



Financial information

Q1 2022

Consolidated turnover of €67 million

First quarter of 2022

Start of the strategy to adapt the site for production of a new specialty amino acid:

- First work on developing a production line for a new specialty amino acid
- Adjustment of commodity amino acid volumes sold accordingly
- Last phase of replenishing commodity amino acids

2022

Ambitious objectives against a backdrop of growing uncertainty:

- War in Ukraine and widespread rise in production costs on livestock farms
- Plant protein/cereal spreads to help meet amino acid demand
- A second quarter that will be marked by the outbreak of avian flu in Europe
- Circumstances characterised by supply issues for amino acids from China as a result of the pandemic
- Amino acid prices on the rise in the second half of the year

Clermont-Ferrand, 5 May 2022 - (FR0004177046 METEX), METabolic EXplorer (METEX), the leader in industrial fermentation for the production of ingredients of natural origin for the cosmetics, animal nutrition and biopolymer markets today released its financial information for the first quarter of 2022.

At the end of March 2022, the METabolic EXplorer Group's consolidated turnover was €67 million.

Consolidated turnover - in €K	Q1 2022	Q1 2021
METEX NØØVISTAGO	65,668	71,909
METEX NØØVISTA	1318	0
METEX	12.5	12.5
Group Total	66,998.5	71,921.5

Adaptation of the METEX NØØVISTAGO site for production of a new specialty amino acid

In the first quarter, the Group started to implement **its product mix appreciation strategy** to reduce METEX NØØVISTAGO's exposure to commodity amino acids and strengthen sales of its specialty products.

With this in mind, the Group has upgraded an existing production line at its Amiens plant so it can accommodate a specialty amino acid. The commercial benefits of reallocating production resources are expected to be apparent in the coming months.

This work on upgrading the production line was carried out at the same time as the final phase of replenishing the stock of commodity amino acids. As a reminder, during the HCl incident in May 2021, the Group focused on maximising client service and depleting its stocks in the process.

Ultimately, the drop in commodity amino acid sales volumes over the third quarter resulted in a €6.3m drop in sales.

Sales of specialty products hold steady, with an increase in sales of customised solutions

Tailor-made solutions developed by METEX NØØVISTAGO are meeting the challenge of the animal sector being decarbonised and dependence on soya being reduced. They saw an increase in sales over the first quarter of 2022 compared with 2021.

As a reminder, METEX NØØVISTAGO has acquired the resources to meet these challenges and to keep pace with market growth through its transformation plan for the Amiens site, which will free up production capacity for specialty amino acids.

METEX NØØVISTA: sales growth in line with expectations

The Group also benefited from sales of PDO (1,3-Propanediol) produced by METEX NØØVISTA for the production of technical fluids, polymers and cosmetic formulations. Sales for the first quarter of 2022 amounted to €1.3m. They were from turnover generated by the production unit over the entire 2021 financial year, which is evidence of the benefits of the stabilisation plan. The industrial ramp-up to meet the demand for PDO is expected to be accompanied by an increase in sales prices to cope with the rise in raw material prices.

Cash and cash equivalents

Henceforth, the Group will report its cash position on a half-yearly basis. The Group considers that against a backdrop of increased international competition, this aggregate is an indicator that can guide the commercial and strategic decisions of other stakeholders in the sector.

In 2022, ambitious targets being achieved against a backdrop of growing uncertainty

Sales in the Baltic States, Russia and Ukraine account for less than 2% of METEX NØØVISTAGO's turnover. However, the war in Ukraine has caused a sharp rise in the price of the raw materials used by our clients and is putting pressure on European supplies of vegetable proteins (mainly sunflower). The livestock sector is turning more to soybean meal, resulting in a higher spread between soybeans and cereals. This high spread favours the use of amino acids, for the technical and economic optimisation of animal feed.

In the second quarter, METEX NØØVISTAGO's sales volumes are expected to be impacted by the intense avian flu outbreak in France. A return to normality for the sector is expected starting this summer.

The European amino acid market is likely to change over the forthcoming months against a backdrop of increased logistical and supply tensions, due to the zero COVID-19 policy in China.

The group has assessed this mix of events and has concluded – albeit cautiously – that it can maintain its target of growing its turnover. This will be facilitated by the integration of METEX NØØVISTAGO over a 12-month period in a context in which METEX – Europe's only producer of amino acids by fermentation – will be able to help bolster value chains under pressure. As ramp-up of the METEX NØØVISTA site continues in Carling, turnover should be some €350 million over the year, with an EBITDA/sales ratio close to 8%.

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Upcoming events:

18 May 2022 – Capital Market Day
28 July 2022 – Q2 2022 financial information

About METabolic EXplorer – www.metabolic-explorer.com

Contributing to the ecological transition through innovations for producing and marketing low-carbon functional ingredients used in the manufacture of consumer goods.

Using renewable raw materials, the company 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 functional ingredients of natural origin are used in the formulation of cosmetic products, nutrition-animal health or as intermediates for the synthesis of biomaterials.

The METEX NØØVISTA production unit based in Carling, in Moselle, allows the METEX Group to market 1,3 propanediol (PDO) and butyric acid (BA).

The acquisition of AANE, the no. 1 European amino acid production site for animal nutrition, means the METEX Group can achieve its ambition to become one of the world leaders in the functional ingredients market.

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.

Find us at:   

Register at the following address to obtain financial information from METabolic EXplorer:

www.metabolic-explorer.com

Investor Relations – ACTIFIN

Benjamin Lehari

Tel: + 33 (0) 1 56 88 11 11

Email: blehari@actifin.fr

Press Relations – ACTIFIN

Isabelle Dray

Tel: + 33 (0) 1 56 88 11 11

Email: idray@actifin.fr