

## PRESS RELEASE

DATE 9 March 2020

## Corbion full year 2019 results

**Corbion reported net sales of € 976.4 million in 2019. Organic net sales growth was 2.5% for the year. Adjusted EBITDA in 2019 increased organically by 7.8% to € 145.9 million. These results are in line with the earlier management update of 29 January 2020. The company proposes to distribute a regular dividend of € 0.56 per share.**

Olivier Rigaud, CEO, commented: “Looking back at 2019, I am pleased with the strong fourth quarter as we saw a further acceleration of organic growth. These results are in line with the earlier management update of 29 January 2020. Our FY 2019 results exceeded our management guidance of October 2019 for Ingredient Solutions, while Innovation Platforms performed as expected. Today we are excited to present our Advance 2025 strategy which talks about our vision for the Corbion future including the outlook for 2020.”

### Key financial highlights FY 2019\*:

- Net sales organic growth was 2.5%; volume growth was 3.4%
- Adjusted EBITDA was € 145.9 million (FY 2018: € 131.6 million), an organic increase of 7.8% (including 6.1% positive effect from IFRS 16 implementation)
- Adjusted EBITDA margin was 14.9% (FY 2018: 14.7%)
- Adjustments at EBITDA level of € +18.4 million
- Impairment of € 41.4 million related to our Algae business
- Operating result was € 61.3 million (FY 2018: 87.9 million)
- Free cash flow was € 9.6 million (FY 2018: € 11.9 million); the decline is mostly due to the acquisition of Granotec do Brazil (25 April 2019)
- Net debt/EBITDA at year-end was 2.0x\*\* (year-end 2018: 1.6x)

€ million	FY 2019	FY 2018	Total growth	Organic growth
Net sales	976.4	897.2	8.8%	2.5%
Adjusted EBITDA	145.9	131.6	10.9%	7.8%
Adjusted EBITDA margin	14.9%	14.7%		
Operating result	61.3	87.9	-30.3%	-28.6%
ROCE	9.9%	11.0%		

\* For non-GAAP definitions see page 19

\*\* On pre-IFRS 16 standards (comparable to 2018) Net debt/EBITDA at year-end would have been 1.7x

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### Management review FY 2019

#### Net sales

Net sales in 2019 increased by 8.8% to € 976.4 million (2018: € 897.2 million), mostly due to a volume increase (3.4%), and a positive currency impact (4.3%), partly offset by a negative price/mix effect (-0.9%). The acquisition of the remaining 49.9% in the SB Renewable Oils joint venture (as per June 4<sup>th</sup> 2018) and Granotec do Brazil (as per April 1<sup>st</sup> 2019) positively impacted net sales by 2.0%.

Net sales	Total growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
<b>FY 2019 vs 2018</b>							
<b>Ingredient Solutions</b>	<b>7.2%</b>	<b>4.0%</b>	<b>3.2%</b>	<b>1.8%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>0.0%</b>
- Food	10.0%	4.4%	5.6%	2.5%	3.1%	2.0%	1.1%
- Biochemicals	-0.5%	3.0%	-3.5%	0.0%	-3.5%	0.0%	-3.5%
<b>Innovation Platforms</b>	<b>36.7%</b>	<b>9.0%</b>	<b>27.7%</b>	<b>5.3%</b>	<b>22.4%</b>	<b>-13.6%</b>	<b>41.5%</b>
<b>Total</b>	<b>8.8%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>-0.9%</b>	<b>3.4%</b>
<b>Q4 2019 vs Q4 2018</b>							
<b>Ingredient Solutions</b>	<b>8.0%</b>	<b>2.4%</b>	<b>5.6%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>1.8%</b>	<b>1.0%</b>
- Food	11.5%	2.5%	9.0%	3.8%	5.2%	3.1%	2.1%
- Biochemicals	-1.7%	2.0%	-3.7%	0.0%	-3.7%	-1.3%	-2.4%
<b>Innovation Platforms</b>	<b>-3.3%</b>	<b>7.3%</b>	<b>-10.6%</b>	<b>0.0%</b>	<b>-10.6%</b>	<b>-6.6%</b>	<b>-4.4%</b>
<b>Total</b>	<b>7.2%</b>	<b>2.7%</b>	<b>4.5%</b>	<b>2.6%</b>	<b>1.9%</b>	<b>1.5%</b>	<b>0.4%</b>

#### EBITDA

Adjusted EBITDA increased by 10.9% to € 145.9 million in 2019. A positive organic growth of 7.8% and a positive currency effect were partly offset by a negative acquisition effect. Ingredient Solutions saw its Adjusted EBITDA increase by 11.9% as a result a positive organic growth of 6.5% and a positive currency effect of 4.2%. The EBITDA loss in Innovation Platforms increased to € -34.0 million (2018: € -29.2 million) mostly due to the consolidation impact of the acquisition of the remaining 49.9% interest in SB Renewable Oils as per June 2018.

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€ million	FY 2019	FY 2018	Q4 2019	Q4 2018		Growth YTD
<b>Net sales</b>						
<b>Ingredient Solutions</b>	<b>909.7</b>	<b>848.4</b>	<b>232.8</b>	<b>215.6</b>		<b>7.2%</b>
- Food	685.8	623.4	176.2	158.0		10.0%
- Biochemicals	223.9	225.0	56.6	57.6		-0.5%
<b>Innovation Platforms</b>	<b>66.7</b>	<b>48.8</b>	<b>14.7</b>	<b>15.2</b>		<b>36.7%</b>
<b>Total net sales</b>	<b>976.4</b>	<b>897.2</b>	<b>247.5</b>	<b>230.8</b>		<b>8.8%</b>
<b>Adjusted EBITDA</b>						
<b>Ingredient Solutions</b>	<b>179.9</b>	<b>160.8</b>	<b>42.6</b>	<b>36.4</b>		<b>11.9%</b>
- Food	119.5	105.3	29.0	23.8		13.5%
- Biochemicals	60.4	55.5	13.6	12.6		8.8%
<b>Innovation Platforms</b>	<b>(34.0)</b>	<b>(29.2)</b>	<b>(8.8)</b>	<b>(9.2)</b>		<b>16.4%</b>
<b>Total Adjusted EBITDA</b>	<b>145.9</b>	<b>131.6</b>	<b>33.8</b>	<b>27.2</b>		<b>10.9%</b>
Adjustments	18.4	(2.1)	15.4	(0.4)		
<b>Total EBITDA</b>	<b>164.3</b>	<b>129.5</b>	<b>49.2</b>	<b>26.8</b>		<b>26.9%</b>
Depreciation/amortization/ (reversal of) impairment (in)tangibles	(103.0)	(41.6)	(59.3)	(11.4)		147.6%
<b>Total Operating Result</b>	<b>61.3</b>	<b>87.9</b>	<b>(10.1)</b>	<b>15.4</b>		<b>-30.3%</b>
<b>Adjusted EBITDA margin</b>						
<b>Ingredient Solutions</b>	<b>19.8%</b>	<b>19.0%</b>	<b>18.3%</b>	<b>16.9%</b>		
- Food	17.4%	16.9%	16.5%	15.1%		
- Biochemicals	27.0%	24.7%	24.0%	21.9%		
<b>Innovation Platforms</b>	<b>-51.0%</b>	<b>-59.8%</b>	<b>-59.9%</b>	<b>-60.5%</b>		
<b>Total Adjusted EBITDA margin</b>	<b>14.9%</b>	<b>14.7%</b>	<b>13.7%</b>	<b>11.8%</b>		
<b>Total Adjusted EBITDA excl. acquisitions/divestments, at constant currencies</b>	<b>141.9</b>	<b>131.6</b>	<b>31.4</b>	<b>27.2</b>		<b>7.8%</b>

### Depreciation, amortization, and impairment

Depreciation, amortization and impairment of fixed assets before adjustments amounted to € 60.9 million compared to € 42.0 million in 2018.

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### Operating result

Adjusted operating result decreased by € 4.6 million to € 85.0 million in 2019 (2018: € 89.6 million).

### Adjustments

In 2019, total adjustments of € 20.2 million were recorded, consisting of the following components:

1. Loss of € 41.4 million related to an impairment in our Algae business. Our earlier estimate (29 January 2020) was a loss of approximately € 40 million
2. Gain of € 14.7 million related to a remeasurement of the anticipated contingent purchase price of SB Renewable Oils
3. Gain of € 7.9 million as a result of a past service gain due to change in indexation CSM UK pension scheme
4. Gain of € 3.5 million as a result of valuation of tax assets related to the acquisition of Granotec do Brazil
5. Loss of € 2.9 million related to restructuring costs
6. Loss of € 2.7 million related to a write-down of inventory in the US
7. Loss of € 0.7 million related to relocation and impairment costs as a result of the new warehouse in the US
8. Loss of € 1.0 million related to one-off bonuses
9. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil
10. Loss of € 0.5 million related to legal costs
11. Tax effects on the above of € 3.5 million

In reference to Adjustments 1 and 2: Despite significant sales growth in 2019, Algae Ingredients sales is developing slower than expected. Customer adoption of our key product, an alternative source of omega-3 fatty acids for the aquaculture industry, is taking longer than anticipated. Under IFRS, this generated a triggering event for an impairment test. The current carrying value of the assets is has been impaired by € 41.4 million. The net impact on the FY 2019 Result after taxes amounts to € -26.7 million as the impairment loss is partly offset by a reduction in the value of the earn-out provision to our former SB Renewable Oils joint venture partner.

### Financial income and charges

Net financial charges increased with € 1.4 million to € 14.6 million, mainly as a result of the implementation of IFRS 16.

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### Taxes

The tax charge on our operations in 2019 amounted to € 18.9 million compared to a charge of € 15.5 million in 2018. In 2019, the high effective tax rate of 42.3% after adjustments was mainly caused by the impairment as well as the operating losses of the Algae business in Brazil, in respect of which limited deferred tax assets were recognized. Excluding adjustments and the effects of the non-recognition of tax assets related to operating losses of the Algae business in Brazil, the normalized effective tax rate would have been 29.7%. For 2020 we expect a tax rate of approximately 30%.

### Statement of Financial Position

Capital employed increased, compared to year end 2018, by € 106.1 million to € 856.5 million. The movements were:

€ million	
Movements related to the acquisition of Granotec	40.6
Transition impact IFRS 16	28.4
Capital expenditure on (in)tangible fixed assets	82.6
Lease contract movements	45.4
Depreciation / amortization / impairment of (in)tangible fixed assets	-103.0
Change in operating working capital	1.2
Change in provisions, other working capital and financial assets/ accruals	16.4
Movements related to joint ventures	-2.4
Taxes	-16.1
Exchange rate differences	13.0

Major capital expenditure projects in 2019 are investments related to lactic acid capacity expansion in Thailand and investments in our Algae factory in Orindiúva.

Operating working capital (excluding movements related to the acquisition of Granotec) increased by € 4.5 million. This increase is the balance of an operational increase of € 1.2 million and currency effects of € 3.3 million.

Shareholders' equity increased by € 8.9 million to € 529.1 million. The movements were:

- The positive result after taxes of € 25.8 million;
- A decrease of € 32.9 million related to the dividend for financial year 2018;
- Positive exchange rate differences of € 14.4 million due to the translation of equity denominated in currencies other than the euro;
- Positive movement of € 5.3 million in the hedge reserve;
- Negative remeasurement effect of defined benefit arrangement of € 6.2 million;
- Net share-based remuneration movement of € 3.1 million;
- Negative tax effects € 0.6 million.

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At year-end 2019 the ratio between balance sheet total and equity was 1:0.5 (2018 year end: 1:0.5).

### **Cash flow/Financing**

Cash flow from operating activities increased compared to year end 2018 by € 14.9 million to € 114.4 million. This is the balance of the higher operational cash flow before movements in working capital of € 14.7 million a negative impact of the movement in working capital and provisions of € 3.9 million and lower taxes and interest paid of € 4.1 million.

The cash flow required for investment activities increased compared to 2018 by € 17.2 million to € 104.8 million. Capital expenditures (€ 76.2 million) and the acquisition of Granotec (€ 28.5 million) accounted for most of this cash outflow.

The net debt position at year end 2019 was € 303.3 million, an increase of € 100.0 million compared to year end 2018, mainly due to dividend payment, capital expenditures, the Granotec acquisition and the increase in working capital compared to 2018, partly compensated by the positive cash flow from operating activities before working capital and provisions.

At year-end 2019, the ratio of net debt to EBITDA was 2.0x (end of 2018: 1.6x). The interest cover for 2019 was 22.2x (end of 2018: 25.6x). We continue to stay well within the limits of our financing covenants.

### **Subsequent events**

On 29 January 2020, Corbion announced it will invest approximately US\$ 190 million in a new 125,000 metric tons lactic acid plant in Thailand, operating at the highest sustainability standards and lowest costs.

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### **Reservation and dividend policy**

Corbion's reservation policy is aimed at creating and retaining sufficient financial capacity and flexibility to realize our strategic objectives while maintaining healthy balance sheet ratios. Corbion intends to add the profit (or charge the loss) to the company reserves after deduction of the proposed dividend on ordinary shares. Events potentially impacting our financing requirements such as acquisitions, divestments, reorganizations, or other strategic considerations can lead to adjustments in the reservation amount and the reservation policy. As regards Corbion's dividend policy, the amount and structure of dividend on ordinary shares that the company will pay to its shareholders depend on the financial results of the company, the market environment, the outlook, and other relevant factors. The dividend policy is the ambition to annually pay out a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy), subject to annual review of the outlook of the net debt /EBITDA ratio development. This review will be based on multiple criteria such as major investments, timing of M&A, or divestment initiatives.

### **Dividend proposal**

A proposal to distribute a regular dividend in cash of € 0.56 per ordinary share (2018: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 11 May 2020. This represents 72% of our 2019 Adjusted Result after taxes. The dividend will be charged to the Corbion reserves.

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### Segment information

#### Ingredient Solutions

€ million	YTD 2019	YTD 2018		Q4 2019	Q4 2018
Net sales	909.7	848.4		232.8	215.6
Organic growth	1.4%	1.7%		2.8%	2.1%
EBITDA	181.2	160.9		39.9	37.2
Adjusted EBITDA	179.9	160.8		42.6	36.4
Adjusted EBITDA margin	19.8%	19.0%		18.3%	16.9%
ROCE	22.2%	23.7%		18.3%	20.3%
Average Capital Employed	595.3	518.6		633.7	528.4

Net sales in Ingredient Solutions, which encompasses Food and Biochemicals, increased organically by 1.4% in FY 2019, driven by growth in the Food business segment, while the Biochemicals business segment declined versus FY 2018 on an organic basis. Organic net sales growth in Q4 for Ingredient Solutions was 2.8%. The Adjusted EBITDA margin in FY 2019 increased from 19.0% to 19.8%.

#### Business segment Food

€ million	YTD 2019	YTD 2018		Q4 2019	Q4 2018
Net sales	685.8	623.4		176.2	158.0
Organic growth	3.1%	0.9%		5.2%	1.9%
EBITDA	119.7	105.5		26.6	24.4
Adjusted EBITDA	119.5	105.3		29.0	23.8
Adjusted EBITDA margin	17.4%	16.9%		16.5%	15.1%

Net sales in FY 2019 increased organically by 3.1%. Bakery, the largest segment in Food, grew throughout the year, with Q4 being the strongest quarter. In Meat we see the shift in portfolio mix towards natural preservation solutions continuing, which translates into above average growth rates. In Q4, growth in our Meat segment was the highest of the year. In other markets (Beverages, Confectionery, Dairy), sales were stable compared to last year, both FY and in Q4. The Adjusted EBITDA margin FY increased from 16.9% to 17.4%.



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### Business segment Biochemicals

€ million	YTD 2019	YTD 2018		Q4 2019	Q4 2018
Net sales	223.9	225.0		56.6	57.6
Organic growth	-3.5%	4.0%		-3.7%	2.7%
EBITDA	61.5	55.4		13.3	12.8
Adjusted EBITDA	60.4	55.5		13.6	12.6
Adjusted EBITDA margin	27.0%	24.7%		24.0%	21.9%

Net sales in FY 2019 decreased organically by 3.5%. All markets declined except for Medical/Pharma. The biggest declines were in the Electronics segment due to a slowdown in semiconductor markets, and in the Agrochemicals segment in anticipation of a regulatory phase out of a category of actives by our customers. Q4 showed the same pattern. The Adjusted EBITDA margin FY 2019 in Biochemicals was significantly ahead of last year (27.0% vs. 24.7%) mostly due to positive mix effects from the rapidly growing Medical/Pharma business.

### Innovation Platforms

€ million	YTD 2019	YTD 2018		Q4 2019	Q4 2018
Net sales	66.7	48.8		14.7	15.2
Organic growth	22.4%	84.9%		-10.6%	239.8%
EBITDA	(16.9)	(31.4)		9.3	(10.4)
Adjusted EBITDA	(34.0)	(29.2)		(8.8)	(9.2)
Adjusted EBITDA margin	-51.0%	-59.8%		-59.9%	-60.5%
Average Capital Employed	246.4	191.2		242.5	223.1

Net sales in FY 2019 organically increased by 22.4%, mostly driven by increased lactic acid sales to the Total Corbion PLA joint venture, which continues to develop beyond our expectations. Q4 showed a decrease in sales, but this was caused by a planned temporary shutdown of our Rayong production site to facilitate the lactic acid capacity expansion, which is scheduled to become operational mid-2020. Despite significant growth in FY 2019, Algae Ingredients remained below earlier expectations throughout the year.

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### Consolidated income statement

<i>Millions of euros</i>	<b>2019</b>	<b>2018</b>
Net sales	976.4	897.2
Costs of raw materials and consumables	-484.7	-442.6
Production costs	-196.8	-141.6
Warehousing and distribution costs	-61.2	-55.0
<b>Cost of sales</b>	<b>-742.7</b>	<b>-639.2</b>
<b>Gross profit</b>	<b>233.7</b>	<b>258.0</b>
Selling expenses	-67.9	-61.4
Research and development costs	-48.1	-40.0
General and administrative expenses	-79.1	-69.3
Other proceeds	22.7	0.6
<b>Operating result</b>	<b>61.3</b>	<b>87.9</b>
Financial income	3.8	3.6
Financial charges	-18.4	-16.8
Results from joint ventures and associates	-2.0	-4.9
<b>Result before taxes</b>	<b>44.7</b>	<b>69.8</b>
Income tax expense	-18.9	-15.5
<b>Result after taxes</b>	<b>25.8</b>	<b>54.3</b>
<b>Result attributable to non-controlling interests</b>		
<b>Result attributable to equity holders of Corbion nv</b>	<b>25.8</b>	<b>54.3</b>
<b>Per ordinary share in euros</b>		
Basic earnings	0.44	0.93
Diluted earnings	0.43	0.92

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### Consolidated statement of comprehensive income

<i>Millions of euros</i>	<b>2019</b>	<b>2018</b>
<b>Result after taxes</b>	<b>25.8</b>	<b>54.3</b>
<b>Other comprehensive results to be recycled to the income statement</b>		
Foreign operations – foreign currency translation differences	17.2	16.6
Net investment hedge – net movement	-2.8	-5.5
Hedge reserve	5.3	-2.1
Taxes relating to other comprehensive results to be recycled to the income statement	-0.6	-0.1
<b>Total other comprehensive results to be recycled to the income statement</b>	<b>19.1</b>	<b>8.9</b>
<b>Other comprehensive results not to be recycled to the income statement</b>		
Remeasurement defined benefit arrangements	-6.2	1.0
Taxes relating to other comprehensive results not to be recycled to the income statement		-0.1
<b>Total other comprehensive results not to be recycled to the income statement</b>	<b>-6.2</b>	<b>0.9</b>
<b>Total comprehensive result after taxes</b>	<b>38.7</b>	<b>64.1</b>
<b>Comprehensive result attributable to non-controlling interests</b>		
<b>Comprehensive result attributable to equity holders of Corbion nv</b>	<b>38.7</b>	<b>64.1</b>

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### Consolidated statement of financial position

<i>Before profit appropriation, millions of euros</i>	<b>As at 31-12-2019</b>	<b>As at 31-12-2018</b>
<b>Assets</b>		
Property, plant, and equipment	368.2	368.9
Right-of-use assets	64.8	
Intangible fixed assets	172.9	139.2
Investments in joint ventures and associates	16.6	18.7
Long-term employee benefits	18.2	4.5
Other non-current financial assets	67.2	62.3
Deferred tax assets	10.7	22.6
<b>Total non-current assets</b>	<b>718.6</b>	<b>616.2</b>
Inventories	163.2	152.7
Trade receivables	124.2	119.6
Other receivables	37.3	20.9
Income tax receivables	2.1	9.3
Cash and cash equivalents	45.7	47.1
<b>Total current assets</b>	<b>372.5</b>	<b>349.6</b>
<b>Total assets</b>	<b>1,091.1</b>	<b>965.8</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>529.1</b>	<b>520.2</b>
Borrowings	113.0	133.0
Lease liabilities	55.9	1.1
Long-term employee benefits	7.9	7.6
Deferred tax liabilities	13.4	17.0
Other non-current liabilities	24.1	26.9
<b>Total non-current liabilities</b>	<b>214.3</b>	<b>185.6</b>
Borrowings	169.8	116.2
Lease liabilities	10.3	0.1
Provisions	6.2	3.5
Income tax payables	4.3	3.2
Trade payables	94.3	87.8
Other current liabilities	62.8	49.2
<b>Total current liabilities</b>	<b>347.7</b>	<b>260.0</b>
<b>Total equity and liabilities</b>	<b>1,091.1</b>	<b>965.8</b>

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### Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
<i>Before profit appropriation, millions of euros</i>					
<b>As at 1 January 2018</b>	<b>14.8</b>	<b>55.2</b>	<b>64.3</b>	<b>355.0</b>	<b>489.3</b>
Result after taxes 2018				54.3	54.3
Other comprehensive result after taxes 2018			8.9	0.9	9.8
<b>Total comprehensive result after taxes 2018</b>			<b>8.9</b>	<b>55.2</b>	<b>64.1</b>
Cash dividend				-32.9	-32.9
Share-based remuneration transfers			-4.0	2.1	-1.9
Share-based remuneration charged to result			1.6		1.6
Transfers to/from Other reserves			0.2	-0.2	
<b>Total transactions with shareholders</b>			<b>-2.2</b>	<b>-31.0</b>	<b>-33.2</b>
<b>As at 31 December 2018</b>	<b>14.8</b>	<b>55.2</b>	<b>71.0</b>	<b>379.2</b>	<b>520.2</b>
Result after taxes 2019				25.8	25.8
Other comprehensive result after taxes 2019			19.1	-6.2	12.9
<b>Total comprehensive result after taxes 2019</b>			<b>19.1</b>	<b>19.6</b>	<b>38.7</b>
Cash dividend				-32.9	-32.9
Share-based remuneration transfers			-1.9	1.0	-0.9
Share-based remuneration charged to result			4.0		4.0
Transfers to/from Other reserves			-0.1	0.1	
<b>Total transactions with shareholders</b>			<b>2.0</b>	<b>-31.8</b>	<b>-29.8</b>
<b>As at 31 December 2019</b>	<b>14.8</b>	<b>55.2</b>	<b>92.1</b>	<b>367.0</b>	<b>529.1</b>

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### Consolidated statement of cash flows

<i>Millions of euros</i>	<b>2019</b>	<b>2018</b>
<b>Cash flow from operating activities</b>		
Result after taxes	25.8	54.3
Adjusted for:		
• Depreciation/amortization of (in)tangible fixed assets	61.5	42.0
• Reversal of impairment of property, plant, and equipment		-0.4
• Impairment of fixed assets	41.5	
• Result from divestments of fixed assets	0.2	-0.1
• Result from past service gain due to change in indexation CSM UK	-8.0	
• Reversal contingent liability	-14.8	
• Share-based remuneration	4.0	1.6
• Financial income and charges	14.6	13.2
• Results from joint ventures and associates	2.0	4.9
• Taxes	18.9	15.5
<b>Cash flow from operating activities before movements in working capital and provisions</b>	<b>145.7</b>	<b>131.0</b>
Movement in provisions	-8.5	-2.1
<i>Movements in operating working capital:</i>		
• Trade receivables	-2.6	-7.2
• Inventories	-3.5	-15.2
• Trade payables	4.9	9.5
Movements in other working capital	-8.1	1.1
<b>Cash flow from business operations</b>	<b>127.9</b>	<b>117.1</b>
Interest received	0.5	0.7
Interest paid	-10.0	-8.7
Tax paid on profit	-4.0	-9.6
<b>Cash flow from operating activities</b>	<b>114.4</b>	<b>99.5</b>
<b>Cash flow from investment activities</b>		
Acquisition of group companies	-28.5	0.5
Investment joint ventures and associates	-0.9	-16.1
Dividends received from joint ventures and associates	1.3	
Investment other financial assets	-6.2	-37.0
Repayment other financial assets	5.7	23.8
Capital expenditure on (in)tangible fixed assets	-76.2	-60.1
Divestment of (in)tangible fixed assets		1.3
<b>Cash flow from investment activities</b>	<b>-104.8</b>	<b>-87.6</b>
<b>Cash flow from financing activities</b>		
Proceeds from interest-bearing debts	40.0	41.0
Repayment of interest-bearing debts	-9.6	-12.4
Payment of lease liabilities	-9.5	
Paid-out dividend	-32.9	-32.9
<b>Cash flow from financing activities</b>	<b>-12.0</b>	<b>-4.3</b>
<b>Net cash flow</b>	<b>-2.4</b>	<b>7.6</b>
Effects of exchange rate differences on cash and cash equivalents	1.0	1.4
<b>Increase/(decrease) cash and cash equivalents</b>	<b>-1.4</b>	<b>9.0</b>
Cash and cash equivalents at start of financial year	47.1	38.1
Cash and cash equivalents at close of financial year	45.7	47.1

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### Accounting information

#### General

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. The company delivers high-performance sustainable ingredient solutions made from renewable resources and applied in global markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. Its products add differentiating functionality to a wide variety of consumer products worldwide.

Corbion is based in Amsterdam, the Netherlands and listed on Euronext Amsterdam.

These consolidated financial statements cover the year 2019, which ended at the balance sheet date of 31 December 2019. The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 6 March 2020. They will be presented to the annual General Meeting of Shareholders for adoption on 11 May 2020. The Supervisory Board will give a preliminary recommendation regarding the consolidated financial statements to the annual General Meeting of Shareholders.

#### Reported amounts

Unless stated otherwise all amounts in the financial statements are reported in millions of euros.

#### Exchange rates of main currencies in euros

	Average exchange rate 2019	Average exchange rate 2018	Exchange rate 31-12-2019	Exchange rate 31-12-2018
US dollar	1.12	1.18	1.12	1.15
Japanese yen	122.02	130.40	122.19	125.85
Brazilian real	4.42	4.31	4.51	4.44
Thai baht	34.76	38.16	33.47	37.05

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### Consolidated income statement adjustments

The adjusted consolidated income statement for financial years 2019 and 2018 (non-IFRS financial measures) can be presented as follows.

	2019			2018		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	976.4		976.4	897.2		897.2
Costs of raw materials and consumables	-482.2	-2.5	-484.7	-442.0	-0.6	-442.6
Production costs	-160.7	-36.1	-196.8	-142.1	0.5	-141.6
Warehousing and distribution costs	-61.2		-61.2	-55.0		-55.0
<b>Gross profit</b>	<b>272.3</b>	<b>-38.6</b>	<b>233.7</b>	<b>258.1</b>	<b>-0.1</b>	<b>258.0</b>
Selling expenses	-67.4	-0.5	-67.9	-61.4		-61.4
Research and development costs	-40.6	-7.5	-48.1	-39.3	-0.7	-40.0
General and administrative expenses	-79.3	0.2	-79.1	-67.8	-1.5	-69.3
Other proceeds		22.7	22.7		0.6	0.6
<b>Operating result</b>	<b>85.0</b>	<b>-23.7</b>	<b>61.3</b>	<b>89.6</b>	<b>-1.7</b>	<b>87.9</b>
Less: depreciation/amortization/impairment (in) tangible fixed assets	60.9	42.1	103.0	42.0	-0.4	41.6
<b>EBITDA</b>	<b>145.9</b>	<b>18.4</b>	<b>164.3</b>	<b>131.6</b>	<b>-2.1</b>	<b>129.5</b>
Depreciation/amortization/impairment (in) tangible fixed assets	-60.9	-42.1	-103.0	-42.0	0.4	-41.6
<b>Operating result</b>	<b>85.0</b>	<b>-23.7</b>	<b>61.3</b>	<b>89.6</b>	<b>-1.7</b>	<b>87.9</b>
Financial income	3.8		3.8	3.6		3.6
Financial charges	-18.4		-18.4	-16.8		-16.8
Results from joint ventures and associates	-2.0		-2.0	-11.7	6.8	-4.9
<b>Result before taxes</b>	<b>68.4</b>	<b>-23.7</b>	<b>44.7</b>	<b>64.7</b>	<b>5.1</b>	<b>69.8</b>
Taxes	-22.4	3.5	-18.9	-15.6	0.1	-15.5
<b>Result after taxes</b>	<b>46.0</b>	<b>-20.2</b>	<b>25.8</b>	<b>49.1</b>	<b>5.2</b>	<b>54.3</b>

Adjustments relate to material items in the income statement of such size, nature, or incidence that, in the opinion of management, require disclosure. These items include amongst others write-downs of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company only makes adjustments for items when the aggregate amount of the events per line item of the income statement exceeds a

In 2019, total adjustments of € 20.2 million were recorded, consisting of the following components:

1. Loss of € 41.4 million related to an impairment and reassessment of our contingent payable in our Algae business.
2. Gain of € 14.7 million related to a remeasurement of the anticipated contingent purchase price of SB Renewable Oils.
2. Gain of € 7.9 million as a result of a past service gain due to change in indexation CSM UK pension scheme.
3. Gain of € 3.5 million as a result of valuation of tax assets related to the acquisition of Granotec do Brazil
4. Loss of € 2.9 million related to restructuring costs.
5. Loss of € 2.6 million related to a write-down of inventory in the US.
6. Loss of € 0.7 million related to relocation and impairment costs as a result of the new warehouse in the US.
7. Loss of € 1.0 million related to one-off bonuses.
8. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil.
9. Loss of € 0.5 million related to legal costs.
10. Tax effects on the above of € 3.5 million.

In 2018, total adjustments of € 5.2 million were recorded, consisting of the following components:

1. Gain of € 9.6 million as a result of measuring at fair value the 50.1% equity interest in SB Renewable Oils held before the business
2. Loss of € 2.7 million related to write-down of inventory in the SB Renewable Oils joint venture.
3. Loss of € 0.6 million related to write-down of inventory due to an incident in a third-party warehouse.
4. Loss of € 0.4 million as a result of acquisition costs of SB Renewable Oils.
5. Gain of € 0.6 million related to the sale of an unused piece of land in Italy.
6. Gain of € 0.4 million related to partial reversal of previously recorded impairment of the Kansas Avenue powder blending plant.
7. Loss of € 0.8 million related to a remeasurement of the anticipated contingent sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
8. Loss of € 0.7 million related to an onerous contract provision.
9. Loss of € 0.3 million due to restructuring provision.
10. Tax effects on the above of € 0.1 million.



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### Segment information

For its strategic decision-making process Corbion distinguishes between Ingredient Solutions and Innovation Platforms. For IFRS segmentation purposes Ingredient Solutions has been segmented into two further businesses, Food and Biochemicals.

In the Food segment, we a global supplier of food ingredient solutions for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption. With our proven food solutions, we enable our customers to make conscious choices that grow their business in a sustainable way, reducing food waste and creating affordable products (in the bakery, meat, beverage, confectionery, and dairy markets).

In the Biochemicals segment, the inherent safety, sustainability, and performance of our products is what sets us apart, driven by a passion for finding better solutions and new opportunities for our customers. Our continuous focus on sustainable practices, our use of renewable feedstocks, and our rich heritage in lactic acid form the foundation for our biochemical applications in a wide array of industries, encompassing (agro)chemicals, resin adhesives, electronic components, pharmaceuticals, home & personal care products, and animal health & nutrition. We are constantly exploring opportunities to bring the benefits of our products and solutions to our customer's applications.

Our Innovation Platforms business unit, creates new business platforms to deliver long-term value, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing. Collaborating with like-minded partners we support our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. We believe in a circular economy, where our innovations can help improve quality of life – both today and for future generations.

Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid (PLA) polymers and lactide monomers for bioplastic solutions, is functionally part of Innovation Platforms. The business unit also comprises our Algae Ingredients business and our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio)polymers and a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid production process, and use of alternative feedstocks such as agricultural residues, to make lactic acid.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

#### Segment information by business area

	Food		Biochemicals		Ingredient Solutions <sup>1</sup>		Innovation Platforms		Corbion total operations	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Income statement information</b>										
Net sales	685.8	623.4	223.9	225.0	909.7	848.4	66.7	48.8	976.4	897.2
Adjusted operating result	84.1	79.4	48.2	43.7	132.3	123.1	-47.3	-33.5	85.0	89.6
Adjustments to operating result	0.5	0.6	-1.1	-0.1	-0.6	0.5	24.3	-2.2	23.7	-1.7
Operating result	83.6	80.0	49.3	43.6	132.9	123.6	-71.6	-35.7	61.3	87.9
<b>Alternative non-IFRS performance measures</b>										
Adjusted EBITDA	119.5	105.3	60.4	55.5	179.9	160.8	-34.0	-29.2	145.9	131.6
Adjustments to EBITDA	0.2	0.2	1.1	-0.1	1.3	0.1	17.1	-2.2	18.4	-2.1
EBITDA	119.7	105.5	61.5	55.4	181.2	160.9	-16.9	-31.4	164.3	129.5
<b>Ratios alternative non-IFRS performance measures</b>										
EBITDA margin %	17.5	16.9	27.5	24.6	19.9	19.0	-25.3	-64.3	16.8	14.4
Adjusted EBITDA margin %	17.4	16.9	27.0	24.7	19.8	19.0	-51.0	-59.8	14.9	14.7

1) Includes Food and Biochemicals segments

Corbion generates almost all of its revenues from the sale of goods.

#### Information on the use of alternative non-IFRS performance measures

In the above table and elsewhere in the financial statements a number of non-IFRS performance measures are presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in) tangible fixed assets.
- EBITDA margin is EBITDA divided by net sales x 100.

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### Key figures

<i>Millions of euros</i>	2019	2018*
Net sales	976.4	897.2
Operating result	61.3	87.9
Adjusted EBITDA <sup>1</sup>	145.9	131.6
Result after taxes	25.8	54.3
Earnings per share in euros <sup>2</sup>	0.44	0.93
Diluted earnings per share in euros <sup>2</sup>	0.43	0.92
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	58,819,590	58,764,635
Weighted average number of outstanding ordinary shares	58,819,590	58,698,602
Price as at 31 December	28.12	24.46
Highest price in calendar year	29.96	29.74
Lowest price in calendar year	24.26	23.30
Market capitalization as at 31 December <sup>3</sup>	1,654	1,437
<b>Other key data</b>		
Cash flow from operating activities	114.4	99.5
Cash flow from operating activities per ordinary share, in euros <sup>2</sup>	1.94	1.70
Free cash flow <sup>4</sup>	9.6	11.9
Depreciation/amortization (in) tangible fixed assets	61.5	42.0
Capital expenditure on (in) tangible fixed assets	82.6	58.4
Equity per share in euros <sup>5</sup>	9.00	8.85
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56
<b>Ratios</b>		
ROCE % <sup>6</sup>	9.9	11.0
Adjusted EBITDA margin % <sup>7</sup>	14.9	14.7
Result after taxes/net sales %	2.6	6.1
Number of employees at closing date (FTE)	2,138	2,040
Net debt position/covenant EBITDA <sup>8</sup> *	2.0	1.6
Interest cover <sup>9</sup>	22.2	25.6
<b>Statement of financial position</b>		
Non-current assets	718.6	616.2
Current assets excluding cash and cash equivalents	326.8	302.5
Non-interest-bearing current liabilities	161.4	140.2
Net debt position <sup>10</sup>	303.3	203.3
Other non-current liabilities	24.1	26.9
Provisions	27.5	28.1
Equity	529.1	520.2
Capital employed <sup>11</sup>	856.5	750.4
Average capital employed <sup>11</sup>	841.7	709.8
Balance sheet total : equity	1:0.5	1:0.5
Net debt position : equity	1:1.7	1:2.6
Current assets : current liabilities	1:0.9	1:0.7

1 Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.

2 Per ordinary share in euros after deduction of dividend on financing preference shares.

3 Market capitalization is calculated by multiplying the number of ordinary shares with dividend rights by the share price at the closing date.

4 Free cash flow comprises cash flow from operating activities and cash flow from investment activities.

5 Equity per share is equity divided by the number of shares with dividend rights.

6 Return on capital employed (ROCE) is defined by Corbion as adjusted operating result, including results from joint ventures and associates, divided by the average capital employed x 100.

7 Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100.

8 Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.

9 Interest cover is covenant EBITDA as defined above divided by net interest income and charges.

10 Net debt position comprises borrowings and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.

11 Capital employed and average capital employed are based on balance sheet book values.

\* 2018 is based on pre-IFRS 16 figures.

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### Alternative performance measures (APM)

In this report, Corbion has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Corbion uses these measures to assess the performance of the business and believes that the information is useful to users of the financial information. The non-IFRS financial measures do not have a standardized meaning prescribed by the IASB, therefore may not be comparable to similar measures presented by other issuers.

The table below gives an overview of the alternative performance measures used and their definitions.

APM	Definition
<b>EBITDA</b>	The operating result before depreciation, amortization, and impairment of (in) tangible fixed assets.
<b>Adjusted EBITDA</b>	EBITDA as defined above after applying adjustments.
<b>Adjusted EBITDA margin %</b>	Adjusted EBITDA as defined above divided by net sales x 100.
<b>Adjusted EBITDA excluding acquisitions and divestments, at constant currencies</b>	Adjusted EBITDA as defined above excluding the impact of acquisitions and divestments, based on prior year currency rates.
<b>Covenant EBITDA</b>	Adjusted EBITDA as defined above increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
<b>Organic EBITDA growth</b>	Adjusted EBITDA as defined above versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
<b>Organic sales growth</b>	Sales versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
<b>Adjusted operating result</b>	Operating result after adjustments.
<b>Adjusted result after taxes</b>	Result after taxes after adjustments.
<b>Interest cover</b>	Covenant EBITDA as defined above divided by net interest income and charges.
<b>Net debt position</b>	Interest-bearing debts and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
<b>Capital employed</b>	The sum of equity, non-current liabilities, interest-bearing current liabilities, and lease liabilities minus cash and cash equivalents.
<b>Average capital employed</b>	Average of the quarterly average capital employed in the reporting period.
<b>Market capitalization</b>	Number of ordinary shares with dividend rights multiplied by the share price at period end.
<b>Free cash flow</b>	Cash flow from operating activities plus cash flow from investment activities.
<b>Return on capital employed (ROCE)</b>	Adjusted operating result as defined above, including results from joint ventures and associates, divided by the average capital employed x 100.
<b>Adjustments</b>	Adjustments relate to material items in the income statement of such size, nature, or incidence that, in the opinion of management, require disclosure. These items include amongst others write-downs of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company only makes adjustments for items when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

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The table below gives a selection of the APMs used versus the most directly comparable IFRS measure.

€ million	2019	2018
Operating result	61.3	87.9
Depreciation, amortization, and impairments	103.0	41.6
<b>EBITDA</b>	<b>164.3</b>	<b>129.5</b>
<i>Adjustments to EBITDA</i>		
- Past-service gain due to change in indexation CSM UK pension scheme	-7.9	
- Restructuring costs	2.9	0.3
- Acquisition costs	0.7	0.4
- One-off bonuses	1.0	
- Onerous contract provisions		0.6
- Legal fees	0.5	
- Incidental write-down of inventory	2.6	0.6
- Profit on sale of land		-0.6
- Valuation of tax assets	-3.5	
- Remeasurement contingent purchase price SB Renewable Oils	-14.7	
- Remeasurement contingent sales price Total Corbion PLA		0.8
Total adjustments to EBITDA	-18.4	2.1
<b>Adjusted EBITDA</b>	<b>145.9</b>	<b>131.6</b>
Operating result	61.3	87.9
<i>Adjustments to operating result</i>		
- Adjustments to EBITDA	-18.4	2.1
- Impairments	42.1	
- Reversal of previous recorded impairment		-0.4
Total adjustments to operating result	23.7	1.7
<b>Adjusted operating result</b>	<b>85.0</b>	<b>89.6</b>
Net result	<b>25.8</b>	<b>54.3</b>
<i>Adjustments to result after taxes</i>		
- Total adjustments to operating result	23.7	1.7
- Gain fair value remeasurement SB Oils		-9.6
- Loss related to write-down inventory SB Oils		2.8
- Tax effects on above adjustments	-3.5	-0.1
Total adjustments to result after taxes	20.2	-5.2
<b>Adjusted result after taxes</b>	<b>46.0</b>	<b>49.1</b>
Cash flow from operating activities	114.4	99.5
Cash flow from investment activities	-104.8	-87.6
<b>Free cash flow</b>	<b>9.6</b>	<b>11.9</b>
Equity	529.1	520.2
Borrowings	282.8	249.2
Lease liabilities	66.2	1.2
Other non-current liabilities	24.1	26.9
-/- Cash and cash equivalents	-45.7	-47.1
<b>Capital employed</b>	<b>856.5</b>	<b>750.4</b>
Borrowings	282.8	249.2
Lease liabilities	66.2	1.2
-/- Cash and cash equivalents	-45.7	-47.1
<b>Net debt position</b>	<b>303.3</b>	<b>203.3</b>

For a reconciliation of organic sales growth, reference is made to page 2 of this press release.  
For a reconciliation of organic EBITDA growth, reference is made to page 3 of this press release.

## PRESS RELEASE

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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, lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins and algae ingredients. We develop sustainable ingredient solutions to improve the quality of life for people today and for future generations. 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)