

Q3 2021 Presentation

Oct 2021



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Business Highlights

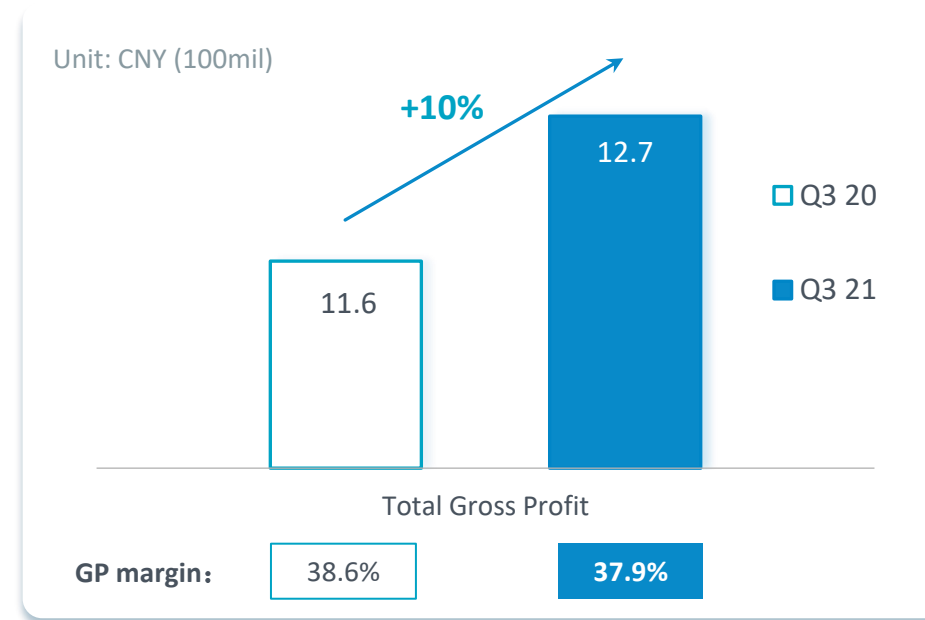
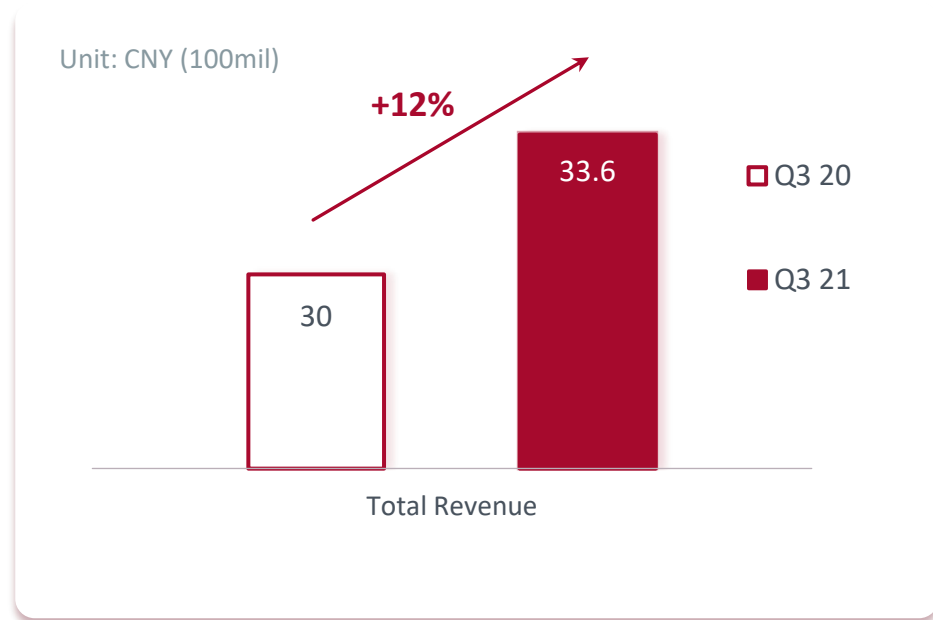
By Jean-Marc Dublanc



Business Highlights

- **Sustainability & Environment: Encouraging performance continued in Q3**
 - Safety is and remains Adisseo's First Priority (2021 TRIR at **0.61**), zero accident remains to be our target, COVID-19 impact well under control
 - Encouraging environmental performance achieved in Q3
- **Double-digit growth in Q3 2021 in revenue (+12%) and in net profit contributed to shareholders (+15%) vs Q3 2020:**
 - Continued strong volume growth in liquid methionine (+11%)
 - Accelerated growth in Specialties (+15%) – reaching historic-high level
 - Proactive pricing management as well as continuous cost competitiveness enhancement offsetting rise in raw material costs
- **European Methionine Debottlenecking project executed on schedule and started running at its full capacity**
- **One-China Strategy keeping the momentum with +58% strong growth in specialty business**
- **2nd Nanjing Plant (BANC 2 project) progressing well**
- **Research & Innovation Center in Nanjing continued to progress as planned for an expected operation by the end of 2021**
- **Calyseo: Construction of 1st Commercial FeedKind® plant on track**

Q3 2021 Growth in Revenue (+12%) and Gross Profit (+10%)



GP margin:

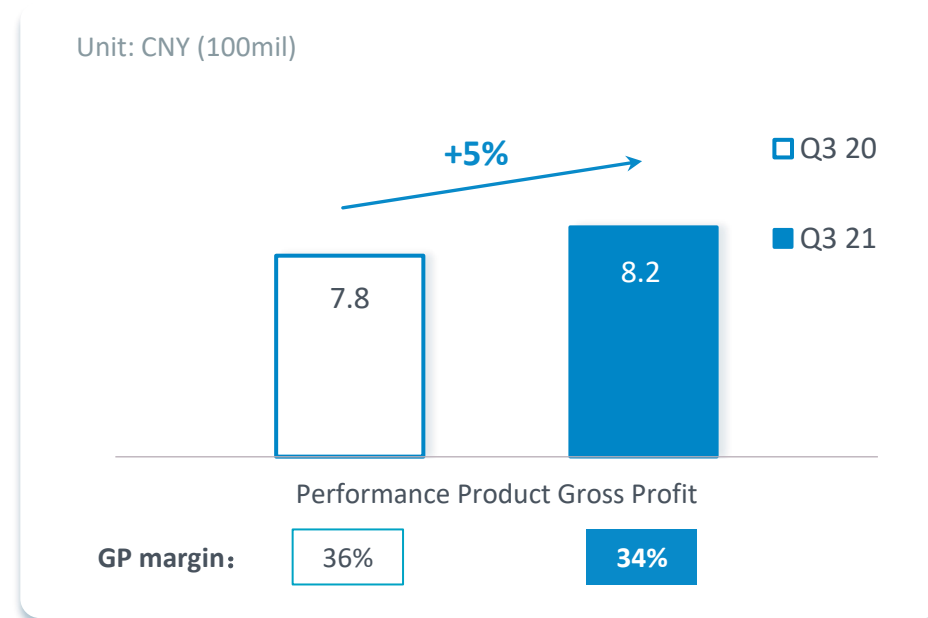
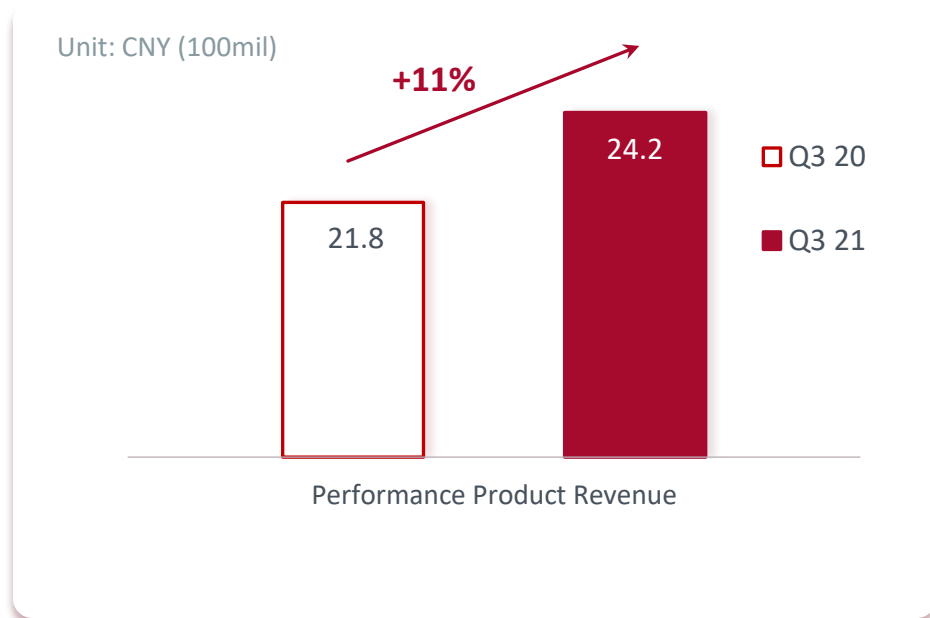
38.6%

37.9%

Double-digit performance in Q3 2021 (both increase in revenue **+12%** and in gross profit **+10%**) thanks to

- Double-digit volume growth in liquid methionine **(+11%)**
- Strong revenue growth in specialties **(+15%)** – **Best-ever quarter**
- Proactive price management leading to the stabilized prices of main performance products at a relatively high level
- Continuous cost competitiveness program allowing to offset partly the rise in raw material costs

Performance Products in Q3: Strong growth in revenue (+11%) and gross profit (+5%)



Sustainable growth in revenue (+11%) and in gross profit (+5%) with a -2ppt lower gross margin:

- Continued double-digit volume growth in liquid methionine
- Methionine prices stabilizing in line with Q2
- Firm Vitamin A & E prices

Partly offset by

- Portfolio vitamins' low selling prices but with limited impact on profitability
- Rise in the raw material costs

Q3 2021 - Performance Products Business



Methionine

- Continued doubled-digit volume growth in liquid methionine (+11%) driven by robust growth in main regions including Asia, Latin America, Europe & Middle East, African region
- Nanjing plant recovered to its full capacity since early Oct
- The new Nanjing plant (BANC2 project) is progressing well despite recent impact from COVID-19:
 - civil work and 80% construction work completed with pre-commissioning phase started
 - with achievement of more than 4millions hours without accident on project
- Debottlenecking of European plant (+30KT) completed by the end of Sept with zero accident through the whole project is running at full capacity
- Adisseo's industrial activity digital transformation: DISPLAY 4.0 project has been awarded at the Chemistry Initiatives 2021 in the category of "Digitalization of Production Processes". With Display 4.0, it will enable Adisseo's industrial activities to gain cost competitiveness, operation efficiency and better anticipation on future process developments



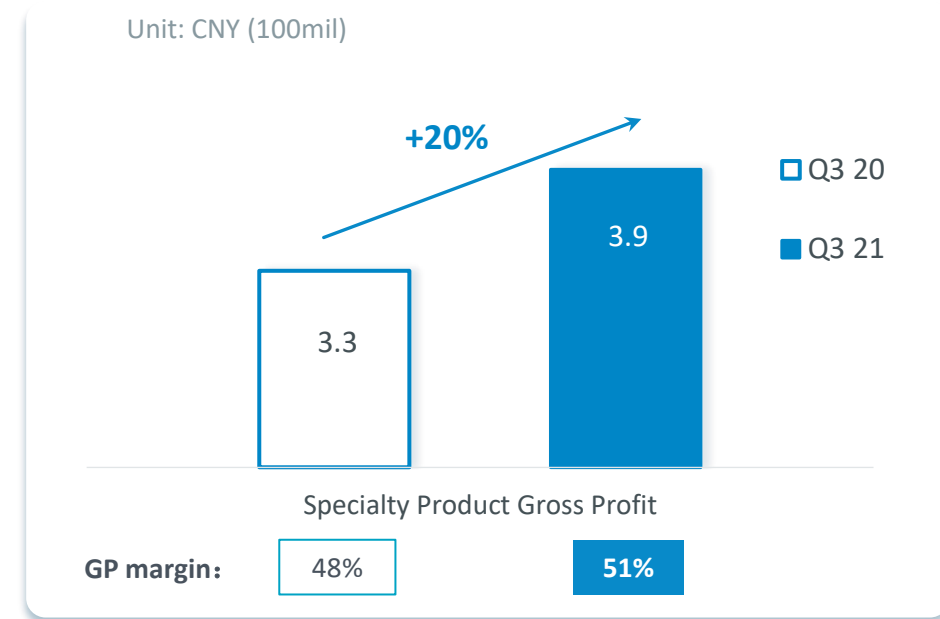
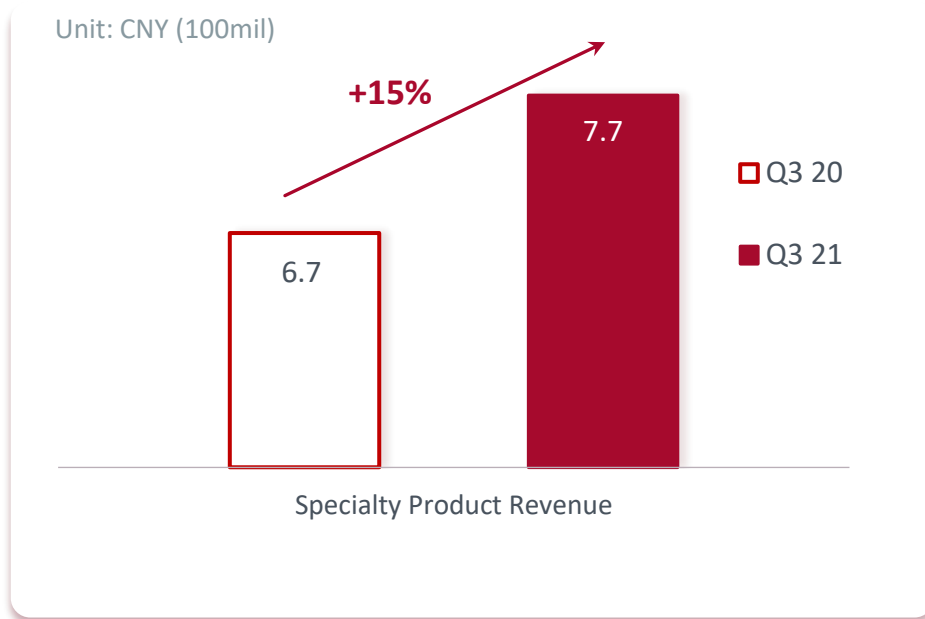
Vitamins

- Vitamin A & E selling price remained firm
- Portfolio vitamins volume increased but selling prices still at low level, but with limited impact on profitability



Q3 Specialty Products – Best quarter ever (CNY770mil)

+15% growth in revenue and +20% growth in gross profit



Specialty business achieved a best-ever quarter in Q3 with high double-digit growth in revenue **(+15%)** and gross profit **(+20%)** mainly driven by FRAmelco acquisition and strong growth in main business lines

- Continued high-double digit growth in Ruminant business **(+17%)**
- Strong growth in Feed digestibility business **(+22%)**
- Solid growth in Healthy by Nutrition **(+7%)**
- Strong Palatability business growth **(+23%)** in main regions with strong dynamic in China and Latin America

Gross margin realized **+3ppt** increase despite strong competitive pressure and cost increase in supply thanks to

- Great contribution from ruminant business
- Effective cost improvement plan



Q3 2021 –Key Business Highlights in Specialties

- Ruminant business presenting good dynamic in Q3 with milk prices stabilizing recently
- FRAmelco: business synergies are underway
- Rovabio Phyplus, a new enzyme product is to be launched by the end of Oct.
- Capacity expansion projects both in Europe and in China started reviewing

Q3 2021 – One-China Strategy steadily progressing

- Continued accelerated penetration of liquid methionine
- Significant growth of Specialty business in China (+58%) in Q3 2021 led by significant growth in ruminant business
- Feasibility study of local blending facility is in progress
- China R&I Center (Nanjing)
 - ✓ Continued to progress as planned for an expected operation by the end of 2021
 - ✓ Received Grant of Jiangsu Provincial Engineering Research Center, an important governmental recognition of Adisseo China R&I capacity
- **Calyseo Chongqing Plant:** the first commercial FeedKind® plant progressing well with 70% completion rate and reached the milestone of 500,000 safe working hours
 - ✓ Key equipment fermentation reactor has been transported to the site and installed in place
 - ✓ The start-up preparation of the project is progressing as planned



Financial Performance

By Virginie CAYATTE



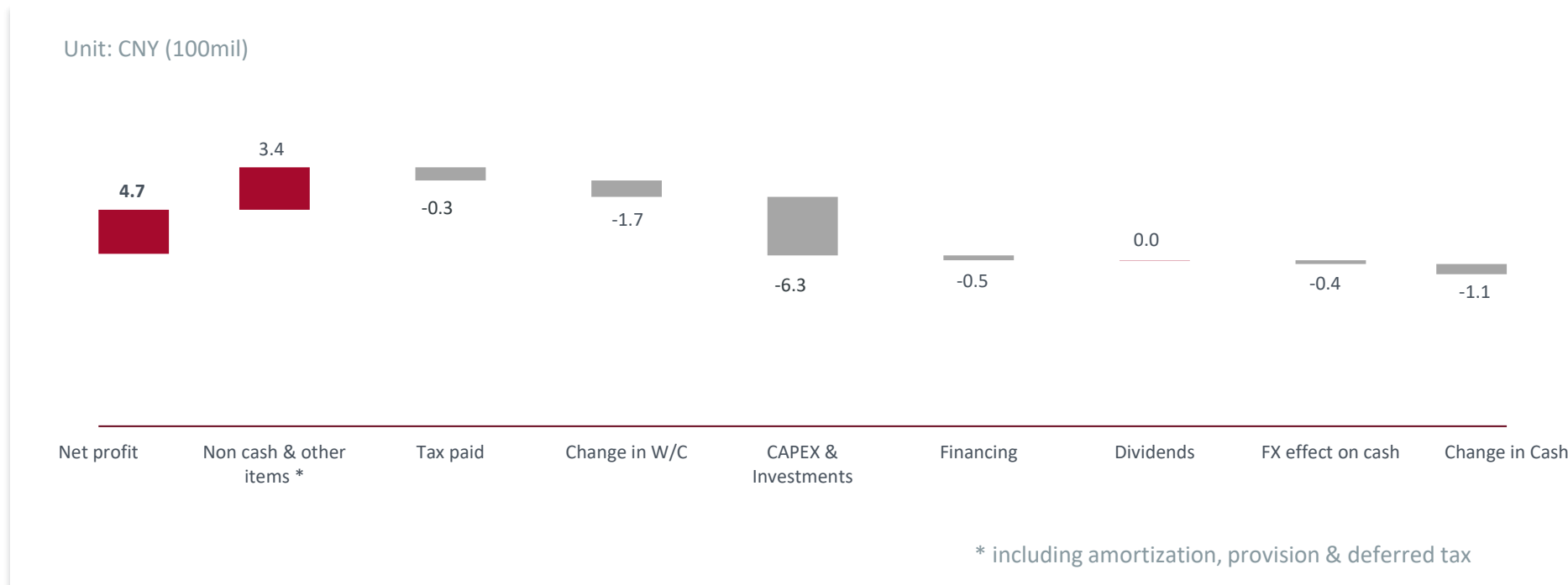
Q3 2021 Financial Performance

QTD REPORTING			
Unit : CNY 100mil	Q3 2021	Q3 2020	vs PY%
REVENUE	33.6	30.0	+12%
GROSS PROFIT	12.7	11.6	+10%
CONTRIBUTION ON SALES	38%	39%	
EBITDA	9.3	8.5	+10%
EBITDA MARGIN	28%	28%	
NET PROFIT	4.7	3.8	+22%
NET MARGIN	14%	13%	
Contributed to shareholder	4.3	3.8	+15%

Q3 2021 net profit contributed to shareholders achieved a yoy growth of **+15%** thanks to strong growth in gross profit and improvement in FX result.

Competitiveness enhancement program continued to deliver recurring savings of around **CNY117mil** partially offset with investments in sales & marketing and research & innovation to support accelerated sustainable development.

Cash flow Q3 2021



Cash position as of end of Sept 2021 is CNY1.94bn, a reduction of CNY0.1bn compared to 30th June 2021.

Positive cash-flow from operating activities in Q3 2021 was largely invested in CAPEX.

Corporate Governance & Shareholder Structure

Corporate Governance

- A new board has been elected at shareholder's meeting in Sept with two new independent directors

Shareholder Structure

- The exchangeable bonds issued by Bluestar started its conversion from 21st October 2020 with conversion period till 2024
- No conversion occurred in Q3
- As of 19th October, still around 22% of total EB was converted with floating reaching 14.2% of Adisseo market capitalization



2021 Outlook

By Jean-Marc Dublanc



2021 Outlook

Business Outlook

In an environment where volatility and uncertainty are more than ever prevailing, sustainability becomes the most important driver for growth strategy with safety remaining to be priority.

Facing the challenges from raw material supply and cost increase in addition to on-going supply chain disruptions, Adisseo is engaged in managing the business development and prices in a proactive and agile way to compensate the negative impact and it will apply on all product categories.



