



*Automatic English translation
from French official version*

Half-year results 2023

Activity for the 1^{er} half-year

Favourable sales momentum in specialities, but a still complex competitive environment in commodities

A fall in business levels and sugar prices weighing on operating profitability

Outlook

Continued improvement of industrial processes and control of fixed costs, plan to transform facilities towards the production of specialities

Preparing the contract production offer

Search for new levers to restore profitability and secure the Group's financing

Clermont-Ferrand, 28 September 2023 - (FR0004177046 METEX), METabolic EXplorer (METEX), a leader in industrial fermentation for the production of natural ingredients for the animal feed, cosmetics and biopolymers markets, today published its consolidated half-year results to 30 June 2023. The Group's activity in the first half of the year continued to be affected by the difficult economic climate, which weighed on sales. At the end of June 2023, Group sales totalled €69.1m, compared with €129.3m at the end of June 2022. This change is attributable to an erosion in sales of commodities, despite a more favourable sales momentum in specialities.

In specialities, METEX is benefiting from the quality of its extensive catalogue. Sales have been rising sequentially in both volume and value since the fourth quarter of 2022. At the end of June 2023, sales of specialities totalled €45.9m, with Valine and Tryptophan in animal nutrition showing steady growth.

In the PDO market, cosmetics sales are at a satisfactory level. However, the Group anticipates increased competition in this segment from the second half of the year. In Technical PDO, despite the effects of the crisis in Europe and the slowdown in construction markets, sales held up well. At 30 June, Specialities accounted for 67% of Group sales, compared with 39% at end-June 2022, helping to improve the product mix.

The decline in commodity sales continued over the half year as a whole, with sales of €22.6m compared with €78.9m in the first half of 2022. As a result of the impact of the international economic situation, and in particular the much weaker than expected recovery in Chinese growth in the first half of the year, competition from Asia intensified in the European market, resulting in significant pressure on selling prices.

Profitability impacted by the level of activity, the European sugar price and fixed costs

As already mentioned, despite the dynamic recovery in Specialities sales during the first half of the year, the Group's level of activity weighed on the half-year accounts. In addition, energy prices (fixed in advance to 2023) remain high, and there is constant inflation in the price of European sugar, which has doubled in the last twelve months and is now well above the price of world sugar.

These factors have automatically weighed on the Group's profitability. At 30 June 2023, METEX's EBITDA was €9.7m, compared with €7.4m at the end of the first half of 2022.

After a depreciation charge of €4.4m at end-June 2023, equivalent to that at 30 June 2022, operating income before non-recurring items was €15.2m, compared with €12.7m at end-June 2022.

Including net financial expense, which was stable at €2.1m (compared with €2.2m at end-June 2022), the Group's net profit was €16.9m, compared with €18.4m in the first half of 2022.

Simplified income statement ¹

In €M	1 ^{er} half-year 2023	1 ^{er} half-year 2022
Sales figures	69,1	129,3
EBITDA	-9,7	-7,4
Profit from recurring operations	-15,2	-12,7
Operating profit	-14,9	-13,2
Net income	-16,9	-18,4

Balance sheet analysis

At 30 June 2023 :

- The Group's shareholders' equity was €95.1m, compared with €103.7m at 31 December 2022.
- Inventories, which include raw materials and finished goods, totalled €59.7m. As a reminder, inventories stood at €86.3m at 30 June 2022, with the introduction of an integrated supply chain having enabled finished goods inventory levels to be optimised.
- Consolidated gross cash amounted to €47.9m, compared with €13.5m at 31 December 2022. Group debt amounted to €116.3m (of which €18.1m at less than one year), compared with €52.1m at 31 December 2022. This figure includes €62.3m relating to financing transactions carried out during the 1^{er} quarter of 2023². Cash net of debt was -€68.4m, compared with €38.6m at 31 December 2022. Given the level of activity, competitive pressure and input costs, the Group's cash position remains under pressure despite the

¹ The statutory auditors have performed a limited review of the interim consolidated financial statements. The limited review report is in the process of being issued.

² See the press release dated 27 February 2023, available at www.metabolic-explorer.fr, on the finalisation of financing operations for the 2023-2024 strategic plan.

financing transactions mentioned above. METEX expects this pressure to continue in the coming quarters and is working with its partners to find new levers to restore profitability and secure financing.

Outlook: continuation of the transformation plan towards specialities

On the commercial front, commodity sales are likely to continue to be heavily impacted by the international economic situation over the coming months, with much weaker-than-expected growth in China over the first half of the year leading to increased sales of amino acids from Asian competitors to the European market, and consequent downward pressure on selling prices.

As mentioned, production costs are also likely to remain under pressure, particularly in relation to sugar prices in 2023.

Against this backdrop, the Group has focused on application segments that place greater value on the quality of its speciality products (such as TILAMAR® PDO with NØØVISTA™), the associated services and the local, decarbonised origin of production.

At the same time, action plans have been implemented to optimise price levels and prioritise the allocation of product volumes that contribute most to the Group's operating margin.

On the industrial front, the Group is pursuing its efforts with a plan whose initial effects are already being felt and will continue to materialise in the medium term:

- Diversifying the types of sugar that can be used without affecting production process yields. Encouraging advances in this area have enabled the METEX teams to extend the range of this type of input.
- Making the tool more agile and flexible.
- Improving the energy efficiency of processes (10% efficiency gains achieved by 2023 on the energy consumption stub).
- Continuous optimisation of fixed costs (almost 20% reduction in fixed costs in the space of 2 years).

The Group also intends to adapt its production facilities for existing and future specialities such as glycolic acid. The launch of METEX glycolic acid will be a first for the cosmetics industry, which is looking for biobased solutions.

In addition, to optimise the use of its production facilities, the Group has entered into commercial discussions with a number of manufacturers for the contract manufacture of speciality ingredients. This contract manufacturing offer meets the needs of industrial players. At a time when capital available to finance industrial investment is increasingly scarce, this METEX *toll manufacturing* offer is an opportunity for innovation players looking for first-rate production capacity and recognised expertise in the development, scale-up and industrial implementation of fermentation processes. The Group has already received some very encouraging expressions of interest.

APPENDICES

Consolidated income statement

(in thousands of euros)

	30.06.2023	30.06.2022
Sales figures	69 123	129 265
Other operating income	800	645
Cost of goods sold	-67 931	-121 222
Research and development costs	-3 802	-4 527
Selling expenses	-5 432	-8 945
Administrative costs	-7 279	-6 989
Other operating expenses	-656	-975,638
Profit from recurring operations	-15 177	-12 749
Non-current operating income	475	0
Non-current operating expenses	-154	-490
Profit from recurring operations	-14 855	-13 239
Income from cash and cash equivalents	344	727
cost of gross financial debt	-2 411	-2 904
Cost of net financial debt	-2 067	-2 176
Tax expense (-) / income	0	-3 000
Net income	-16 923	-18 415
Of which Group share	-16 923	-18 415
Earnings per share (in euros)	-0,33	-0,50
Diluted earnings per share (in euros)	-0,31	-0,47
Net income	-16 923	-18 415
Currency translation adjustment	0	0
Actuarial gains and losses on pension commitments	-75	0
Other comprehensive income	-75	0
Total net income	-16 998	-18 415
Of which :		
Group share	-16 998	-18 415
Minority interests	0	0

Consolidated balance sheet

(in thousands of euros)

ASSETS

	30.06.2023	31.12.2022
Intangible assets	14 816	14 721
<i>Tangible assets</i>	89 080	86 182
Non-current financial assets	563	675
Deferred tax assets	6 323	6 323
TOTAL NON-CURRENT ASSETS	110 782	107 902
Stocks	59 681	47 546
Trade receivables and related accounts	24 353	25 998
Current tax receivables	2	
Other current non-financial assets	15 632	28 838
Other current financial assets	50	20
Cash and cash equivalents	47 862	13 490
TOTAL CURRENT ASSETS	147 581	115 893
TOTAL ASSETS	258 363	223 794

LIABILITIES

	30.06.2023	31.12.2022
Capital	5 092	4 383
Bonus	140 462	133 203
Legal reserves	212	212
Other reserves	-33 710	16 729
Net profit (group share)	-16 923	-50 834
TOTAL SHAREHOLDERS' EQUITY	95 134	103 693
Bank debt and other non-current financial liabilities	91 199	25 383
Non-current provisions		
Other non-current liabilities	4 766	7 359
Deferred tax liabilities	0	579
TOTAL NON-CURRENT LIABILITIES	95 965	33 321
Bank debt and other current financial liabilities	25 108	26 493
Trade payables and related accounts	27 005	40 613
Other current liabilities	15 151	19 674
TOTAL CURRENT LIABILITIES	67 264	86 780
TOTAL LIABILITIES	258 363	223 794

END -

Next event:
9 November 2023 after close of trading - Sales for the 3rd quarter 2023

About METabolic EXplorer – www.metabolic-explorer.com

Contributing to the ecological transition through innovations for the production by fermentation of functional ingredients used in the manufacture of consumer goods.

Using renewable raw materials, the Group develops and industrialises innovative and competitive industrial fermentation processes as an alternative to petrochemical processes to meet consumers' new societal expectations and the objectives of the energy transition.

Its two industrial units, METEX NØØVISTAGO and METEX NØØVISTA, allow the METEX Group to achieve its ambition of becoming one of the world leaders in functional ingredients produced by fermentation for the formulation of cosmetic products, animal feed or the synthesis of biopolymers market 1,3 propanediol (PDO) and butyric acid (BA).

Based at the Clermont Limagne technology park, near Clermont-Ferrand, METabolic EXplorer is listed on Euronext in Paris (Compartment B, METEX) and is included in the CAC Small Index.

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