

PRESS RELEASE

DATE 25 April 2017

Corbion Q1 2017 Interim Management Statement

Corbion reported sales of € 229.9 million in the first quarter of 2017, an increase of 0.7%. Organic sales growth was -2.3%, mostly due to a volume decrease in Food, partly offset by an increase in Biochemicals. EBITDA excluding one-off items increased by 9.4% to € 47.8 million.

“The start of the year has been encouraging in all segments, except for Bakery, which fell short of our expectations. Profitability exceeded expectations as mix improvements continued to push underlying margins higher. The PLA joint venture with Total became operational in early March”, commented Tjerk de Ruiter, CEO.

Key financial highlights first quarter of 2017:

- Net sales organic growth was -2.3%; volume growth was -2.9%
- EBITDA before one-off items was € 47.8 million, an organic increase of 5.1%
- EBITDA margin before one-off items was 20.8%
- Positive one-off items of € 5.3 million related to the establishment of the PLA joint-venture with Total
- Operating result was € 41.0 million, an organic increase of 28.6%

Key figures

€ million	Q1 2017	Q1 2016	Total growth	Organic growth
Net sales	229.9	228.3	0.7%	-2.3%
EBITDA excluding one-off items	47.8	43.7	9.4%	5.1%
EBITDA margin excluding one-off items	20.8%	19.1%		
Operating result	41.0	30.8	33.1%	28.6%

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Segment information

Biobased Ingredients

Net sales in Biobased Ingredients, which encompasses Food, Biochemicals, and central costs, increased by 1.6%, mostly driven by a positive currency contribution of 3.8%, offset by an organic decrease of 1.5%. The EBITDA margin excluding one-off items increased from 19.6% to 21.9%, as both the Food and Biochemicals business segments managed to improve their margins, mostly driven by positive portfolio mix effects and lower input costs.

Business segment Food

Net sales decreased organically by 3.5%. A decrease in sales was expected for the first quarter as we lost some volumes in more commoditized parts of the US meat market and optimized the customer and SKU portfolio in Bakery in Q2 2016. However, the sales reduction was more pronounced than anticipated due to losses at frozen dough, and challenges in executing our Bakery channel strategy. Consequently, we are accelerating the overhaul of the commercial organization in Bakery and we are taking measures to improve customer service levels. In Meat in the US we regained some of the lost volume from last year, but more importantly, the portfolio mix shift towards natural preservation solutions continues to support margin improvements. Meat sales growth outside the US was mainly driven by Latin America. In other markets (Beverages, Confectionery, Dairy), sales increased slightly. The EBITDA margin improved from 20.3% to 22.2% due to mix improvements and lower input costs.

Business segment Biochemicals

Net sales increased organically by 5.3%. All markets grew except for a small decrease in animal health. Agrochemicals returned to modest growth after a very difficult 2016. A substantial part of the Biochemicals sales growth was driven by an excellent quarter in medical/pharma which was helped by phasing. The high sales growth in medical/pharma contributed to the EBITDA margin expansion from 26.3% to 28.8% due to a positive mix effect.

Biobased Innovations

From March 2nd, when the PLA joint venture with Total became operational, lactide and PLA sales were no longer recorded in Biobased Innovations but rather in the PLA joint venture with Total. The joint venture will continue to seed the market.

Outlook FY2017

For Biobased Ingredients we expect quarterly sales growth to improve as we move further into 2017. However, as the losses in Bakery will dampen growth, we now expect 2017 net sales growth in Biobased Ingredients to end up below the multi-year guidance bandwidth of 2-4%. Nevertheless, given the positive portfolio mix developments in the first months of the year, we continue to expect our total Corbion EBITDA excluding one-off items for 2017 to be slightly below that of 2016 (€ 170.1 million).

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Financial results

€ million	Q1 2017	Q1 2016	Growth
Net sales			
Biobased Ingredients	226.0	222.4	1.6%
- Food	167.4	168.1	-0.4%
- Biochemicals	58.6	54.3	7.9%
Biobased Innovations	3.9	5.9	-33.9%
Total net sales	229.9	228.3	0.7%
EBITDA excluding one-off items			
Biobased Ingredients	49.4	43.6	13.3%
- Food	37.2	34.1	9.1%
- Biochemicals	16.9	14.3	18.2%
- Central costs	(4.7)	(4.8)	(2.1%)
Biobased Innovations	(1.6)	0.1	N/M
Total EBITDA excluding one-off items	47.8	43.7	9.4%
One-off items	5.3	(1.0)	
Total EBITDA	53.1	42.7	24.4%
Depreciation/amortization/ (reversal of) impairment (in)tangibles	(12.1)	(11.9)	1.7%
Total Operating Result	41.0	30.8	33.1%
EBITDA margin excluding one-off items			
Biobased Ingredients	21.9%	19.6%	
- Food	22.2%	20.3%	
- Biochemicals	28.8%	26.3%	
Biobased Innovations	N/M	1.7%	
Total EBITDA margin excluding one-off items	20.8%	19.1%	
Total EBITDA excluding one-off items and acquisitions, at constant currencies	45.9	43.4	5.8%

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Net sales growth Q1 2017 compared to Q1 2016

	Total growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
Biobased Ingredients	1.6%	3.8%	-2.2%	-0.7%	-1.5%	1.7%	-3.2%
- Food	-0.4%	4.1%	-4.5%	-1.0%	-3.5%	1.3%	-4.8%
- Biochemicals	7.9%	2.6%	5.3%	0.0%	5.3%	2.4%	2.9%
Biobased Innovations*	-33.9%	2.1%	-36.0%	0.0%	-36.0%	-28.9%	-6.6%
Total	0.7%	3.7%	-3.0%	-0.7%	-2.3%	0.6%	-2.9%

*As from March 2nd 2017, Lactide/PLA sales are no longer reported under Biobased Innovations

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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Background information:

Corbion: biobased solutions, designed by science, powered by nature, and delivered through dedication.

Corbion is the global market leader in lactic acid, lactic acid derivatives and lactides, and a leading company in emulsifiers, functional enzyme blends, minerals and vitamins. The company delivers high performance biobased products made from renewable resources and applied in global markets such as bakery, meat, pharmaceuticals and medical devices, home and personal care, packaging, automotive, coatings and adhesives. Its products have a differentiating functionality in all kinds of consumer products worldwide. In 2016, Corbion generated annual sales of € 911.3 million and had a workforce of 1,684 FTE. Corbion is listed on Euronext Amsterdam. For more information: www.corbion.com