

Salmones Camanchaca – Q1 2024 results

Highlights

- Atlantic salmon harvest volume for Q1 2024 was 9,911 MT WFE, a decrease of 11% from 11,089 MT WFE in Q1 2023.
- Atlantic salmon sales volumes for Q1 2024 were 12,317 MT WFE, an increase of 4% over the same period in 2023, thus reducing inventories from 5,464 MT WFE at the end of 2023 to 2,981 MT WFE.
- Coho salmon harvest volumes in Q1 2024 were 1,139 MT WFE, a decrease of 54% over harvest volumes in Q1 2023. The 2023-2024 season harvested 10,087 MT WFE, almost doubling the 5,856 MT WFE from 2022-2023 season.
- Operating revenue for Q1 2024 was USD 117.1 million, an increase of 3% from Q1 2023 driven by a 4% increase in Atlantic salmon sales volumes and doubling Coho volumes. The volume increase was partly offset by lower sales prices, which fell 13% for Atlantic salmon and 27% for Coho salmon compared to the same period last year.
- Cost of harvested Atlantic salmon (ex-cage live weight) was USD 4.91/kg, up 15% from Q1 2023. The increase is mainly due low harvest weight overall, in addition to low oxygen levels and sea lice pressure at one site accounting for almost a quarter of the total harvest volume in the period.
- Total processing cost of Atlantic salmon was USD 1.18/kg WFE, down from USD 1.27/kg WFE in Q1 2023, mainly due to lower outsourced processing.
- Q1 2024 EBITDA was USD 4.3 million compared to USD 25.4 million in Q1 2023.
- Atlantic salmon EBIT/kg WFE was USD 0.19 in Q1 2024, which compares to USD 1.75/kg WFE in Q1 2023. Coho salmon EBIT/kg WFE was negative USD 1.02, down from positive USD 0.39 in Q1 2023.
- All biological indicators improved during the last 12 months (LTM) to March 31, 2024, compared to LTM to March 31, 2022, for comparable sites in the same areas, with a 37% reduction in antibiotics use, a 33% reduction in antiparasitic use and a 5% improvement in biological conversion ratio from 1.14 in 2022 to 1.08 in 2024.
- Atlantic salmon harvest volumes for 2024 are expected to be between 44,000 and 46,000 MT WFE, while Coho salmon harvest volumes are forecast to be between 4,000 and 5,000 MT WFE. Atlantic salmon harvest volumes for 2025 are forecast to be between 55,000 and 57,000 MT WFE, and for Coho salmon between 3,000 and 4,000 MT WFE.

Santiago, 15 May 2024: Salmones Camanchaca harvested 9,911 MT WFE of Atlantic salmon in Q1 2024, a decrease of 11% compared to 11,089 MT WFE for Q1 2023. Sales volumes were 12,317 MT WFE, an increase of 3.8% over the same period in 2023.

Coho salmon harvest volumes in Q1 2024 were 1,139 MT WFE, a decrease of 54.3% over harvest volumes in Q1 2023. Average weight was 6.2 kg WFE, compared to 4.7 kg WFE in Q1 2023. The 2023-2024 season harvested 10,087 MT WFE, almost doubling the 5,856 MT WFE harvested during the 2022-2023 season.

Biological and sustainability conditions have gradually improved in recent years. Although the use of antibiotics during LTM to March 2024 increased by 22% and the use of antiparasitic increased by 94% compared to LTM to March 2023, when compared to the previous cycle with same farming areas, LTM to March 2022, there was an improvement in all biological indicators and in most sustainability figures. The FIFO ratio is already below the long-term objectives and below the objectives of the Sustainability Linked Loan.

The Atlantic salmon ex-cage cost for Q1 2024 was USD 5.28/kg WFE, equivalent to USD 4.91/kg live weight. This was 15% higher than in Q1 2023 and 13% higher than in Q1 2022, at similar sites during the previous cycle. This cost increased due to low average weights from the four harvested sites as fish lacked appetite during the summer, and one site affected by low oxygen levels and sea lice problems.

Primary and secondary processing costs for Atlantic salmon totaled USD 1.18/kg WFE, a decrease over the USD 1.24/kg WFE for Q1 2023, mainly due to lower outsourced processing. There were no extraordinary mortality events during the quarter, nor in the same quarter last year.

EBIT before fair value adjustments for Q1 2024 was negative USD 0.7 million, comprised of positive USD 2.2 million for Atlantic salmon and negative USD 2.9 million for Coho salmon. This compares to overall positive USD 20.9 million for Q1 2023.

Commenting on the performance of Salmones Camanchaca, Vice Chairman Ricardo García, said:

“There is no doubt that we had very weak results due to the demand for salmon and the costs of farming it, the latter, however, have a component that I consider non-recurring, associated with the summer of a year with El Niño phenomenon. However, there are other factors that have caused the Chilean industry to lose competitiveness, with a greater frequency of algae incidents and/or low oxygen levels, and because regulatory evolution has created additional obstacles and costs to the point of suffocating development. As a country, the bad thing about this latest trend is that it does not go in line with seeking sustainable development of aquaculture, but only hinders it.”

Salmones Camanchaca will present the first quarter 2024 results on Thursday, 16 May 2024 at 15:00 Central European Summer Time (CEST). The presentation will be held on-line by Vice Chairman Ricardo García and CEO Manuel Arriagada.

To join the webcast, use the following link:

<https://btgpactual.webex.com/weblink/register/r65e35055dc3d7096795b8537da33e2e4>

Password: [salmocam](#)

The presentation and subsequent Q&A session will be held in English. It will be possible to ask questions online. A recording of the webcast will be made available on the Investors section of the company's webpage.

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About Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically integrated salmon producer engaged in breeding, egg production, recirculating hatcheries for Atlantic salmon and pass-through or lake hatcheries for Coho salmon, fish farming sites in estuary, fjord and oceanic waters used mainly for Atlantic salmon, primary and secondary processing, and marketing and sales of Atlantic and Coho salmon through five sales offices in its main markets.

The Company's Atlantic and Coho salmon production target for 2024 is between 48,000 and 51,000 MT WFE and for 2025 between 58,000 and 61,000 MT WFE. Salmones Camanchaca participates in trout farming through a one third share of an ACP, which uses Salmones Camanchaca farming sites in coastal-estuarine waters, and currently harvests an average of 9,000 MT WFE per year.

Salmones Camanchaca has 1,900 employees on average, 60% of whom work in its value-added plant. The main Atlantic salmon sales markets are the USA and Mexico.