



## FY 2018 RESULTS

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## Highlights FY 2018 results

- **Organic net sales growth of 3.7%**
  - Net sales growth of 0.6% due to negative currency impact
  - Food: Organic growth 0.9%. Meat & Other strong, Bakery weak
  - Biochemicals: Organic growth 4.0%, driven by Pharma/Medical, Electronics, and Chemicals
  - Innovation Platforms growth 127.0%:
    - Organic growth 84.9%, driven by lactic acid sales to PLA joint venture
    - Acquisition of Bunge share in SB Renewable Oils joint venture in June
- **Organic EBITDA excluding one-off items decline of 5.4%**
  - EBITDA € 131.6M (FY 2017: € 164.1M): -19.8%
  - Organic decrease due to 1) positive volumes, 2) negative price/mix effect, and 3) higher spend in Innovation Platforms

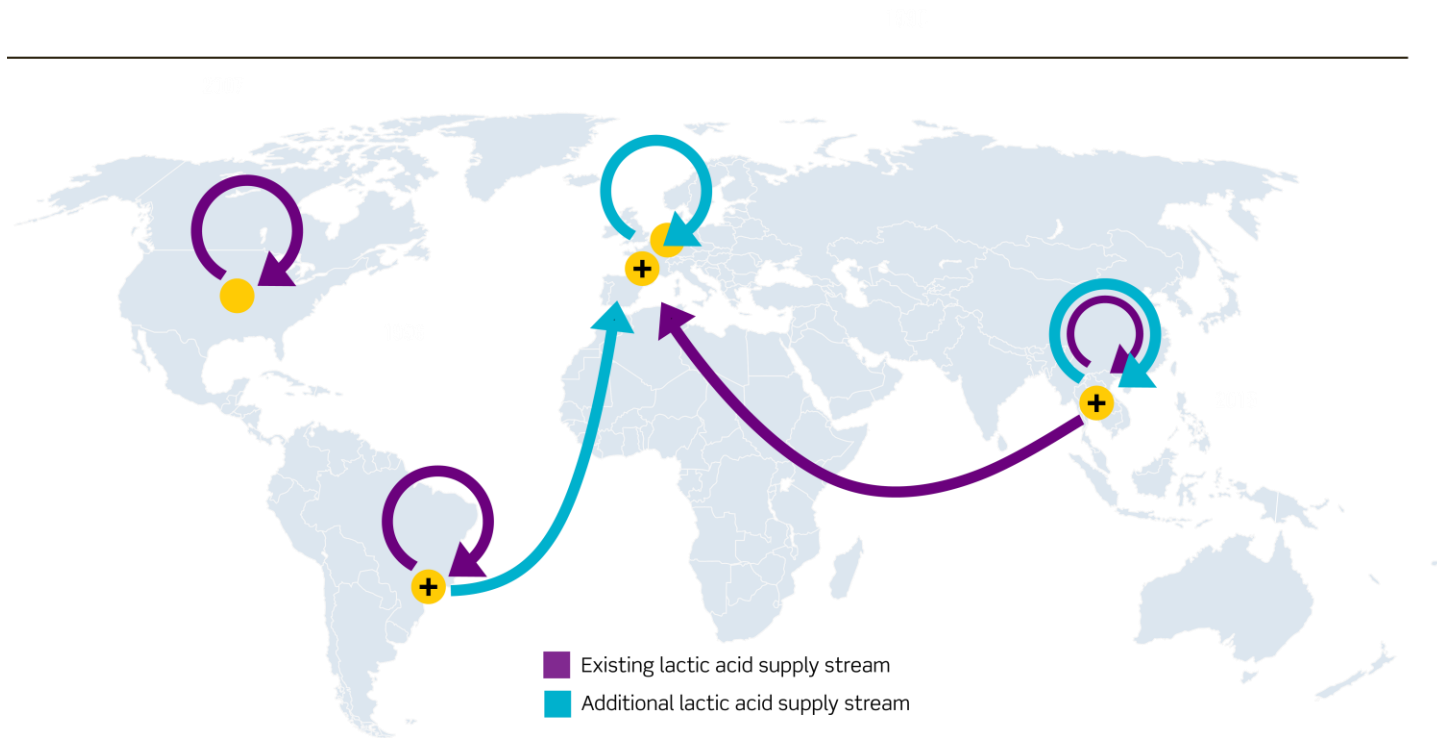


# Business overview

Ingredient Solutions	Food	Bakery	Stable market
			Negative impact off-patent enzyme winding down
		Meat	Continued strong growth in natural solutions
		Other	Growth in non-bakery emulsifiers and acid powders
	Biochemicals	Pharma/Medical	Continued growth in resorbable medical polymers
Chemicals		Some deceleration in Electronics visible	
		Self-healing concrete just launched by partner	
HPC		Stable business development	
	Animal Health	Dependent on competitiveness chemical alternatives	
Innovation Platforms	Lactic acid to PLA		75kT plant commissioned by Total Corbion jv
			Growth dependent on ramp up speed PLA
	Algae Ingredients	AlgaPrime DHA	Algaprime DHA containing salmon offerings expanding at retailers
		Thrive	Now sold at key retailers such as Walmart, Target, Publix, Safeway/Albertsons
		AlgaVia	Developing markets/technology of plant-based protein. High level of interest
	Other	FDCA	FDCA moving to advanced pilot, samples for testing and commercial use
		Succinic acid	Succinity jv dormant



# Lactic acid capacity expansion – Balanced approach

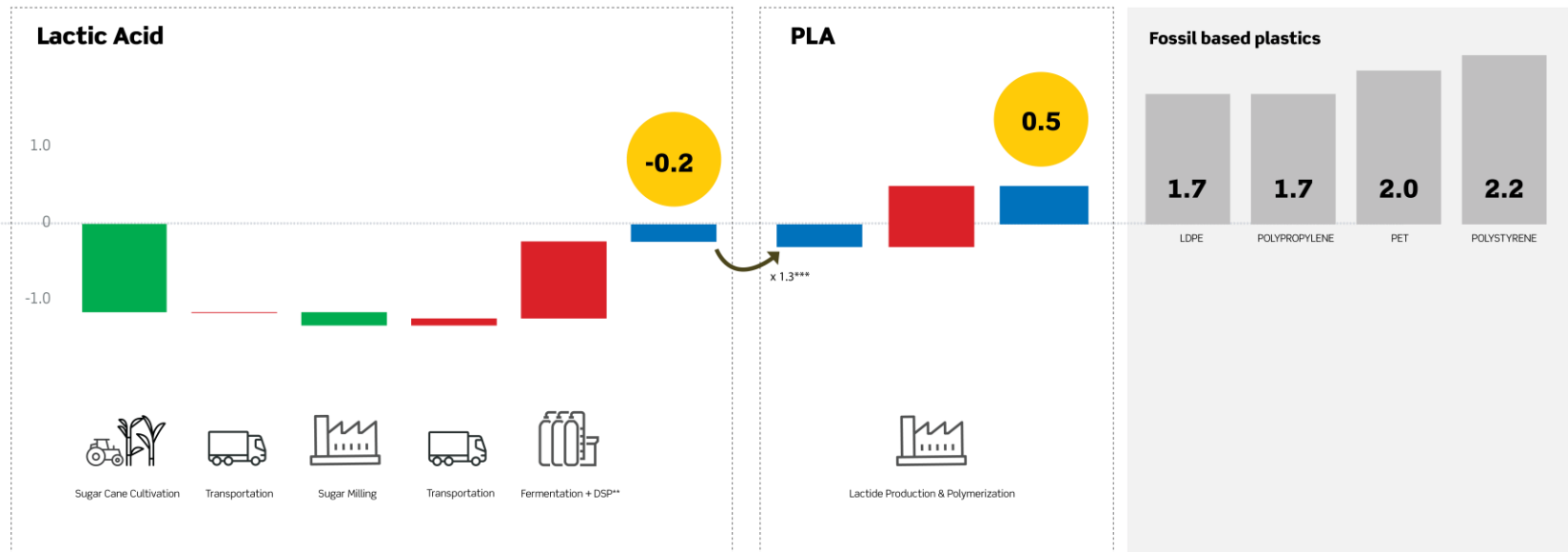


- Expanding existing plants by **50kT** to accommodate PLA-driven demand
- Timeline: **Mid-2020**; ~€ 30M capex
- Preparations for new gypsum-free lactic acid plants continues



# Sustainability – Corbion's small carbon footprint

kg CO<sub>2</sub> per kg product - cradle to gate\*



- Increased emphasis on GHG emissions highlights Corbion's small carbon footprint
- Life-Cycle Assessments available for 37% of Corbion products; 50% by end 2020



**Rating C to B**

**Rating Silver to Gold**

**RSPO 24% -> 41%**



# FY 2018 Financial Results

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# Profit and Loss: FY 2018 and Q4

€ million	YTD 2018	YTD 2017		Q4 2018	Q4 2017	%
Net Sales	897.2	891.7	0.6%	230.8	211.2	9.3%
<b>EBITDA excl. one-off items</b>	<b>131.6</b>	<b>164.1</b>	<b>-19.8%</b>	<b>27.2</b>	<b>34.2</b>	<b>-20.5%</b>
Depreciation & Amortization	(42.0)	(45.2)	-7.1%	(11.4)	(12.9)	-11.6%
One-off items	(1.7)	3.4		(0.4)	(1.5)	
<b>EBIT</b>	<b>87.9</b>	<b>122.3</b>	<b>-28.1%</b>	<b>15.4</b>	<b>19.8</b>	<b>-22.2%</b>
Financial income/expenses	(13.2)	(13.2)		(1.5)	(2.9)	
Result joint ventures/assoc.	(4.9)	(11.4)		(1.3)	(7.2)	
Taxes	(15.5)	(13.1)		(0.6)	10.3	
<b>Result after tax</b>	<b>54.3</b>	<b>84.6</b>	<b>-35.8%</b>	<b>12.0</b>	<b>20.0</b>	<b>-40.0%</b>
<b>Earnings per share</b>	<b>0.93</b>	<b>1.46</b>	<b>-36.5%</b>	<b>0.20</b>	<b>0.34</b>	<b>-40.6%</b>

- **EBITDA excl. one-off items** -19.8% (organic growth -5.4%) in FY 2018:
  - Organic sales growth of 3.7%
  - Negative currency effects
  - Including Algae Ingredients loss
- **One-off items** of € -1.7M on EBIT
- **Result JVs** of €-4.9M
  - Including € 6.8M positive one-offs related to SB Renewable Oils JV
  - SB Renewable Oils JV from 50.1% to 100% ownership in June 2018



# Sales Growth per segment in FY/Q4 2018

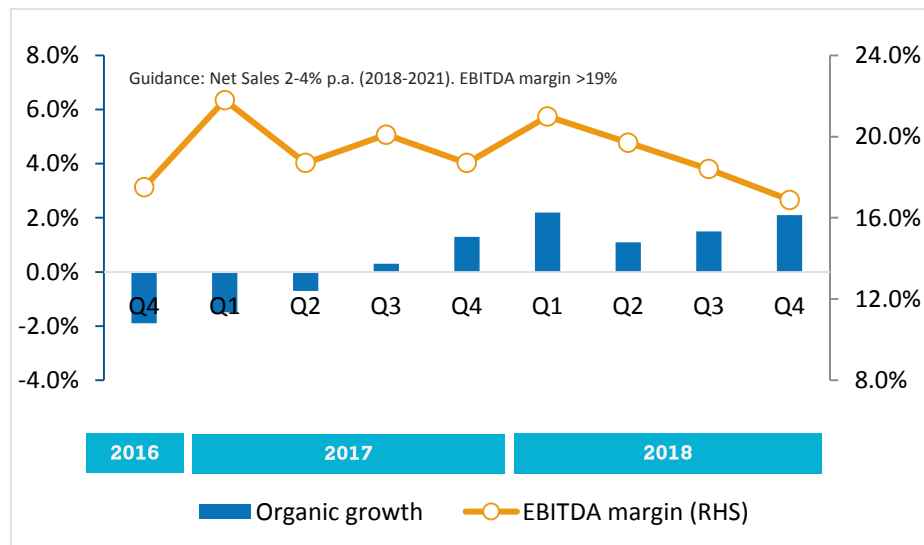
	Total growth	Currency	Total growth at constant currency	Acquisitions/(Divestments)	Organic	Price/Mix	Volume
<b>YTD 2018 vs 2017</b>							
<b>Ingredient Solutions</b>	-2.5%	-4.2%	1.7%	0.0%	1.7%	-1.2%	2.9%
- Food	-3.8%	-4.7%	0.9%	0.0%	0.9%	-1.3%	2.2%
- Biochemicals	1.1%	-2.9%	4.0%	0.0%	4.0%	-1.2%	5.2%
<b>Innovation Platforms</b>	127.0%	0.2%	126.8%	41.9%	84.9%	-45.6%	239.8%
<b>Total</b>	0.6%	-4.1%	4.7%	1.0%	3.7%	-4.9%	8.6%
<b>Q4 2018 vs Q4 2017</b>							
<b>Ingredient Solutions</b>	4.0%	1.9%	2.1%	0.0%	2.1%	-1.9%	4.0%
- Food	3.9%	2.0%	1.9%	0.0%	1.9%	-0.9%	2.8%
- Biochemicals	4.3%	1.6%	2.7%	0.0%	2.7%	-5.3%	8.0%
<b>Innovation Platforms</b>	289.7%	6.3%	283.4%	43.6%	239.8%	0.0%	NM
<b>Total</b>	9.3%	2.0%	7.3%	0.8%	6.5%	-9.4%	15.9%



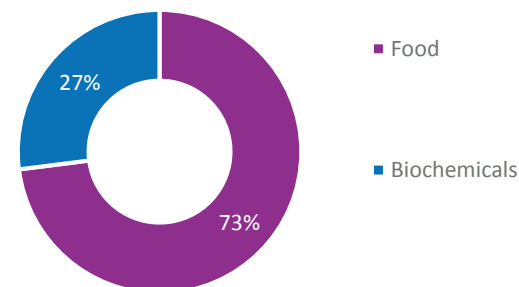
# Ingredient Solutions

€ million	YTD 2018	YTD 2017	Q4 2018	Q4 2017
Net sales	848.4	870.2	215.6	207.3
Organic growth	1.7%	-0.2%	2.1%	1.3%
EBITDA excl. one-off items	160.8	172.9	36.4	38.8
EBITDA %	19.0%	19.9%	16.9%	18.7%
ROCE	23.7%	26.0%	20.3%	23.0%

- **Organic sales growth** in FY 2018 1.7%
  - Q4: +2.1%
- **EBITDA margin** at 19.0% (FY 2017: 19.9%)
- **ROCE** at 23.7% (FY 2017: 26.0%)



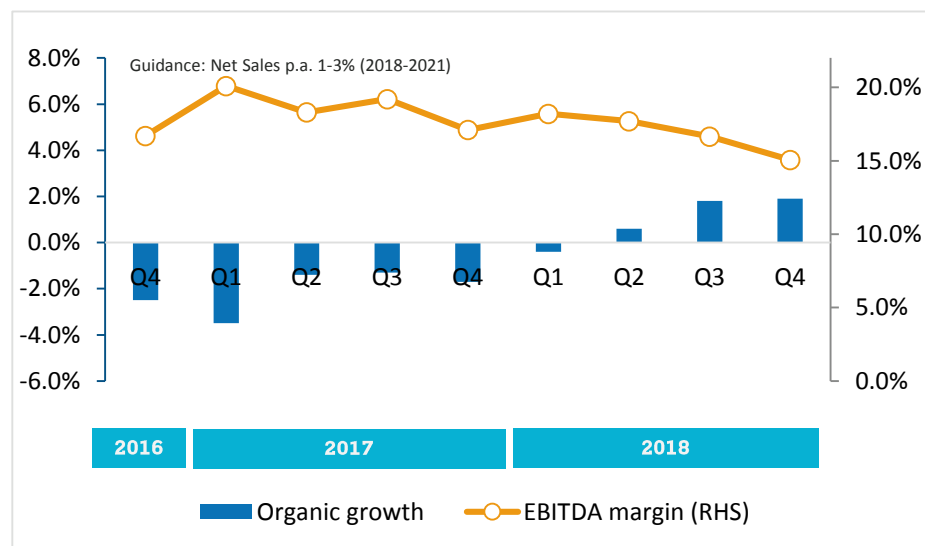
Net sales Ingredient Solutions by business segment





# Business Segment Food

€ million	YTD 2018	YTD 2017	Q4 2018	Q4 2017
Net sales	623.4	647.7	158.0	152.1
Organic growth	0.9%	-2.0%	1.9%	-1.7%
EBITDA excl. one-off items	105.3	121.3	23.8	26.0
EBITDA %	16.9%	18.7%	15.1%	17.1%



## FY 2018 key items

- **Organic sales growth** of 0.9%
- **Margin** decrease due to higher input costs, mostly in H2

## Q4 key items

- **Organic sales growth** of 1.9%
- **Bakery:** Sales decline where stable was expected: off-patent enzyme & customer project delays
- **Meat:** Continued strong performance with natural & clean-label solutions
- **Other segments:** growth in non-bakery emulsifiers and acid powders for Confectionery



# Business Segment Biochemicals

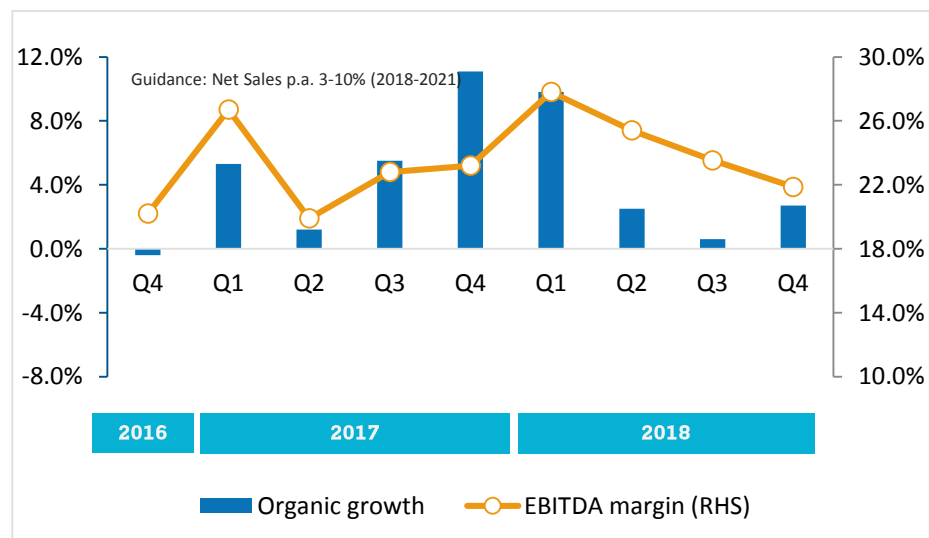
€ million	YTD 2018	YTD 2017	Q4 2018	Q4 2017
Net sales	225.0	222.5	57.6	55.2
Organic growth	4.0%	5.8%	2.7%	11.1%
<b>EBITDA excl. one-off items</b>	<b>55.5</b>	<b>51.6</b>	<b>12.6</b>	<b>12.8</b>
EBITDA %	24.7%	23.2%	21.9%	23.2%

## FY 2018 key items

- **Organic sales growth** of 4.0%
- **Margin increase** through better business mix

## Q4 key items

- Organic sales growth of 2.7%
- Strong growth in Chemicals. Below average growth in Pharma/Medical (phasing)
- Declines in Animal Health and HPC





# Innovation Platforms

€ million	YTD 2018	YTD 2017	Q4 2018	Q4 2017
Net Sales	48.8	21.5	15.2	3.9
Organic growth	84.9%	-10.5%	239.8%	-46.9%
<b>EBITDA excl. one-off items</b>	<b>(29.2)</b>	<b>(8.8)</b>	<b>(9.2)</b>	<b>(4.6)</b>
EBITDA %	-59.8%	-40.9%	-60.5%	-117.9%

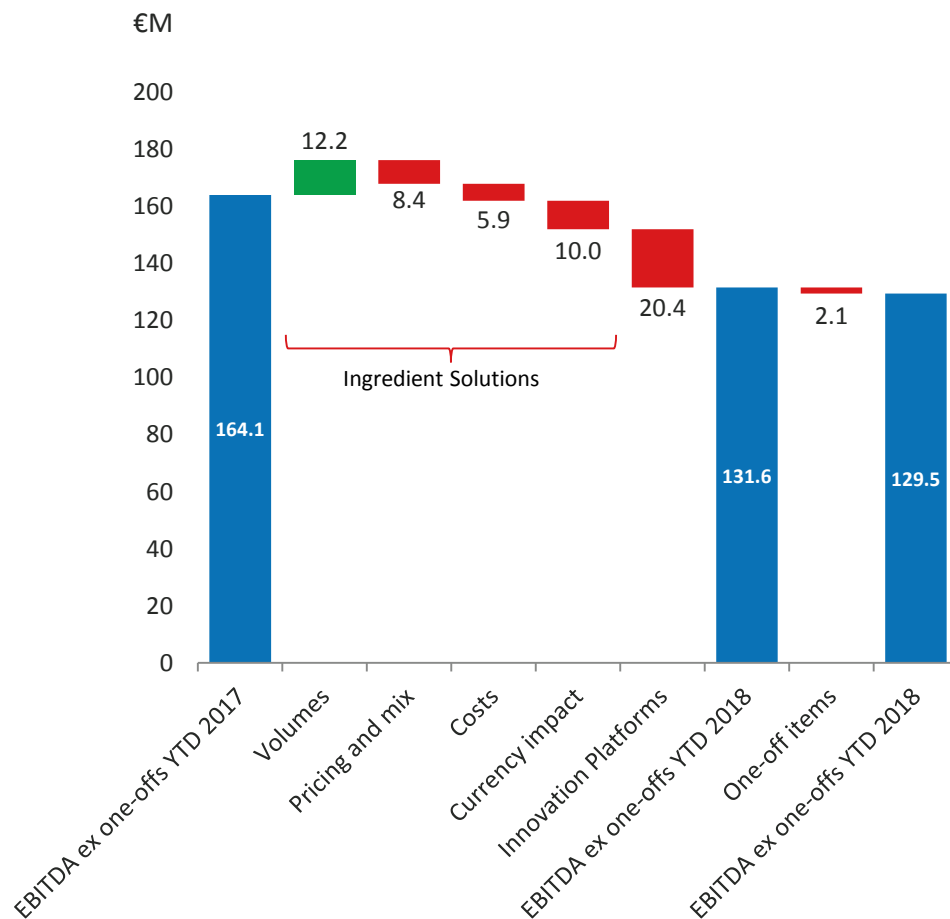


## FY 2018 key items

- Higher lactic acid sales to Total Corbion PLA JV (start-up December 2018)
- Acquisition of Bunge share in SB Renewable Oils JV in June 2018
- **Algae Ingredients**
  - Production issues AlgaPrime DHA resolved in Q2
  - 350kT feed containing AlgaPrime DHA sold by Biomar in Norway



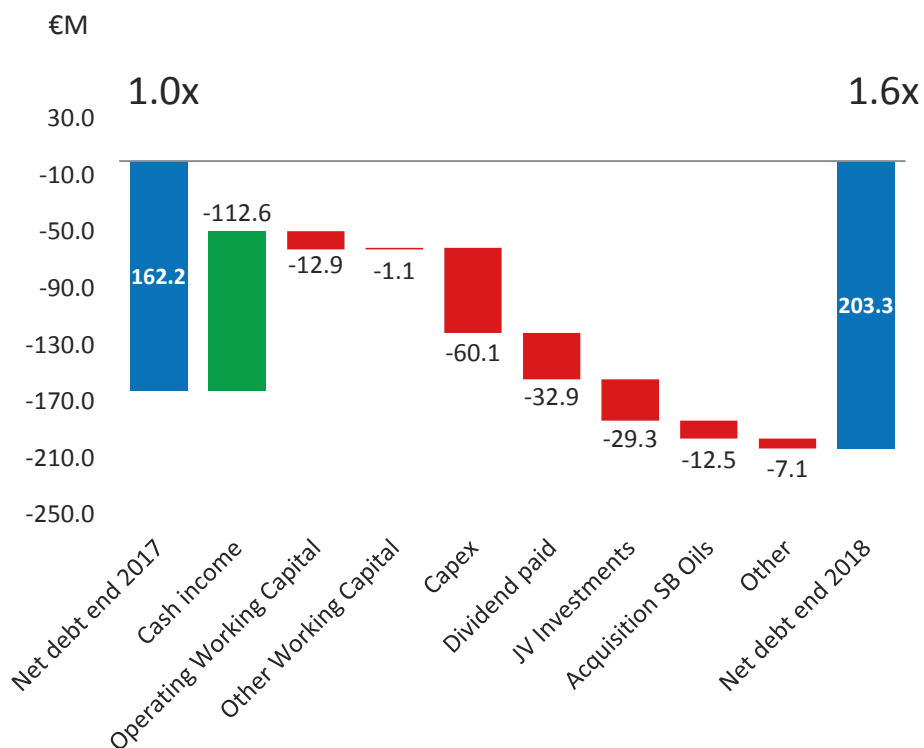
# EBITDA bridge FY 2018



- **Organic increase** due to higher volumes
- **Price/Mix** lower
  - Higher input costs
  - On balance stable product mix
- Significant negative **currency impact**
- Innovation Platforms: Algae Ingredients impact



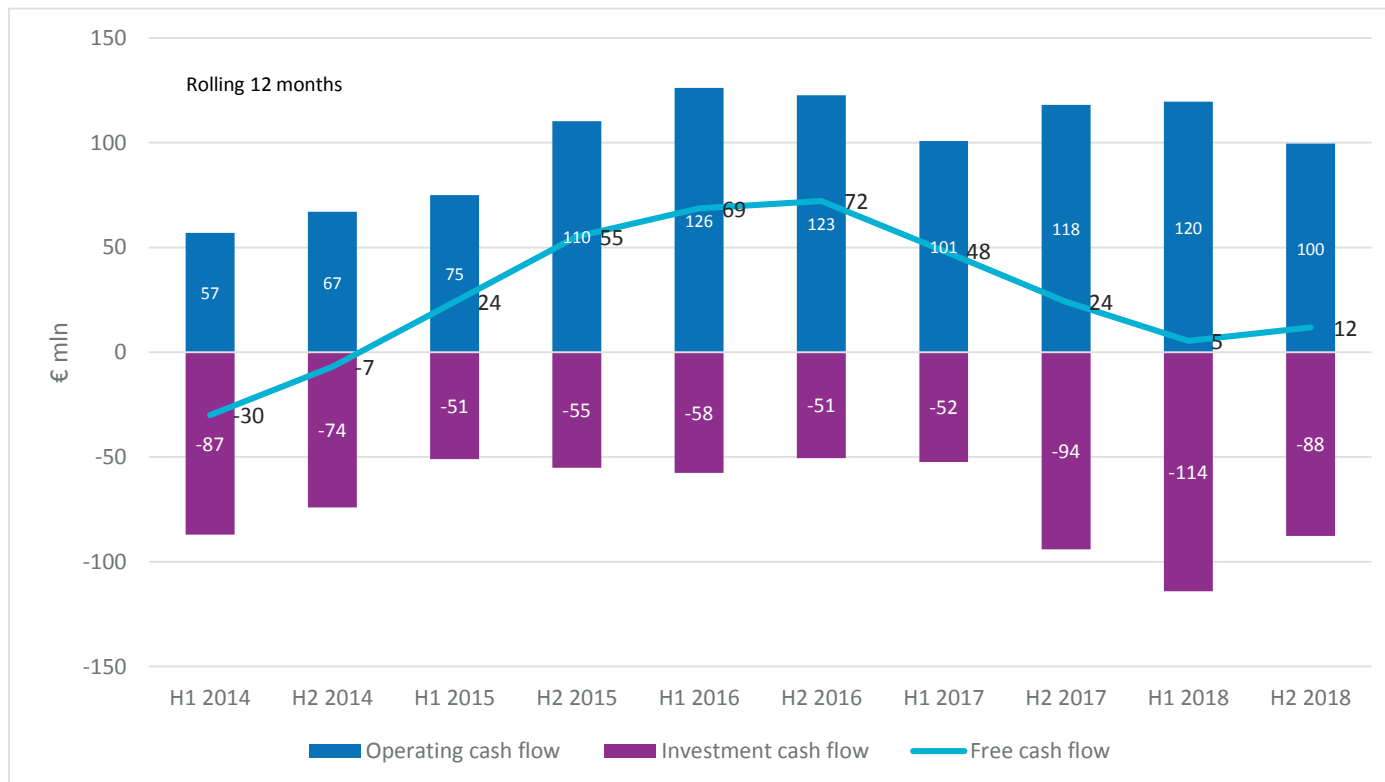
# Net debt bridge FY 2018



- **Net debt/EBITDA** ratio increased to 1.6x (2017 year end: 1.0x)
- **Net debt** position of € 203.3M (end of 2018)
- **Operating Working Capital**
  - Increased by € 12.9M
- **Dividend** € 32.9M cash-out



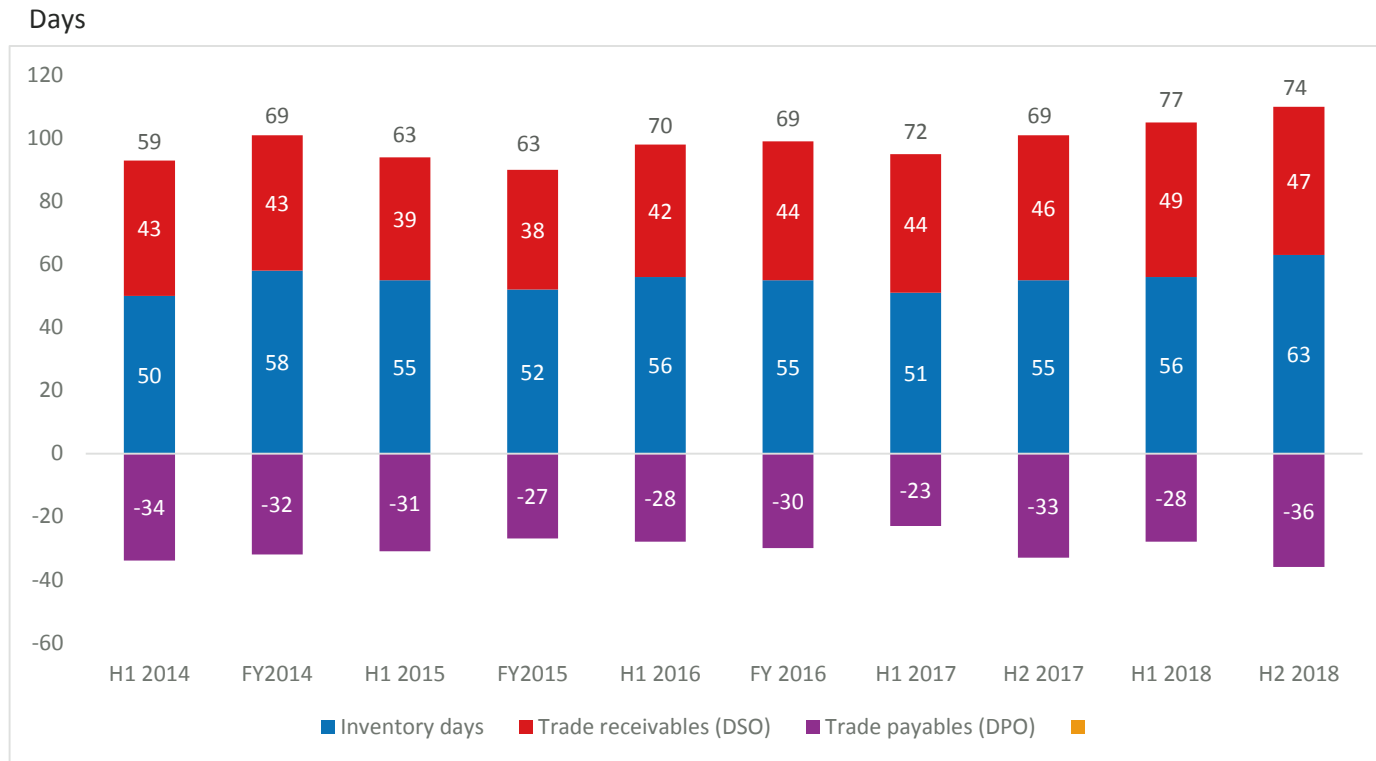
# Free Cash Flow



- Operating cash flow stable; investment cash flow temporarily higher (PLA & Algae Ingredients)



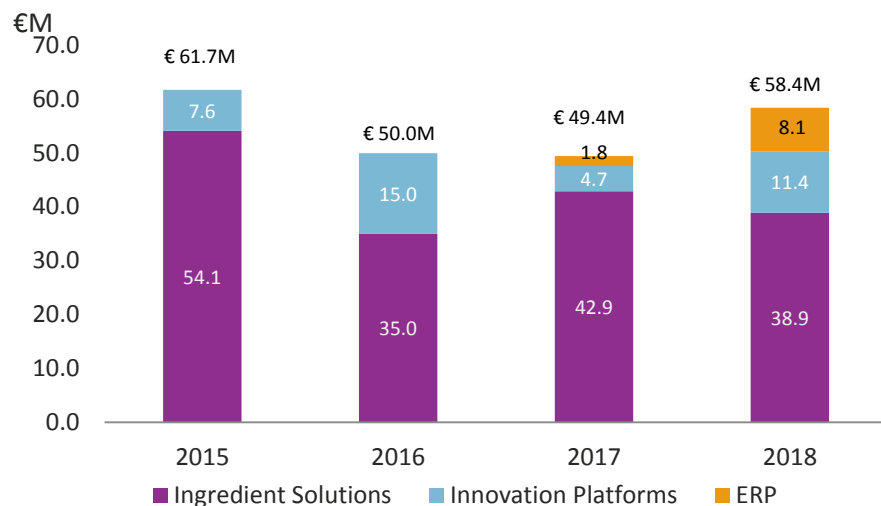
# Operating Working Capital



- Higher inventory in Algae Ingredients in anticipation of annual maintenance stop



# Capital Expenditures



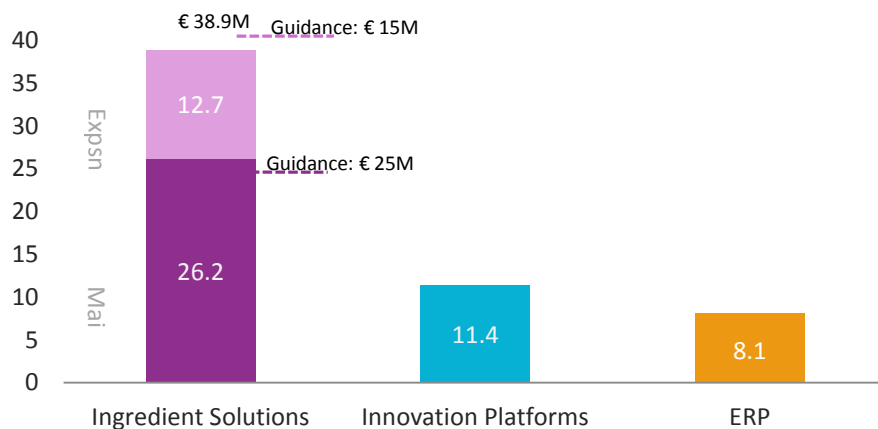
- **FY 2018 Capex: € 58.4M**

- **Major capex projects**

- ERP implementation
- San Francisco lab Algae Ingredients
- Lactic acid expansion

- **ERP SAP S/4HANA implementation**

- 2018-2021 program:
  - € 35-40M Capex & Opex
  - Annual Opex 2019-2021: € 2-4M
- First implementation: Asia, 2H19





# Dividend

## Progressive regular dividend policy

- Ambition to annually pay out a stable to gradually increasing absolute dividend amount per share

## Proposed regular dividend

- All cash € 0.56/share (67% pay-out ratio)

## Timing

- Dividend proposal to be approved by AGM: 13 May 2019
- Ex-dividend: 15 May 2019
- Cash dividends payable: 22 May 2019



# Outlook FY 2019

- **Ingredient Solutions**

- Sales growth: Confirmation CMD guidance of 2-4% range
  - Food within 1-3% range
  - Biochemicals near lower end of 3-10% range
- EBITDA margin:
  - Confirmation CMD guidance: > 19%

## **Innovation Platforms**

- EBITDA loss not expected to exceed € -35M
- **Input costs:** Small negative impact in 2019
- **Capex:** €75 – 85M (ERP & lactic acid capacity)
- **Other:** IFRS 16 implementation. If applied on 2018, positive impact on EBITDA of € 8M





Corbion

*Keep creating*



# EBITDA bridge Q4 2018

