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DATE 27 October, 2017

Corbion Q3 2017 interim management statement

Corbion reported sales of € 680.5 million in the first nine months of 2017, a decrease of 0.7% compared to the same period in 2016, while organic sales growth in Q3 was flat. EBITDA excluding one-off items in the first nine months decreased by 3.6% to € 129.9 million.

"I am pleased to see the positive momentum continuing with a return to organic sales growth in Biobased Ingredients in the third quarter. We keep our focus on sales recovery in Bakery and expect further gradual improvements to our organic sales growth in Biobased Ingredients. Our EBITDA profitability remains well above our target level of 18%, despite the higher sugar input costs," comments Tjerk de Ruiter, CEO.

Key financial highlights first nine months of 2017:

- Net sales organic growth YTD was -0.6%; volume growth was -1.3%
- EBITDA excluding one-off items YTD was € 129.9 million, an organic decrease of 6.0%
- EBITDA margin excluding one-off items YTD was 19.1%
- One-off items at EBITDA level of € 5.5 million, mostly in connection with the newly founded Total Corbion PLA joint venture
- Operating result YTD was € 102.5 million, an organic increase of 7.7%
- The € 25 million share buyback program was finalized on 18 September 2017
- Acquisition of most of TerraVia assets finalized on 29 September 2017

€ million	YTD 2017	YTD 2016	Total growth	Organic growth
Net sales	680.5	685.2	-0.7%	-0.6%
EBITDA excluding one-off items	129.9	134.8	-3.6%	-6.0%
EBITDA margin excluding one-off items	19.1%	19.7%		
Operating result	102.5	93.1	10.1%	7.7%

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Segment information

Biobased Ingredients

Net sales in Biobased Ingredients, which encompasses Food, Biochemicals, and central costs, decreased organically by 0.6% in the first nine months, mostly driven by lower volumes. The EBITDA margin excluding one-off items decreased from 20.6% to 20.2%, mostly due to higher input costs.

Business segment Food

The organic net sales growth performance in the Food segment in the first nine months was -2.2%. Sales growth in Bakery was negative due to challenges in executing our Bakery channel strategy and customer losses in frozen dough. In Meat, sales increased in the first nine months as the shift towards natural preservation solutions continues to gain momentum in the US, while outside of the US, meat markets developed favorably, mostly in Latin America. In other markets (Beverages, Confectionery, Dairy), sales decreased slightly in the first nine months. The EBITDA margin for the first nine months decreased from 21.8% to 21.2% mostly due to higher input costs.

Business segment Biochemicals

Net sales for the first nine months increased organically by 4.1%. All markets grew except for Animal Health. The EBITDA margin for the first nine months decreased slightly from 25.8% to 25.2% mostly due to higher input costs, mainly sugar.

Biobased Innovations

Net sales decreased organically by 1.5% in the first nine months, which mostly reflects higher volumes sold to the Total Corbion PLA joint venture in combination with a negative price/mix effect. The negative price/mix effect occurred because lactic acid that is sold to the Total Corbion PLA joint venture is sold at a lower price/kg than lactide and/or PLA. Construction of the Total Corbion PLA plant in Thailand is on schedule, requiring a temporary shutdown of the lactide production facility during Q4, negatively affecting sales to the Total Corbion PLA joint venture in Q4 2017.

Outlook 2017

Our outlook for 2017 is unchanged. We continue to expect the 2017 organic net sales growth in Biobased Ingredients to end up below the multi-year guidance bandwidth of 2-4%. We expect organic sales growth for Biobased Ingredients in H2 2017 to improve compared to H1 2017. Despite the adverse impact of higher input costs compared to last year, we continue to project the total Corbion EBITDA excluding one-off items and excluding the negative impact from the TerraVia acquisition for 2017 to be slightly below that of 2016 (€ 170.1 million). We estimate the TerraVia acquisition EBITDA impact for Q4 2017 to be in the range US\$ -7 to -12 million.

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Financial results

€ million	YTD 2017	YTD 2016	Q3 2017	Q3 2016		Growth YTD
Net sales						
Biobased Ingredients	662.9	667.7	213.0	223.2		-0.7%
- Food	495.6	507.1	159.2	170.3		-2.3%
- Biochemicals	167.3	160.6	53.8	52.9		4.2%
Biobased Innovations	17.6	17.5	5.6	6.3		0.6%
Total net sales	680.5	685.2	218.6	229.5		-0.7%
EBITDA excluding one-off items						
Biobased Ingredients	134.1	137.6	42.9	45.5		-2.5%
- Food	105.2	110.3	33.6	37.7		-4.6%
- Biochemicals	42.2	41.5	13.1	13.1		1.7%
- Central costs	(13.4)	(14.2)	(3.8)	(5.3)		-5.6%
Biobased Innovations	(4.2)	(2.8)	(1.3)	(0.5)		48.9%
Total EBITDA excluding one-off items	129.9	134.8	41.6	45.0		-3.6%
One-off items	5.5	(4.4)	(0.5)	(2.1)		
Total EBITDA	135.4	130.4	41.1	42.9		3.8%
Depreciation/amortization/ (reversal of) impairment (in)tangibles	(32.9)	(37.3)	(11.7)	(13.2)		-11.8%
Total Operating Result	102.5	93.1	29.4	29.7		10.1%
EBITDA margin excluding one-off items						
Biobased Ingredients	20.2%	20.6%	20.1%	20.4%		
- Food	21.2%	21.8%	21.1%	22.1%		
- Biochemicals	25.2%	25.8%	24.3%	24.8%		
Biobased Innovations	-23.9%	-16.0%	-23.2%	-7.9%		
Total EBITDA margin excluding one-off items	19.1%	19.7%	19.0%	19.6%		
Total EBITDA excluding one-off items and acquisitions, at constant currencies	126.6	134.8	42.3	45.0		-6.0%

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Net sales growth rates YTD and Q3

	Total growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
YTD 2017 vs 2016							
Biobased Ingredients	-0.7%	0.6%	-1.3%	-0.7%	-0.6%	1.6%	-2.2%
- Food	-2.3%	0.8%	-3.1%	-0.9%	-2.2%	1.6%	-3.8%
- Biochemicals	4.2%	0.1%	4.1%	0.0%	4.1%	0.2%	3.9%
Biobased Innovations	0.6%	2.1%	-1.5%	0.0%	-1.5%	-24.5%	33.1%
Total	-0.7%	0.6%	-1.3%	-0.7%	-0.6%	0.7%	-1.3%
Q3 2017 vs Q3 2016							
Biobased Ingredients	-4.6%	-4.3%	-0.3%	-0.6%	0.3%	1.4%	-1.1%
- Food	-6.5%	-4.5%	-2.0%	-0.7%	-1.3%	1.5%	-2.8%
- Biochemicals	1.7%	-3.8%	5.5%	0.0%	5.5%	0.2%	5.3%
Biobased Innovations	-11.1%	-0.6%	-10.5%	0.0%	-10.5%	-20.6%	11.2%
Total	-4.7%	-4.2%	-0.5%	-0.5%	0.0%	0.7%	-0.7%

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

For more information, please contact:

Analysts and investors:

Jeroen van Harten, Director Investor Relations
+31 (0)20 590 6293, +31 (0)6 21 577 086

Press:

Tanno Massar, Director Corporate Communications
+31 (0)20 590 6325, +31 (0)6 50 589 121

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Background information:

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals and vitamins. We develop sustainable solutions to improve the quality of life for people today and generations to come. For over 100 years, we have been uncompromising in our commitment to safety, quality and performance. Drawing on our deep application and product knowledge, we work side-by-side with customers to make our cutting-edge technologies work for them. Our solutions help differentiate products in markets such as food, home & personal care, pharmaceuticals, medical devices and bioplastics. 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