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DATE 6 March 2019

Corbion full year 2018 results

Corbion reported net sales of € 897.2 million in 2018. Organic net sales growth was 3.7% for the year. EBITDA excluding one-off items in 2018 decreased by 19.8% to € 131.6 million, mostly due to the acquisition of the TerraVia assets and a negative currency impact. The company proposes to distribute a regular dividend of € 0.56 per share.

"I am encouraged to see Corbion growing at a significantly higher pace than in previous years while we are starting to deliver on long-term innovations such as bioplastics. Our top-line performance in Ingredient Solutions was slightly below our ambition level, mostly due to the slower than anticipated recovery in Bakery. Growth across all other segments was satisfactory. We were not immune to the inflationary pressures in the second half of the year and have started to take pricing actions to address this. In Innovation Platforms we significantly grew our sales to the Total Corbion PLA joint venture, which commissioned its plant on time and within budget – a significant achievement of which we are all very proud," commented Tjerk de Ruiter, CEO.

Key financial highlights FY 2018*:

- Net sales growth was 0.6%; organic sales growth was 3.7%; volume growth was 8.6%
- EBITDA excluding one-off items was € 131.6 million, an organic decrease of 5.4%
- EBITDA margin before one-off items was 14.7% (2017: 18.4%)
- One-off items at EBITDA level of € -2.1 million
- Operating result was € 87.9 million, an organic decrease of 8.2%
- Free cash flow was € 11.9 million (2017: € 24.2 million)
- Net debt/EBITDA at year-end was 1.6x (year-end 2017: 1.0x)

€ million	FY 2018	FY 2017	Total growth	Organic growth
Net sales	897.2	891.7	0.6%	3.7%
EBITDA excluding one-off items	131.6	164.1	-19.8%	-5.4%
EBITDA margin excluding one-off items	14.7%	18.4%		
Operating result	87.9	122.3	-28.1%	-8.2%
ROCE	11.0%	17.4%		

* For non-GAAP definitions see page 22

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Management review FY 2018

Net sales

Net sales in 2018 increased by 0.6% to € 897.2 million (2017: € 891.7 million), mostly due to a volume increase (8.6%), partly offset by a negative price/mix effect (-4.9%), and a negative currency impact (-4.1%). The acquisition of most of the TerraVia assets (including the remaining 49.9% stake in the SB Renewable Oils joint venture) positively impacted net sales by 1.0%.

Organic sales growth in the Ingredient Solutions business unit was 1.7%. This was driven by growth in Food and Biochemicals of 0.9% and 4.0%, respectively, both near the lower end of the indicated guidance ranges. In Food, growth was a balance of a strong performance in Meat, a weak (albeit improving) performance in Bakery, and slight growth in Other (Beverages, Confectionery, Dairy). Organic sales growth for the Biochemicals business segment was especially driven by organic growth in Pharma/Medical and Chemicals.

Organic sales growth in the Innovation Platforms business unit was 84.9%. The underlying volume increase reflects the higher lactic acid volumes sold to the Total Corbion PLA joint venture. The negative price/mix is largely driven by a changed product mix resulting in a lower average sales price per kg. The acquisition of the TerraVia assets contributed an additional 41.9% net sales growth in Innovation Platforms.

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Net Sales growth rates FY and Q4 2018

	Total growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
FY 2018 vs 2017							
Ingredient Solutions	-2.5%	-4.2%	1.7%	0.0%	1.7%	-1.2%	2.9%
- Food	-3.8%	-4.7%	0.9%	0.0%	0.9%	-1.3%	2.2%
- Biochemicals	1.1%	-2.9%	4.0%	0.0%	4.0%	-1.2%	5.2%
Innovation Platforms	127.0%	0.2%	126.8%	41.9%	84.9%	-45.6%	239.8%
Total	0.6%	-4.1%	4.7%	1.0%	3.7%	-4.9%	8.6%
Q4 2018 vs Q4 2017							
Ingredient Solutions	4.0%	1.9%	2.1%	0.0%	2.1%	-1.9%	4.0%
- Food	3.9%	2.0%	1.9%	0.0%	1.9%	-0.9%	2.8%
- Biochemicals	4.3%	1.6%	2.7%	0.0%	2.7%	-5.3%	8.0%
Innovation Platforms	289.7%	6.3%	283.4%	43.6%	239.8%	0.0%	N/M
Total	9.3%	2.0%	7.3%	0.8%	6.5%	-9.4%	15.9%

EBITDA

EBITDA FY 2018 excluding one-off items decreased by 19.8% to € 131.6 million, mostly due to higher investments in Innovation Platforms and currency effects (€ -9.7 million). Ingredient Solutions EBITDA excluding one-off items decreased by 7.0% mostly due to adverse currency effects. The EBITDA loss excluding one-off items in Innovation Platforms increased to € -29.2 million (2017: € -8.8 million). This € 20.4 million higher loss was mostly due to the acquisition of the TerraVia assets and the full consolidation impact of the SB Renewable Oils joint venture after acquiring the remaining 49.9% stake from Bunge in June 2018.

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€ million	FY 2018	FY 2017	Q4 2018	Q4 2017	Growth FY
Net sales					
Ingredient Solutions	848.4	870.2	215.6	207.3	-2.5%
- Food	623.4	647.7	158.0	152.1	-3.8%
- Biochemicals	225.0	222.5	57.6	55.2	1.1%
Innovation Platforms	48.8	21.5	15.2	3.9	127.0%
Total net sales	897.2	891.7	230.8	211.2	0.6%
EBITDA excluding one-off items					
Ingredient Solutions	160.8	172.9	36.4	38.8	-7.0%
- Food	105.3	121.3	23.8	26.0	-13.2%
- Biochemicals	55.5	51.6	12.6	12.8	7.6%
Innovation Platforms	(29.2)	(8.8)	(9.2)	(4.6)	231.1%
Total EBITDA excluding one-off items	131.6	164.1	27.2	34.2	-19.8%
One-off items	(2.1)	6.4	(0.4)	0.9	
Total EBITDA	129.5	170.5	26.8	35.1	-24.0%
Depreciation/amortization/(reversal of) impairment (in)tangibles	(41.6)	(48.2)	(11.4)	(15.3)	-13.7%
Total operating result	87.9	122.3	15.4	19.8	-28.1%
EBITDA margin excluding one-off items					
Ingredient Solutions	19.0%	19.9%	16.9%	18.7%	
- Food	16.9%	18.7%	15.1%	17.1%	
- Biochemicals	24.7%	23.2%	21.9%	23.2%	
Innovation Platforms	-59.8%	-40.9%	-60.5%	-117.9%	
Total EBITDA margin excluding one-off items	14.7%	18.4%	11.8%	16.2%	
Total EBITDA excluding one-off items and acquisitions, at constant currencies	155.3	164.1	26.9	34.2	-5.4%

Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets excluding one-off items amounted to € 42.0 million compared to € 45.2 million in 2017.

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Operating result

Operating result excluding one-off items decreased by € 29.3 million to € 89.6 million in 2018 (2017: € 118.9 million).

One-off items

In 2018, a total of € 5.2 million in one-off items were recorded, consisting of the following components:

- One-off 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 combination
- One-off loss of € 2.7 million related to write-down of inventory in the SB Renewable Oils joint venture
- One-off loss of € 0.6 million related to write-down of inventory due to an incident in a third-party warehouse
- One-off loss of € 0.4 million as a result of acquisition costs associated with SB Renewable Oils
- One-off gain of € 0.6 million related to the sale of an unused piece of land in Italy
- One-off gain of € 0.4 million related to partial reversal of previously recorded impairment on the Kansas Avenue powder blending plant
- One-off loss of € 0.8 million related to a remeasurement of the expected contingent sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv
- One-off loss of € 0.7 million related to an onerous contract provision
- One-off loss of € 0.3 million due to restructuring provision
- Positive tax effects on the above of € 0.1 million

Financial income and charges

Net financial charges remained stable at € 13.2 million, mainly consisting of interest charges for our debt items and unwinding of the contingent consideration related to the acquisition of the remaining 49.9% of the SB Renewable Oils joint venture.

Taxes

The tax charge on our operations in 2018 amounted to € 15.5 million compared to a charge of € 13.1 million in 2017. In 2018, the effective tax rate of 22.2% was in line with the expected effective tax rates based on statutory tax rates. Excluding one-off items, the normalized effective tax rate would have been 24.0%. For 2019 we expect a tax rate of approximately 30%.

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Statement of financial position

Capital employed increased, compared to year-end 2017, by € 115.5 million to € 750.5 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	58.4
Depreciation / amortization / impairment of (in)tangible fixed assets	-41.6
Change in operating working capital	12.9
Change in provisions, other working capital, and joint ventures	14.3
Movements related to acquisition of SB Renewable Oils	65.6
Taxes	-5.3
Exchange rate differences	11.8
Other	-0.6

Major capital expenditure projects in 2018 were investments in our new ERP platform, a new R&D laboratory in San Francisco and investments related to lactic-acid capacity expansion.

Operating working capital (excluding movements related to the acquisition of SB Renewable Oils) increased by € 12.9 million (excluding € 4.3 million currency effects). Movements related to the acquisition of the remaining 49.9% interest in the SB Renewable Oils joint venture is a result of the acquired tangible fixed assets of € 73.3 million and total working capital of € 11.4 million, partly offset by the book value of the previously held 50.1% share of € 19.1 million in the SB Renewable Oils joint venture. The movements related to the change in provisions, other working capital, and joint venture is mainly a result of capital contributions in the Total Corbion PLA joint venture.

Shareholders' equity increased by € 30.9 million to € 520.2 million. The movements were:

- The positive result after taxes of € 54.3 million
- A decrease of € 32.9 million related to the dividend for financial year 2017
- Positive exchange rate differences of € 11.1 million due to the translation of equity denominated in currencies other than the euro
- Negative movement of € 2.1 million in the hedge reserve
- Positive movement of € 1.0 million due to remeasurement of defined benefit arrangements
- Net negative share-based remuneration movement of € 0.3 million
- Negative tax effects € 0.2 million

At year-end 2018 the ratio between balance sheet total and equity was 1:0.5 (2017 year-end: 1:0.6).

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Cash flow/Financing

Cash flow from operating activities decreased compared to year-end 2017 by € 18.2 million to € 99.5 million. This is the balance of the lower operational cash flow before movements in working capital of € 32.8 million, partly offset by a less negative impact of the movement in working capital and provisions of € 7.8 million, and lower taxes and interest paid of € 6.8 million.

The cash flow required for investment activities decreased compared to 2017 by € 5.9 million to € 87.6 million. Capital expenditures accounted for most (€ 60.1 million) of this cash outflow, together with loans and capital contributions provided to our joint ventures (€ 53.1 million), partly offset by the receipt of an outstanding receivable related to the sale of the subsidiary Total Corbion PLA (Thailand) Limited (the lactide production facility) to the joint venture Total Corbion PLA bv (€ 23.8 million).

The net debt position at year-end 2018 was € 203.3 million, an increase of € 41.1 million compared to year-end 2017, mainly due to dividend payment, capital expenditures, investment in our joint venture and the increase in working capital compared to year-end 2017, partly compensated by the positive cash flow from operating activities before working capital and provisions.

Ultimo 2018, the ratio of net debt to EBITDA was 1.6x (year-end 2017: 1.0x). The interest cover for 2018 was 25.6x (2017: 24.4x). We continue to stay well within the limits of our financing covenants.

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 current dividend policy is the ambition to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy). Periodically Corbion will review its net debt position in relation to the investment plans and decide upon potential additional distributions.

Dividend proposal

A proposal to distribute a regular dividend in cash of € 0.56 per ordinary share (2017: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 13 May 2019. This represents 67% of our 2018 net profit excluding one-off items. The dividend will be charged to the Corbion reserves.

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Financial guidance 2019-2021

- The strategy (Creating Sustainable Growth) aims to deliver organic sales growth of between 3 and 6 percent annually.
- **Ingredient Solutions:** Net sales growth of 2-4% annually (1-3% in Food, 3-10% in Biochemicals), while maintaining EBITDA margin >19% and ROCE >20% annually throughout the period. Recurring capital expenditure is expected to be on average € 40 million annually.
- **Innovation Platforms:** Net sales growth of >20% annually. EBITDA approaching breakeven in 2021. 2019 EBITDA loss not expected to exceed € -35 million. Recurring capital expenditure of € 20-30 million annually.
- **Debt:** Corbion targets a net debt/EBITDA ratio of 1.5x over the investment cycle.

Outlook 2019

We expect organic net sales growth for Corbion to be in the targeted 3-6% growth guidance range.

Ingredient Solutions: For 2019 we expect the organic net sales growth to be in the indicated range of 2-4%. Food should return to the 1-3% range. Biochemicals is expected to grow near the lower end of the 3-10% range, with an expected slow start of the year due to phasing. The EBITDA margin in Ingredient Solutions is expected to remain above the indicated minimum level of 19% for the year.

Innovation Platforms: For 2019 we expect the organic net sales growth to be >20%. As the Total Corbion PLA joint venture plant was commissioned in December 2018, we expect to see the ramp up of commercial volume production there. In Algae Ingredients we expect to make good progress in multiple areas, most notably Omega-3 for fish feed, high oleic cooking oil (Thrive), and proteins.

Visible progress on the EBITDA loss versus 2018 will be relatively limited as 2019 will incur the full year consolidation impact of the loss-making algae plant in Orindiúva, Brazil (the former SB Renewable Oils joint venture) versus only 7 months in 2018. The EBITDA loss is not expected to exceed € -35 million in the year.

Input costs: Taking into account current price levels, on balance we anticipate a small negative impact from raw materials in 2019 as carbohydrate prices have come down in 2018, while other input factors have continued to increase.

Capital expenditure: We expect capital expenditure for 2019 at € 75-85 million. To ensure sufficient lactic acid supply in the coming years, we need to invest in lactic acid capacity expansion. We will employ a balanced approach. In the short term we will expand capacity in Thailand and Brazil, and restart production in Spain. Combined, this should result in a 50kT expansion by 2020. For the longer term, we continue to make preparations for the construction of a new gypsum-free lactic acid plant. Temporary supply chain inefficiencies will adversely impact our profitability until such a new plant is commissioned.

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Other: IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognized on the balance sheet. It replaces existing guidance on leases, including IAS 17. IFRS 16 is effective on or after 1 January 2019. Corbion will apply IFRS 16 from 2019 onwards using the modified retrospective transition approach. If IFRS 16 would have been applied in 2018, the 2018 EBITDA would have been positively impacted by approximately € 8 million.

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Segment information

Ingredient Solutions

€ million	FY 2018	FY 2017	Q4 2018	Q4 2017
Net sales	848.4	870.2	215.6	207.3
Organic growth	1.7%	-0.2%	2.1%	1.3%
EBITDA	160.9	170.6	37.2	36.9
EBITDA excl. one-off items	160.8	172.9	36.4	38.8
EBITDA margin excl. one-off items	19.0%	19.9%	16.9%	18.7%
ROCE	23.7%	26.0%	20.3%	23.0%
Average capital employed	518.6	522.9	528.4	488.6

Net sales in Ingredient Solutions, which encompasses Food and Biochemicals, increased organically by 1.7% in 2018, mostly driven by higher volumes while offset by a lower price/mix. This organic growth was below the guidance range. Organic net sales growth in Q4 was 2.1%. The EBITDA margin excluding one-off items in 2018 decreased slightly from 19.9% to 19.0%, due to higher input costs.

Business segment Food

€ million	FY 2018	FY 2017	Q4 2018	Q4 2017
Net sales	623.4	647.7	158.0	152.1
Organic growth	0.9%	-2.0%	1.9%	-1.7%
EBITDA	105.5	119.5	24.4	24.6
EBITDA excl. one-off items	105.3	121.3	23.8	26.0
EBITDA margin excl. one-off items	16.9%	18.7%	15.1%	17.1%

Net sales in the Food business segment increased organically by 0.9% in 2018, which was marginally below the guidance range.

As a consequence of 2017 challenges in executing our Bakery channel strategy and customer losses in frozen dough, Bakery sales in 2018 declined, albeit at a slower rate than in 2017. Additionally, a key bakery enzyme went off-patent in the US resulting in sales reduction as a consequence of lower input costs which were passed on to our customers. We had expected a stable performance in Q4 versus last year. However, several customer projects were delayed,

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and the adverse impact on net sales of the bakery enzyme coming off-patent was more pronounced than anticipated.

The performance in Meat was strong. The portfolio mix shift towards higher-value natural preservation solutions continues to support top-line growth and margin improvements. Solutions from the Verdad® line, which are based on natural and clean-label ingredients, especially in powdered form, continue to make inroads in the meat industry. The strong sales performance in Meat continued in Q4.

In other markets (Beverages, Confectionery, Dairy), overall sales increased moderately, mostly because of growth in non-bakery emulsifiers and acid powders for Confectionery. Q4 showed a similar sales growth trend as in the first 9 months of the year.

The EBITDA margin decreased from 18.7% to 16.9% because of higher input costs (e.g. freight, non-sugar-related raw materials, energy, packaging, duties) in the second half of the year, as well as negative mix effects due to several large lactic acid contracts in Asia.

Business segment Biochemicals

€ million	FY 2018	FY 2017		Q4 2018	Q4 2017
Net sales	225.0	222.5		57.6	55.2
Organic growth	4.0%	5.8%		2.7%	11.1%
EBITDA	55.4	51.1		12.8	12.3
EBITDA excl. one-off items	55.5	51.6		12.6	12.8
EBITDA margin excl. one-off items	24.7%	23.2%		21.9%	23.2%

Net sales in the Biochemicals business segment increased organically by 4.0% in 2018, which was within the guidance range. The strongest performing markets were Pharma/Medical, Electronics, and Chemicals. Animal Health and Home & Personal Care declined. The same pattern also occurred in Q4.

The Biochemicals EBITDA margin for 2018 increased from 23.2% to 24.7%, mainly due to a higher-margin portfolio mix.

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Innovation Platforms

€ million	FY 2018	FY 2017		Q4 2018	Q4 2017
Net sales	48.8	21.5		15.2	3.9
Organic growth	84.9%	-10.5%		239.8%	-46.9%
EBITDA	(31.4)	(0.1)		(10.4)	(1.8)
EBITDA excl. one-off items	(29.2)	(8.8)		(9.2)	(4.6)
EBITDA margin excl. one-off items	-59.8%	-40.9%		-60.5%	-117.9%
Average capital employed	191.2	94.2		223.1	139.0

Net sales increased organically by 84.9% in 2018, which mostly reflects higher lactic acid volumes sold to the Total Corbion PLA joint venture. The TerraVia asset acquisition, including the remaining 49.9% stake in the SB Renewable Oils joint venture, added another 41.9% to net sales. Total net sales growth in 2018 was 127.0%. In Q4 organic net sales growth was 239.8% mostly because lactic acid deliveries continued as planned while in Q4 2017 deliveries nearly came to a halt because of construction activities in the Total Corbion PLA joint venture.

The Total Corbion PLA joint venture plant in Thailand became operational in December 2018, as planned before year-end and within budget.

We are developing our Algae Ingredients platform (TerraVia and SB Renewable Oils assets) in several areas. It took longer than expected to have the Orindiúva plant producing within specifications. The AlgaPrime™ DHA product is making inroads in the salmon feed industry. Increasingly retailers are selling AlgaPrime DHA-fed salmon for a higher Omega-3 content and better sustainability footprint. Additionally, business developments are focusing on proteins for the food industry and tailored oils for both food and chemical applications.

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Consolidated income statement

<i>Millions of euros</i>	2018	2017
Net sales	897.2	891.7
Costs of raw materials and consumables	-442.6	-428.0
Production costs	-141.6	-139.4
Warehousing and distribution costs	-55.0	-48.9
Cost of sales	-639.2	-616.3
Gross profit	258.0	275.4
Selling expenses	-61.4	-60.7
Research and development costs	-40.0	-35.3
General and administrative expenses	-69.3	-67.7
Other proceeds	0.6	10.6
Operating result	87.9	122.3
Financial income	3.6	4.6
Financial charges	-16.8	-17.8
Results from joint ventures and associates	-4.9	-11.4
Result before taxes	69.8	97.7
Income tax expense	-15.5	-13.1
Result after taxes	54.3	84.6
Result attributable to non-controlling interests		
Result attributable to equity holders of Corbion nv	54.3	84.6
Per ordinary share in euros		
Basic earnings	0.93	1.46
Diluted earnings	0.92	1.44

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Consolidated statement of comprehensive income

<i>Millions of euros</i>	2018	2017
Result after taxes	54.3	84.6
Other comprehensive results to be recycled to the income statement:		
Foreign operations – foreign currency translation differences	16.6	-43.2
Net investment hedge – net movement	-5.5	18.3
Hedge reserve	-2.1	-2.3
Taxes relating to other comprehensive results to be recycled to the income statement	-0.1	3.2
Total other comprehensive results to be recycled to the income statement	8.9	-24.0
Other comprehensive results not to be recycled to the income statement		
Remeasurement defined benefit arrangements	1.0	13.0
Taxes relating to other comprehensive results not to be recycled to the income statement	-0.1	-0.5
Total other comprehensive results not to be recycled to the income statement	0.9	12.5
Total comprehensive result after taxes	64.1	73.1
Comprehensive result attributable to non-controlling interests		
Comprehensive result attributable to equity holders of Corbion nv	64.1	73.1

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Consolidated statement of financial position

<i>Before profit appropriation, millions of euros</i>	As at 31-12-2018	As at 31-12-2017
Assets		
Property, plant, and equipment	368.9	280.0
Intangible fixed assets	139.2	130.3
Investments in joint ventures and associates	18.7	26.2
Long-term employee benefits	4.5	2.5
Other non-current financial assets	62.3	36.4
Deferred tax assets	22.6	22.7
Total non-current assets	616.2	498.1
Inventories	152.7	128.3
Trade receivables	119.6	109.5
Other receivables	20.9	46.1
Income tax receivables	9.3	10.7
Cash and cash equivalents	47.1	38.1
Total current assets	349.6	332.7
Total assets	965.8	830.8
Equity and liabilities		
Equity	520.2	489.3
Long-term employee benefits	7.6	7.7
Deferred tax liabilities	17.0	12.1
Non-current liabilities	161.0	121.8
Total non-current liabilities	185.6	141.6
Interest-bearing current liabilities	116.3	66.8
Trade payables	87.8	76.6
Other non-interest-bearing current liabilities	49.2	49.5
Provisions	3.5	3.7
Income tax payables	3.2	3.3
Total current liabilities	260.0	199.9
Total equity and liabilities	965.8	830.8

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Consolidated statement of changes in equity

<i>Before profit appropriation, millions of euros</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
As at 1 January 2017	15.0	55.8	86.6	341.1	498.5
Result after taxes 2017				84.6	84.6
Other comprehensive result after taxes 2017			-24.0	12.5	-11.5
Total comprehensive result after taxes 2017			-24.0	97.1	73.1
Cash dividend				-60.5	-60.5
Acquired company shares				-25.0	-25.0
Share-based remuneration transfers			-2.0	2.0	
Share-based remuneration charged to result			3.2		3.2
Withdrawal shares	-0.2	-0.6		0.8	
Transfers to/from Other reserves			0.5	-0.5	
Total transactions with shareholders	-0.2	-0.6	1.7	-83.2	-82.3
As at 31 December 2017	14.8	55.2	64.3	355.0	489.3
Result after taxes 2018				54.3	54.3
Other comprehensive result after taxes 2018			8.9	0.9	9.8
Total comprehensive result after taxes 2018			8.9	55.2	64.1
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	
Total transactions with shareholders			-2.2	-31.0	-33.2
As at 31 December 2018	14.8	55.2	71.0	379.2	520.2

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Consolidated statement of cash flows

<i>Millions of euros</i>	2018	2017
Cash flow from operating activities		
Result after taxes	54.3	84.6
Adjusted for:		
• Depreciation/amortization of fixed assets	42.0	45.2
• Reversal of impairment of property, plant, and equipment	-0.4	
• Impairment of fixed assets		3.0
• Result from divestments of fixed assets	-0.1	0.7
• Result from purchase/sale of group companies and activities		-10.6
• Share-based remuneration	1.6	3.2
• Interest income	-3.1	-0.7
• Interest expense	8.1	7.1
• Exchange rate differences	3.1	8.6
• Recycling of exchange rate differences from translation reserve	-0.3	-1.2
• Fluctuations in fair value of derivatives		-2.7
• Interest (income) expense on defined benefit pension plans - net	0.1	1.4
• Unwinding of contingent consideration	4.5	
• Other financial income and charges	0.8	0.7
• Results from joint ventures and associates	4.9	11.4
• Taxes	15.5	13.1
Cash flow from operating activities before movements in working capital and provisions	131.0	163.8
Movement in provisions	-2.1	-1.6
<i>Movements in operating working capital:</i>		
• Trade receivables	-7.2	-8.3
• Inventories	-15.2	-8.1
• Trade payables	9.5	4.1
Movements in other working capital	1.1	-7.8
Cash flow from business operations	117.1	142.1
Interest received	0.7	
Interest paid	-8.7	-7.2
Tax paid on profit	-9.6	-17.2
Cash flow from operating activities	99.5	117.7
Cash flow from investment activities		
Acquisition of group companies	0.5	-17.6
Sale of group companies		2.6
Investment joint ventures and associates	-16.1	-5.2
Dividends received from joint ventures and associates		0.7
Investment other financial assets	-37.0	-38.2
Repayment other financial assets	23.8	9.7
Capital expenditure on (in)tangible fixed assets	-60.1	-45.5
Divestment of (in)tangible fixed assets	1.3	
Cash flow from investment activities	-87.6	-93.5
Cash flow from financing activities		
Proceeds from interest-bearing debts	41.0	67.0
Repayment of interest-bearing debts	-12.4	-23.6
Acquisition of company shares		-25.0
Paid-out dividend	-32.9	-60.5
Cash flow from financing activities	-4.3	-42.1
Net cash flow	7.6	-17.9
Effects of exchange rate differences on cash and cash equivalents	1.4	-5.5
Increase/ (decrease) cash and cash equivalents	9.0	-23.4
Cash and cash equivalents at start of financial year	38.1	61.5
Cash and cash equivalents at close of financial year	47.1	38.1

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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.

The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 5 March 2019. They will be presented to the annual General Meeting of Shareholders for adoption on 13 May 2019. 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 2018	Average exchange rate 2017	Exchange rate 31-12-2018	Exchange rate 31-12-2017
US dollar	1.18	1.13	1.15	1.20
Japanese yen	130.40	126.72	125.85	135.01
Brazilian real	4.31	3.61	4.44	3.97
Thai baht	38.16	38.29	37.05	39.12

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Consolidated income statement before one-off items

The consolidated income statement for financial years 2018 and 2017 before one-off items (non-IFRS financial measures) can be presented as follows.

	2018			2017		
	Before one-off items	One-off items	Total	Before one-off items	One-off items	Total
Net sales	897.2		897.2	891.7		891.7
Costs of raw materials and consumables	-442.0	-0.6	-442.6	-428.0		-428.0
Production costs	-142.1	0.5	-141.6	-138.5	-0.9	-139.4
Warehousing and distribution costs	-55.0		-55.0	-48.9		-48.9
Gross profit	258.1	-0.1	258.0	276.3	-0.9	275.4
Selling expenses	-61.4		-61.4	-60.3	-0.4	-60.7
Research and development costs	-39.3	-0.7	-40.0	-32.7	-2.6	-35.3
General and administrative expenses	-67.8	-1.5	-69.3	-64.4	-3.3	-67.7
Other proceeds		0.6	0.6		10.6	10.6
Operating result	89.6	-1.7	87.9	118.9	3.4	122.3
Less: depreciation/amortization/impairment (in) tangible fixed assets	42.0	-0.4	41.6	45.2	3.0	48.2
EBITDA	131.6	-2.1	129.5	164.1	6.4	170.5
Depreciation/amortization/impairment (in) tangible fixed assets	-42.0	0.4	-41.6	-45.2	-3.0	-48.2
Operating result	89.6	-1.7	87.9	118.9	3.4	122.3
Financial income	3.6		3.6	4.6		4.6
Financial charges	-16.8		-16.8	-17.8		-17.8
Results from joint ventures and associates	-11.7	6.8	-4.9	-11.4		-11.4
Result before taxes	64.7	5.1	69.8	94.3	3.4	97.7
Taxes	-15.6	0.1	-15.5	-15.0	1.9	-13.1
Result after taxes	49.1	5.2	54.3	79.3	5.3	84.6

One-off items relate to material non-recurring items in the income statement that are exceptional by nature and are not related to the normal course of business. These exceptional items include amongst others write-down 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 considers events exceptional (one-off) when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million. One-off items may occur up to and including result after taxes.

In 2017, a total of € 5.3 million in one-off items was recorded, consisting of the following components:

1. One-off gain of € 4.7 million related to the sale of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
2. One-off gain of € 4.0 million related to the TerraVia acquisition.
3. One-off loss of € 2.4 million related to our succinic acid development.
4. One-off loss of € 2.0 million due to (restructuring) provisions made because of the strategy update.
5. One-off loss of € 0.9 million related to the closure of our former Kansas Avenue powder blending plant.
6. Positive tax effects on the above of € 1.9 million.

In 2018, a total of € 5.2 million one-off items were recorded, consisting of the following components:

1. One-off 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 combination.
2. One-off loss of € 2.7 million related to write-down of inventory in the SB Renewable Oils joint venture.
3. One-off loss of € 0.6 million related to write-down of inventory due to an incident in a third-party warehouse.
4. One-off loss of € 0.4 million as a result of acquisition costs of SB Renewable Oils.
5. One-off gain of € 0.6 million related to the sale of an unused piece of land in Italy.
6. One-off gain of € 0.4 million related to partly reversal of previous recorded impairment on the Kansas Avenue powder blending plant.
7. One-off loss of € 0.8 million related to a remeasurement of the expected contingent sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
8. One-off loss of € 0.7 million related to an onerous contract provision.
9. One-off loss of € 0.3 million due to restructuring provision.
10. Positive 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 are 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 to grow their business and create affordable foods (in the meat, beverage, bakery, confectionery, and dairy markets).

In the Biochemicals segment, the inherent safety, sustainability, and performance of our products is what sets us apart, supported by our continuous drive to find 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 everything from (agro)chemicals to resin adhesives, electronic components, pharmaceuticals, home & personal care products, and animal health & nutrition.

Our Innovation Platforms business unit creates new business platforms, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing – to deliver long-term value. Collaborating with like-minded partners we empower our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid (PLA) polymers and lactide for bioplastic solutions, is functionally part of Innovation Platforms. The business unit also comprises our Algae Ingredients business and the succinic acid joint venture with BASF (Succinity). Also included in this business unit are 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 process, and use of alternative feedstocks (lignocellulosic biomass, agricultural residues, waste) 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 ¹⁾		Innovation Platforms		Corbion total operations	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income statement information										
Net sales	623.4	647.7	225.0	222.5	848.4	870.2	48.8	21.5	897.2	891.7
Operating result	80.0	95.1	43.6	38.0	123.6	133.1	-35.7	-10.8	87.9	122.3
One-off items included in operating result	-0.6	2.3	0.1	0.5	-0.5	2.8	2.2	-6.2	1.7	-3.4
Operating result excluding one-off items	79.4	97.4	43.7	38.5	123.1	135.9	-33.5	-17.0	89.6	118.9
Alternative non-IFRS performance measures										
EBITDA excluding one-off items	105.3	121.3	55.5	51.6	160.8	172.9	-29.2	-8.8	131.6	164.1
One-off items included in EBITDA	0.2	-1.8	-0.1	-0.5	0.1	-2.3	-2.2	8.7	-2.1	6.4
EBITDA	105.5	119.5	55.4	51.1	160.9	170.6	-31.4	-0.1	129.5	170.5
Ratios alternative non-IFRS performance measures										
EBITDA margin %	16.9	18.4	24.6	23.0	19.0	19.6	-64.3	-0.5	14.4	19.1
EBITDA margin % excluding one-off items	16.9	18.7	24.7	23.2	19.0	19.9	-59.8	-40.9	14.7	18.4

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.

Segment information by geographical region

	Net sales		Non-current assets	
	2018	2017	2018	2017
	The Netherlands	101.9	98.5	166.4
Rest of Europe	69.2	68.3	22.0	20.3
North America	529.7	551.7	201.5	185.8
Other countries	196.4	173.2	136.9	78.5
Corbion total operations	897.2	891.7	526.8	436.5

The above information is based on the geographical location of the assets. Non-current assets exclude those relating to financial instruments, deferred tax assets, and post-employment benefit assets.

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Key figures

Millions of euros	2018	2017
Net sales	897.2	891.7
Operating result	87.9	122.3
EBITDA excluding one-off items ¹	131.6	164.1
Result after taxes	54.3	84.6
Earnings per share in euros ²	0.93	1.46
Diluted earnings per share in euros ²	0.92	1.44
Key data per ordinary share		
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	58,764,635	58,620,564
Weighted average number of outstanding ordinary shares	58,698,602	58,097,383
Price as at 31 December	24.46	27.00
Highest price in calendar year	29.74	29.39
Lowest price in calendar year	23.30	23.15
Market capitalization as at 31 December ³	1,437	1,583
Other key data		
Cash flow from operating activities	99.5	117.7
Cash flow from operating activities per ordinary share, in euros ²	1.70	2.03
Free cash flow ⁴	11.9	24.2
Depreciation/amortization fixed assets	42.0	45.2
Capital expenditure on (in)tangible fixed assets	58.4	49.4
Equity per share in euros ⁵	8.85	8.35
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56
Ratios		
ROCE % ⁶	11.0	17.4
EBITDA excluding one-off items margin % ⁷	14.7	18.4
Result after taxes/net sales %	6.1	9.5
Number of employees at closing date (FTE)	2,040	1,794
Net debt /EBITDA (for covenant purposes) ⁸	1.6	1.0
Interest cover ⁹	25.6	24.4
Statement of financial position		
Non-current assets	616.2	498.1
Current assets excluding cash and cash equivalents	302.5	294.6
Non-interest-bearing current liabilities	140.2	129.4
Net debt position ¹⁰	203.3	162.2
Provisions	28.1	23.5
Equity	520.2	489.3
Capital employed ¹¹	750.5	635.0
Average capital employed ¹¹	709.8	617.1
Balance sheet total : equity	1:0.5	1:0.6
Net debt position : equity	1:2.6	1:3
Current assets : current liabilities	1:0.7	1:0.6

1 EBITDA excluding one-off items is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and one-off items.

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

3 Market capitalization is calculated as number of ordinary shares with dividend rights x share price at 31 December.

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 continued EBIT excluding one-off items, including results from joint ventures and associates, divided by the average capital employed x 100.

7 EBITDA margin % is EBITDA excluding one-off items as defined in note 1 divided by net sales x 100.

8 EBITDA (for covenant purposes) is Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of (in)tangible fixed assets, excluding one-off items, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.

9 Interest cover is EBITDA (for covenant purposes) as defined in Note 8 divided by net interest income and charges.

10 Net debt position comprises interest-bearing debts 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.

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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 2018, Corbion generated annual sales of € 897.2 million and had a workforce of 2,040 FTE. Corbion is listed on Euronext Amsterdam. For more information: www.corbion.com