



Earnings Presentation December 2019

April 2020

Agenda

1. HIGHLIGHTS
2. CONSOLIDATED RESULTS 2H19
3. CONSOLIDATED RESULTS 2019
4. RESULTS PER BUSINESS SEGMENT 2H19



Highlights



1. HORTIFRUT ACQUIRES A STAKE IN BFRUIT

- Agreement to buy a **non-controlling interest (11.8%)** in **Bfruit** (Portugal).
- All the **volume produced by Bfruit** will be marketed through the **Hortifrut trading platform in Europe**.
- It enables Hortifrut to carry out **faster commercial scaling of new varieties of raspberries, blackberries and blueberries** from its own varietal development programs.



2. BUSINESS COMBINATION OF FROZEN PRODUCTS WITH ALIFRUT

- In October 2019 Hortifrut S.A. and Alifrut (a subsidiary of Duncan Fox) reached an **agreement to combine and develop globally its export businesses of frozen products with added value** in equal parts, initially marketing ~ 35 million kilos.
- The association contemplates direct distribution to customers through the global commercial platforms of Hortifrut and Alifrut's industrial and commercial expertise as a multi-product frozen processor.



3. HORTIFRUT ESTABLISHES COMMERCIAL ALLIANCE TO EXPORT FROM COLOMBIA

- In October 2019 Hortifrut S.A. establishes a **commercial alliance with Proplantas** (Colombian family company pioneer in the sale of strawberries and blueberries) to export blueberries from Colombia as of March 2020.
- The commercialization will be in charge of Hortifrut.
- The company will be controlled 75% by Hortifrut and 25% by the Afanador family, owner of Proplantas.

Agenda

1. HIGHLIGHTS
2. CONSOLIDATED RESULTS 2H19
3. CONSOLIDATED RESULTS 2019
4. RESULTS PER BUSINESS SEGMENT 2H19

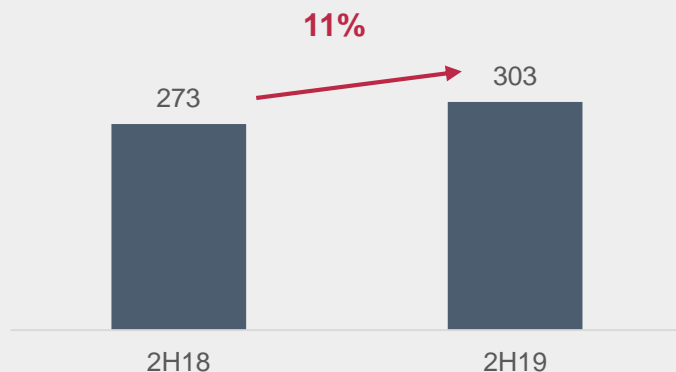


US\$76 mn in EBITDA in 2H19

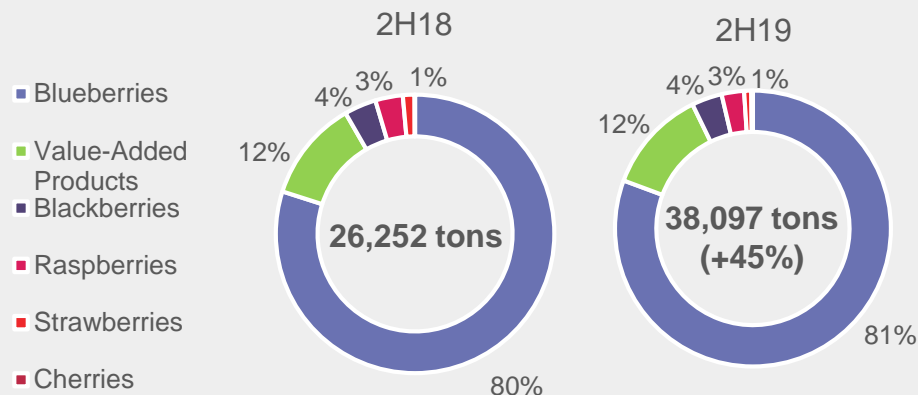
- **EBITDA decreases by US\$6.9 mn** compared to 2H18, due to:
 - Lower expected margin of fruit in plants (ThUS\$1,053 as of 2H19 vs. ThUS\$5,332 as of 2H18).
 - Lower average price in all destination markets, largely linked to the higher supply of fruit, mainly from Peru.
 - Increase in selling costs (20.5%) given the higher volumes sold.
- The **distributed volume increased 45.1%, reaching 38,097 tons**, with growth in segments: Blueberries, Raspberries, Blackberries, Value Added Products and Cherries.
- **Decrease of 19.9% of the average price per kilo**, observing falls in the prices of all the segments, except in the Blackberries (+0.9).



1. CONSOLIDATED REVENUE (US\$ mn)

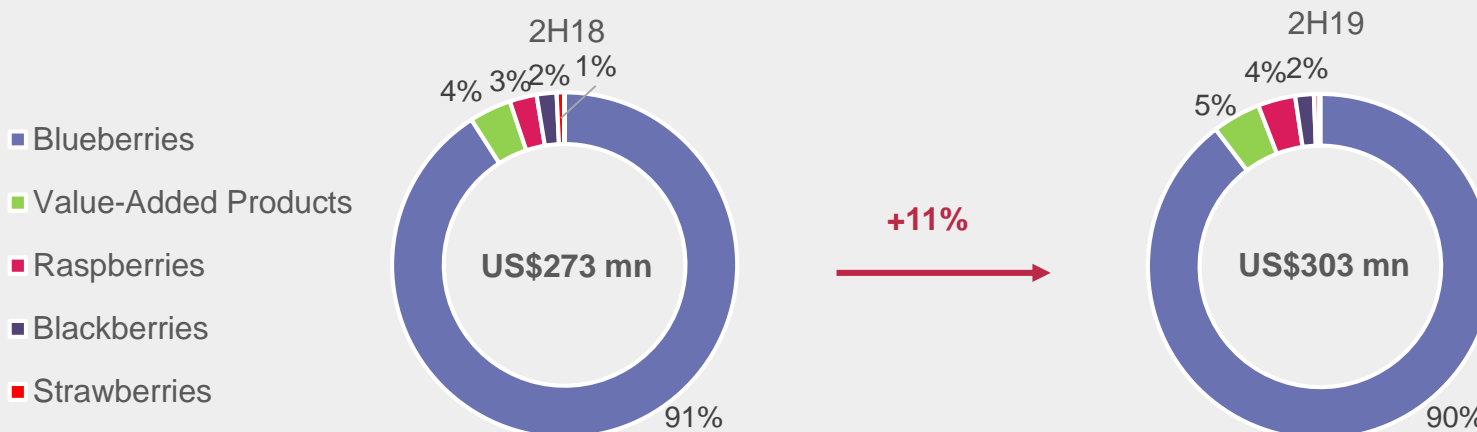


2. DISTRIBUTED VOLUME (%)

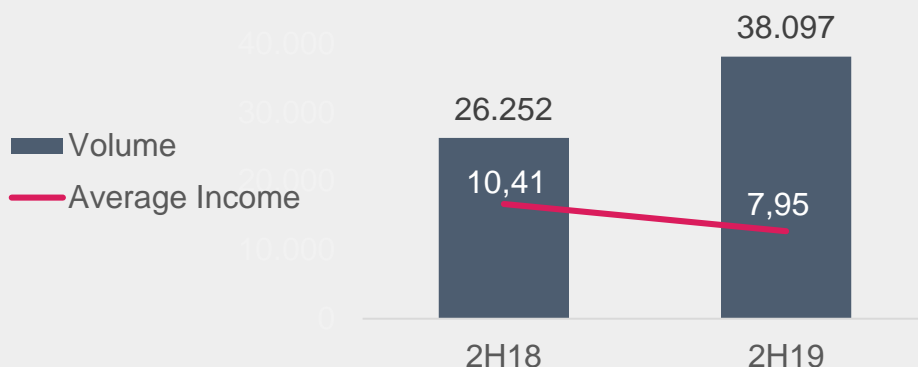


Revenue Evolution S18/19 – S19/20 (Jul-Dec)

1. CONSOLIDATED REVENUE, PER TYPE. (%)



2. VOLUME – AVERAGE REVENUE. (Tons/US\$Kg)

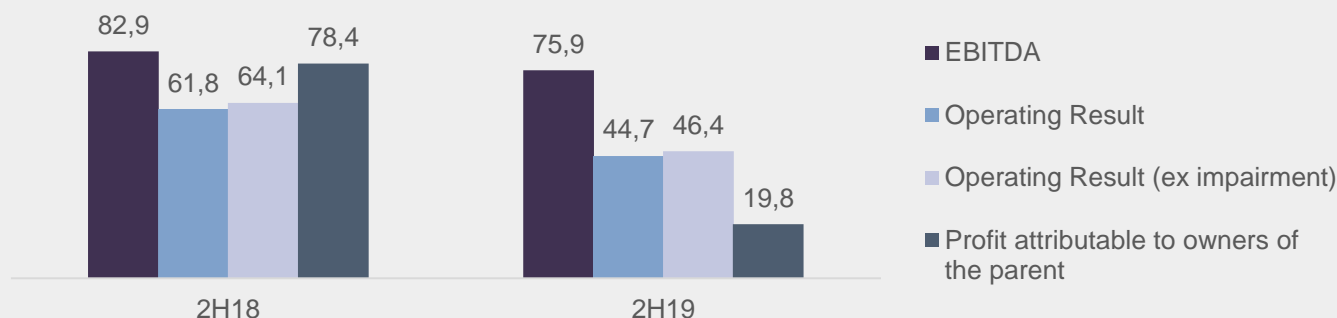


- The higher income is due to an increase in volume of 45%, partially offset by a decrease in average income per kilo of 24%, associated with lower prices and the lower fair value of fruit in bearer plants, amount that reaches ThUS\$1,053 in 2H19, compared to ThUS\$5,332 in 2H18.

Consolidated Results S18/19 – S19/20 (Jul-Dec)



1. CONSOLIDATED RESULTS. (US\$ mn)



EBITDA variation

Decreases 8% due to a fall of 23.7% in the average income per kilo associated with:

- Lower prices in all markets, due to a higher supply of fruit
- Lower fruit fair value (ThUS\$1,053 in 2H19 vs. ThUS\$5,332 in 2H18)

This is offset by the 45.1% increase in volumes.

Operating Result

It decreases 28% for the same reasons that explain variations in EBITDA, added to higher depreciation due to a change in methodology based on the production curve.

Profit Attributable to Owners of the Parent

Decreases 74% mainly associated with:

- Positive effect of ThUS\$60,990 due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C (Peru).
- Lower average income per kilo
- Higher sales costs associated with the increase in volume (remuneration, depreciation and freight) and higher preventive agricultural applications to maintain the quality of the fruit
- Lower fruit fair value (ThUS\$1,053 in 2H19 vs. ThUS\$5,332 in 2H18)

Consolidated Results S18/19 – S19/20 (Jul-Dec)

VARIATION IN PROFIT ATTRIBUTABLE TO THE PARENT. (US\$ mn)



(*) Others includes lower net financial expenses, lower taxes and lower minority interest.

Non-operating Result for the Season

	2H18 (ThUS\$)	2H19 (ThUS\$)	Var %
Financial Income	273	2,272	732%
Finance Expenses	-12,272	-13,373	9%
Share of profit (loss) of equity-accounted associates and joint ventures	-3,044	-2,690	-12%
Other income/expenses	60,873	-1,413	-102%
Exchange differences	1,560	1,782	14%
Non-operating result	45,073	-15,169	-134%



MAIN VARIATIONS

- **Net financial expense:** decreased by 7% mainly due to higher financial income and debt prepayments made during 2H19, which are partially offset by the prepayment costs associated with said operations (US\$1.8 mn).
- **Other income/expenses:** one-off positive effect of ThUS\$60,990 in the non-operating result for 2H18, which is recorded in other income / (expenses) outside the operation, due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru), which net of taxes amounts to ThUS\$44,552.
- **Exchange rate differences:** During the period, this result was influenced by the positive effect of the depreciation of the Chilean peso against the US dollar.

Agenda

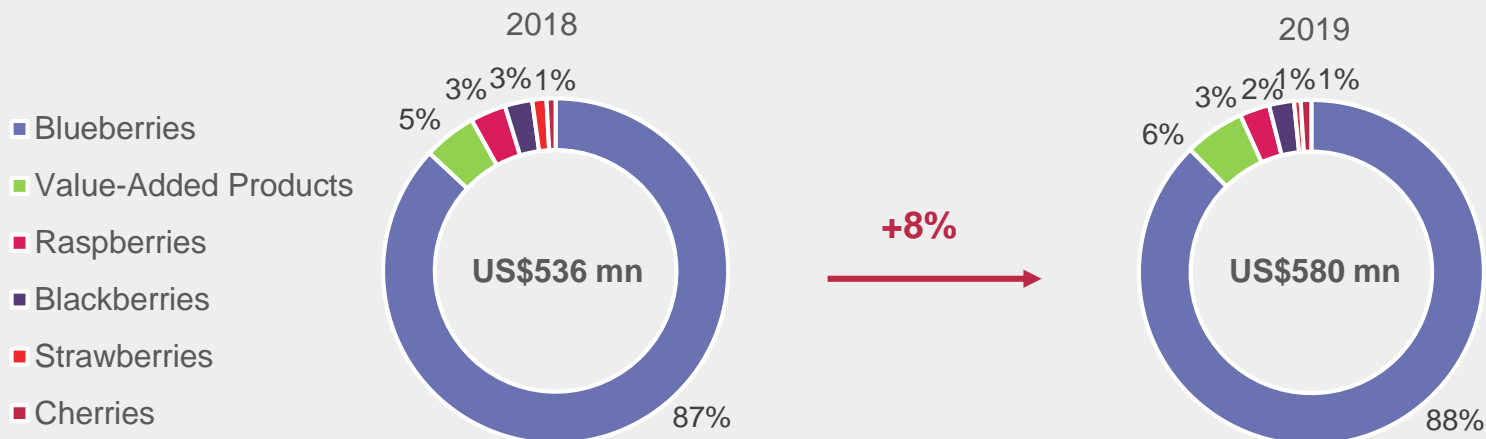
1. HIGHLIGHTS
2. CONSOLIDATED RESULTS 2H19
3. CONSOLIDATED RESULTS 2019
4. RESULTS PER BUSINESS SEGMENT 2H19



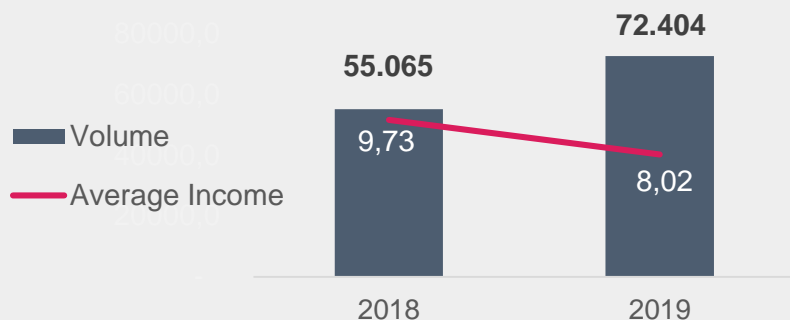
Consolidated Results 2019



1. CONSOLIDATED REVENUE, PER SEGMENT (%)



2. VOLUME / AVERAGE INCOME. (Tons/US\$Kg)

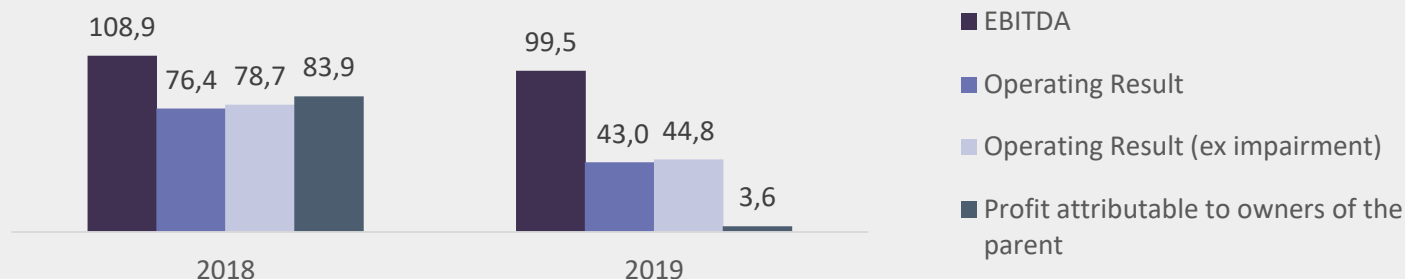


- The increase in revenue is mainly explained by a 32% increase in the marketed volume, mainly fruit from Peru, Mexico and Value Added Products. Offset by the recognition of a lower fair value of fruit in bearer plants and by a lower average income per kilo of 18% associated with lower prices in all destination markets due to a higher fruit supply. Added to this are delays in the production curve in Peru in 2H18, concentrating a significant volume of fruit during 1Q19 (Chilean production period).

Consolidated Results 2019



1. CONSOLIDATED RESULTS. (US\$ mn)



EBITDA variation

- 8.6% due to lower valuation of the fruit in bearer plants (ThUS\$1.401 vs. ThUS\$5.332), added to the decrease in the average price per kilo of 9%, and higher SG&A due to the effect of the acquisition of the Grupo Rocío blueberry business in Peru, whose effects were not during the first half of 2018.

Operating Result

- 43% for the same effects as in EBITDA, added to the higher depreciation of the period linked to the incorporation of the Grupo Rocío blueberry business in Peru, an operation that wasn't during the first half of 2018.

Profit Attributable to Owners of the Parent

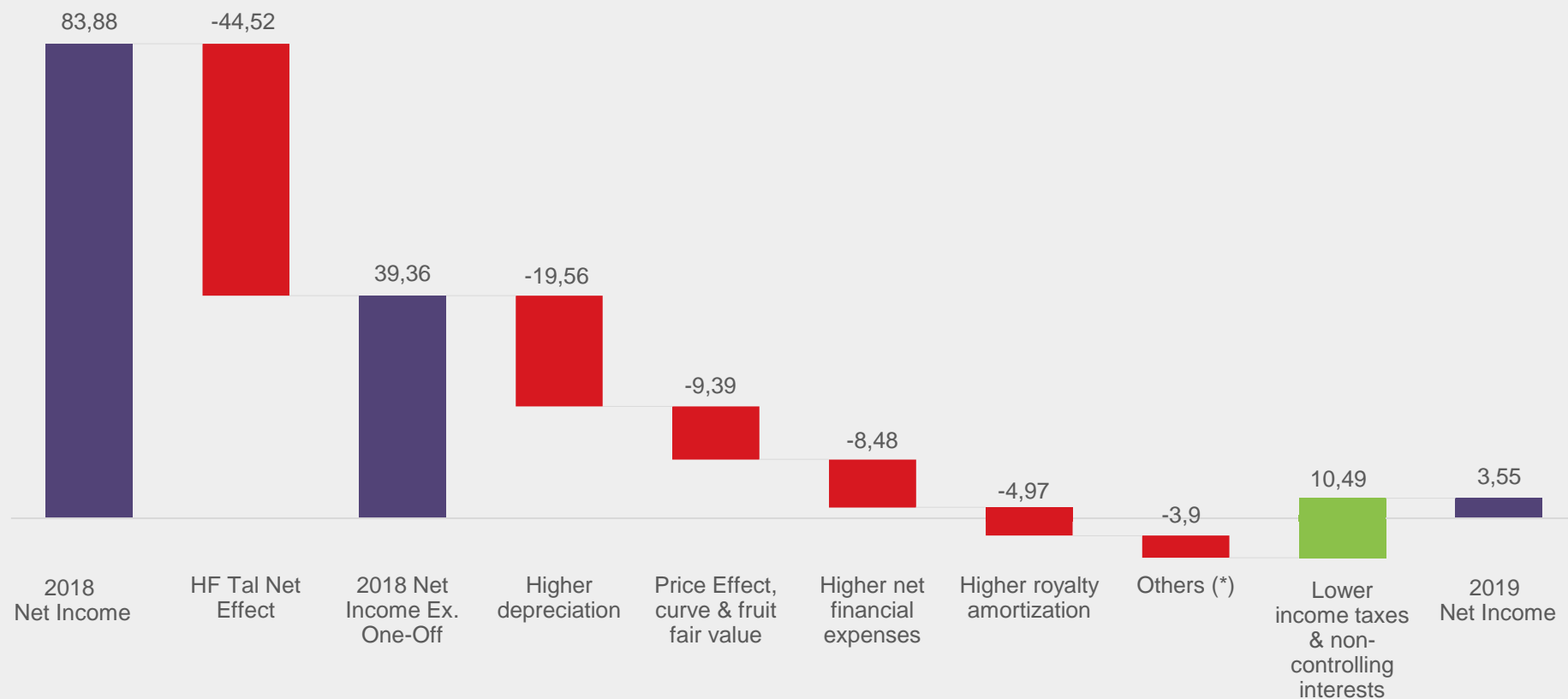
- 96% mainly due to the one-off positive effect of ThUS\$60,990 recorded in the non-operating result for 2018, due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru). Isolating this effect, the net income of the parent decreases by:

- Lower operating result
- Reverse adjustment of the fair value of the fruit in bearer plants (ThUS\$7,357)
- Higher net financial costs of ThUS\$8,475, as a result of the higher debt balance associated with the financing of the merger and acquisition of the Grupo Rocío blueberry business in Peru and the incorporation of existing debt, debt that generated interest only for the months of July to December in 2018 vs. 12 months during 2019.

Consolidated Results 2019



VARIATION IN PROFIT ATTRIBUTABLE TO THE PARENT. (US\$ mn)



(*) Others: includes exchange rate differences and losses in share of of profit of equity – accounted investees

Non-operating Result 2019

	2018 (ThUS\$)	2019 (ThUS\$)	Var %
Financial Income	1,448	2,789	93%
Finance Expenses	-17,254	.-27,070	57%
Share of profit (loss) of equity-accounted associates and joint ventures	-3,483	-5,625	62%
Other income/expenses	60,823	-1,759	-103%
Exchange differences	2,005	247	-88%
Non-operating result	43,539	-31,418	-172%



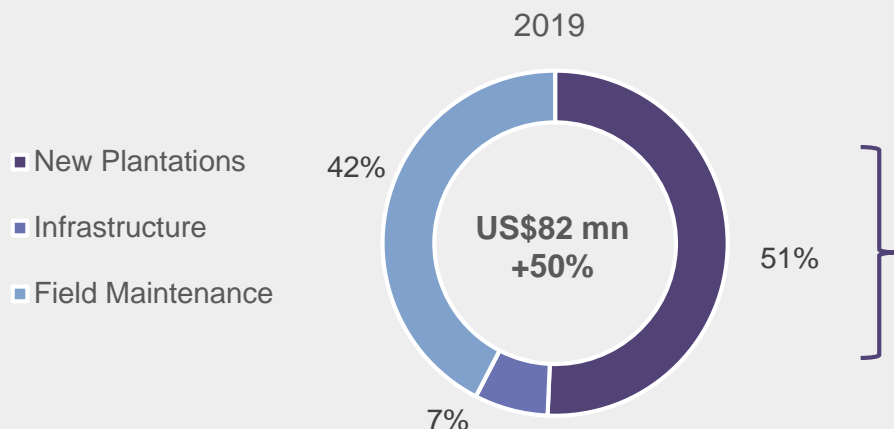
MAIN VARIATIONS

- **Net financial expense:** increase by 54% mainly due to the incorporation of existing debt from the purchase and merger of the Grupo Rocío blueberry business, debt that generated interest only for the months of July to December in 2018 vs. 12 months during 2019, added to the costs associated with prepayments of financial debt made during 2H19.
- **Other income/expenses:** one-off positive effect of ThUS\$60,990 in the non-operating result for 2H18, recorded in other income/(expenses), due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru), which net of taxes amounts to ThUS\$44,520.
- **Share profit in associates and joint ventures:** During the period, this result was influenced by the higher loss of the associate Munger Hortifrut NA LLC (United States) for ThUS\$6,172 (ThUS\$3,543 of losses as of Dec18).

2019 Investments & Net Financial Debt



1. INVESTMENTS, PER TYPE. (%)

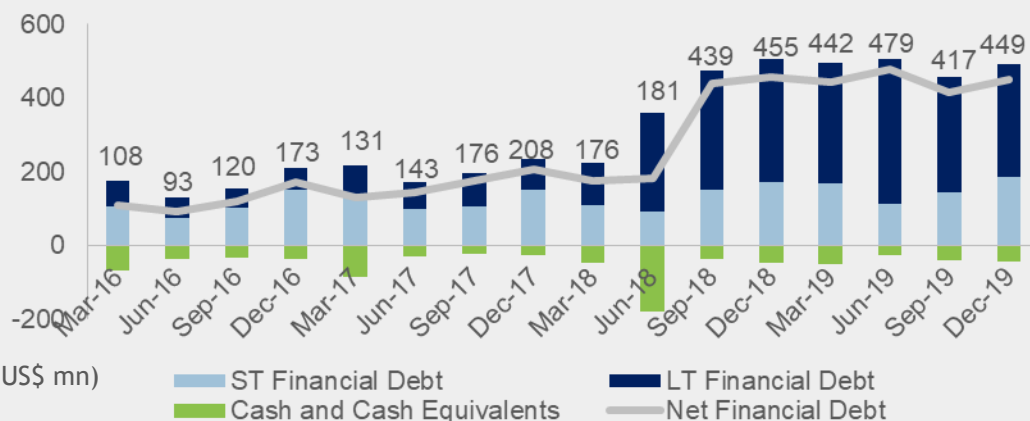


- Investment in new plantations correspond to projects in China and Mexico, mainly.
- Infrastructure investments correspond mainly to the construction of a reservoir in Trujillo and to the strengthening of commercial platforms.



2. FINANCIAL DEBT. (US\$ mn)

Debt (US\$ mn)



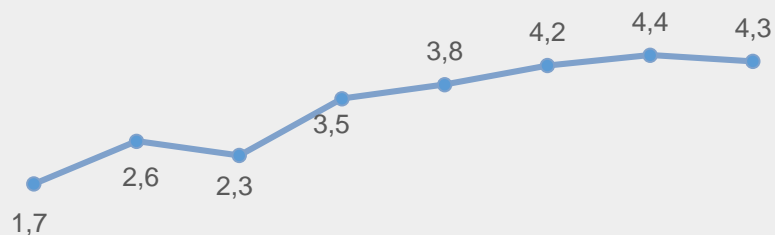
- NFD decreased compared to Dec18 due to debt prepayments executed during 2H19 with funds from the capital increase carried out in July and August 2019. Partially offset by higher working capital needs associated with the higher volume produced and by the beginning of the investment plan in Mexico and China.

Debt Covenants



1. NET FINANCIAL DEBT / EBITDA. (x)

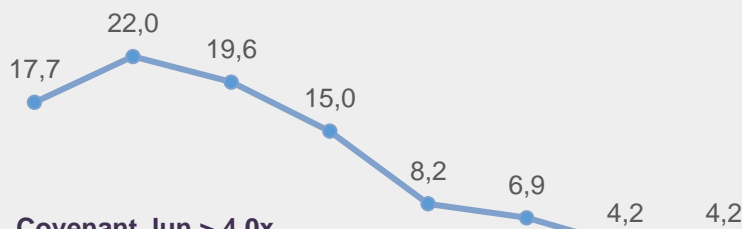
Covenant Dec < 6.0x



Jun-16 Dec-16 Jun-17 Dec-17 Jun-18 Dec-18 Jun-19 Dec-19



2. EBITDA/NET FINANCIAL EXPENSES. (X)



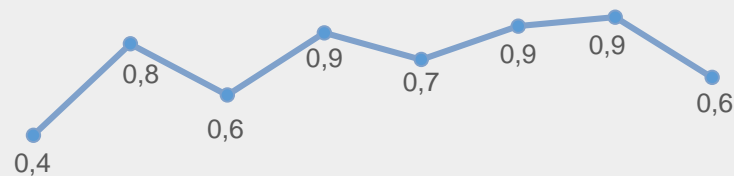
Covenant Jun > 4.0x

Jun-16 Dec-16 Jun-17 Dec-17 Jun-18 Dec-18 Jun-19 Dec-19



3. NET FINANCIAL DEBT / TOTAL EQUITY. (x)

Covenant Jun < 1.0x



Jun-16 Dec-16 Jun-17 Dec-17 Jun-18 Dec-18 Jun-19 Dec-19

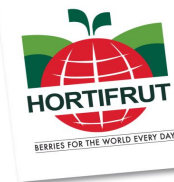
Agenda

1. HIGHLIGHTS
2. CONSOLIDATED RESULTS 2H19
3. CONSOLIDATED RESULTS 2019
4. RESULTS PER BUSINESS SEGMENT 2H19



Blueberries

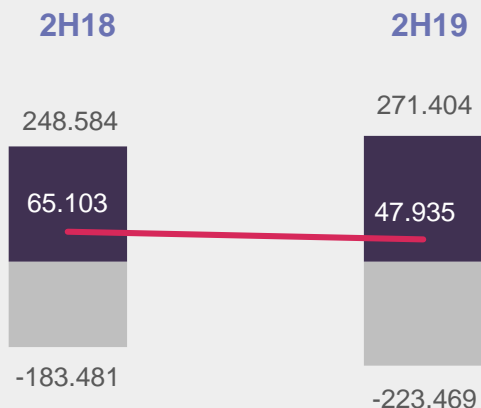
First 6 months S19/20



- **9% increase in revenue:** +46% volume and -22% average price per kilo.
- The higher volume is mainly due to an increase in the volumes produced in Peru compared to 2H18, which due to extraordinary weather events delayed its production curve during 2H18.
- The decrease in the average price per kilo is associated with lower prices in all destination markets, linked to the higher supply of fruit mainly from Peru, and to lower exports to Europe and Asia, which were replaced by sales to North America during the 3Q19.



OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Blueberries	2H18	2H19	Var (%)
Sales volumen (Kg)	20,984,719	30,729,308	46%
Share of total	80%	81%	-
Average price (US\$/Kg)	9.31	7.31	-22%

Raspberries

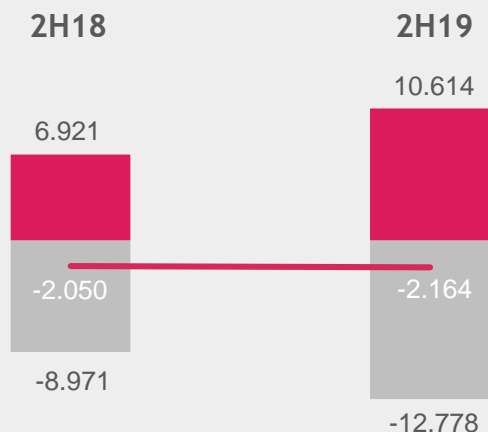
First 6 months S19/20



- **Increase in revenue of 53%:** 62% volume and -5% average price per kilo.
- The increase in volume is explained by higher uptake of third-party fruit from Mexico and Morocco.
- The average price per kilo decreased due to greater availability of fruit in the US market.
- On its part, the operating margin went from a loss of ThUS\$2,050 in 2H18 to a loss of ThUS\$2,164 in 2H19, as a result of the fact that, despite recording higher revenue, operating costs increased slightly in higher proportion, in line with the highest volume. Effect produced by the decrease in prices.



OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Raspberries	2H18	2H19	Var (%)
Sales volumen (Kg)	838,240	1,356,809	62%
Share of total	3%	4%	-
Average price (US\$/Kg)	8.26	7.82	-5%

Blackberries

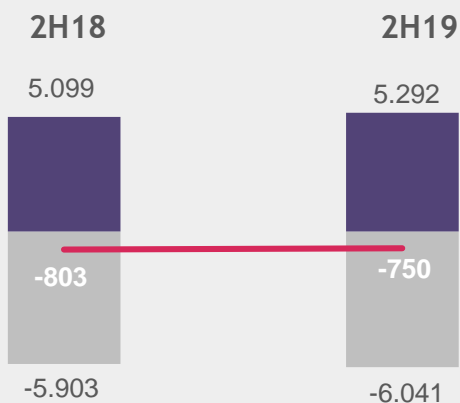
First 6 months S19/20



- **Increase of 4% in revenue:** +3% volume and +1% average price per kilo.
- The increase in volume is explained by an increase in the volume captured from third-party producers in Mexico, associated with the delivery plan for own varieties (Madeleine) that began to be executed during S17/18.
- The increase in prices is associated with the lower volume of fruit available to capture in Mexico.
- The operating margin went from a loss of ThUS\$803 to one of ThUS\$750, associated with the increase in operating income.



OPERATING RESULT. (ThUS\$)

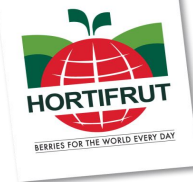


■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Blackberries	2H18	2H19	Var (%)
Sales volumen (Kg)	974,434	1,002,230	3%
Share of total	4%	3%	-
Average price (US\$/Kg)	5.23	5.28	0.9%

Strawberries

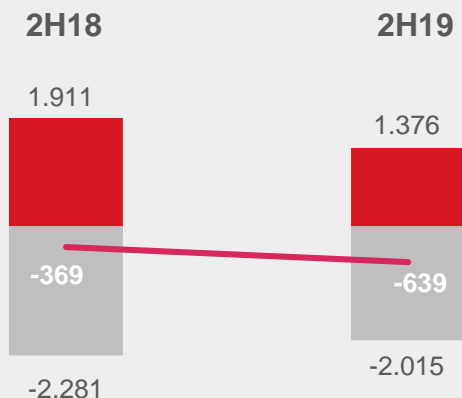
First 6 months S19/20



- **Decrease of 28% in revenue:** -11% volume and -20% average price per kilo.
- The decrease in the marketed volume is explained by a lower availability in the volume of third-party fruit uptake from Chile, as a result of unfavorable hydrological conditions.
- The price decreased compared to the same period in 2018 mainly to maintain competitiveness in the market.



OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Strawberries	2H18	2H19	Var (%)
Sales volumen (Kg)	353,749	316,634	-11%
Share of total	1%	0.8%	-
Average price (US\$/Kg)	5.40	4.35	-20%

Value-Added Products

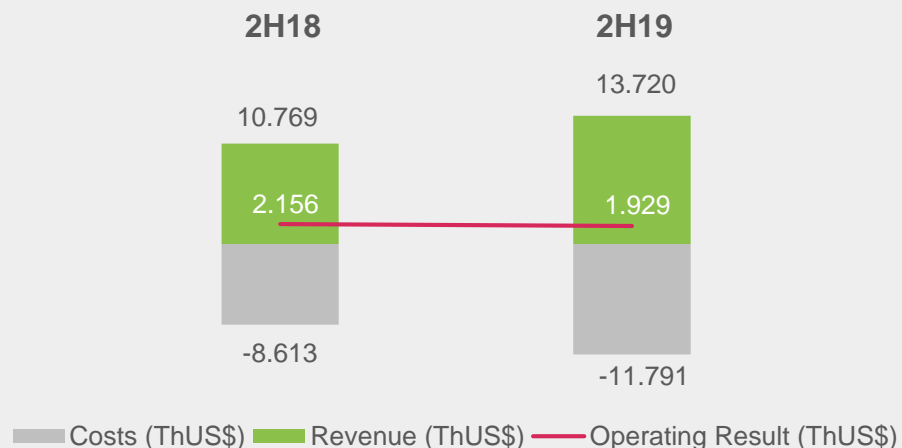
First 6 months S19/20



- **Increase of 27% in revenue:** +50% volume and -15% average price per kilo.
- The higher volume is mainly explained by a higher demand for frozen products in the North American market.
- Fall in prices due to the increase in the share of conventional fruit in the sales mix, which is sold at lower prices than organic fruit.
- Additionally, the decrease in operating income is explained by the decrease in the average price and the increase in operating costs, which increase in line with the increase in volume distributed.

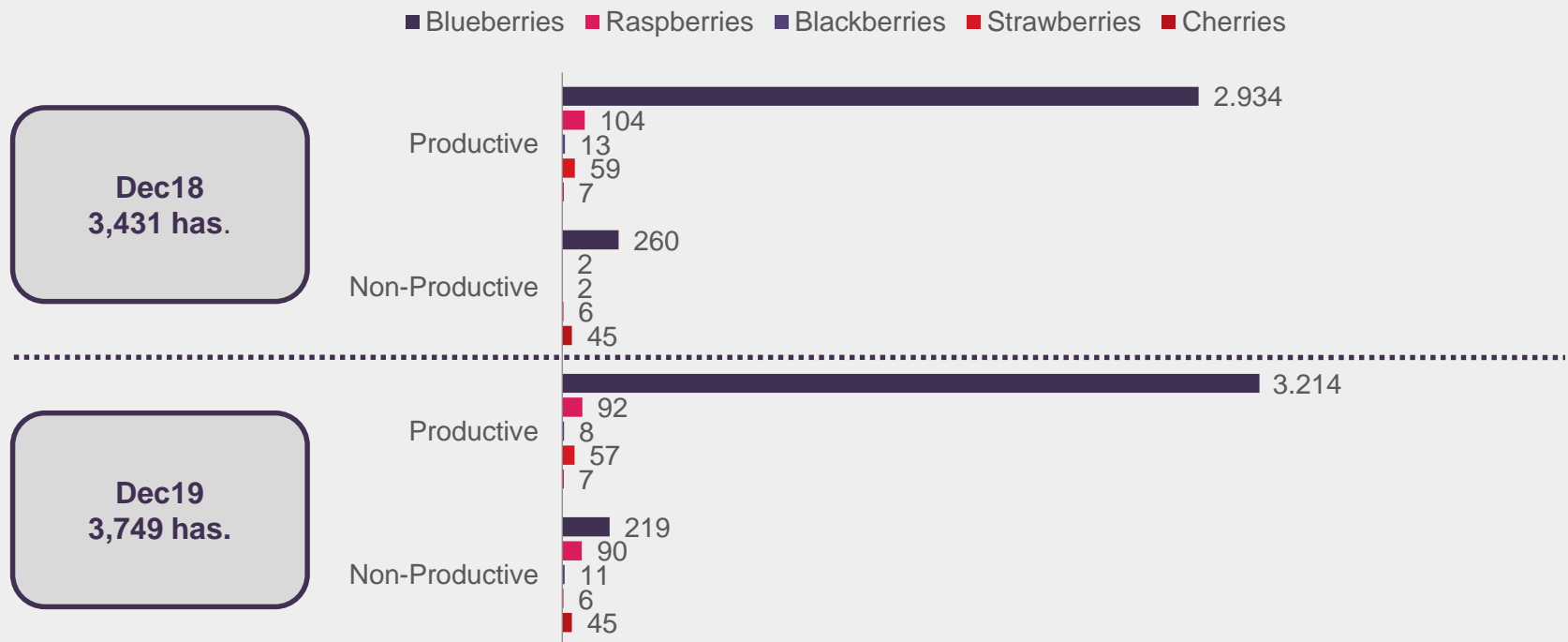


OPERATING RESULT. (ThUS\$)



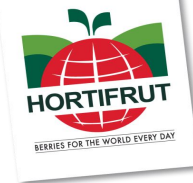
Value-Added Peroducts	2H18	2H19	Var (%)
Sales volumen (Kg)	3,085,735	4,619,543	50%
Share of total	12%	12%	-
Average price (US\$/Kg)	3.49	2.97	-15%

Planted Hectares Evolution



- In addition to the surface area above, there are 99 hectares planted (all of which are in productive stage) in projects that belong to associates, which do not consolidate in Hortifrut:
 - 22 hectares of raspberries at Hortifrut Berries Maroc S.R.L. (Morocco), all of which are in productive stage.
 - 77 hectares of blueberries at Margesi S.A. (Argentina), all of which are in productive stage.

Closing Remarks



EBITDA

ThUS\$99,549 as of december 2019 (-US\$9.4 mn) due to:

- Lower expected margin of fruit in bearer plants as of Dec19 for ThUS\$1,401, compared to ThUS\$5,332 in 2018
- Lower average prices in all destination markets
- Increase in SG&A due to acquisition of Grupo Rocío in July 2018

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

ThUS\$3,556 as of december 2019 (-US\$80.3 mn) due to:

- Adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C (Peru) for ThUS\$60,990
- Lower EBITDA
- Higher depreciation linked to the incorporation of the Grupo Rocío blueberry business in Peru, an operation that was not part of Hortifrut in the first 1H18
- Higher net financial costs

PROJECT IN CHINA

The 2nd harvest of the first 35 has and the 1st harvest of the other 56 has of the 1st stage of the project have already been carried out, with 377 tons. sales as of Dec19 (almost 1.0 kg / plant in its first year of production). Advancing in the planting of the following stages.

PROJECT IN MEXICO

In blueberries, 374 ha are already in the planting process and the remaining has are in the irrigation design process. As for raspberries, all the land has already been signed and progress is being made in preparing land for planting.



Earnings Presentation December 2019

April 2020