Press release

Paris, August 4, 2021

2021/22 quarterly results: Slight increase in operational results despite yellows virus impact

(April 2021 – June 2021)

Unaudited figures

- **Turnover of €1,013 million, up 5% driven by higher sugar and alcohol/ethanol prices but impacted by poor beet crops in Europe.**
- **EBITDA of €109 million, up compared to Q1 20/21 despite lower volumes sold on sugar activities and weak margins on European starch activities.**
- **12-month cumulated EBITDA picks up at €479 million as of June 30, 2021 compared to €465 million at end of March 2021.**
- **Net debt at €2,690 million, stable compared to the same period the previous year excluding accounting effects and linked to exchange rates. Compared to the end of March 2021, a net debt up €156 million, particularly due to the yellows virus impact and the annual seasonality linked to the Brazilian crop.**
- **Debt leverage at 5.6x, in line with previous year.**

GROUP RESULTS

Key figures € m	20/21 Q1	21/22 Q1	var (current forex)	var (constant forex)
Revenues	967	1,013	+5%	+6%
Adjusted EBITDA[1]	94	109	+15%	+18%
Adjusted EBITDA margin	*9.8%*	*10.7%*		
Recurring EBIT[2]	11	25	+123%	+126%
EBIT margin[2]	*1.2%*	*2.5%*		

Consolidated revenues amounted to €1,013 million in Q1 21/22, up 5% at current exchange rate and up 6% at constant exchange rate compared to €967 million in Q1 20/21.

Despite the 2020 beet crop and ongoing 2021 Brazilian sugarcane crop impacts on sales, consolidated revenues were driven by price increase (sugar, alcohol, ethanol and by-products) and higher starch volumes sold amid gains of market shares in Europe.

Consolidated adjusted EBITDA[1] amounted to €109 million in Q1 21/22, up 15% at current exchange rate and up 18% at constant exchange rate compared to €94 million in Q1 20/21. Over the last twelve months, the adjusted EBITDA amounted to €479 million compared to €465 million at end of March 2021.

Consolidated recurring EBIT[2] amounted to €25 million in Q1 21/22 compared to €11 million in Q1 20/21.

Group operational results were driven by the price increase in sugar, Brazilian ethanol and European alcohol/ethanol. However, the results suffered from the impact of the poor 2020 beet crop and the 2021 (ongoing) sugarcane crop in Brazil on volumes sold, as well as a decrease in margins compared to Q1 20/21. Margins are still under pressure for the starch and sweeteners' activities in Europe.

1. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

In **France**, sowing for the 2021 crop took place in good conditions but the beet development was disrupted by adverse weather conditions (frost in April and cold temperatures in May), therefore requiring renewed sowing for 8% of the surfaces. Although the ITB (Beet Technical Institute) announced average yields in the range of the 5 years average, the situation remains heterogeneous.

In the **Czech Republic** and in **Romania**, beet development is, as of date, in line with standards.

Like every year, weather conditions in the upcoming weeks will be crucial for the yields.

Revenues for the Sugar and Renewables Europe division amounted to €379 million in Q1 21/22, down 3% at current exchange rate compared to €390 million in Q1 20/21.

The division's **adjusted EBITDA** amounted to €34 million in Q1 21/22, compared to €45 million in Q1 20/21, down 24% at current exchange rate.

[1] *See the definition of adjusted EBITDA in the Appendix.*
[2] *EBIT excluding non-recurring items (not significant in Q1 20/21 and Q1 21/22)*

The division's **recurring EBIT** amounted to €4 million in Q1 21/22, compared to €17 million in Q1 20/21, down 78% at current exchange rate.

Despite the ongoing sugar price recovery and the price increase in ethanol and alcohol, the division's results are negatively impacted by the drop in volumes sold caused by poor yields on the 2020 crop.

SUGAR AND RENEWABLES INTERNATIONAL

In **Brazil**, due to adverse weather conditions, sugarcane volumes for the 2021 crop are expected lower by 10 to 15% compared to the last 5 years average. Market conditions and forex keep pushing the production mix in favour of sugar.

In **Reunion Island**, the 2021 crop started in satisfactory conditions with volumes expected in line with last year.

Revenues for the Sugar and Renewables International division amounted to €171 million in Q1 21/22, up 7% at current exchange rate and up 13% at constant exchange rate compared to €160 million in Q1 20/21.

The division's **adjusted EBITDA** amounted to €49 million in Q1 21/22, compared to €39 million in Q1 20/21, up 24% at current exchange rate and up 32% at constant exchange rate.

The division's **recurring EBIT** amounted to €19 million in Q1 21/22, compared to €9 million in Q1 20/21, up 109% at current exchange rate and up 115% at constant exchange rate.

Despite the decrease in volumes sold due to lower yields for the ongoing 2021 Brazilian crop, the division's results are driven by sugar and ethanol's higher prices.

STARCH, SWEETENERS AND RENEWABLES

Revenues for the Starch, Sweeteners and Renewables division amounted to €412 million in Q1 21/22, up 20% at current exchange rate compared to €343 million in Q1 20/21.

The division's revenues are driven in Europe by the gain in market shares (targeted by commercial negotiations at the end of 2020) and by the price increase in alcohol/ethanol and by-products. Internationally, volumes are also growing in a context of higher selling prices.

The division's **adjusted EBITDA** amounted to €18 million in Q1 21/22, compared to €8 million in Q1 20/21, up 123% at current exchange rate.

The division's **recurring EBIT** amounted to €-4 million in Q1 21/22, compared to €-15 million in Q1 20/21.

The division's operational results are driven by the increase in volumes sold. Nonetheless, margins remain at insufficient levels in Europe despite the first positive effects of the new commercial strategy implemented in 2021.

2. NET FINANCIAL DEBT

Net financial debt at June 30, 2021 stood at €2,690 million compared to €2,533 million at March 31, 2021, up €156 million. Excluding readily marketable inventories (€407 million which can be converted into cash at any time), the Group's adjusted net debt amounted to €2,283 million.

The increase in debt compared to March 31, 2021 is due to a level of EBITDA which reflects, in particular, the lower volumes sold in Europe with the beet yellows virus, and the annual seasonality linked to the Brazilian crop. Finally, the Brazilian real denominated debt is impacted by the appreciation of the Brazilian currency against the Euro.

The Group's debt leverage at the end of June 2021 stood at 5.6x, in line compared to end of March 2021 (5.5x).

At the end of June 2021, the Group's financial security amounted to €1,023 million, consisting of €398 million in cash and cash equivalents and €625 million in undrawn confirmed long-term credit lines along with the Tereos France RCF undrawn line currently under refinancing.

On April 20, 2021, Tereos issued bonds for a nominal amount of €125 million maturing in 2025 at an effective rate of 5.79% at maturity. The terms of these securities are identical to those of the bonds issued in October 2020 at an effective rate of 8.00%.

The success of this issue with a significant drop in the effective rate and in a context of uncertainty linked to the sanitary crisis confirms Tereos Group's access to the bond market and reflects investors' confidence in the priorities announced by the new management team: debt reduction, positive free cash flow and recovery of operating profitability.

Net financial debt at June 30, 2021 breaks down as follows:

Net debt € m	31 March 2021	30 June 2021	Current	Non-current	Cash & cash equivalents
Net debt	2,533	2,690	558	2,529	(398)
Net debt / EBITDA ratio	5.5x	5.6x			
Net debt / EBITDA ratio excl. RMI*	4.7x	4.8x			

**Readily Marketable Inventories: €346 million as end of March 2021 and €407 million as end of June 2021*

About Tereos

With a long-term vision of valuing agricultural raw materials and developing quality products for the food, health and renewable energy sectors, 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 Cooperative members and has recognized know-how in the processing of beet, sugarcane, cereals, and potatoes. Through 48 industrial sites, a presence in 18 countries and the commitment of its 23,000 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2020/21, the Group posted €4.3 bn turnover.

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APPENDIX

A. DETAILED RESULTS BY DIVISION

Revenues by division € m	20/21 Q1	21/22 Q1	var (current forex)	var (constant forex)
Sugar Europe	390	379	-3%	-4%
Sugar International	160	171	+7%	+13%
Starch & Sweeteners	343	412	+20%	+21%
Others (incl. Elim)	74	51	na	na
TEREOS Group	967	1,013	+5%	+6%

Adjusted EBITDA by division € m	20/21 Q1	21/22 Q1	var (current forex)	var (constant forex)
Sugar Europe	45	34	-24%	-25%
Sugar International	39	49	+24%	+32%
Starch & Sweeteners	8	18	+123%	+125%
Others (incl. Elim)	2	7	na	na
TEREOS Group	94	109	+15%	+18%

Recurring EBIT by division € m	20/21 Q1	21/22 Q1	var (current forex)	var (constant forex)
Sugar Europe	17	4	-78%	-79%
Sugar International	9	19	+109%	+115%
Starch & Sweeteners	(15)	(4)	na	na
Others (incl. Elim)	1	6	na	na
TEREOS Group	11	25	+123%	+126%

***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 favourable 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 cash flow.*

B. MARKET EVOLUTION

WORLD SUGAR MARKET

NY11 sugar prices at $16.9 cts/lb on the first quarter of the fiscal year soared by 54% compared to the same period last year (+5% compared to Q4 20/21). Prices are driven by the tension on the commodity markets and by the prospect of lower Brazilian exports and a world market around equilibrium.

SUGAR EUROPE

According to the European Observatory, the price of sugar stood at €396/metric ton in May 2021, an increase of €84/metric ton (+27%) compared to a historical low in January 2019. Prices remain under pressure with the market being in deficit because of the poor 2020 crop and the rebound in consumption.

For the 2021 crop, the European market is expected yet again in deficit: the pace of sown surface reduction should remain unchanged while yields are, as of date, expected in line with the 5 years average despite the frost episodes that occurred in Europe during the spring 2021.

ETHANOL BRAZIL

ESALQ ethanol prices continued to rise during the first quarter of the fiscal year, reaching R$2.77/liter, up 89% compared to the same period last year (+17% compared to Q4 20/21). This increase is driven by the robust rebound in consumption and higher fuel prices in Brazil.

ETHANOL EUROPE

Driven by the rebound in fuel consumption due to the improving sanitary situation and the increase in cereal prices, the T2 Rotterdam ethanol prices averaged €617/m^3 during the first quarter of the fiscal year, up 22% compared to the same period last year.

The outlook on the T2 is positive with the European market yet expected in deficit.

CEREALS

Wheat: MATIF wheat prices remained high at an average €214/metric ton during the first quarter of the fiscal year, up 14% compared to the same period last year. Prices are driven by the drought in North America, lower than average temperatures in Russia and a still robust Chinese demand.

Corn: MATIF corn prices remained high, averaging €244/metric ton during the first quarter of the fiscal year, up 47% compared to the same period last year. This increase is driven by poor crops in Brazil and concerns about the crop in the United States because of the drought. Moreover, the Chinese demand remains very strong.