



## Q2 AND H1 2014 RESULTS

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# Corbion highlights Q2 2014

- **Net sales decreased by 0.9%, organic sales growth of 1.1%**
- **EBITDA before one-off costs decreased by 2.9%, organic growth of 3.4%**
  - EBITDA margin down by 30 bps to 14.0% (Q2 2013: 14.3%)
  - Excluding reclassification internal sales to 3<sup>rd</sup> party, margin up 10 bps
- **One-off costs in EBIT of € 21.2 M**
- **Net cash position H1 2014 of € 6.4 M (net debt/EBITDA of -0.1x)**
- **New Board of Management installed**
- **Strategic process initiated**

# Strategic process

- **Fact finding tour in May – June**
- **Key strategic questions identified**
- **Over 50 of our people engaged in strategic process**
- **Subjects addressed**
  - Market approach
  - Product strategies
  - Manufacturing footprint
  - Cost structure
  - Core competencies
- **Conclusions will be presented in strategic market update in November**



# Innovation pipeline and R&D expenses

	H1 2014	H1 2013
€ million		
R&D expenses cash-out	16.3	12.6
Capitalization	(2.3)	(1.5)
Amortization	1.1	0.7
Impairment	0.0	0.0
R&D expenses	15.1	11.8



- Progress realigned with new stage gate steps and terminology
- 6 stage-gate passes approved in H1 2014

# Financial results Q2/H1 2014

# Profit & Loss

€ million	Q2 2014	Q2 2013
Net Sales	188.3	190.0
<b>EBITDA excl. one-off costs</b>	<b>26.4</b>	<b>27.2</b>
<i>EBITDA %</i>	<i>14.0%</i>	<i>14.3%</i>
Depreciation & Amortization		
One-off costs		
<b>EBIT</b>		
Financial income/expenses		
Result joint ventures/assoc.		
Taxes		
<b>Result after tax from continued operations</b>		
Result discontinued operations		
<b>Result after tax</b>		
EPS from continuing operations		

H1 2014	H1 2013
371.0	370.5
<b>51.4</b>	<b>50.8</b>
<i>13.9%</i>	<i>13.7%</i>
(21.4)	(20.5)
(21.2)	(2.9)
<b>8.8</b>	<b>27.4</b>
(2.3)	(15.4)
(0.3)	0.0
(5.8)	0.6
<b>0.4</b>	<b>12.6</b>
0.0	(41.6)
<b>0.4</b>	<b>(29.0)</b>
(0.01)	0.15

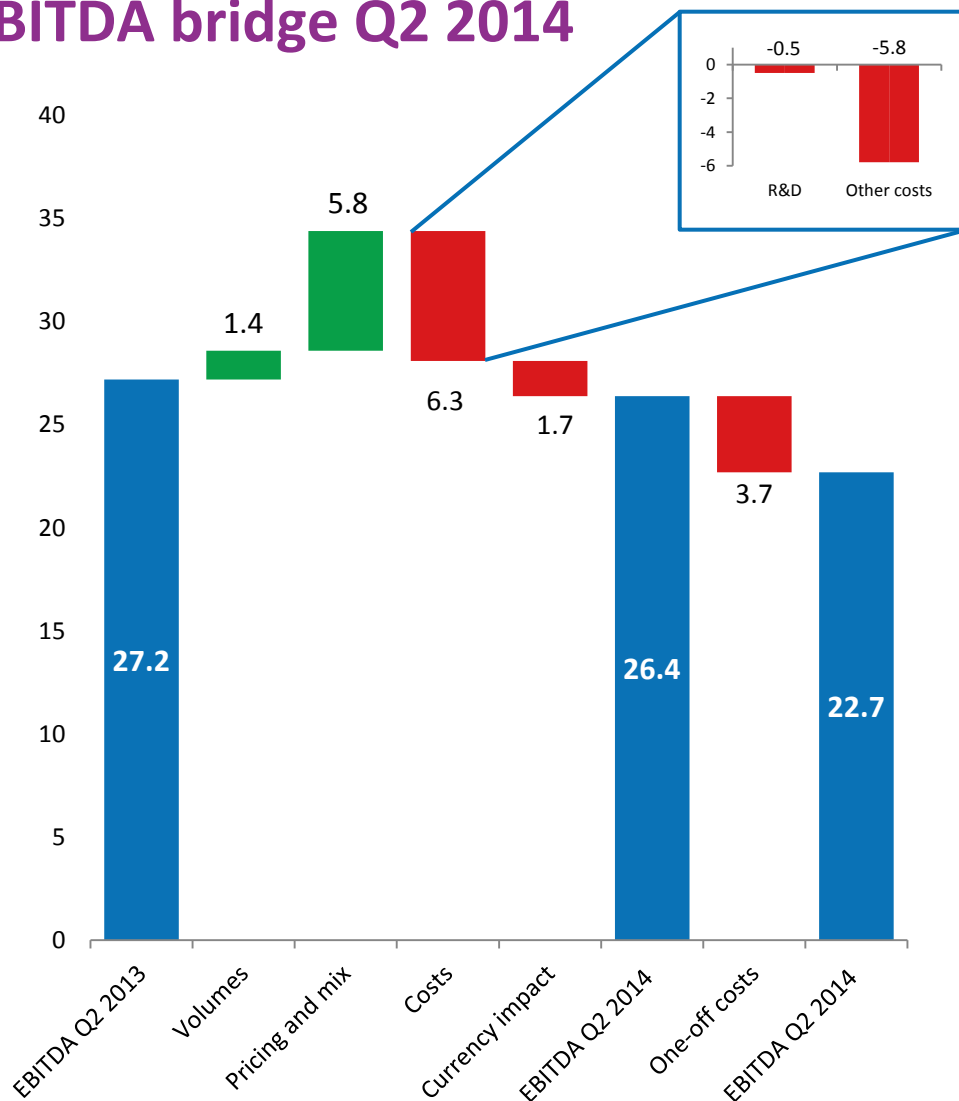
- One-off costs of € 3.7 M related to former BoM members
- One-off, non-cash Thailand Lactide plant impairment of € 17.5 M
- Financial expenses lower after debt repayment post sale of Bakery Supplies

## Growth per segment in Q2 2014

Q2 2014	Total Growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
Biobased Food Ingredients	-3.7%	-4.7%	1.0%	3.2%	-2.2%	-0.1%	-2.1%
Biochemicals	9.7%	-3.6%	13.3%	0.0%	13.3%	-1.2%	14.5%
Total	-0.9%	-4.5%	3.6%	2.5%	1.1%	0.2%	0.9%

- Acquisition effect is sales to divested Bakery activities which are now classified as 3<sup>rd</sup> party sales instead of intercompany sales

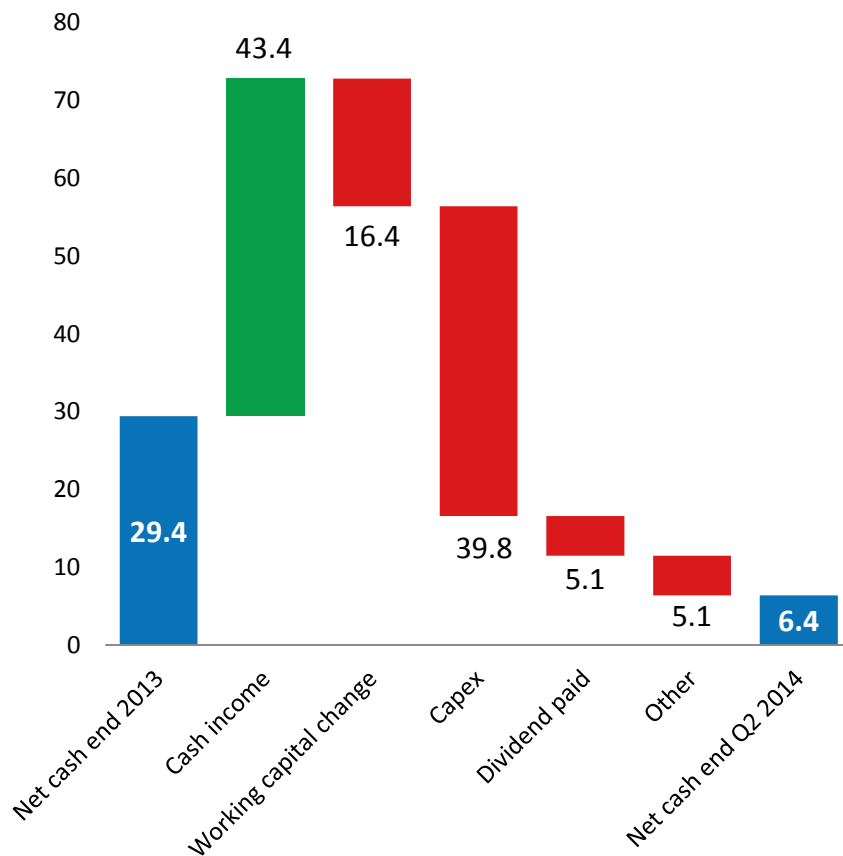
## EBITDA bridge Q2 2014



- Volume growth 0.9%
- Pricing and mix improved due to raw materials tailwind and mix effects from feed acidifiers
- Costs contain several non-recurring items
- Currency impact as Euro strengthened against \$, ¥, Brazilian real



# Net debt bridge H1 2014 - YTD



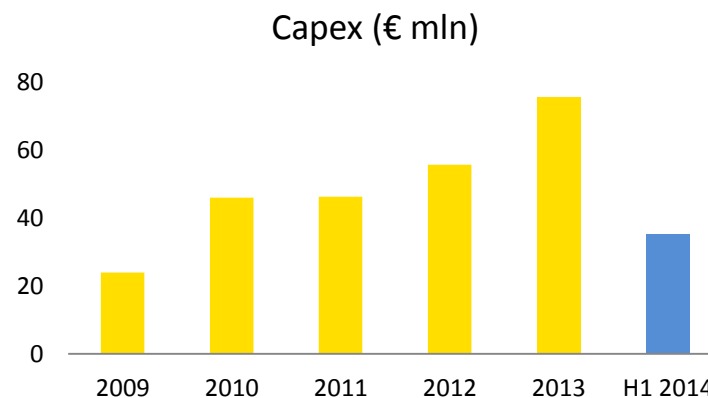
- Net debt/EBITDA -0.1x
- Trade working capital increase in line with seasonal patterns
- New Revolving Credit Facility of € 300 M
  - 5 year
  - Covenants unchanged

# Capital Expenditures

## Major Capex programs:

- Medical biomaterials plant US
- Gypsum-free test scale plant NL
- Succinic acid plant Spain
- Full Year Capex estimated at € 60-70 M

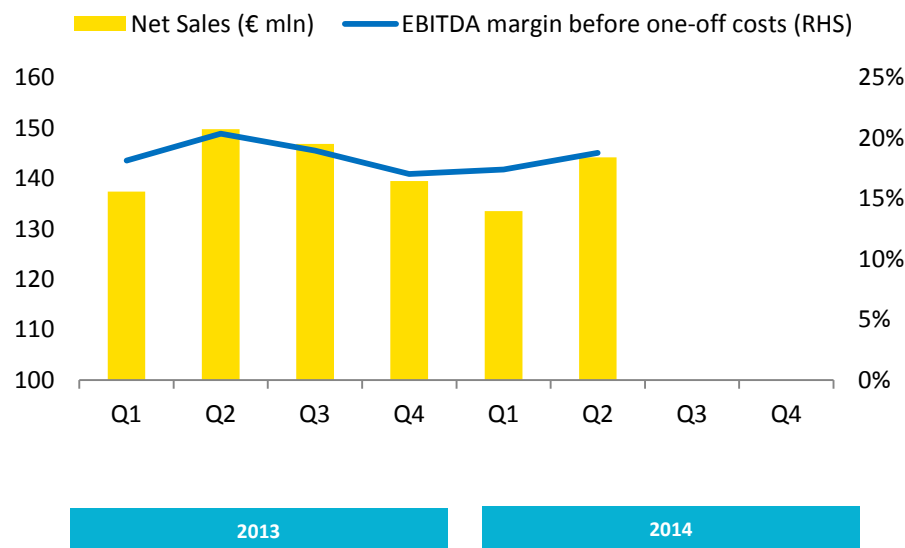
	H1	H1
€ million	2014	2013
Maintenance	10.4	14.2
Expansion	24.7	13.7
<b>Total Capex</b>	<b>35.1</b>	<b>27.9</b>



# Biobased Food Ingredients

€ million	Q2 2014	Q2 2013	H1 2014	H1 2013
Net Sales	144.2	149.8	277.8	287.2
Organic growth	-2.2%	4.4%	-1.8%	0.1%
<b>EBITDA excl. one-off costs</b>	<b>27.1</b>	<b>30.5</b>	<b>50.4</b>	<b>55.5</b>
Margin	18.8%	20.4%	18.1%	19.3%

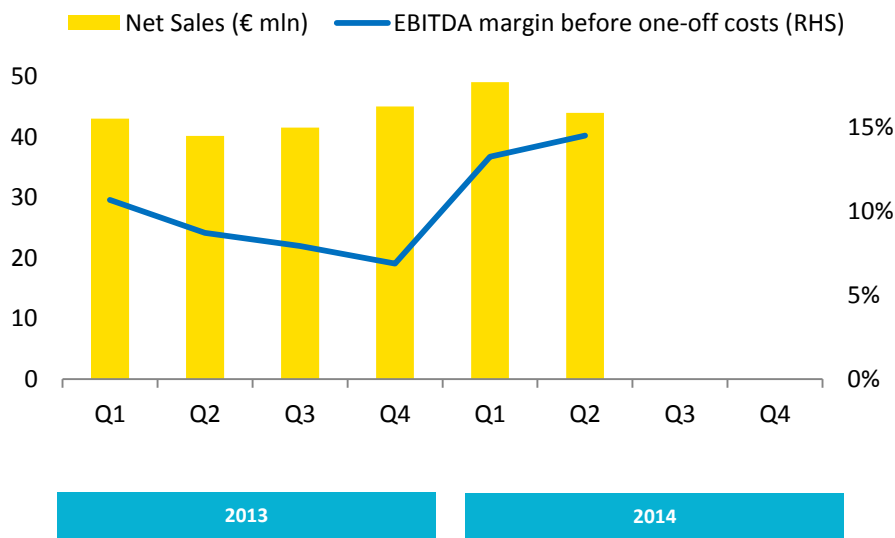
- Q2 volume declines in both Bakery and Meat & Culinary. Volume growth in Foods.
- Bakery volumes still down. Increased traction innovation portfolio at end of Q2
- Meat & Culinary: Volatility continues with customers looking for optimal preservation solution
- Foods market unit performed well, especially in Beverages



# Biochemicals

€ million	Q2 2014	Q2 2013	H1 2014	H1 2013
Net Sales	44.1	40.2	93.2	83.3
Organic growth	13.3%	6.9%	15.2%	2.0%
<b>EBITDA excl. one-off costs</b>	<b>6.4</b>	<b>3.5</b>	<b>12.9</b>	<b>8.1</b>
Margin	14.5%	8.7%	13.9%	9.7%

- Continued strong performance throughout H1, across markets
- Impact of feed acidifiers on volume growth and mix effect winding down
- Agrochemicals and Electronics markets drive strong Q2 performance





# Outlook 2014

- **Remainder of year similar market circumstances expected**
- **Biobased Food Ingredients: Early signs of volume growth improvement**
- **Biochemicals: Comparables for volume growth versus last year will become more challenging as year progresses**
- **Capex level in H2 < H1. Total for the year estimated at € 60-70 M**

