



Benchmark®

# Driving sustainability in aquaculture

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Interim and Q2 Results 2022

GENETICS

ADVANCED NUTRITION

HEALTH

# H1 FY22 - Sustained growth in revenues and Adjusted EBITDA

**33% increase in revenues** - growth in all business areas

**Adj. EBITDA<sup>1</sup> +100%** - excl. biological asset movements +149%

**Operating loss significantly reduced:** -£2.2m (H1 FY21: -£4.6m)

**Cash generation** - operating cash inflow: £2.0m (H1 FY21: -£1.5m)

**Continuation of financial, operational and strategic progress** - evidence of benefits of restructured Group and enhanced commercial focus to drive growth and returns

**Decision to list in Oslo on Euronext Growth in H2 calendar year.**  
Intention to up list to Oslo Stock Exchange in the following 12 months

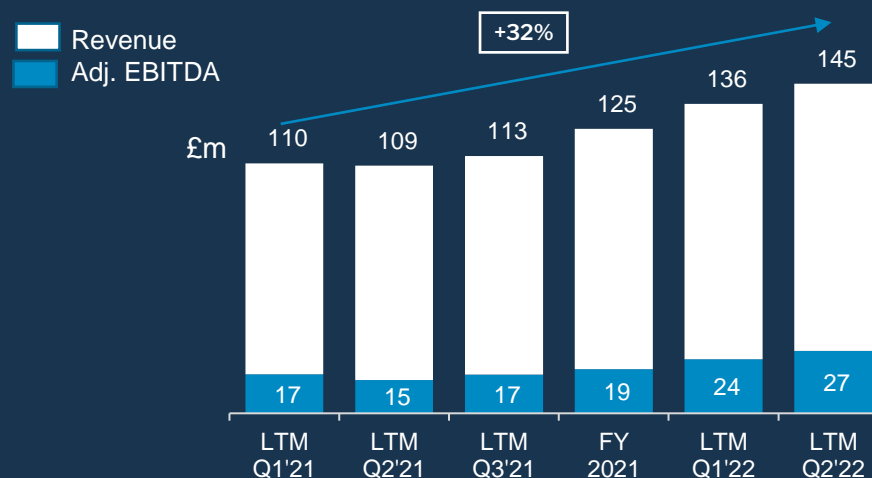
(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure (2) Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates

**H1 Revenue**  
**£79.2m**  
(+33%) (+32% CER<sup>2</sup>)

**Adjusted EBITDA<sup>1</sup>**  
**£15.9m**  
(+100%) (+96% CER<sup>2</sup>)

**Adjusted EBITDA Margin**  
**20%**  
H1 FY21: 13%

Consistent delivery post restructuring





# A market leading, aquaculture, biotechnology company



Firm commercial foundations established

Fast growing – quality of earnings, cash generation and returns in focus

# Operational Highlights - Genetics

Growth from invested infrastructure coming through

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**Salmon – H1 and contracted orders underpin record sales for full year**

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**Good progress in commercialisation of SPR shrimp**  
Excellent customer feedback

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**Completed infrastructure projects to support growth**  
incubation centre in Iceland; SPR shrimp and tilapia expansion

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**Significant client wins in Genetics services**  
Major sea bass and tilapia producers; result of cross-selling

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**Organic certification in Chile**

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Revenue

**£26.6m**

+20% (+18% CER)

H1 FY21: £22.1m

Adj. EBITDA

net of FV movements

**£4.7m**

+16% (+12% CER)

H1 FY21: £4.0m

Iceland Incubation  
Centre





# Operational Highlights – Adv. Nutrition

Commercial focus and operational leverage  
continue to drive growth

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## Continued growth from renewed commercial focus

New significant customer wins in key producing markets

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## Optimising operations

Optimisation of trial facilities

Improved manufacturing processes and capacity utilisation

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## Continue to launch new technologies

Launch of automatic sustainable Artemia separation tool

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## Sustainability - Net Zero Roadmap

Investing in solar panel energy at main facility in Thailand

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Revenue

**£42.0m**

+20% (+19% CER)

H1 FY21: £35.0m

Adj. EBITDA

**£11.5m**

+84% (+81% CER)

H1 FY21: £6.2m



# Operational Highlights - Health

Ectosan® Vet and CleanTreat® continue to progress

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## Treatment continues to deliver excellent results

Growing customer base and interest

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## Working with clients to embed solution in current infrastructure

Third system ordered for use with new configuration

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## Variation to MA for single re-use of water

Important milestone towards optimal efficiency

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## Submitted MA application for Faroe Islands

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Revenue

**£10.7m**

+358% (+359% CER)

H1 FY21: £2.3m

Adj. EBITDA

**£0.1m**

H1 FY21: loss of £2.6m





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# Financial Review





# A reminder - path to profitability, cash flow and returns

## Expansion and development 2000 – 2018



- 2000** Benchmark established
- 2013** Listed on AIM
- 2014** Acquired leading salmon genetics businesses SalmoBreed and StofnFiskur
- 2015** Acquired leading specialist nutrition provider, INVE Aquaculture  
Acquired leading genetics services business  
Acquired tilapia genetics programme
- 2016** Acquired shrimp breeding program
- 2018** Launched BMK Genetics in Chile

## Restructuring 2019-2020



- Management changes – financial priorities established
  - Strengthen balance sheet
  - Reduce cash burn
  - Right size cost base
  - Commitment to move from R&D investment into profitability
- Divestment and discontinuation of non-core activities
- Cost savings programme
- £43m fundraising – working capital to support ongoing operations

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## Consistent delivery 2021+



### Delivering consistently strong results

- New commercial culture and performance framework
  - Cost discipline and working capital management
  - Disciplined investment
- Excellent base to continue to grow from
- Core established businesses are profitable and growing
  - Invested infrastructure in place to support growth vectors in Genetics and Adv. Nutrition



# H1 FY22: Consistent delivery

Adjusted EBITDA doubled

£m	H1 FY22	H1 FY21	Q2 FY22	Q2 FY21
Revenue	79.2 +33%	59.5	39.2 +29%	30.4
<b>Adjusted</b>				
Adjusted EBITDA <sup>1</sup>	15.9 +100%	7.9	8.4 +72%	4.9
Adj. EBITDA excluding biological asset movements	14.8 +149%	6.0	7.3 +74%	4.2
Adjusted Operating Profit <sup>2</sup>	4.9 +11%	4.4	2.4 -25%	3.2
<b>Statutory</b>				
Operating loss	(2.2)	(4.6)	(0.7)	(1.4)
Loss before tax	(5.1)	(3.3)	(1.5)	(2.7)
Net debt <sup>3</sup>	(81.4)	(56.5)	(81.4)	(56.5)
Net debt excluding lease liabilities	(50.6)	(42.5)	(50.6)	(42.5)

(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure

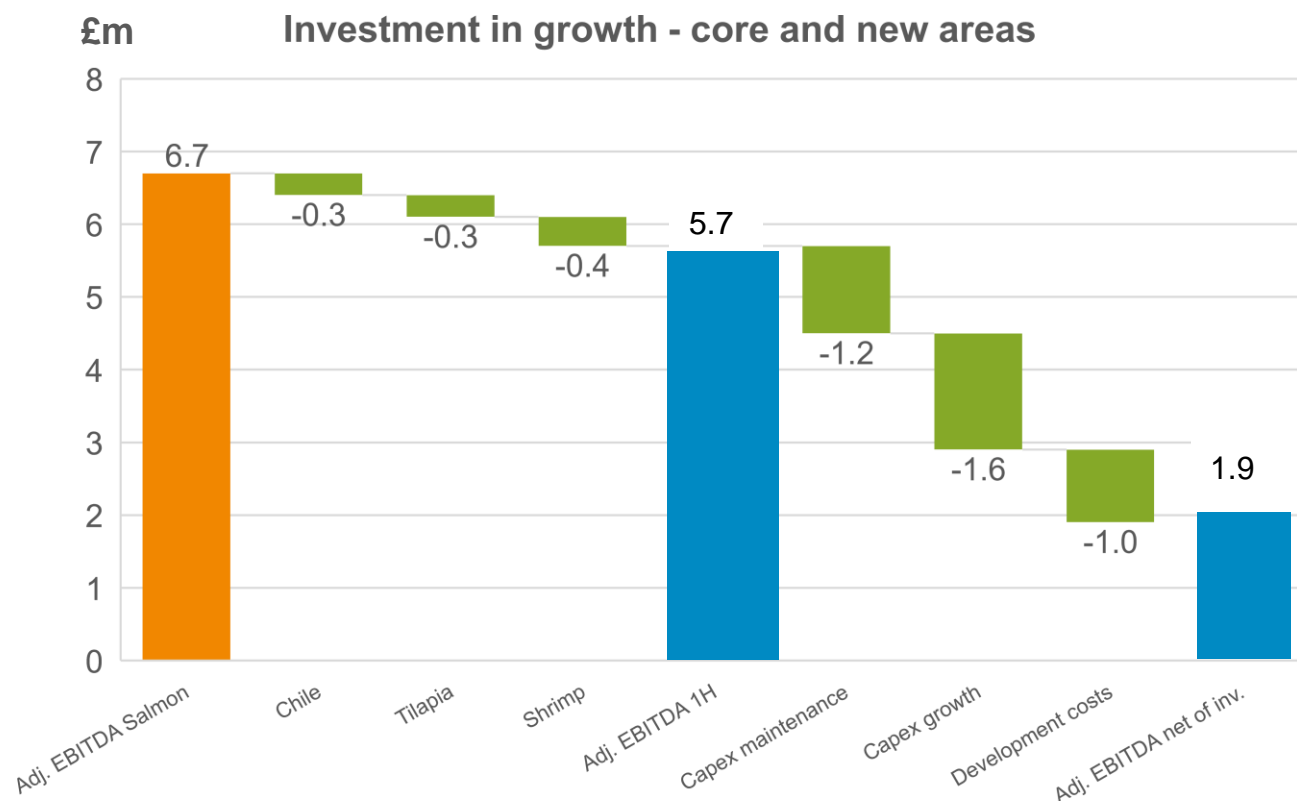
(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs

(3) Net debt is cash and cash equivalents less loans and borrowings

- Revenues +33%
- Gross margin 50% (H1 FY21: 52%)
- Adj. EBITDA double to £15.9m
- Adj. EBITDA margin 20% (H1 FY21: 13%)
- Net cash inflow from operating activities £2.0m (H1 FY21: £1.5m outflow)
- Loss before tax £5.1m (H1 FY21: £3.3m loss)
- Net Debt £81.4m (30 September 2021: £80.9m)
  - excluding lease liabilities £50.6m (30 September 2021: £56.9m)
- Liquidity at 16 May 2022: £62.7m

# Genetics – a profitable, growing business

Completing investments in areas of future growth



## FY22

- Revenue up 20%
- higher sales of salmon eggs and SPR shrimp and higher harvest income
- SPR shrimp sales exceeded expectations
  - from development to commercial phase
- Adj. EBITDA up 16% excluding fair value movements in biological assets
  - 18% Adj. EBITDA margin excluding FV movements in biological assets (FY21: 18%)

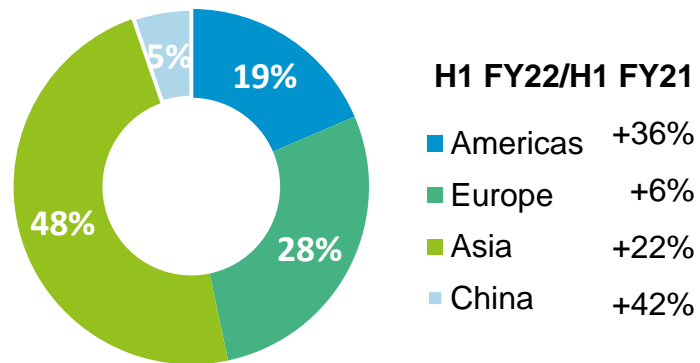
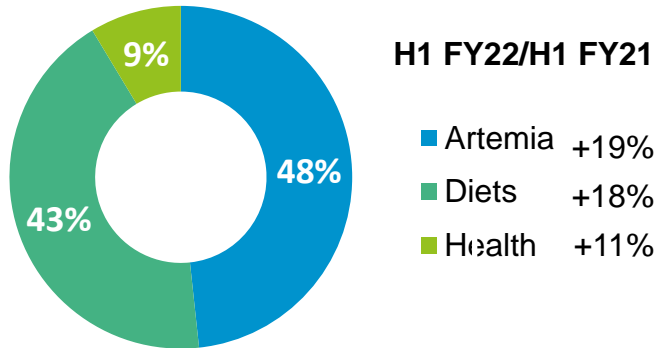
## Q2 FY22

- Revenue 20% up from prior year
- Adjusted EBITDA down 7% excluding fair value movements in biological assets
- Infrastructure complete to support medium term growth in all species



# Advanced Nutrition: A leading, cash generating business – focused on optimising infrastructure and commercial capabilities

## Revenue growth in all product areas and geographic regions



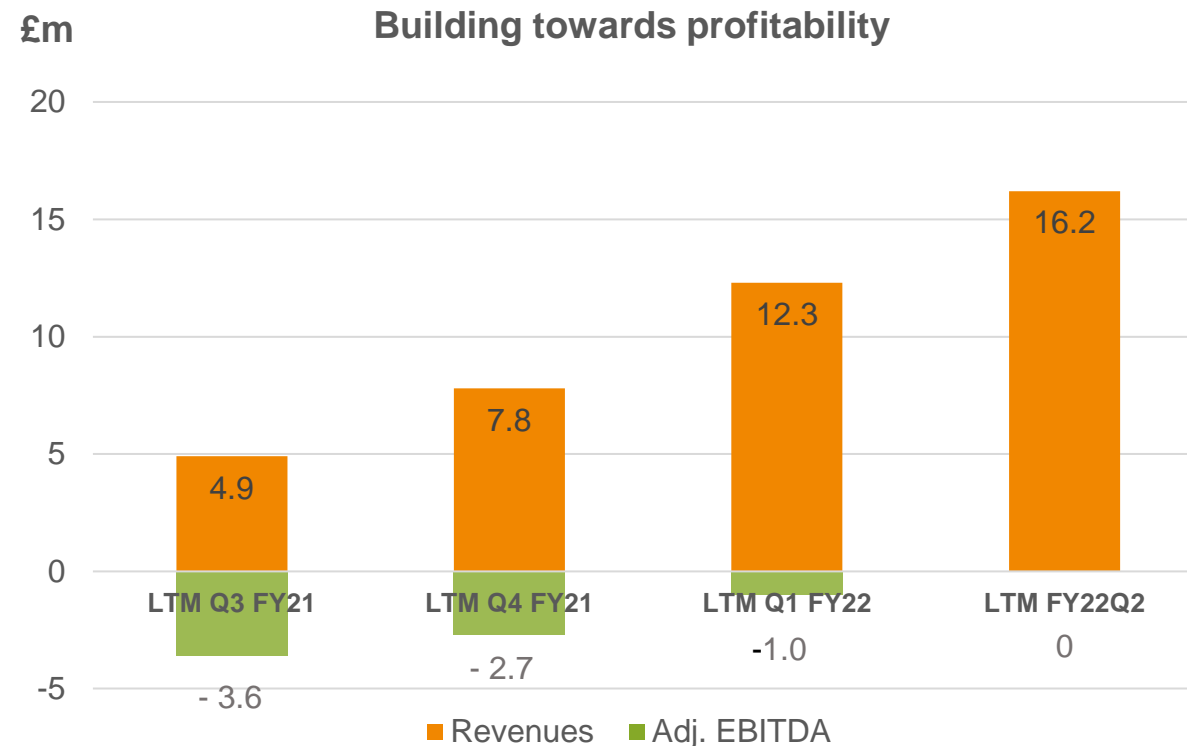
## H1 FY22:

- Revenue up 20%,
  - higher sales in all product areas and geographic regions
- Adjusted EBITDA up 84%
  - excellent cost control and ongoing operational optimisation
- Adjusted EBITDA margin significantly increased to 27% (H1 FY21: 18%)

## Q2 FY22

- Revenue +15%
- Adjusted EBITDA +36%
- Adjusted EBITDA margin 31% (Q2 FY21: 26%)
- Continued recovery in shrimp markets

# Health: Growing revenues post launch of Ectosan<sup>®</sup> Vet and CleanTreat<sup>®</sup>



## H1 FY22

- Revenue £10.7m (H1 FY21: £2.3m) reflecting Ectosan<sup>®</sup> Vet and CleanTreat<sup>®</sup> sales
- Adj. EBITDA £0.1m (H1 FY21: £2.6m loss)

## Q2 FY22

- Revenue +371%
- Adj. EBITDA £0.5m loss (Q2 FY21: £1.4m loss)
- Q2 FY22 adversely impacted by extreme weather conditions in January

## Ongoing optimisation to facilitate adoption

- Marketing Authorisation for single re-use of treatment water granted
- Further trials to support multiple re-use underway
- New tailored configuration in development



# Cashflow, net debt and liquidity -

Improved cash generation and financial position

£m	
<b>Net debt<sup>1</sup> at 30 September 2021</b>	<b>(80.9)</b>
Cash generated from operations	18.4
Movement in working capital	(13.5)
Interest and taxes	(6.8)
Shares issued	20.2
Capital expenditure	(6.6)
Other non cash movements	(0.5)
New lease liabilities	(11.4)
Foreign exchange on cash and debt	(0.3)
<b>Net debt<sup>1</sup> at 31 March 2022</b>	<b>(81.4)</b>
<b>excluding lease liabilities</b>	<b>(50.6)</b>

(1) Net debt is cash and cash equivalents less loans and borrowings.

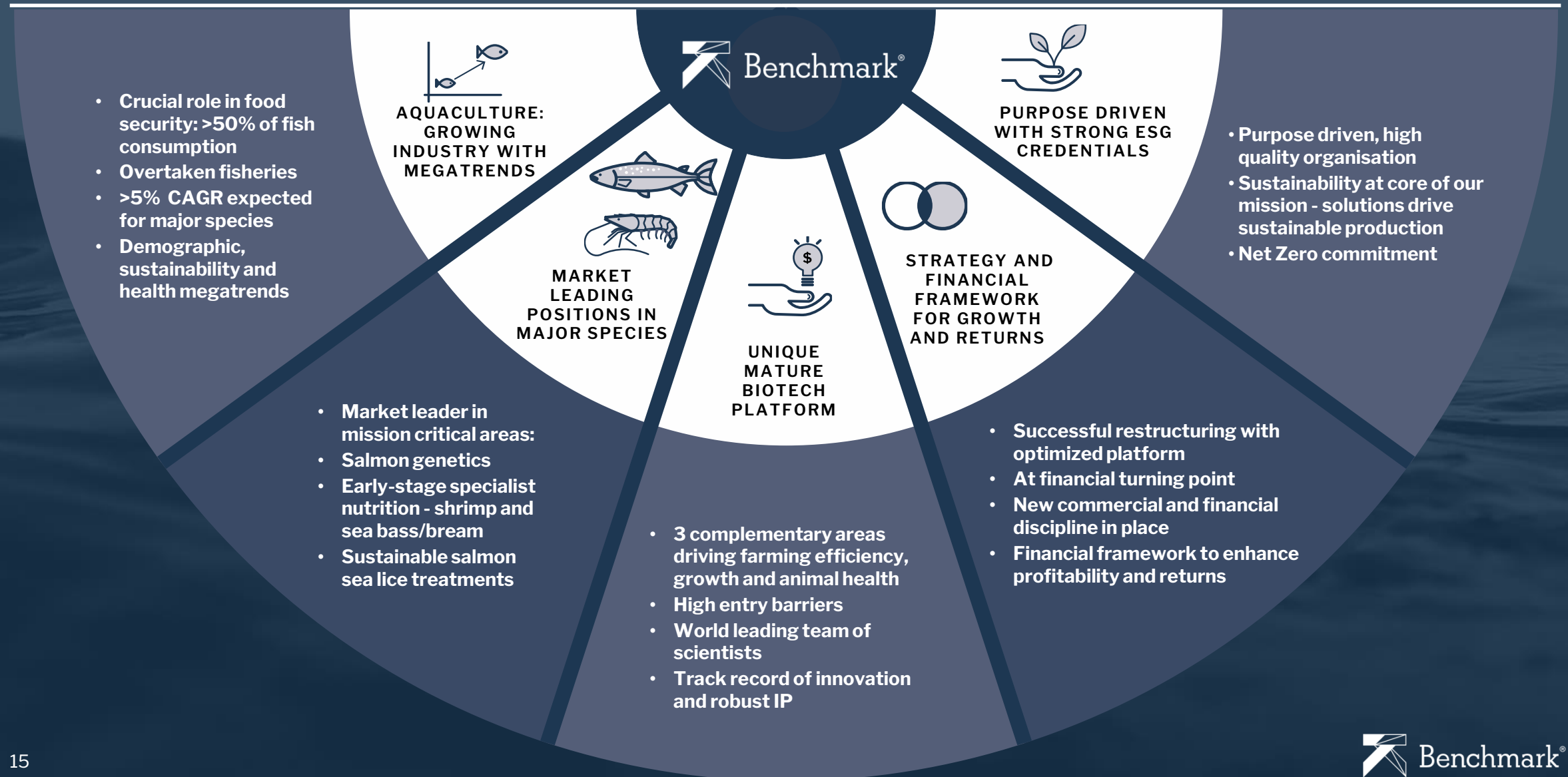
- Net cash inflow of £6.0m (H1 FY21: outflow £17.3m)
  - Operating activities net inflow of £2.0m (H1 FY21: outflow £1.5m) – includes £13.5m investment in working capital and £3.0m of income taxes paid
  - Includes £20.2m from share issuance in the period
  - Investing activities outflow of £6.6m (H1 FY21: outflow £9.1m)
- Liquidity of £57.7m providing £47.7m headroom
- Liquidity as at 16 May 2022: £62.7m
  - Cash as at 16 May 2022: £50.4m

# Current trading and outlook

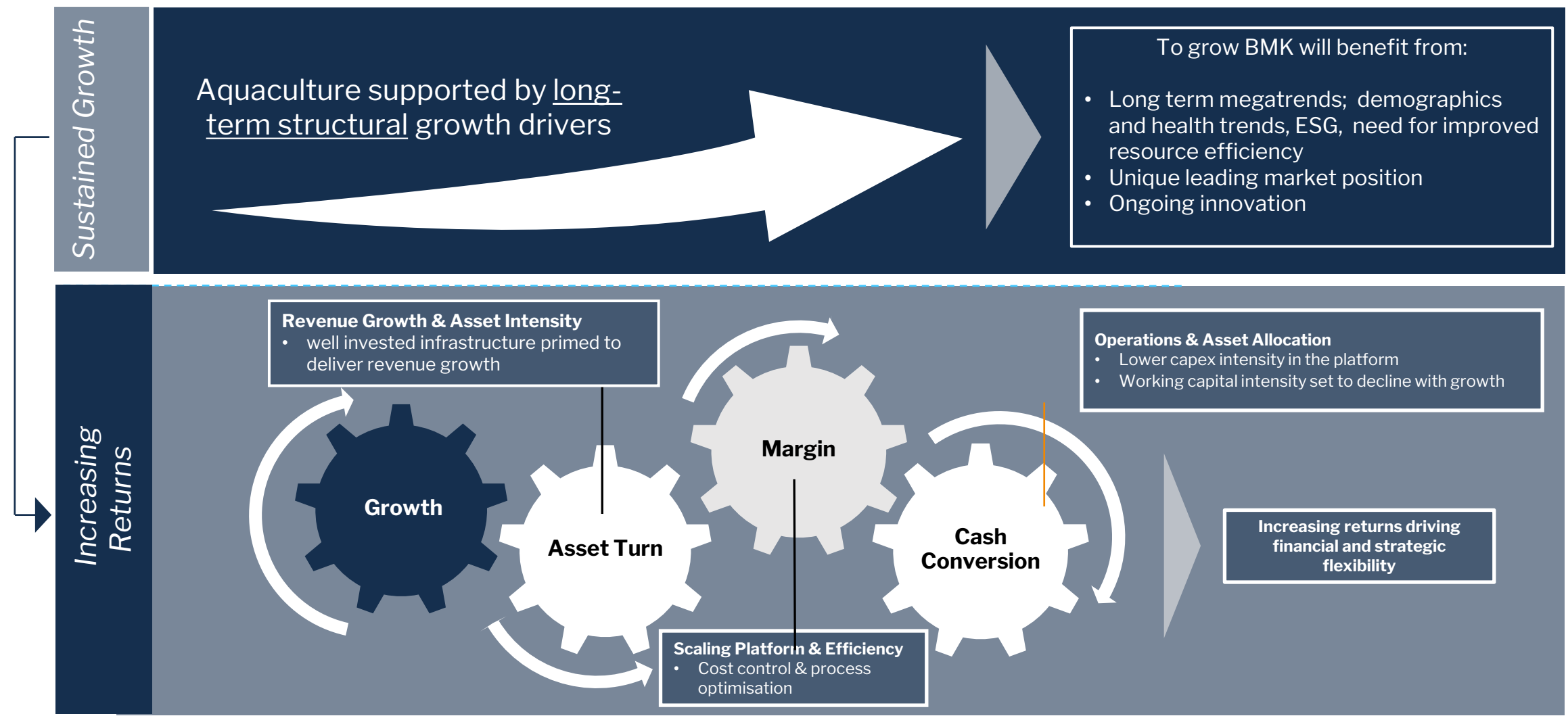
- Trading in line with expectations: strong start to the year underpins confidence
  - Continue to embed Ectosan® Vet and CleanTreat® into sea lice strategies
  - Strong outlook for salmon egg sales in remainder of the year
  - Strong outlook for the year in Advanced Nutrition phased towards Q4
- Listing in Oslo on Euronext Growth in H2 CY 2022
  - As previously announced, the Company engaged DNB Markets and Pareto Securities as Joint Global Coordinators in connection with its assessment of a potential listing in Oslo
  - Decision to pursue a listing on Euronext Growth Oslo subject to market conditions
  - Intention to up-list to the Oslo Stock Exchange within the following twelve months



# Benchmark: A unique value proposition



# Financial framework to deliver profitability, cash generation and returns





# Group medium term objectives

Growth and margin expansion drives cash generation and returns

	FY 2021	Medium term objectives (3-5 yrs)	Pathway to medium term objectives
<b>Revenue growth p.a.</b>	<b>18%</b>	<b>15%-18%</b>	<ul style="list-style-type: none"> <li>Sustained structural growth driving all our activities</li> <li>High growth for our more established units, and very high growth for Health</li> </ul>
<b>Adj. EBITDA margin</b>	<b>16%</b>	<b>25%-30%</b> period end	<ul style="list-style-type: none"> <li>Well embedded cost control and continuous process improvement driving operating leverage</li> <li>Growth vectors moving from opex investment into commercialisation</li> </ul>
<b>Cash conversion<sup>1</sup></b>	<b>30%</b>	<b>70%-80%</b>	<ul style="list-style-type: none"> <li>Improving operating cashflow drives turning point in cash conversion</li> <li>Supported by structural improvement to WC management</li> </ul>
<b>FCF<sup>2</sup> % sales</b>	<b>(17%)</b>	<b>10%-15%</b> period end	<ul style="list-style-type: none"> <li>FCF driven by enlarged business</li> <li>Improved profitability &amp; lower capex</li> </ul>
<b>Adjusted ROCE<sup>3</sup></b>	<b>5%</b>	<b>&gt;15%</b> period end	<ul style="list-style-type: none"> <li>Key focus area for project/investment approval and control</li> <li>Growth into well-invested platform will drive improvement</li> </ul>

1) Cash generated from operations after working capital and taxes as percentage of Adj. EBITDA

2) Free cash flow: Net cash from operating activities less capex and lease payments (excluding cash interest)

3) Adj. ROCE calculated as adjusted operating profit as a % of average capital employed excluding goodwill and acquired intangible assets

# Group objectives underpinned by two leading businesses with high visibility and significant upside from Health

		Medium term objectives (3-5 years)		Pathway
		Revenue	Adj. EBITDA margin	
Well established businesses with high visibility	Genetics	10-15% p.a. growth	22-27% period end	<ul style="list-style-type: none"> <li>Organic growth into existing capacity                             <ul style="list-style-type: none"> <li>Salmon</li> <li>Shrimp</li> <li>Tilapia</li> </ul> </li> </ul>
	Adv. Nutrition	7-10% p.a. growth	20-25% period end	<ul style="list-style-type: none"> <li>Growth through higher penetration, cross-selling and innovation</li> <li>High and improving margin supported by specialist solutions</li> </ul>
	Health	£50m-£75m	30% current MA      60% when fully commercialised	<ul style="list-style-type: none"> <li>Growth phase underway</li> <li>60% margin when fully commercialised                             <ul style="list-style-type: none"> <li>Expanded MA</li> <li>Technology embedded in customer infrastructure</li> <li>Solution adopted as a primary sea lice tool</li> <li>Geographic expansion</li> </ul> </li> </ul>



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# Thank you







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