



**TEREOS GROUP
2019/20 H1 RESULTS**

November 15th 2019

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In this document, references to "Adjusted EBITDA" correspond to net income before income tax, the share of income from equity affiliates, net financial income, depreciation and amortization, the impairment of goodwill, the gains resulting from acquisitions on favorable terms, and price complements. It is also restated for changes in the fair value of financial instruments, inventories, and sale and purchase commitments, except for the portion of these items related to trading activities, fluctuations in the fair value of biological assets, the seasonal effect, and non-recurring items. The seasonal effect corresponds to the temporary difference in the recognition of depreciation charges and price complements in the Group's financial statements according to IFRS and the Group's management accounts. Adjusted EBITDA before price complements is not a financial indicator defined as a measure of financial performance by IFRS and may not be comparable to similar indicators referred to under the same name by other companies. Adjusted EBITDA is provided for additional information purposes and cannot be considered as a substitute for operating income or operating cash flow.

Percentages included in the following presentation may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

HIGHLIGHTS

- H1 2019/20 operating results impacted by the **low volumes and sugar prices that marked the 2018 campaign**, particularly in Europe
- **The second quarter marks an inflection point**, being up vs. last year and Q1
- **Improving market fundamentals**, including for sugar
- Closing of the **evolution of the partnership with ETEA**; net proceeds of 215 million euros
- Implementation of **Ambitions 2022** performance plan well on track to generate 200 million euros gains by 2022

KEY FINANCIALS

Key figures M€
Revenues
Adjusted EBITDA
<i>Adjusted EBITDA margin</i>
Operating Income
Net results

18/19 Q2 Published	18/19 Q2	var	
1 056	1 106	50	5%
59	78	19	31%
5.6%	7.0%		
-30	120	150	
-53	78	131	

18/19 H1 Published	19/20 H1	var	
2 114	2 108	-6	0%
143	111	-32	-22%
6.7%	5.3%		
-41	45	86	
-96	-21	75	

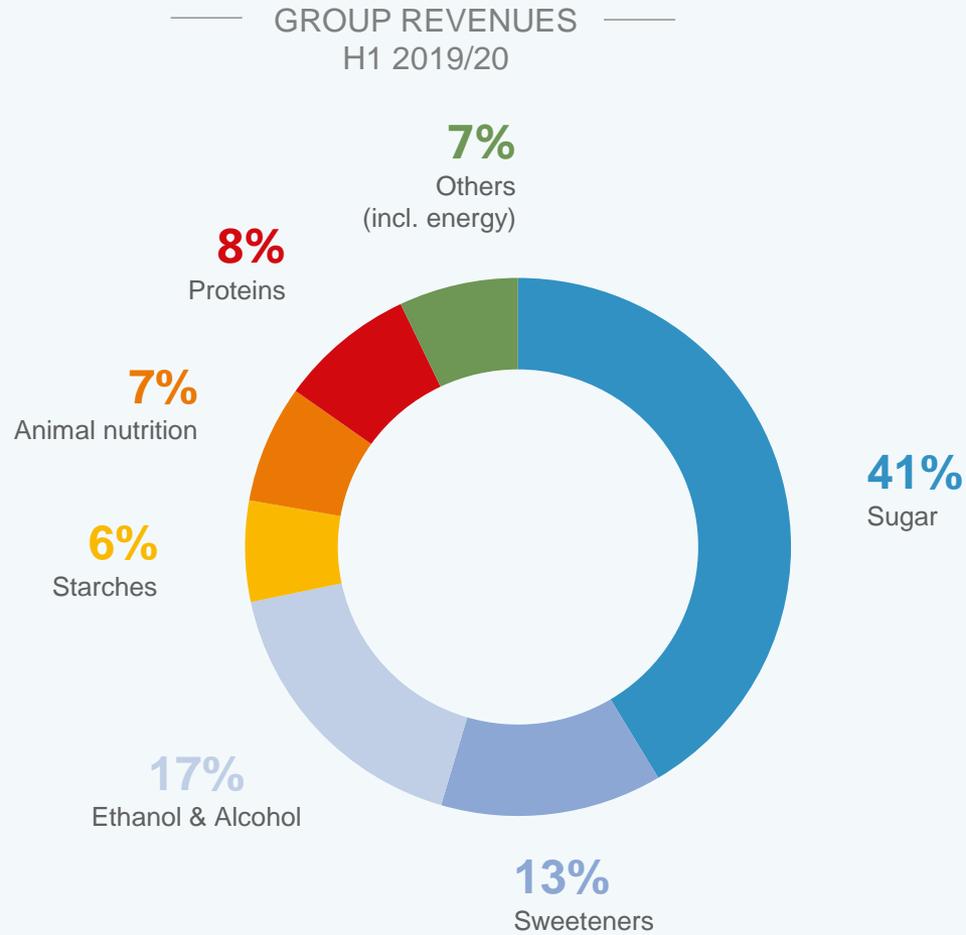
Net debt M€
Net debt
Net debt excluding IFRS16
Net debt to adj EBITDA ratio
Net debt ratio excluding RMI*

March 31 2019	Sept 30 2019
2 500	2 733
2 601	
9.1 x	10.5 x
7.7 x	8,9 x

- Improving second-quarter results
- Half-year results negatively impacted by lower volumes and prices of sugar and sweeteners during the contracting 18/19 season

* Readily Marketable Inventories

A DIVERSE PRODUCT PORTFOLIO



SUGAR EUROPE

Sugar Europe M€	18/19	19/20	var		18/19	19/20	var	
	Q2	Q2			H1	H1		
Volumes sold								
Sugar (kt)	687	606	-81	-12%	1 429	1 237	-192	-13%
Alcohol & Ethanol (k.m3)	170	138	-32	-19%	315	269	-45	-14%
Revenues	425	381	-44	-10%	871	747	-124	-14%
Adjusted EBITDA	2	1	-1	-32%	22	-4	-26	-117%
<i>EBITDA margin</i>	0.4%	0.3%			2.5%	-0.5%		
Operating Income	-22	-32	-11		-33	-64	-31	

- EBITDA stabilization in the second quarter
- Lower volumes sold due to lower yields in 2018 compared to 2017 crop
- European sugar prices at their lowest in the first half of the year; ethanol prices rise
- Positive impact of lower production costs

SUGAR INTERNATIONAL

Sugar International M€	18/19	19/20	var		18/19	19/20	var	
	Q2	Q2			H1	H1		
Volumes sold								
Sugar (kt)	416	442	27	6%	739	680	-59	-8%
Alcohol & Ethanol (k.m3)	102	92	-9	-9%	242	199	-43	-18%
Revenues	213	235	22	10%	412	398	-14	-3%
Adjusted EBITDA	22	47	25	113%	66	76	10	16%
<i>EBITDA margin</i>	10.3%	19.9%			16.0%	19.2%		
Operating Income	-26	-4	21		-20	-28	-8	

- Positive impact from IFRS 16 and price increases limited by lower sales volumes following the later start of the Brazilian crop
- Q2 results improvement from higher volumes and improved prices following slight rebound in world sugar prices
- High comparison base due to benefit from hedging positions in Q1 last year

STARCH AND SWEETENERS

Starch & Sweeteners M€	18/19	19/20	var		18/19	19/20	var	
	Q2	Q2			H1	H1		
Volumes of cereals ground (kt)	907	924	17	2%	1 797	1 824	27	2%
Volumes sold								
Starch & sweeteners (kt)	496	508	12	2%	1 000	994	-6	-1%
Alcohol & Ethanol (k.m3)	57	83	26	45%	123	150	28	23%
Revenues	353	390	38	11%	713	765	51	7%
Adjusted EBITDA	26	19	-6	-24%	54	32	-22	-41%
<i>EBITDA margin</i>	7.2%	4.9%			7.5%	4.1%		
Operating Income	4	161	157		9	152	143	

Europe

- Pressure on sweeteners margins impacted by low European sugar prices during 18/19 campaign
- Unfavorable wheat maturities for the first six-month period
- Effects of ambition 2022 plan expected in the second half of the year

International

- Positive impact of operational performance and improved margins

GROUP P&L

P&L	18/19	19/20	var	
	M€	H1		
Revenues	2 114	2 108	-6	0%
Adj. EBITDA	143	111	-32	-22%
<i>Adj. EBITDA Margin</i>	6.7%	5.3%		
Seasonality adjustment	31	21	-10	
Depreciations / amortization	-203	-232	-30	
Other	-12	145	157	
Operating Income	-41	45	86	
<i>Operating Income Margin</i>	-1.9%	2.1%		
Financial Result	-81	-86	-5	
Corporate income tax	6	14	8	
Share of profit of associates	20	6	-14	
Net Results	-96	-21	75	

- **Financial result** negatively impacted by IFRS 16 (5 million euros)
- **Share of profits from associates and Other¹** impacted by the completion of ETEA transaction

(1) Net gain on ETEA transaction in Other : +164M€

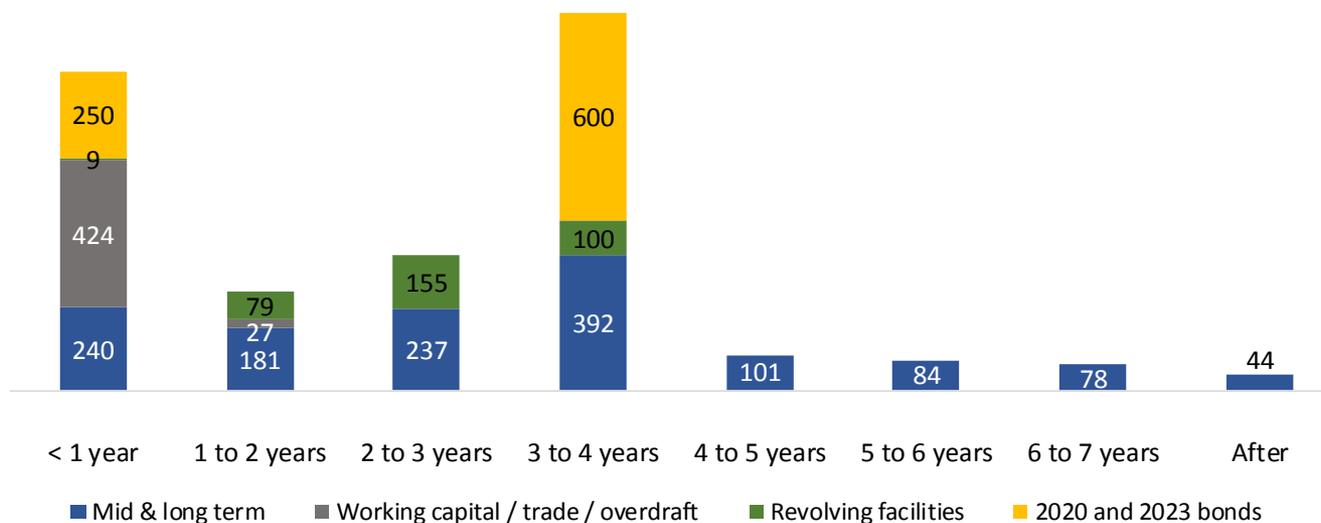
NET DEBT VARIATION

Net debt variation	18/19	19/20
M€	H1	H1
Net debt (opening position)	-2 350	-2 500
Adj. EBITDA	143	111
Other operational flows	73	-25
Net financial charges	-56	-79
Income tax paid	-10	6
Cash Flow	149	13
Change working capital	101	-47
Cash Flow from operating activities	251	-34
Maintenance & Renewal	-112	-141
Other CAPEX	-89	-72
Financial investments	-0	-61
Disposals	2	268
Dividends received	24	11
Cash Flow from (used in) investing activities	-175	3
Cash Flow after investing activities	75	-30
Dividends paid & price complement*	-23	-85
Capital increases/other capital movements	-1	-3
Cash Flow from (used in) transactions relating to equity	-24	-88
Free Cash-Flow	51	-118
Other (incl. FOREX impact)	-31	18
Net debt excluding IFRS16	-2 330	-2 601
Impact IFRS16	0	-133
Net debt (closing position)	-2 330	-2 733

(*) including payment of price guarantee under 2018/19 contracts (64M€)

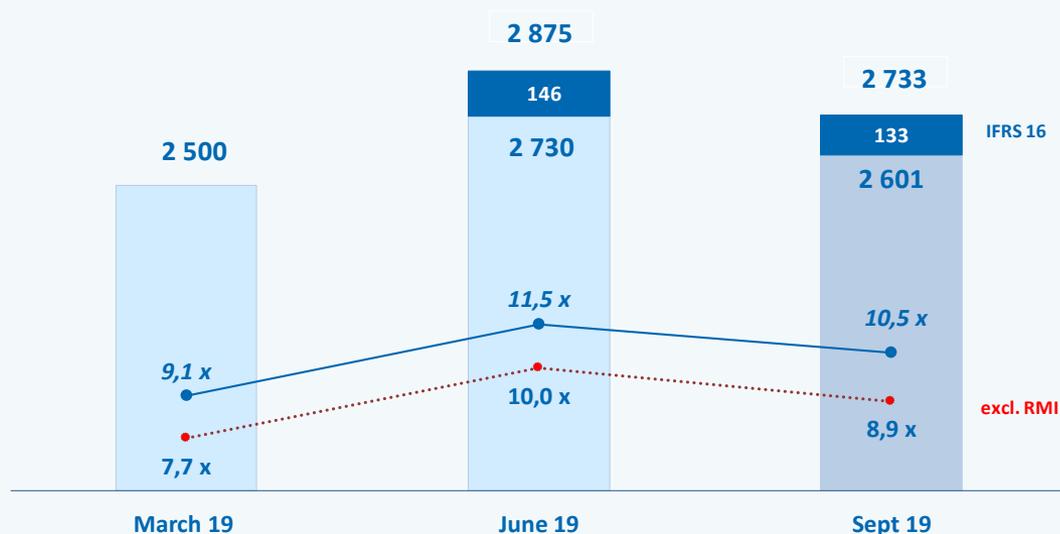
DEBT AMORTIZATION SCHEDULE

DEBT AMORTIZATION SCHEDULE – SEPTEMBER 30TH 2019 (M€), EXCL. IFRS16 IMPACTS



- **Average maturity: 3.0 years**
- Cash & cash equivalents as of September 30 2019: 399M€
- Undrawn amounts of committed long-term lines: 620M€
- **Financial security: 1 019M€**

NET DEBT AND LEVERAGE



- Leverage³ excluding RMI at 8,9x
- Solid financial security¹

1. Defined as "cash & cash equivalent" plus undrawn committed credit lines (> 1y) as at 30th Sept. 2019
 2. Balanced-sheet value of all finished products, raw materials and energy supplies that can be readily convertible into cash through access to widely available markets, including sugar, ethanol, wheat, corn and coal.
 3. Defined as net debt / adjusted EBITDA



2019/20 PERSPECTIVES

2019/20 PERSPECTIVES

■ World Sugar

- A supportive environment

■ Sugar and Ethanol Europe

- Balanced European Sugar market in 2019
- Rising prices from H2 2019/20
- Growing ethanol demand
- Improved fundamentals for Tereos' 2019/20 campaign

■ Sugar and Energy Brazil

- Growing performance in an supporting environment

■ Starch and Sweeteners Europe

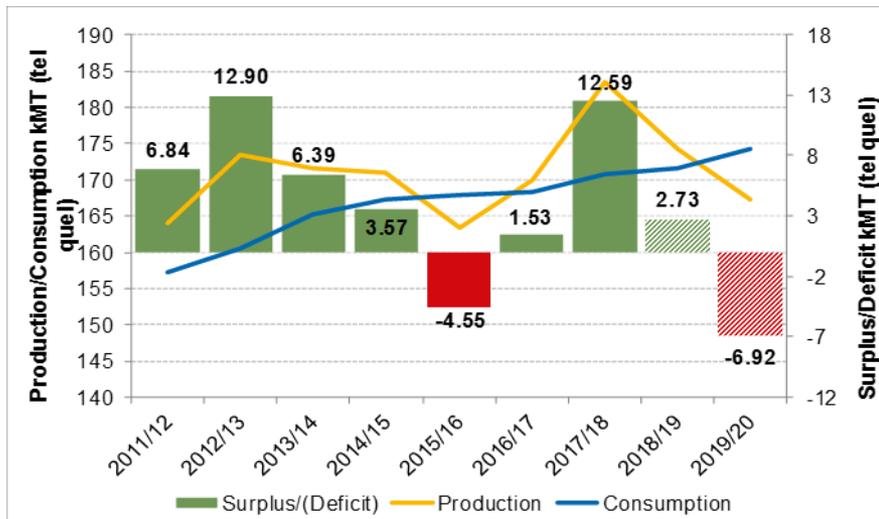
- Industrial performance and buoyant markets



WORLD SUGAR

SUPPORTIVE WORLDWIDE ENVIRONMENT

Production / Consumption Balance



Main countries production

(MMT tq)	2017/18a	2018/19e	2019/20f
CS Brazil (Q2)	36.0	26.5	26.5
NNE Brazil (Q3)	2.5	2.5	2.5
Thailand (Q4)	14.4	14.0	12.5
India (Q4)	32.5	33.1	26.7
EU (Q4)	20.0	17.0	16.9
Australia (Q2)	4.3	4.6	4.2
China (Q4)	10.3	10.8	10.6
Guatemala (Q4)	2.7	2.8	2.8
Mexico (Q4)	6.0	6.4	6.1
Russia (Q4)	6.7	6.2	6.4
Total	135.3	123.9	115.2

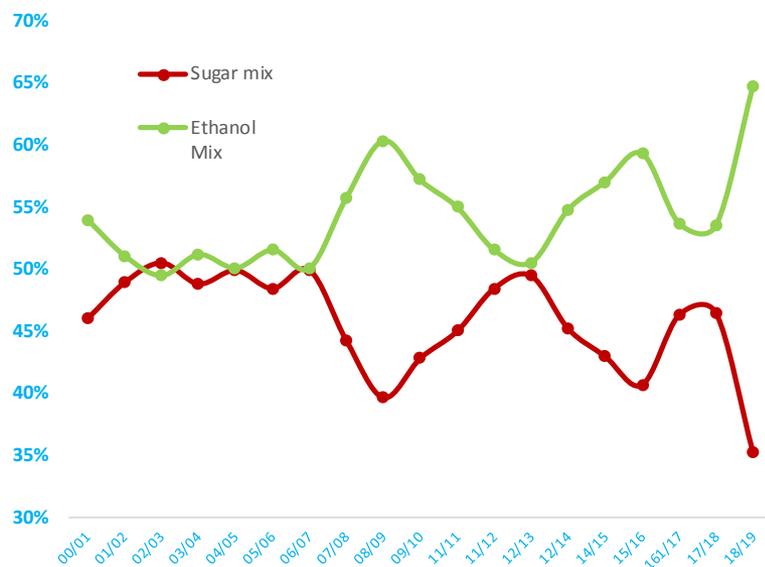
Note: Oct/Sep crop year
Source: Tereos

- Sugar market expected in deficit for the 19/20 campaign, notably due to a lower harvest in India and Thailand
- Dynamic ethanol market in Brazil

RENOVABIO: AN ETHANOL-FAVORABLE PROGRAMME WITH WORLDWIDE IMPACT

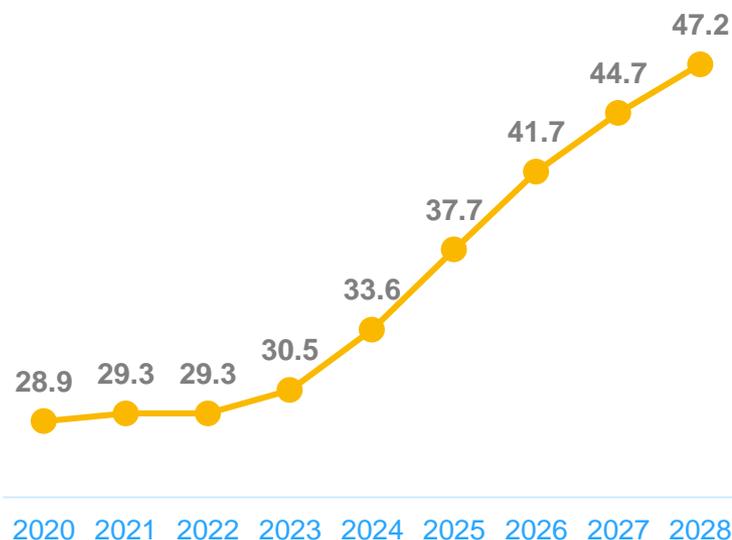
ETHANOL/SUGAR MIX EVOLUTION

PRODUCTION MIX IN CS BRAZIL



FORECAST – ETHANOL VOLUMES

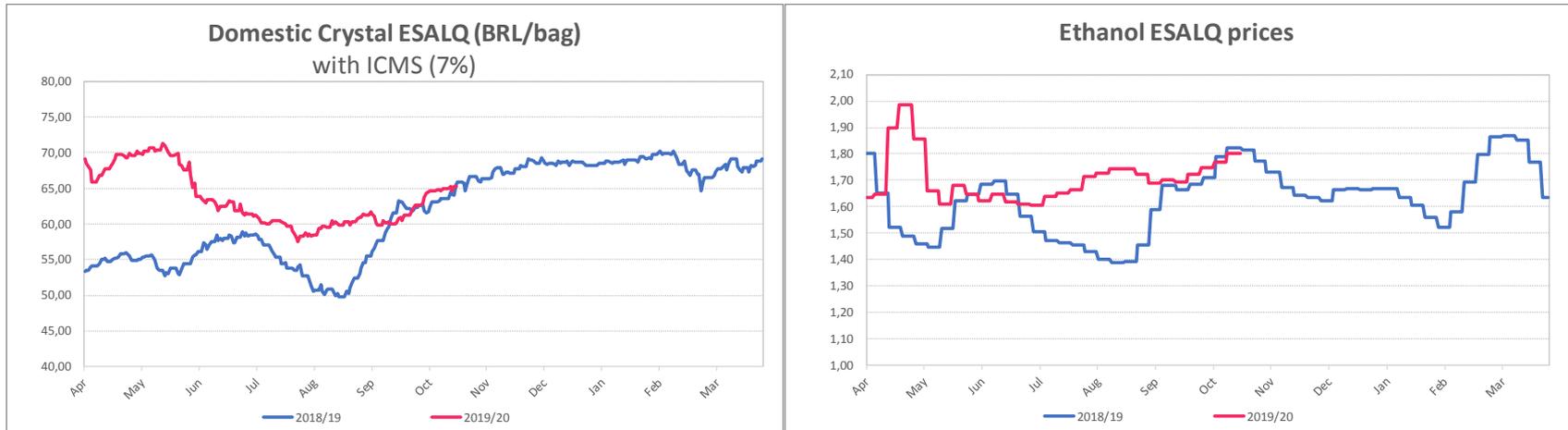
BN LITRES



According to the Ministry of Mines and Energy, ethanol supply must increase by more than 50% to meet national targets

BRAZILIAN MARKET (SUGAR AND ETHANOL)

MIX 2018/19 STRONGLY IN FAVOUR OF ETHANOL PRODUCTION



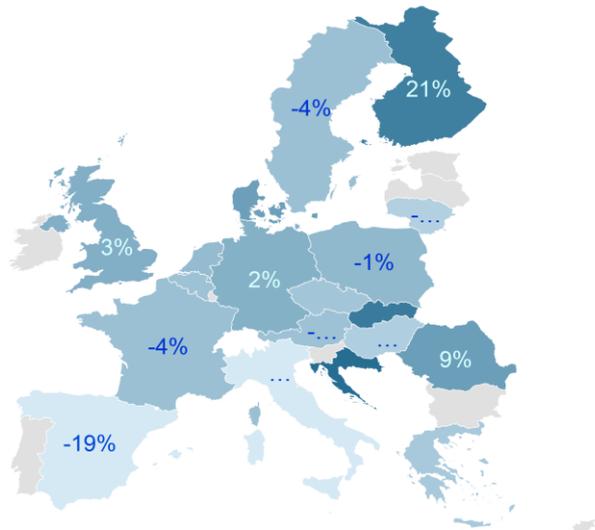
- Domestic sugar prices up 14% in the first half compared to last year
- Prices for hydrous ethanol remained around BRL 1.70/L in the first half of 2019/20, up 10% from the first half of 2018/19. This atypical trend is driven by strong demand for ethanol and more competitive ethanol pump prices compared to gasoline

BALANCED EU MARKET IN 2019

Main EU countries

PRODUCTION

(19/20 vs 18/19)



-3 MT from 17/18 to 18/19

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Balanced European S&D

in 2019

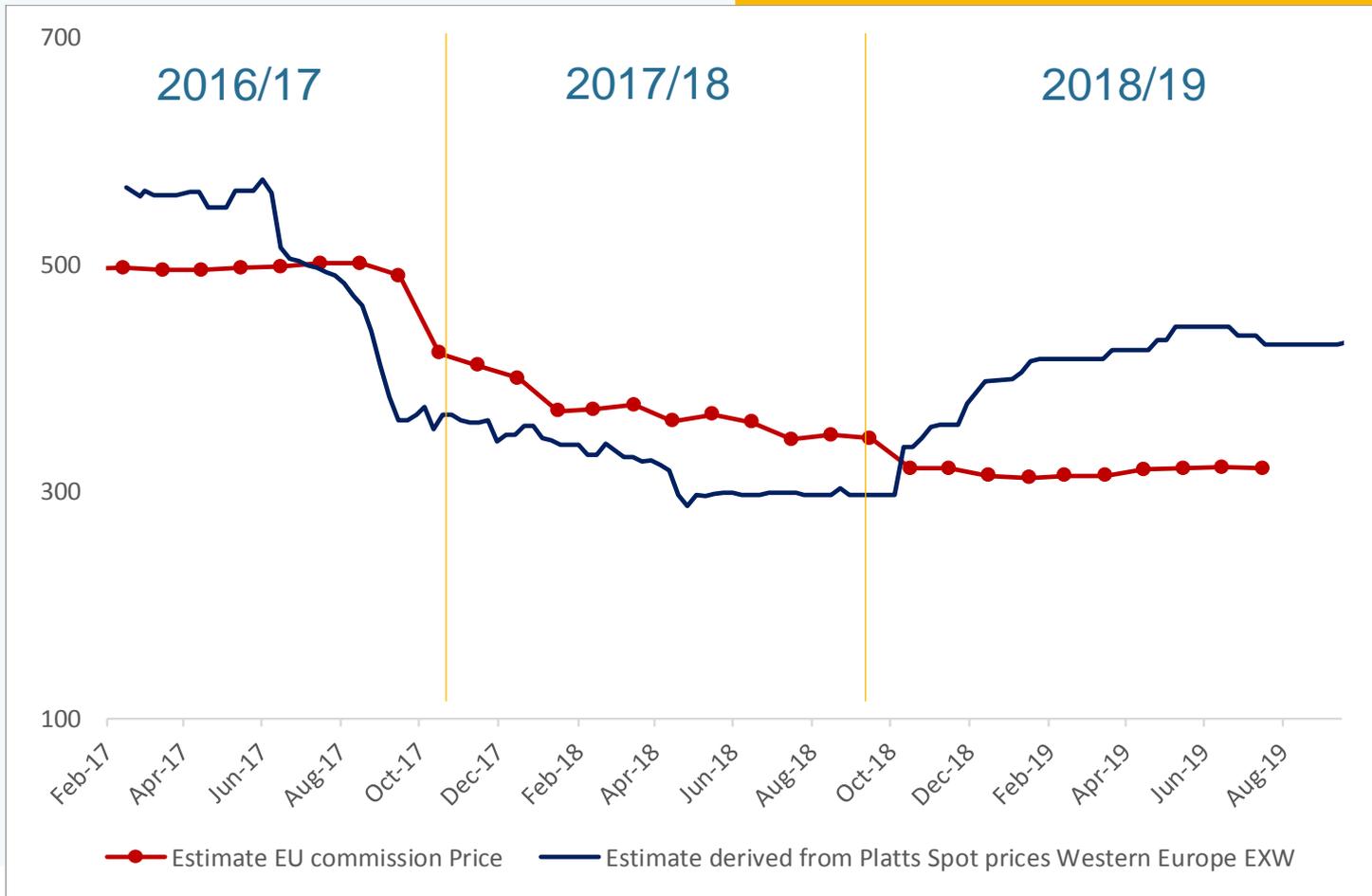
	17/18	18/19E	19/20E
Production	20,0	16,9	16,8
Imports	1,6	2,2	1,9
Consumption	17,7	17,5	17,3
Exports	3,6	1,8	1,3

European market
expected to be **close to
equilibrium** after a slight
deficit last year

Net importing Europe
Prices up vs. low levels reached
last year
Less export pressure

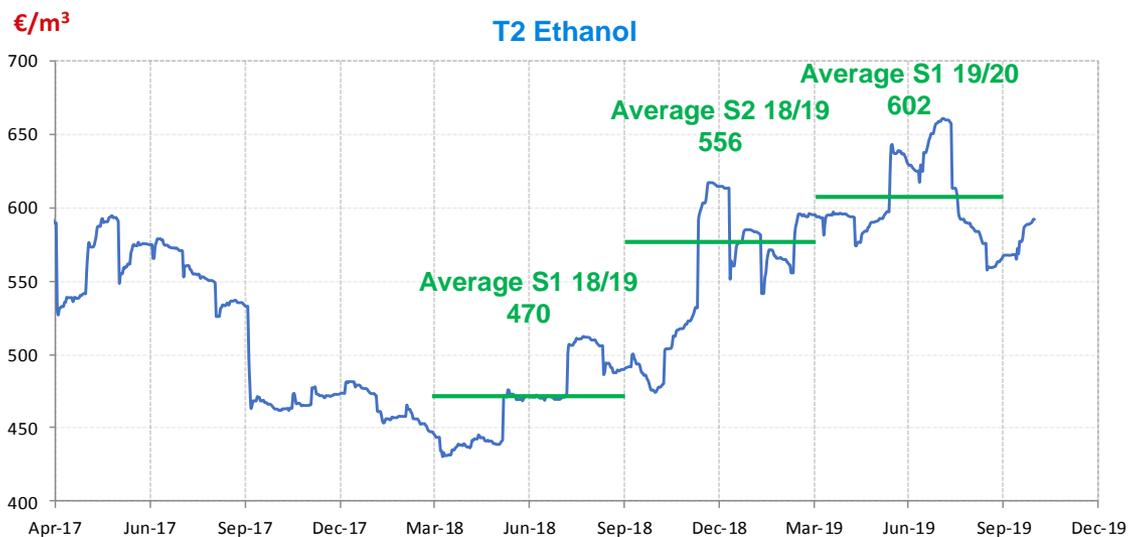
SUGAR EUROPE

RISING PRICES FROM H2 2019/20



ETHANOL EUROPE

GROWING DEMAND



- Prices of European fuel ethanol (T2) averaged 602 euros/m³ for the last six-month period, up 28% compared to the same period last year
- The European ethanol market remains in large deficit with an increase in demand for E10 and E85 fuels and a decline in production of basic beet ethanol following yields below historical averages

SUGAR AND ETHANOL EUROPE PERSPECTIVES

IMPROVED FUNDAMENTALS FOR THE 2019/20 CAMPAIGN



- Selling prices rise
- Tereos average estimated French campaign length > 120 days
- Expected yields slightly below historical average



- Alcohol/ethanol capacity up to 45% of production - estimated mix 19/20 c.30%
- Escaudoeuvres export terminal



- New boilers in Lillers, Chevrières and Escaudoeuvres
- Connantre new beet washing plant
- Continuous improvement across all plants

SUGAR AND ENERGY BRAZIL PERSPECTIVES

VOLUMES RECOVERY AND DEPLOYING THE PERFORMANCE PLAN



On-going campaign

- Volumes recovery: 19 MT for 19/20
- Increased own canne mix from 44 to 53%



Agri-industrial operations

- Ambitions 2022
- Major investments
 - Cruz Alta new boiler,
 - Yeasts in Mandu for animal nutrition,
 - VLI Logistics partnership operations ramp-up

STARCH AND SWEETENERS EUROPE PERSPECTIVES

INDUSTRIAL REORGANIZATION, AND BUOYANT MARKETS



Industrial reorganization: +20% production by 2022 and more flexibility in the product mix

- Maximizing crushing capacity and asset utilization
- Industrial reliability and flexibility
- Increased production of wheat protein, dry starch and bioethanol



Continued action to **optimize operational costs**

- Ambitions 2022
- Investments: cogeneration (Marckolsheim), energy efficiency, reduced water consumption, efficiency of evaporators (Nesle)



CONCLUSION & PERSPECTIVES

CONCLUSION AND PERSPECTIVES

As expected, a first half impacted by the conditions of the previous campaign

- The **second quarter** shows an inflection point

Improved fundamentals in our markets

- Global sugar deficit expected for 19/20 campaign
- Prices rise in Europe
- Ethanol price dynamics in Brazil and Europe

A 2019/20 campaign unfolding as expected

- Yields up from 2018/19, notably in Brazil

Our **Ambitions 2022 plan is well on track**; first results expected in the second half of 19/20

Operation ETEA closed in the first half; **solid liquidity position**

Results improvement expected in the second half of 2019/20

CONCLUSION AND PERSPECTIVES

Tereos will continue to rely on its **flexible industrial tool**, its **diversification strategy** and on the performance gains of its **Ambitions 2022** program

- Ambitions 2022 to deliver **200 million euros of performance gains by 2022**

As announced last year, the Group continues studying a possible opening of the capital of its industrial activities over a 2 to 3 years horizon

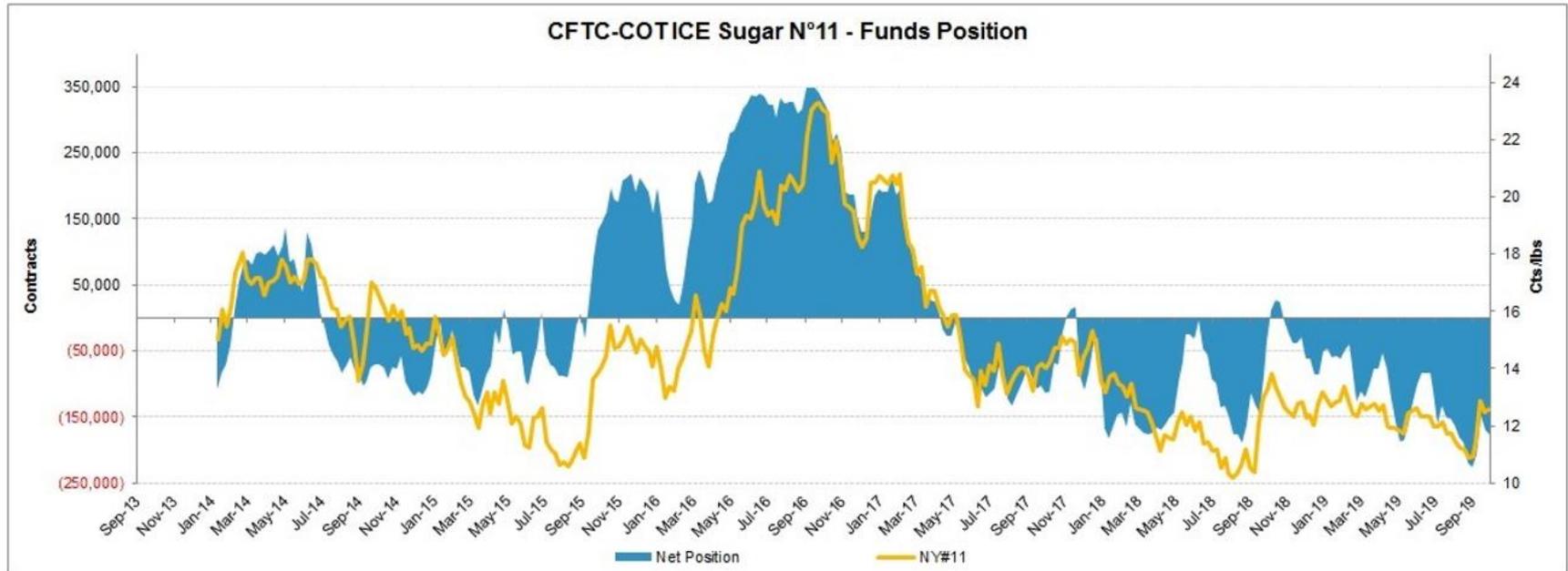
Based on its performance plan and on current market prices, Tereos estimates that its **normative EBITDA** at the end of this plan (2022) should be **between €600 and 700 million**

A wide-angle photograph of a lush green agricultural field, likely a vegetable or fruit crop, stretching towards a horizon line. The sky is a mix of soft orange and pale blue, indicating a sunset or sunrise. In the distance, a long, low structure, possibly an irrigation system, is visible with a single arc of water being sprayed. A vertical dotted line runs down the center of the image, separating the left and right halves. The word "APPENDICES" is centered in the lower half of the image in a bold, white, sans-serif font.

APPENDICES

WORLD SUGAR

MARKET EVOLUTION IMPACTED DURING H1 BY THE END OF 18/19 CAMPAIGN

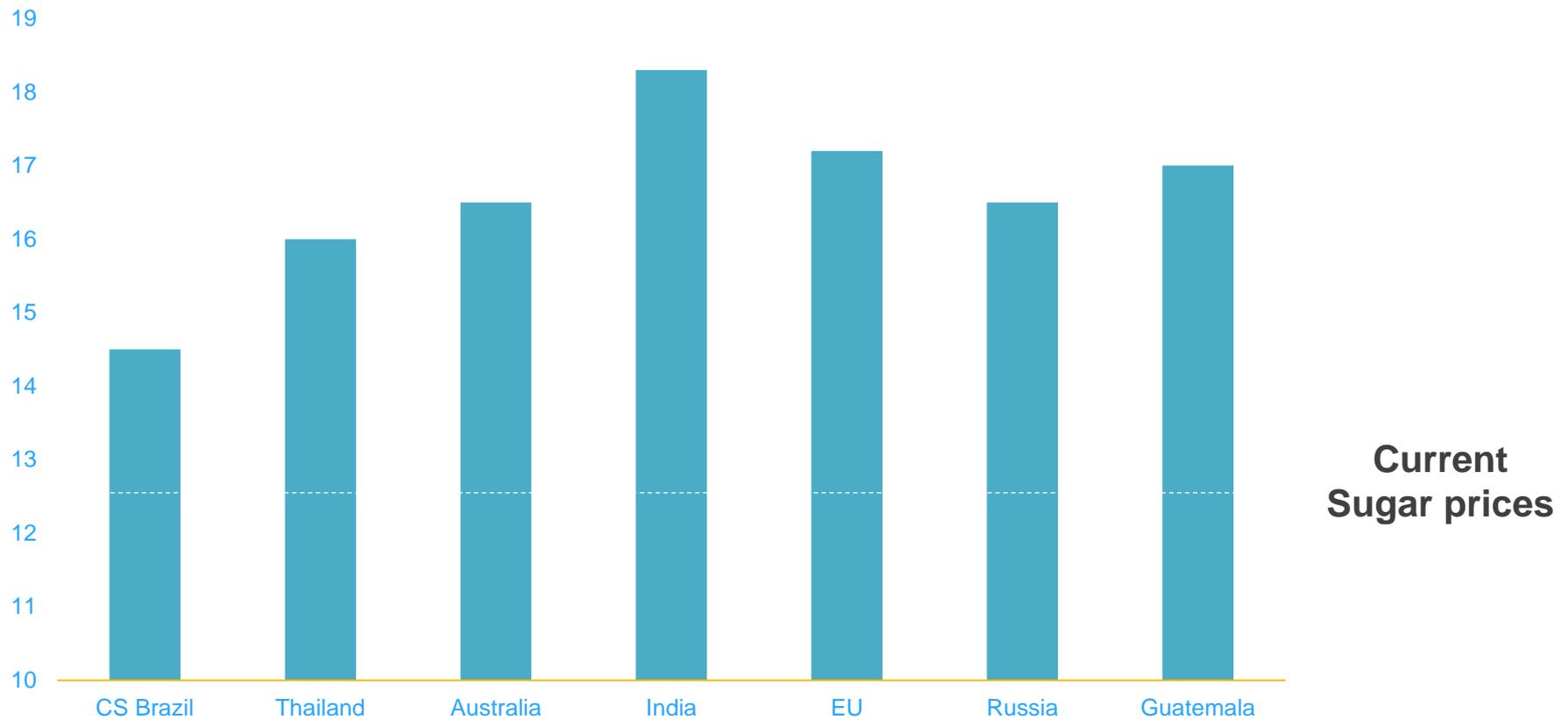


- Persistent pressure on NY11 in the first half 19/20: well-supplied markets in the Northern hemisphere and strong harvest in Asia during 18/19 crop
- Significant volumes of short positions in the sugar market

A NECESSARY RISE IN WORLD SUGAR PRICES

SUGAR COST PRODUCTION

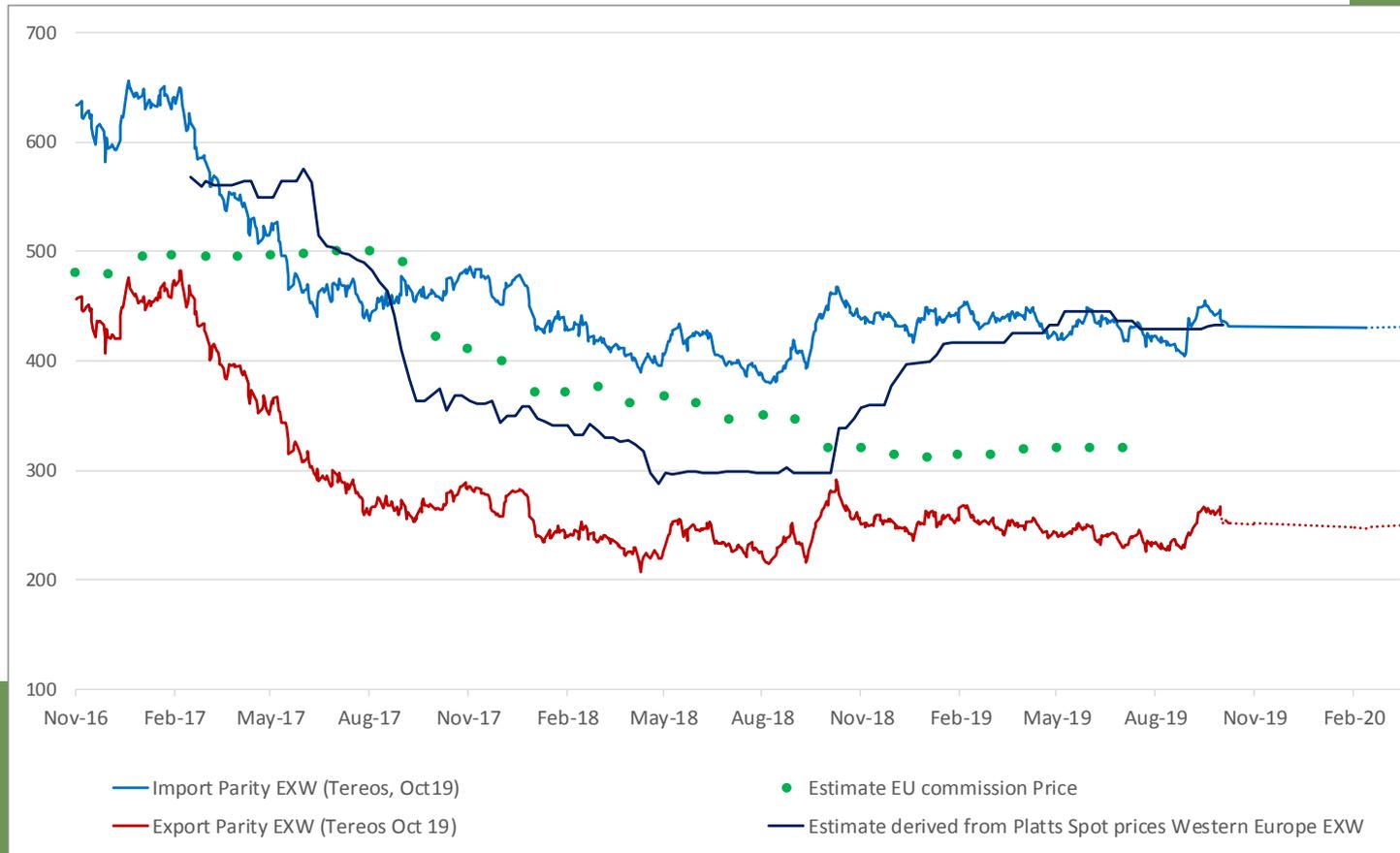
— ctsUSD/lb —



Source: Citi Research, May 2018

SUGAR EUROPE

IMPORT/EXPORT PARITIES EVOLUTIONS

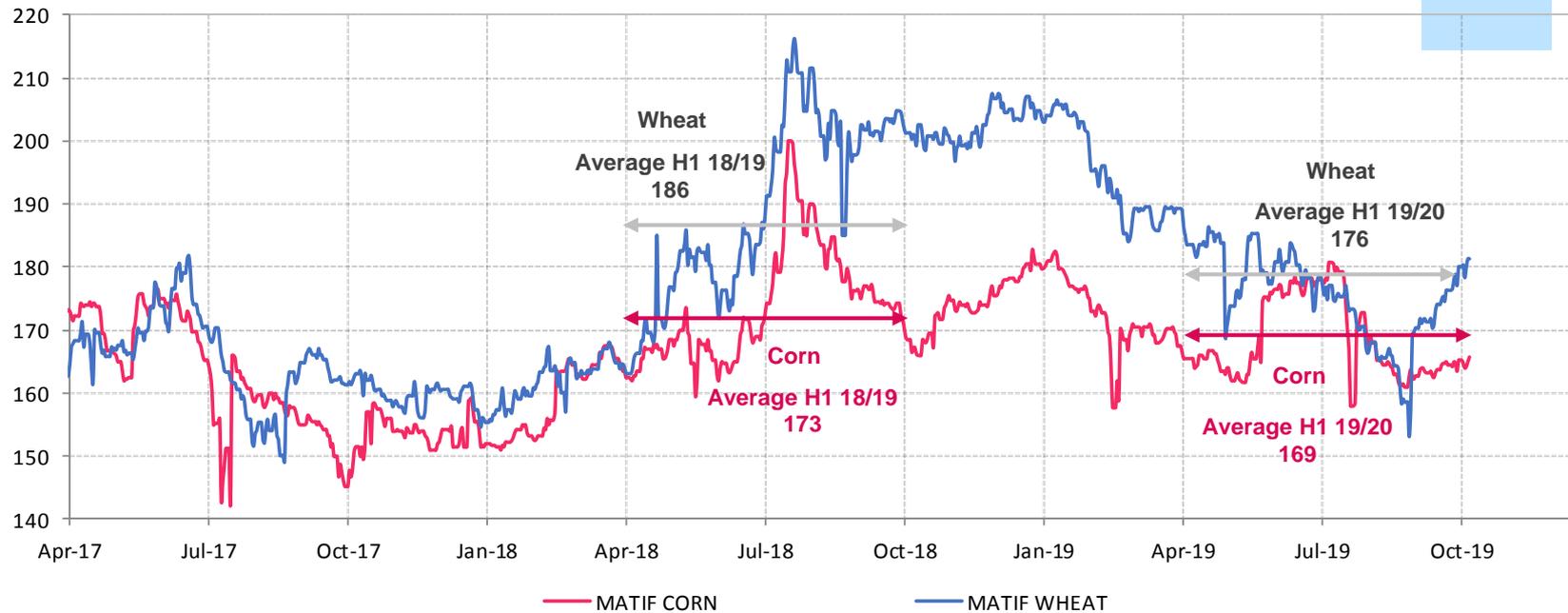


Source: Platts Kingsman, Tereos Research

CEREAL PRICES

PRICES DOWN IN THE FIRST HALF OF THE YEAR

Matif Grain Historical Prices



- **Wheat prices:** The wheat harvest in Europe was very good (up 11% compared to the previous one), putting pressure on prices for the second half of the semester. As a result, MATIF wheat prices fell by 14% in the last quarter vs Q2 LY, and on average 11% below the 2018/19 average.
- **Corn prices:** World corn prices have been very volatile over the past six months due to seeding uncertainties in the United States. In the second quarter, MATIF corn prices fell by 6% vs Q2 LY, 3% below the 2018/19 average.

