



Q1 2022 Results

Apr 2022



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Business Highlights

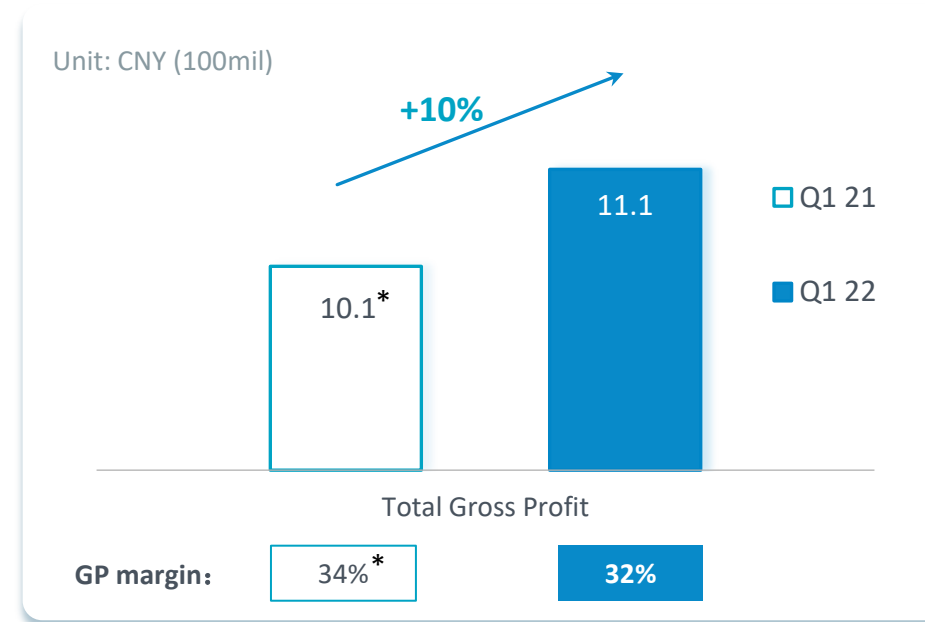
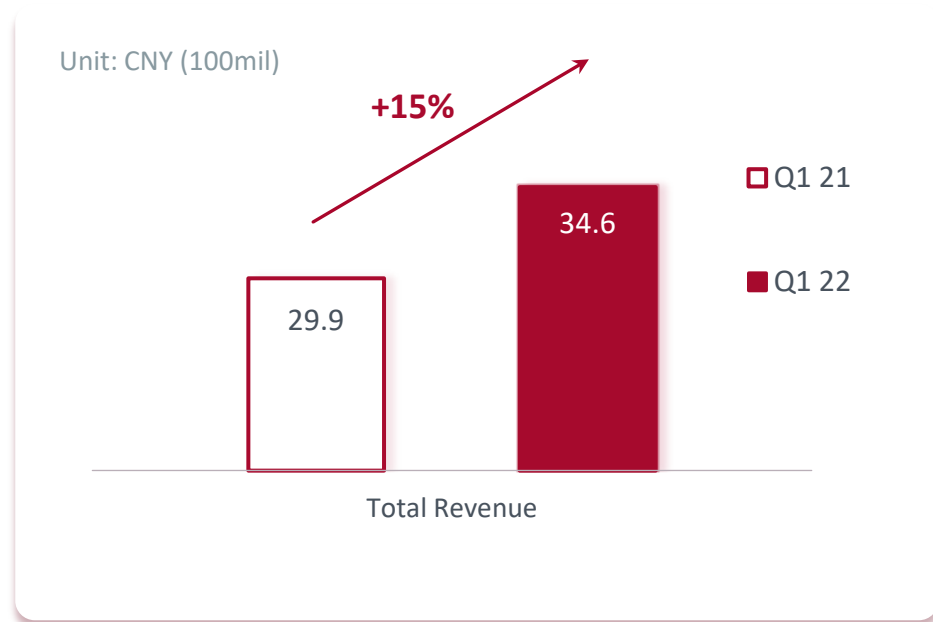
By Jean-Marc Dublanc



Business Highlights

- **Safety & Sustainability:**
 - Safety is and remains Adisseo's First Priority (2022 Q1 TRIR landing **0.45**)
 - Continuity of all activities despite the operational challenges notably from COVID-19
 - Adisseo was awarded the silver level by EcoVadis 2nd time after 2019
- **Q1 2022 strong yoy growth in revenue (+15%) and net profit contributed to shareholders (+16%) despite sharp increase in raw material and energy costs, driven by:**
 - Double-digit growth in revenue and gross profit of performance products
 - Double-digit growth in feed digestibility and Aqua and continued growth in ruminants
- **European plants activities continued despite huge challenges in raw materials and energy supply and sourcing**
- **China Priorities in progress despite constraints linked to COVID-19 resurgence**
 - BANC2 project well on-track
 - Successful restart following maintenance shut-down in Nanjing plant in preparation of the start-up of the new integrated 360KT platform in the 2nd half of 2022
 - Basic Engineering Design of new China Specialty blending facility in progress
- **Calyseo: Construction of 1st Commercial FeedKind® plant on track but facing challenges from COVID-19 restrictions**
- **Specialty capacity expansion project in progress fully leveraging FRAmelco integration**
- **R&D Collaboration in insect nutrition established with Entobel illustrating Adisseo's Open Innovation**

Q1 2022 Growth in Revenue (+15%) and Gross Profit* (+10%)



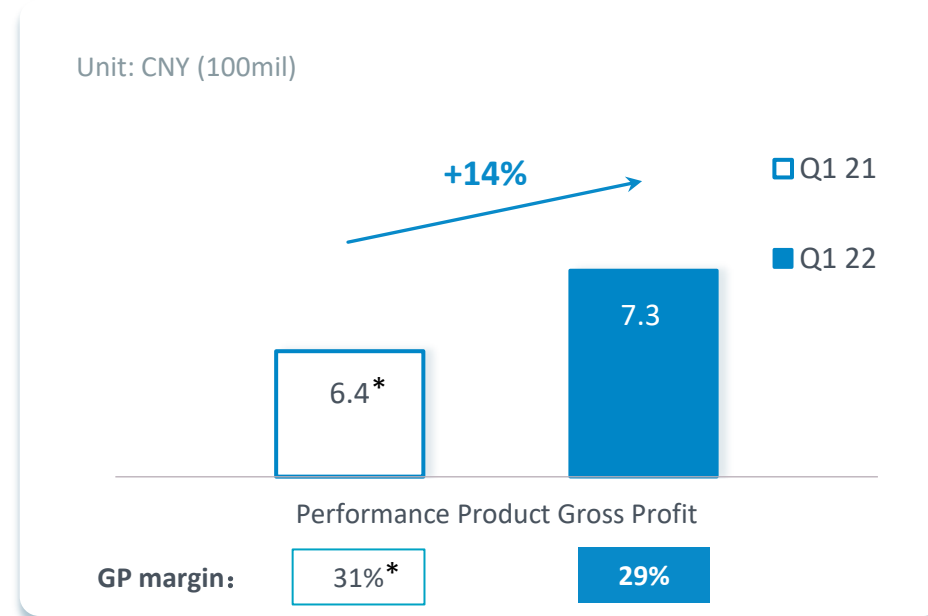
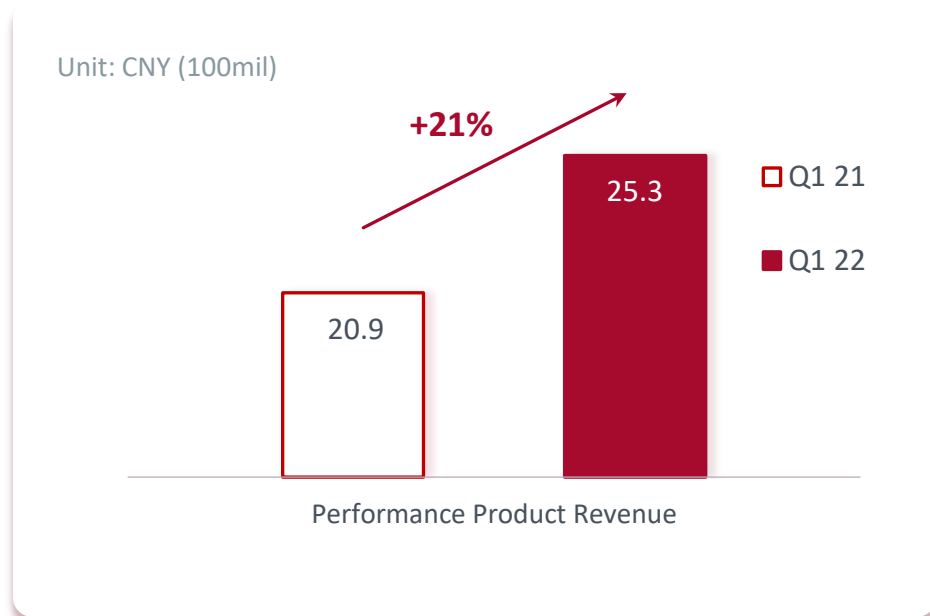
Double-digit growth in revenue (+15%) and in gross profit (+10%) despite sharp increase in raw material and energy costs

- Double-digit revenue growth in performance products led by liquid methionine (+24%)
- Outstanding contribution from liquid methionine by-products
- Double-digit growth in feed digestibility and aqua as well as continued growth in ruminants

Offsetting the dramatic increase of raw material, energy and freight costs

*: (Note: for comparable purpose : 2021 figures restated per 2022 policy)

Performance Products in Q1 2022: growth in revenue (+21%) and in gross profit* (+14%)



Strong growth in revenue (+21%) and in gross profit (+14%) with solid gross margin

- Strong revenue growth in liquid methionine (+24%)
- Methionine prices are being managed in order to best serve customers while protecting Adisseo's profitability
- Outstanding contribution from liquid methionine by-products
- Vitamin A price remained firm even if eroded a bit recently and Vitamin E price rebounded to a high level

Partly offset by

- Continuous sharp rise in raw material and energy cost

*: (Note: for comparable purpose : 2021 figures restated per 2022 policy)

Performance Products Business Highlights



Methionine

- Double-digit revenue growth in both liquid and powder methionine
- European plants operation continued despite huge challenges in raw material and energy supply and sourcing
- BANC2 project on schedule and on cost with excellent safety result (more than 6.9million man-hour zero accident record)
- 45-day maintenance shut-down of Nanjing plant successfully completed and the plant has restarted smoothly, preparing for the new integrated 360KT platform in the 2nd half of 2022
- With the start-up of BANC2:
 - ✓ The capacity to be reinforced further to allocate production strategically between two platforms in Europe and China with the most efficient production and delivery options
 - ✓ Supply reliability and business profitability to be optimized

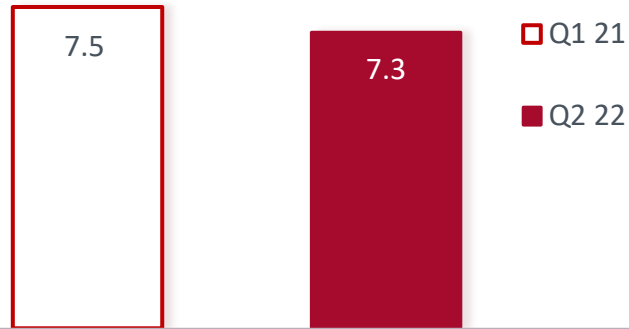


Vitamins

- Vitamin A price remained firm even if eroded a bit recently
- Vitamin E price rebounded to a high level
- A positive contribution from portfolio vitamins thanks to the increased prices

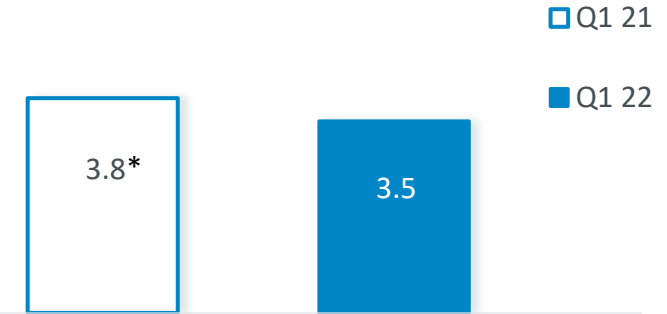
Specialty Products in Q1 2022: Revenue and gross profit* temporarily impacted by product portfolio streamlining

Unit: CNY (100mil)



Specialty Product Revenue

Unit: CNY (100mil)



GP margin:

50%*

48%

Specialty Product Gross Profit

Specialty business revenue and gross profit decreased comparing with Q1 2021 despite continuous growth from strategic products:

- Strong double-digit growth in Feed Digestibility **(+14%)** and Aqua **(+24%)**
- Continued revenue growth in Ruminant business led by double-digit ruminant growth in Chinese and Latin America market
- Solid growth in Health by Nutrition driven by penetration of new products such as Alterion and Selisseo
- Partly offset by lower contribution from feed preservation in the context of streamlining its product portfolio by regions
- Gross margin at **48%** reflecting the on-going efforts to increase price to compensate huge rise in raw material costs

*: (Note: for comparable purpose : 2021 figures restated per 2022 policy)

Key Business Highlights in Specialties

- Strong double-digit revenue growth in feed digestibility **(+14%)** and aqua **(+24%)**
- Continued revenue growth in ruminant business led by double-digit ruminant growth in China and Latin America supported by strong penetration of new ruminant products such as RumenSmart and Smartamine ML despite a temporary softening in the US
- Solid growth in Health by Nutrition driven by the penetration of new products such as Alterion and Selisseo
- Specialties Capacity Expansion Projects was started as scheduled both in Europe and China to support business growth, optimize industrial set-up and improve customer service
- Integration of FRAmelco is progressing from commercial, purchasing and industrial perspective
- As an illustration of Adisseo's Open Innovation approach, R&D collaboration has been established between Adisseo and Entobel, a Singapore based insect producer:
 - ✓ to better understand and enhance insect rearing performance and the nutritional requirement of insects
 - ✓ to reinforce Adisseo's capacity in alternative protein business

China Priorities

- Consolidated Specialty business in China despite COVID-19 resurgence with Ruminants delivering continued double-digit growth
- Research & Innovation Center in China is expanding as planned to accommodate more resources in China
- Basic Engineering Design for the new China specialty blending facility in progress
- Adisseo China Digitalization Roadmap finalized with early benefits expected in the integrated platform in Nanjing plant, especially in yield improvement and HSE management
- Calysseo Chongqing Plant: the first commercial FeedKind® plant on track while facing challenges from COVID-19 restrictions and with excellent safety performance (more than 1million man-hour without accident). It has completed:
 - ✓ 99% of the engineering and purchasing
 - ✓ More than 80% of the construction work



Financial Performance

By Virginie CAYATTE



Q1 2022 Financial Performance

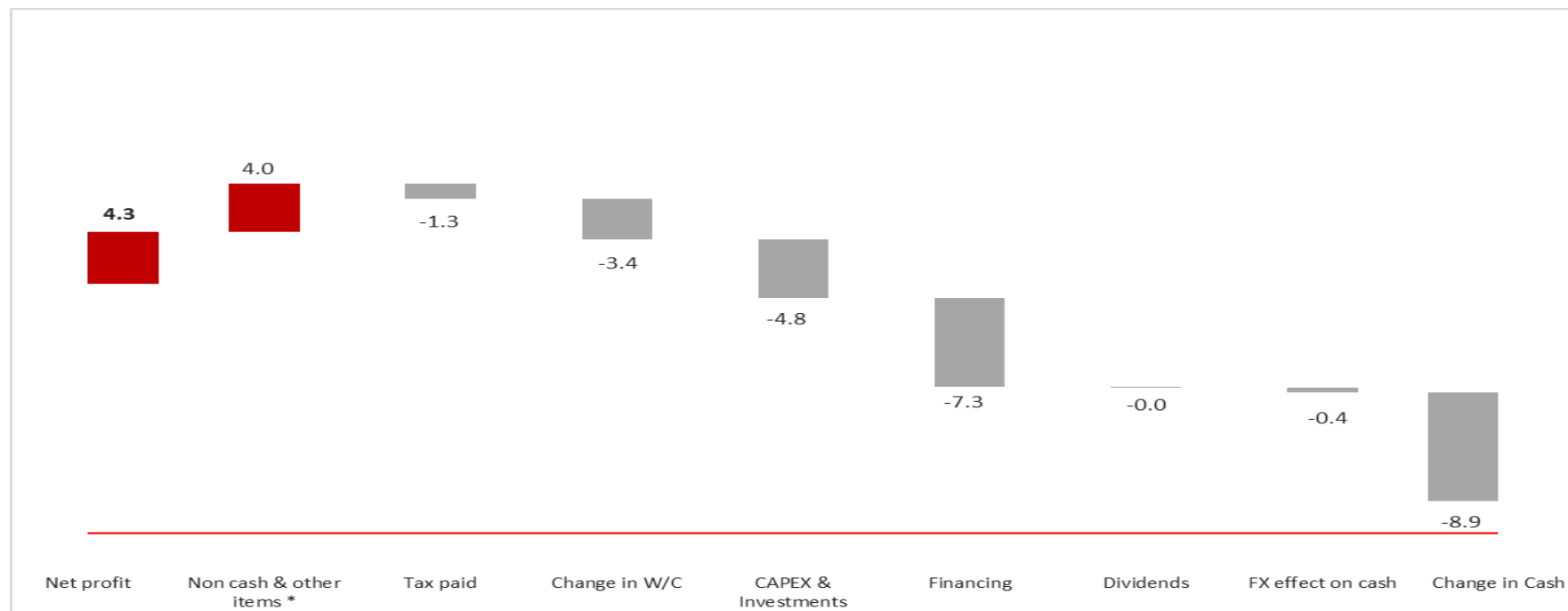
Unit : CNY 100mil	Q1 2022	Q1 2021	VS PY	VS PY%
REVENUE	34.6	29.9	4.6	+15%
GROSS PROFIT	11.1	10.1*	1.0	+10%
EBITDA	8.3	8.1	0.3	+3%
EBITDA MARGIN	24%	27%		
NET PROFIT	4.3	3.7	0.6	+17%
NET MARGIN	12%	12%		
Contributed to shareholders	4.3	3.7	0.6	+16%

2022 Q1 net profit contributed to shareholders achieved **+16%** growth vs 2021 Q1 thanks to growth in gross profit as well as favorable FX impact offsetting on-going investment in research & innovation and sales & marketing investments to pursue business expansion.

*: (Note: for comparable purpose : 2021 figures restated per 2022 policy)



Cash flow Q1 2022



* including amortization, provision & deferred tax

- Cash position as of end of March 2022 is **CNY 1.2bn**, a reduction of **CNY 0.9bn** compared to 31st Dec 2021, mainly driven by the redemption of outstanding preferred shares (**USD250mil**) and self-financed CAPEX investment despite positive cash flow from operating activities.

Corporate Governance & Shareholder Structure

Corporate Governance

- To ensure a more clarified formal delegation to the Company, a set of new implementation rules has been deliberated and approved by the board of directors
- It confirms the company's engagement in strong corporate and social responsibility and its high-quality development

Shareholder Structure

- The conversion of the exchangeable bonds issued by Bluestar started on 21st October 2020 till 2024
- There has been no conversion during this quarter
- Floating has now reached 14.2% of Adisseo market capitalization and is expected to be further increased to 25% upon the full conversion



2022 Outlook

By Jean-Marc Dublanc



2022 Outlook

Business Outlook

Safety and sustainability remain our top priorities.

Volatility and uncertainty are more than ever prevailing. Facing the challenges from raw material supply and cost increase in addition to on-going supply chain disruptions, Adisseo is engaged in delivering sustainable profitable growth while pursuing long-term value-creating investments.

In 2022, revenue growth is expected to accelerate to offset significant raw material cost increase thanks to

- Strong growth in methionine supported by capacity expansion projects
- Robust growth in Specialties
- Continuous proactive margin and cost optimization arising from competitiveness enhancement program
- Leveraging innovation capabilities and external growth opportunities



