Press release

Paris, 22 February 2023

Third quarter 2022/23

Improvement across all divisions over the nine-month period

(April 2022 – December 2022)

- **During the first nine months of the financial year, revenues amounted to €4,778 million, up 35% compared to the same period in 2021/22, driven by higher prices across all segments.**

- **EBITDA of €769 million over the nine-month period, up 81% compared to the previous year, thanks to the strong performance of our commercial and cost management strategies, notably through our hedging instruments for energy and raw materials.**

- **EBITDA over a rolling 12-month period maintained the positive trend and reached €1,027 million on December31, 2022 compared to €946 million at the end of September 2022. This was driven by a good performance across the Group's three divisions.**

- **Recurring EBIT of €447 million over the nine-month period, compared to €142 million in 21/22.**

- **As anticipated in the Group's results announcements since Q4 21/22, the sharp rise in raw materials and energy prices has automatically led to an increase in working capital and thus in the level of net debt as of the third quarter of 2022/23. For this reason, net debt, which reached €2,913 million, was up by €389 million compared to December 31, 2021 and by €527 million compared to March 31, 2022. As a result, debt leverage is up, at 2.8x, versus 2.4x at the end of September 2022, but improving compared to the leverage of 3.5x reached at the end of March 2022.**

- **Structural debt – debt excluding the amount of working capital – continued to improve and dropped to €1,357 million at the end of December 2022, an improvement of €378 million compared to the end of December 2021, of €321 million compared to March 31, 2022 and of €151 million compared to the end of September 2022 (H1 22/23).**

GROUP RESULTS

Key figures € m	21/22 Q3	22/23 Q3	% chg. (at current exch. rates)	% chg. (at constant exch. rates)	21/22 9m	22/23 9m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Revenues	1,345	**1,804**	34%	34%	3,544	**4,778**	35%	32%
Adjusted EBITDA[1]	223	**305**	37%	35%	424	**769**	81%	73%
Adjusted EBITDA margin	*16.6%*	*16.9%*			*12.0%*	*16.1%*		
Recurring EBIT[2]	111	**181**			142	**447**		
EBIT margin[2]	*8.2%*	*10.0%*			*4.0%*	*9.4%*		
Net income	90	**94**	5%	7%	40	**227**	n/a	n/a

Consolidated revenues rose to €1,804 million in Q3 22/23, up 34% at current and constant exchange rates, compared to €1,345 million in Q3 21/22. Over the past nine months, revenues reached €4,778 million, up 35% at current exchange rates and 32% at constant exchange rates compared to the same period during the previous year.

Consolidated **adjusted EBITDA[1]** grew to €305 million in Q3 22/23, up 37% at current exchange rates and 35% at constant exchange rates, versus €223 million in Q3 21/22. Over the past nine months, adjusted EBITDA reached €769 million versus €424 million for the nine-month period ending on December 31, 2021. Over the past twelve months, adjusted EBITDA amounted to €1,027 million versus €946 million at the end of September 2022 and €682 million at the end of March 2022.

The consolidated **recurring EBIT[2]** grew to €181 million in Q3 22/23 versus €111 million in Q3 21/22. Over the past nine months, recurring EBIT rose to €447 million versus €142 million for the same period during the previous year.

The results are driven by price increases (sugar, alcohol, ethanol and sweeteners) combined with effective cost management.

1. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

In **France**, the 2022/23 campaign ended on January 15, 2023. Campaign yields were lower than the average for the past five years.

Sugar and Renewables Europe division **revenues** reached €698 million in Q3 22/23, up 25% at current exchange rates compared to €557 million in Q3 21/22.

Adjusted EBITDA for the division reached €84 million in Q3 22/23, versus €100 million in Q3 21/22, down 15% at current and constant exchange rates.

Recurring EBIT for the division amounted to €48 million in Q3 22/23, versus €63 million in Q3 21/22.

Over the quarter, a slight decrease in EBITDA compared to Q3 21/22 is observed since the annual B2B sugar contracting campaign of 22/23, concluded at an average price of around €900 per tonne, will only have a

[1] Please see the definition of adjusted EBITDA in the appendix.
[2] EBIT excluding non-recurring elements (€20 million in 21/22 and €4 million in 22/23)

full impact on the results as of Q4 onwards. For the Q3, this partial impact was offset by the negative effect of the sharp increase in raw material and energy prices on production costs during the period.

SUGAR AND RENEWABLES INTERNATIONAL

In Brazil, the sugar campaign ended at the end of November 2022 with a total of 17.3 million tonnes of sugarcane processed, up from 15.6 million tonnes during the 2021 campaign, but still below the average for the past five years.

Sugar and Renewables International division **revenues** increased to €468 million in Q3 22/23, up 96% at current exchange rates and 92% at constant exchange rates, versus €239 million in Q3 21/22.

Adjusted EBITDA for the division reached €152 million in Q3 22/23, versus €65 million in Q3 21/22, up 136% at current exchange rates and 130% at constant exchange rates.

Recurring EBIT for the division amounted to €92 million in Q3 22/23, versus €15 million in Q3 21/22.

The division results are driven by the positive trend in sugar and ethanol prices and the increase in volumes related to the turnaround in the volume of sugarcane processed in 2022 compared to 2021.

STARCH, SWEETENERS AND RENEWABLES

Starch, Sweeteners and Renewables division **revenues** grew to €594 million in Q3 22/23, up 17% at current and constant exchange rates, versus €507 million in Q3 21/22.

Adjusted EBITDA for the division reached €90 million in Q3 22/23, versus €38 million in Q3 21/22, up 138% at current exchange rates.

Recurring EBIT for the division amounted to €65 million in Q3 22/23, versus €13 million in Q3 21/22.

The improvement in the division's results continues to reflect the increase in selling prices compared to the previous year. The successful execution of the commercial strategy and production optimization (starches, sweeteners, alcohol and ethanol) allowed the division to secure margins despite the increase in production costs (wheat, corn and gas).

2. NET FINANCIAL DEBT

Net financial debt on December 31, 2022 stood at €2,913 million compared to €2,387 million on March 31, 2022, an increase of €527 million. Excluding readily marketable inventories (€1.06 billion that can be converted into cash at any time), the Group's adjusted net debt amounted to €1,851 million.

The increase in debt compared to March 31, 2022 is related to the significant increase in working capital, a factor that was anticipated and reported in recent result releases. This effect was higher than the positive operating cash flow before investments of €579 million over the nine-month period, which largely covers CAPEX (€240 million, down from the same period last year).

The variation in working capital had a strong negative impact on cash flow over the past nine months and during Q3 22/23 in particular. As a reminder, during the first nine months of 21/22, the impact was strongly positive thanks notably to the variation in market value of the Group's hedges (margin calls) during the period (between March and December). For the first nine months of 22/23, the effect of this variation concerning hedges was negative. In addition, the rise in energy and raw material prices has led to a large increase in the unitary value of our inventory. These two factors (hedge variations and inventory value) are the main elements explaining the increase in working capital during the period from March to December 2022. There was also a significant positive effect on supplier accounts, of a lower magnitude than the two factors mentioned above.

The Group's debt leverage stood at 2.8x at the end of December 2022, below the 3.5x reported at the end of March 2022.

The Group maintains the trend of reducing structural debt (debt excluding working capital).

At the end of December 2022, the Group's financial security grew to €642 million, consisting of €442 million in cash and cash equivalents and €200 million in undrawn confirmed long-term credit lines.

The net financial debt as of December 31, 2022 can be broken down as follows:

Net debt € m	March 31, 2022	Dec 31, 2022	Current	Non-current	Cash
Net debt	2,387	**2,913**	830	2,525	(442)
Net debt/EBITDA ratio	3.5x	**2.8x**			
Net debt/EBITDA ratio excluding RMI*	2.8x	**1.8x**			

**Readily marketable inventories: €466 million at the end of March 2022 and €1,062 million at the end of December 2022*

Net debt excluding working capital is down €378 million compared to the end of December 2021.

Net debt € m	Dec 31, 2021	March 31, 2022	Dec 31, 2022
Net debt	2,524	2,387	**2,913**
Working capital	789	709	**1,556**
Structural debt (excluding working capital)	1,735	1,678	**1,357**

POST-CLOSING EVENTS

NEW BOND ISSUE

On 24 January 2023, Tereos issued a new 5.3 year €350 million bond with an annual coupon of 7.25%.

Following strong investor demand and a positive response to Tereos' credit profile, the transaction was upsized from €300 million to €350 million.

The gross proceeds of the offer will be primarily used to refinance existing bonds maturing in 2023 issued by Tereos Group when they are redeemable at par. This transaction allows Tereos Group to improve its debt structure and to lengthen the average maturity of its debt.

The strategy implemented by the management team over the last two years has continued to deliver the expected results, contributing to the strong and continuous improvement in profitability. After a series of refinancing operations since 2021 and rating upgrades from both S&P and Fitch, Tereos has successfully concluded this transaction, which once again demonstrates investors' confidence in the group's governance and its strategy.

SALE OF ASSETS IN ROMANIA

Tereos announced the takeover of its sugar activity in Romania by two independent Romanian investors (Mihaela Neagu and Mihail-Daniel Matache). The Group is pleased today to have found a buyer for the Ludus industrial site, for which the Group had announced plans to close in 2021.

2022/23 CASH FLOWS

As anticipated in our result announcements for the past four quarters, the sharp increase in raw materials and energy costs mechanically led to an increase in working capital, which impacted the level of net debt in Q3 22/23. Such impact will persist in Q4 22/24. The Group's net debt on March 31, 2023 is therefore expected to be higher than on March 31, 2022.

APPOINTMENT OF THE NEW MANAGING DIRECTOR OF THE TEREOS COOPERATIVE

At the end of the meeting of the Board of Directors held on 8 February 2023, Jorge Boucas was appointed, as of 20 April 2023, Managing Director of the Tereos Cooperative. As such, he will be responsible for leading the Management Committee.

Jorge Boucas's mission will be to carry out Tereos Group's strategic project, defined by the Board of Directors in June 2021. It will be his responsibility to complete the turnaround of the Cooperative, to roll out the decarbonization plan in response to the energy challenges affecting our industry as soon as possible and to propose new growth areas for Tereos Group to the Board of Directors.

The Board of Directors is continuing to pursue its objective of deleveraging the Group by improving its profitability. Based on financial results showing clear improvement, Jorge Boucas will continue the Group's managerial transformation by optimizing synergies and simplifying processes.

While also incorporating the challenges posed by the agroecological transition, Jorge Boucas will do everything possible to enable the Board of Directors to pay the best possible remuneration for the produce of cooperative members.

On 27 September 2022, Tereos Group announced a change in Managing Director, specifying that the name of the successor would be communicated at the end of the recruitment process. Until Jorge Boucas takes up his position, Gérard Clay, Chairman of the Board of Directors, will manage the Group with the support of the Management Committee.

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About Tereos Group

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 recognized know-how in the processing of beet, sugarcane, cereals, and potatoes. Through 43 industrial sites, a presence in 14 countries and the commitment of its 15,000 employees (figures as of end of September 2022), Tereos supports its customers close to their markets with a broad and complementary range of products. In 2021/22, the Group posted revenues of €5.1 billion.

FORWARD-LOOKING STATEMENTS: *This document includes "forward-looking statements" about Tereos SCA and its subsidiaries (the "Group"), including in relation to its financial results, strategy, plans or intentions. These statements may also address management's expectations regarding the Group's business, growth, future financial condition, operational outcomes and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time and, therefore, the Group's actual results may differ materially from those that management expected. The Group has based these forward-looking statements on its current views and assumptions about future events. Whilst it believes that these assumptions are reasonable, it is very difficult to predict the impact of known factors and, of course, it is impossible to anticipate all factors that could affect the Group's actual results. All forward-looking statements are based upon information available to management on the date hereof. Investors are cautioned not to place undue reliance on such information.*

APPENDIX

A. DETAILED RESULTS BY DIVISION

Revenues by division € m	21/22 Q3	22/23 Q3	% chg. (at current exch. rates)	% chg. (at constant exch. rates)	21/22 9m	22/23 9m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Sugar Europe	557	698	*25%*	*25%*	1,309	1,760	*34%*	*34%*
Sugar International	239	468	*96%*	*92%*	662	1,051	*59%*	*39%*
Starch & Sweeteners	507	594	*17%*	*17%*	1,363	1,792	*31%*	*30%*
Others (incl. elim.)	42	44	*3%*	*9%*	210	176	*-16%*	*5%*
Tereos Group	1,345	1,804	*34%*	*32%*	3,544	4,778	35%	*32%*

Adjusted EBITDA by division € m	21/22 Q3	22/23 Q3	% chg. (at current exch. rates)	% chg. (at constant exch. rates)	21/22 9m	22/23 9m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Sugar Europe	100	84	*-15%*	*-16%*	171	262	*53%*	*52%*
Sugar International	65	152	*136%*	*106%*	125	271	*117%*	*90%*
Starch & Sweeteners	38	90	*138%*	*136%*	85	238	*179%*	*178%*
Others (incl. elim.)	21	-22	*-20%*	*-204%*	42	-2	*-105%*	*-105%*
Tereos Group	223	305	*37%*	*27%*	424	769	*81%*	*73%*

Recurring EBIT by division € m	21/22 Q3	22/23 Q3	% chg. (at current exch. rates)	% chg. (at constant exch. rates)	21/22 9m	22/23 9m	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Sugar Europe	63	48			73	161		
Sugar International	15	92			16	119		
Starch & Sweeteners	13	65			15	170		
Others (incl. elim.)	20%	-23			39	-3		
Tereos Group	111	181			142	447		

***Adjusted EBITDA** corresponds to net income (loss) before income tax, the share of income from equity affiliates, financial income, amortization and depreciation, goodwill impairment, bargain purchase gains 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 elements that relates to trading activities, fluctuations in the fair value of biological assets, the seasonal effect and non-recurring elements. The seasonal effect corresponds to the temporary difference in the recognition of depreciation charges and the cost of price supplements between the Group's financial statements as per IFRS standards and the Group's management accounts. Adjusted EBITDA is not a financial indicator defined as a measure of financial performance by IFRS standards 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 DEVELOPMENTS

WORLD SUGAR MARKET

The price of NY11 sugar rose by an average of 10% from September 2022 (US$18.2cts/lb) to December 2022 (US$20.1 cts/lb). The lowest price of US$17.4 cts/lb was reached in early September and the peak was of US$21.0 cts/lb at the end of December. The upwards trend is due to a combination of resilient demand and reduced sugar availability, particularly in India and the EU. In India, the outlook concerning export quotas was between 8 and 9 million tonnes at the beginning of the last quarter in 2022. Such quotas have been reduced to 7 million tonnes at the end of 2022 and, later, at the beginning of 2023, the expected level dropped to 6 million tonnes due to a crop below expectations. In Europe, the relatively dry climate has impacted yield prospects, leading to an increase in imports during a period of reduced sugar availability worldwide.

SUGAR EUROPE

European observatory prices have continued to rise in recent months, following contractualization for the 22/23 campaign, which reflected inflation in production inputs (raw materials and energy), as well as a tighter supply/demand balance. This balance became particularly tense at the end of 2022 due to decreased yields linked to periods of frost that impacted several producers in Europe. The average observatory price reached €655/t in December 2022, an increase of €143/t compared to September 2022 and €234/t compared to the previous year. The reduced availability of sugar, aggravated during the campaign, has led to additional imports to meet demand.

ETHANOL BRAZIL

At the beginning of Q3, the price of ESALQ ethanol showed a strong upwards trend driven by the rise in domestic and global demand. In October, the price rose 12% compared to the previous month and the monthly average reached R$2.9/litre. Despite the significant price increase and a parity that exceeded 72% during the month, demand did not decline. During the month of November, the price showed a further increase of 6.5% compared to the previous month and reached R$3.1/litre, an increase driven by the prospect of a reapplication of government taxes on fuels in December, the beginning of the inter-campaign period and the acceleration of exports. This price increase in November had a negative impact on consumption, leading to a 2.6% reduction in December. At the end of Q3 22/23, prices received further support related to the prospect of the return of fuel taxes initially scheduled for January 2023, but in the end, this reapplication of taxes was not agreed for an additional two months.

ETHANOL EUROPE

European T2 ethanol prices continued their downwards trend in Q3 22/23, with a 29% reduction between September and December 2022, reaching an average of €717/m^3 in December. This reduction is mainly related to the acceleration of imports from Brazil and the United States, whilst cereal plants continued to produce at the same rate despite negative margins caused by rising energy prices. The price in December reached a level that no longer justified imports, leading to a rise in T2 prices to levels above €800/m^3 thereafter.

CEREALS

Wheat – MATIF wheat price averaged €336/t in September and peaked at €364/t in October, then dropped to an average of €308/t in December (down 8% compared to September). Supply-side tensions have been alleviated with the renewal of the Ukrainian grain corridor agreement until March 2023 and the prospect of good yields in Russia and Australia.

Corn – The average MATIF price fell from a level of €329/t in September to €291/t in December, a reduction of 11%. Exports from Ukraine have been confirmed thanks to the Black Sea corridor agreement, a key factor in offsetting low yields in Europe.

Prospects for cereal prices remain unclear, with the market largely reflecting the war or logistical constraints in locations where stocks are located.

GAS EUROPE

The PEG index for gas prices in France continued to be very volatile as in recent quarters. The PEG index was €160/MWh at the beginning of Q3 22/23 and ended 2022 at a level of €67/MWh, the lowest level since September 2021. The record level of imports of liquefied natural gas combined with a change in the consumption profile has led to a good level of storage in Europe. Mild temperatures in December helped to create a positive outlook in terms of supply for the following months. The markets remain confident about Europe's ability to secure supply, thanks to imports of liquefied natural gas and the resilience of flows from neighbouring regions. Nevertheless, the market tends to remain volatile and very responsive to any change in supply/demand trends.