



Tereos Full Year 2020/21 Results

June 2, 2021

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#1 - Results



RESILIENT PERFORMANCE IN A CHALLENGING CONTEXT

TEREOS HAS SHOWN RESILIENCE IN THE FACE OF:

_ **The sanitary crisis**

Business Continuity Plan coordinated at global level with a two-fold ambition of assuring the safety of Employees and Partners while maintaining the quality of service

_ **Increased market volatility**

Prices particularly volatile for all commodities – sugar, ethanol, energy and grains.

A MIXED AGRICULTURAL SCENARIO:

_ **A record crop in Brazil**

20.9 MT of sugarcane crushed

_ **Low sugar beet yields in Europe**

Crop affected by bio-aggressors and adverse weather conditions.



KEY FIGURES

2020/21 ANNUAL RESULTS

REVENUES

€4,317 m

1% growth at
constant foreign exchange rate
(-4% at current foreign
exchange rate)

ADJUSTED EBITDA

€465 m

29% improvement at
constant foreign exchange rate
(11% at current foreign
exchange rate)

STABLE NET DEBT

€2,533 m

NET RESULTS

€-133 m

impacted, among others,
by €76 million
asset impairment

RECURRING EBIT

€86 m

344% increase at
constant foreign exchange rate
(218% at current foreign
exchange rate)

DECREASING LEVERAGE

5.5x

driven by EBITDA improvement

STRONG IMPROVEMENT IN RECURRING EBIT

Income statement	19/20	20/21		
€ m	FY	FY		var
Revenues	4,492	4,317	-175	-4%
Adj. EBITDA	420	465	+45	+11%
<i>Adj. EBITDA Margin</i>	9.3%	10.8%	1.4%	
Depreciation / amortization	-420	-380	+40	
Seasonality adjustment	-2	4	+6	
Others	29	-2	-31	
Recurring EBIT	27	86	59	+218%
EBIT	177	9	-168	-95%
Financial result	-155	-128	+27	-17%
Corporate income tax	-8	-21	-14	
Share of profit of associates	10	8	-3	
Net results	24	-133	-157	

Adjusted EBITDA at €465m – +€45 million vs last year and +€110 million excluding one-off items

Recurring EBIT : strong increase as result of improvement in sugar and ethanol prices combined with record volumes in Brazil +€59 million vs 19/20 (+11%); non-recurring effects : ETEA operation (positive impact in 19/20) and impairment of assets (negative impact in 20/21)

Net result impacted by €76 million impairment of assets

POSITIVE FREE CASH FLOW GENERATION & STABLE NET DEBT

Net debt variation	19/20	20/21
€ m	FY	FY
Net debt (opening position) excluding IFRS16	-2,500	-2,443
Adj. EBITDA	420	465
Other operational flows	-32	21
Net financial charges	-152	-104
Income tax paid	-2	-18
Cash Flow	234	364
Change working capital	20	73
Cash Flow from operating activities	255	437
Maintenance & Renewal	-271	-243
Other CAPEX	-162	-120
Financial investments	-61	-8
Disposals	285	4
Dividends received	14	11
Cash Flow from (used in) investing activities	-195	-356
Cash Flow after investing activities	60	81
Dividends paid & price complement	-87	-20
Capital increases/other capital movements	1	4
Cash Flow from (used in) transactions relating to equity	-85	-16
Free Cash-Flow	-26	65
Other (incl. FOREX impact)	83	-43
Net debt excluding IFRS16	-2,443	-2,421
Impact IFRS16	-115	-112
Net debt (closing position)	-2,558	-2,533

CAPEX reduction

Lower level related to the conclusion of investments related to the previous performance plan and to foreign exchange rate impacts

Positive free cash-flow

Driven by EBITDA improvement and reduction in CAPEX and financial charges

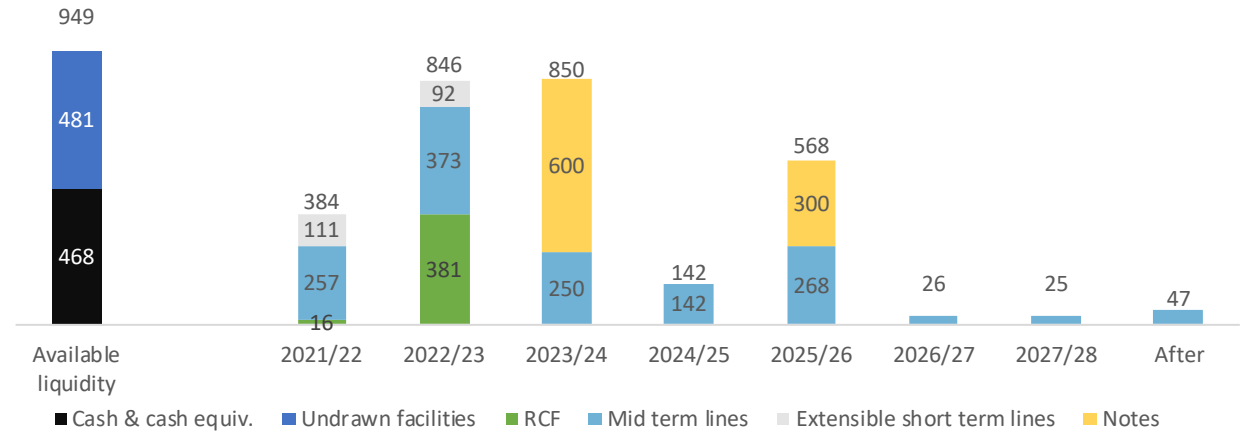
Stable net debt, despite non-cash effects

Positive free cash-flow partially offset by non-cash effects such as foreign exchange rate variation and accounting reclassifications

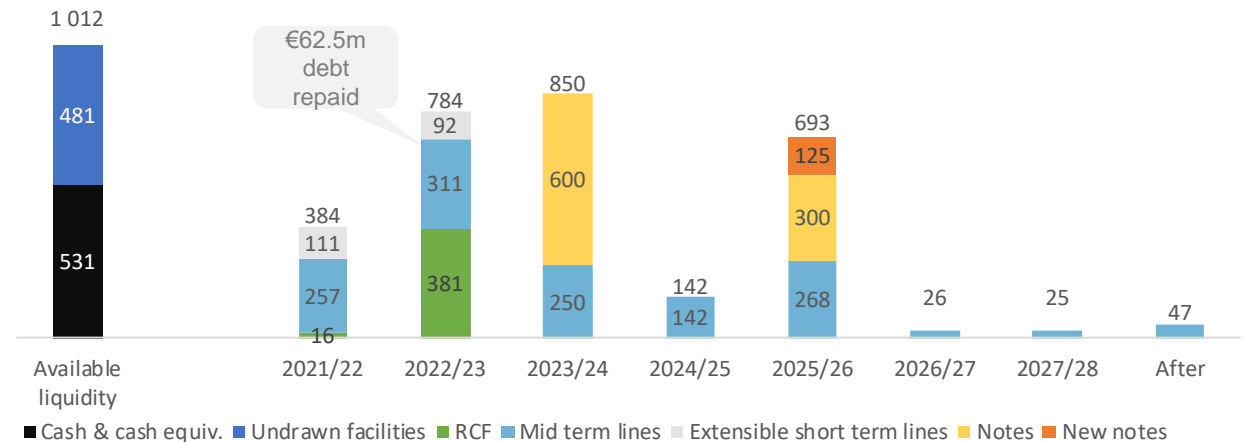
CONTINUED DELEVERAGING, SUCCESSFUL REFINANCING AND STRONG FINANCIAL SECURITY

- **Strong liquidity and diversified financing profile:**
 - €468m of cash
 - €481m of undrawn committed long-term lines
 - Diversified sources of financing : Notes, PGE, RCF, loans
- **Proactive management and successful refinancing in 2020/21:**
 - A sustainability-linked export finance line for USD 105m
 - A French State guaranteed loan for €230m
 - Senior notes issued in October 2020 for €300m, maturing in 2025
 - Renewal of Tereos SCA sustainability-linked RCF for €200m
 - Tap of 2025 Senior notes concluded in April 2021 for €125m
- **Prudent financial policy & new strategy focused on deleveraging**

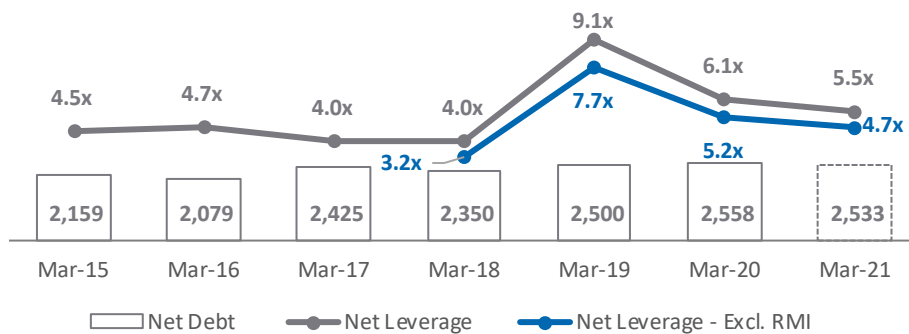
..... Debt maturity schedule as of March 31, 2021¹ (€m)



.... Pro forma debt maturity schedule, incl. notes issued in April 2021^{1,2} (€m)



..... Net debt (€m) / Net leverage³ (x)



SUGAR & RENEWABLES EUROPE

INCREASING EBITDA DESPITE LOWER YIELDS

€ m	19/20	20/21	var		19/20	20/21	var	
	Q4	Q4			FY	FY		
Volumes sold								
<i>Sugar (kt)</i>	677	563	-113	-17%	2,553	2,346	-207	-8%
<i>Alcohol & Ethanol (k.m3)</i>	188	110	-78	-41%	629	506	-123	-19%
Revenues	533	435	-98	-18%	1,727	1,705	-22	-1%
Adjusted EBITDA	66	0	-66	na	95	149	+53	na
<i>Adj. EBITDA Margin</i>	12,4%	0,6%	-12,4%		5,5%	8,7%	3,2%	
Recurring EBIT	34	-33	-67	na	-30	22	+52	na
EBIT	32	-33	-65	na	-35	22	+57	na

Stable revenues despite decrease in volumes

In spite of reducing volumes sold, particularly in the last quarter and driven by negative effect of yellow virus on sugar beet yields, revenues were supported by sugar and ethanol price recovery

EBITDA improvement

On top of prices' improvement, the positive evolution of operational performance led to a 56% increase in EBITDA

SUGAR & RENEWABLES INTERNATIONAL

STABLE RESULTS IN THE CONTEXT OF BRL DEPRECIATION

€ m	19/20	20/21	var		19/20	20/21	var	
	Q4	Q4			FY	FY		
Volumes sold								
<i>Sugar (kt)</i>	535	511	-23	-4%	1,787	2,078	291	+16%
<i>Alcohol & Ethanol (k.m3)</i>	268	273	+5	+2%	647	721	+74	+11%
Revenues	277	270	-7	-3%	959	944	-15	-2%
Adjusted EBITDA	80	71	-9	-11%	222	246	+24	+11%
<i>Adj. EBITDA Margin</i>	29.0%	26.5%	-2.5%		23.1%	26.0%	+2.9%	
Recurring EBIT	64	35	-29		61	100	+39	
EBIT	60	35	-25		58	71	+13	

Stable revenues despite BRL depreciation

Brazilian real depreciated by 37% against the euro in 2020/21 but such effect was compensated by the increase in volumes resulting for the record crop in Brazil and by higher sugar and ethanol prices

EBITDA supported by good performance

Adjusted EBITDA driven by increase in prices and volumes sold, combined with cost optimisation in Brazil, factors that compensated the foreign exchange rate effect

STARCH, SWEETENERS & RENEWABLES

MARGINS UNDER PRESSURE

€ m	19/20	20/21	var		19/20	20/21	var	
	Q4	Q4			FY	FY		
Volumes of cereals ground (kt)	923	953	31	3%	3 631	3 658	28	1%
Volumes sold								
<i>Starch & Sweeteners (kt)</i>	531	563	32	6%	1 984	2,081	98	5%
<i>Alcohol & Ethanol (k.m3)</i>	87	81	-6	-6%	320	319	0	0%
Revenues	378	381	3	1%	1,501	1,449	-52	-3%
Adjusted EBITDA	33	16	-18	-53%	93	70	-23	-25%
Adj. EBITDA Margin	8.9%	4.1%	-4.8%		6.2%	4.8%	-1.4%	
Recurring EBIT	11	-9	-20	na	6	-24	-30	na
EBIT	11	-9	-21	na	169	-55	-224	na

Decrease in revenues, despite higher volumes

In spite of the increase in volumes sold and the higher ethanol prices, the division was impacted by lower prices of starch products and proteins

Strong EBITDA reduction as result of price impact

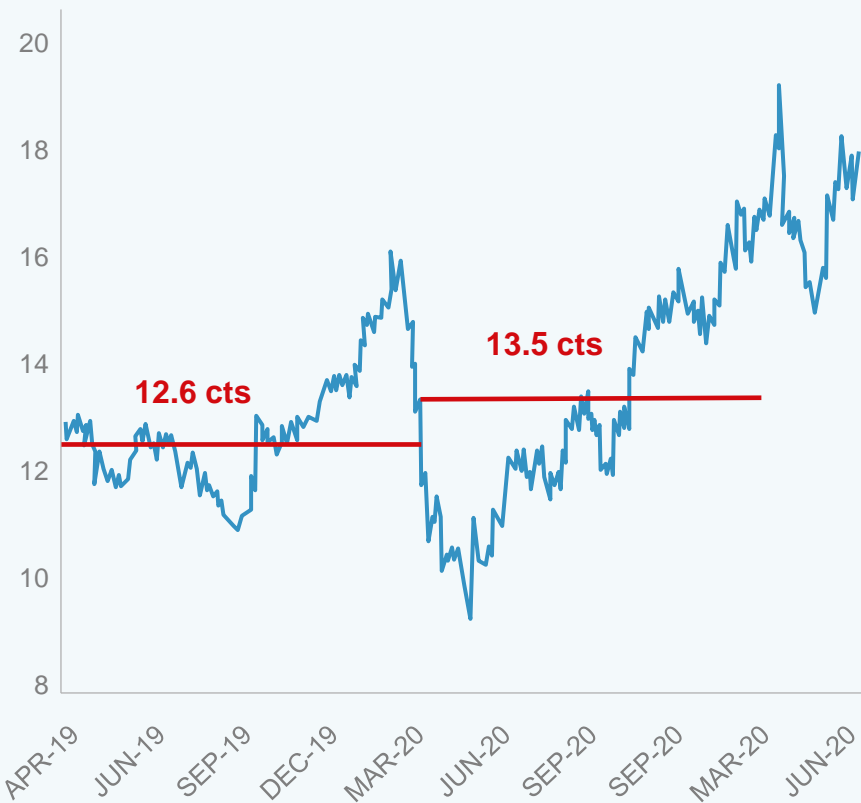
Adjusted EBITDA dropped as result of a pressure on margins linked to a slight demand erosion in Europe and to higher cereal prices, factors particularly affecting the last quarter of the financial year

#2 Outlook



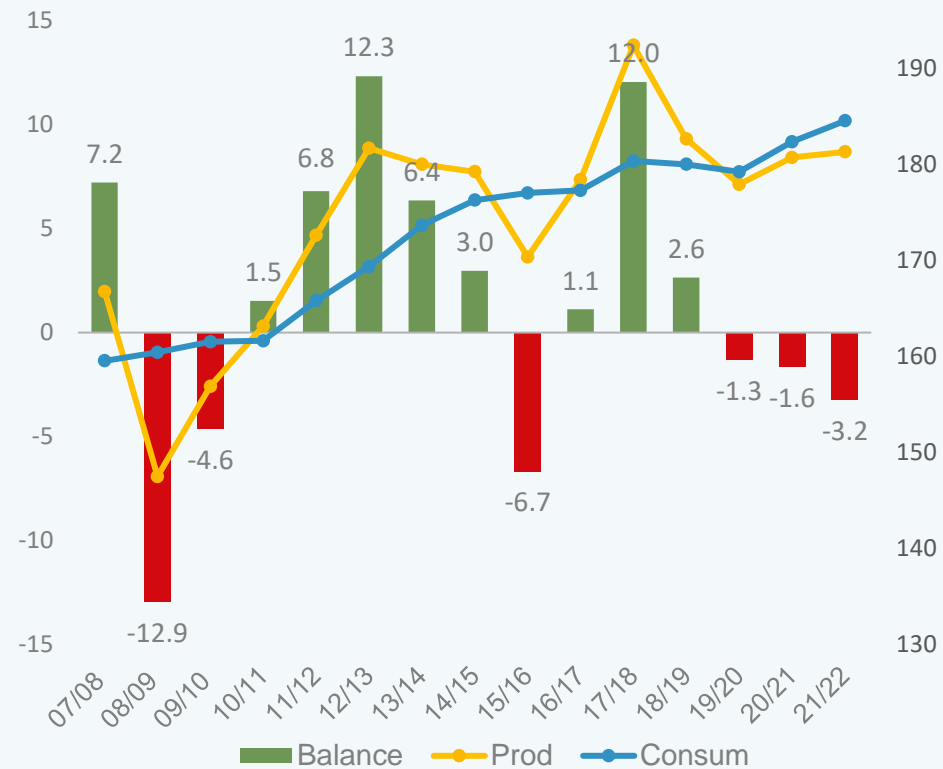
WORLD SUGAR PRICES SUPPORTED BY A 3RD YEAR OF PRODUCTION DEFICIT

WORLD SUGAR INDEX (NY11)
US\$cts/lb



Source: ICE - Bloomberg

WORLD SUGAR SUPPLY VS DEMAND
(MMT)



Source: Tereos Market Intelligence

Sustained forecasts at \$ 17 cts/lb

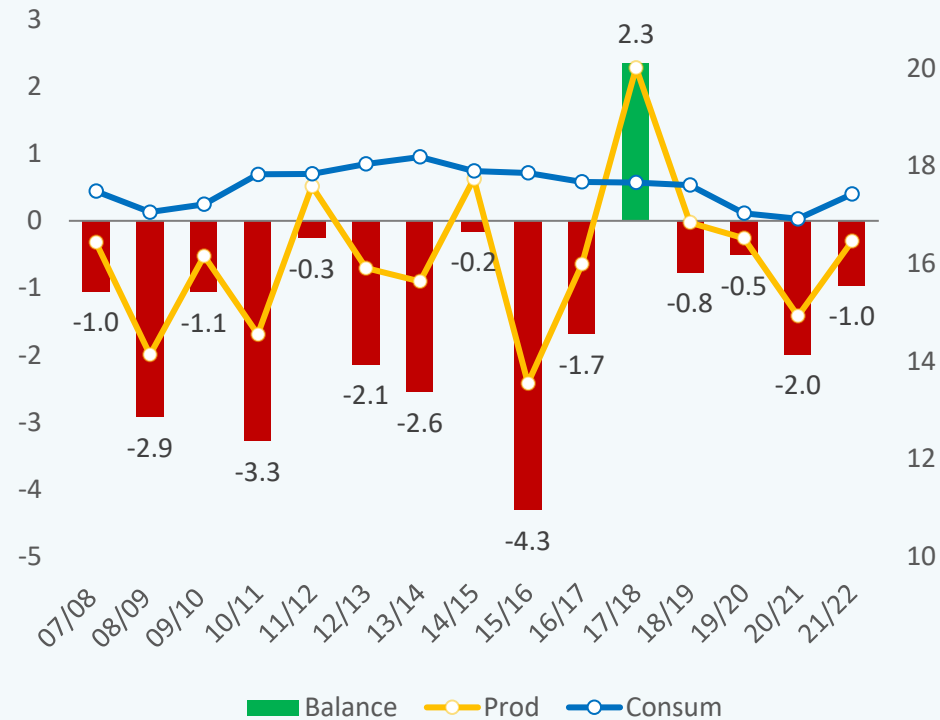
EUROPEAN SUGAR PRICES YET TO CAPTURE UPSIDE DRIVERS

EU COMMISSION OBSERVATORY PRICE
(EUR/MT EXW)



Source: EU Commission Observatory

EU+UK SUGAR SUPPLY VS DEMAND
(MMT)



Source: Tereos Market Intelligence

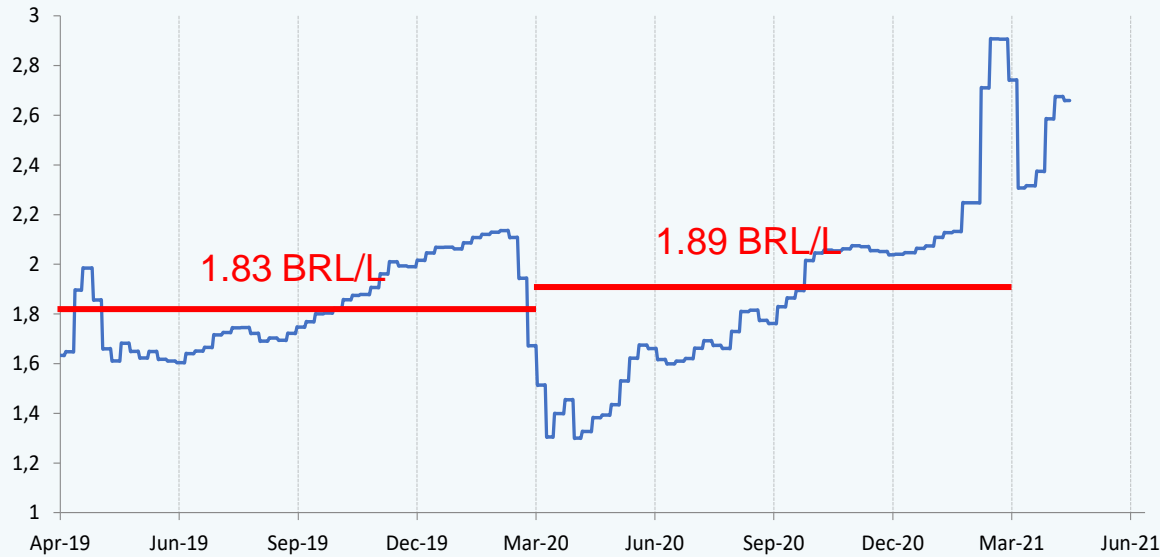
European prices yet to capture:

- Increase in world sugar prices
- Weak European production

HIGH VOLATILITY IN ETHANOL MARKET AMID SUSTAINED DEMAND



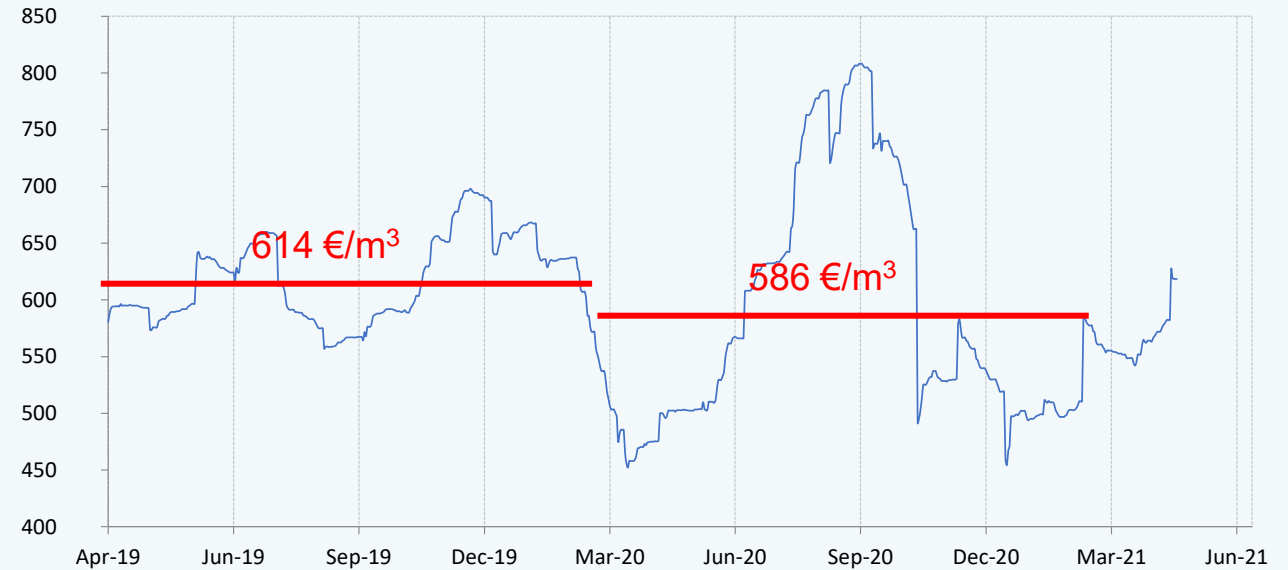
ESALQ HYDROUS ETHANOL
WEEKLY PRICES (BRL/L)



Source: CEPEA-ESALQ - Bloomberg



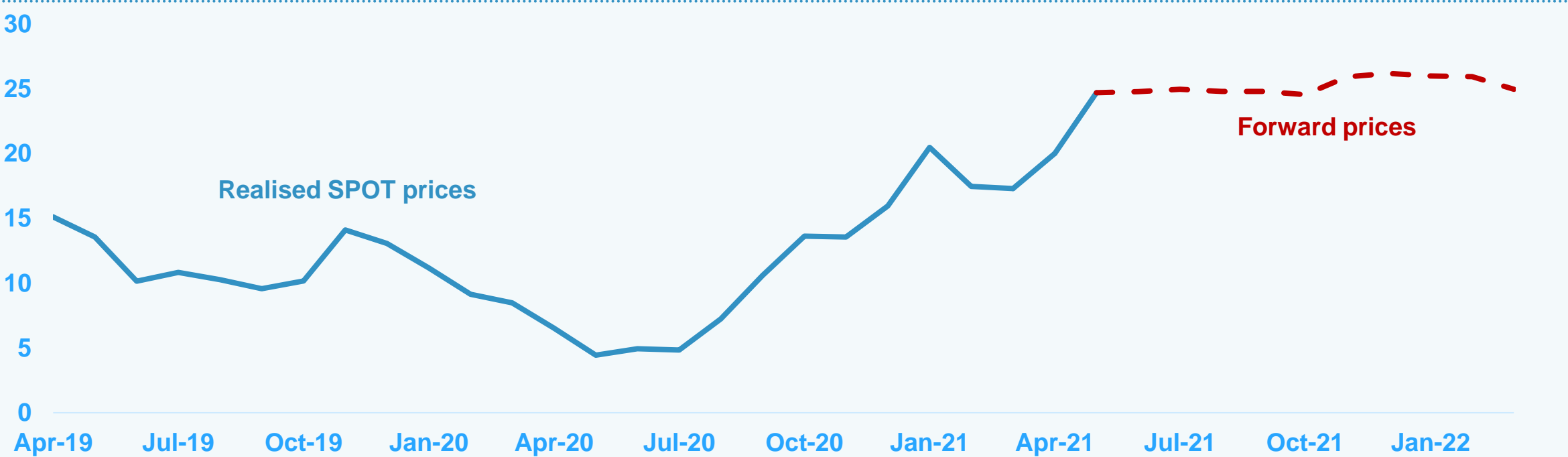
T2 ETHANOL
(EUR/M3)



Source: Bloomberg

SUBSTANTIAL INCREASE IN GAS PRICES FOR FY21/22

FRENCH GAS PRICES (PEG HUB)
(€/MWh)



Source: Powernext (spot), Thomson Reuters Eikon (forward)

BUSINESS PERSPECTIVES 2021/22

SUGAR AND RENEWABLES EUROPE



- **Sugar beet campaign**
 - _ Stabilized surfaces and normal plant development
- **Pressure on sugar prices in Europe, echoing the world market**
 - _ Prices expected to rise for the 2022 negotiations

SUGAR AND RENEWABLES INTERNATIONAL



- **Sugarcane campaign: adverse weather conditions put pressure on yields**
 - _ Drought impact on future production
- **High world prices given the expected global deficit**
 - _ Despite a maxi-sugar mix in Brazil

STARCH, SWEETENERS AND RENEWABLES



- **Soaring cereal prices**
 - _ Continuing prices' increase expected
- **Progressive build-up of the new commercial strategy**
 - _ Foreseeable effects during upcoming period.

3 VALUE CREATION DRIVERS



**COMMERCIAL
EXCELLENCE**

Short-term

GO FROM A **VOLUME** STRATEGY
TO A **MARGIN** STRATEGY



**ORGANIZATION
EFFICIENCY**

Short-term

PRIORITIZE OUR 3 **PILLARS
OF ACTIVITIES**
AND DEVELOP **SYNERGIES**



**INDUSTRIAL
EXCELLENCE**

Medium-term

INCREASE **ASSET EFFICIENCY**
**STRENGTHEN: CAPEX SELECTION
PROCESS & EXPENDITURE
CONTROL**

THREE-PHASE RECOVERY

FIRST HALF
(April > Sept. 2021)

STABLE EBITDA
(6 months YoY)

In response to the impact of the poor sugar beet crop in Europe and the ongoing Starches business strategy

SECOND HALF
(October > March 2022)

EXPECTED RESUMPTION OF GROWTH



in operating results

END OF SEPTEMBER 2022

ATTAIN EBITDA GUIDANCE OF 600-700 M €



with a lag of two quarters
(12-month YoY)

2024 OUTLOOK

A SET OF CLEAR OBJECTIVES



RECURRING GENERATION
OF POSITIVE FREE
CASH-FLOW



DEBT LEVEL
BELOW €2 BILLION



5% EBIT MARGIN



DEBT LEVERAGE
< 3X

