



# Earnings Presentation June 2021

September 14<sup>th</sup>, 2021

# Agenda

1. HIGHLIGHTS
2. GENETICS
3. CONSOLIDATED RESULTS S20/21
4. CONSOLIDATED RESULTS JAN-JUN21
5. RESULTS PER BUSINESS SEGMENT S20/21



# Highlights



## 1. SIGNIFICANT IMPROVEMENT IN THE COMPANY'S RESULTS

Figures in US\$ mn	1H20	1H21	S19/20*	S20/21*
EBITDA	45,67	75,59	121,61	205,05
Profit to the parent company equity holders	2,50	11,27	22,26	62,80

- The **main factors** of this results are:
  - **Geographical and business diversification** – growth in Mexican and Chinese blueberries, Mexican, Portuguese and Moroccan raspberries, all backed by the strength of genetics programs.
  - **Better prices** – high demand and commercial strategy through its platforms in destination markets.
  - **Cost efficiency** - innovation and application of technologies in production and operations.
  - **Optimization in production curves** – early production specially in Peru, Mexico and China.
  - **Genetics business** – greater plants sales and royalty incomes.
  - **Varietal turnover** – execution of pull-up of plantations to improved the future yield of them.

## 2. GOOD RESULT IN “MERCOTALENTO 2021” SURVEY

- Hortifrut in Chile obtained the **7th place** in the **Food category** of the “Mercotaleto 2021” survey, improving with respect to the 11<sup>th</sup> place obtained in 2020.
- This positions us among the best companies to attract and retain talent in Chile, along with other large companies in the country.

## 3. INCORPORATION OF NEW EXECUTIVES

- Creation of the **Corporate Affairs and Sustainability** area.
- Incorporation of the **Chile Subsidiary and Corporate S&OP Managers**.
- **Corporate IT Manager** appointed **Global SAP Advisory Council for Agribusiness** (out of a total of 13 members)

### ALIMENTOS

2020	2021	
1º	1º	NESTLÉ
3º	2º	PEPSICO
2º	3º	TRESMONTES LUCCHETTI
7º	4º	SOPROLE
5º	5º	COLUN
4º	6º	EMPRESAS CAROZZI
11º	7º	HORTIFRUT
9º	8º	AGROSUPER
13º	9º	NOTCO
10º	10º	STARBUCKS
6º	11º	WATTS
8º	12º	SODEXO
12º	13º	MARS CHILE

**Note:** (\*) S19/20 and S20/21 corresponds to periods of 12 months between July and June.

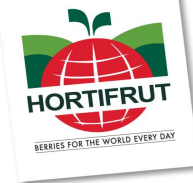


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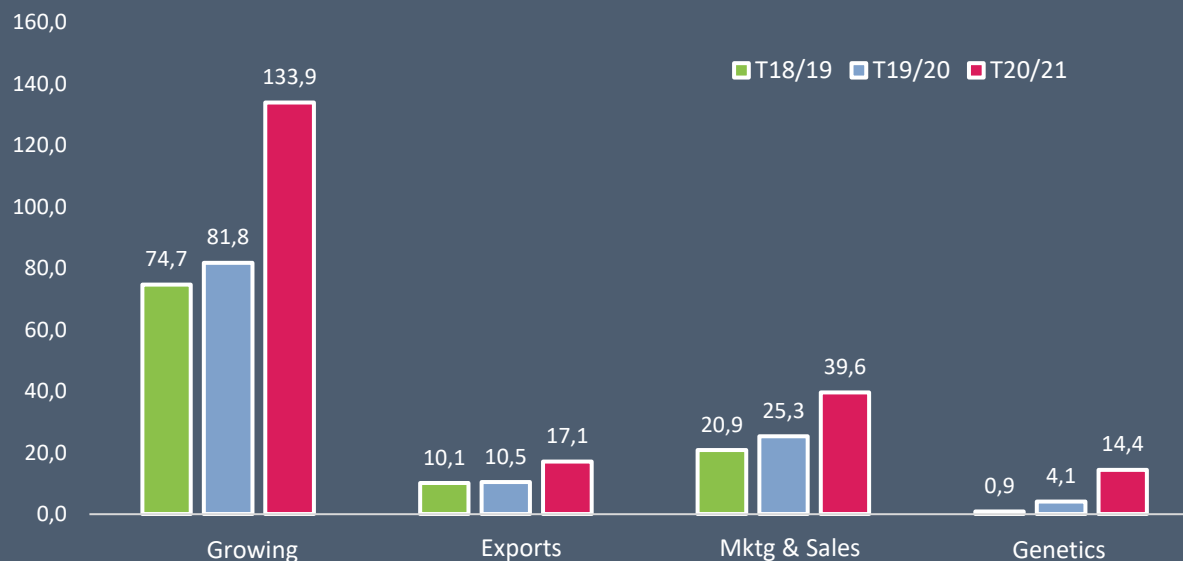
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# Genetics' EBITDA – Significant growth



## EBITDA Breakdown



- During 1H21, the Genetics business generated an EBITDA of US\$6.9 million, reaching US\$14.4 million during the S20/21, figure equivalent to 7.0% of Hortifrut's total EBITDA registered in the same period, which compares favorably with the US\$4.10 million of EBITDA generated in this business during S19/20 (equivalent to 3.4% of EBITDA on said season).
- This result accounts for the sale of plants of Blueberry, Raspberry and Blackberry varieties developed by Hortifrut to third-party producers in various countries, plus royalty income, thus accelerating the future growth of the volumes marketed by the Company.

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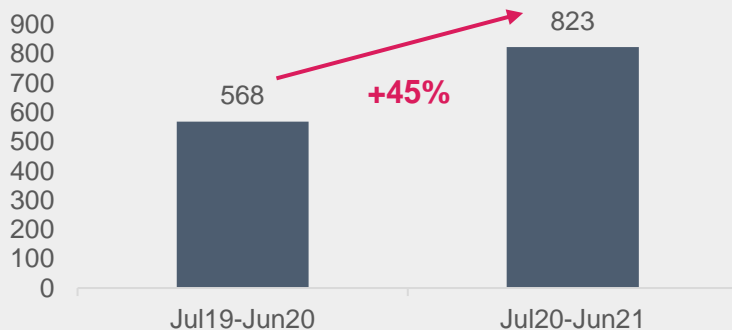


# US\$205 mn in EBITDA during S20/21 (Jul-Jun)

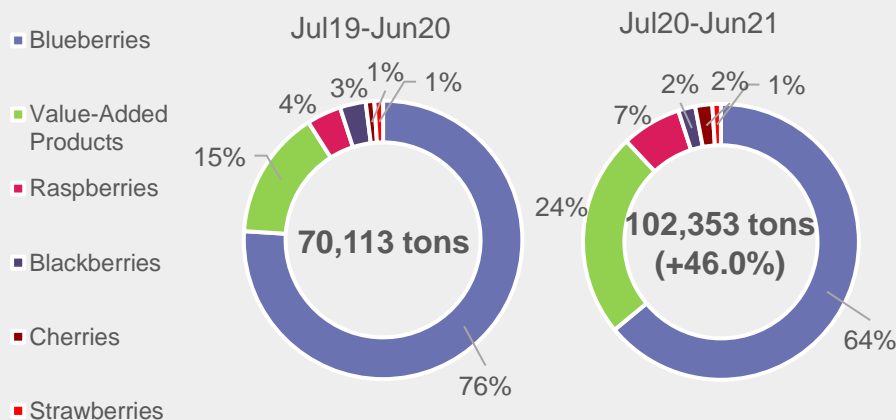
- **EBITDA increases by US\$83.4 mn** compared to S19/20, due to:
  - Increase in the volume sold, influenced in blueberries by the outstanding campaign in Peru and new plantations in Mexico and China, in raspberries in Mexico, Portugal and Morocco, and in value-added products by the merger made in this business (Vitafoods).
  - Increase in the average price of the fruit mix, thanks to the commercial platforms that provide the best services to their customers with new and diverse product formats, in addition to a growth in the demand for healthy products. The higher price of blueberries and raspberries stands out even with the volume growth.
  - Implementation of a cost efficiency program in fields and packings, thanks to the innovation and application of technologies in production and operations.
- The **distributed volume increased 45.98%, reaching 102,353 tons**, with growth in the following segments: Blueberries (+24.2% until 66,051 tons), Raspberries (+154.3% until 7,447 tons), Cherries (+115.0% until 1,737 tons) and Value-Added Products (+134.8% until 24,945 tons).
- **Increase of 1.06% in the average price per kilo**, with a growth in all business segments, except for Cherries because of impact of “fake news” in China. For the “Fresh Fruit” segment the price increased was 7.94%.



## 1. CONSOLIDATED REVENUE (US\$ mn)



## 2. DISTRIBUTED VOLUME (%)

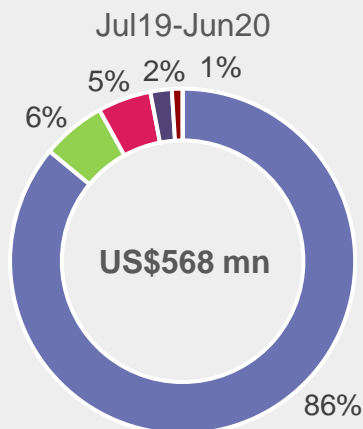


# Revenue Evolution S19/20 vs. S20/21 (Jul-Jun)

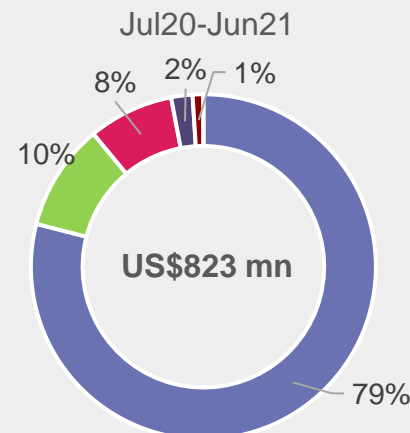
## 1. CONSOLIDATED REVENUE, PER TYPE. (%)



- Blueberries
- Value-Added Products
- Raspberries
- Blackberries
- Cherries
- Strawberries



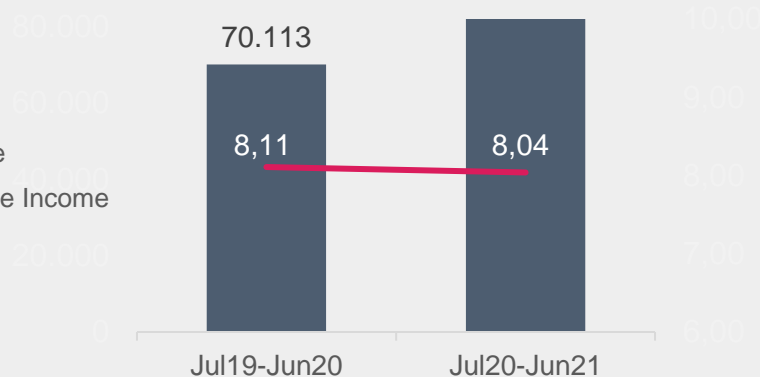
+45%



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



- Volume
- Average Income

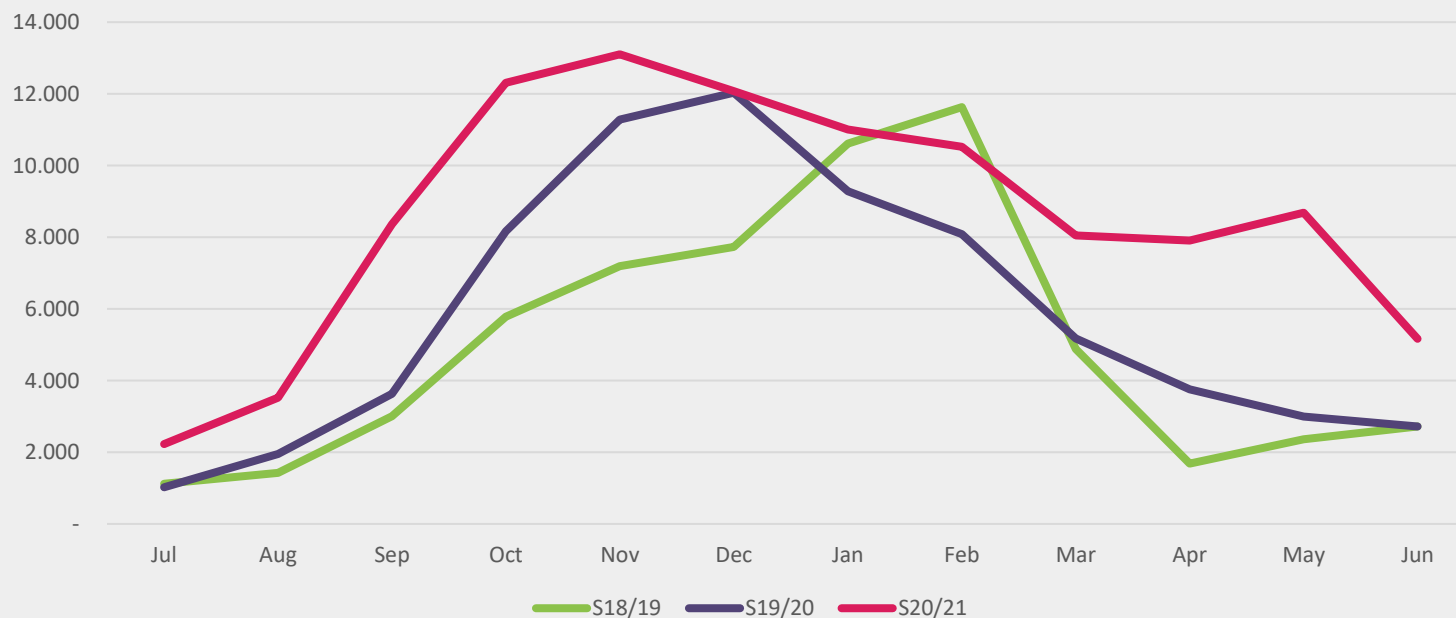


- The higher revenues are due to an increase of 46.0% in the marketed volume to 102,353 tons, mainly related to:
  - An outstanding campaign in Peru
  - The entry into production of new fields in Mexico and China
  - Growth in raspberries from Mexico, Portugal and Morocco, mainly with own genetics
  - Vitafoods volume
  - Good quality of fruit and good demand
- The higher volume was accompanied by an increase in the average price per kilo of 1.06%, which passed from 6.92 US\$/Kg in S19/20 to 6.99 US\$/Kg in S20/21. The “Fresh Fruit” segment has an increased from 7.61 US\$/Kg to 8.22 US\$/Kg during the same period.
- Average income slightly decreased from 8.11 US\$/Kg in S19/20 to 8.04 US\$/Kg in S20/21.



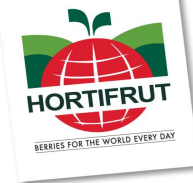
# Volumes S18/19, S19/20 and S20/21

## 1. FRESH AND FROZEN MONTHLY VOLUME. (Tons)

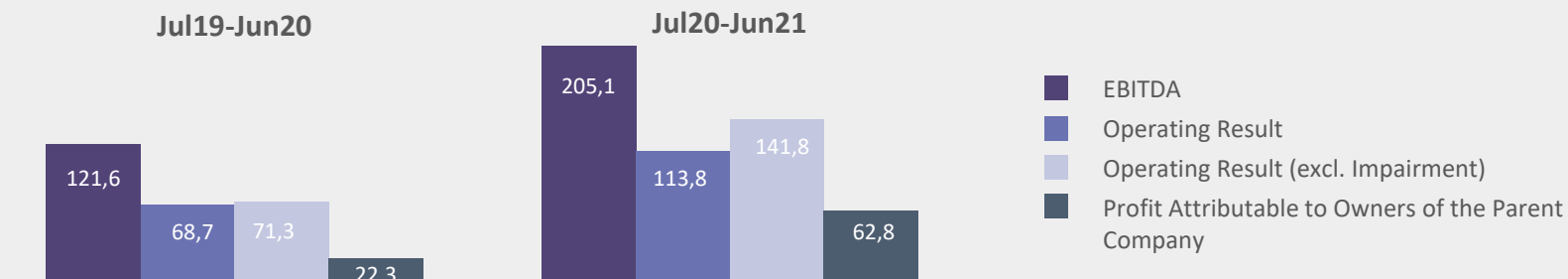


- The volume curve of S20/21 shows the **advance obtained and growth** respect to previous seasons.
- Increase in volume during **2H20** was **due to the design of the production curve seeking optimization**, specially in Peru, associated with the management of pruning and other **cultivation techniques in varieties developed by Hortifrut**.
- During **1H21** the curve was impacted, in blueberries by the entry into production of **new fields in Mexico and China**, in addition to a **more advanced production curve in China** for fields that had been previously harvested.
- Additionally, there was the entry into production of **new hectares of raspberries**, in own and third-party fields in **Mexico and Portugal**, in addition to the growth of the **frozen business through Vitafoods**.

# Consolidated Results S19/20 vs. S20/21 (Jul-Jun)



## 1. CONSOLIDATED RESULTS. (US\$ mn)



### EBITDA variation

Increases 68.6% due to:

- Higher volume of blueberries (Peru, Mexico and China projects), raspberries (Mexico, Portugal and Morocco, mostly of varieties developed by Hortifrut) and value-added products (Vitafoods).
- The execution of commercial strategy through Hortifrut platforms in destination markets and a good demand that contribute to the increase in prices, thanks to premium programs with fruit with excellent characteristics, ensuring the preference of our customers.
- The innovation and application of technologies in production and operations that allowed to obtain efficiencies in costs of fields, and in operations at origin and destination.
- Significant growth in the Genetics business' EBITDA.

### Operating Result variation

It increased by 65.7% for the same reasons that explain the variation in EBITDA, partially offset by a higher depreciation associated with the incorporation of planted hectares in Mexico and China and by the higher volume of fruit produced in Peru, and an increase in asset value impairment (varietal turnover in Chile and pull-ups in USA).

### Profit Attributable to Owners of the Parent variation

Increased by 182.1% mainly associated with a better operating result (despite a recognition of a greater asset value impairment due to varietal turnover and pull-ups of plantations). Added to this is a slightly higher non-operating loss, mainly associated with exchange rate losses (compared to earning in S19/20), largely offset by profits in associates and joint ventures (losses in S19/20), and lower financial expenses associated with lower working capital requirements and reduction of market interest.

# Non-operating Result S19/20 vs. S20/21 (Jul-Jun)

	Jul19-Jun20 (ThUS\$)	Jul20-Jun21 (ThUS\$)	Var %
Financial Income	2,890	1,479	-48.8%
Financial Expenses	-24,608	-18,663	-24.2%
Share of profit (loss) of equity-accounted associates and joint ventures	-3,122	397	-112.7%
Other income/expenses	-1,747	-41	-97.7%
Exchange rate differences	3,100	-6,709	-316.4%
<b>Non-operating result</b>	<b>-23,487</b>	<b>-23,537</b>	<b>0.2%</b>



## MAIN VARIATIONS

- **Net financial expense:** a decrease of 20.9% was registered mainly due to the 24.2% drop in financial expenses due to the reduction in interest rates in the market and a lower working capital debt, while the financial income decreases by 48.8%, since during 3Q19 a capital increase was carried out that left enough cash available after using it for the agreed purpose.
- **Profit (los) in associates and joint ventures:** losses were recorded in the associated Munger Hortifrut NA LLC during S19/20, while during S20/21, this company consolidates in the financial statements of HF.
- **Other income/expenses:** the losses recorded within this item decrease because in 2H19 there was recognition of expenses for tax readjustments (ThUS\$1,263) that were not presented in 2H20.
- **Exchange rate differences:** during S20/21, this result was influenced by the depreciation of the Chilean Peso, Peruvian Nuevo Sol, Mexican Peso and Euro against the US Dollar, especially during 1H21, while during S19/20 the movement of said exchange rates was the opposite.

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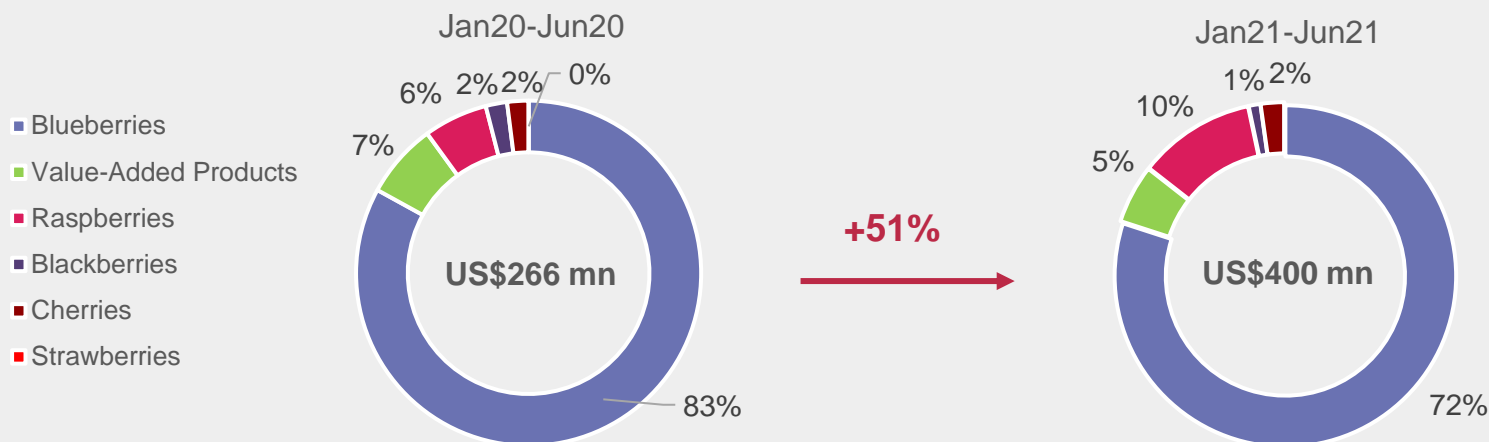
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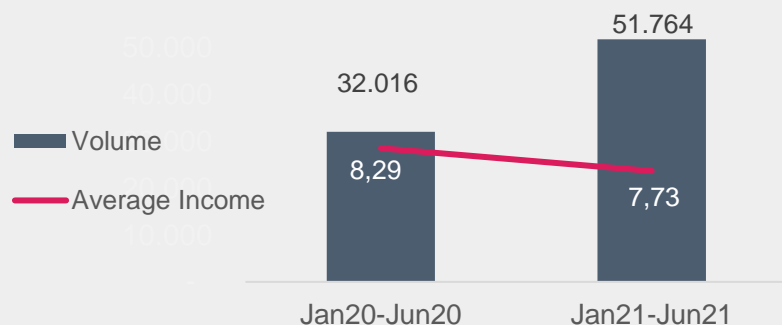
# Consolidated Results Jun20 vs. Jun21 (Jan-Jun)



## 1. CONSOLIDATED REVENUE, PER SEGMENT (%)



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



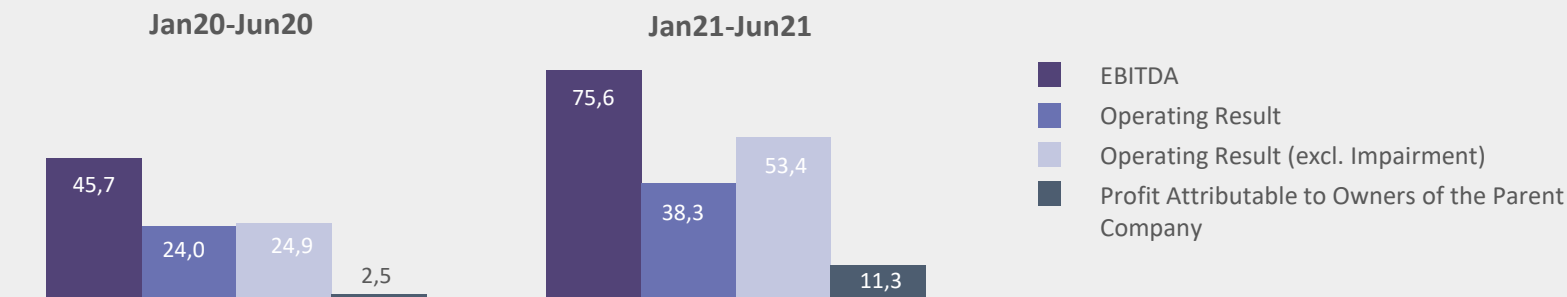
- The higher revenues are due to a 61.7% increase in the volume sold to 51,764 tons, mainly related to:
  - The entry into production of the new blueberry fields in Mexico and China
  - Raspberry volume from Mexico, Portugal and Morocco.
  - Incorporation of Vitafoods to Hortifrut.
- The higher volume was accompanied by a 5.8% decrease in the average price per kilo, which went from 7.15 US\$/Kg in Jun20 to 6.73 US\$/Kg in Jun21 due to the greater proportion of value-added products that have lower prices (in "Fresh Fruit" segment it increased 7.2%).
- Average income decreased from 8.29 US\$/Kg in Jun20 to 7.73 US\$/Kg in Jun21.



# Consolidated Results Jun20 vs. Jun21 (Jan-Jun)



## 1. CONSOLIDATED RESULTS. (US\$ mn)



### EBITDA variation

Increased 65.5% due to:

- Strength of Hortifrut genetics programs, which have contributed to a 61.7% increase in the volume sold, mainly blueberries from China and Mexico, and raspberries from Mexico, which have largely been planted with Hortifrut genetics (own and licensed).
- High demand and execution of the commercial strategy on the HF platforms at destination, reaching a 7.2% increase in the average price for “Fresh Fruit” segment.
- Implementation of a cost efficiency program in fields and packings since the beginning of S20/21, thanks to the innovation and the application of production and operation technologies.

### Operating Result

It increased by 59.7% for the same reasons that explain the variation in EBITDA, partially offset by a higher depreciation associated with the incorporation of planted hectares in Mexico and China, and the greater assets value impairment (due to varietal turnover in Chile and pull-ups inn USA). Excluding impairment, the operating margin increased from 9.4% as of Jun20 to 13.4% as of Jun21.

### Profit Attributable to Owners of the Parent

It increased by US\$8.8 mn (+350.6%) mainly because of the higher Operating result (despite a greater depreciation and assets value impairment). The Non-operating result was impacted by losses due to exchange rate differences as of Jun21 compared to profits as of Jun20, partially offset by lower net financial expenses.

# Non-operating Result Jun20 vs. Jun21 (Jan-Jun)

	Jan20-Jun20 (ThUS\$)	Jan21-Jun21 (ThUS\$)	Var %
Financial Income	618	662	+7.1%
Financial Expenses	-11,235	-6,793	-39.5%
Share of profit (loss) of equity-accounted associates and joint ventures	-432	79	-118.3%
Other income/expenses	-334	183	-154.8%
Exchange rate differences	1,318	-4,749	-460.3%
<b>Non-operating result</b>	<b>-10,065</b>	<b>-10,618</b>	<b>5.5%</b>



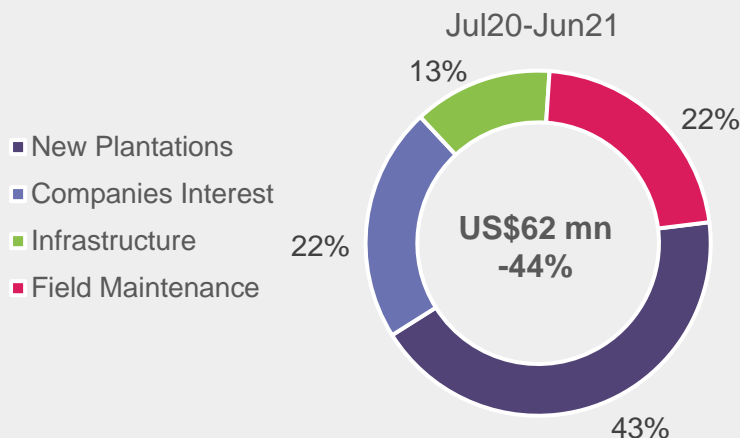
## MAIN VARIATIONS

- **Net financial expenses:** decreased by ThUS\$4,486 until ThUS\$6,131 as of Jun21, mainly due to a reduction in market interest rates and better financing conditions.
- **Profit (loss) in associates and joint ventures:** improve ThUS\$511 mainly due to a good campaign of Hortifrut Berries maroc S.R.L. (raspeberries in Morroco).
- **Exchange rate differences:** a negative result was recorded as of Jun21 influenced by the depreciation of the Chilean Peso, Peruvian Nuevo Sol, and Euro against the US Dollar, while the Mexican Peso appreciated against this currency.

# Investments & Net Financial Debt Evolution



## 1. INVESTMENTS, PER TYPE. (%)

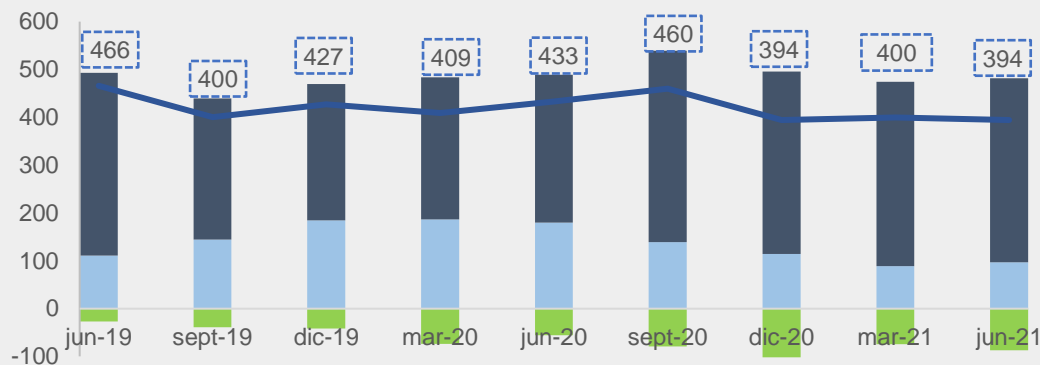


- Investment in New Plantations mainly corresponds to projects in China and Mexico.
- The Companies Interest corresponds to the capital contribution made in Vitafoods SpA.
- Investments in Infrastructure correspond mainly to the construction of packings in Mexico and China to serve the greater volume of fruit associated with the growth of the planted area.



## 2. FINANCIAL DEBT. (US\$ mn)

Debt (US\$ mn)



Cash (US\$ mn)

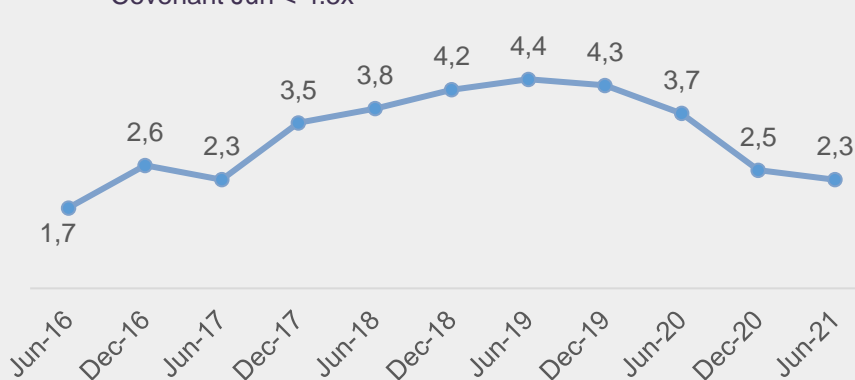
Short Term Financial Debt  
Cash and Cash Equivalent  
Long Term Financial Debt  
Net Financial Debt

- NFD remains at the same levels compared with Dec20, although with reduction in gross debt and of cash balance.
- Gross debt decreased by US\$14.3 mn, mainly due to the payment of working capital debt in Chile and Peru, although with an increase in debt in China and Vitafoods (for working capital in both operations and also investments in China).
- On the other hand, a reduction in cash balanced is observed, associated with the payment of working capital debt in Chile and Peru.
- During Aug20, a short-term debt refinancing was carried out towards the long-term, which explains the change in the composition of the debt during the last year.

# Debt Covenants

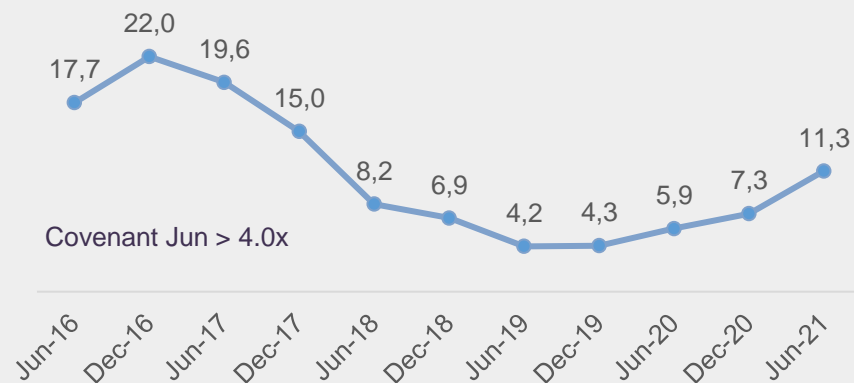
## 1. NET FINANCIAL DEBT / EBITDA. (times)

Covenant Dec < 6.0x  
Covenant Jun < 4.5x



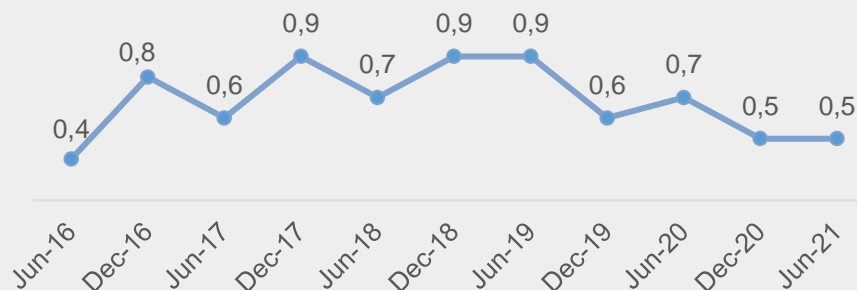
## 2. EBITDA/NET FINANCIAL EXPENSES. (times)

Covenant Jun > 4.0x



## 3. NET FINANCIAL DEBT / TOTAL EQUITY. (times)

Covenant Jun < 1.0x



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# Blueberries

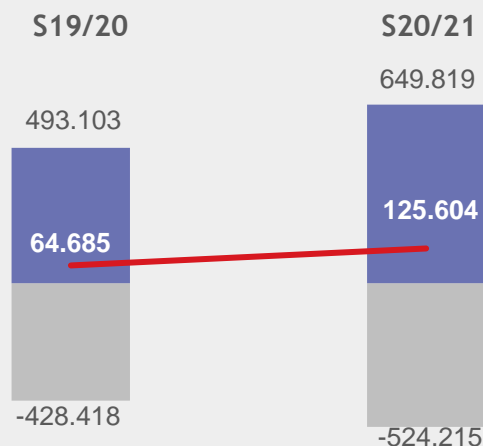
## S20/21 (Jul – Jun)



- **31.8% increase in revenue:** +24.2% in volume and +6.6% in average price per kilo.
- The higher volume is mainly due to an increase in the volumes produced in Peru (36,305 tons during S20/21, +14.8%) associated with the pruning strategy and growing management, in Mexico (5,836 tons, +214.5%) and in China (4,102 tons, +103.6%) due to the entry of new productive hectares, and maturation and development of the harvest in old hectares in China.
- The increase in the average price is due to an early production curve in Peru and China, an outstanding fruit quality, a growing demand and a good performance of our commercial platforms in destination markets, contributing to the sales prices being well above the market benchmark.



### OPERATING RESULT. (ThUS\$)



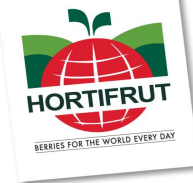
■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Blueberries	S19/20	S20/21	Var (%)
Sales volume (Tons)	53,202	66,051	24.2%
Share of total	75.9%	64.5%	-
Average Price (US\$/Kg)	7.70	8.21	6.6%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.

# Raspberries

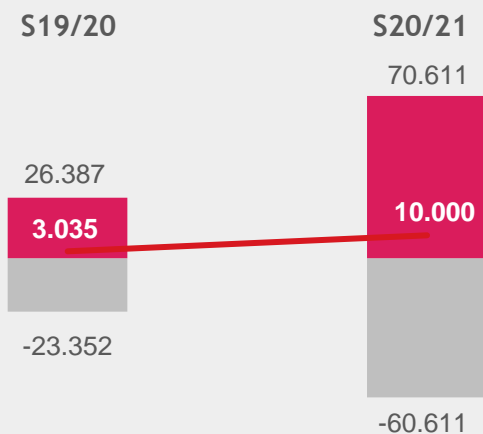
## S20/21 (Jul – Jun)



- **Increase in revenue of 167.6%:** +154.3% in volume and +5.2% in average price per kilo.
- The increase in volume is mainly explained by the entry into production of the raspberry fields in Mexico that were planted in S19/20 with the *Centennial* variety (developed by Hortifrut and with which the entire new surface has been planted), both corresponding to own and third-party producer fields. Thus, the volume from Mexico increased 134.6% to 6,085 tons. Added to this is the incorporation of B-Fruit volumes in Europe (700 tons).
- The average price per kilo increased 5.2% even with the significant growth in volume registered, associated with a very good acceptance of the *Centennial* variety by customers and producers, thanks to its outstanding quality and productivity. This genetics allows us to develop premium programs with fruit with excellent characteristics.
- During S20/21 a new logistics center was opened in the US, which has contributed to considerably improve the transit times of this fruit, benefiting its quality at destination.



### OPERATING RESULT. (ThUS\$)



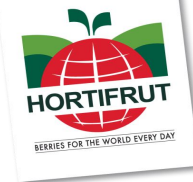
■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Raspberries	S19/20	S20/21	Var (%)
Sales volume (Tons)	2,928	7,477	154.3%
Share of total	4.2%	7.3%	-
Average price (US\$/Kg)	9.01	9.48	5.2%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.

# Blackberries

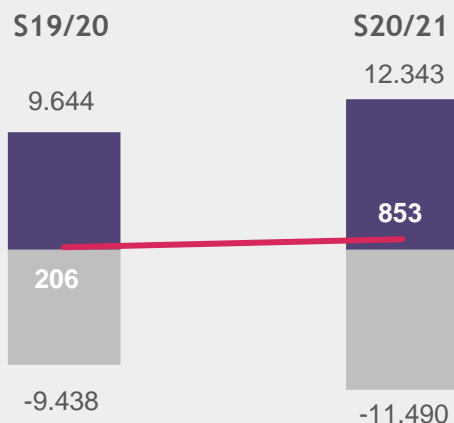
## S20/21 (Jul – Jun)



- **Increase of 28.0% in revenue:** -14.8% in volume and +50.2% in average price per kilo.
- The rise in the average price per kilo is associated with higher prices in the American market due to a lower supply of fruit and good commercial management of our platforms at destination.
- The reduction of the marketed volume is due to less availability of good quality fruit in the Mexican market to attract from third-party producers.
- The operating margin went from ThUS\$206 to ThUS\$853, mainly associated with the aforementioned price increase.
- During S20/21 a new logistics center was opened in Texas, which has contributed to considerably improve the transit times of this fruit, benefiting its quality at destination. In the future, a new variety developed by Hortifrut will be added, of which 18 hectares are already planted in Mexico.



### OPERATING RESULT. (ThUS\$)



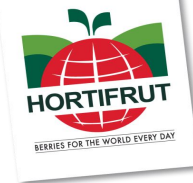
■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Blackberries	S19/20	S20/21	Var (%)
Sales volume (Tons)	1,868	1,591	-14.8%
Share of total	2.7%	1.6%	-
Average price (US\$/Kg)	5.16	7,76	50.2%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.

# Strawberries

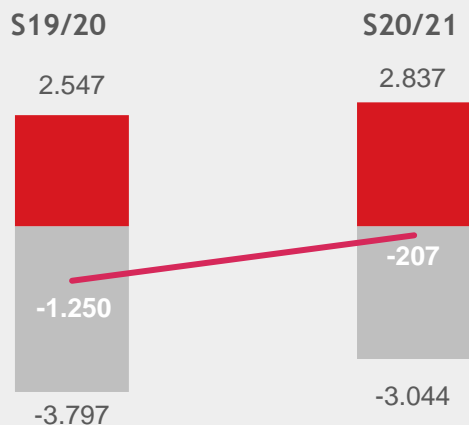
## S20/21 (Jul – Jun)



- **Increase of 11.4% in revenue:** -15.5% in volume and +31.0% in average price per kilo.
- The decrease in the marketed volume is explained by a lower availability in the Mexican and Chilean market.
- The price increased compared to S19/20 mainly due to better conditions in the Chilean market and a Hortifrut's supply curve focused on the beginning of the season (time when prices are higher due to reduced competition).



### OPERATING RESULT. (ThUS\$)



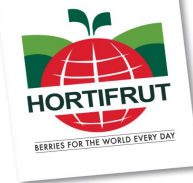
■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Strawberries	S19/20	S20/21	Var (%)
Sales volume (Tons)	683	581	-15.5%
Share of total	1.0%	0.6%	-
Average price (US\$/Kg)	3.73	4.88	31.0%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.

# Cherries

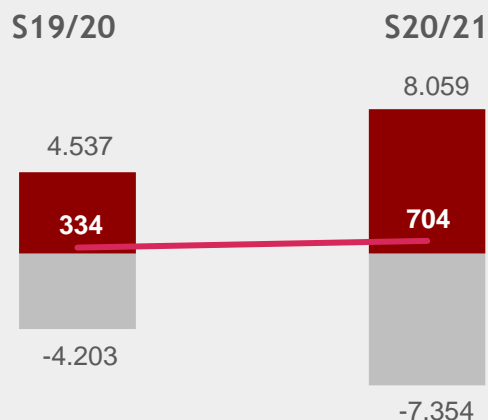
## S20/21 (Jul – Jun)



- **Increase of 77.6% in revenue:** +115.0% in volume and -17.4% in average price per kilo.
- The increase of the volume sold is explained by a higher capture of fruit from third-parties in Chile.
- The price decreased compared to S19/20 mainly due to the impact of “fake news” associated to COVID-19 in peak weeks in the Chinese market.



### OPERATING RESULT. (ThUS\$)



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

Cherries	S19/20	S20/21	Var (%)
Sales volume (Tons)	808	1,737	115.0%
Share of total	1.2%	1.7%	-
Average price (US\$/Kg)	5.61	4.64	-17.4%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.



# Value-Added Products

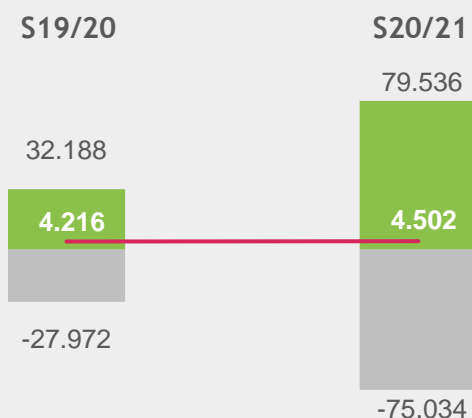
## S20/21 (Jul – Mar)



- **Increase of 147.1% in revenue:** +134.8% in volume and +5.2% in average price per kilo.
- The higher volume is mainly explained by the incorporation of the Vitafoods frozen fruit business, in addition to the rapid sale of Hortifrut's remaining stock during 2H20.
- The average sale price increased due to a strong demand in the consumption markets.
- The operating result went from a profit of ThUS\$386 to one of ThUS\$997, as a consequence of the higher volume commercialized, mainly during 1H21, partially offset by a greater level of depreciation. It should be noted that during 2H20 each partner sold most of its stocks by itself, leaving a reduced margin in Vitafoods.



### OPERATING RESULT. (ThUS\$)

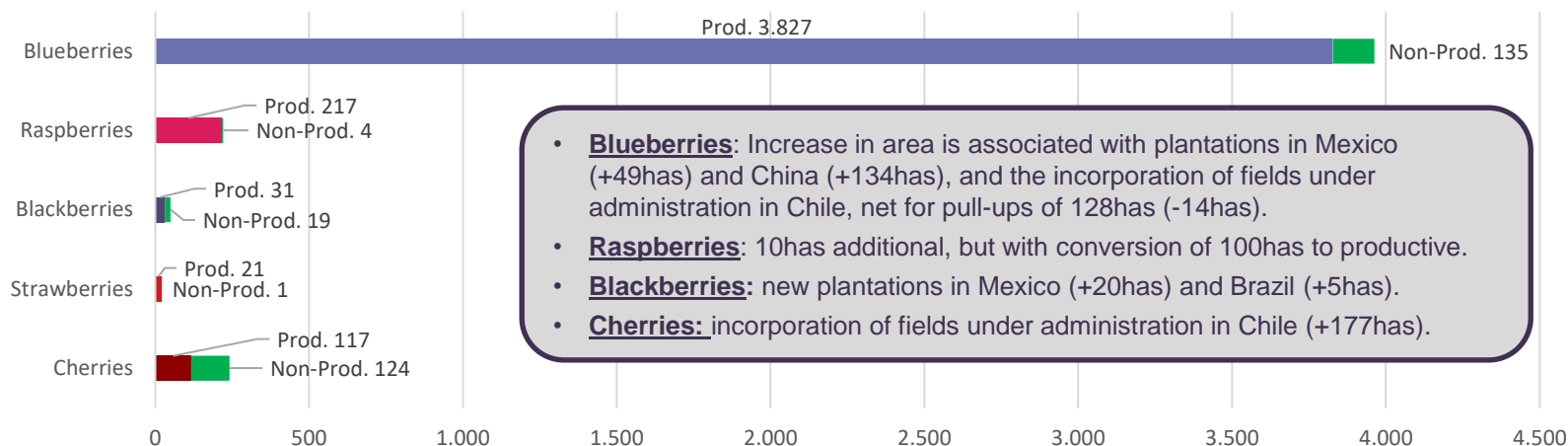


■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Value-Added Products	S19/20	S20/21	Var (%)
Sales volume (Tons)	10,623	24,945	134.8%
Share of total	15.2%	24.4%	-
Average Price (US\$/Kg)	3.03	3.19	5.2%

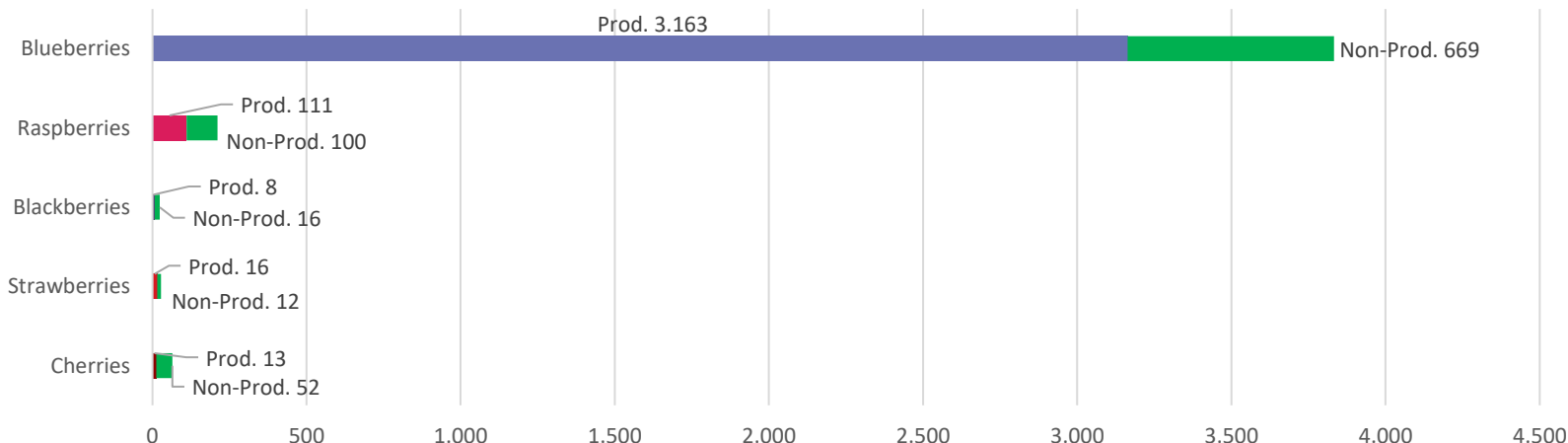
# Planted Hectares Evolution

**Jun21**  
4,496 has.



- **Blueberries:** Increase in area is associated with plantations in Mexico (+49has) and China (+134has), and the incorporation of fields under administration in Chile, net for pull-ups of 128has (-14has).
- **Raspberries:** 10has additional, but with conversion of 100has to productive.
- **Blackberries:** new plantations in Mexico (+20has) and Brazil (+5has).
- **Cherries:** incorporation of fields under administration in Chile (+177has).

**Jun20**  
4,161 has.



- In addition to the surface above, there are 102 productive hectares planted in projects that belong to associates, which do not consolidate in Hortifrut:
  - 25 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

US\$75.6 mn during 1H21 (+US\$29.9 mn) due to:

- Outstanding campaign for blueberries in Mexico and China, and for raspberries in Mexico, Portugal and Morocco
- Cost efficiency and quality improvement
- Rise in prices, which have been above the market benchmark
- Genetics business' EBITDA

US\$205.1 mn during S20/21 (+US\$83.4 mn) due to:

- Similar factors to the quarter, plus the advanced campaign in Peru

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

US\$11.3 mn during 1H21 (+US\$8.8 mn) due to:

- Higher EBITDA
- Assets value impairments for varietal turnover and pull-ups of plantations
- Lower net financial expenses
- Adverse impact of exchange rate difference (depreciation of various currencies vs USD)

US\$62.8 mn S20/21 (+US\$40.5 mn) due to:

- Better operating result and non-operating result without relevant change

## NEW INVESTMENT PROJECTS

- The Capex budget for S21/22 considers investments with a **focus on geographic and species diversification**
- In **blueberries**, growth is focused on Latin America and China
- In **raspberries**, growth would be in Mexico (to supply the American market) and in Portugal and Morocco (to strengthen our offer in Europe)

## GENETICS

- Genetics' EBITDA was US\$14.4 mn during S20/21 (7.0% of the total), compared to US\$4.10 mn in S19/20 (3.4% of the total).
- This result accounts for the sale of Hortifrut varieties to third-party producers, which in the future will bring an increase in the volume exported and marketed by the Company, accelerating its future growth.





# Earnings Presentation June 2021

September 14<sup>th</sup>, 2021