



TEREOS PRESS CONFERENCE

H1 2020/21

November 18th, 2020

HIGHLIGHTS - H1 2020/21

Continued growth in earnings since Q1 2019

- H1 Group EBITDA: **+114% to €37 M**
- Net debt as of 09/30 down **€53 M to €2,480 M**

Stronger financial security

- **€800 M** of financing renewed early for H1
- Pro-forma financial security as of 09/30: **€1,015 M**

Sugar & Energy Brazil 19/20: record operating income

- Crushed sugarcane: **+10% to 20.9 Mt**

Starch & Sweeteners: Q2 EBITDA in line with 2019/20

Sugar Europe 2020/21: impact from beet yellows virus

- Decrease in yield forecasts in France from **-12% to -23%**



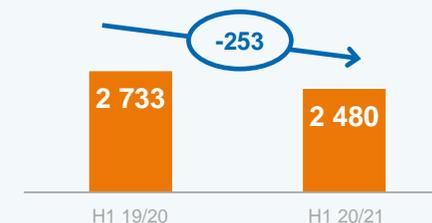
12-MONTHS ROLLING EBITDA (M€)



EBITDA (M€)



NET DEBT AS OF 09/30 (M€)



OPERATING INCOME H1 2020/21

EBITDA Sugar Europe: €98 M (vs. -€4 M)

- **Revenues +11%:** Recovery in sugar prices vs. H1 19/20 and momentum in alcohol market
- **EBITDA:** results increased by improvements in operational performance

EBITDA International Sugar: €98 M (vs. €76 M)

- **Historical operating results**
- **Volumes up:** sugar (+39%), alcohol (-6%) and renewable energies (+40%)
- Sharp depreciation of the Brazilian real during H1: **-38% vs. euro**
- **Revenues down 5%** (+22% at constant exchange rates)
- **EBITDA up 29%** at current exchange rates and **up 67%** at constant exchange rates

EBITDA Starch & Sweeteners: €27 M (vs. €32 M)

- **Revenues down 8%:** price and mix effects
- Reported Q1 EBITDA down, **Q2 EBITDA in line with 19/20 at €19M**

EBITDA SUGAR EUROPE (€M)



EBITDA INTERNATIONAL SUGAR (€M)



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EBITDA STARCH (€M)



STRONGER FINANCIAL SECURITY

€800 M of new financing in place

- June 2020: \$105 million - 5 years – 7 banks – First “sustainable” financing of the sector in Brazil
- July 2020: €230 M - 5 years – 10 banks – French State-guaranteed loan
- October 2020: €300 M - 5 years – Bond issue
- October 2020: €200 M - 5 years – 6 banks – “Sustainable” revolving facility

€253 M decrease in net debt to €2,480 M

- Operating Free Cash Flow: +€195 M

Financial security as of 09/30/20 pro-forma: €1,015 M (vs. €815 M)

2020 sustainability targets exceeded: sustainable financing in Brazil



NET DEBT AS OF 09/30 (€M)



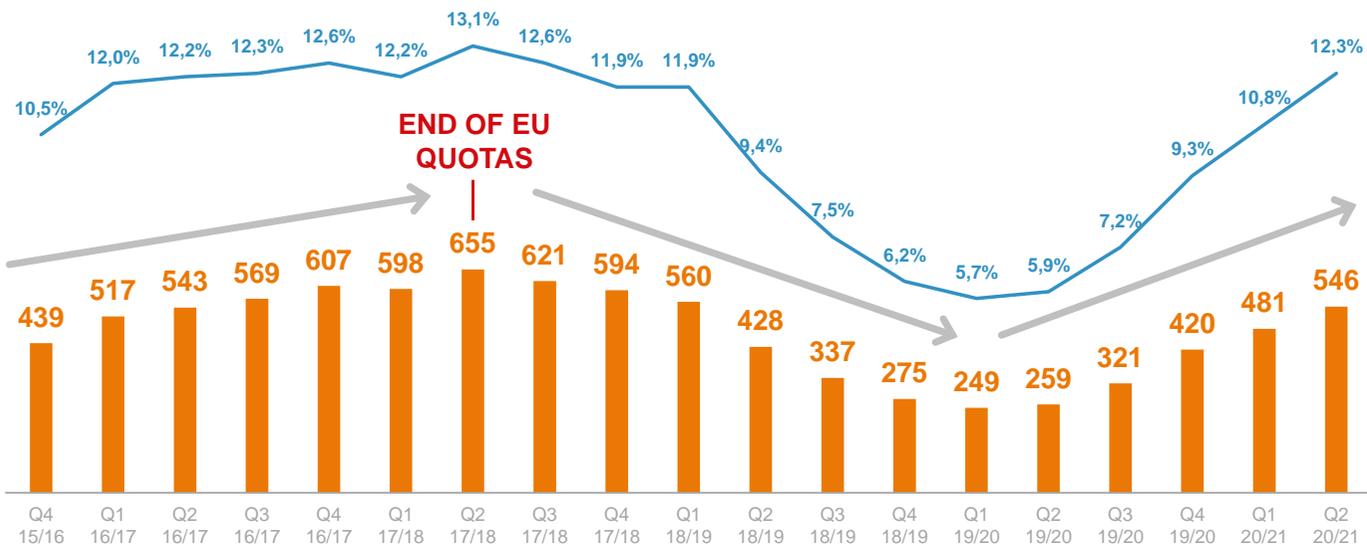
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2023 SUSTAINABLE FINANCING OBJECTIVES



A SUCCESSFUL ADAPTATION STRATEGY AT THE END OF QUOTAS

ROLLING EBITDA (12 MONTHS, €M)



3 years after the disruption caused by the end of quotas, a level of earnings close to 2016/17

- Tereos margin: 12.3% vs. 12.6%
- Despite EU sugar prices <25%

Continuous growth momentum since Q1 2019

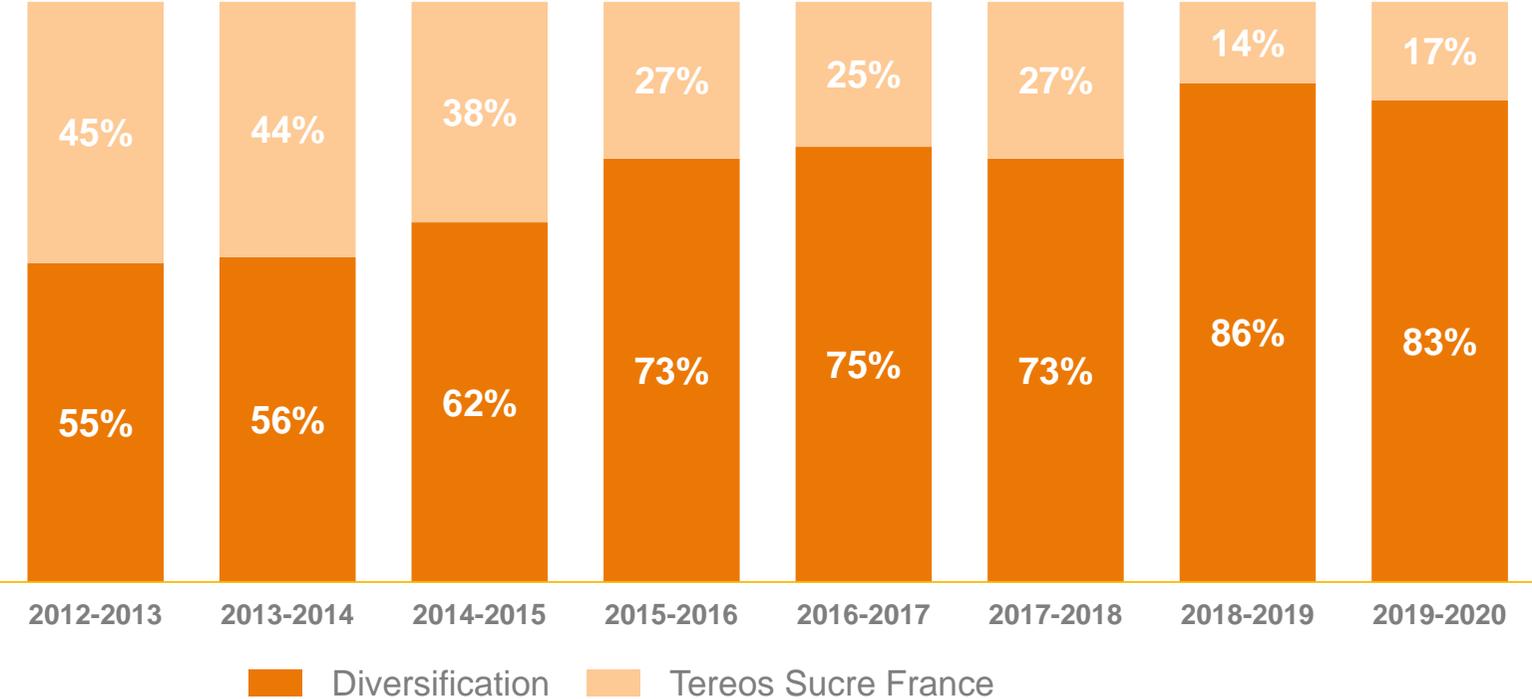
Performance sustained by :

- diversification strategy
- operational performance gains



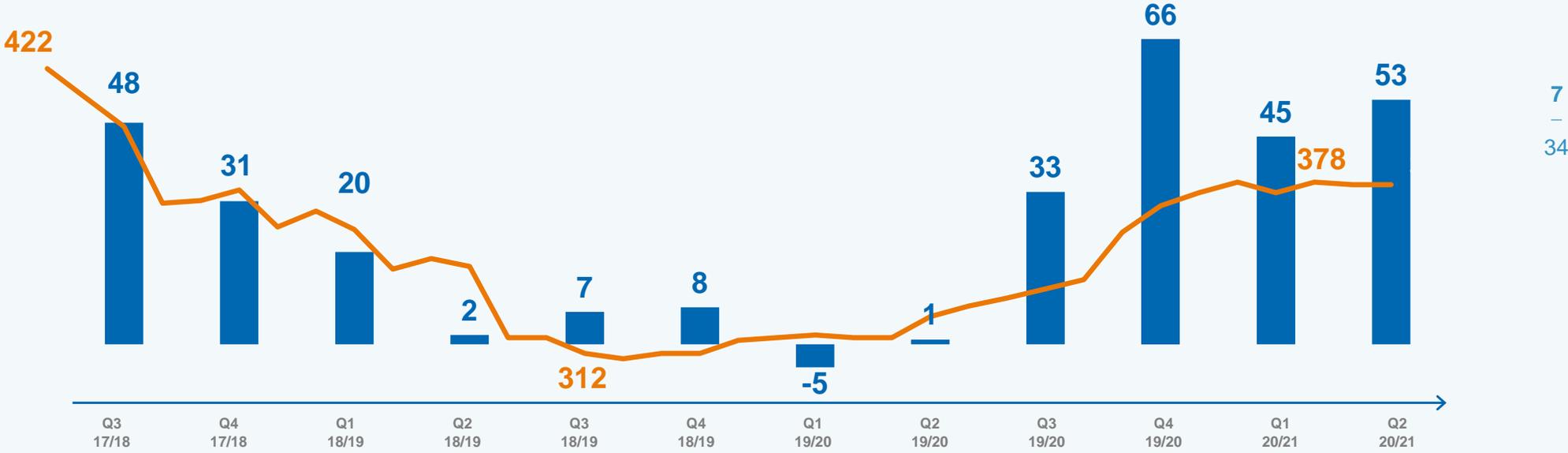
RESULTS SUSTAINED BY THE DIVERSIFICATION STRATEGY

Contribution of Tereos Sucre France to the Group EBITDA (%)



SUGAR EUROPE: REBOUND IN EARNINGS AMPLIFIED BY PERFORMANCE GAINS

QUARTERLY EBITDA SUGAR EUROPE (€M)
 SUGAR PRICES, EUROPEAN OBSERVATORY (€/T)



Sources: Public data, European Observatory, Tereos





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SUGAR EUROPE: EARNINGS & OUTLOOK

SUGAR EUROPE

MARKETS: SOLID FUNDAMENTALS DESPITE COVID-19

Sugar: price stability in H1

- European market deficit
- Limited impact of Covid-19 on volumes sold
- Constitution of a precaution inventory (beet yellows virus)

Alcohol: momentum in pharmaceutical segment

- Fine alcohol sales: +22% in H1

Ethanol: market recovery in June with deconfinement

- **Q1:** lockdown, collapse in volumes and prices
- **Q2:** strong recovery in June
- Slowdown with second lockdown

AVERAGE EU SUGAR PRICE⁽¹⁾: €362



AVERAGE EU ETHANOL PRICE⁽²⁾: €619



(1) European Union Price Observatory
(2) FOB Rotterdam Q2, source Bloomberg

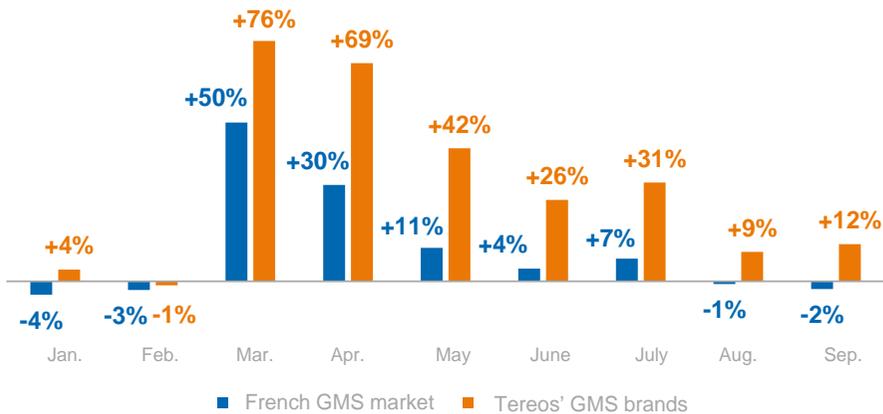
SUGAR EUROPE

TEREOS HAS BEEN ABLE TO TAKE ADVANTAGE OF THE TURNAROUND IN THE FOOD MARKET IN RECENT MONTHS

Béghin Say: 13% increase in market share over the first 9 months of 2020



MONTHLY SALES 2020 VS. 2019*

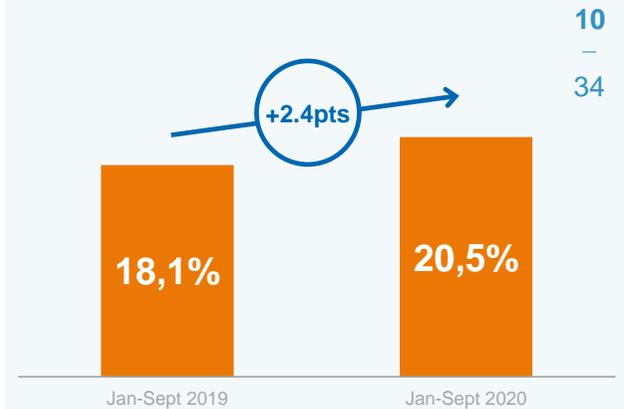


Market turnaround with the health crisis

Béghin Say: main profitable brand

1.4 million new households have chosen Béghin Say over the last 12 months*

CHANGE IN TEREOS MARKET SHARES^{(1)*}



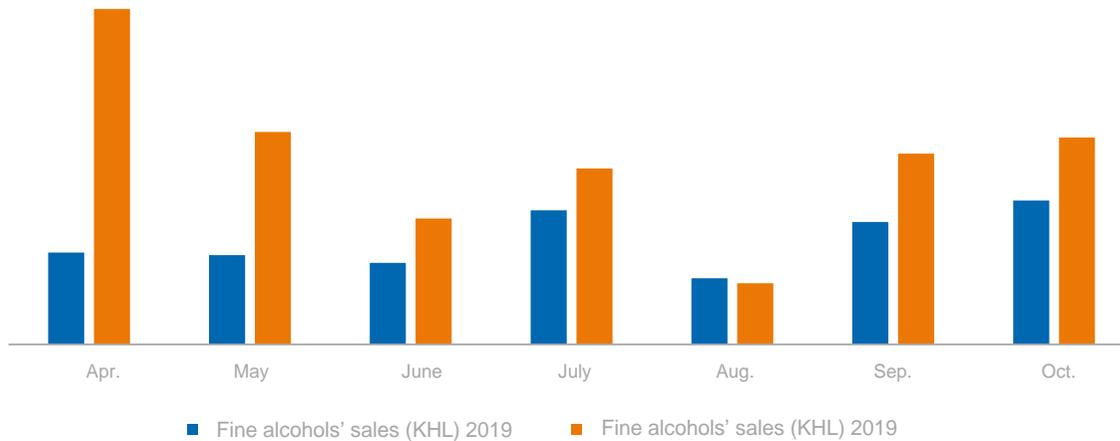
(1) Tereos' brands: Béghin Say, La Perruche, Blonvilliers, Séréline
*Source: Nielsen



SUGAR EUROPE

TEREOS: LEADER IN ALCOHOL FOR PHARMA AND SPIRITS

Fine alcohol sales in H1: +22%



Tereos: market leader

- 50% of the French market
- 15% EU capacities

Fine alcohols: 1/2 of alcohol sales

- Sugar Europe: 6 industrial facilities
- Starches: 2 industrial facilities

Synergies with the alcohol activities of the Starch & Sweeteners Division

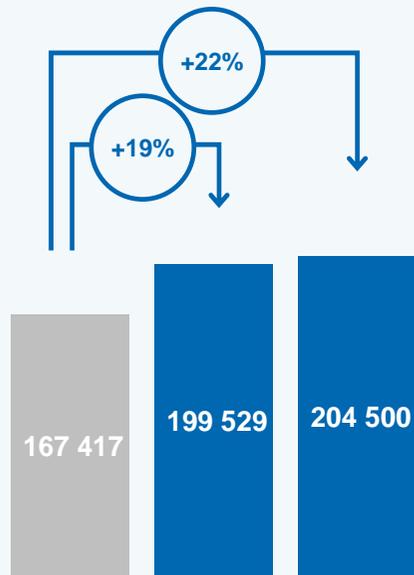
- Integration of Nesle distillery post-acquisition in 2019
- 25% increase pharma grade alcohol capacity



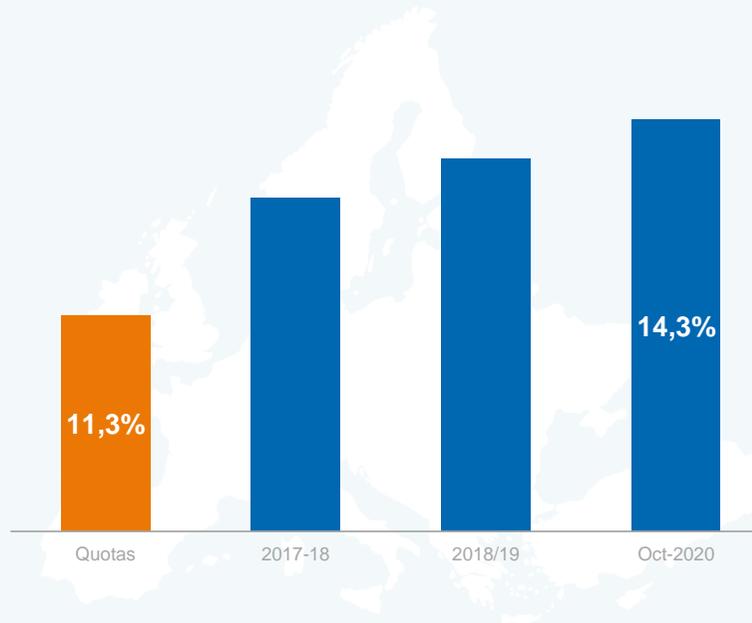
SUGAR EUROPE

A POST-QUOTA STRATEGY THAT PAYS OFF

CULTIVATED LAND (HA)



CHANGE IN TEREOS SUGAR MARKET SHARE IN EUROPE



AVERAGE PRODUCTION / PLANT (KT)



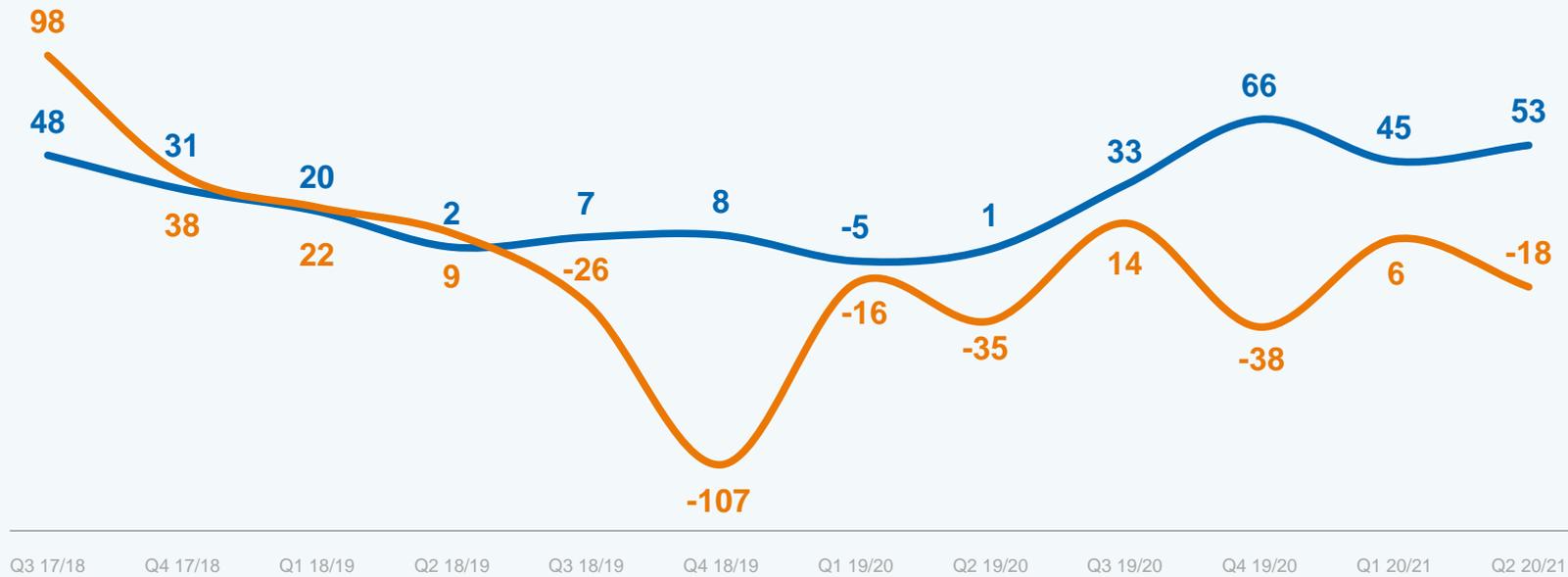
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A 23% increase in the rate of use of industrial tools, a factor of competitiveness

SUGAR EUROPE

COMPARISON WITH SÜDZUCKER

QUARTERLY ADJUSTED EBITDA IN €M



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Sources: Public data, Tereos



PRESS CONFERENCE - HALF-YEARLY EARNINGS

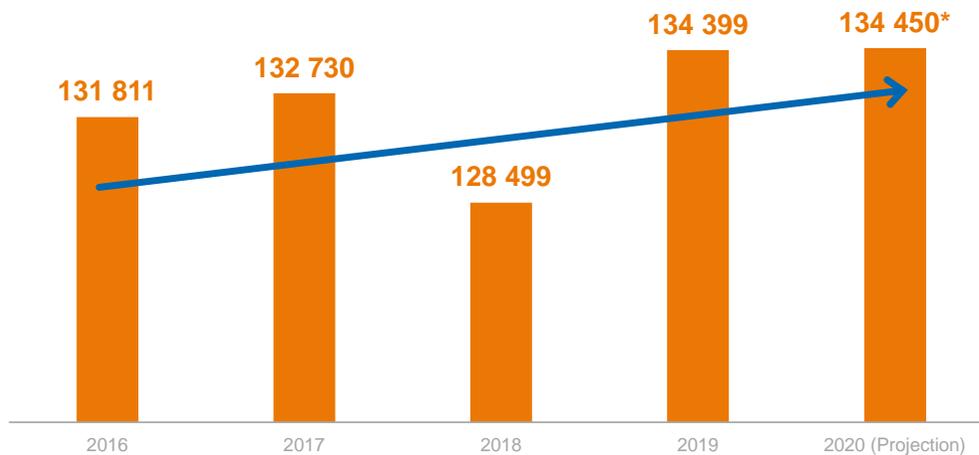
NOVEMBER 18, 2020

SUGAR EUROPE

A PERFORMANCE SUPPORTED BY OPERATIONAL PERFORMANCE GAINS

The output of Tereos Sugar France's 9 plants has been increasing since 2016

AVERAGE DAILY OUTPUT TSF PLANTS
(TONS OF BEETS)

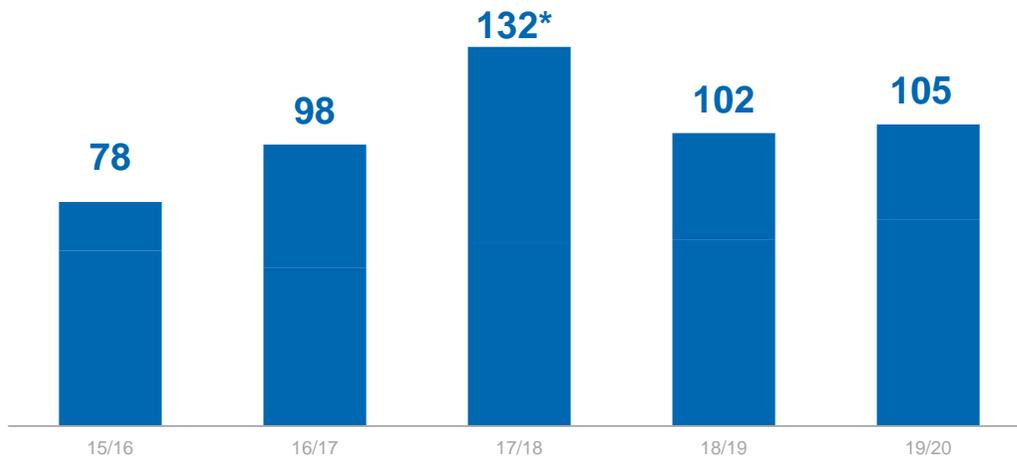


(*): Neutralized landing outlook for uprooting impacts and site supply

SUGAR EUROPE

A PERFORMANCE SUPPORTED BY OPERATIONAL PERFORMANCE GAINS

INVESTMENT OF TEREOS – TSF IN FRANCE (€M)



MAIN INVESTMENTS MADE

Energetic efficiency and CO₂ emissions reduction:

- Lillers: €19.7 M
- Escaudœuvres: €23.4 M

Improved production and logistics for sugar:

- Syrup crystallization and storage: €55 M
- Escaudœuvres Logistics Center: €8 M

New generation lime kilns:

- Escaudœuvres: €5.5 M
- Attin: €5.5 M

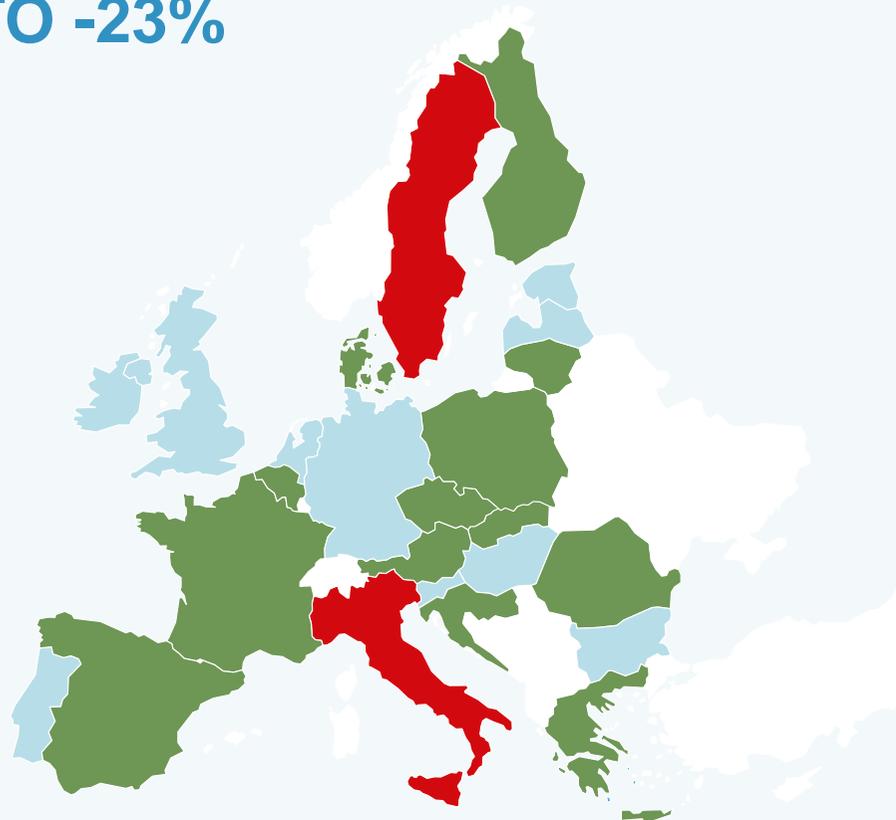
(*): Investments for market deregulation

SUGAR EUROPE

REVISED 20/21 YIELD FORECAST IN FRANCE FROM -12% TO -23%

REGULATORY STATUS

-  Prohibited neonicotinoids
-  Decision pending
-  Authorization granted*



Prohibition of neonicotinoids in France since January 9th, 2018

12 EU countries awarded exemptions from the use of neonicotinoids in 2019 and 2020

Revised yield forecast in France from -12% to -23%

Tereos built precaution inventories since the spring and will reduce its industrial costs

Net impact of the actions led estimated to €40 M, of which €20 M on the fiscal year

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*2019/2020



02
**EARNINGS AND KEY POINTS
STARCH & SWEETENERS**

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STARCH & SWEETENERS

A MORE VOLATILE MARKET BECAUSE OF COVID-19

Reduced demand due to COVID-19

- In the food (sweeteners) and industrial sectors (industrial packaging)
- Irregular demand since June

The decrease in demand was offset by the:

- Good relative performance during first containment
- Increase in exports (Africa, Middle East, Asia)
- Alcohol/ethanol increase
- With the effect of generally lower margins

8% drop in revenues in H1

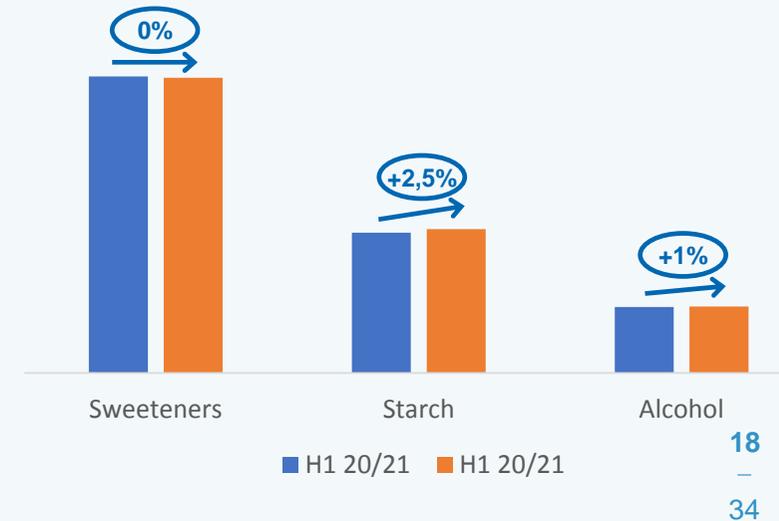
- Price and mix effects

Restructuring underway in Western Europe

- Haubourdin site (France, Cargill)
- Corby site (UK, Roquette)



VOLUME SOLD (KT)



PRICE OF WHEAT (€/T)



RESULTS UNDERPINNED BY GOOD OPERATING PERFORMANCE

Continued high-capacity utilization despite COVID-19

- Slight decrease in production during H1: -1.3% vs. previous H1

Good sales and industrial performance during first lockdown to adapt to changes in the market

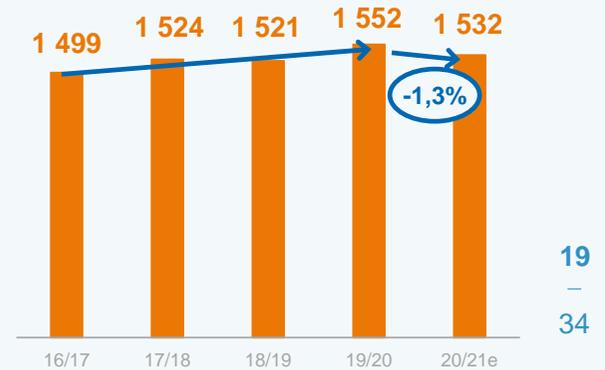
- Very good industrial performance (historic crushing records in Marckolsheim and Aalst)
- Ability to reposition on the most dynamic categories

Integration of Nesle distillery (acquired in 2019)

- Production successfully redirected to the disinfectant segment
- Full benefit of the 25% extra capacity for the production of fine alcohol



H1 TSSE PRODUCTION (KT CRUSHED)



H1 AALST PRODUCTION (KT CRUSHED)



CONTINUATION OF TRANSFORMATION PLAN

Energy investments

- Low-temperature evaporators in Aalst (Belgium), Zaragoza (Spain) and Nesle (France)
- Reduction of carbon footprint from ethanol production in Lillebonne (Normandy)
- Start-up of a 45MW cogeneration plant in Marckolsheim (Grand-Est)

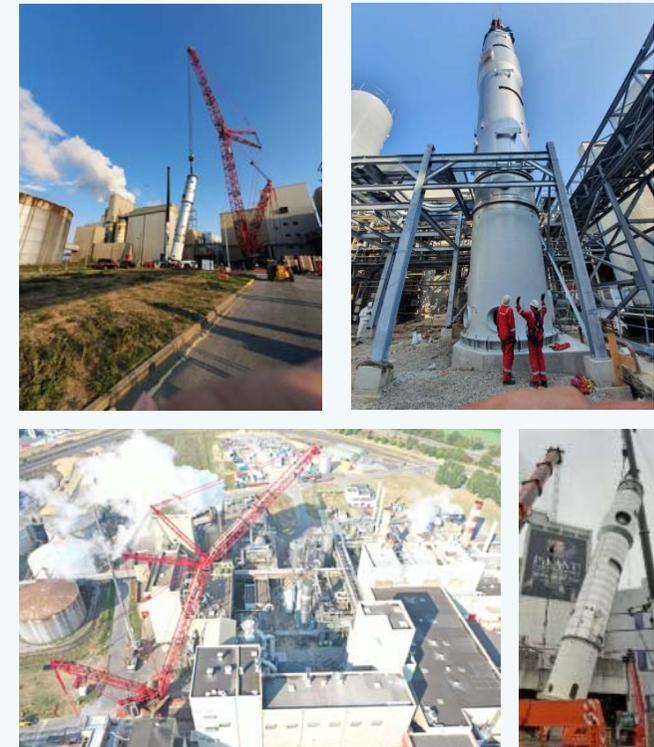
Optimization of production capacities

- **Aalst:** wheat starch, maltodextrins and glucose powder
- **Zaragoza:** crystalline dextrose (pharma grade)
- **Nesle:** +25% for pharma-grade alcohol

Launch of new product lines

- **Marckolsheim:** soluble corn starch
- **Aalst:** potato maltodextrins

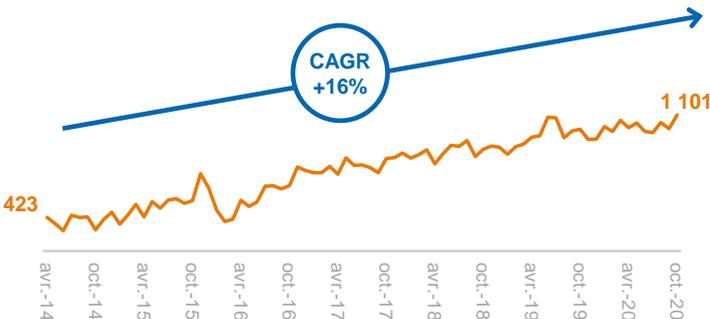
RECENT INVESTMENTS



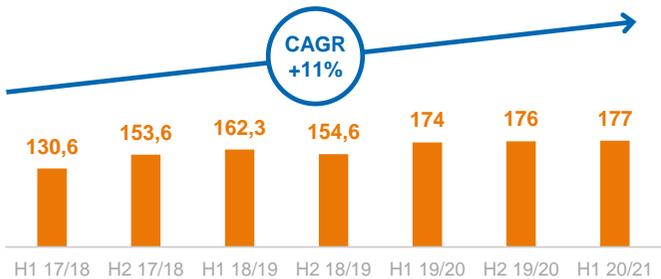
STARCH & SWEETENERS

CONTINUED IMPROVEMENT IN OPERATIONAL PERFORMANCE IN INDONESIA

CORN MILLING CONSTANTLY INCREASING (T/DAY)



SALES BY VOLUME (kt)



Best historical crushing performance over the last 12 months rolling 353 kt, peaking at 1,100 t/d in October 2020

Sustained activity despite the first wave of COVID-19

Capital expenditure

- Commissioning cogeneration
- Commissioning the fructose workshop



TEREOS: A LEADER IN WHEAT PROTEIN

Protein market growth of over 10% per year

Tereos #2 worldwide: market share estimated at 21.2% as of September 30

Acquaculture: fish pellet sales x2 vs. 2018

Export of wheat proteins to 39 countries outside the EU28

Sales of our Epiwit wheat protein solutions increased 10-fold in two years, already sold in 10 countries.





03
**EARNINGS AND KEY POINTS
INTERNATIONAL SUGAR**

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INTERNATIONAL SUGAR

STANDARDIZATION OF WORLD PRICES IN THE 2ND QUARTER

NY11 H1 average price: 11.6 cts/lb (-3%)

- **Sharp decline in Q1** under the effect of COVID-19: lower at 9 cts/lb
- **Recovery in Q2:** close at 13.5 cts/lb
- Fundamentals remain strong despite COVID-19

Ethanol:

- **Consumption down 30% in Q1**
- **Recovery in Q2,** to a level still 10% lower than last year

Sugar vs. Ethanol mix in Brazil: 47%

Sugar vs. Ethanol mix Tereos: 62.5%



PRICE OF SUGAR (NY11 – USD CTS/LB)⁽¹⁾



ETHANOL CONSUMPTION IN BRAZIL (BILLIONS OF LITERS)



¹⁾ Source: Bloomberg

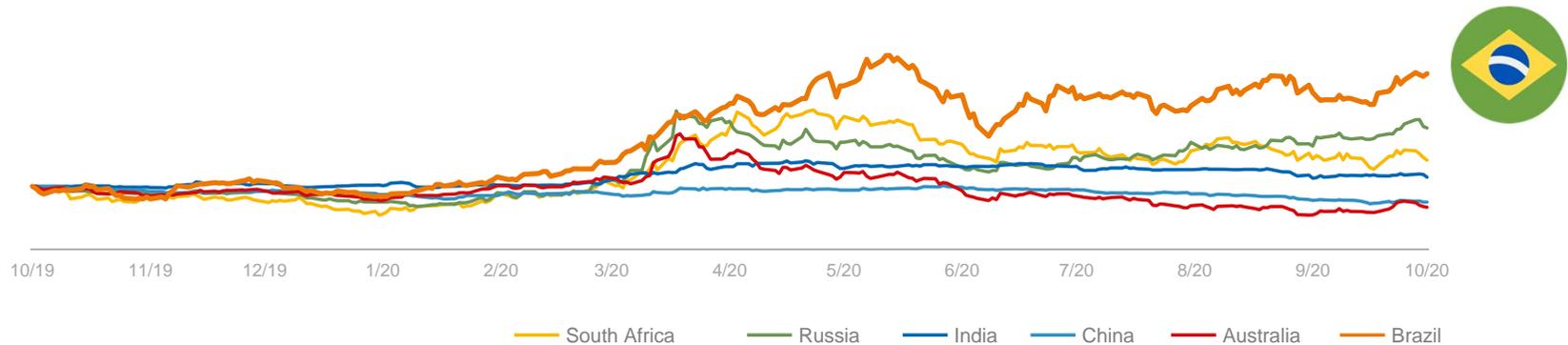
SHARP DEPRECIATION OF THE BRAZILIAN REAL IN 2020

Brazilian Real down 36% vs USD in H1

Twofold effect of the fall in the Real

- Strengthening of Brazil's position as the most competitive player on the world market
- Unfavorable euro conversion effect in the financial statements

BRICS + Australia exchange rates (vs. USD)⁽¹⁾



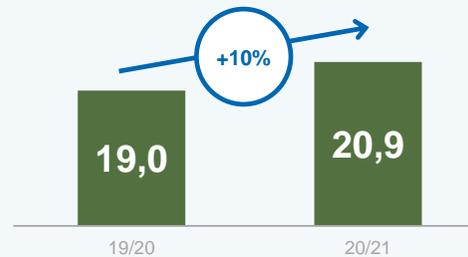
1) Source: Bloomberg

RECORD OPERATING RESULTS IN BRAZIL

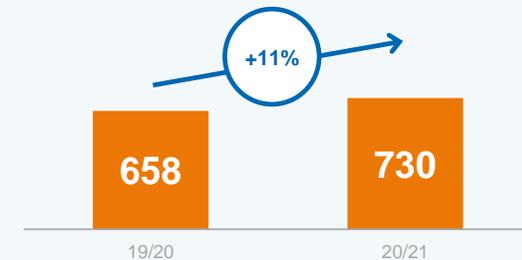
Record operating results:

- 20.9 m tonnes of sugarcane processed (+10%)
- Yield of 12.2 tonnes of sugar per hectare (+12%)
- Over 100 kt of cane crushed each day
- Industrial rate of sugar extraction: **92.2%** (+1.3 p.p.)
- Sugar/ethanol mix: **62.5%**
- Energy performance: **+13%**
 - Decrease in energy consumption per tonne of cane from 32 kWh to 28 kWh

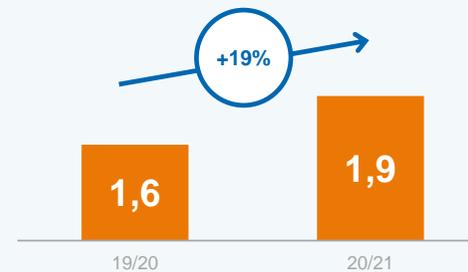
TOTAL CRUSHED (MT)



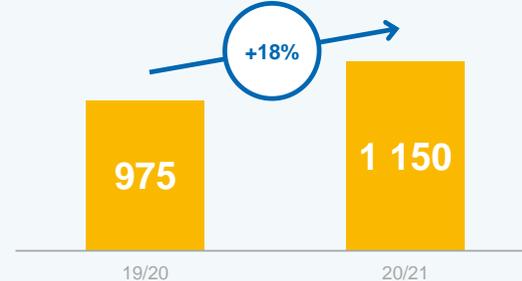
ETHANOL PRODUCTION (ML)



SUGAR PRODUCTION (MT)



SALE OF ELECTRICITY (GWH)



A LOGISTICS STRATEGY THAT PAYS OFF



September 2018: signing of the VLI logistics partnership

April 2019: start of sugar transport

2020: start-up of logistics facilities in Santos (April) and Guará (August).

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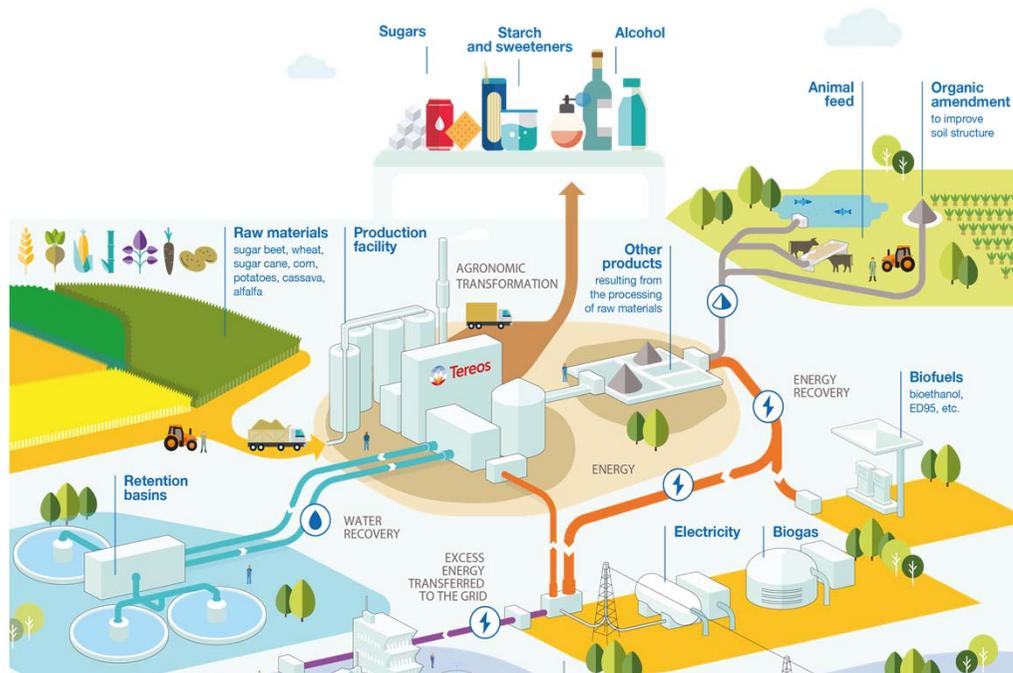
60% increase in sugar exports

- 1.15 Mt
 - An historic record for Tereos
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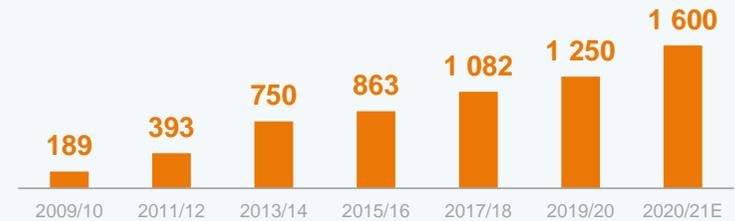
Carbon footprint: 220 kt reduction in CO₂ emissions

A PROMISING DEVELOPMENT STRATEGY IN RENEWABLE ENERGIES

A virtuous circular economy model



PRODUCTION OF ELECTRICITY (MWH)



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Green electricity: 35.8% of EBITDA in H1 in Brazil

Renovabio: 800 k Cbios ready for sale by 2020/21

First sustainable financing in the sector signed in H1

INTERNATIONAL SUGAR

EARNINGS DRIVEN BY GROWTH AND AMBITIONS 2022

EBITDA: +28% to €98 M at current exchange rates

- EBITDA: +67% to €98 M at constant exchange rates
- Depreciation of the real: -36% vs. USD

Continued development of renewable energies

- Electricity sold: +18%
- CBios sold: 800 k CBios

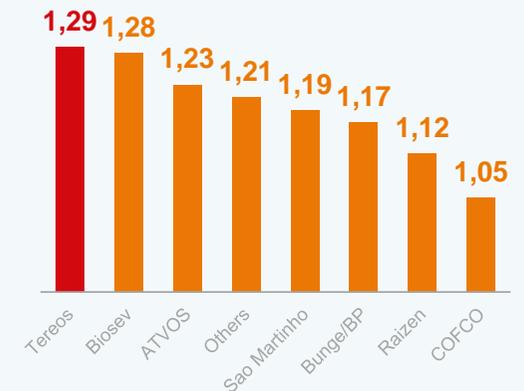
A positive carbon footprint in excess of 400,000 tons of CO2



EBITDA (€M)



EMISSIONS SCORE (Cbio/m³)





04 OUTLOOK

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OUTLOOK

STRONG CHANGES FOR THE FOOD INDUSTRY

Nutrition / Health: structural decline in the consumption of sweeteners in the EU

Shift in the center of gravity of consumption towards **emerging countries:** economic catch-up and population growth

Continued growth in protein demand, strong demand for vegetable **proteins**, sustainable aquaculture and alternative proteins

Environmental awareness, **short circuits and the circular economy** will lead to changes in traditional energy and agronomic models

Selling prices of consumer products will remain under pressure: new **distribution** models, **purchasing power** issues

Volatility increased by **deregulation** (EU) and **interdependencies** between markets

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CONCLUSION

Ambitions 2022

Diversification and internationalization

Growing markets, R&D and expansion of the offer

- The Group continues to rely on its **diversification and internationalization strategy**
- Our **Ambitions 2022** plan is well underway and aims at generating **more than €200 M in operational gains**
- Given this target, and based on current prices, the Group expects its **normative EBITDA upon completion of the plan (2022) to be between €600 M and €700 M**
- The Group continues to reflect on the **start of the next stage of its development** and the resources to be implemented (in particular the possibility of opening its capital)

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