



2021 annual results

Very high net income, in line with the change in dimension at METEX

- > Consolidated annual revenue of €170m
- > EBITDA improved compared with expectations: -€6.7m
 - > Net income of €82m including goodwill of €89m
- > A strong balance sheet: net cash position of €15m

2022 – major strengths in an uncertain environment

- > Increased interest in amino acids in a context of exceptional price increases for agricultural raw materials for animal nutrition
 - > METEX's introduction of innovative solutions for animal nutrition
- > Decreased visibility due to the sharp increase in certain inputs (energy, ammonia, crude glycerine)

Continuation of 2022 guidance

- > Consolidated revenue of €350m
- > EBITDA rate/revenue of around 8%

Clermont-Ferrand, 31 March 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, publishes its consolidated and audited annual results for 2021.

The elements detailed in this communication include the respective contributions of METEX NØØVISTATA and METEX NØØVISTAGO, the two operating subsidiaries now fully integrated and 100% owned. METEX NØØVISTAGO, previously known as Ajinomoto Animal Nutrition Europe (AANE), has been consolidated into the Group since the end of April and contributes eight months to its annual financial performance.

In €m	2021	2020
Revenue	169.7	0.05
EBITDA	-6.7	-8.6
Current operating income (expense)	-14.3	-10.6
Non-current operating provisions and expenses	88.9	-1
Operating income (expense)	74.5	-9.6
Net income/loss	82.0	-9.8

The financial statements were approved by the Board of Directors on 31 March 2022.

These financial statements were audited and the associated certification reports are currently being prepared.

Consolidated annual revenue in line with forecasts

At the end of December 2021, METabolic EXplorer generated consolidated revenue of €169.7m, in line with the projected results announced previously. This level of activity was driven both by the dynamism of METEX NØØVISTAGO activities (€168.3m in revenue between 1 May 2022 and 31 December 2022) and the gradual start-up of METEX NØØVISTA (€1.3m)

In line with the acquisition of METEX NØØVISTAGO finalised on 30 April 2021, the Group benefited from a favourable trend in the price of amino acids, particularly at the end of the year.

The Group also benefited from the successful commissioning of the METEX NØØVISTA production unit and the marketing of PDO (1,3-Propanediol) and BA (butyric acid). The first deliveries were made to customers such as COVESTRO and VAUDE for the production of sports shoe soles and DSM for cosmetic applications.

On a pro forma basis of consolidation of METEX NØØVISTAGO as of 1 January 2021, METEX Group's annual pro forma revenue would have been €270m.

EBITDA of -€6.7m – improved compared with expectations

In 2021, the Group faced industrial events that weighted its performance over the financial year:

- The breakdown of a Chloric acid tank, leading to a three-week production stoppage, generating a negative impact of €20m on sales for the year and €8m on EBITDA.
- The accelerated heat exchanger in Carling Saint-Avold, generating a negative impact of €2m on sales for the year and around €1m on EBITDA.

These two incidents were perfectly managed, allowing safe restarting of the production units for METEX NØØVISTAGO, in line with METEX NØØVISTA's industrial ramp-up programme.

The Group also faced an increase in commodity prices, notably including a sharp and steady increase in energy and sugar costs during the last quarter of 2021, both of which accounted for the majority of the Group's purchasing costs over the year.

Against this backdrop, EBITDA stood at -€6.7m compared with -€8.6m in 2020. It also incorporates non-recurring income and expenses, including reversal of a provision for €2.3m corresponding to the supreme court judgement in favour of METEX on the dispute in Malaysia.

Operating income amounted to €74.5m in 2021, recording goodwill of €89m relating to the acquisition of METEX NØØVISTAGO in H1 2021.

Net income includes the recognition of a deferred tax asset amounting to €8.5m. It stands at €82.0m.

A robust financial structure to finance its development

Consolidated gross cash-flow, under IFRS amounts to €27.4m versus €18.2m at 31 December 2020. It notably includes gross income of €25.1m corresponding to the contribution in cash from the capital increase via a private placement, for a total amount of €56.6m, carried out in July, €31.5m of which was paid up by offsetting of receivables by Bpifrance. This transaction enabled the SPI fund, operated by Bpifrance on behalf of the French State, to become METEX's leading shareholder, with 25.9% of METEX's capital.

Consolidated gross cash-flow also includes gross proceeds from issuing equity warrants (BSAs), amounting to €2.8m and contributing to financing the acceleration in industrialisation of processes developed in the ALTANØØV® platform. The Group also holds €15.6m in financial investments, recognised as current financial assets under IFRS.

In the end, the Group's financial position shows a net debt of €14.9m at 31 December 2021, with Group shareholders' equity of €154.8m.

2022 Outlook

- **Update on the Russia-Ukraine armed conflict**

The Group states that it does not have any direct commercial or industrial exposure related to the armed conflict, the zone representing less than 1% of total revenue for the Group. On the other hand, it faces an increase in the price of some of its inputs linked to this conflict, particularly energy resources. On the other hand, the increase in the price of raw materials used in animal feed (soybeans and grains) is boosting the interest of Livestock sector customers in amino acids, which enable them to optimise the composition of cattle feed. The impact on the Group's financial performance is currently difficult to assess, as the economic environment is particularly fluctuating.

- [Continued development of the Group's product innovations](#)

Glycolic Acid (GA)

As a reminder, in February 2021 the Group received a subsidy of €9.6m from Bpifrance to support industrialisation of Glycolic Acid. A decision to industrialise after taking into account the conclusions of the engineering studies and validation of the commercial offer is expected by the end of Q2 2022.

The Group reiterates that GA is currently produced exclusively by American and Asian petrochemical companies and that METEX's natural GA production will be the world's first industrial unit.

A new amino acid resulting from METEX's capacity for innovation: L-Valine

In December 2021, the second process from the ALTANØØV® platform for the production by fermentation of L-Valine for the animal nutrition market was validated at the pre-pilot level. This process shows significantly improved competitiveness of the strain compared with current technologies. The purification process, being developed in parallel, aims to obtain a functional ingredient rich in L-Valine. This ingredient will strengthen METEX NØØVISTAGO's commercial offering.

Accelerated development of innovative solutions

These developments will ultimately strengthen METEX NØØVISTAGO's commercial offering. They are part of the approach of developing functional and innovative solutions for animal health and well-being, reducing the use of soy proteins in the manufacture of animal feed and reducing the carbon footprint of meat production.

- [Industrial transformation under way at the METEX NØØVISTAGO plant in Amiens](#)

The Amiens site transformation plan, refined by the first engineering studies carried out since the acquisition, will give the Group new production capacity for amino acids and other speciality products from the ALTANØØV® platform.

As a reminder, this plan has been estimated by the company at €70 million over 4 years and will be financed partly by the €9.6 million subsidy from the France Recovery Plan, partly by the net proceeds of the private placement completed in July 2021, partly by METEX NØØVISTAGO's self-financing and partly by recourse to bank debt.

2022 guidance

For 2022, the Group reiterates its ambition of strong revenue growth, driven by the integration of METEX NØØVISTAGO over 12 months, the continuation of favourable trends in sales prices for amino acids, the expansion of the range of speciality amino acids produced in Amiens, particularly Arginine, and ramp-up of the METEX NØØVISTA plant in Carling. This should amount to €350m over the year.

In light of the inflationary environment, in terms of operating profitability METEX confirms its target of achieving EBITDA on revenue of around 8% in 2022, with the prospect of achieving EBITDA on revenue of over 14% in the medium term.

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Upcoming events:

5 May 2022 – Q1 2022 revenue
18 May 2022 – Capital Market Day

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 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.

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Income statement (€k)

In €k	31/12/2021	31/12/2020
Revenue	169,690	50
Other income	1,885	1,850
Cost of products sold	-153,678	-1,712
Net research and development costs	- 8,129	- 6,127
Commercial costs	-11,037	-1,360
Administrative costs	-11,601	-2,772
Other operating expenses	- 1,465	- 525
Current operating income before payment in shares and non-current items	-14,336	- 10,597
Non-current operating provisions and expenses	91,392	-182
Non-current operating expenses	-2,519	1,127*
Operating income (expense)	74,537	-9,652
Net cost of financial debt/translation differences	- 1,049	- 73
Tax expense (-)/income	8,537	- 32
Total net income	82,025	- 9,757
<i>O/w Group net income (expense)</i>	<i>84,118</i>	<i>-8,942</i>
<i>O/w Non-controlling interests</i>	<i>-2,093</i>	<i>-825</i>