

A woman with long blonde hair is smiling and looking at a child who is holding an avocado. They are in a grocery store, looking at a display of avocados in a green box. The image has a green tint.

Camposol

3Q 2023 Earnings Conference Call

Unsecured notes due 2027

November 2023



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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. The background is softly blurred, showing more blueberries and leaves. The overall tone is natural and fresh.

Key Developments YTD 3Q 2023

Operational Overview

Summary


Annex

Key Developments YTD 3Q 2023



- Total volume sold as of closing September 2023 decreased by 2.6% compared to the same period last year, mainly driven by lower blueberry volume.
- Total sales amounted to USD 264.6 million, down 3.7% compared to the same period last year. Mango, grape and tangerine were the crops that experienced reduced sales.
- EBITDA from continuing operations amounted to USD 52.3 million as of closing September 2023, up 32.7% compared to the same period in 2022. EBITDA margin from continued operations as of closing 2023 increased to 19.7% from 14.3% in the same period last year.
- LTM EBITDA as of September 30th, 2023, amounted to USD 75.0 million.
- The directive of prioritizing capital investments, including maintenance capex for crops and short-term growth capex to alleviate cash pressure, has been diligently followed. This aligns with the strategic objective defined at the beginning of the year
- We have continued our plan to manage our total debt, having restructured short-term debt into long-term debt by USD 80 million. Over the next few months, we will continue managing our total debt level as payments from the blueberry campaign are collected.



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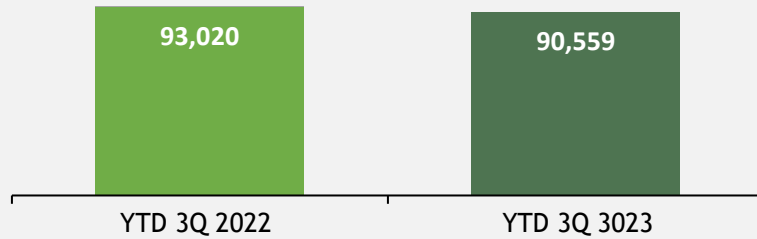
Annex

Operational overview YTD 3Q 2023

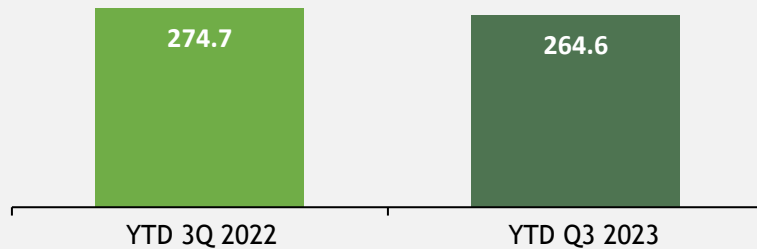


1H 2022 vs 1H 2023

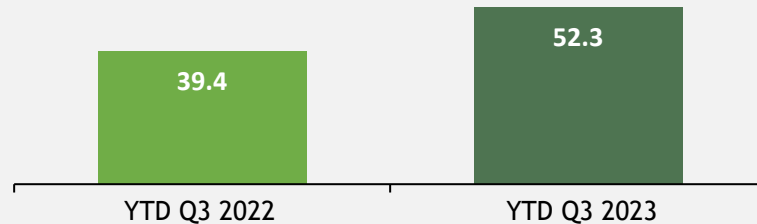
Volume Sold (MT)



Revenue USD (MM)



EBITDA USD (MM)



Highlights

- YTD volume sold by closing Q3 shows a 2.6% decrease compared to last year, mainly driven by blueberry segment.
- YTD Revenue amount to USD 264.6 million, driven by higher sales levels in the blueberry and avocado segments, offsetting the lower sales in other crops.
- YTD EBITDA amount to USD 52.36 million, which is 32.68% higher than the same period last year.
- This improvement has been facilitated not only by an improved market for the blueberry segment but also by reduced freight expenses and a decrease expenditures related to third-party services.
- Additionally, we have taken steps to reorganize our work teams, achieving a more efficient and cohesive operational structure. This strategic adjustment allows us to focus on enhancing crop performance and advancing our long-term strategic initiatives.

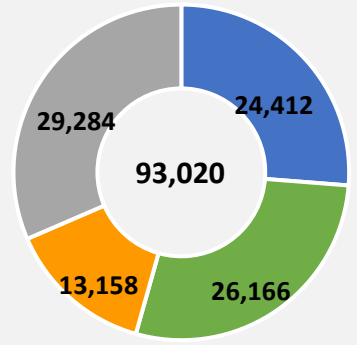
Operational overview YTD 3Q 2023



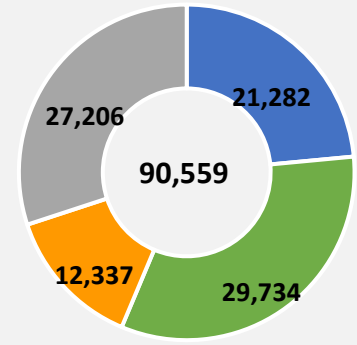
- Blueberry
- Avocado
- Tangerine
- Other

YTD 3Q 2022 vs YTD 3Q 2023

Volume Sold (MT)

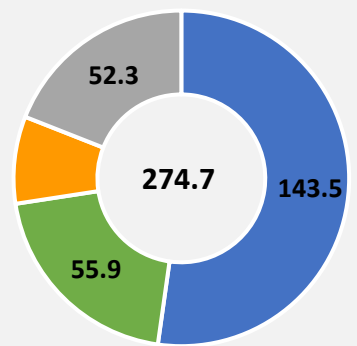


YTD 3Q 2022

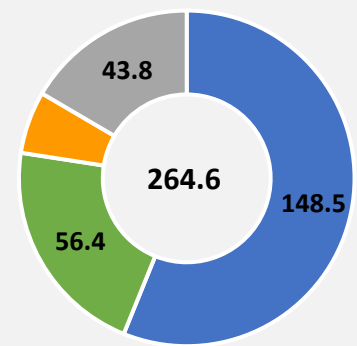


YTD 3Q 2023

Revenue USD (MM)



YTD 3Q 2022



YTD 3Q 2023

Highlights

Throughout the second half of the year, atypical weather conditions—specifically, a warmer-than-usual winter with occasional temperatures surpassing historical averages by 3 degrees Celsius—affected our crops. These conditions led to campaign delays and a reduction in overall volume.



During the first nine months of this year, our volume sold decreased by 12.8%, while the average price rose by 18.9%, both in comparison to the corresponding period in 2022. In the third quarter alone, the volume saw a significant 46.1% decline, yet the average price surged by 55.7% compared to the same quarter in 2022. Despite the substantial volume reduction, the favorable pricing environment offset this effect, resulting in a 3.7% sales growth compared to the first nine months of 2022.



During the first nine months of the year, despite selling a higher volume than in 2022 by 13.6%, we obtained a lower price by 11.1%. This outcome resulted from campaign delays and an overlap with volume coming from Mexico.



During the first nine months of this year, our volume sold dropped by 6.2%, and the average price declined by 26.3%. This decline is attributed to quality issues; the fruit did not fully transition from green to orange, due to the prolonged warmer temperatures.

Liquidity & capital structure - cash flow



	30.09.23	31.12.22	30.09.22
Cash flow from operating activities			
Collections	325,063	431,239	265,902
Payment to suppliers and employees	(261,689)	(416,903)	(276,531)
Interest paid	(31,749)	(24,232)	(21,346)
Income tax paid	(7,623)	(6,743)	(5,756)
Custom duties refund collections	2,213	3,193	1,758
Other payments	(1,024)	(706)	(671)
Net cash (used in) provided by operating activities	25,191	(14,152)	(36,644)
Cash flow from investing activities			
Purchases of property, plant and equipment	(10,030)	(24,690)	(18,321)
Investment in biological assets	(24,756)	(47,756)	(25,751)
Purchases of intangibles, excluding goodwill	(539)	(2,499)	(1,399)
Dividends from associates	597	1,864	-
Loans granted to related parties	612	(1,000)	(964)
Proceeds from sale of property, plant and equipment	106	100	24
Net cash used in investing activities	(34,010)	(73,981)	(46,411)
Cash flow from financial activities			
Bank loans proceeds	465,221	439,100	314,992
Bank loans payments	(528,000)	(307,050)	(187,950)
Dividends distribution	-	(35,000)	(35,000)
Principal elements of lease liabilities payments	(6,908)	(11,657)	(10,458)
Long-term debt proceeds	73,522	-	-
Payments of long-term debt	-	(513)	(513)
Net cash provided by financial activities	3,835	84,880	81,071
Net (decrease) increase in cash during the period	(4,984)	(3,253)	(1,984)
Cash and cash equivalents at beginning of period	27,222	30,475	30,475
Cash and cash equivalents at end of period	22,238	27,222	28,491

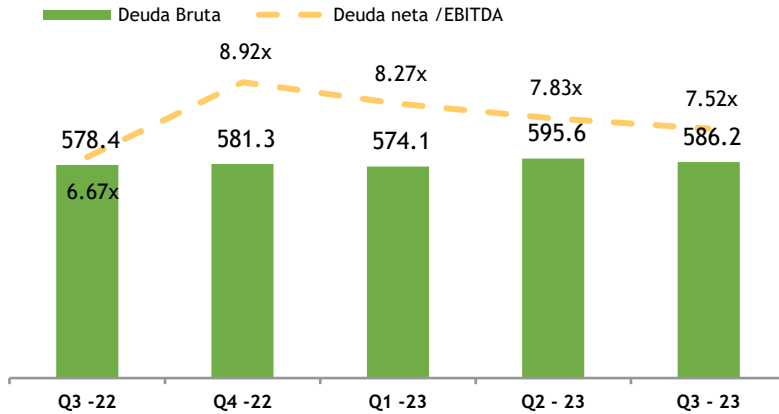
Comments

- The operating cash flow at the close of September 2023 is significantly better than that of 2022. This improvement is not only due to a more favorable logistical cost context throughout the year but also a result of ongoing efforts to reduce collection days. This has been effective in more efficiently covering the assumed interest costs
- Our capital expenditure strategy remains focused on executing short-term maintenance and growth capex.
- We have disbursed leasebacks for \$80 million in medium-term financing to partially replace short term debt.

Liquidity & capital structure - leverage & debt profile



Net Debt / EBITDA

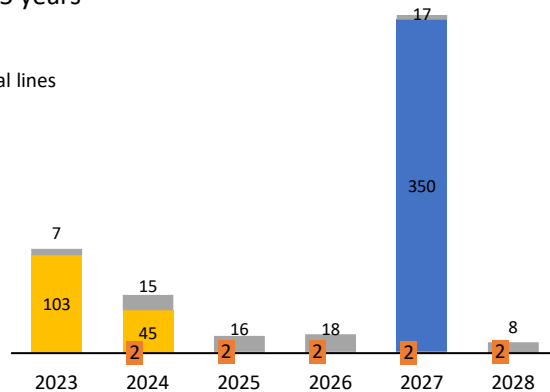
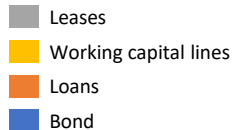


Comments


- During the first nine months of 2023, we were able to restructure USD 80 million in debt towards the medium-term. This helped alleviate the short-term pressure on our cashflow.
- Net debt to EBITDA ratio still higher, keep the positive trend.

Debt profile

- Long-term debt: USD 441 mm
- Duration: ~ 5 years



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

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Annex

Summary

- We will persist in seeking comprehensive operational efficiencies across the organization to further enhance the company's performance.
- We will maintain our focus on liquidity and financial flexibility, aligning with our strategic approach of executing only short-term maintenance and growth capex, while concurrently reducing the company's debt levels in the upcoming months



Increase yield per hectare

Keep developing new agronomic technics.

New varieties.



Focus on controlling and reducing logistic costs

Ocean freight.



Strengthen commercial leverage

Expand penetration in retail channel.

Continue developing the Asian market



Closely monitor long-term investments in Colombia, Uruguay, Chile and Mexico.




Prioritize liquidity

Only maintenance and short-term growth capex.

Maximize liquidity sources.

Reduce debt level.

No dividend distribution.

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Summary

Annex

Financial statements - Income statement



	For the period ended	
	30.09.2023*	30.09.22*
CONTINUED OPERATIONS		
Revenue	264,607	274,700
Cost of sales	(190,899)	(200,572)
Cost of sales	(167,823)	(178,343)
Depreciation of bearer plants	(23,076)	(22,229)
Impairment of fixed assets	-	-
Gross profit before adjustment for biological assets	73,708	74,128
Net adjustment from change in fair value of biological	(2,983)	(25,885)
Profit after adjustment from biological assets	70,725	48,243
Selling expenses	(43,656)	(54,196)
Administrative expenses	(16,248)	(17,848)
Other expenses	(2,652)	(4,215)
Other income	1,724	453
Net foreign exchange transactions gains (losses)	(3,120)	(5,752)
Operating profit	6,773	(33,315)
Share of gain (loss) of associated companies	141	211
Finance income	249	67
Finance costs	(35,651)	(23,543)
Profit (loss) before income tax	(28,488)	(56,580)
Income tax	(875)	(20)
Deferred income tax	5,717	4,023
Profit (loss) for the period	(23,646)	(52,577)
EBITDA before fair value adjustment	52,257	39,387

Financial statements - Balance sheet



For the period For the period
30.09.2023* 30.06.2023*

Assets

Non-current assets

Property, plant and equipment, net	741,665	737,782
Right of use asset	38,855	40,773
Investments in associated companies	4,649	5,271
Intangibles	12,534	12,885
Deferred income tax	15,986	14,628
Other accounts receivable	408	408
	<u>814,097</u>	<u>811,747</u>

Current assets

Assets held for sale	-	-
Prepaid expenses	2,124	2,101
Current portion of biological assets	172,313	172,404
Inventories	51,854	52,966
Other accounts receivable	25,937	23,786
Trade accounts receivable	14,865	12,054
Cash subject to restriction	-	-
Cash and cash equivalents	22,238	28,094
	<u>289,331</u>	<u>291,405</u>

Total assets

1,103,428 1,103,152

For the period For the period
30.09.2023* 30.06.2023*

Equity and liabilities

Capital and reserve attributable to shareholders of the Company

Share capital	10,000	10,000
Revaluation of assets	170,826	170,092
Retained earnings	82,798	80,994
	<u>263,624</u>	<u>261,086</u>
Minority interests	- 989	- 989

Total equity

262,635 260,097

Non-current liabilities

Long-term debt	356,561	356,735
Lease liability	74,443	57,924
Deferred income tax	123,160	123,189
	<u>554,164</u>	<u>537,848</u>

Current liabilities

Accounts payable to related companies	33	32
Current portion of long-term debt	3,087	7,815
Current portion of lease liability	21,576	15,739
Trade payables	91,136	77,723
Other payables	20,495	20,577
Bank loans	150,302	183,321
	<u>286,629</u>	<u>305,207</u>

Total liabilities

840,793 843,055

Total equity and liabilities

1,103,428 1,103,152



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