Process Area

October 2018

AGENDA

General description

- Salmones Camanchaca process history
- Orgnization chart, staff and production volumes
- RMP orientation and Premium recuperation

Projects 2017-2018

- Projects
- Yields and productivity

Projects and strategic focus 2019-2020

- Investment and projects
- Secundary process cost Master Plan
- Harvest plan and productive capacity

Annex

Salmones Camanchaca Process History

1965
Starts operations of the company: shrimps and prawns

1980
Fish meal and cannery plants are installed

1991
Tomé Plant starts salmon processing

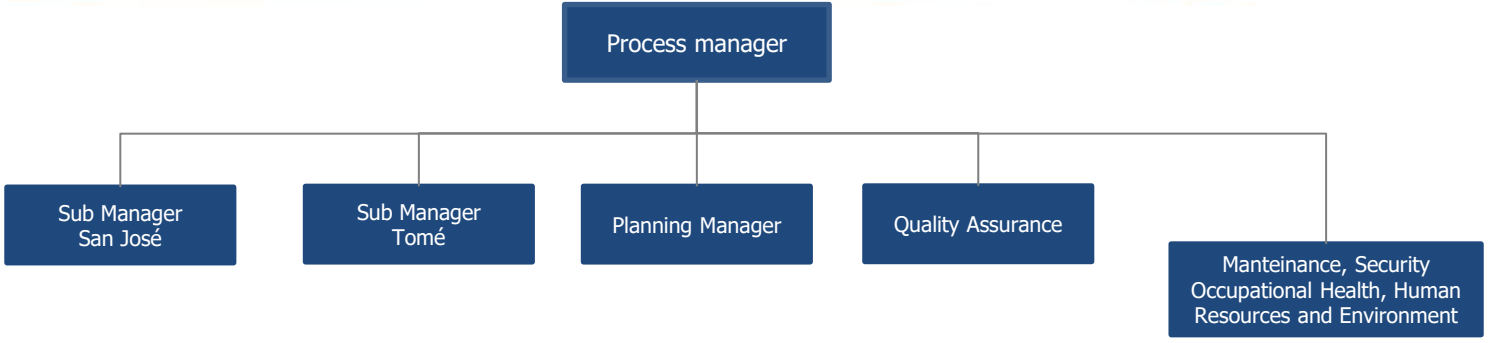
2001
San José plant starts operation

2006
Surproceso plant starts operation

2007
Tome Salmon Plant has a new building and new salmon processing machinery
San José Plant has new eviscerated lines

2017
Master Plan in associated with Marel starts

Organization chart process plant



Production volumen, costs and staff 2018

Proy. 2018	Ton WFE	MUS$	%/MUS$
Primary Plants	**80.589**	**10.913**	**25%**
San José Camanchaca	26.993	3.480	8%
San José Maquilas	31.673	4.084	9%
Surproceso	21.923	3.349	8%
Land transport	**41.253**	**4.202**	**10%**
Secundary Plants	**50.916**	**28.714**	**65%**
Fresh HON San José	9.663	3.656	8%
Tomé - Plant 1	38.950	24.026	55%
HON	8.355		
Fillet skin on	16.582		
Fillet skin off	6.758		
Portions	7.255		
Tomé - Plant 2 (HON)	2.303	819	2%
total		**43.616**	
(*) Byproduct (kg products)	*1.406*		

2018 average	Staff
San Jose	**203**
Camanchaca	39
External primary process	106
External secondary process	58
Tomé	**672**
Process	567
Services	105

RMP orientation and production mix

- The main production mix objetive is to maximize the company RMP
- The products that rent the most are not necessarily those that have lower costs, but those that better combine price, costs and performance with respect to raw material.

$$RMP\ [US\$/Kg\ WFE] = (Fob\ Price - Process\ Cost - Packaging\ Cost - Distribution\ Cost) * Yield$$






	HON	TRIM C-D	TRIM E-F	PORT SKON	PORT SOFF	BLOCKS-OTHERS
2017	38%	27%	12%	10%	9%	4%
2018 Proy	39%	32%	12%	7%	6%	4%
Process Cost [US$/KgN]	0,27	0,75	0,95	1,22	1,35	0,75

Premium Recuperation

	2015	2016	2017	2018
% Line degradation	13,7	10,0	10,1	6,2
% Final degradation (packing)	10,6	4,5	2,8	1,9
% Premium	**89,4**	**95,5**	**97,2**	**98,1**

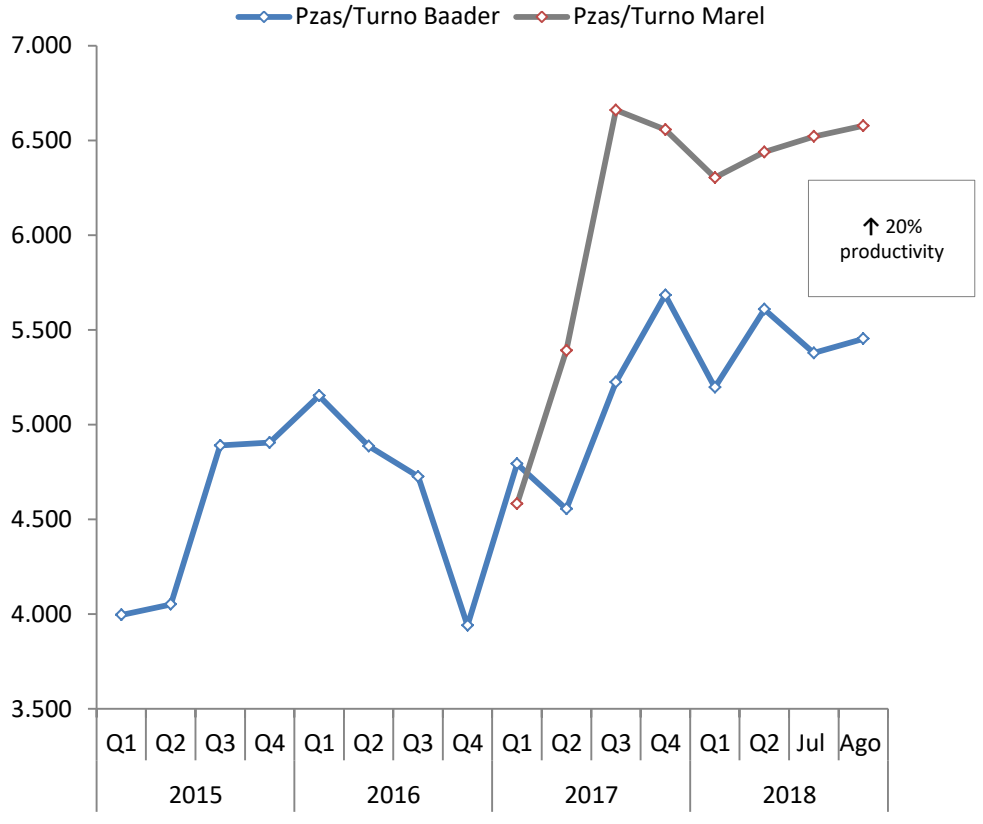
(*) The price diference between a premium product and a no premium product is app. 1 US$/Kg Wfe. In average a industrial product are 3-4 month more in the cold storage.

Projects 2017-2018

Total savings in 2 years: MUS$14.500	
Process cost impact	**Margin and Distribution Impact**
Productivity increase for Marel lines	Yields increase for Marel lines
Staff rationalization and process simplification	Byproducts improvments
Clasification and calibrated in origen	Direct despatch from the plant
Capacity increase in HON products	Raw material quality improvments projects
Optimización transporte terrestre (cubicación y tarifa)	
Energy improvments	
Improvments in packaging materials	
2018 MUS$3.000 = 0,06 usd/kg wfe	***2018 MUS$2.900 = 0,06 us/kg wfe***
2019 MUS$4.700 = 0,09 usd/kg wfe	***2019 MUS$4.000 = 0,07 usd/kg wfe***

Marel Lines impact in Productivity and Yields

FRESH	FROZEN
TRIM D 58,9 · 59,3 · 59,9 · 60,4 2015 2016 2017 2018	**TRIM D** 56,7 · 57,7 · 57,7 · 58,7 2015 2016 2017 2018
TRIM FOFF 43,6 · 42,5 · 43,9 · 46,0 2015 2016 2017 2018	**TRIM E DPSK** 44,9 · 46,8 · 46,3 · 46,9 2015 2016 2017 2018



Investments and strategics focus 2019-2020

Master Plan investements (USDMM)	2017	2018	2019	2020	total
San José Plant	**1,4**	**1,2**	**4,0**	**8,0**	**14,6**
Bleeding + Stunner	1,4				
Improvments in equipment, capacity and building		1,2			
Freezing capacity and expansion			4,0	8,0	
Tomé Plant	**1,5**	**2,9**	**0,5**	**3,5**	**8,4**
First filleting line	1,5				
Second filleting line + Innova sistem		2,9			
Second continuous tunel and line term (packing area)			0,5	3,5	
	total 17-18: 7,0		**total 19-20: 16,0**		**23,0**

Total aditional savings MUS$4.200/year	
Process Cost Impact	**Margin Impact**
HON process in primary plant	Increase of frozen capacity of fillets-portions
Increase productive plant of Coho and Salar	Decrease of overweight in products
Clasification and grading in primary plant	
Automatization and improvments in line term	
MUS$3.200 = 0,06 usd/kg wfe	***MUS$1.000 = 0,02 us/kg wfe***