



# Camil

## Material Fact

Acquisition of Empresas Iansa's Pet Food Business Unit  
Chile

January 22<sup>nd</sup>, 2020



# Transaction Summary

Acquisition aligned to the Company's strategy and an important step to expand Camil's Chilean operations into new categories

## Acquisition

100% of LDA SpA (Empresas Iansa's Pet Food Business Unit)  
from ED&F Man

## Investment Overview

- Expansion of Chilean operations into new categories
- One of the leading supplier of branded pet food products with significant market share and growth potential in Chile
- Strengthening competitiveness in Chile, which Camil already has a track record of delivering a constant profitable growth through its subsidiary Tucapel
- Positive industry trends with capacity to expand
- Industrial, operational and commercial potential synergies

## Brands

**CANNES**  
LO RICO DE SER PERRO



**Felinnés**  
PREMIUM



## Transaction Size

Total: CLP37 billion<sup>1</sup>

## Expected Schedule

### Concluded:

- Jan 22, 2020: Signature of the SPA

### Next steps (Estimated):

- Jan to April/2020: Anti-trust (FNE) Analysis
- Up to April/2020: Closing

# Overview – Empresas Iansa’s Pet Food Business Unit (Chile)



Acquisition of one of the most relevant players in the Chilean pet food market

## Key Figures

One of the most relevant players in the Chilean pet food market, being 3<sup>rd</sup> largest in Dogs

**7**  
Brands

**+100**  
SKUs

**11%**  
Dog food market share  
**3<sup>rd</sup> largest**

**42.3k**  
Produced Tons

**93k m<sup>2</sup>**  
Land Surface  
**12k m<sup>2</sup>**  
Plant Surface

Diverse client base  
Including the 3 main  
market players

## Overview

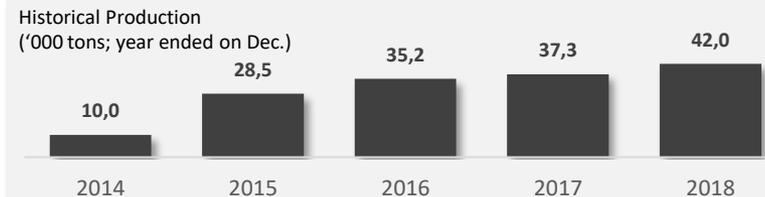
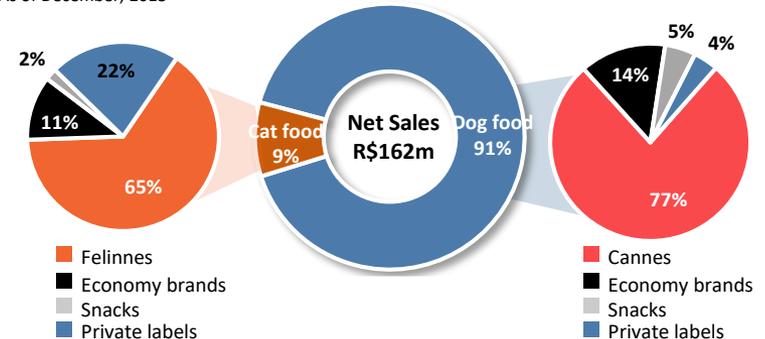
- ✓ Sound product mix covering all food categories (dry, wet and treats) for dogs and cats of all ages (Puppy, Adults to Senior)
- ✓ Company’s portfolio includes massive, premium and value pricing brands
- ✓ Brand Cannes positioned as one of the key brands in the pet food sector, focused on mainstream products (largest segment in supermarkets) and a top 5 brand in “Top of Mind” and brand awareness
- ✓ One industrial facility strategically located in the south of Santiago Chile with a 4,500 tons/month capacity
- ✓ Diverse customer base

## Product Portfolio



## Business Categories

As of December, 2018



# Overview – Pet Food Industry in Chile

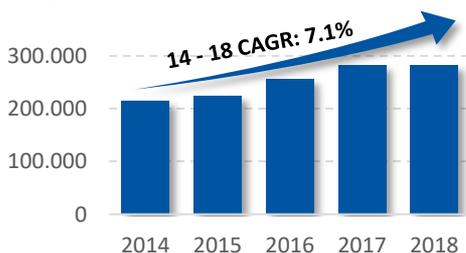
*Attractive market with strong fundamentals and favorable growth trends*

## Overview<sup>1</sup>

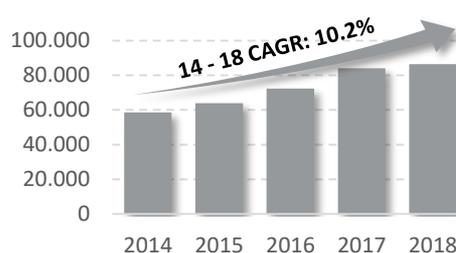
- ✓ Chile's pet food and care market in a privileged position: medium to high household expenditure and favorable growth expectations
- ✓ High dog food, cat food and pet care expenditure growth in Chile compared with the rest of the world
- ✓ Solid GDP growth, a downward birth rate trend and humanization of pets contributing to the current favorable market conditions
- ✓ Consolidated brands in the Chilean market such as Cannes to benefit from the continued growth in the pet food and pet care market
- ✓ Dog food: sales → US\$ 490 m (2018). Average prices have increased by 5% in 2019
  - ✓ Premium dry dog food leads growth (17% growth in the last year). This format is by far the most popular with dog owners
- ✓ Cat food: Sales → US\$ 140 m (2018)
  - ✓ Premium wet cat food leads growth (25% growth in the last year). This is the most popular format

## Food Industry Volume (Tons)<sup>1</sup>

### Dog Food



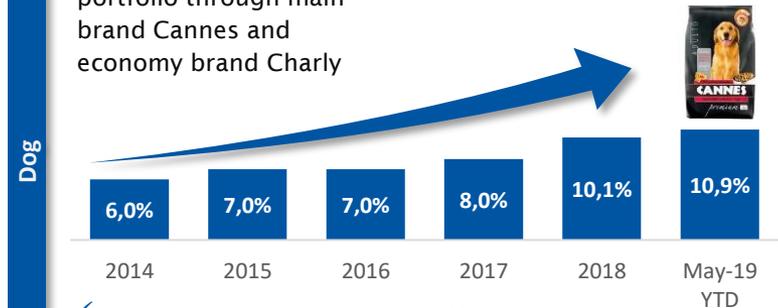
### Cat Food



## Value Market Share Evolution in Supermarkets<sup>2</sup>

### Dog Food: Cannes

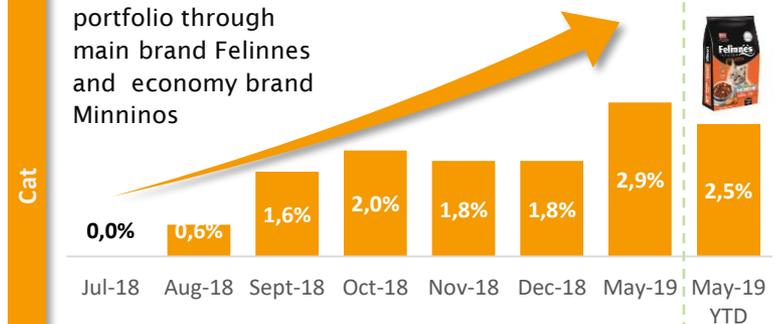
Extensive product portfolio through main brand Cannes and economy brand Charly



- ✓ Perceived as a high quality, affordable brand
- ✓ Focus on quality and nutritional value of products but at a reasonable price (compared to international brands)

### Cat Food: Felinnes

Extensive product portfolio through main brand Felinnes and economy brand Minninos



- ✓ Launched in 2018 perceived as a high quality affordable brand
- ✓ Association with Cannes which already embodies these ideals

# Financial Highlights Proforma

## P&L International Segment

Financial Statements In million reais Closing Date	 Camil	Empresas Iansa Pet Food (R\$)	Combined Proforma
	International		International
	12M18 28-Feb-19	12M18 31-Dec-18	12M18 -
<b>Net Revenues</b>	<b>1,402.5</b>	<b>136.3</b>	<b>1,538.8</b>
(-) Cost of Sales and Services	<b>(1,005.7)</b>	(90.9)	(1,096.6)
<b>Gross Profit</b>	<b>396.8</b>	<b>45.4</b>	<b>442.2</b>
(-) SG&A	(274.0)	(30.4)	(304.4)
(+/-) Other Op. Expenses/Income	16.4	0.0	16.4
<b>EBIT</b>	<b>139.1</b>	<b>15.0</b>	<b>154.2</b>
(+/-) Financial Result	(16.3)	(1.7)	(18.0)
<b>Pre-Tax Income</b>	<b>122.8</b>	<b>13.4</b>	<b>136.2</b>
(-) Total Income Taxes	(21.1)	-	(21.1)
<b>Net Income</b>	<b>101.6</b>	<b>13.4</b>	<b>115.0</b>
<b>EBITDA Reconciliation</b>			
Net Income	101.6	13.4	115.0
(-) Net Financial Result	16.3	1.7	18.0
(+) Income Taxes	21.1	-	21.1
(+) Depreciation and Amortization	37.6	5.2	42.8
<b>(=) EBITDA</b>	<b>176.7</b>	<b>20.3</b>	<b>197.0</b>
<b>Margins</b>			
Gross Margin	28.3%	33.3%	28.7%
EBITDA Margin	12.6%	14.9%	12.8%
EBIT Margin	9.9%	11.0%	10.0%
Net Margin	7.2%	9.8%	7.5%

## Consolidated P&L

Financial Statements In million reais Closing Date	 Camil	Empresas Iansa Pet Food (R\$)	Combined Proforma
	Consolidated		Consolidated
	12M18 28-Feb-19	12M18 31-Dec-18	12M18 -
<b>Net Revenues</b>	<b>4,748.8</b>	<b>136.3</b>	<b>4,885.1</b>
(-) Cost of Sales and Services	(3,527.1)	(90.9)	(3,618.0)
<b>Gross Profit</b>	<b>1,221.7</b>	<b>45.4</b>	<b>1,267.1</b>
(-) SG&A	(924.0)	(30.4)	(954.4)
(+/-) Other Op. Expenses/Income	84.2	0.0	84.2
<b>EBIT</b>	<b>381.9</b>	<b>15.0</b>	<b>396.9</b>
(+/-) Financial Result	(15.9)	(1.7)	(17.6)
<b>Pre-Tax Income</b>	<b>366.0</b>	<b>13.4</b>	<b>379.4</b>
(-) Total Income Taxes	(3.7)	-	(3.7)
<b>Net Income</b>	<b>362.3</b>	<b>13.4</b>	<b>375.7</b>
<b>EBITDA Reconciliation</b>			
Net Income	362.3	13.4	375.7
(-) Net Financial Result	15.9	1.7	17.6
(+) Income Taxes	3.7	-	3.7
(+) Depreciation and Amortization	101.3	5.2	106.5
<b>(=) EBITDA</b>	<b>483.2</b>	<b>20.3</b>	<b>503.5</b>
<b>Margins</b>			
Gross Margin	25.7%	33.3%	25.9%
EBITDA Margin	10.2%	14.9%	10.3%
EBIT Margin	8.0%	11.0%	8.1%
Net Margin	7.6%	9.8%	7.7%

**Luciano Quartiero**  
Chief Executive Officer

**Flavio Vargas**  
Chief Financial and Investor Relations Officer

**Investor Relations**

Phones:

+55 11 3039-9238

+55 11 3039-9237

E-mail: [ir@camil.com.br](mailto:ir@camil.com.br)

---

