b>	<b>-7%</b>	<b>5%</b>

# Price perspectives

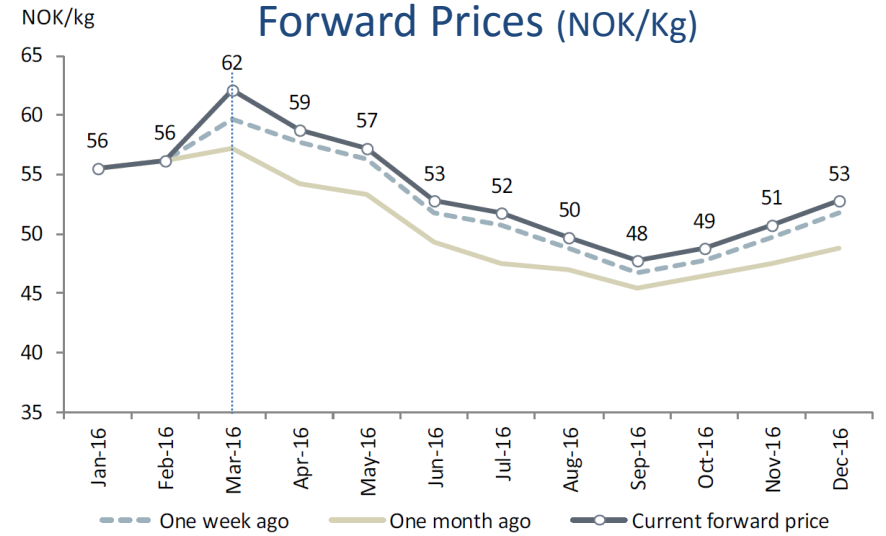
## Atlantic Salmon

**NORWAY**



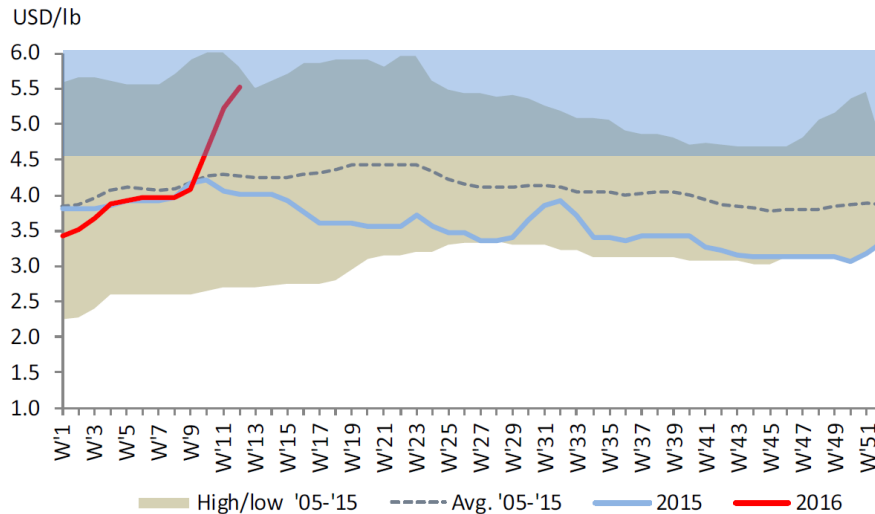
Source: NASDAQ, avg. 1-9+ kg weight classes

**NORWAY**



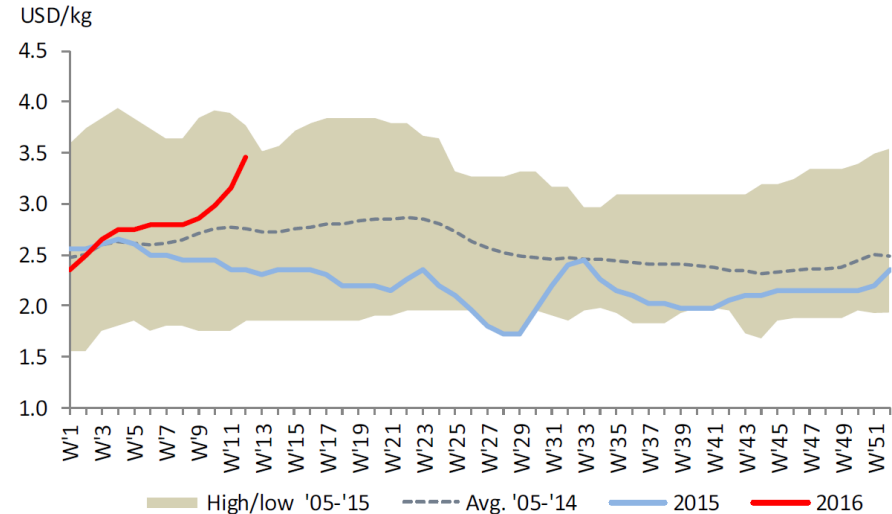
Source: Fish Pool; NOK 0.75/kg is subtracted to get to FCA Oslo price (the 'conventional' reference price)

**CHILE**



Source: Umer Barry's, FOB Miami Chilean D-trim avg. 3-4lb

**CANADA**



Source: Umer Barry's ; FOB Seattle avg. 8-10lb

# Stocking & Harvest

2014 – 2016E

<b>Smolt Stocking</b> Th. Smolts	<b>2014</b>	<b>S1-15</b>	<b>S2-15</b>	<b>2015</b>	<b>Var. vs 14</b>	<b>2016</b>			<b>2016E</b>
Atlantic Salmon	<b>11,082</b>	5,170	8,950	<b>14,120</b>	8.6% (*)	16,000			<b>16,000**</b>
Trout	<b>431</b>	-	-	<b>-</b>	-100%	-			<b>-</b>
Coho	<b>2,208</b>	2,193	-	<b>2,193</b>	-0.7%	2,200			<b>2,200</b>
<b>Total</b>	<b>13,722</b>	<b>7,363</b>	<b>8,950</b>	<b>16,313</b>	<b>4.0% (*)</b>	<b>18,200</b>			<b>18,200</b>

<b>Harvest</b> WFE Tons	<b>2014</b>	<b>S1-15</b>	<b>S2-15</b>	<b>2015</b>	<b>Var. vs 14</b>	<b>Q1-16</b>	<b>Q2-16</b>	<b>S2-16</b>	<b>2016E</b>
Atlantic Salmon	<b>60,234</b>	29,295	27,386	<b>56,681</b>	-5.9%	13,000	9,500	34,200	<b>56,700</b>
Trout	<b>2,450</b>	997	-	<b>997</b>	-59.3%	-	-	-	<b>-</b>
Coho	<b>6,519</b>	-	6,042	<b>6,042</b>	-7.3%	-	-	6,000	<b>6,000</b>
<b>Total</b>	<b>69,203</b>	<b>30,292</b>	<b>33,428</b>	<b>63,720</b>	<b>-7.9%</b>	<b>13,000</b>	<b>9,500</b>	<b>40,200</b>	<b>62,700</b>

(\*) 1,000 Th. Smolts of December 2014 were stocked in January 2015, modified to calculate variation versus 2014

(\*\*) Increase compared to 2015 does not represent an increase versus original plan. Main reason is to replace mortality related with Algae Bloom in order to maintain 2017 harvest projection

**Multiexport Foods**  
Nourishing the future



Thank You