

DATE 8 August 2024

## Corbion first half-year 2024 results

Corbion, the Amsterdam-listed sustainable ingredients company that champions preservation through application of science, today publishes its results for the first half ending 30 June 2024.

### Key highlights first half 2024<sup>1</sup>:

- Organic sales growth -0.7% (Q2: +1.4%):
  - Volume/mix +3.6% (Q2: +5.5%)
  - Price -4.3% (Q2: -4.1%)
- Continued Operations:
  - Sales € 637.1 million (Q2: € 336.7 million)
  - Adjusted EBITDA € 86.1 million (Q2: € 51.6 million)
  - Adjusted EBITDA organic growth + 21.9% (Q2: 46.1%)
  - Operating profit € 33.6 million (Q2: € 22.0 million)
- Free Cash Flow € 336.5 million, € 12.7 million when excluding divestment proceeds
- Divestment of non-core US Emulsifier business completed on April 2<sup>nd</sup>
- Covenant net debt/covenant EBITDA at half year end was 2.2x
- Double digit growth in sales and Adjusted EBITDA in Health & Nutrition
- Positive volume/mix in Functional Ingredients & Solutions driven by our Food segment
- TotalEnergies Corbion joint-venture: sales € 66.4 million; an organic growth of 14.1%
- Confirmation of FY24 outlook

€ million	H1 2024	H1 2023	H1 growth	H1 Organic growth		Q2 2024	Q2 2023	Q2 growth	Q2 Organic growth
<b>Continued Operations</b>									
Sales	637.1	641.7	-0.7%	-0.7%		336.7	329.2	+2.3%	+1.4%
Adjusted EBITDA	86.1	69.0	+24.8%	+21.9%		51.6	33.6	+53.6%	+46.1%
Adjusted EBITDA margin	13.5%	10.8%				15.3%	10.2%		
Operating profit	33.6	30.2	+11.3%	3.6%		22.0	14.7	+49.7%	32.7%

**Note:** For non-GAAP definition see page 23

Commenting on today's results, Olivier Rigaud, CEO, stated: "We delivered a strong performance in the first half of 2024 demonstrating the underlying strength of our business. I am pleased to see continuation of our positive volume/mix growth and Adjusted EBITDA growth as well as a continuation of our positive free cash flow delivery. We made good progress in the

<sup>1</sup> Following the divestment of the Emulsifier business, results are now presented on "Continued Operations" (in line with IFRS 5) and our "non-core" segment has been eliminated.

implementation of our restructuring program, delivering increased margins. Building on Corbion's first half performance, where we saw strong Adjusted EBITDA growth, we are well on-track to deliver in line with our full year guidance.

We saw positive momentum in Functional Ingredients & Solutions with strong volume/mix in our Food segment, partially offset the Biochemicals segment where we continue to see temporary softness in some markets. In line with our earlier guidance, pricing has been lower as a result of price reductions in some areas following input cost relaxation. In Health & Nutrition, we continue to see strong double digit growth in both sales and adjusted EBITDA mainly driven by the Nutrition segment (Omega-3 DHA within aquaculture and pet nutrition).

Upon the completion of the start-up phase of our new circular lactic acid plant in Thailand, we are expecting to gradually ramp up. The first volumes of lactic acid from this new plant have been produced.

Following the divestment of Emulsifiers, new targets have been submitted for validation to the Science Based Targets initiative. These increased targets are aligned with the ambition of keeping global warming below 1.5°C. The ambition is to reduce our absolute scope 1 and 2 emissions with 42% and our absolute scope 3 emissions with 25% by 2030<sup>2</sup>.

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<sup>2</sup> Base year = 2021.

## Management review H1 2024: Continued Operations

Following the completion of the Emulsifier divestment per April 2nd, we have prepared the profit & loss statement, excluding discontinued operations. The discontinued operations profit & loss statement has been made following IFRS 5 “Non-current assets held for sale and Discontinued operations”, which is presented on page 20. To provide full comparability of our two business units “Functional Ingredients & Solutions” and “Health & Nutrition”, we have restated the historical segmented figures.

### Sales

Sales in H1 2024 decreased by -0.7% to € 637.1 million (H1 2023: € 641.7 million) due to a pricing impact of -4.3%, compensated by volume/mix growth of 3.6%. The positive volume/mix growth was driven by both business units. Volume mix growth in Functional Ingredients & Solutions was 1.1% (Q2: 3.2%) and in Health & Nutrition 14.1% (Q2: 14.1%).

Continued Operations € million	Volume/ Mix	Price	Organic	Currency	Acquisitions/ (Divestments)	Total Growth
<b>H1 2024 vs H1 2023</b>						
- Functional Ingredients & Solutions	1.1%	-5.4%	-4.3%	-0.4%	0.4%	-4.3%
- Health & Nutrition	14.1%	0.4%	14.5%	0.0%	0.0%	14.5%
<b>Total</b>	<b>3.6%</b>	<b>-4.3%</b>	<b>-0.7%</b>	<b>-0.4%</b>	<b>0.4%</b>	<b>-0.7%</b>
<b>Q2 2024 vs Q2 2023</b>						
- Functional Ingredients & Solutions	3.2%	-5.4%	-2.2%	0.0%	1.0%	-1.2%
- Health & Nutrition	14.1%	1.0%	15.1%	0.6%	0.0%	15.7%
<b>Total</b>	<b>5.5%</b>	<b>-4.1%</b>	<b>1.4%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>2.3%</b>

### Adjusted EBITDA

Adjusted EBITDA increased by 24.8% to € 86.1 million in H1 2024, including the negative impact of the costs previously allocated to the non-core emulsifier business. The increase has been driven by the very strong performance of the Health & Nutrition business unit.

Continued Operations € million	H1 2024	H1 2023		Q2 2024	Q2 2023		Growth H1
<b>Sales</b>							
- Functional Ingredients & Solutions	497.2	519.5		257.9	261.1		-4.3%
- Health & Nutrition	139.9	122.2		78.8	68.1		14.5%
<b>Total Net Sales</b>	<b>637.1</b>	<b>641.7</b>		<b>336.7</b>	<b>329.2</b>		<b>-0.7%</b>
<b>Adjusted EBITDA</b>							
- Functional Ingredients & Solutions	44.6	47.9		26.7	22.7		-6.9%
- Health & Nutrition	41.5	21.1		24.9	10.9		96.7%
<b>Total Adjusted EBITDA</b>	<b>86.1</b>	<b>69.0</b>		<b>51.6</b>	<b>33.6</b>		<b>24.8%</b>
<b>Adjusted EBITDA margin</b>							
- Functional Ingredients & Solutions	9.0%	9.2%		10.4%	8.7%		
- Health & Nutrition	29.7%	17.3%		31.6%	16.0%		
<b>Total Adjusted EBITDA margin</b>	<b>13.5%</b>	<b>10.8%</b>		<b>15.3%</b>	<b>10.2%</b>		

### Sales & Adjusted EBITDA (Continued & Discontinued operations)

€ million	H1 2024			H1 2023		
	Continued	Discontinued	Total	Continued	Discontinued	Total
Sales	637.1	43.9	681.0	641.7	96.3	738.0
Adjusted EBITDA	86.1	12.7	98.8	69.0	27.8	96.8

### Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets before Adjustments from continuing operations amounted to € 43.8 million compared to € 36.8 million in 2023.

### Operating profit

Operating profit from continuing operations increased by € 3.4 million to € 33.6 million in 2024 (2023: € 30.2 million). Adjusted Operating profit increased by € 10.1 million to € 42.3 million in 2024 (2023: € 32.2 million).

### Adjustments

In the first half-year 2024, a total of € 6.3 million adjustments were recorded, consisting of the following components:

1. Gain of € 1.0 million related to fair value adjustment on the contingent consideration payable related to the Algae acquisition.
2. Gain of € 0.5 million related to the settlement of a legal dispute.
3. Loss of € 9.5 million related to the restructuring program.
4. Loss of € 0.7 million related to a planned settlement of a defined benefit scheme in the US.
5. Tax effects on the above of € 2.4 million.

### Financial income and charges

Net financial charges remained stable at € 3.7 million (2023: € 3.7 million).

### Taxes

The tax charge on continuing basis in 2024 amounted to € 7.2 million compared to a charge of € 6.9 million in 2023. The effective tax rate in H1'24 is 24.1%.

### Statement of Financial Position

Capital employed decreased, compared to year-end 2023, by € 140.6 million to € 1,224.2 million.

The movements in 2024 were as follows:

€ million	
<b>Capital employed year-end 2023</b>	<b>1,364.8</b>
Divestment Emulsifiers	(132.0)
Capital expenditure on (in)tangible fixed assets	37.1
Acquisitions and capitalized borrowing costs	1.3
New / modifications to lease contracts	8.6
Disposal of fixed assets	(0.1)
Depreciation / amortization / impairment of (in)tangible fixed assets	(44.5)
Change in operating working capital	13.4
Change in provisions, other working capital and financial assets/ accruals	18.9
Movements related to joint ventures	0.4
Taxes	(51.9)
Exchange rate differences	8.2
<b>Capital employed half year-end 2024</b>	<b>1,224.2</b>

Major capital expenditure projects are related to the completion of the new 125kt lactic acid plant in Thailand and investments in algae fermentation.

Operating working capital decreased by € 14.7 million, including € 4.2 million related to positive currency effects and € 32.3 million related to the divestment of Emulsifiers.

Shareholders' equity increased by € 121.6 million to € 757.8 million.

The movements in half year 2024 were as follows:

€ million	
<b>Equity year-end 2023</b>	<b>636.2</b>
Positive result after taxes	168.4
Cash dividend for the financial year 2023	(41.9)
Acquired company shares	(16.3)
Positive exchange rate differences due to the translation of equity denominated in currencies other than the euro	1.3
Positive movement in the hedge reserve	6.1
Net share-based remuneration movement	1.2
Positive tax effects	2.8
<b>Equity half year-end 2024</b>	<b>757.8</b>

At half year-end 2024 the ratio between balance sheet total and equity was 1:0.5 (2023 year-end: 1:0.4).

### Cash flow/Financing

Cash flow from operating activities increased by € 5.3 million to € 61.3 million compared to 2023. This is the balance of the lower operational cash flow before movements in working capital and provisions of € 4.5 million, a positive impact of the movement in working capital and provisions of € 19.1 million, and higher taxes and interest paid of € 9.3 million.

The cash flow required for investment activities (excluding the net proceeds from the Emulsifier transaction) reduced compared to H1 2023 by € 44.8 million to € 48.6 million driven by lower capital expenditures.

The net proceeds from the Emulsifier transaction was € 323.8 million, which excludes the related tax effect which is anticipated to be paid in H2 2024.

The net debt position at half year-end 2024 was € 452.7 million, a decrease of € 262.6 million compared to year-end 2023, mainly the result of debt repayment after the proceeds from the Emulsifier divestment and the positive cash flow from operating activities, partly compensated by the dividend payment, share buy-back and capital expenditures. The covenant net debt (excluding the subordinated loan) was € 353.1 million at the half year-end of 2024.

The covenant net debt to covenant EBITDA ratio was 2.2x at the half year-end of 2024 (H1 2023: 3.4x). The interest cover was 6.9x at half year-end 2024 (H1 2023: 10.9x). We continue to stay well within the limits of our financing covenants.

### **Outlook 2024**

Corbion remains strongly positioned to deliver the Sales, Adjusted EBITDA and Free Cash Flow targets. We anticipate the positive momentum to continue in the second half of the year and therefore maintain our full year guidance.

The key components of our full year guidance are as follows:

- Organic growth (continued operations)
  - o Volume/mix growth: 2-6%
  - o Pricing: low single digit negative pricing
  - o Adjusted EBITDA growth: > 18%<sup>3</sup>:
- Free Cash Flow: > € 50 million (excluding divestment proceeds)
- Covenant net debt/covenant EBITDA: 1.8 – 2.3x

On April 2<sup>nd</sup>, we have completed the divestment of the non-core Emulsifier business. The full year anticipated cash proceeds are € 255 million. The cash income related to the transaction is received in H1, whilst the related tax outflow is anticipated in H2.

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<sup>3</sup> Adjusted EBITDA growth continued operations >18% is equal to the previous metric Adjusted EBITDA growth core activities >15%.

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*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 is the global market leader in lactic acid and its derivatives, and a leading supplier of food preservation solutions, functional blends, 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 solutions work for them. Leveraging our advanced capabilities in fermentation and preservation technology, we help customers differentiate their products in diverse markets ranging from food and animal nutrition to home and personal care, pharmaceuticals, electronics, medical devices, and bioplastics. In 2023, Corbion generated annual sales of €1,443.8 million and had a workforce of 2,727 FTEs. Corbion is listed on Euronext Amsterdam. For more information: [www.corbion.com](http://www.corbion.com)