

## A good first half: 5.3% in organic growth

- ✓ On track with the 2016 implementation plan
- ✓ Reduction in the number of product references and a higher value-added product mix based on strategic categories
- ✓ Strong growth in emerging countries

*Press release*

Avignon, 29 July 2016 - Naturex, the global leader in specialty plant-based natural ingredients, announces its 2016 second quarter and first half revenue<sup>1</sup>:

### Progress towards a sustainable and profitable model for growth in line with the 2016 implementation plan

Revenue for the 2016 first half amounted to €208.0 million, or organic growth 5.3%, like-for-like and at constant exchange rates. At current exchange rates, revenue was up 2.7% from the 2015 first half.

The 2016 second quarter had revenue of €103.6 million, including an unfavourable currency effect, versus a high comparison base of €104.0 million from the 2015 second quarter. Like-for-like and at constant exchange rates, organic growth in the 2016 second quarter was 4.4%.

### Reduction in the number of product references and a higher value-added product mix based on strategic categories

(€000's) IFRS (Unaudited data)	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015	Revenue mix (%)	Change (%)	
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales <sup>3</sup>
My Natural Food	107,863	102,846	51.8%	+4.9%	+4.9%
My Natural Selfcare	71,128	64,882	34.2%	+9.6%	+9.1%
Other activities*	29,050	34,921	14.0%	-16.8%	-1.4%
<b>TOTAL</b>	<b>208,041</b>	<b>202,650</b>	<b>100.0%</b>	<b>+2.7%</b>	<b>+5.3%</b>

\* of which H1 2015 krill toll manufacturing sales: €5,192,000

**My Natural Food** had sales of €107.9 million in the 2016 first half, up 4.9% from last year's same period.

<sup>1</sup> Refer the tables for details by quarter

<sup>2</sup> Organic growth: growth at constant exchange rates and like-for-like (excluding acquisitions, disposals or discontinued operations, businesses...)

<sup>3</sup>Krill toll manufacturing sales: €2,789,000 for the Q1 2015 and €2,403,000 for Q2 2015. Business transferred at the end of 2015 to the JV with Aker BioMarine, with the disposal of Naturex's stake announced in March 2016 and, as of this date, completed.

The growing influence of consumers, in particular Millennials<sup>4</sup>, with a preference for "clean and clear" labelling combined with the consumer trend towards minimally processed products based on natural ingredients have incited food processing manufacturers over the past few months to adopt a proactive approach in the reformulation of their product ranges from synthetic to natural.

On that basis, organic growth in the 2016 second quarter reached 6.5% with €54.8 million in sales. This performance was achieved despite the high comparison base from the 2015 second quarter and highlights the product mix's shift to key value added categories<sup>5</sup>, identified under the Bright2020 strategic plan, and offsetting the effects from reducing the number of product references that began in 2015.

**My Natural Selfcare** had €71.1 million in revenue, up 9.6% from the 2015 first half, supported by Naturex's solid commitments in terms of sustainable access to natural resources, traceability and quality control of its raw materials and plant extracts to meet the requirements of its customers and reinforce the confidence of end consumers in favour of healthy, authentic and efficient products.

In this context, the 2016 second quarter had €34.1 million in revenue with organic growth of 3.9%, driven by the shift towards a higher value added product offering providing clinically substantiated benefits and plant extracts with verified and certified properties.

**Other Activities** had revenue of €29.1 million, down 16.8% from the 2015 first half, reflecting primarily the discontinuation of the krill toll manufacturing activity that over the first two quarters of the prior year generated €5.2 million in sales.

## Strong growth from emerging countries

(€000's) IFRS (Unaudited data)	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015	Revenue mix (%)	Change (%)	Organic growth %
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales
Europe/Africa/Middle East*	77,797	78,808	37.4%	-1.3%	+6.3%
North America	90,922	91,741	43.7%	-0.9%	-1.9%
Latin America	14,043	10,613	6.7%	+32.3%	+32.0%
Asia/Pacific	25,278	21,487	12.2%	+17.6%	+20.0%
<b>TOTAL</b>	<b>208,041</b>	<b>202,650</b>	<b>100.0%</b>	<b>+2.7%</b>	<b>+5.3%</b>

\* of which H1 2015 krill toll manufacturing sales: €5,192,000

The **Europe/Africa/Middle East region** had revenue of €77.8 million in the 2016 first half with organic growth of 6.3%. This region is significantly impacted by the effects of the rationalization of the product portfolio and the decrease in non-strategic activities, and will continue to be so in the 2016 second half.

In the second quarter revenue amounted to €38.4 million with organic growth of 3.4%, despite a macroeconomic environment that is still very volatile.

<sup>4</sup> Millennials (or Generation Y): the demographic cohort born approximately between the early 1980s and the mid-1990s.

<sup>5</sup> Key product categories identified within the Bright2020 strategic plan: natural colours, natural antioxidants, fruit and vegetable-based ingredients, and phytoactives.

For information, following the announcement of the Brexit by the United Kingdom, the Group considers that the impact of the pound's devaluation will be marginal, in light of the limited contribution of sales in this currency.

**North America** had €90.9 million in revenue in the 2016 first half, relatively stable (-0.9%) following the large comparison base of the 2015 first half.

Whereas the 2016 first quarter was under considerable pressure, the second quarter had revenue of €45.8 million, with organic growth of 2.1%, driven by the strong contribution of the Food & Beverage segment.

With the nutraceutical segment still subject to more stringent regulatory pressure, sequential growth between the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2016 offers the first signs of improvement, reflecting in particular the organization and measures adopted by the Group to reduce strains on the supply chain and ensure an optimal service to its customers.

The **Latin America** and the **Asia/Pacific** regions continue to show robust business development with double-digit sales growth reflecting renewed commercial momentum provided by the new local management organization that is already capturing the potential of these emerging markets.

*"The solid organic growth of the 2016 first half confirms the positive momentum generated by the action plans adopted in this first year of the Bright2020 strategic plan's implementation. This performance demonstrates our commitment to pursuing the rationalization of our product portfolio and to consolidate our activity around our strategic lines of action. With all our teams throughout the world, we are focusing on continuing to build a solid, sustainable and profitable model for growth, in line with the objectives of Bright2020"* commented Olivier Rigaud, Chief Executive Officer and Director of Naturex.

*"These efforts, combined with our rigorous and disciplined approach in streamlining and energizing our operating model, will have a significant positive effect at the level of the 2016 first half's current operating EBITDA margin, in line with analyst consensus."*

You can receive all financial information of Naturex free of charge by signing up at: [www.naturex.fr](http://www.naturex.fr)

#### ▶ Financial schedule

- 2016 first half consolidated results: 13 September 2016

#### ▶ Upcoming events

- Analyst meeting - SFAF (Paris) 14 September 2016
- Capital Market Days (Avignon) 27 and 28 October 2016



### **About Naturex**

Naturex sources, manufactures and markets natural speciality ingredients for the food, health and cosmetic industries. As the Natural Maker, the company actively supports the global shift from synthetic to natural through an offer built on two main focus areas: My Natural Food and My Natural Selfcare. Naturex's portfolio includes colours, antioxidants, speciality fruits & vegetables, phytoactives, and numerous other plant-based natural ingredients, designed to create healthy, authentic and effective products.

The Group's strong commitment to quality, sustainability, continuous innovation process, and the talent of its people are at the heart of its success.

Headquartered in Avignon, France, Naturex has experienced steadily-increasing growth throughout the last 20 years. The group posted €397.8 million in sales in 2015 and employs 1,700 people worldwide.

The Group is listed on Euronext Paris, Compartment B – Index: Euronext Next 150, Euronext CAC PEA-PME 150, CAC Small & Mid, CAC Small, Gaïa - Ticker: NRX - Reuters: NATU.PA - Bloomberg: NRX:FP - DR SYMBOL: NTUXY

**NATUREX, From Nature to You**

### ► **Contacts**

#### **Carole Alexandre**

Investor Relations

Tel.: +33 (0)4 90 23 78 28

[c.alexandre@naturex.com](mailto:c.alexandre@naturex.com)

#### **Anne Catherine Bonjour**

Actus Finance Press Relations

Tel.: +33 (0)1 53 67 36 93

[acbonjour@actus.fr](mailto:acbonjour@actus.fr)

## APPENDIX

### - 2016 H1 revenue by quarter

(€000's) IFRS (Unaudited data)	FY 2016	FY 2015	Change (%)	
			Current exchange rates	Organic growth <sup>6</sup> %  Constant exchange rates excl. krill toll manufacturing sales <sup>7</sup>
1 <sup>st</sup> quarter	104,404	98,602	+5.9%	+6.3%
2 <sup>nd</sup> quarter	103,637	104,047	-0.4%	+4.4%
<b>1<sup>st</sup> half</b>	<b>208,041</b>	<b>202,650</b>	<b>+2.7%</b>	<b>+5.3%</b>

<sup>6</sup> Organic growth: Growth at constant exchange rates and like-for-like (excluding acquisitions, disposals or discontinued operations, businesses...)

<sup>7</sup> Krill toll manufacturing sales: €2,789,000 for the Q1 2015 and €2,403,000 for Q2 2015. Business transferred at the end of 2015 to the JV with Aker BioMarine, with the disposal of Naturex's stake announced in March 2016 and, as of this date, completed.

- Quarterly revenue mix by business

## 1<sup>st</sup> quarter

(€000's) IFRS (Unaudited data)	1 <sup>st</sup> quarter 2016	1 <sup>st</sup> quarter 2015	Revenue mix (%)	Change (%)		Organic growth %
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales	
My Natural Food	53,083	50,049	50.8%	+6.1%	+3.2%	
My Natural Selfcare	37,029	31,452	35.5%	+17.7%	+14.7%	
Other activities*	14,291	17,102	13.7%	-16.4%	-1.2%	
<b>TOTAL</b>	<b>104,404</b>	<b>98,602</b>	<b>100.0%</b>	<b>+5.9%</b>	<b>+6.3%</b>	

\* of which Q1 2015 krill toll manufacturing sales: €2,789,000.

## 2<sup>nd</sup> quarter

(€000's) IFRS (Unaudited data)	2 <sup>nd</sup> quarter 2016	2 <sup>nd</sup> quarter 2015	Revenue mix (%)	Change (%)		Organic growth %
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales	
My Natural Food	54,779	52,797	52.9%	+3.8%	+6.5%	
My Natural Selfcare	34,099	33,430	32.9%	+2.0%	+3.9%	
Other activities*	14,759	17,820	14.2%	-17.2%	-1.7%	
<b>TOTAL</b>	<b>103,637</b>	<b>104,047</b>	<b>100.0%</b>	<b>-0.4%</b>	<b>+4.4%</b>	

\* of which Q2 2015 krill toll manufacturing sales: €€2,403,000

- Quarterly revenue mix by region

## 1<sup>st</sup> quarter

(€000's) IFRS (Unaudited data)	1 <sup>st</sup> quarter 2016	Q1 2015	Revenue mix (%)	Change (%)		Organic growth %
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales	
Europe/Africa/Middle East*	39,408	38,875	37.7%	+1.4%	+9.3%	
North America	45,101	45,517	43.2%	-0.9%	-6.0%	
Latin America	6,339	4,162	6.1%	+52.3%	+46.1%	
Asia/Pacific	13,556	10,047	13.0%	+34.9%	+34.9%	
<b>TOTAL</b>	<b>104,404</b>	<b>98,602</b>	<b>100.0%</b>	<b>+5.9%</b>	<b>+6.3%</b>	

\* of which Q1 2015 krill toll manufacturing sales: €2,789,000.

## 2<sup>nd</sup> quarter

(€000's) IFRS (Unaudited data)	2 <sup>nd</sup> quarter 2016	2015 2 <sup>nd</sup> quarter	Revenue mix (%)	Change (%)		Organic growth %
				Current exchange rates	Constant exchange rates excl. krill toll manufacturing sales	
Europe/Africa/Middle East*	38,389	39,933	37.0%	-3.9%	+3.4%	
North America	45,822	46,224	44.2%	-0.9%	+2.1%	
Latin America	7,705	6,450	7.4%	+19.4%	+22.9%	
Asia/Pacific	11,722	11,440	11.3%	+2.5%	+6.9%	
<b>TOTAL</b>	<b>103,637</b>	<b>104,047</b>	<b>100.0%</b>	<b>-0.4%</b>	<b>+4.4%</b>	

\* of which Q2 2015 krill toll manufacturing sales: €2,403,000