



H1 2020 Presentation

July 2020



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Business Highlights

By Jean-Marc Dublanc

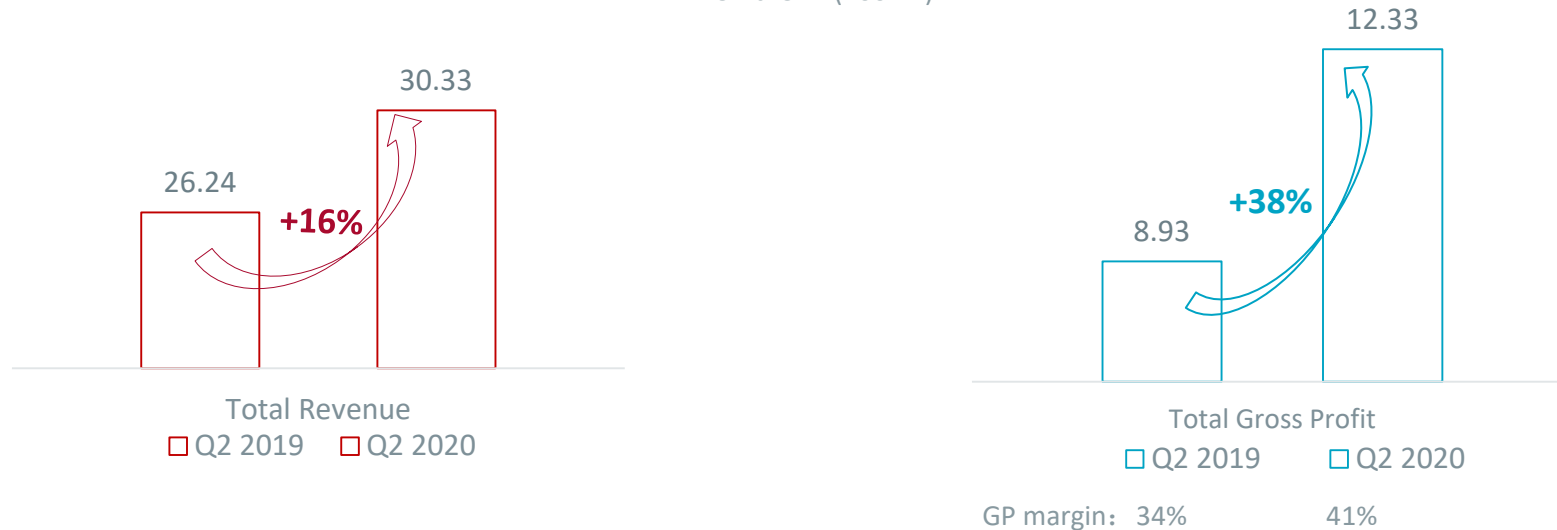


Business Highlights

- ❑ During COVID-19, safety remains first priority to Adisseo's while ensuring its business continuity
 - H1 2020 TRIR at 0.55 leading to 12-month rolling TRIR to 0.60 vs. 0.70 for 2019.
- ❑ Accelerated growth in 2nd quarter realized strong double-digit growth in both revenue **(+16%)** and net profit contributed to shareholders **(+78%)** in the context of challenging macro-environment, thanks to:
 - Double-digit volume growth in liquid methionine
 - Firm Vitamin prices in a context of supply concern
 - Continued strong revenue growth in Specialties, notably driven by dairy market
 - Improved gross margin thanks to decreased raw material costs in addition to price and volume positive impact
- ❑ Smooth restart of Nanjing plant after annual maintenance shutdown despite COVID-19 crisis
- ❑ Investment agreement signed with CEDA (Chongqing Changshou District Economic Development Area) on 30th June, a major step to develop Feedkind® business to capture major aqua market opportunity in Asian market
- ❑ Investment in ViroVet via AVF (a venture fund in which Adisseo is a cornerstone investor), dedicated to the development of disruptive technologies for the control of viral diseases in livestock with potential to reduce the use of antibiotics and significantly improve the livestock industry worldwide.
- ❑ Cost competitiveness program: recurring savings of more than Euro 15mil realized in H1 2020

Q2 2020 Revenue growth (+16%) and Gross Profit growth (+38%)

Unit: CNY (100mil)



➤ Accelerated growth in Q2 2020 both in Revenues and Gross Profit thanks to

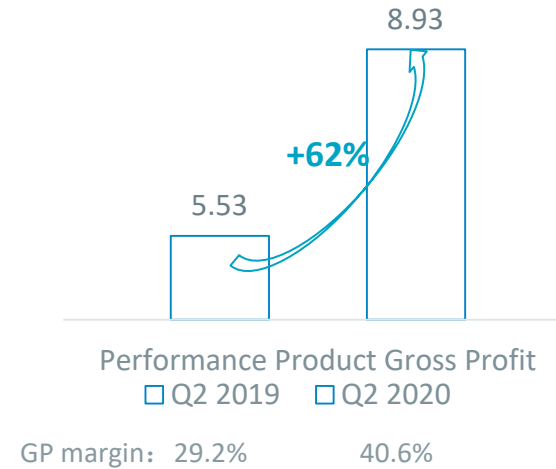
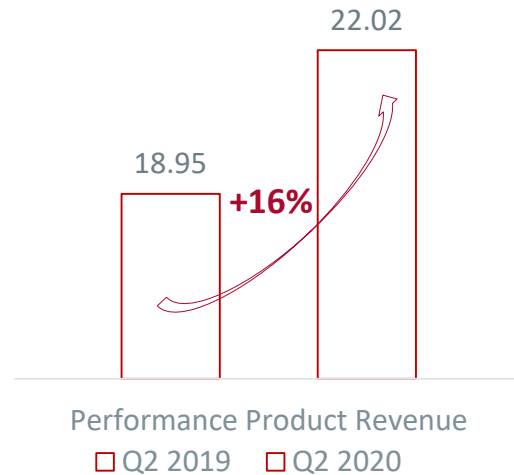
- ✓ Continued double-digit volume growth in liquid methionine (+11%)
- ✓ Firm Vitamin prices supported by strong demand in a context of supply concern
- ✓ Strong revenue growth in specialties (+21%), especially in dairy market

➤ Gross profit margin up from 34% to 41% thanks to

- ✓ Decreased raw material costs
- ✓ Positive impacts thanks to pricing and volume
- ✓ Accelerated growth in dairy products with higher profitability level

Performance Products:

+16% growth in revenue and +62% growth in Gross Profit



+16% growth in performance products in Q2 2020 in revenue and **+62%** in gross profit together with significantly improved gross margin of **+11.4ppt** thanks to:

- ✓ +11% volume growth of liquid methionine
- ✓ Prices remaining at high level and stable supply of Vitamin A
- ✓ Increased prices of Vitamin E
- ✓ Continuous manufacturing and supply all along COVID-19 pandemic in all our plants
- ✓ Positive impact from decreased raw material costs to be further reflected in the coming months

Q2 2020 - Performance Products Business

➤ Methionine

- ✓ Continuous double-digit volumes growth in liquid methionine in the context of COVID-19
- ✓ Nanjing plant smoothly restarted after its annual maintenance shut-down in June despite COVID-19 pandemic, now entering full-capacity production.
- ✓ BANC2: Preparatory work on site for construction has been completed with the permit in place and construction activities continues as expected.

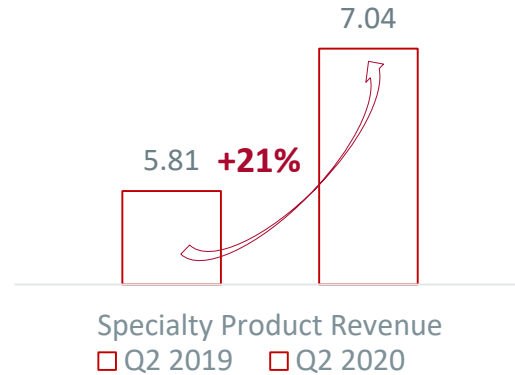
➤ Vitamins

- ✓ Remained the strong positioning of Vitamin A in a context of supply concern
- ✓ Increased Vitamin E pricing in the market in the context of COVID-19



Specialty Products: +21% growth in revenue and +24% growth in Gross Profit

Unit: CNY (100mil)



Continued strong growth in Q2 2020 with stabilized gross profit margin despite market pressure on some business line in the context of COVID-19 pandemic:

- ✓ Accelerated growth in dairy business **(+55%)** driven by highest-ever sales of Smartamine® business in US market
- ✓ Best quarter ever in Aqua **(+67%)**

Beside significant contribution from dairy business, successful switch in Digestive performance products to a higher value range (Rovabio® Advance) also contributed to the growth in gross profit.

Q2 2020 - Specialty Products Business

➤ Business Dynamics

- ✓ Accelerated growth in dairy business **(+55%)** driven by record sales in US
- ✓ Strong acceleration in Aqua **(+67%)** despite COVID-19 impact
- ✓ Palatability business back to growth **(+19%)** driven by sales in US and Latin America.
- ✓ Strong penetration in North America and Latin America of Selisseo® Business **(+76% in volume)**

➤ AVF Investment

- ✓ Another new investments completed in ViroVet via AVF (a venture fund in which Adisseo is the cornerstone investor), dedicated to the development of disruptive technologies for the control of viral diseases in livestock with potential to reduce the use of antibiotics and significantly improve the livestock industry worldwide.

➤ Projects

- ✓ Digital signing ceremony with Chongqing Changshou Economic Development Area on 30th June unveiled a major step to develop Feedkind® business in Asia market





Financial Performance

By Virginie CAYATTE



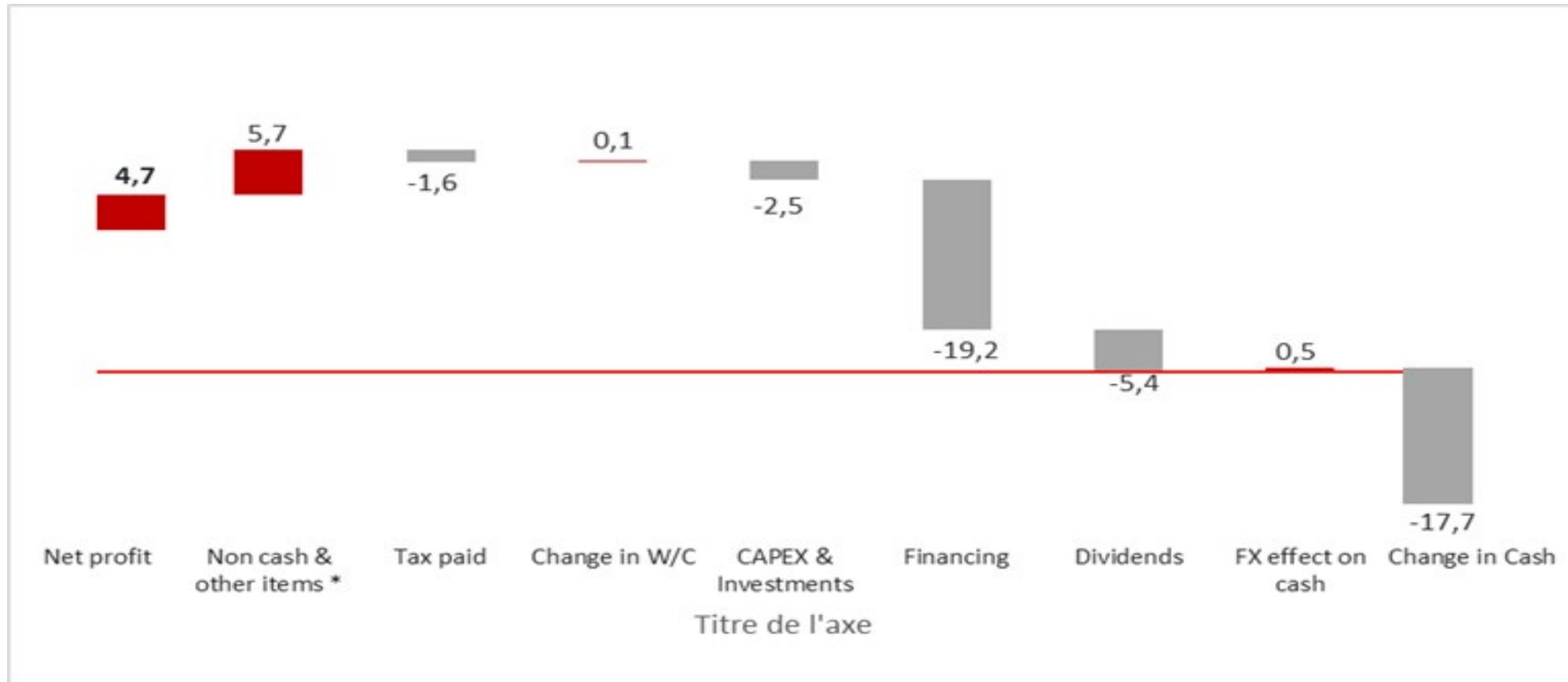
Q2 2020 Financial Performance

Unit : CNY 100mil	Q2			
	Q2 2020	Q2 2019	vs PY	vs PY
REVENUE	30,3	26,2	+4,1	+16%
GROSS PROFIT	12,3	8,9	+3,4	+38%
EBITDA	9,3	6,6	+2,7	+41%
EBITDA MARGIN	31%	25%		
NET PROFIT	4,7	3,3	+1	+41%
NET MARGIN	15%	13%		
- Contributed to shareholders	4,2	2,4	+2	+78%

- Q2 2020 net profit contributed to shareholders resulted a very strong growth momentum with **+78%** yoy growth
- Successful implementation of Competitiveness Enhancement Program realized recurring savings of more than Euro 15million in H1 2020, while at the same time enabled continuous investment in sales & marketing capacities to support notably future growth in specialty business
- Completing of 15% buy-back contributed to the growth in net profit contributed to shareholders.

Cash flow Q2 2020

Unit: CNY (100mil)



Cash position as of end of June 2020 is CNY3.3bn (-CNY1.8bn compared to Q1 2020), the positive cash-flow from operating activities generated was invested in CAPEX & Calysseo, payment of 15% buy-back as well as dividend distribution.





2020 Outlook

By Jean-Marc Dublanc



2020 Outlook

Business Outlook

In a volatile environment reinforced by COVID-19 pandemic, Adisseo is confident and engaged to ensure its employees' safety and business continuity and to deliver accelerated profitable growth thanks to:

- Better-than-market volume growth in liquid methionine
- Accelerated growth in Specialties
- Market Opportunities in Vitamin business
- Continued positive benefit arising from decreased raw material costs as well as proactive margin and cost management

15% buy-back has been executed at the end of April and will contribute to the increase of net profit attributed to shareholders.





Thank you!

Q&A

