



Quick Report 2018 Presentation

Feb 13th 2019



Disclaimer

- This document has been produced by Bluestar Adisseo Company Limited. ("the Company") and is only used in the Company's investor meetings.
- There is information in this document which have not been independently verified by third parties. A number of factual or predictive descriptions in this document are from external and are not audited independently by the Company or its directors, supervisors, officers, employees, agents, affiliates, consultants or representatives
- There are no representations or warranties, either express or implied, about the fairness, accuracy, completeness or correctness of the information in this document. Therefore, no one shall have any dependence on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. The information stated or contained in this document may be changed without notice and will not be updated as the significant developments that occur after the road shows. The Company or its directors, supervisors, officers, employees, agents, affiliates, consultants or representatives, will not be liable (for any negligence or otherwise) for any losses arising from any use of this document or its contents or any other reasons in relation to this document
- There are forward-looking statements in this document, such as those relating to the global economy, trend of the animal nutrition industry and company-related statements, which are based on a number of assumptions. Whether these assumptions are true or not is influenced by a range of unknown or known factors, including those beyond the control of the Company that could cause the actual performance of the Company materially differ from the forward-looking statements, or implied opinions contained in the statements. It is reminded that readers should not unreasonably rely on the forward-looking statements in this document as the actual results may be seriously deviated from the forward-looking statements contained in the document. Neither the Company nor its directors, supervisors, officers, employees, agents, affiliates, consultants or representatives, shall be responsible for updating the above opinions or forward-looking statements regarding events or circumstances that occur after the presentation
- This document does not constitute, nor is it intended to be, nor should it be construed as an offer or solicitation to sell, issue or invite to purchase or subscribe for securities issued in any jurisdiction by the Company, holding company or subsidiaries of the Company, nor does it constitute an investment inducement for the above securities. No part of this document, nor any distribution of this document, shall form the basis of any contract or commitment and no contract or promise shall be relied upon any part of this document
- This information is for your own use only and no part of this document may be reproduced in whole or in part, for any purpose, in any way, disclosed or distributed, directly or indirectly, to anyone else (insiders or outsiders). The Company, or its directors, supervisors, officers, employees, agents, affiliates, consultants or representatives, bears no responsibility and accepts no liability as to the copying or distribution of this document to anyone without the authorization, or as to the distribution of the information contained therein.

Table of Contents

1. Business Update
2. Financial Performance
3. Outlook





Business Update

By Jean-Marc Dublanc



FY2018: Key highlights

- TRIR: FY@0.76with Q4 @0.53: continuous improvement in H2 (vs. H1 @ 0.96)
- In the context of fiercer competition and tougher macro-environment, FY 2018 revenues had a Y.o.Y growth of 10%, nearly flat gross profit with gross margin successfully maintained at a solid level of 35% in 2nd half of 2018, mainly driven by
 - Steady volume growth in liquid methionine
 - Exceptional contribution from Vitamins in a context of volatile market supply situation
 - Despite ruminant business exposed to milk crisis, thanks to combined development of Adisseo and Nutriad products, Specialty products enjoyed accelerated growth (+31% sales)
- New Nanjing Plant (BANC2) project started and progressing as planned
- European Platform Expansion Project (Polar project): completed and operated smoothly in Q4 2018
- Business synergies arising from Nutriad integration are confirmed
- First investment from Adisseo's Venture Fund (AVF) closed in early 2019
- Long-term Strategic Cooperation Project on sourcing of key Vitamin A intermediates signed and on track

FY2018 business performance

Unit: CNY100mil	Operating revenue		Var.	Gross Profit		Var.	Gross Profit ratio		Var.
	FY18	FY17	(%)	FY18	FY17	(%)	FY18	FY17	(ppt)
Performance products	85.0	81.0	5%	25.9	28.1	-8%	30%	35%	-5ppt
Specialty products	22.6	17.3	31%	11.1	9.7	15%	49%	56%	-7ppt
Other products	6.6	5.7	17%	2.8	2.6	8%	43%	46%	-3ppt
Total	114.2	104.0	10%	39.9	40.5	-1.6%	35%	39%	-4ppt

Despite headwinds, the revenue achieved double-digit growth (+10 %) with gross profit landed nearly similar level as last year.

Adisseo business remains resilient facing the deteriorated macro environment such as raw material cost increase. The gross profit margin reduced from 39% to 35%, however, stabilized at 35% in H2 2018.

Performance Product: FY2018 Dynamics

Methionine

- Steady volume growth in liquid methionine
- Margins under greater pressure mainly due to the combination of price pressure and increase in raw material costs
- Important projects well on schedule:
 - European platform capacity expansion project (Polar) completed and successfully started at the end of 2018
 - Panda 2 Project well on schedule, enabling the production capacity increased to 170KT per year and manufacturing efficiency also improved to its new level
 - BANC2 project started and progressing as planned both in terms of schedule and budget
- Rhodimet A-dry obtained EU authorization in early 2019

Vitamins

- Vitamin A market still enjoys high prices due to the product uncertainties in 2018.
- Long-term Strategic Cooperation Agreement in sourcing key intermediates of Vitamin A signed and on track

Specialties: FY 2018 Dynamics

Specialties continued performance (+31 % Sales) in spite of dairy market crisis in US market

➤ Business Dynamic

- Alterion® & Selisseo®: significant volume growth especially in APAC, EMEA and South America. Alterion now registered in all main markets across the world.
- Nutriad integration: A new integrated organization following Nutriad acquisition has been set up and started to operate. Business synergies are confirmed with promising business potential in aquaculture market

➤ AVF Update

- First investment (USD700K) on the development of nanoscale portable device that can be used easily at any point in the supply chain and retrieve results in real time has been completed in early 2019. ha, which will create great value in the whole food production cycle.
- Several projects in the pipeline, allowing to fuel innovation in terms of new products & solutions development



Financial Performance

By Virginie CAYATTE



FY2018 Financial Performance

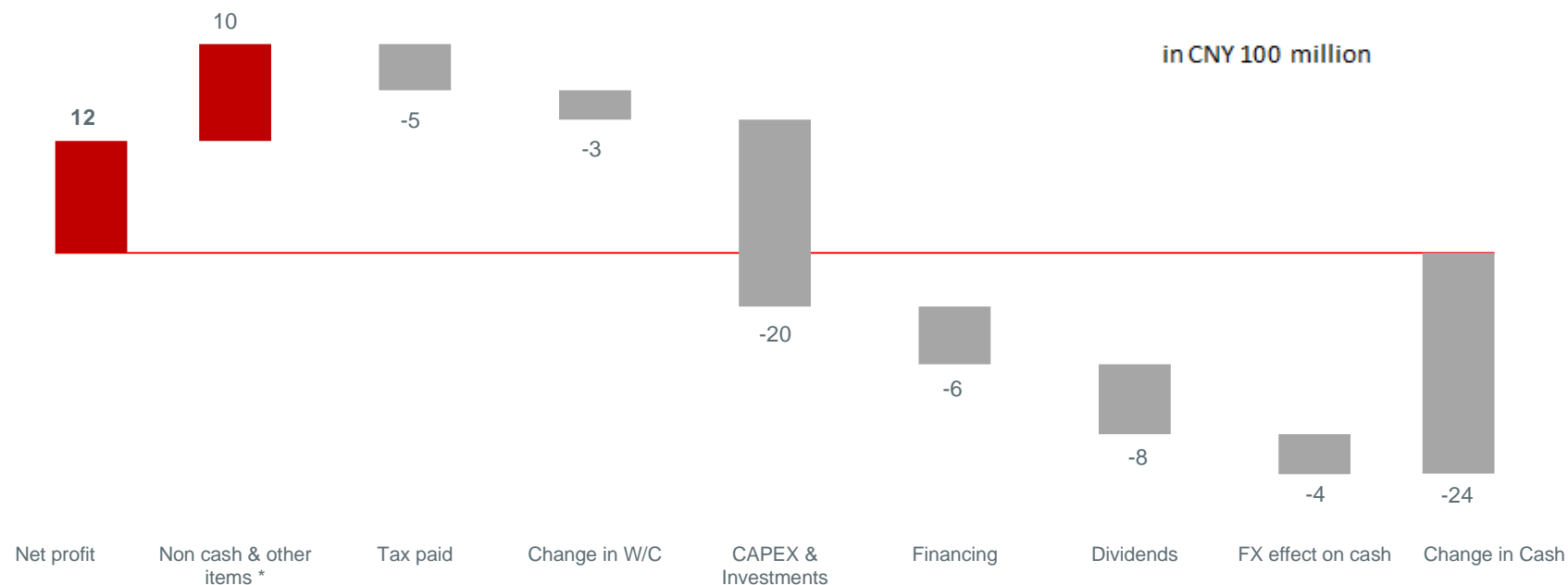
Unit : CNY 100mil	YEAR TO DATE		
	ACTUAL	PRIOR YEAR	VS PY
REVENUE	114.2	104.0	+10%
GROSS PROFIT	39.9	40.5	-1%
CONTRIBUTION ON SALES	35%	39%	
EBITDA	26.7	30.8	-13%
EBITDA MARGIN	23%	30%	
Depreciation/Provision	-9.4	-8.1	-16%
Financial result incl. changes in FV	-0.5	1.1	-145%
OPERATING PROFIT	16.7	23.8	-30%
Income tax expenses	-4.8	-7.1	+33%
EFFECTIVE TAX RATE	-28.4%	-29.8%	
NET PROFIT	12.0	16.8	-28%
NET MARGIN	11%	16%	
- Contributed to shareholders	9.1	13.2	-31%
- Contributed to non-controlling interests	2.9	3.5	-18%

- The net profit contributed to shareholders landed at CNY9.1 million, representing a yoy decrease of -31% mainly due to EBITDA decrease (-13%) due to on-going investment in R&D and sales and marketing as well as increased depreciation and negative F/X impact

Unaudited figures presented to BAC Audit Committee

(Full year 2018 audited consolidated accounts are expected to be presented to the Board on 20th March and to Shareholders meeting for approval on 25th April).

FY2018 Cash flow statement



* including amortization, provision & deferred tax

- Cash position as of December 31st, 2018 : RMB 5.3bn
- The positive cash flow obtained from operating activities was mainly consumed on investments (including acquisition of Nutriad), partial repayment of preferred shares and dividend.

Unaudited figures presented to BAC Audit Committee

(Full year 2018 audited consolidated accounts are expected to be presented to the Board on 20th March and to Shareholders meeting for approval on 25th April).



Outlook

By Jean-Marc Dublanc



Outlook for 2019

Business development

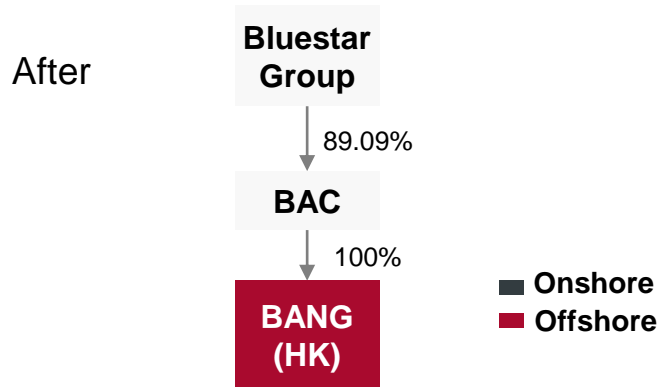
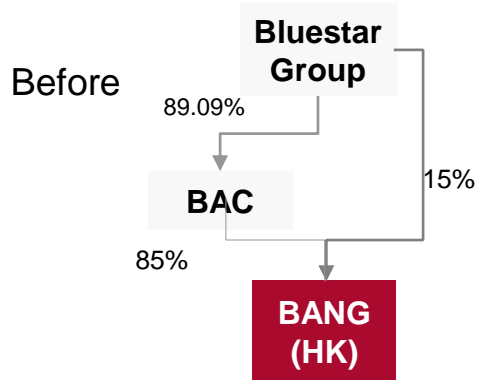
- In an overall challenging environment, Adisseo is and will continue to implement its “two pillar” strategy to consolidate its leadership in methionine by further penetration of liquid methionine as well as acceleration of sales growth in specialties through organic and external growth to deliver profitable and sustainable growth.
- Adisseo is undertaking and accelerating its competitiveness improvement plan which is expected to deliver about 30m€ savings on annualized basis.

Financial structure

- In order to simplify its shareholding structure, Adisseo reached an agreement with its parent company Bluestar to acquire the 15% stake of Adisseo's subsidiary Bluestar Adisseo Nutrition Group (“BANG”) currently held by Bluestar at the consideration of CNY3.614 billion in two phases, the second portion will be executed after refinancing of Adisseo. Upon the completion of the transaction, Adisseo will ultimately wholly own BANG, while Bluestar's 89.09% of stake in Adisseo will remain unchanged. The transaction is subject to the approval of shareholders' meeting.

15% Buy-back (board approved on 16th Jan, subject to shareholder meeting approval)

Deal



• In order to simplify its shareholding structure, Adisseo reached an agreement with its parent company Bluestar to acquire the 15% stake of Adisseo's subsidiary Bluestar Adisseo Nutrition Group ("BANG") currently held by Bluestar at consideration of CNY3.614 billion in two phases, the second portion will be executed after refinancing of Adisseo. Upon the completion of the transaction, Adisseo will ultimately wholly own BANG, while Bluestar's 89.09% of stake in Adisseo will remain unchanged. The transaction is subject to the approval of shareholders' meeting.

■ Improving profitability of BAC

Net profit attributed to the shareholders will be increased after the acquisition thanks to an attractive price and the EPS will be more attractive for investors.

■ Achieving the overall consolidation of Adisseo and Simplify the organization structure

Adisseo will be able to list as a whole after the deal, which is beneficial for the improvement of governance structure as well as the realization of simplification in org chart, hence easier for more synergies.



Thank you!

Q&A

