



## FY 2023 RESULTS

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OLIVIER RIGAUD (CEO)

EDDY VAN RHEDE VAN DER KLOOT (CFO)



# Corbion results FY 2023



**Olivier Rigaud**

CEO

- Business performance
- Outlook



**Eddy van Rhede van der Kloot**

CFO

- Financial performance

## 2023 performance in line with guidance

	Actuals FY 2023	
Organic Sales growth Core activities	3.0%	✓
Organic EBITDA growth Core activities	16.2%	✓
Free Cash Flow	€18.6M	✓
Covenant Net debt/Covenant EBITDA	3.1x	✓
Sales	€1.443.8M	✓
Adjusted EBITDA	€191.8M	✓
Adjusted EBITDA (% of sales)	13.3%	✓

# Macro-economic environment we are operating in

## Customer destocking concluded

- Significant customer destocking following supply chain normalization during 2023

## Continued soft macro-economic climate

- Impacting some biochemical markets, like semiconductors, agrochemicals and PLA (no strong recovery expected before H2'24)

## Normalization of input prices, but not to pre-covid levels

- Some relaxation in input prices, like chemicals, freight, energy. Sugar market prices reducing from highs in Q4
- Overall input costs anticipated to decline in 2024

## Sustainability at the forefront

- Clean label and shift to natural preservatives trends continuing and growing faster than overall food market
- Sustainable omega-3 solution offers structural growth driven by higher adoption in aquaculture and long-term fish oil outlook
- Continuous growth in biomedical polymers due to aging population, health focus and new launches
- Global transition away from fossil-based plastics toward biobased alternatives such as PLA

# Sustainable Food Solutions – growth in adjacencies

## Business environment

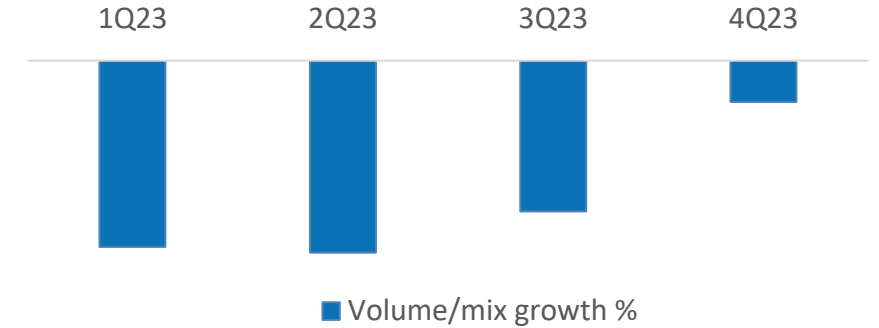
- Supply chain destocking concluded in Q4 2023
- Soft consumer demand in line with macro-conditions
- Q4: improvement in volume/mix versus previous quarters

## Growth initiatives

- Strong growth in adjacencies, like dairy stabilizers, natural mold inhibitors and natural anti-oxidants

## Portfolio

- Vinegar fermentation plant operational, driving cost efficiencies
- Announced divestment emulsifiers, closing anticipated in Q2 2024



# Lactic Acid & Specialties – footprint optimization

## Business environment

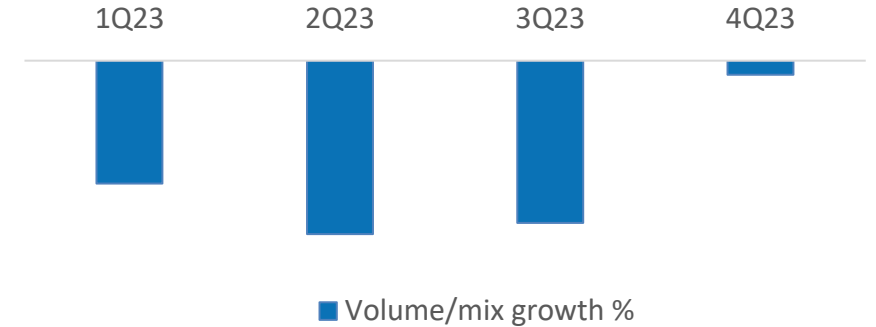
- Strong Q4: improvement in volume/mix versus previous quarters
- No recovery yet from cyclical downturn in the semiconductor industry
- Lower full year lactic acid supply to PLA JV

## Growth initiatives

- Biomedical polymers continued double-digit growth trajectory

## Portfolio

- New circular lactic acid plant in Thailand mechanical completed in December 2023
- Fermentation network optimization in progress
  - Peoria mothballing early Q2'24



# Algae Ingredients - increased value creation from existing facility

## Business environment

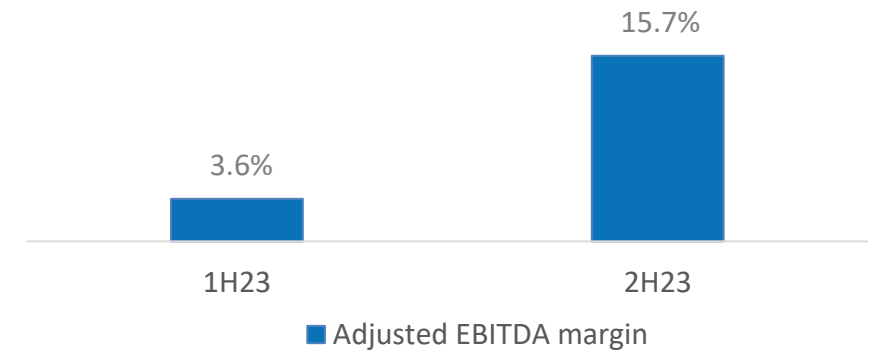
- Growing omega-3 demand and ongoing fish oil scarcity
- Sales growth over 50%, surpassing the € 100 million landmark

## Growth initiatives

- Aquaculture: continued high growth
- Pet nutrition: healthy pipeline and sales development
- Human nutrition: building pipeline, customer approvals omega-3 DHA oil progressing
- Partnerships with key customers, securing longer term volumes

## Portfolio

- Orindiúva plant debottlenecking/mix upgrade for DHA oil extraction underway
- Improved yield algae strain: increased efficiency & capacity
  - H2 EBITDA margin 15.7%



# Good progress on Sustainability in 2023

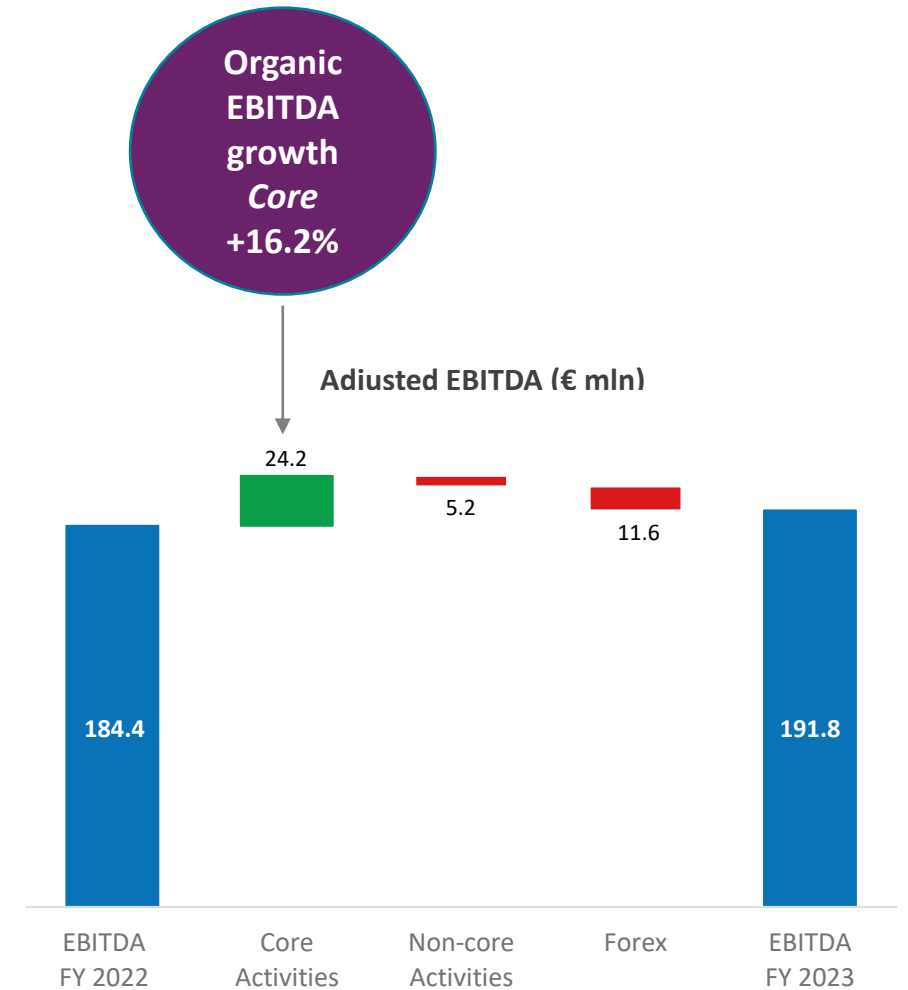
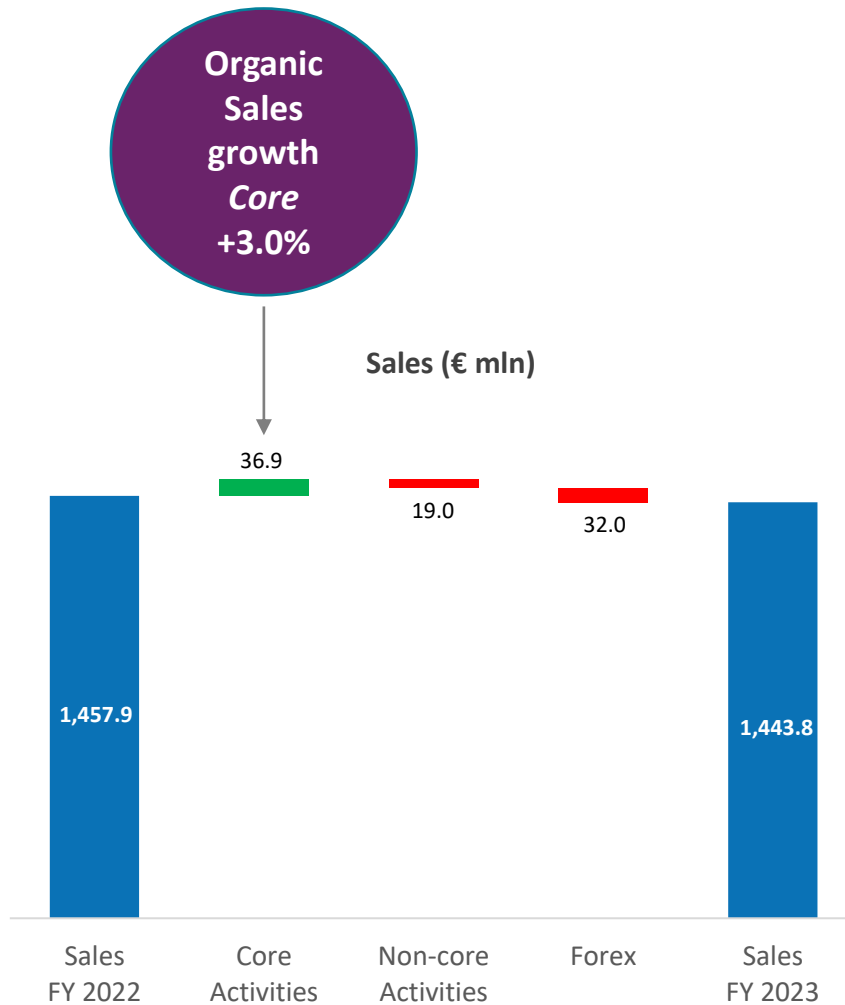




# Financial performance



# Sales & Adjusted EBITDA FY 2023



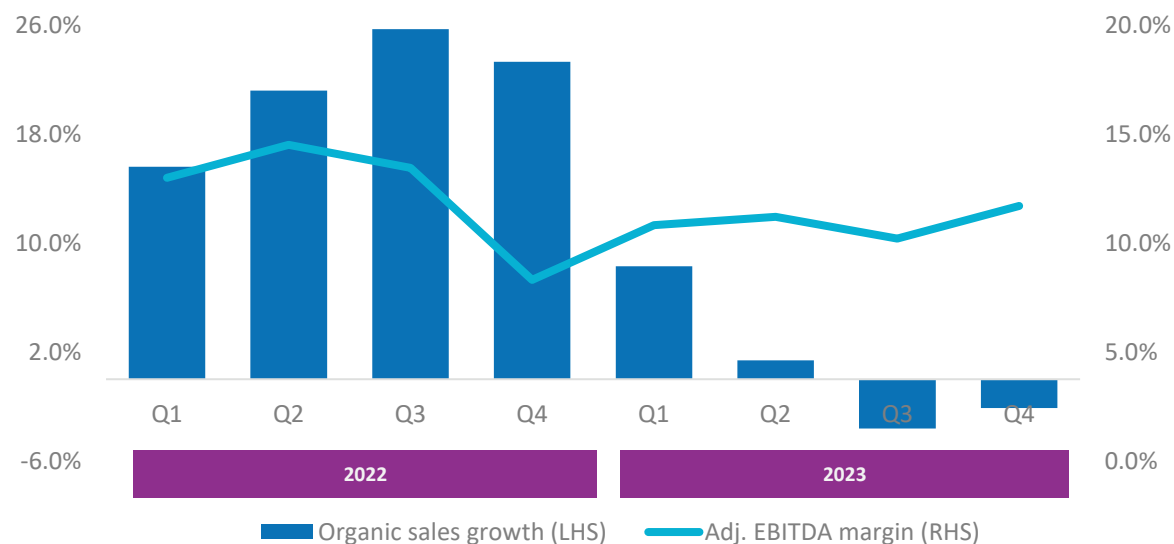
# Profit and Loss

€ million	YTD 2023	YTD 2022	%		Q4 2023	Q4 2022	%
<b>Sales</b>	<b>1,443.8</b>	<b>1,457.9</b>	<b>-1.0%</b>		<b>352.8</b>	<b>377.5</b>	<b>-6.5%</b>
<b>Adjusted EBITDA</b>	<b>191.8</b>	<b>184.4</b>	<b>4.0%</b>		<b>49.0</b>	<b>41.6</b>	<b>17.8%</b>
Adjusted EBITDA %	13.3%	12.6%			13.9%	11.0%	
Adjusted Depreciation & Amortization	(84.6)	(76.4)			(22.7)	(20.5)	
Adjustments	10.0	2.8			15.0	(2.0)	
<b>EBIT</b>	<b>117.2</b>	<b>110.8</b>	<b>5.8%</b>		<b>41.3</b>	<b>19.1</b>	<b>116.2%</b>
Financial income/expenses	(28.4)	(5.3)			(9.2)	(5.0)	
Result joint ventures/assoc.	(3.5)	10.9			1.9	(0.7)	
<b>Result before tax</b>	<b>85.3</b>	<b>116.4</b>	<b>-26.7%</b>		<b>34.0</b>	<b>13.4</b>	<b>153.7%</b>
Taxes	(12.4)	(26.4)			5.5	4.7	
<b>Result after tax</b>	<b>72.9</b>	<b>90.0</b>	<b>-19.0%</b>		<b>39.5</b>	<b>18.1</b>	<b>118.2%</b>
Earnings Per Share (EPS)	1.23	1.53	-19.4%		0.67	0.31	117.9%



# Sustainable Food Solutions

€ million	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Sales	768.7	780.0	188.8	200.9
Organic growth	0.7%	21.5%	-2.1%	23.3%
Adjusted EBITDA	84.3	95.9	22.0	16.7
Adjusted EBITDA margin	11.0%	12.3%	11.7%	8.3%



## Organic Sales growth of 0.7% for the full year 2023

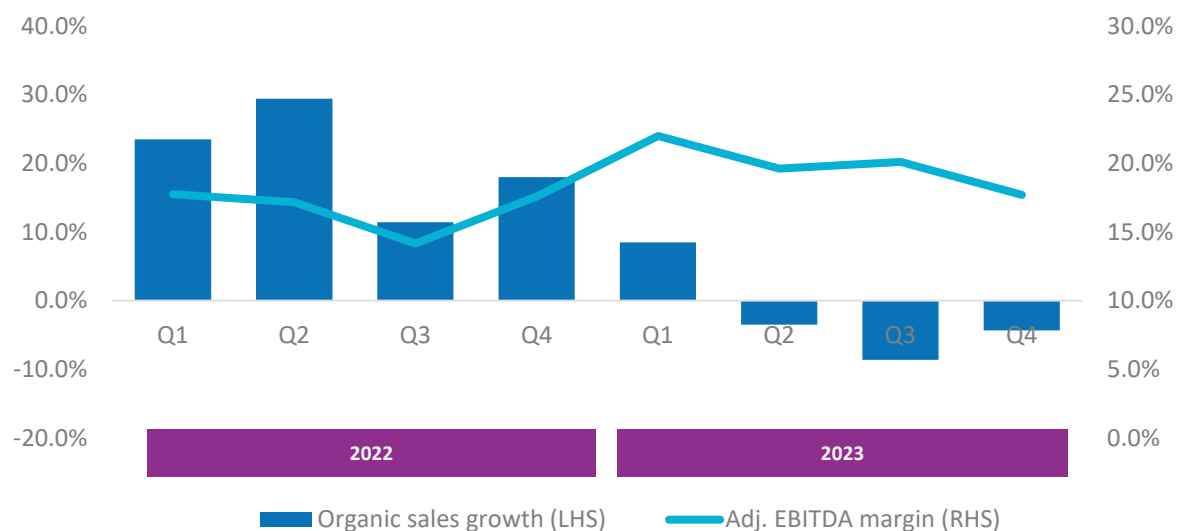
- Positive pricing impact +5.4% to compensate for higher input costs
- Volume/mix -4.7% driven by supply chain destocking, soft consumer demand in line with macro conditions and losses in the less specialized part of our portfolio (maintaining pricing discipline)
- Q4 volume/mix -1.4%, improvement versus previous quarters:
  - Customer destocking concluded
  - Softness in consumer markets
  - Continued growth in product/market adjacencies
- Q4 price: slight pricing decline in some areas following input cost relaxation

## Adjusted EBITDA margin from 12.3% to 11.0% (-130bps vs LY):

- Reduced volumes (negative operational leverage)
- Q4: improved Adjusted EBITDA margin

# Lactic Acid & Specialties

€ million	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Sales	383.9	400.1	91.6	99.5
Organic growth	-2.0%	20.4%	-4.3%	18.0%
Adjusted EBITDA	76.4	66.7	16.2	17.5
Adjusted EBITDA margin	19.9%	16.7%	17.7%	17.6%



## Organic Sales growth of -2.0% for the full year 2023

- Positive pricing impact +5.4% to compensate for higher input costs
- Volume/mix -7.4% driven by lower lactic acid supply to the TotalEnergies Corbion joint venture and reduced sales to the semiconductor and agrochemical markets
- Biomedical polymers continued its double-digit growth trajectory in line with Advance 2025 targets
- Q4 volume/mix -0.9%, improvement versus previous quarters:
  - Uplift lactic acid supplied to TotalEnergies Corbion JV

## Adjusted EBITDA margin improved to 19.9% (+320bps vs LY)

- Favorable mix: growth in biomedical polymers and lower sales to the joint venture

# Algae Ingredients

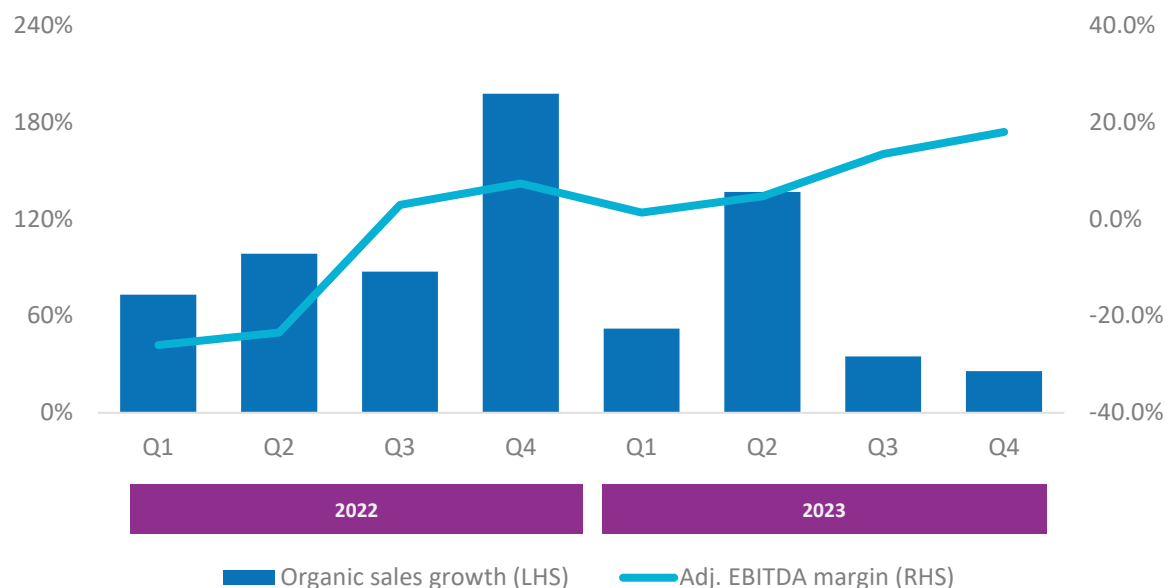
€ million	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Sales	111.4	74.3	31.3	26.1
Organic growth	53.5%	115.3%	25.3%	197.4%
Adjusted EBITDA	11.5	(3.3)	5.6	1.9
Adjusted EBITDA margin	10.3%	-4.4%	17.9%	7.3%

## Organic Sales growth of 53.5% for the full year 2023

- Surpassing landmark of € 100 million in sales
- Strong volume/mix growth of 42.5% with a price increase of 11.0%
- Volume/mix growth largely driven by higher sales in aquaculture
- Pet nutrition: new customer wins, expanding client base/pipeline
- Human Nutrition: successfully built product portfolio, customer approvals on DHA oil progressing

## Adjusted EBITDA margin 10.3%, significant improvement vs 2022

- Adjusted EBITDA € 11.5 million, an improvement of c. € 15 million
- Q4 Adjusted EBITDA margin improved to 17.9%, marking a significant increase compared to last year

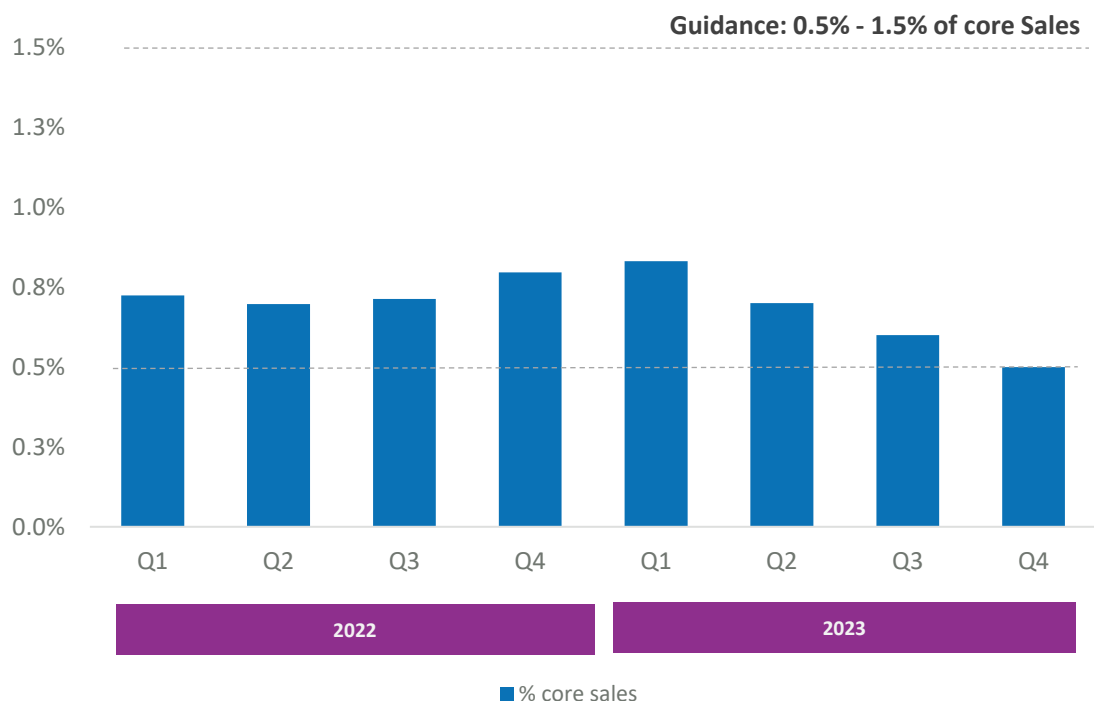




# Incubator

€ million	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Adjusted EBITDA	(8.5)	(9.2)	(1.6)	(2.6)
% of core Sales	-0.7%	-0.7%	-0.5%	-0.8%

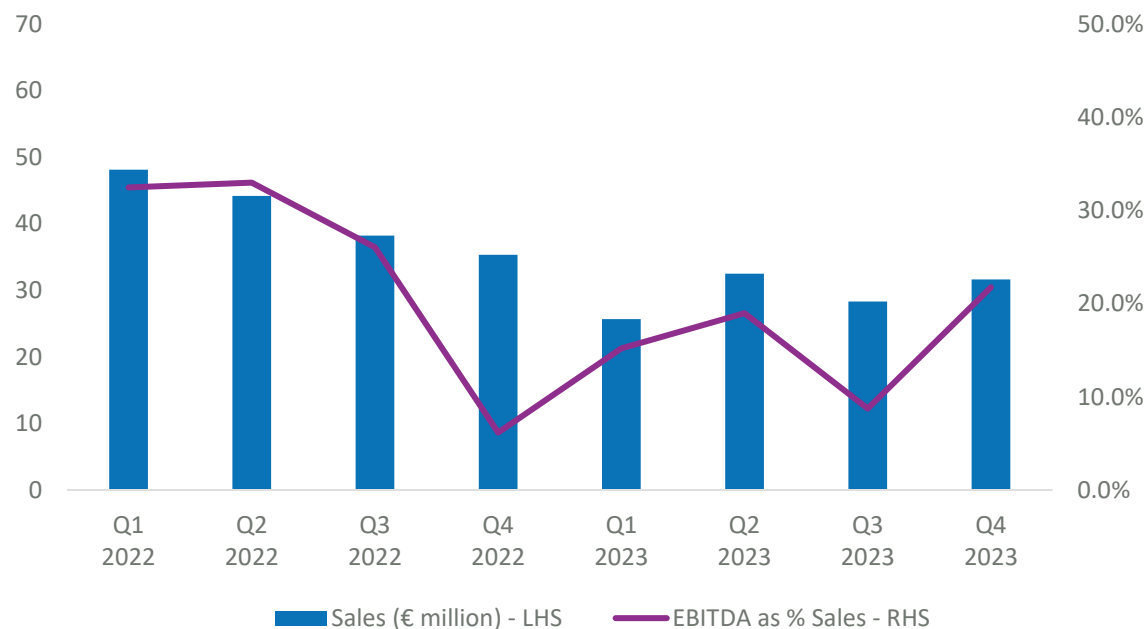
- The Adjusted EBITDA of € -8.5 million reflecting investments in various programs as outlined at the December 2022 Capital Markets Day
- Costs associated with Incubator amount to **0.7% of core sales in line with guided range** of 0.5% - 1.5% of core sales



# TotalEnergies Corbion joint venture

€ million *	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Sales	118.1	165.8	31.6	35.0
EBITDA	19.3	42.8	6.9	2.2
EBITDA margin	16.4%	25.8%	21.8%	6.3%

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



## Organic Sales declined by -26.9% for the full year 2023

- Volume erosion stabilized, with early signs of recovery visible
- Stable market share
- Robust long term PLA market drivers remain
- TotalEnergies Corbion well positioned to execute differentiated product strategy

## Adjusted EBITDA margin at 16.4%

- Adjusted EBITDA margin impacted by lower volumes (operational leverage) and reduced prices

## Cash Proceeds Corbion (from joint venture)

- FY Cash Proceeds of € 9.8 million:
  - Dividend € 4.6 million
  - Interest € 5.2 million

# Non-core activities

€ million	YTD 2023	YTD 2022	Q4 2023	Q4 2022
Sales	179.8	203.5	41.1	51.0
Organic growth	-9.3%	26.1%	-15.1%	24.0%
Adjusted EBITDA	28.1	34.3	6.8	8.1
Adjusted EBITDA margin	15.6%	16.9%	16.5%	15.9%

## Organic Sales declined by –9.3% for the full year 2023

- Volume/mix of -17.3%, partly offset by price increases of 8.0%

## Adjusted EBITDA margin at 15.6% (-130bps vs LY):

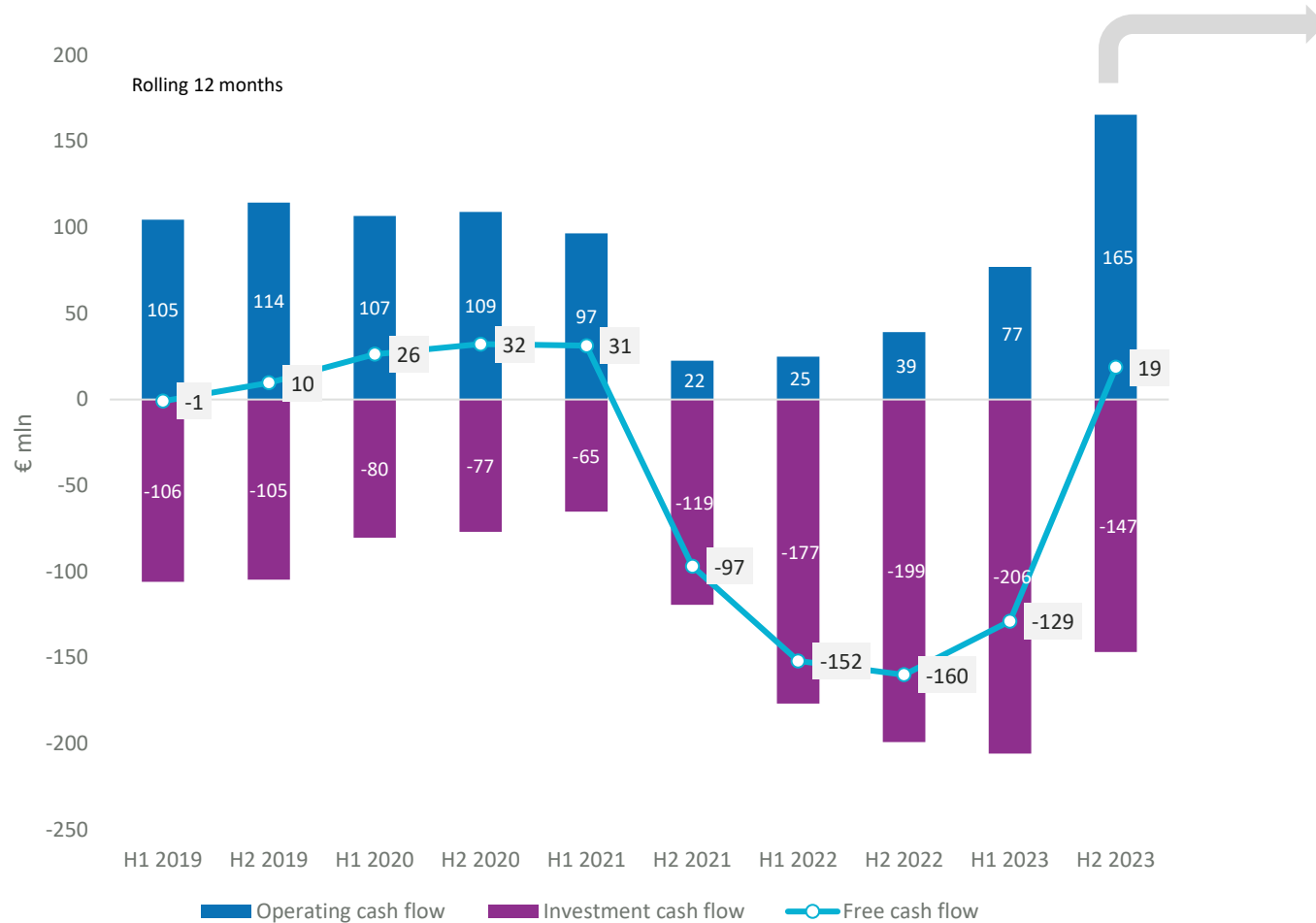
- Adjusted EBITDA decreased to € 28.1 million following a record year in 2022

## Non-core divestment

- On January 26<sup>th</sup> 2024, a binding agreement was signed with Kingswood Capital Management for the sale of the emulsifier business
- The transaction is expected to close in Q2 2024

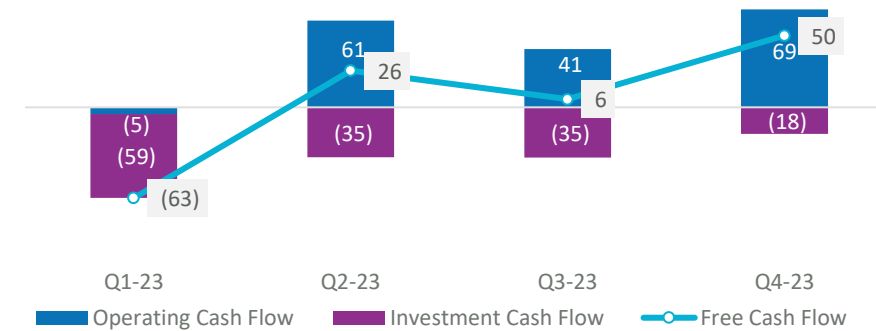


# Free Cash Flow



## Free Cash Flows (FCF) positive since Q2 2023

### Free Cash Flow per quarter



## Lower Capex

- New lactic acid plant in Thailand mechanical completed in December 2023.

## Improving Free Cash Flow

- Increasing EBITDA
- Reduced capex levels
- Reduced working capital positions

# Dividend proposal

## Progressive regular dividend policy

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

## Proposed regular dividend

- All cash of € 0.61 per share, an increase of 9% vs prior year reflecting the positive free cash flow momentum

## Timing

- Dividend to be approved by AGM: 15 May 2024
- Ex-dividend date: 17 May 2024
- Record date: 20 May 2024
- Cash dividends payable: 28 May 2024

# Outlook

A magnifying glass is positioned over a financial report, highlighting the name 'Olivier Rigaud' and the title 'CEO'. The report includes a 'SUMMARY' table with columns for 'Value', 'Change', and 'Change %'. To the left of the magnifying glass is a calculator, and a pen lies diagonally across the report. The background features various financial charts, including bar charts and a donut chart.

**Olivier Rigaud**  
CEO

SUMMARY		
Value	Change	Change %
45,000	15,000	26.67%
7		
3		

	Value	%
revenue	524.5	100%
costs	403.5	77%
Gross profit	121.0	23%
Other income	4.5	1%
Administrative expenses	84.5	16%
Profit before tax	10.5	2%
tax	73.5	14%
net profit		



# Outlook 2024

## **Organic sales growth** core activities FY 2024

- Volume/Mix growth anticipated to be in the range of 2~6%
  - Ongoing growth in Health & Nutrition
  - Continuation of upward momentum in Food
- Low to mid-single digit negative pricing in Functional Ingredients & Solutions following input cost relaxation

## **Adjusted EBITDA organic growth** core activities FY 2024: >15%

## **Core Sales and Adjusted EBITDA growth** significantly weighted to the second half of the year

- Volume/Mix likely to be flat in H1
- Organic Adjusted EBITDA decline in Q1, and growth from Q2 onwards

## **Free Cash Flow** (excluding acquisitions/divestments): > €50M

- Capex €100 ~ 110M
- Covenant Net Debt/EBITDA: 1.8 – 2.3x (year end)

# Annex

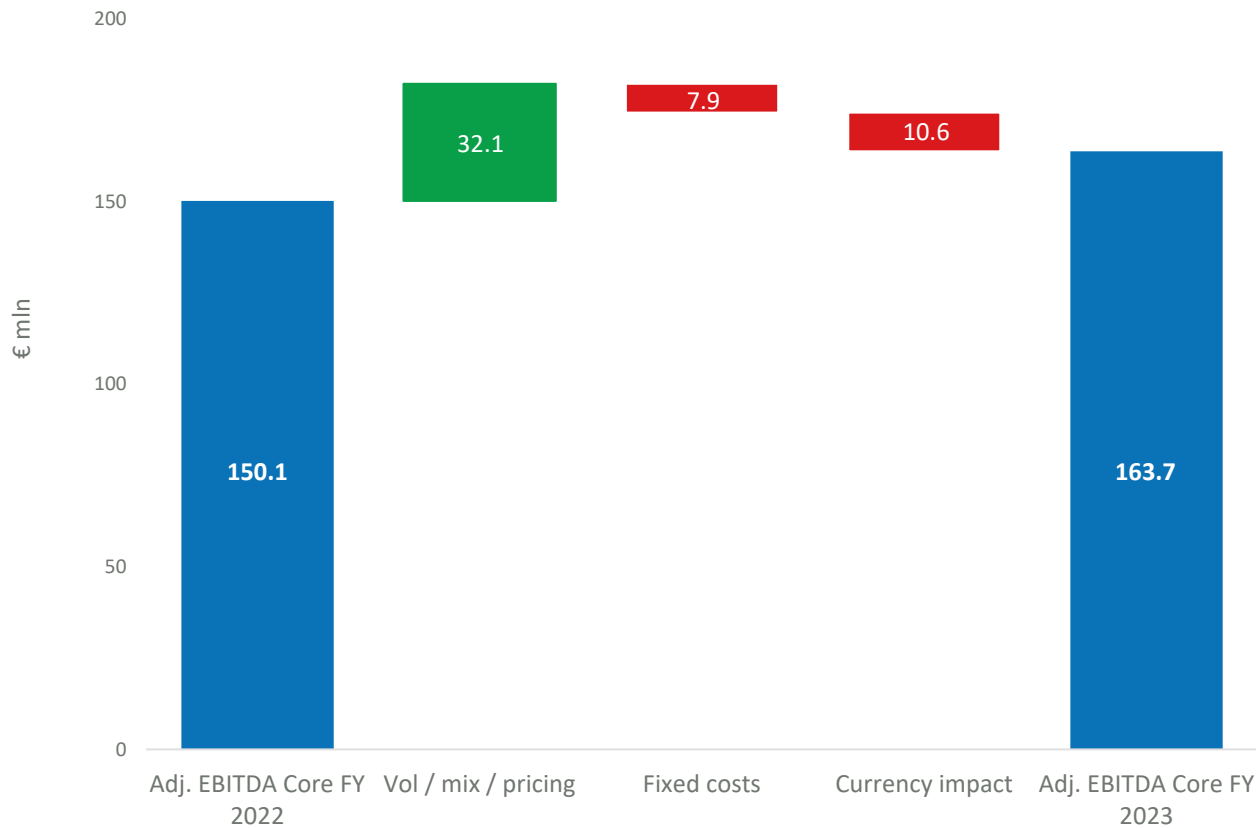
# Sales growth per segment in FY/Q4 2023

Sales	Volume/Mix	Price	Organic	Currency	Acquisitions/ (Divestments)	Total growth
<b>YTD 2023 vs YTD 2022</b>						
<b>Core</b>	-2.8%	5.8%	3.0%	-2.2%	0.0%	0.8%
- Sustainable Food Solutions	-4.7%	5.4%	0.7%	-2.1%	0.0%	-1.4%
- Lactic Acid & Specialties	-7.4%	5.4%	-2.0%	-2.0%	0.0%	-4.0%
- Algae Ingredients	42.5%	11.0%	53.5%	-3.6%	0.0%	49.9%
<b>Non-core</b>	-17.3%	8.0%	-9.3%	-2.3%	0.0%	-11.6%
<b>Total</b>	-4.9%	6.1%	1.2%	-2.2%	0.0%	-1.0%
<b>Q4 2023 vs Q4 2022</b>						
<b>Core</b>	0.9%	-1.4%	-0.5%	-4.0%	0.0%	-4.5%
- Sustainable Food Solutions	-1.4%	-0.7%	-2.1%	-3.9%	0.0%	-6.0%
- Lactic Acid & Specialties	-0.9%	-3.4%	-4.3%	-3.6%	0.0%	-7.9%
- Algae Ingredients	24.9%	0.4%	25.3%	-5.4%	0.0%	19.9%
<b>Non-core</b>	-12.9%	-2.2%	-15.1%	-4.3%	0.0%	-19.4%
<b>Total</b>	-1.0%	-1.5%	-2.5%	-4.0%	0.0%	-6.5%

# Sales and Adjusted EBITDA: FY/Q4 2023

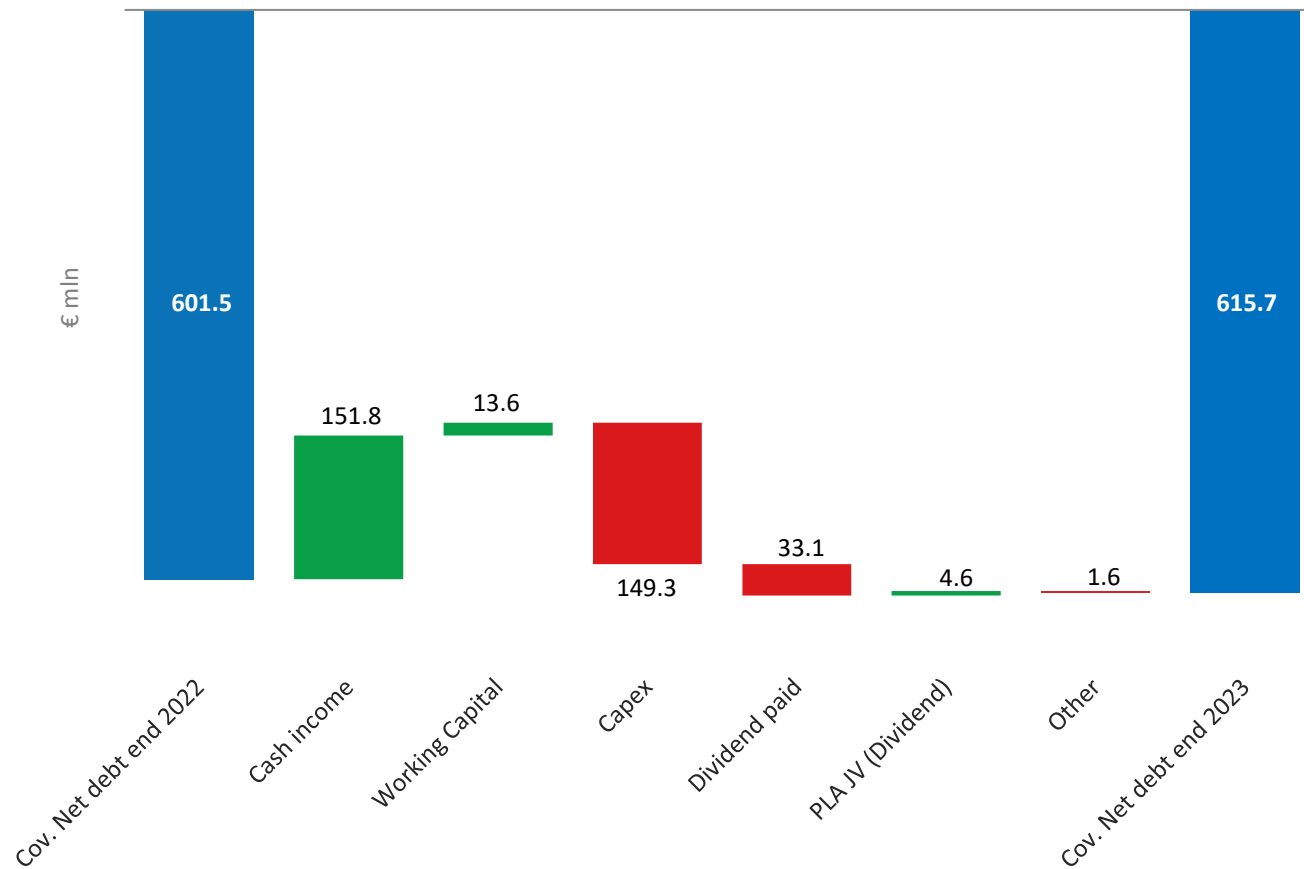
€ million	YTD 2023	YTD 2022		Q4 2023	Q4 2022		Growth YTD
<b>Sales</b>							
<b>Core</b>	<b>1,264.0</b>	<b>1,254.4</b>		<b>311.7</b>	<b>326.5</b>		<b>0.8%</b>
- Sustainable Food Solutions	768.7	780.0		188.8	200.9		-1.4%
- Lactic Acid & Specialties	383.9	400.1		91.6	99.5		-4.0%
- Algae Ingredients	111.4	74.3		31.3	26.1		49.9%
<b>Non-core</b>	<b>179.8</b>	<b>203.5</b>		<b>41.1</b>	<b>51.0</b>		<b>-11.6%</b>
<b>Total Sales</b>	<b>1,443.8</b>	<b>1,457.9</b>		<b>352.8</b>	<b>377.5</b>		<b>-1.0%</b>
<b>Adjusted EBITDA</b>							
<b>Core</b>	<b>163.7</b>	<b>150.1</b>		<b>42.2</b>	<b>33.5</b>		<b>9.1%</b>
- Sustainable Food Solutions	84.3	95.9		22.0	16.7		-12.1%
- Lactic Acid & Specialties	76.4	66.7		16.2	17.5		14.5%
- Algae Ingredients	11.5	(3.3)		5.6	1.9		448.5%
- Incubator	(8.5)	(9.2)		(1.6)	(2.6)		7.6%
<b>Non-core</b>	<b>28.1</b>	<b>34.3</b>		<b>6.8</b>	<b>8.1</b>		<b>-18.1%</b>
<b>Total Adjusted EBITDA</b>	<b>191.8</b>	<b>184.4</b>		<b>49.0</b>	<b>41.6</b>		<b>4.0%</b>

# Core Adjusted EBITDA bridge FY 2023





# Covenant net debt bridge FY 2023

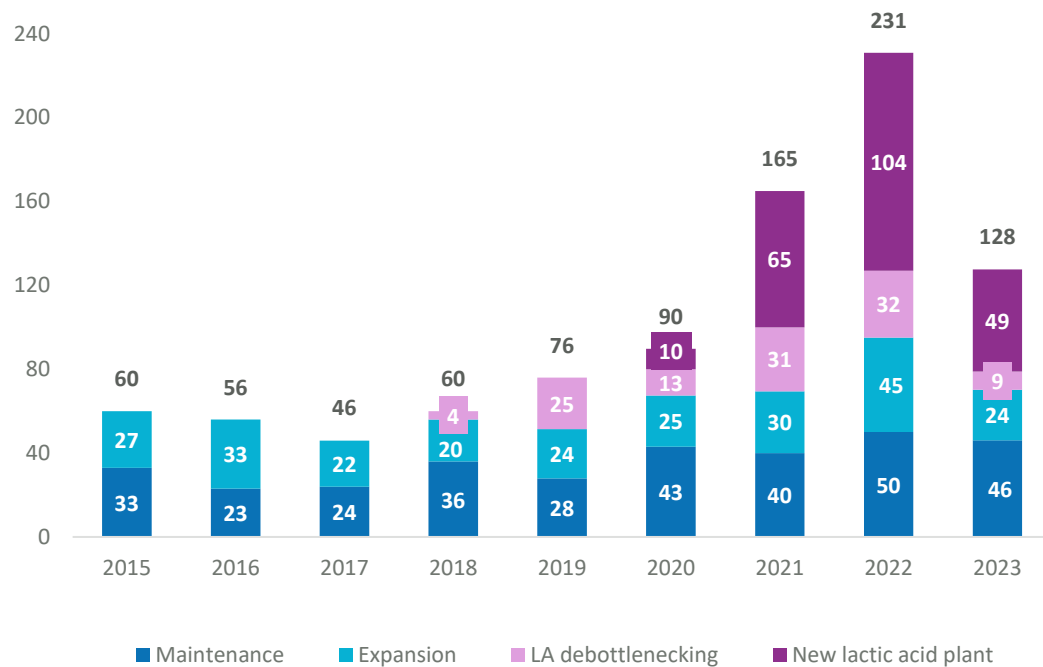


- **Covenant net debt position FY 2023: € 615.7 million**  
(excl. subordinated loans)
- **Covenant net debt/covenant EBITDA ratio:**
  - 3.1x in December 2023 (H1 2023: 3.4x; Dec 2022: 3.0x)
  - Positive Free Cash Flows from Q2 onwards

# Investments

## Investments\*

€ mln



- **Total Capex investments FY 2023 € 128M**

- Recurring Capex € 79M

- Maintenance Capex € 46M (incl. ERP investment € 10M)

- Expansion Capex € 33M

- New lactic acid plant (Thailand) € 49M

- **Expansion capex includes (amongst others):**

- Lactic acid expansion/debottlenecking € 9M

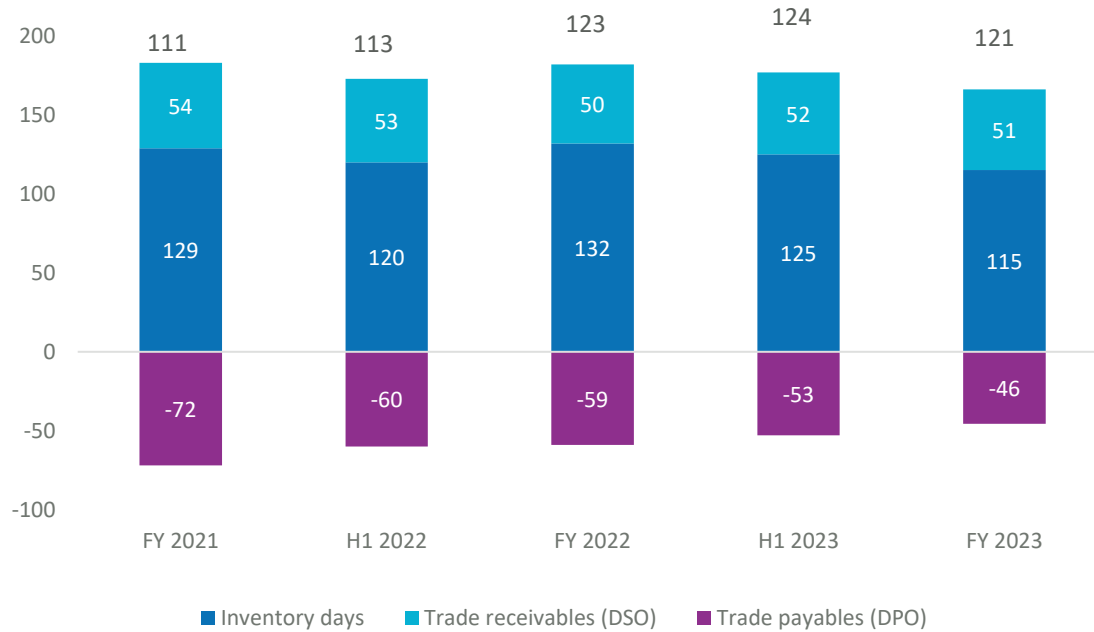
- Algae (Orindiúva, Brazil) expansion/flexibility € 7M

- Insourcing production € 7M

- **Capex outlook 2024**

- 2024 Capex estimated between € 100~110M

# Working capital (days)



- **Significant reduction in inventories days**
  - Successful management of inventory positions
- **Trade receivables days stable**
- **Trade payables days reducing**
  - Reduced procurement level in Q4'23

# Restatements – new business structure

€ million	2022	1Q23	2Q23	3Q23	4Q23	2023
<b>Sales</b>						
<b>Core</b>	1,254.4	312.5	329.2	310.6	311.7	1,264.0
- Health & Nutrition	193.2	54.1	68.1	60.3	62.8	245.3
- Functional Ingredients & Solutions	1,061.2	258.4	261.1	250.3	248.9	1,018.7
<b>Non-core</b>	203.5	47.1	49.2	42.4	41.1	179.8
<b>Total Sales</b>	1,457.9	359.6	378.4	353.0	352.8	1,443.8
<b>Adjusted EBITDA</b>						
<b>Core</b>	150.1	41.6	40.6	39.3	42.2	163.7
- Health & Nutrition	29.7	10.9	11.5	13.4	14.1	49.9
- Functional Ingredients & Solutions	120.4	30.7	29.1	25.9	28.1	113.8
<b>Non-core</b>	34.3	6.8	7.8	6.7	6.8	28.1
<b>Total Adjusted EBITDA</b>	184.4	48.4	48.4	46.0	49.0	191.8
<b>Adjusted EBITDA margin</b>						
<b>Core</b>	12.0%	13.3%	12.3%	12.7%	13.5%	13.0%
- Health & Nutrition	15.4%	20.1%	16.9%	22.2%	22.5%	20.3%
- Functional Ingredients & Solutions	11.3%	11.9%	11.1%	10.3%	11.3%	11.2%
<b>Non-core</b>	16.9%	14.4%	15.9%	15.8%	16.5%	15.6%
<b>Total Adjusted EBITDA margin</b>	12.6%	13.5%	12.8%	13.0%	13.9%	13.3%



## —● Investor relations



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