Financial release Paris, February 6, 2020

2019/20 THIRD QUARTER RESULTS
(APRIL - DECEMBER 2019)

HIGHLIGHTS

- **EBITDA for the quarter, at €122 million–representing an EBITDA margin of 10.8% (compared to €52 million in Q3 last year, with an EBITDA margin of 4.7%)– reflects a positive momentum in all Group's divisions.** As expected, after showing an inflection point in the second quarter, the third quarter results are strongly up compared to last year, confirming the progressive improvement in our market fundamentals as well as the operational improvements achieved.

- **On January 21, 2020, the Group completed the early repayment of its €250 million bond maturing in March 2020.** The Group had also closed the transaction relating the evolution of its partnership with ETEA on July 29, 2019, an operation which led to the reduction of the Group's debt of €215 million and the strengthening of its alcohol / ethanol production network in Europe thanks to the integration of the distillery of Nesle.

- Fundamentals in our markets continued to improve during the quarter. World sugar prices have risen significantly since October, with the world market expected to show a significant deficit for the 19/20 campaign. The recovery in prices on the European sugar market, also expected in deficit, started to materialize in our third quarter results. The ethanol market also continues to benefit from very good momentum, driven in Brazil by the deployment of the RenovaBio program which officially started on December 24, 2019, and in Europe by the growing demand for E10 and E85 fuel.

- In Europe, the sugar beet campaign went well, despite heavy rainfalls. Yields, in line with the historical five-year average, have increased compared to last year. All Tereos plants have improved their operational performance during the campaign with an average campaign length close to 125 days in France.

- The Group's Ambitions 2022 performance programme which aims at generating €200 million of performance gains by 2022 is well on track.

KEY FIGURES

✓ **Revenue** of €1,128 million in Q3 19/20, up 2% compared to Q3 18/19 (€3,237 million for the first 9 months of 19/20 vs. €3,217 million in 18/19).

✓ **Adjusted EBITDA**[1] at €122 million[2] in Q3 19/20 vs €52 million in Q3 18/19, up 134% (€233 million for the first 9 months of 19/20 vs €195 million in 18/19).

✓ The **Group's net debt** stood at €2,913 million euros at December 31, 2019 (€2,268 million excluding readily marketable inventories). The Group maintains solid financial liquidity, at €823 million at the end of December. The net debt to EBITDA ratio is improving, despite the traditional effect of seasonality on our working capital, which peaks at the end of December. Excluding readily marketable inventories, the ratio went from 8.9x at the end of September 2019 to 7.1x at the end of December 2019.

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[1] *See the definition of adjusted EBITDA in the appendix.*
[2] *The 19/20 adjusted EBITDA figures include the impact of the application of the IFRS16 standard (see note in the appendix)*

OUTLOOK BY DIVISION

Sugar Europe: most of volumes contractualized for the 19/20 campaign were made in an environment of a market in deficit since January 2019. Since summer, spot prices reached levels above €400/ton. The European sugar market is expected to have a slight deficit for the campaign that started in September, with yields in line with historical average and an estimated 6% acreage reduction in Europe. The last quarter of the financial year should continue to benefit from the ramp-up of contracts concluded since this summer, as well as from the sustained outlook on the ethanol market. For the crop that has just ended in Europe, the average campaign length for Tereos sites in France is close to 125 days, with rates improving compared to last year, which allowed to process almost 18 million tons of beets (nearly the volume processed during the previous campaign).

Sugar International: Sugar sales in Brazil should continue to be driven by higher world sugar prices expected above 14US$cts/lb over the next quarter, by ethanol market growth driven by high consumption, as well as an increase in the tonnages of crushed cane (18.8Mt vs 17.6Mt during the 2018 campaign).

After a 2018/19 financial year characterized by an increase in the volumes produced, the **Starch and Sweeteners Division** will continue to benefit from the trend linked to the deployment of a new industrial organization implemented *via* our Ambitions 2022 program. Division results also benefit from the integration, since August, of the Sedalcol France assets (Nesle distillery), following the evolution of the partnership with ETEA.

After a dynamic year in 2019, the ethanol market continues its momentum in Europe. This growth is driven by the demand for biofuels, the tax incentives in several European countries and the development of distribution networks. Tereos is well positioned to benefit from the growing demand for E85 biofuel, which consumption is expected to grow by 50% in France according to the National Union of Agricultural Alcohol Producers.

In this context, Tereos will continue to benefit from its diversification strategy and the Ambitions 2022 program performance gains (which aims at generating more than 200 million euros in operational gains). Based on this target and current prices, Tereos estimates that its normative EBITDA at the end of this program (2022) should stand between €600 and 700 million.

In addition, the Group is continuing to consider a possible opening of the capital of its industrial activities 2 or 3 years from now, as announced last year.

Alexis Duval, Tereos Chief Executive Officer: *« The third quarter marked a turning point. Tereos continues its transformation and the implementation of its performance and strategic plan, investing in its competitiveness and the flexibility of its industrial tool. The sugar market fundamentals are improving. This positive momentum places Tereos in a unique position to seize the full potential of both the market recovery and the ongoing restructuring in the European sugar industry. »*

1. MARKET EVOLUTIONS

International Sugar: After an average first half at 11.9US$csts/lb, up 5.1% compared to last year, world sugar prices continued to recover from September to December 2019, with an average of 12.8USD$csts/lb. This development reflects the expectation of a year of worldwide deficit, with Brazilian cane production largely focused on ethanol production, a decrease in acreage in the northern hemisphere, especially Europe, and a potentially significantly lower harvest in Thailand and India due to adverse weather conditions and reduced acreage (in Thailand).

European Sugar: Following the historically low prices seen last year, some market players have announced restructurings or production cuts in recent months. The acreages for this campaign are also down 6% in Europe. In this context, and on the basis of average yields overall in line with historical average, the European market is expected to show a slight deficit. As a result, European spot prices have rebounded significantly, standing above €400/ton since the beginning of the year, compared to lows of €300/ton reached in summer 2018.

Brazilian Ethanol: Driven by strong demand at the pump, hydrous ethanol prices reached an average of 1.89 BRL/liter compared to 1.70BRL/liter in the first half and 1.71BRL/liter over the same period last year. Since the beginning of the year, prices on average have increased by 10% compared to last year. The December 24, 2019 official launch of the RenovaBio program should support the momentum of the Brazilian ethanol market in the coming years with a consumption expected to almost double by 2028.

European Ethanol: European fuel ethanol prices (T2) reached an average of €633/m^3 over the quarter compared to €602/m^3 in the first half of the year. The European ethanol market remains significantly in deficit, mainly due to the increase in demand for E10 and E85 fuel and a production decrease for beet-based ethanol. On average, ethanol prices increased 25% over the first 9 months of the year compared to the same period last year.

Cereals: After reaching a low point in September 2019, MATIF wheat prices picked up to around €190/ton at the end of December 2019, driven by strong demand and poor weather conditions. Overall, since the start of the year, wheat prices have remained on average 6.8% lower than last year.
After the uncertainties about crops in the United States, which led to high volatility in the first half, prices for MATIF corn stabilized in the last quarter at levels slightly below the average for the first half. Over the past 9 months, prices have fallen 3.4% compared to last year, with good harvests in South America and the Black Sea compensating for the loss in the American crop.

2. GROUP FINANCIAL RESULTS

Key figures M€	18/19 Q3 *Published*	19/20 Q3	var		18/19 Q3 YTD *Published*	19/20 Q3 YTD	var	
Revenues	**1 103**	**1 128**	***25***	***2%***	**3 217**	**3 237**	***20***	***1%***
Adjusted EBITDA	**52**	**122**	***70***	***134%***	**195**	**233**	***38***	***20%***
Adjusted EBITDA margin	*4,7%*	*10,8%*			*6,1%*	*7,2%*		

Net debt M€	March 31 2019	Dec 31 2019
Net debt	**2 500**	**2 913**
Net debt excluding IFRS16		**2 788**
Net debt to adj EBITDA ratio	*9,1 x*	***9,1 x***
Net debt ratio excluding RMI*	*7,7 x*	***7,1 x***

(*) Readily Marketable Inventories

Tereos Group Volumes sold	18/19 Q3	19/20 Q3	var		18/19 Q3 YTD	19/20 Q3 YTD	var	
Sugar & Sweeteners (k.tco)	**1 584**	**1 783**	**199**	**13%**	**4 714**	**4 945**	**231**	**5%**
Alcohol & Ethanol (k.m3)	**415**	**454**	***39***	***9%***	**1 109**	**1 121**	***12***	***1%***
Starch & Protein (k.tco)	**214**	**224**	***10***	***5%***	**804**	**831**	***27***	***3%***
Energy (GWh)	**202**	**287**	***85***	***42%***	**917**	**1 052**	***136***	***15%***

Consolidated revenue amounted to €1,128 million in Q3 19/20, up 2% compared to Q3 18/19 (€3,237 million for the first 9 months 19/20 vs. €3,217 million for the first 9 months 18/19). For the first 9 months, increased volumes sold were partially offset by lower revenue from price hedging positions and lower prices in the first semester.

Adjusted EBITDA[1] amounted to €122 million in Q3 19/20 vs €52 million in Q3 18/19. The third quarter shows a clear recovery reflecting improved market conditions, lower raw materials costs and operational improvements.

Net debt[2] stood at €2,913 million on December 31, 2019 and at €2,788 million excluding the impact of IFRS16 (€2,500 million on March 31, 2019). Net debt totaled €2,268 million excluding readily marketable inventories (€645 million that can be converted into cash at any time).

Net debt to adjusted EBITDA ratio[3] was 9.1x on December 31, 2019 and 7.1x excluding readily marketable inventories.

[1] *See the definition of adjusted EBITDA in the appendix.*
[2] *Net debt excluding related parties. The 18/19 net debt was published excluding IFRS16 impact.*
[3] *Including IFRS16 impact; the ratio on December 31, 2019 was calculated on the basis of an adjusted EBITDA for the last 12 months proforma of €321M.*

3. RESULTS BY DIVISION

EUROPEAN SUGAR

After a first half impacted by historically low European sugar prices, the 2019 campaign contractualization unfolded in a context of a slight deficit expected in the European market and a recovery in world sugar prices. The resulting higher prices secured started to materialize as expected in the third quarter, as new contracts started to ramp up.

European Sugar business revenue reached €447 million in Q3 19/20 vs €436 million in Q3 18/19, up 2% (€1,194 million for the first 9 months of 19/20, and down 9% compared to €1,307 million at the end of December 18/19). Despite lower volumes and a drop in sugar prices weighing on the first half, the division's revenue benefited in the last quarter from a recovery in sugar prices and favorable growth in ethanol.

Adjusted EBITDA stood at €33 million in Q3 19/20 vs €7 million in Q3 18/19 and -4 million in the first half of 19/20 (€29 million for the first 9 months 19/20 vs €29 million in 18/19). Adjusted EBITDA for the division benefited from the ramp-up of new sugar contracts, favourable conditions in the ethanol market as well as lower production costs.

INTERNATIONAL SUGAR

The **Brazilian** campaign started mid-April, 10 days later than last year's campaign– which had started early due to low rainfalls. The campaign ended in mid-November and, despite some weather impacts, yields increased by 8% and the processed cane volume totaled 18.8 million tonnes, up 7% compared to last year (17.6 million tonnes).

For **Réunion Island**, the campaign started mid-July and ended mid-December with satisfactory conditions. Processed cane volume stood at 1.7 million tonnes, down from historical averages due to decreased rainfall during the southern hemisphere summer and ongoing consequences from the Fakir storm that hit the island in 2018. **Mozambique** processed cane volume rose 11%.

International Sugar revenue totaled €284 million in Q3 19/20 compared to €232 million in Q3 18/19, up 22% (€681 million in the first 9 months 19/20, a 7% increase at constant exchange rates vs €644 million for the first 9 months 18/19). This increase reflected strong sales growth over the last quarter as well as higher sugar and ethanol prices.

Adjusted EBITDA stood at €65 million in Q3 19/20, up 68% compared to €39 million in Q3 18/19 and €76 million in the first half of 19/20 (€141 million in the first 9 months 19/20 vs €105 million over the first 9 months 18/19). After a first half impacted by a drop in sales volume and lower profit on hedging positions compared to last year, Q3 marked a clear recovery due to greater volumes and higher sugar and ethanol prices.

STARCH AND SWEETENERS

Starch and Sweeteners revenue totaled €359 million in Q3 19/20, compared to €354 million in Q3 18/19 (€1,124 million in the first 9 months 19/20, up 5% vs. €1,067 million over the first 9 months 18/19). Sales benefited from a favorable product mix and rising ethanol prices in Europe as well as operational improvement, notably in Indonesia and Brazil.

Adjusted EBITDA totaled €28 million in Q3 19/20, up 69% vs. €17 million in Q3 18/19 (€60 million at the end of Q3 19/20 vs €70 million in the first 9 months 18/19). This improvement over the quarter reflects a drop in European wheat prices since September, as well as operational progress made in all of the Group's regions. In the first half of the year, results –particularly in Europe– were impacted by high wheat price maturities until August and pressure on sweeteners prices following the 2018 drop in sugar prices.

4. NET FINANCIAL DEBT

Net financial debt on December 31, 2019 stood at €2,913 million and €2,788 million excluding IFRS16 impact, compared to €2,500 million on March 31, 2019. Excluding readily marketable inventories (€645 million), the Group's adjusted net debt totaled €2,268 million. As a reminder, our working capital requirement reaches its peak at the end of December due to seasonality.

At the end of December 2019, the **Group's financial security** amounted to €823 million, consisting of €417 million in cash and cash equivalents and €406 million in long term undrawn committed credit lines.

Net financial debt is summarized as follows:

Net financial debt *Dec 31, 2019 (M€)*	**Current**	**Non Current**	**Total**	**Cash & Equivalents**	**Total**
Net debt excl. IFRS16	961	2 244	**3 205**	-417	**2 788**
IFRS 16 impact	22	103	**125**	0	**125**
Net debt	**983**	**2 347**	**3 330**	**-417**	**2 913**

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About Tereos

The long-term vision of Tereos is the processing of agricultural raw materials and the development of quality food products. Tereos is a leader in the sugar, alcohol and starch markets. The Group's commitments to society and the environment contribute to the company's performance in the long term while strengthening its contribution as a responsible player. The cooperative group Tereos is a union of more than 12,000 farmers and has recognized know-how in the processing of beet, sugarcane, cereals, and potatoes. Through 47 industrial sites, a presence in 18 countries and the commitment of its 26,000 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2018-19, the Group achieved a €4.4 bn revenue.

Appendix

Revenues by division M€	18/19 Q3 Published	19/20 Q3	var		18/19 Q3 YTD Published	19/20 Q3 YTD	var	
Sugar Europe	436	447	*11*	*2%*	1 307	1 194	*-113*	*-9%*
Sugar International	232	284	*52*	*22%*	644	681	*38*	*6%*
Starch & Sweeteners	354	359	*5*	*1%*	1 067	1 124	*56*	*5%*
Other (incl. Elim)	81	39	*-42*		199	238	*39*	
Tereos Group	1 103	1 128	*25*	*2%*	3 217	3 237	*20*	*1%*

Adjusted EBITDA by division M€	18/19 Q3 Published	19/20 Q3	var		18/19 Q3 YTD Published	19/20 Q3 YTD	var	
Sugar Europe	7	33	*26*	*na*	29	29	*0*	*0%*
Sugar International	39	65	*26*	*68%*	105	141	*37*	*35%*
Starch & Sweeteners	17	28	*12*	*69%*	70	60	*-10*	*-15%*
Other (incl. Elim)	-10	-4	*6*		-10	2	*12*	
Tereos Group	52	122	*70*	*134%*	195	233	*38*	*20%*

__Adjusted EBITDA__ corresponds 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 supplements. 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 that relates 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 supplements in the Group's financial statements according to IFRS and the Group's management accounts. Adjusted EBITDA before price supplements 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 cashflow.

NOTES RELATING TO APPLICATION OF IFRS16 NORM

As from April 1, 2019, the Group is applying the new IFRS16 norm relating to leases.

The Group applied the standard on April 1, 2019 and opted for the "simplified retrospective" approach.

IFRS16 impact - adj. EBITDA M€	19/20 Q3	19/20 Q3 YTD
Sugar Europe	1	3
Sugar International	5	17
Starch & Sweeteners	1	3
Other (incl. Elim)	-1	2
Tereos Group	7	25