alicorp **Earnings Report**

First Quarter 2020 Consolidated Financial Statements

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Lima - Peru, May 13th, 2020. Alicorp S.A.A. ("the Company" or "Alicorp") (BVL: ALICORC1 and ALICORI1) announced today its unaudited financial results corresponding to the First Quarter 2020 (Q1 '20). Financial figures are reported on a consolidated basis and are in accordance with International Financial Reporting Standards ("IFRS") in nominal Peruvian Soles, based on the following statements, which should be read in conjunction with the Financial Statements and Notes to the Financial Statements published at the Peruvian Securities and Exchange Commission (*Superintendencia del Mercado de Valores* - SMV).

FINANCIAL HIGHLIGHTS

- **Consolidated Revenue grew 10.0% YoY in the Q1 '20, while Volume grew 11.5% YoY**, reflecting growth across all business units: i) Consumer Goods Peru (+12.5% YoY), ii) Consumer Goods International (+7.7% YoY), iii) Aquafeed (+8.1% YoY), iv) B2B (+4.0% YoY), and v) Crushing (+20.1% YoY).
- **Gross Profit grew 15.0% YoY, while Gross Margin increased 1.1 p.p. compared to Q1 '19** explained by i) significant revenue growth across all our businesses and ii) higher Gross Margins in our CGI, Aquafeed, and Crushing units.
- **Reported EBITDA decreased 13.5% YoY, while Reported EBITDA Margin was 8.6%,** mainly explained by non-recurring expenses related to COVID-19 and a one-time expense related to a negative verdict from Brazilian authorities about a tax contingency from previous years. **Excluding these effects, Normalized EBITDA increased 18.9% YoY in Q1 '20 and EBITDA Margin reached 14.3%, a 1.2 p.p. growth YoY.**
- **Reported Net Income totaled S/ 10 million in Q1 '20 (-89.8% YoY),** explained by i) lower Consolidated EBITDA, ii) higher net financial expenses, and iii) an exchange loss. **Normalized Net Income totaled S/ 114 million in Q1 '20, a 11.7% increase YoY, while Normalized Net Margin reached 4.7% (+0.1 p.p. YoY).**
- Earnings per Share (EPS) decreased from S/ 0.107 in Q1 '19 to S/ 0.010 in Q1 '20.
- As of March 2020, Net Debt[1] decreased S/ 334 million compared to December 2019, reaching S/ 3,017 million, mainly due to higher Cash and Cash Equivalents as a result of greater collections from sales and working capital efficiencies. **Net Debt-to-EBITDA ratio decreased from 2.41x[2] as of December 2019 to 2.15x[3] as of March 2020**.

[1] Net Debt is Financial Debt less cash and cash equivalents as of March 2020 and includes the effect of IFRS 16.
[2] Net Debt-to-EBITDA ratio as of December 2019 excludes the effect of LTM impairments for S/ 37 million.
[3] Net Debt-to-EBITDA ratio as of March 2020 excludes the effect of LTM impairments for S/ 85 million.

RECENT EVENTS

- **The Company launched/revamped 21 products or lines**, 12 in Consumer Goods Peru, 6 in Consumer Goods International and 3 in B2B.
- In the Q1 '20, Alicorp was recognised by Merco Peru as one of the "Top 10 companies" in the Social Responsibility and Good Corporate Governance Ranking, and the top company in the Food sector.

OUR RESPONSE TO THE COVID-19 CRISIS

- The outbreak of COVID-19 has resulted in a tragic humanitarian crisis for Latin America and the world, which will have a tremendous impact on the economies across the region.
- Under these challenging circumstances, we are committed to ensuring the health and safety of our people, maximizing the availability of essential goods, and helping communities to reduce contagion.
- These priorities have guided our Business Continuity Plan, based on four fronts:

  i) Our People and Community: We have established safety measures for our plant workers, sales force and administrative staff, including strict daily cleaning and disinfection protocols in all our spaces, and mandatory home office implementation for almost all administrative employees. We have also designated S/ 15 million for donations of products destined to help vulnerable populations and those taking care of the population's health and safety, in Peru and all our other geographies.

  ii) Supply and Logistics: We have quickly adapted our production to the current situation and restrictions that come with it, prioritizing lines and SKUs according to market and demand shifts, in close coordination with our suppliers to ensure the supply of materials and implement risk management throughout the supply chain end-to-end.

  iii) Clients and Consumers: Our businesses have been impacted in different ways by the COVID-19 crisis. The shift from out-of-home-consumption to at-home consumption and stocking up during the lockdown has benefitted our Consumer Goods unit, but negatively impacted our B2B business. Our Aquafeed business has been impacted by the lower price of shrimp, but is expected to pick up in the next months, while our Crushing unit has been impacted by the strong volatility of commodity prices.

  iv) Liquidity: As of March 2020 we disbursed approximately USD 200 million of short-term debt in order to increase cash availability for our operations against the potential impacts of COVID-19 on our businesses. Given that this cash was raised in order to adequately fund stress scenarios, we have not had to make use of this cash as of yet. As a result, as of March 2020, we had S/ 1.5 billion in cash, which represented a debt coverage of the principal of debt maturing over the next twelve months of 1.46x.

- What comes next for the remainder of this year will be focused mainly on customer care, our people, supply chain, liquidity and the continuing preparation for the S4/HANA migration. In the longer term, we plan to continue to innovate on our product portfolio in order to adapt to consumer trends and also work on scaling and continue to launch digital channels to meet this new trend towards the e-commerce channel, while also automating our manufacturing plants and warehouses.
- We believe that we are well positioned to overcome what comes ahead and quickly adapt to a new reality, thanks to our unique business model and superior knowledge of local consumers. Most importantly the capabilities of our people and our experienced leadership team are what lead us to

be confident that we will get through this difficult time stronger than ever and with many lessons learned.

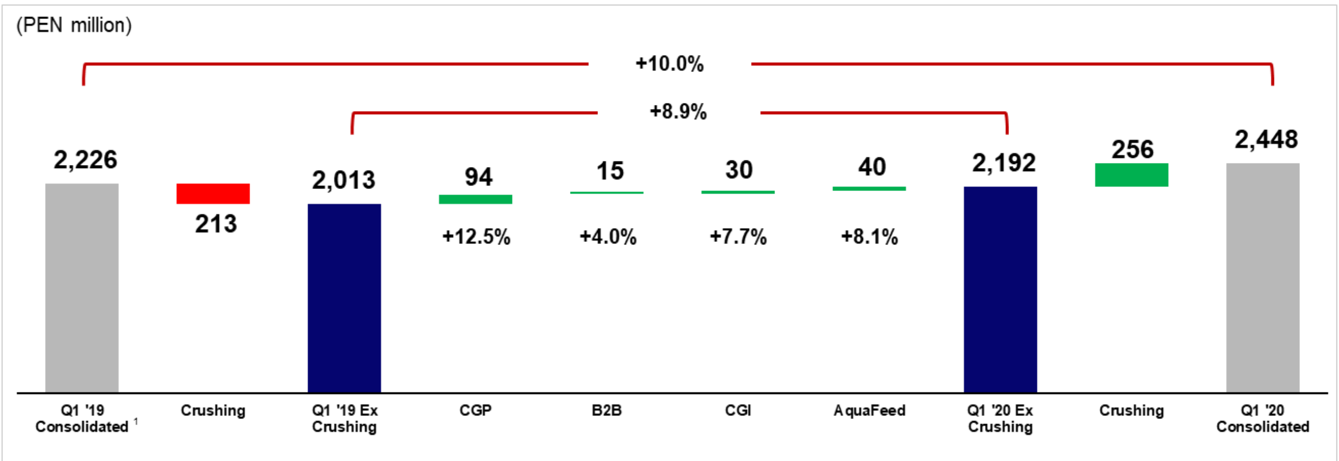
FINANCIAL INFORMATION

I. INCOME STATEMENT

CONSOLIDATED RESULTS

(In PEN millions)	Reported figures		
	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	765	685	11.5%
Revenue	2,448	2,226	10.0%
Gross Profit	626	545	15.0%
Gross Margin	*25.6%*	*24.5%*	*1.1 p.p.*
SG&A	-435	-353	23.2%
EBITDA	211	244	-13.5%
EBITDA Margin	*8.6%*	*11.0%*	*-2.3 p.p.*
Operating Income	128	184	-30.3%
Operating Margin	*5.2%*	*8.2%*	*-3.0 p.p.*
Net Financial Expense	-53	-34	57.4%
Income before taxes	61	146	-58.3%
Income tax	-52	-53	-2.2%
Effective tax rate	*84.3%*	*36.0%*	*48.3 p.p.*
Net Income	10	94	-89.8%
Net Margin	*0.4%*	*4.2%*	*-3.8 p.p.*

Revenue Growth Q1 2020 vs. Q1 2019

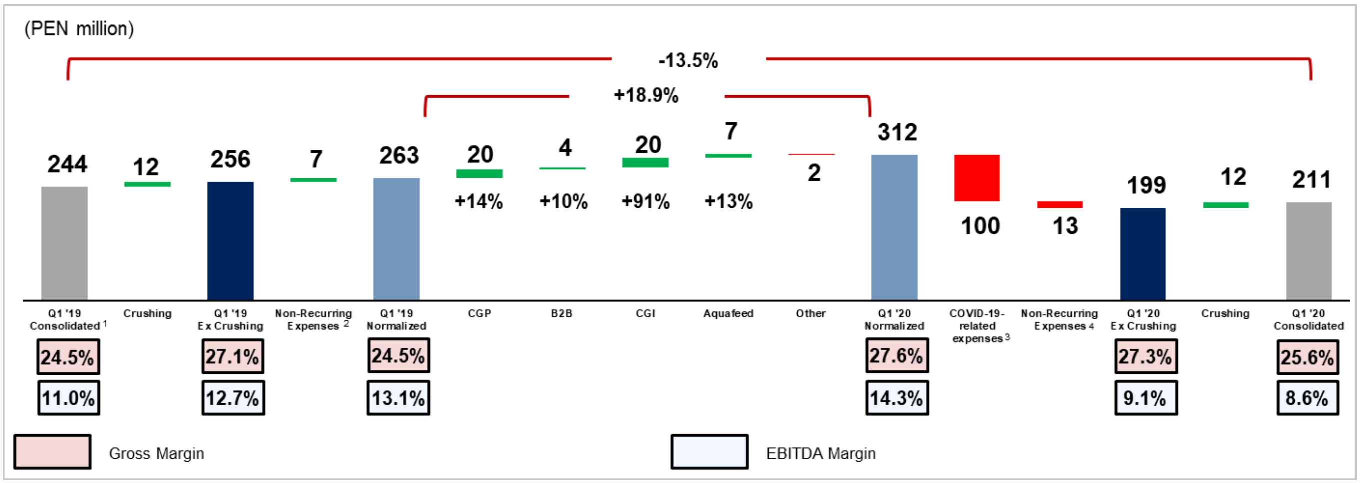


- **Consolidated Volume** reached 765 thousand tons in Q1 '20, a 11.5% growth YoY, mainly due to increases of 17.6% YoY in the Consumer Goods Peru unit, 14.0% YoY in the Crushing business, 9.7% YoY in the Aquafeed unit, 8.7% YoY in the Consumer Goods International business and 6.0% YoY in

[1] Includes Intradevco figures for February and March 2019.

the B2B unit.**Consolidated Revenue** reached S/ 2,448 million, a 10.0% increase YoY, as a result of a 12.5% YoY growth in our Consumer Goods Peru unit, 4.0% YoY growth in our B2B unit, 7.7% YoY growth in our Consumer Goods International unit, 8.1% YoY growth in our Aquafeed business and 20.1% in our Crushing business.

EBITDA Growth Q1 2020 vs. Q1 2019 (Reported and Normalized figures)

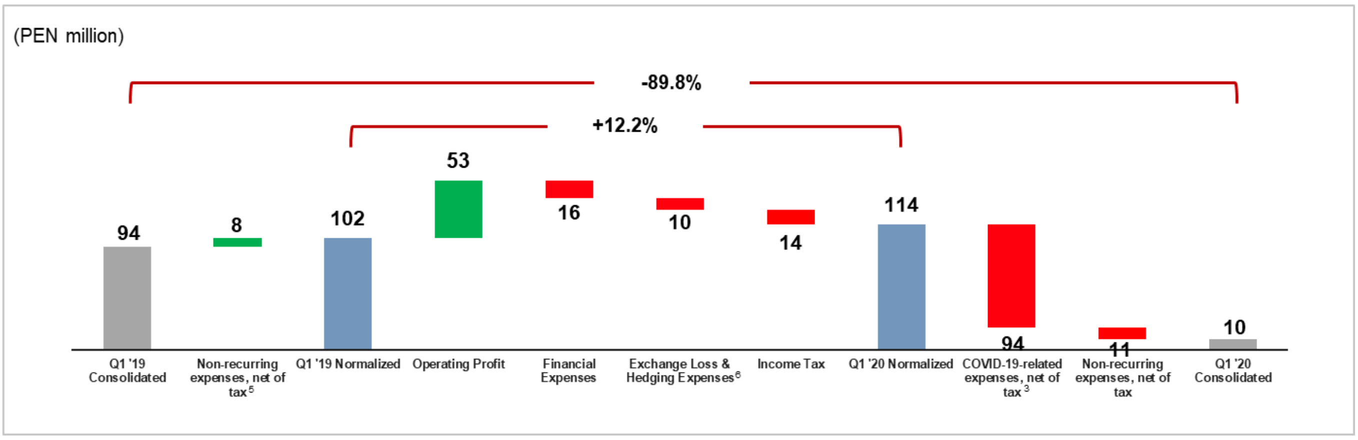


- **Gross Profit** reached S/ 626 million (+15.0% YoY) while Gross Margin was 25.6%, a 1.1 p.p. increase compared to Q1 '19, mainly explained by i) significant revenue growth across all our businesses and ii) higher Gross Margins in our CGI, Aquafeed, and Crushing units.
- **SG&A expenses** amounted to S/ 435 million, a 23.2% increase YoY, mainly explained by non-recurring expenses related to COVID-19, such as bad-debt provisions in our B2B, Aquafeed and Crushing business and donations as part of our "Ayuda al que Ayuda" program.
- **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)** amounted to S/ 211 million (-13.5% YoY) with an EBITDA Margin of 8.6%, explained by non-recurring expenses, most of them related to the COVID-19 crisis such as i) donations for S/ 15 million, ii) a S/ 48 million impairment of our operations in Brazil, due to the exchange rate and country risk impacts of COVID-19 in the value of our investment in Brazil, and iii) other non-recurring expenses for S/ 37 million, consisting mainly of bad-debt provisions, constituted to reflect the negative impacts we expect COVID-

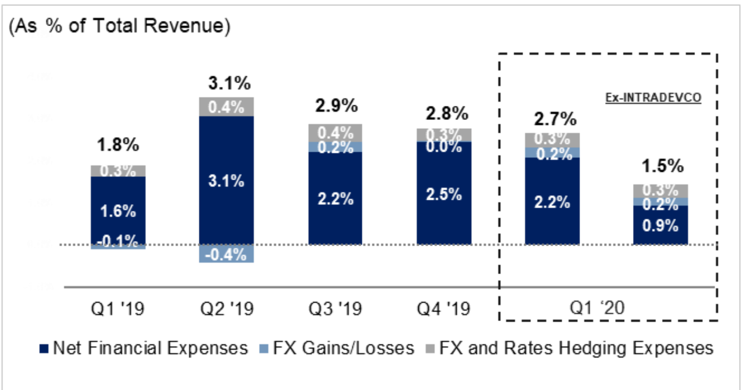
[1] Includes Intradevco figures for February and March 2019.
[2] Includes non-recurring expenses related to the acquisition of Intradevco.
[3] Includes the impairment of our Brazilian operations for S/ 48 million, due to exchange rate and country risk impacts of COVID-19 in the value of Alicorp's investment in Brazil; in addition to donations for S/ 15 million related to COVID-19, and other COVID-19-related expenses for S/ 37 million, primarily composed of bad-debt provisions.
[4] One-time expense related to a negative verdict from Brazilian authorities about a tax contingency from previous years
[5] Non-recurring operating expenses related to the acquisition of Intradevco and our restructuring programs in Bolivia and Brasil, net of tax.
[6] Includes Net Exchange Loss and FX and Rates Hedging Expenses.

19 will have on the accounts receivable of our businesses, particularly B2B, Aquafeed and Crushing, during the year. EBITDA was also negatively impacted by a one-time expense of S/ 13 million related to a negative verdict from Brazilian authorities about a tax contingency from previous years. **Normalized EBITDA** was S/ 312 million (+18.9% YoY), while EBITDA Margin reached 14.3%, an increase of 2.2 p.p. compared to Q1 '19, explained by i) the prioritization of expenses in our CGP business, ii) higher profitability in our B2B Bakery platform, and iii) successful SG&A savings in our CGI unit.

Net Income Growth Q1 2020 vs. Q1 2019 (Reported and Normalized Figures)



- **Operating Income** reached S/ 128 million in Q1 '20 (-30.3% YoY), while Operating Margin was 5.2% (-3.0 p.p. YoY) , as a result of higher operating expenses related to COVID-19 and the one-time expense from our Brazilian operations previously mentioned.
- In Q1 '20, **Net Financial Expenses** registered an increase of 57.4% YoY, mainly explained by i) lower financial income related to dividends after the sale of our BAP shares in 2019 and ii) higher financial expenses of S/ 11.3 million, related to the Intradevco's acquisition debt, partially offset by lower interest expenses in Bolivia and the Peruvian local market.



- **Income tax** decreased 2.2% YoY, while the Effective Tax Rate increased mainly due to non-recurring expenses without tax shield, such as the impairment in Brazil and COVID-19-related donations.

- **Net Income** totaled S/ 10 million during Q1 ’20, while Net Margin was 0.4% (-3.8 p.p. YoY) explained by i) lower Consolidated EBTIDA, ii) higher net financial expenses, and iii) an exchange loss. Normalized Net Income increased 12.2% YoY while Normalized Net Margin was 4.7%. Earnings per Share (EPS) for Q1 ’20 were S/ 0.010.

RESULTS BY BUSINESS SEGMENT

CONSUMER GOODS PERU

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	185	157	17.6%	185	157	17.6%
Revenue	848	753	12.5%	848	753	12.5%
Gross Profit	285	255	11.7%	286	255	12.3%
Gross Margin	*33.6%*	*33.8%*	*-0.2 p.p.*	*33.8%*	*33.8%*	*-0.1 p.p.*
EBITDA	155	140	10.8%	163	143	13.8%
EBITDA Margin	*18.3%*	*18.6%*	*-0.3 p.p.*	*19.2%*	*19.0%*	*0.2 p.p.*

- **Volume and Revenue** from the Consumer Goods Peru business grew 17.6% YoY and 12.5% YoY, respectively, reaching 185 thousand tons and S/ 848 million, respectively, mainly due to i) the inclusion of Intradevco’s results in January 2020, and ii) higher sales of food and home/personal care products due to an increase in at-home consumption as well as stocking-up during the second half of March. These effects were partially offset by price impacts due to i) higher sales through the modern channel and exclusive distributors, which have lower margins due to measures implemented on the face of COVID-19, ii) some tiering-down in certain categories such as edible oils, flours and pasta and iii) slower growth in high-value categories, such as sauces and cereals.
- **Revenue** growth was driven by the following categories:

  i) Edible Oils (+15.7% YoY), due to higher volume and a successful pricing strategy

  ii) Laundry Detergents (+8.2% YoY) explained by the inclusion of Intradevco’s results in January

  iii) Pasta (+11.4% YoY) backed by higher volume market share due to our multi-tier brand strategy

  iv) Skin Care (+2.6x or S/ 9 million YoY), due to a higher volume sold driven by a change in consumer behaviour resulting in individuals washing their hands more frequently as a precautiounary measure due to the outbreak of COVID-19

  v) Bleach (+2.1x or S/ 8 million YoY), also explained by a change in consumer patterns related to the COVID-19 crisis.

  These increases were partially offset by a lower Revenue contribution from the following categories:

i) Cereals (-10.1% YoY) due to the implementation of the Health Nutrition Act

ii) Powder Juice (-22.5% YoY) explained by a lower volume sold due to a change in the consumer basket

iii) Sauces (-2.3% YoY) due to a change in product mix in this category

- **Gross Profit** increased 11.7% YoY while Gross Margin decreased -0.2 p.p. YoY, reaching 33.6%, mainly due to a change in product mix as a result of tiering-down and higher sales to supermarkets explained earlier.
- **EBITDA** reached S/ 155 million, a 10.8% increase compared to the S/ 140 million reported in Q1 '19, while EBITDA Margin was 18.3% (-0.3 p.p. YoY), as prioritization of other expenses partially helped fund donations due to COVID-19 for S/ 6 million. **Normalized EBITDA** was S/ 163 million, and Normalized EBITDA Margin was 19.2% (+0.2 p.p. YoY).

CONSUMER GOODS INTERNATIONAL

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	97	90	8.7%	97	90	8.7%
Revenue	424	394	7.7%	424	394	7.7%
Gross Profit	120	109	10.5%	120	109	10.5%
Gross Margin	*28.4%*	*27.7%*	*0.7 p.p.*	*28.4%*	*27.7%*	*0.7 p.p.*
EBITDA	-21	17	-38	42	22	90.7%
EBITDA Margin	*-5.0%*	*4.4%*	*-9.4 p.p.*	*9.9%*	*5.6%*	*4.3 p.p.*

- Our CGI business had strong results across geographies in the first quarter of 2020, with **Revenue** increasing 7.7% YoY, while **Volume** reached 97 thousand tons (+8.7% YoY). This result was explained by i) higher prices implemented in Argentina, in addition to an increase in volume sold in our home and personal care platforms, where we continue to gain market share, ii) higher revenues in Bolivia mainly due to market share increases in our Food and Home Care platforms, achieving record market shares in edible oils and detergents during the first two months of the year, and iii) higher volume sold in Ecuador, mainly due to our pasta and home care categories.
- Regarding profitability, **Gross Profit** amounted to S/ 120 million (+10.5% YoY) with a Gross Margin of 28.4% (+0.7 p.p. YoY).
- **EBITDA** decreased S/ 38 million as a result of COVID-19-related expenses, such as the impairment of our Brazilian operations and donations, as well as a one-time expense of S/ 13 million related to a negative verdict from Brazilian authorities about a tax contingency from previous years. Excluding these effects, Normalized EBITDA grew 90.7% YoY, while Normalized EBITDA Margin reached 9.9%, a 4.3 p.p. increase YoY, mainly explained by volume growth, successful revenue management strategies and SG&A savings on the back of our transformation initiatives.

Bolivia

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	23	19	18.0%	23	19	18.0%
Revenue	150	136	10.3%	150	136	10.3%
Gross Profit	40	42	-4.6%	40	42	-4.6%
Gross Margin	*26.8%*	*31.0%*	*-4.2 p.p.*	*26.8%*	*31.0%*	*-4.2 p.p.*
EBITDA	18	21	-10.3%	19	22	-11.8%
EBITDA Margin	*12.3%*	*15.1%*	*-2.8 p.p.*	*12.8%*	*16.0%*	*-3.2 p.p.*

- **Revenue and Volume** reached S/ 150 million and 23 thousand tons in Q1 '20, respectively, mostly explained by market share increases in our Food and Home Care platforms, achieving record market shares in edible oils and detergents during the first two months of the year.
- **Gross Profit** amounted to S/ 40 million with a Gross Margin of 26.8%, mainly explained by higher commodity prices and product mix within the detergent category, as our Tier 3 brand, UNO, grew disproportionately ahead of our Bolivar Tier 1 brand due to shifting consumer dynamics.
- **EBITDA** reached S/ 18 million, with an EBITDA Margin of 12.3%, showing a S/ 3 million decrease explained by i) a higher allocation of corporate expenses to the Consumer Goods Bolivia business, and ii) non-recurring expenses in donations related to COVID-19.

Ecuador

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	9	6	42.6%	9	6	42.6%
Revenue	39	28	36.2%	39	28	36.2%
Gross Profit	14	10	32.4%	14	10	1.3x
Gross Margin	*35.6%*	*36.7%*	*-1.0 p.p.*	*35.6%*	*36.7%*	*-1.0 p.p.*
EBITDA	5	3	87.0%	6	3	82.0%
EBITDA Margin	*13.7%*	*10.0%*	*3.7 p.p.*	*14.4%*	*10.8%*	*3.6 p.p.*

- **Revenue and Volume** were S/ 39 million and 9 thousand tons, respectively. Revenue growth was explained by volume growth in our pasta category and in our Home Care platform.
- **Gross Margin** was 35.6% (-1.0 p.p YoY) mainly due to product mix with a higher proportion of our growth coming from Intradevco products.
- **EBITDA** increased 87.0% YoY, while EBITDA Margin reached 13.7%, mainly explained by lower marketing and export expenses.

Argentina

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	30	28	6.9%	30	28	6.9%
Revenue	108	89	22.3%	108	89	22.3%
Gross Profit	30	19	62.5%	30	19	1.6x
Gross Margin	*27.8%*	*20.9%*	*6.9 p.p.*	*27.8%*	*20.9%*	*6.9 p.p.*
EBITDA	14	-2	16	14	-2	16
EBITDA Margin	*12.9%*	*-2.4%*	*15.4 p.p.*	*13.1%*	*-2.4%*	*15.5 p.p.*

- **Revenue** amounted to S/ 108 million, an increase of 22.3% YoY, while **Volume** reached 30 thousand tons, a 6.9% increase YoY. These results were explained by price increases, as well as higher Volume in our Home and Personal Care platforms where we continue to gain market share, growing 17.4% YoY in Detergents, 12.8% YoY in Softeners, and 7.1% YoY in Skin Care in terms of Volume.
- **Gross Margin** was 27.8% (+6.9 p.p. YoY), due to price increases ahead of inflation and devaluation, which took place in December 2019 and January 2020.
- **EBITDA** was S/ 14 million with an EBITDA Margin of 12.9% (+15.4 p.p. YoY) while, Normalized EBITDA Margin was 13.1% (+15.5 p.p. YoY). These results were achieved on the back of the third year of our successful turnaround and transformational initiative, which started in 2017, through the positioning of our value brands, "Plusbelle" and "Zorro", as good "value for money" propositions, as well as a disciplined SG&A management.

Brazil

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	24	23	4.8%	24	23	4.8%
Revenue	82	90	-8.9%	82	90	-8.9%
Gross Profit	25	27	-5.5%	25	27	-5.5%
Gross Margin	*30.8%*	*29.7%*	*1.1 p.p.*	*30.8%*	*29.7%*	*1.1 p.p.*
EBITDA	-59	-7	-52	3	-4	7
EBITDA Margin	*-71.8%*	*-7.7%*	*-64.2 p.p.*	*3.5%*	*-4.2%*	*7.7 p.p.*

- **Revenue** decreased 8.9% YoY, amounting to S/ 82 million while **Volume** increased 4.8% YoY, reaching 24 thousand tons. Despite the increase in Volume, the decrease in Revenue was explained entirely by a devaluation of the Brazilian Real, with Revenue in Reais increasing 5.7% YoY, on the back of market share growth in our pasta category.
- **Gross Margin** increased 1.1 p.p. YoY, reaching 30.8%, as a result of higher prices in our pasta category, as well as cost efficiencies.
- **EBITDA** fell to S/ -59 million with an EBITDA Margin of -71.8% (-64.2 p.p. YoY), mainly explained by i) a S/ 48 million impairment of our Brazilian operations due to the exchange rate and country risk

impacts of COVID-19 in our operations in Brazil, ii) donations and iii) a one time expense of 13 million soles related to a negative verdict from Brazilian authorities about a tax contingency from previous years. Excluding these effects, Normalized EBITDA increased S/ 7 million with a Normalized EBITDA Margin of 3.5% (+7.7 p.p. YoY), on the back of the successful implementation of our restructuring program, which allows us to continue to improve profitability quarter-on-quarter.

B2B

(In PEN millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	156	147	6.0%	156	147	6.0%
Revenue	389	374	4.0%	389	374	4.0%
Gross Profit	81	80	1.1%	86	80	1.1x
Gross Margin	*20.9%*	*21.5%*	*-0.6 p.p.*	*22.1%*	*21.5%*	*0.6 p.p.*
EBITDA	16	41	-60.2%	45	41	10.2%
EBITDA Margin	*4.2%*	*10.9%*	*-6.7 p.p.*	*11.6%*	*10.9%*	*0.7 p.p.*

- **Revenue and Volume** reached S/ 389 million (+4.0% YoY) and 156 thousand tons (+6.0% YoY) in Q1 '20, respectively.
  - i) Industrial Clients increased 2.7% YoY, mainly due to increases in Nutritional Inputs and Shortenings
  - ii) Bakery grew 7.8% YoY, mainly explained by growth in Industrial Flours and Industrial Margarines
  - iii) Food Service remained flat, despite the 15 days of lockdown imposed in march due to COVID-19
- **Gross Profit** increased 1.1% YoY with Gross Margin decreasing 0.6 p.p. due to i) a higher cost of sales in Food Service related to provisions for the expiration of sauces inventory which will not be sold due to abrupt closing of restaurants, and ii) an increase in palm oil price which impacted industrial oils, lard and shortening margins.
- **EBITDA** reached S/ 16 million, a 60.2% decrease YoY, while EBITDA Margin totaled 4.2%, down 6.7 p.p. YoY, mainly due to bad-debt provisions related to the impacts of COVID-19 for S/ 21 million, and a donation expense of S/ 3 million also related to COVID-19. Normalized EBITDA reached S/ 45 million (+10.2% YoY) with a Normalized EBITDA Margin of 11.6% (+0.7 p.p.).

AQUAFEED

(In USD millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	152	138	9.7%	152	138	9.7%
Revenue	155	148	5.3%	155	148	5.3%
Gross Profit	33	31	7.0%	33	31	7.0%
Gross Margin	*21.1%*	*20.8%*	*0.3 p.p.*	*21.1%*	*20.8%*	*0.3 p.p.*
EBITDA	15	17	-12.8%	19	17	10.8%
EBITDA Margin	*9.6%*	*11.6%*	*-2.0 p.p.*	*12.2%*	*11.6%*	*0.6 p.p.*

- **Revenue and Volume** reached USD 155 million (+5.3% YoY) and 152 thousand tons (+9.7% YoY), respectively, mainly due to a 29.5% growth in our Salmon feed business in Chile, explained by a positive base effect from strikes, which affected production in Q1 '19, in addition to a higher volume share. Our Shrimp feed business was impacted by price cuts due to lower commodity prices and aggressive competitive environment.
- **Gross Profit** amounted to USD 33 million (+7.0% YoY), while Gross Margin was 21.1% (+0.3 p.p. YoY), due to lower commodity prices and the aforementioned effect of strikes in Chile in Q1 '19.
- **EBITDA** amounted to USD 15 million (-12.8% YoY) with an EBITDA Margin of 9.6% (-2.0 p.p. YoY), due to bad-debt provisions for USD 3 million, constituted to reflect the negative impacts we expect COVID-19 will have in our business, as well as a USD 1 million in donations also related to COVID-19. Normalized EBITDA amounted to USD 19 million (+10.8% YoY) with a Normalized EBITDA Margin of 12.2% (+0.6 p.p. YoY), mainly explained by a higher gross margin.

CRUSHING

(In USD millions)	Reported figures			Normalized figures		
	Q1 '20	Q1 '19	YoY Var.	Q1 '20	Q1 '19	YoY Var.
Volume (MT thousands)	175	154	14.0%	175	154	14.0%
Revenue	75	64	17.1%	75	64	17.1%
EBITDA	3	-3	7	5	-3	8

- **Revenue and Volume** amounted to USD 75 million and 175 thousand tons, increasing 17.1% and 14.0% YoY, respectively, mainly due to phased volumes from Q4 '19 that were not crushed due to social unrest in Bolivia, in addition to higher international soybean and sunflower prices early on this first quarter.
- **EBITDA** was USD 3 million, an increase of USD 7 million, mainly due to a strong winter soybean crush margin recovery and to higher international prices as mentioned before. Furthermore, we are generating higher economies of scale via the consolidation of shipments.

II. BALANCE SHEET

(In PEN millions)	Q1 '20	Q1 '19	YoY Var.
Current Assets	5,239	4,302	21.8%
Current Liabilities	4,067	3,359	21.1%
Total Liabilities	8,471	7,896	7.3%
Working Capital[1]	1,172	943	24.3%
Cash and Cash Equivalents	1,548	769	2.0x
Total Financial Net Debt	3,017	4,044	-25.4%
Current Debt	1,062	907	17.1%
Non-Current Debt	3,503	3,906	-10.3%
Shareholders' Equity	3,448	3,067	12.4%
RATIOS			
Current Ratio	1.3x	1.3x	0.6%
Net Debt-to-EBITDA[2]	2.15x	3.43x	
Leverage Ratio[3]	2.5x	2.6x	-4.6%

ASSETS

As of March 2020, Total Assets increased S/ 677 million compared to year-end 2019. The increase was mainly driven by Cash and Cash Equivalents of S/ 708 million, from S/ 840 million as of December 2019 to S/ 1,548 million as of March 2020, mainly due to higher sales on goods, working capital efficiencies and debt taken in order to secure liquidity for our operations.

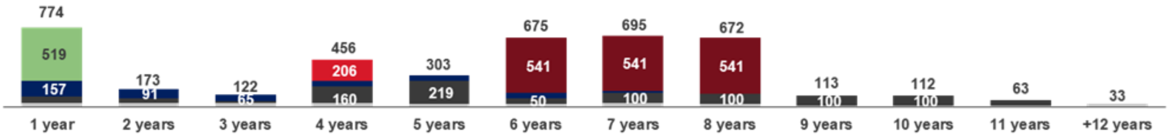
LIABILITIES

As of March 2020, Total Liabilities increased S/ 687 million compared to year-end 2019.

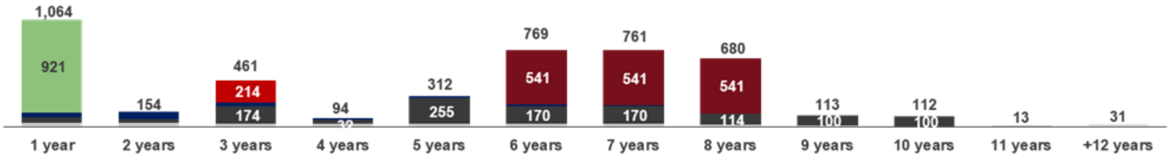
Total Current Financial Debt as of March 2020 was S/ 1,062 million, S/ 288 million higher than as of December 2019, while total Non-Current Financial Debt as of March 2020 was S/ 3,503 million, S/ 86 million higher than by year-end 2019. The increase in Total Financial Debt is mainly explained by current debt taken in order to secure liquidity for our operations amid the COVID-19 pandemic emergency. As of March 2020, Non-Current Financial Debt represented 76.7% of the Total Financial Debt, compared to 81.5% by the end of 2019.

[1] Working Capital defined as Current Assets minus Current Liabilities.
[2] Net Debt to EBITDA defined as Total Financial Debt minus Cash and Cash Equivalents divided by EBITDA for the last twelve months. Net Debt-to-EBITDA ratio as of March 2020 excludes the effect of LTM impairments for S/ 85 million.
[3] Leverage Ratio defined as Total Liabilities divided by Shareholders' Equity.

December 2019: Total Debt: S/ 4,191 million



March 2020: Total Debt: S/ 4,564 million



As of March 2020, currency breakdown of our Financial Debt after hedging operations was: i) 77.8% in Peruvian Soles, ii) 11.3% in Bolivianos, iii) 10.3% in U.S. Dollars, and iv) 0.6% in other currencies. However, Financial Debt with true FX exposure (unhedged financial liabilities in a currency other than functional currency of each company) was 6.6%. Total Debt duration decreased to 3.57 years as of March 2020, compared to 3.88 years by year-end 2019 while Long-Term Debt duration was 4.4 years. Currently, most of our liabilities are fixed-rate, either directly or through derivative transactions.

EQUITY

Shareholders' Equity decreased S/ 11 million to S/ 3,448 million by March 2020, from S/ 3,459 million by the end of 2019. This decrease was mainly explained by Foreign Exchange Conversion Differences.

III. CASH FLOW STATEMENT

OPERATING ACTIVITIES

For the three months ending March 31st 2020, Cash Flow from Operations was S/ 513 million, S/ 460 million higher compared to the same period in 2019. This result was mainly due to a higher collections from sales in the amount of S/ 660 million. The aforementioned increase was partially offset by: i) higher payments to suppliers for S/ 58 million, ii) higher payment of salaries to employees for S/ 43 million and iii) higher tax payments for S/ 30 million compared to the same period during 2019.

INVESTING ACTIVITIES

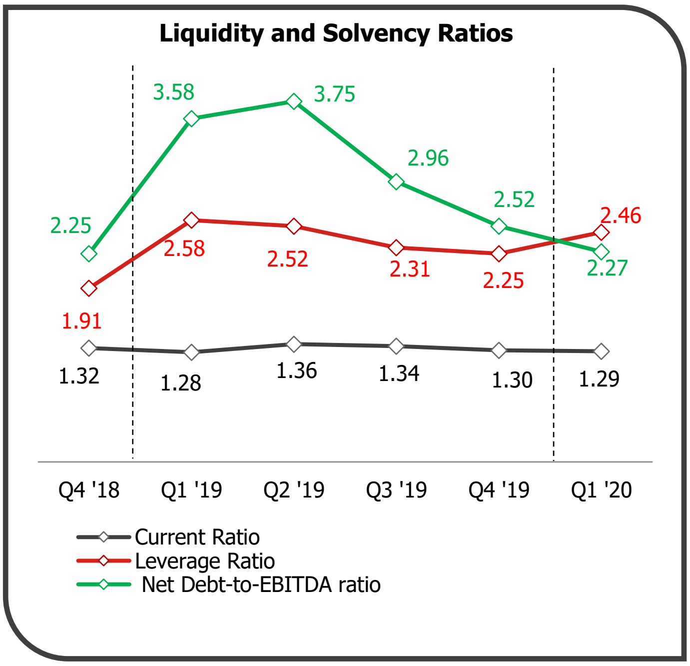
Cash Flow used in Investing Activities for the three months ending March 31st 2020 amounted to S/ 79 million, S/ 1,614 million lower compared to the same period in 2019. The decrease was mainly due to the absence of acquisitions. Within those S/ 79 million, the amount disbursed for PP&E related CAPEX was S/ 58 million, S/ 4 million lower than the one for the same period in 2019. Key investments were allocated towards: i) improving our production capabilities in Aquafeed business and ii) our corporate headquarters located in the Miraflores district in Lima, Peru.

FINANCING ACTIVITIES

Cash flow from Financing Activities for the three months ending March 31st 2020, totaled S/ 265 million, S/ 1,113 million lower, compared to the S/ 1,378 million in the same period of 2019, mainly due to a lower disbursement of loans as a consequence of the absence of acquisitions this quarter.

LIQUIDITY AND SOLVENCY RATIOS

Net debt[1] decreased to S/ 3,017 million (a S/ 334 million decrease), mainly due to higher Cash and Cash Equivalents. Excluding raw material inventory from our Crushing business, Net Debt-to-EBITDA[2] ratio decreased from 2.41x[3] as of December 2019 to 2.15x[4] as of March 2020.



Current ratio: Total Current Assets/ Total Current Liabilities
Leverage ratio (Total Liabilities/Total Shareholder´s Equity)
[1] Net Debt is Financial Debt less cash and cash equivalents as of Q1 20' (includes the effect of IFRS 16)
[2] As of March 2020, Net debt-to-EBITDA ratio includes Intradevco in the last 12 months
[3] Net debt-to-EBITDA ratio excludes the effect of impairments for S/ 37 million (Dec-19)
[4] Net debt-to-EBITDA ratio excludes the effect of impairments LTM for S/ 85 million (Mar-20)

IV. RECENT EVENTS

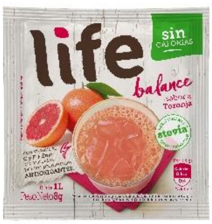
PRODUCT RESEARCH & DEVELOPMENT

In the **Consumer Goods Peru division**, Alicorp launched/revamped 12 products during this quarter. In the **Beauty Soap category**, the brand "Plusbelle" launched bar and liquid beauty soaps in a variety of scents and entered the Peruvian market as a new brand.

In the **Softeners category**, we launched a 1.5L "Bolivar Active Scent" softener in an exclusive refill format for supermarket customers under the brand "Bolivar", aiming to strengthen our competitivity.

In the **Dishwashing soap category**, a new 1.2L liquid dishwasher format "Marsella Todo en Uno" was launched under the brand "Marsella", in order to reinforce the brand value in the liquid dishwasher

In the **Canned Tuna category**, we launched tuna in pouches under the brand "Primor", aiming to increase consumption with an individual "ready-to-eat" format.



In the **Powdered Juices category**, grapefruit flavored juice was launched under the brand "Life", in order to widen brand's portfolio and gain market share.

In the **Pasta category**, frozen stuffed pasta was launched under the "Nicolini" brand, aiming to increase the value and diversification of the brand through innovation. Likewise, a new format of acini di pepe pasta was launched under the brand "Nicolini", in order to increase the brand's portfolio soups

In the **Margarines category**, a 100 gram "Manty plus" margarine bar was launched under the brand "Manty", aiming to raise the brand's value and to consolidate Alicorp's leadership in the margarine market.

In the **Cookies & Crackers category**, the vanilla and coconut flavors for "Tentación Mini" cookies were launched under the brand "Victoria", in order to capture a greater market share in the mini cookies segment.

In the **Cereals category**, "Angel Chocobon" cereals flavored with chocolate was launched under the brand "Angel", in order to increase the frequency of consumption of the brand in breakfasts and lunches.

Likewise, the 750-gram "Angel Corn Flakes" cereals was launched under the brand "Angel", aiming to capture a higher market share in the original cereals segment and to increase the brand's competitiveness.

In the **Consumer Goods Central America & Ecuador (CAM-Ec) division**, 3 products were launched/relaunched during this quarter. In the **Cookies & Crackers category**, the cookies "Integrackers" were launched in Colombia under the brand "Victoria", aiming to strengthen our cookies & crackers portfolio in Colombia serving new market segments. Likewise, the cookies "Glacitas" and "Integrackers" were launched in Guatemala under the brand "Victoria", in order to capture market share and to consolidate our position in the Central America.

In the **Pasta category**, a new format of short-cut pasta "Don Vittorio Colored Fusilli" was launched in Ecuador under the brand "Don Vittorio", aiming to expand the brand's portfolio of products in Ecuador and reinforce brand innovation.

In the **Consumer Goods Brazil division**, 1 product was relaunched during this quarter. In the **Hair Care category**, 1L "Plusbelle Regular" shampoo and conditioner were relaunched under the brand "Plusbelle", in order to modernize its presentation and to bring it closer to the latest trends in hair care.

In the **Consumer Goods Argentina division**, 2 products were launched/relaunched during this quarter. In the **Detergent category**, a laundry detergent was launched under the brand "Sapolio", aiming to increase market share and to consolidate Alicorp as one of the leaders in this category.

In the **Hair Care category**, "Plusbelle" brand product line was relaunched, in order to consolidate its position in the category through the development of long lasting fragrances and a different experience.

In the **B2B division**, Alicorp launched 3 products. In the **Food Service category**, dry beans were launched under the brand "Nicolini", aiming to become the leading brand in restaurants in Peru.

Likewise, in the same category, hamburgers were launched under the brand "Lista para Freir", in order to lead the transformation of the ready-to-cook hamburger market and increase its value in Lima.

In the **Bakery category**, a 1kg bread improver was launched under the brand "Nicolini", aiming to increase market share for this category.

AWARDS AND SOCIAL RESPONSIBILITY

In the Q1 '20, Alicorp was awarded by Merco Peru as one of the "Top 10 companies" in the Social Responsibility and Good Corporate Governance Ranking, and the top company in the Food sector.

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MONITOR EMPRESARIAL DE REPUTACIÓN CORPORATIVA

About Alicorp

Alicorp is a leading Consumer Goods company headquartered in Peru, with operations in other Latin American countries, such as Argentina, Brazil, Bolivia, Chile, Ecuador, and exports to other countries. The Company focuses on four core businesses: (1) Consumer Products (food, personal and home care products), in Peru, Brazil, Bolivia, Argentina, Ecuador, Colombia and Chile, among other countries, (2) B2B Products (industrial flour, industrial lard, pre-mix and food service products), (3) Aquafeed (fish and shrimp feed) and (4) Oilseeds crushing (soybean and sunflower) which is part of the vertically-integrated consumer business in Bolivia. Alicorp has over 7,600 employees in its operations in Peru and international subsidiaries. The Company´s common and investment shares are listed on the Lima Stock Exchange under the ticker symbols ALICORC1 and ALICORI1, respectively.

DISCLAIMER

This Earnings Report may contain forward-looking statements concerning recent acquisitions, its financial and business impact, management's beliefs and objectives with respect thereto, and management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words "anticipate," "may," "can," "plans," "believes," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be," and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Alicorp or the Consolidated Company. Alicorp does not undertake any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances.

ALICORP S.A.

Consolidated Statement of Financial Position

As of March 31, 2020 and December 31,2019

(in thousands of Peruvian Soles)

	Notes	March 31 2020	December 31 2019
Assets			
Current Assets			
Cash and Cash Equivalents	3	1,547,871	840,021
Other Financial Assets	4	134,203	75,713
Trade Account Receivables, Net	5	1,218,989	1,364,877
Other Account Receivables, Net	6	328,369	287,848
Account Receivables from Related Parties		0	0
Advances to Suppliers		180,751	216,915
Inventories	7	1,709,377	1,622,919
Biological Assets		0	0
Current Income Tax - Asset		44,075	37,482
Other non financial assets		47,648	18,403
Assets classified as held for sale		27,575	26,639
Total Current Assets		**5,238,858**	**4,490,817**
Non-Current Assets			
Other Financial Assets	4	22,649	19,167
Investments in associates	8	17,327	17,323
Accounts Receivable		0	0
Other Account Receivables	6	142,261	140,994
Biological Assets		230	286
Investment properties		7,420	7,492
Property, Plant and Equipments, Net	9	3,631,464	3,649,211
Intangible Assets, Net	10	1,333,611	1,318,649
Deferred Tax		206,772	201,586
Non - Current, Current Tax Asset		3,367	3,492
Goodwill	11	1,315,054	1,393,264
Total Non-Current Assets		**6,680,155**	**6,751,464**
TOTAL ASSETS		**11,919,013**	**11,242,281**

	Notes	March 31 2020	December 31 2019
Liabilities and Shareholders´ Equity			
Current Liabilities			
Other Financial Liabilities	12	1,103,416	803,799
Trade Account Payables	13	2,205,154	2,143,411
Other Account Payables	14	487,095	182,894
Account Payables to Related Parties		106	0
Deferred Income Liabilities		6,362	3,043
Provisions		64,786	48,662
Current Income Tax		41,107	54,013
Provision for Employee Benefits	15	158,760	226,731
Total Current Liabilities		**4,066,786**	**3,462,553**
Non-Current Liabilities			
Other Financial Liabilities	12	3,507,414	3,422,911
Other Account Payables		0	0
Account Payables to Related Parties		0	0
Deferred Income Liabilities		2,386	2,958
Deferred Income Tax Liabilities		752,868	774,113
Provisions		115,908	96,230
Provision for Employee Benefits	15	25,502	25,010
Total Non-Current Liabilities		**4,404,078**	**4,321,222**
Total Liabilities		**8,470,864**	**7,783,775**
Sharedholders' Equity			
Share Capital	16	847,192	847,192
Investment Shares	16	7,388	7,388
Reserves	16	157,382	165,368
Retained Earnings		2,423,600	2,415,276
Other Shareholders' Equity Reserves		-20,667	-8,719
Equity Attributable to Owners of the Company		**3,414,895**	**3,426,505**
Non-Controlling Interests		33,254	32,001
Total Shareholders' Equity		**3,448,149**	**3,458,506**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,919,013**	**11,242,281**

ALICORP S.A.A.

Consolidated Statement of Comprehensive Income

For the Quaters Ended March 31, 2020, 2019

(in thousands of Peruvian Soles)

	Notes	For the Quarter Ended March 31, 2020	For the Quarter Ended March 31, 2019	For the cumulative period Starting on January 1 and Ending March 31, 2020	For the cumulative period Starting on January 1 and Ending March 31, 2019
Revenue		0	0	0	0
Other Revenues		0	0	0	0
Net Sales	17	2,448,104	2,225,788	2,448,104	2,225,788
Cost of Sales	17	-1,821,727	-1,681,122	-1,821,727	-1,681,122
Gross Profit (Loss)		**626,377**	**544,666**	**626,377**	**544,666**
Selling and Distribution Expenses		-234,764	-197,418	-234,764	-197,418
Administrative Expenses		-200,217	-155,701	-200,217	-155,701
Profit (loss) on the disposal of financial assets measured at amortized cost		0	0	0	0
Other Operating Income		10,987	7,425	10,987	7,425
Other Operating Expenses		-70,054	-5,363	-70,054	-5,363
Other income (Expenses)		-4,492	-10,083	-4,492	-10,083
Operating Profit (Loss)		**127,837**	**183,526**	**127,837**	**183,526**
Financial Income	18	19,592	27,789	19,592	27,789
Financial Expenses	19	-80,569	-67,275	-80,569	-67,275
Exchange differences on translating foreign operations.	20	-5,765	2,385	-5,765	2,385
Share in Profits from Associates		0	0	0	0
Profit (Loss) arising from the Difference between the Book Value and Fair Value of the Financial Assets Reclassified measured at Fair Value		0	0	0	0
Profit (Loss) before Income Tax		**61,095**	**146,425**	**61,095**	**146,425**
Income Tax Expense		-51,518	-52,700	-51,518	-52,700
Profit for the Year from Continuing Operations		**9,577**	**93,725**	**9,577**	**93,725**
Profit (Loss) for the Year from Discontinued Operations		0	0	0	0
Profit (Loss) for the Period/Year (Net Value)		**9,577**	**93,725**	**9,577**	**93,725**
Net Profit (Loss) attributable to:					
Owners of the Company		8,324	91,623	8,324	91,623
Non-Controlling Interests		1,253	2,102	1,253	2,102
Net Earnings (Loss) for the Period/Year		**9,577**	**93,725**	**9,577**	**93,725**
Basic (cents per share):					
Earnings per Share Capital in Continuing Operations	21	0.010	0.107	0.010	0.107
Earnings per Share Premium in Continuing Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital in Discontinued Operations		0.000	0.000	0.000	0.000
Earnings per Share Premium in Discontinued Operations		0.000	0.000	0.000	0.000
Earnings per Share	21	**0.010**	**0.107**	**0.010**	**0.107**
Earnings per Share Premium		0.000	0.000	0.000	0.000
Diluted (cents per share):					
Earnings per Share Capital in Continuing Operations	21	0.010	0.107	0.010	0.107
Earnings per Share Premium in Continuing Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital in Discounted Operations		0.000	0.000	0.000	0.000
Earnings per Share Premium in Discounted Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital	21	**0.010**	**0.107**	**0.010**	**0.107**
Earnings per Share Premium		0.000	0.000	0.000	0.000

ALICORP S.A.A.
Consolidated Statement of Cash Flows
Direct Method
For the Periods Ended March 31, 2020 and 2019
(in thousands of Peruvian Soles)

	Notes	For the cumulative period Starting on January 1 and Ending March 31, 2020	For the cumulative period Starting on January 1 and Ending March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Collections from (due to):			
Sales of Goods and Services Offered		2,802,800	2,142,720
Fees		0	0
Royalties, commissions, and other income from ordinary activities		0	0
Interests and Returns Received (not included under Investment Activities)		0	0
Income Tax Reinbursement		0	0
Dividends Received (not incluided under Investment Activities)		0	0
Other Operating Collections		29,316	46,619
Payments to (due to):			
Suppliers of Goods and Services		-1,838,652	-1,780,724
Salaries		-327,414	-284,844
Income Taxes Paid		-81,135	-50,886
Interests and Returns (not included under Financing Activities)		0	0
Dividends (not included under Financing Activities)		0	0
Royalties		0	0
Other Operating Payments		-43,653	-44,524
Other Payments		-28,355	24,105
Net Cash Generated by Operating Activities		**512,907**	**52,466**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Collections to (due to):			
Reinbursement from Advanced Loans and Loans to Third Parties		0	0
Repayments by Related Parties		0	0
Sale of Financial Instruments (Debt or Equity) to other Entities		0	0
Derivative Contracts (futures, options)		0	0
Net Cash Inflow on Disposal of Associate		0	0
Sale of Participation in Joint Venture, Net of Cash Disbursement		0	0
Sale of Investment Properties		0	0
Sale of Properties, Plant and Equipment		884	44
Sale of Intangible Assets		0	0
Proceeds from Disposal of Other Long Term Assets		0	0
Interests and Returns Received		10,682	10,107
Dividends Received		0	0
Income Tax Reinbursement		0	0
Other Cash Collected from Investment Activities		0	0
Payments to (due to):			
Advanced Payments and Loans to Third Parties		0	0
Loans to Related Parties		0	0
Purchase of Financial Instruments (Debt or Equity) from Other Entities		0	0
Derivative Contracts (futures, options)		0	0
Net Cash Outflow on Acquisition of Subsidiaries		0	0
Purchase of Participation in Joint Ventures, Net of cash acquired		0	-1,601,277
Purchase of Participation in Non-Controlling Interests		0	0
Purchase of Investment Properties		0	0
Purchase of Properties, Plant and Equipment		-58,059	-62,419
Advance Payments for Work in Progress for Property, Plant and Equipment		0	0
Purchase of Intangible Assets		-20,000	-37,870
Purchase of Other Long Term Assets		0	0
Income Tax Paid		0	0
Other Cash Payments from Investment Activities		-12,310	-1,335
Net Cash (Used in) Generated by Investment Activities		**-78,803**	**-1,692,750**
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections to (due to):			
Short Term and Long Term Loans		1,574,415	2,450,750
Loans to Related Parties		0	0
Issue of Ordinary Shares and Other Instruments of Equity		0	0
Sale of Treasury Shares		0	0
Income Tax Reimbursement		0	0
Other Cash Collected from Financing Activities		0	0
Payments to (due to):			
Short Term & Long Term Loan Amortizations		-1,245,063	-996,317
Loans from Related Entities		0	0
Liabilities from Leasing Operations		-10,764	-4,024
Repurchase of Shares (Treasury Shares)		0	0
Adquisition of other Participations under Share Capital		0	0
Interests and Returns		-54,448	-68,435
Dividends		-67	
Income Tax Paid		0	0
Other Cash Payments from Financing Activities		700	-3,827
Net Cash Used in Financing Activities		**264,773**	**1,378,147**
Increase (Decrease) Net Cash Flow, before Exchange Rate Changes		**698,877**	**-262,137**
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currerncies		8,973	-6,064
Increase (Decrease) Net Cash Flow, after exchange rate changes		**707,850**	**-268,201**
Cash and cash equivalents at the beginning of the year		840,021	1,037,185
Cash and cash equivalents at the end of the period		**1,547,871**	**768,984**