

## PRESS RELEASE

DATE 2 November 2020

## Corbion Q3 2020 Interim Management Statement

**Corbion reported sales of € 741.2 million in the first nine months of 2020, an increase of 1.7% due to organic net sales growth of 4.4% partly offset by currency effects. Organic net sales growth in core activities was 5.8%. Adjusted EBITDA in the first nine months increased organically by 17.3% to € 128.4 million due to improvements in all business segments.**

“After navigating through a volatile first half of the year, the net impact of the COVID-19-pandemic in the third quarter is diminishing. The third quarter showed strong organic growth in our Core activities. I am therefore proud of this strong delivery by our people, working under continued challenging circumstances. Sustainable Food Solutions is showing organic growth above market growth as we continue to gain traction with our natural preservation solutions. Lactic Acid & Specialties continues to perform well in all segments with the notable exception of the medical biopolymers, which is adversely impacted by postponements of elective surgeries. In Incubator we are cautiously optimistic about the impact of our revised market approach on our algae-based omega-3 business. We are in the process of scaling up our newly installed lactic acid capacity in Thailand after completing the debottlenecking project in June. Additionally, we are expanding our debottlenecking investments to facilitate growth in the lactic acid markets. We recently announced the intention to build a new PLA plant in France by the Total Corbion PLA joint venture as PLA continues to develop very positively”, commented Olivier Rigaud, CEO.

### Key financial highlights first nine months of 2020

- Net sales growth YTD was 1.7%; organic growth was 4.4% (5.8% for core activities)
- Adjusted EBITDA YTD was € 128.4 million, an organic increase of 17.3%
- Adjusted EBITDA margin YTD was 17.3% (17.6% for core activities)
- Operating result YTD was € 89.4 million, an organic increase of 28.8%

€ million Corbion Total Company	YTD 2020	YTD 2019	Total growth	Organic growth
Net sales	741.2	728.9	1.7%	4.4%
Adjusted EBITDA	128.4	112.1	14.5%	17.3%
Adjusted EBITDA margin	17.3%	15.4%		
Operating result	89.4	71.4	25.2%	28.8%

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### Segment information

#### Core activities

Net sales in the first nine months in the core activities, which encompasses Sustainable Food Solutions, Lactic Acid & Specialties, and Incubator, increased by 4.2%, driven by organic net sales growth of 5.8%, the acquisition of Granotec in 2019 (+1.0%) and currency effects (-2.6%). The adjusted EBITDA margin increased from 15.5% to 17.6%, partly supported by temporary reduced expenses due to COVID-19. In the third quarter, net sales in the core activities decreased by 0.8%, driven by positive organic net sales growth of 6.4% and currency effects (-7.2%) due to a weakening of the US dollar and the Brazilian Real versus the Euro. The adjusted EBITDA margin in Q3 increased from 15.8% to 18.2%.

#### Sustainable Food Solutions

In the first nine months, net sales in Sustainable Food Solutions increased organically by 5.0%. In Preservation we saw particularly strong growth throughout the year so far, accelerating into Q3, as demand in the processed meat sector is driven by a continued shift towards natural preservation solutions and COVID-19-effects. Sales in Functional Systems grew slightly in the first nine months as well as in Q3, after a very volatile H1. Single Ingredients was stable in the first nine months. Single Ingredients declined in H1 due to internal lactic acid allocation decisions but recovered in Q3 due to improved production volumes.

#### Lactic Acid & Specialties

Net sales in Lactic Acid & Specialties in the first nine months increased organically by 7.1%. All product segments grew, with the exception of medical biopolymers. Biopolymers have been under pressure due to global postponements in elective surgeries. We continue to see good growth in pharma-grade lactates and also in esters, driven by growing demand in the semiconductor- and agro-markets. Q3 showed a similar pattern per segment as in H1, with the exception of lactic acid sales to the Total Corbion PLA joint venture due to quarterly phasing. The Total Corbion PLA joint venture continues to perform above expectations as evidenced by the recent announcement to build a second PLA plant in Europe.

#### Incubator

Net sales in Incubator in the first nine months organically increased by 6.5%, mostly driven by higher volumes of algae-based omega-3 for the aquaculture sector. This was offset by lower prices, in line with the strategy to price the product closer to fish oil equivalents. The organic net sales decrease in Q3 is mostly due to a significant quarterly volume delivery shift from Q3 to Q4. We expect Q4 to be the strongest quarter of the year. Our adjusted market approach as from the beginning of the year has resulted in an initial positive customer response.

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### Non-core activities

In the first nine months, net sales in the non-core activities decreased organically by 1.9% mostly due to slightly lower sales in emulsifiers.

### Outlook 2020

Given the developing 2nd COVID-19 wave, the uncertainty regarding the Q4 business performance is greater than usual. However, we are well on track to reach our target levels in 2020. We leave our full year guidance unchanged. We expect organic net sales growth in the core activities of 4-7% (unchanged). Our adjusted EBITDA margin in core activities for the year is expected to be above 15% (unchanged). However, we are raising our estimated total capital expenditure for 2020 to € 90-100 million (was: € 80-90 million) as we are expanding our lactic acid investment program.

### Financial results

Net sales	Total growth	Currency	Total growth at constant currency	Acquisitions/ (Divestments)	Organic	Price/Mix	Volume
<b>YTD 2020 vs YTD 2019</b>							
<b>Core</b>	<b>4.2%</b>	<b>-2.6%</b>	<b>6.8%</b>	<b>1.0%</b>	<b>5.8%</b>	<b>-0.8%</b>	<b>6.7%</b>
- Sustainable Food Solutions	3.6%	-3.0%	6.6%	1.6%	5.0%	0.7%	4.3%
- Lactic Acid & Specialties	6.6%	-0.5%	7.1%	0.0%	7.1%	-3.0%	10.4%
- Incubator	-18.3%	-24.8%	6.5%	0.0%	6.5%	-11.7%	20.6%
<b>Non-core</b>	<b>-10.1%</b>	<b>-0.1%</b>	<b>-10.0%</b>	<b>-8.1%</b>	<b>-1.9%</b>	<b>0.2%</b>	<b>-2.1%</b>
<b>Total</b>	<b>1.7%</b>	<b>-2.1%</b>	<b>3.8%</b>	<b>-0.6%</b>	<b>4.4%</b>	<b>-0.7%</b>	<b>5.2%</b>
<b>Q3 2020 vs Q3 2019</b>							
<b>Core</b>	<b>-0.8%</b>	<b>-7.2%</b>	<b>6.4%</b>	<b>0.0%</b>	<b>6.4%</b>	<b>0.2%</b>	<b>6.2%</b>
- Sustainable Food Solutions	-0.2%	-8.1%	7.9%	0.0%	7.9%	0.2%	7.7%
- Lactic Acid & Specialties	1.6%	-4.1%	5.7%	0.0%	5.7%	0.9%	4.8%
- Incubator	-41.7%	-23.3%	-18.4%	0.0%	-18.4%	-4.8%	-14.3%
<b>Non-core</b>	<b>-14.4%</b>	<b>-4.8%</b>	<b>-9.6%</b>	<b>-8.9%</b>	<b>-0.7%</b>	<b>1.7%</b>	<b>-2.3%</b>
<b>Total</b>	<b>-3.1%</b>	<b>-6.8%</b>	<b>3.7%</b>	<b>-1.5%</b>	<b>5.2%</b>	<b>0.4%</b>	<b>4.7%</b>

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€ million	YTD 2020	YTD 2019	Q3 2020	Q3 2019	Growth YTD
<b>Net Sales</b>					
<b>Core</b>	<b>626.0</b>	<b>600.8</b>	<b>211.6</b>	<b>213.3</b>	<b>4.2%</b>
- Sustainable Food Solutions	405.7	391.5	138.1	138.4	3.6%
- Lactic Acid & Specialties	211.4	198.4	70.0	68.9	6.6%
- Incubator	8.9	10.9	3.5	6.0	-18.3%
<b>Non-core</b>	<b>115.2</b>	<b>128.1</b>	<b>37.4</b>	<b>43.7</b>	<b>-10.1%</b>
<b>Total net sales</b>	<b>741.2</b>	<b>728.9</b>	<b>249.0</b>	<b>257.0</b>	<b>1.7%</b>
<b>Adjusted EBITDA</b>					
<b>Core</b>	<b>110.0</b>	<b>93.2</b>	<b>38.5</b>	<b>33.7</b>	<b>18.0%</b>
- Sustainable Food Solutions	73.3	66.8	26.3	22.6	9.7%
- Lactic Acid & Specialties	49.9	44.6	16.4	15.1	11.9%
- Incubator	(13.2)	(18.2)	(4.2)	(4.0)	-27.5%
<b>Non-core</b>	<b>18.4</b>	<b>18.9</b>	<b>6.1</b>	<b>7.0</b>	<b>-2.6%</b>
<b>Total Adjusted EBITDA</b>	<b>128.4</b>	<b>112.1</b>	<b>44.6</b>	<b>40.7</b>	<b>14.5%</b>
<b>Adjusted EBITDA margin</b>					
<b>Core</b>	<b>17.6%</b>	<b>15.5%</b>	<b>18.2%</b>	<b>15.8%</b>	
- Sustainable Food Solutions	18.1%	17.1%	19.0%	16.3%	
- Lactic Acid & Specialties	23.6%	22.5%	23.4%	21.9%	
- Incubator	-148.3%	-167.0%	-120.0%	-66.7%	
<b>Non-core</b>	<b>16.0%</b>	<b>14.8%</b>	<b>16.3%</b>	<b>16.0%</b>	
<b>Total Adjusted EBITDA margin</b>	<b>17.3%</b>	<b>15.4%</b>	<b>17.9%</b>	<b>15.8%</b>	

*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:**

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Corbion is the global market leader in lactic acid and its derivatives, and a leading supplier of emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. We use our unique expertise in fermentation and other processes to deliver sustainable solutions for the preservation of food and food production, health, and our planet. For over 100 years, we have been uncompromising in our commitment to safety, quality, innovation 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, animal nutrition, pharmaceuticals, medical devices, and bioplastics. In 2019, Corbion generated annual sales of € 976.4 million and had a workforce of 2.138 FTE. Corbion is listed on Euronext Amsterdam. For more information: [www.corbion.com](http://www.corbion.com)