

Annual results 2021/22:**Improved results
EBITDA target reached six months ahead of schedule**

(at March 31, 2022)

Audited figures

- Revenues of €5,086 million, up 18% at current exchange rates, thanks to strong commercial momentum and supported by higher ethanol and sugar prices and stronger performance by the starch segment.
- EBITDA of €682 million in FY 21/22, up 47% at current exchange rates. Tereos posted a strong sales and industrial performance, with an additional boost also coming from the increase in raw material prices and showed discipline in its general and administrative expenses in an inflationary environment. Tereos reached its EBITDA target – between €600 million and €700 million six months earlier than the original target date of September 2022.
- Recurring EBIT of €302 million, with a 5.9% margin.
- Net financial expense of €214 million, up from €128 million last year, chiefly as a result of the rise in interest rates in Brazil and the appreciation of the Brazilian real.
- Net income up €172 million including a €96 million capital gain on asset disposals.
- Strong reduction in debt leverage to 3.5x (vs 5.5x as of end of March 2021), a level that remains high; net debt of €2,387 million, decreasing thanks to positive net cash from operating activities and proceeds from asset disposals.
- As part of its asset portfolio review, Tereos has completed the sale of its activities in China, Mozambique, and its shareholding in Copagest. The Group has also initiated the formalities to terminate the activities of Tereos Sugar Romania, its sugar operations in Romania.
- Appointment of Ludwig de Mot as Chairman of the Management Board on April 5, 2022.



Gérard Clay, Chairman of Tereos' Supervisory Board, commented:

"This year has demonstrated the Group's ability to execute a strong strategic shift, which is a key first step. The challenges of restoring profitability and securing the future of our sector still lie ahead of us. Today, we are entering an acceleration phase in the implementation of our strategy with the arrival of Ludwig de Mot as Chairman of the Management Board. Tereos is maintaining its focus on returning to solid performance over the long term, with debt reduction and better remuneration for our cooperative members as priorities."

Ludwig de Mot, Chairman of Tereos' Management Board, added:

"These results, supported by favorable conditions in 2021, reflect the effects of the strategic plan and our new value-oriented commercial policy. Throughout the fiscal year, productivity and cost reduction efforts were made. Loss-making non-strategic assets were sold. The new stage that is now beginning aims to build a culture of performance. In this context, we will continue our organizational transformation and intensify the search for industrial excellence, both in terms of management and investments. In a demanding context that calls for caution, these actions are intended to make Tereos more agile and responsive."

GROUP RESULTS

Key figures € m	20/21 Q4	21/22 Q4	% chg. (at current exch. rates)	% chg. (at constant exch. rates)	20/21 12m	21/22 12m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Revenues	1,115	1,542	38%	36%	4,317	5,086	18%	17%
Adjusted EBITDA ¹	92	258	181%	177%	465	682	47%	46%
Adjusted EBITDA margin	8.3%	16.8%			10.8%	13.4%		
Recurring EBIT ²	(12)	160	na	na	86	302	251%	249%
EBIT margin ²	na	10.4%			2.0%	5.9%		
Net income (loss)	(39)	133	na	na	(133)	172	na	na

Consolidated **revenues** rose to €5,086 million in FY 21/22, up 18% at current exchange rates and up 17% at constant exchange rates from €4,317 million last year.

The main factors driving revenues were prices in the sugar, ethanol and starch product segments, and the healthy volumes recorded in the starch activities. These positive trends offset the weak volumes caused by the poor Brazilian crop and, to a lesser extent, last year's beet yellows virus-affected the European sugar beet crop.

In Q4 21/22, consolidated revenues rose to €1,542 million, up 38% at current exchange rates and up 36% at constant exchange rates from €1,115 million in Q4 20/21.

¹ See the definition of adjusted EBITDA in the Appendix.

² EBIT excluding non-recurring items (€-77 million in 20/21 and €81 million in 21/22)



Adjusted EBITDA¹ totaled €682 million in FY 21/22, up 47% at current exchange rates and up 46% at constant exchange rates from €465 million last year.

Adjusted EBITDA reflected Tereos' strong sales and industrial performance against a backdrop of higher raw materials and energy costs and strong market volatility.

In Q4 21/22, adjusted EBITDA totaled €258 million, compared to €92 million in Q4 20/21.

Consolidated **recurring EBIT**² totaled €302 million in FY 21/22, up 251% at current exchange rates and up 249% at constant exchange rates from €86 million last year. In Q4 21/22, recurring EBIT totaled €160 million, compared to a €12 million loss in Q4 20/21.

Consolidated **net financial result** amounted to a charge of €214 million for FY 21/22, a 67% increase compared to the €128 million recorded last year. This trend was caused by higher financial expenses with the rise in interest rates in Brazil and unfavorable currency effects.

Brazil's SELIC benchmark rate rose from 1.90% in March 2021 to 11.65% in March 2022, resulting in an increase in the average benchmark rate from 2.24% in FY 20/21 to an average rate of 6.42% in FY 21/22.

Tereos' recent euro-denominated bond issues carry higher coupons than those on the issues that it refinanced, which were issued before the end of the quota period (late 2017). However, the Group's financing conditions have been improving steadily since 2020. In particular, a €350 million refinancing transaction was realized in January 2022 at a very attractive 4.750% rate amid market volatility.

FY 21/22 consolidated **net income** came to €172 million. This improvement on the FY 20/21 loss of €133 million was mainly due to Tereos' good operating performance and the capital gains recorded on asset disposals.

1. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

Revenues from the Sugar and Renewables Europe division amounted to €1,896 million in 21/22, up 11% at current exchange rates from €1,705 million in 20/21.

The increase in the division's revenues was driven primarily by sugar and ethanol prices. Revenues moved higher despite a negative volume effect in the first six months of the financial year caused by the low level of the beet yellows-affected crop.

The division's Q4 21/22 revenues amounted to €587 million, up 35% at current exchange rates from €435 million in Q4 20/21.

The division's **adjusted EBITDA** totaled €252 million in 21/22, up 69% at current exchange rates from €149 million in the previous financial year.



Higher selling prices, which have so far outweighed the increase in energy costs, drove the rise in adjusted EBITDA. Furthermore, the division recorded a healthy industrial performance.

In Q4 21/22, adjusted EBITDA was €81 million, compared to a breakeven EBITDA performance in Q4 20/21. This trend reflected the recognition last year of a €25 million charge for the low-capacity utilization of the sugar beet processing plants.

The division's **recurring EBIT** totaled €117 million in 21/22, up from €22 million in the previous financial year. In Q4 21/22, the division's recurring EBIT totaled €44 million, compared to a loss of €33 million in Q4 20/21.

SUGAR AND RENEWABLES INTERNATIONAL

Revenues from the Sugar and Renewables International division amounted to €1,004 million in FY 21/22, up 6% at current exchange rates and up 5% at constant exchange rates from €944 million in 20/21.

The increase in the division's revenues was driven primarily by the rise in ethanol and, to a lesser extent, sugar prices. Lower volumes caused by the year's poor sugarcane crop kept the revenue increase from being even higher.

The division's Q4 21/22 revenues amounted to €342 million, up 27% at current exchange rates and up 21% at constant exchange rates from €270 million in Q4 20/21.

The division's **adjusted EBITDA** totaled €225 million in FY 21/22, down 9% at both current and constant exchange rates from €246 million in the previous financial year.

The decline was caused by a fall in volumes linked to higher agricultural costs, following the poor Brazilian campaign and higher inflation in Brazil. These factors were partially offset by the higher selling prices of ethanol and sugar.

The division's Q4 21/22 adjusted EBITDA came to €99 million, up 39% at current and up 35% at constant exchange rates from €71 million in Q4 20/21.

The division's **recurring EBIT** totaled €73 million in FY 21/22, down 27% at current and at constant exchange rates from €100 million in the previous financial year. In Q4 21/22, the division's recurring EBIT totaled €57 million, compared to €35 million in Q4 20/21.

STARCH, SWEETENERS AND RENEWABLES

Revenues from the Starch, Sweeteners & Renewables division amounted to €1,953 million in FY 21/22, up 35% at current exchange rates from €1,449 million in FY 20/21.

The division's results were underpinned by higher prices and volumes across all the product categories.



The division's Q4 21/22 revenues amounted to €590 million, up 55% at current exchange rates from €381 million in Q4 20/21.

The division's **adjusted EBITDA** totaled €153 million in 21/22, up 118% at current exchange rates from €70 million in the previous financial year.

Price increases helped to offset the strong impact of crop and energy prices. Thanks to the operational and commercial actions taken since 2020, the division's performance during the year was excellent.

In Q4 21/22, the division's adjusted EBITDA totaled €68 million, compared to €16 million in Q4 20/21.

The division's **recurring EBIT** totaled €62 million in 21/22, up from a loss of €24 million in the previous financial year. In Q4 21/22, the division's recurring EBIT totaled €47 million, compared to a loss of €9 million in Q4 20/21.

2. NET DEBT

Net debt at March 31, 2022 stood at €2,387 million compared to €2,533 million at March 31, 2021. Excluding Readily Marketable Inventories¹ (€466 million that can be converted into cash at any time), the Group's adjusted net debt totaled €1,921 million.

The decline in net debt compared to March 31, 2021, reflects a positive operating cash flow before the change in the Working Capital Requirement (WCR) and the disposal proceeds. These factors more than offset the negative impact of exchange rate fluctuations on debt.

The change in the WCR had a positive impact on Tereos' cash flow in FY 21/22. It benefited strongly from the cash effect of the positive commodity hedging positions, chiefly on gas. This effect offset the impact of higher inventories and receivables as a result of higher volumes (beet crop back at a normal level after falling to a very low level in 2020/21), production costs and sales prices.

The positive effect of hedges on WCR is temporary. It reflects the difference between (i) the market price of the underlying commodity, and (ii) the price level hedged, amid a high volatility environment.

The Group's debt leverage improved further, continuing its steady decrease since FY 19/20. Its leverage ratio at March 31, 2022 stood at 3.5x, an improvement on the 5.5x recorded at March 31, 2021.

¹ The amount of "Readily Marketable Inventories" at March 31, 2022 breaks down into (i) €414 million of finished products including €397 million for sugar and €17 million for ethanol (ii) €48 million of raw materials including €15 million for wheat, €28 million for corn, €5 million sugar for processing (iii) €3 million of coal and gas.



The FY 21/22 leverage ratio was the lowest level recorded since the 2017/18 year-end (a year still covered by the sugar quota regime). However, this remains a high level, and Tereos is targeting a leverage ratio of below 3x by 2024.

The Group's financial security amounted to €1,165 million at March 31, 2022. It consisted of €615 million in cash and cash equivalents and €550 million in undrawn confirmed long-term credit lines. This amount exceeds the short-term debt repayments due, and some of these maturities consist of renewable lines.

During the fourth quarter of FY 21/22, Tereos carried out two financing transactions:

- It issued a bond for a nominal amount of €350 million due 2027 with an effective yield to maturity of 4.75%, demonstrating that Tereos now enjoys far better financing terms in the bond market as a result of investor confidence in the Group's strategy and outlook. As a reminder, Tereos had issued bonds at an effective yield to maturity of 8.00% in October 2020 and then 5.79% in April 2021.
- Refinancing of the Starch and Sweeteners division's Revolving Credit Facility: This line was refinanced ten months ahead of its maturity through a sustainability-linked loan, with the support of the Group's banking partners.

Net debt at March 31, 2022 breaks down as follows:

Net debt € m	March 31, 2021	March 31, 2022	Current	Non- current	Cash and cash equivalents
Net debt	2,533	2,387	458	2,543	(615)
Net debt / EBITDA ratio	5.5x	3.5x			
Net debt / EBITDA ratio excl. RMI*	4.7x	2.8x			

* Readily Marketable Inventories: €466 million as of March 31, 2022 and €346 million as of March 31, 2021



POST-CLOSING EVENTS

Appointment of Ludwig de Mot as Chairman of the Management Board to accelerate Tereos' transformation

On April 5, 2022, Tereos' Supervisory Board appointed Ludwig de Mot as Chairman of the Management Board. His remit is to accelerate the Group's transformation and continue the improvement in its results, while rolling out the CSR strategy (Sustain'2030 program).

Ludwig de Mot has held senior executive roles at several large groups such as McBride (maintenance products), Lhoist (minerals and lime production) and SCA Packaging (forestry products) during his 25-year career in industry and the BtoB sector.

His industrial experience and expertise in transformation are assets that will enable Tereos to deploy an operational strategy at its various production sites, to continue the improvement in its results and accelerate its return to sustainable profitability.

SHORT-TERM OUTLOOK

War in Ukraine

Tereos deplores the critical humanitarian situation caused by the war in Ukraine and has mobilized its teams to provide essential products to the Ukrainian people and to refugees via its subsidiaries operating closest to the areas of conflict.

Since the war began on February 24, volatility, and the price increase already evident in the raw materials and energy markets have intensified. The likely economic and financial impact and the duration of the situation are difficult to assess.

A crisis unit has been set up to review on an ongoing basis the effects on the crisis on the Group's various business activities. At this stage, Tereos has predominantly felt the impact of the situation via its production costs (crop, input and energy costs). Its commercial activities have been affected only very modestly given the low volumes exported to the affected regions.

Tereos' teams are fully mobilized and are continuously adapting their strategy to manage the market and price volatility as effectively as possible while observing the European and international constraints.

2022/23 Cash flows

The sharp increase in raw materials and energy costs has automatically driven up the WCR, which will impact the level of net debt. The Group's net debt at March 31, 2023 is expected to be higher than at March 31, 2022.



Launch of the new sustainability strategy

In 2022, Tereos is pursuing its commitment to sustainability with the introduction of a new ten-year roadmap. The Sustain'2030 plan features five pillars and 10 key indicators. It covers sustainable agriculture, decarbonization, biodiversity, nutrition/health and societal commitment.

Under this new sustainability plan, the Group is planning to reduce carbon emissions from its European plants by 30% and to lower its water consumption by 20% by 2030.

MEDIUM-TERM OUTLOOK

As illustrated by a strong set of financial results for the FY21/22, the Group is on track to achieve its 2024 targets. Measures implemented in 2021 offering rapid results are already producing their effects (asset disposal, new commercial strategy and tight grip on general and administrative expenses). Tereos is pressing ahead with the transformation of its organization to become more agile and responsive amid the higher level of market volatility.

As a reminder, the 2024 targets previously disclosed are:

- Recurring EBIT margin 5%
- Positive free-cash-flow generation
- Net debt below € 2bn
- Debt leverage below 3x

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 Tereos cooperative group, a union of more than 12,000 cooperative members, has a recognized know-how in the processing of beet, sugarcane, cereals, alfalfa, and potatoes. Through 44 industrial sites, a presence in 13 countries and the commitment of its 19 800 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2021/22, the Group posted €5,1 bn turnover.

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APPENDIX

A. GROUP'S RESULTS IN DETAIL

Volumes sold	20/21 Q4	21/22 Q4	% chg.	20/21 12m	21/22 12m	% chg.
Sugar and Sweeteners (k. tco)	1,481	1,482	0%	6,270	5,819	-7%
Alcohol and Ethanol (k. m ³ .)	495	490	-1%	1,684	1,549	-8%
Starch and Protein (k. tco)	248	235	-5%	1,072	1,117	4%
Energy (GWh)	92	133	45%	1,585	1,303	-18%

Income statement € m	20/21 12m	21/22 12m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Revenues	4,317	5,086	18%	17%
Adjusted EBITDA	465	682	47%	46%
<i>EBITDA margin</i>	10.8%	13.4%		
Seasonality adjustment	4	1		
Depreciation, amortization	(380)	(396)		
Other	(2)	15		
Recurring EBIT	86	302	251%	249%
<i>Recurring EBIT margin</i>	2.0%	5.9%		
Non-recurring items	(77)	81		
Financial result	(128)	(214)		
Corporate income tax	(21)	(15)		
Share of profit of associates	8	17		
Net result	(133)	172	na	na

Adjusted EBITDA corresponds to net income (loss) before income tax, the share of income from equity affiliates, net financial income, depreciation, amortization and impairment, goodwill impairment, bargain purchase gains, and earn-out payments. 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, changes 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 and amortization charges and earn-out payments between the Group's financial statements under IFRS and the Group's management accounts. Adjusted EBITDA is not a financial indicator defined as a measure of financial performance under IFRS and may not be comparable to similar indicators referred to using the same term 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.



Change in Net Debt € m	20/21 12m	21/22 12m
Net Debt (opening position) excl. IFRS 16	(2,443)	(2,421)
Adjusted EBITDA	465	682
Other operating cash flows	21	89
Net financial charges	(104)	(164)
Income tax paid	(18)	(21)
Cash flows	364	586
Maintenance & renewals	(243)	(255)
Other CAPEX	(120)	(116)
Cash flow after CAPEX	1	215
Change in working capital	73	35
Cash Flow from operating activities	74	251
Financial investments	(8)	(36)
Disposals of assets	4	129
Dividends received	11	12
Cash flow from (used in) investing activities	7	105
Cash flow after investing activities	81	356
Dividends paid & price complement	(20)	(23)
Capital increases/other capital movements	4	(1)
Cash flow from (used in) capital transactions	(16)	(23)
Free cash flow	65	333
Other (incl. forex effects)	(43)	(148)
Net debt excluding IFRS 16 impact	(2,421)	(2,236)
IFRS 16 impact	(112)	(151)
Net debt – closing position	(2,533)	(2,387)



B. RESULTS BY DIVISION

Revenues by division € m	20/21 Q4	21/22 Q4	var. (current forex)	var. (constant forex)	20/21 12m	21/22 12m	var. (current forex)	var. (constant forex)
Sugar Europe	435	587	35%	34%	1,705	1,896	11%	10%
Sugar International	270	342	27%	21%	944	1,004	6%	5%
Starch and Sweeteners	381	590	55%	54%	1,449	1,953	35%	35%
Others (incl. elim.)	29	23	-	-	219	233	-	-
Tereos Group	1,115	1,542	38%	36%	4,317	5,086	18%	17%

Adjusted EBITDA by division € m	20/21 Q4	21/22 Q4	var. (current forex)	var. (constant forex)	20/21 12m	21/22 12m	var. (current forex)	var. (constant forex)
Sugar Europe	0	81	na	na	149	252	69%	68%
Sugar International	71	99	39%	35%	246	225	-9%	-9%
Starch and Sweeteners	16	68	333%	333%	70	153	118%	118%
Others (incl. elim.)	5	11	-	-	0	53	-	-
Tereos Group	92	258	181%	177%	465	682	47%	46%

Recurring EBIT by division € m	20/21 Q4	21/22 Q4	var. (current forex)	var. (constant forex)	20/21 12m	21/22 12m	var. (current forex)	% var. (constant forex)
Sugar Europe	(33)	44	na	na	22	117	438%	432%
Sugar International	35	57	63%	63%	100	73	-27%	-27%
Starch and Sweeteners	(9)	47	na	na	(24)	62	na	na
Others (incl. elim.)	(4)	12	-	-	(12)	51	-	-
Tereos Group	(12)	160	na	na	86	302	251%	249%



C. MARKET TRENDS

WORLD SUGAR MARKET

The NY11 sugar price fell back to a low of \$17.8 cts/lb at the beginning of the quarter, then headed higher again, peaking at \$19.6 cts/lb in late March 2022. Pricing trends over the quarter tracked the uptrend in Brazilian ethanol, which is now more competitive than fuel at the pump. The sugar production surplus in India was offset by stronger demand from Asia, especially Indonesia and India. The NY11 prices averaged \$18.6 cts/lb during the quarter (up 15% on the same period of the previous year). Year-to-date, the NY11 averaged \$18.4 cts/lb over financial year 21/22, up 37% from last year.

In the short term, the outlook for sugar prices remains uncertain since supply and demand remain close to equilibrium point and the possibility of an increase in imports of Brazilian ethanol. Over the medium term, the outlook is more bullish, with the war in Ukraine pushing up energy and fertilizer prices. The war could also contribute to a switchover from beet to wheat crops. These factors could lead to sugar shortage, which would be exacerbated in the event of unfavorable climate events.

SUGAR EUROPE

Sugar prices in Europe continued to move higher in Q4 21/22. According to the European Observatory, they stood at €441/metric ton in February 2022, an increase of €46/metric ton since April 2021 and of €129/metric ton (up 41%) from the record low in January 2019. These pricing levels reflect the upturn in consumption after the two-year-long pandemic crisis and the surge in energy prices.

The trend of high prices is expected to hold up over the coming months amid the decline in planted surface areas in Europe for the fifth year in a row. Agricultural risks, such as the beet yellows virus, and the reduced use of fertilizers as a result of their higher cost have fueled the uptrend in sugar prices.

ETHANOL BRAZIL

ESALQ ethanol prices averaged BRL3.12/liter in the final quarter, up 33% compared to the same period last year. The uptrend in prices was underpinned by the hike in fuel prices announced by Petrobras when the war broke out in Ukraine. Over financial year 21/22, ESALQ ethanol prices averaged BRL3.13/liter, up 66% compared to the same period last year.

Uncertainty persists concerning the pricing levels likely over the next few months. The development conditions for sugar cane will impact the level of ethanol production. Higher imports and reduced purchasing power in Brazil could put some downward pressure on ethanol prices.

ETHANOL EUROPE

T2 Rotterdam ethanol prices averaged €1,016/m³ in the final quarter, up 95% compared to the same period last year. This increase was supported by the passing-on of the surge in production costs as a result of the war in Ukraine and strong demand for biofuels amid the prospect of an end to the pandemic crisis. In addition, the European ethanol market continues to be affected by a shortage. Over financial year 21/22, T2 Rotterdam ethanol prices averaged €848/m³, up 45% compared to last year.



The medium-term outlook for T2 remains positive with the European market experiencing structural supply shortages, demand exceeding supply and a very limited impact from imports. Production costs are set to remain high given the war in Ukraine. The change in biofuels against the backdrop of switches triggered by food sovereignty decisions in Europe is likely to push T2 prices lower.

CEREALS

Wheat: In Q4 21/22, MATIF wheat prices averaged €310/metric ton, up 37% from their level in the same period of the previous year. With the outbreak of war in Ukraine, prices hit a record high of around €420/metric ton during the quarter. Over financial year 21/22, MATIF wheat prices averaged €262/metric ton, up 29% compared to last year.

Prices are expected to remain very high as a result of the geopolitical instability. Sea routes for Ukrainian wheat exports have been blocked off, while Russian exports are limited by European and US sanctions. What's more, the drought in Western Europe and North America has accentuated the upward pressure on wheat prices.

Corn: MATIF corn prices averaged €283/metric ton in Q4 21/22, up 31% from their level in the previous year. A new record high of around €380/metric ton was set during the quarter. Higher prices reflect the halting of Ukrainian corn exports as a result of the war that began on February 24, 2022. Over financial year 21/22, MATIF corn prices averaged €251/metric ton, up 35% compared to last year.

The geopolitical situation in Eastern Europe is likely to keep prices in a high range, owing to uncertainties about the level of production of Ukrainian corn over the coming campaign. The drought in Latin America could further reduce global corn supply at a time when it is already under pressure.

GAS EUROPE

The gas market remains under pressure, with high prices and strong volatility. European gas prices currently range between €80/MWh and €100/MWh, after peaking at around €124/MWh in March 2022.

The tense geopolitical situation has increased uncertainty about Russian gas supplies in 2022. A suspension of Russian gas flows to Europe would directly affect the rebuilding of gas stocks in Europe ahead of next winter. That scenario could spark a surge in gas prices. Temperature levels over the coming months and developments in the Ukraine war will be the key factors determining the direction of the gas market over the short term.

