



HY/Q2 2022 RESULTS

OLIVIER RIGAUD (CEO)

10/08/2022

EDDY VAN RHEDE VAN DER KLOOT (CFO)

Corbion results H1 2022



Olivier Rigaud

CEO

- Business performance
- Outlook



Eddy van Rhede van der Kloot

CFO

- Financial performance

H1 2022 Key Points

- **Organic sales growth core activities 23.0%**
 - Growth driven by all three business units
- **Adjusted EBITDA: €89.9M (13.1% margin), organic growth -0.4%**
- **Inflationary cost developments ongoing – Rapid pricing actions as response**
- **June was first break-even month for AlgaPrime DHA**
- **Continued high investment level to support growth**
- **Sustainability progress ahead of schedule – Corbion Science Based Targets commitment increased to 1.5°C**

Business developments

Sustainable Food Solutions

- Preservation:
 - Supporting customer recipes reformulations driven by cost inflation
 - Launch of new natural antioxidant platform
- Functional Systems:
 - Focus on shelf-life extension , Food ferments and reformulations driven by raw material shortages
 - Launch of new Dairy stabilizers platforms



Lactic Acid & Specialties

- Growth in all business segments
- Strong recovery in medical biopolymers post pandemic period
- Robust lactic acid sales to PLA over H1



Incubator

- Significant traction in new customers adoption of AlgaPrime DHA
- June was first break-even month for AlgaPrime DHA
- Higher variable costs (rapeseed, freight costs)



Major investment projects



New lactic acid plant

- Thailand, Rayong
- Total capex: \$ 230M
- Operational: H2 2023



SFS: natural ferments

- US, Peoria
- Total capex: € 10-15M
- Operational: End of 2022



Incubator: Algae fermentation

- Brazil, Orindiuva
- Total capex: € 10-15M
- Operational: End of 2022

• Projects on schedule

Corbion raises commitment to 1.5°C, the most ambitious goal of the Paris Agreement

SBTi was launched in 2015 by CDP, UN Global Compact, World Resources Institute and WWF. SBTi helps companies to set credible carbon reduction targets in line with climate science.



- Corbion joined in 2017, and by 2019, we were the 2nd Dutch chemical company with an approved target.
- In June 2022, we submitted updated science-based 1.5°C targets to the Science Based Targets initiative for validation.

Financial performance



Profit and Loss

€ million	YTD 2022	YTD 2021	%		Q2 2022	Q2 2021	%
Net Sales	687.4	515.6	33.3%		367.3	264.1	39.1%
Adjusted EBITDA	89.9	77.1	16.6%		49.9	33.2	50.3%
EBITDA %	13.1%	15.0%			13.6%	12.6%	
Adjusted Depreciation & Amortization	(36.3)	(30.3)	19.8%		(19.0)	(15.5)	22.6%
Adjustments	5.5	23.5	-76.6%		(2.0)	(6.2)	-67.7%
EBIT	59.1	70.3	-15.9%		28.9	11.5	151.3%
Financial income/expenses	1.8	(5.9)	-130.5%		1.4	(2.3)	-160.9%
Result joint ventures/assoc.	8.9	10.4	-14.4%		4.1	5.4	-24.1%
Taxes	(18.0)	(7.3)	146.6%		(9.3)	(1.4)	564.3%
Result after tax	51.8	67.5	-23.3%		25.1	13.2	90.2%
EPS	0.88	1.15	-23.3%		0.43	0.22	89.9%

Firm pricing actions implemented

- **We expect full compensation of higher input costs**
 - In aggregate, input costs in 2021 and 2022 rise by € 240M (of which € 190M in Core)
 - Previous estimate: € 165M (of which € 130M in Core)
- **Pricing contract structure more flexible**
 - Majority of contracts moved from annual to quarterly pricing
 - Provides for faster price adjustments
- **Firm pricing actions implemented**
 - Already 3 quarterly pricing rounds in 2022
- **Pricing actions have significant mathematical dilutive effect on margin**

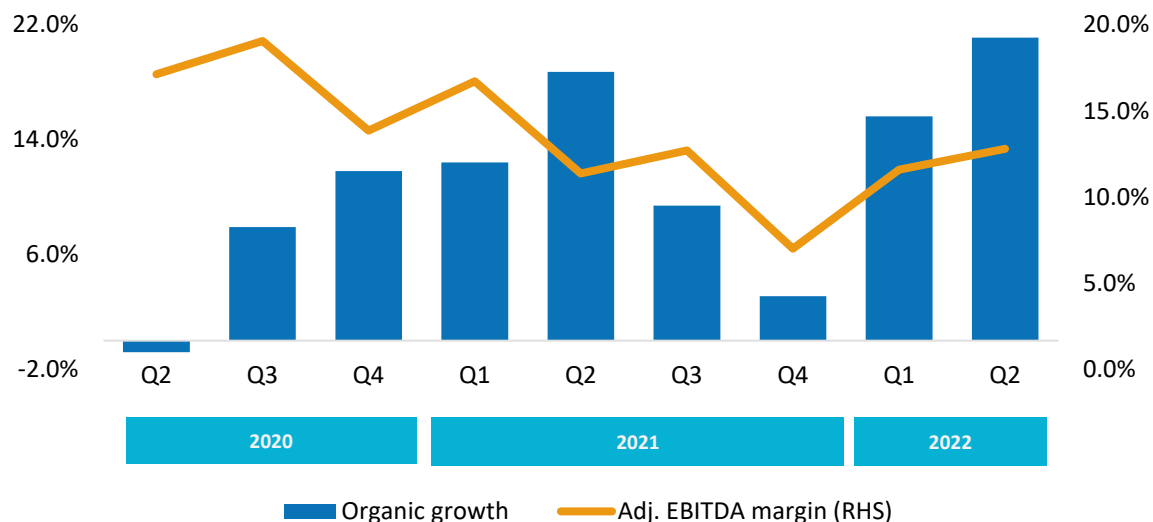
Additional raw materials, energy, packaging, freight increase

€ million	2021 vs 2020	2022 vs 2021	Cumulative
Core	40	150	190
Non-core	10	40	50
Total	50	190	240

Sustainable Food Solutions

€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021
Net sales	365.8	284.1	195.0	145.2
Organic growth	18.5%	15.5%	21.2%	18.7%
Adjusted EBITDA	44.7	39.7	24.9	16.5
Adjusted EBITDA margin	12.2%	14.0%	12.8%	11.4%

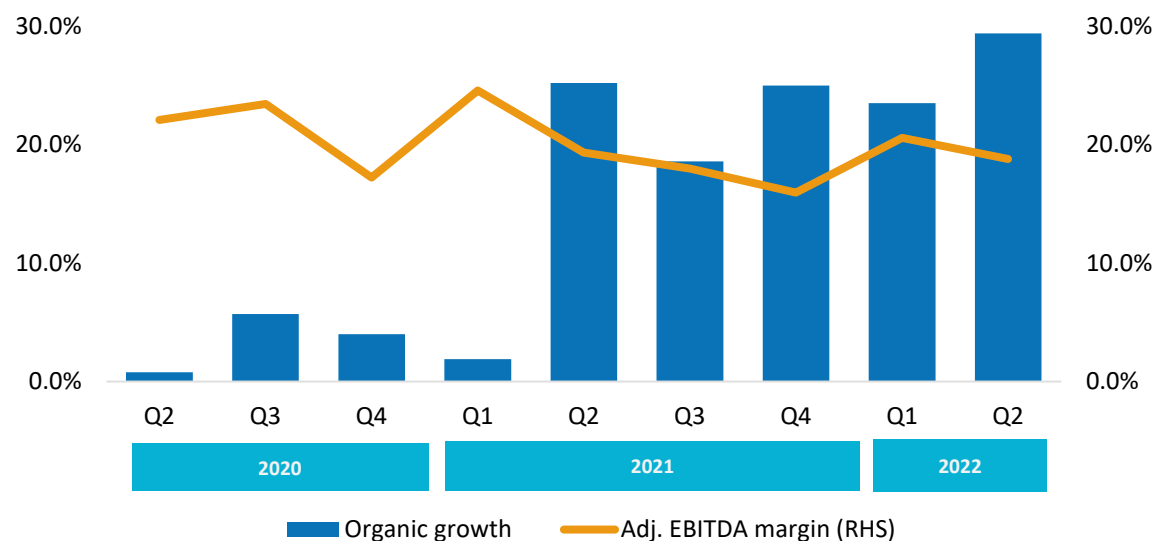
- **Net sales organic growth of 18.5%**
 - Preservation
 - Price increases & mix improvements
 - Limited volume growth after strong market share gains in 2020/21
 - Functional Systems
 - Volume growth driven by new product introductions & increased product usage
 - Supporting more customers with reformulations
 - Single Ingredients: Deliberate shedding of some lower margin beverage (acidification) business
- **Adjusted EBITDA margin from 14.0% to 12.2%**
 - Lagging effect of implementing higher prices
 - Dilutive effect of price increases on the margin
 - 2021 investments in organizational capabilities in line with our Advance 2025 strategy



Lactic Acid & Specialties

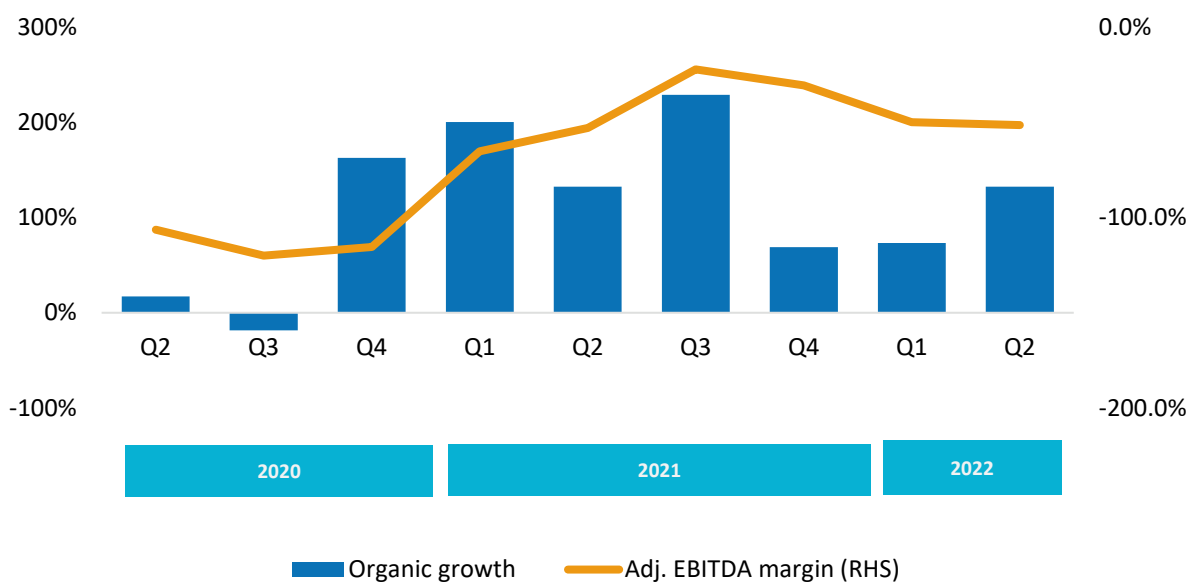
€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021
Net sales	201.8	151.0	106.0	76.5
Organic growth	26.4%	12.6%	29.4%	25.2%
Adjusted EBITDA	39.6	33.1	19.9	14.8
Adjusted EBITDA margin	19.6%	21.9%	18.8%	19.3%

- **Net sales organic growth of 26.4%**
 - All product segments grew significantly
 - Notable growth segments: Lactic acid to PLA, Esters (semi-conductor market), and medical biopolymers
- **Adjusted EBITDA margin from 21.9% to 19.6%**
 - Rising input costs not yet fully reflected in sales price
 - Headcount increase related to lactic acid capacity expansion and medical biopolymers



Incubator

€ million	YTD 2022	YTD 2021	Q2 2022	Q2 2021
Net sales	24.1	11.8	14.5	6.6
Organic growth	87.3%	161.1%	98.5%	132.3%
Adjusted EBITDA	(8.5)	(6.8)	(3.7)	(3.4)
Adjusted EBITDA margin	-35.3%	-57.6%	-25.5%	-51.5%



- **Net sales organic growth** of 87.3%
 - Sales growth driven by AlgaPrime DHA (omega-3)
- **Adjusted EBITDA** loss increased from € -6.8 million to € -8.5 million
 - Higher variable costs
 - Raw materials and freight
 - Negative currency effect (strengthening of the Brazilian Real)
 - Partly offset by higher sales

TotalEnergies Corbion joint venture

€ million *	YTD 2022	YTD 2021		Q2 2022	Q2 2021
Net sales	91.9	75.0		43.8	37.9
EBITDA	30.1	27.5		14.4	11.6
EBITDA margin	32.7%	36.7%		32.9%	30.6%

*Results on 100% basis. Corbion owns 50% of TotalEnergies Corbion joint venture

- Net sales growth of 22.5% through combination of price and volume growth
- EBITDA margin lower as higher input and freight costs and investments in organization offset positive operational leverage

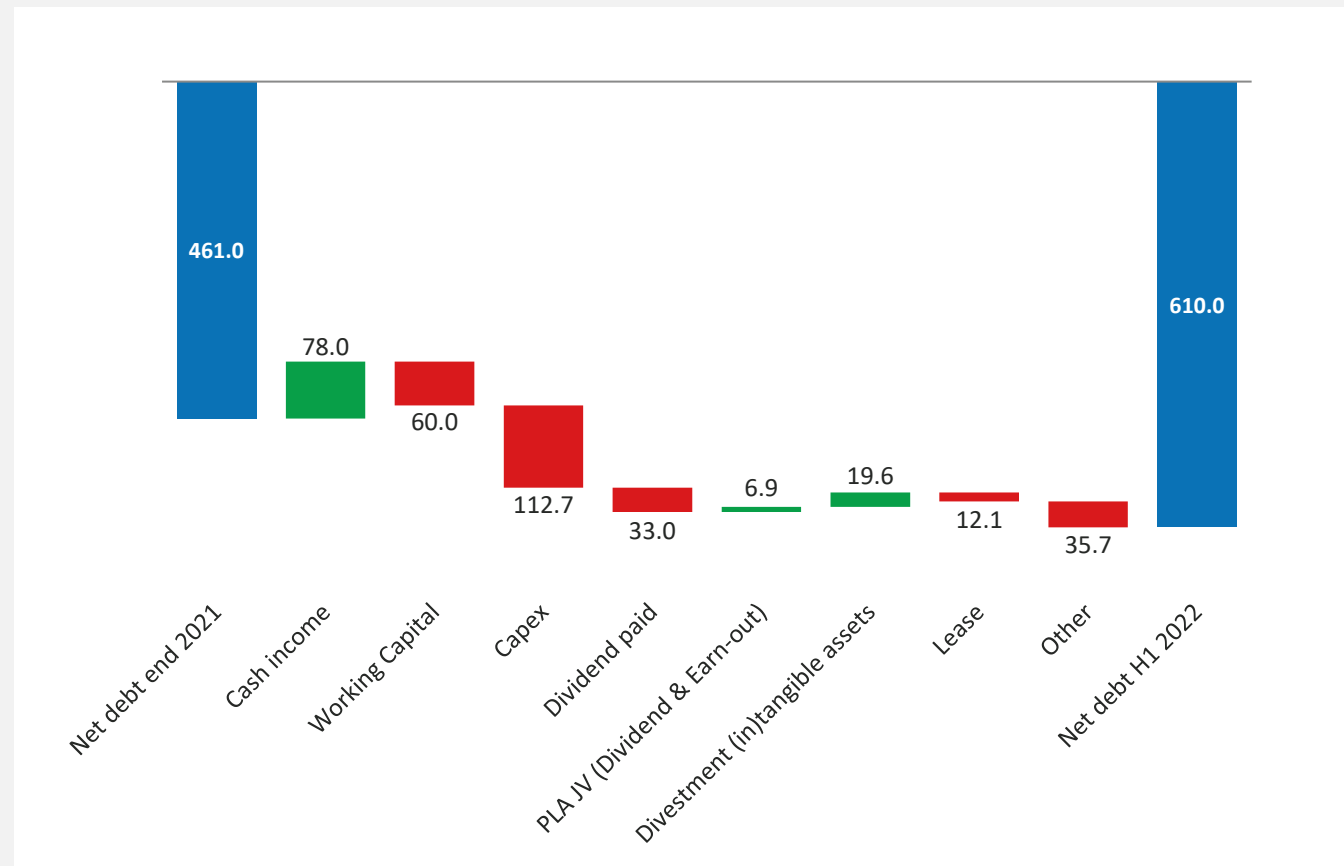


Non-core activities

€ million	YTD 2022	YTD 2021		Q2 2022	Q2 2021
Net sales	95.7	68.7		51.8	35.8
Organic growth	26.3%	10.4%		28.5%	18.5%
Adjusted EBITDA	14.1	11.1		8.8	5.3
Adjusted EBITDA margin	14.7%	16.2%		17.0%	14.8%

- Net sales organic growth of 26.3% in Emulsifiers
 - Fully driven by price/mix improvements due to raw material profile
 - Slightly negative volumes after significant market share gains in 2021
- H1 margin pressure due to dilutive effect of price increases. Absolute EBITDA growth both in H1 and Q2, also supported by currency effects

Net debt bridge H1 2022



- **Covenant net debt/covenant EBITDA** increased from 2.6x to 3.3x
- covenant net debt/covenant EBITDA is 3.75x

Outlook 2022

- **Net sales organic growth** core activities 20-25% (was: 15-20%)
- **Input cost increase for core** vs 2020 of € 190 million (was: € 130 million)
- **Adjusted EBITDA margin** core activities: lower end of 12-15% range (was: in 12-15% range)
 - higher dilutive effect on margin due to further price increases
 - on track to substantially improve absolute Adjusted EBITDA compared to last year
- **Capital expenditures:** € 200 - 230 million
- **Covenant net debt/covenant EBITDA ratio** improvement by year-end vs H1 (3.3x)

Annex

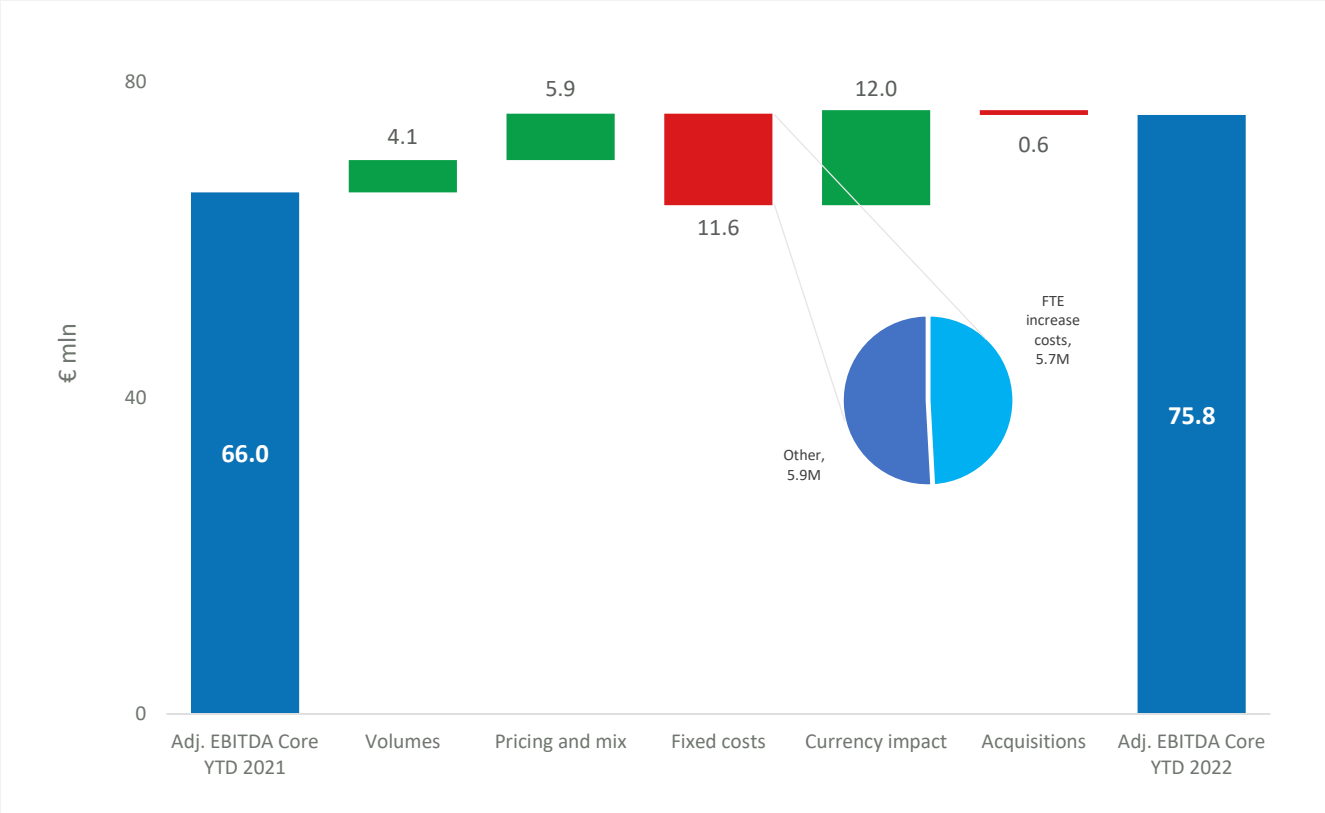
Net sales and Adjusted EBITDA: YTD/Q2 2022

€ million	YTD 2022	YTD 2021		Q2 2022	Q2 2021		Growth YTD
Net sales							
Core	591.7	446.9		315.5	228.3		32.4%
- Sustainable Food Solutions	365.8	284.1		195.0	145.2		28.8%
- Lactic Acid & Specialties	201.8	151.0		106.0	76.5		33.6%
- Incubator	24.1	11.8		14.5	6.6		104.2%
Non-core	95.7	68.7		51.8	35.8		39.3%
Total Net Sales	687.4	515.6		367.3	264.1		33.3%
Adjusted EBITDA							
Core	75.8	66.0		41.1	27.9		14.8%
- Sustainable Food Solutions	44.7	39.7		24.9	16.5		12.6%
- Lactic Acid & Specialties	39.6	33.1		19.9	14.8		19.6%
- Incubator	(8.5)	(6.8)		(3.7)	(3.4)		-25.0%
Non-core	14.1	11.1		8.8	5.3		27.0%
Total Adjusted EBITDA	89.9	77.1		49.9	33.2		16.6%

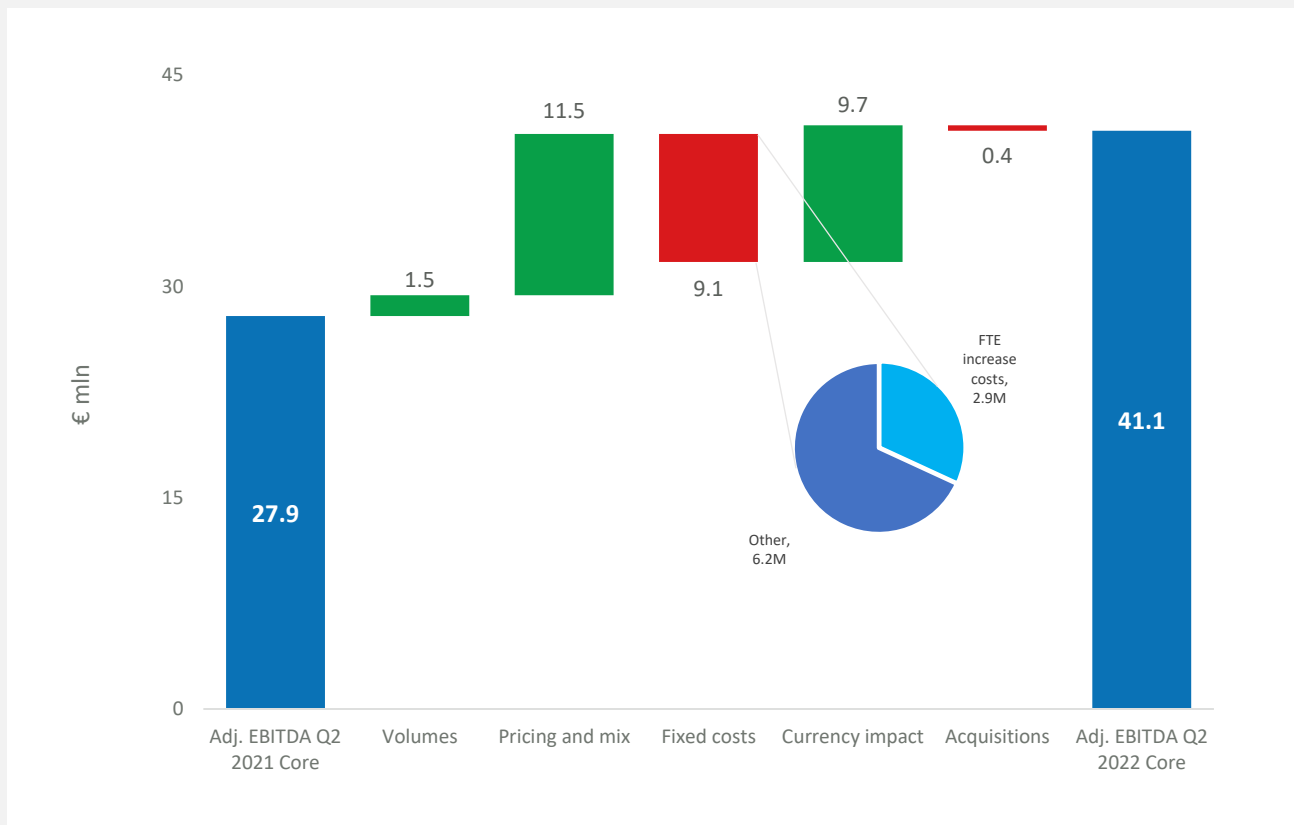
Sales growth per segment in YTD/Q2 2022

Net sales	Volume	Price/Mix	Organic	Currency	Acquisitions/ (Divestments)	Total growth
YTD 2022 vs YTD 2021						
Core	2.0%	21.0%	23.0%	9.2%	0.2%	32.4%
- Sustainable Food Solutions	0.1%	18.4%	18.5%	10.0%	0.3%	28.8%
- Lactic Acid & Specialties	1.1%	25.3%	26.4%	7.2%	0.0%	33.6%
- Incubator	72.5%	14.8%	87.3%	16.9%	0.0%	104.2%
Non-core	-2.6%	28.9%	26.3%	13.0%	0.0%	39.3%
Total	1.4%	22.0%	23.4%	9.7%	0.2%	33.3%
Q2 2022 vs Q2 2021						
Core	1.5%	24.6%	26.1%	11.8%	0.3%	38.2%
- Sustainable Food Solutions	0.4%	20.8%	21.2%	12.7%	0.4%	34.3%
- Lactic Acid & Specialties	-1.9%	31.3%	29.4%	9.2%	0.0%	38.6%
- Incubator	89.3%	9.2%	98.5%	21.2%	0.0%	119.7%
Non-core	-3.9%	32.4%	28.5%	16.2%	0.0%	44.7%
Total	0.8%	25.7%	26.5%	12.4%	0.2%	39.1%

Core Adjusted EBITDA bridge YTD 2022



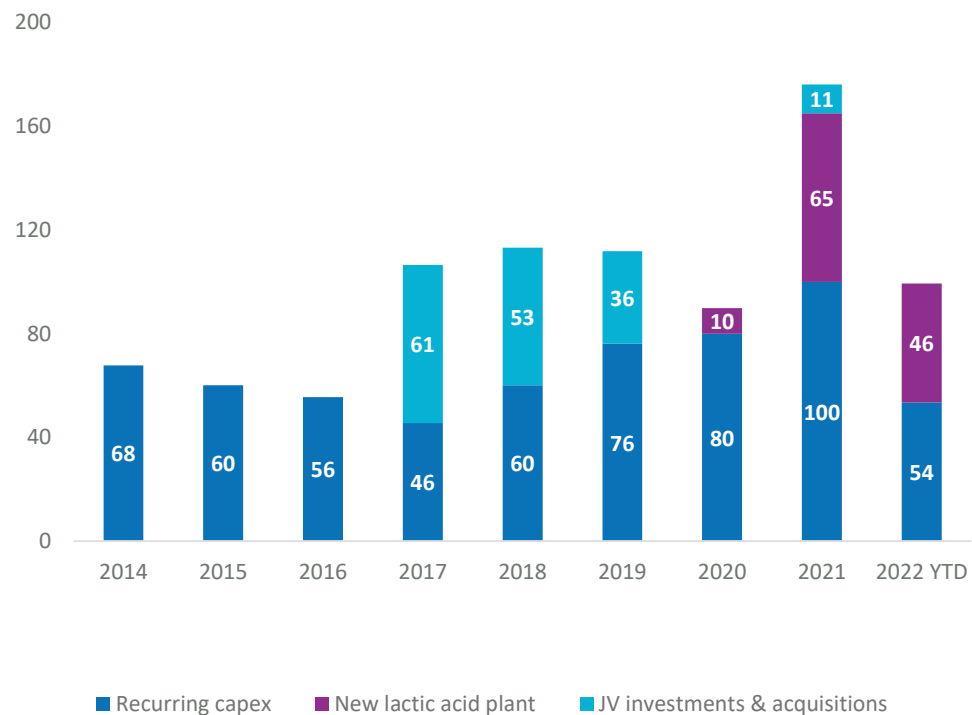
Core Adjusted EBITDA bridge Q2 2022



Investments

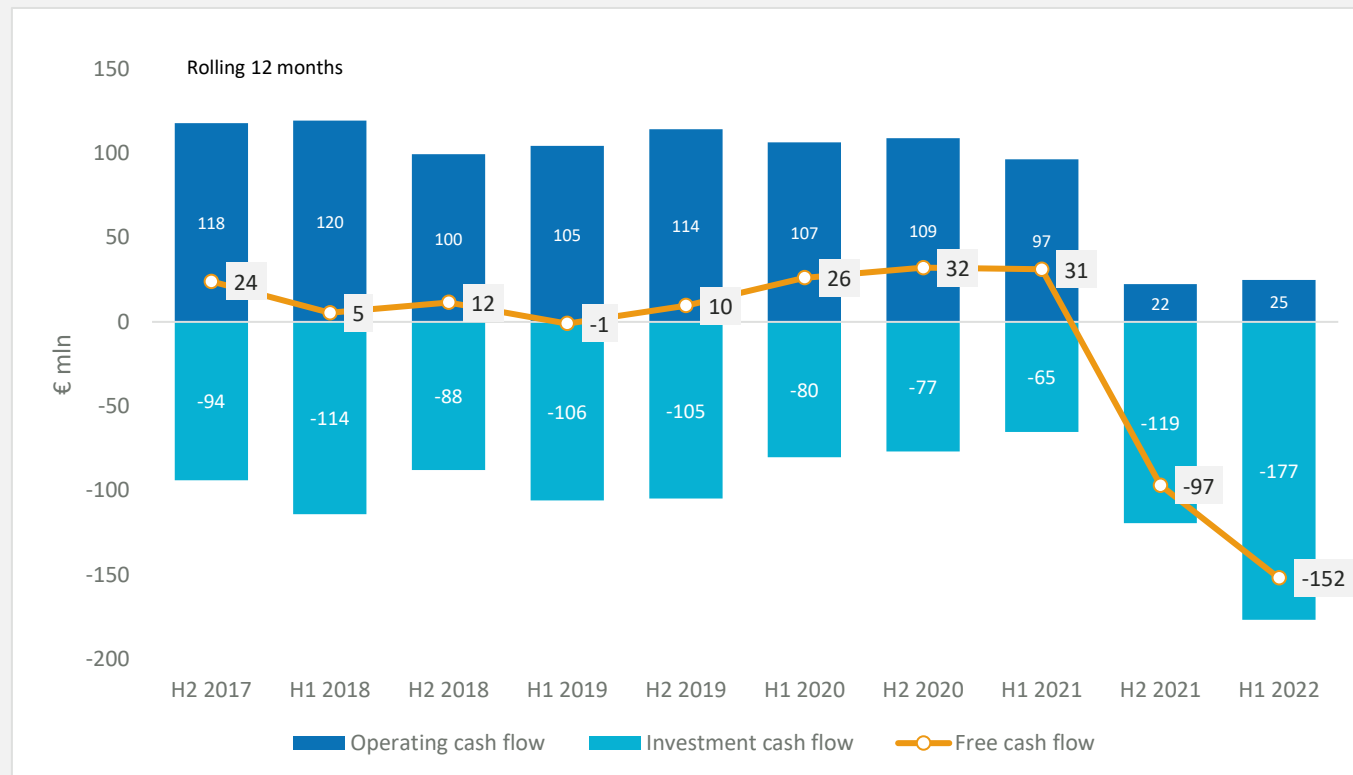
Investments

€ mln



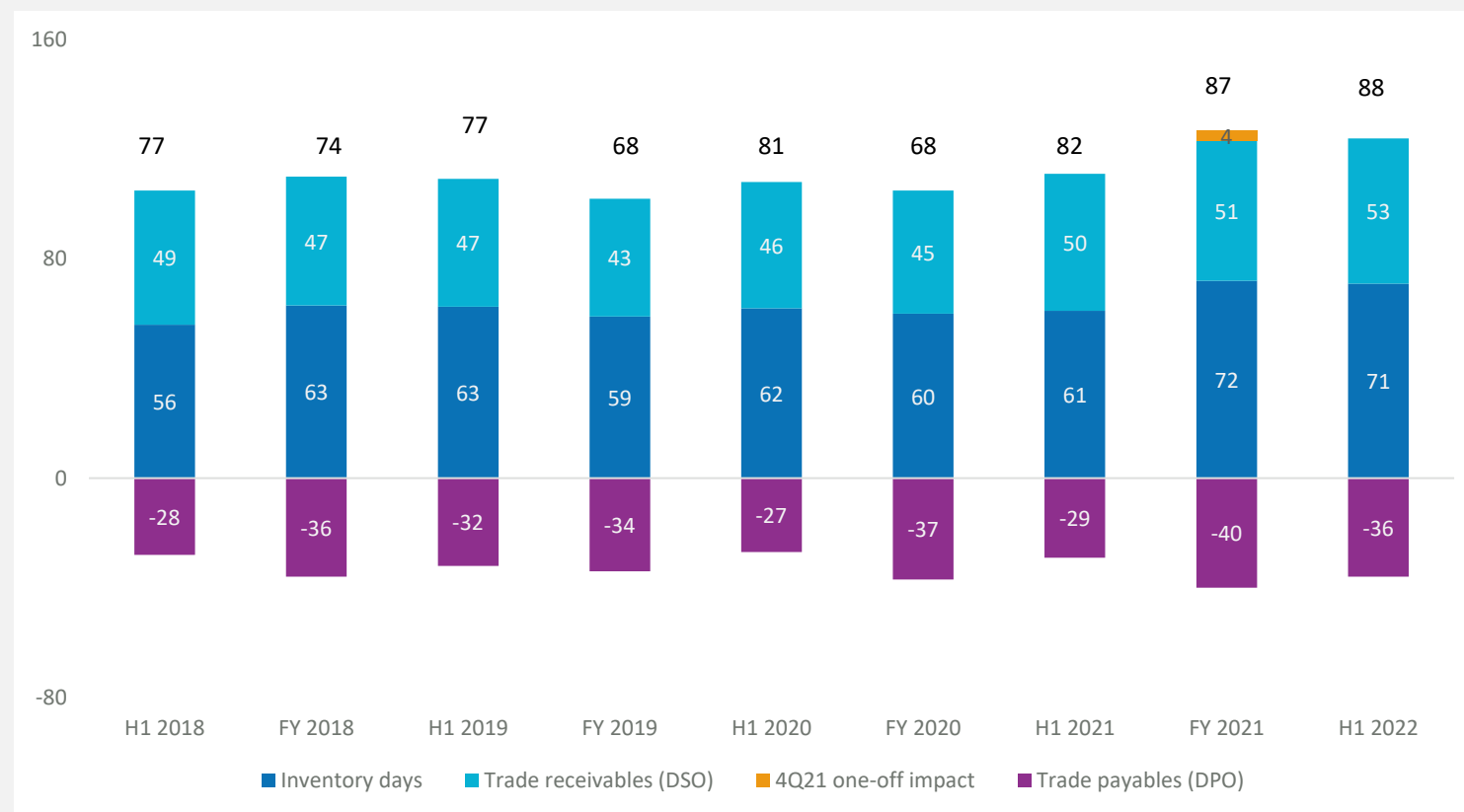
- **Total investments H1 2022 € 99M**
 - Recurring capex € 48M (including expansion projects)
 - New lactic acid plant (Thailand) € 46M
- **Recurring capex includes**
 - Lactic acid expansion € 15M
 - Natural ferments € 5M
 - ERP investment € 4M
- **Capex outlook 2022**
 - 2022 estimated capex € 200-230M
 - New lactic acid plant (Thailand), algae fermentation plant capacity (Brazil), natural ferments plant capacity (US)

Free Cash Flow



- **Significant investment program**
 - New lactic acid plant in Thailand
- **Lower operating cashflow**
 - Increased working capital
 - inflationary input costs
 - safety stock buildup

Working capital (days)



- **Increased Inventory days** mainly caused by inflationary input costs and safety stock build up
- **Debtor** aging profile is stable



—● Investor relations



Jeroen.van.Harten@corbion.com



www.corbion.com



+31 20 590 6293