



Pesquera  
**EXALMAR**  
S.A.A.

# **PESQUERA EXALMAR SAA**

## **Corporate Presentation**

**3Q2016**



# Indirect Human Consumption

Exalmar: fourth largest producer of fishmeal and fish oil.

North-Center Quota

	Company	1 <sup>st</sup> season 2016
1	CHINA FISHERY COPEINCA	16.9%
2	TASA	14.2%
3	PESQUERA DIAMANTE	8.5%
4	AUSTRAL	6.8%
5	HAYDUK	6.7%
6	Pesquera EXALMAR S.A.A.	6.7%
8	Others	40.2%

% of Total Processed

	Company	2 <sup>nd</sup> season 2015	1 <sup>st</sup> season 2016
1	TASA	23.0%	27.2%
2	CHINA FISHERY COPEINCA	21.6%	20.0%
3	PESQUERA DIAMANTE	11.9%	12.1%
4	Pesquera EXALMAR S.A.A.	12.7%	11.1%
5	HAYDUK	11.0%	10.6%
6	AUSTRAL	10.2%	8.8%
8	Others	9.6%	10.3%



Source: PRODUCE.

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The ability to buy third party catch allows an increase of the share of production.

Strong business relationship with independent vessel owners: (i) Providing financial and operational advisory, (ii) Offering onshore and offshore fishing logistical support, (iii) Structuring tailor-made anchovy purchase agreements.



# North-Center Quota

Thousand MT	As at December 2015			As at December 2016		
	2 <sup>nd</sup> season 2014	1 <sup>st</sup> season 2015	Total	2 <sup>nd</sup> season 2015	1 <sup>st</sup> season 2016	Total
Global Quota		2,580	2,580	1,110	1,800	2,910
Effective catch		2,508	2,508	1,084	914	1,998
Effective catch/Quota		97.2%	97.2%	97.6%	50.8%	68.6%
Exalmar's effective catch		100.0%	100.0%	100.0%	45.8%	66.4%
Exalmar's participation		12.9%	12.9%	12.7%	11.1%	12.1%
Season		09/04 - 31/07		17/11 - 31/01	26/06 - 27/07	



**Financial Statements 2015**

- The effective catch is 2,508 thousand MT.

**Financial Statements 2016**

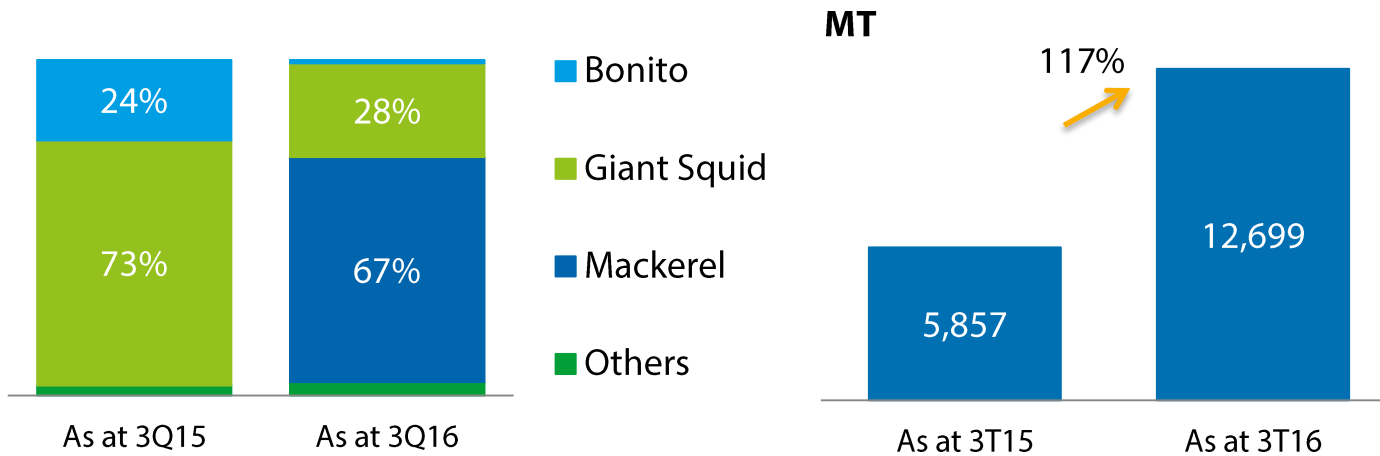
- The effective catch is 1,998 thousand MT.



# Tambo de Mora Plant

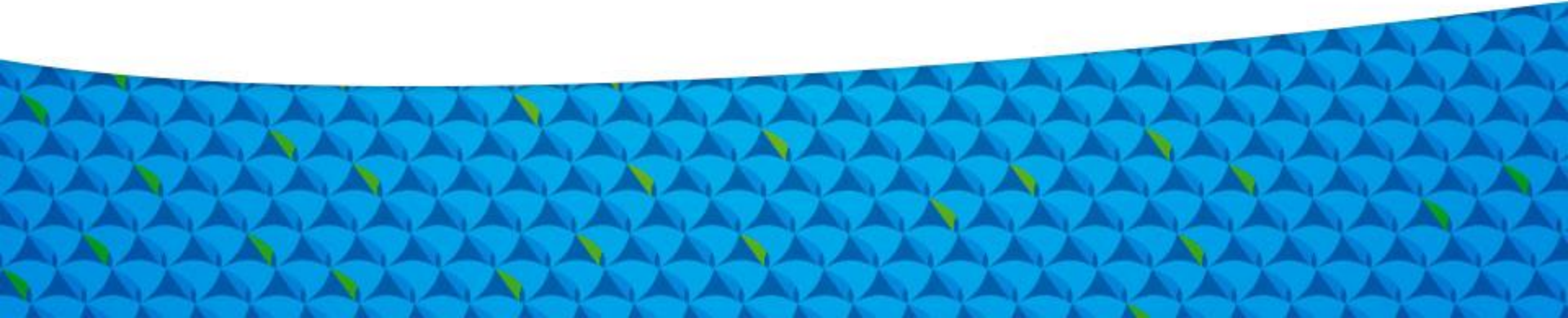
Mackerel and Jack Mackerel						
Thousand MT	2011	2012	2013	2014	2015	2016 (*)
Global Quota	240	160	106	152	140	207
Effective catch	233.7	112.3	60.3	89.7	1.1	74.3
Exalmar's catch	9.3	6.8	3.9	7.8	0.1	9.1
Exalmar's participation	4.0%	6.0%	6.5%	8.7%	12.3%	12.3%

## Tambo de Mora Plant Production





# Financial Performance



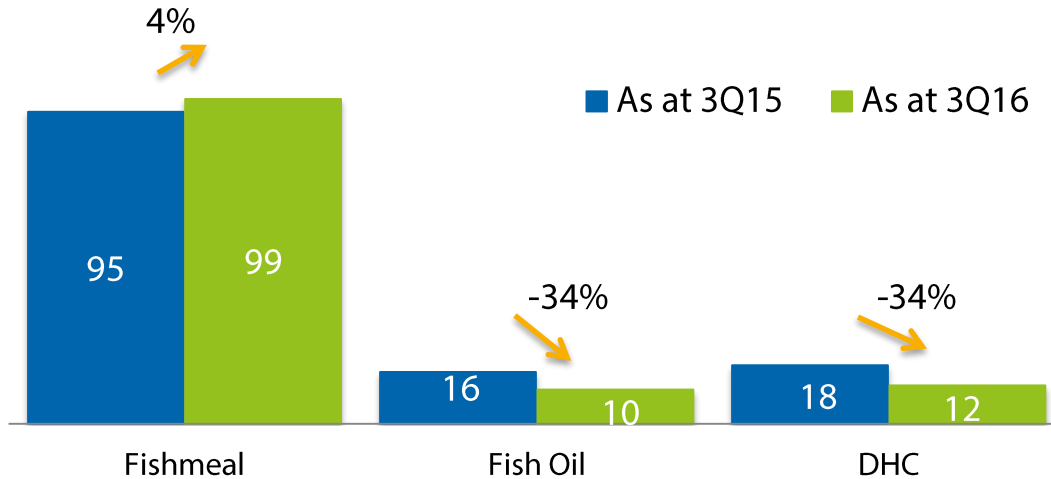


# P&L Composition

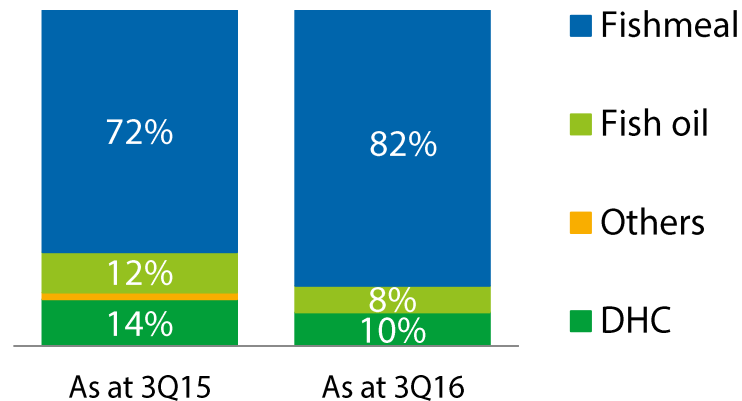
MM US\$	2014	2015	As at 3Q15			As at 3Q16		
			IHC	DHC	Total	IHC	DHC	Total
Revenues	220.9	156.2	113.8	17.6	131.4	109.5	11.7	121.3
Gross Profit	56.3	34.6	30.4	-6.7	23.7	23.5	-4.9	18.6
Operating Income	37.4	17.9	22.5	-11.6	10.9	14.4	-8.1	6.3
Pre-Tax Income	18.1	-6.7	7.4	-13.4	-6.1	3.5	-10.2	-6.7
Net Income	14.3	1.3	11.3	-13.4	-2.1	2.8	-10.2	-7.4
EBITDA	57.0	38.2	34.8	-8.9	25.9	26.1	-5.2	21.0
Gross Margin	25%	22%	27%	-38%	18%	21%	-42%	15%
Operating Margin	17%	11%	20%	-66%	8%	13%	-69%	5%
Net Income Margin	6%	1%	10%	-76%	-2%	3%	-87%	-6%
EBITDA Margin	26%	24%	31%	-51%	20%	24%	-44%	17%

# Revenues Composition

MM US\$



- Total revenues decreased (-8%), due to lower effective catch on the first season 2016.



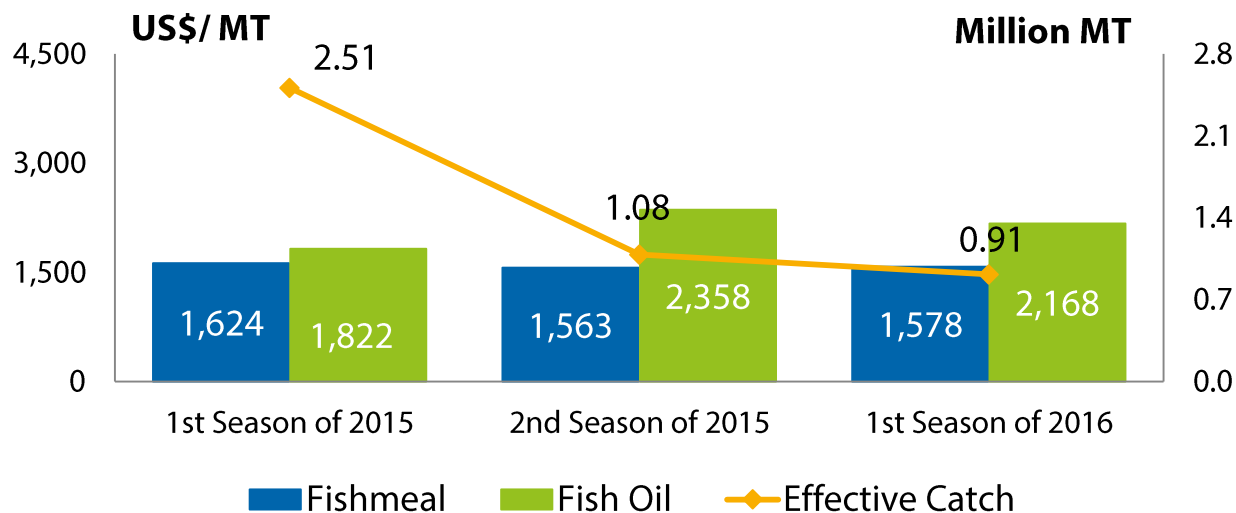


# IHC Revenues

Fishmeal Revenues		
	As at 3Q15	As at 3Q16
MT	56,736	62,767
US\$/MT	1,676	1,578
Thousand US\$	95,102	99,020

Fish Oil Revenues		
	As at 3Q15	As at 3Q16
MT	9,464	4,808
US\$/MT	1,671	2,169
Thousand US\$	15,810	10,429

## Average Sale Price and Effective Catch







# Stocks & Sales

Fishmeal			
Thousand MT	As at 3Q15	As at 3Q16	Var.
Beginning stock	7.1	32.1	352%
Production	73.0	33.8	
Sales	56.7	62.8	11%
Reprocessing	0.2	0.4	
Ending stock	23.6	3.5	-85%

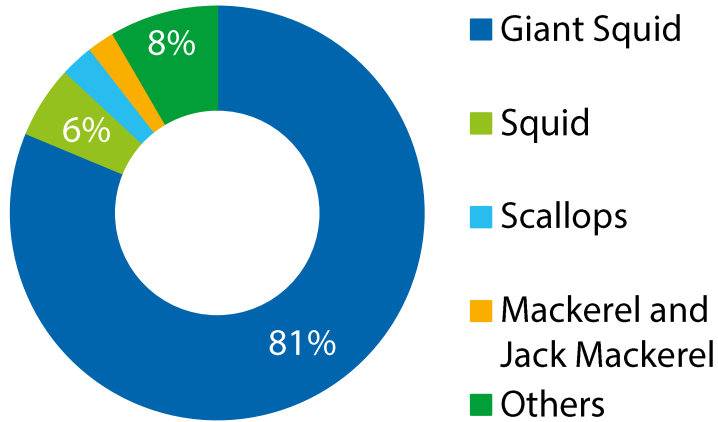
Fish Oil			
Thousand MT	As at 3Q15	As at 3Q16	Var.
Beginning stock	0.7	2.2	214%
Production	9.8	4.5	
Sales	9.5	4.8	-49%
Reprocessing	0.0	0.1	
Ending stock	1.0	2.0	-96%



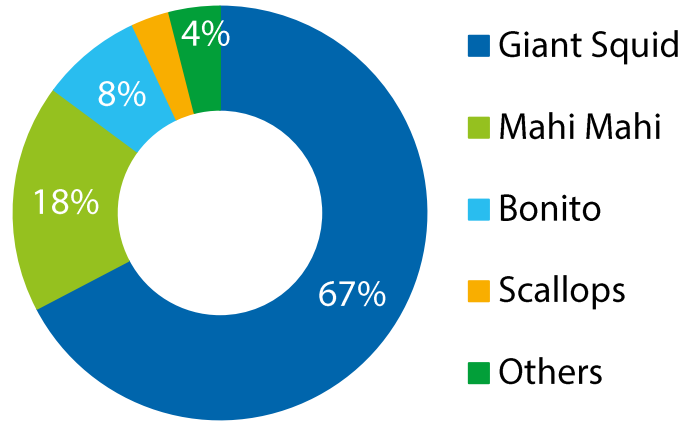


# DHC Revenues

### Frozen fish revenues (3Q15)

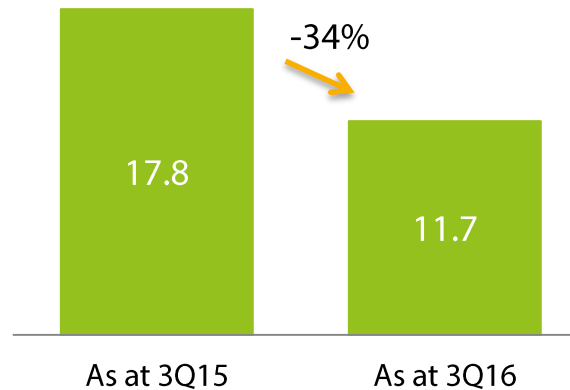


### Frozen fish revenues (3Q16)



- DHC revenues decreased by 34%:
  - Lower availability of giant squid and mahi mahi.
  - No presence of jack mackerel and mackerel until july.
- DHC revenues represented 10% of total revenues (less than 14% of previous year).

### MM US\$





# Cost of Production

	As at 3Q15	As at 3Q16	Var.	
Ban days	159	202	27%	} Ban & Processed Volume
Total Processed <sup>(1)</sup>	324	145	-55%	
Own Catch <sup>(1)</sup>	167	79	-53%	
Third Party <sup>(1)</sup>	157	67	-58%	
Third parties purchase cost <sup>(2)</sup>	248	287	15%	} Costs
Catch Cost <sup>(2)</sup>	96	134	39%	
Cash Catch Cost <sup>(2)</sup>	88	110	26%	
Processing Cost <sup>(3)</sup>	182	238	31%	
Cash Processing Cost <sup>(3)</sup>	158	182	15%	
Ban Expenses (US\$MM) <sup>(4)</sup>	25	28	14%	

- There were 202 ban days, comparing to 159 ban days of the same period of the previous year, due to the delay on the beginning of the first season 2016.

(1) Thousand MT. (2) US\$/MT of anchovy. (3) US\$/MT Fishmeal & Fish Oil.

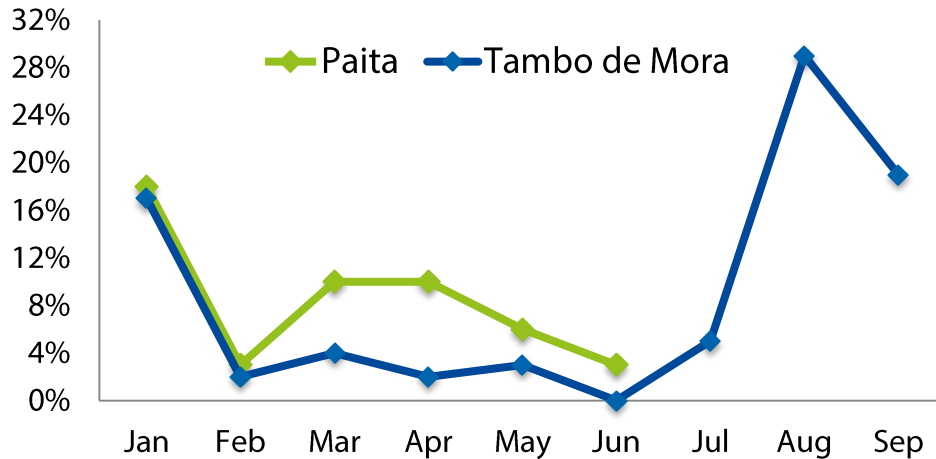
(4) For purposes of comparative analysis, the information is presented without considering the reclassification of ban expenses. These are now registered as deferred assets (US\$ 5.5 MM) until the beginning of the 2nd season of 2016, when they will be included to stocks values.





# DHC Fixed Costs & Plant Capacity Utilization

## Plant Capacity Utilization



- Low capacity utilization during 2016, due to:
  - Lower availability of giant squid and mahi mahi.
  - No presence of jack mackerel and mackerel. On July we increased our utilization because of the availability of mackerel.
- Continues the development of new markets with products of higher added value.

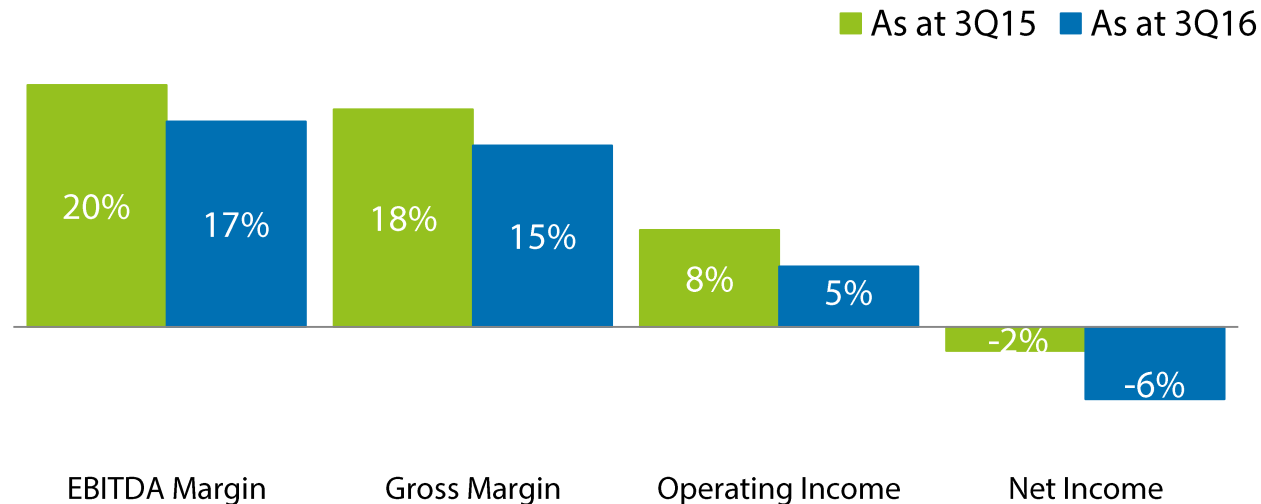
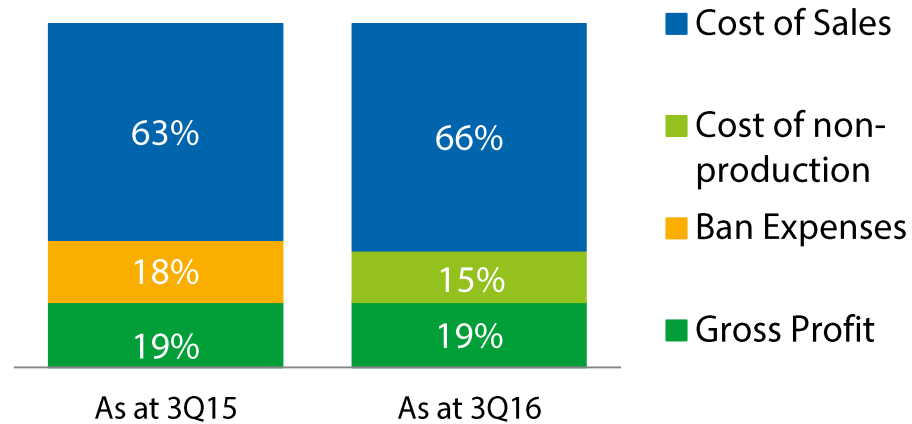
DHC (MM US\$)	As at 3Q16	
Revenues	11.7	11.7
Variable Cost of sales	-9.3	-9.3
Contribution margin	2.4	2.4
Sales expenses	-2.1	-2.1

	Cost	Deprec.	Total
Non- production costs	-3.8	-2.4	-6.2
Fixed costs of sales	-0.9	-0.2	-1.1
Administrative expenses	-0.8	-0.3	-1.1
<b>Total Fixed Costs</b>	<b>-5.5</b>	<b>-2.9</b>	<b>-8.4</b>

EBITDA	-5.2	
Operating Income		-8.1

# Gross Profit and Margins

- Gross profit (-22%):
  - Lower beginning stocks.
  - Lower DHC sales (-34%).
  - Delay on the beginning of the first season 2016.





# Company Debt

## Indebtedness Position

MM US\$	As at 3Q15	As at 3Q16
Short-Term Debt	57.0	40.2
	22%	17%
Long-Term Debt	205.3	201.0
Current Portion	2.5	2.5
Non-Current Portion	202.8	198.5
	78%	83%
Total Debt	265.3	241.2
Cash	8.8	7.0
Net Debt	253.5	234.2

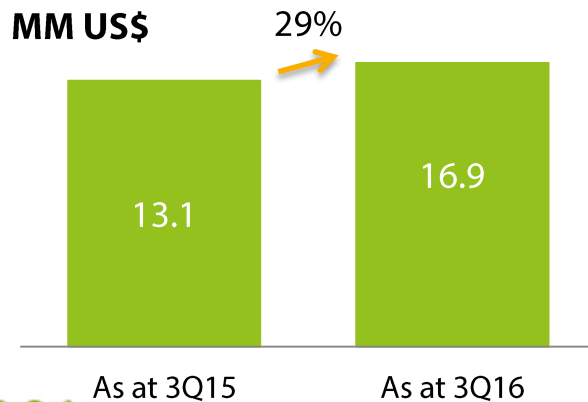
### Bonds:

- US\$ 200 MM. Maturity: 2020.
- Sep 2016: Tender Offer. Reduction to US\$ 170 MM.

### New long term debt:

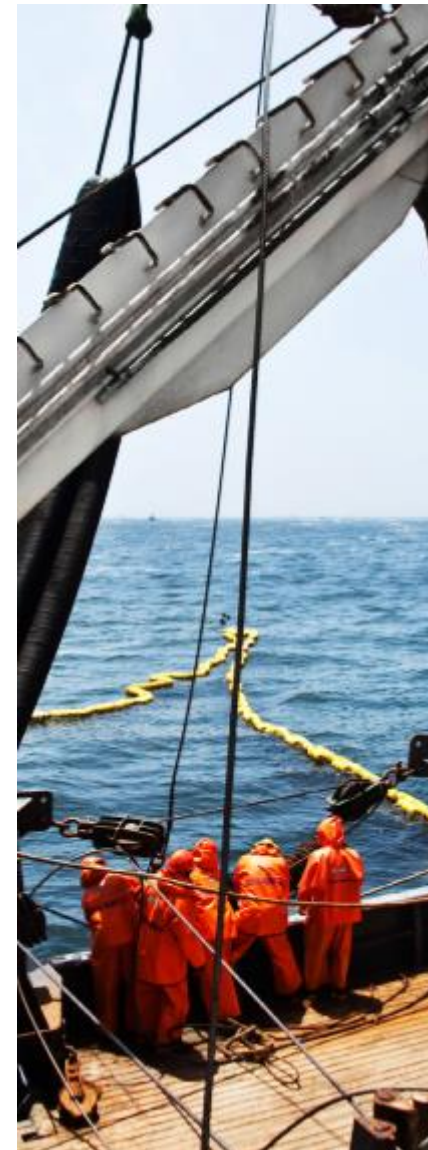
- US\$ 25 MM. Maturity: 2022.
- Two years grace period, balloon.

## Net Financial Expenses



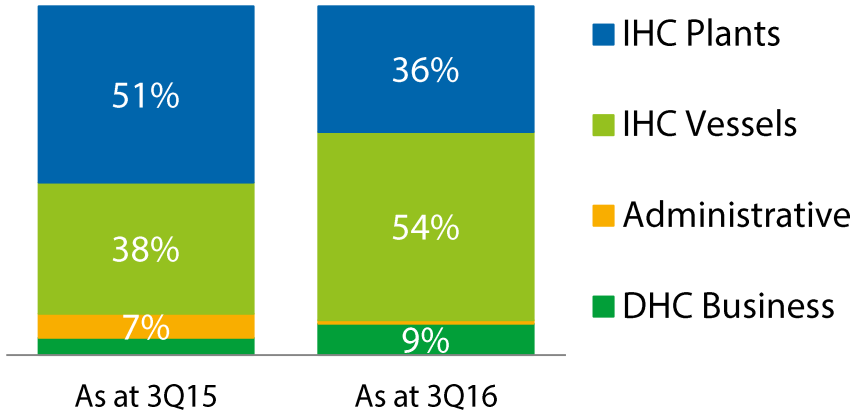
MM US\$	As at 3Q15	As at 3Q16
Net accounts receivable	30	16
Valued stocks <sup>(1)</sup>	45	16
Accounts receivable + Valued Stocks + Cash	84	39
Coverage STD	147%	97%

(1) Valued to average sales prices per quarter.



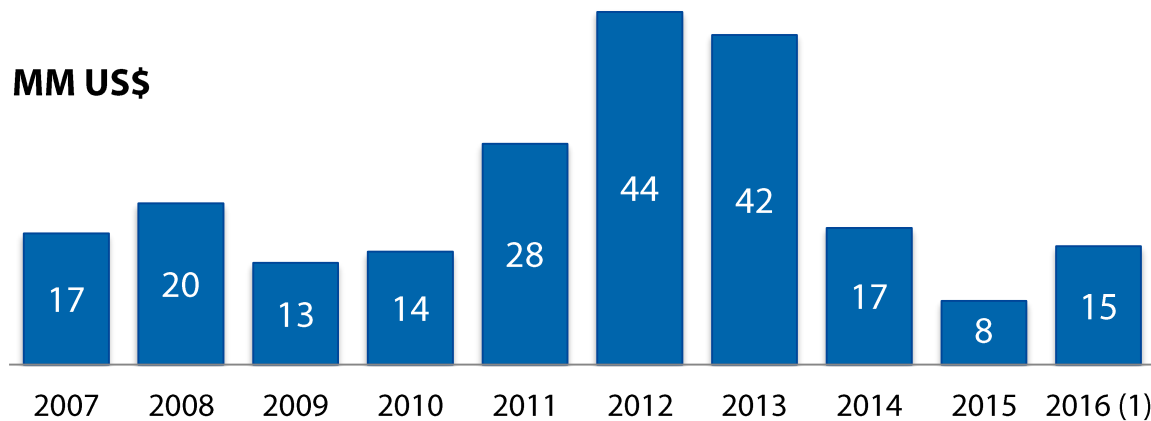


# CAPEX



- **IHC Investments:**
  - Maintenance work on fishing nets.
  - Environmental requirements.
  - Fishmeal plants.
- **DHC Investments:**
  - Tambo de Mora Plant.
  - Paita Plant.

MM US\$





- ▶ T. (511) 441.4420
- ▶ W. [www.exalmar.com.pe](http://www.exalmar.com.pe)
- ▶ D. Av. Víctor Andrés Belaunde 214, San Isidro, Lima, Perú.