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Exhibit 1: Multi X Overview

Share Price (30 Sep, 2024)	CLP 198.01
Market Cap	CLP 294.34 B
Shares Outstanding	1,410 M
52 Week High	CLP 252.47
52 Week Low	CLP 182.00
Exchange	Santiago Stock Exchange

Source: Company Data / Team Analysis

Exhibit 2: Valuation Results on Share Price

Income Approach Pricing 70%	CLP 246.18
Market Focus Price 30%	CLP 246.65
Target Price	CLP 246.32
Upside	24.40%
Recommendation	Buy

Source: Team Analysis

Exhibit 3: Financial Ratios

Ratios	FY 24F
Net Debt / EBITDA	3.21 x
Interest Coverage Ratio	2.04 x
EBIT Margin	5.55%
EBIT / Kg WFE	0.40
Net Debt / Kg	2.32
ROE	4.34%

Source: Team Analysis

Exhibit 4: Historical Share Price

Source: Bloomberg

Exhibit 5: Events Affecting Share Price

Date	Event	Description
Aug-2007	ISA Virus	The ISA virus outbreak caused significant losses in Chile's salmon industry, prompting stricter biosecurity measures.
Jan-2016	Algal Bloom Crisis	The harmful algal bloom significantly weakened market supply, increasing market prices for salmon.
Mar-2022	Cargill's acquisition	Cargill acquired 24.5% of Multiexport Foods, becoming a minority shareholder alongside the existing partners.
Sep-2022	Dividend Payment	Dividend payment to shareholders with a dividend yield of 42%.

Source: Team Analysis

Executive Summary**When we talk about the future, we talk about Multi X**

We initiate coverage on Multiexport Foods S.A. (BCS:MULTIX) with a **BUY** recommendation based on a 12-month target price ("TP") of CLP 246.32, using both income and market valuation approaches. This TP implies a 24.4% upside from the last closing price of CLP 198.01 as of September 30, 2024, which is our valuation date.

Multiexport Foods S.A. (aka Multi X) is a leader in the Chilean salmon industry contributing with 4.4% of total global salmon supply. The Company is the 2nd player in the local industry with a 17.2% market share in the domestic market. Our **BUY** recommendation is supported by three main thesis: **(1)** we expect salmon prices to increase due to higher global demand for sustainable proteins, **(2)** the Company's ability to capitalize on cost reductions through operational improvements, and **(3)** Multi X's potential for continued share appreciation due to strong investor interest in salmon companies given recent industry transactions.

Delving into the thesis that support our BUY recommendation**1. Higher future prices for Salmon**

We expect a 16% rise in salmon prices from November 2024 to December 2029, driven by supply, demand dynamics and market trends.

Supply constraints: Global supply projections for salmon suggest a CAGR of 2%, with Atlantic salmon supply expected to stagnate as the industry approaches its limits due to regulatory constraints. We believe that this low growth rate in quantities will push prices up in the coming years.

Increased salmon consumption preference: In recent years, we have witnessed a growing demand for sustainable, healthy, and value-added salmon products. This increase in demand will also contribute to higher prices.

Per capita consumption opportunities: Current U.S. per capita consumption of salmon is 1.9 Kg WFE (Whole Fish Equivalent); whereas per capita consumption in Europe sits around 2.63 Kg WFE. Closing the 0.73 Kg WFE per capita gap between the U.S. and Europe implies additional sales of 251,700 Tons of WFE, which in turn results in a 38% increase in demand. In a context of flat supply, this additional demand will lead to further price increases.

2. Ability to capitalize on cost reductions

Multi X is on track for substantial cost reductions that will enhance its operational efficiency and profitability.

Lower feeding costs: Feeding costs represents roughly 35% of costs of goods sold, making them the most relevant. Any reduction in this item will have a significant impact in the Company's operating and net profit. Via adopting a high-performance diet, Multi X was able to reduce the feeding conversion ratio by 3.64% and decreased its reliance on costly fish meal and oil, positioning itself for long-term reductions in feeding expenses.

Humboldt Project: Multi X is implementing the Humboldt Project, which is expected to deliver USD 49.5 million in cost savings over the next 12 months, improving the Company's EBIT by USD 0.4/Kg WFE by year 2026.

Bigger harvest weights will improve overall efficiencies: Multi X is on track to recover the optimal weight of its fish for FY25, having surpassed 5 Kg per fish once again. This enables the Company to benefit from economies of scale, reducing unit production costs and enhancing its overall efficiency.

The Ex farm cost is projected to improve by \$0.50 per Kg by the end of FY25, increasing the EBIT per Kg from \$0.37 to \$0.84 (+127%) and delivering an improvement in the EBIT margin of 6.1%.

3. Recent acquisitions suggest a market premium for growth

Median transaction multiples paid in recent acquisitions were 12.59x and 11.75x EV/Ton WFE and EV/EBITDA respectively. Multi X is currently trading at 6.4x EV/Ton WFE and 6.0x EV/EBITDA ratios, which implies an average discount of 55% compared to industry multiples.

Strategic diversification: Within the highly consolidated food industry, acquirers are paying high premiums to diversify into sustainable sectors like salmon farming because of growing demand for environmentally friendly and healthy food options.

Strategic market share: Because of restrictions to new concessions and stringent production regulations, acquisitions have become the strategy to gain market share in the salmon farming industry. This strategy has, in turn, translated into higher premiums paid in recent transactions.

Technological advancements in salmon farming: Given implemented technological advancements, the industry has become more profitable and attractive to investors. Multi X, has made significant technological progress, including (1) remote feeding systems, (2) cage designs that mitigate climate threats and sea animal attacks, and (3) land-based seawater cages at the Multisea facility.

Key Financial Ratios

	FY23A	FY24F	FY25F	FY26F		FY23A	FY24F	FY25F	FY26F
Financial Ratios (M USD)					Valuation Ratios				
Revenue	877,618	819,675	891,446	911,507	EV / EBITDA	11.09 x	10.28 x	5.12 x	4.29 x
EBITDA	65,029	66,932	127,586	145,281	P / E	-	39.63 x	10.70 x	8.72 x
Net Income for Shareholders (51%)	-3,203	6,668	29,128	35,766	EV / Kg WFE	6.21 x	5.98 x	5.45 x	5.19 x
EBIT / Kg WFE	0.40	0.37	0.84	0.97	Net Dividend Yield	3.12%	2.23%	5.5%	6.75 %
Net Debt / EBITDA	3.69 x	3.21 x	1.49 x	1.02 x					

Source: Team Analysis

Business Description

Founded in 1987, Multi X is a Chilean salmon producer. The Company operates a fully integrated model from hatcheries to global marketing having a total of 106 aquamarine concessions located between X, XI, and XII Regions of the country, contributing 14%, 30%, and 10% of the GDP of each of those regions, respectively. During FY23, Multi X's revenues amounted to USD 877.6 MM of which 91% came from exports (see Exhibit 6).

Business Strategy

Multi X aims at meeting consumer demand for premium and convenient seafood options. The Company markets its products under the Latitude 45 brand, which has become a strong brand in the North American market. Its focused strategy allowed Multi X to differentiate itself, maximizing capacity utilization, and catering key markets like the U.S. To maintain competitive pricing, and enhance profitability, Multi X recently launched the Humboldt Project (aka HP). The HP is a cost reduction initiative expected to allow the Company to cut its costs by USD 49.5 million over the next 12 months by means of optimizing its production processes and reducing operational expenditures.

Business Model

From an Egg to the Market: Multi X's process production chain begins by selecting high-quality broodstock to produce eggs and ensure optimal traits for growth and health. Juvenile salmon are raised in freshwater facilities under monitored conditions for approximately 10 months, after which they are transferred to seawater cages, until reaching market size. The entire production cycle takes between 24 to 26 months, and the grow-out stage in seawater is the longest stage and accounts for the majority of production costs (see Exhibit 7).

Global Reach and Product Diversity: Multi X produces a diverse portfolio of finished products form fresh and frozen salmon to value-added products such as portioned and smoked salmon. During year 2023, 60% of the Company's sales originated in the U.S. market; Brazil accounted for 11% of total sales and Chile represented 9%. The Company is currently expanding to other geographic markets within Latin America as well as Europe, and Asia (see Exhibit 8).

Strategic Partnerships: Multi X has two strategic partners, each of which hold a 24.5% ownership in the Company. The strategic alliance with Mitsui & Co., in place since year 1995, has allowed the Company to penetrate the Asian market. Its other key partner, Cargill, has an impressive experience in the global food industry and a vast distribution network, with offices in 70 countries.

From Commodity to Value-Added Products: Initially, Multi X exported fresh and frozen salmon. However, in recent years, the Company has been shifting towards the production of more value-added products such as fillets, portions, and smoked salmon. During year 2023, value-added products represented a total of 74% of volume sold (see Exhibit 9). The shift from a commodity producer to a value-added product producer has allowed Multi X to differentiate itself from its competitors, aligning its products with consumer trends that favor a more practically presented, healthy, and sustainably sourced foods.

Sustainability through technology: Multi X places a strong emphasis on sustainability and product quality. The Company operates under strict environmental standards, has adopted best practices in aquaculture and has continually invested in modernizing its production facilities and optimizing its operations. During year 2023, the Company introduced new technologies, including automated production lines, updated refrigeration systems, and five state-of-the-art pontoons for seawater operations. Newly adopted technologies enabled Multi X to improve its efficiency, reduce waste, and enhance its product quality.

Industry Overview and Competitive Landscape

Salmon Industry Overview

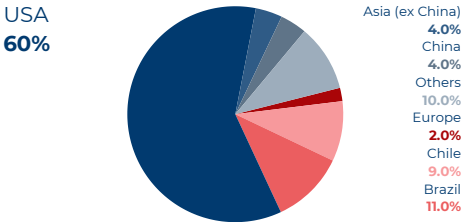
Almost 80% of world salmon production originates in aquaculture that uses large net enclosures in protected waters like fjords or bays. Major world producers are Norway, Chile, Scotland, and Canada. Chile is the 2nd world producer with a 29% market share. Multi X has a 17.2% market share of the Chilean market, which in turn makes the Company the second producer in the country (see Exhibit 10). Since 1960, global meat consumption has more than doubled, with seafood playing a significant role (see Exhibit 11). Despite covering 70% of the earth surface, fish only represents 6% of total consumed protein sources (see Exhibit 12). Global demand of protein is expected to rise by 23% until year 2050. This growth implies 115 million additional Tons of meat, and 37 additional million Tons of fish (see Exhibit 13). Sustainability has become a central focus in the salmon farming industry, driven by consumer preferences for responsibly sourced seafood with a lower environmental impact. Producers are adopting sustainable practices to reduce the environmental impact of farming and improve fish welfare. World producers like Norway and Chile have implemented regulatory frameworks emphasizing environmental protection, making sustainability and regulation a key factor for the future growth of the industry. While positive in terms of sustainability, these before mentioned measures will also result in a reduced production growth.

As an export based industry, salmon farming is particularly sensitive to global demand for the products and domestic factors, regarding production. During year 2016, the Chilean salmon industry was significantly impacted by an environmental crisis caused by harmful algal blooms, which lead to important regulatory reforms. The changes included stricter controls on salmon stock density, extended rest periods for farms, and reduced antibiotic use. The regulations in place since the 2016 crisis, improved the environmental sustainability and biosecurity of the industry, and were critical for mitigating the risks of disease outbreaks, such as Infectious Salmon Anemia (ISA). The sanitary measures successfully implemented, stabilized the industry and helped regain consumer confidence, particularly in key markets like the U.S. However, this measures also placed a cap on production growth. During the year 2020, the industry was hit by the COVID-19 pandemic. The closure of international markets led to historical reductions in terms of volumes of sales. However, the pandemic shifted global consumer trends, such as demand from foodservice to retail products. Because of quarantines, consumers turned to their own kitchens to prepare seafood, increasing the demand for this type of products by 30%. Furthermore, since 2022 the Russia-Ukraine war disrupted global exports of key fish feed ingredients like wheat, soy, and fish meal, driving up costs. However, these costs are now beginning to normalize as global supply chains gradually recover from the disruption.

Key Drivers Affecting Industry Outcomes

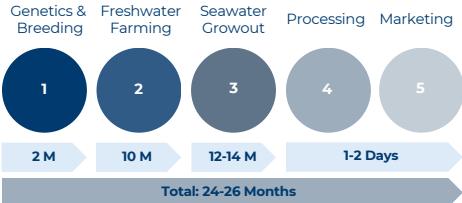
Regulatory Framework: Stricter environmental regulations and production caps in countries like Norway and Chile affect production volumes and growth potential. Compliance with these regulations often requires significant investment in sustainable farming practices and technology.

Exhibit 6: Global Market Multi X



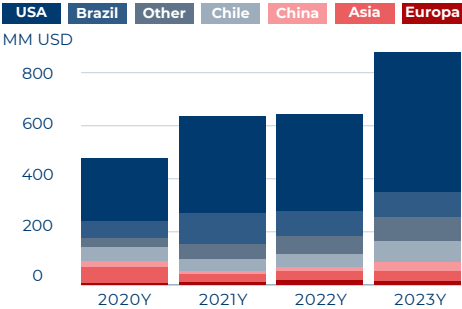
Source: Company Filings

Exhibit 7: Process Chain



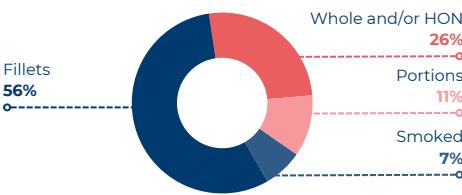
Source: Company Filings

Exhibit 8: Global Revenue Distribution



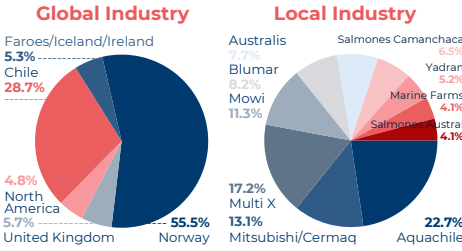
Source: Company Filings / Group Analysis

Exhibit 9: Sales by Product Format 2023



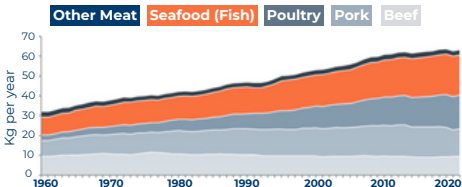
Source: Company Filings

Exhibit 10: Market Share 2023



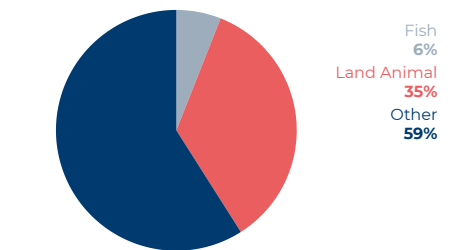
Source: Mowi / Team Analysis

Exhibit 11: Per capita Meat Consumption 2021



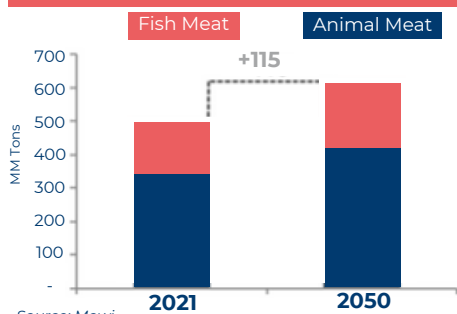
Source: Mowi

Exhibit 12: Protein Sources for Consumption 2021



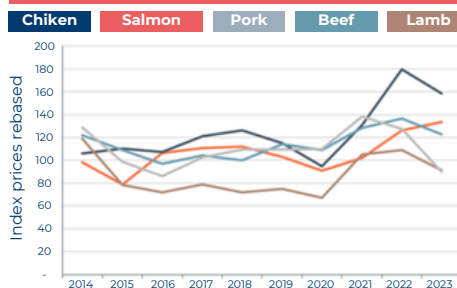
Source: Mowi

Exhibit 13: Meat Consumption & Population



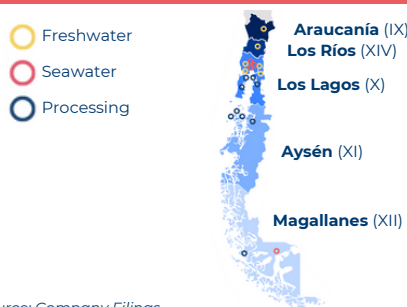
Source: Mowi

Exhibit 14: Relative price development FY14-23



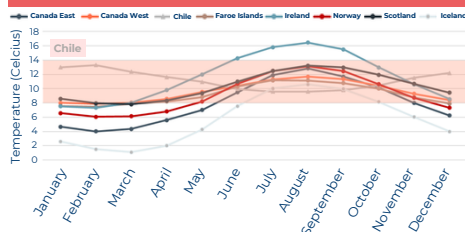
Source: Mowi

Exhibit 15: Geographic Diversification



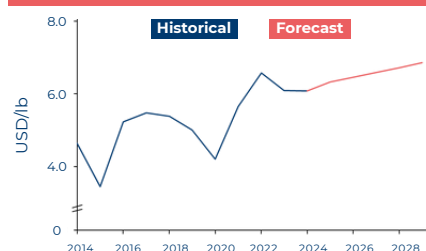
Source: Company Filings

Exhibit 16: Influence of seawater temperature



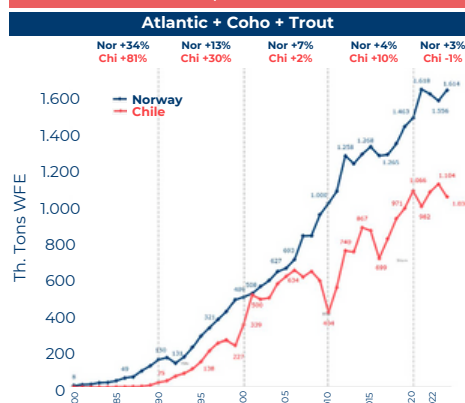
Source: Mowi

Exhibit 17: Atlantic Salmon Price



Source: Company Filings / Team Analysis

Exhibit 18: Aquaculture Harvest



Source: CEO Social Media Publication

Feed Costs: Feed is the most significant cost in the salmon farming industry, and it accounts for almost 35% of the costs of goods sold. Fluctuations in feed costs, driven by factors like raw material availability and market demand of it, have a direct impact in the profitability of salmon producers.

Global Demand for Protein: Rising consumer demand for sustainable and healthy protein sources, especially in large markets like the U.S., Europe, and Asia, is a crucial driver of growth in the salmon industry. We forecast that given the increased focus in sustainability together with the expected population growth, the demand for salmon will continue to grow.

Market Prices: As with every product, salmon prices are influenced by supply and demand dynamics, market preferences and external factors such as trade policies and macroeconomic conditions. Price fluctuations, determined at a global scale, significantly affect revenues and profitability of salmon companies. Over the past decade, prices for all types of protein have risen significantly, specially during FY21-22. However, in FY23, prices for most proteins decreased-except for salmon, which maintained its value (see Exhibit 14).

Environmental Factors: The salmon industry faces many environmental challenges such as disease outbreaks, algal blooms, and climate change impacts, which can affect production yields and quality. Effective risk management and biosecurity measures are crucial to mitigate these risks.

Technological Advancements: New technologies, such as automated feeding systems, disease control, and non-pharmaceutical treatments, improve production efficiency and reduce mortality rates, lowering operational costs and increasing output.

Competitive Position

We believe that Multi X has four competitive advantages compared to other salmon producers:

1. Significant geographic diversification: The Company manages 106 seawater concessions located between Regions X, XI, and XII of Chile (see Exhibit 15). Since the industry is frequently affected by diseases and natural disasters, being geographically spread is an important risk mitigation factor. If an outbreak occurs in a specific area, Multi X is capable of maintaining production through its other concessions, reducing the risk of substantial reductions in total quantity produced. This advantage stands in contrast to competitors with limited geographic diversification, who face significantly higher risks of losing large portions of their production in similar situations.

2. Smoked salmon: Multi X sells its products under the Latitude 45 brand. The brand has a strong presence in the North American market where it has position itself as a high-value product, setting itself apart from the competition with a superior quality. Multi X exports roughly 90% of Chilean smoked salmon and is the largest producer and exporter of this product type in the country. This focus allows the Company to capture an additional USD 2 per kilogram of fish compared to commodity-based products like fillets or whole fish.

3. Chile's stable seawater temperatures: A key natural competitive advantage that Multi X enjoys is the fact that Chile has more stable seawater temperatures compared to other salmon-producing countries. While northern hemisphere regions experience significant fluctuations—varying by as much as 15°C, Chile's waters remain stable, fluctuating between 10°C and 14°C (see Exhibit 16). This temperature stability, with an average temperature of 11-12°C, has proven to be optimal for Atlantic salmon growth, allowing faster production time, while shortening the production cycle by a few months when compared to other regions.

4. Less time at sea: To gain greater control over the variables affecting fish in the ocean, Multi X has developed land-based seawater cages at its facility. This innovation reduces the exposure time of smolt (juvenile salmon stage ~170gr) in the ocean by four months, decreasing the risks associated with currents, predators, and temperature. Additionally, the Multisea facility allows smolts to extend their time on land until they reach a weight of 500 gr before entering the ocean, which is double the weight they would typically achieve otherwise.

Investment Summary

Thesis 1 | Future Prices of Salmon

Based on several underlined factors, we expect salmon prices to increase by 16% between November 2024 to December 2029 (see Exhibit 17). This upward trend reflects the broader dynamics of a steady supply and a growing demand, together with a shift in consumer preferences.

1.1 Supply constraints: Historically, the price of salmon has been closely and inversely related to supply. Since 1900, the supply of aquaculture has grown significantly (see Exhibit 18). However, growth rate will not be the same in the future. We forecast a CAGR of 2% for global supply from 2020 until 2026 due to limitations faced by the two largest world producers (see Exhibit 19). In Chile, notably in contrast with Norway, the supply will stagnate due to more regulatory constraints. As a result, future growth will depend less on industry expansion, and more on advancements in technology, better pharmaceutical products, adoption of non-pharmaceutical techniques and increased cooperation between companies to reduce the industry's biological impact. Given this stability in supply and a forecasted increase in consumption of proteins, salmon prices are expected to increase in the coming years.

1.2 Shift in consumer preferences towards more sustainable proteins with lower carbon footprint: As previously mentioned, meat has steadily grown in importance. This shift is driven by consumer preferences for sustainable protein sources. Salmon stands out as a protein with numerous benefits, including a low carbon footprint, low water consumption, and reduced feeding requirements (see Exhibit 20). This benefits align with the society demand for proteins that minimize the impact on environment. Additionally, salmon protein is rich in omega-3 fatty acids and essential vitamins and is also a high-quality protein, making it a key component of a healthy diet. Salmon nutritional profile appeals to health-conscious consumers that prioritize wellness benefits and are also environmentally responsible. Another change in consumer preferences that started as a consequence of the COVID-19 pandemic was the fact that, during lockdowns, many people went from dining out to cooking at home, which in turn increased the demand for retail seafood. This trend still persists; consumers preparing meals at home are seeking high-quality and sustainable options, like salmon. The demand for value-added products, such as portions, fillets, and smoked salmon, had also grown. These changing consumer habits have contributed to higher prices for value-added salmon products, reflecting their market appeal.

1.3 Per capita consumption opportunities: A final point are the differences in per capita consumption per country. Currently the weighted average per capita consumption in Europe is 2.63 Kg WFE, while the per capita consumption in the U.S. is 1.9 Kg WFE (see Exhibit 21). As consumer preferences shifts towards healthier and more sustainable food options, the U.S. may trend towards European consumption levels of salmon. Closing the per capita salmon consumption gap implies an additional potential sales of 251,700 Tons of WFE, sourced from the American market. The combination of a stable salmon supply together with a potential 38% rise in U.S. consumption will also lead to further price increases.

Thesis 2 | Cost Reduction Strategy

Ex farm cost include the entire freshwater and seawater production stages, historically accounting for almost ~70% of Multi X's total cost of goods sold costs. The Ex farm cost had been increasing for over eight consecutive quarters, reaching a peak of USD 5.14/Kg WFE during Q1-FY24. This trend is reversing to USD 5.00/Kg WFE during Q2-FY24. Multi X expects a cost of USD 4.5/Kg WFE by year 2025 because of lower feed costs, recovery of harvest volumes, and put in place of the Humboldt Project (see [Exhibit 22](#)). Cost savings will contribute to produce an increase in 2025 EBIT of USD 58.4 million.

2.1 Lower feeding costs: Feeding costs represent the primary cost in salmon production, representing almost 45% of the Ex farm cost and 35% of the final product cost. Feeding cost are influenced by factors beyond the Company's control, specifically related to the global supply of key inputs, being fish oil and fish meal the most significant inputs for the Company. However, during 2021, Multi X implemented a high-performance diet strategy for its salmon, that successfully reduced the Feed Conversion Ratio (FCR) by 3.64% (see [Exhibit 23](#)). The Company was also able to significantly reduce its dependency on fish meal and fish oil by 60.61% and 11.04%, respectively, by increasingly incorporating plant-based ingredients to salmon's diets, which are cheaper and more sustainable than traditional animal-based components. We believe these dietary changes will result in significant long-term reductions in salmon production costs and improvements in operational margins.

2.2 Humboldt Project: During 2024, Multi X introduced the HP, which is currently in its implementation phase. This project aims to reduce costs throughout the Company's entire value chain, with a significant focus on cutting OPEX and CAPEX. The Company expects to save USD 49.5 million over a 12-month period, translating into an operational EBIT improvement of USD 0.4/Kg WFE by 2026. The HP presents a highly positive outlook for the Company's operations, and we have considered its impact along with our reservations and assumptions, which are detailed in our valuation model.

2.3 Bigger harvest weights: Comparing Q2-FY23 to Q2-FY24, we observe a 13% increase in the average weight of harvested salmons, that reached 5.22 Kg WFE (see [Exhibit 24](#)). The Company's optimal weight target is at 5.33 Kg. The increase in weight observed in the last quarter indicates a trend towards achieving the target weight in the near future. The higher average weight of harvested salmon projected for the future, will translate into significant efficiencies and further cost reductions. Larger fish would reduce the overall cost per unit, as fixed costs such as feeding, labor, and transportation are spread over a greater biomass. Also, a higher weight per salmon would result in a better utilization of resources, including improved use of sea cages and processing facilities which in turn reduces the frequency of harvest cycles and increases yield per fish, leading to lower operational costs and greater profitability for Multi X.

Thesis 3 | Market Premiums for Growth

By analyzing the recent transactions within the salmon industry (FY21-24), we can observe median multiples of 12.59 x for Enterprise Value/Ton WFE and 11.75 x in the case of EV/EBITDA multiples. Multi X has forward 2025 EV/Ton WFE and EV/EBITDA multiples of 6.4 x and 6.0 x respectively. Those multiples represent an average discount of 55% when compared to multiples paid on recent transactions (see [Appendix 12](#)). Additionally, premiums paid in the industry have steadily increased over time, rising from 15.37% during FY18 to 49% in FY22. These market multiples and the rise in premiums reflect a potential appreciation of the value of Multi X's business, driven by the growing interest of companies in being part of this industry.

3.1 Strategic diversification: In the highly consolidated food industry, large companies are increasingly recognizing the need to diversify their product portfolios to remain competitive. JBS, a major player in the global meat industry, is one example, as it sought to expand beyond its traditional beef, pork, and poultry operations at the end of FY21. Diversification is becoming an increasingly valuable factor for companies, especially as consumers seek more variety and healthier food options, and as the global market moves toward environmentally friendly products. This trend has driven up premiums paid in acquisitions, as companies look to secure their presence in high-potential industries like salmon farming. The 38% premium paid by JBS to acquire Huon Aquaculture, alongside multiples of EV/EBITDA at 26.84 x and EV/Ton WFE at 12.59 x (see [Exhibit 25](#)), highlights how buyers are willing to invest significantly to diversify into growth industries.

3.2 Strategic market share: As mentioned earlier, the salmon farming industry operates under strict regulatory limits that cap production capacity, including fixed numbers of concessions that companies have to operate. This limited amount of concessions restricts the maximum production capacity of each company, resulting in stagnating supply growth (see [Exhibit 19](#)), making organic expansion difficult for companies. These supply constraints have made acquisitions within the industry a highly valued strategy to gain market share. A notable example is the salmon farming company Cooke Inc.'s acquisition of Tassal Group in FY22. Cooke sought to increase its market share and reinforce its position in the global salmon sector. The transaction included a 49% premium, with multiples of EV/EBITDA at 8.75 x and EV/Ton WFE at 32.5 x (see [Exhibit 25](#)), reflecting the market's acknowledgment of the strategic significance of securing more market share in an industry where production is constrained by regulations.

3.3 Technological advancements in salmon farming: The implementation of new technologies has significantly enhanced operational efficiency, making companies more attractive to potential buyers. As a result, the industry has become more productive and profitable, leading salmon producers with advanced technology to be viewed as valuable assets, driving up the valuation of companies in the sector. Multi X has aligned itself with these market trends by continuously investing in technologies to enhance its efficiency and value chain. In 2023, Multi X expanded its remote feeding project for seawater centers, resulting in significant improvements in both efficiency and sustainability. Additionally, the Company has invested in the construction of rafts, cages, and nets, incorporating special designs and sizes to mitigate climatic threats, protect against marine animal attacks, and achieve the lowest escape rates in the industry (see [Exhibit 26](#)).

Financial Analysis

As previously mentioned, around 90% of Multi X's revenue originates in external markets. COVID-19 significantly impacted Multi X's revenue in 2020, resulting in decreased demand and logistical restrictions that affected exports. This situation highlights the Company's vulnerability to external factors due to its strong dependence on international markets.

Profitability | Managing Margins Amidst Price Fluctuations

To assess Multi X's profitability, we analyzed Gross and EBIT Margin, reflecting cost efficiency and profitability. Multi X has faced significant volatility in both margins over the past decade, mainly as a consequence of price changes of salmon.

Exhibit 19: Supply Forecast in M Ton/WFE

	Norway CAGR 2%				Global CAGR 2%			Chile CAGR -1%		
	2020	2021	2022	2023	2024 F	2025 F	2026 F			
Norway	1,370	1,533	1,517	1,479	1,523	1,554	1,593			
% Growth		11.90%	-1.04%	-2.50%	2.97%	2.04%	2.51%			
Chile	779	718	753	766	707	711	725			
% Growth		-7.83%	4.87%	1.73%	-7.70%	0.57%	1.97%			
Others	564	642	593	551	608	657	696			
% Growth		13.83%	-7.63%	-7.08%	10.34%	8.06%	6.00%			
Global	2,713	2,893	2,863	2,796	2,838	2,922	3,014			
% Growth		6.63%	-1.04%	-2.34%	1.50%	2.96%	3.15%			

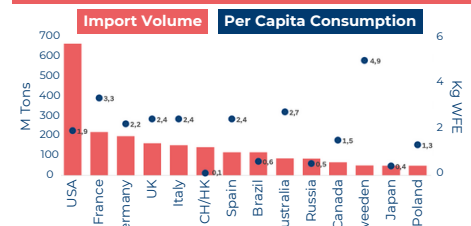
Source: Company Filings / Team Analysis

Exhibit 20: Comparative Analysis of Proteins

SALMON IS THE MOST SUSTAINABLE ANIMAL PROTEIN ALTERNATIVE				
				
Protein Retention	28%	37%	21%	13%
Feed Conversion Ratio	1.3	1.9	3.9	8.0
Edible Meat Per 100 Kg Feed	56 kg	39 kg	19 kg	7 kg
Carbon Footprint (Kg CO2 / Kg Edible Meat)	5.1 kg	8.4 kg	12.2 kg	39.0 kg
Water Consumption (Litre / Kg Edible Meat)	2,000	4,300	6,000	15,400

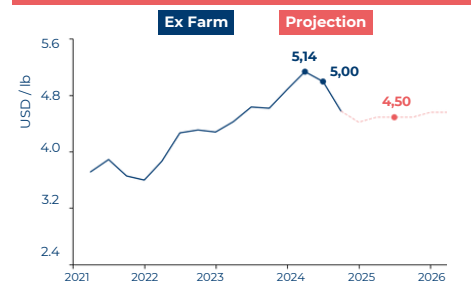
Source: Company Filings

Exhibit 21: Consumption vs Volume



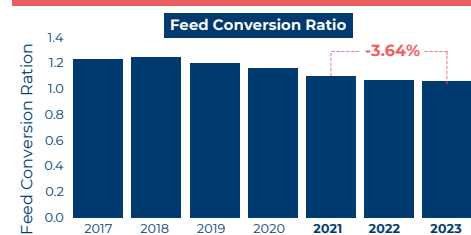
Source: Blumar / Team Analysis

Exhibit 22: Ex Farm Projection



Source: Company Filings / Team Analysis

Exhibit 23: Feed Conversion Ratio



Source: Company Filings / Team Analysis

Exhibit 24: Average Harvest Weights



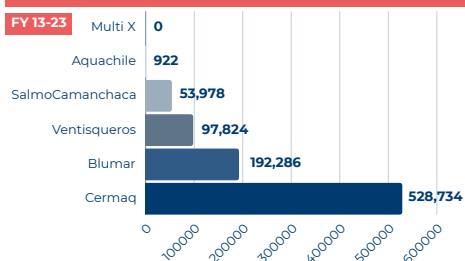
Source: Company Filings

Exhibit 25: Mergers and Acquisitions Table

Date	Acquirer	Target	Amount Paid	% Acquisition	EV/Ton	EV/EBITDA	Premium
Nov-2021	JBS	Huon	315 MM USD	100%	12.59 x	26.84 x	38%
Mar-2022	Cargill	Multi X	303 MM USD	24.5%	11.91 x	11.75 x	43.21%
Nov-2022	Cooke	Tassal	1,060 MM AUD	100%	32.5 x	8.75 x	49%

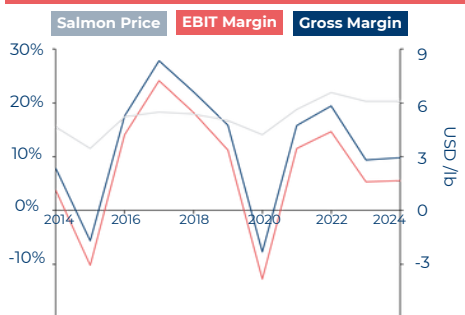
Source: Team Analysis

Exhibit 26: Total Escapes in Chilean industry



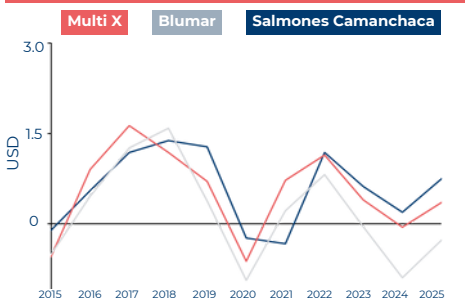
Source: Global Salmon Industry / Team Analysis

Exhibit 27: Margin vs Salmon Price



Source: Company Filings / Team Analysis

Exhibit 28: EBIT/Kg WFE



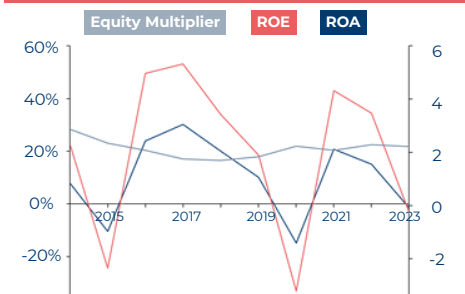
Source: Company Filings / Blumar / Salmones Camanchaca

Exhibit 29: Dupont Analysis - ROA, ROE

M USD	2019	2020	2021	2022	2023
Revenue	568,402	476,028	633,595	643,092	877,618
Net Income	43,425	-74,148	65,989	65,989	-6,281
Total Assets	666,616	644,407	712,364	712,364	950,039
Total Equity	362,711	288,563	343,482	343,482	427,613
Net Profit Margin	7.64%	-15.58%	10.42%	10.17%	-0.72%
Asset Turnover	0.85	0.74	0.89	0.70	0.92
ROA	8.96%	-21.09%	11.71%	14.61%	-0.77%
Equity Multiplier	1.84	2.23	2.07	2.29	2.22
ROE	16.47%	-47.09%	24.29%	33.44%	-1.72%

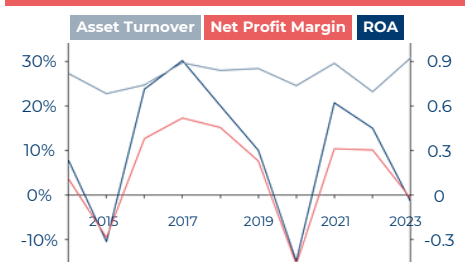
Source: Company Filings / Team Analysis

Exhibit 30: ROE Components



Source: Company Filings / Team Analysis

Exhibit 31: ROA Components



Source: Company Filings / Team Analysis

Gross Margin and EBIT Margin: From FY15-17, Multi X experienced a period of robust growth, with Gross margins exceeding 27.84% and EBIT margins peaking at 24.1% in FY17 (see [Exhibit 27](#)). The Company's economic success was driven by a combination of favorable market conditions (prices in international markets) and internal Company's efficiencies. Salmon prices surged after algal blooms in FY16, enabling Multi X to capitalize on higher prices in key markets like the U.S. At the same time, operational efficiencies, such as the adoption of oxygenation systems and optimized costs particularly in feed management, allowed Multi X to improve its operational margins. The pandemic severely impacted both Gross and EBIT margins, with the former plummeting to -7.71%, while the latter fell to -12.8%. The collapse in global demand from foodservice channels, together with trade disruptions and a sharp decline in prices, caused revenues to decline. The post-pandemic recovery between FY21-23 stabilized Gross margins around 15% and EBIT margins at 10%, supported by increased demand, operational efficiency, improved feed usage and stabilized prices.

Correlation between price and both Gross margin (72.58%) and EBIT margin (71.75%) underscores the significant sensitivity of Multi X's profitability to salmon price fluctuations. Looking forward, Multi X's ability to maintain stable EBIT margins will depend on its capacity to navigate ongoing commodity price pressures while capitalizing on technological advancements and market opportunities.

EBIT/Kg WFE as a key performance indicator: The EBIT/Kg WFE is a key profitability metric in the salmon farming industry. It reflects a Company's ability to efficiently convert production into profit by measuring operating earnings per kilogram of salmon produced. In an industry with high production costs and fluctuating market prices, this ratio is critical for assessing financial health and operational efficiency, allowing companies to benchmark their performance against competitors and manage price volatility.

Over the past 9.5 years, Multi X has delivered solid performance in the Chilean salmon industry. With an average EBIT/Kg WFE of 0.59, Multi X has demonstrated more consistent ratios compared to other industry players, such as Blumar and Salmones Camanchaca. At the peak of market prices in FY17, Multi X reported an EBIT/Kg WFE of 1.63, outperforming its direct competitors, Salmones Camanchaca and Blumar, which recorded values of 1.19 and 1.27, respectively. Similarly, following the COVID-19 pandemic, Multi X posted a higher ratio again in FY21, reaching 0.72, while Salmones Camanchaca and Blumar registered -0.33 and 0.22, respectively (see [Exhibit 28](#)). Consequently, the Company experiences lower volatility in losses and operates with greater efficiency. This stability allows Multi X to better manage fluctuations in production costs and market prices, reinforcing its resilience and ability to maintain profitability over time.

Dupont | Unveiling Financial Performance

In FY23, the Return on Equity (ROE) was -1.72%, reflecting a significant decline compared to the 33.44% achieved in FY22. This decrease can be primarily attributed to a negative net profit margin of -0.72%, a drastic reduction from the positive margin of 10.17% recorded in the previous year. "Additionally, the decline in Return on Assets (ROA), from 14.61% in FY22 to -0.77% in FY23, further underscores the underlying challenges affecting profitability. Financial leverage, as measured by the Equity Multiplier, has remained stable and has not significantly impacted the decline in ROE. The decrease in the latter is primarily attributed to the sharp drop in net profitability and operational efficiency, as indicated by the ROA (see [Exhibit 29](#)).

Focusing on the components of ROE from FY19 to FY23, the Equity Multiplier exhibited some variability, peaking at 2.29 in FY22 before stabilizing around 2.22 in FY23. During this period, reliance on leverage appeared to support improvements in ROE during profitable years, such as FY21 and FY22. However, the impact of leverage was insufficient to counteract the operational challenges encountered in years with negative profitability, as evidenced in FY23 (see [Exhibit 30](#)). The general trend suggests that, while the Company effectively managed its capital structure, operational inefficiencies and profitability issues played a dominant role in the deterioration of financial performance. In summary, the DuPont analysis reveals that the decline in Multi X's ROE in FY23 was mainly due to a sharp decrease in Net Profit margin. Despite stable leverage, profitability and operational efficiency remain critical areas for improvement.

Subsequently, focusing on the historical components of ROA, it is evident that the Net Profit margin has been highly volatile, with fluctuations ranging from a peak of 10.42% in FY21 to significant losses in FY20-23. The asset turnover ratio has exhibited volatility in recent years, decreasing from 0.85 to 0.70 between FY19 and FY22, before rising to 0.92 in FY23, indicating improved efficiency in utilizing assets to generate sales (see [Exhibit 31](#)). However, despite this improvement, a decline in profitability contributed to a negative ROA in FY23. With an asset turnover of 0.92, there is potential for ROA to improve in future years, provided that profitability stabilizes.

Liquidity | Short-Term Financial Health and Asset Management

The Current and Quick Ratios are selected to assess the liquidity of a salmon farming company, as they reflect its capacity to meet short-term obligations.

Current Ratio: This ratio, which accounts for the significance of inventories (farmed fish), exhibited relative stability between FY14 and FY23, fluctuating between 1.84 and 3.13. This indicates the Company's overall ability to meet short-term obligations using its available current assets. The ratio peaked in FY18 at 3.13, followed by a gradual decline to 1.84 in FY23, attributed to an increase in current liabilities.

Quick Ratio: Now, turning to liquid assets, the Quick Ratio has remained consistently low, ranging between 0.48 and 1.33, indicating a significant dependence on inventories to maintain liquidity. In FY17-18, Multi X achieved a better liquidity position, with ratios of 1.33 and 1.23, respectively, due to higher cash reserves. However, these values still provide minimal coverage of liquid assets over short-term liabilities. In recent years, the Quick Ratio has remained low, finishing FY23 at 0.48. This persistently low tendency highlights the possible difficulties that Multi X faces in meeting its immediate financial obligations using only liquid assets, such as cash and accounts receivable.

The significance of the gap between both ratios lies in its capacity to reveal the Company's dependence on farmed fish as inventories, thereby exposing potential immediate liquidity risks in industries with long cycles, such as salmon farming. In FY17 and FY18, the gap was smaller, indicating that Multi X maintained a higher proportion of liquid assets, such as cash and receivables, which reduced its reliance on inventories to cover current liabilities. The wide gap observed in FY20 and FY21 reflects Multi X's near-exclusive reliance on its inventories to maintain liquidity. These years were marked by the devaluation of the Chilean peso, increased operating costs, logistical disruptions due to social unrest in Q4 of FY19, fluctuations in salmon prices, and the pandemic in 2020, which further depressed salmon prices and diminished Multi X's liquid assets, resulting in a Quick Ratio close to zero. This suggests a limited capacity to rapidly convert assets into cash, leaving the Company vulnerable in meeting its immediate financial obligations. By FY23, the gap remains wide, with the Quick Ratio at 0.48, indicating that Multi X continues to rely primarily on its inventories to maintain liquidity, thereby constraining its ability to promptly cover liabilities with liquid assets (see [Exhibit 32](#)).

Solvency | How Debt and Salmon Prices Shape Multi X's Financial Health

Total Debt/Kg WFE: This ratio shows high volatility, indicating that the relationship between the Company's total debt and its production is unstable. The low value of the ratio in FY18 for Multi X was due to a 10.1% increase in production, reaching 82,850 Tons/WFE, which improved operational efficiency and reduced the debt to production ratio. In contrast, in FY20-22, the ratio increased, reflecting higher leverage. In year 2020, the COVID-19 pandemic drastically reduced demand in the HoReCa sector, affecting revenues and forcing the Company to increase its debt. In year 2022, global inflation and rising input costs pressured the Company to take on more debt, increasing its financial strain.

Interest Coverage (EBIT/Interest Expense): Between FY16 and FY18, this ratio also reached elevated levels, reflecting the Company's strong capacity to cover its interest payments. However, in FY15, FY20, and FY23, the ratio declined significantly due to lower operating income and increased financial costs, thereby heightening the risk of insolvency. This volatility indicates that the Company struggles to maintain stable coverage, negatively impacting its solvency in key years, particularly during external pressures such as the pandemic.

DFN/EBITDA (Net Financial Debt/EBITDA): Multi X has shown relatively stable fluctuations in recent years, reflecting its ability to reduce Net Financial debt with operating profits. FY16-FY18 exhibit a low ratio, indicating greater solvency and a solid capacity to manage debt. However, in FY15 and FY20, the DFN/EBITDA turned negative, reflecting high leverage and increased financial risk. This behavior demonstrates that the Company's solvency relies on its operational capacity and external factors.

The price of salmon plays a crucial role in the evolution of solvency indicators. In FY16 and FY23, when prices were high, both Interest Coverage and DFN/EBITDA improved. These two indicators tend to move in the same direction, as both reflect operational capacity and solvency. High prices indicate that additional revenues enable Multi X to cover its financial costs and reduce its net debt more efficiently. In contrast, in FY15 and FY20, when prices were lower, the ratios deteriorated significantly, underscoring the Company's vulnerability to fluctuations in salmon prices (see [Exhibit 33](#)). The relationship between Total Debt/Kg WFE and salmon prices typically moves in opposite directions. When salmon prices rise, the Company generates higher revenues, enabling it to reduce or maintain debt relative to production, causing the ratio to decrease. Conversely, when prices fall, revenues decline, resulting in an increase in the ratio (see [Exhibit 34](#)).

Valuation

We assigned a 70% weight to the intrinsic valuation (DCF model) and a 30% weight to the market approach valuation to arrive at our target price of \$246.32 CLP which represents a potential 24.40% upside compared to the closing price of \$198.01 CLP at the valuation date of 30 September, 2024. We believe this balance adequately reflects the contributions derived from the accuracy of projected volumes, prices, and specific efficiencies enabled by the revenue approach, as well as the market realities that a valuation based on comparable companies.

Discounted Cash Flow Model

1. Weighted Average Cost of Capital (WACC rate): We calculated a weighted average cost of capital using the industry's financing structure, the cost of equity using the modified Capital Asset Pricing Model, and the after-tax cost of debt based on U.S. corporate bonds with a B rating. Our WACC rate in USD was 10.05% (see [Exhibit 35](#)), as the firm's cash flows are dollar denominated.

1.1. Cost of Equity (Ke): For the Cost of Equity we used the modified CAPM model. In our calculation, we utilized a risk-free rate that corresponded to the 10-year U.S. Treasury bond as of the valuation date (3.91%) and the historical equity risk premium of 3.96% published in the latest Damodaran report. To calculate Multi X's beta, we unlevered the betas of six comparable companies using the Hamada formula, which resulted in a median beta of 0.67. We then used the median of the industry financing structure to re-leverage the previously obtained beta, resulting in a beta of 0.83 for Multi X. We considered a size premium based on the company's market capitalization, as obtained from the Kroll Valuation Handbook of 2.22% and a country risk (0.8%) multiplied by a volatility ratio (1.3), both provided by the latest Damodaran report. Finally, we also used a Company Specific Risk Premium (CSR) of 1%. This last component consists of two factors: (1) a +0.5% associated with the additional risk faced by the salmon farming industry due to exposure to diseases and other biological outbreaks during the 12-14 months of growth in Chilean seawater, and (2) a +0.5% related to the latent risks presented by socio-cultural conflicts with local communities seeking to defend their lands where the Company operates through protests, blockades, and/or attacks. Therefore, we consider both factors to constitute a CSR of 1%. Given these three adjustments, the obtained Ke is 11.47%.

1.2. Cost of Debt (Kd): We consider a 10-year yield of U.S. corporate bonds with a B rating (7.18%) plus a country risk spread of (0.8%) on an after-tax basis. We arrived at an after-tax debt of 5.38% US dollars.

2. Revenue Projections: To estimate revenues, future production quantities were multiplied by the expected price per kilogram of salmon for each year, as presented in the following analysis.

Quantities: Regarding future quantities, it is essential to understand that in Chile the production capacity of salmon farms is legally limited and depends on the number of active concessions granted to each Company by the government. The Company estimates that for year 2024, the sales volume will reach 115 M Tons/WFE of salmon. In the following years, Multi X expect to reach its maximum capacity, estimated to be in the range of 120 to 125 M Tons/WFE. We projected 120 M Tons/WFE for FY25-29 for a more conservative approach.

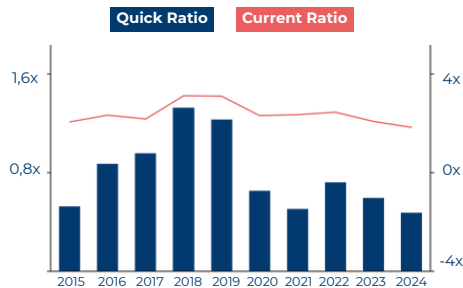
Price: For Q3 and Q4 of 2024 we used the price forecast provided directly by the company (5.5 and 6.0 USD/lb). For FY2025 the Company presented a price range of 6.4 to 6.5 USD/lb, from which we calculated an average price of 6.45 and combined it in a 50-50 proportion with the average price from the four quarters of FY24, obtaining 6.33 USD/lb. We converted all prices to kg using the conversion factor of 2.2 lb/Kg. From this adjusted price, we subtracted export costs of 1.55 USD/Kg and multiplied the result by 0.6 to convert it to WFE. The following four years were adjusted for inflation, resulting in the prices detailed in [Exhibit 36](#).

To forecast the total revenue for the second half of the FY24 we subtracted volumes achieved in the first half of the year from the estimated 115 M Tons/WFE, resulting in a total of 71,945 M Tons/WFE remaining for sale. These units are expected to be sold between Q3 and Q4 at the average price of 6.66 USD/Kg WFE. By combining these projections with the income generated in the first half of the year, a total revenue of 819,675 USD for 2024 is anticipated. For FY25-29, the corresponding prices and quantities were multiplied to estimate future variable revenues, while the minimal fixed sales income was adjusted according to the respective inflation rates.

3. Costs Projections:

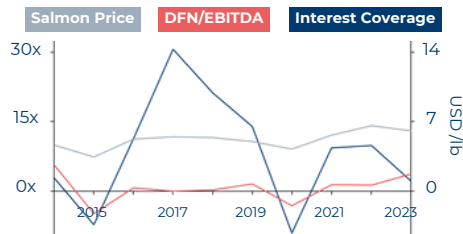
Conservative Outlook on the Humboldt Project: Regarding the costs projections, we considered the costs reductions embedded in the initiative known as the Humboldt Project, already mentioned in the report.

Exhibit 32: Liquidity Ratios Comparison



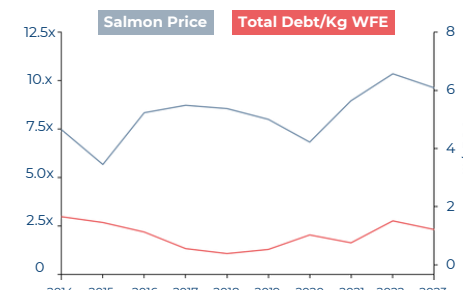
Source: Company Filings / Team Analysis

Exhibit 33: How Salmon Prices Drive DFN/EBITDA and Interest Coverage



Source: Company Filings / Team Analysis

Exhibit 34: How Salmon Prices Drive Total DEBT/Kg WFE



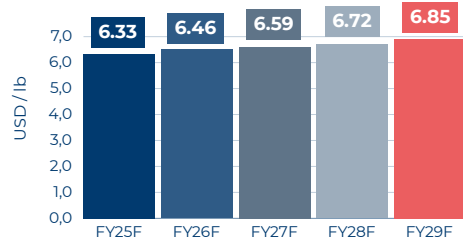
Source: Company Filings / Team Analysis

Exhibit 35: WACC Components - USD

Cost of Equity	
Risk Free Rate	3.91%
Leverage (D/E)	33.58%
Beta	0.83
Market Risk Premium	3.96%
Cost of equity before adjustments	7.21%
Non - Systemic Risk Factors	
Premium Size	2.22%
Country risk	0.80%
Volatility Ratio	1.30
CSR	1.00%
Modified Cost of Equity	11.47%
Cost of Debt	
Cost of Debt Before Tax	7.18%
Tax Rate	27.00%
Cost of Debt After Tax	5.83%
Financial Structure	
Equity	74.86%
Debt	25.14%
WACC	10.05%

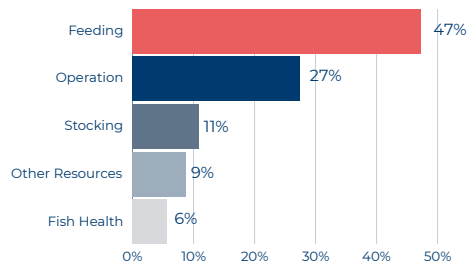
Source: Team Analysis

Exhibit 36: Forecasted Price FY24-29



Source: Team Analysis

Exhibit 37: Composition of Ex Farm Cost



Source: Team Analysis

Exhibit 38: Savings of Humboldt Project

Costs	Total USD/Kg	Savings/Kg 2025	Savings/Kg 2026	Net Savings/Kg	New Costs Applying HP
Processing Cost	0,88	0,012	0,02	0,008	0,88
SG&A	0,19	0,012	0,02	0,008	0,17
Feeding	2,19	-	-	-	2,19
Operation	1,27	0,072	0,12	0,048	1,22
Stocking	0,51	0,012	0,02	0,008	0,50
Other Resources	0,40	0,012	0,02	0,008	0,40
Fish Health	0,26	-	-	-	0,26
Ex Farm Cost	4,63	0,096	0,16	0,064	4,57

Source: Company Data / Team Analysis

Exhibit 39: Sensibility WACC / WC

Working Capital	WACC Rate			
	246.18	9.30%	10.05%	11.20%
	Minimum	293.99	257.63	214.18
	Median	281.92	246.18	203.51
	Maximum	253.70	219.49	178.60

Source: Team Analysis

Exhibit 40: Sensibility WACC / Perpetuity Rate

Growth Rate	WACC Rate			
	246.18	9.30%	10.05%	11.20%
	2.0%	263.76	231.84	193.12
	2.5%	281.92	246.18	203.51
	3.0%	302.98	262.60	215.17

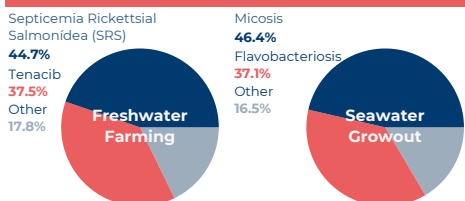
Source: Team Analysis

Exhibit 41: Market Approach Multiples

Forecast			
In M USD	Multiple	Value	Enterprise Value
EV / Kg WFE Multi X	6.2	120	750
EV / EBITDA Multi X	10	128	1,272
Average EV	-	-	1,011
Share Price in CLP	-	-	246.65

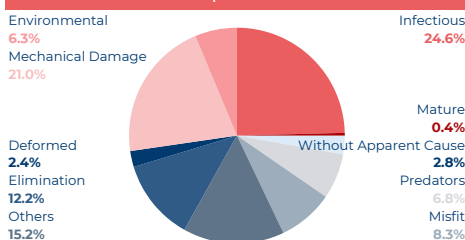
Source: Team Analysis

Exhibit 42: Common Infectious Mortality Causes in Atlantic Salmon in Chile (2023)



Source: SERNAPECSA

Exhibit 43: Mortality of farmed Atlantic salmon in Open-Water Chile



Source: SERNAPECSA

The Humboldt Project expects to deliver savings of up to 0.4 EBIT/Kg, that would translate into approximately USD 49.5MM in cash flows from FY26 onwards. During the initial two years of the implementation, a more gradual savings trajectory is anticipated. Multi X project savings of ~20MM USD for FY24 (+0.16 EBIT/Kg), ~30MM for FY25 (+0.24 EBIT/Kg) and ~50MM USD savings per year during the FY26-29 (+0.4 EBIT/Kg) period. In our valuation, we only included half of the savings per period which resulted in savings of ~10MM USD for FY2024 (+0.08 EBIT/kg), ~15MM for FY25 (+0.12 EBIT/Kg) and ~25MM USD for FY26-29 (+0.2 EBIT/kg). To understand which accounts are affected by the project, it is essential to grasp the assumptions we used to allocate Ex - Farm costs, which represent 70% of total costs. We decided to divide Ex-Farm costs into five accounts, as shown in [Exhibit 37](#). The Humboldt Project generates savings in only three of those accounts: Operations, Stocking, and Other Resources; as well as in Processing Costs and SG&A (see [Exhibit 38](#)).

Further Projections: For FY24 we considered the expected savings arising from the five costs affected by the Humboldt Project. Since the Company provided us with the total expected value of Ex-farm costs for Q4, we derived the expected value for Q3 by averaging the value for Q4 with the value for Q2, reflecting the consistent decrease in costs anticipated. The total cost for the year was calculated based on the volume of sales already achieved. For FY25, the procedure considered the savings achieved during FY24 (~10 million USD), plus the additional amount needed to reach the total (~15 million USD), and the inflation adjustment. For FY26-29 we consider inflation, expected quantities sold per year, and the total cost per kilogram (see [Exhibit 38](#)).

4. Depreciation: The depreciation for the period was calculated based on the gross PPE for each year and accumulated depreciation over consecutive years. We calculated the median percentage of historical depreciation relative to the cost of PPE up to FY23 and multiply it by the cost of PPE from the previous year to project FY24-29.

5. CAPEX: According to information provided by Multi X, there are significant cost-saving initiatives across the Company's value chain. In this regard, no major Capital Expenditures are anticipated for the coming years. The CAPEX for FY24 is estimated to close at \$37MM, and for the subsequent years a maintenance CAPEX of \$35MM is expected, reflecting the previous assumptions. For the projection, we utilized a U.S. inflation rate of 2.0%.

6. Working Capital: Inventory, biological assets, and accounts receivable were classified as current assets, while only accounts payable were designated as current liabilities. The classification was based on the fact that these accounts best represent the operation and productive capacity of the business. For the projection of the accounts, a days' turnover methodology was utilized.

7. Terminal Growth: We performed a perpetuity calculation of the cash flow obtained in the last projected year to estimate the terminal value, using a grow rate of 2.50%, which is the average between the 3% organic growth rate provided by the Company, and the perpetual inflation rate in the U.S. (2%). To calculate the implicit value of the share, the terminal and forecast values were discounted using the mid-year convention.

8. Cash Flows and Intrinsic Value: The target price was calculated by discounting the projected cash flows detailed in [Appendix 5](#), utilizing the specified discount rate and the previously outlined assumptions. The resulting price was then adjusted to reflect Multiexport Foods S.A. ownership interest in Multi X (51%). The target price for Multi X under this methodology is CLP \$246.2, reflecting an upside of 24.32% compared to the closing price at the valuation date.

Sensitivity Analysis

To confirm the quality and precision of the DCF model, we conducted a sensitivity analysis incorporating the three most significant variables: (1) the discount rate, (2) the working capital turnover, and (3) the perpetuity growth rate. To measure their influence on the model, we performed two sensitivity analyses contrasting the discount rate with the other two variables mentioned above. Additionally, a Monte Carlo simulation was carried out to analyze various potential scenarios, detailed in [Appendix 14](#).

WACC: Given the nature of the income approach, the discount rate is the variable that most influences the target share price. The range selected, between 9.30% and 11.20%, reflects the result of excluding the CSRP in the first case and considering a 20-year treasury bond (see [Appendix 10](#)) and a higher size premium in the second, both values being higher than those used to calculate the minimum rate. The range of values and the implied results reflect the model's high sensitivity to the discount rate, which can vary depending on time horizons and the importance assigned to the CSRP.

Working Capital Turnover (WCT): The turnover of accounts implicit in working capital is another variable that significantly impacts on the target share price. A lower turnover reflects greater operational efficiency and, consequently, better target outcomes. The selected range was calculated using quartiles, based on the Company's historical minimum and maximum values over the last decade. The minimum and maximum values reflect the Company's best and worst operational years, respectively.

Perpetuity Growth Rate:

The perpetuity rate heavily influences the target prices due to its role in affecting the final projected cash flow. To take a more conservative stance, we decided to use 2.5% in our model. The selected range includes a pessimistic scenario of 2%, which aligns with the expected U.S. inflation rate, and the optimistic projection of 3% from Multi X.

Based on the sensitivity analysis, the results highlight the impact of these variables on the model's outcomes. If the Company efficiently manages its operational accounts turnover and a less conservative discount rate is applied, the stock price shows an upside of 19.42% from the DCF target price. Conversely, inefficient turnover management combined with a highly conservative discount rate results in a downside of 27.45% (see [Exhibit 39](#)). Regarding the perpetuity growth rate, using the optimistic 3% rate projected by the Company and a less conservative discount rate leads to an upside of 23.07%. However, if the perpetuity growth rate aligns with long-term U.S. inflation and a conservative discount rate is used, the stock price shows a downside of 21.55% (see [Exhibit 40](#)). This sensitivity analysis leads us to conclude that the DCF income approach is highly sensitive to certain variables. We also performed a valuation using the market approach.

Market Approach

To implement a market-based approach that accurately reflects Multi X's business line, we identified six comparable companies within the salmon industry, as detailed in [Appendix 11](#). Our focus was solely on companies whose business models center on Atlantic salmon, as they face similar specific risks associated with this product. For that reason, we excluded companies with substantial involvement in other seafood products from our analysis. We calculated the following forward EV multiples: EV/EBITDA and EV/Kg WFE.

Multiples selection: Developing the previous analysis, we noted that the current EBITDA for the twelve months ending June 30, FY24, does not provide a complete picture of the Company's earnings potential. This figure is negatively impacted by several factors: (1) the exceptional increase in Norwegian supply in the U.S. market, (2) the investments required to initiate the development of the Humboldt Project, (3) the high feeding

costs resulting from the impacts of COVID-19 and the Russia-Ukraine war, and (4) very low harvest weight, especially in Q1 FY24, as the weight was almost one kilogram below the ideal. To address this, we used a forecast of **EV/EBITDA** through the end of FY25, which allows the multiple to reflect some of the benefits from the Humboldt Project and anticipated cost efficiencies. Furthermore, we projected **EV/Kg WFE FY25** to make the analysis more robust, as relying solely on the EBITDA forecast does not fully capture future potential, due to the fact that Multi X will revert to having normal production volumes.

We used a median multiple of 6.2x for Kg WFE and a first quartile multiple of 10x for EBITDA, which best reflect the Company's margins. Averaging these values yielded a price of CLP \$246.65 per share (see [Exhibit 41](#)).

Investment Risk

Operational Risk | Challenges of Operational Flow

[O1]: Biological and Health Factors: Diseases like sea lice or infectious salmon anemia (ISA) can severely disrupt production by increasing mortality and reducing harvest volumes, which directly affects biomass (see [Exhibit 42](#)). **Mitigant:** To mitigate this risk, Multi X implements strict biosecurity protocols, including regular fish vaccinations and the use of innovative non-medicinal treatments for sea lice. The Company also invests in research and development to continuously improve disease prevention and control strategies. Additionally, it conducts constant monitoring of fish health through data-driven tools, enabling early detection of potential issues and timely interventions. **Occurrence:** Medium-Low **Impact:** High

[O2]: Territorial Dispute with Indigenous Communities: Multi X operates in regions with historical indigenous claims, where communities have a strong bond to the land and advocate for resource protection. In Chile, indigenous land rights are gaining political and legal momentum, with increasing calls for autonomy. A recurring industry concern is the yearly uncertainty around decisions, such as the CRUBC's February rejection of indigenous communities' coastal space requests under the Lafkenche Law. **Mitigant:** While this legal risk cannot be fully mitigated, Multi X can foster trust and reduce tensions with indigenous communities through open dialogue, transparent practices, and community initiatives, minimizing legal disputes. **Occurrence:** Low **Impact:** Medium-High

[O3]: Uncontrolled Variables in Open-Water: Large marine water volumes bring challenges, including changes in water quality, predator threats, disease risks, and fish escapes, all affecting fish health. The Task Force on Climate-related Financial Disclosures (TCFD) report notes that rising sea temperatures and shifting precipitation worsen these risks by causing oxygen depletion, more frequent harmful algal blooms (HABs), and increased disease outbreaks. Open-water systems remain more vulnerable than controlled land-based aquaculture (see [Exhibit 43](#)). **Mitigant:** Multi X is implementing adaptive technologies like land-based recirculating aquaculture systems (RAS) and enhanced water recirculation, allowing for prolonged fish farming in stable environments. The Company also uses oxygenation systems to improve salmon conditions in low-oxygen settings, such as densely populated cages or during heat waves and low water circulation. **Occurrence:** Medium-High **Impact:** High

[O4]: Disruptions Affecting Performance: Social and political disruptions, such as riots, strikes, violence, or protests, which may cause temporary operational interruptions. These disruptions can impact the normal continuity of processing plants, logistics, and access to essential services. **Mitigant:** Multi X continuously monitors social, political, and environmental situations to ensure the safety of personnel, facilities, and products. The Company regularly evaluates and implements mitigation measures, such as securing insurance policies to cover disruptions. Additionally, contingency plans are in place to minimize the impact of such events on its operations and supply chain. **Occurrence:** Medium **Impact:** Medium

[O5]: Workplace Accidents: Workplace accidents represent a significant risk for Multi X, particularly in processing plants and marine operations, where conditions can be demanding and hazardous. Accidents can lead to operational disruptions, loss of productivity, and potential legal liabilities. **Mitigant:** Multi X has introduced an automated cage-cleaning system with a patented conical bottom, eliminating diver use and reducing underwater risks. The Occupational Health and Safety Model Cross Check has cut accidents by 30% through audits and inspections, focusing on subcontractor safety. Multi X enforces a zero-tolerance policy for threats to employees' physical or moral integrity, prioritizing the Right to Safety and Health with ongoing training to uphold these standards. **Occurrence:** Low **Impact:** High

Legal and Regulatory Risk | Regulated Streams

[L1]: Changing Regulations: Changes in government and environmental policies can impact operational licenses. Earlier this year, an attempt to ban salmon farming in Chile's protected areas was rejected, it created significant uncertainty, prompting worker protests over potential job losses, as 32% of concessions lie in these zones. Such regulatory shifts could increase costs and impose operational restriction. **Mitigation:** Multi X engages in regulatory discussions and adopts international sustainability standards, including membership in industry associations like SalmonChile. The Company closely monitors changes in governmental policies and works closely with authorities to ensure smooth regulatory processes. **Occurrence:** Medium **Impact:** High

[L2]: Consequences of Non-Compliance: This risk focuses on the legal consequences of failing to comply with regulations, which could lead to fines, penalties, restrictions on production quantities. **Mitigation:** Multi X has developed a robust management system to ensure compliance with all regulations. The Company also invests in clean technologies, such as advanced waste management systems and water recycling processes, while internal audits and third-party assessments help minimize regulatory issues. **Occurrence:** Low. **Impact:** High.

Market Risk | Caught in the Net

[M1]: Reputational Concerns: Multi X's reputational risk stems from perceptions of its environmental and social impact, which could reduce demand in sustainability-focused markets like Europe and the U.S. For example, bacterial risks have previously led to market closures, as with Chilean poultry in 2023, highlighting an ongoing concern for salmon markets. **Mitigant:** Multi X has adopted a sustainable waste management approach by converting waste into fertilizer pellets, reducing the environmental impact of aquaculture waste and promoting a circular economy. The Company also engages in sustainability initiatives and holds international certifications, demonstrating its commitment to environmental protection and enhancing its global reputation. **Occurrence:** Medium **Impact:** High

[M2]: Exposure to Key International Markets: Multi X relies heavily on key international markets for the export of its salmon products, with its primary customer being the United States, accounting for 60% of its sales (see [Exhibit 6](#)). Political, economic, or regulatory changes, such as new tariffs, stricter regulations, or economic crises, could significantly reduce Multi X's exports, impacting its sales volumes and profitability. **Mitigation:** Multi X diversify its market presence and continues to expand its operations into emerging markets with growing

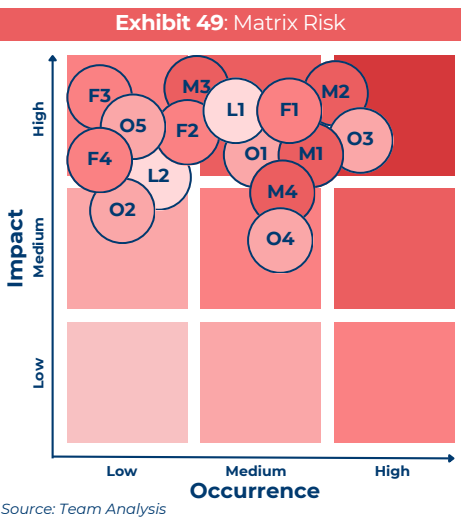
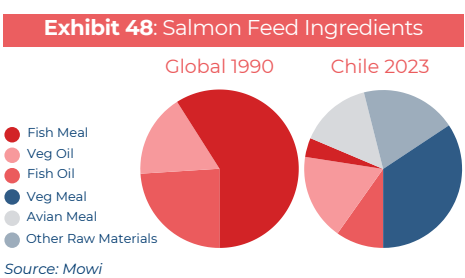
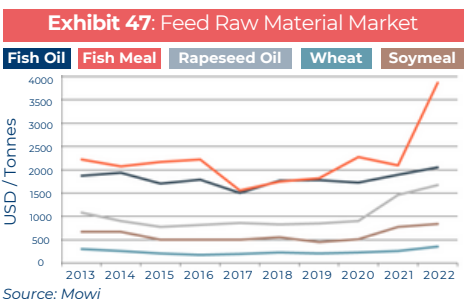
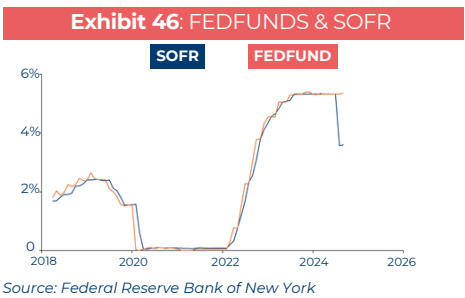
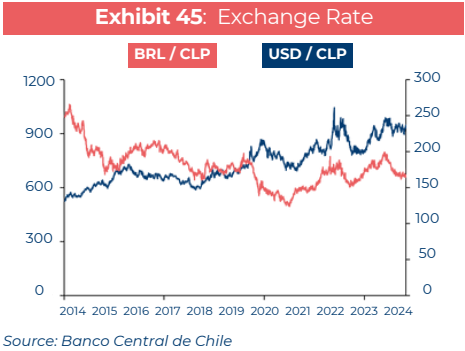
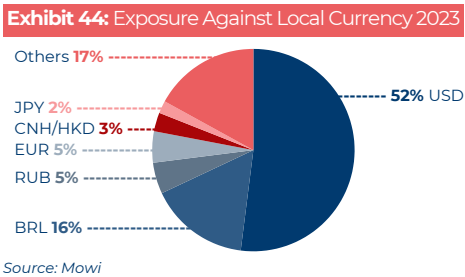
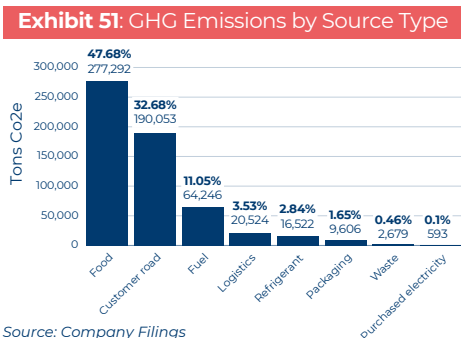
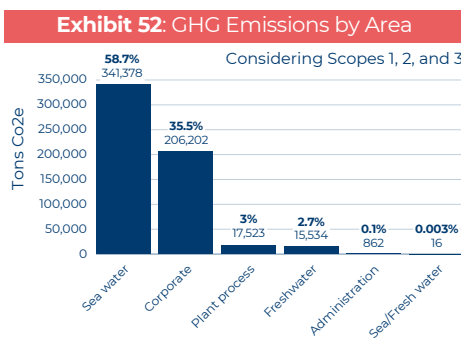


Exhibit 50: Emissions Intensity Comparison				
Year	2022		2023	
Production	87,378 Ton WFE		116,251 Ton WFE	
Scope	Emissions (tCO2e)	Emissions Intensity (tCO2e/TWFE)	Emissions (tCO2e)	Emissions Intensity (tCO2e/TWFE)
Scope 1	66,022	0,756	80,768	0,695
Scope 2	1,416	0,016	593	0,005
Scope 3	370,178	4,237	500,154	4,302
Total	437,616	5,008	581,515	5,002

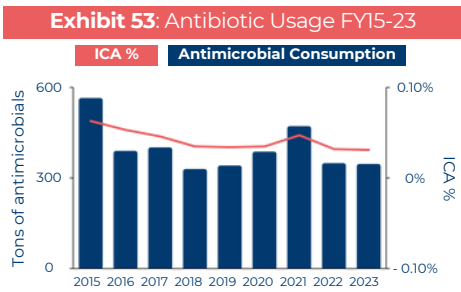
Source: Company Filings



Source: Company Filings



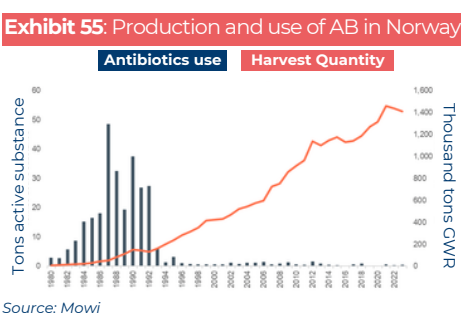
Source: Company Filings



Source: SERNAPESCA / Team Analysis

Exhibit 54: g API per Ton for Atlntic Salmon			
Company	Cycles	ICA % (Kg/t)	Market Share
Multi X	25	36.40%	18.51%
Aquachile	47	22.15%	11.26%
Australis	13	7.76%	3.95%
Salmones Camanchaca	8	37.49%	19.06%
Salmones Austral	7	33.81%	17.19%
Blumar	14	13.42%	6.82%
Mowi	17	45.64%	23.21%
Industry Average	14	33.81%	17.19%

Source: GSI / Team Analysis



Source: Mowi

demand for high-quality salmon, such as Asia or Latin America. The company continuously monitors international trade policies and adjusts its strategies to mitigate the effects of geopolitical changes.

Occurrence: Medium-High **Impact:** High

[M3]: Strategic Positioning in a Competitive Market: The global salmon market is competitive, requiring significant technological innovation and certifications related to sustainability as Dow Jones Sustentability Index. The expansion of current market players could weaken the company's market share, pressuring the company to lower prices or increase investment in marketing and innovation to maintain its competitive edge.

Mitigant: The Company focuses on value-added products and targets premium markets. Therefore, it adopts a strategic approach that emphasizes product quality, innovation, and sustainability, rather than price. This allows the company to differentiate itself, reducing its vulnerability to direct price competition. **Occurrence:** Medium **Impact:** High

[M4]: Foreign Exchange Rate and Interest Rate Fluctuation Risk: Chilean Salmon Industry faces financial risks associated with fluctuations in both exchange rates (see [Exhibit 44](#)) and interest rates. As an exporter, the Company is exposed to the volatility of the Chilean peso against key currencies such as the US dollar and the Brazilian Real which can impact its profitability (see [Exhibit 45](#)). Additionally, changes in global interest rates, including those influenced by the Federal Funds Rate and Secured Overnight Financing Rate (see [Exhibit 46](#)), could increase the cost of financing, affecting the company's debt servicing and overall financial performance.

Mitigant: Multi X mitigates risks with financial hedging, including derivatives, to guard against exchange and interest rate fluctuations. It adjusts its debt mix and regularly reviews its financial position to proactively manage these risks. **Occurrence:** Medium-High **Impact:** Medium-High

Financial Risk | Financial Uncertainty

[F1]: Commodity Price Fluctuations: Feed costs represent the largest portion of Multi X's operational expenses, accounting for ~35% of total production costs. Ingredients like fishmeal and fish oil are subject to price fluctuations driven by factors such as fish catch volumes and environmental and sustainability concerns, which have further increased cost volatility (see [Exhibit 47](#)). **Mitigant:** Feed suppliers have reduced reliance on marine ingredients by introducing plant-based alternatives (see [Exhibit 48](#)), such as soy and insect meal, though with some price volatility still present. Multi X collaborates with suppliers to assess feed options, optimizing delivery to minimize waste and enhance efficiency. **Occurrence:** Medium-High **Impact:** High

[F2]: Global Salmon Price Fluctuations: The global price of salmon is subject to fluctuations due to global supply and demand, as well as competition with other protein sources. This price volatility is intensified by external factors such as changes in sanitary, production, environmental and regulatory conditions in producing countries. **Mitigant:** Multi X's strategy includes market diversification, flexible sales terms, and strong, long-term relationships with key customers. The company also monitors production and regulatory policies in key markets to anticipate changes in supply and demand. **Occurrence:** Medium **Impact:** High

[F3]: Exposure to Liquidity Issues: Liquidity risk refers to the potential difficulty that Multi X may face in meeting its short-term financial obligations. Given the cyclical nature of the salmon farming industry and the significant need for working capital, any disruptions in cash flow, as debt maturities or committed dividends, could affect the Company's ability to maintain liquidity. **Mitigant:** Multi X mitigates liquidity risk by maintaining cash reserves, managing credit lines, and extending supplier payment terms when needed. The Company also regularly forecasts cash flow to meet operational and financial obligations. **Occurrence:** Low **Impact:** High

[F4]: Credit and Solvency: Multi X faces limited credit risk due to the geographical and economic diversification of accounts receivables, with clients of low credit risk and the use of credit insurance to protect its exports. However, solvency risk is significant due to its heavy reliance on salmon prices (see [Exhibit 33](#)).

Mitigants: Multi X diversifies its client base and uses credit insurance to secure its exports. Regarding solvency, the Company maintains cash reserves, credit lines, and actively manages its working capital, forecasting cash flows to ensure it meets its financial obligations. **Occurrence:** Low **Impact:** High

Environmental, Social & Governance

Facing an increasingly environmentally stressed future, industries like aquaculture are emerging as vital players in the search for sustainable food solutions (see [Exhibit 20](#)). Multi X has developed its business model with a strong focus on the UN Sustainable Development Goals and the commitments of national salmon organizations. While the Company currently does not have an ESG score on Bloomberg, it consistently ranks above its peers in environmental and social performance according to global rankings, historical data, and annual company reports, and it is aligned with its peers in governance issues.

Environmental | An ambitious Orange Salmon

As the aquaculture industry strives to establish sustainable feed solutions for the future, efficiencies to be addressed along individual value chains still remain. By quantifying its annual carbon footprint, monitoring the antibiotic cycles employed in its salmon production, and publishing its newest climate-related (TCDF) report, Multi X tracks its performance metrics, allows for meaningful comparisons within the industry and bolsters transparency and commitment to improving climate-related environmental indicators.

Greenhouse Gas Emissions: Despite the 0.5% increase in emissions of tons of CO2 quantified in FY23 on a gross basis, there was a 10% reduction in emissions when applying the *normalized* emissions intensity indicator (see [Exhibit 50](#)). The primary source of GHG is food, followed closely by emissions associated with transportation to customers. Both categories fall under Scope 3 emissions, which originate from outsourced activities and entities that the organization does not own or control, in this case accounting for 86% of Multi X's total emissions (467,345 Tones of CO2e). Recognizing food as the leading source of emissions (see [Exhibit 51](#)), the Company aims to engage with suppliers that continuously reduce their emission factors. Regarding Scope 1 emissions, Multi X reported a total of 80,768 tCO2e derived from fuel and refrigerants - the two types of direct emissions from the company's-controlled activities. Notably, oil represents 78.56% of Scope 1 and 2 emissions, contributing 68,562 tCO2e. Considering these findings, Multi X aims to achieve carbon neutrality by FY23 and plans to reduce Scope 1 and 2 GHG emissions by 50% by 2030, with a primary focus on fuel consumption. They also target a 20% reduction in Scope 3 emissions by 2030, emphasizing collaboration with food suppliers.

Antibiotic usage: Chile has historically recorded high antibiotic ("AB") consumption, which poses risks to marine ecosystems, affects the corporate image of salmon farms, and penalizes the price of salmon. Although the industry saw a 51% reduction in antibiotic use in FY23 compared to FY15 (see [Exhibit 53](#)), Multi X alone is still responsible for 18.51% of the total annual Antibiotic Consumption Index for the Chilean Industry (see [Exhibit 54](#)), implementing 11 cycles of antibiotic treatment more than the industry average. In contrast, Norway has achieved a significant reduction in antimicrobial use, decreasing from nearly 50 tons in 1987 to less than 1.4 tons by 1994, due to the introduction of effective vaccines and biosecurity measures (see [Exhibit 55](#)). Despite

the current challenges they face with high mortality rates, over the past two decades Norway has been able to stabilize these rates primarily through good husbandry practices and vaccination. Multi X also aims to reduce antibiotic use by 60% by FY25 and progressively align with Aquaculture Stewardship Council (ASC) standards.

Mortality and Escapes: In this industry, salmon escapes pose a significant threat to native marine species, as escaped salmon can act as predators, transmit diseases, and compete with other fish for habitat and food. MultiX stands out among comparable companies for having reported zero escapes in the past ten years (see Exhibit 26), while its peers have experienced various incidents since FY13, resulting in a total of 668,160 escaped salmon (detailed reasons for these escapes can be found in Appendix 15). Another key metric in this market is mortality, as it provides valuable insights into fish health during production processes. Since FY13, Multi X has maintained a 12-month rolling mortality rate of 5.01%, quite below the industry average of 6.53% (see Exhibit 56). Both metrics position Multi X better than its peers.

Index Participation: Multi X has been featured in various indices over recent years. In FY19, it became the first Chilean salmon farm to receive Group Certification for Best Aquaculture Practices (BAP) from the Global Aquaculture Alliance (GAA) for a two-year term, aligning with the Global Sustainable Seafood Initiative (GSSI), which is part of the Company's Sustainability Policy established in FY19. In FY21, Multi X advanced seven places in the Collier FAIRR ESG Index of protein production, ranking eighth overall and becoming the highest-ranked Chilean company. That same year, Multi X was selected for the third consecutive time for the Dow Jones Sustainability Index, the world's most recognized ESG ranking, achieving a position in the 92nd percentile (+9% from the 2020 version). In FY23, it ranked 10th globally in the Collier FAIRR Ranking and returned to the DJSI. Additionally, the company obtained its first carbon-neutral product certified by the British Standards Institution (BSI) that year and was a finalist in the Seafood Excellence Awards at the Seafood Expo North America. These accomplishments reflect a stronger positioning relative to its peers in global indices.

Social | Diving deeper into the School and Communities

MultiX has a strong focus on the creation and enhancement of protected spaces and the well-being of its employees, a commitment that has driven the implementation of various initiatives.

Workforce: Multi X has established a Gender Equity Committee and has received guidance from Comunidad Mujer since 2022, alongside the implementation of its first Gender Equity Policy in FY23. Currently, women constitute 38% of the contracted workforce, which totals 2,684 employees. Despite being above the averages of publicly traded peers, this figure has shown a decline over the past four years (see Exhibit 57). The representation of women in junior, mid, and senior management positions has reached 25% in FY23, marking the highest percentage recorded in this area (see Exhibit 58). Regarding the salary cap, in nearly every position the gross salary of women is lower, a phenomenon that also occurs in comparable companies. Regarding diversity, as of FY23, 0.93% of contracted employees have a disability, thereby meeting the 1% requirement mandated by Chilean law, and 3.99% of employees are foreign nationals - above the industry averages of 0.85% and 2.67%, respectively (see Exhibit 59).

Workplace: Regarding the work environment, the Organizational Climate Survey was conducted for the third time in collaboration with People First in 2023, revealing that 68% of employees feel satisfied (+8 points compared to FY22), with a goal of reaching 75% by 2024. Overall turnover has decreased by 7.7% over the past three years (see Exhibit 60), and 247 employees received promotions, meaning that 19% of the vacancies opened by the company were filled through internal mobility. For the third consecutive year in 2023, Multi X continued to strengthen its corporate training program "Forja". The program trained 2,293 employees, averaging 44.5 hours each, and totaled 102,118 effective training hours (+25% compared to FY22).

Community: In FY21, the company launched the "Multi X Citizen" program, focused on five pillars to enhance community engagement. Using FY23 as a reference, (1) 84 family members of 133 employees participated in internal sessions to learn about the company's processes, (2) the program sponsored 23 projects in 10 locations in the south by investing USD 40,000 (which contributed to the renovation of a local school, a fund raising, and sponsored high-performance athletes), (3) received over 122 visits from students, teachers, community councils, trade associations, and athletes across various facilities, (4) established 33 new relationships with suppliers (+32% compared to FY22) and (5) conducted various projects with schools and universities.

Governance | Leadership Across the Waves

Board of Directors:

Tenure: All eight current Board members have a tenure ranging from 3-17 years (average 13 years), providing steady leadership as Multi X navigates the challenges of the salmon industry. José Ramón Gutiérrez Arrivillaga joined the Company as a founding partner in 1987 and has been the Chairman of the Board since the FY07. Has also been Chairman of SalmonChile AG on two occasions, co-founder of the international trade organization Salmon of the Americas, member of the Chilean Advisory Board of Endeavor and co-chair of GSI.

Diversity of the Board: All Board members are aged 51 to 70, with women representing 14% since FY19.

Independence: The Company has three independent directors as of May-22, in accordance with the relevant provisions of Law No. 18,046.

Executive Remuneration: The Directors' Committee receives ~\$940 USD per session, while Directors individually earn ~\$2,600 USD for their participation. On the other hand, the Chairperson earns double that amount for each session, plus ~\$2,040 USD for their role in the committee. In FY23, two directors, José Ramón Gutiérrez A. and Carlos Pucci, voluntarily renounced 100% of their compensation.

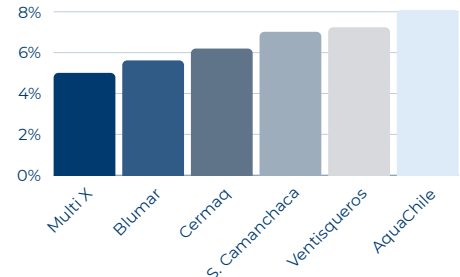
Management: The management team at Multi X consists mainly of male executives (see Appendix 19). Cristián Swett returned to Multi X as CEO in FY21 after having worked at Multi X, Ventisqueros, and Manuka. One year earlier, José Ramón Gutiérrez del Pedregal became CFO, having previously held positions at LarrainVial in NY and Mitsui & Co. Together, their leadership provides stability and direction for the Company.

Sustainability Committee: In July 2022, the governance structure was refined, transitioning from a Corporate Sustainability and Reputation Committee in FY19 to a dedicated Sustainability Committee. This committee consists of five directors representing the three controlling shareholders of Multi X (see Exhibit 61) that meet quarterly, concluding FY23 with a 90% attendance rate across the four meetings. The committee establishes the ESG strategy and oversees the execution of related projects, such as carbon neutrality, energy efficiency management systems, and safety and health indicators.

Shareholder and Public Ownership: Multi X is predominantly owned by MultiExport Foods S.A., which holds a controlling stake of 51%, while Mitsui and Cargill each own 24.5% (see Exhibit 62). Since opening on the Santiago Stock Exchange in 2007, approximately 30% of the shares have been classified as "free float," available for public trading. This ownership structure provides Multiexport Foods S.A. with a strong foundation for strategic control while facilitating connections with the broader market through its publicly traded shares. Similarly, Multi X can leverage this alignment to foster growth and collaboration in the marketplace.

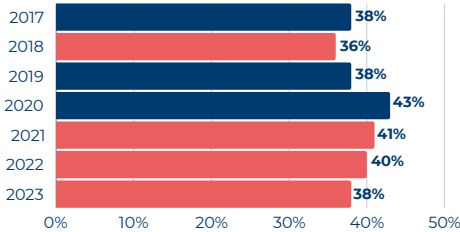
Exhibit 56: Fish Mortality in Local Industry

Local Industry Average: 6.53%



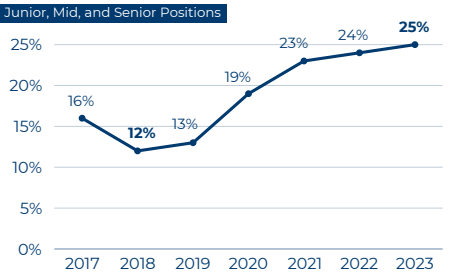
Source: GSI / Team Analysis

Exhibit 57: Women in Total Employees (%)



Source: Company Filings

Exhibit 58: Women in Management (%)



Source: Company Filings

Exhibit 59: Inclusive Workforce vs. Peers

Company	Total	Women	Disabled	Foreigners
Salmones Camanchaca	1,931	588	16	38
Camanchaca	4,181	1,290	30	167
Blumar	2,286	571	45	45
Multi X	2,684	1,020	25	107

Source: Team Analysis

Exhibit 60: Company's Turnover

	2019	2020	2021	2022	2023
Voluntary Rotation	19.3%	32.8%	11.5%	111.3%	16.6%
Total Turnover	24.7%	40.1%	46.6%	42.5%	38.9%

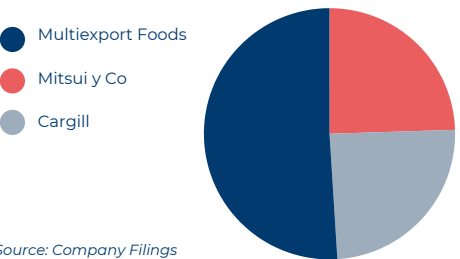
Source: Company Filings / Team Analysis

Exhibit 61: Sustainability Committee

Composed by:
Multiexport Foods S.A. (3 directors)
Cargill Incorporated (1 director)
Mitsui & Co, Ltd (1 director)
General Manager
People, Sustainability, and Corporate Affairs Manager
Sustainability Manager

Source: Company Filings

Exhibit 62: Shareholders Composition



Source: Company Filings

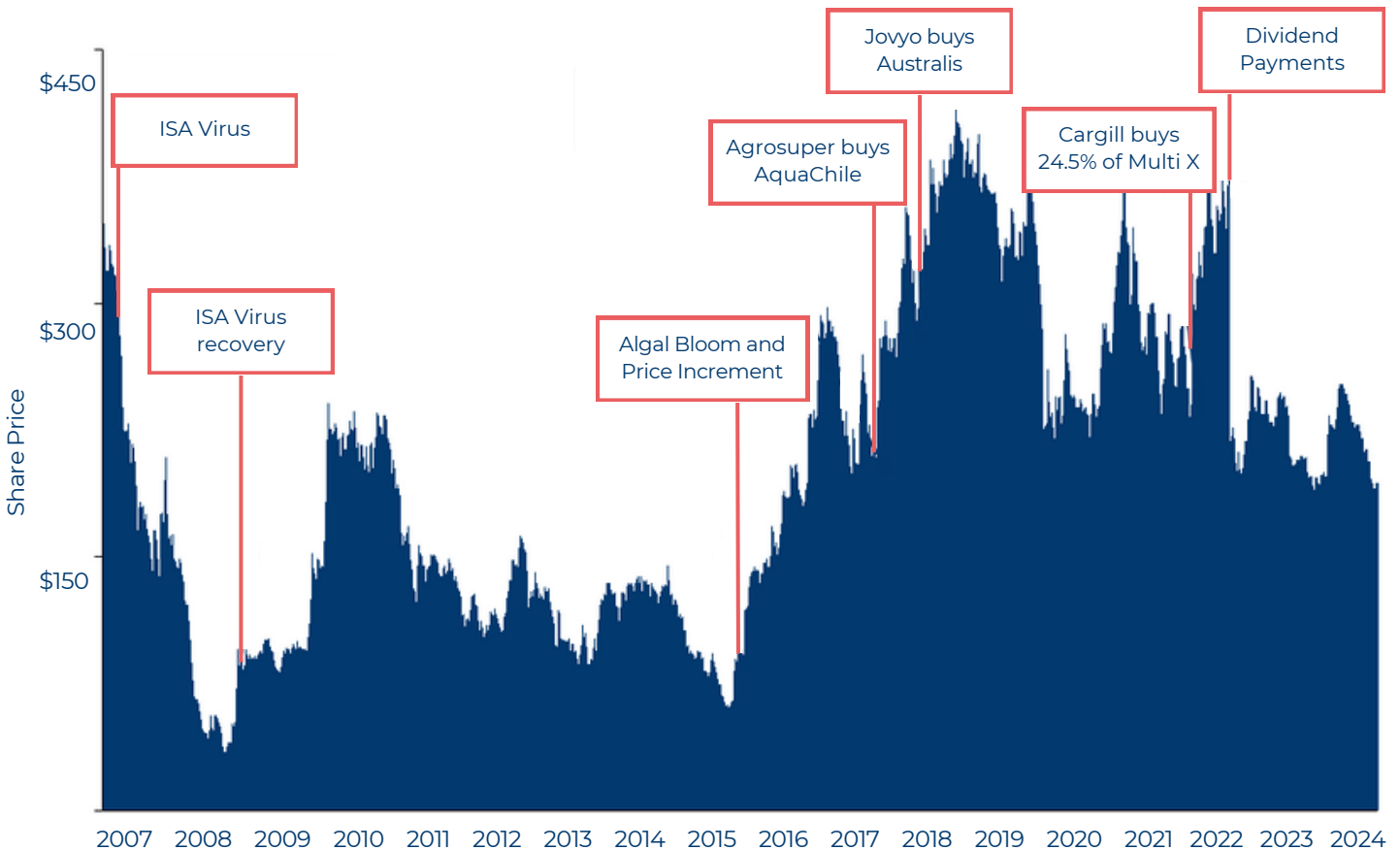
Appendix 1: Glossary

Acronym	Definition	Acronym	Definition
AB	Antibiotics. Refers to medications used to prevent or treat bacterial infections in salmon farming	HABs	Harmful Algal Blooms. Refers to the rapid growth of algae in water that can produce toxins harmful to fish, marine ecosystems, and even humans.
CP	Canned Products refers to salmon that has been processed and preserved in cans, allowing for longer shelf life.	HON	This term refers to fish that are harvested with the head still attached and ungutted, meaning the internal organs are left intact.
CRUBC	Regulatory body in Chile that oversees the management and approval of coastal zone use, focusing on aquaculture and fisheries activities (Comisión Regional de Uso del Bordo Costero)	SMOLT	In aquaculture, a smolt is a young salmon that has adapted from freshwater to saltwater, preparing it for migration and growth to adulthood in the ocean.
GHG	Greenhouse Gases. These are gases that trap heat in the Earth's atmosphere, contributing to global warming and climate change.	TCDF	Task Force on Climate-related Financial Disclosures is an initiative established to develop a consistent framework for companies to disclose climate-related financial risks to investors and stakeholders.
GSI	Global Salmon Initiative. An international alliance of salmon farming companies focused on improving sustainability and transparency within the industry.	WFE	Whole Fish Equivalent refers to the weight of the fish before processing, including the head, bones, and internal organs.

Appendix 2: Minority Interest



Appendix 3: Share Price History and Key Market Events



Appendix 4: Balance Sheet

M USD	FY14A	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F
Current Assets																
Cash, Cash Equivalents & STI	25,458	71,630	87,594	97,478	60,679	7,265	6,443	43,020	78,509	29,709	51,785	50,729	63,517	76,918	94,419	114,399
Cash & Cash Equivalents	24,615	71,421	68,353	89,249	32,245	7,265	6,443	30,619	76,731	29,629	51,785	50,729	63,517	76,918	94,419	114,399
ST Investments	843	209	19,241	8,229	28,434	-	-	12,401	1,778	80	-	-	-	-	-	-
Accounts & Notes Receiv	33,807	20,055	34,845	41,775	50,119	48,110	42,899	49,977	61,694	77,618	69,378	75,453	77,151	78,883	80,649	82,451
Accounts Receivable, Net	33,807	20,055	34,845	41,775	50,119	48,110	42,899	49,977	61,694	77,618	69,378	75,453	77,151	78,883	80,649	82,451
Inventories	205,539	181,052	192,375	213,186	259,218	315,292	305,004	320,761	460,290	445,502	440,716	448,648	451,433	460,462	469,671	479,064
Raw Materials	161,999	149,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finished Goods	37,655	27,021	177,755	201,848	19,686	39,512	50,380	52,297	89,674	84,352	102,936	104,789	105,439	107,548	109,699	111,893
Other Inventory	5,885	4,691	14,620	11,338	239,532	275,780	254,624	268,464	370,616	361,150	337,780	343,860	345,994	352,914	359,972	367,172
Other ST Assets	11,850	16,381	29,144	19,715	62,809	75,535	43,438	52,147	48,654	52,161	52,161	52,161	52,161	52,161	52,161	52,161
Prepaid Expenses	488	447	498	1,223	1,747	4,527	7,168	8,543	3,478	2,358	2,358	2,358	2,358	2,358	2,358	2,358
Income Taxes Receivable	1,725	1,202	1,487	1,681	12,000	10,246	5,336	3,858	1,529	16,206	16,206	16,206	16,206	16,206	16,206	16,206
Misc ST Assets	9,637	14,732	27,159	16,811	49,062	60,762	30,934	39,746	43,647	33,597	33,597	33,597	33,597	33,597	33,597	33,597
Total Current Assets	276,654	289,118	343,958	372,154	432,825	446,202	397,784	465,905	649,147	604,910	614,040	626,990	644,262	668,424	696,900	728,075
Property, Plant & Equip, Net	105,536	109,767	106,491	105,927	122,348	138,240	136,702	141,358	159,766	207,312	219,952	228,361	235,361	240,923	245,019	247,619
Property, Plant & Equip	183,212	201,642	212,293	225,096	255,937	279,248	275,155	298,040	338,170	404,165	441,165	476,165	511,865	548,279	585,421	623,306
Accumulated Depreciation	77,676	91,875	105,802	119,169	133,589	141,008	138,453	156,682	178,404	196,853	221,213	247,804	276,504	307,356	340,402	375,687
LT Investments & Receivables	350	302	318	344	309	287	301	258	255	249	249	249	249	249	249	249
LT Investments	27	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
LT Receivables	323	276	292	318	283	261	275	232	229	223	223	223	223	223	223	223
Other LT Assets	106,086	107,933	100,000	93,095	83,242	81,887	109,620	104,843	114,596	137,488	137,488	137,488	137,488	137,488	137,488	137,488
Total Intangible Assets	22,777	22,735	22,727	22,709	22,702	22,672	22,663	27,395	27,173	26,961	26,961	26,961	26,961	26,961	26,961	26,961
Other Intangible Assets	22,777	22,735	22,727	22,709	22,702	22,672	22,663	27,395	27,173	26,961	26,961	26,961	26,961	26,961	26,961	26,961
Deferred Tax Assets	44,647	55,838	42,042	15,838	6,987	9,962	32,643	16,632	16,395	19,283	19,283	19,283	19,283	19,283	19,283	19,283
Investments in Affiliates	-	-	-	-	-	177	14,600	18,045	16,378	28,789	28,789	28,789	28,789	28,789	28,789	28,789
Misc LT Assets	38,662	29,360	35,231	54,548	53,553	49,076	39,714	42,771	54,650	62,455	62,455	62,455	62,455	62,455	62,455	62,455
Total Noncurrent Assets	211,972	218,002	206,809	199,366	205,899	220,414	246,623	246,459	274,617	345,049	358,701	385,292	413,992	444,844	477,890	513,175
Total Assets	488,626	507,120	550,767	571,520	638,724	666,616	644,407	712,364	923,764	950,039	972,741	1,012,282	1,058,253	1,113,267	1,174,790	1,241,251
Liabilities & Shareholders' Equity																
Payables & Accruals	95,596	86,308	109,870	103,961	121,514	132,944	94,890	134,201	212,244	164,280	192,807	196,342	198,016	201,976	206,016	210,136
Accrued Payable	89,177	82,101	100,830	79,497	83,275	96,238	91,934	115,211	131,178	132,544	160,436	163,324	164,337	167,624	170,977	174,396
Accrued Taxes	657	780	1,456	753	13,425	20,466	1,534	1,986	44,354	2,484	2,534	2,584	2,636	2,689	2,743	2,797
Interest & Dividends Payable	-	-	-	-	-	-	-	9,294	11,031	2,709	2,763	2,818	2,875	2,932	2,991	3,051
Other Payables & Accruals	5,762	3,427	7,584	23,711	24,814	16,240	1,422	7,710	25,681	26,543	27,074	27,615	28,168	28,731	29,306	29,892
ST Debt	35,300	35,233	45,240	13,072	13,176	53,195	68,406	48,349	92,572	156,674	164,026	138,626	109,026	79,026	79,026	79,026
ST Borrowings	20,132	20,087	-	-	-	-	-	137	15,095	25,015	25,015	15,000	10,000	-	-	-
ST Capital Leases	-	69	-	-	-	-	421	-	-	-	-	-	-	-	-	-
Current Portion of LT Debt	15,168	15,077	45,240	13,072	13,176	53,195	67,985	48,212	77,327	130,796	139,011	123,626	99,026	79,026	79,026	79,026
Other ST Liabilities	2,664	1,784	2,799	1,846	4,804	6,671	5,625	6,486	6,363	7,807	7,963	8,122	8,285	8,451	8,620	8,792
Deferred Revenue	2,508	1,565	2,766	1,740	2,286	3,996	2,082	3,190	3,013	4,097	4,097	4,097	4,097	4,097	4,097	4,097
Derivatives & Hedging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc ST LiabilitiesTotal	156	219	33	106	2,518	2,675	3,543	3,296	3,350	3,710	3,710	3,710	3,710	3,710	3,710	3,710
Total Current Liabilities	133,560	123,325	157,909	118,849	139,494	192,810	168,921	189,036	311,179	328,761	364,796	343,090	315,327	289,453	293,661	297,954
LT Debt	152,909	138,774	94,741	88,000	76,000	64,000	134,727	118,000	135,938	113,719	102,500	102,500	102,500	102,500	102,500	102,501
LT Borrowings	152,909	138,774	94,741	88,000	76,000	64,000	134,000	118,000	135,600	113,200	102,500	102,500	102,500	102,500	102,500	102,501
LT Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other LT Liabilities	31,179	28,525	32,933	39,046	45,491	47,095	52,196	61,846	73,000	79,946	81,545	83,176	84,839	86,536	88,267	90,032
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Post-Ret Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	31,179	28,525	32,933	39,046	45,491	47,095	52,196	61,846	73,000	79,946	81,545	83,176	84,839	86,536	88,267	90,032
Derivatives & Hedging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc LT Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	184,088	167,299	127,674	127,046	121,491	111,095	186,923	179,846	208,938	193,665	184,045	185,676	187,339	189,036	190,767	192,533
Total Liabilities	317,648	290,624	285,583	245,925	260,985	303,905	355,844	368,882	520,117	522,426	548,841	538,766	502,666	478,489	484,428	490,487
Preferred Equity																
Share Capital & APIC	153,347	153,347	153,347	153,347	172,046	171,471	171,471	171,471	171,471	171,471	171,471	171,471	171,471	171,471	171,471	171,471
Common Stock	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347	153,347
Additional Paid in Capital	-	-	-	-	18,699	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124
Treasury Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	6,886	(21,778)	17,157	62,912	86,534	72,276	15,341	56,654	48,743	43,867	46,867	58,861	73,588	89,363	74,456	58,901
Other Equity	4,198	34,936	34,936	34,936	34,936	35,010	35,010	35,724	1,874	14,911	-	-	-	-	-	-
Equity Before Minority Interest	164,431	166,505	205,440	251,195	293,516	278,757	221,822	263,849	222,088	230,010	220,947	211,678	219,767	232,997	216,387	199,095
Minority Interest	6,547	49,991	59,744	74,400	84,223	83,954	66,741	79,633	181,559	197,603	212,282	203,377	211,149	223,860	207,901	191,287
Total Equity	170,978	216,496	265,184	325,595	377,739	362,711	288,563	343,482	403,647	427,613	433,229	415,055	430,917	456,858	424,288	390,382
Total Liabilities & Equity	488,626	507,120	550,767	571,520	638,724	666,616	644,407	712,364	923,764	950,039	982,079	943,821	933,583	935,346	908,716	880,869

Appendix 5: Valuation Support (Base Case)

The company estimates revenues based on projected sales and production capacities. For the second half of the year, expected sales volumes are calculated and combined with first-half income to determine total revenues. This process reflects anticipated performance and market conditions, ensuring that projections are aligned with current trends. For FY25, revenues incorporate savings and adjustments from the previous year, along with inflation considerations. Looking ahead to FY26-29, the projections account for inflation and expected sales quantities, allowing for a comprehensive view of potential revenue growth over the coming years.

Free Cash Flow Projections to the Firm

M USD	FY20A	FY21A	FY22A	FY23A	FY24F	FY25F	FY26F	FY27F	FY28F	2029F
Revenue	476,028	633,595	643,092	877,618	819,675	891,446	911,507	931,969	952,841	974,129
Growth %	-16.2%	33.1%	1.5%	36.5%	-6.6%	8.8%	2.3%	2.2%	2.2%	2.2%
EBITDA	-63,298	91,117	115,938	65,029	66,932	127,586	145,281	151,997	158,846	165,833
EBITDA Margin %	-13.3%	14.4%	18.0%	7.4%	8.2%	14.3%	15.9%	16.3%	16.7%	17.0%
EBIT	-60,743	72,888	94,216	46,580	42,572	100,996	116,581	121,145	125,800	130,548
EBIT Margin %	-12.8%	11.5%	14.7%	5.3%	5.2%	11.3%	12.8%	13.0%	13.2%	13.4%
NOPAT (Net Operating Profit After Taxes)	-44,342	53,208	68,778	34,003	31,077	73,727	85,104	88,436	91,834	95,300
(+) D&A	-2,555	18,229	21,722	18,449	24,360	26,590	28,700	30,852	33,047	35,285
(-) CAPEX	31,982	28,021	53,586	48,814	37,000	35,000	35,700	36,414	37,142	37,885
(-) Change in NWC	-11,195	-442	135,279	-230	-40,918	11,119	3,469	7,474	7,623	7,776
Free Cash Flow	-67,684	43,858	-98,365	3,868	59,356	54,198	74,635	75,400	80,115	84,924
Discount Rate					10.05%	10.05%	10.05%	10.05%	10.05%	10.05%
Discount Period					0.1	0.8	1.8	2.8	3.8	4.8
Discount Factor					1.0	0.9	0.8	0.8	0.7	0.6
Present Value of Free Cash Flow					58,649	50,442	63,119	57,942	55,942	53,885
Present Value of Free Cash Flow + Terminal Value					58,649	50,442	63,119	57,942	55,942	767,536

Applied Methods

Discounted Cash Flow Method	
M USD	
WACC	10.05%
Terminal Growth Rate	2.5%
PV of FCF	\$295,992
Terminal Year	\$1,124,735
PV Terminal Year	\$713,651
EV	\$718,901
(-) Total Debt	\$285,672
(-) Minority Interest	\$187,136
(+) Cash	\$35,779
Equity Value	\$433,229
51%	\$220,947
Shares	1,410.67
Implied Price (CLP)	\$157
12m Target Price (CLP)	\$246.2
Current Price (CLP)	\$198
Implied Return	24.3%

Market Approach Method	
M USD	
WACC	10.05%
EV/EBITDA FY25 multiple	10.0
EV/Kg WFE FY25 multiple	6.2
EV EBITDA FY25	\$1,272,336
EV Kg WFE FY25	\$749,900
Average EV	\$1,011,118
EV	\$1,011,118
(-) Total Debt	\$285,672
(-) Minority Interest	\$187,136
(+) Cash	\$35,779
Equity Value	\$574,089
51%	\$292,078
Shares	1410.67
Implied Price (CLP)	\$208
12m Target Price (CLP)	\$246.7
Current Price (CLP)	\$198
Implied Return	24.6%

Valuation Results

	Weighting	Total
Income Approach Price	70%	CLP 246.18
Market Focus Price	30%	CLP 246.65
Target Price		CLP 246.32
Current Share Price		CLP 198.01
Upside		24.40%

Appendix 6: Free Cash Flow Projections to Equity

M USD	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F
EBITDA	66,932	127,586	145,281	151,997	158,846	165,833
WK	-40,918	11,119	3,469	7,474	7,623	7,776
Taxes	11,494	27,269	31,477	32,709	33,966	35,248
FCF Operations	96,356	89,198	110,335	111,814	117,257	122,809
CAPEX	37,000	35,000	35,700	36,414	37,142	37,142
FCF Firm	59,356	54,198	74,635	75,400	80,115	84,924
Net Interest	-17,993	-17,425	-15,354	-12,962	-10,538	-10,464
Debt Amortization	64,518	140,400	79,600	30,000	0	0
TAX Benefit	4,858	4,705	4,145	3,500	2,845	2,825
FCF Equity	-18,297	-98,922	-16,173	35,938	72,422	72,286
% Payout	30%	30%	30%	30%	70%	70%
Dividends Paid	4,627	17,134	21,039	22,536	54,922	57,307
New Debt	45,000	115,000	50,000	0	0	0
Total FCF	22,076	-1,056	12,788	13,401	17,500	19,980
Cash	51,758	50,729	63,517	76,918	94,918	114,399

Appendix 7: Income Statement

M USD	FY14A	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F
Sales	400,076	346,268	408,452	508,761	537,247	568,402	476,028	633,595	643,092	877,618	819,675	891,446	911,507	931,969	952,841	974,129
Cost Of Sales	-368,701	-365,671	-336,625	-367,107	-418,565	-478,368	-512,732	-533,607	-518,218	-794,934	740,873	754,207	758,889	774,067	789,548	805,339
Earnings Before Fair Value	31,375	-19,403	71,827	141,654	118,682	90,034	-36,704	99,988	124,874	82,684	78,801	137,239	152,618	157,903	163,293	168,790
(Charges) credits to profit and loss from Fair Value adjustments of harvested and sold biological assets	-9,748	-1,142	-24,695	-98,779	-83,395	-90,195	-57,774	-69,575	-117,066	-127,526	-	-	-	-	-	-
(Charges) credits to profit and loss for Fair Value adjustment of biological assets for the period	16,526	-9,888	54,007	103,488	95,261	89,851	42,129	105,131	134,903	97,112	-	-	-	-	-	-
Gross Profit	38,153	-30,433	101,139	146,363	130,548	89,690	-52,349	135,544	142,711	52,270	78,801	137,239	152,618	157,903	163,293	168,790
Other Income	464	140	118	698	697	551	616	377	777	509	524	536	547	557	569	580
Distribution Costs	-8,009	-8,571	-7,127	-6,913	-8,019	-9,756	-9,985	-9,061	-9,448	-13,689	-13,947	-14,888	-15,185	-15,489	-15,799	-16,115
Administrative Expenses	-8,178	-7,294	-7,107	-11,932	-12,711	-16,440	-14,054	-18,039	-21,210	-22,415	-22,283	-21,356	-20,851	-21,268	-21,694	-22,128
Other Expenses	-527	155	-9,163	-1,747	-820	-2,685	-17,227	-11,930	-17,620	-8,348	-8,590	-8,788	-8,963	-9,143	-9,326	-9,512
Operating Income	21,903	-46,313	77,869	126,469	109,695	61,360	-92,999	96,891	95,210	8,327	34,505	92,744	108,165	112,560	117,043	121,616
Finance Income	131	108	361	1,343	3,908	3,190	2,362	847	4,295	3,373	3,471	3,551	3,622	3,694	3,768	3,843
Finance Costs	-5,276	-4,863	-5,084	-4,015	-4,622	-4,572	-6,728	-7,791	-9,577	-21,366	-20,896	-18,904	-16,584	-14,232	-14,232	-14,232
Share of profit (loss) from associates and joint ventures accounted for using the equity method	-	-	-	-	-	15	-2,345	-2,078	-1,667	161	-	-	-	-	-	-
Foreign exchange differences	1,907	4,612	-1,958	-3,031	3,727	-433	-1,587	3,928	2,285	806	829	848	865	883	900	918
(Losses) gains before tax (27%)	18,665	-46,456	71,179	120,766	112,708	59,560	-101,297	91,797	90,546	-8,699	17,910	78,239	96,068	102,905	107,480	112,146
Income tax expense	-4,216	13,550	-19,273	-32,539	-31,314	-16,135	27,149	-25,808	-25,134	2,418	-4,836	-21,124	-25,938	-27,784	-29,020	-30,279
Gains (losses)	14,449	-32,906	51,906	88,227	81,394	43,425	-74,148	65,989	65,412	-6,281	13,074	57,114	70,130	75,121	78,460	81,866
Net Income for Shareholders (51%)	7,369	-16,782	26,472	44,996	41,511	22,147	-37,815	33,654	33,360	-3,203	6,668	29,128	35,766	38,312	40,015	41,752

Appendix 8: Key Financial Figures

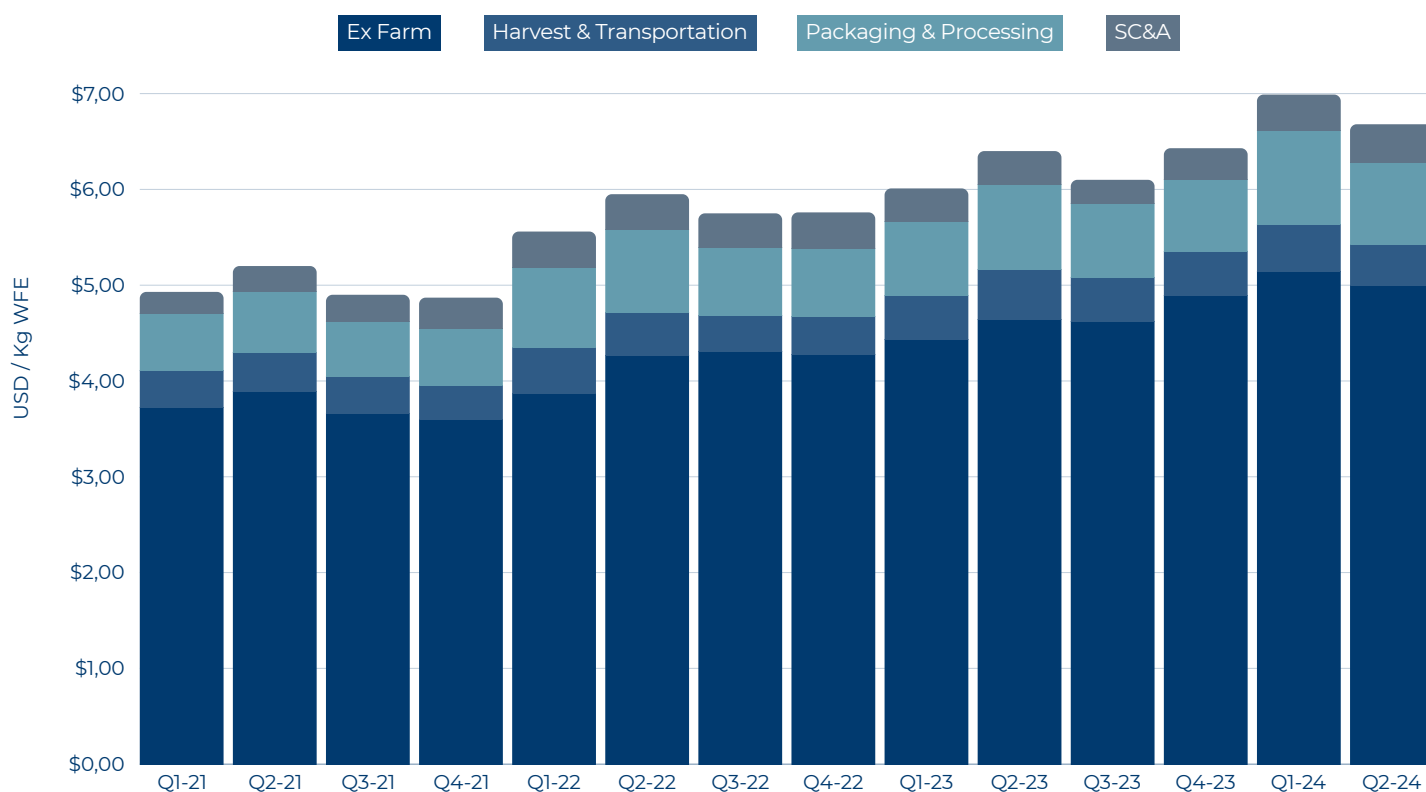
M USD	FY14A	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F
Revenue	400,076	346,268	408,446	508,761	537,247	568,402	476,028	633,595	643,092	877,618	819,675	891,446	911,507	931,969	952,841	974,129
Net Income	14,449	-32,906	51,906	88,227	81,394	43,425	-74,148	65,989	65,412	-6,281	13,074	57,144	70,130	75,121	78,416	81,866
Profitability Ratios																
Net Profit Margin	3.61%	-9.59%	12.71%	17.34%	15.15%	7.64%	-15.58%	10.42%	10.17%	-0.72%	1.60%	6.41%	7.69%	8.06%	8.23%	8.40%
EBITDA Margin (%)	7.16%	-6.08%	17.51%	26.77%	20.92%	12.54%	-13.30%	14.38%	18.03%	7.41%	8.17%	14.31%	15.94%	16.31%	16.67%	17.02%
EBIT Margin (%)	3.80%	-10.19%	14.10%	24.14%	18.23%	11.23%	-12.76%	11.50%	14.65%	5.31%	5.19%	11.33%	12.79%	13.00%	13.20%	13.40%
ROE (%)	12.61%	-32.60%	35.59%	34.19%	30.46%	16.47%	-47.09%	24.29%	33.44%	-1.72%	4.25%	17.74%	21.94%	23.46%	28.11%	34.05%
ROA (%)	4.41%	-13.93%	17.14%	19.48%	18.01%	8.96%	-21.09%	11.71%	14.61%	-0.77%	1.89%	7.28%	8.93%	9.63%	10.15%	10.71%
Liquidity Ratios																
Current (AC/LC)	2.07x	2.34x	2.18x	3.13x	3.10x	2.31x	2.35x	2.46x	2.09x	1.84x	1.68x	1.83x	2.04x	2.31x	2.37x	2.44x
Quick Ratio (Cash+CC)/LC	0.53x	0.87x	0.96x	1.33x	1.23x	0.66x	0.51x	0.72x	0.60x	0.48x	0.47x	0.51x	0.60x	0.71x	0.77x	0.83x
Debt Ratios																
Interest Coverage (EBIT/Interest Expense)	2.88x	-7.25x	11.33x	30.59x	21.19x	13.96x	-9.03x	9.36x	9.84x	2.18x	2.04x	5.34x	7.03x	8.51x	8.84x	9.17x
Total Debt/Kg WFE	2.98x	2.68x	2.21x	1.34x	1.08x	1.30x	2.06x	1.64x	2.78x	2.32x	2.32x	2.01x	1.76x	1.51x	1.51x	1.51x
DFN/EBITDA	5.68x	-4.86x	0.73x	0.03x	0.25x	1.54x	-3.10x	1.35x	1.29x	3.69x	3.21x	1.49x	1.02x	0.69x	0.55x	0.4x

Appendix 9: Cost Breakdown

Multi Export's costs are measured in USD/Kg WFE and are divided into four stages: (1) ex-farm, (2) harvest and transportation, (3) packaging and processing, and (4) selling, general, and administrative expenses (SG&A). Ex-farm costs are the largest, averaging 73.99% of total costs over the past 14 quarters. Within this category, feed represents 46.15% of ex-farm costs and 34.54% of total costs in the most recent quarter. The current high feed prices are largely attributed to significant investments in innovation by feed suppliers, as they work to develop more sustainable and efficient options. Despite these short-term increases in costs, these innovations are expected to lower overall costs in the long term.

The remaining three stages (harvest, transportation, packaging, and SG&A) have shown stable trends, collectively accounting for 26.01% of total costs. Multi X has improved efficiency by optimizing feed delivery and implementing automated processes, allowing the company to better control operational costs.

The company expects further cost reductions, largely due to the implementation of the Humboldt Project, which focuses on increased automation and operational optimization, keeping its costs competitive within the salmon farming industry.



Appendix 10: Weighted Average Cost of Capital

WACC Components - USD			
	10Y	20Y	30Y
Cost of Equity			
Risk Free Rate	3.91%	4.28%	4.20%
Leverage (D/E)	33.58%	33.58%	33.58%
Beta	0.83	0.83	0.83
Market Risk Premium	3.96%	3.96%	3.96%
Cost of equity before adjustments	7.21%	7.58%	7.50%
<i>Non - Systemic Risk Factors</i>			
Premium Size	2.22%	3.16%	3.16%
Country risk	0.80%	0.80%	0.80%
Volatility Ratio	1.30	1.30	1.30
CSRP	1.00%	1.00%	1.00%
Modified Cost of Equity	11.47%	12.78%	12.70%
Cost of Debt			
Cost of Debt Before Tax	7.18%	8.08%	8.10%
Tax Rate	27.00%	27.00%	27.00%
Cost of Debt After Tax	5.83%	6.48%	6.50%
Financial Structure			
Equity	74.86%	74.86%	74.86%
Debt	25.14%	25.14%	25.14%
WACC	10.05%	11.20%	11.14%



Source: Capital IQ

Appendix 12: Mergers & Acquisitions (M&A)

EV / EBITDA Multiple				
Date	Acquirer	Target	EV / EBITDA	Discount
2021	JBS	Huon Aquaculture	26.84 x	78%
2022	Cargill	Multi X	11.75 x	49%
2022	Cooke	Tassal	8.57 x	30%
EV / Ton WFE Multiple				
Date	Acquirer	Target	EV / Ton WFE	Discount
2021	JBS	Huon Aquaculture	12.59 x	49%
2022	Cargill	Multi X	11.91 x	46%
2022	Cooke	Tassal	32.35 x	80%
Average Discount				55%

We analyzed the three most recent transactions in the industry and calculated the multiples of EV/EBITDA and EV/Ton WFE for each one. We then extracted the individual discount for each multiple and subsequently derived the average discount.

This average discount reflects the current devaluation of the Company in comparison to the prices paid for similar companies in recent years, including the amount paid for Multi in the acquisition of Cargill in FY22.

Furthermore, this analysis provides critical insight into the market perception of the Company's worth, indicating potential areas for improvement and strategies for enhancing its valuation in the future. The data suggests that the Company is currently undervalued, which could present an opportunity for appreciation.

Bull and Bear

EBIT Margin				EBIT / Kg				Implied Return		
	2025 F	2026 F	2027 F		2025 F	2026 F	2027 F	Implied Target Price		Implied Return
Bull	15.5%	16.5%	16.7%	Bull	1.18	1.29	1.33	Bull	CLP \$ 375	89.4%
Base	11.3%	12.8%	13.0%	Base	0.84	0.97	1.01	Base	CLP \$ 246	24.3%
Bear	9.3%	9.7%	9.9%	Bear	0.68	0.72	0.76	Bear	CLP \$ 129	-34.8%

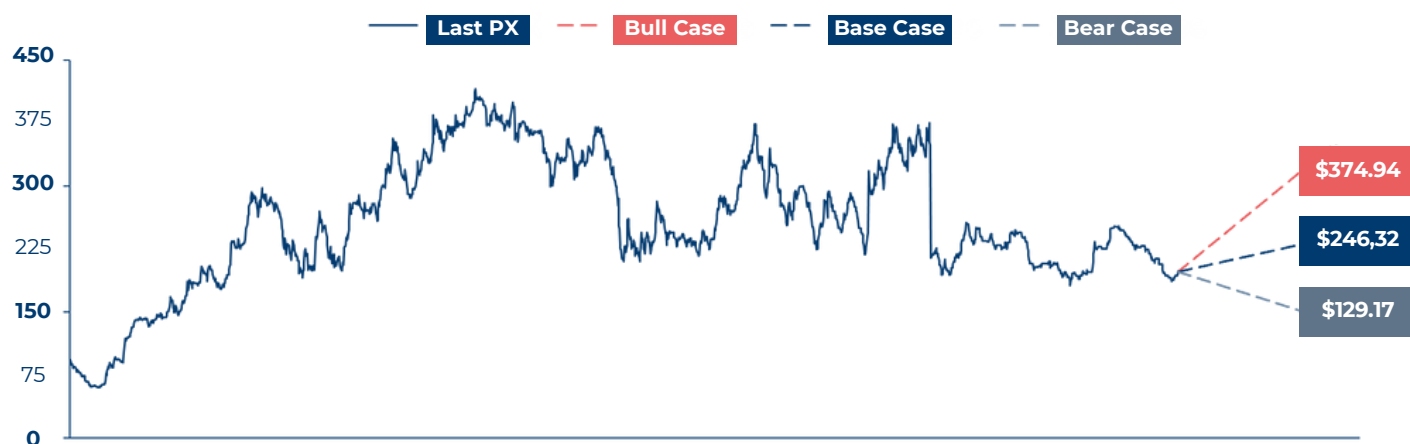
Bull case - CLP \$374.94

Our bull case scenario reflects an optimistic outlook for the industry and the Company's performance. This scenario is built upon adjustments to the three most significant variables in our model, with the following modifications: **(1)** The CAPEX and OPEX savings associated with the Humboldt Project succeed as projected, reducing costs by USD 50 million per year, with an impact of +0.4 EBIT/kg. **(2)** Due to favorable market conditions, the price of Atlantic salmon appreciates, reaching \$6.5/Kg, consistent with the Company's projections. **(3)** The Company manages its account turnover efficiently, applying the minimum historical rate from the past decade, reflecting high operational efficiency. Under this scenario, we arrive at a target price of CLP \$374.94, representing an upside of 89.35% compared to the closing price on September 30, 2024.

Bear case - CLP \$129.17

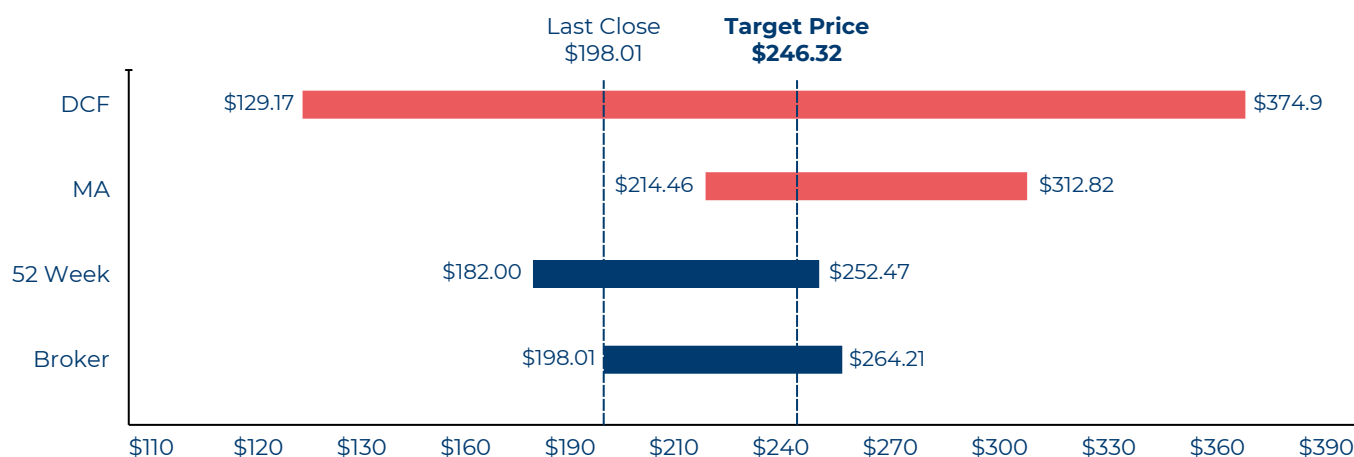
Our bear case scenario reflects a negative outlook for the industry and the company's performance. This pessimistic scenario is built upon the adjustment of the three most significant variables in our model, with the following variations: **(1)** The CAPEX and OPEX savings linked to the Humboldt Project fail due to inefficiencies within the Company, resulting in higher operational costs and lower margins. **(2)** Due to market conditions, the price of Atlantic salmon does not increase as projected by the company, remaining constant at the average price of 6.22/Kg seen in 2023. **(3)** The Company is unable to maintain efficient account turnover, so we applied the historical maximum from the past decade, reflecting operational inefficiency. Under this scenario, we conclude with a target price of CLP \$129.17, representing a downside of 34.77% compared to the closing price on September 30, 2024.

Our scenario analysis highlights the dynamic and inherent volatility of the Atlantic salmon industry, as well as the critical importance of the assumptions embedded in our valuation model.

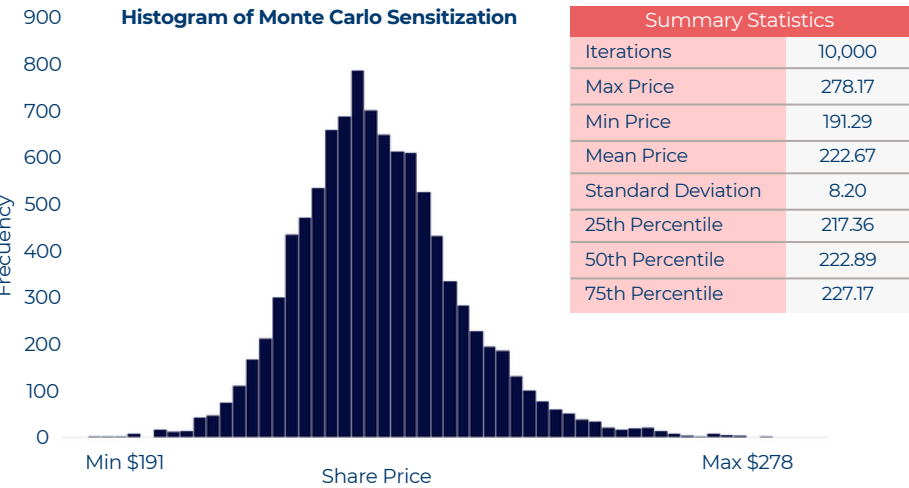


Valuation Football Field

CLP	DCF	Market Approach	52 Week Range	Broker Range
Target price				
\$246.32				
High	\$374.9	\$312.82	\$252.47	\$264.24
Base	\$246.18	\$246.65	\$215.18	\$231.13 (average)
Low	\$129.17	\$214.46	\$182.00	\$198.01
<i>Weighting</i>	70%	30%	0%	0%

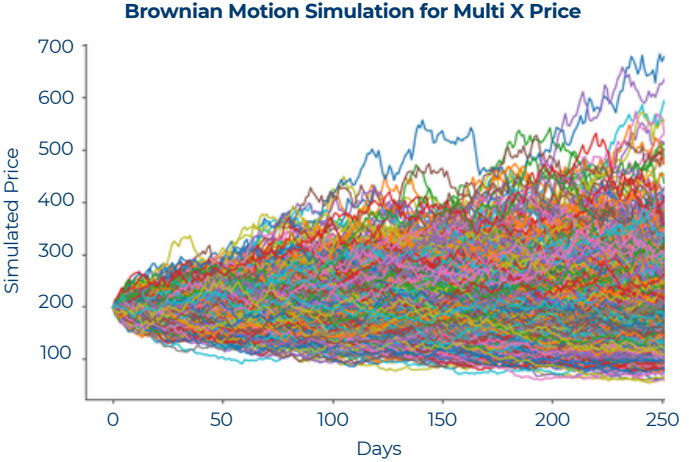
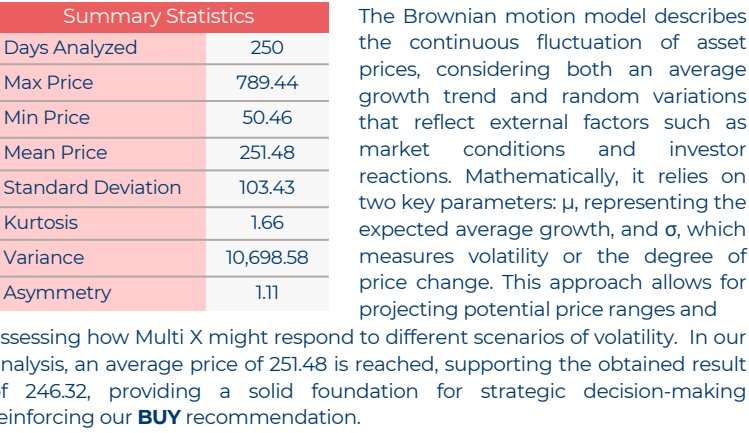


Monte Carlo Simulation

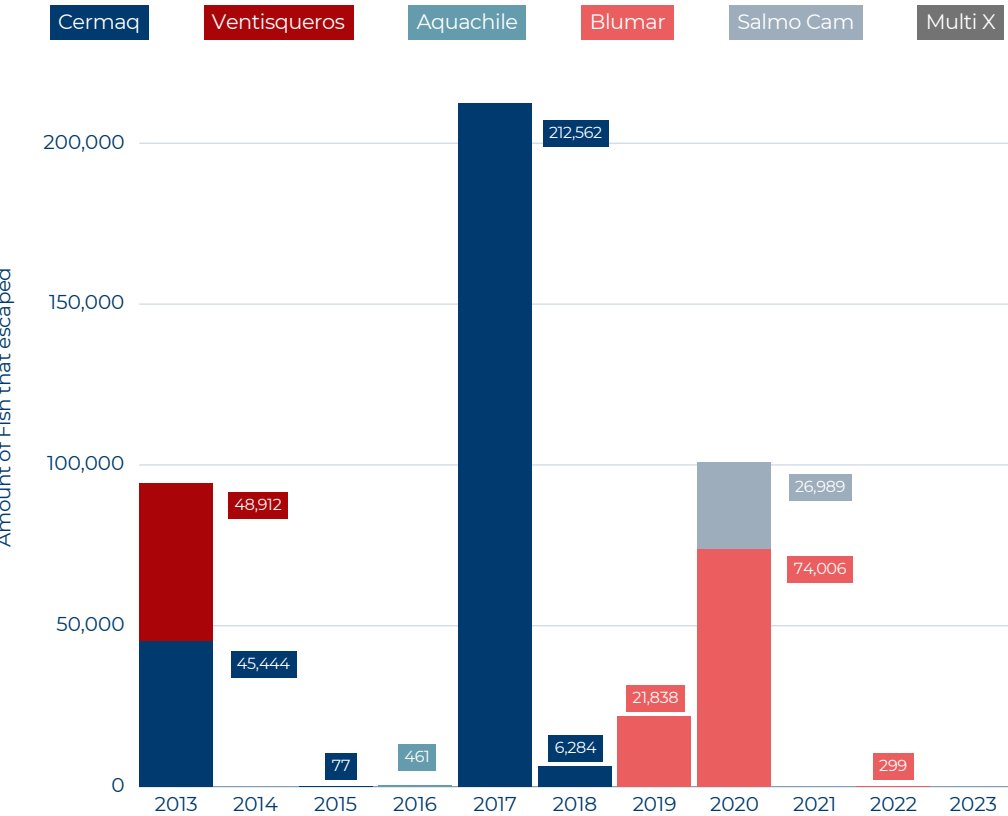


It is particularly useful in validating the robustness of our valuation model for Multi X, as it allows us to account for the uncertainty and variability in market conditions. For this analysis, we used historical stock data for Multi X and converted the values into a logarithmic series to obtain the stock's returns. We then randomly selected 252 values (representing the trading days in a year) to calculate the expected return of the stock over a one-year period. The Monte Carlo simulation resulted in a target price of CLP \$222.67, representing an upside of 13% from the closing price as of September 30th. The results of this simulation reflect the Company's historical performance in the stock market, highlighting that the stock tends to recover after reaching historical lows. Additionally, the outcome aligns with our **BUY** recommendation, at a lower upside compared to our primary valuation model.

Brownian Motion



Appendix 15: Breakdown of Escapes within local Industry



All escapes presented in this annex refer to Atlantic salmon in seawater. Since 2013, Cermaq has been the largest contributor to total escapes in the Chilean industry, accounting for 60.5% of the total (264,367 fish). Following Cermaq, Blumar is responsible for 22% of the escapes, while Ventisqueros accounts for 11%. Cermaq also holds the record for the highest frequency of escapes in a single year, having experienced four incidents in 2017.

Some of the reasons that explain the escapes faced by the Chilean industry, are net breaches caused by strong marine currents, storms, and equipment handling failures. The escapes reported by Blumar in FY22, Cermaq in FY15, and one of its escapes in FY17 were related to incidents occurring during anti-parasitic treatments and while addressing sea lice.

Notably, since 2013, Multi X has distinguished itself as the sole salmon farming company in the local industry to report zero escapes, a remarkable achievement that sets it apart from its competitors.

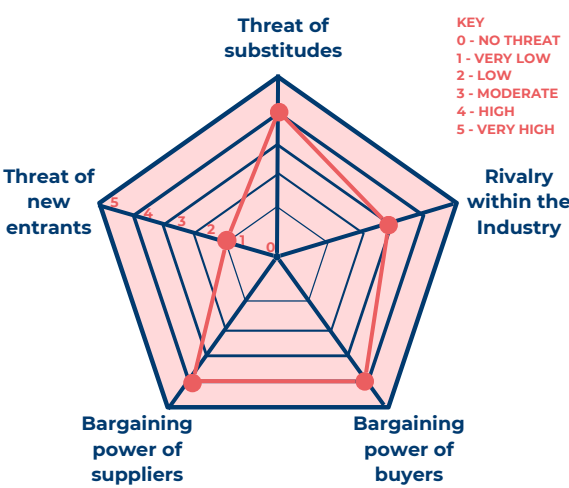
Threat of New Entrants - VERY LOW: The barriers to entry in the salmon farming industry is quite low due to several factors. First, capital requirements are immense because farming operations need significant investment in infrastructure, equipment, feed, advanced technology. Second, there are important regulations that vary within the county, especially in Norway and in Chile where major salmon farming are located. Additionally, It is crucial the emerging technologies to be up to date in the research and development of new technologies for supporting the other barriers the industry has and also for minimizing ecological damage and maximizing the efficiency in the salmon process. Therefore is very low the threat due to the expertise and capital needed.

Rivalry Within the Industry - MODERATE: The salmon farming industry is moderate competitive, with major players in key regions such as Norway, Chile, Scotland, Canada and Feroe Islands. Competition is focused on reducing costs, improving grow-out times, and increasing sustainability to maintain profitability. Factors such as supply chain disruptions and disease exacerbate the rivalry. However, these companies are very similar to one another, so while there is competition, they are not aggressively fighting for more market share. As a result, competition is not a significant factor impacting the margins of each company, allowing them to focus on improving standards to meet the demands of an increasingly conscious society.

Bargaining Power of Suppliers - HIGH: In the salmon farming industry, suppliers hold significant power due to the limited number of key providers that supply essential inputs like fish feed, equipment, and health management products. The prices of these inputs are influenced by external factors, such as overfishing, environmental concerns, and geopolitical events, particularly for traditional ingredients like fishmeal and fish oil. These environmental and sustainability challenges are driving the search for alternative feeds, but many of these options are still under development and can be expensive for some companies. Multi X stays competitive by conducting quarterly bidding processes with its suppliers and offering flexible payment terms, typically 90 days. When needed, the company can extend payments to 180 days by comparing supplier interest rates with bank rates to determine the most cost-effective option. While this process fosters competition among suppliers, the limited number of providers and the critical nature of their inputs allow these suppliers to maintain significant control, strengthening their bargaining power over clients like Multi X.

Bargaining Power of Buyers - HIGH: In the salmon farming industry, the main buyers are wholesalers, large retail chains, food service companies and direct consumers in international markets. These buyers wield considerable power in influencing prices, quality conditions and sustainability standards that producers must meet. Because of the ease with which they can switch suppliers, salmon farmers must compete intensely on aspects such as price, quality and sustainability credentials. In this context, certifications have become crucial to ensure continuity of contracts with buyers.

Threat of Substitutes - HIGH: Consumers now have a wide selection of protein sources, ranging from wild seafood and different types of farmed fish, to a growing number of plant-based or lab-produced alternatives. The growing global focus on sustainability and environmental awareness is spurring the development of plant-based products that mimic both the taste and texture of fish. Companies such as Beyond Meat and Not Co are making strides in creating these substitutes, which are gaining traction among environmentally conscious consumers. These options significantly expand choice for shoppers, potentially dampening demand for farmed salmon, especially in markets sensitive to price and environmental concerns.



Appendix 17: Swot Analysis

S Strenghts +	W Weaknesses -	O Opportunities +	T Threats -
Leadership in Atlantic salmon exports: Multi X is the largest producer of smoked salmon and the second-largest exporter of salmon in Chile. It is one of the main exporters to the United States, which has the largest market share in WFE (Whole Fish Equivalent) tons globally. Innovation and technology: Multi X is constantly innovating and has implemented operational changes to minimize risks and maximize process efficiency. This includes remote feeding systems and proprietary patents, such as the machine for controlling Caligus infestations (sea lice) and the design of square-circular fish nets with conical anchoring, as well as flat sea lion-resistant nets. Commitment to sustainability: The company is aligned with sustainability indices and classifications that measure corporate performance in terms of ESG practices, such as DJSI and FAIRR, enhancing its reputation and positioning it competitively in terms of environmental responsibility.	Dependence on commodity prices for salmon feed: The costs associated with fish feed represent approximately 35% of Multi X's total operating costs. The volatility in the prices of essential ingredients, such as fishmeal and fish oil, increases the company's exposure to fluctuations in commodity markets, which can negatively impact its profitability and financial stability. Exposure to regulatory risks and changes in government policies: The salmon farming industry in Chile is subject to strict environmental regulations and licensing requirements. Any changes to these regulations could significantly affect Multi X's operations, increasing compliance costs or imposing operational restrictions that limit its production capacity and growth. Dependence on key international markets: With 60% of its sales directed to the U.S. market, Multi X faces high exposure to risks arising from changes in the political, economic, or regulatory environment in that country.	Diversification into Emerging Growth Markets: Multi X has a significant opportunity to expand its presence in emerging regions such as Asia and Latin America, where demand for premium salmon products is on the rise. Urbanization, a growing middle class, and increasing health awareness are driving a shift toward the consumption of higher nutritional value proteins. Innovation in Healthy and Sustainable Products: The global trend toward healthier and more environmentally conscious eating habits presents an opportunity for Multi X to expand its portfolio with innovative products. This would allow the company to attract new consumer segments that prioritize sustainability and health. Operational Efficiency through Technological Advancements: Multi X's investments in advanced technologies and research initiatives aim to optimize resource use, particularly in salmon feed. A key example is the Humboldt Project, which focuses on improving Opex & Capex across the company's value chain.	Impact of Biological and Health Factors: Diseases such as sea lice (Caligus) and Infectious Salmon Anemia (ISA) can increase fish mortality and reduce production, driving up operational costs due to the necessary treatments, which in turn negatively affects Multi X's profitability. Climate Change and Environmental Variability: Changes in environmental conditions, such as rising water temperatures and the occurrence of harmful algal blooms, pose risks to Multi X's salmon production by impacting fish health and causing losses that are difficult to predict and control. International Competition and Price Fluctuations: Multi X faces competitive pressure from international producers, particularly in Norway and the Canada. Additionally, global price fluctuations for salmon can squeeze profit margins, requiring the company to remain competitive in both costs and quality.

Name and Position	Background
José Ramón Gutiérrez Arrivillaga <i>Chair of the Board</i>	José Ramón Gutiérrez Arrivillaga is the Executive President of Multi X and a founding member. Since 1987, he has played a crucial role in developing Chile's salmon industry, focusing on quality and sustainability. He has held leadership positions in organizations like SalmonChile and Salmon of the Americas and has been recognized internationally for his contributions to aquaculture.
Alberto del Pedregal Labbé <i>Director</i>	Alberto del Pedregal Labbé is a Director at Multi X and a founding partner. He has extensive experience in the seafood industry, particularly in food safety and security, and also serves as the director of Alimex, which focuses on seafood processing and export.
Martín Borda Mingo <i>Director</i>	Martín Borda Mingo is a Director at Multi X and a founding partner, having joined in 1983. He holds an MBA in International Business and a degree in Business Administration from Roosevelt University, Chicago.
Carlos Pucci Labatut <i>Director</i>	Carlos Pucci Labatut is a Director and founding partner of Multi X, having joined the company in 1987 as General Manager of Administration and Finance. He holds a degree in Civil Engineering from the Pontificia Universidad Católica de Chile.
Hernán Salvador Goyanes García <i>Independent Director</i>	Hernán Salvador Goyanes García is an Independent Director at Multi X. He holds a degree in Public Accounting from the University of Buenos Aires and an MBA from the University of California (UCLA). Goyanes joined Multi X as an advisor in 2005 and became a Director in 2006.
Elke Schwarz Kusch <i>Independent Director</i>	Elke Schwarz Kusch is an Independent Director who joined the board in 2019. She holds a degree in Journalism from the Pontificia Universidad Católica de Chile and a diploma in Senior Business Management from the ESE Business School at Universidad de los Andes.
José Miguel Barros Van Hovell tot Westerflíer <i>Independent Director</i>	José Miguel Barros Van Hovell tot Westerflíer is an Independent Director at Multi X. He holds a degree in Commercial Engineering from the Pontificia Universidad Católica de Chile and a diploma in Senior Business Management from the ESE Business School at Universidad de Los Andes.
Ricardo Grunwald Aravena <i>Director at Salmones Multiexport</i>	Ricardo Grunwald Aravena is the Director of Salmones Multiexport S.A. and holds a degree in Civil Engineering from the Pontificia Universidad Católica de Chile. With over 40 years of experience in the fishing industry, he joined Multi X in 1992 as Commercial Manager, a role he held until December 2022.

Appendix 19: Management’s Bios

Name and Position	Background
Cristián Swett Plá <i>CEO</i>	Cristián initially joined Multi X in 2001. Twelve years later he became General Manager at Ventisqueros and later at Manuka, while remaining a director at Ventisquetos. He returned to Multi X in 2021, stepping into the role of CEO.
José Ramón Gutiérrez del Pedregal <i>CFO</i>	José Ramón worked at LarrainVial and Mitsui & Co. before joining MultiX in 2020 as Manager of Financial Planning and Development. He later took on Optimization, Innovation, and Development Management, and has been CFO since 2020.
Martín Hepp Valenzuela <i>COO</i>	In his 10 years of experience at the company, Martín has served as Financial Controller in Administration and Finance Management, and Manager of the Value-Added Business in FY18. Since 2019, he has held the position of COO.
Francisco Lobos Fuentes <i>HR, Sustainability and Corporate Affairs Manager</i>	In his 17 years of experience at Multiexport, Francisco has led teams and strategies, directed the company's sustainability and corporate reputation strategy, and developed corporate relations with stakeholders in different regions of Chile and abroad.
Fernando Pérez Saavedra <i>Chief Sales and Marketing Officer</i>	Fernando started at MultiX in 2012 as a Commercial Executive and later became Commercial Manager at Ventisqueros six years later. In 2022, he returned to MultiX as Commercial Manager, a position he currently holds.
Claudio Vera Silva <i>Processing Manager</i>	After two years as Director of Entrevientos S.A., Claudio joined MultiX to hold roles such as Head of Production Planning, Assistant Plant Manager for Fresh and Frozen, and Operations and Plant Manager before his current position.
María Irene Campos González <i>People Manager</i>	María Irene began her career as Head of Commercial Administration at Fjord Seafood before taking on a Controller position at Marine Harvest Chile S.A. In 2010, she joined MultiX and is currently the People Manager.
Pablo Rubén Bascuñán Serrano <i>Legal and Compliance Manager</i>	Rubén is a lawyer from the Pontificia Universidad Católica de Chile. He joined MultiX in May 2021 and has served as Legal and Compliance Manager since 2023.

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