

Salmones Camanchaca – Q2 2024 results

Highlights

- Revenues reached USD 94.5 million in Q2 2024, 49% higher than Q2 2023, mainly due to higher harvest and sales volumes in Atlantic (61% higher) and Coho (80% higher).
- Atlantic salmon harvests in Q2 2024 were 11,643 MT WFE, 81% higher than Q2 2023 (6,423 MT WFE), partly explained by the decision to postpone harvests from Q1 to Q2 to gain weight after fish lacking appetite in the early part of the year.
- The quarterly cost of harvested Atlantic salmon (ex-cage, live weight) was USD 4.64/Kg, 7% lower than Q2 2023, affected this year by the presence of sea lice and the use of additional oxygen equipment in a site that completed its harvests in April.
- The total processing cost of Atlantic salmon was USD 1.12/Kg WFE, lower than USD 1.49/Kg WFE in Q2 2023, mainly due to higher processed volumes.
- Gross Margin in the quarter of USD 15.0 million, USD 10 million higher than Q2 2023's USD 5.0 million. In the quarter, there are USD 6.4 million of positive non-recurring effects in the margin due to revised contracts with certain strategic providers.
- EBIT reached USD 9.5 million, well above the negative USD 0.3 million in Q2 2023. EBITDA reached USD 14.7 million in Q2 2024, compared to USD 4.3 million in Q2 2023.
- EBIT/Kg WFE of Atlantic salmon was USD 0.75 in Q2 2024 which compares to zero EBIT/Kg in Q2 2023.
- In the case of Coho salmon, the EBIT/Kg WFE reaches negative USD 0.47 in Q2 2024 compared to zero EBIT/Kg in Q2 2023, with the price drop being the main factor that explains the unfavorable evolution.
- Net Income for Q2 2024 was a profit of USD 7.2 million, significantly above the negative USD 1.9 million in Q2 2023.
- Trout Joint Venture (JV) business recorded a loss of USD 2.5 million in the quarter, compared to a loss of USD 1.0 million in Q2 2023.
- For the last 12 months, as of the end of June 2024, there was an improvement in biological indicators compared to the end of June 2022 (comparable sites from the same areas) with a 35% reduction in antibiotic use, a 20% reduction in antiparasitic use, and an improvement in the biological conversion factor from 1.13 in 2022 to 1.10 in 2024.
- With the stockings carried out and under normal productive parameters, the Atlantic salmon harvests for 2024 are estimated in the range of 46 to 48 thousand MT WFE, while Coho is estimated between 4 and 5 thousand MT WFE.

Santiago, 13 August 2024: Salmones Camanchaca harvested 11,643 MT WFE of Atlantic salmon in Q2 2024, 81.3% higher than the Q2 2023 harvest (6,423 MT WFE), partly due to postponing Q1 harvests to Q2 to gain weight and recover part of the biomass lost due to lack of fish appetite between October 2023 and March 2024. The volume sold reached 10,946 MT WFE, 61.1% higher than the same period in 2023. Regarding Coho, there were no harvests during the second quarter of 2024, consistent with Q2 2023, and sales were 2,259 MT WFE, compared to 1,254 MT WFE in Q2 2023.

The average sales price of Atlantic salmon was USD 7.03/Kg WFE, 10% lower than Q2 2023. For Coho, the price was USD 4.72/Kg WFE, a 25% decrease.

The ex-cage cost of live weight Atlantic salmon was USD 4.64/Kg in the quarter, 7% lower than recorded in Q2 2023, affected this quarter by a harvested site that had high sea lice presence and significant use of oxygen equipment.

The processing costs (primary and secondary) of Atlantic salmon totaled USD 1.12/Kg WFE, lower than the USD 1.49/Kg WFE in Q2 2023, mainly explained by a larger scale and exchange rate effects of the Chilean peso against the USD.

Thus, the recorded Gross Margin was USD 15.0 million, higher than the USD 5.0 million reached in Q2 2023. In the quarter, there are USD 6.4 million of positive non-recurring effects in this margin due to revised contracts with certain strategic providers.

EBIT before Fair Value (FV) for Q2 2024 was USD 9.5 million, compared to the negative USD 0.3 million in Q2 2023.

EBIT/Kg WFE of Atlantic salmon was USD 0.75/Kg WFE in Q2 2024, compared to the negative USD 0.02/Kg WFE in Q2 2023. For Coho salmon, EBIT/Kg WFE was negative USD 0.47 (positive USD 0.02 in Q2 2023).

The Other Gains/Losses account recorded USD 2.5 million negative (USD 0.9 million negative in Q2 2023), entirely explained by the Trout business (Joint Venture, or JV) that generated a loss of USD 2.5 million for the Company in the quarter (USD 1 million loss in Q2 2023). This activity was mainly affected by lower prices obtained for trout in the Japanese market.

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

“During this second quarter the Company recovered missing biomass from the first quarter that was caused by an unusual lack of appetite of the fish, and this recovery allowed it to improve profitability with higher volumes and lower costs. This was important to face a period of prices that continue to fall. We are confident that, under normal environmental conditions, the business will perform better in the second part of the year when it is expected to harvest approximately 5 or 6 thousand MT WFE more than in the first half. And, in relation to medium and long term projections, we, like many, face government regulations adverse to the development of aquaculture, even though we produce proteins with sustainability indicators much higher than the rest of the proteins and we do so in a context of climate change that makes food availability a global challenge, we have regulatory asphyxiation. It is unavoidable to give Chile a future vision about the role that aquaculture will play in the development and prosperity of southern Chile”.

Salmones Camanchaca will present the second quarter 2024 results on Tuesday, 13 August 2024 at 18:00 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/r778da6ba0d4d9702ec2ea4b108131453>

[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 harvest target for 2024 is between 50,000 and 53,000 MT WFE and for 2025 is between 58,000 and 61,000 MT WFE. Salmones Camanchaca participates in trout farming through a one third share of a joint venture, which uses Salmones Camanchaca farming sites in coastal-estuarine waters.

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