



H1 2019 RESULTS

Highlights H1 2019 results

- **Organic net sales growth of 0.9%**
 - Net sales growth of 7.4% due to positive currency impact, acquisitions and organic growth
 - Food: Organic growth 2.0%. Growth across all businesses
 - Biochemicals: Organic growth -3.9%, driven by Electronics and Agrochemicals. Strong performance Pharma/Medical
 - Innovation Platforms growth 30.4%:
 - Organic growth 11.2%, driven by lactic acid sales to PLA joint venture
 - Q2: Temporary slowdown due to planned shutdown to increase lactic acid production capacity Thailand
- **Adjusted EBITDA: organic growth of 0.6%**
 - Adjusted EBITDA € 71.4M (H1 2018: € 71.5M): -0.1%
 - Organic growth and positive currency effect offset by acquisition effect

Business overview

Ingredient Solutions	Food	Bakery	Growth through UltraFresh, Pristine, new natural mold inhibitors based on lactic acid
		Meat	Continued strong growth in natural solutions
		Other	Slight increase
	Biochemicals	Pharma/Medical	Strong growth in resorbable medical polymers and pharma grade lactic acid
		Chemicals	Agrochemicals strong decline due to customers anticipating regulatory change Electronics: Accelerated sentiment deterioration at Asian memory producers
		HPC	Decline due to phasing
Animal Health		Competition from chemical alternatives	
Innovation Platforms	Lactic acid to PLA		Successful startup Total Corbion PLA joint venture plant Slowdown in Q2 lactic acid growth due to temporary shutdown Thai lactic acid production facility for capacity expansion
	Algae Ingredients	AlgaPrime DHA	Algaprime DHA containing salmon offerings expanding at retailers. Despite lower than expected sales growth in H1, increasing customer traction. Sales H2>H1.
	Other		FDCA moving to advanced pilot stage for testing samples. Succinic acid JV dormant.

H1 2019 Financial Results

Profit and Loss: H1/Q2 2019

€ million	YTD	YTD		Q2	Q2	
	2019	2018		2019	2018	
Net Sales	471.9	439.2	7.4%	243.0	226.2	7.4%
Adjusted EBITDA	71.4	71.5	-0.1%	36.5	32.9	10.9%
<i>Adjusted EBITDA %</i>	<i>15.1%</i>	<i>16.3%</i>		<i>15.0%</i>	<i>14.5%</i>	
Depreciation & Amortization	(28.4)	(19.5)	45.6%	(14.5)	(10.2)	42.2%
Adjustments	3.4	(1.8)	N/M	4.3	(2.5)	N/M
EBIT	46.4	50.2	-7.6%	26.3	20.2	30.2%
Financial income/expenses	(6.3)	(4.7)	34.0%	(3.0)	(2.4)	25.0%
Result joint ventures/assoc.	(2.7)	(1.9)	42.1%	(0.8)	3.1	-125.8%
Taxes	(11.2)	(11.4)	-1.8%	(5.1)	(4.5)	13.3%
Result after tax	26.2	32.2	-18.6%	17.4	16.4	6.1%
EPS	0.45	0.55	-18.9%	0.30	0.28	5.7%

- **Adjusted EBITDA** -0.1% (organic growth 0.6%) in H1 2019:
 - Organic sales growth of 0.9%
 - Positive currency effects
- **Adjustments** of € +3.4M on EBIT, mostly due to CSM UK pension adjustment
- **Result JVs** of €-2.7M

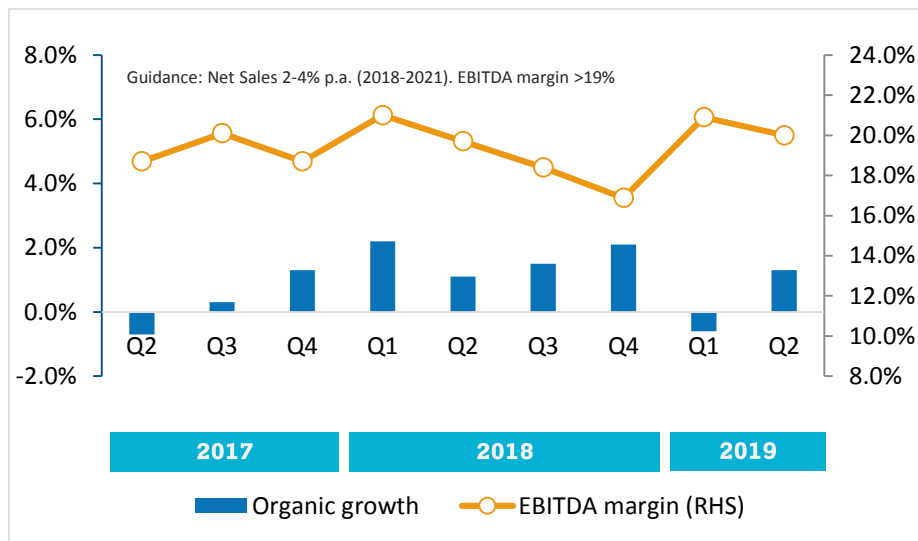
Sales Growth per segment in H1/Q2 2019

Net sales	Total growth	Currency	Total growth at constant currency	Acquisitions/(Divestments)	Organic	Price/Mix	Volume
YTD 2019 vs 2018							
Ingredient Solutions	6.3%	4.9%	1.4%	1.0%	0.4%	1.3%	-0.9%
- Food	8.6%	5.3%	3.3%	1.3%	2.0%	1.7%	0.3%
- Biochemicals	-0.2%	3.7%	-3.9%	0.0%	-3.9%	1.2%	-5.1%
Innovation Platforms	30.4%	7.2%	23.2%	12.0%	11.2%	-14.3%	29.4%
Total	7.4%	5.0%	2.4%	1.5%	0.9%	-0.9%	1.8%
Q2 2019 vs Q1 2018							
Ingredient Solutions	7.7%	4.5%	3.2%	1.9%	1.3%	2.1%	-0.8%
- Food	9.8%	4.9%	4.9%	2.6%	2.3%	1.9%	0.4%
- Biochemicals	1.7%	3.5%	-1.8%	0.0%	-1.8%	3.1%	-4.9%
Innovation Platforms	3.3%	5.0%	-1.7%	9.8%	-11.5%	7.4%	-17.7%
Total	7.4%	4.6%	2.8%	2.4%	0.4%	2.6%	-2.2%

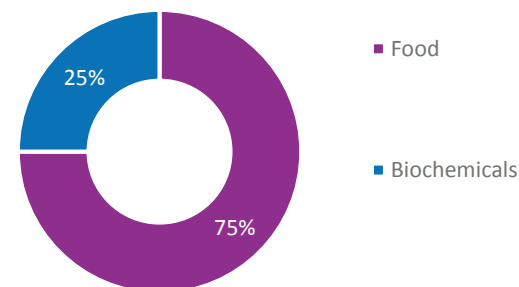
Ingredient Solutions

€ million	YTD 2019	YTD 2018	Q2 2019	Q2 2018
Net Sales	443.6	417.5	227.2	210.9
Organic growth	0.4%	1.6%	1.3%	1.1%
Adjusted EBITDA	90.8	84.8	45.5	41.5
Adjusted EBITDA %	20.5%	20.3%	20.0%	19.7%
ROCE	24.2%	26.1%	23.3%	24.9%

- **Organic sales growth** in H1 2019 0.4%
 - Q2: +1.3%
- **Adjusted EBITDA margin** at 20.5% (H1 2018: 20.3%)
- **ROCE** at 24.2% (H1 2018: 26.1%)

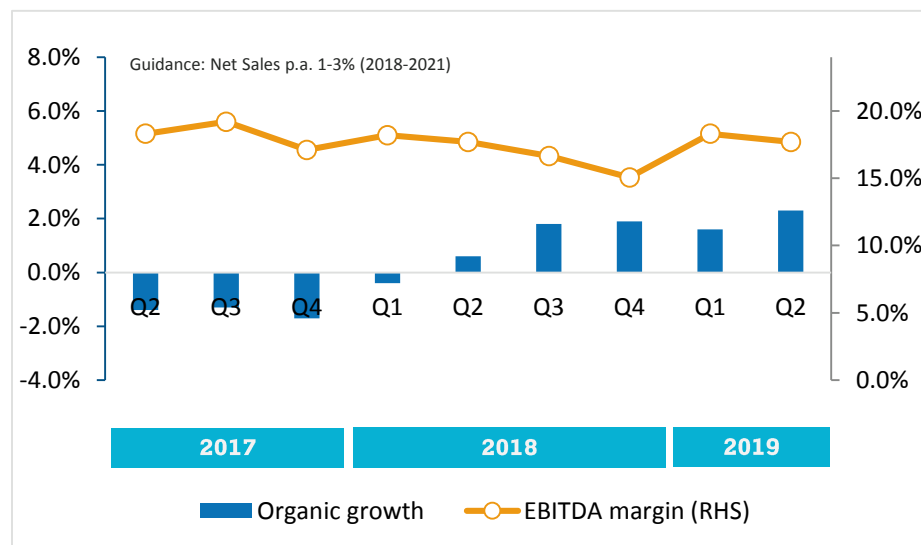


Net sales Ingredient Solutions by business segment



Business Segment Food

€ million	YTD 2019	YTD 2018	Q2 2019	Q2 2018
Net Sales	330.8	304.5	172.7	157.3
Organic growth	2.0%	0.1%	2.3%	0.6%
Adjusted EBITDA	59.5	54.7	30.6	27.9
Adjusted EBITDA %	18.0%	18.0%	17.7%	17.7%



H1 2019 key items

- **Organic sales growth** of 2.0%
- All markets growing

Q2 key items

- **Organic sales growth** of 2.3%
- **Bakery:** 2nd consecutive growth quarter despite off-patent enzyme
- **Meat:** Continued strong performance with natural & clean-label solutions
- **Other segments:** Slight growth

Business Segment Biochemicals

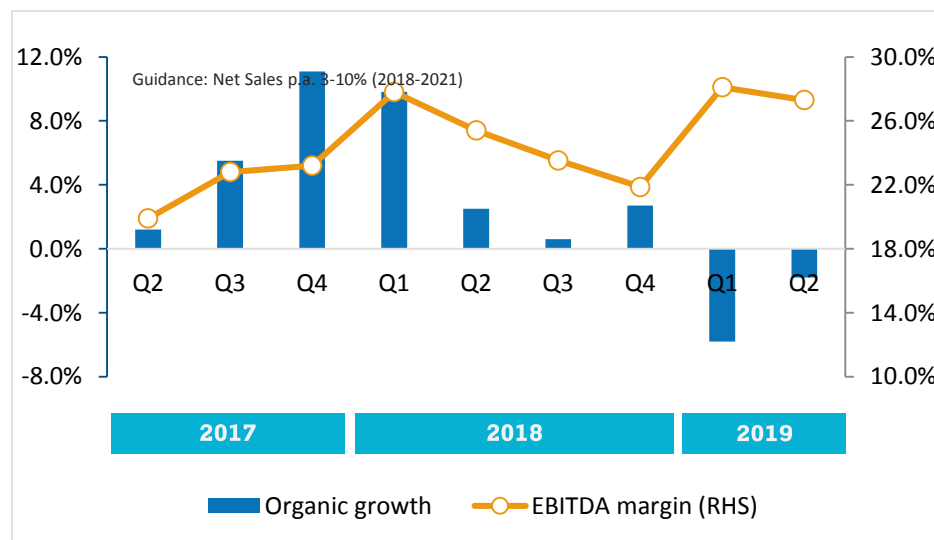
€ million	YTD 2019	YTD 2018	Q2 2019	Q2 2018
Net Sales	112.8	113.0	54.5	53.6
Organic growth	-3.9%	6.2%	-1.8%	2.5%
Adjusted EBITDA	31.3	30.1	14.9	13.6
Adjusted EBITDA %	27.7%	26.6%	27.3%	25.4%

H1 2019 key items

- **Organic sales decline** of -3.9%
- **Margin increase** through better business mix

Q2 key items

- Organic sales decline of -1.8%
- Strong growth in Pharma/Medical
- Main declines in Electronics and Agrochemicals



Innovation Platforms

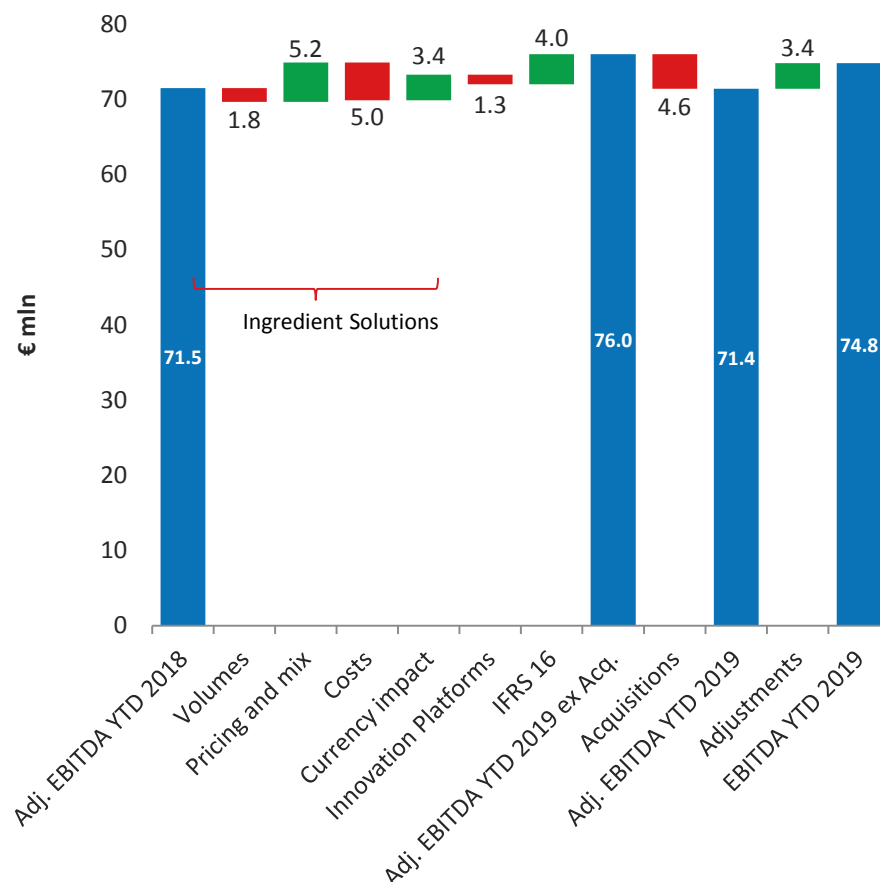
€ million	YTD 2019	YTD 2018	Q2 2019	Q2 2018
Net Sales	28.3	21.7	15.8	15.3
Organic growth	11.2%	56.1%	-11.5%	71.9%
Adjusted EBITDA	(19.4)	(13.3)	(9.0)	(8.6)
Adjusted EBITDA %	-68.6%	-61.3%	-57.0%	-56.2%



H1 2019 key items

- Higher lactic acid sales to Total Corbion PLA JV (start-up December 2018)
- Successful start-up and ramp-up of Total Corbion PLA jv production facility
- Q2 slowdown due to a temporary planned shutdown for lactic acid capacity expansion in Thailand
- Increased EBITDA loss due to consolidation impact (acquisition of Bunge share in SB Renewable Oils JV in June 2018)

EBITDA bridge H1 2019



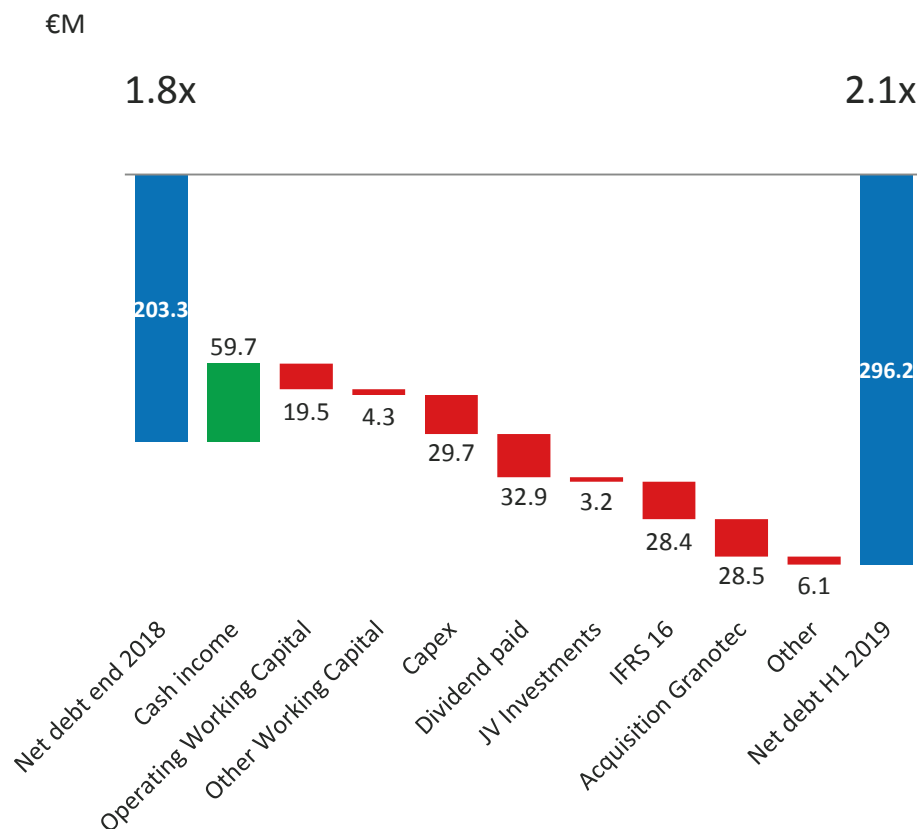
Ingredient Solutions

- **Organic increase** due to higher price/mix
- **Volumes** lower
 - Lower lactic acid volumes
- Significant positive **currency impact**

Innovation Platforms

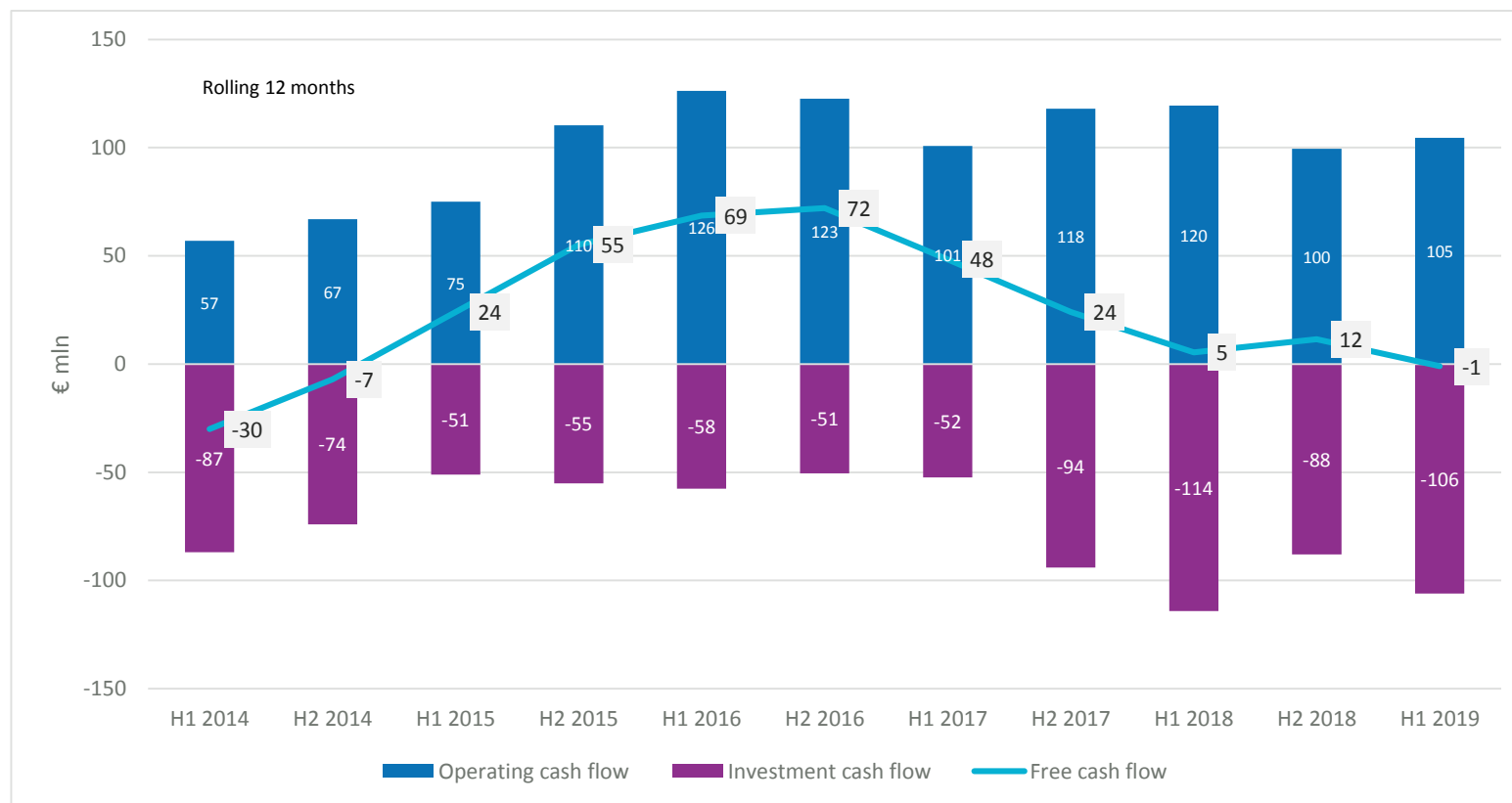
- Increased losses through acquisition remaining 49.9% in SB renewable oils joint venture in June 2018
- Positive **adjustments** mostly CSM UK pension related

Net debt bridge H1 2019



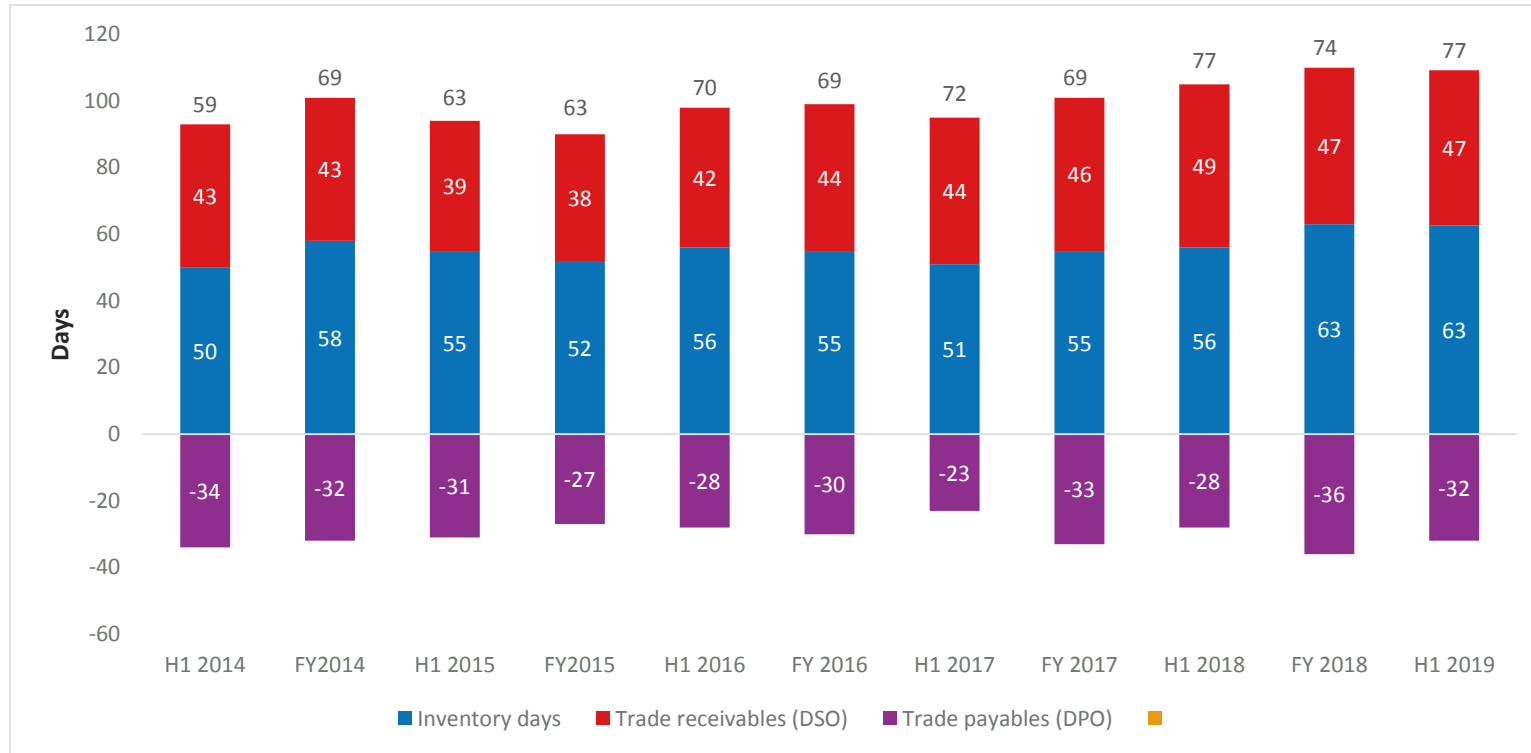
- **Net debt/EBITDA** ratio increased to 2.1x (2018 year end: 1.8x)
- **Net debt** position of € 296.2M
- **Operating Working Capital**
 - Increased by € 19.5M
- **Dividend** € 32.9M cash-out
- **IFRS 16** (leases): € 28.4M
- **Granotec** acquisition: € 28.5M

Free Cash Flow



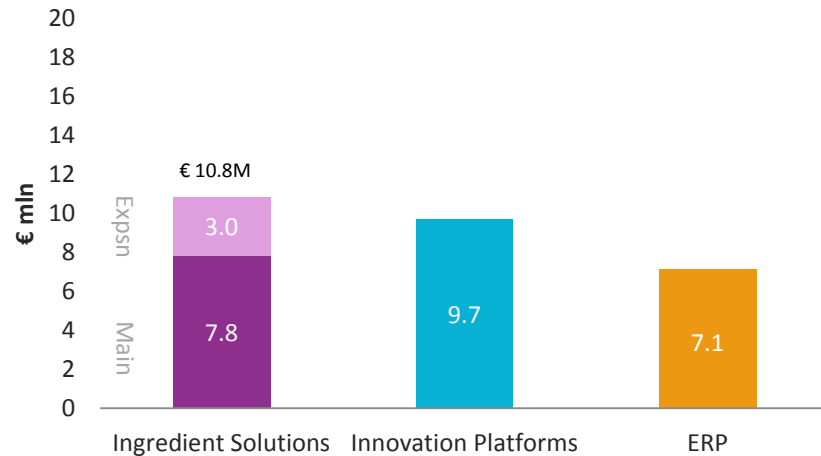
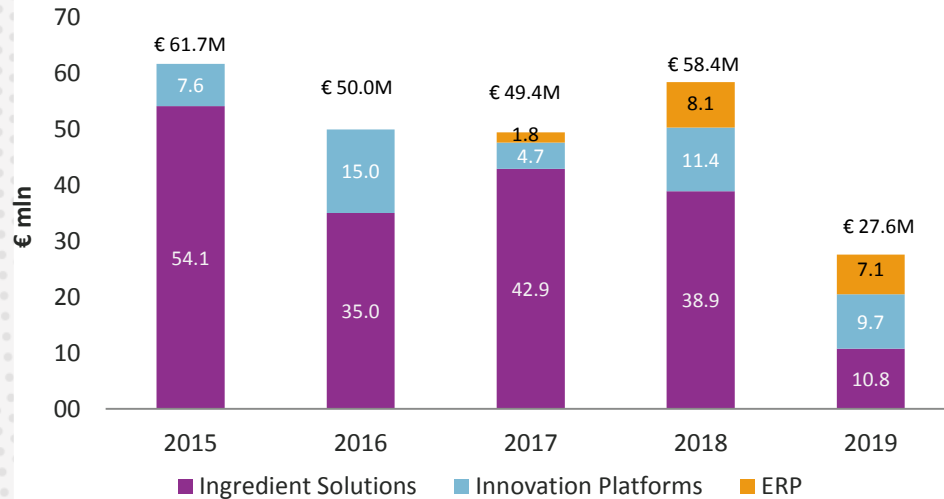
- Operating cash flow slightly increasing
- Investment cash flow impacted by Granotec acquisition (April'19)

Operating Working Capital



- Trade payables lower because of seasonal patterns

Capital Expenditures



- **H1 2019 Capex: € 27.6M**

- **Major capex projects**

- Lactic acid expansion
- Investments in Algae Ingredients Orindiuva production plant
- SAP ERP implementation

Outlook FY 2019

- **Organic net sales growth Corbion: near low end of 3-6% range**
- **Ingredient Solutions**
 - Organic sales growth: 1-2% range
 - Food growth acceleration in H2 vs H1 (2.0%)
 - Biochemicals growth to improve in H2 vs H1 (-3.9%), but still full year decline
 - Adjusted EBITDA margin:
 - Improvement in 2019 vs 2018 (19.0%)

Innovation Platforms

- Adjusted EBITDA loss around € -35M
- **Input costs:** No impact vs 2018
- **Capex:** €70 – 80M
- **Other:** IFRS 16 implementation. If applied on 2018, positive impact on EBITDA of € 8M



Corbion

Keep creating

EBITDA bridge Q2 2019

