



Camil

Material Fact

Acquisition of Empresas Iansa's Pet Food Business Unit
Chile

January 22nd, 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 billion¹

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 3rd largest in Dogs

7
Brands

+100
SKUs

11%
Dog food market share
3rd largest

42.3k
Produced Tons

93k m²
Land Surface
12k m²
Plant Surface

Diverse client base
Including the 3 main
market players

Overview

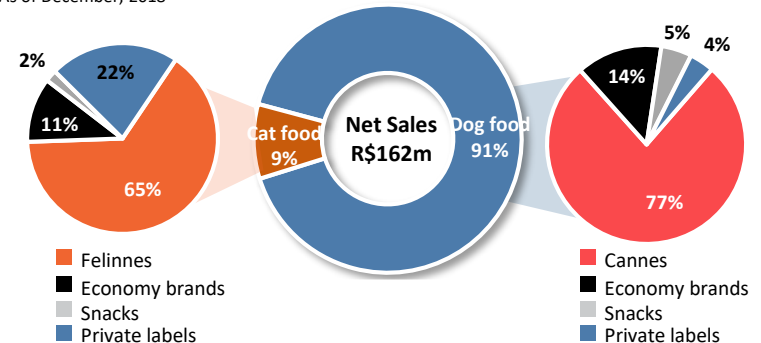
- ✓ Sound product mix covering all food categories (dry, wet and treats) for dogs and cats of all ages (Puppy, Adults to Senior)
- ✓ Company’s portfolio includes massive, premium and value pricing brands
- ✓ Brand Cannes positioned as one of the key brands in the pet food sector, focused on mainstream 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



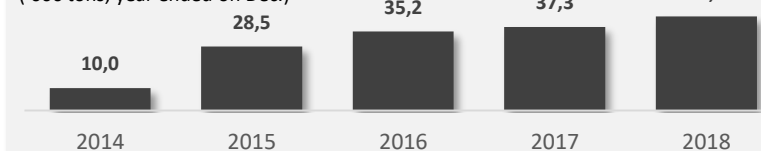
Business Categories

As of December, 2018



Historical Production

('000 tons; year ended on Dec.)



Overview – Pet Food Industry in Chile

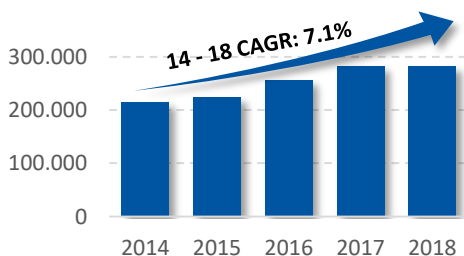
Attractive market with strong fundamentals and favorable growth trends

Overview¹

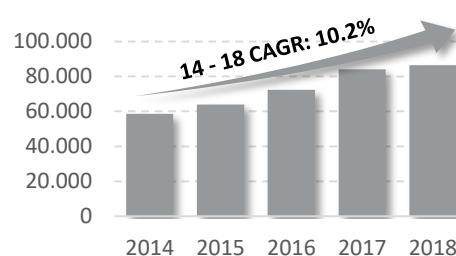
- ✓ Chile's pet food and care market in a privileged position: medium to high household expenditure and favorable growth expectations
- ✓ High dog food, cat food and pet care expenditure growth in Chile compared with the rest of the world
- ✓ Solid GDP growth, a downward birth rate trend and humanization 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)¹

Dog Food



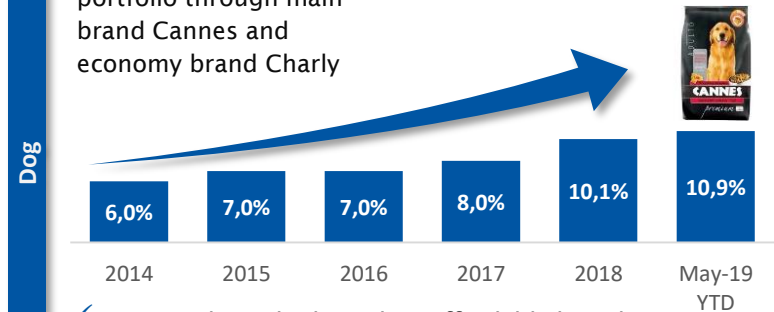
Cat Food



Value Market Share Evolution in Supermarkets²

Dog Food: Cannes

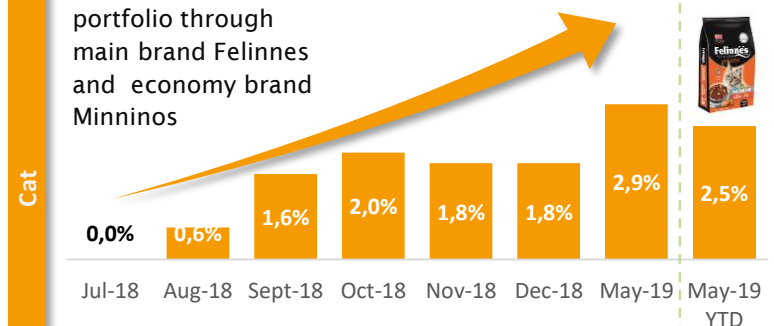
Extensive product portfolio through main brand Cannes and economy brand Charly



- ✓ 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 -
Net Revenues	1,402.5	136.3	1,538.8
(-) Cost of Sales and Services	(1,005.7)	(90.9)	(1,096.6)
Gross Profit	396.8	45.4	442.2
(-) SG&A	(274.0)	(30.4)	(304.4)
(+/-) Other Op. Expenses/Income	16.4	0.0	16.4
EBIT	139.1	15.0	154.2
(+/-) Financial Result	(16.3)	(1.7)	(18.0)
Pre-Tax Income	122.8	13.4	136.2
(-) Total Income Taxes	(21.1)	-	(21.1)
Net Income	101.6	13.4	115.0
EBITDA Reconciliation			
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
(=) EBITDA	176.7	20.3	197.0
Margins			
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 -
Net Revenues	4,748.8	136.3	4,885.1
(-) Cost of Sales and Services	(3,527.1)	(90.9)	(3,618.0)
Gross Profit	1,221.7	45.4	1,267.1
(-) SG&A	(924.0)	(30.4)	(954.4)
(+/-) Other Op. Expenses/Income	84.2	0.0	84.2
EBIT	381.9	15.0	396.9
(+/-) Financial Result	(15.9)	(1.7)	(17.6)
Pre-Tax Income	366.0	13.4	379.4
(-) Total Income Taxes	(3.7)	-	(3.7)
Net Income	362.3	13.4	375.7
EBITDA Reconciliation			
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
(=) EBITDA	483.2	20.3	503.5
Margins			
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%

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