



Camposol

FY 2023 Earnings Conference Call

Unsecured notes due 2027

April 2024



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Jose Antonio Gomez – Bazan
CEO



Ricardo Naranjo Fernandez
CFO



Jossue Yesquen Lihim
IRO

A photograph of a woven basket filled with fresh blueberries, resting on a wooden surface. Several blueberries are scattered on the table around the basket. The image is in grayscale with a light green tint. Three horizontal bars of varying shades of green are overlaid on the right side of the image, containing text.

Key Developments FY 2023

Operational Overview

Annex

Key Developments FY 2023



- Total volume sold for the full year 2023 decreased by 14.3% compared to the year 2022. The high temperatures throughout the year had diverse effects on crops, particularly on blueberries, grapes, and mandarins.
- Total sales amounted to USD 464.4 million, remaining consistent with the figures from 2022.
- EBITDA from continuing operations amounted to USD 109.4 million at the close of December 2023, reflecting a significant increase of 76.1% compared to 2022. Additionally, the EBITDA margin from continuing operations increased to 23.6% by the end of 2023, compared to 13.4% in 2022.
- During the final quarter of the year, our focus on reducing total debt persisted. Collections from the avocado and primarily blueberry campaigns supported ongoing debt reduction efforts, resulting in a decrease in the net leverage ratio to 4.9x, this indicates a favorable trend towards achieving established target.
- Our year-end cash position was USD 23.9 million.



A photograph of a woven basket filled with fresh blueberries, resting on a wooden surface. Some blueberries are scattered around the basket. The image is in grayscale and has a soft, slightly blurred background.

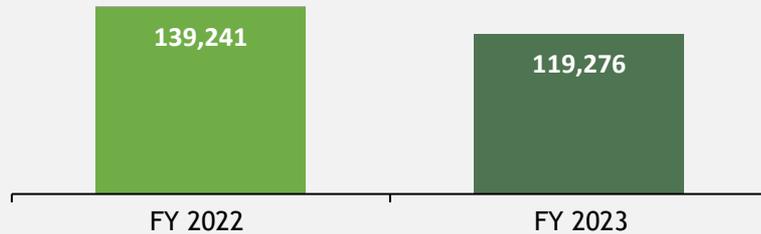
Key Developments FY 2023

Operational overview

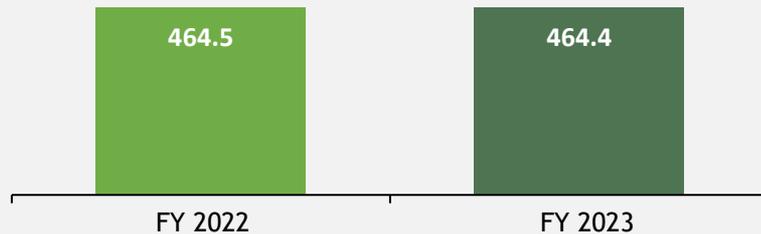
Annex

FY 2022 vs FY 2023

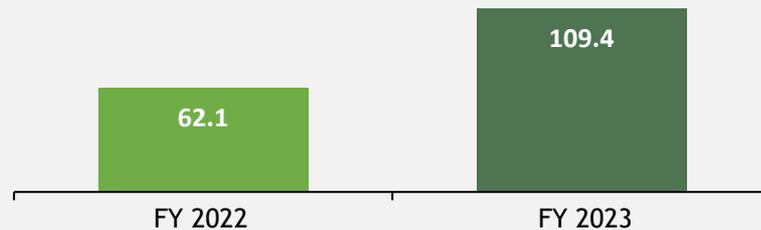
Volume Sold (MT)



Revenue USD (MM)



EBITDA USD (MM)



Highlights

- Volume sold by closing 2023 shows a 14.3% decrease compared to last year, mainly driven by declines in volume of blueberry, grapes and tangerines, offset by higher volume sold on avocados.
- Revenue amounted to USD 464.4 million. Notably, the blueberry segment saw a significant 11% increase in sales, which helped offset the decline in sales observed in other crops.
- EBITDA amounted to USD 109.4 million, representing a 76.14% increase compared to 2022.
- This improvement in EBITDA was not only a result of an improved market for the blueberry segment but also due to lower freight expenses and reduced expenditures related to third-party services, such as travel expenses and professional fees.

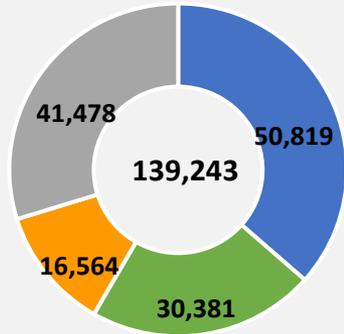
Operational overview FY 2023



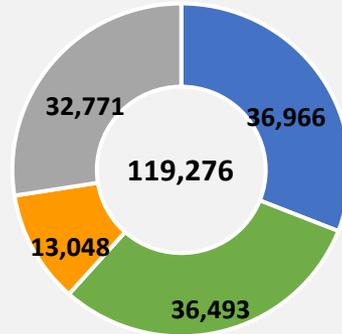
- Blueberry
- Avocado
- Tangerine
- Other

FY 2022 vs FY 2023

Volume Sold (MT)

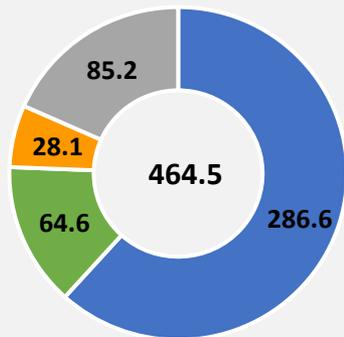


FY 2022

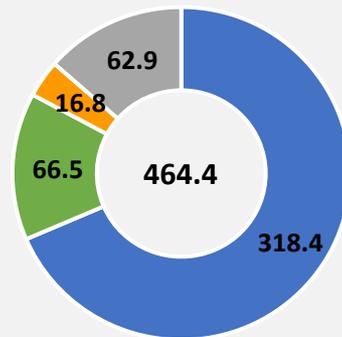


FY 2023

Revenue USD (MM)



FY 2022



FY 2023

Highlights

2023 was an atypical year marked by unusual weather conditions, including a warmer-than-usual winter with temperatures exceeding historical averages by 4 to 5 degrees Celsius and heavy rainfall in the northern part of the country. These conditions impacted our crops, leading to campaign delays, quality challenges, and an overall reduction in volume.



Volume sold decreased by 27.3% compared to 2022, while the average price rose by 53% relative to 2022. In the fourth quarter alone, the volume saw a 40.6% decline, yet the average price surged by 99.4% compared to the same quarter in 2022. Despite the substantial volume reduction, the favorable pricing environment offset this effect, resulting in an 11.09% sales growth and a 50.4% gross profit growth for the full year compared to 2022.



We saw a 5.7% increase in annual production and a 20.1% increase in annual volume sold compared to 2022. However, due to campaign delays caused by high temperatures during the pre-harvest season, prices were 14.6% lower than in 2022. In the fourth quarter, prices dropped even further, by 28.7% compared to the same quarter in 2022, despite selling 60.3% more volume. These challenges stemmed from campaign delays, competition with Mexican imports, and quality issues towards the end of the campaign.



Grapes experienced a 27.4% decrease in volume, while tangerines saw a 21.2% decrease, resulting in reduced revenue without a proportional decrease in costs due to volume-related factors, leading to negative gross profit for both crops. Quality issues associated with high temperatures were identified as the primary cause of the volume decline in both crops.

Liquidity & capital structure - cash flow



	<u>31.12.23</u>	<u>31.12.22</u>
Cash flow from operating activities		
Collections	494,563	431,239
Payment to suppliers and employees	(354,732)	(416,903)
Interest paid	(43,479)	(24,232)
Income tax paid	(8,297)	(6,743)
Custom duties refund collections	3,030	3,193
Other payments	(1,702)	(706)
Net cash (used in) provided by operating activities	<u>89,383</u>	<u>(14,152)</u>
Cash flow from investing activities		
Purchases of property, plant and equipment	(13,636)	(24,690)
Investment in biological assets	(35,779)	(47,756)
Purchases of intangibles, excluding goodwill	(1,424)	(2,499)
Dividends from associates	1,193	1,864
Loans granted to related parties	(10,000)	(1,000)
Proceeds from sale of property, plant and equipment	196	100
Net cash used in investing activities	<u>(59,450)</u>	<u>(73,981)</u>
Cash flow from financial activities		
Bank loans proceeds	589,993	439,100
Bank loans payments	(677,360)	(307,050)
Dividends distribution	-	(35,000)
Principal elements of lease liabilities payments	(9,952)	(11,657)
Transaction costs	(3,620)	-
Leaseback proceeds	82,499	-
Leaseback payments	(8,989)	-
Payments of long-term debt	(5,823)	(513)
Net cash provided by financial activities	<u>(33,252)</u>	<u>84,880</u>
Net (decrease) increase in cash during the period	(3,319)	(3,253)
Cash and cash equivalents at beginning of period	27,222	30,475
Cash and cash equivalents at end of period	23,903	27,222

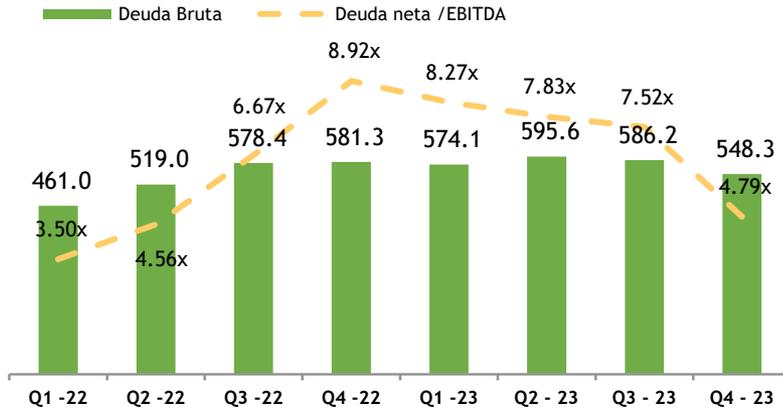
Comments

- The operating cash flow in 2023 improved from that of 2022 due to higher collections, resulting from a better blueberry campaign, a more favorable logistical cost context throughout the year, and ongoing efforts to reduce collection days and negotiate more favorable payment terms with suppliers. These efforts efficiently covered the assumed interest costs.
- We continue to prioritize the execution of maintenance capex, which will enable our long-term investments to reach productive stages in the coming years. Additionally, we completed the construction of three water reservoirs with a total capacity of 1,839,565 cubic meters, enhancing our ability to respond to events that may affect water supply through the Chavimochic canal. Finally, in 2023, we also inaugurated a small packing facility in Mexico to support our production in that country.
- We obtained leasebacks totaling USD 80 million, which allowed us to convert short-term debt into medium-term debt, thus reducing pressure on cash flow. Additionally, we used the cash generated at the end of the year to reduce both short-term and long-term debt, resulting in a gross debt reduction of USD 33 million compared to our position at the end of 2022.

Liquidity & capital structure - leverage & debt profile



Net Debt / EBITDA

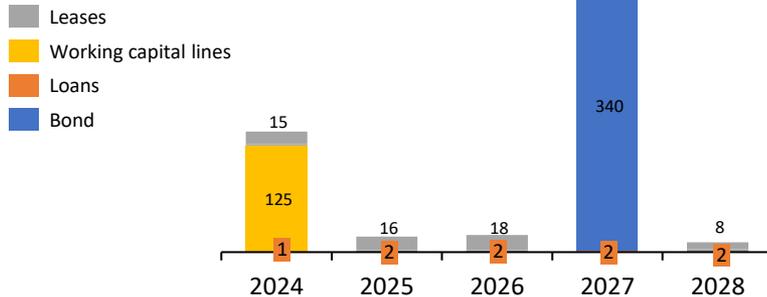


Comments

- The net debt to EBITDA ratio continued its downward trend, reaching 4.79x. This was achieved through improvements in EBITDA and more effective debt reduction efforts, particularly in the latter part of the year.
- During 2023, we engaged in debt restructuring, converting USD 80 million of short-term debt into medium-term obligations. Additionally, we decreased short-term debt by USD 23 million and executed a minor OMR of USD 5.8 million for our unsecured notes due in 2027.

Debt profile

- Long-term debt: USD 441 mm
- Duration: ~ 4 years



Source: Company
1. Includes short & long term debt without capitalized fees and interest.

A photograph of a woven basket filled with fresh blueberries, resting on a wooden surface. Some blueberries are scattered around the basket. The image is in grayscale and has a soft, slightly blurred background.

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Financial statements - Income statement



CONTINUED OPERATIONS	For the period ended	
	31.12.2023	31.12.22
Revenue	464,442	464,468
Cost of sales	(321,606)	(340,179)
Cost of sales	(290,415)	(310,290)
Depreciation of bearer plants	(31,191)	(29,889)
Gross profit before adjustment for biological assets	142,836	124,289
Net adjust. from change in fair value of bio.assets	16,032	(55,057)
Profit after adjustment from biological assets	158,868	69,232
Selling expenses	(61,202)	(88,092)
Administrative expenses	(24,098)	(24,066)
Other expenses	(10,450)	(8,393)
Other income	3,670	941
Net foreign exchange transactions gains (losses)	(693)	(8,528)
Operating profit	66,095	(58,906)
Share of gain (loss) of associated companies	344	2,055
Finance income	4,430	93
Finance costs	(47,703)	(33,554)
Profit (loss) before income tax	23,166	(90,312)
Income tax	(7,100)	(10,974)
Deferred income tax	4,022	15,151
Profit (loss) for the period	20,088	(86,135)
EBITDA before fair value adjustment	109,443	62,134

Financial statements - Balance sheet



	For the period ended			For the period ended	
	31.12.23	31.12.22		31.12.23	31.12.22
Assets			Equity and liabilities		
Non-current assets			Capital and reserve attributable to shareholders of the Company		
Property, plant and equipment, net	740,801	727,866	Share capital	10,000	10,000
Right of use asset	36,379	44,093	Revaluation of assets	172,497	170,092
Investments in associated companies	4,852	5,701	Retained earnings	118,490	97,890
Intangibles	12,885	13,408		<u>300,987</u>	<u>277,982</u>
Deferred income tax	14,014	10,269	Minority interests	- 994	- 989
Other accounts receivable	408	408	Total equity	299,993	276,993
	<u>809,339</u>	<u>801,745</u>	Non-current liabilities		
Current assets			Long-term debt	346,639	356,602
Assets held for sale	-	-	Lease liability	70,261	19,490
Prepaid expenses	1,126	1,741	Deferred income tax	123,166	122,855
Current portion of biological assets	165,106	150,540	Other payables	1,398	-
Inventories	50,922	59,227		<u>541,464</u>	<u>498,947</u>
Other accounts receivable	32,166	20,196	Current liabilities		
Trade accounts receivable	45,303	75,992	Accounts payable to related companies	31	30
Cash subject to restriction	-	-	Current portion of long-term debt	8,562	7,361
Cash and cash equivalents	23,903	27,222	Current portion of lease liability	22,130	11,268
	<u>318,526</u>	<u>334,918</u>	Trade payables	103,756	100,256
Total assets	1,127,865	1,136,663	Other payables	27,168	24,310
			Bank loans	124,761	213,228
				<u>286,408</u>	<u>360,723</u>
			Total liabilities	827,872	859,670
			Total equity and liabilities	1,127,865	1,136,663



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